

WARWICK AREA

Property Watch®

PRD nationwide



MARKET INDICATORS

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

Indicators are based on the year ending 31 December 2012, except for rental indicators which are based on quarterly data ending 31 December 2012.

KEY HIGHLIGHTS

- Drop in sales figures has been the outcome of a lack of product on the market, as opposed to a lack of demand in the Warwick Area.
- Affordable property and a growing interest from investors due to Warwick's proximity to mining operations should see the area continue to grow, with both sales numbers and median price increasing.
- It seems the rental market has found equilibrium, as vacancy rates are around one per cent while rents remain steady.

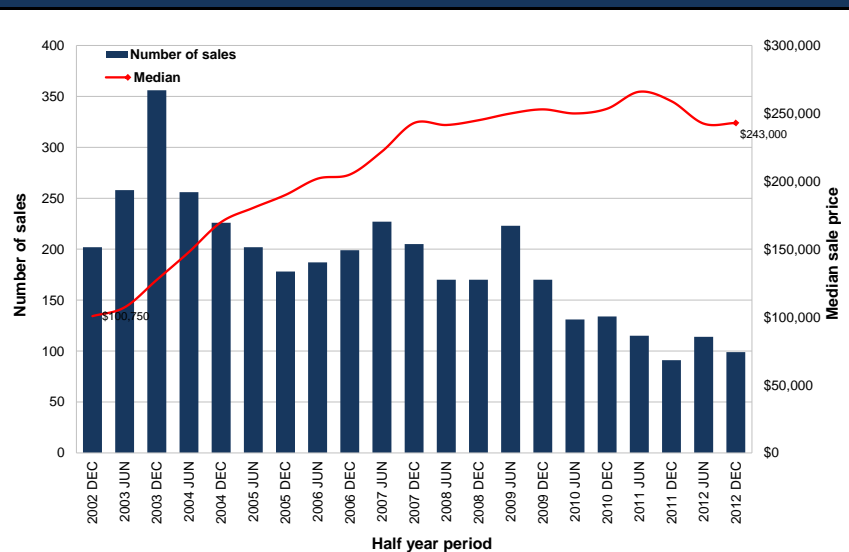
WARWICK AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current residential real estate market trends of the Warwick Area. For the purpose of this report, the Warwick Area will look at the suburbs of Warwick, Rosenthal Heights and Allora.

The Warwick Area house market has performed solidly without being exceptional. The number of transacted sales for the December 2012 period totalled 99, a 13 per cent decrease on the previous six month period; however a nine per cent increase when compared to the corresponding period 12 months ago. This drop in sales has been due to a lack of available stock on the market, rather than a decrease in demand. As well as this, flooding in the town will have played a part in the drop in sales. The median price for the house market experienced a nominal increase to record a final median price of \$243,000 for the six month period ending 31st December 2012.

Observing the Price Points Chart, it shows a favouring for affordable property in the area. A quarter of transactions for the period occurred in the \$200,000 to \$249,999 price bracket, while sales under \$149,999 accounted for 13 per cent of transactions. The most active buyers in the area include retirees who are looking for a country escape, first home buyers looking to enter the property market, and investors who recognise the regional significance and future potential that Warwick possesses. Unsurprisingly being a regional, primary producing town, a majority of sales (27 per cent) were houses on 1,500 plus square metres of land.

WARWICK AREA HOUSE SALES CYCLE

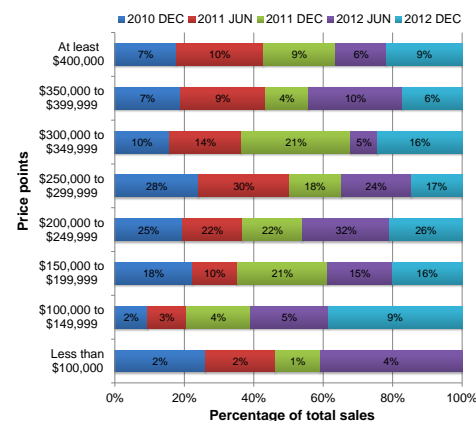


Prepared by PRDnationwide Research. Source: PDS

The land market in the Warwick area (including both vacant land and new home sales) has been trending upward in recent times. The most recent December 2012 period recorded a median land price of \$105,000, improving by two per cent over the previous period, and by seven per cent over 12 months. There were 19 recorded transactions during this period, well down on the corresponding period in 2011 where there were 40 recorded transactions. Again, this is due by and large to a lack of supply in the region, as opposed to a lack of interest in the market.

