

August 2008

# Ballina and Lennox Head Market Overview

## Area Characteristics

The Ballina and Lennox Head Area boasts some of the most beautiful surfing beaches and picturesque headlands on the east coast of Australia. Ballina is located less than 40km south of Byron Bay at the mouth of the Richmond River and Lennox Head is roughly 10 minutes north of Ballina. Ballina township is the commercial and cultural centre of the Local Area and has the majority of the area's infrastructure including the airport which is serviced by frequent Virgin Blue, Jetstar and REX flights high schools, aged care facilities and a hospital. The Richmond River and its estuaries are well stocked with marine wildlife and for many years has remained a favourite of fishermen and water sports enthusiasts alike. The long awaited Ballina Bypass commenced earlier this year and is welcomed by locals because the 12.4km upgrade will enable the streets of Ballina to return to local traffic. For the purpose of this report, the Ballina and Lennox Head Area include; the suburbs of Ballina, South Ballina, West Ballina, East Ballina, Skennars Head and Lennox Head.

## Demographics

According to the Australian Bureau of Statistics (ABS) the permanent population in the Ballina and Lennox Head Area on Census night in 2006 was just over 29,300 persons; a 1.1% per annum increase since the 2001 Census. The average age of residents in the Ballina and Lennox Head Area is 43, with 30.8% of the population aged over 55 years of age. Ballina and West Ballina have a higher concentration of residents aged over 55 years at 41% and an average age of 48 which is 11 years greater than the Australian average. This indicates an existing need for aged care facilities in the area that will only increase with time.

Dwellings tend to be houses making up 63.4% of total properties and 26.1% are defined as unit and townhouse stock. 40.5% of all occupied dwellings are fully owned and the remaining owner occupied properties at 24.6% are in the process of being purchased. 28.6% of properties are occupied by renters indicating that the Ballina and Lennox Head Area has a healthy mix of owner occupied and investment properties in the market.

## Housing Market

The Ballina and Lennox Head Area housing market continues to trend upward regardless of the long term decline in sales activity being recorded. One of the driving factors behind this decrease in sales activity is the release of new land estates and many people choosing to purchase land and build their home compared to investing in older stock.

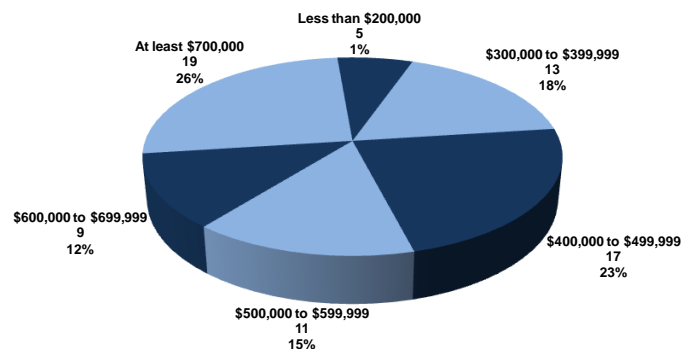
The Ballina and Lennox Head Area sales cycle graph opposite indicates that the March 2008 half year period recorded the highest median to date of \$512,500 and a growth rate of 15.2%, which was calculated from 74 settled transactions. With 19% of total transactions recorded in the Ballina and Lennox Head Area during the six months ending March 2008 occurring below the \$399,999 mark, buyers still have a great opportunity to enter the market. The Ballina and Lennox Head Area is still attainable for many buyers indicating that owner occupiers and investors still have a great opportunity to enter into an



## Ballina and Lennox Head Area Population Distribution

Age Group	% of people in the Ballina & Lennox Area	% of people in Australia
0-4 years	5.52%	6.30%
5-14 years	14.2%	13.50%
15-24 years	10.4%	13.60%
25-54 years	39.2%	42.20%
55-64 years	13.3%	11.00%
65 years and over	17.5%	13.30%
<b>average age</b>	<b>43</b>	<b>37</b>

## Ballina and Lennox Head Area House Price Points



All Graphs prepared by PRDnationwide Research Source: RPData

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affordable coastal property market within such close proximity to Byron Bay and the Gold Coast. The northern NSW coast and especially the Ballina and Lennox Head Area are ideal locations for 'sea change' because the area is still affordable, is supported by strong infrastructure (employment, health, education, road networks) and offers the same lifestyle benefits as other more expensive coastal communities such as the Sunshine Coast or the Gold Coast.

The pie chart (opposite page) indicates that 53% of sales during the half year of March 2008 were \$500,000 and above. The most expensive property that sold during the six months ending March 2008 was on Norton Street Ballina where a three bedroom, two bathroom home on a 563m<sup>2</sup> block with water views sold for \$1.25 million in October 2007. Properties that achieve premium prices within the Ballina and Lennox Head Area are generally located along water courses or are on elevated land with ocean views or within close proximity to the beach.

**Unit Market**

The unit market within the Ballina and Lennox Head Area has recovered from a price correction in 2006 to record three consecutive half year periods of healthy growth. During the six months ending March 2008, the area recorded the highest median unit price to date at \$395,000 and a growth rate of 23.1% since March 2007. The median unit price was calculated from 77 recorded transactions. The median for the period is \$74,000 above the median recorded one year prior in March 2007.

A median price of \$395,000 based on 77 settled transactions during the March 2008 half year period was recorded. The majority of transactions occurred in the \$300,000 to \$399,999 bracket equating to 31% of total transactions. The most recent two half year periods have both recorded more settled unit transactions than the housing market, indicating that people are shifting towards the more affordable unit market for owner occupier as well as investor stock.

The highest recorded transaction during the six months ending March 2008 occurred on Allens Parade Lennox Head where a unit sold for \$2,450,000 during October 2007.

