

The O'Grady's
c/o The Planning Hub
Suite 4, Level 4, 35 Buckingham Street,
Surry Hills, NSW 2010
Attention: Jeremy Swan

3 August 2020

Dear Jeremy,

RE: Housing Analysis – Tidapa, Chittick Lane, Cobbitty

As per your instructions HillPDA has undertaken a housing analysis of Cobbitty and the surrounding locality to review the supply and demand for new serviced lots ranging in size from 600sqm to 2,000+sqm.

By way of background, we understand The Planning Hub has been engaged by the landowners of Lots 2, 3, 4 and 5 of Deposited Plan 239612, Chittick Lane, Cobbitty (subject property known as Tidapa) to lodge a Planning Proposal to rezone the subject property from RU1 Primary Production zoned land to urban zone(s) under the Camden Local Environmental Plan (LEP).

The purpose of this housing analysis is to demonstrate that there is limited supply of serviced lots 600 to 2,000+sqm in size and that there is demand for this type of product.

The tasks undertaken to fulfil this study includes:

- Review the residential development pipeline to analyse supply
- Review recent housing developments in similar locations and discussions with local agents to understand the level of demand

The following provides the findings of our market appraisal.

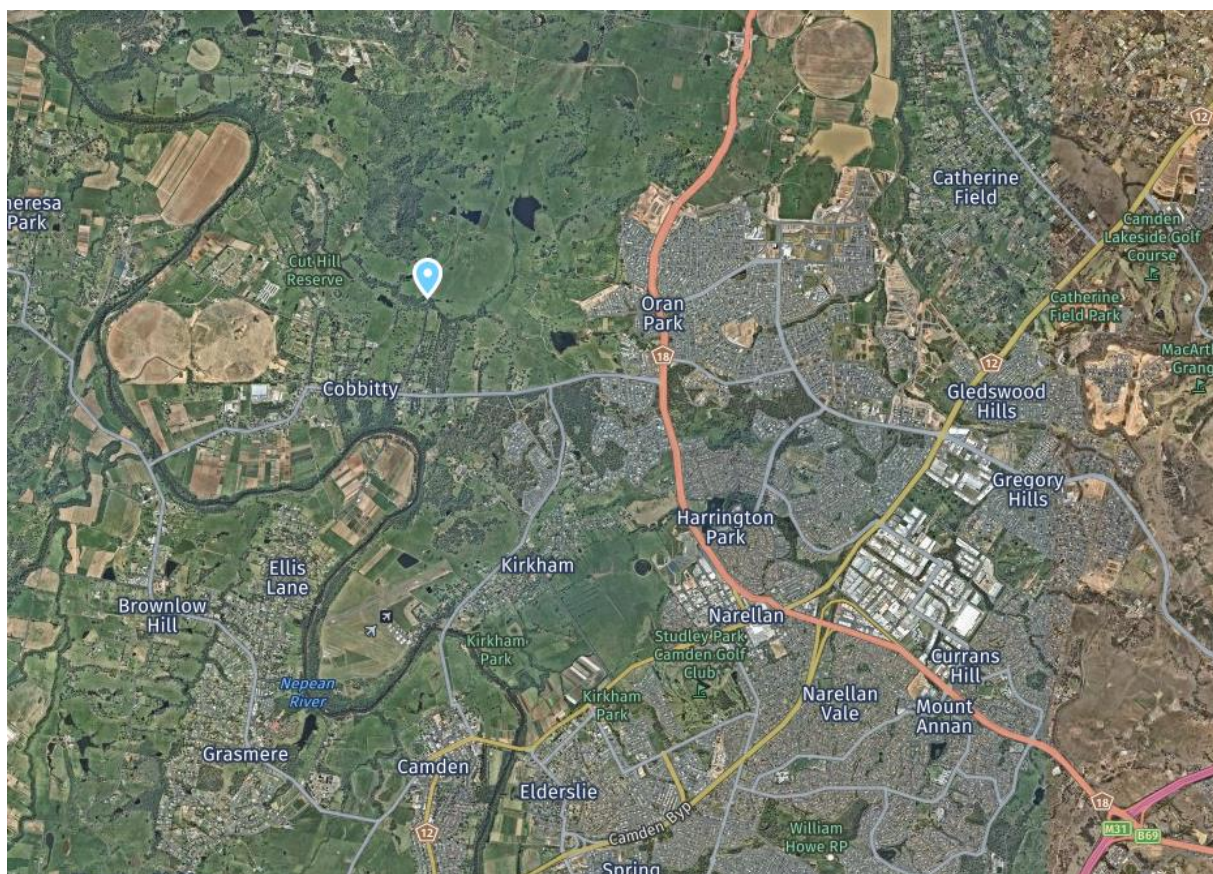
1.0 LOCATION AND SURROUNDINGS

