




**Herron
Todd White**
Independent Property Advisors

Celebrating 40 years!

1968 – 2010




- > 600 People
- > 50 Offices
- > Every State & Territory

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Todd White**
 Independent Property Advisors

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Toowoomba HTW – Stanton's Merger

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- Effective 1 March 2010
- Continue to trade as Herron Todd White (Darling Downs) Pty Ltd
- All Stanton's Staff role over into HTW
- Better allocation of resources – improved SLA's
- 3 Operational Directors – Ian Douglas, Brad Neill and David Nilon
- Total of 19 Valuers, 4 Assistant Valuers, 11 Support Staff

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Our People - Valuers



David Nilon
Director
Residential & Rural

Ian Douglas
Director
Commercial

Bradley Neill
Director
Commercial &
Residential

Michelle Bartholdt
Office Manager

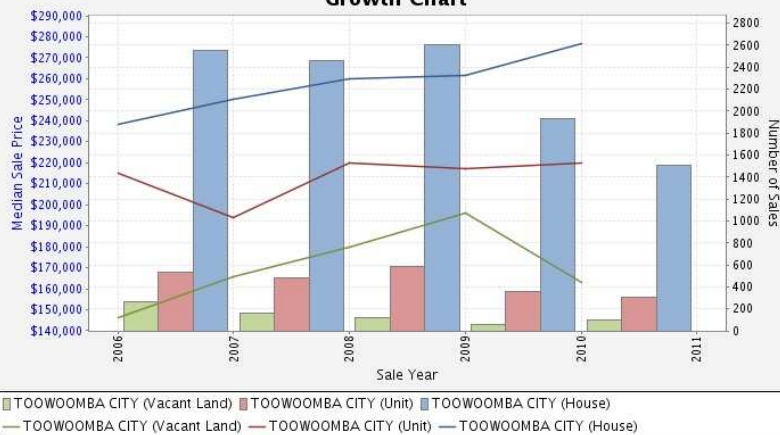
Residential Division		Commercial Division	Rural Division
Peter Payne	Ann Mihelac-Cochrane	Graham Hazelwood	Shaun Hendy
Stephen Cameron	John Munns	Ian Campbell	Doug Knight
Peter Clifford	Jason Osborne	Dean Dederer (Assistant)	Stephen Cameron
Andrew Fuss	Michael Saxby		Jason Osborne
Marissa Griffin	Dale Storey		
Joe Kelly	Greg Thomson		
Digby Makim	Ashley Vettiger (Assistant)	Bart Bowen (Assistant)	

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Toowoomba City Residential Market



Growth Chart



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Vacant Land



- Sales volume down as result of Approval constraints
- Values generally firming due to lack of supply
- Nelson St subdivision 360 lots very strong demand priced abt \$250/sqm with strong market acceptance
- New sales in Middle Ridge up by 20 to 30% principally due to increased development and infrastructure costs
- Satellite suburbs Westbrook, Wyreema, Hodgsonvale continued strong growth.
- Limiting factors:
 - Soil type v's cost of construction
 - Site development costs ie retaining walls
 - Location to facilities – Shops, schools, transport

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Housing



- Volume of sales down
- 1st Home owner market slowed
- \$400,000 to \$600,000 market improved with increase in volume of sales in last 4 months
- Top end of market slow but stable with increase in sales in excess of \$2m. Number of new homes under construction with build cost in excess of \$1m.
- Location still plays major factor in Top End.
- Growing demand and market acceptance for smaller lots
- Sustainable Development now a accepted reality

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Units

- Market product selective
- Location plays a major role in purchase
- Rental affordability and functionality
- Market generally firming for sub \$275,000 due to affordability
- Higher % of investors due to growing rental market



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Discerning Market

- Buyers access to market data increased
 - Website access
- More selective in choice
 - Age
 - Location, Location, Location
 - Potential capital gain
 - Cost of maintenance
 - Product comparison; This house v's That house
 - More aware of financial commitments
 - Rent ability
 - Sustainability – Air-conditioning, insulation, energy efficiency
- Market acceptance of smaller lots
 - Less backyard
 - Community services – Parks etc



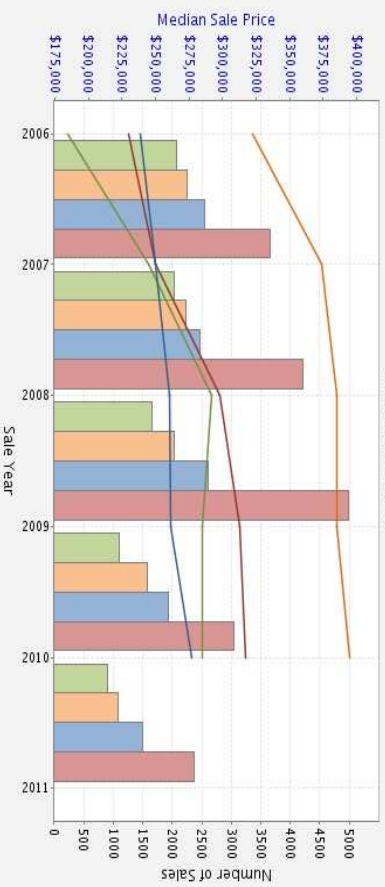
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State Overview



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Growth Chart



■ ROCKHAMPTON CITY (House)
 ■ MACKAY CITY (House)
 ■ TOOWOOMBA CITY (House)
 ■ IPSWICH CITY (House)
 ■ WESTBROOK (House)
 — KINGSTHORPE (House)
 — CAMBOOYA (House)
 — WYREEMA (House)
 — WESTBROOK (House)
 — WESTBROOK (House)

