



# WRIGHT DENMAN PROSPECT AREA PROFILE



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# WHY CANBERRA?

CANBERRA IS AUSTRALIA'S LARGEST INLAND CITY AND IS LOCATED ABOUT 170 MILES SOUTH-WEST OF SYDNEY AND 410 MILES NORTH-EAST OF MELBOURNE.

The Capital city of Australia is well-known for its strong residential market which retains value over the longer term. In the eighteen years since the June quarter of 2000, Canberra house prices have only seen four minimal drops, recording an increase over 66 of the 72 quarters.

Canberra is the seat of Parliament which has a significant impact on the stability of the residential housing market – the public service offers stable employment to more than 40% of the capital's population in roles that are characterised by long-term tenure, above average wages and a work week which provides ample time for leisure.

Canberra is designed around five major town centres, which operate as micro cities within the larger capital city infrastructure. In addition to the city centre, the town centres include Molonglo Valley, Belconnen, Gungahlin, Woden and Tuggeranong.

While Canberra's population is growing at a rapid rate, the surrounding regions of New South Wales also provide significant population fluctuation on a daily basis. Located approximately 30-45 minutes, areas such as Queanbeyan, Googong, Murrumbateman, Yass and Bungendore all utilise Canberra for employment and can grow the population on any given day to over 800,000 people.

### Centrally Located



**“NET OVERSEAS MIGRATION WAS THE MAIN CONTRIBUTOR IN THE ACT’S GROWTH AT 48%. NATURAL INCREASE AND NET INTERSTATE MIGRATION CONTRIBUTED 44% AND 8% RESPECTIVELY. BOTH NET OVERSEAS MIGRATION AND NATURAL INCREASE WERE AT THE HIGHEST LEVELS EVER EXPERIENCED IN A CALENDAR YEAR BY THE ACT”**

ABS Demography Director Anthony Grubb

**"CLEARLY CANBERRA IS GREAT FOR FAMILIES, AND ITS SUPERIOR PAY PACKETS ARE ATTRACTIVE FOR YOUNG PROFESSIONALS."**

CommSec Senior Economist Craig James

### Language

Other than English, the top three Canberra households are Mandarin, Arabic and Cantonese.



### Population

Canberra's total population is 415,916 and is expected to reach 437,032 by 2022.

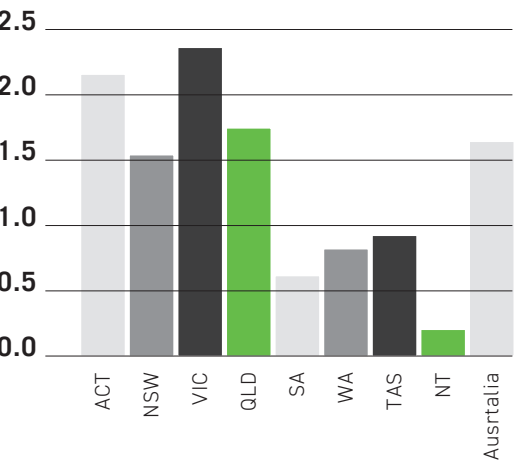


Year	Population	Avg Age
2022	437,032	36 years
2027	469,015	37 years
2032	499,463	38 years
2037	529,330	38 years
2042	559,569	39 years
2047	590,492	39 years
2052	621,492	40 years
2057	652,053	40 years
2062	681,187	41 years

Canberra has one of the fastest growing populations in Australia which is largely driven by interstate and overseas migration and the capital status as a regional city for the purpose of skilled migration. Canberra is also experiencing a baby boom due to more young families and couples calling the capital home. The table below shows the most recent percentage of population growth for Australia and the capital cities.

### Annual House Price Growth

Growing Australia



### Market stability

In the nearly eighteen years since the turn of the century, Canberra's house price has increased in 66 of the 72 quarters – the capital offers a level of stability over the longer term, which is rarely seen in other capital cities. When compared to the two major capital cities, Sydney and Melbourne, Canberra has seen the Canberra has experienced the highest percentage of growth at 242.8%

**Canberra displays the greatest strength over the longer term**

	CBR	SYD	MEL
% Growth /15 Yrs	242.8%	241.3%	216.67%
2015 Median House Price	\$641,000	\$1,150,357	\$855,000

