



financial year 2010



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property at a glance



property at a glance

The Fitzpatricks Report is intended to provide you with the latest market data and knowledge to help you identify where the potential real estate growth exists.

Wagga Wagga's strengthening economy, affordable housing, job opportunities and lifestyle are appealing factors to people looking to resettle.

Wagga Wagga's population has increased by 977 people to 62,904, a growth of 1.6 per cent over the past year. The population in Wagga Wagga is projected to exceed 70,000 by the year 2020. Surrounding regional centres have also shown significant population growth.¹

There are a number of reasons why Wagga Wagga is a strong performer, with long-term growth being realised in the military, health, aviation, manufacturing, education and agricultural industries. Wagga Wagga offers an appealing lifestyle, where job opportunities are available. Whilst on average, people may earn less in Wagga Wagga than metropolitan centres, the cost of buying a house and the cost of living will be less than in those highly populated cities.

Whilst the global financial crisis of 2008/2009 coupled with the ongoing effects of the drought have impacted on our local economy, the affect on real estate demand and prices have not been as significant as elsewhere in the nation.

Statistics show upward movement for houses and units and a consistent demand for land. Wagga Wagga had a general increase in capital growth for houses of 3.85 per cent, significantly outperforming the nation's capital cities. The increase for units was significantly more at 12.5 per cent.

Fitzpatricks Real Estate

September 2010

Definition: The **Median** is the "middle number" (in a sorted list of numbers). Half the numbers in the list will be less, and half the numbers will be greater.

population



- Wagga Wagga has an estimated residential population of 62,904 and a strong population growth rate of 1.6 per cent.
- Wagga Wagga's official population growth is projected from 2011 to maintain an average growth of 1.2% per annum to 2026.1
- Lloyd, Tatton and Estella were the fastest growing suburbs, experiencing 9.8, 18.3 and 6.5 per cent growth respectively in 2009.
- The bulk of dwellings (84.8 per cent) in Wagga Wagga are houses, while 14.5 per cent are classified as units. Central Wagga Wagga has a significant 39.5 per cent of the property market accounting for units.
- Wagga Wagga has a strong rental market with 32.1 per cent of total dwellings being rented.
 Ashmont and Central have the largest rental market, with 50 and 46.8 per cent of dwellings considered to be rental properties.
- Lloyd has the strongest owner occupier numbers, with 96.4 per cent of total dwellings.

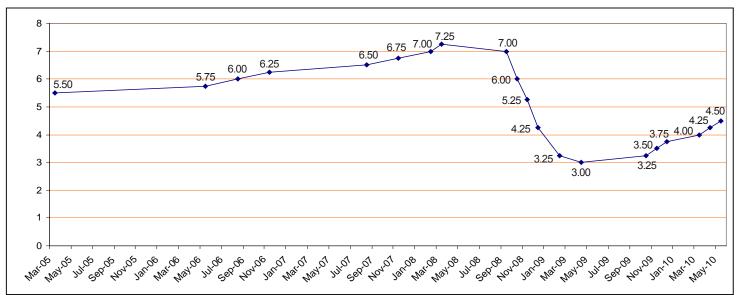
Suburb	population growth 2009	dwelling type: separate house	rental market
Ashmont	1.9%	83.8%	50.0%
Bourkelands	4.1%	83.6%	25.2%
East Wagga Wagga	-2.0%	81.8%	38.3%
Estella	6.5%	81.9%	24.2%
Forest Hill	2.2%	87.1%	30.2%
Glenfield Park	2.7%	89.0%	30.6%
Kooringal	1.0%	83.0%	32.1%
Ladysmith	-5.4%	100%	13.1%
Lake Albert	1.8%	95.1%	16.9%
Lloyd	9.8%	98.6%	3.6%
Mount Austin	-0.7%	92.8%	40.4%
North Wagga Wagga	0.4%	94.7%	17.1%
Tarcutta	0.4%	98.2%	16.1%
Tatton	8.3%	89.6%	16.3%
Tolland	0.7%	83.4%	41.2%
Turvey Park	0.7%	92.8%	26.6%
Uranquinity	0.9%	100%	11.3%
Wagga Wagga	0.4%	60.5%	46.8%
Wagga Wagga (c)	2.0%	84.8%	32.1%

