

PROPERTY WATCH®

First Quarter 2011

Sutherland Shire LGA

IN BRIEF

- The median house price increased by 12.1% to register \$728,750 in September 2010.
- The median unit price increase 12.5% in the 12 months to register \$450,000 in September 2010.
- A capital growth analysis for the September 2010 half year period revealed an average annual capital growth of 5.2 per cent with an average holding period of 5.7 years.

Scope

The following Property Watch is the result of an investigation into the house and unit markets within the Sutherland Shire Local Government Area (LGA).

Area Characteristics

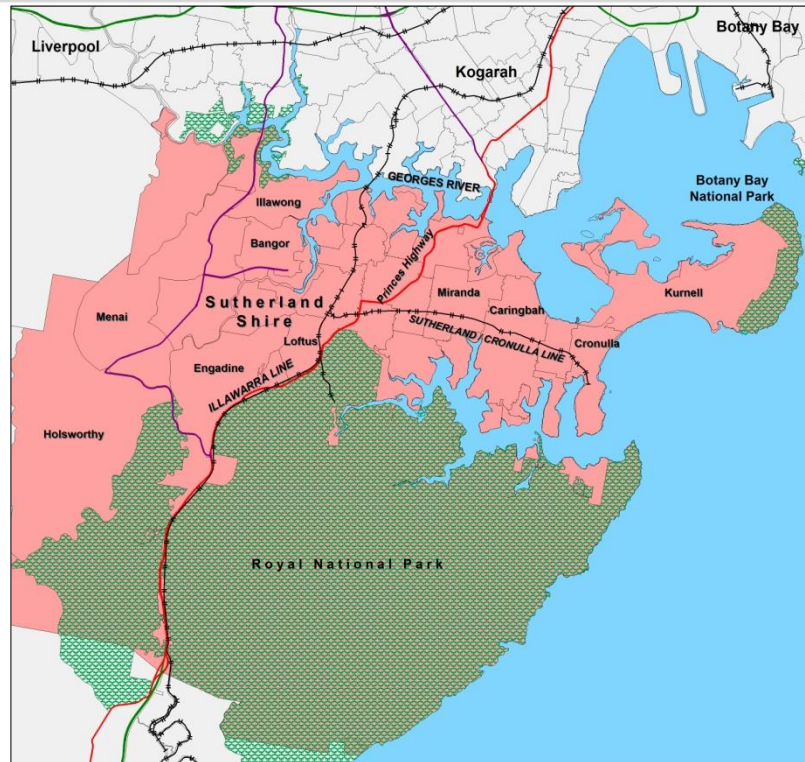
The Sutherland LGA is located approximately 25 kilometres south of Sydney's CBD and is bordered by the Pacific Ocean to the east, Botany Bay and the Georges River to the north and the Royal National Park to the south. The area is easily accessible by the Princes Highway running directly through the region, and the South Coast and Eastern Suburbs & Illawarra rail lines linking the Sutherland Shire with Sydney in the north and Wollongong in the south. The two main attractions to the Shire are its extensive national parks and beaches, providing an attractive outdoor lifestyle for residents to enjoy. The famous beach of Cronulla, spans 4.8 kilometres and was the first Australian metropolitan beach to be recognised as a national surfing reserve.

Demographic Snapshot

The population of the Sutherland Shire LGA as of June 2009 was 219,828 residents, representing a growth of 1.8 per cent over the year. The region is a fairly affluent area with a median individual income of \$601 per week, and an average weekly household income of \$1,374. The Sutherland Shire LGA is a family oriented community with 39 per cent of households living in a 'nuclear family', and a further 26 per cent living in a couple without children household. Thirty nine per cent of dwellings are owned outright, with an additional 39 per cent currently being purchased, creating a rental market that comprises approximately 22 per cent of dwellings. In the suburb of Miranda, also considered as the business centre of the region, 65 per cent of dwellings are owner occupied, with the remaining 35 per cent making up the rental market.

Rental Market

The Sutherland Shire has experienced moderate rental growth over the past year, backed by strong population growth. The largest rental growth over the course of 2010 occurred for houses which increased by 6.5 per cent to \$533 per week as at December 2010. The median weekly rent for a two bedroom unit in the region increased by 5.3 per cent over the same period to register \$390 as at December 2010.



