October 2015

Month in Review

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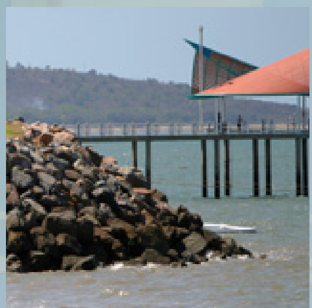
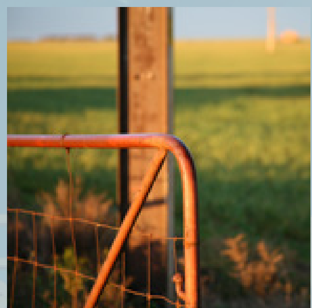
Contents





Smokin' hot price points

The best performing sectors around the nation.

There's one thing we should all realize about property markets - they aren't simple.

Granted there's things like 'herd mentality' and FOMO that make the art of predicting price movements a bit more comfortable, but the myriad of property types, price points and localities that combine under the single term 'Local property market' demand scrutiny. Giving a general capital gain growth rate for our cities may create a great sound bite, but anyone who studies real estate knows, not all property is playing at the same grade.

Think about is – you can't make it through a week without someone pontificating like a hillbilly Einstein, 'Geez! Sydney's property is getting real expensive!'. Frustrating because there's tens of thousands of individual property transactions that actually go into making that one blanket statement. A billion synapses fired between buyers and sellers, with all the nuances of negotiation, all so someone can sum it up in a basic five-word statement.

Wouldn't it be nice to know exactly what markets are being describing when we hear these generalisations. A bit of knowledge, a broadening of our intelligence wouldn't hurt. If nothing else, it'll allow us to hold a few ears captive at the next family barbeque. Any Johnnie-cum-lately can say 'Isn't Melbourne having a cracking year', but won't you look like a clever-clogs with a statement about exactly where the big drivers are in the city and what price points put you among the players. They'll be forming a circle around your fold out chair, passing you another cool beverage and hanging for your next piece of market intelligence.

Knowing which sectors are firing in markets across the nation is also a highly valuable tool. Not only can you see where you have to compete most to land an investment, but it will signpost which sector might be the next to go. Is first homebuyer activity picking up? Might be that second homebuyers are about to start showing their enthusiasm because they're getting extra dollars from selling.

Given how important this knowledge is, we asked our lasses and lads to tell us the good stuff about which markets sector are running red hot right now.

They've scoured their hometowns to see exactly where buyers are raising their hands en-masse to score themselves bricks and mortar.

Not to be outdone in the knowledge departments, our commercial team has come together to tell you all about the Office market – or, more specifically, office development and construction around Oz. Here is your instruction manual on where new buildings for office workers are going up in each and every market. Both the interesting projects underway, and refurbishments. There's also an office market sector rundown as well as a few opportunities highlighted throughout these pages.

So dig in an see where the smokin' hot sector are sitting in each and every Australian location. Of course if you want to apply the sunscreen and head out into the scorching exposure of capital gains, don't forget to call ahead to our property lifesavers here at Herron Todd White. We can let you know how conditions look so you can best protect yourself – lest ye should be burnt!

QS Corner - Capital Gains Tax for investors

When an investor sets out to enter the property market and invest their money in real estate, they generally find themselves investigating the best ways to capitalise on that investment and minimise the amount of tax they pay. The Australian Taxation Office (ATO) defines a capital gain - or capital loss - is "the difference between what it cost you to get an asset and what you received when you disposed of it".

Most investors understand that on the sale of an investment property they may incur a tax liability in the form of Capital Gains Tax (CGT). This is payable if the investment property was acquired after 19 September 1985. Gifting a property also triggers a CGT event.

When you acquire an investment property or when a principal place of residence becomes an investment property, it is important to start keeping detailed records immediately as you may be liable to pay tax on it in the future. Your records will help ensure that you don't pay more tax than necessary.

Determining market value of an investment property is essential in calculating CGT. If a property was purchased as an investment property, the purchase price generally acts as a cost base, however if your property was your principal place of residence, determining its market value is not as simple.

Professionally qualified valuers can provide this market valuation. A professional will ensure that a correct cost base and market value are attributed and provide the necessary evidence on the sale of that property.

When an asset is sold, you are liable for CGT if your capital gain exceeds your capital loss in any financial year. Any capital gain must be reflected in your tax return for that year. Another reason that a market valuation may be important is to establish each owner's share if the asset is owned jointly with another party.

The Australian Government has made fundamental changes concerning non-residents and their investment properties, including removal of eligibility for the 50% discount on capital gains earned after 8 May 2012 by non-residents on taxable Australian property, such as real estate.

A 50% discount on the amount of capital gains payable has previously been available where individuals have retained assets for longer than 12 months. The new changes aims to remove this discount for non-residents which includes Australian citizens living or working overseas who are not residents of Australia. The only way to determine the market value of the property is by obtaining a market valuation for the asset as at 8 May 2012.

Many Australian investors, whether living in Australia or overseas, can claim depreciation on investment property to help minimise their tax liability. The ATO allows depreciate of investment properties as a deduction against any income generated from the property. These deductions essentially allow claims to reduce the tax payable on assessable income.

If a depreciation schedule is required on an investment property and the property had previously been lived in or an Australian non-resident owned the property prior to the 8 may 2012 legislation changes, it's a good idea to ask yourself whether a market valuation is also required for CGT purposes.

Herron Todd White is ideally placed to undertake valuations for CGT purposes, whether for current market value or a retrospective market value, and also Tax Depreciation Schedules for the same property, meaning we can provide you with two reports with only one inspection on your property, saving you time and money.

Please feel free to contact us at enquiry@htw.com.au.

Quantity Surveying

Commercial

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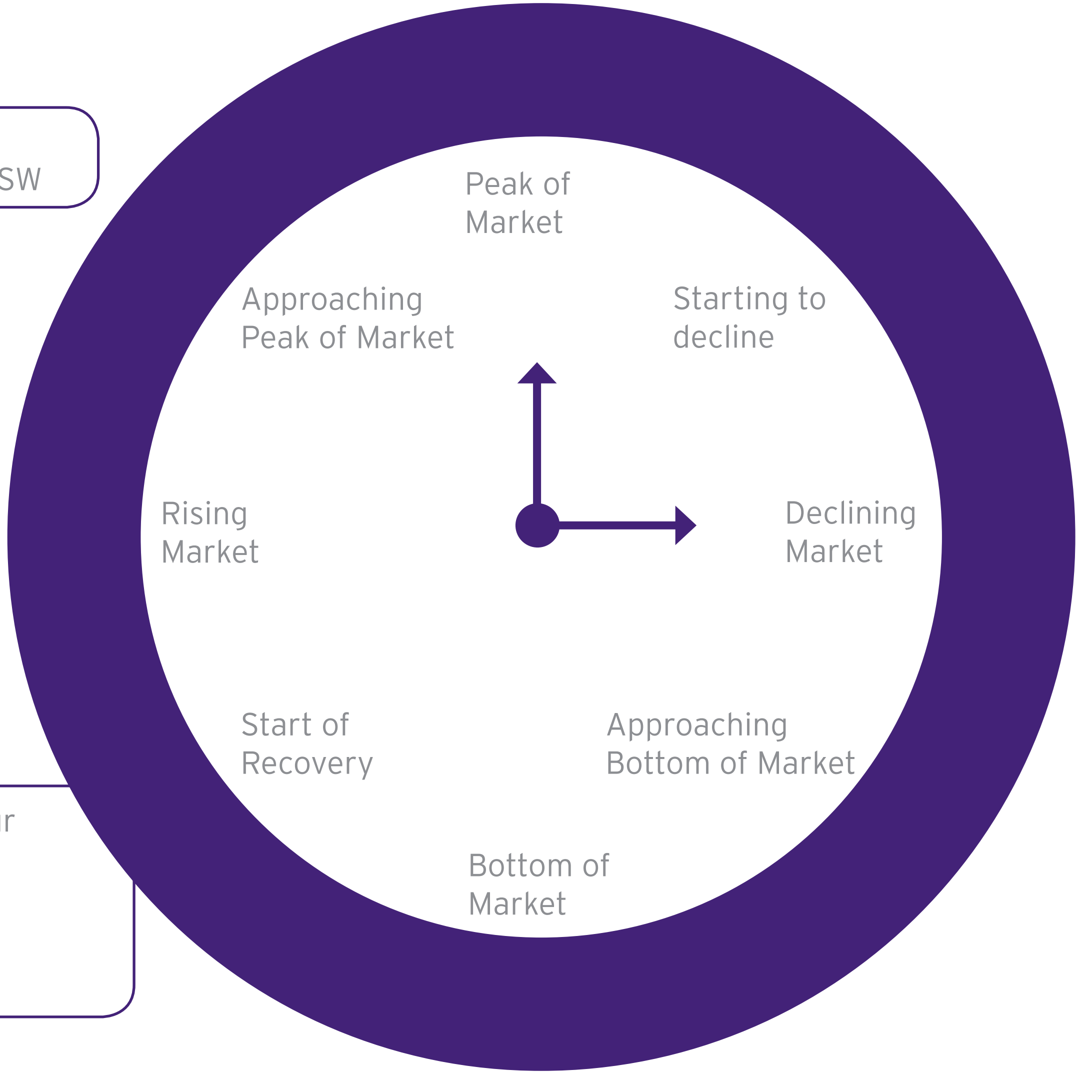
National Property Clock
October 2015
Office

Melbourne
Tamworth

Toowoomba
South East NSW



Sydney
Gold Coast
Bathurst
Dubbo
Mudgee
Bendigo
Echuca
Ballarat

Brisbane
Perth
Darwin
Mackay
Gladstone
Orange
South West WA

Rockhampton
Sunshine Coast
NSW Mid North Coast
Leeton
NSW Far North Coast
Coffs Harbour
Horsham
Mildura
Alice Springs

Adelaide
Hobart
Canberra
Cairns
Townsville
Bundaberg
Hervey Bay
Albury
Newcastle
Wagga Wagga
Gippsland
Wodonga
Burnie/Devonport
Launceston
Riverland

Entries coloured blue indicate positional change from last month.

HERRON TODD WHITE COMMERCIAL

New South Wales

Overview
Construction is a sign of strength so this month, commercial divisions throughout Herron Todd White are compiling a report on where office property is being built or refurbished. It's a great way to see where activity is being driven, with the information signposting opportunities for those considering an investment. Our teams have also given a rundown on how their markets are performing overall, so you're sure to be fully informed.

Sydney
Currently Sydney is reported by LPC Australia as having approximately 437,000 square metres of unlet office space, or approximately 9% of the total CBD market. Along with the currently vacant office space, proposed development within the CBD is expected to add 355,000 square metres between January 2016 and December 2017.

A major development underway in Sydney is Barangaroo, which will see the first two towers completed by the end of the 2015 calendar year and which will together provide 160,000 square metres of this additional office space. Other notable development underway and due to be completed within two years are 5 Martin Place, 20 Martin Place, 200 George Street and 333 George Street. While much of this additional stock is pre-committed, we expect to see tenants shifting to Barangaroo, increasing available office space in the vacated buildings.

A key influence on the amount of office space becoming available is also the demand for residential stock. With the average house price in Sydney topping the $1 million mark recently, demand for office high rise conversion to residential space has hit full speed. There are 18 major office towers flagged for withdrawal from the market over the next two years, reflecting approximately 325,000 square metres of office space. Of these, twelve have been specifically designated for residential or hotel conversion or redevelopment. The remaining six are scheduled for development into new office skyscrapers and will be offline for approximately three years.

With the mix of the additional office space hitting the market and the reduction of space due to redevelopment or conversion to residential, the outlook for vacancy rates across the Sydney CBD is expected to be stable in the short term.

George Street is about to undergo part of the NSW Government's $2.1 billion dollar light rail construction. With the process expected to run until 2019, Sydney's transport system is expected to be disturbed with the daily movement of the peak hour pedestrian and vehicular flow changing tenants' outlooks. Agents have reported hesitation in renewal rates based on unknown disturbances, which subsequently has seen an increase in incentives being offered to the broader office space market.

Record low interest rates and increased investor demand for attractive returns compared to the over-heated residential market has seen acceptable net returns between the 4% to 6% yield range for typical office assets.

Suburban office space has also seen an increase in current and proposed development with the majority of local councils recently reviewing their local environmental plans and identifying specific central suburban hubs earmarked for higher mixed use. As residential affordability is a key area impacting Sydney's landscape, a noted increase in demand for suburban office space is apparent, with the general suburban population seeking office space within close proximity of their primary place of residence. Take up of the suburban office space is primarily being driven by the owner occupier sector as well as a big push from the superannuation fund market due to recent legislation changes.

Canberra
The most significant development recently commenced is the new offices being constructed adjoining the Department of Social Securities (DSS) offices in Tuggeranong. The developer is the Cromwell Property Group and it is understood

that on completion in late 2016 or early 2017 it will be occupied by DSS. This development shows an ongoing commitment by DSS to the Tuggeranong Valley. However it must be assumed that DSS will vacate offices in other locations within the Territory when moving into the new 30,700 square metre building.

Moves in the office sector over the past six months include:

- an extension of lease by the Department of Employment of 10-12 Mort Street which will commence in March 2017.
- Consolidation of Shared Services, an ACT Government agency, from a number of locations into Garema Court, which has been under utilised for a number of years.
- The Electoral Commission consolidated into 50 Marcus Clarke Street in May this year. 50 Marcus Clarke Street was leased in one line to the then Department of Education, Employment and Workplace Relations in May 2013 for 15 years. The Department was subsequently split in 2013 into the Department of Education and Training and the Department of Employment. Part of the space leased became surplus to requirements. The move by the Electoral Commission is an example of the back filling of leased space by the Federal Government.

This is all positive activity in the market however where there is consolidation there are smaller pockets of space returned to the market which may be difficult to fill.

The focus of the Commonwealth Government is on reducing the level of space held under lease that is not fully or adequately utilised. Indeed there is a program referred to as Tetra administered by the Department of Finance which addresses this issue.

Illawarra/Southern Highlands

The last new office building developed in the Wollongong CBD occurred in late 2013. This A grade building had pre-commitment from ATO (90% of floor area) with ANZ, Red Cross and a local café the remaining tenants.

The opening of the Qantas Credit Union call centre facility in Braemar in 2014 and the possibility of flow on effects that this relocation may have in attracting similar office functions to the area is seen as a positive for the Southern Highlands. The drivers of this relocation decision were cheap rent, access to suitable staff (loyal employees) and NBN servicing.

There are no new office developments proposed in the region at this time with the tender to develop the SES premises in the Wollongong area reportedly on hold. The current vacancy of the former ATO premises in the Wollongong CBD will likely mean that it will be some time before a new office building is developed unless substantial pre-commitment is obtained. It is difficult to obtain pre-leasing levels in the private sector given the market is dominated by small and medium sized local companies.

In broad terms the Illawarra commercial property market has shown clear signs of improvement over the past 12 months with an increase in sales volumes demonstrating improved confidence after a prolonged period of static conditions.

Investment transactions have increased as investors are enticed back to the market by yield arbitrage and a common view that the market has bottomed. However, most investors are still driven by good quality assets, strong lease covenants and rental security. There is also increasing appetite for high value assets with agents reporting strong competition from both local and out of area buyers for higher valued assets (circa $5 million plus).

Low interest rates and increased buyer depth have resulted in yield compression despite rents largely remaining stagnant. Low interest rates and the

buoyant Sydney real estate market are significant drivers in the local market and prices may be adversely affected if interest rates increase and market conditions soften.

Tenant demand is evident from government, not-for-profit groups and private organisations and is concentrated on the higher quality A grade space with reduced interest in lower quality stock. Given the vacancy rate and the market primarily being driven by affordability, we see no upward pressure being placed on rents.

Newcastle

This month we take a look at what new office development is coming out of the ground around the Newcastle CBD. We've spoken previously about the rejuvenation of the former hospital property that is now the Watt Street Commercial Centre and includes approximately 7,000 square metres of office space. This property has been well received by the leasing market and is current close to full occupation.

Today we'll have a look at new office development currently under construction or in the construction pipeline.   Locals will have noted the striking curved features of the building known as The Gateway on the corner of Parry Street and Stewart Avenue at Newcastle West. Situated on this prominent, high exposure location stands a six storey commercial and retail building designed by CKDS Architects and currently under construction by Core Project Group. The building will mostly accommodate superannuation company Auscoal Super, which has around 150 employees.

The most significant new commercial office development in the construction pipeline is known as Edition and is centrally located at 18 Honeysuckle Drive. The office component is part of a mixed use development on the site that will comprise 7,000 square metres of A grade office space with a 4.5 NABERS and 5 green star rating alongside 66 new residential units. The leasing agent, Colliers International, notes the building will have:

- Prominent CBD harbour front location;
- Positioned within the Newcastle cultural and civic precinct;
- Impressive building identity and street presence;
- Floor plates from 1,284 square metres;
- On-site tenant car parking for over 140 car bays;
- Premium amenities to all office floors.

The A grade office vacancy rates are still at record low levels and these new buildings will help to ease this somewhat.

Victoria

Melbourne
The Melbourne CBD office market has observed a fall in the vacancy rate for the first half of 2015 with the Property Council of Australia reporting in it's July 2015 office market report a total vacancy of 8.1%, representing an overall decrease of 1% from the total vacancy of 9.1% observed in January 2015. The overall vacancy rate for the Melbourne CBD market is currently lower than the national July 2015 average of 10.4% and is also notably lower than the overall 'Australian CBD' vacancy rate of 10.7%. The PCA reports that 49,459 square metres of newly constructed office space will be supplied to the market in 2015 with a further 55,000 square metres to be completed in 2016.

Leasing incentives currently remain high with incentives of approximately 25% to 30% being offered for office space within A and B grade buildings and reports of up to 40% for buildings with relatively high levels of existing vacancy.

Construction of two new 12-storey developments at 313 Spencer Street (The City West Police Complex) and 699 Bourke Street have now been completed, providing for over 46,000 square metres of A grade office space. The police complex aims to achieve a NABERS 4.5 star energy rating while 699 Bourke Street is committed to achieving a 5 star NABERS energy rating. The properties are fully occupied by Victoria Police and AGL Energy respectively. Another major office development at 567 Collins Street, a 26 level complex of approximately 55,000 square metres, has also been recently completed, with in excess of 80% of the building leased to major anchor tenants including Corrs Chambers Westgarth, Jemena, Leighton Contractors, and Regus. In addition, the refurbishment of Cronwell's 700 Collins Street and Charter Hall's 570 Bourke Street has now been completed, offering an additional 35,000 square metres of A-grade space to the market.

In Southbank, 2 Riverside Quay (21,040 square metres), developed by Mirvac/ISPT, is currently under construction and is scheduled for completion in February 2017. The building will have 12 levels of A grade office accommodation above the refurbished eight level car park. PWC has pre-committed to approximately 17,200 square metres of office space over ten levels, for an initial term of 12 years, representing around 82% of the total lettable office area. PWC currently occupies space at Freshwater Place which will need to be backfilled. ABC's new headquarters at 102 Sturt Street is expected to be completed in early 2017. Upon completion, the consolidated building will provide for over 30,000 square metres of office accommodation.

Supply appears plentiful in the next few years with more than a million square metres of commercial space in and around the Melbourne CBD in the pipeline. Notable new developments include the completion of Walker Corporation's Collins Square precinct, Mirvac's 664 Collins Street, and Brookfield's 405 Bourke Street. Collins Square will be Australia's largest commercial mixed use development, with five commercial towers to provide a total of 200,000 square metres of office accommodation upon completion. KPMG (27,000 square metres) and Maddocks (6,000 square metres) have pre-committed to Tower Two while Links Group has pre-committed to Tower Four. Tower Five is also under construction and the development is expected to be completed in late 2016 to 2017.

There is a decreasing trend for office space in the St Kilda Road precinct as a number of office towers have been withdrawn for high density residential conversion. It is estimated that approximately 110,000 square metres of office space from around 16 buildings will be withdrawn over the next five years. We are witnessing local and overseas developers targeting older commercial buildings with plans to convert or redevelop for residential purposes. An example of this is the 19-storey Fawkner

Centre at 499 St Kilda Road, acquired by Qualitas for $80 million, which will be transformed into 253 apartments with direct access to Fawkner Park.

Overseas investor demand for good quality office properties within the Melbourne CBD, City Fringe and Inner Suburban office markets remains buoyant. This is primarily due to the lack of suitable stock on the market and the sheer weight of local and international capital seeking limited investment opportunities in this segment of the market. Commercial buildings with residential conversion potential will continue to be popular for Asian-based developers, particularly developers from China, Singapore, and Malaysia.

Our overall observations however are that due to limited opportunities and significant capital inflows, a large number of purchasers are discounting basic property fundamentals to secure prime location assets by paying what can be considered a premium for assets with relatively weak lease profiles and substantial capital expenditure requirements.

There is a clear divergence between soft leasing conditions and strong sales demand with many purchasers showing little regard for basic property risk fundamentals in the current market. While there is presently high demand for investment properties, we wish to highlight that there is a possibility that the current overheating in the property market will abate and yields may soften, thus there is potential for values to fall in the short to medium term.

Echuca

The office market is well placed with several new developments likely in the short term. These include redevelopment of the former La Porchetta site, relocation of Cosgriff Orchard Solicitors to Pakenham Street along with a former boutique motel which is likely to be redeveloped into medical offices on the basis of its proximity to the Echuca Regional Hospital. We note that the offices formerly occupied by Cosgriff Orchard are now up for lease and it will be interesting to see how much demand there is for a large standalone building.

From a sales point of view there have been two sales of office buildings in excess of $2 million in the past six months. The most recent was 461-463 High Street, Echuca which sold for $3.21 million at a yield of 6.45% based on the current passing rental.

South Australia

Adelaide

In the next 12 months the most significant addition of new space to Adelaide's office market will be Cbus Property's building at 50 Flinders Street. The 12 storey tower will comprise a floor area of 21,431 square metres and is already up to three quarters committed by Peoples Choice Credit Union.

Speculative construction has commenced on 115 King William Street by Brinz Holdings. The building will comprise a relatively small floor-plate of 350 square metres but feature 25 storeys and is expected to be completed by mid-2016.

To be constructed at 185 Pirie Street, is an eight storey office building comprising approximately 6,000 square metres of accommodation by Palumbo Group. The building is to be registered for a green star design and as-built rating, targeting a 5 star green rating. Construction was expected to begin in mid-2015, however site works have not yet commenced.

The pending development of the Festival Plaza / Riverbank Precinct (directly opposite the Adelaide Oval and fronting the River Torrens) is the most talked about development in Adelaide circles. The precinct will revitalise an under-utilised area of the CBD and have significant benefits for the northern fringe, adding an estimated 39,000 square metres of new office space.

The next largest project in planning is Precinct GPO at 141 King William Street. The site is located at the heart of the Adelaide CBD and is proposed to comprise two new office towers offering a total 40,000 square metres in office accommodation, as well as retail laneways and open piazzas. The site has unrestricted views over the newly updated Victoria Square precinct which hosts major Adelaide events including the Tour Down Under HQ and Royal Croquet Club.

