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New Property Research released on Whitsundays and Airlie Beach

Investors circle

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Holiday housing markets in the Whitsundays and Airlie Beach have started to stabilise following a 12 month drop in prices.

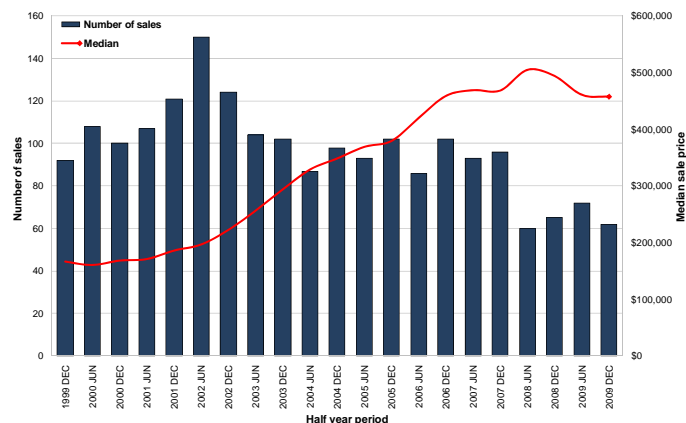
New research released by PRDnationwide shows median prices had softened by 7.4% during the most recent six month period after a prolonged softening in price and sales activity.

Jim Midgley, PRDnationwide managing director, said decreases in median price will afford investors the opportunity to capitalise on low sales activity and discounted prices.

“The Whitsundays market is first and foremost a holiday market and as such has incurred the pinch of tightening credit from the Global Financial Crisis,” he said.

“Over the most recent six month period however, median price has stabilised with the strengthening Australian economy, strong consumer sentiment and business confidence,” he said.

Report author, PRDnationwide research analyst Josh Brown, said when analysing the long term performance of the Whitsundays house market, median price has enjoyed a healthy five year growth rate of 5.6% per annum, despite the recent economic uncertainty.



Analysis of the price point distributions reveals that 50% of sales have occurred within the \$400,000 to \$499,999 price bracket, with a further 18% of sales transacting within the \$500,000 to \$599,999 price point. Only five house sales have exceeded the \$700,000 plus price point representing high end stock for the December 2009 half year.

A resale analysis has been undertaken by PRDnationwide Research to establish the returns to home owners who exited the Whitsundays house market during the 2009 calendar year.

Product sold within this period has yielded an average annual capital growth figure of 2% per annum for the region. It must be noted that these houses had an average holding period of just over 3 years and therefore reflect the recent downturn experienced in the global economy.

While unit prices in the Whitsundays have also softened by 6.3% - volume of sales has spiked by 10.2%.

"This recent recovery in settled transactions has been driven by increased interest from investors wishing to take advantage of a product in an appealing market," said Mr Brown.

During the six month period ending December 2009, 22 transactions were recorded in the Airlie Beach unit market.

"This figure registers below the five year average of 33 transactions per half year period, which can be attributed to the lasting effects of the global economic crisis still present in this tourism driven market," said Mr Brown.

The median apartment price for this period was \$391,250, registering \$53,750 above the Whitsunday median.

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About PRDnationwide

PRDnationwide was founded on Queensland's Gold Coast in 1975. The company has specialised in residential project marketing for more than three decades and it has a strong commercial presence in both the Gold Coast and Brisbane markets. It has a total of 139 franchise offices and corporate offices in Melbourne, Sydney, Brisbane and the Gold Coast. For further information about PRDnationwide visit www.prdnationwide.com.au.

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