Tidapa is located in the village of Cobbitty which lies approximately 70 kilometres from the Sydney Central Business District and approximately 20 kilometres west from the Campbelltown Town Centre. Tidapa has ease of access to Cobbitty Road which connects to The Northern Road.

The site's current uses include rural, agricultural and residential. Narellan Town Centre is the closest centre to the site, approximately 9km to the south-east. The closest employment precinct to the site is Campbelltown CBD which is approximately 20km to the northeast which is the major commercial centre in the South West (Macarthur) region.

The existing character of Cobbitty and the surrounding suburbs are changing dramatically from a rural environment to urban allowing for higher density. The subject site is located west of Oran Park which is part of the South West Priority Land Release Area. West of site lies The University of Sydney, Camden – May and Mt Hunter Campus. Further to north of the site lies the Badgerys Creek Airport, the Western Sydney Employment Area and the proposed Outer Sydney Orbital.

Figure 1: Location map with subject site indicated



Source: NearMaps 2020

1.1 Access and Services

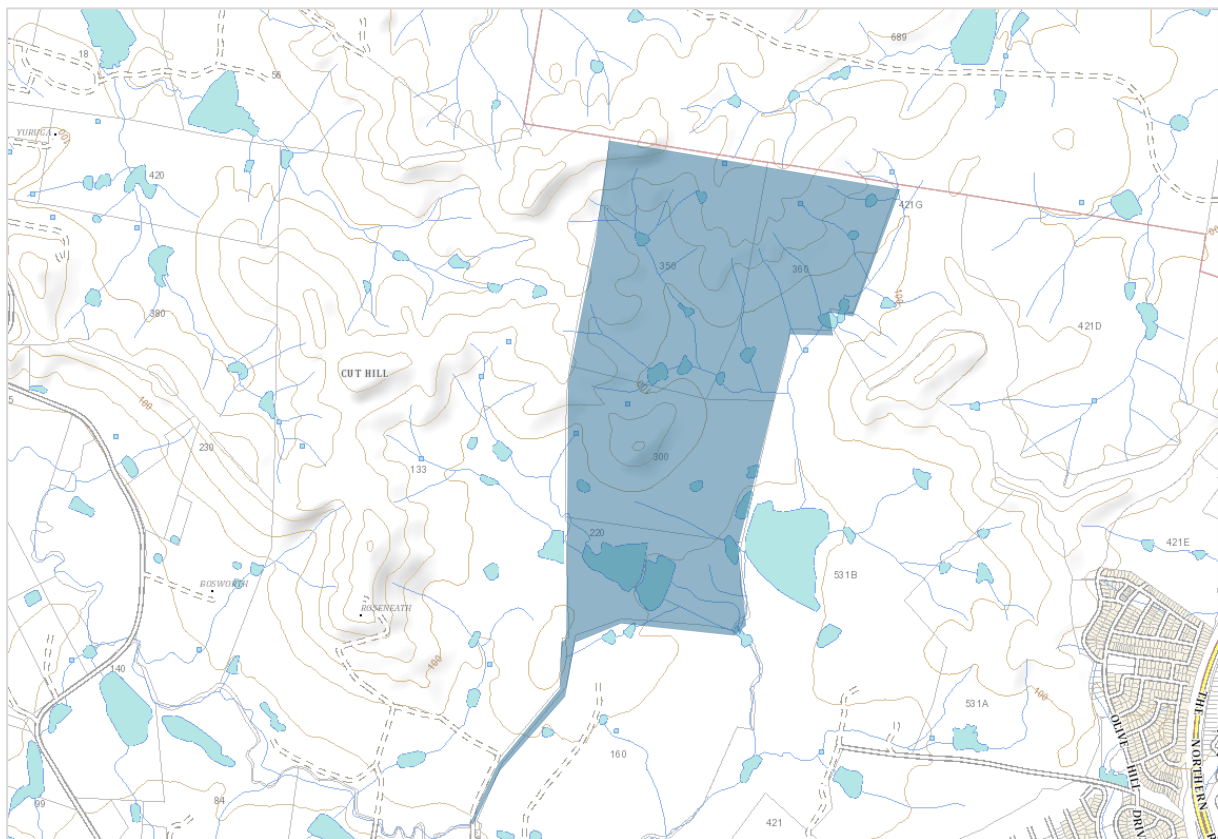
Tidapa is accessible via Chittick Lane and is well serviced by major arterials Narellan Road and the Hume Motorway providing direct access to Campbelltown and the Sydney CBD.

