

MARKET OUTLOOK SOUTH BRISBANE

Less than two kilometres from the Brisbane CBD, South Brisbane combines residential, commercial and entertainment amenities with a waterfront setting, and is Brisbane's leading cultural and lifestyle precinct.

- 01
Walkability
& Connectivity
- 04
Infrastructure
& Education
- 05
Employment
& Demographics
- 06
Residential
Analysis
- 07
Rental
Analysis

Prepared exclusively for
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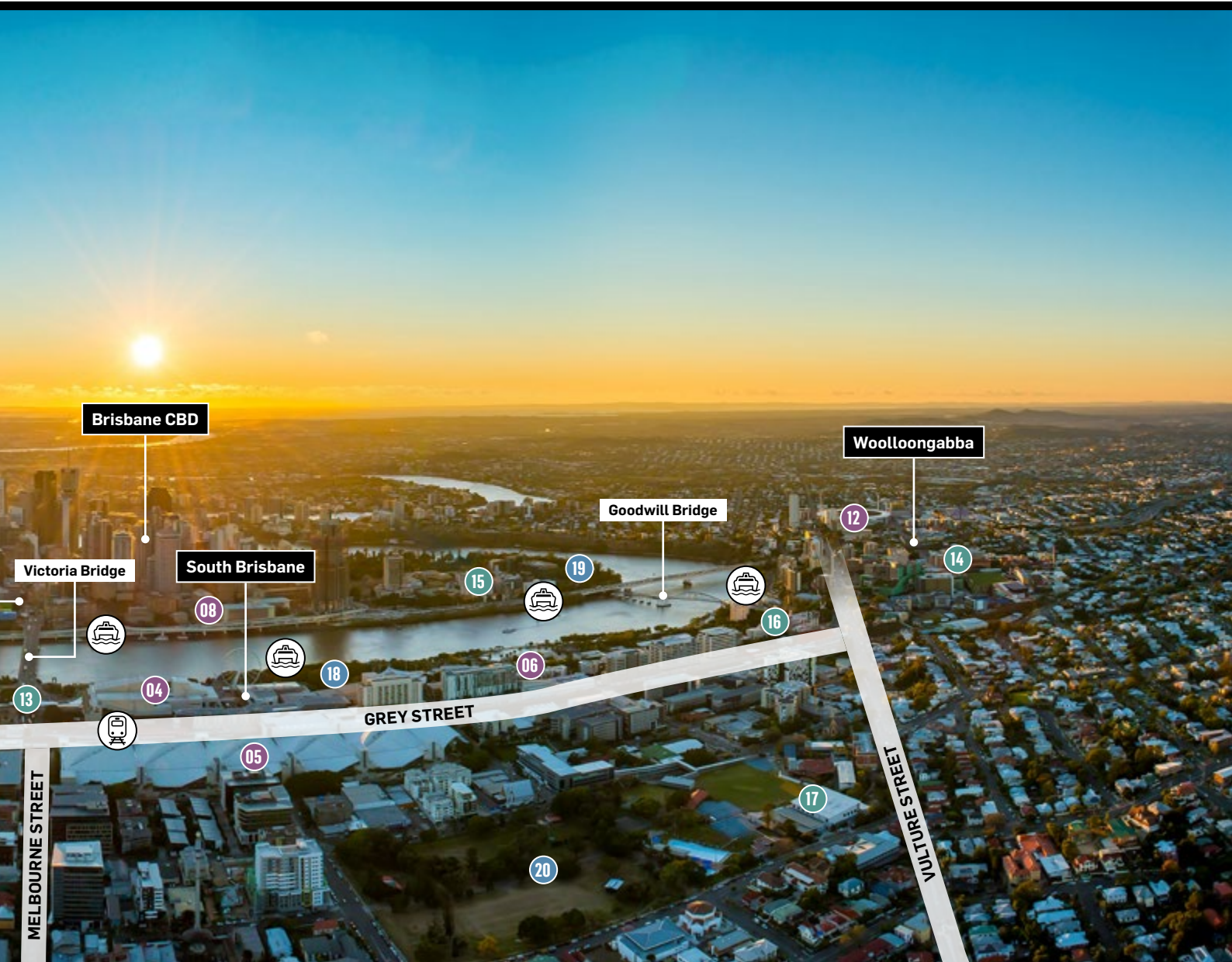
Top: South Bank Parklands Streets Beach; Bottom left: South Bank Grand Arbour;
Bottom right: Queensland Performing Arts Centre

WALKABILITY & CONNECTIVITY



Situated within walking distance to the Brisbane Central Business District (CBD), and serviced by a strong public transport network, South Brisbane offers easy access to major employment nodes, prominent educational institutions and major health-care facilities.

