

BUNINYONG AREA

Property Watch®

PRD nationwide



Cycling Championships, Buninyong

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 April 2012.

KEY HIGHLIGHTS

- Sale volumes are down, but less significantly than seen in many other markets
- Prices remain relatively strong despite falling volumes, partially due to the shortage of stock

BUNINYONG AREA MARKET OVERVIEW

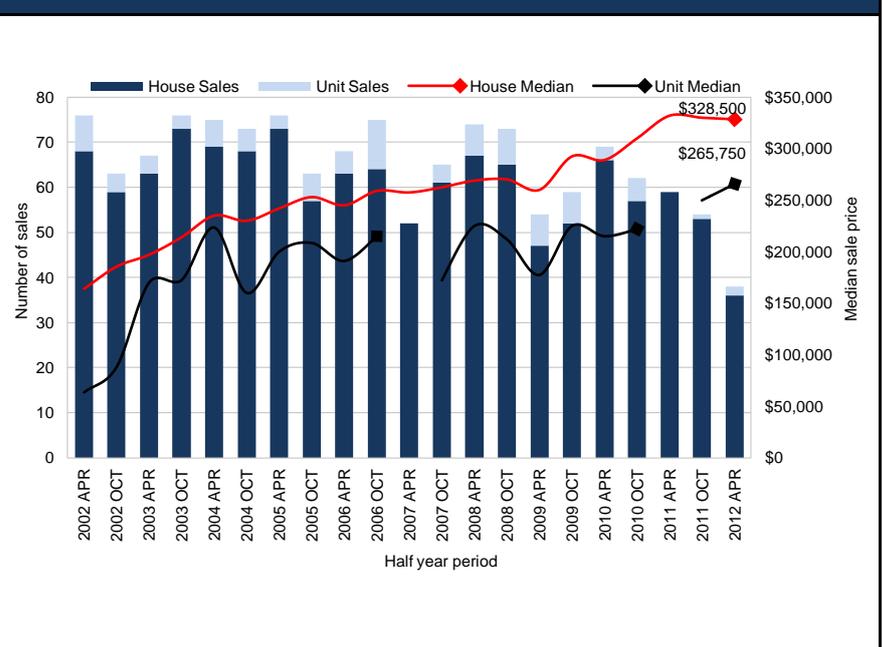
The following Property Watch report is the result of an investigation into the historic and current market trends of the Buninyong Local Government Area. The area includes the Ballarat suburb of Mount Helen, the rural township of Buninyong, and several regional areas including Yendon, Scotsburn and Durham Lead. Being in close proximity to Ballarat and the university precinct the prospects for future growth are strong.

Transaction volumes for houses in the Buninyong LGA have averaged 63 for a six month period over the last ten years. Volumes have not ranged widely, typically falling between 50 and 70 transactions. The six months to April 2012 saw an exceptionally low volume period with only 36 transactions recorded. This represents a 39.0% decrease on volumes from the same six month period of a year before.

Unit sales volumes are at much lower levels and have been far more volatile as a result. Rarely have transaction levels exceeded ten in any six month period and the sales cycle below shows two periods with no transactions at all. Buninyong and Mount Helen dominate unit sales, and with the University of Ballarat close by this market may well develop in the future.

The fall in transaction volumes in the Buninyong LGA has been less dramatic than in many other Victorian markets. PRDnationwide sales consultant Phil Crosbie notes that many of the properties they are listing are selling quickly to buyers on their database, and the market is facing a shortage of stock. This is a very different scenario to most markets where consumer confidence levels have seen volumes dropping due to a lack of genuine buyers.

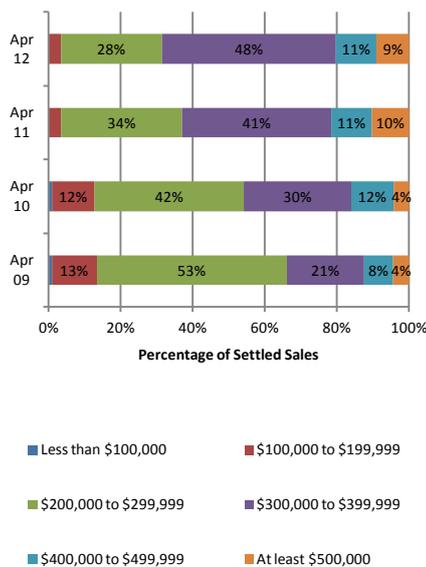
BUNINYONG AREA HOUSE & UNIT SALES CYCLE



Prepared by PRDnationwide Research. Source: PDS

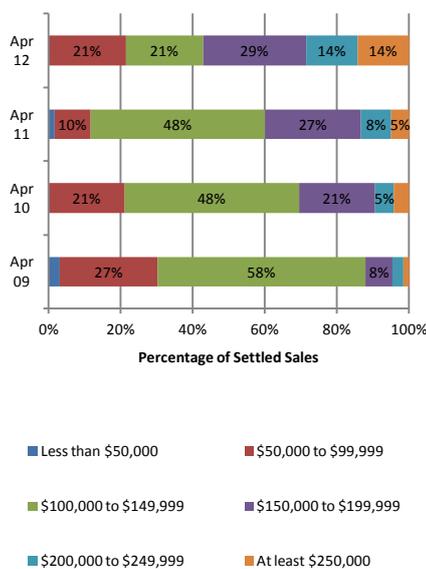
Shortages in stock for Vacant Land have seen a 14.1% increase in the median price

