

Valuer-General's Property Market Movement Report



snapshot of the 2012 valuation

Prepared by:
Valuer-General, State Valuation Service
Department of Environment and Resource Management
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March 2012

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Valuer-General's foreword

I am pleased to present my second property market movement report ahead of the release of the 2012 annual statutory land valuations on Wednesday 28 March 2012. This report summarises the comprehensive analysis of all property markets in Queensland by a team of specialised registered valuers in the State Valuation Service (SVS) who are located throughout the state.

In line with my commitment to value all local governments each year, except in unusual circumstances, the SVS has valued all 58 rateable local governments in Queensland (as at 1 October 2011) with over 1.6 million valuations undertaken in accordance with the *Land Valuation Act 2010*. The valuations will take effect on 30 June 2012 for local government rating, State land tax and State land rental purposes (where applicable).

This year I have continued to focus on business improvement initiatives in the SVS. To achieve more transparent and accurate valuations, a quality assurance framework was introduced. Improvements have been made to systems, processes and practices to ensure consistent land valuations are provided for all Queenslanders. The formation of an external peer review panel has provided me with an independent overview of statutory valuations in Queensland. Independently chaired valuation objection conferences for land valued over \$5 million, were introduced this year and more than 80 per cent of these objections were resolved as a result of this process.

This year's overall percentage movement in land valuations in 58 rateable local government areas are summarised below:

- 32 local government areas recorded an overall market movement, both positive and negative, of up to and including three per cent
- two local government areas recorded an increase in value by greater than three per cent but less than 10 per cent
- three local government areas recorded an increase in value by greater than 10 per cent (with Gladstone increasing by 19 per cent)
- six local government areas recorded a reduction in value greater than three percent but less than five per cent
- 15 local government areas recorded a reduction in value greater than five per cent but less than 14 per cent.

Due to the variation in land value movement within each local government area, this report focuses on median land values to minimise the influence of extreme values movements. Median values were also determined for the 2011 valuation – enabling a median comparison between this year's and last year's valuations to be made.

Table 1 presents the 2012 median values and the percentage movement in the median value for each land use category since the last annual valuation was issued in May 2011. The key conclusion that can be drawn from Table 1 is that the property market in Queensland is generally subdued in most sectors with the exception being those areas influenced by the resources sector including the mining, gas, energy and mineral processing industries.

The housing and residential sectors have generally remained subdued as a result of continued consumer caution. The latest Building Approvals data from the Australian Bureau of Statistics demonstrates the total number of dwelling approvals in Queensland increased by 1.6 per cent in August from the previous month; however approvals were 1.5 per cent lower over the 12-month period to August 2011, compared with the previous 12-month period. There has also been a moderation in population growth in Queensland and the forecast trend is that growth will continue to slow. These combined factors have led to the slowing of vacant residential land sales and support the general softening of residential land values in Queensland.

Generally, commercial and industrial land valuations have remained unchanged from last year, with the exception of those areas affected by the expansion in the resources sector.

The decline in tourism growth has affected land valuations in tourism-dependent markets such as Cairns and the Whitsundays. This is due in part to the strong Australian dollar, the deteriorating economic conditions in the United States and Europe, and the extreme weather events experienced in early 2011.

Rural land values are generally steady across Queensland with softening of some markets in certain locations.

Neil Bray
Valuer-General
State Valuation Service

Introduction

The Valuer-General is responsible for the provision of approximately 1.6 million land valuations in Queensland annually.

The Valuer-General provides statutory land valuations to local governments for rating, the Office of State Revenue for land tax and the Department of Environment and Resource Management for State land leasehold rental purposes (where applicable).

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

Site value is the amount for which non-rural land could be expected to sell for at the date of valuation without the inclusion of structural improvements on the land (e.g. houses, buildings, fences). A site valuation does include site improvements made to the land such as earthworks (e.g. levelling, filling, or drainage works). Excavations directly associated with a building (e.g. footings for a building or an underground carpark) are not included in a site valuation.

Unimproved value is the amount for which rural land could be expected to sell for at the date of valuation without the inclusion of physical improvements such as houses, fences, dams, levelling and earthworks.

Land that is zoned rural or equivalent under a local planning scheme is valued using the unimproved valuation methodology. All other land is valued using the site valuation methodology.

Figure 1 shows a breakdown of the numbers of valuations, of the different land use categories within each region as a percentage of the total.

