

HOME LOANS NEWS NOW

A smart read.

April 2005 Issue 1

In this issue...

Welcome to the first Home Loans Now newsletter. From now on, we'll be regularly updating you on the latest property market news and statistics, to help you make informed decisions with your home buying and property investing. This issue, we've included a list of Brisbane property prices by suburb. Best wishes from the team at Home Loans Now.

Interest rates rise

The Reserve Bank decided to increase the cash rate in March, leading to a 0.25% increase in interest rates. However, interest rates are still at a relatively low level, historically speaking, as you can see in Chart 1 below.

Michael Matusik, director of Matusik Property Insights, does not believe that the recent interest rate rise will impact negatively on Brisbane house prices.

He explained that since 1987 Brisbane's median house price has risen by 9.4% per annum on average.

"Brisbane has experienced just two years of negative house price growth since the mid-1980s, being 1995 and 1999, during which median house values across the Brisbane region fell by -1.7% and -0.8% respectively," Matusik said.

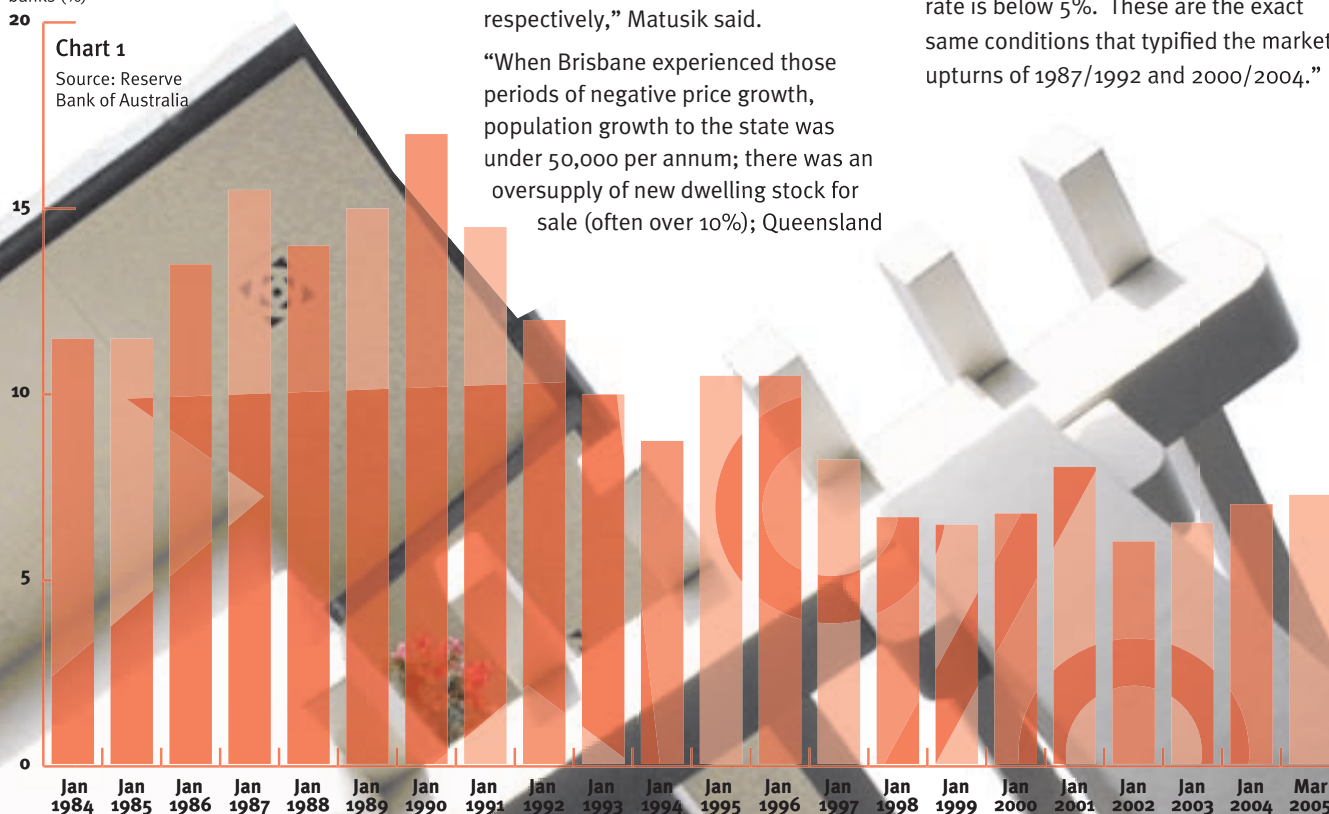
"When Brisbane experienced those periods of negative price growth, population growth to the state was under 50,000 per annum; there was an oversupply of new dwelling stock for sale (often over 10%); Queensland

