

45 Greensill Road, Albany Creek

Market Overview Report

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October 2019

Executive summary

Venture Crowd Property Australia Pty Ltd has acquired a 1.17-hectare development site at 45 Greensill Road in Albany Creek, an established suburb located approximately 15 kilometres north of Brisbane's Central Business District (CBD). Greensill Road is a quiet, dead-end street servicing mainly older-style acreage allotments although several infill developments (small-lot housing and townhouses) are underway or proposed in the vicinity.

Albany Creek has a population of 16,500 permanent residents and is located in the Moreton Bay Regional Council, close to the border with Brisbane City. Brisbane City is Australia's fastest-growing local government area (LGA); the Moreton Bay Regional Council is Australia's 5th fastest-growing LGA.

There are approximately 250 detached house sales in Albany Creek each year and the median sale price is currently \$612,500. There are between 25 and 65 settled sales of medium-density product (apartments and townhouses) in Albany Creek each year and the median sale price is currently \$505,000. The median sale price of townhouses and apartments in Albany Creek has increased by an average of 6.1% per annum over the past three years, one of the highest increases in selling prices for medium-density dwellings across Brisbane's middle-northern suburbs over this period.

Although only 15% of households in Albany Creek are renting, the vacancy rate is currently a very low 2.3%. This represents a shortfall in suitable rental product. As a consequence of this undersupply, median weekly rents for three-bedroom townhouses in Albany Creek have risen by \$15 per week over the past 12 months (to \$450 per week) and are up by \$55 per week over the past 24 months. The median weekly household income in Albany Creek is 40% higher than the Queensland average and there are more professionals (23% of all employed persons) and tertiary-educated people (34%) than the Queensland averages (20% and 27% respectively).

Because Albany Creek is an older, established suburb with many acreage allotments ripe for redevelopment (such as 45 Greensill Road), there are several new or proposed townhouse projects close by, including others along Greensill Road on the non-riverfront side. However, many local projects have adopted a "cookie-cutter" approach, delivering dwellings of average quality in sparsely-landscaped "concrete jungles".

The vast range of services and amenities available to Albany Creek residents means there will be strong demand for quality new dwellings in the area. The opportunity therefore exists for 45 Greensill Road to be developed to a higher quality than other local projects and to specifically target owner-occupiers.

Whereas new 3-bedroom/2.5-bathroom/2-car townhouses in Albany Creek sold for between \$400,000 and \$480,000 in 2015/16, by 2017 and 2018 better-quality 3-bedroom/2.5-bathroom/2-garage townhouses were selling for between \$475,000 and \$550,000 and 4-bedroom/2.5-bathroom/2-garage townhouses sold for \$595,000.

New three- and four-bedroom townhouses in Albany Creek are currently selling for between \$478,000 and \$623,000. Because no project currently selling has the riverfront position that 45 Greensill Road does, if the townhouses proposed for 45 Greensill Road are delivered to a high standard and include double garages they have the potential to considerably exceed existing sale prices.

Section 1 – Introduction

Background

Venture Crowd Property Australia Pty Ltd has acquired a 1.17-hectare development site at 45 Greensill Road in Albany Creek, an established suburb located approximately 15 kilometres north of Brisbane's Central Business District (CBD). Greensill Road is a quiet, dead-end street servicing mainly older-style acreage allotments although several infill developments (small-lot housing and townhouses) are underway or proposed. The subject site is relatively flat and is the only current development opportunity bordering the South Pine River. It has a potential yield of around 56 townhouses.

The location

Albany Creek has a population of 16,500 permanent residents and is located in the Moreton Bay Regional Council, close to the border with Brisbane City. Brisbane City is Australia's fastest-growing local government area (LGA); the Moreton Bay Regional Council is Australia's 5th fastest-growing LGA.

