



crystal blue  
homes

# Investment Report

## Brisbane, Queensland



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# Key Insights to Brisbane

★ Forecasts have indicated that Metropolitan Brisbane's workforce could potentially grow by 443,000 jobs, reaching a total workforce of around 1.5 million persons by 2031.

★ This growth will be driven by Queensland's largest employment nodes for the Brisbane CBD, the Port of Brisbane and Brisbane Airport.

★ Brisbane Airport forecasted employment by 2029 is 50,000 persons, equating to an annual increase of 1,789 jobs.

★ The Port of Brisbane has forecasted a workforce of 90,000 persons by 2026, reflective of an increase of 1,875 new jobs per annum.

★ The Brisbane CBD will continue to be the largest employment node in Queensland with an anticipated workforce of 222,178 persons by 2031.

★ The growth in these major employment nodes equates to the combined population of Bowen Hills and Fortitude Valley moving into a new job each year.

## More drivers for Brisbane growth over the next thirty years include:

Brisbane's connection to booming Asia (not just China) & Gateway to east coast Resource Boom

Undersupply of quality Housing placing upwards pressure of price

Yields trending upwards and House Prices to follow

Well-timed in Brisbane's Property Cycle for buyers

You can achieve excellent value-for-money, especially with some Townhouses & apartments

New multi-billion dollar infrastructure, roads, transport, and major Airport expansions

New demands from worsening skills shortage driven somewhat by resources boom

Underrated and undervalued areas particularly in eastern Brisbane







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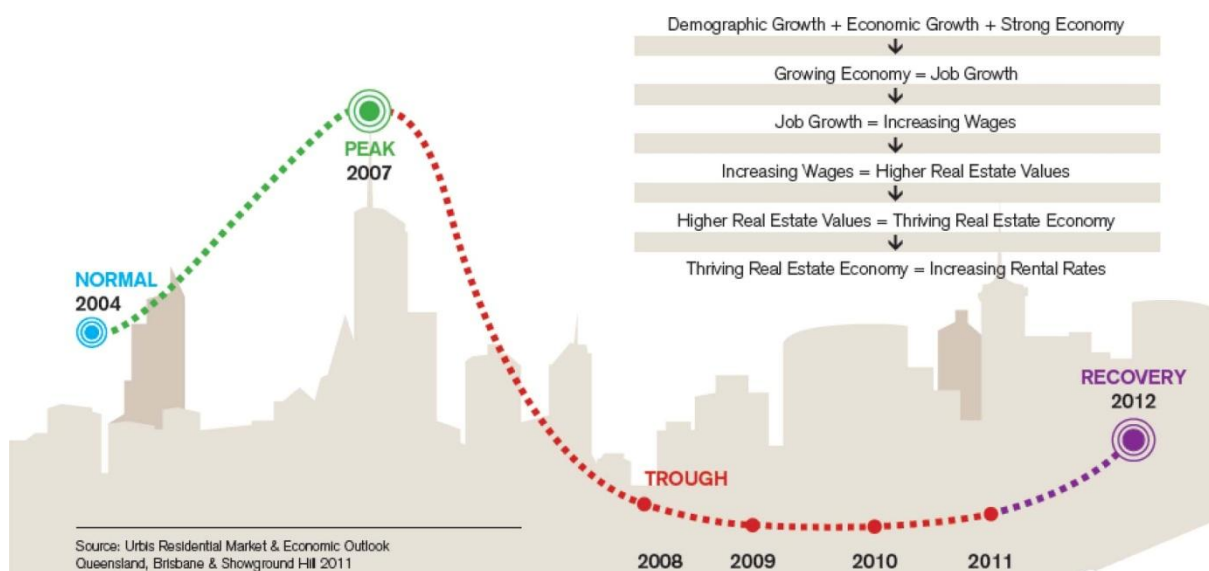


# Why Brisbane?



A leading destination for business and investment, major events and international education, Brisbane is rapidly emerging as a diverse and energised global city with a \$114 billion economy. With sustained growth forecast between now and 2031, the city's economy is expected to top \$217 billion. Brisbane is on track to become one of the world's most prosperous cities. Forecast economic growth is expected to outstrip population growth with Brisbane's economic output projected to increase by 40% per person by 2031.

Source: Urbis Residential Market & Economic Outlook Queensland, Brisbane & Showground Hill 2011



The Brisbane market has bottomed and now the trend is moving upwards.  
This is an ideal time to look at buying in this market.

