

MELTON LGA

Melton and Caroline Springs Property Watch®



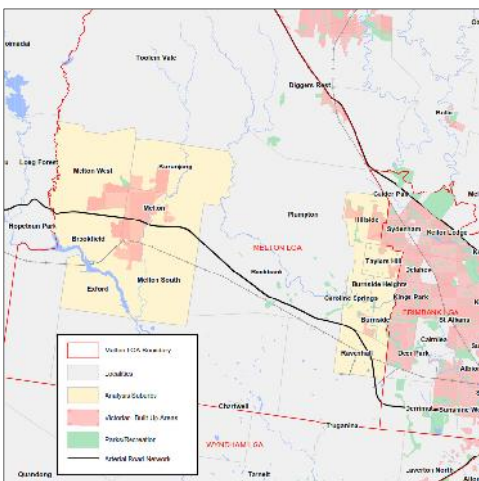
14 Fiddlewood Turn, MELTON WEST

MELTON LGA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Melton Local Government Area's (LGA) house, unit and vacant land markets. Well serviced by the Western Freeway, the Melton LGA currently exists as a satellite region of Melbourne, situated approximately 35 kilometres west of the Victorian capital. The rapid urban growth in the region has seen population increase and resulted in increased development as well as exposure to a number of emerging suburbs west of Melbourne.

This Property Watch report will focus individually on the Melton City Area (Melton, Melton South, Melton West, Kurunjang and Brookfield) and the Caroline Springs Area (Burnside, Burnside Heights, Taylors Hill and Caroline Springs). For the purpose of this report the rural suburbs of Rockbank, Chartwell, Plumpton, Digger's Rest, Truganina and Toolern Vale have been excluded to highlight the economic trends and help appreciate the differing demand for the two residential markets within the Melton LGA.

MELTON LGA REGIONAL MAP

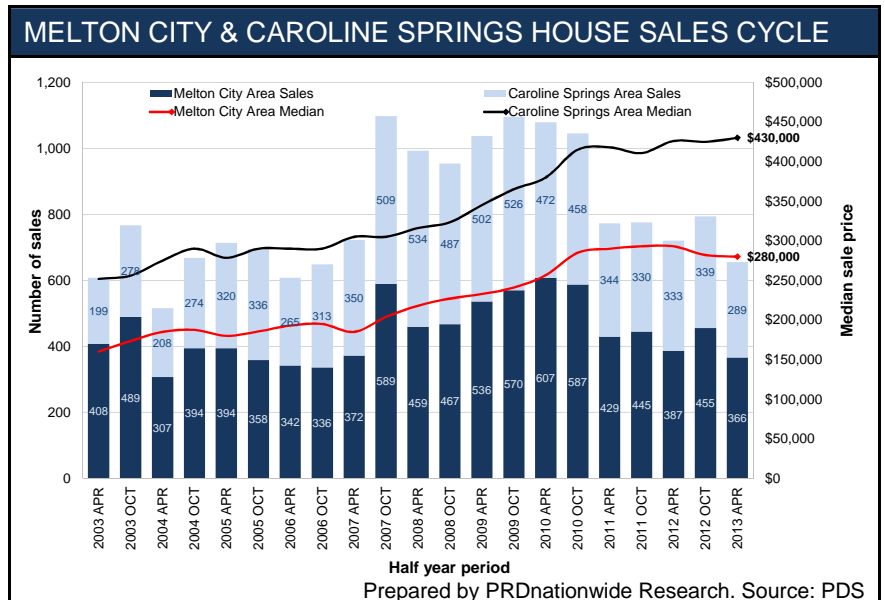


As witnessed in the below graph, Caroline Springs and Melton City have both recorded comparable trends in terms of transaction numbers and median house price. The Melton City Area has performed better in terms of house sales recording on average 444 sales per half year period over the past decade whereas the Caroline Springs Area averaged 378 sales per half year period.

With regard to median house price, Melton City and Caroline Springs have tracked concurrently registering respective 5.8 and 5.5 per cent per annum increases since the period ending April 2003. This being said, the Caroline Springs median closed the April 2013 period at \$430,000, markedly greater than the Melton City median figure of \$280,000 suggesting the proximity to the Melbourne still plays a large barrier in the market which encompasses the twenty-five square kilometres.

