



**BROAD PROPERTY
RESEARCH & ADVISORY**

400 Park Ridge Road

PARK RIDGE

Market Overview Report

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Executive summary

Venture Crowd Property Australia Pty Ltd is proposing to develop a 2-hectare site at **400 Park Ridge Road** in Park Ridge, a rural-residential suburb in Logan City currently undergoing extensive infill development located approximately 27 kilometres south of Brisbane's Central Business District (CBD).

The City of Logan is strategically located adjacent to Brisbane City, Ipswich City and the Gold Coast, and part of the fastest growing urban area in Australia (South East Queensland). It has direct access to three major arterial networks, two international airports, freight rail and the Brisbane to Sydney passenger rail line. A combination of affordable property prices, a solid pipeline of development and infrastructure, and proximity to job hubs is making Logan an ideal choice in which to live and invest.

Over the next 20 years, Council estimates the Park Ridge area will see an additional 12,000 dwellings built and be home to an additional 30,000 residents, as more and more families seek to realise the Australian dream of home ownership. This equates to the population of Park Ridge growing by an average of 1,500 new residents each year from 2021 onwards, necessitating the construction of approximately 600 new dwellings each and every year. The site at **400 Park Ridge Road**, Park Ridge, presents Venture Crowd Property Australia Pty Ltd with the opportunity to develop a boutique residential estate in one of South East Queensland's fastest-growing areas.

Whilst there are many competing estates in the local area, many of these have been developed to a low standard of built product and have been promoted almost exclusively to the investor market. The opportunity therefore exists for Venture Crowd Property Australia Pty Ltd to develop the subject site to a higher quality than nearby estates, particularly with more double-storey product as a point of difference.

The preferred development option for **400 Park Ridge Road** mainly delivers lots sized at 350m², 400m², 420m², 425m² and 450m², all of which are typical lot sizes in emerging communities and provide a range of options for single- and double-storey built product. There are also a small number of lots sized around 600m² and one 956m² allotment. These provide another good point of difference.

With vacant land priced in the low-mid \$200,000s and house-and-land packages from the mid \$400,000s, the development at **400 Park Ridge Road** offers tremendous value-for-money. At these prices, Venture Crowd Property Australia Pty Ltd should achieve sell-out of all 31 lots within 9-12 months from launch of the project.

The likely target markets within the owner-occupier segment at **400 Park Ridge Road** is for between 30% and 40% to be first home buyers and a similar proportion of "upgraders", with the remainder driven by those wanting to downsize. The Queensland Government is currently offering a grant of \$15,000 for first home buyers purchasing new dwellings valued under \$750,000. This is in addition to the Commonwealth Government's HomeBuilder grant of \$25,000. For eligible buyers, both of these grants may be used to purchase a home in **400 Park Ridge Road**.

Whilst already well-served by community infrastructure, the Park Ridge Master Plan outlines how population growth and the emerging household profile will necessitate construction of more primary schools, kindergartens, childcare centres and high schools in Park Ridge over the next 20 years.

Park Ridge will thus be a hub for "key workers" attracted to the multiplicity of jobs emerging in the area that complement existing opportunities in industries such as health and education, transport and logistics, warehousing, retail, and public administration.

Section 1 – Introduction

Background

Venture Crowd Property Australia Pty Ltd is proposing to develop a 2-hectare site at **400 Park Ridge Road** in Park Ridge, a predominantly rural-residential suburb currently undergoing extensive infill development located approximately 27 kilometres south of Brisbane's Central Business District (CBD).

The suburb of Park Ridge currently has a population of 14,100 permanent residents and is located in Logan City Council, the sixth fastest-growing local government area (LGA) in Queensland.

The area between the Mount Lindesay Highway in the west to Chambers Flat Road in the east, bounded to the south by Rosia Road and Koplick Road and in the north by Green Road and Bumstead Road, has been declared a priority planning area by the Logan City Council and consequently master-planned. Over the next 20 years, Council estimates this 2,548-hectare precinct will see an additional 12,000 dwellings built and be home to an additional 30,000 residents.