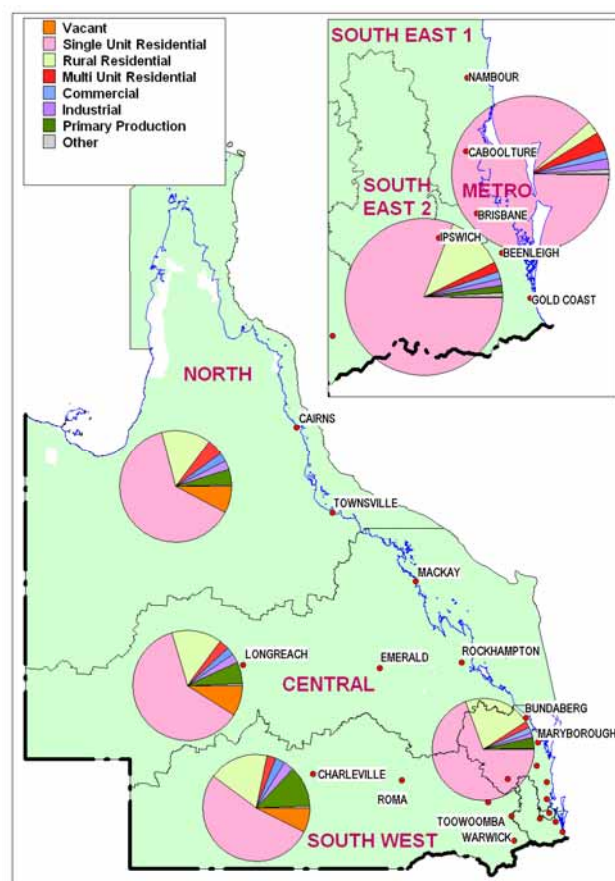


Figure 1. Breakdown of land uses by region.

Property market movement

Generally, the Queensland property market has been subdued over the past 12 months and the volume of property transfers recorded with the Registrar of Titles has decreased markedly and is the lowest level for a decade.

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

- supply and demand
- consumer confidence
- availability of finance
- local and global economic factors
- the effects of extreme weather events.

Market movement between valuations

Of the 58 local governments valued this year, 32 local government areas recorded an overall market movement, both positive and negative, of up to and including three per cent.

Two local government areas increased in value by greater than three per cent but less than 10 per cent. Three local government areas increased in value by greater than 10 per cent.

Six local government areas showed a reduction greater than three per cent but less than five per cent.

Fifteen local government areas showed a reduction greater than five per cent but less than 14 per cent.

The local government area recording the largest increase in value overall (19 per cent) was Gladstone. The local government area recording the largest reduction in value overall (13.7 per cent) was the Cassowary Coast.

Overall market trends

Large reductions in land values for the multi-unit, commercial and industrial markets have been the consistent trend over the past 12 months, and this can be attributed to:

- prevailing economic uncertainty
- loss of investor confidence in the property market
- tight credit conditions
- a slump in tourism.

In areas experiencing the resources boom, these issues are not impacting as much due to the strength of the local economies driving the market.

This year's annual valuation records changes in land values since the 2011 valuation.

Table 1, on pages 14 and 15, show the previous (2011) median value, the new (2012) median value and the percentage change in median value for each land use category within each of the 58 local government areas that have been valued this year. Land use categories include residential, multi-unit, commercial, industrial, rural residential and primary production.

Brisbane has seen a minor increase overall in residential land values, however some higher value suburbs including Hamilton and St Lucia have decreased in value, whereas the more affordable suburbs such as Chermside and Everton Park have increased. The Brisbane market indicates a shift to more affordable housing. Allowances for the 15 000 properties affected by the 2011 floods have been maintained in the 2012 valuation.

The value of multi-unit land in Brisbane overall recorded a minor reduction in value, which typifies the economic climate, tight credit conditions and low investor (and lender) confidence. This is affecting most markets across Queensland. The commercial and industrial markets in Brisbane have recorded no changes in land value overall.

Other local government areas surrounding Brisbane including the Gold Coast, Logan, Moreton Bay and Redland have also recorded overall reductions in land values. Multi-unit, commercial and industrial land values within these areas recorded the largest decreases. Ipswich did not follow this downward trend recording a minor increase overall since the last annual valuation in 2011. Commercial and industrial land values in Ipswich have remained steady.

Major provincial cities along the Queensland coast, such as Townsville and Rockhampton, have recorded increases in value of residential land since the 2011 annual valuation.

Rockhampton was also impacted by flooding in 2011 and areas such as Depot Hill, which flood regularly, have continued to receive the allowances made in previous valuations to account for flooding.

Gladstone is the only local government area to record a substantial increase in land values overall. Each land use category with the exception of primary production land recorded increases due to the influence of the resources boom in that area.

Rural industry values throughout the state have been variable. While the volume of grazing sales in western local government areas has been slowing since 2008, good seasonal conditions following widespread rain across much of the state, is now promoting more confidence in the

sector. Commodity prices, including beef, mutton, grain crops and sugar are up and there are prospects of good returns for rural industries in the short to medium term.

Many primary producers in Queensland are undergoing infrastructure rebuilding following damage caused by Tropical Cyclone Yasi in North Queensland in 2011, and recent flooding in south-west Queensland. The longer-term impacts on property values, if any, following a return to good seasons, will not be known for some time.

Land values within regional areas such as the Bowen, Galilee and Surat Basins are influenced by the resource boom, and are not typical of the general market trends throughout Queensland.

Sales transactions including premiums paid by mining companies for future resource development have not been used to determine statutory unimproved values.

Brisbane

The movement in Brisbane residential land values has been mixed since the last annual valuation issued in 2011. Of the 182 suburbs in Brisbane, 40 suburbs increased in value by up to 22 per cent. Thirty-nine suburbs reduced in value by up to 20 per cent and the remainder recorded no change in value.

The allowances of 10–25 per cent that were made to the land values of approximately 15 000 flood-affected residential properties in Brisbane in 2011 have been maintained in the 2012 valuation. Sales within these areas since the last valuation have supported the flood allowances. Adjustments will be made to these land values in future years in line with market evidence.

