

EDITION 21



BENDIGO

BENDIGO REGIONAL CENTRE OVERVIEW

 **PERFORMANCE**
PROPERTY RESEARCH

DISCLAIMER

The data presented in this report are sourced from 3rd party resources that we have selected due to their reliability and availability over the historical periods that we require for our research to be relevant. Due to the fact that the current year is not yet complete, data presented for the current year are estimated to represent a full year.

BENDIGO AT A GLANCE

Price Parameters - Adjusted for Current Interest Rate

	HOUSE AI	PRICE	UNIT AI	PRICE
AI FLOOR	14%	\$246,092	13%	\$235,673
AI CURRENT	33%	\$585,000	23%	\$410,000
AI CEILING	42%	\$735,220	34%	\$602,918
3 YR PRICE TARGET	\$526,000 - \$700,000 Low Conviction		\$369,000 - \$492,000 Low Conviction	

In the current stage of cycle

The Bendigo house market has a **Buy Momentum Rating** while the unit market has a **Buy Value Rating**.

If buying houses, it would be best suited to a **Long Term Hold Strategy**. If buying units, it would be best suited to a **Medium to Long Term Hold Strategy**.

We classify the Bendigo house market currently as a **Medium to High Risk Investment**, and the Bendigo unit market as a **Medium to High Risk Investment** based on the stage of cycle.

Legend

Medium Term Strategy = **4 to 7 years**
Long Term Strategy = **10+ years**

HOUSE YIELD **3.9%**

UNIT YIELD **4.7%**

UNEMPLOYMENT RATE **1.7%**

POPULATION



Current: **121,221**

Current Growth Rate: **1.23%**

Avg 10 Yr Growth Rate: **1.74%**

CURRENT MEDIAN HOUSE

\$585,000

CURRENT MEDIAN UNIT

\$410,000

LONG TERM (1983) COMPOUNDED GROWTH PA IS **7.91%** FOR HOUSES & **6.51%** FOR UNITS.

Houses the last 3 years have seen 16.08% PA growth, units 15.66%.

7.91%

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Average Days on Market

Houses : **24**
Units : **21**



EXECUTIVE SUMMARY

SHORT-TERM MARKET INDICATORS

Neutral

Affordability Index HOUSE V. Price Movement.....	08
VIC HH Lending OC V investor Monthly	09
Stock on Market V. Avg Days on Market	10
Vacancy Rate V. Median Rent	11
Job Creation Index.....	12

SUPPLY & DEMAND - Slightly Negative

Does Demand Exceed Supply?

Change in Population	13
Population Movement	14
Dwelling Sales	15
Dwelling Approvals V. Population % Change	16
Bedrooms V. Population Change	17

AFFORDABILITY - Negative

Is Property Affordable?

Affordability Index HOUSE V. Price Movement	08
Affordability Index UNITS V. Price Movement	18
Price to Income Ratio	19
Rent to Income V Affordability	20

CONFIDENCE - Positive

Is There Confidence In The Market?

Unemployment Rate	21
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MONEY SUPPLY - Neutral

Will There Be More or Less Money Into The Economy?

GRP V. Median House Price	22
Council Budget	23

INVESTMENT VALUE - Neutral

Is This Market Showing Value?

Yield	24
Long Term Trends	25
House V. Unit Price Comparison	06
Bendigo V. Melbourne HOUSE Price Movement	26

RISK - Negative

Are We In A Bubble?

Affordability Index HOUSE V. Price Movement	08
Price to Income Ratio	19
Industry Value Added	27
Population Pyramid	28

Positive

Slightly Positive

Neutral

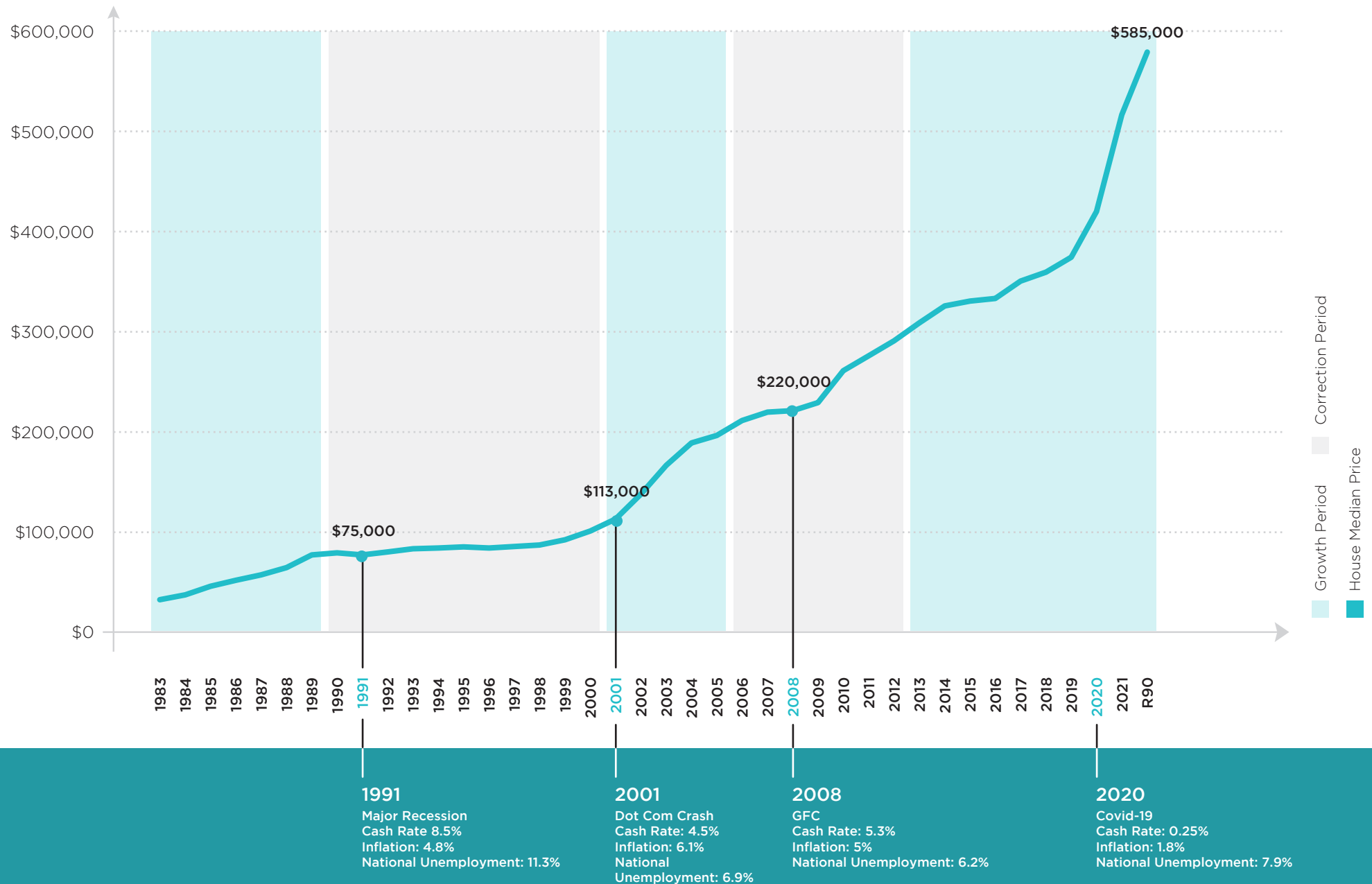
Slightly Negative

Negative

BENDIGO HOUSE PRICE MOVEMENT

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OUR VIEW OF THE BENDIGO HOUSE MARKET

RESEARCH REPORT
BENDIGO REGIONAL CENTRE

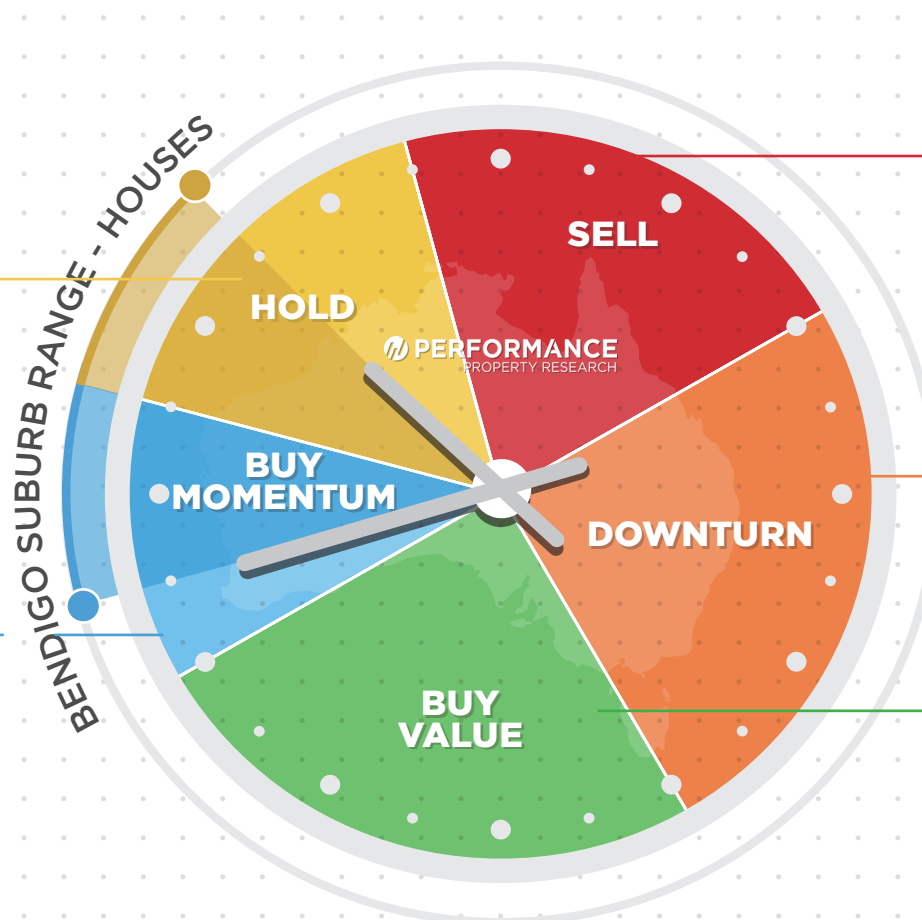
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HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

DOWNTURN

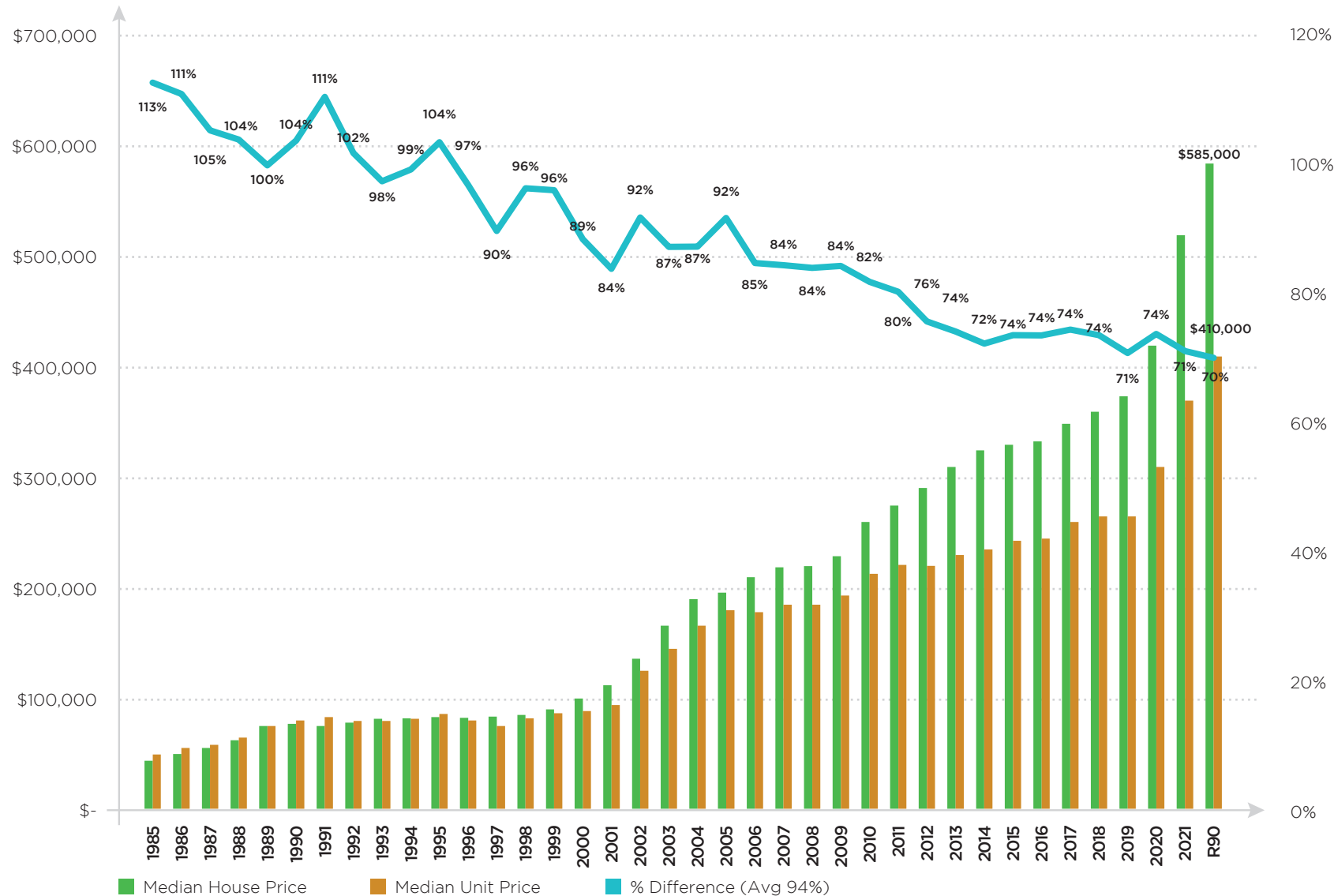
The market is moving through a correction stage. We see minimal growth in the short to medium term.

BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

For more information on the Bendigo market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

HOUSE V. UNIT PRICE MOVEMENTS



POSITIVE

OUR VIEW OF THE BENDIGO UNIT MARKET

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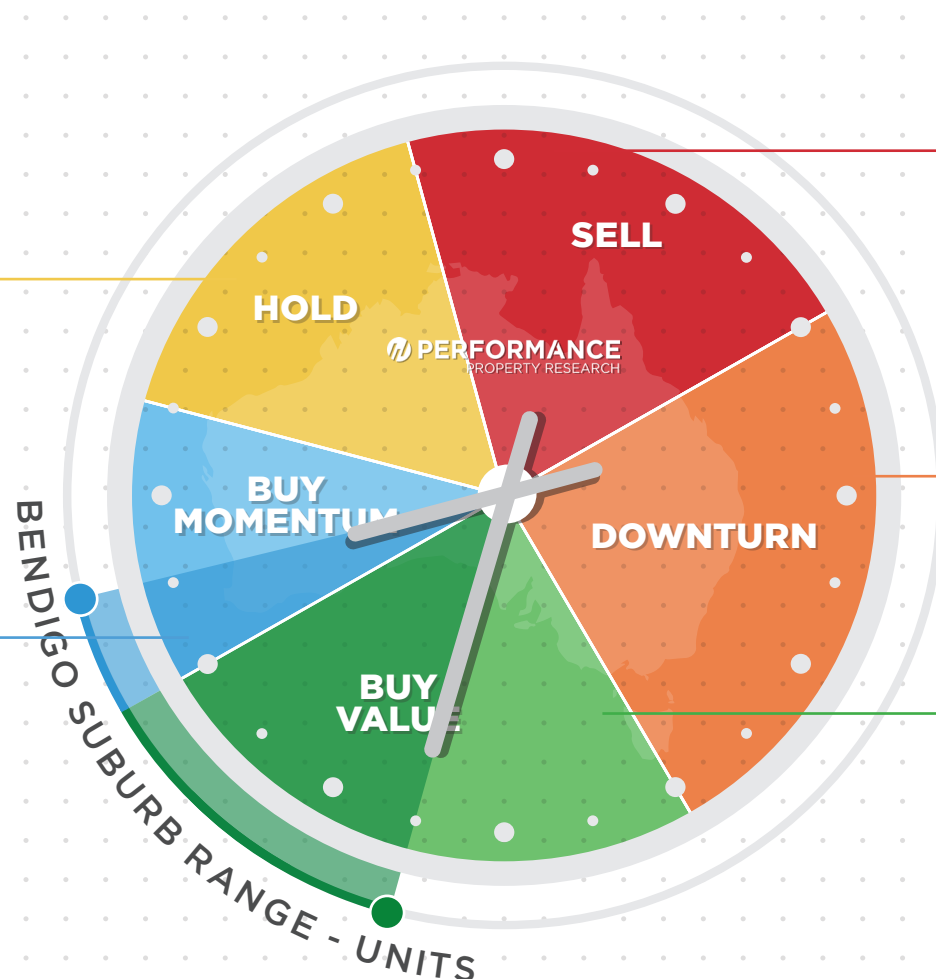
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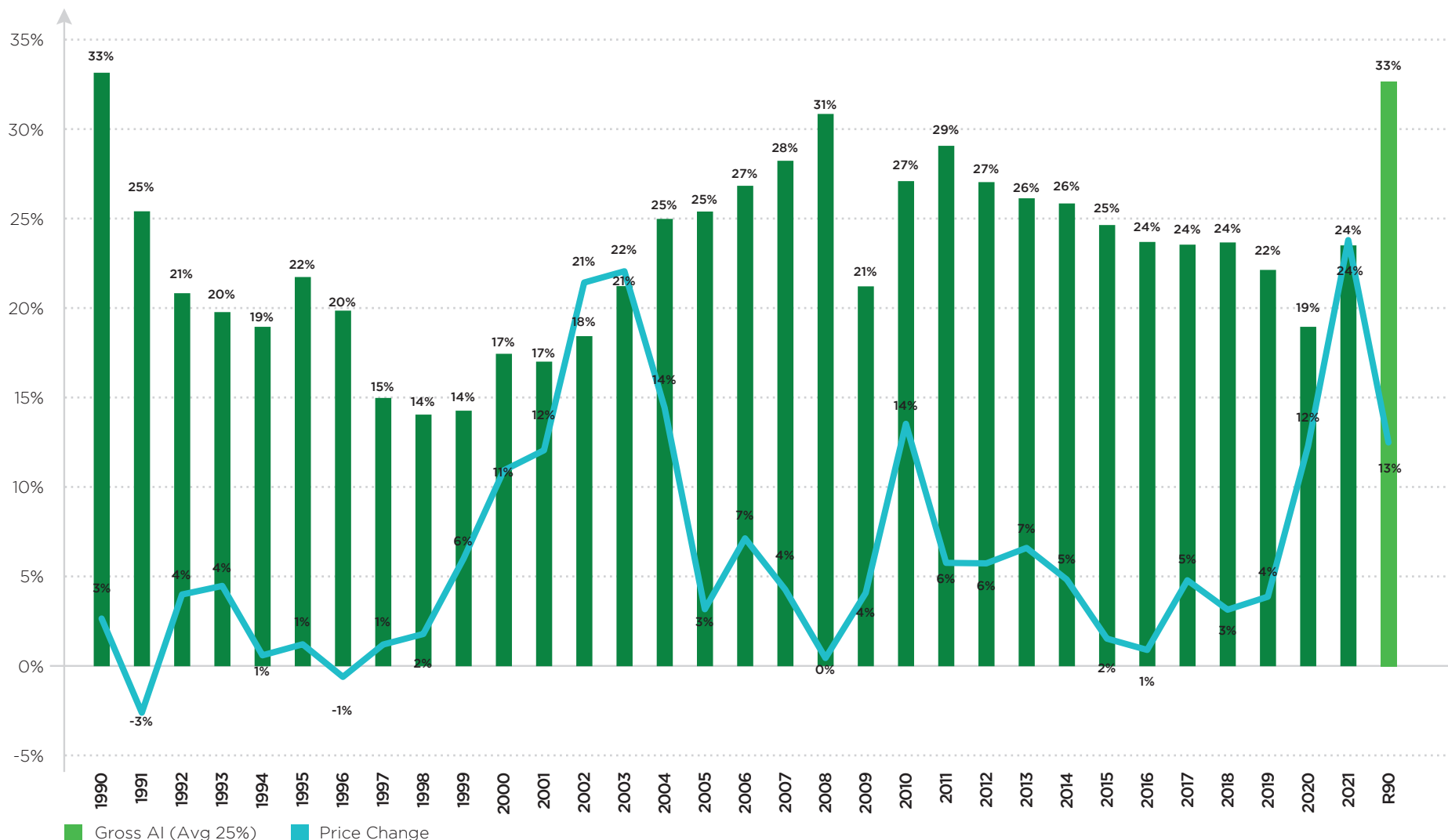
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AFFORDABILITY INDEX V. PRICE MOVEMENT - HOUSE

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This graph displays the impact interest rates have on house price movements. PPA's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term.

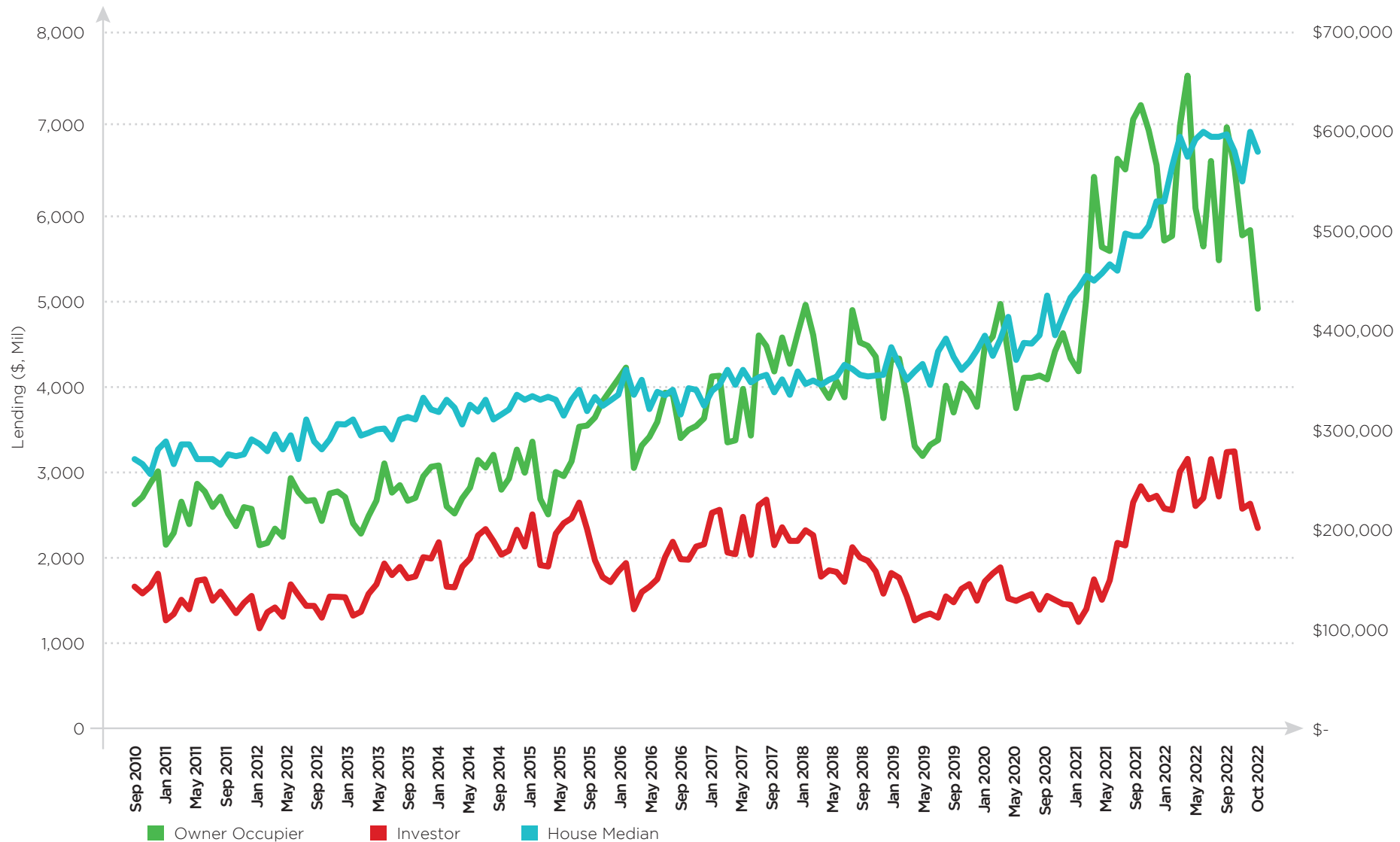


VIC MONTHLY HH LENDING TO OC V. MEDIAN HOUSE PRICE

OVERVIEW
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This graph displays the value of housing finance for the state each month for owner occupiers and investors versus the median house price.

