

> Wagga Wagga Market Update

2022

SALES

Commercial

The median sale price for commercial properties in Wagga Wagga* was \$2,610 per sqm for Q1 2022. This represents half-yearly (Q3 2021– Q1 2022) price softening of -5.9% and annual (Q1 2021 – Q1 2022) price growth of 46.5%. Market activity remained stable between Q1 2021 – Q1 2022 (with 8 sales in Q1 2022). This suggests commercial properties are in demand, as many business return to normal operating status post-COVID-19 restrictions lift. It also reflects the tree-change trend, with many businesses moving or opening a new presence in regional areas.

\$2,610

Median commercial sale price per sqm in Wagga Wagga (Q1 2022)

8

Total commercial property sales in Wagga Wagga (Q1 2022)

\$1,728

Median industrial sale price per sqm in Wagga Wagga (Q1 2022)

4

Total industrial property sales in Wagga Wagga (Q1 2022)

SALES

Industrial

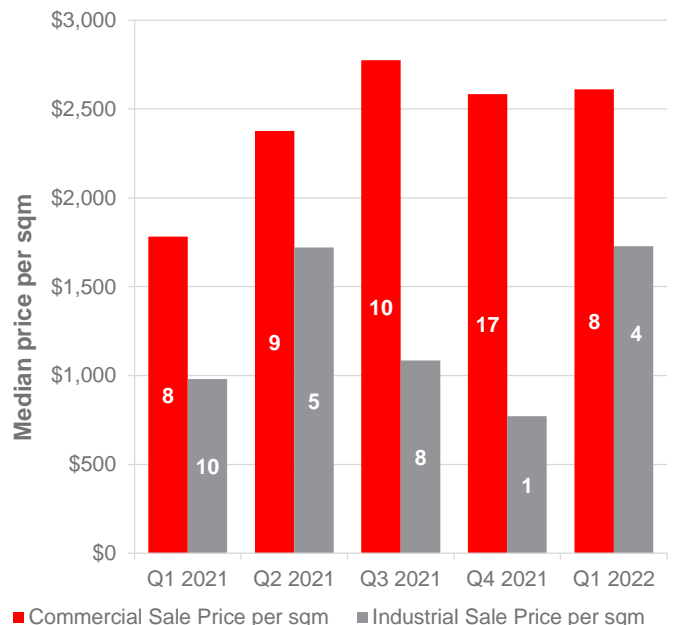
With only 4 recorded sales in Q1 2022, the median price per sqm for industrial properties in Wagga Wagga* was \$1,728 per sqm. This represents half-yearly (Q3 2021– Q1 2022) price growth of 59.3%, and an annual (Q1 2021 – Q1 2022) price growth of 76.3%. Industrial property sales in Wagga Wagga* remained limited, with just 1 sale in Q4 2021 and 4 sales in Q1 2022. Although sales volumes declined considerably in the 12 months period (Q1 2021 – Q1 2022), median sale price per sqm peaked to it's highest in Q1 2022. Further growth is expected in 2022 – due to supply constraints, e-commerce and consumer preferences, and escalating competition for quality industrial space.



INTRODUCTION

Positioned within the Riverina Region, Wagga Wagga Local Government Area (LGA) is the largest LGA in the Region. The commercial and industrial property market in Wagga Wagga has seen an uplift in demand, as businesses return to normal, a record year for the rural sector ,and a significant investment in the region's transport infrastructure.

This report focuses on commercial and industrial property types specifically, reporting and analysing their sales and leasing activity over the past 15 months to the end of Q1 2022. This report also discuss recent and future development in the area, highlighting key trends. When combined, these key elements provide a holistic understanding of the current and future state of Wagga Wagga* commercial and industrial property markets.



Note: The numbers within the bar graph indicate the number of sales which occurred in each quarter.
 *Wagga Wagga market data and key indicators encapsulates aggregate property market conditions in the Wagga Wagga LGA.
 **Sales data is representative of a limited number of overall transactions within a period and is not exhaustive. Sales have been selected based on comparability in terms of size, age, and location within Norwest.
 Source: APM Pricerfinder, commercialrealstate.com.au © Copyright PRD 2022.

