

BRISBANE INVESTOR OVERVIEW



Overview

This report provides a comprehensive analysis on investors purchasing within the Brisbane Local Government Area (LGA). Analysis was conducted for settled house and unit sales within the six month period ending October 2011, with a comparison to the six month period ending October 2010. For the purpose of this report, sales for homeowners have been excluded, as have sales above \$10,000,000. Only house and unit stock were analysed in this report.

While there is still a portion of sales that have yet to settle, the analysis has provided a succinct conclusion of investment within the Brisbane LGA. Investors prefer units within the inner city suburbs and houses in the more affordable outer suburbs of Brisbane. Suburbs within the inner city provide a range of demand from young professionals to students, while the outer suburbs may be at a more affordable price point and can offer the potential of higher capital growth over time.

The majority of the investor spend occurred within the inner city suburbs, with the CBD registering the most at \$94.5 million. This was followed by Newstead and New Farm, achieving \$85.9 million and \$42.3 million respectively. The top three suburbs to receive the most investor spend remained the same from the previous year. Investment inside the Brisbane CBD decreased by 17 per cent from the previous year, while New Farm experienced a significant decline of 49 per cent. Newstead however, increased by 18 per cent in total investment spend.

Investors themselves, tend to be local, with few investing interstate and even fewer investments originating internationally. Compared to the previous year, total international spend has decreased by 34 per cent, while the volume of international investor sales has also decreased by 29 per cent.

Looking at domestic investment within Brisbane, interstate investment is down 30 per cent and Queensland investment is also down 27 per cent. Of the interstate investors, the majority are from New South Wales, at 45.5 per cent of all interstate sales. The majority of investors are located in the inner suburbs of Brisbane, but interestingly, there are a number of south Brisbane suburbs which have made the top 20 investor list, while north Brisbane was represented with only one suburb.

While investment within the inner suburbs has been and will be consistent, northern Brisbane is attracting attention through a significant amount of new supply that has become available. Regions such as Chermside, Albion and Lutwyche are undergoing development that will provide not only opportunities for residential investment, but better transportation and amenity for the regions residents.

Highlights

- Brisbane City continues to be the investors choice as the most popular suburb for the total number of sales and accounts for the largest portion of dollars spent.
- The vast majority of investors are found locally, with only one per cent originating from overseas and 14 per cent interstate.
- The majority (16.2 per cent) of investment purchases occurred within the Yeerongpilly parish, followed closely by the Bulimba parish.
- Looking ahead, northern Brisbane will attract attention through a significant amount of new development in infrastructure and amenity.

Investors are willing to spend in an outer area that may provide better yields and potential capital growth.

Total Investor Sales

Total investor sales in Brisbane has decreased from the previous year from 5,036, to 3,865, equating to a decrease of 23.3 per cent. However, the final number of settled investor sales are yet to be determined for the six month October 2011 period as a portion of sales have yet to settle. For example, many acquisitions from off the plan apartment developments will likely settle over the next three to 12 months, reducing the decreased sales percentage figure provided.

Top 20 Invested Suburbs

As can be seen from the Top 20 Invested Suburbs table, the Brisbane CBD attained largest portion of investor sales over the six months to October 2011, with 4.45 per cent of the total settled sales (over twice the number of sales from the second placed suburb of Chermerside). This represents a slight increase from 4.09 per cent during the 2010 period.

