



Brisbane Highlight Report

Second Quarter | 2011



HIGHLIGHT | REPORT

PRD nationwide



Brisbane LGA Market Overview

The Brisbane residential real estate market has experienced a volatile 2010, responding to increasing interest rates, the rising cost of living and general uncertainty within real estate. As a result, there has been an exodus of potential buyers from the market, particularly within the more affordable price points, placing pressure on rentals. Concurrently, sales activity has dropped to its lowest level in a decade over the December 2010 six month period, tipping the market in favour of active purchasers.

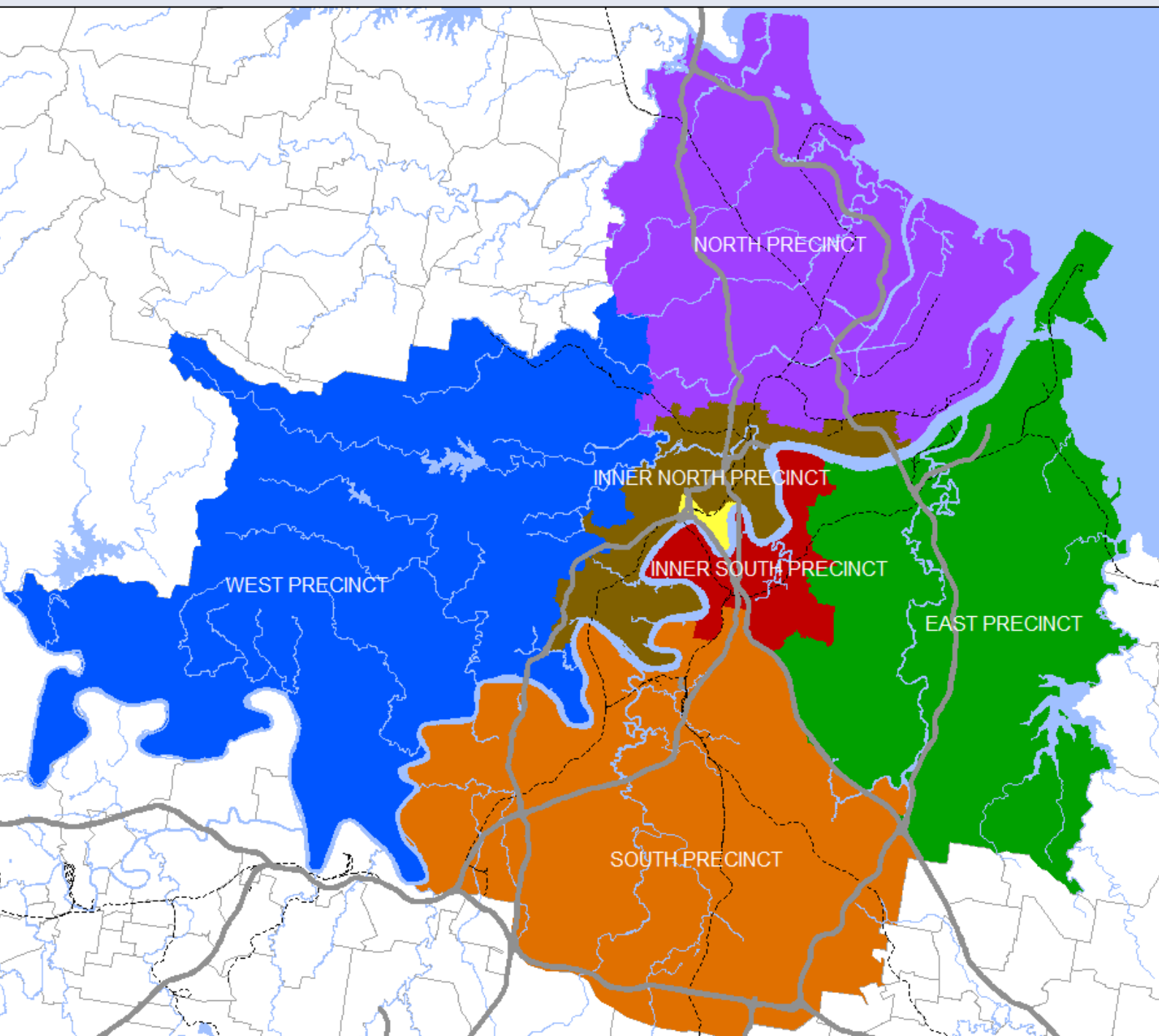
Given interest rates have remained on hold since the surprise rate rise in November 2010, it is hoped that momentum would build as confidence filtrates back into the property market. However, the latest figures show that activity has in fact quietened further, with recent statistics released by the ABS showing a considerable annual decrease of 9.2% in the national issue of home loans.

In stark contrast to the home owner market, there has been significant tightening within the rental market, as vacancy rates decreased 0.4% during the December 2010 quarter and rental prices increased. This strong performance within the rental market has arisen from a growing demand for rental properties, facilitated by a shortage of active buyers and a large number of displaced residents following the January floods. With rents on the rise and the price of property declining as vendors are forced to meet the market, it is expected that investors capable of purchasing a well-placed property will begin to enjoy stronger yields.

In conjunction with factors such as a strong rate of population growth, shortage of new development and a robust economy, the Reserve Bank of Australia's decision to keep the Cash Rate on hold at 4.75% in May has helped keep the property market steady. However, economists are now predicting a rise in the cash rate will occur in the near future as inflation has recently experienced an unexpected increase. Although this will continue to prompt budget conscious households to avoid committing to further debt obligations, it is likely that the property market will remain stable at least for the remainder of 2011 with provisions for further gradual price corrections.

Summary:

- *Median House Price:* ↑ 3.6% to \$538,705
- *Median Unit Price:* ↑ 3.8% to \$415,000
- *House Sales:* ↓ 28% to 6,456 sales
- *Unit Sales:* ↓ 39% to 2,535 sales



Local Area Characteristics – The River City

Also known as the “River City”, the Brisbane Local Government Area (LGA) boasts the largest population for any LGA within Australia. This large population has followed strong economic growth and a relative affordability of real estate, which drove demand and facilitated significant levels of investment within the region. Due to the constraints of the urban boundaries, this has had a flow on effect to other areas surrounding Brisbane and resulted in the development of a number of satellite cities. There are a number of suburban centres within Brisbane, such as Toowong, Chermside and Mount Gravatt forming a range of alternatives to commuting into the Central Business District.

Over the years, Brisbane has developed distinct entertainment and cultural precincts such as New Farm, Fortitude Valley and West End, providing a unique ambience supported by restaurants, boutique cafes and shopping alternatives. A number of iconic congregative public locations within the CBD include the popular Queen Street Mall, Roma Street Parklands and Botanical Gardens. These areas not only serve as landmarks but also have a recreational function, providing open space for gatherings and organised events.

In 1982, Brisbane hosted the Commonwealth Games which led to significant investments in infrastructure and sporting facilities. Furthermore, in 1988 the Southbank parklands located on the southern bank of the Brisbane River played host to the World Expo. This played an important role in boosting the national and international profile of Brisbane.

Over the years, this established metropolitan area has enjoyed prolonged development that has supported strong growth in terms of the local economy, population and property values. As with all developing cities, a great demand for real estate has prompted significant development, gentrification and densification within a close proximity to the CBD. As such, affordability and the location will play a pivotal role in demand for real estate.

Demographics & Population

“Stronger population growth in suburbs further from the CBD is associated with dwellings being more affordable and available in these areas”

According to the Australian Bureau of Statistics Estimated Resident Population, at June 2010 Brisbane recorded a population of 1,067,279 residents. This figure represents a strong annual growth rate of 1.4% or 14,841 new residents. Although this growth rate remains strong, yielding a sustained demand for property, it registers historically low within the Brisbane LGA, which recorded an annual growth of 1.8% per annum over the past 10 years.

The Northwest and Southwest Outer Regions of Brisbane have sustained higher growth compared to the inner precincts, recording 1.6% and 1.5% increases over the 12 months to June 2010. Despite the stronger appeal of inner city precincts, this was a predictable statistic with dwellings more affordable and available in suburbs further from the CBD.

As seen in the graph to the right, if this growth rate remains moderately strong, the Brisbane LGA population can be expected to reach levels as high as 1,235,344 by 2031. To give an indication of the future demand for housing, PRDNationwide Research uses the increase in population and divides it by the current average household size of three residents per dwelling. This has yielded an estimate of the future demand for housing at 56,022 new dwellings by 2031.

As a result of the Global Financial Crisis, stricter lending criteria and a lack of investors has continued to dampen development activity in Brisbane. However, the total residential dwellings approved over the 12 months to June 2010 registered 7,140, a significant increase from the 2009 financial year which saw 4,857 new dwellings approved. When comparing this level of activity to the Estimated Resident Population growth over the same period, this resulted in a surplus of 4,947 dwellings through this period. The strongest level of new residential dwelling approvals was within the Northwest Outer Precinct with 2,410 approvals. Whilst only a rough indication, this surplus should slightly alleviate the housing shortage and is owed to slowing population growth and increased activity during the 12 month period to June 2010. More recently, dwelling approvals have begun to decrease with a fall of 658 approvals recorded during the period from September 2010 to February 2011.

Brisbane City has a high proportion of family households equating to 68.5% of all dwellings. Within Brisbane, a significant portion of the demographic is aged under 15 years at 18%, with 11% of residents aged over 65 years.

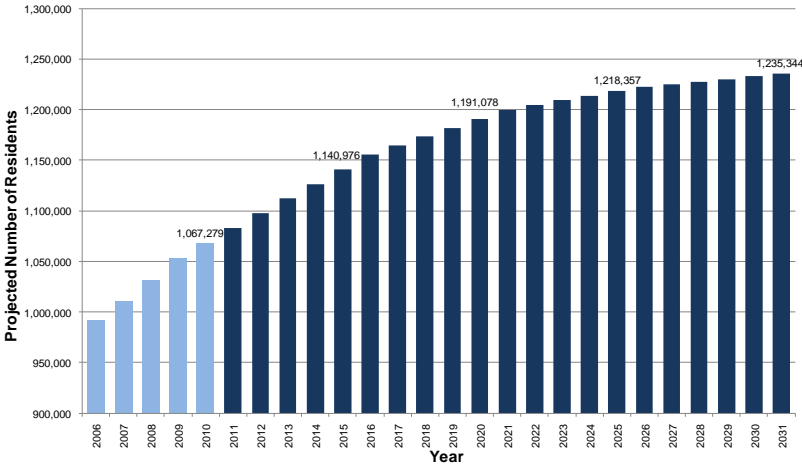
Demand for real estate in Brisbane City is directly associated to affordability and ease of access to Brisbane’s suburban centres. As housing in Brisbane becomes less affordable, there will be greater emphasis placed on the release of developable land and densification for Brisbane to maintain a property market capable of servicing all demographics.

Population Snapshot – SEQ Local Government Areas

Local Government Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	One Year Growth	One Year Growth %
Brisbane (C)	896,649	917,554	939,052	957,882	973,931	991,260	1,010,479	1,031,297	1,052,438	1,067,279	14,841	1.4%
Gold Coast (C)	387,102	403,566	420,961	435,772	450,482	466,433	484,638	499,514	514,885	527,828	12,943	2.5%
Ipswich (C)	125,451	127,458	129,776	133,227	138,167	142,477	148,049	154,669	162,381	168,131	5,750	3.5%
Lockyer Valley (R)	28,668	29,302	29,595	30,032	31,110	31,932	32,873	34,060	35,632	36,591	959	2.7%
Logan (C)	237,236	241,976	246,321	251,254	255,471	260,021	264,761	270,888	277,560	282,673	5,113	1.8%
Moreton Bay (R)	286,532	294,530	304,792	315,505	325,067	332,862	344,878	357,902	371,155	382,280	11,125	3.0%
Redland (C)	117,252	120,088	124,170	127,063	129,438	131,210	134,068	137,402	140,691	142,822	2,131	1.5%
Scenic Rim (R)	30,464	31,257	32,400	33,245	34,069	34,750	35,629	36,300	37,419	38,304	885	2.4%
Sunshine Coast (R)	247,167	256,403	267,613	277,830	286,591	295,084	304,070	313,851	323,419	330,934	7,515	2.3%
Toowoomba (R)	137,593	139,747	142,010	144,702	148,305	151,297	153,467	155,644	159,097	162,057	2,960	1.9%

Prepared by PRDNationwide Research Source: ABS, Estimated Residential Population Data

Population Projection - Brisbane LGA



Prepared by PRDNationwide Research Source: PIFU 2008 and ABS

Fastest Growing Precincts and Suburbs – Brisbane City LGA

Precinct	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	One Year Growth	One Year Growth %
Total Northwest Outer Brisbane	301,255	308,114	313,699	318,763	322,539	325,861	331,635	338,098	345,287	350,733	5,446	1.6%
Total Southeast Outer Brisbane	213,275	218,887	223,891	229,218	233,410	238,071	243,373	249,217	255,742	259,501	3,759	1.5%
Total Northwest Inner Brisbane	169,828	172,721	175,501	177,996	180,029	182,928	185,295	188,422	191,288	193,863	2,575	1.3%
Total Southeast Inner Brisbane	143,989	146,336	148,807	150,959	153,608	156,073	158,871	162,303	165,240	167,319	2,079	1.3%
Total Inner Brisbane	68,302	71,496	77,154	80,946	84,345	88,327	91,305	93,257	94,881	95,863	982	1.0%

Statistical Local Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010p	One Year Growth	One Year Growth %
Richards	926	920	906	887	864	862	916	995	1,102	1,297	195	17.7%
Pallara-Heathwood-Larapinta	783	795	816	829	943	1,539	1,899	2,267	2,706	3,130	424	15.7%
Moggill	1,115	1,271	1,432	1,559	1,927	2,187	2,414	2,756	3,119	3,389	270	8.7%
Wakerley	1,538	1,890	2,269	2,947	3,442	3,997	4,892	5,845	6,705	7,210	505	7.5%
Upper Kedron	1,512	1,898	2,361	2,524	2,606	2,766	2,864	2,964	3,071	3,234	163	5.3%
Wacol	4,969	4,996	5,002	4,937	4,924	4,626	4,634	4,724	4,836	5,084	248	5.1%
Yeerongpilly	2,369	2,398	2,408	2,441	2,472	2,522	2,570	2,615	2,800	2,902	102	3.6%
Colamvale	9,480	9,723	9,782	9,860	10,216	10,559	11,218	12,006	12,865	13,321	456	3.5%
Banyo	4,903	4,914	4,905	4,935	4,957	5,010	5,064	5,306	5,414	5,574	160	3.0%

Prepared by PRDNationwide Research Source: ABS

Dwelling Characteristics – Brisbane City LGA

Dwelling Characteristics	Brisbane LGA	Queensland
Separate house	260,125	73.7%
Semi-detached:		
One storey	9,907	2.8%
Two or more storeys	17,803	5.0%
total	27,710	7.9%
Flat, unit or apartment:		
1 to 2 storey block	30,520	6.8%
3 storey block	17,271	2.3%
4 storey block or higher	14,200	2.1%
Attached to a house	443	0.1%
Total	62,434	17.7%
Other dwelling:		
Caravan/cabin/houseboat	1,850	0.5%
Improvised home	329	0.1%
Attached to a shop	411	0.1%
Total	2,590	0.7%

Prepared by PRDNationwide Research Source: ABS, Census 06

Future Development and Infrastructure

In the wake of the January floods which wreaked havoc across Queensland, a significant level of funding has been allocated for the rebuild to restore critical infrastructure. The State Government has sourced \$1 billion of this from deferring some existing non-critical infrastructure projects, which will see a number of highway upgrades put on hold.

