

## PROPERTY WATCH®

Third Quarter 2011

## 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.

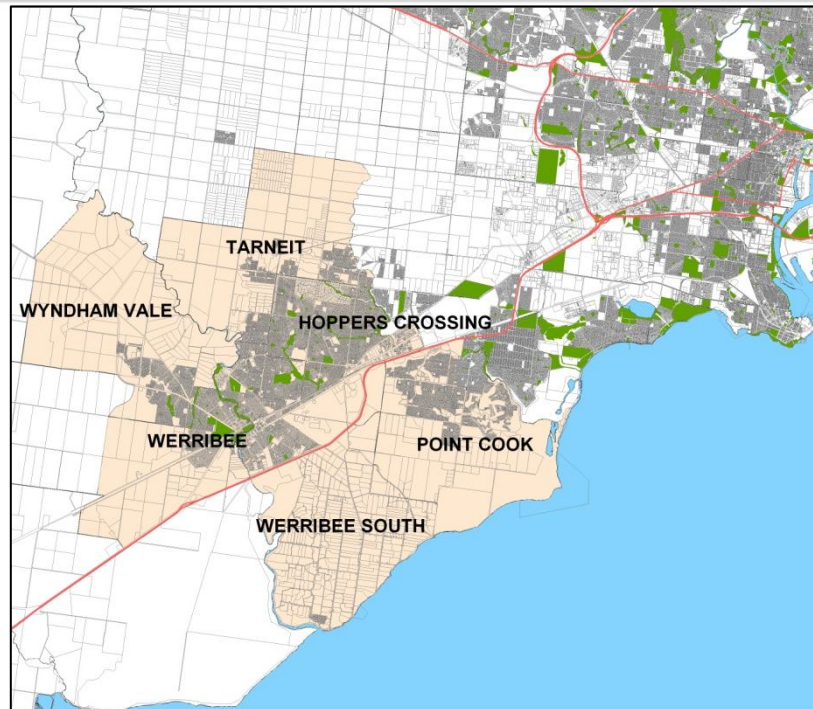
## Werribee Area House Market

The median price for the Werribee house market continued to grow strongly despite a significant softening in sales activity. The median price closed the six months to March 2011 at \$355,000 representing an annual growth rate of 8.9%. This result exceeds the five year average growth rate of 8.1% per annum and is reasonably consistent with the longer term ten year growth rate of 10.1%.

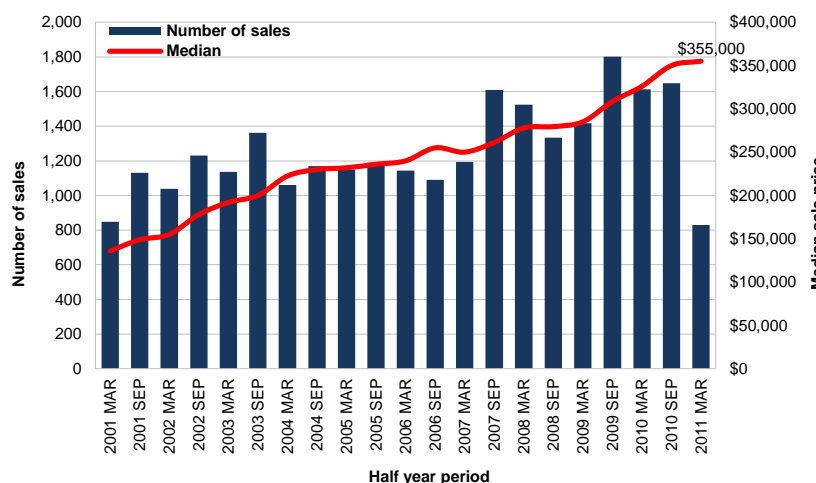
Sales activity dropped to its lowest level in the past decade with only 830 transactions recorded for the six months to March 2011. This result represents a 42% decrease in sales numbers compared to the five year average of 1,437 transactions for a six month period. As dramatic as this decrease appears to be, it is very consistent with other Victorian markets over this same period.

The price points table clearly demonstrates the strong price growth in recent years. Sales above \$300,000 represented less than half of all sales at 44% as recently as March 2009, this price bracket now dominates the market with 80% of all sales for the six months to March 2011. During the same period sales between \$200,000 and \$299,999 have dropped from 50% to only 19%. The higher end of the market has grown strongly to see sales above \$500,000 triple since March 2009.

