

MARKET OUTLOOK

EAST LEPPINGTON

Located within the rapidly expanding South West Growth Centre of Sydney, the East Leppington Precinct is well positioned to benefit from the region's strong infrastructure investment and residential market growth.

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Prepared exclusively for
Stockland
2018



WALKABILITY & ACCESSIBILITY

East Leppington is located within South West Sydney, approximately 45km south-west of the Sydney CBD, and forms part of the Campbelltown, Liverpool and Camden Local Government Areas (LGAs).

East Leppington is a release area (comprising greenfield land that has been released by the NSW Government for development) forming part of the South West Growth Centre and is located within close proximity to recreational areas and shopping precincts.

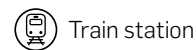
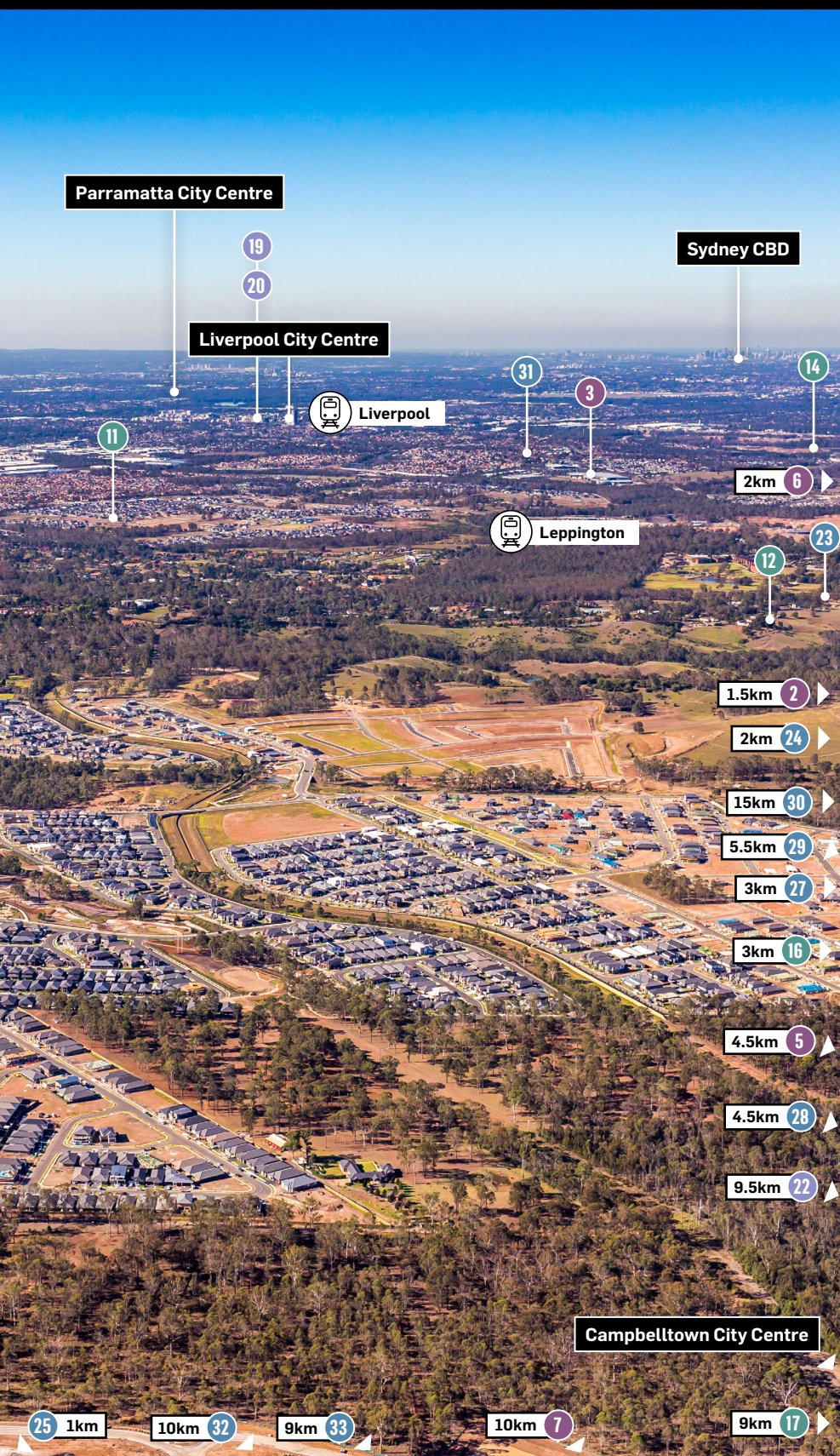
Residents are well placed to access local primary and high schools including: Leppington Public School, Robert Townson Public School, St Andrews Public School, Macquarie Fields High School and Ingleburn High School. Western Sydney University campuses at Campbelltown and Liverpool and the University of Wollongong campus at Liverpool provide multiple tertiary education opportunities.