LEASING

Commercial

The median net lease rate for commercial properties in Wagga Wagga* in Q1 2022 was at \$348 per sqm. This represents a half-yearly (Q3 2021 – Q1 2022) price increase of 16.0%, and an annual (Q1 2021 – Q1 2022) price softening of -0.6%. Leasing activity slowed over the previous 12 months, with 9 leases recorded in Q1 2022 (compared to 23 leases recorded in Q1 2021), The median net lease rate for commercial properties leased took a slight dip in mid-2021, thus current figures represent a recovery, to its pre-COVID-19 price level.



\$348

Median commercial net lease rate per sqm in Wagga Wagga (Q1 2022)

9

Number of quarterly commercial leases in Wagga Wagga (Q1 2022)

\$103

Median industrial net lease rate per sqm in Wagga Wagga (Q1 2022)

4

Number of quarterly industrial leases in Wagga Wagga (Q1 2022)

LEASE BREAKDOWN

In Wagga Wagga 100% of commercial leases were taken on a Net basis (based on 2 known leases with complete transaction information). This is a continuing trend for the past 24 months.

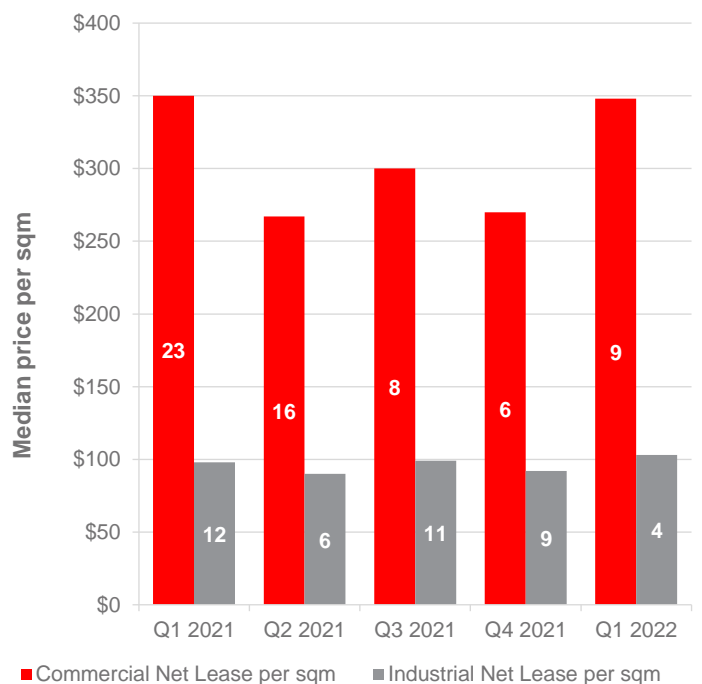
The dominant lease type for industrial properties in Wagga Wagga* proved to be similar to the commercial market, with 100% of leases being collected on a Net basis (based on 3 known leases with complete transaction information).

The average days to let commercial and industrial leasing space has decreased in the 12 months to Q1 2021, by -10.0% (to 36 days) and -67.7% (to 20 days) respectively. This suggests there is a higher demand and a market recovery.

LEASING

Industrial

Wagga Wagga's* median net lease rate for industrial property was \$103 per sqm as of Q1 2022. This rate signified a price increase of 4.0% in the six months since Q3 2021, and represents a 5.1% price increase in the 12 months since Q1 2021. Leasing activity continues to trend downward, with 4 leases recorded in Q1 2022. This is a slowdown on the last six months and 12 months, highlighting a slowing trend in industrial leasing activity. Compared to commercial lease data there is a lesser amount of industrial spaces leased. That said there is a steady trend of ongoing demand for industrial stock in Wagga Wagga*, which is projected to grow due to the increasing preference for e-commerce presence compared to brick and mortar.



