Fitzpatricks Report

2022



Fitzpatricks





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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 2021/22 Fitzpatricks Report, our 22nd edition.

We produce the Report each year to:

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

The real estate market has been in the media more than we have ever seen before. Many speculate or have predictions with no real long-term specific information relevant for our area. We are very lucky to live where we do and while we experience change, we don't experience fluctuation in our market like the cities do. Historically we see the number of sales reduce in a downturn but not so much the values. This is exactly why we produce the Fitzpatricks report to share the data, provide the real numbers and share with you information that relates to our area.

Numbers show Wagga's population has creeped over 70,000 which proves we are still a popular destination for people when they are considering where they would like to live. Online portals also revealed that Wagga is ranked in the top few searches for buyers.

The first 6 months of this financial year was very strong. We experienced multiple offers on properties the first time they were open or advertised. Some buyers even offering site unseen, so they could be included in any early negotiations. Better than expected results for vendors has now set a new benchmark for Wagga Wagga which we expect to remain consistent.

Meeting neighbours at open homes that were keeping an eye on the market when asked if they had any thoughts of selling, the words 'they'll have to carry me out of my place in a box' was replaced with 'if you get that price for this property let me know'. There are several reasons people decide to move but financial gain was a major influence in people's decisions. The higher prices achieved saw people re-evaluate what they might like to do. Compared to the traditional number of properties for sale on the market at any given time, stock was reduced to a third of normal levels due to heightened competition. Supply remained consistent for the financial year. We expect to see an increase in the number of properties for sale in the first half of the new financial year.

Investors were also very fortunate through this period, as vacancy and rental arrears were at an all-time low. Many decided to sell at the top of the market and many decided to buy as the real estate returns were very attractive. The next 12 months will see rents continue to increase.

New land releases were in short supply with close to a 50% reduction in land sales compared to the year before. This will see builders catch up on a backlog of building jobs, but like everything else, recent demand has seen a significant increase in the cost of materials. With fewer blocks available we saw record prices achieved with many re-sale blocks achieving higher prices.

The second half of the financial year saw interest rates go up for the first time in many years. The higher interest rates didn't discourage buyers, more so they re-aligned their budgets and are still buying when they find the right property. The higher interest rates and values continue to affect the cities and we are still seeing a migration to Wagga, the affordable option. Locally, even with the increase in interest rates and values, Wagga is still an affordable option, as said, we are very fortunate.

Looking forward, as interest rates stabilise and are left on hold, buyers will gain confidence around affordability. When that happens, anyone who has been waiting to buy because of interest rates, will enter the market resulting in a rise in the number of sales each month and potentially the return of a normal seasonal market.

The 2021/22 financial year saw an increase of 1.7% in the volume of house sales with a 22.8% increase in the median house price in Wagga sitting at $499,000.

There was a decrease in the number of unit sales with 174 compared to 242 the previous financial year. Median unit prices in Wagga, however, saw an increase of 19.7% with a median price of $327,500.

Data from the June 2022 quarter from major cities was favourable, with Sydney's median house and unit prices increasing 10.1% and 0.6% 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 0.6%, Fitzpatricks vacancy rate remained lower at 0.4%. In the June 2021 quarter, median rent for a house in Wagga was $420 (10.5% increase) and for a unit $290 per week (increase 5.5%).

Commercial sales increased with a total of 73 last financial year, being the highest over the last 8 years.

70,339
Estimated Wagga resident population

18 - 49
Represent 42.8% of the population

80,984
Estimated Wagga population by 2036

1.18%
Population growth projection on average per annum

2.48
Average household size

21.39%
Of household income spent on mortgages in Wagga

0.85%
Official cash rate June 2022

4.43%
Average inflation rate for the financial year

POPULATION

- Wagga Wagga's community has an estimated resident population of 70,339.[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 26,149 occupied private dwellings in Wagga Wagga.[6]
- The average household size of Wagga Wagga residents is 2.48.[6]
- Persons aged 18-49 years of age represent 42.8% of the population.[6]

AFFORDABILITY

Wagga Wagga continues to provide very affordable housing options.