The new Willowdale Shopping Centre includes a dental surgery, pharmacy and family health medical centre. The Liverpool Hospital and Campbelltown Hospital are both located nearby providing further quality medical care to residents.

Willowdale will comprise two district and five local parks, with the new Willowdale Park covering almost 3 hectares to include BBQ areas, flying foxes, children's playground, a water play area, and a bike and scooter track.

The area is located in close proximity to a number of significant employment nodes, including the Western Sydney Employment Area (WSEA) and Liverpool CBD. Newly developed transport infrastructure including the new Leppington Train Station also connects residents to major centres throughout Sydney such as the Sydney CBD and Parramatta CBD.





Train station

RETAIL AND ENTERTAINMENT

- 01 Willowdale Shopping Centre
- 02 Ingleburn Fair Shopping Centre
- 03 Crossroads Homemaker Centre
- 04 Carnes Hill Marketplace
- 05 Eagle Vale Marketplace
- 06 Glenquarie Town Centre
- 07 Macarthur Square
- 08 Narellan Town Centre

EDUCATION

- 09 Leppington Public School
- 10 John Edmondson High School
- 11 William Caret Christian School
- 12 Bardia Public School
- 13 Hoxton Park High School
- 14 Hurlstone Agricultural High School
- 15 Greenway Park Public School
- 16 Robert Townson Public School
- 17 Western Sydney University Campbelltown Campus
- 18 TAFE NSW – South Western Sydney Institute

HEALTH

- 19 Liverpool Hospital
- 20 Sydney Southwest Private Hospital
- 21 Camden Hospital
- 22 Campbelltown Hospital

PARKS AND RECREATION

- 23 Macquarie Links International Golf Club
- 24 Macquarie Fields Indoor Sports Complex
- 25 Camden Lakeside Country Club
- 26 Sydney Horse Riding Centre
- 27 Macarthur Grange Country Club
- 28 Raby Sports Complex
- 29 Eagle Vale Leisure Centre
- 30 Minto Indoor Sport Centre
- 31 Tree Valley Golf Course
- 32 Mount Annan Botanical Gardens
- 33 Camden Valley Golf resort

INFRASTRUCTURE & EMPLOYMENT

East Leppington is well located to take advantage of over \$8 billion in infrastructure investment in Sydney's South West.

WESTERN SYDNEY AIRPORT

Potential Completion: 2026 – \$5.3 billion (initial funding)

The Australian Government has committed \$5.3 billion in funding for construction of the first stage of Sydney's second major airport to service the Western Sydney region. The new airport will be a major catalyst for economic growth in South Western Sydney by connecting the region globally and opening up freight and export opportunities. The airport is expected to deliver approximately 28,000 new jobs by 2031 and encourage new business investment in the surrounding area.

NORTH-SOUTH RAIL LINK

Potential Completion: 2026 – \$7 billion (estimated)

The NSW and Commonwealth Governments are jointly funding a \$7 billion rail link between Leppington, Western Sydney Airport and St Marys. The proposed rail line will extend the existing railway between Glenfield Station and Leppington and is expected to open in 2026 alongside the new airport.

CAMPBELLTOWN HOSPITAL UPGRADE

Expected Completion: 2022 – \$632 million (committed)

The Campbelltown Hospital has been granted over \$632 million for Stage 2 of the Campbelltown Hospital Redevelopment, to upgrade its emergency department, mental health facilities and expand paediatric services to service the region.

THE NORTHERN ROAD UPGRADE

Expected Completion: 2026 – \$1.6 Billion (committed)

The upgrading of the Northern Road from Narellan to Jamison Road in Penrith (totalling around 35 km in length) is currently underway. The benefits of the upgrade will include increased connectivity to the Western Sydney Airport, improved travel times, road capacity and road safety.

BRINGELLY ROAD UPGRADE

Expected Completion: Mid 2018 – \$509 million (committed)

Road widening of Bringelly Road to six lanes between Leppington and Bringelly, which is set to improve access to the proposed Western Sydney Airport at Badgerys's Creek, Leppington Train Station and the M5 and M7 motorways.

EDMONDSON PARK SCHOOL

Potential Completion: 2020 – \$8.3 million (committed)

Proposed construction of a new school to accommodate 900 students from kindergarten to year 12. Stage 1 comprises the construction of a vertical school administration building, student amenities, two classroom blocks for 225 students, outdoor play area and landscaping.

