

2032 Brisbane Olympics

1 Year Post-Announcement

How will the Olympics contribute to housing supply?

ABOUT THE 2032 OLYMPICS

One year has passed since the announcement of Brisbane's successful bid to host the 2032 Olympic Games. In conjunction with the announcement, master plans and developments have been detailed in State, Federal and Local Government budgets. The games are set to deliver \$8.1B in benefits to Queensland, which include \$4.6B in tourism and \$3.5B in social improvements such as health and community benefits.

Hosting the 2032 Brisbane Olympic and Paralympic Games will create an Olympic legacy. This will ensure international recognition of the city, and increase migration and tourism from other nations. As part of Brisbane's successful bid, the Olympics will use many existing facilities and stadiums, yet new projects are still needed.



HOUSING SUPPLY ADDITIONS DUE TO OLYMPIC GAMES

OVERVIEW

The Olympics has the power to deliver lasting benefits to the host city and its people. Key infrastructure developments such as Athletes Villages and Stadiums, if maintained, can add to the circular flow of income in the domestic economy.

From a real estate perspective, two questions are proposed:

- To what extent does hosting the Olympics impact property prices and how great is the multiplier effect?
- Does hosting the Olympics add to housing supply, and if so, to what extent?

Previous Olympics have injected housing supply into highly demanded markets, alleviating housing affordability. Housing supply in Sydney, Tokyo, London and Beijing benefitted from hosting the games. That said, this is not always the case. For example, Rio De Janeiro and Athens abandoned the majority of the created supply, due to a lack of investment.



POST-OLYMPICS HOUSING SUPPLY EXAMPLES

City and Olympic Year	1 st Stage (1yr Post Olympics)*	2 nd Stage* (2-5yrs Post Olympics)*	3 rd Stage (5-10yrs Post Olympics)*	Total supply to date (as per known data in 2022)
Tokyo 2021 ¹	5,632 apartments	4,145 Apartments, 1,637 Dwellings	N/A	9,777 Apartments, 1,637 Dwellings
Rio 2016 ²	3,341 Abandoned Apartments, 259 Sold Apartments	7% of Units were sold to market	N/A	3341 Abandoned, 259 Apartments
London 2012 ³	2,818 Apartments (1,379 Affordable), 11 Lots	1000 Apartments, 6 Lots	682 Apartments	4,501 Apartments, 6 Lots
Beijing 2008 ⁴	9,000 Apartments	400 Apartments	N/A	9400 Apartments
Athens 2004 ⁵	2,292 Apartments, 366 Lots	N/A	N/A	2,292 Apartments, 366 Lots
Sydney 2000 ⁶	900 Townhouses, 700 Apartments, 300 Modular Homes	N/A	40 Townhouses, 115 Units	815 Units, 900 Townhouses, 300 Houses

