

East Brisbane



With homeowners holding their property for an average of 15 years, East Brisbane is one of Brisbane's most prestigious and tightly held suburbs.

Area Overview

Located just 2.5km from Brisbane's CBD, East Brisbane boasts exceptional accessibility to employment hubs, lifestyle amenity, hospitals, transport, the Brisbane Airport, and Gold and Sunshine Coasts via the M1 Motorway.

With its proximity to some of the city's most sought-after schools and tertiary institutions, including the ultra-exclusive Anglican Church Grammar School, property is consistently in strong demand and very tightly held. The suburb is home to a large number of multi-million dollar properties, with recent sales of up to \$8.1 million.

Residents have a variety of premium boutiques, cafes, and restaurants within close reach, such as Woolloongabba's trendy Logan Road precinct, as well as bikeways and vast riverfront recreational greenspaces located in Mowbray Park and Heath Park.

East Brisbane is also set to benefit from an incredible pipeline of infrastructure investment, currently under construction and planned. The majority of Brisbane's cornerstone projects

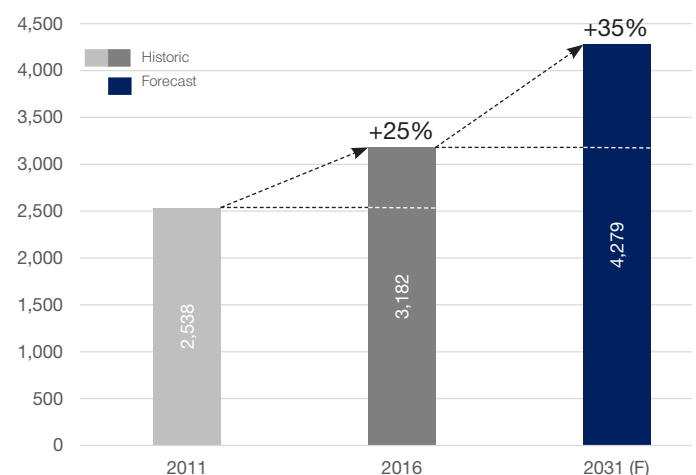
including Queens Wharf, the Kangaroo point Green Bridge, Cross River Rail, the Gabba Masterplan and Brisbane Metro all fall within a 1.5km radius.

As one of Brisbane's oldest suburbs, there is a significant amount of character housing which is protected by planning provisions, ensuring that new apartment supply has been, and will remain, relatively constrained into the future.

Employment

In the five years preceding the 2016 Census, local East Brisbane employment opportunities increased by 25% and are projected to increase by a further 35% by 2031, as highlighted below.

EAST BRISBANE LOCAL AREA EMPLOYMENT FORECAST

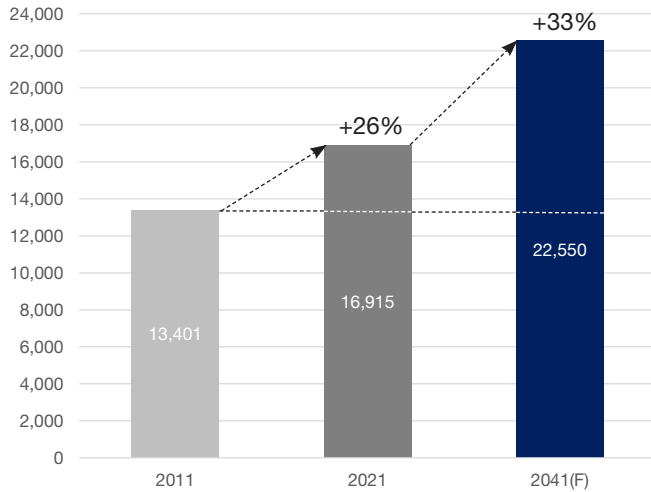


SOURCE: ABS, NEIR

Population

The East Brisbane Area's residential population has grown by around 26% in the previous decade to approximately 16,900 in 2021. Based on future population projections, around 2,800 new dwellings will be required to house the local population in 2041.

