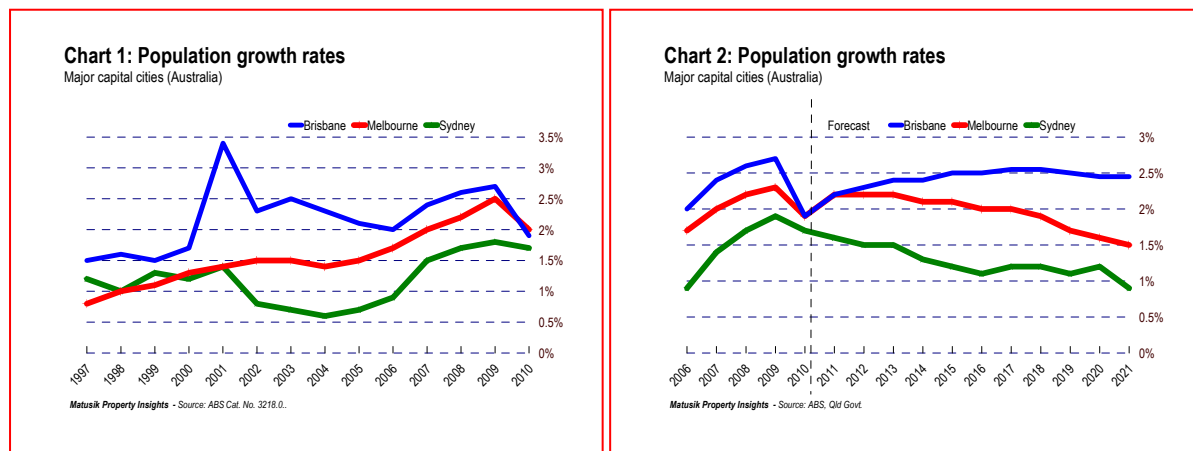


## Why invest in Brisbane?

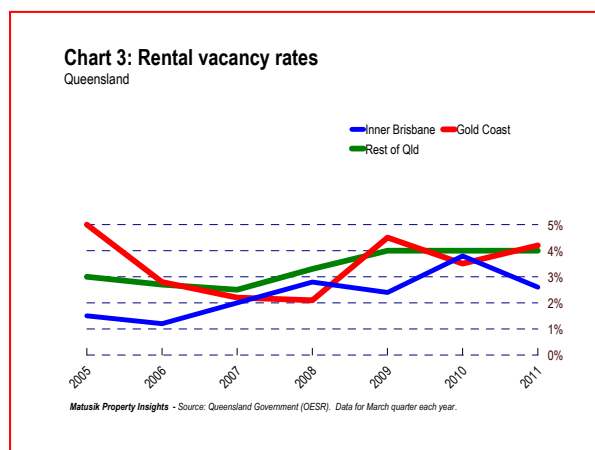
### Strong long-term population growth

Brisbane is Australia's third largest city, with a population of over two million people. The area covered by the Brisbane City Council remains the fastest-growing municipality in Australia, with the Gold Coast second. Brisbane City has grown by between 15,000 and 21,000 new permanent residents each year for the past decade.

Brisbane has grown at a much faster rate than both Melbourne and Sydney for most of the past decade. See **chart 1** below.



Looking ahead, population projections from the Australian Bureau of Statistics indicate that Brisbane's rate of population growth will continue to outstrip that of both Melbourne and Sydney for the next decade at least. See **chart 2** above.



Almost 226,500 people live within Inner Brisbane; defined as the area within a five kilometre radius of the Brisbane GPO. The population of Inner Brisbane has grown by an average of nearly 5,000 new residents each year for the past decade. On average, around one-fifth of Brisbane City's total population growth is accommodated within Inner Brisbane whereas in the 1990s, Inner Brisbane was losing permanent residents.

Vacancy rates are also extremely tight across Inner Brisbane, a trend that has accelerated over the past 12 months. See **chart 3** opposite.

### Infrastructure investment

There are currently 41 major infrastructure projects, worth \$38.770 billion, underway or committed across Brisbane City. The majority of this expenditure (\$29.442 billion) is located in 18 projects across Inner Brisbane.

