

## PROPERTY WATCH®

Fourth Quarter 2011

## Horsham LGA Market Overview

## IN BRIEF

- Horsham's median house sale price reached a new high of \$211,000 culminated from a ten year low transaction level of 116 sales
- The median sale price for Horsham's vacant land has grown strongly to close at \$91,250 for the six months to June 2011

## Scope

This report analyses the current trends and performance of the Horsham Local Government Area's (LGA) house and vacant land and unit markets. It further highlights the area's characteristics and demographic trends to provide an understanding of the type of real estate product in demand by the local market.

## Area Characteristics

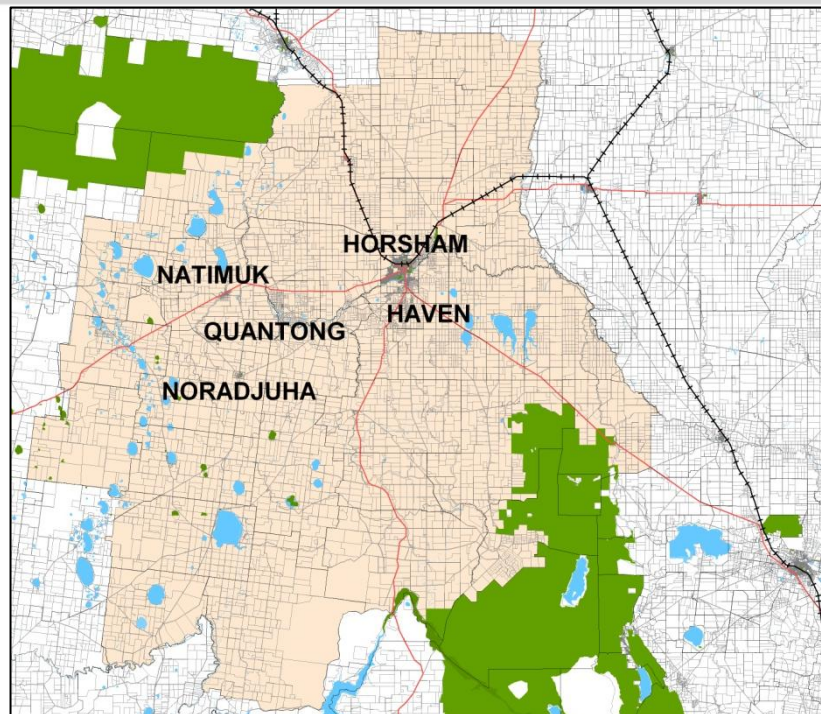
Located in the western part of Victoria, the Horsham LGA encompasses an area of 4,239 square kilometres comprising a total of 39 suburbs. The suburb of Horsham represents the capital of the region, which laid claim as Australia's tidiest town in 2001. The continued community pride is evident throughout the town, with a vibrant cafe and restaurant precinct, quality amenity and the reputable Horsham golf course just a few of the amenities on offer. The township lies at the intersection of three major highways including the Wimmera, the Henty and Western Highway, which remains the major thoroughfare linking Melbourne to Adelaide.

