

ASHMORE AREA

Property Watch®



ASHMORE AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Ashmore Area, which encompasses the suburbs of Ashmore and Molendinar.

The Ashmore Area house market has performed poorly in the six months ending April 2013, experiencing a drop in both the number of transactions as well as seeing the median house price slide. The Ashmore Area recorded a total 92 transactions for the April 2013 half year period, equating to a drop of 21 per cent compared to the previous six month period ending October 2012. However, the 92 recorded transactions was an improvement of three per cent when compared to the corresponding period 12 months earlier.

The median house price has seen a sharp decline over the six months ending April 2013, experiencing a drop of 10 per cent to close the period at \$425,000. Furthermore, this is a seven per cent decline when compared to the same period 12 months earlier. Observing the House Price Points Chart, this drop in median price has coincided with a favourable shift towards the lower end of the market in the Ashmore Area. During the previous six month period ending October 2012, the \$450,000 to \$549,999 price range accounted for a total 34 per cent of sales. In the most recent half year period ending April 2013, the same price range accounted for only 21 per cent of sales, a drop of 13 per cent. During the same time, the \$350,000 to \$399,999 price bracket experienced an expansion in the number of transactions of 11 per cent, to account for 26 per cent of total transactions during the April 2013 six month period. Similarly, the \$250,000 to \$299,999 price bracket increased five per cent to account for seven per cent of total transactions in the Ashmore Area. This shift towards more affordable property is a reflection both of the available property on the market, in combination with buyers seeking out more affordable options, despite recent interest rate cuts and increased mortgage affordability. In such a price driven market where buyers are wanting to get the most for their money, it is essential that sellers price their property accordingly so they do not lie stagnant on the market.

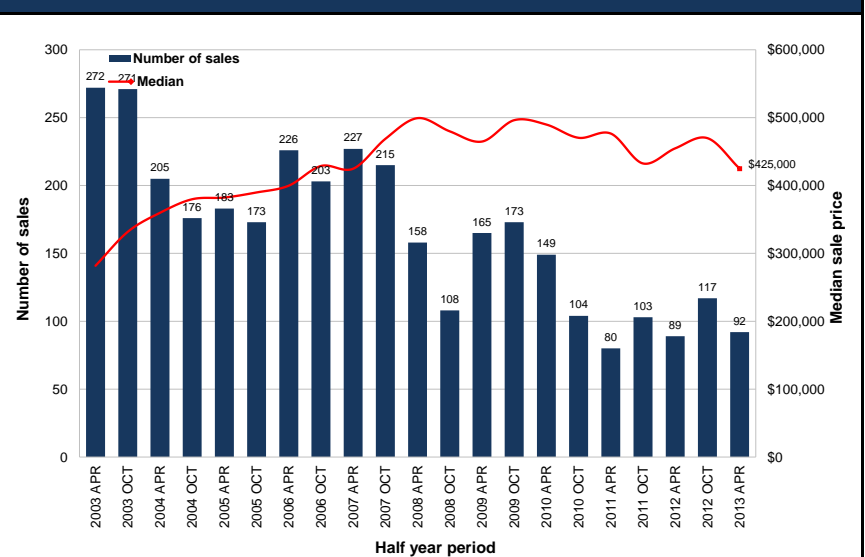
MARKET INDICATORS

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 April 2013, excluding rental indicators which reflect quarterly data up to March 2013.

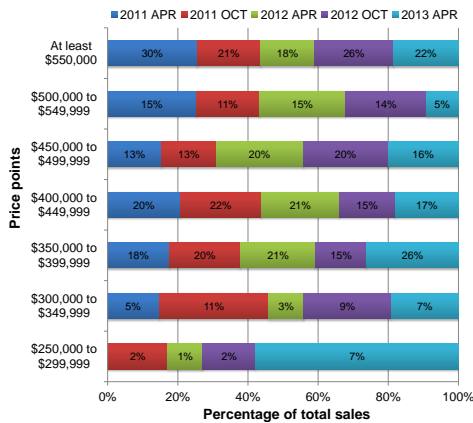
The **increased affordability** being experienced in the Ashmore Area should begin to attract residents and investors alike in the near future.

ASHMORE AREA HOUSE SALES CYCLE



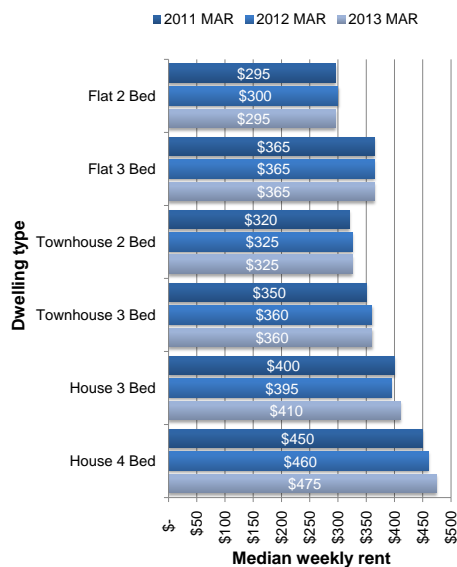
Prepared by PRDnationwide Research. Source: PDS

