

# FITZPATRICKS REPORT 2020



**fitzpatricks**  
real estate





1950 - 2020  
**70** YEARS OF  
SERVICE

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*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. The mean is the average of a set of data.*



# PROPERTY AT A GLANCE



The Directors hope you enjoy reading the 2020 Fitzpatrick's Report, our 20th edition.

We produce the Report each year to:

- provide you with the latest market data
- provide the professional real estate staff at Fitzpatrick's Real Estate with accurate information to pass on to clients
- to highlight growth, predict trends and to provide sound information for real estate investors and advisors

What a year! Real estate in Wagga Wagga over the last financial year has been a rollercoaster to say the least.

The market activity experienced in this 12 month period is equivalent to what we would normally see trending over a 5 to 10 year cycle. July through to November saw a recovering market, an increase in sale numbers, positive media and increased auction clearance rates across Australia.

November to March, confidence was back in the market. There was buyer competition and consistent sales results, showing evidence of a glimpse of increasing property values. The investor market was strong as interest rates were at all time lows and investors turned to property to find the best returns.

March to June was impacted due to COVID-19. We experienced lock down, work from home, job keeper, job seeker, zoom meetings, uncertainty and finance restraints. We had to adapt to new regulations quickly and operate in a safe and practical way to ensure the safety of our staff and our client's properties remained our number one priority. Our next edition of the Fitzpatrick's Report will outline a positive return in the first quarter of 2020 with the highest levels of buyer activity we have seen since 2008.

The 2019/20 financial year saw a small 4% decrease in the volume of house sales however there was an 4.66% increase in the median house price in Wagga sitting at \$387,250.

There was a large increase in the number of unit sales with 172 compared to 102 the previous financial year. Median unit prices in Wagga also rose an impressive 12% with a median price of \$280,000.

Data from the June 2020 quarter from major cities was favourable, with Sydney's median house and unit prices increasing 9.6% and 6.7% respectively.

The land supply shortage in Wagga Wagga continues to hamper residential development. We anticipate some reasonably sharp price increases in land over the next few years. Wagga still has a desperate need for more lifestyle blocks. With the announcement of the governments \$25,000 homebuilder grant, demand for land has increased. Fitzpatrick's are anticipating a release of two new stages of land development by the end of 2020.

The Wagga rental market remains competitive with vacancy rates quite low. The average vacancy rate in Wagga for the last financial year was 1.5% with Fitzpatrick's average at a lower rate of 1.3%. In the June 2020 quarter, median rent for a house in Wagga was \$333 (down 2%) and for a unit \$255 (increase 10.87%).

Commercial sales remained consistent with a total of 43 last financial year, comparative to the previous 4 years.

**68,562**

Estimated Wagga resident population

**18-49**

Represent 42.9% of the population

**80,984**

Estimated Wagga population by 2036

**1.18%**

Population growth projection on average per annum

**2.49**

Average household size

**25.85%**

Of household income spent on mortgages in Wagga

**0.25%**

Official cash rate June 2020

**1.35%**

Average inflation rate for the financial year

## POPULATION

- Wagga Wagga's community has an estimated resident population of 68,562.<sup>5</sup>
- The population is expected to increase to 80,984 by 2036, at an average annual growth rate of 1.18% per annum.<sup>5</sup>
- There are 23,564 occupied private dwellings in Wagga Wagga.<sup>6</sup>
- The average household size of Wagga Wagga residents is 2.49.<sup>6</sup>
- Persons aged 18-49 years of age represent 42.9% of the population.<sup>6</sup>

## FINANCE

- At the start of this financial year the official cash rate was 1%. The Reserve Bank of Australia decreased the rate to an all time low of 0.25% in March 2020 and this has held steady through to the end of the financial year.<sup>1</sup>
- The inflation rate for the quarter ending June 2020 was -0.3%, compared to 1.6% from June 2019. The average inflation rate for the 2019/20 financial year was 1.35%<sup>12</sup>

## AFFORDABILITY

Wagga Wagga continues to provide very affordable housing options.

