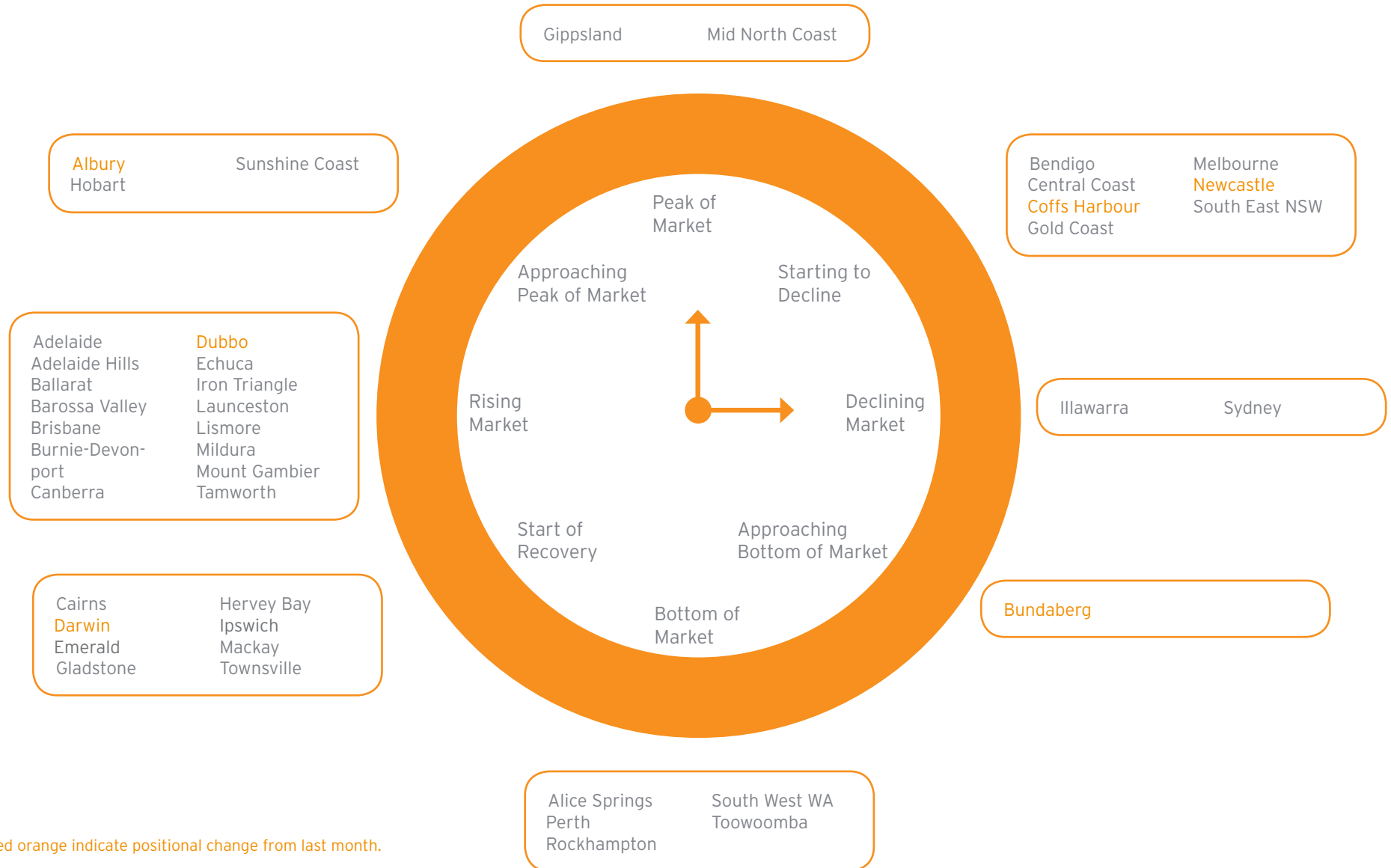


Residential



National Property Clock November 2018 Houses



Entries coloured orange indicate positional change from last month.

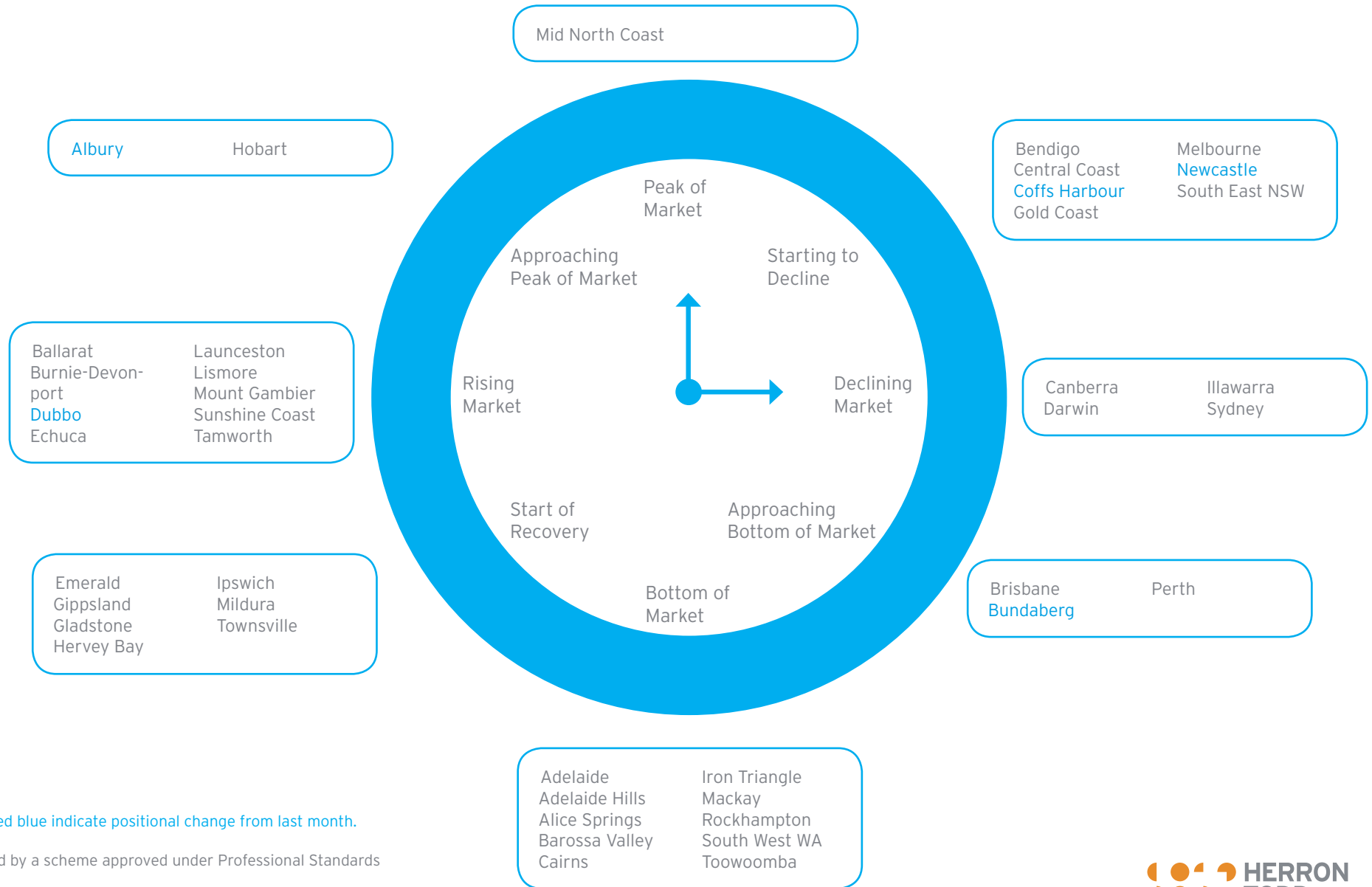
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National Property Clock

November 2018

Units



Entries coloured blue indicate positional change from last month.

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New South Wales

Overview

Baby boomers, retirees and downsizers make up a huge cohort in the real estate market. As the boomer generation heads toward the post-work milestone age, we take a moment to assess its influence on the nation's property markets. Not only are the boomers driving prices in some areas as buyers, they're also moving out and contributing to supply in others.

Sydney

An ageing population and a growing number of baby boomers moving into retirement have seen a shift in the housing requirements of this growing demographic. Whilst there are numerous purpose-built developments which have been constructed for this age group, including over 55 complexes and retirement villages, there are other types of housing options which appeal to this market and are becoming more prevalent throughout Sydney.

Generally, purchasers in the downsizer category are moving away from larger traditional homes with large backyards in favour of low maintenance, single level properties, close to amenities and public transport. Often, they will also want accommodation suitable to accommodate visiting family and friends.

Feedback from local agents indicates that a key driver for the downsizer market is the ability to lock up and leave, a phrase becoming more popular

and meaning that downsizers can go on a holiday without the worry of large gardens, pools or other maintenance required whilst they're gone. More common for strata complexes, this term can also be applied to houses on smaller blocks and any property with a low maintenance yard.

The NSW medium density housing code introduced in 2018 is a sign that the NSW State Government is reacting to public demand for medium density housing, with fast tracking of approvals and a consistent approach for design. This style of housing is considered to be the middle ground between highrise units and low density detached houses. As the nation ages, demand for this style of high quality and low maintenance housing will continue to be popular and can allow downsizers the opportunity to remain in the area they love, in a dwelling that is better suited to their current and future needs.

In many areas of Sydney, downsizers are underpinning the unit market. Developers note that a large proportion of local buyers who have sold their houses want a modern low maintenance unit or townhouse with quality inclusions allowing them to continue to live locally.

There are many that fit within this demographic who take the opportunity to move away from the hustle and bustle of Sydney when they choose to downsizer. This is often referred to as a sea change

or tree change and these areas are generally more affordable than most parts of Sydney. Popular destinations for those leaving Sydney include Wollongong and the south coast, the Central Coast, Newcastle and the north coast, along with the Gold and Sunshine Coasts in Queensland.

Many though, choose to remain in Sydney, maybe because they want to stay close to family and friends, or perhaps because if you don't need to battle the traffic every day, it's a great place to live.

In 2016, Sydney topped the list of 25 global cities as the world's best city to retire in according to Knight Frank's Global Lifestyle Review 2016. Factors which boosted Sydney's ranking included the annual cost of health care, hours of sunshine per year and the cost of a cappuccino.

There are a number of locations within Sydney that attract the downsizer market. Small scale, easy care strata complexes are popular in most areas. In inner Sydney, areas such as Jackson's Landing, a community development at the northern tip of Pyrmont, or Darling Point, an affluent inner eastern suburb, cater well to the needs of this demographic. Lifts, building managers and visitor parking are all high on the list of demands for this type of development.

In the east, suburbs such as Bondi Junction and Edgecliff are popular with downsizers. Bondi



Junction offers a Westfield Shopping Centre, Eastgate Shopping Centre and railway station while Edgecliff offers a shopping centre, Eastpoint Food Fair and railway station.

Few other suburbs in the east allow the convenience of mixed residential with retail and commercial precincts in such close proximity. The medium-rise towers in these areas generally offer more resort style common facilities than other locations with several of these 1990s built complexes often being more desirable to this age group than a brand new product.

The Northern Beaches is a popular destination for seniors for both existing residents as well as individuals relocating for a lifestyle change. Balgowlah, Mona Vale, Newport and Palm Beach are key suburbs with a healthy demographic of seniors. On average, 28 per cent of the Northern Beaches population is 55 years or older (2016 Census). This percentage is far greater in individual suburbs such as Palm Beach and Mona Vale, being 53 per cent and 36 per cent of the suburb's demographic respectively.

Popular products include villas, garden apartments, unit complexes with lift access as well as single-storey housing on level parcels. They are generally low maintenance, finished to a high standard, accessible and must be centrally located. There is a clear premium paid for these attributes and there



Vaucluse unit purchased "off the plan" for a record \$13m (Source: Domain)

has been a greater uplift in capital growth due to strengthening demand levels.

Downsizing doesn't always mean moving to something that costs less however. There are many suburbs where prestige unit complexes have been constructed which are highly desirable for this demographic.

