

Redcliffe Peninsula Overview

IN BRIEF

- A proposed investment of \$1.35 billion in development to the Peninsula provides a strong signal for a strengthening long term property market.
- A resale analysis of product sold over the six months to September 2010 reveals an average annual capital growth figure of 7.5 per cent per annum for houses and 3.3 per cent per annum for units.
- The median house price for the Redcliffe Peninsula was \$395,000, while the median unit price was \$345,950.

Scope

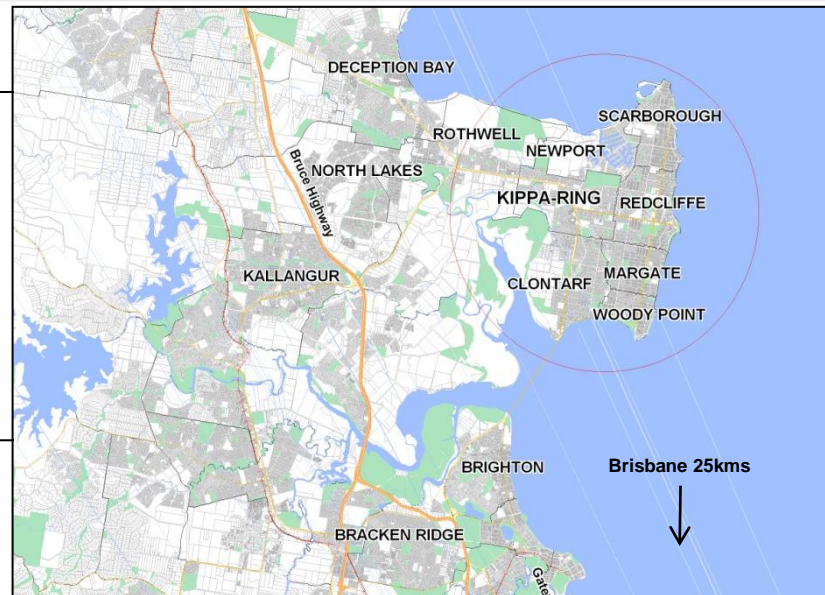
The following Property Watch report is the result of an examination of historic and current market activity within the Redcliffe Peninsula. The report takes into account recent sales, median house prices and price points over the past ten years. The aim of this report is to outline the recent performance of the housing and unit market, while considering external factors that may influence the market. For the purpose of this report the Redcliffe Peninsula includes the suburbs of Redcliffe, Clontarf, Kippa-Ring, Woody Point, Margate and Scarborough.

Area Characteristics

The Redcliffe Peninsula is located roughly 25 kilometres north of Brisbane and has been identified as part of one of South East Queensland's major growth areas. The region was originally part of the Redcliffe Local Government Area (LGA), however the 2008 amalgamation of the Redcliffe, Pine Rivers and Caboolture Local Council sees the area now fall within the greater Moreton Bay LGA. The established suburbs of the Redcliffe Peninsula have seen major growth in infrastructure, responding to an increase in population from the wider area. The Ted Smout Memorial Bridge was completed in July 2010 and has assisted in easing the congestion on the Houghton Highway Bridge, linking Brighton to Clontarf Point. Another key transport infrastructure is the Bruce Highway, which ensures strong connectivity to surrounding amenity such as Westfield Shopping Centre, schools, medical centre and sporting facilities. The much publicised railway expansion into Kippa-Ring has gained traction, with the case study completed and a development application expected to be submitted in the first quarter of 2011. Having such high quality public transport within close proximity will attribute to the value and quality of lifestyle residents can expect in the future; with factors such as traffic congestion and rising petrol prices to consider. The Peninsula is well serviced by frequent bus links to train stations, local activity hubs and Brisbane City. Proposed total investment for the Peninsula is just over \$1.35 billion, ranging from supermarkets, residential developments and medical centres to the seawall extension.

Demographics

According to the Australian Bureau of Statistics, the Redcliffe Peninsula Estimated Residential Population between June 2008 to June 2009, recorded a total population of just under 50,000 residents. This equated to a high growth rate of 2.3 per cent. Inside the Peninsula, 65.6 per cent of households are considered to be in a family type structure, while 75.2 per cent of residents live in a detached house. There is a significant portion of rental stock in the Peninsula with 34.5 per cent of households being rented. Woody Point has the highest portion of rental properties, with 48.7% of its total dwellings, followed by Redcliffe (46.2 per cent) and Margate (45 per cent).