Brisbane City currently has a number of infrastructure developments either proposed or under construction. Through zoning and the development application process, these investments have been regulated by the Brisbane City Council to cater for the forecasted growth in population and also facilitate economic development. However, with subdued demand from purchasers slowing the level of presales, finance remaining tight and the task of the flood rebuild ahead, it is expected that the much needed infrastructure will be postponed.

The most significant projects under construction or proposed include;

Bowen Hills Urban Development Area

A portion of Bowen Hills covering 108 hectares has been declared an urban development area which will facilitate a significant level of investment to be delivered over an extended time frame. Located in this Inner North suburb of Brisbane, 3km from the CBD, this plan has factored an injection of \$15 billion into transforming this suburb into one of Brisbane's key precincts. Already there has been:

- Early planning in progress for a Transit Oriented Development (TOD)
- Development approval granted for the RNA Showgrounds redevelopment
- Early site works commenced for The Chelsea, a 13 storey residential development
- Development Application submitted for a sporting complex within the Perry Park Precinct
- Development Application submitted for Madison on Mayne, a 32 storey residential development.

Cross River Rail Project

This proposed project will cost an estimated \$14.2 billion and will provide much needed "inner city rail capacity upgrades". This rail line is set to include underground stations at the preferred locations of Woolloongabba, Albert Street, Boggo Road Urban Village and Roma Street. Ultimately, this will be the biggest transport project undertaken in Queensland to date and will transform South East Queensland's transport system. Currently this project is in feasibility stage.

TransApex

Under Brisbane City Council's TransApex plan, Brisbane has seen the inclusion of the Clem7 tunnel and Hale Street Link (Go Between Bridge) to its transport nexus. However, still on the agenda are the Airport Link, Legacy Way and East-West Link which will further fill fundamental holes in Brisbane's road network. The specifics on these projects are as follows:

- Airport Link – Due for completion in 2012, the Airport Link will connect the ICB and Clem7 to Stafford Road, Gympie Road and the East-West Arterial.
- Legacy Way – Scheduled for completion by 2016, this will connect the Western Freeway at Toowong to the ICB in Kelvin Grove.
- East-West Link – Expected to be finished post 2026, it will link the Pacific Motorway and O'Keefe Street in Buranda to the Western Freeway at Toowong.

Newstead Riverpark

This mixed use development is comprised of residential, business and retail located along the riverfront at Newstead and will cost an estimated \$2 billion. Brisbane City Council has approved the development applications as at 2009, with completion scheduled for 2017.

Ipswich Motorway Road Upgrade – Dinmore to Goodna

The \$1.95 billion Ipswich Motorway Upgrade from Dinmore to Goodna will continue to deliver enhancements to a vital traffic and freight corridor along this stretch of highway, until its completion expected in late 2012. The upgrade incorporates a complete overhaul of the highway and includes increasing the number of lanes from two to six, with provisions for eight in the future. Also included in this project are pedestrian bridges/underpasses, new cycle lanes, foot paths and upgrading major interchanges.

Doomben Racetrack Redevelopment

Over the next ten years Doomben and Eagle Farm racecourses will be developed and upgraded into a racing precinct at an estimated cost of \$1.2 billion.

Brisbane House Market

"A high number of displaced residents following the January floods and strong demand for rentals has seen strengthening performance in rents over the March 2011 quarter"

The December 2010 half year period has seen the median house price increase 3.6% (\$18,705) from the corresponding period in 2009, to record a final median price of \$538,705. This was achieved predominately as a result of a significant fall in the level of affordable product transacting within the Brisbane LGA.

A resale analysis was conducted on Brisbane houses resold within the December 2010 six months, to reveal the average annual capital appreciation realised in this region. The analysis yielded a strong average annual capital growth of 8.5% per annum. These houses were held for an average period of five and a half years, indicating this strong level of growth was primarily attained prior to the GFC which unfolded in 2008 slowing the strong growth in housing values.

Settled transactions over the most recent period have softened considerably from the incentive driven half year ending December 2009 to register 6,456 sales. This equating to a softening of 28%. This incentive driven period was buoyed by a number of government stimuli including record low interest rates and the First Home Buyers Boost which drove sales activity, particularly within the lower price brackets.

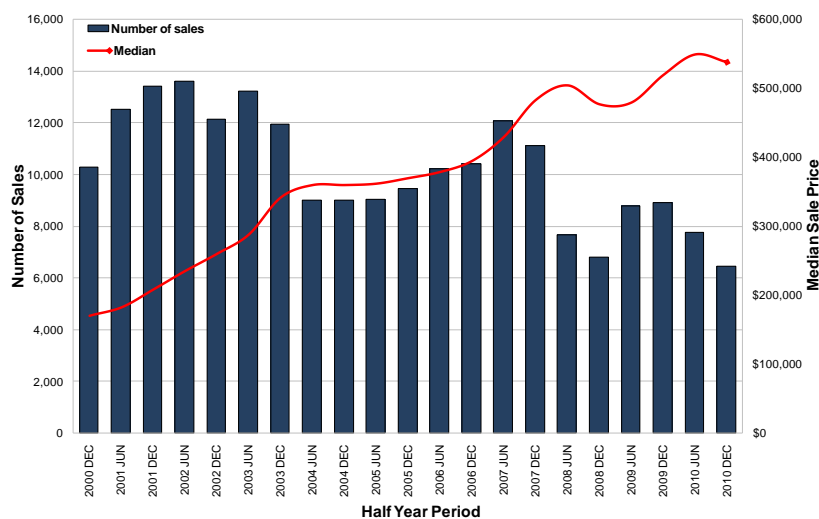
Analysis of the price points revealed the predominance of house sales have fallen within the \$400,000 to \$499,999 price point, accounting for 26% of settled transactions during the period. This was followed by the \$500,000 to \$599,999 price bracket with 22% of sales.

Over the December 2010 half year, there has been a significant tightening in sales activity transacting within the sub \$500,000 market, which has occurred in line with falling buyer confidence and rising interest rates. This has equated to 58% of the total softening in sales activity during the period.

Resales have continued to account for the vast majority of sales activity within this precinct over the December 2010 half year. This trend has emerged from a shortage in the supply of housing close to amenity and transport hubs, which accounts for the majority of demand. It can also be attributed to eager home owners opting to purchase and move in as oppose to waiting out the lag times associated with constructing their own homes.

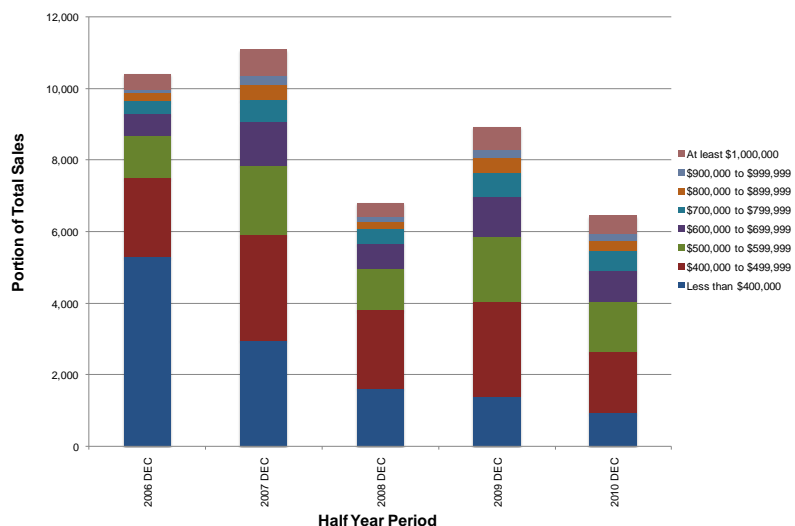
In lieu of the low level of active buyers in the housing market, the high number of displaced residents following the January floods and strong demand for the rental market has seen strengthening performance over the March 2011 quarter. According to the Rental Tenancies Authority (RTA), rents have increased 3% for a three bed house to record a median weekly rent of \$390 per week.

Brisbane LGA Ten Year House Sales Cycle



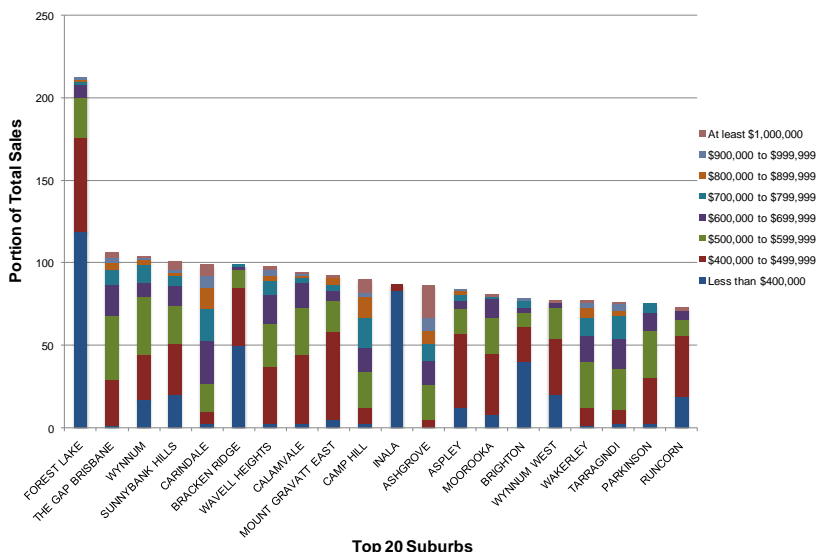
Prepared by PRDnationwide Research Source: PDS Live

Brisbane LGA Portion of New Product Sold and Resales



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Inner North Precinct

"Although settled transactions over the most recent period have slowed, activity levels remain comparatively stronger to other precincts within Brisbane"

The Inner North Precinct has seen a trend towards strong price growth despite a softening recorded during the unfolding of the GFC in 2008. The Inner North Precinct median house price has receded slightly over the December 2010 six months to record \$755,000, representing an annual growth of 3.4% (\$25,000). The Inner North not only recorded the second highest annual growth, but also the highest median sale price.

A resale analysis has yielded a strong average annual capital growth of 8.4% per annum for the region. These houses were held for an average period of five and a half years. The data includes any softening in values resulting from the economic downturn, which indicates this level of growth was stronger in the years prior.

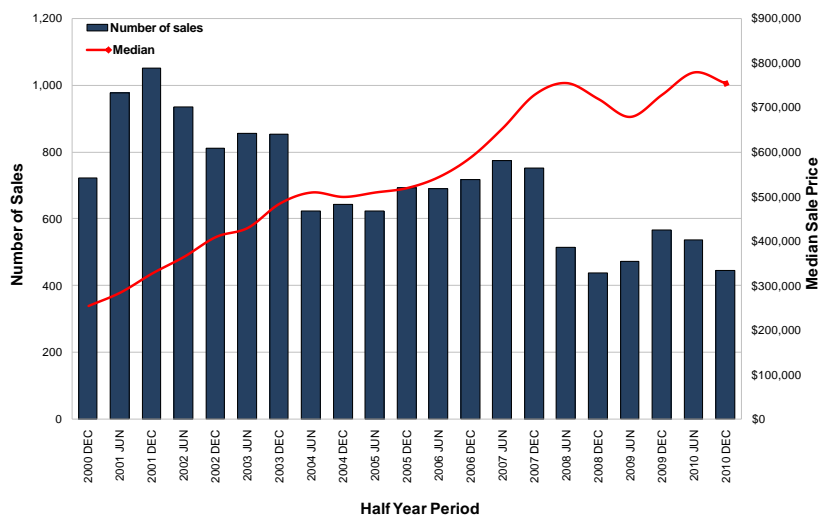
Although settled transactions over the most recent period have slowed, activity levels remain comparatively stronger to other precincts within Brisbane. The Inner North Precinct has recorded a 21% softening to register 445 settled transactions over the December 2010 half year. The most active suburb over the December 2010 six month period was Paddington with 70 settled transactions. Windsor and Indooroopilly also recorded strong sale volumes recording 43 transactions and 41 transactions. The Inner North Precinct has seen a great deal of million dollar plus transactions particularly within the amenity and entertainment hubs such as Paddington, St Lucia, New Farm and Hamilton suggesting a residual demand for high end residences within convenient locations. Paddington, Hamilton and Herston were the only Suburbs to record increasing sales volumes, registering an increase of three, two and one sales respectively.

In terms of the price point distributions throughout the December 2010 half year period, the bulk of unit sales have been recorded within the million dollar plus market accounting for 30% of total sales. This was followed by the \$600,000 to \$699,999 bracket, which saw 18% of total sales.

The million dollar plus market has recorded an increase of four transactions as high-end product continues to move within this market. The strongest tightening in sales activity was recorded within the \$600,000 to \$699,999 market, which has absorbed 32% of the total softening in sales activity recorded throughout the December 2010 half year.

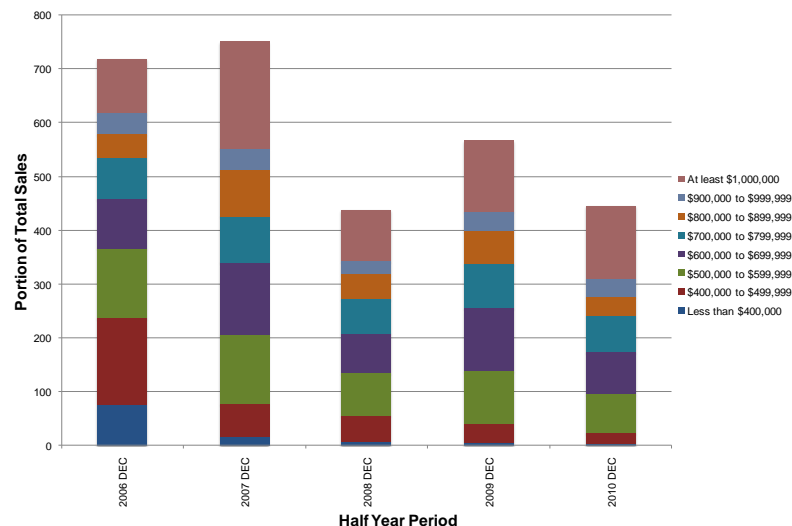
The most recent data published by the RTA suggest the greatest increase in weekly rentals has occurred within the inner suburbs of Brisbane. An analysis of the weekly rentals has also revealed the Inner North suburbs have recorded stronger growth than the Inner South by recording a 5% increase from the corresponding March quarter in 2010. Currently, the median weekly rent for a three bedroom house in Brisbane's Inner North Precinct is \$420 per week.