South Brisbane is Queensland's premier cultural centre and home to an extensive range of established restaurants, bars, cafes and entertainment venues. Significant infrastructure investment is continually transforming the region into a vibrant 24/7 lifestyle precinct and is a location that has become popular for its inner-city lifestyle.



- Train station
- Citycat/ferry terminal
- Bikeway

ENTERTAINMENT, SHOPPING AND DINING

- 01 Gallery of Modern Art (GOMA)
- 02 State Library of Queensland
- 03 Queensland Museum and Queensland Art Gallery
- 04 Queensland Performing Arts Centre (QPAC)

- 05 Brisbane Convention and Exhibition Centre
- 06 South Bank Dining Precinct
- 07 Queen Street Mall
- 08 Queens Wharf Precinct
- 09 Suncorp Stadium
- 10 The Barracks Retail and Dining Precinct
- 11 Victoria Park Golf Complex
- 12 Brisbane Cricket Grounds (The Gabba)

INFRASTRUCTURE

- 13 Cultural Centre Bus Station
- 14 Mater Hospital and Lady Cilento Children's Hospital
- 15 Queensland University of Technology
- 16 Griffith University—South Bank Campus
- 17 Brisbane State High School

GREENSPACE

- 18 South Bank Parklands
- 19 City Botanic Gardens
- 20 Musgrave Park

INFRASTRUCTURE & EDUCATION

In excess of \$5 billion worth of infrastructure investment planned for South Brisbane and its surrounds.

INFRASTRUCTURE

South Brisbane is one of Brisbane's premier entertainment hubs and is benefitting from a significant amount of recent infrastructure investment, including the Mater Private and Public Hospital precinct and the construction of the Go Between Bridge.

The region is set to benefit from more than \$5 billion worth of additional major infrastructure projects including the Queens Wharf redevelopment on the southern bank of the CBD. The significant amount of infrastructure in and around South Brisbane is expected to increase economic growth, support population growth and drive demand for residential property within the region.



01 QUEENS WHARF \$3 billion (under construction)

Positioned directly across from South Brisbane, the Queen's Wharf precinct is set to be a world-class integrated resort development. Including a mix of six-star hotels, retail, dining, entertainment, theatre and convention uses,

in addition to a 5-star major casino. The development will further attract visitors and investment to Brisbane, providing a boost to Brisbane's construction and tourism industries, and has the potential to promote greater interaction with the Brisbane River and key heritage sites.



02 MATER PRIVATE AND PUBLIC HOSPITALS 500+ beds (complete)

The Mater Private Hospital is a leading acute medical and surgical private hospital, offering 320 beds and a range of general and specialised services and 24-hour emergency care. In

addition, the Mater Public offers more than 125 beds, whilst the Mater Mothers' Hospital offers both private and public services.

03 QUEENSLAND MARITIME MUSEUM REDEVELOPMENT

\$100 million (proposal)

A market-led proposal to redevelop the Queensland Maritime Museum to include a world-class aquarium is being proposed by the Queensland Maritime Museum. The \$100 million proposal for the museum and aquarium could attract up to 750,000 visitors per year and contribute up to \$200 million a year to the Queensland Economy.

04 HOWARD SMITH WHARVES

\$100+ million (to begin 2017)

Howard Smith Wharves is set to be redeveloped as a vibrant waterside destination across a 3.4 hectare site. Sitting under the northern end of Brisbane's iconic Story Bridge, the Wharves precinct is expected to incorporate commercial elements, such as a boutique five-star hotel, exhibition space, restaurants, retail and community facilities as well as, 80 per cent of the site being publically accessible open space and potential for a new ferry terminal.

05 SOUTH BANK RESTAURANT PRECINCT

\$100 million (complete)

06 GO BETWEEN BRIDGE

\$338 million (complete)

07 LADY CILENTO CHILDREN'S HOSPITAL

\$1.2 billion (complete)

08 SOUTH BANK TRANSIT SITE REDEVELOPMENT

\$250 million (under construction)

EDUCATION



FOUR TERTIARY INSTITUTIONS WITHIN 3.3KM OF SOUTH BRISBANE

(A)

45,000 students

University of Queensland (UQ)
St Lucia

(B)

42,000 students

Queensland University of Technology (QUT)
Kelvin Grove and Gardens Point

(C)

30,000 students

South Bank Institute of Technology (SBIT)

(D)

3,200 students

Griffith University
South Bank

Prepared by Urbis; Source: QUT, UQ, Griffith University, SBIT

EMPLOYMENT & DEMOGRAPHICS





EMPLOYMENT

The South Brisbane Catchment is one of Inner Brisbane's fastest growing employment centres and is predicted to increase by nearly 45,000 new jobs by 2041, equating to a projected growth of 3.0 per cent per annum.