Ex-Bendigo Bank headquarters at 169 Pirie Street has recently completed major refurbishment of 8,000 square metres with Nine Entertainment (Channel Nine) partly occupying the property, most significantly with a new studio on the ground floor.

Refurbishment of 12,500 square metres at 1 King William Street, formerly occupied by Origin is currently underway and due to be finalised by early 2016.

Smaller projects currently in progress; 167-175 Flinders Street will add 3,095 square metres with a pre-commitment from Breast Screen SA and 82-98 Wakefield Street will contribute 4,000square metres including a pre-commitment from Torrens University (1,500 square metres).

As tenants relocate from older premises into more modern buildings, such as those discussed above, it may place pressure of landlords on older space to attract new tenants.

The investment market will continue to be favourable, aided by commercial property tax reform and accommodating borrowing conditions. Additionally, demand for prime investments with secure tenancy profiles is strong nationally and within Adelaide, given the local economic conditions, there is potential for further firming of yields in the short term.

Queensland

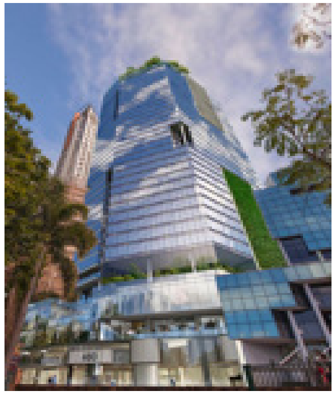
South East Queensland overview
Come and have breakfast with our experts and hear about what has happened over the past 12 months in your area. Our South East Queensland overview will also prvide you with both residential and commercial insight for the coming 12 months.

Click here to book your seat today.

Brisbane
The Brisbane office market continues to do it tough with near record vacancies across all markets, soft leasing markets and increasing incentives.

CBD Markets
In the CBD there are presently three major new buildings due for completion over the next 12 months: 180 Ann Street (57,465 square metres, completion imminent); 480 Queen Street (56,855 square metres, completion in the next few months); and 1 William Street (75,853 square metres, due for completion in late 2016). These projects are expected to push the vacancy factor up to circa 19% to 20%. There is also a new development underway at 300 George Street which is expected to add a further 40,000 square metres of NLA.

Of these buildings, 1 William Street and 480 Queen Street are strongly pre-committed, but 180 Ann Street only has one anchor tenant (CBA) secured at the present time.



Artist's impression - 480 Queen Street

The market is very segmented. There are lower vacancies for prime energy and space efficient premises while the greatest concern is for older B grade buildings. Demand is very strong for fully refurbished and well let premium grade buildings and these are showing tightening yields, however the yield spread for anything secondary is very high and unlikely to tighten further.

Face rents are remaining stable but incentives have climbed and broadly sit at between 35% and 40%. These are likely to remain high for some time and are also now becoming prevalent for existing tenants.

Notable tenancy activity within the Brisbane CBD includes: RACQ expanding by 3,119 square metres at 60 Edward Street; Rio Tinto expanding by 2,298 square metres at 414 George Street; BVN relocating to 12 Creek Street (1,088 square metres); SEQ Water vacating 240 Margaret Street (1,070 square metres); Xstrata Copper closing its business at 123 Eagle Street (1,484 square metres); Bank of Queensland relocating (2,285 square metres); Robert Bird at 333 Ann Street relocating and contracting (2,556 square metres); URS at 240 Queen Street relocating and contracting (4,064 square metres); Suncorp at 388 Queen Street relocating into an existing space (4,422 square metres); and Queensland Rail at 295 Ann Street contracting by 4,743 square metres.

Fringe Markets
The total vacancy factor in the fringe markets is running at 12.6% however we are now likely to see a hiatus of new major development activity for a few years and vacancy rates may reduce. There is also however a likelihood that fringe tenants will be attracted back to the CBD by the competitive rental environment.

Spring Hill and Milton continue to experience the highest vacancies (15.2% and 19.7% respectively) and appear to be on the outer with both tenants and investors. This is driving the withdrawal of some older accommodation from the market.

Suburban Markets
Suburban leasing markets are very soft and

secondary buildings in particular are remaining vacant for lengthy periods, however the low interest rate environment is driving an increased level of owner occupier activity and sales activity is solid in the sub $2 million owner occupier price category. New development activity is low and primarily confined to the stronger suburban commercial locations such as Eight Mile Plains and Northlakes.

Yields for suburban commercial properties are generally in the 7.5% to 10% band while rents generally range from $280 per square metre to $350 per square metre gross. At these parameters, development feasibility is marginal at best.

Overall, the Brisbane office market continues to struggle and is unlikely to improve in the near to medium term. While prime CBD assets continue to remain relatively stable, the overall market is performing poorly and investors are advised to use extreme caution when considering the purchase of office properties with vacancies or poor lease profiles.

Toowoomba

There have been no new major office building developments in Toowoomba to date in 2015, with only a small development currently under construction on the corner of Herries and Phillip Streets. This building is to be partly owner occupied.

However there is a current requirement from the Department of Transport and Main Roads for a 2,500 square metre office tenancy within the Toowoomba CBD or CBD fringe. A tenancy of this size is considered very large by Toowoomba office standards with the requirement most likely fulfilled by the development of a new building.

There are a number of larger office buildings proposed in Toowoomba that could be developed if a major lease commitment (such as the Department of Transport and Main Roads) was secured. Leasing demand for large floor plates has been low over the past three years, resulting in very few new office buildings being developed.

The lack of new office space in the market has given existing large tenants (over 500 square metres in floor area) very few options for relocation on short notice. This has enabled landlords to maintain rental levels over the past five years while markets such as Brisbane have seen declines.

Gold Coast

For the Gold Coast, the story is pretty simple - not much has happened in this sector for a while and there is limited planned in the immediate future.

This is primarily based on the fact that the Gold Coast office vacancy level has been up there with the best of them for a number of years now, although it is pleasing to see that the level is in a downward trend. The vacancy level peaked at 24.1% in January 2011 and has reduced over the next nine consecutive half yearly review periods to 14.8% at July 2015.

However even at this level there is little incentive for developers to consider producing new office buildings. The most recent new office building on the Gold Coast was completed in late 2013 at 37 Elkhorn Avenue, Surfers Paradise. Take up has been slow. Asking rates for this medium rise building range from $450 to $495 per square metre per annum gross plus car parking, the higher rate being the top (5th) level that also has a deck entertainment area.

There have been several new, smaller office buildings completed, more particularly in the northern residential growth corridor along the M1 Pacific Motorway at Helensvale and Oxenford. Occupancy of these two to three level buildings is dominated by owner occupiers. Surplus floor space is pitched at around $400 per square metre per annum gross plus car parking. Approval has also been recently

provided for a 3,500 square metre office building in this same location.

There have been several refurbishments of existing office buildings which suggests that there are opportunities within the market place for astute investor or developer entrepreneurs.

A notable opportunity is demonstrated by the history of the office building located at 16 Queensland Avenue, Broadbeach. Initially developed in the 1980s, the complex was purchased in 2012 for $6 million under mortgagee circumstances, with reasonably significant refurbishment subsequently undertaken at a cost of circa $800,000 to modernise the lift and internal floor space. This property sold in May 2015 for $11.86 million, reflecting circa $5,500 per square metre on lettable floor area and an analysed market yield in the order of 6.8%. This transaction represents one of the higher value rate levels achieved in recent times and also indicates a firm yield in arguably a Gold Coast market that is in its best state for a long time period.

The Westlawn Group purchased Robina East Quay Corporate Park at Robina in March 2014 for $6.925 million. The property comprises two buildings with combined circa 5,500 square metre enclosed lettable area plus an additional development site. Purely on the building floor area, the buy-in price reflects circa $1,260 per square metre. The buildings have been undergoing substantial refurbishment and modernisation. While the cost is unknown to us, the first building (Stages 1 and 2) floor space which is being strata titled into 18 strata suites is being marketed at rates in the order of $3,600 per square metre. The second building (Stages 2 and 3) is a future refurbishment. Subject to the depth of demand, the project suggests a healthy level of profitability.

Zupps Property Group purchased 64 Marine Parade, Southport in 2014 for $10.7 million and subsequently undertook extensive capital works to both the interior and exterior and services including air conditioning, lifts, etc. Rental levels have been pitched at $450 to 475 per square metre per annum gross. However, we understand that interest and take up have been moderate only. This is considered to be reflective of a marketplace with a relatively high vacancy level that provides potential tenants with the edge to drive the best outcome and landlords who have a degree of urgency to fill their buildings and maintain annual investment returns.

These examples indicate a somewhat mixed office sector marketplace, however do show that there are opportunities to refurbish older buildings for future profit. However, we consider that marketplace conditions within the Gold Coast office sector are probably now only starting to see the pendulum swing away from tenants and buyers to be more in favour of landlords and sellers.

In terms of proposed new office developments for the Gold Coast, the PCA 2015 Office Market Reports indicates Base at Robina of 4,000 square metres NLA and Stages 3 and 4 of City Pods at Scottsdale Drive, Varsity Lakes of 1,428 square metres. Both these developments are by Robina Land Corporation, a prolific developer of both residential and commercial projects within Robina.

Very recently, three more substantial office buildings have been advertised for sale on the Gold Coast: 50 Cavill Avenue (17,000 square metres NLA); Seabank (8,500 square metres NLA); and 9 - 15 Bay Street, Southport (3,400 square metres NLA). These three buildings will attract interest from mid to high worth investors and will provide a litmus test of the current strength of the Gold Coast office market.

50 Cavill Avenue & Seabank

Sunshine Coast

Office accommodation on the Sunshine Coast has remained relatively stable over the past three years with limited new development stock on the market. This has been due to the lack of demand for new stock as a result of the diminishing white collar workforce.

Over the past 12 months there have been two major announcements that will affect the office market: Pratt Property Group beginning construction of its Kon Tiki development; and Youi announcing that it will build its international headquarters on the Sunshine Coast.

The Kon Tiki development will add approximately 16,000 square metres over two buildings, which is approximately the amount of vacant space currently in the office market. This building will be in Maroochydore and will likely drag tenants from older buildings within the CBD, increasing vacancy in that location.

Youi currently leases approximately 5,000 square metres in Kawana and is reportedly looking to build an over 10,000 square metres complex for its own use near the University of the Sunshine Coast. This will leave a significant vacancy within the Kawana business area. This area does have the advantage of the nearby Sunshine Coast Hospital which should act as a buffer for the area.

The Sunshine Coast Council is also beginning to develop the Maroochydore Principal Activity Centre which will take a number of years to build, though will have significant office space planned for the precinct.

All of this indicates that vacancy is likely to increase in the existing office market in the area unless new tenants can be found to backfill the space likely to be created in Kawana and by the new Kon Tiki development.

Hervey Bay

There has been no new construction of office space for a number of years however some refurbishment of existing premises has been occurring. Generally, the commercial office market in Hervey Bay remains unchanged with little indication of any improvement in the short term. Continued high levels of supply and anxious vendors have resulted in a general softening in leasing rates for older properties or spaces lacking exposure. Current asking rates are as low as $160 per square metre net for secondary space while primary space is still asking in excess of $300 per square metre net.

Buyers continue to lack urgency to make decisions and very few properties have sold over the past six months. The most notable sale for Hervey Bay was that of Bay Central on Boat Harbour Drive which sold in May 2015 for $17.5 million to a Melbourne private investor. The shopping centre at 135 Boat Harbour Drive is on a 2.69 hectare site and has three freestanding buildings totalling a reported 6,452 square metre net lettable area as well as 270 car spaces. The buyer also acquired the 9,127 square metre adjoining parcel of vacant land for $1.7 million for future expansion.

Gladstone

Given the weakened local market conditions for office accommodation in Gladstone, there has been very little activity on the development front. The last major office development was in early 2014 and was built with pre-commitment from the Queensland Government to house multiple departments within the single building on Herbert Street. On completion, the government departments vacated existing premises which are mostly still vacant.

There has been no notable major refurbishment of office space within the past 12 months. Generally, the office market is slow as a result of reduced workforce numbers associated with local LNG projects. This has resulted in an oversupply of office accommodation in Gladstone and rental levels have begun to fall to meet demands from local tenants. Weak demand for office accommodation is likely to prevent any major new office developments in the immediate term with poor ability to gain pre-commitment.

Mackay

The Mackay commercial office market is presently subdued and the city has seen no recent development of new commercial office space of note. The completion of a multi storey commercial office development for Queensland Government in August 2013 and a new premises completed in December 2013 which is partially occupied by Centrelink are the most recent developments of large scale offices in the area.

The resultant commercial office area left by the various Queensland Government departments and Centrelink vacating their existing tenancies has resulted in a significant volume of supply being added to the market since the end of 2013. In conjunction with the slowdown in the coal industry, this has brought about an oversupply situation which is now resulting in a downward correction to rental rates. The extent of this correction is difficult to quantify and the market is still relatively volatile with inconsistencies between rent for what would ordinarily be considered comparable tenancies. This oversupply and low demand is likely to remain a feature of the Mackay commercial office market for at least the near future.

Historically, new commercial office development in the Mackay market has required market leading rents to create a viable development. With the exception of the developments tenanted by government departments mentioned above, this requirement for market leading rents has generally kept development of large scale office premises to a minimum over the past ten years. Due to the slowdown in the local economy and further downward pressure on rental rates, the ability to achieve market leading rents and thus a viable development is now even more unlikely in today's market. Therefore new greenfield development of commercial office in Mackay's market would be highly risky and unappealing to developers.

The increased supply and decrease in demand has resulted in landlords becoming more competitive in order to attract new tenants. The prevalence of incentives is increasing, including fitout and refurbishment incentives to entice tenants. Refurbishment of existing premises is likely to be the only creation of new, higher quality office space in today's market and will primarily be driven by landlords being forced to spend capital or be left with largely vacant buildings and poor income security.

Rockhampton

New development in the office sector in Rockhampton has been relatively quiet over the past few years.

The last major additions of modern office space to the CBD have been the NAB building on the corner of Fitzroy Street and East Street and the major refurbishment of Stirling Place on Bolsover Street. The NAB building was completed in 2012 and provided an additional 2,284 square metres of modern office accommodation over two levels. Stirling Place (152-156 Bolsover Street) underwent extensive refurbishment in 2012 and added an additional 2,665 square metres of lettable area over six levels to the office market. All but one level of Stirling Place has since been leased.

There are no major office complexes in the pipeline that we are aware of, however we do note the redevelopment of the former Post Office Hotel building on Musgrave Street in Berserker which is reported to incorporate 1,331 square metres of modern accommodation suitable for use as either retail or offices. Construction on this development is well underway. Within this precinct on the north side of Rockhampton, there is also a new office building being constructed on the corner of Musgrave Street and Burnett Street which will provide approximately 896 square metres of lettable area. This new office building is to be owner occupied

Townsville

Currently there are no new commercial office developments under construction however there are a number of proposed office buildings in the pipeline.

Construction of a number of new CBD and suburban office buildings has been completed over the past

two years. The larger of these developments include Verde, 420 Flinders and NQN House in the CBD, along with the Queensland Country office building in Aitkenvale.

The CBD office rental market continues to experience weakness in demand, with rental rates suffering downward pressure triggering increases in leasing incentives in order to attract tenants. Our latest CBD Office Vacancy Survey indicates a vacancy rate of 25.2% overall with an A grade vacancy of around 11.1%.

Due to the low levels of demand, some office buildings are lending themselves to conversion for alternate uses. Over recent years we have seen an 800 square metre stand alone CBD office building undergo conversion to a child care centre and the 3,800 square metre former Department of Transport and Main Roads building is currently being converted to a mental health facility.

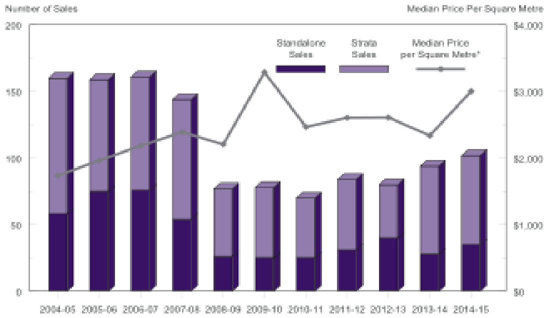
There have been a few renovations including the City Arcade three level office building redevelopment which is now fully occupied by James Cook University and some smaller scale refurbishments of buildings purchased for owner occupation.

Cairns

The Cairns office market is relatively shallow with most properties being tightly held and experiencing limited sales activity. The market also experiences limited new development. The last large office building constructed in Cairns was the Queensland Government office tower completed in 2010 and there are no known new developments in the pipeline.

Our chart shows the number of general commercial property sales in Cairns, inclusive of retail and commercial office premises. It highlights that activity in the Cairns commercial market remains well below the levels achieved in the 2004 to 2005 and 2007 to 2008 periods, with the rate of sales over the past seven years building slightly but still only averaging around 85 sales per annum. Prices paid for strata titled premises have been relatively stable over the past seven years at around \$2,500 to \$3,000 per square metre of floor area.

Commercial Property Sales in Cairns



* For strata sales only
Source: HTW Analysis of RPData

Most new office space leasing demand is for smaller areas and for modern, good quality green star rated premises, however there is only a handful of such buildings in Cairns. These buildings achieve high levels of occupancy and are experiencing stable rent levels typically of \$350 to \$400 per square metre per annum. Demand for lesser quality space remains limited and there is a large oversupply even of good quality non-inner CBD and well exposed secondary space. These conditions have placed downward pressure on secondary rents and have seen the emergence of incentives. There has also been considerable churn in the market in recent months, with a number of larger tenancies relocating to higher quality or purpose built premises.

There has been little change in the Cairns office market during 2014 and 2015 and we see no reason for change in the near future.

Commercial

Northern Territory

Darwin

When it comes to new office developments in the Darwin CBD, there really is only one project to talk about - the new Charles Darwin Centre.

The development is being carried out by the Paspaley family on their site at the corner of Bennett Street and the Smith Street Mall. The site originally accommodated the Commercial Bank of Australia and its original colonnade has been retained in the redevelopment. This is especially important in Darwin which after three severe cyclones and 64 Japanese bombing raids has few heritage buildings.

The 20 storey building was designed by internationally acclaimed architects Pei Cobb Freed and Partners and constructed by local builder Sunbuild. It has floor plates of about 1,000 square metres wrapped around a central services core and a 5 star NABERS rating.

The Charles Darwin Centre loses nothing in comparison with landmark buildings in other Australian capital cities. Its imminent completion will have a dramatic affect on the CBD office market and with the NT Government already vacating other space in town, it is expected to dominate the market for some time.

The only other office development of note is Darwin Corporate Park at Berrimah. This project is attractive to tenants who prefer to be closer to the demographic centre of Darwin rather than the CBD with its attendant parking issues. Key tenants to have relocated include Westpac Business Banking. It is expected that this project will also continue to go from strength to strength.

Charles Darwin Centre

Western Australia

Perth

Almost 17.5% of Perth's office space is sitting empty and that figure is set to increase with seven new buildings coming on line later this year.

The Perth CBD office market currently contains approximately 1,630,502 million square metres of lettable space. Of this, over 58% or 936,564 square metres is of prime quality (premium and A grade) and the balance, 42% or 696,940 square metres, is secondary (B, C and D grade) quality.

Since the start of 2014 through to the first half of 2015, almost 40,000 square metres in new supply has been added to the market, making 2015, with approximately 190,000 square metres underway, a significant year in terms of new construction.

Most recently, the refurbishment project of 32 St Georges Terrace was completed, extending the existing building from 8,800 square metres to almost 15,000 square metres of net lettable area. Prior to that, in August 2014, Cloisters at 863 Hay Street was completed, adding 10,947 square metres.

Currently, more than 190,000 square metres of new office space is under construction in Perth's CBD, with approximately 135,000 square metres over seven buildings due for completion by the end of 2015. Projects due for completion this year include Kings Square 3 (6,420 square metres), Kings Square 4 (12,420 square metres), Brookfield Place Tower 2 (32,000 square metres), Kings Square 1 (23,400 square metres) and the Treasury Building (30,800 square metres).

Almost 60% of this new supply is already pre-committed to a number of tenants which include Shell and Wesfarmers.

In the short to medium term, the development outlook remains subdued as the market transitions through the current cycle and available existing supply, as well as upcoming backfill, begins to be absorbed. Beyond 2015, only one project is firmed for delivery with construction already underway for Capital Square (55,000 square metres). Expected to be completed in 2018, Capital Square will become the new headquarters for Woodside Petroleum. There are a number of mooted office developments, the most significant being those in Elizabeth Quay, City Link and the Waterbank precincts. Chevron Australia had previously purchased a parcel of land in Elizabeth Quay for the construction of its new headquarters but a decision for the project to go ahead is not likely to be made until 2016.

Other mooted developments include the old Perth fire station and Perth Chest Clinic site, known as FESA, and Milligan Square. In addition to the new Westin Hotel, the FESA site will house a mixed use and retail development, adding approximately 34,500 square metres if it proceeds. Fragrance Group has a site known as Milligan Square, located on the corner of Milligan and Murray Streets, which received development approval for a mixed use development project. More than half of the CBD's office space was of prime grade quality last year.

Planned for delivery in 2021, the project includes an office tower with approximately 10,000 square metres west to the redevelopment of the existing hotel. However, it is unlikely to get off the ground until lease pre-commitments have been secured.

Perth may see several smaller developments over the next five to eight years, but a new development cycle is unlikely to get underway before 2020 when we may see the likes of Chevron's new headquarters at Elizabeth Quay.

South West WA

As usual, a general wrap of current market performance is always useful.

The office market in the south west is very quiet. There is currently very little office development activity in any of the major towns. Rental demand is weak and rents are declining leading to very low speculative activity.

A major project planned in the Bunbury CBD is struggling to find potential tenants and is unlikely to take off as a consequence.

Government tenants are looking to reduce the space they currently occupy and there is very little rental demand coming from the private sector with the business confidence as low as it currently is.

The recent changes in leadership at the top levels i.e. Federal Government and the test cricket team could provide increased business confidence however this will take a long time to develop into any change in the south west office market.

