

# PLANET VALUATIONS



## **PRIORITY INFRASTRUCTURE PLAN**

### **LAND VALUE INDEX REPORT FINANCIAL YEAR 2010**

### **PINE RIVERS DISTRICT**

**PREPARED FOR:**

**MORETON BAY REGIONAL COUNCIL**

**DEPARTMENT OF STRATEGIC  
& DEVELOPMENT SERVICES**

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### **ANNEXURES**

Sales Data for Pine Rivers July 2009 – June 2010

## 1 SUMMARY

The Land Value Index has been prepared for the Pine Rivers District, Moreton Bay Regional Council, to indicate the movement of land values within the District.

It has been calculated for the period 01 July 2009 to 30 June 2010 (F2010) based on vacant allotment sales in the 350m<sup>2</sup> to 650m<sup>2</sup> category.

The average District increase in land value has been calculated from this data and applied to the previous year's Land Index as follows:

	2004 Index	2005 Index	2006 Index	2007 Index	2008 Index	2009 Index	2010 Index
	158	189	196	211	249	261	267
Average District Increase	58%	18.6%	3.9%	7.84%	17.82%	4.82%	2.45%

The above schedule indicates that the average values have been increasing since the index commenced in 2004 and have moved from 100 points to 267 points in that period.

The data indicates a 2.45% increase in sale prices during the past financial year (F2010).

The data used in compiling this index is considered reliable due to the time that has elapsed since 30 June 2010. This has enabled a majority of sales to be recorded for the study period.

The study indicated a slight increase in the average price however the sales volume generally showed a steady decrease for the year F2010.

In the past, the markets have been volatile but over the last half of F2010 prices are showing a slight fall in prices which has continued into the next financial year. Sale volumes are also falling and will continue to remain low in the next 12 months.

Sale prices falls are generally in the older and less desirable areas. Rural residential properties are also hard to sell.

## 2 AVERAGE PINE RIVERS DISTRICT ALLOTMENT SALES

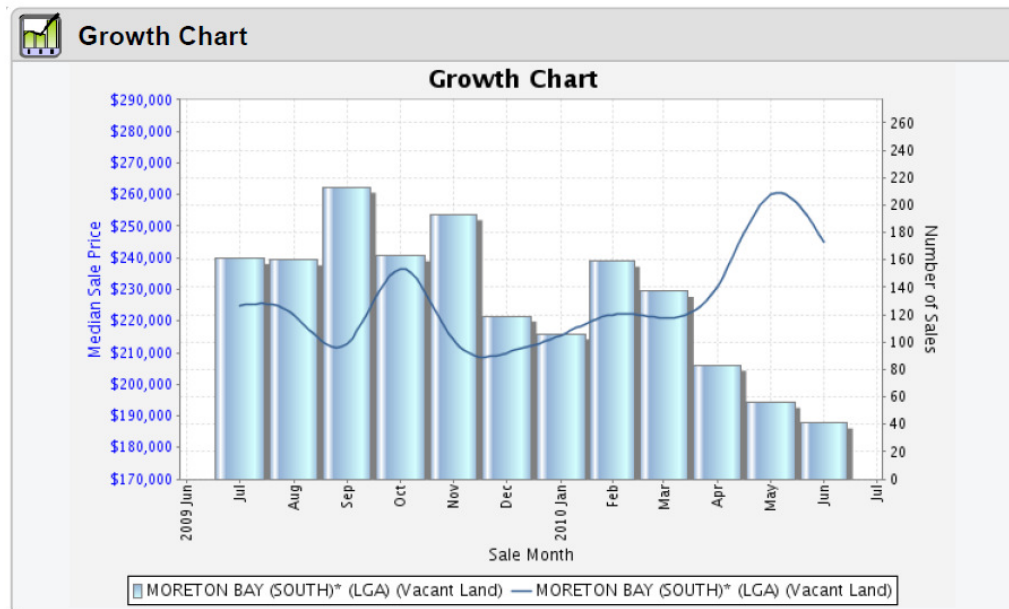
The average District sale prices for 350 m<sup>2</sup> - 650 m<sup>2</sup> allotments have been compiled from searches of the sales database provided by RP Data. A summary of this information is listed below:

Year	Average Land Value	No of Sales	% Increase in value
2006	\$161,930	638	-
2007	\$174,628	545	7.84%
2008	\$205,750	843	17.82%
2009	\$215,665	796	4.82%
2010	\$220,943	850	2.45%

The attached supporting information obtained from RP Data, is arranged by suburb and date order.

We have also obtained information from Property Data Solutions which indicates vacant land sales in the Pine Rivers District by average monthly sale price and volume throughout F2010.

