

Rural residential development in Collector

Current and Future Demand Report

Prepared for Geoff and Paul McInerney
April 2015



Independent insight.



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EXECUTIVE SUMMARY

Report purpose

The owner of the Taradale property (5891 Federal Highway, Collector) is engaging with the Upper Lachlan Shire Council in the preparation of a Planning Proposal for a reduction in the minimum lot size applying to the property and adjacent land for subdivision into approximately 100 lots of 2 hectares each. The purpose of this report is to assess the current and future demand for rural residential dwellings in the vicinity of Collector, based on demographic changes, prices for rural residential properties in the area and other relevant factors.

Collector

Collector is located in Upper Lachlan Shire. At the 2011 Census, Collector reported 404 residents. The population is comparatively young, with only 10% of the population aged over 65 and 31% of the population aged under 15. Collector Public School has 29 children enrolled. Of the 170 employed residents in Collector, only 19% work in the Collector area of Upper Lachlan Shire Local Government Area (LGA), with most (55%) working in the ACT. In this sense, Collector has more in common with neighbouring LGAs of Yass Valley and Palerang, showing more characteristics of an ACT commuter town rather than a purely rural village. Virtually all residential dwellings in Collector are freestanding houses, either on residential or rural residential lots.

Dwelling demand in Collector

The population across the Capital Region (ACT, Queanbeyan, Goulburn Mulwaree, Palerang, Upper Lachlan Shire and Yass Valley) is expected to grow from 481,000 in 2011 to 662,400 by 2031.

POPULATION FORECASTS, CAPITAL REGION

	2011	2016	2021	2026	2031
Goulburn Mulwaree	28,350	29,800	31,200	32,450	33,550
Palerang	14,850	16,050	17,550	19,100	20,550
Queanbeyan	40,000	44,500	49,100	53,800	58,500
Upper Lachlan Shire	7,400	7,500	7,550	7,550	7,500
Yass Valley	15,600	17,200	18,800	20,350	21,900
ACT	375,100	405,800	444,700	483,000	520,400
Region total	481,300	520,850	568,900	616,250	662,400

Source: Census, 2011, Department of Planning and Environment

Broadly speaking, each additional household of 2.2 to 2.7 people will require one additional dwelling. The Capital Region will require 58,956 new dwellings between 2011 and 2031. Only 300 of these are expected to be required in Upper Lachlan Shire. Due to the proximity of Collector to these other LGAs, it is likely that some additional implied dwellings for Goulburn Mulwaree (3,350), Palerang (2,950), Yass Valley (3,050) and ACT (40,606) could be located at Collector.

SGS used a dwelling demand model to forecast future demand for separate houses, townhouses and flats in the New South Wales Capital Region. The following table shows forecast demand for dwellings in the NSW Capital Region.

INCREASE IN DWELLING DEMAND BY DWELLING TYPE, 2011-2031

	Goulburn Mulwarree	Palerang	Queanbeyan	Upper Lachlan Shire	Yass Valley	Total NSW Capital Region
Separate houses	2,992	2,651	5,195	97	2,888	13,824
Townhouses	289	169	2,381	198	127	3,164
Flats	-	-	1,061	-	-	1,061

Source: SGS modelling

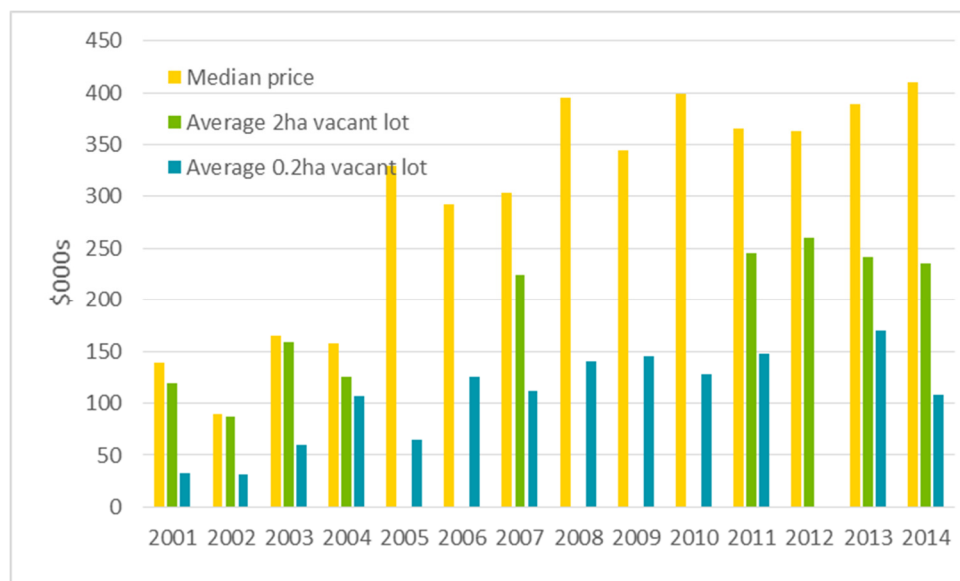
This finds that the demand for additional dwellings in the Upper Lachlan area, based on population growth in the area up to 2031 will be negligible. However, Collector's relative proximity to other LGAs means that it may be able to attract households that may have otherwise located in Goulburn Mulwarree, Yass Valley and Palerang. These areas have a forecast total demand of 8,531 freestanding houses. Most of these dwellings are expected to be occupied by people working in the ACT.

Trends in land sales in Collector and surrounds

Collector has a relatively small land sales market. Between 2001 and 2014, Collector and surrounds recorded an average of 27 property sales per year. This included large town lots (1000 to 2000 square metres), rural residential lots and farming lots.

The chart below shows historical property prices in Collector from 2001 to 2014. Median prices increased substantially between 2004 and 2008, and have showed slow growth since. Prices of vacant lots of approximately two hectares followed a similar pattern. Recent land prices for lots around 2 hectares (from 1.5 hectares to 5 hectares) range from \$235,000 to \$260,000.

COLLECTOR PROPERTY PRICES, 2001-2014



Source: Allhomes data

Competitor areas, those near Collector and ACT with substantial rural residential holdings, include Bungendore, Bywong, Wamboin and Gundaroo off the Federal Highway; Yass and Murrumbateman off

the Barton Highway; and Carwoola and Burra east of the ACT. While these areas have many rural residential lots available, only Yass has lots available in a similar price range as Collector for a similar size block of land. In other areas, vacant lots tend to be much smaller, 2000 square metres or less. Those that are available in areas other than Yass, and have access to bitumen roads and mains power, tend to be more expensive than those offered in Collector – over \$300,000. Factors such as flood/bushfire risk, soil quality, slope, availability of utilities, ease of access, road noise and views can have a significant impact on rural residential property prices, as well as lot size and distance from centre of Canberra.

Conclusion

Population forecasts for the Upper Lachlan Shire LGA show very little growth, however Collector's status as an ACT commuter town means that there is potential for expansion as high costs of ACT housing and desire for a rural lifestyle push ACT workers into New South Wales.