- The average mortgage repayment in Wagga Wagga equates to 21.39% of the average household income, compared to Sydney at 26.97% and 27.34% across New South Wales.[11]

FINANCE

- At the start of this financial year the official cash rate was 0.1%, and held steady till May 2022. The Reserve Bank of Australia increased the rate which rose to 0.85 at the end of the financial year.[1]
- The inflation rate for the quarter ending June 2022 was 6.1%, compared to 3.8% from June 2021. The average inflation rate for the 2021/22 financial year was 4.43%.[12]

FIRST HOME OWNER GRANTS & CONCESSIONS

- The total number of Grants paid in NSW in the 2021/22 financial year was 39,502 totalling of $595,363,953. [3]
- In Wagga Wagga 511 grants were paid totalling $6,777,803 in the last financial year.[3]

Residential Market - House & Units

HOUSES

The median house price in Wagga Wagga for the 12 months from July 2021 to June 2022 was $499,000. This is a 22.8% increase from the last financial year.[2]

For the June 2022 quarter the median house price in Sydney was $1,552,015. House prices in Sydney have increased 10.1% in the last financial year.[8]

Strong residential markets in Wagga Wagga include:

Kooringal 183 sales (12.1%)[2]

Central Wagga 153 sales (10.1%)[2]

Lake Albert 123 sales (6.9%)[2]

In the 2021/2022 financial year November had the most activity with 158 sales, this was followed by 151 sales in October and 146 sales in December. The total number of sales was 1508, compared to 1483 last financial year, a increase of 1.6%.[2]

Gregadoo recorded the highest median price of $1,900,000.[2] These homes are typically larger lifestyle homes on large blocks or small acreage. Tatton recorded the highest suburban median price of $710,000.[2]

The highest house sale in the 2021/22 financial year was a home on a acreage on River Road, Gobbagombalin selling for $3,073,000.[2]

The $400,001 - $500,000 price bracket registered the most activity accounting for 335 sales at 22.2%, followed by the $500,001 - $600,000 price bracket with 246 sales at 16.3%.[2]

UNITS

The median unit price in Wagga Wagga for the 12 months from July 2021 to June 2022 was $327,500. This is an increase of 19.7% from last financial year.[2]

For the June 2022 quarter the median unit price in Sydney was $790,983. Unit prices in Sydney have increased 0.6% in the last financial year.[8]

There was a total of 174 unit sales in Wagga Wagga for the last financial year, compared to 242 of the previous year.[2]

The strongest suburb for sales was Central Wagga with 76 sales, 43.6% of all unit sales.[2]

A unit in the Waterview Gardens on Tarcutta Street, Central Wagga was the highest unit sale for the last financial year, selling for $1,080,000.[2]