### Total Allotment Sales for Pine Rivers District F2010



Source – PDS Live

**Bar = Number of Sales    Line = Median Sale price**

Overall the information indicates that the volume of sales (represented by the bar chart) fell steadily over the period. Prices were initially steady before rising and then falling in the later half of the year.

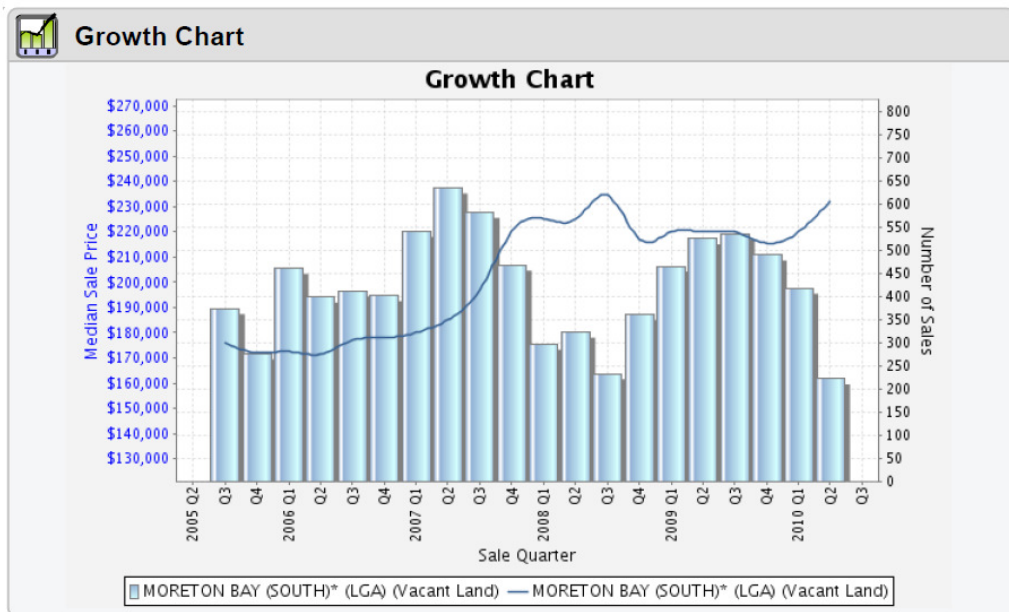
### 3 MARKET OVERVIEW

#### Residential

The residential market has been overall resilient to the global economic fallout as indicated by the charts below. The average vacant land and house sale price peaked around April 2008 before falling gradually both in volume and price towards January 2009. The market has since shown signs of levelling sale prices and falling sale numbers.

Volumes of land sales fell significantly from over 100 per month to 40-50 per month. Indications are that the smaller, cheaper lots were the main allotments selling during this period.

