

TOWNSVILLE AREA

Property Watch®



TOWNSVILLE 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 Townsville Area. For the purpose of this report, the Townsville Area will look at the suburbs of Aitkenvale, Burdell, Fairfield Waters, Idalia, Kelso and Kirwan.

In the six month period ending October 2012, the Townsville house market has experienced a slight deterioration, with both sales volumes and median price experiencing minor downturns. Since the October 2009 six month period, sales have remained steady in the Area, experiencing slight fluctuations in the April 2011 and 2012 periods, however recording an average of 380 sales per six month periods. In the period ending 31st October 2012, sales levels fell 12 per cent from the previous six period. Median price dropped to \$350,000 for the period, a fall of six per cent on the previous period. Since its historical high in the October 2010 period, the median price for the Townsville Area has been experiencing a downward correction. As this downward correction continues, it can be expected that the Townsville Area will begin to see higher levels of sales activity, as buyers take advantage of attractive lending conditions on offer, combined with more affordable property.

A price point analysis prepared for the house market reveals a downward shift toward more affordable housing in the Area. Houses priced from \$200,000 to \$399,999 accounted for 71 per cent of sales for the October 2012 six month period, an increase of nine per cent on the previous six month period. Concurrent with this, houses priced from \$400,000 to \$499,999 fell nine per cent to total 19 per cent of sales during the period. This downward shift in price point is coupled with an increase in demand for smaller block sizes in the Area, with the demand for blocks under 499 sqm increasing four per cent.

MARKET INDICATORS

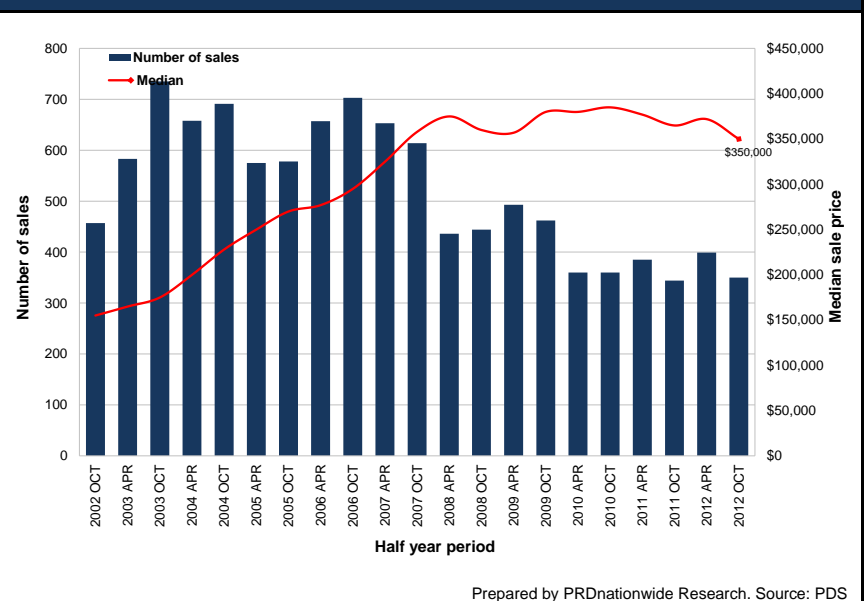
Change from Last	Year	Half Year
HOUSE SALES	↑	↓
HOUSE MEDIAN	↓	↓
HOUSE RENTS	↑	↓
UNIT SALES	↑	→
UNIT MEDIAN	↓	↓
UNIT RENTS	↓	↑

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

KEY HIGHLIGHTS

- The median price for the Townsville Area has continued its downward correction, which is expected to result in an increase in buyer activity as they take advantage of more affordable property
- The \$200,000 to \$399,999 price range accounted for 71 per cent of market activity during the October 2012 period, up nine per cent on the previous six month period

TOWNSVILLE AREA HOUSE SALES CYCLE

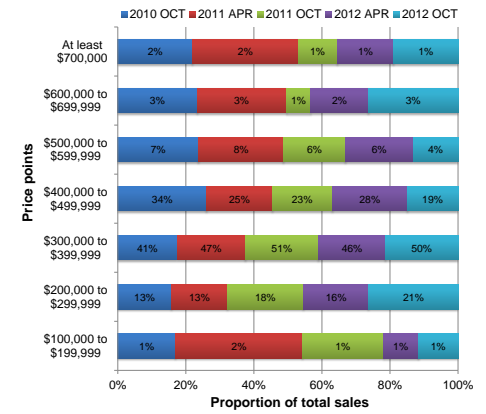


Prepared by PRDnationwide Research. Source: PDS

The Townsville Area unit market amounts to only a small portion of the total property market in the Area. However this market experienced a marked improvement over the previous six month period, recording 43 transactions during the six months to 31st October 2012. The total number of transactions represents more than double than that of the previous six month period, and represents levels not seen since the April 2008 period. This suggests that there has been an increase of stock on the market at attractive prices, inducing higher sales figures. The median price has remained steady over the 12 months, recording a median price of \$265,000 for the period.

