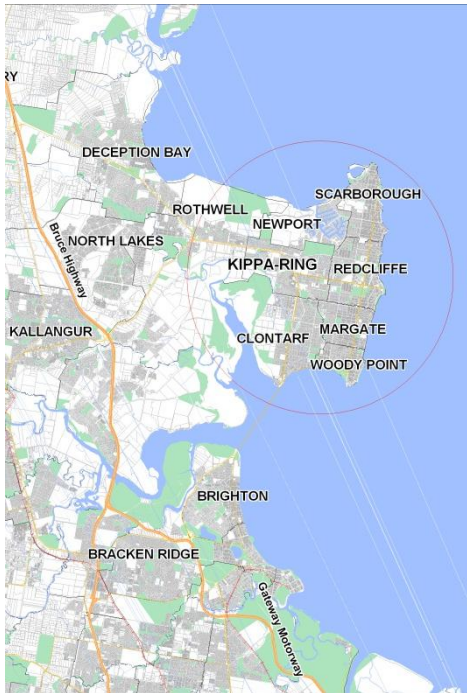


RECLIFFE PENINSULA

Property Watch®

PRD nationwide



REDCLIFFE PENINSULA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Redcliffe Peninsula, which encompasses the suburbs of Redcliffe, Clontarf, Kippa-Ring, Woody Point, Margate and Scarborough.

It appears an environment of greater housing affordability through lower interest rates and a prolonged period of softer house values has started to spark buyer enquiry in the Redcliffe Peninsula. Since the low levels of activity in 2011, settled sales for houses in the Redcliffe Peninsula have increased by 18 per cent. The improved enquiry level has only marginally affected prices, with a slight increase of \$5,000 in the median price occurring over the past six months to July 2013.

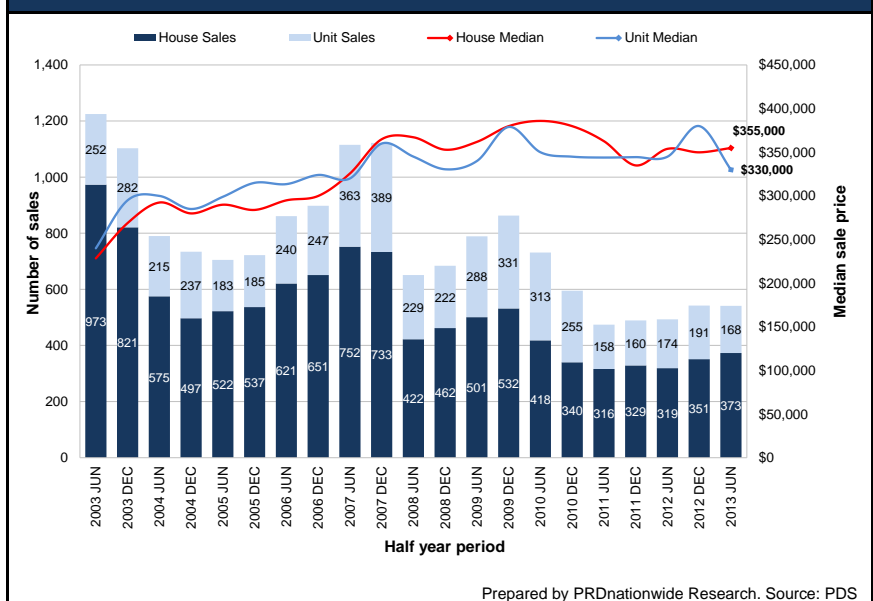
While a house market recovery has started to gain traction, activity for attached dwellings has fallen further, with a decrease of 3.4 per cent over the past 12 months to July 2013. This trend is typical within the property market, where enquiry for housing will tend to pick up first, followed by unit stock. PRDnationwide would expect unit activity to rise if momentum continues to build for detached dwellings. It is interesting to note when observing the Sales Cycle, that there appears to be little difference between the median prices for house and unit stock at an average difference of \$1,449 over the past decade.

KEY MARKET INDICATORS

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

The indicators depicted above are based on the year ending 30 June 2013.

REDCLIFFE PENINSULA SALES CYCLE

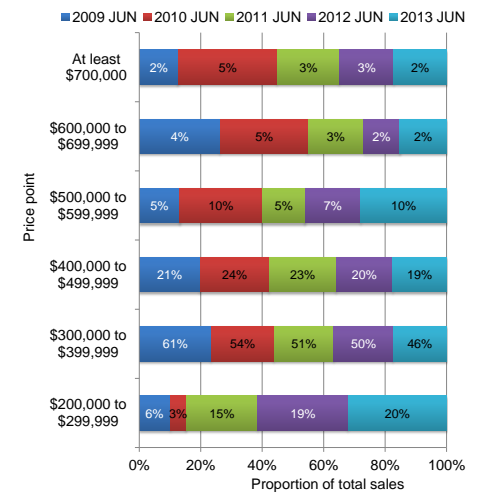


According to Cordells, who track development applications, a total proposed \$215.5 million is in the investment pipeline for the Redcliffe Peninsula. Civil engineering projects amount to the highest number of developments within the region, but the majority of investment dollars being allocated are for attached residential dwellings, such as the Azure Blue aged care facility (at \$50 million).

A price point analysis over the past year undertaken for the house market unveiled a modest increase in buyer activity within the \$500,000 to \$599,999 price segment (up three per cent), while houses sold for \$300,000 to \$399,999 have contracted by four per cent. The unit market has experienced a noticeable expansion of sales within the affordable end of the market, with an increase of 10 per cent of total unit sales.

