All states and territories gained population in the year ended June 2005 and once again Queensland experienced the largest increase of 75,900 people.

Queensland accounts for around one third of Australia's population growth. In fact, statistics show the South East Queensland Region (e.g. Brisbane, Moreton, and Toowoomba City) experienced a higher volume of growth than either New South Wales or Victoria in the year to June 2004, as recently reported by the State Government's Planning and Information Forecasting Unit (PIFU).

According to PIFU, the median age of Queensland's population is projected to increase by seven years from a median age of 35 years in 2001 up to a median age of 42 years in 2026.

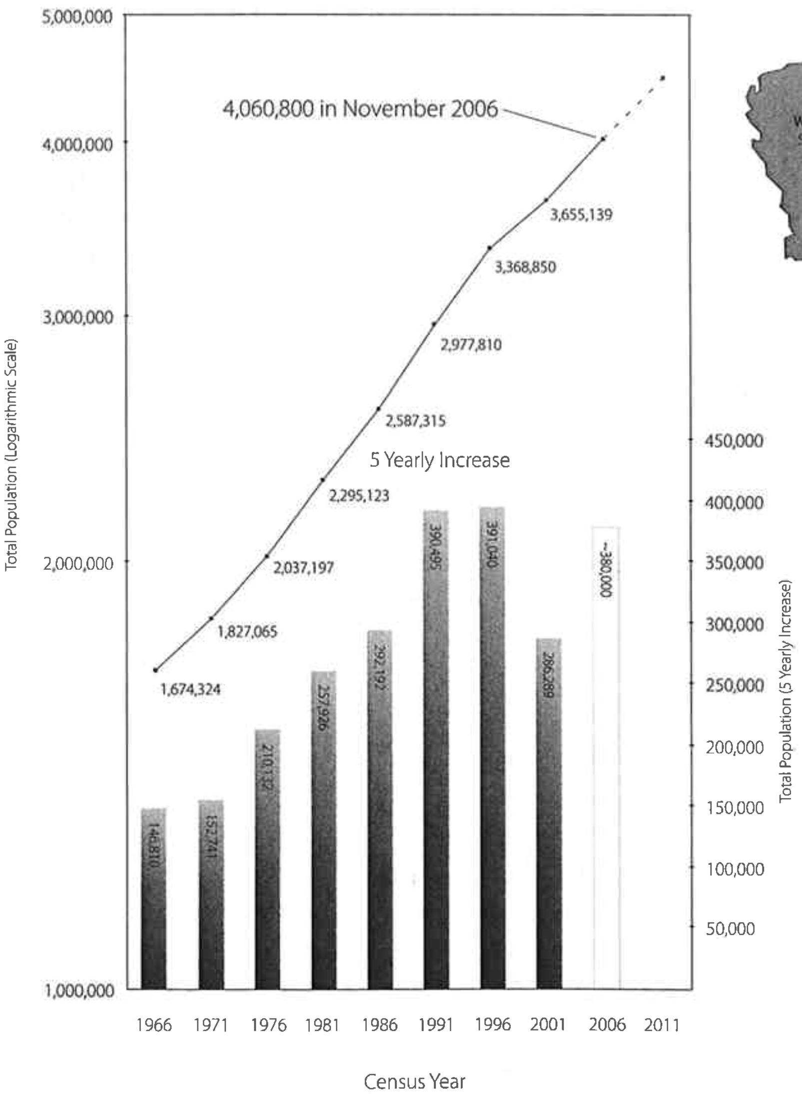
We estimate Queensland's population to be approximately 4,060,800 in November 2006.

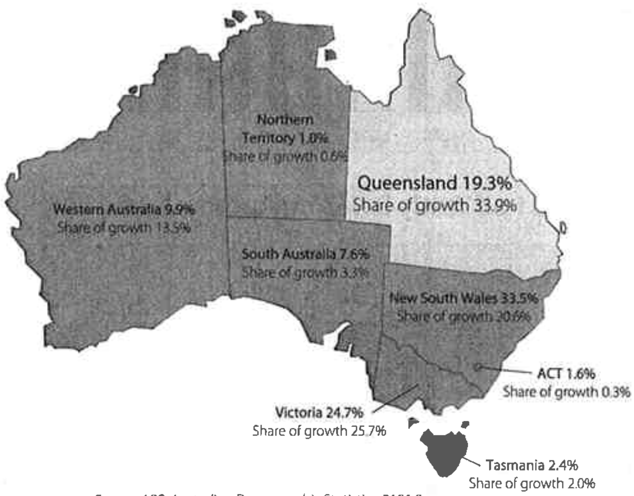
Queensland's population grew by 286,289 to 3,655,139 in the five years to August 2001, averaging 57,000 annually. Growth rates have increased considerably since that period. Over the past three years, population growth in Queensland was the highest it has ever been in a three year period. Growth peaked at 89,000 in 2003, coinciding with the end of the NSW and Victorian property booms.

