

PROPERTY WATCH®

First Quarter 2012

Werribee Area Market Overview

IN BRIEF

- Median prices for all sectors of the Werribee market performed strongly for the six months to March 2011. The house market recorded a 8.9% annual increase, units 9.8% and vacant land surged to a 10.8% annual growth.
- The strong price growth occurred against a background of falling sales numbers. Housing numbers were down 42% against the five year average, whilst units and vacant land were down 57% and 74% respectively.

Scope

This report analyses the current trends and performance of the Werribee Area's house, unit and vacant land markets. To portray a succinct overview of the Werribee market, the direct neighbouring suburbs of Tarneit, Hoppers Crossing, Point Cook, Werribee South and Wyndham Vale have been incorporated into the central suburbs analysis.

Area Characteristics

Situated within the Local Government Area (LGA) of Wyndham, Werribee is located on the Werribee River, approximately 32 kilometres south-west of Melbourne's CBD. With the urban sprawl from Victoria's two major cities, Melbourne and Geelong encroaching on the region, Werribee's property market has performed particularly well over the past 10 years and is positioned for continuing growth. The region is well serviced by rail and the Princes Freeway, both providing direct access to Melbourne in the north-east and Geelong, located 45km south-west.

Wyndham Population Growth

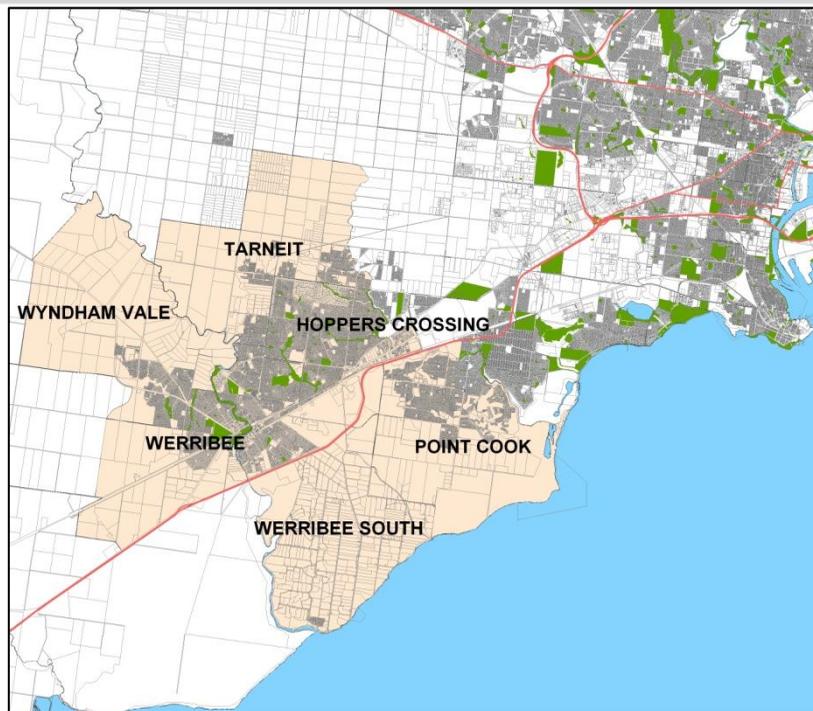
Wyndham is the fastest growing municipality in Australia in percentage terms and the third fastest growing in absolute numbers based on ABS figures for the 2009 to 2010 period.

Figures supplied by Wyndham City has the current population at 172,000 people as at December 2011. Forecast id and Wyndham City have projected that by 2040 the population will be 400,000 the size of present day Canberra.

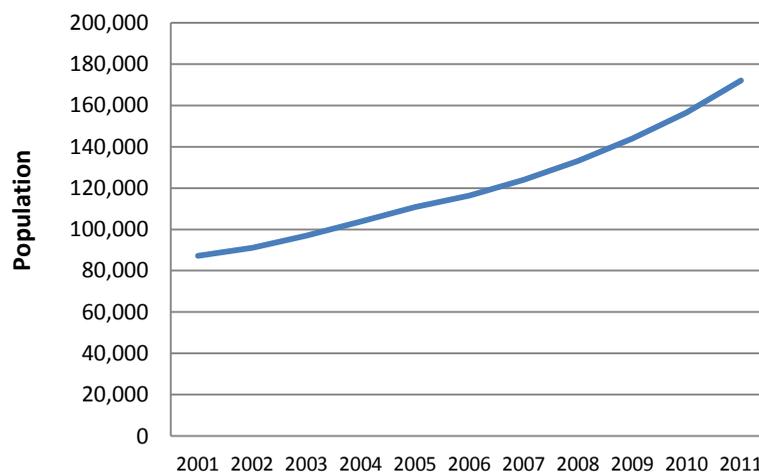
To put these figures into some perspective, Wyndham currently has 12 households moving into the area every day, and 60 babies are born in Wyndham every week.

