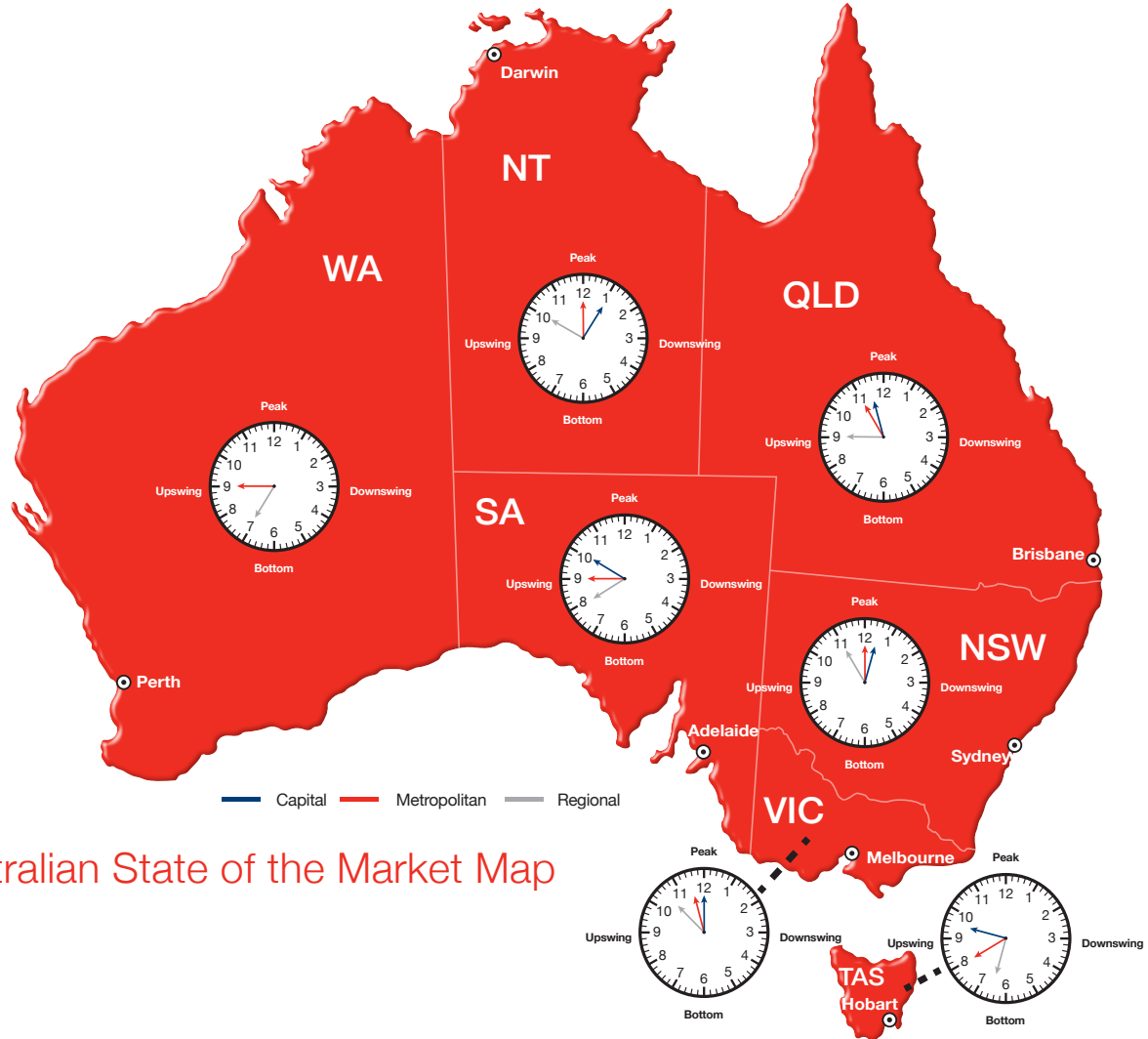


Australian Economic and Property Report 2016 Snapshot



Australian State of the Market Map

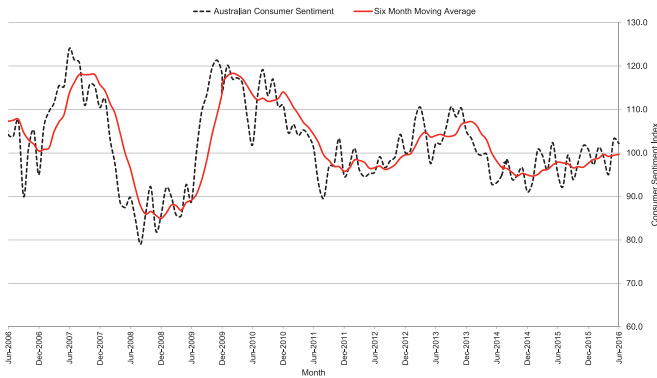
Political and societal uncertainties in the market have created a polarising growth rate between capital city and regional markets. Median prices are expected to continue to grow nationally, albeit at a slower pace than 2015. Sydney and Melbourne continue to perform, debunking the myth of a downwards direction in market conditions. Brisbane and Hobart prove to be strong markets, providing property buyers with an alternative capital city at a lower entry price.

Differing macroeconomic conditions within each state create a rollercoaster environment for businesses and households, pushing the Reserve Bank of Australia to stabilise with a continuous low cash rate. This should maintain housing affordability.

The Australian population continues to experience an annual growth rate, and it is this growing population that is likely to create more demand for property and absorb current residential developments in the short term.

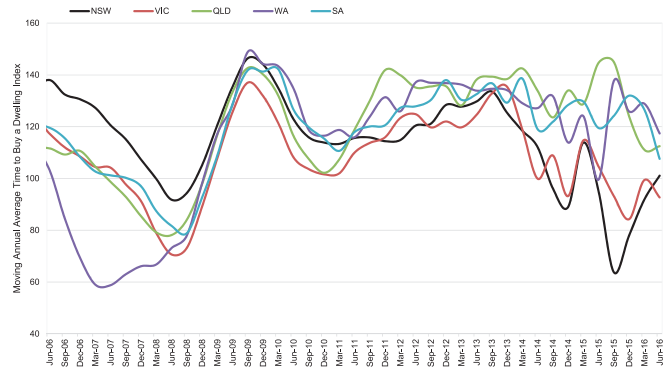


Consumer Sentiment