Demographic Snapshot	Miranda	Sutherland Shire
Population 2009	14,023	219,828
Population 2008	13,980	215,868
Population growth rate 2008 to 2009	0.3%	1.8%
Proportion of people aged 65 years and over	18%	13%
Proportion of people aged 15 years and younger	17%	19%
Median age	37	37
Median weekly household income	\$1,076	\$1,374
Median weekly individual income	\$527	\$601
Average number of people per household	2.4	3

Prepared by PRDnationwide Research. Source: ABS

	Miranda	Sutherland Shire
Median house price	↑ \$680,000	↑ \$728,750
House sales activity	↓ 61	↓ 1,030
Median unit price	↑ \$445,000	↑ \$450,000
Unit sales activity	↓ 110	↓ 1,322

Prepared by PRDnationwide Research. Source: PDS Live

Median Weekly Rents – December 2010

Sutherland Shire LGA	3 Bedroom House	2 Bedroom Unit
Median weekly rent	\$533	\$390
One year growth	6.5%	5.3%

Prepared by PRDnationwide Research. Source: NSW Housing

House Market

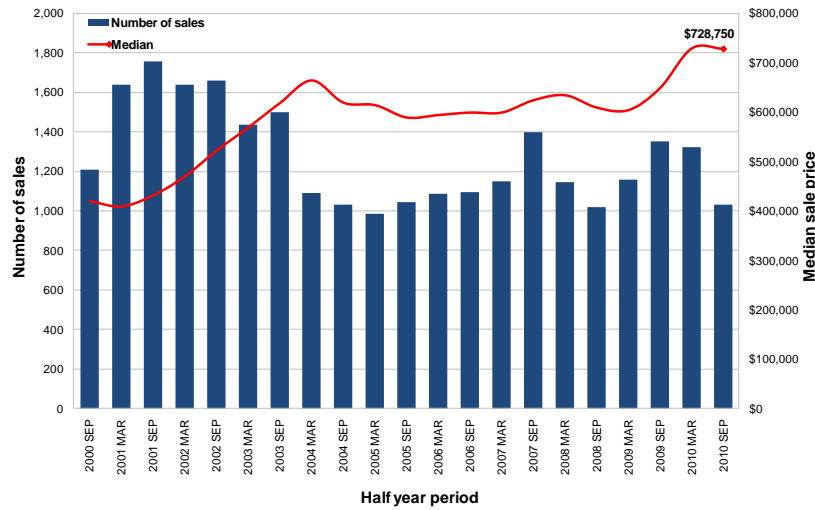
Houses make up 68 per cent of total dwellings within the Sutherland Shire LGA. The house sales cycle shows a recovery in the Sutherland Shire market in the second half of 2009, with buyers demand returning to the market increasing the median house price to \$630,293. The first part of 2010 saw a continuation of the trend, with a small correction for the September half year period. The region registered a median price of \$728,750 as at September 2010, representing a 12.1 per cent growth from September 2009. The longer term trend recorded over the past five years puts the median price growth at a more stable 4.3 per cent per annum. Sales activity experienced a 24 per cent decrease from September 2009, to record 1,030 house transactions for the six months to September 2010. However, sales volumes are only 12 per cent below the long term sales activity. The house price points graph shows the price range within which house transactions took place over the six months to September 2010. The graph indicates that the majority of sales took place between \$600,000 to \$699,999, making up 23 per cent of house sales. Toward the top end of the market 13 per cent of houses transacted above \$ 1,100,000, while at the lower end, five per cent of houses transacted below \$500,000. Caringbah recorded the largest number of house sales in the region with 173 transactions for the September 2010 half year period, followed by Engadine and Miranda, with 79 and 61 transactions respectively. The business centre of Miranda is the home of Miranda Westfield, one of Sydney's largest shopping complexes. In the six months to September 2010 one third of houses in the suburb sold between \$700,000 to \$799,999, despite the median price being \$680,000.

In order to ascertain the returns to vendors who exited the market, PRDnationwide Research has undertaken a resale analysis of all house product sold within the six months to September 2010. This study has yielded an average annual capital growth of 5.2 per cent per annum. The product was held for an average period of 5.6 years.

