

# DUBBO CITY

## Property Watch®



A house on Lakeside Circuit, Dubbo

### MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↑	↓
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↑
LAND SALES	↑	↓
LAND MEDIAN	↓	↓

The indicators depicted above are based on the year ending June 2013.

### KEY HIGHLIGHTS

- Dubbo City recorded growth in both price and activity over the past three years.
- An average 4.4% per annum growth in the past two years pointed to a dynamic market where demand for existing and new product remained strong.
- Sales of vacant lots recovered since the soft market of 2010.
- Locals and newcomers kept demand for houses and units buoyant, with a visible increase in the median rent of a unit.

### MARKET OVERVIEW

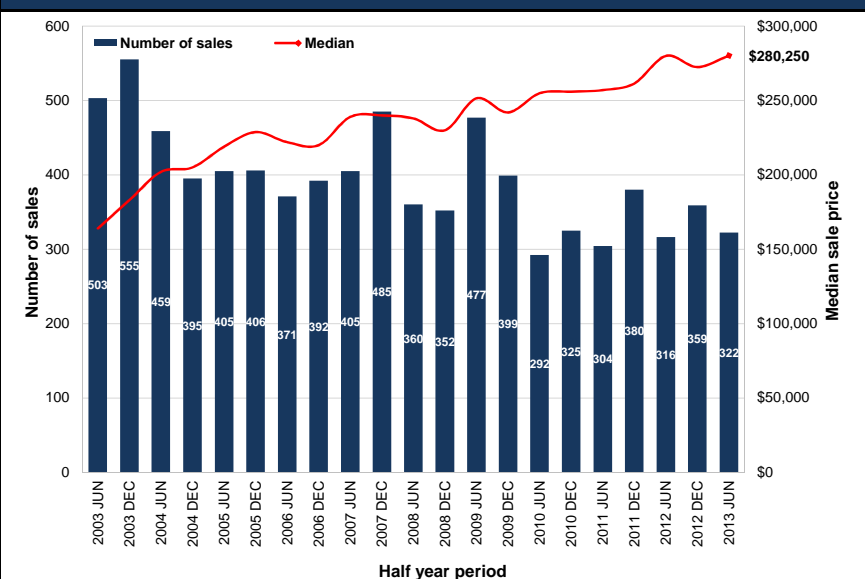
The following Property Watch report investigates the real estate market in the suburb of Dubbo. The market remained robust over the first half of 2013, as demand from locals and out of area buyers overtook supply. Approximately 30 per cent of houses were sold to upgraders and downsizers, while first home buyer and investors targeted properties at the affordable end of the market.

The Dubbo City House Sales Cycle pointed to a measured rise in activity over the past three years, with activity in the first half of each year increasing by an average of 3.3 per cent per annum since June 2010. The median price of a house also firmed in the first half of the year, closing the June period at \$280,250. While the median remained stable compared with the corresponding June period in 2012, an average 4.4 per cent per annum growth per annum in the past two years pointed to a dynamic market where demand for existing and new product remained strong.

A house capital growth analysis was conducted to ascertain the gains achieved by vendors who exited the house market in the six months to June 2013. The analysis revealed an average capital growth of 3.9 per cent per annum, compared with 3.3 per cent in the corresponding period in 2012. An average holding period of 6.3 years was recorded between resales.

The level of stock on the market remained limited with 162 houses available for sale in September, equating to approximately three months' worth of stock. With that said, several houses remained on the market for prolonged periods, bringing the average days-on-market to 93. Discounting between the advertised and selling price remained modest at 5.5 per cent but afforded buyers room for negotiations.

### DUBBO CITY HOUSE SALES CYCLE



Graph prepared by PRDnationwide Research. Source: PDS

## HOUSE PRICE POINTS

### 6 MONTHS TO JUNE 2013

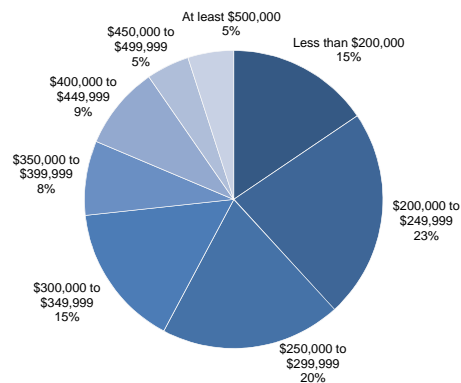


Chart prepared by PRDnationwide Research. Source: PDS

**State and local governments' involvement** in the Dubbo land market remained **firm**, along with **home builders** using a **purchase-develop-and-sell** system to sell houses