The Park Ridge Master Plan focuses on the provision of plentiful urban infrastructure and extensive parks and amenities, including a large regional park just 600 metres from **400 Park Ridge Road**, a Woolworths-anchored shopping centre only 1.5km away along Chambers Flat Road, the proposed extension of commuter bus services south from Browns Plains, and a proposed express bus service from the Park Ridge Town Centre into Brisbane's CBD.

Location and lifestyle features

The site at **400 Park Ridge Road** is conveniently located only:

- 1.25km from the nearest bus stop;
- 1.5km from the new \$1.5 billion Crestmead Logistics Centre, one of Queensland's largest industrial projects currently under construction. When complete, this facility will employ up to 6,000 people;
- 2.0km from Hubner Park and its extensive sporting fields;
- 2.0km from Crestmead Medical Centre;
- 2.0km from Kensington Tavern (Crestmead);
- 2.25km from Goodstart Early Learning Centre Crestmead;
- 2.5km from St Francis College, Crestmead;
- 2.75km from Crestmead Early Education Centre;
- 3.0km from 7-11 Logan Reserve and its associated convenience stores;
- 3.25km from St Philomena Catholic Primary School;
- 3.5km from Crestmead Primary School;
- 3.75km from Logan Reserve Primary School;
- 4.0km from Heritage Park Shopping Centre;
- 4.0km from Mount Lindesay Highway;
- 4.0km from Park Ridge Shopping Centre;

- 4.0km from Park Ridge Town Centre;
- 4.0km from Park Ridge Primary School;
- 4.25km from Park Ridge Early Childhood Centre;
- 4.25km from Park Ridge State High School;
- 4.25km from the Park Ridge Tavern;
- 4.25km from IGA Crestmead;
- 5.0km from Marsden State High School;
- 5.5km from Coles Marsden;
- 5.5km from Park Ridge Childcare and Preschool Centre;
- 5.5km from Kids Clubhouse Learn and Play Centre (Boronia Heights);
- 5.75km from Parklands Christian College;
- 6.0km from Goodstart Early Learning Centre (Boronia Heights);
- 6.0km from Regents Park Primary School;
- 6.0km from Yugumbir Primary School;
- 6.5km from Browns Plains State High School;
- 7km from the Logan Motorway;
- 7km from the Logan West Aquatic Centre, Health Club, and Community Centre (Hillcrest);
- 7.25km from St Bernadine's Catholic Primary School (Brown Plains);
- 8.5km from Grand Plaza Shopping Centre (Browns Plains), the largest shopping centre in the Park Ridge area with 120 retailers including Aldi, Coles and Woolworths supermarkets and an 8-screen Event Cinema;
- 9.0km from Browns Plains HOME Supercentre including Bunnings, Harvey Norman, and JB Hi Fi;
- 9.5km from TAFE Queensland Logan Campus;
- 10km from Loganlea Railway Station which has trains every 15 minutes during peak times and thirty minutes off-peak with a travel time of 57 minutes into Brisbane's Central Station;
- 10km from Griffith University (Logan Campus);
- 12km from IKEA Springwood;
- 13km from John Paul College (Daisy Hill); and
- 14km from Logan Hyperdome Shopping Centre, the largest shopping centre in Logan City with more than 200 retailers including Aldi, Coles and Woolworths supermarkets plus Big-W, Bunnings, JB Hi Fi, K-Mart, Max Brenner and Rebel Sport. Entertainment facilities include a bowling alley and a 12-screen Event Cinema.

Park Ridge is also well-served by a number of local medical centres and allied health facilities, and is only 9km from **Logan Hospital** (located in the nearby suburb of Meadowbrook), which has more than 2,400 staff. Logan Hospital is the major health centre servicing the Logan region and provides acute medical, surgical, rehabilitation, and maternity services for children and adults. It has 448 beds and has the second busiest emergency department in Queensland, seeing more than 88,000 presentations each year.