ST FRANCIS CATHOLIC COLLEGE (STAGE 2)

Expected Completion: 2022 – \$9.0 million (estimated)

A new Catholic school that will include capacity for approximately 1,700 students from K-12 once fully completed. The first stage included the construction of a primary school for 250 students, which includes 12 classrooms within a single storey building.

NEW LEPPINGTON PRIMARY SCHOOL

Expected Completion: Late 2021 - (committed)

The NSW Government is funding a new primary school to service the Leppington area. The project commenced in 2018 and is currently in the design phase.

EMPLOYMENT NODES

Forecast employment growth close to East Leppington has the potential to drive residential demand from new workers.

The construction of the **Western Sydney Airport** will generate significant employment and business investment into the region. According to the Greater Sydney Regional Plan, approximately 28,000 new jobs are projected to be located within the precinct by 2031.

The Western City Regional Plan highlights **Campbelltown – Macarthur** as a developing health and medical hub, with potential to grow up to 7,520 jobs from 2016 to 2031. Liverpool is also projected to accommodate strong employment growth across health, education and professional services, forecast by the BTS to grow by 10,220 jobs over the same period.

The Study Area is also located near other major employment centres within South West Sydney such as Liverpool and Bankstown and express public transport services provide good access to major CBDs such as Parramatta and Sydney.

New Jobs by 2031

Employment Precinct	New Jobs (2016-31)
Campbelltown - Macarthur	7,520
Western Sydney Airport	28,000
Liverpool	10,220
Parramatta	22,440
Sydney CBD	62,850

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

POPULATION & DEMOGRAPHICS

The East Leppington Study Area is a growing area with projected population growth rate of 3.3% per annum over the next 15 years.

For the purpose of this profile, a Study Area has been defined for the assessment of population growth, demographic characteristics and the property market.

This reflects the fact that East Leppington is a new release area, meaning historical data is limited and a wider Study Area is required to analyse market indicators. The Study Area has been defined to include the adjacent LGAs of Camden and Campbelltown, which cover the East Leppington precinct.

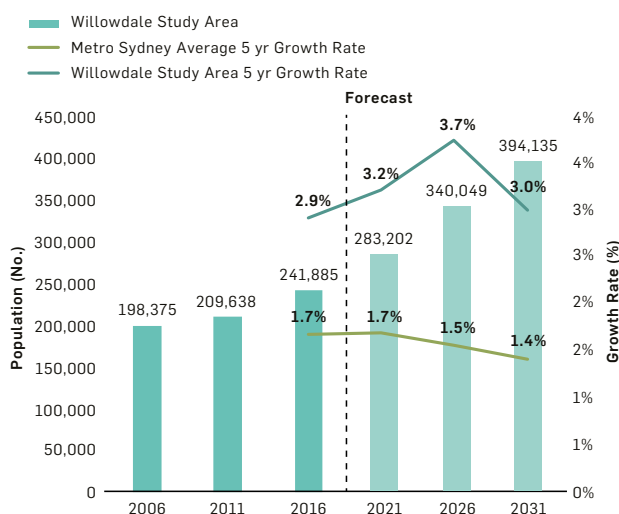
According to the Australian Bureau of Statistics (ABS), the Study Area has recorded population growth of 2.0% per annum between 2006 and 2016. This was above the average growth rate of 1.6% achieved by Metropolitan Sydney during the same period.

Based on data from the NSW Department of Planning and Environment, the population of the Study Area is projected to increase by more than 152,250 people between 2016 and 2031. The projected growth equates to an average of 10,150 new residents per year at a growth rate of 3.3% per annum, and is expected to grow faster than Metropolitan Sydney (1.5% per annum).

The Study Area has a significant white collar labour force, comprising 64% of employed residents. This includes a high proportion of managers and professionals (accounting for 26% of employed residents) that has increased between 2011 and 2016.

Population Growth

East Leppington Study Area and Metropolitan Sydney Population











Prepared by Urbis; Source: ABS, NSW Department of Planning and Environment

This is supported by an increasing proportion of residents in the Study Area who have a tertiary qualification, with 16% having a bachelor degree or higher.

The growing well-educated and professional workforce is reflected by an increasing average household income. The average household income within the Study Area was \$96,748 in 2016, which is approximately 17% higher than what was recorded in 2011, whilst Metropolitan Sydney recorded a growth rate of 13%. Within the Study Area, 26% of households have incomes above \$130,000, up from 19% in 2011.

The projected population growth rate coupled with increasing household incomes within the Study Area represents a key demand driver for residential dwellings in the area.

