

# GEELONG/LARA AREA

Property Watch®



Corio Bay, Geelong

## MARKET INDICATORS

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

The indicators depicted above are based on the twelve months ending January 2012.

## KEY HIGHLIGHTS

- House prices for the twelve months to January 2012 are flat, whilst unit prices are up 3.2%.
- Vacant land shortages see an 11.6% growth in the median price, which is in line with the ten year growth rate of 12.6%.

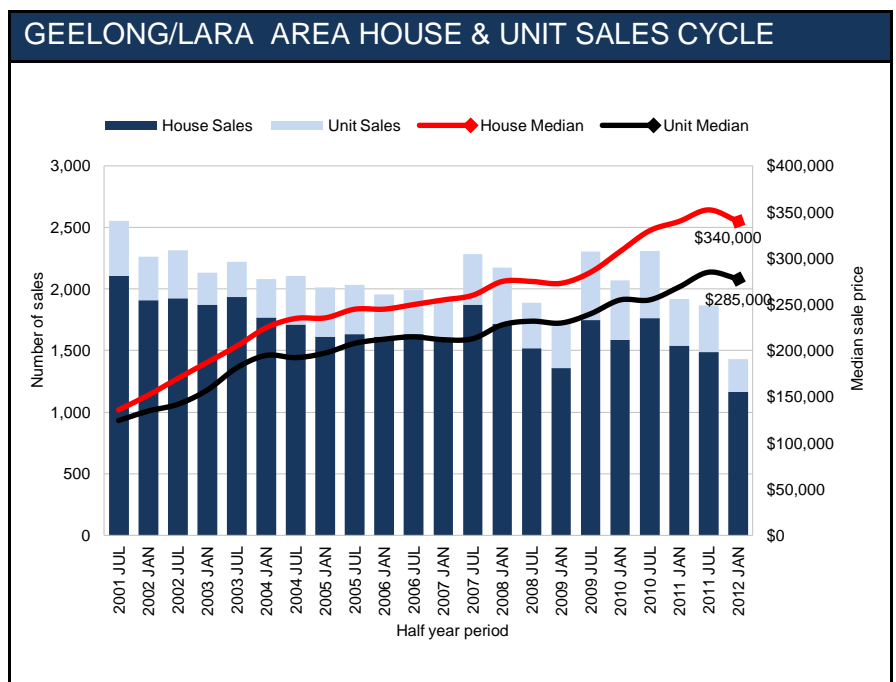
## GEELONG/LARA AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Geelong/Lara Area, which encompasses the metropolitan area of Geelong and surrounding townships including Avalon, Lara, Leopold and Little River. The coastal townships in the area such as Torquay, Barwon Heads, Ocean Grove are excluded as they are a distinct market in themselves.

It might be anticipated that the Geelong/Lara market would follow closely in the footsteps of the Melbourne market, Geelong itself being a large metropolitan centre and virtually on Melbourne's doorstep. The Geelong/Lara area has been more typical of regional markets however with prices only recently showing signs of some softening, even though volumes have been trending downwards for several periods.

The six months to January 2012 saw the first downwards movements in price for both the house and unit market since the global financial crisis. In the case of houses, prices have returned to the levels of twelve months ago, having peaked at \$352,500 in the six months to July 2011. Unit prices whilst down on the peak of \$285,000 from the July 2011 six months, are 3.2% up on January 2011 levels. The longer term analysis for houses and units shows a ten year growth rate of 8.4% and 7.5% respectively, reflecting the typically steady and reliable nature of the market.

Volumes which had been trending downwards slowly, were significantly softer across all property types in the January 2012 six months.

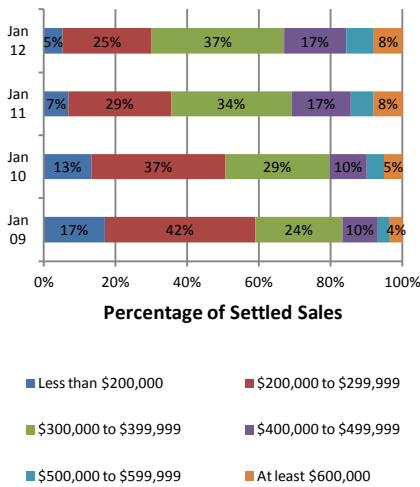


Prepared by PRDnationwide Research. Source: PDS

The current shortage of **Vacant Land** has seen the median price grow **11.6%** in the last twelve months.