created very few jobs and in fact in the two years in question lost full-time jobs; and unemployment exceeded 10%. Somewhat ironically interest rates fell during the 1993/1999 downturn by 1%.

"Now let's look at the current state of play. The state enjoys strong population growth with 82,000 people moving permanently to Queensland during 2003/04. We project that Queensland's annual population growth should average 75,000 each year over the next ten years or so.

"New dwelling supply is at equilibrium at present, and is likely (due to rising construction costs) to enter undersupply by year end. Over 70,000 full-time jobs were created across Queensland last year and the state's unemployment rate is below 5%. These are the exact same conditions that typified the market upturns of 1987/1992 and 2000/2004."

Standard variable interest rates for banks (%)



Who's saying what?

Reserve Bank of Australia governor Ian Macfarlane, March 2005:

"For some time the Bank has been signalling that the cash rate would probably need to be moved higher during the current expansion."

Director of Matusik Property Insights Michael Matusik, March 2005:

"We believe established house prices (in the Brisbane region) should rise during 2005 and by as much as 10% and assuming a 0.5% rise in interest over the next 12 months or so."

REIQ research manager Fiona Bergin, February 2005:

"Despite the likelihood of interest rate rises influencing the buying patterns of investors in coming months, North Queensland should weather the storm well because at the end of the day, it still presents more affordable opportunities for homebuyers and investors."

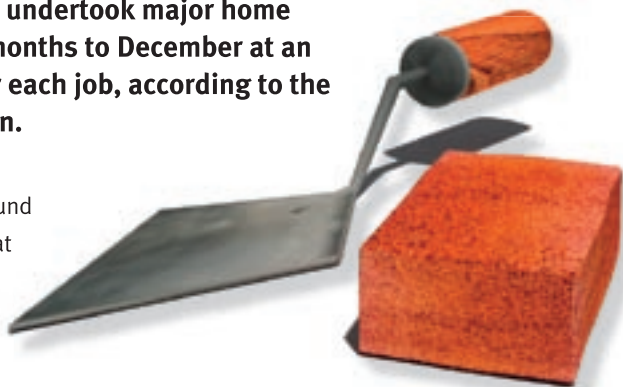
Property Council of Australia executive director Robert Walker, February 2005:

"The duplication of the Gateway Bridge (by 2011) and the upgrade of the Gateway Motorway is just one of a number of much-needed projects for southeast Queensland."

Reno spending

A total of 13,057 households undertook major home renovations over the three months to December at an average value of \$67,474 for each job, according to the Housing Industry Association.

The most popular major renovation over these three months was a ground floor extension valued on average at \$102,382 and averaging around 69 square metres in size.



Two ways to make some quick cash

1. If you know anyone who is selling their property, let them know that they can earn \$20 per week if they display a Home Loans Now sign. Contact us on 1300 135 137 for more information.

2. Do you have any family or friends who are looking for a home or investment loan? Until 30 June 2005, for any loan which is referred by you and proceeds to settlement through Home Loans Now, we will send you a cheque for \$100! Just make sure your friend or family member mentions that you told them about our service.



On the web

At the website <http://www.fido.gov.au> you can check out a multi-loan calculator which helps you choose between various methods of paying off a loan.

It considers whether you'd be better off:

- paying off your loans faster without refinancing;
- refinancing your loans; or
- making extra one-off payments or regular payments on selected loans.

If you are thinking about refinancing, you can also give one of our loans managers a call to chat about the fees involved, and the potential savings. Phone: 1300 135 137.

Brisbane median house prices

What is a median price?

