



Townsville Unit Report - September Quarter 2006

Quarterly Survey Highlights

- There were 160 unconditional sales of new units in the Townsville region during the September-06 quarter.
- Gross sales of approximately \$69.1 million were generated in the September-06 quarter.
- The weighted average sale price for all units sold during the September-06 quarter was \$431,875.
- There were 553 new units available for sale at the end of the September-06 quarter, suggesting 10.4 months supply based on current demand.
- Quantum Group's 'Gateway on Palmer' was the fastest selling project during the September-06 quarter with 48 unconditional sales.

Overview

The Townsville new unit market again experienced substantial growth during the September-06 quarter, posting 160 sales, the highest quarterly sales recorded since the inception of the Townsville Unit Report in September 2004. The market was dominated by sales in 'Gateway on Palmer', which has reentered the market, with new developers Quantum Group achieving robust sales to investors. Subsequently, the geographic zone of Townsville City had the largest market share, outpacing Townsville Outer. Five new projects entered the market during the quarter ('Salt', 'Empyrean', 'Yarrowonga Terraces', 'Riverview' & 'Townsville Waters'), and one project successfully sold out ('The Sanctuary').

Market Commentary

The level of demand in the September-06 quarter suggests about 10.4 months supply of new unit stock across the Townsville market at current stock levels. Due to the continued high rate of sales the level of supply remains at record low levels. Vacancy rates remain extremely low across the city as demand for all accommodation types continues.

Gross sales volumes are up 23% with 160 unconditional sales recorded during the September-06 quarter, versus 130 sales in the June-06 quarter. Correspondingly, the gross sales value is well up recording \$69.1m versus \$45.65 m last quarter. Townsville City dominated sales, accounting for 58% of all transactions, with 92 sales recorded. Quantum Group's 'Gateway on Palmer' was the fastest selling project with 48 sales. Other top performers were Hedley's 'Riverview' with 30 sales, Glencorp's 'Townsville Waters' with 29 sales and Fortia's 'The Dalgety' with 28 sales.

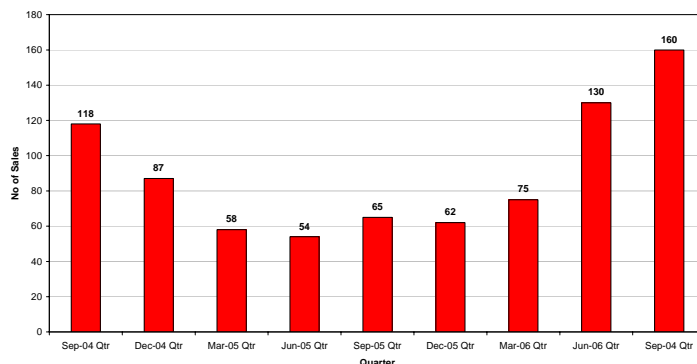
The dominant price point moved upwards from the \$200,000 to \$299,999 bracket to the \$300,000 to \$399,999 price bracket accounting for 44% of all sales. The proportion of sales over \$500,000 increased to 23%, up from 18%, including 3 sales over \$1 m. The weighted average sale price for all units sold during the quarter was \$431,875 up from the \$351,154 recorded last quarter.

Two bedroom units again dominated sales, accounting for 63% of all sales during the September-06 quarter, substantially down from last quarter's 83%. One bedroom units gained market share with 25% of unit sales. Three bedroom units dropped to 1% from 12% last quarter, while 9% of sales, typically dual key apartments are grouped into the Other segment of the product mix. Units categorised as permanent residential accounted for 69% of sales (110 sales), while those categorised as either short term or mixed accounted for the balance of 31% (50 sales), well up on the 5 sales recorded last quarter.

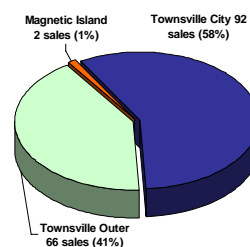
Projects coming up next quarter include: Number 98, Central, and Itara.

Quarterly Sales Sep-04 to Sep-06

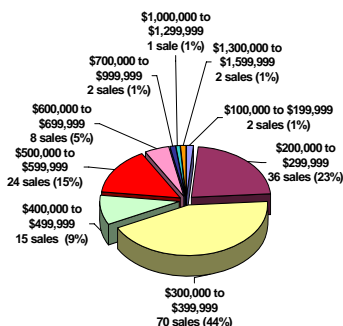
■ Total Townsville Market



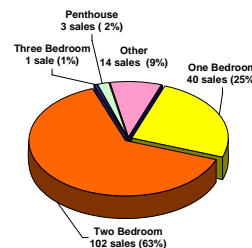
Sales Volumes



Price Points



Unit Type



Prepared by PRDnationwide Consulting NQ
Source: PRDnationwide Consulting NQ Quarterly Unit Survey

NB: Only those contracts which were reported as fully unconditional as at 30 September 2006 have been included in 'Sold to Date'.
The findings of this report are reliant on data provided by individual developers and marketers and is unable to be verified by us.