# Brisbane: The Facts

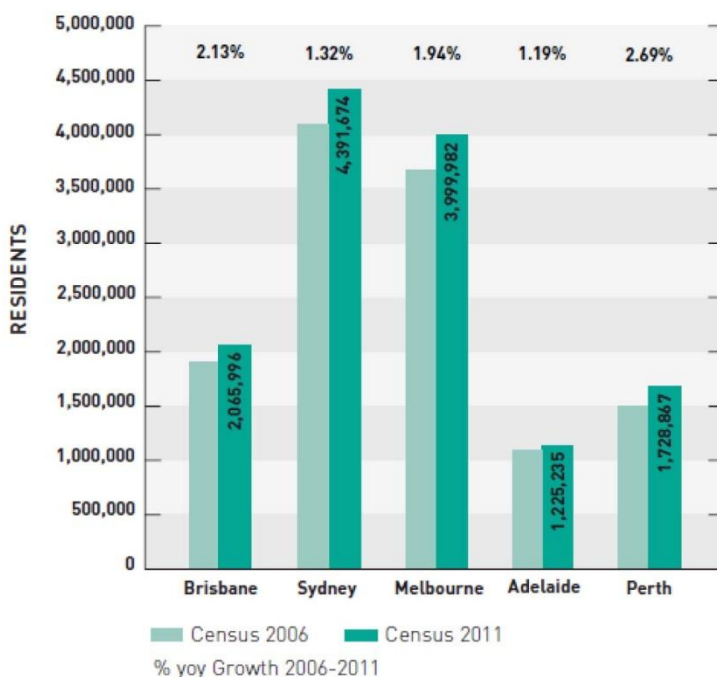
## Population Growth

- Total population today is 2.15million people
- Overall population trends for 2021 is 2.4million and 2051 3.3million
- With the largest population growth of any Australian capital city
- Over 1,100 people are relocating to South-East QLD
- 178,000 are moving specifically to Brisbane
- This growth has led to a housing shortage of 83,000 in Queensland
- By 2020 this shortage could be as high as 200,000
- This shortage has created upward pressure on House prices
- South- East QLD regional framework anticipates an additional 156,000 new dwellings will be needed in Brisbane by 2031.

## Economy & Employment Growth

- 4.5%pa average for the last 20 years (twice national average)
- Brisbane's workforce is projected to increase by 62%, from 550,000 to 895,000
- Employment in Brisbane by 2026 is forecasted to grow much faster than population,

Brisbane:  
2<sup>nd</sup> fastest population growth rate



Brisbane:  
Fastest white-collar employment growth

ANNUAL WHITE COLLAR EMPLOYMENT GROWTH  
BY CITY, HISTORICAL AND FORECAST

City	Historical	Forecast
	1990-2010	2010-2015
Sydney	1.8%	1.9%
Melbourne	3.1%	1.9%
<b>Brisbane</b>	2.5%	3.1%
Perth	2.0%	1.5%
Adelaide	1.3%	1.7%
Canberra	2.0%	1.4%
Average	2.2%	1.9%

Source: Deloitte Access Economics Q2:11 and CFSGAM Research; Urbis

# Demographics

As Baby Boomers start retiring in significant numbers by 2016, they will continue the trend of downsizing into smaller townhouses and apartments where low maintenance, convenience and lifestyle needs are met.

The Gen Y demographic represents a growing and maturing market and will be the primary driver of dwelling demand in the future. By 2016 this Gen Y demographic will comprise just fewer than 30 percent of Queensland residents so it is crucial that developers identify the needs and wants of this demographic to capitalise on this future dwelling demand.

This Gen Y demographic want to reside in suburbs, which offer higher density low maintenance living options in close proximity to key employment & recreational options, and the airport. The South-East is an ideal position to capitalise on the demand driven from this demographic, given its close proximity to the key employment nodes of the Brisbane CBD, Brisbane Airport, and Port of Brisbane.

