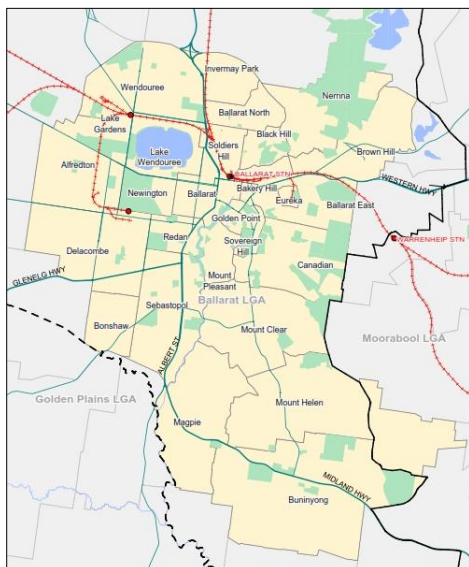


BALLARAT AREA

Property Watch®

PRD nationwide

BALLARAT AREA REGIONAL MAP



BALLARAT AREA MARKET OVERVIEW

This following Property Watch report analyses the current trends and performance of the Ballarat Area as highlighted in the *Ballarat Area Regional Map*. The study area incorporates the surrounding suburbs of the City of Ballarat that comprise the residential market within the Ballarat LGA. In an attempt to provide the most accurate house, unit and residential vacant land data, the localities encompassing rural residential and farm land within the Ballarat LGA have been excluded from the analysis.

Situated approximately 105 kilometres north-west of the Melbourne CBD, the City of Ballarat exists as Victoria's primary inland regional hub. The Midland Highway runs through Ballarat Central providing direct access to the Western Freeway and the Melbourne CBD. The region is well serviced by the Ballarat Rail Line, which offers commuters a service to Melbourne CBD in a little over one hour travel time.

The 28 localities that comprise the study area include suburbs to the north of the city centre to Wendouree and Invermay Park, and south through to the regional township on Buninyong. This Property Watch report will aim to further highlight the regions characteristics and demographic trends to provide an understanding of the type of real estate product in demand by the local market and look to forecast where the Ballarat Area residential property market is progressing.

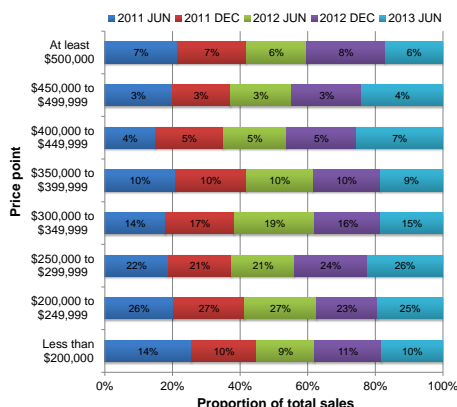
Local markets have indicated provisional sales volumes have increased dramatically noting close to a 75 per cent increase in sales volumes for the current financial year to the end of August as confidence has heightened with increasing political certainty nationwide. While the majority of this residential data for the aforementioned period is yet to settle, consumer confidence in real estate with major world economic influences declining and historically low interest rates leading to a surge of buyer optimism and therefore demand. As yet this has not reflected in prices but continued high demand could be expected to lead to an upward demand and pressure on price points.

Housing in the Ballarat Area has continued its trend of steady growth concluding the six month period to June 2013 with a median price of \$275,000, continuing a 4.0 per cent per annum increase witnessed over the past five years. In the most recent period to June 2013, the Ballarat Area witnessed a slight correction in median price due to the 61 per cent of sales in the back half of the financial year to June registering less than \$300,000, up four per cent on the year prior.



