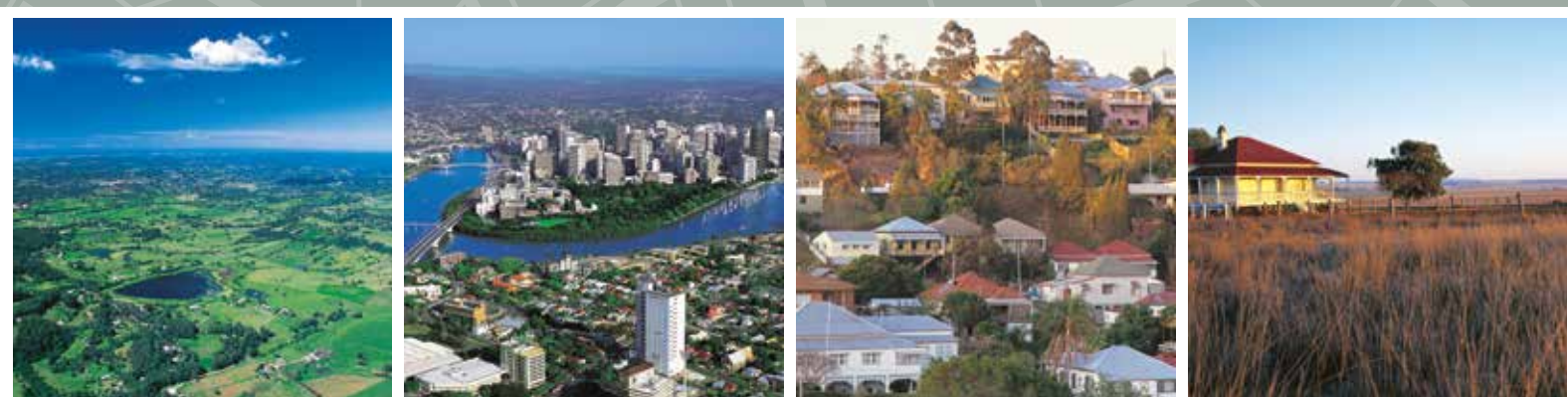


# Valuer-General's 2014 Property Market Movement Report



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## Valuer-General's foreword

This year's property market movement report is now available, ahead of the release of the 2014 annual statutory land valuations on Wednesday 12 March 2014.

This year, following a market survey for all local government areas and consultation with local government and industry groups, 41 local governments have been valued in accordance with the *Land Valuation Act 2010*. A market survey report for a local government area details the sales of land in the area since the last valuation was made and the probable impact of the sales on the value of land in an area. In addition, valuers also consider the types of issues that impact on the value of the land such as the state of the economy, the effects of the mining boom, commodity prices and population growth.

The 41 local government areas receiving annual new valuations this year are; Barcaldine, Barcoo, Blackall Tambo, Boulia, Brisbane, Bulloo, Bundaberg, Burdekin, Burke, Cairns, Carpentaria, Cassowary Coast, Charters Towers, Cloncurry, Cook, Croydon, Diamantina, Douglas, Etheridge, Flinders, Gladstone, Gold Coast, Goondiwindi, Gympie, Lockyer Valley, Longreach, Mareeba, McKinley, Moreton Bay, Mount Isa, North Burnett, Quilpie, Richmond, Scenic Rim, Somerset, Tablelands, Toowoomba, Western Downs, Whitsunday, Weipa and Winton.

The rateable local government areas being valued this year represent approximately 1.34 million square kilometers of land and covering 77% of the total area of Queensland.

The new valuations will take effect on 30 June 2014 for local government rating, State land tax and State land rental purposes (where applicable).

This report summarises the comprehensive analysis of all property markets within the 2014 Annual Valuation program for Queensland by a team of regionally based registered valuers in the State Valuation Service (SVS), Department of Natural Resources and Mines.

Due to the variation in land value movements within each local government area, this report focuses on median land values to more accurately reflect how values have changed. Median values were also determined for the previous two annual valuations in 2011 and 2012 – enabling median comparisons between this year and the year in which the last revaluation was undertaken.

Table 1 presents the 2014 median values and the percentage movement in the median value for each land use category since the last annual valuation was issued (either in March 2012 or March 2013). The large number of predominantly rural local government areas valued this year has contributed to the majority of local governments showing decreases in value. However, there is evidence of increasing values in Queensland's urban areas. The market evidence indicates growth in the urban areas of Queensland is supported by factors that underlay the

property market such as construction and finance. The greatest indicator has been finance availability for property investors. The Australian Bureau of Statistics reported that nationally the trend for the value of finance for investment housing commitments rose 3.0% in December 2013 compared with November 2013. The latest Building Approvals data states the trend estimate for total number of dwelling units approved in Queensland rose 3.8% in December and has risen for the previous 24 months. Population growth to 30 June 2013 increased from the previous period by 2%. These combined factors support a prospect of growth in the market in some localities.

Generally, across Queensland there has been limited sales activity in rural markets resulting in a continued softening of land values within the grazing, horticultural, small crop and dry land farming industries. The combined and ongoing effects of the continuing drought, global financial crisis, changes in bank lending policies, the persistent high Australian dollar, the overseas livestock trade ban, lower commodity prices and rising costs have made potential purchasers cautious.

This year the *Land Valuations Globe* through the *Queensland Globe* on Google Earth will give landowners unprecedented access to information. This includes the spatial representation of the valuation, valuation dates, the ability to search by property identification number and a real property description and all on a satellite imagery background that allows users to zoom in to property level.

This is a first for Queensland and landowners can take advantage by accessing Queensland Globe on the Department of Natural Resources and Mines website – [www.dnrm.qld.gov.au/mapping-data/queensland-globe](http://www.dnrm.qld.gov.au/mapping-data/queensland-globe)

The Land Valuations Globe, the list of Queensland's statutory land valuations in a searchable table format, interactive maps that include market tables for major residential localities, and a rural sales map can be viewed online at [www.dnrm.qld.gov.au](http://www.dnrm.qld.gov.au) until 10 June 2014 – allowing landowners to compare their valuations with others in their area.

In line with modern business practice, landowners can now elect to have future valuation notices and other valuation information sent to them by email by visiting [www.dnrm.qld.gov](http://www.dnrm.qld.gov) after 12 March 2014. With access to the internet and supporting technologies continuously improving, it is appropriate that there is flexibility in how we distribute information to landowners. There will be significant benefit to the public as it is more convenient, faster, sustainable and reliable. Those landowners who do not opt in will continue to receive information by post.