*Wagga Wagga market data and key indicators encapsulates aggregate property market conditions in Wagga Wagga LGA. **Lease data only encapsulates transactions with sufficient data available to be fully utilised for the purpose of inclusion in the report. Lease data is representative of a limited number of overall transactions within a period and is not exhaustive. Leases have been selected based on comparability in terms of size, age, and location within Wagga Wagga. *Median Net per sqm is calculated only on leases where this information was clearly disclosed or determinable from an advertised floor area and net rental amount for the lease. Source: APM Pricerfinder, commercialrealestate.com.au. © Copyright PRD 2022.

RECENT SALES

COMMERCIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
231 Kincaid St, Wagga Wagga	\$600,500	230	\$2,610	Mar-22
44 Kincaid St, Wagga Wagga	\$1,900,000	410	\$4,634	Mar-22
22-24 The Esplanade, Wagga Wagga	\$1,600,000	915	\$1,749	Dec-21
17-21 Fitzmaurice St, Wagga Wagga	\$1,350,000	566	\$2,383	Nov-21
34-38 Baylis St, Wagga Wagga	\$3,100,000	120	\$2,583	Oct-21
18 Baylis St, Wagga Wagga	\$1,650,000	548	\$3,010	Oct-21
91 Copland St, Wagga Wagga	\$724,000	380	\$1,931	Oct-21
11 Berry St, Wagga Wagga	\$1,500,000	350	\$4,285	Sep-21
80 Baylis St, Wagga Wagga	\$3,950,000	1014	\$3,895	Oct-21
17/56 Fitzmaurice St, Wagga Wagga	\$129,800	30	\$4,326	Aug-21

INDUSTRIAL

Property Address	Sale Price	Area (sqm)	Price per sqm	Sale Date
3/181 Hammond Ave, East Wagga Wagga	\$616,000	335	\$1,838	Mar-22
55 Gregory Cres, Lake Albert	\$5,750,000	N/A	N/A	Feb-22
64 Pearson St, Wagga Wagga	\$7,970,000	N/A	N/A	Feb-22
360 Edward St, Wagga Wagga	\$1,915,000	2592	\$772	Oct-21
7/24 Houtman St, Wagga Wagga	\$605,000	134	\$4,515	Jul-21
9 Ball Pl, Wagga Wagga	\$1,700,000	1533	\$1,108	Jul-21
56 Hammond Av, East Wagga Wagga	\$705,250	664	\$1,062	Aug-21
1 Jones St, East Wagga Wagga	\$640,000	N/A	N/A	Sep-21
17 Nagle St, East Wagga Wagga	\$655,000	N/A	N/A	Aug-21

RECENT LEASES

COMMERCIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
16-18 Baylis Street, Wagga Wagga	\$120,000	N/A	548	\$219	Mar-22
3/121 Baylis Street, Wagga Wagga	\$130,000	Gross	408	\$318	May-22
161-169 Baylis Street, Wagga Wagga	\$134,874	Net	533	\$253	Apr-22
Level 1 Suite/50-52 Fitzmaurice Street, Wagga Wagga	\$16,100	N/A	46	\$350	Mar-22
357-359 Edward St, Wagga Wagga	\$31,200	Gross	216	\$144	May-22
2/56-60 Forsyth Street, Wagga Wagga	\$20,872	Net	60	\$348	Mar-22
4/120 Fitzmaurice Street, Wagga Wagga	\$4,500	N/A	15	\$300	Jan-22
160 Baylis Street, Wagga Wagga	\$48,818	N/A	221	\$221	Feb-22
113 Fitzmaurice St, Wagga Wagga	\$43,138	Net	166	\$260	Jul-21

