



OUTLOOK

NORTH WEST GROWTH CENTRE

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

JULY 2016

- A LOCATION**
Close proximity and accessibility to several major centres in west and north-west Sydney. / PG02
- B INFRASTRUCTURE INVESTMENT**
Over \$8.5 billion in infrastructure investment in the region including the proposed Sydney Metro Northwest rail network. / PG04
- C EMPLOYMENT GROWTH**
Almost 41,000 new jobs in surrounding employment centres by 2031. / PG04
- D POPULATION GROWTH**
Projected growth of 74,800 residents over the next 15 years. / PG05
- E DEMOGRAPHICS**
The North West Growth Centre is attracting a professional and affluent population. / PG05
- F SALES PRICE GROWTH**
Median house price growth of 11.6% per annum in the past 5 years. / PG06
- F RENTAL GROWTH**
Median 3 bedroom house rental growth of 3.4% per annum in the past 5 years. / PG07

The North West Growth Centre is an emerging residential market that is expected to benefit from strong infrastructure investment and amenity.

SIGNIFICANT INVESTMENT IN NEW RETAIL PRECINCTS TO SERVICE THE GROWING POPULATION



THE NORTH WEST GROWTH CENTRE BOASTS SIGNIFICANT PARKS AND OPEN SPACE



THE METRO SYDNEY NORTHWEST WILL FURTHER IMPROVE TRANSPORT ACCESSIBILITY



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

LOCATION & ACCESSIBILITY

North West Growth Centre



The North West Growth Centre is located 40km north-west of the Sydney CBD and is undergoing significant urban development.

The North West Growth Centre is located 40km north-west of the Sydney CBD, and comprises of approximately 10,000 hectares of land. The region is expected to yield a total of 70,000 new dwellings resulting in a population of around 200,000 new residents.

The North West Growth Centre is undergoing significant urban development and is now characterised by a master planned residential development, 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 Centre currently provides a wide range of amenity for local residents, with the established Rouse Hill and Blacktown town centres serving as major retail and entertainment precincts for the region. In addition, Marsden Park's newly developed retail precinct located on Richmond Road offers local residents a wide selection of amenity from



key retailers such as Ikea, Bunnings and Aldi. Further town centre development within Marsden Park and Schofields will provide additional retail options for a growing resident population.

Bus rapid transit services from Rouse Hill Transport Interchange connect the North West Growth Centre region to Parramatta Train Station and the Sydney CBD. Schofields Train Station provides residents with good access to 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 and Rouse Hill providing direct access to North West Sydney and the Sydney CBD.

LEGEND

Retail And Entertainment

1. Emerton Village Shopping Centre
2. Rouse Hill Village Centre
3. Rouse Hill Town Centre
4. Centro Woodcroft
5. Sydney Business Park
6. Parklea Markets
7. Westpoint Shopping Centre
8. Woolworths Schofields

Education

9. Marsden Park Public School
10. Schofields Public School
11. Riverstone Public School
12. Norwest Christian College
13. Riverstone High School
14. St Clare's Catholic High School
15. Hassall Grove Public School
16. William Dean Public School
17. Shalvey Primary School
18. Chifley College Shalvey
19. Noumea Public School
20. Western Sydney University Nirimba Campus
21. TAFE NSW Western Sydney Institute Nirimba

Health

22. Nepean Hospital
23. Blacktown Hospital
24. The Hills Clinic Hospital
25. Norwest Private Hospital

Parks and Recreation

26. Stonecutters Ridge Golf Club
27. Colonial Golf Course and Driving Range
28. Richmond Golf Course
29. Rum Corps Barracks Golf Course
30. Lynwood Country Club
31. Grange Avenue Reserve
32. Castlereagh Nature Reserve
33. Wianamatta Regional Park
34. Mittaggar Reserve
35. Riverstone Park
36. Lions Park
37. Quakers Hill Park

INFRASTRUCTURE & EMPLOYMENT

Over \$8.5 billion in infrastructure investment to benefit the North West Growth Centre.

