

MARKET OUTLOOK

WEST PENNANT HILLS

Nestled amongst immersive natural landscapes, West Pennant Hills is benefitting from multi-billion dollar projects to enhance transport connectivity, employment opportunities and recreational amenities.

02

Location &
Accessibility

04

Infrastructure &
Employment

05

Population &
Demographics

06

Residential
Market Analysis

07

Rental Market



LOCATION & ACCESSIBILITY

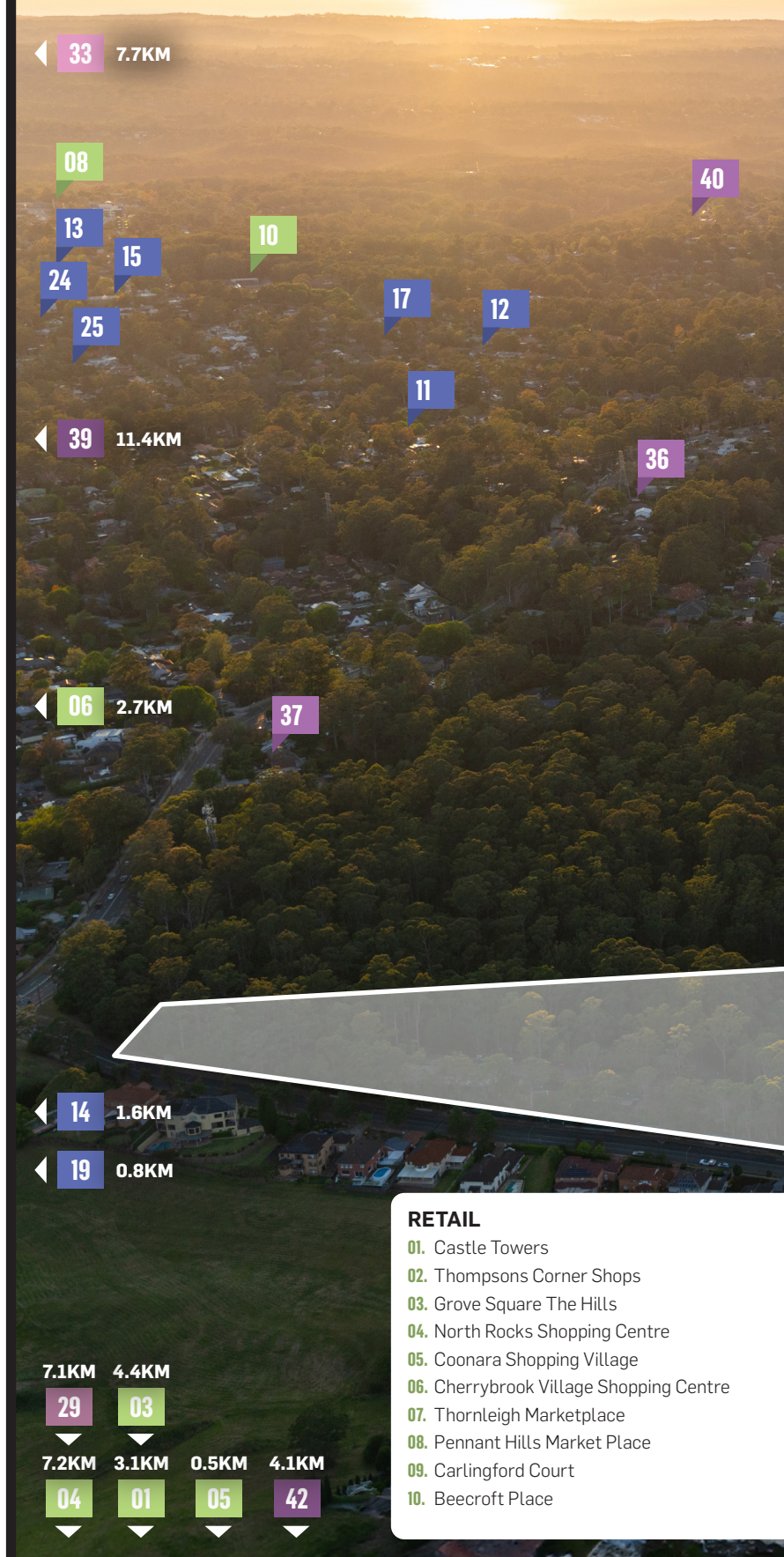
West Pennant Hills is located ~20km northwest of the Sydney CBD and 12km north of the Parramatta CBD. West Pennant Hills is well serviced by an extensive bus network, providing direct connections to Castle Hill, Rouse Hill, Beecroft and Epping. The nearby Metro North West provides frequent services to major employment hubs such as Macquarie Park and Chatswood. The future Sydney Metro City extension is set to enhance connectivity to the Sydney CBD. West Pennant Hills is also well connected by major arterial roads such as Pennant Hills Road and the M2 Motorway for ongoing connections to the Parramatta, Macquarie Park and the broader Sydney motorway network.

