Executive summary

• Our work here confirms that Plainland Crossing continues to offer excellent value for money and is the right product to cater for emerging local and regional demand.

• Well positioned in terms of proximity to employment centres and journey to work travel times.

• The project offers attractive price points, especially for a new master planned high quality residential estate with a new major town centre.

• When the project commenced - from a valuation viewpoint – Plainland Crossing has few direct local comparisons. But now with close to 100 land settlements, at an average price of $141,000 per allotment, the value of the estate appears to be well-established and now acknowledged by judicious valuers and most financiers.

• However, value-based comparisons are being made with land estates beyond the immediate local area. Many buyers visiting Plainland Crossing are also estate shopping in the Toowoomba, Ipswich and Logan City areas.

• Current finance valuation methodology (which excludes settled sales within Plainland Crossing and comparisons with comparable estates outside of the immediate postcode) does not align well with the above facts. To overcome this flaw, buyers and their financiers should be encouraged to include Plainland Crossing settled sales and comparisons with estates beyond the immediate area in the information provided to valuers.

<table>
<thead>
<tr>
<th>Location/project</th>
<th>Avg land price</th>
<th>Avg allotment size</th>
<th>Avg $/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toowoomba</td>
<td>$185,000</td>
<td>673m²</td>
<td>$275/m²</td>
</tr>
<tr>
<td>Ipswich City</td>
<td>$198,000</td>
<td>458m²</td>
<td>$432/m²</td>
</tr>
<tr>
<td>Plainland Crossing</td>
<td>$135,000</td>
<td>450m²</td>
<td>$300/m²</td>
</tr>
<tr>
<td></td>
<td>$145,000</td>
<td>600m²</td>
<td>$242/m²</td>
</tr>
<tr>
<td>Logan City</td>
<td>$229,000</td>
<td>430m²</td>
<td>$533/m²</td>
</tr>
<tr>
<td>Brisbane western suburbs</td>
<td>$349,000</td>
<td>653m²</td>
<td>$535/m²</td>
</tr>
</tbody>
</table>

Legend
Location/project
Avg land price
Avg allotment size
Avg $/m²

CoreLogic – RpData. December Qtr 2017. Settled land sales under 1,000m² by date of contract.
Lockyer Valley market overview

Current trends

• In a recovery.

• A relative small housing market located between Ipswich and Toowoomba.

• Traditionally rural in nature, this area is becoming more urban and in particular, in the towns of Gatton and Plainland.

• Dwelling values and rents are rising, but it is the vacant land market that is leading the way, with strong price growth and improving sales.

• The area is struggling to keep up with the growing demand.

• Another positive is that new jobs have been created in the area in recent years.

Next twelve months

• Most likely to enter the upswing phase of the property cycle during 2018.

• The area is affordable and is starting to become an attractive alternative to living in the Brisbane’s western suburbs.

• Substantial new commercial development is taking place and is helping drive demand.

• Continued local employment growth is expected.
Key findings

1. Housing demographics

• There is a significant mismatch between the local detached household demographics and the majority of the existing local housing stock.

• There is sizeable pent-up demand for new detached homes on smaller allotments than traditionally provided in the local area. Land at Plainland Crossing caters for both the traditional and smaller allotment types.

• See page 10.

2. Underlying demand

• The population is expected to grow by 800 new residents per annum.

• Need to build 300 new dwellings each year.

• Most of the new housing demand will be for detached housing on small allotments.

• Strong local business and employment growth.

• Affordable housing is a major drawcard to the area.

• See pages 11 to 13.

3. Land sales cycle

• Land sales have increased considerably in recent years across the Lockyer Valley.

• Sales volumes are expected to improve and continued price growth is expected during 2018 and into the first half, at least, of calendar 2019.

• See page 14.
4. New housing supply

• Limited new housing supply, coupled with rising development costs and the need to keep housing affordable, is seeing the local market accept smaller housing allotments.

• Moreover, modern lifestyles are seeing many more people time-short and most appear to be foregoing the traditional backyard for better designed dwellings and enhanced local ‘offsets’.

• These local offsets include conservation areas with walking paths, local pocket parks, off-lease dog areas and local public amenities like retail, cafes/restaurants and recreational facilities.

• See page 15.

