



Pristine surroundings and proximity to environmental areas are key drivers when it comes to price growth. Picture taken from Cresthaven Estate in Jubilee Pocket.

We're a 'hot spot'!

Australian property research guru Michael Matusik confirmed that the Whitsundays was a real estate "hot spot" when he addressed the inaugural PRDnationwide Whitsunday Development Luncheon in April.

Addressing over 50 guests at PRDnationwide Whitsunday's head office at 230 Shute Harbour Road, Cannonvale, Mr Matusik said the region "well and truly" met the criteria for sustained price growth which included:

- A strong rate of sale and re-sale
- Increased investor interest
- Rising residential and commercial rents
- Limited supply of new properties

He said the Whitsundays was underpinned by a buoyant Queensland economy which continued to benefit from a rising population and excellent employment prospects.

"You read a lot about so-called hot-spots but there's no doubt that the Whitsundays meets

all the requirements for long-term growth," he said.

Mr Matusik also painted a picture of how the Whitsundays was likely to look within the next 25 years.

The region was expected to have

- 60% more dwellings than today
- 40% more people
- 92% of dwellings occupied full-time
- 2.3 average household size
- 62% detached dwellings compared with 78% today

Mr Matusik said the Whitsundays had all the ingredients for price growth which he listed as

- Strong tourist growth
- Proximity to urban environment
- Lifestyle/entertainment facilities
- Pristine surroundings
- Closeness to environmental areas

PRDnationwide Whitsunday plans to hold further Whitsunday Development Luncheons

on a regular basis. April's event was attended by developers, solicitors, valuers, surveyors and others with an interest in the property industry.

"These luncheons aren't about selling real estate but updating the local community with the latest independent research so that people in the industry can make informed decisions," said agency principal Christie Leet.



Michael Matusik addresses the Whitsunday Development Luncheon

Boost for sales team

PRDnationwide Whitsunday's powerhouse team just got more powerful with the appointment of two senior sales managers.

Ric Mingham has joined the Whitsunday Coast team as Sales Manager. Before heading north to the tropics, Ric was a senior manager for a global insurer and has been employed at a senior management level, specialising in sales, across a number of industries.

After leaving the Royal Australian Navy as Lieutenant in 1986, Ric started his business career ironically in real estate in Victoria, where he gained his auctioneer's licence and sales accreditation. Ric has a Masters in Management (Sales Management & Leadership) from USQ, an Advanced Certificate in Marketing and an Advanced Certificate in Sales Management. He is an

Associate Fellow of the Australian Institute of Management. "To return to real estate has always been an ambition and to find a role in paradise is beyond belief," says Ric who is an avid scuba diver, fisherman and motor cycle rider.

Wayne Singleton has been appointed Office Manager of PRDnationwide Hamilton Island. Wayne started with the company five years ago – his first foray into real estate – and is an active resident and investor on the island. Wayne is also Number One Sales Person throughout Australia for the PRDnationwide franchise.

"Wayne is taking on a leadership and management role and will certainly take our business to the next level on the island," says agency principal Christie Leet.

New Project Marketing Team – page 6

CONTENTS

- pg 2 News
 - \$20,000 raised for charity
- pg 3 Market Overview
 - Buyer's market
- pg 4 Whitsunday Team sales reports
- pg 5 Hamilton Island Team sales reports
- pg 6 Project Marketing
 - Off the plan sales update
 - Spotlight - our new team
- pg 7 Research
 - Airlie Beach
- pg 8 Property Management
 - Residential and Commercial
- pg 8 Business Broking



Cannonvale Snapshot

June 2006

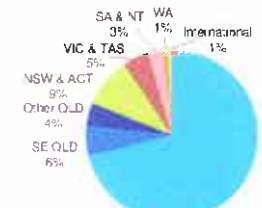
Area Characteristics

Cannonvale remains a popular investment hotspot with locals. With three shopping centres and supermarkets, two schools, a beach with a swimming enclosure and the majority of the public facilities, it is definitely the most convenient spot to live for Whitsunday locals. There are currently just under 2,500 properties in Cannonvale, with several new land subdivisions and townhouse developments under construction, which will increase this number further. Rental properties are desperately needed, as vacancy rates are at a record low of approximately 1%.