Queensland is expected to continue to grow much faster than the rest of Australia into the foreseeable future. It is expected to overtake Victoria to become the second largest State between 2030 and 2040, according to the Australian Bureau of Statistics (ABS 3222.0).

Queensland's strong growth is primarily due to migration, both from interstate and overseas. Net interstate migration to Queensland was 31,500 in the year to June 2005, equivalent to 700 additional people per week or 100 people per day.

Queensland Population Growth (projected growth rate 2.0% p.a.)





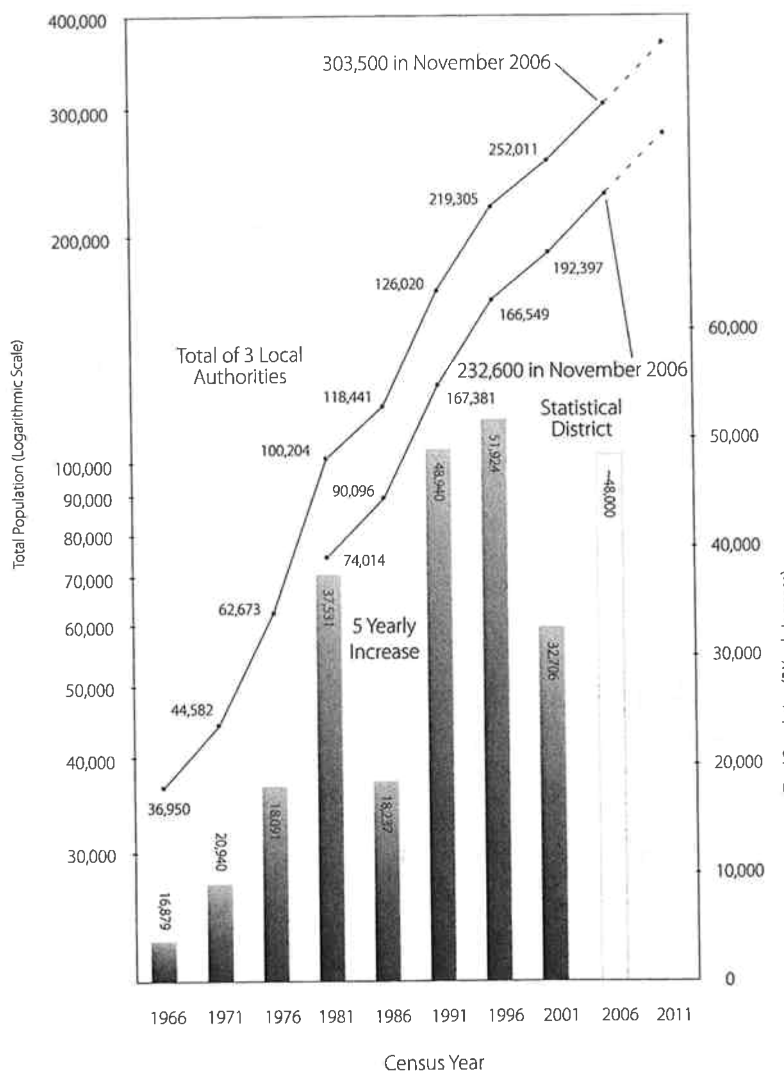
Source: ABS, Australian Demographic Statistics, 3101.0

Sunshine Coast Population Growth

	1976	1981	1986	1991	1996	2001	Increase 96/01
Caloundra City	16,982	29,705	36,484	53,765	66,336	75,261	8,925
Maroochy Shire	35,266	53,428	61,629	84,235	111,798	129,429	17,631
Noosa Shire	10,425	17,071	20,328	29,381	41,171	47,321	6,150
Totals/ 3 LA's	62,673	100,204	118,441	167,381	219,305	252,011	32,706
Statistical District	43,650	74,014	90,096	126,020	166,549	192,397	25,848
5-year increase	—	30,364	16,082	35,924	40,529	25,848	—

The average growth rate for the five years to the 2001 Census was 2.9% p.a. for the Statistical District and 2.8% p.a. for the three Local Authorities. This unusually slow growth period has accelerated recently as Sunshine Coast possesses a huge land bank to cater for the rapid expansion of population in southeast Queensland. In 2003/04, Noosa's estimated annual resident growth rate was 2.3%, Maroochy 3.3% and Caloundra 4.2%. Comparable rates of increase for the three Local Authorities combined for previous intercensal periods are shown in the table below.

