

**PROPERTY WATCH®**

Second Quarter 2011

**Buninyong Region Market Overview**

**IN BRIEF**

- Buninyong's annual population growth (2.4%) exceeds the state average (1.8%) and Ballarat(LGA) growth (2.1%) for 2010
- The median sale price for December 2010 shows an 8.3% growth from December 2009
- The median sale price for vacant land closed the year ending December 2010 at \$145,000, derived from a total 61 sales.

**Scope**

This report analyses the current trends and performance of the Buninyong Region's house and land markets. It further highlights the area's characteristics and demographic trends to provide an understanding of the type of real estate product in demand by the local market. For the purposes of this report the Buninyong Region comprises the eight suburbs of Magpie, Mount Helen, Navigators, Yendon, Scotsburn, Durham Lead, Scotchmans Lead and Buninyong.

**Area Characteristics**

Buninyong holds a rich history as Victoria's first major inland communities, dating back to the pre-gold rush era. Settled in 1839 as a pastoral settlement, the region expanded rapidly after 1851 with the official finding of Gold in the area. The towns wide streets were planned in expectation of further growth, however prosperity ended with the gold rush thus the town reverted and continues to exist today primarily as a quaint, rural settlement.

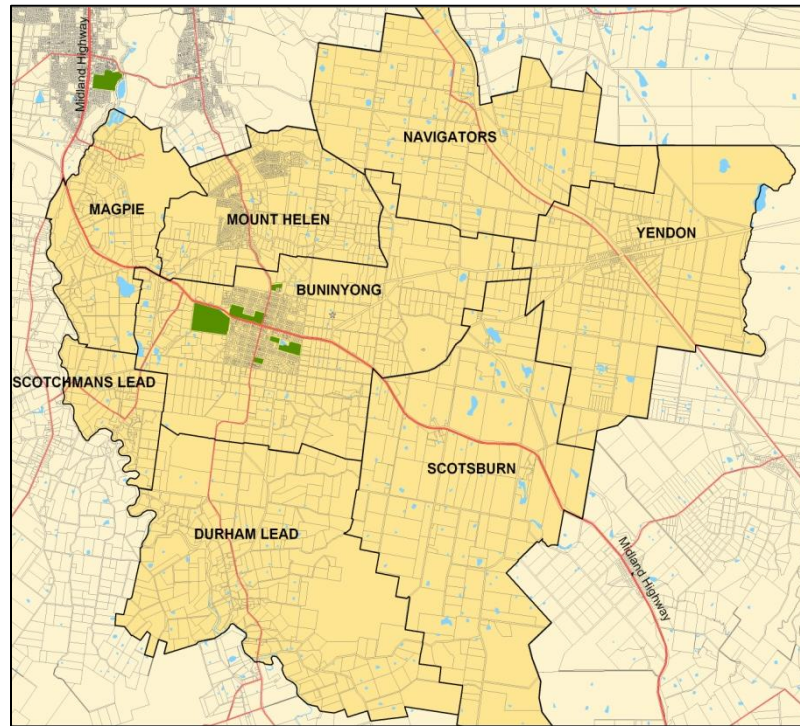
**Demographics Snapshot**

According to the Australian Bureau of Statistics (ABS), the most recent estimated residential population (ERP) figures suggests Buninyong is home to 3,486 residents as of June 2010. This reflects a strong population growth rate of 2.4% (since June 2009) which is greater than that of Victoria and the Ballarat LGA. When considering the average household size of Buninyong is 2.9 residents, Buninyong's growth over the last 2 years equates to the requirement of 57 new dwellings per year.

Buninyong's population holds a relatively young demographic, with only 8% of residents aged 65 years and over. While toward the younger end of the scale, residents aged 15 years and under account for 18% of the total population. This portion of young residents attributes to the 79% share of family type dwelling in the region, while only 21% of dwellings are made up of non-family households.

