

MARKET OUTLOOK

SCHOFIELDS

Schofields accommodates all three of Urbis recognised economic and research fundamentals that make for a sustainable suburb – strong population growth, infrastructure investment, and employment generation.

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Stockland

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LOCATION & ACCESSIBILITY

Schofields is located 40km north-west of the Sydney CBD and is undergoing significant urban development.

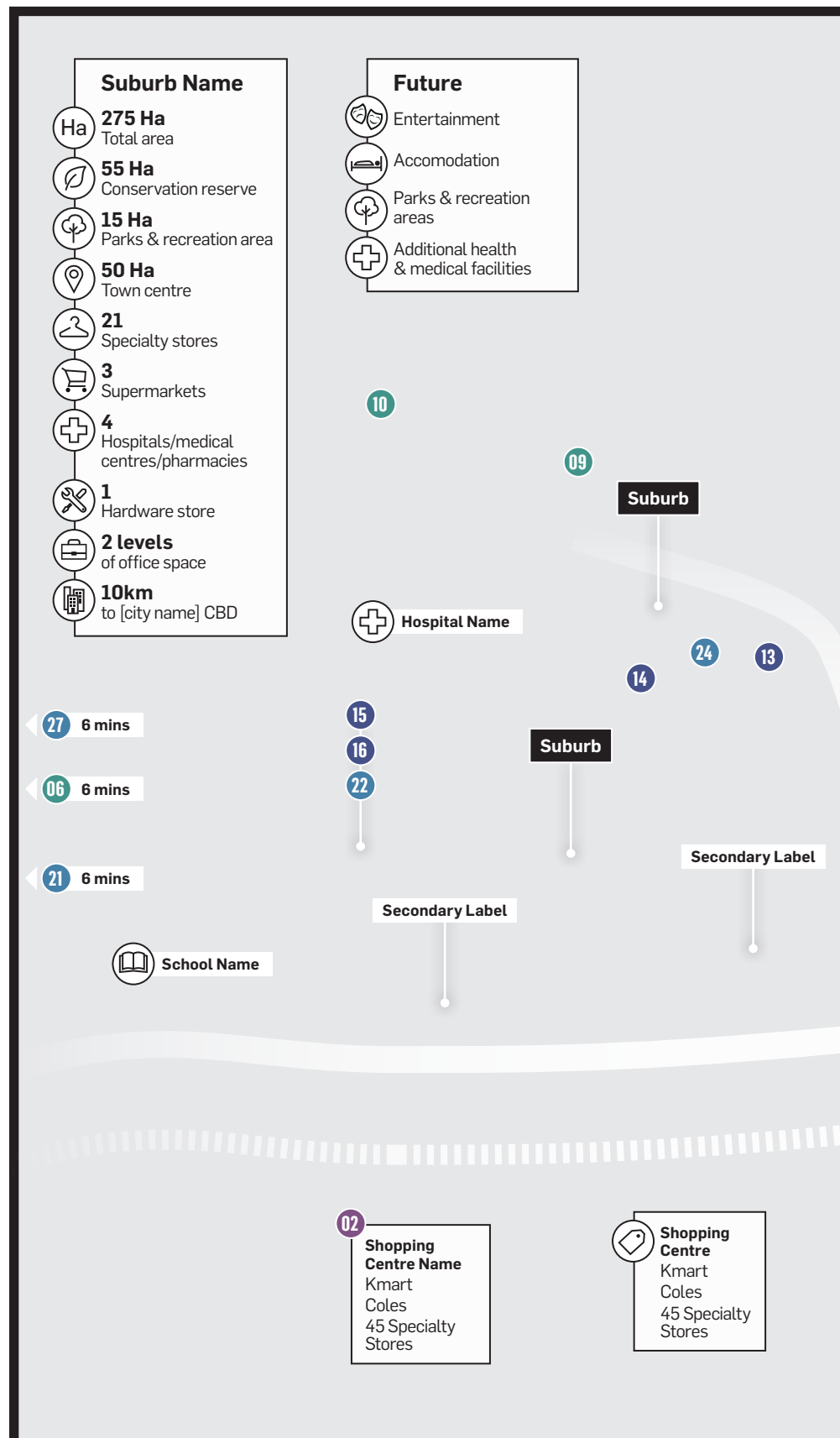
Schofields is located 40km north-west of the Sydney CBD.