- The average mortgage repayment in Wagga Wagga equates to 25.85% of the average household income, compared to Sydney at 28.58% and 30.84% across New South Wales.<sup>1</sup>

## FIRST HOME OWNER GRANTS & CONCESSIONS

- The total number of Grants paid in NSW in the 2019/20 financial year was 41,088 totalling of \$593,600,762.<sup>3</sup>
- In Wagga Wagga 551 grants were paid totalling \$5,503,595 in the last financial year.<sup>3</sup>

# RESIDENTIAL MARKET



## Houses

The median house price in Wagga Wagga for the 12 months from July 2019 to June 2020 was \$387,250. This is a 4.66% increase from the last financial year.<sup>2</sup>

For the June 2020 quarter the median house price in Sydney was \$1,143,012. House prices in Sydney have increased 9.68% in the last financial year.<sup>8</sup>

Strong residential markets in Wagga Wagga include:

Koorngal 141 sales (13.93%)<sup>2</sup>

Central Wagga 96 sales (9.49%)<sup>2</sup>

Lake Albert 90 sales (8.89%)<sup>2</sup>

In the 2019/2020 financial year November had the most activity with 111 sales, this was followed by 105 sales in February and 103 sales in August. The total number of sales was 1012, compared to 1055 last financial year, a decrease of 4%.<sup>2</sup>

Springvale recorded the highest median price of \$905,000.<sup>2</sup> These homes are typically larger lifestyle homes on large blocks or small acreage. Tatton recorded the highest suburban median price of \$512,500.<sup>2</sup>

The highest house sale in the 2019/20 financial year was a home in Gurwood Street, Central Wagga selling for \$1,680,000.

The \$300,001-\$400,000 price bracket registered the most activity accounting for 290 sales or 28.66%, followed by the \$400,001-\$500,000 price bracket with 242 sales at 23.91%.<sup>2</sup>

## Units

The median unit price in Wagga Wagga for the 12 months from July 2019 to June 2020 was \$280,000. This is an increase of 12% from last financial year.<sup>2</sup>

For the June 2020 quarter the median unit price in Sydney for the June 2020 quarter was \$735,417. Unit prices in Sydney have increased 6.79% in the last financial year.<sup>8</sup>

There was a total of 172 unit sales in Wagga Wagga for the last financial year, compared to 102 of the previous year.<sup>2</sup>

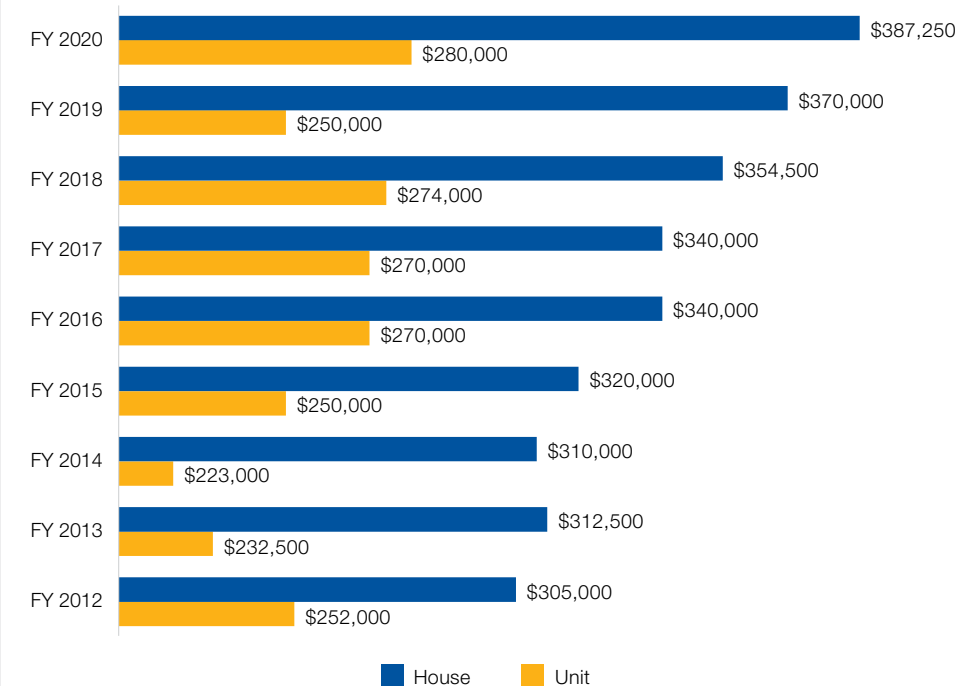
The strongest suburb for sales was Central Wagga with 59 sales, 34.30% of all unit sales.<sup>2</sup>

