

G' Day

Matusik Property Insights have been engaged to review **Brickworks Park** – a new master-planned infill development - at Alderley, in Brisbane's inner north.

Our headline response includes the following observations:

- Great site position and general area location
- Low development density, with great private amenities for residents to share
- Well-designed apartments and townhouses by a highly credentialed architect and are to be built by a very experienced international developer
- Competitively priced when matched against other comparable new and recent product elsewhere in Brisbane, with potential for above average price growth and rental returns
- Undersupply of new housing – including apartments – across much of Brisbane
- Improving property market conditions in Brisbane

This short report features five factors that we believe should be important to a buyer when considering **Brickworks Park** as a place to live or as an investment.

Whilst my firm undertakes independent property and project analysis - and therefore we aren't investment or financial advisors – we do believe, based on our research, that **Brickworks Park** is worth a closer look.

In fact, our review found that Brickworks Park is one of the best new master planned infill housing developments we have reviewed in Brisbane since I started my business over 20 years ago.

I think it is one of Brisbane's best kept secrets.

Cheers for now,



Michael Matusik  
Director  
Matusik Property Insights Pty Ltd

## Five factors

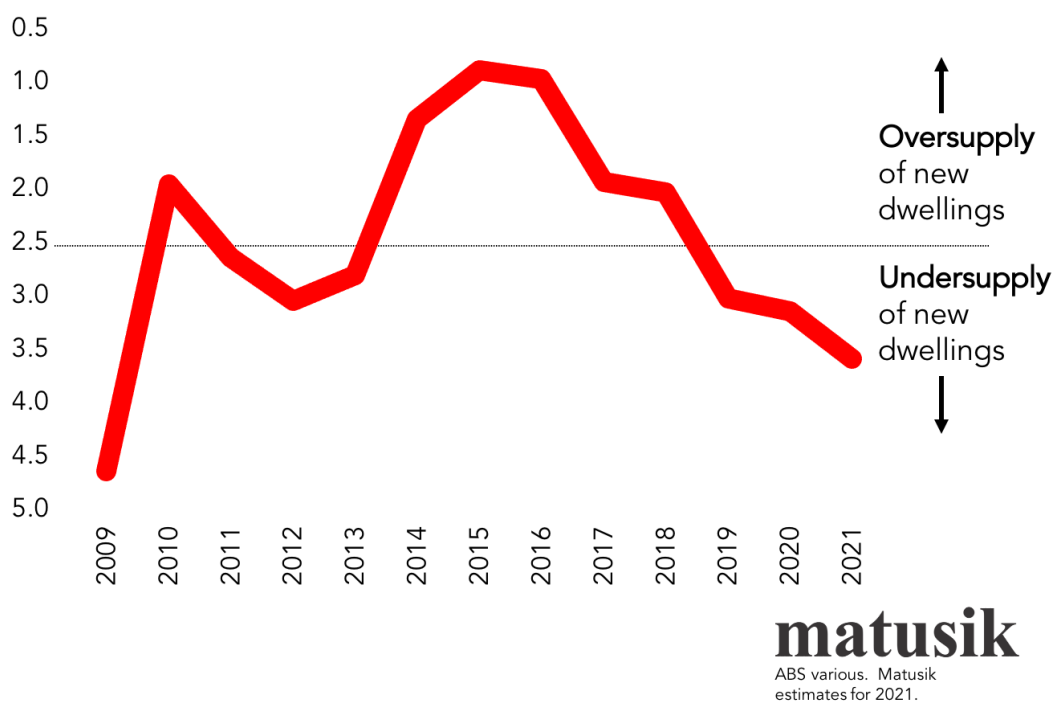
### 1. Project parameters

- Brickworks Park is being delivered by one of the largest development companies in the world - Singaporean based CDL or **City Developments Limited**. CDL is a 1st tier international company, on par with say Lend Lease. CDL have a proven track record of completing their projects, to specifications, on time and on budget.
- So far 222 dwellings have been approved on the Brickworks Park site, with further development of a similar nature planned by CDL on the east and north portions of the current site.
- A master-planned infill housing project is rare in Brisbane. Most of the time new infill housing in Brisbane are on small sites holding just rows of townhouses or an apartment tower or two. Very little is supplied by the way of onsite amenity in Brisbane's infill housing developments. Most of them just maximise yield.
- Brickworks Park's planned approach is more akin to what is seen in Melbourne's middle ring. In Melbourne such developments help create their own community. Brickworks Park offers the same potential.
- In addition, my firm was recently engaged to find larger development sites, such as Brickworks Park, for an interstate based developer.
- In short, we couldn't find any. There is a lack of similar sized sites across Brisbane's middle ring suburbs.
- **Brickworks Park is one of a kind.**
- And the brick chimney (which of course stays and features in the overall private open space provisions) plus the Brickworks Park history linkage - further enhances the project's uniqueness and pedigree.