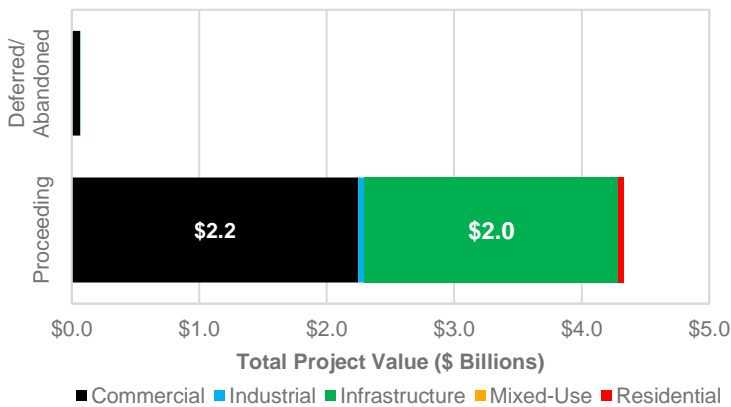
INDUSTRIAL

Property Address	Lease Value	Lease Type	Area (sqm)	Price per sqm	Lease Date
3/11 Forge St, East Wagga Wagga	\$13,000	N/A	117	\$111	Feb-22
2/5-7 Nagle St, Wagga Wagga	\$19,090	Net	210	\$91	Jan-22
6/8 Sutton St, Wagga Wagga	\$15,120	N/A	144	105	Jan-22
2 William St, Wagga Wagga	\$36,000	Net	360	\$100	Jan-22
13 Riedell Street, Wagga Wagga	\$95,000	Net	1,371	\$65	May-22
4 Rabaul Place, Ashmont	\$70,425	Net	563	\$125	Nov-21
10 Dobney Avenue, Wagga Wagga	\$108,810	N/A	810	\$134	Dec-21
7/24 Houtman Street, Wagga Wagga	\$30,000	N/A	134	\$223	Oct-21
377 Edward St, Wagga Wagga	\$59,000	N/A	269	\$220	Oct-21
363 Edward St, Wagga Wagga	\$40,909	N/A	515	\$79	Oct-21

PROJECT DEVELOPMENT

2021-2023 OVERVIEW

Wagga Wagga* is set to benefit from an estimated \$4.4B of planned future project development, scheduled to commence construction between 2021-2023. There are 111 major projects still due to commence, which represents 98.5% of the original development pipeline. Approximately \$67.9M (or 1.5%) of projects are either abandoned or deferred by developers.



2022 represents a strong rebound off a slower level of development year in 2021, with a total estimated value of \$2.9B (compared to \$1.1B in 2021). This is likely due to returning business and consumer confidence post-COVID-19. A higher level of confidence is even more evident in the total projects set to proceed in 2022, with nearly more than double that of 2021 (62 projects in 2022 compared to 36 projects in 2021). Commercial projects is a key focus in 2022, moving away from a focus in infrastructure in 2021.

Proceeding Projects: Total Estimated Value

	2021	2022	2023
Commercial	\$118.3M	\$1.9B	\$232.9M
Industrial	\$30.9M	\$13.8M	\$2.3M
Infrastructure	\$973.8M	\$1.0B	\$1.0M
Mixed-Use	-	-	-
Residential	\$2.91M	\$27.9M	\$9.6M
Total	\$1.1B	\$2.9B	\$245.8M

Proceeding Projects: Total Project Count

	2021	2022	2023
Commercial	15	25	8
Industrial	3	17	3
Infrastructure	14	12	1
Mixed-Use	-	-	-
Residential	4	8	5
Total	36	62	17

1st HALF 2022 OVERVIEW

A key project for the 1st half of 2022 is the large scale re-development of 3 key defence training bases located in the Riverina Murray Region of New South Wales and Victoria (\$1.0B). A significant infrastructure project like this will improve liveability and create new jobs during the construction phase. Another key project set to commence in the 1st half of the 2022 is the Dobney Avenue & Pearson Street Rehabilitation (\$5.6M). The rehabilitation will improve safety and ride quality for users, as well as improving environmental factors and create economic growth. Trail Street Townhouses (8 townhouses, \$3.3M) is the only residential development.

