

# SIPPY DOWNS

Property Watch®



Typical residence at Sippy Downs

## MARKET INDICATORS

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

The indicators depicted above are based on the year ending January 2013, except for aggregate rental indicators which reflect quarterly data up to March 2013.

## KEY HIGHLIGHTS

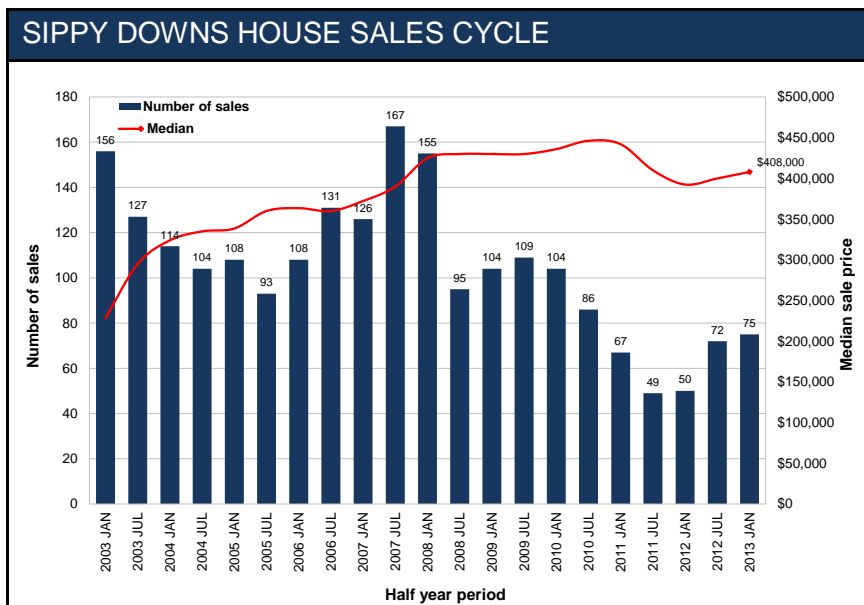
- The emergence of the Sippy Downs Town Centre and technology hub combined with a more flexible approach to development in the area should help Sippy Downs achieve its intended role of being a major regional activity centre
- Sales activity received a notable 50 per cent improvement over 12 months to January 2013.

## SIPPY DOWNS MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of Sippy Downs. The Sippy Downs community is located approximately 90km from the Brisbane CBD, bounded by the Bruce Highway and Sunshine Motorway to the west and by the Mooloolah River National Park to the east. Only 10 minutes from the Sunshine Coast's best surf beaches, the suburb boasts a serene backdrop, while also being the education hub of the Sunshine Coast, home to both Chancellor State College and the University of the Sunshine Coast. The suburb is also preparing to turn soil on the new Sippy Downs Town Centre mixed-use development, aimed at helping Sippy Downs achieve its intended role of a major regional activity centre.

The Sippy Downs property market has continued its recovery, with recent sales activity in the house market continuing its improvement from historical lows from late 2011 into early 2012. The house market registered 75 sales in the six months to January 2013, a notable increase of 50 per cent over the corresponding period in 2012. Land transactions were also non-existent, with only two sales registered during the January 2013 half year period. The obvious lack of land sales is due by large to an absence of residential subdivision available in the area, combined with a general lack of supply.

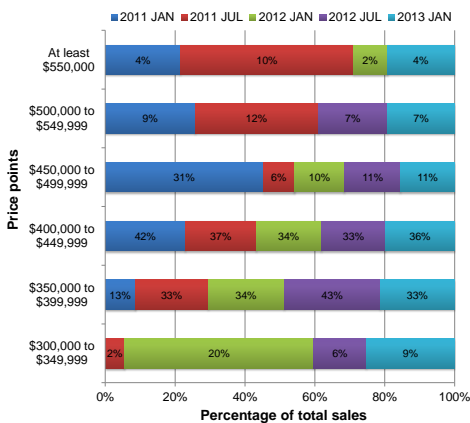
The unit market in the Sippy Downs Area is historically not a large portion of the overall property market in Sippy Downs, and this trend has continued into the January 2013 half year period. The area recorded only 14 transactions for the period, with a median price of \$180,000. Again this is largely due to supply factors; however the development of the Sippy Downs Town Centre is set to deliver some 201 new units to the area, which will be largely aimed at meeting the needs of university students who wish to reside near campus.



Prepared by PRDnationwide Research. Source: PDS

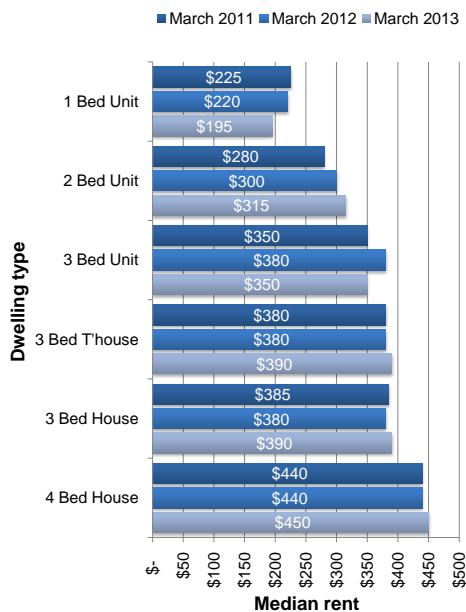
# Large investment in Sippy Downs is set to create jobs in the suburb, as it seemingly has begun to feel the effects with the rise in sales figures and median price

## HOUSE PRICE POINTS CHART



Prepared by PRDnationwide Research. Source: PDS

## MEDIAN RENTS (4556 PC)



Prepared by PRDnationwide Research. Source: RTA

Observing the House Price Point chart, it can be seen that affordable property in the sub \$400,000 price range is the highly sought after, making up 42 per cent of transactions during the January 2013 six month period, the higher end has begun to see some life after remaining subdued throughout 2012. Properties priced from \$500,000 plus accounted for 11 per cent of sales in the January 2013 period, an improvement of nine per cent from the corresponding 2012 period, which saw very little activity at this end of the market. Perhaps the most surprising finding from the Price Point chart is that properties in the \$350,000 to \$399,999 price bracket came back 10 per cent (over the six months to January 2013), while the \$300,000 to \$349,999 bracket contracted 11 per cent over the 12 months. This move away from the lower end of the market implies sellers are less willing to discount their prices, and buyers have accepted the price corrections.

Sippy Downs recorded a median house price of \$408,000 in the January 2013 half year period, representing an increase of four per cent over the corresponding period in 2012. With the number of transactions increasing combined with a growth in median price, it would appear that the market is gaining traction, likely driven by the huge amount of investment going into the suburb.

The rental market in Sippy Downs has remained flat, with little significant changes to note. Over three years, two bedroom units have seen the best average annual growth in both bonds and weekly median rent. In the March 2013 quarter, one bedroom units saw the number of new bonds increase a massive 481 per cent over 12 months. In turn, due to the obvious flooding of one bedroom units coming to the market, median weekly rent was affected, as it dropped 11 per cent over the year. Although the rental market has remained relatively inactive in terms of growth over the past three years, the recent rise in the number of transactions over the past year indicates Sippy Downs is not a market driven by investors, but rather lifestyle factors.

The Sunshine Coast as a whole has seen an improvement over the 12 months to January 2013 with median price remaining level at \$450,000, while sales have improved 19 per cent. The region is beginning to feel the effects of major investment along the Sunshine Coast. According to the Urban Development Institute of Australia, there are five key economic drivers for the Sunshine Coast region. The most influential of these is the \$2bn Sunshine Coast University Hospital Precinct, which will not only generate over 11,000 constructions jobs, but once completed will also become the Sunshine Coast's single largest employer. Also on the UDIA list is the Sippy Downs Town Centre/Palmview. Palmview is a major master planned community which is estimated to create some 7500 dwellings. The Sippy Downs Town Centre and Technology Hub are due for completion in 2014. The Council has also implemented a Temporary Local Planning Instrument which will override the existing Maroochy Plan 2000 and has been introduced in order to promote a flexible mix of residential and non-residential development. Finally, the Sunshine Coast has become an attractive prospect for resource sector employees to settle down, with the Sunshine Coast Airport facilitating flights to major regional mining hubs. The lifestyle and family-friendly nature the Sunshine Coast provides make it ideal for high-income earning resource employees, in turn putting money back into the local community.

With very strong economic drivers present along the Sunshine Coast, a compelling argument can be made that these will underpin the property market in years to come. A focus on jobs, both short term and long term, will see the Sunshine Coast remain a viable option for both investors as well as local residents to enter the property market. With existing local schools and shopping facilities, as well as the tertiary institutions, combined with the future planned infrastructure upgrades and major developments, Sippy Downs will continue to see growth.