Also, it is recognised that the future demand for Collector will be heavily dependent on other properties that become available over the next 20 years in areas such Bungendore, Murrumbateman and Gundaroo.

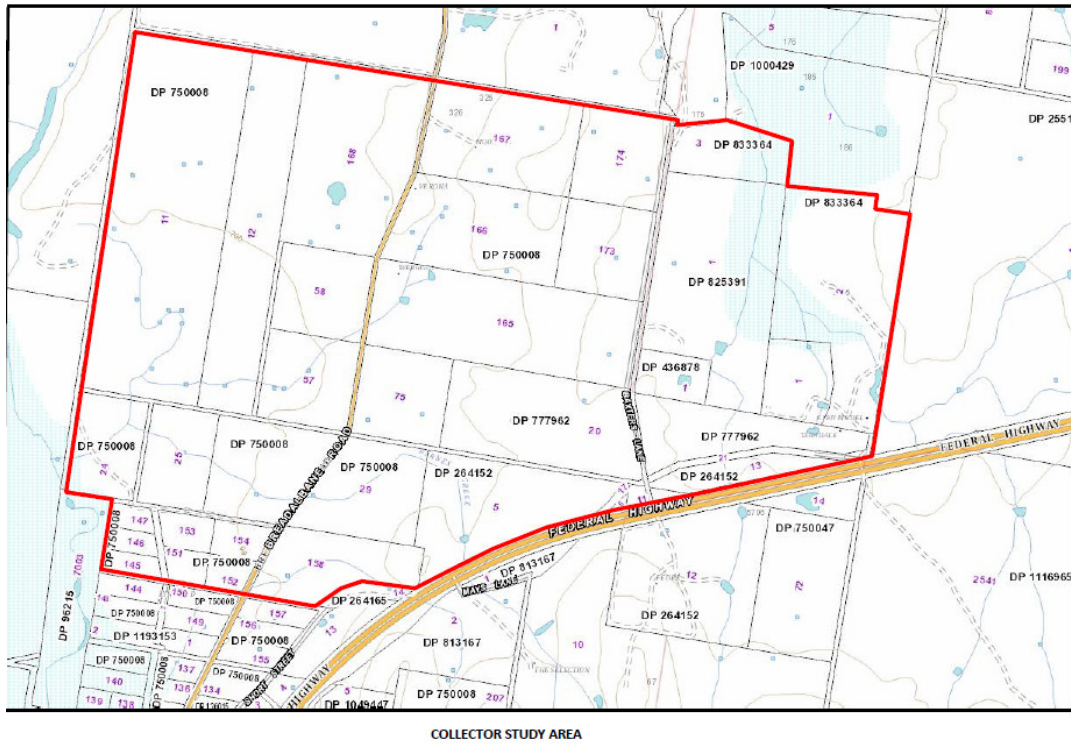
However, Collector has a great deal of promise to expand as a village offering a rural residential lifestyle with town benefits to families who need to commute to Canberra for work.

1

1.1 The purpose of this report

The owner of the Taradale property (5891 Federal Highway, Collector) is engaging with the Upper Lachlan Shire Council in the preparation of a Planning Proposal for a reduction in the minimum lot size applying to the property to permit subdivision into 2ha lots. The Council has requested that a larger area of land should also be examined as part of the Planning Proposal. While the Taradale owner's land is largely free from constraints, the other land considered for subdivision by council faces a number of potential constraints, including flood prone land, steep areas of land unsuitable for building, bushfire prone areas and Crown land. In total, it is expected that approximately 100 x 2ha lots could be created within this area, however this is approximate and some lots may need to be larger to take into account these restrictions.

FIGURE 1. UPPER LACHLAN SHIRE COUNCIL COLLECTOR STUDY AREA



Source: Provided by client

The land is located in the Upper Lachlan LGA, however it is within a couple of minutes' drive to Palerang LGA, and so has many similarities with Palerang. It is approximately 42 minutes' drive from Canberra and 25 minutes' drive from Goulburn, with peak hour traffic having minimal impact on commuting times. For this reason, rural residential lots in the surrounding areas are popular with people working in the ACT or Goulburn.

The purpose of this project is to provide an assessment of the market in the area to determine whether there is sufficient demand for this sort of property release in the Canberra/Goulburn area, at present and in the future.

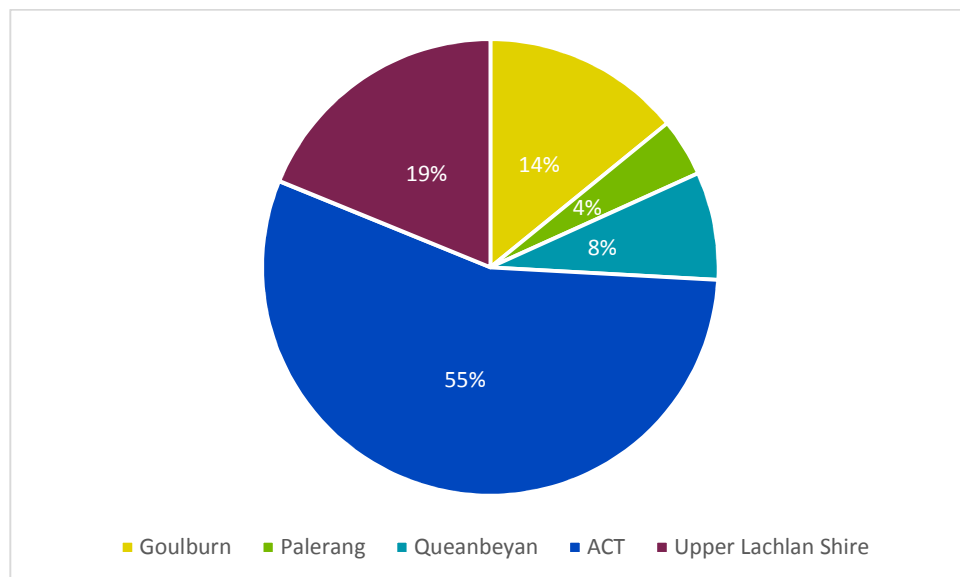
1.2 About Collector

Collector is located just off the Federal Highway north of Lake George, 35km southwest of Goulburn and 55km northeast of Canberra. In the 2011 Census, it had a total population of 404 people. The population is comparatively young, with only 10% of the population aged over 65 and 31% of the population aged under 15. Collector Public School has 29 children enrolled.

Collector's population

Of the 170 employed residents in Collector, only 19% work in the Collector area of Upper Lachlan Shire (LGA), as shown in Figure 1. More than half of Collector's workers travel to the ACT for work.

FIGURE 2. PLACE OF EMPLOYMENT, COLLECTOR RESIDENTS, 2011



Source: Census Tablebuilder

Half of the Collector residents who work in Upper Lachlan Shire work in Agriculture, Forestry and Fishing. The most predominant industry among Collector workers is Public Administration and Safety (28%), all of whom travel to ACT and Queanbeyan for work.

