FITZPATRICKS REPORT
2021



fitzpatricks
real estate


70+
EST. 1950
YEARS OF
SERVICE

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Definition:
The median is the "middle number" (in a sorted list of numbers). Half the numbers in the list will be less, and half the numbers will be greater. The mean is the average of a set of data.

PROPERTY AT A GLANCE

The Directors hope you enjoy reading the 2021 Fitzpatricks Report, our 21st edition. We produce the Report each year to:

- provide you with the latest market data
- provide the professional real estate staff at Fitzpatricks Real Estate with accurate information to pass on to clients
- to highlight growth, predict trends and to provide sound information for real estate investors and advisors

Despite some initial uncertainty it's been a great 12 months for property owners in Wagga! We experienced growth in values and shorter days on the market as a result of a competitive buyer environment. The impact on the real estate market has been nothing like predicted, as media sources told us to prepare for a 30% reduction in values. We believe the continual low interest rates on offer have been the major influence, but other factors like high levels of investor activity, people relocating to Wagga and a low number of properties for sale, all influenced sales results and growth.

Increased land availability has seen builders experience an all-time high demand for their services. They have also experienced a shortage in product supply and an increased cost of materials. The increase in cost of building and wait times has seen people opt to buy established, close-to-new homes. The northern suburbs continue to experience the highest numbers of land sales and with the long-awaited shopping centre underway, we can expect a further increase in popularity and sales prices in those suburbs.

For the last 12 months more people have evaluated their lifestyle and decided to make change. A lot of people have moved to Wagga from the major cities who have a connection to the city. People who have left Wagga, attended CSU, have family here or lived in Wagga at some stage have decided to return. Covid and lockdown restrictions has influenced people's decision, and has accelerated the timing of their move because as most would have returned to Wagga at some point. Even with the recent growth in values, Wagga still offers a very affordable lifestyle, provides plenty of opportunity and geographically is close to so much.

Wagga's community followed instruction extremely well, being compliant with new Covid regulations changing regularly. By everyone playing their part, it allowed us to still operate as a business which we are extremely grateful, and it also allowed people to return home. The city markets were not so lucky. The restrictions did slow the investor market to some extent, but now with travel restrictions easing, we expect that part of the market to build momentum again. Data reveals Wagga is one of the most searched regional areas, so our next 12 months looks bright.

There are still significant projects and development being built and planned for Wagga. Farming and agriculture are experiencing their best years which puts us in a great position for the future.

The 2020/21 financial year saw a big increase of 46.5% in the volume of house sales with a 4.58% increase in the median house price in Wagga sitting at $405,000.

There was a large increase in the number of unit sales with 243 compared to 172 the previous financial year. Median unit prices in Wagga, however, saw a decrease of 2.32% with a median price of $273,500. We saw low price, higher return units purchased by investors many of which had long days on market (reflected a lower average unit price).

Data from the June 2021 quarter from major cities was favourable, with Sydney's median house and unit prices increasing 23.37% and 6.9% respectively.

The Wagga rental market remains very competitive with vacancy rates reaching all-time lows. The average vacancy rate in the Riverina for the last financial year was 0.78%, Fitzpatricks vacancy rate remained lower at 0.56%. In the June 2021 quarter, median rent for a house in Wagga was $380 (14.12% increase) and for a unit $255 (increase 7.8%).

Commercial sales increased with a total of 51 last financial year, being the highest over the last 7 years.

EST. 1950

70+ YEARS OF SERVICE

69,523
Estimated Wagga resident population

18-49*
Represent 42.9% of the population

80,984*
Estimated Wagga population by 2036

1.18%*
Population growth projection on average per annum

2.49*
Average household size

25.86%*
Of household income spent on mortgages in Wagga

0.1%
Official cash rate June 2020

3.8%
Inflation increase over the financial year

POPULATION

- Wagga Wagga's community has an estimated resident population of 69,523.[5]
- The population is expected to increase to 80,984 by 2036, at an average annual growth rate of 1.18% per annum.[5]
- There are 23,564 occupied private dwellings in Wagga Wagga.[6]
- The average household size of Wagga Wagga residents is 2.49.[6]
- Persons aged 18-49 years of age represent 42.9% of the population.[6]

AFFORDABILITY

Wagga Wagga continues to provide very affordable housing options.

