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February property news

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Traffic: Future-proofing against congestion

Report source: Property Council of Australia (WA) media release: 18 February 2014 www.propertyoz.com.au

Traffic congestion does not simply make driving around the CBD a chore, but the RAC has found that it is increasingly having an impact on the profitability and productivity of businesses in Perth.

In order to reduce the existing problem and plan for the future, the RAC is calling on State and local government to encourage decentralisation by the private sector.

The RAC's recently released Employment Self-Sufficiency Health Check has highlighted a number of ways government can provide the necessary environment for decentralisation to occur.

One key recommendation is for State and local government to give greater support to commercial development in the six sub-regions of Perth and Peel.

Achieving this requires government to collaborate with landowners in developing activity centre structure plans that can accommodate a sufficient level of commercial land use.

The RAC also recommends that all major suburban developments to have attached to them minimum employment generation target, with sufficient monitoring and enforcement mechanisms in place.

New Garden setting for Midland Peace Memorial

Report source: Metropolitan Redevelopment Authority media release: 27 February 2014 www.mra.wa.gov.au

Work has commenced on a new park adjacent to the Peace Memorial at the Midland Railway Workshops, which will be completed in time for the 2014 Anzac Day service.

Planning Minister John Day said the works would expand the grassed area surrounding the memorial with new seating, the planting of mature trees to create an outdoor garden room and a concrete platform to host pop-up shops.

"This is an important area for the Midland community. Historically, it was the former workshops shunting yard, which was very active and full of movement, and has been the traditional setting for the popular Anzac Day service in more recent years," Mr Day said.

"The new park will include a number of elements which pay homage to this history, creating a sense of place and attracting activity back to The Workshops."

Works to be completed over the coming months include paving, long garden beds that reflect the east-west axis of the shunting yard, and paving strips that interpret steam locomotives.

The Minister said Railway Square would be a new area for Midland that incorporated retail, quality food and beverage outlets, and spaces for events and outdoor activities.

"While this park is the first stage in the development of Railway Square, the transformation of The Workshops precinct into a new urban village is well under way," he said.

"A lot of work has already been undertaken in this area including residential apartments, office accommodation, the GP Super Clinic located in Block 1, use of Block 2 by the Public Transport Authority for the State's new rail carriages, and construction of the Midland Public Hospital.

"The Metropolitan Redevelopment Authority is working closely with the local council, developers and the Midland community to ensure The Workshops precinct is a pedestrian-friendly centre with a mix of uses that celebrates the history of this important site."

Fact File

- Future stages of Railway Square will coincide with the development of adjacent lots
- A review of the Midland master plan is currently under way and will be available for public comment in mid-2014



December quarter rebound in Perth Property - Prices Up

Report source: Real Estate Institute of WA media release: 01 February 2014 www.reiwa.com.au

TURNOVER & PRICE

Perth's housing market experienced a rebound of activity at the end of last year with sales turnover during the December quarter moving back to the long term average for the metropolitan area. REIWA President David Airey said the strong sales activity through the December quarter had not slowed and that enthusiastic 'buyer momentum' had carried into the New Year.

"Sales normally calm down over the Christmas holiday period but that didn't happen last year. The real-time reporting from our members currently indicates that January will also be a bumper month for turnover," Mr Airey said.

Earlier analysis by the Real Estate Institute of Western Australia showed the median house price lifting by 4% on the previous quarter, suggesting 2013 would end up with growth of at least 7% across the year.

However, Mr Airey said real-time sale data from REIWA agents indicate that the quarterly growth was closer to 6% and pushing Perth's median house price towards \$545,000 through 9% annual growth.

"This has largely been driven by two key factors.

"The number of first home buyers has dropped 12% since the June quarter with a notable fall in sales under \$400,000, while at the same time there was an increase in sales over \$600,000. Together, this compositional change in sales acted to pull the median price upwards towards the end of the year," Mr Airey said.

"I think the fall in turnover with sales under \$400,000 has largely been a reaction to both low levels of housing stock and also affordability pressure on some first home buyers.

"The number of houses and vacant lots on the market is below average by about 3,000 properties and this is increasing demand on the available stock," Mr Airey said.

FIRST HOME BUYERS

Mr Airey said strong first home buyer activity had been a significant market driver over the past 18 months, although applications for established homes

dropped away by 12% in the December quarter.

Data from the Office of State Revenue show there were approximately 5,330 first home buyers in the December quarter paying a median purchase price across the state of around \$433,000.

"However, countering the drop in demand for established homes was a 9% lift in applications for new buildings following the state government's increase in grants for first homebuyer construction," Mr Airey said.

Entry-level activity had prompted an increase in trade-up sales as relinquishing owners sold to first time buyers.