The hospital's services include mental health, palliative care, and the medical and surgical services of obstetrics, gynaecology, orthopaedics, ear nose and throat, paediatrics, respiratory medicine, neurology, endocrinology, cardiology, renal dialysis, anaesthetics, emergency medicine, specialist outpatient clinics, oral health, pathology, medical imaging, allied health services, and pharmacy.

Across the broader Logan area there are many community facilities, including:

- 18 Council-owned community centres;
- Nine libraries;
- Seven immunisation clinics;
- Six aquatic centres;
- Four community venues;
- Three indoor sports centres and 116 sporting facilities; and
- One art gallery.

The Logan area has more than 1,100 environmental and recreational parks, many featuring dog off-leash areas, exercise facilities, play equipment, and skate ramps. There are pristine bushland reserves such as the Daisy Hill conservation park and koala centre, Cornubia forest park and Boronia bushland reserve, as well as waterfront parks along the Logan River, including the Eagleby wetlands and Tygum Lagoon. For people wanting faster action there is Kingston Park Raceway and the Bayside Wakepark in Carbrook.

Economics and employment

The City of Logan is strategically located adjacent to Brisbane City, Ipswich City and the Gold Coast, and part of the fastest growing urban area in Australia (South East Queensland). It has direct access to three major arterial networks, two international airports, freight rail and the Brisbane to Sydney passenger rail line. Emerging industries reflect this connectivity and include transport and logistics, food manufacturing and processing, advanced manufacturing, health and aged care, education and training. These new industries are joining a strong economic base driven by manufacturing, property development and construction, and retail and wholesale trade.

In 2019, Logan City had a Gross Regional Product of \$12.58 Billion, up 3% from the previous year. There are 22,573 businesses operating in Logan City and 125,000 jobs within a 15km radius of Park Ridge.

Looking ahead, more than 53,000 new jobs will be created in the Logan area over the next 20 years to accommodate expected population growth. Importantly, the Greenbank/Park Ridge/Logan Reserve catchments are expected to be the job-creation powerhouse for Logan, with this area expected to support an additional 25,800 jobs, or approximately half of the new jobs poised to be created across Logan City during this period.

Finally, the Logan City Council is itself a major local employer, with 1,600 staff predominantly based in Logan Central, Beenleigh and Jimboomba, all within easy commuting distance of **400 Park Ridge Road**.

Infrastructure investment and government spending

The City of Logan's strategic location and its desirability as a place in which to live has led to an unprecedented level of infrastructure investment in the region, with more than \$18 billion of publicly funded projects under way to support the growing residential population. These include:

- The new \$1.5 billion Crestmead Logistics Centre, one of Queensland's largest industrial projects currently under construction just 1.5km from **400 Park Ridge Road**. When complete, this facility will employ up to 6,000 people across 650,000m² of warehousing, business, logistics and manufacturing space;
- \$1.2 billion agreement - the largest of its type by any government in Australia - was signed last year by local authorities and private developers to build essential infrastructure in Logan's Priority Development Areas including Yarrabilba (11km from **400 Park Ridge Road**) and Greater Flagstone (17km from **400 Park Ridge Road**);
- The Yatala Enterprise Area, located 20km by road from **400 Park Ridge Road**, is a 127 hectare industrial hub projected to inject \$1 billion in the region's economy over the next ten years. It will facilitate growth in long-term employment in advanced manufacturing, food and beverage, construction materials, machinery and equipment, plastic and chemicals, warehousing, transport and distribution.
- The \$650 million South West 1 Enterprise Estate in Berrinba (8km by road from **400 Park Ridge Road**) is now operational and it's continuing development will add 2,000 new jobs over the next five years;
- Transurban Queensland's recently-completed \$512 million Logan Enhancement Project has reduced road travel times along some of the busiest transport routes in the region. This has triggered a surge in commercial activity along the Logan Motorway corridor, with large national and multinational businesses including Metcash Hardware, DHL, Queensland Logistics Service, Huhtamaki and Pinnacle Hardware setting up operations in Logan's industrial precincts;
- Tenders for a \$460 million expansion of Logan Hospital have been released, kickstarting two projects that will support more than 1,000 jobs during construction. The expansion will deliver an additional 206 beds and treatment spaces as well as upgraded services across the hospital;
- Healthcare provider Australian Unity has recently acquired a large development site in Meadowbrook, directly opposite Logan Hospital, upon which is proposed a multi-faceted healthcare precinct including a new private hospital, medical centre, medical office space, aged care facility, and health education service. The total capital investment in this precinct is anticipated to exceed \$1 billion over the next 10-15 years;
- \$270 million has been allocated towards upgrading the Mount Lindesay Highway south of Park Ridge, with approximately \$120 million having already been spent;
- A new \$40 million commercial centre is currently under construction in Beenleigh, 15km by road from **400 Park Ridge Road**; and
- Rail company SCT Logistics has recently built a \$30 million freight terminal on a 130 hectare site at Bromelton, near Beaudesert. The freight facility is expected to provide capacity for 1.3 million tonnes of rail freight movements each year and create up to 1,000 jobs. When fully operational, it is anticipated that the entire Bromelton Industrial Estate will provide up to 13,000 jobs.