INFRASTRUCTURE

The North West Growth Centre will benefit from significant infrastructure investment over the next decade. This will improve the amenity for local residents as well as 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, a new rail service connecting to the Epping-to-Chatswood Rail Link and to the wider Sydney rail network. This will complement the existing train service running through The North West Growth Centre, which includes Schofields Train Station. The project involves the construction of 15 km twin tunnels between Bella Vista and Epping, and delivering eight new stations. Cudgong Road Station will be the final stop on the Sydney Metro Northwest and is set to be a key transport hub that will increase the accessibility of key employment nodes beyond the Blacktown LGA.

SCHOFIELDS ROAD UPGRADE

(Expected completion in 2017) - \$71.5 million

The Schofields Road upgrade involves the extension of roadway from Veron Road in Schofields to Richmond Road in Marsden Park. The benefits of the road upgrade will include reduced travel times, increased road capacity and improved pedestrian and cyclist accessibility.

SYDNEY BUSINESS PARK

(Expected completion in mid-2016) - \$34 million

Construction of a new Costco wholesale and retail warehouse within the recently developed Sydney Business Park, which currently consists of an Ikea 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 North West Sydney residents.

SCHOFIELDS TOWN CENTRE

(Expected completion date not known) - \$30.5 million

The Schofields Town Centre will be adjacent to Schofields train station, and will comprise of a

new retail centre with a Coles supermarket and specialty retail. 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.

GREENWAY VILLAGE CENTRE

(Expected completion in mid-2017) - \$6.9 million

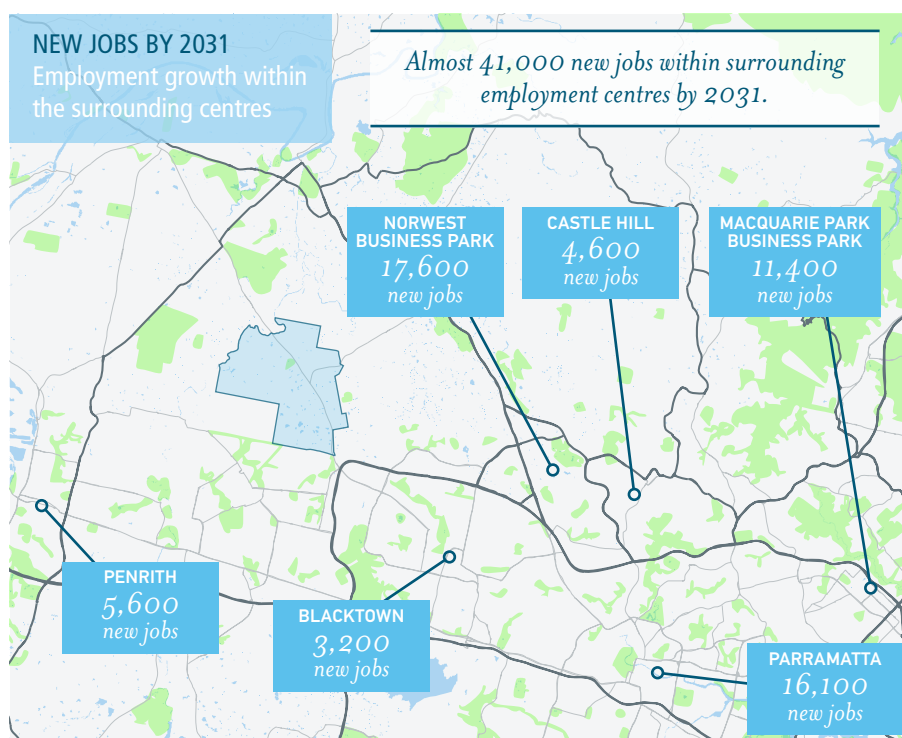
Greenway Village Centre is a proposed new neighbourhood shopping complex that will include a 3,400 sq.m Woolworths supermarket and 12 specialty retail stores. This development will support the retail needs of the growing resident population in the Marsden Park area.

MARSDEN PARK CATHOLIC SCHOOL

(Expected completion end 2016) - \$6 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



Source: NSW Bureau of Transport Statistics (2014)

The North West Growth Centre is located in close proximity to a number of emerging employment centres, which will continue to attract new workers to the region. The region 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 attract a number of large companies to the region. This is likely to provide new job opportunities for residents in the north-west of Sydney.