Housing Market

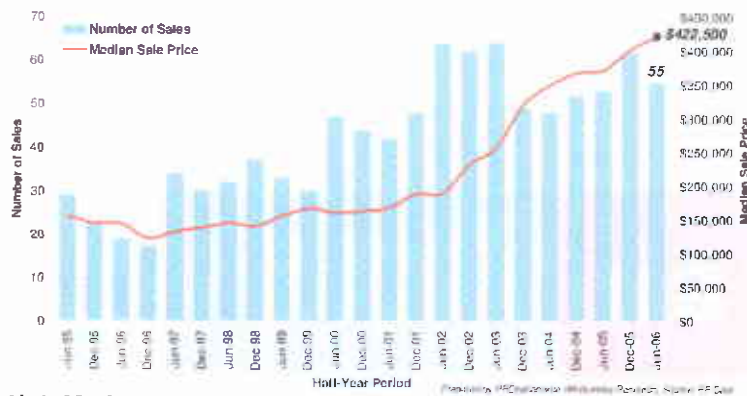
The median price of a house in Cannonvale, for the six months to June 2006, was \$422,500. Over this period, 55 houses were sold, ranging from \$310,000 for a three bedroom cottage on Shute Harbour Road, to \$3.95m for a five hectare property on Border Drive. The house that was sold for the median price of \$422,500 is on Valley Drive and was sold in April 2006 to a local investor. It is situated on an 800m² block and features three bedrooms, two bathrooms and a single garage. Looking at the Price Points Graph, *below right*, it can be seen that houses in Cannonvale are spread across a broad range of price brackets. Of the 55 sales made, 25 of them fell between \$350,000 and \$449,999.

Purchaser Origins Cannonvale

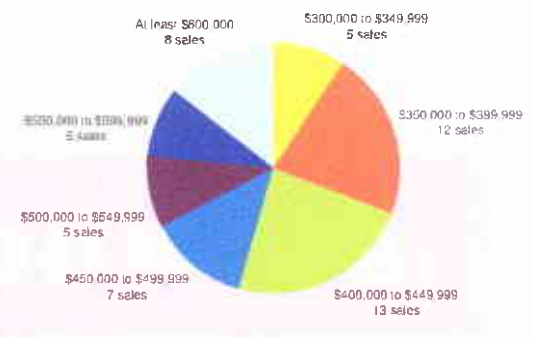


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Cannonvale House Sales Cycle



Cannonvale House Price Points Six months ending June-06

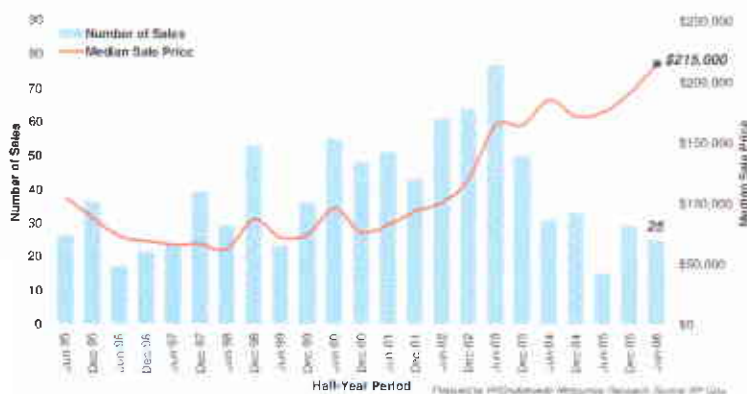


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Unit Market

The unit market in Cannonvale has traditionally been dominated by units on Eshelby and Island Drives, and this is indeed the location where the highest concentration of units can be found. The past year has seen many changes in price in this lower end of the investment market, as savvy buyers snap up properties during this climate of historically low rental vacancy. There were 25 units sold in the six months to June 2006, which resulted in a median price of \$215,000. The 25 units sold ranged in price from \$170,000 for a one bedroom unit on St Martins Lane, to \$590,000 for a large two bedroom unit at Careening Cove on Cannonvale Beach. The units that are selling around the median price are the units that are producing the best capital gains for their vendors. As an example, units in the Whitsunday Mews, and Whitsunday Gardens complexes are currently selling for over \$200,000. In 2002 – 2003, they were worth less than \$100,000. These price rises result in capital growth of approximately 25% p.a. The highest capital growth for a unit in Cannonvale this half year was for a unit in the Whitsunday Gardens, last sold in February 2003 for \$96,000, sold again in April 2006 for \$212,500. This equates to 28.6% capital growth per year for 3 years.

Cannonvale Unit Sales Cycle



Cannonvale Unit Price Points Six months ending June-06



Prepared by PRD nationwide Whitsunday Research Source: RP Data

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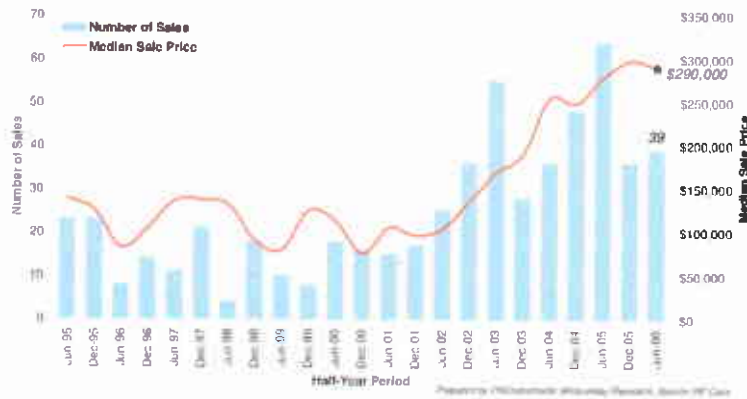
Townhouse Market

In the six months to June 2006, there were one third more townhouses sold than units. From 39 townhouses sold, the median price was \$290,000. This was \$8,000 less than in December 2005. In December 2005, there were a number of more expensive sales made, including The Grove and Baybreeze, which caused the median price to rise. There have been fewer sales at the top end of the range this half year, causing the median to reduce by 0.25%. Over five years, townhouses in Cannonvale have shown exceptional growth in median price, increasing at a rate of 30.9% per year.

