Fitzpatricks



Fitzpatricks Report

Financial Year 2024





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Property at a Glance

The Directors hope you enjoy reading the 2023/24 Fitzpatricks Report, our 24th 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

At Fitzpatricks, we love to report on relevant property data specific to the region you live in, sharing real facts and figures about our strong regional market.

For the 2023/24 financial year, the real estate market in Wagga Wagga has remained steady, reflective of interest rates, with only one rise over the financial year in November 2023. After a period of significant growth, property prices in Wagga Wagga have experienced some stabilisation. Prices have marginally levelled off compared to the rapid increases seen in previous years.

The 2023/24 financial year saw a decrease of 6.5% in the volume of house sales, with a 10.8% increase in the median house price in Wagga, which now sits at $615,000. There was an increase in the number of unit sales, with 179 compared to 162 in the previous financial year. Median unit prices in Wagga rose by 12.2%, with a median of $405,000.

Data from the June 2024 quarter showed favourable trends in major cities, with Sydney's median house and unit prices increasing by 8.1% and 3%, respectively.

Wagga's relative affordability remains a strong drawcard, particularly for those relocating from more expensive cities, reinforcing the region's attractiveness. The city consistently ranks highly in online property searches, reflecting its enduring appeal, and continues to affirm its status as a highly desirable location for both living and investing, with the population stable at just under 70,000.

Looking ahead to the 2024/25 financial year, as interest rates continue on a stable trend, we expect an increase in buyer confidence and market activity, further supported by the traditional spring uptick in listings and sales. This could result in a higher volume of transactions and a return to more typical seasonal market patterns.

The rental market in Wagga Wagga remains robust, with rental yields being relatively strong compared to other regional areas. This has been attractive to investors seeking stable returns. The Wagga rental market remains very competitive with low vacancy rates. The average vacancy rate in the Riverina for the last financial year was 0.77% while Fitzpatricks had a vacancy rate of 0.49%. In the June 2024 quarter, the median rent for a house in Wagga was $470 (a 4.4% increase), and for a unit, it was $350 per week (a 9.4% increase).

Although there was a slight increase of 15.2% in new land releases, they continue to be in short supply. This scarcity has allowed builders to address a backlog of projects, although increased demand has led to higher material costs. Subsequently, resale land blocks have continued to achieve strong prices.

Commercial sales decreased, with a total of 68 transactions last financial year compared to 93 in the previous year, representing a drop of 26.9%.

Overall, the Wagga Wagga real estate market for the 2023/24 financial year appears to be steady, with a balanced approach between demand and supply. As we move into 2024/25 Financial year, it's a good time for both buyers and sellers to engage with the market.

69,707
Estimated Wagga resident population

35 - 49
Represent 17.7% of the population

82,605
Estimated Wagga population by 2046

0.84%
Population growth projection on average per annum

2.48
Average household size

21.39%
Of household income spent on mortgages in Wagga

4.35%
Official cash rate June 2024

4.23%
Average inflation rate for the financial year

POPULATION

- Wagga Wagga's community has an estimated resident population of 69,707.[5]
- The population is expected to increase to 82,605 by 2046, at an average annual growth rate of 0.84% 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 35-49 years of age represent 17.7% 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 4.1%, and held steady until November. The Reserve Bank of Australia increased the rate again which rose to 4.35% which it remained at until the end of the financial year.[1]
- The inflation rate for the quarter ending June 2024 was 3.8%, compared to 6% from June 2023. The average inflation rate for the 2023/24 financial year was 4.23%.[12]

FIRST HOME OWNER GRANTS & CONCESSIONS

- The total number of Grants paid in NSW in the 2023/24 financial year was 35,968 totalling of $715,305,475. [3]
- In Wagga Wagga 349* grants were paid totalling $6,675,706* in the last financial year.[3]

* Data only available up to March 2024, at the time of release of the report

Residential Market - House & Units

HOUSES

The median house price in Wagga Wagga for the 12 months from July 2023 to June 2024 was $615,000. This is a 10.8% increase from the last financial year.[2]

For the June 2024 quarter the median house price in Sydney was $1,662,448. House prices in Sydney have increased 8.1% in the last financial year.[8]

Strong residential markets in Wagga Wagga include:

Kooringal 131 sales (12.3%)[2]

Central Wagga 125 sales (11.7%)[2]

Lake Albert 83 sales (7.8%)[2]

In the 2023/2024 financial year November had the most activity with 127 sales, this was followed by 96 sales in both May and February and 94 sales March. The total number of sales was 1,067, compared to 1,141 last financial year, a decrease of 6.5%.[2]