Inner North Precinct Ten Year House Sales Cycle



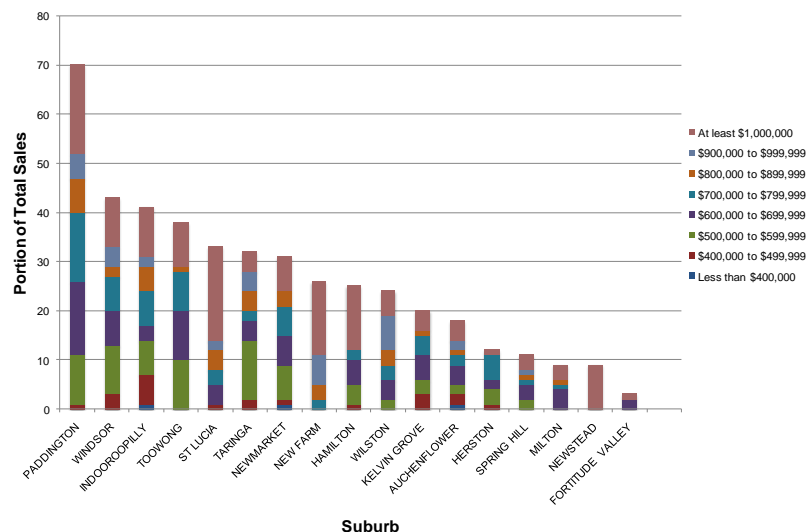
Prepared by PRDnationwide Research Source: PDS Live

Inner North Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Inner South Precinct

"The Inner South Precinct has rebounded strongly from the economic turmoil that eventuated over 2008 and is likely due to comparative pricing of housing in this region"

The median price for a house within the Inner South Precinct over the December 2010 period was \$708,000, substantially lower than its northern counterpart which recorded \$755,000. This median was achieved through an annual growth of 3.4% (\$16,000). The median price for houses in Brisbane's Inner South Precinct has rebounded strongly from the economic turmoil that eventuated over 2008. This is likely due to the comparative pricing of housing in this region.

PRDnationwide Research conducted a resale analysis on house product sold within the December 2010 half year to highlight returns achieved by home owners who sold within this period. The analysis revealed an average annual capital growth on par with the Brisbane average, recording 8.3% per annum. This product was held for an average period of five and a half years. For those willing to wait out the bottom of the property cycle, future returns within this region will be driven by its comparative affordability and proximity to the CBD.

Settled transactions over the most recent period have slowed, recording its lowest volume since the peak of the GFC two years prior. The Inner North Precinct has recorded a 26% (141 sales) softening to register 406 settled transactions over the December 2010 half year.

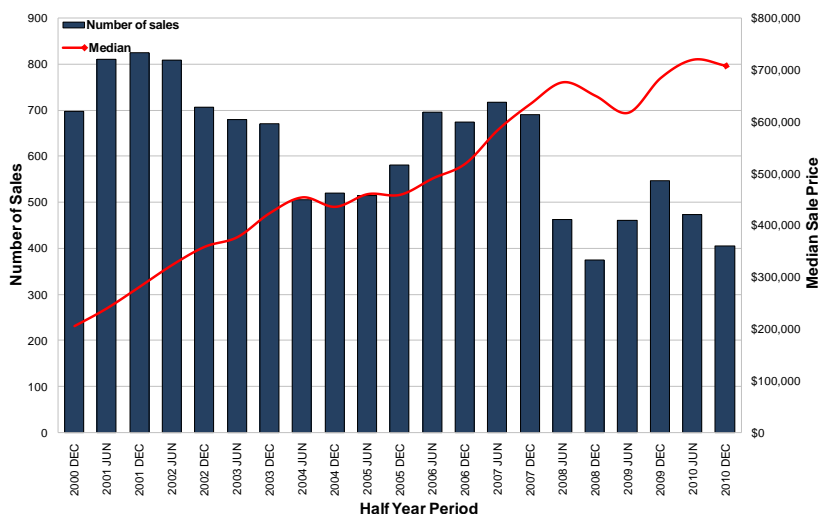
The most active suburbs over the December 2010 six month period was Coorparoo with 70 settled transactions. Bulimba and Norman Park also recorded strong sale volumes recording 55 transactions and 47 transactions. The million dollar plus market within the Inner South Precinct draws strong demand from its blue chip suburbs such as Bulimba and Hawthorne that provide steady returns to investors and home owners. Woolloongabba and East Brisbane were the only suburbs to record increasing sales volumes, registering an increase of three and two sales respectively.

In terms of the price point distributions throughout the December 2010 half year period, the bulk of house sales have been recorded within the \$500,000 to \$599,999 price bracket accounting for 21% of total sales. This was followed by the million dollar plus market which saw 20% of total sales.

Overall, the softening in sales activity has been felt over all price brackets of Brisbane's Inner South Precinct. However, the market which has tapered the most during the December 2010 half year period was the sub \$700,000 market, which has recorded 66% of the total softening for sales throughout the period.

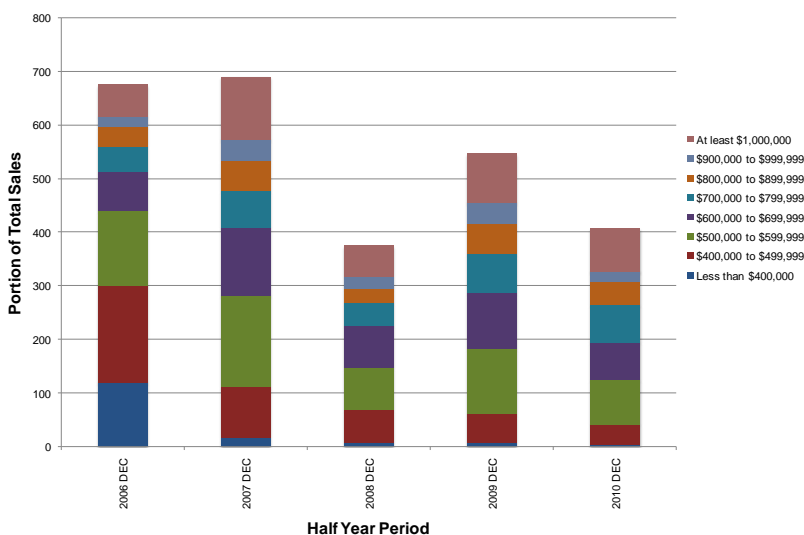
The Inner South Precinct has recorded 3% growth over the past year, well under the 5% recorded in the Inner North Precinct. This growth has culminated to a median weekly rent of \$390 per week for a three bedroom house, the most affordable median weekly rent for a house within the inner City region.

Inner South Precinct Ten Year House Sales Cycle



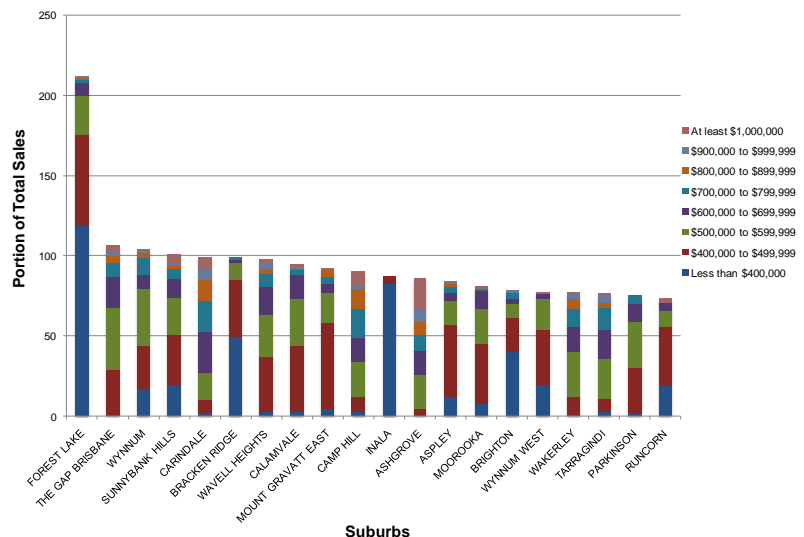
Prepared by PRDnationwide Research Source: PDS Live

Inner South Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Northern Precinct

"The North Precinct has accumulated 1,397 transactions over the most recent period, its lowest volume of settled transactions in over ten years"

After recording a median price peak over the June 2010 half year, the surprise November rate rise has caused values to recede slightly during the December 2010 half year. The median price established for the North Precinct throughout this period was \$480,000, an increase of 3.2% (\$15,000) from the December 2009 equivalent period.

PRDnationwide Research conducted a resale analysis on the Northern Precinct house market over the December 2010 six months. This analysis revealed an average annual capital appreciation of 8.7% per annum. These houses were held for an average period of five and a half years. The middle and outer precincts generally achieve a higher capital appreciation than inner city houses given the more affordable price points in this area lending to a broader demographic. These more affordable price points also have greater room for growth, with houses located close to the CBD already offering prime position and having undergone gentrification.

The North Precinct has accumulated 1,397 transactions over the most recent period, its lowest volume of settled transactions in over ten years. This represents a 12 month softening of 28% (549 sales) for the December 2010 half year. The five year average of 2,010 sales per six month period highlights the historically low level of sales recorded under the current market conditions.

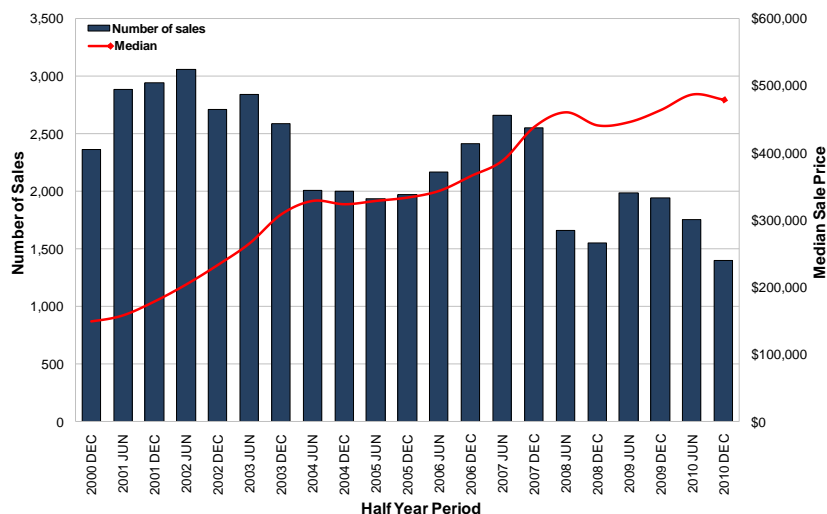
The most active suburb over the December 2010 six month period was Bracken Ridge with 99 settled transactions. Wavell Heights and Aspley also recorded strong sale volumes with 98 transactions and 84 transactions. The prestige million dollar plus market over the December 2010 half year is predominately held within Clayfield and Woolloowin, located along the North Coast Rail Line, both enjoying a high degree of amenity. Aspley and Shorncliffe were the only suburbs to record increasing sales activity throughout the period, gaining seven sales each. The only other suburb to record an increase was Wavell Heights with an additional three sales.

The price point distributions throughout the December 2010 half year period were predominately filled out by the affordable sub \$600,000 price points, accounting for the bulk of house sales at 73%. The million dollar plus market accounted for 62 sales.

The North Precinct has seen contractions across all price brackets, however the strongest falls occurred within the sub \$500,000 market. This market recorded 69% of the total decrease in sales over the December 2010 half year period.

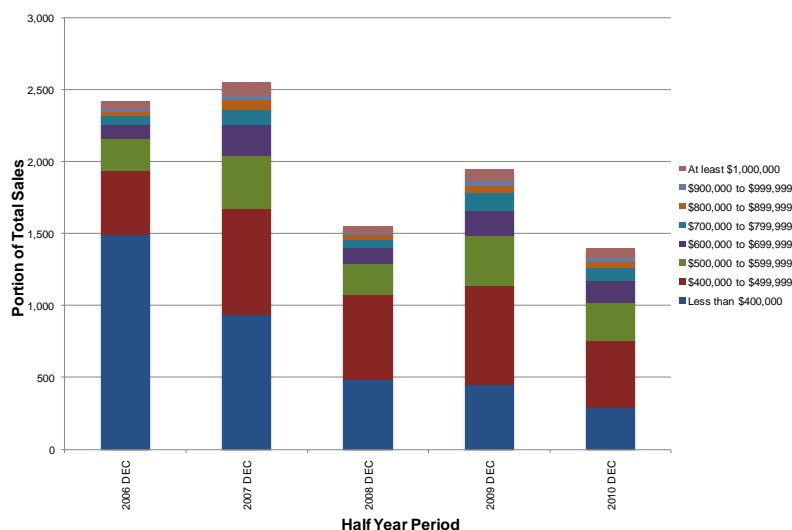
The most recent rental figure's released by the RTA has shown the North Precinct median weekly rent for houses has remained stable throughout the March 2011 quarter at \$360 per week. This was the only precinct to remain stagnant throughout the period and can be attributable to the availability of rental tenancies in this region.

Northern Precinct Ten Year House Sales Cycle



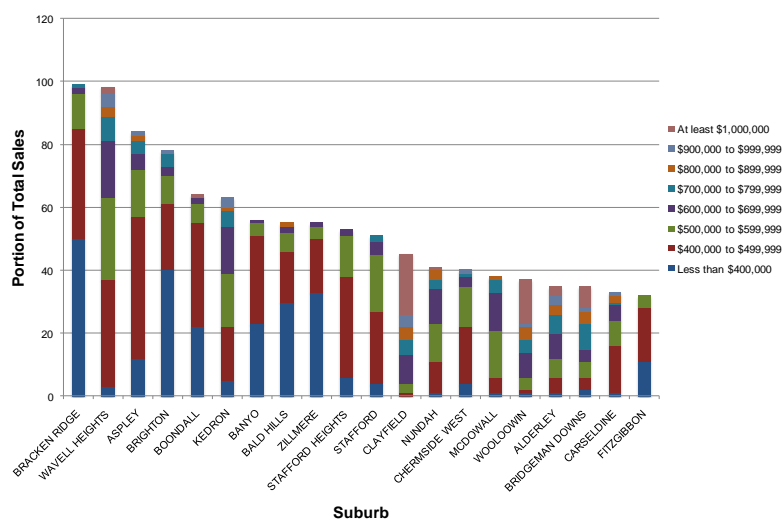
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Northern Precinct House Price Points



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Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Eastern Precinct

"Median price has recorded an annual growth of 2.9% (\$15,000), to register the third highest median house price for the December 2010 period"

As displayed in the majority of precincts within this report, the East Precinct has recorded peak in a median price over the June 2010 half year, followed by a small price correction resulting from the surprise November rate rise. Overall, the median price has recorded an annual growth of 2.9% (\$15,000), to register the third highest median house price for the December 2010 period.