Prestige areas in demand include Double Bay and sections of Vaucluse and Rose Bay due to their close walking proximity to amenities, however prices in many of these more boutique unit complexes are in the \$3 million plus range.

A two-level penthouse in Nangara, a boutique four unit, over 55 development in Vaucluse recently sold off the plan for \$13 million, almost triple the previous suburb unit price record (source: Domain). The five-bedroom, six-bathroom unit, is 430 square metres in size, with four car spaces and will enjoy views of Sydney Harbour and the city skyline. It will also feature an electric car charge point and a ground floor storage locker with refrigeration for deliveries.

In the south, Cronulla is a popular choice for prestige units above \$3 million, with access to a railway station, beaches and cafes and restaurants. Prices for these units often outstrip larger waterfront dwellings in nearby suburbs.

In September, the record unit price for the Sutherland Shire was achieved, where a Sutherland Shire resident looking to downsize paid \$7.5 million off the plan for a penthouse apartment in the Ozone Residences (source: St George and Sutherland Shire Leader). The building will comprise 30 apartments over eight levels with a very high level of finish throughout. The three-bedroom, three-bathroom penthouse apartment will enjoy spectacular ocean views.



Cronulla unit purchased "off the plan" for a record \$7.5m
(Source: St George and Sutherland Shire Leader)

Bayside suburbs such as Dolls Point and Ramsgate Beach have also seen increased demand in this prestige unit market, offering a relatively cheaper alternative to Cronulla. A three-bedroom penthouse in the Bayview development at Ramsgate Beach recently sold for \$2.3 million while a new four-bedroom penthouse in Ora, Dolls Point achieved \$4.3 million off the plan in September.



Panorama - 234 Ocean Street, Narrabeen (Source: www.realestate.com.au)

In the north, a luxury waterfront over 55 development located in Narrabeen saw all units sold off the plan before construction was completed. Some purchasers were younger than the 55-year age limit for occupation, but were eager to secure such a high quality product for future use.

In addition to specifically catering for the senior population through direct development, some families look to take matters into their own hands. Inter-generational living is prevalent in other nations and is becoming increasingly popular in Sydney, particularly in middle and outer ring suburbs. It helps ease the pressure of housing affordability and provides a greater level of care for the older

generation. This may be in the form of constructing a new granny flat, knock-down and construction of a duplex pair or something less distinct, such as reconfiguring an existing house to create a self-contained section.

A growing trend is for baby boomers to demolish their existing family home and replace it with a new duplex pair. This allows them to remain in their local area living in one side, while either selling the remaining side to fund their retirement or splitting the cost with an adult son or daughter to allow them to provide support for grandchildren and also assist the son or daughter to enter the property market.

Prominent in the design of many new duplexes is the inclusion of a bedroom and bathroom to the ground floor to make them attractive to those less mobile or concerned that they may be in the future.

Some unit developers have started to make dual key apartments more prominent within their developments, particularly Singaporean developer Frasers. These apartments (whilst also appealing to investors seeking a dual income) can allow parents and their adult children or in-laws to live within close proximity without actually being in the same apartment. These units are on a single allotment but have a small common foyer between two front doors, with a fully self-contained apartment behind each front door.



3507 and 3507A/91 Liverpool Street, Sydney, sold in March for \$1.875m
(Source: www.realestate.com.au)

The great migration of baby boomers is no more apparent than on Sydney's north shore. Those occupying larger homes in the upper north shore suburbs such as Wahroonga and Turramurra have been selling up and moving to the lower north shore to settle in smaller luxury two and three-bedroom apartments in suburbs such as Mosman.

The existing dwellings the downsizers leave behind are generally purchased by local upgraders or returning expats with younger families wanting to take advantage of the north shore's quality schools and quiet neighbourhoods. Over the years these homes are renovated to suit current demands and no doubt when the time comes they too will migrate to the lower north shore to downsize, keeping the tradition alive.

The family home for many baby boomers in middle ring suburbs was traditionally a smaller home on a large block of land. The exodus of this generation from these properties, along with councils looking to rezone many of these areas, has led to these properties becoming prime land for developers to amalgamate sites for townhouse and unit construction. An example of this was the combined sale of ten properties in Miranda in 2016 as a development site approved for 130 units. The site is close to Miranda Westfield, railway station and schools.



13-21 University Road & 1-5 Pinnacle Street Miranda
(Source: www.realcommercial.com.au)

Inner ring suburbs such as Rosebery, Marrickville and Annandale are all becoming popular for younger buyers as baby boomers leave the area. These suburbs are benefiting from improved public transport links, a developing café culture and their position within easy access to the Sydney CBD.

The next ten to twenty years is likely to see an increasing number of baby boomers looking to downsize. This will create opportunities for increasing development of housing that suits their needs whilst leaving behind housing opportunities for the next generation. Whilst the Royal Commission into Aged Care Quality and Safety will not directly look at all these forms of retirement living, there are likely to be findings which will have an impact on all retirement housing development in the future.



Lismore / Casino / Kyogle

The baby boomer segment is an interesting one in society, particularly within this region. Their perspective on what constitutes retirement is diverse as it is largely determined on the basis of where they're coming from.

For example, the long-term farmer out west is generally interested in staying in the region and is likely to opt for either a smaller farmlet not far from town (to give them something to do) or a comfortable, low maintenance home in a town such as Casino, Kyogle or Lismore.

This does not necessarily mean a small, unassuming brick and tile unit. These days, with arguably more relaxed planning guidelines, new but moderately sized low set villas or detached duplexes with manageable gardens have become in vogue, serving as an acceptable compromise between the modern, four-bedroom, two-bathroom, double-garage home on a standard freehold site and a poky unit in a block of four, or even an attached duplex.

They want a low maintenance home but with the comfort factor and high quality is still high on the agenda.

That said, there are some very mobile baby boomers who don't necessarily want to slow down and crave a lifestyle to go with it. Hence, coastal beachside towns have also proven popular with the Casino populace

viewing Evans Head as a potential retirement spot or Lismoreans gravitating to Ballina or Byron.

Another movement in the building game is the encouragement via town planning of incorporating granny flats or second dwellings onto existing properties, particularly for close-knit families who enjoy having the grandparents nearby - sometimes a cheaper option for all involved and beneficial.

The resulting desires of the baby boomer generation wanting to move to newer pastures of low maintenance, high quality property should, in theory, free-up existing housing for the younger generation.

But that's not necessarily the case. The aspirations of the younger generation are for their first home to be decidedly newer and fresher compared to the aspirations of the baby boomer generation some forty years ago. It is not uncommon to see both generations vying for the same modern property, thanks in part to easier credit compared to yester year.

It is usually the newer estates of Casino, Kyogle and Goonellabah that hold most appeal for baby boomers rather than established homes near the town centres. We are not talking about infirm and immobile people here. At the age of 68 or more, there are a lot of able bodied people who will simply not tolerate the typical over 55 residential village retirement complex! And that is why within the past ten to fifteen years, a lot

more of these complexes have become independent living units to cater to more mobile clients.

In summary, the baby boomer generation is not simple to peg. Some still intend to move upward in the property ladder (even after the kids have vacated) and want that penthouse suite in an apartment block, overlooking the ocean...or... would accept the simple (but good quality), low maintenance detached duplex unit or smaller house in town...or...crash the daughter or son's place by plonking a granny flat in the backyard and demanding well-deserved butler service!

We are only human after all.

Ballina and Byron

Given the older demographic within Ballina, the demand for low maintenance units remains high. Interestingly the demand for single level villas is much higher compared to two-level townhouses.

Low-set residential dwellings with side access for a boat or caravan remain popular with retiring baby boomers who have chosen not to downsize to a unit, villa or townhouse.

Real estate agents active in Ballina report a significant amount of baby boomers relocating from Byron Bay and surrounds as they look to downsize and cash in on the large increases in value that the Byron Shire has experienced over



the past two years. Where some localities might be seeing a demographic shift towards younger residents, residential property remains attractive as a retirement option for the baby boomer generation within Ballina Shire.

The Byron Bay Shire market is currently driven by purchasers in the age bracket of between 30 and 50 years. There are not necessarily 55 to 70 year olds wanting to relocate to coastal resort towns situated in this area. The marginal market of 55 to 70 years of age within the Byron Shire looking to down size would be predominantly looking at medium density unit or duplex developments.

The only locations that would attract buyers in the age bracket of 55 to 70 years are the flat level areas of Lennox Head and perhaps Brunswick Heads. These locations are flat level walking distance to the townships. They also cater to this market through newly built units consisting of two bedrooms, whereas in other parts of these suburbs we are still seeing newly constructed homes of three bedrooms or more. The suburb of Byron Bay has such a high buy in price point that many 55 to 70 year olds choose to stay and not free up housing. Why would they move when they already live in a sought-after lifestyle retirement destination by the water?

That said, the older generation is looking to downsize from large single dwellings to medium

density units. The local environmental planning within this shire does show signs of catering to this market by allowing the development of two-bedroom, two-bathroom, medium-density units close to the township. There is also thought for this market in the placement of these developments within flat level areas and the changing of dimensions and internal configurations.

There is a rise in inter-generational housing design within the Byron Shire locality through the use of secondary dwellings. The sole purpose however is not to help accommodate ageing parents in their children's homes, but to create a financially driven solution to the high price point of this coastal resort. Inter-generational housing situations present in many different forms including:

- Mum and dad in original house with child and partner living in a studio to create independence on a manageable repayment.
- Child and partner's family with kids in original house, with mum and dad in the granny flat to help service the loan.

The moving on of baby boomers may be creating some opportunities for the next generation of buyers. Specifically within the Byron Shire this is evident in older dwellings on larger allotments with potential for future re-development or construction of secondary dwellings.

Suburbs within this area are definitely seeing a monumental demographic shift toward younger residents. There are significant changes in Lennox Head, Suffolk Park and Byron Bay shown through interstate purchasers of 30-to-50 years of age wanting to move away from the capital cities.

As a result, older suburbs are becoming cool and hip again. Suburbs on the outskirts of Byron Bay such as Clunes, Mooball, Mullumbimby and Burringbar are slowly becoming re-gentrified as the newer generation emerges. Growth can be seen in the opening of new shops. For example, Burringbar now has two coffee shops and an art gallery.

The Clarence Valley

The Clarence Valley continues to attract a broad demographic of owner-occupiers and investors. Although rural living constitutes a large percentage of the Valley's property, baby boomers have a plethora of living options available. Due to Yamba's beachside location and mostly flat topography, single level homes on small manageable lots or units are aplenty. This particular demographic, as well as many others, sees the benefits of low maintenance living, proximity to shops and amenities and general views or water frontage. Accordingly, properties that satisfy these aspects are often sought after and have been showing increases in line with the general property market.



On the other hand, the vacating of tightly held farmland by baby boomers is likely opening up opportunities for the next generation of buyers, however the exact nature of this turnover continues to be hard to track, albeit, positive expansive markets indicate general upward movement in market value levels.

Overall, while it is likely that the baby boomer influence will continue to play a role in future development, it does not look set to change the nature of the Clarence Valley property market dramatically.

Coffs Harbour

Coffs Harbour, like many regional coastal towns, is often referred to as retirement village due to the ageing population. This older demographic is not just home bred but also boosted by the influx of baby boomers who have fled metropolitan areas in search of the sea or tree change. Coffs Harbour and the surrounding districts offer a variety of lifestyle choices with diverse options for the older population from beachside units to small hobby farm blocks sought by the more adventurous in the ageing sector.

The housing requirements for the 50 to 70 year olds cannot be stereotyped as this is a diverse market. Traditionally the 50 to 60 year old sector were the empty nesters looking to downsize, however increasing property prices, living and education

expenses have seen both the kids and grandma staying at home with multiple generations living in one property.

These families are looking to upsize or build the granny flat or secondary accommodation as an extension of the family property. Local planning laws relaxing some of the red tape and cost associated with gaining approval for such structures has definitely helped increase this type of property improvement. There are no specific areas we can point to as an example of this type of development taking place, as it is more so the property type where the land or building is of a sufficient size to accommodate these secondary structures or has specific characteristics such as dual frontage or higher density zoning. We have also seen local developers constructing new dual accommodation properties within modern estates such as Sandy Beach, Emerald Beach and Coffs Harbour to accommodate this market sector.