## DUMBBELL EFFECT - GENERATION Y AND BABY BOOMERS

Queensland Generations - The Breakdown

GENERATION	BORN	GENERATION AGE (YEARS)				PROPORTION OF POPULATION PROJECTION (%)			
		2011	2016	2021	2026	2011	2016	2021	2026
The Great Generation	1925-1945	65+	70+	75+	81+	13%	10%	7%	5%
Baby Boomers	1946-1964	46-64	51-69	56-74	62-80	25%	23%	21%	19%
Generation X	1965-1980	30-45	35-50	40-55	46-61	21%	20%	19%	18%
Generation Y	1981-1999	11-29	16-34	21-39	27-45	28%	29%	28%	27%
Generation Z	2000 and After	3-10	8-15	13-20	19-26	8%	8%	8%	8%

SOURCE: OFFICE OF ECONOMIC AND STATISTICAL RESEARCH; PREPARED BY URBIS





# Housing Industry Association (HIA) Facts

- Australia Bureau of Statistics (ABS) projections show a QLD population doubling to 8.7 million by 2056, half of which will belong to the state capital, Brisbane
- HIA estimates that over the next 10 years, QLD will need to build 471,000 dwellings, which is 120,000 more dwellings than what was completed in the last 10 years.
- Current population trends show demand was 47,100 dwellings for 2009, which was ahead of the 28,000 dwellings that were completed in 2009.
- QLD's cumulated housing shortage is expected to reach 153,500 by 2020, the second largest shortage of all states and territories.

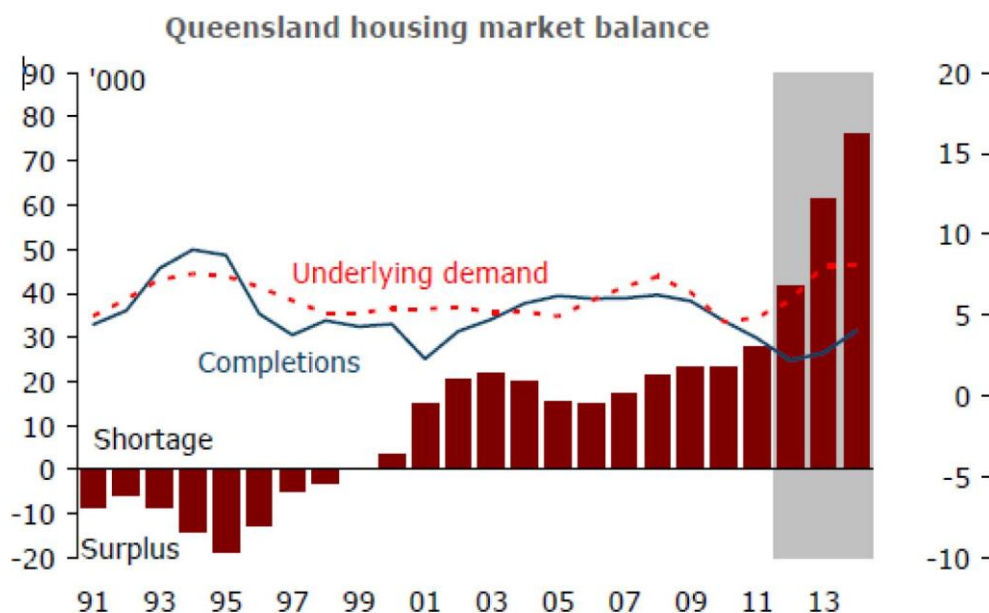
Record growth rate has been achieved in QLS's population, however new home building has stagnated. The housing shortage has been created by this imbalance in supply and demand. Therefore leaving many people either homeless or forced into inadequate housing in terms of size and or location.

Find under-valued and underrated areas east of Brisbane e.g. South Moreton Bay LGS could face serious Housing Shortages by 2020.

As a percentage of current population, Eastern Brisbane (Moreton Bay & Redlands LGAs) could face the worst housing shortage.

Australia's Housing by 2020

Rank	Local Government Area	State	Shortage
1	Brisbane (C)	QLD	25,453
2	Stirling (C)	WA	8,193
3	Gold Coast (C)	QLD	8,159
4	Wanneroo (C)	WA	7,275
5	Logan (C)	QLD	7,158
6	Moreton Bay (R)	QLD	6,698