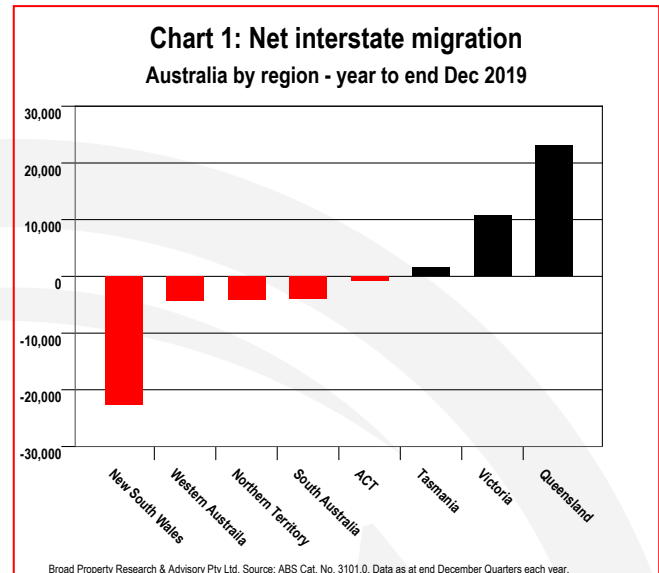
Section 2 – Market overview

Population growth

One of the main drivers of demand for residential property is population growth.

The latest available figures from the Australian Bureau of Statistics (ABS) show that Queensland’s population grew by 79,300 permanent residents in the 12 months to the end of December, 2019 to reach 5.13 million people.

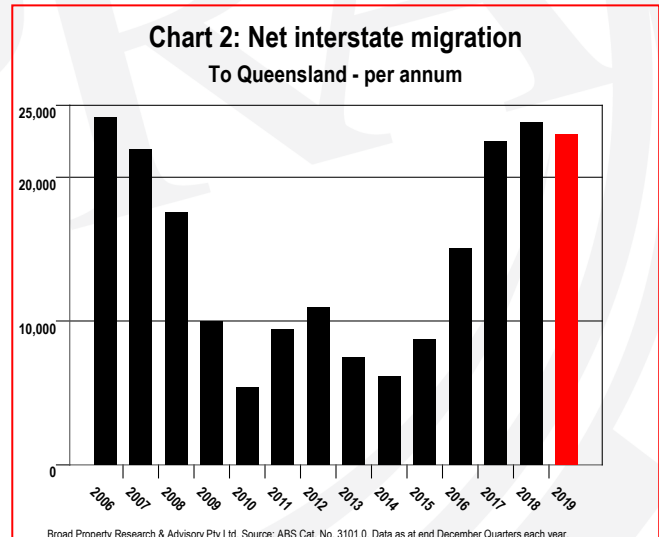
As shown in **chart 1**, Queensland attracts more interstate migrants than any other state or territory, and only Queensland (22,928) and Victoria (10,649) had a sizeable net gain from interstate migration in 2019.