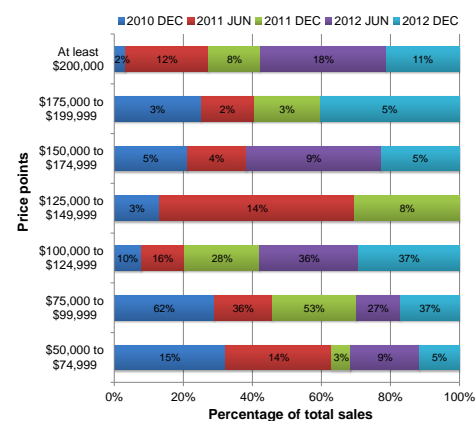
The Price Points Chart indicates an obvious leaning toward affordable land in the Warwick Area. The \$75,000 to \$99,999 price bracket experienced a 10 per cent increase in activity during the December 2012 half year period. Almost 80 per cent of transactions were below \$100,000. The increased number of transactions in lower priced property has coincided with a dramatic interest in blocks of land under 700 m2, which totalled 53 per cent of transactions during the December 2012 period, which is a 44 per cent increase on the previous six month period.

HOUSE PRICE POINTS



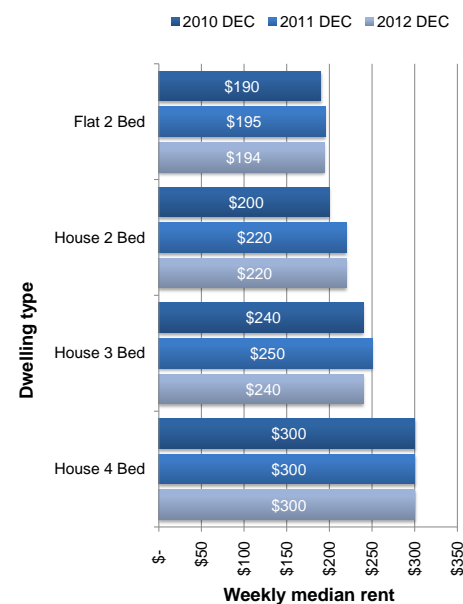
Prepared by PRDNationwide Research. Source: PDS

LAND PRICE POINTS



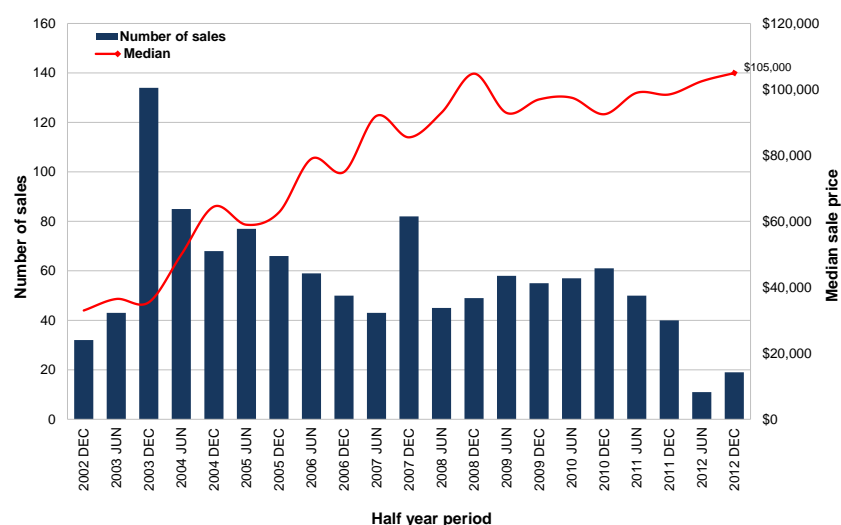
Prepared by PRDNationwide Research. Source: PDS

MEDIAN RENTS – 4370 PC



Prepared by PRDNationwide Research. Source: RTA

WARWICK AREA LAND SALES CYCLE



Prepared by PRDNationwide Research. Source: PDS

The Warwick rental market can best be described as a solid performer. Over the past three years across the most prominent dwelling categories, there have been few rental increases or decreases. It seems the rental market has found equilibrium, as vacancy rates are around one per cent while rents remain steady. However, as the township grows thanks to its advantageous and significant position amongst the Southern Downs, the rental market may experience some undue pressure.

In the coming future, it is predicted that the regional significance of Warwick will continue to grow, as it benefits from its relative close proximity to its big brother Toowoomba. As Toowoomba has become somewhat of a gateway for mining operations to the West, Warwick is set to benefit as land in Warwick (both residential and industrial) is vastly cheaper compared to Toowoomba. As well, it is well serviced by the major transportation networks of the Cunningham Highway and New England Highway. Companies will inevitably begin to weigh up the cheaper cost of land in Warwick combined with the additional transportation costs involved in moving their product further as opposed to the higher land costs in Toowoomba. Historically better well known as a primary producing town, the Warwick region has been feeling the flow on effects of the resource sector, and this is expected to continue into the future as local residents take advantage of employment opportunities.