West Pennant Hills is ideally located near Castle Towers, a regional shopping centre with over 300 retailers and a major dining and entertainment precinct. Residents can also fulfil their daily retail needs at Thompsons Corner Shops and Coonara Shopping Village.

West Pennant Hills is serviced by an abundance of major public and private hospitals, including Sydney Adventist Hospital, Hornsby Hospital and Westmead Hospital. Additionally, West Pennant Hills features several public and private schools, providing local families with a range of educational options. This includes Tangara School for Girls, West Pennant Hills Public School and James Ruse Agricultural High School.

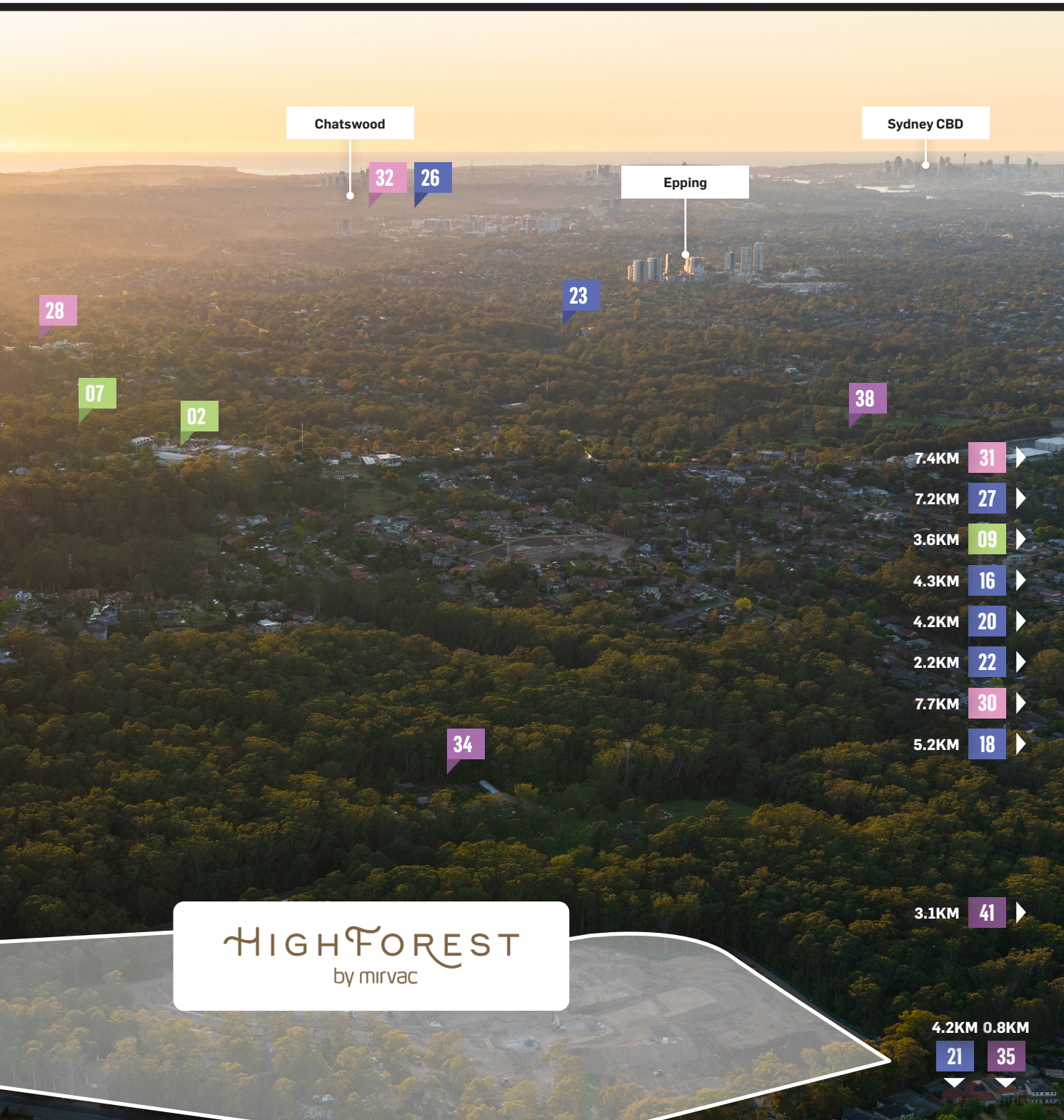
Residents have convenient access to extensive open space and recreational facilities that support an outdoor lifestyle. This includes the Cumberland State Forest (Australia's only metropolitan state forest), comprising 40 hectares of immersive walking trails and playgrounds. To the northeast, Berowra Valley National Park provides an additional 4,000 hectares of expansive bushland scenery, Aboriginal sites and native flora and fauna. These larger open spaces are complimented by smaller neighbourhood parks, reserves and golf courses for residents to enjoy.