Moorong recorded the highest median price of $2,950,000.[2] These homes are typically larger lifestyle homes on large blocks or small acreage. Tatton recorded the highest suburban median price of $820,000.[2]

The highest house sale in the 2023/24 financial year was a home on 4.8 acres of land in Moorong selling for $2,950,000.[2]

The $500,001 - $600,000 price bracket registered the most activity accounting for 220 sales at 20.6%, followed by the $400,001 - $500,000 price bracket with 181 sales at 17%.[2]

UNITS

The median unit price in Wagga Wagga for the 12 months from July 2023 to June 2024 was $405,000. This is an increase of 12.2% from last financial year.[2]

For the June 2024 quarter the median unit price in Sydney was $797,212. Unit prices in Sydney have increased 3% in the last financial year.[8]

There was a total of 179 unit sales in Wagga Wagga for the last financial year, compared to 162 of the previous year.[2]

The strongest suburb for sales was Central Wagga with 72 sales, 40.2% of all unit sales.[2]

A unit on Trail Street, Central Wagga was the highest unit sale for the last financial year, selling for $1,100,000.[2]

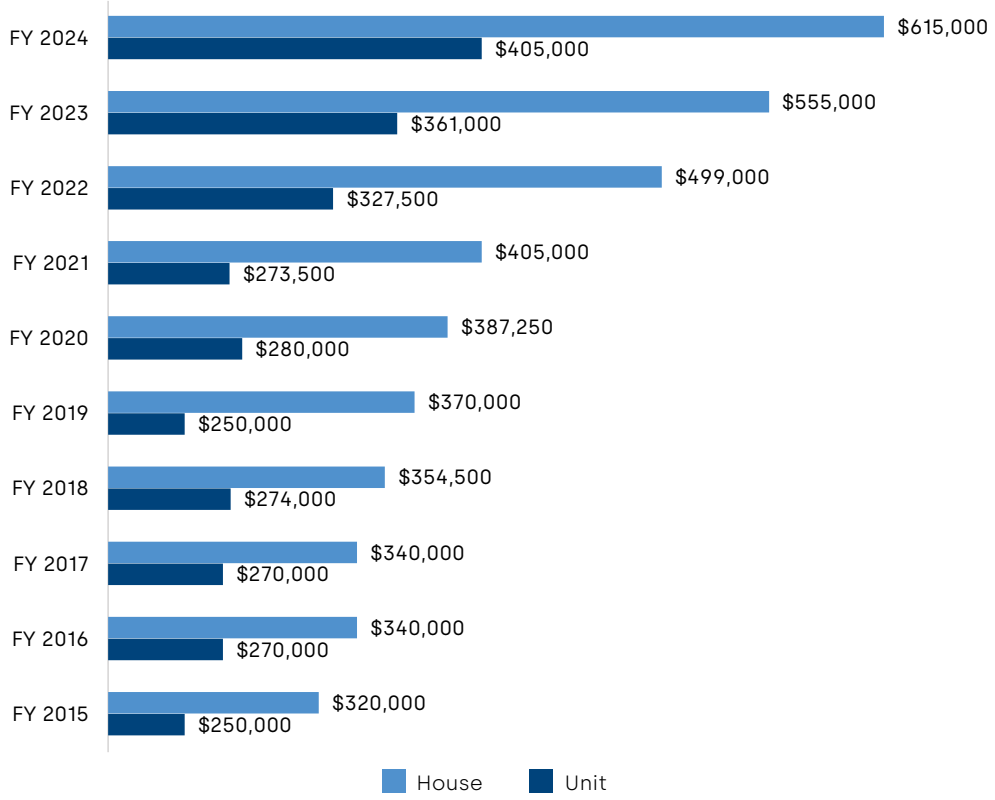
The price bracket of $300,001 - $400,000 registered the most activity with 49 sales, being 27.4% of the market.[2]

2 unit complexes also sold in the 2023/24 financial year, with a median price of $990,000.

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.