Residential

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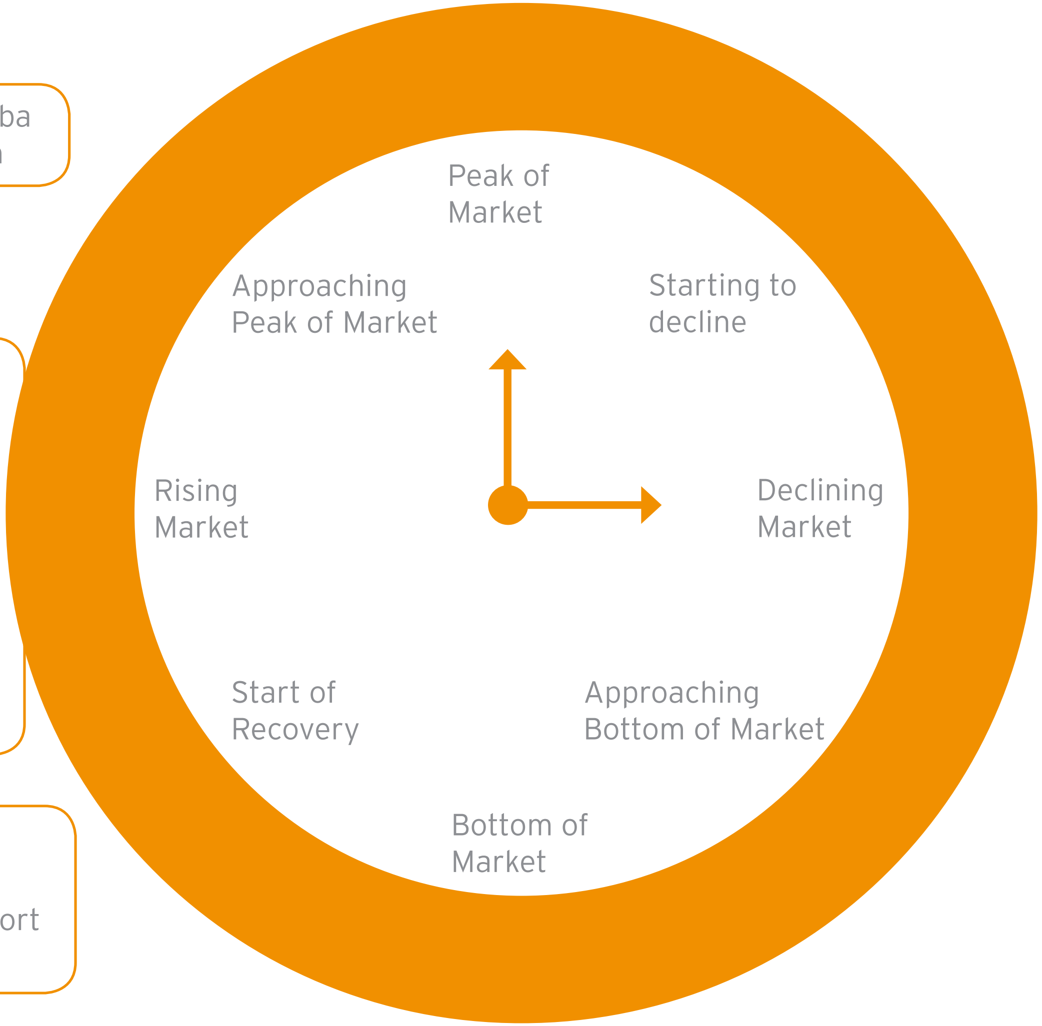
RESIDENTIAL

National Property Clock
October 2015
Houses

Sydney
Melbourne
Dubbo
Newcastle
South East NSW

Toowoomba
Tamworth

Cairns
Bundaberg
Sunshine Coast
Brisbane
Gold Coast
Ipswich
Adelaide
Canberra
Albury
NSW Mid North Coast
Griffith
Mudgee
Wagga Wagga
Coffs Harbour
Bendigo
Echuca
Horsham
Mildura
Ballrat



Emerald
Perth
Darwin
Alice Springs
South West WA

Hervey Bay
Hobart
Bathurst
Orange
Gippsland
Latrobe valley
Burnie/Devonport
Launceston

Townsville
Whitsundays
Mackay
Rockhampton
Gladstone
NSW Far North Coast
Shepparton
Mount Gambier
Riverland

Entries coloured blue indicate positional change from last month.

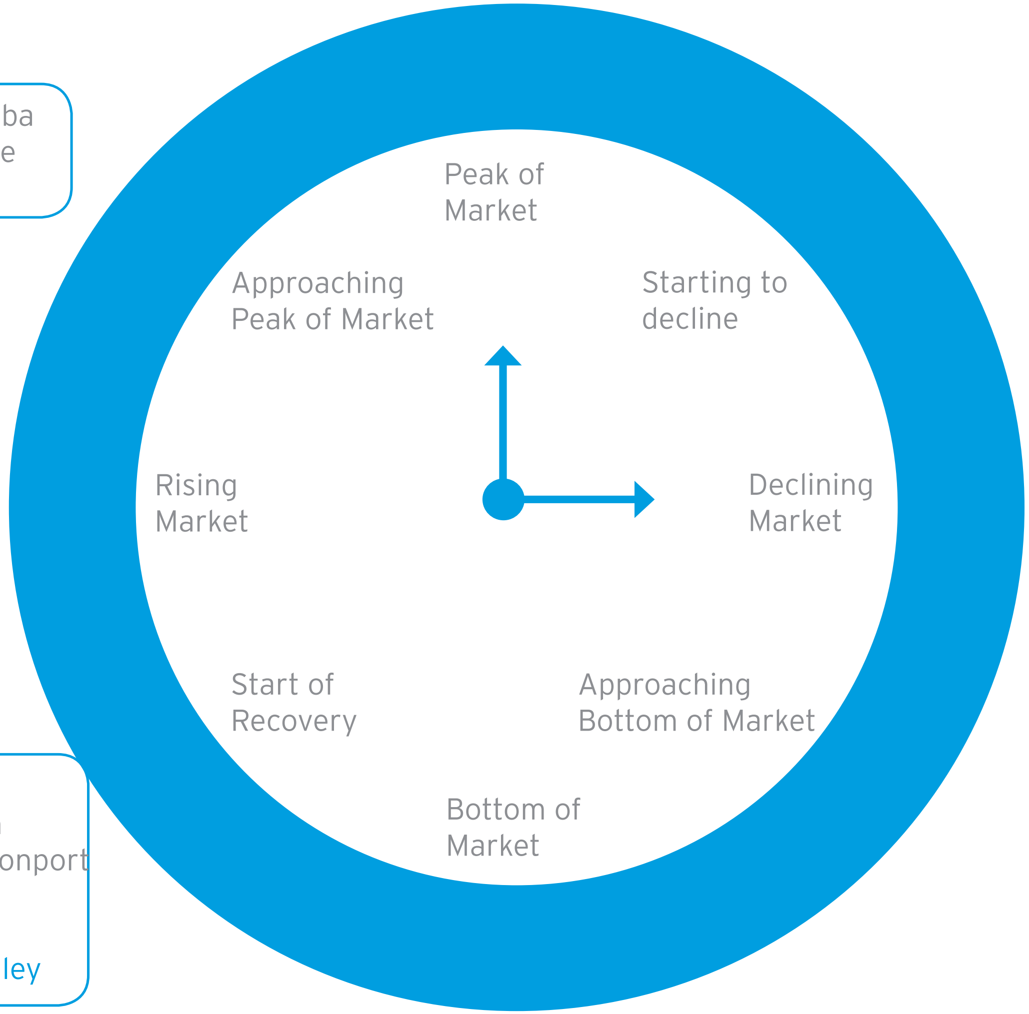
HERRON TODD WHITE RESIDENTIAL

National Property Clock
October 2015
Units

Brisbane
Sydney
Whitsundays
Dubbo
Newcastle
Orange
South East NSW

Toowoomba
Melbourne

Adelaide
Albury
NSW Mid North Coast
Griffith
Mudgee
Tamworth
Wagga Wagga
Coffs Harbour
Bendigo
Echuca
Horsham
Ballarat



Perth
Darwin
Emerald
Gladstone
Alice Springs
South West WA

Cairns
Bundaberg
Hervey Bay
Sunshine Coast
Gold Coast
Ipswich
Hobart
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Latrobe Valley

Townsville
Mackay
Rockhampton
Canberra
NSW Far North Coast
Mount Gambier
Riverland

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HERRON TODD WHITE RESIDENTIAL

Overview

Markets are a complex beast made up of many facets – and not all sectors rocket along at the same pace. It's important to not only know how real estate is performing overall in a region, but to understand what particular part of that market is performing best.

This month the residential team at Herron Todd White have given a great overview of which sectors are the hottest around Australia.

Sydney

As the majority of the country is aware, the Sydney market has been going from strength to strength in the past few years and each price point seems to have opportunities. The median price for a dwelling in Sydney is $772,200 which is a growth in value of 16.2% over the previous financial year according to CoreLogic RP Data in June 2015. The driving force for the majority of the Sydney market is supply and demand. With the traditionally strong spring season approaching, the auction clearance rates appear to be slowing but there are significantly more properties being put to auction each week.

To get a better gauge on opportunities in Sydney, we have looked at various value thresholds within the metropolitan area up to $2 million. These are the market levels that have the most activity and appeal to the majority of purchasers.

$350,000 to $550,000

Generally only vacant land in newly released large estates within designated growth zones of the south west and north west corridors is available in this price range. Estates such as Oran Park, Spring Farm, Jordans Springs and Marsden Park would provide an opportunity for those looking to build their first dream home.

Given the extent of infrastructure including light rail networks, the upgrading of local roads for connection to the motorways and the newly designated employment zones within both these growth zones, the opportunities for a solid investment are there for the foreseeable future.

If a purchaser is looking for a unit in this value range opportunities exist within 15 to 20 kilometres of the CBD in suburbs such as Punchbowl and Lakemba for a 1-bedroom unit and further out in the suburbs of say Liverpool or Campbelltown for a 2-bedroom unit. Generally some capital appreciation can be achieved in the short term as properties are typically 1970s, three storey walk up unit buildings that are in original order.

$550,000 to $1 million

A popular price point that is seen to be affordable, suburbs such as Acacia Gardens and Kings Langley (Blacktown), Winston Hills and Greystanes (Parramatta) and Werrington and Cranebrook (Penrith) traditionally offer original or renovated homes built in the 1970s to 1980s, typically on 600 square metre parcels with established local services including schools and links to public transport.

As an example a recent sale in Churchill Drive, Winston Hills shows the appeal of this suburb which is about four kilometres from the Parramatta CBD on the M2 motorway. A typical single level 3-bedroom, 1-bathroom red brick 1970s dwelling on a 700 square metre parcel, the property includes an updated timber kitchen. A local agent reports it sold in August 2015 for $921,000 with minimal changes from the previous sale in September 2013 for $710,000.

Units in this price point can be found throughout the city and the style, condition and location will be factors in the final price. Properties close to shopping centres, universities and transport links are highly appealing to both owner occupiers and tenants.

Some investors have been able to make significant gains by purchasing off plan and settling in a stronger market. Recently completed developments in Camperdown, Homebush, Castle Hill and Westmead have shown significant capital appreciation between the exchange and the settlement dates.

A 3-bedroom, 2-bathroom, 1-car, courtyard apartment on a busy road in Westmead recently sold for $660,000 which is a significant increase from the $535,000 achieved off the plan in October 2013.

With the commencement of the Norwest rail link property that was close to the corridor has seen a significant increase in value and none more so than the suburb of Kellyville. Once a farming community and overshadowed in value by its big sister Castle Hill, residential development started in earnest in the late 1990s and the suburb was seen as the place to build your McMansion.

Vacant land released in the previous few years within two kilometres of the proposed railway line has seen the biggest boom. There are several records of parcels that exchanged off the plan in late 2013 for mid $500,000 and are now achieving high $900,000 as a vacant lot for a single residential dwelling.

$1 million to $2 million

With more than a third of all transactions in Sydney in the year to 30 June selling in excess of $1 million (according to CoreLogic RP Data in August 2015) this is the most popular price range for those already living in Sydney and looking to upgrade. This price range is red hot and offers a variety of styles to suit a multitude of requirements from a fibro shack prime for redevelopment to a fully renovated property ready to move straight into or a recently completed unit. Families looking to upsize have been strong drivers in this price sector.

Inner west suburbs such as Newtown, Erskineville and Dulwich Hill are all still very strong with plenty of sales activity in new unit developments with units starting from around $1 million which have proven to be increasingly sought after. Homes priced between $1 million and $1.5 million within close proximity of infrastructure are attracting a lot of attention. Single level 2-bedroom Victorian terraces (with no parking) and two storey terraces are the main style of dwelling in this price range.

Eastern suburbs such as Bondi, Bondi Junction and Double Bay continued to provide strong auction results for homes and units alike.

Southern suburbs such as Kareela, Como, Engadine Gymea and Sans Souci have been strong. Dual occupancy development sites, modern project homes and renovated older style homes attract most of the attention.

Strong demand for renovated dwellings has attracted strong demand and results as building or renovating has become more challenging with increased building costs, builders becoming increasingly hard to find and the mere convenience of moving into a renovated home. Redevelopments such as dual occupancies and duplexes have become common throughout Sydney as land is becomes harder to find. Large premiums are being paid for the potential to redevelop and create two homes on one lot.

An example of a strong result within the year is a modern 5-bedroom project home in the southern suburb of Como recently selling at auction for an astonishing $1.8 million. This home was previously sold in March 2014 for $1.355 million, so this was a tidy profit. Local agents attribute the increase to the mere convenience of move in and enjoy with absolutely no work required.

The commencement of the Norwest rail link that will connect Rouse Hill to Castle Hill to Cherrybrook to Epping has been the catalyst for significant value increases in the Hills district. With limited public transport options previously, the railway is seen as a major win for the district. Very few homes under $1 million exist in these zones and depending on the suburb will vary in age, overall level of accommodation and standard of fit out.

A neat and tidy, single level, 4-bedroom, 2-bathroom early 2000s dwelling on a 560 square metre parcel has just exchanged in Rouse Hill for $1.052 million. There had been no renovations since the previous sale in August 2012 for $595,000.

Rural lifestyle options

The north west growth zone is focused on a portion of Sydney that was traditionally small acreage lots some 40 kilometres plus from the CBD. The zone

has been under review for the best part of ten years and as such developers looking to capitalise on the change in zoning from rural to residential have been land banking for some time. Currently option periods and sunset clauses of 12 to 18 months are finishing and many cashed up vendors are taking their money from the epicentre of the growth zone (Marsden Park, Schofields and Riverstone) and moving to the northerly fringe (Oakville, Maraylya and Pitt Town). These buyers are then able to trade up in house quality and age of dwelling while retaining land size and lifestyle elements.

These vendors have received a sale price in the order of $900,000 to $1.2 million per acre of land for redevelopment purposes and are able to purchase a newer, larger and often better lifestyle home on a similar size parcel that equates to $350,000 and $550,000 per acre. Local agents have reported a strong pool of buyers who are able, willing and ready to buy and are comfortable outlaying multi million prices given they are able to buy (in most cases) without mortgage stress and live in a region with which they are familiar.

Overall

Is this rapid price increase going to continue over spring and the new year? Local agents have noticed slightly lower numbers at open homes and many prospective sellers are cautious of selling before they have found a new home for themselves. The lack of stock and high demand continue to be the main driving force for record breaking prices.

Canberra

The ACT property market has shown signs of strength over the 2015 calendar year, with certain sectors within the market performing stronger than others. With units still subdued and outer suburbs remaining steady, the $500,000 to $1 million market within inner, established suburbs appears to be the strongest with results through Canberra's inner north and Woden and Weston regions leading the pack.

Ainslie has seen some huge results over the past three months, at a time when winter traditionally cools the Canberra market. Strong sales have seen some entry level properties selling in excess of $700,000. Smaller, boutique development sites through Downer and Dickson have also seen strong competition with a number of sites purchased for amalgamation or independent development.

The Woden and Weston market was Canberra's most heavily impacted region as a result of the Mr Fluffy buy-back scheme. It appears that a large number of Mr Fluffy home owners have now been absorbed into the market, as the market continues at a strong, yet more sustainable rate. Strong sales have particularly been noted through Curtin, Weston and Waramanga. Despite the new supply through the Molonglo Valley, the upward trend of prices in Woden and Weston looks to continue into the foreseeable future.

While the greater ACT market remains relatively steady, some significant signs of strength have been evident in the year to date. The best results have been seen in areas with the traditional, maybe even stereotypical features of location and land size.

Illawarra

The residential property market in the Illawarra is at the top of the clock and all sectors of housing are running hot at the moment. Strong capital growth has been sustained for the past 24 months through all residential suburbs.

Sales of new release land in Horsley, Flinders and Shell Cove remain strong. First home buyers and investors seeking out value are driving demand for product in the more affordable suburbs such as Cringila, Warrawong and Barrack Heights, with agents reporting very short sale periods.

Suburbs closer to the Wollongong CBD and associated infrastructure such as Figtree, Keiraville, Balgownie and Fairy Meadow are now mostly outside the price point of first home buyers and stock under $500,000 is hard to find.

New infill housing in these suburbs is quickly snapped up by local owner occupiers looking to downsize as well as local and Sydney based investors chasing strong rental returns.

Record suburb sale prices are commonly being set at the upper end of the market. For example, 4 Murra Murra Road, Kanahooka sold for $1,500,000 prior to auction in August 2015 and 49 Lower Coast Road in Stanwell Park sold at auction for $3,690,000 in April 2015.

Residential unit blocks are also highly sought after, with gross yields falling below 5% in some instances. A pertinent example - two adjoining and identical 4 x 2-bedroom, single level, brick unit blocks in College Place, Gwynneville which sold nine months apart at an increase of 30%, or $255,000 in dollar terms. There is strong interest from superannuation funds for this type of property.

The hottest sector for units in the Illawarra continues to be new stock within the Wollongong CBD. Currently under construction here are two major mixed use developments with a total of over 450 residential units between them. Both developers report strong off the plan sales. Sale prices in the high $500,000s for 2-bedroom units are being commanded while 3-bedroom apartments are selling for over $800,000.

Many buyers of this new stock are from overseas, with the Oxford on Crown reportedly being marketed directly to Chinese purchasers.

Developers risk saturating the unit market with future values considered to be volatile, due to on-campus student accommodation development at the University of Wollongong and local and global economic factors, not the least of which is uncertainty over Bluescope and recent coal mine shutdowns pushing unemployment up.

A quick guide to what's hot (in our opinion):

- Top end northern beaches
- Wollongong Ring (Fairy Meadow, Balgownie, West Wollongong)
- Lower end (Cringila, Warrawong, Barrack Heights)
- Land in new estates (Horsley, Flinders, Shell Cove)
- Unit blocks in one line

Example of a block of units showing capital gain in nine months:

11 College Place, Gwynneville – sold for $825,000 in March 2014

13 College Place, Gwynneville – sold for $1.08 million in December 2014

Both identical and adjoining original, circa 1970s single level brick and tile unit blocks each being 4 x 2-bedroom. A 30% sale price increase in nine months.

Southern Highlands

The Southern Highlands and Wollondilly residential property markets continue their upward trajectory both in volume and price. Over the past 18 months, this increasing trend has been most apparent in the lower to middle price brackets (up to $1,500,000), across all of the townships and villages of the Southern Highlands with listing sales periods having reduced dramatically. The lower price bracket (under $700,000) was the first market sector to start increasing, with a flow on effect to the middle price bracket (up to $1,500,000). The main market drivers are interest rates and affordability, with a notable increase in Sydney based buyers.

There has been good land sales activity in the now established residential subdivision precincts such as Renwick Estate (Mittagong), Bingara Gorge (Wilton) and more recently smaller more affordable lots at Darraby Estate (Moss Vale) and Nattai Ponds (Braemar). New construction activity has also been

evident, most commonly project style homes within these new residential estates. There has also been a marked increase in renovation and extension activity in the well located, older style and character homes within the townships of Bowral and Mittagong.

The retiree market in the Highlands remains strong with the take up of low maintenance seniors living and medium density properties and projects.

The upper end of the market has bottomed, albeit there is still some caution evident, but we are starting to see an upward trend.

In general, the increase in prices in the region has been at a steady rate and not a ramp up so we consider the market movement over the past 18 months to be sustainable and that it should continue over the next twelve months.

Southern Tablelands

The Southern Tablelands region is steady to firming. Goulburn has seen good growth generally over the past five years. There have been good land sales in the new, modern residential estates in Goulburn, including the Belmore Estate, Merino Country Estate and the Mistful Park estate. There is good construction activity of new homes being built. Sydney investors are currently quite active in the Goulburn market. The market in Crookwell is steady.

The rural residential property market (two to 100 hectares in land size) is steady throughout the Tablelands.

NSW Central Coast

A number of sectors appear to be firing at present in the Central Coast region. The first home buyer, second and subsequent buyers, downsizers, upsizers, renovators, even the prestige market is getting a run. We think the region's market could possibly be in a state of confusion.

Several economists have said consumer confidence is strong and it's hard to disagree. Some local property writers have said the number of sales under $400,000 in the region has shrunk and it's also hard to disagree with this – especially when considering the rise in the value base that we have seen over the past two years and what used to be in the under $400,000 market now sits above this level.

Sales statistics, measures and commentary via listening and reading what's fed to us in the media is fine and in most cases we can accept this information as being fairly accurate on the whole. But we'll approach this month's subject on what's hot a little differently for our readers and drill down to look at actual instructions we have received lately to see what areas and price points we have been providing answers on.

We hope this provides a useful and thought provoking snapshot of where we are at present, although the way the market is behaving, the situation could change very quickly.

The most popular areas within the Gosford Local Government Area according to the number of instructions received by us since May 2015 have been Narara, Terrigal, Umina Beach, Gosford and Wamberal.

Narara has been mentioned as a popular suburb lately and there seems to be some truth to this. This is a well established area where the median value for housing at present is around $515,000 which will secure an older style, but renovated 3- or 4-bedroom home with garaging. The attraction of this area lies in its level of affordability and proximity to shopping and transport.

Terrigal and Umina Beach have long been popular areas and it's not surprising to see that we visit these areas more often. Terrigal is a seaside suburb with a vast range of properties available from basic to prestige dwellings and units. The median value for dwellings at present is $800,000 with units sitting at around the $554,000 mark.

Umina Beach has been the star performer on the coast for several years and judging by the number of times we have visited the area lately, there doesn't seem to be any sign of this changing. The

median value in Umina Beach housing is currently around the $605,000 mark which is an increase of approximately 15% since this time last year, but we have also seen a few large increases in properties sold and resold within a two year period. The big driver in this area is value adding, usually in the form of secondary dwellings or granny flats. It remains to be seen whether prices being paid at the moment for properties as is or after value adding are sustainable – we have our doubts.

Gosford has become popular of late and this is attributed to a higher level of investment by those living outside the region.

This investment is mainly in the unit market and with the number of units and apartments recently approved numbering over 600, we see the potential for an oversupply to emerge quickly if developers don't exercise control in the commencement of these new developments.

Wamberal has always been seen as an alternative to Terrigal and with good reason. It's a popular family suburb with beaches and sensibility. The rising popularity of Wamberal can be seen in the current median value of $842,000 which is an increase of 20% over the past year.

The Wyong Shire is sometimes looked upon as the more affordable end of the region and while that may be the case, the opportunities available here have outnumbered those found in the southern end of the region. A look at the number of times we have visited the various suburbs in the Wyong Shire tells us that real estate activity is more even across the shire with little variation seen in our visits between one suburb and another.

Due to the current level of construction activity occurring, we have been visiting Hamlyn Terrace, Woongarrah and Wadalba more frequently. These are developing suburbs where project style homes are well represented. Expect to secure a standard 4-bedroom, 2-bathroom and double garage dwelling for between the high $500,000s to mid $600,000s. These areas are new and attractive to young families because of their equally new schools and the amenities available.