A unit in the Serentiy complex in Day Street, Central Wagga was the highest unit sale for the last financial year, selling for \$769,000.<sup>2</sup>

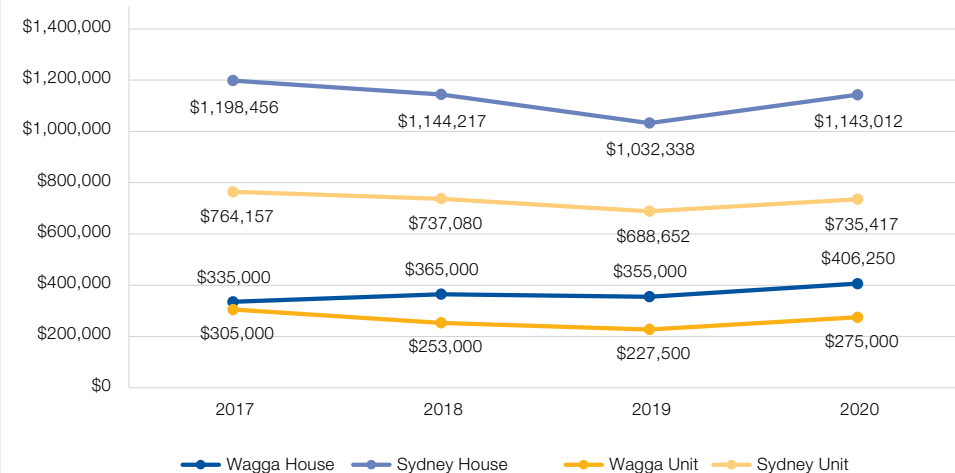
The price bracket of \$200,001-\$300,000 registered the most activity with 79 sales, being 45.66% of the market.<sup>2</sup>

11 unit complexes also sold in the 2019/20 financial year. 5 of these sales were in Koorngal with a median price of \$580,000.<sup>2</sup>

