



**Preston  
Rowe  
Paterson**

International  
Property Consultants  
and Valuers

# Ballarat

## Property Market Commentary Spring 2019

Ballarat has sprung forward to make the most of daylight savings time with more people out enjoying the sunshine and the longer evenings. With the Spring Festival and Ballarat Cup just around the corner it is a great time to see the best Ballarat has to offer!

Preston Rowe Paterson Ballarat are property valuers and consultants, providing independent property advice for residential, commercial, retail, industrial, hotel and rural properties throughout Ballarat, as well as the central and the western districts of Victoria.

Our team provide specialist advice in family law, petrol stations, car washes, retail rental determinations, equine and specialist agri properties.

Other services we provide include depreciation schedules and insurance valuations.

Our wider office network covers Australia's capital cities and most major regional locations.

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## Recent Commercial Sales Transactions

### 83 Bridge Mall, Bakery Hill



\$1.15 million



\$2,447 per sqm

The former Commonwealth Bank Branch in Bakery Hill sold in October 2019. Positioned to the corner of Peel Street North and Bridge Mall, the property provides a good standard of office accommodation, including ground level with service and teller areas, meeting rooms and work room and the first floor with five partitioned offices, communications room, lunchroom and bathrooms. The property has been purchased by Axis Employment who intend to internally reconfigure the premises for owner-occupation. The property sold by an Expression of Interest campaign, through Andrew Lewis and Lauchlan Waddell of Colliers International Ballarat (in conjunction with Fitzroys — Melbourne).

### 2 Grenville Street South, Ballarat Central



\$800,000



6.19%



\$2,500 per sqm

A local investor fought off interest from 9 other interested parties to secure this iconic building located on the intersection of Grenville Street South and Lewis Street. The historic property sits on a compact 136sqm site and comprises 320sqm of net lettable area over four levels. The property has been leased to the Pancake Kitchen since 2001. The current 5-year lease term commenced in October 2016 and there is one further 5-year option term. Passing rent is \$49,548 per annum, net. Strong buyer interest was received by both local and Melbourne based investors. The property was sold by Tim Etechells of Bartop Real Estate.



\$2 Million



Residential Conversion



\$539 per sqm land



### 36 & 36A Pleasant Street South, Newington

An iconic Church with one last conversion left – itself! This former Uniting Church and its neighbouring double story residence were offered for sale as a whole or individually. The residence is a double story brick home with 4 bedrooms and 2 bathrooms on a separate allotment of 864sqm. The historic Church and hall occupy an allotment of 2,845sqm. The property was sold via an Expression of Interest campaign by Andrew Lewis of Colliers International Ballarat. Multiple offers around \$2 million were received, with strong interest from developers. However, the successful buyer intends to undertake a residential conversion, for owner-occupation.



# The Value of an Address...

## How much does it really cost to live near Sturt Street?

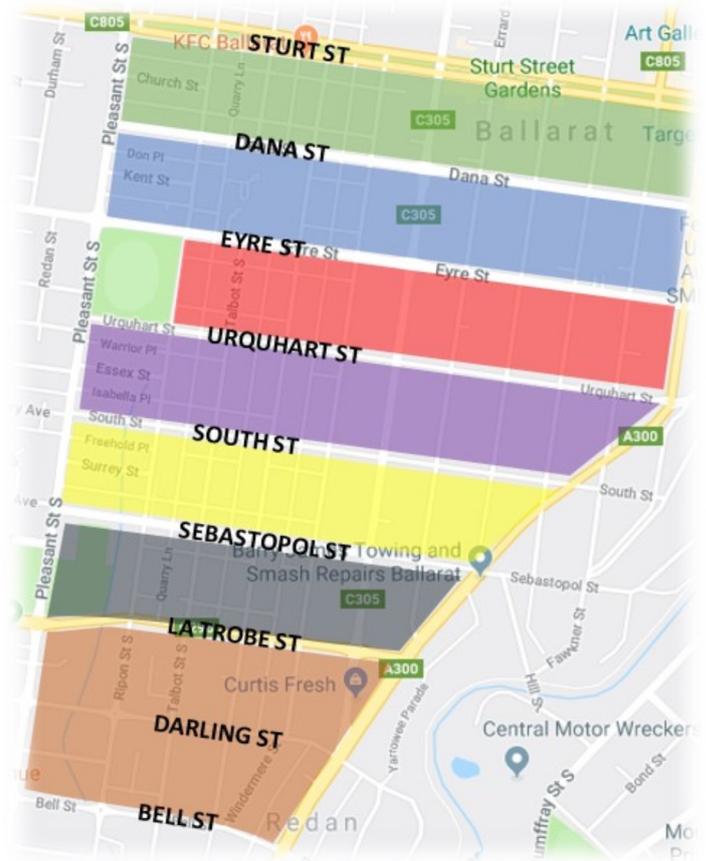
Author: Peter Murphy

Walking through the residential streets of Ballarat Central provides a refreshing experience. It features picturesque tree lined streets, historic bluestone stormwater channels and of course, many beautiful period houses. These are characteristics you can't recreate, and you won't see in any new estates.