Brisbane residential land values have recorded an overall increase of two per cent. Some localities, such as smaller residential sites in the Petrie Terrace area, increased by 22 per cent with a new median site value of \$410 000 while Ferny Grove increased by 21 per cent with a new median site value of \$245 000.

The higher valued inner northern suburbs of Brisbane including Ascot, Hamilton and Wilston reduced in median value by 12–15 per cent while the south-west inner suburb of St Lucia decreased by more than 19 per cent. St Lucia's

fall in median value was partly affected by an expansion of the flood allowances.

In general, higher end properties recorded reductions in value while the more affordable land, predominantly in the outer suburbs, continued to increase in value.

Thirty five suburbs, including many inner residential suburbs of Brisbane reduced in value by up to 10 per cent.

Median residential land values within Fortitude Valley increased by 12.5 per cent overall, despite some properties having been previously affected by flooding.

Residential multi-unit land values in Brisbane have shown an overall decrease of approximately three per cent which can be attributed to low demand for units and tight credit conditions.

The Brisbane CBD commercial office and retail markets have remained steady since valuation in 2011. Indications are that investor confidence is returning to this market as vacancy rates overall are falling.



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

Sales activity for suburban commercial and industrial land was limited in 2011. There were insufficient sales transactions to support an increase in value; therefore, land values for these sectors have not changed since the last valuation issued in 2011.

Overall, Brisbane City showed a modest increase of less than one per cent since the last annual valuation in 2011.

Greater Brisbane

The greater Brisbane area includes the local government areas of Ipswich, Logan, Moreton Bay and Redland, which surround the Brisbane City local government area.

Residential land values in Redland City have reduced overall, predominately as a result of declines in waterfront and bay island land values. For example, the median land value in Victoria Point reduced by approximately 10 per cent, which is consistent with the softening market for higher valued lands.

The median land value on Russell Island reduced by approximately 32 per cent. This is consistent with reduced demand for bay island lands which have limited access and limited development potential.

Reductions in land values of approximately 10 per cent were recorded within the commercial, industrial and multi-unit sectors in Cleveland and Capalaba. These markets are investor driven and are influenced by the wider economy.

Residential land values across Logan City have reduced overall, with the exception of Beenleigh which has recorded no change. Residential multi-unit, commercial and industrial land values have reduced up to 15 per cent depending on location and use.

Land values across all sectors and in most areas of Ipswich City have generally not changed. Minor changes were made due to land use changes and localised sale activity. The allowances applied to the previous valuation as a result of the 2011 floods have continued. Adjustments will be made to these land values in future years in line with market evidence.

Markets within the Somerset and Lockyer Valley local government areas have also recorded no change in value since the last valuation in 2011.

Similarly, markets within the Scenic Rim local government area showed little to no change in value. However, a comprehensive review of values has resulted in individual changes to valuations to align them with the current market.

Residential housing market activity within the Moreton Bay local government area is lower compared to the previous year with reductions in house values of around 10 per cent. The demand for housing in this area is predominantly centred on affordability.

Likewise, affordable vacant land is in demand within the Moreton Bay area with more sales activity in lower priced house and land packages. Sale volumes are down and the median land

value has reduced by around five per cent since the previous valuation in 2011.

Residential land values across the Moreton Bay local government area varies from reductions of up to 15 per cent in Redcliffe, to no change and reductions of five per cent from Caboolture south to Ferny Hills and Albany Creek.

Commercial land values in major areas range from no change to reductions of up to 15 per cent in the main areas.

Industrial land values have fallen by around 10 per cent on average since the last valuation in 2011. The Brendale industrial area remains the highest valued area in Moreton Bay local government area.

Rural residential and farming values overall have not changed since the last valuation in 2011. The traditional farming activities of cattle grazing, dairying, strawberry and pineapple growing are undergoing some change with new industries now being established, including diversified small crops and orchards.

Gold Coast

Gold Coast land values have continued to decline following the global financial crisis in 2008. Since then peak values in the central Surfers Paradise area have declined by approximately 50 per cent. The decline in values this year is more widespread across the Gold Coast than in previous annual valuations.

In the residential market, higher value land (land with waterfront and prime locations) recorded the largest reductions in value of between 10 and 15 per cent. Land located away from the coast recorded lower reductions while hinterland and corridor land values generally did not change.

The residential multi-unit market recorded a six per cent reduction since the valuation in 2011. This can be attributed to continuing 'mortgagee in possession' sales, tight credit conditions and reduced demand for units.

Industrial land values recorded the largest overall reduction within the local government area, in particular, larger properties in outlying areas. High levels of vacancies for industrial properties and difficulty in accessing finance continues to affect industrial land values, resulting in an overall 13 per cent reduction in median land values.

South East Queensland

For the purposes of this report, the South East region encompasses the areas to the north of Brisbane from the Sunshine Coast, north to Bundaberg and west to the South Burnett and North Burnett regional council areas.

Residential housing market activity is down compared to previous years. The demand for housing is centred on the affordable housing market within the Wide Bay and Burnett local government areas.

Within the Sunshine Coast local government area the more valuable property above the \$500 000 price point is in low demand.

Sales volumes for vacant land within the Sunshine Coast local government area have declined since the last valuation in 2011. The median land value has reduced by 4.5 per cent to \$210 000. Similar to the Gold Coast, higher value land along the coastal strip and in canal estates is under pressure with a reduction in values in some areas. This is consistent with the Gold Coast market.

