

# HELENSVALE AREA

Property Watch®

PRD nationwide



'Central' residential apartments, Helensvale

## KEY MARKET INDICATORS

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

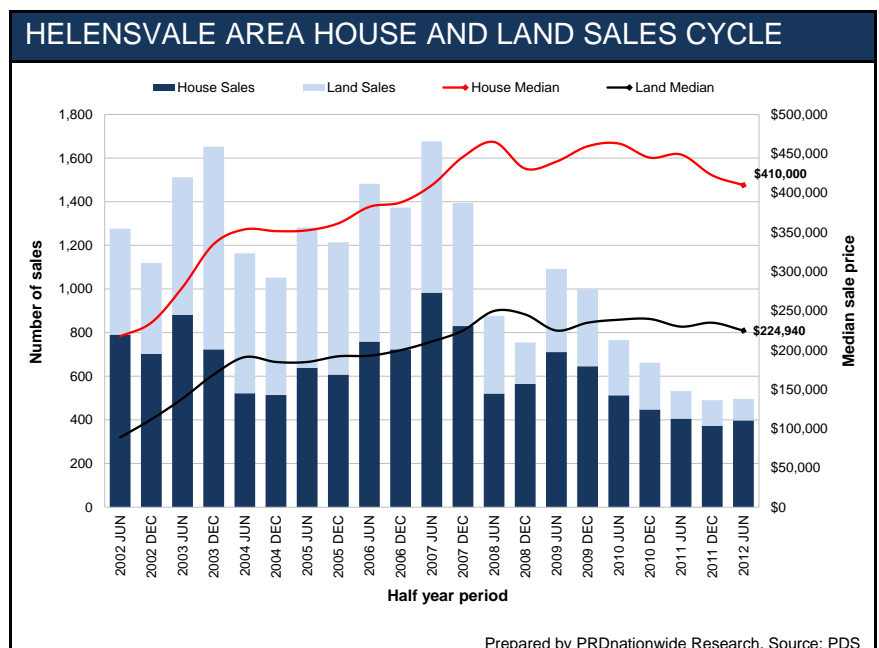
Indicators are based on the year ending 30 June 2012.

## HELENSVALE 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 Helensvale Area. For the purpose of this report, the Helensvale Area encompasses the suburbs of Upper Coomera, Oxenford, Pacific Pines and Helensvale.

The Helensvale Area house market has demonstrated a modest improvement in sales volumes over the six months to 30 June 2012, as confidence in the local market and a decreased appetite for debt continue to restrict the market from any real progress towards a recovery in the immediate future. A total of 398 transactions were recorded during the June 2012 half year period, representing a 6.7 per cent rise in volumes from the previous December 2011 period though well below the 10 year average of 631 sales per half year period. Observing the Helensvale Area House and Land Sales Cycle, volumes for both existing and new house and land property have experienced a staggering fall from the stimulus driven 2008/ 2009 property market where fiscal and monetary policy served to curtail the collapse of the housing market during the onset of the Global Financial Crisis (GFC).

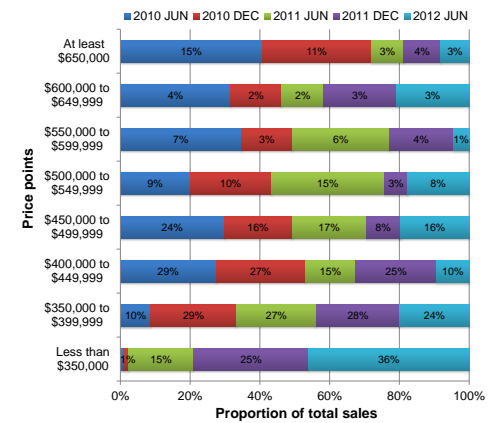
As evidenced by the acute fall in the median price since the June 2011 period, buyers have been rather reticent in their purchasing decisions, targeting properties in the established sub-markets that offer more affordable options. A price point analysis undertaken for the house market indicates that a growing number of buyers are gravitating towards the sub \$350,000 price range, accounting for 17 per cent of total sales in the June 2012 period compared to 7 per cent in the June 2011 period. The majority of sales (28 per cent) were noted in the \$350,000 to \$399,999 price bracket, whilst activity in the higher price points continues to contract year on year.



As a result, the median house price has softened considerably from the peak experienced in the June 2008 period to record \$410,000 for the June 2012 period. The prevailing median house price is on par with that recorded in the June 2007 half year period, implying no growth in the median house price over the past five years. Many vendors who bought property in the area three to five years ago are finding it increasingly difficult to sell their properties above the initial purchase price, and have in many cases been forced to make substantial price revisions in order to sell within a reasonable timeframe. A diluted buyer's pool has also hindered market performance, with investors and first home buyers absent from the market since 2008/2009 with the relatively high median house price and poor confidence in the market being the key deterrents.

