



# Wagga Wagga Market Update 2nd Half 2020



## OVERVIEW

In Q3 2020, Wagga Wagga\* recorded a median house price of \$372,250, and a median unit price of \$295,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 0.9% for houses and of 13.5% for units. Between Q3 2019 – Q3 2020 total sales increased, by 11.6% for houses (to 337 sales) and by 60.9% for units (to 37 sales). Median price growth and increased sales activity suggest real capital growth in the area, in contrast to general COVID-19 predictions. This indicates high market resilience in Wagga Wagga\*, thus creating an ideal market for real estate transactions.

|  | CHANGE FROM LAST   | YEAR | HALF YEAR |
|--|--------------------|------|-----------|
|   | House Sales        | ↑    | ↑         |
|  | House Median Price | ↑    | ↓         |
|  | House Rental Price | ↑    | ↑         |
|  | Unit Sales         | ↑    | ↑         |
|  | Unit Median Price  | ↑    | ↑         |
|  | Unit Rental Price  | ↑    | ↑         |

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q3 2020



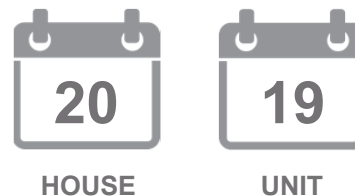
### SALES AVERAGE DAYS ON MARKET Q3 2020



### RENTAL MEDIAN PRICE Q3 2020

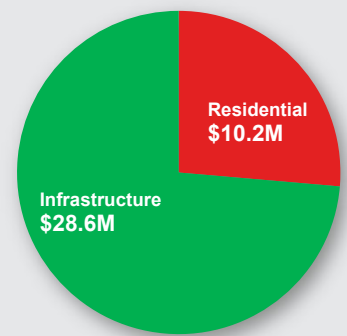


### RENTAL AVERAGE DAYS ON MARKET Q3 2020



## FUTURE DEVELOPMENTS

Wagga Wagga\* is set to see approx. **\$38.8M** worth of new projects commence in the 2nd half of 2020.



Infrastructure projects will improve liveability for residents whilst creating local employment opportunities in the construction phase. This will have a positive effect on economic growth, with a spill-over on the real estate market.

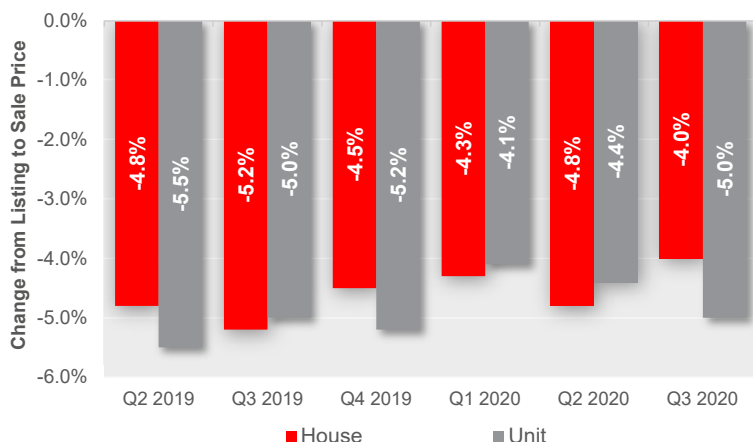
A main infrastructure project for the 2nd half of 2020 is Stage 2 of the \$14.0M Riverina Intermodal Freight and Logistics Hub (RIFL), which will aid in introducing additional business into the area, acting as a catalyst for the local economy. Other key infrastructure projects include Tolland Social Housing Estate (\$5.0M) and LAHC Wagga Wagga (\$2.9M). Key residential projects include \$5.6M Harris Road Subdivision, which will add 145 lots to the area. Pine Gully Road Residential Subdivision (\$2.9M) will add 98 lots. These lots will allow first home buyers to enter the market through accessing multiple government grants.



# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

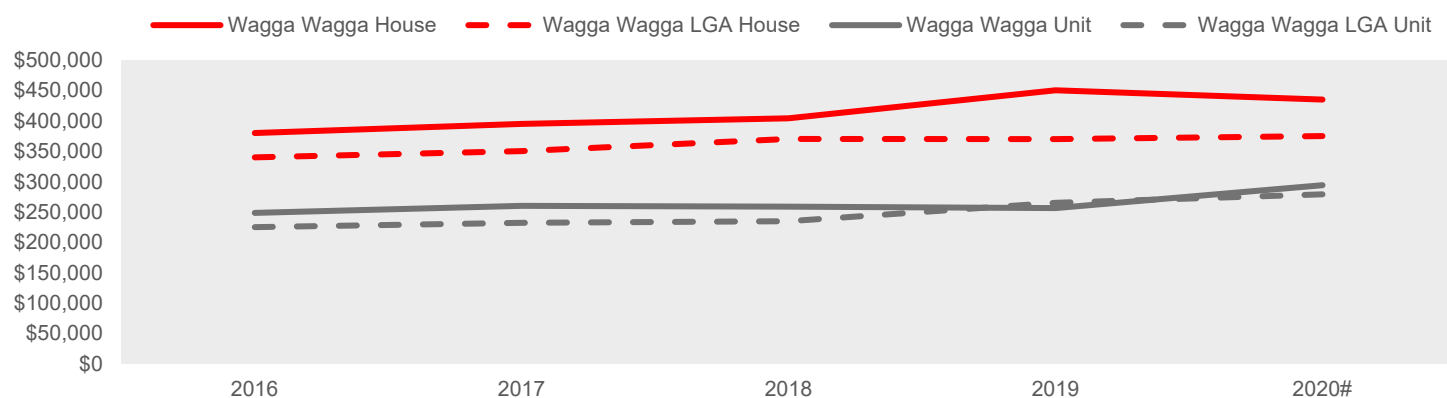
Average vendor discounts between Q3 2019 and Q3 2020 have tightened for houses, to -4.0%, while units have remained steady at -5.0%. Market conditions in Wagga Wagga\* continue to favour buyers overall, as sellers are willing to negotiate below their initial listing price. Now is the time to enter the market.



The suburb of Wagga Wagga has historically seen greater median house prices than the wider Wagga Wagga Local Government Area (LGA), and similar unit median prices. This continues to be the case in 2020#.

The dominant proportion of homes sold in Wagga Wagga\* across 2020^ were in the middle-range price bracket of \$350,000-\$450,000 (26.1%). Units also recorded a dominant middle-range price point of \$250,000-\$300,000 (31.2%). Overall there is balance in the percentage of price point sales, thus there is a property for every budget in Wagga Wagga\*.

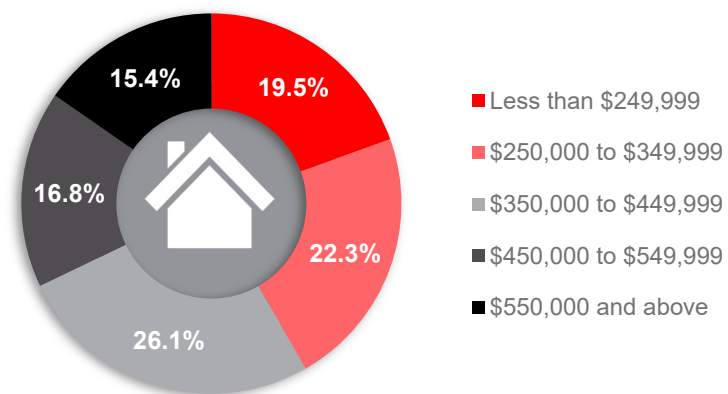
## MARKET COMPARISON



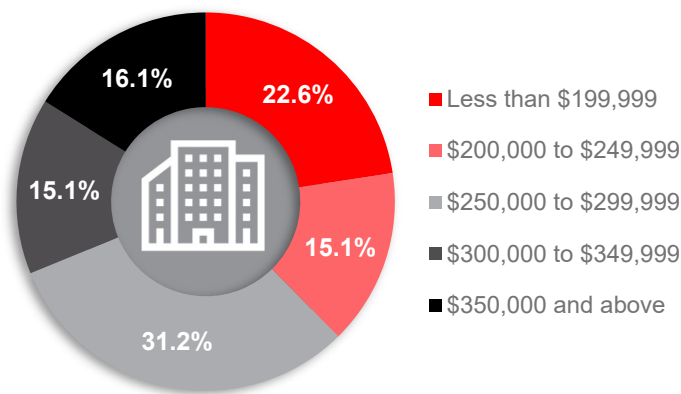
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which is Wagga Wagga.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