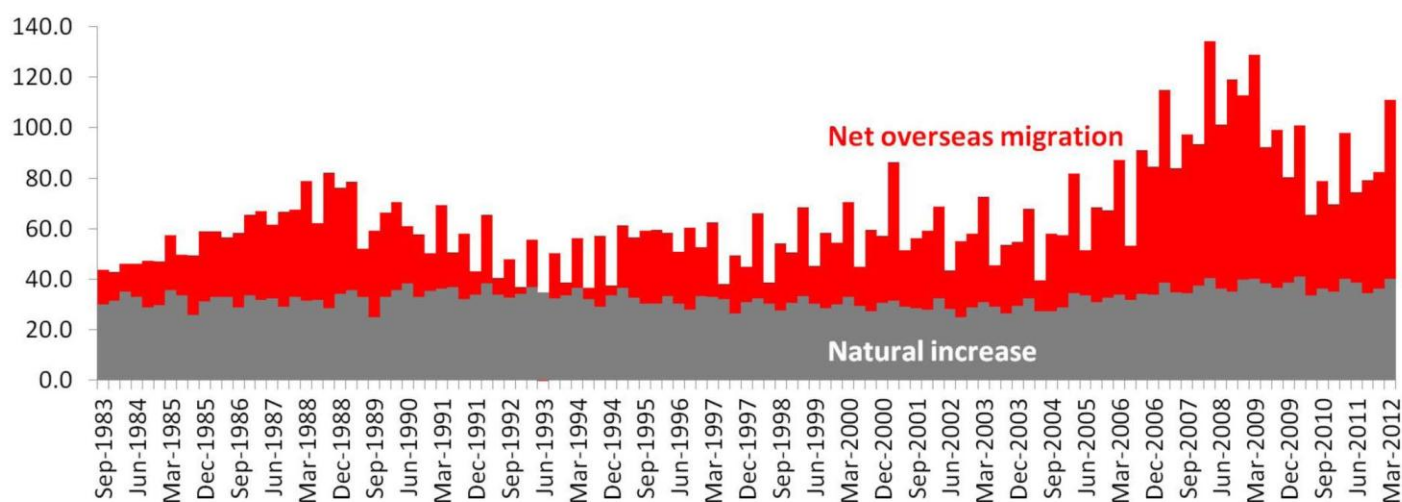


## Housing demand is rising at the fastest rate since December 2009

by Tim Lawless, RP Data, on October 10, 2012

The latest demographic update released by the Australian Bureau of Statistics late last month provides an overview on population growth and migration flows up to March 2012. The data revealed the rate of population growth, at 1.49%, was the highest rate of growth since the last quarter of 2009 and net overseas migration was at the highest level in two years, with just over 197,000 net overseas migrants arriving in Australia over the twelve months to the end of March. That's 18% higher than what was recorded a year ago, highlighting how significantly Australia's rate of net migration growth has turned around.

Components of national population growth, quarterly



Source: RP Data, ABS

## Deepening housing crisis: report

14th Jun 2012 9:30 PM

Source: Sunshine Coast Daily

Queensland is in the grip of a deepening housing crisis worse than nearly any other State, a report has revealed – a shortage of **83,000**.

The housing shortfall at the end of June 2012 was **200,000**, up from the 187,000 estimate in the December 2011 report.

The council projects that the national shortfall will increase to 370,000 by 2016, 492,000 by 2021 and **663,000** by 2031, assuming historic demographic and supply trends continue.

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**Where will the  
growth be over  
the next 10 yrs?**

**Which cities will  
be dominant in  
2020?**

**How will this  
impact on  
overall  
real estate  
investment  
flows?**

## BRISBANE

**WILL BE THE WORLD'S FASTEST  
GROWING 'MATURE' CITY  
RIGHT THROUGH TO 2020\***

### THE OVERALL LANDSCAPE

Today, the world's 30 largest cities measured by GDP (PPP) account for 43 percent of economic output, 39 percent of Grade A stock and 62 percent of real estate investment activity of the 'Global 300'.

By 2020, (virtually) the same 30 largest cities will still account for over 40 percent of the economic and real estate activity of the 'Global 300'.