Queensland’s net gain from interstate migration has been above 20,000 persons for each of the past three years. See **chart 2**. Queensland is also a popular choice for overseas migrants, with more than 27,000 overseas residents choosing to call Queensland their new home during 2019.

When released in late September 2020, ABS figures for the March quarter of 2020 are likely to show a continuation of the above trends. However, because of Covid-19, figures for the remainder of 2020 will reflect the impact of:

- The closure of Australia’s international border and the consequent collapse of overseas migration, with the exception of expats returning home, as well as the exodus of international students returning to their country of origin; and
- Restrictions on population movements between various states, resulting in minimal gain for Queensland from interstate migration.



Whilst it is impossible to predict how long the impacts of Covid-19 will be felt, it appears likely that Australia’s internal borders will reopen before its international border. Once this occurs, some continuation of net gains from interstate migration can be expected given how well (generally speaking) Queensland has fared during the pandemic and the quality of lifestyle, safety, and security that Queensland offers. Indeed, anecdotal evidence suggests people from NSW and Victoria are already buying heavily in Queensland, particularly its south-east corner.

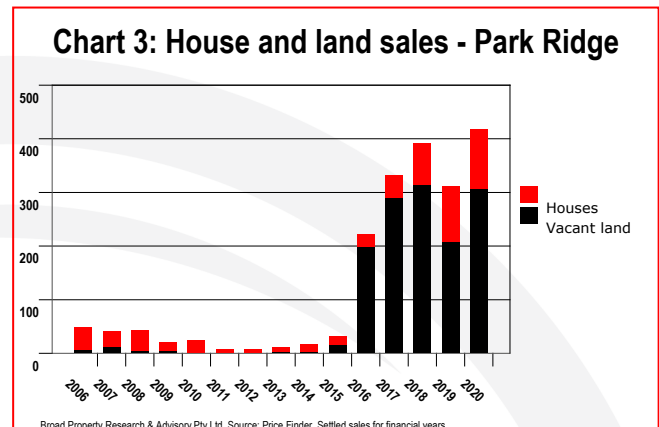
Section 3 – Park Ridge

Growth area

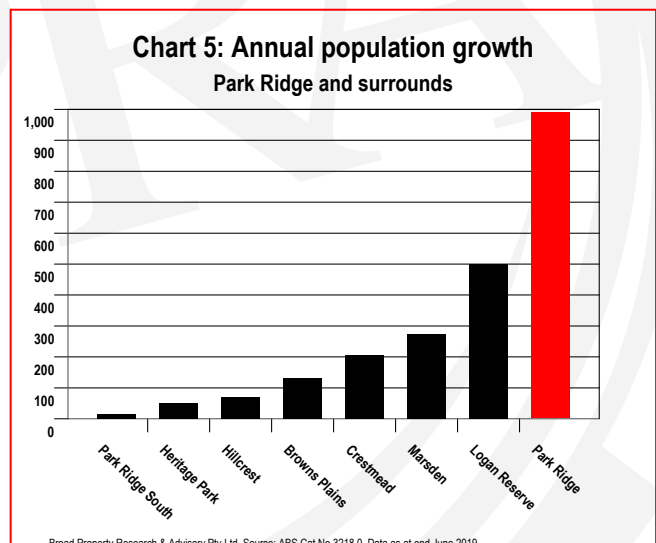
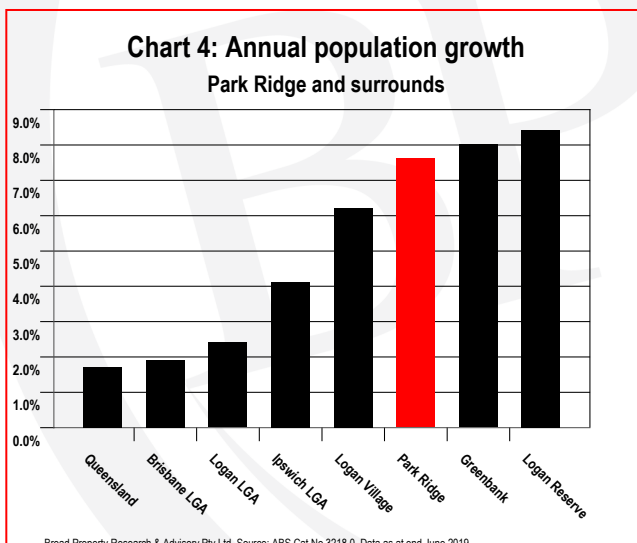
As shown in **chart 3**, up until 2015 there were very few residential sales in Park Ridge each year and these were acreage properties selling to owner-residents.