- The average mortgage repayment in Wagga Wagga equates to 25.86% of the average household income, compared to Sydney at 28.58% and 30.84% across New South Wales.[1]

FINANCE

- At the start of this financial year the official cash rate was 0.25%. The Reserve Bank of Australia decreased the rate of this to an all time low of 0.1% in November 2020 and this has held steady through to the end of the financial year.[1]
- The inflation rate for the quarter ending June 2021 was 3.8%, compared to -0.3% from June 2020. The average inflation rate for the 2020/21 financial year was 1.63%[12]

FIRST HOME OWNER GRANTS & CONCESSIONS

- The total number of Grants paid in NSW in the 2020/21 financial year was 56,443 totalling of $841,607,459.[3]
- In Wagga Wagga 844 grants were paid totalling $8,626,447 in the last financial year.[3]

**Data sourced from Forecast.Id and Profile.Id 2020 as the 2021 data was not available at the time of publication.*

RESIDENTIAL MARKET

Houses

The median house price in Wagga Wagga for the 12 months from July 2020 to June 2021 was $405,000. This is a 4.58% increase from the last financial year.[2]

For the June 2021 quarter the median house price in Sydney was $1,410,133. House prices in Sydney have increased significantly at 23.37% in the last financial year.[8]

Strong residential markets in Wagga Wagga include:

Kooringal 184 sales (12.41%)[2]

Central Wagga 155 sales (10.45%)[2]

Lake Albert 126 sales (8.50%)[2]

In the 2020/2021 financial year March had the most activity with 155 sales, this was followed by 142 sales in February and 140 sales in November. The total number of sales was 1483, compared to 1012 last financial year, an increase of 46.5%.[2]

Brucedale recorded the highest median price of $1,437,500.[2] These homes are typically larger lifestyle homes on large blocks or small acreage just north of Wagga Wagga. Springvale which is also comprised predominantly of larger lifestyle homes, recorded the highest suburban median price of $930,000.[2]

The highest house sale in the 2020/21 financial year was a home with small acreage on Mallee Road, Springvale selling for $2,800,000.

The $300,001-$400,000 price bracket registered the most activity accounting for 384 sales or 25.89%, followed by the $400,001-$500,000 price bracket with 350 sales at 23.60%.[2]

Units

The median unit price in Wagga Wagga for the 12 months from July 2020 to June 2021 was $273,500. This is a decrease of 2.32% from last financial year.[2]

For the June 2021 quarter the median unit price in Sydney for this quarter was $786,175.
Unit prices in Sydney have increased 6.9% in the last financial year.[8]

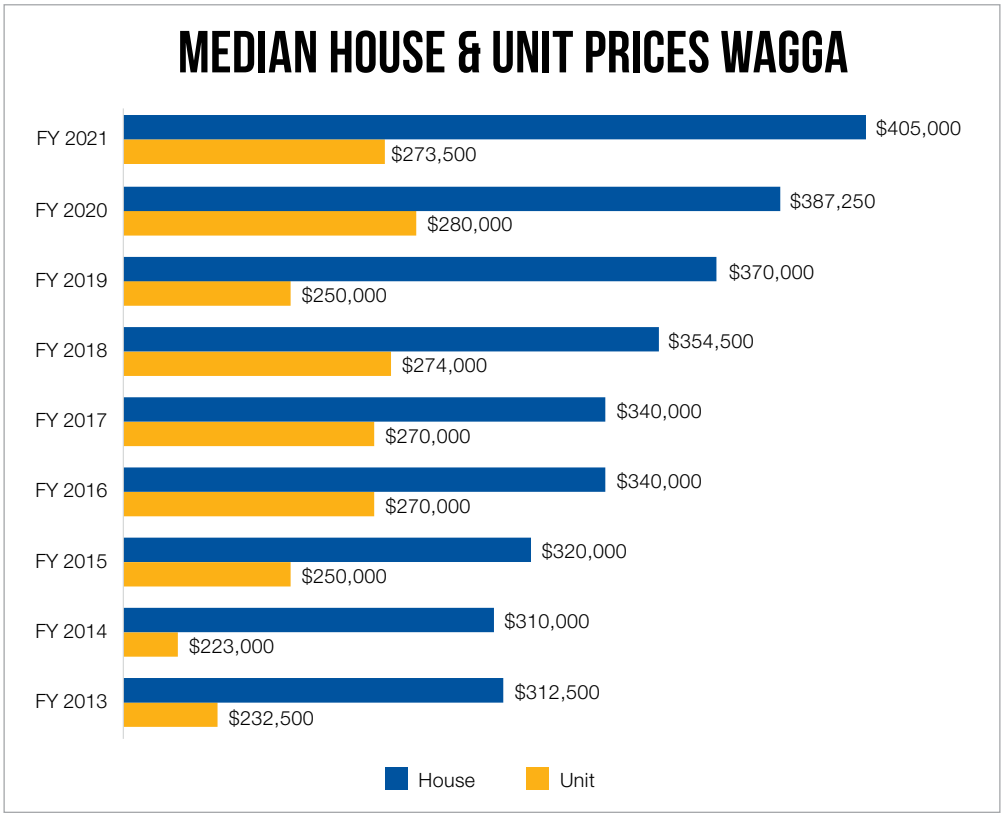
There was a total of 243 unit sales in Wagga Wagga for the last financial year, compared to 172 of the previous year.[2]