Who lives in the Study Area?

Characteristic	Study Area 2011	Study Area 2016
 Average Age of Residents	35	34
 Born Overseas	26%	29%
 Couple Family with No Children	23%	23%
 Average Household Size	3.0	3.0
 Bachelor Degree or Higher	12%	16%
 Average per Capita Income	\$28,691	\$43,036
 Average Household Income	\$84,830	\$96,748
 Household Income Above \$130,000	19%	26%

Prepared by Urbis; Source: ABS Census 2016

Household Income Growth

2011-2016



Prepared by Urbis; Source: ABS Census 2016

RESIDENTIAL MARKET ANALYSIS

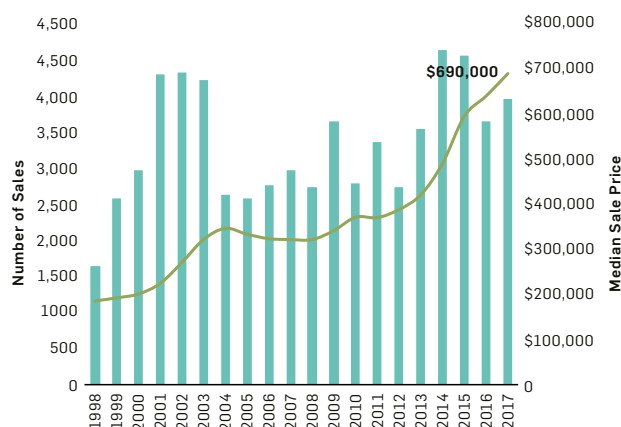
The East Leppington Study Area has recorded strong unit price growth averaging 12% per year over the last five years.

STUDY AREA HOUSE MARKET

The Study Area recorded approximately 3,900 settled house sales in 2017. The number of house sales averaged around 3,300 a year between 1998 and 2017, experiencing above average activity over the last five years with a peak of around 4,650 in 2014. This reflected the significant activity in the Study Area including new house releases in the South West Growth Centre.

Houses recorded a median sales price of \$690,000 in 2017, reflecting average annual growth of 12.3% per annum over the last five years. This followed a five-year period of stable prices between 2005 and 2009 that also included the Global Financial Crisis. The price growth in the Study Area was higher than the Metropolitan Sydney average of 7.2% over the last five years.

Study Area House Market



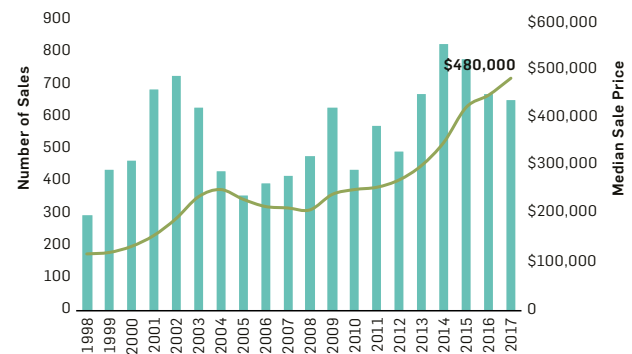
Prepared by Urbis; Source: APM PriceFinder. *Note: Off the plan sales would not have settled in 2016 and 2017 and would therefore be excluded from the House Market chart.

STUDY AREA APARTMENT MARKET

The Study Area recorded approximately 650 settled apartment sales in 2017. The number of apartments sales averaged around 550 a year between 1998 and 2017, experiencing above average activity over the last five years with a peak of around 830 in 2014.

Apartments recorded a median sales price of \$480,000 in 2017 reflecting average annual growth of 12.2% per annum over the last five years. This also followed a five-year period of stable prices between 2005 and 2009. The price growth in the Study Area was higher than the Metropolitan Sydney average of 8.3% over the last five years.

Study Area Apartment Market



Prepared by Urbis; Source: APM PriceFinder

NEW HOUSING SUPPLY

According to Cordell Connect and Urbis research as of June 2018 there are an estimated 5,570 residential dwellings proposed to be completed in the Study Area over the next five years. Just over 900 dwellings are anticipated to be completed by 2019, highlighting that the majority of proposed supply is in the early stages of development.

Looking ahead, the Study area is anticipated to continue to evolve with more medium density and apartment developments to enter the market, as well as increased investment in state and local infrastructure projects. This is expected to further enhance the amenity and accessibility for existing and new residents.