In terms of employment patterns, Collector is more similar to Palerang and Yass Valley than the rest of Upper Lachlan Shire, as shown in Table 1. It has much lower employment in Agriculture, Forestry and Fishing than Upper Lachlan Shire, and high rates of employment in the Public Administration and Safety. Residents of Upper Lachlan Shire who live outside of Collector are much less likely to commute to the ACT for work.

As Collector grows as a town, this will increase demand for more shops, cafes or restaurants and other services. However, it is expected that future growth in population in Collector is likely to be driven by ACT-employed persons seeking lower costs of living or a rural lifestyle.

TABLE 1. COLLECTOR AND SURROUNDING LGAS INDUSTRY OF EMPLOYMENT

	Agriculture, Forestry and Fishing	Public Administration and Safety
Queanbeyan	0.3%	28.1%
Yass Valley	8.3%	19.5%
Palerang	5.4%	23.7%
Upper Lachlan Shire	27.2%	9.9%
Goulburn Mulwaree	3.3%	11.7%
ACT	0.2%	33.2%
Collector	11.2%	28.2%

Source: Census Tablebuilder

Homes in Collector

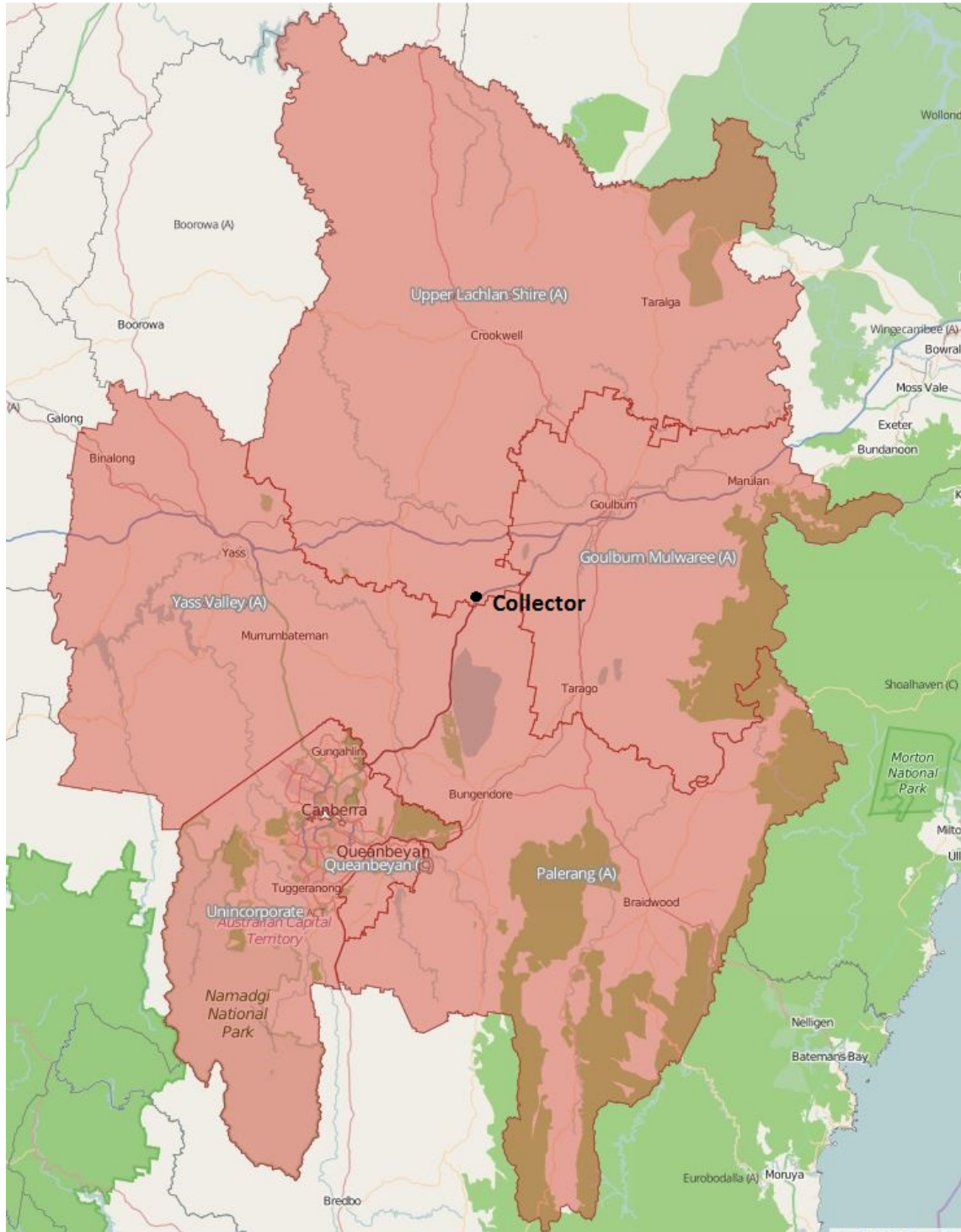
Home ownership rates are high in Collector, with 54% of homes owned with a mortgage, a further 28% owned without a mortgage, and only 15% of households renting. All fixed dwellings in Collector are freestanding houses. The most common is a three bedroom house (45%) followed by four bedroom houses (33%). Fourteen percent have two bedrooms, and five percent have five or more bedrooms.

As Collector is still small and does not face substantial space constraints, it is likely that future population growth in Collector will be housed in separate dwellings. Those close to the centre of town are likely be traditional residential houses (freestanding dwellings on blocks under 2000sqm) while those a little further out will be developed as rural residential lots.

1.3 The Capital Region

The focus of this report is on areas within a 45-50 minute commute of the centre of ACT: for the purposes of this report, we have used London Circuit as the central point. It focuses on ACT and the LGAs of Queanbeyan, Yass Valley, Palerang, Upper Lachlan Shire and Goulburn Mulwaree, as these are considered potential competitor regions for Collector. LGAs to the south and west of the ACT, namely Tumut (west of ACT) and Cooma-Monaro (south of ACT), have not been considered as competitor regions due to their distance from Collector and the ACT. Collector and the Capital Region are shown in Figure 3.

FIGURE 3. COLLECTOR AND THE CAPITAL REGION



2 DWELLING DEMAND IN COLLECTOR

2.1 Regional population forecasts

The population across the northern Capital Region (ACT, Queanbeyan, Goulburn Mulwaree, Palerang, Upper Lachlan Shire and Yass Valley) is expected to grow from 481,000 in 2011 to 662,400 by 2031, as shown in Table 2.

