

# MILDURA AREA

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## MILDURA AREA MARKET OVERVIEW

The following investigation looks at the Mildura Area residential real estate market, which includes the suburbs Mildura, Merbein, Red Cliffs, Irymple, Ouyen, Werrimull, Murrayville, Walpeup and Hattah to form the Mildura Rural City (LGA).

The Mildura Area house market has recorded a total of 266 settled transactions during the October 2012 half year period, to uphold three consecutive periods of positive growth representing a marked increase of 11.7 per cent in sales volume since the March 2011 period.

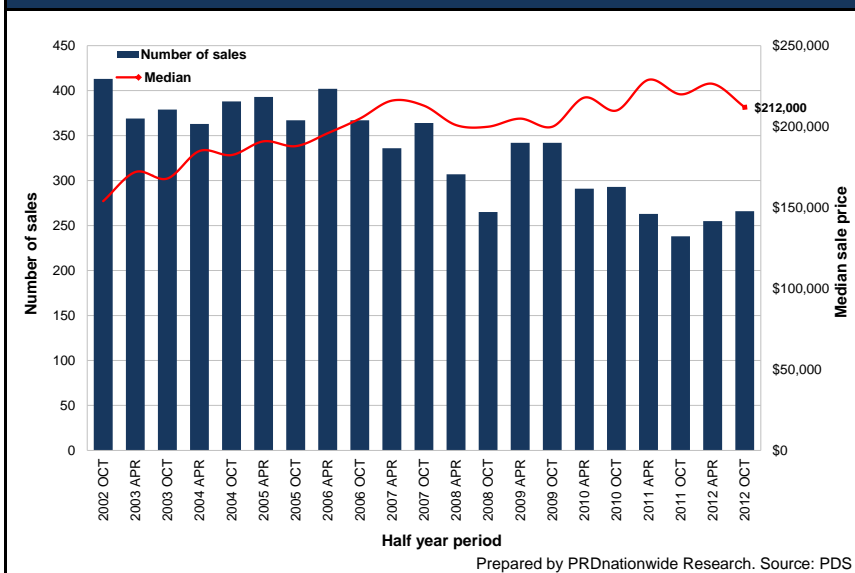
A price point analysis undertaken for the Mildura Area house market has indicated no dramatic trends, however did note an increase in the sale of homes between the \$100,000-\$199,999 price range (9 per cent increase from October 2011) explaining the current decrease in median price likely to continue in the short term as buyers maintain appetite for well-priced entry level property and target heavy price discounts from the higher end. The absorption of the Mildura Area housing stock should continue into 2013 as buyers indicate increased activity spurred by successive interest rate cuts and the Victorian government's stamp duty discount being increased to 30 per cent (from 20 per cent) as of January 1, 2013. These incentives will provide the Mildura Area house market a solid base to see another positive shift in sales and median price toward the end of 2013.

### MARKET INDICATORS

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

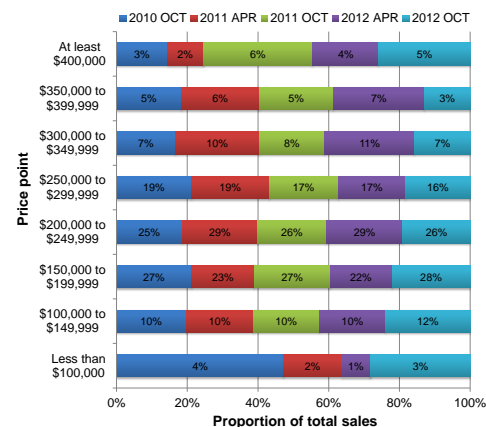
The indicators depicted above are based on the year ending October 2012, except for rental indicators which reflect quarterly data up to June 2012.

### MILDURA AREA HOUSE SALES CYCLE



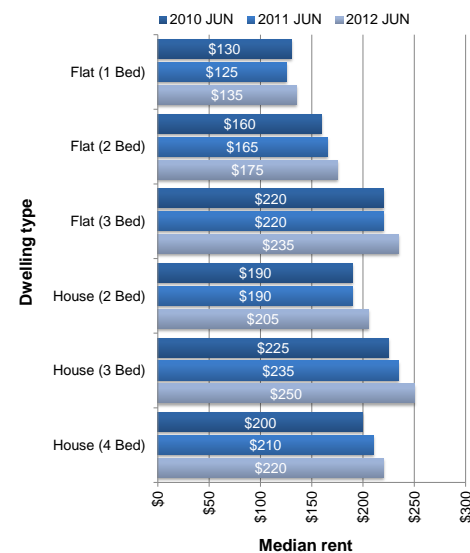
The Mildura Area vacant land market transaction numbers have fluctuated significantly in the past five years due to the inconsistency of total sales figures and continuing interest to expand the Mildura area via subdivision & Greenfield development. Having said this, the median price in Mildura Area for vacant land has remained steady since 2006, peaking again in October 2012 at \$85,000. The current trend toward smaller and more affordable housing has led to a flattening in median price, however with added incentives for home buyers and a strengthening environment for developers and buyers alike will see the Mildura Area increase again in vacant land sales into 2013.