Source: ABS

housing affordability

- The latest HIA-CBA Housing Affordability Report shows affordability deteriorated in most capital cities and regional areas in the 12 months to June.
- Across Australia, increasing interest rate hikes and rising home values sent housing affordability into the red during the June quarter. The HIA-CBA Housing Affordability Index fell by 9.1 per cent during this period to 32 per cent lower compared to the same time a year ago.
- The HIA report found affordability dropped during the March quarter by 4 per cent to be 28.7 per cent lower than 12 months ago. Affordability fell by 4.2 per cent in the capital cities, and by 5.3 per cent in regional areas, to be lower by 30.5 per cent and 24.8 per cent respectively, compared to March 2009.
- The HIA-CBA Housing Affordability Index combines interest rates, household incomes and home prices to determine affordability conditions.
- In Australia's capitals, affordability declined 9.5 per cent over the June quarter, while in Regional Australia it fell by 6.7 per cent.
- The largest falls were experienced in Sydney (-9.1 per cent), Regional Victoria (-9.0 per cent), Regional Tasmania (-8.8 per cent) and Adelaide (-8.7 per cent).
- The only city to experience an increase in affordability was in Hobart, by 2.4 per cent due to a decline in home prices. In Brisbane affordability decreased by -7.4 per cent and Melbourne by -6.7 per cent.²

interest rate movements

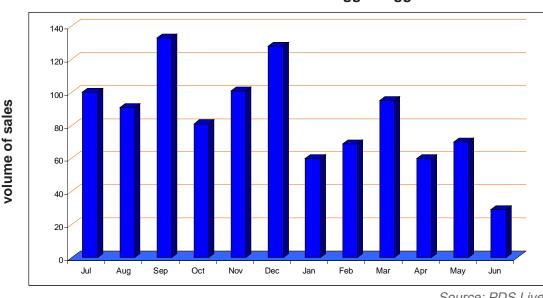




houses

- Strong residential markets in Wagga Wagga include:
 - 1. Kooringal (149 sales)
 - 2. Central Wagga Wagga (119 sales)
 - 3. Ashmont (94 sales)
 - 4. Glenfield Park (92 sales)
 - 5. Turvey Park (87 sales)
- The New South Wales median house price is \$465,000.⁴
- The median house price in Wagga Wagga for 12 months from 1 July 30 June is \$291,750. (2651, Forest Hill included in figures)
- The highest recorded sale price was \$1.5 million in Fox Street, Central Wagga Wagga.
- September saw the most activity with 133 sales, closely followed by December with 128 sales.

residential house sales wagga wagga



- **month** July 2009 June 2010
- Source: PDS Live
- Ashmont offered the most value for money with a median house price of \$181,000. At the other end of the scale, Springvale recorded a median house price of \$557,000.3
- It appears the global financial crisis of 2008/09 did not significantly affect demand or price in Wagga Wagga, but has instead helped spark an increase in demand as a result of a period of low interest rates.
- The \$250,000 \$350,000 price bracket registered the most activity with 39 per cent of sales.



- The \$500,000+ price bracket registered the least activity, accounting for 7 per cent of the total sales.3
- The average loan size for all owner occupied housing commitments rose by \$3,700 to \$285,300 between May and June 2010.1
- House sales in Wagga Wagga recorded a 3.85 per cent capital growth.⁴
- Dwelling prices in Melbourne, Brisbane, Perth, Darwin and Canberra all experienced a marked reduction in growth rates in the June quarter.

capital cities median property prices

capital city	median property price june 2010	growth since dec 2008	growth since june 2009	june 2010 quarter growth
National	\$465,000	17.2%	10.5%	-0.2%
Sydney	\$512,000	17.4%	10.4%	0.5%
Melbourne	\$470,000	26%	16%	0.2%
Brisbane	\$445,000	8.6%	4.5%	-1.3%
Adelaide	\$390,000	10.4%	9.1%	1.1%
Perth	\$475,000	10.3%	5.1%	-2.5%
Hobart*	\$320,000	11.9%	3.9%	0.5%
Darwin	\$489,750	23%	14.3%	-0.1%
Canberra	\$495,000	16.2%	10.6%	-0.8%

^{*} Hobart data is current as of May 2010.

recent wagga wagga median sale prices

month	wagga wagga		
July 2010	\$294,000		
June 2010	\$361,000		
May 2010	\$357,000		
April 2010	\$296,000		
March 2010	\$307,500		
February 2010	\$299,000		
January 2010	\$365,000		
December 2009	\$319,000		
November 2009	\$281,000		
October 2009	\$285,000		
September 2009	\$307,500		
August 2009	\$307,500		