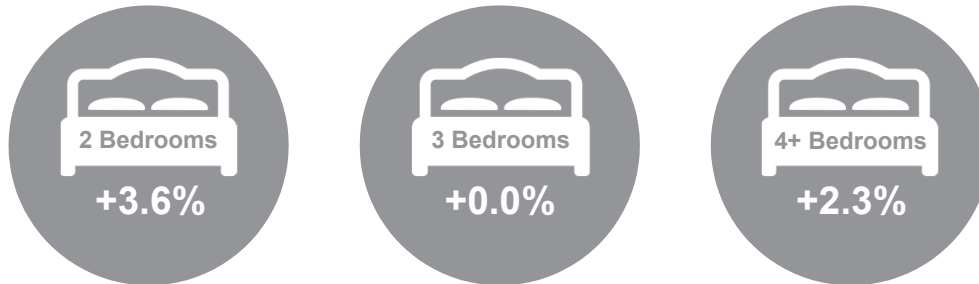


## RENTAL GROWTH 2020€

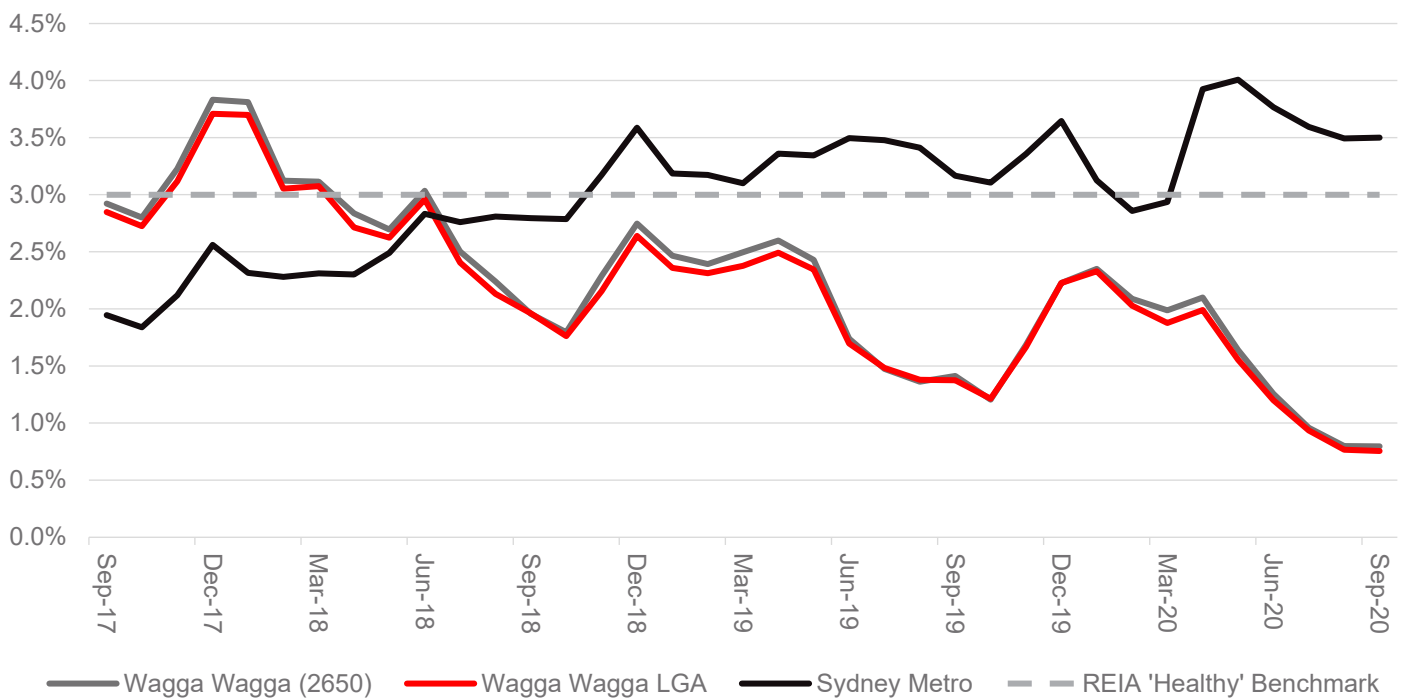
In September 2020, house rental yields in Wagga Wagga\* were recorded at 4.6%. In the 12 months to Q3 2020, the median house rental price increased to \$360 per week, while average days on the market declined by -25.9% (to 20 days). Overall this suggests Wagga Wagga\* has remained a resilient rental market throughout COVID-19.