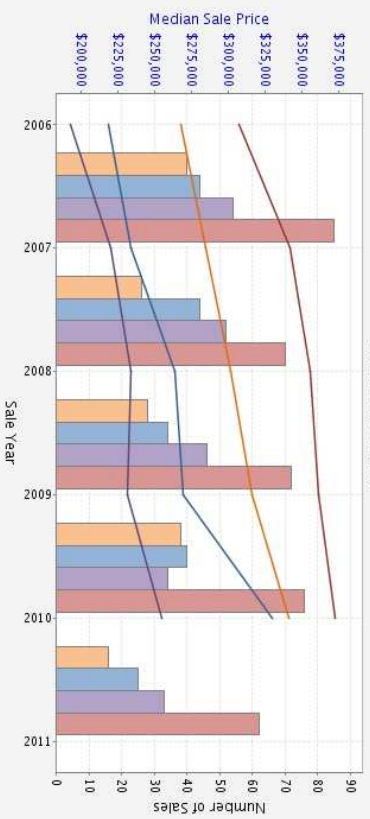
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Satellite Towns



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Growth Chart



■ CAMBOOYA (House)
 ■ WYREEMA (House)
 ■ WESTBROOK (House)
 ■ WESTBROOK (House)
 ■ KINGSTHORPE (House)
 — KINGSTHORPE (House)
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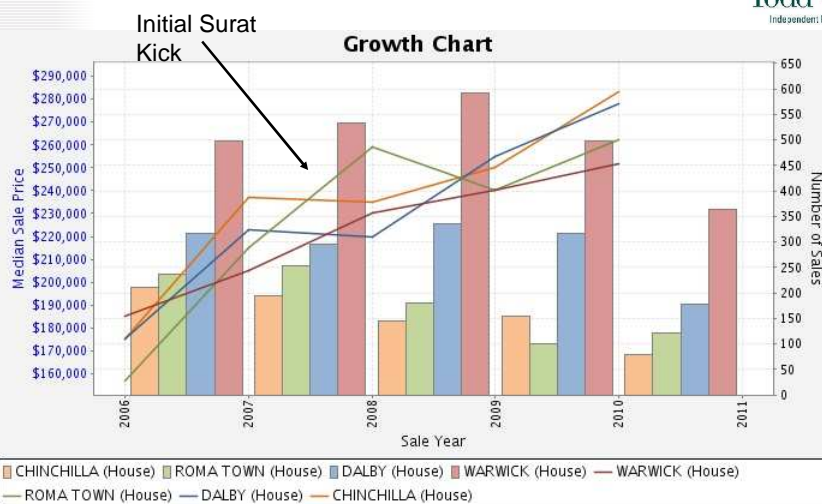
Satellite Towns



- Strong growth on back of supply issue in Toowoomba
- Affordability
 - Lower buy in for similar quality product
 - Improving infrastructure facilities
- Larger block for families
- Lifestyle choice
- Highfields Market
 - Really now part of Toowoomba market
 - Offers variety in lot size
 - Improved infrastructure – shops, schools
 - Establishing own market dominance and identity
 - Firming values, generally better quality homes for owner occupiers

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Regional Towns Comparison



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Regional City Market



- Warwick Market
 - Volumes slowed
 - Oversupply of vacant land
 - High percentage of non local investors
 - Rental demand slowed rents stabilised
- Dalby Market
 - Continued investor demand on back of Mining/Energy Sector
 - Volumes plateaued
 - Median values continuing to firm
 - High percentage of new construction
 - Construction type – pier & beam v's floating slab
- Roma Market
 - Volumes increasing
 - Rentals increasing
 - Values starting to firm

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Regional Investment Indicator



- Conventional 4 bedroom, 2 bathroom, double builtin garage, new home of 160 sqm main living.

Locality	Land Cost \$	Build Cost \$	Value 'As if Complete" \$	Rental per week \$	Gross Yield
Warwick	100,000	240,000	340,000	330	5.05%
Kingaroy	110,000	250,000	360,000	360	5.20%
Westbrook	110,000	250,000	360,000	350	5.06%
Dalby	115,000	250,000	365,000	390	5.56%
Chinchilla	100,000	270,000	370,000	370	5.20%
Middle Ridge	200,000	235,000	435,000	400	4.80%

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Bulls and Bears



Bulls

- Pressure on rents
- Historically low interest rates
- Market undersupplied
- Improved economic outlook
- Investor/owners upgrading
- Surat Basin expansion

Bears

- Taxes, charges, approval times 36%
- Cost of Development and finding viable sites 20%
- Stricter bank hurdles 10%
- Rising unemployment
 - National 5.2%
 - Qld 5.0%
 - Darling Downs 4.0%
- Higher interest rates
- 1st Home owner boost reduced
- Housing long term over valued

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Commercial Overview



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Industrial Market Trends

Key Indicator	Market Trends 2009	Forecast for 2010
Sales Activity	↑	↔
Leasing Activity	↔	↔
Vacancy Rates	↔	↔
Land Values	↓	↔
Rents	↔	↔
Yields	↔	↑

Source: HTW Toowoomba

Office Market Trends

Key Indicator	Market Trends 2009	Forecast for 2010
Sales Activity	↓	↑
Leasing Activity	↓	↔
Vacancy Rates	↓	↔
Land Values	↔	↔
Rents	↔	↔
Yields	↓	↔

Source: HTW Toowoomba

Retail Market Trends		
Key Indicator	Market Trends 2009	Forecast for 2010
Sales Activity	↔	↔
Leasing Activity	↓	↔
Vacancy Rates	↓	↔
Land Values	↔	↔
Rents	↓	↔
Yields	↔	↔

Source: HWI Toowoomba



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Thank You

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Disclaimer

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If you have any questions concerning this information, please contact one of the Valuers at our Toowoomba office who will be happy to assist. PH: 07 4639 7600.