

suburb profile

2010 SUBURB PROFILE

BOWEN HILLS

Location

Bowen Hills is located approximately 4 kilometres from the Brisbane CBD and is one of the last remaining suburbs across the inner-north yet to undergo significant redevelopment. The suburb is well located within walking distance from the popular James Street precinct, Fortitude Valley's entertainment precinct and is extremely well serviced by public transport. QUT's Kelvin Grove Campus and Queensland University's Medical Research Centre are close by making Bowen Hills a popular choice for tertiary students to call home. The State Government forecasts the resident population of Bowen Hills to increase by 10,000 residents over the next 10 to 20 years creating an unprecedented level of dwelling demand.

In March 2008, the Queensland Government declared a 108 hectare parcel of land located within Bowen Hills an Urban Development Area falling under the planning and development responsibility of the Urban Land Development Authority (ULDA). The ULDA's vision for the area is to revitalise Bowen Hills into a Transit-Orientated Development (TOD) and ensure delivery of commercially viable developments together with a mix of housing to cater for the growing population and workforce within and outside of Bowen Hills. This project will be the most significant redevelopment and investment since the Urban Renewal Program throughout Newstead/Teneriffe/Fortitude Valley.

The Bowen Hills TOD will be based around a new, revitalised Bowen Hills train station, with a seamless bus/rail interchange and a pedestrian-friendly environment. The refurbishment of the Bowen Hills train station will become the pivotal link for the suburbs surrounding Bowen Hills and will further enhance the area's access to public transport.

Infrastructure & development

Brisbane's Inner North has recently, and will continue to, undergo a massive transformation as large tracts of land are redeveloped for a variety of uses. The large volume of investment and development within the area across the medium to long term is likely to have a highly stimulatory effect on dwelling demand, employment generators and underlying price growth of residential dwellings. Throughout the area there is currently over \$19 billion in future development earmarked all in varying stages of approval and construction. Including:

The recently commenced \$1 billion development of Newstead Riverpark, set to include 5 hectares of parklands, significant retail and commercial development, a new major bus interchange, a high volume of luxury to mid-range residential apartment dwellings together with numerous dining venues, major retail and commercial operations – all of which will be focused around a central lake, will have an enormous effect on residential demand within Newstead and the surrounding suburbs.

Inner Northern Busway - The Queensland Government's \$493 million Inner Northern Busway was completed in May 2008, and runs from Queen Street in the city to the Royal Children's Hospital at Herston. Stage two of the Northern Busway is currently underway and due for completion in 2012 connecting the Inner Northern Busway with Brisbane's northern suburbs.

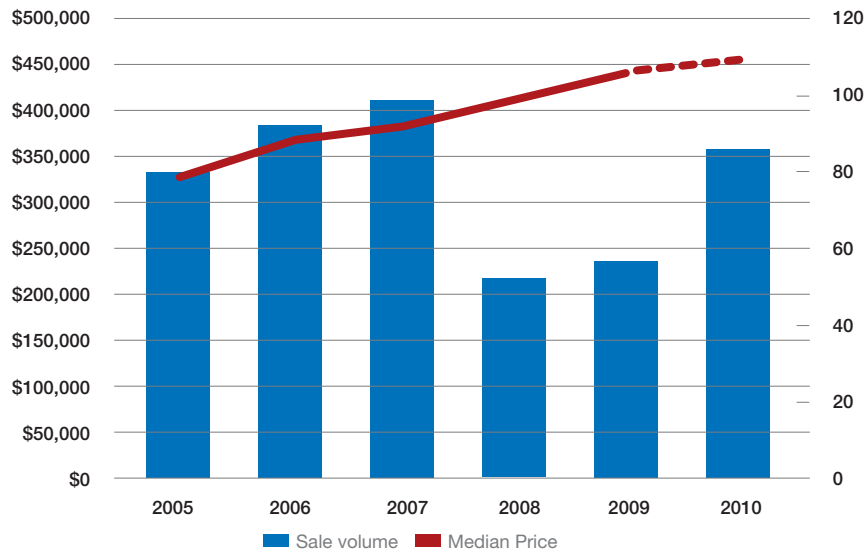
Construction is also underway on the new Airport Link tunnel which will be the first major motorway linking Brisbane City to the northern suburbs and airport precinct avoiding up to 18 sets of traffic lights. Airport Link is a 6.7 kilometre toll road connecting the Clem 7 tunnel, Inner City Bypass and Bowen Hills to the northern suburbs and the East West Arterial leading to the airport.

