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Southport Overview

Area Characteristics

Southport is strategically located at the centre of the Gold Coast and is one of the largest communities within the Gold Coast City Council. Located, several km north of Surfers Paradise; Southport has historically been the CBD for the Gold Coast and boasts the largest area of office space within the city. There are many high rise projects within the business hub that are either completed, under construction or awaiting commencement indicating that future growth and prosperity are assured. Southport accommodates the medical facilities that service the Gold Coast region as well as many primary, secondary and tertiary institutions. Southport has the luxury of direct access to the Broadwater which has been allocated \$30 million by the state government to enhance the area.

For the purposes of this report, the suburbs of Biggera Waters, Labrador and Southport will define the Southport Area.

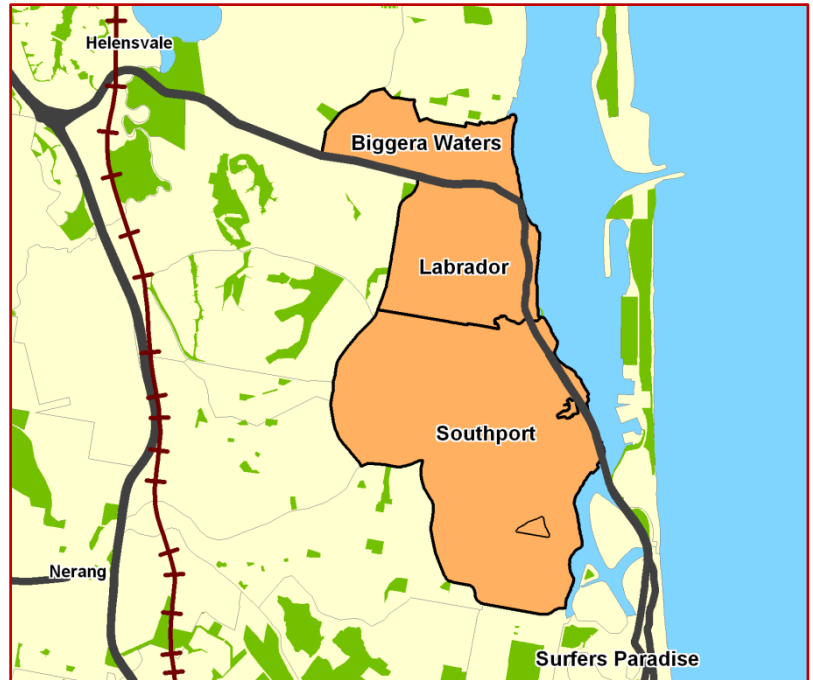
Demographics

According to the Australian Bureau of Statistics (ABS), the total population for the Southport area during the 2006 – 2007 financial year was 49,105, a 1.8% increase from the previous year. The majority of resident growth occurred in Southport registering a 2.8% population increase for the 2006 – 2007 financial year. People tend to be attracted to the Southport area due to its proximity to the CBD, the Gold Coast Hospital, health specialists, Private Hospitals Griffith University, Gold Coast TAFE, private schools and the more affordable price points available in comparison to other areas in the Gold Coast region.

In Southport, Biggera Waters and Labrador; 66.4% of dwellings are classified as unit and apartment stock which is 2.5 times greater than the Australian average. With only 23.1% of dwellings being fully owned and 20.5% of residential properties in the process of being purchased; the majority of dwellings within the Southport area at 44% are rental properties, which is much higher than the national average. The high number of renters is due to several factors; the property market being driven by tourism, the average household size being 2.1 and the lower than national average median income makes owning your own home less attainable and the rental market more appealing.