The fact that we are living longer and healthier has also changed the face of what we need in our ageing years in terms of property requirements. We have all heard sayings such as 40 is the new 50, which is a reference to our physical ability and more active lifestyles as we age compared to previous generations. So instead of looking for the retirement homes at age 55 we are looking for property that will benefit the next stage of life. Traditionally this

next stage was to downsize and look toward a lower maintenance property whilst realising some equity from the family home to use for travel or extra living money. These buyers are typically looking for centralised property close to services and public transport.

Where we are seeing a real lack of property choice is in the 70 plus age bracket for those who can no longer live independently at home and are looking to move to an aged care facility. The waiting list for available facilities within the region is forever growing with limited product available in comparison to demand. We have seen construction start recently for a \$100 million dollar aged care facility at Park Beach (Coffs Harbour) being built by Bachrach Naumburger Group who also owns Park Beach Plaza and Park Beach Home Base. This upmarket facility will provide a 120-bed residential care facility and 183 self-contained dwellings which is very much lacking in the local market.

With this generational property movement we are seeing older established areas close to beaches and services such as Sawtell, The Jetty and Park Beach being revamped as younger families move in and start to renovate older properties. Sawtell and The Jetty are popular locations where entry level for a basic home would be \$600,000 to \$700,000, whilst Park Beach is a more affordable entry level of \$450,000 to \$550,000.



Housing requirements and an ageing population within Coffs Harbour and surrounding regions will be a key issue in years to come. The 2016 census showed there were 41.8 per cent of people aged over 50 in Coffs Harbour compared with NSW at 34.6 per cent, highlighting the need for forward thinking in this market sector.

Southern Highlands

The proportion of the ageing population continues to grow in the Southern Highlands, particularly in townships such as Bowral. As per the 2016 census, the median age for Bowral was recorded as 54 years, increasing four years since the census in 2011. Over the next ten years, the number of residents in the Wingecarribee Shire over 65 will increase from 22 to 32 per cent, making the Shire one of the oldest in New South Wales.

With an influx of the baby boomer cohort, the Southern Highlands has experienced an increasing level of age appropriate housing for Sydney retirees migrating down to the Southern Highlands region as an affordable lifestyle change. Bowral in particular has seen an increase of low maintenance, medium density developments in areas such as Kangaloon Road, Purcell Street and Gordon Road with complementary construction of new dwellings in keeping with the immediate vicinity.

Executive style units and villas within lifestyle



Merrigal complex, Bowral (Source: REIWA)

estates such as Karrara, Heritage Park, Evergreens and the over 55s Merrigal complex are particularly sought after offering amenities such as indoor heated pools, gyms and 24-hour security and are located within close proximity to prestigious golf courses, retail, medical and transport infrastructure.

Bundanoon is an increasingly popular affordable country retreat for retirees with a median age of 56 years (18 years above the Australian average) as an alternative to the main towns of Bowral, Mittagong and Moss Vale. Bundanoon opens up opportunities for earlier retirees to renovate an older style country dwelling within a town that's retained its village atmosphere and where the locals boast a strong sense of community.

Newcastle

As one of the largest valuation firms in the Hunter area, you might (or might not) be surprised how many valuations we complete on a weekly basis. The number is not insignificant. As a collective we probably inspect more properties in any one week than the combined number of real estate agents of Newcastle would in the same period.

This huge number of inspections allows us to get a comprehensive view of the market from a unique perspective. It allows us to spot trends in the marketplace before they become accepted wisdom. By the time the wider population is aware of a trend or change in market direction, the signs have been there for those looking hard or simply putting in the hard yards at the coal face.

One trend which has been in the marketplace for quite a while is the downsizing predicament in which many families find themselves.

What's the scenario? It's a large house occupied by a couple in their mid to late 50s. Both have given up the pretence of dyeing their hair to hide the greying strands that have proliferated. Quite often they have occupied the house since their sons and daughters were toddlers. Soft-focus washed-out photos when short shorts and ginger afros were on point adorn the walls. Childhood bedrooms remain as untouched shrines to fondly cherished memories.



Slightly ripped posters of a young, un-tattooed David Beckham are a favourite of the boys whilst wholesome Britney Spears posters are more to the daughters' liking. Much of the time, the house hasn't received a good face lift during that same period. It looks dated. But it's in a good spot that has improved over time as new dwellings replace older ones and land values have steadily increased.

As we meet the owner on site, discussion normally ends up in the same spot... the declaration from the owner that, "it's a bit big for us, we are thinking about moving to something smaller".

The discussion then moves in one of two directions. The first is whether we know much about the market wherever it is that their children have moved to. The implication is that they want to move closer to their children and particularly their grand kids. We can't offer much to this line of conversation unless their kids have moved down the road. Interstate moves, well they are much trickier for us. Luckily we have offices in most locations and point them in the direction of the Month in Review!

If the conversation moves in the other direction, the follow-up question is likely canvassing our opinions on the strength of the unit or townhouse market in and around the city. The trend seems to be that as we get older, we want less maintenance (both ongoing and short term repetitive) and more time

spent on our lifestyle experience. It's a trend that seems to mimic society as a whole; rather than tie ourselves to an asset and the anchor that an older, larger property can become, we want to focus more on life experiences and the freedom of lifestyle that a modern, easy maintenance unit or townhouse provides.

And on the other side of the property market see-saw is the next young family looking for that larger family home where fresh posters can be hung and dodgy fashion choices are recorded in now stark high-definition for future generations to ridicule. Hair dye is optional.

The Illawarra

The Illawarra is no different to the rest of the country in the fact that it has an ageing population. The 2016 census gave the median age for the region as 36, a year older than the previous census. The proportion of residents aged 55 and over also increased from 27 per cent to 30 per cent. What does the ageing population mean for our housing?

We are increasingly seeing the transformation of established Illawarra suburbs with baby boomer property owners moving on from their long held dwellings. In last month's issue of Month In Review, we highlighted Storey Street in Fairy Meadow as an example of an area being transformed with a large number of DA approvals for new dwellings or

significant renovations. This location, along with other northern suburbs such as Figtree, areas around Shellharbour and Kiama, are all transforming with empty nesters moving on from their family homes allowing for the next generation to move in and in many cases, upgrade the improvements.

We are seeing a number of trends for those downsizing depending on their circumstances, needs and wants. Some are moving into inner city units, usually two- to three-bedroom modern units in a good Wollongong location (think Cliff Road and North Wollongong). Others want to stay in the suburbs and are moving to villa or townhouse developments, single level villas being particularly sought after for those not wanting to deal with stairs. Alternatively, we are also noticing a shift further down the South Coast for people who may have ties down that way or are wanting to take advantage of lower house values in the smaller South Coast towns.

The Illawarra offers a number of different styles of over 55 developments. These range from privately owned strata title villas or townhouses, with occupants restricted to those aged over 55 to large aged care facilities managed by providers such as IRT, Warrigal Care or by religious institutions.

Central Coast

Due to it being located immediately north of the greater Sydney region, the Central Coast has benefits



to downsizers. A short drive up the M1 motorway provides a quick getaway destination with beaches, cafes, shops, natural areas and quiet - something to offer for almost everyone really.

It's no secret that retirees have loved the region for many years. Inevitably, a comment often heard at functions and meetings in Sydney is, "my grandparents retired to the Central Coast".

The region was known for its retirement function.

While evolving and working nowadays for the younger set, the over 50s still make up 40.5 per cent of the region's population compared to the greater Sydney region at 31.5 per cent.

The region has numerous retirement or assisted living villages. Some are quite large with varying levels of finish.

The Peninsula areas at the southern end of the region that include Woy Woy, Umina Beach and Ettalong Beach have long been known for the high representation of retirees and this is evident by the number of villas, a popular choice for retirees due to the easy maintenance, adequate levels of accommodation and the closeness of similarly minded people.

From a valuation perspective, for many years when advising developers new to the area of what will and won't work on the Peninsula, we stressed the

Central Coast Council Region

Service age group (years)	2016		Sydney %
	Number	%	
Other Groups	194,924	59.5	68.5
Older workers and pre-retirees (50 to 59)	43,931	13.4	12.2
Empty nesters and retirees (60 to 69)	40,357	12.3	9.5
Seniors (70 to 84)	38,252	11.7	7.5
Elderly aged (85 and over)	10,278	3.1	2.0
Total	327,742	100.0	100.0

Source: Australian Bureau of Statistics, Census of Population and Housing 2016.

importance of single level living as this suited the dominant older or retiree market as opposed to two-storey townhouses.

These days however, the spread of buyer profile is wider and single level living is not as important.

In the mainstream property market, we see the older

set occupying a variety of dwelling types from those starting off relatively young and active living in larger two-storey dwellings to others living in single level dwellings still large enough to accommodate many visitors.

Downsizing is an issue faced or decided upon by many and we must say that it is our experience that most are pragmatic about taking this step.

But downsizing has been undertaken in several forms. Perhaps the most popular would be retirees selling up and moving into larger retirement villages or smaller dwellings, with others moving to shared (inter-generational) dwellings either in the form of attached or detached granny flats. The latter is often associated with helping the kids with their mortgages and at the same time becoming on site child carers while both parents are working.

One of the less popular scenarios recently seen involved the owners of a rural property building a (nice) habitable shed on the land, buying a motor home, travelling around the country and using the shed as a base while renting out the main dwelling.

The recycling of homes formerly occupied by older people has fit nicely into the current market cycle. The extended strong market and the transition of older people to more manageable dwellings has timed equally well with the market being so bullish. Many properties exposed to the market have been



snapped up by those forced out of the Sydney market who have seen the potential of buying old and renovating with some real success stories seen, both in terms of value adding and the revitalisation of some of the region's older suburbs.

A good example of this can be seen at Long Jetty. This is an older suburb which used to be very popular, but suffered during the latter part of last century to result in it becoming a less than desirable place to be. Recently though, new people seeing potential at affordable buy-in prices came to the area and today, it has a new lease on life and is buzzing - a great success story in the making.

Other good examples are the peninsula areas of Umina Beach and Woy Woy. For several years now, we have seen well above average growth in values as the oldies move out and younger people move in. This market is underpinned by purchasers coming out of Sydney and seeing potential here with many homes being extended and renovated with the popularity of the area growing and growing. The results are fabulous and the area has evolved well.

But there is a caveat here - in our opinion, there is a real risk that the area has been too successful and the longer-term sustainability of property values is going to make interesting viewing as we move into the next phase of the market.

Far South Coast

The Far South Coast area centred around Bega has become increasingly popular with sea changing retirees. Retired baby boomers are attracted to the lifestyle activities and the temperate climate.

As there is a limited supply of units and townhouses in this area, purchasers are forgoing this stock and instead moving from capital cities and buying vacant residential blocks in several new developments in and around Merimbula, running down supply and pushing up values. Increased demand for rural residential properties is also strong as tree changers seek the potential for a self-sufficient lifestyle. This class of property is in short supply due to local planning failures and the strong demand has pushed up values.

The increased sales of vacant land has put pressure on the limited number of builders in the region which has also increased the cost of construction. This situation will become more acute as the rebuilding of the beachside town of Tathra gains momentum. Tathra was devastated by bush fire in March 2018, destroying 69 houses and damaging 39.

The movement of lifestyle purchasers into the area has increased the full time population and led to the establishment of boutique specialty shops and food and beverage establishments, increasing employment opportunities and strengthening the local economy.

Tamworth

When downsizing, the two biggest factors we see playing a role in the final decision are location and upkeep.

Nine times out of ten, a downsizer is looking for a smaller block and house in closer proximity to town, so that there is less time spent on house and landscaping maintenance while also keeping them close to the action.

For the Tamworth area this is reflected in properties within East, North and Central West Tamworth, where a renovated dwelling on a 400 to 700 square metre block reigns king for the downsizer.

However there is a continuing trend towards townhouses or villas that are of a newer build. These are becoming quite common within Calala and newer developments within East and North Tamworth. These villas or townhouses are normally three-bedroom, two-bathroom and strata titled, taking any upkeep of the common areas out of the owner's hands which is perfect for those looking to do less maintenance on their property. It should be noted here that the cost of these properties varies as much as the owners, with a nice, renovated house in East or North going for around \$370,000 to \$430,000, or at the other end, a high-quality townhouse going for \$550,000 and up.