West Pennant Hills is surrounded by an abundance of open space and amenities, promoting a high quality of life for residents.



RETAIL

01. Castle Towers
02. Thompsons Corner Shops
03. Grove Square The Hills
04. North Rocks Shopping Centre
05. Coonara Shopping Village
06. Cherrybrook Village Shopping Centre
07. Thornleigh Marketplace
08. Pennant Hills Market Place
09. Carlingford Court
10. Beecroft Place



HIGH FOREST by mirvac

EDUCATION

- 11. West Pennant Hills Public School
- 12. Beecroft Public School
- 13. Pennant Hills Public School
- 14. Cherrybrook Public School
- 15. St Agatha's Catholic Primary School
- 16. The King's School
- 17. Arden Anglican School
- 18. Tara Anglican School for Girls
- 19. Tangara School for Girls
- 20. James Ruse Agricultural High School
- 21. Baulkham Hills High School
- 22. Carlingford High School
- 23. Cheltenham Girls' High School
- 24. Pennant Hills High School
- 25. Mount St Benedict College
- 26. Macquarie University
- 27. Western Sydney University Parramatta

HEALTH

- 28. Sydney Adventist Hospital
- 29. Norwest Private Hospital
- 30. Westmead Hospital
- 31. Ryde Hospital
- 32. Macquarie University Hospital
- 33. Hornsby Hospital

PARKS AND RECREATION

- 34. Cumberland State Forest
- 35. George Thornton Reserve
- 36. Koala Park Sanctuary

- 37. Treetops Adventure The Hills
- 38. Pennant Hills Golf Club
- 39. Berowra Valley National Park
- 40. Pennant Hills Park
- 41. Muirfield Golf Club
- 42. Waves Fitness & Aquatic Centre

INFRASTRUCTURE & EMPLOYMENT

West Pennant Hills and its surrounds are attracting substantial infrastructure investment that will enhance connectivity to employment, educational and recreational nodes for residents.

