



**Westpac**

# NSW/ACT

Property Report – July 2015

## National Overview

Owner-occupiers are the lifeblood of Australia's property market, and this quarter we reveal suburbs and locations where home buyers – first timers as well as upgraders – can enjoy the trifecta of amenity, affordability and healthy long-term capital growth prospects.

### INFRASTRUCTURE IMPROVEMENTS DELIVER BENEFITS

As our growing cities spread outwards, strong transport links can be a key point of appeal for owner-occupiers. In Sydney, values in the Inner West suburb of Dulwich Hill have been constrained by limited public transport options but the opening of the Inner West's new light rail link is expected to push prices beyond today's typical price of \$1.2 million.

It's a similar story in Sydney's Hills District. The Norwest Rail Link, due for completion in 2019, will provide a much-needed rail link between this growth area and the city. Suburbs such as Baulkham Hills, where homes are currently priced at around \$800,000, are expected to be prime beneficiaries.

The Perth suburbs of Atwell and Success, located around 21 kilometres from the CBD, sit on opposing sides of the Kwinana Freeway, one of the city's major arterial roads. This gives residents excellent commuter access; however, neighbourhood rail links could be the factor that supports future price growth as Perth's expanding population puts increased pressure on commuting times. Home values in both suburbs start at around \$550,000.

### RIDING THE RIPPLE EFFECT

The ripple effect, where rising prices in one area radiate outwards to neighbouring suburbs, can help owner-occupiers pinpoint areas that are affordable today but have growth potential for tomorrow. In Canberra, Narrabundah adjoins Griffith, one of the city's most sought-after suburbs, and this should support long-term price growth beyond the current median value of \$500,000.

Brisbane's middle-ring suburbs are enjoying a wave of price appreciation emanating from the inner city. Suburbs such as Kedron, Wavell Heights and Stafford in the north and Coorparoo in the south remain affordable, with entry-level prices typically ranging from \$500,000 to \$600,000.

Similarly, Melbourne owner-occupiers, who may be priced out of prestige suburbs such as Northcote and Preston, can find value in nearby Reservoir. An abundance of facilities plus a new retail hub look set to push up values from Reservoir's present median house price of \$541,000.



Suburbs such as Kedron, Wavell Heights and Stafford in the north and Coorparoo in the south remain affordable, with entry-level prices typically ranging from \$500,000 to \$600,000.

### SKIP THE MORTGAGE BELT

In cities such as Adelaide and Hobart, first home buyers and upgraders can still enjoy close proximity to the CBD, beaches and other lifestyle attractions – all for an affordable price. Adelaide's Plympton Park offers older homes on large lot sizes priced from around \$450,000. Demand for this type of property is expected to escalate as developers increasingly look for blocks with subdivision potential.

Darwin owner-occupiers who cast their net a bit wider can also find value. In the northern suburb of Millner, house prices are typically around \$550,000, making it more affordable than nearby Nightcliff or Co-conut Grove. Yet along with a wealth of facilities, Millner features large residential lots, which could have subdivision potential further down the track.

Brendon Hulcombe

**CEO - HERRON TODD WHITE**





## New South Wales

### Sydney

#### **INNER WEST SHINES**

Sydney's Inner West has a healthy track record for strong capital growth, yet a number of suburbs – such as Dulwich Hill and Ashfield – continue to offer good value. A standard 3-bedroom home on a 350-square-metre block in Dulwich Hill, for instance, is typically priced from \$1.2 million. Future price growth will be underpinned by proximity to the city centre; greater affordability relative to other Inner West suburbs; and improved transport infrastructure, as Dulwich Hill is the last stop on the newly opened light rail line, providing residents with additional public transport options to the CBD.

#### **HILLS DISTRICT TO BENEFIT FROM NORWEST RAIL LINK**

Construction of Sydney's eagerly awaited Norwest Rail Link has finally begun, and it looks set to ignite the Hills' property market. On completion in 2019, the train line will run from Rouse Hill through Castle Hill and Cherrybrook to connect with the existing rail network at Epping, giving residents of the Hills District a valuable alternative to the present options of bus and private car.

Already regarded as a family-friendly area, the Hills District offers quality schools, generous sporting facilities and plenty of employment options at Norwest Business Park. Property prices in the area range from the mid-\$800,000s for a 1970s 3-bedroom house in Baulkham Hills to about \$1.1 million for a modern 4-bedroom project home in Kellyville. At the top end of the market, prestige dwellings on 1500-square-metre blocks are available from about \$2 million in Castle Hill.

#### **OUTER WESTERN SYDNEY – AFFORDABLE GROWTH ZONE**

The growth zones of Sydney's south-west and north-west provide much-needed housing options for first home buyers and young families. Package estates provide recreational areas and parklands, new schools, preschools and community centres, coupled with consistent housing styles. Buyers can choose to take up an improved site or build their own home to a personalised standard.

