

Spotlight Residential Property Ryde

2016

WHAT NEXT?

A spotlight on the residential market



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Historic price performance in Ryde and what's driving future growth
.....

43%

Increase in Ryde's
population forecast over the
next 20 years

132%

Increase in Ryde's property
prices over the past 10 years

7%

Discount for units in Ryde
versus Greater Sydney

4.1%

Average gross yield of a
unit in Ryde

2.7%

Average vacancy rate
in Ryde

75%

Of the workforce living in
Ryde commute to elsewhere
in Sydney

→ Situated in the north west of Sydney, Ryde is a popular residential location for families and young professionals, offering green space, good transport links and schools with a community feel.

Property prices

The average price in Ryde in Sep-16 was \$1.5m for a house and \$656k for a unit. House prices are 40% higher than the average across Sydney but still offer a substantial discount compared to the neighbouring waterfront suburbs of Tennyson Point and Putney, where house prices average over \$2m. However, units in Ryde offer a discount of 7% when compared to the Sydney average due to a higher concentration of units in central, more expensive locations.

Over the past 10 years, house and unit prices in Ryde have increased significantly with values rising by 144% and 122% respectively, outperforming the Sydney average. Over the past year, the rate of annual growth has slowed to just 5%, reflecting a more subdued housing market seen across Sydney.

Investment

Investors are attracted to Ryde for a number of reasons, including strong tenant demand. In Ryde, 28.1% of households are in the private rented sector, slightly higher than the average across Greater Sydney of 25.0%.

Rental growth in Sydney and in Ryde has not kept pace with the strong capital value growth but the returns can still be attractive. The median weekly rent is \$690 for houses and \$520 for units, resulting in average yields of 2.4% and 4.1% respectively.

Over the past 10 years, unit supply in Ryde has been inconsistent. A number of large-scale developments

came to the market in 2014, resulting in two and half times the number of unit sales that year compared to the average over the previous five years. With strong price growth and rental demand, the Ryde market was able to absorb this increase in stock and the number of unit sales over the past year has decreased to be in line with the long-term average.

The supply of new units can also affect the vacancy rate. In Ryde, the vacancy rate in September 2016 was 2.7%, up from 1.5% three months previous as more properties become available to rent.

Demand

Over the past 10 years, the population across the City of Ryde has increased by 20%, which equates to nearly 2,000 new residents per year.

Families with children account for 45% of the residents in Ryde and benefit from being within close proximity to a number of well-respected public and private schools.

International buyers are an important source of demand for the housing market across Sydney as both owner occupiers and investors. In Ryde, there is already a large international community, particularly from Asia, with nearly 20% of residents describing their ancestry as Chinese compared to just 8% across Sydney.

Residents in Ryde work in a number of locations. The City of Ryde, including Macquarie Park, is the most popular destination, accounting for a quarter of all workers. However, 75% of the workforce living in Ryde commute to elsewhere in Sydney, reflecting Ryde's connectivity to both the centre of Sydney and other key employment locations such as Parramatta.

The largest employment industry for people living in Ryde is the Professional, Scientific and Tech sector. This industry is the fastest growing in Sydney meaning Ryde is well-placed to draw on the newly created wealth that will result, as Tech buyers in particular look to emerging markets.

Outlook

The property market in Ryde has already, and will continue to, benefit from increasing demand due to Sydney's population growth. Over the next 20 years, the City of Ryde's population is forecast to increase by 43% compared to 37% across Greater Sydney.

As well as the new residential units under construction, a number of new office, retail and infrastructure projects are underway which will continue to increase the desirability of the area for existing and new residents.

INFRASTRUCTURE

Bus Priority Program

This is a long-term plan to redesign Sydney's bus network and improve travel times. Parramatta to Sydney CBD, via Ryde, is highlighted as one of the future rapid bus routes. Once complete, the route will include 40 new weekday services to the CBD and 30 to Macquarie Park and Burwood reducing the travel time from Ryde to the CBD from 37 minutes to 25 minutes.

Train Links

Ryde benefits from being situated in between three train stations in neighbouring suburbs. Meadowbank and West Ryde stations have regular services to the Sydney CBD via central station in under 30 minutes. North Ryde Station is currently undergoing a transformation to improve travel times and frequency.

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