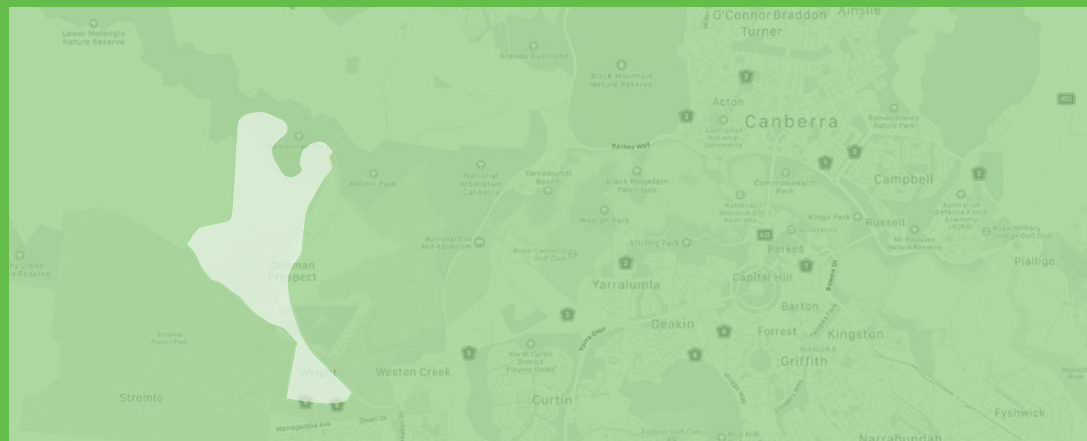


# INVEST IN THE MOLONGLO VALLEY

LOCATED 14-MINUTES WEST OF THE CANBERRA CBD AND 15-MINUTES SOUTH OF THE BELCONNEN CBD, THE MOLONGLO VALLEY IS BORDERED BY DUFFY AND HOLDER IN THE SOUTH, MOUNT STROMLO TO THE WEST, THE KAMA AND LOWER MOLONGLO NATURE RESERVES IN THE NORTH AND MOLONGLO IN THE EAST.

Over the last two years the Molonglo region population has grown by 81.1%, from 3,228 in 2015 to 5,847 in 2017. This growth was largely driven by the suburb of Wright.

The demographic profile of the area reflects young families with high household incomes, who are buying their own homes.



## Population growth

The region of Wright/Denman Prospect is experiencing significant population growth due to its popularity as a premium infill area. Projected population growth is 13.1% or 2,892 residents annual.

ACT Treasury predicts Canberra's population will grow by 31,585 residents by 2022 and more than 13,000 of this population growth will be choosing to call Wright home.

WRIGHT/  
DENMAN PROSPECT  
POPULATION

5,847



WRIGHT/DENMAN  
PROSPECT  
POPULATION  
WILL INCREASE  
TO OVER

200%



## Demand

With population growth comes demand for new homes. The demand in the Molonglo Valley and the suburbs of Wright & Denman Prospect has been significant and will result in a shortfall in supply in the coming years. 1096 homes have currently been approved to be delivered by 2023 which is a significant shortfall when compared to population growth in the region.

## Location

The Molonglo Valley is very well-known for an outdoors focus, which attracts a significant amount of people to the region, including the 167,000 that attend events or visit Mount Stromlo Forest Park – a purpose-built outdoor recreation facility.

Beyond the suburb, Wright/Denman Prospect is very close to the geographical centre of Canberra and is 10-15 minutes to major locations of interest, including Woden Town Centre, Canberra's city centre, Canberra Hospital, Calvary Hospital, University of Canberra Hospital, Australian National University, University of Canberra and Canberra's International Airport.

## Liveability & Leisure

The Molonglo Valley is a sought-after destination for families and those seeking a lifestyle based around recreation, health and fitness. The area is a five-minute drive away from Mount Stromlo where visitors can enjoy hiking, bird-watching, mountain biking, swimming and bush walking. Furthermore the Mount Stromlo Observatory offers visitors an interactive astronomy exhibit and stunning views across Canberra. Close by are the Forest Park Riding and Equestrian School, National Zoo and Aquarium and National Arboretum.

## Transport & Infrastructure

To support the growing population growth in the Molonglo Valley 10,600 retail floorspace planned to support the region including Woolworths and Aldi and 37 speciality shop.