Schofields is undergoing significant urban development, transitioning from semi-rural to new suburban residential and higher density master-planned developments, creating new communities and amenity.

A number of hospitals such as Blacktown Hospital and Nepean Hospital provide a large range of health facilities to service a local and regional catchment.


The North West Growth Centre currently provides a wide range of amenity for Schofields residents. The established Rouse Hill town centre serves as a major retail and entertainment precinct, while the Woolworths Schofields services local residents. In addition, the newly developed Sydney Business Park in Marsden Park is a retail precinct with a wide selection of bulky goods and warehouse retailers including IKEA, Bunnings and ALDI. Further town centre development within Schofields will provide additional retail options for a growing resident population.

Schofields Train Station provides residents with good access to the Blacktown City Centre and the Sydney CBD. The Sydney Metro Northwest rail network will further improve the region's accessibility, with proposed train stations at Cudgegong Road providing direct access through North West Sydney to the Sydney CBD.





 Train station

 Bus station

 Tram station

RETAIL & ENTERTAINMENT

- 01 Woolworths Schofields
- 02 Rouse Hill Town Centre
- 03 Rouse Hill Village Centre
- 04 Sydney Business Park
- 05 The Ponds Shopping Centre
- 06 IGA Riverstone
- 07 Parklea Markets
- 08 Norwest Marketown

EDUCATION

- 09 Schofields Public School
- 10 St John Paul II Catholic College
- 11 St Joseph's Primary School
- 12 The Ponds High School
- 13 TAFE NSW Western Sydney Institute Nirimba College
- 14 Western Sydney University Nirimba Campus
- 15 Hambledon Public School
- 16 Quakers Hill High School
- 17 Riverstone High School
- 18 Riverstone Public School
- 19 Australian Christian College
- 20 Western Sydney University, Parramatta

HEALTH

- 21 Hillside Medical Practice
- 22 Blacktown Hospital
- 23 Nepean Hospital
- 24 The Hills Clinic Hospital
- 25 Norwest Private Hospital

PARKS & RECREATION

- 26 Stonecutters Ridge Golf Club
- 27 Castle Hill Country Club
- 28 Riverstone Schofields Memorial Club
- 29 Rouse Hill Regional Park
- 30 Lakes Edge Park
- 31 Argowan Park
- 32 Nurragingy Reserve

INFRASTRUCTURE & EMPLOYMENT

Schofields is well located to take advantage of over \$8.7 billion in infrastructure investments and growing employment centres in Sydney's North West.

INFRASTRUCTURE

Schofields will benefit from significant infrastructure investment over the next decade. This will improve the amenity and create more employment opportunities for prospective residents. Major projects include:

THE SYDNEY METRO NORTHWEST

(Expected completion in 2019) – \$8.3 billion

The Sydney Metro Northwest is Australia's largest public transport infrastructure project. It will extend the Epping-to-Chatswood Rail link with metro rail service through Sydney's North West, and will complement the existing train service running through Schofields Train Station. The project includes the construction of 15 km twin tunnels between Epping and Bella Vista and eight new metro stations with trains running every four minutes. The final station will be Cudgegong Road Station, located 3km from Schofields town centre, and will include a new car park with capacity for over 1,000 vehicles.

COSTCO WHOLESALE, SYDNEY BUSINESS PARK

(Expected opening in late-2016) - \$34 million

Construction of a new Costco wholesale and retail warehouse within the recently developed Sydney Business Park, which currently consists of key retailers IKEA, ALDI and Bunnings Warehouse. The Park is directly accessible from the M7 Motorway, and is set to provide a wide range of retail amenity for local residents.

SCHOFIELDS ROAD UPGRADE

(Expected completion in late-2017) - \$275 million

Stages 2 and 3 of the Schofields Road upgrade involve an extension of roadway from Tallawong Road in Rouse Hill, through Schofields, to Richmond Road in Marsden Park. Upon completion, Schofields Road will be the major east-west connection between the Rouse Hill and Marsden Park town centres and will reduce travel times, increase road capacity and improve pedestrian and cyclist accessibility.