**Top 20 Invested Suburbs
Six month period ending Oct 2011**

Suburb	Number of Sales	Suburb	Total Spend
Brisbane City	172	Brisbane City	\$94,539,971
Chermerside	80	Newstead	\$85,868,020
Doolandella	76	New Farm	\$42,329,500
Newstead	75	West End	\$40,803,000
Coorparoo	74	Indooroopilly	\$40,467,133
Kelvin Grove	69	Coorparoo	\$38,330,100
Calamvale	60	Kelvin Grove	\$36,431,437
Indooroopilly	60	Chermerside	\$34,328,200
Kangaroo Point	59	Kangaroo Point	\$33,890,500
Forest Lake	58	St Lucia	\$33,879,950
St Lucia	56	Paddington	\$30,481,900
West End	56	Morningside	\$28,866,600
Moorooka	53	Clayfield	\$28,596,150
Annerley	52	Doolandella	\$27,337,030
Morningside	51	Calamvale	\$24,561,990
Clayfield	50	Toowong	\$24,529,740
Toowong	50	Annerley	\$23,772,851
Fortitude Valley	48	Ashgrove	\$23,388,500
New Farm	48	Taringa	\$23,255,500
Nundah	46	South Brisbane	\$22,634,938

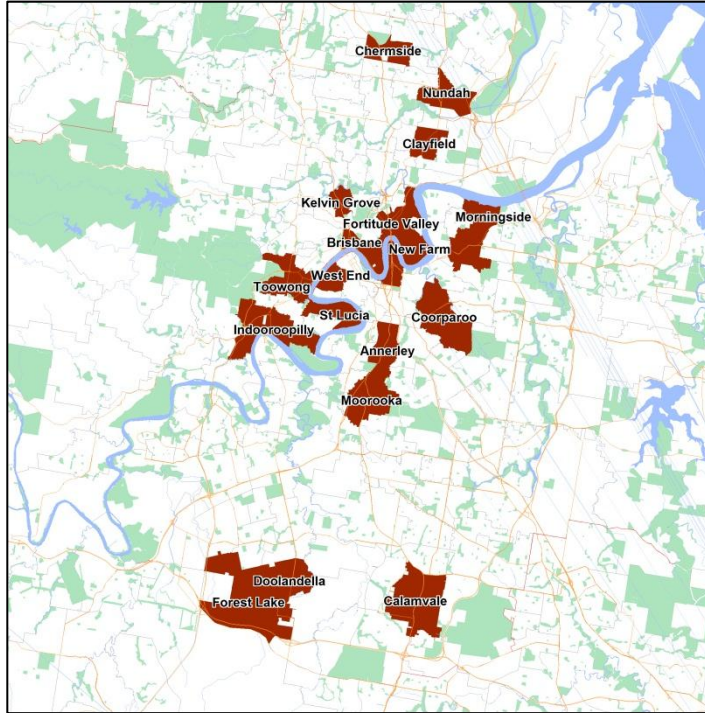
Prepared by PRDNationwide. Source: PDS

While there was what can be described as a balance of settled sales across the Brisbane LGA, the majority at 16.2 per cent occurred within the Yeerongpilly parish, followed closely by the Bulimba parish (14.1 per cent) and the Enoggera parish (13.6 per cent). When compared to 2010, the top three lists was exactly same, with Yeerongpilly increasing by one per cent, Bulimba decreasing by 0.6 per cent and Enoggera increasing by 0.8 per cent from the last year.

It is interesting to note the range of location for suburbs on the Top 20 table. Typically, investor ‘hotspots’ have remained within the inner city suburbs, however, suburbs like Doolandella, Forest Lake, and Calamvale show that investors are willing to spend in an outer area that may provide better yields and potential capital growth.

Investors who have purchased unit stock have typically done so in a location within close proximity to the CBD, if not the CBD itself.

**Top 20 Invested Suburbs
Six month period ending Oct 2011**



**Top 20 Invested Suburbs
Six month period ending Oct 2010**

Suburb	Number of Sales	Suburb	Total Spend
Brisbane City	206	Brisbane City	\$114,333,943
Bracken Ridge	107	New Farm	\$83,493,500
Coorparoo	95	Newstead	\$72,666,848
New Farm	95	St Lucia	\$55,378,186
Chermiside	87	Bulimba	\$54,751,425
Moorooka	87	Coorparoo	\$47,943,950
Newstead	83	Kangaroo Point	\$45,345,000
Toowong	79	Toowong	\$41,139,733
St Lucia	78	Moorooka	\$40,971,500
Wakerley	74	Paddington	\$40,917,250
Morningside	70	Bracken Ridge	\$40,140,910
Nundah	70	Chermiside	\$39,093,150
Bulimba	69	Morningside	\$38,066,855
Inala	64	Wakerley	\$35,202,633
Forest Lake	62	Hamilton	\$32,839,900
Stafford	61	Indooroopilly	\$32,665,650
Zillmere	60	Ascot	\$30,740,350
Annerley	59	East Brisbane	\$30,595,316
Spring Hill	59	Wynnum	\$30,117,258
Calamvale	57	Nundah	\$29,979,000