Land values within other major regional centres such as Bundaberg, Gympie and Hervey Bay have not changed overall with low demand being offset by low supply of new stock. Maryborough however, recorded some reduction in land values with the median residential value reducing by 10 per cent to \$91 000.

Small hinterland and rural towns in the North and South Burnett have recorded no change to land values overall with the exception of the town of Monto, which recorded a general reduction of 15 per cent. These reductions in value follow the rapid price rises through to 2011. Median land values range from \$83 000 in Kingaroy to \$50 000 at Biggenden and \$44 000 in Monto.

Residential multi-unit land values in some regional areas have reduced due to an over supply of stock and lack of demand from investors and retirees. The short-term outlook does not appear to be favourable due to a lack of new development approvals, a shift in investor confidence is considered unlikely in the short term. Multi-unit land values have also fallen in some coastal centres with many transactions being forced sales by third party financial institutions.

Commercial and industrial land has mirrored the residential sector with values either remaining unchanged or recording reductions of up to 15 per cent. Most regional centres are experiencing limited retail or commercial activity due to a lack of consumer confidence, a subdued tourism market and a sluggish housing sector.

The horticultural and small crop industries within south east region have recorded no changes to value overall with the limited sales transactions supporting the existing levels of value.

Grazing land values overall have not changed within the region with low market activity in most areas supporting 2011 levels of value.

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 resource boom in the Surat Basin has had little impact on the Toowoomba property market. It is relatively stable with little movement since the last valuation in 2011. There has however, been growth in a few small towns surrounding Toowoomba such as Westbrook, which has seen a moderate increase in land values.

The market overall is steady within Warwick and Stanthorpe with no changes to land values. There continues to be moderate growth in some of the small towns surrounding Warwick, such as Hendon and Killarney.

The rural residential property market within Southern Downs to Goondiwindi has seen varying increases in land values. Generally, residential land values within Goondiwindi recorded no change with the exception of waterfront residential allotments within the Water Park Estate where median values have increased substantially from \$104 000 to \$174 000 based on recent sales. Fringe commercial land in Goondiwindi has also shown moderate increases since the last annual valuation in 2011.

Residential land values within Maranoa and Western Downs local government areas continue to be driven by the expansion of resource projects within the Surat Energy Basin.

Moderate increases in residential land values within the towns of Chinchilla and Miles have been recorded. Some commercial and industrial land within Chinchilla has also recorded a moderate increase in value.

There has been continued growth within the town of Wandoan where large coal deposits are proposed to be developed in the area. As a result, moderate increases in land values were recorded for all property sectors. These trends have flowed on to other small towns such as Brigalow and Glenmorgan where median land values have increased from \$15 400 to \$30 000, and \$4500 to \$12 400 respectively.

Sales of residential properties within Dirranbandi have supported increases to land values. The small town of Hebel has recorded an increase in median land value from \$1100 to \$2200.

Flooding has again been a consideration in this region. Allowances were made to land valuations of recently flood-affected properties within the towns of Mitchell, Roma and St George.

In Roma, sales of commercial, industrial and non-flood affected residential land have continued to show moderate increases in land value.

Recent sales within the town of Cunnamulla support large increases in value. The median value for residential land has increased from \$1400 to \$12 600, while commercial median values have increased from \$6450 to \$43 500. These increases, which came from a low base, now align with all other western Queensland towns, which were increased in the 2011 annual valuation.

Within rural areas there were minor to moderate reductions in unimproved value levels. These include the downs area of Augathella, Cardaga Scrub, Wandoan and various locations within the Maranoa district. In contrast to this trend, recent sales of agricultural properties within the localities of Haystack, Brigalow, Canaga and Hopelands have supported a small increase to unimproved levels of values.

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.



Rural landscape (image courtesy of Tourism Queensland).

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 Central Queensland property market overall can be described as stable. Land values generally, have either not changed or recorded only minor changes. The exceptions are Gladstone and surrounding areas and the mining towns which recorded increases, and the areas that are reliant on tourism which recorded decreases.

Residential land values in the Central Queensland region have been influenced by three main factors since the last valuation. The first and major influence is the resource boom currently occurring in Central Queensland.

Movement in residential valuations can be directly related to the level of influence of the expansion of mining infrastructure. Generally, increases to residential land valuations are dependant on the type and degree of expansion of mining infrastructure since the last annual valuation.

The greatest influence to valuations has been in Gladstone with moderate to major increases throughout all urban land sectors. Other mining towns that recorded increases include Blackwater, Capella, Emerald, Nebo and Tieri. The exception to this has been Alpha and Jericho, which recorded moderate reductions in urban land values. These reductions are the result of the market stabilising (and correcting) following the over-heated and speculative reaction to the announcement of new mining operations in the vicinity of these towns.

The second influencing factor is the region's reliance on the tourism industry. Tourist numbers have dropped significantly due to the volatility of global financial markets and the strong Australian dollar. This has led to a softening of high-end residential land values in areas reliant on tourism. All urban land uses in Airlie Beach, for example, recorded minor to major reductions in land values.

The third factor relates to the tightening of credit conditions and the resultant shortage of funding available for development projects. This has stifled multi-unit and land subdivision projects and softened demand for such land. These effects however, have been offset where the expansion of mining infrastructure has been an influence. Urban centres such as Gladstone and Emerald have experienced high demand and recorded increases in land values.