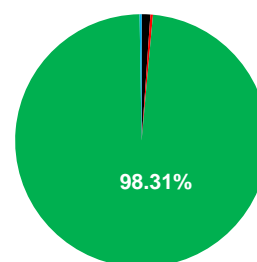
1st Half 2022 Proceeding Project Breakdown

	Project Value	Total Projects
Commercial	\$11,400,000	9
Industrial	\$2,650,000	4
Infrastructure	\$1,010,950,000	6
Mixed-Use	-	-
Residential	\$3,367,000	1
Total	\$1,028,367,000	23

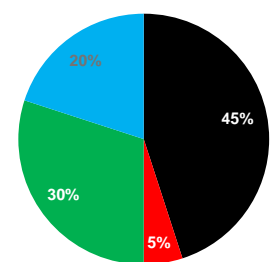
9 commercial projects are set to commence in the 1st half of 2021, and the most significant commercial project being Edward Street Health Services Facility (\$7.0M). The project will include consultation and treatment rooms, office spaces, indoor exercise room for patients and parking. Other notable projects include Edward Street & Gormly Avenue Medical Centre (\$700K) and Baylis Street Commercial Premises (\$500K).

Nagle Street East Self Storage Units (\$1.2M) is the key industrial project, constructing 2 separate industrial sized buildings. Others include Edward Street Hardware & Building Supplies (\$700K) and Hammond Avenue East Warehouse (\$450K).