Redcliffe Peninsula Demographic Snapshot

Suburb	Peninsula Resident Breakdown			Dwelling Type		
	Population 2009	Annual Change	Family %	House	Unit	Rental Market
Kippa-Ring	10,195	2.4%	74.5%	84.8%	15.1%	27.5%
Clontarf	8,191	2.3%	67.5%	83.8%	13.5%	33.6%
Margate	6,946	1.4%	62.5%	74.5%	25.2%	45.0%
Redcliffe	9,639	2.3%	61.9%	66.0%	33.4%	46.2%
Scarborough	10,860	2.8%	67.3%	75.1%	22.8%	30.5%
Woody Point	4,132	2.2%	53.6%	63.1%	36.7%	48.7%
Redcliffe Peninsula	49,963	2.3%	65.6%	75.2%	23.7%	34.5%

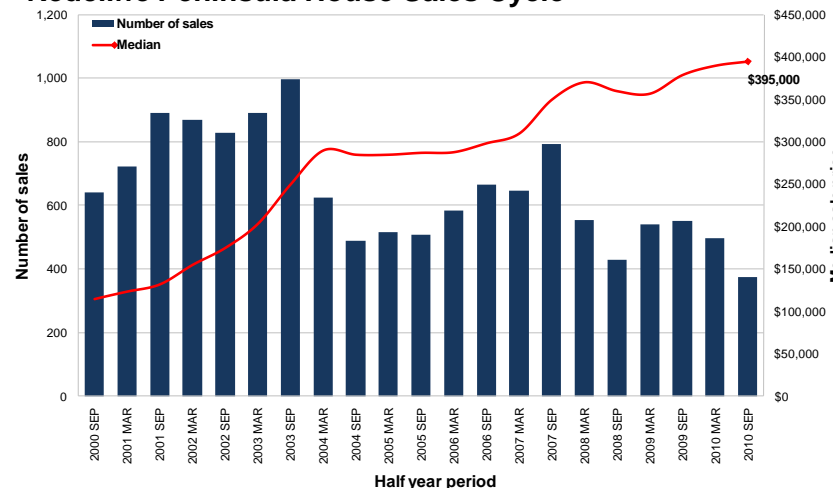
Graph prepared by PRDnationwide Research. Source: ABS

Redcliffe Peninsula Property Overview

Suburb	Sep 2010 Median Price				Median Wkly Rent	
	Houses	Annual Change	Units	Annual Change	Houses	Units
Clontarf	\$360,000	-2.3%	\$335,000	-6.8%	\$335	\$290
Kippa-ring	\$356,000	-3.8%	\$337,000	0.5%	\$330	\$315
Margate	\$397,500	8.5%	\$364,000	-7.8%	\$300	\$330
Redcliffe	\$387,500	10.7%	\$405,000	3.8%	\$310	\$320
Scarborough	\$459,000	7.3%	\$445,000	1.1%	\$330	\$340
Woody Point	\$424,750	14.0%	\$462,500	12.5%	\$313	\$330
Redcliffe Peninsula	\$395,000	4.2%	\$345,950	-9.0%	\$320	\$270

Graph prepared by PRDnationwide Research. Source: PDS Live, RTA, RPData

Redcliffe Peninsula House Sales Cycle



Graph prepared by PRDnationwide Research. Source: PDS Live

PROPERTY WATCH

Housing Market

The Redcliffe Peninsula house market has experienced a significant decline in activity since the peak of the property market in 2007. Recently, activity has softened to under 400 settled sales for the first time in over a decade. During the half year period ending September 2010, the Peninsula experienced a decrease of 25 per cent to register 373 settled house transactions. Of the total sales, just under half occurred in the \$300,000 to \$399,999 price bracket. By observing the price point graph, it is determined that this price segment of the market has been steady during the past couple years, receiving the majority of sales, while the \$200,000 to \$299,999 bracket has contracted to just over three per cent.

While demand has softened in the market, the median house price has proven to be somewhat resilient during the recent tougher economic times. At its worst during the financial crisis, the median house price only softened by 3.6 per cent and has since corrected itself. For the 12 month period ending September 2010, the median house price increased by 4.2 per cent to register \$395,000, just under the longer term five year rate of 6.6 per cent per annum. This is a positive sign for property in the Peninsula, which proves it can hold value despite softening demand. As a result of a strong level of population growth (equating to high levels of demand) in the area, the median price should hold its value during the foreseeable future. When analysing the area at a suburb level, Woody Point registered the highest increase in median price, at 14 per cent to record \$424,750. This was followed by Redcliffe with a 10.7 per cent increase to \$387,500. The most affordable suburb was Kippa-Ring, experiencing a decline in the median price by 3.8 per cent to register \$356,000. The highest recorded median house price for the September 2010 half year period was Scarborough, increasing by 7.3 per cent to \$459,000.

