

PROPERTY WATCH®

Second Quarter 2011

Creswick Region Market Overview

IN BRIEF

- Creswick's population growth rate decreased from 1.6% per annum in 2009 to 0.73% in 2010.
- The median sale price for houses in the region closed at \$201,250 for the six months to December 2010, a 3.2% increase from the December 2009 median.
- Land sales have reached the second highest level for last 10 years in first half of 2010, with the second half returning to longer term average levels.

Scope

This report analyses the current trends and performance of the Creswick Region's house and land markets. It further highlights the area's characteristics and demographic trends to provide an understanding of the type of real estate product in demand by the local market. For the purposes of this report the Creswick Region comprises the 14 suburbs of Creswick, Creswick North, Clunes, Glendonell, Broomfield, Smokey Town, Springmount, Newlyn, Dean, Wattle Flatt, Cabbage Tree, Sulky, Bald Hills and Ascot.

Area Characteristics

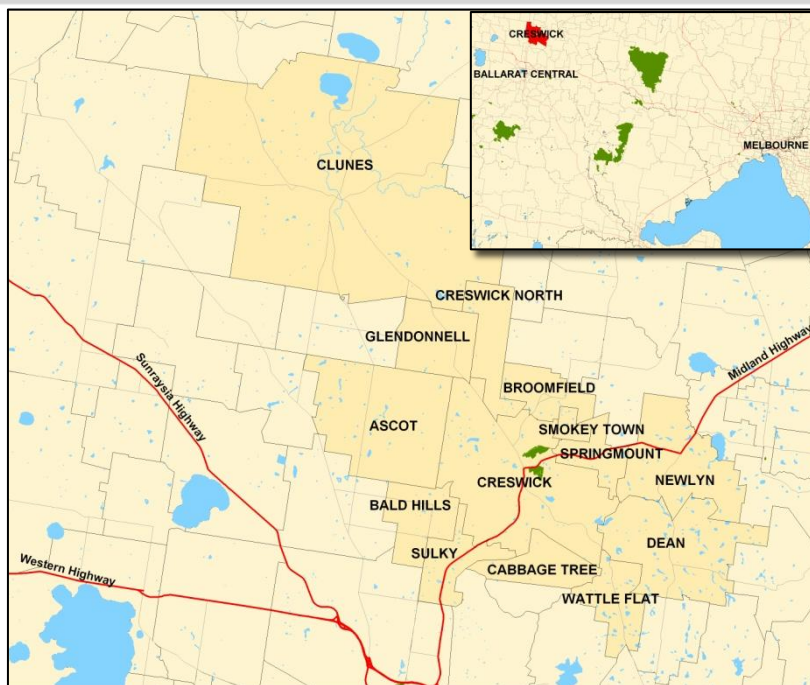
Creswick is situated approximately 130 kilometres north west of Melbourne's CBD and only 18 kilometres north from the regional hub of Ballarat. Well serviced by the Midlands Highway Ballarat is only a fifteen minute drive, however this self sufficient precinct is bustling with natural beauty, art and culture.

Demographics Snapshot

According to the Australian Bureau of Statistics (ABS), the most recent estimated residential population (ERP) figures suggests Creswick is home to 3,306 residents as of June 2010. This reflects a population growth rate of 0.73% on the June 2009 figure, a significantly lower growth rate than the previous year of 1.6%.

A 19.5% portion of Creswick's population is aged 15 years or under, while residents aged 65 years and over account for a further 19.4%. This dispersed demography culminates an average age of 42 years. Remaining a relatively family orientated community, 70% of total households are family variations, 30% of which are accounted by couples with no kids. This also leaves a large portion of non-family households, such as share style accommodation. The mix of dwelling types in Creswick consist almost entirely of detached housing, which accounts for 92% of total dwellings. While the remaining 8% is made up of townhouse and unit style product. This dominant proportion of detached housing can largely be attributed to the abundance of available land and the reasonably undensified population of the region.

