

MARKET OUTLOOK

SYDNEY OLYMPIC PARK

Sydney Olympic Park is experiencing all three of the Urbis Property Economics and Research residential market fundamentals that support a sustainable region - population growth, infrastructure investment and employment generation

02
Location
& Accessibility

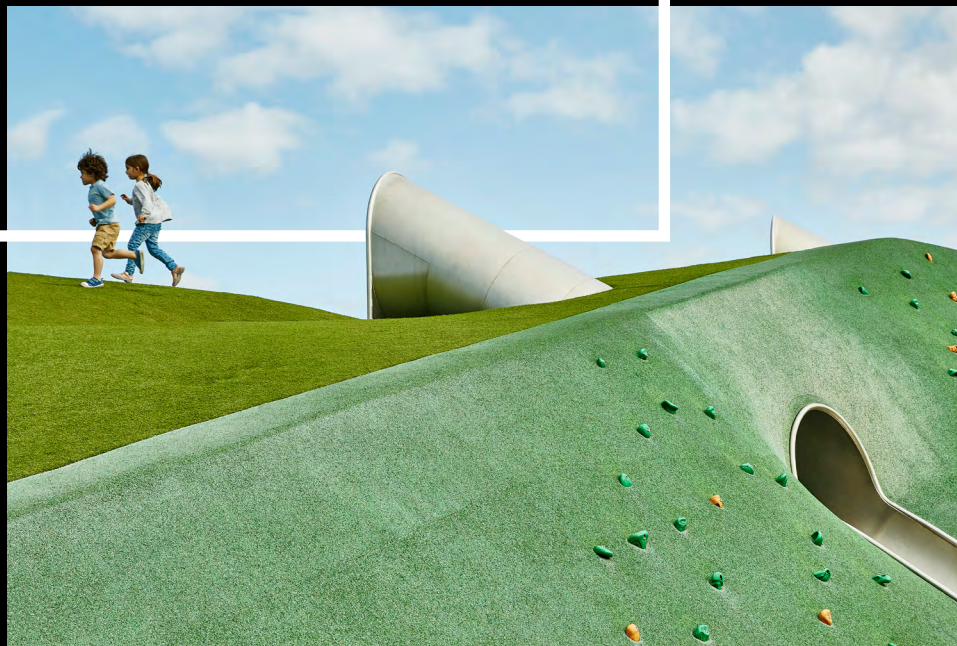
04
Infrastructure
& Employment

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Population &
Demographics

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Residential Market

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Rental Market

Prepared exclusively for
Mirvac
February 2016



LOCATION & ACCESSIBILITY

Sydney Olympic Park is located approximately 16 km west of the Sydney CBD and 7km east of the burgeoning Parramatta. The precinct was redeveloped for the 2000 Olympics as a large sporting, cultural and leisure complex. After the completion of the Olympics the area has undergone significant development, transitioning to a mixed-use precinct comprising a vibrant employment park with high rise apartment living and open space.

There are several primary and secondary schools located in the area, with plans to develop a high school as part of the Sydney Olympic Park 2030 Masterplan. In addition, the University of Sydney, Lidcombe Campus is located nearby.

Sydney Olympic Park is serviced mainly by Rhodes Waterside Shopping Centre with main tenants including Coles, IKEA and several food and beverage options. The Sydney Olympic Park Masterplan includes a large shopping mall with over 100,000 sq.m of space.

Sydney Olympic Park is located close to hospitals such as Auburn Hospital and Concord Hospital providing a range of health services to residents.


Sydney Olympic Park is home to numerous sporting facilities that host major sporting and entertainment events with many open to the public. Sydney Olympic Park boasts major parks comprising Bicentennial Park and Wentworth Common.

The train station at Sydney Olympic Park provides residents with access to the Sydney CBD and Western Sydney region. Concord West Station is also located nearby, providing commuters direct access to the Sydney CBD. The Sydney Olympic Park Ferry Wharf is located on Parramatta River, providing residents direct transport to Darling Harbour and Circular Quay.