Investment in the Sydney Metro Northwest rail network, comprising of new train stations at Cudgong Road and Rouse Hill, will increase The North West Growth Centre region's accessibility 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 in close proximity to where they work. Forecast employment growth in nearby employment centres has the potential to drive demand from new workers.

The North West Growth Centre is projected to grow by around 74,800 new residents by 2031

For the purpose of this profile, the North West Growth Centre region has been defined for the assessment of population growth, demographic characteristics and the property market. The North West Growth Centre has been identified by the NSW Department of Planning and Environment as an area for sustainable urban development, which has been divided into 16 precincts that are being progressively released and rezoned. Although the region recorded relatively low population growth of 0.9% per annum between 2006 and 2014, data from the NSW Department of Planning and Environment projects the North West Growth Centre's population to increase by almost 74,800 people between 2016 and 2031. The projected growth equates to an average of around 4,800 new residents per year at a growth rate of 11.4% per annum, and is expected to grow significantly faster than Sydney (1.5% per annum).

Managers and Professionals accounted for 25% of employed residents in the North West Growth Centre in 2011, and this proportion has increased since 2006 (24%). Improved access to employment opportunities and new amenity will continue to attract highly skilled workers to the area.

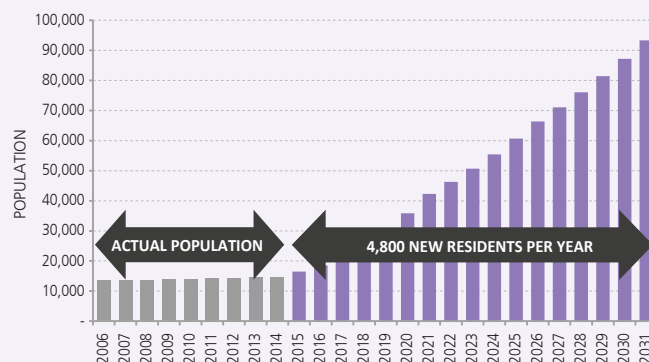
WHO LIVES IN THE NORTH WEST GROWTH CENTRE?

	NORTH WEST GROWTH CENTRE 2006	NORTH WEST GROWTH CENTRE 2011
 Average Age of Residents	36 years	37 years
 Employed in White Collar Jobs	57%	58%
 Managers and Professionals	24%	25%
 Renters	28%	30%
 Average Household Income	\$62,460	\$79,401
 Household Income Above \$156,000	5%	11%

Source: ABS Census 2006 and 2011; Urbis

POPULATION & DEMOGRAPHICS

NORTH WEST GROWTH CENTRE POPULATION GROWTH



Source: Department of Planning and Environment 2014; Urbis

The growing well-educated and professional workforce in the North West Growth Centre is reflected by an increasing average household income. The current average household income within the North West Growth Centre is \$79,401, which is 27% above what was recorded in 2006. Household with incomes above \$156,000 increased to 11% of residents, reflecting the increasing proportion of high income earners in the area.

The projected high population growth rate coupled with strong income growth within the North West Growth Centre represent key demand drivers of demand for residential dwellings in the area.

AVERAGE HOUSEHOLD INCOME



Source: ABS Census 2011 ; Urbis

RESIDENTIAL MARKET

The North West Growth Centre is an emerging residential market, strategically located in the north-west of Sydney.

NORTH WEST GROWTH CENTRE HOUSE MARKET

During 2015, the North West Growth Centre recorded a median house price of \$710,000 based on 378 settled transactions (excluding recent off-the-plan sales that have not settled). Houses within the North West Growth Centre have historically shown consistent price growth recording a five year median price increase of 11.6% per annum, which is above the average growth recorded in Sydney (7.3% per annum).

More recently, the North West Growth Centre recorded a median house price increase of 30.4% during 2015, which reflects the strong demand for new housing stock within the region.

NORTH WEST GROWTH CENTRE UNIT MARKET (APARTMENTS AND TOWNHOUSES)

Due to limited number of apartment and townhouse sales within the North West Growth Centre, price growth of apartments and townhouses has been measured against market performance of the Blacktown LGA, noting its proximity and similar pattern of development to the North West Growth Centre.