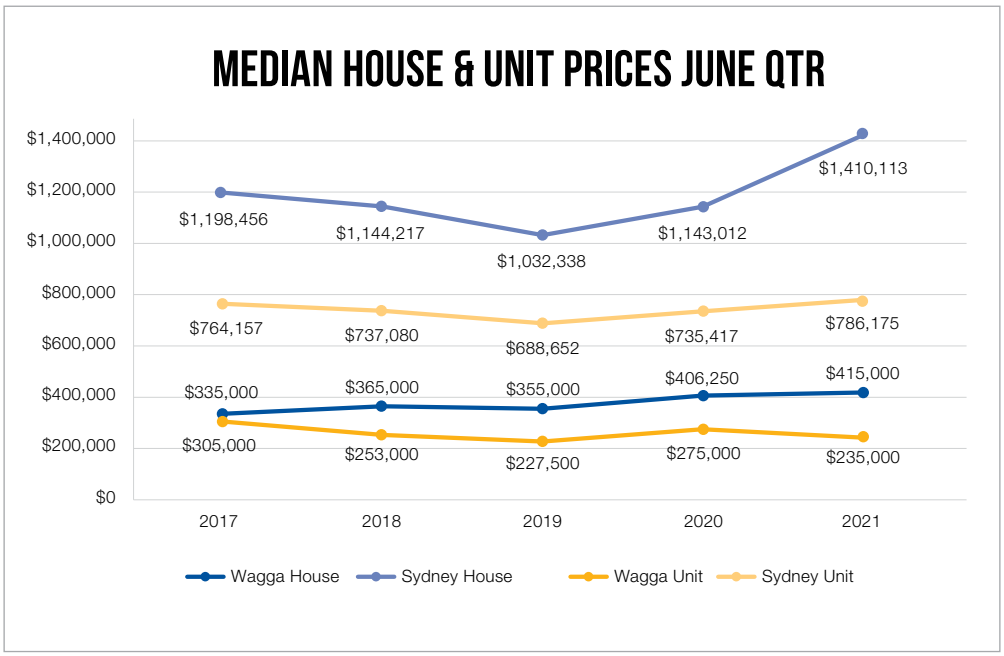
The strongest suburb for sales was Central Wagga with 70 sales, 28.81% of all unit sales.[2]

A unit sold by Fitzpatricks Real Estate on Stirling Boulevard, Tatton was the highest unit sale for the last financial year, selling for $590,000.[2]

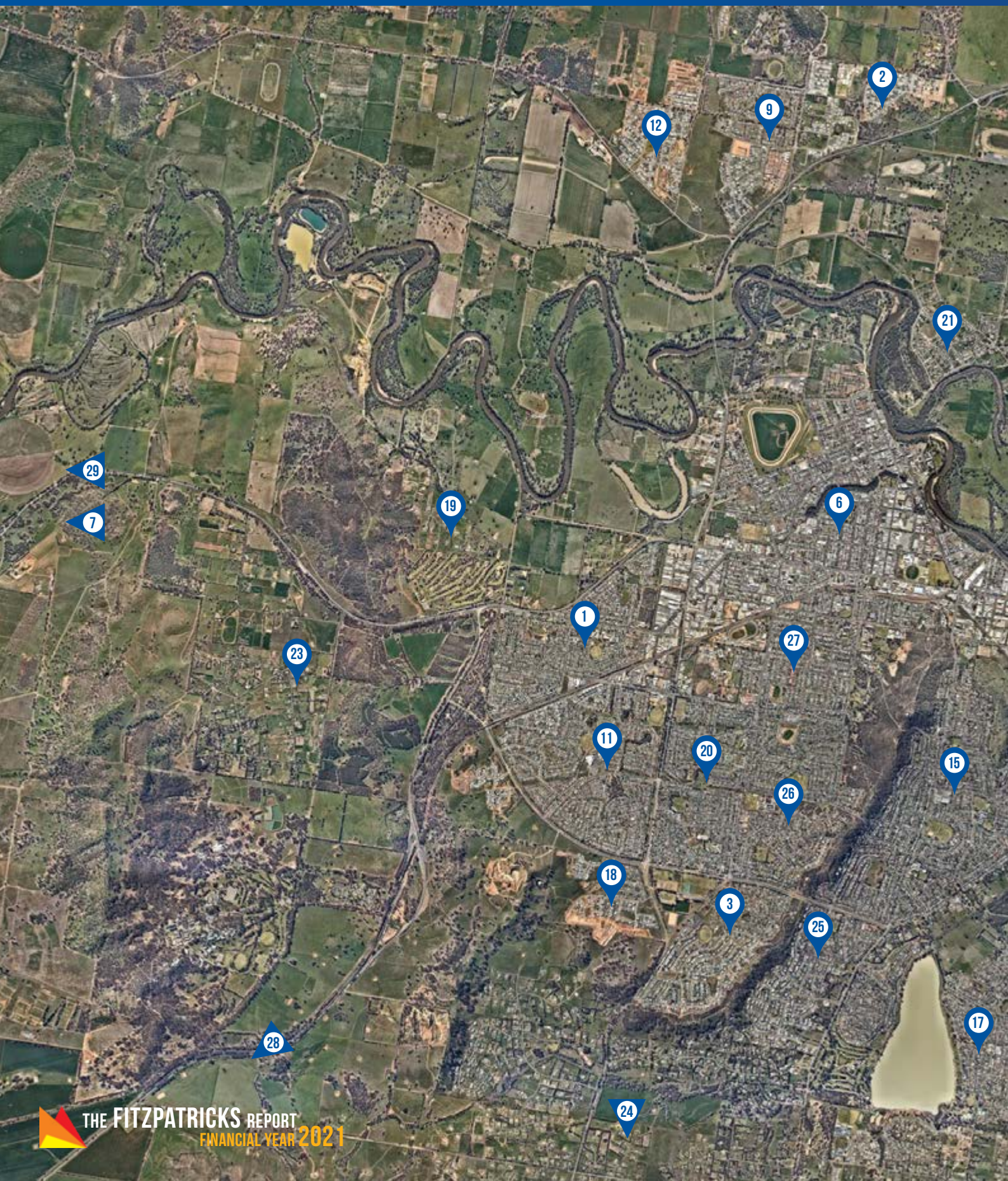
The price bracket of $200,001-$300,000 registered the most activity with 77 sales, being 31.82% of the market.[2]