The site at 45 Greensill Road is conveniently located only:

- 625 metres by road from the Good Shepherd Christian School;
- 750 metres from the Albany Creek Library;
- 825 metres from the nearest bus stop;
- 850 metres from the Albany Creek Tavern;
- 950 metres from Coles Albany Creek;
- 1.1km from Albany Creek State School;
- 1.25km from Albany Creek Kids Childcare Centre;
- 1.5km from Aldi Supermarket;
- 1.5km from the Albany Creek Leisure Centre;
- 1.75km from All Saints Catholic Primary School;
- 2.0km from the Eatons Hill Hotel;
- 2.25km from the Albany Creek Community Centre;
- 2.25km from Albany Creek State High School (this school has one of the best reputations of all State High Schools in Brisbane's north);
- 2.25km from the South Pine Sports Complex;
- 2.25km from Woolworths Eatons Hill;
- 2.5km from Chatterbox Early Learning and Childcare Centre;
- 2.5km from Woolworths Albany Creek;
- 2.75km from IGA Supermarket Eatons Hill;
- 2.75km from Little Gems Early Learning and Childcare Centre;
- 2.75km from Wantima Country Club and Golf Course;
- 3.0km from Albany Hills State School;

- 3.0km from Eatons Hill Primary School;
- 4.75km from Bunyaville Conservation Park;
- 6.25km from Aspley Hypermarket;
- 7.5km from Strathpine Railway Station which has trains every 20 minutes during peak times and thirty minutes off-peak with a travel time of 34 minutes into Brisbane's Central Station;
- 8.0km from Strathpine Shopping Centre;
- 8.5km from St Paul's Anglican College;
- 8.5km from Westfield Chermside, the largest shopping centre in Queensland and the largest Westfield shopping centre in Australia, with more than 400 retailers including Apple, David Jones, Myer, eight other majors and ten mini-majors. Entertainment facilities include a 16-screen Event Cinema, gymnasium and a 26-lane bowling alley. With 6,200 car parks and over 144,000m² of floor space, Westfield Chermside attracts 16.4 million customer visits per annum with an annual turnover of around \$900 million. Westfield Chermside has recently undergone a \$355 million expansion that has increased the gross floor area by 35,350m², yielding between 50 and 70 new tenancies, and more than 500 new parking spaces;
- 10km from the Enoggera Army Barracks; and
- 20km from Brisbane Airport.

The South Pine Sports Complex, directly across the South Pine River from 45 Greensill Road (but some 2.25km by road) is one of the largest sporting complexes in Brisbane's northern suburbs, offering a comprehensive range of indoor and outdoor sporting activities such as AFL, basketball, beach volleyball, futsal, gymnastics, martial arts, rugby, rugby union, soccer, and volleyball.

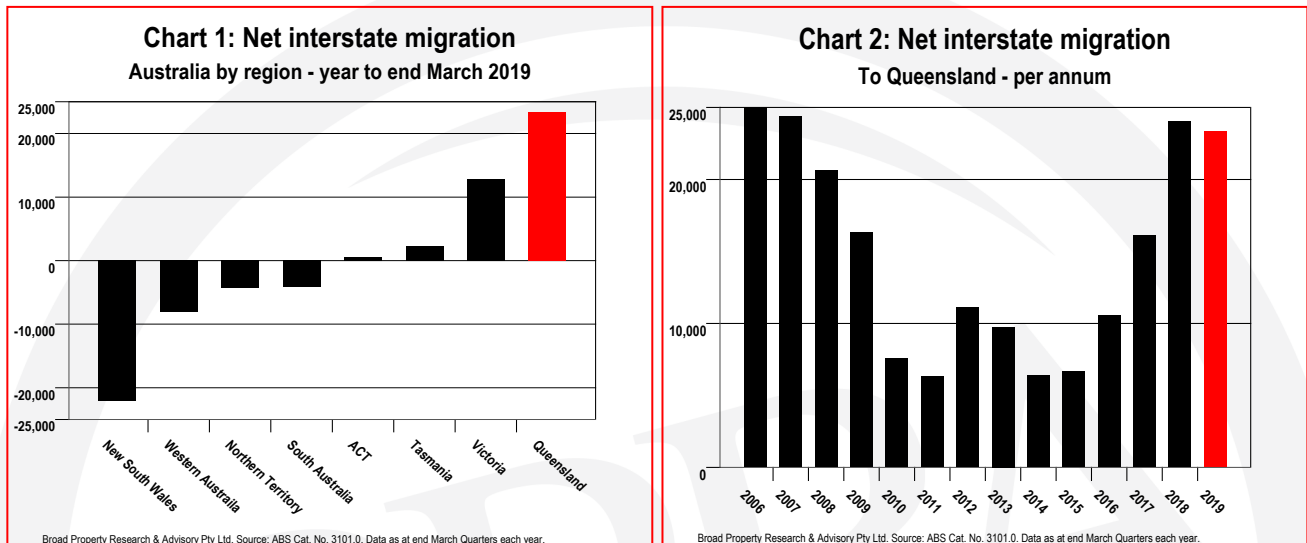
Albany Creek is well-served by a number of local medical centres and allied health facilities. Furthermore:

- Albany Creek is only 6.5km by road from the North West Private Hospital in McDowall, a 101-bed fully-accredited surgical, obstetric and medical hospital that has recently undergone a \$27 million upgrade. It is a preferred Tier-1 Department of Veterans Affairs accredited hospital; and
- Albany Creek is only 9km by road from the Prince Charles Hospital and St Vincents Northside Hospital which are co-located in Chermside. The Prince Charles Hospital provides emergency services to residents living in the northern suburbs of Brisbane and specialist services to the broader Queensland and northern New South Wales population and Pacific islands. The 630-bed hospital employs 3,500 staff and each month treats around 30,000 patients and receives 30,000 visitors. St Vincent's Northside Hospital is a fully accredited Catholic tertiary hospital providing comprehensive inpatient and day services across a broad range of medical and surgical specialities as well as a 24-hour private emergency centre. It is a teaching hospital for the University of Queensland's School of Medicine and has 227 beds with 1,350 staff. The Prince Charles and St Vincent's Northside hospitals are well known throughout Australia as pre-eminent acute cardiac centres and one of the world's best cardiac campuses.

Section 2 – Market overview

Population growth

One of the main drivers of demand for residential property is population growth. Recently released figures from the Australian Bureau of Statistics (ABS) show that Queensland's population grew by 88,100 permanent residents in the 12 months to the end of March, 2019 to reach 5.077 million people.



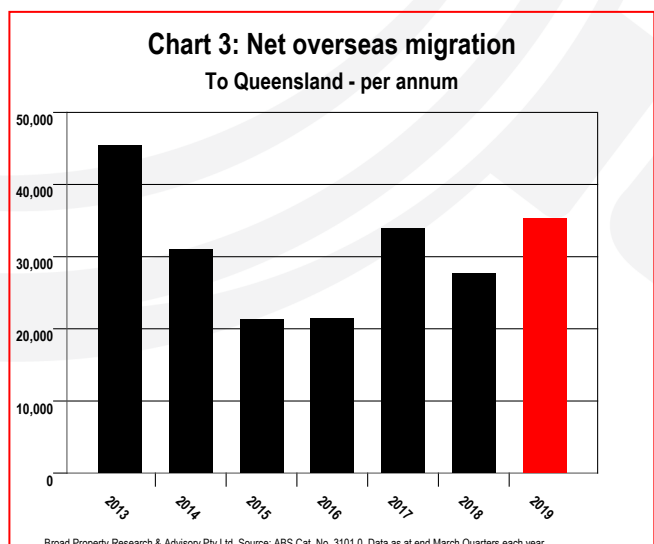
As shown in **chart 1**, Queensland attracts more interstate migrants than any other state or territory, and only Queensland (23,269) and Victoria (12,780) had a sizeable net gain from interstate migration over the past year.

Net interstate migration to Queensland has been increasing over the past decade. See **chart 2**. Queensland's net gain from interstate migration of 23,269 people in 2019 was the highest level of interstate migration to Queensland since 2006 apart from 2018 when 24,000 people came from interstate.

Queensland is also a popular choice for overseas migrants, with more than 35,000 overseas residents choosing to call Queensland their new home over the past 12 months. See **chart 3**. Whilst not a record, it is the highest level of net overseas migration to Queensland since 2013 and reflects the quality of lifestyle, safety, and security that Queensland offers.

Queensland is a growth state, and most of its annual population gain settles in its south-east corner. This is reflected in the fact that five of Australia's 15 fastest-growing municipalities are in Queensland's south east.

With a population of 1.23 million permanent residents and an annual increase of almost 23,000 people, Brisbane City is the fastest-growing municipality in Australia. The Moreton Bay Region, with a population of 460,000 people and an annual increase of more than 10,000 people, is Australia's fifth fastest-growing municipality.