### MEDIAN HOUSE & UNIT PRICES WAGGA

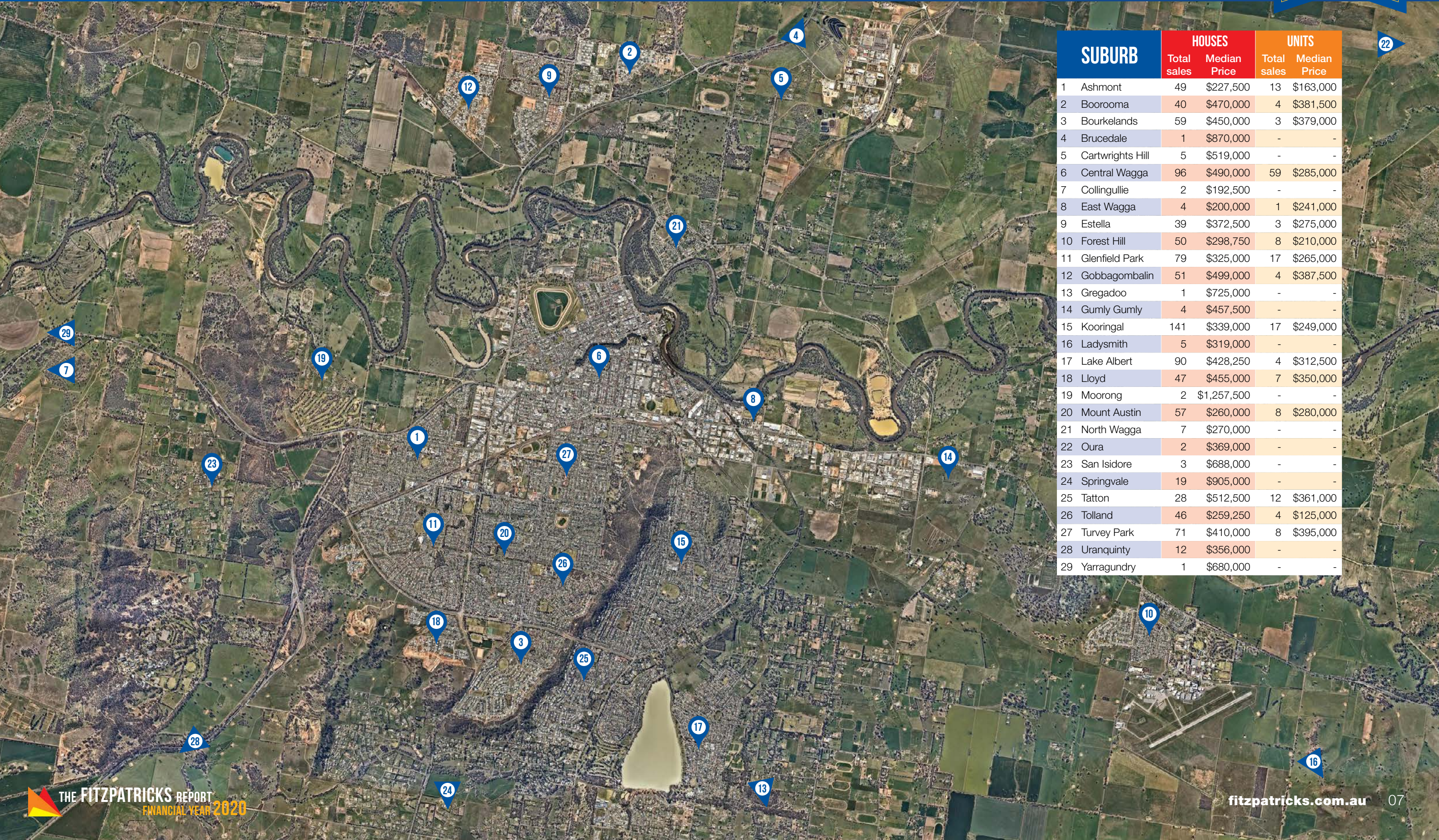


### MEDIAN HOUSE & UNIT PRICES JUNE QTR





# SUBURB STATISTICS



SUBURB	HOUSES		UNITS	
	Total sales	Median Price	Total sales	Median Price
1 Ashmont	49	\$227,500	13	\$163,000
2 Boorooma	40	\$470,000	4	\$381,500
3 Bourkelands	59	\$450,000	3	\$379,000
4 Brucedale	1	\$870,000	-	-
5 Cartwrights Hill	5	\$519,000	-	-
6 Central Wagga	96	\$490,000	59	\$285,000
7 Collingullie	2	\$192,500	-	-
8 East Wagga	4	\$200,000	1	\$241,000
9 Estella	39	\$372,500	3	\$275,000
10 Forest Hill	50	\$298,750	8	\$210,000
11 Glenfield Park	79	\$325,000	17	\$265,000
12 Gobbagombalin	51	\$499,000	4	\$387,500
13 Gregadoo	1	\$725,000	-	-
14 Gumly Gumly	4	\$457,500	-	-
15 Koorungal	141	\$339,000	17	\$249,000
16 Ladysmith	5	\$319,000	-	-
17 Lake Albert	90	\$428,250	4	\$312,500
18 Lloyd	47	\$455,000	7	\$350,000
19 Moorong	2	\$1,257,500	-	-
20 Mount Austin	57	\$260,000	8	\$280,000
21 North Wagga	7	\$270,000	-	-
22 Oura	2	\$369,000	-	-
23 San Isidore	3	\$688,000	-	-
24 Springvale	19	\$905,000	-	-
25 Tatton	28	\$512,500	12	\$361,000
26 Tolland	46	\$259,250	4	\$125,000
27 Turvey Park	71	\$410,000	8	\$395,000
28 Uranquinty	12	\$356,000	-	-
29 Yarragundry	1	\$680,000	-	-