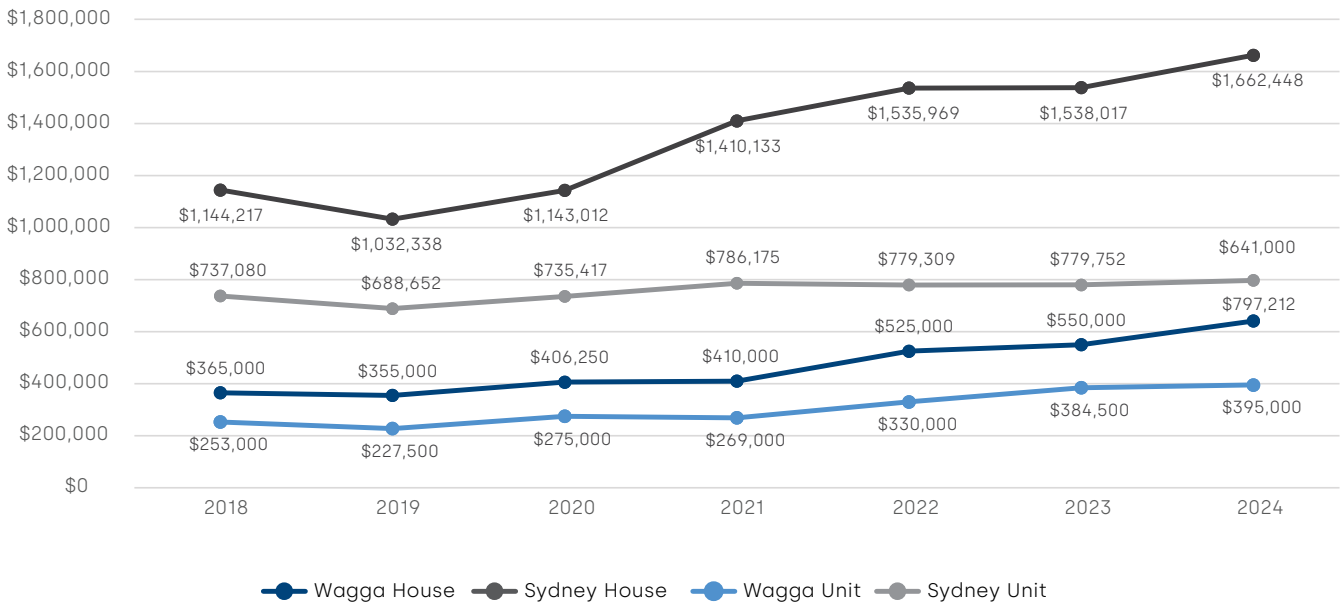
Density zoning may need reviewing around the various shopping centres, particularly in areas like Turvey Park, Mount Austin, Kooringal, Tolland and Estella.