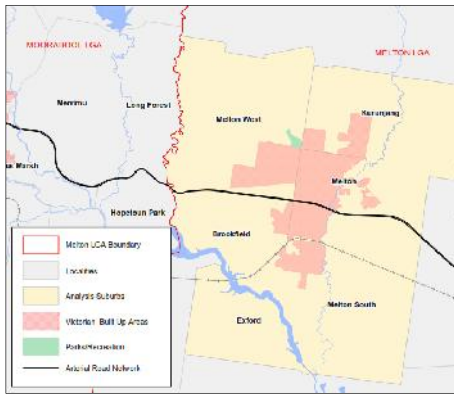
MELTON CITY AREA & CAROLINE SPRINGS AREA HOUSE SALES (Q1 2012 – Q1 2013)

	TOTAL SALES (p.a) PERIOD ENDING Q1 2013	TOTAL SALES (p.a) PERIOD ENDING Q1 2012	ANNUAL CHANGE (%) Q1 2012 - Q1 2013
MELTON WEST	277	302	-8%
BROOKFIELD	140	177	-21%
MELTON SOUTH	139	160	-13%
MELTON	132	127	4%
KURUNJANG	158	138	14%
MELTON CITY SUBURBS	846	904	6%
	TOTAL SALES (p.a) PERIOD ENDING Q1 2013	TOTAL SALES (p.a) PERIOD ENDING Q1 2012	ANNUAL CHANGE (%) Q1 2012 - Q1 2013
BURNSIDE	41	39	5%
TAYLORS HILL	140	165	-15%
CAROLINE SPRINGS	417	391	7%
BURNSIDE HEIGHTS	93	93	0%
CAROLINE SPRINGS AREA	691	688	0%



Over the past annual period since April 2012, Melton City recorded a six per cent increase in house transaction across the area while the Caroline Springs area witnessed a negligible change only registering three sales more in the April 2013 annual period. Of the suburbs within the Melton LGA that recorded the most interest from residents and investors, the suburbs of Kurunjang (14%) and Melton (4%) witnessed the most interest in the Melton City while the suburbs of Caroline Springs and Burnside closer to the Melbourne CBD registered seven and five per cent improvements respectively.

MELTON CITY AREA MAP

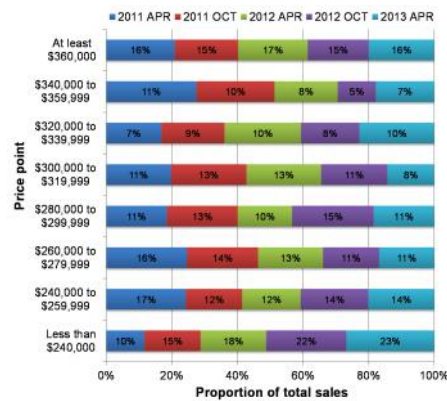


MELTON CITY AREA MARKET OVERVIEW

The Melton City Area house market (highlighted yellow) has seen continual median price increase of 5.8 per cent per annum over the past decade entering May 2013 with a median price of \$280,000. Despite a recent negative shift in number of transactions for the area, the half year period recorded 366 transactions compared with the ten year average of 444 sales denoting a minimal 1.1 per cent per annum decline in transactions. Of the best performing suburbs over the past year, Melton and Kurunjang, both located north of the Melton Freeway registered 4 and 14 per cent increase in transactions while the suburbs to the southwest registered a drop in transaction numbers including Melton West (-8%), Melton South (-13%) and Brookfield (-21%).

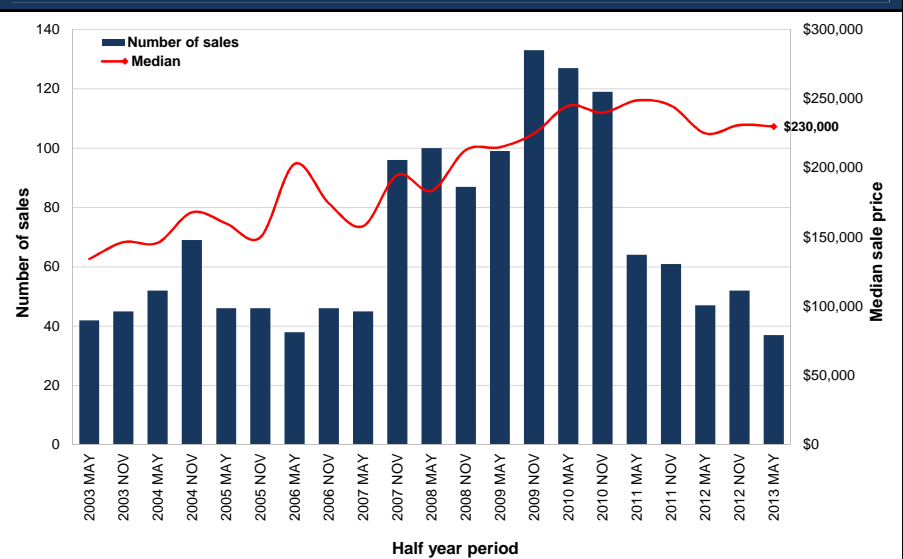
As the population of the Melton LGA continues to grow, the continued demand for medium density unit type dwellings will need to expand with population growth. The median sale price for units in the region closed the May 2013 six month period at \$230,000, representing a twelve month median price growth of 2.2 per cent. The strong ten year growth rate of 5.5 per cent per annum represents that while unit sales are not large; the market for multifamily accommodation remains a sound investment.