We are certainly seeing more properties hit the market in the areas that were once (and many still



are) considered the top areas in the 1980s. These suburbs are found in the outer fringes of East and Central Hillvue where the 1980s brick veneer home is one of the most common. These homes aren't the standard three-bedroom, one-bathroom entry to the market of the baby boomers. We are seeing higher quality four-bedroom, two-bathroom dwellings which provide young families the opportunity to move into a good area and into a quality home.

The majority of downsizers are looking for a property that has already been renovated, or if it needs work it is only minor.

The biggest shift we are seeing is an increased number of young people moving into East Tamworth with a number of contributing factors. The first of these is the increased supply as downsizers move out, as well as favourable lending conditions from banks, although this will change as lending criteria tightens.

Albury and North East Victoria

The baby boomers are getting on and as the generation most likely to have enjoyed the benefits of home ownership and property investment, they present a fair swagger when it comes to options available to them and the impact they have exiting a property market or entering a new one.

In our area we have observed a variety of scenarios for potential downsizers. Downsizing from the

superfluous family home releases stock onto the market for younger or upgrading families whilst unlocking the often substantial equity from the sale to the baby boomers for reinvestment into the market. The main decision in our area is whether this next purchase is in the same location or involves relocation. The explosion of grey nomads and the prospects of longer, healthier life expectancy equate to a cohort demanding low maintenance, proximity to services (especially essential services), proximity to family or total change of lifestyle.

In Albury, judging from the speed at which the traffic moves, the baby boomers have it all here. Local residents in sought after central locations may opt to stay put or sell up and have substantial capital growth to choose a low maintenance property such as a townhouse development or smaller dwelling that can be easily left while taking the van on the road.

If you are living somewhere that metropolitan baby boomers want to move to, you could be in luck if you want out but maybe not if you want in! Albury and surrounds is a popular location for downsizers and cashed up metro baby boomers with the quiet life top of mind, playing a part in higher property prices in the area. Two specific areas of interest have been Bright, Victoria, experiencing an influx of semi-retired or retired purchasers, moving this market

significantly over the past three years to the point where first home buyers are priced out. The reverse is happening in Mount Beauty nearby, where young or first home buyers have fled now that Bright is so expensive, which has in turn led to an increase in demand and property prices achieved in this pretty little town.

Looking at the number of construction reports completed on four-bedroom, two-bathroom homes in comparison to smaller two or three-bedroom, two-bathroom homes, we seem to be heading towards a shortage of stock for the downsizers. And whilst housing affordability is a key issue for younger generations just grappling to enter the market possibly without the unbridled property growth experienced by the baby boomers, it is evident many in the older generation have harnessed the huge equity in their homes to assist children and even grandchildren to enter the market by acting as guarantors. This cohort also remains active in the self managed superannuation fund sector investing in property, having both the time and the funds to investigate property as an investment option.

Needless to say, the property wealth accumulated by the baby boomer generation is significant, commands influence and includes property decisions for many decades to come.



Snowy Mountains

The Snowy Mountains area, centred around Jindabyne, has become increasingly popular with tree-changing retirees.

Retired baby boomers are attracted to the variety of activities including snow skiing, fishing, bush walking, mountain bike riding and water sports. As there is a limited supply of units and townhouses in this area, downsizing purchasers moving from capital cities are buying vacant residential blocks in new developments in and around Jindabyne, which is running down supply and pushing up values.

Increased demand for rural residential properties ranging in area from one hectare to 50 hectares is also strong. This class of property is in short supply due to local planning failures and the strong demand has pushed up values. The increased sales of vacant land has put pressure on the limited number of builders in the region which has also increased the cost of construction.

The movement of lifestyle purchasers into the area has increased the full-time population of the region and led to the establishment of boutique specialty shops and food and beverage establishments, increasing employment opportunities and strengthening the local economy.



Victoria

Melbourne

CBD and inner suburbs

With just over 15 per cent of Victorians over the age of 65 (ABS, 2016), the residential property market is likely to experience myriad changes in the decades to come. Even now, developers have responded to the trend of downsizers demanding smaller, easier to maintain homes in the established suburbs they currently occupy.

The East Melbourne project George + Powlett have marketed their luxury dwellings specifically to the baby boomer downsizer market. This offering has responded to demand for boutique dwellings that are different to the smaller high-density developments. George + Powlett incorporates 12 spacious townhouses within close proximity to the CBD.



(Source: Icon Developments)



(Source: Icon Developments)

Another key factor for the burgeoning downsizer market is the design element. Architects have responded to the demand for better living spaces that incorporate natural light, courtyards or gardens and elevated spaces that utilise rooftops as seen in George + Powlett.



(Source: Glenvill)



(Source: Glenvill)

Downsizers ideally do not want to move too far from their current locations, which equates to well-designed developments incorporated into local settings being desirable.

YarraBend is a mixed-use setting in the inner suburban suburb of Alphington only 6.5 kilometres north-east of the CBD. Having a proximity to parkland and the Yarra River acts as a major draw card for downsizers. The product offering has been tailored to townhouses in addition to larger freehold dwellings with increased living areas but without the large site to maintain on a regular basis. Three-bedroom homes in the development sell for approximately \$1.85 million in the Parkview precinct with two-bedroom townhouses in the Mills selling for approximately \$960,000.



Inner and Outer North

Retirees have utilised the outer northern suburbs such as Craigieburn, Mickleham, Wollert and Mernda for retirement as they have the ability to own medium sized dwellings with generous land areas at an affordable price. For married couples entering retirement, townhouses or smaller dwellings with land areas of 300 to 350 square metres is considered desirable as there is less maintenance involved in the up-keep of the property.



Craigieburn - 5 Bedroom, 3 Bathroom. (Source: www.realestate.com.au)

The outer northern suburban areas are culturally affiliated, with many formerly international families having settled around the Craigieburn and Mickleham areas. New five to six-bedroom double storey residences which have the master bedroom located on the ground floor are desired floor plans for larger families with in-laws or multiple children who want to live under one roof.



Many retirees within Collingwood, Richmond and Fitzroy are choosing the downsizing lifestyle to opt for more inner-city leisure time and cash flow (AFR, 2018). When children have left the family home, this has allowed retirees to select a one- to two-bedroom townhouse or apartment for more convenience and less maintenance in a desirable inner city location.

Based on data established by Digital Finance Analytics, the main reason behind retirees selling their family home is for the release of capital for retirement to downsize to smaller dwellings or townhouses. Apartments grant the opportunity to travel, live with less dwelling maintenance and have increased capital through their retirement.





Inner and Outer East

Cashed-up baby boomers are swapping their large suburban homes for apartments positioned close to public transport, restaurants and the CBD. New statistics show that one-third of older Australians in low income households are asset rich and income poor, according to the Property Council of Australia. Data from the Australian Bureau of Statistics concludes that one-third of older low-income households have less than \$5,000 in cash and other liquid assets, with nearly their entire wealth locked up in the family home.

The reasons for downsizing can be health related such as wanting homes without steps or wanting smaller backyards to maintain, lower rates and lower utility costs. Downsizing can make a lot of sense both from a financial and a lifestyle perspective. As kids grow up and leave home, house values continue to increase and people think about retiring from full time work. Research from previous surveys indicates around 68 per cent of people aged over 50 are either currently looking to downsize or expect to downsize in the future and 90 per cent reported having one or more empty bedrooms in their homes.

Boroondara land values have increased by 21.45 per cent since 2016 (Boroondara July 2018), supported by developers looking to take advantage of the market's appetite for townhouses, the affluent nature of the inner-to-middle eastern property market and the downsizer demographic.

Retirees of the east will not move too far due to their established connections to family, friends, medical facilities and local shops. A recent example is the owner of a property on Morrie Crescent in Blackburn North who sold the family home in April 2018 for just over for \$1.1 million and moved into Applewood Retirement Village in Doncaster, only three kilometres away.



Applewood Retirement Village (Source: Applewood, Oct 2018)

Inner and Outer West

Although it's apparent that there are several different options available for downsizers, the one main component is affordability. Unlike Generation X,

the baby boomer generation didn't have employers contributing towards their superannuation until the latter half of their working careers. Those thinking of retiring may have to either rely more heavily on a pension or sell their family home to fund their retirement.

The recent introduction of the downsizer scheme may help to make things easier with individuals able to make a one off after-tax super contribution of up to \$300,000 from the proceeds of a sale in order to increase their allowance.

Downsizers will be seeking locations near public transport, quality healthcare and lifestyle aspects. Geelong's coastal suburbs Portarlington, Indented Heads and St Leonards are prime areas that offer affordability with a median 400 square metre vacant



Lifestyle Seasonal, Tarneit (Source: realestate.com.au)



land allotment price of \$228,000 (RPM Realestate) and a median dwelling price of \$510,000 (RP Data, 2018).

These suburbs offer a quiet coastal lifestyle with access to quality healthcare and services including availability of freestanding houses with a spacious backyard. In Wyndham Vale and the surrounding area there is a growing trend in the development of over 55 communities, lifestyle communities and lifestyle villages. They offer the resort styled home that suits the leisure and lifestyle of retirees over 55.

Dwellings are generally priced between \$300,000 and \$375,000 depending on configuration. This type of arrangement is a way of creating an affordable supply of housing for those looking to downsize in the future.

Inner and Outer South-East

The Mornington Peninsula has always been a popular spot for retirees with easy access to shops, GPs and public transport, as well as the recently expanded Frankston Hospital. The predominant age group in the town of Mornington is 60 to 69 years (RP Data). As is the case in many suburbs, retirees looking for a sea change are choosing newer single level dwellings with low maintenance gardens.

Long term residents in areas such as Rosebud and Dromana prefer to live out their dotage in their own homes which many of them built during the 1960s

and 1970s. When they are eventually sold they are usually snapped up by developers or first home buyers who either knock down or lovingly restore the homes to their former glory. Double-storey dwellings offer a chance for young buyers to get into the market as they are generally less desirable to retirees unless there is an elevator, as the cost to install one is usually around the \$50,000 mark.

Hastings and Bittern have seen an increase in over 55 lifestyle villages. The lifestyle community developments include swimming pools, bowling greens, cinemas and gyms. These are often highly sought after as they do not appear on the market often. The communities are made up of single level dwellings in order to cater to an ailing population.



Lifestyle Hastings bowling green -240 High Street, Hastings
(Source: www.lifestylecommunities.com.au)

There are currently four homes available in the Hastings development ranging in price from \$375,000 to \$475,000.

Similar to the outer north, the outer south-east is culturally diverse and there are a number of new, large double-storey homes designed to accommodate three generations living under the one roof. This is generally evident on floor plans where each bedroom in the dwelling is accompanied by an en suite, rather than having the traditional shared bathroom. The outer south-east has also seen the emerging trend of developers using large parcels in new estates to construct low maintenance townhouses, such as the Worthington Estate in Pakenham constructed by Simonds Homes, with views overlooking the parkland.



37 Mary Street, Officer (Waterside Estate)
(Source: www.realestate.com.au)



There are also new exclusive developments such as the Waterside Estate in Officer. The packages are turnkey and within close proximity to Officer train station and the future planned town centre. Some townhouses will also have a prime view of the proposed \$1.6 million planned park. These are suited to baby boomers looking to downsize without entering a retirement or lifestyle village where they are exposed to large owners' corporation and maintenance fees. They can also be freely sold on the market, making them easy to turn over.

Mildura

The most recent census data indicates that the median age in the Mildura region is 47, which is nearly ten years older than the median age for Victoria. The data also shows that we have a higher than average number of people in the over 55 age bracket. Our observation is that many retirees move to Mildura from less populated regional towns and farming communities, attracted by comparatively good medical facilities and the good amenities on offer.

We find that our older inhabitants have varied aspirations when it comes to housing. For many, it is to stay living in their family home, influenced by proximity to their friends and the familiarity of their house and garden. We regularly see people who have lived in the same home for over 50 years, however this appears to be becoming less common. It's interesting to note however, that often the houses

built 50 years ago are small by modern standards and so remain well suited to retirees.