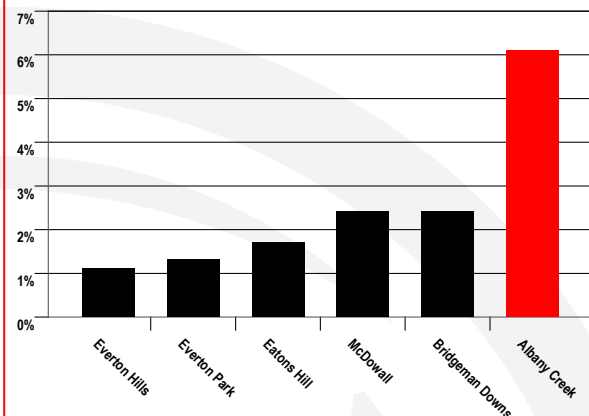
Section 3 – Albany Creek

Solid performance

There are approximately 250 detached house sales in Albany Creek each year and the median sale price is currently \$612,500. There are between 25 and 65 settled sales of medium-density product (apartments and townhouses) in Albany Creek each year and the median sale price is currently \$505,000.

As shown in **chart 4**, the median sale price of townhouses and apartments in Albany Creek has increased by an average of 6.1% per annum over the past three years, one of the highest increases in selling prices for medium-density dwellings across Brisbane's middle-northern suburbs over this period.

**Chart 4: Average annual price growth
Townhouses - Past three years - Brisbane North**



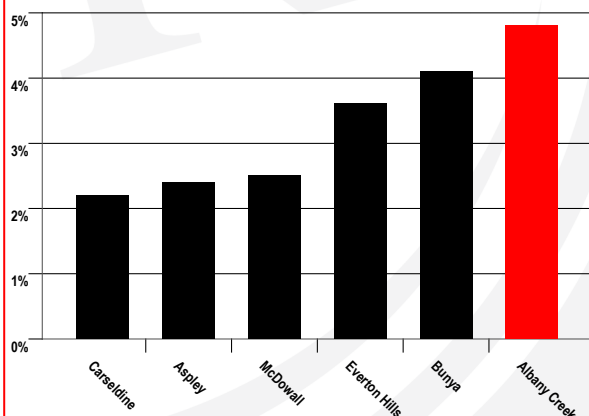
Broad Property Research & Advisory Pty Ltd. Source: Price Finder and SQM Research. Data as at end June Quarters each year.

Indeed, whereas new 3-bedroom/2.5-bathroom/2-car townhouses in Albany Creek sold for between \$400,000 and \$480,000 in 2015/16, by 2017 and 2018 better-quality 3-bedroom/2.5-bathroom/2-garage townhouses were selling for between \$475,000 and \$550,000 and 4-bedroom/2.5-bathroom/2-garage townhouses sold for \$595,000. New three- and four-bedroom townhouses in Albany Creek are currently selling for between \$478,000 and \$623,000 although no project currently selling has the riverfront position that 45 Greensill Road does.

Whilst the average annual capital growth of detached houses in Albany Creek over the past three years is slightly lower, at 4.8% per annum, Albany Creek is still one of the better-performing suburbs in Brisbane's mid-north. See **chart 5**.

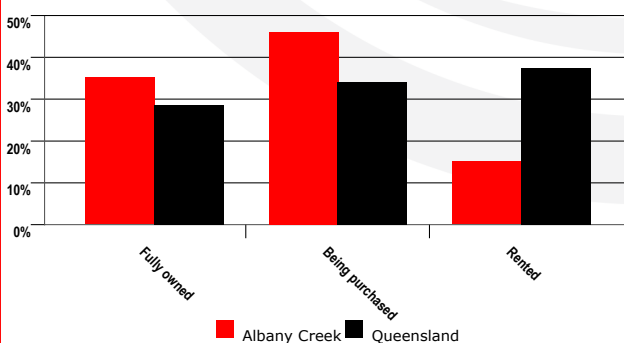
Although only 15% of households in Albany Creek are renting – see **chart 6** – the vacancy rate is currently a very low 2.3%. This represents a shortfall in suitable rental product.

