

COMPREHENSIVE HOUSE MARKET

RESEARCH REPORT

Glebe, Balmain & Pyrmont - Sydney Inner West & Inner Harbour

December 2024 Analysis

EXECUTIVE SUMMARY

This report analyzes the house markets in three premium Sydney suburbs: **Glebe** (inner west), **Balmain** (inner west peninsula), and **Pyrmont** (inner harbour). The analysis covers average prices for 3,4,5 bedroom houses, current market conditions, capital gain projections for 2025-2027, and investment affordability.

Key Findings:

- Price Range:** \$2.4M-\$4M+ across all suburbs
- Growth Leaders:** Pyrmont shows strongest recent growth (+34%), Balmain has best historical performance
- Investment Outlook:** Moderate growth expected (10-15% over 3 years)
- Affordability:** High entry costs requiring \$700,000+ capital

1. AVERAGE HOUSE PRICES BY BEDROOM COUNT

Glebe (Inner West)

Property Type	Median Price	YoY Change
3-Bedroom Houses	\$2,600,000	-7%
4-Bedroom Houses	\$3,300,000*	Data Limited
5-Bedroom Houses	\$1,347,000	Data Limited
Overall Median	\$2,378,000	-7%

*Estimated

Balmain (Inner West Peninsula)

Property Type	Median Price	YoY Change
3-Bedroom Houses	\$2,910,000	+0.91%
4-Bedroom Houses	\$4,025,000	+0.91%
5-Bedroom Houses	\$4,500,000*	Data Limited
Overall Median	\$2,910,000	+0.91%
Balmain East	\$3,682,500	+27%

Pyrmont (Inner Harbour)

Property Type	Median Price	YoY Change
3-Bedroom Houses	\$3,230,000	+34%
4-Bedroom Houses	\$2,950,000	+34%
5-Bedroom Houses	\$3,500,000*	Data Limited
Overall Median	\$2,900,000	+34%

Price Comparison Summary Table

Suburb	3-Bed Median	4-Bed Median	Overall Median	YoY Change
Glebe	\$2,600,000	\$3,300,000	\$2,378,000	-7%
Balmain	\$2,910,000	\$4,025,000	\$2,910,000	+0.91%
Pyrmont	\$3,230,000	\$2,950,000	\$2,900,000	+34%

Graph Suggestion: Create a bar chart comparing 3-bed, 4-bed prices across the three suburbs

2. CURRENT MARKET ANALYSIS (2024)

Market Performance Comparison

Suburb	Current YoY	5-Yr CAGR	Market Status
Pyrmont	+34%	+34.1%	Strongest Performer
Balmain	+0.91%	+17.3%	Stable, Strong History
Glebe	-7%	-6.7%	Weakest Performer

Rental Market Analysis

Suburb	House Rent (Weekly)	House Yield	Unit Rent (Weekly)	Unit Yield
Balmain	\$1,100-\$1,150	2.15-2.38%	\$755-\$800	3.28%
Pyrmont	\$980	2.14-3.18%	\$850	4.1%
Glebe	~\$900	2.0%	~\$750	Data Limited

Graph Suggestion: Create a dual-axis chart showing rental income vs yield percentage

Market Indicators

- Buyer Demand:** Decreased across all suburbs (-21% Glebe, -27% Balmain)
- Rental Demand:** Strong with record low vacancy rates
- Market Sentiment:** Cautious optimism with stabilization expected
- Supply Status:** Limited land availability in established suburbs

3. CAPITAL GAIN PROJECTIONS (2025-2027)

Sydney-Wide Forecasts

- **ANZ Prediction:** 5% growth in 2025
- **KPMG Forecast:** 3.3% growth for Sydney houses in Dec-2025, 7.8% in Dec-2026
- **Westpac Outlook:** Potential rise to \$1.7M median by end of 2027
- **Oxford Economics:** 4.7% growth for capital city median house prices

Suburb-Specific Growth Projections

Suburb	2025 Projection	2026 Projection	2027 Projection	3-Year Cumulative
Pyrmont	4-6%	6-9%	5-7%	15-22%
Balmain	3-5%	5-8%	4-6%	12-19%
Glebe	2-4%	4-7%	3-5%	9-16%

Graph Suggestion: Create a line/area chart showing growth projections for each suburb over the 3-year period

Growth Drivers

1. **Population Growth:** 650,000+ new Sydney residents expected by 2034
2. **Infrastructure Development:** Ongoing improvements in inner areas
3. **Limited Supply:** Constrained land availability in established suburbs
4. **Rental Market Strength:** Record low vacancy rates supporting prices
5. **Economic Recovery:** Expected improvement post-2024

