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Investment Report

Toowoomba, Queensland



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Why Toowoomba?

A leisurely 1.5 hour drive from Brisbane, Toowoomba is one of Queensland's most breathtaking provincial cities and it doesn't take long to understand why. Situated atop the fertile Lockyer Valley on the Great Dividing Range, Toowoomba & Darling Downs offers a rich cultural experience.

The region is renowned for its magnificent parks and gardens, scenic views and provider to palate gourmet food and wine culture. It is a region of unparalleled beauty, offering the contrasts of the seasons; the colours and characters of the countryside; rich heritage and the release from big city pressures to enjoy country pleasures.

Toowoomba & Darling Downs provides the perfect setting to enjoy all the beauty and adventure of the great outdoors. Whether you are planning a weekend retreat, an extended getaway or visiting friends - from the moment you arrive your senses will be overwhelmed by the region's beauty, history and diversity.

The region's event calendar is overflowing with exciting new experiences rich in cultural and artistic diversity. From the annual Carnival of Flowers to a number of top class sporting events, hobby craft markets and displays through to musical and theatre productions, the region offers an eclectic range of adventure, entertainment and history to cater for the most varied of tastes.

As a vibrant and thriving region grows and develops, infrastructure and facilities need to grow with it. That's why throughout the Toowoomba Regional Council area major projects are being planned and carried out to make this an even better place to live.

Some of the projects that the Council are working on are the following:

- **Railyards Precinct** - redevelopment of rail land in the Toowoomba CBD - the project will become the jewel in the crown of the city, on the same level as Southbank and Roma St Parklands in Brisbane".
- **NDRRA Flood recovery program** - Council is undertaking the largest flood recovery program the region has ever seen. The impact of the 2010 and 2011 floods has resulted in a local road network reconstruction program worth more than double the cost of council's annual capital and maintenance works program. Works are scheduled for completion by end of June 2013.
- **Flood Mitigation** - Council is embarking on an extensive program of flood mitigation measures starting with detention basins along East and West Creeks in Toowoomba. Known as the Gowrie Creek Catchment Management Strategy, the plans include upgrading or construction of detention basins and other measures that will reduce downstream flooding and help prevent the inundation of residences, properties and businesses, particularly in the CBD.
- **Sustainable Transport Strategy** - Toowoomba Regional Council is keen to promote a sustainable transport future, looking at how people and places are connected. To this end, it is seeking community feedback on the first stage of its Toowoomba Region Sustainable Transport Strategy (TRSTS).

Toowoomba: The Facts

Land use

The Toowoomba Region is a growing residential area, with significant rural and rural-residential areas, and some industrial and commercial land use. The Toowoomba Region encompasses a total land area of about 13,000 square kilometres. The main urban centre is Toowoomba, with smaller urban areas in the townships of Clifton, Crows Nest, Goombungee, Millmerran, Oakey, Pittsworth and Yarraman, and numerous villages. Rural land is used largely for beef and dairy cattle, crop and cereal growing, vegetable growing and sheep grazing, with some energy production, forestry and tourism.

Transport

The Toowoomba Region is served by the Daguiar Highway, the Gore Highway, the New England Highway, the Warrego Highway, the Westlander train and Toowoomba Airport.

Major features

Major features of the Region include the Toowoomba CBD, Clifton Historical Museum, Cobb & Co Museum, Crows Nest Folk Museum & Village, Crows Nest Regional Art Gallery, Darling Downs Zoo, Highfields Pioneer Village, Jondaryan Woolshed, MacLagan Memories Museum, Milne Bay Military Museum, Museum of Australian Army Flying, Oakey Army Aviation Centre, Pittsworth Pioneer Historical Village, Yarraman Heritage Centre, Toowoomba Regional Art Gallery, Cooby Creek Dam, Perseverance Dam, Clifford Park Racecourse, Echo Valley Motor Sports Complex, Crows Nest National Park, Ravensbourne National Park, The Palms National Park, Wondul Range National Park, Irongate Conservation Park, Milne Bay Aquatic Centre, Highfields Cultural Centre, Oakey Cultural Centre, Ju-Raku Garden (Japanese Garden), Jubilee Park, Queens Park, Redwood Park, State Rose Garden, Toowoomba Bicentennial Waterbird Habitat, Toowoomba Showgrounds, Southern Queensland Institute of TAFE (Toowoomba Campus), University of Southern Queensland (Toowoomba Campus), Baillie Henderson Hospital, St Andrew's Toowoomba Hospital, St Vincent's Hospital, Toowoomba Base Hospital, Millmerran Power Station, New Acland Coal Mine, various state forests and numerous wineries.

