

Westpac

South Australia

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.



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



South Australia

Adelaide

The South Australian capital offers home buyers considerably more affordable housing options than many other state capitals, yet the city's cosmopolitan lifestyle and close proximity to out-standing beaches mean Adelaide buyers enjoy plenty of bang for their real estate buck.

Plympton Park – a hidden gem for first home buyers

First home buyers in Adelaide typically select apartments relatively close to the city centre or homes farther out from the CBD in the traditional 'mortgage belt' areas located about 25 kilometres from the city. However, a potential hidden gem for first home buyers is Plympton Park, a suburb located just 8 kilometres south-west of the CBD.

Nestled between the beach and the city centre, Plympton Park offers first home buyers affordable housing, and while there are no schools in Plympton Park itself, a range of schools is available in nearby Plympton and South Plympton. Some retail outlets and medical practices operate along Marion Road and Bray Street, and a more substantial shopping centre is located at near-by Kurrallta Park.

Plympton Park offers a number of sporting facilities, including Plympton Park Oval, which features a children's playground. Racing enthusiasts will enjoy nearby Morphettville Racecourse.

Entry-level prices in Plympton Park start at around \$450,000 for older homes. Newer dwellings tend to be priced from around \$550,000 and vacant lots can be priced in the low \$200,000s.

Older properties have the advantage of larger lot sizes – usually 500-600 square metres, compared to around 300 square metres for newer homes. Demand for older housing stock is expected to increase as developers compete with owner-occupiers for larger blocks that can be subdivided. This could see these properties deliver annual capital growth beyond the 2-5% expected for the broader Plympton Park market.

Future price appreciation for Plympton Park is further underpinned by good bus links plus the Glenelg tram, which runs along the northern edge of the suburb.



NORWOOD – PLENTY OF APPEAL FOR FAMILIES

More of a steady performer than a hidden gem, Norwood has delivered continual capital growth over the longer term and offers a number of advantages that have tended to shelter the local property market from broader price corrections.

In particular, Norwood lies an easy 4 kilometres from the city centre, and while the distance is walkable, the suburb also enjoys good public transport options. In addition, a wealth of lifestyle facilities are available, including the popular leafy, cosmopolitan dining and retail strip called The Parade. A number of prestige schools are located nearby, including St Joseph's Memorial School; Norwood Morialta High School, one of the largest secondary schools in South Australia; and the highly regarded Norwood Primary School.

These features have made Norwood popular among families, and with entry-point prices of around \$750,000 it may be an attractive option for owner-occupiers looking to upgrade.

Capital growth in Norwood has been solid in the past, and future price appreciation is likely to be in the order of 3-7% annually.

Capital growth in Norwood has been solid in the past, and future price appreciation is likely to be in the order of 3-7% annually.

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.