Housing Market

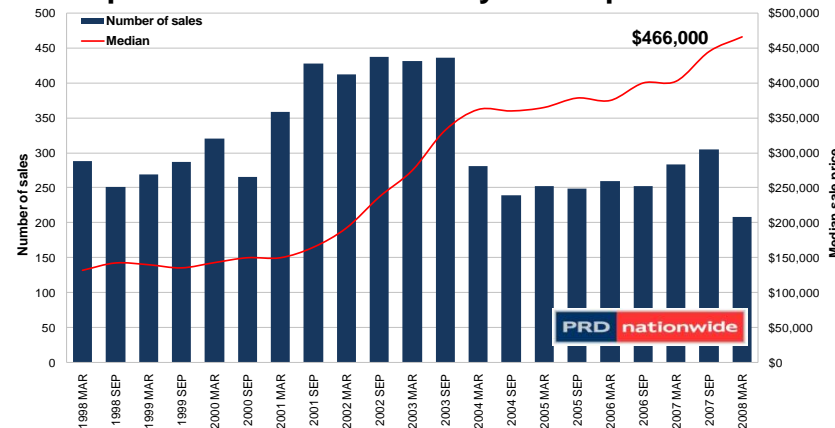
The Southport Area housing market saw a drop in activity during the March 2008 half year period. This trend is being seen in the majority of residential markets across the nation and is due to interest rate adjustments and the general cost of living going up. Over the past five years, the area has experienced steady growth at an average rate of 11.1% per annum. The steady growth rate is primarily due to a plateau in the market which lasted from March 2004 half year until the six months ending March 2006.



Southport Area Dwelling Characteristics Table

	Southport Area	Gold Coast LGA	Australia
Unit and Apartment	66.4%	39.2%	23.4%
House	31.2%	58.9%	74.8%
Fully owned	23.1%	27.1%	32.6%
Being purchased	20.5%	29.8%	32.2%
Renter	44.0%	32.0%	27.2%

Southport Area House Sales Cycle Graph



Half year period
All graph prepared by PRDnationwide Research, Source: RPData

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GOLD COAST

Most recently, the area experienced a 15.8% increase in house prices over the year ending March 2008. Looking at the house sales cycle graph on the opposite page, the March 2008 half year recorded the highest median price to date with a median house price of \$466,000. The median house price was based on 208 transactions during the six months ending March 2008, which is 97 less transactions than the six months ending September 2007.

The greatest number of transactions in the March 2008 half year were recorded in Southport, equating to 144 of total transactions and a median house price of \$465,000. Labrador recorded 42 sales and Biggera Waters had 22 settled transactions during the six months ending March 2008. The greatest number of sales were recorded within the \$400,000 to \$449,999 price bracket, equating to 27% of total sales. The highest recorded house sale during the six months ending March 2008 occurred on Regatta Parade Southport, where a house on a 577m² waterfront block sold for \$1.75 million in December 2007.

Unit Market

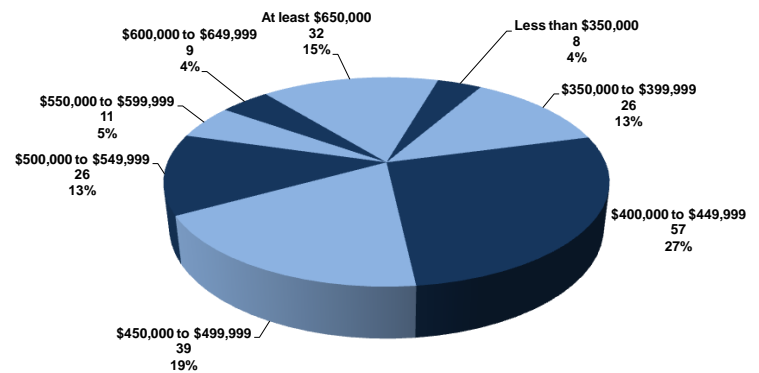
The Southport Area's unit market continues to perform well, regardless of a decrease in the number of sales being recorded. The median sale price for the March 2008 half year period was \$330,000 and registered a growth of 15.8%. The median unit price was calculated from 838 settled transactions that occurred during the March 2008 half year period, which is more than four times the number of house transactions in the area. The median unit price is still relatively affordable in comparison to other areas along the coastline.

Out of the 838 transactions that occurred during the six months ending March 2008, the majority of transactions occurred in Southport with 437 sales. Labrador recorded strong market activity with 279 sales and Biggera Waters saw 122 settled transactions. During the March 2008 half year, units ranged in price from \$130,000 up to \$6.5 million indicating that the market is quite diverse with something to offer all tastes and budgets. The majority of sales occurred in the \$250,000 to \$299,999 price bracket accounting for 22% of total sales. The highest recorded transaction was along Marine Parade Southport, where the penthouse in the Pivotal Point complex sold for \$6.5 million during November 2007. Median sale prices varied from suburb to suburb with the median sale price in Southport being the highest at \$345,000, based on 437 transactions. Labrador was the most affordable with a median sale price of \$327,000, based on 279 transactions during the March 2008 half year period.

