



PROPERTY WATCH®

New Farm Area

August 2008

Area Characteristics

The New Farm Area is located within direct proximity to the Brisbane CBD. The area is populated by an array of residential stock including the renovated Woolstore's of Teneriffe, the new medium high density developments seen throughout all suburbs, large homes in tree lined streets and the workers cottages of Spring Hill. The area is considered to be a cultural and creative hub within the greater Brisbane region and attracts a diverse range of people from an array of socio economic backgrounds. It is home to many significant landmarks including the Brunswick St Mall, New Farm Park, Newstead Park, live music venues, The Powerhouse, countless art galleries, theatres, performance spaces, restaurants, cafes and bars.

The following Property Watch report is the result of an examination of historic and current market activity within the suburbs of New Farm, Spring Hill, Fortitude Valley, Teneriffe, Newstead and Bowen Hills up until March 2008. The report takes into account recent sales, median prices and price points, and aims to identify the trends of housing and apartment product in the area.

Infrastructure

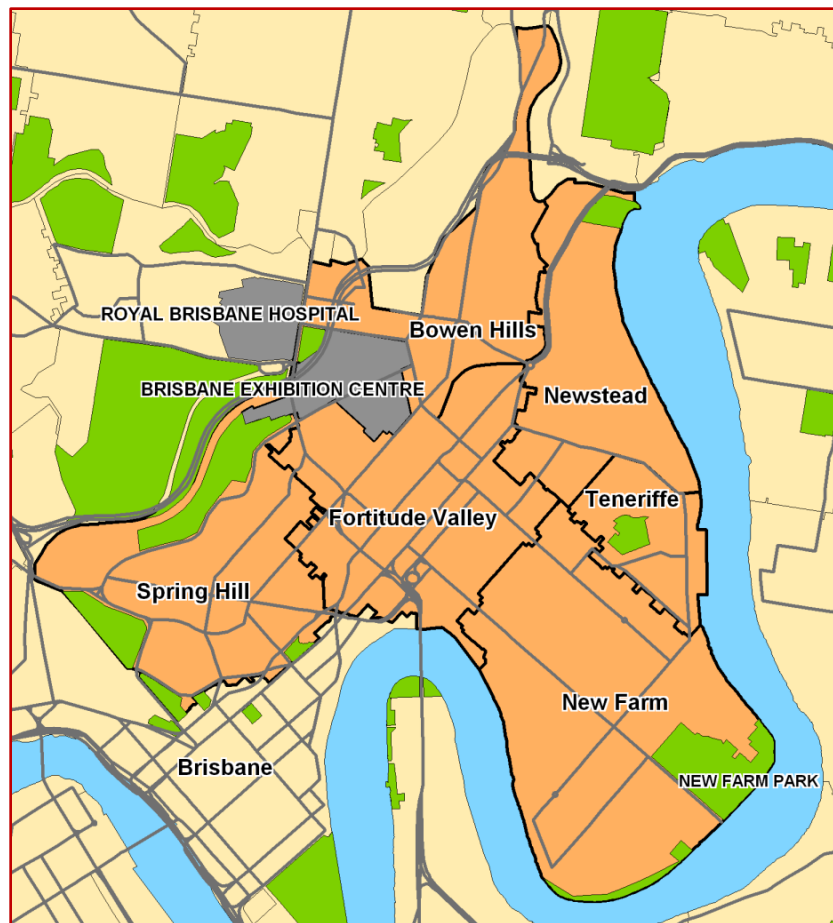
The area boasts a broad portfolio of existing infrastructure including the Royal Brisbane Hospital, private health facilities, many educational institutions, major arterial road networks, New Farm Park (one of Brisbane's largest parks) and strong transport systems with Citycat, bus and train connectivity allowing for quick access to major employment nodes.

Major developments and infrastructure additions include: the Gateway duplication project, the North-South Bypass Tunnel, the Newstead Riverpark development which is tipped to drive the majority of residential enquiry within the area in the coming months, the addition of a Citycat stop in Newstead, the Fortitude Valley train station upgrade plus ongoing BCC bus and QR train operational adjustments.

Demographics

According to the Australian Bureau of Statistics (ABS) the New Farm Area had a total population of 30,285 during the 2006 – 2007 financial year; a 3.4% increase from the previous year. The area attracts people of working age, and few children (0 – 14 years) populate the area at just 5.1%. The area is primarily made of dual income families with no kids (DINKS) at 63.4% who have a median family income that is \$612 better off per week than the average Australian family. With the majority of residents being classified as professionals at 39.5% who earn high incomes with the desire to live within close proximity to the city, rental prices have risen dramatically. The vast majority of dwellings are defined as unit, apartment and townhouse stock of 85.2% with only 10.3% of dwellings classified as fully owned, 16.5% as being purchased and 53.3% defined as rental.