An analysis of the average annual returns achieved by home owners who sold their house during the six months to December 2010, has revealed healthy returns within this region of 8% per annum. This product was held for an average period of five years, with the strongest growth most likely gained in the years prior to the GFC.

Within the East Precinct there has been a total of 1,350 settled transactions over the most recent period. This represents the second lowest amount of sales in ten years, surpassed only by the peak period of the GFC two year prior. This figure was culminated from an annual softening of 23% (404 sales) and registers 437 sales lower than the five year average of 1,787 transactions per six month period.

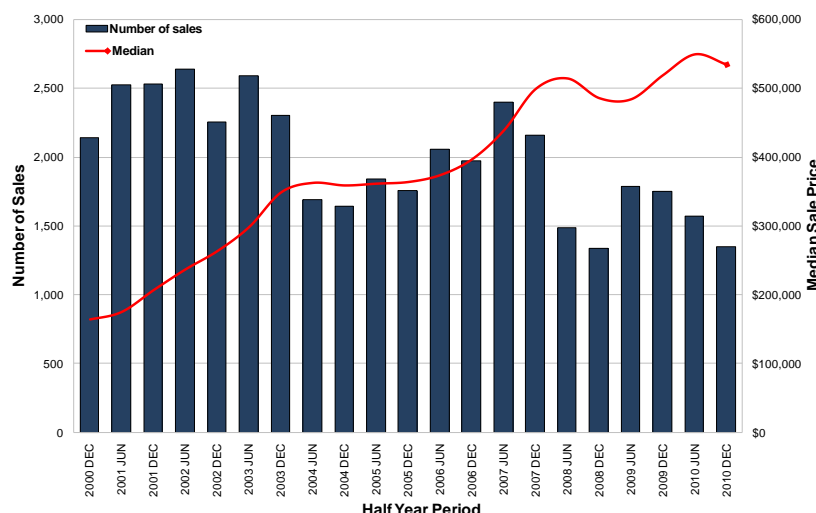
On an individual suburb level, Wynnum has transacted the highest volume of sales recording 104 settled transactions, the bulk of which transacted between \$500,000 and \$599,999. This was followed by Carindale and Mount Gravatt East with 99 and 92 sales each. Camp Hill, Carindale and Holland Park West have recorded the vast majority of million dollar plus sales indicating a latent demand for premium product within these markets. Mackenzie recorded the largest increase in sales activity, with two additional settled sales. Capalaba West and Lytton also gained one extra sale each to record just two sales and one sale respectively.

In terms of the price point distributions, the December 2010 half year period accumulated the majority of transactions within the sub \$600,000 market, accounting for 66% of total house sales. This million dollar plus market accounted for just 62 sales.

When analysing which market has seen the strongest softening in sales activity, PRDnationwide Research has identified the North Precinct \$400,000 to \$499,999 price bracket, accounting for 45% of the total decrease in sales activity. This was followed by the \$600,000 to \$699,999 market accounting for 19% of the total decrease in sales.

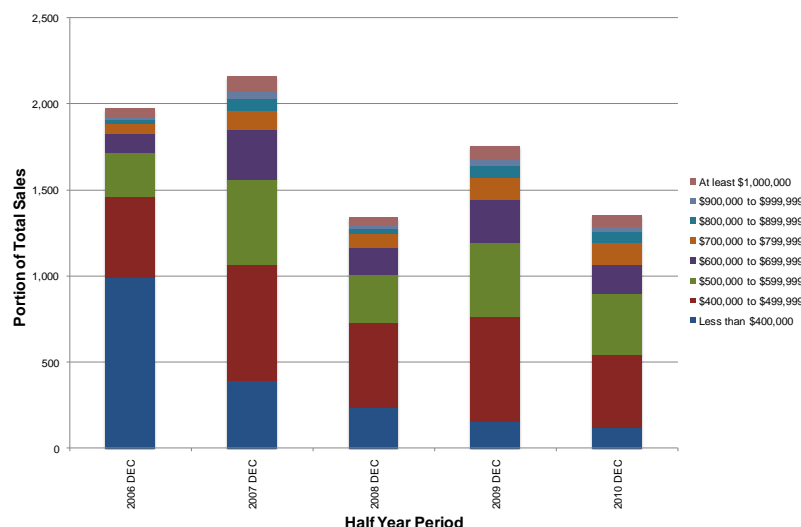
The March 2011 quarter rental data has highlighted a strong annual increase of 4% in the median weekly rent of Brisbane's East Precinct. This has taken the median rent for a three bedroom house to \$395 per week, slightly higher than the greater Brisbane median weekly rent and the strongest of all precincts not including Brisbane's Inner Precincts.

Eastern Precinct Ten Year House Sales Cycle



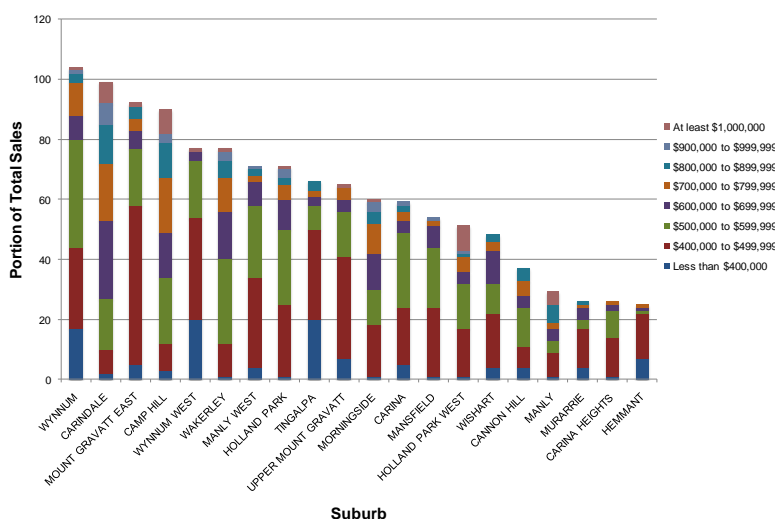
Prepared by PRDnationwide Research Source: PDS Live

Eastern Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Southern Precinct

"The South Precinct has recorded the strongest volume of house sales within the Brisbane LGA at 1,874 settled transactions"

Over the most recent period, the median price established for the South Precinct was \$485,000, \$5,000 less than the peak recorded within the previous half year. This price was achieved through a 12 month growth of 2.1% (\$10,000), to register the lowest median house price across Brisbane for the December 2010 period.

A resale analysis was conducted to ascertain the returns achieved by investors who resold their houses within the December 2010 half year period. This analysis revealed an average annual capital growth of 8% per annum. These houses were held for an average period of around five and a half years before being sold.

The South Precinct has recorded the strongest volume of house sales within the Brisbane LGA at 1,874 settled transactions. However, this still represents the lowest level of sales activity in ten years. This volume of sales has resulted from an annual softening of 32% (875 sales), the strongest percentage decrease in sales activity recorded across the Brisbane LGA.

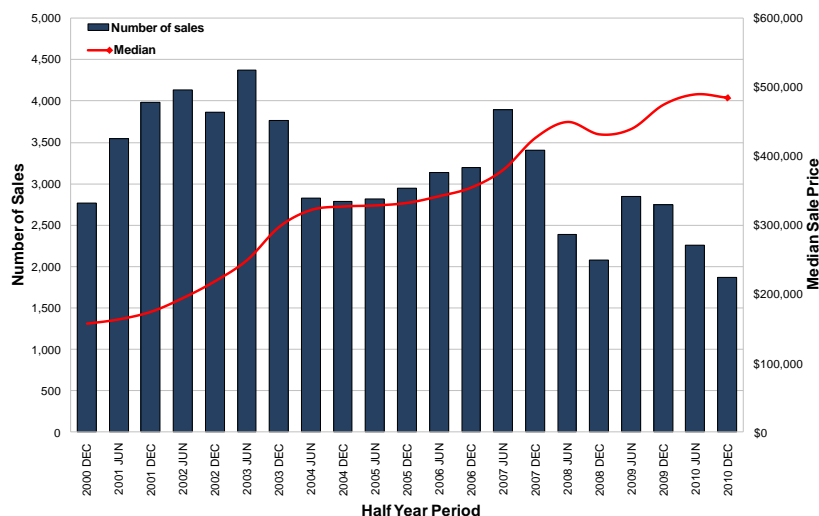
The suburb of Forest Lake has accounted for the bulk of sales activity with 212 sales, bolstered by strong demand for the affordable price brackets with 119 sales transacting for less than \$400,000. Sunnybank Hills accumulated the second highest volume of sales at 101 settled transactions. The price points for the most active suburbs have shown a clear trend towards a strong demand for affordable product with the majority of sales transacting for less than \$500,000. There have been few million dollar plus sales within the December 2010 half year, with the strongest premium market held in Chelmer, recording 11 million dollar plus sales, followed by Graceville with six sales. Suburbs to record increased activity over the December 2010 period were Graceville and Doolandella which registered an additional four and two sales respectively.

The most active price point for the December 2010 half year was \$400,000 to \$499,999, which accounted for 28.7% of total activity. This was followed by the sub \$400,000 market with 24.8% of sales. The premium million dollar plus market, has seen a 3.5% share of sales amounting to a total of 65 transactions for the period.

The strongest drop in sales activity was absorbed within the \$400,000 to \$499,999 price point, accounting for 44% of the total decrease in sales. This was followed by the sub \$400,000 market accounting for 19% of the total market contraction.

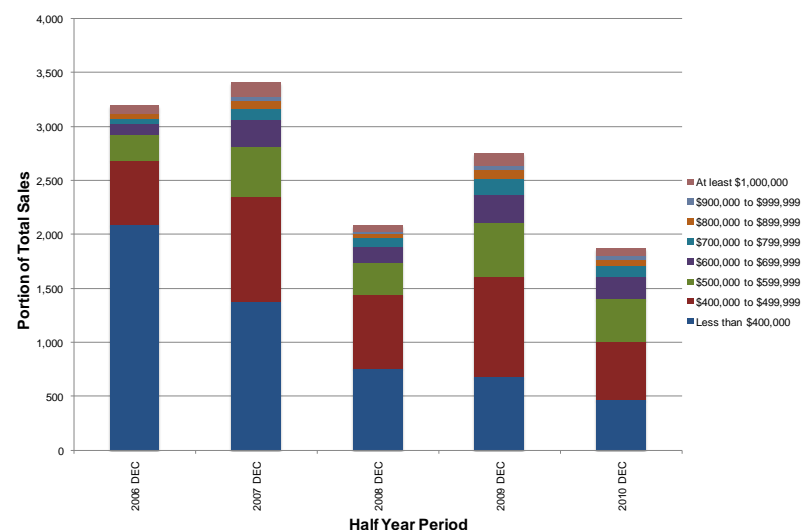
According to the RTA, the median weekly rent for a three bedroom house in Brisbane's South Precinct throughout the March 2011 quarter was \$360. This figure was attributable to a 3% growth from the March 2010 quarter. Despite this growth, this still represents the most affordable rent for a three bedroom house within Brisbane, along with the North Precinct.

Southern Precinct Ten Year House Sales Cycle



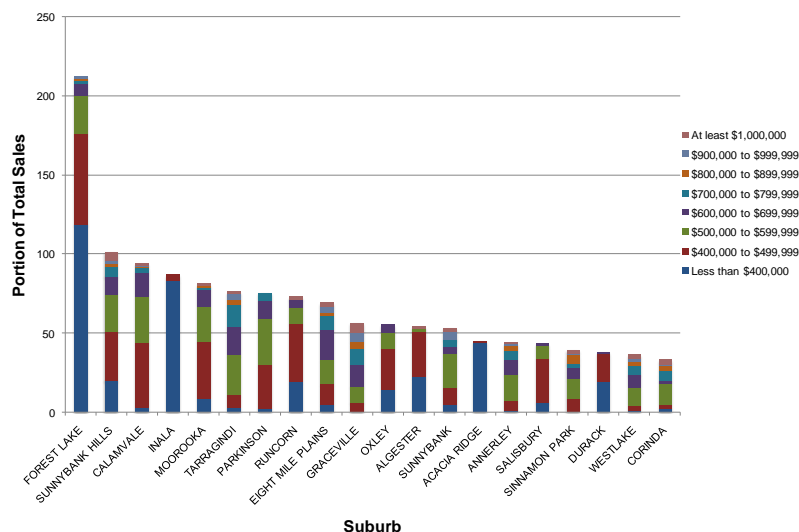
Prepared by PRDnationwide Research Source: PDS Live

Southern Precinct LGA House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Western Precinct

"The West Precinct has established 759 sales within the Brisbane LGA over the December 2010 half year representing the lowest sales activity within the Brisbane LGA"

The median price for Brisbane's West Precinct has not only registered a price peak, however it also recorded the highest median price for all precincts excluding Brisbane's Inner Precincts at \$585,000. This price resulted from the strongest annual growth rate recorded throughout the Brisbane LGA of 4.5% (\$25,000).

A resale analysis was undertaken on the West Precinct house market over the December 2010 six months. This analysis has shown that home owners who sold within this precinct have achieved the strongest average annual growth for any house precinct at 9% per annum. These houses were held for an average period of just over five and a half years.

The West Precinct has established 759 sales within the Brisbane LGA over the December 2010 half year, representing the lowest level of sales activity in ten years and the lowest sales activity within the Brisbane LGA. This volume of sales represents an annual softening of 28% (299 sales).

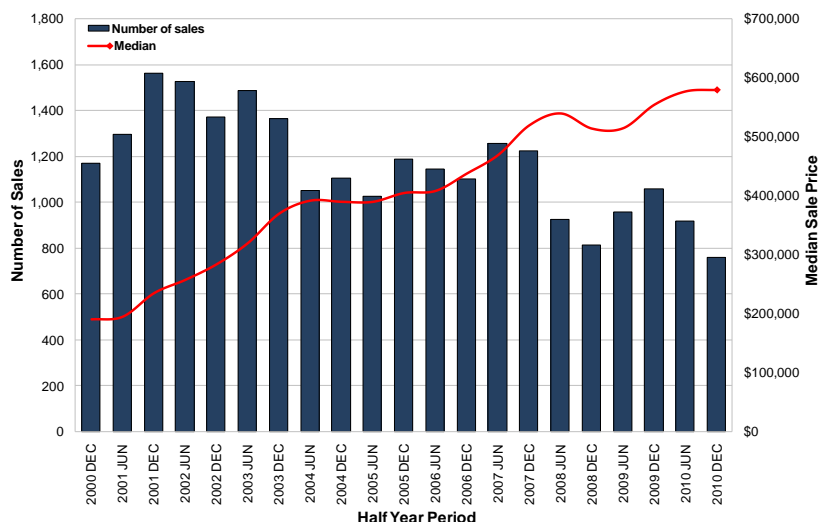
The suburb of Ashgrove has accounted for the highest volume of sales transacting 87, with a significant portion of million dollar plus sales at 19 transactions. This was followed by the suburbs of Bardon and Chapel Hill with 70 sales each, both accounting for a significant portion of the million dollar plus market. The suburbs of Fig Tree Pocket and Pullenvale have also recorded significant levels of million dollar plus house transactions accounting for 10 and 11 sales respectively. Suburbs to have recorded increased activity over the December 2010 period were Ferny Grove, Enoggera, Upper Brookfield and Pinjarra Hills suggesting a sustained demand for these suburbs throughout the current market conditions. Ferny Grove recorded the strongest increase, gaining four transactions, followed by Enoggera with an additional three.