## Horsham LGA House Market

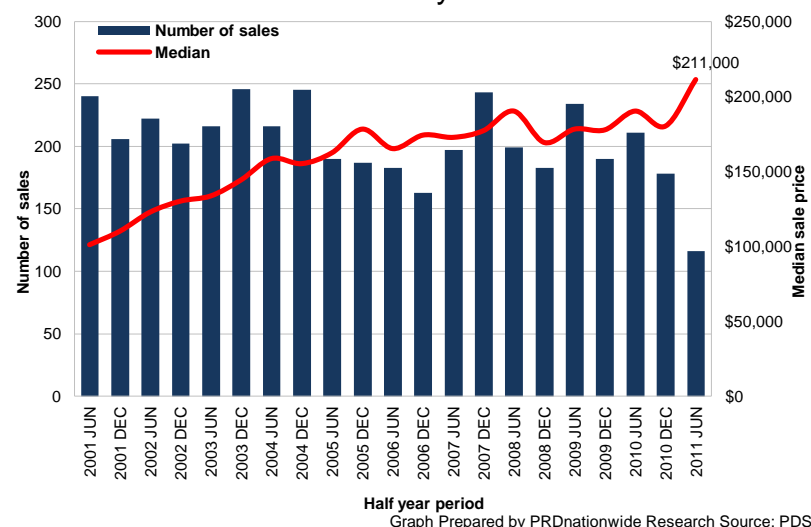
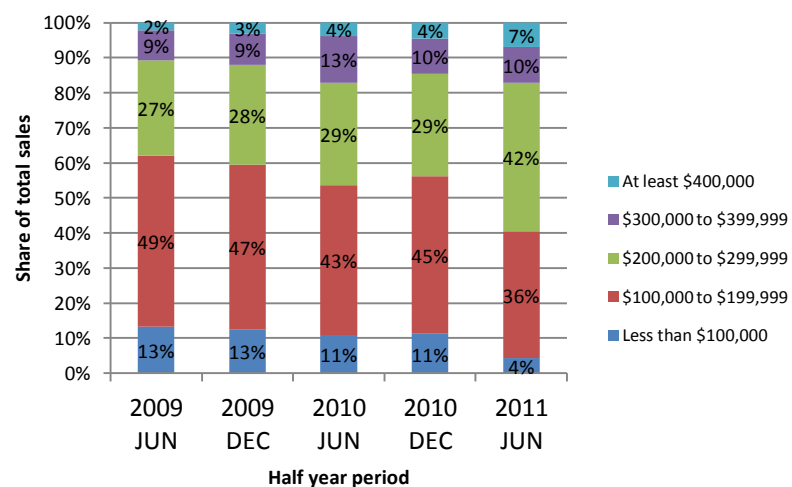
The Horsham LGA market for houses has seen its strongest price growth in ten years, to close the median price for the six months to June 2011 at a new peak of \$211,000. This represents a very strong 11.1% growth on the previous year. Since 2004 the market has been characterised by rollercoaster growth, with periods of growth being quickly followed by lower prices. The long term pattern however has been steadily upwards, with the ten year growth rate standing at 7.6% per annum. Growth has been very slow over the last five years, with little overall movement (several peaks and troughs have been seen) between December 2006 and December 2010, the surge in the six months to June 2011 has helped the five year average reach 5.0%.

The price points table shows that whilst they represent a relatively small share of the total market there are significant changes at the top and bottom ends of the market. Sales above \$300,000 have grown from an 11% share to a 17% share, whilst sales below \$100,000 have dropped from 13% to only 4% in the six months to June 2011. The middle price brackets show little movement for four of the five periods shown, however the June 2011 six months shows a strong trend towards the higher priced bracket, a large contributor to the strong median price growth for that period. For the first time sales over \$200,000 outnumbered those under \$200,000 for the six months to June 2011, with the \$200,000 to \$299,999 price bracket having the largest share of sales with 42%.

Sales numbers are at their lowest level for a ten year period, with only 116 sales for the six months to June 2011. This represents a 41% decrease on the five year average sales number for a six month period. This trend has been widespread in the Victorian market.



## Horsham LGA House Sales Cycle

Horsham LGA House Price Points  
June 2009 to June 2011

### Horsham LGA House Market (cont.)

Of the 116 sales for the June 2011 six months the vast majority (90.5%) were within the regional city of Horsham(105) itself. Natimuk(4) and Vectis(2) were the only other localities to record more than one sale.

A property close to the railway line in Horsham represented the lowest price paid during the six months to June 2011, when it sold for \$50,000 in March 2011. A property near the Wimmera river in the Southbank area represented the peak of the market when it sold for \$545,000 in April 2011.

### Horsham LGA Vacant Land Market

The median price for vacant land in the Horsham market has shown significant volatility in the last five years. A sustained run of growth since a low point in June 2009, has seen the six months to June 2011 close at a new high of \$91,250, representing a 9.3% growth on the previous year. This growth is in line with the ten year rate of 9.7%, but it should be noted that most of this growth was in the first half of the decade, from 2005 to 2009 very little growth was achieved.

Sales volumes were equal to the lowest in the last ten years with 36 transactions recorded. The five years to December 2005 saw average sales of 105 for a six month period, the five years to June 2011 saw this average more than halve to 50.

The price points table at right reflects the volatility in pricing in recent years, significant movement has been seen in all sectors. Sales under \$100,000 dominated all sales in the six months to June 2009 at 81% of all sales, whilst still the major share they have retracted to 58% of sales at June 2011. Sales in the \$100,000 to \$149,999 bracket have more than doubled to move from 11% of sales to 28% in June 2011.

It appears that the fewer new developments being supplied within Horsham itself has had the effect of increasing prices. One example is a property in the Green Park area which sold in April 2011 for \$105,000 a 26.9% growth per year for the 5.5 years it was held. The average growth for blocks of land sold in the last year within Horsham and nearby Haven, that had been purchased within the last ten years was 18.5%.

