

ARARAT AREA

Property Watch®



Acacia Tourist Park, Ararat

MARKET INDICATORS

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

The indicators depicted above are based on the twelve months ending February 2012.

KEY HIGHLIGHTS

- Strong capital growth has been seen for well positioned units in Ararat
- In spite of a moderate decrease in the median for February 2012, the ten year growth rate for houses stands at a very strong 9.5%

ARARAT AREA MARKET OVERVIEW

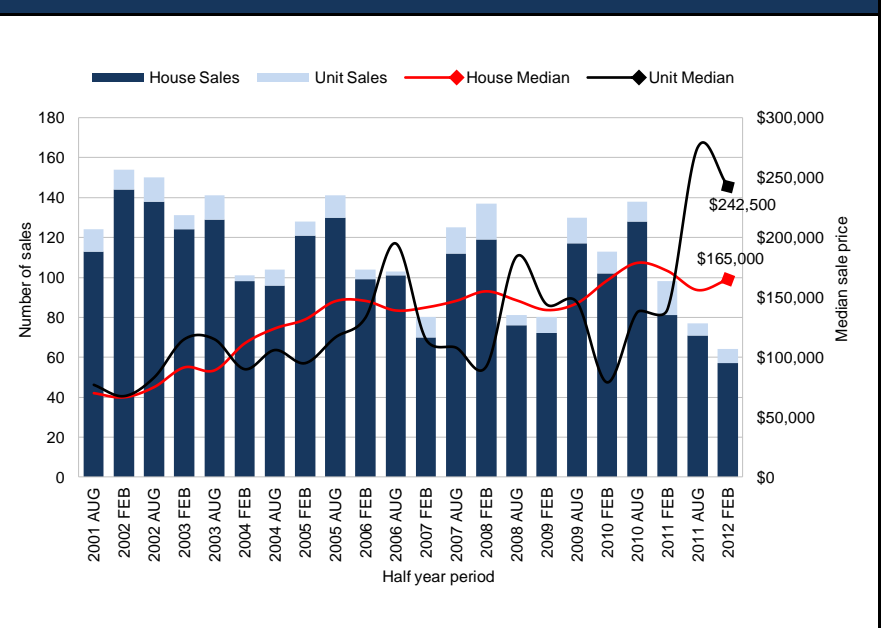
The following Property Watch report is the result of an investigation into the historic and current market trends of the Ararat Local Government Area, which encompasses approximately 4,230 square kilometres in the south west of Victoria. Ararat, the largest centre in the LGA with a population of just over 7,000 is situated to the North of the region, other townships include Moyston, Warrack, Buangor, Willaura, Wickliffe and Lake Bolac.

The six months to February 2012 saw some of the lowest transaction levels over the last ten years across all property types in the Ararat LGA. Volumes across Victoria have been almost universally lower, and the Ararat region was no exception. It appears that media reports of greater levels of caution, and higher levels of saving across Australian consumers are major contributors to the general slow down in property markets.

The February 2012 six months saw only 57 houses transact. This figure is 29.6% lower than the 81 transactions for the same period to February 2011. Unit sales are always at very low levels compared to other regions, with only one transaction having occurred outside of Ararat in the last ten years. Unit sales have averaged 11 transactions for a six month period over the five years to February 2011. The February 2012 six months saw 7 transactions recorded.

Vacant land sales have averaged 26 transactions for a six month period in the five years to February 2011, with transaction numbers ranging from 15 to 45. The February 2012 six months saw only 12 transactions recorded, a 53.8% decrease on the five year average. Transactions were spread across the region with Ararat (4) and Lake Bolac (3) followed by one transaction each at Elmhurst, Maroona, Moyston, Tatyoon and Wickliffe.

ARARAT AREA HOUSE & UNIT SALES CYCLE



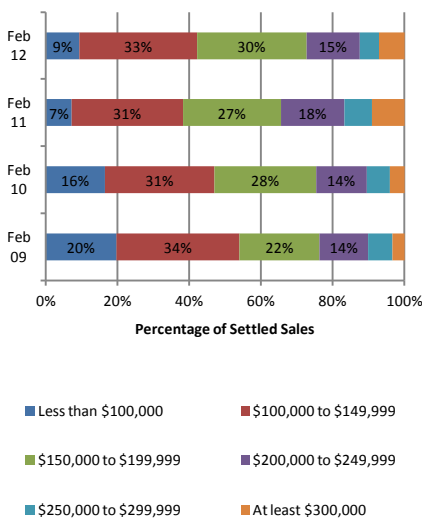
Prepared by PRDnationwide Research. Source: PDS

In spite of numerous short term fluctuations the vacant land ten year growth rate stands at a solid 8.9%

Given the lower transaction levels it is not surprising that prices generally softened across the region as well. The median house price for the six months to February 2012 closed at \$165,000, down 4.1% on the close from twelve months earlier, although it was significantly higher than the \$156,000 posted for the six months to August 2011. Local PRDnationwide Branch Manager David Jennings reports that recent interest and sales have been strong up to \$200,000 with houses over \$250,000 generally spending a little more time on the market.