5. Rental market

• The local supply of newly-built houses for rent is very tight and the weekly rents much higher than older houses in the area.

• Renters in the area appear to be opting to live in new homes in new estates.

• Plainland Crossing has a relatively low proportion of rental stock, with four bedroom detached houses renting between $390 and $420 per week. There are no rental vacancies, at time of writing, within the estate.

• See pages 16 and 17.

6. Vacant land market

• Most standard land sales are on land between 450m² and 800m².

• Most standard allotments are currently priced between $130,000 and $150,000.

• Buyers are predominately from outside of the local area and especially from Ipswich and the western suburbs of Brisbane.

• Most buyers are buying a built solution, with one in three buying a turn-key home. Display builders help provide this solution at Plainland Crossing.

• There is strong buyer demand for land with 15 metre or wider frontages.

• See pages 18 to 19.
7. Local land estates

- A review of new residential development activity in the Lockyer Valley area over recent years has found a limited number of standard land estates in the market.

- Only three of these estates are comparable to Plainland Crossing and they include:
  
  o Waterlea at Walloon
  o Woodchester Estate
  o And whilst stock lasts, Honeywood

- Wider afield, potential land buyers, originating from Ipswich and Brisbane’s western suburbs, would most likely visit these estates:
  
  o Ripley area
  o Ecco Ripley
  o Ripley Valley
  o Providence
  
  o Ipswich area
  o Eden’s Crossing
  o Woodlink
  o Six Mile Creek

- We believe sensible valuation methodology should take into consideration these estates when assessing land values at Plainland Crossing.

- See pages 20 to 21.

8. Land prices

- Our review of relevant standard allotment prices suggest that Plainland Crossing is competitively priced.

  o Plainland Crossing $135,000 450m² $300/m²
  o Plainland Crossing $145,000 600m² $242/m²
  
  o Brisbane western suburbs $349,000 653m² $535/m²
  o Ipswich City $198,000 458m² $432/m²
  o Logan City $229,000 430m² $533/m²
  o Toowoomba $185,000 673m² $275/m²

- See pages 22 and 23.
Project description

- Upon completion, Plainland Crossing will hold approximately 400 dwellings and 12 hectares of new Business Park within the Plainland Town Centre.

- The estate presents to a high standard.

- The project is adjacent to the established Plainland Plaza shopping centre and within walking distance to other Plainland amenities including the Plainland Hotel and Schulte’s Deli.

- Plainland Crossing’s commercial offering continues to grow. A medical centre, childcare centre, beauty salon and Bridgestone Select are well established in the estate. Aldi have purchased land and obtained a development approval for a new supermarket within the business precinct.

- In addition Catholic Education have purchased land on Gehrke Road and intend opening a Catholic Secondary College in 2021 supplementing the existing Plainland Faith Lutheran College which holds about 700 students between grades 7 and 12.

- The University of Queensland Gatton Campus – which holds 1,000 students - is just five minutes’ drive away.

- The estate is on the Warrego Highway and has great highway access to and from Toowoomba and Ipswich, plus the wider Brisbane area and the Gold Coast. Ipswich is 30 minutes’ drive to the east and Toowoomba approximately 40 minutes’ drive west.

- Two allotment types are typical – 450m² (15m x 30m) or 600m² (20 x 30) – with the larger lots also suitable for duplexes or dual-living homes. All lots are benched, retained and offer NBN broadband internet access.

- Across the 110 allotments so far developed in Plainland Crossing, the smaller allotments have averaged $135,000 and the 600m² allotments sold for an average $145,000.

- The proportion of investor/rental homes continues to be carefully managed, as evidenced by the diverse and ‘house proud’ streetscapes in the developed stages of the Plainland Crossing estate.

- House & land packages currently range in the low-to-mid $300,000 range, depending on house size/design and allotment type. Several display homes are open for inspection and three prominent builders – G.J.Gardner, Hallmark Homes and Bold Living – are on site.