Wyndham City currently have plans on display which would see the Werribee City Centre become the capital for Melbourne's Western region. The vision includes a proposal for a commercial centre based around parkland surrounding the Werribee River.

A growing population equates to strong demand for house and land and in the longer term, relatively stable and constant. The price movements graph demonstrates that a house purchased for \$100,000 in 2001 would be worth \$241,116 based on the average annual growth over those ten years of 9.2%. Based on their growth rate a unit would be worth \$230,301 and vacant land would be worth \$302,365. All of the fundamental elements appear to be in place to see Wyndham continue to deliver strong price growth into the future for both owner occupiers and investors.



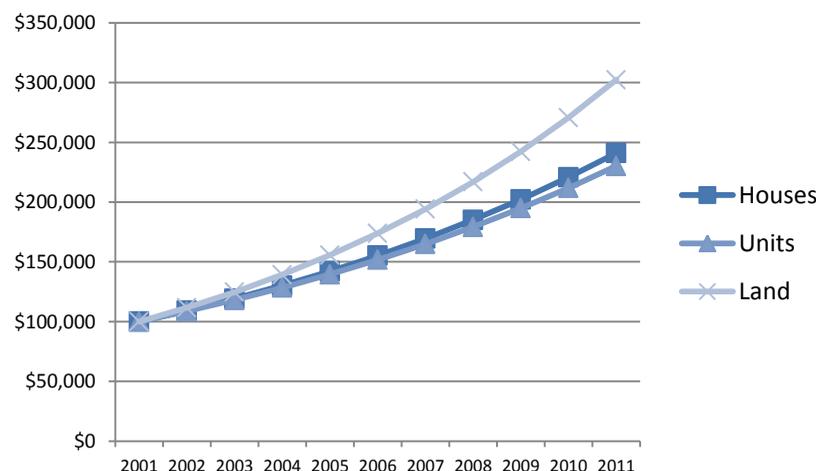
Werribee Population Growth – 2001 to 2011



Prepared by PRDnationwide Research. Source: ABS, Wyndham City

Werribee Price Movements

Based on purchase price of \$100,000 with average annual growth



Prepared by PRDnationwide Research. Source: PDS

Werribee Area House Market

The median price for houses closed the September 2011 six months at \$359,090 at a much lower 2.6% annual growth than has been seen over recent years. The five year average median price growth figure stands at 7.1% per annum.

Sales volumes which had risen sharply since the second half of 2007, have returned to levels more consistent to the ten year average (1,339), with 1,276 transactions for the six months to September 2011.

The \$300,000 to \$399,000 price bracket is the single largest bracket, representing 46% of all sales made in the six months to September 2011. There were only nine sales for properties valued under \$200,000.

The area achieved three prices in excess of a million dollars in the September 2011 six months, two of these were in Sanctuary Lakes, and the other for a property in Aviation Road, Werribee South.

Werribee Area Unit Market

The September 2011 six months saw 156 units transact, equating to only 12% of the number of transactions for houses for the same period. The Werribee City Centre vision incorporates plans for people to live and work in the city's hub, if this comes to fruition the unit market may well be set for expansion.

The median price for the six months to September 2011 closed relatively flat at \$281,750, representing only 2.5% annual growth. The longer term price growth for the unit market has been strong, with a ten year average annual growth of 8.7% per annum. Coupled with strong rental yields and low vacancy rates, this has seen the Werribee unit market perform strongly for investors.

The market is dominated by sales between \$200,000 and \$400,000 with 85% of sales occurring in this band for the six months to September 2011. The peak of the market was seen when a townhouse on the Princess Highway in Werribee transacted for \$846,500 in April 2011.

Werribee Area Vacant Land Market

The average number of vacant land sales for a six month period over the last ten years has been 1,838, which is significantly greater than that for houses. This is an indicator that the Werribee market is in a growth phase. The six months to September 2011 saw transactions fall to a ten year low level, when only 584 sales were recorded. The level of activity appears to be driven by lower buyer sentiment in light of current economic uncertainty. The supply of land in the Werribee area remains strong, with several locality and price options for buyers.