The house price points table shows the strength of the \$100,000 to \$199,999 bracket which has increased its share of sales from 56% of the market for the twelve months to February 2009 to 63% of all sales for the same period in 2012. Sales under \$100,000 have decreased from a significant 20% of all sales to only 9% over this same period. Sales over \$200,000 have remained relatively stable at around 25% of the market over this period.

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

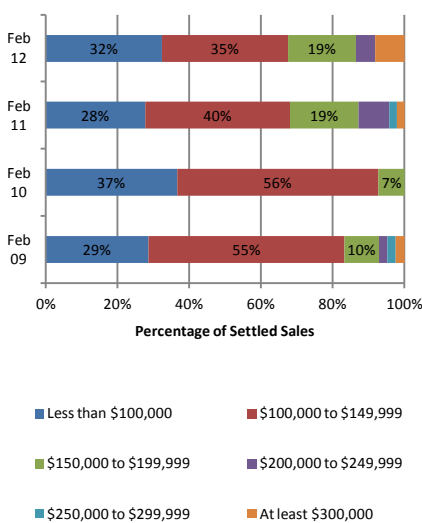
Unit prices defied the lower volumes to record a much stronger median price of \$242,500. Given that there were only seven transactions, not too much should be read into this figure. The majority of the properties that were sold are centrally located, newer stock, it would appear that for this period, most of the sales came from the higher bracket of properties. Having said that, the August 2012 six months closed with an even higher median of \$275,000 culminated from 6 transactions, with a very similar pattern of well located units selling.

Two of the 13 sales mentioned above had been previously purchased in the last ten years. Held for periods of four and six years, these two units returned capital growth of 15.8% and 8.0% per annum.

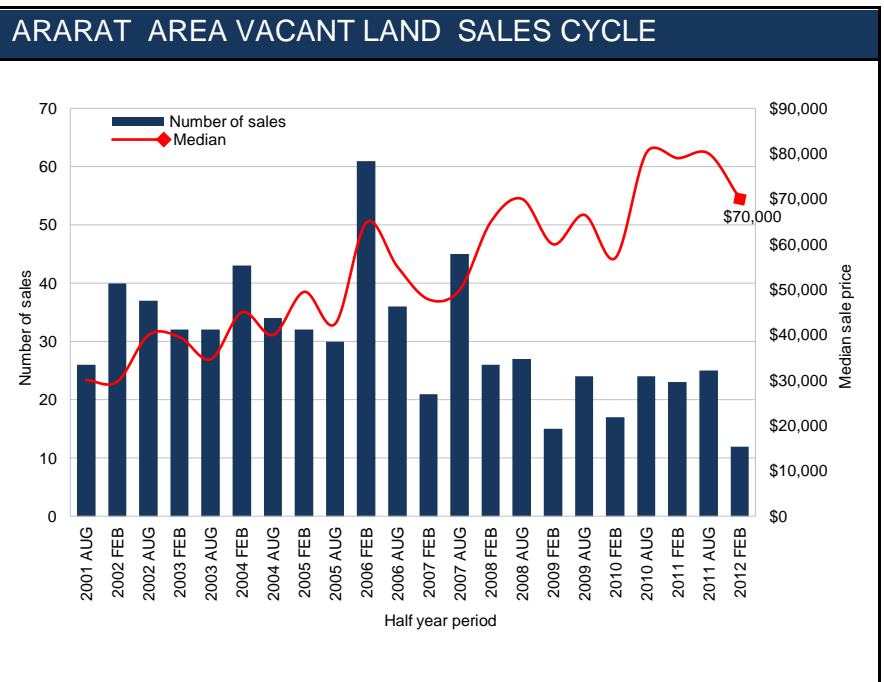
The vacant land median price closed the February 2012 six months at \$70,000 down a significant 11.4% on the close from twelve months earlier. With low sales volumes, the median price has tended to be relatively volatile and the current movement appears to be a continuation of that trend. The ten year growth rate stands as 8.9% showing a strong upwards trend through the numerous short term price fluctuations.

The vacant land price points table shows the emergence of the over \$150,000 price bracket in recent years. The twelve months to February 2012 saw only 7% of sales achieve a price of \$150,000 or greater, the next two twelve month periods have seen this section of the market grow to a substantial 32%.

VACANT LAND PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS



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