EAST BRISBANE POPULATION - HISTORIC & FORECAST



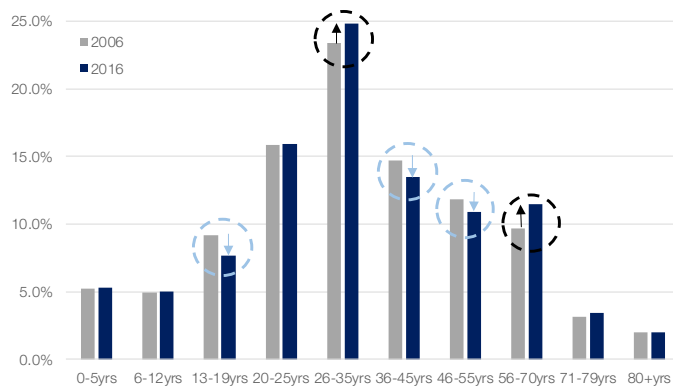
SOURCE: ABS, QGSO

Current residents are largely young, active white-collar professionals with prosperous socioeconomic status. The dominant age group is between 20 and 34, and close to a quarter of the population earns over \$150,000 per annum.

	EAST BRISBANE	GREATER BRISBANE
Median Age	31	35
University Educated	37.6%	22.9%
White-Collar Professionals	46.4%	34.7%
Median Weekly Household Income	\$1,742	\$1,562
Median Weekly Family Income	\$2,321	\$1,821
> \$3,000 Gross Weekly Income	23.5%	17.6%

The shift in East Brisbane's age profile, as shown below, indicates a downward trend in teenage and middle-age residents and growth in the young professional and retirement/downsizer demographic.

EAST BRISBANE POPULATION AGE PROFILE CHANGE



SOURCE: ABS



This reflects an increasing appetite for low maintenance, lifestyle-led living options near excellent levels of amenity. These groups also typically have greater financial capacity to rent or purchase premium quality dwellings.

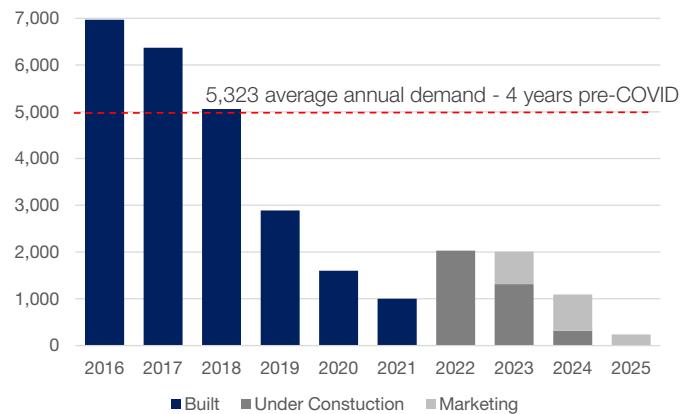
Residential Property Market

Brisbane Macro

For some time industry experts have been forecasting that Brisbane would be the best performing capital city market over the coming three years. As of January 2022 Brisbane has been outperforming all other Australian capitals.

As demonstrated in the graph below, "real" new apartment supply is extremely limited in Brisbane, highlighting the strength of investment opportunity in this style of product.