Sales of development sites in Airlie Beach and Agnes Waters are not commanding a premium over other land.

Sales of urban land within the western towns of Aramac, Barcaldine, Blackall, Jundah, Longreach, Muttaborra, Tambo, Windorah and Winton, have been limited. The sales that have occurred support no change to levels of value.

Multi-unit land values have also remained unchanged overall with the exception of Gladstone and Nebo, where moderate to major increases were recorded. Multi-unit land within Airlie Beach and Agnes Waters have seen moderate to large reductions in land values.

Commercial and industrial land values within the region have not changed overall. The exception is Gladstone which recorded increases in both sectors.

Commercial land within Airlie Beach and Agnes Waters recorded moderate decreases in value (in line with all other land uses) due to the slump in tourism.

Rural land values have remained largely unchanged since the last valuation in 2011, with the exception of some land showing minor reductions. Sales have been limited for grazing and sugar cane land for this annual valuation.

Coastal grazing values and the channel country have remained unchanged while central grazing and the western downs country have recorded

small reductions. Sugar cane prices are presently very strong but have been offset by two poor harvesting seasons and damage to cane by weather events. Broad hectare grain farming has been strong over recent years following several good production seasons. However, the limited sales evidence is supporting no change to land values.

North Queensland

For the purposes of this report, the region encompasses Townsville, south to the Burdekin, north to the tip of Cape York and west to the Queensland border and includes the city of Mount Isa.

The Northern region property market overall could be described as stable with low sale volumes. Although sale volumes remain low, prices overall have not fallen.

For the majority of residential land within the Townsville local government area, there has been little to no change in land values with an overall increase to the median land value of two per cent. Sales in the newer developments around Townsville however support an increase of about 10 per cent while land values on Magnetic Island have reduced overall.

Most market sectors have remained unchanged from the previous valuation in 2011, which can be attributed to the region's strong and diverse economic base.

The Townsville industrial market however, remains subdued with an overall median reduction of 11.5 per cent. Reductions were recorded within the industrial market at Bohle, Mount Saint John and Shaw. Commercial land values overall have remained unchanged within the CBD and corridors. However, the median value for commercial land reduced by one percent over all.

The weak economy in the Cairns local government area continues to affect the property market. The key industries of tourism and construction are negatively impacted by the strong Australian dollar, a decline in employment, low levels of building activity and the severe weather conditions in 2011.

The residential and rural homesite market within the area has experienced historically low levels

of sales activity. Despite this, residential land values overall have reduced by one per cent.

The exception to this trend is higher valued beachfront properties in the area extending from Port Douglas south to the Northern Beaches of Cairns and through to Brampton Beach where reductions in land values of 10 to 15 per cent have been common. Land values in the Gordonvale locality have also been reduced due to the high number of distressed vendor sales influencing the market. Residential land values within Port Douglas have generally stabilised following the declines of previous years.

Distressed sales are also prevalent in the commercial and multi-unit market sectors. The industrial market has softened, driven by decreasing financial returns. Land values in all three sectors have been reduced within the Cairns region.

Land values in north-west Queensland overall have not changed. Some areas however did record minor changes.

The Mt Isa urban market has benefited from the mining industry over the last couple of years. Demand for developed properties is strong and vacant land is constrained by supply. Residential land values overall have not changed since the last valuation in 2011 and this trend has extended to most of the north-west urban areas.

The effect of Tropical Cyclone Yasi is still being felt in the Cassowary Coast local government area. The key drivers in the local economy include tourism, sugar cane and the banana industries; all of which were depressed throughout 2011, following the cyclone.

Residential values overall have reduced across most areas of the region with Innisfail and coastal communities such as Mission Beach, South Mission Beach, Wongaling Beach, Hull Heads and Tully Heads reducing between 15–25 per cent in value.

Reductions in residential land values have also been experienced in the towns of Cardwell and Tully, although not to the same extent.

Similar trends are also evident in the commercial, industrial and multi-unit land within the Cassowary Coast local government area with reductions in value ranging from 9.7–15.5 per cent.

The median value for rural land has reduced by nine per cent since the last valuation issued in 2011.

The Burdekin River and Herbert River localities have also experienced subdued property markets over the past 12 months.

Residential land values in Ayr and Ingham have seen very little change and whilst Ingham experiences regular flooding, the known flood areas have been identified and allowances are already included in the land value. Minor increases were recorded in the more affordable townships such as Brandon and Home Hill within the Burdekin local government area.

As with most other beachfront areas, reductions were recorded in the townships within the Herbert delta, such as Forrest Beach, Lucinda, and Taylors Beach.

Rural

Despite the favourable seasonal conditions currently lifting confidence levels, potential purchasers of rural land are exercising caution due to the strong Australian dollar, tight credit conditions and the impact of banning the overseas live cattle export trade. It is expected that this trend will continue until there is a sense of optimism in the broader economic market place and the live cattle export trade policy is clarified.

The rural land market overall is characterised by a general softening in levels of value across the state with a significantly reduced number of sales, particularly within the pastoral areas.

Where sales are occurring in pastoral areas, vendors are accepting lower prices than they would have previously, leading to reductions in values

However, overall, the state-wide median rural land value has not changed since the annual valuation in 2011.

