

PARKES

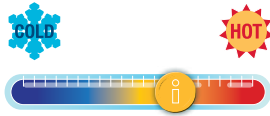


Over the Blue Mountains and 355km west of Sydney, Parkes is known internationally as the location of the radio telescope at Parkes Observatory, used by NASA on several occasions. Agricultural activities include wheat and wool, and there is a gold and copper mine north of the town. Its population is around 10,000. The governing body, Parkes Shire, encourages families and businesses to relocate to Parkes for its education, health and aged care, telecommunications infrastructure, and cultural and recreational facilities.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Parkes is developing into a national transport logistics hub, with plenty of investment to come.



POPULATION GROWTH



Strong employment in a small centre is a positive sign.



PROJECTED RENTAL GROWTH



It should be good, but population growth and, by association, rental growth in smaller towns can be patchy.



DIVERSITY OF ECONOMY



The economy is good for a small centre, but the small size is also a limiting factor.



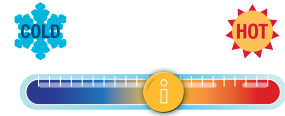
SUPPLY & DEMAND



It's probably balanced. Demand is picking up strongly, but some supply is coming onto the market.



VACANCY RATES



The current vacancy rate is 1.6%, but fluctuations are to be expected in a town of this size.



PROJECTED CAPITAL GROWTH



The long-term capital growth has been relatively strong at 9% over the past 10 years. Indicators show this should continue, though patchy in places.



ESTIMATED RENTAL YIELDS



Industrial dynamics and some transitory workers keep the rental market alive. Yields are decent.



AFFORDABILITY



With the median price sitting at just \$225k for a house, Parkes rates high on the affordability stakes.



COUNCIL PLANNING



The council knows what its doing but has limited resources.

WHY IT'S HOT

A wonderful example of a town maximising its location benefits to create a niche and sustainable competitive advantage in industry. Parkes has mining, agriculture, retail and tourism but does not overly rely on any of these industries. The town has recently established a National Logistics Hub, supported by major transport players such as Linfox, taking advantage of poor inland infrastructure – it can service 82% of Australia's population within 12 hours.

-NextHotSpot

Investors would do well to focus on three-bedroom houses, which, aside from attracting the most demand from buyers, have had the highest rental growth in recent times. The cost of houses is low, too (most deals are under \$250k), making it a good choice for investors with this figure in mind.

-Your Investment Property

STATS & FACTS

- Diverse economy with a competitive advantage due to its location
- Strong sectors include agriculture, retail, mining, government, tourism and transport services
- No. 1 rental region in NSW in May 2012, according to *Your Investment Property*
- Rents rose 27% in 12 months to October 2012
- Home of the National Logistics Hub supported by Linfox and others
- 82% of the Australian population can be serviced with freight in 12 hours
- Northparkes Mines has extended its operational horizon to 2030
- 130,000 tourists visit each year for the Elvis Festival, The Dish, and more