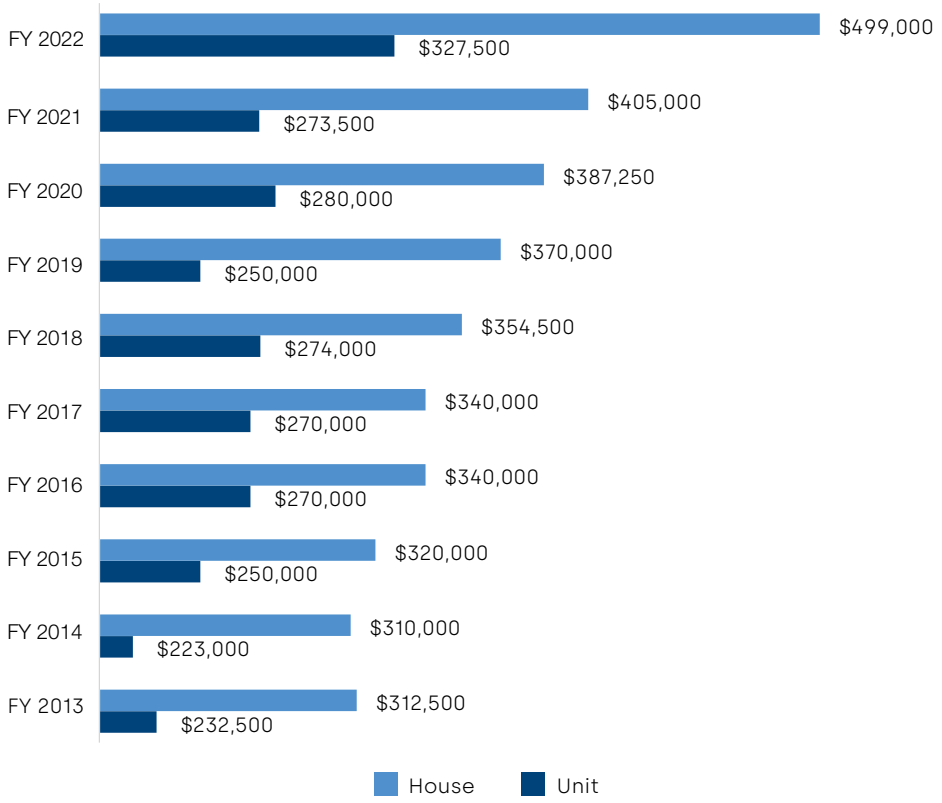
The price bracket of $300,001 - $400,000 registered the most activity with 60 sales, being 34.4% of the market.[2]

4 unit complexes also sold in the 2021/22 financial year, with a median price of $791,250.

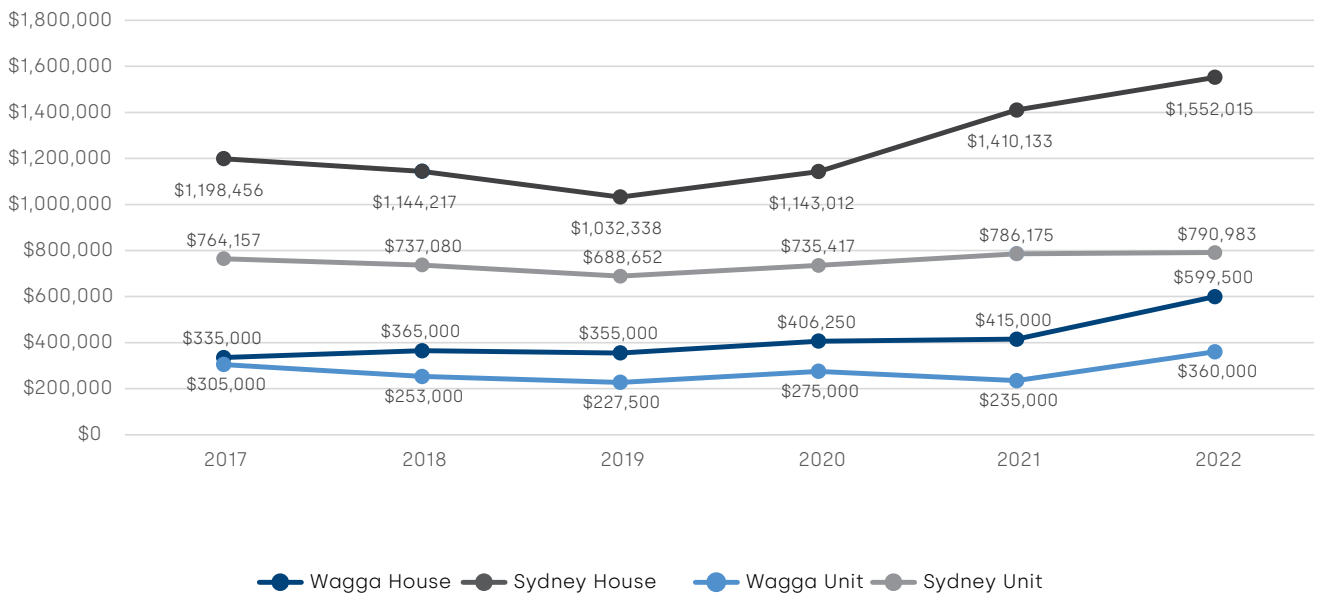
An increase in central unit building activity is expected over the next few years, as town houses are constructed on the former Leagues Club and Allen Staunton Park.