Located in the centre of Woden, an 11-minute drive from the Wright – Denman Prospect area, is Westfield Woden. This major regional centre offers 64,100m<sup>2</sup> of retail space including major retailers such as David Jones, Woolworths, Big W, Coles and JB Hi-Fi. The centre also has 198 speciality stores.

There are four bus routes that run through the centre of the area, 83, 182, 783 and 983.

John Gorton Drive runs through the centre of the area, providing access to the Canberra CBD in the east and the University of Canberra/ Belconnen CBD in the north.

## Education

Within a five minute drive from the area there are five schools including the Charles Weston School, Duffy Primary School, St Jude's School, Orana Steiner School and Islamic School of Canberra. In the surrounding suburbs there are an additional five schools.

The University of Canberra (UC) Belconnen campus is a 15-minute drive from the area and the Australian National University (ANU) Woden Valley campus is a 12-minute drive.

Canberra Institute of Technology is an 11-minute drive from the Wright – Denman Prospect area.

## Investment Property Data For All Houses

Annual Growth	Median Price	Median Rent	Rental Yield
5.8%	\$794K	\$740/wk	4.8%

## Investment Property Data For All Units

Annual Growth	Median Price	Median Rent	Rental Yield
2.9%	\$391K	\$450/wk	6.0%

# 3 PROPERTY GROUP

3 PROPERTY GROUP CREATES OUTSTANDING PROJECTS THAT DELIVER ENDURING, SUSTAINABLE VALUE AND CONTRIBUTE TO THE SOCIAL AND ECONOMIC WELFARE OF OUR CITY.

Our team are committed to our customers and community and are constantly looking to create unique projects that contribute to better environments, better ways of living and to the betterment of our city.

We place a strong focus on environmentally sustainable inclusions, with each of our developments setting a new benchmark. Our homes are designed with a minimum 6-star energy rating which optimises the way the natural environment and the position of your home work together, minimises your energy costs and reduces the impact 3 Property Group homes have on the environment.

We are also pioneers in the home automation space and use 3PUSH to deliver on the promise of a connected home. When you invest in a home built by 3 Property Group, with one control you have the capability to master virtually any device system or appliance within your property.

We see the value in providing our clients with a third-party investment analysis to assist in the understanding of location and demographics, house prices and rental yields and current and planned infrastructure.

This report provides an overview of suburbs of Wright and Denman Prospect, within the region of the Molonglo Valley. We have also provided a detailed investment analysis of sample products for your consideration within our Luxe development.







**DETAILED  
INVESTMENT  
ANALYSIS  
WRIGHT/DENMAN  
PROSPECT**

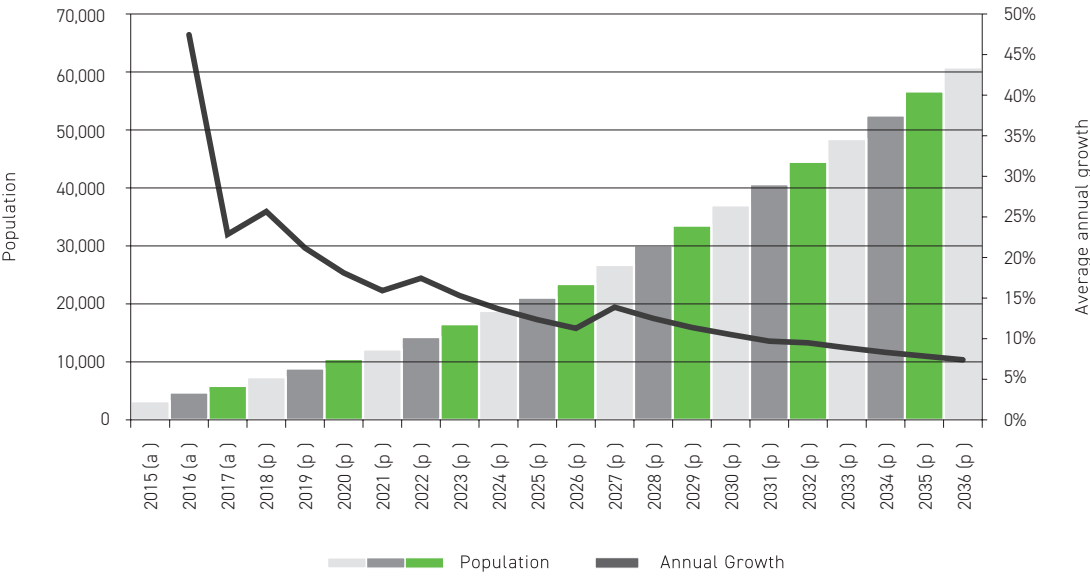
# POPULATION GROWTH

STRONG POPULATION GROWTH IS EVIDENT IN THE MOLONGLO AREA – A POPULAR NEW INFILL AREA FOR CANBERRANS, THE GROWTH IS LARGELY DRIVEN BY THE SUBURB OF WRIGHT.