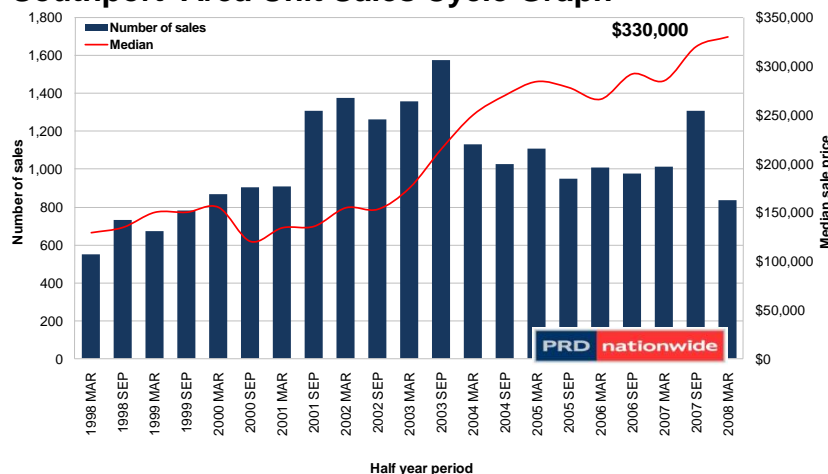
Vacant Land

The vacant land market within the Southport Area is less active in comparison to the housing and unit markets which is due to scarcity. During the March 2008 half year, the median price for vacant land was \$665,000 and registered a growth rate of 20.9%. The median was calculated from the 31 transactions that occurred during the six months ending March 2008. For all but three transactions all vacant land sales settled above the \$600,000 price point. Out of the 31 transactions, 27 were in Biggera Waters where the majority of sales occurred between the \$650,000 to \$699,999 price bracket. The highest vacant land transaction during the six months ending March 2008 occurred along Ashton Street Labrador where a 1,010m² block sold for \$835,000 in November 2007.

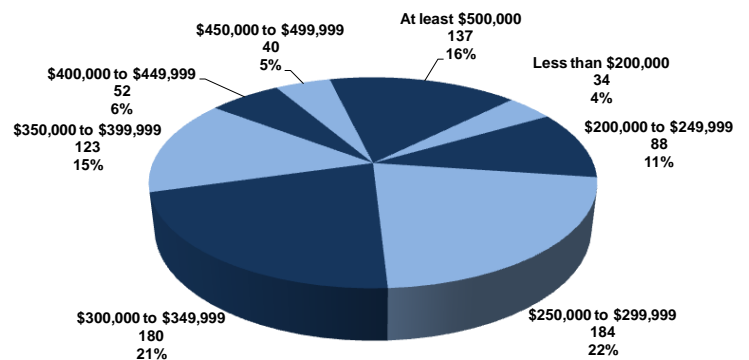
Southport Area House Price Points



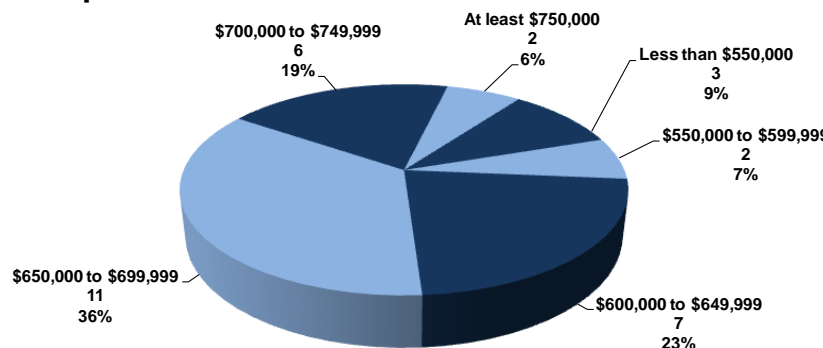
Southport Area Unit Sales Cycle Graph



Southport Area Unit Price Points



Southport Area Vacant Land Price Points



All graphs prepared by PRDnationwide Research, Source: RPData

Prepared by PRDnationwide Research. Source: RP Data and the ABS.

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