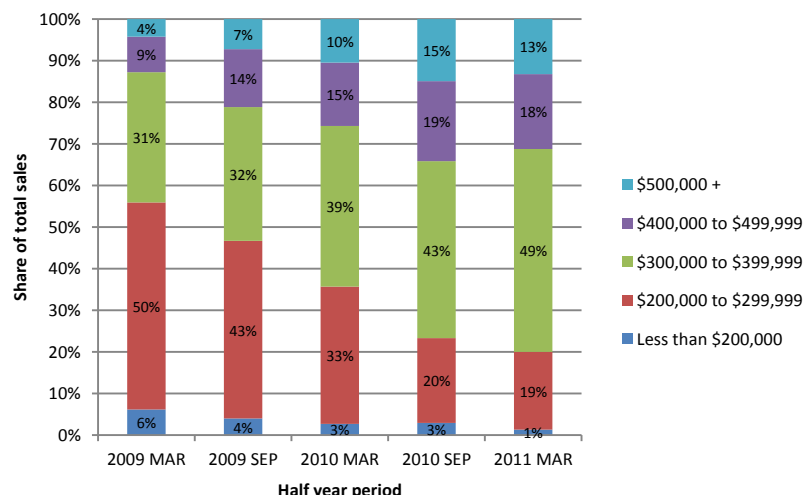
Whilst the burgeoning new home market in the Werribee area has no doubt contributed significantly to the strengthening prices, existing properties are also sharing in the price movement. An analysis of all properties purchased in the last ten years that have resold in that same period shows an average annual price growth of 8.8%, which compares with the ten year annual growth rate for all properties of 10.1%.



## Werribee House Sales Cycle



Prepared by PRDnationwide Research. Source: PDS Live

Werribee House Price Points  
March 2009 to March 2011

Prepared by PRDnationwide Research. Source: PDS Live

### Werribee Area Unit Market

Following a very similar trend to the housing market, the Werribee area unit market recorded a strong median price growth whilst recording a significant decrease in sales numbers. The median price closed the six months to March 2011 at a new high of \$280,000, this was \$25,000 up on the median for the same time last year, which translates to a 9.8% annual growth rate. This growth rate exceeded both the five and ten year averages of 7.0% and 8.9% respectively.

The Werribee unit market continues to offer great value for investors. Recent history has shown very high occupancy rates coupled with growing rents, providing strong cash flow and returns for investors. In addition the very healthy capital growth rates as evidenced by the strong long term performance of the median price, see investors having the best of both worlds. Owners who have purchased and resold their units in the last decade have seen an average annual capital growth rate of 7.6%

In line with the Werribee housing and Victorian market generally, the six months to March 2011 saw a major decline in the number of sales recorded. The second lowest level of sales in the decade saw only 106 transactions recorded, this compares to a five year average number of sales for a six month period of 245. The March 2011 six months sales numbers represent a 57% decline on the five year average.

The opportunity for buyers to find units under \$200,000 has diminished significantly in recent years. The price points table at right shows the less than \$100,000 bracket has disappeared altogether, and the under \$200,000 has decreased by 80% since the March 2009 period, to be a smaller portion of the market than the over \$400,000 bracket in March 2011.

### Werribee Area Vacant Land Market

The Werribee vacant land market recorded the highest growth in median price for any sector when it closed the six months to March 2011 at \$195,000, recording an annual growth rate of 10.8%. The ten year average growth rate has been a healthy 11.3% per annum, in spite of a long period of relatively flat growth between March 2004 and March 2008.

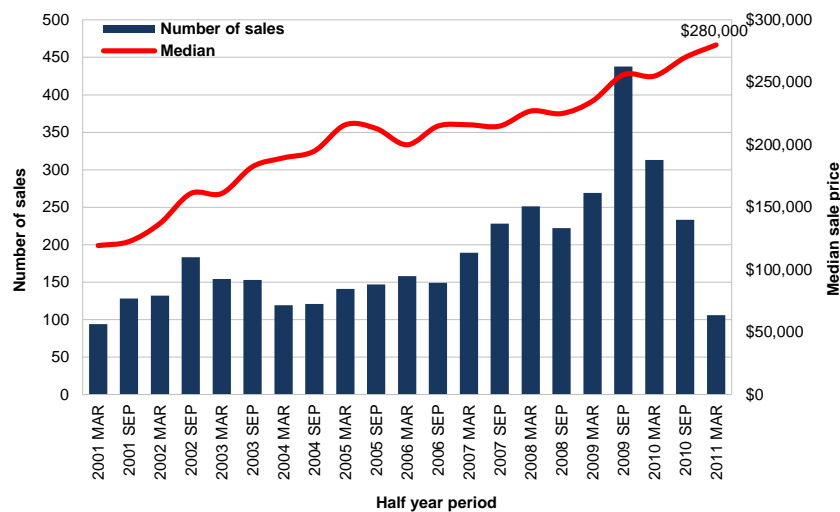
Sales volumes in the vacant land market have fallen dramatically to close the six months to March 2011 at only 519 sales. As well as being the lowest number of sales for the past ten years, this result is a stunning 74% down on the five year average number of sales of 1,983 for a six month period.