INFRASTRUCTURE

SYDNEY METRO – CITY & SOUTH WEST

\$20+ billion, Expected Final Completion 2025

Currently under construction and due for completion by 2024, the Chatswood to Sydenham extension will provide West Pennant Hills residents with fast and frequent access to major employment centres, including Crows Nest, North Sydney and the Sydney CBD. The Sydenham to Bankstown stage is anticipated to open in 2025, providing ongoing connections to Sydney's southwest.

NORTHCONNEX

\$3 billion, Completed 2020

The 9-kilometre NorthConnex tunnel links the M1 Pacific Motorway at Wahroonga to the M2 Motorway at West Pennant Hills, allowing users to bypass 21 sets of traffic lights along Pennant Hills Road.

PARRAMATTA LIGHT RAIL STAGE 1 & 2

\$3.9 billion, Expected Completion TBC

Stage 1 is set to connect Carlingford, ~4km south of West Pennant Hills, to Westmead via the Parramatta CBD. The proposed Stage 2 is set to connect Stage 1 at Camellia to Sydney Olympic Park.

THE VILLAGE AT CASTLE TOWERS

\$568 million, Expected Completion 2029

Proposed mixed-use expansion to transform Castle Towers into a multifaceted urban hub. The development is proposed to deliver a 3-storey retail space, a live entertainment venue, a 12-storey A-grade commercial office and a 200-room lifestyle hotel.

WOODWARD EXTREME ACTION SPORTS FACILITY

\$33 million, Expected Completion TBC

Proposed elite indoor sports and recreational facility in Castle Hill, set to feature a skate bowl, trampolines, climbing gymnasium, snowboarding, skiing and indoor bike ramps. The facility will diversify the recreational amenity offer in the region.

CURRAWONG RESERVE

Cost TBC, Expected Completion 2024

Proposed upgrades to the 5.1-hectare reserve, set to feature a new 160-metre boardwalk and a 936-metre shared pathway. The upgrades aim to protect biodiversity and natural assets for residents to enjoy.

NORWEST HIGH SCHOOL

TBC

Early planning for a new vertical high school in Norwest to cater for up to 2,000 students. The new school is proposed to deliver three towers, accommodating interactive learning environments, a library, technology rooms, gymnasium and rooftop games area.

EMPLOYMENT

Employment growth is an important driver of residential demand as residents look to live close to work.

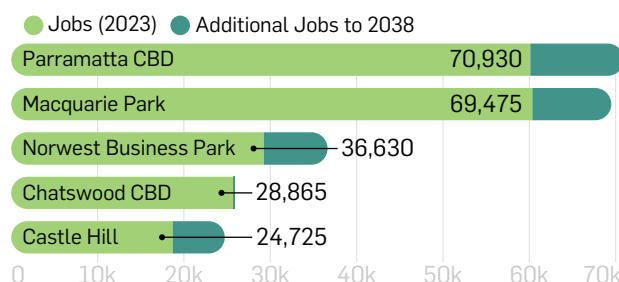
For this profile, the West Pennant Hills Study Area has been defined as the suburbs of West Pennant Hills and Beecroft. The Study Area has strong road and public transport linkages, providing convenient access to major employment centres, including Macquarie Park, Chatswood, and Parramatta. By 2038, almost 70,000 jobs will be accommodated within Macquarie Park, catalysing its growth as one of Sydney's fastest-growing employment precincts.

In 2021, approximately 42% of Study Area resident workers were employed in the Health Care and Social Assistance, Professional, Scientific and Technical and Public Administration and Safety sectors. The Retail Trade and Financial and Insurance sectors accounted for a further 21% of total resident employment. Over the next 15 years, these five industries are anticipated to deliver over 20,000 jobs within surrounding employment precincts.

Ongoing investment in and around surrounding strategic centres will drive further job opportunities, making West Pennant Hills an attractive place to live.

