

## Macedon Ranges Market Overview

### IN BRIEF

- The median sale price for the Macedon Ranges house market closed the six months to June 2011 at a new high of \$420,000, culminated from 258 transactions.
- The median sale price for vacant land surged to close the six months to June 2011 at \$207,500 representing a remarkable 22.1% increase from the June 2010 figure.

### 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.

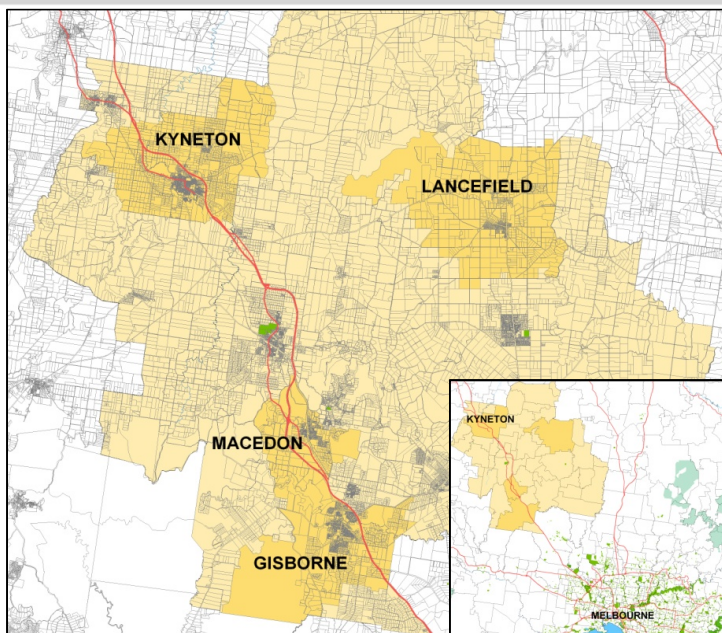
### Macedon Ranges LGA House Market

The median price for the Macedon Ranges LGA house market closed the six months to June 2011 at a new high of \$420,000. The June figure continues a strong upward trend that has seen the median price increase by an average of 17.3% per annum for the last two years. Since June 2009 price increases have significantly outperformed the ten year average of 10%. The strong price growth is being fed by increased interest from Melbourne buyers.

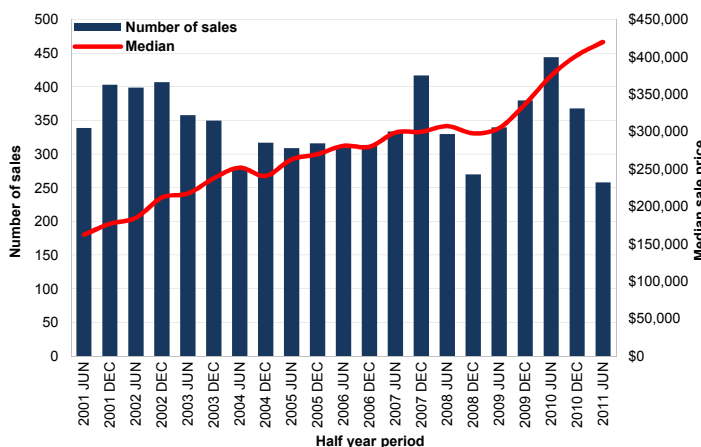
Transaction numbers reached ten year lows, when only 258 sales were recorded for the six months to June 2011. This figure represents a 26% decrease on average sale numbers over the last five years for a six month period. The Macedon Ranges market has not seen a decrease in sales numbers as severe as some other Victorian markets, where decreases of over 45% have been typical.

The price points table shows the strong upward trends in price have been evidenced at both the lower and upper ends of the market. The lower end of the market (below \$200,000) has decreased from a 48% share for the six months to June 2009 to be only 11% of the total market at June 2011. Whilst the top end of the market (\$400,000 plus) has grown from a 24% share to be the biggest section of the market at 57% over this same period. The middle bracket of \$300,000 to \$399,999 has remained relatively stable throughout, fluctuating at around 30% of the market.