Prepared by PRDnationwide. Source: PDS

The majority of investors, who bought a free standing home, did so in the suburb of Forest Lake over the six month period ending October 2011.

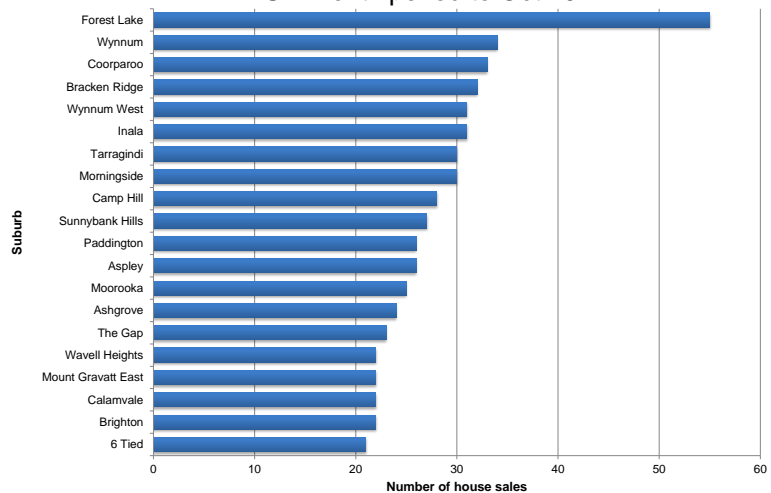
What product are they purchasing?

Although housing stock is higher priced than unit stock and typically provides a lower gross yield, when closely analysed it is determined that approximately 50 per cent of investors have purchased units to houses. The majority of investors, who bought a free standing home, did so in the suburb of Forest Lake over the six month period ending October 2011, registering 55 house sales. This was followed by Wynnum (34), Coorparoo (33) and Bracken Ridge (32). When observing the previous year, Inala recorded the most house sales at 62, followed by Forest Lake (61) and Wynnum (48).

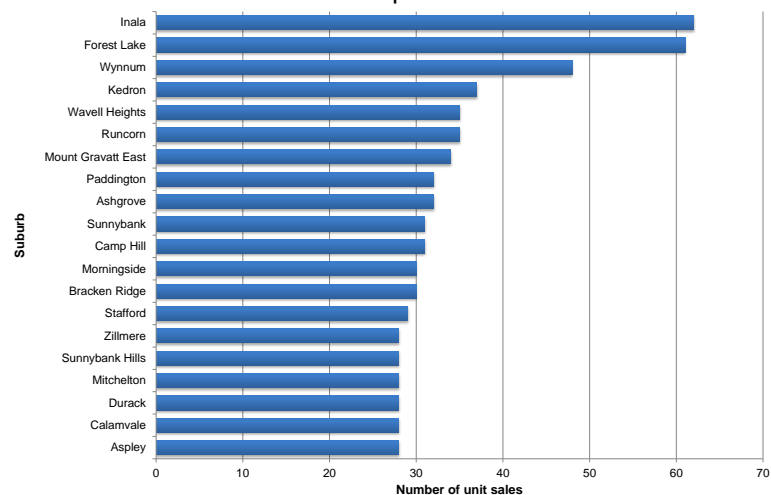
When observing the top 20 house suburbs, an overriding trend of affordability appears. The majority of the top 20 suburbs are located either in the middle to outer Brisbane, allowing for investors to capitalise on more affordable house prices, which in turn may lead to greater yields. Noticeable exceptions to this trend are the higher priced suburbs of Paddington and Ashgrove. This may be as a result of being within close proximity to the Brisbane CBD and University of Queensland, which leads to a high level of demand from rental demographic.