Generally speaking the Creswick population represents a mix of relatively low income earners, with 30% of the workforce earning less than \$500 each week. A further 25% of the workforce are averaging less than \$800 per week, while toward the higher income brackets, only 12% are achieving greater than \$1,700 each week. Despite the large share of low income earners, the affordability of real estate in the region has resulted in 82% of total dwellings as either purchased or being purchased, while the rental market share remains relatively minimal at 18%.

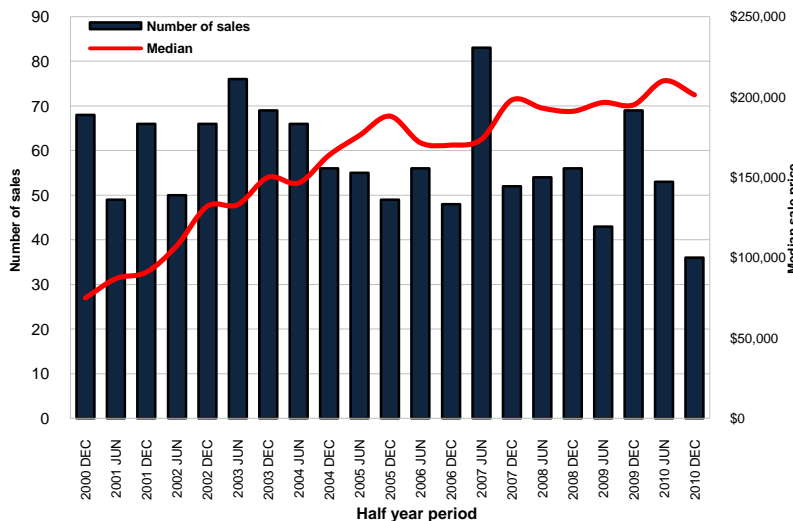


Creswick Region Demographics

	Creswick	Ballarat LGA
Population 2010	3,306	96,097
Population 2009	3,282	94,088
Population growth rate 2009 to 2010	0.7%	2.1%
Portion of residents aged 15yrs and under	19.4%	20%
Portion of residents aged 65yrs and over	19.5%	15%
Average age	42	36
Average weekly individual income	\$361	\$404
Average weekly household income	\$722	\$839
Average number of people per household	2.4	3.0

Prepared by PRDnationwide Research. Source: ABS

Creswick Region House Sales Cycle



Prepared by PRDnationwide Research. Source: PDS

Creswick Region House Market

The median price grew strongly to peak at \$210,000 for the six months to June 2010, before settling at \$201,250 for the six months to December 2010. The December close reflects an annual growth rate on 2009 of 3.2%. This is substantially lower than the 10 year average growth rate of 9.7% per annum. The growth in median price over the 10 year period has been quite consistent with very few significant falls in value, and long periods of steady growth. The values in the Creswick region remain very affordable compared with other regions close to Ballarat. Buninyong for instance closed 2010 with a median sale price of \$314,000.

Whilst the median price has shown moderate growth, sales activity in the region for 2010 was at its lowest levels in the past ten years. The first half of 2010 was at near average levels with 53 houses transacted, the second half of the year was significantly below average with 36 transactions. This trend has been seen in most markets, using Buninyong as an example again, its sales levels were at 55 in the first half of 2010, dropping to 32 in the second half of the year.

From the transactions recorded within the Creswick Region, the central township of Creswick accounted for 60% or 53 of the total 89 sales. Clunes also achieved a large share of the sales, accounting for 29% or 26 of the total sales. The remaining 10 sales were dispersed throughout Ascot, Broomfield, Springmount and Sulky.

Creswick's house transactions for 2010 were heavily weighted toward the more affordable price brackets, all selling for less than \$400,000. Houses selling for less than \$100,000 contracted from the previous period where they represented 14% of sales to only 6% of sales for 2010. The majority of sales (54) occurred in the brackets from \$150,000 to \$249,999.

The potential for future growth within the Creswick market can largely be attributed to the general affordability of the real estate in the region. Ballarat is a regional growth centre (growing faster in the 12 months to June 30, 2009 than both Bendigo and Geelong) which will provide opportunity for the neighbouring regions such as Creswick to benefit and attract home buyers seeking the more affordable real estate alternatives.