Projected Property Values (Example: \$3M Purchase)

Suburb	Current Value	2025	2026	2027	Total Gain
Pyrmont	\$3,000,000	\$3,150,000	\$3,345,000	\$3,515,000	\$515,000
Balmain	\$3,000,000	\$3,120,000	\$3,288,000	\$3,420,000	\$420,000
Glebe	\$3,000,000	\$3,090,000	\$3,228,000	\$3,325,000	\$325,000

4. INVESTMENT AFFORDABILITY ANALYSIS

Capital Requirements Breakdown (for \$3,000,000 property)

Cost Component	Amount	Percentage
Property Purchase Price	\$3,000,000	100%
Deposit (20%)	\$600,000	20%
Stamp Duty	~\$150,000	~5%
Legal Fees	~\$5,000	~0.17%
Building Inspection	~\$800	~0.03%
Other Costs	~\$4,200	~0.14%
TOTAL UPFRONT CAPITAL	\$760,000	~25.3%
Loan Amount (80%)	\$2,400,000	80%

Graph Suggestion: Create a pie chart showing the cost breakdown of the \$3M investment

Minimum Entry Cost by Suburb

Suburb	Typical Entry Price	Deposit (20%)	Total Upfront*
Glebe	\$2,400,000	\$480,000	~\$610,000
Balmain	\$2,900,000	\$580,000	~\$735,000
Pyrmont	\$2,900,000	\$580,000	~\$735,000

*Includes stamp duty, legal fees, and other closing costs

Financing & Cash Flow Analysis

Financial Metric	Value
Average Investment Loan Rate	5.51% p.a.
Fixed Rate Range	4.99% - 5.09% p.a.
Variable Rate Range	5.89% - 7.09% p.a.
Typical Weekly Mortgage (\$2.4M @ 5.51%)	~\$3,400/week
Balmain Weekly Rental Income	\$1,100-\$1,150
Typical Weekly Shortfall	~\$2,300/week

Graph Suggestion: Create a bar chart comparing weekly mortgage costs vs rental income

Tax Considerations

- Capital Gains Tax (CGT):** 50% discount for assets held longer than 12 months
- Negative Gearing Deduction:** Deductible against other income (reduces tax bill)
- Depreciation Benefits:** Claim building depreciation on established homes

- **Rental Income:** Assessable income, but offset by allowable deductions
- **2025 Change:** 15% withholding rate for foreign residents on property sales

Loan-to-Value Ratio (LVR) Scenarios

LVR	Deposit Required	LMI Required?	Interest Rate Impact
60% (40% deposit)	\$1,200,000	No	Best rates
80% (20% deposit)	\$600,000	No	Standard rates
90% (10% deposit)	\$300,000	Yes	+0.25-0.5%
95% (5% deposit)	\$150,000	Yes	+0.5-1.0%

5. SUBURB COMPARISON & RECOMMENDATIONS

Pyrmont: Inner Harbour Premium

Strengths:

- ✓ Strongest recent growth (+34% YoY, +34.1% CAGR)
- ✓ Highest unit rental yields (4.1%)
- ✓ Harbour proximity and premium amenities
- ✓ Strong future growth potential
- ✓ Limited house supply supports prices

Weaknesses:

- ✗ Higher price volatility
- ✗ Limited house availability
- ✗ Apartment oversupply concerns
- ✗ Younger market with less history

Best For:

Growth-focused investors seeking capital appreciation with good rental income potential

Balmain: Established Prestige

Strengths:

- ✓ Most stable historical performer (+17.3% CAGR)
- ✓ Strong community and prestige
- ✓ Established infrastructure and amenities
- ✓ Consistent rental demand
- ✓ Premium pricing power

Weaknesses:

- ✗ Highest entry costs (\$2.9M+ typical)
- ✗ Modest current growth (0.91% YoY)
- ✗ Lower rental yields (2.3%)
- ✗ Market may be mature

Best For:

Conservative investors seeking stability and premium positioning over maximum growth

Glebe: Value Opportunity

Strengths:

- ✓ Most affordable entry point (\$2.4M typical)
- ✓ Potential value turnaround after -7% decline
- ✓ Central location near university
- ✓ Strong long-term fundamentals
- ✓ Good rental demand

Weaknesses:

- ✗ Weakest recent performance (-7% YoY)
- ✗ Negative long-term trend (-6.7% CAGR)
- ✗ Uncertain turnaround timing
- ✗ University dependency risk
- ✗ Lower yields than other suburbs