## 2. New housing supply v demand

- Brisbane City Council's annual rate of population growth is growing faster than projected. Over the past ten years the Brisbane resident population has been increasing by some 19,630 new residents each year. This is much higher than the projected 12,850 annual increase over the next decade. At present 1.27 million people live within the Brisbane City Council area.
- There is a need to build 8,500 new dwellings each year in Brisbane to house this annual population intake. Brisbane faced a period of apartment dwelling oversupply, but that has now changed, as many new apartment developments have not proceeded in recent years.
- Brisbane is no longer oversupplied with new dwellings. Demand for such property, especially in Brisbane's inner-ring, now exceeds supply. As a result, Brisbane isn't building enough new quality apartments and townhouses targeting the owner occupier market.

### New dwelling supply v demand status - Brisbane

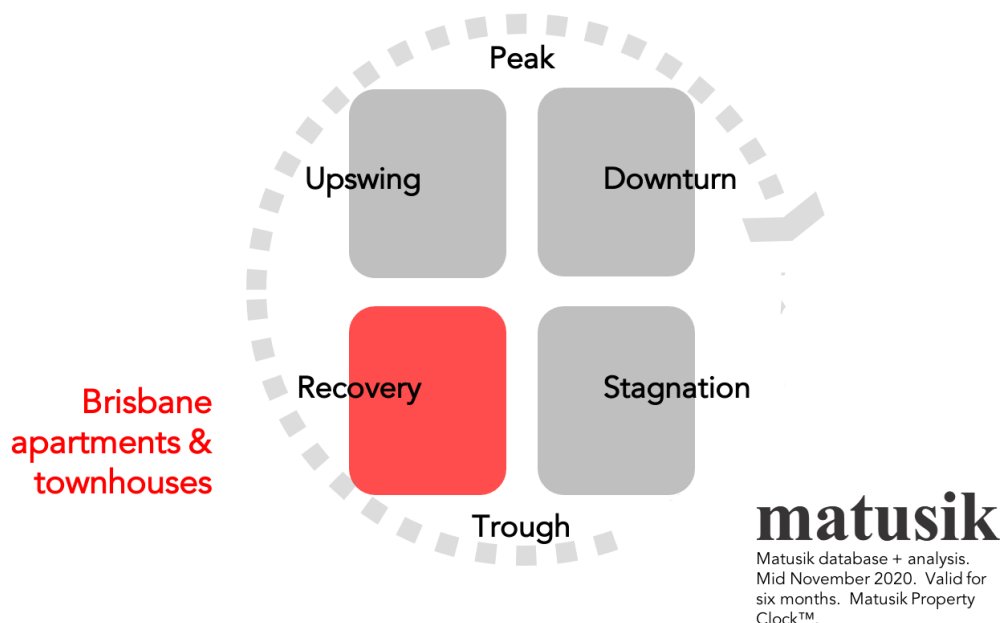


- To make matters worse, Brisbane City Council have also made it harder to approve new townhouse projects within their jurisdiction.
- New housing projects need to meet new planning guidelines regarding site size, which is likely to stop almost all new smaller townhouse developments in the Brisbane City local government area. This will further tighten new housing supply - and ironically - in areas where demand is growing the fastest.
- We believe that the demand for the new homes in Brickworks Park will escalate now that state and territory borders restrictions have been lifted. We expect population flight from both Sydney and Melbourne to south east Queensland.
- We also think that many will view **Brickworks Park as great value for money** and a number of these new interstate migrants are very likely to make Brickworks Park their new home.

### 3. Property clock

- Brisbane is in the recovery phase of the property clock. This happens when demand starts to exceed supply.
- Sales volumes are rising, stock advertised for sale is falling and the local rental vacancy rate has been under 2% for several years.
- Prices and rents usually rise during the recovery phase, accelerating as the market approaches an upswing and market peak.
- Given Brisbane's current position on the property clock, past trends suggest that **now is a great time to buy a new home or investment in Brisbane.**