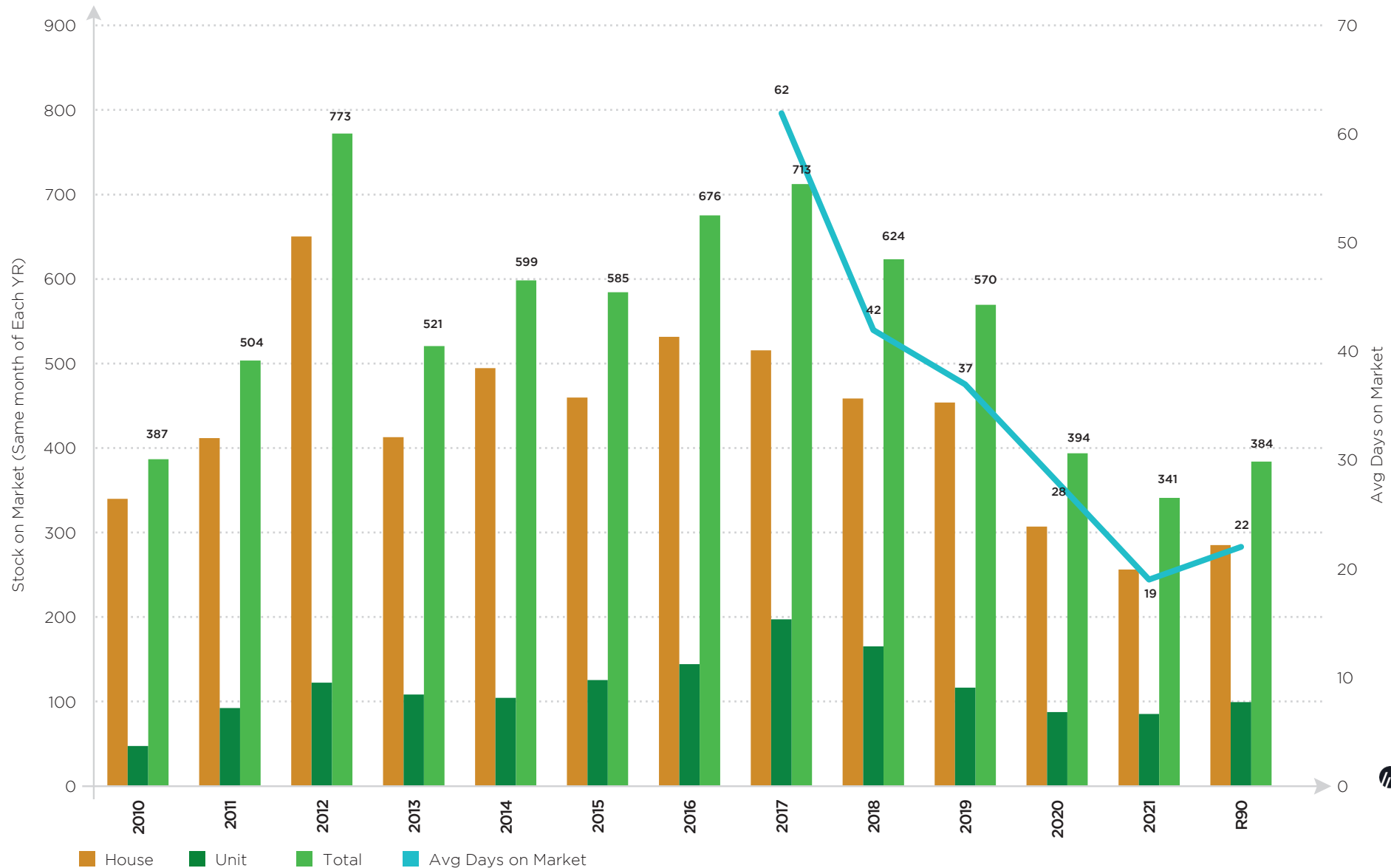


STOCK ON MARKET V. AVG DAYS ON MARKET

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This graph displays the stock on market in one month of each year.

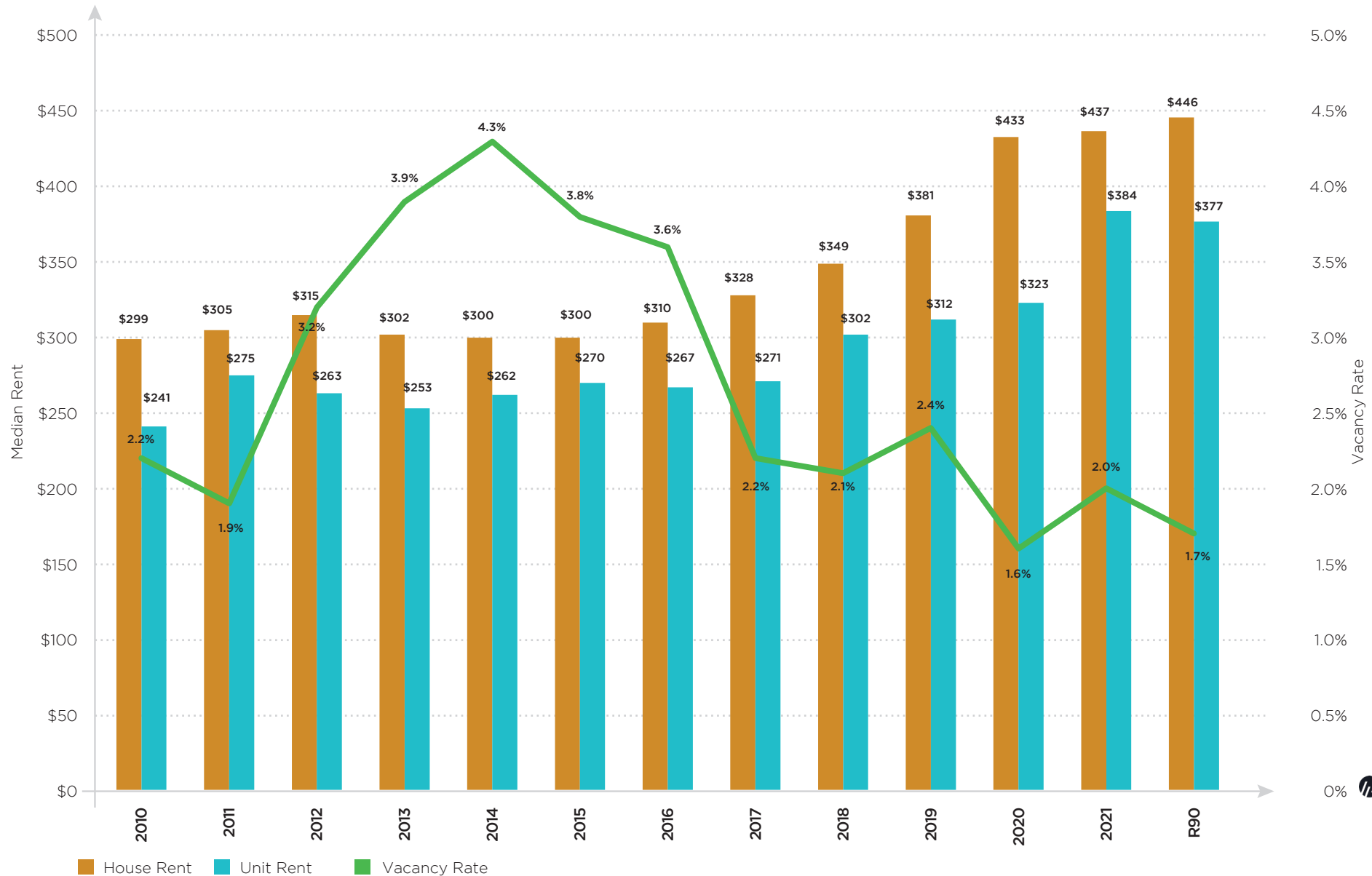


VACANCY RATE V. RENT

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This graph displays the relationship between rental growth for both houses and units and the vacancy rate.