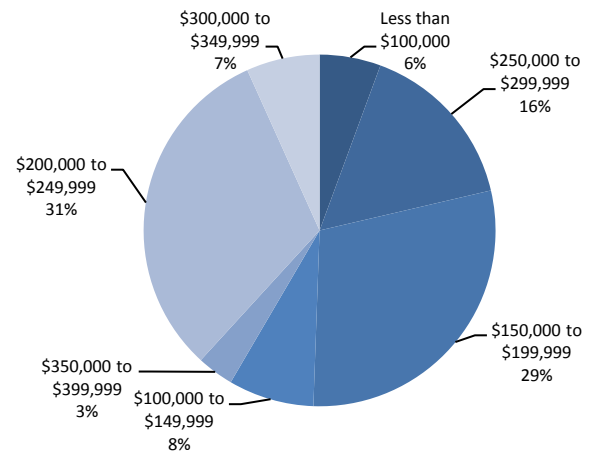
Creswick Land Market

The Creswick land market is heavily characterised with fluctuating medians due to the extremely low number of sales in recent years. Generally speaking, a minimum of 15 transactions are required to portray a median sale price that reasonably reflects the actual value of a market.

Sales activity increased markedly for 2010 with 54 transactions for the year compared with 32 for the 2009 year. Activity in the Clunes area increased the most with 33 transactions, 9 of these being for hobby farms under 20 hectares in size, with the remainder of sales occurring within the township of Clunes itself.

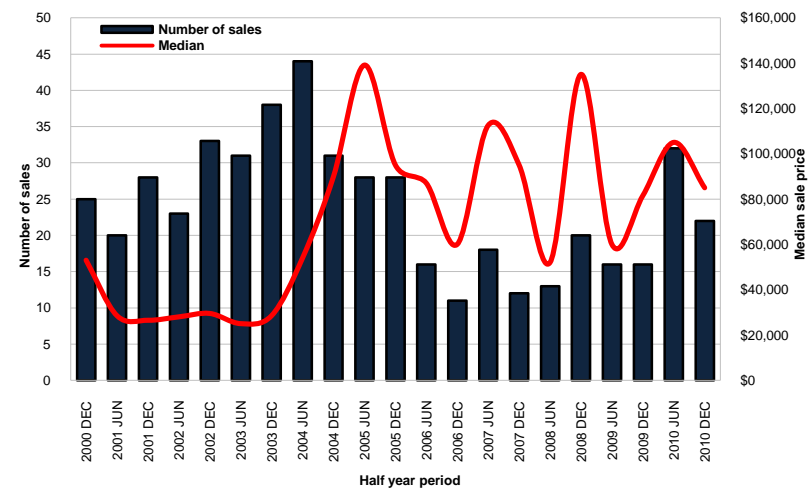
The highest price achieved for a house block was \$260,000 in Victoria Street, Creswick.

Creswick Region House Price Points
For the twelve months to 31 December 2010



Prepared by PRDnationwide Research. Source: PDS

Creswick Region Land Sales Cycle



Prepared by PRDnationwide Research. Source: PDS

Creswick Sales Summary Table
Calendar Year 2010

Suburb	Type	Total Sales	Sale Price Range
Ascot	House	3	\$86,500 to \$360,000
	Land	1	\$660,000
Broomfield	House	4	\$180,000 to \$335,000
	Land	1	\$190,000
Clunes	House	26	\$60,000 to \$335,000
	Land	33	\$17,000 to \$498,000
Creswick	House	53	\$68,000 to \$363,000
	Land	15	\$35,000 to \$450,000
Springmount	House	2	\$235,000 to \$385,000
	Land	1	\$75,000

Prepared by PRDnationwide Research. Source: PDS

Prepared by PRD Jens Gaunt Research. Source: PBS and ABS. For further details contact: Mark Corboy (0400) 520 717 or PRD Jens Gaunt Creswick on (03) 53 452 326, or visit our website at www.prdnationwide.com.au/research.

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