The older and established suburbs of Bateau Bay, Berkeley Vale and Killarney Vale seem just as popular as ever, but there seems to be more renovation or value adding activity going on here. Value adding in these areas includes the construction of secondary dwellings or granny flats and while this is an area gaining in popularity, we wonder what the long term effects on value and amenity will be.

NSW Mid North Coast

This month we are looking at which sector is firing and we consider that the lower to mid market value properties appear to be the most active along the Mid North Coast.

During 2015, the larger coastal towns (Port Macquarie, Forster, Tuncurry, Taree, Wauchope) have seen rapid increases in both demand and values. However the current lack of listings across the market has dampened sales somewhat. Demand has remained strong but the appearance of the market slowing has been related to the current lack of available properties to buy.

This current lack of stock available for sale has caused values to climb, especially in the lower market segments (for both dwellings and units) as multiple buyers compete for limited properties. This has seen a rise in the number of properties sold at auction, with potential purchasers bidding directly against each other and pushing up sale prices.

We have noticed that in this lower segment, investors are still very active, with many mum and dad investors, interstate and self managed superannuation funds all competing within the same market segment. This may be causing values to rise but, conversely, it is generally causing yields and returns to fall.

There remains good demand for rental properties and rents have steadied after a rapid rise at the start of the year, caused by a large influx of highway workers and CSU construction workers and students.

New dwellings, mostly located in developing estates, have been in high demand by both owner-occupiers and investors. This has seen vacant land values rise in these estates. Also the current rental returns for these properties make them attractive. Off the plan sales increased dramatically during 2015 compared with previous years.

As noted previously, the local residential property sector on the Mid North Coast is still in a state of growth, however the rate of increase (in both number of sales and values) appears to be steadying somewhat throughout the region, except for Port Macquarie.

It will be interesting to see if sale rates and values continue to increase at the current rate over the next few months with the seasonal influx of properties listed for sale in spring.

Overall, the demand for dwellings and units in the low to mid value market segments as well as rental returns are expected to continue to increase over the remainder of the year but at a slower rate than the first half of 2015.

Bathurst

Lately agents have consistently mentioned that there is strong interest for rural properties, particularly over the $1 million mark. This is surprising as this market segment is not often noted for being on fire. The drivers for this shift include local buyers and retirees and professionals from capital cities. For instance approximately 20 agricultural business personnel with Macquarie Bank are said to be relocating to Orange, although this has not been confirmed. For local buyers such properties are viewed very favourably and owning one is an aspirational goal for many.

The region is popular because of the natural beauty of the gently undulating country, diverse economy, good road, train and plane transport services and a large choice of quality rural properties.

An example of a recent sale is 66 Henry Lane, Emu Swamp which has 28 hectares and a 4-bedroom dwelling. Don't let the name fool you, there is no swamp and not a lot of emus. The property was previously purchased for $820,000 in 2011. The dwelling was extended and renovated in 2013 at a cost of $250,000. The property included many handy extras such as undercover cattle yards, a cattle crush, machinery shed, workshop and a wine cellar. In June this year, it sold for $1.25 million after only 86 days on the market.

While this is positive for the region it is unlikely that the drivers of this market segment will filter through to the broader market where the median house price is about $300,000 to $350,000. The sustainability of this trend will depend on economic conditions locally and nationally and the continuation of the good rainfall of recent years.

66 Henry Lane, Emu Swamp

Wagga Wagga

After four years of overall static growth in the vacant land sector, the past twelve months has seen an increase in sales and strengthening in land values across Wagga Wagga. This is despite the additional supply that has come from the expansion of Gobbagombalin, Forest Hill and Lloyd.

Gobbagombalin has seen stages of land being released and being absorbed by the market. This is driven by investors with thoughts of building a new dwelling to be leased and by owner-occupiers.

The reduction in the first home builders grant early in 2016 may also have had an impact on the increased sales activity in this sector. If it's affordable, new home owners who have not owned a house before generally want to build new dwellings. They are less interested in old established homes which require on going maintenance.

It will be interesting come twelve to eighteen months time to see if there will be an over supply of land.

Victoria

Melbourne

Lower entry level (Melton)
Melton is approximately 35 kilometres west of the Melbourne Central Business District (CBD) and is serviced by a train line that runs to and from the CBD. The suburb is experiencing a significant demand for affordable entry level housing which has driven some growth. Affordability for first home buyers, young families and couples and the attractive record low interest rates are the main drivers in the area for sales of new land and house and land packages by developers.

Melton city's population growth rate is predicted to be the second fastest growing in Victoria. Demographic research shows that the area is dominated by young families with over 70% of residents being aged less than 45 years old.

In the foreseeable future, Melton's residential property market is expected to experience growth. This growth appears to be driven by an increase in the area's population of potential buyers that priced out of the inner suburban Melbourne market and the low interest rates.

According recent Real Estate Institute of Victoria research, the median house price within Melton was $255,000 in June 2015.

Below demonstrates a capital gain made possible due to a market movement.

164 Coburns Road, Melton

3-bedroom, 1-bathroom, 112 square metre floor area (no improvements between sale dates).

Sold 13 June 2015 for $260,000

Sold 3 April 2014 for $215,000

(rpdata.com.au)

Middle entry level (Ringwood)
Ringwood is an established metropolitan suburb approximately 24 kilometres east of the Melbourne CBD. It consists of a mixture of established residential dwellings on traditional sized residential allotments generally built during the 1950s, 1960s and 1970s. We note that in more recent times, low and medium density unit development is taking place, particularly on the larger allotments and those close to Ringwood central. The area is well serviced by schools, shopping, parks, sports fields, walkways, arterial road access and public transport. The suburb is generally considered to be a mid socio-economic area. A feature of the suburb is the Eastland Regional Shopping Centre and close proximity to Eastlink providing direct access to the Melbourne CBD. The $700,000 to $1 million price sector seems to be running hottest in the Ringwood market for housing at the moment.

Below are some examples of what you can secure in Ringwood within different price brackets.

Less than $500,000 will secure a single level conventional style dated brick 1- or 2-bedroom, 1-bathroom unit.

$600,000 to $650,000 will secure a single level conventional style circa 1970 albeit fully renovated brick or weatherboard 2- to 3-bedroom, 1-bathroom dwelling on circa 600 to 800 square metres of land. (For example, recent sales include 14 Glencairn Avenue, Ringwood for $600,000 and 3 Margaret Street, Ringwood for $625,000.)

Circa $700,000 will secure a single level conventional style original, unrenovated brick or weatherboard 2- or 3-bedroom, 1-bathroom dwelling on circa 700 square metres of land near Eastland Regional Shopping Centre. (For example, 11 Prospect Court, Ringwood sold for $737,000.)

Around $800,000 will secure a two-storey conventional style 1970s albeit fully renovated brick or weatherboard 4-bedroom, 2-bathroom dwelling on circa 590 square metres of land near Eastland Regional Shopping Centre (for example, 16 Prospect Court, Ringwood sold for $810,000).

The $900,000 to $1 million bracket will secure a single level conventional style circa 1960s fully renovated brick or weatherboard 5-bedroom, 2-bathroom dwelling on circa 852 square metres of land near to Eastland Regional Shopping Centre (for example, 10 Belle Vue Avenue, Ringwood sold for $975,000) or a single level conventional style circa 1975 fully renovated brick or weatherboard 4-bedroom, 2-bathroom dwelling on 700 square metres of land near to Eastland Regional Shopping Centre (for example, 27 Major Street, Ringwood sold for $906,000).

Circa $1 million to $1.5 million will secure a single level conventional circa 1960 dated, partially renovated brick or weatherboard 4-bedroom, 2-bathroom dwelling on circa 2,500 square metres of land (for example, 20 Wonga Road, Ringwood sold for $1.39 million).

There are a few factors driving these markets and price points at the moment including:

- Substantial upgrade in nearby infrastructure (i.e. Eastlink, Eastland Regional Shopping Centre, Ringwood Train Station and Bus Terminal);
- Historically low interest rate environment;
- Melbourne's increasing population;
- Substantial foreign investment/purchasing;
- Competition from potential purchasers priced out of adjoining suburbs.

Demand for property in Ringwood can be expected to cause an increase in overall property values for surrounding suburbs in the outer eastern housing market as property prices have increased substantially and buyers are pushed further out.

It is unknown whether the strong performance in Ringwood and its immediate surrounding areas will be sustainable over the coming year. The macro economic environment is currently subdued globally with China's slowing growth, Europe's financial crisis and slower national growth than expected for the second quarter of 2015. Melbourne's population growth however has exceeded Sydney's and is expected to continue to outpace Sydney's over the coming 12 months. Any changes to the national cash rate and interest rates over the coming 12 months will also affect the sustainability of the housing market.

An example sale below shows how well properties in Ringwood are performing (a sale and resale of the same property demonstrating capital gain). 28 Holland Street, Ringwood sold with endorsed plans and permits for three townhouses as a development site indicating a capital growth of just over 50% between August 2012 and May 2015.

Address: 28 Holland Road, Ringwood East

Recent Sale Date: 12th May 2015
Recent Sale Price: $1 million

Previous Sale Date: 18th August 2012

Previous Sale Price: $535,000

The size of land in Ringwood may now influence development potential coupled with new possible rezoning such as Design and Development Overlays that encourage multi-unit dwelling development.

Prestige (Balwyn, Balwyn North and Canterbury)
The $2 million plus residential prestige market in Melbourne is running hot in Balwyn, Balwyn North and Canterbury. Below are some examples of what you can secure in Balwyn within different price brackets.

- $2.2 million will secure a 4-bedroom, 2-bathroom, 2-car property in Balwyn, Balwyn North and Canterbury on about 700 square metres (for example, 15 Stanley Grove Canterbury)
- Vacant land sold for $2.65 million in Balwyn in March 2015 (3 Henley Street)
- An incomplete property sold for $2.95 million (112 Yarrabat, Avenue)
- $3 million will secure a 5-bedroom, 4-bathroom, 2- to 3-car property in Balwyn on circa 800 square metres (for example, 40 Moody Street, Balwyn North)
- $4 million plus will secure large residential allotments with improvements comprising 5-bedrooms, 3-bathrooms, 2- to 3-car space accommodation on an allotment of over 1,000 square metres (for example, 19 Monomeath Avenue, Canterbury sold for $9.226 million).
- 6 Wills Street, Balwyn sold in May 2015 for $3.16 million. It previously sold in September 2014 for $2.23 million. This is a growth of $930,000 in only eight months. What makes this sale even more notable is the fact that the property isn't even located in the Balwyn High School zone (zoned to Kew High School).

6 Wills Street, Balwyn

There are a large number of new constructions in the area due to foreign investment regulations requiring new buildings.

Recently in the city of Boroondara, new neighbourhood residential zoning has been introduced in accordance with the Neighbourhood Character Study undertaken by the Council. The new zoning restricts subdivision to land over 500 square metres (or 300 metres for NRZ2) and allows a maximum of two dwellings on a lot. The new zoning also restricts the maximum height for dwellings to eight metres.

Median house prices in Balwyn have risen 33% in the past five years due to high demand from foreign investors and also the desire to be in the popular Balwyn High School zone (Source: CoreLogic RP Data).

The main price drivers in Balwyn, Balwyn North and Canterbury are:

- School zones, especially Balwyn High School zone
- Close to a number of public transport options
- Chinese and other foreign investors. The Victorian State Revenue Office introduced a 3% duty payable by foreign investors which came into effect on 1 July 2015. The duty has had no discernible impact on foreign investment.
- Record low interest rates
- Affluenza

The future of house prices in Balwyn appears to be unsustainable. Limited supply has resulted in overpriced housing and foreign investment will be curbed in the future, which could cause the market to stall. In the foreseeable future, the Balwyn, Balwyn North and Canterbury prestige residential markets however look likely to remain heated for the next 12 months.

Gippsland

Latrobe Valley

The median sale price for houses in Traralgon this year is around the $260,000 mark. Property in this

price range will typically be a 1980s 3- or 4-bedroom brick veneer on a 700 to 800 square metre block in basic condition. This price range is the perfect point for young professionals to enter the market, or upgrade with the opportunity to renovate.

In Morwell, the median price for 2015 thus far is around the $150,000 mark. This will generally fetch a 1960s 3-bedroom weatherboard dwelling. A high volume of the properties in this market are rental properties.

Wellington
In the Wellington Shire area, housing in the $250,000 to $350,000 bracket continues to perform well. This bracket comprises entry level, older style 3-bedroom brick veneer dwellings in established locations, to small dwellings with basic construction in modern residential estates.

Housing in this price range generally experiences shorter selling periods and higher rental returns due to the high volume of interest from first home buyers and investors.

The announcement of the new Flight Training School at the East Sale RAAF Base should ensure continued solid performance from this market sector.

Ballarat

Houses
The price sector which appears to be the most buoyant in the Ballarat dwelling market at present would be the $200,000 to $350,000 bracket. Almost all suburbs of Ballarat have properties in this price brackets but some are performing better than others. Areas such as Ballarat Central, Soldiers Hill, Black Hill, Ballarat East and Golden Point have shown some good growth in the past 12 to 24 months.

The main drivers of the market in these areas is the scarcity of land, aesthetic appeal of the period properties, proximity to infrastructure, strong rental returns and the relative affordability.

The flow on effects in the near term would be the stagnation of some new areas in the region such as the new estate areas of Lucas and Delacombe. However in the event the prices close to town continued to grow, the new estate areas would become more attractive as purchasers would compare the two and perhaps begin to see greater value in a house and land package scenario.

The performance of the sector is sustainable over the coming year as the growth is modest (from 2% to 5%) and the local economy is strong. The state government has just announced its intention to inject around $15 million into the economy over the next two years.

Examples of house price growth include:

- 706 Howard Street, Soldiers Hill sold in May 2008 for $177,000, then again in the same condition for $235,000 in May 2015.
- 306 Havelock Street, Soldiers Hill sold in July 2008 for $180,000, then again in the same condition for $237,000 in April 2015.

Units
The price sector which appears to be the most buoyant in the Ballarat unit market at present would be the $100,000 to $250,000 bracket. Not all suburbs in Ballarat have units in this bracket. The suburbs with units in this range performing well are spread across town and include Wendouree, Soldiers Hill, Golden Point and Ballarat Central.

The main drivers of the market in these areas is the scarcity of cheap accommodation in the area, strong rental demand and returns and relative affordability.

The flow on effects of the growth in the near term would be an increase in development of affordable medium density properties such and 1- and 2-bedroom units. This would increase the supply to the rental market which may satisfy the demand and

ease the capital growth and rental growth.

The performance of the sector is sustainable over the coming year as the growth is modest (from 2% to 5%) and the local economy is strong. The following example illustrates the price growth:

- 2/304 Clarendon Street, Soldiers Hill sold in June 2009 for $143,000 and again in the same condition for $190,000 in April 2015.

Warrnambool

Houses

The housing market between $300,000 and $400,000 is the hottest market within Warrnambool at present. The majority of these sales occur in North Warrnambool where you can expect to purchase a 3- or 4-bedroom, brick veneer dwelling constructed within the past ten years.

The drivers behind this market are the strong rental returns investors can expect to achieve and the affordability for young families who want something new without the hassle of building. Although there is somewhat of a demand for this type of property we have not seen significant increases in value due to the current supply of land within Warrnambool. This statement is true for the entire Warrnambool residential property market which has seen little increase over the past 24 to 36 months.

Due to the current availability of residential land and demand for newly constructed dwellings, older constructed dwellings appear to be the property type being hit hardest, with a decrease in value and demand for properties built in the 1980s and mid 1990s. This current trend appears to be sustainable for the foreseeable future.

Units

Units within the Warrnambool property market are in good demand at present. 2-bedroom units priced between $225,000 and $275,000, and newly constructed 3-bedroom units priced between $325,000 and $375,000 are the price brackets most prominent. These markets are spread across Central Warrnambool and North Warrnambool with the key drivers being strong investment returns and affordability for retiree couples looking to downsize.

Similar to Warrnambool's housing market there has been limited increase in values over recent times with this current trend expected to continue for some time. 1-bedroom units appear to be experiencing a softening in demand due to little capital growth, with the majority of purchasers aiming for a mixture of capital growth as well as good returns found more commonly in 2- and 3-bedroom units.

Echuca

The Riverine Herald property section last Friday was as skinny as we can recall for a long time. Either the local agents have pulled back on their advertising budgets or there is a genuine dearth of properties available for sale coming into the spring selling period. A lack of stock may push buyers into building so land sales may improve as a result or alternatively there may be some extra supply come onto the market as vendors look to participate in a market with limited supply. Most agents are suggesting that they have clients in the pipeline so it will be interesting to see how things progress.

The limited supply has probably had the greatest effect on the mortgage belt for standard 3- to 4-bedroom dwellings in the $350,000 to $450,000 price bracket along with the lower segments of the market.

Horsham

The Horsham residential property market is currently being led by the large modern brick veneer homes which have consistently been improving in value for the past six months. The well regarded courts in modern subdivisions are generally displaying the greatest growth. Typically this is property close to the Wimmera River and comprises 4- or 5-bedrooms and 2-bathrooms on an 800 to 1,200 square metre

block. Current drivers for this market segment are strong local business growth and continued demand for improved lifestyle and creature comforts.

The recent growth in the upper end price bracket from $400,000 to $600,000 is beginning to impact the mid price range older housing stock from $300,000 to $400,000 and small price movements have been experienced in some sectors of this market in recent times. The price movement has seldom reached the lower end price bracket.

An example of this top end growth is the sale of a 3-bedroom, 2-bathroom modern home on McPherson Street that sold in May 2014 for $450,000 and recently re-sold in June 2015 for $470,000 which displays value growth of 4.4% year on year.

Unit sales remain limited in the Horsham market due to the relative affordability of housing.

Queensland

South East Queensland overview

Come and have breakfast with our experts and hear about what has happened over the past 12 months in your area. Our South East Queensland overview will also prvide you with both residential and commercial insight for the coming 12 months.

Click here to book your seat today.

Brisbane

Oh Brisbane – beautiful one day, relatively affordable the next!

Brisbane continues to perform steadily. While we haven't enjoyed a giant boost in population growth on the back of interstate and overseas migrants, we are being recognised more and more as Australia's most affordable eastern capital and we seem to ooze price growth potential. It's firing in some suburbs more than others so this Month In Review is an opportunity to dig down and see where the hot market sectors are.

First up – entry level and mid-range property appears to be a gun sector right now. We always say stay within 10 kilometres of the CBD and this is why – buyers are sheep-dogging over each other when an appropriately priced property hits the market. Property investors are a savvy lot too. Their activity is centering on second hand unit stock. It's price accessible, in locations that have a lot of rental demand and for a few grand, you can spruce up the space and add some value. Attached housing in the $330,000 to $550,000 range is doing well. Try Coorparoo and Greenslopes for units and townhouses at $330,000 to $400,000. That price point will land you an unrenovated, 2-bed, 1-bath abode in a 1980s complex. Townhouses at $450,000 to $550,000 are 3-bedroom, 2-bathroom for the record.

There are also historic values factoring in as Art Deco units and townhouses garner appeal. You'll typically find a 2-bedroom, 1-bathroom holding within New Farm or Teneriffe. Premiums are being paid for this style of property – it's in hot demand.

For detached housing, the sweet spot is in the $600,000 to $800,000 bracket around the mid/inner ring. You can get great quality homes at a fraction of the Sydney prices. Coorparoo, Camp Hill and Norman Park provide high set 3-bedroom, 1-bathroom dwelling in average condition on a 405 square metre to 607 square metre allotments at this price point. Our expectation is that this sector will continue to perform over the remainder of the year. Capital growth is tracking at approximately 5% per annum for the past 12 months and there is a good level of supply at present to match the demand, which is coming predominately from owner-occupiers. Their intention isn't to try and make strong capital growth in a short time frame in most cases – they're looking for a long-term purchase.

Buyers with a bit more coin to spare are fighting over entry-level homes in the very inner ring up to $1 million. Newstead, New Farm, Teneriffe, Ascot and Hamilton – this price will get a great renovator with upside potential in one of these tried and true hotspots, and buyers are snapping them up.

As these sectors continue to run harder, the flow on effects will see the current stock of owners given a leg-up into even more comfortable abodes, so expect to see even more activity in the $1 million-plus bracket in the future. This sort of activity is already evident in great locations like Bulimba, Balmoral and Hawthorne where buyers are snapping up good quality homes in these very desirable positions for between $1 million and $2 million. Obviously this isn't cheap stuff but it certainly is wanted.

A couple of examples on how well some sector are performing:

407 Bowen Terrace, New Farm	
Previous sale:	
Sale Price:	$1.3 million
Sale Date:	01/12/14
Sale Type:	Normal sale
Area:	423 square metres

Recent sale:	
Agents Advice:	$1.5 million
Sale Date:	25/07/15
Sale Type:	Sold prior to auction
Advised By:	Ray White New Farm
233 Kent Street, Newfarm	
Previous sale:	
Sale Price:	$2.25 million
Sale Date:	14/04/2014
Sale Type:	Normal sale
Area:	1012 square metres
Recent sale:	
Sale Price:	$2.6 million
Sale Date:	02/02/15
Sale Type:	Normal sale
Area:	1,012 square metres

Toowoomba

The Toowoomba residential property market continues to sit within an affordable price bracket, with a median house price of $370,000 for the first half of 2015.

The market comprises three price segments: entry level or first home buyers and investors at up to $400,000; upgraders from $400,000 to $750,000; and prestige properties above $750,000. All sectors have been performing well throughout 2015, particularly the prestige market. So far for 2015, there have been 50 sales recorded over $750,000 which shows a significant improvement compared to the 51 sales and 52 sales recorded for the entire 2014 and 2013 calendar years respectively.

For the most part, the unit market continues to occupy the entry level and investor sector, however, there has been some prestige unit development. Newtown, Glenvale and South Toowoomba have accommodated a significant number of new unit projects in the past two years which have contributed to median price growth. We consider the low interest rate environment and strong competition amongst lenders has aided an increase in activity in this particular sector, while for the $500,000 and above value range, an uplift of approximately 10% to 20% is attributed to the influence of new unit and house builds.

Accordingly, if development in this sector eases, a stabilisation in values and volumes may occur.

Gold Coast

Taking a step back and overviewing the results of the month has revealed that there is a continuance in demand for property within the M1 Upper North, continued local, interstate and foreign investment has fuelled supply within the major estates. The main property type for the M1 Upper North area is the investment stock situated within developing suburbs scattered around the M1 Motorway.

Coomera is situated on the eastern side of the M1 Motorway comprising major developing estates such as Genesis and Big Sky. The past month has seen continued growth within these suburbs with new stages being released. Genesis has reached a stage of decreased allotment sizes while new stages are being cleared. The new stage hosts lots from 200 square metres to 400 square metres, to fulfil the appetite of investment within the area. Big Sky estate has found it’s footing within the suburb supplying allotments larger than the typical for the area, this has encouraged first home buyers, young families and retirees to occupy and build their dream home on an allotment that could range from 300 square metres to 700 square metres. Overall Coomera has shown continued growth for investment stock and middle entry level stock, while the upper market has remained stable.