Density zoning may need reviewing around the various shopping centres, particularly in areas like Turvey Park, Mount Austin, Kooringal, Tolland and Estella.

MEDIAN HOUSE & UNIT PRICES WAGGA

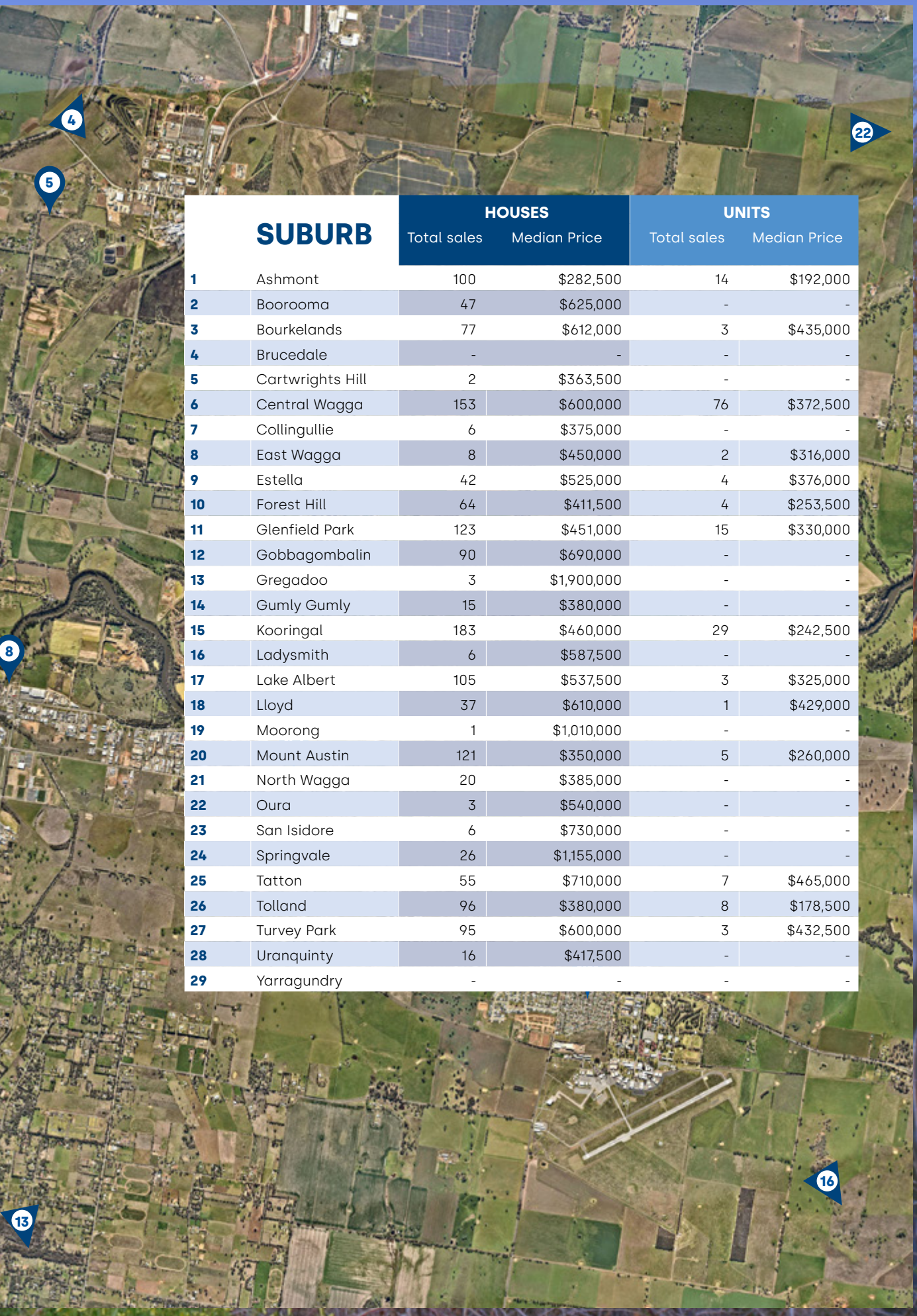


MEDIAN HOUSE & UNIT PRICES JUNE QTR



Suburb Statistics





	SUBURB	HOUSES		UNITS	
		Total sales	Median Price	Total sales	Median Price
1	Ashmont	100	$282,500	14	$192,000
2	Boorooma	47	$625,000	-	-
3	Bourkelands	77	$612,000	3	$435,000
4	Brucedale	-	-	-	-
5	Cartwrights Hill	2	$363,500	-	-
6	Central Wagga	153	$600,000	76	$372,500
7	Collingullie	6	$375,000	-	-
8	East Wagga	8	$450,000	2	$316,000
9	Estella	42	$525,000	4	$376,000
10	Forest Hill	64	$411,500	4	$253,500
11	Glenfield Park	123	$451,000	15	$330,000
12	Gobbagombalin	90	$690,000	-	-
13	Gregadoo	3	$1,900,000	-	-
14	Gumly Gumly	15	$380,000	-	-
15	Kooringal	183	$460,000	29	$242,500
16	Ladysmith	6	$587,500	-	-
17	Lake Albert	105	$537,500	3	$325,000
18	Lloyd	37	$610,000	1	$429,000
19	Moorong	1	$1,010,000	-	-
20	Mount Austin	121	$350,000	5	$260,000
21	North Wagga	20	$385,000	-	-
22	Oura	3	$540,000	-	-
23	San Isidore	6	$730,000	-	-
24	Springvale	26	$1,155,000	-	-
25	Tatton	55	$710,000	7	$465,000
26	Tolland	96	$380,000	8	$178,500
27	Turvey Park	95	$600,000	3	$432,500
28	Uranquinty	16	$417,500	-	-
29	Yarragundry	-	-	-	-

Land

282 residential blocks were sold in Wagga Wagga in 2021/22 financial year, compared to 517 blocks last year, a decrease of 45.5%.[2]

The median land price was $230,000 which is up 27.8% from the previous financial year.[2]