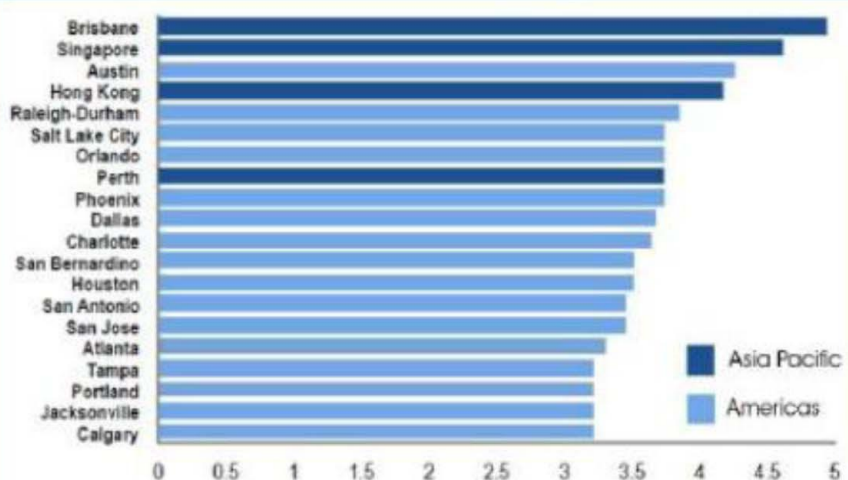
They will be the world's largest, most diverse cities, with deep and liquid commercial real estate markets. It will take a lot to change this concentration of activity, but middleweight cities are expected to show marginally stronger rates of economic growth over the coming decade. More importantly, huge efforts are being made by these mid-sized cities to increase their competitiveness through regulatory and tax reforms, as well as infrastructure improvements and concentrated efforts to improve business friendliness.\*

\*Source: Jones Lang LaSalle Inc, World Winning Cities - 2012

### RIISING URBAN STAR

It has been predicted that Brisbane will record annual GDP growth of almost 5% over the next eight years.

### 20 FASTEST GROWING MATURE CITIES



\* Source: Jones Lang LaSalle Incorporated, World Winning Cities - 2012





**"HOME BUYERS  
ARE EXPECTED TO  
BECOME MORE  
ACTIVE OVER THE  
NEXT THREE YEARS  
AS CONDITIONS  
IN THE PROPERTY  
MARKET IMPROVE,  
A REPORT SAYS."**

**\*BIS Shrapnel**

## **"BRISBANE HOUSING MARKET FORECAST TO IMPROVE 20% OVER THE NEXT 3 YEARS"**

**\*BIS Shrapnel**

The Residential Property Prospects, 2012 to 2015 report from economic forecaster BIS Shrapnel says NSW and the resource-rich states of Queensland, Western Australia and the Northern Territory are already showing signs of recovery.

However, the rest of the country - Victoria, South Australia, Tasmania and the Australian Capital Territory - will lag behind because of what the report says is an emerging excess of housing.

BIS Shrapnel senior manager Angie Zigomanis said the number of first-home buyers in the market, which fell after the temporary boost to the federal government's first-home owners' grant ended, were slowly returning to normal levels.

Mr Zigomanis said lower interest rates and more overseas migrants coming to live in Australia were also indications that some of the negative factors that pushed house prices down in 2010 and 2011 were beginning to turn around.

"The recovery is expected to eventually gain traction through 2013 as continued growth in resource investment spending eventually flows through to other sectors of the economy," Mr Zigomanis said in a statement.

"With the local economic and employment outlook becoming more positive, and some stabilisation and improvement overseas, purchasers are forecast to wade back into the market in greater numbers, translating to greater sales volumes and a pick-up in price growth over 2013/14 and into 2014/15."

Perth and Brisbane were forecast to record the highest growth in median house prices over the next three years at 22 per cent and 20 per cent respectively, with Sydney just behind at 17 per cent and Darwin at 15 per cent.

This compared with a forecast nine per cent increase for Adelaide, five per cent for Hobart, three per cent for Melbourne, and just one per cent for Canberra.

**\* Source: Residential Property Prospects (2012-2015) Report - BIS Shrapnel**

# Infrastructure spending for the Region

- Brisbane is experiencing huge growth through a number of large infrastructure and major investment projects across the board.
- In 2011 the Brisbane City Council committed \$1billion towards new infrastructure investment.
- The Queensland State Government is investing \$17.1billion (double the average of other Australian states) in projects in the capital city as part of a \$134 billion investment in infrastructure between now and 2031.

## Including:

- \$97.7 billion Transport
- \$6.8 billion Health
- \$5.4 billion Energy
- \$1.5 billion Water
- \$1.5 billion Community Services
- \$1.6 billion Completed Projects
- \$134.2 billion in Key Infrastructure Spending

## Massive Resource Infrastructure Investment: \$114 Billion

The resource sector contributed AUD\$25 billion to the Brisbane economy and there is over \$114 billion of resource-related infrastructure spending currently underway or in the pipeline.

There are 177 resource companies already based in Brisbane creating 144,000 direct and indirect jobs, these figures highlight the importance of this sector to Brisbane's future growth.