Sydney Olympic Park is located 16 km west of the Sydney CBD in close proximity to parklands, entertainment and transport infrastructure.



 Train station

RETAIL AND ENTERTAINMENT

- 01 DFO Homebush
- 02 Westfield Burwood
- 03 Rhodes Waterside Shopping Centre
- 04 Sydney Markets
- 05 Bakehouse Quarter
- 06 Lidcombe Centre
- 07 ANZ Stadium
- 08 Qudos Bank Arena
- 09 Spotless Stadium
- 10 Sydney Showground

EDUCATION

- 11 Homebush Boys High School
- 12 Homebush Public School
- 13 The University of Sydney Lidcombe Campus
- 14 Newington Public School
- 15 St Patrick's College Strathfield
- 16 Concord High School
- 17 Strathfield North Public School
- 18 Auburn Public School
- 19 Trinity Catholic College Auburn Campus

HEALTH

- 20 Concord Hospital
- 21 Westmead Children's Hospital
- 22 Westmead Hospital
- 23 Auburn Hospital

PARKS AND RECREATION

- 24 Bicentennial Park
- 25 Cathy Freeman Park
- 26 Wentworth Common
- 27 Blaxland Riverside Park
- 28 Millennium Parklands
- 29 Sydney Olympic Park Aquatic Centre
- 30 Concord Golf Club
- 31 Mason Park

DINING PRECINCTS

- 32 Auburn Town Centre
- 33 Church Street, Parramatta

INFRASTRUCTURE & EMPLOYMENT

Sydney Olympic Park will benefit significantly from new transport infrastructure providing even faster access to employment centres throughout Sydney.

INFRASTRUCTURE

Sydney Olympic Park and the surrounding area will benefit from significant infrastructure investment over the next 15 years. This will improve amenity and connectivity as well as create more employment opportunities for residents. Major projects include:

01 WESTCONNEX (2023) \$3.6 Billion

WestConnex is Australia's largest urban transport project and is part of the plan to ease congestion and connect communities. The new motorway will support Sydney's long-term economic and population growth and provide linkages between Sydney's west and south-west with the CBD, Sydney Airport and Port Botany.

02 GREATER PARRAMATTA TO THE OLYMPIC PENINSULA (GPOP)

The Greater Sydney Commission has plans to turn the area into a successful inner-urban hub. The plans include a three-city layout with the current CBD changing to the Eastern City whilst GPOP acts as the Central City. The key components include inclusion of an Education Super Precinct, advanced technology and knowledge sectors within Camellia, Rydalmere, Silverwater and Auburn and an Olympic Park Lifestyle Super Precinct.

03 SYDNEY OLYMPIC PARK MASTERPLAN (2030) \$3.5 Billion

A proposed master planned redevelopment of Sydney Olympic Park to add a further 10,700 homes, 34,000 job opportunities, 100,000 sq.m of retail space within a large shopping mall and potential for new primary and secondary schools. The Park aims to continue to be a major event destination and retain its environmental value whilst providing support to elite sports development.

04 PARRAMATTA LIGHT RAIL (2020) \$1 Billion

Parramatta Light Rail will service the GPOP Priority Growth Area, with a stop planned for Sydney Olympic Park. The light rail is proposed to provide a frequent and reliable transport mode for the growing precincts. The light rail will integrate with the current bus and rail network.

05 SYDNEY METRO WEST (Late 2020s) Early Planning

The NSW Government is investigating the potential for a high-speed metro train line linking Parramatta and the Sydney CBD with only two stops at Sydney Olympic Park and the Bays Precinct. The metro would integrate with existing and planned metro lines and would significantly improve the connectivity of Sydney Olympic Park.

