

**Westpac**

# Western 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.



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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**



## Western Australia

### Perth

#### **ATWELL AND SUCCESS – EASY ACCESS TO THE KWINANA FREEWAY**

For affordability and proximity to the Perth CBD, two suburbs worth a look are Atwell and Success. Both lie around 21 kilometres from the Perth CBD, though on opposing sides of the Kwinana Freeway. This gives the two suburbs access to the expanding infrastructure that is becoming increasingly important as Perth matures.

On the eastern side of the Kwinana Freeway, Atwell is a relatively young suburb as it dates from the 1990s. It offers well-presented streetscapes and is dominated by modern, well-built 4-bedroom homes. The current median house price is about \$590,000, with prices in Atwell generally ranging from \$550,000 to \$650,000.

To the west of the Kwinana Freeway, the suburb of Success offers slightly older dwellings with a median price of \$568,000 and a price range of \$530,000 to \$610,000.

Both suburbs share local facilities in the form of parks and recreation areas, primary schools and a secondary school, Atwell College. Local infrastructure includes Cockburn Gateway Shopping Centre, Cockburn Central train station, a commercial zone and bulky goods retail zone plus Jandakot commercial and industrial area.

While Atwell and Success are well placed for easy access to the Kwinana Freeway, rail links are becoming more important as Perth's metropolitan area expands and the peak-hour commute to Perth along the Kwinana Freeway becomes more congested. This is another plus for Atwell and Success as both suburbs enjoy rail access via Cockburn station.

Over the past year, property values in Atwell and Success have climbed by around 3-5%, and we expect this steady growth pattern to continue.

#### **KINGSLEY – A SAFE SUBURB POPULAR WITH FAMILIES**

To the north of the Swan River, Kingsley is situated 18 kilometres from Perth's city centre. It lies on the eastern side of the Mitchell Freeway, providing easy access to the CBD by car and also via train from nearby Whitfords and Greenwood train stations.

Kingsley is a peaceful owner-occupier-dominated suburb characterised by high-quality 1980s housing stock – typically 3- or 4-bedroom homes. A number of schools, parks and recreation areas are within walking distance, making Kingsley a popular choice among families. Local shopping is available at Kingsley Village shopping centre, with Westfield Whitford City a short drive away.

The median home value in Kingsley is \$620,000 and prices typically range from \$560,000 to \$690,000. Property price growth has been in the order of 4% over the past 12 months and slightly higher over the long term.



## Regional Western Australia

For buyers seeking long-term capital growth in the state's south-west, several of the townships within Geographe Bay are hidden gems with future growth potential.

At the northern end of the bay, South Bunbury and East Bunbury have recently experienced land zoning changes designed to encourage development. Properties of 700-900 square metres, which were previously single residential lots, now have duplex or triplex potential. This has seen local property values gain momentum and buyers who are prepared to hold on to Bunbury properties for the long term could enjoy valuable gains over time.

Heading 50 kilometres south, the coastal strip on the northern side of the Bussell Highway offers considerable potential. This location is only about 500 metres wide and runs for approximately 10 kilometres hugging the Geographe Bay coastline to encompass the suburbs of Busselton, West Busselton, Broadwater and Abbey.

As the City of Busselton continues to grow at a rapid pace, this well-located section of land will only become more desirable, and as population growth pushes urban sprawl eastwards, properties located closer to the coast will rise in value and are likely to prove a good investment in terms of price appreciation over the medium to long term.

A third option in the south-west is the township of Dunsborough, which lies at the southernmost end of Geographe Bay.

Dunsborough attracts significant numbers of tourists, who are drawn to the area's outstanding beaches and the world-renowned Margaret River wine region. For home buyers, the coastal strip that extends from the north of Caves Road to the beach is particularly appealing. This pocket of Dunsborough offers homes on generous parcels of land, typically upwards of 800 square metres, with close proximity to the ocean.

Median house prices in Dunsborough are around \$620,000 at present, and we anticipate healthy rates of long-term capital growth.

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