**Chart 5: Average annual price growth
Detached houses - Past three years - Brisbane North**



Broad Property Research & Advisory Pty Ltd. Source: Price Finder and SQM Research. Data as at end June Quarters each year.

Chart 6: Household tenure



Broad Property Research & Advisory Pty Ltd. Source: ABS Census 2016

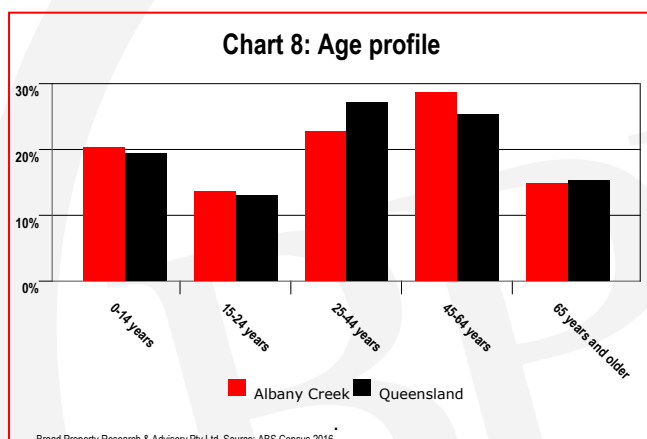
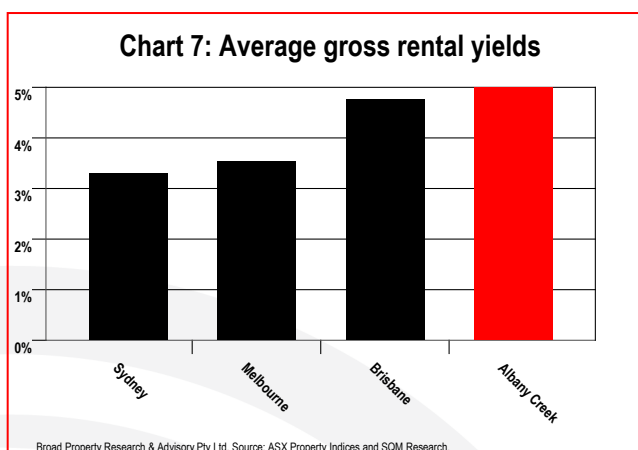
As a consequence of this undersupply, median weekly rents for three-bedroom townhouses in Albany Creek have risen by \$15 per week over the past 12 months (to \$450 per week) and are up by \$55 per week over the past 24 months.

As a result of strong demand for quality rental accommodation, gross rental yields in Albany Creek are currently averaging 5.0% per annum.

Not only is this excellent in the current investment climate but it is higher than average gross rental yields across Brisbane as a whole (4.75%) and way ahead of average gross rental yields in both Sydney (3.3%) and Melbourne (3.5%). See **chart 7**.

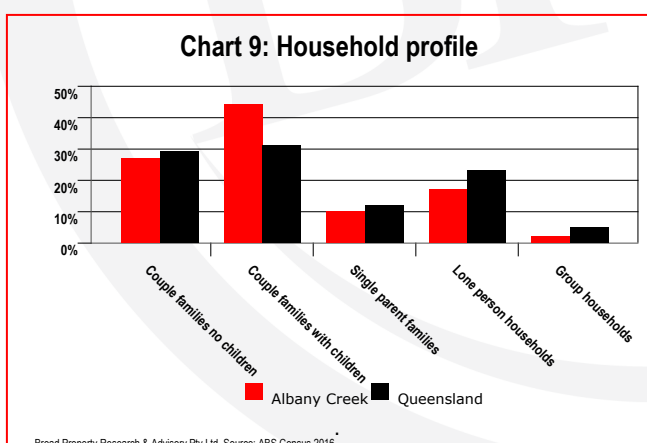
Housing demographics

Census data shows that Albany Creek has a higher proportion of residents aged between 45 and 64 years (29%) than Queensland as a whole (25%) and a lower proportion of residents aged between 20 and 44 years (23% compared to 27% across Queensland as a whole). The proportion of children, young adults (aged between 15 and 24 years) and older people are similar. See **chart 8**.