Sunshine Coast Population Growth (projected growth rate 3.6% p.a.)



1961 – 1966	2.0 %
1966 – 1971	3.8 %
1971 – 1976	7.0 %
1976 – 1981	9.8 %
1981 – 1986	3.4 %
1986 – 1991	7.2 %
1991 – 1996	5.6 %
1996 – 2001	2.8 %

The total population count (including visitors) at the last six Censuses is stated below. See page 37 of our August 2002 Report for 2001 Census details.

We estimate the population of the **Sunshine Coast Statistical District in November 2006 to be approximately 232,600 and the three Local Authorities to be 303,500.** In the future, with an annual growth rate of 3.6%, the statistical district population should reach 250,000 in 2008 and 300,000 in 2013.

According to PIFU, the median age of the Sunshine Coast's population is projected to increase by nine years from a median age of 40 years in 2001 up to a median age of 49 years in 2026.

Sunshine Coast Rental Growth

Although rental growth is slightly slower than neighbouring Brisbane and Gold Coast, Sunshine Coast rents had reasonable growth of 5-7% on the previous year. As at September quarter, there are more registered tenants living in houses (15,070 bonds held) than flats (9,547) and a further 829 households renting townhouse accommodation.

	Sept Qtr '04	Sept Qtr '05	Sept Qtr '06	% change 2005-06
2 Bed Flats	$200	$220	$230	+5 %
3 Bed Houses	$260	$270	$290	+7 %

Source: Residential Tenancies Authority, Queensland

See page 7 for further information on residential rents.

Caloundra Prepared for Growth

Caloundra City's Local Growth Management Strategy shows a reliance on units, townhouses and villas to meet growth targets contained in the South-East Queensland Regional Plan. A focus on semi-detached housing will see new detached housing pushed west towards the Bruce Highway.

The draft strategy is available via www.caloundra.qld.gov.au/lgms

Location	HOUSES				UNITS			
	Median Price $'000		% Change		Median Price $'000		% Change	
	Qtr to June '06	Year to June '06	5 Yr	1 Yr	Qtr to June '06	Year to June '06	5 Yr	1 Yr
BRISBANE								
Brisbane LGA	373	370	111	4	300	295	64	12
Inner City	n/a	441	93	2	400	400	33	18
Ashgrove	444	450	91	2	345	345	116	25
Caboolture LGA	270	270	127	1	253	242	94	5
Clayfield	900	680	120	8	245	259	106	10
Cleveland	420	410	90	1	270	271	75	-4
Coorparoo	464	451	102	5	250	250	71	5
Forest Lake	300	290	107	4	n/a	222	n/a	-32
Fortitude Valley	n/a	n/a	n/a	n/a	309	310	14	7
Holland Park	375	380	124	11	n/a	303	126	-12
Inala	198	193	172	4	n/a	n/a	n/a	n/a
Ipswich LGA	240	235	176	8	180	175	119	9
Indooroopilly	515	532	80	1	345	338	118	25
Kangaroo Point	n/a	463	84	6	377	353	57	-2
Kenmore	411	398	111	8	n/a	353	41	17
Logan LGA	266	255	130	8	171	169	125	13
Moorooka	335	334	115	0	270	244	73	3
Morningside	432	400	122	1	375	315	85	13
Mt. Gravatt East	338	335	131	4	286	292	60	15
New Farm	773	760	135	2	380	385	60	10
Nundah	410	376	135	5	265	248	105	8
Paddington	601	528	87	11	290	319	57	4
Pine Rivers LGA	310	306	127	3	225	225	73	5
Redcliffe LGA	300	295	136	2	325	293	134	13
Redland LGA	360	350	119	3	280	262	59	7
Runcorn	298	300	94	5	219	230	29	6
Spring Hill	n/a	615	116	23	287	285	37	23
Springfield	298	298	92	2	n/a	190	56	-16
St Lucia	753	650	86	-10	345	319	57	8
Sunnybank Hills	359	343	108	1	239	231	19	7
Toowong	505	470	83	4	337	280	8	2
West End	520	511	74	4	315	250	35	-15
Woodridge	192	181	178	3	135	130	189	8
Wynnum West	328	318	112	2	240	235	27	11
Gold Coast LGA	400	395	110	4	307	305	92	7
Beenleigh	240	240	161	5	159	144	76	13
Benowa	665	565	106	-11	450	370	49	17
Biggera Waters	405	403	125	-4	267	280	128	17
Broadbeach Waters	650	663	139	5	300	305	124	-13
Burleigh Heads	560	509	121	2	324	345	88	0
Burleigh Waters	451	450	117	3	295	280	120	6
Coolangatta	n/a	520	123	-12	385	378	89	22
Eagleby	205	200	186	8	138	133	183	2
Helensvale	412	411	114	8	460	450	269	64
Hope Island	705	697	158	72	n/a	425	33	-30
Labrador	390	367	157	5	253	250	100	-2
Main Beach	n/a	n/a	n/a	n/a	545	550	70	4
Mermaid Beach	n/a	1,000	133	4	305	313	61	-1
Mermaid Waters	607	572	145	17	257	265	121	12
Mudgeeraba	382	375	103	7	265	250	62	4
Nerang	320	314	126	6	204	236	148	4
Oxenford	381	360	132	6	223	227	161	6
Palm Beach	475	432	134	0	375	305	119	7
Robina	479	472	100	7	350	350	75	9
Runaway Bay	570	790	114	2	435	472	101	12
Southport	405	390	152	8	289	282	94	15
Surfers Paradise	1,510	1,215	165	-1	338	360	101	13