1.2 Site Area and Dimensions

Tidapa incorporates a total site area of 147.1ha (gross) and the four related landowners in Cobbitty are:

- Phillip Michael O'Grady (Lot 2)
- Judith Anne O'Grady (Lot 3)
- O'Grady (Trading) Pty Ltd (Lot 4)
- Strathcab Nominees Pty Ltd (Lot 5)

Figure 2: Boundary of Tidapa outlined below



Source: SIX Maps, HillPDA 2020

1.3 Topography

The Draft Environmental Capability Analysis undertaken by EConPlan in October 2016 indicates a “*gently undulating topography that is suitable for urban development. The most elevated and sloped areas are either not proposed to be developed or could be incorporated into large lots.*”

Notably, the report also indicates “*We are not aware of the Site being flood-affected, however should there be flooding and drainage issues that subsist impeding future development, the developable area and development potential of the Site could be adversely affected*”.

2.0 DEVELOPMENT PIPELINE

Examination of Cordell Construction Project Reports reveals 17 subdivision/dwelling projects planned for within the Camden LGA totalling 539 dwellings. However, these projects generally comprise either small lot subdivision (200sqm to 300sqm size lots) or more conventional subdivision (300sqm to 700sqm size lots). There are currently no proposals for large lot subdivision (700sqm or larger).

As a result, there is currently a low level of competing supply for Tipada if a large lot subdivision was proposed in the Camden LGA at present.

A summary of proposed projects in the Camden LGA are as follows.