Looking at the weekly cost of rents to the right, Fortitude Valley and Newstead recorded the highest apartment rents for the June 2008 period at \$430 with a 14.7% increase on June 2007 rates.



New Farm Area Average Weekly Rent

Suburb	Weekly rent for a 2 Bedroom Unit/Apartment				
	Jun-06	Jun-07	% change to Jun-07	Jun-08	% Change from Jun-07
Bowen Hills	\$350	\$375	7.1%	\$430	14.7%
Fortitude Valley	\$350	\$375	7.1%	\$430	14.7%
New Farm	\$300	\$360	20.0%	\$395	9.7%
Newstead	\$350	\$375	7.1%	\$430	14.7%
Teneriffe	\$300	\$360	20.0%	\$395	9.7%
Spring Hill	\$340	\$380	11.8%	\$420	10.5%

Suburb	Weekly rent for a 3 Bedroom House				
	Jun-06	Jun-07	% change to Jun-07	Jun-08	% Change from Jun-07
Bowen Hills	\$350	\$390	11.4%	\$440	12.8%
Fortitude Valley	\$350	\$390	11.4%	\$440	12.8%
New Farm	\$350	\$440	25.7%	\$470	6.8%
Newstead	\$350	\$390	11.4%	\$440	12.8%
Teneriffe	\$350	\$440	25.7%	\$470	6.8%
Spring Hill	\$450	\$450	0.0%	\$480	6.7%

Prepared by PRDnationwide Source RTA QLD

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Looking at the statistics for three bedroom houses, Spring Hill demands the highest rents at \$480 per week, yet the lowest percentage increase at 6.7% for the June 2008 period.

Housing Market

Similar to the majority of inner city suburbs within Brisbane, the New Farm Area has progressed to record some of Queensland's highest median prices. Increasing median house prices for inner suburbs is a major trend being seen as owner occupiers and investors are becoming increasingly aware of the benefits that inner city living has to offer. The six months ending March 2008 saw a dramatic spike in the median house price for the New Farm Area to record \$1,110,000 based on 70 registered transactions, down 27 transactions from the September 2007 half year period. Family homes in the New Farm Area are highly sought after and the 38.5% drop in sales is due to such low supply coming on to the market. **During the March 2008 half year, the area managed to record a growth rate of 34.5% or a \$285,000 gain in just six months.** The impressive growth is due to significantly low supply which is not surprising with only 13.2% of dwellings defined as houses and the high demand for these homes. The majority of sales recorded during the most recent half year period transacted during the months of October, November and December 2007 suggesting the current economic climate has effected the property market and buyers are acting accordingly.

Looking closer into the New Farm Area, the majority of house sales were in New Farm with 40 of the total 70 transactions and a median house price of \$1,207,500 followed by Spring Hill with 17 transactions and a median house price of \$980,000. All other suburbs recorded too few house transactions for an accurate median price to be calculated. The majority of sales occurred in the over \$1,200,000 price bracket equating to 47% of total registered sales. The highest recorded house sale during the six months ending March 2008 occurred on Macquarie Street Newstead where a four bedroom, four bathroom, riverfront home on a 325m² block with swimming pool sold for \$4.3 million during October 2007.

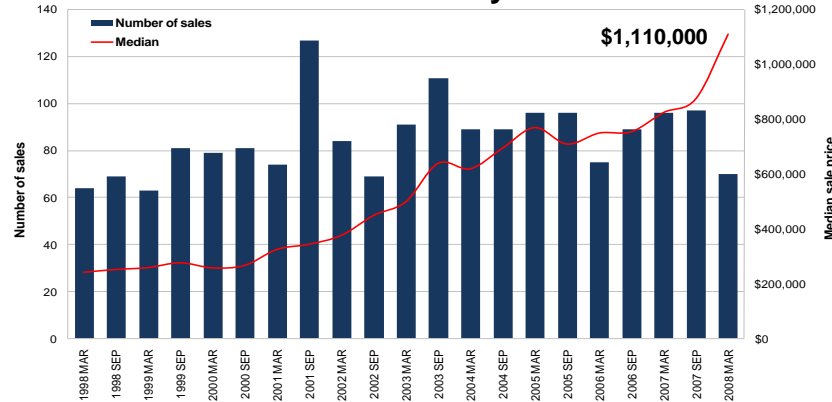
Apartment Market

Over 85% of the New Farm Area's residential stock is defined as unit, apartment and townhouse stock indicating that medium density living is the primary driver for the area's property market. The Woolstore and riverfront properties have evolved into their own prestigious markets, offering the area a distinct, highly sought after product that draws residents who are looking for a unique lifestyle opportunity.