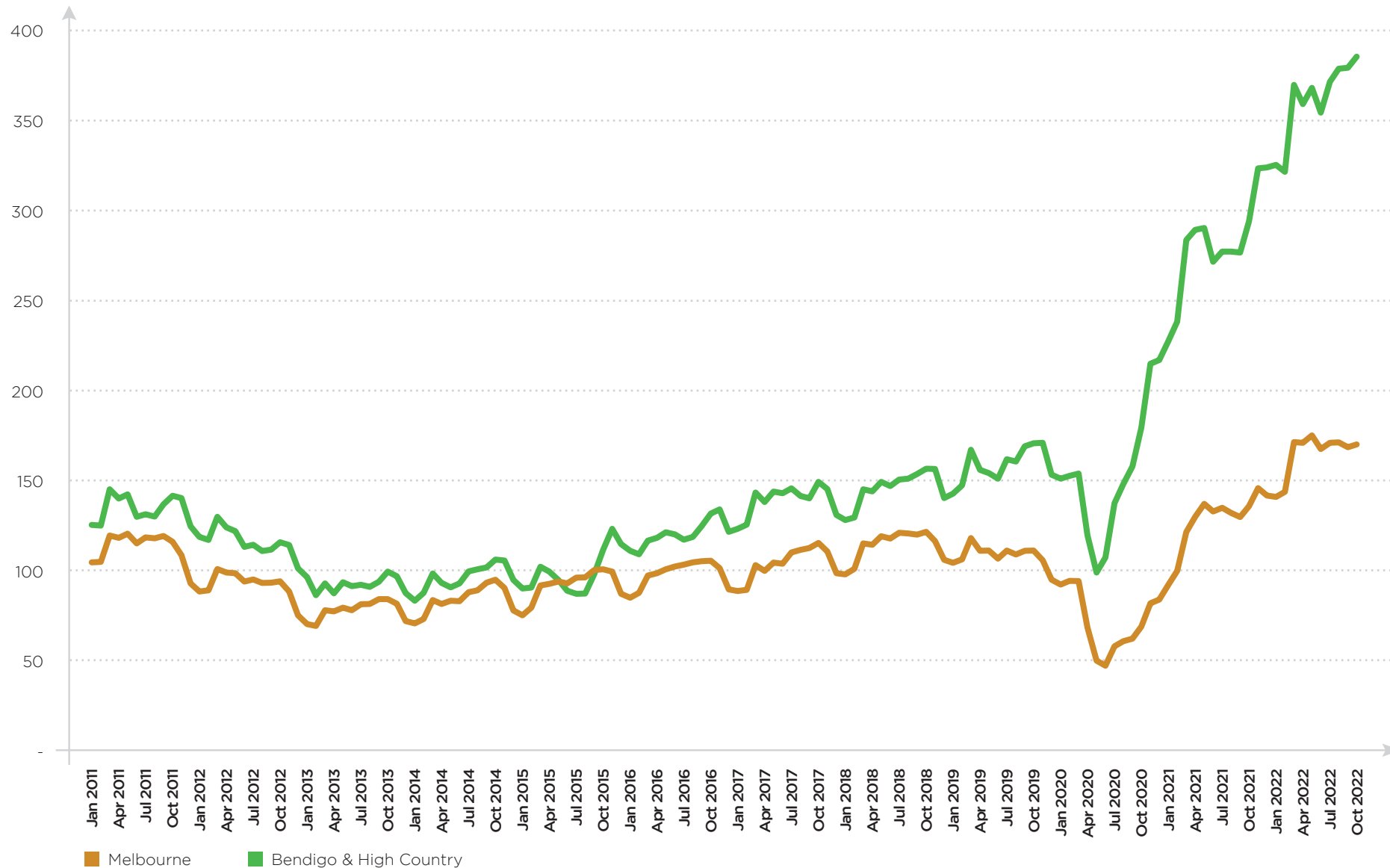


JOB CREATION INDEX - BENDIGO

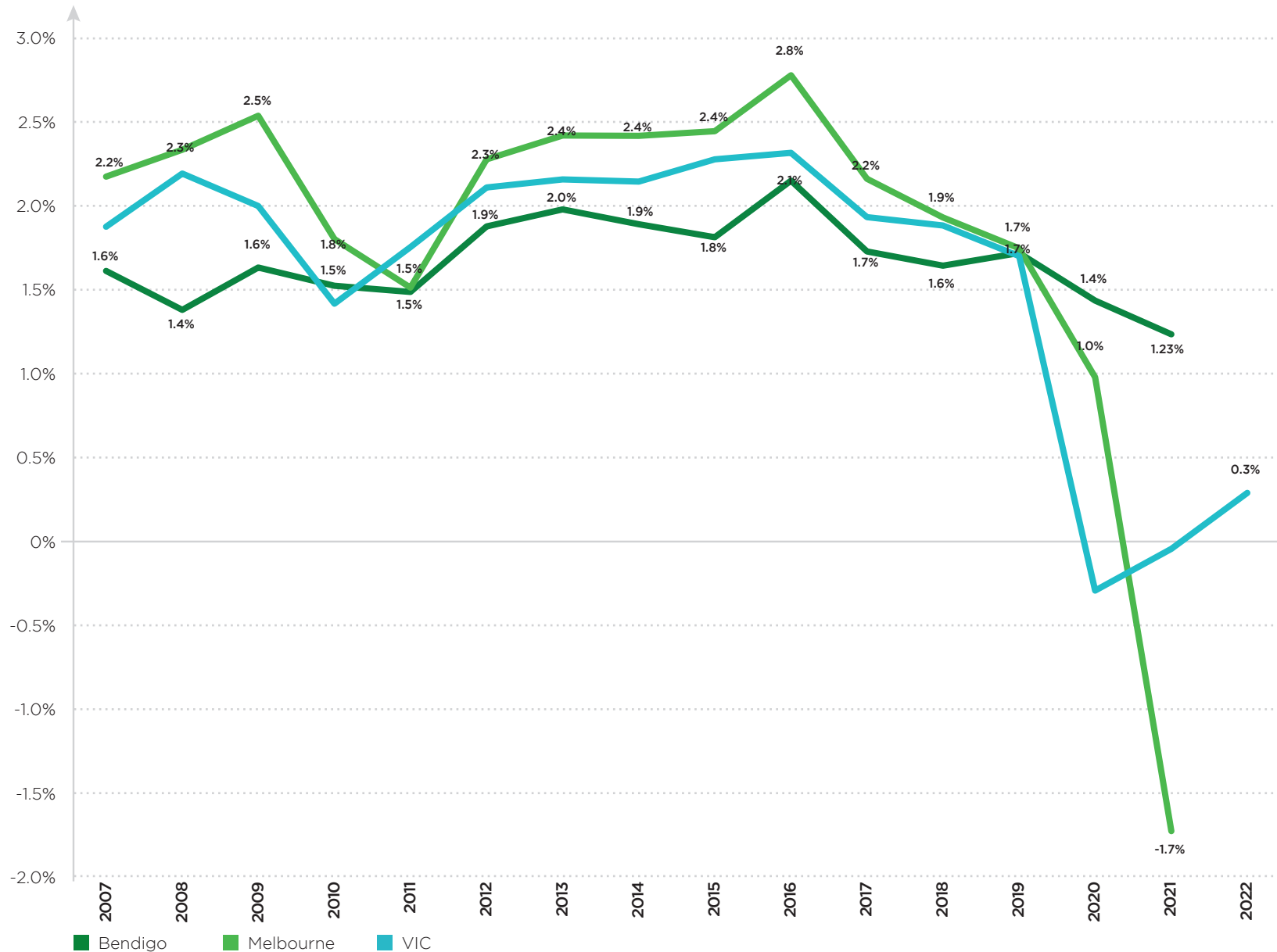
OVERVIEW
BENDIGO REGIONAL CENTRE

EDITION 19

This graph shows the internet vacancy index for online job advertisements on three major job boards.