Projects by Value



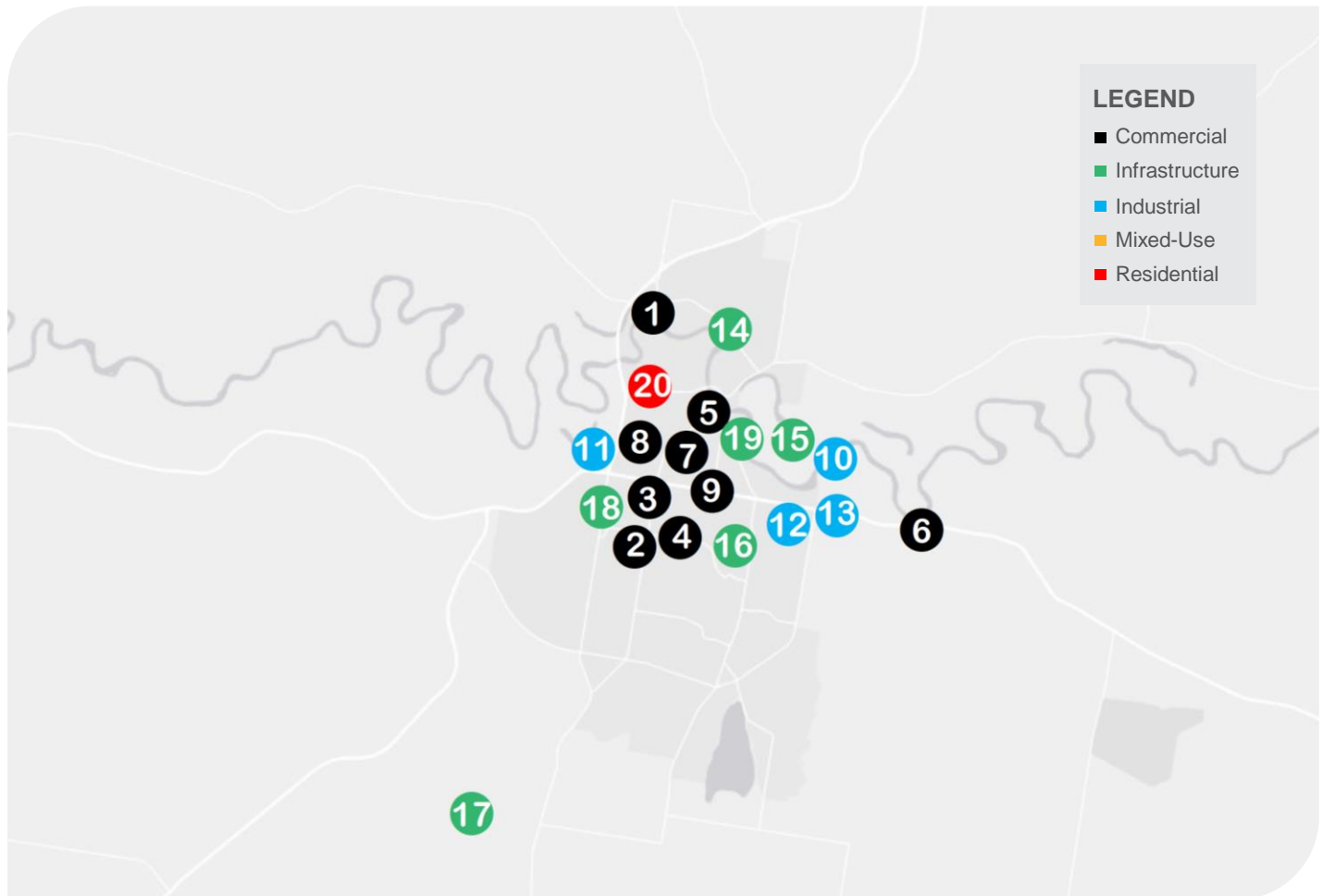
Projects by Count



■ Commercial ■ Industrial ■ Residential
■ Infrastructure ■ Mixed-Use

*Wagga Wagga market data and key indicators encapsulates aggregate property market conditions in Wagga Wagga LGA. **2021 -2023 dates are based on project commencement dates obtained for each project and are approximate only, as provided by the relevant data authority. PRD does not hold any liability to the exact date. #Estimated value is the value of construction costs provided by relevant data authority, and do not reflect the project's sale/commercial value. ^Annual breakdown of projects is presented for proceeding projects in Norwest* by development type and year of scheduled commencement. Source: Cordell Connect. © Copyright PRD 2022.

PROJECT DEVELOPMENT MAP 1ST HALF 2022*



Location	Project ^ε	Type	Estimated Value ^μ	Commence Date ^ψ
1	Charles Sturt University Wagga Campus	Commercial	\$209,000	30/01/2022
2	Edward Stuart Health Services Facility	Commercial	\$7,041,000	14/04/2022
3	Lewisham Avenue Health Services Facility	Commercial	\$400,000	23/04/2022
4	Artc Network Control Centre South	Commercial	\$400,000	17/03/2022
5	Mantra Pavilion Hotel	Commercial	\$450,000	09/03/2022
6	Intersales	Commercial	\$850,000	25/04/2022
7	Active Physiotherapy	Commercial	\$850,000	12/05/2022
8	Edward Street & Gormly Avenue Medical Centre	Commercial	\$700,000	22/05/2022
9	Baylis Street Commercial Premises	Commercial	\$500,000	21/06/2022
10	Hammond Avenue East Warehouse	Industrial	\$450,000	16/06/2022
11	Edward Street Hardware & Building Supplies	Industrial	\$700,000	02/05/2022
12	Nagle Street East Self Storage Units	Industrial	\$1,200,000	02/05/2022
13	Hammond Avenue East Hardware & Building Supplies	Industrial	\$300,000	24/04/2022
14	Active Travel Plan Cycleway	Infrastructure	\$450,000	09/05/2022
15	Riverina Water Operations Office	Infrastructure	\$450,000	25/05/2022
16	Coleman Street Office	Infrastructure	\$450,000	22/06/2022
17	Dunns Road Upgrade Phase 1	Infrastructure	\$4,000,000	21/02/2022
18	Dobney Avenue & Pearson Street Rehabilitation	Infrastructure	\$5,600,000	23/05/2022
19	Riverina Redevelopment Program (RRP)	Infrastructure	\$1,000,000,000	21/02/2022
20	Trail Street Townhouses (8 Townhouses)	Residential	\$3,367,000	10/04/2022

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.



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