## HOUSE PRICE POINTS



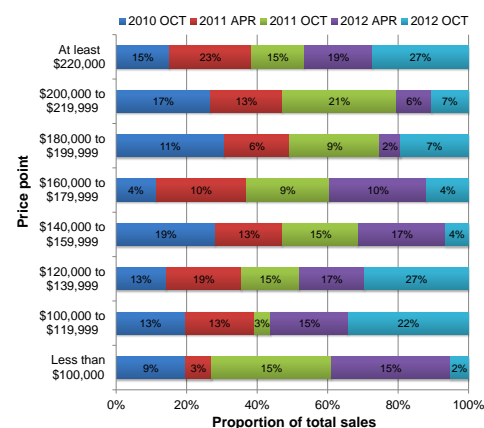
Prepared by PRDnationwide Research. Source: PDS

## MEDIAN RENTS – 3500 PC



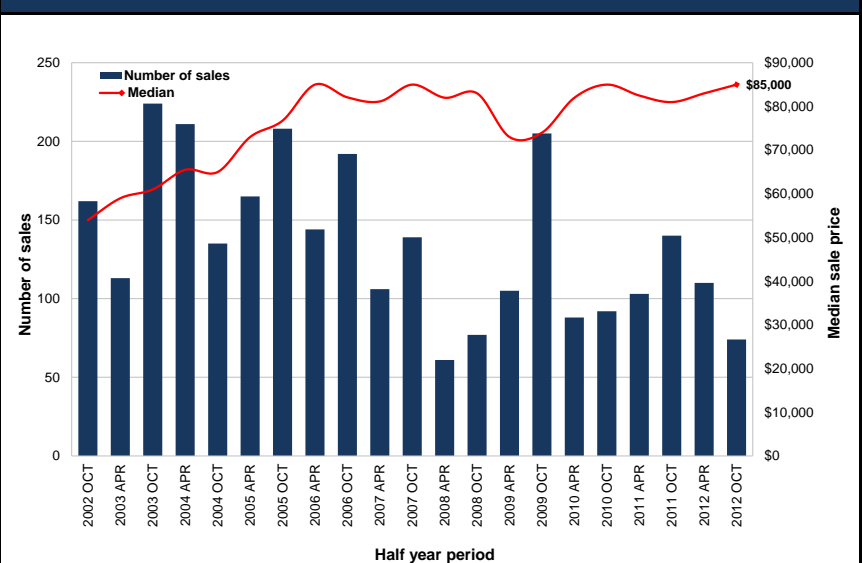
Prepared by PRDnationwide Research. Source: RTA

## MILDURA UNIT PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

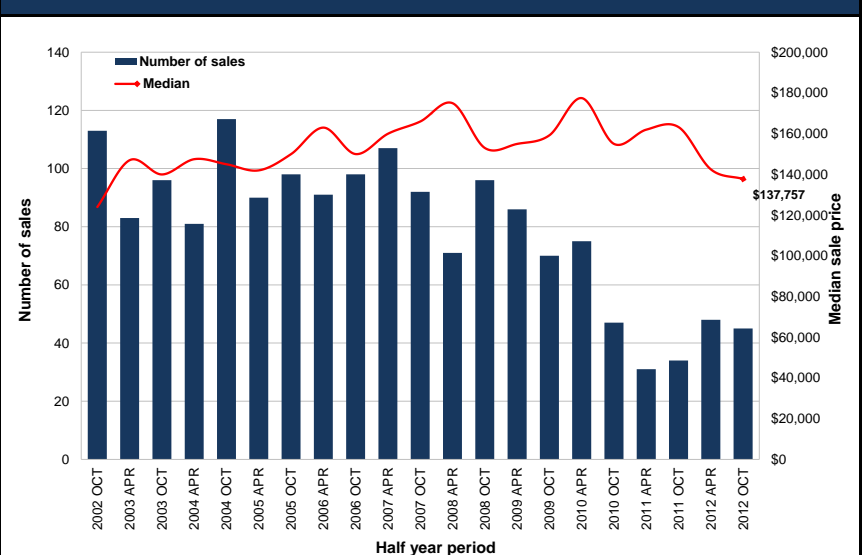
## MILDURA AREA VACANT LAND SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

Observation of the Mildura Area unit Price Point chart over the October 2012 period has seen a marked increase in the proportion of sales between \$100,000-140,000, accounting for 17 per cent increase in sales since April 2012. There has also been a contraction in purchasing activity in the \$140,000-180,000 market (showing a 19 per cent decrease of total sales) which together has led to an acute correction in the median price back to \$137,757. The Mildura Area may now see some shift on the back of strengthening unit rental market and strong shift towards a more affordable product; this will lead to an increase in gross rental yield in turn increase investment into the Mildura Area unit market.

## MILDURA AREA UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

The Mildura Area rental market has performed consistently since June 2010 with median rents in the house and unit markets increasing on average by 9 & 6.5 per cent respectively. Citing this evidence along with the Mildura Area's vacancy rate (currently at 1 per cent) and investment yields strengthening in house and unit markets, buyers and investors alike will become increasingly attracted to the capital growth which is predicted to be seen in the Mildura Area in 2013.