The most active price point throughout the December 2010 half year was \$500,000 to \$599,999 which accounted for 25% of total activity. This was followed by the \$400,000 to \$499,999 market with 22% of sales. The premium million dollar plus market, has seen a 9% share of sales amounting to a total of 71 transactions for the period.

The strongest softening in sales activity was absorbed within the \$400,000 to \$499,999 price point accounting for 44% of the total decrease in sales. This was followed by the \$500,000 to \$599,999 market accounting for 18% of the total market contraction.

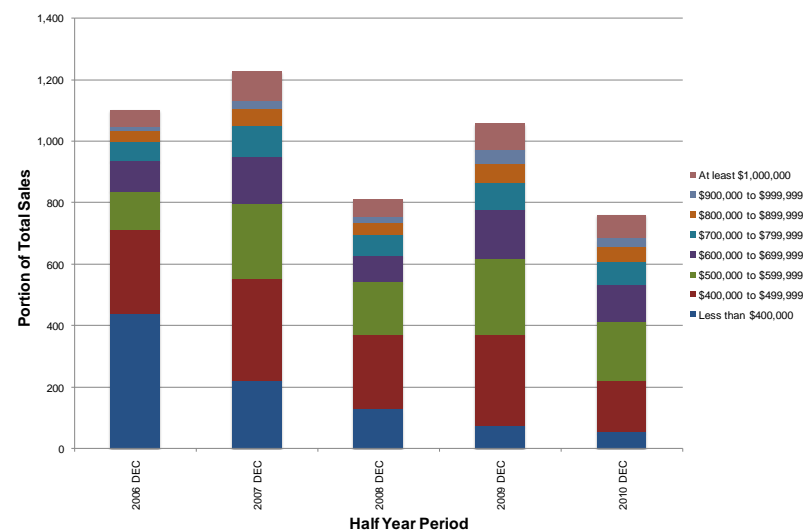
The West Precinct has seen strong growth during the March 2011 quarter to record a median weekly rent of \$390 for a three bedroom house, on par with the Brisbane LGA median weekly rent. This figure was attained through a 4% growth from the March 2010 quarter.

Western Precinct LGA Ten Year House Sales Cycle



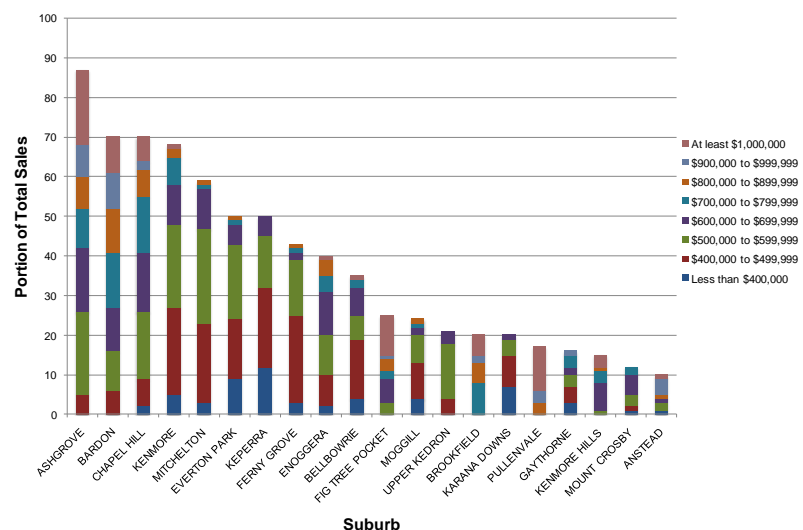
Prepared by PRDnationwide Research Source: PDS Live

Western Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Unit Market

“Contracting sales below the \$500,000 price point can be attributed to the exacerbated impact increasing interest rates and the rising cost of living have had within this price sensitive market”

Brisbane unit product sold within the December 2010 half year has recorded an annual increase of 3.8% (\$15,000), to register \$415,000. Similarly to the house market, sales activity within all price brackets has contracted, although unit sales within the lower price points have absorbed the brunt of falling demand. This has resulted in median price displaying growth, whereas values have most likely softened as vendors are forced to discount prices in order to sell.

PRDnationwide conducted a resale analysis on unit product sold within the December 2010 half year to highlight returns achieved by home owners who sold within this period. The analysis revealed a steady average annual capital growth of 6.3% per annum, 2.2% below the average returns of houses. A shortage of new unit product will continue to support values, however given that discretionary purchasers are waiting out the bottom of the property cycle, active buyers maintain the upper hand in the property equation.

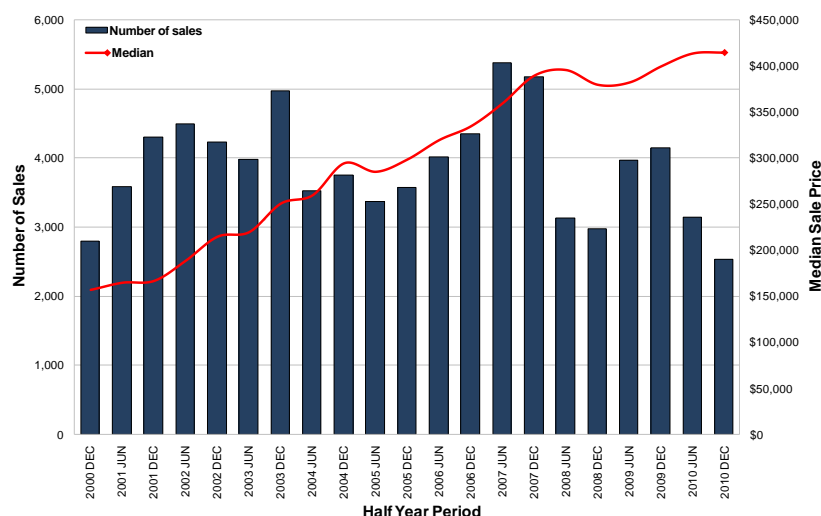
Settled transactions have tightened significantly over the most recent December half year period to register 2,535, equating to a softening of 39% (1,625 sales). This not only represents the lowest level of sales activity in over ten years, but also 1,345 transactions below the ten year average of 3,880 sales per six month period.

In terms of the price point distributions throughout the December 2010 half year period, the bulk of unit sales have been recorded within the \$300,000 to \$399,999 price bracket, accounting for 37% of total sales. This was followed by the \$400,000 to \$499,999 bracket which saw 28% of total sales.

With increasing interest rates and falling levels of active buyers within the market, sales activity within all price points have contracted over the December 2010 half year. The strongest tightening in sales activity was recorded within the sub \$500,000 market, which has absorbed 80% of the total softening in sales activity recorded throughout the period. This can be attributed to the exacerbated impact increasing interest rates and the rising cost of living has had within this market.

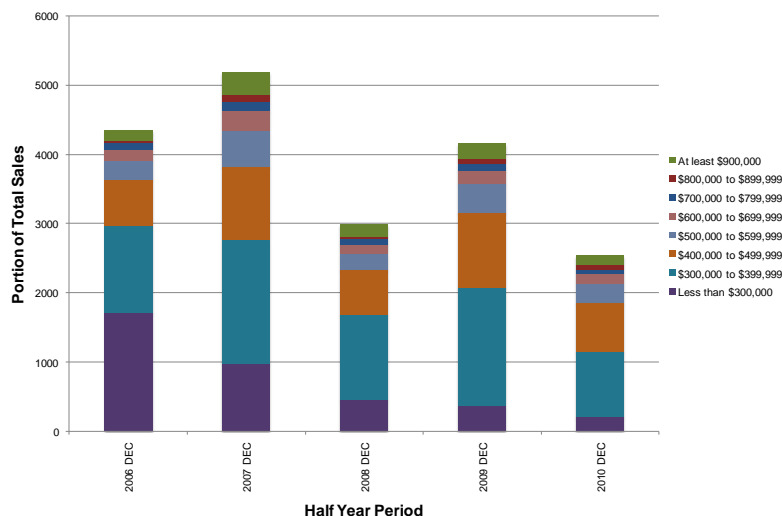
Over the past 12 months, the Brisbane LGA has recorded similar growth to the house market at 3%. This growth has been driven by an increasing demand for rental properties. This has been facilitated by a number of factors including the rising cost of living, exodus of residents from the January floods and an uncertainty within the property market causing potential buyers to remain in the rental market. This strong growth has however maintained the relative affordability of Brisbane's unit market at \$375 per week for a two bedroom flat.

Brisbane LGA Ten Year Unit Sales Cycle



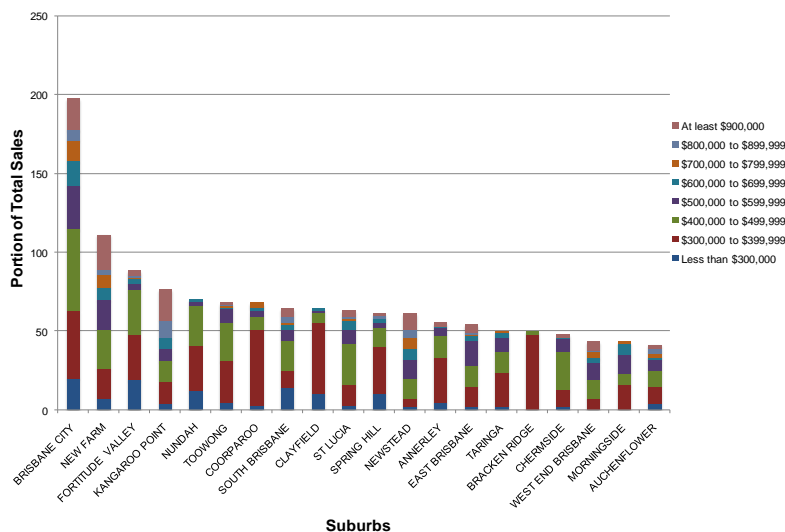
Prepared by PRDnationwide Research Source: PDS Live

Brisbane LGA Portion of New Product Sold and Resales



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Brisbane CBD

"The CBD Precinct consistently achieves less capital growth than fringe areas due to its location as the primary hub of Brisbane, however this region does yield higher rental returns"

Over the December 2010 half year period, the Brisbane CBD unit market has established a median price of \$467,000 through an annual growth of 4.4% (\$19,500). This represented the second highest growth across Brisbane throughout the December 2010 six months.

In order to establish the realised returns by vendors who sold their unit during the December 2010 period, PRDnationwide Research conducted a resale analysis. The Brisbane CBD Precinct consistently achieves less capital growth than fringe areas, due to its location as the primary hub of Brisbane in terms of amenity, employment and entertainment. The resale analysis has supported this, recording an average annual capital growth of 3.9% per annum. This product was held for an average period of just under five years.

The number of general apartment sales in the CBD Precinct has tightened significantly by 46% (167 sales) over the December 2010 half year period to register 197 sales. This reflects the second strongest drop in sales volumes for all precincts within the Brisbane LGA over the December 2010 period.

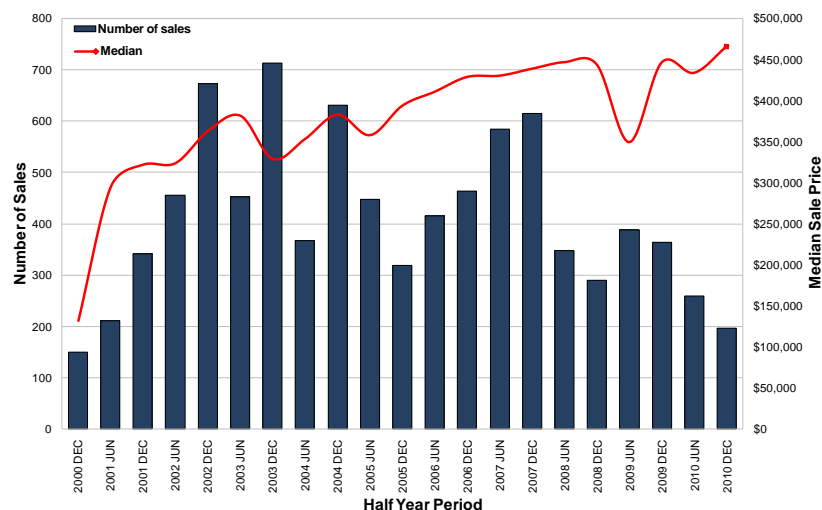
As a suburb, the Brisbane CBD has transacted the highest level of sales, recording 197, 7.8% of total transactions within the Brisbane LGA. For young professionals and investors, demand for inner city residences is leverage off the low maintenance lifestyle and central location close employment and amenity. Mary Street and Queen Street have established the highest sale volume over the six months to December 2010, attracting 28 settled transactions each. This was followed by Albert Street with 25 sales. On an individual building basis, Aurora located at 420 Queen Street has attracted the strongest sales volumes with 17 transactions over the December 2010 half year. This was followed by Charlotte towers at 128 Charlotte Street recording 15 sales.

In terms of the price point distributions, the December 2010 half year period saw the bulk of unit sales recorded within the \$400,000 to \$499,999 price bracket, accounting for 26% of total sales. This was followed by the \$300,000 to \$399,999 price point which saw 22% of total sales.

The price brackets which contracted the most over the past 12 months has been the sub \$500,000 market, accounting for 60% of the total softening in sales activity. This has occurred in line with increasing interest rates, rising cost of living and withdrawal of the first home owners boost which has seen the more price sensitive buyers exit the market.

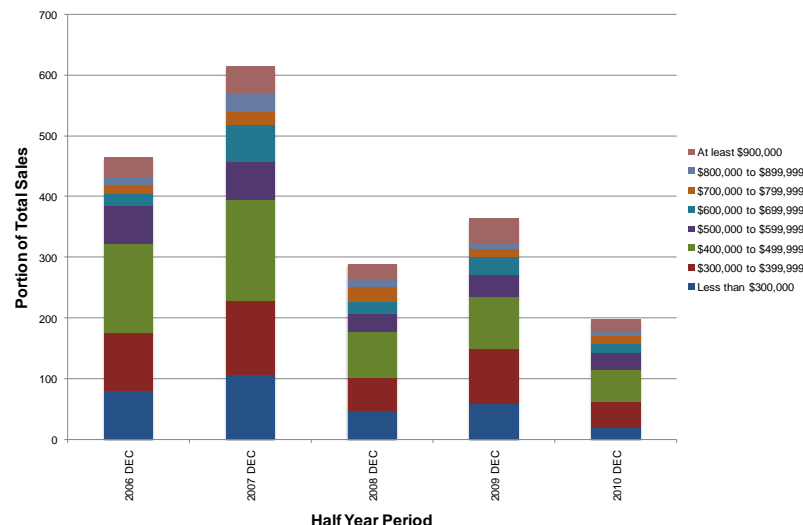
However, rental returns within the Brisbane CBD Precinct are far greater than surrounding areas due to the high level of demand for residence. During the March 2011 quarter, the median weekly rent for a two bedroom flat was \$450, culminating from an annual growth of 5%.