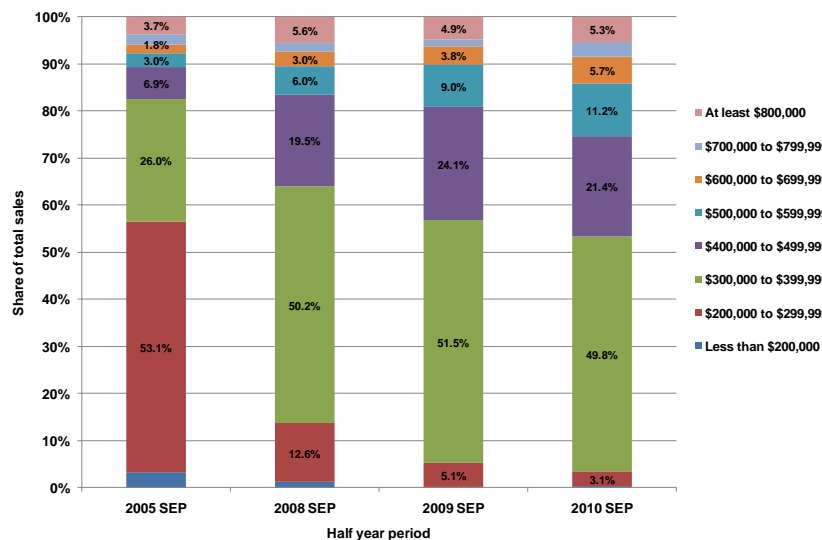
A resale analysis was undertaken to ascertain the average annual returns received by investors who exited the Redcliffe Peninsula house market over the six months to September 2010. On the whole, the house market sustained an average annual capital growth of 7.5 per cent per annum with an average holding period of 3.9 years. Detached dwellings have typically achieved a higher rate of capital growth over the past five years, when compared to unit type product.

Unit Market

Activity in the Redcliffe Peninsula unit market has recovered from the fall experienced during the financial crisis. During the September 2010 half year period, the Peninsula experienced 249 settled sales. The unit market in the Redcliffe Peninsula occupies only a small portion of the built form, due to most residents opting to reside in freestanding houses. With 23.7 per cent of existing stock defined as unit, apartment and townhouse configurations, the Peninsula has recorded a fluctuating median price over the past decade. During the 12 month period ending September 2010, the unit market experienced a softening in price growth of nine per cent, to register a median figure of \$345,950. This has brought the five year compounding growth rate slightly down to 1.3 per cent per annum. However when analysing capital growth, units have still achieved positive growth, with unit values in the recent September 2010 half year period increasing by 3.3 per cent.

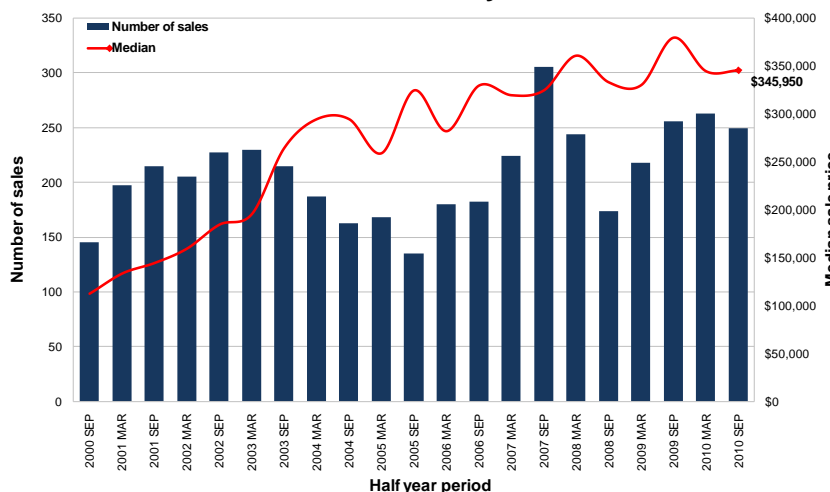
On an individual suburb level, Woody Point recorded the highest growth in median price of 12.5 per cent (and the highest median price at \$462,500), followed by Redcliffe with a 3.8 per cent increase. The most affordable median was registered by Clontarf at \$335,000, through a softening over the year by 6.8 per cent.

Redcliffe Peninsula House Price Points



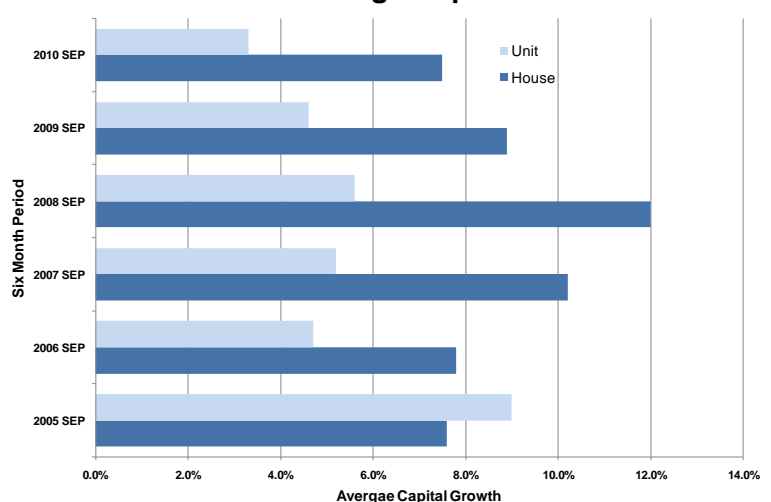
Graph prepared by PRDnationwide Research. Source: PDS Live

Redcliffe Peninsula Unit Sales Cycle



Graph prepared by PRDnationwide Research. Source: PDS Live

Redcliffe Peninsula Average Capital Growth



Graph prepared by PRDnationwide Research. Source: PDS Live

Prepared by PRDnationwide Research. Source: PDS Live, BCI Australia and the ABS.

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