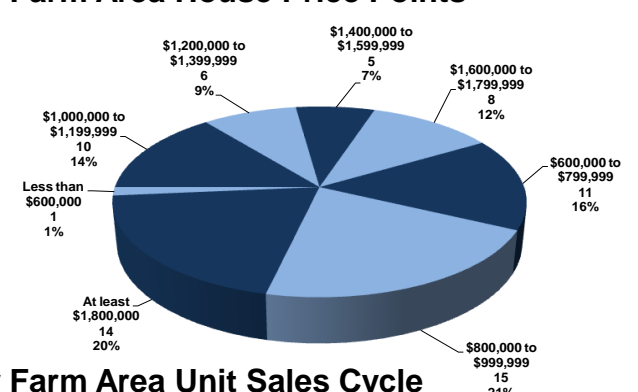
Looking into the market, the high supply of apartment stock in comparison to housing stock within the New farm Area has enabled the apartment market to experience a more consistent, steady growth at a rate of 9.3% per annum over the past five years. The median sale price during the March 2008 half year period was \$425,000 and registered a growth rate of 16.4%. The median price was calculated from 511 settled transactions that occurred in the March 2008 half year period, down 292 from the six months ending September 2007.

Out of the 511 transactions that occurred during the year ending March 2008, the majority of sales occurred in New Farm with 133 settled transactions, followed by Fortitude Valley recording strong market activity with 124 transactions. During the March 2008 half year apartments ranged in price from \$165,000 recorded in Fortitude Valley to \$3.6 million in New Farm. The majority of sales occurred above the \$500,000 mark accounting for 38% of total sales. The highest recorded transaction was along Griffith Street New Farm, where an elegant apartment in a medium density development with four bedrooms, four bathrooms and three car spaces sold for \$3.6 million in November 2007 and **the Mirvac Waterfront development reportedly made an unconditional sale on the penthouse for \$14.25 million.** Median sale prices varied from suburb to suburb with Bowen Hills recording a median of \$423,500; Fortitude Valley with \$371,000; New Farm with \$515,000; Newstead with \$525,000 and Spring Hill recorded a median unit price of \$387,500.

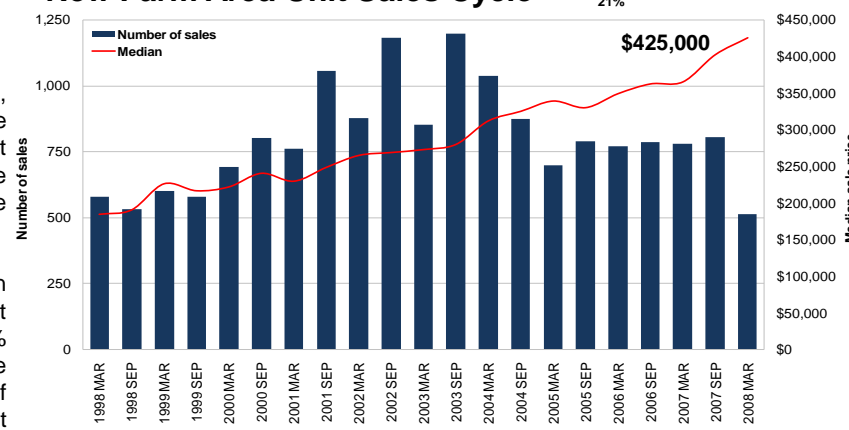
New Farm Area House Sales Cycle



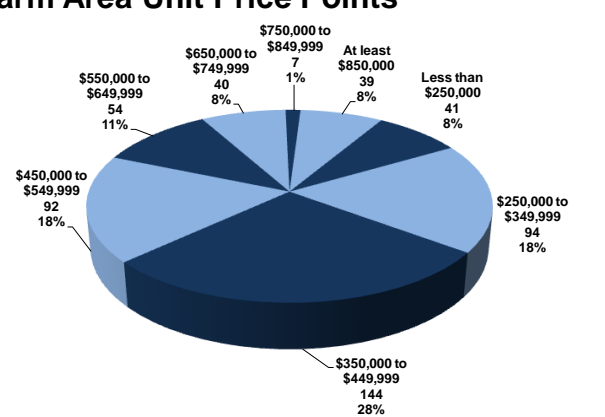
New Farm Area House Price Points



New Farm Area Unit Sales Cycle



New Farm Area Unit Price Points



Prepared by PRDnationwide Research Source: RPdata

Prepared by PRDnationwide Research. Source: RP Data and the ABS.

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