Table 1: Potential dwelling/lot subdivision projects within the Camden LGA

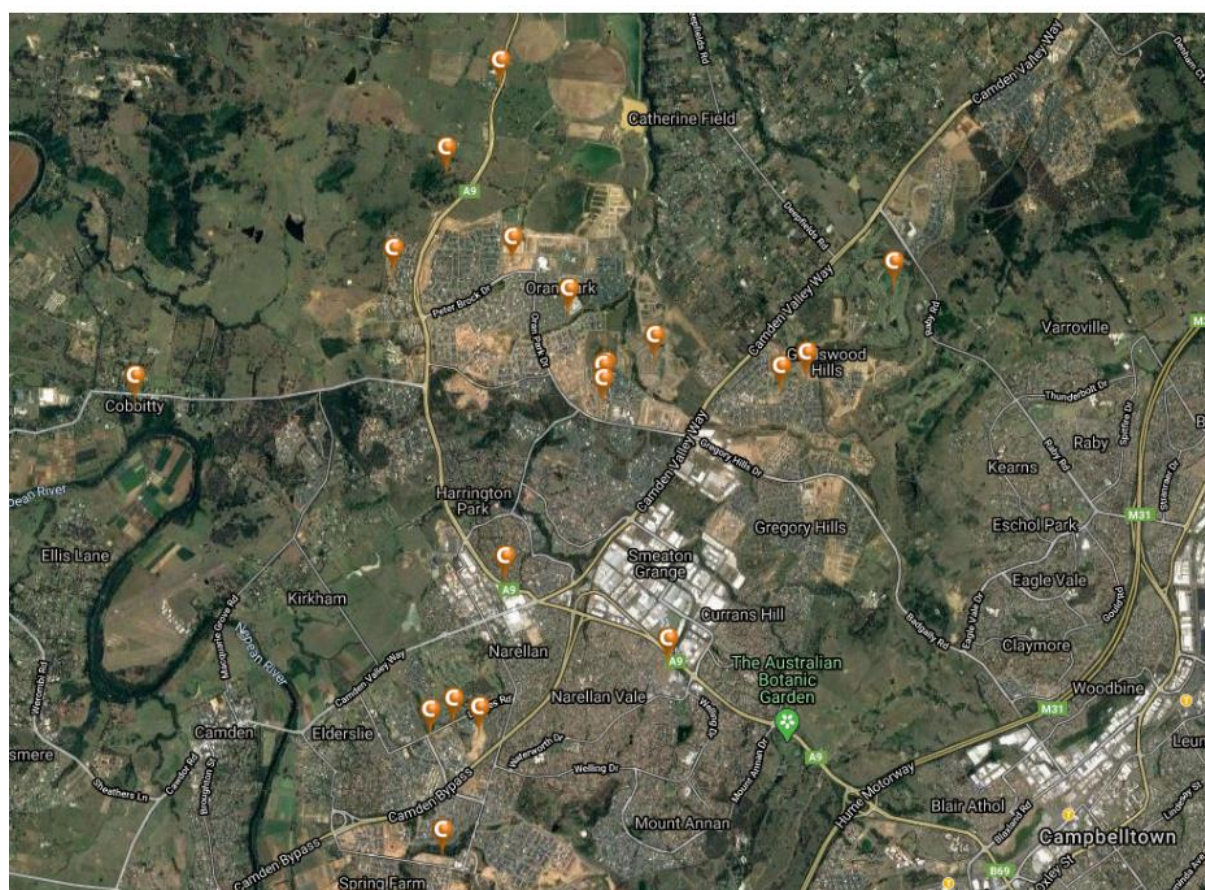
Project Address	Project Details	No. lots/dwellings	Completion
The Hermitage, 1 Rymill Cr, Gledswood Hills	Subdivision and construction of 29 x 1 & 2 storey dwellings over 2 stages. Stage 1 comprises residential subdivision into 5 Torrens title lots & construction of 5 x 3 bedroom dwellings. Stage 2 comprises residential subdivision into 24 community title & construction of 22 x 3 bedroom attached dwellings & 2 x 3 bedroom semi-detached dwellings. Car parking for 58 vehicles. Conventional sized lot subdivision.	29	2020
103 Lodges Road, Elderslie	Subdivision and construction of 9 terraces. Conventional sized lot subdivision.	9	2020
41 Olive Hill Drive, Cobbitty	Subdivision and construction of 8 attached dwellings. Small lot subdivision.	8	2020
16 Podium Wy & South Cct, Oran Park	Reconfiguration of a lot into 10 residential lots. Construction of 10 x 4 bedroom x 2 storey attached dwellings. Car parking for 20 vehicles. Strata subdivision.	10	2020
421D & E The Northern Road, Cobbitty	Construction of 10 terrace dwellings. Subdivision into 10 lots. Small lot subdivision.	10	2020
Lots 2 & 4 Gledswood Hills Drive, Gledswood Hills	Subdivision and construction of 21 x 3 bedroom & 6 x 4 bedroom attached dwellings. Car parking for 54 vehicles. Conventional sized lot subdivision.	27	2021
1-13 Revell Street & 8-10 & 14 Pitstock Lane, Oran Park	Construction of 4 x studio, 2 x 4 semi-detached bedroom & 6 x 4 detached bedroom x 2 storey dwellings. Car parking for 20 vehicles. Small lot subdivision.	12	2021
125 Lodges Rd & 37 Romney Street, Elderslie	Construction of 19 x 3 bedroom & 8 x 4 bedroom x 2 storey attached dwellings (23 dwellings contains additional attic level). Car parking for 54 vehicles. Community title torrens subdivision of small lots.	27	2021
Lot 3079 Law Crescent, Oran Park	Construction of 7 x 2 storey attached dwellings.	7	2021
2-12 Tangerine Way, Cobbitty	Construction of 6 x 2 storey dwellings. Small lot subdivision.	6	2021
Lot 3078 Beaumont Tce, Oran Park	Construction of 4 x 2 bedroom & 3 x 3 bedroom x 2 storey attached dwellings. Reconfiguration of lot into 7 torrens title subdivision. Car parking for 14 vehicles. Small lot subdivision.	7	2021
52-64 Astley Road, Catherine Field	Proposed construction of 7 x 2 storey attached dwellings. Small lot subdivision.	7	2022