EMPLOYMENT

PROXIMITY TO GROWING EMPLOYMENT CENTRES

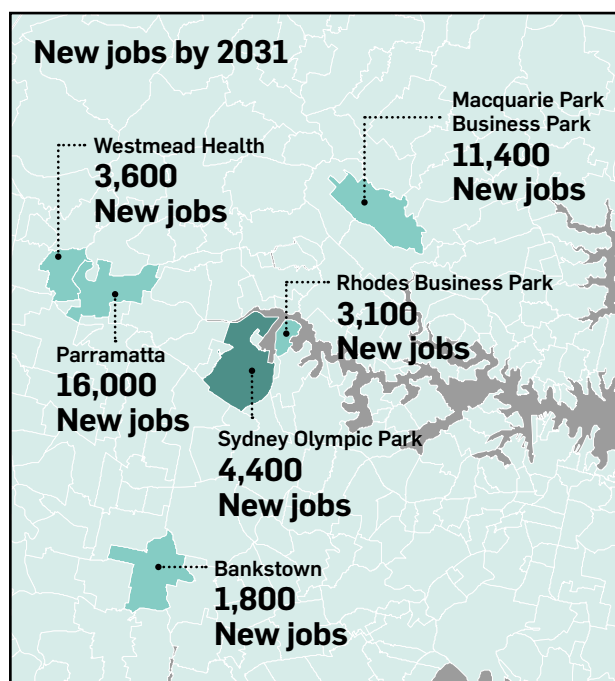
Employment growth is an important driver of residential demand with workers looking to live close to work. Forecast employment growth in nearby centres has the potential to drive demand from new workers looking to move to the area.

The recently updated Sydney Olympic Park Master Plan 2030 outlines greater employment potential of up to 16,500 additional jobs if the Master Plan is successfully developed.

Sydney Olympic Park is well serviced by trains, ferries and buses, providing residents with good access to major employment centres such as the growing Parramatta CBD, located 10 minutes away.

The Parramatta Light Rail network will improve linkages to other key employment zones including the growing Parramatta CBD and Westmead Health precinct which is 10 minutes away. The light rail will run throughout the Greater Parramatta to Olympic Peninsula priority growth area. The proposed Sydney Metro West has a station planned for Sydney Olympic Park along with Parramatta, the Bays Precinct and Sydney CBD, which would provide a direct link to both the growing Parramatta CBD and Sydney CBD.

EMPLOYMENT GROWTH WITHIN THE SURROUNDING CENTRES



Prepared by Urbis; Source: NSW Bureau of Transport Statistics 2014

POPULATION & DEMOGRAPHICS

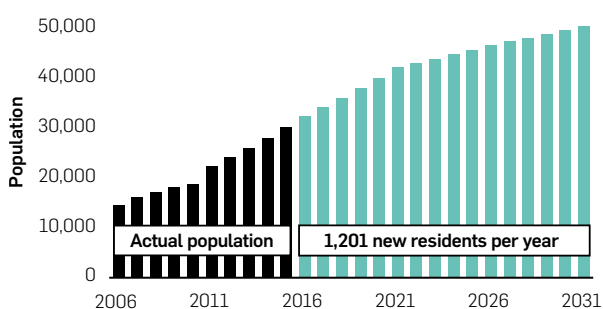
The Study Area is projected to have 18,000 new residents by 2031.

POPULATION

For the purpose of this study a Study Area has been defined comprising the Sydney Olympic Park, Homebush, Homebush West and Newington suburbs.

Based on data from the Bureau of Transport Statistics, the population of the Study Area is projected to increase by more than 18,000 people between 2016 and 2031. The projected growth equates to an average of around 1,200 new residents per year at a healthy growth rate of 4.2% per annum. The increased rate of population growth reflects the significant potential residential supply within Sydney Olympic Park.