Top 20 suburbs where investors purchased house stock

Six month period to Oct 2011



Six month period to Oct 2010



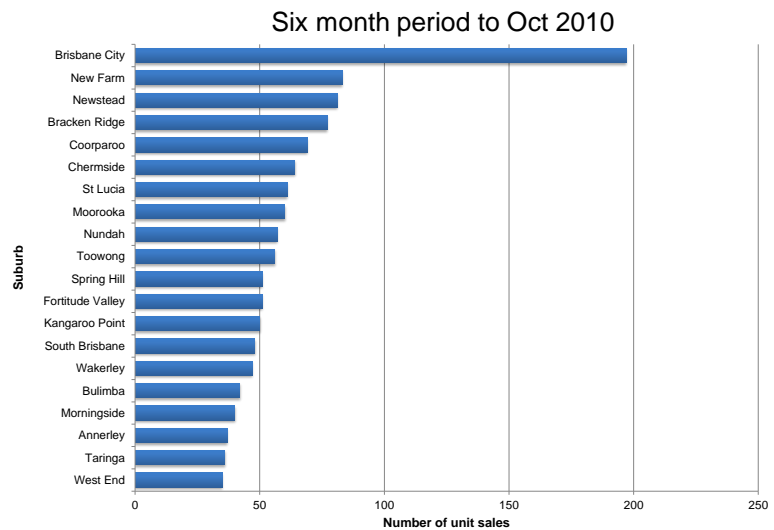
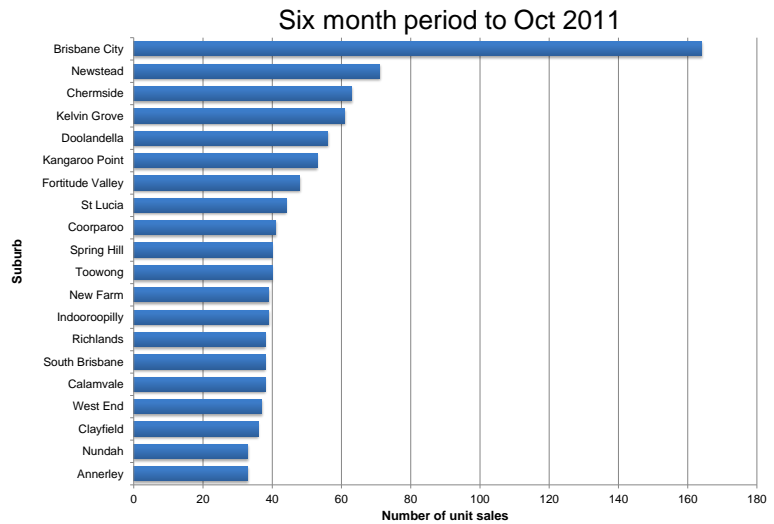
Prepared by PRDNationwide. Source: PDS

There are localities outside the CBD that are priced at a more affordable level and offer the right mix of employment opportunities, amenity and transportation that attract demand from renters.

What product are they purchasing? (Continued)

Investors who have purchased unit stock have typically done so in a location within close proximity to the CBD, if not the CBD itself. Localities that typically attract investor spend tend to be where there is both a significant level of supply and large demand from renters. This naturally favours the inner city suburbs which cater to the employment opportunities and low maintenance lifestyle, with easy access to public transportation. The top 20 suburbs where investors have purchased unit stock are heavily comprised of examples of inner city suburbs, like Newstead, Kangaroo Point, Fortitude Valley, and Spring Hill. However, while the majority of investors who purchased units favoured Brisbane City, at 8.5 per cent of total unit sales and its neighbouring suburbs, there are localities outside the CBD that are priced at a more affordable level and offer the right mix of employment opportunities, amenity and transportation that attract demand from renters.