For others though, particularly the baby boomers, there appears to be a trend to move to more modern housing, often on smaller lots, with less responsibility for home maintenance and greater flexibility should they wish to travel. Much of this demand was initially met from two-lot townhouse developments in the inner-city area. These townhouses generally have three bedrooms and double garages and have continued to meet strong demand when re-sold.

More recently we have seen a large residential development undertaken on part of the land formerly owned by Mildura Golf Club. This development has been undertaken over stages, with over 70 lots now sold and mostly developed to good standard free-standing homes on lots containing around 500 square metres. This development has been targeted at baby boomers and has proven very popular, particularly for those who enjoy playing golf. There have been a number of re-sales in the past 18 months at prices between \$530,000 and \$635,000.

While we often use the term downsizing, baby boomers are still showing a preference for dwellings that have at least three bedrooms and a decent sized outdoor living area. While some are happy to buy two-storey homes, we have always noticed that equivalent

sized, single storey homes often sell more quickly, due to concerns about using stairs in older age.

As some baby boomers move into new housing, the corresponding sale of their previous homes creates an opportunity for younger buyers. As we pointed out in a recent contribution to this column, the rising cost of land in the new subdivisions now becoming quite distant from the centre of Mildura is making the option of buying established homes built between 1975 and 2000 a good option for some buyers. Houses built in this era are often in good locations, on much larger size lots and therefore well suited to younger families.



Queensland

Brisbane

The thing about our Sunshine State capital and its surrounds is that it's already perfect for retirees!

It's all well and good looking for where the downsizers are going and while we concede many are attracted to our stunning northern and southern beachside cousins, our city offers much of what many need in their post-work years - great weather, easy living, a low-cost lifestyle and relatively affordable real estate.

So, looking at the fundamentals, what are downsizers looking for when it comes time to reduce their living space?

When you've been used to the family home for a few decades, it can be tough. Taking away some of the maintenance responsibilities (except when pottering in the garden is your pleasure, of course) means downsizers are generally looking for an easy-care home - single-level preferred to avoid annoying stair work, with a compact but attractive yard and outdoor space.

Multi-storey dwellings need to rely on doing most of the living on one main level, although lifts are an option that we've noticed is becoming more popular.

Downsizer locations within Brisbane itself are a reasonably mixed bag. For those looking to shift, there are varied attractions at different addresses.

The bayside has always been a keen spot for downsizers with a bit more leisure time on their hands. Easy walking along the coastline, coffee in great cafés, views of the water from your lounge. All of these are winners.

Some of the suburbs that offer this salt-breeze lifestyle include Wynnum, Manly, Redland Bay, Brighton, Sandgate, Shorncliffe, Redcliffe, Scarborough, Woody Point, Newport and Bribie Island.

As you can imagine, pricing is mixed, but you can be certain that whatever is on offer, Sydney retirees' mouths are watering at the thought of how much bang there is for their buck.

Then there are the hipster retirees who want to embrace the urban spirit and enjoy all our evolving city has to offer in the way of great restaurants, art and experiences without the emotional (but much loved) baggage of kids.

These oh-so-cool elders are looking towards inner city areas such as New Farm, Teneriffe, Newstead, Hamilton, St Lucia, South Brisbane, West End and Highgate Hill - typically at units and townhouses from entry level to prestige.

The other cohort is those who want to remain within their community but need something a little more manageable than their oversized home. They desire



Portside Wharf, Hamilton (Source: www.realestate.com.au)

security and familiarity, but don't want to spend their time tending to a huge lawn and constantly cleaning bedrooms that are just gathering dust.

For them, a number of large and interesting options exist in the unit space. Portside Wharf at Hamilton is the perfect example of developers looking to capitalise on this phenomenon. After the retirees offload their very flash house in surrounding Ascot and Hamilton, they head down the hill to take up residence in a flash apartment. Some units come complete with a river outlook and city views. The great thing is if they're into holidays on the high seas, it's a matter of pack, lock, leave and stroll to the cruise ship terminal.



There are other great locations latching on to the upmarket downsizer too. A number of Dornoch Terrace, West End buildings are forging ahead with designer kitchens, big balconies and a picture-perfect CBD outlook. Redefining a project towards owners has been a useful diversion for developers in and around West End and Southbank who had been dealing with an oversupply issue close to town. There are many who could see the writing on the wall for investor unit stock, but were too far advanced to landbank. These projects were adapted to create larger apartments in the hope of appealing to a broad range of homeowners, including downsizers.

We've also seen the development of excellent quality high rise projects that appear pitched particularly at downsizers who still want to enjoy their suburbs. High-rise retirement villages are starting to become more prevalent within inner city localities in comparison to what used to be the norm of having them in outer lying localities, for example, the Aveo Newstead Retirement Village located within the very hip Gasworks area of Newstead. Amenities are constructed smartly, with rooftops and podium levels utilised for outdoor amenities and open space.

Stepping away from Brisbane and the popularity of our neighbouring coastal cities goes from strength to strength with retirees. While you can read their sections in this issue of Month In Review, we can tell

you anecdotally that retirees are on the move. Net interstate migration numbers show that while many are shifting from southern states to Brisbane, most are looking to eventually set up on the Sunshine and Gold Coasts. The attraction of the sand and surf isn't limited to those coming from across the border either - our own Brisbane retirees are keen on this lifestyle too.

A further influence from the downsizer cohort is the continued evolution of multi-generational housing. For many, housing affordability and cost of living are a major issue. Supportive family will look to offer a solution by offering to adapt an existing home (or seeking a new one) that will allow for support and independence for their older folks. There is an upside for the younger generation too of course, because the cost of childcare is reduced with grandparents available when mum and dad are working full-time.

So now we're aware of where they're going, what about the stock being left behind?

The fact is that retirees are the first in a domino effect of housing change. Once they vacate their comfortable family home on its huge suburban block, others are waiting to take up the space. There's usually a mix of young professionals and families looking to find their home. These properties also provide the young new owners with an opportunity.

Some homes benefit from a renovation, while other post-wars might have to make way for a whole new house.

In addition, larger blocks attract developers keen to split and shift or demolish and build.

If you're looking for great examples of renovation opportunities where downsizers and retirees are vacating, look no further than New Farm, Teneriffe, Newstead, West End, Highgate Hill, South Brisbane, Paddington and Red Hill.

Finally, older suburbs that are a little further out such as Northgate, Mitchelton and Annerley are seeing a suburban resurgence of gentrification. Tucked away cafes and restaurants, bespoke butchers and personalised grocery stores are all on the cards. Much of this gentrification growth is fuelled by demand from upsizers looking to fill the space downsizers have left behind.

Southern Gold Coast/Northern New South Wales

The southern Gold Coast and northern New South Wales areas have become popular locations for downsizers and baby boomers to relocate.

An increase in demand amongst this demographic for smaller townhouses and units with less upkeep and maintenance is evident, particularly throughout the beachfront suburbs such as Burleigh Heads, Currumbin, Coolangatta and Kingscliff. A downsize



in home for an upgrade in location is driving empty nesters to spread their wings in search of a sea change. These areas provide numerous options with ample supply of new and existing high-rise, medium-rise and townhouse units available, as well as infrastructure including the future extension of the light rail to Coolangatta.

With the average baby boomer now in their early 60s and approaching retirement, this change has created an increase in older style dwellings in areas from Miami to Kingscliff becoming available to the market, sometimes for the first time, providing renovation and value adding opportunities for younger generations.

Northern Gold Coast

As a person who is also at this stage of life, I have frequent chats with those people who categorise as retirees or recent empty nesters.

There are two main things happening in our area:

1. Downsizing to a smaller home but staying on the Gold Coast;
2. Moving from a large family home to a unit complex, usually at a beach or more centralised Gold Coast location.

I note that there are some older investors who talk about moving to more affordable locations. Some frequently mention areas such as Tasmania or more

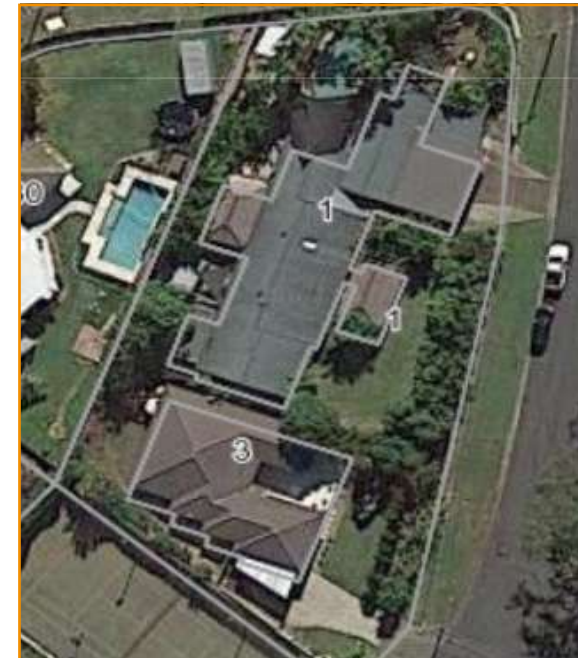
northern Queensland locations such as Bundaberg or Hervey Bay, however, most of the local older age investors appear to be staying on the Gold Coast.

As a lifestyle location, the Gold Coast also attracts many older investors, often from the larger markets of say Brisbane, Melbourne, Sydney and overseas locations. Some of the key requirements are smaller accommodation, lower maintenance (i.e. newer properties on smaller parcels) and central locations with good proximity to services such as hospitals and medical services, public transport and retail.

There is a small trend for older investors to secure single titled properties with secondary or multiple areas of accommodation which can provide some future weekly rental return.

There's been a strong shift to multi-generational housing with three generations of a family now living under one roof or on one property. Many dwellings are being converted to form secondary living areas or multiple dwellings on one property. Existing floor plans are being converted to form secondary self-contained living or garages are converted to form secondary areas and detached studios or granny flats are being constructed. Some of the modified situations are very cleverly carried out. Generally speaking, it's the older members of the family moving into the secondary areas.

Opportunities are being created for younger



Ashmore, Gold Coast: Aerial Image of a three-dwelling property. Main dwelling owned by retiree. Secondary attached granny style flat established on northern end providing owner with rental income. Detached four-bedroom dwelling more recently constructed on southern end of property with owner's son as occupant.
(Photo source: RPData)



13/04/2018 10:28 AM (c) Herron Todd White

Hope Island, Gold Coast: Large modern four-bedroom dwelling in prestige area recently had double garage converted to form self-contained secondary accommodation. Photo shows new kitchen inside former garage. Main dwelling resided in by empty nesters with mother living in secondary area.



28/08/2018 9:13 AM (c) Herron Todd White

Helensvale, Gold Coast: Large modern recently constructed canal frontage property built with two substantial attached dwellings on single title. One area resided by retiree couple and other occupied by their son and his family.



14/09/2018 10:46 AM (c) Herron Todd White

Labrador, Gold Coast: Two-bedroom highset dwelling converted to comprise an additional two-bedroom self-contained flat to sub floor plus a one-bedroom flat was constructed above the double garage. (i.e. three areas of accommodation). The owners are empty nesters with mother living in sub floor area and nephew living above the garage.



Labrador, Gold Coast: Small two-bedroom detached granny style flat built to rear of property (behind existing dwelling) by retiree. She lives in the secondary accommodation and her son and his family reside in the existing main dwelling.
(Photo source: Herron Todd White)



investors as the larger dwellings are being vacated by the older investors. Older investors are less likely to carry out large renovation projects. In recent years there has been a noticeable increase in renovation activity in this locality and mostly the older but better central locations such as Southport through to Paradise Point (Broadwater locations) are proving popular. These areas are seeing improved commercial development with thriving café and restaurant precincts. Younger investors can be either local or migrating families.

North-East Gold Coast/South-East Logan

The northern growth corridor has seen new property types and smaller homes with less land area which require less maintenance. Downsizers have become a major force in this market, with a combination of an ageing population and peaking property prices leading many buyers to look for better suited low-maintenance life style properties.

The northern Gold Coast has become a popular choice for baby boomers looking to relocate with entry level prices, new product with smart modern design and new infrastructure within close proximity. The most sought-after properties for baby boomers would be duplex units and single-storey villas offering compact open living plans, ease of maintenance, small yards for pets and single level, making an ideal transition for the ageing population.