MEDIAN HOUSE & UNIT PRICES WAGGA

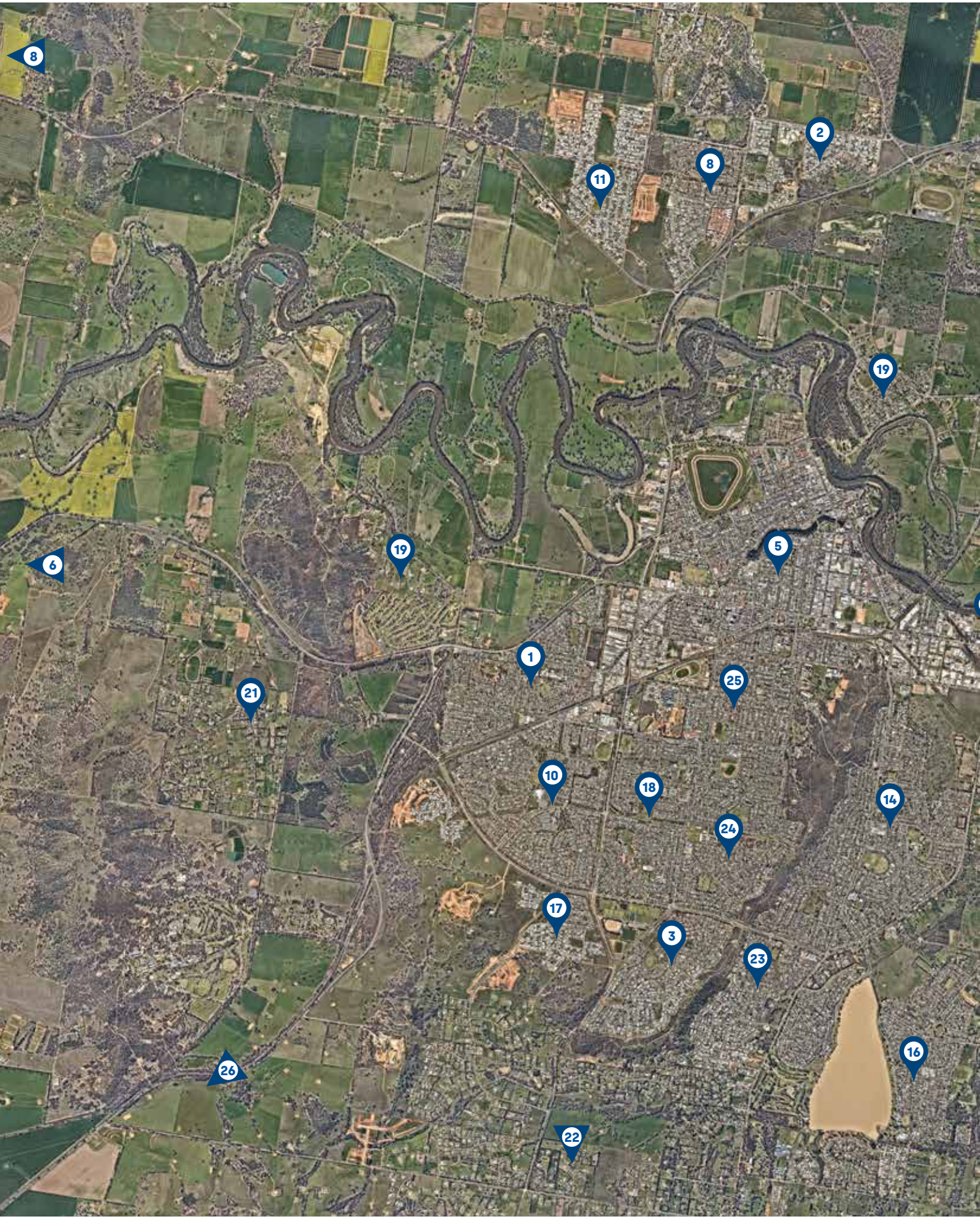


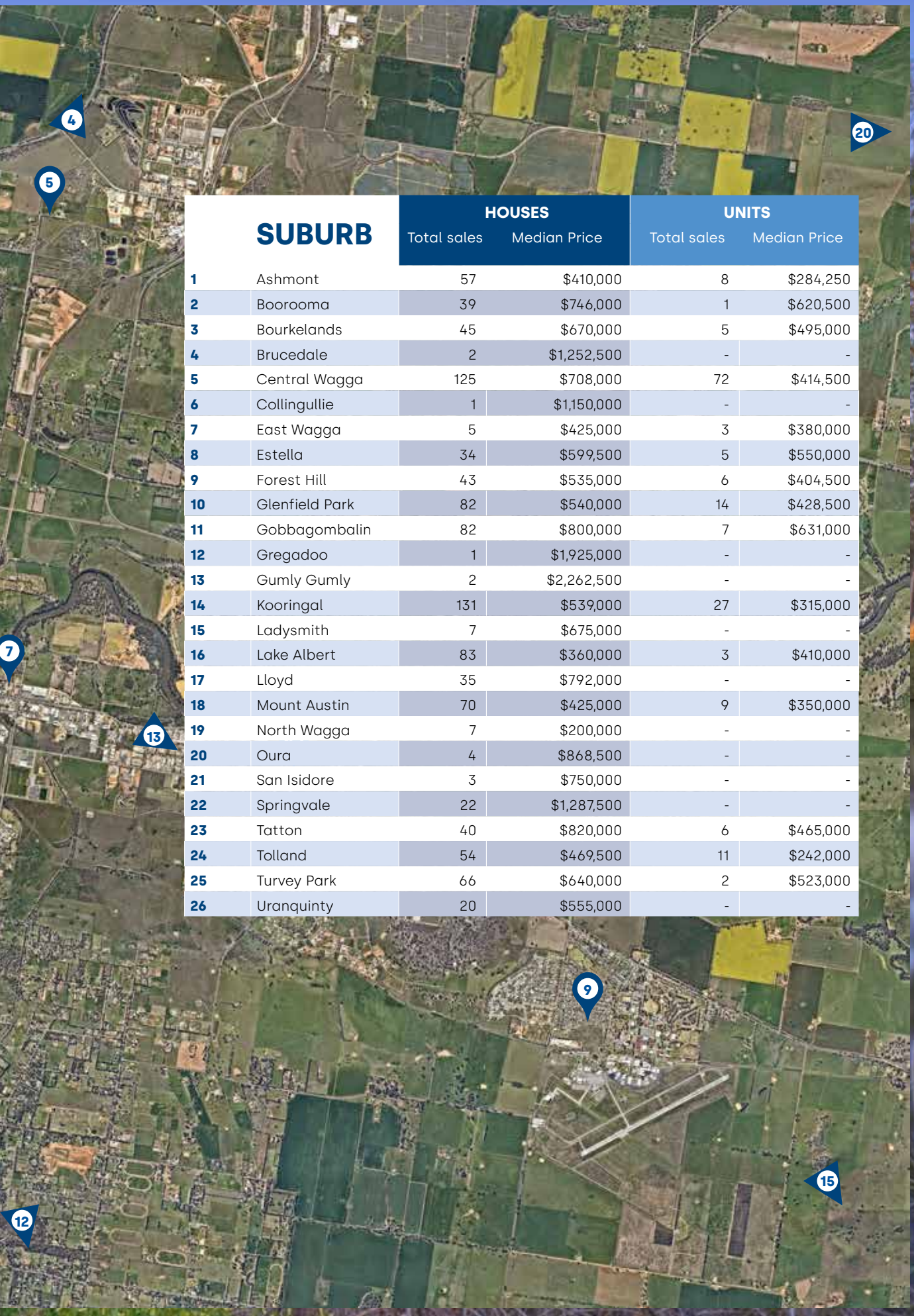
MEDIAN HOUSE & UNIT PRICES JUNE QUARTER

(April 2024 - June 2024)



Suburb Statistics





	SUBURB	HOUSES		UNITS	
		Total sales	Median Price	Total sales	Median Price
1	Ashmont	57	$410,000	8	$284,250
2	Boorooma	39	$746,000	1	$620,500
3	Bourkelands	45	$670,000	5	$495,000
4	Brucedale	2	$1,252,500	-	-
5	Central Wagga	125	$708,000	72	$414,500
6	Collingullie	1	$1,150,000	-	-
7	East Wagga	5	$425,000	3	$380,000
8	Estella	34	$599,500	5	$550,000
9	Forest Hill	43	$535,000	6	$404,500
10	Glenfield Park	82	$540,000	14	$428,500
11	Gobbagombalin	82	$800,000	7	$631,000
12	Gregadoo	1	$1,925,000	-	-
13	Gumly Gumly	2	$2,262,500	-	-
14	Kooringal	131	$539,000	27	$315,000
15	Ladysmith	7	$675,000	-	-
16	Lake Albert	83	$360,000	3	$410,000
17	Lloyd	35	$792,000	-	-
18	Mount Austin	70	$425,000	9	$350,000
19	North Wagga	7	$200,000	-	-
20	Oura	4	$868,500	-	-
21	San Isidore	3	$750,000	-	-
22	Springvale	22	$1,287,500	-	-
23	Tatton	40	$820,000	6	$465,000
24	Tolland	54	$469,500	11	$242,000
25	Turvey Park	66	$640,000	2	$523,000
26	Uranquinty	20	$555,000	-	-

Land

