

BUDERIM AREA

Property Watch®



BUDERIM AREA MARKET OVERVIEW

The following investigation looks at the Buderim Area residential real estate market which encompasses the suburbs of Buderim and Mountain Creek. The Buderim Area has continued its improvement into the October 2012 half year period, persisting since its poor showing in the six month period ending April 2011. The house market has outperformed the unit market in the area, with the unit market still correcting itself after the highs seen in late 2009 through to early 2010.

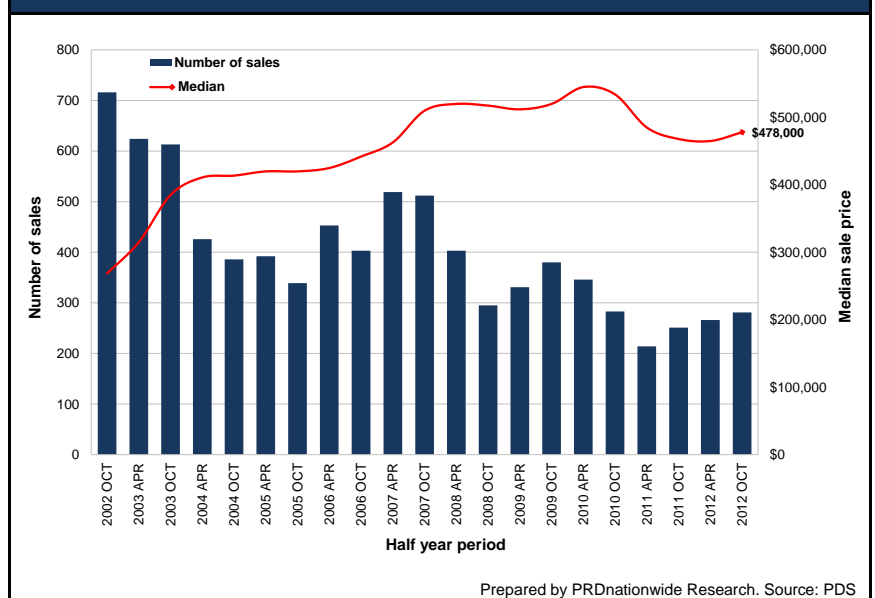
In the half year period ending October 2012, the Buderim Area house market experienced an improvement in median price to \$478,000, an increase of three per cent over the previous six month period. Furthermore, it was a two per cent improvement on the corresponding period for the previous year, evidencing the market is experiencing steady, sustainable growth. The housing market in the Buderim Area at present represents solid value for money, with sellers being realistic in their pricing. In the future, it is likely there will be a levelling off in the market, as buyers and sellers reach an equilibrium in the market.

MARKET INDICATORS

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

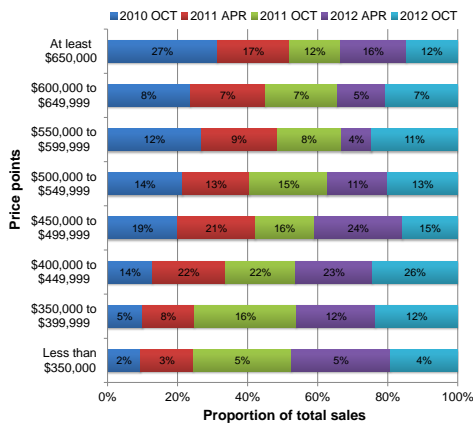
The indicators depicted above are based on the October 2012 half year period, with exception to rental indicators which are based on the September 2012 quarter period.

BUDERIM AREA HOUSE SALES CYCLE



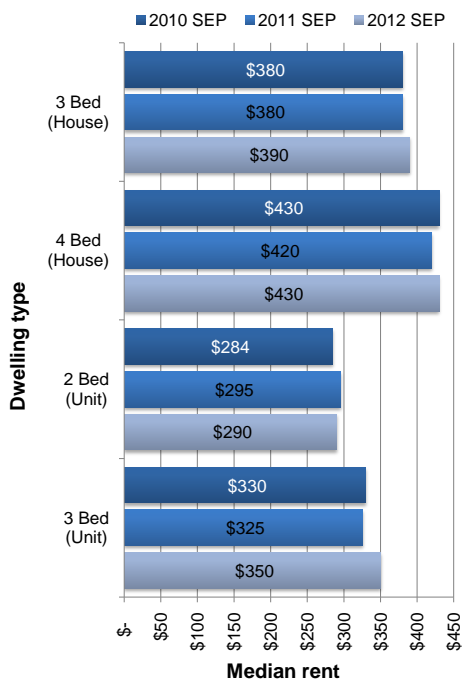
Observing the House Price Points chart, it can be seen that there has been little movement in buyer demand over the past year. The \$400,000 to \$449,999 price bracket continues to be the most favoured amongst buyers, accounting for 26 per cent of sales, improving three per cent on the previous six month period. Interestingly, the \$450,000 to \$499,999 price bracket experienced a contraction of nine per cent, suggesting that some sellers in this price bracket have had to revise their price down in order to sell their property. The other price range improvement worth noting is the \$550,000 to \$649,999 range, which also saw a nine per cent improvement from the previous six month period.

