

# WHITSUNDAY AREA

Property Watch®

PRD nationwide



The following Property Watch report is the result of investigation into the historic and current market trends of the Whitsunday Area encompassing the suburbs within the post code of 4802. This report will focus on the Whitsunday Area residential markets and identify trends and commonalities that exist between markets, more importantly gaining an appreciation of the underlying drivers of the residential market.

The Whitsunday Area house, unit and vacant land markets have all witnessed consolidation following the Global Financial Crisis (GFC) when the region recorded historic lows across all residential markets.

## MARKET INDICATORS

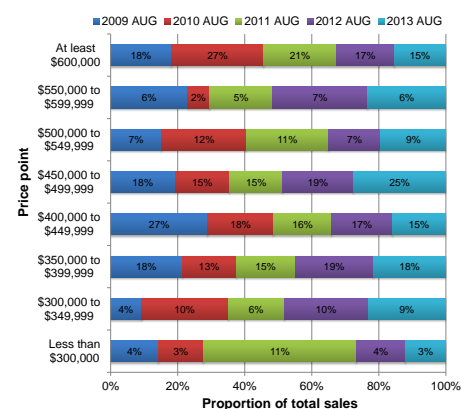
Change from Last	Year	Half Year
HOUSE SALES	↑	↓
HOUSE MEDIAN	↑	↑
UNIT SALES	↓	↑
UNIT MEDIAN	↑	↑
LAND SALES	↓	↓
LAND MEDIAN	↑	↑

Above indicators are based on the year ending August 2013, excluding rental data which is based on the year ending September 2013.

Over the past 24 months, consumer confidence has resurfaced after some volatility was registered throughout 2010 and 2011 where once a very strong Whitsunday Area investor market witnessed an inconsistency that led to transaction and median price declines. Irrespective of the volatility witnessed in more recent years; a key finding recorded in the Whitsunday Area market was the ten year annual median price growth rate for House (5.2%), Unit (5.0%) and Vacant Land (6.5%) all trended positively suggesting no long term heart ache for the patient long term investor.

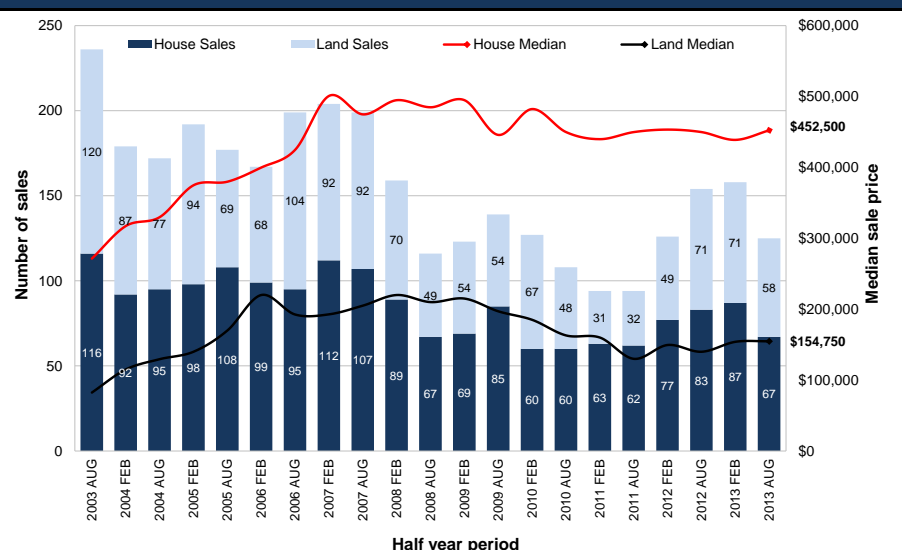
Observing the Whitsunday Area house price point chart to the six month period concluding August 2013, it is evident the majority of transactions occurred between \$450,000 and \$499,999 registering twenty-five per cent of all house sales. The remainder of the price points have registered fluctuating numbers in the past five years with lower than usual transaction numbers paired with local economic uncertainty. Despite transaction numbers being down in the last six month to August 2013, the house transaction numbers are still recording greater than the five year average suggesting that with additional residential development in the pipeline and a shift in consumer confidence the Whitsunday Area house market should witness a continued transaction and median price growth heading into 2014.

## HOUSE PRICE POINTS



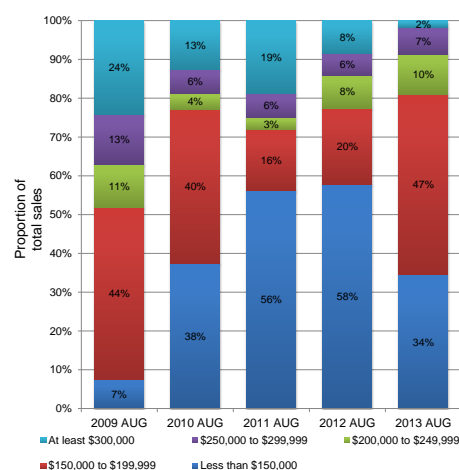
Prepared by PRDnationwide Research. Source: PDS

