

## PROPERTY WATCH®

First Quarter 2012

## Macedon Ranges Market Overview

## IN BRIEF

- The median sale price for the Macedon Ranges house market softened to close the six months to December 2011 at \$415,000
- Both the vacant land and unit markets showed lower median prices than twelve months earlier, however both maintain strong long term positions with ten year growth rates of 12.3% and 9.6% respectively

## Scope

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

## Area Characteristics

Located toward the central region of Victoria, the Macedon Ranges LGA covers approximately 1,750 square kilometres to the north-west of the State Capital. With 10 established townships throughout the LGA, Kyneton exists as one of the region's primary hubs, offering a high degree of connectivity to the CBD via the Calder Freeway. Kyneton is now being discovered again, by a new generation of weekend commuters, investors, families and holiday makers, seeking the quintessential country lifestyle.

## Macedon Ranges LGA House Market

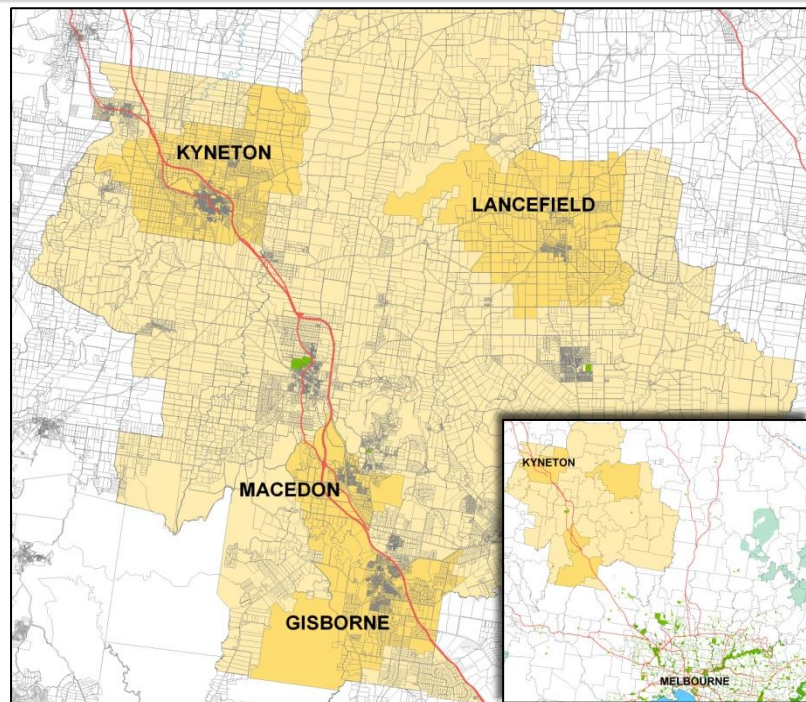
The median price for the Macedon Ranges LGA house market closed the six months to December 2011 at \$415,000. The softening of prices in the second half of the year saw the annual median price growth close at 3.8%, well short of the five year average annual growth of 8.2%.

A factor in the lower median appears to be the significantly reduced sales numbers. The December 2011 six months saw 199 transactions which translates to a reduction of 42.8% on the average number of transactions for a six month period over the last five years. Early indications in 2012 are that sales volumes are trending upwards from what was seen in late 2011, in part due to the improved buyer sentiment after recent interest rate decreases.

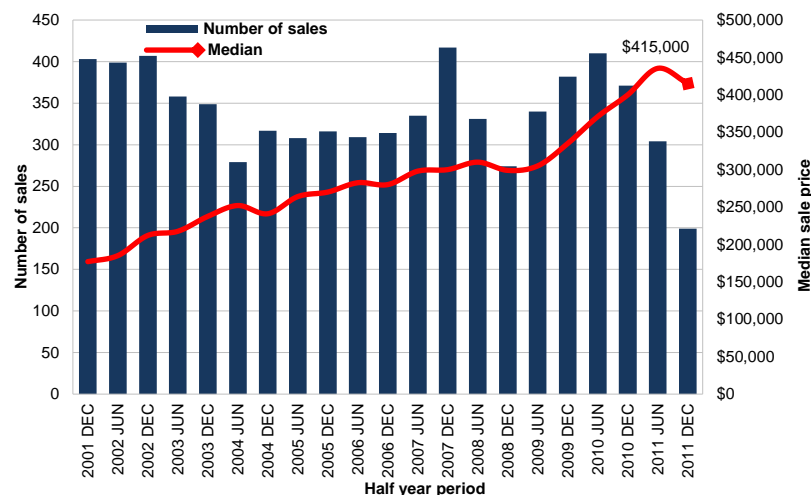
The underlying strength of the Macedon ranges house market is shown by the growth in the higher price brackets in recent periods. Sales over \$400,000 which represented 30% of all sales for the six months to June 2009, have grown to represent 56% of the market as at December 2011. Over the same period sales below \$300,000 have fallen by a third, from 36% to only 10%. The dominant price bracket remains the \$300,000 to \$399,999 bracket, with 34% of all sales for the six months to December 2011.