### Neil Bray

Valuer-General  
State Valuation Service



# 2014 Annual valuation program

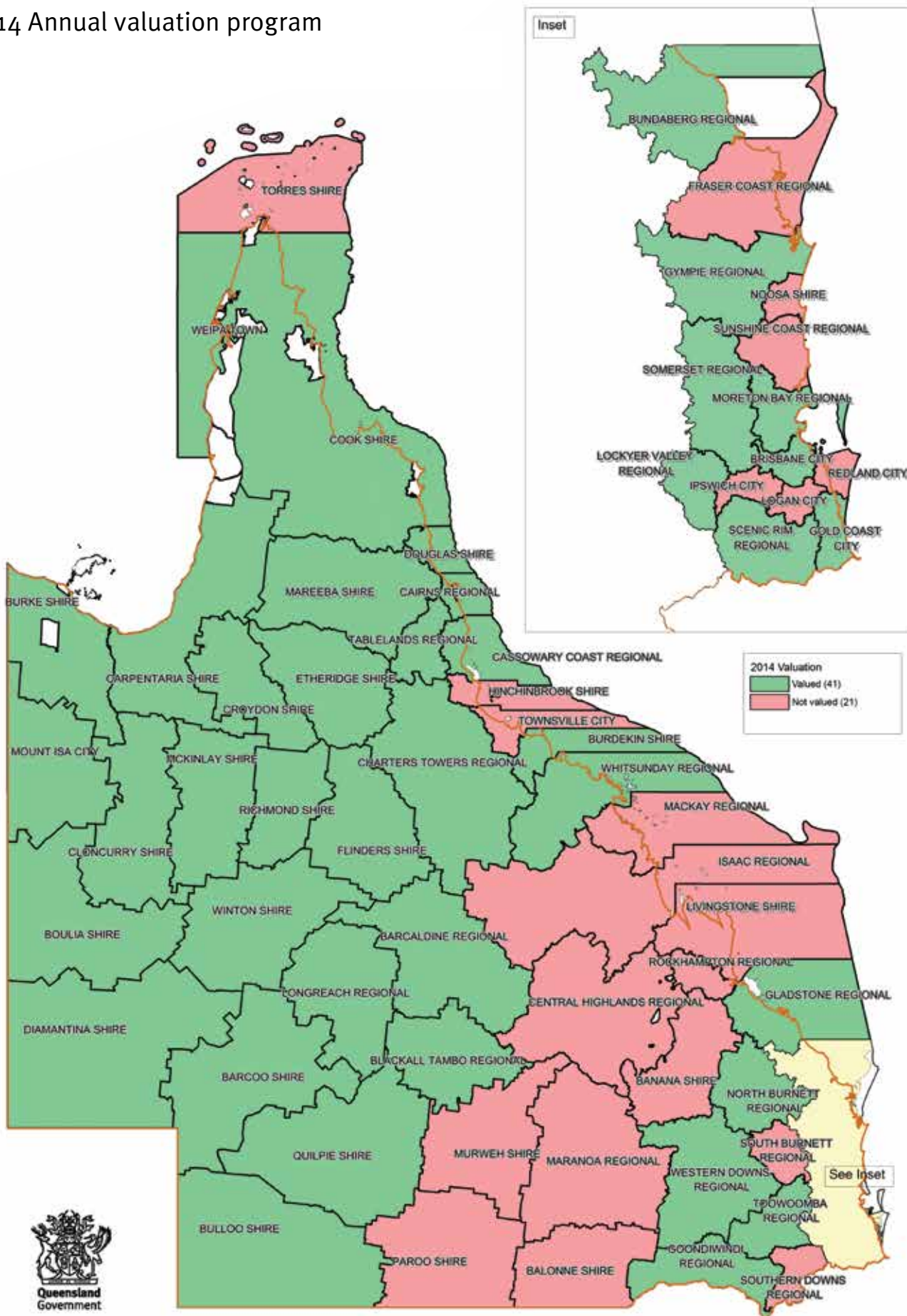


Figure 1: 2014 Annual valuation program

## Introduction

There are two methodologies used to undertake statutory land valuations in Queensland—site value and unimproved value.

Site value is used to value all non-rural land. It is the amount for which non-rural land could be expected to sell for, at the date of valuation, without any structural improvements on the land (e.g. houses, buildings, fences). Site value includes site improvements made to the land such as earthworks (e.g. levelling, filling, or drainage works). Excavations associated with a building are not included in site value.

Unimproved value is used to value rural land. It is the amount that rural land could be expected to sell for, at the date of valuation, without physical improvements such as houses, fences, dams, levelling and earthworks. If your land has been valued on an unimproved basis, it is either zoned rural (or equivalent) or designated rural for statutory valuation purposes.

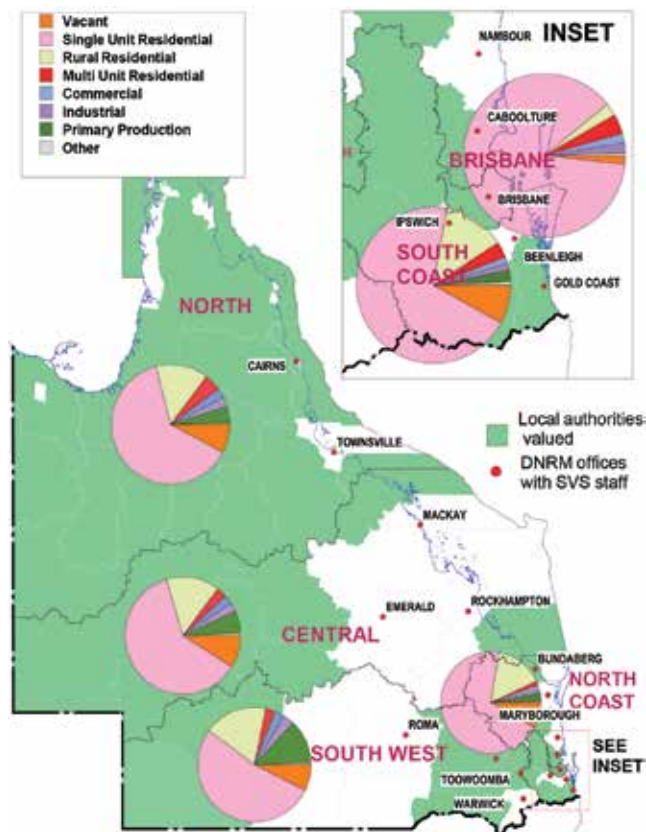


Figure 2: Property land use by region for 2014 valuation year

## Property market movement

The volume of property lodgements recorded with the Registrar of Titles has improved in 2013 with daily lodgements around 2642, which is an increase of 6.7% from 2012.

Property value changes, both up and down, can be attributed to a number of factors including:

- supply and demand within the market place
- consumer confidence
- availability of finance
- local, national and global economic factors
- the effects of extreme weather events.

Table 1 on page 11 presents the 2014 median values and the percentage movement in the median value for each land use category since the last annual valuation was issued (either in March 2012 or March 2013). The total change in value for each local government area is also displayed.

This year's overall percentage movements in statutory land values for the 2014 annual valuation are summarised below:

- Seven local government areas recorded an overall increase between 0.2% (Moreton Bay) and 8.4% (Toowoomba). Of these, six recorded increases of less than 5%.
- Thirty-two local government areas recorded an overall decrease in value between 0.3% (Whitsunday) and 20.2% (Barcoo).
- Of the local government areas that decreased – 14 decreased between 0 and 5%, eight between 5.1%-10% and the remaining decreased between 10.1% -20.2%.
- Two local government areas (Scenic Rim and Weipa town) recorded no overall change in value.

The large number of predominantly rural local government areas valued this year has contributed to the majority of local governments showing decreases in value.