TABLE 2. POPULATION FORECASTS, CAPITAL REGION

	2011	2016	2021	2026	2031
Goulburn Mulwaree	28,350	29,800	31,200	32,450	33,550
Palerang	14,850	16,050	17,550	19,100	20,550
Queanbeyan	40,000	44,500	49,100	53,800	58,500
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Yass Valley	15,600	17,200	18,800	20,350	21,900
ACT	375,100	405,800	444,700	483,000	520,400
Region total	481,300	520,850	568,900	616,250	662,400

Source: Census, 2011, Department of Planning and Environment, ABS Population projections, Cat. No. 3222.0

The highest population growth rates over the period to 2031 are found in the ACT and areas close to the ACT. Goulburn Mulwaree and Upper Lachlan Shire have average expected growth rates of 0.8% and 0.2% respectively, while Palerang, Yass Valley, Queanbeyan and the ACT all have expected growth rates of 1.5-2% per annum.

Given the proximity of Collector to the ACT, and the fact that its employment patterns are closer to that of Palerang than the rest of Upper Lachlan Shire, it is likely that it will experience population growth closer to that experienced by Palerang and Yass Valley than Upper Lachlan Shire.

2.2 Demand for dwellings

As the population increases, demand for dwellings will increase. Broadly speaking, each additional household of 2.2 to 2.7 people will require one additional dwelling, plus some additional dwellings allowed for vacancy rates. Dwelling demand forecasts are shown in Table 3.

TABLE 3. DWELLING FORECASTS, CAPITAL REGION

	2011	2016	2021	2026	2031
<i>Average household size</i>					
Goulburn Mulwaree	2.37	2.33	2.29	2.25	2.22
Palerang	2.64	2.59	2.54	2.51	2.49
Queanbeyan	2.51	2.47	2.45	2.44	2.42
Upper Lachlan Shire	2.43	2.37	2.33	2.30	2.27
Yass Valley	2.69	2.64	2.60	2.57	2.54
ACT	2.58	2.54	2.51	2.48	2.46
Region weighted average	2.57	2.52	2.49	2.47	2.45
<i>Implied dwellings</i>					
Goulburn Mulwaree	13,300	14,250	15,100	15,900	16,650
Palerang	6,400	7,050	7,850	8,600	9,350
Queanbeyan	17,050	19,250	21,400	23,600	25,750
Upper Lachlan Shire	4,050	4,200	4,250	4,300	4,350
Yass Valley	6,450	7,200	8,000	8,750	9,500
ACT	145,050	155,873	166,475	176,357	185,656
<i>Increase in dwellings required</i>					
		15,522	15,253	14,432	13,749
Total increase in implied dwellings by 2031					58,956

Source: Department of Planning and Environment, 2015, ABS Population projections, Cat. No. 3222.0

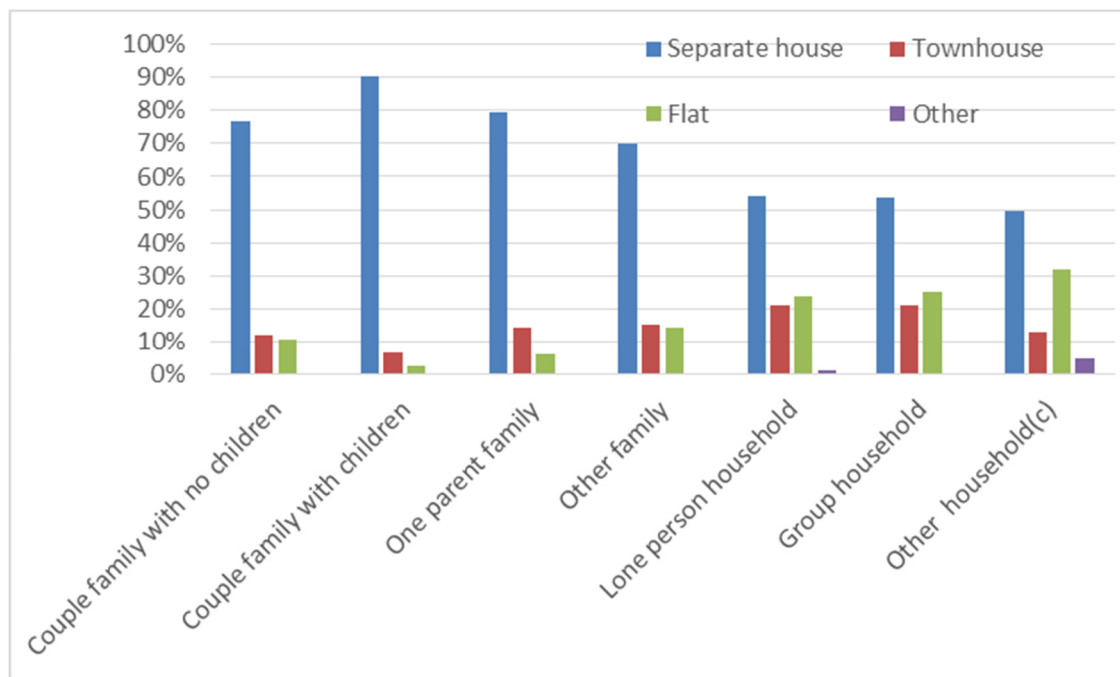
The Capital Region will require almost 60,000 new dwellings between 2011 and 2031. Only 300 of these are expected to be required in Upper Lachlan Shire. This is greater than the increase in population due to declining household size. Due to the proximity of Collector to these other LGAs, it is likely that some additional implied dwellings for Goulburn Mulwaree (3,350), Palerang (2,950), Yass Valley (3,050) and ACT (40,606) could be located in Collector.

2.3 Demand for dwelling types

Demand for dwelling types tends to vary by family type and life stage. Families with children usually show a preference for freestanding dwellings, as they tend to be larger, have more bedrooms and are likely to have a yard for children to play in or for family gatherings. One parent families are less likely to live in a freestanding house, as smaller family sizes need less space, and they tend to have lower incomes, meaning that separate houses are less affordable.

In the total Capital Region, ninety percent of couple families with children lived in freestanding houses, compared to 77 percent of couple families without children and 79 percent of one parent families. Just over half of lone person and group households lived in freestanding houses. Families that did not live in freestanding houses were more likely to live in townhouses than flats, while group households and lone person households were more likely to live in flats than townhouses. The propensity of different household types to live in freestanding houses, townhouses, flats or other dwellings is shown in Figure 4.

FIGURE 4. HOUSEHOLD TYPE BY DWELLING TYPE, CAPITAL REGION



Source: Census 2011

SGS used a dwelling demand model to forecast future demand for separate houses, townhouses and flats in the New South Wales Capital Region. This model uses population forecasts, family type forecasts and trends in dwelling uses by different family types to project future demand for dwellings.

The results for the NSW Capital Region are shown in Table 4.