As shown in **chart 9**, the predominant household type in Albany Creek is a couple with children (44%), followed by couples without children (27%) and lone person households (17%). Albany Creek has an average household size of 2.8 people and a median age of 40 years.

Because of Albany Creek's older age profile, we suspect that many couple families with children have older children at home rather than youngsters, and couples without children are empty nesters rather than younger couples soon to have children of their own.



However, we believe newer developments such as proposed for 45 Greensill Road and other quality infill projects will have strong appeal to younger buyers and couples intending to start a family, and this over time will see Albany Creek's age and household profile change.

The median weekly household income in Albany Creek is 40% higher than the Queensland average and there are more professionals (23% of all employed persons) and tertiary-educated people (34%) than the Queensland averages (20% and 27% respectively).

Section 4 – 45 Greensill Road

Competitive advantages

The site at 45 Greensill Road, Albany Creek is a tremendous development opportunity. Not only is it a large site with limited building constraints, it is the only current development site along the South Pine River and has the potential for attractive north-facing views across the River to the extensive sporting fields opposite. An added bonus is the fact that Greensill Road is a quiet, dead-end street with local traffic only.

Because Albany Creek is an older, established suburb with many acreage allotments ripe for redevelopment (such as 45 Greensill Road), there are several new or proposed townhouse projects close by, including others along Greensill Road on the non-riverfront side. However, many local projects have adopted a “cookie-cutter” approach, delivering dwellings of average quality in sparsely-landscaped “concrete jungles”.

The vast range of services and amenities available to Albany Creek residents means there will be strong demand for quality new dwellings in the area. The opportunity therefore exists for 45 Greensill Road to be developed to a higher quality than other local projects and to specifically target owner-occupiers. For this target market, design parameters should include:

- 2.5 bathrooms in all townhouses, with the master having an ensuite (preferably with a double vanity) and the WC separate from the main bathroom;
- Main bathrooms provide a bath as well as a shower (and not a shower over the bath);
- All powder rooms/separate toilets with a wash basin;
- Double garages for all townhouses, offering side-by-side parking and not tandem parks;
- Fully ducted air conditioning;
- High ceilings;
- Separate laundries;
- Kitchens with large pantries, a breakfast bar and stone benchtops;
- LED downlights, quality carpets and tiles, and flyscreens and blinds;
- Private, screened entry;
- Quality appliances.
- Linen cupboards upstairs; and
- Generous storage throughout.

Most townhouses should be double-storey four-bedroom dwellings, although a limited number of double-storey three-bedroom townhouses could be included so as to offer a reasonable price differential and thus maximise market share. There is also an opportunity to differentiate the project by providing three-bedroom townhouses with oversized second and third bedrooms, and with more generous robe space, than usually provided.

As far as possible the townhouses should be arranged in duplex and triplex building formations, with the number of quad buildings kept to an absolute minimum, in order to avoid the look of “cookie-cutter” townhouse projects of which there are plenty of local examples. Resident recreation facilities should include a swimming pool, sun deck, BBQ area, yoga lawn and generous seating. A pizza oven might also be a useful inclusion. There is no need for a gymnasium, and in general terms the lower the body corporate fees the better.

Acquisition and development expenses

We understand Venture Crowd Property Australia Pty Ltd or a related entity has contracted to purchase the 45 Greensill Road site for \$3.45 million “as is”. With an expected yield of 56 dwellings, this equates to approximately \$61,600 per dwelling which is a realistic amount.

We further understand that a fund associated with Venture Crowd Property Australia Pty Ltd will spend approximately \$800,000 getting the site “shovel ready”. An incoming fund that will develop the property will pay \$4.7 million to acquire the site. With the same anticipated expected yield of 56 dwellings, this equates to a little under \$84,000 per dwelling. This again is a realistic amount.

In our experience, the feasibility of residential projects is enhanced if a “development-ready” site can be acquired for less than \$100,000 per dwelling,

Section 5 – Conclusion

Venture Crowd Property Australia Pty Ltd has acquired a 1.17-hectare development site at 45 Greensill Road in Albany Creek, an established suburb located approximately 15 kilometres north of Brisbane's Central Business District. Greensill Road is a quiet, dead-end street servicing mainly older-style acreage allotments although several infill developments (small-lot housing and townhouses) are underway or proposed in the vicinity.

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