

# BURLEIGH HEADS AREA

Property Watch®

PRD nationwide



## BURLEIGH HEADS AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the Burleigh Heads Area, defined by the suburbs of Burleigh Heads, Burleigh Waters, Miami and Varsity Lakes.

During the six months to April 2012, the Burleigh Heads Area house market registered a total of 217 transactions, representing a marginal 3.1 per cent decrease in activity from the April 2011 half year period. Observing the Burleigh Heads Area House Sales Cycle chart, the house market has remained stagnant since the stimulus driven market of 2009/ 2010, where government incentives and low interest rates combined to underprop the market from the collapse experienced in 2008 following the Global Financial Crisis (GFC).

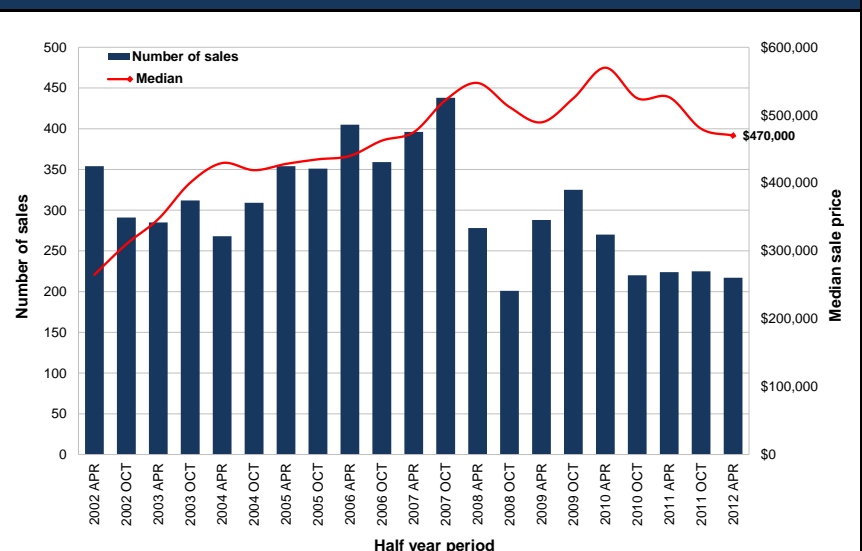
The median house price continues to soften in the Burleigh Heads Area, with a notable 10.7 per cent correction over the year to April 2012 bringing the median price back to levels recorded five years ago prior to the GFC. The House Price Points chart indicates a marked contraction in the level of sales activity within the higher end of the market, particularly within the \$500,000 plus price range. An expansion of sales activity has been evidenced within the \$400,000 to \$500,000 price range, reiterating the markets expectation for better value in the marketplace. Increased mortgage affordability resulting from consecutive interest rate cuts since November 2011 (on hold at 3.5 per cent as at August 2012) also appears to have made a positive impact to impeding a further decline in activity, as lenders continue to pass on these rate cuts (mostly in part) and develop more flexible, better value mortgage products. With that being said, the lack of listings across the Burleigh Heads Area house market will continue to anchor sales volumes for the rest of 2012, as vendors remain reluctant to list their properties or meet current buyer expectations until market fundamentals improve.

### MARKET INDICATORS

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

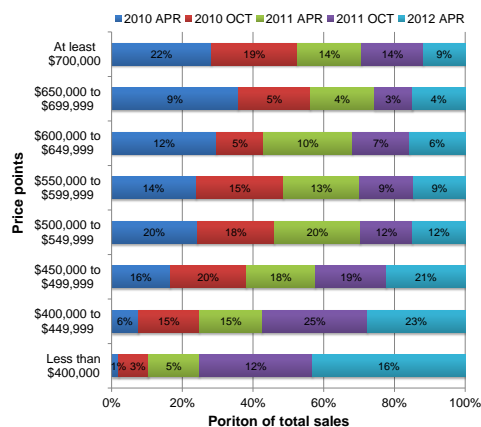
The indicators depicted above are based on the year ending April 2012, except for aggregate rental indicators which reflect quarterly data up to June 2012.

### BURLEIGH HEADS AREA HOUSE SALES CYCLE



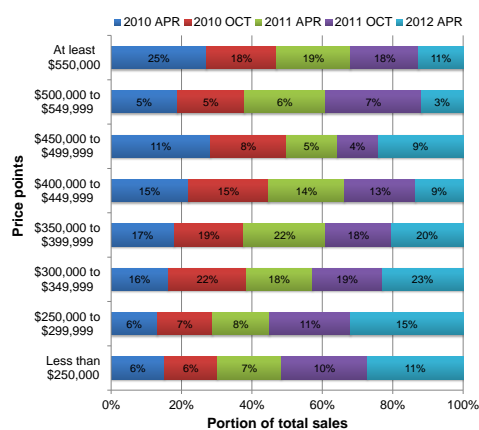
Prepared by PRDnationwide Research. Source: PDS