The City of Fremantle dominated house price growth for the quarter with the western part of the City of Stirling also doing well.

Mr Airey said that across the whole year price growth was strongest in the City of Belmont, while the cities of Fremantle, Gosnells, the western suburbs and the northern end of Joondalup were close behind with growth exceeding the metropolitan average of 7%.

UNITS

The sales of multi-residential properties, such as apartments and villas, dropped a little during the quarter but Mr Airey felt this was probably a reflection of slowing first home buyers and weak investor interest.

"Even so, multi-residential dwelling stock enjoyed good growth of almost 5% for the quarter," Mr Airey said.

STOCK & SELLING DAYS

At the end of the year there were 8,700 properties on the Perth market, virtually unchanged from the September quarter as sales were quickly replaced with new listings.

Mr Airey said it was a similar story with blocks of land, with the metropolitan area finishing the year with 1,115 lots on the market, much as it was in the previous quarter.

"Days on market have stabilised around 50 days, well down on the 70-plus days at this time last year but it's the rental market which is really experiencing a slowdown in activity" Mr Airey said.

RENTAL SYSTEM

REIWA data that during the December quarter the metropolitan vacancy rate grew further to around 3.2% as more than 700 additional rentals came onto the market. That's up 135% since late 2012 with more than 4,800 rental properties currently available for lease through REIWA member agents

"In response to the competition the Perth median rent came down by \$10 to \$460 per week and representing a drop of \$15 per week since the middle of last year.

"It seems that the downturn of jobs in the mining sector as well as many former tenants having now become first home owners, has caused the rental system to relax a little," Mr Airey said.

REGIONS

In the regions results were patchy depending on local economic conditions.

The Mandurah-Murray area finished up having a good year with sales turnover but price growth was modest. Rents also lifted by \$10 to a median of \$380 per week.

Turnover in Bunbury was up by almost 20% across the year despite a dip in sales for the December quarter, however, prices didn't move much from September.

In Kalgoorlie-Boulder sales activity has been trending downwards for two years resulting in volatility in the median price.

Geraldton-Greenough also had a weak year with its median price sliding on stagnant turnover. The Midwest city reporting 500 sales for the year, the same number as 2012.

In the Pilbara, the downturn in the mining sector is very apparent in the housing system.

Karratha sales actually picked up despite annual turnover being at its lowest point in 23 years. With the median house price having dropped across 2013, the improved affordability attracted buyers in the December quarter.

Nearby Port Hedland is also feeling the effects of the downturn with annual turnover being down by a significant 60%, although rents remain very high at around \$1,300 per week.



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Foot Bridge to connect East Perth and Burswood Peninsula

Report source: Government of West Australia media release:10 February 2014 www.mediastatements.wa.gov.au

The State Government is calling on industry to submit EOIs to design and build the bridge that will connect Burswood Peninsula, near the new Perth Stadium to East Perth, adjacent to Nelson Avenue and Gloucester Park.

Transport Minister Troy Buswell said the Government's vision for the Swan River Pedestrian Bridge was to create a signature piece of public infrastructure for the people of Perth.

"This new structure will be a highlight on the Perth skyline and will be a crucial link between the Burswood Peninsula and East Perth," Mr Buswell said.

"The pedestrian bridge is a key component of the new Perth Stadium's integrated transport system to manage the movement of patrons to and from the stadium.

"It is expected up to 14,000 patrons will use the bridge on 'event days', but on non-event days the bridge will

remain an important piece of public infrastructure to be used by the local community to cross the Swan River between the Burswood Peninsula and East Perth."

The EOI is the first stage of the competitive tendering process for the bridge and was lodged on Tenders WA today.

Contractors will be given information including the scope requirements and design quality objectives that integrate engineering, architectural, environmental and aesthetic principles expected from the proposals.

The Minister said contractors would need to consider bridge design and construction objectives that included functionality and build quality, innovation and creativity, efficiency and sustainability, as well as responsiveness to the context and environment within which the structure would exist.

In December 2013, three short-listed consortia submitted their responses to design, build, partially finance and maintain the new Perth Stadium and sports precinct.

Each response is now undergoing rigorous review and evaluation. The successful consortium will be announced in mid-2014.

Fact File

- The bridge construction will start in early 2015 and be complete by December 2016
- The bridge will be about 400m long (depending on the final design) over the Swan River and at least eight metres wide to manage the expected flow of patrons from the stadium on event days
- Stadium construction is expected to be completed in time for start of 2018 AFL season

New Train for Transperth Network

Report source: Government of West Australia media release:04 February 2014 www.mediastatements.wa.gov.au

A new three-car B-series train began carrying passengers on the Joondalup and Mandurah lines today.