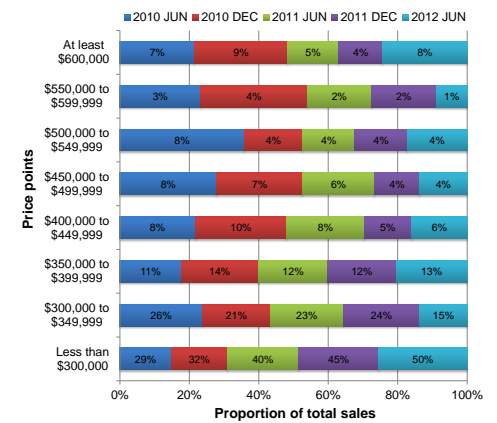
A significant correction to land values subsequent to the GFC has been the catalyst for eroding equity in many households and has resulted in a market saturated with stressed sales and mortgagee possessions. This has led to a large number of properties on the market sliding down a rung in the price point ladder, effectively diluting capital values. With that being said, some vendors in this position have been unable to reduce their pricing due to equity shortfalls, often withdrawing their properties from the market until such time market conditions improve. Consequently, the level of stock available on the market has decreased in recent years contributing to suppressed sales volumes. The number of new home/ vacant land sales recorded during the June 2012 period was at a historic low, with only 98 transactions noted for the area. Development activity has slowed down significantly since 2007 with almost all englobo land in the area already developed. The scarcity of land in the area has assisted in underpropping the median price for land despite a considerable softening in land values, particularly in high-end waterfront estates.

## HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

## UNIT PRICE POINTS



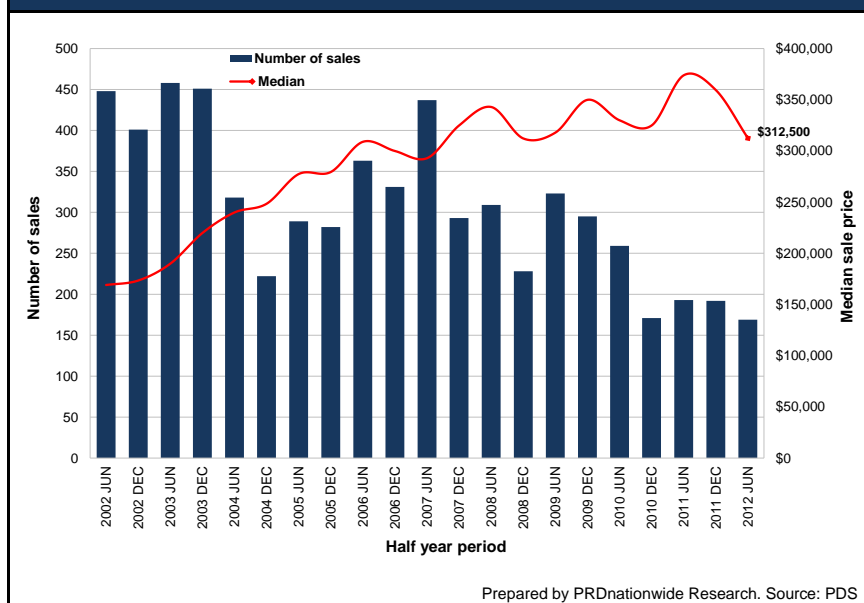
Prepared by PRDnationwide Research. Source: PDS

## JUNE 2012 HOUSE MARKET PERFORMANCE BY SUBURB

Median Price		
Suburb	June 2012 HY Period	Annual Change
Helensvale	<b>\$452,500</b>	-6.7%
Pacific Pines	<b>\$435,500</b>	-3.2%
Oxenford	<b>\$430,000</b>	-2.3%
Upper Coomera	<b>\$375,000</b>	-7.4%
Number of Sales		
Suburb	June 2012 HY Period	Annual Change
Upper Coomera	<b>127</b>	5.0%
Helensvale	<b>106</b>	-10.2%
Pacific Pines	<b>94</b>	-6.0%
Oxenford	<b>71</b>	6.0%

Prepared by PRDnationwide Research. Source: PDS

## HELENSVALE AREA UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

The Helensvale Area unit market has also failed to regain traction in light of current market conditions, recording a total of 169 sales for the June 2012 period. Traditionally, the unit market comprises of established unit complexes and townhouses with the inception of high rise apartments only new to the marketplace. Central is a mixed-use transport orientated development in Helensvale, which incorporates new high density residential buildings and commercial buildings within the established retail precinct anchored by Westfield Helensvale. Positioned with direct access to a range of public transportation and arterial roads, this type of development is enhancing the connectivity and liveability of the suburb, attracting interest from all buyer segments and influencing a change in demographics.