Brisbane CBD Ten Year House Sales Cycle



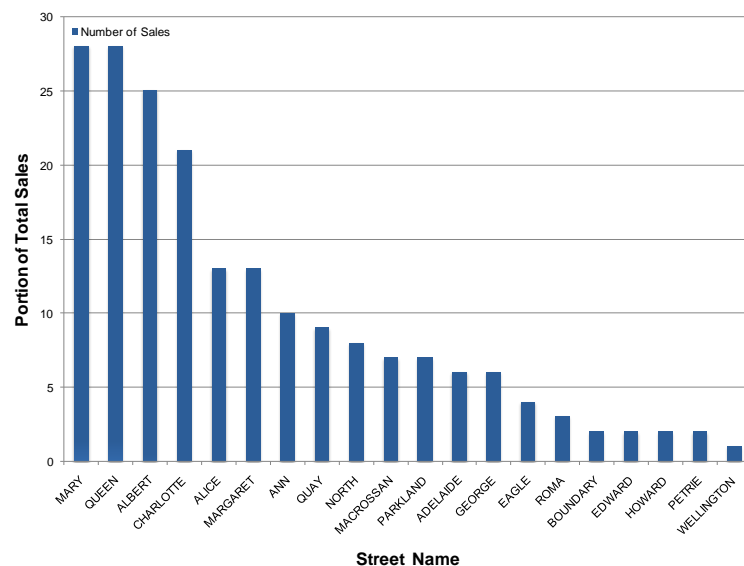
Prepared by PRDnationwide Research Source: PDS Live

Brisbane CBD House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Streets – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Inner North Precinct

"A large portion of these sales have transacted within the \$900,000 plus market, indicating there still exists a strong demand for premium unit product in this region"

The December 2010 half year saw the median unit price for the Inner North Precinct reach \$429,000, an annual increase of just 0.9% (\$3,750). As a result of the surprise rate rise in November 2010, median price in Brisbane has decreased slightly from its price peak recorded during the June 2010 half year period of \$436,665.

PRDnationwide conducted a resale analysis on unit product sold within the December 2010 half year to highlight returns achieved by home owners who sold within this period. The analysis revealed a healthy average annual capital growth of 6.5% per annum. Units sold within this period were held for an average period of five and a half years.

There were a total of 735 settled transactions within the Inner North Precinct during the December 2010 half year, equating to a softening of 30% (313). This is the lowest recorded volume of sale activity in over 10 years, registering significantly below the five year average of 1,091 sales per six month period.

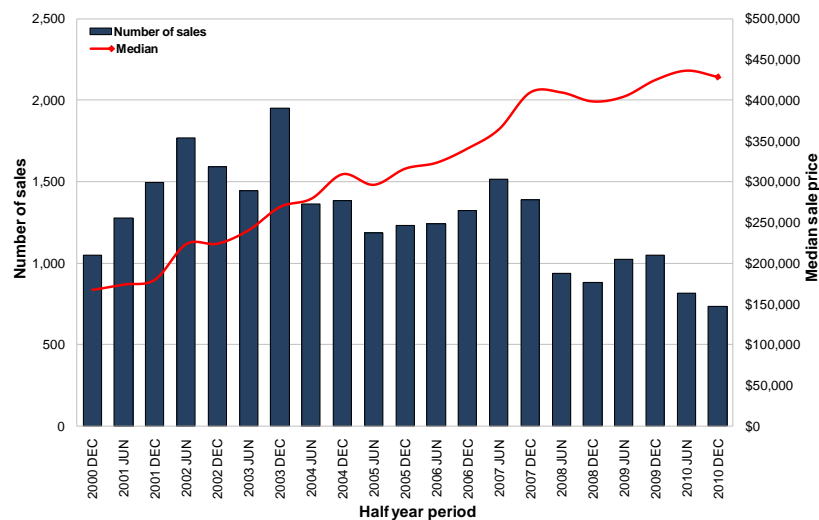
The suburb of New Farm has attracted the strongest level of activity transacting 111 sales, which accounted for 15% of total sales. A large portion of these sales have transacted within the \$900,000 plus market, indicating there still exists a strong demand for premium unit product within this region. Fortitude Valley and Toowong also recorded strong levels of sales activity with 88 and 68 sales respectively. These primarily transacted within the \$300,000 to \$499,999 price bracket. The strongest growth in demand for unit type accommodation was recorded in Milton, registering an increase of seven unit sales. Bowen Hills and Wilston also recorded growth in sales with increases of six and three sales.

The lower end of the market has recorded the most of sales, with the \$300,000 to \$499,999 price bracket recording 57.4% of total sales. The \$900,000 plus market, which was predominately held within New Farm and Newstead, accounted for 7.5% of total sales.

The most recent six month period to December 2010 has seen the strongest tightening in sales activity occur at the more affordable end of the market, with 34% of the total decrease in sales absorbed within the \$300,000 to \$399,999 bracket. This can be attributed to the increased rate of saving within households, increasing interest rates and the withdrawal of the first home buyers boost. This has culminated to deter large financial commitments from increasingly budget conscious households.

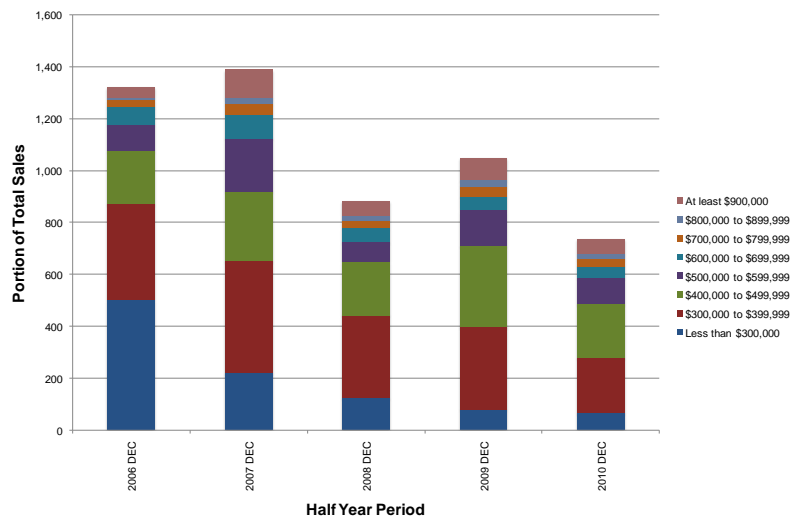
The most recent data published by the RTA suggest median weekly rents in the Inner North suburbs have increased 5% from the corresponding March quarter in 2010. Currently, the median weekly rent for a two bedroom flat in Brisbane's Inner North Precinct is \$340 per week, only \$5 a week greater than the Inner South Precinct.

Inner North Precinct Ten Year House Sales Cycle



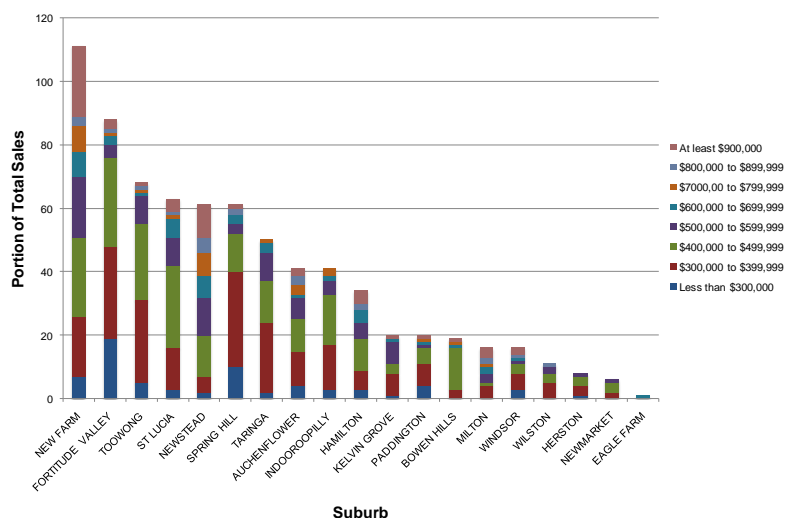
Prepared by PRDnationwide Research Source: PDS Live

Inner North Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Inner South East Precinct

"This Inner South Precinct has been relatively volatile throughout the past three years, responding quickly and sharply to market conditions such as interest rate rises"

The median price for a unit recorded during the December 2010 half year has peaked at \$432,500 (\$2,500), resulting from an annual growth of 0.6%. This represents the highest median price across all precincts within the Brisbane LGA. This market has been relatively volatile throughout the past three years, responding quickly and sharply to market conditions such as interest rate rises.

A resale analysis was undertaken on the Inner South Precinct unit market over the December 2010 six months, highlighting the returns achieved by home owners who sold within this period. The analysis revealed a healthy average annual capital growth of 7.3% per annum. Units sold within this period were held for an average period of five and a half years.

The Inner South Precinct attracted 417 settled transactions within the December 2010 half year period, equating to a softening of 29% (173). This is the lowest recorded volume of sale activity in at least 10 years. When benchmarking against the five year average of 581 sales per six month period, the most recent period records 164 transactions less.

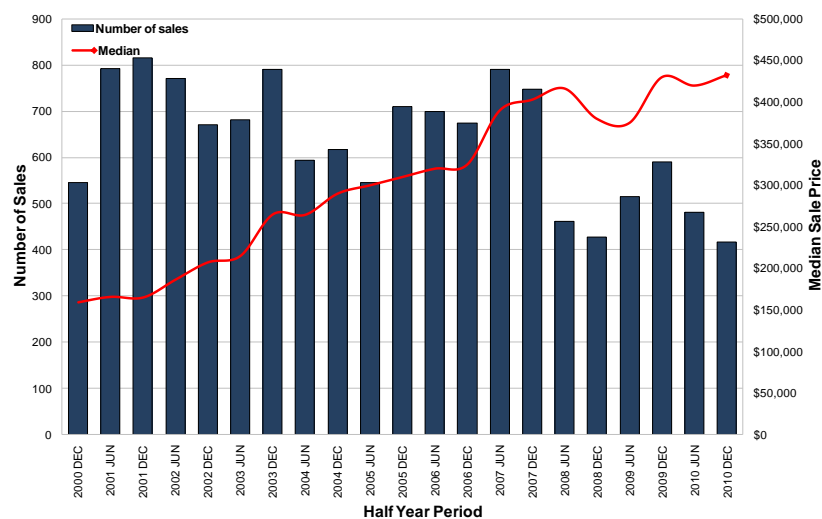
The suburb of Kangaroo Point attracted the strongest sales activity throughout the most recent period, transacting 76 settled sales. A large portion of these sales have transacted within the \$900,000 plus market, which is driven by the young professional and investor demographics seeking a low maintenance lifestyle and strong rental returns close to the CBD. Coorparoo has also recorded a significant level of sales with 68 transactions, predominately within the affordable \$300,000 to \$399,999 price bracket. The strongest growth in demand for unit type accommodation was recorded in East Brisbane, registering an increase of seven unit sales, to record a total of 54 sales. Dutton Park and South Brisbane also recorded growth in sales with increases of three and two sales respectively.

Analysis of the price points revealed the bulk of activity transacted between \$300,000 and \$399,999 bracket, accounting for 31% of total sales for the period, while 26% transacted between \$400,000 and \$499,999. The \$900,000 plus market has shown little change from the December 2009 period with 36 sales, indicating strong demand for high end product.

The lower end of the market transacting below the \$500,000 price point has displayed the greatest decrease in activity accounting for 75% of the total drop in sale volumes.

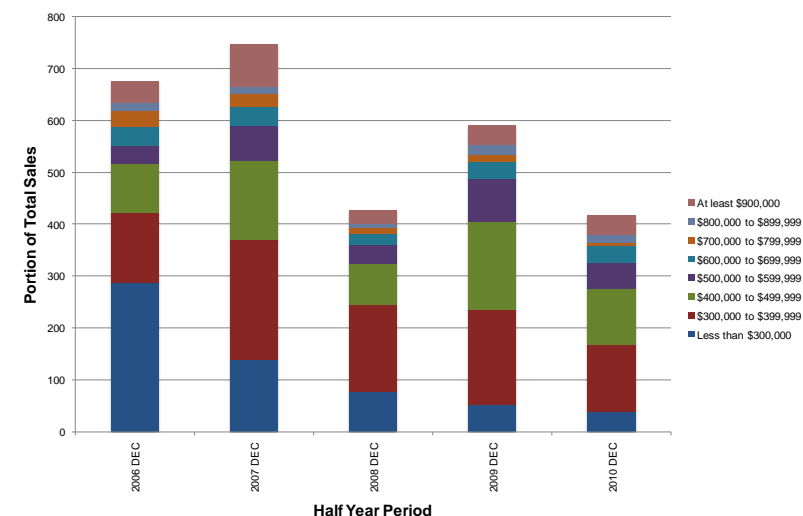
The Inner South Precinct has recorded 5% growth over the past year. This growth has culminated to a median weekly rent of \$335 per week for a two bedroom flat, \$5 below the median weekly rent recorded in the Inner North Precinct.

Inner South East Precinct Ten Year House Sales Cycle



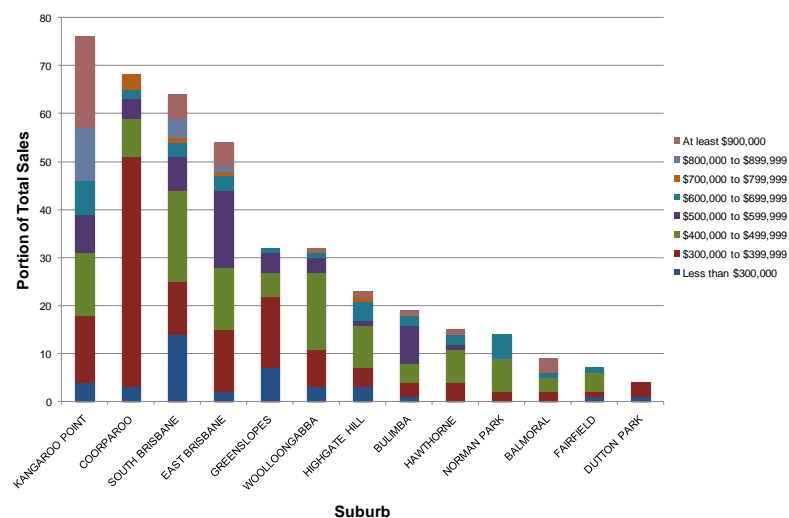
Prepared by PRDnationwide Research Source: PDS Live

Inner South East Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Northern Precinct

"The North Precinct has registered a 3% increase in median weekly rent, attaining \$360 per week. Along with the West Precinct, this was the strongest growth recorded throughout the period"

The median price for the North Precinct recorded strong growth leading up 2008 when the GFC hit real estate markets across Australia. Since then, the North Precinct has proven resilient with a buoyant median price. Over the most recent period median price has softened by 3.1% (\$11,500) to record \$365,000.