ADDITIONAL JOBS IN NEARBY EMPLOYMENT CENTRES

2023-2038



Prepared by Urbis; Source: TfNSW

TOP 5 INDUSTRIES OF EMPLOYMENT IN NEARBY EMPLOYMENT CENTRES:

Additional Jobs¹ (2023 – 2038)



¹ Additional jobs across the following employment centres: Chatswood, Parramatta CBD, Castle Hill, Macquarie Park and Norwest Business Park. Source: TfNSW; Prepared by Urbis.

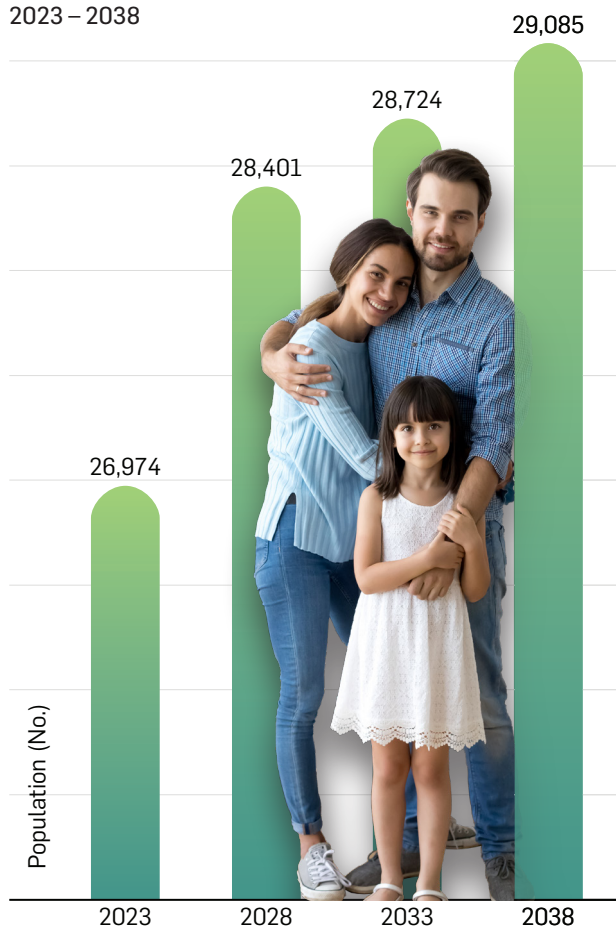
POPULATION & DEMOGRAPHICS

The Study Area is characterised by a high proportion of families with increasing affluence and strong home ownership rates.

POPULATION

Over the next 15 years, the West Pennant Hills Study Area is projected to accommodate ~1,900 additional residents. The impacts of COVID-19 on international migration saw population growth slow between 2020 and 2022. In 2023, the West Pennant Hills Study Area accommodated ~26,970 residents. Based on known future residential projects and official government populations, this is forecast to reach almost 29,090 residents by 2038, equating to an average of 140 new residents annually.

WEST PENNANT HILLS STUDY AREA POPULATION GROWTH 2023 – 2038



Source ABS Census; Transport for NSW; Cordell Connect. Prepared by Urbis

DEMOGRAPHICS

The Study Area is largely characterised by working professionals in affluent households. In 2021, 61% of Study Area resident workers held managerial or professional occupations, relative to an average of 45% across Greater Sydney. In 2021, the Study Area recorded a median household income of \$191,800, a significant 37% above the Greater Sydney average.

