

COFFS HARBOUR

Property Watch®



An artist's impression of the Coffs Central Shopping Centre

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 December 2012.

KEY HIGHLIGHTS

- The median values of property climbed in the 12 months to December, equating to 2.9% for a house and 7.7% for a unit.
- The area experienced strong demand from investors enticed by a low interest rate and stable or rising rent prices.
- Demand for new units was demonstrated by sales in an Ocean Parade apartment building and by the development of a new apartment block in Coffs Harbour Jetty.

MARKET OVERVIEW

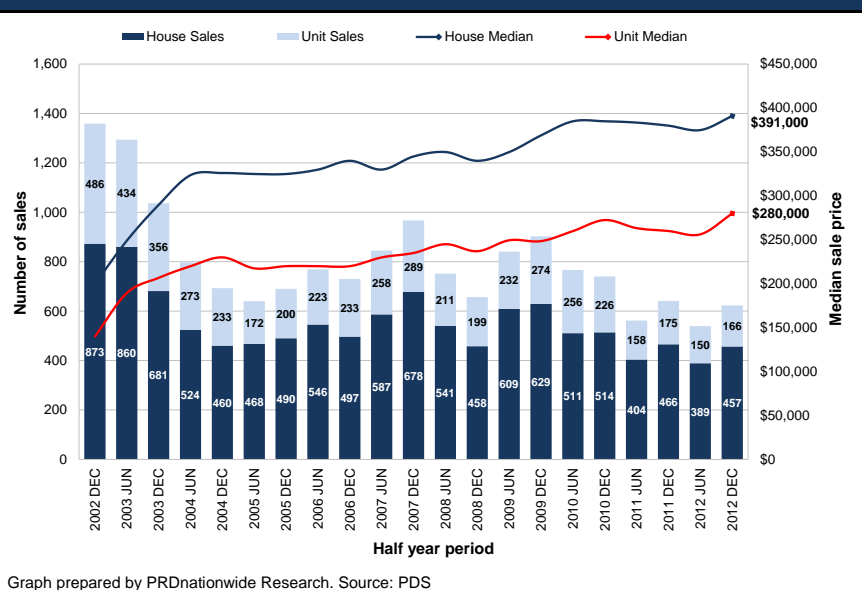
The Coffs Harbour Property Watch Report analyses the performance of the residential real estate market within the Coffs Harbour Local Government Area (LGA). The Coffs Harbour market has stabilised after several periods of decline in activity. The area experienced strong demand from investors enticed by a low interest rate and stable or rising rent prices. The retail market in the coastal city is strengthening, with major redevelopments of the Coffs Central and Park Beach Plaza shopping centres and the construction of a new Aldi store in Toormina. The construction of a new GP Super clinic on Stadium Drive will expand the local healthcare sector, easing a chronic shortage in GP services.

The house market eased with 457 transactions in the second half of 2012, compared with 466 transactions in the corresponding period in 2011. The marginal decline in activity was brought by a fall in first home buyers' enquiry and a measured interest from upgraders.

Unit sales (including townhouses, apartments and villas) experienced a five per cent decline in activity compared to the six months to December 2011. Units in Coffs Harbour and Coffs Harbour Jetty recorded a level of sales similar to the 2011 period. The suburb accounted for 66 per cent of sales followed by Toormina (eight per cent) and Sawtell (seven per cent). The development of new multi-unit buildings has been slow as the cost and availability of finance and uncertain market conditions kept developers away.

However, demand for new units was demonstrated by the sale of all apartments in the Platinum building on Ocean Parade. Most of the stock in this 36-unit building was sold to downsizers seeking security and easy access. Currently a 10-unit building is under construction on Moore Street, with three bedroom apartments priced between \$495,000 and \$585,000.

