

December 2008

Rural Property Report

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December Results

Welcome all to 2009 and we wonder what is in store for us during this year which from all reports suggests a very tough year ahead. The rural property market however at this point in time is showing positive signs with the recent auction on the 15th December of the **Laglan Aggregation** being passed in for **\$60m with Virgil Kenny of Elders** confident of putting a deal together, **AA Co** have reportedly sold 5 of their stations with the results unknown and there are reports that the **Consolidated Pastoral Co** may put their stations to market which should result in strong buyer interest.

In general agents are of the opinion that we may see some property values ease by between 10 and 20%, other properties may not suffer a decrease in values whilst there may be others that will be above a 20% discount factor. The availability of finance from the banks and other financial institutions will have a strong bearing on what happens to the rural property in the forthcoming year.

There are a number of positives though such as falling interest rates and the recent monsoon system bringing rain to the northern and north western areas of the state with obvious beneficial flooding to follow in the western river systems.

Only a handful of properties were auctioned in December and the results are encouraging. Some agents are still on leave so a couple of smaller auctions have not been recorded in this report. Now the festive season is almost finished we shall see things back to business as usual with an increase in the number of properties being offered for sale.

| Sale Date | Property Name | Location | Size Ha | Price | Selling Agent |
|-----------|---------------|---------------------|---------|---|--|
| 4/12 | Eulo | 18kms from Baralaba | 974 | Sold at auction for \$2.025m. Equates to \$2079 Ha | John Sheppard Sheppard Rural Biloela |
| 9/12 | Baymond | 38kms from Eidsvold | 998 | Sold at auction for \$1.65m. Equates to \$1653 Ha | Mark Simpson Ray White Biloela |
| 9/12 | Thalberg | 35kms from Biloela | 6343 | Passed in at auction. Asking price is \$950k | Mark Simpson Ray White Rural Biloela |

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|-------|---------------|-----------------------|-----|--|-------------------------------------|
| 11/12 | Alworth Downs | 6 kms from Pittsworth | 227 | Under contract with undisclosed price | Trevor Leishman Elders Toowoomba |
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