Buninyong's relatively small population, coupled with the large geographical size of the region results in a market almost entirely consisting of detached housing. Within this house market, 15% of dwelling exist as rental accommodation, while the remaining 85% are either fully owned (39%) or being purchased (46%). The relatively low level of rental properties available leads to a consistently low vacancy rate, placing upward pressure on rents in the area. Rental demand in the area is strong, aided by the close proximity and ease of access to the university.

Generally speaking the Buninyong work force attain a relatively high average weekly income. Just over 51% of the total workforce are achieving an average weekly income of over \$1,200. A further 23% are earning over \$800 per week, while only 12% are earning less than \$500 per week.

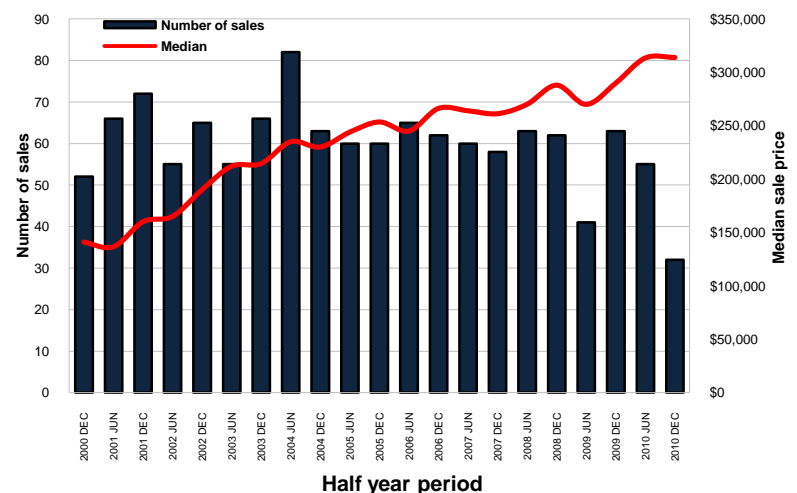


**Buninyong Region Demographics**

	Buninyong	Ballarat LGA
Buninyong Population 2010	3,486	96,097
Buninyong Population 2009	3,404	94,088
Population growth rate 2009 to 2010	2.4%	2.1%
Portion of residents aged 15yrs and under	18%	20%
Portion of residents aged 65yrs and over	8%	15%
Average age	29	36
Average weekly individual income	\$463	\$404
Average weekly household income	\$1,476	\$839
Average number of people per household	2.9	3.0

Prepared by PRDnationwide Research. Source: ABS

**Buninyong Region House Sales Cycle**



Prepared by PRDnationwide Research. Source: PDS

**Buninyong House Market**

The 12 months from December 2009 to December 2010 has seen firm median house price growth of \$24,000 to \$314,000. This represents an increase of 8.3% for the period, which is amongst the strongest growth periods in the last 10 years. Most of the median price increase occurred in the first six months of 2010, with the December median being only \$500 greater than June. Sales activity for 2010 is markedly lower than 2009, with 87 transactions recorded compared with 104 in 2009. The first half of 2010 was close to the longer term average number of transactions for a six month period (55), however the second half of the year produced a significant tightening, with only 32 transactions being recorded.

A significant movement in the price brackets of sales was evidenced during 2010. Whilst houses between \$100,000 to \$199,999 represented 15% of sales for the six months to December 2009, they represented only 7% of sales for the 12 months to December 2010. The \$300,000 to \$399,999 bracket showed an increase from 27% to 36% in the respective periods.

There were five sales over \$499,999 all of which occurred in the suburb of Buninyong, the peak of the market was reached in July, with a property behind the golf course transacting at \$910,000. The peak of the market in Mount Helen was reached at \$480,000 for a property in Darriwell Drive.

**Buninyong Land Market**

The Buninyong vacant land market is heavily characterised by fluctuating medians due to what is typically, a low level of sales activity in the market. The median price has remained relatively stable since June 2006, but the first half of 2010 particularly showed a marked increase, in both the median price and level of sales activity.