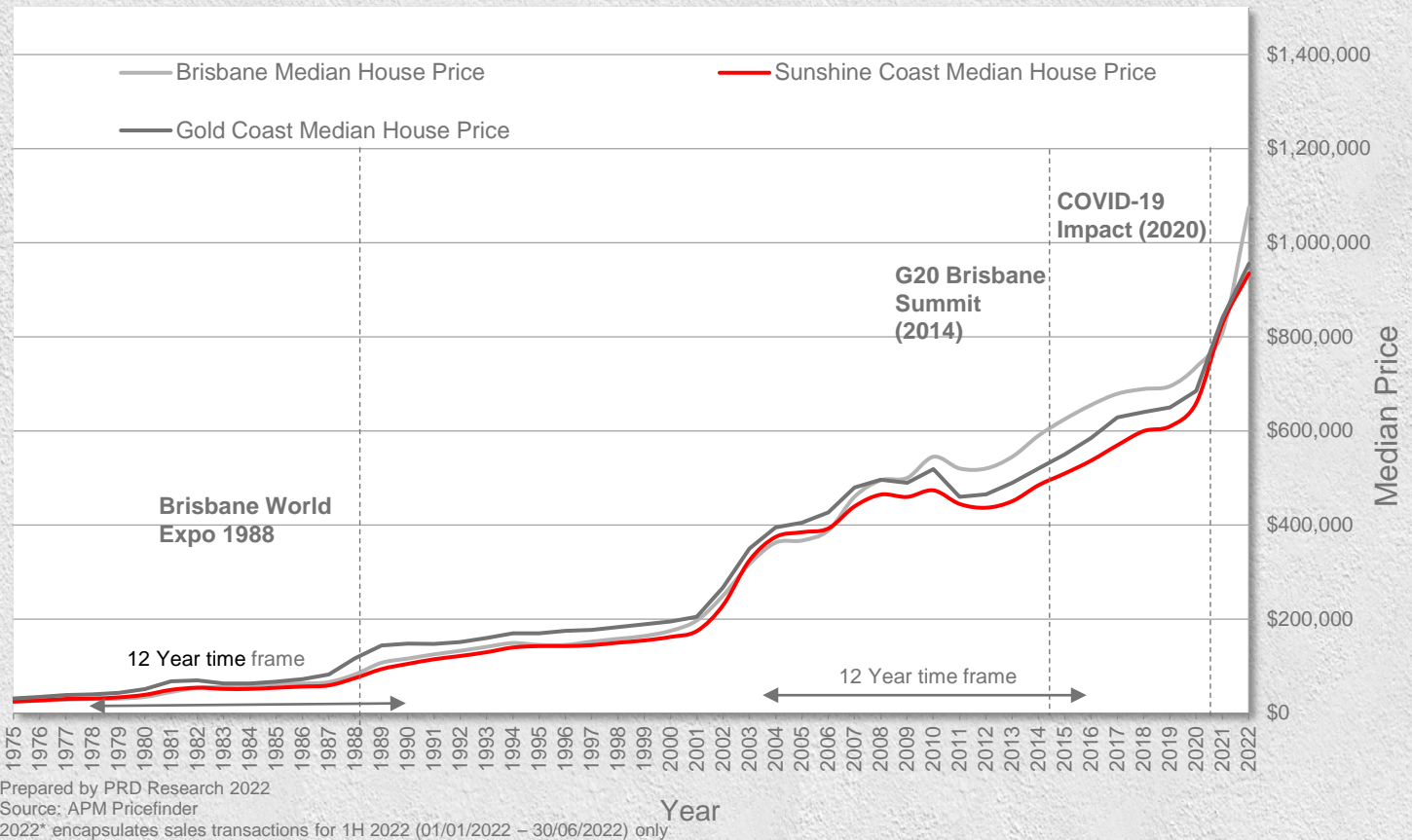
Property Price Growth

How are we tracking?

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SOUTH EAST QUEENSLAND: Local Government Areas



PROPERTY PRICE GROWTH

As an aggregate, South East Queensland markets have seen a faster pace of median house price growth in the 12 months to the 1st half of 2022, rising by an average of 19.7%. Comparatively, median house price growth grew by an average 19.4% in the 12 months to the 2nd half of 2021.

That said, different cities behaved differently. Gold Coast LGA (13.7%) and Sunshine Coast LGA (12.8%) saw a lower median house price growth in relation to Brisbane. Brisbane saw steep growth in the past 12 months to the 1st half of 2022, of 32.7%, which broke the \$1M price benchmark.

It is evident that hosting either an international and/or sporting event plays a role in positively impacting property price growth. The extent varies depending on the location of the event and other external forces (i.e economic climate at the time, cash rate movements, and investment potential). For example, there was double digit price growth post-2000 Sydney Olympics, but minimal growth post-2018 Gold Coast Commonwealth Games.

History tells us that Brisbane's property market enjoyed price growth after it hosted international events. Many have bought pre-Olympics to ensure affordability and future capitalisation.



Property Price Growth

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SOUTH EAST QUEENSLAND: Key Olympics Suburbs