Townhouses also offer a low maintenance lifestyle for downsizers and are often found in similar locations but get resistance from the older generation due to rooms being spread over two or three levels, which means this property type would not be suitable in the long term. The younger generations have embraced the townhouse lifestyle and are attracted by the low maintenance, desirable locations close to infrastructure and new modern plans.

Both baby boomers and the younger generations are drawn to the northern corridor due to the price point and situation close to doctors, shops, public transport and schools and you find many first-home buyers and downsizers looking for the same type of property.

Northern West Gold Coast/Southern Logan

Generally, we've seen a significant number of baby boomers sell their rural properties and downsize for various reasons.

Mostly, they do not need the burden of maintaining a large property once the kids have moved out. They tend to prefer low-maintenance properties such as townhouses, small lot housing and apartments. In Upper Coomera, we have seen some of the baby boomers move to townhouse complexes with various common improvements that offer more of a lifestyle option and include common barbecue facilities, pool and also an on-site caretaker.

A less common option is for families to build a granny flat on their acreage or semi-acreage so that parents can still enjoy the lifestyle without having to downsize.

The north-western Gold Coast and southern Logan areas have not seen a large geographic shift of baby boomer purchasers, rather this demographic represents the vendors in this market. Rural areas such as Jimboomba and Logan Village are still mostly owned by baby boomers while some developing areas such as Yarrabilba and Bahrs Scrub are mostly younger residents (first home owners and young families).

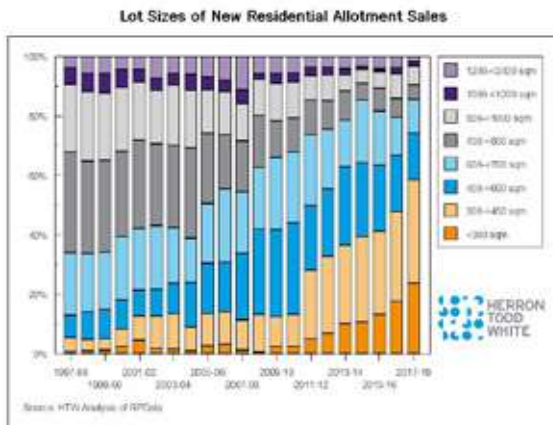
Sunshine Coast

It's obvious that the population is getting older. Clearly, I am not a demographer but it appears to be a widely held view that baby boomers have always had a larger presence compared to other generations. The impact this population segment is having on the market is pretty sizeable. Then throw in the empty nesters and this downsizer market grows even more.

Buyers in this market are pretty straightforward about what they want. They don't want the hassle of looking after large homes and yards. They want the flexibility of being able to socialise with friends, play golf, go fishing and travel. To cater for this, we have seen a number of changes to property types.



Firstly, in the house and land markets, new vacant residential allotments have reduced significantly over the past ten years as can be seen from the graph below. Lots have reduced from 788 square

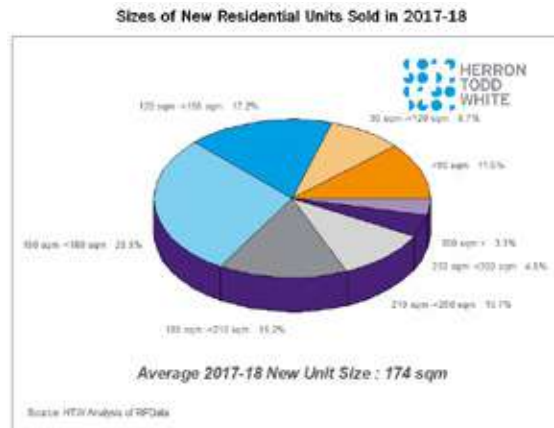


metres in 1997-98 to 468 square metres in 2017-18 and small yard areas with artificial grass provide low maintenance – happy days!

In response to these small lots, we have seen some really efficient home design. It's surprising how much you can pack onto one of these smaller allotments. Also, in response to this demographic's demands, homes are designed to extend their useful life to a resident. Master bedrooms to the ground floor,

provisions for passenger lifts or even installing them have all become serious options for two level homes – or just build a smaller single level.

Moving into the apartment market, there is little doubt that one of the biggest demand segments for existing or new units is the larger permanent occupancy style apartments. This permanent occupancy style product has become increasingly popular as they are typically located in close proximity to the coast, close to cafes and restaurants with two-car basement parking. The graph below shows that the average size of new units sold during 2017-18 was 174 square metres, with the most common size category being the 150 to 180 square metre range.



As the coast continues to grow, we will continue to see these demographic forces. What remains to be seen is whether or not some of the younger generations will be able to back fill the property that they have moved from.

Cairns

The Cairns residential property market (as defined by the Cairns Regional Council area) is best described as steady in terms of sales volumes and balanced in terms of supply and demand. There are numerous sub-markets throughout the region, however most areas are performing to a satisfactory level.

Value levels in most areas and for most property types are reasonably static when compared to prices achieved over the past six to twelve months.

Rental vacancies are limited with properties reasonably easy to rent as long as the landlord is not too ambitious with the asking rent. Good quality houses and units in good suburbs for rent are in short supply.

Residential construction activity for houses is reasonably weak and for units is very weak although we understand a number of small projects may proceed during 2018. In general, builders are not able to increase their prices due to the value of established stock and strong competition.





The local tourism industry is performing well with strong visitor numbers and good accommodation occupancy levels. Investments by the GA Group in acquiring and building or redeveloping a series of projects in the region is a positive sign although it does not seem to be having a big impact on confidence levels in the Cairns economy or the residential property market at this stage.

Low interest rates are an important factor underpinning current prices and levels of activity and any significant increases in home loan rates may have a negative impact on the property market.

Agents are starting to report more deals falling over due to difficulties in buyers obtaining finance. This is as a result of a reduction in the availability of interest only loans, an increase in the level of scrutiny of borrowers' actual living expenses reducing borrowing power and APRA's desire to improve lending standards and quality. This issue may result in a reduced number of buyers or buyers reassessing the price point they are targeting.

Townsville

As our baby boomers move into retirement, what type of housing are they looking for?

Anecdotal evidence suggests that these retirees are generally leaving the local region to be closer to their families, downsizing to smaller homes or having a change in lifestyle and downsizing to unit living.

This sector of the market is typically attracted to small modern low set homes on small low maintenance allotments, generally within the modern residential estates that offer the amenity of walking paths and close proximity to public transport hubs and shopping facilities. Others are being attracted to the low maintenance that lifestyle unit living offers, allowing them to secure their property and travel for periods of time throughout the year without having to worry about yard maintenance.

Units located in the inner city suburbs of North Ward, Belgian Gardens and the City Centre are appealing locations due to the lifestyle offered by these locations and the close proximity to The Strand.

The downsizing by retirees is providing opportunities for buyers through a range of property types. We are seeing older style homes, some in very desirable locations, becoming available for the first time in over 20 years. These homes are generally in original or near original condition providing buyers with a somewhat open canvas to renovate to the finish they desire. Similar opportunities are also available on larger family homes as empty nesters downsize.

Rockhampton

There has been a definite shift with baby boomers selling up and relocating. This has been particularly evident this year with the completion of the high-rise riverfront unit development, The Gallery. While this is certainly not the first riverfront unit complex in the

region, it is the first to offer exclusively permanent housing units since about 2013. Other recently completed river front complexes such as Empire offer a mix of both permanent and holiday units on a larger scale which does not suit all owner-occupiers.

Unit living has obvious appeal to the baby boomer generation with limited maintenance, security features, lift access and close proximity to major facilities, dining, shopping etc.

There is also a contingent of downsizers looking for a sea change and relocating to the Capricorn Coast. Again, low maintenance living and proximity to facilities are at the forefront of the decision-making process.

We have also seen an expansion of retirement village living in the region over recent years with complexes such as Oak Tree, Red Hill and Settlers providing accommodation for over 55s that provides a balance between independent living and social interaction with other residents.

Another contributing factor to the recent notable shift of this market sector is the current market condition. We appear to be at the bottom of the property clock, so it's an optimal time to buy.

Another benefit of this recent shift is the opportunity created for younger families looking for a good family home. These buyers are generally at the opposite end of the scale to the baby boomers and



are looking to upsize as their families grow and require more space or a more desirable location (eg. closer to schools).

Whilst many first home buyers are looking to buy new homes, this typically restricts their locations, which in our region, remain on the outskirts of town in our growth corridors. Baby boomers are typically selling properties in more established areas, in which case some buyers are happy to pay a little less and update fixtures and fittings.

The Rockhampton region is quite diverse and it is difficult to pin point any monumental demographic shift toward younger residents in any particular area. There remains a healthy balance in most established areas although we recognise over time that this will start to shift towards younger families in the short term.

Gladstone

Gladstone has limited opportunities for over 55 style accommodation and most modern unit complexes are designed for investors. Those who do leave the region typically head to lifestyle destinations such as Bundaberg, Bargara, Hervey Bay or the Capricorn Coast.

Unit living has obvious appeal to the baby boomer generation with limited maintenance, security features, lift access and close proximity to major facilities. Modern unit complexes on Boyne Island

such as The Promenade and Shoreline have been a popular choice for retirees over the years. Downsizers buying into these complexes also have the benefit of selling and buying in the same market. While the Gladstone region may be at the bottom of the cycle and showing signs of recovery, many downsizers still receive great capital gain as they have been in their existing home for many decades.

A benefit of the baby boomers downsizing is the opportunity presented to the younger generation looking to upgrade the family home as their family grows.

Bundaberg

This month we are looking at baby boomers and the opportunities they present with selling up and downsizing. There has not been a definitive shift of baby boomers selling up and relocating this year in our patch.

Unit living has obvious appeal to the baby boomer generation with limited maintenance, security features, lift access and close proximity to major facilities, dining, shopping etc.

If there was any propensity for downsizing, some of the baby boomers looking for a sea change are relocating to Bargara and other coastal areas.

There has been a slow expansion of retirement village living in the region over recent years,



Palm Lake, Bargara (Source: www.realestate.com.au)

providing a balance between independent living and social interaction with other residents, with complexes such as Palm Lake at Bargara accommodating over 55s expanding this year.

Another contributing factor to the recent notable shift of this market sector is the current market condition. Whilst we appear to be at the bottom of the property clock, many owners still receive great capital gain as they have been in their existing home for many decades.

Mackay

Those who bought five to ten years ago may not be in a position to sell up as equity has been eroded, however those who have lived in the same house for many years, generally located in the older suburbs, may be able to sell with enough to purchase a more



updated house or unit plus still have some money left over for retirement.

Baby boomers in the Mackay region are downsizing to smaller sized dwellings or units with very little maintenance. These properties tend to be located closer to shopping and medical facilities. While some may opt to stay within the region, there are also an increasing number who move closer to family or better facilities in larger or more equipped towns.

A modern retirement village, Kerrisdale Gardens, is located on the northern side of town and provides a mixture of accommodation. There are 26 one to two-bedroom on-ground villas available plus a four-level apartment building offering 23 care suites. It offers all the usual retirement village conveniences, however some additional conveniences include on site medical facilities such as 24/7 nurses, physiotherapists and a pharmacy.

A large portion of houses once occupied by baby boomers are located in older suburbs. They generally require some renovation work, however due to the low values and flattening of the market they have become more attractive for younger buyers.

Hervey Bay

In the 2016 census, the Fraser Coast had a population of 101,504 with a median age of 48. Out of this population, 34.2 per cent were aged 60 or over. The Fraser Coast has been well regarded as a

retirement location for many years and over the past five years, industries associated with aged care have expanded significantly.

Hervey Bay now has a designated medical precinct with public and private hospitals, medical teaching facilities and other allied health practices. The second stage of the \$44 million upgrade of Hervey Bay Hospital's emergency department began in late 2017 and will include a new three-storey building that will increase beds at the emergency department from 19 to 37, new education and learning facilities and a 24-bed clinical decision unit.

Baby boomers are a strong driver of our residential market however don't appear to be influencing a specific style of home. Some are looking for a smaller (downsizer) home, however others still require a large home for the family to stay in when they visit.