The 2023/24 financial year saw 114 residential blocks being sold in Wagga Wagga, a 15.2% increase in land sales from the 99 lots which transacted the previous year.[2]

The median land price for Wagga Wagga reached $295,000, a 25.5% increase from the previous financial year. [2]

The highest vacant land sale recorded was a 17,887m² (4.4 acres) block located in Riverview Drive, Moorong achieving a $660,000 sale price. [2]

October registered the most activity for the year with 20 land sales occurring during the month alone. [2]

The suburb of Moorong recorded the highest median land price of $660,000, followed by Springvale at $515,000. [2]

Based on the recorded data, the most popular suburbs for land sales in 2023/24 Financial Year in Wagga Wagga include:

Gobbagombalin 31 sales (27.2%) [2]

Lloyd 29 sales (25.4%) [2]

Gumly Gumly 10 sales (8.8%) [2]

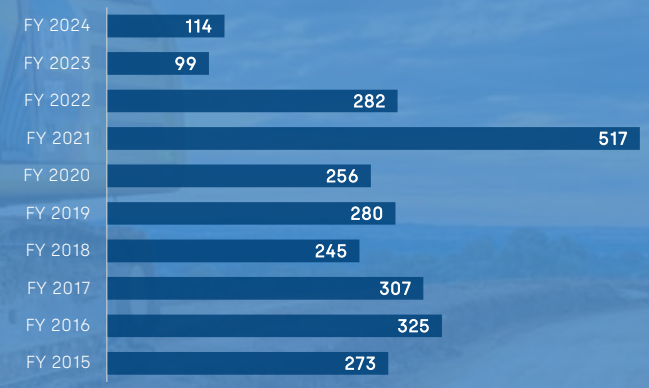
Whilst land sales increased slightly this financial year, Wagga Wagga is, unfortunately, still experiencing a shortage of land available for subdivision and purchase.

The demand for land continues to outweigh the supply and consumers are not met with a lot of choice with the location of current developments.