## HOUSE PRICE POINTS



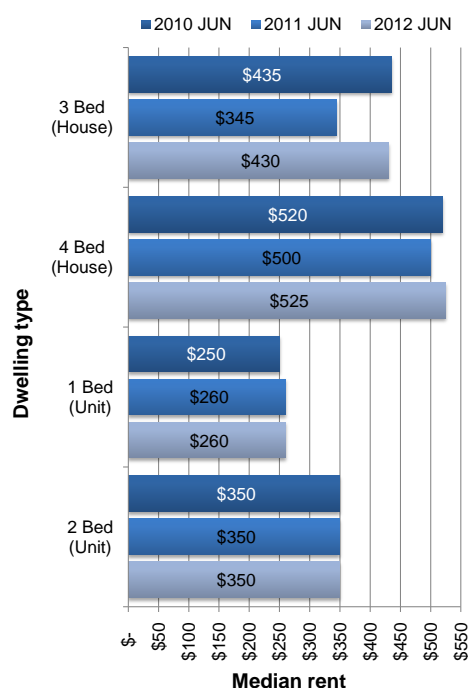
Prepared by PRDnationale Research. Source: PDS

## UNIT PRICE POINTS



Prepared by PRDnationale Research. Source: PDS

## MEDIAN RENTS – 4220 PC

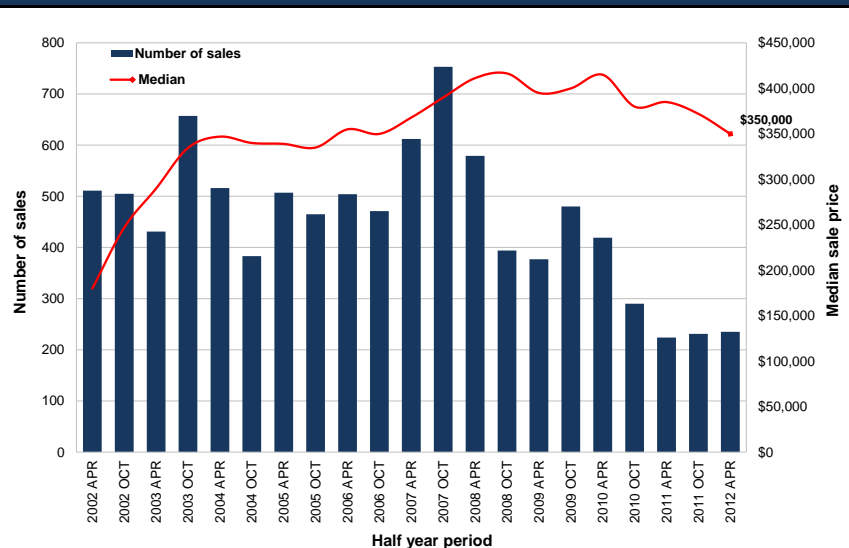


Prepared by PRDnationale Research. Source: PDS

Sales activity across the Burleigh Heads Area unit market has demonstrated a steady upward trend over the year to April 2012, registering a total of 217 transactions during the six months to April 2012. The 4.9 per cent increase in activity from the April 2011 period has been driven largely by further price corrections experienced over the year, with the median unit price trending down to an affordable \$350,000 during the April 2012 period. Interestingly, the volumes of unit sales over the past year have been on par with that recorded in the house market, with the cessation of developer activity restricting new supply additions exacerbated by the reluctance of vendors to entertain a market of bargain hunters. However, it is important to note that the house-unit price differential is perhaps at its widest point in over 10 years, making the unit market the more affordable option for many would-be buyers.

The Unit Price Points chart demonstrates a more radical shift in buyer demand, with nearly 50 per cent of total purchases in the April 2012 half year period occurring in the sub \$350,000 market. There was also a notable contraction in activity for premium unit stock, with the \$550,000 plus price range accounting for only 11 per cent of sales.

## BURLEIGH HEADS AREA UNIT SALES CYCLE



Prepared by PRDnationale Research. Source: PDS

Investor activity across the Burleigh Heads Area property market remains low, with little to no movement in rental price growth over the past three years encouraging many to look to other property markets that can offer competitive rental yields. Enquiry levels from end users (particularly first home buyers and those looking to downsize) have increased since the beginning of 2012 on the back of increased mortgage affordability and sustained price corrections. It is anticipated that sales activity will remain stagnant at least for the rest of 2012 as the market struggles to find a balance amidst concerns of enduring global and domestic economic uncertainty.

## MOST ACTIVE SUBURBS FOR THE APRIL 2012 HALF YEAR

House market	No. House Sales		Unit Market	No. Unit Sales	
	HY Apr-12	Annual Change		HY Apr-12	Annual Change
Burleigh Waters	103	20%	Burleigh Heads	102	13%
Varsity Lakes	57	-12%	Varsity Lakes	65	-7%
Burleigh Heads	34	-19%	Miami	41	8%
Miami	23	-26%	Burleigh Waters	27	4%

Prepared by PRDnationale Research. Source: PDS