Top 20 suburbs where investors purchased unit stock



Prepared by PRDnationwide. Source: PDS



What product are they purchasing? (Continued)

Chermside and Indooroopilly are examples of these localities. Chermside, located nine kilometres north of Brisbane has attracted the third highest level of investors who have purchased units, at 3.3 per cent. This locality is part of the northern region which is in the midst of a large scale development in transportation infrastructure, such as the Northern Busway and Airport Link, but also is a region that has seen significant amount of apartment stock come onto the market. Chermside itself has one of the largest shopping centres in Brisbane, a nearby hospital and will eventually be linked to the Northern Busway, when completed.

Investors have also favoured suburbs that also include demand from students. Localities like St Lucia, Toowong, Kelvin Grove and South Brisbane were placed in the Top 20 locations to attract investor sales. These suburbs have traditionally supplied a strong pool of renters that range from students to young professionals.

Where do investors come from?

Sellers looking to attract investors should consider that the majority of investors prefer to purchase 'smartly' within their own backyard. Only one per cent of investor sales within the studied analysis originated outside of Australia and 86 per cent of the Australian based investors are within Queensland. New South Wales accounted for the second highest level of investors, at seven per cent. Brisbane investors accounted for the majority of the total investor sales, but were on the whole, evenly dispersed throughout the City. While the majority of investor originated from the inner city suburbs, large portions of investors were found in the outer southern suburbs like Eight Mile Plains, Sunnybank, Calamvale, and Forest Lake. The only outer north suburb to reach the top 20 list was Aspley, at joint 18th place.

**Top 20 locations where investors originate
Six month period ending Oct 2011**

Suburb	Number of		Total Spend
	Sales	Suburb	
Brisbane	91	Brisbane	\$59,337,368
New Farm	47	New Farm	\$36,629,800
Sunnybank	45	Ascot	\$27,234,899
Indooroopilly	45	Coorparoo	\$26,401,730
Coorparoo	43	Newstead	\$26,049,520
Sunnybank Hills	42	Indooroopilly	\$24,912,600
Carindale	41	Paddington	\$24,300,500
Annerley	41	Bulimba	\$23,280,750
Paddington	40	Toowong	\$22,023,850
Toowong	39	Westend	\$20,971,300
Forest Lake	36	Sunnybank	\$20,842,300
The Gap	35	Nundah	\$20,534,500
Calamvale	34	Carindale	\$20,104,950
Eight Mile Plains	34	Sunnybank Hills	\$19,916,476
West End	33	Fortitude Valley	\$19,784,467
Fortitude Valley	33	Annerley	\$19,408,651
Bulimba	32	Aspley	\$17,501,900
Aspley	32	The Gap	\$17,257,000
Morningside	30	Eight Mile Plains	\$17,075,400
Nundah	29	Spring Hill	\$16,299,500

Prepared by PRDnationwide. Source: PDS

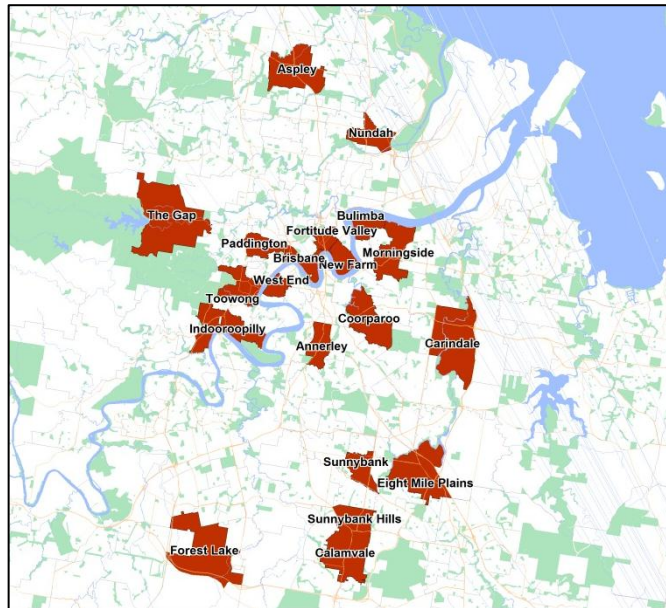
There are large portions of investors to be found in the outer southern suburbs like Eight Mile Plains, Sunny Bank, Calamvale, and Forest Lake.