Pimpama is situated north of Coomera with estates developed and developing on both the western and eastern sides of the M1 Motorway. Leda developments has begun to release allotments within Pimpama Village, a new estate situated northeast

of the old Strawberry Farm on the eastern side of the M1 Motorway. The development is to be mostly marketed and sold by Choice Homes, as house and land packages. This estate is offering allotments from 300 square metres to 750 square metres. Pimpama estates are targeting both local owner-occupiers and investors.

Ormeau and Ormeau Hills are the next suburbs north within the M1 Upper North area. Ormeau comprises a diverse range of properties; from large rural allotments to new standard investment stock. The majority of growth within this area is from Ormeau Ridge a Stockland estate within Ormeau Hills. Stages are continuing to be released at prices within market parameters and toward to upper end of market parameters.

This area has remained progressive in all property types, with agents reporting reduced stock, offers above listed prices and the sale of properties that have not been listed on the market.

Further north is the southern Logan area, stretching from Yarrabilba to the west to Eagleby to the east. The central business district of this area is Beenleigh, which has seen continued investment not only within the residential sector but also the retail, office space and industrial sectors with new planning instruments encouraging development. The flow on affects has encouraged subdivision of larger lots and new residential low to medium rises within the Beenleigh centre and surrounding suburbs. Yarrabilba, Logan Village, Buccan and Holmview continue to grow with new estates being proposed in Logan Village and the release of new stages in Holmview, Buccan and Yarrabilba.

The M1 Upper North area has continued to flaunt a safe and secure investment opportunity for local, interstate and foreign investment as demand increases from potential tenants with increasing employment opportunities. A caution for this area is that if the employment opportunities were to decrease the area would suffer more than any other area within the Gold Coast region.

The northern coastal region of the Gold Coast has continued to show strong levels of demand across land, houses and unit sectors. Houses are proving the strongest sellers as purchasers and potential purchasers are showing signs of panic as they continue to miss out on properties due to the high demand and reduced stock levels. In some cases purchasers are offering above the asking price in order to secure the sale as they have previously missed out on several other properties. This has been particularly prevalent in the more central suburbs, such as Ashmore. One example is 8 Kittani Crescent, Ashmore where the asking price was $569,000 and the purchaser, a first home buyer, submitted an offer of $575,000. We have seen price increases across the suburbs and as house prices continue to rise we are also noticing an increase in demand for duplex units, being a more affordable option. Resale prices of land are increasing in Hope Island's newer estates however we have noticed that the purchasers are generally from interstate and some of the prices are above market levels with vendors keen to capitalise on the 'mania' in the market at present as well as the interstate buyers purchasing power and lack of local market knowledge. We have also noticed that some builders are capitalising on the mania and lack of local market knowledge with interstate to be erected dwellings with high rates per square metre for basic quality dwellings. Of particular concern are the low deposits offered by a large portion of purchasers as they appear to be trying to secure property at the low interest rates.

Looking at the current state of the market in the central areas of the Gold Coast, we have seen increases in values in all property types. The price sector that seems to be running the hottest is the $400,000 to $800,000, these properties are generally detached dwellings suitable for families who are owner-occupiers. We note that properties

in this price range are now selling over previous peak prices of 2007. This has been fuelled by the limited supply and high demand. It is quite common for properties to sell within one week of being listed after receiving multiple offers. An example of a house price increasing in value is 7 Ulrike Way Benowa, it is currently under contract for $825,000, previously sold for $700,000 in March 2014. The property comprises a single level, circa 2000, modern style, rendered brick, 3-bedroom plus study, 3-bathroom, dwelling, with concrete tiled roof and 2-car garage with a pool. The land area is 673 square metres. The property sold within a few days of being on the market. The sale shows a capital gain of 17.8%.

The unit market has also picked up from Surfers Paradise to Pacific Pines, most of these buyers have been interstate buyers looking for a cheaper investment property compared to Sydney and Melbourne. An example of this increase can be seen in a typical 3-bedroom, 2-bathrooms and 1-car garage townhouse in Pacific Pines. The townhouses were selling for $240,000 to $260,000 earlier this year, now they are around the $290,000 mark.

New developer stock has been selling quickly with a lot of international demand; the area that has been the hottest is Robina with most of the developers almost sold out of their current stock.

The only sector that hasn't seen this rapid growth is the $1.5 million plus market. We believe there is good value in this sector as this price range still remains out of reach for the majority of the market. This sector will start to pick up as a flow on effect from the lower price range as they start to increase.

We believe the strong performance in the residential sectors will be sustainable over the coming year if the interest rates remain the same, once the rate starts increasing the market will start to ease off.

In 2015 there has been continued improvement in the residential property market across most sectors but not all sectors. The vacant land sector has perhaps been the strongest with the majority of estates having sold out or close to selling out. There is reportedly no developed stock available in Casuarina, with resales very strong. There has been a recent resale of a 500 square metre allotment in The Pocket for $520,000 which was originally purchased off the plan for $395,000. There has been an improvement in prices for vacant land in Terranora as demand is now stronger than supply.

The Hidden Valley estate at Tallebudgera is almost sold out. Sales have been strong at the observatory and Varsity Heights estates at Reedy Creek and also strong in Palm Beach Heights at Elanora.

From Miami to Pottsville the housing sector has continued to improve throughout 2015, being strongest in the under $750,000 price bracket. In most localities demand is outstripping supply. As Valuer's, in a lot of cases sales evidence is not directly supporting new sales. There has also been strong sales activity in the over $750,000 price bracket in waterfront localities such as Currumbin Waters, Palm Beach and Burleigh Waters.

Duplex units have been selling well across the board along with townhouse and villa units in small complexes. A significant percentage of sales of these properties are investment sales. A townhouse unit in a large complex at Burleigh Waters is currently under contract for $325,000 whereas the highest sale in the complex prior to this sale was approximately $300,000

At Burleigh and Palm Beach there has been some recent building activity for good quality duplex type units, with developers confident of making sales over the $750,000 price bracket. Some recent sales include a new duplex unit at Palm Beach for $800,000 and another duplex sale at $980,000. There has recently been some strong sales activity for low-rise units along The Esplanade at Burleigh Heads. Sales activity and market demand for low-rise unit in the under $500,000 price bracket has also improved. There have also been some capital gains for well-located high-rise units. There has been a recent sale of 2-bedrooms, 2-bathroom unit in the rear Ambience building at Burleigh Heads for $730,000 which previously sold in June 2011 for $625,000.

Caution remains for low-rise and high-rise units in large, older buildings in secondary locations where high body corporate fees may apply. Local agents are reporting limited levels of demand for similar properties.

Sunshine Coast

Running hot, strong enquiry and good sale volumes were some of the descriptions of the Sunshine Coast property market in the first half of 2015. The highest growth in sale volumes and values was in the sub $500,000 housing market which has transitioned into the higher value markets in some areas ($600,000 to $700,000). The upgrader market was also buoyed by the general uplift in the local economy, resulting in greater security in incomes etc.

Since the end of the financial year, it would appear that the market has slowed a little. Buyer enquiry has reduced for the rental market. This combined with limited stock in some sectors of the market has led to a reduction in sale volumes. It would also appear that the new investment lending requirements from APRA and the lowering of loan to value ratios (LVRs) designed to slow the Sydney and Melbourne markets have had the unfortunate effect of catching the Sunshine Coast in the cross hairs. Southern investors do remain active but typically prices that they are paying tend to be at the upper end as they see the Coast as good value. It remains to be seen if this will have a long term effect on the local market.

It is pretty had to say that any one property segment is firing at the moment as the Coast market is just so diverse in both values and locational features. We have however tried to identify a few.

Entry level

Sub $550,000 housing on the coastal areas continues to be extremely popular with buyers placing a greater emphasis on the underlying land value of the property. Two examples of the market movement over the two years are from Peregian where one property sold in January 2013 for $466,000 and resold in March 2015 for $515,000 and another was purchased in May 2013 for $482,000 and has recently sold for $560,000.

Mid level

This is a bit harder to gauge with many upgraders active in this sector but really comes down to the areas within Moffat Beach, the top of Buderim and some parts of Noosa performing pretty well.

Upper Level

Prestige housing market has improved in the entry end of this market (up to $1.5 million). Sale volumes appear to be quite good but as you move into the higher value level bands, say plus $2 million, buyers are thinning out. Noosa Waters and Sunshine Beach areas have performed well on the back of the Sydney and Melbourne markets and also increased interest from overseas.

The market seems to have slowed ever so slightly.

It could be a situation that it is catching its breath before a big rush in 2016 which coincides with the completion and opening of the new Sunshine Coast University Hospital. It all remains to be seen.

Emerald

The best performing segment in an overall softening market is in the range of $200,000 to $300,000. This is the entry level, affordable and not living beyond your means price point. Many houses which were at levels of $400,000 to $450,000 during the peak are now selling in this bottom range and the market feels it is near the bottom of the fall and the worst is over. Property in the range of $300,000 to $450,000 could experience more softening and these properties have much more chance of a purchaser finding out in six months that it's worth less than the purchase price. Sales turnover is a third of what it was in the peak and rents are very low which leaves some potential purchasers happy to continue to wait in case the market drops more while others are taking advantage of the lowest prices in ten years.

Hervey Bay

Sales of property up to $350,000 appear to be the most sought after in the Fraser Coast area.

Demand for property in the higher price ranges (up to $700,000) has increased over the past twelve months, with agents reporting a mixture of local and out of area buyers in this price category. Most properties achieving high sale prices are on larger sites over 2,000 square metres within the suburbs of Wondunna, Urraween and Urangan. Buyer expectations include expansive dwellings with pool and sheds with some homes being relatively new or extensively renovated to a good standard. The elevated demand for higher priced stock may be due to the influx of medical staff to the new private hospital with higher overall disposable incomes which is encouraging. Construction activity continues to improve with at least five new stages of existing estates under way and steady sales activity for completed house and land packages. Rental demand remains consistent, with vacancy rates reportedly low which is expected to continue in the short to medium term.

Bundaberg

In the Bundaberg region the lower end of the market is quite active at the moment with sales from $150,000 to $250,000. This price point sees houses that were previously flooded and now fully renovated offered for sale with sales indicating a strengthening market for previously flooded properties and older houses needing renovation in suburbs that did not flood in 2013. These suburbs include Bundaberg North, Walkervale and Bundaberg South. The $250,000 to $350,000 bracket is also performing quite well for those upgrading from the lower price bracket. Local agents indicate that they have had a solid past couple of months with most reporting a need for more listings which bodes well for prices in the coming months.

Gladstone

The low entry level and mid priced market sectors are the most active in the Gladstone market at present. These sectors have stabilised over 2015 to pricing levels that have not been seen in Gladstone since before the major LNG projects were approved. The entry level market sector generally comprises established housing in the $200,000 to $350,000 price bracket. At the peak of the market in 2011 and 2012 there was no property available at all for under $300,000. The mid priced sector comprises established housing in the $350,000 to $500,000 price bracket. Most of the uptake of these dwellings is by owner occupiers with minimal investor activity occurring. In addition to these market sectors, there has been moderate activity in the upper market sectors, where owner occupiers are upgrading to above average quality homes in the $500,000 to $750,000 price bracket. Prestige housing in Gladstone generally ranges upwards of $750,000 and varies between large, modern, high quality homes in rural residential locations such as Beecher and Burua, to large homes with harbour or district views in Gladstone or the beachside suburbs of Tannum Sands and Boyne Island.

Rockhampton

The property market in the Rockhampton region has been softening in recent times with sales numbers dropping and values also weakening in certain price sectors. This has been mainly due to the downturn in the mining industry and investor sales being slower as well with rents and rental vacancies also weakening.

With the downturn in the mining industry and lack of investors, purchasers are now seeing property offering good value for money compared to a number of years ago. In particular the low and entry level markets and some mid price properties are seeing more activity than the higher priced markets.

The most affordable areas of Rockhampton include Depot Hill and Rockhampton City on the south side and Berserker, Park Avenue and areas of Koongal in the north. Entry level buyers can pick up property now in the low to mid $100,000s which may or may not be in a flood prone area. These are generally older style dwellings with limited ancillary improvements and vary in condition. Cheaper priced properties of better quality and generally out of flood areas can be expected to achieve up to around $250,000.

A mid price range property can expect between $250,000 to $400,000 and will vary in size and age depending on the buyer's requirements. These properties have not weakened as much as the entry level properties however we are seeing prices soften in this sector. Suburbs where these mid price properties are more prevalent include sections of Frenchville and Norman Gardens, Kawana, Koongal and parts of Park Avenue in the northern suburbs. Wandal and Allenstown offer the majority of this price point on the south side of Rockhampton.

Due to the affordability of these price points, it is envisaged that the majority of transactions over the coming year will be from these sectors.

The unit market has also been affected by lack of investors. Units that have been selling have generally been between $150,000 and $250,000 for entry level and $250,000 to $350,000 for mid-price units. The majority of these unit sales have been in the northern suburbs. Pricing has also weakened for these price points within the unit market.

Mackay

The Mackay residential market is currently in the grip of the biggest market downturn seen in Mackay in over ten years. The downturn in the mining industry and subsequent flow on to the resource sector based in Mackay has seen value levels fall around 20% and possibly higher in some areas. Sale volumes have reduced significantly since the peak period of 2012.

However, within a poor market we have seen one sector perform relatively well compared to the rest of the market. That market segment appears to be the upgrader sector priced between $450,000 and $650,000.

Prior to the market correction, Mackay had one of the highest median house prices in regional Queensland. To purchase a large executive style home in the best estates would set you back between $650,000 and $800,000 which was outside the budget of many locals. Now that the market has softened, we are finding these are the properties transacting, albeit at much reduced price levels.

Estates such as Northview Gardens located at Glenella have seen good buyer enquiry level and sales volumes. Good quality dwellings are currently selling at between $100,000 and $150,000 less than they were three years ago and in some cases are selling for less than they were eight years ago.

Other good quality estates are seeing similar results, for example Cuttersfield Estate in Ooralea has had a number of recent sales between $500,000 and $600,000 for near new large rendered dwellings. In almost all these cases, the dwellings are selling for less than the cost to produce only two and half years ago.

Agents are reporting good buyer enquiry level still in this market segment. It is hoped that maybe that's the first indication that prices may start to stabilise in these markets or at least halt the slide in values we have seen in the past two years.

Whitsundays

The Whitsunday residential market is currently showing some signs of slowing and weakening. The Whitsunday region had been steady with no real major shift in values over the past 12 months. It is over the past three months that residential units appear to be slowing and showing signs of falling slightly.

The market that appears to be doing okay is the rural residential lifestyle properties of two hectare lots with homes of all shapes and sizes. These are priced from $450,000 to $950,000.

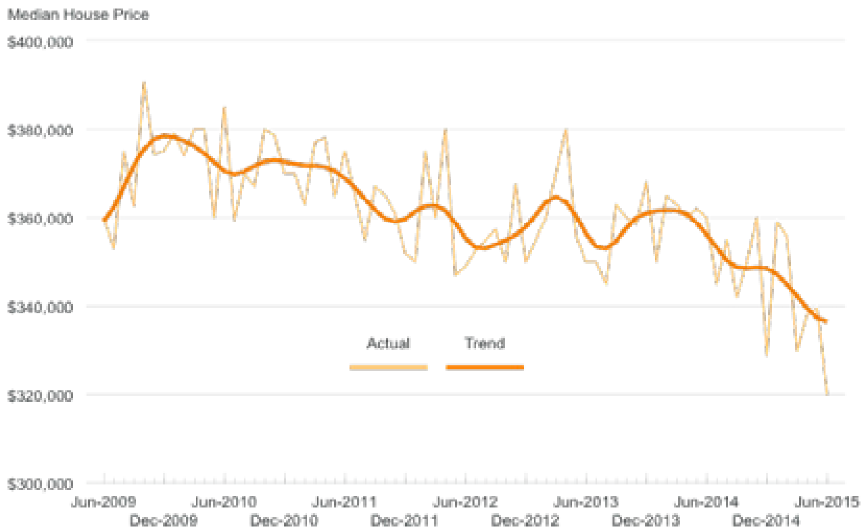
The market for high end units that benefit from expansive views appears to be steady, driven by out of town purchasers.

The Whitsunday market had previously benefited from the success of the mining sector with buyers coming into the Whitsundays for the affordability. This influence has now stopped due to the downturn in the mining industry.

Agents are reporting limited activity and buyers are careful in their purchases.

Townsville

Townsville's median house price has continued its declining trend over the past six months, with the median house price at $336,500 in June 2015, a reduction of 5.5% compared to the $356,200 median recorded in June 2014.



Source: HTW Analysis of RPData

Over the past six months the most active sector has been the $300,000 to $400,000 price bracket with 37% of recorded sales falling within this price range. Of these sales, 53% were priced under $350,000 and 47% priced between $350,000 and $400,000.

Sales within this price range cover a number of suburbs with the middle class suburbs of Kirwan, Mount Louisa, Douglas and Annandale featuring strongly, along with the northern beaches suburb of Bushland Beach.

A wide variety of property is available within this range. A typical property at the $350,000 price point entry in the middle class suburbs of Kirwan and Annandale would be a low set dwelling with three plus bedrooms, two bathrooms, double garage and semi modern fitout on a larger traditional sized lots. Douglas and Mount Louisa offer more modern low set homes circa 2000 with four bedrooms, two bathrooms and double garage on smaller 500 square metre lots at around this price entry. At Bushland Beach, $350,000 would buy a modern generally circa 2005 low set 4-bedroom, 2-bathroom home with double garage on 600 plus square metre lot.

Overall our general impression is that affordability concerns continue to dominate the market with buyers not straying outside their comfort zones, and having lowered their aspirations, only buying properties they regard as affordable based on their current economic circumstances.

Cairns

The Cairns market typically performs according to location rather than price point. Overall we judge Cairns to be a rising market, though this is an overall assessment and masks some divergence between suburbs and sectors. At the stronger end of the scale are houses on the northern beaches, dress circle suburbs such as Edge Hill and Whitfield and possibly the general Redlynch area. Our analysis of recent matched sales suggests that houses on the northern

beaches have shown price increases averaging around 6.6% per annum over the past three years.

A samples of house sales is:

Location	Date	Price	Resold	Price	Implied Capital Gain (%pa)
Totley Chase, Trinity Park	10/2013	$390,000	5/2015	$435,000	7.1%
Flagstone Terrace, Smithfield	2/2012	$320,000	3/2015	$349,000	2.8%
Chystanthus Street, Trinity Park	7/2013	$360,000	2/2015	$395,000	6.1%

Typical houses in the $350,000 to $450,000 price range on the northern beaches are modern, low set, 4-bedroom, 2-bathroom dwellings built within the past ten years with rendered masonry walls, colorbond roof, patio, two car built-in garage, modern kitchen with laminate bench tops, split system air-conditioning and located on a 600 square metre allotment.

In the units sector, modern apartments in the city and near city suburbs have been the strongest performers. However even though unit prices in these areas have increased over the past three to four years, many units have yet to regain their 2009 market peak price.

A sample of apartment sales is:

Location	Date	Price	Resold	Price	Implied Capital Gain (%pa)
The Lakes, Cairns North	4/2012	$195,000	3/2015	$231,000	6%
Marquis on Grafton, Cairns City	1/2012	$405,000	6/2015	$430,000	1.8%
Cairns One, Westcourt	5/2013	$370,000	4/2015	$398,750	3.9%

South Australia

Adelaide

The strongest market in Adelaide remains the inner eastern and North Eastern suburban middle market with housing prices ranging from $450,000 to $850,000. More specifically houses in areas such as the inner east in suburbs such as Norwood, St Peters, Gilberton and surrounds which continue to see solid demand.

Essentially this is related to continued low interest rates which is encouraging homeowners to upgrade and to a lack of supply of quality homes on the market. The sort of house one can get for say $600,000 to $700,000 will be a 2- or 3-bedroom cottage or small detached house on an allotment of 400 square metres to 600 square metres perhaps in need of some renovation. Renovated houses of this style will tend to be more in the $700,000 to $1 million price range in prime areas and are currently in good demand.

This market sector tends to be isolated from the currently negative sentiment surrounding houses in outer suburban areas where demand remains relatively slow and prices are stable but demand is flat. Price movements in the Metropolitan area are in the main relatively low with the annual rate of median price movement reported at 3.4% per annum. This means that if the inner sectors are holding up then the outer areas may be showing no or perhaps negative trend.

This sector should remain strong in the coming year and in fact has always been a strong performer. Many houses in the inner suburbs are still ripe for renovation or on allotments that are now well suited to redevelope. This together with the fact that this market is driven by middle to upper end socio-economic buyers means it is less affected by difficulties related to unemployment and lack of confidence. It is of note that the statistics provided by RP DATA (Core Logic) currently indicate annual changes in house Values in the inner local government areas of Burnside at 5.7%, Norwood Payneham and St Peters at 4.6% and Walkerville at 4.6%, whereas the outer Local Government areas show Playford to the north at 2.3% and Onkaparinga to the south at 2.6% . These are general statistics but but they support our view of the market.

For example:

13 Elizabeth Street Evandale
Sold 9/11/2012 $595,000

Minor cosmetic upgrades undertaken (painting of facade, removal of carpet in bedrooms and polishing exposed boards). *Sold 20/4/2015 $715,000*

Mount Gambier

Currently the housing market has a relatively even spread of sales throughout each of the major price sectors. According to CoreLogic RP Data, the price sectors with most frequent sales throughout 2015 are:

- $151,000 to $200,000 (70 sales)
- $201,000 to $250,000 (86 sales)
- $251,000 to $300,000 (71 sales)
- $301,000 to $400,000 (59 sales)

As indicated, the price sectors are rather evenly spread with the highest number of sales occurring between $201,000 and $250,000. This spread across the price sectors is an indicator of the current market conditions being somewhat static. If the market was increasing, we would expect to see a noticeable increase in sales within the higher value price sectors.

What buyers can expect of a house within these price sectors varies greatly. Below is a recent sale of a property for each price sector.

$151,000 to $200,000

4 Mawson Avenue, Mount Gambier ($185,000, March 2015)

This is a partly renovated 1950s, 3-bedroom, 1-bathroom, stone dwelling situated in a Housing Trust location. The dwelling area includes a living space of 108 square metres and has been part renovated internally. Ancillary improvements are basic and include a detached iron garage.

$201,000 to $250,000

7 Shaughnessy Court, Mount Gambier ($230,000, May 2015)

This dwelling was built in 1989 and is in original condition consisting of a brick and tile external, 3-bedrooms, 2-bathrooms and a single garage under the main roof. The dwelling has 171 square metres of living area and 28 square metres of garage space. Ancillary improvements are basic.

251,000 to $300,000
3 Montrose Court, Mount Gambier ($273,000, July 2015)

This property is a circa 1990s, brick and tile dwelling with 4-bedrooms and 2-bathrooms in original condition. The living area is 190 square metres. Ancillary improvements include a pergola and detached garage.

$301,000 to $400,000

16 Lumidin Boulevard, Mount Gambier ($350,000, June 2015)

Built in 2008, this is a rendered brick and colorbond dwelling with 4-bedrooms, 2-bathrooms and a double garage under the main roof. The dwelling has 208 square metres of living area and garage of 40 square metres. The ancillary improvements include an alfresco area.