To establish returns achieved by home owners who sold their units within the December 2010 six months, a resale analysis was undertaken on the Inner North Precinct. The analysis shows that owners held onto their units for an average period of five year before releasing it back onto the market and achieved an average annual capital growth of 6.4% per annum.

Brisbane's North Precinct has seen 465 settled transactions occur within the December 2010 half year period, equating to a 12 month fall in sales activity of 40% (315 sales). This decline resulted in the lowest recorded volume of sales activity in four and a half years. The five year average of 687 sales per six month period, records 222 sales greater than the most recent periods recorded level of transactions.

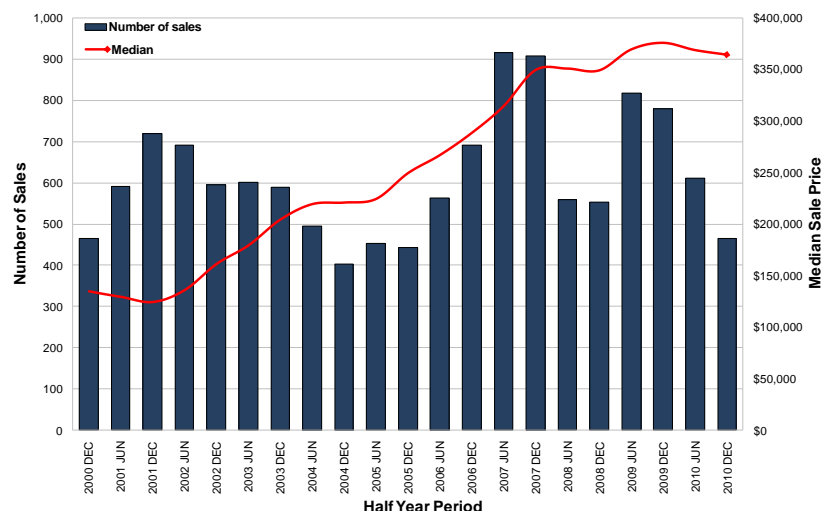
The popular suburb of Nundah has attracted the highest volume of sales during the December 2010 half year period, achieving 70 settled sales. The vast majority of these sales transacted for less than \$500,000. A significant volume of sales was also recorded in Clayfield with 64 transactions, also predominately within the sub \$500,000 price bracket. Bracken Ridge has bucked the prevailing trend within the Brisbane market and displayed strengthening unit sales with an increase of 17 settled transaction throughout the most recent period. Northgate and Bridgeman Downs also recorded increasing sales activity with an additional 12 sales and 10 sales respectively.

Analysis of the price points revealed the majority of sales activity has occurred within the affordable \$300,000 to \$399,999 price point, which established 56.8% of sales activity. The prestige market has seen very little market share with only 0.9% (4 sales) of total activity

Although the sub \$500,000 market has accounted for the vast majority of sales, it has also recorded a considerable contraction from the December 2009 half year, absorbing 92% of the total fall in sale activity. However, with rising interest rates, higher costs of living and strong housing values, affordable units within close proximity to the CBD will continue to support the North Precinct's popularity.

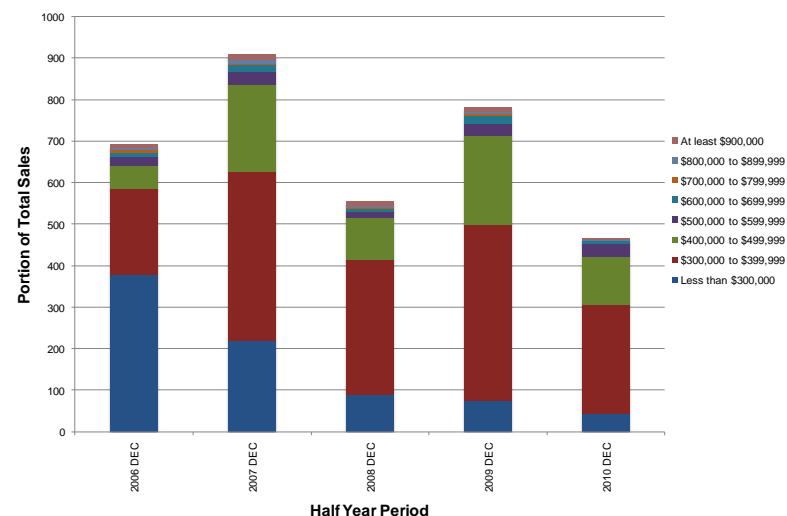
Figure released by the RTA has shown the median weekly rent for two bedroom flats within the North Precinct has registered a 3% increase throughout the March 2011 quarter attaining \$360 per week. Along with the West Precinct, this was the strongest growth recorded throughout the period.

Northern Precinct Ten Year House Sales Cycle



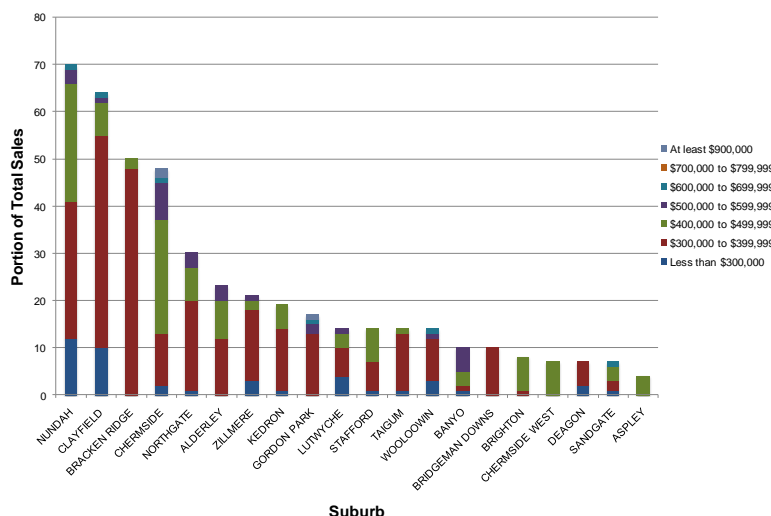
Prepared by PRDnationwide Research Source: PDS Live

Northern Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Eastern Precinct

"The East Precinct was the most robust market within the Brisbane LGA, recording a softening in sales activity of only 21% for the December 2010 half year"

The overall median price for the East Precinct has recorded a price correction over the December 2010 half year period of 1.6% (\$7,000), following an extended period of continually strong growth. This has equated to a final median price of \$427,000

A resale analysis was undertaken on the East Precinct unit market, to identify returns achieved by home owners who sold their units within the December 2010 six months. The analysis shows that average annual capital growth is sitting at 5.3% per annum. This product was held for an average period of four and a half years before being resold.

The number of settled sales figures for the December 2010 half year has decreased 20.5% (65 sales), to register a total of 252 settled transactions. This was the most robust market within the Brisbane LGA, recording a softening of only 21%. The five year average of 362 sales per six month period registers 110 sales more than the recorded transactions over the December 2010 period.

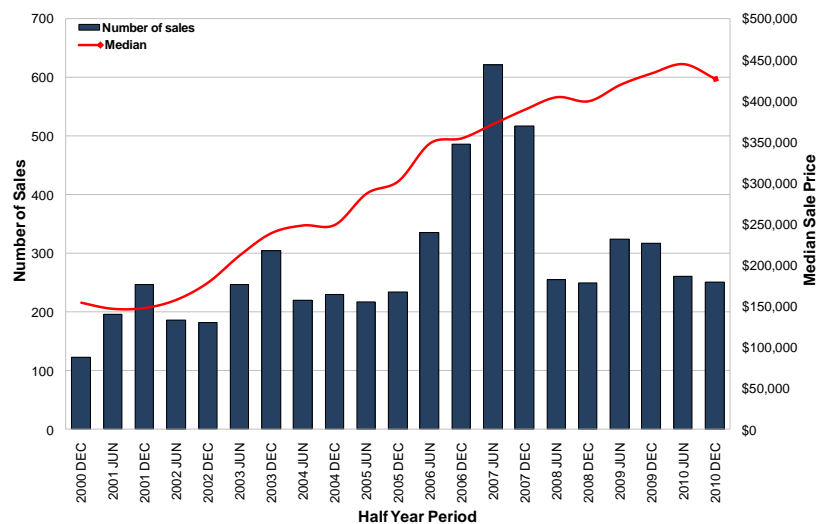
The most active suburb over the December 2010 six month period was Morningside, attracting a total of 43 sales. This was followed by Wakerley and Carina with 34 and 31 sales each. The majority of these sales have transacted within the \$400,000 to \$599,999 price bracket. Wakerley and Holland Park West were the only suburbs to record increasing sales volumes, gaining 24 and six sales respectively.

In terms of the price point distributions the majority of sales activity has occurred within sub \$500,000 market, which registered 74% of sales activity. There have been only five sales transacting for a least \$900,000.

The strongest fall in activity has been felt within the \$300,000 to \$399,999 market, accounting for 57% of the total softening in sales activity throughout the period. Interestingly however, the \$400,000 to \$499,999 and \$600,000 to \$699,999 market has enjoyed increased activity with an additional 12 sales and 10 sales respectively. The strong drop in sales activity has occurred as a result of the current financially tough circumstances impacting more heavily on the more price sensitive demographic, who have exited the market opting to ride out the bottom of the property cycle.

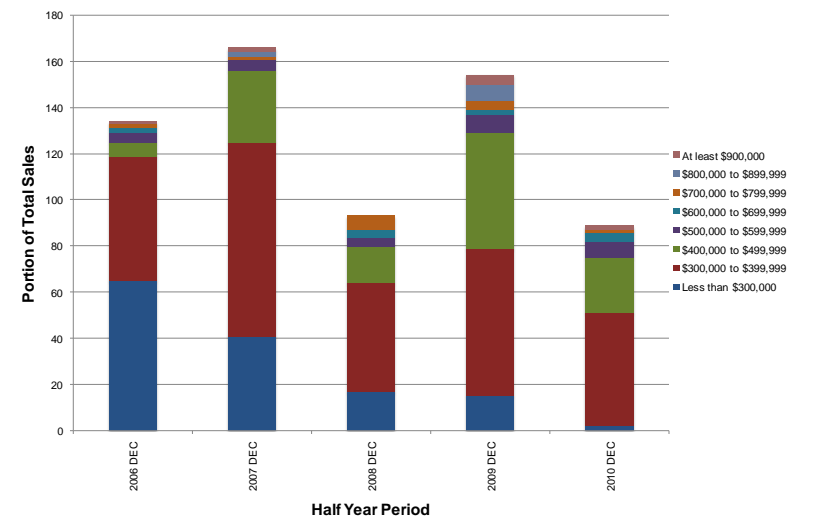
The March quarter 2011 rental data has revealed an annual softening of 4% in the median weekly rent of Brisbane's East Precinct. This has taken the median rent for a two bedroom flat to \$325 per week. The softening in median rent has occurred in line with a low volume of new bonds, indicating less competition for rentals in this area. Current market rates can be expected to increase as available tenancies diminish following strong demand and current renters concede to pay a greater weekly rent to stay put.

Eastern Precinct Ten Year House Sales Cycle



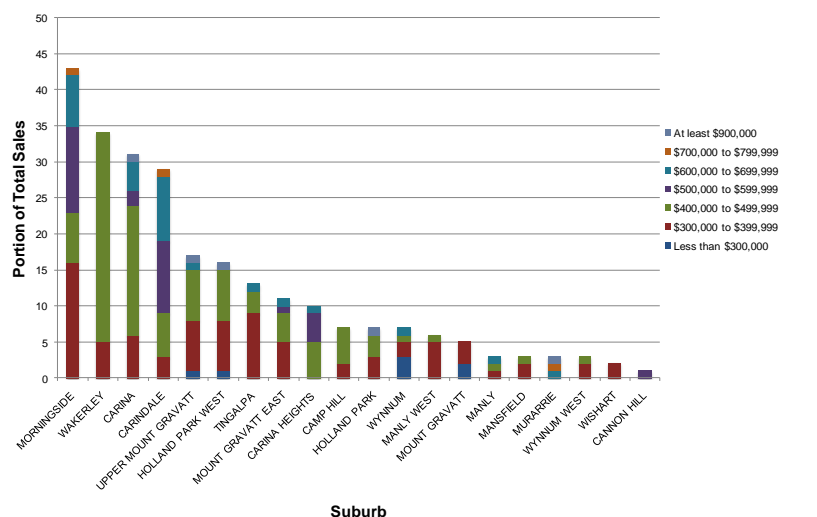
Prepared by PRDnationwide Research Source: PDS Live

Eastern Precinct House Price Points



Prepared by PRDnationwide Research Source: PDS Live

Most Active Suburbs – Six Months To December 2010



Prepared by PRDnationwide Research Source: PDS Live

Southern Precinct

"Although sales have declined significantly within all price brackets, there was a marked drop in the volume of sales transacting within the \$300,000 to \$399,999 bracket, recording a 71% drop from the December 2009 period"

Throughout the GFC, this market proved resilient with only a stabilising in median price throughout this period, facilitated by robust sales volumes. The annual growth rate recorded on the December period was the strongest of all precincts within this report at 5.3%.

The average annual returns achieved by home owners who sold their units within the December 2010 six months was a healthy 6.2% per annum. Owners held onto their units for an average period of just under five years before releasing it back onto the market

Brisbane's South Precinct has seen 278 settled transactions occur within the December 2010 half year period, equating to a 62% (444 sales) softening. This is the lowest recorded volume of sales activity since the June 2005 half year period. The five year average of 479 sales per six month period is a stark reminder of the current lack of active buyers in the market.