## VACANT LAND VENDORS

### 6 MONTHS TO JUNE 2013

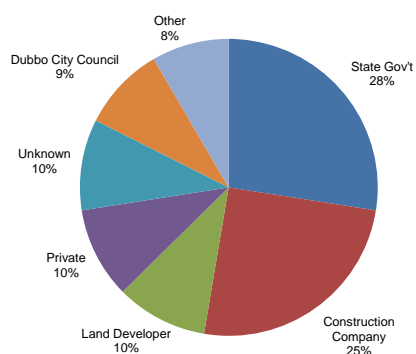


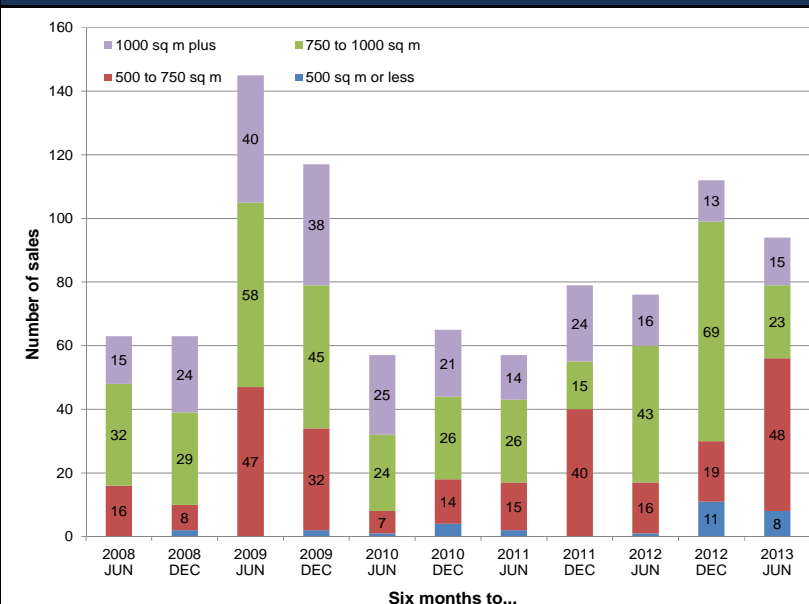
Chart prepared by PRDnationwide Research. Source: PDS

The house price point chart pointed to an increase in the number of transactions toward the top and bottom ends of the market. The share of sales in the '200,000 or less' price segment increased by 12 transactions, while the largest price point of \$200,000 to \$250,000 recorded 73 transactions compared with 70 sales in the corresponding 2012 period. Toward the top end of the market the share of stock transacting for \$400,000 plus increased by 14 transactions or 30 per cent from June 2012.

The investment market, equating to 33.9 per cent of privately held dwelling continued to strengthen through the first half of 2013. Locals and newcomers kept demand for houses and units buoyant, with a visible increase in the median rent of a unit. A 12-month growth of 17.1 per cent brought the median rent price of a two-bedroom unit to \$205 per week in June 2013. For the same period the median rent price for a three-bedroom house increased by 7.1 per cent to \$300 per week. The rental vacancy rate in Dubbo remained at one per cent in the past two years, confirming a tight market buoyed by the mining and mining-ancillary industries.

Sales of vacant lots recovered since the soft market of 2010. Affordable lots priced below \$50,000 were in high demand; these were mostly sold in the Rosewood Estate, while lots in the Delroy Park and Keswick Estates ranged between \$100,000 and \$149,999. The table below highlighted a strong uptake of lots with an area between 500 and 750 sq m (square metres), while sales of larger lots declined in the first half of 2013 after a sharp rise in 2012.

## DUBBO CITY VACANT LOT SIZE



Graph prepared by PRDnationwide Research. Source: PDS

Unlike houses, the median lot price in Dubbo declined in the 12-month period to June 2013. The decline was closely linked to the rise in sales of smaller lots. Interestingly, the sale of cottage blocks with an area of 500 sq m or less significantly increased in the 12 months to June 2013.

A Vacant Land Vendor analysis highlighted the firm involvement of state and local governments in the Dubbo land market; the state government was responsible for 28 per cent of sales in the first half of 2013, while lots sold by the local council (as a developer) accounted for nine per cent of land transactions. Home builders continued to use a purchase-develop-and-sell system to expedite the sale of their product, with any surplus of undeveloped lots on-sold to the public.

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This report was prepared by PRDnationwide Research. Source: PDS, Housing NSW, APM, SQM.

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