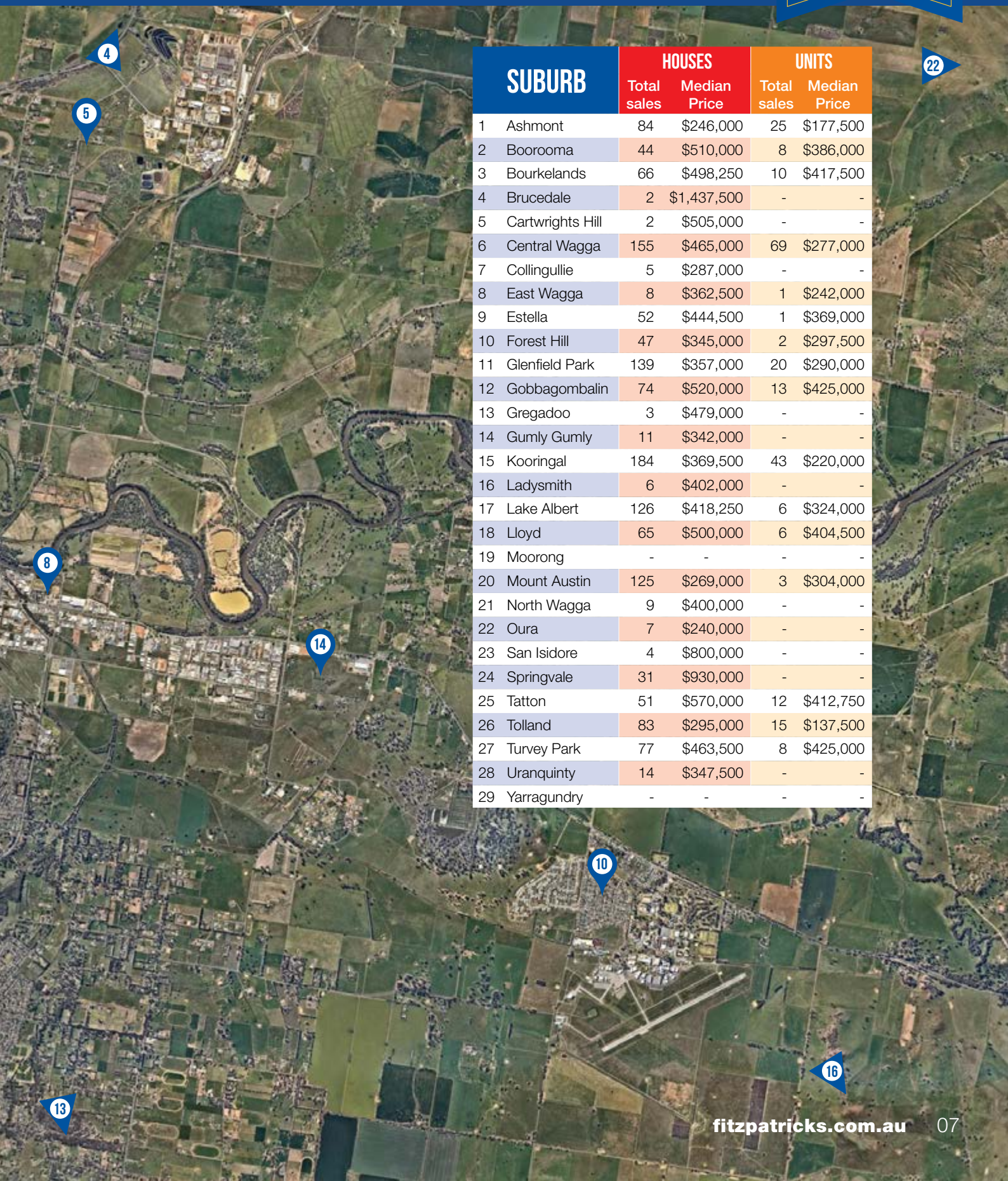
4 unit complexes also sold in the 2020/21 financial year. 3 of these sales were in Kooringal with a median price of $1,000,000.[2]