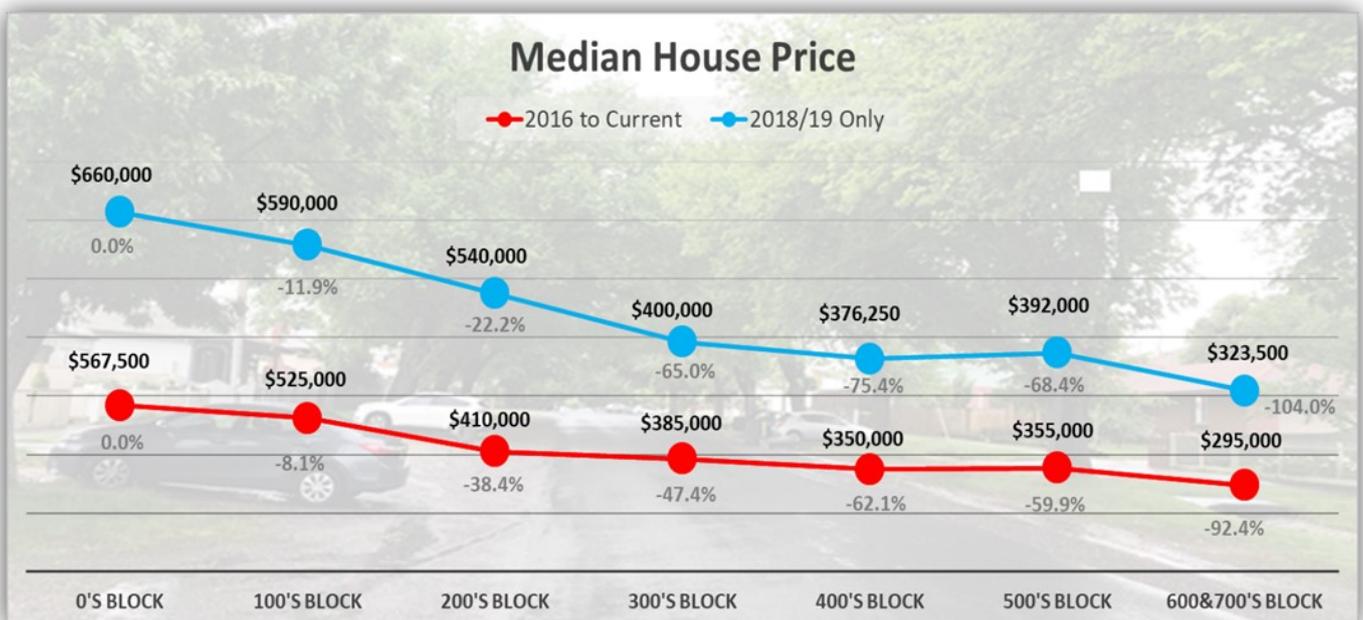
Ballarat Central provides many varied housing styles and the quality of housing can vary significantly – from unrenovated early 20<sup>th</sup> Century cottages to re-built architecturally designed accommodation, with the later generally retaining the original façade (in keeping with Heritage requirements).

However, one thing does remain consistent - the closer you get to Sturt Street, the more expensive the house becomes. So, how much does it really cost to live close to Sturt Street?

To find some answers, we have taken a look at the median house price for each of the major blocks extending south from Sturt Street. These have been grouped into the "0's Block", "100's Block", "200's Block", etc in keeping with the postal addresses of the southbound streets. We have also extended our investigation area to include the 500's, 600's and 700's Blocks, which are located in the suburb of Redan. In real terms, each block represents a further 220 metres walk from Sturt Street.



To provide a more accurate snapshot, we have utilised sales data from 2016 to current. Due to the lower volume of sales and the geographic similarity, we have also combined the sales within the 600's & 700's Blocks (both being south of La Trobe Street).