## Overall market trends

Generally the major urban centres in South East Queensland have seen values stabilise driven by improving residential and commercial conditions. While some stabilisation is evident the market is still being influenced by:

- prevailing economic uncertainty and weak employment growth
- softer household consumption growth
- the slowdown in mining infrastructure expenditure and construction activity in some areas
- continuing impacts of a high Australian dollar.

However, these drivers are offset by:

- improving economic growth
- low borrowing costs and rising rental yields
- investment opportunities from interstate and overseas buyers
- an increase in tourist arrivals with demand from both interstate and overseas

The mining and gas industries continue to influence the property market as the resources sector is moving from an investment phase towards an export phase. This slowdown in activity in infrastructure construction is impacting on Gladstone which is showing evidence of a subdued residential market after years of high growth. Continuing activity in the Surat Basin is still driving development activity and land values in a number of centres including Miles.

Brisbane has seen a minor increase in values reflecting improved conditions in some residential and multiple unit areas. Commercial land values remain steady throughout however, the CBD is attracting strong investment interest which has led to increases in some parts of the city area.

The markets in other major urban centres such as Gold Coast, Moreton Bay and Cairns appear to have stabilised with some evidence of improved activity in residential and commercial areas.

Bundaberg has seen a fall in median land values reflecting the impact of the 2013 flood event where around 6,000 properties were affected.

Toowoomba has seen improvement in value levels reflecting positive local conditions while Gladstone values have fallen in some sectors due to declining activity in some residential and rural residential areas

Generally, across Queensland there is limited sales activity in rural markets resulting in a continued softening of land values within the grazing, horticultural, small crop and dry land farming industries.

The ongoing and combined effects of the continuing drought, high Australian dollar, lower commodity prices and rising costs have made potential purchasers cautious.

In the western pastoral zone, the market peaked around 2008 and has since fallen back to around 2005–06 value levels. This market continues to be subdued, with very few sales transactions.

Sales of rural land purchased by resource companies for the purpose of mining or other extractive industries are not used to determine statutory land values of rural land.

## Brisbane

There is evidence of a small movement in Brisbane residential land values since the last annual valuation issued in 2013 with the overall Brisbane residential median value increasing from \$310,000 to \$320,000. Of the 178 residential suburbs in Brisbane, 21 increased from 10% to 20% and included Highgate Hill, Red Hill, Bulimba, Milton, Morningside, Hamilton and Ascot. This group recorded median increases from \$50,000 to \$80,000. Eighty-one suburbs recorded no change in the median value. Five suburbs recorded a decrease in overall value from \$10,000 to \$50,000. These included Geebung and Dutton Park with decreases of \$10,000 due to a small number of lots in Bulwer and Burbank reducing by \$50,000. The balance of 71 suburbs recorded a small to moderate increase of up to 10%. This group recorded median increases from \$2,500 to \$35,000 and included Aspley, Riverhills, Virginia, Windsor, Ashgrove, Wavell Heights, Mansfield and Bellbowrie.

For Brisbane in general, higher-end properties recorded increases in value while in a number of outer suburbs, the more affordable land also continued to increase in value. The increase in sales activity by the end of 2013 is an indicator that confidence has returned to the Brisbane residential market.



*View of the Brisbane River and CBD (image courtesy of Tourism Queensland).*



The median value of multi-unit residential land in Brisbane increased 5.5% to \$730,000. Multi-unit development activity increased during the latter part of 2013 particularly in the fringe CBD areas and to a lesser extent, smaller multi-unit developments across suburbs close to the tunnel network or close to railway stations.

Industrial land values have remained subdued with a very minor increase in the median value to \$865,000.

Rural farm land in Brisbane represents a small market segment and recorded a 4.3% increase in median value to \$600,000. Rural residential land recorded a slight decrease in the median value to \$550,000.

The Brisbane commercial office and retail markets have generally remained steady since the annual valuation in 2013. The Brisbane CBD has attracted strong investment interest from overseas and Australian buyers despite decreases in the occupancy rates. Parts of the CBD and fringe CBD properties recorded increases in value.

## Greater Brisbane

Moreton Bay Regional Council was the only Greater Brisbane local government area valued this year.

In general the Moreton Bay Regional Council residential dwelling market is static with sales volumes, median house prices and land values of around \$375,000 and \$200,000 respectively, largely unchanged since the last valuation in 2013.

Across Moreton Bay statutory land values are generally unchanged, including the former Pine Rivers area adjoining Brisbane while values are increased by 5% in North Lakes and Mango Hill. Median land values range from \$212,500 in North Lakes to \$270,000 in Everton Hills. Land values in the Caboolture area are holding to minor decreases of around 5% with a new median value of \$165,000 in Caboolture itself.

Redcliffe is experiencing some minor growth in values of around 5 to 10% with median values of \$240,000 in Woody Point and \$182,500 in Rothwell. Other coastal centres such as parts of Bribie Island and the Donnybrook are showing moderate falls of up to 15%.

Multi-unit land values are steady in Caboolture and Pine Rivers. However, minor decreases of around 5% at Bribie Island and along the Redcliffe Esplanade are evident in the sales evidence.

Retail and commercial activity has been largely static since 2013 with land values holding in most areas. Industrial land values have generally held firm across the city. However, the Brendale area has fallen by up to 10% supported by local sales evidence.

Rural residential values have generally mirrored other residential areas with land values holding to showing small reductions of around 10% since the last valuation in 2013. Farming land values have fallen by around 10%.

## Gold Coast

Since the last revaluation twelve months ago, the Gold Coast property market has indicated a general change from decreasing values to stabilisation and in some cases increasing values. The residential market showed the strongest turnaround with 59% of properties in localities showing an increase in median value. The strongest areas were those with medium priced stock close to the beach, principally the band of localities from Miami to Palm Beach. More remote hinterland areas continued to show some decline in value, but otherwise values were stable.

Residential multi-unit land values were generally stable with an increase to the median value in those areas where the unit market merges with the increasing single unit residential market.

Commercial and industrial land values have improved and generally stabilised this year. Some decreases in industrial values of approximately 10% occurred in the localities of Gaven and Biggera Waters.

The rural residential and rural land markets in the hinterland and northern areas of the Gold Coast generally remained unchanged.

## South East Queensland

For the purposes of this report, the South East region encompasses the valley areas to the west of the Greater Brisbane area, coastal areas north to Bundaberg and inland to North Burnett regional council area.

The following local governments have been valued in the 2014 annual valuation:

- Scenic Rim
- Lockyer Valley
- Somerset
- Gympie
- Bundaberg
- North Burnett

The valley areas to the west of Greater Brisbane comprise the local government areas of Scenic Rim Regional Council, Lockyer Valley Regional Council and Somerset Regional Council. Overall, values in the area have either stabilised or are continuing to decline relative to the distance away from Brisbane.

Land values in the Scenic Rim remained generally static in the past 12 months with some value adjustments for local market conditions for residential values in Moogerah and some industrial land values in Beaudesert. Somerset and Lockyer Valley land values however, generally declined by 6.3 and 4.6% respectively. Values in Lockyer Valley experienced a general 5% decrease with greater reductions in the more remote south western parts of the area. Somerset also experienced a graded reduction from no change in the southern Ipswich influenced area to the 25% reduction in the town of Kilcoy.