MEDIAN HOUSE & UNIT PRICES WAGGA
FY 2021
$405,000
$273,500
FY 2020
$387,250
$280,000
FY 2019
$370,000
$250,000
FY 2018
$354,500
$274,000
FY 2017
$340,000
$270,000
FY 2016
$340,000
$270,000
FY 2015
$320,000
$250,000
FY 2014
$310,000
$223,000
FY 2013
$312,500
$232,500
House
Unit


MEDIAN HOUSE & UNIT PRICES JUNE QTR
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
$1,198,456
$1,144,217
$1,032,338
$1,143,012
$1,410,113
$764,157
$737,080
$688,652
$735,417
$786,175
$335,000
$365,000
$355,000
$406,250
$415,000
$305,000
$253,000
$227,500
$275,000
$235,000
2017
2018
2019
2020
2021
Wagga House
Sydney House
Wagga Unit
Sydney Unit

SUBURB STATISTICS





	SUBURB	HOUSES		UNITS	
		Total sales	Median Price	Total sales	Median Price
1	Ashmont	84	$246,000	25	$177,500
2	Boorooma	44	$510,000	8	$386,000
3	Bourkelands	66	$498,250	10	$417,500
4	Brucedale	2	$1,437,500	-	-
5	Cartwrights Hill	2	$505,000	-	-
6	Central Wagga	155	$465,000	69	$277,000
7	Collingullie	5	$287,000	-	-
8	East Wagga	8	$362,500	1	$242,000
9	Estella	52	$444,500	1	$369,000
10	Forest Hill	47	$345,000	2	$297,500
11	Glenfield Park	139	$357,000	20	$290,000
12	Gobbagombalin	74	$520,000	13	$425,000
13	Gregadoo	3	$479,000	-	-
14	Gumly Gumly	11	$342,000	-	-
15	Kooringal	184	$369,500	43	$220,000
16	Ladysmith	6	$402,000	-	-
17	Lake Albert	126	$418,250	6	$324,000
18	Lloyd	65	$500,000	6	$404,500
19	Moorong	-	-	-	-
20	Mount Austin	125	$269,000	3	$304,000
21	North Wagga	9	$400,000	-	-
22	Oura	7	$240,000	-	-
23	San Isidore	4	$800,000	-	-
24	Springvale	31	$930,000	-	-
25	Tatton	51	$570,000	12	$412,750
26	Tolland	83	$295,000	15	$137,500
27	Turvey Park	77	$463,500	8	$425,000
28	Uranquinty	14	$347,500	-	-
29	Yarragundry	-	-	-	-

RESIDENTIAL MARKET AND INVESTMENT

Land

517 residential blocks were sold in Wagga Wagga in 2020/21 financial year, compared to 256 blocks last year, an increase of 101.95%.[2]

The median land price was $180,000 which is up 16.13% from the previous financial year.[2]

In the Wagga Wagga LGA, there were 427 residential building approvals for new houses in the 2020/21 financial year, an big increase of 130 approvals.[11]

The highest land sale was by Fitzpatricks Real Estate for a 1.15 acre (0.47Ha) block on Hovell Street, East Wagga Wagga selling for $666,809.[2]

The month of March registered the most activity, with 63 land sales.[2]

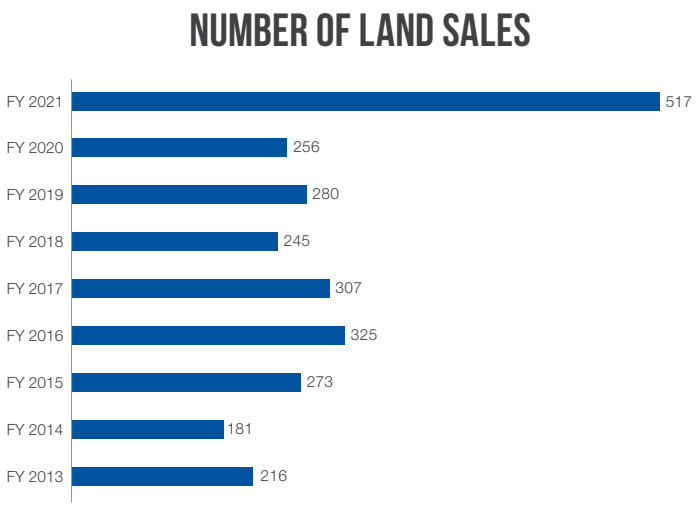
Gregadoo registered the highest median land price of $449,900 followed by East Wagga at $395,000.[2]