In the case of Houses and Units softening sales levels appear to be largely due to weaker buyer sentiment. Media speculation regarding the state of the economy generally and particularly in relation to manufacturing, which has a significant presence in the Geelong economy with Ford and Alcoa both major employers, appears to have dampened buying sentiment. Peter Fort of Geelong PRD notes that enquiry levels remain strong, particularly at the lower price points. Enquiry levels from out of town investors, particularly Melbourne investors, is especially high reaching 50% of enquiry for some properties. Mr Fort says that well priced properties in the mid to lower range are selling strongly. Enquiry levels in the higher price brackets are also quite strong, but buyers appear to be slower to act at these levels.

### HOUSE PRICE POINTS



Despite lower buyer sentiment, the house price points table indicates that the higher priced brackets are increasing their share of total sales. Sales under \$300,000 dominated the market for the twelve months to January 2009 with 59% of all sales, however as at January 2012 they now represent only 30% of the market. Sales over \$600,000 have doubled from 4% of the market to 8% over the same period.

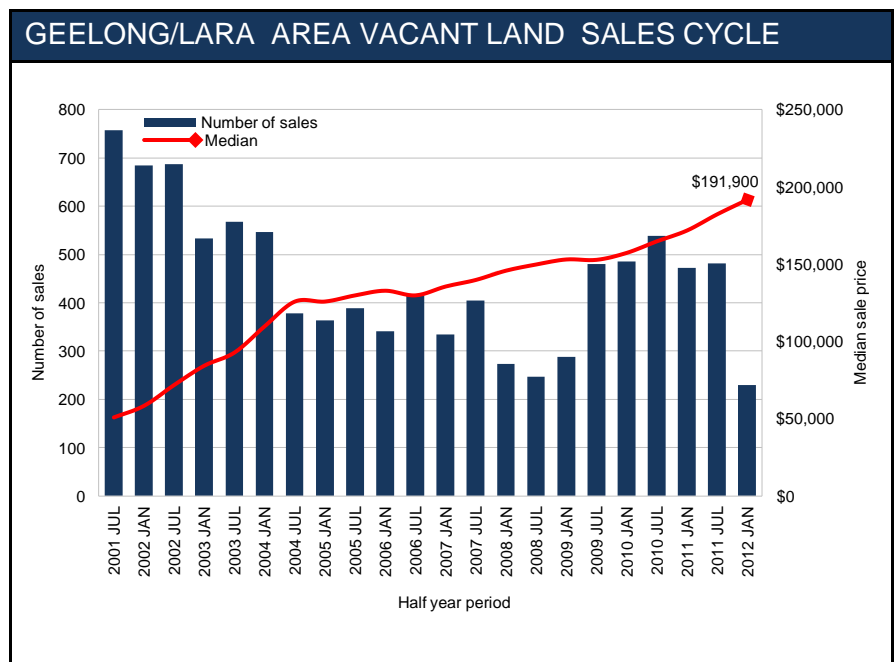
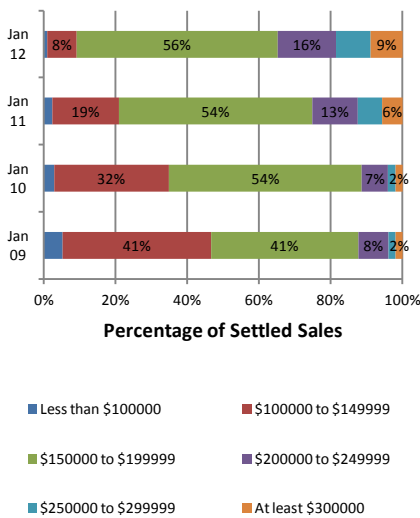
Vacant Land sales volumes have dropped more sharply than either Houses or Units, with supply being a major factor in the case of Land. The Geelong market has been well serviced with new land estates in recent years, and the take up on these properties has been very strong. Whilst there are several projects currently going through the regulatory process, there is a shortage of vacant land currently available in the Geelong/Lara area.

The Geelong/Lara regions appeal and the current shortage of available land have seen the median price reach \$191,900 for the January 2012 six months, an 11.6% growth on the median price of twelve months ago. That this median growth is close to the ten year average of 12.6% is testament to the strength of the current vacant land market and with buyer sentiment generally lower across all property types, a clear indication of the current shortage of available land.

Prepared by PRDnationwide Research. Source: PDS

The price points table clearly demonstrates the upwards movement in prices in the Vacant Land market. The twelve months to January 2009 saw 88% of all land sell under \$200,000 this figure has dropped to 64% as at January 2012. All of the price brackets above \$200,000 have at least doubled their share of the market since January 2009.

### VACANT LAND PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

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