A recent released study from BREE1 showed Queensland as having:

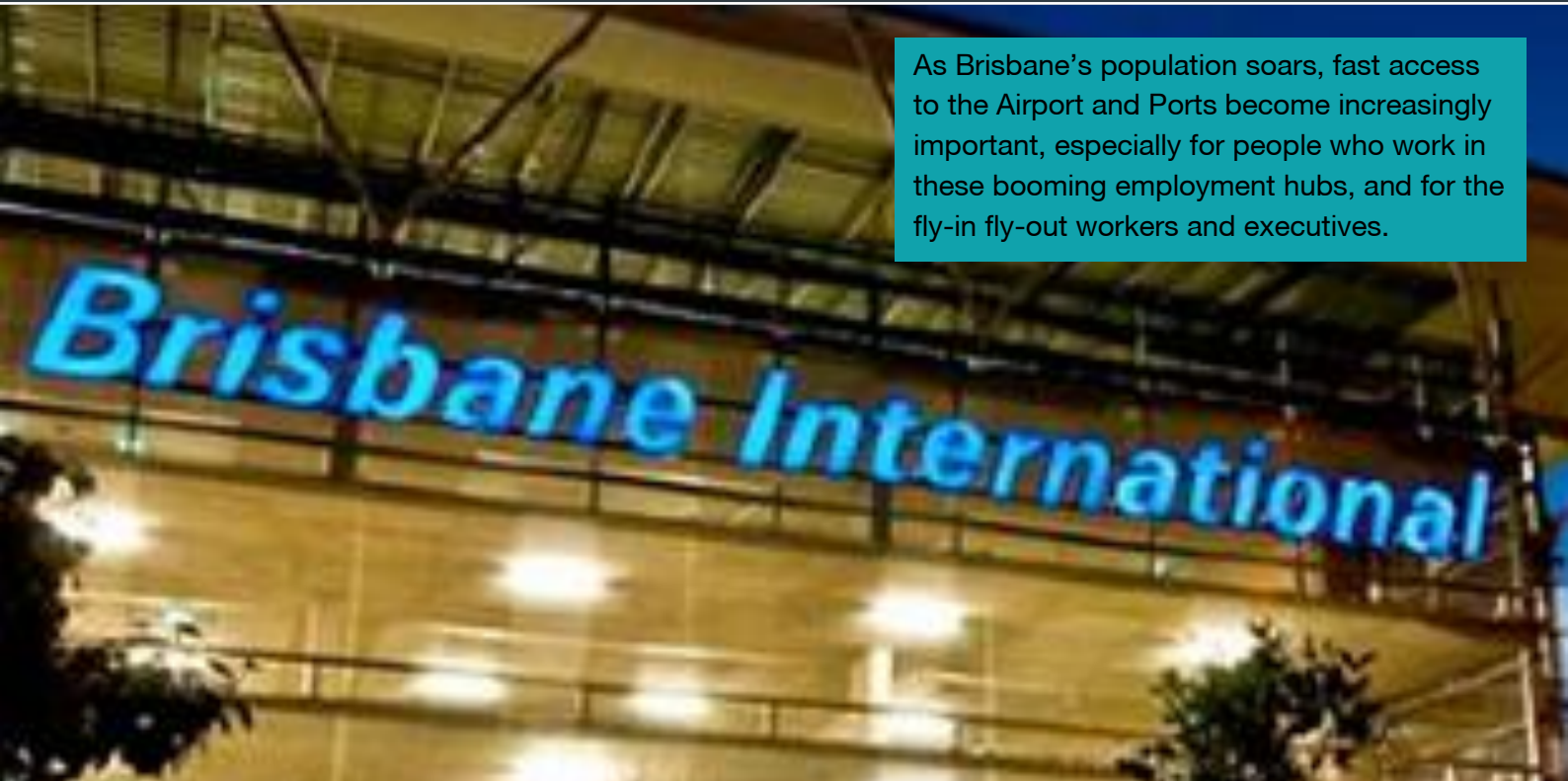
- \$55.2 billion (AUD) in LNG Projects under construction and proposed
- \$26 billion (AUD) in coal infrastructure projects (under construction and proposed)
- \$16 billion (AUD) of the study's listed and costed metallurgical coal projects
- \$26 billion (AUD) of the study's listed and costed thermal coal projects.





