

Westpac

Victoria

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 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



Victoria



Melbourne

Melbourne has experienced strong price growth over the past few years; nonetheless, it is still possible to pick up relatively affordable homes in areas likely to deliver healthy capital gains.

RESERVOIR – BENEFITTING FROM A RIPPLE EFFECT

One such location is Reservoir, located 13 kilometres from the CBD. As buyers are increasingly priced out of nearby Northcote and Preston, values in Reservoir – especially the area south of Edwardes Street and west of High Street – have grown at a rapid rate. Strong price growth is expected over the next five years.

Reservoir offers plenty of buyer appeal, including proximity to the city centre; an abundance of parklands, such as the Edwardes Lake public area; and extensive walking tracks. Educational facilities include La Trobe University and a selection of primary and secondary schools. The recently constructed Summerhill Shopping Centre has given Reservoir a brand new retail hub in addition to local high street outlets.

The median house price in Reservoir is currently \$541,000, and with its generous blocks of 500-800 square metres, the suburb tends to appeal to families. Apartments are more affordable, with a median value of \$380,000. Annual price growth in Reservoir has been 5-7%. The premium pocket worth aiming for is south of Edwardes Street and west of High Street, where the properties tend to feature character homes similar to those found in sought-after Preston. The area north of Edwardes Street comprises homes built between 1960 and 1980 plus more recent townhouse developments.

NEWPORT OFFERS ABUNDANT PARKLANDS

The bayside suburb of Newport lies 7 kilometres south-west of the CBD and adjoins the highly popular suburb of Williamstown. The area has experienced strong population growth of 13% since 2011, with around half the suburb's households composed of young families.

Newport boasts 14 parks, which together make up around 10% of the suburb's total area. There is also a number of boutique cafes and specialty stores along Hall Street and Mason Street.

The median home price in Newport is currently \$750,000 and for this buyers can expect 3-bedroom Victorian or Edwardian dwellings with charm and character.

MARIBYRNONG – A SENSE OF COMMUNITY

Situated 8 kilometres north-west of Melbourne's city centre, the riverside suburb of Maribyrnong has enjoyed property price gains of 7.62% over the past year, backed by healthy population growth. Access to the CBD is via tram and bus, and local amenities include Highpoint Shopping Centre and Maribyrnong Aquatic Centre.

Maribyrnong City Council has taken important steps to support the local community and develop a neighbourhood character by offering street parties in some of the suburb's minor streets. This has helped to make the area popular among families.

The current median property price for Maribyrnong is around \$750,000. However, a number of new apartment complexes are under construction along Edgewater Boulevard and Cumberland Drive. These offer remarkable views of Maribyrnong River and the city beyond, and provide a fresh option for low-maintenance living in the suburb.

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Regional Victoria

Ballarat

Ballarat is Victoria's third-largest city and as such continues to attract young families and retirees seeking housing affordability and a relaxed country lifestyle.

The city boasts a rich collection of large Victorian homes, bluestones and period buildings. With a median price ranging from \$330,000 for a 3-bedroom dwelling to \$540,000 for a 4-bedroom home, it certainly provides owner-occupiers with value for money.

Average annual price growth in Ballarat has been in the order of 5.78%, and this reflects the availability of high-quality amenities in the city. The main retail hubs include Bridge Mall, Central Square Shopping Centre and Stockland Wendouree Shopping Centre. In addition, Ballarat has two hospitals, several museums and art galleries, Lake Wendouree and the Botanical Gardens.

Ballarat also has an excellent education sector encompassing Federation University Australia, Australian Catholic University and a range of public and private primary and secondary schools.

Strong local employment opportunities are available through Ballarat Technology Park – which is home to more than 30 enterprises, including IBM and the Victorian State Revenue Office – as well as heritage tourism such as Sovereign Hill and the local renewable energy industry. It is possible to live in Ballarat and commute to work elsewhere, with access to the Melbourne CBD via the VLine rail link. The Western Freeway and Midland Highway link the city to Geelong and Bendigo.

The combination of affordability and amenity is expected to support property price growth in Ballarat over the longer term.

Mildura

Known as the centre of Victoria's Food Bowl, Mildura is associated with wineries and citrus groves, and while its location some 550 kilometres from Melbourne may put it out of contention for many home buyers, Mildura is a major city with an affordable housing market.

Mildura is located on the intersection of the Sturt Highway from Adelaide to Sydney, and the Calder Highway to Melbourne via Bendigo. Its residents enjoy a wealth of lifestyle facilities, including the Murray River, Inland Botanic Garden, Willandra Lakes, Mungo National Park and several golf courses. Transport options to Melbourne include the VLine rail link and Mildura Airport.

Mildura is dominated by owner-occupiers, who comprise 62 per cent of households. Median home prices range from \$233,750 for a 3-bedroom dwelling to around \$330,000 for a 4-bedroom home. The city has enjoyed strong capital growth of 6% over the past year.



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