TABLE 4. INCREASE IN DWELLING DEMAND BY DWELLING TYPE, 2011-2031

	Goulburn Mulwarree	Palerang	Queanbeyan	Upper Lachlan Shire	Yass Valley	Total NSW Capital Region
Separate house	2,992	2,651	5,195	97	2,888	13,824
Townhouses	289	169	2,381	198	127	3,164
Flats	-	-	1,061	-	-	1,061

Source: SGS modelling

This finds that the demand for additional dwellings in the Upper Lachlan area, based on population growth in the area up to 2031 will be low, due to its low population growth. What little demand there is primarily directed towards townhouses rather than freestanding houses, due to the decline in young families and growth in the number of older people. However, Collector's relative proximity to other LGAs means that it may be able to attract households that may have otherwise located in Goulburn Mulwarree, Yass Valley and Palerang. These areas have a forecast total demand of 8,531 freestanding houses. Most of these dwellings are expected to be occupied by people working in the ACT.

2.4 Demand drivers for rural residential property

There are a number of factors that drive demand for rural residential property, as opposed to freestanding dwellings on standard suburban-size lots. This section discusses those that are particularly pertinent to the Capital Region.

Lifestyle preferences

Rural residential properties are popular among people who want to engage in small-scale self-sufficiency, as it provides space for a large vegetable garden, an orchard and possibly some chickens. They are also popular among horse lovers, as a rural residential property avoids the need for agistment fees. Trends in lifestyle preferences can drive demand for rural residential properties, often inspired by shows such as *Gourmet Farmer*. However, rural residential lots of the size proposed (two hectares) would not provide sufficient grazing area for cows or sheep. Others prefer rural residential property so they can have a bush setting to their home and greater privacy.

Rural residential properties have some shortcomings that deter some city workers. They tend to be further away from town centres and lack public transport or bicycle lanes, thus having a car or two is essential.

Fuel prices

Car dependency is a necessary part of having a residential property. Because of this, demand for rural residential properties may be sensitive to long term changes in fuel prices or congestion on arterial roads. The price of rural residential property is sensitive to distance and time taken to travel to town centres – the further away from town centres, the lower the price. If fuel prices were to sharply increase, it is possible that demand for rural residential properties would fall. However, it is also possible that people will utilise alternative fuel vehicles to maintain their rural lifestyle choice.

Property pressures on Canberra workers

Population growth in Canberra and limited land in the ACT means that Canberra households are increasingly living in higher density dwellings. Between 2006 and 2011, the share of Canberra households living in separate dwellings decreased by 75% to 72%; while the share of people living in townhouses increased by one percentage point and the share of households living in apartments increased by two percentage points.

The higher cost of housing in the ACT means that families who wish to live in a freestanding house are limited. Median ACT house prices increased from \$175,000 in 2001 to \$537,500 in 2014. This is substantially more than the median house prices in surrounding NSW LGAs. If these trends continue, households with ACT-based workers that prefer freestanding houses may choose to commute from New South Wales to the ACT.

Given that most of Collector's employed population works in the ACT at present, as well as the price and population pressures in the ACT, Collector is likely to draw ACT workers who want to live in a freestanding house, but cannot afford ACT prices.

Employment stability

Rural residential properties will often involve an investment of time to enjoy the benefits, for example, to establish fruit trees, build a garden bed or get animals settled in a new enclosure. They may be less in demand when potential purchasers feel uncertain about their employment. Since ACT employment is heavily dependent on the public service, ongoing employment instability in the public service may result in less demand for rural residential property.

2.5 Summary of findings

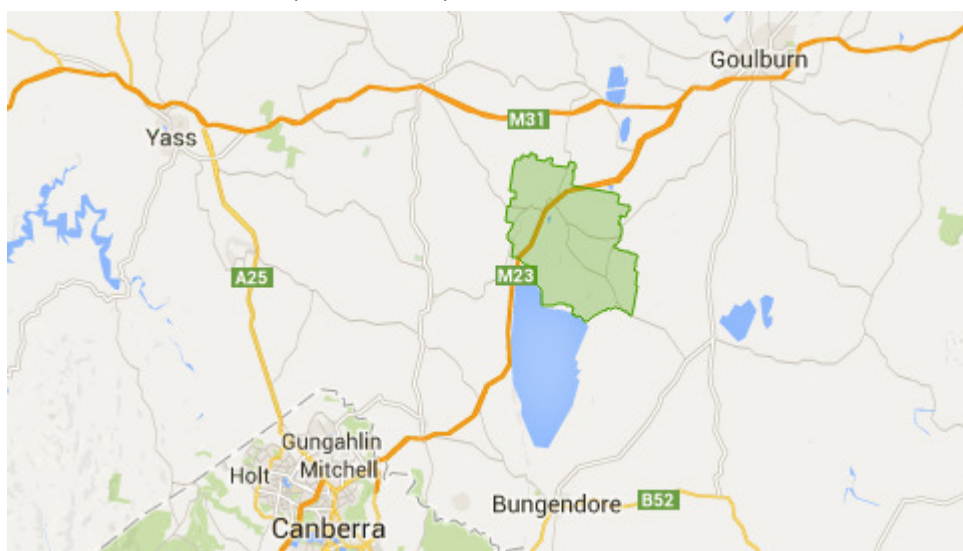
In Upper Lachlan Shire, where Collector is located, population growth is projected to be low, and as a result, forecasts of dwelling demand suggest that there is little demand for new dwellings, particularly rural residential dwellings. However, Collector is close to Palerang and Yass Valley, and tends to have more in common with these LGAs than Upper Lachlan Shire, as a commuter town feeding into the ACT.

As a result, it is likely that it will be able to attract households that would otherwise have located in Goulburn Mulwarree, Yass Valley and Palerang, which are projected to require a further 8,531 freestanding dwellings by 2031. This may also be affected by population pressures in the ACT, high ACT dwelling prices, lifestyle preferences or petrol prices.

3 TRENDS IN LAND SALES IN COLLECTOR AND SURROUNDS

Collector has a relatively small land sales market. Between 2001 and 2014, Collector and surrounds recorded an average of 27 property sales per year. This included large town lots (1000 to 2000 square metres), rural residential lots and farming lots. Figure 5 shows the location of the Collector sales region, as identified by Allhomes, shaded in green.