From 2015, the number of sales increased and from 2016 onwards the creation of small infill subdivisions resulted in an increase in the number of vacant land sales and new detached houses each year.

In the year ending June 2020 there were 307 vacant land sales in Park Ridge and 111 detached house sales. This was a record number of house sales for the suburb and the second-highest number of vacant land sales, behind only the 314 sales in the 2017/18 financial year.



As a result of these new house-and-land estates, the population of Park Ridge has grown substantially over the past 5-6 years. As shown in **chart 4**, the population growth rate of Park Ridge and the adjoining suburbs of Greenbank and Logan Reserve, as well as nearby Logan Village, are substantially higher than Logan City as a whole and other high-growth areas such as the Ipswich region.



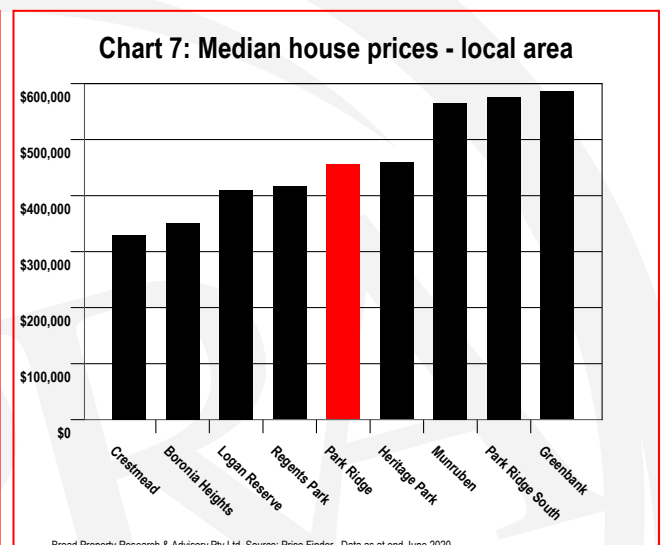
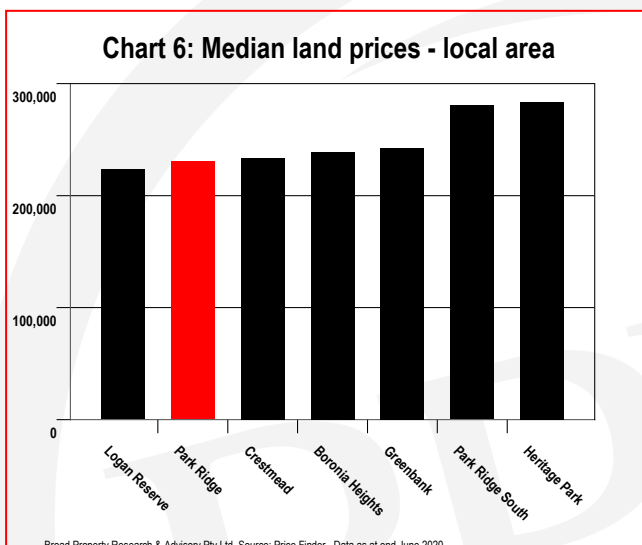
When looking at population growth in absolute numbers rather than as a percentage, **chart 5** indicates that in 2019 Park Ridge had the largest annual population increase (almost 1,000 new residents) of all surrounding suburbs. Importantly, population growth in Park Ridge is supply-led; that is, population growth occurs when new dwellings are supplied. This provides a high level of comfort that development of **400 Park Ridge Road** will meet with strong market acceptance.