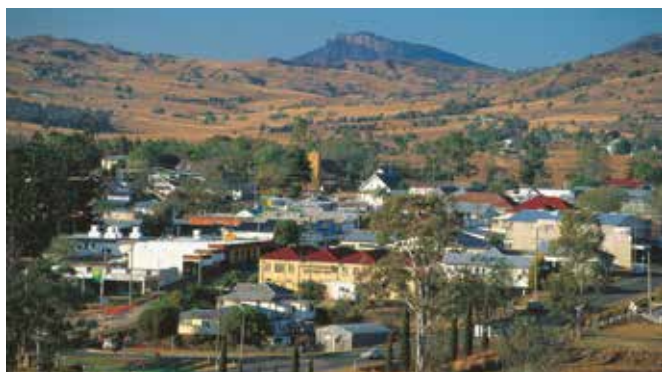
The extreme weather events in 2013 saw significant flooding in the Gympie, Bundaberg and North Burnett areas with the urban centres of Gympie and Bundaberg affected. Smaller centres such as Mundubbera and Gayndah also experienced flooding to parts of the town. In those areas where historical flooding was recorded, the statutory valuations will already reflect those occurrences. The impact of any new flooding was considered in the review of this year's valuations.

Affordability continues to be a major factor in this region with residential housing activity still centred on the affordable housing market – being sub \$350,000 in the Bundaberg and Gympie regions. Median house values have fallen in Bundaberg since last year reflecting the impacts of the January flooding in some housing areas. Low interest rates and stronger demand from first home buyers and investors has seen increased sales activity at the lower end of the market. Prestige property remains subdued with limited demand and anxious vendors placing pressure on property prices in some markets.

The Gympie local government area has shown a minor fall in residential land values with decreases of 5 to 10% within Gympie City, Tin Can Bay and Rainbow Beach. Prestige lands in Tin Can Bay and Rainbow Beach recorded significant decreases of up to 30%, and similarly in the Bundaberg regional council area where coastal towns vary from no change to decreases of 25%. Land values in Bundaberg city and the hinterland towns across Bundaberg and North Burnett are generally unchanged except for flooded properties which recorded varying decreases dependent upon the extent and impact of the flooding.

Rural home site values mirror the changes in the urban areas with values generally holding with small decreases up to 10% in Gympie. Bundaberg and North Burnett generally remain unchanged with the exception of flood affected properties which recorded varying decreases.

Multi-unit land values in most coastal areas have decreased with many transactions being forced sales by third party financial institutions. Impacts on land values range from reductions of 10% in Rainbow Beach to significant decreases of around 25% at Bargara. Flood free land values in Bundaberg city remain unchanged with small scale building activity meeting local demand.



Town centre in Boonah (image courtesy of Tourism Queensland)

Industrial, retail and other commercial activity has been largely static across the region reflecting local market conditions. This subdued activity has seen land values generally remain unchanged in Bundaberg and North Burnett with the exception of flood affected properties which recorded moderate to significant decreases in value. Gympie recorded decreases of 5 to 10% mirroring residential trends.

Farming activities such as cattle, cane, small crops and tree crops are significant enterprises throughout the region. Whilst 2013 has seen fluctuating commodity prices, rising costs and extreme weather events, land values generally remain unchanged across the region. Rural land values in Bundaberg and North Burnett remained steady in the region with subdued market activity in most areas supporting existing levels. Sales evidence in the Gympie region indicates some falls of around 10% in the Mary Valley and eastern parts of the council area while the western area values are unchanged.

## South West Queensland

For the purposes of this report, the south-west region encompasses Toowoomba and the areas to the west and south-west of Toowoomba to the Queensland border.

The following local governments have been valued in the 2014 annual valuation:

- Toowoomba
- Western Downs
- Goondiwindi
- Bulloo
- Quilpie

Generally, residential values recorded moderate increases throughout the City of Toowoomba and Highfields, a reflection of the positive economy within the city.

Some of this growth can be attributed to being located on the edge of the extensive resource developments within the Surat Basin, and projects such as the construction of the Wellcamp Airport to become operational in late 2014. This airport is designed to cater for large jets up to 747 size. The recent announcement of the second range crossing with construction to commence in early 2015 will only continue the momentum currently being experienced in Toowoomba.

Median residential values in East Toowoomba have increased from \$180,000 to \$200,000.

The towns of Pittsworth and Crows Nest recorded small increases in residential values. Sales within the towns of Hampton and Cooyar recorded large increases with the median value in Cooyar increasing from \$14,800 to \$25,000.

Generally, rural residential properties within the localities south of Toowoomba City have seen small increases in value.

At this point in time the commercial and industrial markets within Toowoomba City are stable except for the suburban commercial area and parts of the fringe CBD where there have been small increases.

Land values have generally continued to increase in the last twelve months within the urban areas of Western Downs Regional Council due to the continued expansion within the Surat Energy Basin and associated energy projects.

Residential land values have continued to increase in Western Downs with the exception of the town of Chinchilla. Chinchilla has seen some stabilisation in property values, with no change occurring in the newer estates but a small reduction in the balance. Multi-unit land values recorded moderate to large increases.

Large increases in value occurred within the town of Miles and small increases within Wandoan and the western side of Dalby. Wandoan median values increased from \$195,000 to \$215,000 and Miles, \$147,000 to \$185,000. The continued increases in Wandoan are a result of the resource activities in this locality and the shortage of available residential land.

There were continued large increases in commercial and industrial values within the town of Miles and small increases in the western industrial area of Chinchilla. Wandoan recorded a large reduction in industrial values due to the Xstrata coal mine not proceeding. No changes in value were recorded within these market sectors in Dalby.

Rural residential properties around Miles and Dalby also recorded small increases.

The urban property market within Goondiwindi Regional Council is generally stable except within the town of Yelarbon where there were large increases in value and small to large increases in rural homesites around Inglewood and Texas.

Yelarbon recorded significant increases in residential land, with the median value increasing from \$7,400 to \$14,800.

Large increases were also recorded within the towns of Quilpie and Thargomindah. The median residential value increased from 17,800 to \$24,000 in Quilpie, and \$ 3,200 to \$4,500 in Thargomindah.

Rural markets throughout the region overall, have generally either static or softened. Sales evidence has been limited.

The ongoing and combined effects of the continuing drought, global economic factors, changes in bank lending policies, the persistent high Australian dollar, the overseas livestock trade ban, lower commodity prices and rising costs have made potential rural purchasers cautious.

Small reductions occurred in the Brigalow scrub areas of the Tara locality, and large reductions within the larger Brigalow scrub area around Wandoan and throughout the majority of the Goondiwindi local government area.

There continues to be a small number of recent sales in the south west region in the Mulga and Warrego flood plain (salad bowl) markets. These properties have sold more easily due to the overall smaller amount of capital required to purchase them. These sales are supporting no change to existing unimproved value levels.

The limited numbers of comparable larger western pastoral sales support a moderate reduction in value.

Sales of rural land purchased by resource companies for the purposes of mining or other extractive industry are not used to determine statutory land values of rural land.

## Central Queensland

For the purposes of this report, the central region encompasses Rockhampton and extends south to Miriam Vale, north to Bowen and west to the Queensland border.