Project Address	Project Details	No. lots/dwellings	Completion
1-5 Main Street, Mount Annan	Construction of 143 x 3 bedroom terrace-style homes. Car parking for 317 vehicles. Subdivision into 143 community title residential lots and 1 community property lot comprising open space. Small lot subdivision	143	2022
Lot 3077 Tonkin Way, Oran Park	Proposed construction of 7 attached dwellings. Small lot subdivision.	7	2022
600B The Northern Road & Civic Way, Oran Park	Stage 1 - Reconfiguration into 30 residential lots. Stage 2 - Subsequent strata title subdivision of 4 lots to separate the studio dwellings from their principal dwellings & subdivision of 2 torrens title lots to create 8 strata title residential lots for each of the dwellings comprising the manor homes. Conventional sized lot subdivision.	32	2022
50D Raby Road, Gledswood Hills	Proposed construction of 75 dwellings & 3 residential buildings to comprise 90 apartments with community title	75	2024
600A & 600B The Northern Rd & 28 Madden St, Oran Park	Subdivision of 123 residential lots & construction of 8 dwelling houses, 97 attached dwellings & 18 semi-detached with 8 secondary dwellings over 6 stages. Conventional sized lot subdivision, majority smaller sized lots (200 to 500sqm).	123	2024
Total	-	539	-

Source: Cordell Connect 2020

The above projects are indicated in the following map.

Figure 3: Development pipeline map



Source: Cordell Connect 2020

3.0 MARKET RESEARCH

3.1 Residential market overview

At present, the COVID-19 pandemic has had a major impact on the economy and the financial system. Resulting in major disruptions to economic activity across the world and financial market volatility. In response, the Reserve Bank of Australia (RBA) has reduced the cash rate to 0.25% (following two 25 basis points reductions in March 2020) and there have been several changes to fiscal and monetary policy.

As policy changes roll out and the level of uncertainty changes on a daily basis, CoreLogic have been monitoring the housing market. CoreLogic reported a decline in the rolling 28 day change in the Daily Home Value Index as illustrated below.

Figure 4: Rolling 28-day change in the Daily Home Value Index



Source: CoreLogic April 2020

CoreLogic also reported their results of industry surveys that buyer enquiry has fallen sharply. This is supported by our enquiries with local agents which have reported that buyers were pulling out of deals mainly due to employment uncertainty.

HillPDA is unsure of the full implications that the COVID-19 risk will make on the property market and industry in the near and distant future.

Notwithstanding the above comments, prior to COVID-19 Cobbitty dwelling prices experienced a reduction by 4.9% over a 12-month period to December 2019. CoreLogic reports Cobbitty median dwelling price of \$720,000 as at December 2019 with an average capital growth over ten years of 1.5% per annum.

3.2 Market activity

The following Chapter analyses trends and factors influencing the residential market within the Camden LGA and its surrounds.

New development activity in the Camden LGA is primarily focused around Oran Park, Gledswood Hills and Spring Farm.