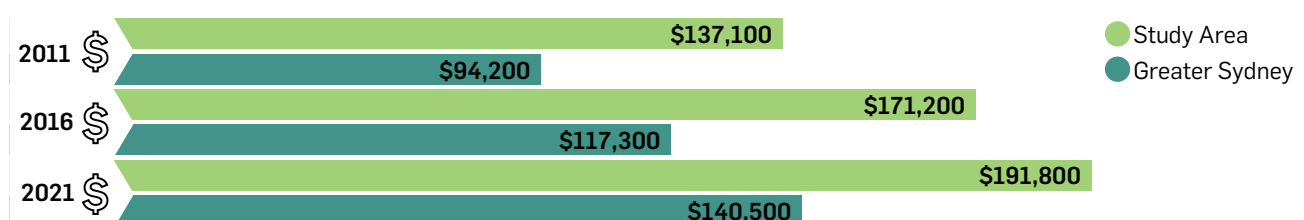
The Study Area features a growing and significant proportion of residents aged 55+, who comprise 34% of the population in 2021, relative to the Greater Sydney average of 26%. These residents are likely empty nesters and retirees who own their own home and may be looking to downsize. There is also a significant proportion of families with children, who generally prefer larger homes. They comprised 51% of Study Area households in 2021, relative to the 36% average for Greater Sydney. At 41% of households, the high proportion of purchasers likely represent affluent, establishing families that have relocated to the area to purchase a home.

WHO LIVES IN THE WEST PENNANT HILLS ?

	Study Area 2016	Study Area 2021	Greater Sydney 2021
Average Age of Residents	40	42	38
Average Household Size	3.1	3	2.7
Aged 55+	32%	34%	26%
Couple Family with Children	54%	51%	36%
Couple Family with No Children	26%	27%	24%
White Collar Workers	88%	89%	77%
Managers and Professionals	57%	61%	45%
Homeowners	46%	45%	29%
Purchasers	42%	41%	34%
Renters	12%	14%	37%
Born Overseas	37%	40%	41%

Source: ABS Census 2021; Prepared by Urbis

HOUSEHOLD INCOME GROWTH West Pennant Hills Study Area



Source: ABS Census 2021; Prepared by Urbis

RESIDENTIAL MARKET ANALYSIS

The Study Area's housing market has been resilient in the face of COVID-19, reflecting the growing demand for the attractive outdoor lifestyle it offers.

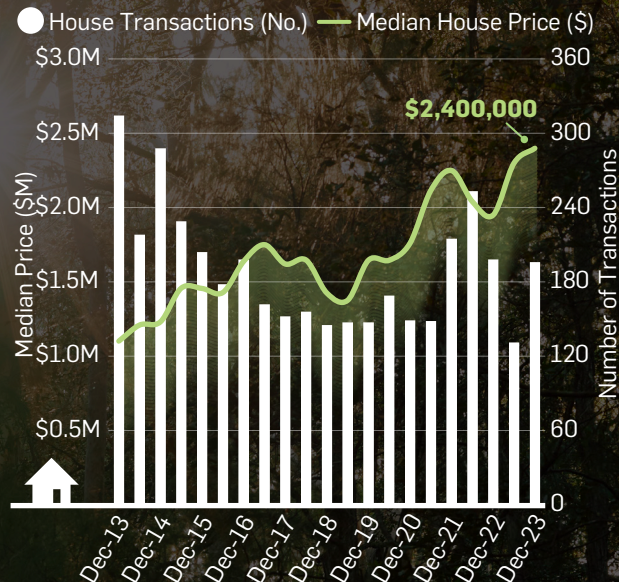
The Study Area demonstrated strong house and unit price growth over the 10 years to December 2023, averaging 8.1% and 4.2% per annum, respectively. Median prices recorded strong growth to 2016 before declining to 2018 as the broader housing market softened.

Median house prices in the Study Area have been resilient to the impacts of COVID-19, highlighted by strong price growth of 10.9 % between December 2020 and December 2023. Similarly, median unit prices experienced year-on-year growth since December 2022 to \$1,045,000 in 2023. This reflects the broader flight-to-suburbia trend seen across Sydney, whereby the pandemic catalysed remote working trends. This allowed families to relocate from inner Sydney to more affordable areas with larger dwellings, without compromising on high-quality amenities.