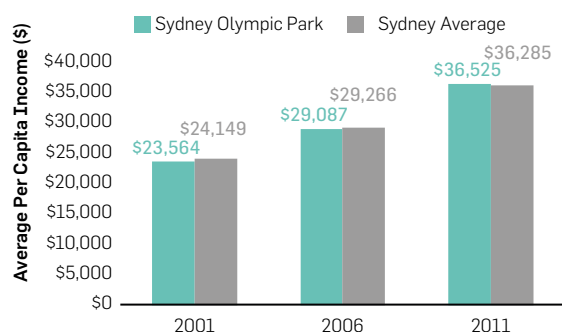
STUDY AREA POPULATION GROWTH



Prepared by Urbis; Source: ABS Census 2011; BTS Population Projections 2014

The Study Area has a higher share of Generation Y and Generation X residents (62%) compared to the Sydney average of 51%. The Study Area has a lower share of residents who are under 15 years of age (18%) compared to the Sydney average (19%). This suggests there are a higher share of younger aged couple households with no children within the Study Area compared to the Sydney average. The proximity to Parramatta and other employment centres, as well as the other amenities offered makes Sydney Olympic Park an attractive location for younger residents to live.

AVERAGE PER CAPITA INCOME



Prepared by Urbis; Source: ABS Census 2011

WHO LIVES IN SYDNEY OLYMPIC PARK?

	Sydney Olympic Park	Sydney
Median age	33	37
Couple with no children	35%	33%
Born overseas	63%	36%
Employed in white collar jobs	78%	74%
Bachelor degree or higher	37%	24%
Renters	44%	32%
Average per capita income	\$36,525	\$36,285

Prepared by Urbis; Source: ABS Census 2011

The Study Area has a higher proportion of residents working in white collar occupations to the Sydney average, comprising 78% compared to 74% for the Sydney average. The proximity of Sydney Olympic Park to employment centres such as Parramatta provides good accessibility and convenience for white collar workers. As a result, Sydney Olympic Park is an attractive and appealing place to live, especially for residents who work in surrounding centres.

The Study Area consists of residents from a diverse range of backgrounds, with 63% of residents born overseas. This proportion is significantly higher than the Sydney average of 36% and reflects the multicultural nature of Sydney Olympic Park and acceptance of apartment living.

In 2011, the average per capita income in the Study Area was \$36,525, slightly above the Sydney average (\$36,265). The average per capita income within the Study Area has continued to increase over time, which illustrates the increasing affluence of residents.

There is a significantly higher proportion of renters in the Study Area (44%) compared to the Sydney average (32%). The Rental section indicates the rental price of units in Sydney Olympic Park are less expensive compared to the Sydney average, highlighting the relative affordability of the area.

RESIDENTIAL MARKET

Sydney Olympic Park has recorded strong apartment price growth.

SYDNEY OVERVIEW

Sydney is Australia's Global City and is internationally recognised as an important financial and economic hub. Over 40% of Australia's top 500 companies have their head office in NSW with over 90% of international banks, 60% of information and communications technology companies and 50% of professional service firms headquartered in Sydney. This supports an affluent population with average incomes 5% above Melbourne and 2% above Brisbane (ABS Census 2011).

According to PricewaterhouseCoopers, Sydney apartments have recorded a five year median price increase of 7.1% per annum which is above Melbourne (1.4%) and Brisbane (1.0%).

Sydney offers its residents excellent economic and lifestyle opportunities, making it one of the most liveable cities in the world (10th in the world and 1st in Australia according to the Mercer 2015 Quality of Living Survey). Sydney Harbour, world renowned beaches and open space provide excellent amenity to residents.

Sydney is a leading education provider, and is home to a number of globally recognised universities such as the University of Sydney and the University of New South Wales. These institutions attract students from throughout the world.