Transport Minister Troy Buswell said the new train was the second of a 22-train, \$243million commitment to increase capacity on the urban network.

"The new train will boost capacity on the Joondalup and Mandurah lines during the busiest part of the day by about 600 more passengers," Mr Buswell said.

"Over the next six months, as more new railcars come on to the network, passengers will see a notable improvement in capacity, particularly during peak periods."

The first of the new trains arrived in Perth

in August last year and went into service in December.

The Minister said more new trains would continue to come on to the network every two or three months for the next three years.

The purpose-built train travelled from Maryborough in Queensland and has been subject to rigorous testing and final works to prepare it for its debut.

Mr Buswell said each of the B-series railcars could carry about 600 passengers and would gradually replace the existing A-series (400 capacity) railcars on the Mandurah-Joondalup lines.

"While the benefit of the new railcars will initially be felt by passengers on the Joondalup and Mandurah lines, all

A-series trains previously required on those lines will eventually be moved to the Armadale, Midland and Fremantle lines, so commuters will benefit from this investment across the whole network," he said.

Fact File

- Passengers made almost 150 million journeys on Transperth services last year, with 65.7 million by train
- B-series trains have a capacity of 600 passengers
- First new railcar set was put on the network in December



CBD: Wellington bus station demolition underway

Report source: Government of West Australia media release:13 February 2014 www.mediastatements.wa.gov.au

Transport Minister Troy Buswell today inspected demolition works at the familiar Perth structure, where excavators started this week, and will give way to a state-of-the-art underground busport.

"This is an exciting day for Perth, because while we are losing the 40-year-old bus station, the people of Perth are gaining one of the most technically advanced busports in the country," Mr Buswell said.

"The sinking of the Wellington Street Bus Station is the next stage of the Perth City Link project. Putting this important piece of transport infrastructure underground will connect the Perth CBD to the heart of Northbridge, fulfilling a more than 100-year dream.

"When you put these works with other major projects under way across the city, everyone can see that Perth is really undergoing a once in a generation era of transformation."

In an Australian first the busport will feature dynamic stand allocation technology, similar to an airport departure gate system.

"This technology monitors buses as they approach the station and allocates each bus a stand at which to stop; this information is communicated to passengers in the central waiting area," the Minister said.

The technology has been successfully used at the Christchurch Bus Exchange in New Zealand and the Kamppi Terminal in Helsinki, Finland to maximise space-efficiency benefits.

Mr Buswell said the new technology meant up to 50% more buses would be able to operate through the facility, which will effectively be the same size as the existing Wellington Street Bus Station.

The Perth Busport project is due for completion in mid-2016 and is being funded by the State Government (\$237million) and the City of Perth (\$12million).

The first stage of the State Government's Perth City Link project involved sinking the Fremantle rail line through Northbridge, which was completed in December, six months ahead of schedule.

Fact File

- By 2031 an estimated 200 buses per hour at peak will use the new Perth Busport
- 22,000 cubic metres - around nine Olympic-size swimming pools - of concrete will be poured during the project
- 4,000m of reinforced concrete piles will be laid and 90,000 cubic metres of earth will be moved
- Wellington Street Bus Station was opened in March 1973 by then Premier John Tonkin and it was originally known as the Perth Central Bus Station

\$7.5million upgrade for Kenwick Railway Station

Report source: Government of West Australia media release:25 February 2014 www.mediastatements.wa.gov.au

Transport Minister Troy Buswell said the works would include new station shelters, better lighting and CCTV surveillance, an upgrade to platform surfaces to include tactile paving and improved pedestrian track crossings.

"This upgrade represents a major investment in public transport infrastructure and reflects this Government's commitment to making services accessible for everyone," Mr Buswell said.

"Kenwick is the fourth station on the Armadale Line to undergo an upgrade since 2009 demonstrating the Liberal National Government's priority of investing in transport infrastructure.

"We are working hard to deliver a range of balanced transport initiatives across all modes of transport including investing \$243million in new rail cars, the \$2billion Forrestfield Airport Link, \$57million for the Aubin Grove train station and \$1billion this year alone for roads."

The Kenwick station and car park will be closed from late March for about six months while works are completed.

"Closing the station means the upgrade will be able to be completed quickly so the community can use the station sooner," the Minister said.

Passengers who would usually use Kenwick station will be able to access bus routes 220 on Albany Highway and 229 on Kenwick Road which connect to Armadale, Maddington, Cannington and Perth.

The upgrade will bring the station into line with requirements under the national Disability Discrimination Act.

Similar works were completed at Queens Park (\$3.7million) and Maddington (\$5.3million) stations last year, and works to upgrade Beckenham (\$8.1million) will be completed in the coming months.



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