

Our Ref: 10071/100712.am

10 July 2012

Mr George Rice
Bourke Securities Pty Ltd
Peachville Park
16L Eulomogo Rd
DUBBO NSW 2830

Dear George,

RE: EULOMOGO ROAD RURAL RESIDENTIAL, UPDATE OF SALES DATA

I provide the following letter in response to your request for an update of the sales information for Dubbo. It is understood that this letter may be forwarded to Dubbo City Council in relation to your application for a rural residential subdivision at Eulomogo Road.

Urban Economics prepared a Residential Supply and Demand Assessment report in September 2010 in regards to the subdivision. This report included data on sales of vacant residential land and houses and building approvals in Dubbo. The following two tables are updates of the data contained in TABLES 4.2 and 4.3 of that report. Due to the delay in the disclosure of some sales data, some of the sales volume of the 2011/12 may be expected to increase and some of the most recent data in the original report has now been updated.

TABLE 4.2 – SALES DATA DUBBO LGA BY LOT AREA

Year	Vacant Land 0 – 1,999m ²		Vacant Land 2,000 – 5,999m ²		Vacant Land 6,000m ² - 10ha		House 0 – 1,999m ²		House 2,000 – 5,999m ²		House 6,000m ² - 10ha	
	Sales	Median	Sales	Median	Sales	Median	Sales	Median	Sales	Median	Sales	Median
2001/2002	164	\$55,500	6	\$81,500	39	\$63,425	687	\$135,000	37	\$200,000	37	\$260,000
2002/2003	202	\$60,000	20	\$110,000	23	\$83,500	704	\$151,250	33	\$150,000	38	\$270,000
2003/2004	200	\$80,000	38	\$125,000	24	\$117,000	646	\$189,000	38	\$226,250	30	\$342,500
2004/2005	162	\$85,000	27	\$135,000	32	\$138,250	535	\$207,000	30	\$283,750	29	\$330,000
2005/2006	178	\$98,000	18	\$152,500	9	\$205,500	539	\$215,000	22	\$278,000	29	\$380,000
2006/2007	96	\$105,000	14	\$155,000	9	\$160,000	518	\$219,000	25	\$230,000	22	\$387,500
2007/2008	129	\$92,500	19	\$135,000	12	\$133,750	579	\$230,000	20	\$415,000	29	\$375,000
2008/2009	171	\$91,500	24	\$136,500	9	\$130,000	772	\$235,000	30	\$230,000	23	\$395,000
2009/2010	144	\$105,000	45	\$135,000	20	\$155,000	651	\$241,000	32	\$355,500	33	\$452,500
2010/2011	125	\$120,000	22	\$140,000	20	\$179,000	606	\$255,000	40	\$379,000	28	\$422,500
2011/2012	98	\$125,000	17	\$84,000	9	\$130,000	570	\$260,000	38	\$380,000	14	\$455,000
% increase in Median Price 01-12		125%		3%		135%		93%		90%		75%

SOURCE: PDS Live. NB It is likely that sales number data for 2011/12 is low as there is generally a delay in disclosure of sales data.

Similarly to our findings in September 2010, sales in large lot vacant residential land appears to be constrained by supply and with a higher supply of such lots, one would expect a higher sales volume. Large lot vacant land and large lot house sales continue to represent a small but consistent and important component of the market in Dubbo.

TABLE 4.3 comprises the total number of building approvals since 2001/2002 within the Dubbo – Part A Statistical Local Area (SLA), Dubbo – Part B Statistical Local Area (SLA) and Dubbo – Local Government Area (LGA). It also provides details of the type of residential formation approved for each year, including separate dwellings and ‘other’ residential dwellings which includes apartments, units and townhouses.

TABLE 4.3 – BUILDING APPROVALS - DUBBO

	Dubbo - Part A (SLA)			Dubbo - Part B (SLA)			Dubbo (LGA)		
	House	Other	Total	House	Other	Total	House	Other	Total
2001/2002	208	56	264	7	0	7	215	56	271
2002/2003	208	38	246	11	0	11	219	38	257
2003/2004	191	40	231	8	0	8	199	40	239
2004/2005	202	34	239	9	0	9	211	34	248
2005/2006	187	4	191	19	0	19	206	4	210
2006/2007	101	0	102	13	0	13	114	0	115
2007/2008	141	73	228	7	0	7	148	73	235
2008/2009	175	30	211	4	0	4	179	30	215
2009/2010	197	22	219	13	0	13	210	22	232
2010/2011	118	29	147	7	0	7	125	29	154
2011/2012#	114	19	133	13	0	13	127	19	146

Note: # represents the most up-to-date financial year data from July 2011 to April 2012

SOURCE: ABS

The dwelling approval data in Dubbo continues to demonstrate a steadily performing market in Dubbo. From the available 10 months of data for 2011/12 it appears that that year will exceed 2010/11 in dwelling approvals. Extrapolating the data to a full 12 month period for 2011/12 suggests a total dwelling approval volume of about 175 dwellings.

Our report in 2010 projected a June 2011 resident population of 42,000 persons, based on the latest published population and building approval data at that time. The Australian Bureau of Statistics latest estimated resident population data for Dubbo as at June 2011, released in March 2012, was a population of 42,108 persons.

In light of this more recent building approval and sales data, the conclusions in regards to the level of need for your proposed subdivision contained in chapter 7.0 of the report remain valid and unchanged.

It is understood that this advice may be forwarded to Dubbo City Council as an addendum to the Residential Supply and Demand Assessment report. If you or Council officers have any questions regarding this advice, please contact me on (07) 3839 1400.

Yours faithfully
Urban Economics



Anthony Meulman
Senior Consultant