A 'median' house price is not the same as an 'average' price. The median is the middle price. In other words, if you had a list of 100 sales for suburb Z, and you listed them in ascending order according to their sale price, the 50th price (the one in the middle of the list) is the median. So if a median price is \$200,000, then half of the sales in that suburb were above this price, and half the sales were below this price.

LOCALITY	Median house price, Dec quarter 2004
BRISBANE (LGA)	\$352,000
ACACIA RIDGE (4110)	\$216,250
ALBION (4010)	N/A
ALDERLEY (4051)	\$379,500
ALGESTER (4115)	\$279,500
ANNERLEY (4103)	\$339,500
ANSTEAD^ (4070)	\$582,500
ASCOT (4007)	\$650,000
ASHGROVE (4060)	\$438,000
ASPLEY (4034)	\$315,000
AUCHENFLOWER (4066)	\$535,000
BALD HILLS (4036)	\$270,000
BALMORAL (4171)	\$496,000
BANYO (4014)	\$275,000
BARDON (4065)	\$478,750
BELLBOWRIE (4070)	\$335,000
BELLBOWRIE^ (4070)	\$700,000
BELMONT (4153)	\$349,000
BOONDALL (4034)	\$282,500
BRACKEN RIDGE (4017)	\$300,000
BRIDGEMAN DOWNS (4035)	\$457,000
BRIGHTON (4017)	\$275,000
BROOKFIELD (4069)	N/A
BROOKFIELD^ (4069)	\$1,162,500
BULIMBA (4171)	\$510,000
BURBANK^ (4123)	\$1,012,500
CALAMVALE (4116)	\$317,000
CALAMVALE^ (4116)	\$800,000
CAMP HILL (4152)	\$390,000
CANNON HILL (4170)	\$313,000
CARINA (4152)	\$351,500
CARINA HEIGHTS (4152)	\$358,000
CARINDALE (4152)	\$485,000
CAROLE PARK (4300)	N/A
CARSELDINE (4034)	\$412,000
CHANDLER (4155)	N/A
CHAPEL HILL (4069)	\$413,500
CHELMER (4068)	\$756,000
CHERMSIDE (4032)	\$341,000
CHERMSIDE WEST (4032)	\$313,000
CHUWAR^ (4306)	\$365,000
CLAYFIELD (4011)	\$855,000
COOPERS PLAINS (4108)	\$295,000
COORPAROO (4151)	\$364,000
CORINDA (4075)	\$410,000
DARRA (4076)	\$222,500
DEAGON (4017)	\$272,000

LOCALITY	Median house price, Dec quarter 2004
DOOLANDELLA (4077)	N/A
DREWVALE (4116)	\$308,000
DURACK (4077)	\$246,000
DUTTON PARK (4102)	N/A
EAST BRISBANE (4169)	\$470,000
EIGHT MILE PLAINS (4113)	\$409,500
ELLEN GROVE (4077)	\$303,750
ENOGGERA (4051)	\$350,000
EVERTON PARK (4053)	\$319,000
FAIRFIELD (4103)	\$369,000
FERNY GROVE (4055)	\$321,000
FIG TREE POCKET (4069)	\$475,000
FITZGIBBON (4018)	\$273,000
FOREST LAKE (4078)	\$287,000
GEEBUNG (4034)	\$275,000
GORDON PARK (4031)	\$410,000
GRACEVILLE (4075)	\$441,000
GRANGE (4051)	\$425,000
GREENSLOPES (4120)	\$330,000
GUMDALE (4154)	N/A
GUMDALE^ (4154)	\$792,500
HAMILTON (4007)	\$937,500
HAWTHORNE (4171)	\$682,500
HEMMANT (4174)	\$274,000
HENDRA (4011)	\$485,000
HERSTON (4006)	N/A
HIGHGATE HILL (4101)	\$505,250
HOLLAND PARK (4121)	\$320,000
HOLLAND PARK WEST (4121)	\$383,000
INALA (4077)	\$180,000
INDOOROOPILLY (4068)	\$515,000
JAMBOREE HEIGHTS (4074)	\$285,000
JINDALEE (4074)	\$350,000
KANGAROO POINT (4169)	N/A
KARANA DOWNS (4306)	\$275,000
KARANA DOWNS^ (4306)	\$347,000
KEDRON (4031)	\$338,000
KELVIN GROVE (4059)	\$477,000
KENMORE (4069)	\$368,000
KENMORE HILLS (4069)	\$496,250
KENMORE HILLS^ (4069)	\$815,000
KEPERRA (4054)	\$282,000
KURABY (4112)	\$285,000
LOTA (4179)	\$348,500
LUTWYCHE (4030)	\$345,000
MACGREGOR (4109)	\$376,250
MACKENZIE (4156)	N/A
MANLY (4179)	\$461,500
MANLY WEST (4179)	\$339,000
MANSFIELD (4122)	\$322,500
MCDOWALL (4053)	\$375,000
MIDDLE PARK (4074)	\$373,000
MILTON (4064)	N/A
MITCHELTON (4053)	\$313,500
MOGGILL (4070)	N/A
MOOROOKA (4105)	\$340,000
MORNINGSIDE (4170)	\$376,000
MOUNT GRAVATT (4122)	\$310,000
MOUNT GRAVATT EAST (4122)	\$310,000