POTENTIAL APARTMENT SUPPLY - INNER BRISBANE



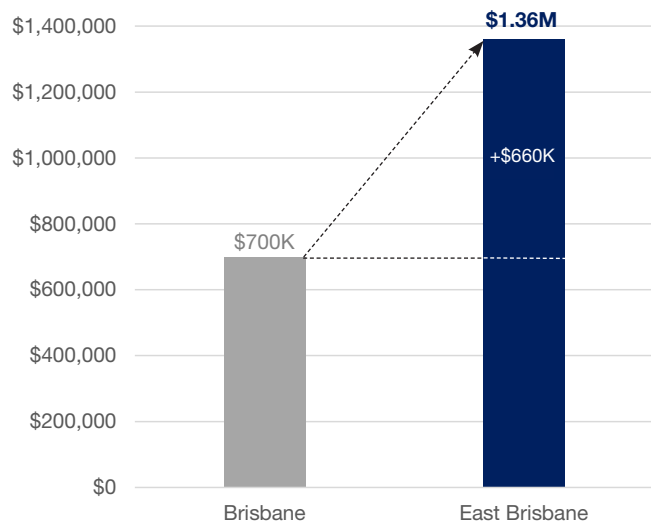
SOURCE: CORELOGIC, JLL

Based on historical demand and likely anticipated supply, Inner Brisbane will experience a shortfall of around 16,000 new apartments over the next four years.

East Brisbane Micro

Highlighting East Brisbane's status as an extremely desirable blue-chip location, houses sold during the year to March 2022 commanded a 94%, or \$660,000, premium above those sold across the Greater Brisbane area during the same period.

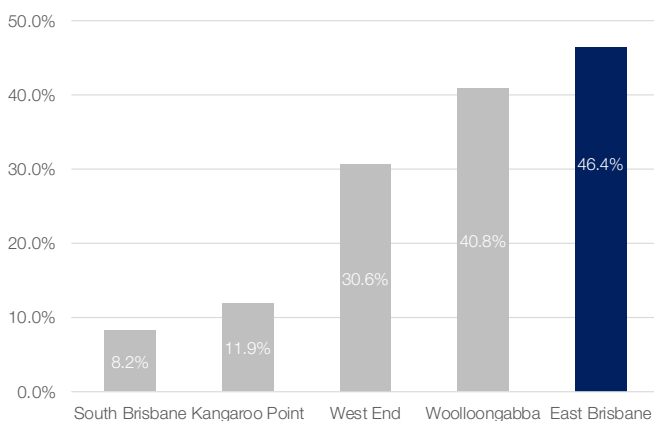
MEDIAN HOUSE PRICE - MARCH 2022



SOURCE: PRICE FINDER

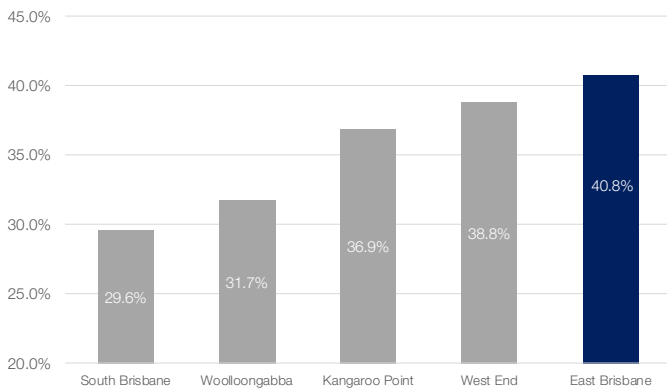
Unlike other suburbs that boast similar proximity to the CBD, East Brisbane has a large number of freestanding character homes protected by planning provisions which has greatly restricted apartment development. Further, a comparatively large number of dwellings are also owner-occupied.

SUBURB FREE-STANDING COMPOSITION



SOURCE: ABS

OWNER-OCCUPIED DWELLINGS



SOURCE: ABS

This high proportion of free-standing and owner-occupied dwellings provide a crucial differentiation for East Brisbane over other inner-city locations, favouring future investment prospects for attached dwellings. rs tend to be more readily impacted by and reflect underlying demand/ supply realities.



The reason for this is that it provides a “safety net” to the apartment market or a logical position from which units should be valued and not just an “investment yield value”, while a well-represented population of high income earning owner-occupiers generally indicates a less volatile, more sustainable market than one primarily supported by investors.