SCHOFIELDS TOWN CENTRE

(Expected completion in late-2018) - \$30.6 million

The Schofields Town Centre will be adjacent to Schofields train station, and will comprise a new retail centre with a Coles supermarket and specialty retail to support the retail needs of the growing resident population. The town centre will also feature upgrades to main streets and pedestrian links around the station, which will contribute to the vibrancy and activation of the precinct.

ST LUKES CATHOLIC COLLEGE

(Expected completion end 2019) - \$22.8 million

Proposed Catholic education precinct in Marsden Park, which would include a K-12 school and early learning centre. This development will greatly enhance local access to quality independent education facilities.

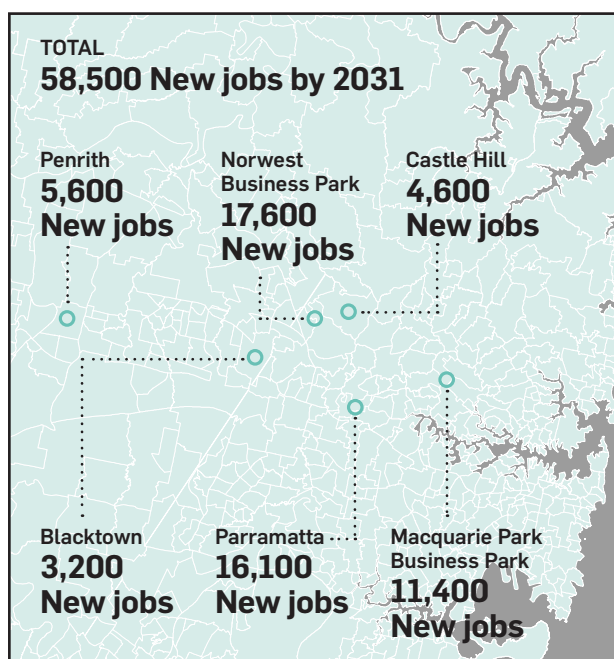
PROXIMITY TO GROWING EMPLOYMENT CENTRES

Schofields is located in close proximity to a number of emerging employment centres, which will continue to attract new workers to the region. The area is within a 15 minute drive of Norwest Business Park, which is home to a number of leading pharmaceutical and manufacturing companies, and is expected to provide up to 17,600 new jobs by 2031.

In addition, the NSW Government has identified Parramatta as Sydney's second CBD, with proposed commercial development expected to provide new job opportunities for residents.

Investment in the Sydney Metro Northwest rail network will improve accessibility from Schofields to a number of major employment nodes. This will include direct access to Norwest Business Park, Macquarie Park, and the Sydney CBD.

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



DEMOGRAPHICS

Schofields is projected to grow by around 3,000 new residents each year until 2031.

For the purpose of this profile, the Schofields Catchment has been defined as the suburbs of Schofields, Quakers Hill and Riverstone. These three suburbs are subject to similar geographical and economic factors, creating a Catchment that can be used to effectively assess the area's population growth, demographic characteristics and the property market.

Historically, the Schofields Catchment has been a semi-rural and suburban region with low population density, recording population growth of less than 1% per annum over the 5 years to 2011. However, urban sprawl to Sydney's North West has seen a recent inflow of new residents to Schofields, with 3.6% annual population growth since 2011.

As part of the North West Growth Centre, Schofields has been identified by the NSW Department of Planning and Environment as an area for sustainable urban development. Population forecasts developed by the Bureau of Transport and Statistics projects the Schofield Catchment population to grow by approximately 45,000 people between 2016 and 2031. The projected growth equates to an average of around 3,000 new residents per year at a growth rate of 4.8% per annum, which is significantly faster than Sydney (1.5% per annum).

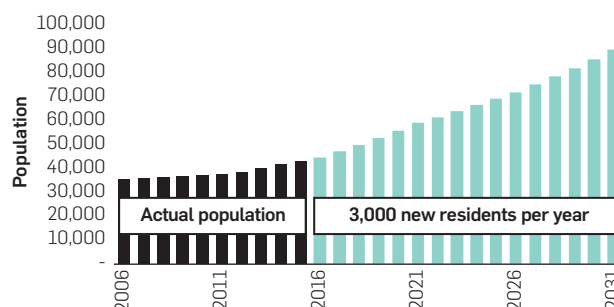
Improved access to employment opportunities in Sydney's North West is attracting skilled and educated residents to Schofields. At the 2011 Census, 67% of resident workers in the Schofields Catchment were employed in white collar occupations, as compared to 64% in the wider Blacktown LGA. This includes a growing number of Managers and Professionals, which accounted for 30% of the worker population in 2011, up from 27% in 2006. This reflects a more highly educated population, with 19% of residents holding a bachelor degree or higher.