The Catchment is ideally located adjacent to Queensland's largest employment generator, the Brisbane Central Business District (CBD) and within close proximity to several other major employment centres.

Serviced by a strong network of public transport options, residents of South Brisbane enjoy easy access to a wealth of employment opportunities. As these commercial precincts continue to generate employment opportunities into the future, this will increasingly attract new residents into the area and local residential market.

DEMOGRAPHICS

	Employed as professionals	54%
	Population growth 2016-2036	5.8% p.a.
	Average household income	\$97,378
	Residents aged 20-34	41%

Prepared by Urbis; Source: ABS

NEW JOBS COMPARISON

South Brisbane & surrounds

Brisbane CBD

85,946
New jobs 2016-2041
148,339 2016 current
234,345 2031 forecast
1.8% increase p.a

South Brisbane Catchment

44,700
New jobs 2016-2041
41,556 2016 current
86,256 2031 forecast
3.0% increase p.a

Woolloongabba

9,534
New jobs 2016-2041
16,406 2016 current
25,940 2031 forecast
1.8% increase p.a

Bowen Hills / Newstead

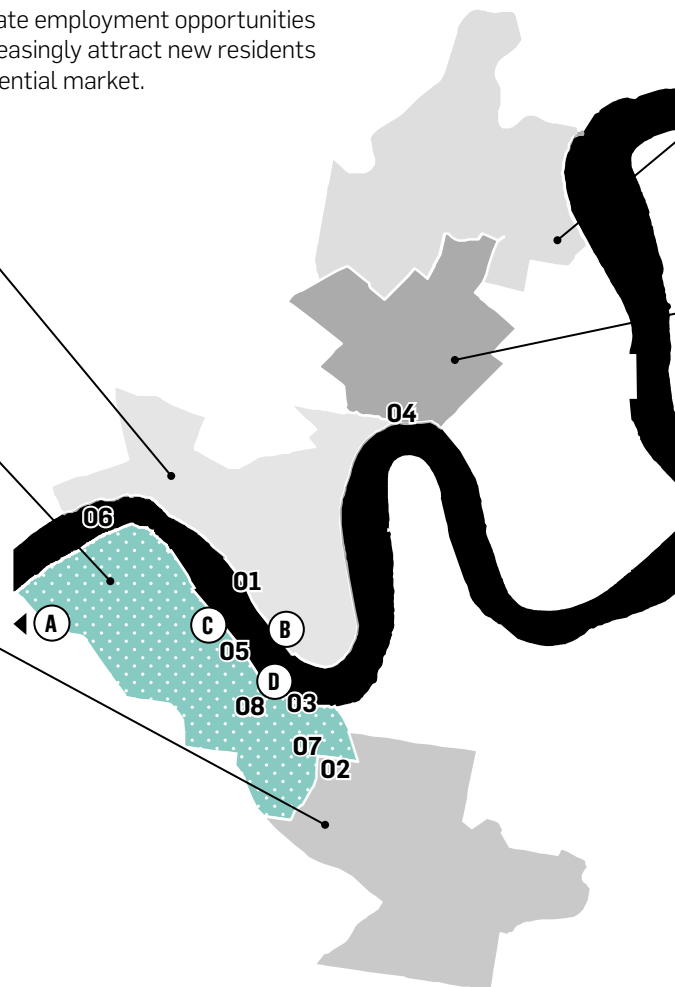
65,663
New jobs 2016-2041
20,387 2016 current
32,375 2031 forecast
1.9% increase p.a

Fortitude Valley

12,374
New jobs 2016-2041
25,195 2016 current
37,026 2031 forecast
1.6% increase p.a

TOTAL

143,672
New jobs 2016-2041
251,883 2016 current
395,555 2031 forecast
2.5% increase p.a



Prepared by Urbis; Source: Urbis
South Brisbane Catchment includes:
South Brisbane and West End

RESIDENTIAL ANALYSIS

New apartments within the South Brisbane Catchment have recorded price growth of 12.9 per cent per annum over four years.

The South Brisbane Catchment (comprised of South Brisbane and West End) has historically recorded strong price growth with the general apartment median sale price increasing 5.7 per cent per annum over the last 20-years. This out-performs the wider Brisbane LGA benchmark of 5.5 per cent per annum over the same period. At the December 2016 quarter the South Brisbane Catchment recorded a median apartment price of \$480,000, representing a premium of \$40,000 over the Brisbane LGA median apartment price.