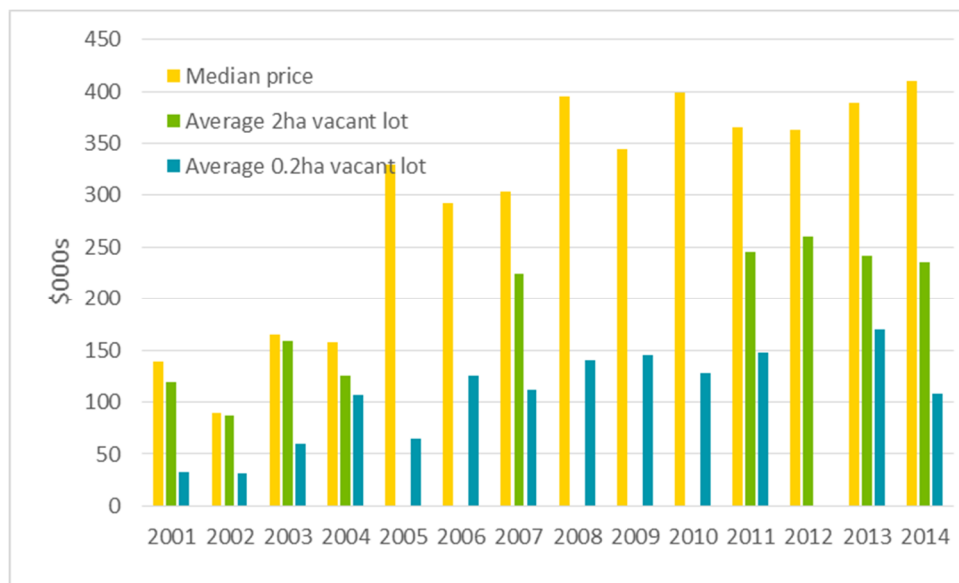
FIGURE 5. COLLECTOR (ALLHOMES)



Source: www.allhomes.com.au

Figure 6 shows historical property prices in Collector from 2001 to 2014. Median prices increased substantially between 2004 and 2008, after which median prices have been more or less flat. Prices of vacant lots of approximately two hectares followed a similar pattern. Recent land prices for lots around 2 hectares (from 1.5 hectares to 5 hectares) range from \$235,000 to \$260,000. This may be an underestimate of how much the proposed residential lots could sell for, as some of these properties have been identified as being flood prone, and were marketed to Goulburn residents, who tend to have lower incomes than Canberra residents. Lots of similar sizes that were not flood or bushfire prone, had reasonable soil and were marketed to Canberra residents, could potentially attract higher prices.

FIGURE 6. COLLECTOR PROPERTY PRICES, 2001-2014



Source: Allhomes data

These figures should be interpreted with caution, as they represent very small sample sizes – fewer than five vacant lots around 2ha were sold each year in Collector, and there may be some characteristics of these lots that affect the price that are not apparent from the data. However, they show a general trend of land and house price growth in the mid-2000s, and fairly flat prices afterwards.

3.1 Land and property types in neighbouring areas

Given that Collector residents tend to work in the ACT and this is unlikely to change as Collector's population grows, Collector's competition in the rural residential market will include Yass, Murrumbateman, Gundaroo, Wamboin, Bywong, Bungendore, Burra and Carwoola.

These are not the only areas surrounding Canberra with rural residential properties available. Other areas, however, are quite dissimilar to Collector in a number of ways, and so are unlikely to be considered competitor regions. Hall, Wallaroo and Sutton, for example, have high numbers of rural residential properties, but are much closer to Canberra (approximately 20 minutes to London Circuit) and thus their prices are much higher, putting them in a different market. Properties to the west of Canberra, such as those on Mountain Creek Road, are only accessible via dirt road. Properties to the south of Canberra, such as those around Michelago, are more appealing to people working in southern Canberra locations such as Fyshwick, Tuggeranong and Woden. Googong was not considered as the development of Googong Village has significantly changed the type and price of land substantially, with the very few remaining rural properties going for a much higher price than other areas. ACT itself has some rural properties, however these are few in number, tightly held and very costly.

Similar-sized vacant lots in the same area may sell for very different prices. Lots without a building permit – that is, lots that purchasers can't build a house on to live in – tend to sell for much lower prices and have been excluded from the following analysis. Lots without access to town power, telecommunications, town water and sewage sell for much less, as do lots that are flood-prone, bushfire-prone, have poor soil or are very close to a highway. Land with water rights, ready vehicle access and views tend to attract a premium. These features can have more of an impact on property price than lot size, but they may not be apparent in the Allhomes data used for the analysis.

Gundaroo

Gundaroo neighbours Collector, along the north of the Federal Highway and Lake George. It is in the Yass Valley LGA. The town of Gundaroo had a population of 1,034 in the 2011 Census. Driving from Gundaroo township to London Circuit in Canberra takes 34 minutes down Sutton Road to the Federal Highway, compared to 42 minutes to travel to Collector. Figure 7 shows the location of Gundaroo, shaded in green, stretching from Collector and Lake George/Federal Highway (M23) towards the Barton Highway (A25).

FIGURE 7. GUNDAROO



Gundaroo median prices grew rapidly in the early to mid 2000s, peaking at \$562,500 in 2007 before dropping off during the GFC. Since then, Gundaroo prices have only reached \$591,750, an increase of only 5.2% over seven years.

Vacant Gundaroo lots for sale are more likely to be residential lots, mostly around 2000 square metres or less. The three rural residential vacant lots sold over the last five years include a 4.4ha property that sold for \$163,000 in 2012, an 8 ha property that sold for \$440,000 in 2011 and a 3.8 ha property that sold for \$204,100 in 2009. Prices for rural residential lots in Gundaroo can vary noticeably for a given sized block, as many properties further away from the town, such as some off Marked Tree Road, do not have bitumen roads or access to town power, and require expensive solar and battery systems. These properties can also face considerably longer commute times into Canberra than from Gundaroo town.

Murrumbateman

Murrumbateman lies between ACT and Yass, on the Barton Highway, shown in green in Figure 8 below. In 2011 it had a population of 2,847. It is located within Yass Valley LGA.

It is 35 minutes from Murrumbateman to London Circuit, Canberra. Commute times are more variable on Barton Highway compared to the Federal Highway, as Barton Road is single-lane each way with some passing lanes. As the number of ACT commuters grows in Murrumbateman and Yass, it is likely that the Barton Highway will become congested, further increasing commuting times. Funds have been set aside for a scoping study to duplicate the Barton Highway, but at present there is no indication of when the duplication will be commenced.

FIGURE 8. MURRUMBATEMAN



Source: Allhomes

Murrumbateman properties range in size from standard suburban lots, to modest rural residential lots to large farming properties. From 2012 to 2014, 28 vacant lots from 1 to 2 hectares sold for between \$270,000 and \$435,000. Many of the higher-priced properties in this range, \$345,000 and above, were part of the Jiparu development, which provided three-phase power, water allocations and views to the Brindabellas. Murrumbateman property prices have grown steadily since 2001, without slowing down during the GFC. The median property price was \$415,000 in 2009 and increased to \$650,000 in 2014.

Recent and current Murrumbateman vacant land subdivisions are more likely to be large suburban-size lots rather than rural residential lots. A new development at Murrumbateman, Fairley, offers large suburban-size blocks, from around \$270,000 for an 800 square metre lot to \$310,000 for 1200 sqm lots, with a 3067 sqm lot facing the future village square asking \$1.2 million.