Outside of the typical retirement home market, a market that has appeared over the past five years as a result of this ageing population is the RV park to suit retirees looking for a place to call home but who want to travel as well. Maryborough's RV Homebase and Latitude 25 (currently under construction in Hervey Bay) offer a gymnasium, pools, bowling greens, tennis court and recreation centre, plus many more features. These complexes offer retirement living with the flexibility of travel. The homes vary from two to three bedroom with en suite

bathrooms and Latitude 25 garages are designed to accommodate an RV. There are also a number of other complexes similar to these planned around Hervey Bay however are yet to begin construction.

With the improvement in the allied medical industry in Hervey Bay and the supply of property targeting this market, Hervey Bay is likely to experience growth for many years to come.

Emerald

We see most seniors downsizing and staying in town in most instances as country residents tend to have the majority of their families within the town.

One example is a couple who just sold their acreage for \$702,500 and purchased a modern home in town for \$509,000.

We see there are two phases baby boomers go through as part of retiring.

The first is downsizing which mostly revolves around less maintenance and location of family and grandchildren.

The second is moving into aged care facilities or moving close to health care services which usually entails moving to a coastal area or major city.

Those stepping up and moving into or purchasing these properties are currently the more financially strong purchasers in the market. Most see the



current market as a great opportunity to upsize but are stuck in a property which has no equity or profit due to the market sinking from 2013 to 2016. The market is starting to firm now but those upgrading and buying larger retirees properties are those who were not affected by the recent downturn.

Whitsunday

Baby boomer seniors in the Whitsunday area appear to be selling up and moving closer to specialist and hospital facilities or families. These locations include Mackay, Townsville, Brisbane and interstate.

The unit market in the Whitsundays is mostly investors. There doesn't appear to be too many baby boomers moving into unit accommodation.

The exception to the baby boomers moving is older families located around Proserpine who stay and move in with family or move into the aged care facility in Proserpine.

A benefit of the baby boomers moving on are the opportunities presented to the younger generation looking to upgrade their family home as the family grows.

Toowoomba

Being one of the more affordable regional locations in Australia, Toowoomba and surrounding suburbs provides a popular place to retire with the quality of lifestyle, good health care facilities, diversity of

housing choice and availability of affordable homes attracting retirees from throughout south-west Queensland and beyond.

Downsizing to unit or villa living and detached housing on small lots appears to be a popular choice for Toowoomba retirees, however there is also evidence of relocating boomers downsizing from large western rural holdings to smaller ten to twenty acre rural residential properties in the outer areas of Toowoomba.

The smaller urban properties are attractive to empty nesters looking to downsize for maintenance and convenience reasons. Retirement villages are also gaining in popularity, with a large number of modern complexes currently under construction and in planning throughout Toowoomba, including a number of multi-level complexes such as Seachange at Glenvale, Infinite Aged Care in Mount Lofty and a proposed complex on the Middle Ridge Golf Club. Staying put in the family home also appears to be a popular option for retirees as these are often located in established desirable residential locations.

Although Toowoomba is becoming a popular destination for retirees, many are also fleeing to the more traditional coastal locations in Queensland such as the Sunshine Coast, Gold Coast and Fraser Coast, where housing is still reasonably affordable and a beach lifestyle is a major incentive.

Downsizers are creating opportunities for Toowoomba first and second home owners too, with the former being attracted to smaller older dwellings in established areas close to the CBD, including the City, South Toowoomba, North Toowoomba and Newtown and the latter being higher value



Middle Ridge Golf Club Proposed Retirement Village
(Source: Toowoomba Chronicle)



Seachange Retirement Village - Glenvale
(Source: www.seachangelifestyleresorts.com.au)

upgraders in more desirable residential areas such as Rangeville, Middle Ridge, East Toowoomba and Mount Lofty. The fringe CBD areas in particular are gentrifying and are underpinned by a range of council initiatives, including the Railway Parklands Priority Development Area Development Scheme.



Railway Parklands - The Mills Precinct (Proposed)
(Source: www.themillsprecinct.com.au)



Railway Parklands - The Mills Precinct Accommodation (Proposed)
(Source: www.themillsprecinct.com.au)



South Australia

Adelaide

The kids have moved out. The yards are high maintenance. I can't walk up the stairs.

All these thoughts run through the head of a baby boomer as they consider the sale of the family home. With little to no household debt and the backing of superannuation, cashed up boomers are less price sensitive and willing to slug it out to get what they want. With boomers on the move, opportunities present themselves for those looking to upsize and those who can see themselves in a holding ripe for redevelopment.

With parents who fall into the boomer category, I have been able to get into the head space of what a boomer wants in a property. The simple answer is a property in the same suburb they have lived in that provides enough living space and yard to allow the grand kids to run amok. Boomers are seeking out ready-made low maintenance properties and properties they can put their own spin on.

Within suburban Adelaide the most in demand properties are those providing up to three bedrooms and two bathrooms on allotments of sub-600 square metres. Above the norm fixtures, fittings and site improvements are highly sought after. Passenger lifts for multi-level dwellings, built in wine fridges and coffee machines, integrated audio, monitored security and built in secure car

accommodation are all items being sought out by this buyer profile.

Within the CBD and more recently the inner eastern suburbs, we are seeing a shift in the design of multi-level developments catering to boomers. Developers tackling this market are providing larger living spaces, substantial balconies, multiple secure car parks and on-site services. Whether it is a suburban dwelling or CBD apartment, the price point for properties with these attributes can begin in the \$700,000s with a ceiling being reached in the low \$2 million.

Boomers may be less price sensitive than the remainder of the market, however location sensitivity is high. Boomers are drawn towards suburbs that provide local services and facilities within walking distance. The hot spots can be found radiating from the major retail and dining precincts within suburban Adelaide. These include: O'Connell and Melbourne Street, North Adelaide; Walkerville Terrace, Walkerville; The Parade, Norwood; King William Road, Hyde Park; Jetty Road, Glenelg; and the east end of the Adelaide CBD. In addition to retail and dining facilities, these locations provide the medical and social services required for those in their twilight years. The many esplanades in the western beachside suburbs are equally considered hot spots for those boomers looking for a sea change.

Pushing into spring, we have seen an uplift in market activity. Recent listings which fit the profile of a baby boomer include: 38 Esmond Street, Hyde south of the city listed at \$1.1 million to \$1.2 million; 40 Stanley Street, North Adelaide listed with an undisclosed asking price; and 2/4 North Esplanade, Glenelg



38 Esmond Street Hyde Park (Source: www.realestate.com.au)



40 Stanley Street North, Adelaide (Source - www.realestate.com.au)



2/4 North Esplanade Glenelg North (Source - www.realestate.com.au)

North, west of the city with an asking price of \$1.26 million.

A prime example of a property which fits the buyer profile of a boomer is the recent sale of 10 Prosser Avenue, Norwood which achieved a sale price of \$1.162 million at auction. The sale of this property achieved national headlines after two downsizers battled it out, pushing the price \$462,000 above its price guide. This property comprised a single level circa 1900s dwelling disposed as two bedrooms and one bathroom on an allotment of 528 square metres. The property was in poor condition but retained many of its character features. What makes this sale more compelling is four weeks later, 31 Prosser Avenue, Norwood settled for \$930,000. This property comprised a similar character dwelling disposed as three bedrooms and one bathroom on



10 Prosser Avenue, Norwood (Source - www.realestate.com.au)



31 Prosser Avenue, Norwood (Source - www.realestate.com.au)

an allotment of approximately 560 square metres. The major difference between these two properties was who was raising paddles on auction day.

There has been a rise in inter-generational housing design as children look to return the favour to their parents. This can come in the way of an extension

to an existing dwelling, addition of a granny flat or separate living spaces within a new build. Properties built for this purpose typically include above average accommodation with additional bedrooms, bathrooms and kitchen facilities. It's noted that properties with these attributes have been constructed for a specific use and may not appeal to the broader market on resale.

Boomers have seen the recent price growth within the Adelaide metropolitan market as an opportunity to sell up as the market performs well. As the boomers move out, opportunities arise for those looking to move in. Within the tightly held inner ring, young professionals are seeking out older character homes. Within this segment we are seeing an uplift in renovations and extensions with older homes being given a new lease on life. Particularly within the middle ring, relaxed zoning constraints have seen developers move in. The development plan changes have seen sharp spikes in prices being paid for original properties with sites in excess of 600 square metres. Not having the motivation to go through the development process, boomers are riding the wave of the spike in prices and choosing to sell up allowing the younger generation to go through the development process. Most recently we have seen this occurring north of the city in the suburbs of Blair Athol and Kilburn with the introduction of the Urban Renewal Zone.



Urban Renewal Zoning (Source: <http://maps.sa.gov.au/plb/>)

Purchasers operating in these market segments would be expecting a price point of \$700,000 to \$1.5 million for character houses in the inner ring and \$450,000 to \$850,000 for development sites in the middle ring.

Agents are advising that boomers are looking to sell off market and pre-auction, saving the time and effort in preparing a house for sale. Contract terms and conditions can be left of field with boomers wanting flexibility through the sale process. We are seeing extended settlement periods, lease backs post settlement and a rise in walk in walk out sales which have historically been reserved for the lifestyle property market.

With a larger proportion of boomers now heading into retirement, we should see an increase in supply

in those tightly held inner suburbs and continued development in the middle ring. For those looking to sell up in a boomer hot spot, a keen eye should be kept on who is attending open inspections. For the lucky ones, a boomer battle should end in a great result.

Mount Gambier

Within the Mount Gambier region, there are not really any specific property types for those aged 55 to 70 years old. However, those within this age group may be looking to downsize from large farms to smaller acreages, couples may be looking to move into a house based on its future saleability, or they may want to downsize to a smaller house with low maintenance.

There are a number of areas within Mount Gambier that may appeal to this growing cohort. They may be searching for a property that is centrally located and within a close distance to local amenities or within close proximity to the hospital. They may also be looking to move into a modern division where properties can be low maintenance.

In Mount Gambier, it's also popular for those within this age group to purchase houses on the golf course, or if they are closer to 70, then retirement villages have been an option too. We have not seen any major evidence to show that those within this age group are fleeing Mount Gambier chasing lifestyle destinations, however we have seen people moving to the region to retire.

Within Mount Gambier there haven't really been any substantial new innovations in housing design or fitout to cater for the ageing population, however we have seen some minor changes. People within this age group may either build or purchase houses with a triple garage for the caravan. Properties with less grass and low maintenance yards may also be preferred and we have also seen some homes with wider doorways for wheelchairs or sometimes even lifts in homes that otherwise may not typically one.

We have not really seen a rise in inter-generational housing design, however we do occasionally see homes with granny flats constructed to the rear to perhaps help accommodate ageing parents in their children's homes. Granny flats may be more common in the cities where land is more expensive.

Today, it isn't expected that the moving on of the people within this age bracket will open up opportunities for the next generation of buyers, although going back five to ten years, the circumstances were different. The market was much slower and many older people were looking to sell their homes and move into a retirement village. They found it hard to move out of their homes and into a retirement village because they couldn't sell their properties. This then opened up opportunities for those looking to enter the market, as these houses were being discounted in order to sell them quickly.



Tasmania

Hobart and Launceston

Tasmania, I suspect may be a little unique with regard to the baby boomer movement. Most mainland centres would see a downsizing of homes and a drift towards inner city living.

In the Apple Isle, we see two more distinct trends.

Firstly... it's time for the upgrade!

With housing still affordable in most areas of the state, it is time to trade in that trusty post war family home that the kids grew up in and purchase the brand new dream home with its second bathroom, fourth bedroom (guests may stay) and extra living room. So, in the south we are seeing a movement from suburbs such as Clarendale into nearby Berridale and in the north moving perhaps from West Launceston or post war Newstead into Prospect or Eastmans in Newstead.

The other trend noticeable in our market in the sea change drift.

This is not only locals buying in coastal areas for lifestyle choices but also mainlanders from that big island just across Bass Strait. These new Tasmanians are coming to live in their paradise. The kids have gone, we can trade in our city property, buy a nice house and enjoy a beach side lifestyle plus have left over dollars in the bank. Thus, townships within an hour of an airport such as Shearwater on

the north-west, Orford on the east coast and even Bridport in the north are getting a population bump. We have heard it said more than once that "I used to commute two hours; now it takes less time than that to fly back to the mainland and see the grand kids!"

