

Murrumba Downs

IN BRIEF

- The Murrumba Downs house & land market both experienced stable increases in median price.
- The Murrumba Downs real estate market is destined for future growth underpinned by large scale infrastructure and amenity investment.
- The average annual capital growth rate for parcels of land release over the most recent period was 20.1%

Area Characteristics

Murrumba Downs is located in 24kms from the Brisbane GPO. This is a family oriented community dominated by contemporary, lowset brick housing. In the immediate vicinity, residents have access to a variety of parks, recreational amenities and schools, with a high degree of infrastructure growth into the near future. Residents can also utilise a variety of services from adjoining suburbs which including a regional shopping centre and golf course located only one kilometre away in the suburb of North lakes.

Murrumba Downs is governed by the Moreton Bay Regional Council which is the product of the recent amalgamation of the Caboolture, Pine Rivers and Redcliffe shires in March 2008. The Moreton Bay Regional Council has made provisions within its 2009/10 budget for \$320 million in capital work providing a number of infrastructure and amenity upgrades for residents.

Demographic Trends

Murrumba Downs has an average age of 35 years for its population, however 24% of its resident population is under 15 years of age suggesting that this suburb is an attractive location for families seeking a suburban lifestyle. The average weekly household income sustained by these residents registers \$158 above the Brisbane average at \$1,315 a week.

This suburbs landscape is typical of a semi-rural community being almost completely dominated by its housing market which accounts for 99.7% of dwellings. In terms of dwelling tenure, the vast majority of residents (80%) are owner occupiers. However, Murrumba Downs strengthening rental market occupies 18.6% of tenures, indicating that there is a significant level of investment in this suburb. On the whole, it can be said that this family oriented community is driven by the ideal of the great Australian dream, which is becoming more and more unattainable in Brisbane's inner city housing market.

Infrastructure Developments

Murrumba Downs is likely to realise significant growth into the future. An analysis of future infrastructure has identified number of significant spends from the government and private sector developers that will service the area of Murrumba Downs. The most significant developments which are all either under construction or are proposed include:

Petrie to Redcliffe Rail link

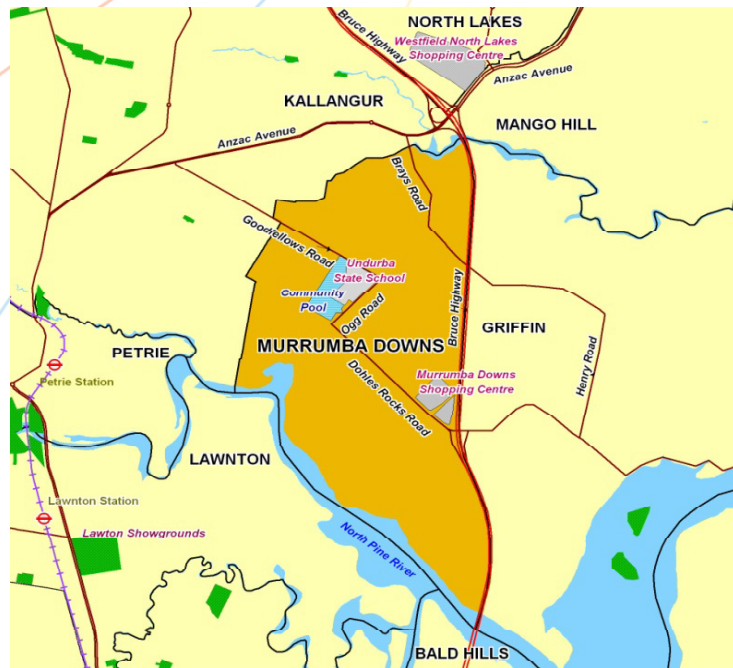
A proposed Petrie to Redcliffe rail link is currently under a feasibility study initiated by the Queensland State and Local Governments. This \$4 million initiative may provide a direct rail service from Murrumba Downs to the Brisbane CBD, Gold Coast and Sunshine Coast.

