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**Australian**

# Property Investor

FEBRUARY 2014

FOR HOMEBUYERS, INVESTORS & PROPERTY PROFESSIONALS



Harmony Park Atwell

# THE QUIET ACHIEVER

As the old saying goes, 'it's the quiet ones you need to keep your eye on' but with a new train station and retail projects on the go, the sleepy suburb of Atwell may be about to have its moment in the spotlight.

## Heidi Davoren

For a quiet residential suburb, there's a lot of noise around Atwell at the moment, which in turn is generating plenty of attention from the real estate sector. Buying and selling activity in Atwell is buoyant for a number of reasons, according to Property Wizards buyers' agent Liz Sterzel.

"The new and ongoing infrastructure at nearby Cockburn Central and the world-class marina under way at Coogee, less than 12 kilometres west of Atwell, is injecting enthusiasm into the area," she says.

"The Cockburn Central Town Centre is just a couple of minutes away and boasts a vibrant and colourful mix of residential, retail and commercial properties. Already the town square has been revitalised, having been completed in January 2013.

"New residential and commercial developments are also moving ahead at the Cockburn Central Town Centre and are helping to rejuvenate the area and provide a buzzing hub for locals. As a result, Atwell is likely to become a more

desirable place to live for renters and owner-occupiers," Liz says.

"Because of more businesses setting up at the new town centre – or relocating there – including the recently completed state Fire and Emergency Services Headquarters building, more jobs will be located there, which is likely to create a positive spin-off effect on Atwell housing demand," she says.

"On a broader scale, low interest rates tend to be driving first homeowners to upgrade and Atwell appears to be gaining a bit of attention from this crowd."

Sitting along the train line between Perth and Mandurah the suburb has easy access to Perth via train or the Kwinana Freeway making it popular with commuters.

### // WHAT'S ON OFFER?

Principal of LJ Hooker Atwell Mario Condipodero says the area is mostly made up of single residential modern houses with a variety of different facades.

"Some of them have the Tuscan style or Federation style appearance, so there's a little bit of a mixture, but mostly modern

residential housing," he says.

"Demand is high and supply is very, very low in Atwell. I wish I could put my finger on why that is, but I don't think there's any one factor that's contributing to it. I think there are several factors.

"Within the last six months it's become very tight as far as selling stock is concerned, but that's not just Atwell, that's reflected across the metropolitan area," he says.

Vacant land is also in low supply, according to Callen Deverell, valuation area manager with Propell National Valuers, who says Atwell and surrounding suburbs are experiencing a lack of supply.

Sterzel says traditionally houses in Atwell sat on blocks between 500 and 700 square metres, but today buyers will more often find houses on blocks sized between 300 and 500 square metres.

"The smaller blocks are generally known as 'cottage blocks'. Most houses are modern with three or four bedrooms.

"The suburb features a number of housing estates and because it has significantly increased in density over the past 10 years or so there's not much

more space for development. This is a good thing for investors because it helps protect the value of your property.

"Consequently the development is now transitioning further south to suburbs like Aubin Grove."

The streets and pockets closer to Cockburn Central, often the western fringe of Atwell, would most likely provide stronger rental yields, Sterzel says.

Although, the houses on smaller cottage blocks appear to be popular with both renters and investors.

"They offer lower maintenance because there's less yard to manage, which is appealing to many renters. The smaller cottage blocks and dwellings usually offer a higher gross rental yield compared to the larger blocks – approximately five per cent compared to roughly four per cent on the larger house blocks," she says.

"Generally the closer the dwelling is to the Cockburn Central side of Atwell, the better for renters who need to access the train station, shopping and jobs. This is where demand can be strongest."

Sterzel says families choosing to buy in Atwell opt for houses on larger blocks, because they offer more space.

"Because the suburb is family-orientated, a house close to schools, parks and shops would be popular and would most likely yield the strongest capital growth."

### // A SECURE INVESTMENT

Investors can usually buy smaller three-bedroom houses on cottage blocks of 350 to 450 square metres for around \$400,000 to \$600,000, while the bigger four-bedroom, two-bathroom houses on 600-plus-square-metre blocks can go for \$600,000 to \$700,000, according to Sterzel.

