

# WARRNAMBOOL AREA

Property Watch®

PRD nationwide



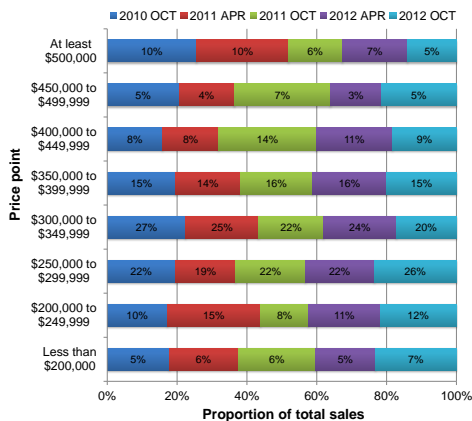
## WARRNAMBOOL AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Warrnambool Local Government Area (LGA). It will further highlight the area's characteristics and trends to provide an understanding of the current market and aid in forecasting future house, unit and vacant land markets for the Warrnambool Area.

In the two year period since October 2010 the Warrnambool Area housing market has remained stagnant with no change in median price and less than 5 per cent decrease in total sales transactions. Even though the Warrnambool Area has not witnessed any recent increase in median price, historically it has seen a 42 per cent increase in the 10-year period from October 2002.

The Warrnambool Area's housing price point has seen consistency since October 2010 resulting in the levelling of median price at \$315,000 in part due to the 6 per cent decrease in sales between \$300,000 and \$450,000 as well as an 8 per cent increase in the sub-\$300,000 market. The Warrnambool Area's residential market is shaping to return to its historical growth pattern in 2013 with the addition of the Victorian government's first home buyer incentives as of January 2013 as well as indications of greater local investment and enquiry forging consumer confidence in the Warrnambool Area for a positive 2013.

### HOUSE PRICE POINTS



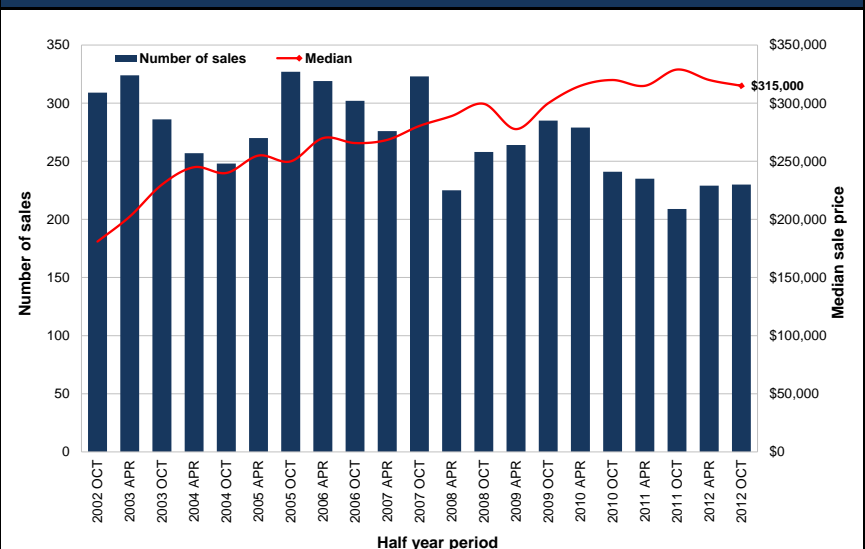
Prepared by PRDnationwide Research. Source: PDS

### MARKET INDICATORS

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

The indicators depicted above are based on the year ending 30 June 2012, with exception to rental indicators which are based on the year ending 30 October 2012.

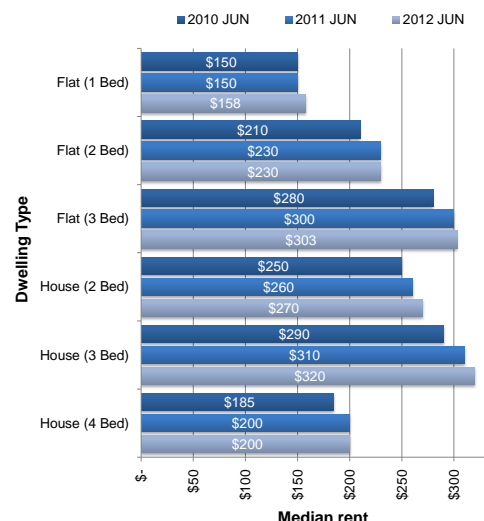
### WARRNAMBOOL AREA HOUSE SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

On the development front, the Warrnambool Area is presently witnessing a 238 million dollar influx in civil works and residential development (excl. infrastructure) expected to be completed by mid-2014. This current development, as well as the additional planning measures initiated by the Warrnambool City Council to rezone and release residential lots has provided a catalyst for residential developers and investors which will see further residential growth for the Warrnambool Area into 2013.