Such major infrastructure developments are important employment generators that promote demand for residential property.

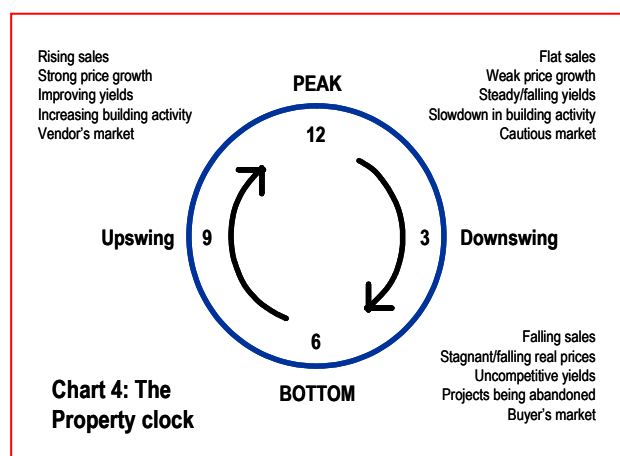
### Strong dwelling demand

According to the Queensland Government's *South East Queensland Regional Plan 2009-2031*, an additional 156,000 dwellings will be required to house the increase in Brisbane City's population over the next twenty years. Most will be delivered in existing urban areas; 138,000 (88.5%) of these new dwellings are to be "infill" in nature, meaning mainly medium density in existing residential areas, such as Milton and other inner-ring suburbs.

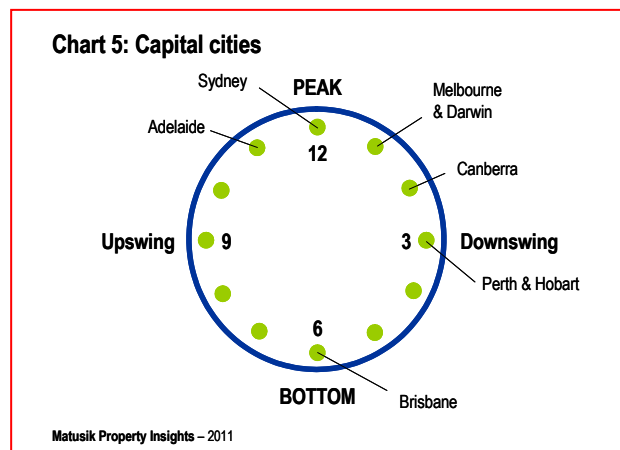
More people will therefore call Inner Brisbane "home" and we expect Inner Brisbane will continue to attract an average of around 5,000 new permanent residents per annum over the next decade.

### Buying at the right time – the property clock

Whilst a simple tool, the property clock is one of the more effective ways of clearly showing where things stand. **Chart 4** opposite shows the traditional property clock, with 9 on the clock indicating the start of an upswing; 12 being the market peak; 3 the start of the downswing and 6 the bottom of the market. Far too many people wait to buy near the market peak rather than during a downswing or at the bottom of the market.



As shown in **chart 5** opposite, Brisbane is currently at 6 o'clock - a buyer's market. Borrowers are frugal, with some feeling that their income or even job is at risk. Residential property in general loses its shine. Ironically, it is often the best time to buy as many properties are undervalued at this time.



In the lead up to 9 o'clock, stock is often for sale at prices below replacement cost. Market supply tightens and buyers become more optimistic. More importantly, prices start to rise again.

Residential markets also tend to fluctuate between undervaluation (usually around 6 o'clock) and overvaluation (at 12 o'clock). Property values usually increase over the long term. Over-valued markets can be very seductive and hence why most buy too late, whilst the opposite sentiment holds true at the bottom of the cycle.

**Disclaimer**

Whilst this information has been carefully compiled no warranty or promise as to its correctness is made or intended. **The information enclosed also represents subjective interpretation by Matusik Property Insights Pty Ltd (ABN 85 088 308 847) and should not be relied upon for investment decisions.** Interested parties should undertake independent inquiries and investigations to satisfy themselves that any details herein are true and correct. The material in this publication is copyright. Reproduction only allowed with permission. **Phone (07) 3720 9988. Date compiled August 2011.** Information is valid for six months from date of compilation.