1967 Anzac Ave Master plan

This proposed \$44.5 million development, located in the adjacent suburb of Mango Hill will see construction of a 135-unit retirement village, an eight storey motel, retail showrooms and a 75 place child care centre.

St Benedict's Catholic College

St Benedict's College is situated in Mango Hill and currently caters for children from Prep to Year 4. Upon completion of its \$15 million.



Demographic snapshot	Murrumba Downs	Pine Rivers LGA
Population 2008	8,535	156,460
Population 2007	7,851	150,268
Population growth rate 2007 to 2008	8.7%	4.1%
Proportion of people aged 65 years and over	10%	8%
Proportion of people aged 15 years and younger	24%	24%
Average age	35	34
Average weekly household income	\$1,315	\$1,236
Average weekly individual income	\$586	\$554
Average number of people per household	2.9	3

Prepared by: Colliers International Research Source: RP Data

sustained by these residents registers \$158 above the Brisbane

upgrade and extension of classrooms and facilities, this school will accommodate students from Prep up to Year 12.

High School

This proposed high school will be located adjacent to an existing primary school in Murrumba Downs. This \$20 million addition is scheduled for construction in July of 2010 and continues to December 2012.

North Lakes Private Hospital Precinct

This project is still in its early stages, however upon completion will provide residents access to a 10 storey hospital with 200 beds, 8 storey specialist medical centre, hotel and restaurant. Construction on this project will commence in 2010 and upon completion in 2016 would have cost an estimated \$52 million.

The Lakes College

The Lakes College opened in 2005 and currently caters for students from Prep to Year 8 with the gradual addition of classes through to Year 12 scheduled for completion in 2013. Once finished this project will have cost an estimated \$20 million.

Capers Child Care Centre

Due for construction in late 2009, this Kids Capers Child Care Facility will provide care for a total of 150 children at an estimated cost of \$5 million.

Murrumba Downs House Market

Over the most recent six months to June 2009, Murrumba Downs recorded a total of 72 settled house transactions. This is a 25% softening in sales activity when compared to the corresponding six month period to June 2008 where 96 houses were transacted.

Historically, Murrumba Downs has experienced a relatively high degree of sales activity in its housing market, stemming from the increasing demand for more affordable product within Brisbane's geographical boundary. This continued demand will drive future growth in Brisbane's outer regions as the housing market continues to fall short of the required supply.

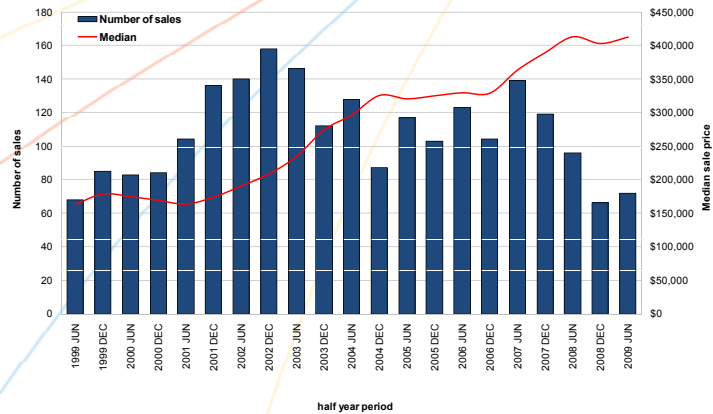
Analysis of the housing price points has identified a trend towards more affordable housing product. This can be seen through an increase in activity recognised in the lower price points over the past six months. For example during the most recent six month period to June 2009, 75% of sales activity price bracket. Also worth noting is a 13% decrease in sales above \$500,000, which is indicative of the decreased demand for high end product as investors becoming more savvy with their investments.