- The developer is Maddison Ridge Pty Ltd.
SUPPORTING EVIDENCE
1. Housing demographics

A review of the 2016 Census results for the suburb of Plainland:

- 93% of occupied dwelling stock are detached houses
- 2.84 average number of people per detached house

Tenure:

- 38% fully owned
- 52% owner residents have a mortgage
- 10% held by investors

Housing type:

- 2% one bedroom stock
- 6% two-bedrooms
- 34% three-bedrooms
- 58% four+ bedrooms

Cars per household:

- 21% none or one car
- 44% two cars
- 35% three or more cars

No. of residents:

- 18% typically hold one resident
- 31% two residents
- 28% three residents
- 23% four+ residents

Household type:

- 18% lone person households
- 31% couples no children
- 49% families with children still at home
- 2% unrelated group households
2. Underlying demand

We use four factors to help gauge the level of underlying demand:

a. Population growth
b. New housing need
c. Employment
d. Housing affordability

a. Population growth:

- Some 40,000 people live in the Lockyer Valley.
- The local population has been increasing faster than projected.
- The projected rate of growth was 720 new residents per annum (over the past five years).
- The current growth rate is 800 new residents each year.
- Based on the current rate of growth, the local area is expected to increase by 25% and hold 50,000 permanent residents within the next ten to twelve years.

b. New housing need:

- There is a need to build some 300 new dwellings each year in the area.
- Most of these new builds will have to appeal to first home buyers, downsizers and young renters.

<table>
<thead>
<tr>
<th>Home buyer segment</th>
<th>Age group</th>
<th>Annual change</th>
<th>% distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young renters</td>
<td>17 to 24 years</td>
<td>60</td>
<td>20%</td>
</tr>
<tr>
<td>First home buyer</td>
<td>25 to 39 years</td>
<td>75</td>
<td>25%</td>
</tr>
<tr>
<td>Upgrader</td>
<td>40 to 54 years</td>
<td>30</td>
<td>10%</td>
</tr>
<tr>
<td>Downsizer</td>
<td>55 to 74 years</td>
<td>75</td>
<td>25%</td>
</tr>
<tr>
<td>Retired</td>
<td>75 to 84 years</td>
<td>45</td>
<td>15%</td>
</tr>
<tr>
<td>Aged</td>
<td>Over 85 years</td>
<td>15</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

• Our housing preference modelling, based on our outer suburb benchmarks and the expected local housing buyer segmentation as outlined above, suggests that over the next five years the following housing types will be in demand:
  
  o Freehold detached housing 75%
  o Duplex or terrace-style homes 15%
  o Townhouses, apartments or retirement options 10%

• Most of the detached housing demand will be on small allotments, typically under 600m².

**c. Local employment**

• There are 3,044 registered businesses in the Lockyer Valley. This has increased from 3,003 businesses last year and 2,954 in 2015.

• The current labour force estimates suggest that 17,750 are employed in the Lockyer Valley and the area supports 12,500 local jobs, suggesting that 30% of the local residents are employed outside of the immediate area.

• According to recent research by Payscale Australia the average commuting time in Brisbane is now 58.5 minutes. Toowoomba, Ipswich & some parts of Brisbane, particularly its outer south-western suburbs, are within a 40 minute commute of Plainland Crossing. The Brisbane CBD is now less than a one hour commute.

• With more upgrades to the Warrego Highway underway, this should improve further, making the differential between Plainland Crossing and say, Yarrabilba & Springfield, less significant and further improving the Plainland Crossing value proposition.

• For this update we have looked at jobs within a 40 minute drive from Plainland Crossing. There are over 220,000 jobs within this radial distance from Plainland. The size of this job market has been growing by about 5,000 new jobs per annum over recent years.
d. Housing affordability

- New house and land packages in the Lockyer Valley remain affordable when compared to the rest of the Brisbane region/Toowoomba.

- Also of import is that the average new lot size in the Lockyer Valley averages just under 600m², whilst across the much of the Brisbane region it is now 450m². This also plays a factor when buyers assess affordability and value for money.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Median family income</th>
<th>Median house &amp; land price</th>
<th>Price to income ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>$110,798</td>
<td>$715,000</td>
<td>6.5</td>
</tr>
<tr>
<td>Ipswich</td>
<td>$83,774</td>
<td>$380,000</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Lockyer Valley</strong></td>
<td><strong>$78,211</strong></td>
<td><strong>$329,000</strong></td>
<td><strong>4.2</strong></td>
</tr>
<tr>
<td>Logan</td>
<td>$81,919</td>
<td>$400,000</td>
<td>4.9</td>
</tr>
<tr>
<td>Moreton Bay</td>
<td>$86,794</td>
<td>$475,000</td>
<td>5.5</td>
</tr>
<tr>
<td>Redland</td>
<td>$96,173</td>
<td>$543,000</td>
<td>5.6</td>
</tr>
<tr>
<td>Toowoomba</td>
<td>$81,972</td>
<td>$385,000</td>
<td>4.7</td>
</tr>
</tbody>
</table>

3. Land sales cycle

- Land sales have increased considerably in recent years across the Lockyer Valley.

<table>
<thead>
<tr>
<th>Calendar years</th>
<th>Total land sales</th>
<th>Avg lot size</th>
<th>Median land price</th>
<th>$/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>134</td>
<td>819</td>
<td>$114,000</td>
<td>$139</td>
</tr>
<tr>
<td>2009</td>
<td>226</td>
<td>729</td>
<td>$118,000</td>
<td>$162</td>
</tr>
<tr>
<td>2010</td>
<td>186</td>
<td>621</td>
<td>$125,000</td>
<td>$201</td>
</tr>
<tr>
<td>2011</td>
<td>146</td>
<td>742</td>
<td>$121,500</td>
<td>$164</td>
</tr>
<tr>
<td>2012</td>
<td>85</td>
<td>620</td>
<td>$125,000</td>
<td>$202</td>
</tr>
<tr>
<td>2013</td>
<td>104</td>
<td>611</td>
<td>$119,000</td>
<td>$195</td>
</tr>
<tr>
<td>2014</td>
<td>115</td>
<td>925</td>
<td>$120,000</td>
<td>$130</td>
</tr>
<tr>
<td>2015</td>
<td>83</td>
<td>890</td>
<td>$125,000</td>
<td>$140</td>
</tr>
<tr>
<td>2016</td>
<td>112</td>
<td>700</td>
<td>$135,000</td>
<td>$193</td>
</tr>
<tr>
<td>2017*</td>
<td>165</td>
<td>595</td>
<td>$141,000</td>
<td>$237</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual change in land values (by $/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ten years</td>
</tr>
<tr>
<td>Five years</td>
</tr>
<tr>
<td>Last year</td>
</tr>
</tbody>
</table>

Queensland Government. All reporting periods are based on the contract date and not the settlement date.

*Matusik estimates. Land sales under 2,500m².

- Our take is that the Lockyer Valley standard land market is now in a recovery phase of the property cycle and is likely to enter an upswing by the end of calendar 2018.

- It is likely to reach its current market peak in 18 to 24 months’ time.

- Sales volumes are expected to improve and continued price growth is expected during 2018 and into in the first half, at least, of calendar 2019.

- One of the problems facing the Lockyer Valley standard land market is the lack of new dwelling supply.
4. New housing supply

• In recent years housing oversupply has been absorbed and now the Lockyer Valley is struggling to keep up with new housing demand.

• Over the past five years just 214 new standard residential allotments (under 2,500m²) were registered across the Lockyer Valley, yet 578 new standard allotments have been sold between calendar 2013 and 2017.

• Last year there were 193 new allotments registered in the Lockyer Valley area. Most of these (133 or 69%) were over 2,500m² in size. Just 60 new standard allotments were registered in the area during calendar 2017.

• Seven out of ten of the new standard allotments registered during 2017 in the Lockyer Valley were sized between 450m² and 600m²; 18% were between 600m² and 800m² and another 13% were between 800m² and 1,000m².

• The supply of small allotments is increasing. The median size of a new standard allotment in the Lockyer Valley area is now less than 600m². It was over 800m² ten years ago.

• Yet despite this trend the nature of the new local housing supply is still lagging behind the latent demand.
5. Rental market

- The local rental market is also improving, with weekly rents improving steadily in recent years.

<table>
<thead>
<tr>
<th>Dwelling rental cycle – Lockyer Valley</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec Qtr.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
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<tr>
<td>2013</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
</tr>
</tbody>
</table>

**Annual change in permanent weekly rents**

<table>
<thead>
<tr>
<th></th>
<th>Ten years</th>
<th>Five years</th>
<th>Last year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>$4</td>
<td>$8</td>
<td>$5</td>
</tr>
<tr>
<td>$7</td>
<td>$2</td>
<td>$5</td>
<td>$5</td>
</tr>
<tr>
<td>$6</td>
<td>$4</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>$5</td>
<td>$6</td>
<td>$5</td>
<td>$5</td>
</tr>
</tbody>
</table>

Residential Tenancies Authority. Townhouses include semi-detached houses.

- At present just 34 detached houses are available for rent in the Plainland general area, and at the time of writing, only two of these rental properties are available in the suburb of Plainland.

- Overall the local available for rent rate is currently 2.8%.

- However, many of these available rentals are older houses, some of which are in excess of twenty years old and some may need renovations in order to maintain their current rents. Yet the average time on market for these older houses is just 23 days.

- In contrast, the supply of newly-built houses for rent is much lower. We estimate that it is less than 1%. 
• Weekly rents are much higher for new detached houses and especially ‘dual-living’ stock.

  o For example, an older four bedroom house in the Plainland area rents for between $275 and $325 per week, compared to the typical weekly rental range of between $375 and $425 per week for a new four-bedroom detached home.

  o When it comes to new ‘dual-living’ stock in the wider area, the rents often are between $500 and $550 per week (being between $300 to $325 per week for the main residence and between $200 and $225 per week for the secondary but independent living space).

• Renters in the area appear to be opting to live in new homes in new estates.
6. Vacant land market

Here we have analysed four land market trends across the Lockyer Valley area:

a. Sales by land size
b. Sales by price group
c. Buyer origins

a. Sales by land size

- Most standard local land sales are now sized between 450m² and 800m².
- Over the last three years, allotments sized between 450m² and 600m² sold the fastest.
- In addition local agents told us that allotment with frontages 15 metres or greater are in high demand.
- Other recent work done by us suggests that the demand for dual-living homes on single freehold titles is also on the rise. This product can be placed on allotments sized from 420m².

<table>
<thead>
<tr>
<th>Allotment size</th>
<th>Number</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 450m²</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>450m² to 600m²</td>
<td>157</td>
<td>44%</td>
</tr>
<tr>
<td>600m² to 800m²</td>
<td>86</td>
<td>24%</td>
</tr>
<tr>
<td>800m² to 1,000m²</td>
<td>51</td>
<td>14%</td>
</tr>
<tr>
<td>1,000m² to 2,500m²</td>
<td>63</td>
<td>17%</td>
</tr>
<tr>
<td>Total</td>
<td>360</td>
<td>100%</td>
</tr>
</tbody>
</table>

CoreLogic – RPData. Lockyer Valley area. Calendar years, 2015, 2016 and 2017. Matusik estimates. All reporting periods are based on the contract date and not the settlement date. Land sales under 2,500m².
b. Sales by price group

- Most vacant standard land sold in the local area is currently priced between $130,000 and $150,000.

<table>
<thead>
<tr>
<th>Allotment size</th>
<th>Number</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $100,000</td>
<td>51</td>
<td>14%</td>
</tr>
<tr>
<td>$100,000 to $120,000</td>
<td>55</td>
<td>15%</td>
</tr>
<tr>
<td>$120,000 to $130,000</td>
<td>63</td>
<td>17%</td>
</tr>
<tr>
<td>$130,000 to $140,000</td>
<td>102</td>
<td>29%</td>
</tr>
<tr>
<td>$140,000 to $150,000</td>
<td>82</td>
<td>23%</td>
</tr>
<tr>
<td>Over $150,000</td>
<td>8</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>360</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

CoreLogic – RPData. Lockyer Valley area. Calendar years, 2015, 2016 and 2017. Matusik estimates. All reporting periods are based on the contract date and not the settlement date. Land sales under 2,500m².

c. Buyer origins

- A quarter of land buyers are locals, living elsewhere in the Lockyer Valley.

- The rest come from outside the local area, with strong buyer interest from Ipswich and the western suburbs of Brisbane.

- Potential land buyers are not only visiting local land estates they are also estate shopping in Ipswich, and in some cases, in Toowoomba too. Value-based comparisons need to be made with land estates beyond the immediate local area.

<table>
<thead>
<tr>
<th>Buyer origins</th>
<th>Number</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local area</td>
<td>97</td>
<td>26%</td>
</tr>
<tr>
<td>Ipswich area</td>
<td>82</td>
<td>23%</td>
</tr>
<tr>
<td>Brisbane western suburbs</td>
<td>80</td>
<td>22%</td>
</tr>
<tr>
<td>Toowoomba region</td>
<td>45</td>
<td>13%</td>
</tr>
<tr>
<td>Other Queensland</td>
<td>31</td>
<td>9%</td>
</tr>
<tr>
<td>Interstate/overseas</td>
<td>25</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>360</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

CoreLogic – RPData. Lockyer Valley area. Calendar years, 2015, 2016 and 2017. Matusik estimates. All reporting periods are based on the contract date and not the settlement date. Land sales under 2,500m².
7. Local land estates

- A review of new residential development activity in the Lockyer Valley area over recent years has found a limited number of standard land estates in the market.

- There are six active land estates offering standard allotments for sale. These include:
  
  o Plainland Crossing, Plainland
  o Honeywood, Fernvale
  o Rosewood Green, Rosewood
  o Valley Vista, Laidley
  o Waterlea at Walloon
  o Woodchester Estate, Gatton

A quick summary of these estates, finds:

- **Plainland Crossing** – subject site - has just 22 allotments for sale, it has built 110 allotments and in time will release a further 300 allotments subject to demand.

- **Honeywood** started in 2010 and comprises 264 allotments, future development is possible, but at present, stage 7 (which is already built) comprises just 32 allotments.

  For now, Honeywood is a **directly comparable project**.

- **Rosewood Green** is a new 299 lot subdivision, which is poorly positioned and marketed. Stage 1 comprises of 86 allotments.

  We believe that this is an inferior project and is **not directly comparable**.

- **Valley Vista** was previously called Grandchester Estate and the estate was flooded in 2011. The developer has had to raise housing levels to mitigate future flood risks. The estate may also be negatively affected by the proposed inland rail route. The estate recently sold to a new developer, who is heavily targeting investors.

  We also believe that this is an inferior project and is **not directly comparable**.
• **Waterlea at Walloon** is new land estate, with approval for 299 over the first three stages. Stage one has sold out and our research suggests that the majority of these sales have been to the investment market via put and calls with builders. This 37 hectare estate is planned to hold 1,500 allotments on completion in ten to twelve years’ time. At present, stage two comprising 124 allotments, is for sale.

*Waterlea is a comparable project.*

• **Woodchester Estate** is another local land estate, with approval for 104 in the first stage of the project, being the North East Precinct. Land has been for sale in this project for several years and has only recently began to see an increase in its sales rate.

As noted in the next section of our report, the current land prices in this estate are low, which maybe reflects a downward adjustment of asking prices to improve the rate of sale. A new project marketing firm have also been recently engaged to sell the estate.

This 87 hectare estate is planned to hold 500 allotments on completion. In addition this estate will incorporate a 2.6 hectare multi-dwelling site, a 5,600m² convenience retail site and ten industrial allotments.

*Woodchester estate is a comparable project.*
8. Land prices

- Our review of relevant standard allotment prices suggest that Plainland Crossing is competitively priced.

- Our first table takes a wider view, looking at the average land prices and allotment sizes across a range of comparable local markets, which buyers are taking into consideration when looking at Plainland Crossing.

<table>
<thead>
<tr>
<th>Location</th>
<th>Avg price</th>
<th>Avg lot size (m²)</th>
<th>Avg $/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plainland Crossing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>450m²</td>
<td>$135,000</td>
<td>450</td>
<td>$300</td>
</tr>
<tr>
<td>600m²</td>
<td>$145,000</td>
<td>600</td>
<td>$242</td>
</tr>
<tr>
<td>Local areas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brisbane western suburbs</td>
<td>$349,000</td>
<td>653</td>
<td>$535</td>
</tr>
<tr>
<td>Ipswich City</td>
<td>$198,000</td>
<td>458</td>
<td>$432</td>
</tr>
<tr>
<td>Logan City</td>
<td>$229,000</td>
<td>430</td>
<td>$533</td>
</tr>
<tr>
<td>Toowoomba</td>
<td>$185,000</td>
<td>673</td>
<td>$275</td>
</tr>
</tbody>
</table>

*CoreLogic – RPData. December Qtr 2017. Settled land sales under 1,000m² by date of contract.*

- Our second table looks at the local estates.

<table>
<thead>
<tr>
<th>Land Estate</th>
<th>Avg price</th>
<th>Avg lot size (m²)</th>
<th>Avg $/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plainland Crossing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>450m²</td>
<td>$135,000</td>
<td>450</td>
<td>$300</td>
</tr>
<tr>
<td>600m²</td>
<td>$145,000</td>
<td>600</td>
<td>$242</td>
</tr>
<tr>
<td>Honeywood</td>
<td>$163,375</td>
<td>679</td>
<td>$241</td>
</tr>
<tr>
<td>Woodchester Estate</td>
<td>$125,000</td>
<td>912</td>
<td>$137</td>
</tr>
<tr>
<td>Waterlea</td>
<td>$158,800</td>
<td>505</td>
<td>$315</td>
</tr>
<tr>
<td>Rosewood Green</td>
<td>$155,000</td>
<td>569</td>
<td>$272</td>
</tr>
<tr>
<td>Valley Vista</td>
<td>$110,000</td>
<td>610</td>
<td>$180</td>
</tr>
<tr>
<td>Ripley area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ecco Ripley</td>
<td>$202,860</td>
<td>428</td>
<td>$474</td>
</tr>
<tr>
<td>Ripley Valley</td>
<td>$212,800</td>
<td>549</td>
<td>$388</td>
</tr>
<tr>
<td>Providence</td>
<td>$202,810</td>
<td>401</td>
<td>$506</td>
</tr>
<tr>
<td>Ipswich area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eden’s Crossing</td>
<td>$201,250</td>
<td>527</td>
<td>$382</td>
</tr>
<tr>
<td>Woodlink</td>
<td>$199,250</td>
<td>508</td>
<td>$392</td>
</tr>
<tr>
<td>Six Mile Creek</td>
<td>$193,000</td>
<td>517</td>
<td>$373</td>
</tr>
</tbody>
</table>

*CoreLogic – RPData. Calendar 2017. Matusik estimates based on settled land sales by date of contract.*
• It is important to reiterate that Rosewood Green and especially Valley Vista are inferior land estates when compared to Plainland Crossing.

• Woodchester Estate is currently very competitively priced. We believe that this low land price is an attempt, as noted in section 7 of this report, to gain market share and increase the estate’s rate of sale. We question if this estate can continue to offer vacant land at this current prices. This is a watching brief.
Our brief

- In July 2015 we reviewed the then embryonic Plainland Crossing estate. Part of this review process was to assess the ‘project’s position’ or ‘fit’ when it comes to existing conditions and anticipated market trends. Our project positioning analysis outlines the rationale and need (or otherwise) for a new residential development in a given area, at a specific time period.

- We found that Plainland Crossing had a very strong ‘market match’.

- The estate is now well-established with 110 allotments built or under construction and importantly with a developing major town centre at its doorstop.

- This report we have been engaged to update the relevant market conditions and trends since mid-2015.

- Report was finalised on 13th March 2018.

Matusik Property Insights

Matusik Property Insights is an independent consultancy, providing detailed residential market research and analysis for industry, government, companies and, in some instances, individuals.

Matusik prides itself as a trusted source of housing market analysis.

For more general information www.matusik.com.au

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Data sources

- Site visit, local area and online investigations in late February 2018
- Information as supplied by the client – Maddison Ridge Pty Ltd
- CoreLogic - RpData
- Queensland Government, Residential Land Development Activity Profile and Online Database
- BCI Australia
- Queensland Rental Tenancy Authority
- Realestate.com.au
- ABS 2016 Census, Business Register and Regional Population Growth
- Payscale Australia Research
- Google Maps
- Matusik Database

Study areas

- This report covers the Lockyer Valley Regional Council area.
- It also refers to both Toowoomba & Ipswich – which in both cases are also defined by the current council boundaries.
- Brisbane has been defined as the wider Brisbane region, unless noted otherwise.
- South East Queensland consists of the urban triangle from Noosa, Toowoomba & the Gold Coast. This area includes the Lockyer Valley.
- Also on occasions we have focused our investigations down to the Plainland general area (postcode 4341) and the suburb of Plainland, which encompasses the Plainland Crossing estate.
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