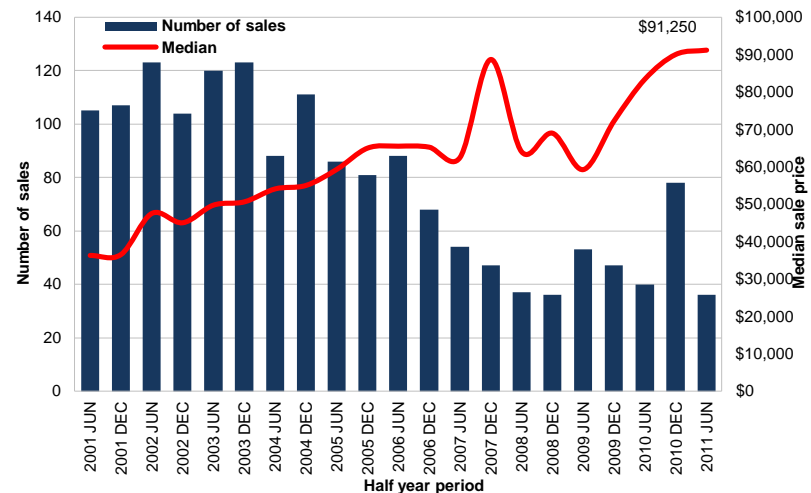
### Horsham LGA Emerging Unit Market

The Horsham unit market achieved a new high median price when it closed the six months to June 2011 at \$240,000 up 17.1% on the previous year. Whilst this was an unusually high result, the ten year growth rate of 9.6% average annual growth indicates there is underlying strength in the Horsham unit market.

The 19 transactions for the six months to June 2011 ranged in price from \$121,000 for a townhouse towards the Northern edge of Horsham to \$325,000 for a centrally located unit between the Hospital and the CBD. All 19 transactions occurred within the city of Horsham itself.

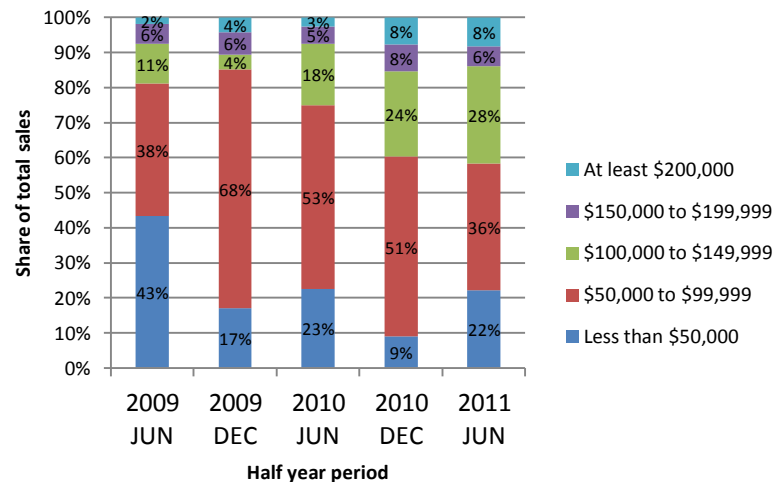
It is unusual to see a unit median price exceed that for houses. The major factors at play appear to be the units concentration in the more desirable areas of Horsham itself, and the higher proportion of recently constructed stock for units compared to that of houses.

### Horsham LGA Vacant Land Sales Cycle



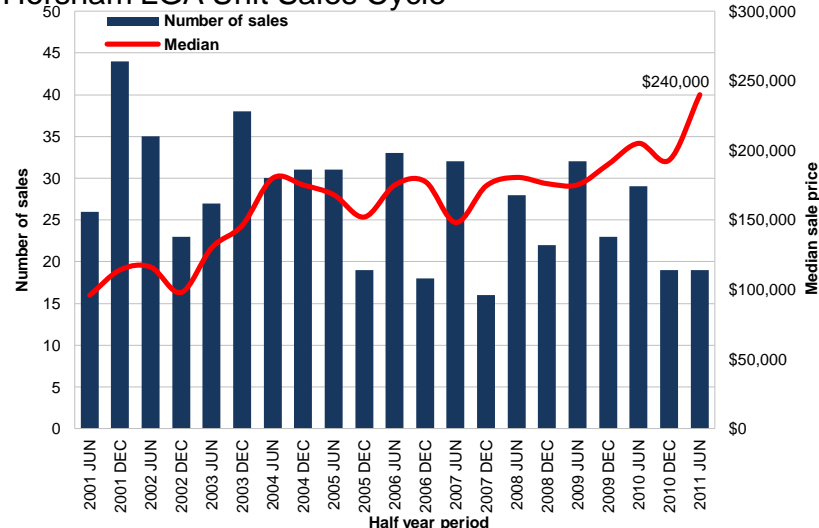
Graph Prepared by PRDNationwide Research .Source: PDS

### Horsham LGA Vacant Land Price Points June 2009 to June 2011



Graph Prepared by PRDNationwide Research .Source: PDS

### Horsham LGA Unit Sales Cycle



Graph Prepared by PRDNationwide Research .Source: PDS

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