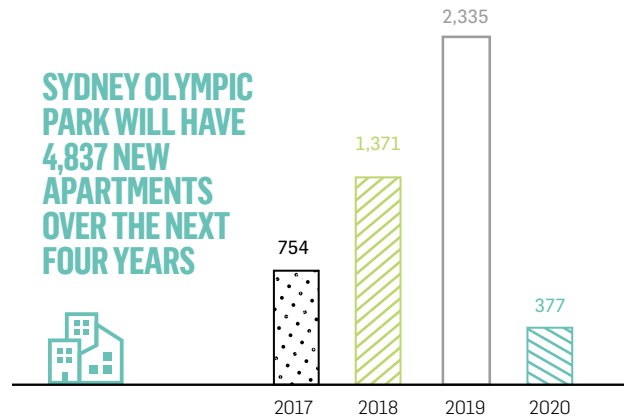
The trend towards higher density living in Sydney is continuing to grow as residents seek opportunities to locate in close proximity to the city's wide range of amenity and enjoy its unique lifestyle. Middle ring areas such as Sydney Olympic Park which boast high amenity and access to employment are undergoing significant development, and apartment buyers are looking to capitalise on this new infrastructure and amenity.

SYDNEY OLYMPIC PARK APARTMENT MARKET

Median sale prices for apartments in the Study Area experienced rapid growth from 2013 to 2016. Apartments in the Study Area have recorded a five-year median price increase of 7.7% per annum, above the Sydney average of 7.1%. This reflects the strong demand for housing and completion of new projects.

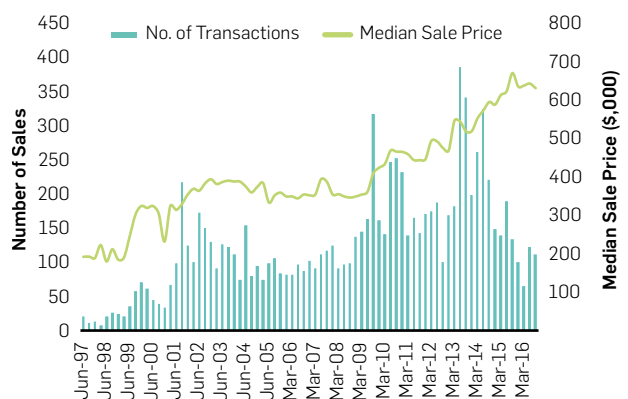
Sydney Olympic Park is set to transform significantly over the next decade as apartment developments increase. There has been growing interest from developers to utilise the open area that is near key amenities and well connected to employment centres. Data compiled by Cordell Connect as of January 2017 indicates there are over 4,800 apartments proposed to be completed in the Study Area over the next four years.

FUTURE APARTMENT DEVELOPMENT IN STUDY AREA



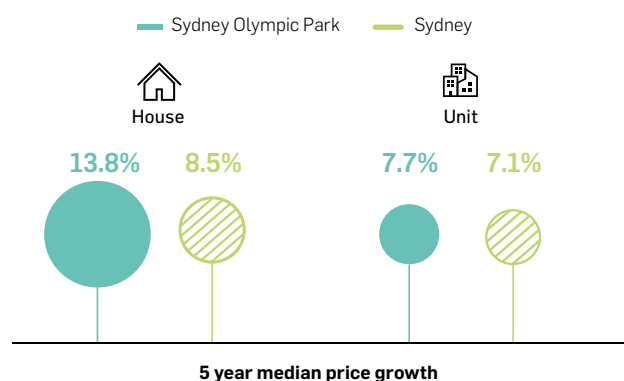
Prepared by Urbis; Source: Cordell Connect

STUDY AREA APARTMENT SALES GROWTH



Prepared by Urbis; Source: APM PricewaterhouseCoopers

MEDIAN PRICE GROWTH



Prepared by Urbis; Source: APM PricewaterhouseCoopers

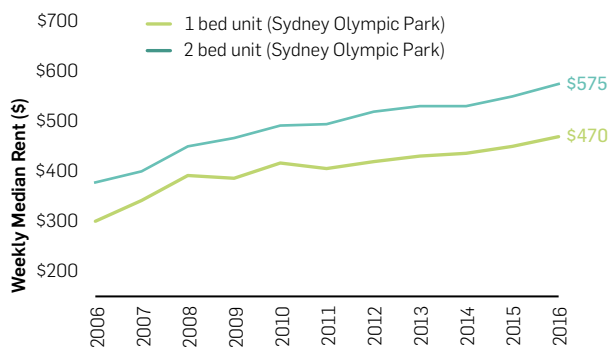
RENTAL MARKET

Sydney Olympic Park has recorded strong median rental price growth over the past decade.