The following local government areas have been considered in the 2014 Annual Valuation:

- Whitsunday Regional Council
- Gladstone Regional Council
- Barcaldine Regional Council
- Blackall Tambo Regional Council
- Longreach Regional Council
- Winton Shire Council
- Barcoo Shire Council
- Diamantina Shire Council

Over the last year the Central Queensland property market has softened. The volume of sales has remained low throughout the region and land values have generally remained static or shown small reductions in value.

The notable exceptions have been the areas surrounding Gladstone which recorded moderate reductions. Collinsville and Scottsville recorded major reductions and some rural townships such as Proserpine recorded moderate increases.

The major influences on the Central Queensland property market again this year were the health of the economic viability of the region's resources industry, tourist activity, and the tight lending practices of the financial industry.

As was the case last year, the major influence on the property market was the economic viability of the resource industry. The effect this year however was more negative than positive, with a reduction of over 10,000 jobs from Bowen Basin coal industry, the closure of a number of Bowen Basin coal mines and the moth balling of infrastructure development in the Bowen Basin and Gladstone. This has caused a downward trend for Gladstone and some of the region's mining towns over the last 18 months, as well as the end of Gladstone's property boom. Land values in some towns are presently stabilising, whereas others, such as Collinsville are still dealing with workforce uncertainty and a continuing reduction in all property markets.

In past years the impact of the resource industry strengthened land values throughout the region. This year, the only localities where the mining influence had a positive effect are the townships of Jericho and Alpha. This can be attributed to the fact that both have exposure to the still developing Galilee Basin as opposed to the contracting and highly developed Bowen Basin resource industry.

The property markets of Gladstone and surrounds are presently stabilising after several years of strong demand. Overall, land values within the city have remained static. A number of the surrounding townships however, such as Mount Larcom and Raglan, recorded moderate reductions in value.

The second influencing factor is the reliance on the tourism industry. The regional tourist numbers have dropped significantly due to the deteriorating economic conditions in the northern hemisphere and the still relatively strong Australian dollar. This has led to a softening of high end residential, commercial, and development land values in towns reliant on tourism. Although these markets are still depressed, they are now thought to have reached the bottom of this market cycle. Evidence of this can be taken from the stabilisation, and in some cases strengthening, of urban land markets in the dormitory suburbs of Airlie Beach.

The third factor relates to the tightening of credit markets and the availability of finance for development projects. This factor has had more of an impact on the multi-unit and land subdivision markets. In these markets there has been low demand and the volume of property sales evidence has been limited. However, in the majority of cases it is believed the market has reached the bottom of the cycle and is now stabilising.

Generally, multi-unit, commercial and industrial land values remain unchanged or recorded small reductions in value. The exceptions were a number of smaller towns where these markets have mirrored increases in the residential markets. These include Proserpine, Alpha, Barcaldine and Jericho.

Rural markets throughout Central Queensland generally remained static or softened, and a feature of the market has been that comparable sales evidence has been limited.

The grazing market, under the pressure of tightening finance, uncertainty in commodity markets, and continuing drought conditions, has softened and recorded a number of varied small reductions in values across the western areas of the region.

The region's agricultural markets have generally remained static and values remain unchanged. The stationary nature of values in these land uses can be attributed to a number of factors both negative and positive including: the weakening of the Australian dollar; the general softening of commodity prices; and the investment confidence in the sugar industry.

## North Queensland

For the purposes of this report, the region encompasses the southern extremes of the Burdekin, north to Cape York and west to the Queensland border.

The following local government areas have been considered in the 2014 Annual Valuation.

- Cook Shire Council
- Cairns Regional Council
- Douglas Shire Council
- Cassowary Coast Regional Council
- Mareeba Shire Council
- Tablelands Regional Council
- Burdekin Shire Council
- Weipa Town Council
- Etheridge Shire Council
- Croydon Shire Council
- Carpentaria Shire Council
- Burke Shire Council
- Boulia Shire Council
- Mount Isa City Council
- Cloncurry Shire Council
- McKinlay Shire Council
- Richmond Shire Council
- Flinders Shire Council, and
- Charters Towers Regional Council.

After a period of falling values followed by a period of stabilisation, the Cairns property market is showing signs of improvement. The tourism industry is recovering due to the Australian dollar depreciating by about 15% within the last 18 month period which has corresponded to an increase in domestic and international visitation at the Cairns airport.

Demand for improved residential properties has continued to strengthen throughout 2013. For the year ending 30 September 2013, there were 2,298 house sales recorded in the local government area, representing an increase of 20.4% on the previous twelve month period. The median house price increased 4.8% to \$359,500 over the same time.

The residential and rural home site market within the Cairns locality has generally experienced a minor increase in land values over the last 12 month period.

Land values in the Babinda locality have remained static due a lack of demand, whilst moderate reductions have occurred in the Bramston Beach locality.

Distressed sales have been prevalent in the commercial, industrial and multi-unit market sectors since 2009. However, properties which are well located and have secured tenancies in place are still holding their levels of value. Land values in all three sectors have leveled out within the Cairns region over the past 12 months with minimal to no change in value recorded in these sectors.

Similar to Cairns, residential land values within Port Douglas have generally experienced a minor increase over the last 12 month period after an extended period of falling values and recent stabilisation. However, values have decreased in some other areas where the supply of land is still greater than the demand. Values have continued to reduce at Wonga Beach. Residential values in the town of Mossman have generally remained unchanged.

The residential market in the Cassowary Coast has been variable throughout the region since the last annual valuation in 2012 with market movements in a few locations. The impacts of the global economic factors and Cyclone Yasi linger and together with a general oversupply of residential land in the Island Coast strip, prices are tending to continue to fall.

Residential values have generally held steady in the towns of Innisfail, Cardwell and the smaller coastal and hinterland communities. The localities of Tully, Mission Beach, Wongaling Beach, South Mission Beach and waterfront lands within Port Hinchinbrook recorded minor reductions while Silkwood recorded a moderate decrease. Commercial, industrial and multi-unit lands generally remained static within Innisfail, whilst Tully and the Island Coast region recorded minor reductions.

Residential, rural residential, commercial and industrial values have generally held steady or have softened in the eastern Tableland towns of Malanda, Yungaburra, and Atherton however, values reduced moderately in the towns of Herberton, Ravenshoe and Mount Garnet.

In the lower Tableland, values in Mareeba have generally remained steady apart from some minor variations in value within the various precincts of the town. Values in the smaller and more outlying villages have generally remained steady apart from Kowrowa, Bibohra, Kuranda and Irvinebank where minor decreases have occurred.

The residential market in North West Queensland has remained stable. No changes to residential values have occurred in the city of Mount Isa. However, minor increases have been experienced in Cloncurry and Camooweal. No changes in value have occurred in the town of Boulia.

The Gulf communities of Gregory Downs, Burketown, Normanton, and Croydon have all experienced increases in value. The exception is the town of Karumba, where values have experienced moderate reductions.

The Northern Downs communities of Julia Creek, Richmond and Hughenden experienced a range of variations in value.

