



BETTER FUTURE TOGETHER

Securing the Future: Keeping Wealth Transfers in Housing for Australia's Low to Middle-Income Suburbs

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SUMMARY

In the next 20 years, Australia is set to witness an unprecedented transfer of wealth, estimated at \$3.5 trillion. This wealth shift has profound implications for housing markets and financial security, particularly in low to middle-income suburbs. Keeping wealth transfers invested in housing can provide stability and growth, but also necessitates awareness and protection against financial risks and scams.

Our analysis identifies the top 20 suburbs per state based on the Socio-Economic Indexes for Areas (SEIFA) of 5 or below, used as a proxy for Australia's low to middle-income households. These suburbs may lack the financial training or experience of wealthier areas that have had the privilege of better financial education. The list is further refined by considering the number of properties owned outright and current median house and unit prices to determine their total unencumbered property wealth.

In New South Wales, Port Macquarie leads with a substantial property wealth of approximately \$5.84 billion, derived from 5,844 houses and 700 units owned outright. Blacktown follows, boasting \$3.31 billion from 3,146 houses and 122 units owned outright. Orange contributes \$3.07 billion with 4,287 houses and 54 units owned outright. Other significant contributors include Banora Point, Greenacre, Auburn, and Merrylands, with property wealth ranging from \$2.30 billion to \$2.75 billion.

Victoria's top suburb, Mill Park, holds property wealth of an estimated \$2.99 billion from 3,594 houses and 20 units owned outright. Frankston, with 3,224 houses and 76 units owned outright, totals \$2.77 billion. St Albans, with 3,805 houses and 181 units owned outright, adds \$2.72 billion. Suburbs like Werribee, Hoppers Crossing, and Warrnambool also show substantial property wealth, each holding between \$2.17 billion to \$2.61 billion.

In Queensland, Southport stands out with a property wealth of \$2.31 billion, featuring 1,100 houses and 1,377 units owned outright. Tewantin follows with \$1.83 billion from 1,556 houses and 58 units owned outright. Bongaree, Banksia Beach, and Capalaba each range from \$1.54 billion to \$1.55 billion, illustrating substantial property investments.

Western Australia's top suburb, Morley, features property wealth of approximately \$1.98 billion with 2,669 houses and 7 units owned outright. Halls Head, with 1,730 houses and 28 units owned outright, totals \$1.28 billion, while Rockingham comprises 1,741 houses and 180 units owned outright, valued at \$1.28 billion. Other notable suburbs include Spearwood, Gosnells, and Wanneroo, with property wealth between \$1.06 billion to \$1.71 billion.

In South Australia, Morphett Vale leads with \$1.62 billion from 2,486 houses and 3 units owned outright. Mount Gambier contributes \$1.28 billion from 2,847 houses and 130 units owned outright. Seaton, with 1,156 houses and 36 units owned outright, adds \$1.10 billion. Parafield Gardens and Port Lincoln also highlight significant wealth, ranging between \$1.07 billion to \$1.75 billion.

Tasmania's top suburb, Devonport, holds property wealth of \$913 million with 1,855 houses and 3 units owned outright. Glenorchy follows with \$699 million from 1,134 houses and 85 units owned outright. Ulverstone, Prospect Vale, and Wynyard each exhibit property wealth ranging from \$609 million to \$563 million.

The potential size of wealth transfers in these low to middle-income suburbs is substantial, often exceeding \$1 billion per suburb. Investing inherited wealth in housing within familiar suburbs can provide stability and growth. However, it is crucial for beneficiaries to be aware of financial risks and scams. Financial literacy, professional advice, and community support will be essential in navigating this wealth transfer safely and effectively, ensuring that the next generation can build on the inherited wealth without falling prey to financial predators.

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Port Macquarie	\$5,842,180,000	\$761,990
2	Blacktown	\$3,308,040,000	\$926,103
3	Orange	\$3,068,585,000	\$665,637
4	Banora Point	\$2,754,660,000	\$921,599
5	Greenacre	\$2,663,143,000	\$1,250,889
6	Auburn (NSW)	\$2,500,370,000	\$1,051,017
7	Merrylands	\$2,414,696,224	\$1,087,701
8	Coffs Harbour	\$2,372,355,000	\$697,136
9	Dubbo	\$2,343,240,000	\$540,914
10	Bankstown	\$2,331,240,000	\$1,002,684
11	Forster	\$2,305,210,000	\$780,898
12	Umina Beach	\$2,302,645,000	\$1,014,381
13	Campsie	\$2,083,627,000	\$1,131,791
14	Bossley Park	\$2,021,755,000	\$1,214,997
15	Punchbowl	\$1,868,725,000	\$1,133,935
16	St Clair	\$1,861,207,000	\$964,356
17	Goulburn	\$1,752,095,000	\$579,972
18	Yagoona	\$1,694,700,000	\$1,090,541
19	Belmore	\$1,647,265,000	\$1,313,608
20	Bateau Bay	\$1,599,929,000	\$960,918