Unit Market

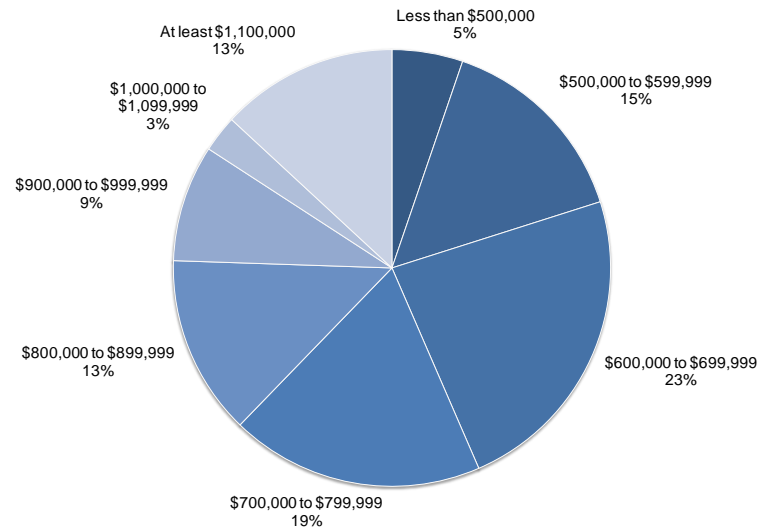
The number of medium and high density developments has been slowly increasing within the Sutherland Shire LGA over the past 10 years with townhouses and apartments now making up 31 per cent of total dwellings. The increase in demand for units, led to a 12.5 per cent growth in the median price, which increased from \$400,000 in September 2009 to \$450,000 in September 2010. Sales activity decreased in the 12 months to September 2010 breaking a five year upward trend that peaked in September 2009 with 1,940 sales for the six month period. The September 2010 half year registered 1,322 transactions representing a decline of 32 per cent from the 2009 figures. A unit price points analysis shows that the majority of units that sold in the region over the six months to September 2010 were priced between \$400,000 to \$499,999, making up 30 per cent of total unit sales, while a further 24 per cent sold between \$300,000 to \$399,999. Toward the top end of the market, four per cent of transactions occurred in the \$900,000 plus price bracket, while at the bottom end, nine per cent of units transacted for less than \$300,000. The suburbs recording the highest number of sales include Cronulla, with 289 transactions, Caringbah with 154 transactions and Sutherland, recording 136 transactions for the six months to September 2010. In Cronulla, a unit in Gerrale Street exchanged for \$2,450,000 in June 2010, while at the bottom end of the market, a unit in Gosport street exchanged for \$250,000 in April 2010.

Sutherland LGA – House Sales Cycle



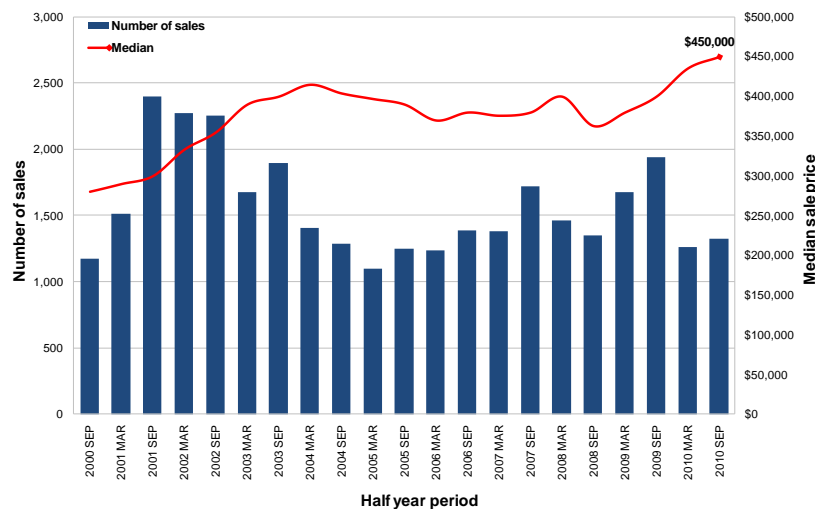
Prepared by PRDnationwide Research. Source: PDS Live

House Price Points - Six Months to September 2010



Prepared by PRDnationwide Research. Source: PDS Live

Sutherland LGA – Unit Sales Cycle



Prepared by PRDnationwide Research. Source: PDS Live