In the Wagga Wagga LGA, there were 326 residential building approvals for new houses in the 2021/22 financial year, a drop of 51 approvals.[11]

The highest land sale was by Fitzpatricks for a 5077m2 (1.25 acre) block in Valencia Drive, Gobbagombalin selling for $560,000.[2]

The month of September registered the most activity, with 47 land sales.[2]

Springvale registered the highest median land price of $505,000 followed by Gregadoo at $479,000.[2]

Most popular suburbs for land sales in Wagga Wagga include:

Gobbagombalin 91 sales (32.2%)[2]

Lloyd 89 sales (31.5%)[2]

Boorooma 18 sales (6.3%)[2]

A serious shortage of land available for subdivision exists in Wagga Wagga. To ensure our city remains both "affordable and available", we need a steady supply of 850 lots coming to market every year. Feedback has been provided to Council to address the issue, however at the time of writing, the situation has still not improved.

The lack of new home builds for both owner occupied and rental stock, adds to the likelihood of the city going into a period of a critical housing shortage. As others have suggested, it may well be time the NSW Government took over the control of re-zoning broad-acre land in the city of Wagga Wagga to improve this situation.

NUMBER OF LAND SALES



MEDIAN LAND PRICE



Residential Investment

The median weekly rent for a house in Wagga Wagga for the June 2022 quarter was $420.[4]

The median weekly rent for a unit was $290.[4]

Riverina's vacancy rate average for the 2021/22 financial year was 0.6%.[9] Fitzpatricks vacancy rate average remained lower at 0.4%.[10]

