



GOONDIWINDI AREA MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current market trends of the town of Goondiwindi.

The Goondiwindi property market has experienced a notable drought in sales since the Government driven stimulus period of 2009. Since 2009, sales for houses and units have decreased by 33 per cent per annum, recording 29 house sales and four unit sales in the second half of 2011. This is significantly below the average 66 house sales per six month period over the past ten years. Certainly buyers have been more stringent in the market, but it has been the effect of the Queensland floods in the beginning of 2011 that caused buyer activity to be at its lowest level since the first half of 1995. Although the town centre was spared the direct impact of the flood waters, the surrounding region possessing much of the town's agricultural industry was devastated. While activity in the first half of 2011 was minimal, the cycle appears to have hit the bottom as sales were sustained in the second half of the year.

As a result of weakening sales activity, the median price for both house and unit dwellings has fluctuated over the past two years. Over the incentive driven period of 2009 that saw 'emergency low' interest rates the median house price flourished, increasing by 25 per cent, only to subside by 15 per cent the following year. This fluctuating trend was again replicated in 2011, to register a final median house price of \$265,000 for the year. When looking longer-term, the ten year average growth rate of 6.7 per cent per annum portrays a steadier level of growth that is likely to be replicated over the next decade.

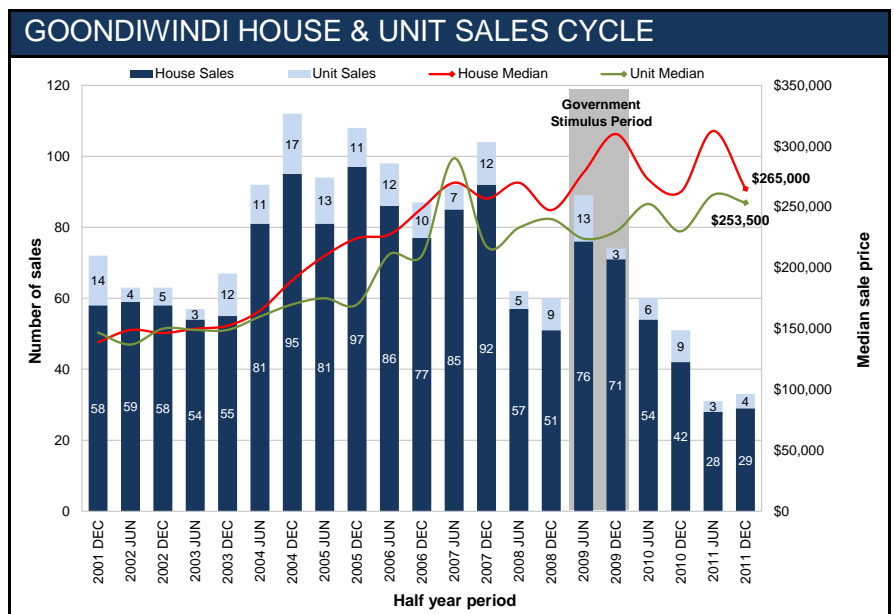
MARKET INDICATORS

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 2011.

KEY HIGHLIGHTS

- The house market appears to have reached the bottom of the property cycle, as 2011 registered the lowest amount of sales since 1995.
- The median price for vacant land has consolidated to \$81,500, culminated from an improved 11 sales.



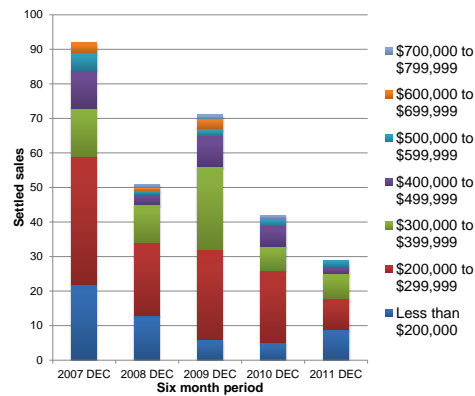
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Capital growth has been continually **positive**, achieving an average increase of **10.1 per cent per annum** during the past **ten years**.

When observing the house price points over the past five years, it can be determined that the majority of sales occurred below \$400,000, with traditionally the \$200,000 to \$299,999 bracket recording the most sales. However, this bracket has experienced the largest decline in sales from the previous year, decreasing by 19 per cent to register only nine sales.