#### Allotment Sales F2005 – 2010 (quarterly)

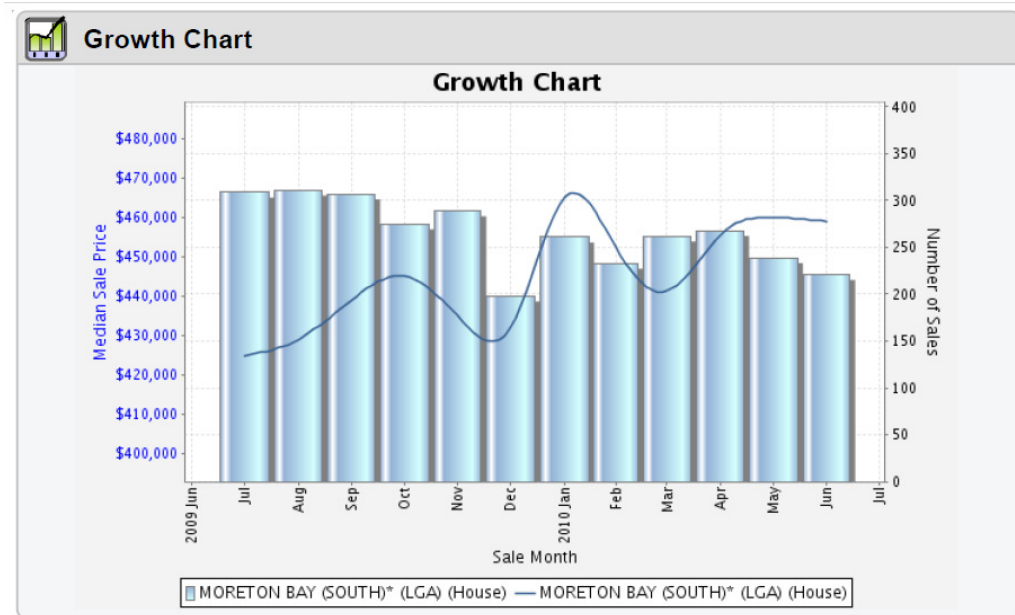


Source – PDS Live

**Bar = Number of Sales    Line = Median Sale price**

## MARKET OVERVIEW (Cont'd)

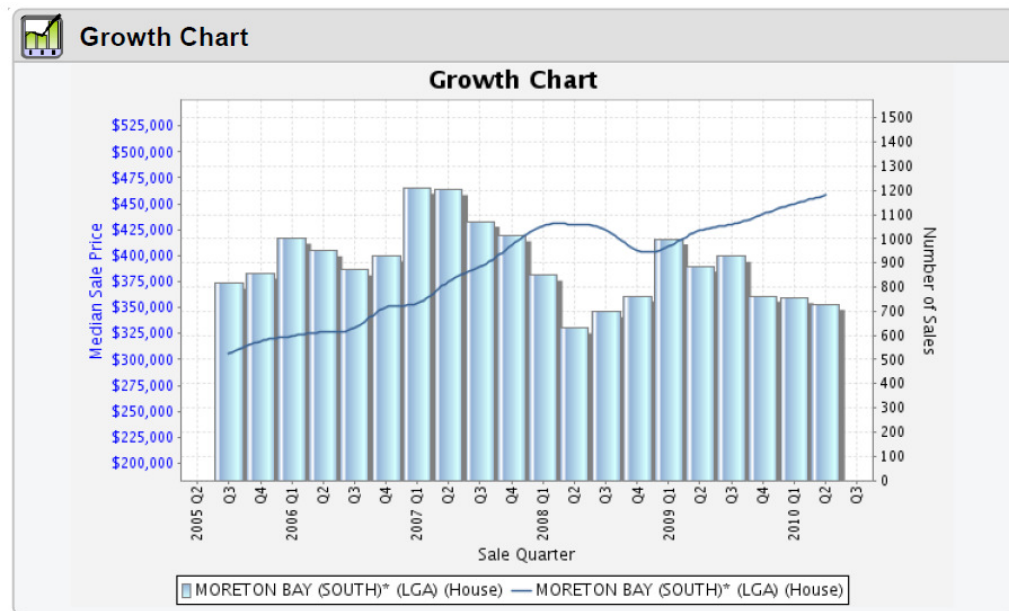
### House Sales F2010



Source – PDS Live

Bar = Number of Sales    Line = Median Sale price

### House Sales F2005 – 2010 (quarterly)



Source – PDS Live

Bar = Number of Sales    Line = Median Sale price

### Industrial

The industrial market, predominantly in Brendale, consists of two (2) different markets, the new industrial complexes and the older style traditional warehouse/industrial complexes. The older properties are generally harder to sell and rent while the new properties are attracting business from outside the MBRC area.

Overall prices for industrial land are beginning to fall due to lack of demand and older style industrial complexes are selling at near vacant land prices.

### Commercial

There have been no new commercial developments in the main business centre of Strathpine since the 1990's except for the new Courthouse complex.

Commercial properties are thinly traded due to the small number of properties available for sale and low demand.

North Lakes commercial district has seen a stagnation of development in recent years and there has been a catchup of letting of vacant commercial space.

## **4 FUTURE TRENDS**

There is strength in the economy however, purchasers are still cautious about commitment to further debt. Market indicators indicate the value of land and houses will decrease slightly even though there are low stock numbers and the number of sales will remain below the volumes of mid 2007.

The increase in interest rates, lowering of the First Home Buyers Grant and slightly higher unemployment levels, will have a negative impact on the lower housing sector. However a return of more investors into the lower sector market and a strong economy may keep prices at current levels.

The small allotment segment, on which the Land Value Index is based, will see a levelling in value and a further decrease in the number of sales. As this is the most affordable sector and area for market entry, the remainder of the market will perform poorly.

Overall the average price of all property sales may fall slightly and the volumes fall below current levels in the next 12 months. Most prospective property owners are still cautious about increasing debt to purchase property when there appears to be little prospect of increased values in the near future, and a possibility of lower prices.



## 5 LIMITATIONS

It is noted that the vacant allotment values relied upon in this report are not all the vacant allotment sales that were recorded for the district. The sale category has been selected to give the best indication of changes in values in the District. The category was chosen as it can be best compared with the previous year and base year sales, and it has a significant volume of sales. All sales have been sourced through RP Data.

The graphs are extracted from PDS Live and their accuracy depends on the inputted data over which we have limited control. The information has been included in the report as indicative of the market and should not be relied upon as definitive price evidence.

This report has been prepared with reference to the original Land Value Index Report dated 24 October 2004. The background information into the research and preparation of the Index in that report also relates to this study.

The base year for the Index is 2003 and the Index for that year equals 100. The year refers to the financial year e.g. 2005 = 1 July 2004 to 30 June 2005 and may also be indicated as F2005.



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