The Urbis Brisbane Apartment Essentials Report, which surveys new apartment projects across Inner Brisbane, indicates that active off-the-plan apartment product within the South Brisbane Catchment is transacting

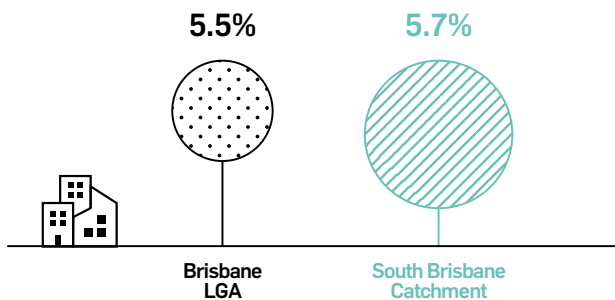
at a weighted average price of \$758,413, highlighting a significantly higher premium for new apartments within the Catchment.

Further analysis of the South Brisbane Catchment's off-the-plan apartment market indicated the weighted average price for apartments has increased by \$291,747 between December 2012 and December 2016 quarters. This equates to an increase of 12.9 per cent per annum over the four-year period.

This price growth has been driven by increased market interest from local, interstate and international investors. The South Brisbane Catchment ended 2016 with 628 new apartments remaining for sale – this compares to 1,509 at the end of 2015.

20-YEAR APARTMENT PRICE GROWTH PER ANNUM

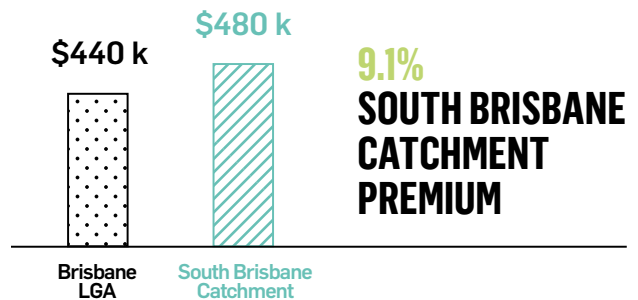
South Brisbane Catchment vs. Brisbane LGA



Prepared by Urbis; Source: APM PriceFinder
South Brisbane Catchment: South Brisbane and West End

MEDIAN APARTMENT SALE PRICE

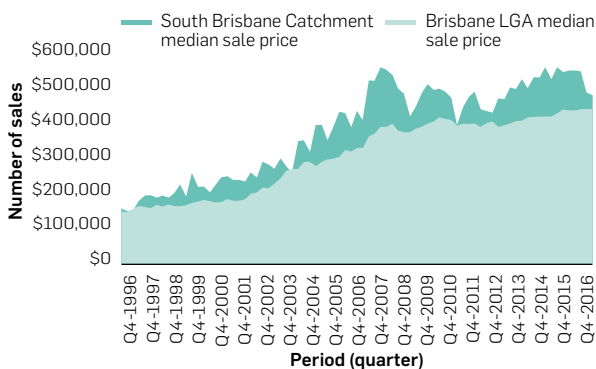
Dec 2016



Prepared by Urbis; Source: APM PriceFinder
South Brisbane Catchment: South Brisbane and West End

APARTMENT MARKET SALES CYCLE

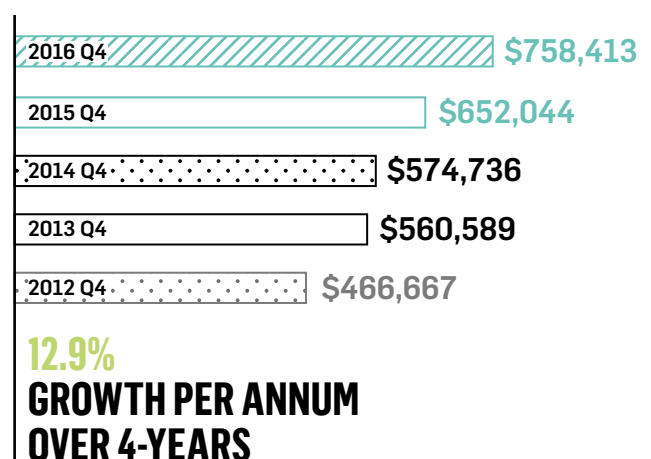
Dec 1996–Dec 2016



Prepared by Urbis; Source: APM PriceFinder
South Brisbane Catchment: South Brisbane and West End

SOUTH BRISBANE CATCHMENT OFF-THE-PLAN APARTMENT PRICE GROWTH

Dec 2012–Dec 2016



Prepared by Urbis; Source: Urbis Brisbane Essentials Q4 2016
South Brisbane Catchment: South Brisbane and West End

RENTAL ANALYSIS

Apartments in the South Brisbane Catchment have achieved rental premiums of between 11% and 19% over the Brisbane LGA.

