

# suburb profile

2008 SUBURB PROFILE

PAKENHAM

## Location and Environment

Pakenham is located in the Cardinia Shire, a locality which encompasses an area approximately 50km to the South East of the Melbourne CBD, in the foothills of the Dandenong Ranges.

The area is home to both a range of big city amenities, schools, shopping centres and a golf club, while maintaining the peacefulness commonly associated with the area's agricultural past. Over recent years, Pakenham has emerged as a home of new master-planned residential communities, and it is not surprising that the area has been recognised as a pivotal link in Melbourne's South Eastern growth corridor.

## The Greater South East

The South East region of Melbourne is, in effect, a self-contained city of more than 1 million people. This area contains more people than Adelaide and adds a city the size of Bendigo to its population each year.

The area is home to the operations of a number of national and international companies including Nestle and Smiths Crisps.

The influx of new residents has brought with it strong demand for trades and labour, with house construction and associated industries also playing a large role in the growth of the local economy.

## Population Growth

The Pakenham area has emerged over the last five years as one of the hot spots of new development in Victoria and nationally. Cardinia Shire was ranked as the fourth fastest growing region in Victoria during 2006/07. According to the ABS, the estimated resident population for the Cardinia Shire was 60,800 persons as at June 2007. Over the Census period from 2001 to 2006, the population of Pakenham has grown at double the rate of the Cardinia Shire's population.

A flood of new residents to Pakenham has been the driver of this growth, with the population increasing by an average of 10% per annum over the last five

years. Since the year 2001, population growth within Pakenham has accounted for nearly 90% of the total growth experienced in Cardinia Shire.

The population of Pakenham is primarily composed of couple households and their young and adolescent children. Together, these two groups account for about 52% of the Pakenham population. By other measures, such as household incomes, the area is consistent with the profile of broader Melbourne.

## Housing Price Growth

The median price for a house in the suburb of Pakenham is currently around \$250,000 (December 2007). This median price has increased from \$170,000 in the year 2002. This accounts to total price growth of 47% or annual growth of 8%. In comparison, the Cardinia Shire currently contains a median house price of \$260,000 (December 2007) which is slightly above the median value for houses in the suburb of Pakenham. The median price for a house in the Cardinia Shire has experienced total growth of 37% over the past five years or annual growth of 6.5%. This research indicates that the property market located in the suburb of Pakenham has outperformed the broader market over the past five years.

## Rental Market

According to the Office of Housing Victoria, the median rent for an existing three bedroom house in the Cardinia Shire is currently around \$233. The median rent for an existing four bedroom house is currently around \$280. However, a scan of new houses currently listed for rent indicates that three bedroom houses are advertised to achieve a median weekly rent of around \$300 which is substantially above rents being achieved for the existing housing stock.

## Development and Infrastructure Initiatives

Given the area's demonstrated importance, not only within the South Eastern region of Melbourne, but to the city as a whole, the area figures prominently within

the 2003-2030 Regional Economic Strategy for the area. This document is a joint initiative of 11 councils, the Melbourne Development Board, a range of Federal Government Departments and national utility providers which has been established to co-ordinate the ongoing development of this vital area.

Closer to home, Pakenham is also benefiting from a range of projects within the local council area such as the establishment of community amenities such as aquatic, community and cultural centres. Whilst Pakenham contains one train station that is located on the major train line from Melbourne to Gippsland, a second station is proposed to help accommodate the strong growth that has been associated with the area over recent times.

## Demographics

As at the 2006 Census period, the ABS indicates the basic demographic statistics for the suburb of Pakenham:

- » Median Age of Persons: 31;
- » Median Individual Income: \$478;
- » Median Housing Loan Repayment: \$1,300;
- » Median Weekly Rent: \$185;
- » Average Household Size: 2.7; and
- » Unemployment Rate: 5.1%.

The predominate dwelling type located in the suburb of Pakenham is currently single unit houses which account for 93% of all dwelling types. Apartments and flats account for around 4% and the remainder consists of semi-detached and other dwellings. In relation to dwelling tenure, 48% of dwellings are being purchased, 26% are rented, 22% are fully owned and the remainder are either not stated or consist of other tenure types. This indicates that Pakenham contains a property market that appeals to both owner residents and investors.

## Market Prospects

While still an emerging market, Pakenham is maturing quickly, with master-planned communities quickly becoming established and planning in place to manage further growth in the area. Strong demographic and economic fundamentals should see this growth continue into the medium term.

## Pakenham at a glance

- » Located 50km to the South East of the Melbourne CBD and is located in the Cardinia Shire
- » Cardinia Shire was ranked as the fourth fastest growing area in Victoria over 2006/07
- » The population of Pakenham has grown at double the rate of the Cardinia Shire since 2001
- » According to the 2006 Census, Pakenham has recorded average population growth of 10% per annum since 2001
- » Over the same period, Pakenham has accounted for nearly 90% of the population growth achieved in the Cardinia Shire
- » The Pakenham population is mainly made up of young couples with children, accounting for 52% of the total population
- » The median price for a house in Pakenham is currently around \$250,000 and has experienced total growth of 47% over the past five years
- » The median price for a house in the Cardinia Shire is currently around \$260,000 and has experienced total growth of 37% over the past five years
- » Research indicates that the property market located in the suburb of Pakenham has outperformed the broader market over the past five years.
- » The median rent for an existing three bedroom house located in the Cardinia Shire is currently around \$233
- » However, new three bedroom houses in the area are listed with median weekly rents in the vicinity of \$300
- » The median rent for an existing four bedroom house located in the Cardinia Shire is currently around \$280
- » However, new four bedroom houses in the area are listed with median weekly rents in the vicinity of \$330
- » Pakenham is benefiting from a range of projects within the local council area such as the establishment of community amenities such as aquatic, community and cultural centres.
- » Pakenham is a maturing market and as such various larger master-planned communities are starting to be developed
- » It is expected that the strong economic / demographic fundamentals and proposed infrastructure within Pakenham will continue to produce growth in the medium to long term future.

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