A resales analysis was undertaken in order to provide a fair indication of the Goondiwindi house market by establishing the true value and returns through investment. Analysis was undertaken into holding periods and returns achieved on all houses held for longer than a twelve month period before being resold into the market and therefore reliably recognising the real returns made by real estate investors. While the median price for Goondiwindi has recently declined, capital growth has been continually positive, achieving an average increase of 10.1 per cent per annum during the past ten years. As can be seen by the Average Annual Capital Growth graph, Goondiwindi has recognised strong returns for house purchasers, reaching peaks in 2006, 2007 and 2008. Although the recent trend for capital growth has subsided, (as shown in the graph) it remains positive and is a good sign for the market when considering the recent global economic turmoil.

HOUSE PRICE POINTS

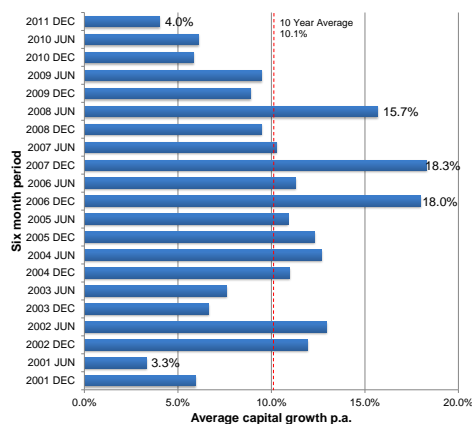


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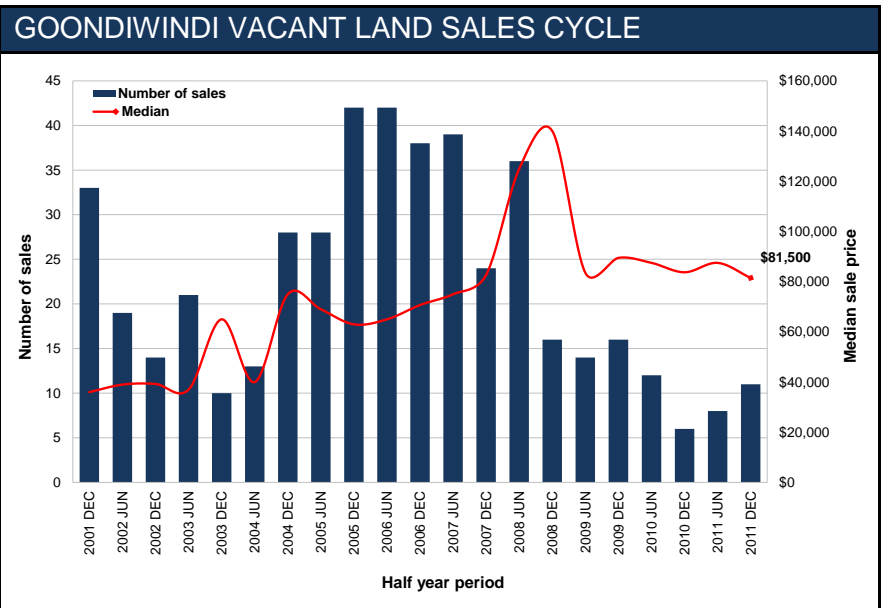
Similar to the house market, the vacant land market has experienced a substantial decline in activity over the past couple years. Prior to the second half of 2008, an average 35 vacant land sales took place per six month period, but has since declined to 12 sales per six month period. For the second half of 2011, a total 11 vacant land sales were registered, an improvement from the low six recorded over the prior year. The median price experienced an abnormal spike during the second half of 2008 to \$140,000, but has since reverted to a more sustainable level. For the second half of 2011, the median vacant land price achieved was \$81,500, equating to an average growth rate of 8.5 per cent per annum over the past ten years.

When breaking down sales over the December 2011 half year period, it can be evidenced that the majority of sales occurred within the \$50,000 to \$99,999 price range, at 64 per cent. This bracket sustained the bulk of sales for over the past five years. Over the second half of 2011, the average block of land sold was approximately 2,137 square metres, with an average price of \$116 per square metre. This is significantly higher, at 93 per cent, than the previous year's average of \$60 per square metre.

AVERAGE CAPITAL GROWTH



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