The South Brisbane Catchment contains a strong rental market which can be attributed to its close proximity to the Brisbane CBD, cultural and lifestyle amenity, and connectivity to large local employment nodes. These characteristics appeal to the area's demographics which include a high percentage of young professionals/managers and a large percentage of Gen Y residents aged between 20 and 34. Young professionals within this age bracket typically prefer lifestyle and amenity living and have a higher than average income.

The Catchment's postcode of 4101 is currently recording considerable median weekly rental premiums over the wider Brisbane LGA. The Residential Tenancies Authority (RTA) indicates that established one-bedroom apartments are achieving rents of \$400 per week, 11.1 per cent higher than the wider Brisbane LGA benchmark. Two-bedroom apartments are commanding median weekly rents of \$500, equating to premium of 19 per cent above the Brisbane LGA. The Catchment also has exhibited long-term rental growth with an average annual rental growth of between 5.9 per cent and 2.8 per cent per annum for one and two-bedroom apartments over the last 10 years.

New and near-new one and two-bedroom apartments are attracting a premium over existing stock, according to on-the-market rental data. A median weekly rent of \$420 is being achieved by new and near-new one bedroom apartments within the Catchment, which is equivalent to five per cent more than the existing stock. New and near-new two-bedroom apartments are achieving even stronger premiums of approximately 12 per cent per week over the existing market. As a blue-chip suburb, potential capital growth offered by an established precinct and future infrastructure investment, paired with the region's strong rental market, are likely to be key drivers of the potential investment opportunity offered within South Brisbane.

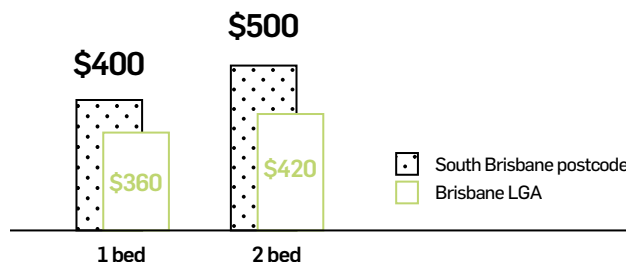


5% 1-BED
12% 2-BED

NEW AND NEAR-NEW PREMIUM OVER EXISTING PRODUCT DEC 2016

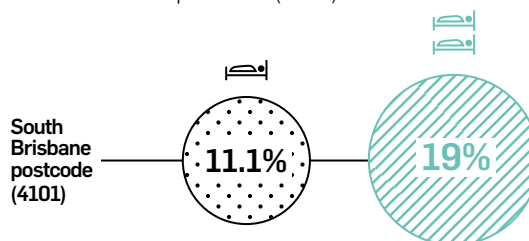
Prepared by Urbis; Source: RP Data, realestate.com.au, domain.com.au

MEDIAN WEEKLY APARTMENT RENTS RTA Dec 2015



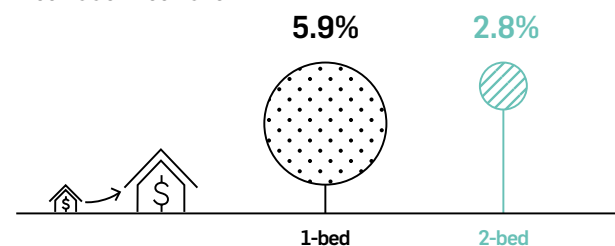
Prepared by Urbis; Source: RTA

PREMIUM OVER BRISBANE LGA (%) South Brisbane postcode (4101)



Prepared by Urbis; Source: RTA

AVERAGE ANNUAL GROWTH RATE MEDIAN WEEKLY RENT Dec 2006–Dec 2016

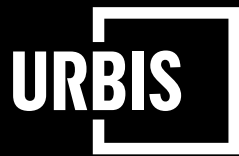


Prepared by Urbis; Source: RTA

NEW & NEAR-NEW RENTAL PRODUCT VS. EXISTING PRODUCT IN SOUTH BRISBANE POSTCODE (4101) Dec 2016



Prepared by Urbis; Source: RTA, realestate.com.au, domain.com.au



BRISBANE
GOLD COAST
MELBOURNE
PERTH
SYDNEY
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