# LIVERPOOL REGION

## Property Watch®

PRD nationwide

**The former Court House - Bigge Street, Liverpool**

## MARKET INDICATORS

| Change from Last | Year | Half Year |
|---|---|---|
| HOUSE SALES | ↑ | ↑ |
| HOUSE MEDIAN | ↑ | ↑ |
| HOUSE RENTS | ↑ | ↑ |
| UNIT SALES | ↓ | ↑ |
| UNIT MEDIAN | ↑ | ↑ |
| UNIT RENTS | ↑ | ↑ |

The indicators depicted above are based on the year ending April 2013. Rental indicators are based on 12 months to March 2013.

## KEY HIGHLIGHTS

- The expansion of facilities and upgrade to the rail network in Liverpool encouraged residential development that in turn stimulated growth in the real estate market.
- The region recorded a strong growth in the median price of houses and units, but remained affordable compared with Greater Sydney.

## MARKET OVERVIEW

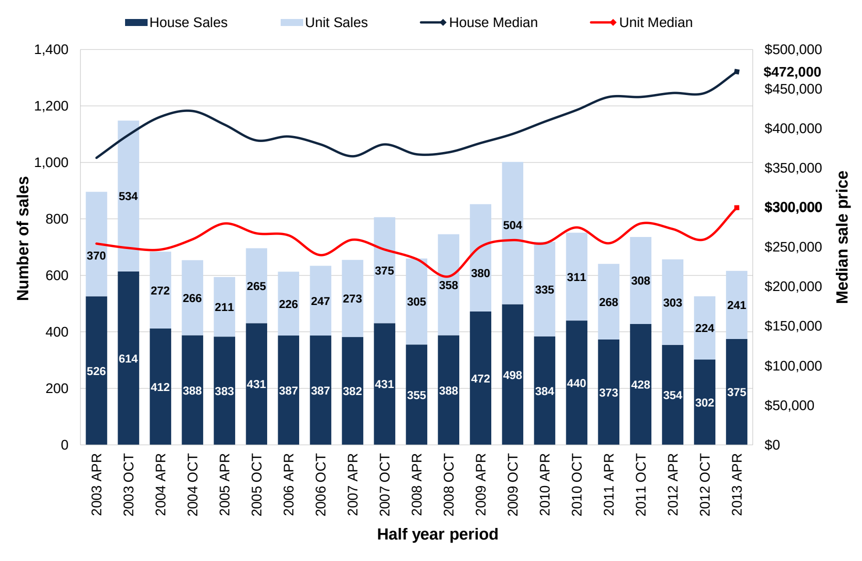
The following Property Watch investigates the Liverpool region's residential market conditions. The area encompasses the suburbs of Liverpool, Hoxton Park, Casula, Prestons, Warwick Farm, Moorebank and Lurnea located within the Liverpool local government area.

The suburbs surrounding the Liverpool CBD have in recent years benefited from significant investment in infrastructure. The expansion of the retail and health facilities in Liverpool and upgrade to the rail network in the city encouraged residential development that in turn stimulated growth in the real estate market. The House and Unit Sales Cycle graph points to a robust increase in the median price for attached and detached dwellings since 2008. In the 12 months to April 2013 the median price of a house increased by 6.1 per cent, while that of a unit climbed 9.9 per cent to $300,000.

A record-low interest rate environment sustained growth in the first quarter of 2013. The results for the six months to April show an increased demand for houses, with activity rising by 5.9 per cent from the corresponding period in 2012. Unit activity remained low, signalling that when given the choice, buyers in the region still opt for detached accommodation. At $472,000 the region's median house price remained affordable compared to the Greater Sydney median of $684,000.

A favourable lending environment has attracted investors to the region. They were seeking one and two bedroom apartments in close proximity to the major retail outlets, while distance to the private and public health facilities was also important. Changes to self-managed superannuation rules have created demand from investors who are relying on Liverpool's growth for their retirement.