The Blacktown LGA recorded a median apartment price of \$460,000 in 2015, and has shown consistent strong price growth recording a five year median price increase of 9.3% per annum. This price growth in the North West Growth Centre was above the Sydney average of 6.5% per annum over the past five years. The apartment and townhouse market is set to continue recording strong growth within the North West Growth Centre, as new apartment and townhouse stock is released within the region.

NEW HOUSING SUPPLY

Data compiled by Cordell Connect as of March 2016 indicates that there are an estimated 21,700 dwellings proposed to be completed in the North West Growth Centre over the next four years. Around 50% of proposed dwellings will be houses and land lots, 45% of proposed dwellings will be apartments, and 5% of proposed dwellings will be townhouses. Just over 10,200 dwellings are anticipated to be completed by 2017, highlighting that the majority of proposed supply has either received development approval or is under construction.

Looking ahead, the North West Growth Centre will continue to evolve with a mix of medium density and apartment developments anticipated to enter the market. Increased investment in state and local infrastructure projects is expected to further enhance the amenity and accessibility for existing and new residents.

NORTH WEST GROWTH CENTRE

The North West Growth Centre 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.

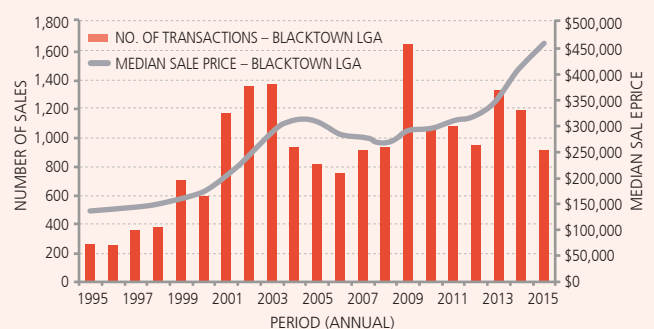
Progressive land release in the North West Growth Centre and increased residential density in centres around Norwest, Castle Hill and Rouse Hill has led to significant residential supply in Marsden Park and surrounding regions.

FUTURE RESIDENTIAL DEVELOPMENT IN NORTH WEST GROWTH CENTRE

YEAR	HOUSES / LOTS	TOWNHOUSES / VILLAS	APARTMENTS	TOTAL
2016	5,300	100	600	6,000
2017	3,100	200	900	4,200
2018	100	400	7,100	7,600
2019	1,400	100	1,300	2,800
2020	1,100	0	0	1,100
TOTAL	11,000	800	9,900	21,700

Source: Cordell Connect ; Urbis

BLACKTOWN LGA UNIT SALES AND MEDIAN PRICES



Source: APM Pricefinder; Urbis

PRICE GROWTH, NORTH WEST GROWTH CENTRE

PERIOD OF GROWTH (YEARS)	HOUSE	UNIT*
1 YEAR GROWTH (PER ANNUM)	30.4%	10.3%
5 YEAR GROWTH (PER ANNUM)	11.6%	9.3%
10 YEAR GROWTH (PER ANNUM)	7.2%	4.0%

*Figures for Blacktown LGA
Source: APM Pricefinder; Urbis

The North West Growth Centre has recorded strong median rental growth over the past five years.

RENTAL MARKET ANALYSIS

NORTH WEST GROWTH CENTRE HOUSE MARKET

Due to limited availability of median rental data for houses, weekly median house rents for postcode 2765 (Marsden Park, Riverstone, Box Hill) was used to assess the broader North West Growth Centre housing market. As at December 2015, the median weekly rent for a three bedroom house (comprising both old and new houses) in the North West Growth Centre was \$420 per week, which equates to a rental increase of 3.4% per annum during the past five years. This rental growth increase is greater than the average for Sydney, which recorded a rental increase of 2.8% per annum over a comparable period.

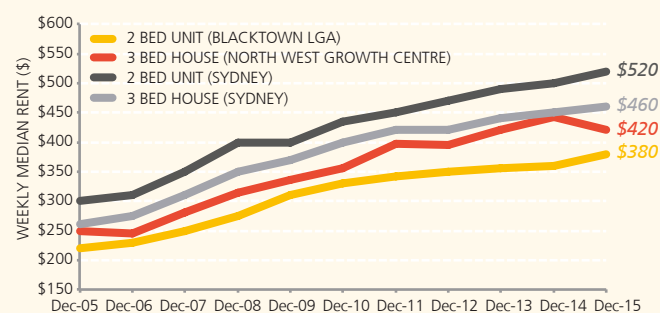
According to APM Pricfinder, three bedroom houses in the North West Growth Centre achieved an indicative gross rental yield of 3.4% for the 12 months to December 2015. This is above the Sydney average of 3.1%, and highlights the strong rents achieved in the area relative to sales prices.