What have these two trends done to our market? Well, by baby boomers upsizing it opens up the more affordable homes to the first buyers. This in turn brings the kids back to these suburbs and the Bunnings home handyman gives a little TLC to those loved post war homes. Simply, the suburb gets a reincarnation.

Secondly, these coastal towns get a chance to grow. Extra population puts a few more dollars in the local economy and allows services to expand. We have seen solid housing capital growth in many of these townships over the past few years.



Northern Territory

Darwin

Darwin is a unique city offering year-round warmth and endless outdoor activities. For baby boomers who love the warmth and decide to reside in Darwin, we start off by exploring the ideal accommodation. Moreover, it's the stage of their lives where freedom is experienced and travelling is on the schedule. Therefore, it's essential to pick a home with low maintenance and the freedom to lock up and leave in an instant.

There is a great range of units, villas and townhouses available across the Darwin region, but we will specifically look at the inner city suburbs. Inner city suburbs with these types of homes are Parap, Ludmilla, Larrakeyah and Darwin City. In the timelessly popular suburb of Parap we can find two storey townhouses with minimal yard space. However, if stairs and paying body corporate are deal breakers, there are freestanding homes located in the Parap Grove development, generally positioned on lots from 350 to 600 square metres.

Looking outside of Parap and in neighbouring inner city suburbs, there are reasonably priced ground level units available in Ludmilla. An example is the Calma Gardens complex at 17 May Street, Ludmilla. A unit here recently went under contract for mid \$200,000s. It is an ideal property for baby boomers with no stairs, two bedrooms, a paved courtyard, attached parking and a private in ground spa.

If location is a must on the check list, Larrakeyah is your pick. With marinas on one side and the city on the other, there is unlimited choice in terms of daily activities. There are a range of low maintenance low and high-density unit complexes or for those looking to achieve a quieter, more solitary lifestyle, there are townhouses available with private courtyards on leafy streets.

After exploring inner city suburbs and choices for baby boomers, our personal pick of the bunch would be Darwin City. The CBD has on offer a variety of great unit complexes which match all the criteria for retirees such as swimming pools, security and views. More specifically within Darwin City is the Arkaba Complex, located at 15 Esplanade. It is in a premium spot, just a moment's walk to the waterfront precinct with restaurants, wave pool, Darwin Convention



Arkaba Complex (Source: www.realestate.com.au)

Centre, CDU Business campus, Darwin City Library, esplanade fitness trail and the CBD at your doorstep. Additionally, it is a well-built complex with a swimming pool with large decking to relax and the views to match.

Baby boomers in the process of retirement tend to go through the process of selling. Due to the weak state of the market, the old quote your loss is somebody else's gain holds very true. The new generation of first home buyers has a vast amount of choice from cheap inner-city units, discounted northern suburbs homes to very well priced Palmerston homes. The weakened market has given the new generation a foot in the door to buy a home. An example is a unit at 44 Lorna Lim Terrace in Driver, a three-bedroom, two-bathroom offering which recently went under contract for mid \$200,000. The buyers were first



44 Lorna Lim Terrace, Driver (Source: www.realestate.com.au)



home buyers. A great buy with a very central location in the growing Palmerston area.

There has been a shift towards the outer region of Palmerston for first home buyers due to the cheap land available and incentives on offer from the Northern Territory Government to build new homes. For example, \$26,000 is granted to first home owners building a new dwelling. We briefly mention Zuccoli which is a developing suburb of Palmerston. A first home buyer can buy a vacant lot of land from as low as \$143,000. After enquiries with the local sales agent, the majority of sales in this new development have been first home buyers.

So, depending on which section of the life cycle you may be in, there are attractive options within the Darwin property market at present.



Western Australia

Perth

The ever expanding and ageing population is an issue that affects the economy on many levels. Town planning has become more prevalent over time and is one of the key components in combating the challenges that rapidly growing and ageing cities are facing. Created by the Department of Planning, Lands and Heritage, "Directions 2031 and Beyond" predicts the population in Perth to grow from two million residents in 2016 to 3.5 million by 2056. This may seem like a while away, but consider that in less than ten years the population is predicted to be 20 per cent larger than it is now. You could then say that Perth will require 20 per cent more dwellings to house that population. With urban sprawl potentially having already reached its maximum economic viability, local councils and the Western Australian Planning Commission are increasingly invested in the search for in-fill development opportunities that satisfy the existing community's needs whilst simultaneously planning for the future.

As a community, we may need to get used to a lifestyle in which we have less and less personal space and eventually (in the very, very distant future) Perth may look similar to other highly populated cities around the world such as Shanghai, Beijing or Tokyo. This level of hyper-density commands certain housing requirements. Compact apartment complexes, mixed-use zoning and inter-generational

living are essential in creating living spaces in populous communities. Perth had begun to utilise these methods over the past decade or so but they are now becoming more prominent in many inner-city locations. We are starting to see lifestyle hubs pop up all over Perth in a move to curb the constraint on housing options.

A good example of this recently is the Claremont on the Park development precinct.



Figure 1 - Claremont on the Park (Source: LandCorp)

Located in the heart of Claremont, close to Claremont Quarter and the Claremont Showgrounds, this 9.4 hectare development site is creating over 750 new apartments and follows the \$16 million of state funding for the redevelopment of the Claremont Football Club. The development is situated around Claremont Oval, with numerous

apartment complexes plotted on the oval's perimeter. Many of these apartments have direct views of the grounds which will act as the centrepiece for the neighbourhood. Shops and small businesses will also provide for an all-in-one community hub, not to mention the plethora of other amenities surrounding the area such as the Claremont Train Station, a fifty metre outdoor swimming pool and numerous schools.

This redevelopment was produced partially in a bid to refresh Claremont's housing options and provide more opportunities for long-standing citizens of the western suburbs to downsize whilst remaining in the beloved area. As the average baby boomer is nearing retirement age, there are many people facing the opportunity for a change in lifestyle. A large percentage of these owners no longer require a large block as they are only living by themselves or with a partner. Maintenance becomes a hassle on larger lots with plenty of landscaping to do and an ageing dwelling to update, so having the option of a lock and leave, low maintenance home can be very appealing to those who want to travel.

There has long been an undersupply of good quality apartment accommodation within the western suburbs. The largest ratio of property owners are considered to be baby boomers and there has long been a lack of options for this buyer demographic when it comes to downsizing out of the family home.



Hence new developments such as Claremont on the Park have received a good amount of interest in recent years. Detached from the commercial precinct around Claremont Quarter, Claremont on the Park provides a somewhat more tranquil option whilst maintaining good proximity to local amenities. For anyone who wants to downgrade to a home within a small active community, Claremont on the Park may fit the bill.

The Queenslea by Oryx is just one of the many developments within the precinct. According to the developer, for the traditionalist generation, the Queenslea will offer “a unique multi-generational approach to assisted living”. This 115-apartment complex will include fully serviced assisted living, high care suites, residential aged care, a memory support day centre, respite care and child care centre, creating an environment in which families can care for their loved ones all in one fully serviced environment. This provides the opportunity for residents of the Claremont on the Park development to age in place.

More quality initiatives similar to the Claremont on the Park development will most likely be seen for the next decade as town planners fill the community's needs and plan for population growth. Precinct developments such as Bentley 36 and Connect Joondalup will help to diversify housing options for all. These developments are expected to create more than 5,000 homes with options for most income brackets.

Sticking to the sporting theme, the Town of Bassendean seems to have a similar vision at present.



Figure 2 - Proposed Development of Steel Blue Oval, The Town of Bassendean (Source: www.bassendean.wa.gov.au)

Shown above is a concept for the redevelopment of Steel Blue Oval as seen in the Concept Planning Report. It outlines a proposal for a 1.65 hectare development which would include the construction of 16 townhouses, 16 single bed units which will sit on top of their own garages, 48 large or 98 small apartments and a mixed use development. The development could also involve the reorientation of Steel Blue Oval and a repositioning of the Swan District Football Club's clubhouse.

This redevelopment would be appealing to local residents as it would provide modern apartments at an affordable price point - something that is somewhat lacking around the Bassendean area. Apartments are plentiful further south in Bayswater, Maylands and Mount Lawley, but prices increase as you approach the CBD. These types of developments will continue to present good opportunities for long term homeowners looking to downgrade the family home but remain in their areas.

For the baby boomers who have paid off their mortgages, subdivision can be a lucrative way of generating some real retirement savings. Owners of large allotments in established areas can potentially squeeze in three, four or even six units if you benefit from or can achieve the right zoning. It is typical to see six-unit developments on 750 plus square metre allotments in areas such as Mount Lawley, Rivervale, Belmont and Bentley.

Inter-generational housing design has been stable in Perth with granny flat style developments continuing to add accommodation for the whole family. These are generally seen in the form of extensions in more established suburbs and are used as a means of affordability or support system for the elderly.

As we can see, there will be plenty of opportunities for the older generations to rethink their current living situations, but how about the younger



generations? Leederville's demographic has changed over the past decade. 30.3 per cent of Leederville's population was between the ages of 25 and 34 in the 2016 census compared to 27.3 per cent in 2006. With an eclectic mix of apartments, units, townhouses, dated construction, modern construction and renovated homes combined with its inner-city location, Leederville offers attractive rental opportunities for the young workforce. Other suburbs such as Victoria Park, East Victoria Park and Rivervale are also attracting a younger demographic. Suburbs bringing in people between the ages of 18 and 30 tend to have some form of attraction in the lifestyle that surrounds it such as Victoria Park's café and restaurant strip along Albany Highway or Leederville's own restaurant precinct along Oxford Street and Vincent Street.

Generation Y are generally within the first home buyer demographic, so many of this generation are choosing to build on small parcels of land - mostly found on the outskirts of greater Perth in suburbs which, whilst they have performed poorly over recent years, offer certain benefits in relation to financing options through first home buyer financiers and builders. Ellenbrook, Aveyley, Brabham, Dayton, Bennett Springs, Caversham, Wellard and Baldivis are all suburbs with new housing estates attracting a young demographic, however the attractiveness of house and land packages in these areas can be offset

by the poor performance of the established housing market, given the lack of current demand for such products - hence we recommend that the younger generation employs or seeks out a wise perspective before committing to any purchase.

Overall the market in these areas with such differing demographics faces many challenges ahead and seeking the opinion of an independent expert is always highly recommended.





Australian Capital Territory

Canberra

The focus this month is the baby boomer market and their options in the ACT. In recent years there has been an increase in options for this demographic looking to downsize with a spike in apartment and townhouse constructions.

In an effort to increase density, the ACT Government has allocated large sections of new subdivision suitable for townhouse developments. This is especially noticeable in suburbs in Molonglo Valley. The development of Mr Fluffy blocks has also provided options for baby boomers looking to downsize. An advantage of the Mr Fluffy block developments is that they allow downsizers to stay in the same established neighbourhoods where they have raised their children. Popular townhouse configurations for downsizers are three-bedroom, two-bathroom, single-level dwellings with a small garden area and a one or two car garage.

Apartments offer an attractive option for downsizers looking to live in close proximity to amenities such as shops, recreation facilities and public transport routes. They also offer an opportunity to become part of a community. As new apartment developments are being constructed in nearly all town centres, there are many options in terms of location and price.

Some buyers in this demographic are drawn to more of a lifestyle option on the New South Wales south coast. It takes roughly two hours to drive to most population hubs on the coast. This distance makes it easy to come back to Canberra to see family or friends. For this reason, retirees are a strong driver for the residential market there.

As baby boomers downsize from a family home in the suburbs, opportunities arise for buyers. Investors could look into buying family houses with a view to renovate and sell. Suburbs in Woden, Weston Creek, Belconnen and North Tuggeranong experienced strong growth recently and are proving to be resilient under tighter lending conditions and other softening markets.

Young families could also take the opportunity to buy an unrenovated dwelling to get into a sought-after area at a lower price. Large family homes in the areas mentioned above are sometimes suitable for housing a granny flat. This can present an option for rental income for long or short stay tenants.