The Impact of a TOD on the Suburb

Atwell – Cockburn Central – Success vs. Ellenbrook

1994 - 2014
PropertyESP – making sense of property

- Sales analysis (commercial, residential, apartments, greenfields etc)
- Focus groups
- Direct mail
- Phone surveys etc etc
- Commentate on property
- Get into the nitty gritty
Directions 2031 has set a target of 328,000 new dwellings to accommodate the expected population 3.5 million people. Of this, a target of 47% to be achieved by infill has been set.

One approach to achieving this is through Transit Oriented Development (TOD).

TODs bring together medium to high density residential dwellings, retail and commercial spaces, all located in close proximity to a major transit link.

Whilst infill and density are often concerns to existing residents when implanted into an pre-existing area, there is also a school of thought that they will have a positive impact on surrounding property values.

This paper has been put together to explore this proposition.
Ellenbrook, in the City of Swan, was designed as a self-sustainable community and is expected to eventually become a city of 80,000 people.

- Construction in Ellenbrook first commenced in 1994.
- Ellenbrook is connected to surrounding suburbs and the Perth CBD by roads and the Transperth bus service. An hour long bus journey to the CBD, it does not have a train service.
- Ellenbrook is serviced by 33,000m² of retail space, including major retailers.
- It has 8 primary schools and 4 secondary schools.

https://en.wikipedia.org/wiki/Ellenbrook,_Western_Australia

Development in Atwell, in the City of Cockburn, commenced around the same time as Ellenbrook. It was part of Perth’s expansion south down the Kwinana Freeway.

- Development in the suburb of Success, across the Freeway from Atwell started at a similar time.
- Cockburn Central, the third suburb in the area, was established in 2007 as a major activity centre.
- The three suburbs are connected to surrounding suburbs and the Perth CBD by the Kwinana Freeway, major regional roads, and the Transperth train and bus networks, centred on the Cockburn Central railway station and bus interchange.
- The Cockburn suburbs are serviced by more than 55,000m² of retail space, centred on the Cockburn Gateway Shopping Centre.

https://en.wikipedia.org/wiki/Atwell,_Western_Australia
https://en.wikipedia.org/wiki/Cockburn_Central_railway_station

The key date to note is 2007 – this is when the Cockburn Central railway station was opened and development commenced for the Cockburn Central TOD. This is the point at which the parallel stories for the two suburbs began to diverge.
Sales snapshot
24386 Residential Sales* across 4 Suburbs (1994-2014)

Sales by Suburb

- **ATWELL**: 5916
- **COCKBURN CENTRAL**: 698
- **SUCCESS**: 4723
- **ATWELL + COCKBURN CENTRAL + SUCCESS**: 11337
- **ELLENBROOK**: 13049

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014

*Outliers have been removed from the analysis*
Residential Sales for the different suburbs followed a similar trend, with the exception of Cockburn Central where most of the activity was more recent.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014

Median Sale Price for residential properties grew steadily over the years, likely due to the change on the composition of sales from predominantly vacant land to include many developed properties.

2007 saw median sale prices plateau after a steady increase from 2003-2007, reflecting what was happening in the wider Perth area.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014
Neighbourhood Trends over Time
Sales volumes of vacant lots peaked in Atwell in the mid-late 90s and in Atwell and Success in the early 2000’s before tapering off considerably from 2010 onwards. Sales of vacant lots in Ellenbrook were also strong in the mid 90s and early 2000’s, but have had a third peak in recent years.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014
Median Sale Price for vacant lots grew steadily over the years. And whilst they started off at the same point, growth in Ellenbrook started slowing after 2007 and stayed lower since then. The dramatic fluctuations for Atwell and Cockburn Central in recent years is linked to low sales volumes.

2007 appears to be a tipping point between Ellenbrook and the Cockburn suburbs for sale prices of vacant lots.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014
Sales volumes of houses were consistently strong for Ellenbrook and the Cockburn suburbs from 2005 onwards. There were few houses sold in Cockburn Central.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014
Median Sale Price for houses grew steadily over the years. And whilst they started off at the same point, growth in Ellenbrook started slowing in early 2000’s. By 2007 a clear gap had opened up which persists to this day.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014

2007 appears to be a tipping point between Ellenbrook and the Cockburn suburbs for sale prices of houses.
Sales of apartments in Cockburn Central are surprisingly few in number given the amount of development that has been undertaken. This is because a large number of the products sold have been classified as home units. There is little difference between home units and apartments, aside from price/specifications, as the descriptions of these residential classifications provided by Landgate show.

When sales prices are reviewed, this difference is less clear (as the table below shows).

However, to provide complete information, home units and apartments have been combined for the following three slides.

### Home Units and Apartments

<table>
<thead>
<tr>
<th></th>
<th>2010 – 2014</th>
<th>Average median sale price</th>
<th>Average difference over those years</th>
<th>Average median sale price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>home units</td>
<td></td>
<td></td>
<td>apartment houses</td>
</tr>
<tr>
<td>Cockburn Central</td>
<td>$413,950</td>
<td>$29,550</td>
<td></td>
<td>$443,500</td>
</tr>
<tr>
<td>Success</td>
<td>$401,800</td>
<td></td>
<td></td>
<td>No apartments</td>
</tr>
<tr>
<td>Cockburn Central + Success</td>
<td>$411,000</td>
<td>$32,300</td>
<td></td>
<td>$443,500</td>
</tr>
<tr>
<td>Ellenbrook</td>
<td>$399,000</td>
<td>$8,333</td>
<td></td>
<td>$408,000</td>
</tr>
</tbody>
</table>

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014

Note: the average difference is not determined by subtracting the figures in the columns to the left from those in the column to the right. It is calculated by determining the premium in median sales prices for each year, then taking the average of that figure.
Apartment house prices have been fairly steady in both suburbs, with apartments in Cockburn Central attracting a $50,000 premium over Ellenbrook apartments by 2014.

