



Herron
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Independent Property Advisors

Westpac

PROPERTY REPORT

NSW / ACT



Hotspots!

In this edition of the Westpac/Herron Todd White Property Report we focus on 'hotspots' – locations around the nation that offer strong potential for capital growth amid cooler market conditions.

Purchasing a property that delivers strong capital growth is the holy grail for both owner occupiers and investors. But it's a feat that's not easily achieved. History tells us that a well chosen, well priced property in a desirable location will grow in value over time. This is part of the appeal of bricks and mortar as an investment.

But 'hotspots' are quite different. They offer a chance to outperform the market, delivering turbo-charged returns and superior gains – often at a more rapid pace than the rest of the market. As this report reveals, even in today's quieter market, there are plenty of locations across the nation that can rightly be described as hotspots.

The Surat Basin and coastal Gladstone are two Queensland hotspots where extensive mining activity is expected to underpin significant population growth. We caution, however, that speculation about growth in these areas hinges on the completion of key mining projects, and as we've seen in the past these can be quickly shelved for a variety of reasons.

In New South Wales, Sydney's Norwest corridor is expected to enjoy significant price growth as families head for the amenities and lifestyle of the area. Further afield, several suburbs within Newcastle and the Illawarra are undergoing rapid gentrification, and together with strong transport links, these areas should perform well.

The Darwin market, which has experienced astonishing price growth in recent years, offers a different type of hotspot. Today's buyers are urged to look for areas delivering long term growth rather than the overnight gains of the past. We identify several Darwin hotspots including Bees Creek and Rapid Creek that meet this criteria.

And in Victoria and Tasmania, a number of inner city suburbs offer strong potential for capital gains supported by proximity to transport links and facilities, and in some cases strong demand from recent immigrants. In Melbourne, the suburbs of Noble Park and Broadmeadows are worth a look.

Heading south, inner city Hobart and Launceston provide strong opportunities for capital growth in Tasmania as the state's residents embrace cosmopolitan living assisted by developments of CBD apartments – a feature once lacking from these markets.

In Perth, key indicators suggest the market is poised for an upswing, making now a good time to buy. Suburbs like Cottesloe and Shelley satisfy the great Australian love of the water, and along with trendy Mount Lawley offer strong potential for future gains.

I hope this edition of the Westpac/Herron Todd White Property Report helps you identify a suitable hotspot.

Brendon Hulcombe

Chief Executive Officer, Herron Todd White

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New South Wales

The Ponds – Sydney Norwest Growth Corridor

The Ponds is a newly created suburb located in Sydney's popular Norwest growth corridor. The first land releases - predominantly Landcom sites, occurred 12 months ago and were sold out in just weeks. House and land packages offering quality homes for less than \$650,000 have been selling well. The planned estate already has a school and there are new shopping centres located within the Rouse Hill town centre. The Ponds offers good access to the M4, M7 and M2, and the area is serviced by train stations in neighbouring areas like Schofields. With a current median price of around \$539,000, homes in The Ponds could rise in value to as much as \$582,000 in the next year alone.

Lennox Head/Ballina – North Coast

Stunning beaches and an enviable climate establish the Lennox Head/Ballina area as a strong coastal hotspot. The region took something of a breather during the global financial crisis but confidence has returned to this market and sales are once again ticking over. Values are rising, especially in the mid-price range of \$550,000 to \$800,000. Demand is coming from a mix of locals who work in the area or commute to the Gold Coast, plus buyers who seek a lifestyle choice or quality holiday homes. The median home price of \$570,000 could rise to about \$627,000 over the next 12 months.

Windale/Gateshead – Newcastle

The Windale/Gateshead area is an up and coming region of greater Newcastle. Once predominantly comprised of housing commission homes, the area is becoming family orientated, and this is attracting interest from lower to mid-priced buyers. Investors are also finding good rental yields. In a number of instances multiple bidders are competing at auction and this is driving prices upwards. The area boasts close proximity to the popular Charlestown Shopping Complex, which is earmarked to double in size, providing ample amenity and employment opportunities. The Newcastle Bypass is also located nearby, providing easy access for those traveling north or south. Homes in the area currently have a median value of about \$263,000, potentially increasing to \$284,000 by the end of 2011.

House and land packages offering quality homes for less than \$650,000 have been selling well.



ACT

Downer

Downer is an inner suburb located approximately five kilometres north of the Canberra CBD. It provides a mix of residential property including some government built homes, and offers easy access to major transport routes, employment and educational facilities. Downer is in close proximity to the Dickson Shopping Centre - a growing business centre providing retail, and entertainment facilities. The current median price for a standard home in the Downer area is currently \$657,000 while medium density properties are valued at around \$415,000. Capital growth throughout the district has averaged in the range of 6.5% - 7.5% annually over the last ten years.

Chifley

Located approximately 15 kilometres south west of the Canberra CBD in the Woden region, Chifley offers good access to local services including junior and senior schools, sporting facilities and Woden Town Centre - a hub for government service agencies such as Department of Families, Housing, Community Services and Indigenous Affairs (FAHCSIA), Health, and Centrelink. Chifley is considered relatively affordable with prices ranging from \$402,000 for a medium density home through to \$632,000 for a more traditional freestanding property. Capital growth throughout the district has averaged in the range of 6% - 6.5% annually over the last decade.

Queanbeyan

Although Queanbeyan is located in New South Wales, it operates much as a satellite city of Canberra, located just 20 kilometres east of the Canberra CBD. Queanbeyan is still relatively affordable with median home prices of around \$460,000, but its physical location in NSW means first home buyers and off the plan purchasers can take advantage of valuable stamp duty concessions. Capital growth throughout the city is anticipated to average in the range of 3% - 5% annually over the next ten years.

Source: Herron Todd White

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