Population Projections

In 2031 the population for Toowoomba Regional Council Local Government Area (LGA) is projected to be 228,461 persons. This will account for 3.6 per cent of Queensland's total population at this time. The population for Toowoomba Regional Council LGA is projected to increase by an average annual growth rate of 1.7 per cent over the 25-year period between 2006 and 2031. In comparison, Queensland is projected to have an average annual growth rate of 1.7 per cent over the same period.

Economy & Employment Growth

Average annual employment growth in Mackay in Health Care and Social Assistance is similar to the national average (3.8%), however these industries are under-represented locally comprising only 7.4% of the Mackay workforce, compared with 10.8% of the Australian workforce. Employment growth in our industries is predicted to continue at higher rates than other industries, and projects such as the current Mackay hospital redevelopment (creating 800 new jobs over the next five years) will add to this natural growth.

Housing in Toowoomba

In the 12 months ending 30 September 2010, there were 1,144 residential dwelling unit approvals in Toowoomba Regional Council Local Government Area (LGA). These approvals were valued at \$263.1 million and accounted for 3.3 per cent of the overall total for the state. The value of non-residential building approvals in Toowoomba Regional Council LGA in the 12 months ending 30 September 2010 was \$155.1 million. This was 1.9 percent of the value of these approvals in Queensland.

The value of residential building approvals in the Toowoomba Regional Council for the September quarter 2010 was \$64.1 million, compared with \$1,691.8 million in Queensland. Between the September quarter 2008 and the September quarter 2010, the value of new residential building approvals in the Toowoomba Regional Council ranged between \$30.5 million and \$71.5 million.

The value of non-residential building approvals in the Toowoomba Regional Council for the September quarter 2010 was \$28.9 million, compared with \$1,322.8 million in Queensland. Between the September quarter 2008 and the September quarter 2010, the value of non-residential building approvals in the Toowoomba Regional Council ranged between \$23.0 million and \$61.7 million.

In 2011, there were 53,213 separate houses in the area, 8,775 medium density dwellings, and 412 high density dwellings. Analysis of the types of dwellings in Toowoomba Regional Council area in 2011 shows that 84.4% of all dwellings were separate houses; 13.9% were medium density dwellings, and 0.7% were high density dwellings, compared with 74.1%, 15.4%, and 6.4% in the Regional QLD respectively.

In 2011, a total of 90.8% of the dwellings in Toowoomba Regional Council area were occupied on Census night, compared to 87.7% in Regional QLD. The proportion of unoccupied dwellings was 8.9%, which is smaller compared to that found in Regional QLD (11.9%)

The total number of dwellings in Toowoomba Regional Council area increased by 5,431 between 2006 and 2011. The largest changes in the type of dwellings found in Toowoomba Regional Council area between 2006 and 2011 were:

- Separate house (+4,409 dwellings)
- Medium density (+770 dwellings)
- High density (+230 dwellings)



Demographics

The Census population of Toowoomba Regional Council area in 2011 was 151,188, living in 63,202 dwellings with an average household size of 2.50.

- Toowoomba City (4350) is a suburb of South Eastern, Toowoomba & South Eastern, and Queensland. It is about 106 km s from QLD's capital city of Brisbane.
- In the 2011 Census the population of Toowoomba City is 2,200 and is comprised of 50.4% males and 49.6% females.
- The median/average age of the Toowoomba City population is 39 years of age, 2 years above the Australian average.
- 76.4% of people living in Toowoomba City were born in Australia. The other top responses for country of birth were England 2.7%, New Zealand 1.6%, China 0.9%, India 0.7%, United States of America 0.7%.
- 83.7% of people speak English as their first language 0.9% Cantonese, 0.9% Mandarin, 0.6% Italian, 0.5% Arabic, 0.4% French.
- The religious make up of Toowoomba City is 23.7% Catholic, 19% No Religion, 18.6% Anglican, 4.4% Christian, 4.2% Uniting Church.
- 27.7% of people are married, 44% have never married and 13.6% are separated or divorced. There are 173 widowed people living in Toowoomba City.
- 59.6% of the people living in Toowoomba City are employed full time, 27.8% are working on a part time basis. Toowoomba City has an unemployment rate of 7.3%.
- The main occupations of people from Toowoomba City are Professionals 20.7%, Technicians and Trades Workers 13.7%, Labourers 13.2%, Clerical and Administrative Workers 13%, Community and Personal Service Workers 12.4%, Sales Workers 9.5%, Managers 9.3%, Machinery Operators and Drivers 5.8%.
- The median individual income is \$498.00 per week and the median household income is \$761.00 per week.
- 17.2% of homes are fully owned, and 18.3% are in the process of being purchased by home loan mortgage. 58.7% of homes are rented.