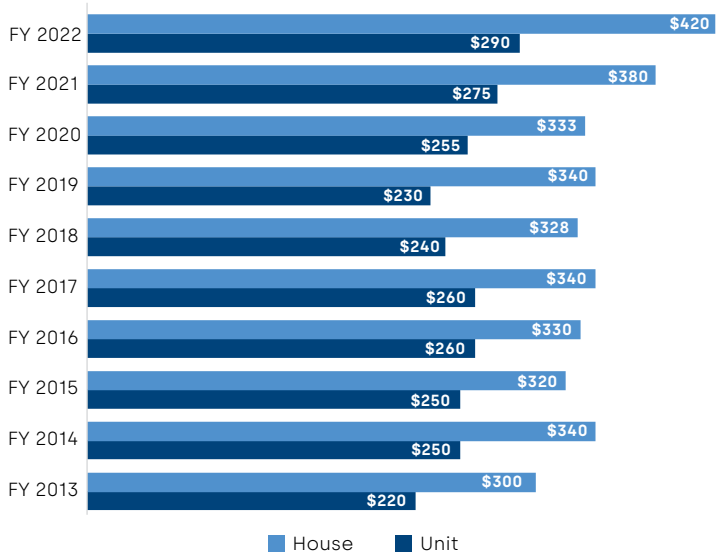
The lowest vacancy rate month was March for the Riverina (0.4%)[9]. The lowest vacancy rate month for Fitzpatricks was December (0.07%).[10]

Fitzpatricks conducted a total of 1533 rental inspections.[10]

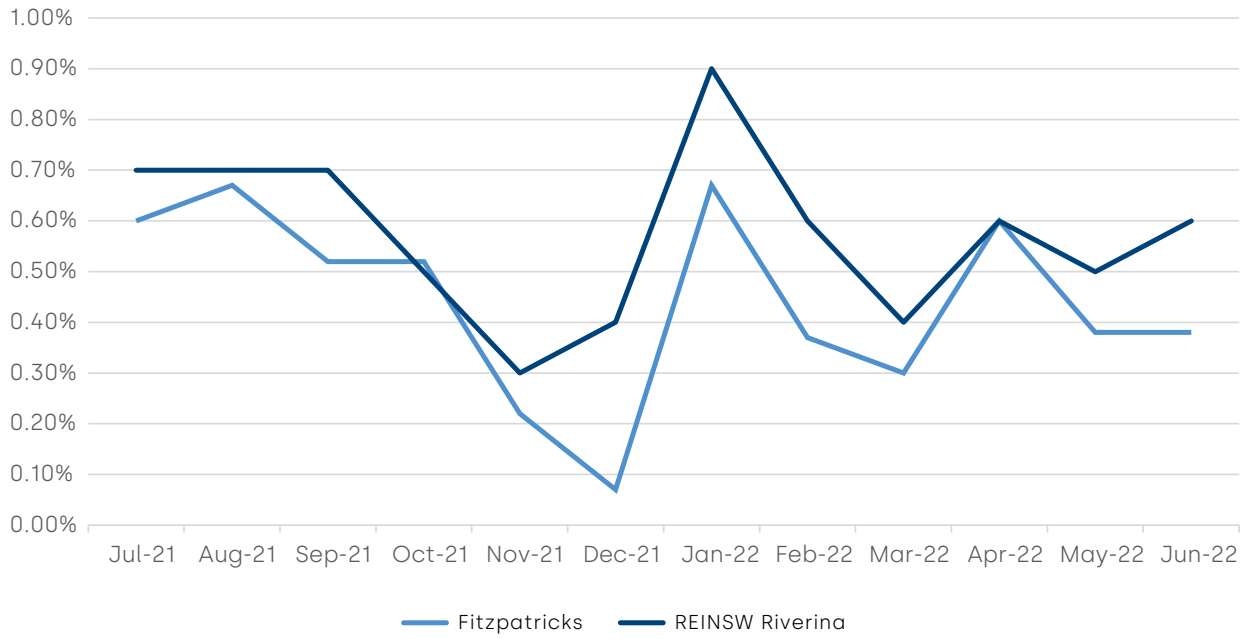
2518 prospective tenants visited our open homes.[10]

Fitzpatricks leased 441 properties with 4815 rental applications lodged.[10]