In viewing the data, it is clear that there is a strong correlation of proximity to Sturt Street and the value of a house – the further south you walk, the more affordable the house becomes. The graph show on the previous page sets out the median house price of each block – we have utilised both a longer-term trend (all sales from 2016 to current), as well as the more recent trend (sales from 2018 and 2019 only):



Some key trends from the graph include:

- The longer term and more recent trend lines provide the same general trajectory, although outline that some of the Blocks are at different stages of price growth.
- The more recent trend ('2018/19 Only') indicates there is a more pronounced price variation between each Block – which is a typical sign of an accelerating market.
- The longer term trend ('2016 to Current') indicates the best Price to Location value was in the 200's Block, although the more recent data indicates the horse may have now bolted on this Block;
- The more recent trend indicates the best Price to Location value shifted to the 300's Block over the last two years;
- Both the longer term and more recent trends indicate that the 500's Block has achieved slightly higher median house prices than the 400's Block - which is likely due to larger allotment sizes.

Another notable feature of the data is the strong overall growth in Ballarat Central. Whilst it is generally accepted that there has been growth in Ballarat Central over the past five years, the actual extent of growth within our investigation area is quite surprising. The sales data indicates the median house price of each Block over the last 5 years, has grown as follows:

<b>0's Block</b>	64%
<b>100's</b>	46%
<b>200's</b>	51%
<b>300's</b>	29%
<b>400's</b>	32%
<b>500's</b>	35%
<b>600 &amp; 700's</b>	41%
Growth from 2015 to current	

In summary, the sales data provides a clear picture, that for each block south from Sturt Street, the housing becomes more affordable. Therefore, each additional 220m walk home may provide not only a benefit to the waistline, but also the bank balance!



**Peter Murphy** is a Director of Preston Rowe Paterson Ballarat and is a Certified Practising Valuer and Associate of the Australian Property Institute

*Historic trends are not always an accurate guide to future trends.*

*The information set out herein is of a general nature and there may be exceptions in the marketplace.*

*We strongly recommend that independent advice be sought prior to any decision making by individuals or businesses.*



## Our Research

At Preston Rowe Paterson we take pride in the extensive research we prepare for the market sectors within which we operate in. These include Commercial, Retail, Industrial, Hotel and Leisure and Residential property markets, as well as Infrastructure, Capital, Asset, Plant and Machinery markets.

## We have **property** covered.

### We have **clients** covered

Preston Rowe Paterson acts for a diverse range of clients with all types of property needs, covering real estate, infrastructure, asset, plant and machinery interests, these include:

- Accountants, auditors & insolvency practitioners
- Banks, finance companies & lending institutions
- Commercial & residential non-bank lenders
- Co-operatives
- Developers
- Finance & mortgage brokers
- Hotel owners & operators
- Institutional investors
- Insurance brokers & companies
- Investment advisors
- Lessors & lessees
- Listed & private companies & corporations
- Listed & unlisted property trusts
- Local, state & federal government departments & agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property syndication managers
- Real Estate Investment Trusts (REITS)
- Rural landholders
- Solicitors & barristers
- Sovereign wealth funds
- Stockbrokers
- Superannuation funds
- Trustee & custodial companies

### We have **real estate** covered

We regularly provide valuation, advisory, research, acquisition, due diligence management, asset and property management, consultancy and leasing services for all types of Real Estate, including:

- Metropolitan & CBD commercial office buildings
- Retail shopping centres & shops
- Industrial, office/warehouses & factories
- Business parks
- Hotels (accommodation) & resorts
- Hotels (pubs), motels & caravan parks
- Residential developments projects
- Residential dwellings (houses/apartments/units)
- Property Management
- Rural properties
- Hospitals & aged care
- Special purpose properties
- Extractive industries & resource based enterprises
- Infrastructure including airports & port facilities

## We have **asset, plant and machinery** covered

We regularly undertake valuations of all forms of asset, plant and machinery, including:

- Mining & earth moving equipment/road plant
- Resort & accommodation, hotel furniture, fittings & equipment
- Office fit outs & equipment
- Farming equipment
- Transport equipment
- Industrial/factory equipment
- Licensed club furniture, fittings & equipment
- Building services equipment (lifts, air conditioning, fire services & building maintenance equipment)

## We have your **needs** covered

Our clients seek our property (real estate, infrastructure, asset, plant and machinery) services for a multitude of reasons, including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income & outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations & re-valuations
- Rating and taxing objections
- Receivership, Insolvency & liquidation valuations & support/advice
- Relocation advice, strategies and consultancy
- Rental assessments & determinations
- Sensitivity analysis
- Strategic property planning

## We have all **locations** covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we have three offices located in New Zealand, as well as associated office networks located in the Asia-Pacific region.



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**China** via China Appraisal  
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**Japan** via Daiwa Realty Appraisal  
<http://daiwakantei.co.jp/eng/about>

**Thailand** via Capital and Co.  
<http://www.cpmcapital.co.th/>

**Philippines** via Cuervo Appraisal Incorporated  
<http://cuervoappraisers.com.ph/>





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