Vacancy rates are one of the best lead indicators of the underlying demand/supply balance in residential property. In this respect, the core fundamentals of the East Brisbane property market have been consistently strengthening since December 2016. At 0.9%, the current East Brisbane vacancy rate reflects an exceptionally tight and undersupplied dwelling market.

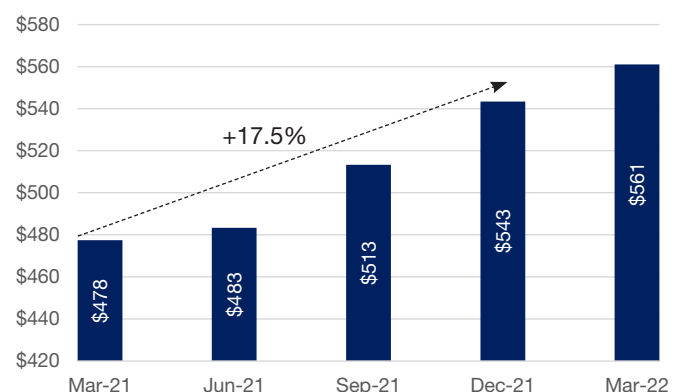
EAST BRISBANE VACANCY RATE



SOURCE: SQM RESEARCH

As a consequence of such a low vacancy rate, East Brisbane apartment rents have increased by \$84 per week or 17.5% in the previous year.

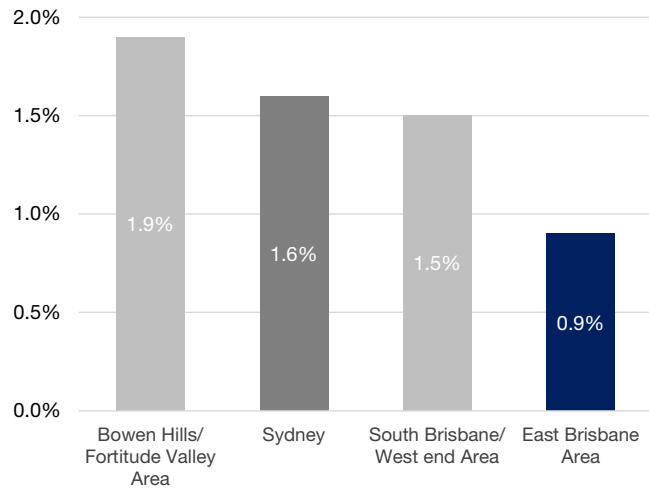
EAST BRISBANE APARTMENT RENTS



SOURCE: RTA

The chart below provides additional context to the current East Brisbane vacancy rate which reflects a notably stronger demand/supply balance than Sydney and that of alternative Inner Brisbane apartment markets which have been subject to high levels of additional dwelling supply.