Suburb	2012	2017	2021	2022#	Projected Growth Year After Event	Projected Growth G20 Average
Brisbane						
Hamilton (house)	\$1,070,000	\$1,421,000	\$1,868,500	\$2,197,500	\$2,511,743	\$5,314,847
Tennyson (house)	\$790,000	\$662,000	\$1,287,000	\$850,995	\$972,687	\$1,800,705
Chandler (house)	\$1,030,000	\$1,468,500	\$1,750,000	\$1,980,000	\$2,263,140	\$4,189,680
Woolloongabba (house)	\$585,000	\$824,500	\$1,120,000	\$1,390,000	\$1,588,770	\$2,941,240
South Brisbane (house)	\$585,000	\$1,452,500	\$1,425,000	\$1,335,000	\$1,525,905	\$2,824,860
Redland Bay (house)	\$472,000	\$553,000	\$691,250	\$827,500	\$945,833	\$1,750,990
Ipswich (house)	\$320,000	\$360,000	\$445,000	\$475,000	\$542,925	\$1,148,829
Herston (house)	\$663,750	\$840,000	\$1,045,000	\$1,557,000	\$1,779,651	\$3,294,612
Spring Hill (house)	\$736,000	\$960,000	\$1,300,000	\$1,375,000	\$1,571,625	\$2,909,500
Beaudesert (House)	\$315,000	\$350,000	\$415,000	\$490,000	\$560,070	\$1,036,840
Gold Coast						
Coomera (house)	\$380,000	\$480,000	\$600,000	\$710,000	\$811,530	\$1,502,360
Broadbeach (Units)	\$512,500	\$590,000	\$740,000	\$770,000	\$880,110	\$1,629,320
Sunshine Coast						
Alexandra Headland (house)	\$570,000	\$995,000	\$1,787,500	\$2,247,500	\$2,568,893	\$4,755,710
Twin Waters (house)	\$601,250	\$780,000	\$1,233,750	\$1,450,000	\$1,657,350	\$3,068,200

Prepared by PRD Research. Source: APM Pricerfinder © PRD Real Estate 2022. #2022 data encapsulates sales from 01/01/2022-30/06/2022

PROPERTY PRICE GROWTH

Taking a simplified average approach between all three events (Brisbane Expo 1988, 2000 Sydney Olympics, and the 2014 G20 Brisbane Summit), median house price growth was 14.3% in the year post-event.

Applying this to 2022# median house prices results in many suburbs becoming \$1M areas, such as Woolloongabba, South Brisbane, Herston, Spring Hill and Twin Waters (Sunshine Coast). Many other areas come close, such as Tennyson and Broadbeach (Gold Coast).

Between 2003 and 2015, which captures the years prior to the 2014 G20 Summit and the year after, median house prices in South Bank and surrounding suburbs grew by an average of 111.6%. Applying this growth to key 2032 Olympic suburbs would see suburbs such as Hamilton and Chandler breaking the \$4M median price mark. Extremely affordable areas such as Ipswich, Redland Bay and Coomera would break the \$1M median price mark.

At present, the threat of increasing cash rates loom, with a price downturn predicted. 2022# data suggests price growth remains strong in most areas, with few suburbs being the exception.



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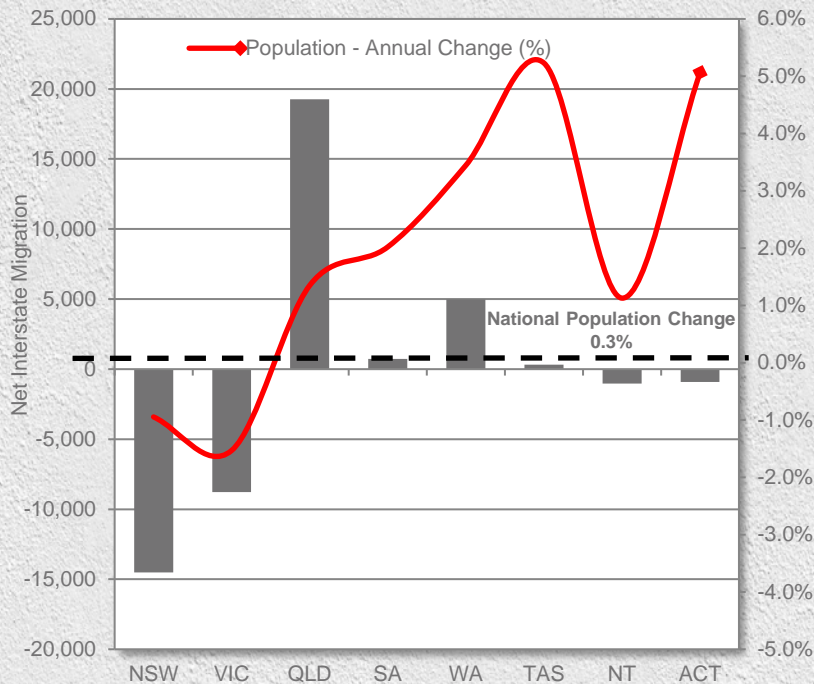
Future Demand vs Supply

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Is there an imbalance?

