

Westpac

Northern Territory

Property Report – July 2015



**HERRON
TODD WHITE
RESIDENTIAL**

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.



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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 Mill-ner, 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



Northern Territory

Darwin

The Northern Territory capital has experienced significant price growth in the past decade, and many of the city's suburbs are on par with other state capitals in terms of affordability. However, for first home buyers and upgraders who are prepared to dig a little deeper, there are some hidden gems that offer value buying.

MILLNER – A QUIET ACHIEVER

The suburb of Millner is situated around 10 kilometres from the Darwin CBD and lies adjacent to the highly regarded northern townships of Nightcliff, Rapid Creek and Coconut Grove.

Millner offers a highly convenient location with proximity to Casuarina Shopping Centre, Charles Darwin University and the Marrara Sporting Complex. It is easily accessed via McMillans Road or Trower Road and enjoys strong public transport links.

Importantly, Millner is characterised by larger residential allotments, often with older dwellings. Not only do the more generous land sizes appeal to families, the older homes lend themselves to renovation projects, which would certainly increase their value.

Median prices in Millner have tracked quite strongly for an extended period of time, and entry-level prices for 3-bedroom, 1-bathroom ground-level homes are currently around \$500,000. Two-bedroom apartments are priced in the high \$300,000s, potentially making this suburb affordable for first home buyers.

We anticipate short-term capital growth in Millner to be limited, though it is likely to firm in the longer term based on the limited availability of land in Darwin's northern suburbs. The large allotments in Millner could have subdivision potential in the future, though it should be noted that present zoning restrictions impose a minimum lot size of 800 square metres.



Alice Springs

The exclusive Desert Springs subdivision (also known as Golf Course Estate) remains popular with owner-occupiers in Alice Springs. The area offers several key advantages, including close proximity to the CBD and Olive Pink Flora Reserve, and its location within the catchment area of a popular primary school. More importantly, Desert Springs is integrated into Alice Springs Golf Course, as evidenced by street names such as The Fairway and The Links, and many homes are set on generous lot sizes of 1,000 square metres or more.

These unique features mean Desert Springs has typically been less impacted by market down-turns than other suburbs within Alice Springs.

Property prices in Desert Springs generally start from around \$600,000 for a detached dwelling; however, on occasion first home buyers looking to purchase in the under-\$600,000 price bracket can find property bargains.

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