# RESIDENTIAL MARKET AND INVESTMENT

1950 - 2020  
**70**  
YEARS OF  
SERVICE

## Land

256 residential blocks were sold in Wagga Wagga in 2019/20 financial year, compared to 280 blocks last year, a decrease of 8.57%.<sup>2</sup>

The median land price was \$155,000 which is up 6.9% from the previous financial year.<sup>2</sup>

In the Wagga Wagga LGA, there were 297 residential building approvals for new houses in the 2019/20 financial year, a drop of 14 approvals.<sup>11</sup>

The highest land sale was by Fitzpatricks Real Estate for a 4.42 acre (1.79Ha) block in Riverview Drive, Moorong selling for \$500,000.<sup>2</sup>

The month of February registered the most activity, with 31 land sales.<sup>2</sup>

Springvale registered the highest median land price of \$317,500 followed by Lake Albert at \$294,000.<sup>2</sup>

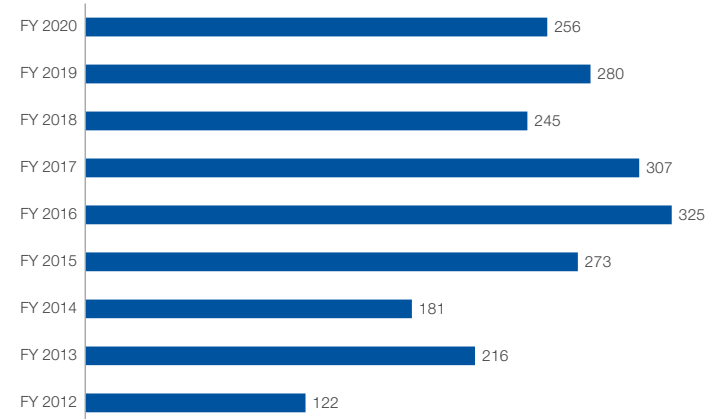
Most popular suburbs for land sales in Wagga Wagga include:

Gobbagombalin 88 sales (34.38%)<sup>2</sup>

Lloyd 38 sales (14.84%)<sup>2</sup>

Boorooma 40 sales (15.63%)<sup>2</sup>

### NUMBER OF LAND SALES



## Residential Rentals

The median weekly rent for a house in Wagga Wagga for the June 2020 quarter was \$333.<sup>4</sup>

The median weekly rent for a unit was \$255.<sup>4</sup>

Riverina's average vacancy rate average for the 2019/20 financial year was 1.5%.<sup>9</sup>