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

MELTON CITY AREA UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

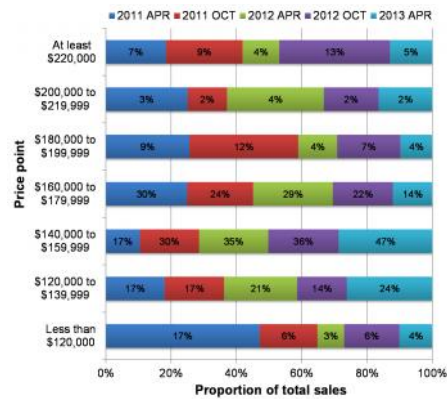
UNIT PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

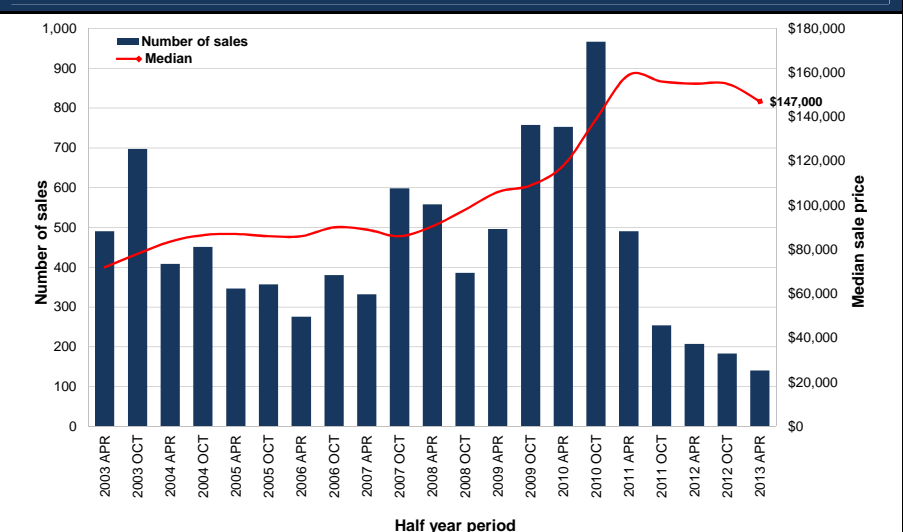
The Melton LGA vacant land market is one forever on the radar for future development as a largely under-developed region with such close proximity to Melbourne. The Melton City Area vacant land market closed the six month period ending April 2013 at \$147,000, 5.2 per cent down on the April 2012 figure yet improved over the past decade registering an increase of 7.4 per cent per annum. Contradictory to the median price market the Melton Area has seen a decline in vacant land transactions suggesting a current dwindling stock paired with inadequate residential land development. As we see the correction of the median vacant land price we may expect to see another positive shift as the need for urban growth in Melbourne's west continues.

VACANT LAND PRICE POINTS



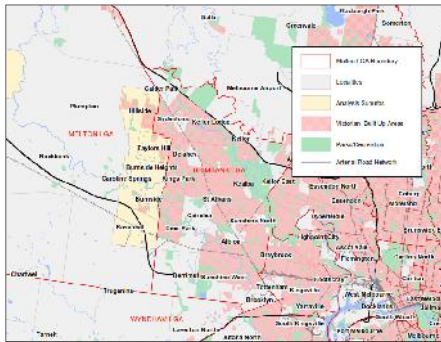
Prepared by PRDnationwide Research. Source: PDS

MELTON CITY VACANT LAND SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

CAROLINE SPRINGS AREA MAP



CAROLINE SPRINGS AREA MARKET OVERVIEW

The Caroline Springs Area for the purpose of this Property Watch report consists of the suburbs including Hillside, Taylors Hill, Burnside, Burnside Heights Ravenhall and Caroline Springs and despite being located in the Melton LGA, the areas market remains more reflective of the Brimbank LGA located immediately east which predominantly shapes Melbourne's outer western suburbs. The Caroline Springs Area similarly forms a part of the Melton growth area, as defined by the Victoria Government's *Growth Area Authority*.