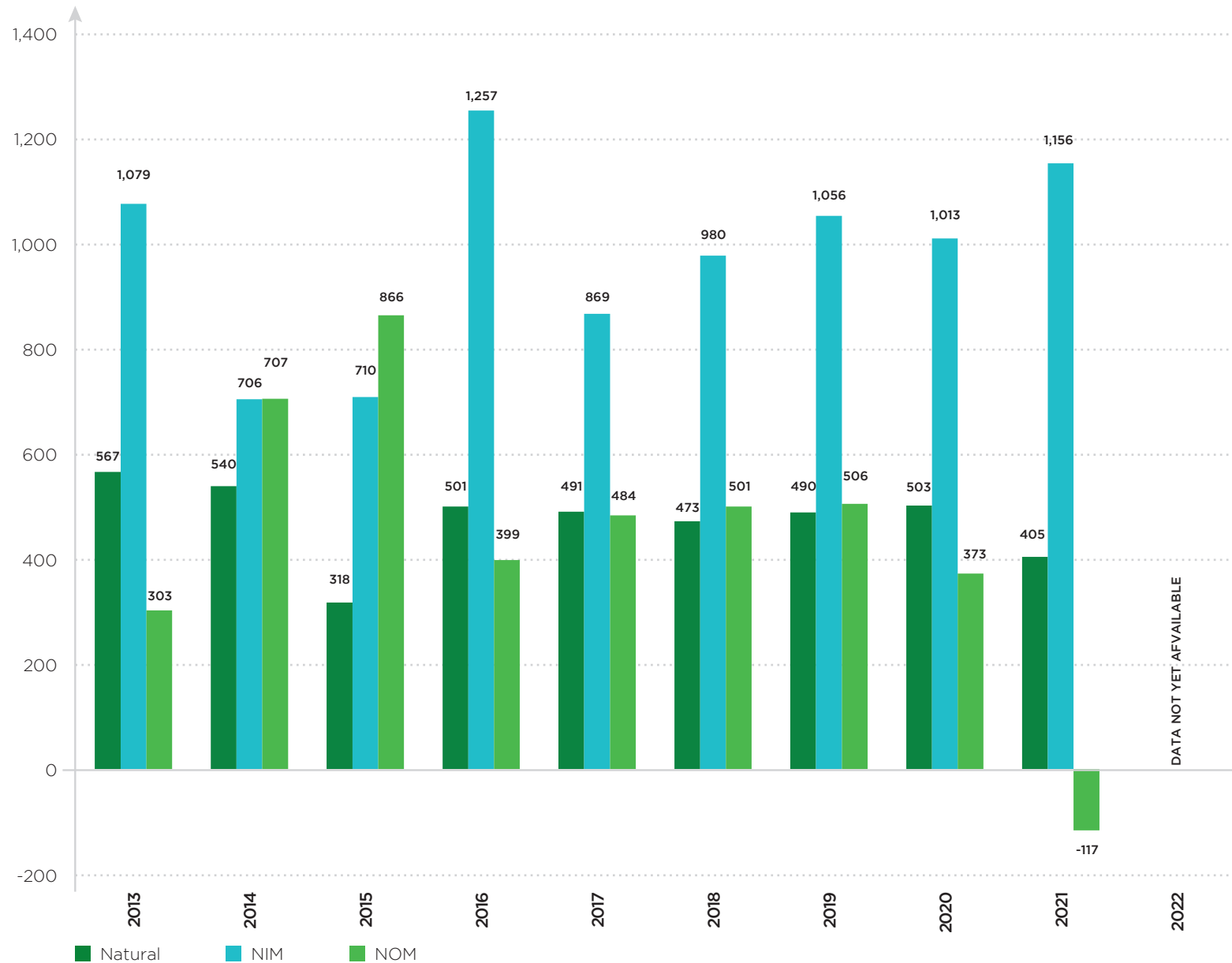


CHANGE IN POPULATION



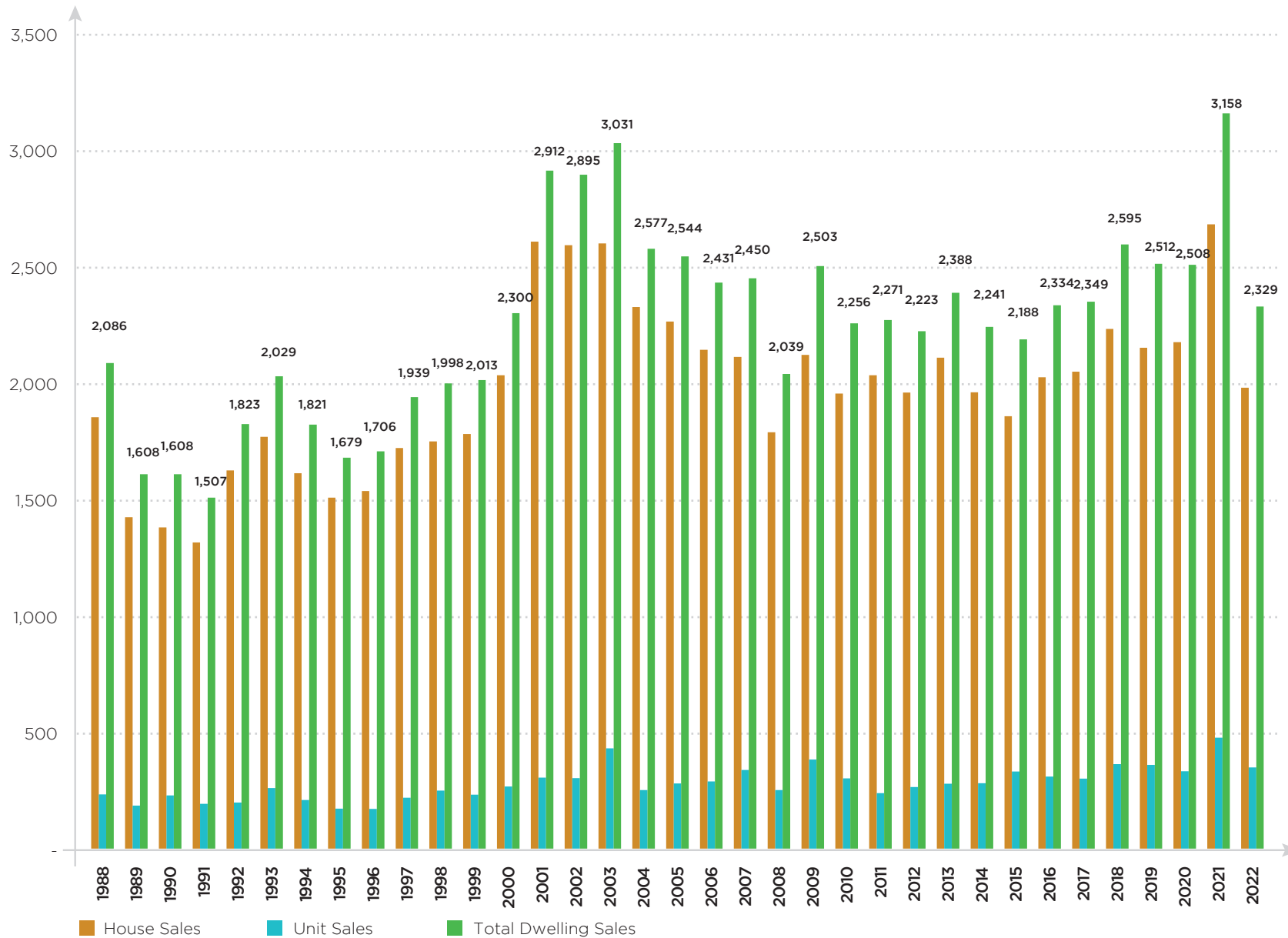
**SLIGHTLY
NEGATIVE**

POPULATION MOVEMENT



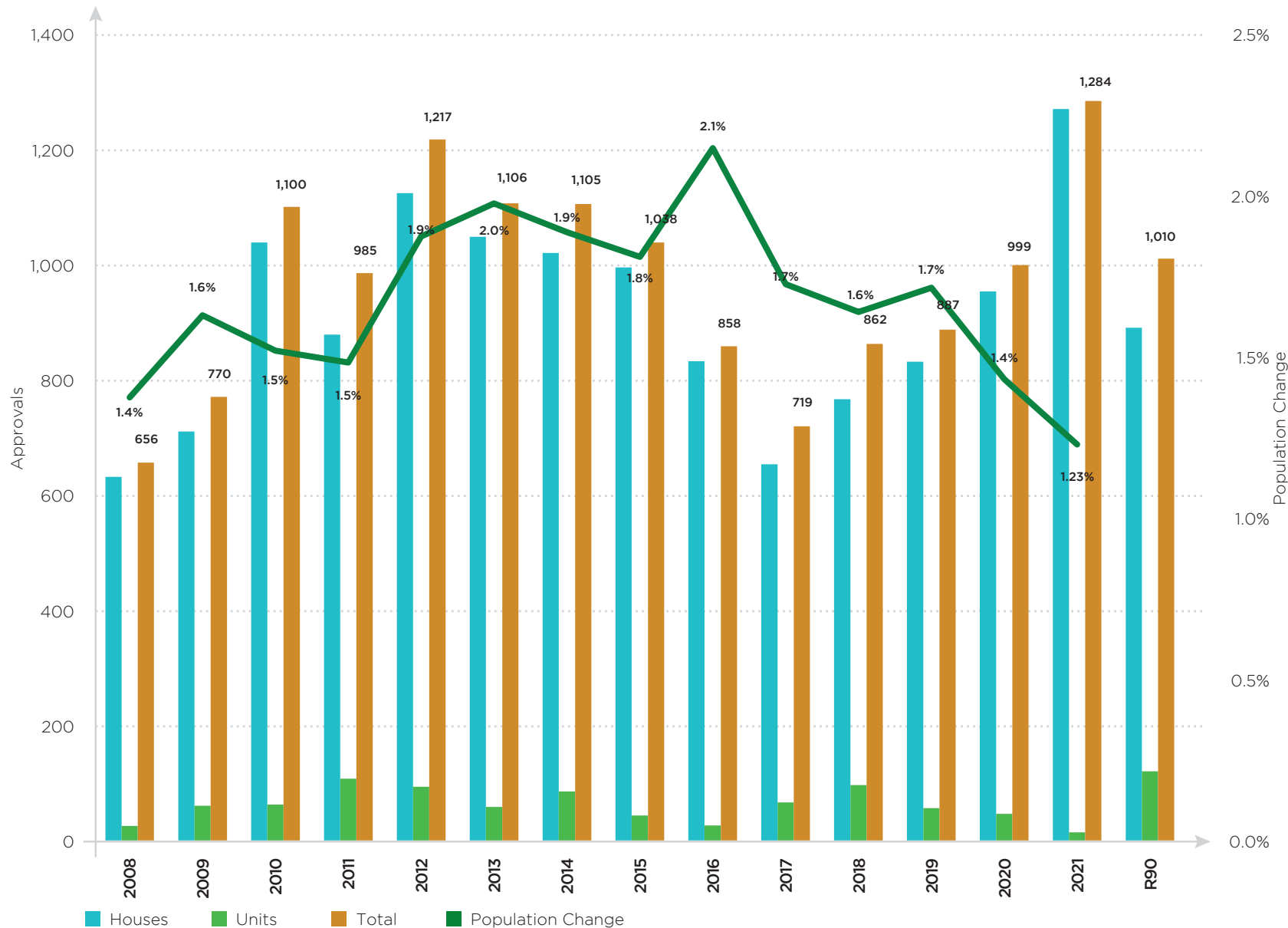
**SLIGHTLY
POSITIVE**

DWELLING SALES



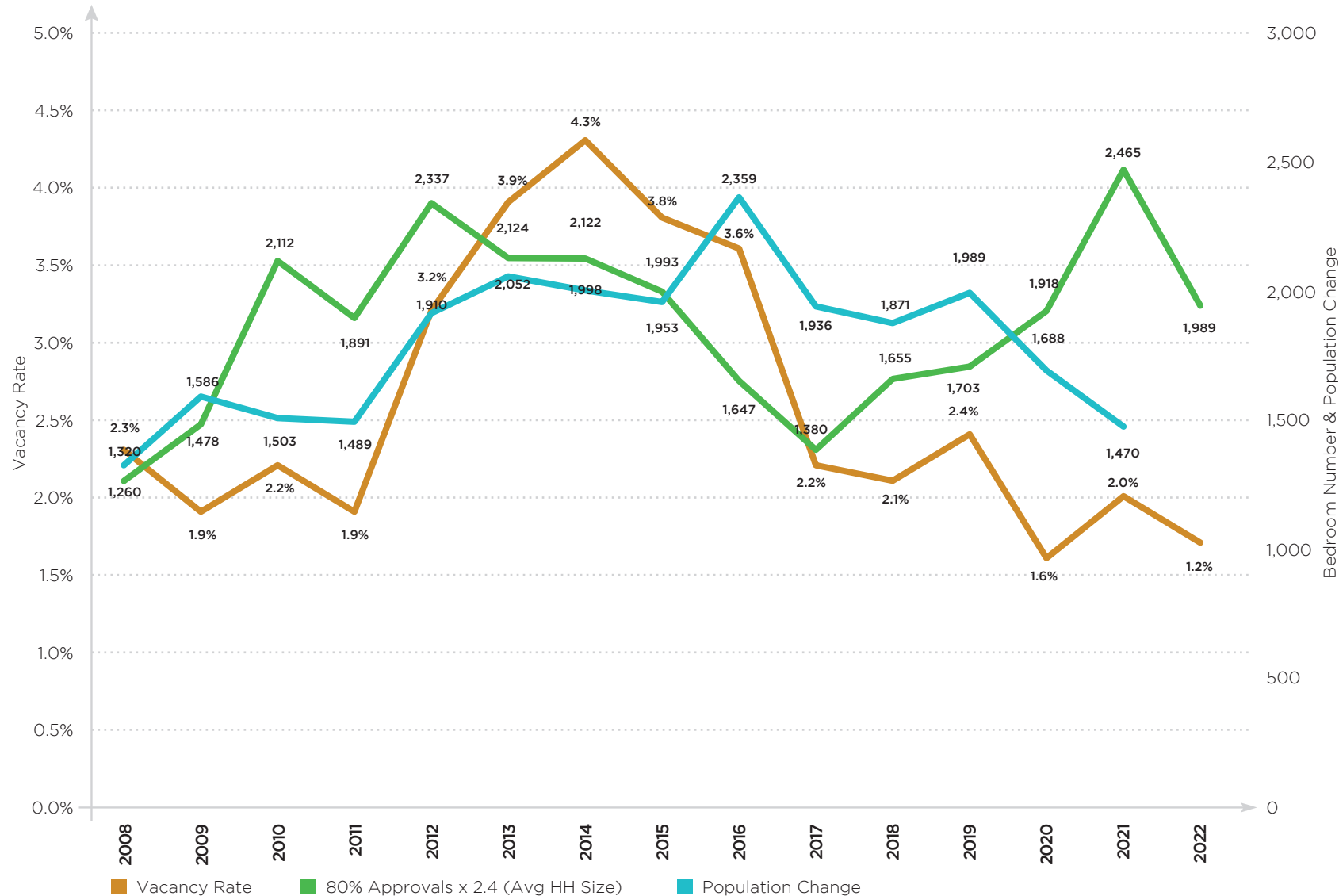
NEGATIVE

DWELLING APPROVALS



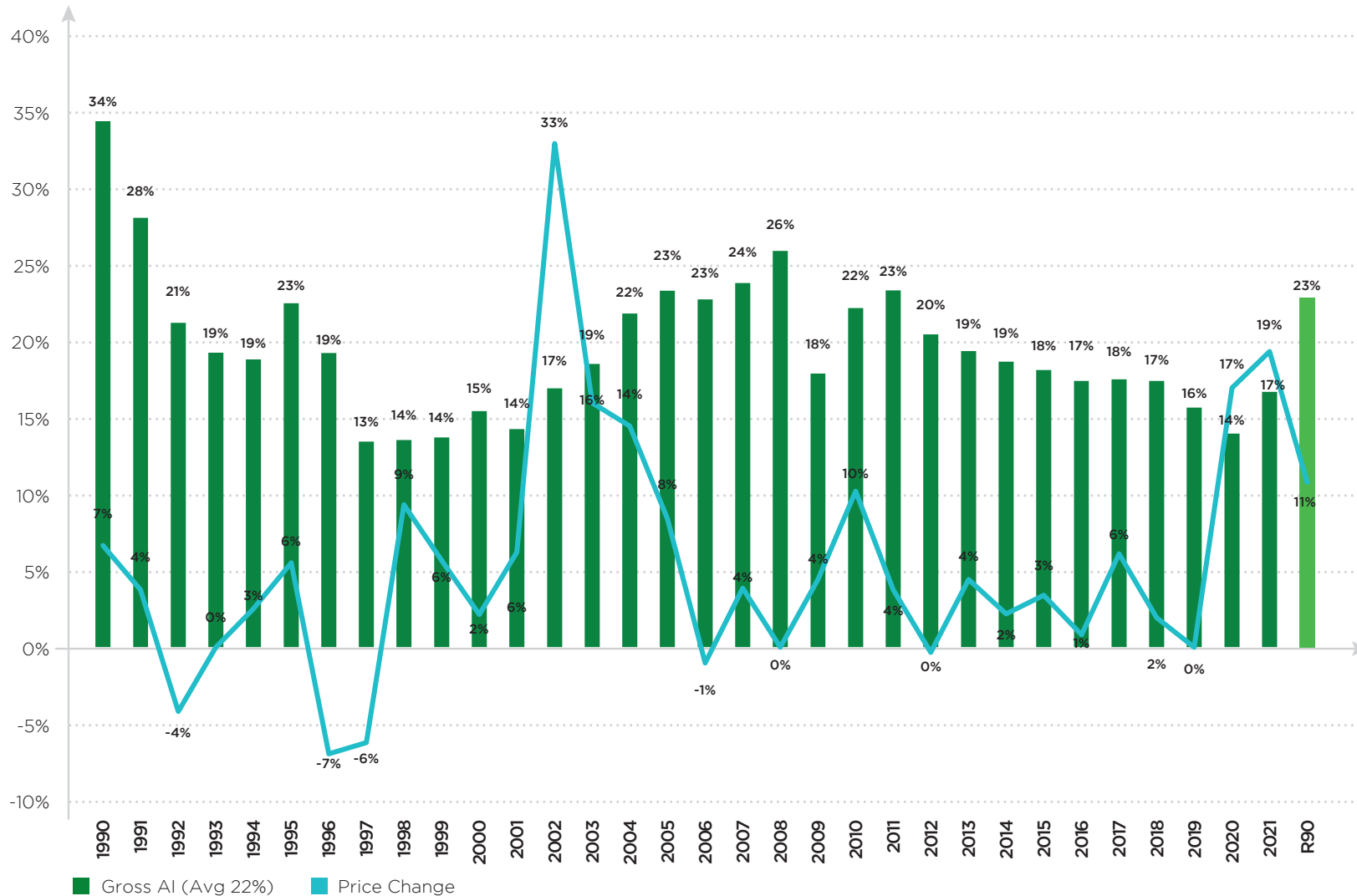
NEUTRAL

BEDROOM APPROVALS V. POPULATION CHANGE



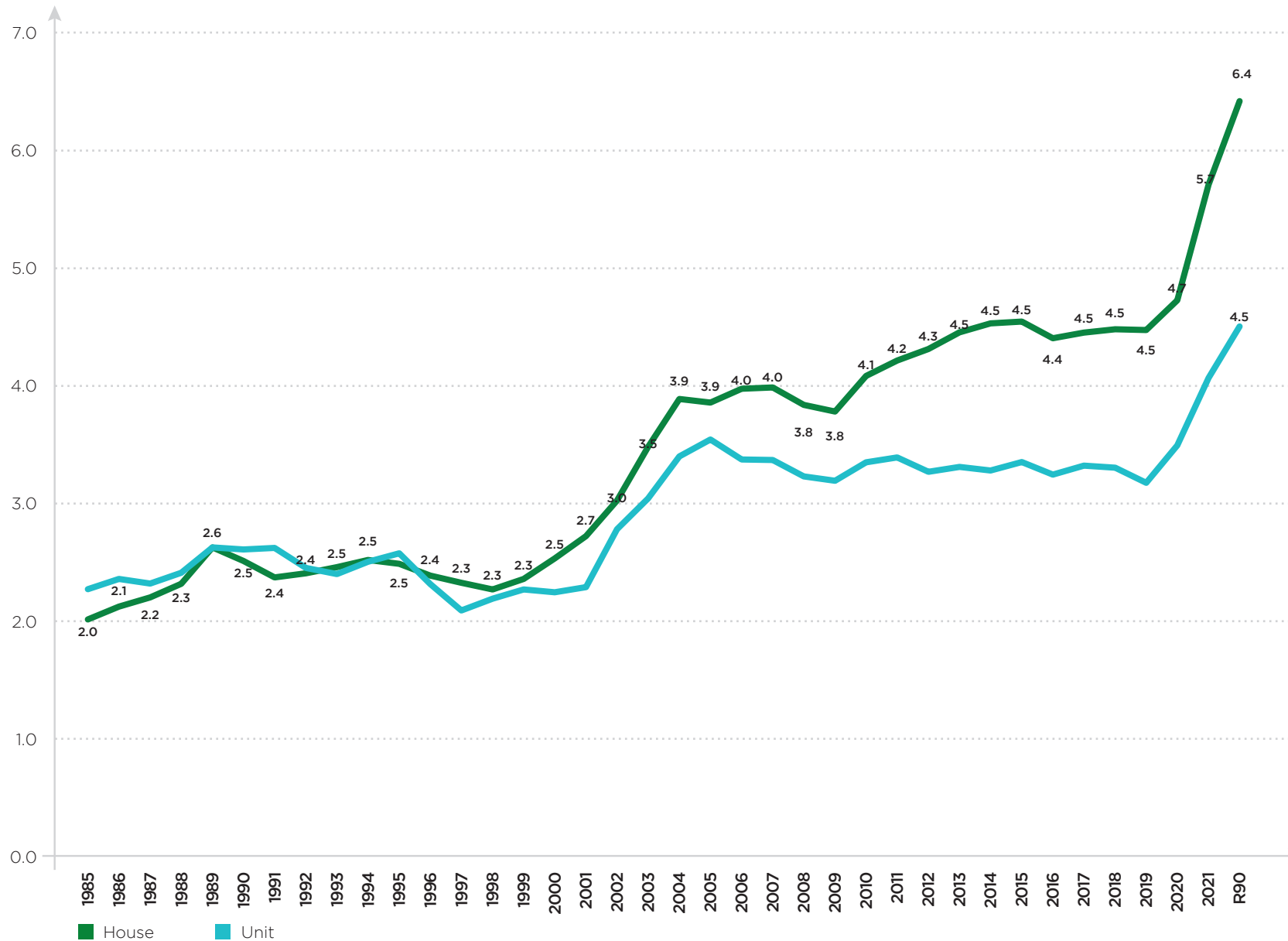
NEGATIVE

AFFORDABILITY INDEX UNIT V. MEDIAN PRICE CHANGE