**Top 20 locations where investors originate
Six month period ending Oct 2010**

Suburb	Number of Sales	Suburb	Total Spend
Brisbane	123	Brisbane	\$99,805,846
New Farm	90	New Farm	\$73,342,187
Eight Mile Plains	64	Bulimba	\$45,243,900
Coorparoo	61	Paddington	\$42,812,750
Bulimba	60	Coorparoo	\$33,348,993
Paddington	59	Eight Mile Plains	\$33,001,132
Carindale	55	Clayfield	\$31,918,850
Sunnybank	54	Fortitude Valley	\$30,122,000
Sunnybank Hills	53	Sunnybank	\$29,216,007
Clayfield	51	Carindale	\$27,333,375
Ashgrove	45	Toowong	\$26,725,500
The Gap	44	Ashgrove	\$26,701,710
Indooroopilly	44	Westend	\$26,096,330
Chapel Hill	44	Sunnybank Hills	\$25,854,055
Fortitude Valley	43	The Gap	\$24,850,300
Toowong	42	Newstead	\$24,844,470
West End	40	Ascot	\$24,638,500
Aspley	39	Chapel Hill	\$24,217,869
Spring Hill	35	Indooroopilly	\$23,711,840
Wavell Heights	34	St Lucia	\$23,317,000

Prepared by PRDnationwide. Source: PDS

**Top 20 locations where investor numbers originate
Six month period ending Oct 2011**



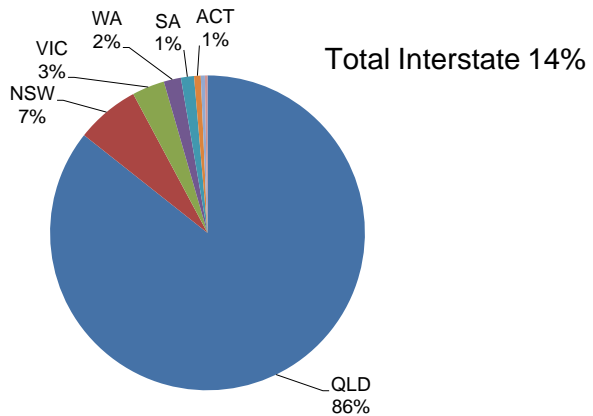
Only one per cent of investor sales originated outside of Australia and 86 per cent of the Australian based investors are within Queensland.

**Investor locations by state
Six month period ending Oct 2011**

Number of Sales		Total Spend	
State	Sales	State	Total Spend
QLD	3254	QLD	\$1,771,941,019
NSW	248	NSW	\$122,993,783
VIC	127	VIC	\$57,397,800
WA	67	WA	\$27,983,000
SA	51	SA	\$22,518,500
ACT	26	ACT	\$12,302,400
NT	16	NT	\$6,703,600
TAS	10	TAS	\$3,648,000
Interstate Total	545	Interstate Total	\$253,547,083

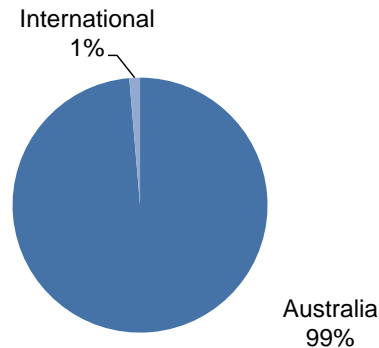
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**Investor locations by state
Six month period ending Oct 2011**



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**Investor location
Six month period ending Oct 2011**



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