The increasingly educated and professional workforce in Schofields has seen equivalent upturn in average household incomes. The average household income in Schofields in 2011 was \$95,115, a 29% increase over 2006 household incomes. Further, 16% of households had incomes over \$156,000, compared to 11% of households in Blacktown LGA, indicating the growing prevalence of high income earners in the area.

Schofields is characterised by a dominance of Generation X and Y population with 39% of residents between the age of 25 and 49. There is a higher prevalence of couples with no children in the Schofields Catchment, suggesting that the population is more career than family motivated.

The projected high population growth rate coupled with strong income growth within the Schofields Catchment represent key drivers of demand for residential dwellings in the area.

SCHOFIELDS CATCHMENT POPULATION GROWTH



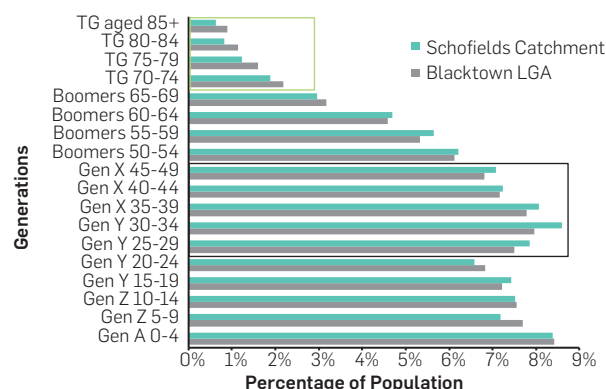
Prepared by Urbis; Source: ABS Census, Bureau of Transport and Statistics 2016

WHO LIVES IN THE SCHOFIELDS CATCHMENT?

	Schofields Catchment 2011	Blacktown LGA 2011
Average Age of Residents	33	34
Aged 25-40	32%	30%
Couples with no children	27%	25%
Employed in White Collar Jobs	67%	64%
Managers and Professionals	30%	27%
Bachelor Degree or Higher	19%	14%
Semi-detached dwelling	14%	11%
Average Household Income	\$95,115	\$85,711
Household Income Above \$156,000	16%	11%

Prepared by Urbis; Source: ABS Census and 2011

SCHOFIELDS CATCHMENT AGE DISTRIBUTION



Prepared by Urbis; Source: ABS Census, Bureau of Transport and Statistics 2016

RESIDENTIAL MARKET

Schofields is an emerging residential market, strategically located in the north-west of Sydney.

Schofields is transitioning from an area previously characterised by a blended semi-rural and suburban landscape, to a highly developed residential region with quality infrastructure and amenity.

Progressive land release and increased residential density in centres around Norwest, Castle Hill and Rouse Hill has led to significant residential supply in Schofields and surrounding regions.

SCHOFIELDS HOUSE MARKET

As seen in the first graph, house sales in the Schofields Catchment peaked in the early 2000's, before stabilising in the decade to 2013 and picking up in recent years. In 2015, there were 710 settled house sales in the Schofields Catchment, reflecting the beginnings of large land release in North West Sydney going to market.

Houses in the Schofields Catchment have historically shown consistent price growth, recording a 5 year median price growth of 10.4% per annum, which is above the average growth in Sydney houses (8.4% per annum).

SCHOFIELDS UNIT MARKET

Due to the limited number of apartment and townhouse sales within the Schofields Catchment, price growth of apartments and townhouses has been analysed using the Blacktown LGA, noting its proximity and similar pattern of development to Schofields.