"There appears to be good demand from both owner-occupiers and investors with a low supply of properties for sale, so there's pressure on prices," she says.

Deverell says the market in Atwell has experienced good growth since February after two years of limited growth and activity, especially in vacant land.

"Values in lots have increased 10 to 15 per cent in a short period of time.

Atwell consists generally of four-bedroom, two-bathroom family houses and benefits from recent infrastructure works around Cockburn Central" he says.

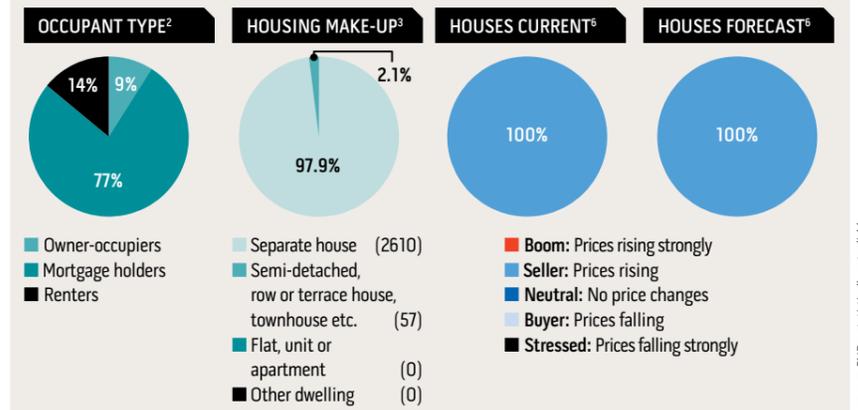
Deverell says Cockburn Central is considered an important activity centre for the State Government's Directions 2031 planning.

"Harvest Lakes estate, established in the mid 2000s, was well designed and is well

## Atwell Data File

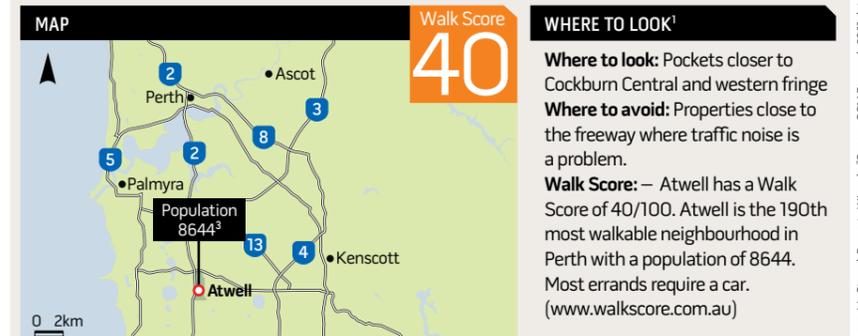
Atwell has a low supply to demand situation. There are few rental properties available to tenants and there's an undersupply of for-sale listings. Discounting has been muted. Incomes in Atwell are growing slightly slower than the Western Australia average. The proportion of renters to owner-occupiers is below average for Western Australia. Rental vacancy rates are a tight 1.3 per cent. Stock for sale levels are down by 4.1 per cent year-on-year.

Source: SQM Research, www.sqmresearch.com.au (Oct 2013)



LOCATION	SEPT 13 (\$,000)	12 MONTH GROWTH	SEPT 13 RENT (\$)	SEPT 13 RENT GROWTH (YOY)	SEPT 13 GROSS RENTAL YIELD	TOTAL PROPERTIES SOLD		AVERAGE VENDOR DISCOUNT	
						SEPT 13	SEPT 12	SEPT 13	SEPT 12
Atwell (H)	540	5.9%	430	18.6%	5.2%	180	193	1.1%	1.3%
Atwell (U)	SNR	SNR	SNR	SNR	SNR	SNR	SNR	0.4%	0.7%