FUTURE DEMAND



QLD continues to take the lead in interstate migration, with an extra 19,247 people calling the sunshine state home. This is even higher than the December quarter of 2020, which quoted 9,763 people for interstate migration into QLD.

A higher level of population change translates to a greater level of demand for housing stock, both to own and rent. Current construction challenges signals a lower supply. This can push prices up further, even in a rising cash rate environment.

Known residential development from 2022-2026 suggests a greater emphasis on apartments and units, with the majority of newly land lots located in the Gold Coast and Sunshine Coast.

Out of all the key suburbs for the 2032 Olympics, Coomera, Broadbeach, Woolloongabba, South Brisbane, Redland Bay and Ipswich showcase plans for future supply. Units and apartments are more prevalent, with some townhouses and land lots. New dwellings are in short supply, suggesting potential high price growth in the near future.

Prepared by PRD Research

Source: ABS Statistics, Catalogue 3101.0 Table 4, last updated July 2022

FUTURE SUPPLY: 2022-2026

	Units/Apartments	Townhouses	Dwellings	Lots
Brisbane LGA	7,181	823	882	703
Gold Coast LGA	13,799	1,305	242	1,599
Sunshine Coast LGA	3,587	446	436	2,051
Hamilton	687	44	n/a	n/a
Tennyson	n/a	n/a	n/a	n/a
Chandler	n/a	n/a	n/a	n/a
Woolloongabba	1,131	5	n/a	n/a
South Brisbane	1,541	n/a	n/a	n/a
Redland Bay	317	14	n/a	934
Ipswich	463	135	n/a	n/a
Herston	n/a	22	n/a	n/a
Spring Hill	244	6	n/a	n/a
Beaudesert	n/a	6	8	59
Coomera	633	744	32	649
Broadbeach	3,754	n/a	3	n/a
Alexandra Headland	112	n/a	n/a	n/a
Twin Waters	47	9	14	n/a