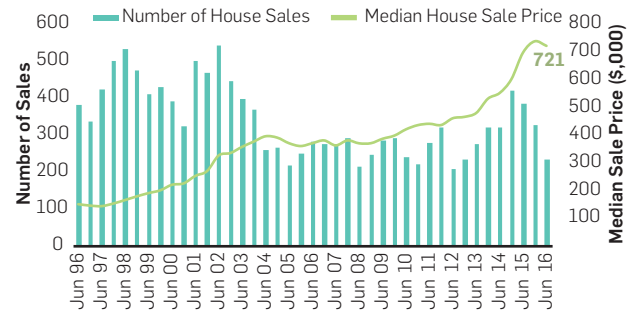
The Blacktown LGA recorded a median apartment price of \$480,000 in the six months to June 2016, and has shown consistently strong price growth with a five year median price increase of 9.7% per annum. This price growth was above the Sydney average of 6.0% per annum over the past five years.

NEW HOUSING SUPPLY

Data compiled by Cordell Connect as of December 2016 indicates there are an estimated 6,810 proposed residential dwellings to be completed in the Schofields Catchment over the next four years. Approximately 83% of proposed dwellings will be apartments or townhouses, reflecting the transition of the area to more medium and high-density residential. Over 5,500 dwellings are anticipated to be completed after 2018.

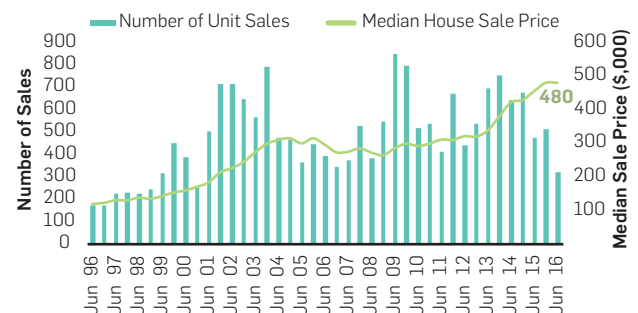
Looking ahead, Schofields will continue to evolve with a mix of medium density and apartment developments anticipated to enter the market. Increased investment in infrastructure projects is expected to further enhance the amenity and accessibility for residents.

SCHOFIELDS CATCHMENT HOUSE MARKET



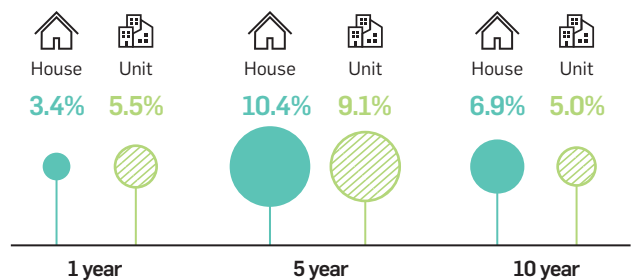
Prepared by Urbis; Source: APM PriceFinder 2016

BLACKTOWN LGA APARTMENT AND TOWNHOUSE MARKET



Prepared by Urbis; Source: APM PriceFinder 2016

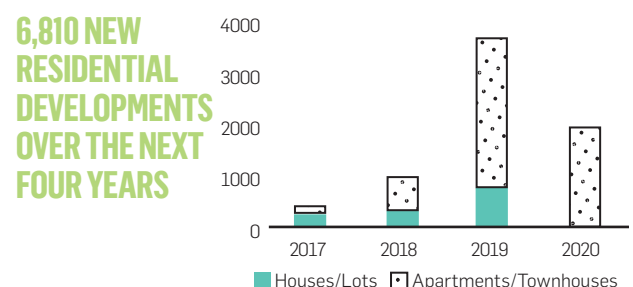
SCHOFIELDS CATCHMENT AND BLACKTOWN LGA SALES PRICE GROWTH PER ANNUM



Prepared by Urbis; Source: APM PriceFinder 2016

Note: * Unit Figures for Blacktown LGA

FUTURE RESIDENTIAL DEVELOPMENT IN THE SCHOFIELDS CATCHMENT



Prepared by Urbis; Source: Cordell Connect

RENTAL MARKET

Schofields has recorded strong median rental growth over the past five years.

SCHOFIELDS HOUSE RENTAL MARKET

Due to limited availability of median rental data for houses, weekly median house rents for postcode 2763 (Quakers Hill and Acacia Gardens) were used as proxy house rents in the Schofields area.

Three bedroom houses represent the majority of rented houses in the Schofields Catchment, accounting for 65% of houses in 2011. As at June 2016, the median weekly rent for a three bedroom house (comprising both old and new houses) in Schofields was \$470 per week, which equates to a rental increase of 3.3% per annum during the past five years. The graph below demonstrates that changes in the weekly house rents in Schofields have closely followed the weekly house rents of Greater Sydney, which achieved comparable five year growth.