## WHITSUNDAY AREA HOUSE & VACANT LAND SALES CYCLE

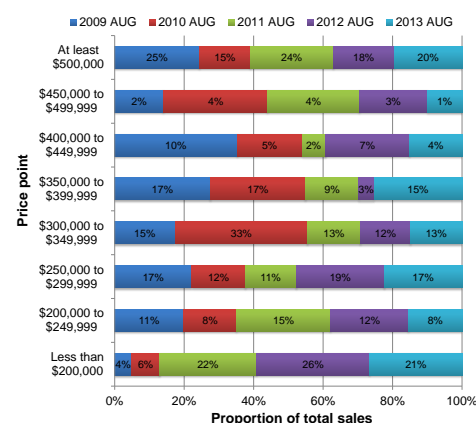


Prepared by PRDnationwide Research. Source: PDS

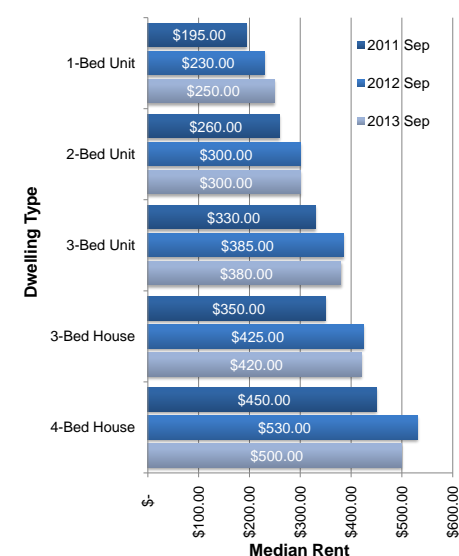
## VACANT LAND PRICE POINTS



## UNIT PRICE POINTS



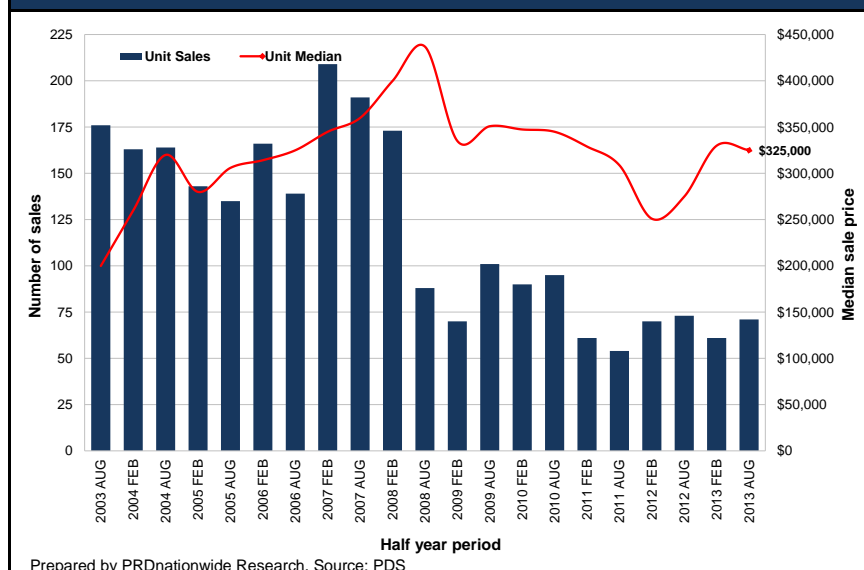
## MEDIAN RENT (4802 postcode)



The Whitsunday Area vacant land market recorded a median price of \$154,750 for the six month period to August 2013, down 5.9 per cent per annum on the height of the market witnessed five years prior. Since 2008, the Whitsunday Area vacant land market has been under-supplied however with substantial master planned developments underway such as the 2,500 lot Regatta Waters on the outskirts of Cannonvale, the vacant land market can expect a continued positive shift in sales.

Aside from a number of pipeline development such as Regatta Waters, it is predicted the Whitsunday Area attract potential investor opportunities from neighbouring regional centres in Central Queensland including Gladstone (\$246,000) and Mackay (\$216,000) which have recorded vacant land median prices at least 25 per cent greater than that of the Whitsunday Area at June 2013. Based on this comparable affordability of land and further growth in the working class set to underpin a shifting property market, the Whitsunday Area can expect an investment return in the vacant land market.

## WHITSUNDAY AREA UNIT SALES CYCLE



Sales activity in the Whitsunday Area unit market is slowly recovering after enduring a volatile period post-GFC. With significant built unit supply already in the market, it can be expected the transactional market will continue to improve despite registering constant median price uncertainty. The most recent positive return in median price heading into February 2013 can be attributed to a small number of opportunistic buyers who are able to see the potential future growth in a market where there is exactly that; potential growth. After bottoming out in Q2 2012, the unit market has experienced a three per cent growth in median price, recording a \$325,000 median price in the six month period to August 2013.

As evidenced by the Unit Price Point chart, the lower end of the market has been more active in the annual period to August 2013 with sales under \$300,000 accounting for 46 per cent of the market. Interestingly, the sub-\$200,000 entry level unit market has witnessed a large scale revival post-GFC with distressed unit stock becoming a more regular occurrence in the market, reflecting the median price demise from August 2009 where the sub-\$200,000 unit market only registered four per cent share of market.

The shift to lower price points over more recent years has been largely spurred by buyers' appetite for more affordable units satisfied by an oversupply of developer stock forced to meet the market. The level of oversupply has also contributed to a softening rental market over the past three years, which has similarly deterred many investors from entering the market.

The Whitsunday Area rental market has witnessed a slight correction in median rental pricing in the twelve month period to September 2013. Over the last twelve months, all rental markets excluding one bedroom units witnessed a plateau or decline in median rental price. This previously anticipated correction in median rental price is largely due to the Whitsunday Area rental markets increasing on the annual figures between September 2011 and September 2012 by between \$35/week (one bedroom unit) and \$80/week (four bedroom house).