Sales of apartment houses are all post 2007, but Cockburn Central apartments attract higher prices.
Neighbourhood Trends – Three Snapshots
As the median house price snapshots show, in 1999 Ellenbrook was on par with the Cockburn suburbs. By 2007 it had fallen behind by $60k. By 2014, the gap had widened to $136k.

Further evidence of them starting off the same, then diverging.
As the median sales price snapshots for vacant land show, in 1999 Ellenbrook was on par with the Cockburn suburbs. By 2007 it had fallen behind by $34k. By 2014, the gap had widened to $67k.

Further evidence of them starting off the same, then diverging.
40 home units were sold in Success and 5 in Ellenbrook in 2006. The next sales were in 2008-09 (home units in Success) and in 2010 (apartments in Cockburn Central, home units in Success and both in Ellenbrook). By 2014, prices are stronger in the Cockburn Suburbs, driven partly by the price premium for apartments over home units in Cockburn Central and partly by the difference in the comparative attractiveness of the two locations.

Source: PriceFinder Atwell, Cockburn Central, Success, Ellenbrook 1994-2014
How the Population Has Changed

2001 – 2011

(inside the 1992 – 2014 sales range)
The population of all suburbs has grown strongly and, with the exception of Ellenbrook, so has the median age of residents.

Two things are evident – the stability of household sizes across time and, with the exception of Cockburn Central, the relative similarity in household sizes between the suburbs.

<table>
<thead>
<tr>
<th>Year</th>
<th>HH Size Ellenbrook</th>
<th>HH Size Atwell</th>
<th>HH Size Cockburn Central</th>
<th>HH Size Success</th>
<th>PPB Ellenbrook</th>
<th>PPB Atwell</th>
<th>PPB Cockburn Central</th>
<th>PPB Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2.9</td>
<td>3.1</td>
<td>3</td>
<td></td>
<td>0.8</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>3</td>
<td>3.1</td>
<td>2.8</td>
<td>0.7</td>
<td>0.8</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>2011</td>
<td>3</td>
<td>3.1</td>
<td>2.4</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Cockburn Central has more single and no car households and fewer multi-car households than the other suburbs. Whether this is a lifestyle choice or is due to the garaging options available cannot be determined from this.

Motor Vehicles per Dwelling (occupied private dwellings)

Ellenbrook  
- 0 motor vehicles: 12.7%  
- 1 motor vehicle: 4.5%  
- 2 motor vehicles: 48.8%  
- 3 motor vehicles: 29.1%  
- 4+ motor vehicles: 2.9%

Atwell  
- 0 motor vehicles: 14.6%  
- 1 motor vehicle: 5.4%  
- 2 motor vehicles: 52.8%  
- 3 motor vehicles: 1.2%  
- 4+ motor vehicles: 12.7%

Cockburn Central  
- 0 motor vehicles: 7.7%  
- 1 motor vehicle: 7.7%  
- 2 motor vehicles: 41.3%  
- 3 motor vehicles: 4.1%  
- 4+ motor vehicles: 42.7%

Success  
- 0 motor vehicles: 13.3%  
- 1 motor vehicle: 12.7%  
- 2 motor vehicles: 42.7%  
- 3 motor vehicles: 2.7%  
- 4+ motor vehicles: 29.0%

Sources: ABS Census of Population and Housing: Ellenbrook, Atwell, Cockburn Central and Success State Suburbs (2011: table B29). Households with no. vehicles not stated are not shown but are included in the percentage calculations.
Across all the suburbs, the level of home ownership decreases over time; and the level of renting and other tenure types increases as a result.

Tenure of Occupied Private Dwellings - % owned or mortgaged

<table>
<thead>
<tr>
<th>Year</th>
<th>Ellenbrook</th>
<th>Atwell</th>
<th>Cockburn Central</th>
<th>Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>81%</td>
<td>83%</td>
<td>79%</td>
<td>86%</td>
</tr>
<tr>
<td>2006</td>
<td>81%</td>
<td>81%</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>2011</td>
<td>75%</td>
<td>56%</td>
<td>79%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Across all the suburbs, household incomes have risen between each census, and the income relativities have remained fairly constant. Atwell is the higher income area; (the smaller households in Cockburn Central aside) Ellenbrook is the lower.
Across all the suburbs, mortgage repayments have risen between each census. What has changed is the mortgage relativities. Atwell started out as having higher mortgage repayments, but by the 2011 Census has the lowest (aside from Cockburn Central). Ellenbrook started out as having the lowest mortgage repayments and has risen to having the highest.
All four suburbs have fewer professionals and managers amongst their employed persons aged 15+. Over time, the professional profile of Atwell and Success has become more Perth-like, but in Ellenbrook it improved slightly, then worsened.

It's a long bow to say this is the result of a TOD as the change happened before 2006 for Atwell.
The conclusions

- TOD’s do appear to have an impact on sales values over time – in some instances significant
- Difficult to determine if there is an impact on demographics – but certainly it can be concluded that the area is more attractive – and creates households with higher disposable wealth/professional status
- Will we see similar trends with Wellard?
This report is available for purchase

PropertyESP can be commissioned to conduct similar longitudinal studies to determine trends

Contact Samantha: info@propertyesp.com.au