In the western pastoral zone, the market peaked around 2008 and has since fallen back to around 2005–06 value levels. The market is subdued, with very few sales transactions. Some areas have not recorded any sales since 2008.

As a result, very few properties are being actively marketed and properties which are less productive are proving difficult to sell.

Consequently, poorer quality properties are more affected by the market downturn.

There have been a 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.

Western downs properties from Julia Creek to Augathella, Biloela, Taroom, Wandoan and Maranoa districts and scrub grazing lands within the Central Highlands, have seen moderate reductions in unimproved land values as a result of recent sales transactions.

Sales of agricultural properties across the Darling Downs overall have recorded no change in unimproved values with the exception of minor increases for properties located in the Haystack, Brigalow, Canaga and Hopelands districts.

The horticultural and small crop industries within the Burnett, Lockyer Valley and Wide Bay regions have recorded no changes to value overall with the limited sales transactions supporting the existing levels of value.



Agricultural landscape

The dry land agriculture in Central Queensland has remained strong again this year following several consecutive years of good rainfall.

Arable land values have not changed since the valuation in 2011, however, mixed-use rural properties have seen a reduction in value due to a decrease in value in the grazing land component of their properties. Irrigation land values in Central Queensland overall are also unchanged.

The increases that occurred in the dry land agricultural industry as a result of several wet years have not translated over to irrigation lands. Many irrigation properties are still recovering from the effects of last year's wide spread flooding.

Sugar cane and small crops land values within the Mackay and Whitsunday local government areas have not changed due to insufficient sales transactions to support any change in value.

The rural land market in north Queensland during the first six months of 2011 was impacted by Tropical Cyclone Yasi and a prolonged wet season. This resulted in a smaller sugar cane harvest and a decimation of the banana industry on the tropical coast. Both the sugar cane industry and the banana industry are still rebuilding following the damage caused by Tropical Cyclone Yasi.

Even though global sugar prices are still reasonably high, the strong Australian dollar, poor harvests for two consecutive seasons and the inability for some sugar cane growers to meet forward selling contracts has affected incomes.

The prospects of a good 2012 harvest and a continuation of higher commodities prices are drivers for renewed confidence within the sugar cane industry.

Chart 1: Queensland Number of Valuations by Land Use

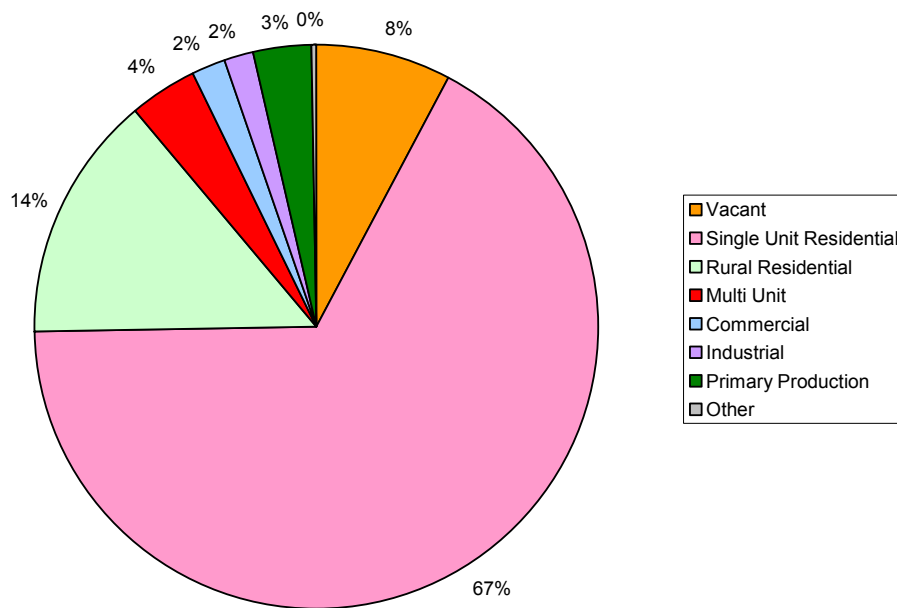
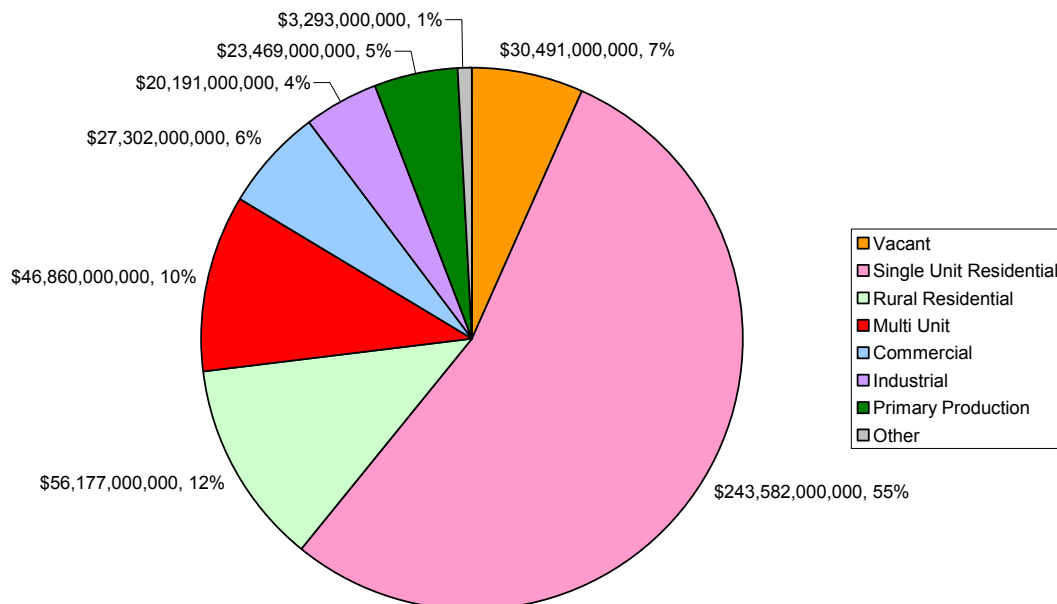