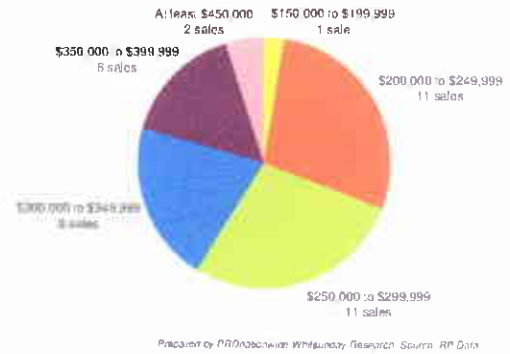
The lowest price paid for a townhouse in the six months to June 2006 was \$192,000 for a Blue Water Villa on Pandanus Drive. The highest price paid was \$610,000 for a Tides on Whisper townhouse, sold in January 2006.

Townhouses continue to be a popular alternative, and represent a compromise between, houses and units. Townhouses offer the security of being part of a community while still maintaining some garden space, and usually offer additional lifestyle benefits such as pools, recreation areas, barbecues, patios or gardens.

Cannonvale Townhouse Sales Cycle



Cannonvale Townhouse Price Points
Six months ending June-06

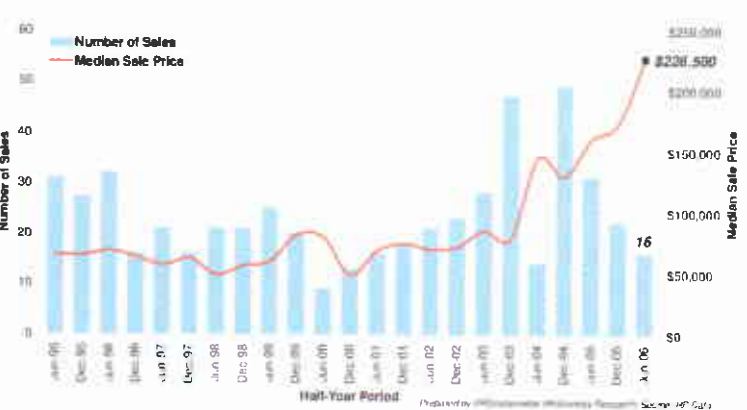


Land Market

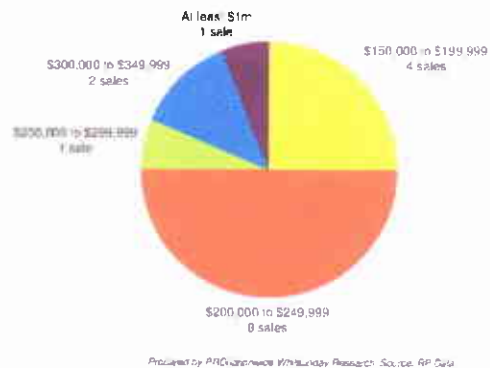
Land prices in Cannonvale have risen dramatically in recent times. For eight years prices were relatively stagnant, but in early 2004 prices started to rise as the supply of land reduced. In the second half of 2004, land supply increased, and accordingly, prices dropped a little. Since the end of 2004, as supply has gradually decreased each year, prices continue to rise in proportion.

In the six months to June 2006, there were 16 land parcels sold in Cannonvale, with a median price of \$226,500. The median for this period is the average price of the two middle sales. In June, \$225,000 was paid for a 2 1/2 acre block on Paluma Road and in January, \$228,000 was paid for a 982m² block on Wills Court. Half of all land sales made in this period were between \$200,000 and \$249,000. The lowest price paid this year was \$175,000 for an 811m² block on Tropic Road. The highest price paid was \$1.2m for a 1.9 hectare block on Border Drive which was purchased in addition to the house next door.

Cannonvale Land Sales Cycle



Cannonvale Land Price Points
Six months ending June-06



Development

We have seen prolific development in Cannonvale lately, with the opening of the Centro shopping centre, the subsequent installation of traffic lights and the opening of the final tenancies of Harvey Norman and the United service station and car wash. Road works are underway on the rest of Shute Harbour Road as well, with resurfacing completed in the direction of Proserpine and road widening, school bus stop upgrades and traffic lights being installed at Island Drive. Bi-Lo has completed its transition to Coles, with a huge facelift and expansion and the car park is being revitalised with shade sails on the way. The total Whitsunday Shopping Centre refurbishment is an \$8million project. Another Cannonvale site has been approved for development of an upmarket homemaker centre to be called Whitsunday Reef Plaza on a block adjacent to Centro. Cannonvale will soon be the frontrunner in shopping experiences in the Whitsundays with so many choices.

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