ADDRESS	TYPE	PRICE	BEDROOMS	SALE DATE
Folland Parade	House	\$520,000	4	06/10/13
Hayton Mews	House	\$480,000	3	02/10/13
Jenkin Mews	House	\$685,000	4	01/10/13
Unity Way	House	\$795,000	4	18/09/13



"On a broader scale, low interest rates tend to be driving first homeowners to upgrade and Atwell appears to be gaining a bit of attention from this crowd." Liz Sterzel

COURTESY: CITY OF COCKBURN

Source: Liz Sterzel, Property Wizards. Source: ABS 2011 Census. Source: APM and SQM Research. H = houses, U = units, YoY = year on year, SNR = statistically not reliable. Source: pidata.com. Source: Property Power Partners, producers of Best 30 prediction reports available from understandproperty.com.au. Source: realestate.com.au

## Investor Snapshot

## Too nice to leave

It seems no one wants to leave Atwell.

Pearl and Robert Kellar had lived in Harmony Avenue for seven years and just sold their house in the Atwell estate of Harvest Lakes only to buy again just three doors down. Their new home was bought for \$735,000 last July.

The couple also owns an investment property a few minutes away in Hammond Park.

"We won't leave Harvest Lakes," Pearl says assuringly.

"The people who bought our house also sold and bought again in Atwell. They lived just three streets away in the Harvest Lakes estate," she says.

"For us the interest in Atwell began in 2003 when the development at Harvest Lakes first started. This was the first Green Smart development and we looked at the planning and liked that they had made an effort to create a community with open spaces for recreational use, rather than just blocks of houses.

"We've lived in many countries so we know it's possible to live in a place and not know anyone around you. We bought a little cottage block the first time and built a house on it while still living in New Zealand.

"We like the area because it's home to a mix of people – retirees, young professionals, families – it's a nice blend.

"We like the varied open spaces that exist here; we live opposite Harmony Lake and can sit at our front door and see the community pass by.

"As you get older, it becomes more important to know your neighbours and the people who are living around you. The Residents' Association is very active here. We've just had a planting day at the lake.

"This area is well serviced. We have Cockburn train station nearby and the new

**Name:** Pearl and Robert Kellar  
**Lives:** Atwell  
**Invests:** Hammond Park  
**Properties:** 1  
**Strategy:** Buy and hold



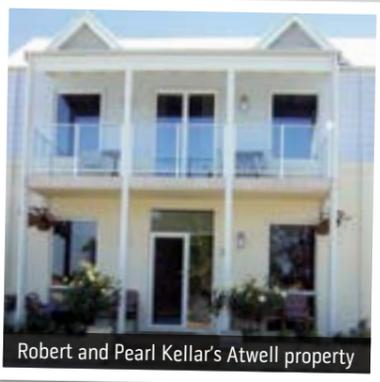
Aubin Grove station set to go in 2016 – this will be within walking distance from us.

"We're just one minute from the Kwinana Freeway which gives quick access to the shopping centre, youth centre and GP Super Clinic at Cockburn Central.

"The new Fiona Stanley Hospital and Murdoch University are about 10 minutes away and Perth CBD just 20 minutes further on. We have schools within the development and a comprehensive shopping precinct due for completion in 2014 which includes a Woolworths supermarket, many speciality stores and a childcare centre.

"House prices here have held when other areas were slumping and now they're rising, no doubt about that," she says.

"Houses on the fringe of Harvest Lakes are highly sought after and go very quickly. There are a few vacant blocks left here, but they are very pricey."



Robert and Pearl Kellar's Atwell property

transport links. He also suggests buyers avoid anything that backs onto or is close to the freeway due to noise disturbance

"Investors are being drawn there due to good local shopping facilities, easy reach of beaches and the closeness to Perth makes it well priced."

With 55 properties on the market in Atwell at the time of writing and a few older houses available at sub-\$400,000, Deverell says he would expect entry-level prices generally to start at \$450,000.

"Median price growth rate has been a very strong 14.9 per cent over five years, with 18 per cent of houses rented, a low proportion reflecting that this is first homebuyer territory," he says.

## // INFRASTRUCTURE BENEFITS

Condidopero says the area is popular and consistently sought after.