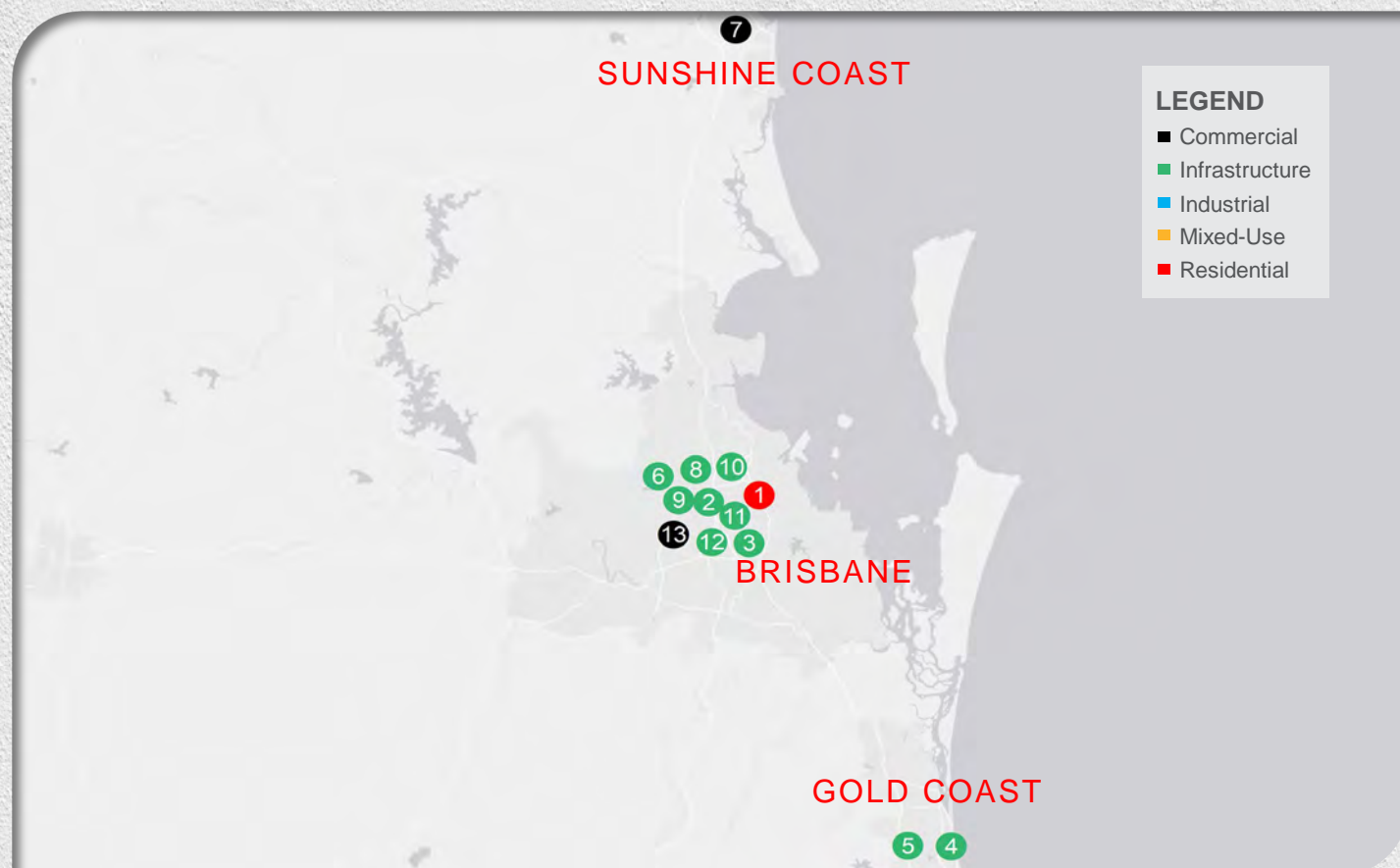
Olympics Development

What is planned?

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OLYMPICS TOP PROJECTS DEVELOPMENT MAP



Location	Project [£]	Type	Estimated Value [!]	Commence Date ^ψ
1	2032 Brisbane Olympic Village	Residential	\$60,000,000	18/10/2024
2	Brisbane Arena	Infrastructure	\$2,110,000,000	23/10/2023
3	Gabba Redevelopment	Infrastructure	\$1,100,000,000	01/05/2023
4	Gold Coast Exhibition And Convention Centre	Infrastructure	\$75,000,000	30/06/2022
5	Broadbeach Park Stadium	Infrastructure	\$6,800,000	30/06/2025
6	Brisbane Indoor Sports Centre	Infrastructure	\$3,000,000	14/02/2022
7	Sunshine Coast Entertainment & Exhibition Centre	Commercial	\$100,000,000	22/12/2026
8	Victoria Park Redevelopment	Infrastructure	\$83,000,000	25/09/2023
9	St Lucia To West End Green Bridge	Infrastructure	\$100,000,000	05/08/2024
10	Breakfast Creek Green Bridge	Infrastructure	\$67,000,000	11/07/2022
11	Kangaroo Point Green Bridge (Kpgb)	Infrastructure	\$190,000,000	29/11/2021
12	Cross River Rail	Infrastructure	\$5,400,000,000	25/06/2019
13	Queens Wharf Redevelopment	Commercial	\$1,500,000,000	05/08/2019

Moving Forward

What can we expect?



Olympics and Property Prices: What is the multiplier effect?

The 2032 Olympics brings more opportunities to improve Brisbane's infrastructure, economy and create jobs across the state. It's estimated the Games will bring \$8 billion of economic and social benefits to Queensland, through an increase in tourism and the creation of approximately 91,600 full-time equivalent jobs. There are still many debates surrounding hosting the 2032 Olympics, such as:

- Cost to the tax-payers (and whether there is a better allocation for this)
- How well the Olympics will be managed (i.e lessons from 2018 Gold Coast Commonwealth Games)
- Whether or not it will have real long-term benefits for the residents of Brisbane.

In the real estate world, a key question is whether or not the Olympics will make Brisbane, from a purchasing power perspective, as unaffordable as Sydney. The Games are 11 years away, which gives time for the world to re-open and for economies to recover. Yet, we are already seeing record-breaking property sales.

Hosting the Olympics will increase employment opportunities, during pre and post-construction phases of the developments being built in preparation for the Games. Job creation is one of the main recipes to property price growth, as it increases people's purchasing power and their ability to enter the market. Further, the Olympics attracts population growth into the region which increases demand for housing. Combined with the current lag in supply, such an imbalance can lead to further property price growth.