## MEDIAN RENTS – Post Code 3280

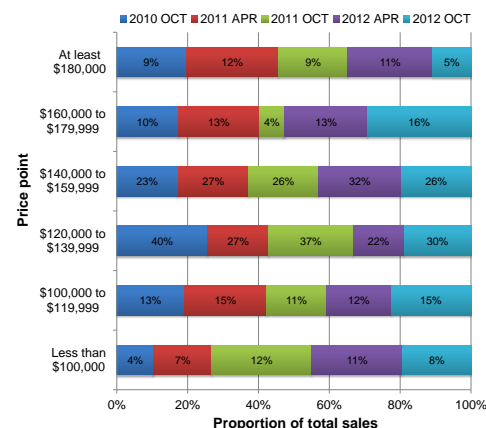


Prepared by PRDNationwide Research. Source: RTA

The Warrnambool City Council through rezoning and approval of various development plans are increasing the supply of residential land to the district rectifying the current outlook for residential markets – most notably;

- The release of 250 hectares of land in the North Merri Residential Growth Area (2,200 lots) for residential growth.
- The Industrial Land Use Review, rezoning 70 hectares of land for further development.
- The construction of \$238 million worth of civil and residential development currently in progress.

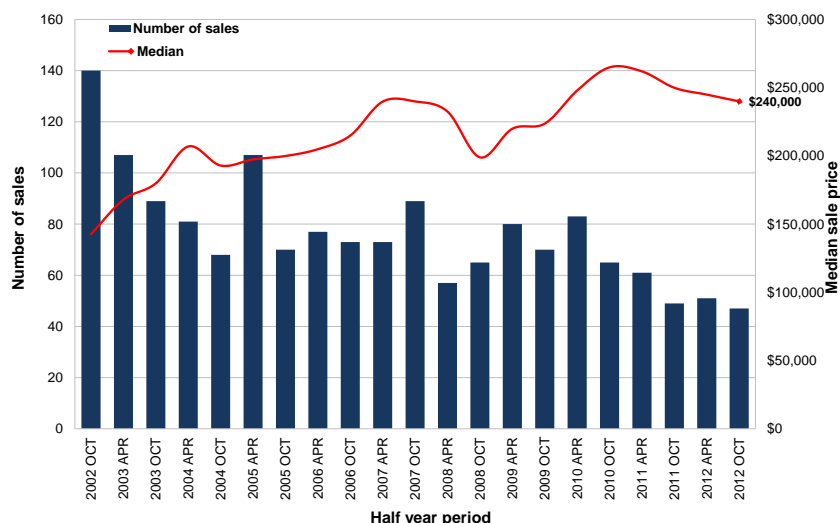
## LAND PRICE POINTS



Prepared by PRDNationwide Research. Source: PDS

The Warrnambool Area rental market has remained reliable for investment with the house and unit rental market experiencing overall growth since the June 2010 rental reporting period. However with this downturn in total sales and median price evidenced over the past 24-month period, a correction may be seen in the rental market as a focus on absorption of stock begins to resurface with the count of residential vacant dwellings increasing from 77 to 146 lots in the 12-month period to October 2012. This increase in vacancy represents a near 50 per cent decrease and in turn identifies a weakening in Warrnambool's current vacancy rate of 3.8 per cent, now realigning with the regional Victorian regional average of 4.0 per cent vacancy.

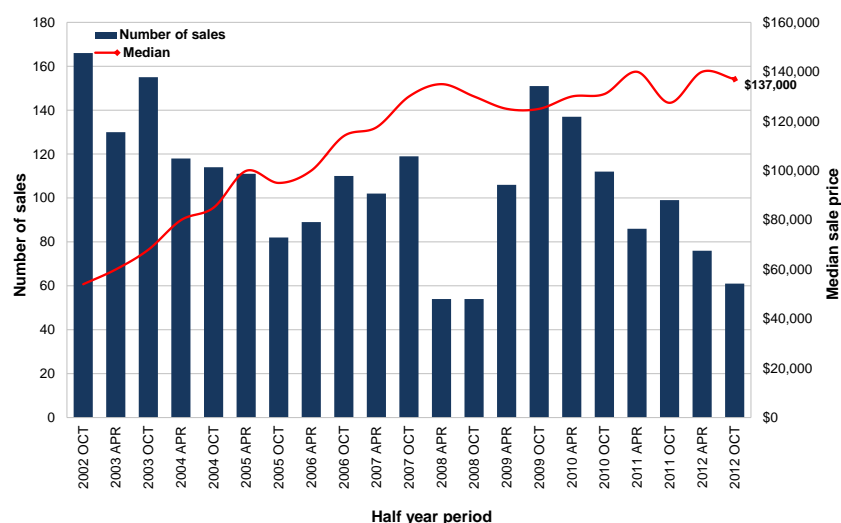
## WARRNAMBOOL AREA UNIT SALES CYCLE



Prepared by PRDNationwide Research. Source: PDS

Although the median sale price for vacant land in the Warrnambool Area has seen an increase of over 50% in the past 10-year period since October 2002, the vacant land sales cycle (below) currently displays a noticeable plateau since October 2010 largely due to the diminishing number of available vacant lots. As mentioned earlier, this trend is being remedied with the Warrnambool City Council rezoning and releasing designated residential growth areas to combat the diminishing total sales, subsequently rectifying the future vacant land market.

## WARRNAMBOOL AREA VACANT LAND SALES CYCLE



Prepared by PRDNationwide Research. Source: PDS

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