Yass

Yass is further from Canberra than Collector, taking 50 minutes to reach London Circuit, Canberra. At the 2011 Census it had a population of 6,328 and naturally, is located within Yass Valley LGA. Of all the regions considered in this analysis, it has the largest town. As well as being a commuter town for some ACT residents, it supports farming communities in outer regions and is a stopover point on the Hume Freeway from Sydney to Melbourne. As with Murrumbateman, it is accessed via the Barton Highway, meaning that travel times can be variable due to congestion. It is shaded in green in Figure 9.

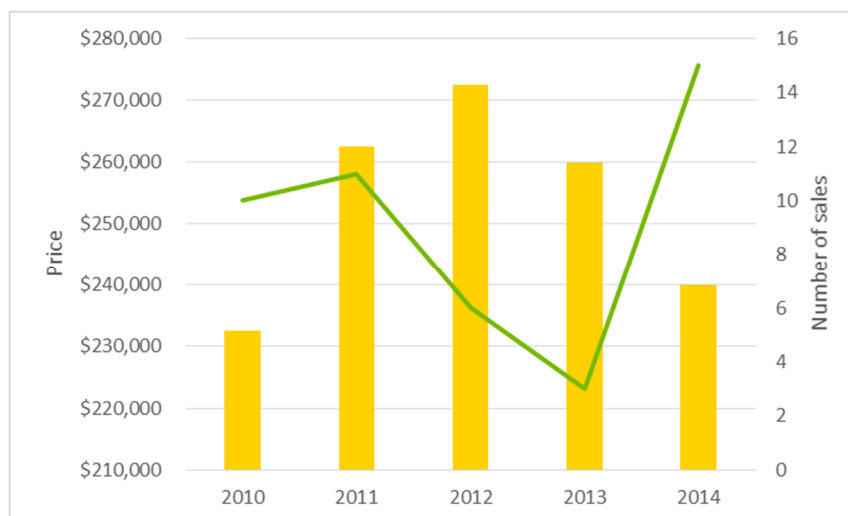
FIGURE 9. YASS



Source: Allhomes

Compared to other rural residential centres in the Capital Region, Yass has a high number of sales per year, typically between 200 and 400, with a notable number of rural residential lots. A total of 45 rural residential lots between 1ha and 4ha were sold from 2010 to 2014. Median sale prices for these rural residential lots has ranged from \$232,500 to \$272,500, as shown in Figure 10. Of the areas considered in this analysis, it is the only one in which prices of rural residential lots are comparable to those in Collector. It is uncertain if these lots had any particular physical characteristics that affected the sale price, such as bushfire risk, utilities access or views, however some of these properties would have been located in areas with commute times of over an hour into Canberra.

FIGURE 10. YASS RURAL RESIDENTIAL SALES, 2010-2014



Source: Allhomes

Median prices in Yass have steadily increased from 2001 to 2014, without showing the price falls during and after the GFC that other areas have. Median property prices (including units) for Yass increased from \$118,000 in 2001 to \$352,000 in 2014.

Wamboin

Wamboin lies to the east of the ACT, adjoining the ACT/NSW border between Bywong and Bungendore. Located in the LGA of Palerang, it had a population of 1,672 in the 2011 Census. Although some businesses are located in Wamboin, it does not have a town centre. It accesses the ACT via Sutton Road and the Federal Highway to the north, or Parkes Way to the south, reaching London Circuit in Canberra in 26 minutes.

FIGURE 11. WAMBOIN



Source: Allhomes

Over the last 5-10 years, new releases of rural residential land have been made available in Wamboin. In the late 2000s/early 2010s, a rural residential estate called Birchmans' Estate was released in Wamboin. It was a slightly longer drive to the ACT, 32 minutes to London Circuit. This land release featured a number of rural residential lots of varying sizes, on an estate with town power and a shared water supply. Some of the smaller lots in Birchmans' Grove were around two hectares, selling for \$350,000 to \$380,000 between 2009 and 2011. Larger lots in the estate, 7 hectares and above, sold in the low \$400,000s.

A small subdivision in Wamboin, Warramunga Park (31 minutes to London Circuit), sold vacant lots ranging from 4 to 9 hectares between 2012 and 2014, after listing in late 2011. The smaller (3.6 to 4.5 ha) lots sold for \$430,000 each.

Many of Wamboin's properties are around two hectares, particularly on Denley Drive, Norton Road and Proud Place. Sale prices vary considerably with the quality of the house: in 2014, two hectare properties with established dwellings ranged in price from \$550,000 to \$940,000.

Median sale prices in Wamboin hit \$665,000 in 2007, before falling to a low of \$445,000 in 2011, although much of this fall was due to the large number of sales of vacant land at Birchman's Estate during this year pulling down the median. Since then, prices have increased from their 2007 peak, from \$676,500 in 2012 to \$770,000 in 2014.

Bungendore

Bungendore is located south of Federal Highway, off Bungendore Road. It is part of Palerang LGA. The residential town of Bungendore is much larger than Collector, with a population of 3,554. The town of Bungendore is a 36 minute drive from London Circuit via Bungendore Road, Macs Reef Road and Federal Highway; or via Kings Highway through Queanbeyan. Figure 12 shows the location of Bungendore, shaded in green.

FIGURE 12. BUNGENDORE



Source: Allhomes

Bungendore has many properties available between 1 and 8 hectares, however most already have residential dwellings on them. Vacant lots available tend to be smaller, more in the field of residential rather than rural residential size (under 2000sqm). Only seven lots between 1 and 8 hectares have sold in the last five years, ranging in price from \$300,000 to \$645,000. The most expensive vacant land was walking distance to the town.

Overall, median property prices in Bungendore have been relatively flat from 2009 to 2013, however this picked up in 2014, with a median non-unit price of \$580,000, compared to \$465,000 in 2013. With dwelling sales of 120-185 per year since 2008, these estimates are reasonably robust.

Bywong

Bywong is located just off the Federal Highway, on the Canberra side of Lake George (Collector is on the Goulburn side of Lake George), shown in Figure 13, shaded in green. Bywong is also located in Palerang LGA, and had 1,195 residents on Census night 2011. Bywong is an average of 31 minutes to London Circuit, which is around 10 minutes closer than Collector. Unlike the other areas considered, Bywong does not have a township. Most properties in Bywong are substantially larger than two hectares, and there are no suburban-sized residential lots. While town power and telecommunications are readily available in most areas of Bywong, many locations have shale soil, which can result in lower land values.

FIGURE 13. BYWONG



Source: Allhomes

Fewer vacant lots have sold in Bywong than other areas in the last five years. They range in size from around 1 to 8 hectares, with most being substantially larger than two hectares. Bywong vacant lots sold from 2010 to 2014 range in price from \$345,000 to \$485,000, with most properties close to \$400,000.