HOUSE PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

VACANT LAND PRICE POINTS



Prepared by PRDnationwide Research. Source: PDS

The six months to April 2012 saw the median price for houses close at \$328,500 down from \$332,000 the year before. Mr Crosbie observed that enquiry levels twelve months ago put strong upward pressure on prices with exceptional competition for houses. Whilst available stock is still selling strongly, lower competition levels have seen prices remain at similar levels. The current shortage of stock appears to be placing a floor on prices, and the Spring market with typically increased levels of buyer interest, may see another period of price growth with buyers competing for limited stock.

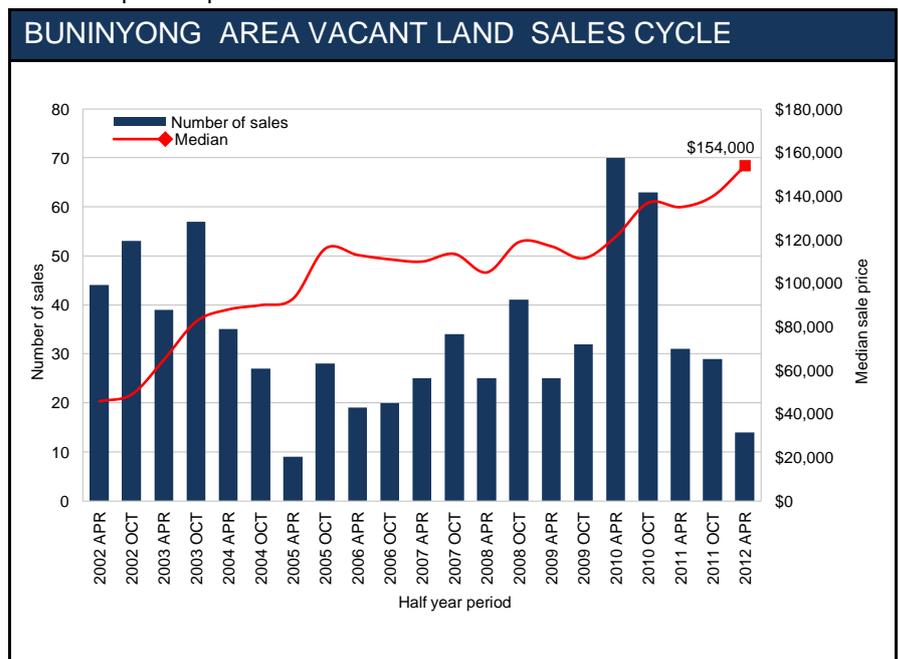
The ten year growth rate in the Buninyong house market stands at 7.2%, and the steady upwards movement in prices can be seen in the price points table. Sales below \$300,000 which represented 66% of all sales for the twelve months to April 2009, have dropped to represent only 31% of the market to April 2012. The largest single price bracket at April 2012 with 48% of all sales is the \$300,000 to \$399,999 bracket, which has more than doubled its share of total sales since April 2009.

With such low volumes the Buninyong unit market is difficult to assess in terms of price trends. Whilst there have been some significant upward and downward movements, the period since April 2003 has seen a reasonably consistent upward trend line, which results in a 5.1% per annum average median price increase over this period, based on the April 2012 six month median of \$265,750.

Vacant Land sales have fallen to only 14 for the six months to April 2012, well below the average of 35 sales for a six month period seen over the last ten years. A large part of the downturn is due to the lack of available land in Buninyong. Since the Tandarra Estate has sold out, blocks have only become available as one off lots, and there are limited numbers of these.

The median price for land in the Buninyong area has surged to a new high of \$154,000 for the six months to April 2012. Price growth had been relatively subdued recently, with a five year median price average growth of 7.0%. The latest median price increase results in a 14.1% annual growth, and may well reflect the shortage of stock producing strong competition for available land.

The price points table shows significant trends towards the higher priced brackets with sales under \$149,999 falling from a commanding 88% of all sales in the year to April 2009, to more than halve by April 2012 at 43%. Sales above \$200,000 which were less than 5% of the market have grown to 28% of the market in the same comparison period.



Prepared by PRDnationwide Research. Source: PDS