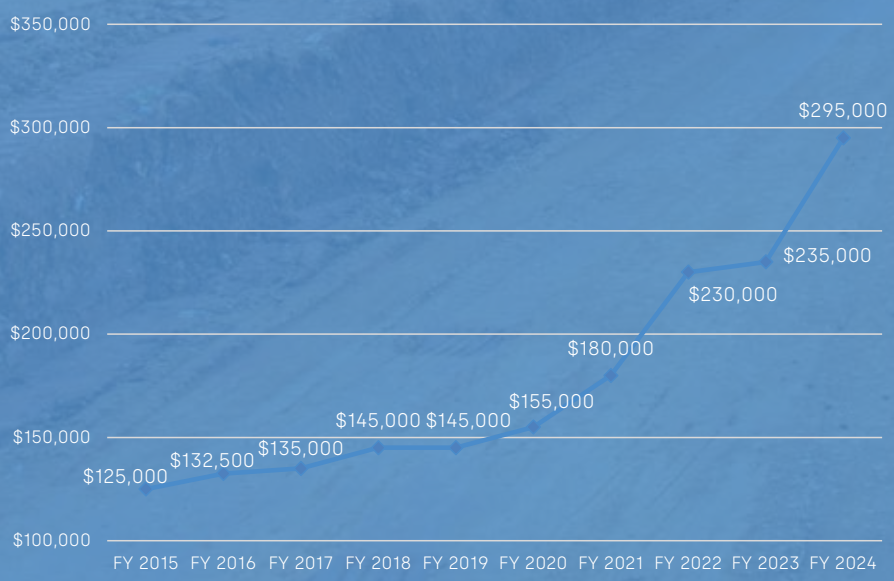
Contributing to the decline in land sales is the lack of land being released – subdivision releases were very minimal for the year. The lengthy process of rezoning of land continues to hinder new subdivision progress, minimising supply.

The demand for new homes from first home buyers, builders and investors continues to maintain its strength, however the lack of supply and options for the consumer, negatively impacts the City's growth population targets.

NUMBER OF LAND SALES



MEDIAN LAND PRICE



Residential Investment

The median weekly rent for a house in Wagga Wagga for the June 2024 quarter was $470.[4]

The median weekly rent for a unit was $350.[4]

Riverina's vacancy rate average for the 2023/24 financial year was 0.77%.[9] Fitzpatricks vacancy rate average remainded lower at 0.49%.[10]

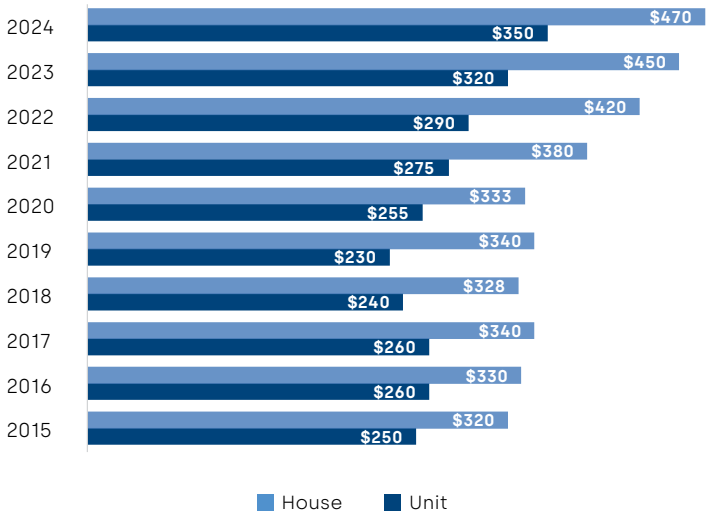
The lowest vacancy rate month was December for the Riverina (0.4%)[9]. The lowest vacancy rate month for Fitzpatricks was June (0.18%).[10]

Fitzpatricks conducted a total of 1,933 rental inspections.[10]