Population in the region of Molonglo is 5,847 and has grown by 81.1 in two years. ACT Treasury projections expect the area to see an additional 54,951 residents by 2036 taking the population of this region to 60,798. This is an average annual growth of 13.1%.

Historical population is sourced from the Australian Bureau of Statistics Estimated Resident Population and the projections are derived from the growth rate for the Cotter – Namadgi Statistical Area 3 produced by the ACT Government Treasury.

Historical and forecast population – Molonglo region, 2015 - 2036



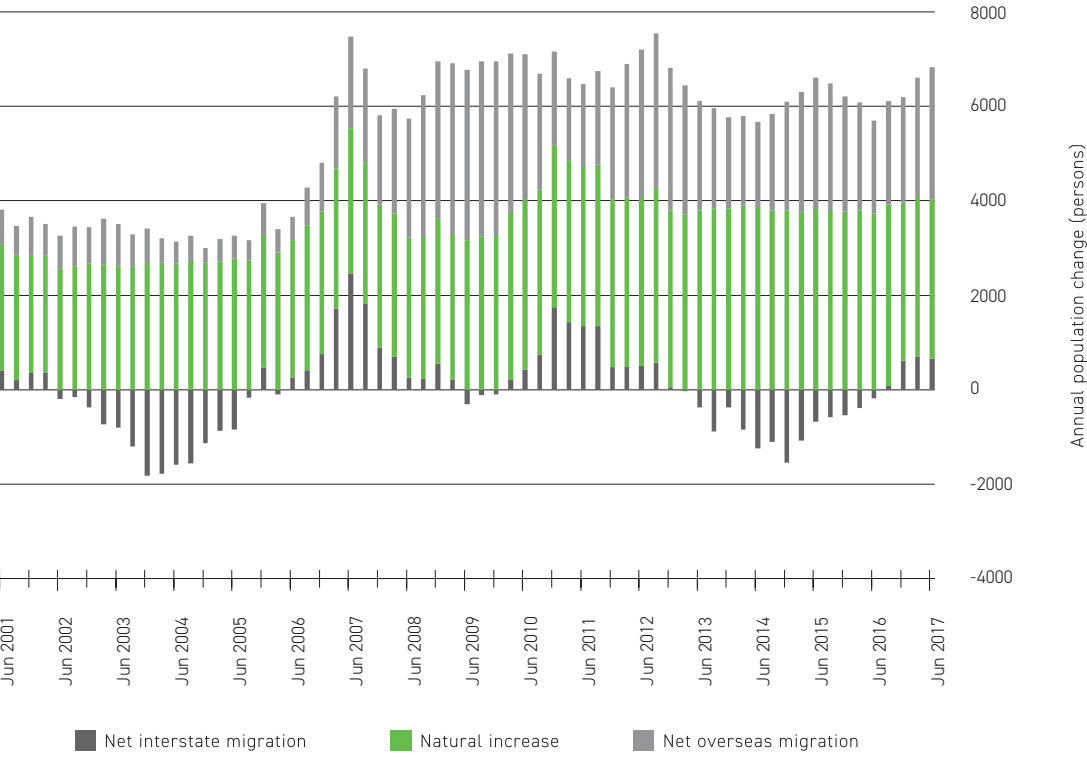
Note projections are based on the forecast growth rates for the Cotter – Namadgi SA3 Source: Australian Bureau of Statistics – Estimated Regional Population, Australian Capital Territory Government Treasury – Population Projections 2017 - 2041

The figure below illustrates the components of population change each year over the last 17 years.

Since 2006, net overseas migration has been a strong driver of the ACT's growth while net inter-state migration increased moderately between 2006 and 2012 before again falling below zero over up until 2016.

Increasing net interstate migration indicates confidence in the ACT economy is strong and should have a positive effect on wages and employment.