Infrastructure spending for the Region

Toowoomba City is the principal regional activity centre for the region and beyond, providing a mix of businesses, industries and services which are readily accessible to our local and regional communities. The rural communities have strong and viable economies which support and are underpinned by a sustainable rural sector. Readily accessible activity centres are located across our region providing a broad range of business uses and supporting infrastructure.

One of the biggest projects, which is currently under way, is the \$55.1 million restoration works being conducted on the Toowoomba Range which has been entirely funded by the State Government despite it being part of the national roads network.

The total figure includes about \$20 million worth of projects and upgrades along the Gore Highway, which falls under the national highway network, between Toowoomba and Millmerran.

The infrastructure spend does not include the \$28 million allocated in the State Budget towards the \$45 million Toowoomba CBD outer circulating road project.

Infrastructure Services

During 2013/14, Council will deliver a record \$89 million of capital works projects:

- \$42.4 million upgrading and renewing the road and drainage network,
- \$3.5 million for specific transportation projects, ie: aerodrome, parking facilities, planning studies and investigations,
- \$16.6 million to replace plant and equipment, and
- \$27 million this financial year for Toowoomba's Outer Circulating Road. (Total project cost is \$45 million, funded by the state government).
- In addition to Council's annual capital works program, a further \$100.7 million will be spent to complete the 2011 and 2013 flood recovery works under the Natural Disaster Relief and Recovery Arrangements (NDRRA) program.



Highlights for Toowoomba

- The Toowoomba Regional Council area contributed 3.1% to the gross state product of Queensland in 2010/11
- By June 2031 the Toowoomba Regional Council area is projected to grow to 244,340 persons
- Rents for good quality office accommodation range from \$350-400 gross per square metre with incentives at 15-20%
- Leasing demand has been strongest for those warehouses located in strategic positions offering space from 4,000-8,000m²
- Two poly pipe manufactures servicing the CSG sector, Vinidex and Iplex, have opened purpose built manufacturing facilities at Witmack Industry Park
- As at June quarter 2012, the median price for a detached house in Toowoomba was \$299,000. This was a 3.8% increase over the past quarter.

Other key economic statistics for the Toowoomba region include:

- The largest contribution to gross state product was manufacturing with \$1 billion or 12% of GRP for the Toowoomba Regional Area.
- The Australian Bureau of Statistics most recent report shows that there were 13,727 businesses registered in the Toowoomba Regional Council area in June 2009.
- Agriculture, Forestry and Fishing were the largest industry in terms of business numbers representing 22% of total business registered in the Toowoomba Regional Council area.
- There were an estimated 89,296 persons employed in the Toowoomba Regional Council area as at 30 June 2012. This represented a quarterly growth rate of 1.64% and annual growth rate of 5.4%.



The Chronicle

Queensland has second-fastest population growth rate

APN Newsdesk - 3rd May 2013

Of those who moved to the sunshine state during the 2011-12 year, 43,300 people moved to greater Brisbane and 42,700 moved to regional areas. Of those who moved to the sunshine state during the 2011-12 year, 43,300 people moved to greater Brisbane and 42,700 moved to regional areas.

CENTRAL Queensland and the Sunshine Coast are among the fastest growing regions in Queensland to June last year, figures from the Australian Bureau of Statistics have revealed.

The figures show Mackay, Fitzroy (including Rockhampton and Gladstone), the Sunshine and Gold Coasts and Townsville have the biggest population growth outside of Brisbane in the previous 12 months.

Queensland's population reached 4.56 million in June last year, with an extra 86,000 people moving to the sunshine state since June 2011.

It was the second-fastest population growth rate of any state or territory, at 1.9%, surpassed only by booming Western Australia at 3.3%.

Of those who moved to the sunshine state during the 2011-12 year, 43,300 people moved to greater Brisbane and 42,700 moved to regional areas.

Most of those who moved to regional areas went to the Gold Coast and Sunshine Coast, with 16,500 new residents, while a further 14,700 moved to Mackay, Fitzroy and Townsville during the year.

The Central Queensland region of Fitzroy, including Rockhampton and Gladstone, had the fastest growth of all regional areas, up 2.7% of 5,900; followed by Mackay, up 2.6% or 4400 and Gold Coast and Townsville, both up 2%.