The median price established for Murrumba Downs during the most recent period was \$412,000, displaying a stable median price growth of only \$500 over the six months to July 2008.

However, the five year moving average for the region has sustained a healthier 6.8% growth in median price. The highest sales price recorded for a house in Murrumba Downs over the June 2009 period was \$760,000 on Castle Hill Drive during February. This was a four bedroom, four bathroom house was situated on a 1,255m² block.

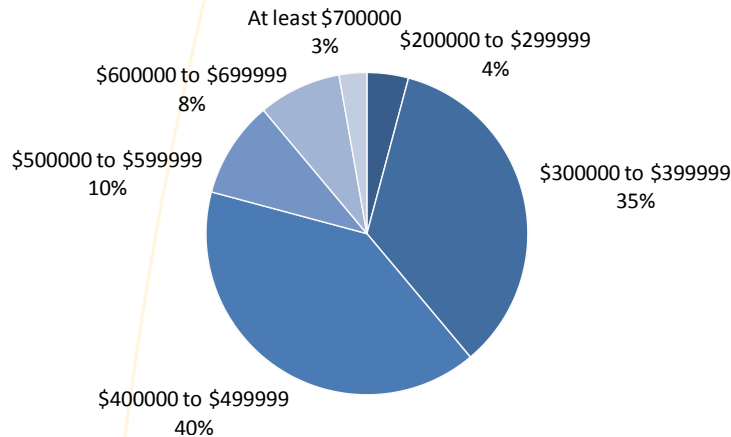
Investors who resold product within Murrumba Downs house market during the six months to June 2009 achieved a strong average annual capital growth figure of around 8.8% per annum. These houses held for an average period of just over 6 years. These are healthy returns, particularly for families whose primary motivation is purchasing a house ideal for a family lifestyle.

Murrumba Downs 10 Year House Sales Cycle



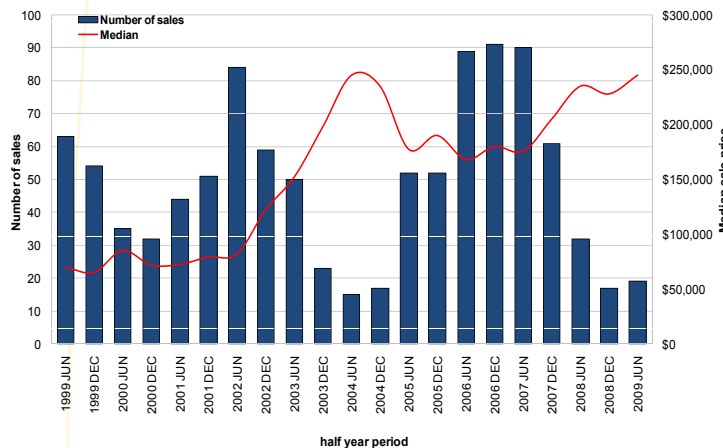
Prepared by: Colliers International Research Source: RP Data

Murrumba Downs House Price Points June 2009



Prepared by: Colliers International Research Source: RP Data

Murrumba Downs 10 Year Land Sales Cycle



Prepared by: Colliers International Research Source: RP Data

Murrumba Downs Vacant Land Market

The half year period to June 2009 has accumulated 19 vacant land transactions, representing a 12% increase from the same six month period last year which saw 17 settled transactions. Murrumba Downs has experienced increasingly lower levels of land transactions as the developable land within this region has become less prevalent. The increasing demand for land in this region coupled with the scarcity of its supply suggests an opening for sound investment opportunities in this suburb.

Historically, the majority of vacant land transactions in Murrumba Downs has occurred within the \$200,000 to \$300,000 price points. The most recent six month period has been consistent with this trend, registering 95% of transactions within the same price range. This is however, a 7% increase in the same bracket when compared to the corresponding period last year.