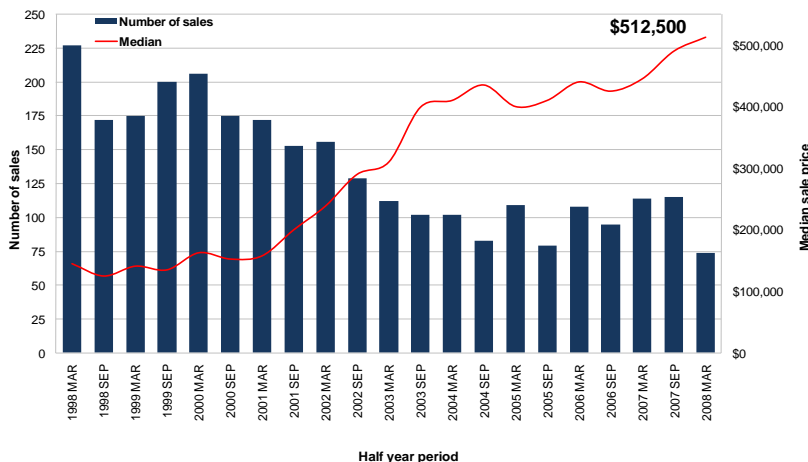
**Vacant Land Market**

The number of vacant land transactions per half year period over the past five years has averaged to be twenty. There is no shortage of demand for vacant land in the area or vacant land for that matter. The reason why this trend of low transactions is being seen in the Ballina and Lennox Head Area is due to developers controlling the amount of land being released onto the market so that maximum sales prices are attained.

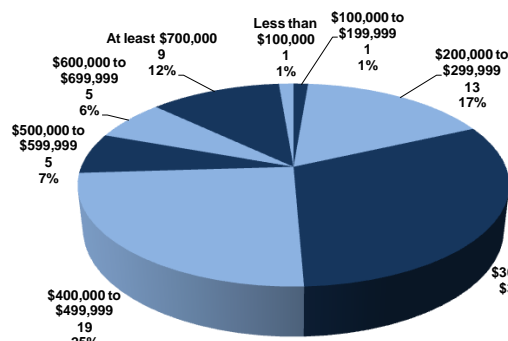
The Ballina and Lennox Head Area recorded a median vacant land price of \$509,500 and a negative growth rate of 8.2% or \$45,500, which was calculated from 18 sales. The decrease in median value is due to the location and different grades of vacant land developments coming online and does not reflect the demand for land in the area.

The majority of transactions occurred in Lennox Head with 15 of the 18 recorded sales. Most sales transacted between the \$300,000 and \$399,999 prices bracket equating to 39% of total sales. Four of the 15 vacant lots sold in Lennox Head transacted for more than \$700,000. The majority of sales in Lennox Head were in the \$300,000 to \$399,999 price bracket with seven recorded sales. The highest recorded transaction occurred on Fig Tree Hill Drive Lennox Head where a 5.66Ha block of land sold for \$1.3 million in October 2007.

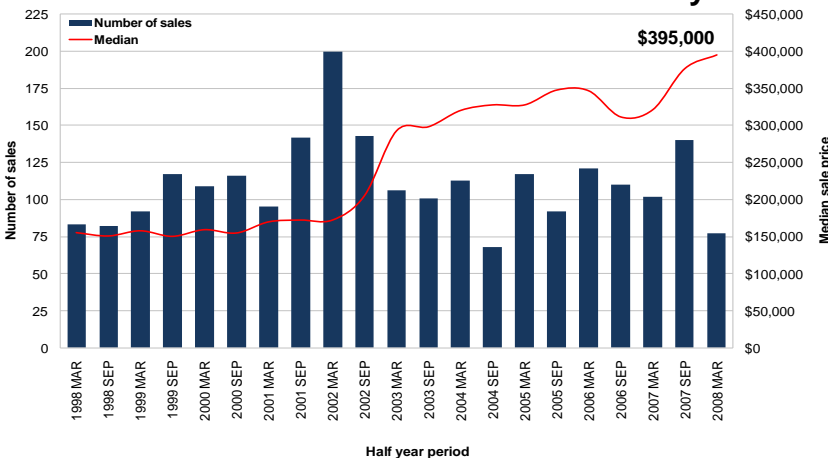
**Ballina and Lennox Head Area House Sales Cycle**



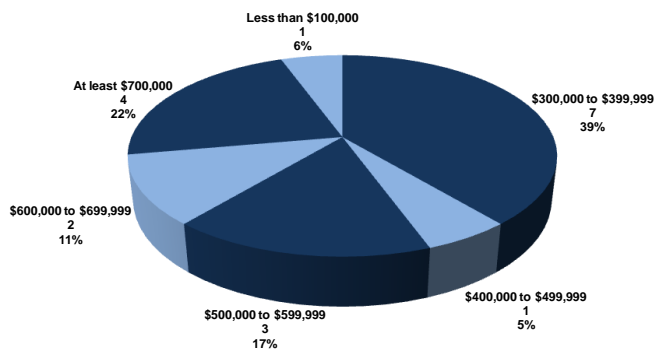
**Ballina and Lennox Head Area Unit Price Points**



**Ballina and Lennox Head Area Unit Sales Cycle**



**Ballina & Lennox Head Area Vacant Land Price Points**



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Prepared by PRDnationwide Research. Sources: RPData and ABS. For further information contact: Rebecca Kell, Queensland Research Analyst Ph: (07) 3026 3383 or Email rebeccakell@prd.com.au, Or Brett Jones from PRDnationwide Lennox Head on (02) 6687 6900 or visit our website at www.prdnationwide.com.au/research. Use with written permission only. All other responsibilities disclaimed. 2008 ©

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