An analysis of capital growth for all properties that sold in the six months to December 2011, that had previously been purchased in the last ten years revealed an average annual growth rate of 13.5%, and an average holding period of 4.5 years.

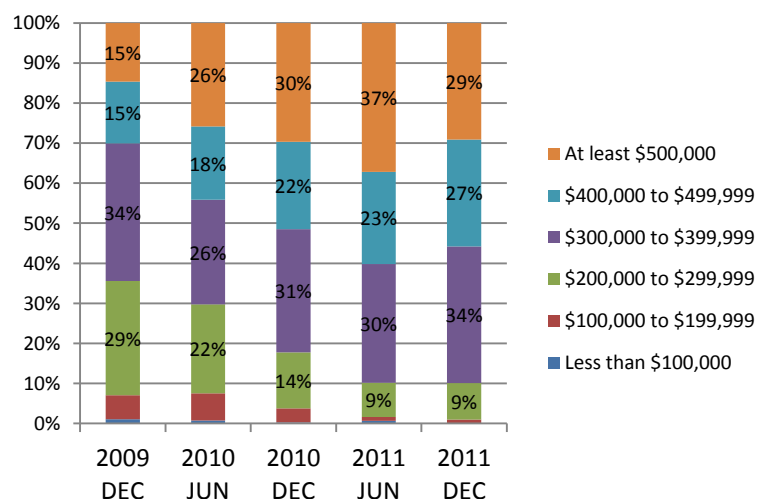
Of the 20 localities that recorded sales for the December 2011 six months, the joint townships of Gisborne/New Gisborne (52) recorded the most transactions, with Kyneton (43) and Woodend (26) the next largest in volume. Prices ranged from \$190,000 for a house in Kyneton to \$1.3m for a property in New Gisborne.



## Macedon Ranges LGA House Sales Cycle



Prepared by PRDNationwide Research. Source: PDS

Macedon Ranges LGA House Price Points  
June 2009 to June 2011

Prepared by PRDNationwide Research. Source: PDS Live

### Macedon Ranges LGA Vacant Land Market

Having peaked at \$202,500 at June 2011 the median price for vacant land closed the December 2011 six months at \$185,000. This was the same figure for the previous year, resulting in zero growth. The sales cycle shows numerous short term price fluctuations, the long term ten year growth rate of 12.3% shows the underlying strength of the market. The five year growth rate stands at 7.8% showing that growth has slowed in more recent years, but remains at very acceptable levels.

Sales volumes fell to their lowest levels in ten years in the December 2011 six months, when only 53 transactions were recorded. One reason for the reduced sales numbers is the limited supply of residential blocks in the reporting period. The Bluestone rises estate in close proximity to the hospital precinct in Kyneton, demonstrates that quality land continues to sell well when available. The first four stages are sold out, and stage five which has only just started marketing, has five of the thirteen available allotments presold.

The dominant price bracket remains the \$100,000 to \$199,000 bracket which represented 53% of all sales for the six months to December 2011. Outside of this bracket which has been relatively consistent, the market is moving towards the higher priced brackets. Sales below \$100,000 have dropped to represent only a third of the 24% of total sales they held for the December 2009 six months. Sales above \$200,000 have more than doubled their share of the market from 18% at December 2009 to 40% at December 2011.

The 53 sales were spread across 11 localities with Gisborne/New Gisborne (14) and Kyneton (12) recording the most. Prices for allotments under 5,000m<sup>2</sup> ranged from a low of \$50,000 for a block in Malmsbury to \$291,500 for a 1,249m<sup>2</sup> block in Gisborne. The average price for allotments under 5,000m<sup>2</sup> was just over \$133m<sup>2</sup>.

### Macedon Ranges LGA Unit Market

The median price closed the December 2011 six months at \$311,700, marginally lower than for the same period the previous year. The unit market having volumes below 100 transactions for a six month period tends to more short term price variations than either the houses or vacant land markets. The longer term view shows a ten year average return of a more than respectable 9.6% per annum. This equates to a unit purchased for \$100,000 in 2001 being valued at \$250,095 in 2011.

Sales volumes were at their lowest levels since 2002, and only half of the five year average level of 40 transactions for a six month period, when only 20 transactions were recorded for the December 2011 six months. Gisborne and Kyneton again dominated sales numbers, sales were also recorded at Lancefield, Riddells Creek, Romsey and Woodend.