Townsville New Unit Market										PRD nationwide			
Sales Analysis of Recent Market Activity													
Development	Suburb	Construction Status	Intended Building Use	Total Units	Sold to date	Avail for sale	No. Sold Sep-06	Weighted Avg Sale Price	Approx gross sales Qtr	Marketing Company	Developer		
Townsville City													
4 Oxley St	North Ward	Awaiting	Permanent	4	1	3	0	\$0	\$0	Ray White Tvl City			
24 The Strand	North Ward	Completed	Permanent	6	5	1	0	\$0	\$0	Lancini Group	Lancini Group		
Altitude	City	Awaiting	Mixed Use	46	12	34	0	\$0	\$0	Smith & Elliot	Benchmark Developments		
Empyrean	North Ward	Completed	Permanent	7	0	7	0	\$0	\$0	Lancini Group	Lancini Group		
Gateway on Palmer	South Tvl	Awaiting	Mixed Use	112	71	41	48	\$439,583	\$21,099,984	PRDnationwide	Quantum Group		
Leonta	West End	Underway	Permanent	10	5	5	0	\$0	\$0	Open			
Mariners South	South Tvl	Completed	Short Term	12	11	1	0	\$350,000	\$0	Ray White Tvl City	Tardwin Pty Ltd		
Riva	South Tvl	Underway	Permanent Residential	48	n/a	n/a	n/a	\$0	\$0	PRDnationwide	Thompson Property Group/Opus Capital		
Salt	North Ward	Completed	Permanent	8	6	2	6	\$283,333	\$1,699,998	Real Way	Gedoun Constructions		
Sunsets	West End	Underway	Permanent	12	6	6	4	\$350,000	\$1,400,000	PRDnationwide	Rapidform		
T1 Stage 1	City	Underway	Permanent	55	33	22	2	\$500,000	\$1,000,000	Hedley Group	Hedley Group		
The Dalgety	City	Awaiting	Permanent	111	36	75	28	\$750,000	\$21,000,000	Ferry Property	Fortia Funds Management		
Vue	City	Underway	Permanent	20	12	8	0	\$0	\$0	Remax	Fortia Funds Management		
Watermark	North Ward	Completed	Permanent	46	37	9	1	\$850,000	\$850,000	PRDnationwide	Crackers Corporation		
Yarrowonga Terraces	Belgian	Completed	Permanent	8	3	5	3	\$450,000	\$1,350,000	Ferry Property	Fairstone Investments		
Summary - 15 Projects				505	238	219	92	\$526,087	\$48,399,982				
Townsville Outer													
Banthal	Douglas	Awaiting	Permanent Residential	26	7	19	0	\$0	\$0	Eastern Wave Development Group	Eastern Wave Development Group		
Riverview	Rosslea	Underway	Permanent	108	30	78	30	\$350,000	\$10,500,000	Hedley Group	Hedley Group		
Townsville Waters	Mt Louisa	Awaiting	Permanent	160	29	131	29	\$250,000	\$7,250,000	Glencorp	Glencorp		
The Sanctuary	Idalia	Underway	Permanent	132	132	0	7	\$250,000	\$1,750,000	Glencorp	Glencorp		
Summary - 4 Projects				426	198	228	66	\$295,455	\$19,500,000				
Magnetic Island													
One Bright Point	Nelly Bay	Underway	Mixed Use	124	Settlements taking place - to be reported next qtr							Meridien	Meridien
Peppers Blue on Blue Resort	Nelly Bay	Underway	Mixed Use	146	40	106	2	\$600,000	\$1,200,000	PRDnationwide	Gordon Property Developments/Eureka Funds Management		
Summary - 2 Projects				270	40	106	2	\$600,000	\$1,200,000				
TOTAL DEVELOPMENTS - 23				1,201	476	553	160	\$431,875	\$69,099,982				

If you are aware of other projects that should be included in this report please contact Dean Dederer via the contact details below.

Prepared by PRDnationwide Consulting NQ
Source: PRDnationwide Consulting NQ Quarterly Unit Survey
For further details please contact: **Dean Dederer, Research Manager, Ph: 07 4759 9103 or deandederer@prd.com.au**
Use with written permission only. All other responsibilities disclaimed. ©

Thank you to all agents for your contribution to this survey