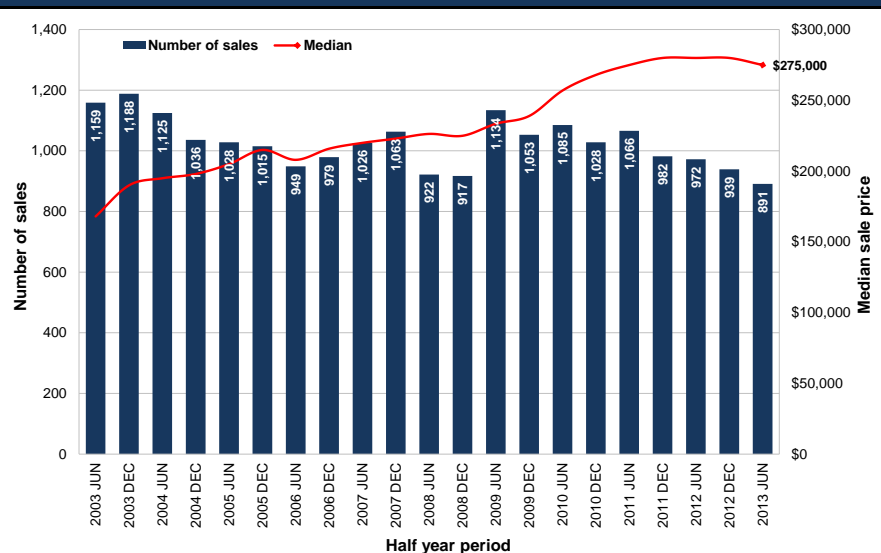
Wendouree Parade, LAKE WENDOUREE

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

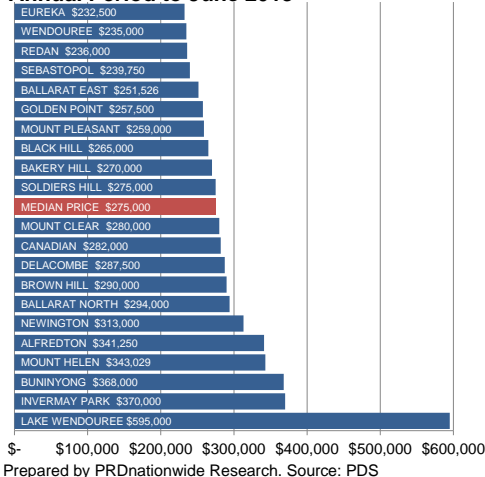
BALLARAT AREA HOUSE SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

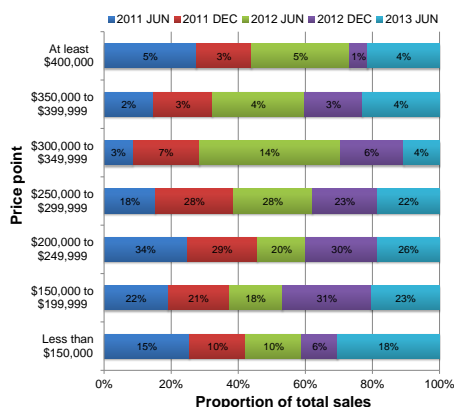
MEDIAN HOUSE PRICE by SUBURB

Annual Period to June 2013



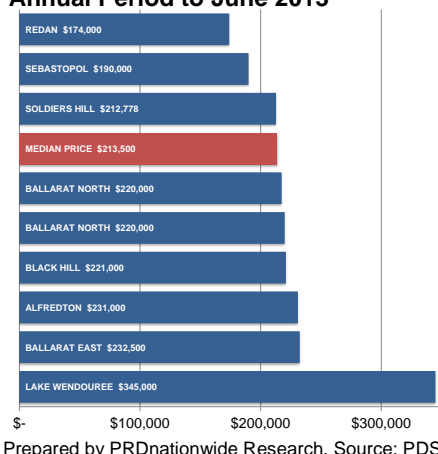
“Consumer confidence in real estate with major world economic influences declining and historically low interest rates has led to a surge of buyer optimism and therefore demand.”

UNIT PRICE POINTS



MEDIAN UNIT PRICE by SUBURB

Annual Period to June 2013



As seen with the relative consistency of median price, the house price points reflect a robust Ballarat Area housing market with limited shift seen over the past 24 months. The Ballarat Area has consistently registered approximately half the market share between the \$200,000 and \$300,000 price point with the only continual increase in interest recorded between the \$400,000 and \$449,999 price point which has seen a three per cent increase in market share since the period ending June 2011.

Sales volumes have only decreased marginally by five per cent in the first six months of 2013, however as previously mentioned all indications are pointing to a positive shift in the transactional market toward 2014. The 891 settled transactions in the first half of 2013, while down on historical figures, compares favourably to the majority of other Victorian markets where nominally larger decreases have been the norm. It is also interesting to note the Ballarat Area recorded minimal downturn spurred from the Global Financial Crisis (GFC) has since maintained a robust transactional and median price market.

In terms of suburbs within the Ballarat Area over the 2013 financial year, the bulk of transactions occurred in Sebastopol with 186 sales equating to 14 per cent market share for house sales with Alfredton narrowly behind recording 176 transactions and representing 13 per cent of the market. This was followed by Ballarat East (9 per cent), Delacombe (8 per cent) and Ballarat North (6 per cent) rounded out the top five performing suburbs which have account for fifty per cent of the 2013 financial year transactional market.