Chart 2: Queensland Total Value by Land Use



- Note: Total Value has been rounded to nearest million

Table 1: New median value and percentage movement in median value since previous annual valuation issued in 2011, for whole local government area

Local authority	Commercial		Industrial		Multi-unit		Single unit residential		Rural residential		Primary production		Total value change (%)
	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 (%)	New median value (\$)	
BALONNE	0.0	53 000	1.9	55 000	2.1	48 500	0.0	45 000	0.0	86 000	0.0	530 000	0.0
BANANA	0.0	75 500	0.0	105 000	0.0	75 000	0.0	70 000	0.0	80 000	-9.5	380 000	-7.9
BARCADDINE	0.0	50 000	0.0	55 000	0.0	55 000	-4.8	50 000	0.0	60 000	-9.6	748 000	-9.1
BARCOO	0.0	11 500	-5.0	475	N/A	N/A	0.0	10 000	0.0	10 000	-10.1	357 500	-4.9
BLACKALL-TAMBO	0.0	36 500	0.0	34 000	0.0	22 000	0.0	27 500	0.0	45 000	-9.5	850 000	-8.9
BOULIA	0.0	19 000	0.0	10 000	0.0	11 000	0.0	9 000	0.0	18 000	1.1	910 000	0.3
BRISBANE	0.0	740 000	0.0	880 000	-2.8	690 000	1.6	315 000	1.8	570 000	-3.2	600 000	-0.6
BULLOO	0.0	4 100	18.4	17 400	0.0	3 600	0.0	3 100	0.0	3 000	0.0	397 500	0.0
BUNDABERG	0.0	217 500	0.0	202 500	0.0	155 000	0.0	116 000	2.9	105 000	0.0	155 000	-0.9
BURDEKIN	6.7	143 000	17.4	135 000	-6.4	117 000	-5.3	89 000	0.0	110 000	0.0	212 500	0.5
BURKE	0.0	60 000	0.0	60 000	0.0	43 500	0.0	29 000	0.0	28 000	0.0	1 050 000	0.1
CAIRNS	-15.7	350 000	-8.4	300 000	-14.9	185 000	-1.4	143 000	-1.1	215 000	-2.6	187 500	-8.5
CARPENTARIA	9.6	63 000	0.0	90 000	4.7	67 000	5.3	15 800	0.0	34 500	2.5	820 000	0.6
CASSOWARY COAST	-9.7	197 500	-9.7	162 500	-15.5	109 000	-13.3	78 000	-9.6	122 000	-9.2	172 500	-13.7
CENTRAL HIGHLANDS	37.5	275 000	8.4	225 000	14.6	165 000	30.5	137 000	10.3	150 000	-3.2	750 000	7.6
CHARTERS TOWERS	2.6	80 000	17.3	29 500	0.0	60 000	0.0	52 000	0.0	113 000	0.0	640 000	0.2
CLONCURRY	0.0	80 000	0.0	1 800	0.0	54 500	0.0	52 000	0.0	100 000	-1.9	530 000	-1.5
COOK	-2.1	171 250	0.0	1 000	-5.4	87 000	-4.7	81 000	-3.7	129 000	-1.2	405 000	-3.6
CROYDON	10.0	22 100	0.0	3 300	N/A	N/A	9.6	9 100	10.8	14 400	0.0	375 000	0.3
DIAMANTINA	0.0	45 000	0.0	29 500	0.0	15 250	0.0	19 250	0.0	65 000	0.0	1 300 000	0.0
ETHERIDGE	0.0	16 300	0.0	560	0.0	14 550	0.0	12 600	0.0	13 600	0.0	670 000	0.0
FLINDERS	6.7	16 000	12.5	18 000	0.0	12 000	0.0	11 500	0.0	21 250	-6.7	905 000	-4.8
FRASER COAST	-5.1	216 000	-2.4	200 000	-4.9	192 500	-2.5	118 000	-3.6	135 000	0.0	167 500	-4.0
GLADSTONE	30.6	405 000	3.4	455 000	33.3	270 000	29.5	180 000	12.2	165 000	0.0	130 000	19.0
GOLD COAST	-8.2	670 000	-13.2	590 000	-6.4	365 000	-5.1	235 000	-2.9	330 000	0.5	241 250	-8.0
GOONDIWINDI	4.3	96 000	3.0	103 000	3.9	80 000	4.2	75 000	2.8	112 000	1.0	242 500	1.7
GYMPIE	0.0	172 500	0.0	167 500	-3.4	144 000	-3.8	102 000	-1.6	150 000	0.0	260 000	-1.0
HINCHINBROOK	0.0	182 500	0.0	140 000	-0.9	111 000	-3.4	86 000	-5.6	117 000	-7.4	157 500	-5.2
IPSWICH	0.0	325 000	0.0	590 000	0.3	168 000	0.0	139 000	0.0	217 500	0.0	410 000	0.1
ISAAC	0.7	135 000	0.0	100 000	2.9	144 000	0.0	94 000	3.8	108 000	0.0	1 100 000	0.3