The peak of the market was reached in April 2011 when a property in Mount Macedon Road, Mount Macedon transacted for just over \$1.6 million. There were 18 transactions above \$750,000 for the six months to June 2011. A property in The Boulevard, Gisborne represented the bottom of the market when it transacted for \$75,000 also in April 2011.

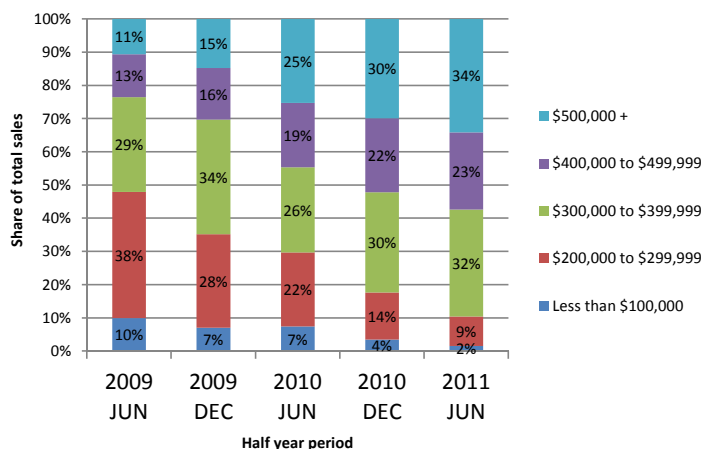


### Macedon Ranges LGA House Sales Cycle



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**

Whilst sales numbers for housing in the Macedon Ranges area compared favourably to other Victorian markets, sales of vacant land were more typical of the broader softening in the market. Transaction volumes for the six months to June 2011 were at a ten year low of 66. Compared to the five year average of 167 transactions for a six month period, this represents a dramatic 60% decrease in sales volumes.

Whilst volumes softened, the median price continued a strong upwards trend, closing the six months to June 2011 at \$207,500. The Macedon Ranges vacant land market has shown strong growth over the last ten years to record average annual growth of an exceptionally strong 13.2%. The previous twelve months has shown a remarkable spike, seeing the annual growth figure surge to an unprecedented 22.1%.

Given the recent surge in price, it perhaps surprising to see that the price points graph at right shows the less than \$100,000 price bracket has maintained its share of sales. Of the 16 such sales in the six months to June 2011, 13 of them were in either Malmsbury, Kyneton or Lancefield. At the top end of the market the seven sales above \$400,000 were all at either Gisborne or Woodend. Significant growth can be seen in the \$200,000 to \$299,999 price bracket. From only 4% of all sales as recently as the six months to June 2009, it has grown to be the dominant price bracket with 41% at June 2011.

A 657m<sup>2</sup> block of residential land in Gwendoline Avenue, Woodend represented the peak of the market when it sold for \$700,000 in January 2011.

Gisborne attracted the most sales with 17 for the six months to June 2011, Kyneton and Lancefield were the next most significant with ten transactions each.

**Macedon Ranges LGA Unit Market**

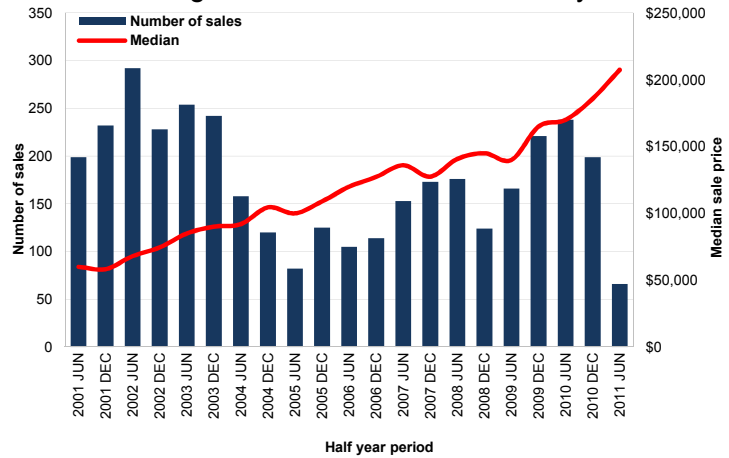
The median price closed the six months to June 2011 at a new high of \$294,000. With a relatively low sales base it is unsurprising to see the volatility of the median price for the Macedon ranges LGA unit market. When smoothed out by looking at the ten year average the market shows a healthy 8.7% average annual growth rate. The twelve months to June 2011 showed a strong growth of 14.4%, this must however be viewed in the context of previous fluctuations, and may not be part of a longer term trend.