Values in the town of Hughenden have generally remained static, whilst Julia Creek recorded a moderate increase and Richmond a moderate reduction. Smaller villages such as Nelia and Maxwelton recorded substantial increases in value, however they come from a low value base.

Burdekin residential values have generally held steady in the towns of Ayr, Brandon, Dalbeg and Inkerman, whilst values in Home Hill, Alva, Clare and Giru recorded small decreases.

Within Cape York, the township of Weipa experienced little change to value over the period however, within the township of Cooktown moderate reductions in value have occurred. Increases were recorded in Laura and Lakeland, these however come from a low value base.

North Queensland pastoral lands extend from the Cape to the Gulf, west to the North West highlands, south to the Channel country, and include the Einasleigh Uplands and the Northern Downs. Since the global financial crisis in 2008 and subsequent tightening of property financing in late 2008, rural property values have shown a general downward trend. Difficulties associated with the live export market and state wide drought have also impacted confidence in the industry. Values have generally softened in line with the market. Smaller well located grazing properties have generally remained unchanged.

North Queensland coastal farming is dominated by sugar cane production. Levels of value for cane land have generally held firm over the last 12 months however values have softened in the wet tropic areas surrounding Babinda. Well located good quality arable lands have continued to increase in value within the Cairns locality.

## Rural

Generally, across Queensland there is limited sales activity in rural markets resulting in a continued softening of land values within the grazing, horticultural, small crop and dry land farming industries.

The ongoing and combined effects of the continuing drought, global economic factors, changes in bank lending policies, the persistent high Australian dollar, the overseas livestock trade ban, lower commodity prices and rising costs have made potential purchasers cautious.

It is expected that this trend will continue until there is an improvement in the weather and a sense of optimism in the broader economic market place.

Figures 3 and 4 show the extent of the drought and the growing drought declarations across Queensland from the date of valuation 1 October 2014.

In the western pastoral zone, the market peaked around 2008 and has since fallen back to around 2005–06 value levels. This market continues to be subdued, with very few sales transactions.



Limited sales have shown small to moderate reductions in value across Queensland, except for the local authorities of Croydon, Etheridge and parts of Goondiwindi where there are large reductions in current unimproved rural values.

Sales of mulga properties within south western Queensland, the good quality farming and grazing lands of Toowoomba and Western Downs, the desert uplands area of Barcaldine and the local authorities of North Burnett, Scenic Rim, Gladstone and Douglas are the only rural areas generally to have not shown a reduction in value.

There continues to be a small number of recent sales in the south west region in the Mulga and Warrego flood plain (salad bowl) markets. These properties are being sold more easily due to the overall smaller amount of capital required to purchase them. These sales are supporting no change to existing unimproved value levels.

Sales of rural land purchased by resource companies for the purpose of mining or other extractive industry are not used to determine statutory land values of rural land.

The horticultural and small crop industries within the Lockyer Valley have generally recorded small reductions in value of 5% in general. Better quality lands located in the Mary Valley and eastern parts of Gympie regional council have fallen a further 10% since 2013.

Sugar cane and small crops land values have generally remained unchanged. Sale evidence has generally remained very limited. The market's major influences include: softening of commodity prices, depreciation of the Australian dollar and investor confidence in the sugar industry.

The prospects of a good 2014 sugar harvest and a continuation of confidence within the sugar cane industry have also played their part in stabilising cane land values during a time of falling world prices.



*Drought affected Downs Country in Central Western Queensland (image courtesy of the Department of Natural Resources and Mines)*

Table 1: New median value and percentage movement in median value since the previous annual valuation, for whole local government area

| Local Government | Residential           |                         | Rural/Residential     |                         | Multi-Unit            |                         | Commercial            |                         | Industrial            |                         | Primary Production    |                         | Total Value Change (%) |
|------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|------------------------|
|                  | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) |                        |
| Barcaldine       | 58 000                | 10.5                    | 66 000                | 10.0                    | 55 000                | 10.0                    | 55 000                | 10.0                    | 61 000                | 10.9                    | 705 000               | -7.7                    | -1.6                   |
| Barcoo           | 7 500                 | 0.0                     | 11 750                | 0.0                     | n/a                   | n/a                     | 14 000                | 0.0                     | 475                   | 0.0                     | 295 000               | -17.5                   | -20.2                  |
| Blackall-Tambo   | 41 500                | 61.2                    | 47 750                | 19.4                    | 38 500                | 75.0                    | 47 250                | 32.2                    | 44 000                | 29.4                    | 720 000               | -10.0                   | -4.2                   |
| Boulia           | 9 000                 | 0.0                     | 23 000                | 27.8                    | 11 000                | 0.0                     | 19 000                | 0.0                     | 10 000                | 0.0                     | 720 000               | -20.0                   | -18.7                  |
| Brisbane         | 320 000               | 3.2                     | 550 000               | -1.8                    | 730 000               | 5.5                     | 730 000               | 0.0                     | 865 000               | 0.6                     | 600 000               | 4.3                     | 3.0                    |
| Bulloo           | 4 500                 | 45.2                    | 3 400                 | -1.4                    | 4 950                 | 52.3                    | 5 500                 | 0.0                     | 17 200                | 25.1                    | 310 000               | -12.7                   | -7.0                   |
| Bundaberg        | 113 000               | -2.6                    | 106 000               | 1.0                     | 150 000               | -4.8                    | 207 500               | -4.6                    | 192 500               | -6.7                    | 157 500               | 0.0                     | -4.9                   |
| Burdekin         | 87 000                | -2.2                    | 110 000               | 0.0                     | 115 000               | -1.7                    | 142 000               | -0.7                    | 140 000               | 0.0                     | 215 000               | 0.0                     | -1.5                   |
| Burke            | 49 500                | 70.7                    | 39 750                | 59.0                    | 74 000                | 70.1                    | 102 000               | 70.0                    | 102 000               | 70.0                    | 920 000               | -16.4                   | -11.8                  |
| Cairns           | 143 000               | 2.1                     | 265 000               | 1.9                     | 172 500               | 1.5                     | 352 500               | 0.0                     | 325 000               | 0.0                     | 210 000               | 3.7                     | 2.9                    |
| Carpentaria      | 21 000                | 32.9                    | 41 500                | 22.1                    | 49 000                | -25.2                   | 74 500                | 18.3                    | 91 000                | 0.6                     | 800 000               | -20.0                   | -15.3                  |
| Cassowary Coast  | 74 000                | -2.6                    | 115 000               | -3.4                    | 101 000               | -3.8                    | 192 500               | -1.3                    | 152 500               | -6.2                    | 148 000               | -1.3                    | -3.8                   |
| Charters Towers  | 52 000                | 0.0                     | 113 000               | 0.0                     | 62 000                | 3.3                     | 81 000                | 1.3                     | 36 000                | 9.1                     | 640 000               | 0.0                     | -4.5                   |
| Cloncurry        | 85 000                | 10.4                    | 160 000               | 10.3                    | 86 000                | 10.3                    | 128 000               | 10.3                    | 2 500                 | -3.8                    | 460 000               | -13.2                   | -0.5                   |
| Cook             | 67 000                | -17.3                   | 125 000               | -3.1                    | 73 000                | -16.1                   | 175 000               | 2.2                     | 1 000                 | 0.0                     | 367 500               | -2.6                    | -7.5                   |
| Croydon          | 15 400                | 69.2                    | 24 500                | 70.1                    | n/a                   | n/a                     | 37 500                | 69.7                    | 2 400                 | -27.3                   | 275 000               | -29.5                   | -18.6                  |
| Diamantina       | 19 500                | 0.0                     | 17 500                | 0.0                     | 15 250                | 0.0                     | 45 000                | 0.0                     | 29 500                | 0.0                     | 1 100 000             | -15.4                   | -13.0                  |
| Douglas          | 127 500               | 0.4                     | 136 000               | 3.0                     | 410 000               | 1.2                     | 312 500               | -5.3                    | 160 000               | -5.2                    | 185 000               | 0.0                     | 0.8                    |
| Etheridge        | 11 300                | -11.7                   | 15 450                | 13.6                    | 13 550                | -6.9                    | 17 700                | 8.6                     | 620                   | -26.6                   | 500 000               | -25.4                   | -19.0                  |
| Flinders         | 11 500                | 0.0                     | 21 250                | 0.0                     | 12 000                | 0.0                     | 16 500                | 0.0                     | 17 000                | 0.0                     | 807 500               | -8.8                    | -6.4                   |