COMPARATIVE VACANCY RATES - MARCH 2022

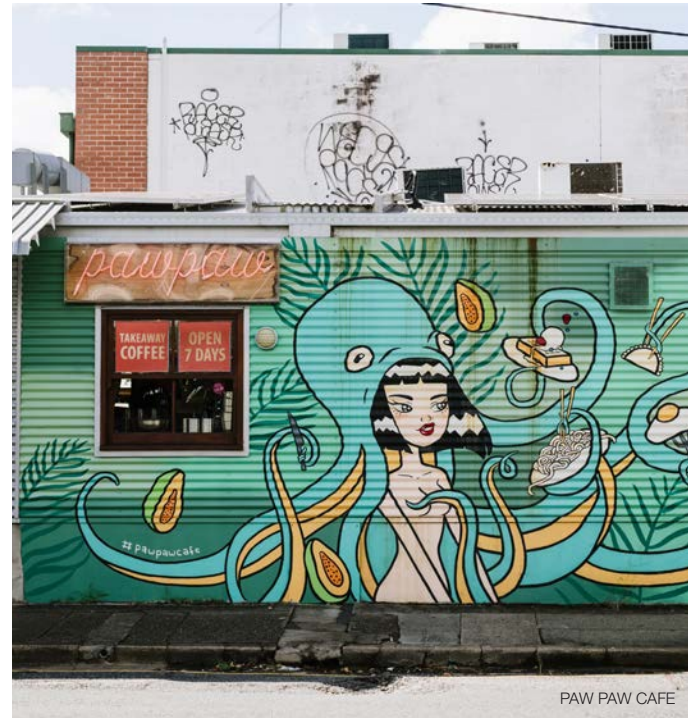


SOURCE: SQM RESEARCH

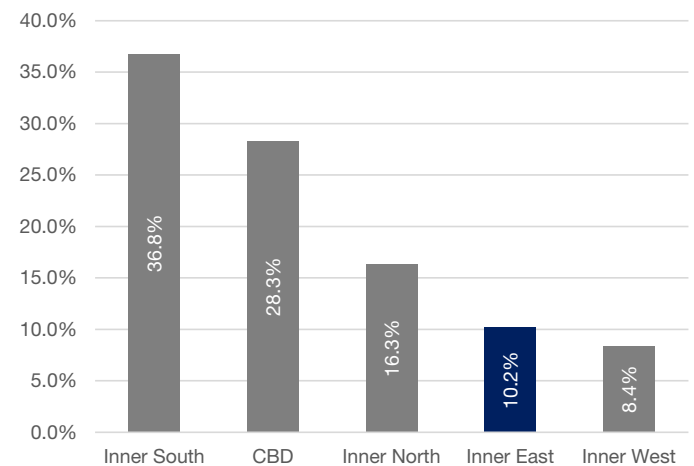
East Brisbane apartment resales outline below also substantiate the underlying long-term health of market. The table below outlines the suburb's top 10 apartment resales that have occurred in the previous year.

Fundamentally however, what will ultimately continue to drive the strength of East Brisbane is that only a very small percentage of Brisbane's dwindling supply pipeline is being delivered to the Inner East.

Being subject to such exceptionally strong underlying demand drivers, proximity to key future infrastructure developments, and a comparatively constrained future dwelling supply pipeline means East Brisbane is very likely to outperform the wider Brisbane residential apartment market in coming years.



DISTRIBUTION OF FUTURE APARTMENT SUPPLY



SOURCE: JLL

#	Address	Initial Sale Price	Initial Sale Date	Resale Price	Resale Date	Hold Period	Total Growth	Avg. Annual Growth
1	701/241 Wellington Road	\$1,725,000	01/12/2011	\$3,650,000	11/03/2022	10.3	\$1,925,000	\$187,217
2	40/915 Stanley Street	\$350,000	03/08/2020	\$600,000	10/02/2022	1.5	\$250,000	\$164,119
3	39/915 Stanley Street	\$470,000	30/07/2021	\$519,999	02/02/2022	0.5	\$49,999	\$97,592
4	2/523 Vulture Street	\$1,070,000	09/06/2015	\$1,600,001	04/12/2021	6.5	\$530,001	\$81,625
5	2/18 Park Avenue	\$587,000	06/03/2013	\$1,150,000	19/11/2021	8.7	\$563,000	\$64,621
6	11/495 Vulture Street	\$542,000	16/10/2019	\$690,000	12/11/2021	2.1	\$148,000	\$71,266
7	3/539 Vulture Street	\$1,800,000	24/07/2019	\$2,000,000	07/05/2021	1.8	\$200,000	\$111,792
8	1/40 Park Avenue	\$1,950,000	07/08/2013	\$2,500,000	29/03/2021	7.6	\$550,000	\$71,928
9	9/3 Geelong Street	\$2,940,000	15/12/2014	\$3,900,000	19/03/2021	6.3	\$960,000	\$153,281
10	14/34 Park Avenue	\$477,100	21/07/2017	\$698,000	13/03/2021	3.6	\$220,900	\$60,577
Average						4.9	\$539,690	\$106,402

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