For the calendar year (2010) the median sale price closed at \$145,000 derived from a total of 65 transactions. This represents a 21% increase from the previous December median price of \$119,900.

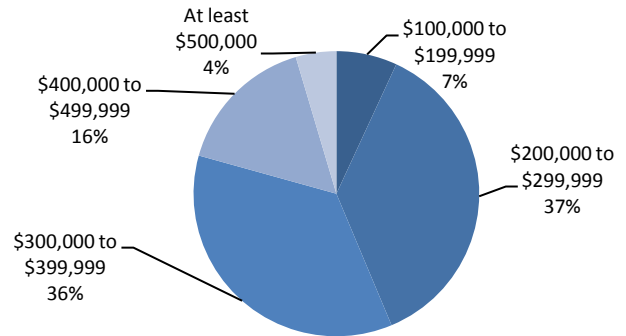
Sales activity for vacant land in the Buninyong Region rose to its highest six month level since December 2005, at the end of June 2010. The second half of 2010 however produced much less activity, with only 14 transactions occurring as opposed to 51 transactions in the first half of the year.

The Tandara development (opposite the golf course) started in March 2008 with a staged release of a total of 94 lots, of which only six remain for sale.

**Buninyong Market Driven by Ballarat**

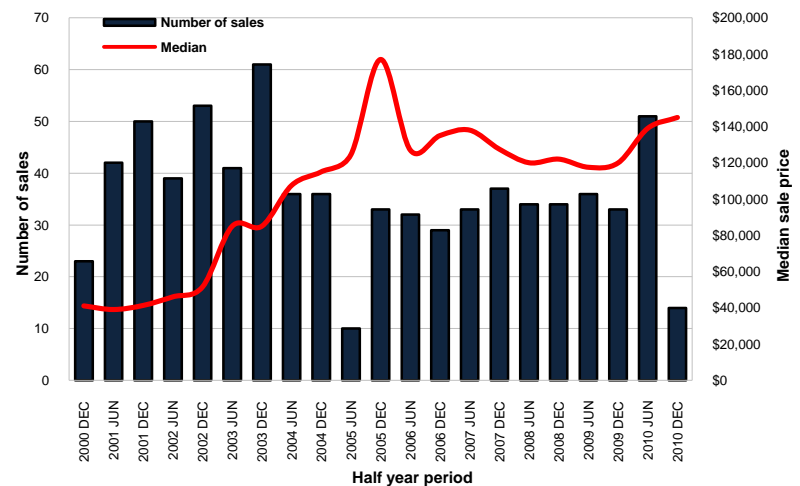
Due to its close proximity to Ballarat, the performance of the Buninyong property market is strongly linked to the continuous growth of Ballarat. As the regional hub of Ballarat continues to attract more people to the area and create employment opportunities, the neighbouring regions such as Buninyong will continue to benefit from new comers seeking affordable real estate alternatives.

**Buninyong Region House Price Points**  
For the twelve months to 31 December 2010



Prepared by PRDnationwide Research. Source: PDS

**Buninyong Region Land Sales Cycle**



Prepared by PRDnationwide Research. Source: PDS

**Buninyong Sales Comparison Table**  
Calendar Year 2010

Suburb	Type	Total Sales	Sale Price Range
Buninyong	House	48	\$115,000 to \$910,000
	Land	49	\$61,150 to \$780,000
Creswick	House	53	\$68,000 to \$363,000
	Land	15	\$35,000 to \$450,000
Mount Helen	House	37	\$215,000 to \$480,000
	Land	8	\$90,000 to \$440,000

Prepared by PRDnationwide Research. Source: PDS

Prepared by PRD Jens Gaunt Research. Source: PBS and ABS. For further details contact: Mark Corboy (0400) 520 717 or PRD Jens Gaunt Buninyong (03) 53 412 200, or visit our website at [www.prdnationwide.com.au/research](http://www.prdnationwide.com.au/research).

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