Tasmania

In the past, activity in Tasmania's residential market has been characterised as being driven from the bottom up. However the current First Home Builders Boost is undermining this driver in the existing home market within this first home buyer and investor market sector. State-wide the greatest volume of sales occurring in the residential property market is being achieved in the mid-price sector.

The second quarter of 2015 in the residential mid-price sector, the southern region of Tasmania saw the greatest number of sales occur in the suburb of Howrah, located on Hobart's eastern shore. Examples of sales in Howrah during this period include;

- a circa 1960s, 147 square metre dwelling located on just over 600 square metres for $371,000
- an older style, 104 square metre unit for $310,000

For this same period in the north the greatest number of sales in occurred in Legana. Examples of these sales include;

- a near new, 98 square metre unit for $272,000
- a modern, 245 square metre home on just over 900 square metres of land for $395,000
- an older style, 159 square metre home on a lifestyle block for $353,000

For this same period in the north-west, the Devonport region is where the greatest number of sales in this sector occurred. Examples of sales include;

- a new, centrally located, 99 square metre unit for $364,000
- an older style, 203 square metre home located near to water for $377,000
- a modern, 131 square metre residence on a lifestyle block on the periphery of Devonport for $350,000

Overall the volume of sales is up off historic lows and with the ensuing selling season ahead we may see this volume increase.

Northern Territory

Darwin

The Darwin and Palmerston residential housing market in 2015 can be characterised by the impact of the changes to the First Home Owner's Grant and government incentives offered to purchase off the plan units or build brand new homes. When looking at how this has impacted each sector of the market none is more notable than the inner and fringe existing CBD unit market. This segment of the market has noticeably softened as there are no incentives to purchase existing stock and purchasing off the plan units is more appealing to buyers. We are noticing stagnation in settled sales occurring for 2- and 3-bedroom units in the inner CBD, fringe CBD and northern suburbs. With many units now listed on the market for extended periods, the market has become saturated with older unit stock and consumers are now aware that it is a buyer's market, forcing vendors to become more realistic in their price points if wanting to sell. Properties purchased in this category during the peak period between 2013 and 2014 have likely decreased in capital value, with the latest RELM figures indicating that the inner city unit median price had reduced 4.1% over the last quarter to $543,355.

Evidence from the market includes a recent inner city unit in Larrakeyah that was purchased in 2013 during the peak period of the market at the low $400,000 point and has recently re-sold at the high $300,000 mark. Unfortunately this is not an uncommon event with many agents now encouraging vendors to be realistic about their expectations of what their property will achieve if sold in today's market. The same trend line for market value is being seen in the rental market. Rents have softened along with capital growth. Recent RELM figures show a 5.6% reduction in median unit rental prices in the last quarter for 2-bedroom inner city units. A recent conversation with an agent summed up the current inner city unit market well when the agent noted, "you are better to lose $5,000 over the course of the year in income growth than lose $30,000 in capital growth".

The prestige market has not suffered to the extent of other segments of the market. Although not firing on all cylinders, the prestige market is victim to a case of circumstances with investor confidence down as income growth has decreased since the start of 2015. There are only a limited number of purchasers who operate in this market with properties being listed for long periods of time. However, a casual $1.5 million still buys you a 4-bedroom waterfront property. Although this seems exorbitant to the average consumer, when put into perspective, there are limited markets in Australia that still offer the same opportunity to purchase prime waterfront real estate at this price point.

The market for existing dwellings in the northern suburbs and Palmerston has fared better than the unit market, however it has not escaped a price reduction, with median house prices down 1.3% and 4.4% respectively in the last quarter (REINT). If you are looking to sell your property in the northern suburbs or Palmerston you are now in competition with a $26,000 grant and stamp duty concession to build new. As expected, many first home owners are now taking up the available government incentives and looking to purchase house and land packages. A prime example is the heightened activity at the release of Zuccoli Aspire, where home owners can now purchase a 301 square metre block starting at $105,000.

The silver lining to the current market conditions is that it is now more affordable for market participants looking to enter the market and also for tenants extending an existing lease or looking for a new rental property. This has a flow on effect to other sections of the local economy, making Darwin a more attractive place to work and live.

Western Australia

Perth

The Perth residential real estate market has remained subdued over the past quarter, although there are signs of life in more affordable or traditional first home buyer areas, particularly in the sub $450,000 price bracket where first home buyers and investors remain active. Modern units and villas in established areas appear to be attracting the highest level of interest, albeit at price levels that appear attractive in comparison to previous transaction history.

Overall, sales transactions are down some 18% on the same time last year while stock on market is some 40% higher, with control having well and truly shifted to buyers, as opposed to sellers.

Land sales activity has slowed dramatically, although we do note reasonable activity in the outlying developments where the asking price for vacant allotments remains affordable in comparison to more traditional first home buyer locales. Examples of this include Byford in the south-east corridor, Lakelands in the Peel region, Ellenbrook and Aveley in the north east corridor and Alkimos and Eglinton in the northern coastal sector.

We wouldn't say that any sector is running hot at this point in time, however we note that new or near new properties which are well presented and accurately priced are transacting in shorter time periods than traditional renovator properties. The heat has also well and truly dissipated from the development market, which appears to have peaked early this year, with some suburbs indicating a 10% price adjustment from peak levels, including in Balga, Rivervale and East Cannington.

The market is very price sensitive at the moment. Discussions with selling agents indicate that they are struggling to accurately price properties given the subdued trading conditions and price adjustments are often required reasonably early in the marketing campaign. We note that this is particularly prevalent in well established locales such as Kardinya, where recent sales activity indicates price adjustments of over 10% in some cases.

The market is largely being driven by first home buyers and investors - hence affordability is the key. While modest compared to 2014 levels, sales of modern 3-bedroom, 2-bathroom dwellings on lot sizes ranging from 300 to 450 square metres in establishing suburbs are dominating the market. Examples include Piara Waters ($450,000 to $525,000), Lakelands ($320,000 to $370,000) and Aveley ($400,000 to $450,000).

The apartment market has experienced a significant increase in supply above traditional levels, led by the strong population increase experienced through 2010 to 2014. Investor demand for the premium rental returns on offer during the peak of the construction phase of mining projects in the state drove demand for new developments. Subsequent to peak levels of development activity throughout 2014, numerous unit or apartment developments are under construction and competition in this sector is very strong. While most developers are understandably hesitant to amend current pricing schedules, there is evidence that properties approaching settlement date are under valuation pressure, largely created by resales of new products in similar developments which were slightly more advanced in the construction time line. This is likely to become a larger issue over the six months.

A recent sale of a 2-bedroom, 2-bathroom apartment in West Perth provides a good indication of how the apartment market is currently performing. The apartment sold for $605,000 in August 2013 and recently re-sold for $570,000.

As we come into spring, we expect the market to remain on track, with no significant deviation from its current trajectory. We would anticipate the more traditionally affordable areas to continue to appeal to the market, while the apartment market value levels will become more defined as further re-sales occur post release of titles in new developments.

South West WA

We have turned the corner at the half way point of 2015 and are now on the run home into Christmas and it is a time to reflect on how each market segment is performing throughout the south west.

The lower end of the property market stabilised after modest growth in 2014. With decreasing levels of supply coupled with strengthening purchaser demand the property market in this market segment is in a healthy state.

> First home buyers and investors generally make up the buyer profile for the lower end of the market.

In this case the market is driven relatively equally by both. First home buyers have been stimulated by government rebates, low interest rates and property values in general being the lowest they have been for many years. These positive indicators have resulted in first home buyers returning to the market.

Competition for the lower market segment is brought by investors looking to capitalise on a strong rental market that has seen a considerable increase in yields. Higher yields and low interest rates create a very good market for investors and this has strengthened property values.

The entry point at the lower end of the market ranges from $250,000 to $400,000 and for this amount you can purchase either a basic established residence or build a project home in one of the outlying new developments. These established homes are in general located in closer proximity to the beach than the new developments and as such the established homes generally offer better capital growth potential while the new housing market offers better yields.

The stable condition of the lower market segment consequently has a flow on effect into the middle market as vendors of the lower market segment look to trade up. This market segment is considered to be stable, however we note that it is not performing as well as the lower market segment. This is understandable given the higher price range resulting in fewer prospective purchasers. While there seems to be a healthy balance between supply and demand the selling periods are in general longer than the lower market segment.

Unfortunately, the upper end of the market is considerably slower than the lower and middle segments. Properties above $1 million are selling if they are priced correctly, however extended selling periods of six to twelve months are still common. This is a reflection of the limited number of prospective purchasers in this price bracket. Sale numbers in the prestige market over recent months have reduced, due largely to job losses in the mining sector. This undoubtedly puts pressure on the prestige property market as high income earners are taking considerable reductions in wages as they relocate.

That being said, the south west is considered to be a premium holiday destination given its pristine beaches, surf and world renowned wine region. There is still demand from the wealthy to invest and holiday in the region and prestigious properties scattered throughout areas of the south west such as Naturaliste, Eagle Bay, Metricup and Yallingup are still recording sale prices regularly in excess of $1 million.

The prediction is that the top end of the market will continue to be slightly problematic, with continuing weakening demand characterised by an over supply of properties for sale coupled with a lack of prospective purchasers in that value range due to a slowing Western Australian economy.

Overall the word on the street is that the property market in the south west will likely start to slow. This is on the back of the Perth metropolitan market, which historically has had a flow on effect to the south west, slowing significantly throughout the last two quarters of 2014 and the first two quarters of 2015. Nevertheless, the south west market to date has remained relatively steady, however is expected at some point to weaken.

Rural

Overview

It is grand final weekend in the footy; the housing market has seen Super Saturday; and we are in Spring, which for many in agriculture is the make or break season.

I had the good fortune to be in and around the Wagga, Griffith region this week and saw some wonderful crops. Livestock and the general sentiment of the people I spoke with was very positive. Hopefully a late cold snap does not have an impact on what is looking like above average crop yields and the headers get a good run as the crops come on. It fills you with confidence, hope and expectation which is good for any market.

Last month I suggested that the sentiment in most regions is positive. So the question I considered while down south was 'what is the impact if the sentiment exceeds the reality?'. Valuation of any asset is subjective based on an agreed or

Canola above the fence line.

understood set of parameters that can be quantified. Ultimately the final conclusion comes from evidence based information and data. When we provide an independent assessment of an asset, and exclude any bias that may exist with the buyer or the seller, the result must reflect the evidence at that time which includes full sales analysis.

It is interesting to then read commentary in the market, some of which only deal in property on an irregular basis, suggesting the market is off to the races again; no down side risk; get in now before it is all gone, etc. Some have even forecast we will hit the rural market peaks of 07/08 prices within 18 months - potentially a big call. In some regions this will be evident and reflected in valuation assessments where appropriate and in others it will not translate to value uplift.

I, like most am happy to see improving market activity and if this translates to improved values across the board - happy days. However we need to see evidence and not hearsay to establish a trend and changed cycle outlook. One sale is not a full indication of a market overall. If this were the case the shift downwards post GFC would really have made many dark haired gents and bankers go very grey.

This month we get a sense of how David in WA would spend $5 million plus if he had it. The Darling Downs do highlight a solid grazing market around Taroom. A dry finish to Victorian cropping country has many on edge and it will be interesting to see how the next months climatic conditions play out. Fingers crossed it all holds for a solid harvest across the country and for north western Queensland and NSW, some much needed drought breaking rain.

Southern Queensland

The winter harvest season is nearing commencement and is expected to be underway by the beginning of October for those early plantings. Some late frosts have impacted areas of crops in the southern regions however it looks like we are now past the worst of it, as the spring season is upon us. No doubt for many regions, late winter rain has finished early crops off well and many in the area are looking forward to the harvest. Yields are expected to be well up on previous years. APH2 wheat delivered from Dalby has been hovering around the $300 per tonne for the past month. Late winter rain has also put good moisture back into the ground for those summer crop plantings.

The northern Roma and Taroom area has been a topic of conversation of late, given the somewhat revived interest in the marketplace. A number of sales have occurred, which include Windrush to the south-east of Taroom in April this year for $4.8 million. This is considered the beginning of a number of solid transactions to subsequently occur. Admittedly the property was well sought after by two bidders, ultimately being acquired by the adjoining Morgan family. We understand the failed bidder

has recently purchased Yeovil, a 2,526.37 hectare holding north-west of Wandoan. The property was originally auctioned back in 2013 and details of the recent sale have not yet been made public. More recently, the Beef Central website disclosed the pending sale of Lighthouse a 7,364 hectare predominantly Brigalow scrub holding on the Roma-Taroom Road. It was sold by the estate of the late Dr Baker for reportedly circa $1,900 per hectare. We understand the property was purchased by the adjoining landholder of Lorraine in the east, who had only acquired that property just over 12 months prior for $1,433 per hectare. Not too dissimilar types of assets, reflecting a distinctly higher value for Lighthouse, which in part could be contributed to being an adjoining owner acquisition where economies of scale can allow some premium as demonstrated previously in the wider market.

Overall there seems to be a trend of improved confidence within this market space and whether it is isolated to these adjoining or near neighbour transactions and not in the wider market is yet to be seen. However with similar strong trends evident in Central Queensland it would appear the market for quality scrub country is on the move or at least getting traction.

In the southern Traprock region, the market over the past five years has been impacted by the large oversupply of rural grazing properties available, with the majority marketed under receivership direction. The large number of properties available under static market conditions meant vendors were competing for the same purchaser regardless of the vendor's circumstances. Significant discounts were therefore required to entice a sale and significant reductions were reflected from the 2008 market peaks. As many of these properties and in particular the Leitch portfolio have now been disposed of, some normality may return to market conditions moving forward rather than a market dominated by anxious vendors. However only time will provide some distance between that receiver dominated market and what the market does from here. Recent transactions include Terrica Station, one of the larger holdings in the Southern Downs area. It comprises 19.193 hectares of good traprock that sold for $6.8 million in April this year. The sale is reflective of those trends over the past three years.

Northern Queensland

The power of positive sentiment from the strong cattle market has been evident this year.

the reality is that drought conditions are prevailing and the normal wet season is not for some months. Month in month out we see the effects of this at the grass roots level. Dam levels and available grass matter, at the moment.

Gross income may have been good (due to strong cattle prices) for those selling down this year, a rebuilding phase still has to be entered into though.

Rational consideration of how that phase of the cycle of reconstruction is paid for is required. Businesses need income to cover costs while they rebuild their herd.

We have client privileged confidential information on file of sales of cattle stations that quite clearly demonstrate that the property market is still in the buyers favour if a station is offered to the market with any perceived issues (be they country types, access).

The continued public display demonstration and publicity of business emotion and conditions within the rural sector both on television and by the recent Debt Crisis meeting in Charters Towers shows that some matters are of concern to some stake holders. How can a property market conditions improve in general, while this type of sentiment is present?

The perception may be that the sale values this year have been better than last, a review of the location, land type and land development of each station that has been offered to the market is where the variation lies when comparing this to the last couple of years.

Analysis of the sales evidence to determine the Primary Direct Comparison valuation rates ($/ha) indicate little change in hectare rates for the last couple of years when taking into account the district, land types, development and use of each station.

Another contributor to any variation within the sales includes the actual circumstances of both the vendor and purchaser.

This year there has been some purchasers taking the opportunity to buy out the neighbour in others, many buyers have needed grass. The opportunity to buy some of the country that has been sold to the south of Charters Towers is not often.

Last year and the year before, buyers discriminated on any perceived risk and there were some unfortunate vendor circumstances.

Excluding the currently confidential negotiations/ transactions and the due diligence that is being conducted, the following table provides a summary of sale volumes in recent years. Sale volumes reflect the degree of liquidity of an asset class. * 2015 year to date does not include stations currently under contract or negotiation. Given the current negotiations and due diligence in place, sale volumes for the year are expected to be consistent with last year.

NQ District cattle station sale volumes	2013	2014	2015 ytd *
South of Charters Towers to the Belyando River	4	3	5
North of Charters Towers/ Pentland	3	6	
Coastal - Townsville, Ayr, Home Hill and Bowen	3	3	
NWQ - Boulia, Cloncurry, Gulf	1	1	1
Desert Uplands	1	1	
Downs - South of the line	8	5	2
Downs - North of the line	3		2
Croydon/Normanton, Georgetown, Einasleigh, Mount Garnet/Surprise	8	3	5
Peninsula	1	3	1
Total	32	25	16

Certainly this year there is an increase in sentiment and due diligence activity within the marketplace, however the market value rates have yet to increase from the consolidation phase to materialise into market value uplift.

Murray Riverina

The season is delicately poised at the moment for dryland croppers - while crops are looking good generally there is not a lot of sub soil moisture and this has most growers anxious for a soaking rain particularly with the weather warming up.

From a sales activity point of view there have been several strong sales in the Cohuna district building on those achieved when the Flannery estate was auctioned earlier in the year. Dairy farms are demonstrating strong gains despite a more subdued outlook for the coming 12 months and low international prices. Interestingly this sentiment has also been evident in the Riverina where there have been several medium to larger scale dairy farm transactions and agents reporting generally good levels of enquiry across all price brackets after a relatively long period of limited activity. Presumably this demand is being driven by longer term fundamentals with additional confidence gained via the China Free Trade agreement along with strong demand in the industry from the likes of Gerry Harvey (Mooroopna) and Gina Rinehart.

Western Victoria

The rural property market in western Victoria remains slow but agents report recent improved demand and enquiry for grazing country in the south west of the state in recent months. A large proportion of the smaller (under $10 million) family run dairy operations that had been in the hands of receivers in recent times have now passed through the market and the outlook continues to improve for this market sector.

The increased interest for grazing land is generally focused on the larger better quality assets which are likely to gain the benefit of any price movement prior to the smaller secondary assets. Positive price movements have already been seen in small parts of the market and this is likely to spread as we continue into the traditional spring and summer selling period.

Mildura

First signs of spring for the area arrived with the vineyard bud burst which transfers the vines from their dormancy state with a picture of green.

Recent sales activity include the recent auction (10-09-2015) of Happy Valley Estate outside of Robinvale comprising a large scale horticultural irrigated property on three titles with a total area of 939 hectares. The property has approx. 827 hectares of irrigable land with a 500 megalitre dam. The soils are suitable to a wide range of crops including citrus, avocados, table grapes, almonds, walnuts, olives, dried fruit, stone fruits and various vegetable crops. Improvements include a 15,000 square metre warehouse and dispatch facility with coolroom capability to hold up to 1,100 pallets. Domestic improvements include 8-bedrooms, 5-bathrooms, study and 4-living areas. The property was subject to a lot of interest from domestic and foreign buyers and sold under the hammer at a for a $11.5 million dollars to Melbourne investors. On analysis the land value dollar per hectare shows a confidence in vegetable production and shows levels in line with previous sales for the land component only.

Sales activity in the Western Riverina Grazing area has included a sale of three properties as one, which includes Oakdene, Hillview and Neil Neil located 80 kilometres north of Balranald - together they comprise approximately 21,589 hectares. The property has a mixture of rising red loam to heavier salt bush flats and has been traditionally used for grazing with a small area of 122 hectare cropping licence. The property has a secure stock and domestic water supply from the Murrumbidgee River, three bores and 11 ground tanks. Improvements include a comfortable 3-bedroom dwelling, shearing shed, quarters and other farm shedding.

South West WA

Last month I was talking about how confidence is on the increase in Western Australia and so this month I thought I would look at what was on the market for those looking to make a purchase this year. I have looked at properties across the state and also set a minimum of $5 million.

When looking at cropping properties two particular properties caught my eye in the high to medium rainfall areas due to their size and locations. One is north of Perth and the other is on the south coast.

The northern property is advertised as the 'White Property Group' and includes the Yallambee Homestead. This property is a considerable sized mixed farming operation located between Carnamah and Coorow with 11,972 hectares of land considered suitable for arable purposes. The property has a full compliment of sheds and infrastructure with housing including the Yallambee homestead. The property is located within a proven cropping region and will likely draw a strong level of interest with offers closing in early October.

Soothsay & Ashley Downs are located near Munglinup West of Esperance on the south coast. With a reliable rainfall of 500 millimetres, this area is a well established cropping and grazing area. This property is smaller to the other with a reported 3,798 hectares considered arable. This property is on the market with an asking price of $13 million.

Moving to the South West, a horticultural property which has been in the same family for three

generation has been recently put on the market. Lot 3 and 11 Ludlow Park, Wonnerup is a mixed vegetable growing operation under centre pivot irrigation. The property has fertile tuart loams soils and reportedly has ample irrigation water being sourced from four licensed bores and the Ludlow River. The property reportedly is 256 hectares in total land area with 20 hectares under irrigation and used for horticulture. Improvements include a two storey homestead and numerous packing sheds.

From small acreage in the South West we head a long way east to the Nullarbor plain to Madura Plains, which has recently been put on the market. The property is well known in the sheep industry to have its own wild dog fence and be one of the best producing properties in Australia. The property is being sold as a going concern with 24,000 merino sheep, infrastructure and plant and equipment. The property covers of the 711,638 hectares in the Goldfields – Nullabor pastoral region and has a carrying capacity is rated as 57,545 DSE.

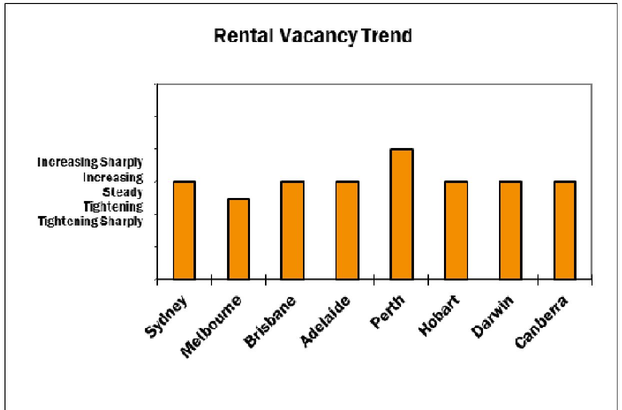
This is just a few of the properties on the market in Western Australia and demonstrates the diversity in the states agricultural property market. I will be keeping a close eye on each of these properties and will hopefully be able to report on the sale details soon.

