

# WHY INVEST IN BRISBANE?



- ✓ Brisbane is hosting the G20 leader's summit in 2014.
- ✓ Brisbane is Australia's third largest capital city.
- ✓ Brisbane is forecast to grow faster than any other mature city over the next 8 years according to an international study compiled by market analysts Jones Lang Lasalle.
- ✓ The study ranked Brisbane as Number 1 for expected gross domestic product growth for 2012-2020.
- ✓ Brisbane is forecast to experience price growth in order of 20% over the next 3 years.
- ✓ For the March Qtr 2013, Brisbane ranked as the third most affordable apartment market in Australia.
- ✓ According to the latest data provided by the REIA, Brisbane's average annual returns over the last 10 years have outperformed returns in Sydney and Melbourne.



## **BRISBANE APARTMENTS \$77,400 CHEAPER THAN AUSTRALIAN AVERAGE!**

Studies by Resolution Research Strategists reveal Brisbane median apartment values are \$77,400 cheaper than the Australian average.

The analyst says the information comes from quarterly data obtained from the Real Estate Institute of Australia. This shows the Brisbane median apartment price for the June quarter 2013 was \$371,000 compared to Sydney where the median apartment price is \$120,800 more and Melbourne \$99,000 more.

The good news is that Resolution adds:

- Given the strong economic fundamentals which underpin continued growth in Brisbane and taking into consideration forecasts for price growth across Brisbane by leading property economists, it is likely the gap between Sydney, Melbourne and Brisbane's apartment values will narrow over the coming two to three years.
- According to the latest data provided by the Real Estate Institute of Australia, Brisbane's average annual return over the past ten years (11.9%) has outperformed returns achieved in both Sydney (7.4%) and Melbourne (8.9%).

Source: Resolution Research, Real Estate Institute of Australia – September 2013

## **BRISBANE INNER CITY RENTAL YIELDS REACH 6%**

As Brisbane's residential apartment market conditions continue to improve, the volume of sales across the inner city is swelling driven by clear trends emerging throughout the market place.

Underpinning the healthy conditions across Brisbane's inner city apartment market is the core strength of its rental market. As at September 2013 the average gross rental yield being achieved across Brisbane's inner city was an impressive 5.8%. There are currently five inner city markets recording gross yields in excess of 6% with the CBD recording the highest yield at 7%.



## BRISBANE'S INNER CITY – GROSS RENTAL YIELDS



The performance of gross rental yields achieved across Brisbane's inner city continues to outperform those recorded in Sydney and Melbourne. A critical factor which currently underpins the strength of the Brisbane's inner city rental market is the sustained escalation of gross yields reflecting a market where strong demand is placing inflationary pressure on weekly rentals. **On average, since August 2011 gross rental yields across Brisbane's inner city have grown by 1%. All inner city rental markets are now recording yields in excess of 5%.** The highest rate of yield growth has occurred within Bowen Hills where gross yields have jumped by an impressive 1.6% over the past two years as at September 2013. This stand out performance can be directly attributable to sales of well-priced apartment product into the market which, when delivered to the rental market have demonstrated high levels of demand.

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Across the suburbs of Bowen Hills and Fortitude Valley combined, the rental market is recording an average gross yield of 6%.

## INFRASTRUCTURE INVESTMENT PAVES THE WAY FOR FUTURE DEVELOPMENT AND GROWTH!

With more than \$23.7 billion in infrastructure projects either recently delivered, under construction or earmarked for construction commencement, the inner northern corridor is undergoing a significant transformation which will ensure the area not only caters to the needs of a growing population but becomes a key contributor to the Queensland economy. Major projects in the area include the inner Northern / Northern Busway, the Airport Link, the Cross River Rail, the RNA Showgrounds redevelopment and the Newstead Riverpark urban community.

In addition to these major projects are a large number of privately funded residential, commercial and retail developments which will further establish the area as inner Brisbane's key economic and residential hub.

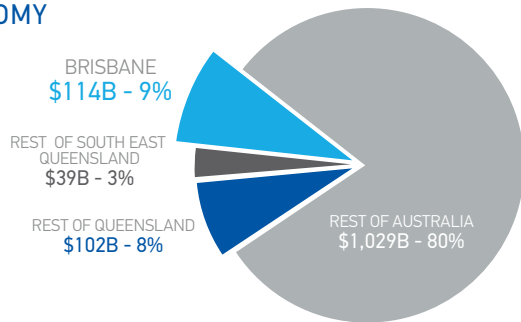
Quite clearly conditions across Brisbane's inner city rental market point to a highly favourable market underpinned by the strong population growth and key demographic characteristics of the primary demographic together with solid rental growth and yield performance.

Source: Resolution Research 'Key Drivers behind Brisbane's Inner City Rental Success' November 2013

# BRISBANE'S VISION

*In 2031, Brisbane will be regarded as a top ten lifestyle city and global hub for resource and related service industry businesses, with strong business and cultural links with Asia.*

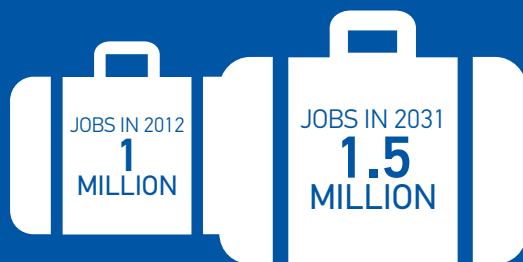
## ECONOMY



Brisbane is rapidly emerging as a diverse and energised global city, with an economy valued at \$114 billion in 2012.

- ▶ The Brisbane Economy will reach \$215 billion by 2031, a 90% increase from today
- ▶ \$62 billion Value of Brisbane Exports in 2031

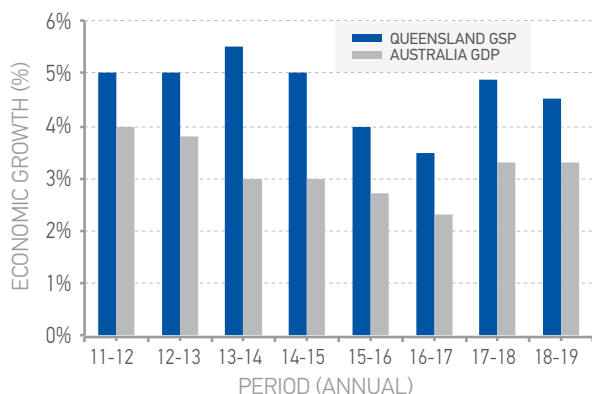
## EMPLOYMENT



Forecasted economic growth within Brisbane is expected to outstrip population growth, with Brisbane's economic output projected to increase by 40 per cent from roughly \$55,000 per person in 2011 to over \$75,000 per person by 2031 (in 2011 dollars).



## ECONOMIC GROWTH FORECASTS



Queensland's economic growth is forecast to outperform Australia until at least 2018-19

SOURCE: BRISBANE MARKETING

## INFRASTRUCTURE

Queensland Infrastructure Plan Estimated Investment by 2031 for South East Queensland

SECTOR	AMOUNT
Transport	\$97.7b
Health	\$6.8b
Education and Training	\$3b
Energy	\$5.4b
Water	\$1.5b
Community Services	\$3.8b
Completed Projects	\$16b
<b>Total</b>	<b>\$134.2b</b>

\$37,000  
Infrastructure  
Spending Per Capita

### Key Projects

- ▶ Airportlink
- ▶ Northern Busway
- ▶ Gateway Upgrade Project

Largest Public Infrastructure Spending Initiative in Australian History