MEDIAN RENT - WAGGA



VACANCY RATE

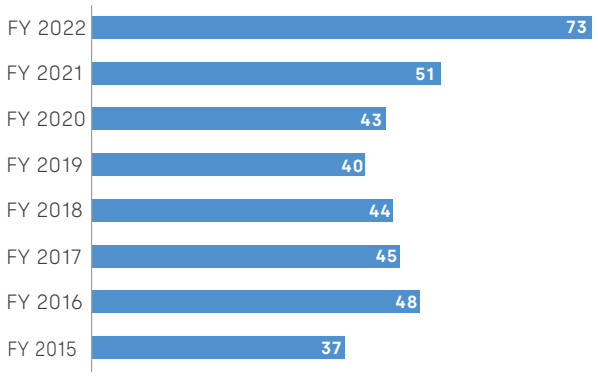


Commercial and Industrial

The 21-22 Financial year continued to strengthen post the Covid period, off the back of an excellent past few years.

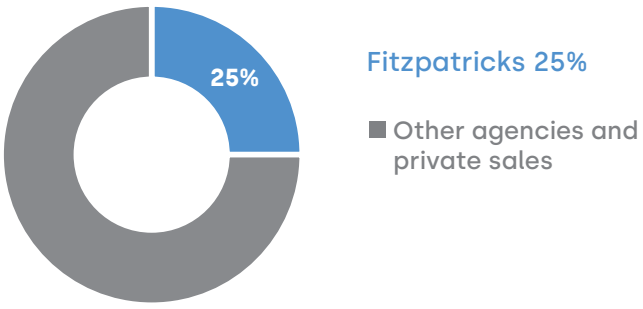
Records reveal there were around 73 sales transacted for the financial year representing around $145 million in commercial sales. Included in this data is a number of interrelated party sales which were negotiated privately. This was up on the previous financial year with 51 commercial sales. Of these sales, Fitzpatricks negotiated 18.

Number of Commercial Sales



Again this year we see transactions across a wide variety of asset classes.

- Various land sales at Dangar Place occurred, representing some of the last available industrial land available south of the river
- The Grange Lifestyle Village on Gregadoo Road being sold to Baptist Care
- The Lawson Motor Inn on Tarcutta Street sold for $6 million and The Red Steer Hotel sold at North Wagga
- A number of small strata industrial units sold at 24 Houtman. Another larger complex at 135 Fernleigh Road under construction at the time of writing and there has been initial good sales activity
- North Wagga Woolworths at 18-34 Gurwood Street sold for $20 million
- The new Mobil service station and bulky good's buildings (Bobs Birds & Pets) at 34 Dobney Avenue sold for $7.5 million
- 10 of this years sales were in Baylis Street (9 sales last FY)





156 - 169 Baylis Street, Wagga Wagga

RETAIL AND OFFICE

CBD sales continued to highlight the strength of Baylis and Fitzmaurice Streets. Investment Properties continued to trade on yields mainly ranging from 6.5% to 7%.

Notable CBD sales included:

- 165-169 Baylis Street (formerly Wagga's picture theatre but converted into retail and offices in the early 90's)
- 12-14 Baylis Street (the home of Billy Tea Furniture and Bay Leaf café)
- 34 Baylis Street Sportsman's Warehouse sold for $3,100,000
- 41 Fitzmaurice Street the ex-CBA bank building which has been vacant for around 15 years, sold to developers seeking to convert to high quality office

INDUSTRIAL AND LAND

Industrial Land sales have reached a point where there is no land available south of the river. Remaining blocks in Dangar Place (at the time of writing) have all now been sold. There remains some additional stages to be subdivided in Dangar Place and at the rear of the Wagga Clay Target gun club after Council sold parcels recently. All Industrial land is now trading above $120 - $130 per sqm, revealing a significant uplift over the past few years.

LEASING

Leasing activity in some sectors remained steady off the back of the Covid period. As per last financial year there continues to be very little activity in retail leasing. Industrial leasing (including small storage right through to large scale industrial warehouses) continues to be the strongest sector. At the time of writing there is zero availability of large scale warehouses in our city. Offices are also in short supply with refurbished and new assets leasing well.