Fitzpatricks vacancy rate average remained lower at 1.3%.<sup>10</sup>

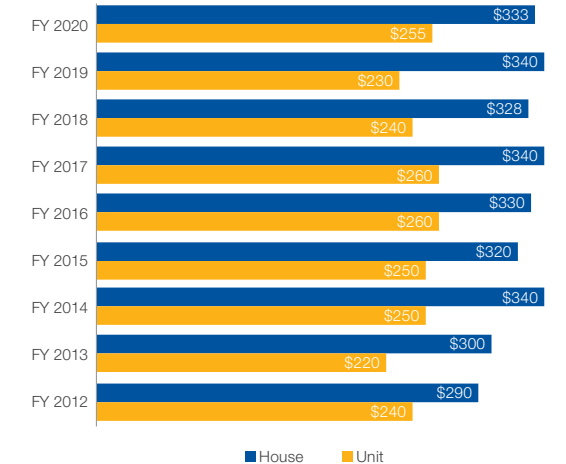
The lowest vacancy rate month was November for both Riverina (0.8%)<sup>9</sup> and Fitzpatricks (0.6%).<sup>10</sup>

Fitzpatricks conducted a total of 1870 rental inspections.<sup>10</sup>

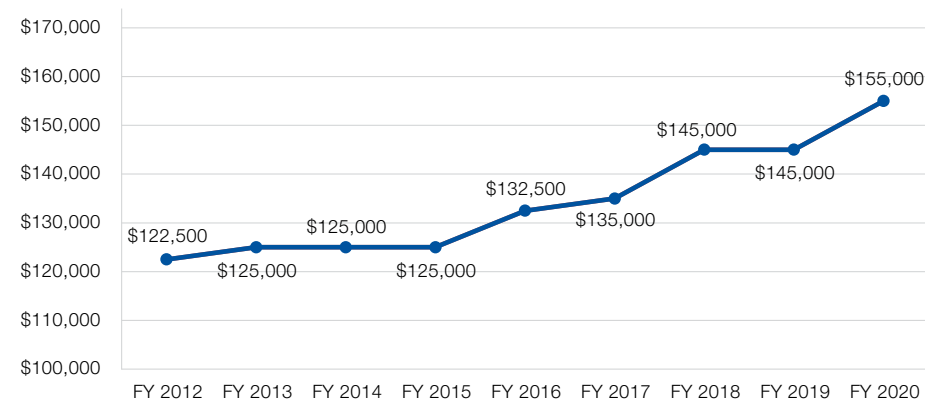
3609 prospective tenants visited our open homes.<sup>10</sup>

Fitzpatricks leased 572 properties with 1663 rental applications lodged.<sup>10</sup>

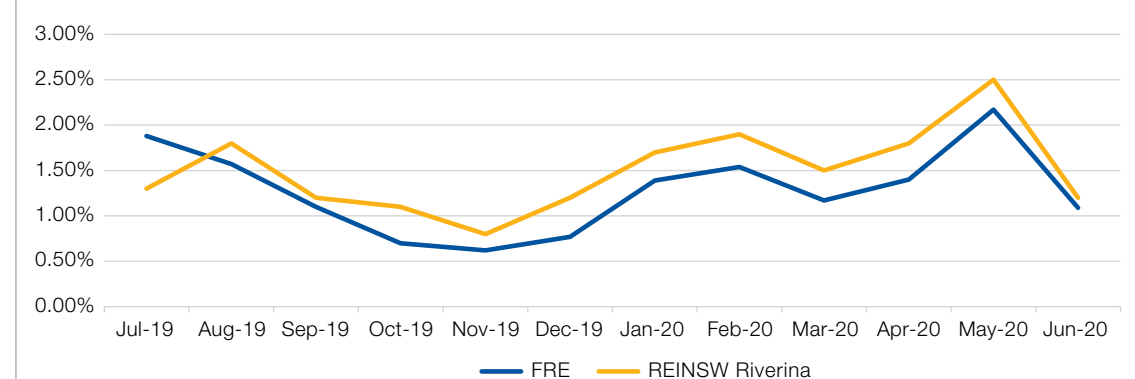
### MEDIAN RENT - WAGGA



### MEDIAN LAND PRICE



### VACANCY RATE



# COMMERCIAL AND INDUSTRIAL



The 19-20 Financial year was a contrasting year for the Wagga Wagga commercial real estate sector. The initial nine months was somewhat normal, only to be confronted with a very different period from March, post Covid.