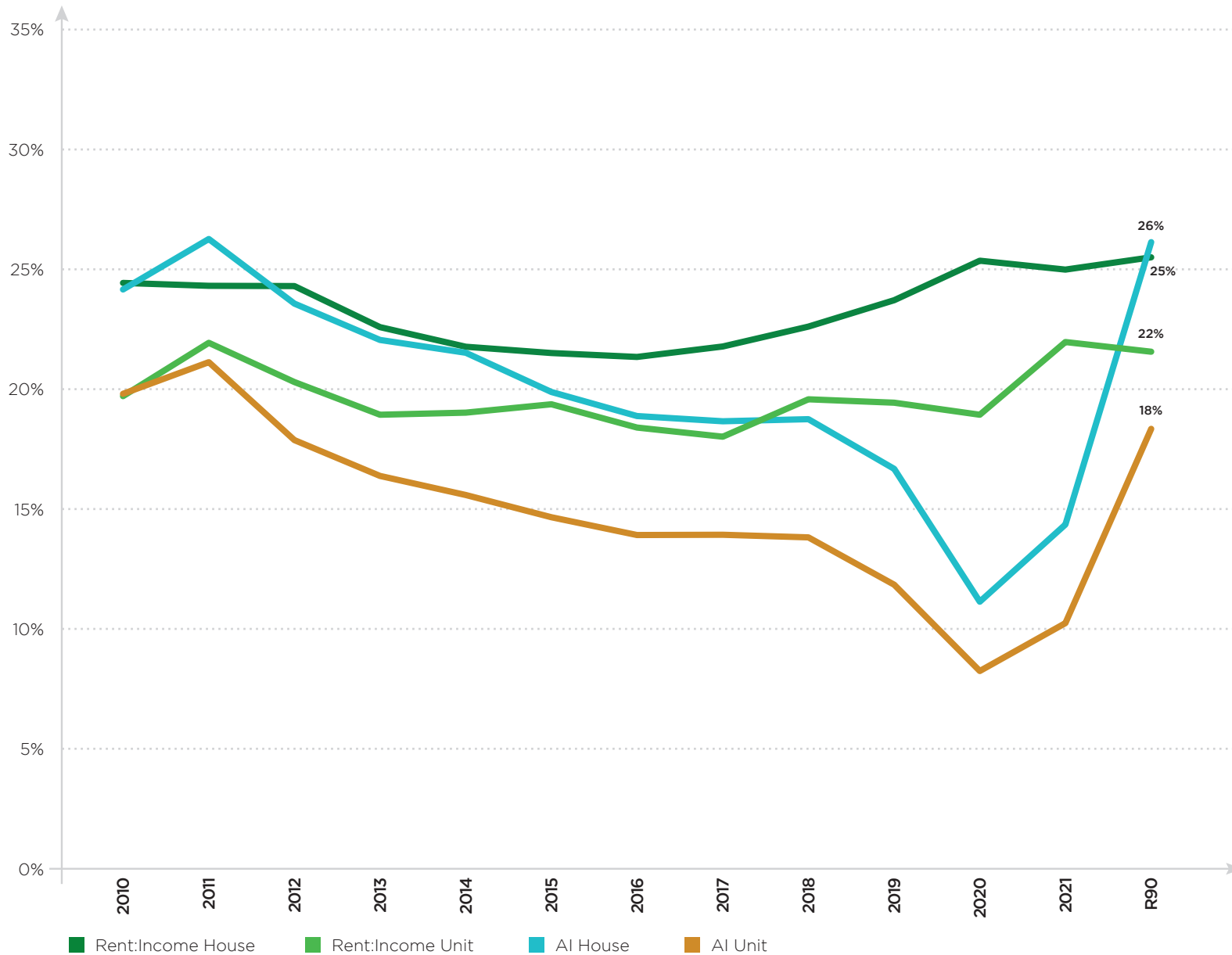
NEGATIVE

PRICE TO INCOME RATIO



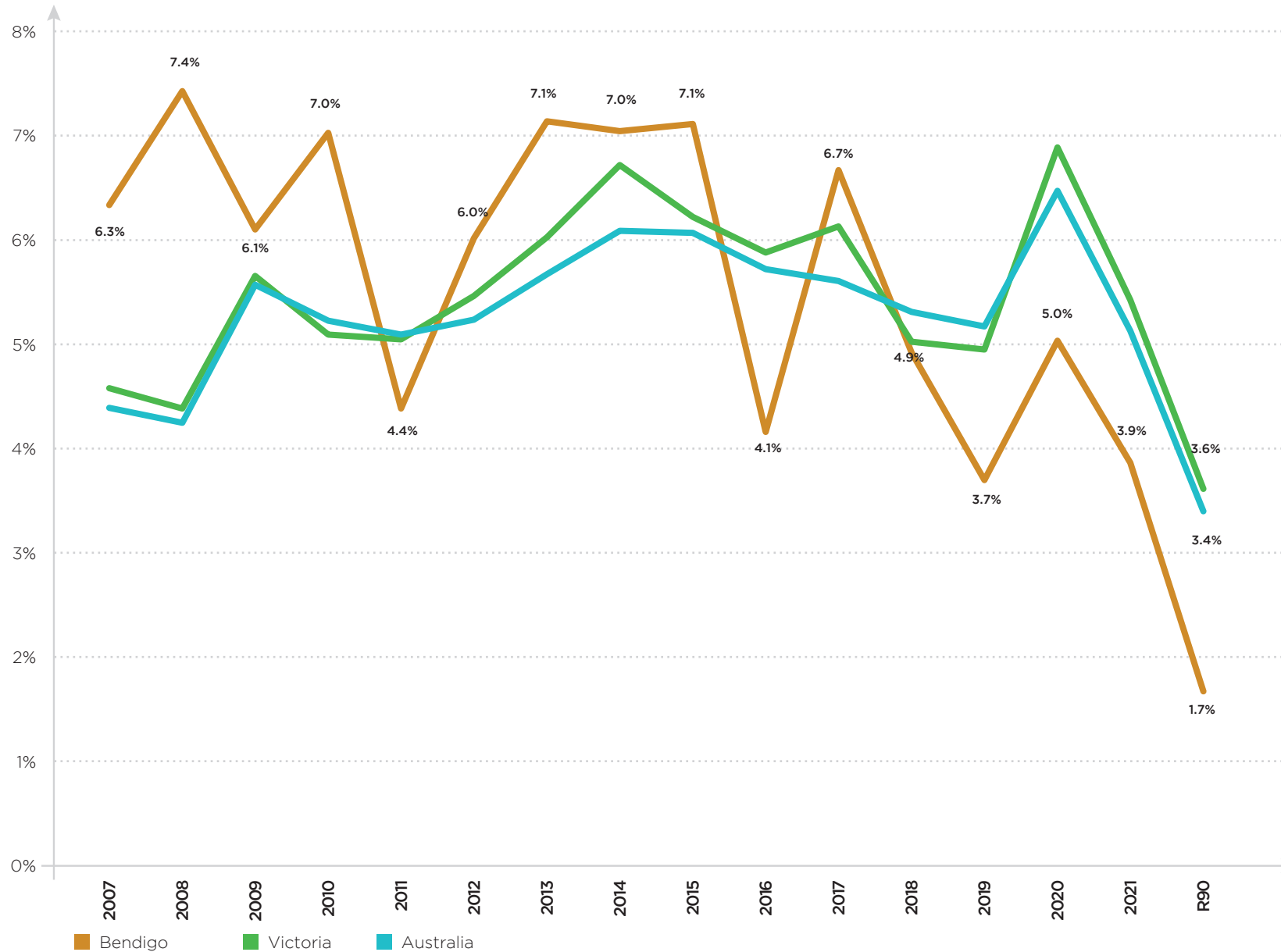
NEGATIVE

RENT TO INCOME



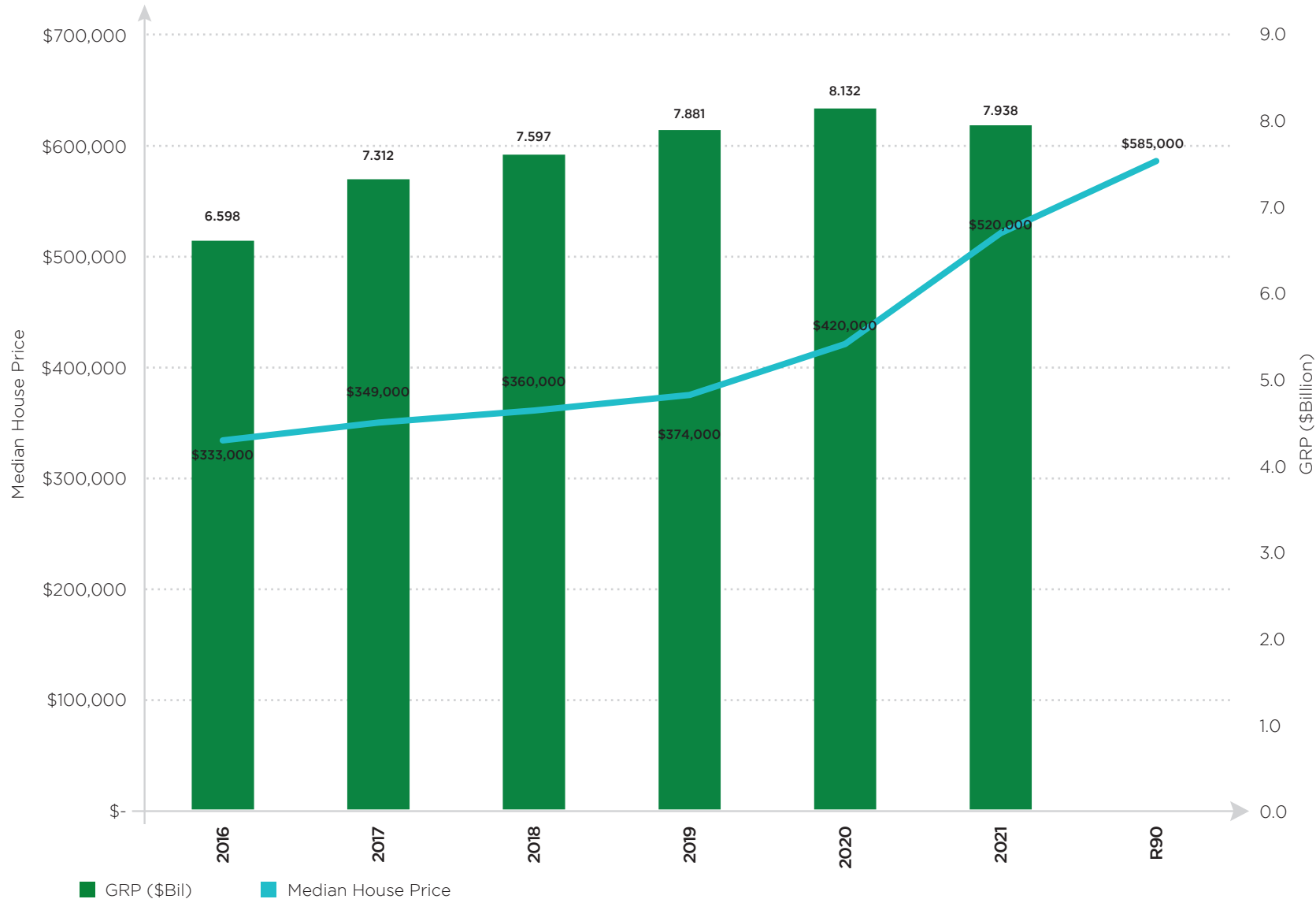
NEUTRAL

UNEMPLOYMENT RATE



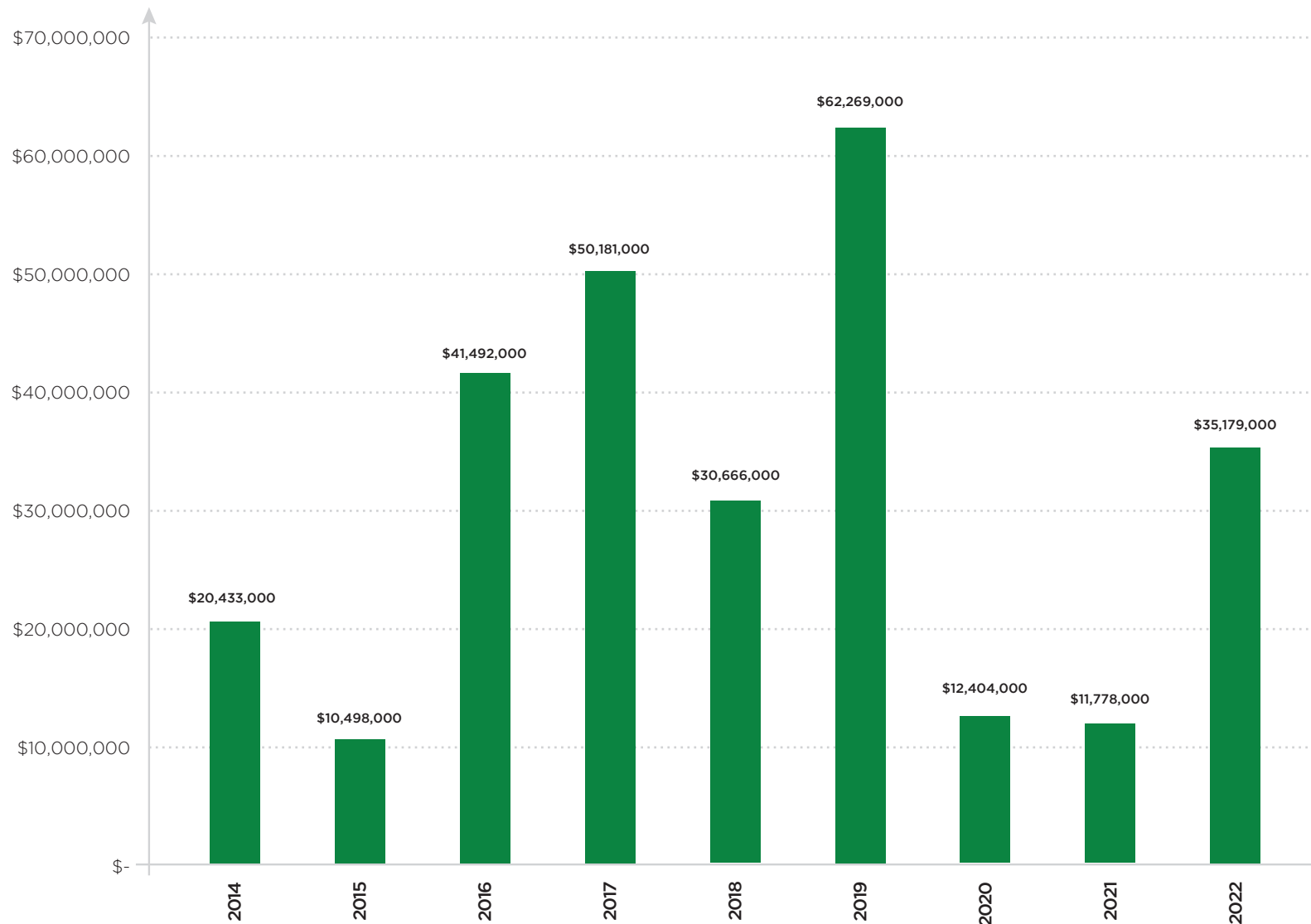
POSITIVE

GROSS REGIONAL PRODUCT V. MEDIAN HOUSE PRICE



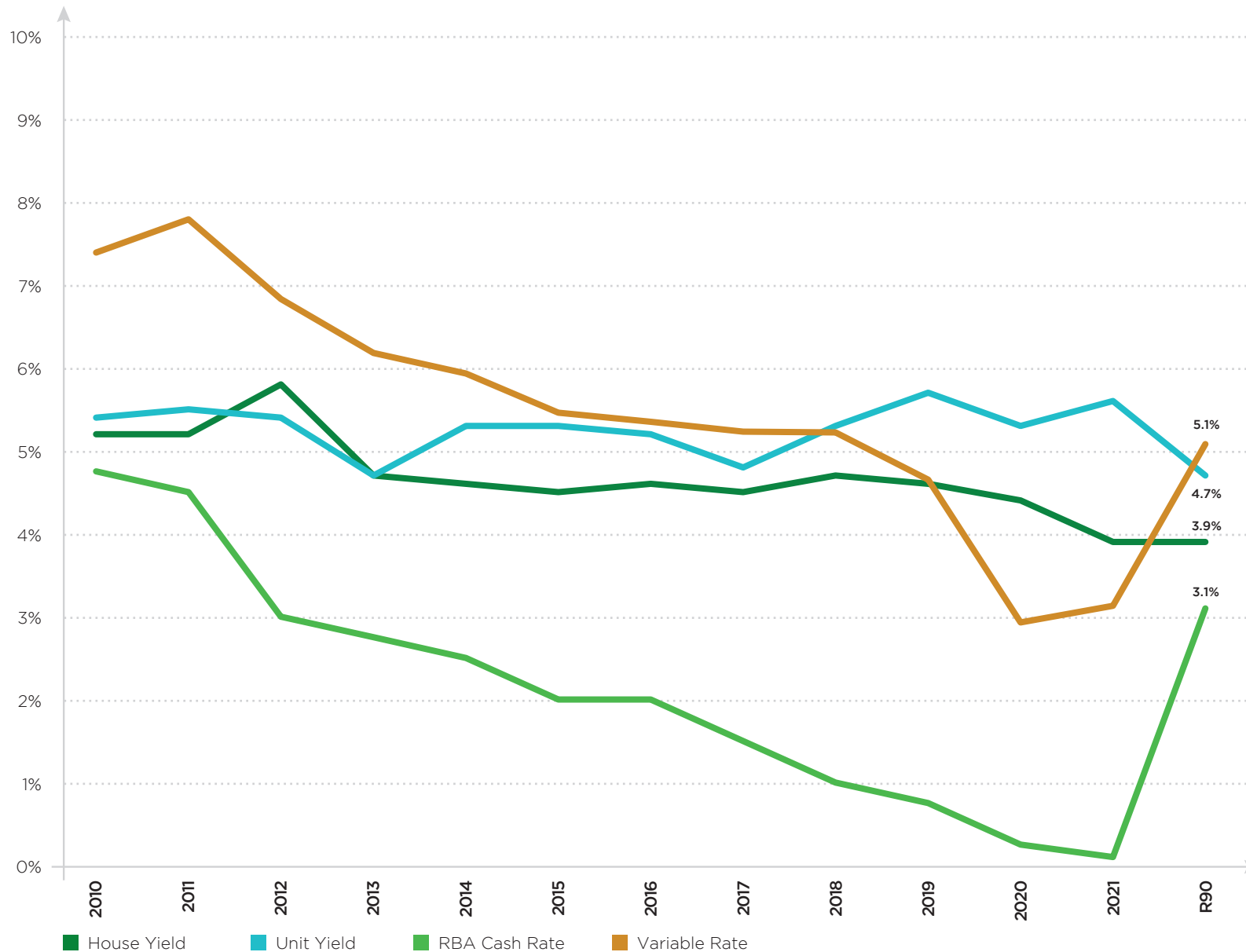
NEGATIVE

BENDIGO CITY COUNCIL BUDGET POSITION



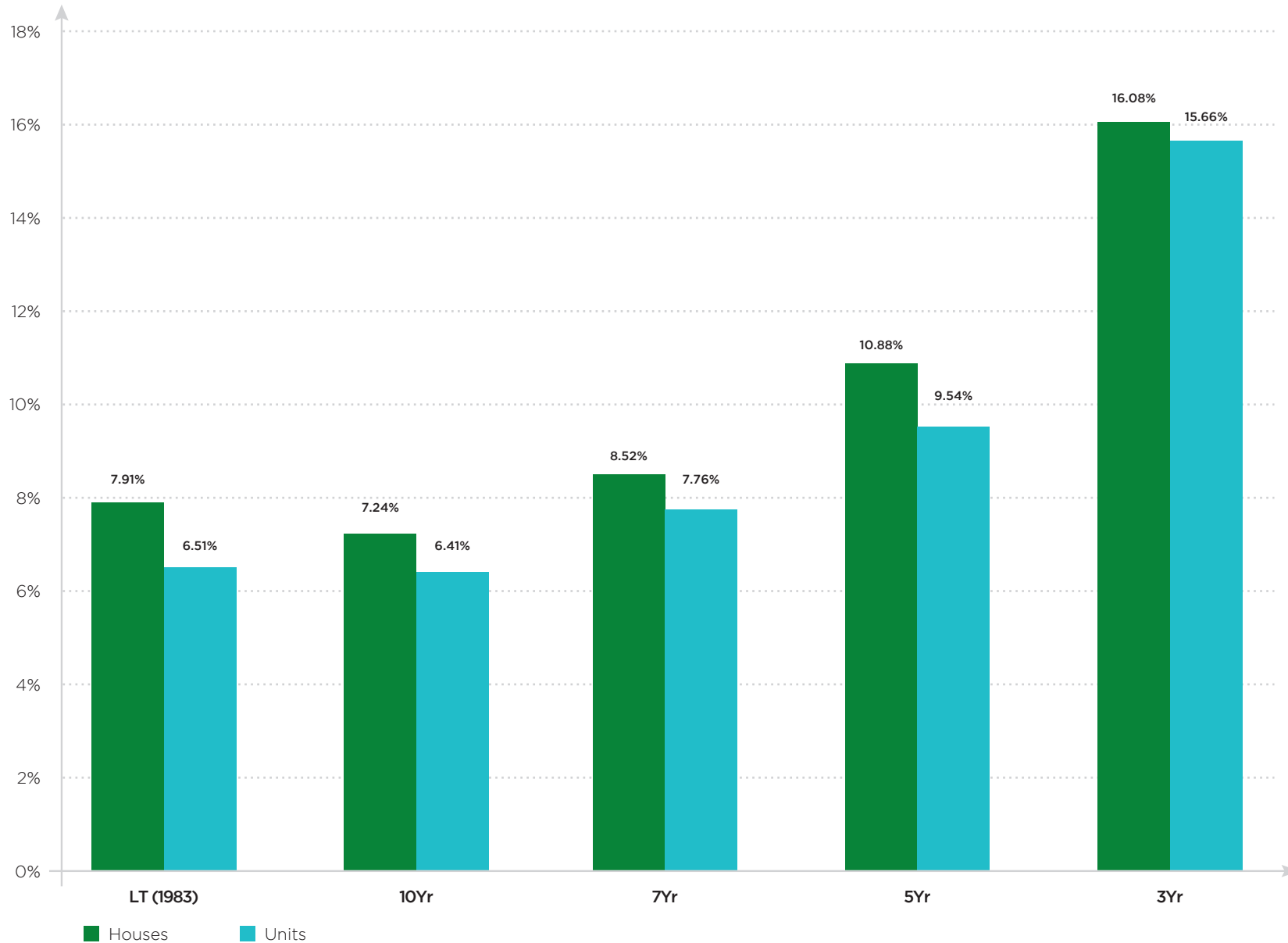
POSITIVE

YIELD



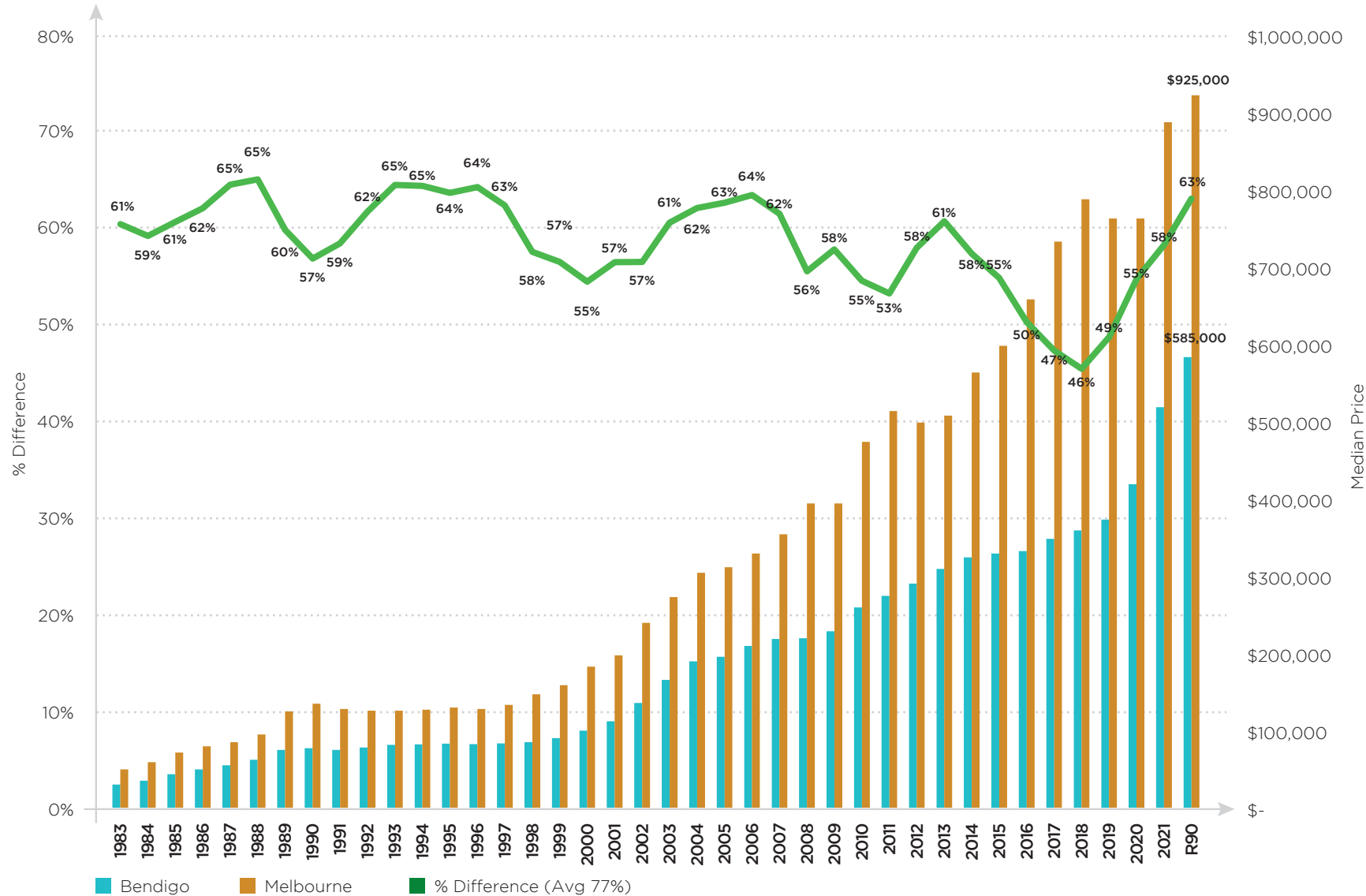
NEGATIVE