Official population projections from the Queensland Government show that over the next 20 years, the City of Logan will continue to accommodate a significant proportion of South East Queensland's population growth, increasing by an average of around 10,000 people each year between now and 2021 and by around 12,000 people per annum thereafter.

Over the next 20 years, Council estimates the Park Ridge area will see an additional 12,000 dwellings built and be home to an additional 30,000 residents, as more and more families seek to realise the Australian dream of home ownership. This equates to the population of Park Ridge growing by an average of 1,500 new residents each year from 2021 onwards, necessitating the construction of approximately 600 new dwellings each and every year¹.

Price competitiveness

The 307 vacant land sales in Park Ridge during the 2019/2020 financial year ranged in price from \$185,000 to \$290,000 with a median sale price of \$230,000. On average, vacant land in Park Ridge is more affordable than nearly all surrounding suburbs. See **chart 6**.

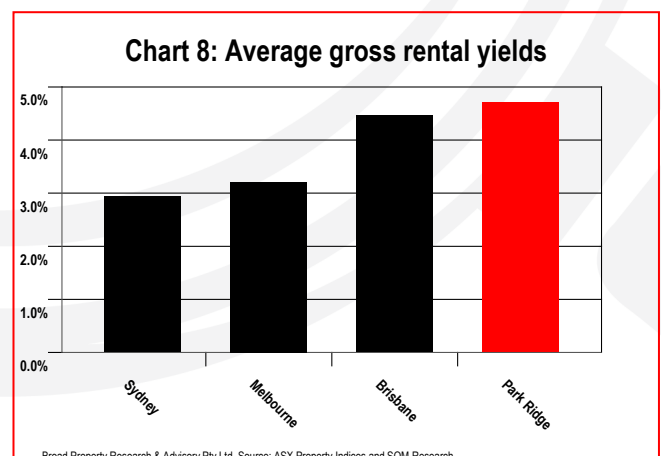


The 111 detached house sales in Park Ridge during the 2019/2020 financial year ranged in price from \$338,800 to \$609,500 with a median sale price of \$454,500. Sale prices for new houses in the local area are also very competitive, although a lot of new dwellings in both Crestmead and Logan Reserve are of average quality and targeted almost exclusively at the rental market, so it is not surprising that median house prices in Park Ridge are higher. See **chart 7**.

Rental market

According to the Residential Tenancies Authority, around 70 new rental bonds are lodged each month in postcode 4125 (Park Ridge/Munruben) and rents for detached houses have increased by 3.2% over the past 12 months.

Gross rental yields in Park Ridge are currently averaging 4.6% per annum, slightly higher than average gross rental yields across Brisbane as a whole (4.5%) and way ahead of average gross rental yields in both Melbourne (3.2%) and Sydney (2.9%). See **chart 8**.



¹ Based on a forecast household size of 2.5 persons per household.

Section 4 – 400 Park Ridge Road

Project direction

The site at **400 Park Ridge Road**, Park Ridge, presents Venture Crowd Property Australia Pty Ltd with the opportunity to develop a boutique residential estate in one of South East Queensland's fastest-growing areas.

Whilst there are many competing estates in the local area, many of these have been developed to a low standard of built product and have been promoted almost exclusively to the investor market. The opportunity therefore exists for Venture Crowd Property Australia Pty Ltd to develop the subject site to a higher quality than nearby estates, particularly with more double-storey product as a point of difference, but still within the confines of acceptable market pricing.

The preferred development option for **400 Park Ridge Road** mainly delivers lots sized at 350m², 400m², 420m², 425m² and 450m², all of which are typical lot sizes in emerging communities and provide a range of options for single- and double-storey built product. There are also a small number of lots sized around 600m² and one 956m² allotment. These provide another good point of difference.

With vacant land priced in the low-mid \$200,000s and house-and-land packages from the mid \$400,000s, the development at **400 Park Ridge Road** offers tremendous value-for-money.