Source: RP Data

residential market

units



units

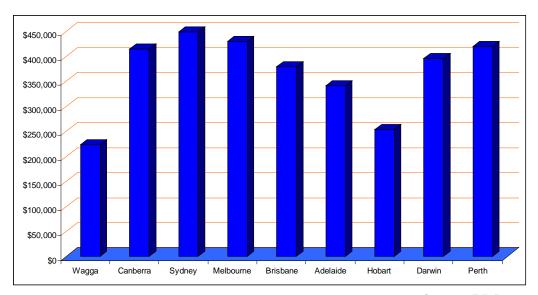
- The New South Wales median unit price is \$411,000, with the median unit price for Wagga Wagga being \$225,000.
- Wagga Wagga has seen strong growth in the unit market over the past ten years.
- The unit market is largely driven by residents seeking a low maintenance lifestyle in urban areas close to employment opportunities.
- During the past five years, activity has averaged 96 sales per half year, with the second half of 2009 recording 97 sales.
- During this six month period, the median unit price increased by \$45,250 to register \$230,000.
- Units in Wagga Wagga have recorded the highest level of price growth (12.5 per cent) during 2009, when compared to houses and land.
- The latest building approvals data showed that over the year the number of approvals for private sector units have rebounded very strongly (57.7 per cent).³
- Throughout the capital city markets, Hobart has the most affordable units with a median price of \$254,250 and Sydney the most expensive with a median price of \$450,000.
- The growth in the value of units has outperformed houses in Sydney, Brisbane, Perth and Darwin over the last 12 months ⁴

Strong markets include:

- 1. Central Wagga Wagga (63 sales)
- 2. Kooringal (24 sales)
- 3. Glenfield Park (14 sales)
- Tolland offered the best value for money with a median unit price of \$132,500.
- At the other end of the scale, Tatton recorded a median unit price of \$285,250.
- The highest recorded sale price was \$868,000 in Fitzmaurice Street, Central Wagga Wagga.
- July 2009 saw the most activity with 28 sales, closely followed by November with 27.
- The median unit price in Wagga Wagga from 1 July 30 June was \$225,000.
- The price bracket of \$150,000 \$250,000 registered the most activity with 52 per cent of sales.
- The \$450,000+ price bracket registered the least activity, making up 4 per cent of the total sales.
- There were a total of 163 unit sales in Wagga Wagga for the financial year.³



wagga wagga and capital city median unit price 2009-2010



Source: RP Data

wagga wagga and capital city median unit price 2009-2010

location	median price		
Wagga Wagga	\$225,000		
Canberra	\$415,000		
Sydney	\$450,000		
Melbourne	\$430,00		
Brisbane	\$380,000		
Adelaide	\$341,748		
Hobart	\$254,250		
Darwin	\$396,074		
Perth	\$420,000		

Source: RP Data



residential land

- 169 residential blocks sold in Wagga Wagga in the 2010 financial year, with the median land price being \$115,000.
- The most affordable vacant land sale took place in Ladysmith at \$40,000 for a 1,245 square metre block.
- The highest sale took place in Lake Albert for \$280,000 for 4.2 hectares.
- The month of September registered the most activity with 32 land sales.³



- Speculative building activity reduced in the second half of the year.
- Tatton remains the most popular new home address in Wagga Wagga, experiencing substantial growth over the past 4 years. Subdivisions continue to sell out off the plan.
- 23 blocks in Tatton stage 11a sold out completely within the 4 week pre release campaign, with the median price being \$132,000, which is \$17,000 above the median land price for Wagga Wagga.
- A total of 41 blocks sold in Tatton during the financial year, with 30 selling in Bourkelands.
- Tatton Stage 11b is due for release soon and is expected to sell out in similar fashion to previous Tatton releases.⁵



- With approximately 50 blocks on offer within the remaining 2 stages of Tatton, this subdivision will then be complete.
- The last remaining stage in Lakehaven was released at Christmas and sales have been exceptionally strong, with 50 per cent sold at publication date. Prices ranged from \$170,000 to \$260,000 making this Wagga Wagga's most expensive residential subdivision release.⁵
- There has been no land released for sale in Lloyd. The gazettal of the new Local Environmental Plan (LEP) has rezoned land and there will be a constant supply of land in both Lloyd and Lloyd West for many years to come.
- It is our expectation that Lloyd will take up the demand previously met by Tatton.
- The first stage of Boorooma has been released with the sale of 20 lots. The suburb will continue to release land at a slow pace due to the multiple ownership constraints in the area.
- Land in Estella has also been positively affected by the rezoning of the LEP, so we will see a steady supply from here.
- Glenfield Park is almost fully completed, with the last stage now being developed.
- The demand for flat building land remains high, particularly for first home buyers. As yet, the market place is yet to throw up a logical replacement for Glenfield Park.
- Land in Uranguinty offered the most affordable lots, with a median price of \$80,000, while Springvale registered the highest median price at \$195,000.3
- Median land prices have increased 2.5 per cent over the last 12 months.