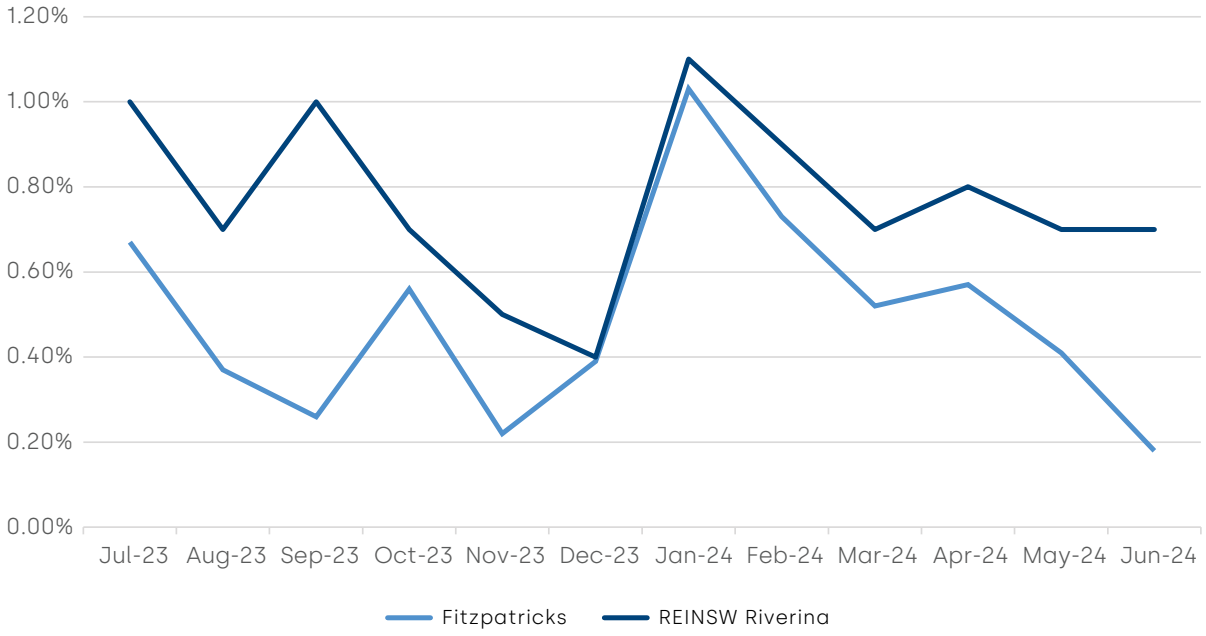
3,317 prospective tenants visited our open homes.[10]

Fitzpatricks leased 441 properties with 2,410 rental applications lodged.[10]

MEDIAN RENT - WAGGA



VACANCY RATE



Commercial and Industrial

The Wagga Wagga Commercial and Industrial market has seen a slowing from a very strong Post Covid period to a typical local market after consecutive years of increased activity and growth.

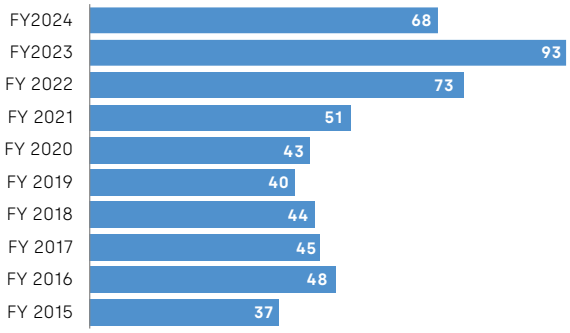
Records reveal there were around 68 commercial sales transacted this last financial year with an approximate value of $69 Million. There were 93 sales financial year 2022/23 and 73 sales for financial year 2021/22.

A lack of industrial land stock is a key factor in the drop in numbers with evidence of strong growth in values.

Transactions occurred across most asset classes including motel, vacant industrial land, industrial and strata industrial units, medical and commercial. Notable sales include

- Club Motel in Morgan Street
- Caravan Park in Pine Gully Road
- Numerous strata industrial units in Houtman and Jones Streets
- Bendigo Bank at 112 Baylis Street
- Medical practice at 25-27 Hardy Avenue
- Lowes Menswear building at 166 Baylis Street

Number of Commercial Sales





112 Baylis Street, Wagga Wagga

RETAIL AND OFFICE

There were ten main street (Baylis Street) sales this financial year. Investor interest reflects a cautious approach which will be to the benefit of the astute investor looking to buy in. Retail and office vacancies are evident across the CBD with some evidence of downward pressure on rental rates. Much of this is due to national traders consolidating rather than expanding and does not reflect a poor trading economy in the City. Evidence shows regional centres are experiencing low defaulting levels from tenants.

The Central Business District of Wagga Wagga is a tight strip centre with no external large centres to impact its performance and is expected to trade to a satisfactory level.

INDUSTRIAL AND LAND

Industrial has been the best performer now for a number of years in the Wagga commercial market and off the back of a large strata unit industrial development in Fernleigh Road last year we have seen similar developments come to market in Houtman and Jones Street.

Throughout the year we experienced a continual shortage of industrial development land with the last remaining green field land being sold in Dangar Place stage 1 at $110 per sqm plus GST.