Continued from previous page

| Local Government | Residential           |                         | Rural Residential     |                         | Multi-Unit            |                         | Commercial            |                         | Industrial            |                         | Primary Production    |                         | Total Value Change (%) |
|------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|------------------------|
|                  | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) | New Median Value (\$) | Median Value Change (%) |                        |
| Gladstone        | 195 000               | -3.7                    | 165 000               | -4.3                    | 290 000               | -3.3                    | 395 000               | -3.7                    | 510 000               | 0.0                     | 115 000               | 0.0                     | -5.4                   |
| Gold Coast       | 237 500               | 3.3                     | 320 000               | 0.0                     | 370 000               | 5.7                     | 630 000               | 0.0                     | 560 000               | 0.0                     | 242 500               | 0.0                     | 1.9                    |
| Goondiwindi      | 75 000                | 0.0                     | 120 000               | 8.1                     | 80 000                | 0.0                     | 103 000               | 5.1                     | 106 000               | 0.0                     | 203 750               | -15.5                   | -10.5                  |
| Gympie           | 92 000                | 2.2                     | 132 000               | -2.2                    | 117 000               | -2.5                    | 126 500               | -6.3                    | 132 000               | -1.5                    | 197 500               | -7.1                    | -4.3                   |
| Lockyer Valley   | 94 000                | -5.1                    | 112 000               | -4.3                    | 106 000               | -5.4                    | 240 000               | -2.0                    | 170 000               | -5.6                    | 260 000               | -7.1                    | -4.6                   |
| Longreach        | 70 000                | 0.0                     | 36 936                | -3.9                    | 72 500                | 0.0                     | 100 000               | 0.0                     | 72 500                | 0.0                     | 730 000               | -8.1                    | -5.7                   |
| Mareeba          | 73 000                | -2.7                    | 168 750               | -0.7                    | 102 000               | -3.8                    | 215 000               | 6.2                     | 4 600                 | -2.1                    | 240 000               | -2.0                    | 0.5                    |
| McKinlay         | 9 600                 | 20.0                    | 10 200                | 13.3                    | 9 000                 | 20.0                    | 9 000                 | 20.0                    | 21 000                | 31.3                    | 915 000               | -8.5                    | -10.0                  |
| Moreton Bay      | 200 000               | 1.3                     | 310 000               | 0.0                     | 320 000               | 0.0                     | 520 000               | -1.9                    | 470 000               | -4.1                    | 362 500               | -9.4                    | 0.2                    |
| Mount Isa        | 118 000               | 0.0                     | 285 000               | 0.0                     | 139 000               | 0.0                     | 245 000               | 0.0                     | 250 000               | 0.0                     | 365 000               | -14.1                   | -0.7                   |
| North Burnett    | 41 500                | -5.7                    | 56 000                | 1.8                     | 40 000                | -2.4                    | 54 000                | -8.5                    | 60 000                | -3.2                    | 182 500               | 0.0                     | -1.3                   |
| Quilpie          | 24 000                | 34.8                    | 600                   | 0.0                     | 26 000                | 30.7                    | 20 000                | 29.0                    | 500                   | 0.0                     | 146 500               | 1.0                     | -1.5                   |
| Richmond         | 7 800                 | -25.0                   | 20 500                | -25.5                   | 9 000                 | -25.0                   | 15 600                | -24.8                   | 11 000                | -21.4                   | 930 000               | -11.4                   | -11.2                  |
| Scenic Rim       | 152 500               | 0.0                     | 215 000               | 0.0                     | 205 000               | 0.0                     | 285 000               | 0.0                     | 255 000               | 7.4                     | 430 000               | 0.0                     | 0.0                    |
| Somerset         | 88 000                | -7.4                    | 145 000               | -4.9                    | 91 000                | 0.0                     | 128 000               | -6.2                    | 140 000               | -9.7                    | 340 000               | -6.8                    | -6.3                   |
| Tablelands       | 94 000                | -5.1                    | 152 500               | -3.2                    | 100 000               | -4.8                    | 177 500               | -4.1                    | 119 000               | -4.0                    | 295 000               | -7.1                    | -6.3                   |
| Toowoomba        | 137 000               | 13.2                    | 170 000               | 9.7                     | 165 000               | 14.6                    | 227 500               | 5.8                     | 260 000               | 4.0                     | 210 000               | 0.0                     | 8.4                    |
| Weipa Town       | 150 000               | 0.0                     | 597 500               | 0.0                     | 202 000               | 0.0                     | 462 500               | 0.0                     | 275 000               | 0.0                     | n/a                   | n/a                     | 0.0                    |
| Western Downs    | 99 000                | 8.8                     | 72 000                | 0.0                     | 167 500               | -4.3                    | 190 000               | 5.0                     | 175 000               | 2.9                     | 280 000               | -1.8                    | -0.8                   |
| Whitsunday       | 132 000               | 6.5                     | 202 500               | 1.3                     | 190 000               | 0.0                     | 225 000               | -5.3                    | 177 500               | 0.7                     | 187 500               | 4.2                     | -0.3                   |
| Winton           | 15 000                | 0.0                     | 27 500                | 0.0                     | 14 000                | 0.0                     | 24 000                | 0.0                     | 500                   | 0.0                     | 820 000               | -10.9                   | -10.3                  |