Murrumba Downs has recorded a median price for vacant land over the half year to June 2009 of \$245,000. This represents a 4.3% or \$10,000 growth in median land price over the past 12 months has occurred between the \$300,000 and \$499,999 price points. When considering the performance of the same period 12 months earlier, this represents a 10% increase, which can be attributed to an increasing demand for product within this region. The highest price fetched for a vacant block of land during the half year to June 2009 was \$320,000 on Twin Lakes Drive in May.

A resale analysis of product sold within the six months to June 2009 was undertaken to establish the historical investment performance of the vacant land market in Murrumba Downs. Those investors who exited the market during this period have sustained an average capital growth of 20.1% per annum. The average holding period for these parcels of land before being released back onto the market was just under two and a half years, recognising significant returns for investors.

Murrumba Downs Rental Market Analysis

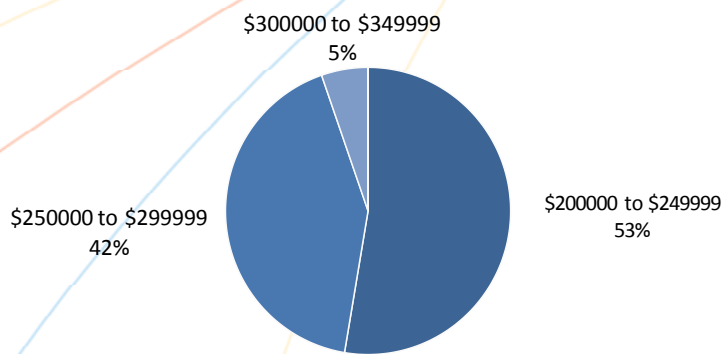
The latent rental market in Murrumba Downs is driven by investors capitalising on the strong growth experienced in this region. We have therefore provided a rental market analysis assessing the performance of Murrumba Downs.

The affordability of Brisbane's outer regions has continued to drive growth within the rental market as investors seek areas with consistently strong capital growth. Over the past five years, the Murrumba Downs rental market has experienced growth consistent with Brisbane averages across the majority of dwelling variations. Four bedroom houses have achieved 7% growth in median rent while all other tenancies achieved 8% growth. These figures have resulted in median weekly rents ranging between \$270 to \$390 for houses and \$280 to \$330 for townhouses.

Currently a three bedroom house in Riverwood Estate is aiming for \$365 per week in rent, and a four bedroom house in St Cair Court is seeking \$560 per week. In terms of townhouses, the majority of product currently available on the market are three bedroom tenancies, which in most cases charge \$330 per week in rent. A new townhouse complex could however, expect to negotiate a weekly rental return approximately 10% above current market rates.

Prepared by Colliers International Research, For further enquiries please phone (07) 3229 1233 Source: RP Data and ABS. Colliers International 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. Colliers International will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that your rely upon that is contained in the material. Prepared by Colliers International Research © All medians and volumes are calculated by Colliers International Research. Use with written permission only. All other responsibilities disclaimed. © 2009

Murrumba Downs Land Price Points June 2009



Prepared by: Colliers International Research Source: RP Data

Brisbane Median Weekly Rents

Dwelling Variations	Sep QTR 2004	Sep QTR 2008	Sep QTR 2009	5 Year Growth Rate
2 Bed House	225	330	340	8%
3 Bed House	250	360	370	8%
4 Bed House	295	420	440	7%
2 Bed Townhouse	222	340	350	10%
3 Bed Townhouse	245	360	375	8%

Prepared by: Colliers International Research Source: RP Data

Murrumba Downs Median Weekly Rents

Dwelling Variations	Sep QTR 2004	Sep QTR 2008	Sep QTR 2009	5 Year Growth Rate
2 Bed House	190	280	270	8%
3 Bed House	230	340	340	8%
4 Bed House	265	380	390	7%
2 Bed Townhouse	180	270	280	8%
3 Bed Townhouse	220	330	330	8%

Prepared by: Colliers International Research Source: RP Data