According to APM Pricefinder, three bedroom houses in Schofields achieved an indicative gross rental yield of 3.2% for the 12 months to December 2015. This is slightly above the Sydney average of 3.1%, and highlights the strong rents achieved in the area relative to sales prices.

SCHOFIELDS UNIT RENTAL MARKET

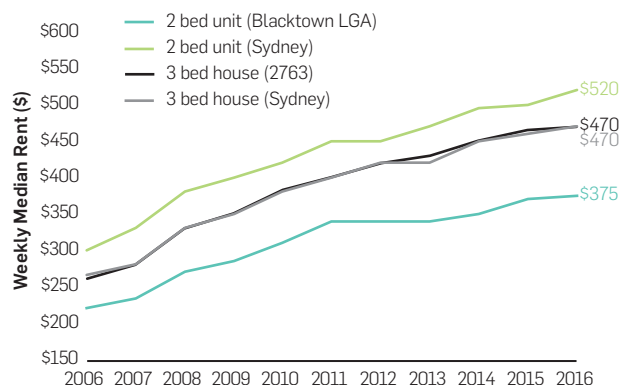
Data on median rents for units in Schofields is unavailable due to a low number of rented units. Therefore, weekly median unit rent for the Blacktown LGA was used as a suitable proxy for Schofields.

Two bedroom apartments dominate the unit rental market in the area, accounting for 71% of rental apartments in Blacktown LGA in 2011. The median weekly rent for this product in June 2016 was \$375, which reflects a rental increase of 2.0% per annum over the past five years. Rental growth in the last 2 years has been 3.5% per annum, higher than the Sydney average growth rate of 2.9% in the same period.

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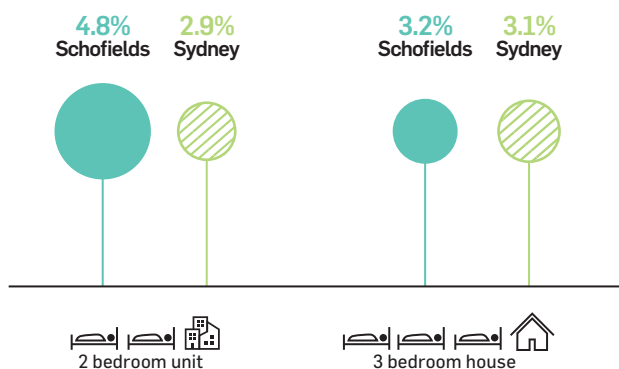
The graph to the right illustrates the premium for new three and four bedroom rental houses in Schofields. Urbis market research indicates that on existing housing stock, new three bedroom houses achieve a 20% premium and new four bedroom houses achieve a 15% premium.

MEDIAN WEEKLY RENTS FOR 2 BEDROOM UNITS AND 3 BEDROOM HOUSES



Prepared by Urbis; Source: NSW Department of Housing Rent Data

INDICATIVE GROSS RENTAL YIELD, JUNE 2015 – JUNE 2016

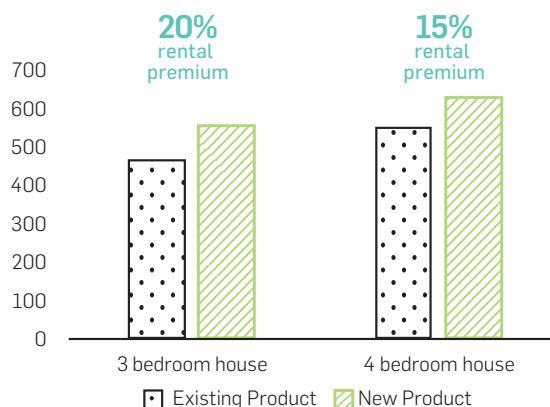


*Rents and sale prices for Blacktown LGA used for Schofields.

**Rents for postcode 2765 used for Schofields.

Prepared by Urbis; Source: NSW Department of Housing Rent Data, APM Pricefinder

RENTAL PREMIUM FOR NEW HOUSES, SCHOFIELDS



Prepared by Urbis; Source: Realestate.com.au



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