



the matusik suburb profile

An independent profile of your suburb

West End

West End is situated 2.5 kilometres from Brisbane's central business district (CBD). The median sale price of apartments in West End increased by a staggering 18% during 2006, nearly three times the average gain across all of Brisbane City. Overlooked for the Urban Renewal Precinct for much of the 1990's, the inner west is back with a vengeance. There are many good reasons to look west when it's time to invest.

Population growth

South east Queensland is Australia's fastest growing region and last year Brisbane City's population increased by 13,250 residents, to reach 972,000 people. Brisbane City is the fastest growing municipality within Australia, and the Brisbane region is the second fastest growing urban area in the western world. Inner Brisbane, which comprises those suburbs within a five kilometre radius of the Brisbane GPO, grew by just under 4,000 new residents last year. Around 200,000 people now call Inner Brisbane home.

West End and the adjoining suburb of South Brisbane have a combined population of 10,200 permanent residents. Over the past five years, population growth in these suburbs (3.3%) has outstripped that of Brisbane as a whole (2.0%). Located close to rail, bus and ferry transport, as well as walking paths and pedestrian bridges across to Brisbane's central business district, and its close proximity to major educational and medical institutions, has made West End a keenly sought after address by both owner-occupiers and renters. There are several reasons why living (and investing) downtown has increased in popularity:

- Increasing travel time to get to work. The average time needed for a resident to travel from Aspley (just 12 kms from the GPO) in Brisbane's north to the CBD during peak hour has increased from around 20 minutes in the early 1990s to over 45 minutes now. Recent reports suggest that Brisbane is likely to be the most congested Australian capital city by 2011;
- Decline in household size and a consequent change in household type. On average, 1.64 people reside in an apartment across inner-Brisbane, and only 1.54 people per dwelling in the CBD;
- Generation X. This generation is coupling later, buying apartments rather than detached product, and choosing to live in urban locations; and
- Empty nesters. Instead of staying put when children leave home, empty nesters are selling their suburban homes and moving closer to the action. Many buy two properties, being an apartment in town and a holiday place at the beach or in the country.

Top performance

According to official state government statistics, the median sale price of apartments across the whole of Brisbane City increased by 6.2% over the 12 months to 31 December 2006 (Source: Qld Dept of Natural Resources and Water and R P Data Ltd). For West End, the increase was nearly *three times* this amount – an exceptional 18%. This follows a rise of 18% over the previous (2004-2005) year, too.

Furthermore, according to the Residential Tenancies Authority, the median weekly rents for one bedroom apartments in West End have increased by 10% over the past 12 months, by 21% for two bedroom apartments and 10% for three bedroom apartments. The increase over the past 24 months has been even more substantial – 21%, 34% and 28% respectively – and we believe that rents will increase by a further 10% to 15% across Inner Brisbane over the next 12-24 months. This is because rents have not kept pace with the growth in dwelling prices over the past few years and the fact that vacancy rates are tight, which provides pressure for rent increases.

In relation to the latter, official Queensland Government figures for the December quarter of 2006 show that the vacancy rates for all types of rental accommodation was 1.8% in Inner Brisbane, the tightest of all areas in SEQ. In this quarterly survey (conducted by the Office of Economic and Statistical Research), 65% of real estate agencies contacted said that demand for permanent (over three months) rental accommodation across Inner Brisbane increased over the past 12 months. A figure of 30% or more suggests – as does a vacancy rate under 3% - that a market is undersupplied with rental stock.

New infrastructure

West End and South Brisbane have seen a frenzy of development activity in recent times, including completion of the \$300 million Millennium Arts Precinct which includes a new Queensland Gallery of Modern Art and redevelopment of the State Library. Other major infrastructure developments proposed or underway in the West End/South Brisbane area include:

- The Tank Street pedestrian and cycle bridge which will link the city centre and the Millennium Arts Precinct as well as complete a pedestrian and cycle loop linking the city and South Bank via the Goodwill Bridge. Construction is expected to commence in mid-2007;
- A \$90 million expansion of the Brisbane Convention and Exhibition Centre to cater for increased demand for exhibition space;
- A new Hale Street vehicle bridge linking to Cordelia Street which will make West End more accessible by private transport;
- Provision of a new CityCat stop along Riverside Drive in West End, improving accessibility to the CBD, University of Queensland and Coronation Drive;
- Implementation of the West End Riverside Parks Master Plan which will improve facilities, aesthetics and public amenity in Davies Park; and
- The proposed Suburban Centre Improvement Program (SCIP) for Boundary Street.

The worth of these projects to the performance of the residential market should not be underestimated, as research we have undertaken has shown that major transport infrastructure improvements can translate into a higher rate of sale, higher rental demand and increased land values.

Latest development

The latest new residential development in West End, and the first to receive approval for nine storeys, is the Donovan Hill-designed *SL8* project by FKP. Situated close to the Brisbane River and Davies Park, *SL8* offers 113 spacious one- and two-bedroom apartments as well as three-bedroom townhouses and villas. Prices start at \$340,000 for one-bedroom apartments, \$460,000 for two-bedroom apartments, \$650,000 for the three-bedroom townhouses and \$795,000 for the villas.

Desirable for intending owner-occupiers given the site's locational attributes and the quality of its apartments, *SL8* will also have strong appeal to investment buyers as the apartments will be readily rented by a large pool of potential tenants. These include young professionals building their careers in the CBD (nearly 40% of the population of West End and South Brisbane is aged between 18 and 34 years, much higher than Brisbane in general (29%)); students (both domestic and international), academics and other employees of the many educational institutions around South Brisbane; hospital workers in the Mater precinct; and people working in the many businesses in the immediate locality. Appealing to such a wide range of potential renters is important, as it insulates investors from a slow-down in any one market segment (e.g. international students). *SL8* is therefore set to address the demand that exists for new, high-quality apartments in West End.

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