LOCALITY	Median house price, Dec quarter 2004
MOUNT OMMANEY (4074)	N/A
MURARRIE (4172)	\$455,000
NEW FARM (4005)	\$700,200
NEWMARKET (4051)	\$410,000
NEWSTEAD (4006)	N/A
NORMAN PARK (4170)	\$412,500
NORTHGATE (4013)	\$338,000
NUDGEE (4014)	\$322,500
NUNDAH (4012)	\$384,000
OXLEY (4075)	\$300,500
PADDINGTON (4064)	\$479,000
PALLARA^ (4110)	\$570,000
PARKINSON (4115)	\$365,000
PINJARRA HILLS^ (4069)	\$567,000
PULLENVALE^ (4069)	\$725,500
RED HILL (4059)	\$411,000
RICHLANDS^ (4077)	\$902,800
RIVERHILLS (4074)	\$298,000
ROBERTSON (4109)	\$510,900
ROCKLEA (4106)	\$225,000
RUNCORN (4113)	\$278,000
SALISBURY (4107)	\$291,000
SANDGATE (4017)	\$370,000
SEVEN HILLS (4170)	\$358,500
SEVENTEEN MILE ROCKS (4073)	\$302,000
SHERWOOD (4075)	\$528,750
SHORNCLIFFE (4017)	N/A
SINNAMON PARK (4073)	\$370,000
SOUTH BRISBANE (4101)	N/A
ST LUCIA (4067)	\$562,500
STAFFORD (4053)	\$293,250
STAFFORD HEIGHTS (4053)	\$330,000
STRETTON (4116)	N/A
SUNNYBANK (4109)	\$330,000
SUNNYBANK HILLS (4109)	\$337,000
TAIGUM (4018)	\$320,000
TARINGA (4068)	\$507,500
TARRAGINDI (4121)	\$360,000
THE GAP (4061)	\$367,000
TINGALPA (4173)	\$298,750
TOOWONG (4066)	\$463,500
UPPER BROOKFIELD^ (4069)	\$745,000
UPPER KEDRON (4055)	\$411,000
UPPER MOUNT GRAVATT (4122)	\$329,500
VIRGINIA (4014)	\$330,000
WAKERLEY (4154)	\$345,000
WAVELL HEIGHTS (4012)	\$320,500
WEST END (4101)	\$450,000
WESTLAKE (4074)	\$530,000
WILSTON (4051)	\$491,000
WINDSOR (4030)	\$377,000
WISHART (4122)	\$368,500
WOOLLOONGABBA (4102)	\$360,000
WOOLLOWIN (4030)	\$498,750
WYNNUM (4178)	\$342,500
WYNNUM WEST (4178)	\$297,500
YEERONGPILLY (4105)	N/A
YERONGA (4104)	\$440,000
ZILLMERE (4034)	\$241,000

^ Denotes large housesite sales - properties above 2,500m²

NB. Where there were fewer than 7 sales for a suburb during the quarter a median is not recorded.

Source: Real Estate Institute of Queensland

Looking for a Home Loan?

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- Investment Loans
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- Credit Impaired

-
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Established since January 2000

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