HOUSE PRICE POINTS



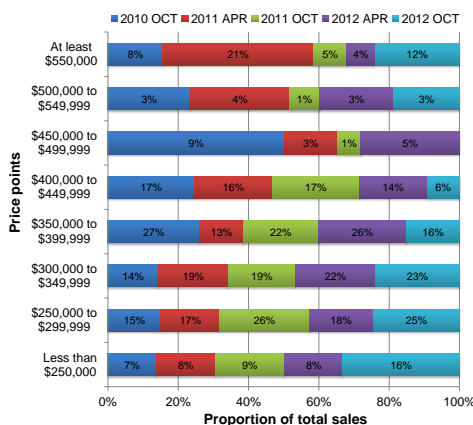
Prepared by PRDnationwide Research. Source: PDS

MEDIAN RENTS – 4556 PC



Prepared by PRDnationwide Research. Source: RTA

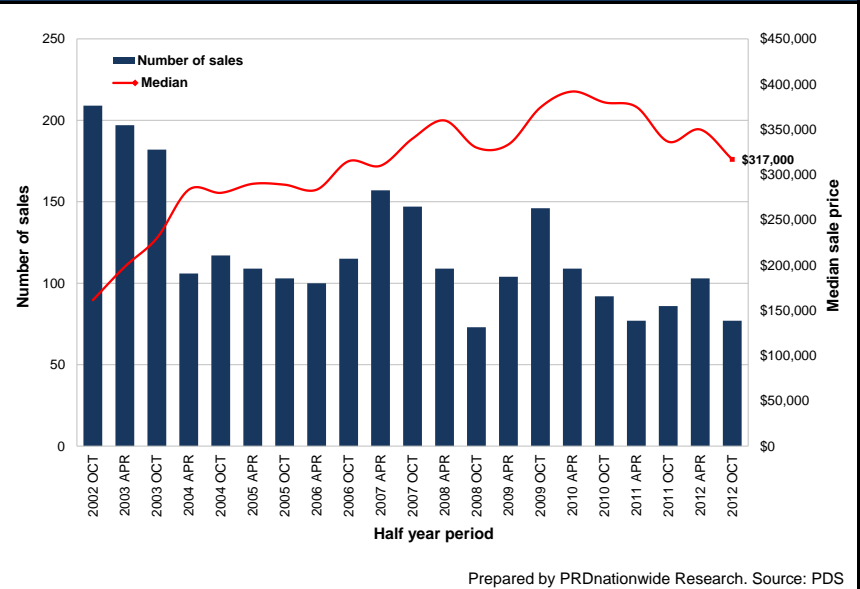
UNIT PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

The unit market in the Buderim Area has performed poorly in the six month period ending October 2012. It experienced a drop off in both median price as well as sales volumes. The median price closed the period at \$317,000, representing a nine per cent drop from the previous half year period. Sales volumes dropped off a total of 25 per cent, with the Area recording 77 unit sales for the half year period. This drop off in both sales volume and median price is stemming from sellers with unrealistic pricing expectations. Some sellers who have purchased within the previous five years are under pressure to sell, and as such are trying to minimise any loss suffered. This, coupled with an absence of investors in the market, likely means the Buderim Area unit market will continue its contraction.

BUDERIM AREA UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

The Unit Price Points chart further reiterates the statements made above, with properties priced under \$299,000 receiving a 15 per cent boost in buyer activity compared to the previous six month period. In the same six month period ending October 2012, properties priced between \$350,000 to \$449,000 experienced an 18 per cent decline in activity. The other big boost came in properties priced at \$550,000 or more, which grew from four per cent to 12 per cent. The shift towards more affordable product is evident, as buyers look to get better value for money in their buying decisions. Buyers today, more than ever, are more informed about the market, and therefore sellers are having to price their property accordingly, or risk longer selling times.

The Buderim Area rental market (represented by the 4556 post code) has seen some slight improvements in the year to September 2012, with most dwelling categories experiencing rental increases over the year. The biggest improver was in the three bedroom units, which increased \$25 to \$350 per week. Three and four bedroom houses also improved by \$10, recording \$390 and \$430 per week respectively. With investors remaining notably quiet in the market, it is expected rental prices will continue to increase slightly before levelling off, as vacancy rates tighten. There are opportunities within the unit market for investors to purchase a well-priced three bedroom unit, and achieve respectable yields.

The Buderim Area land market has experienced a marked 41 per cent decline in sales activity, having only registered 60 settlements during the October 2012 period, compared to 101 during the April 2012 period. Residential land estates in Mountain Creek account for the majority of land sales in the area, with recent sales data verifying a considerable slowdown in the market for new house and land product. The median land price remains buoyant with a median price of \$271,125 recorded for the October 2012 period.