Regional population growth context



Source: Australian Bureau of Statistics, Cat. no. 3101 – Australian Demographic Statistics

WRIGHT DENMAN PROSPECT AREA PROFILE

DETAILED INVESTMENT ANALYSIS WRIGHT/DENMAN PROSPECT

# DEMOGRAPHICS

THE DEMOGRAPHIC PROFILE OF THE AREA REFLECTS YOUNG FAMILIES WITH HIGH HOUSEHOLD INCOMES, WHO ARE BUYING THEIR OWN HOMES.

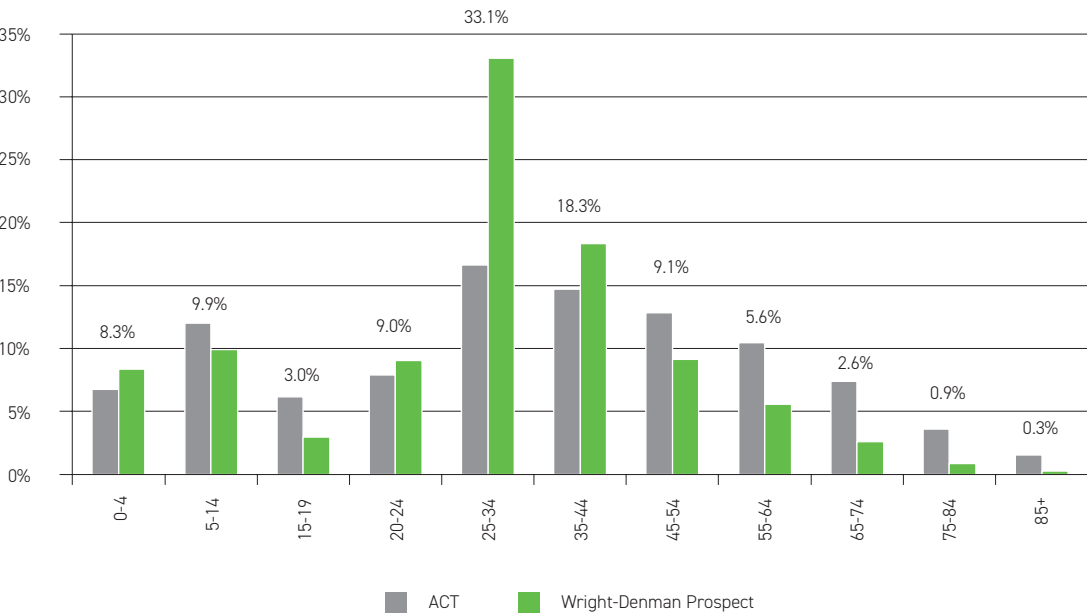
In 2016, the median age of residents in the area was 30, significantly lower than the territory median age of 35. Couple families with and without children are the dominant household types at 29.3 and 29.4%. Personal and household incomes are above average.

## AGE STRUCTURE

The median age in the Wright, Denman Prospect area is 30, significantly younger than the territory median age of 35. This difference is driven by a high proportion of 25-34 year olds living in the area at 33.1% compared to the ACT average of 16.6%. The 0-14 population is above the ACT average at 8.3% compared to 6.7%.

Residents aged 45 and over represent just 18.4% of the population in the area compared with 35.8% in the Territory.

Age structure in ACT and Wright/Denman Prospect



Source: Australian Bureau of Statistics – Census 2016, MacroPlan Dimasi

## INCOME

Median personal and household incomes in the area at \$1,366 and \$2,780 per week are higher than the ACT averages of \$998 and \$2,445 respectively.

Household expenses are moderately higher for renters and lower for mortgage payers compared to the ACT. The median weekly rent is \$400 while the median monthly mortgage repayment is \$1,950 in the area compared to the ACT at \$380 and \$2,058 respectively.