Prepared by PRDnationwide Research
Source: Westpac/Melbourne Institute, last updated June-2016

Time to Buy a Dwelling Index



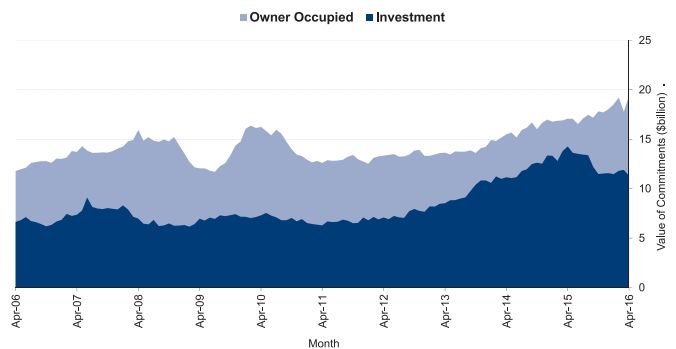
Prepared by PRDnationwide Research
Source: Westpac/Melbourne Institute, last updated June 2016

Consumer confidence rebounded by 8.5% in May 2016, indicating that consumers are more optimistic and willing to spend. A recent increase in the Time to Buy a Dwelling index of New South Wales is in stark contrast to other states, dispelling the belief that the New South Wales market is heading towards a crash.

Investor housing commitments reduced by 11.6% in contrast to the past half year. This, coupled with historically low interest rates, is good news for buyers seeking to purchase as an owner occupier.

Annual average monthly dwelling approvals have seen a slowing trend into 2016 after reaching a peak in October 2015. This indicates readjustments to the market, and allows current supply to be absorbed by demand.

Housing Finance Commitments



Prepared by PRDnationwide Research
Source: ABS Cat. No. 5609, last updated April, 2016

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