# Queensland drought situation as at 1 October 2013

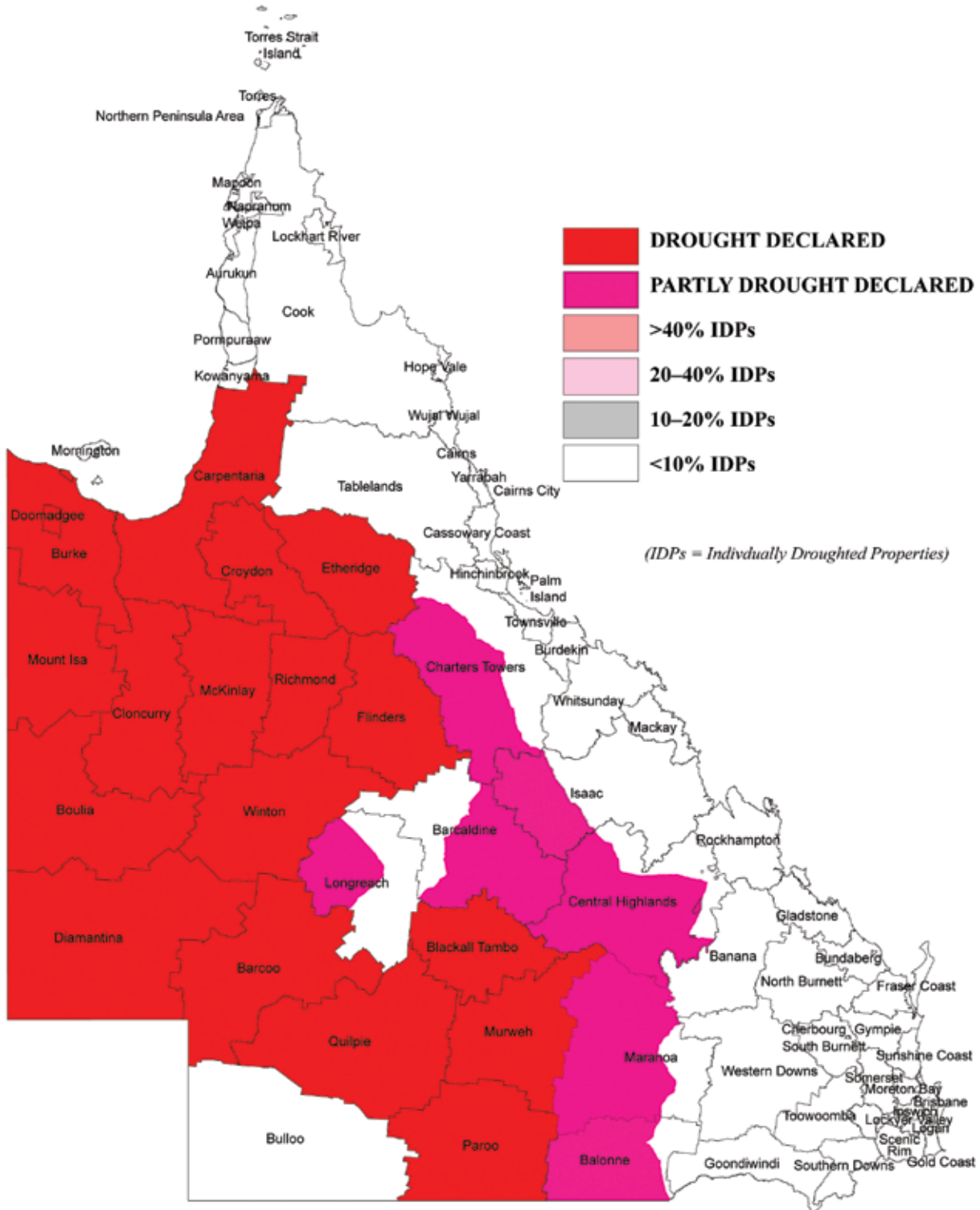


Figure 3: Queensland drought situation as at 1 October 2013



# Queensland drought situation as at 28 January 2014

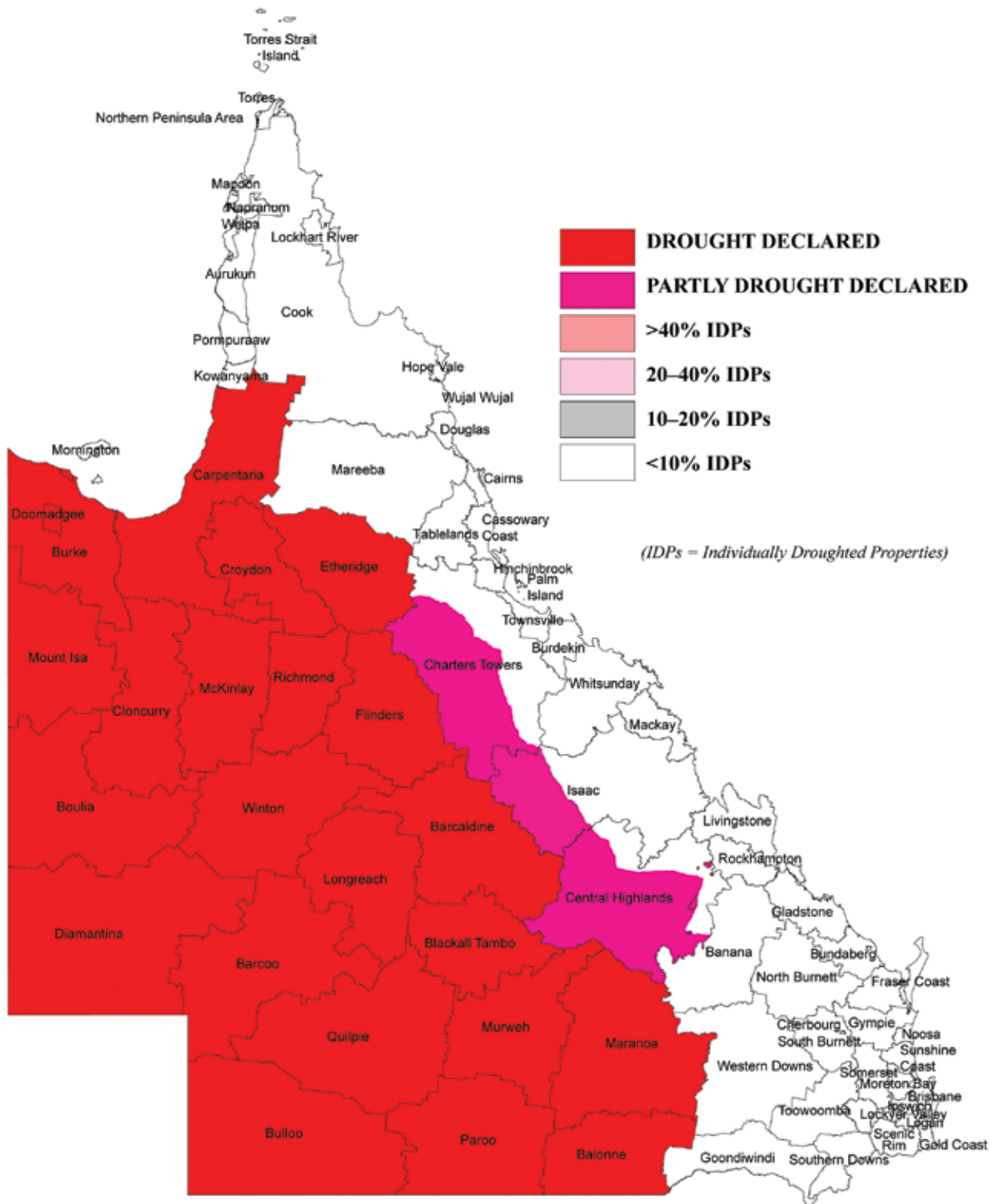


Figure 4: Queensland drought situation as at 28 January 2014