The *Median Suburb House Price* chart for the 2013 financial year recorded that all suburbs within the Ballarat Area recorded median prices greater than \$232,500 with Eureka, Wendouree (\$235,000) and Redan (\$236,000) providing the most affordable suburbs. Lifestyle orientated suburbs within the Ballarat Area managed to record the larger median prices for the annual period ending June 2013 with Buninyong, and Invermay Park recording median prices of \$368,000 and \$370,000 respectively. Lake Wendouree recorded an outstanding median price of \$595,000 due to the relative size of locality as well as the majority of homes sold having access to Lake Wendouree and adjacent parklands providing prime location for higher end residential development.

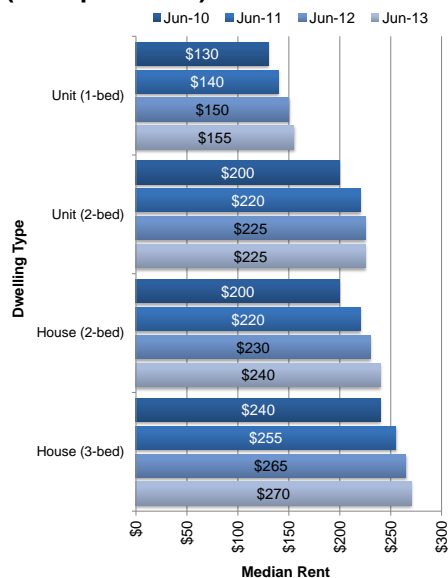
The Ballarat Area unit market is understandably more volatile compared with the house market, demonstrating several peaks and troughs opposed to a smooth upward progression of the house median price. Despite the relative volatility, the Ballarat Area unit market has delivered a relatively solid ten year annual average growth in median price of 4.1 per cent per annum, only 1.1 per cent per annum less than the house market.

The Ballarat Area unit market median price closed the six months to June 2013 at \$213,500. Whilst only down four per cent on the previous six month period, the end of the June 2013 period had indicated a correction in median price with the back to back periods of only 108 unit transactions, indicating a five year transactional growth rate decline of 5.1 per cent per annum.

The Ballarat Area unit price points table displays clearly the reason behind the 15.9 per cent decline in median price over the annual period to June 2013. Sales in the entry level unit market under \$200,000 have increased a combined thirteen per cent and alternately a sixteen per cent decline in sales between \$250,000 and \$349,999 causing a sharp decline in median price. With 88 per cent of market share under the \$300,000 price point the Ballarat Area will continue to see some inconsistency based on the transaction numbers recorded within the unit market.

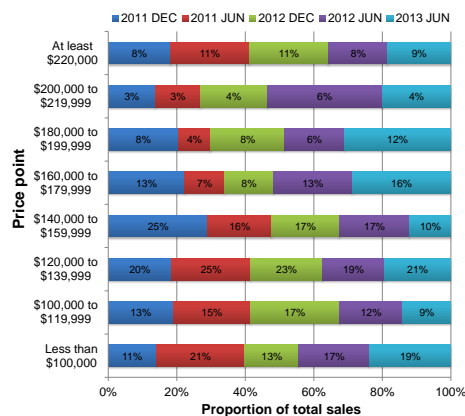
The *Median Suburb Unit Price* chart displays that all Ballarat Area localities have recorded median prices greater than \$174,000 with the more affordable suburbs of Redan, Sebastopol (\$190,000) and Soldiers Hill (\$212,778) recording median prices less than that of the closing June 2013 median price of \$213,500. The remainder of the Ballarat Area suburbs with multi-unit dwellings recorded median prices between \$220,000 and \$232,500 suggesting a relatively condensed unit market throughout. Once again, Lake Wendouree provided the highest median price and the only true outlier from the unit sales data recording a median price of \$345,000, 38 per cent greater than the closing Ballarat Area unit median price at June 2013.