Sales volumes have increased to an average of 40 transactions per six month period since 2006, the five years prior averaged only 26 transactions. Both House and Land transaction levels have remained relatively constant in comparison, indicating the unit market is emerging quite strongly. The six months to June 2011 resulted in 38 transactions, defying the widespread trend of softening volumes over this period across the rest of Victoria for all property types.

The transactions for the six months to June 2011 were evenly spread across the Macedon Ranges LGA. Gisborne(9) and Kyneton(8) were followed by Romsey(7), with Woodend and New Gisborne both recording six and Riddells Creek two transactions.

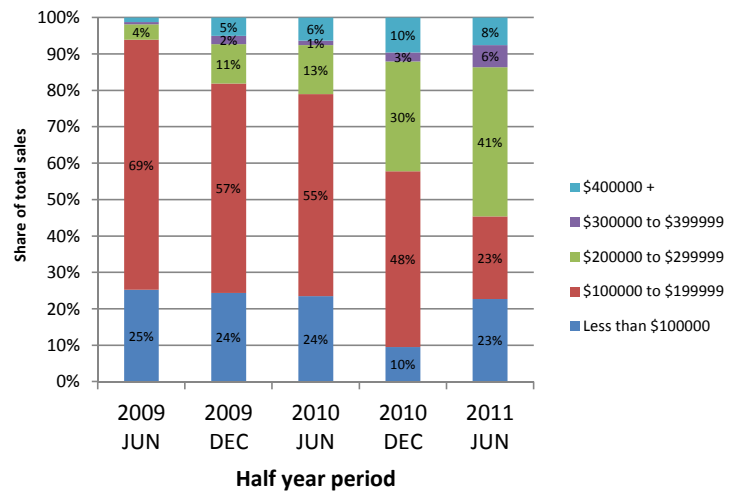
The six most expensive units for the six months to June 2011 were all transacted in either Gisborne or New Gisborne. The peak of the market was reached when a unit in Station Street, New Gisborne sold for \$475,000 in January 2011.

**Macedon Ranges LGA Vacant Land Sales Cycle**



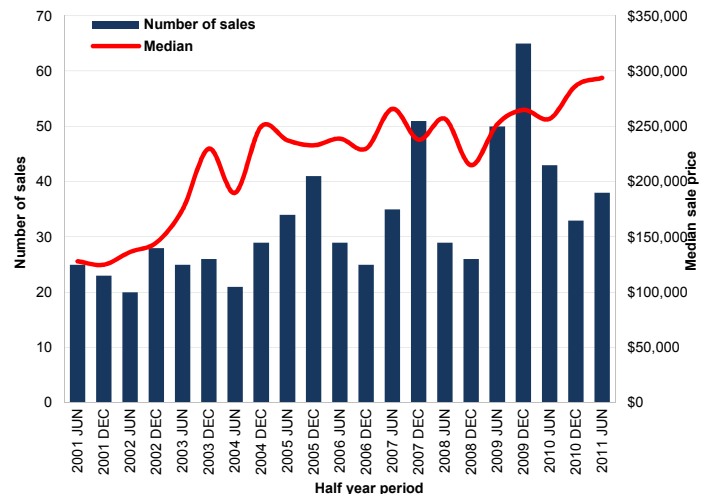
Prepared by PRDnationwide Research. Source: PDS

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



Prepared by PRDnationwide Research. Source: PDS

**Macedon Ranges LGA Unit Market**



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