Best For:

Value-focused investors willing to accept higher risk for potential turnaround opportunities

Investment Recommendation Matrix

Investment Goal	1st Choice	2nd Choice	3rd Choice
Maximum Capital Growth	Pyrmont 3-bed	Balmain 3-bed	Glebe (if risk tolerant)
Best Rental Yield	Pyrmont Units	Balmain Units	Pyrmont Houses
Balanced Portfolio	Mix all 3	Pyrmont + Balmain	Balmain + Glebe
Minimum Capital	Glebe	Glebe Units	N/A

6. RISK ASSESSMENT & MITIGATION

Market Risks

Risk Factor	Severity	Impact	Mitigation
Interest Rate Rise	High	Increased mortgage costs	Fix rates, stress test finances
Economic Downturn	Medium	Price declines, rental defaults	Diversify, maintain reserves
Over-supply (Units)	Medium	Unit price pressure	Focus on houses, prime locations
Market Saturation	Low-Medium	Slower appreciation	Long holding period (5+ years)
Rental Defaults	Low	Lost income	Professional management, screening

Suburb-Specific Risks

- **Pyrmont:** High volatility, potential apartment oversupply, newer development risks
- **Balmain:** Market saturation, limited growth runway, price ceiling risk
- **Glebe:** Continued decline risk, university-dependent market, slower turnaround

Risk Mitigation Strategies

1. **Financial Buffer:** Maintain 6+ months of mortgage payments in liquid assets
2. **Insurance:** Adequate landlord and building insurance coverage
3. **Professional Management:** Essential for maximizing returns and minimizing risk
4. **Diversification:** Mix of suburbs and property types
5. **Regular Review:** Quarterly market assessment and performance tracking
6. **Exit Strategy:** Pre-planned sale timing based on market conditions

7. ACTION PLAN FOR INVESTORS

IMMEDIATE STEPS (Next 30 Days)

1. Financial Assessment

- Confirm available investment capital (\$700,000+)
- Obtain formal pre-approval for investment loan
- Consult tax advisor for strategy (negative gearing, CGT)
- Calculate personal borrowing capacity

2. Market Research

- Monitor quarterly price movements for all 3 suburbs
- Track interest rate changes and RBA policy
- Follow local development plans and infrastructure projects
- Subscribe to real estate market reports

3. Property Criteria Definition

- Set budget range (\$2.4M-\$3.5M)
- Specify property type (3-4 bedroom house preferred)
- Define location preferences (within 500m of transport)
- Identify condition requirements (good to excellent)

MEDIUM-TERM (3-6 Months)

1. Property Search

- Engage buyer's agent if needed
- View 10-20 properties in each suburb
- Attend auctions to understand market dynamics
- Negotiate with sellers and agents

2. Due Diligence

- Obtain professional building inspections
- Review strata reports (if applicable)
- Check title and zoning information
- Assess rental market for comparable properties

3. Purchase Process

- Make offer on selected property
- Engage conveyancer for legal work
- Complete building and pest inspections
- Arrange settlement finances

LONG-TERM (1-3 Years+)

1. Property Management

- Arrange professional property management
- Establish tenant screening process
- Maintain adequate insurance coverage
- Plan maintenance and improvements

2. Performance Monitoring

- Quarterly review of market values
- Annual assessment of rental yields
- Tax planning and optimization
- Refinancing opportunities assessment

3. Portfolio Expansion

- Consider additional properties after stabilization
- Diversify across suburbs and property types
- Leverage equity for future investments
- Monitor portfolio performance metrics

4. Exit Strategy Planning

- Target 5+ year hold period minimum
- Monitor optimal sale timing
- Plan for CGT management
- Consider reinvestment opportunities

8. STATISTICAL DATA FOR GRAPH CREATION

CSV Data Table 1: Price Comparison by Bedroom

Suburb,3-Bedroom,4-Bedroom,5-Bedroom,Overall Median
Glebe,\$2600000,\$3300000,\$1347000,\$2378000
Balmain,\$2910000,\$4025000,\$4500000,\$2910000
Pyrmont,\$3230000,\$2950000,\$3500000,\$2900000

Use for: Grouped bar chart or clustered column chart

CSV Data Table 2: Growth Metrics

Suburb,Current YoY,5-Year CAGR,Projected 2025,Rental Yield (Houses)
Glebe,-7%,-6.7%,3%,2.0%
Balmain,0.91%,17.3%,4%,2.3%
Pyrmont,34%,34.1%,5%,2.14%