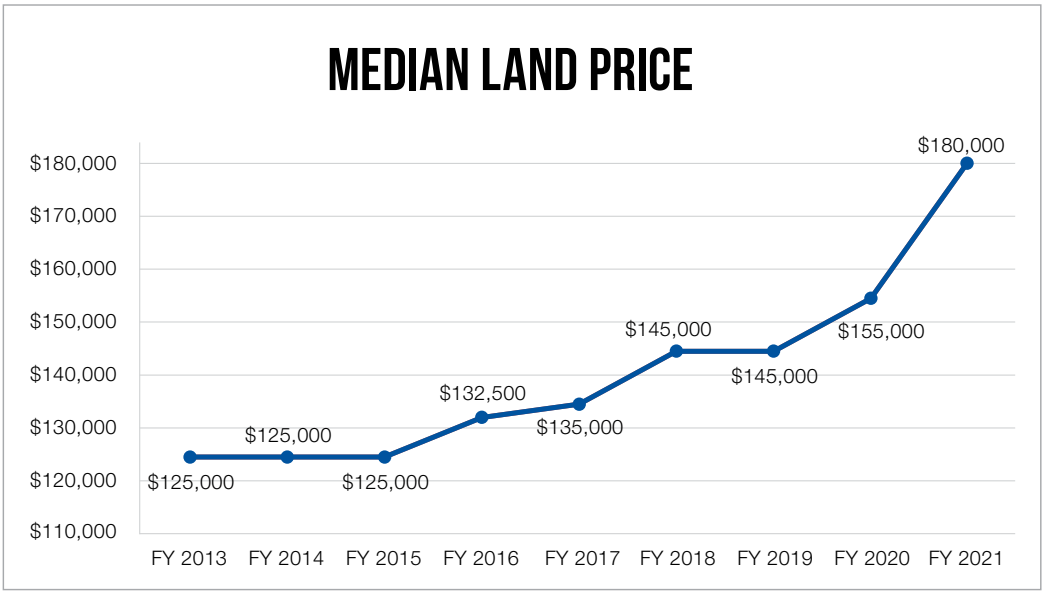
Most popular suburbs for land sales in Wagga Wagga include:

Gobbagombalin 266 sales 51.45%)[2]

Lloyd 103 sales (19.92%)[2]

Boorooma 20 sales (3.87%)[2]





Residential Rentals

The median weekly rent for a house in Wagga Wagga for the June 2021 quarter was $380.[4]

The median weekly rent for a unit was $275.[4]

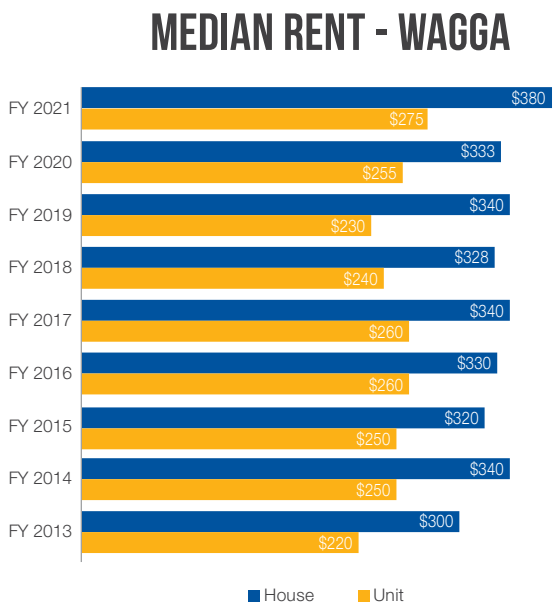
Riverina's vacancy rate average for the 2020/21 financial year was 0.78%.[9]
Fitzpatricks vacancy rate average remained lower at 0.56%.[10]

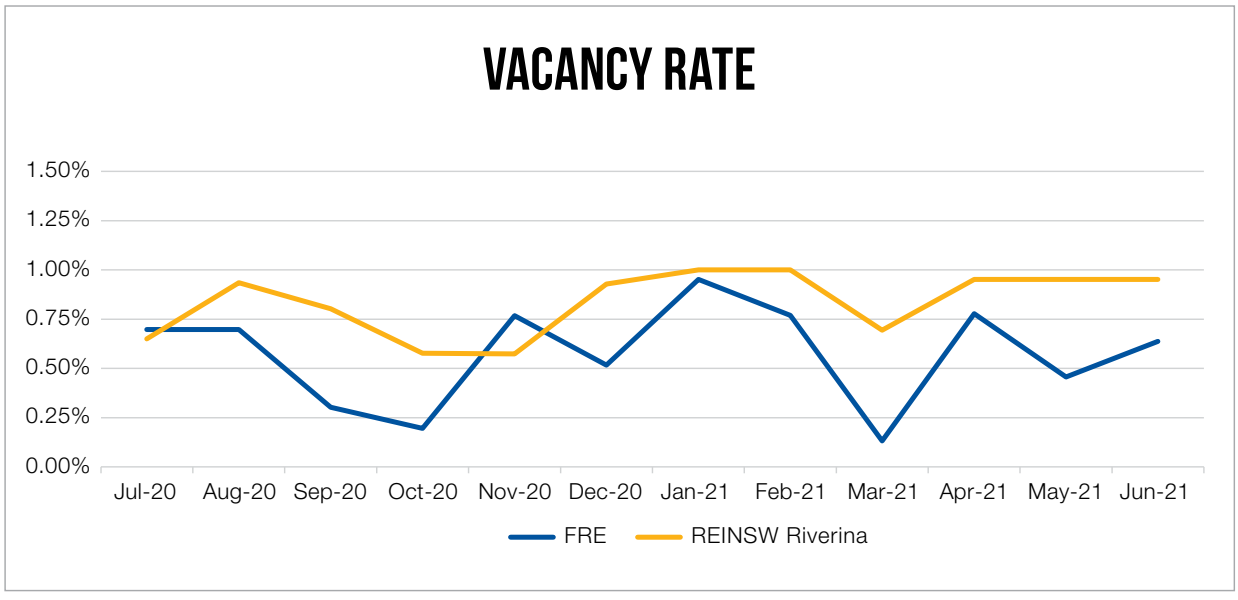
The lowest vacancy rate months were October, November and May for the Riverina (0.6%).[9] The lowest vacany rate month for Fitzpatricks was March (0.15%).[10]