Council continues to market large industrial blocks in Bomen and as part of the strategic activation precinct (SAP) to the north of the city with the Intermodal Hub now enjoying significant freight movement which will continue under the substantial Inland Rail project. The benefits of these two substantial developments should not be underestimated.

The positive impact of Snowy Hydro 2 will be a key factor for industry moving into the City with "megapower" on tap from the power running past Bomen.

Extremely strong sales have been seen throughout the eastern and western industrial precincts for established warehousing and workshop facilities with premiums being paid for the smaller strata and industrial stock.

LEASING

As mentioned above national traders have delayed expansion with fashion still feeling the effects of the COVID shutdowns.

Our office is still achieving good results although the larger traders are certainly more aggressive during negotiations.

The good aspect is that many are now seeking strip centre locations and moving away from the large format centres.

Multiple interest rate rises has caused a reduction in leasing demand especially for office and retail. National retailers are aggressively seeking to secure the best deals and we have seen some retailers vacate the main shopping malls in Wagga an opt for cheaper main street locations although vacancies are evident throughout the CBD.

Government enquiry and overall demand for office space continues to require careful planning by landlords however the emphasis of the Work From Home format returning to an in office presence should see improvement in this sector. This requires careful planning in meeting the relevant government standards which should be determined in hand with your agent. Substandard office accommodation is no longer accepted in the market.



11-15 Lake Albert Road, Wagga Wagga



25-27 Hardy Avenue, Wagga Wagga

DEVELOPMENT

A proud local development company in Fetesi is in the process of finalising their project at 11 -15 Lake Road. This $10 Million, 31 unit commercial development allows for retail and office uses and includes 116 onsite car parks. A number of tenancies have been secured with the emphasis on good quality retail/ office. In another substantial boost for the City the PCYC development at a cost of $17 Million is complete and the Baptist Care Caloola Court redevelopment at a cost of $21 million is a huge confidence boost for the City.

A new service station has been completed at 194 Hammond Avenue and one is DA approved and about to be constructed at 230-236 Hammond Avenue along with an 18,000 sqm storage shed facility housing 1,030 self storage units. Certainly a show of confidence in the City.

The Boorooma and Estella Shopping centres have both been completed and the service station at Boorooma is nearing completion with operations expected mid October 2024. Of the eight specialty shops at Boorooma the tenancy mix is progressing well with Chemist warehouse, Domino's and Splash laundrette all open and trading with a beautician and a café/coffee shop under construction. The northern sector of the City is continuing strong growth which is reflected in the confidence of these shopping centre developments.

Overall the Commercial market requires careful planning to achieve sound, long term results.

Our commercial department has around 580 commercial tenants under management (in addition to our 1,400 residential management portfolio).

The last 4 years has been a challenge and we are pleased to state that we achieved minimal disruption to our clients during a very difficult period.

Like any investment solid planning is necessary and our 8 staff have worked hard over recent years to safeguard our clients.

With a population where around 50% of the population is aged under 35 [5] strong local economy, two defence bases, a University and a steady influx of new business and growth of local business our City will continue to outperform other regional centres in NSW.

Fitzpatricks 2023/2024



Fitzpatricks sales results for 2023/24 Financial Year

166	**46**	**28**
House Sales	Unit Sales	Land Sales
$2,540,000	**$1,000,000**	**$370,000**
Highest House Sale	Highest Unit Sale	Highest Land Price
$660,000	**$413,500**	**$330,000**
Median House Price	Median Unit Price	Median Land Price



39B Plumpton Road, Lake Albert



121 Morgan Street, Central



23 Lakeside Drive, Lake Albert



3 Hakea Place, Springvale



17 Clifton Drive, Bourkelands



53 Thorne Street, Central



62 Brooklyn Drive, Bourkelands



Wagga Lifestyle

VISITOR & EVENTS

1.3 mil +
visitors each year

210,000 +
passengers travel through Wagga Airport each year

500 +
Sporting, Cultural, Business & Music Events each year

BUSINESS & RETAIL

- There are over **5,950 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:

- 130+ medical specialists
- 6800+ health care and social assistance professionals
- 93 playgrounds
- 110 developed parks
- 65 sporting facilities
- 13 community centres
- 34 club and meeting facilities
- 138 educational facilities: 4 tertiary, 9 high schools, 29 primary schools and 35 pre-schools

WORK

- Wagga Wagga has a total **labour force of over 38,000 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 2023, (June issue)

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Source of Information

Fitzpatricks 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.

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

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.



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