

BALLARAT AREA

Property Watch®

PRD nationwide



Lake Wendouree, Ballarat

MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↓	↓
HOUSE MEDIAN	↑	-
UNIT SALES	↓	↓
UNIT MEDIAN	↑	↑
LAND SALES	↓	↓
LAND MEDIAN	↑	↑

The indicators depicted above are based on the twelve months ending February 2012.

KEY HIGHLIGHTS

- Volume levels fall across house, units and vacant land
- Despite lower volumes all property types post median price growth, vacant land the stand out (12.9% growth in median price)

BALLARAT AREA MARKET OVERVIEW

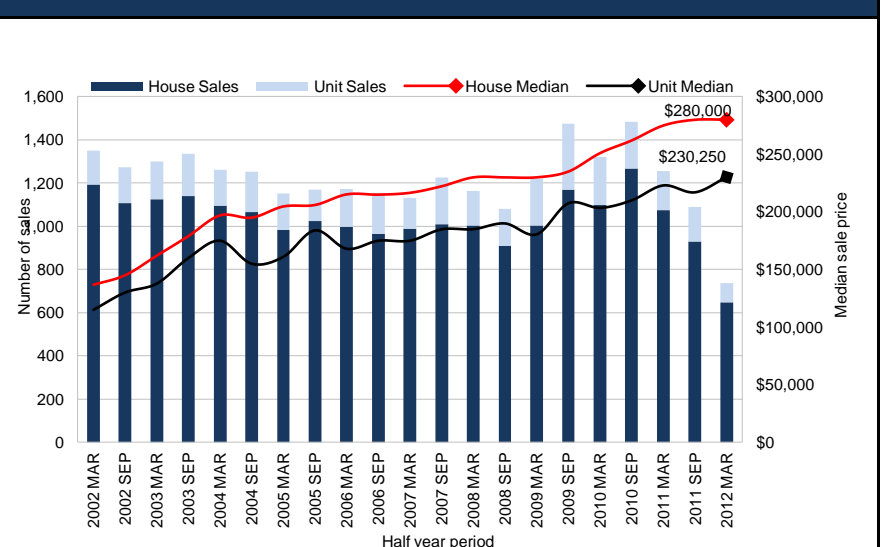
The following Property Watch report is the result of an investigation into the historic and current market trends of the Ballarat Local Government Area. The city of Ballarat is situated some 105 kilometres north-west of Melbourne, and is one of regional Victoria's premier inland regional hubs, with excellent access to Melbourne via road and rail.

Transaction volumes for houses in the Ballarat market have typically been very consistent, within a range between 900 and 1,300 transactions for any six month period. The six months to March 2012 has seen a steep decline in volumes to record only 648 transactions. This level of transactions represents a 39.8% decrease on the transaction levels seen only twelve months ago.

Sales of units have historically been more volatile, due partly to far lower transaction levels. The average number of transactions for a six month period for the five years to March 2011 is 202. The March 2012 six months saw only 90 units transact, this represents a 55.4% decrease on the five year average figure.

These transaction volume decreases are consistent with what is occurring across the broader Victorian market. Consumer confidence appears to be the major factor in the downturn in sales levels, with uncertainty contributing to Australians generally saving more and spending less. The longer term outlook for the city of Ballarat is exceptionally strong, with broadly published population estimates for Ballarat to grow to over 120,000 by 2030 (current population estimate is 94,753). PRDnationwide Ballarat Director Brenden Barclay stated that June sales to the middle of the month are the strongest for several months. Mr Barclay notes that sales levels are now more than matching new properties coming onto the market, and expects buyer demand to increase over the coming months.

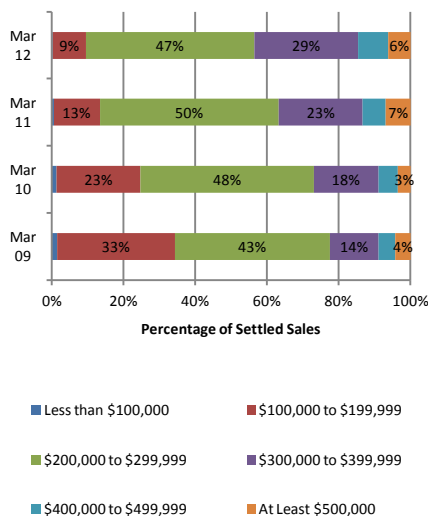
BALLARAT AREA HOUSE & UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

