

PROPERTY MARKET MONITOR

RESIDENTIAL OVERVIEW - SEPTEMBER QUARTER 2007

BRISBANE



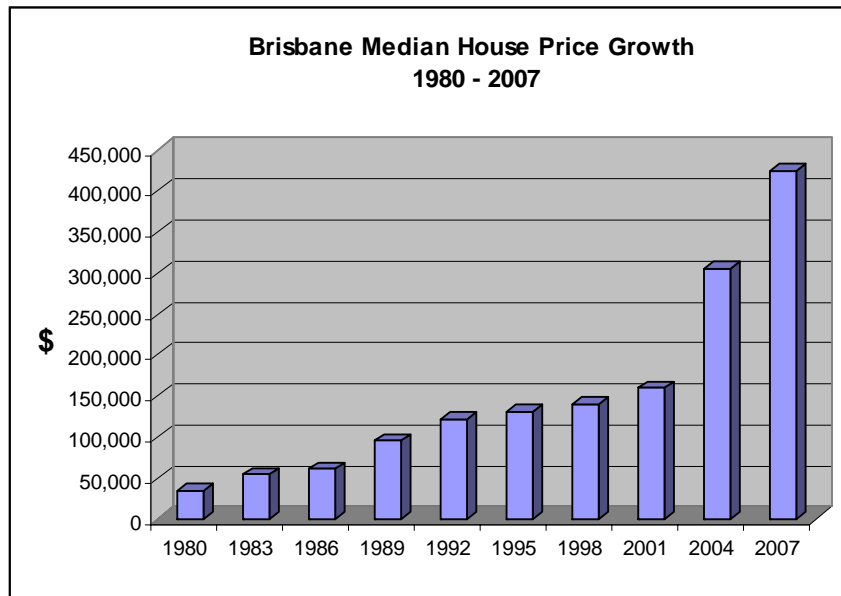
RESIDENTIAL HOUSING AND RENTAL MARKET

Queensland's residential property market has recorded positive median house price growth for four consecutive quarters. Data released by the Real Estate Institute of Queensland indicates that all major regions across the State have experienced solid growth over the past 12-months.

In the September quarter, Brisbane's median house price was \$425,000, an increase of 13.3% for the 12-month period. The prestige market has performed extremely well with Surfers Paradise recording a median house price of \$1.1 million and Sovereign Island recording a median value of \$2.2 million.

Queensland's increasing population and limited market stock has produced a situation where demand has out-stripped supply, creating upward pressure on residential housing prices. Table 1 demonstrates the growth in the median house price in Brisbane from 1980 to 2007.

Table 1 Increase in Median sale price



Queensland's overall median rent increased by 3.7% for the quarter, rising to \$280 per week for a 3-bedroom home. This represents an annual growth of 9.8% according to the Real Estate Institute of Queensland.

Like the rest of the country, residential vacancy rates have remained extremely tight. The current residential vacancy rate stands at 1.7%.

Table 2 provides an example of the top performing suburbs in Brisbane over the last year. Consistency throughout Queensland has provided substantial median growth in most major areas.

Table 2 Best performing suburbs over the last 12-months

SUBURB	JUNE QTR 2007	JUNE 2007	JUNE 2006	% CHANGE OVER YEAR
Brisbane LGA	\$434,000	\$405,000	\$370,000	9.5%
Belmont	\$516,000	\$495,000	\$375,000	32%
Murarrie	\$358,676	\$415,000	\$317,800	30.6%
Auchenflower	\$730,000	\$655,000	\$505,000	29.7%
Hamilton	\$1,002,500	\$1,056,250	\$818,750	29%
Lota	\$465,000	\$440,000	\$345,750	27.3%
Newmarket	\$570,000	\$539,000	\$425,000	26.8%
Manly	\$635,000	\$550,000	\$437,500	25.7%
Ashgrove	\$605,000	\$558,620	\$450,000	24.1%

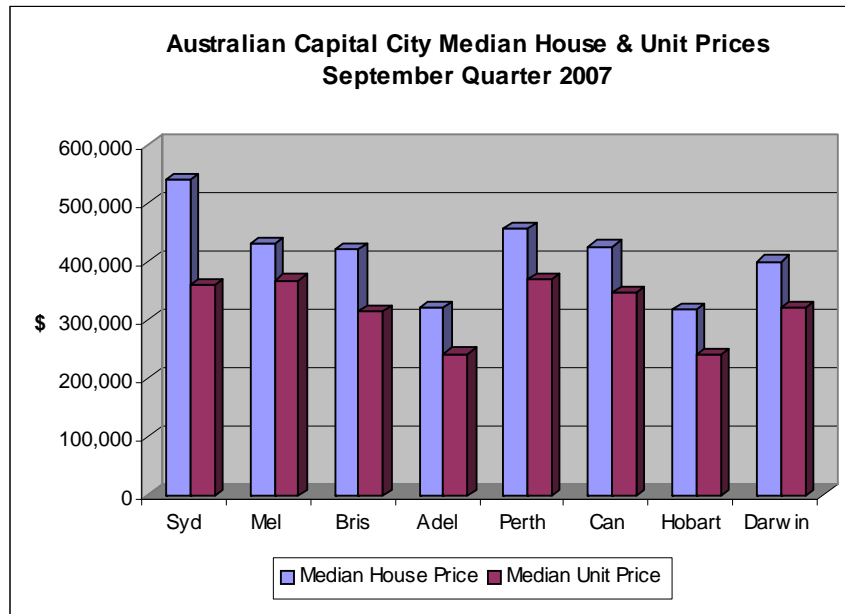
Brisbane's median house price increased by 92% over the three-year period between 2001 and 2004, this coincided with exceptional growth of overseas and interstate migration. Table 3 illustrates some of the regions that have experienced substantial growth over the last 5 years.

