

QUEENSLAND SALES OVERVIEW



- Queensland house sales have softened 22.8 per cent over the past 12 months.
- Increasing yields should eventually lead to increasing investor activity.
- The majority of suburbs experiencing increasing activity are located in mining regions.

Across many areas in Queensland residential real estate has undergone a significant softening in sales activity and values, as demand has reflected the general decline in sentiment and confidence. The majority of first home buyers took the step into home ownership when the boost to the grant was available in 2009 and interest rates were drastically low. The future supply of this segment of buyers have been sapped and investors appear to be patiently waiting to see if they can attain a better bargain with values declining across most markets in the state. As a result of decreasing demand to purchase property, many markets within Queensland are seeing increased competition for rental premises, placing pressure on rents. In turn this could see greater investor activity as yields increase and become more attractive. In addition, the recent turmoil in global economic conditions have played a central role to the highly volatile equity markets. The stability and affordability of several Queensland property markets have already enticed investors to re-enter. Markets such as the Whitsundays, that has been affected by not only poor sentiment, but natural disasters and a decline in tourism has started to show green shoots, with attention arriving from the large disposable income of the fly in - fly out miners.

Purchasers looking at property should consider that historically low sales activity, softening capital values and increasing rental yields, form an ideal market to buy a property primed for strong returns. These buyer favourable conditions also allow purchasers to exploit their position in the market place to acquire a property at a discounted price.

Throughout the June 2011 half year period, Queensland recorded a total of 53,707 settled house transactions, equating to an annual softening of 22.8 per cent (15,900 sales) from the previous year. Of the more established markets recording a minimum of 10 transactions during the June 2011 half year, only 101 out of the 611 identified achieved increasing sales activity. The key trend established over 2010 appears to have continued as the dominance of mining communities experienced strong increases in settled transactions, while most urban localities declined. Mining suburbs that have continually attracted increases in activity were Gracemere (37 additional sales), Calliope (26 additional sales) and Dysart (24 additional sales), while some coastal towns like Tannum Sands (up 26 sales), have also received increasing activity as a result of the mines. The growth of these markets is a direct result of strong investment and the availability of high paid employment within these areas. Of the top 20 growth suburbs across Queensland only Gordon Park, Wynnum (both located in Brisbane), Mudgeeraba and Clear Island Waters (both located on the Gold Coast) were localities not considered to be in mining regions.

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PRDnationwide Research has identified the 20 suburbs recording the strongest decrease in settled transactions during the first half of 2011. Aside from Bowen, Atherton and Douglas, all top 20 suburbs were confined to South East Queensland. The largest softening's recorded throughout the June 2011 six month period were achieved in The Gap, Buderim and Forest Lake registering a reduction of 76 sales, 66 sales and 65 sales respectively. Notably, only three suburbs in the top 20 to experience declining sales, have recorded a median sale price above \$500,000. When looking at the median house prices in the top 20 list, only one suburb (Atherton) has experienced growth over the 12 month period ending June 2011, increasing by five per cent.

Queensland's Strongest Increase in House Sales Activity

Rank	Suburb	Region	Median Price		Sales Activity			
			June 2011 Half Year	Annual Growth	June 2010 Half Year	June 2011 Half Year	Annual Change	Volume Change
1	Gracemere	Fitzroy	\$342,500	3%	59	96	63%	37
2	Calliope	Calliope	\$430,000	11%	52	78	50%	26
3	Tannum Sands	Calliope	\$485,000	7%	29	55	90%	26
4	Dysart	Broadsound	\$465,000	15%	21	45	114%	24
5	Capella	Peak Downs	\$295,000	4%	6	29	383%	23
6	Bushland Beach	Thuringowa	\$420,000	-1%	41	60	46%	19
7	Moranbah	Belyando	\$486,500	9%	80	98	23%	18
8	South Gladstone	Gladstone	\$395,000	12%	30	47	57%	17
9	Mudgeeraba	Gold Coast	\$467,500	-6%	84	100	19%	16
10	Bongaree	Caboolture	\$390,000	-2%	42	58	38%	16
11	Rural View	Mackay	\$451,000	-6%	22	38	73%	16
12	Clinton	Gladstone	\$428,750	13%	75	90	20%	15
13	West Mackay	Mackay	\$368,000	-4%	55	69	25%	14
14	Bohle Plains	Thuringowa	\$438,000	-4%	55	69	25%	14
15	Gordon Park	Brisbane	\$600,000	1%	16	30	88%	14
16	Ooralea	Mackay	\$480,000	7%	20	33	65%	13
17	Sun Valley	Gladstone	\$374,500	5%	12	24	100%	12
18	Wynnum	Brisbane	\$500,000	-9%	100	111	11%	11
19	Clear Island Waters	Gold Coast	\$857,500	11%	27	38	41%	11
20	Blacks Beach	Mackay	\$480,000	2%	18	29	61%	11

Queensland's Strongest Softening's in House Sales Activity

Rank	Suburb	Region	Median Price		Sales Activity			
			June 2011 Half Year	Annual Growth	June 2010 Half Year	June 2011 Half Year	Annual Change	Volume Change
1	The Gap	Brisbane	\$570,000	0%	133	57	-57%	-76
2	Buderim	Maroochy	\$486,700	-12%	242	176	-27%	-66
3	Forest Lake	Brisbane	\$385,000	-6%	236	171	-28%	-65
4	Springfield Lakes	Ipswich	\$377,800	-6%	157	97	-38%	-60
5	Narangba	Caboolture	\$414,000	-6%	182	124	-32%	-58
6	Rochedale South	Logan	\$409,000	-4%	129	74	-43%	-55
7	Kingaroy	Kingaroy	\$277,500	-4%	122	68	-44%	-54
8	Newtown	Toowoomba	\$250,000	-4%	108	57	-47%	-51
9	Urraween	Hervey Bay	\$330,000	-2%	99	48	-52%	-51
10	Burpengary	Caboolture	\$371,500	-11%	122	73	-40%	-49
11	Warner	Pine Rivers	\$465,000	-4%	113	64	-43%	-49
12	Elanora	Gold Coast	\$497,579	-8%	99	54	-45%	-45
13	Sippy Downs	Maroochy	\$415,000	-6%	87	43	-51%	-44
14	Bowen	Bowen	\$350,000	-1%	75	31	-59%	-44
15	Upper Coomera	Gold Coast	\$400,000	-7%	166	124	-25%	-42
16	Redbank Plains	Ipswich	\$300,000	-4%	105	63	-40%	-42
17	Eatons Hill	Pine Rivers	\$530,000	-2%	98	56	-43%	-42
18	Atherton	Atherton	\$335,000	5%	67	25	-63%	-42
19	Douglas	Townsville	\$385,000	-11%	74	33	-55%	-41
20	Boondall	Brisbane	\$401,000	-6%	78	38	-51%	-40

Tables Prepared by PRDnationwide Research Source: PDS

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- The largest softening's throughout the first half of 2011 were achieved in The Gap, Buderim and Forest Lake.
- 17 of the top 20 suburbs to have recorded the largest decrease in activity occurred in South East Queensland.