wagga wagga median land prices

year	wagga wagga	
1996	\$50,100	
2004	\$64,300	
2005	\$80,300	
2006	\$88,300	
2007	\$97,100	
2008	\$102,000	
2009	\$112,000	
as at July 2010	\$115,000	

Source: Land Management Authority

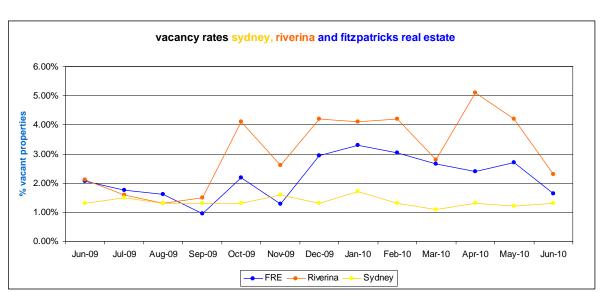
residential vacancy

- In the past 12 months, loans for investment purposes increased 20 per cent in NSW and 30 per cent nationwide.
- One in ten taxpayers owns a negatively geared property.¹
- 1.2 million investors spent more money on their rental properties than they earned in 2007-08.6
- Vacancy rates in Sydney continued to decrease from 1.5 per cent in November 2009 to 1.2 per cent in May 2010.
- Fitzpatricks Real Estate's average vacancy rate was 2.2 per cent for the financial year.
- Vacancy rates in the Riverina increased from 1.6 per cent to 3.1 per cent for the same period.
- The Rental Bond Board recorded 2,018 bonds held for houses in the June quarter and 1,728 for units and flats. This reflects a total increase of 0.3 per cent for the quarter and an annual increase of 2.4 per cent. These figures apply to Housing New South Wales rural statistical subdivision for Wagga Wagga.⁸
- Lowering interest rates, low vacancy rates and good returns during the latter part of 2009 enticed investors into the market.
- Despite the large numbers of first home buyers exiting the rental market, there is still an undersupply of rental accommodation.

weekly median rents for all dwellings in wagga wagga 2010

one bedroom	\$150
two bedrooms	\$210
three bedrooms	\$280
four + bedrooms	\$368

Source: REINSW



Source: REINSW

		median weekly asking rents - houses			
	June 2010	March 2010	June 2009	Yearly change	
Sydney	480	460	460	4.3%	
Melbourne	365	370	360	1.4%	
Brisbane	360	365	350	2.9%	
Adelaide	325	330	310	4.8%	
Perth	370	370	360	2.8%	
Hobart	300	300	295	1.7%	
Darwin	520	550	480	8.3%	
Canberra	450	440	415	8.4%	
Wagga	270	288	274	-1.4%	

		median weekly asking rents - units			
	June 2010	March 2010	June 2009 Yearly cha		
Sydney	440	420	420	4.8%	
Melbourne	350	340	335	4.5%	
Brisbane	340	345	340	0.0%	
Adelaide	265	260	255	3.9%	
Perth	360	360	360	0.0%	
Hobart	240	240	230	4.3%	
Darwin 550		480	400	12.5%	
Canberra	413	405	400	3.1%	
Wagga	195	210	194	0.6%	

Source: apm & Department of Housing

first home owners

first home owners benefits



first home owner benefits

- Wagga Wagga remains in the top 20 postcodes for benefits received from the First Home Owner Benefits. Since the scheme commenced in July 2000, Wagga Wagga has remained in the top 20.
- Wagga Wagga is the only regional city to remain in the top 20 postcodes for First Home Buyer Benefits received.
- Between 1 July 2000 and 30 June 2010 there were 4,485 applications for the First Home Owner Grant, an average of 448 per annum.
- There has also been an additional 4,714 applications for the First Home Plus Grant.
- The first home buyers grants have been a runaway success. The Federal Government's boost alone which granted up to \$14,000 on top of existing grants was snapped up by more than 250,000 people at a cost of more than \$2 billion in less than 18 months, throughout Australia.
- In total, the schemes helped more than 461,000 families and young couples enter the property market in NSW alone since 2000, with the total value of the scheme exceeding \$7 billion.
- The percentage of first-home buyers in the NSW marketplace is approaching 20 per cent, which is the highest proportion since May 2002 and housing finance to first home buyers is also at its highest since May 2002.⁹
- Wagga Wagga first home buyers are taking on average 3.2 years to save a 20 per cent house deposit (\$57,100) and 2.6 years to save for a 20 per cent deposit (\$47,200) on a unit.
- In New South Wales the average time it takes to save for a house deposit is 4.6 years.
- The number of first home buyer commitments as a percentage of total owner occupied housing finance commitments decreased from 16.2 per cent in May 2010 to 16.0 per cent in June 2010.
- Between May and June 2010, the average loan size for first home buyers fell \$3,200 to \$284,500.
- The average loan size for all owner occupied housing commitments rose \$3,700 to \$285,300 for the same period. 10