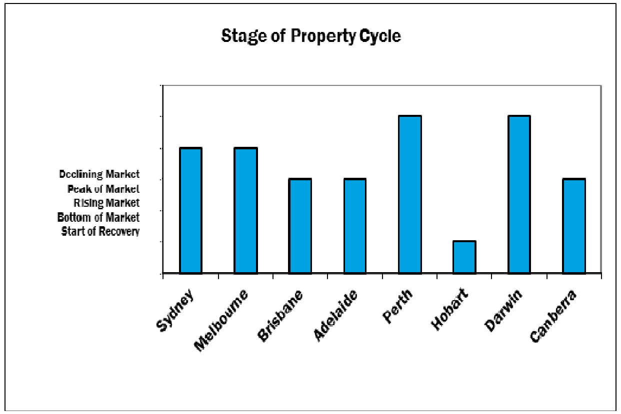
Capital City Property Market Indicators - Houses

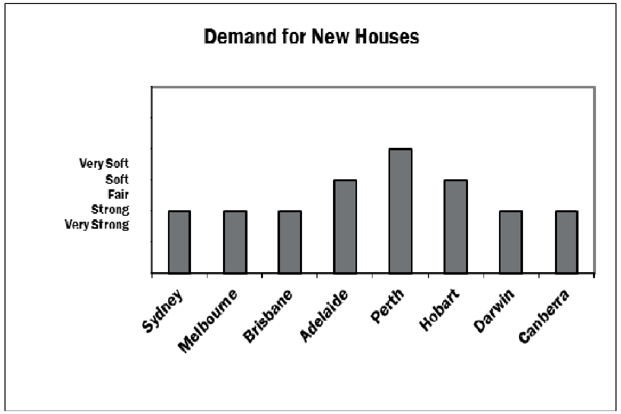
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Tightening - Steady	Steady	Steady	Increasing	Steady	Steady	Steady
Demand for New Houses	Strong	Strong	Strong	Fair	Soft	Fair	Strong	Strong
Trend in New House Construction	Steady	Steady - Increasing	Increasing strongly	Increasing	Steady	Increasing	Increasing	Steady
Volume of House Sales	Declining	Increasing strongly - Increasing	Declining	Steady	Declining	Steady	Declining significantly	Steady
Stage of Property Cycle	Peak of market	Peak of market	Rising market	Rising market	Declining market	Start of recovery	Declining market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Frequently	Occasionally	Occasionally	Almost never	Almost never	Occasionally	Occasionally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







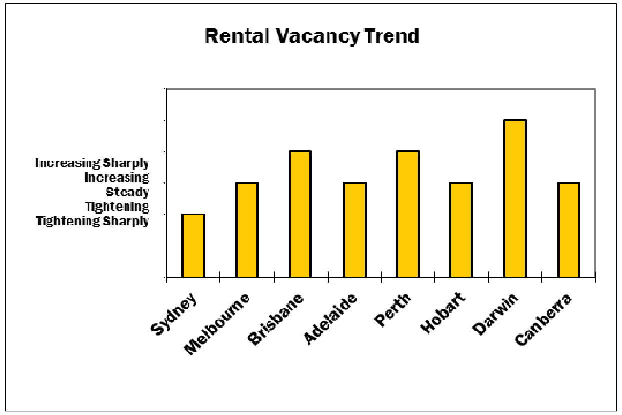
Market Indicators

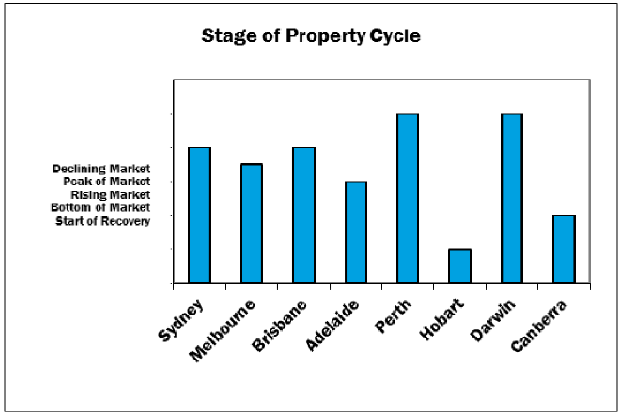
Capital City Property Market Indicators - Units

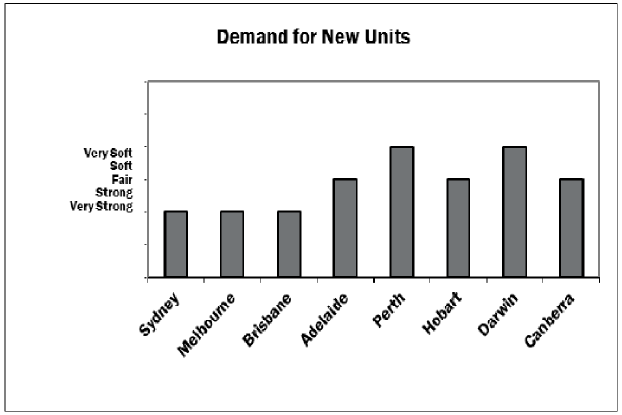
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Increasing	Steady	Increasing	Steady	Increasing sharply	Steady
Demand for New Units	Strong	Strong	Strong	Fair	Soft	Fair	Soft	Fair
Trend in New Unit Construction	Increasing	Increasing strongly	Increasing strongly	Increasing	Declining	Increasing	Increasing	Steady
Volume of Unit Sales	Declining	Increasing	Steady	Steady	Declining	Steady	Declining significantly	Steady
Stage of Property Cycle	Peak of market	Rising market - Peak of market	Peak of market	Rising market	Declining market	Start of recovery	Declining market	Bottom of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Frequently	Almost never	Occasionally	Almost never	Occasionally	Almost never	Occasionally	Almost never

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







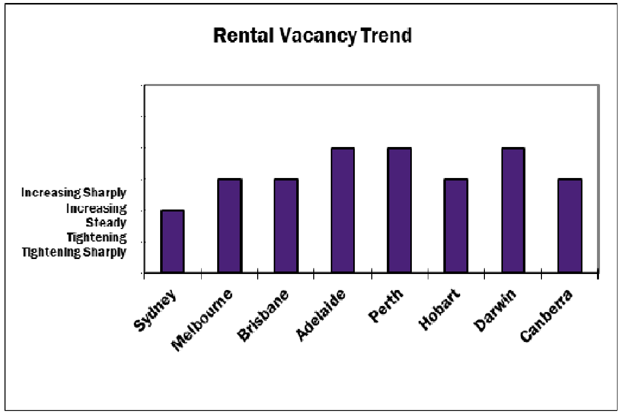
Market Indicators

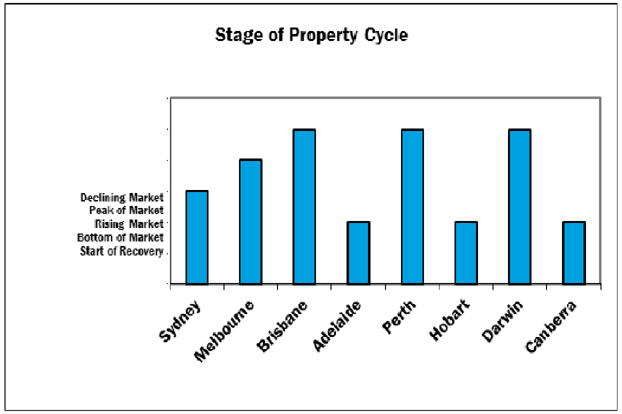
Capital City Property Market Indicators - Office

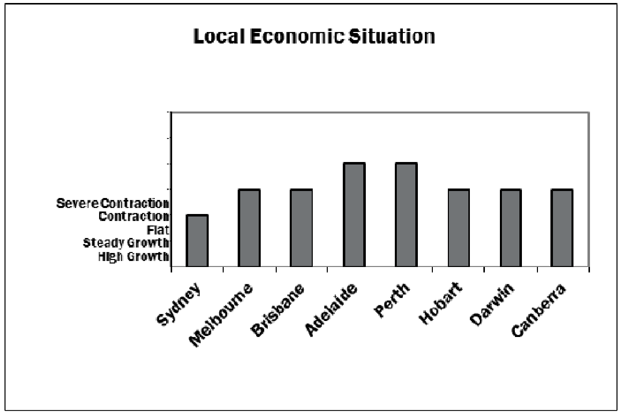
Factor	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand
Rental Vacancy Trend	Tightening	Steady	Steady	Increasing	Increasing	Steady	Increasing	Steady
Rental Rate Trend	Increasing	Stable	Declining	Stable	Declining	Declining	Stable	Stable
Volume of Property Sales	Increasing	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Peak of market	Declining market	Bottom of market	Declining market	Bottom of market	Declining market	Bottom of market
Local Economic Situation	Steady growth	Flat	Flat	Contraction	Contraction	Flat	Flat	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Small - Significant	Significant	Significant	Significant	Significant	Large	Very large

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating





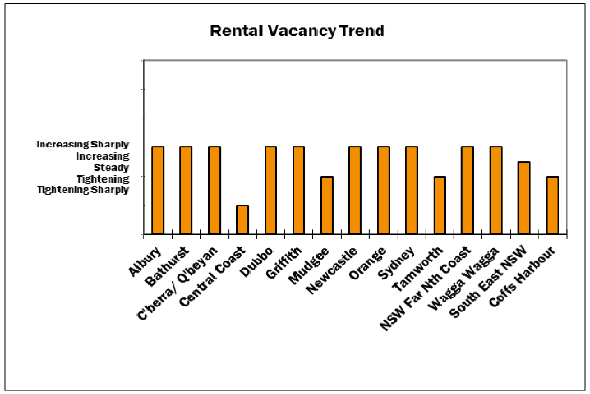


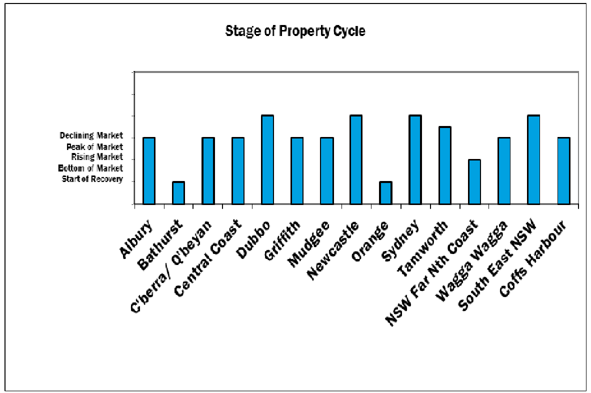
New South Wales Property Market Indicators - Houses

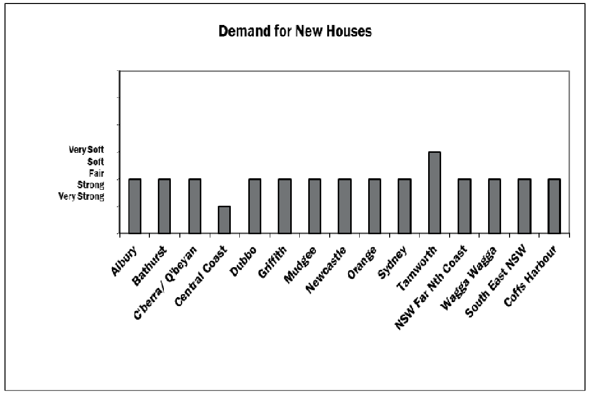
Factor	Albury	Bathurst	Canberra/ Q'beyan	Mid North Coast	Dubbo	Griffith	Mudgee	New-castle	Orange	Sydney	Tam-worth	North Coast	Wagga Wagga	Wollon-gong	Coffs Harbour
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening sharply	Steady	Steady	Tightening	Steady	Steady	Steady	Tightening	Steady	Steady	Tightening - Steady	Tightening
Demand for New Houses	Strong	Strong	Strong	Very strong	Strong	Strong	Strong	Strong	Strong	Strong	Fair	Strong	Strong	Strong	Strong
Trend in New House Construction	Increasing	Increasing	Steady	Increasing strongly	Increasing	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Increasing
Volume of House Sales	Steady	Increasing	Steady	Increasing	Steady	Increasing	Steady	Steady	Increasing	Declining	Steady	Steady	Steady	Increasing	Increasing strongly
Stage of Property Cycle	Rising market	Start of recovery	Rising market	Rising market	Peak of market	Rising market	Rising market	Peak of market	Start of recovery	Peak of market	Rising market - Peak of market	Bottom of market	Rising market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Occasion-ally	Occasion-ally	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Very frequently	Occasion-ally	Occasion-ally	Occasionally	Occasion-ally	Occasion-ally	Frequently	Occasion-ally

Red entries indicate change from previous month to a higher risk-rating

Blue entries indicate change from previous month to a lower risk-rating







New South Wales Property Market Indicators - Units

Factor	Albury	Bathurst	Canberra/ Q'beyan	Mid North Coast	Dubbo	Griffith	Mudgee	New-castle	Orange	Sydney	Tam-worth	North Coast	Wagga Wagga	Wollon-gong	Coffs Harbour
Rental Vacancy Situation	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Severe shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Tightening sharply	Steady	Steady	Tightening	Steady	Steady	Tightening	Tightening	Steady	Steady	Tightening - Steady	Tightening
Demand for New Units	Strong	Soft	Fair	Strong	Strong	Strong	Strong	Strong	Soft	Strong	Fair	Strong	Strong	Strong	Strong
Trend in New Unit Construction	Increasing	Steady	Steady	Increasing	Increasing	Steady	Increasing	Steady	Declining	Increasing	Steady	Steady	Increasing	Increasing	Increasing
Volume of Unit Sales	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Declining	Steady	Steady	Steady	Increasing	Increasing
Stage of Property Cycle	Rising market	Start of recovery	Bottom of market	Rising market	Peak of market	Rising market	Rising market	Peak of market	Start of recovery	Peak of market	Rising market - Peak of market	Bottom of market	Rising market	Peak of market	Rising market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Occasion-ally	Almost never	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Very frequently	Occasion-ally	Frequently	Occasionally	Occasion-ally	Occasion-ally	Frequently	Occasion-ally

Red entries indicate change from previous month to a higher risk-rating

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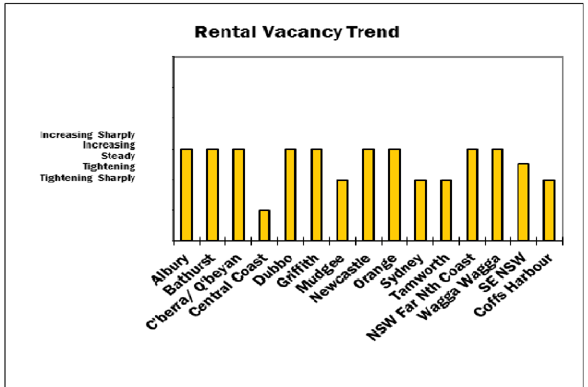
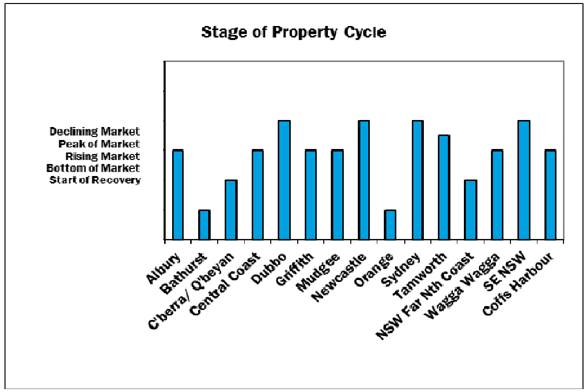
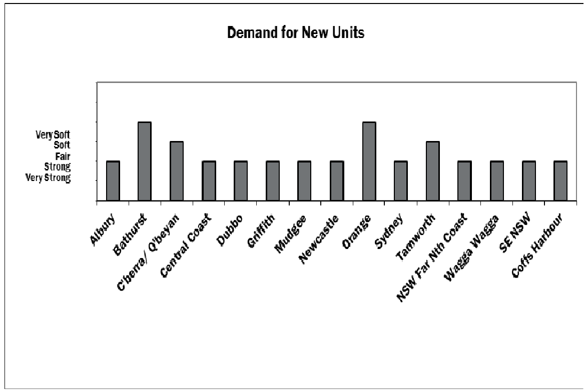






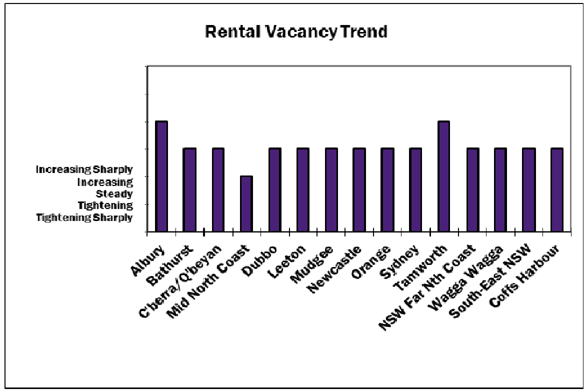
Market Indicators

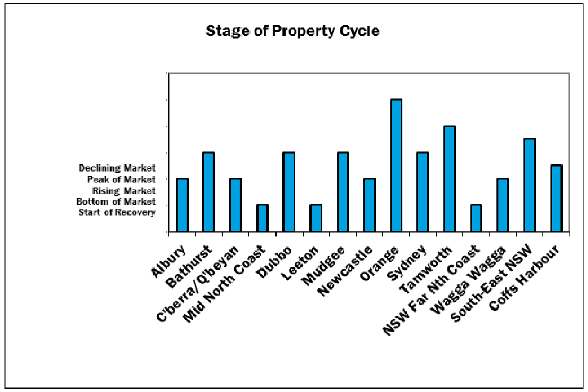
New South Wales Property Market Indicators - Office

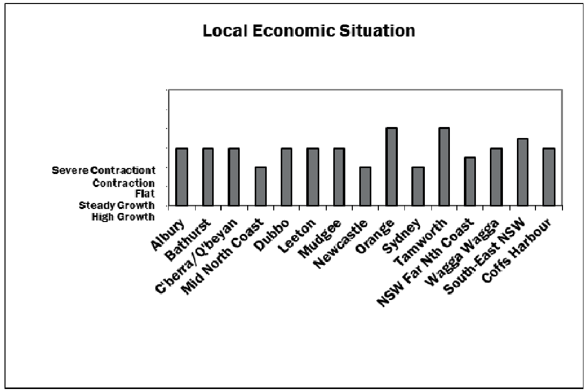
Factor	Albury	Bathurst	Canberra/ Q'beyan	Mid North Coast	Dubbo	Leeton	Mudgee	New-castle	Orange	Sydney	Tam-worth	North Coast	Wagga Wagga	Wollon-gong	Coffs Harbour
Rental Vacancy Situation	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Steady	Tightening	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady
Rental Rate Trend	Declining	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Increasing	Declining	Stable	Declining	Stable	Stable
Volume of Property Sales	Steady	Steady	Steady	Increasing	Steady	Steady	Steady	Steady	Steady	Increasing	Steady	Increasing	Steady	Increasing	Steady
Stage of Property Cycle	Bottom of market	Rising market	Bottom of market	Start of recovery	Rising market	Start of recovery	Rising market	Bottom of market	Declining market	Rising market	Peak of market	Start of recovery	Bottom of market	Rising market - Peak of market	Bottom of market - Rising market
Local Economic Situation	Flat	Flat	Flat	Steady growth	Flat	Flat	Flat	Steady growth	Contraction	Steady growth	Contraction	Steady growth - Flat	Flat	Flat - Contraction	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Small - Significant	Very large	Significant	Significant	Significant	Significant	Large	Small - Significant	Significant	Significant	Significant	Significant	Significant - Large	Significant

Red entries indicate change from 3 months ago to a higher risk-rating

Blue entries indicate change from 3 months ago to a lower risk-rating







Victoria/Tasmania Property Market Indicators - Houses

Factor	Bendigo	Echuca	Horsham	Gippsland	Melbourne	Mildura	Latrobe Valley	Ballarat	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Tightening	Steady	Steady	Tightening - Steady	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Houses	Strong	Strong	Strong	Fair	Strong	Strong	Fair	Fair	Fair	Fair	Fair
Trend in New House Construction	Increasing	Increasing	Steady	Steady	Steady - Increasing	Steady	Steady	Steady	Increasing	Increasing	Increasing
Volume of House Sales	Increasing	Declining	Steady	Increasing	Increasing strongly - Increasing	Steady	Increasing	Declining	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Start of recovery	Peak of market	Rising market	Start of recovery	Rising market	Start of recovery	Start of recovery	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Frequently	Occasion-ally	Frequently	Occasion-ally	Occasionally	Occasion-ally	Almost never	Almost never	Almost never

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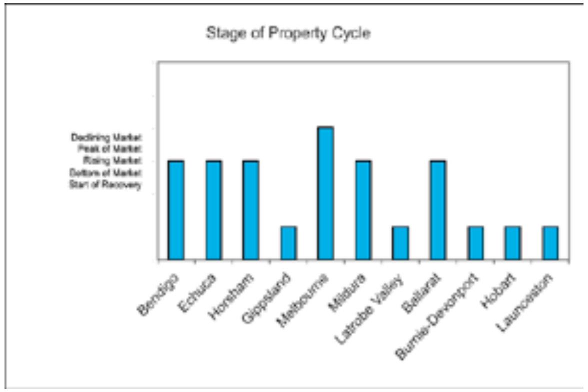
Blue entries indicate change from previous month to a lower risk-rating



Market Indicators

Victoria/Tasmania Property Market Indicators - Units

Factor	Bendigo	Echuca	Horsham	Gippsland	Melbourne	Mildura	Latrobe Valley	Ballarat	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Tightening	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady
Demand for New Units	Strong	Fair	Fair	Fair	Strong	Fair	Fair	Soft	Fair	Fair	Fair
Trend in New Unit Construction	Steady	Steady	Steady	Steady	Increasing strongly	Steady	Steady	Steady	Increasing	Increasing	Increasing
Volume of Unit Sales	Increasing	Declining	Steady	Increasing	Increasing	Steady	Increasing	Declining	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Rising market	Start of recovery	Rising market - Peak of market	Rising market	Start of recovery	Rising market	Start of recovery	Start of recovery	Start of recovery
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Almost never	Frequently	Occasion-ally	Almost never	Almost never	Occasionally	Occasion-ally	Almost never	Almost never	Almost never

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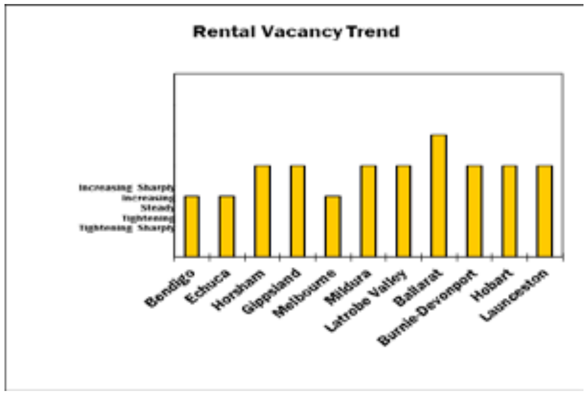