2 bedroom houses have provided investors with +3.6% rental growth annually, with a median rent of \$290 per week.

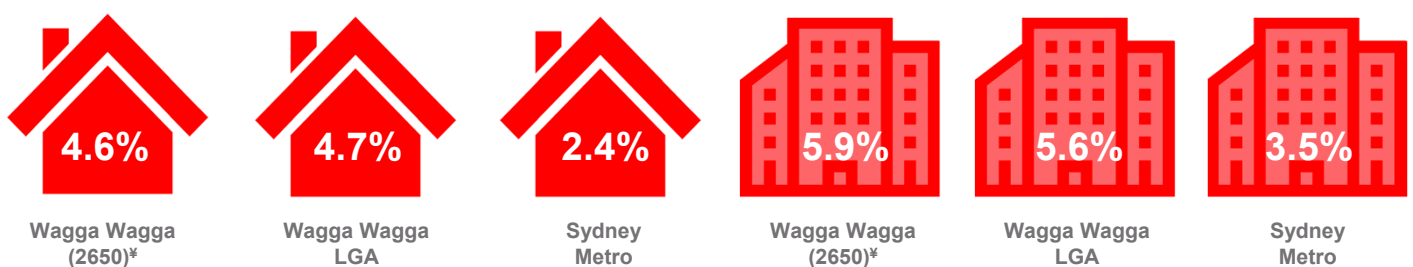
Also in September 2020, Wagga Wagga\* recorded a very low vacancy rate of 0.8%, on-par with Wagga Wagga LGA (0.8%) and well below Sydney Metro (3.5%). Vacancy rates in Wagga Wagga\* is now at a historical low, well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. This confirms there is an ongoing healthy rental demand, which benefits investors.



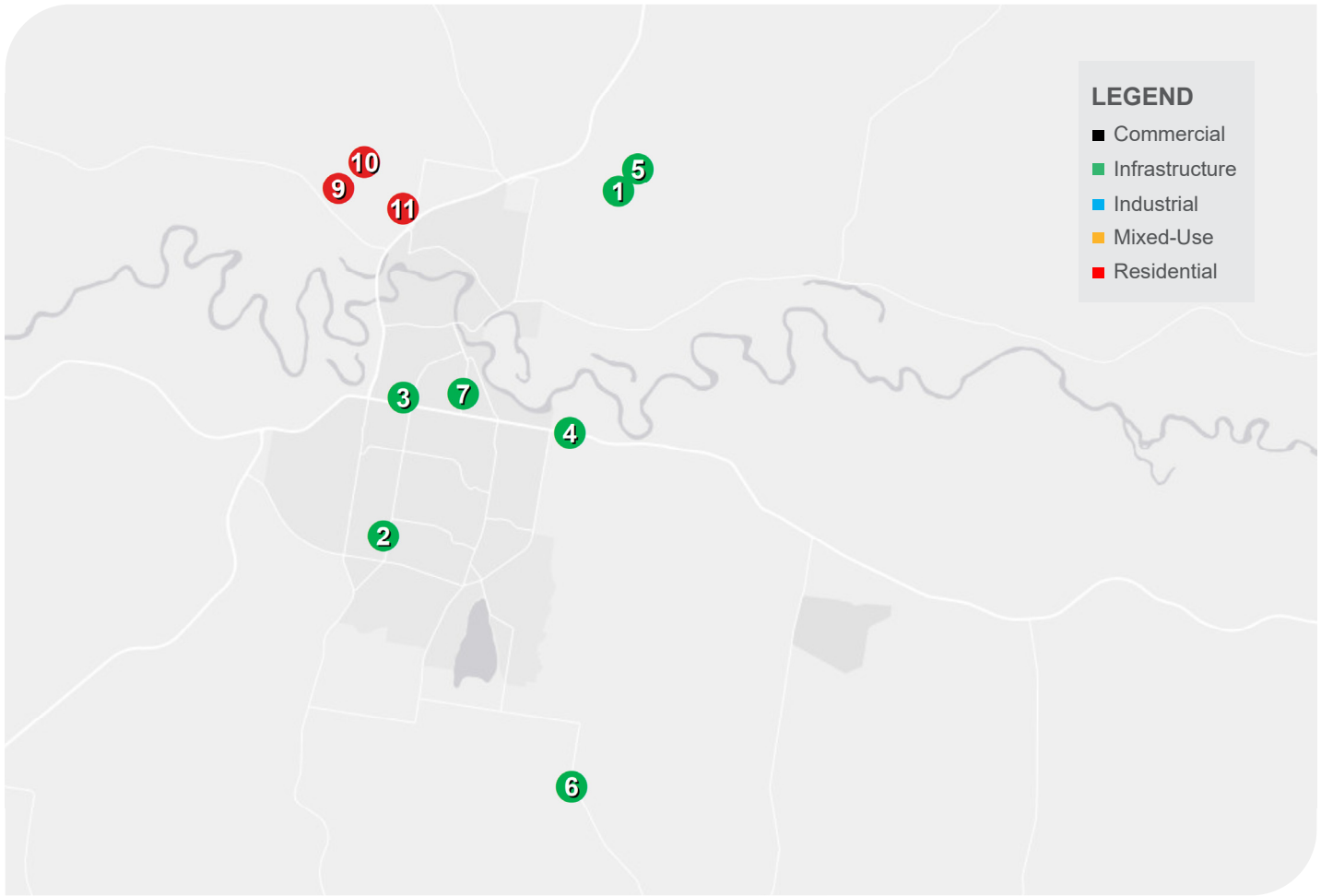
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