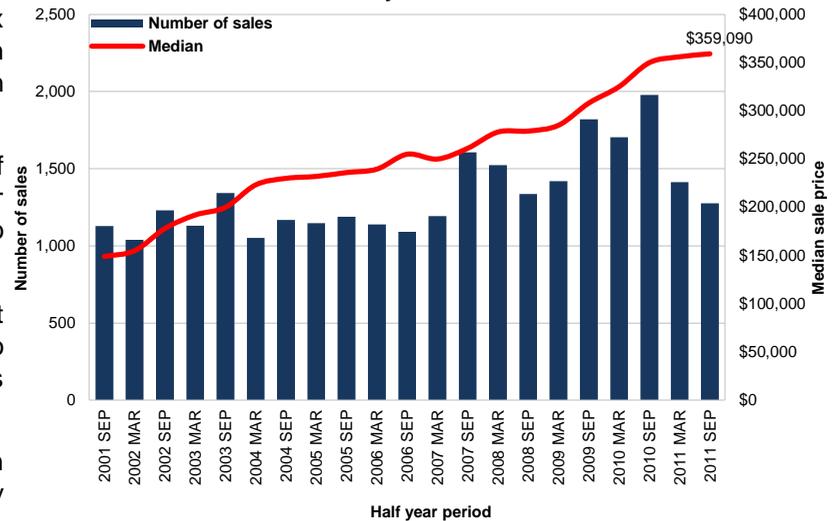
The median price closed the September 2011 six months at \$205,000 an annual growth rate of 10.2%. Outside of the period from 2004 to 2006, price growth has been remarkably strong and consistent in the vacant land market, providing an average annual growth rate of 11.7% per annum.

Almost half of all sales in the September 2011 six months occurred between \$200,000 and \$300,000. The peak of the market for a block of land under 1,000m² was \$605,000 paid for a block in Forsyth Road, Truganina.

Prepared by PRDnationwide Research. Source: PDS and ABS. For further details contact: Mark Corboy (0400) 520 717 or Email: markcs4u@gmail.com, PRD Jens Gaunt Werribee on (03) 9742 7557, or visit our website at www.prdnationwide.com.au/research.

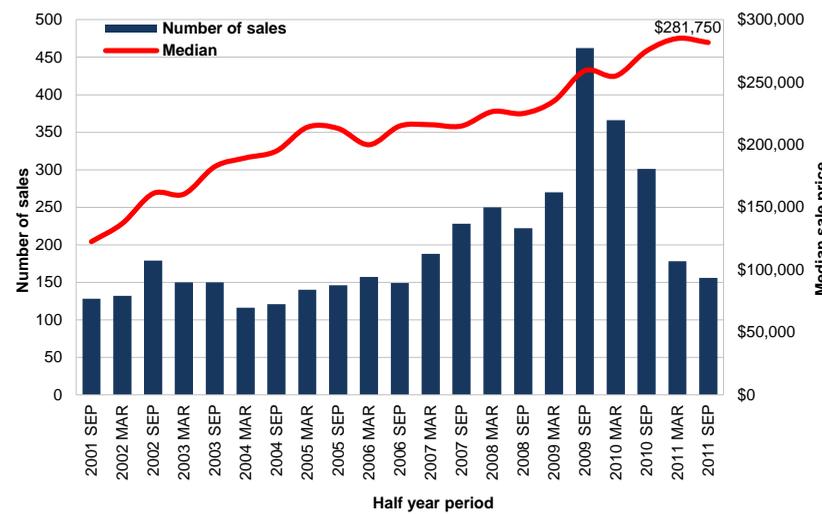
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Werribee House Sales Cycle



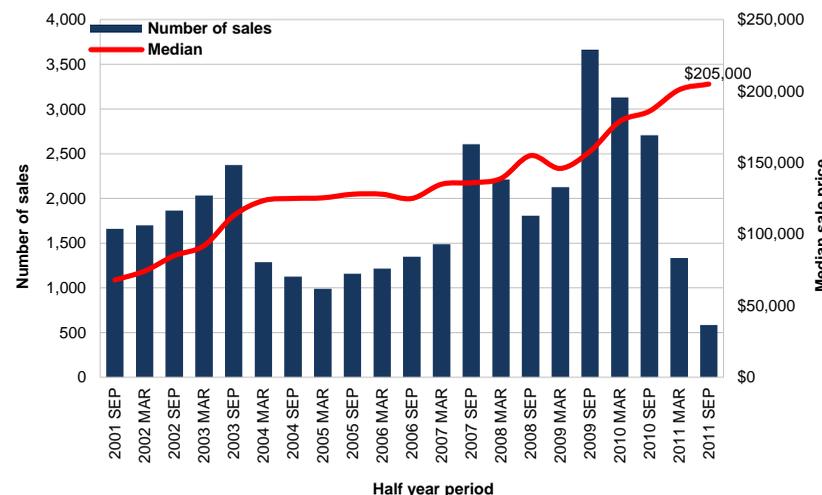
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Werribee Unit Sales Cycle



Prepared by PRDnationwide Research. Source: PDS

Werribee Vacant Land Sales Cycle



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