Future Residential Development



Study Area

2018	2019	2020	2021	2022	Total
207	769	2,046	1,232	1,314	5,568

Prepared by Urbis; Source: Cordell Connect

House and Unit Price Growth (2017)

Study Area	Houses	Units
1 Year	7.8%	7.9%
5 Year	12.3%	12.2%
10 Year	8.0%	8.5%

Prepared by Urbis; Source: APM PriceFinder

RENTAL MARKET ANALYSIS

The Study Area has recorded strong rental growth over the last decade.

The East Leppington Study Area continues to be a strong market for investors as median house and unit prices continue to grow along with the number of renting households. ABS Census data shows that the percentage of renting households in the Study Area has increased from 28% in 2011 to 30% in 2016.

Proportion of Households Renting



Prepared by Urbis; Source ABS Census 2011 and 2016

UNIT MARKET

According to the NSW Department of Housing, two bedroom units in the Campbelltown LGA recorded a median rent of \$350 per week in the December Quarter 2017. Over the last decade, median rents in the Campbelltown LGA have recorded annual growth of 6.6% per annum, higher than recorded in the Outer Sydney Ring (4.9%). Two-bedroom unit median rental growth in the Campbelltown LGA and the Sydney Outer Ring, have been above that recorded for Greater Sydney (4.6%) over the same period. Similarly, median rent growth in the Liverpool LGA is above that of Greater Sydney. It is noted that median unit price data was not available for the Camden LGA.

Median Weekly Rents for 2-bedroom Units

Region	December Q 2007	December Q 2017	Annual Growth
Campbelltown LGA	\$185	\$350	6.6%
Liverpool LGA	\$300	\$480	4.8%
Sydney Outer Ring	\$280	\$450	4.9%

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

HOUSE MARKET

Three-bedroom houses represent the major component of rental dwellings in the Study Area (57%). According to the NSW Department of Housing, three-bedroom houses have recorded median weekly rental growth of 5.3% in the Campbelltown LGA, 4.4% in the Camden LGA and 4.8% in the Liverpool LGA over last decade. Over the last decade, three bedroom houses in the Campbelltown LGA have experienced rental growth above that achieved for the Sydney Outer Ring (4.9%), and Greater Sydney (4.9%).

According to the APM Pricefinder, houses in the Camden and Campbelltown LGAs achieved an indicative gross rental yield of 3.4 and 3.6% respectively for the 12 months to March 2018, above the Sydney average of 2.9%. Gross rental yields in the Liverpool LGA were even higher, at 3.9%. This highlights the strong rents achieved in the area relative to sales prices.

Median Weekly Rents for 3-bedroom Houses

Region	December Q 2007	December Q 2017	Annual Growth
Campbelltown LGA	\$250	\$420	5.3%
Camden LGA	\$300	\$460	4.4%
Liverpool LGA	\$300	\$480	4.8%
Sydney Outer Ring	\$310	\$450	4.9%

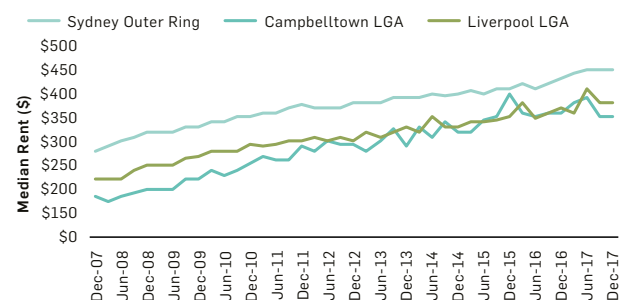
Prepared by Urbis; Source: NSW Department of Housing Rent Data

Rental Yield – Houses (March 2018)

Campbelltown LGA	Camden LGA	Liverpool LGA	Sydney
3.4%	3.6%	3.9%	2.9%

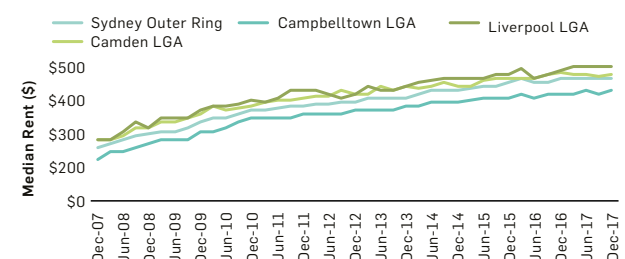
Prepared by Urbis; Source CoreLogic

Median 2 Bedroom Unit Rental Growth

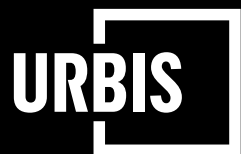


Prepared by Urbis; Source: NSW Department of Housing

Median 3 Bedroom House Rental Growth



Prepared by Urbis; Source: NSW Department of Housing



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