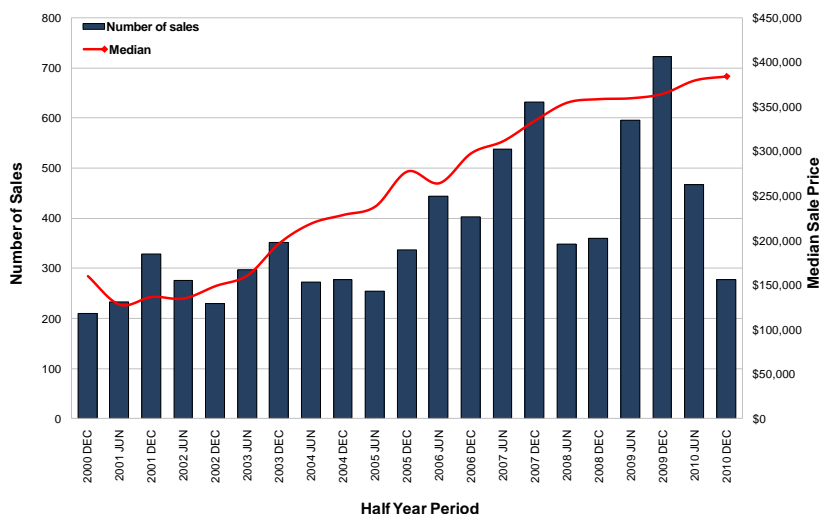
On an individual suburb level, Annerley has attracted the highest volume of sales for the South Precinct, accounting for 55 settled transactions. The most active price point for this suburb was \$300,000 to \$399,999 with 51% of sales. Moorooka and Yeronga also recorded strong sales volumes at 32 and 23 sales. There were few suburbs to record increased sales activity however of those that did, Seventeen Mile Rocks recorded the highest gain of nine sales, followed by Algester with an additional five sales and Salisbury with three additional sales.

In terms of the price points derived from the December 2010 period, activity is heavily weighted towards the sub \$500,000 price point, accounting for the majority of sales. The most dominant price bracket was \$300,000 to \$399,999 which saw 49% of total sales from the December 2009 period.

Although sales have declined significantly within all price brackets, there has been a marked drop in the volume of sales transacting within \$300,000 to \$399,999. This price point has seen sales drop 71% (337 sales) from the corresponding period 12 months prior, to register 337 transactions. This strong level of activity within the December 2009 half year can be attributed to the government incentives present at the time including record low interest rates and the First Home Buyers Boost, opening the doors for a number of Brisbane's residents previously unable to afford a dwelling. The withdrawal of these incentives and residual uncertainty within the market has hampered sales activity, providing an opportunity for buyers in the marketplace.

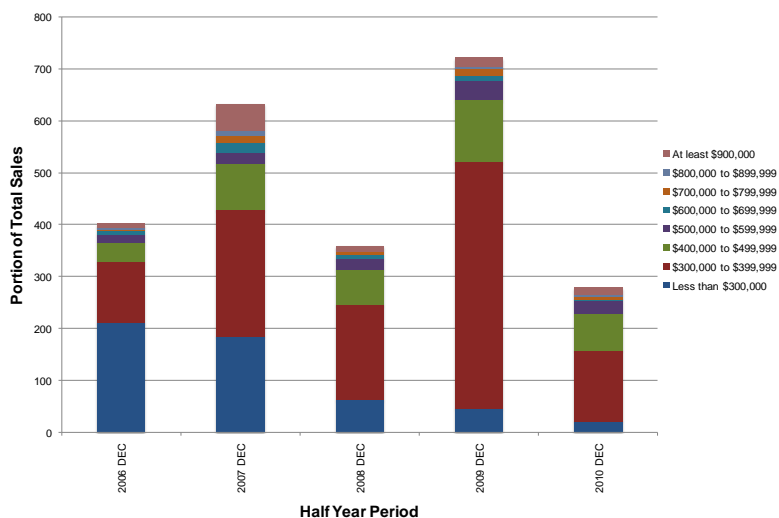
According to the RTA, the median weekly rent for a two bedroom unit in Brisbane's South Precinct throughout the March Quarter 2011 was \$335. This figure was attributable to a 7% softening from the March 2010 quarter.

Southern Precinct Ten Year House Sales Cycle



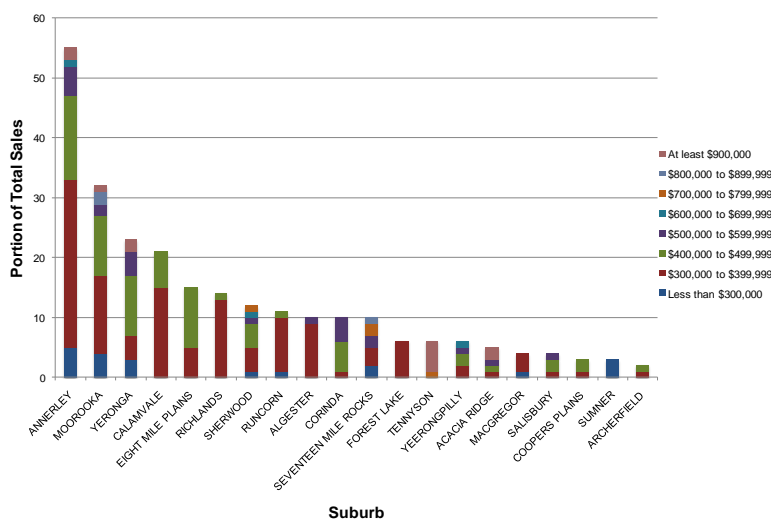
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Southern Precinct House Price Points



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Most Active Suburbs – Six Months To December 2010



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Western Precinct

"The departure of a considerable level of active buyers and reluctance of vendors to meet the market has seen falling sales within the \$400,000 to \$499,999 market"

The median price for the West Precinct has softened 3.5% (\$14,000) from the December 2009 half year to register \$385,000. As the smallest market within the Brisbane LGA, median price for the West Precinct has displayed more volatility than its counterparts. This fall in median price has occurred as a result of the significant contraction within the more affordable price points, spurred on by increasing interest rates and uncertainty within the market.

In order to establish the returns to vendors who sold their unit during the December 2010 period, PRDNationwide Research conducted a resale analysis. This revealed the Western Precinct has achieved an average annual capital growth of 6.9% per annum. This product was held for an average period of just over five years.

Brisbane's West Precinct has established 89 settled transactions within the December 2010 half year period, equating to a 42% (65 sales) softening. This is the lowest recorded volume of sales activity since the corresponding period six years ago. This region has also achieved the lowest five year average across all Brisbane precincts, recording an average of 134 sales per six month period.

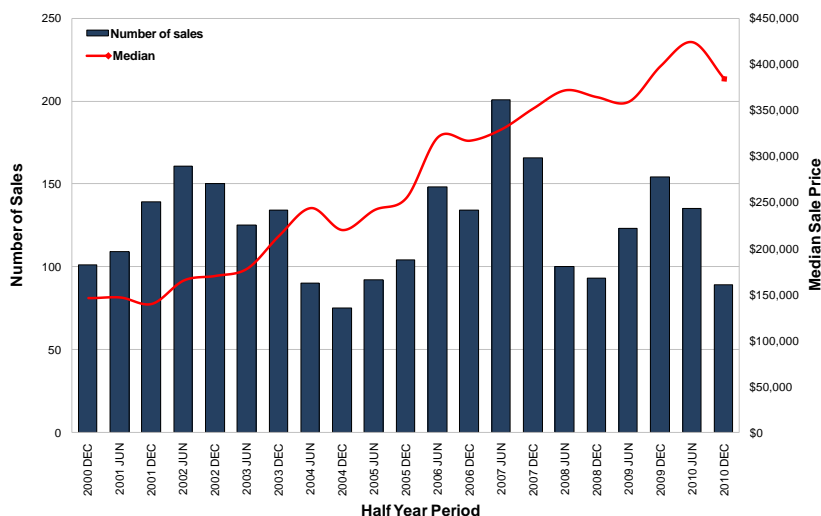
On an individual suburb level, Ashgrove has attracted the highest volume of sales within the West Precinct accounting for 21 settled transactions. The most active price point for this suburb was \$300,000 to \$399,999 with 81% (17 sales) of transactions. Everton Park and Gaythorne also recorded strong sales volumes for the precinct at 17 sales and 13 sales. Moggill, Kenmore and Ferny Grove were the only suburbs to record increased activity throughout the December period, gaining two sales each for Moggill and Kenmore while Ferny Grove recorded a single additional transaction.

The price point distributions were heavily in favour of the sub \$500,000 market, consistent with the trends across Brisbane. However, the bulk of sales activity has continued to transact within the \$300,000 to \$399,999 price point with 55% of sales followed by the \$400,000 to \$499,999 price point with 27% of sales.

The departure of a considerable level of active buyers and reluctance of vendors to meet the market has seen falling sales activity within the \$400,000 to \$499,999 price bracket. This price point has seen sales drop a 52% (26 sales) from the corresponding period 12 months prior. The \$600,000 price point was the only price point to show increased activity gaining two transactions over the period.

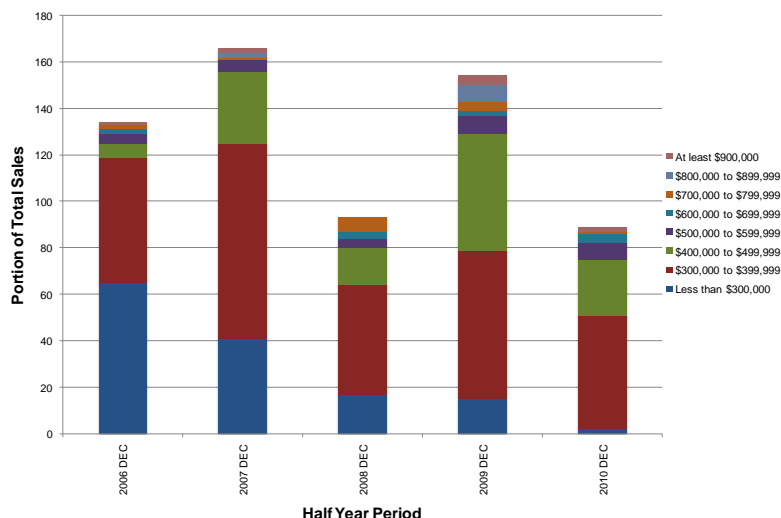
The West Precinct has seen strong rental growth during the March Quarter 2011 to record a median weekly rent of \$320 for a two bedroom flat, the most affordable median weekly rent recorded across all precincts. This figure was attained through a 3% growth from the March quarter 2010.

Western Precinct Ten Year House Sales Cycle



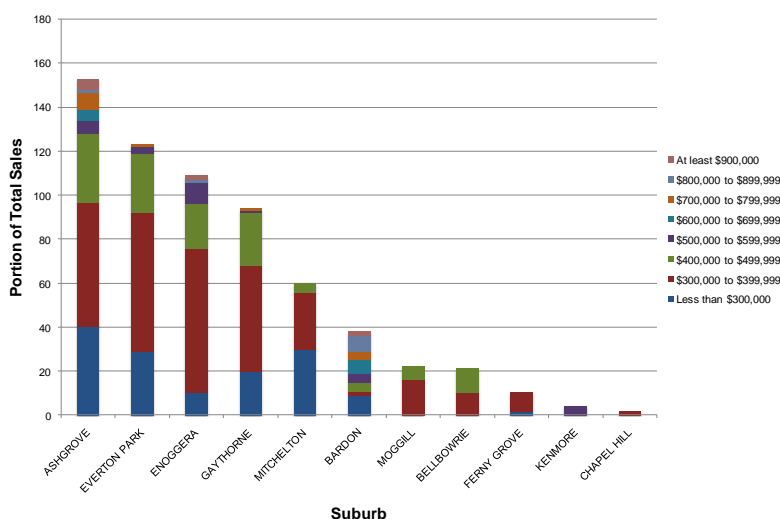
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Western Precinct House Price Points



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Most Active Suburbs – Six Months To December 2010



Prepared by PRDNationwide Research Source: PDS Live

Glossary

Estimated Residential Population (ERP)	Is the official Australian Bureau of Statistics (ABS) estimate of the Population. Based on the Census Data, Population is calculated by factoring in natural increases/decreases in the population and migration data.
Median price	Is the sale value which lies at the middle of a distributed list of numbers. As a result 50 percent of the values are below the median sale price and 50 percent are above, giving a fair indication of the typical price of property.
Price Point	The percentage of total sales transacting within price brackets, showing which properties are subject to the greatest level of demand.
Resale Analysis	Analysis of the subsequent sales of a property, showing the average annual returns achieved by owners who have sold within a given period.
Brisbane City Precinct	The suburb of Brisbane City
Inner North Precinct	Albion, Auchenflower, Bowen Hills, Eagle Farm, Fortitude Valley, Hamilton, Herston, Indooroopilly, Kelvin Grove, Milton, New Farm, Newmarket, Newstead, Paddington, Red Hill, Spring Hill, St Lucia, Taringa, Toowong, Wilston, Windsor
Inner South Precinct	Balmoral, Bulimba, Coorparoo, Dutton Park, East Brisbane, Fairfield, Greenslopes, Hawthorne, Highgate Hill, Kangaroo Point, Norman Park, South Bank, South Brisbane, West End, Woolloongabba
North Precinct	Alderley, Ascot, Aspley, Bald Hills, Banyo, Boondall, Bracken Ridge, Bridgeman Downs, Brighton, Carseldine, Chermside, Chermside West, Clayfield, Deagon, Fitzgibbon, Geebung, Gordon Park, Grange, Hendra, Kedron, Lutwyche, Mcdowall, Northgate, Nudgee, Nudgee Beach, Nundah, Pinkenba, Sandgate, Shorncliffe, Stafford, Stafford Heights, Taigum, Virginia, Wavell Heights, Woolloowin, Zillmere
East Precinct	Belmont, Burbank, Camp Hill, Cannon Hill, Capalaba West, Carina, Carina Heights, Carindale, Chandler, Gumdale, Hemmant, Holland Park, Holland Park West, Lota, Lytton, Mackenzie, Manly, Manly West, Mansfield, Morningside, Mount Gravatt, Mount Gravatt East, Murarrie, Ransome, Rochedale, Seven Hills, Tingalpa, Upper Mount Gravatt, Wakerley, Wishart, Wynnum, Wynnum West
South Precinct	Acacia Ridge, Algester, Annerley, Archerfield, Calamvale, Chelmer, Coopers Plains, Corinda, Darra, Doolandella, Drewvale, Durack, Eight Mile Plains, Ellen Grove, Forest Lake, Graceville, Heathwood, Inala, Jamboree Heights, Jindalee, Karawatha, Kuraby, Larapinta, Macgregor, Middle Park, Moorooka, Mount Ommaney, Nathan, Oxley, Pallara, Parkinson, Richlands, Riverhills, Robertson, Rocklea, Runcorn, Salisbury, Seventeen Mile Rocks, Sherwood, Sinnamon Park, Stretton, Sumner, Sunnybank, Sunnybank Hills, Tarragindi, Tennyson, Wacol, Westlake, Willawong, Yeerongpilly, Yeronga
West Precinct	Anstead, Ashgrove, Bardon, Bellbowrie, Brookfield, Chapel Hill, Enoggera, Everton Park, Ferny Grove, Fig Tree Pocket, Gaythorne, Karana Downs, Kenmore, Kenmore Hills, Keperra, Kholo, Mitchelton, Moggill, Mount Coot-Tha, Mount Crosby, Pinjarra Hills, Pullenvale, The Gap, Upper Brookfield, Upper Kedron

Prepared by PRDNationwide Research. Source: PDS Live and ABS.

For further details contact Josh Brown Research Analyst P: +61 7 3026 3357 or E: joshbrown@prd.com.au

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