Table 3

SUBURB	% CHANGE OVER 5 YEARS
Logan	130.2%
Beaudesert	141.3%
Pine Rivers	115.4%
Brisbane	84.1%
Redland	105.4%
Ipswich	180.2%
Caboolture	123.1%
Caloundra	113.1%
Redcliffe	103.2%
Gold Coast	86.7%

Table 4 illustrates the variation between Median House and Unit prices throughout the States and Territories of Australia.

Table 4



Source: REI

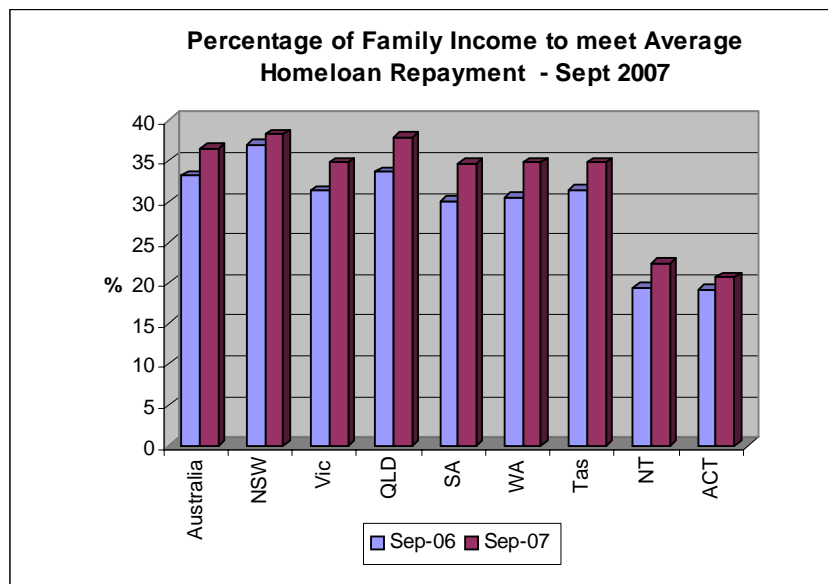
In Australia, borrowers need 36.6% of their family income to meet average loan repayments. Home loan affordability deteriorated by 2.2% over the Quarter and by 8.1% over the year.

It is more difficult to purchase a home today than it has been over the past 22 years. The progressive decline in affordability and concerns about rate rises are reflected in the lower number of loans taken out in the September quarter compared with the previous quarter. The number of loans decreased in all States and Territories except the Northern Territory.

Queenslanders required 38% of family income to meet average loan repayments in the September quarter. Home loan affordability fell by 3.7% over the quarter and by 8.4% over the year.

Table 5 demonstrates the difference in Home loan affordability between the various States and Territories throughout Australia. The ACT remains the most affordable place to live because of their much higher average family income.

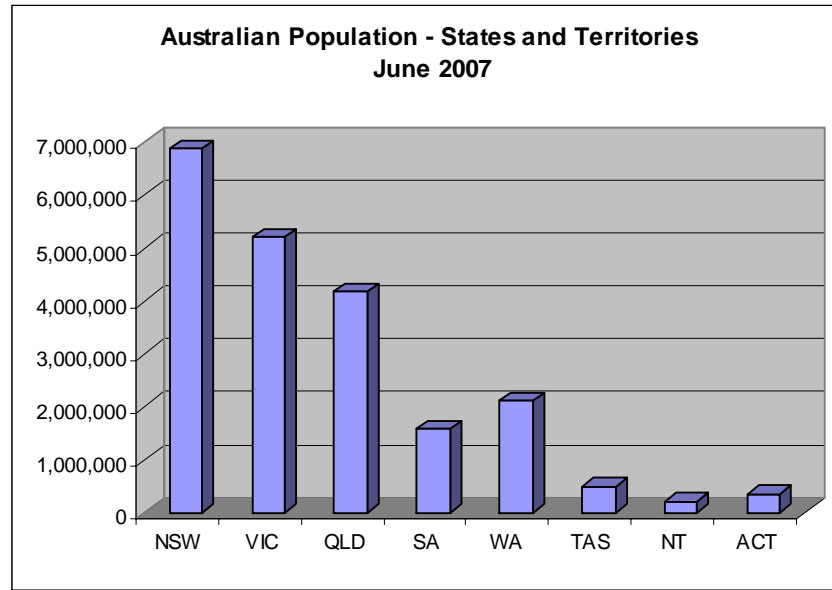
Table 5



POPULATION

Queensland has the 3rd largest population in Australia, estimated at 4,182,000 residents. Over the last year the population increased by 2.2% or 90,500 people, this is the second largest percentage gain of all the major cities (Table 6).

Table 6



Source: ABS

OUTLOOK

Brisbane accounted for 40% of Queensland's interstate and overseas migration growth last year. Property prices, affordability and lifestyle opportunities were the key driving factors.

It is predicted that strong migration will continue and Queensland will become Australia's second largest city by 2030, during this time an estimated 575,000 new homes will be built from Noosa to Coolangatta to cater for housing demand.

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