| Location | Project <sup>£</sup>                                | Type           | Estimated Value <sup>µ</sup> | Commence Date <sup>ψ</sup> |
|----------|---|----------------|------------------------------|----------------------------|
| 1        | Riverina Intermodal Freight & Logistics Hub (RIFL)  | Infrastructure | \$14,000,000                 | 14/09/2020                 |
| 2        | Tolland Social Housing Estate                       | Infrastructure | \$5,000,000                  | 04/11/2020                 |
| 3        | LAHC Wagga Wagga                                    | Infrastructure | \$2,901,000                  | 15/09/2020                 |
| 4        | RAAF Wagga Building Works                           | Infrastructure | \$2,500,000                  | 07/12/2020                 |
| 5        | Livestock Marketing Centre                          | Infrastructure | \$2,496,000                  | 27/09/2020                 |
| 6        | Gregadoo Waste Management Centre                    | Infrastructure | \$1,071,000                  | 17/08/2020                 |
| 7        | Wagga Council Bridges                               | Infrastructure | \$507,000                    | 22/07/2020                 |
| 8        | The Gap Rural Fire Services                         | Infrastructure | \$118,000                    | 15/07/2020                 |
| 9        | Harris Rd Subdivision (145 Lots)                    | Residential    | \$5,600,000                  | 18/07/2020                 |
| 10       | Pine Gully Road Residential Subdivision (98 Lots)   | Residential    | \$2,940,000                  | 10/10/2020                 |
| 11       | Settlers Village Retirement Community (3 Dwellings) | Residential    | \$1,700,000                  | 31/07/2020                 |

## OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

## OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

## OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



**Simon Freemantle**, Director  
M +61 419 987 549  
E [simonfreemantle@prdwagga.com.au](mailto:simonfreemantle@prdwagga.com.au)

**PRD Wagga Wagga**  
P +61 2 6923 3555  
F +61 2 6921 4096

53 Fitzmaurice St  
Wagga Wagga NSW 2650

[PRD.com.au/waggawagga](http://PRD.com.au/waggawagga)

# REFERENCES

\* Wagga Wagga market data and key indicators encapsulates aggregate property market conditions within Postcode 2650.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Wagga Wagga market data encapsulates aggregate property conditions within Postcode 2650.

§ Rental yields shown are as reported at September 2020.

⌘ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within Postcode 2650.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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