The multiplier effect will be large in comparison to Sydney. Sydney has become a brand, therefore Brisbane will follow suit. Despite the recent cash rate hikes, we are already seeing high price growth in key suburbs/areas related to the 2032 Olympics, which further confirms the resilience of property prices in these areas.

Olympics and Housing Supply: How does it contribute?

The Olympics had long-term affects to previous host cities, with a strong tendency for housing supply and demand to increase, leading to healthy price growth. This was often due to athletes villages in main CBD areas (Sydney, Tokyo, Beijing being key positive examples) becoming vacant and serving as build-to-rent and market accommodation for a variety of owner-occupiers and investors. The issue with the Olympics and other international games is that a lack of planning and management can lead to an underutilisation of new supply, as seen in the Rio and Athens Olympic Games.

The Northshore-Hamilton Priority Development Area (aka The Village) will be the site of the Athlete's Village for the 2032 Brisbane Olympic and Paralympic Games. More than 15,000 athletes will be residents over the course of both Games.

There are plans to repurpose the Athletes Village to provide a diverse residential offering including: retirement living, aged care, social and affordable housing, student accommodation, Build-to-Rent, and market accommodation. It is predicted in total this new land supply will catalyse \$500M in private investment and create 1600 construction jobs.

Accommodation supply proposed as a result of the 2032 Brisbane Olympic Games:

- ⁷ Two hotel towers of 181 apartments - Woolloongabba Olympic Stadium site
- ⁸ 182-room hotel development - Mooloolaba
- ⁹ 196-room hotel tower - Manors Gate Group Broadbeach
- ¹⁰ 252 apartments - Signature Broadbeach Project
- ¹¹ 10,000-bed villages - Athletes Village North Shore Hamilton

Hosting the Olympics is known to be a vehicle for residential supply, evident in past examples. The Queensland State Government has stated a desire to utilise the Olympic Games in accelerating delivery of existing long-term plans in the Northshore-Hamilton area, amending the plans to include new residential, commercial, retail, and mixed-use development opportunities. Unlike the 2000 Sydney Games, there are currently no plans to use modular or relocatable housing.

Existing 2032 Games residential supply needs further development when compared to other Olympics. Now is a golden opportunity to harness the potential of creating a well-informed housing supply legacy that targets a range of demographic needs. Queensland can aspire to what other Olympic Games delivered for housing supply.

Notes and References



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2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

Property median price growth has been sourced from APM Pricefinder

Future housing supply has been sourced Cordell Connect database

Project Development mapping utilises Esri ArcGI,

Interstate Migration graph is sourced from ABS Statistics, Catalogue 3101.0 Table 4

¹ House Beautiful <https://www.housebeautiful.com/lifestyle/a37246699/tokyo-olympic-village-future-harumi-flag/>

² Business Insider <https://www.businessinsider.com/abandoned-olympic-venues-around-the-world-photos-rio-2016-8#many-olympic-sites-are-littered-with-rusty-metal-4>

³ International Quarter London <https://www.internationalquarter.london/>

⁴ South China Morning Post <https://www.scmp.com/article/611607/beijing-property-goes-olympic-gold>

⁵ RFI Economics <https://www.rfi.fr/en/economy/20150705-struggling-survive-greeces-olympic-villagers-face-referendum-choice>

⁶ Urban.com.au <https://www.urban.com.au/expert-insights/investing/sydneys-newington-olympic-village-12-years-after-the-closing-ceremony>

⁷ Urban Developer https://www.theurbandevolver.com/articles/developer-lodges-brisbane-olympics-tower-plans?utm_source=miragenews&utm_medium=miragenews&utm_campaign=news

⁸ Urban Developer https://www.theurbandevolver.com/articles/wagner-plans-mooloolaba-hotel-on-car-park-site?utm_source=miragenews&utm_medium=miragenews&utm_campaign=news

⁹ Urban Developer https://www.theurbandevolver.com/articles/development-application-hotel-broadbeach-manors-gate?utm_source=miragenews&utm_medium=miragenews&utm_campaign=news

¹⁰ Urban Developer <https://www.theurbandevolver.com/articles/major-development-projects-gold-coast>

¹¹ Queensland Government State Development, Infrastructure, Local Government planning <https://www.statedevelopment.qld.gov.au/industry/brisbane-2032-athletes-village>

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

£ Projects refers to the top developments within the Brisbane 2032 Olympics Game venues

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

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