first home benefits - top 20 postcodes by value 1 july 2000 - 30 june 2010

			First Home Owner Grant First Home Plus				
	Postcode	Suburb/Town	No.	Value	No.	Value	Total benefits
1	2170	Liverpool	5,530	\$75,582,800	7,910	\$64,008,642	\$139,591,442
2	2145	Wentworth	6,024	\$54,707,000	5,540	\$52,090,439	\$106,797,439
3	2148	Blacktown	5,803	\$52,493,500	5,605	\$44,763,882	\$97,257,382
4	2560	Campbelltown	6,305	\$54,547,500	6,186	\$41,327,631	\$95,875,131
5	2250	Gosford	4,743	\$40,346,500	4,572	\$33,461,811	\$73,808,311
6	2166	Cabramatta	5,073	\$41,384,500	4,983	\$31,775,650	\$73,160,150
7	2770	Mt Druitt	4,718	\$39,391,000	4,562	\$28,470,408	\$67,861,408
8	2200	Bankstown	4,091	\$36,705,500	3,951	\$30,827,694	\$67,533,194
9	2077	Hornsby	3,606	\$30,797,000	2,826	\$31,475,709	\$62,272,709
10	2150	Paramatta	3,427	\$31,037,500	3,599	\$30,197,111	\$61,234,611
11	2155	Kellyville	3,488	\$38,126,500	1,972	\$23,075,195	\$61,201,695
12	2650	Wagga Wagga	4,485	\$38,687,000	4,714	\$22,227,789	\$60,914,789
13	2153	Baulkham Hills	3,279	\$27,625,000	2,361	\$30,417,887	\$58,042,887
14	2763	Quakers Hill	3,496	\$29,705,500	2,828	\$27,373,779	\$57,079,279
15	2750	Penrith	3,500	\$28,823,000	3,611	\$26,665,415	\$55,488,415
16	2099	Dee Why	3,326	\$28,407,000	2,307	\$26,206,834	\$54,613,834
17	2220	Hurstville	3,010	\$28,397,500	2,473	\$25,069,700	\$53,467,200
18	2259	Wyong	3,409	\$32,294,500	3,389	\$20,986,799	\$53,281,299
19	2165	Fairfield	3,232	\$27,917,500	3,118	\$23,793,221	\$51,710,721
20	2620	Queanbeyan	3,410	\$28,929,000	3,365	\$20,873,234	\$49,802,234
		Top 20 Total	86,955	\$765,905,300	79,872	\$635,088,829	\$1,400,994,129
		NSW Total	461,174	\$3,993,896,763	400,183	\$3,066,444,613	\$7,060,341,375

Data as at 7 July 2010

Source: Office Of State Revenue

Postcodes usually relate to more than one suburb or town. The most common suburb or town for the postcode has been shown.

First Home Owners Grant Scheme includes:

- \$7,000 boost Payment for established homes where contracts were signed from 14 October 2008
- \$14,000 Boost Payment for new homes where contracts were signed from 14 October 2008
- \$3,000 NSW Home Buyers Supplement for new homes where contracts were signed between 11 November 2008 to 30 June 2010.





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Information used in this publication was collected from the Reserve Bank of Australia, Residex, Real Estate Institute of NSW, Real Estate Institute of Australia, RP Data, Fitzpatricks Real Estate, NSW Office of State Revenue, PDS Live, Land Management Authority, Bankwest, HIA/CBA, Rental Bond Board, Australian Property Monitors, New South Wales Department of Housing and the Australian Bureau of Statistics.

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- 1 ABS (2010), NSW Government Planning
- 2 HIA-CBA Housing Affordability
- 3 Property Data Solutions (PDS Live)
- 4 RP Data
- 5 Fitzpatricks Real Estate
- 6 Australian Taxation Office
- 7 Real Estate Institute of NSW
- 8 Rental Bond Board
- 9 Office of State Revenue
- 10 Bankwest (July 2010)



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