Records reveal there were around 43 commercial sales (including commercial land) totalling over \$29 million in Wagga Wagga in the last financial year. Of these Fitzpatrick's negotiated 8 sales, equating to 19% and over \$6.8 million in sales.

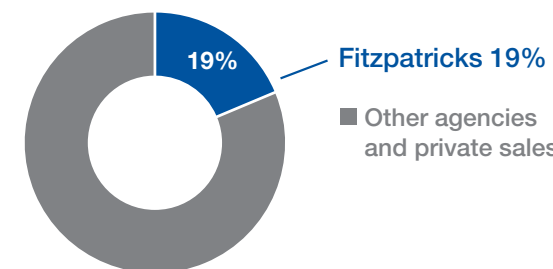
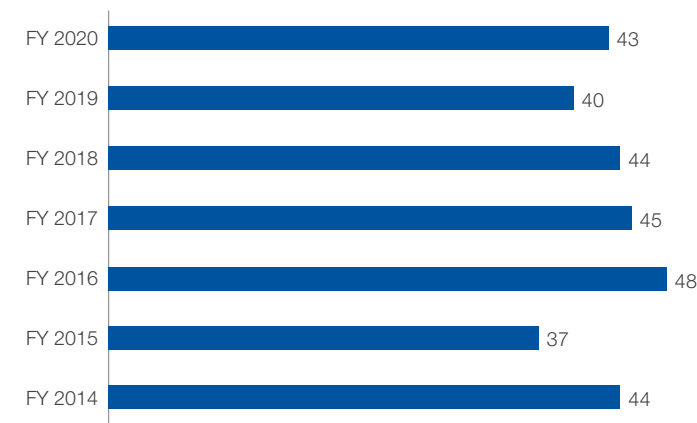
April saw shutdowns and the introduction of the Covid rental assistance legislation. This was welcome help ensuring some tenants survival however, the support for landlords was non existant. The Covid legislation has now been extended until the end of 2020.

A welcome result of the Covid legislation is the market appreciation and renewed interest in bricks and mortar real estate. The market continues to deliver strong returns in the 6 - 9% range as well as continued land and building appreciation.

Sales this year ranged across multiple asset classes and included the notable sales of

- The purpose built swim school complex at 83 Copland Street, sold with vacant possession and at the time of writing was just re-commencing swimming lessons and squad training
- The Dentistry site at 9 Sturt Street
- The ex Lum Inn Chinese Restaurant site at 24 Fitzmaurice Street sold partially leased
- The ex Armaguard centre at 25 Copland Street sold with vacant possession
- The Peter Street Medical Centre

## NUMBER OF COMMERCIAL SALES



## Retail and Office

During the reporting period, there were 5 sales in Fitzmaurice Street and only 1 sale in Baylis Street. As per last year, this reflects confidence in that sector with limited listings coming to market. Investors are focusing on the strength of the tenant as much as the quality of the building when making purchasing decisions.

There is a definite lack of standalone office accommodation in the B3 zone for purchase, which is contributing to strong competition when properties of this style are placed on the market. An example of this is the strong result achieved in the sale of 35 Kincaid Street (previously the Jasmin Village Chinese Restaurant) now repurposed and currently being utilised as office accommodation.

## Industrial and Land

The majority of sales were across the industrial and commercial office asset classes.

These were of improved industrial premises, predominantly throughout the east Wagga Wagga industrial precinct. This area provides opportunities to secure or develop sites which have better heavy vehicle access than the busy Dobney Avenue and Pearson Street western precinct areas.

Industrial land activity strengthened over the period with good activity on sites of around 2500 to 3000 square metres and evidence of a lift in pricing depending on fill and height. Land stock on the south side of the river reduced considerably with stock in Jones Street, Nagle Street and Ball Place now all but fully developed. Even land further out in Houtman Street, Lockyer Place and Copland Street has all but been secured with sales ranging in the \$104 to \$133 per square metre range.