Australia Trade Coast - Incorporates the Brisbane Airport and an estimated 7,500 businesses and is forecast to generate 42,500 jobs by 2023. Recent infrastructure initiatives for the area have led to over \$600million dollars being invested in infrastructure development over the past seven years.

Located at neighbouring Herston and close to the central business district of Brisbane is the Royal Brisbane and Women's Hospital Health Service District which currently has an operating budget of approximately \$755 million and recently undergone a major redevelopment program. The majority of the two Hospitals' clinical services have been rebuilt at a total cost of approximately \$510 million making it the largest hospital redevelopment in Australia's history.

The \$10.7 million redevelopment of Perry Park in Bowen Hills is proposed to include a multi-purpose community indoor sport and recreation facility which will become the heart of the Bowen Hills TOD plan. The centre will provide courts and facilities for netball, soccer, futsal, basketball in addition to remaining the home of the Brisbane Strikers soccer team. Work is forecast to start in April 2011.

Apartment market performance - Median price & sales volumes 2005 to 2010(f)



Source: Resolution - Valuer General's Department - June 2010-06-17. (f) = forecast.

Lend Lease Development was recently announced as the preferred developer for the redevelopment of the RNA Showgrounds at Bowen Hills. The master plan for the 22 hectare site includes a combination of residential, retail, commercial, recreation and entertainment activities combined with large areas of dedicated parklands. The \$3 billion development is expected to take around 15 years to complete and forecast to generate approximately 2,000 jobs per year. On completion, the RNA is forecast to be home to around 10,000 people.

The Federal & State Government's Cross River Rail Project is in its final feasibility stages with construction due for commencement in 2012. The \$12 billion project will introduce a new rail line in the inner city (including a new river crossing) with brand new inner city rail stations with the major hub at Bowen Hills.

Employment

Bowen Hills is home to Queensland Newspapers which employs over 1,000 full time staff. On the boarder of Bowen Hills and Herston is the Royal Brisbane, Royal Women's and Royal Children's Hospitals which collectively employ over 7,200 staff. The Queensland Institute of Medical Research is located within the grounds of the Royal Brisbane Hospital which employs a further 700 staff.

Demographics

Between 2001 and 2006 Bowen Hills recorded an average annual population growth rate of 11.2%. This compares favourably to the Brisbane LGA, which recorded only 1.8% growth in population over this same period.

The median age of Bowen Hills residents was registered as 31 years of age (2006 Census), with over 40% of residents aged between 20 and 34. Over 80% of the population lives in apartments which are the primary dwelling type in the area. 36% of all dwellings in the area are occupied by lone persons which is significantly higher than the Australian average of 23%. At the time of the 2006 Census the median weekly individual income of the resident population was 40% higher than the Australia average.

South East Queensland is Australia's fastest growing region and accounts for the majority of Queensland's population growth. Over the next 25 years South East Queensland will capture 70% (currently 66%) of the State's growth, increasing from 2.8 million people in 2007 to 4.2 million people in 2031 - almost doubling in figures. As a consequence of this growth, demand will be generated for around 735,500 new dwellings. According to the South East Queensland Regional Plan, 50% of this population growth will be housed in infill developments. Within Brisbane, the population growth is forecast to see 88% of new residents housed in infill developments.

Across Brisbane, the estimated resident population at 30 June 2008 was 1,027,847, representing an increase of 1.7% over the previous year. By 2016 this is forecast to grow to over 1,141,500 persons and by 2031 is expected to reach 1,220,540. According to the South East Queensland Regional Plan just over 950,000 residents will be housed within infill developments. The current future supply landscape across Brisbane points to a likely situation of undersupply of infill developments to cater for this demand, both now and into the future.

Apartment market fundamentals

Bowen Hills' apartment market has recorded continued price growth over the five years to December 2009. Over this time there has been an average annual rate of median price growth of 7.6% - making it one of the strongest markets across inner-Brisbane. Market demand has averaged 77 apartments per annum, with demand levels increasing in line with new supply injections. 2008 and 2009 sales volumes have been at historically low levels with no new injections of supply.

The recently launched Code Bowen Hills was the first new residential development to be brought to market in the area for two years and is reported to have recorded strong demand levels as a consequence of servicing underlying demand and investor interest in the future redevelopment and growth potential of the area.