Local authority	Commercial		Industrial		Multi-unit		Single unit residential		Rural residential		Primary production		Total value change (%)
	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 (%)	New median value (\$)	
LOCKYER VALLEY	0.0	252 500	0.0	192 500	0.0	119 500	0.0	104 000	0.0	123 000	0.0	295 000	0.0
LOGAN	-6.4	571 000	-8.9	380 000	-11.2	395 000	-3.8	187 500	-1.7	290 000	-3.4	432 500	-5.2
LONGREACH	0.0	100 000	0.0	72 500	0.0	72 500	0.0	70 000	0.0	42 500	-10.0	793 500	-6.8
MACKAY	0.0	310 000	0.0	330 000	0.0	245 000	0.0	172 500	1.2	207 500	0.4	123 000	0.8
MARANOA	10.2	158 750	3.1	167 500	24.5	132 000	20.4	118 000	0.0	160 000	-17.0	365 000	-8.5
MCKINLAY	0.0	7 500	0.0	16 000	0.0	7 500	0.0	8 000	6.7	8 000	-12.5	1 050 000	-8.8
MORETON BAY	-6.5	580 000	-5.5	520 000	-6.8	345 000	-4.8	200 000	-1.6	315 000	0.0	440 000	-3.9
MOUNT ISA	1.4	180 000	1.7	150 000	5.3	120 000	0.0	98 000	1.1	235 000	0.0	425 000	0.6
MURWEH	0.0	74 000	0.0	56 000	0.0	35 000	0.0	28 500	0.0	64 500	0.0	272 500	-1.7
NORTH BURNETT	-7.9	58 500	-3.2	61 000	-6.8	41 000	-6.4	44 000	-3.5	55 000	0.0	187 500	-1.1
PAROO	574.4	43 500	0.0	150	800.0	9 000	620.0	10 800	414.3	36 000	0.0	230 000	10.3
QUILPIE	0.0	14 800	0.0	500	0.0	19 900	0.0	17 800	0.0	14 000	0.0	135 500	0.2
REDLAND	-8.0	575 000	-9.4	580 000	-11.5	540 000	-4.9	242 500	-1.1	465 000	-4.5	640 000	-6.7
RICHMOND	0.0	21 000	0.0	13 600	0.0	12 000	0.0	10 400	0.0	27 500	-8.7	1 050 000	-8.4
ROCKHAMPTON	-3.1	237 500	1.9	265 000	5.5	135 000	7.3	118 000	4.4	177 500	1.5	139 000	3.2
SCENIC RIM	5.3	300 000	11.1	250 000	0.0	220 000	-9.7	162 500	6.0	222 500	8.4	450 000	-0.7
SOMERSET	-3.4	140 000	0.0	171 250	0.0	111 000	0.0	105 000	-3.1	157 500	0.0	380 000	-0.3
SOUTH BURNETT	-1.0	100 000	0.0	84 000	0.0	80 000	0.0	67 000	0.0	84 000	0.0	170 000	-0.5
SOUTHERN DOWNS	2.2	177 500	4.5	172 500	0.0	110 000	1.2	87 000	3.9	134 000	0.0	108 000	2.7
SUNSHINE COAST	-3.5	412 500	-2.9	340 000	-4.4	430 000	-4.5	210 000	-1.0	237 500	0.0	190 000	-4.7
TABLELANDS	-1.3	192 500	0.0	96 000	-3.7	105 000	3.6	87 000	-1.5	165 000	0.0	295 000	-1.3
TOOWOOMBA	0.0	215 000	3.1	247 500	0.7	144 000	1.7	121 000	3.3	157 500	0.0	215 000	1.6
TORRES	0.0	380 000	0.0	340 000	0.0	340 000	0.0	215 000	0.0	146 000	0.0	175 000	0.0
TOWNSVILLE	-1.4	345 000	-11.5	345 000	0.0	210 000	2.0	150 000	0.0	190 000	-1.3	385 000	0.4
WEIPA	10.1	462 500	10.2	280 000	10.1	196 000	10.3	150 000	9.4	492 500	N/A	N/A	10.3
WESTERN DOWNS	8.0	148 500	16.0	145 000	23.8	130 000	3.4	90 000	3.1	67 000	1.7	300 000	3.0
WHITSUNDAY	-9.5	215 000	-14.9	178 750	-7.9	175 000	-7.4	125 000	-4.7	205 000	2.8	185 000	-10.9
WINTON	0.0	24 000	0.0	250	0.0	14 000	0.0	15 000	0.0	22 500	-8.5	915 000	-8.2
STATE	-1.4	350 000	-1.4	340 000	-3.8	375 000	-1.3	195 000	1.3	202 500	0.0	255 000	-2.6