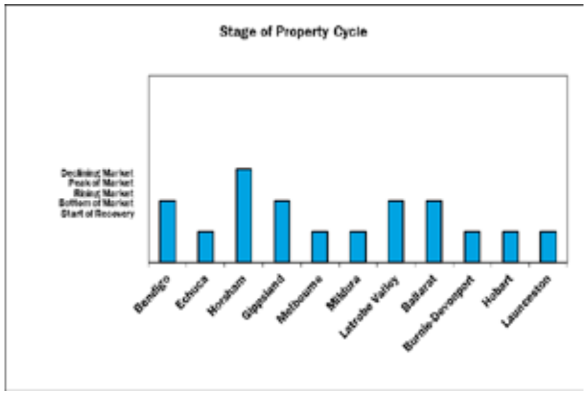

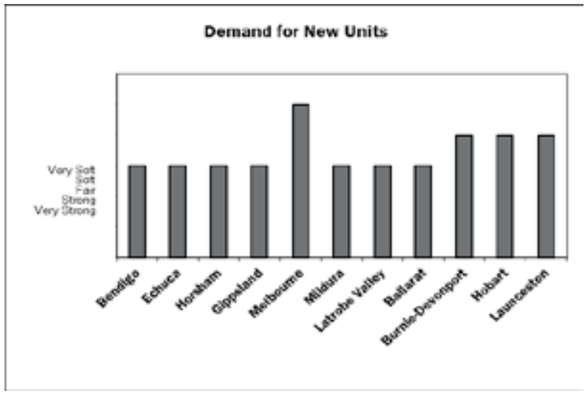

Market Indicators

Victoria/Tasmania Property Market Indicators - Office

Factor	Bendigo	Echuca	Horsham	Gippsland	Melbourne	Mildura	Ballarat	Wodonga	Burnie/ Devonport	Hobart	Launceston
Rental Vacancy Situation	Balanced market	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Increasing	Steady	Steady	Tightening	Increasing	Steady	Steady	Steady
Rental Rate Trend	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Declining	Declining	Declining	Declining
Volume of Property Sales	Steady	Steady	Increasing	Declining	Steady	Steady	Increasing	Steady	Steady	Steady	Steady
Stage of Property Cycle	Rising market	Rising market	Start of recovery	Bottom of market	Peak of market	Start of recovery	Rising market	Bottom of market	Bottom of market	Bottom of market	Bottom of market
Local Economic Situation	Steady growth	Steady growth	Flat	Contraction	Flat	Flat	Steady growth	Flat	Flat	Flat	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Small	Large	Small	Small - Significant	Large	Small	Significant	Significant	Significant	Significant

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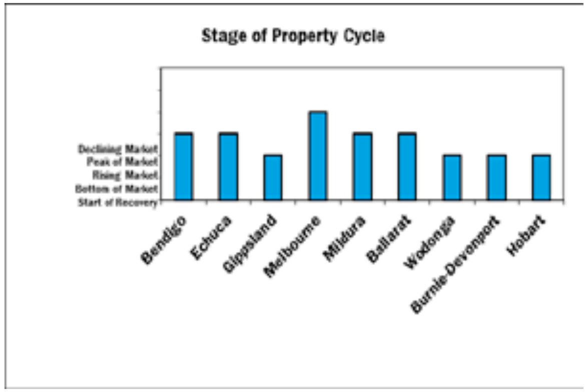

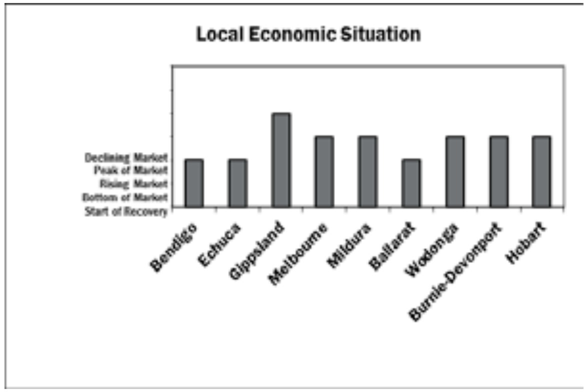

Market Indicators

Queensland Property Market Indicators - Houses

Factor	Cairns	Towns-ville	Whit-sunday	Mackay	Rock-hampton	Emerald	Glad–stone	Bunda-berg	Hervey Bay	Sunshine Coast	Brisbane	Gold Coast	Ipswich	Too-woomba
Rental Vacancy Situation	Shortage of available property relative to demand	Balanced market	Balanced market	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand	Shortage of available property relative to demand	Balanced market	Shortage of available property relative to demand	Balanced market	Balanced market
Rental Vacancy Trend	Tightening	Steady	Steady	Steady	Steady	Steady	Increasing	Increasing	Tightening	Steady	Steady	Tightening	Steady	Steady - Increasing
Demand for New Houses	Soft	Fair	Fair	Soft - Fair	Fair	Very soft	Soft	Fair	Fair - Strong	Strong	Strong	Strong	Strong	Strong
Trend in New House Construction	Increasing	Steady	Steady	Declining - Steady	Steady	Declining significantly	Steady	Steady	Steady - Increasing	Increasing	Increasing strongly	Increasing	Increasing strongly	Increasing
Volume of House Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing - Steady	Increasing	Declining	Increasing	Declining	Steady
Stage of Property Cycle	Rising market	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Declining market	Bottom of market	Rising market	Start of recovery	Rising market	Rising market	Rising market	Rising market	Rising market - Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Almost never	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Frequently	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Occasion-ally	Frequently

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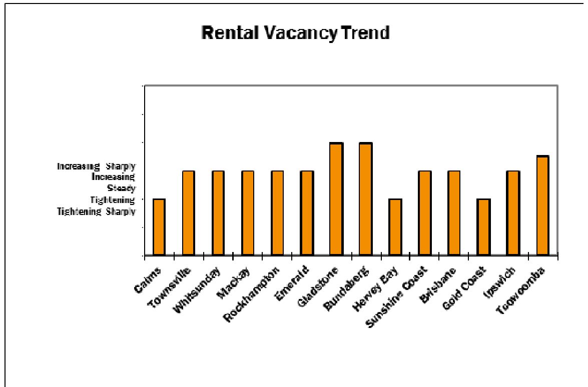

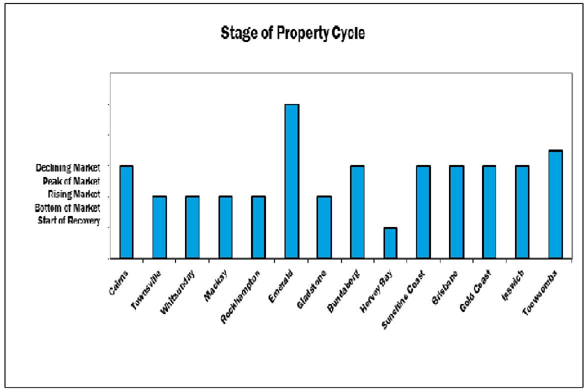

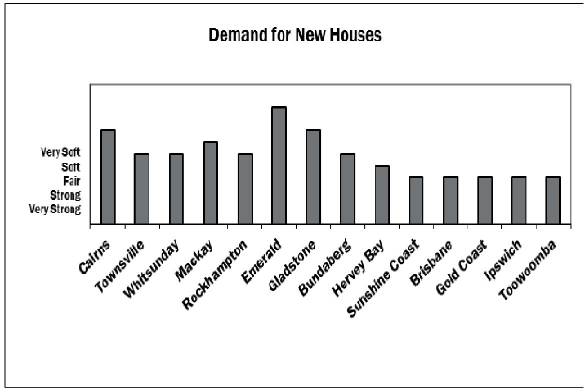

Queensland Property Market Indicators - Units

Factor	Cairns	Townsville	Whitsunday	Mackay	Rockhampton	Emerald	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Gold Coast	Ipswich	Toowoomba
Rental Vacancy Situation	Shortage of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Shortage of available property relative to demand - Balanced market	Balanced market	Over-supply of available property relative to demand	Balanced market	Balanced market	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Steady	Steady	Steady - Increasing	Steady	Steady	Increasing	Increasing	Steady	Steady	Increasing	Steady	Increasing	Increasing
Demand for New Units	Very soft	Fair	Very soft	Soft - Fair	Fair	Very soft	Very soft	Fair	Fair	Fair	Strong	Fair	Strong	Soft - Fair
Trend in New Unit Construction	Declining	Declining	Steady	Declining - Steady	Increasing	Declining significantly	Steady	Steady	Steady - Increasing	Increasing	Increasing strongly	Steady	Increasing strongly	Increasing
Volume of Unit Sales	Steady	Steady	Declining	Steady	Declining	Declining	Declining	Steady	Increasing - Steady	Increasing	Steady	Increasing - Steady	Steady	Steady
Stage of Property Cycle	Start of recovery	Bottom of market	Peak of market	Bottom of market	Bottom of market	Declining market	Declining market	Rising market	Start of recovery	Rising market	Peak of market	Rising market	Rising market	Rising market - Peak of market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasion-ally	Almost never	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Frequently	Almost never	Occasion-ally	Occasion-ally	Occasion-ally	Frequently	Occasion-ally	Frequently

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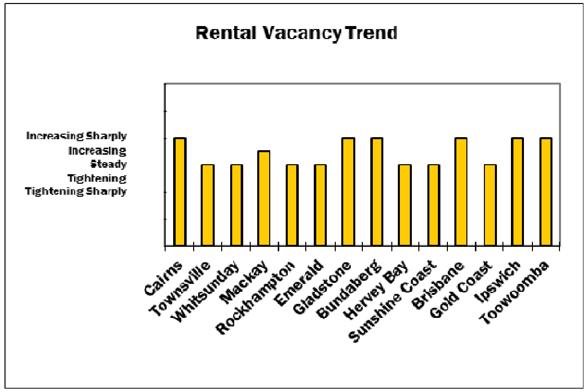

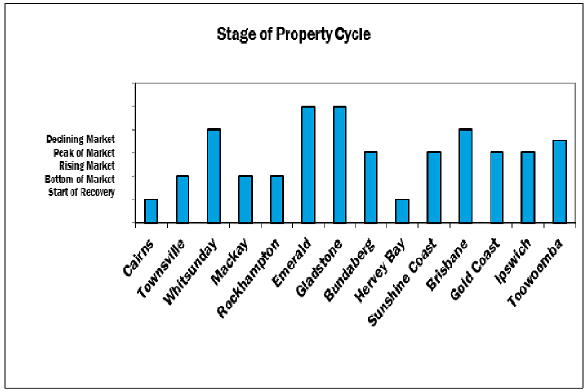

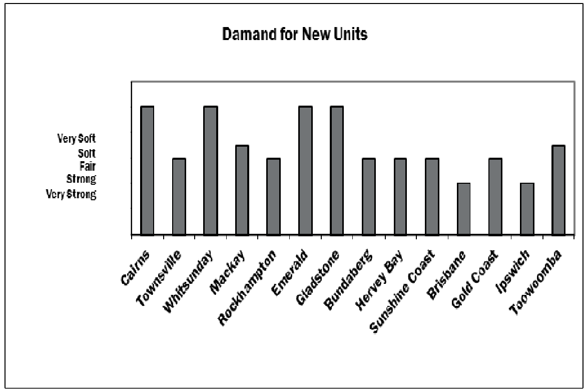

Market Indicators

Queensland Property Market Indicators - Office

Factor	Cairns	Townsville	Mackay	Rock-hampton	Gladstone	Bundaberg	Hervey Bay	Sunshine Coast	Brisbane	Gold Coast	Toowoomba
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Over-supply of available property relative to demand	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady - Increasing	Steady	Increasing	Steady	Steady	Tightening - Steady	Steady	Tightening	Steady
Rental Rate Trend	Declining - Stable	Declining	Declining	Stable	Declining	Stable	Stable	Declining - Stable	Declining	Increasing	Stable
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing	Steady
Stage of Property Cycle	Bottom of market	Bottom of market	Declining market	Start of recovery	Declining market	Bottom of market	Bottom of market	Start of recovery	Declining market	Rising market	Bottom of market - Rising market
Local Economic Situation	Steady growth - Flat	Flat	Flat	Flat	Contraction	Flat	Flat	Flat	Flat	Flat	Flat
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Small	Small - Significant	Significant	Small	Small	Significant	Significant - Large	Significant	Significant	Significant	Significant

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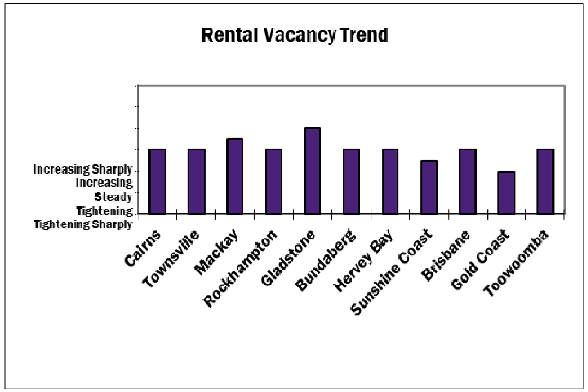

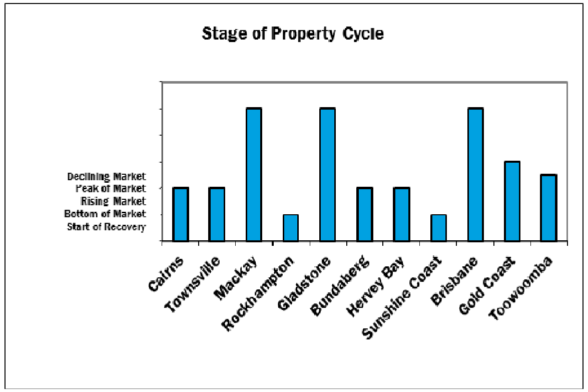

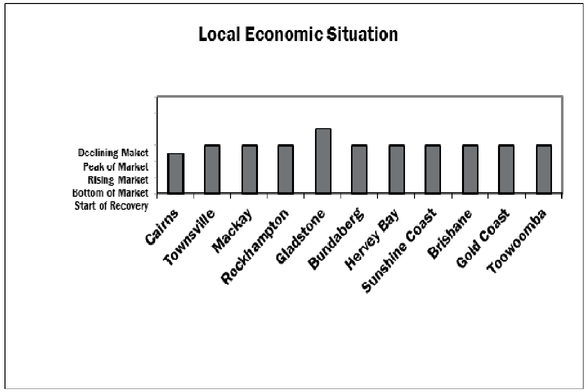

Market Indicators

Northern Territory, South Australia & Western Australia Property Market Indicators - Houses

Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Mount Gambier	Riverland	Alice Springs	Darwin	South West WA	Perth
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Over-supply of available property relative to demand	Balanced market	Balanced market	Balanced market
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady	Steady - Increasing	Steady	Steady	Increasing
Demand for New Houses	Fair	Fair	Fair	Fair	Fair	Strong	Soft - Fair	Strong	Soft	Soft
Trend in New House Construction	Increasing	Increasing	Increasing	Increasing	Declining	Increasing	Steady - Increasing	Increasing	Declining	Steady
Volume of House Sales	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Declining significantly	Declining	Declining
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Bottom of market	Bottom of market	Declining market	Declining market	Declining market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Occasionally	Occasionally	Occasionally	Occasion-ally	Occasionally	Almost never	Almost never	Occasionally	Almost never	Almost never

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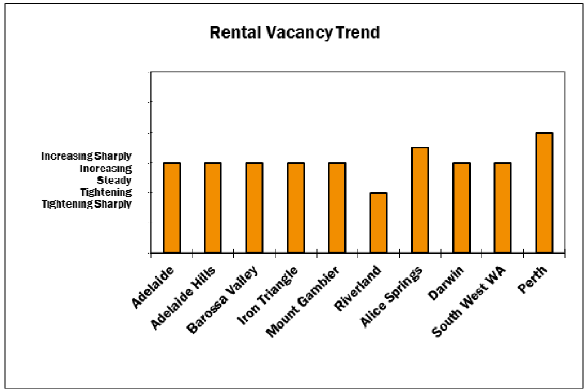

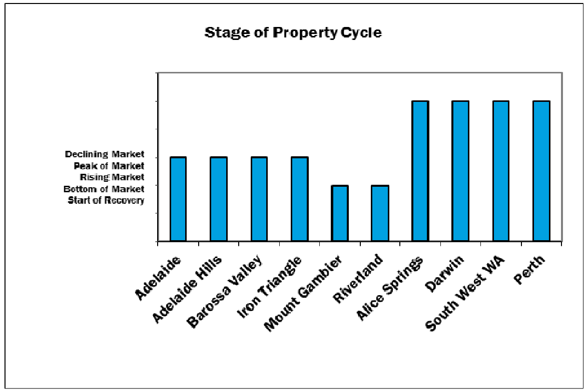

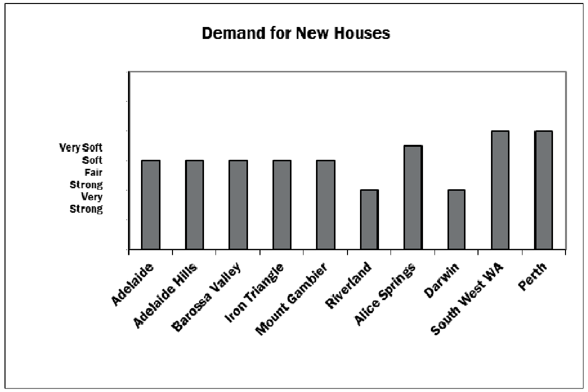

Market Indicators

Northern Territory, South Australia & Western Australia Property Market Indicators - Units

Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Mount Gambier	Riverland	Alice Springs	Darwin	South West WA	Perth
Rental Vacancy Situation	Balanced market	Balanced market	Balanced market	Balanced market	Balanced market	Shortage of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Balanced market	Over-supply of available property relative to demand
Rental Vacancy Trend	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Increasing sharply	Steady	Increasing
Demand for New Units	Fair	Fair	Fair	Fair	Soft	Fair	Fair	Soft	Soft	Soft
Trend in New Unit Construction	Increasing	Increasing	Increasing	Increasing	Declining	Steady	Steady - Increasing	Increasing	Declining	Declining
Volume of Unit Sales	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Declining significantly	Declining	Declining
Stage of Property Cycle	Rising market	Rising market	Rising market	Rising market	Bottom of market	Bottom of market	Declining market	Declining market	Declining market	Declining market
Are New Properties Sold at Prices Exceeding Their Potential Resale Value	Almost never	Almost never	Almost never	Almost never	Almost never	Almost never	Almost never	Occasionally	Almost never	Occasionally

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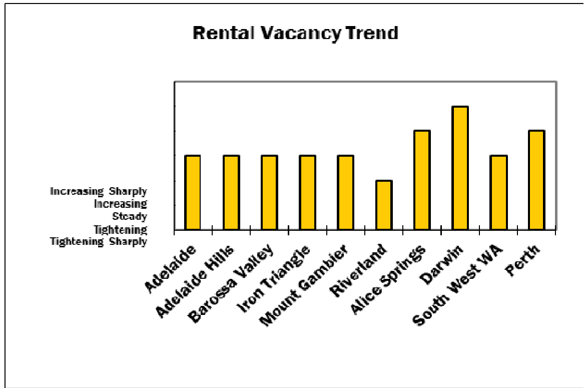

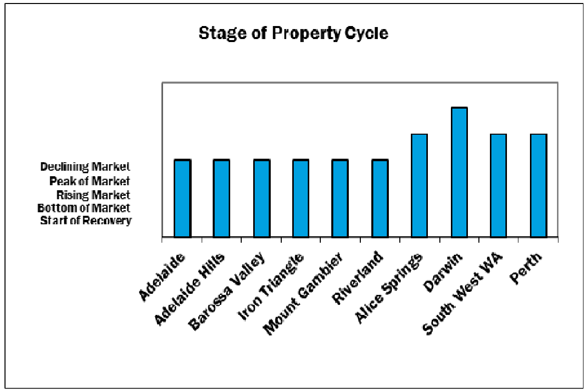

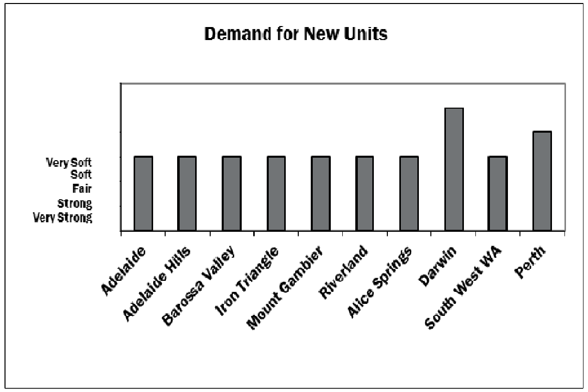

Northern Territory, South Australia & Western Australia Property Market Indicators - Office

Factor	Adelaide	Adelaide Hills	Barossa Valley	Iron Triangle	Riverland	Alice Springs	Darwin	South West WA	Perth
Rental Vacancy Situation	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Large over-supply of available property relative to demand	Balanced market - Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand	Over-supply of available property relative to demand
Rental Vacancy Trend	Increasing	Increasing	Increasing	Increasing	Steady	Increasing	Increasing	Increasing	Increasing
Rental Rate Trend	Stable	Stable	Stable	Stable	Stable	Declining - Stable	Stable	Declining	Declining
Volume of Property Sales	Steady	Steady	Steady	Steady	Steady	Steady	Steady	Declining	Steady
Stage of Property Cycle	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Bottom of market	Start of recovery	Declining market	Declining market	Declining market
Local Economic Situation	Contraction	Contraction	Contraction	Contraction	Flat	Flat - Contraction	Flat	Flat	Contraction
Value Difference between Quality Properties with National Tenants, and Comparable Properties with Local Tenants	Significant	Significant	Significant	Significant	Large	Small	Large	Small	Significant

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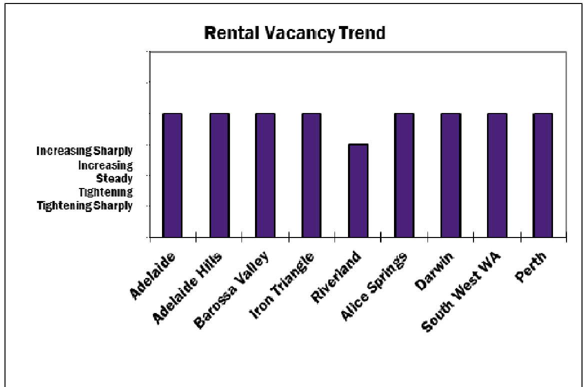

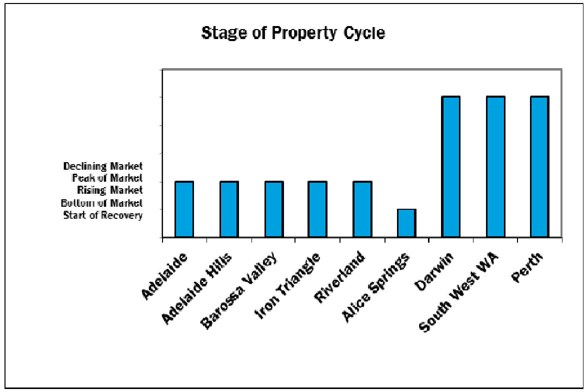

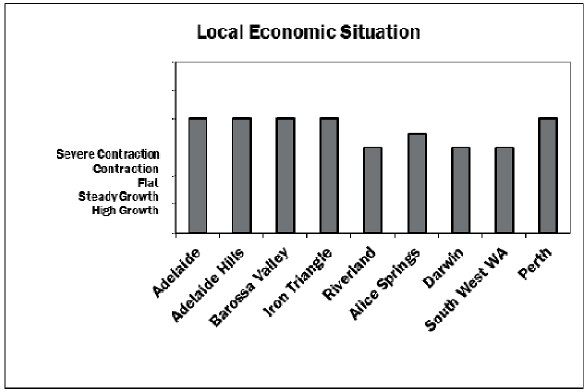

Market Indicators

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