As with new estates in nearby suburbs such as Crestmead, **400 Park Ridge Road** will attract a growing number of "couple with children" households as well as an increase in the number of residents aged between 25 and 44 years, and more children and young adults. It will have strong appeal to owner-occupiers and there is also a large target market of interstate investors who will be attracted by prices which are cheap in comparison to Sydney and (to a lesser extent) Melbourne.

Our forecast of the likely target markets within the owner-occupier segment at **400 Park Ridge Road** is for between 30% and 40% to be first home buyers and a similar proportion of "upgraders", with the remainder driven by those wanting to downsize.

Looking ahead, the Park Ridge Master Plan predicts population growth and the emerging household profile will necessitate construction of the following community facilities in Park Ridge over the next 20 years:

- Four to five primary schools;
- Up to four kindergartens;
- Two to three childcare centres;
- One or two high schools;
- A police station; and
- An aged care and respite centre.

Park Ridge will thus be a hub for "key workers" attracted to the multiplicity of jobs emerging in the area that complement existing opportunities in industries such as health and education, transport and logistics, warehousing, retail, and public administration.

Section 5 – Conclusion

The proposed development at **400 Park Ridge Road**, Park Ridge, has a number of distinct competitive advantages compared to other new residential estates in and around Park Ridge. These include the wide range of lot sizes offered and its focus on providing quality owner-occupier housing large enough for growing families.

With vacant land priced in the low-mid \$200,000s and house-and-land packages from the mid \$400,000s, the new estate at **400 Park Ridge Road** also offers tremendous value-for-money.

Located approximately 27 kilometres south of Brisbane’s Central Business District (CBD), the suburb of Park Ridge currently has a population of 14,100 permanent residents and is located in Logan City Council, the sixth fastest-growing local government area (LGA) in Queensland. The City of Logan is strategically located adjacent to Brisbane City, Ipswich City and the Gold Coast, and part of the fastest growing urban area in Australia (South East Queensland). It has direct access to three major arterial networks, two international airports, freight rail and the Brisbane to Sydney passenger rail line. A combination of affordable property prices, a solid pipeline of development and infrastructure, and the proximity to job hubs is making Logan an ideal choice in which to live and invest.

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Looking ahead, the Park Ridge Master Plan predicts population growth and the emerging household profile will necessitate construction of the following community facilities in Park Ridge over the next 20 years: Four to five primary schools; up to four kindergartens; two to three childcare centres; one or two high schools; a police station; and an aged care and respite centre.

Park Ridge will thus be a hub for “key workers” attracted to the multiplicity of jobs emerging in the area that complement existing opportunities in industries such as health and education, transport and logistics, warehousing, retail, and public administration.

The very affordable prices proposed for **400 Park Ridge Road** means the development will attract strong interest from first home buyers looking to enter the market. To this end, it should be noted that the Queensland Government is currently offering a grant of \$15,000 for first home buyers purchasing new dwellings valued under \$750,000. This is in addition to the Commonwealth Government’s HomeBuilder grant of \$25,000 that is designed to help boost the economy during Covid-19. For eligible buyers, both of these grants may be used to purchase a home in **400 Park Ridge Road**.

Disclaimer

Whilst the information contained in this report has been carefully compiled, no warranty or promise as to its correctness is made or intended. Interested parties should undertake independent inquiries and investigations to satisfy themselves that any details herein are true and correct. We do not accept any responsibility or liability for any loss or damage arising out of reliance on the information in this document. No forecasts are being made about potential capital gains. Past information about capital gains or price growth does not imply such gains or growth will be made in the future. Our recommendations assume that the project will be marketed with an appropriate promotional budget, future interest rate increases are modest, and Australia’s economic conditions remain favourable. Prolonged downturns in the economies of China or the USA, or significant international events such as war, pandemics or terrorist attacks, may have a detrimental impact on Australia’s economy and the performance of residential property. Data sources used include Australian Bureau of Statistics, Australian Stock Exchange, Commonwealth Government, Logan City Council, Logan Office of Economic Development, Price Finder, Queensland Government, Residential Tenancies Authority, SQM Research, Urbis. This document is copyright. No part may be reproduced by any process without prior written permission from us.