### LIVERPOOL REGION HOUSE AND UNIT SALES CYCLE




Graph prepared by PRDnationwide Research. Source: PDS

## HOUSE PRICE POINTS
**6 MONTHS TO APRIL 2013**

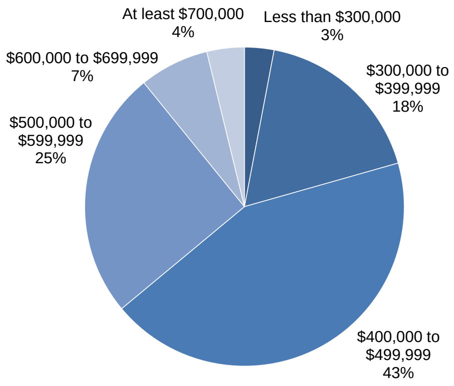



Chart prepared by PRDnationwide Research. Source: PDS

## UNIT PRICE POINTS
**6 MONTHS TO APRIL 2013**

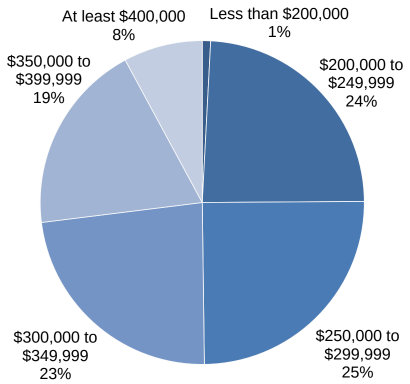



Chart prepared by PRDnationwide Research. Source: PDS

## HOUSE MEDIAN PRICE

| | Median Price 2012 APR | Median Price 2013 APR | 12-month change |
|---|---|---|---|
| Casula | $445,000 | $485,000 | 9.0% |
| Hoxton Park | $461,250 | $471,500 | 2.2% |
| Liverpool | $400,000 | $418,000 | 4.5% |
| Lurnea | $375,750 | $390,000 | 3.8% |
| Moorebank | $500,000 | $500,000 | 0.0% |
| Prestons | $480,000 | $491,500 | 2.4% |
| Warwick Farm | $348,000 | $359,000 | 3.2% |

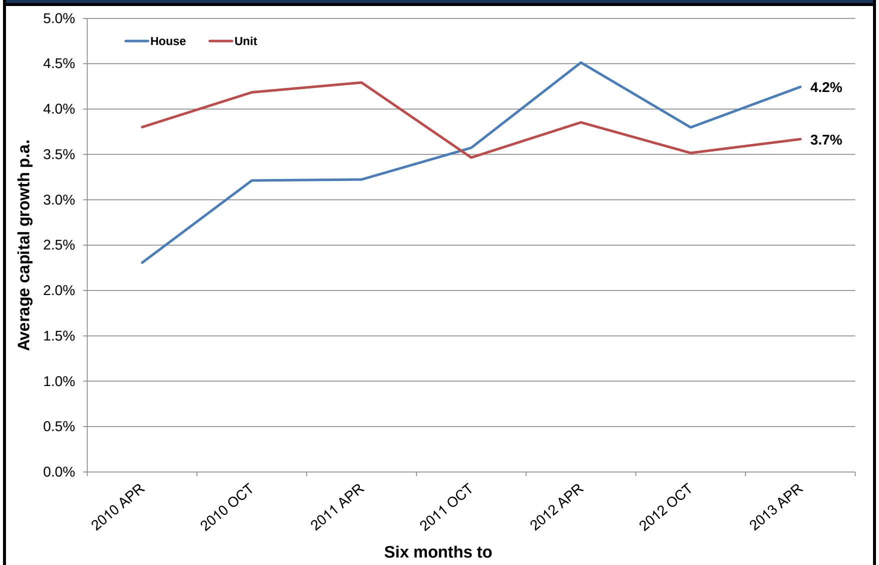
Table prepared by PRDnationwide Research. Source: PDS

A significant share of houses transacted in the $400,000 to $499,999 price point, accounting for 43 per cent of sales. Most of the stock in this price point consisted of three bedroom houses with one or two bathrooms, although newer four-bedroom accommodation in Hoxton Park, Prestons and Casula accounted for almost one fifth of this price bracket.

The Unit Price Point chart suggests a near-even distribution of sales across price points above $200,000, with sales in the $250,000 to $299,999 price point equating to one quarter (25 per cent) of transactions. The units mostly comprised of two bedrooms and one bathroom, with the suburb of Liverpool accounting for 70 per cent of sales in the half year to April 2013. The share of units represented by the suburb increased from 60 per cent in April 2012 as a result of new developments in the Liverpool CBD.

PRDnationwide Research conducted a capital growth analysis to ascertain the average price growth achieved since April 2010. The graph below depicts a rising house capital growth (blue line) and a decline in the average growth for units (red line). House capital growth almost doubled from the post Global Financial Crisis (GFC) lows of 2.3 per cent per annum to 4.5 per cent per annum in April 2012, before closing the most recent period at 4.2 per cent per annum. Units recorded figures above four per cent in the aftermath of the GFC, but softened as confidence returned to the market and demand for houses overtook demand for units.

## HOUSE AND UNIT CAPITAL GROWTH




Graph prepared by PRDnationwide Research. Source: PDS

## THE INVESTMENT MARKET

The 2170 postcode rent prices firmed in the year to March 2013, as new residents increased the demand for houses and units. The postcode recorded a 3.3 per annum increase in the median rent price of a two-bedroom apartment, while rent for a three-bedroom house increased by five per cent.

The Liverpool City market exhibited short supply of rental properties, leading to a decline in rental vacancy rate and short let up periods. The rental vacancy rate has closed at 1.7 per cent in April, with a seasonal tightening of the market expected in the September quarter. Most rental properties remained available for rent between ten days and two weeks, with variations stemming from the quality and location of the property. Rental properties in close proximity to the Liverpool town centre attracted investors looking for existing stock around the suburb's transportation, health and shopping precincts.

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