Fitzpatricks conducted a total of 1862 rental inspections.[10]

3597 prospective tenants visited our open homes.[10]

Fitzpatricks leased 571 properties with 1659 rental applications lodged.[10]





COMMERCIAL AND INDUSTRIAL

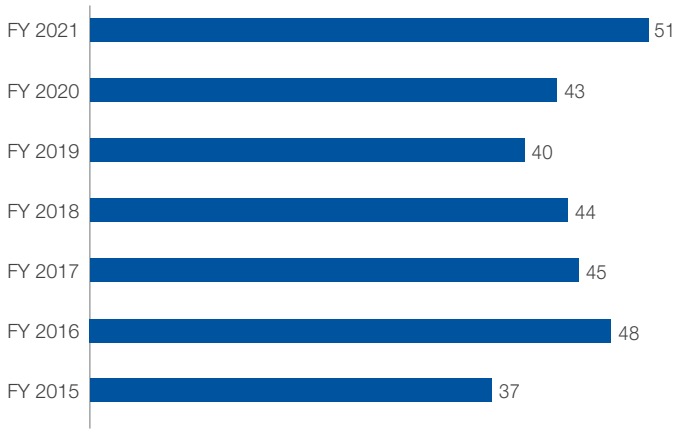
The 20-21 Financial year went from strength to strength despite the lockdowns and obstacles presented by Covid.

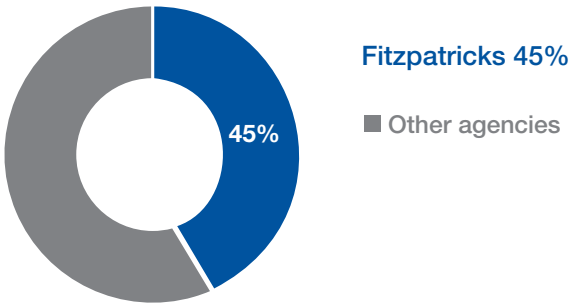
Records reveal there were around 51 commercial sales for the financial year. This was up on the previous financial year with 43 sales. Of these Fitzpatricks negotiated 23 sales representing 45% market share and over $27 million in sales transacted.

Sales this year ranged across multiple asset classes and included the notable sales of:

- 83 Copland Street (swim school) complex
- 47 Baylis Street (The Baylis Centre)
- The Homebase (Bulky Goods retail centre)
- Tolland Shopping Centre
- Romano's, Duke of Kent, Riverina & Sportsman's Hotels
- The Boulevarde Motor Inn
- 180 Edward Street (BP Service Station)
- 72 Baylis Street (National Australia Bank)

NUMBER OF COMMERCIAL SALES







Retail and Office

CBD and Retail Sales highlighted the strength of Baylis and Fitzmaurice Streets with investment properties yielding between 6.5% & 7%.

Of the nine sales in Baylis Street it is worth noting the three strata fast food shops at 69 Baylis Street all transacting sub 7% yield.

In Fitzmaurice Street the notable sales were the Knights Meats site at 187 Fitzmaurice Street and the Home Hotel site (Land & Building only) at 142-150 Fitzmaurice Street.

Industrial and Land

Industrial Land and Development land tightened again with sales in the Eastern precinct around Copland, Dangar and Hovell Streets. Dangar Place land traded at $85 per sqm while land closer to the CBD traded between $100 and $130 per sqm.

Leasing

Leasing activity across retail assets certainly slowed this financial year off the back of the Covid lockdowns.