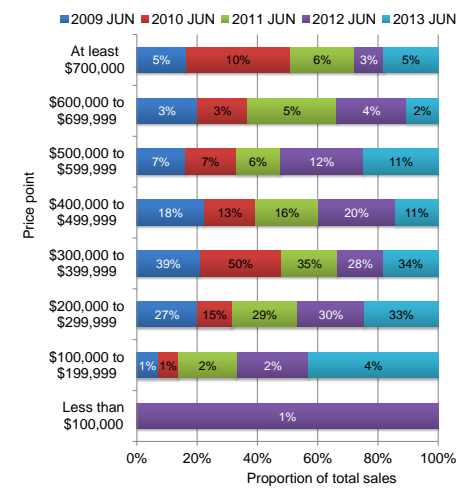
A resale analysis was undertaken to ascertain the average annual returns received by investors who exited the Redcliffe Peninsula house and unit market over the past twenty years. By observing the Redcliffe Peninsula Average Capital Growth graph, two clear conclusions can be made. The first is the markets property cycle is noticeably evident, through the peaks experienced in 1993 and again in 2003, and troughs in 1996 and 2012. The property market is dynamic and while it may not sustain booming capital growth returns of 29 per cent per annum every year, the analysis shows long-term investment provides solid returns at an average nine per cent per annum. The second conclusion drawn from the analysis is that despite the emergence of units within the market, housing stock typically provides stronger gains in capital growth over the past twenty years.

HOUSE PRICE POINTS



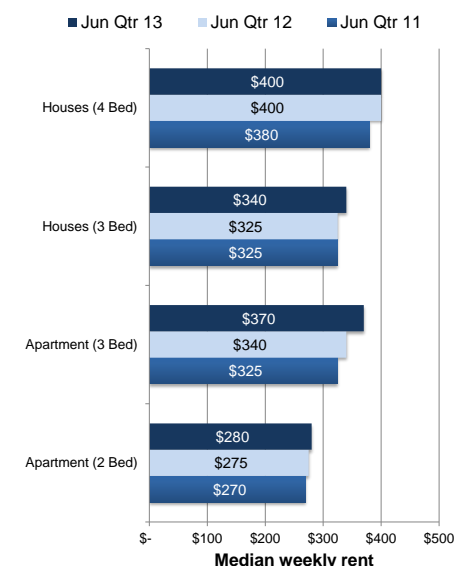
Prepared by PRDnationwide Research. Source: PDS

UNIT PRICE POINTS



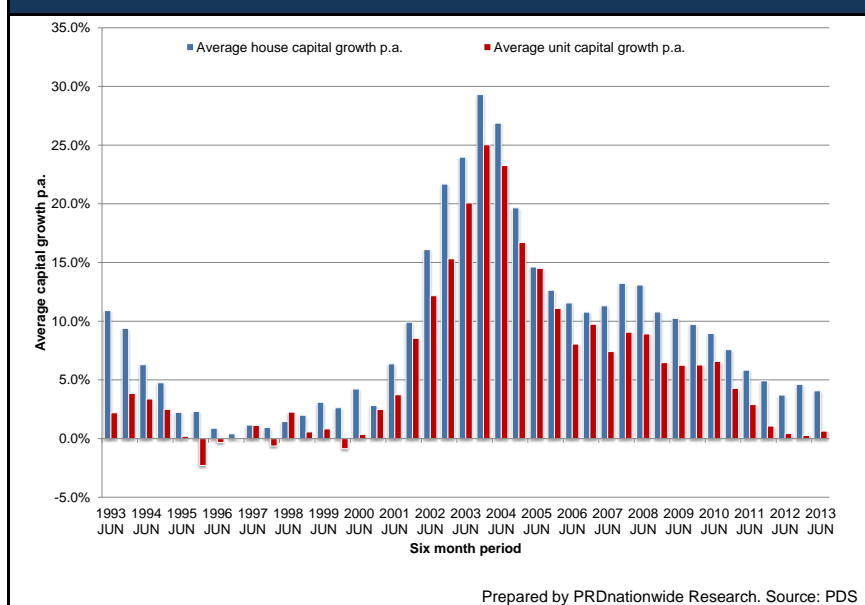
Prepared by PRDnationwide Research. Source: PDS

MEDIAN RENTS – Redcliffe Area



Prepared by PRDnationwide Research. Source: RTA

REDCLIFFE PENINSULA AVERAGE CAPITAL GROWTH



Prepared by PRDnationwide Research. Source: PDS

The majority of dwelling types within the Redcliffe Peninsula rental market have experienced slight increases to the median rent over the past three years. Three bedroom units have experienced the largest increase in the median weekly rent, by 13.8 per cent over the past two years. Vacancy rates within the 4020 post code have increased over 2013 to 2.4 per cent.

REDCLIFFE PENINSULA REAL ESTATE SUMMARY TABLE

Location	Annual Change			
	House Sales	House Median	Unit Sales	Unit Median
Redcliffe	32.7%	-2.1%	-2.7%	-9.6%
Clontarf	28.8%	-8.7%	138.5%	2.4%
Kippa-Ring	-14.1%	-4.0%	-27.6%	-13.6%
Woody Point	12.0%	8.3%	-30.0%	7.0%
Margate	32.8%	1.5%	72.7%	5.3%
Scarborough	28.1%	0.5%	-19.4%	1.4%

Prepared by PRDnationwide Research. Source: PDS