There are only 491 dwellings in the future supply pipeline within the Study Area. Highforest by Mirvac represents 85% of the pipeline and is the only project currently under construction. Highforest is well placed to deliver additional dwellings in a highly-sought location, given Sydney's critical housing supply shortage.

Future demand will be driven by continued infrastructure investment in the area, further enhancing connectivity to employment, health and education hubs such as Macquarie Park, Parramatta and the Sydney CBD.

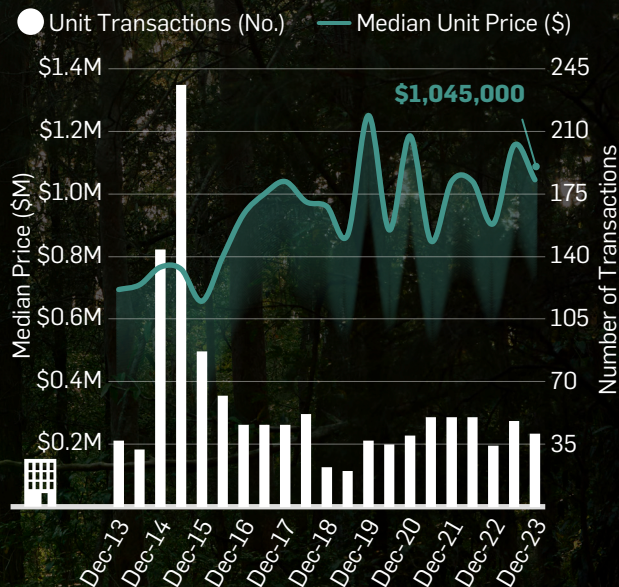
WEST PENNANT HILLS STUDY AREA HOUSE SALES Semi-Annual (December 2013 - December 2023)



Source: Pricerfinder; Urbis Apartment Essentials. Prepared by Urbis.

WEST PENNANT HILLS UNIT* SALES

Semi-Annual (December 2013 - December 2023)



Source: Pricerfinder; Urbis Apartment Essentials. Prepared by Urbis.

*Includes townhouses, villas and apartments.

RENTAL ANALYSIS

West Pennant Hills' fast-growing rental market is underpinned by an affluent tenant pool and a high-quality amenity offering.

The Study Area is popular amongst professionals and families due to its proximity to major employment centres, leading schools, as well as ample retail and recreational amenity. This resulted in increasing demand for rental properties, with the proportion of renting households in the Study Area increasing from 12% to 14% over the decade to 2021.

In 2020, COVID-19 impacted Sydney rental markets, as international border restrictions impact the typical flow of migration. Since then, the recovery of international migration has led to strong demand for high-quality housing in well-located suburbs, such as West Pennant Hills. This reflects the suburb's strong rental growth in 2023, at 8.3% for units and 11.6% for houses.

As at December 2023, West Pennant Hills (Postcode 2125) recorded a residential vacancy rate of just 1.6%, which is below Greater Sydney average and that of a market considered to be in equilibrium (2.5% to 3.5%). Coupled with a strong rental yield and constrained future supply pipeline, the Study Area's rental market is primed for further growth, a positive for potential investors.

PROPORTION OF RENTING HOUSEHOLDS

12% IN 2011

14% IN 2021



Source: ABS Census; Urbis

WEST PENNANT HILLS RENTAL YIELD 2023

	House	Unit
Median Weekly Rent (\$)	\$980	\$650
1-Year Rental Growth Rate (%)	11.6%	8.3%
Rental Yield (%)	2.1%	3.2%

Source: Pricerfinder; Department of Housing; Urbis

VACANCY RATE December 2023

1.6% WEST PENNANT HILLS

1.7% GREATER SYDNEY



Source: SQM Research; Urbis

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 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 growth.



P – Population Growth: The West Pennant Hills study area is projected to grow by an additional 2,120 residents by 2038. The area continues to attract affluent households due to its connectivity to key employment centres, proximity to leading health and education facilities and abundance of surrounding retail and open space.