LONG TERM PERFORMANCE



**SLIGHTLY
NEGATIVE**

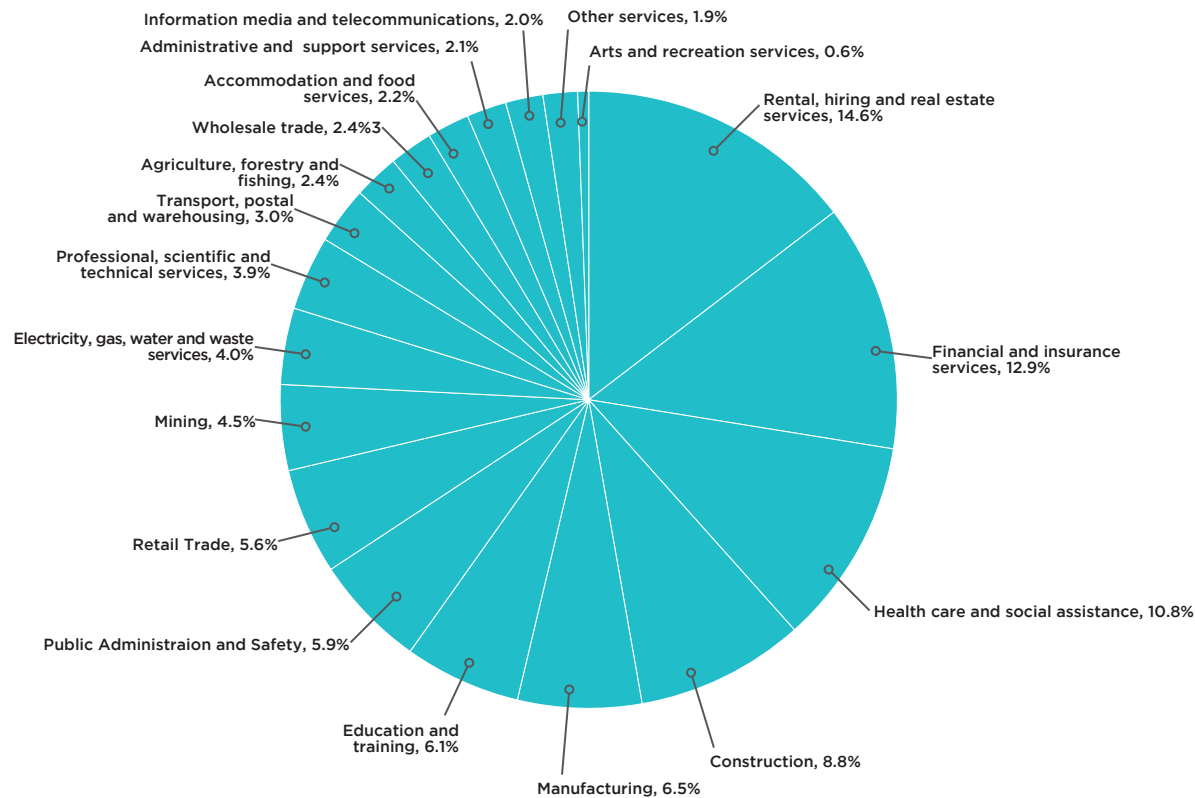
BENDIGO V. MELBOURNE PRICE MOVEMENT



**SLIGHTLY
POSITIVE**

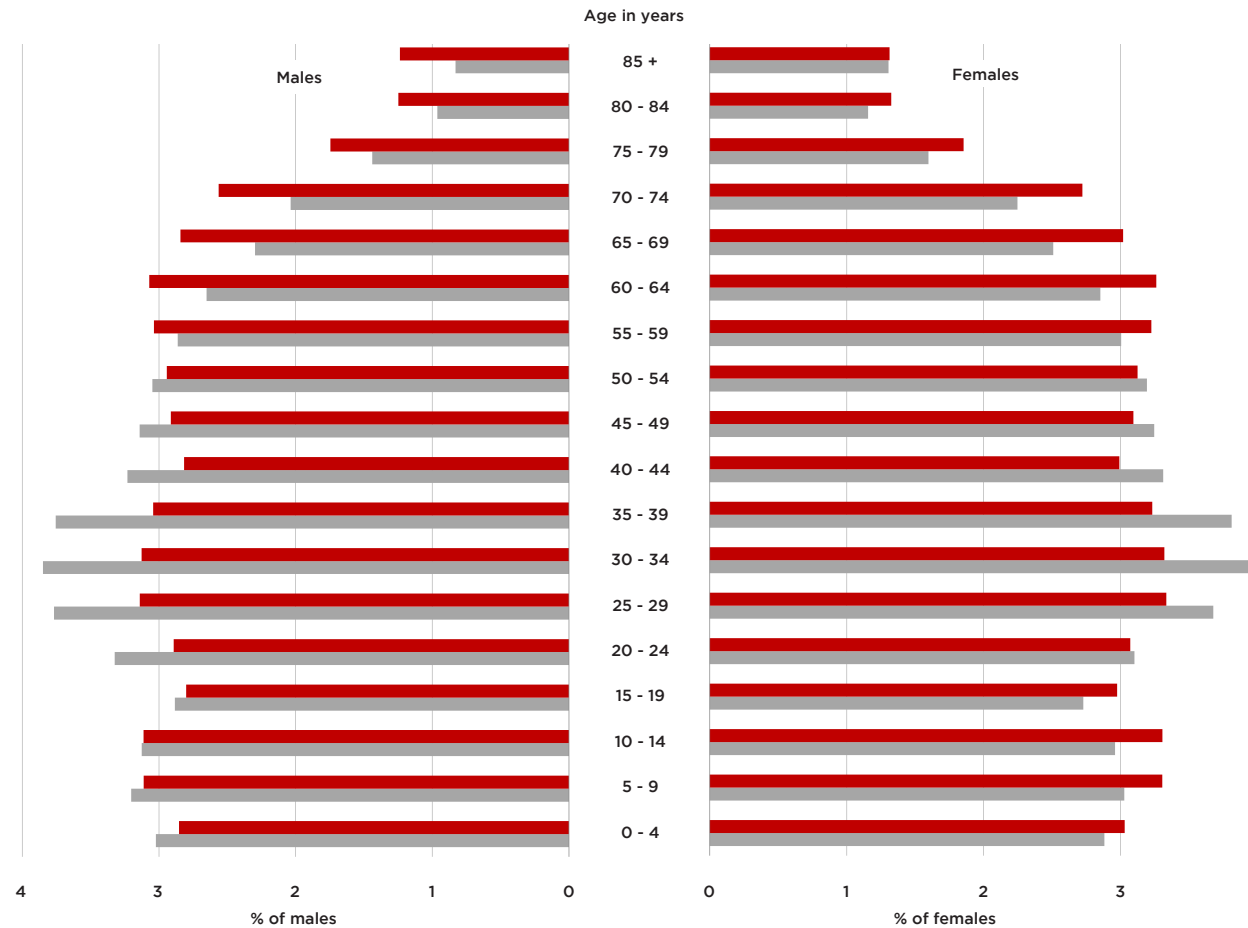
INDUSTRY VALUE ADDED

Greater Bendigo



NEGATIVE

POPULATION PYRAMID



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data).

■ Greater Bendigo ■ Regional VIC

POSITIVE

INVESTMENT PHILOSOPHY

PERFORMANCE
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RESEARCH

Macro Micro Property

ACQUIRE

Find Assess Negotiate

MANAGE

Property Management

REVIEW

Annual Portfolio Review

ADVISE

Hold Improve Dispose

PERFORMANCE PROPERTY ADVISORY SERVICES

- Property Acquisition
- Property Management
- Portfolio Review
- Sales Advisory / Vendor Advocacy

DATA SOURCES:

- Australian Bureau of Statistics
- BIS Shrapnel
- Residex
- SQM Research
- CoreLogic RP Data
- Foreign Investment Review Board
- Australian Trade & Investment Commission

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Capital Cities and Regions Median House Price