Our research has considered a range of values for residential land lots, recent sales activity and asking prices of relevant land in the Cobbitty area and its surrounds. Across the regions, there is strong evidence indicating changing preference for a range of sizes, more specifically smaller dwelling blocks. This is driven at both ends of the market by price-sensitive young families, first home buyers and some investors. The higher end of the market is primarily driven by empty nesters attracted by the low maintenance and lifestyle benefits conveyed by smaller lots.

Our market research revealed limited examples of large lot subdivisions.

Figure 5: Map of individual lot sales evidence or asking prices



Source: NearMaps 2020, HillPDA 2020

3.2.1 Cobbitty

Oxley Ridge Estate

Located within Cobbitty is the Oxley Ridge Estate which is a masterplan estate by BHL which will provide 7,500+ residential lots. It will include a Cobbitty Northern Neighbourhood Centre of 8 specialty shops and an ALDI supermarket. The masterplan has not been made public but we have been advised that a range of lot sizes will be provided. The initial stage released only a few weeks ago offers smaller sized lots ranging from 332sqm to 523sqm with sale prices from \$365,000 to \$465,000. Land registration for this first stage is expected early to mid-2021.

Arcadian Hills and Arcadian Grove

Also located in Cobbitty is Arcadian Hills and Arcadian Grove Estate located off The Northern Road are masterplan estates by AV Jennings which will provide 457 dwellings (house and land packages) and land only sales. Stages have been released progressively since 2014 and it is expected to be further staged to 2022. At present, AV Jennings currently has 1,000sqm lots available with an asking price of \$665,000 to \$657,000 and we have been advised that four lots were sold within this range in 2018/2019. The agent has advised that these lots have been on the market for a longer than expected period as the lots are highly constrained due to easement and heritage curtilage controls.

3.2.2 Oran Park Town Estate

Oran Park Town is a residential estate developed by Urban Growth and the Greenfields Development Co. Stage 32 with an estimated 8,000 lots planned for the area.

The current stage offers smaller sized lots ranging from 379sqm to 419sqm with sale prices from \$397,500 to \$423,000.

3.2.3 Harrington Grove Estate

The Harrington Grove estate is located at the intersection of Camden Valley Way and Oran Park Drive, Harrington Grove and is being constructed by a local developer. When completed the subdivision will comprise some 1,381 homes, a country club, sports centre, schools, childcare centre and shopping centre. Construction began in 2009 and a total of 26 lots remain in the Dancerwood precinct. Purchasers are predominately owner occupiers comprising families with children. The agent has advised that in Q1 2020 with normal market conditions the sales rate was in the vicinity of 8 lot per month and 1,000sqm+ lots are highly sought after and usually the first to sell.

Recent sales of vacant lots range from \$640,000 to \$690,000 (700sqm-882sqm) while larger lots (900sqm to 1,200sqm) achieved a sale price between \$760,000 to \$890,000.

Tabulated below are the most recent sale transactions with Dancerwood precinct that occurred between March 2018 and September 2019.

Table 2: Dancerwood, Harrington Grove Estate

Lot Size (sqm)	Min Sale Price	Max Sale Price	Min \$/sqm	Max \$/sqm
700-749	\$630,000	\$680,000	\$894	\$962
750-799	\$665,000	\$680,000	\$845	\$904
800-849	\$675,000	\$720,000	\$818	\$854
850-899	\$720,000	\$720,000	\$814	\$833
900-949	\$730,000	\$770,000	\$802	\$851
950-999	\$760,000	\$830,000	\$777	\$840
1000+	\$820,000	\$840,000	\$709	\$752

Source: RPData 2020

3.2.4 Grasmere

Grasmere is a prestige rural suburb with town water and quality-built residences on approximately 4,000sqm allotments.

Tabulated below are the most recent sale transactions between 2018 to present date of a staged subdivision to create 35 residential lots at Stimpson Crescent, Grasmere.