"Currently the buyer sentiment is very strongly in favour of Atwell because there's a lot of infrastructure within a very close proximity that will benefit a lot of people as far as employment is concerned, schools and shopping," he says.

"One of the major shopping centres is still being completed. It's been operating for a number of years, but there are many extensions yet to happen that will make it one of the largest in the metropolitan area.

"There are several schools within the Atwell area and also within easy access to private schools and the private hospital.

"The Fiona Stanley Hospital is well under construction and that's going to provide employment opportunities.

"Currently there's a train station a stone's throw from the suburb and another one in the near future on the corner of Russell Road and the freeway.

"I don't think any particular area is better than the other, it all comes down to what people's affordability levels are and what they perceive is value for money.

"The major thing is that it's easy access to the freeway and the rail link and we're probably one-third of the way between Perth CBD and Mandurah, just 15 minutes to Fremantle and Atwell borders a rural setting where most of the properties are five-acre blocks that people choose for the lifestyle element.

"So we have that freedom – it's not just a suburban setting."

Perth buyers' agent Gavin Hegney of Hegney Property Group says the proposed train station on the Perth to Mandurah line, will likely benefit the nearby suburbs of Hammond Park and Success more than Atwell or Aubin Grove.

"All four of those suburbs surrounding

## WA News

## Housing construction steady

An increase in Western Australia's housing construction sector over the past year is expected to continue into 2014, according to a report by the Housing Industry Forecasting Group. Planning Minister John Day says the report reveals a 34 per cent increase in the number of residential dwelling starts in 2012/13 compared to last year. The report showed 24,010 new homes started construction in 2012/13.

"New residential construction levels are expected to remain steady over, which is good news," Day says.

"Reform of the Residential Design Codes, the relaxation of the requirements for granny flats and improved timeframes for subdivision approvals have all contributed to stimulating the development sector to offer people affordable housing options."

the train station will benefit to various degrees. There's no question values will lift. But when it comes to investors buying opportunity, the general rule is within 500 metres of the train station," he says.

"The interesting thing there is where they're proposing the train station is the land on the beach side, so Hammond Park is probably going to benefit most."

Developments in other suburbs nearby are also having an impact on Atwell, according to Sterzel.

"Over at the Cockburn coast, 12 kilometres to the west, redevelopment is also under way at Coogee to create a world-class marina. This includes a new jetty and other new precincts.

"When it comes to new health infrastructure, the Cockburn GP Super Clinic is due for completion mid 2014. It will be located just across the Kwinana Freeway from Atwell and next to the Cockburn Gateway Shopping City.

"Also, 12 kilometres up the Kwinana Freeway the Fiona Stanley Hospital at Murdoch is under way. New jobs at the

hospital will be easily accessible from Atwell," Sterzel says.

"The jobs generated from this new health hub, along with the new Cockburn Central Town Centre are likely to mean greater buyer demand in Atwell."

City of Cockburn Mayor Logan Howlett says Atwell is an ideal location for raising a family.

"It has a highly commended public high school, Atwell College, and two primary schools. There are beautiful parks and playgrounds," he says.

A new shopping centre with a main street in Harvest Lakes is currently under construction, and is expected to be ready by mid 2014," Howlett says.



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regarded as a desirable family-style estate to live in. It has also benefited from the recently established suburbs of Hammond Park, Aubin Grove and now Honeywell estate – all developed to the south."

Deverell believes there are no downsides to the area as it boasts high growth, good public transport links and is in a popular location.

"Atwell started its life as a rural area, but in the last five years has experienced rapid transformation into a popular starter-home suburb, containing third quartile three and four-bedroom properties. The location close to Cockburn

and the excellent local infrastructure has turned it into a desirable suburb," he says.

"The median rental return is 4.8 per cent. This is typical of the median return for the Perth metropolitan area. People who are renting have a preference for the northern end of the suburb, which is closer to bus and train services.

"Rental demand in Perth has weakened generally but remains above average for Atwell."

To increase the prospect of capital gains he recommends buying in the northern end of the suburb, which is better developed and more popular due to