DEVELOPMENT

The Boorooma Shopping Centre with 8 specialty shops will be completed by Christmas 2022. We continue to seek medical, dental, food or retail operators to join Chemist Warehouse and Domino's Pizza in this complex. The adjoining service station site in Phar Lap Place is expected to commence construction early 2023. The Lake Road Veterinary building is under construction at 60 Lake Albert Road and new service stations were constructed at 107 Hammond Avenue (APCO) and 34 Dobney Avenue (Mobil). Work is underway on the $30 million multi storey car park at the Wagga Base Hospital, Bunnings and WWCC are still trying to sort traffic flows around the planned new Bunnings store to go on the corner of Pearson Street and The Sturt Highway. The PCYC new building on the corner of Fitzhardinge Street and the Sturt Highway overlooking Roberson Oval will be completed by Christmas 2022.



PCYC
11 Fitzhardinge Street,
Wagga Wagga

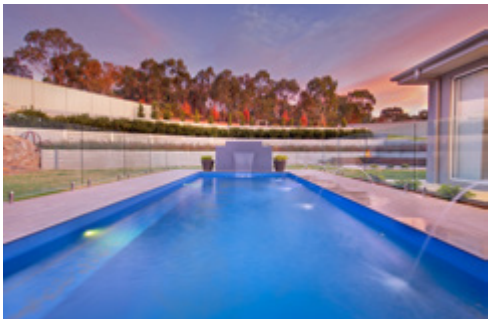
Fitzpatricks 2021/2022



211	35	129
House Sales	Unit Sales	Land Sales
$2,080,000	$1,080,000	$560,000
Highest House Sale	Highest Unit Sale	Highest Land Price
$590,000	$380,000	$220,000
Median House Price	Median Unit Price	Median Land Price



10 Wooden Street, Turvey Park



40 Clifton Street, Bourkelands



52 Simmons Street, Central



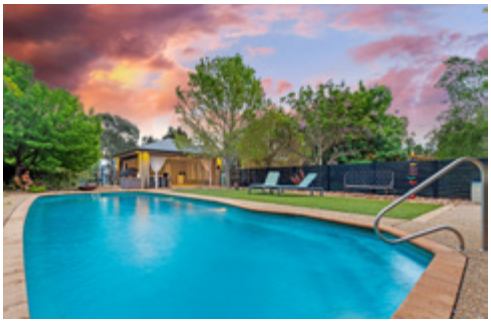
401/138 Tarcutta, Central



23 Nolan Street, Lloyd



17 Gasnier Loop, Boorooma



3 Campaspe Close, Springvale


COURT-HOUSE

Wagga Lifestyle

VISITOR & EVENTS

1.9 mil +
Average overnight visitors each year

700,000 +
Average day visitors each year

560 +
Sporting, Cultural, Business & Music Events each year

BUSINESS & RETAIL

- There are over **5,600 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 260,000 people.**
- Wagga Wagga's combined residential and visitor **retail spend exceeds over $1 Billion a year.**

FACILITIES

The city has:

- 100+ medical specialists
- 5700+ health care and social assistance professionals
- 93 playgrounds
- 110 developed parks
- 65 sporting facilities
- 13 community centres
- 34 club and meeting facilities
- 69 educational facilities: 3 tertiary, 9 high schools, 25 primary schools and 34 pre-schools

WORK

- Wagga Wagga has a total **labour force of over 35,000 people**
- **65% of employees having a certificate level qualification or higher**
- Over 75% of the workforce performing 25 hours or more of paid work per week

Data sourced from the Wagga Wagga City Council Economic Snapshot 2022, (March issue)

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Source of Information

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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.

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Sources:

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2 Pricefinder
3 Revenue NSW
4 NSW Family and Community Services - Housing NSW
5 Forecast.id
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9 REINSW
10 Fitzpatricks Real Estate
11 Australian Bureau of Statistics
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