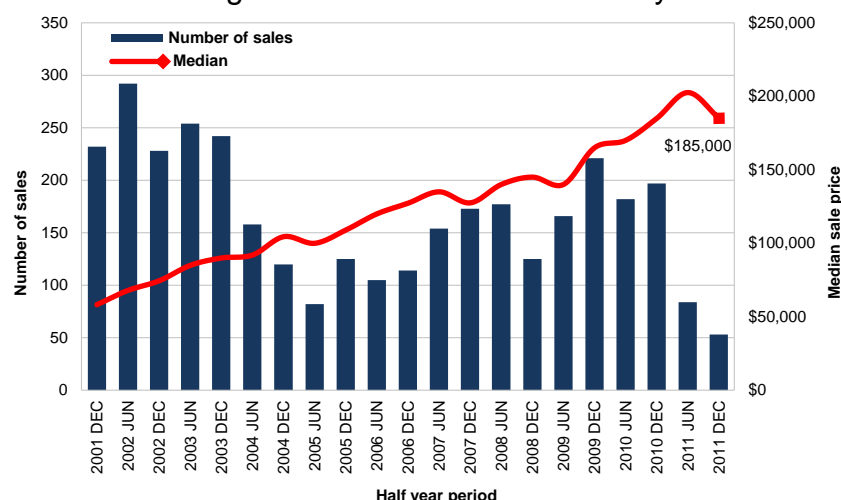
Sales under \$200,000 which have represented as much as 19% of the market as recently as the June 2009 six month period, recorded no sales for the six months to December 2011. The majority of sales occurred between the range of \$300,000 to \$350,000.

A townhouse in Hamilton Street, Gisborne represented the lowest price paid for a unit in the six months to December 2011, when it transacted for \$220,000 in November 2011. The peak of the market was seen when a unit in Rodney Street, Gisborne sold for \$465,000 in November 2011.

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 Kyneton on (03) 5422 2127, or visit our website at [www.prdnationwide.com.au/research](http://www.prdnationwide.com.au/research).

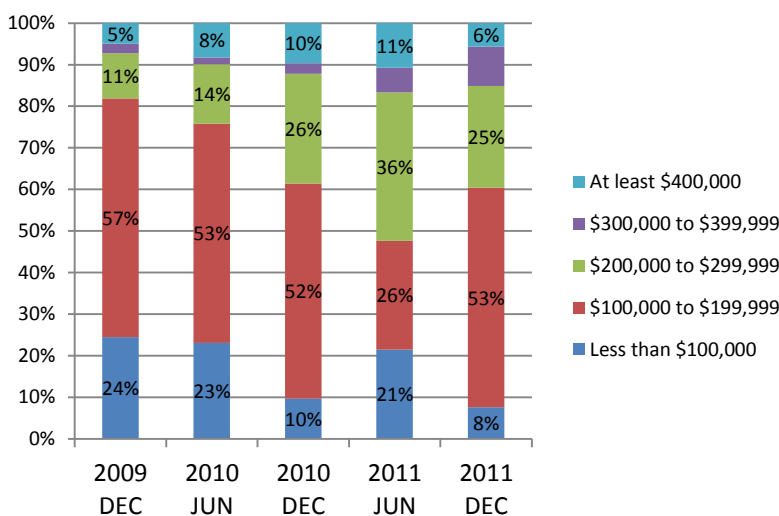
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### Macedon Ranges LGA Vacant Land Sales Cycle



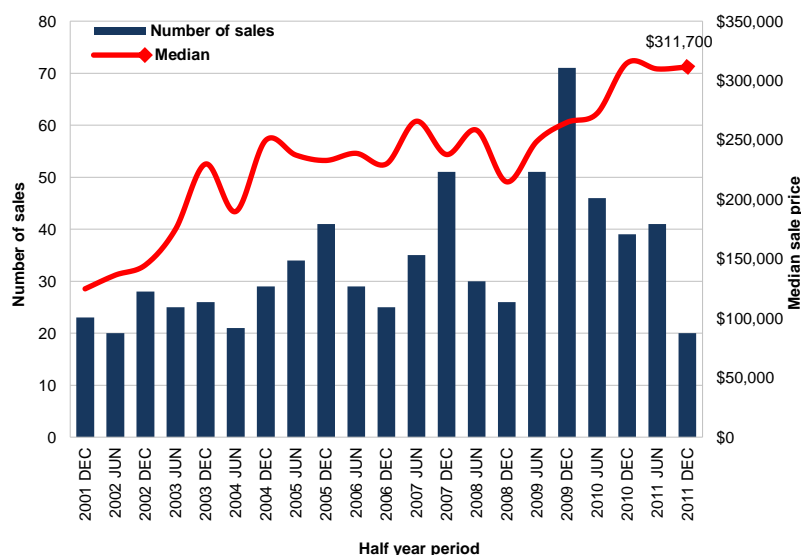
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### Macedon Ranges LGA Vacant Land Price Points June 2009 to June 2011



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### Macedon Ranges LGA Unit Market



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