Table 3: Stimpson Crescent, Grasmere

Type (sqm)	Min Sale Price	Max Sale Price	Min \$/sqm	Max \$/sqm
4,000+	\$930,000	\$1,400,000	\$230	\$341
6,000+	\$1,050,000	\$1,060,000	\$142	\$161

Source: RPData 2020

We have noted house and land packages for 4 to 5 bedrooms dwellings on a 4,010sqm allotment with an asking price of \$1,850,000 to \$1,895,000.

3.2.5 Catherine Field

We have noted Lots 5, 7 & 9, Hungerford Street, Catherine Field is currently on the market with an asking price of \$789 to \$829k for 2,408 to 3,609sqm sized lots. The selling agent has advised that the level of enquires has been quite strong, however the time taken to sell the lots are longer than usual because the lots lie within an asset protection zone.

The selling agent has reported that there is currently a shortage of similarly sized lots and lots with no development constraints would be highly sought and quicker to sell.

3.2.6 Twin Creeks Estate, Luddenham,

The Twin Creek estate is a prestige rural lifestyle estate and community facilities includes Twin Creeks Golf Club, tennis courts, swimming pool and BBQ areas. The estate is also strategically close to Luddenham Public School & St Clair High School, Badgerys Creek upcoming airport and M4 Motorway.

Local agents are reporting an average marketing campaign of 4 to 6 weeks.

Tabulated below are the latest transactions between July 2018 and August 2019.

Table 4: Twin Creeks Estate, Luddenham

Type (sqm)	Min Sale Price	Max Sale Price	Min \$/sqm	Max \$/sqm
4000+	\$1,100,000	\$1,299,000	\$262	\$302
6,000+	\$1,405,000	\$1,405,000	\$231	\$231

Source: RPData 2020

3.2.7 The Acres, Tahmoor

New prestige rural large lot residential subdivision to allow for the future development of rural residential lots with a minimum allotment size of 4,000sqm to 12,000sqm for 127 lots. The agent has advised that the buyer profile are locals downsizing or 3rd or 4th home buyers with families.

Tabulated below are the most recent sale transactions between September 2017 to April 2019.

Table 5: The Acres, Tahmoor

Type (sqm)	Min Sale Price	Max Sale Price	Min \$/sqm	Max \$/sqm
4000+	\$705,000	\$739,900	\$136	\$181
6,000+	\$649,000	\$805,000	\$88	\$127
1 Ha+	\$729,900	\$1,000,000	\$60	\$82

We have been advised by the selling agents that the current asking prices are \$700k+ and house and land packages are offered in the vicinity of \$1.5m.

3.3 Summary of findings

- Cordells Connect shows that all new supply comprises of either small lots (200 to 300 sqm) or more conventional sized lots (300sqm to 600sqm) and at present there are no recent large lot subdivisions (800sqm+) in the Camden LGA
- Conversations with selling agents revealed that large lots with limited development constraints is a niche sector and the highest prices are being achieved in Grasmere which offers prestige rural living. At present larger lots, except for Grasmere, are created in areas with development constraints – for example flood prone or environmental protection areas.
- Mostly likely buyer profile of large lots would be 3rd or 4th home buyers and owner occupiers with families.
- In the Q1 2020 the residential lot market experienced an uplift in sales. Harrington Grove, a well-regarded prestige subdivision with ample community facilities, experienced a sale rate of 8 lots per month. This is mainly due to the current low interest rate. The take up rate will be dependent on the development and community facilities being provided
- In summary, larger lots are attractive due to scarcity and they provide an alternative to the conventional sized lots offered in Oxley Ride estate, Arcadian Hills/Grove estate and Oran Park. However, the market depth is shallower, and success depends on careful consideration of price points, levels of amenities provided and the careful staging of the marketing campaign. We would also recommend further market research of small and conventional sized lots to understand the size of the market.

At the time of this reporting the market has come to a complete standstill, the COVID-19 pandemic is affecting Australia in numerous ways. This advice was provided considering a regular functioning property market. At this early stage, HillPDA is unsure of the full implications that the COVID-19 risk will make on the property market and industry.

Yours sincerely,



Adrian Hack

Principal, HillPDA

BTP (Hons), MLE, MPIA