Income in ACT and Wright/Denman Prospect

INCOME	WRIGHT-DENMAN PROSPECT	ACT
Median personal weekly income	\$1,366	\$998
Median family weekly income	\$2,780	\$2,445
Median household weekly income	\$2,323	\$2,070
HOUSEHOLD EXPENSES		
Median weekly rent	\$400	\$380
Median monthly mortgage repayments	\$1950	\$2,058

Source: Australian Bureau of Statistics – Census 2016, MacroPlan Dimasi

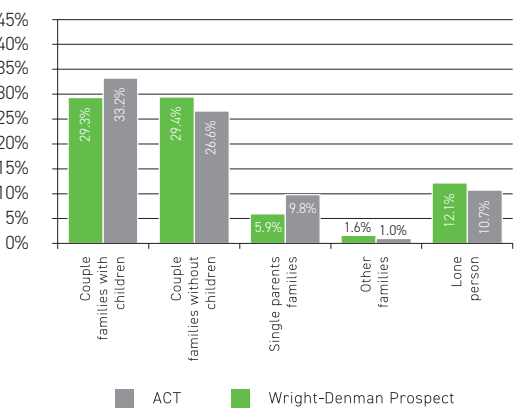
## HOUSEHOLD COMPOSITION

The average household size in the area was 2.3 people in 2016, compared with the ACT at 2.5.

Family households represent 65.9% of all households in the area, driven almost equally by couple families with and without children (29.3% and 29.4%), this compares with the ACT where family households represent 70.7% of all households.

Lone person households represent 12.1% of all households in the area compared to the ACT at 10.7%.

Household composition in ACT and Wright/Denman Prospect



Source: Australian Bureau of Statistics – Census 2016, MacroPlan Dimasi







# TENURE AND TYPOLOGY

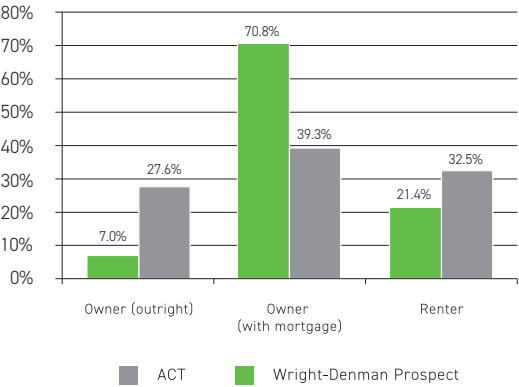
## HOUSING TENURE

Home ownership in the area at 77.8% is significantly higher than the average for the ACT at 66.9%.

The difference is largely driven by a relatively a high proportion of dwellings purchased with a mortgage at 70.8% compared with the ACT at 39.3%.

Renters made up just 21.4% of dwellings compared to the ACT average of 32.5%.

Housing tenure in ACT and Wright/ Denman Prospect



Source: Australian Bureau of Statistics – Census 2016, MacroPlan Dimasi

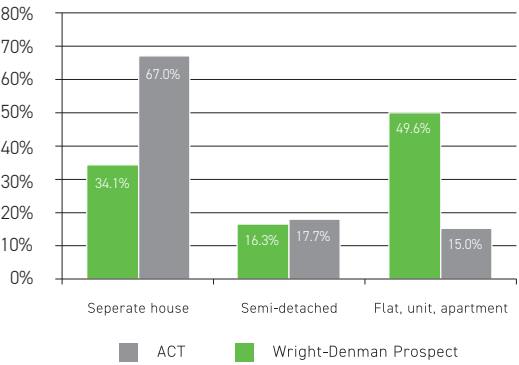
## HOUSING TYPOLOGY

Apartments and units dominate the market in the area at 49.6% of all dwellings in the area, compared to the territory average of 15.0%.

Semi-detached houses represent 16.3% of all dwellings in the area compared to 17.7% in the ACT.

The proportion of separate houses at 34.1% is significantly below the ACT average of 67.0%.