The median rental prices in Sydney Olympic Park over the past year have increased by 4.4% for 1 bedroom units (compared to 4.2% for the Sydney average) and 4.5% for 2 bedroom units (compared to 3.8% for the Sydney average).

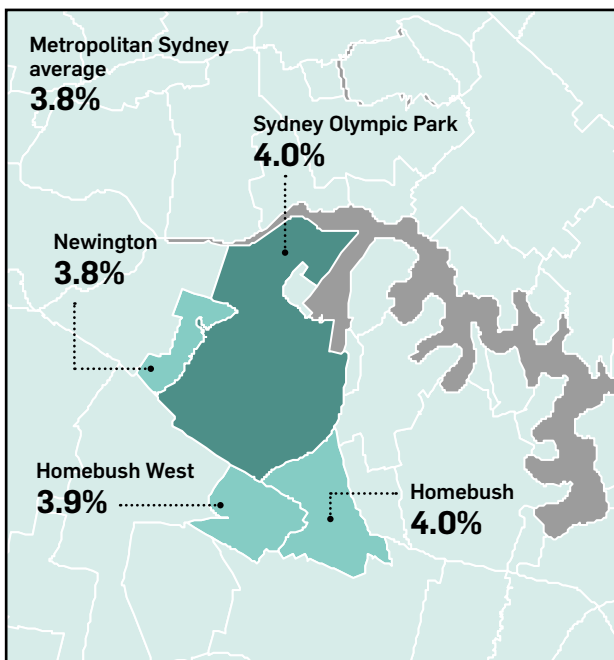
As at June 2016, the rental yield for apartments in Sydney Olympic Park was 4.0%, which was slightly higher than the Sydney average yield of 3.8%. The strong apartment rental yields in Sydney Olympic Park makes it an attractive location for investors to purchase apartments. The high proportion of renters (44% of households) further illustrate the strong rental market in Sydney Olympic Park.

MEDIAN UNIT RENTAL GROWTH



Prepared by Urbis; Source: Housing NSW

UNIT RENTAL YIELD, JUNE 2016



Prepared by Urbis; Source: APM Pricefinder

SUMMARY

Urbis has investigated the trends that will deliver a sustainable residential market comprising of sustained and confident growth now and into the future. This involves recognising the key fundamentals that investors seek in order to secure returns, as well as identifying regions that will be the most desirable to live, work and play. Urbis has concluded that the most desirable locations are those that deliver "P.I.E" – Population, Investment and Employment.

POPULATION

The Study Area is projected to grow by an additional 18,000 new residents by 2031. The strong demand for housing in Sydney Olympic Park is illustrated by the 10-year unit price growth of 7.7% per annum and the above average rental yield of 4%.

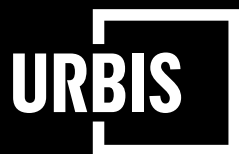
INFRASTRUCTURE

Sydney Olympic Park has strong public transport and amenity, which will further improve with the proposed Olympic Park Light Rail Station as part of the \$1 billion Parramatta Light Rail Network and potential Sydney Metro West. WestConnex will bypass Sydney Olympic Park, providing further linkages for residents whilst reducing congestion.

EMPLOYMENT

Proximity to employment nodes and centres is an essential fundamental for residential growth. New jobs lead to new residents as people seek to minimise travel times and improve work/life balance. Sydney Olympic Park is within an established employment hub and is in close proximity to the Sydney CBD and Parramatta. The revitalisation of Sydney Olympic Park looks to employ over 34,000 people by 2030.

The redevelopment of the Olympic Park precinct has resulted in strong growth in property prices. The region remains an attractive destination due to its proximity to employment centres, recreational facilities, convenient public transport and infrastructure investment. It continues to attract owner occupiers, investors and renters alike.



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