## Leasing

With the onset of the Covid shutdowns and border restrictions, commercial leasing activity has slowed to all time lows. Interest remains from service industries which have been the main driver of enquiry for key retail sites.

Potential office tenants are taking a cautious approach, and some are delaying decisions until we have more clarity around further state shutdowns and social distancing measures.

Shared workspace environments and retail and food tenancies have been hit the hardest. Leasing rent levels are being heavily discounted in the retail sector and we are seeing a softening of rates in the office sector. Industrial leasing rates remain relatively unaffected.

Total negotiated leasing deals by Fitzpatrick's were slightly down to 142 against 154 from last financial year. This included a large number of storage leases as new properties at 7 & 9 Houtman Street were leased post construction. Storage vacancy remains in short supply and there seems to be room for further development, especially in small industrial and strata industrial development.

Considerable commercial upsides for the City include

- The investment of the Snowy Hydro legacy funds into Wagga's Special Activation Precincts (SAP). This will eventually cover 4500 hectares incorporating the existing Bomen Business Park. The project will benefit from Wagga's central state location with access to key rail and road infrastructure pipelines. The draft master plan is currently on exhibition and civil works are expected to commence next year.
- We now see stage 3 of the Regional Referral Hospital nearing completion, providing confidence for strong investment by second tier medical suppliers and ancillary uses into the medical precinct surrounding our two hospitals.
- The University of NSW Rural Medical School celebrates 20 years in 2020 and from 2021 will offer a full medical program (years 1-6).
- Increased military spending resulting from the 2020 force restructure plan will also see a \$10 billion investment into the states defence facilities. This is to include the redevelopment of the Kapooka and RAAF Base Wagga. These government based investments continue to strengthen the Wagga economy and allow local contractors opportunities to win contracts under the governments local industry capability plan initiative.
- Further educational development with the Estella Primary School currently underway as well as the expansion of The Riverina Anglican College with the addition of years K-6.

# WAGGA LIFESTYLE

## VISITORS



**↑ 1.37 mil**  
Visitors to Wagga Wagga each year



**↑ 200,000+**  
Annual passengers to Wagga Wagga



**3 nights**  
Average stay in Wagga Wagga



**\$411**  
Approximate spend per day for overnight visitors



**↑ 860,000**  
Average day visitors each year



**\$180**  
Approximate visitor spend per day tip

## BUSINESS & RETAIL

- There are over **5500 registered businesses in Wagga Wagga** with **public administration and safety** being the largest industries.
- It is the **largest retail, commercial, administrative and population centre in the Riverina region.**
- Wagga Wagga provides a wide range of services and infrastructure, servicing a **retail catchment area of approximately 190,000 people.**
- The city has a strong retail sector, representing a significant component of the economy with **nine shopping districts employing over 3700 people.**

## FACILITIES

The city has:

- 100+ medical specialists
- 5700+ health care and social assistance professionals
- 90+ playgrounds
- 110+ developed parks
- 65 sporting facilities
- 13 community centres
- 34 club and meeting facilities
- 69 educational facilities: 3 tertiary, 9 high schools, 23 primary schools and 34 pre-schools

## WORK

- Wagga Wagga has a total **labour force of over 35,817 people**
- **63% of employees having a certificate level qualification or higher**
- Over 80% of the workforce performing 25 hours or more of paid work per week

Data sourced from the Wagga Wagga City Council Economic Snapshot 2020



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Opinions and editorial comment should not be relied upon to make financial decisions. We are not financial advisors and you should conduct your own research to ascertain financial suitability before purchasing or selling.

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Sources:

- 1 The Reserve Bank of Australia
- 2 Pricfinder
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- 4 NSW Family and Community Services - Housing NSW
- 5 Forecast.id
- 6 Profile.id
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- 9 REINSW
- 10 Fitzpatricks Real Estate
- 11 Australian Bureau of Statistics
- 12 Trading Economics





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