

# NSW

## High-density rezoning to unlock new investment potential

**NSW'S PROPERTY MARKET, ESPECIALLY SYDNEY, REMAINS A MAGNET FOR BUYERS FROM ACROSS AUSTRALIA AND THE GLOBE.** This allure has pushed Sydney's median property price to an eye-watering \$1,156,020 in May, according to CoreLogic. The city's median house price saw a 0.5% monthly increase to \$1,441,957 while unit prices climbed 0.7% over the month to a median of \$848,961.

But despite these soaring prices, there are signs of a slowdown with sales volumes dropping according to PRD Research Analyst Steven Hayward.

"In the past 12 months to Q1 2024 total sales in Sydney fell by -31.9% to 6,983, units also suffered a decline of -13.8% to 7,971 sales. This can be attributed to the ever-increasing house prices within Sydney Metro," he told *Your Investment Property Magazine*.

"Many people have now been priced out of New South Wales, in particular the Sydney market, and are either buying houses further and further out from the city or to regional centers – for example Wollongong, Central Coast, Lake Macquarie, Newcastle and Blue Mountains local government areas - as they are able to get more bang for their buck."

Despite this dip, well-located and renovated properties are still fiercely contested by interested buyers according to Brendan Clark, Buyer's Agent and Qualified Property Investment Adviser.

"Well renovated and well located properties are seeing strong competition, and often surpassing agents' expectations," he told *Your Investment Property Magazine*.

"However, whereas earlier in the year we may have seen multiple bidders fighting it out, in the current market auction participation seems to be a little lower. As a result, agents are happy to explore pre-auction offers at the right level."

He added that buyers have become more cautious to not overstretch themselves financially, with chances of a rate cut this year looking more and more unlikely.

### High density rezoning

The NSW Government plans to standardise housing policies across local councils by the end of 2024 to address the housing crisis. This includes a 'pattern book' with pre-approved housing designs to streamline the approval process.

The Transport Oriented Development Program (TOD) will target higher density development around transport hubs, potentially adding 47,800 new mid-rise homes over the next 15 years. Eight transport hubs



have been earmarked for rezoning which include stations at Bankstown, Bays West, Bella Vista, Crows Nest, Homebush, Hornsby, Kellyville and Macquarie Park.

"This will have an obvious impact in these markets through additional property supply, however, it will also create opportunities for investors with properties that have development potential," Mr Clark said.

Other initiatives, such as the State Environmental Planning Policy (SEPP) and the First Home Buyers Assistance Scheme, aim to make home ownership more accessible and ease rental market pressures.

### Promising areas

Investors looking for promising opportunities can explore regional areas like Dubbo, Griffith, and Tamworth. These locations offer affordability and strong growth potential, as highlighted in PRD's Roaring Regions Report 2024.

"Looking more towards regional areas could be a good solution as many of these locations offer affordable, higher rental yield and lower vacancy rates compared to metropolitan Sydney," Mr Hayward said.

"NSW is set for a resource and clean energy boom with many regional areas including the Snowy Mountains, Albury, and Hunter Valley as homes to multi-million-dollar projects. This will stimulate economic growth and create jobs, inviting more people to the area and increasing property demand."

Within Sydney itself, Mr Hayward identified suburbs like Chester Hill, Granville, and Bankstown as attractive options.

Mr Clark also mentioned the potential of Newcastle.

"[Newcastle] continues to benefit from economic development, intrastate migration and infrastructure spend. There are options in and around Newcastle in the sub \$1 million market for freestanding houses, which generally have a higher gross yield than most parts of Sydney," he said.

"The fundamentals continue to look favourable in this region. There are various options for investors, particularly those willing to take on value add projects."

### NSW PRICE PERFORMANCE

AREA	TYPE	MEDIAN VALUE	QUARTERLY GROWTH	12 MONTH GROWTH	WEEKLY MEDIAN ADVERTISED RENT	GROSS RENTAL YIELD
Sydney	H	\$1,400,000	2.50%	6.90%	\$725	2.70%
Sydney	U	\$768,000	0.40%	3.10%	\$650	4.40%
NSW Country	H	\$735,000	1.40%	2.90%	\$550	4.00%
NSW Country	U	\$615,000	0.80%	3.30%	\$450	3.80%

Source: CoreLogic. Data reported to the period ending March 2024. Median values account for sales transactions over three months.

### NSW'S HIGHEST YIELD SUBURBS

SUBURB	TYPE	MEDIAN PRICE	QUARTERLY GROWTH	12 MONTH GROWTH	WEEKLY MEDIAN ADVERTISED RENT	GROSS RENTAL YIELD
South Lismore	H	\$255,000	4%	21%	\$480	10%
Broken Hill	H	\$1 90,000	3%	9%	\$333	9%
Girards Hill	H	\$325,000	-11%	NA	\$520	8%
Moree	U	\$175,000	0%	6%	\$270	8%
Cobar	H	\$210,000	9%	8%	\$300	7%
Moree	H	\$351,000	5%	-8%	\$500	7%
Berrigan	H	\$257,500	4%	10%	\$360	7%
East Lismore	U	\$280,000	-1%	NA	\$380	7%
Scone	U	\$295,750	0%	NA	\$400	7%
Gilgandra	H	\$255,000	-2%	16%	\$343	7%

Source: CoreLogic. Data reported to the period ending March 2024. Median values account for sales transactions over 12 months.

"Renters looking to get on the property ladder have become a noticeable force in the entry level market. It's increasingly difficult to secure a well priced rental, and many seem to have decided to bring forward home buying plans."



**Brendan Clark**  
Buyer's Agent and Qualified Property Investment Adviser

### SUBURB SPOTLIGHT

## Burwood

Mixed bag

**BURWOOD PRESENTS A MIXED OPPORTUNITY FOR PROPERTY INVESTMENT.** The suburb's housing market demonstrates robust long-term growth, with a median price of \$2,950,000 and impressive property value increases. However, the gross rental yield for houses is relatively low at 2%, which may impact the attractiveness for rental income-focused investors.

On the other hand, units in Burwood offer a more affordable entry point with a median price of \$950,000 and more modest growth rates. Units also provide a higher indicative gross rental yield of 4%, making them a potentially more appealing option for investors seeking rental returns.



**Shopping**  
Burwood boasts one of Sydney's major shopping destinations, Westfield.



**Transport**  
Burwood has a well-connected transport system, including a major train station that provides easy access to Sydney's CBD in just 15 mins.



source: realestate.com.au

### BURWOOD HOUSES

MEDIAN PRICE	12 MONTH GROWTH	3 YEAR GROWTH	5 YEAR GROWTH	INDICATIVE GROSS RENTAL YIELD
\$2,950,000	18%	37%	53%	2%

Source: CoreLogic. Data reported to the period ending March 2024. Median values account for sales transactions over 12 months.

### BURWOOD UNITS

MEDIAN PRICE	12 MONTH GROWTH	3 YEAR GROWTH	5 YEAR GROWTH	INDICATIVE GROSS RENTAL YIELD
\$950,000	5%	12%	16%	4%

Source: CoreLogic. Data reported to the period ending March 2024. Median values account for sales transactions over 12 months.