COFFS HARBOUR LGA HOUSE & UNIT SALES CYCLE



HOUSE PRICE POINTS 6 MONTHS TO DECEMBER 2012

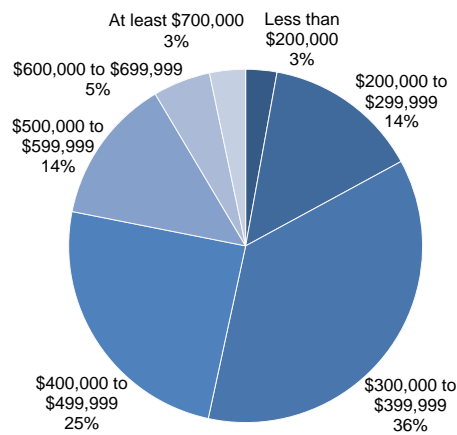


Chart prepared by PRDnationwide Research. Source: PDS

Middle values of property climbed in the 12 months to December, equating to 2.9 per cent for a house and 7.7 per cent for a unit. House sales have experienced a decline in affordable stock (\$200,000 to \$299,999 bracket) and a rise in sales in the \$400,000 to \$499,999 price point. Most stock remained in the \$300,000 to \$400,000 range, accounting for 36 per cent of house sales. The recent rise in median unit price was a result of sales in the \$500,000 plus price point, with new and existing stock the cause for the strong growth. This bracket represented 10 per cent of sales in December 2012 compared to six per cent in December 2009.

First home buyers' activity declined with the withdrawal of incentives for the purchase of existing homes. However, investment activity increased as purchasers, many of whom were first timers, targeted high-yielding product toward the bottom end. The local market provided sufficient supply, with 23 per cent of units transacting for less than \$200,000. Experienced local and interstate investors returned to the region as a low interest rate and firm rental yields minimised their monthly outlay. Rental demand for houses was reflected in the 2.9 per cent increase in the median weekly rent for a three bedroom house in the 12 months to December 2012 (\$350 per week). For the same period the median rent for a two bedroom unit eased to \$240 per week.

Coffs Harbour (2450 postcode) recorded a February vacancy rate of 1.9 per cent while to the north Woolgoolga's vacancy increased to 2.1 per cent. Both figures pointed to a firm rental market.

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COFFS HARBOUR LGA PERFORMANCE BY REGIONS

Region	Activity		Median price	
	Dec-12 half year	12 month change	Dec-12 half year	12 month change
HOUSES				
Woolgoolga region	74	-23	\$410,000	8%
Coffs Harbour region	171	-1	\$370,000	2%
Sapphire Beach region	32	-14	\$503,500	8%
Sawtell region	121	-2	\$370,000	6%
UNITS				
Woolgoolga region	10	2	\$332,000	SNR
Coffs Harbour region	110	-10	\$277,500	8%
Sapphire Beach region	13	-5	\$450,000	SNR
Sawtell region	33	-4	\$259,000	5%

Table prepared by PRDnationwide Research. Source: PDS
SNR = statistically not reliable

Woolgoolga region: Arrawarra Headland, Emerald Beach, Mullaway, Safety Beach, Sandy Beach, Woolgoolga, Corindi beach

Coffs Harbour region: Coffs Harbour, North Boambee Valley

Sapphire Beach region: North sapphire, Sapphire Beach, Korora, Moonee Beach

Sawtell region: Boambee East, Boambee, Sawtell, Toormina

The table above divided the coastal part of the LGA into four distinct regions. The table highlights the general decline in activity between the December 2011 six months and the corresponding period in 2012, with the Woolgoolga region the only one to record growth in activity. The median price increased across all regions, with strong results for houses in the Woolgoolga and Sapphire Beach regions and for units in the Coffs Harbour region.

UNIT PRICE POINTS 6 MONTHS TO DECEMBER 2012

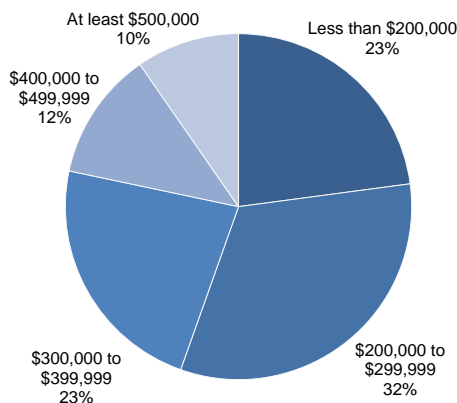


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