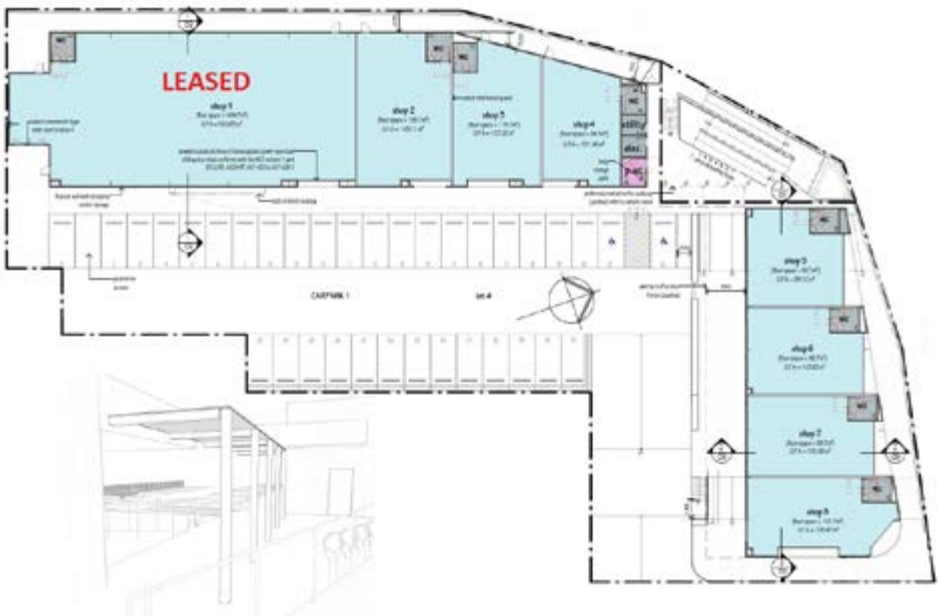
Surprisingly other sectors remained extremely active with strong leasing demand in the office, medical, small industrial and storage sectors.

Storage sheds in the city continue to operate at 100% occupancy with wait lists in place to secure a tenancy.

A strata small industrial complex is under construction at 135 Fernleigh Road with 50% of units selling quickly off plan and the remaining units being held by the developer.

Office demand remains constant across all sizes within the market with evidence of repurposing of retail assets into office facilities (222 Baylis St Department of Corrective Services) as well as planned new office developments with a DA just being lodged for a $25 million dollar development at 199 Morgan St by local development company Damasa.

The development of the Boorooma Shopping Centre has commenced with stage 1 now underway. The land is being subdivided into 5 lots allowing for individual development subject to the masterplan concept. Lot 3 has been sold to a fuel developer with a development application currently in council for this BP service station concept. Eight specialty shops will be constructed on Lot 4 as soon as the subdivision earth works is completed with an expression of interest program now underway to fill these individual tenancies. The main 500 sqm tenancy has been secured by a large format chemist retailer.



WAGGA LIFESTYLE

Data sourced from the Wagga Wagga CIty Council Economic Snapshot 2020 as the 2021 snapshot was not available at the time of publication. A second edition of this report will be distributed when the 2021 snapshot is released.

VISITORS

↑ 1.37 mil
Visitors to Wagga Wagga each year

↑ 200,000+
Annual passengers to Wagga Wagga

3 nights
Average stay in Wagga Wagga

$411
Approximate spend per day for overnight visitors

↑ 860,000
Average day visitors each year

$180
Approximate visitor spend per day tip

BUSINESS & RETAIL

- There are over **5500 registered businesses in Wagga Wagga** with **public administration and safety** being the largest industries.
- It is the **largest retail, commercial, administrative and population centre in the Riverina region**.
- Wagga Wagga provides a wide range of services and infrastructure, servicing a **retail catchment area of approximately 190,000 people**.
- The city has a strong retail sector, representing a significant component of the economy with **nine shopping districts employing over 3700 people**.

FACILITIES

The city has:

- 100+ medical specialists
- 5700+ health care and social assistance professionals
- 90+ playgrounds
- 110+ developed parks
- 65 sporting facilities
- 13 community centres
- 34 club and meeting facilities
- 69 educational facilities: 3 tertiary, 9 high schools, 23 primary schools and 34 pre-schools

WORK

- Wagga Wagga has a total **labour force of over 35,817 people**
- **63% of employees having a certificate level qualification or higher**
- Over 80% of the workforce performing 25 hours or more of paid work per week

Data sourced from the Wagga Wagga CIty Council Economic Snapshot 2020 as the 2021 snapshot was not available at the time of publication.



Fitzpatricks Real Estate believes the information contained within this publication is accurate and reliable. However, no warranty of accuracy is given and no responsibility is accepted by Fitzpatricks Real Estate.

Opinions and editorial comment should not be relied upon to make financial decisions. We are not financial advisors and you should conduct your own research to ascertain financial suitability before purchasing or selling.

Information used in this publication was collected from the Reserve Bank of Australia, Pricefinder, Revenue NSW, NSW Family and Community Services, Forecast id, Profile id, Economy id, Domain, REINSW, Australian Bureau of Statistics, Trading Economics and Fitzpatricks Real Estate.

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Sources:

1 *The Reserve Bank of Australia*
2 *Pricefinder*
3 *Revenue NSW*
4 *NSW Family and Community Services - Housing NSW*
5 *Forecast.id*
6 *Profile.id*
7 *Economy.id*
8 *Domain*
9 *REINSW*
10 *Fitzpatricks Real Estate*
11 *Australian Bureau of Statistics*
12 *Trading Economics*



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