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Mill Park	\$2,996,778,000	\$768,405
2	Frankston	\$2,766,140,000	\$709,267
3	St Albans	\$2,716,465,000	\$635,430
4	Werribee	\$2,610,325,000	\$587,779
5	Hoppers Crossing	\$2,601,180,000	\$610,462
6	Warrnambool	\$2,564,520,000	\$554,131
7	Noble Park	\$2,218,200,000	\$743,863
8	Thomastown	\$2,217,179,000	\$708,138
9	Pakenham	\$2,176,500,000	\$635,474
10	Lalor	\$2,152,170,000	\$697,624
11	Altona Meadows	\$1,923,730,000	\$719,959
12	Dandenong North	\$1,921,826,000	\$732,682
13	Springvale	\$1,851,230,000	\$821,309
14	Epping	\$1,840,116,500	\$666,226
15	Rosebud	\$1,814,270,000	\$745,999
16	Craigieburn	\$1,814,025,000	\$636,500
17	Glenroy	\$1,802,250,000	\$772,172
18	Traralgon	\$1,731,600,000	\$483,552
19	Narre Warren	\$1,724,040,000	\$739,297
20	Sunshine West	\$1,668,900,000	\$690,199

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Southport	\$2,307,760,000	\$740,616
2	Tewantin	\$1,825,940,000	\$998,873
3	Capalaba	\$1,549,180,000	\$790,398
4	Bongaree	\$1,541,245,000	\$702,482
5	Banksia Beach	\$1,540,710,000	\$900,473
6	Coombah	\$1,410,210,000	\$811,865
7	Labrador	\$1,382,691,000	\$703,302
8	Caboolture	\$1,317,715,000	\$623,328
9	Alexandra Hills	\$1,303,170,000	\$782,685
10	Sunnybank	\$1,234,689,505	\$1,220,049
11	Urangan	\$1,232,944,000	\$604,977
12	Nerang	\$1,143,280,000	\$764,225
13	Bargara	\$1,132,740,000	\$697,500
14	Wynnum West	\$1,116,195,000	\$861,927
15	Burpengary	\$1,109,360,000	\$745,538
16	Deception Bay	\$1,088,554,000	\$618,497
17	Morayfield	\$1,068,978,300	\$634,032
18	Golden Beach	\$1,061,250,000	\$917,243
19	Redcliffe	\$1,030,865,000	\$664,645
20	Kallangur	\$1,016,904,837	\$662,479

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Morphett Vale	\$1,615,227,500	\$587,783
2	Mount Gambier	\$1,281,240,000	\$398,768
3	Seaton	\$1,103,027,000	\$812,244
4	Parafield Gardens	\$1,071,965,000	\$635,427
5	Encounter Bay	\$958,605,000	\$632,743
6	Woodcroft	\$893,885,000	\$699,441
7	Campbelltown	\$841,515,000	\$794,632
8	Paralowie	\$827,860,000	\$587,969
9	Paradise	\$827,226,000	\$799,252
10	Ingle Farm	\$788,780,000	\$645,483
11	North Haven	\$783,380,000	\$786,526
12	Port Lincoln	\$760,131,000	\$422,061
13	Murray Bridge	\$729,010,000	\$435,750
14	Aldinga Beach	\$711,462,000	\$680,825
15	Hope Valley	\$700,737,000	\$650,638
16	Modbury Heights	\$673,826,000	\$714,556
17	Salisbury East	\$670,792,000	\$584,823
18	Strathalbyn	\$641,698,500	\$586,026
19	Pooraka	\$626,520,000	\$669,359
20	Findon	\$616,616,000	\$786,500

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Morley	\$1,982,910,000	\$664,737
2	Thornlie	\$1,713,367,000	\$612,354
3	Halls Head	\$1,276,220,000	\$655,480
4	Rockingham	\$1,276,142,100	\$550,061
5	Ballajura	\$1,186,035,000	\$638,683
6	Spearwood	\$1,061,966,000	\$674,693
7	Gosnells	\$1,049,865,000	\$517,430
8	West Busselton	\$934,519,000	\$692,749
9	Hamilton Hill	\$920,755,000	\$693,340
10	Australind	\$828,451,500	\$550,466
11	Wanneroo	\$828,326,000	\$634,247
12	Forrestfield	\$816,540,000	\$618,591
13	Safety Bay	\$805,558,000	\$644,962
14	High Wycombe	\$798,570,000	\$598,180
15	Waikiki	\$779,032,500	\$595,136
16	Marangaroo	\$760,051,000	\$645,205
17	Erskine	\$714,585,000	\$628,483
18	Ellenbrook	\$662,680,000	\$544,967
19	Kelmscott	\$656,610,000	\$535,134
20	Dudley Park	\$644,334,000	\$561,756

Rank	Suburb	Unencumbered Property Wealth	Typical Property Inheritance Today
1	Devonport	\$913,000,000	\$449,090
2	Glenorchy	\$698,595,000	\$562,929
3	Ulverstone	\$609,154,000	\$483,072
4	Prospect Vale	\$563,370,000	\$588,683
5	Wynyard	\$520,075,000	\$479,332
6	Claremont	\$506,520,000	\$532,059
7	Moonah	\$381,050,750	\$595,392
8	Latrobe	\$377,580,000	\$537,863
9	Longford	\$373,150,000	\$561,973
10	Norwood	\$370,660,000	\$583,717
11	Newnham	\$365,346,000	\$489,740
12	Penguin	\$350,960,000	\$538,282
13	New Norfolk	\$344,740,000	\$482,829
14	West Ulverstone	\$322,924,000	\$461,320
15	Youngtown	\$320,370,000	\$527,792
16	Shearwater	\$319,762,000	\$712,165
17	West Moonah	\$308,289,000	\$634,340
18	Somerset	\$297,001,000	\$446,618
19	Perth	\$295,720,000	\$648,509
20	Sorell	\$290,025,000	\$581,212

How did you shortlist suburbs based on 'low to middle income'?