The Melton growth area is located in Melbourne's west and includes Melton City, Caroline Springs, Taylors Hill, Hillside and Ravenhall. As defined by the *Growth Area Authority*, the eastern part of the growth area, which includes Caroline Springs and Taylors Hill, has experienced rapid growth over the past five years with large scale development dominated by detached, privately owned homes. The introduction of increasing number of second and third home-buyers in the area as the population matures is becoming evident.

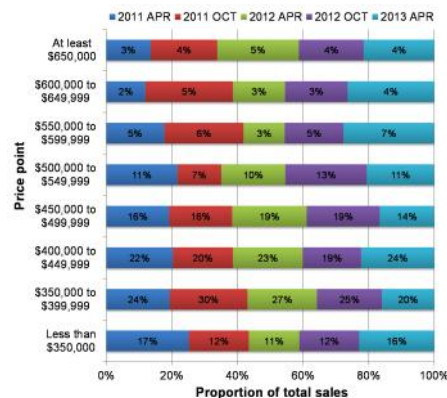
Over the next 25 years it is forecast the Melton growth area will develop approximately 37,000 homes catering for some 117,000 people who according to the *Growth Area Authority* will provide an estimated \$6 billion of business investment for the region.

With development of the Caroline Springs Area already established, the vast majority of the aforementioned residential growth is expected to be located around Melton City, which already contains a modern shopping, and commercial centre, a diverse housing mix, and entertainment and education opportunities. The growth anticipated should provide approximately 25,000 jobs, transforming Melton City into a vibrant business and residential address.

The Caroline Springs Area house market has seen continual median price increase of 5.5 per cent per annum over the past decade entering April 2013 with a median of \$430,000. Despite a recent negative shift in number of transactions for the area spurred by the Global Financial Crisis, the half year period ending April 2013 recorded 289 transactions compared with the ten year average of 373 sales signifying a small increase in transactions by 3.8 per cent per annum.

Of the best performing median price suburbs over the past year, Taylors Hill registered the greatest with \$483,000, closely followed by Caroline Springs (\$420,000) and Burnside Heights (\$411,500). Burnside recorded the most affordable housing in the Caroline Springs Area with a median house price of \$390,000 calculated from the 35 transactions in the annual period to April 2013.

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

VACANT LAND PRICE POINTS

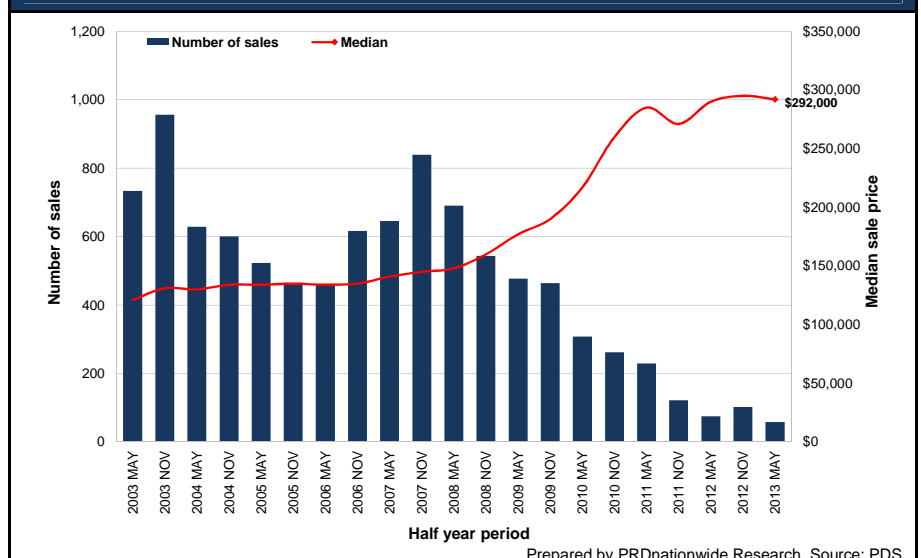


Prepared by PRDnationwide Research. Source: PDS

The Caroline Springs Area vacant land market is one that can be noticeable recognized one that has experienced a large amount of residential development over the past decade with large amounts vacant land transaction resulting in a spike in median price as land has become largely developed. The Caroline Springs Area has registered a 9.2 per cent per annum increase in vacant land median price in the ten year period closing May 2013 - a median price that has more than doubled over the past decade to currently sit at \$292,000.

In the annual period between June 2001 and May 2002 the Caroline Springs Area recorded 2,256 vacant land sales which is approximately 93 per cent greater compared to the 160 transactions recorded over the same period twelve years on. This clearly signifies that the Caroline Springs Area is nearing vacant land exhaustion with the median sale price plateauing and number of transactions on continual decline.

CAROLINE SPRINGS VACANT LAND SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS



10 Runnymede Lane, MELTON