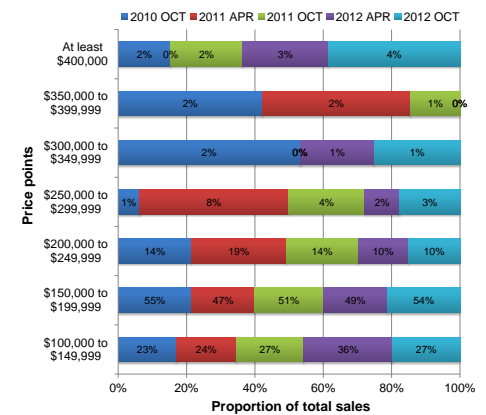
The vacant land market in the Townsville Area has seen sales drop off significantly in the period ending October 31st 2012, however has witnessed growth in the median selling price. The Area had its poorest showing in the past ten years, recording only 89 sales for the period, a drop of 56 per cent from the previous six month period. At the same time however, the median price improved eight per cent to close the period at \$169,500. The suburb of Burdell in the Townsville Area remains the most popular location for land buyers, recording 69 per cent of sales for the period, up 16 per cent on the previous six month period. With a number of new land developments located in Burdell, it has consistently been the most attractive location for land purchasers to buy into.

HOUSE PRICE POINTS

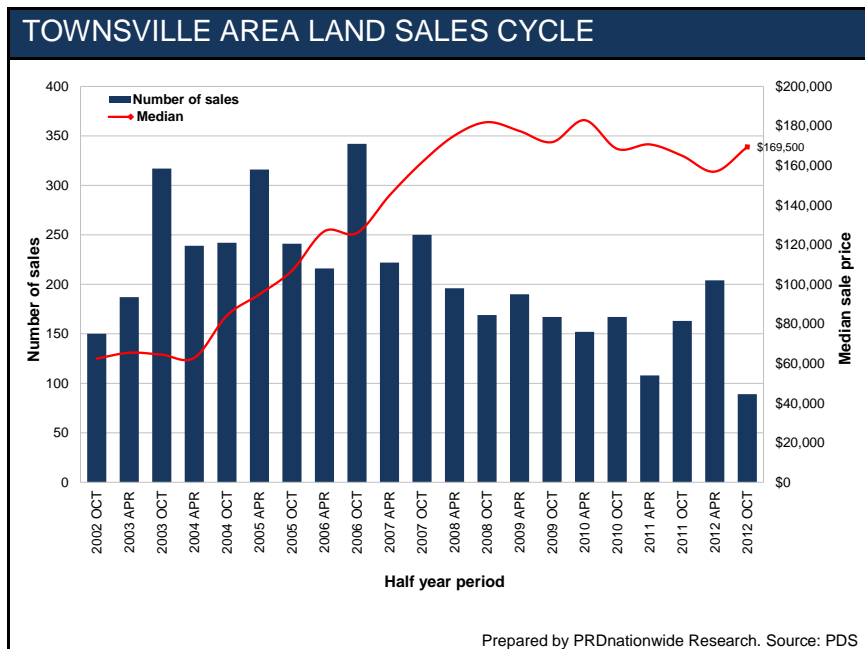


Prepared by PRDnationwide Research. Source: PDS

LAND PRICE POINTS



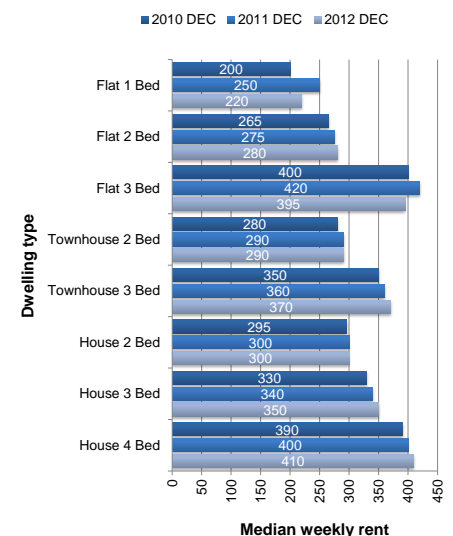
Prepared by PRDnationwide Research. Source: PDS



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The Townsville Area rental market, identified as the Townsville Local Government Area (LGA), has been a subdued performer over the past 12 months in terms of growth, with small increases seen in the larger dwelling types. Conversely, one and three bedroom units experienced reductions of thirty and twenty-five dollars per week respectively. This drop in median rent in these units could be attributed to an oversupply of rental stock. As such the market has been somewhat flooded, pushing rental prices down from 2011 highs. With a number of projects currently in the pipeline in the Townsville Area, and interest coming from southern investors as well as local residents, increased downward pressure will be placed on the rental market.

MEDIAN RENTS – TOWNSVILLE LGA



Prepared by PRDnationwide Research. Source: RTA

Suburb	Oct 2010	April 2011	Oct 2011	April 2012	Oct 2012
Aitkenvale	1%	2%	1%	1%	1%
Burdell	54%	69%	66%	53%	69%
Idalia	16%	13%	10%	14%	10%
Kelso	28%	10%	20%	26%	15%
Kirwan	2%	6%	4%	5%	6%

Prepared by PRDnationwide Research. Source: PDS