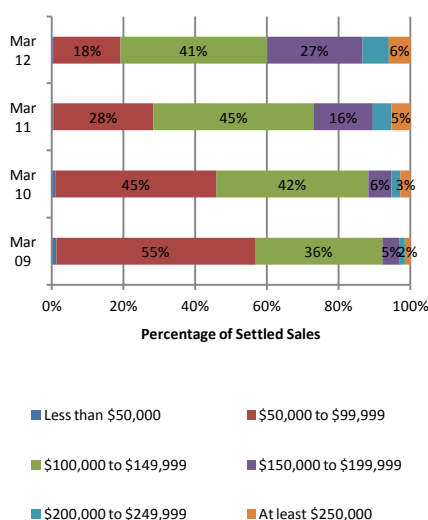
Vacant Land prices have grown on average **18.3%** per annum since March 2009

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

VACANT LAND PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

The Ballarat house market is traditionally a very steady and reliable performer in terms of price growth, with few large fluctuations up or down. Victorian regional house price growth has typically been flat with some areas experiencing moderate price decreases over the last six months. The Ballarat market saw a median price growth of 1.8% when the six months to March 2012 median closed at \$280,000. In light of the major decline in volumes, this growth testifies to the underlying strength of the Ballarat market.

The house price points table demonstrates the gradual and very consistent upwards movement in prices over time. The most significant change is the decrease in the number of houses selling for less than \$200,000, which represented 34% of all sales for the twelve months to March 2009, and represent only 9% of all sales for the same period in 2012. Sales between \$300,000 and \$399,999 have doubled their share of sales over the same period. The \$200,000 to \$299,999 range remains the dominant bracket, with just under half of all sales.

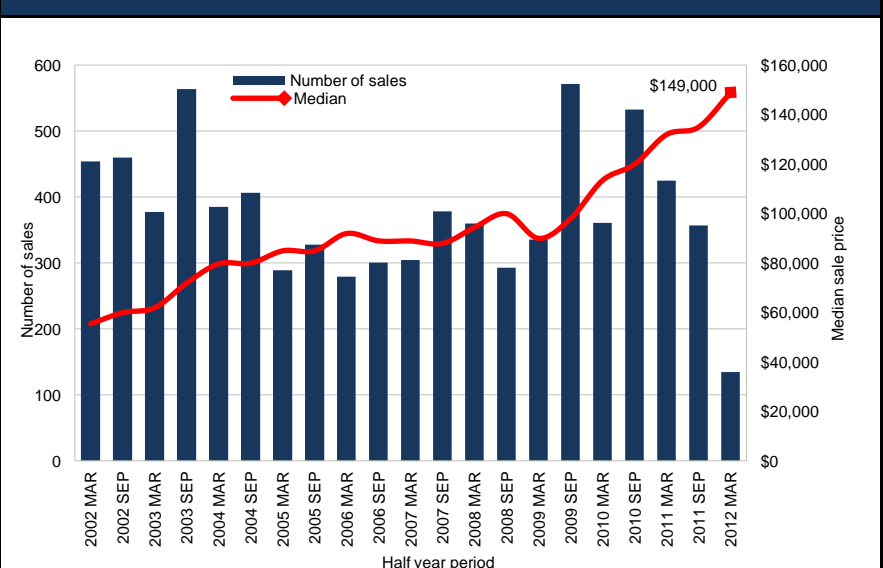
Despite an even more significant decrease in sales levels than houses, units managed a greater increase in median price growth. The March 2012 six months median closed at \$230,250 up 3.3% on the previous twelve months. Ballarat units have a ten year average growth rate of 7.2% per annum, compared to houses average growth rate of 7.4% per annum.

Vacant Land sales have fallen to historically low levels in the six months to March 2012. The six months to March 2011 saw 425 blocks of land transact, the same period for 2012 saw that figure fall 68.2% to only 135 blocks. The slow down in sales does not appear to be a supply issue, with several options currently available for new home builders.

In spite of the significant downturn in sales levels vacant land prices continue to spike sharply upwards, a trend first seen in September 2009. The median price for the March 2012 six months closed at \$149,000 up \$17,000 from the close only twelve months earlier, or 12.9%. Few markets would offer this recent price growth history, the diversity of property on offer, and the well documented expected future growth in population.

The price points table shows that the market over \$150,000 for the March 2009 twelve months was relatively insignificant at only 8% of the total market. This section of the market is now five times larger in only 3 years, with the corresponding figure in 2012 at 40%.

BALLARAT AREA VACANT LAND SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

Research Analyst | Mark Corboy P (0400) 520 717 E markcs4u@gmail.com.au

PRDnationwide Ballarat | Principal Brendan Barclay P (03) 5331 1111 F (03) 5331 5778 E ballarat@prd.com.au

PRDnationwide does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRDnationwide will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material. Prepared by PRDnationwide Research © All medians and volumes are calculated by PRDnationwide Research. Use with written permission only. All other responsibilities disclaimed. © 2012