Housing Typology in ACT and Wright/ Denman Prospect



Source: Australian Bureau of Statistics – Census 2016, MacroPlan Dimasi

# HOUSE PRICES AND RENTAL YIELDS

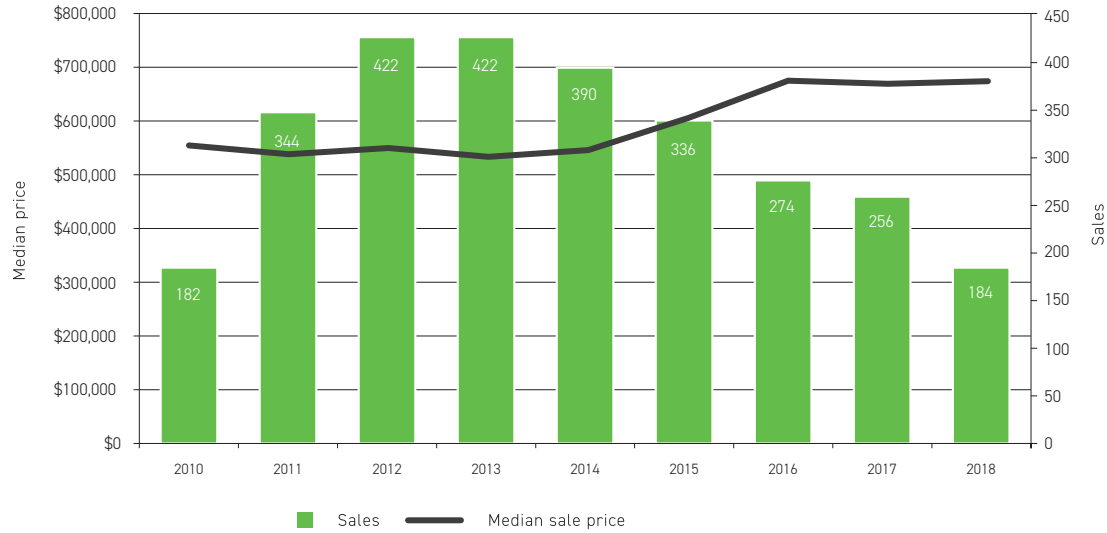
## DWELLING PRICES AND SALES VOLUMES

Sales prices in the 2611 postal area were steady over the period 2010 to 2013, but the number of sales increased. Prices then recovered in 2016 and have remained stable since. In 2018 YTD the median sale price was \$668,750, an average annual growth of 2.5% over the period 2010 – 2018 YTD.

Sales rates grew substantially to 2013, reflecting the initial development of the area, since then annual sales have declined, in line with the decline of available land/dwellings.

Lot sizes have declined slightly over the period from an average 900m2 in 2010 to 794m2 in 2018 YTD.

Postal area 2611 dwelling sale prices and volume, 2010- 2018



Source: SQM Research



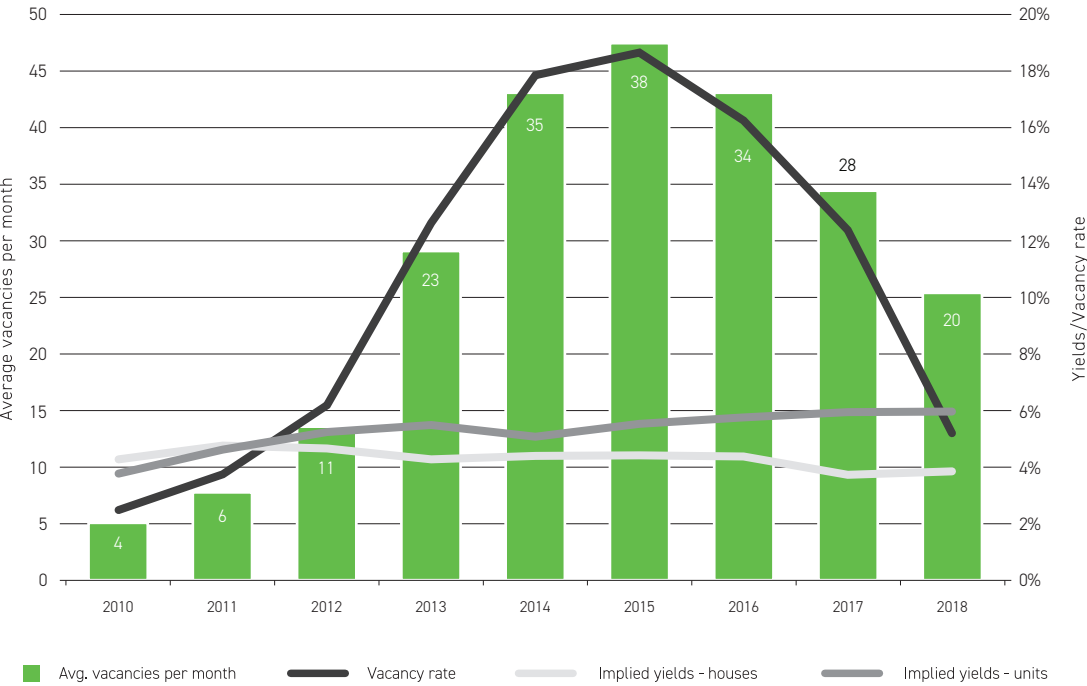
RENTAL YIELDS

In the postal area 2611 over the period 2010 to 2018, rental yields for houses have declined by an average annual 1.4%, while yields for units have grown over the period, at an average annual 6.1%.