New residents also flocked to the Sunshine Coast, with a population growth of 5800 people, included as part of the Gold Coast's statistical growth of 2% in the year to June 2012.

The ABS data release came just a week after the nation's population passed 23 million, primarily on the back of new migrants, temporary visa holders, and international students.

Data did not reveal whether the growth was due to natural attrition (new births), or people moving from interstate or other regions within Queensland.

Hotspots: Toowoomba could be headed for recovery

By Larry Schlesinger
Tuesday, 06 March 2012

Toowoomba is one of just nine locations that has been listed as an investment hotspot three years running (2010-2012) by Australian Property Investor magazine in its annual Hot 100 list.

As Australia's second-largest inland city (after Canberra), Toowoomba could benefit from providing services to the Surat Basin about 160 kilometres to the north west, Australia's largest coal seam gas (CSG) mine.

However, the town is still recovering from the devastating effects of the 2011 inland tsunami that claimed 22 local lives and caused \$7 billion worth of damage to homes and infrastructure in the town and neighbouring Lockyer Valley. Residents complain that the pace of reconstruction remains slow while some home owners continue to battle with insurers to rebuild their homes.

Location and demographics

Toowoomba is located 127 kilometres west of Brisbane. It is bounded by the South Burnett region in the north, the Somerset region and the Lockyer Valley region in the east, the Southern Downs region and the Goondiwindi region in the south, and the Dalby region in the west.

It has an estimated district population of about 150,000, which is expected to reach 231,000 by 2031 and possibly as high as 250,000 under a high-growth scenario (Canberra has a current population of 358,000).

The Queensland government forecasts Highfields, 14 kilometres north of Toowoomba, along with Toowoomba south-east, Toowoomba west and Westbrook, 12 kilometres south of Toowoomba, to grow the fastest over the next four years.

According to ABS statistics, the Toowoomba municipality's unemployment rate dropped from 3.5% to 1.6% between 2005 and 2009, and its population grew by 7%.

Key property data

According to RP Data, Toowoomba is more affordable than nearby Chinchilla (also a mining hotspot) and significantly more affordable than hotspot king Gladstone, though returns are lower.

	Median house price	Yield	Median unit prices	Yield
Moranbah	\$510,000	12%	SNR	SNR
Rockhampton	\$217,500	6%	\$447,500	5%
Gladstone	\$437,000	5%	\$350,000	7%
Toowoomba	\$275,000	5%	\$233,500	5%
Chinchilla	\$320,000	5%	\$252,500	8%

About a third (31%) of residents in Toowoomba and the Lockyer Valley rent.

Hotspotting.com.au director Terry Ryder warns against investing in locations solely reliant on the resources boom.

In this respect, Toowoomba is more than just a base for mining companies. It has a diverse economy with major industries including manufacturing, agriculture and education. Toowoomba has more than 23 private schools and a technical college, as well as being home to a campus of the University of Southern Queensland.

Ryder describes Toowoomba as a “prime example of a strong regional economy that benefits from the resources boom but doesn’t rely on it – making it a safe long-term bet for investors.

“Toowoomba has a diverse economy, a secure water supply ... and an exciting future given everything that is happening in the neighbouring Surat Basin, Australia’s new resources boom province,” Ryder explains as part of his reason for selecting Toowoomba in Smart Property Investment magazine’s 2012 list of 50 locations with the most price growth potential.

Toowoomba was also one of only 21 locations to be included on hotspot lists of both Your Investment Property magazine and Australian Property Investor last year.

Toowoomba is the top pick of RP Data’s David Williams, who says “Toowoomba is quickly becoming a base town for [CSG] mining companies”.

Current state of the market

According to the January 2012 ANZ Australian Housing Chart book, Toowoomba was one of the better-performing regional locations in Queensland, with price growth of around 3%. This is well below that of hotspot king Gladstone, but it is higher than the overall regional Queensland market and Brisbane.



Source: ANZ January 2012 Housing Chart Book

Demand for property in Toowoomba will likely be underpinned by strong population growth in the neighbouring Lockyer Valley, which is one of Australia’s fastest-growing regional areas.

Lynn McLean, owner of Realpoint Property owner, reports an increase in sales in January. "It's all starting to finally happen for the Surat Basin," she told the Toowoomba Chronicle. "Last week I sold five other blocks of land specifically to cater for the mining industry."

McLean says she has “a waiting list of people looking for blocks of units and duplexes” and has been taking delegations of interstate and overseas investors on tour of the city’s real estate.

She is currently marketing a two-bedroom house on Jellicoe Street (pictured below) on a 1,400-square metre-lot for \$315,000 as a development opportunity suited for mine workers.