NORTH WEST GROWTH CENTRE UNIT MARKET

Data on median rental data for units in the region is not available. Therefore, weekly median unit rent for the Blacktown LGA was used as a suitable proxy for the North West Growth Centre. As at December 2015, the median weekly rent for a two bedroom unit in the Blacktown LGA was \$380 per week, which equates to a rental increase of 2.9% per annum during the past five years.

According to APM Pricfinder, two bedroom units in Blacktown LGA achieved an indicative gross yield of 4.7% for the 12 months to December 2015. This is above the Sydney average of 2.9%.

MEDIAN WEEKLY RENTS FOR TWO BEDROOM UNITS AND THREE BEDROOM HOUSES



Source: Housing NSW, Urbis

MEDIAN WEEKLY RENTS FOR TWO BEDROOM UNITS AND THREE BEDROOM HOUSES

INDICATIVE GROSS RENTAL YIELD	NORTH WEST GROWTH CENTRE	SYDNEY
2 BEDROOM UNIT ¹	4.7%	2.9%
3 BEDROOM HOUSE ²	3.4%	3.1%

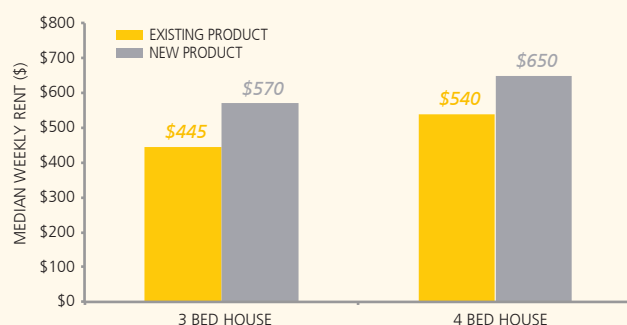
1. Figures for Blacktown LGA 2. Figures for postcode 2765
Source: APM Pricfinder, Urbis

The graph illustrates there is a premium for new rental stock in the North West Growth Centre. Urbis market research indicates that on existing housing stock, new three bedroom houses achieve a 28% premium and new four bedroom houses achieve a 20% premium.

MEDIAN WEEKLY RENTS FOR THREE AND FOUR BEDROOM HOUSES

HOUSING STOCK	EXISTING PRODUCT	NEW PRODUCT	RENTAL PREMIUM
3 BEDROOM HOUSE	\$445	\$570	↑ 28%
4 BEDROOM HOUSE	\$540	\$650	↑ 20%

NEW PRODUCT VERSUS EXISTING PRODUCT



Source: Housing NSW, Urbis

Urbis has investigated the trends that will deliver a sustainable region comprising 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 will be those that accommodate "P.I.E" – Population, Investment and Employment.



P – Population Growth: The North West Growth Centre is forecast to grow by an additional 74,800 residents by 2031 at an average annual population growth rate at 11.4%. An increasingly affluent resident population is reflected by the five year house price growth of 11.6% per annum and three bedroom house average rental growth of 3.4% per annum in the North West Growth Centre.



I – Investment & Infrastructure: Locations within proximity to significant public and private investment are prime areas for residential development and growth, especially when they coexist within convenient transport infrastructure. Public transport and amenity in the North West Growth Centre will significantly improve as a result of the proposed \$8.3 billion Sydney Metro Northwest rail network, with proposed train stations at Cudegong Road and Rouse Hill. In addition, there are other projects that will improve resident amenity in the area.



E – Employment Opportunities: 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. The North West Growth Centre is strategically located to a number of local employment centres in the west and north-west of Sydney. The Sydney Metro Northwest rail network is anticipated to significantly improve accessibility of the region to a number growing employment centres including the Norwest Business Park, Macquarie Park and the Sydney CBD.



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