We used SEIFA (Socio-Economic Indexes for Areas) scores 1 to 5 as a proxy to filter the initial list of suburbs. SEIFA is a product developed by the Australian Bureau of Statistics that ranks areas in Australia according to relative socio-economic advantage and disadvantage. A lower SEIFA score indicates a higher level of socio-economic disadvantage. By selecting suburbs with SEIFA scores 1 to 5, we focused on areas that are typically characterised by lower to middle-income households.

How did you estimate the number of properties owned without a mortgage?

The number of properties owned outright was estimated using data from the 2021 Census. The Census provides detailed counts of properties by type (houses, townhomes, and units) within each suburb. We used these counts to identify properties that are owned without a mortgage.

How did you estimate the median price for property?

We estimated the median price for properties based on a rolling 12-month median of sold prices per suburb up to June 2024. A median price is calculated by arranging all sale prices in ascending order and then selecting the middle value. This method ensures that the median price reflects the central tendency of the property market in each suburb, excluding the influence of outliers.

How did you estimate total unencumbered property wealth?

Total unencumbered property wealth was estimated by multiplying the count of unencumbered properties by the median price for each property type. This calculation was done separately for houses, townhomes, and units to ensure accuracy.

How did you calculate Typical Property Inheritance?

Typical Property Inheritance was calculated as the weighted average of house and unit prices. The weights were based on the counts of each property type that are owned outright. This method provides a balanced estimate that reflects the proportion of different property types in each suburb.

Example Calculation:

1. Shortlisting Suburbs: Suburbs with SEIFA scores 1 to 5 were selected.
2. Estimating Properties Owned Outright: Census 2021 data was used to count properties owned outright in each suburb.
3. Calculating Median Property Prices: A 12-month rolling median of sold prices up to June 2024 was used.
4. Calculating Unencumbered Property Wealth: The formula is: Total Unencumbered Property Wealth = Count of Unencumbered Properties x Median Price
5. Calculating Typical Property Inheritance: Typical Property Inheritance = (Count of Houses x Median House Price + Count of Units x Median Unit Price) / Total Count of Houses and Units

By following these steps, we provide a comprehensive and accurate analysis of wealth transfers in low to middle-income suburbs, ensuring that our findings are robust and reliable.

MEDIA RELEASE

Media Release FOR IMMEDIATE RELEASE

Securing Wealth Transfers: Investing in Property to Mitigate Risks

Brisbane, Australia – July 26, 2024 – As Australia braces for an unprecedented transfer of wealth estimated at \$3.5 trillion over the next 20 years, new analysis by Inspire Realty highlights the critical need for beneficiaries to invest wisely. This wealth shift is particularly significant for low to middle-income households, who may lack the financial training of their wealthier counterparts.

Colin Lee, Founder and CEO of Inspire Realty, emphasises the importance of property investment as a stable and lower-risk option for those receiving inheritances. “With the greatest wealth transfer in Australian history underway, it’s crucial for beneficiaries to consider property as a sound investment. Property offers stability and potential for growth, unlike high-risk ventures that can lead to significant financial loss,” said Mr Lee.

The report identifies the top 20 suburbs per state based on SEIFA scores of 1 to 5, indicating areas with higher socio-economic disadvantage. These suburbs were selected to focus on households that may not have the financial experience of more affluent areas. The analysis used 2021 Census data to estimate the number of properties owned outright and rolling 12-month median prices to determine unencumbered property wealth.

“The allure of quick gains from high-risk investments can be tempting, but it’s a dangerous path for those who are not financially savvy. Property investment, particularly in familiar suburbs, provides a tangible and secure way to grow and protect wealth,” Mr Lee added.

The findings reveal substantial unencumbered property wealth across low to middle-income suburbs, often exceeding \$1 billion per suburb. By investing inherited wealth in housing within these areas, beneficiaries can ensure both stability and potential growth. However, Mr Lee warns of the increasing threat of scams targeting new beneficiaries.

“Scammers are becoming more sophisticated and are particularly targeting those who come into sudden wealth. It’s imperative for beneficiaries to seek professional financial advice and be vigilant against unsolicited offers. Protecting oneself from financial predators is just as important as making wise investment choices,” Mr Lee cautioned.

Inspire Realty advocates for increased financial literacy and access to professional advice to help beneficiaries navigate their newfound wealth safely. By focusing on property investment, beneficiaries can build a secure financial future without falling prey to high-risk schemes and scams.

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