HOUSE PRICE POINTS



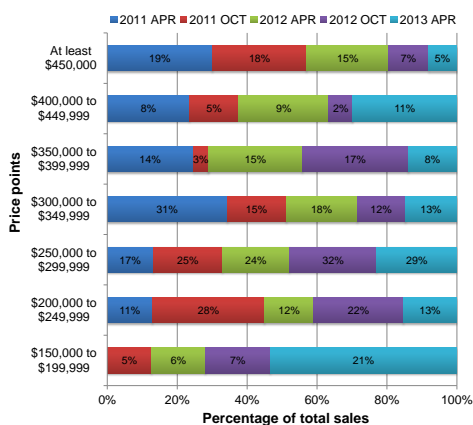
Prepared by PRDnationwide Research. Source: PDS

MEDIAN RENTS FOR TWEED



Prepared by PRDnationwide Research. Source: RTA

UNIT PRICE POINTS

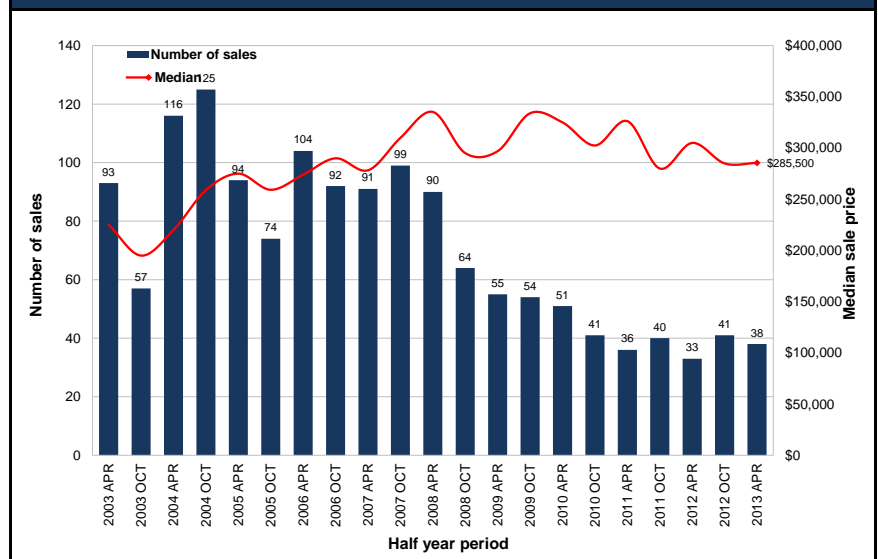


Prepared by PRDnationwide Research. Source: PDS

The Ashmore Area unit market has seen some stabilisation in recent times, after experiencing a relatively steady decline since the 2008 half year period. During the April 2013 half year period, the Ashmore Area experienced 38 recorded transactions, which represents a seven per cent decline on the previous half year period; however is a more encouraging 15 per cent improvement when compared to the same period 12 months earlier. Sales figures over the past three years have hovered roughly around this mark.

The median unit price for the Ashmore Area has seen some stabilisation over the previous two six month periods (October 2012 and April 2013) after seeing quite extreme volatility. The Ashmore Area closed the most recent April 2013 six month period with a median unit price of \$285,500. This figure represents no change from the previous six month period, however does represent a contraction of six per cent from the corresponding period 12 months earlier.

ASHMORE AREA UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

Observing the Unit Price Points chart, it can be seen over the half year period to April 2013, where there was no change from the previous October 2012 half year period, that the lower end of the market saw a large amount of transactions. The \$150,000 to \$199,999 price point accounted for a total 21 per cent of transactions during the six months to April 2013, up from only seven per cent during the previous October 2013 six month period. In this same time period the \$400,000 to \$499,999 price point grew from two per cent in October 2012 to 11 per cent in April 2013. Over the 12 months to April 2013, the shift to this lower end of the market is further evidenced. The \$450,000 plus price point contracted from 15 per cent down to only five per cent of total transactions for the six months. Again, the popularity of the \$150,000 to \$199,999 price point was evidenced as 12 months earlier it accounted for only six per cent of total sales. This could be a result of an increased amount of product in this lower price range coming to the market, as sellers adjust their prices downwards in order to effect a sale.

The Ashmore Area rental market has been steady, if not stagnant, over the past three years. As the house market dominates the majority of the market, it is unsurprising that this is where the rental increases have been seen, as it is obviously a product that is in higher demand. Three and four bedroom houses saw the highest increase of \$15 per week over the 12 months to the March 2013 quarter. With the Ashmore Area set to benefit from various infrastructure projects occurring around it (e.g. the Gold Coast light rail system) as well as the upcoming Commonwealth Games, investors may be able to identify opportunities in the market that represent good yields looking into the future.