# Brisbane's growing Airports & Ports

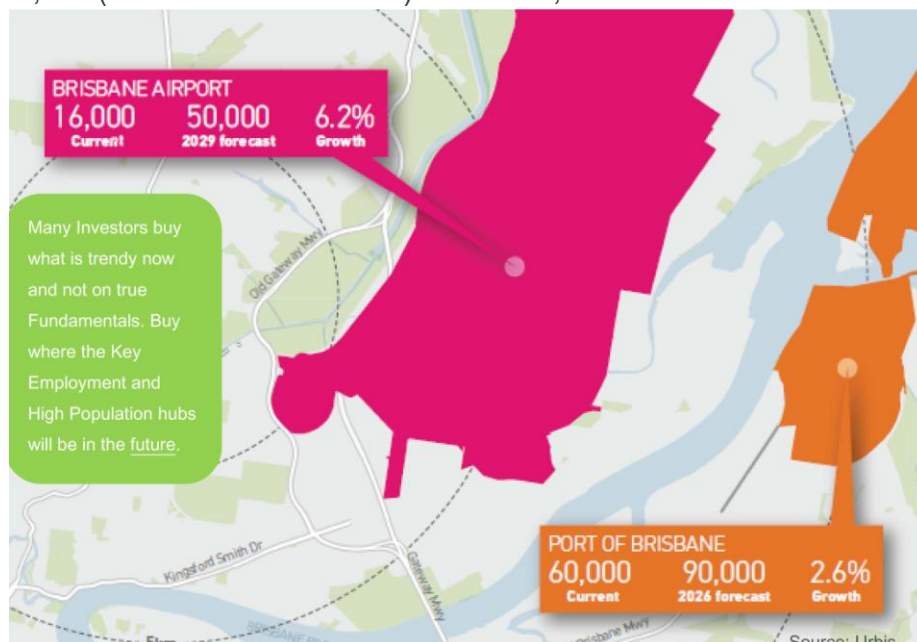
As Brisbane's population soars, fast access to the Airport and Ports become increasingly important, especially for people who work in these booming employment hubs, and for the fly-in fly-out workers and executives.



## Brisbane Airport – the Gateway to Queensland's Business, Resources

Brisbane has developed quickly, and will continue to develop, as the hub for executing resource development in Queensland and managing associated resources flows into Asia.

- Brisbane Airport is the nation's best-performing capital city airport for arrivals and departures.
- Has the 2<sup>nd</sup> highest number of international arrivals into Australia (behind Sydney)
- Air traffic is set to double by 2025 (39 million traffic movements by 2025), making Brisbane Airport Australia's second largest.
- Brisbane Airport Corporation (BAC) announced in May 2012 they will be spending an extra \$2.9 billion over the next 10 years developing 2,700 hectares around the Airport. Over the next 5 years 25 buildings will be erected for hotel, commercial space, retail, as well as industrial and mixed industry and business uses.
- A longer term forecast predicts the airport-based workforce to more than double in the next 20 years from its current level of 19,000 (across 420 businesses) to over 50,000.





## The Trade Coast: Airport & Port of Brisbane – Major Employment for Brisbane

- Billions being spend on Airport & Port expansions and rapid job creation
- Dozens of businesses and projects (below) are currently underway and in the pipeline
- Total trade at the Port of Brisbane has grown for the 16<sup>th</sup> consecutive year. Trade will be more than double to 60 million tonnes over the next 20 years (\$30 billion to \$50 billion)
- Australia's 3<sup>rd</sup> largest Port and is one of only seven ports in the world with deep-water access

Lord Mayor, Graeme Quirk, says the key drivers of Brisbane's growth over the next 10 years include:

- Brisbane is set to become QLD's fly-in fly-out hub for the resources sector
- Targeting Brisbane's professionals to join trade missions to Asia
- Supporting the growth of Brisbane as a hub to resource industries in QLD
- Expanding business opportunities linked to Brisbane's air and sea ports
- Attracting extra airline services and connections to Brisbane



# Summary

- Brisbane couldn't be at a better time in its property cycle for investors
- Major infrastructure investment, major population growth & worsening housing shortage
- Fastest growing 'mature' city in the world with connections to the world stage
- Positioned perfectly to capture the prosperity from QLD's coming resources boom
- 20% capital growth forecast over the next 3 years
- Most affordable property prices in Australia
- Booming employment surrounding the ports and airport

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