Use for: Comparison bar chart or dashboard visualization

CSV Data Table 3: 3-Year Growth Projection

Year,Pyrmont,Balmain,Glebe,Sydney Average
2025,5%,4%,3%,3.3%
2026,7%,6%,5%,7.8%
2027,6%,5%,4%,5.5%

Use for: Line chart or area chart showing growth trends

CSV Data Table 4: Investment Cost Breakdown (\$3M Property)

Cost Component,Amount
Property Price,\$3000000
Deposit,\$600000
Stamp Duty,\$150000
Legal Fees,\$5000
Inspection,\$800
Other Costs,\$4200
Total Upfront,\$760000
Loan Amount,\$2400000

Use for: Pie chart or waterfall chart

CSV Data Table 5: Weekly Rental & Mortgage Comparison

Suburb,House Rent,Unit Rent,Mortgage (\$2.4M @ 5.51%),Weekly Shortfall
Balmain,\$1150,\$800,\$3400,\$2250
Pyrmont,\$980,\$850,\$3400,\$2420
Glebe,\$900,\$750,\$3400,\$2500

Use for: Stacked bar chart or dual-axis chart

CSV Data Table 6: Property Value Projection (\$3M Purchase)

Suburb,Current Value,2025,2026,2027,Total Gain
Pyrmont,\$3000000,\$3150000,\$3345000,\$3515000,\$515000
Balmain,\$3000000,\$3120000,\$3288000,\$3420000,\$420000
Glebe,\$3000000,\$3090000,\$3228000,\$3325000,\$325000

Use for: Line chart showing appreciation over time

9. HOW TO CREATE YOUR GRAPHS

Step-by-Step Instructions:

1. **Copy CSV Data:** Copy the CSV data tables provided above (Section 8)
2. **Paste into Spreadsheet:** Paste into Excel, Google Sheets, or similar
3. **Select Data Range:** Highlight the data you want to chart
4. **Insert Chart:** Use Insert > Chart menu
5. **Choose Chart Type:** Select appropriate chart type (bar, line, pie, etc.)
6. **Customize:** Add titles, labels, legends, colors
7. **Export:** Save chart as image or include in PowerPoint/PDF

Recommended Graphs for This Report:

Graph Type	Purpose	Data Source
Grouped Bar Chart	Price comparison by bedroom count	Table 1
Line Chart	Growth projections 2025-2027	Table 3
Pie Chart	Investment cost breakdown	Table 4
Comparison Bar Chart	Growth metrics comparison	Table 2
Stacked Bar Chart	Rental income vs mortgage costs	Table 5

CONCLUSION & FINAL RECOMMENDATION

Pyrmont emerges as the strongest growth opportunity with impressive recent performance (+34%), good rental yields (2.14%-4.1%), and strong future prospects. The suburb offers the best balance of capital appreciation and income generation.

Balmain provides stability and prestige with a proven long-term track record (+17.3% CAGR), though current growth is modest (0.91%) and entry costs are highest. Ideal for conservative investors seeking established credentials.

Glebe represents the value opportunity with the lowest entry point (\$2.4M) but carries higher risk given recent declines (-7%). Suitable for contrarian investors with higher risk tolerance.

Summary Recommendation:

PRIMARY RECOMMENDATION:

For investors with \$700,000+ capital seeking maximum growth with reasonable rental income, a 3-4 bedroom house in **Pyrmont** offers the best risk-reward profile. Current market conditions and forecasts suggest 15-18% capital appreciation over 3 years is achievable.

SECONDARY RECOMMENDATION:

A diversified approach mixing Pyrmont houses with Balmain units could optimize yield (unit yields 3.28-4.1%) while maintaining growth potential.

CONSERVATIVE APPROACH:

Balmain houses offer stability and historical outperformance, making them suitable for investors prioritizing established positions over maximum growth.

Important Considerations:

- All three suburbs require substantial capital (\$700,000+) for entry
- Negative gearing should be considered in tax planning
- Minimum 5-year holding period recommended for optimal returns
- Professional property management is essential
- Interest rate changes could significantly impact affordability and returns
- Market conditions can change; quarterly reviews essential

Data Sources: Domain, Realestate.com.au, Property.com.au, ANZ, KPMG, Westpac, Oxford Economics, NSW Government

Report Prepared: December 2024

Validity: 6 months (recommend review June 2025)

Disclaimer: This report is for informational purposes only and should not be considered financial advice. Consult with financial advisors, tax professionals, and real estate experts before making investment decisions.