Rental market fundamentals

According to the latest data available from the Residential Tenancies Authority of Queensland, growth in median weekly rents for one, two and three-bedroom apartment types within the area has averaged over 7% per annum between March quarter 2006 and March quarter 2010. One bedroom apartment types have recorded the strongest growth with a 7.7% increase in median rents to \$320 per week in March quarter 2010. Interestingly, median weekly rental growth has kept pace with median price growth reflecting sustained

rental demand in the area. At the time of the 2006 Census, the median weekly rent across all dwellings within Bowen Hills was 46% higher than the Australian average.

Our survey of apartments advertised for rent with Bowen Hills reflects only 18 properties listed, split between two studios, two one-bedroom, 9 two-bedroom and 2 three-bedroom apartments, suggesting that vacancy rates across the area are low.

Rental market performance - Median weekly rents - 4006 postcode¹

PRODUCT TYPE	ANNUAL GROWTH MAR QTR '06 - MAR QTY '10	MEDIAN WEEKLY RENT MAR QTR '10
One bedroom	7.7%	\$320
Two bedroom	7.1%	\$445
Three bedroom	7.4%	\$550

Source: Resolution - RTA - June 2010.

¹The 4006 postcode includes the suburbs of Bowen Hills, Fortitude Valley, Herston & Newstead

Bowen Hills at a glance

- » Bowen Hills is located approximately 4 kilometres from the Brisbane CBD and is one of the last remaining suburbs across the inner-north yet to undergo significant redevelopment.
- » The State Government forecasts the resident population of Bowen Hills to increase by 10,000 residents over the next 10 to 20 years creating an unprecedented level of dwelling demand.
- » In March 2008, the Queensland Government declared a 108 hectare parcel of land located within Bowen Hills an Urban Development. This project will be the most significant redevelopment and investment since the Urban Renewal Program throughout Newstead/Teneriffe/Fortitude Valley.
- » Brisbane's Inner North has recently, and will continue to, undergo a massive transformation as large tracts of land are redeveloped for a variety of uses. Over \$19 billion of development is earmarked for the area all in varying stages of approval.
- » This large volume of investment and development within the area across the medium to long term is likely to have a highly stimulatory effect on dwelling demand, employment generators and underlying price growth of residential dwellings.
- » Projects underway include:
 - \$1 billion Newstead Riverpark development
 - \$493 million Inner North Busway
 - \$4.8 billion Airport Link Tunnel
 - \$600 million Australia Trade Coast expansion which continues to increase
 - \$510 million Royal Brisbane & Women's Hospital Health Service District expansion
 - \$10.7 million Perry Park
 - \$3 million RNA Showgrounds
 - \$12 billion Cross River Rail
- » Between 2001 and 2006 Bowen Hills recorded an average annual population growth rate of 11.2%. This compares favourably to the Brisbane LGA, which recorded only 1.8% growth in population over this same period.
- » Across Brisbane, the estimated resident population at 30 June 2008 was 1,027,847, representing an increase of 1.7% over the previous year. By 2016 this is forecast to grow to over 1,141,500 persons and by 2031 is expected to reach 1,220,540.
- » According to the South East Queensland Regional Plan just over 950,000 residents will be housed within infill developments.
- » The current future supply landscape across Brisbane points to a likely situation of undersupply of infill developments to cater for this demand, both now and into the future.
- » The median age of Bowen Hills residents was registered as 31 years of age (2006 Census), with over 40% of residents aged between 20 and 34.
- » Over 80% of the population lives in apartments which are the primary dwelling type in the area.
- » At the time of the 2006 Census the median weekly individual income of the resident population was 40% higher than the Australia average.
- » Bowen Hills' apartment market has recorded continued price growth over the five years to December 2009. Over this time there has been an average annual rate of median price growth of 7.6% - making it one of the strongest markets across inner-Brisbane.
- » According to the latest data available from the Residential Tenancies Authority of Queensland, growth in median weekly rents for one, two and three-bedroom apartment types within the area has averaged over 7% per annum between March quarter 2006 and March quarter 2010.
- » Median weekly rental growth has kept pace with median price growth reflecting sustained rental demand in the area.
- » At the time of the 2006 Census, the median weekly rent across all dwellings within Bowen Hills was 46% higher than the Australian average.

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