"At the very western end of Jellicoe Street, so is perfectly situated for accommodation units for the mining workers," she writes.

It is currently rented at \$205 per week, reflecting a yield of 3.38%

"You could divide it into two lots, both lots would have good street frontage or you could remove the house and build five units," she says.

A pick-up in activity has also been noted by Collier International's Dominic Ryan, after a slow 2011.

According to Ryan there has been a lot of interest of late from investors in towns near the Surat Basin. Ryan expects rents to start rising.

Another agent, Daniel Steinberg from Ray White Toowoomba is selling this four-bedroom house on Winning Street currently rented at \$355 per week at an asking price of \$345,000.

This equates to a yield of 5.35%.

"Act now before the mining rental boom hits the west side of Toowoomba," he writes.

<http://www.propertyobserver.com.au/queensland/hotspots-toowoomba-could-be-headed-for-recovery/2012030553595>

The Chronicle

It's official! Toowoomba's a lifestyle and economic hotspot

Adam Davies - 22nd Jun 2013

IT IS official - Toowoomba continues to be a great place to live, work and play.

Data released this week by the Australian Government Association has given a snapshot of life in Toowoomba and the Darling Downs.

The State of the Regions report outlined changes in social and economic indicators over the past three years.

One thing was evident - Toowoomba is certainly the hotspot in terms of lifestyle and economic growth in the state.

Toowoomba Chamber of Commerce and Industry president Andrew Wielandt said the figures backed up what people had known for a while.

"Toowoomba continues to be an economic hotspot and the data supports that," Mr Wielandt said.

"It is not surprising to see our population has risen by 1.3 per cent over the past three years.

"We can expect it to grow even further as the opportunities to the west of the city continue to accelerate," he said.

The report showed Toowoomba continued to have one of the lowest unemployment rates in the state.

"In the past three years, according to the report, the average wage has risen by 10.9 per cent," Mr Wielandt said.

"This poses significant challenges for business.

"Interestingly, taxes have risen by 14 per cent over the same period which is greater than the wage increase.

"You have to ask whether this is equitable."

Mr Wielandt said figures showed the region had grown substantially over the past three years.

"Our gross region product has grown by 7.6 per cent over the past three years," he said.

"That is significant because the three years previous to that it only grew by three per cent."

Mr Wielandt said a slight decrease in the total household wealth was offset by an increase in property values.

"We have had a 3.6 per cent increase in consumables which reflects confidence in the broader economy," he said.

"Interestingly, home values increased by that amount which further supports the fact Toowoomba has a very strong and stable economy," he said.

DARLING DOWNS FAST FACTS

Major centres include Toowoomba, Dalby, Warwick and Roma.

Toowoomba is the commercial hub of the region.

Major industries include agriculture, mining and education.

The energy sector, namely coal seam gas mining, is expanding rapidly.

The Darling Downs is comprised of four regional councils.

The Chronicle

MAJOR CHANGES

The Darling Downs population grew by 1.3 per cent over the past three years.

The average temperature across the Darling Downs last year was 20 degrees.

The average household has a combined wealth of \$418,000.

The average household has \$175,000 in liabilities.

Property values grew by 3.6 per cent.

Wages grew by 10.9 per cent but was offset by a 14 per cent increase in taxes over the same period.

<http://www.thechronicle.com.au/news/toowoomba-remains-a-top-spot-to-live/1916696/>

Summary

The Toowoomba region is uniquely located in the south-east corner of Queensland and offers nearly 155,000 residents the best of both city and country lifestyles. Established around an agricultural sector that takes advantage of incredibly fertile farming land, the region's economy has grown and diversified to the point that Toowoomba is now the second largest inland city in Australia and the service centre for south-west Queensland and north-west New South Wales.

Toowoomba is rapidly moving beyond its Garden City reputation to becoming the hub of one of Australia's most attractive regions. The temperate climate, beautiful gardens and serene countryside remain but phenomenal opportunities are attracting an influx of new businesses and residents keen to be part of the success of the region. The Surat Basin, one of Australia's richest accessible resource reserves, is just hours west of Toowoomba and will see almost \$200 billion invested in projects that will create around 16,000 jobs.

The region is working hard to ensure that economic growth compliments the quality of life that has long been a feature of the Toowoomba region. The future for Toowoomba is promising, not only for those fortunate enough to already live in the region, but also those looking to move to where the grass really is greener.

If you are interested in securing your piece of paradise and would like more information on investing in the area, contact Crystal Blue Homes today!



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