The volume of vacancies grew over the period from 2010 to 2015, this reflects the initial establishment of the Wright, Denman Prospect area and over the last three years the number of vacancies has declined.

Yields are expected to grow as vacancy rates fall and the market experiences some tightening.

Postal area 2611, rental yields and vacancy rate, 2010 - 2018



Source: SQM Research



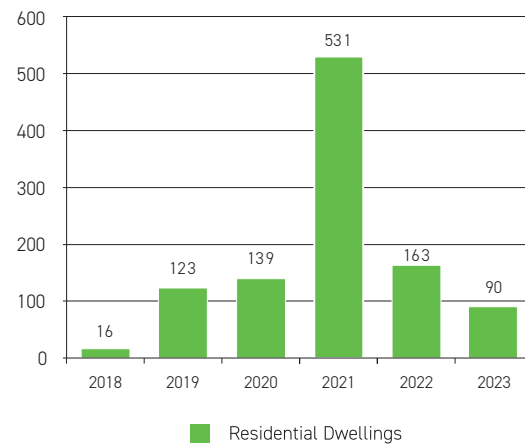
# FUTURE RESIDENTIAL SUPPLY AND INFRASTRUCTURE

## RESIDENTIAL PROJECTS – FUTURE SUPPLY

As of August 2018, there are 26 residential projects in the Wright – Denman Prospect area according to data from Cordell Connect. If completed these projects will deliver an additional 1,096 dwellings by 2023.

The figure on the right illustrates the number of dwellings that will be delivered if all projects are completed as expected.

Future pipeline of residential projects



Source: Cordell Connect, 2018

## DWELLING APPROVALS

The average number of approvals per year over the period 2012 to 2017 was 107. There was a reduction in the number of dwelling approvals between 2014 to 181 from 584. Over the last three years the number of approvals has recovered slightly up to 129 in 2018 (YTD).

The additional dwellings added to the market over the period was made up of 750 or 43.6% houses and 972 or 56.4% other residential dwellings.

Other residential dwellings dominated the market up to 2015.

Year to date approvals for 2018 indicate other residential dwellings are again driving the market at 60.5% of all approvals.

## RESIDENTIAL PROJECTS – REGIONAL SUPPLY

According to the ACT Land and Property Report issued in September 2017, there were around 1,100 dwellings undergoing construction and 3,500 dwelling sites waiting for construction to start.

Furthermore, there are around 13,300 dwellings in the development pipeline, including some 2,300 dwelling sites undergoing land servicing.

The ACT Land Agency has also released englobo land for up to 600 dwellings in Denman Prospect.

This higher level of activity is partly the result of an increase in planning activity in the inner north that occurred in 2015 after the Government committed to light rail.

Regional pipeline of residential projects



Source: Cordell Connect, 2018

## MAJOR DEVELOPMENTS

Between 2017-18 and 2018-19 the Government is investing \$1.7 billion in physical and digital infrastructure in the ACT, and a further \$576 and 494 million in 2019-20 and 2020-21 respectively.

Planning and design is underway for the Molonglo Valley commercial centre and immediate surrounding residential area, which aims to accommodate 7,000-9,000 people of the total 18,000 anticipated for stage 2.

In Weston, just five minutes south of the Wright – Denman Prospect area, is the Weston Neighbourhood Centre supporting 10,600m<sup>2</sup> of retail floorspace, including a Woolworths, ALDI and 37 specialty shops.

Located in the centre of Woden, an 11-minute drive from the Wright – Denman Prospect area, is Westfield Woden. This major regional centre offers 64,100 m<sup>2</sup> of retail space including major retailers such as David Jones, Woolworths, Big W, Coles and JB Hi-Fi. The centre also has 198 specialty stores.

## INFRASTRUCTURE

John Gorton Drive runs through the centre of the area, providing access to the Canberra CBD in the east and the University of Canberra/ Belconnen CBD in the north.



# WRIGHT DENMAN PROSPECT AREA PROFILE

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FOR MORE INFORMATION CONTACT OUR OFFICE ON (02) 6112 8519  
OR HEAD TO [3PROPERTYGROUP.COM.AU](http://3PROPERTYGROUP.COM.AU)