Location	HOUSES				UNITS			
	Median Price '000		% Change		Median Price '000		% Change	
	Qtr to June '06	Year to June '06	5 Yr	1 Yr	Qtr to June '06	Year to June '06	5 Yr	1 Yr
SUNSHINE COAST								
Caloundra LGA	379	380	139	-1	318	328	109	7
Buderim	438	425	124	1	315	289	90	1
Maroochydore	385	385	133	5	329	343	156	14
Mooloolaba	412	446	125	-10	340	339	74	1
Noosa Heads	620	585	127	1	650	619	44	-6
Noosaville	564	655	118	-8	322	336	68	4
OTHER REGIONS								
Toowoomba LGA	245	242	116	6	198	200	106	20
Hervey Bay LGA	285	283	160	5	244	243	143	8
Beaudesert	409	375	134	6	148	113	51	27
Bundaberg LGA	220	213	95	9	200	205	128	11
Gladstone LGA	253	233	14	14	153	135	73	10
Rockhampton LGA	227	200	87	29	188	173	68	24
Mackay LGA	379	343	164	27	230	225	72	25
Whitsunday LGA	377	355	137	16	301	305	144	22
Townsville LGA	280	275	113	12	239	225	72	25
— North Ward	680	502	129	11	230	250	92	22
Thuringowa LGA	271	265	102	14	225	213	72	14
Cairns LGA	300	295	108	13	175	180	71	13
— Trinity Beach	360	323	117	13	257	220	45	7
Port Douglas	n/a	500	127	-6	285	270	35	4

Source: Real Estate Institute of Queensland (REIQ)

Once again, when we compare against the same quarter last year, Central and Northern Queensland areas boast double digit growth, with modest growth (but still growth) in South Eastern markets.

Brisbane saw modest house price growth of 4% to reach $373k and unit prices rose 12% representing a median sale price of $300k.

Gold Coast house prices were also up 4% reaching $400k, with 7% growth in the price of units to reach $307k.

The Sunshine Coast saw some backward movement in prices, the suburb of Mooloolaba -10%, Noosaville -8%, although Maroochydore gained 5% against last year. Unit prices paint a slightly more positive picture, with Caloundra +7% and Maroochydore +14% showing growth, although Noosa Heads losing -6% (at $650k for a unit).

For those already invested in property, house prices moving forward is positive. However, housing affordability is at its lowest level since before 1990 and with house prices continuing to rise, it is hard to fathom how average earning first home buyers can afford to enter the market without changes to government policy.

Perhaps in the future we will see greater FHOG supplements and major changes to mortgage lending in the form of 40+ year mortgages, more joint ownership, and shared equity loans (where the bank takes a share of the capital growth). However, while such changes could temporarily alleviate the affordability issue and get some first home buyers into the market, the real issue behind decreasing affordability is limited land supply, that is land zoned for development, to cater for the continuing strong population growth.