Whilst the strong growth in median price, and falling sales volumes might indicate a market shortage of land, this is not the case with a search of domain.com.au for vacant land in the Werribee area indicating 852 properties available.

Between them Point Cook, Tarneit and Wyndham Vale had 70% of the sales in the area. Surprisingly Werribee itself had just 6% of all sales that occurred in the area.

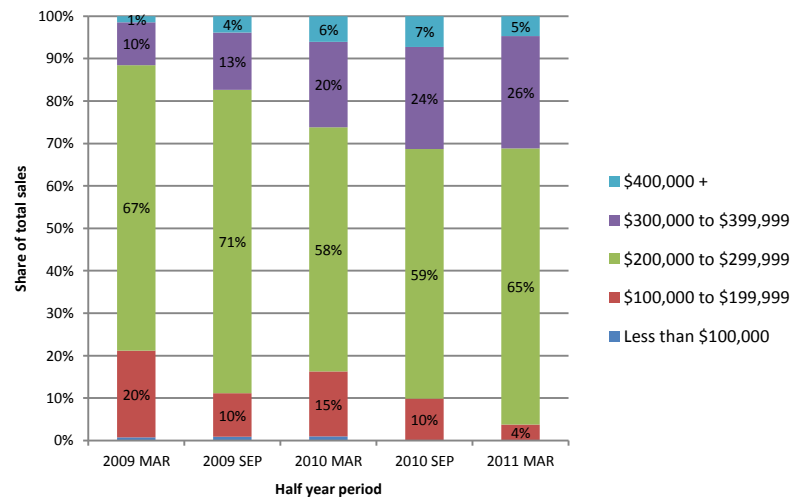
Prices ranged from \$75,000 paid for a 324sqm<sup>2</sup> block in Tarneit, to \$870,000 for a 673sqm<sup>2</sup> block in Seaview Point, Sanctuary Lakes.

### Werribee Unit Sales Cycle



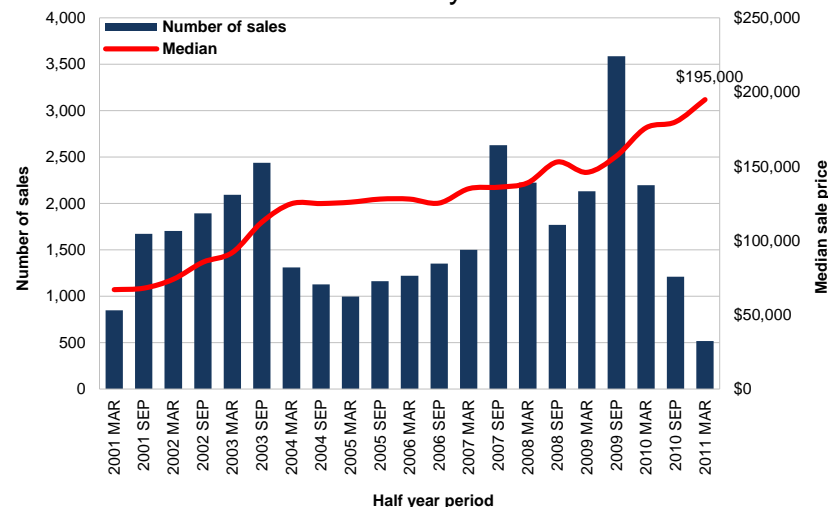
Prepared by PRDNationwide Research. Source: PDS Live

### Werribee Unit Price Points March 2009 to March 2011



Prepared by PRDNationwide Research. Source: PDS Live

### Werribee Vacant Land Sales Cycle



Prepared by PRDNationwide Research. Source: PDS Live

Prepared by PRDNationwide Research. Source: PDS Live, RP Data 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](http://www.prdnationwide.com.au/research).

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