I – Investment & Infrastructure: West Pennant Hills will continue to benefit from significant investment in infrastructure projects, including the Sydney Metro City Extension and Parramatta Light Rail, which will further enhance transport connectivity to the Sydney and Parramatta CBDs.



E – Employment Opportunities: Proximity to employment nodes and centres is essential for residential growth. New jobs lead to new residents as people seek to minimise travel times and improve work/life balance. West Pennant Hills is strategically located close to Macquarie Park and Chatswood, which are easily accessible via public and private transport.



This publication was prepared by Urbis Ltd on the instruction, and for the sole use and benefit of Mirvac for the purpose set out in the publication and not for any other purpose or use. The publication is not suitable for use by, may not be relied on by and may not be provided to any other party without the specific approval of Urbis Ltd. All opinions, estimates, forecasts, projections, conclusions and recommendations and underlying assumptions contained in the publication (Content) are made and expressed by Urbis in good faith, in the reasonable belief they are correct and not misleading as at the date of the publication. These are made and expressed as at the date of this publication on the basis of and in reliance on the data and information sourced by Urbis from reputable third party suppliers and the instructing party and after taking account of reasonably foreseeable circumstances and events. The Content may be affected by data and information arising, or unforeseen risks, events or circumstances occurring, after the date of this publication, the likelihood and effect of which is not capable of prior assessment. The Content may be affected by known risks, events or circumstances the impact of which is not capable of assessment as at the date of the publication. Achievement of the Content will also depend, among other things, on the action of others. It should be noted that past performance is not necessarily a reliable indication of future performance. The effects (both directly and indirectly) of the COVID-19 pandemic on economic conditions and the resulting uncertainty in markets is impacting the Australian real estate market with market conditions changing daily. The extent of its impact and how long it will last is unknown. This publication assumes (unless otherwise stated) the COVID-19 pandemic has not materially impacted the Content. However, as at the date of this publication we consider there is a significant level of market uncertainty (including as a result of the COVID-19 pandemic) and the Content may change (or may have changed) significantly and unexpectedly over a relatively short period of time (including as a result of factors of which Urbis could not have reasonably been aware as at the publication date). Clearly the COVID-19 pandemic and its impact is an important risk factor you must carefully consider when making any decisions regarding assets or business activities to which this publication relates. Any Content addressing the impact of the COVID-19 pandemic on the asset(s) and any business operations to which the publication relates or the Australian economy more broadly is (unless otherwise specifically stated in the publication) unsupported by specific and reliable data and information and must not be relied on. Urbis has made all reasonable efforts and inquiries it believes necessary in preparing the publication but has not independently verified the data and information on which it has relied (unless otherwise stated) and is not responsible for confirming the completeness or accuracy of such data and information. Urbis accepts no responsibility for the accuracy or completeness of any such data and information and is not, to the extent permitted by law, liable to any person for loss or damage as a result of any error in the Content attributable to such errors or omissions in the data or information, including in or as a result of its reliance on data and information provided by the instructing party or another person, other than errors or omissions made by Urbis acting recklessly. The information and data is subject to change without notice and Urbis is under no obligation to update the information or data or correct any Content which may change over time. This publication and its content do not represent financial or other professional advice and should not be regarded as such. It has been prepared without taking account your financial situation, investment objectives or any other specific needs or requirements. Before acting on any information in this publication, you should fully consider the appropriateness of the information, having regard to your objectives, financial or taxation situation and needs and, if necessary, seek appropriate professional advice. This publication is subject to copyright. Except as permitted under the Copyright Act 1968, this publication (and any part of it) may not, in any form or by any means (electronic or mechanical), be reproduced, recorded, introduced into or stored in a retrievals system, transmitted or copied (including photocopied) or otherwise uploaded to the worldwide web without the prior written permission of Urbis. Enquires should be addressed to the publishers.