Typical of the south-west is Gregory Hills, located to the north of Camden. Land is priced at around \$350,000 for a lot sized between 470 and 530 square metres; and house and land deals cost from about \$620,000. Employment options are available in Camden, and these will be supplemented by the proposed Badgerys Creek airport zone.

To the north-west, Marsden Park is the site of the new Sydney Business Park, which will provide valuable employment for the region. The nearby Hawkesbury towns of Richmond and Windsor currently offer good value for owner-occupiers, with single-level 4-bedroom dwellings in the Windsor suburb of Bligh Park priced in the mid-\$500,000s.



### UPPER NORTH SHORE – A WEALTH OF AMENITIES

The Upper North Shore suburbs of Wahroonga, Warrawee, Pymble and Killara continue to be popular with owner-occupiers because they provide large home sites and substantial period and modern family homes. However, more-affordable locations such as Roseville, St Ives and Lindfield still offer a wealth of local amenities, including shops and private schools, and should deliver steady capital growth over the longer term.

### EASTERN SUBURBS – A PRESTIGE MARKET

The Eastern Suburbs locations of Bellevue Hill, Point Piper and Vacluse continue to command premium prices, though buyers looking for greater value may want to consider Rose Bay and Dover Heights. Both suburbs offer proximity to shopping and dining precincts plus excellent schools but with more affordable price tags. These locations are expected to show steady growth over the longer term.

The Goulburn property market is influenced by commuters from Canberra and investors from Sydney....

## Regional NSW

### Illawarra

The Illawarra property market has recorded strong price appreciation, driven by low interest rates and a limited supply of available properties. Suburbs such as Balgownie, Fairy Meadow, Keiraville, Gwynneville and Towradgi are currently experiencing boom conditions, and a 3-bedroom house at the lower end of the market can currently be purchased from around \$520,000. The eastern section of Fairy Meadow is poised to enjoy an uptick in values following recent price gains in nearby Towradgi. Infrastructure improvements in the region bode well for future capital growth.

### Southern Tablelands

The Goulburn property market is influenced by commuters from Canberra and investors from Sydney, and we expect this trend to continue in the short to medium term. We are also seeing buyers preferring to purchase well-located older homes with a view to renovating. These properties can be priced from around \$300,000 but may command prices of up to \$700,000 following renovations.

### Wagga Wagga

Vacant land sales in Wagga Wagga have increased in the past 12 months, largely underpinned by increased investor interest, though certain areas – such as Estella, Boorooma and Gobbagombalin – are attracting first home

buyers. With a location close to central Wagga and Charles Sturt University, these suburbs will benefit from the construction of a new local shopping centre.

## The Hunter

Newcastle's inner-city suburbs of Adamstown, Adamstown Heights and Kotara offer a great deal for buyers. Homes are priced upwards of \$500,000 and residents enjoy close proximity to the CBD, Kotara Westfield and local beaches. Already these suburbs are popular with families, and many of the area's homes are undergoing renovations, which will further enhance future value growth.

## Mid North Coast

The Port Macquarie suburbs of Shelly Beach and Lighthouse Beach are popular among local buyers, with their combination of affordability plus proximity to schools and local shops. These beachside suburbs offer mainly older homes with prices starting from about \$400,000. Recent renovation activity in both locations is expected to drive prices up. Value growth in Port Macquarie more broadly is further underpinned by the Pacific Highway upgrade; the construction of a local Charles Sturt University campus, destined to be a key learning hub of the Mid North Coast; and the completion of the Port Macquarie Base Hospital expansion, which has attracted health professionals to the area.

It is worth noting that government plans to remove houses contaminated with loose-fill asbestos (so-called 'Mr Fluffy' homes) will have a positive effect on the broader ACT property market.

## Australian Capital Territory

### INNER SOUTH REMAINS AFFORDABLE

Narrabundah, in Canberra's Inner South, offers the appealing combination of affordable home prices plus close proximity to key amenities, including schools, employment centres and the lifestyle facilities of Kingston Foreshore, Kingston and Manuka. Narrabundah adjoins Griffith, one of Canberra's most sought-after suburbs, and this should also help to support long-term price growth beyond the current median value of \$500,000.

To Canberra's north, Ainslie is another option for first home buyers and upgraders. The suburb offers a central location plus key amenities as well as access to Mount Ainslie Nature Reserve. Entry-level housing in Ainslie is priced from \$550,000.

It is worth noting that government plans to remove houses contaminated with loose-fill asbestos (so-called 'Mr Fluffy' homes) will have a positive effect on the broader ACT property market.

Local expertise.  
National strength.  
Trusted solutions.

Herron Todd White is Australia's leading property valuation and advisory group. For more than 45 years, we've given our customers peace of mind and the confidence to make good-decisions for their vital property investments. Whether you are buying or selling, expert independent advice is the smartest property investment you can make.

Liability limited by a scheme approved under Professional Standards Legislation. The scheme does not apply within Tasmania.