Burra

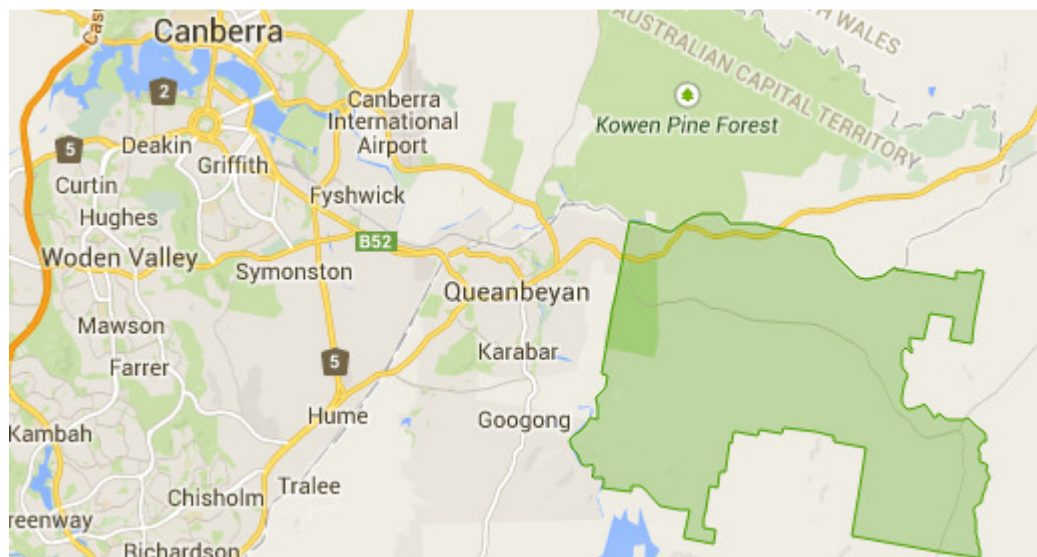
Burra is located within 58 minutes of London Circuit, Canberra. It is located within the Palerang LGA, south of Queanbeyan and to the southeast of Canberra. Burra's population in 2011 was 716. No Allhomes map is available.

Block sizes in Burra tend to be larger than other areas considered, with recent sales of properties in the hundreds of hectares. The smallest lots sold in the last five years 2010-2014 were 2.3 hectares, which already had dwellings on them. Nine vacant lots sold between 4 and 9 hectares were sold from 2010 to 2014 in Burra, for between \$306,000 and \$510,000.

Carwoola

Carwoola is a 28 minute drive from London Circuit down Captain's Flat Road, east of Queanbeyan. It is located in Palerang LGA, with a 2011 population of 1,431. Figure 14 shows the location of Carwoola, shaded in green.

FIGURE 14. CARWOOLA



Carwoola prices are considerably higher than other areas considered, with median house prices peaking at \$777,500 in 2011, sitting at \$720,000 in 2014. Although prices for Carwoola property have generally trended upwards, with no distinct price falls around the time of the GFC, the relatively small number of dwellings sold each year in Carwoola means that median sale prices can be a shaky indicator of true values in Carwoola

Many recent sales in this area have been over a million dollars. In 2010, sixteen vacant lots between 1 and 10 hectares were sold in Carwoola, ranging in price from \$325,000 to \$630,000. Since then, the supply of rural residential vacant lots has dried up, with only six vacant lots between 1 and 9 hectares selling between 2011 and 2014, with prices ranging from \$310,000 to \$495,000.

3.2 Summary of findings

Recent sales in Collector for 2 hectare vacant lots have been around the mid \$200,000s. Specific lot prices vary according to characteristics of the land including flood and bushfire risk, soil quality,

availability of utilities, road access and whether the property is marketed to Canberra or Goulburn purchasers. This analysis finds that there are few vacant lots around the 2ha size on the Federal Highway corridor from Goulburn to Canberra. Of those properties available around that size outside of Collector, most had already been developed, and most were more expensive than those available in Collector, with recent Wamboin rural residential subdivisions selling in the high \$300,000s to low \$400,000s. Along the Barton Highway corridor, Murrumbateman had limited rural residential lots at substantially higher prices than Collector, while Yass's properties were comparable in price to Collector's, with a larger town nearby but a longer and more uncertain commute to Canberra. Areas to the south and west of Queanbeyan have few vacant rural residential lots for sale, and are considerably more expensive than Collector.

Overall, dwelling prices in the region have been fairly flat since the GFC in 2008-09, due in part to employment uncertainties in the public service. Until some measure of stability is achieved in ACT employment expectations, high levels of dwelling price growth are unlikely. Collector's rural residential lots around two hectares in size are cheaper on average than properties of a similar size within commuting distance of Canberra. Very few rural residential lots greater than one hectare were available for less than \$300,000, and these tended to have serious shortcomings such as lack of town power. Only Yass rural residential properties are of a similar price to those in Collector, and they are further out from Canberra.

If the Taradale property or surrounding areas is subdivided into two hectare lots, there is likely to be some variation in the market prices for these properties depending the features of each individual lot. Lots that are close to the Federal Highway, heavily timbered, steep, rocky soil or flood prone will receive lower prices, however those with views may command a premium.

4 CONCLUSION

Collector is a small rural village of just over 400 people, located in the corner of Upper Lachlan Shire, around 42 minutes' drive to the centre of the ACT. Most of its workers are employed in the ACT, typically in the public service. As a result, it has more in common demographically with the neighbouring LGAs of Palerang and Yass Valley. Despite the fact that the population of Upper Lachlan Shire overall is expected to grow by only 100 people from 2011 to 2031, it is likely that Collector's status as a commuter town for the ACT could result in faster population growth. Neighbouring Palerang, which is less than ten minutes from Collector, expects population growth of over 5,000 people over this time –it is quite probable that land development in Collector could attract some families that may have otherwise moved to the ACT.

Overall, the NSW Capital region is forecast to require an additional 13,824 freestanding dwellings between 2011 and 2031, most of which will be required for people commuting to the ACT for work. Just over 5,000 of these dwellings will be in Yass Valley and Palerang.

There is considerable future demand for properties within commuting distance of the ACT, as high costs of ACT housing push ACT workers into New South Wales. Families looking for a rural lifestyle may decide that the most affordable way to have a large house on a spacious block will be to live near country towns such as Collector. The primary school in Collector is likely to be an attractor for families with young children. Although Collector is further out than most other areas offering a rural residential lifestyle to Canberra commuters, it has a higher availability of rural residential lots. With prices for lots between 1ha and 5ha in the mid-\$200,000s, Collector rural residential lots are substantially cheaper than similar lots in Murrumbateman, Gundaroo, Bywong, Wamboin and Carwoola, which typically cost over \$300,000 for cheaper blocks that may have poor soil, steep slopes, flood or bushfire risk, poor road access or difficulty with utilities, and \$400,000+ for quality blocks.

Collector has a great deal of promise to expand as a village offering a rural residential lifestyle with some town benefits, to families who need to commute to Canberra for work. However, the future demand for Collector will be heavily dependent on other properties that become available over the next 20 years. Other developments in Bungendore, Murrumbateman and Gundaroo may provide substantial competition to future Collector developments, and it not possible at this stage to identify all the projects currently in the planning stage.

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