MEDIAN WEEKLY RENTS (3350 postcode)



Prepared by PRDnationwide Research. Source: DHS

VACANT LAND PRICE POINTS



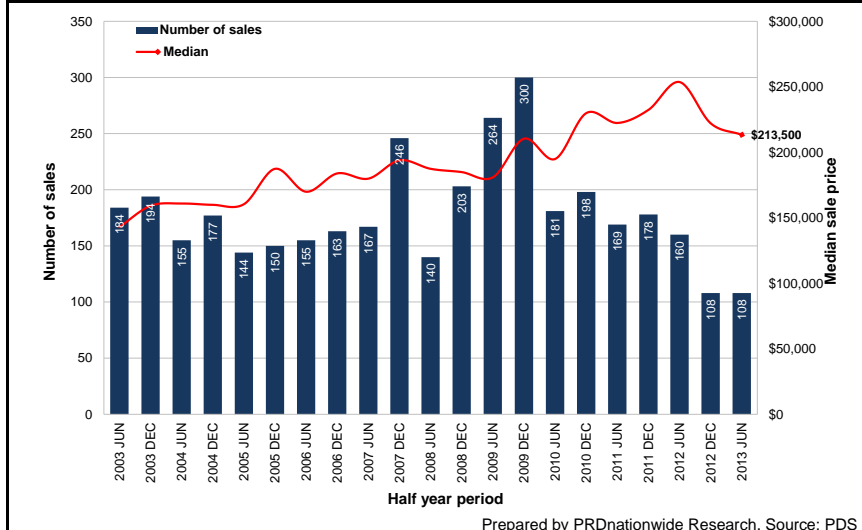
Prepared by PRDnationwide Research. Source: PDS

MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	➡	➡
HOUSE MEDIAN	➡	➡
HOUSE RENTS	➡	➡
LAND SALES	➡	➡
LAND MEDIAN	➡	➡
UNIT SALES	➡	➡
UNIT MEDIAN	➡	➡
UNIT RENTS	➡	➡

The indicators depicted above are based on the year ending 30 June 2013, with exception to rental indicators which are based on the year ending 30 June 2013.

BALLARAT AREA UNIT SALES CYCLE



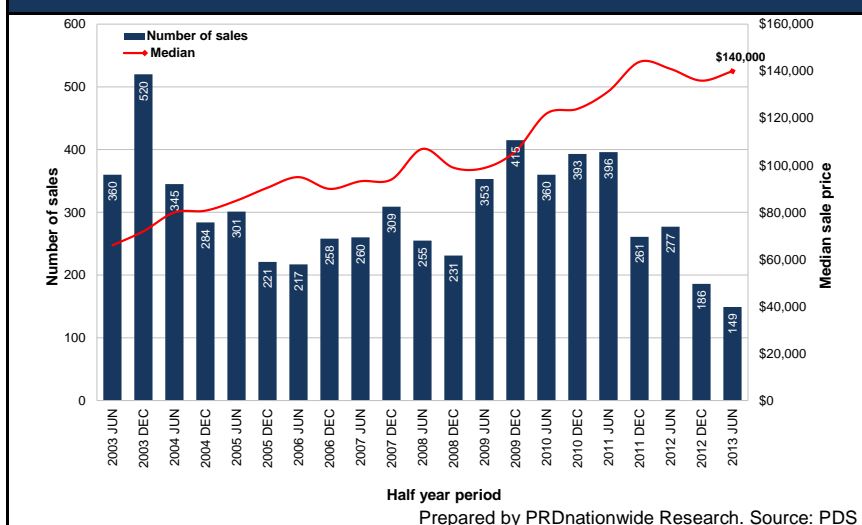
Prepared by PRDnationwide Research. Source: PDS

The Ballarat Area rental market, like the transactional market has remained competitive throughout the economic uncertainty spurred by the GFC. Since the period ending June 2010, the Ballarat Area rental market has seen sound increases across both house and unit rental prices by between 11 and 17 per cent respectively. The Ballarat Area house and unit rental figures, provided by the Victorian Department of Housing, reported that all but one market has recorded increases every year with the two bedroom unit rent maintaining its asking rent from June 2012 into June 2013.

The Ballarat Area vacant land market median price has spiked again sharply after seeing a correction in the six month period to December 2012. The Ballarat Area vacant land closed the most recent six months to June 2013 with a median price of \$140,000. Despite the recent volatility in the vacant land market over the past twelve month period, the Ballarat Area has recorded a ten year median price growth of 8.3 per cent per annum, recording the biggest increase against both house and unit markets.

The vacant land price points display the reasoning behind the decline followed by immediate recovery in the vacant land market where a noticeable shift between \$160,000 and \$199,999 became apparent over the past year. While the remainder of vacant land price points have remained relatively consistent, the \$160,000 to \$199,999 price point recorded a twelve per cent increase since June 2012 to close the 2013 financial year with 28 per cent of the vacant land transactional market.

BALLARAT AREA VACANT LAND SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS