The National Top Ten

Best Buys 2013

Our pick of the best 10 locations nationally for future capital growth

January to April 2013

Our guarantee to you

Terry Ryder,
Founder,
Hotspotting.com.au

This report is written by me and my team of expert researchers and writers.
Everything you read is based on the best information we can find.
Our views are totally independent and free of vested interests or outside influences.
We are 100% committed to the opinions we express and the recommendations we make.

Terry Ryder, founder and director,
hotspotting.com.au

Executive Summary

Location	Influences	Typical prices
Dubbo ***New South Wales***	Boom Towns Government Decisions Hill Change	Dubbo houses $275,000 Dubbo units $205,000
Emerald/Galilee Basin ***Queensland***	Boom Towns Transport Infrastructure Government Decisions	Emerald houses $445,000 Emerald units $355,000
Ipswich ***Queensland***	Transport Infrastructure Government Decisions Urban Renewal Ugly Ducklings	Redbank Plains houses $275,000 Goodna houses $265,000 North Ipswich houses $255,000 Collingwood Pk houses $300,000
Mackay ***Queensland***	Boom Towns Sea Change Transport Infrastructure	South Mackay houses $375,000 West Mackay houses $390,000 North Mackay units $285,000 South Mackay units $285,000
Midland precinct ***Western Australia***	Urban Renewal Government Decisions Transport Infrastructure	Midland houses $330,000 Midvale houses $340,000 Bellevue houses $335,000 Middle Swan houses $310,000
Mount Isa ***Queensland***	Boom Towns Government Decisions	Healy houses $390,000 Parkside houses $325,000 Sunset houses $340,000 Pioneer houses $325,000
Mudgee ***New South Wales***	Boom Towns Government Decisions Hill Changes	Mudgee houses $345,000 Mudgee units $260,000
Palmerston ***Northern Territory***	Government Decisions Boom Towns Ugly Ducklings	Bakewell houses $475,000 Durack houses $515,000 Driver units $325,000 Gray units $340,000
Rockingham ***Western Australia***	Ugly Ducklings Government Decisions Lifestyle Features (water) Transport Infrastructure	Rockingham houses $375,000 Port Kennedy houses $370,000 Warnbro houses $335,000 Cooloongup houses $290,000
Toowoomba ***Queensland***	Government Decisions Boom Towns The Stayers	Nth Toowoomba houses $250,000 East Toowoomba houses $395,000 Sth Toowoomba houses $260,000 Newtown houses $240,000

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Buyer Beware

The locations we nominate result from analysis of the property market, based on the many years of experience by *Hotspotting* team members as real estate researchers, writers and investors.

We do not, however, have a crystal ball. There are no certainties in real estate investment, particularly in turbulent economic times.

We urge consumers to do their own research before buying property – and to seek advice from independent solicitors before signing contracts.

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HOW HOTSPOTTING
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CAN GROW YOUR WEALTH

Our commodity is research. Our product is wealth

Here's some evidence …

"The Hotspotting reports have directly contributed to my success as an investor and property consultant. As a result of reading the Hotspotting reports, I moved to Gladstone and got active as an investor as well as establishing my real estate business sourcing properties for my investor clients.

"I did this at the beginning of the boom nearly two years ago. Since then, prices for a new four-bedroom house in West Gladstone, for example, have gone from $410,000 to $580,000. That's an extraordinary capital gain and for a minimal outlay - i.e. the Hotspotting Reports.

"I consider the Hotspotting Reports to be absolutely essential to any investor."

- Tony Born, Wealth with Property

"I started investing in the mid-nineties with a buy-and-hold strategy that was a bit of a 'hit and miss' affair. I discovered Hotspotting in 2008 and started keeping track of Terry's recommendations. I bought two properties in Wagga Wagga in 2009 which were positively geared from the beginning and which have appreciated very nicely since. 2010 was the year of investing in Orange and again the two properties I bought were positively geared immediately and again have increased in value enormously. 2011 saw me purchase two more in Mildura – same story! Serviceability hasn't been a problem due to the great rent – over 7% return.

"It is very reassuring when I see the property magazines recommending places that Terry was recommending 12 months before."

- Guy Williams, The Training Guys

"I've purchased many reports from Hotspotting over the years and have used these to buy three properties. Back in 2009 Terry's Melbourne bus tour brought my attention to North Melbourne and my own research verified it to be undervalued at the time. I purchased here for $535,000 and within 18 months NAB valued the property at $700,000!This has been one of my best performers. It's still early days for my latest two purchases (funded by the North Melbourne property!) but I'm confident they'll be good investments."

- **David McCracken, North Melbourne**

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For the investor who wants it all

Chapter 1 What are the Best Buys 2013?

Each of the reports in the ***hotspotting.com.au*** stable of publications contains a Top 10 list of locations tipped to out-perform the general market. These locations are considered to have growth drivers that will achieve capital growth above the norm in the near future.

The ***Best Buys 2013*** are the pick of the crop – the best 10 locations in Australia for property investors seeking capital growth.

Future hotspots are identified through Creator Categories – elements identified by our research as having the ability to create real estate out-performers. These Creator Categories are described in Chapter 2.

Potential hotspots are locations which have more than one of these Creator Categories in play – an example is a Sea Change destination with improved Transport Infrastructure in prospect.

The ***Best Buys 2013*** locations have three, four or more Creator Categories in the mix. They are places on the cusp of a phase of good capital growth. They're locations with identifiable drivers of demand for real estate which will place pressure on prices and rents.

We expect them to show growth not only in 2013 but well beyond. They are all locations we expect to show steady growth over the longer-term.

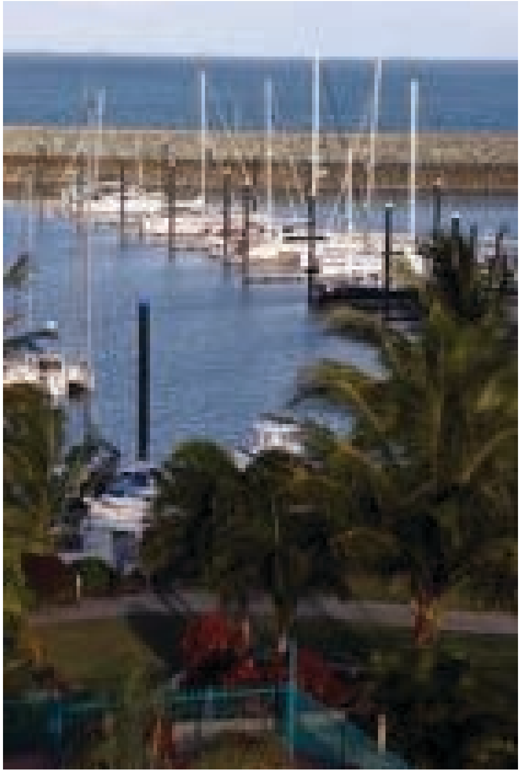
The resources sector will continue to influence real estate markets in 2013. In particular, markets with major gas ventures will prosper, including Darwin, where the $34 billion Ichthys project is under way.

Chapter 2 Elements which create hotspots

The hotspots to emerge in Australia in recent years have been strongly influenced by one or more of the Hotspot Creator Categories – events or influences which create capital growth for property. The areas spotlighted in this report have at least three of the Creator Categories in their favour.

Sea Change	One of the influential factors impacting on real estate markets. Australians are (arguably) more drawn to live by the ocean than any other people on the planet. Sea Change is less in the news today but migration to the beach remains a big factor.
Hill Change	The property boom at the start of this decade made inner-city and coastal locations too dear for many buyers. They looked elsewhere – and found good pickings inland, but within striking distance of the city and/or beach. The Blue Mountains near Sydney and the Adelaide Hills are classic Hill Change destinations.
The Stayers	Some locations always seem to perform steadily. They're the ones that provide at least some growth each year, in good times and bad. While the property industry claims they are mostly found close to the inner-city, my research indicates outer suburbs and regional centres are more likely to be *The Stayers* than the expensive near-city suburbs.
Ripple Effect	Property booms often begin with the inner-city suburbs. As prices rise, they become unaffordable for many buyers – who seek less expensive property nearby. The growth, therefore, ripples out – and continues to do so until it reaches the outskirts of the city.
Transport Infrastructure	New roads and train lines can create value growth. Industrial property benefits the most from new motorways, but residential is also boosted. A major new road can open up previously inaccessible areas or provide faster connections to the CBD for commuters. Rail links and bridges can have similar impacts on real estate.
Education-Medical Infrastructure	Most major cities have education and medical infrastructure located in the one precinct. North Melbourne has a universities precinct as well as major hospitals. Areas like this attract strong accommodation demand from students, teachers, doctors, nurses and many others. The suburbs surrounding such facilities tend to out-perform on capital growth.
Lifestyle Features	The greatest wealth creator in real estate is water. The ocean rates highest, although rivers, canals and lakes aren't bad either. Homes fronting golf courses command price premiums too, but not as high as water frontage. Increasingly buyers are paying premiums to live near "eat street" lifestyle precincts.
Ugly Ducklings	Some suburbs were once shunned as downmarket but now are regarded as trendy. "Ugly Ducklings" can transform into real estate swans. Richmond in inner Melbourne has made that change, as has Bulimba in Brisbane, not through a planned urban renewal program but through market evolution. Whenever affordability is a key issue, Ugly Ducklings with potential to change will do well.
Boom areas	Sometimes areas take off for specific reasons. Some towns in Western Australia and Queensland have real estate booms because of resources activity nearby. Development of major industrial projects can have a similar impact. The key factor is jobs creation.
Urban Renewal and Govt Decisions	State Governments or Local Authorities can transform areas through policy decisions or targeted action. Urban renewal programs have changed the character of suburbs, sometimes turning waterside industrial areas into prestige residential. Regional policy decisions – such as long-term growth management plans – can also have an impact. The South East Queensland Regional Plan is a good example.

Chapter 3 The Top Ten Best Buys 2013



Dubbo	NSW (Orana region, 400km north-west of Sydney)
Key Influences	**Boom Towns, Hill Change, Government Decisions**
Highlights	Strong regional centre for Orana district; located at junction of three highways; gold, coal and other mining ventures; $80 million upgrade to Dubbo Base Hospital; $200 million wind farm; $53 million Riviera Centre.
Typical houses	**$275,000**
Typical units	**$205,000**

Dubbo is an established regional centre servicing the Orana region of central NSW. The region is home to a world-famous zoo, sprawling agricultural land and wine country - and now new mining projects.

The $1 billion Dubbo Zirconia Project (DZP), 20km south of Dubbo, is based on one of the world's largest in-ground resources of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements.

More than 20 years in the making, expected financial returns from the mine have been greatly enhanced in recent times by surging prices for its main products.

Also boosting the city is an increase in property development and an expansion of community facilities, including an $80 million hospital upgrade.

Location

Dubbo is a provincial city in the Orana Region of central New South Wales. It is 400km north-west of Sydney at the intersection of the Mitchell, Newell and Golden Highways.

Dubbo is considered the cross-roads of New South Wales. It is linked by national highways north to Brisbane, south to Melbourne, east to Sydney and Newcastle, and west to Broken Hill and Adelaide.

The Macquarie River runs through Dubbo, as does Troy Creek. The City of Dubbo lies within a transition zone between the ranges and tablelands of the Great Dividing Range to the east and the Darling Basin plains to the west.

Population and Demographics

The original inhabitants of the Dubbo area were the Wiradjuri Aboriginal people. European settlement occurred from the 1820s with land used mainly for grazing and agriculture.

Significant residential development did not occur until the post-war years and rapid growth took place in the 1970s and 1980s.

In June 2011 Dubbo had a population of 42,108, a rise of 1% from the previous year, according to the Australian Bureau of Statistics. The predicted growth rate for the next five years is 0.8%, about the NSW average.

Dubbo services a regional population in excess of 120,000 people. The 2011 Census shows about 10% of the population were born overseas while 14% identify as Aboriginal.

Economy and Amenities

Dubbo is located at the intersection of major routes for road, rail and air transport. Dubbo is on the Newell Highway, five hours inland from Sydney CBD, 10 hours north of Melbourne and 10 hours south of Brisbane.

The city is served by the Main Western Railway Line, which extends from Sydney to Cobar. The Coonamble Branch of the NSW Railway originates in Dubbo and is used to carry seasonal grain loads.

The development of the privately-owned Dubbo Rail and Depot has improved Dubbo's suitability as an investment location for industrial activities and overall accessibility to the region.

The rail infrastructure has been developed privately for the transport of meat, wool and wheat direct to Sydney for export but also presents opportunities for other users.

Dubbo City Regional Airport currently has two airlines - Rex and QantasLink - flying in to Sydney and Broken Hill. Since 2006 the airport has upgraded the terminal building to increase handling capability to 250,000 passengers each year. In October 2012 QantasLink announced it was upgrading its services between Dubbo and Sydney with larger aircraft.

The airport houses an Air Services Australia Workshop and a Royal Flying Doctors Service facility. A $1 million upgrade announced in October 2012 will allow the airport to cater for bigger planes carrying more people.

Buses also service Dubbo, with major runs to Sydney, Melbourne and Brisbane.

The Taronga Western Plains Zoo in Dubbo is a regional icon that draws about 220,000 visitors each year. The café/restaurant is estimated to contribute over $12.2 million each year to the broader community. The zoo is home to various species of endangered animals, including the white, black and Indian rhinoceros and runs a successful breeding program for a number of endangered species.

In August 2012 the zoo received $100,000 in state funding for its newest attraction, the Billabong Camp, which will be opened in March 2013.

The 71 hectares of city parklands and nature reserves offer bushwalking and bird watching, attracting nature tourists. A number of wineries and food events in the region attract food & wine tourism.

Eco-tourism has become an emerging market in Dubbo through eco-accreditation courses and training at Charles Sturt University and a number of eco-credited businesses such as the Western Plains Zoo.

Dubbo's agriculture sector is primarily grain, sheep and beef-cattle farming. In a typical year agriculture contributes around $45 million to the Dubbo economy.

Dubbo also functions as a major agriculture service centre providing a number of agricultural services, suppliers and assets such as the showgrounds, livestock markets (soon to be upgraded) and a prominent abattoir.

Fletcher International is Australia's largest sheep meat processor and exporter, employing over 1,000 staff. The plant, commissioned in 1988, has the capacity to process 85,000 sheep and lambs per week, exporting meat and bi-products worldwide.

Dubbo is well supplied by natural gas for residents and industry and is also the main inception point for the recently-constructed pipeline from Dubbo to Tamworth. The gas market is showing promise with the development of a number of wells, pipelines and power stations across the Orana region.

Dubbo has two major hospitals, Dubbo Base Hospital and Dubbo Private Hospital. State funding of $80 million (announced in 2011) will see a re-development of the Dubbo Base Hospital, due to begin construction in 2013.

The $11.5 million Lourdes Hospital and Community Health Service was officially opened in November 2011. The new facility has 34 beds and offers specialised rehabilitation, palliative care, transitional care and geriatric assessment, together with community and outreach services. It also features a gym and hydrotherapy pool.

Dubbo has a number of aged care facilities including five nursing homes.

There are 20 schools and secondary colleges including the Dubbo School of Distance Education in Dubbo. Higher learning education facilities include Charles Sturt University and the New South Wales Institute of TAFE.

Dubbo's retail sector services the broader Orana and North Western NSW area. The Dubbo Business Centre and the Orana Mall are the major retail precincts within the city. Dubbo has many boutiques and unique stores as well as major national stores including Target, Coles, Woolworths, Mitre 10, Bunnings, Myer, Harris Scarfe, Big W, The Good Guys and Harvey Norman.

A $3.2 million restaurant complex Urban Village Dubbo opened in August 2011. Developer John Nixon was confident the market was there for the concept while the Dubbo mayor (at the time) Allan Smith took it as a sign of the "renewal and expansion of West Dubbo". Its tenants - Oporto, Pizza Capers and Subway - joined fast food giants McDonalds and Hungry Jacks in West Dubbo.

A growing food precinct may be the magnet to entice motorists travelling the Newell Highway to stop at Dubbo, chamber president Sandy Dunshea said. Urban Village Dubbo created 90 jobs.

Dubbo's cultural centre comprises the Dubbo Regional Gallery, Dubbo Regional Museum and the $8.2 million Community Arts Centre. In August 2011 the local economy received a $750,000 boost from a jazz music festival.

The largest industries in Dubbo in terms of employment are mainly service-based industries, including retail trade, health & social care and education & training. Manufacturing is also a leading employer.

Home to 3,500 businesses, Dubbo has a gross regional product around $2 billion a year, according to the Dubbo City Council.

Unemployment in Dubbo is usually below the NSW average. Orana Education and Training Co-operative Ltd (OEC) employment services manager Mark Noonan said, in August 2012, he had not seen any drop-off in Dubbo employment in the last 12 months.

In September 2012 Richard Stanton, senior lecturer in political communications at the University of Sydney, ranked Dubbo as one of the state's top 10 most influential local government areas. He said Dubbo had more going for it than most regional centres in NSW, with a good location and good infrastructure and community services.

Property Profile

Dubbo has comparatively low property prices compared to other regional cities in NSW. Capital growth over the past 10 years has generally under-performed due to slowing population growth and drought, which has impacted by reducing the prosperity of rural industries.

However, the city now has a busy property market, with 675 residential sales in the past 12 months. Median prices for both houses and units have risen 7% in the past year, at a time when most city markets have been showing little or no growth.

Dubbo's median house price has grown an average 7% per year over the past 10 years – considerably better than Sydney's performance - but remains affordable at $275,000 (which means half of all sales were for prices below that figure).

NSW Real Estate Institute Orana division chairman Rod Crowfoot says Dubbo residents are building 150-200 new homes a year. "There will soon be great employment opportunities in the retail and mining industries," he says. Crowfoot said more land releases and housing construction were needed in Dubbo.

A number of multi-units are in the development stage across the city. "Construction workers will soon arrive in Dubbo," he says. "They will most probably rent their homes while they're here, and perhaps buy a house later on. The same could be said for mining and retail workers."

Around 29% of Dubbo households own their homes outright, while another 44% own their homes with mortgages. Around 28% rent.

Median rents for Dubbo are $285 a week for house and $185 for a unit. Housing NSW reported in August 2012 that the median rent for a four-bedroom house in Dubbo had risen 9% to $360 a week in FY2012. The median rent for a three-bedroom house had increased 8% to $280 a week.

Vacancies in Dubbo, according to *sqmresearch.com.au*, are 1.3% and have been below 2% for the past seven years. Managing agents report strong competition for any available rental properties.

Dubbo	No. of sales	Median price	1yr growth	Growth rate	Median yield
Houses	628	$275,000	7 %	7 %	5.8 %
Units	47	$205,000	7 %	8 %	5.5 %

Source: Australian Property Monitors – "Growth rate" is average annual growth in median prices over 10yrs.

Future Prospects

Inland Petroleum proprietor Paul McCallum predicts an economic boom for Dubbo, with an agricultural resurgence and a mining bonanza.

After a decade that regularly saw Dubbo in drought, agriculture is looking up, he says. There is water in Burrendong Dam and the Federal Government has committed to updating irrigation systems in the Macquarie Valley. Tourism is an important part of Dubbo's economy and his retail sites have seen strong sales, he says.

Mining is going to be a growth area in western NSW. "Dubbo is poised to be a nerve centre to the mining industry," he says.

Although new mines are on the city's horizon, giving rise to expectations of greater job opportunities and prosperity, in November 2011 the NSW Minerals Council advised Dubbo not to take the risk of becoming a "mining town".

Dubbo City Council's acting chief executive officer Sue-Ern Tan responded: "We want diverse regional economies, with a good mix of agriculture, mining, power generation and manufacturing. It gives people choice in where they work ... but it also means the town can ride out the ups and downs of each industry's cycle."

The State Government approved the Dubbo City Council's local environmental plan (LEP) in November 2011 after a three-year process. The plan has earmarked additional housing and land to support regional growth and jobs.

Key outcomes of the LEP include 1,620 hectares of land for residential use which has the potential to support 7,000 residential lots; 585 hectares of industrial land and 98 hectares of business land; an expanded CBD; additional land for housing near the village of Wongarbon; zoned land around the airport and North Dubbo as light industrial to support employment.

- Mining developments: Alkane Resources

Alkane Resources is a multi-commodity mining and exploration company producing gold and other minerals and metals. Its core projects are in Tomingley, just outside Dubbo, and include Peak Hill Gold Mine, Dubbo Zirconia Project and Orange District Exploration Joint Venture.

The $1 billion Dubbo Zirconia Project (DZP) will be set up at Toongi, 20km south of Dubbo, and is based on one of the world's largest in-ground resources of the metals zirconium, hafnium, niobium, tantalum, yttrium and rare earth elements.

It is serviced by sealed regional roads and the disused Dubbo-Molong railway. Alkane Resources is aiming for first production from the development by mid-2014.

Alkane has signed three memoranda of understanding with chemical and trading companies for all the zirconium output, worth between $125 million and $150 million a year. About a third of revenue will come from zirconium, with the rest from niobium and a combination of light and heavy rare earths.

Each element is in increasingly scarce supply, with China and Japan declaring zirconium a strategic metal. China, which controls about 97% of the world's rare earths, has imposed quotas on its exports.

Zirconium is used in ceramics and rare earth elements are used in high-tech consumer goods such as iPods and flat-screen televisions. Soaring zirconium prices have propelled Alkane into the Australian share market's top 50 companies.

The project will create 300 to 400 jobs in the construction phase and 200 operational jobs. The company says the project has a net present value of $1.2 billion and a recent resource upgrade suggests a mine life stretching from 36 to 80 years.

In August 2012, it was preparing an environmental impact statement on the DZP. In October 2012 Alkane announced it had appointed Credit Suisse and Sumitomo Mitsui Bank as financial advisors to organise project finance.

Australian Zirconia Limited (AZL), a wholly-owned subsidiary of Alkane Resources, signed a non-binding memorandum of understanding with Shin-Etsu Chemical, a diversified industrial company with net sales worldwide of $US12.8 billion, it was reported in July 2012.

AZL plans to utilise Shin-Etsu expertise in improving the DZP ore-to-concentrate process. Shin-Etsu would have priority purchasing rights for some of the rare earths processed under an initial five-year off-take agreement.

Alkane Resources is also seeking approval to build three open-pit gold mines near Tomingley. Improved gold prices have bolstered the company’s ambitions for the Tomingley Gold Project (TGP), where it has been exploring for nine years at a cost of $20 million. The TGP is made up of three resources called Caloma, Wyoming Three and Wyoming One, for which open pit mines would be built consecutively.

In April 2012 Alkane said the mine life of the TGP could be extended, after drilling revealed a larger resource, including a 24% increase at the Caloma site.

Alkane Resources managing director Ian Chalmers reaffirmed in June 2012 that it is seeking to employ locals, not FIFO workers. About 250 jobs would be offered in the project’s construction phase, with 100 full-time jobs in production.

Alkane Resources has spent about $10 million on advance work for the TGP, including the ordering of a ball mill, installing water bores and taking options to purchase 1000 hectares.

- Mining developments: other

The proposed open-cut Cobbora coal mine is to downsize because of environmental concerns, leading to a smaller workforce, it was announced in September 2011. Chief executive of the Cobbora Holding Company Steve Ireland estimates that the reconfigured mine will employ about 400 people when operational, ideally in 2015. “Most of the workers will come from Dubbo,” he says.

Cobbora Holding Company has provided a project update report to the Department of Planning and Infrastructure revealing a “decreased footprint and mining rate”. One large pit on 3,900 hectares has been replaced by smaller pits covering 3,000 hectares. The proposed maximum rate of production has been reduced from 20 to 12 million tonnes per year.

Ireland says the changes will “generally reduce potential environmental impacts of the mine”. “This includes avoiding a number of sensitive environmental areas, including creeks and agriculturally-valuable land,” he says.

Coal will be transported east by rail to supply power stations in the Hunter Valley and on the Central Coast.

If the State Government succeeds in privatising the state’s power generators the coal mine will be sold or leased, according to the State Member for Dubbo Troy Grant. In June 2012 he revealed the NSW Treasury was seeking to appoint financial advisers to assist the process. Grant said that “phase one” of the coal mine project would be a scoping study.

CHC said in October 2012 it was confident the project would be supplying four power stations by 2015. It also announced a partnership with TAFE Western and Skillset to grow a local workforce before 2015.

Another possible mining project comes from Minotaur Exploration Limited's Arthurville project, 50km south-east of Dubbo. The results of an aerial survey identified several possible gold and copper targets in April 2012. Mitsubishi Materials Corporation and Mitsubishi Corporation have agreed to fund the project.

Minotaur Exploration managing director Andrew Woskett said that despite Alkane Resources’ Toongi rare earth deposit being 6km west of Minotaur’s project, his company is not planning to mine rare earths there. “We are specifically looking for copper,” he said.

The next stage will involve geologists taking rock chip samples and validating the targets the geophysicists identified and designing a drilling program.

- Dubbo Base Hospital upgrade

NSW Health Minister Jillian Skinner announced in September 2011 the State Budget would provide $73 million for the re-development of Dubbo Base Hospital. The Federal Government will provide $7 million towards the $80 million re-development.

The project will transform maternity, renal dialysis and surgical services by September 2014. Construction was officially launched in October 2012 with a ceremonial sod-turning by NSW Premier Barry O’Farrell. Preliminary works, including demolition of old buildings, started soon after. In November 2012 on-site roads were closed as part of those works. Construction of the new facilities is scheduled to begin in May 2013.

Dubbo Base Hospital is a major employer in the city. It was announced in March 2012 that the hospital had hired 25 new nurse graduates.

Construction began in November 2011 on a $7.6 million sub-acute mental health facility next to Dubbo Base Hospital. It will house patients who have been discharged from the hospital's acute mental health inpatient unit who are not yet ready to go home. National Buildplan was awarded the tender for the construction work, expected to be finished by the end of 2012.

- Education facilities

Plans have been set in motion for the $6 million Orana Trade Training Centre to be built on the St John's College campus, a resource to be shared by three other schools in the district.

The Catholic Education Office (CEO) has designed the project to be built during 2012 and to be ready by January 2013, aimed at vocational education and training (VET) students. It was reported in June 2012 that construction was on schedule.

The University of NSW is in the process of establishing a $22 million mining school. It applied for an initial $7 million from the Federal Government in May 2011. To date, $5 million has been spent on the proposals to create the Centre for Sustainable Mining Practices.

Dubbo's proximity to many mining ventures, road access and air transport marks it as an ideal location. A mining school would also help Dubbo earn priority in the rollout of the NBN and health services.

- Evocities program

Dubbo City Council says it is committed to working hard to ensure the city remains an attractive prospect to potential relocators - notwithstanding the results of a survey in November 2011 that suggests Dubbo is the least popular of the seven cities working together under the banner of Evocities to boost their populations and economies.

The third EvoIndex survey of 10,000 Sydneysiders and 500 Evocity residents reveals 9% would consider living in Dubbo, compared with 15% for Bathurst and 14% for Orange.

Mayor Mathew Dickerson says: "Through the Evocities campaign, Dubbo has been the source of a high level of genuine inquiries - 86 families came to live in Dubbo in the 12 months to September 2011. This is out of a total number of 275 relocators across all the Evocities."

- Infrastructure developments

Dubbo City Council's $4.5 million water harvesting project has been completed. The Apex Oval project is estimated to save half of the facility's irrigation needs. This is part of a $15 million Apex Oval project which also includes an upgrade of the sports field playing surface.

The Dubbo City Regional Airport is developing a new general aviation area worth $500,000. The area is designed to cater for new private and industrial hanger spaces, as well as an area set aside for the Rural Fire Service Air base. A new Taxi-lane is being constructed. It is expected the new development will be completed in FY2013.

The City Council approved a $28 million upgrade of the Dubbo Sewage Treatment Plan in June 2012. The improvements are designed to cope with a future population of 55,000, with the capacity to treat 18 megalitres of sewage every day.

The $20 million Regand Park development proposed by the council in South Dubbo will include a cycling velodrome, a swimming lake, a cultural precinct with amphitheatre and sculpture park, and an adventure playground.

A major upgrade of the council's livestock saleyards is in planning. Designs were submitted to the council's October meeting, after $10 million in funding was made available by the Federal Government. The upgrade will include pens for an extra 950 sheep; three new sheep loading ramps; more delivery and holding yards; flow through design and potential modification of the unloading ramps and a six-way drafting system. In the cattle yards, trialling will continue for rubber, non-slip flooring; improvements around the drafting and weighbridge yards; and extensions to the lanes and air-controlled gates.

The Royal Freemasons Benevolent Institution is planning a $15 million aged care facility in East Dubbo. It was reported in September 2012 that the Federal Department of Health and Ageing had give the institution a 70-bed provisional allocation in the latest funding round.

- Commercial developments

A City Council committee recommended the rezoning of land near Orana Mall Marketplace in June 2012. The mall owner, Comet, requires the rezoning before they will proceed with the purchase of the 9,094m^2 site from the council. It has approval for a $22 million expansion of Orana Mall.

A $53 million five-storey shopping and accommodation complex in the centre of Dubbo was approved by the Western Joint Regional Planning Panel (JRPP) in August 2012. The Riviera Complex will include retail space, a hotel or motel, serviced apartments and car park.

Developer John Kosseris said the Riviera Complex will "allow full revitalization of the CBD". He promised 380 construction jobs and 430 full-time jobs on completion.

In November 2012 Kosseris announced he had bought another parcel of land in incorporate into the project. The 9,314m^2 block has a 170m frontage to the Mitchell Highway.

The Stirloch Group put its new $9 million Centrelink building on the market in July 2012, just weeks after the government agency opened its doors to the public. The property was advertised as having a net income of $707,263 annually plus GST and 47 on-site car spaces.

In October 2012 it was announced that Centro Dubbo shopping centre had been sold for $30.5 million to investment trust manager Charter Hall, which said it would spend around $1 million upgrading the car park and the air-conditioning system. Centro Dubbo has a Coles supermarket and a Target store.

- Residential developments

Southgate Estate developer Bill Kelly believes a real estate boom is occurring in Dubbo. In three weeks in July 2012 the third stage of Southgate's six-year development had 13 properties under contract, two under offer and one still for sale.

The NSW Department of Finance and Services reported in November 2011 that only four of 166 houses remained unsold at Rosewood Grove, the re-development of the precinct formerly known as the Gordon Estate. The department says the once crime-ridden West Dubbo area is now blooming, after the previous State Government enacted a $52 million strategy to transform the estate, formerly dominated by public tenants.

In February 2012, Horizons Village in West Dubbo was officially launched. To date the $60 million development has built 14 units and a community centre for the over-55s community.

A $14 million apartment hotel was opened late in 2011. A spokesman for Quest Apartments on Bultje Street said the project offered 65 serviced apartments, conference facilities, secure parking, gymnasium and barbecue terrace. In addition to the apartments, work started in September 2011 at the Quest Dubbo site for a cafe/restaurant tenancy, with an area of approximately 153m^2.

In February 2012, the Royal Flying Doctor Service announced it is spending $2.5 million to build five new houses for its medical staff in Dubbo. This reflected plans to expand services out of RFDS Dubbo.

- Wind Farms

Infigen Energy is planning to build 37 turbines west of Mount Bodangora, which will generate enough electricity to power almost 40,000 homes a year.

The $200 million project is expected to create about 10 ongoing jobs and a further 150 positions during construction, which could start in 2013.

- RAAF Base re-development

Work on the first stage of a $100 million re-development of the former Dubbo RAAF Base began early in 2012. Andorra Developments plans to retain some of the hangars and other buildings and convert them to commercial uses.

A master plan for the overall re-development of the 38ha site is being formulated. Andorra director Mark Stanford said he expected to invest $100 million over the next 20 years.

- National Broadband Network

Dubbo will be the only major centre in the Central West to have fibre optic connections with the National Broadband Network to be rolled out from June 2013. NBN Co announced in March 2012 that work on the network will begin in phases in Dubbo, with the final stages of work scheduled to start by March 2014.

The announcement was made by the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, who said more than one million NSW homes and businesses would have access to the network's fibre services under NBN Co's first three-year fibre rollout plan.

Mayor Mathew Dickerson welcomed news of the NBN rollout for Dubbo and said it was an exciting step for the city. "It will mean significantly faster connection speeds, which opens up possibilities - some of which we can't even begin to imagine," he said.

He said the network was not just about faster Internet. "It's also about an upgrade to the existing infrastructure that will underpin the delivery of the NBN our community will need over coming decades," he said.

Dickerson said the NBN would allow Dubbo businesses to compete on the world stage.

Emerald/ Galilee Basin	**Central QLD (270-580km west of Rockhampton**
Key Influences	**Boom Towns, Govt Decisions, Transport Infrastructure**
Highlights	Emerging coal mining province, tipped to be the new Bowen Basin; strong region for cattle, agriculture and mining; several multi-billion-dollar projects in planning, with infrastructure such as rail links to coastal ports; low vacancy rates.
Typical houses	Emerald **$445,000,** Barcaldine **$205,000**
Typical units	Emerald **$355,000**

The Galilee Basin, centred on three central Queensland towns, is being touted as the new Hunter Valley or Bowen Basin. The region, already a strong agriculture, cattle and mining region, is being targeted for massive projects by coal miners which promise to transform the region's economic and social structure.

The Central Queensland towns of Emerald and Barcaldine are the major regional centres to the east and west of the Galilee Basin. But the smaller town of Alpha, in the heart of the basin, is where much of the action is planned.

We like the prospects of Emerald as it is well-situated to benefit from activity in both the Galilee Basin to the west and the Bowen Basin to the east and north-east. Its airport is a key entry point.

Location

The Galilee Basin runs north to south in a relatively narrow band 450km west of Rockhampton.

This report focuses on Emerald, Alpha and Barcaldine, all located on the Capricorn Highway stretching west from Rockhampton.

Alpha is part of the old Jericho Shire, which is 22,000 km^2 of cattle country. Emerald is part of the amalgamated Central Highlands Regional Council.

Population and Demographics

Emerald, 270km west of Rockhampton, has a population of about 17,000 and rising. Barcaldine, 580km west of Rockhampton, is a smaller town of 3,500 residents but a magnet for tourists because of its status as the birthplace of the Australian Labor movement.

Alpha, 430km west of Rockhampton (and about halfway between Emerald and Barcaldine), has a population of just 350. Alpha's population is expected to grow to 2,000 people as the Galilee Basin mines develop, according to Barcaldine Regional Council (BRC) Mayor Rob Chandler.

Economy and Amenities

Emerald is the key service centre for the district's coal mining and agricultural industries, the former focused (to date) on the Bowen Basin to the east and north-east and the latter focusing on citrus, grapes, cotton and grain-growing.

Emerald is a growing town with all the amenities one expects in a key regional centre. The estimated population is around 17,000, compared with 14,400 in 2004, which indicates the town is growing steadily. The emergence of the Galilee Basin is likely to see Emerald grow further.

Emerald Shire Council was amalgamated with the councils of Peak Downs, Bauhinia and Duaringa to form the Central Highlands Regional Council.

Emerald railway station

The biggest industry sectors in the Central Highlands region, in terms of jobs, are mining (22%), construction (11%), agriculture (11%) and retail trade (8%).

Property Profile

Emerald's housing market has been good to investors who bought eight or more years ago. Emerald had big price growth between 2004 and 2007 on the back of the previous upturn in the resources boom, pre-GFC. Growth paused in 2008 and 2009, although there was no major price decline. Strong growth has returned in the past 12 months, on the back of rising sales levels, with the median house price up 11%. The long-term growth rate is 13% a year, on average, over the last 10 years.

This three-bedroom fully-furnished townhouse was leased for $950 and had an asking price of $365,000.

A typical three-bedroom house rents for over $600 per week (up from $395 a year or so earlier) and the median gross rental yield is 7%, according to the Real Estate Institute of Queensland (Australian Property Monitors records 8% as the median yield).

However, higher returns are possible for investors in this market: a three-bedroom fully-furnished townhouse recently advertised for sale at $365,000 was leased at $950 per week (14%).

Emerald's unit market is increasing, with 95 sales in the past 12 months at a median price of $355,000 (up 17%).

The house price graph for Barcaldine over the last 10 years looks a lot like the classic rollercoaster, but usually above the red line. A median price of $205,000 emerged from the past 12 months, up 5% - but this is based on only 19 sales for the year so it may be misleading.

Vacancy rates, according to *sqmresearch.com.au*, are close to zero in the Emerald postcode region and have been consistently below 2% (and often close to zero) over the past five years. Barcaldine also has vacancy rates close to zero, according to SQM Research.

Alpha records too few sales to provide any meaningful data on prices. Houses recently for sale generally had asking prices in the high $200,000s or low $300,000s.

The key markets in the Galilee Basin area can be summarized as follows:-

Town	No. of sales	Median price	1yr growth	Growth ave.	Median yield
Emerald	408	$445,000	11 %	13 %	7.7 %
Barcladine	19	$205,000	5 %	17 %	snr
Alpha	snr	snr	snr	snr	snr

Source: Australian Property Monitors. "snr" is "statistically not reliable"

Future Prospects

While most of the coal mining and coal seam gas projects mooted for this region are in the developmental stages, the payoff for developing this area is huge.

Two of the country's billionaires, Clive Palmer and Gina Rinehart, have been among the key movers. In 2010, three coal-mining projects were announced - by Palmer's Waratah Coal, Rinehart's Hancock Coal and a joint venture between AMCI Group and Bandanna Energy. Later, Hancock Coal announced a second major project.

Subsequently, big projects from overseas entities such as Vale of Brazil, Adani of India, Xstrata of Switzerland, GVK of India and Meijin Energy of China have emerged.

Projects of this magnitude prompted the Queensland Government to commission an economic and social impact study in 2010, saying that the projects had the potential to inject billions of dollars into the Galilee Basin's economy.

- Hancock Coal's projects

The Galilee Basin process began to get serious in late 2010 when Hancock Coal opened a test pit to extract coal to be trialed in Japanese and Korean power plants. The plan was to complete this process in 2011 and generate the first exports by 2014. The first trial shipments went by road, but full production will rely on construction of a 500km standard gauge railway line between the mines near Alpha and a new Abbot Point coal export terminal near Bowen.

Federal Resources Minister Martin Ferguson, officially opening the test pit in November 2010, said Hancock's Alpha and Kevin's Corner projects were "trailblazers" which had the potential to rival the nearby Bowen Basin and the Hunter Valley in NSW. The Hancock mines have reserves of 8.59 billion tonnes. The $7.5 billion Alpha coal project alone is expected to employ 3,740 people during construction of the mine and rail link and provide 2,525 permanent operational jobs.

The Hancock projects will add 60 million tonnes of coal a year, or about 20% to Australia's current coal exports. The Alpha coal project, 60km north-west of the township, is far enough advanced to engage major mining contractors WorleyParsons and Ausenco to work on the feasibility study, with expectations this joint venture will advance to manage the final stages of engineering, procurement and construction. The end value of thermal coal is directly related to demand as fuel for power plants.

- GVK of India takes major stake in Hancock projects

The GVK Power and Infrastructure Group from India revealed in September 2011 it was raising the cash needed to take a stake in the three Queensland coal mines - along with a railway line and port projects - owned by Hancock Coal. The group, which runs airports and builds highways in India, said the coal was needed for new power plants.

GVK said it would pay $1.3 billion for the mines and $900 million to develop the infrastructure. GVK is taking a 79% stake in the Alpha and Alpha West Coal projects, a 100% stake in Kevin's Corner project and a 100% stake in the rail and port infrastructure linking the coal projects.

GVK's acquisition "should help to propel these mines to successful development and ongoing operations over decades," Rinehart said. GVK group chairman G.V.K. Reddy said the Australian projects "are together one of the largest integrated coal development projects in the world". At full production the three coal projects are together expected to supply about 84 million tonnes per annum (mtpa) to the global coal market.

Kevin's Corner Coal Project has a resource of 4.3 billion tonnes. Kevin's Corner will be developed as an open cut and underground operation producing up to 30 mtpa.

The Rail Project is the development of a privately-owned 500km standard gauge rail link from the Galilee Basin to the Abbot Point port near Bowen. It will have the capacity to transport up to 120 mtpa. The rail project has been declared an "Infrastructure Facility of Significance" by the State Government. This declaration should facilitate the acquisition of land for the rail corridor and the progress with the development process.

GVK said it would allow other companies to use the railway line to Abbot Point with a dedicated export capacity of 60 mtpa. The project has received "Preferred Developer" status from North Queensland Bulk Ports Corporation.

In June 2012 GVK said it was moving ahead with development of its $10 billion Alpha coal project, despite disputes between the federal and state government over approval processes. It said it planned to raise $3.5 billion by selling down equity in the project.

The State Government announced approval of the Alpha development in May 2012 but the Federal Government claimed the approval process had been inadequate. Eventually, in October 2012, the Federal Government gave approval.

In October 2012 a multi-billion-dollar deal was signed in India during Prime Minister Julia Gillard's visit to allow GVK to build a $3.6 billion export terminal at Abbot Point. This facility (known as Terminal 3) would have the capacity to handle 60 million tonnes. It will be an integral part of GVK's Alpha venture, with a total "pit-to-port" cost of $10 billion, including a 495km rail link.

In December 2012 GVK announced that the first external customer had been contracted to use its planned Alpha to Abbot Point rail line. GVK said it had signed a memorandum of understanding with Queensland company QCoal to haul 20 million tonnes of coal per year from the QCoal mines in the northern Bowen Basin to the export facilities at Abbot Point near Bowen.

- Clive Palmer's China First project

Clive Palmer aimed to develop his holdings through a listing of his company, ResourceHouse, on the Hong Kong Stock Exchange, but when this failed, the Chinese government's Exim Bank increased its contribution from $5.6 billion to $6.8 billion while Chinese state-owned enterprises will put in a further $600 million. Palmer claims output of the mine will go to China in a deal worth $60 billion over 20 years.

Palmer's Waratah Coal is one of several operators planning to build their own railways from the Galilee Basin to Abbot Point. Waratah Coal signed a cultural heritage management plan in December 2010 with the Jangga people, who have a claim to 150km of the proposed rail corridor between Alpha and Abbot Point. The company is proposing to develop a coal mine, railway and port facility to export steaming coal to international markets.

Waratah Coal's Galilee Basin tenements contain an inferred thermal coal resource of 4.3 billion tonnes. The proposed open cut mine is planned to have an initial 25 mtpa export capacity with first coal production targeted for late 2012.

Clive Palmer has major plans for the Galilee Basin.

In May 2012 Palmer said he had terminated a $40 billion supply contract for Swiss energy trader Vitol to buy coal from his $8 billion China First mine. He claimed the mine still had a $60 billion supply contract with China Power.

He plans to build the mine plus associated rail and port facilities, with first production targeted for 2015. It would create 6,000 jobs during construction and generate $4.6 billion in annual export revenue.

At the same time he said he was suing Fairfax Media for $50 million for misrepresenting the facts about his project, which he described as "the project of the century", with support from Metallurgical Corporation of China and China Exim Bank.

- Adani of India plans vertically integrated scheme

In August 2011 Indian industrial company Adani Enterprises announced a $10 billion scheme for a coal export business that controlled every step from the mine to the ultimate destination of Indian power stations owned by the company.

The plan includes a coal mine in the Galilee Basin and a $3 billion railway network to transport coal to two ports: one will be built near Mackay and the other has been secured via a 99-year lease at the Abbot Point coal facility near Bowen in a $1.9 billion deal with the State Government.

The Australian reported in August 2011: "The scheme is one of the most ambitious vertically integrated resource developments ever proposed in Australia … It will make Adani India's largest single investor in this country."

In September 2012, billionaire Gautam Adani said he was proceeding with his Galilee Basin plans. He said he aimed to build up to 60 million tonnes of coal shipped to India by 2020. "Our Australian plan is completely on the dot, as per schedule," he told Reuters news agency. "We have our ready market, our own consumption, our own trading, the country's need, the country's need to improve, as well as our aspiration of entering the global trading market."

This was confirmed in December 2012 when Adani said at a press conference in India, alongside Queensland Premier Campbell Newman and Federal Resources Minister Martin Ferguson. that his company had completed exploration activities in nine months and had proved up a 10 billion tonne coal resource at the Carmichael deposit in the Galilee Basin – reportedly the largest single coal tenement in the world.

He intended to make its first coal shipment from the mine early in 2016. Newman and Ferguson said all government regulatory and environmental approvals would be granted by mid-2013, allowing construction work to start by the end of 2013.

Earlier, in November 2012, Adani said it would join forces with the Queensland Government to create an apprenticeship scheme to help train the 5,000 workers needed for its coal project.

- Meijin Energy of China plans major coal project

In June 2011, it was reported that China's biggest private coke producer was planning a multi-billion-dollar thermal coal mine in the Galilee Basin.

"It will rival the giant mines planned there by Clive Palmer, Gina Rinehart, India's Adani and Brazilian giant Vale," *The Australian* reported in June 2011. "Meijin Energy, owned by Chinese billionaire Yao Junliang, has been quietly drilling coal tenements it acquired in 2007, 230km south-west of Charters Towers. Last week, Meijin, operating here as Macmines AustAsia, outlined its first coal resource at what it is calling the China Stone project. Studies show it has a resource of 3.7 billion tonnes of thermal coal.

Meijin had plans to add to the resource as it aimed to build a mining operation that would export between 30 and 60 mtpa of coal from 2014 or 2015. That would dwarf Australia's biggest operating black coal mines, BHP Billiton's Blackwater and Goonyella, which produce about 14 mtpa of coal.

- Xstrata plans expansion of Rolleston mine

Mining giant Xstrata applied for a mining lease over another 9,000ha of Queensland for an expansion of the Rolleston coal mine in September 2011. The company has bought 40,000ha around Wandoan, north of Miles, for a planned $6 billion coal mine and rail project.

Xstrata said the application for the new areas covered 8,895ha and would include 10 new open-cut coal pits and create 600 jobs.

Xstrata said in October 2012 its Rolleston expansion plans remained on schedule and on budget, amid reports that it had secured a major coal supply deal with Japanese power company Tohoku.

- AMCI coal project

AMCI and Alpha Coal released their environmental impact study in October 2012 for a $4.2 billion coal project near Alpha. Deputy Premier Jeff Seeney said the South Galilee thermal coal project would create 2,900 jobs if it went ahead (1,600 during a two-year construction phase and 1,290 during operations).

The proposal is for open-cut and underground operations with an estimated line life of 33 years, producing up to 17 million tonnes of coal per year. The mine site is 170km west of Emerald.

- Skills shortage a potential issue

The Australian reported in September 2011 that GVK, Adani and Palmer are all planning to have coal shipped out of the Galilee Basin by 2014, and for this to happen there needs to be built at least one 500km railway, five mines, and new facilities at Abbot Point. This would put a considerable strain on resources at any time, but given that just south at Gladstone three massive LNG plants are being built, it's difficult to see just where all the workers will come from.

GVK has an answer for this -- it will bring in its own. GVK says it will be bringing in the required labour via a new enterprise migration scheme for large projects.

Reports in February 2012 said several mining houses were in negotiations with the Federal Government to create temporary bulk migration agreements to bring overseas labour into outback mines. Coal miners want to fly in workers from overseas to deal with a predicted shortage of 40,000 employees by 2020.

The proposed Enterprise Migration Agreements would establish a special type of labour agreement to address skill vacancies in major resource projects with capital expenditure greater than $2 billion and a peak workforce of 1,500. Federal Immigration Minister Chris Bowen's office said a decision was pending on a confidential submission by one mining house.

- State Government seeks multi-use rail corridor

All the major players planning coal mines in the Galilee Basin have been planning their own rail links to export facilities at Abbot Point near Bowen and alternative facilities near Mackay. The State Government prefers a multi-user rail corridor to Abbot Point.

In June 2012 the State Government announced plans for a new multi-user standard gauge rail line from the Galilee Basin to Moranbah, with links to Abbot Point, to be built by QR National at a cost of $2 billion.

- Coal seam gas companies join the party

International operators are emerging as joint venturers with coal seam gas explorers keen to assess the potential of the region. The *Courier-Mail* reported in December 2010 that the Chinese National Offshore Oil Corporation (CNOOC) had made a $50 million investment in exploration permits held by Brisbane-based Exoma Energy (thus taking a 50% stake in the outcome).

It was reported in July 2012 that Exoma Energy and CNOOC continued to progress their shale and CSG exploration campaign in the Galilee Basin with the spudding of the Culloden-1 well. Culloden-1, the fourth well to be drilled in the program designed to deliver a strategic understanding of the basic geology within the five permits, targets both the Toolebuc Shale and the Permian Coal Measures.

Mitsui of Japan has taken a 49% interest in its two Galilee Basin CSG exploration areas. Australian CSG explorers AGL and Origin have also “farmed-in” (as they say in the oil and gas exploration business).

Galilee Energy reported the first stabilised gas flow from a pilot well in Galilee Basin in October 2011. All of these operators are looking 5-10 years ahead, however, with the major economic benefit in the interim being the increase in local contracting business in towns like Barcaldine as test drilling programs unfold.

A coal seam gas (CSG) explorer said in July 2012 that gas could be flowing from the Galilee Basin within two years if CSG and coal mining companies worked together. Brisbane-based Comet Ridge Limited is working in the eastern basin, near where several large mines are also being planned. Managing director Tor McCaul says it is a remote region, so there could be opportunities for CSG to power coal mine developments. Comet Ridge announced in October 2012 that a three-well drilling program had started.

- Logistical issues for the region

An influx of up to 6,000 workers within a 50km radius of Alpha over the next few years will create some logistical problems for mining proponents and for the small settlement itself. It seems certain that the big operators in the Galilee Basin will look at fly-in fly-out operations.

BRC Mayor Rob Chandler told the *Central Queensland News* that a $12 million upgrade of the Alpha airport is at the top of his agenda. The mining companies involved and the State Government have been approached with discussions about funding the extension and widening of the current runway.

Mining operations in remote locations routinely fly miners in and out for 10 to 14-day shifts with a similar amount of time off, which means the portable accommodation brought on site can be utilised by incoming crews.

Those who choose to live in Emerald face a 170km drive to the Alpha area. Driving west, it is two and a half hours' drive from Alpha to Barcaldine. Those are the only towns close enough to the Alpha coal seams to provide infrastructure options for those involved in large-scale resources production. One possibility is that management personnel will move their families to Emerald and commute home at weekends.

Emerald has the major airport through which much of the traffic generated by the coal projects flows and is the regional centre most likely to thrive from the development of Galilee Basin resources.

As most of these projects are said to have a 30-year mine life, the emergence of new housing estates on the outskirts of Alpha over the next five years is likely.

Central Queensland agent Ed Wood, speaking at the Galilee Basin Coal and Energy Conference in Brisbane in November 2011, said up to 700 new houses could be required in Alpha in the coming years. He says even if 90% of the workforce was FIFO there would still be a need for hundreds of new homes in a town that currently only has 140 houses.

Wood says there is still a huge amount of infrastructure required to support the developments. "Simple things that a lot of people take for granted - for example good power supply and good water supply – are needed," he said. "We are on septics and not sewerage."

The proposed $2.6 billion Connors River dam and pipelines project will deliver water to the Bowen and Galilee coal basins and to the central Queensland townships of Nebo, Moranbah and Alpha.

"This massive project will underpin the water supply needs for the development of this resource industry corridor and the towns that support it," then Premier Anna Bligh told State Parliament in September 2011.

In February 2012 the BRC and government representatives discussed planning strategies to help the region cope with the resources boom. Issues discussed included water, sewerage, land release, power and town planning, including releasing suitable land for the expansion of Alpha. “There’s serious planning to do in the next three to four months and it’ll cost some serious money,” said Mayor Chandler.

As Alpha is prone to flooding on the east side, most of the development will happen to the west. Time limits are also pressing council into action with the Waratah Coal project looking to have its first coal export in 2013, leaving BRC to have all infrastructures in place by 2012.

Ipswich City	QLD (South-west of Brisbane metropolitan area)
Key Influences	**Government Decisions, Transport Infrastructure, Urban Renewal, Ugly Ducklings**
Highlights	$2.8 billion Ipswich Motorway upgrade; $12 billion Springfield community; $1.5 billion Springfield rail link; 170,000m^2 Orion shopping centre; RAAF Base expansions; big industrial estates including $1 billion Citiswich; strong economy with jobless well below state and national averages.
Typical houses	**$275,000** Redbank Plains, **$265,000** Goodna, **$255,000** Bundamba, **$300,000** Collingwood Park, **$235,000** East Ipswich, **$255,000** North Ipswich

The Ipswich corridor is now well-known as a growth region. Prices rose strongly in the five years to 2009 (before tapering off), giving the suburbs of Ipswich City the strongest capital growth averages in the Greater Brisbane region.

Ipswich has shown strong growth in the past but we believe its evolution into a headline hotspot of national standing will continue well into the future. And there remain many suburbs that are attractively affordable for first-home buyers and investors on a budget.

Big infrastructure developments include the $2.8 billion upgrade of the Ipswich Motorway and the $1.5 billion rail link to the Springfield master-planned community.

Location

Ipswich City encompasses the growth of the Brisbane metropolitan area to the south-west – stretching along the Bremer River and the Ipswich Motorway/Brisbane Road.

The City stretches from Goodna and Redbank closest to central Brisbane, to Amberley RAAF Base in the west and new growth areas like Deebing Heights and South Ripley in the south-west.

Springfield Lakes is part of the Springfield master-planned community which is helping to change the appeal of Ipswich City as a real estate market.

Population and demographics

According to 2011 Census data, the population of Ipswich City is now 172,000. But the Ipswich Statistical Area (which includes the Scenic Rim and Somerset regions) had a population of 282,000 at the 2011 Census.

Ipswich City consistently ranks in the top six Queensland municipalities for population growth, adding over 5,000 people each year - a growth rate well above the national average. The population is projected to reach 350,000 by 2026 and has been named a key area to absorb growth in the next 15-20 years in the *South East Queensland Regional Plan*.

Potential for expansion is evident in that the Brisbane LGA has a density of 721 people per km^2, while the Ipswich LGA has 113 people per km^2. The two LGAs cover a similar land area yet Brisbane has a million residents, the Ipswich LGA around 172,000.

The number of people living in Ipswich is forecast to increase substantially over the next two decades. Matusik Property Insights says the area will need about 4,000 new dwellings each year for the next decade to accommodate an extra 9,000 people per year. The demand will be driven by relative affordability, land availability and employment opportunities.

Economy and amenities

A large chunk of the State Government's *South East Queensland Infrastructure Plan* is directed to the south-western corridor linking central Brisbane to Ipswich. Transport infrastructure projects under way or planned for this corridor total many billions of dollars.

These projects include upgrades to the rail connection to Ipswich, a rail line to the Springfield master-planned community, the expansion to the Ipswich Motorway and an upgrade to the Centenary Highway.

Economic and infrastructure activity targeting this region includes the following:-

- Transport and Roads

The Ipswich Motorway connecting the area to central Brisbane has undergone a major upgrade. The motorway was notorious for traffic snarls. PM Kevin Rudd launched a $2.8 billion upgrade in March 2008. It received major funding in the 2009 Federal Budget and $480 million funding from the State Budget in 2011. The project has created 6,700 jobs.

The official opening took place in May 2012. About 95,000 cars a day are using the road, up from 70,000 just five years ago. Volumes are expected to continue to climb as the western corridor grows. The new motorway has a capacity of 180,000 cars a day, which it is expected to reach in 2032.

The $1.2 billion Darra-to-Springfield rail line is under construction, for completion in 2013. Springfield Land Corporation chairman Maha Sinnathamby said the July 2012 that the train station in the Springfield CBD would be the focus of a $60 million transport hub.

In October 2012 an upgrade of the Centenary Highway, another key link to Springfield, was announced by State Transport Minister Scott Emerson. The two-lane highway will be expanded to four lanes, with completion expected early in 2014.

- Commercial

Mirvac is building the Orion Greater Springfield Shopping and Entertainment Complex at Springfield. It will have 170,000m^2 of retail space and parking for 6,500 cars on a 40-hectare site. Stage one opened in March 2007.

The $12 billion master-planned community of Springfield, under development since 1992, covers 2,860ha and is projected to be home to 60,000 people in 15 years.

Suncorp built the $212 million Polaris Data Centre at Springfield and secured a 10-year State Government lease. The 10-storey Springfield Tower building also has been completed, while the $70 million Spring Lake Metro, including a boutique hotel and shops, opened in October 2007.

The $1 billion Ipswich Icon project is under construction in the Ipswich CBD. The project is being built by Leighton Properties and Ipswich City Properties, which is owned by the City Council. It was announced in October 2012 that construction of the first levels of the nine-storey Tower I were under way, after 10 months of site works. It is due for completion in September 2013.

In September 2012 it was announced that 1,200 public servants would be relocated to Icon Ipswich, with $14 million to be spent in FY2013 and $20 million in FY2014 on the relocation and office fit-out. The State Government has a 15-year lease starting in October 2013.

- Health & Education

Work has started on the $200 million first stage of the 52ha Springfield Health City, which will include hospital facilities, aged care and retirement units.

Springfield's Education City became reality in February 2006 with the first students starting classes in the new University of Southern Queensland campus. It expects to have 10,000 students by 2016. A new "education gateways" complex was announced in November 2012, with $49 million in federal funding.

In November 2011 work began on a two-year project to double the size of Ipswich Hospital's emergency department and create 90 more beds. The $130 million hospital extension will provide a bigger emergency department, two new wards for surgery inpatients, a cardiology unit, an expanded rehabilitation unit, additional birth suites and a multi-storey car park. The hospital expansion work should be completed by 2014 and cater for Ipswich's growth for the next decade (the first stage was completed in July 2012).

An $8 million dollar upgrade of St Andrew's Hospital was officially unveiled in March 2012, including new operating theatres, procedure rooms, an expanded theatre recovery area as well as a new day-of-surgery area and lounge.

Recent spending on education includes $1.18 million for a kindergarten at Kruger State School; $6.73 million for a replacement performing arts facility at Redbank Plains State High; $5 million for stage two planning at Springfield Central State High; $1 million for stage two planning at Springfield Central State School; $4.4 million allocated for Woodcrest Trade Training Centre at Woodcrest State College and $920,000 for kindergarten refurbishment.

- Residential development

Major new residential development is taking place within Ipswich City, particularly in the area around Springfield near Redbank Plains and also in the emerging new residential precinct around Ripley, south of the Ipswich CBD. There are extensive tracts of undeveloped land in both areas.

Investa's Brentwood estate at Augustine Heights is creating 1,500 homes over eight years on 226ha, next to the Brookwater community which will have 1,200 homes around a golf course. Ingles Group is developing the $150 million Macquarie Downs estate at Redbank Plains. The Devine Group is developing the $500 million Mountview estate of 1,400 dwellings at Redbank Plains.

The $800 million Corymbia Woods project will deliver 1,970 dwellings. It includes a mix of apartment buildings, terrace houses, duplexes and standard home sites around a town centre.

- Defence

RAAF Base Amberley near Ipswich is undergoing expansion with the arrival of the Super Hornet squadron.

An $800 million expansion of the Amberley RAAF Base is under way. Stage two was completed in December 2007 and there is a third stage. The base population will rise from 2,500 in 2008 to 4,000 in 2015. In 2008, $120 million was spent on new housing in connection with the new Super Hornet squadron which arrived in 2010.

The State Government announced in April 2009 the creation of 70 jobs at the RAAF Base through an investment scheme that will boost Tasman Aviation Enterprises which services Hornet aircraft engines.

Details of the Aerospace and Defence Support Centre at Amberley were announced in January 2010. Ipswich City Council granted approval of the 183ha centre in July 2010. It will adjoin the RAAF Base, creating 3,500 jobs and promoting Ipswich as an aviation and defence activity hub. In March 2012 the Federal Government agreed to sell 23ha to the venture, to go with the State Government's existing 143ha.

- Rail fleet depot

Ipswich will be the home of QR National's new 200-strong fleet of city trains once plans for a new service centre are approved. Wulkuraka has been earmarked as a base for the new fleet and the project will proceed once the City Council approves a development application. The facility will be owned by QR and will employ 200 staff to perform the maintenance on the City Train's next generation. The facilities will take two years to construct, according to a July 2012 report.

- Industrial

Bremer, Swanbank and Redbank have emerged as industrial property hotspots. Major generators of business and jobs are expected to be the Swanbank Enterprise Park, Bremer Business Park, Ebenezer Industrial Park and the aerospace industry at Amberley RAAF base.

Walker Corporation is developing the $1 billion Citiswich industrial park. The 335ha, previously known as Bremer Business Park, sits beside the junction of three highways in the Riverview area. Major tenants include Caltex, KSB, API, the Reject Shop and Capral Aluminium.

- Resources Sector

Mining company OGL Resources plans to export 300,000 tonnes of coal from Ipswich in 2013 and increase that 10-fold by 2020. Managing director Allan Fidock told the Australian Stock Exchange in June 2012 of OGL plans to start exporting coal from its reactivated Ebenezer mine in 2013.

Within the first couple of years, the company expects three trucks an hour will be hauling coal from the mine to the Port of Brisbane. OGL said phase two of its mining operation in Ipswich involved exporting coal from the Bremer View coal project beside Ebenezer from 2019.

OGL said it planned to mine at a rate of 600,000 tonnes a year within 12 months from Ebenezer. That will expand to 1.5 million tonnes a year within 2-3 years and increase to three million tonnes a year after Bremer View is up and running.

OGL said three trucks per hour would be used for 600,000 tonnes a year production. Coal trains would be needed after that.

It was reported in June 2012 that Cuesta Coal was beginning exploration of a site near the proposed open-cut mine at Ebenezer. Cuesta plans to drill 14 open holes and four cored holes in exploring the Exploration for Coal Permit (EPC) 2127 in the Purga area. According to Cuesta figures there are 40 existing drill holes on the site.

A gas pipeline stretching 145km from Casino in northern NSW to Ipswich was proposed in July 2011 to supply a new power station at Swanbank and south-east Queensland consumers. However, the project is running into opposition from farmers, business owners and environmentalists.

Metgasco, the builders of the Lions Way Pipeline, said the plan was “conceptual” and CEO Peter Henderson said no start date had been set. The news came as Swanbank's last remaining coal-fired plant faced closure in 2012.

Tru Energy says it will build a gas-fired electricity generator at Ipswich in the next three years. It was reported in October 2011 that construction would begin in 2013.

- Communications

The Ipswich CBD soon will be connected to the National Broadband Network, with work on the first cables starting in November 2012. Work will continue until March 2014.

The work will stretch beyond the city limits into a range of Ipswich suburbs. The NBN radar includes Redbank Plains, Brookwater and Collingwood Park to the north and Yamanto, Churchill and Coalfalls to the south. North and Central Ipswich and Silkstone round out the areas for stage one of the roll out. The second stage includes Brassall, Rosewood and Grandchester, due for completion in four years time.

The arrival of the information super-highway will make Ipswich a tantalising prospect for businesses, Mayor Paul Pisasale said in May 2012. "Ipswich is a major regional centre and we have built the bitumen highway and now it's time to establish the super highway," he said.

Property profile

Ipswich City is the capital growth star of the Brisbane metropolitan area. The municipality which encompasses the south-western fringe of the Greater Brisbane area has the top five suburbs for long-term capital growth. It has eight of the top 10 - and 15 of the top 25 suburbs.

The predominance of Ipswich City in the rankings of the 260 suburbs which comprise the Brisbane metropolitan area is not surprising. Every suburb-by-suburb analysis we conduct shows the cheaper outlying areas lead the capital growth rankings. This applies equally to Adelaide, Perth, Melbourne, Hobart and Canberra.

Affordability rules. When that is combined with key services like rail links to the Brisbane CBD plus plenty of jobs nodes, it becomes a compelling formula for capital growth. This is why the municipalities of Ipswich City and Logan City (the cluster of affordable suburbs which bridge the gap between Brisbane and the Gold Coast) jointly provide 18 of the top 20 suburbs with the best average annual growth in median house prices over the past 10 years.

Ipswich traditionally has been seen as Brisbane’s poor cousin, but its demographic profile is changing as a result of the State Government’s focus on the south-western corridor.

The Ipswich LGA is dominated by couples-with-children households with an above-average proportion of single-parent households. The average age of 33 is younger than the Brisbane average and the average income is lower.

But there are more home-owners and fewer renters in Ipswich (reflecting relative affordability). PRD nationwide says 27% own their homes outright, 37% have mortgages and 30% rent.

The Ipswich market has grown strongly over the past 10 years. Median house prices in Greater Ipswich produced double-digit annual growth in the five years to 2008. In 2008 most of Ipswich City’s suburbs grew 15%-plus and some managed around 25% to 30%. Growth rates have tapered off more recently and, in some suburbs, median prices fell in 2011 and 2012 – in keeping with the general decline in the Brisbane area after the January 2011 floods.

Data on the June 2012 Quarter from the Real Estate Institute of Queensland shows the median house price for the Ipswich City LGA fell 3% in the quarter to $290,000. A year earlier the median price was $312,000.

But, overall, data published by the Real Estate Institute of Queensland shows that Ipswich City has out-performed Brisbane City, the Gold Coast and the Sunshine Coast on capital growth, by a wide margin, over the past five years.

And there appears to be increased momentum in the Ipswich market. A PRDnationwide report published in October 2012 said that the number of sales in the first half of the year represented a 14% increase over the previous year. PRDnationwide Ipswich principal Peter Mendoza said the median house price for the Ipswich region was around $290,000, a 35% discount on prices in inner Brisbane. “This is a major drawcard, even for those who work in the Brisbane CBD,” he said.

We have noticed steady increases in sales volumes in most Ipswich suburbs throughout 2012. This is a precursor to a return to price growth in 2013.

There are few units or townhouses in the area, with houses making up 90% of dwellings in the Ipswich Local Government Area (compared with 75% in the Brisbane LGA). But this is changing, with more apartments being added to the Ipswich dwelling mix. This is a potential area of opportunity for investors, given that prices are affordable and Ipswich units have a solid track record for growth in rentals.

Eastern Heights: $200,000

Matusik Property Insights predicts more townhouses will pop up in suburbia and houses around transport nodes will be re-developed into duplexes and small-lot homes. This is good news for both future owner-residents and investors, as gross yields are often better for alternative housing when compared to a detached house. Ipswich is not only likely to keep growing but it is also going to change, with an expanding range of new housing products.

This view is supported by PRDnationwide which notes an increase in new unit supply has contributed to a rise in unit sales over the past five years, a trend that coincided with increasing rates of median unit price growth.

Goodna: $250,000

The Ipswich region will continue its strong growth due to the expansion of Springfield and the upcoming Ripley Valley development (expected to house 120,000 residents on completion). The population of Ipswich City is growing by 150 people per week, according to Mayor Paul Pisasale, and we can expect greater numbers to be accommodated in units and townhouses.

Vacancies were an area of concern, but they have fallen markedly in the past 12 months. Vacancy rates, according to *SQM Research*, include 2.1% in postcode 4305 (Ipswich, East Ipswich and Newtown), 1.5% in postcode 4300 (Goodna), 1.8% in 4301 (Redbank Plains and Collingwood Park) and 2.2% in postcode 4304 (Silkstone and Bundamba).

Woodend: $245,000

Price decline in some suburbs in the past 12 months means there is good-value buying available, but long-term growth rates remain in double digits for all Ipswich suburbs except the Springfield areas.

Vacancies are low and a combination of rental increases and price decline has meant an improvement in rental returns. Many suburbs in Ipswich City have yields in the 5.5% to 6% range.

The Ipswich housing market can be summarised as follows:-

Suburb	No. of sales	Median price	1yr growth	Growth ave.	Median yield
Augustine Hts	46	$505,000	8 %	snr	4.6 %
Bellbird Park	65	$300,000	-7 %	12 %	5.4 %
Brassall	125	$305,000	-7 %	10 %	5.2 %
Bundamba	62	$255,000	-7 %	11 %	5.5 %
Camira	86	$335,000	-2 %	10 %	5.3 %
Carole Park	18	$225,000	-10 %	12 %	snr
Churchill	16	$260,000	4 %	11 %	5.6 %
Collingwood Park	116	$300,000	-4 %	10 %	5.6 %
Eastern Heights	39	$270,000	-3 %	12 %	5.9 %
East Ipswich	40	$235,000	-13 %	11 %	5.5 %
Goodna	86	$265,000	-7 %	13 %	5.8 %
Ipswich	32	$325,000	8 %	13 %	4.6 %
Leichhardt	33	$225,000	-3 %	12 %	6.0 %
North Ipswich	65	$255,000	-7 %	12 %	5.5 %
Raceview	116	$280,000	-5 %	10 %	5.5 %
Redbank Plains	181	$275,000	-5 %	12 %	5.8 %
Silkstone	40	$260,000	0 %	12 %	5.7 %
Springfield	98	$375,000	2 %	8 %	5.2 %
Springfield Lakes	192	$370,000	-2 %	8 %	5.3 %
Tivoli	31	$245,000	-16 %	12 %	5.7 %
Woodend	30	$280,000	-6 %	11 %	5.1 %
Yamanto	98	$345,000	0 %	10 %	5.2 %

Source: Australian Property Monitors. “No. of sales” is the number of house sales in the past 12 months. “Growth ave.” is the average annual growth in median house prices over the past 10 years. “snr” = statistically not reliable.

Future Prospects

Three precincts of suburbs within Ipswich City stand out for their growth prospects:-

- The Redbank precinct

The Ipswich region’s potential is reflected in the Redbank precinct, which is busy with new residential, retail and industrial development. It has major road and rail links to central Brisbane, extensive shopping facilities and affordable homes. It is a major beneficiary of the upgraded Ipswich Motorway.

The area embraces Redbank, Redbank Plains, Collingwood Park, Goodna and Bellbird Park. Look at a street directory for this area and you will see vast networks of proposed new streets and cul-de-sacs as developers plan new estates. The precinct borders other high-development growth areas such as Springfield and Brookwater.

Redbank has a station on the commuter train line linking Ipswich to central Brisbane and the Ipswich Motorway is the main road link to the Brisbane CBD.

Employment options in the precinct are being boosted by the ongoing development of the Redbank Peninsula industrial area (the peninsula being formed by a loop in the Brisbane River, which is the northern boundary of the precinct) and the nearby Citiswich industrial estate, a $1 billion project.

Residents of the area have a choice of major shopping centres:-

- the established Redbank Plaza, including Coles, Target, Supa IGA, Kmart, an eight-screen cinema and 110 specialty stores in a complex which abuts the Ipswich Motorway; an upgrade costing $15 million introduced an Aldi supermarket and included an extension of the Coles supermarket in October 2012.
- the expanded Redbank Plains Shopping Village, which has 6000m^2 of convenience retailing, with plans for 22,000m^2 of bulky goods space;
- Redbank Tavern Plaza Shopping Centre, including Bi-Lo, Subway, a tavern and other specialty stores; and
- Orion Greater Springfield Shopping Complex at Springfield, which will have 170,000m^2 of retail and entertainment space (*stage one, which opened in 2007, is pictured on the right*).
- A Masters hardware store, which opened in Springfield in November 2011.
- The $30 million Brookwater Retail Village, which includes the Mater Health Centre, opens in February 2013.

Swiss-based company Holcim announced in August 2011 it would invest $75 million building a manufacturing plant at the new industrial precinct Swanbank Enterprise Park. Holcim said in April 2012 that the plant would deliver 340 jobs during construction and about 140 jobs when operational.

The announcement triggered Investa to invest more than $25 million in stage one of the 500ha park. Swanbank Enterprise Park comprises 260ha of general industry land, 40ha of business park land and 200ha of buffer. The project is set to be the catalyst for turning disused coal mining land into one of Australia's biggest business and industry precincts with the potential to create up to 15,000 jobs.

Australian Property Monitor records the median house prices for the suburbs of the precinct for the past 12 months as follows: Redbank Plains $275,000, Collingwood Park $300,000, Goodna $265,000 and Bellbird Park $300,000. It’s clear from these figures that the precinct has plenty of affordable housing – despite strong median price growth in the past 10 years.

Developer Devine is a major presence in this precinct. “Redbank Plains is a key growth corridor for business, with major employers Ipswich Aerospace Industry and Swanbank Paper Plant nearby,” it says. “This is helping to drive demand for residential accommodation. Redbank Plaza is just minutes away and Orion shopping centre is 5km to the east. There are good schooling options, including the Springfield campus of the University of Southern Queensland.”

The statistical precinct covering the Redbank area is a high-growth location, with population rising well above average rates. It’s an area of young families, with a low average age (29), above-average for couples with kids and below-average for retirees.

Inner eastern suburbs

A cluster of suburbs immediately east of the Ipswich CBD stand out: here there are eight suburbs with median prices under $300,000, including East Ipswich, Booval, Eastern Heights and Silkstone. I think East Ipswich, which has many character houses begging to be renovated, is one of the most under-rated precincts in the Ipswich LGA.

Median house prices in the past 12 months include: Booval $285,000, Bundamba $255,000, East Ipswich $235,000, Eastern Heights $270,000, Silkstone $260,000 and Tivoli $245,000.

Leighton Properties is redeveloping the Ipswich CBD with the council-owned Ipswich City Properties. A three-storey shopping centre is part of the $1 billion Icon Ipswich re-development, plus a nine-storey office building leased to the State Government from October 2013.

In November 2011 the office building (known as Tower I in Icon Ipswich and now under construction) was sold for $93 million to property fund manager Cromwell. Leighton Properties described the sale as the Queensland's biggest transaction for office space outside Brisbane. The 18,000m^2 building is to be occupied by 1,200 state public servants, with retail on ground level plus 200 basement car parking spaces. Leighton Properties and Ipswich City Properties are planning a second eight-storey tower in the Icon Ipswich project.

The new 6,000m^2 Coles superstore opens in February 2013.

Ipswich City Council announced in September 2011 it was planning to buy the old Bremer State High School site and turn it into a commercial and residential development. The plan is to have 6.3ha of parklands, 6.3ha for residential and 1.5ha of commercial development.

UniRez, a $12 million development providing accommodation for 128 students, reached full capacity in April 2012. Students pay at most $150 a week, including all Internet and electricity.

Most of the tenants are UQ students while others are from Bremer TAFE. The Ipswich Chamber of Commerce says the student population's disposable income is a significant contribution to the city's economy.

In October 2012 the $7 million second stage of the River Heart parklands project opened, including a new riverside water park.

And in September 2012 a $3.2 million fire station complex was announced for vacant land in Brassall, one of the fastest-growing suburbs in Ipswich. It is scheduled for completion in August 2013.

The southern precinct

The precinct south of the Ipswich CBD is an area targeted for major growth in both residential and industrial real estate. There are huge areas of undeveloped land in this area, which includes suburbs such as Yamanto, Ripley and Deebing Heights.

Prospects for this precinct have improved with the completion of a $370 million extension of the Centenary Highway linking the Springfield master-planned community to the Cunningham Highway at Yamanto. The 18km road opens up the southern and western regions of Ipswich to future industrial and residential growth – including the planned community of Ripley Valley and industrial precincts at Swanbank, New Chum and Ebenezer.

The Ripley Valley area, 5km south of the Ipswich CBD, is projected to have a population of 120,000 in 20 years, compared with 2,000 currently. Developers are planning a master-planned community, expected to ultimately create 40,000 homes.

Sekisui House, Japan's largest building company, finalized a $190 million agreement with construction company Payce in mid-2009 for the development of the Ripley Valley Master Plan. Thousands of "environmentally-friendly homes" will be built over the next 20 years. Sekisui House also plans to develop a manufacturing plant in the area.

It was reported in June 2012 that the first residents in the Ripley Valley development could be living in their homes by the end of 2013. The first stage by Sekisui House is to comprise 64 lots, which will be marketed early in 2013.

Sekisui House ultimately plans to build 2,500 homes over 25 years, with the first stage of a town centre to be completed by 2017.

The Ipswich City Council announced plans in December 2012 to transform Yamanto into a commercial and residential hub. It published draft guidelines for a public transport hub surrounded by retail, commercial and residential developments.

Ipswich City Council approved a 13,500m^2 Bunnings warehouse at West Ipswich in April 2012. The $45 million project will create 210 permanent positions and another 390 jobs through the construction phase. Expressions of interests have been called from people interested in acquiring four character buildings on the site as a donation to relocate them in the Ipswich area.

A word of warning

Ipswich attracted national media attention in 2008 when homes built over disused coal mines in Collingwood Park (which is part of the Redbank precinct) began to suffer serious damage through subsidence. Cracks appeared in 20 homes in several streets above 19th Century coal mines.

This cast a shadow over the region as Ipswich has a history of coal mining and underground workings dot the area. Ipswich Greens spokesman Andrew Luxton said: "The district is riddled with old mine shafts that make development risky. It's not just Collingwood Park. There are plenty of places at risk."

The Ipswich City Council has been at pains to emphasise that only 1% of homes in the city have been built over coal mines. Investors, however, would be wise to check before buying in the area.

Mackay	QLD (Central Queensland, 970km north of Brisbane
Key Influences	**Boom Towns, Sea Change, Transport Infrastructure**
Highlights	Strong growth region; economy based on sugar, tourism and mining; proximity to the Bowen Basin and Galilee Basin; new rail links, new export port; expansion of Hay Point/Dalrymple Bay export terminals; $400 million hospital project.
Typical houses	South Mackay **$375,000,** Eimeo **$460,000,** Glenella **$540,000,** West Mackay **$390,000,** North Mackay **$370,000**
Typical units	Mackay **$310,000,** North Mackay **$285,000,** South Mackay **$285,000,** Mackay Harbour **$550,000**

One of Queensland's strongest regional centres began a significant market comeback 2012. Mackay, which experienced many years of strong growth during the pre-GFC resources boom, began to feel the impacts of expansion in the mining sector.

Mackay's proximity to the Bowen Basin mining province and to the Hay Point export facilities makes it an obvious beneficiary of prosperity in the resources sector. Its economy also benefits from agriculture and tourism.

In 2012 every suburb in the Mackay house market experienced a rise in sales volumes, a solid increase in median prices and an improvement in yields as rents rose strongly. We expect prices to continue growing in 2013.

Location

Mackay is a regional city on the coast of Central Queensland about 970km north of Brisbane. It is part of the Mackay-Isaac-Whitsunday region.

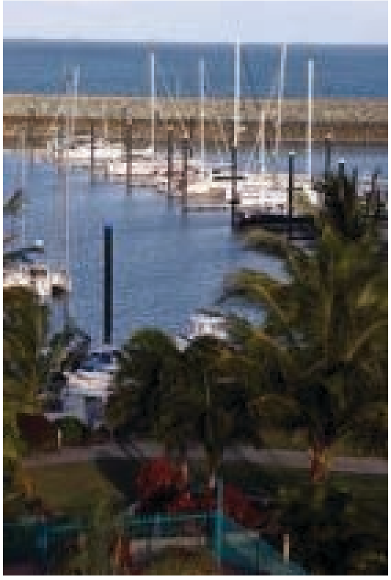
Population and Demographics

Mackay has a population of around 90,000 and has been growing at above-average rates over the past decade.

The Mackay-Isaac-Whitsunday (MIW) region has a population around 180,000, which is projected to rise to 280,000 by 2031. The region will require another 51,000 dwellings, based on those forecasts. Around two-thirds of the new residents will live in Mackay, according to the State Government's Draft MIW Regional Plan 2011-2031.

Developments areas are expected to be Ooralea, Richmond and Rosella (which is identified for industrial expansion south of Mackay).

Economy and Amenities



Mining, sugar and tourism are the mainstays of the Mackay economy.

Mackay is often referred to as the sugar capital of Australia because the region produces a third of the nation's cane sugar. On average, the Mackay region produces about 850,000 tonnes of raw sugar and 180,000 tonnes of the by-product molasses annually. Mackay Harbour is home to one of the largest bulk-sugar loading terminals in the world.

Mackay is widely regarded as the gateway to the Bowen Basin coal-mining region, which contains the single largest coal reserve in Australia. There are over 30 operational mines in the region, which produce about 80% of Queensland's coal output.

Mackay has become the location of choice for many companies providing services to the mining industry. This is because of its proximity to the mines, major highway and train links, and the coal export terminals at Hay Point. Global enterprises which have established facilities in the Mackay area include Caterpillar and Worley Parsons.

Wikipedia says: "Despite the city's benefits, it is widely recognised that Mackay has come to depend too heavily on the mining industry for economic growth. However, the Mackay Regional Council (in conjunction with the Queensland Government and other stakeholders) has made efforts to diversify the economic base of the region, particularly into emerging sectors including eco-tourism, bioenergy and the marine industry. The commercial fishing industry has struggled in the last 15 years due to the implementation of government green zones and rising fuel prices, and the labour force being depleted by higher wages offered in the mining sector."

Mackay also has a significant tourism industry, based on its proximity to the Whitsundays, the Great Barrier Reef and Eungella National Park. Around 750,000 domestic and international visitors come to the region in a typical year.

The Mackay airport welcomed over one million travellers in 2011 and is considering new flight routes from the city. In October 2012, Tiger Airways announced new services between Mackay and Melbourne, and Mackay and Sydney. Mackay Marina is a popular venue for yacht and boat owners, and features in several international ocean racing events. It is popular with boaties because of its proximity to the Whitsundays and the Great Barrier Reef.

Mackay's main shopping centres include Caneland Central, owned by Lend Lease which undertook a $210 million upgrade recently. The Northern Beaches Central shopping centre, with 45,000m^2 of retail space, opened its second stage in November 2011. Further stages are planned.

Mackay has a campus of Central Queensland University and recently opened the James Cook University Mackay Education and Research Centre at Mackay Base Hospital. In December 2012 the State Government approved a $74 million merger between the CQ University campus and CQ TAFE, with $30 million to be spent on renovations to both campuses in Mackay. The Mackay campus of CQ University has completed new facilities worth $60 million in the past three years.

Property Profile

Mackay experienced a significant up cycle from 2003 to 2007, with four consecutive years of double-digit growth and a major peak above 30% in 2005/2006. The next 3-4 years were subdued, with minor growth only, before a return to solid price growth in 2012.

The Real Estate Institute of Queensland's September 2012 Quarter report nominated Mackay as the top performing market in regional Queensland, with a 4.7% increase in its median house price to $445,000 during the quarter.

Mackay's market pattern has followed closely the economic cycle of the resources sector, with major growth in the years before the GFC, followed by a downturn. The market was due for recovery and this began to occur in 2012 with, firstly, strong rental growth followed by indications of rising house prices in the second half of 2012.

Most of Mackay's suburbs experienced growth in median house prices ranging from 6% to 9% in 2012. Long-term, all of the suburbs that make up the Mackay market have double-digit growth rates (the average annual rise in median house prices over 10 years), with most of them in the 11-12% range.

There is considerable new estate development emerging in Mackay. These include the Woodlands Andergrove affordable housing project, a joint venture between the State Government's Urban Land Development Authority and Mackay Regional Council, and the Rivers Edge Estate.

A three-bedroom unit in this central Mackay complex, rented at $420 per week, had an asking price of $360,000 (6.1% yield).

In October 2012, for example, Mackay Regional Council approved 299 residential allotments, worth $61 million. Also in October, stage 3B of the 2,000-home Plantation Palms estate was released to the market, providing 46 home sites from 535m^2 to 881m^2.

Despite an increase of new homes becoming available in Mackay the rental market remains tight. Rents rose strongly in 2012 and most of Mackay's suburbs have median yields above 6%, according to data from Australian Property Monitors.

Real Estate Institute of Queensland Mackay zone chair Stacey Arlott says growth in Mackay's market can be attributed to two main factors - population growth and tenants, fed-up with high rents, buying properties. If people can find something under $400,000 they will consider buying.

Mackay also has an active unit market with about 160 sales in the past 12 months and typical yields above 6%. With new developments emerging, the number of unit sales in expected to rise in 2013.

According to *sqmresearch.com.au*, vacancies in the Mackay market (postcode 4740) have been consistently below 2% over the past three years.

The Mackay property market can be summarised as follows:-

Houses	No. of sales	Median price	1yr growth	Growth ave.	Median yield
Andergrove	190	415,000	6 %	12 %	6.1 %
Beaconsfield	116	420,000	3 %	11 %	6.2 %
Blacks Beach	60	505,000	6 %	11 %	5.7 %
Bucasia	115	460,000	6 %	12 %	6.1 %
East Mackay	59	420,000	2 %	12 %	6.0 %
Eimeo	113	460,000	3 %	11 %	5.5 %
Glenella	95	540,000	9 %	12 %	5.9 %
Mackay	65	390,000	16 %	12 %	6.2 %
Mt Pleasant	76	445,000	3 %	10 %	6.2 %
North Mackay	136	370,000	6 %	12 %	6.6 %
Ooralea	54	510,000	2 %	14 %	6.1 %
South Mackay	138	375,000	4 %	11 %	6.8 %
West Mackay	123	390,000	8 %	12 %	6.6 %

Units	No. of sales	Median price	1yr growth	Growth ave.	Median yield
East Mackay	16	310,000	0 %	13 %	snr
Mackay	56	310,000	-9 %	14 %	6.3 %
Mackay Harbour	24	550,000	-4 %	10 %	snr
North Mackay	25	285,000	-10 %	snr	6.1 %
South Mackay	22	285,000	3 %	14 %	7.4 %
West Mackay	17	275,000	-8 %	10 %	snr

Source: APM. "No. of sales" is house sales over the past 12 months. "snr" = statistically not reliable. "Growth ave." is the average annual growth in median house prices over the past 10 years.

Future Prospects

The Mackay-Isaac-Whitsunday (MIW) region has projects valued at $107 billion, according to the regional development register from the Regional Economic Development Corporation (REDEC).

REDEC director Darryl Camilleri says the growth of the region is symptomatic of the growth in the mining sector. "I think it also comes back to population growth," he says. "We've been growing over 3% each year and I see that continuing over the next five to 10 years."

Sectors providing significant increases include mining, rail and ports, which together provide $88 billion in projects that are under way, recently completed or in planning. These projects have one thing in common: coal. (Some projects were deferred in the second half of 2012, as construction costs rose and commodity prices fell; however, we expect recovery in the coal sector in 2013).

Adani investment

An example of the major investment coming up in the resources sector is the venture announced by India's Adani Enterprises. This is a $10 billion scheme to control every stage of its coal business from mine to port.

The chief executive of Adani's Australian operations, Jignesh Derasari, says the company wants to control "whatever component the coal touches", including a $3 billion railway network to haul coal from the Galilee Basin in central Queensland to two ports, one of which it purchased this year at Bowen near of Mackay and the other which it will build at Dudgeon Point near Mackay.

From these outlets, Adani-owned bulk carriers would ship the coal to India to supply a chain of seven power stations operated by the company. It will reportedly make Adani India's largest single investor in this country.

Adani's Carmichael mine is being developed in the Galilee Basin about 400km inland of Mackay, which has been described as Australia's new coal frontier. Derasari claims the project will provide economic benefits to Australia in terms of employment and revenue, through direct mineral royalties paid to the State Government and spin-off economic activity. There will be 5,000 jobs during the construction phase and 4,000 permanent jobs, most of them around the mines.

Adani is planning two new train lines -- one running 500km directly to Abbot Point and the other running due east from the company's holdings to the town of Moranbah in the Bowen Basin, where it will connect with the existing Queensland Rail coal network near Mackay.

Adani Group chairman Gautam Adani re-affirmed the company's plans in December 2012. It said it plans to deliver the first coal for export early in 2016.

Expansion of export port

The $10 billion Dudgeon Point project at the Port of Hay Point, 37km south of Mackay, will incorporate two or three new coal terminals and join Dalrymple Bay Coal Terminal (DBCT) and Hay Point Coal Terminal (HPCT) 40km south of Mackay, to service the mines of central Queensland.

The State Government allocated land for the two new export terminals at Dudgeon Point in December 2011. Then Premier Anna Bligh said they could one day handle 180 million tonnes per annum (mtpa) of coal.

Dudgeon Point Project Management and Adani Mining were awarded 190 hectares each plus the land required for associated infrastructure outside the stockyard. The proposed two terminals will provide export capacity up to 180 mtpa - that's 50 mtpa more than the current capacity at the port of Hay Point.

North Queensland Bulk Ports (NQBP) Corporation Hay Point general manager for planning Bob Brunner said the expansion would allow the port to remain one of the largest in the world. "The expanded port will export in total 250 to 300 mpta," he said. "The port is currently one of largest in the world and the planned expansion will help it retain this world class status, despite similar significant expansions planned for Gladstone and Abbot Point."

The project will create between 3,000 and 5,000 jobs during its construction phase and another 500 ongoing jobs.

If approved by government, construction of the project will begin in 2013 and cost up to $10 billion. It will include construction of two or three new terminals (depending on demand), offshore jetties and wharves. The first shipment of coal would be expected to go through the terminal by 2016.

Plans for the project were released for public comment in April 2012.

The development, which will be adjacent to coastal communities including Louisa Creek, Timberlands and McEwen's Beach, will be built on 700 hectares of the 1400-hectare site, with the rest retained for protection of the environment and as a buffer from neighbouring communities.

Dudgeon Point Coal Terminal and the proposed Goonyella rail project were officially declared significant projects by the Coordinator-General in October 2011. The then Treasurer and Minister for State Development Andrew Fraser said the declarations were not approvals, but recognition of the size, scale and economic impact the projects could potentially have.

BHP Billiton announced in November 2011 an 11-mtpa expansion of the Hay Point Coal Terminal.

BHP Billiton also approved the development of the $4 billion Caval Ridge Mine coal project in the northern Bowen Basin and said its share of the investment in the initial project is $2 billion. It is to be run in a 50/50 joint venture with Mitsubishi Development Pty Ltd. Also included is an expansion of the Peak Downs Mine in the northern Bowen Basin.

The projects add eight mtpa in export metallurgical coal, with the expectation of a rapid, low-cost expansion to 10 million tonnes per year, BHP said.

The Caval Ridge Mine will have the capacity to produce 5.5 mtpa of coal. It will be an open-cut dragline and truck and shovel operation, with coal railed to the BHP Billiton Mitsubishi Alliance Hay Point coal terminal. The project has received all necessary regulatory approvals.

Community infrastructure

A $410 million re-development of Mackay Base Hospital is under way.

Construction of the new main clinical building includes two inpatient wards, mental health inpatient unit, laundry, kitchen and mortuary. E block, completed in November 2012, includes the emergency department, operating theatres, central sterilising department, medical records, pathology and clinical measurements. There is also a 222-space car park.

The second stage of the hospital development, involving blocks E, F, Q and G, was completed in November 2012.

The Mackay GP Superclinic is also being built. It is reportedly the first Superclinic in Australia to be entirely privately funded and built without government grants. It offers a range of services including pathology, podiatry, dentistry, psychology, massage, homeopathy, naturopathy and colonic cleansing. There is also a cosmetic and skin cancer clinic at the site. Dr John McIntosh, founder of the Mackay GP Superclinic, says the emergency room is large enough to fit eight patients at a time.

It would also have its own waiting room and reception desk, so the centre could manage walk-in emergencies, minor trauma and see patients without appointments.

Work started in October 2012 on a $3 million clinical training centre at Mackay's Mater Hospital, in a partnership between James Cook University and Mercy Health and Aged Care. The facility is due to open in mid-2013.

The Federal Government announced an extra $5 million contribution towards the Mackay Showgrounds upgrade in June 2012. This enabled Stage Two of the project, entailing five new buildings including a new office complex, to go ahead. A 4,000m^2 pavilion was completed in December 2012. The total bill for the upgrade is around $30 million, with both federal and state funding the project.

In November 2012, Mackay Regional Council announced it would spend $18 million on project to rejuvenate the city centre. It said it hoped to receive $8.8 million from the Regional Development Australia Fund.

Ergon Energy said in November 2012 it would build a substation at Bucasia to meet growing demand for electricity in Mackay's Northern Beaches. Planning was under way, with construction to begin in 2016.

Property development

Brisbane-based Sentinel Property Group has become a major investor in Mackay's commercial market. It purchased the Northpoint Homemaker Centre in June 2012 and a $9 million industrial property in December 2012. Late in 2012 it began construction on a 3,600m^2 office building for Centrelink.

The $20 million Woolworths shopping centre at Ooralea opened in June 2012. The development includes a Woolworths petrol station, BWS, AFS Pharmacy, Brumby's and various specialty shops as well as creating about 300 retail jobs.

The Mackay Regional Council has initiated an incentive scheme for residential developments in the Mackay CBD. In August 2011 the council approved a plan to cut infrastructure charges for one and two bedroom units.

With over 200,000 people expected to live in the Mackay region by 2031, Mackay Regional Council is investigating future growth areas at Ooralea. The Ooralea Local Plan Urban Design Principles document was released on the Council's website in November 2011.

Renewed interest in unit developments throughout the Mackay area is occurring. Hotel operators Mantra and The Oaks are interested in more self-contained rooms so people have the ability to stay for more than one night. The Meridian Mackay has now incorporated a greater number of smaller apartments in its development.

Latitude has been redesigned to incorporate a hotel, four penthouses and a commercial precinct. Plans for motel rooms to be built beside the Mackay Entertainment and Convention Centre had been replaced with self-contained units. Other projects are on the drawing board along River Street.

The developer of Horizon Mackay began construction of a $35 million apartment block in April 2012 and is expected to be completed in 2013. The 12-storey building with 72 apartments and four commercial premises received development approval in November 2011. Agents are asking $565,000 for the apartments and offering an 8% rental guarantee for two years (buyer beware!).

It was reported in November 2011 that land at Paget could run out with mine service companies expanding their presence. LJ Hooker Mackay partner Des Besanko said companies were positioning themselves to capitalise on the infrastructure and equipment requirements of new and expanding mines in the Bowen and Galilee basins.

“Projects are going to chew through that industrial land a lot quicker than is under the current plan,” he said. “I think that's why they are starting to look at the next Paget a bit quicker than they originally anticipated."

While Mackay Regional Council believes there is enough land in Paget to fill demand for the next nine years, it's working with the State Government to plan another industrial estate at Bakers Creek, between Mackay and Sarina.

Council's development services director Peter Cardiff said Paget had recently seen growth in warehouses, transport facilities and mine service industry developments. "There are certainly a number of properties that have come through us (for approval) for some pretty big sheds in Paget," he said.

Besanko said the industrial development would lead to demand for more commercial and residential development. The Mackay Area Industry Network's Karen McIntyre said the Strategic Paget group was researching ways to address the region's accommodation shortage.

Construction of a State Government office building in the City Centre began in April 2012. The six-story building will include a coffee shop. Verde Property said the five-star building with 167 car parks would be ready for tenants by August 2013.

There is ample new land development, with 650 lots across 20 developments in the pipeline, it was reported in mid-2012. After experiencing a land shortage, buyers will be able to access more lots throughout Mackay.

Richana Estate, at Rural View, and Eden on the Water, at Shoal Point, are among the developments in progress. Others across the region include Premier Vista, at Rural View, Cuttersfield Estate and The Waters, Ooralea.

The Urban Development Institute of Australia's Mackay-Whitsunday branch president John Harris says developments across Mackay are experiencing solid activity with mixed sized lots.

"An overall snapshot of the residential developments shows 3% of lots are available to buy now and have title, 68% are under construction and under contract, while 29% are under construction and available to buy off-plan," Harris said.

Developer Yanjian received council approval in February 2012 to build a 13-storey complex. Despite concerns about building height, the council approved a request to change the existing development approval from a multi-level, mixed commercial premise to 129 multiple-dwelling units. The units will be used for permanent and short-term/overnight accommodation.

Developer Pradella is building boutique villas in the Northern Beaches precinct, with construction of the first villas in Eden Oceanfront Living starting in March 2012.

Earthworks for Eden on the Water at Shoal Point started in May 2012 in the Northern Beaches area. It has 19 lots, including six beachside properties, starting from from 360m^2.

In May 2012 works began on the Gowake Cable Park and Andergrove Lakes Master Planned Community. The development will include a residential community with retail, accommodation and restaurant components. Stage one involves the construction of Lake Poco, the first of two cable wakeboarding lakes, and the plan is to have this fully operational by Christmas 2012.

The Northpoint Homemaker Centre was sold for $15.6 million to Sentinel Property Group in June 2012. The company plans to expand the centre.

Transport infrastructure

The new four-lane Forgan Bridge over the Pioneer River in Mackay was completed in 2012 after a three-year construction program. The $148 million bridge is 485 metres long, 30 metres longer than the old bridge.

Member for Mackay Tim Mulherin says this, plus the joint levy connecter road (completed in May 2011), means $170 million has been spent on Mackay's inner urban road network.

A $10 million upgrade of the Bruce Highway is under way near Sarina south of Mackay, as part of a long-term a $2.8 billion program to modernise key sections of the highway.

The Federal Government has also committed $120 million to upgrade the Peak Downs Highway, which links Mackay to Clermont and Moranbah in the Bowen Basin. The funding was confirmed by Prime Minister Julia Gillard and Treasurer Wayne Swan in Mackay in August 2010.

In November 2012, Mackay Regional Council said it was spending $27 million on an upgrade to Connors Road, converting it to one-way traffic.

- Sugar

Mackay Sugar bought the Mossman Central Mill in May 2012, promising an expansion after a $25.3 million takeover. Mossman Mill's $13 million debt will be refinanced under the deal which will also see about $12 million worth of shares issued.

Midland precinct	WA (20km north-east of the Perth CBD)
Key Influences	**Transport Infrastructure, Urban Renewal, Ugly Ducklings**
Highlights	Key regional centre within Perth metro area; tourism industry; redevelopment of City Centre; Midland Railway Workshops project; Woodbridge Lakes Estate; police complex; proximity to $360 million Midland Health Campus; very low vacancy rates.
Typical houses	Midland **$330,000,** Midvale **$340,000,** Bellevue **$335,000,** Woodbridge **$430,000,** Middle Swan **$310,000**

Midland is the major commercial and administrative centre for the City of Swan north-east of the Perth CBD.

The Midland redevelopment project is revitalising the area, creating a vibrant regional centre, and there is a strong tourism focus with the Swan Valley wine district and historical attractions.

The catchment area for Midland is far wider than the City of Swan and includes the Perth Hills, Chittering, Gingin, the Wheatbelt and the Avon Valley, giving it a large customer catchment and employee base. It is the junction for many of Perth's major road and rail transport links. It's proximity to Perth Airport is also an important factor.

The Midland Redevelopment Authority (MRA) and the City of Swan are working to redevelop the historic Midland Railway Workshops. New residential and commercial subdivisions have been created; apartments, cafes, restaurants and shops in the heart of Midland have been built; and the landscape revitalised.

Other developments include the state's largest police complex and the Midland Health Campus.

Location

Midland is a suburb of Perth and the regional centre for the City of Swan. The LGA covers the Swan Valley and parts of the Darling Scarp to the east. It's located at the intersection of Great Eastern Highway and Great Northern Highway, while its eastern boundary is defined by the Roe Highway.

Midland Precinct includes the suburbs of Midland, Viveash, Woodbridge, Middle Swan, Midvale and Bellevue. This is an established mixed-use area, including industrial, commercial and residential land uses.

Population & Demographics

Midland has a population of about 5,110 (Census 2011) and the City of Swan has 107,500 residents. The LGA grew at an average annual rate of 3.21% between the 2006 Census and the 2011 Census.

The City of Swan forecasts 2.55% average annual growth in population between 2012 and 2036. It is one of the fastest-growing LGAs in the Perth metro area and is one of the top three LGAs in terms of building approvals in the last five years.

In the City of Swan, two-thirds of people are Australian-born, 9% are from the UK and 3% from New Zealand.

The region is attracting young families and empty-nesters, according to the local newspaper the *Midland Reporter*. Midland is experiencing strong growth due to a significant supply of urban and rural housing opportunities, plus declining land stocks in nearby municipalities. Around 30% of residents moved into the area during the last five years, mainly from elsewhere in WA.

Most adult residents are aged 30-44 years. Midland also attracts a young adult population, with 21% aged 20-34 years. Midland precinct consists predominantly of family households (69%), with a high proportion (28%) of children and teenagers, according to the City of Swan Council.

The region's occupation profile reflects its diversity with a mix of professionals, white-collar workers, trades people and semi-skilled/unskilled workers.

Economy & Amenities

The City of Swan has a diversified and vibrant economic base. Its largest business sectors are manufacturing, retail and construction. The most significant industry, in terms of value, is manufacturing, which accounted for 24% of all industry value. Of the 8,550 businesses in the area, 95% are small businesses.

Settlement of the area dates from 1829, when the first land grant was made. The township of Midland grew around the railway station, quickly becoming the commercial and administrative centre of the City of Swan. Significant development occurred in the post-war years, aided by construction of public housing in Koongamia in the 1950s and the development of Viveash in the 1960s.

Guildford is the only town in Perth on the Register of the National Estate. With its rich heritage, historic buildings, boutique retail sector and proximity to the Swan Valley, Guildford is a major tourism destination and supports a range of tourism-orientated business.

The Swan Valley and its surrounds are one of WA's premier tourism regions, attracting more than 480,000 day-trippers each year. It is a renowned grape-growing region containing world-class wineries, restaurants, galleries and accommodation.

Midland is close to Perth's international and domestic airports (5 km away) - a huge advantage over other tourism destinations.

Midland Station is the final terminus for the Midland train line from Perth with trains leaving at least every 15 minutes. There are numerous bus routes within the City of Swan, with Midland Bus Station comprising one of the three major destinations.

Midland has two shopping centres: Midland Gate (with 186 stores plus Ace Cinema) and Centrepoint (with 40 stores). There are many commercial and industrial businesses around the Great Eastern Highway.

In 2007 the Midland Redevelopment Authority (MRA) and the City of Swan agreed to undertake a planning initiative known as *Midland 2017 – The Challenge*, an urban renewal project. Major features and attractions of the project include: Midland Gate Market Centre; Centrepoint Market Centre; Midland Railway Workshops; Swan Park Leisure Centre; Midland Sports Complex; Speed Dome; Swan Health Service; City of Swan offices; various large brickworks; numerous ovals and parks; John George Walk Trail; and primary and secondary schools.

The MRA project also includes the Polytechnic West Midland Campus - the only TAFE provider of Aeroskills training in WA with a workshop equipped with aeroplanes and engines. Students training to be pilots have access to flight simulators as well as Jandakot Airport.

Midland's specialist metals and engineering centre ensures a focus on new technologies and the integration of these across traditional trade and industry sectors. Polytechnic West also offers Signcrafts training and hairdressing facilities for apprentices.

Midland Precinct includes the Midland Redevelopment Area, a 256 ha piece of land assigned for mixed-use development, including housing and apartments, cafes/restaurants, retail shops and the State's largest police complex.

An independent economic impact report shows that over the next 20 years, the redevelopment of Midland will inject $1.22 billion into the local economy and will create 7,500 jobs.

Parts of the Midland Railway Workshops site are now home to a campus of Curtin University and the Western Australian Police Operations Centre. The centre was officially opened in October 2011 to provide increased security for the duration of the CHOGM program.

A secure building of 3,600m^2 over three levels, the centre contains the Police Operations Call Centre (accommodates 350 police personnel), the Fire & Emergency Services, and forensics and traffic operations. The centre features sophisticated CCTV, computing and communication facilities.

The building also contains major-incident rooms, training areas, administration and secure computer areas in a controlled environment. The new technology can be used for future large-scale and high-security events.

A Vertex strata office development is planned within the MRA area. The three-storey complex will contain a cafe and 31 office suites. It will also include a 2,500m^2 gym above the 8,190m^2 bulky goods premises.

The Midland Railway Workshops are an iconic cluster of old rail maintenance buildings that have been conserved and provide chic new homes, a wide choice of restaurants and coffee shops, attractive public spaces and a walkable neighbourhood.

The MRA and FORM (established by the former Midland Redevelopment Authority) are collaborating to adapt original buildings as the contemporary home of a creative industries hub – Midland Atelier. The Atelier aims to nurture creative enterprise and is home to a number of Australian and international designers working across creative mediums from photography to furniture design. The facility is being developed in stages with the fourth and final stage being a proposed collaborative digital media centre in the old Foundry building.

The MRA and urban planners TPG designed Midland's first premium medium-density residential development of two-storey houses on small lots - Woodbridge Lakes Estate. Woodbridge Lakes is a residential estate created around the historic Coal Dam on the western edge of the former Railway Workshops site.

The estate was designed using 'Liveable Neighbourhood' principles with the intent of providing high-quality housing close to public transport and all the Midland City Centre's amenities and services.

Property Profile

Nine out of ten dwellings in the City of Swan are separate houses, with an above-average proportion of homes being purchased (notably in newer suburbs and redevelopment areas). About 45% of residents own their homes with mortgages, 27% own their homes outright and 28% rent.

The City of Swan has approved 1,000-plus new dwellings in each of the past 11 financial years. Dwellings approvals totalled 1,106 in FY2012, 1,357 in FY2011 and 1,361 in FY201.

Midland precinct has one of the best records of capital growth in the Perth metropolitan area. Most of the suburbs have long-term growth rates in the 10-12% range (average annual growth over the past 10 years), while Midvale averages 14% per year. This is despite price reductions in the past 12 months (a factor common across Perth).

Middle Swan, Midvale, Bellevue and Midland have median house prices in the low-to-mid $300,000s. Viveash and Woodbridge are dearer with median prices in the $400,000s, while Guildford is now $500,000.

There is a small unit market in Midland, recording 16 sales during the past 12 months. Figures from APM suggest typical units cost $285,000, showing an annual average growth of 13% over the past 10 years with a 5.7% average rental yield. The average weekly rent for a unit in Midland is $340.

According to *sqmresearch.com.au*, the vacancy rates are 0.4% for postcode 6055 (Guildford) and 0.9% for postcode 6056 (Midland, Middle Swan, Midvale, Viveash and Woodbridge). The vacancy rates have been consistently at or below 2% for the last five years.

The Midland Precinct housing market can be summarised as follows:-

Suburb	No. of sales	Median price	1yr growth	10yr growth rate
Bellevue	27	$335,000	+2 %	12 %
Guildford	47	$500,000	-12 %	9 %
Middle Swan	29	$310,000	-6 %	11 %
Midland	139	$330,000	-2 %	10 %
Midvale	21	$340,000	+6 %	14 %
Viveash	15	$450,000	-9 %	12 %
Woodbridge	24	$430,000	-18 %	9 %

Source: RP Data and Australian Property Monitors. "No. of sales" is the number of house sales in the past 12 months. "10yr growth rate" is the average annual rise in the median house price over the past 12 months.

Future Prospects

The Swan District Hospital is to be relocated to a central location, the north side of Clayton Street in the heart of the Midland town centre. The new health campus will have pedestrian links to the train station and city centre.

The Midland Health Campus - a 310-bed general hospital plus a 60-bed private hospital - will function as the nucleus of a wide range of businesses in the health sector. When completed it will be the fourth largest hospital in WA.

The State Government named St John of God as the preferred provider in December 2011 to open the $360 million facility in mid-2015. St John of God's consortium includes construction company Brookfield Multiplex and architecture firm Hassell. Construction began officially in August 2012.

Developer Diploma Group secured a 2,634m^2 site in Midland in 2011 for a $25 million, 60-apartment mixed-use complex. The property was the second site Diploma has bought for development in Midland. Diploma completed the Foundry Apartments (43 units) in Midland in June 2011.

"Midland is currently undergoing significant urban renewal," Diploma chief executive Nick Di Latte said. "The sales success of Foundry Apartments demonstrated that the market has a clear appetite for apartments in a prime location that offer value for money and a convenient lifestyle."

Developer Goodman Group announced in June 2011 that it would build a 27,000m^2 logistics facility at its Stockyards Industrial Estate in Hazelmere for trucking giant Linfox. The facility to accommodate Linfox's WA warehouse and distribution operations was completed in mid-2012. Goodman said the development had an end value of $56 million and an initial 10-year lease term.

The entire Stockyards development became Perth's largest freehold industrial estate held under one title following completion of the Linfox facility. Its combined end value for the 95,000m^2 of industrial space is $180 million.

Woolworths made a $10.1 million bid in January 2012 for a parcel of land in Midvale to house one of its new Masters hardware stores. The supermarket and its Masters' joint venture partner, US hardware company Lowe's, made the offer to the City of Swan, which owns the 3.56ha site. The group has tried to speed up its roll-out in WA to cash in on a booming renovation trend in the state.

A major factor in favour of this precinct is its proximity to Perth Airport, which handles daily charter flights to mining sites around WA. The Midland precinct, with its affordability and lifestyle, is an ideal location for mining employees who work on a FIFO basis.

In the past seven years, the number of passengers at Perth Airport has doubled, with a 130% increase in the number of aircraft movements. FIFO rotations of workers at mine sites have contributed strongly to the sharp rise in passengers and planes at the airport.

A Canberra Times report in September 2012 said: *Skywest chief executive Jason Michael Bitter has worked for airlines in Europe, Asia and North America and he is convinced that Perth airport is breaking records as the hub for the biggest fly-in-fly-out worker operation ever.*

''It is unique in the world," he said. "The Canadian phenomenon is big, but it doesn't come close to here. The scale of it is just gargantuan and it is growing.''

Perth airport from 5.30am to 8.30am on Tuesdays, Wednesdays and Thursdays is a flurry of workers' ''high-vis'' yellow, orange and lime-green vests as they head to jobs thousands of kilometres away on the far-flung gas fields and mines of Western Australia.

Traffic jams clog the airport highway, one-quarter of Perth's 2000-strong taxi fleet hit the road at dawn and passengers in hoodies, plus thongs or joggers or fluoro outfits with boots, line up in the orange glow of runway lights to head to strangely-named dots in the desert: Mt Keith, Telfer, West Angelas and Cloudbreak.

More than 52,000 FIFOs (fly-in, fly-out workers) pass through the capital's terminals every week. During morning peak, planes take off every 90 seconds, according to Fiona Lander, Perth airport's general manager of corporate affairs.

''At most airports, you have a balance of arrivals and departures, which means one plane takes off and one arrives, so you have this nice equilibrium at your airfield. But at Perth, you've got up to 40 planes departing every hour in the morning and very few arrivals,'' she said.

Small charter airlines have emerged to fly the FIFOs, as the number of Perth passengers has grown from one million in 1980 to almost 10 million this year.

About 100 planes park overnight ready for the mass commute, but pinched Perth has become famous for delays, ironically worsened by construction work on a $750 million redevelopment to keep up.

Mount Isa	**QLD (1,830km north-west of Brisbane)**
Key Influences	**Boom Towns, Government Decisions**
Highlights	$1.4 billion phosphate plant; $300 million Lady Loretta zinc mine; $590 million upgrade to Ernest Henry copper mine; $500 million power station; end to 30-year ban on uranium mining.
Typical houses	**$390,000** Healy**, $325,000** Parkside**, $340,000** Sunset**, $335,000** Townview**, $325,000** Pioneer

Mount Isa has been included in past editions of our ***No Go Zones*** report. It was a single-industry town that had below-par rental yields, poor price growth and lots of heavy pollution problems. Nothing lasts forever and prospects for Mount Isa have improved markedly in recent times.

A number of significant resource projects have advanced in the Mount Isa region, rents have risen (a lot) and rental yields have improved, and there has been (reportedly) improvements with the pollution issues.

The October 2012 decision by the Queensland Government to lift the ban on uranium mining adds an additional element to the town's prospects, as much of Queensland's uranium resources are in the Mount Isa region.

Location

Mount Isa is in north-west Queensland, 1,830km north-west of Brisbane and 880km west of Townsville. It sits in the region known as the Gulf Country. The Mount Isa City Council region is one of the largest local government areas in the world, extending almost to the border with the Northern Territory.

Population and Demographics

Mount Isa is one of the largest population centres in outback Australia. Its population has fluctuated with the fortunes of the resources sector and is currently around 22,000 (2011 Census).

Economy and Amenities

Mount Isa is the administrative, commercial and industrial centre for Queensland's north-west region.

Mount Isa is not only a one-industry town but in many ways a one-company town. Its landscape and its economy is dominated by mining company Xstrata, which is probably why you will never hear a local political or business leader say a bad word about the company – despite its poor record of pollution and impact on the health of some local residents.

The Mount Isa Mines lease controlled by Xstrata is one of the most productive single mines in world resources history. It includes underground copper mines, an open-cut silver-lead-zinc mine and major processing facilities. The Xstrata operations also include the George Fisher and Handlebar Hill mines not far from Mount Isa.

The processing facilities provide the most significant landmark in Mount Isa – the stack at the lead smelter is 270m tall.

Pollution and adverse health effects have been a long-standing issue in Mount Isa. It has been described in government reports as Australia's most polluted town. A 2008 report by the State Government found that 10% of local children had blood-lead levels above WHO recommendations. Xstrata's processing facilities have been identified as the major culprit.

Researchers from the University of Queensland and Adelaide University began a study commissioned by Xstrata in 2006. They released the peer-reviewed water report in 2012, finding levels of arsenic, cadmium and lead which exceeded drinking water guidelines at 13 sites in the Mount Isa region.

The report found that levels of lead and other heavy metals in the Leichhardt River catchment meant further remediation work might be needed.

It was reported in September 2012 that Xstrata would undertake further tests and possible remediation work as a result of the report on water contamination.

In March 2012, the State Department of Environment and Resource Management said air pollution levels in Mount Isa were much higher than other parts of the state. Xstrata was largely responsible for monitoring pollution levels in the city but the State Government was taking steps to improve its scrutiny of pollution levels.

Xstrata said it had committed to spending $360 million over the next five years to improve the company's environmental performance.

Mount Isa also has some social issues, including a high crime rate. The *Courier-Mail* reported in October 2012: "With two murders in the past year and more than 600 assaults, the north-western mining city of Mount Isa was the state's most violent in 2011-12, on a per capita basis. Despite having a tenth of the population of the Gold Coast, Mount Isa's crime rate was four times that of the Glitter Strip, and double that of Townsville and Rockhampton."

Mount Isa Mayor Tony McGrady said the suggestion that it was the most violent place in Queensland was "ridiculous". He blamed "itinerants" for giving the town a bad name.

Qantas and Virgin operate flights to Mount Isa from Brisbane. Virgin expanded its services in August 2012 and now runs five flights per week from Brisbane to Mount Isa.

In addition, new airline JetGo launched services to Mount Isa and Cloncurry in May 2012, specialising in servicing the fly-in-fly-out market.

It was reported in May 2012 that passenger numbers through Mount Isa Airport had grown 10% in the previous 12 months.

Mount Isa Hospital is an important facility for the region and has been expanded with a $2.6 million cancer treatment centre, with work starting in May 2012.

Lake Moondarra, 19km north of the city, provides drinking water and recreation for Mount Isa.

Property Profile

Residex reported in August 2012 that Mount Isa house rents had grown 25% in the previous 12 months – the highest rental growth of any location in Australia.

Ray White Mount Isa principal Rifet Turcinovic said in July 2012 that rents were high in Mount Isa because of an under-supply of homes. "The vacancy rate is very low," he said.

The vacancy rate in postcode 4825 is 0.4%, according to SQM Research, and has been regularly below 1% over the past two years.

This recent escalation in rents has lifted Mount Isa yields to a level that makes it worthy of consideration by property investors. Previously we have urged caution about the Mount Isa market because rental returns were not commensurate with the risk of a mining town.

Data from Australian Property Monitors suggests typical yields are now 7.5% to 8%.

Properties recently for sale in Mount Isa included a three-bedroom house with a detached unit, rented at $38,320 per year and asking $465,000 (gross return 8.2%); duplex units rented at $31,200 per year and asking $400,000 (7.8%); and a two-bedroom house rented at $27,560 per year and asking $359,000 (7.7%).

The recent surge in rents is likely to lead to increases in house values in Mount Isa. Boom markets around Australia, such as Gladstone, Mackay and Darwin, have had major increases in residential rents first, with prices following 12 months later.

Mount Isa is due for price escalation. The last major price peak was in 2007, after three years in which the median house price rose 20% or more. There was some price decline between 2009 and 2011, but a return to moderate growth in the past 12 months.

The long-term growth averages for Mount Isa suburbs are strong – ranging between 10.6% and 15.8% (the average annual growth in median house prices over the past 10 years).

Most of the growth that produced those healthy averages occurred between 2004 and 2007.

With recent strong rental increases and the high level of new resources-related projects in the region, a return to strong price growth is likely.

Suburb	No. of sales	Median Price	1yr growth	10yr average	Median rent
Healy	39	$390,000	-2 %	11.6 %	snr
Menzies	13	$355,000	snr	snr	snr
Mornington	18	$375,000	+7 %	15.8 %	$560/week
Parkside	35	$325,000	+8 %	13.6 %	$570/week
Pioneer	24	$325,000	+4 %	12.8 %	$495/week
Soldiers Hill	46	$345,000	+5 %	14.1 %	$520/week
Sunset	34	$340,000	+2 %	11.1 %	$490/week
Townview	43	$335,000	-6 %	10.6 %	$500/week

Source: Australian Property Monitors. "No. of sales" is house sales in the past 12 months. "10yr average" is the average annual growth in median house prices in the past 12 months. "snr" is statistically not reliable".

Future Prospects

A raft of resources developments, including mines, processing plants and a power stations, are under way or in planning for the Mount Isa region.

- Ernest Henry copper mine

Xstrata operates the Ernest Henry copper mine east of Mount Isa near Cloncurry. Early in 2012 the company completed a $590 million project to convert the operation from open-cut to underground. Xstrata said this would add 12 years.

The converted operation produces three million tonnes of ore each year, from which copper, gold and magnetite is extracted. The project has created 400 jobs.

- Lady Loretta zinc mine

Xstrata announced that production had begun ahead of schedule at its $300 million Lady Loretta zinc mine. It was originally planned to start production in late 2013 but first deliveries of zinc-lead-silver ore to Xstrata's Mount Isa processing plant started in September 2012.

Full-scale commercial mining will begin in mid-2013, delivering 1.2 million tonnes of ore per year at full production. Xstrata expects this to boost annual zinc production 20% at its Mount Isa operations, providing 230 permanent jobs. Lady Loretta is 140km north of Mount Isa, where the project started construction in mid-2011.

In May 2012 Xstrata announced that it was extending the life of its Handlebar Hill zinc mine, 20km north of Mount Isa, spending $30 million to add a year to its life.

- New power station

The APA Group and AGL Energy are building a gas-fired power station to supply Mount Isa and Xstrata's north-west Queensland mines. Construction of the Diamantina Power Station at Mica Creek, south of Mount Isa, is under way, with first power to be delivered early in 2014.

The $500 million project has created 115 construction jobs and will need 17 full-time staff to run the facility once operational. The power station project has been underwritten by Xstrata.

- Phosphate plant

Legend International Holdings is planning a $1.4 billion phosphate plant near Mount Isa. In January 2012 Legend accused the then Mayor John Molony of a "vendetta" against the project.

New Mount Isa Mayor Tony McGrady said in May 2012 that he strongly supported the project, which is expected to create 420 jobs. There has been local opposition to the project, with concerns about the proximity of a proposed gypsum stockpile to important local waterways.

- Resumption of uranium mining

The Queensland Government announced in October 2012 it was lifting the 30-year ban on uranium mining in the state. This potentially adds a considerable extra element to the region's mining portfolio, as a sizeable chunk of Queensland's uranium resources are in this region.

The Queensland Resources Council said the state's known uranium deposits, concentrated in the remote north-west of the state, were worth about $18 billion. Australian Uranium Association chief executive Michael Angwin said the move could pump up to $900 million worth of royalties into the state's coffers.

Perth-based Paladin Energy said its Valhalla deposit, north of Mount Isa, is one of the largest undeveloped deposits in Australia and would support a mine with a 20-year lifespan. Chief executive John Borshoff said in October 2012 the resource could now be assessed on its technical and financial viability.

"It would have probably 800 people at construction time, probably 300-400 full-time jobs, and when you are looking at a four-to-one multiplier, you're talking about 2,000 people being influenced by a project of this size, so it is a very substantial project," Borshoff said.

Mount Isa Mayor Tony McGrady has been a strong advocate of lifting the ban on uranium mining.

But given the time it takes to work through exploration, feasibility, environmental and construction phases to create a working mine, it will be several years before any uranium production takes place.

- Korella phosphate mine

Krucible Metals announced in August 2012 that it had entered into an exclusive joint venture with Singapore-based Getax International to developer its Korella phosphate deposit 140km south-east of Mount Isa.

Krucible received an environmental authority in May 2012 to begin trial mining at Korella. It hoped to begin mining in 2013, producing 600,000 tonnes of phosphate rock a year to be exported from Townsville. Getax has agreed to inject $43 million into the venture.

- Development of a new suburb

Mount Isa City Council said in July 2012 that it was seeking to free up land for developers to building a new suburb of about 400 homes. It has sought expressions of interest from developers to turn vacant land at Gliderport into a housing estate.

- Water pipeline

A $13 million water pipeline to improve water supply to Mount Isa was announced early in 2012. The pipeline will extend 13km from Clear Water Lagoon to Mount Isa Terminal Reservoir, Stage one of the eight-stage project was completed was completed in April 2012.

Mudgee	**NSW (260km north-west of Sydney)**
Key Influences	**Boom Towns, Hill Change, Government Decisions**
Highlights	Regional centre for Mid-Western district; agriculture, wineries and tourism; gold and silver mining ventures; proposed power station; four operating coal mines; four proposed coal mines.
Typical houses	**$345,000**
Typical units	**$260,000**

Mudgee is an established regional centre servicing the mid-western region of central NSW. The Mudgee region has sprawling agricultural land and wine country - and now new mining projects.

Mudgee is also the centre for the historic goldfields region. The town prospered as gold was discovered in the mid 19th Century in nearby towns such as Gulgong, Hill End and Windeyer, temporarily reaching populations of 20,000. While gold mining has been supplanted by other economic drivers, coal mining is now boosting the local economy.

The region's four existing coal mines are all set for major expansion and a fifth is under construction. Four more coal mines, a silver mine, two wind farms and a gas-fired power station are all planned to be operational in this region within 3-5 five years.

Location

Mudgee is a provincial town in the central west of New South Wales, in the Cudgegong River valley. It is on the Castlereagh Highway, about 3.5 hours from Sydney.

Mudgee is the centre of the Mid-Western Regional Council Local Government Area (LGA).

Population and Demographics

The population of Mudgee is 9,830, according to 2011 Census data - an increase of 13% since 2006. As is usually the case with rural towns the majority of the population are Australian-born. About 4% identify Aboriginal.

The population of the Mid-Western Regional LGA is 22,300. According to the ABS, the Mid-Western region grew 5.7% between 2006 and 2011. The region has similar growth patterns to other NSW mining-related towns such as Muswellbrook and Singleton.

Mudgee's population is expected to grow 25%, or 6,000 people, over the next five years.

Economy and Amenities

Mudgee's first property boom occurred around 1851, when gold was discovered - leading to prospectors flocking to the town, with the population soaring from just 200 to around 20,000. After the gold rush waned towards the end of the 19th century, Mudgee was sustained by the wool and wine industries, as well as the opening of a railway extension in 1884.

Today, the major industries of the Mid-Western area are agriculture, mining, tourism and viticulture.

Mudgee has developed as a wine-producing region with about 40 wineries operating in the district. Wineries attract tourists and about 500,000 visit Mudgee each year.

Other rural produce includes cattle, sheep, wheat, lucerne, olives, fruit, tomatoes, corn, honey and dairy products.

The mining industry produces marble, pottery clays, shale and dolomite. But coal mining is by far the biggest employment sector in Mudgee at 13.4% of jobs. The food services and education sector employs over 5% of the working population and the accommodation sector about 3%.

One of NSW's leading exporters of thermal coal is the Ulan Mine Complex, 45km north-east of Mudgee. It covers an area of 18,000ha. Ulan is a joint venture between Xstrata Coal Pty Limited (90%) and Mitsubishi Development (10%).

Ulan was granted project approval in November 2010 by the NSW Department of Planning. It recently obtained approval for the continuation of existing activities as well as new underground long-wall mining and open cut activities, to produce up to 20 million tonnes per annum of coal for the next 21 years.

The mine operates 24 hours a day, seven days a week, and employs about 930 people, including contractors. In addition to underground and open-cut mining, Ulan has a coal-handling and preparation plant.

Xstrata Coal Ulan's website says: "Mudgee's a great little town. If offers all of the lifestyle advantages of the big city without living in the big city. Great work opportunities. Great place overall."

Charbon coal mine, south-east of Mudgee, is operated by Centennial (joint venture with SK Energy). In 2011 the mine extracted 1.2 million tonnes of thermal coal. The mine has a life of four more years and at full capacity produces 1.3 mtpa.

Due to the mining industry, Mudgee's unemployment rate is below average for NSW and Australia.

The Mudgee Airport has a commercial passenger service operating regularly between Mudgee and Sydney. The town has rail services, as well as interstate and local bus/coach services.

Mudgee has a hospitality sector with many bed & breakfast establishments, cafés and restaurants supporting the wine community.

Mudgee has two primary schools, a high school and St Matthews Catholic School. Mudgee College offers TAFE courses.

Property Profile

Mudgee has been the top-performing NSW housing market over the past year, according to Residex. Mudgee recorded rental growth of around 24% in FY2012, according to Residex figures published in September 2012.

Mudgee district house prices increased 7.4% for the year to August 2012, with a median house price of $272,500. Residex reported a 16% jump in sales volumes over this period, with 548 properties selling. Mudgee itself has a median price of $345,000, with a long-term growth rate around 9% per year.

Due to the nearby mining activity and expectations of strong population growth, Mudgee was included in *Smart Property Investment magazine's* Fast 50 report.

About a third of Mudgee residents own their homes, 30% have a mortgage and 35% rent.

The small town of Gulgong, 28km north of Mudgee and close to the Ulan mines, has cheaper houses. The median house price is $270,000 with long-term growth average of 10% per year.

The median Mudgee rent is now $410 per week, according to Residex. Australian Property Monitors' figure is $400 a week. The median rent for a unit is $270 a week.

Mudgee has a very tight rental market, with *realestate.com.au* reporting just 56 properties available for rent in November 2012. Vacancies in Mudgee, according to *sqmresearch.com.au*, are 0.9% and have been below 3% for the past 2.5 years.

The Mudgee market can be summarised as follows:-

Mudgee	No. of sales	Median price	1yr growth	Growth rate	Median yield
Houses	315	$345,000	9 %	9 %	6.5 %
Units	34	$260,000	6 %	7 %	6.4 %

Source: Australian Property Monitors – "Growth rate" is average annual growth in median prices over 10yrs.

Future Prospects

Six resources projects are in planning for the next three to five years in Mid-Western Shire.

The region's coal exports are predicted to grow 400% from 2006 levels by 2016, *The Australian* reported in October 2011. About 2500 workers will be needed to build the mines and council documents predict the flow-on effects could bring 10,000 new jobs to the region.

- Coal Mines: Moolarben

The Moolarben Coal Complex, 45km north-east of Mudgee, covers 11,000 ha and is a joint venture between YanCoal Australia (80%), Kores Australia Moolarben Coal (10%), and Sojitz Moolarben Resources (10%). The mine has approval to extract 12 mtpa from one underground mine and three open-cut mines.

Stage 2 of the Moolarben Coal Project comprises a fourth open-cut mine and two underground coal mines. The $120 million expansion proposal to increase coal extraction to 17 mtpa is before Planning NSW. Moolarben's Preferred Project Report says when stage 2 is operating at full capacity it will stimulate regional production of $730 million, providing an annual economic benefit of $1.5 billion.

The mine currently employs over 250 people. During construction of Stage 2, an additional 220 construction workers will be employed and 120 full time positions will be created.

YanCoal has plans to merge with Gloucester Coal, which could speed up Moolarben's growth.

However, in April 2012 a Government audit of exploration licenses showed Moolarben had significantly breached its conditions on four occasions - the worst result for any coal or coal seam gas mine in NSW. Three incidents related to exploration activity carried out without proper approval.

Moolarben mine's numerous environmental breaches and instances of drilling without approval have triggered calls for the State Government to reject the mine's proposed expansion. Moolarben has five mining lease applications pending, for which a company's environmental record must be considered.

- Coal Mines: Wilpinjong

The Wilpinjong thermal coal mine is 40km north-east of Mudgee, covering 2,800ha. The mine began operations in 2006 when Peabody Energy acquired the property from Excel Coal. Wilpinjong produced 8.9 million tonnes of saleable coal in 2011.

There are around 350 employees on site, including contractors and sub-contractors.

A $90 million expansion project, approved in July 2010, to increase production by 3 mtpa is expected to be completed by late 2012.

The Daily Telegraph reported in September 2011 that Peabody Energy purchased at least 51 homes in Wollar, near the proposed power station.

Under the noise and dust conditions of its development consent, Peabody has the power to compulsorily acquire properties after complaints reach a certain threshold. The company was told by the NSW Planning Department to increase its noise buffer zone in Wollar by buying properties not set for mining.

- Coal Mines: Cobbora

Cobbora Holding Company proposes to build an open-cut mine near Dunedoo, north of Mudgee. The Cobbora Coal Project will supply 9.5 mtpa of coal to three customers operating coal-fired power stations in NSW.

The mine may produce up to 2.5 mtpa of additional coal for sale on the open market. A mine life of 21 years is proposed and construction is planned to start in mid-2013. Mine operations are expected to begin in early 2015.

The coal mine will be sold or leased if the NSW Government succeeds in privatising the state's power generators. State Member for Dubbo Troy Grant reported, in June 2012, that NSW Treasury was seeking to appoint financial advisers to assist the process. He also revealed that "phase one" of the coal mine project would be a scoping study, addressing "key issues and all possible future options for the asset".

In August 2012 the Mid-Western Regional Council reviewed the environmental assessment (EA) of the coal project and disputed the estimated volume of traffic and the EA's conclusion that a level crossing in Gulgong will not need to be upgraded. The accuracy of the water data study is also being questioned.

The company says it has done 'detailed traffic modelling' and will consider upgrading crossings when the number of trains increases.

In November 2012 the NSW Planning Assessment Commission announced a public hearing to occur in December at Dunedoo. At the same time Cobbora Holding Company placed an advertisement in the *Mudgee Guardian's* classifieds, notifying of their application for a mining lease.

NSW Minister for Planning and Infrastructure, Brad Hazzard, has directed the Commission to review the Cobbora Coal Project application under the NSW Environmental Planning and Assessment Act.

Cobbora Holding Company (CHC) CEO, Steve Ireland, said the company welcomes the review. "CHC is committed to supporting Central West communities as a local employer, economic contributor and community partner," he said. "CHC will implement a comprehensive skills and training package to grow a local workforce ahead of mining operations beginning in 2015."

- Coal Mines: Mt Penny

The proposed $450 million Mt Penny Coal project is an open-cut coal mine near Bylong, 65km north-east of Mudgee.

Exploration and mine planning studies have identified a coal reserve of 101 million tonnes with a mine life of 21 years, producing 5mpta of ROM coal and up to 4 mtpa of production coal. The construction of the mine will take 18 months and employ 200 construction workers. There will be 205 operators when the mine is commissioned.

If approved, construction of the mine is expected to commence in 2013.

In September 2012 *ABC News* reported the proponents of Mt Penny mine offered the local council $500,000 to compensate the Mid-Western region for any adverse impacts from the mine.

The council's submission said the company had not detailed the potential impacts on water and roads, and had presented flawed assumptions and conclusions about possible employment. The council's spokeswoman Catherine Van Laeran said the offer of $500,000 as part of a voluntary planning agreement was not enough.

The proposed project covers 10,300ha at Bylon east of Ulan and Mudgee. In 2011 Cockatoo Coal was appointed manager of the project, which is owned by KEPCO Bylong Australian. Phase 1 of the Bylong Project Exploration Program commenced in May 2011 and is estimated to continue for three years.

- Silver and Gold Mines

It's not all about coal. Kingsgate Consolidated purchased the Bowden silver project in Lue, south-east of Mudgee, from Silver Standard Resources in August 2011.

Bowden is an epithermal silver deposit with a resource of 100 million ounces of silver. It has the potential to be developed as an open pit operation with the capacity to sustain a 3-4 mtpa ore processing rate over a minimum 10-year mine life.

Kingsgate has commenced a Bankable Feasibility Study. In November 2012 work on updating the scoping study was well advanced.

In May 2012, the NSW Department of Trade and Investment instructed Kingsgate to not conduct any site works within 40 metres of a watercourse until a water, erosion and sediment control plan has been approved at Bowden's Silver Project. The company was fined $7,500 for failure to manage water, erosion and sediment movement, polluting a small creek and other instances of rain washing away sediment from drilling pads.

The Lue Action Group said failure to adhere to basic environmental protections at the exploratory stage heightens fears among concerned locals about the outcome should a mining license be issued to Kingsgate Consolidated.

The proposed Hill End gold mining project is in the historically gold-rich Lachlan Fold Belt, 74 km south of Mudgee. Currently, an economic feasibility study is being carried out.

- Power Station

ERM Power is proposing to construct a gas-fired power station at Wollar, 50km north-east of Mudgee, which will connect to resources at Wellington. About 350 construction jobs will be created at the power station over a 2-3-year period, with an operational workforce of up to 30 full-time employees from 2016.

The Financial Review reported in October 2012 that ERM Power was keen to link up with the buyer of one of the large power plants to be sold off in 2013 by the NSW Government but may not take an equity stake in the generator.

- Wind Farms

Two wind farms have been proposed in the Mudgee Region.

The Uungala Wind Farm project involves development of up to 400 wind turbines and is based 25km north-west of Mudgee. The proponents are compiling environmental and fiscal assessments.

The proposed $300 million Crudine Ridge Wind Farm at Pyramul, 45km south of Mudgee, involves development of 70-100 wind turbines.

In June 2011 Wind Prospect CWP released results of its public survey showing 70% of participants supported the project. Wind Prospect CWP's second Crudine Ridge Wind Farm open day was held in March 2012 and figures showed a majority of the community was in favour of the project.

Wind Prospect CWP submitted an Environmental Assessment to the Department of Planning and Infrastructure in July 2012.

- Miners Village

The Mid-Western Joint Regional Planning Panel rejected The Mac Services Group's application for a 400-bed miners' village on Black Lead Lane near Gulgong in October 2012.

According to research by the Mid Western Regional Council, the $26 million development did not comply with zoning or land use tables. Council successfully argued temporary workers accommodation could be defined as "tourist and visitor accommodation" and is a prohibited use on the Black Lead site.

The Mac Services Group may look to appeal the decision. It currently owns the land originally set down for the development. It believes demand for short and long-term accommodation cannot be met through the conventional housing market.

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Residential development

The Mid-Western Regional Council plans to rezone land at Saleyards Lane, Mudgee, for future residential development. The plans went on public exhibition in November 2012.

The council has lodged the application to rezone 51ha of land on the eastern side of the railway line, including 9ha of council-owned land, with the balance being privately-owned. Rezoning would open the door to development of 300 residential lots.

The development would complement Blaxland Property's proposed 310ha Caerleon development. The council approved a planning proposal for Caerleon in October 2012, which would comprise up to 1,200 new residences around a neighbourhood hub.

Blaxland director Nathan Davis said the proposed hub would house a small general store or café, childcare centre, and playground. Davis said Blaxland hoped to have lots available by August 2013, and the first houses built by Christmas 2013.

A development control plan (DCP) for the proposed Caerleon estate will go the State Government for approval.

Palmerston	**NORTHERN TERRITORY (20km south of Darwin CBD)**
Key Influences	**Government Decisions, Ugly Ducklings, Boom Towns**
Highlights	One of Australia's youngest cities, created in the 1980s to absorb Darwin's growth; strong capital growth rates; upgraded Tiger Brennan Drive; local employment boost from $34 billion Ichthys gas project, new prison, new hospital, industrial estates.
Typical houses	**$475,000** Bakewell, **$515,000** Durack, **$420,000** Moulden, **$555,000** Rosebery, **$450,000** Gray, **$530,000** Gunn
Typical units	**$350,000** Bakewell, **$325,000** Driver, **$340,000** Gray, **$415,000** Rosebery.

Palmerston is a satellite city to Darwin, south of the city proper. It has a strong track record of residential property growth and continues to absorb most of the population growth in the Darwin area, with several new suburbs under construction or in planning. Palmerston suburbs achieved solid price growth in the past 12 months, but rental yields rose because rents rose faster than prices.

The appeal of Palmerston has been enhanced by the upgrade to Tiger Brennan Drive, improving transport links to Darwin. It will also receive enormous impact from the Ichthys gas project.

Location

Palmerton is 20km south of Darwin, connected by the Stuart Highway and the newly-upgraded Tiger Brennan Drive. It is about 15 minutes drive from the Darwin city centre. It is situated between the outer industrial areas of Darwin and the rural areas around Howard Springs.

The City has a dozen suburbs – including Driver, Gray, Woodroffe, Moulden, Durack, Farrar, Gunn, Rosebery, Bakewell, and Marlow Lagoon. New suburbs such as Bellamack are now under construction.

Population and Demographics

The Palmerston LGA has a population of 27,700, according to 2011 Census data. The combined population of Palmerston and the neighbouring Litchfield Shire is above 46,000.

The area was developed in the 1980s as Darwin expanded and was declared a city in 2000. It remains one of the Australia's fastest-growing areas. The Australian Bureau of Statistics predicts Palmerston's population will be between 36,600 and 42,000 people by 2021.

NT Treasury projections suggest a Palmerston population around 37,000 in 2021. Combined with Litchfield Shire, the total population of the area will be about 65,000 within 10 years.

It is a place of young families, with an average age of 28. Almost a third of the population is under 15 years old. Three-quarters of the population of Palmerston is Australian-born and 11% identify as Indigenous.

Economy and Amenities

Palmerston is one of Australia's newest cities and one of the nation's fastest-growing residential areas. Development of Palmerston began in the early 1980s, with suburbs built in stages. The first suburbs were Gray and Driver, followed by Moulden, Woodroffe and Marlow Lagoon.

The urban area continued to grow throughout the 1990s, with the addition of suburbs such as Bakewell, Rosebery and Durack. A further four suburbs are now in planning or the early stages of development.

Palmerston is the site of the Australian Army's Robertson Barracks, purpose built for the First Brigade.

Palmerston is mainly residential, but it also has two light industrial areas - Pinelands and Yarrawonga.

There are several large shopping centres at Palmerston, an 18-hole golf course, various sporting clubs, restaurants, pubs, skate park, cinema and smaller shops.

Palmerston's major shopping centres are Palmerston Shopping Centre and Palm City Oasis. The Palmerston Shopping Centre contains around 70 businesses including a Coles Supermarket and a Target discount department store. Palm City Oasis contains a Woolworths supermarket and 18 specialty outlets.

Palmerston has a wide range of sporting groups. The Archer Sporting Complex is set up for baseball and football. The Palmerston Aquatic and Leisure Centre is the home of the swimming pool and offers a gym, aerobics and swimming, as well as martial arts classes. A multi-purpose recreation centre is in the City Centre.

Palmerston has over 100 parks, many with playgrounds and barbecues. Marlow Lagoon is a large recreation area where community and private events are held.

The surrounding rural area has many mango farms and the Kakadu Mango Winery is located in town. The Yarrawonga Park Zoo, the Territory Wildlife Park and Litchfield National Park are all within comfortable driving range.

The largest industry employers in Palmerston are public administration & safety (21%), retail trade (9%), construction (7%), health care & social assistance (6.5%) and education & training (6.5%).

Palmerston is served by numerous primary, secondary and private schools.

Property Profile

Most of the suburbs of Palmerston City had solid price growth in 2012 and significant increases in residential rentals, resulting in a rise in rental yields – now typically between 5.5% and 6%.

Half of Palmerston households rent their homes – while 42% have mortgages and 8% own their homes outright. The figures reflect the young demographic of the area – and the high cost of housing.

The various suburbs of the City of Palmerston have seen high growth over the past 5-10 years. The pattern in the suburb of Durack is typical. Growth picked up strongly in 2006 and remained high until the start of 2011. Major price spikes included 25% in 2007 and 22% in 2010. The second half of 2012 saw a return to price after a lull in 2011 and early 2012.

According to Australian Property Monitors, most Palmerston suburbs have median house prices between $420,000 and $550,000. The overall median price for the City of Palmerston is $495,000, with a long-term growth average of 13% a year. All individual suburbs (except Durack) have double-digit growth averages.

The unit market provides more affordable property, with a city median price of $360,000 and a long-term growth average of 11% a year.

Yields are above-average, with all suburbs providing median yields above 5.5% for units, including 6% for Driver. Median yields for houses range from 5.3% to 5.9%.

According to *sqmresearch.com.au* the vacancy rate for postcode 0830 is below 1% and has been consistently under 3% for the past five years. In postcode 0832 vacancies are nearly as tight at 1.1%.

The Australian Property Monitors Rental Report says the median house rent in Darwin overall has risen from $650/week in June 2012 to $700 in October 2012. The median unit rent has risen from $480/week to $530.

It was reported in August 2012 that some households were being forced out of Darwin by the higher rents and house prices. Manager of NT Shelter, Toni Vine-Bromley, said the housing market in Darwin catered only for high-income earners or people eligible for public housing.

The Territory Government has blamed the banks for refusing to fund developers' projects. Development plans totalling 2,700 new homes are “shovel-ready”, according to the Urban Development Institute of Australia’s NT president Kerry Osborne, but only around 400 are likely to go ahead.

Regional director of the Housing Industry Association Robert Harding says about 1,900 new homes need to be built each year to meet demand, but for the past six years that target has not been reached. Aside from difficulties in financing new homes, the release of land can cause waiting periods of up to seven years, Harding says.

The City of Palmerston house market can be summarized as follows:-

Suburb	No. of sales	Median price	1-year growth	Growth average	Median yield
Bakewell	55	475,000	+5 %	12 %	5.5 %
Driver	51	465,000	+1 %	11 %	5.3 %
Durack	66	515,000	+3 %	9 %	5.4 %
Farrar	36	580,000	+23 %	snr	5.7 %
Gray	40	450,000	+7 %	11 %	5.5 %
Gunn	67	530,000	0 %	snr	5.5 %
Moulden	33	420,000	+5 %	13 %	5.8 %
Rosebery	81	555,000	0 %	13 %	5.9 %
Woodroffe	64	465,000	+4 %	11 %	5.3 %

Source: Aust Property Monitors. "No of sales" - sales in the past 12 months. "Growth ave."- the average annual growth in median prices in the past 10yrs. "snr"- statistically not reliable.

The City of Palmerston unit market can be summarized as follows:

Suburb	No. of sales	Median price	1-year growth	Growth average	Median yield
Bakewell	48	350,000	-3 %	11 %	5.7 %
Driver	26	325,000	+3 %	11 %	6.0 %
Gray	29	340,000	+6 %	11 %	5.7 %
Rosebery	29	415,000	+6 %	snr	5.6 %

Source: Aust Property Monitors. "No of sales" is sales in the past 12 months. "Growth ave." is the average annual growth in median prices in the past 10yrs. "snr" is statistically not reliable.

Future Prospects

Investors in the Darwin metropolitan area will see a rising property market in 2013, on the back of resources projects and strong population growth. The Territory Government forecasts Darwin's population will grow 50% by 2030.

In March 2012 the then Chief Minister Paul Henderson released the Greater Darwin Plan, a strategic framework that will guide the growth of Darwin city and the surrounding region.

"This plan will help Darwin grow by up to 70,000 extra people over the next 15 years," Henderson said. "The plan has initiatives aimed at making housing more affordable and providing more options for Territory families through a balance of infill in existing suburbs and developing new suburbs."

The $34 billion Ichthys gas venture heads a list of major projects that will drive jobs growth and demand for housing.

- New Suburbs

The City of Palmerston confirmed the region's Municipal Plan 2012-2017 in July 2012. Palmerston continues to grow strongly as the Territory Government seeks to relieve land shortages by encouraging development of new suburbs within the LGA.

With the existing suburbs largely developed, attention has turned to creating several new suburbs to continue the expansion of the city. These include Bellamack, Johnston, Mitchell and Zuccoli.

Bellamack, now well under way, is expected ultimately to provide 700 residential lots.

Johnston will have up to 1,000 houses and units. By August 2012, 78 new homes had been built and 300 units were under construction, with work starting on stage two - an additional 284 lots.

Zuccoli is being developed by Urbex in partnership with the Northern Territory Government's Land Development Corporation and will be a medium-density development with a mix of three-bedroom homes and duplexes. It will eventually have 2,300 homes and 6,000 people.

The first release of Zuccoli land went on the market in June 2012. Over 100 registrations of interest in the land had been received. Civil construction works commenced in July 2012 and stage 1 is on track to deliver 500 lots.

The first of 750 new homes at Zuccoli will be coming out of the ground in early 2013, with $12 million of power, water and road infrastructure completed.

Other developments in the City of Palmerston include Durack Heights, which will have 882 dwellings when completed. The first 318 lots have been approved and went on sale in August 2012.

- Industrial precinct

A new industrial precinct is being developed between Darwin and Palmerston. The Wishart Business Precinct will cover 302ha along the west side of Wishart Rd. The precinct, which is zoned light industrial, will eventually have 500 lots. The 39 lots in Stage 1 have been released to the market.

- Marine supply base & gas hub

Another key industrial land release is the Marine Supply Base. It will be developed next to East Arm Wharf (not far from the suburbs of Palmerston) and will be the heart of Darwin's oil and gas supply industry. National and international enterprises have shown an interest in overseeing the base. Many of the companies based at the site will serve the oil and gas industries in the Timor Sea.

The construction of the $100 million Marine Supply Base began in May 2012. ShoreASCO will operate the base for up to 20 years and has contracted local company Macmahon to design and build the base.

International resources companies such as Shell, Inpex and ConocoPhillips have agreed to use the site as a mutual supply base.

The project will employ 125 people at the peak of construction, create 54 ongoing jobs and support about 170 jobs in the broader economy. The base is expected to be completed in late 2013.

The marine supply base will address targets in the Government's Territory 2030 Strategy, including establishing Darwin as a key centre for oil and gas operations and workforces, and expanding the manufacturing industry with a focus on gas-based industries.

The supply industry is already worth $150 million a year to Territory business and is expected to grow strongly. The giant Bayu-Undan gas field is largely serviced from Darwin and the Sunrise floating platform will use the city for food, maintenance and transport. The $34 billion Ichthys project by Inpex, which commenced construction in May 2012, will ensure the supply industry to be a multi-billion-dollar business.

In October 2012 Inpex announced the big contracts on the gas project are to be broken up into small packages so that Territory companies have a better chance of winning work. A $340 million contract was awarded to a joint venture between Macmahon and John Holland to lay the foundations for the gas plant at Wickham Point.

In December 2012 contracts worth $1.2 billion were awarded to Leighton Holdings to develop infrastructure in connection with the Ichthys venture.

Darwin is tipped to be an international energy resources hub within five years. The ConocoPhillips LNG plant at Wickham Point has been operating for six years and the Ichthys operation should be under way by 2016.

ConocoPhillips said, in September 2012, it was considering a new gas pipeline to its processing facility at Darwin from the Browse Basin off the Kimberley coast in WA. The plant at Wickham Point is authorised for 10 million tonnes per year of LNG and has room for another processing train.

Inpex will spend $3 million building a trade-training centre. Inpex and joint venture partner Total E&P Australia will build the Larrakia Trade Training Centre in Berrimah near Palmerton. The Larrakia Development Corporation has provided 1.2ha, which is across the harbour from Inpex's gas plant site. Larrakia Development Corporation says the training centre will be for all Territorians who want to enter a traineeship or learn a trade.

A 2700-bed workers' village for the Ichthys project is to be built at Howard Springs. But Darwin valuer Ben Giesecke said this would not be enough to cater for demand created by new jobs, particularly because of the growth in businesses associated with gas.

Giesecke, from valuation firm Herron Todd White, said there could be a repetition of 2004-2006 when the building of the ConocoPhillips LNG plant and pipeline super-heated the property market. He said the NT Government needed to make enough land available to cater for housing demand.

GE Oil and Gas won more than $1 billion in equipment supply contracts for the Ichthys project. GE will provide rotating equipment for Inpex's LNG processing plant, which will be constructed at Blaydin Point near Darwin.

- Immigration detention centre

The Federal Government is building a 1,500-bed immigration detention centre to ease the pressure on an overcrowded system. The centre is being constructed on Wickham Point by developer John Robinson, who intends it to eventually house workers for the Ichthys gas project.

The facility will be built 35km south-east of Darwin, while capacity at Darwin Airport Lodge will also be expanded to house another 400 asylum-seekers by taking over an adjacent building. This will take Darwin's immigration detention capacity to 2,900, eclipsing Christmas Island's ability to hold 2,600.

John Robinson secured the $200 million contract to build the detention centre in November 2011.

- Prison

Defence has given the Territory Government permission to build a $300 million prison next to Robertson Barracks. The Holtze site was the Government's first choice for the prison but was blocked by the Defence Department and chose an alternative site. Defence removed its restriction and the new prison is due for completion in 2014. It will house 800 inmates.

Work on the site was held up in August 2012 due to a wage dispute between unions and the joint venture partners.

- Hospital


A computer visualisation of Palmerston Hospital.

Palmerston will have a $110 million hospital by 2014. Territory Senator Trish Crossin announced the plan to build a 60-bed hospital in May 2011. The Federal Government will spend $70 million on the hospital with the Territory Government chipping in $40 million.

Construction started in November 2011. The hospital will have a 24-hour emergency department, two operating theatres, an outpatient clinic, two birthing suites and a pharmacy. The hospital is expected be finished by late 2015.

Rockingham	**WA (Southern seaside region of Perth)**
Key Influences	**Transport Infra., Lifestyle Features, Government Decisions**
Highlights	Seaside location; affordable prices; employment nodes nearby; naval base; Perth-Mandurah rail link; regional hub for southern Perth; Rockingham City Shopping Centre expansion; approval for two marina-based developments.
Typical houses	Rockingham **$375,000,** Warnbro **$335,000,** Hillman **$275,000,** Port Kennedy **$370,000,** Cooloongup **$290,000**

The Perth market peaked in 2006/2007 with average prices challenging Sydney as the most expensive city in the nation. Values declined thereafter with affordability a key issue. Now we are seeing signs of revival – and an area which stands out for its affordability, as well as its lifestyle and future prospects, is the City of Rockingham, which abuts the Indian Ocean about 50km south of central Perth.

This is an area with relatively low prices, small vacancies and improved links to central Perth following completion of the Perth-to-Mandurah rail link, which passes alongside many of the suburbs mentioned here.

Location

The City of Rockingham LGA is about 50km south of the Perth CBD. It's a seaside municipality, with many suburbs fronting the Indian Ocean. The city includes the suburbs of Baldivis, Cooloongup, Port Kennedy, Safety Bay, Waikiki and Warnbro.

Population and Demographics

The City of Rockingham has around 100,000 residents and is growing at about 4% per year. Postcode 6168, which includes the suburbs of Rockingham, East Rockingham, Hillman, Peron and Cooloongup, is home to many UK migrants, who make up a quarter of the population.

It's well above average for retirees (23% of the population, compared with the Perth average of 16%). Its home ownership statistics are generally in line with Perth averages: 36% own outright, 31% have mortgages and 29% rent.

Postcode 6169 (Warnbro, Safety Bay and Waikiki) is more mortgage-belt, with 25% of the population kids/teenagers and 41% of households with mortgages (Perth average of 32%).

According to the Index of Relative Socio-Economic Disadvantage, Rockingham City is less disadvantaged than the Australian average, but slightly more disadvantaged than the average for Western Australia and for Perth.

Economy and Amenities

There are numerous local industries in the Rockingham area, including a nickel refinery, large grain silos, crayfishing, aquaculture, horticulture, viticulture, forestry and various forms of light industry.

There is also a healthy tourism industry, with attractions including dolphin watching, Penguin Island, the Shoalwater Islands, wineries, Point Peron Lookout, WA Water Ski Park and Marapana Deer & Wildlife Park.

Just outside the city boundary, at Kwinana Beach, is a major industrial precinct/jobs node, including an oil refinery, a container terminal and a fertilizer factory.

The statistics show that 14,000 of Rockingham's employed residents work within the city boundaries while 18,000 work outside the City of Rockingham. A good percentage of those who travel outside Rockingham to work do so next door in Kwinana City's industrial precinct.

State Government plans, announced in May 2011, to double the output of Perth's industrial precincts will impact on this area. The plan included the Kwinana and Rockingham industrial zones and involved the creation of a Western Trade Coast Industries Committee, with membership including representatives of Rockingham city and the Town of Kwinana.

The main naval base on the west coast of Australia is on Garden Island, just 5km off the Rockingham coast and is home to 2,300 service personnel, 600 defence civilians and 500 long-term contractors. Twelve fleet units, frigates and submarines are stationed here, along with 70 units including the Submarine Training and Systems Centre (STSC), and the Defence Communications Station (DEFCOMMSTA) Perth. The redeveloped Diamantina Pier has increased the berthing space available to surface ships and submarines at HMAS Stirling.

City of Rockingham Mayor Barry Sammels said he welcomed the June 2011 announcement from Federal Defence Stephen Smith that the Department of Defence will review the geographical positioning of the nation's defence resources. The Force Posture Review will ensure that the ADF will be able to meet Australia's future security challenges. WA could be considered a significant military hub to ensure the protection of offshore oil and gas rigs in the Indian Ocean.

Sammels said he considers the Force Posture Review of strategic significance to the City of Rockingham if future helicopter docks and new submarines are based at Garden Island's HMAS Stirling.

"For some time the City has been planning for a high-growth period between now and 2030, and we are already implementing strategies to accommodate an additional 64,000 residents," he said. "We feel well-placed to meet any community infrastructure challenges that may arise if more Defence personnel are relocated to Garden Island."

The City has approved 1,000-plus new dwellings each year for the past 11 financial years, with approvals peaking at 2,250 new dwellings in FY2006. There were 1,237 new dwellings approved in FY2012 and 1,319 approved in FY2011.

Rockingham City Shopping Centre has expanded, with a $160 million re-development completed in October 2009, with the addition of a 500-seat food court, a fashion mall, a new fresh food mall and a lifestyle precinct. The centre now has 200 retailers, a new 8-screen cinema and 3,300 parking spaces.

Rockingham City Centre Transit System provides a link between Rockingham's new train station, the CBD and the foreshore.

Property Profile

Like most sections of the Perth market, prices in this area peaked around 2007 and values declined or stagnated for the next four years.

The latest statistics show a marked rise in sales volumes and a return to median price growth in the most recent quarter. Rockingham (up 1%), Hillman (up 4%), Cooloongup (up 2%) and Warnbro (up 1%) all recorded growth in the most recent quarter for which figures are available. Some Rockingham City suburbs now have median house prices higher than a year ago.

Despite that drop in median prices after 2007, most locations in the Rockingham area have averaged 10-11% median price growth over the past 10 years – making this one of the strongest areas in the Perth metropolitan area for long-term growth.

The area is becoming increasingly popular with buyers: there were 1,824 house sales in the suburbs of Rockingham, Baldivis, Port Kennedy, Safety Bay, Warnbro, Waikiki, Hillman and Coolongup in the past 12 months. This represents a marked increase in sales volumes – three months earlier, the total sales in these suburbs was 1,580.

The pattern for the suburb of Rockingham is typical of the region: value growth peaked in 2006 after four years in which annual growth was usually above 20%; after that growth dissipated and values went backwards in the 18 months to mid-2009; before returning to growth, with solid gains in 2010. But there has been some decline in the past 12 months, before the recent upturn in the median price.

Houses now typically sell in the mid-to-high $300,000s; but the long-term capital growth rate is 11% a year over 10 years, reflecting the strength of the earlier boom. The average house in Rockingham rents for $350 a week.

Home ownership rates are in line with Perth averages, with 25-30% of households renting.

Vacancies are particularly low in this precinct: according to *sqmresearch.com.au*, they're 0.6% for Rockingham and Cooloongup (postcode 6168) and have been mostly at 2% or lower for the past five years. Vacancy rates are also tight for Warnbro (postcode 6169) at 0.5%, while Port Kennedy (postcode 6172) records just 0.3%.

Rockingham City has a small unit market showing long-term growth rates in the 11-14% range. In Rockingham there were 32 unit sales in the past 12 months at a median price of $315,000 with typical yields of 5.3%. Sales volumes should rise, following new unit construction recently.

The Rockingham housing market can be summarized as follows:-

Suburb	No. of sales	Median price	1yr growth	Growth rate
Baldivis	440	$ 430,000	+1 %	snr
Cooloongup	149	$ 290,000	0 %	10 %
Hillman	35	$ 275,000	-1 %	10 %
Port Kennedy	241	$ 370,000	-4 %	9 %
Rockingham	367	$ 375,000	-2 %	11 %
Safety Bay	134	$ 375,000	-3 %	9 %
Waikiki	229	$ 360,000	+3 %	11 %
Warnbro	229	$ 335,000	+2 %	10 %

Source: Australian Property Monitors. "No. of sales" is the number of house sales in the past 12 months. "Growth rate" is the average annual growth in median house prices over the past 10 years.

Future Prospects

The Rockingham area, like many parts of the WA market, experienced a decline in values after the boom peaked in 2006/2007. This has brought prices down to affordable levels in many suburbs and value growth is now set to resume. There were signs of that in the second half of 2012.

Affordable suburbs with rail links to the CBD of a capital city are increasingly popular with home-buyers and investors – and the Rockingham City precinct fits the criteria. It's also an area with low vacancy rates close to employment nodes – and with the bonus of a bayside lifestyle.

The area will be boosted by EPA approval for the new 500-boat Cockburn Sound marina at Rockingham, which will include 4,500m^2 of retail space. There is also Cape Peron marina project which will include restaurants and holiday accommodation.

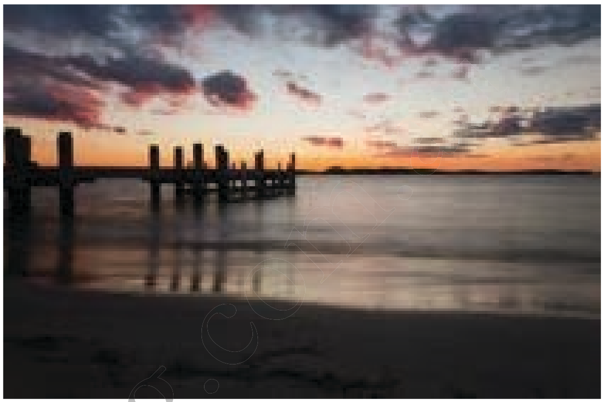
The State Government announced in April 2010 that Cedar Woods Properties had been chosen to partner the project for a new, secure marina as part of a tourist precinct at Cape Peron. Lands Minister Brendon Grylls announced that Cedar Woods will join government entity LandCorp in delivering the development.

Cedar Woods State manager Stuart Duplock says the project will centre on Mangles Bay and will include a marina with 500 pens, residences, a chalet park with affordable tourist accommodation and beachfront access, a site with marina frontage for boating clubs and an area for commercial charter operators to moor their boats. A tourist hub will include cafes, restaurants and short-term serviced apartments.

In June 2011 the State Government announced it would proceed with the next phase of the Cape Peron marina project – an assessment to be conducted by the Environmental Protection Authority. Planning Minster John Day said Directions 2031 had Rockingham identified as a new Primary Centre and the addition of "the excellent recreational boating and tourist facilities at Cape Peron" would enhance the city's Primary Centre role.

"Degraded areas of Cape Peron will also be rehabilitated and improved visitor facilities provided," Day said.

The marina plan has brought opposition from groups such as Hands Off Point Peron. In January 2011 an estimated 500 people rallied at the site to oppose the development, saying it will cut a popular beach in two, destroy fisheries and encroach on the heritage-listed Richmond Lake. Protests continued in 2012, while the project has been undergoing environmental assessment.



There was news in March 2011 about the rejuvenation of the Rockingham beach precinct. "Cottesloe beach has a mythical and magical place in the hearts of many people – but, seriously, compared with Rockingham beach, it is way behind," Mark McGowan, the MP for Rockingham, wrote in *The West Australian*. "Cottesloe is tired, boring, unimaginative, dated and over-priced. Rockingham beach, on the other hand, is rejuvenated, entertaining, exciting and energized.

"It is how home to three small bars, a dozen quality restaurants, high-class cafés and coffee shops, dive businesses, tourism ventures and a range of clothing boutiques. There are five new high-rise blocks sitting across the road from the beach with one right on the sand.

"The beach, protected by Garden Island, is child-friendly, safe and abutted by pars with scores of huge shady trees, barbecues and pergolas."

The article – admittedly written from the biased viewpoint of the local MP - said the City of Rockingham worked with successive state governments to consolidate government land-holdings and convert them to residential and business developments, putting the proceeds into parks, lighting, facilities and a new war memorial.

"Rockingham approached the beachfront as an area that should be shared and enjoyed by all, rather than viewing it as an enclave in which you might keep out-of-towners away."

McGowan's opinions were echoed in another article in *The West Australian* in 2011, which said: "By the numbers, it is difficult to argue that the Rockingham beach foreshore does not offer a great deal more in the way of public amenity than the famous but tired-looking Cottesloe beachfront.

"A stroll along the respective coastal strips last week revealed Rockingham has a swag of cafes, restaurants, bars and shops as opposed to Cottesloe's comparatively meagre offerings.

“On the 700m-or-so stretch of Rockingham Beach Road bounded by the Royal Cruising Yacht Club at the west and Wanliss Street to the east, there are no fewer than 18 cafes, eateries or restaurants of varying cuisines and prices. Some are as simple as takeaway fish and chips, others offer more upmarket restaurant experiences, or there is the casual pizza-and-pasta options. There are two ice-cream shops, a camping shop, a butcher shop, a lolly shop, a newsagent, a surf store, a day spa and a salon.

“Five residential towers of between seven and 10 storeys dot the strip, as do some unsightly carparks and vacant lots. On the other side of the street are the shady lawns, picnic areas and playgrounds of Churchill Park abutting the calm waters of Cockburn Sound.”

The views expressed in these articles tell a classic Ugly Ducklings story, as an area previously considered downmarket and undesirable is being transformed.

Toowoomba	**QLD (130km west of Brisbane)**
Key Influences	**Boom Towns, Government Decisions, The Stayers**
Highlights	Largest inland city in Queensland; strong, diverse economy including manufacturing, agriculture and tourism; proximity to the Surat Basin resources province; water pipeline to Wivenhoe Dam; proposed Toowoomba Bypass; upgrade to airport; major rail projects; emerging Charlton enterprise precinct; affordability.
Typical houses	**$250,000** North Toowoomba, **$255,000** Wilsonton, **$240,000** Newtown, **$230,000** Rockville, **$260,000** South Toowoomba
Typical units	**$220,000** East Toowoomba, **$235,000** South Toowoomba, **$225,000** Toowoomba City, **$210,000** Wilsonton.

I had Toowoomba on my "approach with caution" list for some years because of its serious water-supply problems. This otherwise solid regional centre on the Darling Downs west of Brisbane was so short of water it had a referendum on using treated sewerage water as a primary water source.

All that has faded into the past, with a $200 million pipeline from Wivenhoe Dam completed, providing the city with a reliable water supply. This has coincided with economic revival and a new surge in the prospects of the nearby Surat Basin, which is emerging as a primary source of coal seam gas for the LNG processing facilities happening in Gladstone. Toowoomba is the key regional centre of an area buzzing with resources-related activity, as well as its traditional agricultural, tourism and manufacturing base.

The January 2011 floods were devastating at a human level but have not changed the city's long-term economic prospects.

Location

Toowoomba is 130km west of Brisbane on the Great Dividing Range. It sits at the junction of the Warrego, New England and Gore Highways. Toowoomba is considered the gateway to the Darling Downs agriculture region and the Surat Basin mining precinct.

Population & Demographics

Toowoomba is Queensland's largest inland city, with a population of 140,000, of which 91% is Australia-born, well above Queensland averages. The Toowoomba Regional Council area - which takes in a significant rural area including the towns of Yarraman, Crows Nest, Oakey, Pittsworth, Millmerran and Clifton - has a population of 155,000, with an average annual growth rate of 1.8%. It is projected to grow to 180,000 by 2016 and to 230,000 by 2031.

Economy & Amenities

Toowoomba is one of Queensland's largest regional centres and has a diverse economy. Major enterprises include manufacturing, retail, health & community services, agriculture and tourism.

Manufacturing is the largest contributor to the Gross Regional Product of the Toowoomba area. Agriculture is the largest industry in terms of the number of businesses, followed by property & business services, construction and retail trade.

It was reported in October 2012 that the Toowoomba building industry contributes $897 million to the economy annually and paid $396 million in wages in 2011. Almost 800 residential developments worth $224 million were approved in Toowoomba in FY2012.

The number of employed persons in the Toowoomba region increased steadily in recent years, according to figures from the Toowoomba Regional Council. The council's figures indicate the unemployment rate has been significantly lower than the Queensland and national averages over the past 3-4 years.

Tourism is a significant contributor. Toowoomba is known for its parks and gardens, is often referred to as The Garden City and hosts the annual Carnival of Flowers (the September 2012 event saw hotel/motel accommodation fully booked). It has many historic buildings in its CBD and lots of character homes in wide tree-lined streets.

Regular events include Easterfest staged over the Easter weekend, the Carnival of Flowers in September, Hampton High Country Food & Arts Festival in May, Australian Heritage Festival in August and Australian Camp Oven Festival in October.

According to Tourism Research Australia, there were about 984,000 domestic overnight visitors to the Toowoomba region in 2009. The total number of visitor-nights in the region was around 2,952,000, with an average length of stay of 3.0 days. Numbers increased further in 2010 with 1,238,000 domestic overnight visitors, providing 3,548,000 visitor-nights. Numbers in 2011 were similar to those in 2010.

A new service of daily flights between Sydney and Toowoomba was launched by Skytrans in July 2012.

Toowoomba has a reputation for quality schools and colleges, and has TAFE and university campuses. The University of Southern Queensland's Toowoomba campus covers 76 hectares and provides accommodation for 450 students. Toowoomba has the Southern Queensland Institute of TAFE's largest campus.

Its economy is also boosted by the nearby Oakey Army Aviation Centre.

Property Profile

Toowoomba presents as a city with affordable property options. A recent survey ranked the city the most affordable place in Queensland, relative to local incomes.

One of the key characteristics about Toowoomba is its status as one of *The Stayers*: it has delivered at least some growth each year for the past 10 years (although many suburbs experienced minor decline in the past 12 months).

But growth since 2004 has been moderate and, partly at least, this was due to the water supply issues that have dogged the city until recently. The devastating floods of January 2011 dampened price growth last year but do not appear to have caused any major price decline.

Median house prices for the various city suburbs include $250,000 for North Toowoomba, $255,000 for Wilsonton, $260,000 South Toowoomba, $240,000 Newtown, $290,000 Centenary Heights and $395,000 East Toowoomba - with rental yields ranging from 5% to 6%.

Around one-third of households rent, slightly above average for Queensland. Vacancies, according to *sqmresearch.com.au*, have been consistently below 2% for the past three years and are currently around 1.1%.

There is growing evidence that the Toowoomba market is expanding, thanks to the influence of resources projects in the region. Residential building approvals had risen 75% in the past year, according to a June 2012 report. Executive director of the Housing Industry Association in Queensland, Warwick Temby, said cities near resources areas like the Surat Basin were showing the benefits on the property market. Only Gladstone and Rockhampton recorded bigger increases in home building approvals than Toowoomba, according to the HIA.

Houses	Median price	12mth growth	Growth average
Centenary Heights	$ 290,000	-2 %	9 %
East Toowoomba	$ 395,000	2 %	11 %
Harristown	$ 260,000	-2 %	9 %
Mount Lofty	$ 340,000	3 %	10 %
Newtown	$ 240,000	-4 %	9 %
North Toowoomba	$ 250,000	-4 %	11 %
Rockville	$ 230,000	-5 %	9 %
South Toowoomba	$ 260,000	-7 %	9 %
Toowoomba City	$ 275,000	-9 %	10 %
Wilsonton	$ 255,000	-3 %	8 %

Source: Australian Property Monitors – "growth average" is the average annual growth in median house prices over the past 10 years

Units	Median price	12mth growth	Growth average
East Toowoomba	$ 220,000	-8 %	8 %
South Toowoomba	$ 235,000	-5 %	10 %
Toowoomba City	$ 225,000	1 %	11 %
Wilsonton	$ 210,000	-6 %	10 %

Source: Australian Property Monitors – "growth average" is the average annual growth in median house prices over the past 10 years

In January 2012, Realpoint Property owner Lynn McLean led a delegation of interstate and overseas investors on a tour of the city's real estate. "These are serious investors who know what the market wants, and they're all looking at Toowoomba," she said. "It's the western side of town that they're interested in, so mine workers can hop into the car and go straight to Chinchilla or Dalby without going through the city."

In February 2012, business broker specialist Brian Blechynden said investor interest in local businesses was the strongest it had been in two years. "Toowoomba businesses are in hot demand at the moment," he said. "The number of inquiries I have received has more than doubled in the last three months compared to the previous two years."

The *Australian Property Investor* magazine confirmed Toowoomba's status as a property investment hotspot in March 2012. "It's almost unbelievable that prices are still at these levels given that we're right between the resources boom and Brisbane," Elders Toowoomba principal Ross Troy said.

Future Prospects

- Water pipeline

The water pipeline from Wivenhoe Dam is one of the most significant recent events impacting on Toowoomba fortunes. The $200 million pipeline was completed early in 2010, solving the water supply problem that had earned the city negative publicity for many years.

The 38km pipeline carries water from Wivenhoe near Esk to the Cressbrook Dam near Toowoomba. It has the capacity to deliver water at a rate of 14,200 megalitres per year and is projected to be able to cater to residential and commercial users up to at least 2050.

"This overcomes the issue where the Toowoomba region had been experiencing very low dam levels due to insufficient rain," the council says. "The level of available drinking water in the three dams – Cressbrook, Cooby and Perseverance – was just under 10% in May 2009."

- Rail links

Toowoomba stands to derive economic benefits from two rail projects. Infrastructure company ATEC has State and Federal Government approvals to build a $1 billion Border Railway between Toowoomba and Moree in northern New South Wales, and is also planning the Surat Basin rail link between Toowoomba and Gladstone.

The Surat Basin Rail Line is a 210km project which involves the upgrade of the existing line between Charlton (just outside Toowoomba) to Wandoan (where major coal mines are planned) and construction of a new line between Wandoan and Banana. It will open up the coal and LNG resources of the Surat Basin to the Port of Gladstone. The Surat Basin Rail will be a $1 billion project and would take about a year to construct, requiring a construction workforce of 1,000.

The Border Railway was granted Major Project Facilitation (MPF) status by the Federal Government in July 2010 and again in January 2012. The State Government passed legislation in November 2012 to enable the project to go ahead. ATEC is expecting to complete construction late in 2014.

- Charlton Wellcamp

The Charlton Wellcamp Enterprise Area is 13km west of Toowoomba at the junctions of the Warrego, New England and Gore highways, covering 1,600 hectares, and is destined to provide much-needed industrial land for the region.

“The eastern boundary of the site is the corridor for the proposed Toowoomba Bypass road and the proposed Border Railway from Moree to Toowoomba,” the council says. “ATEC is planning a major intermodal freight centre at Charlton at the junction of the Border and Surat Basin railways.

“The Council sees the area as having potential to be a key catalyst for business growth, leading to a more self-sustained economy. The Charlton Wellcamp Enterprise Area has the potential to provide employment for between 12,000 and 15,000 people and increase the area’s GRP by about 30%.”

About 95ha of the Enterprise Area is occupied by the Witmack Industry Park, which had 70% of its first two stages leased or sold in June 2012.

- Toowoomba Bypass

The $1.75 billion Toowoomba Bypass Project, encompassing a new range crossing and road to bypass the city, is pivotal to improving Warrego Highway access. The road would improve the inland transport route and form a key link in the AusLink National Network facilitating more efficient connections between Melbourne, Brisbane and Darwin. However, in July 2009, construction was deferred by at least five years as part of the State Government’s updated South East Queensland Infrastructure Plan and Program.

The Toowoomba Regional Council continues to push for the bypass. In January 2012 the Member for Toowoomba North Kerry Shine said he hoped a $500 million saving on a re-designed Toowoomba Bypass would entice Federal Government funding for the project. It followed the same route set out for the previous $1.75 billion plan, but featured reduced space between lanes and a reduction from dual two-lane carriageway between Mt Kynoch and Charlton to three lanes. The revised design is expected to cost between $1 billion and $1.25 billion.

The new Queensland Premier Campbell Newman promised – during the 2012 election campaign – to provide $5 million to update the Toowoomba Bypass business case.

- Impact of the Surat Basin energy province

The biggest economic factor impacting on Toowoomba relates to its proximity to the Surat Basin. The Surat Basin is predicted to be Australia’s largest energy province within the next few years, covering 270,000km^2. The basin contains 6.3 billion tonnes of thermal coal and 3,000 or 4,000 petajoules of coal seam gas. It has the potential to sustain 25-30 mines.

“Although the sector is in the early stages of development, there is a huge opportunity to maximise economic outcomes for the region,” the council says. “The on-going development of the region’s energy resources will provide significant flow-on effects to supply-chain businesses such as mining services and other sectors including construction, infrastructure, transport and logistics.”

An early signal of the upcoming economic benefits for Toowoomba was the awarding in August 2011 of a $57 million contract to Hutchinson Builders Toowoomba for modular accommodation units for workers on Queensland Gas Company's $15 billion project.

In February 2012 Hutchinson was given a $52 million contract to build 700 temporary accommodation units for Origin Energy. After a $1.5 million expansion to its production facilities, Hutchinson has the capacity to produce 2,000 accommodation units each year.

Toowoomba company FK Gardner and Sons started work in August 2011 on an $80 million industrial estate at Charlton. Witmack Industry Park spans 95 hectares and has been designed for companies that want to establish a base to service the Surat Basin energy province. It provides large lots from two hectares, which were previously not available in Toowoomba.

F.K. Gardner development manager Dallas Hunter says: "With the significant growth Toowoomba and the Surat Basin will experience in the next five years, it's important for businesses to strategically position themselves to be part of this major hub of activity. We have found that a lot of industrial businesses are outgrowing their current locations and there is also a shortage of lots available at this size."

Toowoomba manufacturing business Wagners is part of a joint venture which won a major contract to build a gas pipeline from the Surat Basin to Gladstone. Wood Group Wagners was awarded the $40 million project management services contract, which requires them to provide 40 personnel to the GLNG project management team for the 420km pipeline.

The Surat Basin Expo in June 2011 was the largest trade event ever staged in Toowoomba, with over 400 sites booked and delegates attending from across the world – including from the US, Asia, Africa and New Zealand. This success was replicated in June 2012, when people turned out in force for Expo, with again over 400 exhibitors.

In November 2010 a contract worth up to $60 million was awarded to a local company by BG Group, which is involved in one of the major CSG-to-LNG projects. Dalby-based Ostwald Bros won the contract for the use of its fleet of earthmoving scrapers, boosting its workforce from 400 to 500.

In February 2012 QGC awarded a management and maintenance contract to Spotless Group Limited for two workers villages in the Surat Basin. Under the contract, worth about $45 million, Spotless Group will seek local providers and personnel for goods and services. The villages will accommodate 1,650 people working on the Queensland Curtis LNG Project. The contract started in April 2012 and runs until the end of 2014.

There are now four major CSG-to-LNG projects well advanced in their projects to extract coal seam gas in the Surat Basin and move it via pipelines to Gladstone for processing into liquefied natural gas. These projects, which are detailed in the table of projects at the end of this report, entail investment totalling at least $70 billion.

There is resources activity in the region beyond the CSG-to-LNG industry. The Surat Basin forms one of the last major undeveloped export coal deposits in Australia with an estimated resource of about four billion tonnes and an anticipated life span of over 30 years.

- Wind farms

AGL has plans for two wind farms at Crows Nest, 40km north of Toowoomba. The project is in feasibility-study stage. An AGL spokeswoman said in September 2011 the $270 million 200-megawatt project will create 460 manufacturing and construction jobs and a further 15 full-time maintenance jobs.

- CBD development

A major CBD development by QIC Global Real Estate will see Grand Central Shopping Centre and Gardentown linked via an overpass. Both shopping centres are expected to receive major refurbishments. The project is expected to trigger major works associated with the City Centre Master Plan.

QIC Global Real Estate submitted its development application for the retail centre redevelopment with the Toowoomba Regional Council in March 2012. It would result in Gardentown Shopping Centre being redeveloped and a two-level retail link built between that facility and Grand Central Shopping Centre.

Managing director Robert Carter said: "The development represents a significant investment and will contribute to the revitalisation of the CBD, which is a key objective of Toowoomba Regional Council's City Centre Master Plan."

The development will increase the combined size of the two centres by about 30,000m^2. It will create a new ground-floor dining precinct, discount department stores, supermarkets, specialty retail and 2000 new car parks.

Before winning the Queensland State Election in March 2012 LNP leader Campbell Newman promised $45 million towards the Toowoomba Regional Council's City Centre Master Plan.

- Business development

National skills company Top End Training opened its first Queensland office in July 2012 – and opted for Toowoomba as the best place to launch in the state. Top End Training Queensland manager Tanya Codd said Toowoomba ticked all the boxes and was the ideal location for the company to enter the Queensland market.

"Toowoomba has been the gateway to the mining and resources sector for many years and the business opportunities here are endless," she said. "We are a national company so we wanted a footprint in the Queensland market. When it came down to the crunch, Toowoomba was the most logical and only choice."

- NBN rollout

Toowoomba was among the regional locations included in a new program of National Broadband Network connections announced by the Federal Government in October 2012. The Toowoomba area locations listed for connections included Redwood, Withcott, East Toowoomba and Rangeville.

Project	Value	Status	Impact
Australia Pacific LNG project Origin Energy and ConocoPhillips	**$30 billion** The development involves extraction of coal seam gas in the Surat Basin near Toowoomba, a 450km pipeline to Gladstone and an LNG processing plant at Gladstone's Curtis Island.	*Under construction*. The Federal Government gave environmental approval in February 2011. Construction of the project has started, with site works at Gladstone under way. First exports are scheduled for 2014.	The project has a life of at least 30 years and is expected to create up to 5,000 construction jobs at its peak – and 1,000 ongoing operational jobs. The proponents must provide housing stock for 50% of their workforce.
Queensland Curtis LNG project BG Group (UK oil & gas producer) and Queensland Gas Company	**$15 billion** The development involves extraction of coal seam gas in the Surat Basin near Toowoomba, a 540km pipeline to Gladstone and an LNG processing plant at Gladstone.	*Under construction.* Approval from Federal Environment Minister in October 2010. It will have an operating life of 20 years, with 2014 targeted for first LNG shipments from Gladstone. Has binding commitments with LNG customers in China, Japan, Singapore and Chile. Work began on the gas pipeline and on-site works at Gladstone in 2011.	The project will create 5,000 construction jobs between 2011 and 2014, plus 1,000 permanent jobs. Worley Parsons given $580mil contract for engineering and procurement services for the upstream gas field near Toowoomba. Joint venture MCJV won the contract for transmission pipeline network. $32mil plan to build 56 houses for project staff.
Gladstone Liquefied Natural Gas project a consortium involving Santos, Petronas (Malaysia) and Total (France)	**$16 billion**	*Under construction.* Received approval from Federal Environment Minister Tony Burke in October 2010. On-site works under way.	The project will create 5,000 construction jobs. Santos says it has secured $100 billion of gas sales agreements.
LNG venture Arrow Energy, Royal Dutch Shell and PetroChina Co	**$10 billion** The development involves extraction of CSG gas in the Surat and Bowen Basins, a pipelines to Gladstone and an LNG processing plant at Gladstone.	*Approved.* The State Government has issued a licence for the $600 million pipeline. Contract for engineering design of gas pipeline awarded in August 2012.	The project is planning a 467km pipeline to bring CSG from the Surat Basin to a proposed LNG plant in Gladstone.

Project	Value	Status	Impact
Border Railway project Australian Transport and Energy Corridor (ATEC**)**	**$1 billion** A 340km standard gauge rail track linking Moree in NSW to a newly constructed intermodal facility in Charlton, near Toowoomba.	*Approved.* Was grantedMajor Project Facilitation (MPF) status by the Federal Government in August 2010 & 2012. Also has approvals from the NSW and Qld State Governments. Expected to be completed in 2014.	Designed to service coal projects in the region. Ultimately it is hoped to extend the line to Gladstone via the Surat Basin. “If given the final go-ahead, this project would deliver significant benefits to regional communities across northern NSW and inland Queensland,” Fed Minister Anthony Albanese said.
Surat Basin Rail (rail link from Toowoomba to Gladstone) Developer consortium includes ATEC and Xstrata	**$1 billion** New 210km rail link between Wandoan and Banana, linking with existing rail lines.	*Approved.* State Govt announced approval in Dec 2010. A $300mil investment from US Energy & Minerals Grp reported Feb 2011. Qld Parliament passed legislation to enable the project November 2012. First coal exports in 2014.	The project will allow coal from Surat Basin mines to be transported to the export port at Gladstone. Up to 1,000 construction jobs will be created, with 45 ongoing positions.
Coal-to-liquids facility, Felton area, 20km south of Toowoomba, Ambre Energy	**$3.5 billion** A facility to create 940 megalitres a year of unleaded petrol (22% of Qld's yearly consumption) and 150 mega litres of LPG (24% of consumption).	*Proposed*. In April 2012 drilling program was under way. Ambre Energy said it had not had notification from the State Govt about any legislative changes affecting the project.	Ambre Energy claims the long-term economic benefits for the region amount to about $20 billion. It says 1,880 jobs will be created over a two-year construction period with 530 ongoing jobs.
Water treatment plant, Chinchilla, Queensland Gas	**$350 million** Proposal includes a 33megawatt gas-fired power station to put the water through a reverse-osmosis process & move 100 mega-litres a day to Chinchilla Weir.	*Proposed*. Queensland Gas said in December 2010 it would build the plant to purify water extracted from the ground during CSG operations.	The company says its plant will provide a new water source that could be used as a substitute for water from the shallower distressed aquifers that are currently being used for agriculture. It says this means 30 years of guaranteed water for farmers and industry.

Project	Value	Status	Impact
Toowoomba Airport upgrade, Toowoomba Regional Council	**$10 million**	*Completed.* Work completed in December 2011.	An upgraded airport will enhance Toowoomba's role as the gateway to the Surat Basin region.
Toowoomba Bypass Project.	**$1.5 billion** Encompasses a new range crossing and road to bypass the city. Campbell Newman promised $5 mil pre-election to build business case for the project.	*Proposed.* In 2009 construction was deferred by five years as part of the State Government's updated South East Qld Infrastructure Plan and Program. Re-designed plan with a $500 mil saving submitted in January 2012. State Govt said Nov 2012 that a Toowoomba ring road would be funded in the first round of Royalties for Regions.	Bypass is considered pivotal to improving Warrego Highway access. Would improve the inland transport route and form a key link in the AusLink National Network with connections to Melbourne, Brisbane and Darwin. Would add $300mil to Darling Downs economy and provide 3,800 direct jobs on the Darling Downs over the construction period.
Toowoomba Regional Arts and Community Centre, Empire Theatres Pty Ltd	**$5.5 million** Includes a 300-seat auditorium in dining mode or 350 performance mode.	*Proposed.* The project, to be built on the existing Empire Theatre precinct, was officially launched in August 2011. Work to start early 2013. To be completed in 2014.	Designed to create the "best regional performing arts and community centre in Australia". Campaign to raise $1.5mil in donations in 2012 exceeded the target.
Witmack Industry Park, Charlton FK Gardner & Sons	**$80 million** Industrial estate covering 95ha	*Under Construction.* Site works started in August 2011.	Claims to provide industrial space cheaper than Ipswich or the Trade Coast in Brisbane
Modular housing units, Surat Basin QGC	**$57 million** 1,286 modular units plus dining, kitchen & laundry facilities	*Under construction.* Contract to Hutchinson Builders Toowoomba was announced August 2011.	The contract will employ 230 workers and has prompted a $1.5mil expansion of Hutchinson's Toowoomba facility
Temporary Housing, Surat Basin Origin Energy	**$52 Million**	*Under construction* Contract to Hutchinson Builders Toowoomba was announced February 2012.	700 temporary accommodation units.

Project	Value	Status	Impact
Toowoomba Hospital upgrade State Government	**$19 million** Construction of Regional Cancer Centres and expansion of Emergency Dept	*Under construction* Health Minister Geoff Wilson announced a boost to funding in August 2011.	Hospital has undergone a series of upgrades in recent years, including birthing centre, children's ward and emergency department
Warrego Highway upgrade State Government	**$100 million** Project to expand the Warrego Highway to four lanes on the outskirts of Toowoomba	*Proposed.* $96 million in funding was announced in the State Budget in June 2011. Work to start in early 2013.	Converting a 6km section of the Highway on the western side of Toowoomba to four lanes
Re-development, Grand Central shopping precinct QIC Global Real Estate	**$350 million** Re-development of the CBD shopping precinct	*Approved.* In June 2011 the relocation of the Toowoomba Library and a land deal allowed the project to proceed. QIC submitted devt application in March 2012. Plans publicly released Sept 2012.	Development and retail link will increase the size of two centres (Grand Central and Gardentown) by about 30,000m^{2}. The project is expected to create 1,500 construction jobs and 1,000 ongoing retail jobs.
Wind farms, Crows Nest AGL	**$270 million** 2 wind farms	*Proposed.* At feasibility stage in September 2011.	A 200 MW project creating 460 construction jobs and 15 full-time maintenance jobs.
The Base at Chinchilla Carmichael Builders	**$45 million** To include 432 rooms, pool, gym, recreation rooms.	*Under construction.* Project announced in February 2012.	Camp to house 432 FIFO gas and oil miners. Creates 100 construction jobs and 50 permanent positions.
Expansion, Highfields Shopping Centre, Highfields	**$7 million**	*Completed.* Expanded centre opened June 2012.	Expansion included new fast food precinct and new video store.

Chapter 4 Ten locations that missed the cut

Picking our national top 10 Best Buys is the hardest job in the Hotspotting year. There are so many strong candidates and it's tough deciding which to omit. Here are 10 locations that were strongly considered but which missed the cut – although there were strong arguments for including them.

Albury-Wodonga *NSW-Vic border*	The border city seldom makes national headlines because it has no mega projects – but it has dozens of small to medium-sized infrastructure and property projects happening. The city is well-located and affordable, with a strong council and steady growth.
Belmont *Western Australia*	Perth is poised for growth in 2013 and the City of Belmont is well-positioned (between the airport and CBD) to benefit. This precinct has affordable housing options, several major jobs nodes and a number of big infrastructure projects creating new employment.
Bendigo *Victoria*	Bendigo is one of those solid regional cities with growing populations, diversified economies and steady property performance - but seldom attracts attention. While Melbourne struggles in 2013, we can expect Bendigo to continue to prosper.
Bowen *Queensland*	Bowen is set for a significant economic boost as the big coal projects of the Galilee Basin start work, with rail links connecting them to the Abbot Point port facilities just outside Bowen. The new rail links and the port expansions mean lots of new jobs in Bowen.
Cloncurry *Queensland*	Cloncurry is a remote regional town servicing the agricultural and tourism industries. But new mining ventures in the area have brought an extra strong dimension to the local economy. The town is a likely beneficiary of the State Government's decision to lift the ban on uranium mining in Queensland.
Geraldton *Western Australia*	Geraldton's progress has stalled a little because of delays to the Oakajee port development. But it remains a worthy venue for investors because it has a diversified economy and affordable housing, unlike most regional centres north of Perth. It will also be greatly boosted by the $3 billion SKA project.
Hunter Valley *New South Wales*	We have correctly predicted price growth in key Hunter Valley towns like Muswellbrook and Singleton in the past couple of years. We think the Hunter will be strong long-term, despite a short-term hiccup in the coal industry. Big infrastructure projects will continue to drive this economy in the future.
Rockhampton *Queensland*	While nearby Gladstone has attracted most of the headlines recently, Rocky has been steadily mounting a comeback. While Gladstone is the key industrial centre for Central Queensland, Rockhampton is the administrative capital. It will be boosted if plans for new export ports in the area go ahead.
Townsville *Queensland*	We continue to see Townsville as the strongest regional economy in Australia. It has multiple strong economic sectors, most of them expanding. Its port to taking on growing importance and there are plenty of major property developments creating jobs. After a pause, Townsville is ready to grow again.
Whyalla *South Australia*	Whyalla will continue it evolution as the Gladstone of South Australia in 2013. Major new mining ventures on the Eyre Peninsula will boost Whyalla's strategic importance, as will the decision to allow mining in the Woomera Prohibited Area.

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if you have questions