#### Matusik Property Clock - Brisbane



#### **4. Brickworks Park target market**

- Brickworks Park is designed for owner residents, with two buyer groups - first home buyers and downsizers - showing the most interest.
- This is not surprising given that these two buyer segments are projected to grow the most in population size within the local area over the next decade.
- Importantly the project is pet friendly.
- Australia has the highest rate of pet ownership in the world with just over two-thirds of Australian households owning a pet. In fact, more Australian's live in a home with a cat or a dog than with a child.
- Yet a quick search on realestate.com.au found that just 22% of the rental properties available for lease in Brisbane allow pets. Our research has found that tenants will pay between 10% and 20% more in rent to legally share their abode with their cat or dog.
- Our investigations have also found that buyers will pay up to 5% more for a dwelling in a group-title complex that allows pets when compared to those that don't.
- Brickworks Park is also child friendly. Many buyers are likely to have a young child or grandchildren
- Brickworks Park is a very attractive alternative to living in a detached house in the outer suburbs.
- We believe that Brickworks Park will attract a wide mix of buyers - mostly owner residents - and given the project's unique design - the residents will bond and create their own local community - something which is increasingly wanted and our recent work shows buyers will also pay a premium for.
- **Brickworks Park, in the years to come, is very likely to become a much sought-after address in Brisbane.**

## 5. Project and dwelling design

### a. Project design

6. We believe that Brickworks Park is unique.
7. There are quite a few design elements that make it so. These include:
  1. Limited overall dwellings
  2. Small buildings, in height and number
  3. Single loaded apartment buildings
  4. Lots of secure, and also onsite, parking for residents and guests
  5. Curved streetscape
  6. Extensive landscaping
  7. Massive private open space provisions and facilities
8. Brickworks' parks - onsite and private - meaning that it cannot be used by the public, only residents and invited guests - open space provision is **close to 20 times more** than other new middle-ring projects approved in Brisbane over the past five years.
9. **No other new housing project in the area provides residents with as much private (and importantly usable) open space as Brickworks Park does.**

### b. Dwelling design

10. **Brickworks Park's housing plans are some of the best we have seen in recent years.** There are some things worth pointing out, plus see our plan review overleaf.
  1. Flow through apartments - better climate comfort, less need for air conditioning
  2. Separate bedrooms - shared tenants, space between residents and guests/visiting grandchildren
  3. Large balconies - enjoy the view and Brisbane's climate
  4. Multi-purpose front terrace and separate laundries
  5. Galley kitchen with plenty of storage, all apartments have island benches
  6. Ensuite bathrooms with great lighting
  7. Study nooks/areas and in the larger apartments, a MPR or multi-purpose room

### Sample two-bedroom apartment

- Two bedrooms - two bathrooms
- One or two secure basement car parking spaces
- 86m<sup>2</sup> internal
- 10m<sup>2</sup> entry terrace
- 16m<sup>2</sup> balcony
- 112m<sup>2</sup> total

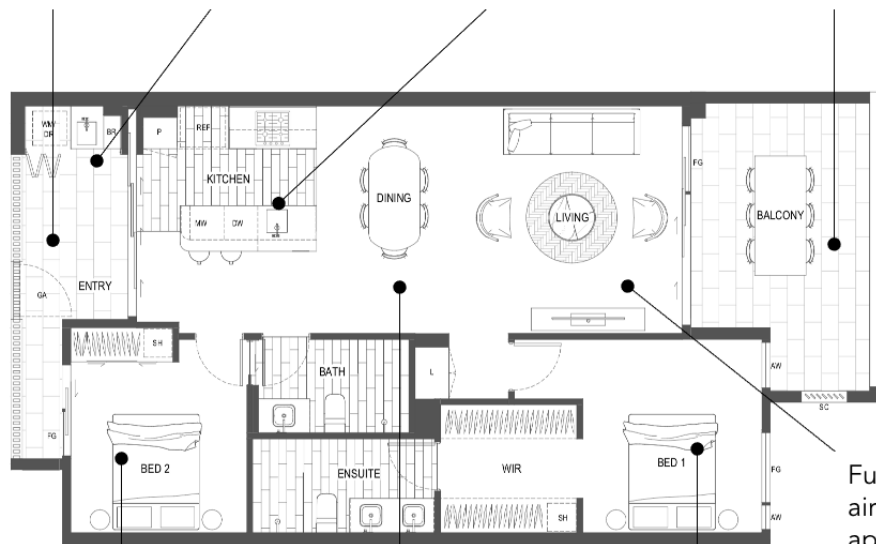
Suits couple or small family owner-resident + well designed to hold two tenants, maximizing rental return.

Unique entry terrace providing natural light and ventilation throughout the apartment

Smart laundry design that maximises internal apartment space and optimises ventilation

Large galley kitchen with stone surfaces, soft-close cabinetry, premium ilve appliances and island bench

Private, sheltered and well proportion balcony which comfortably seats six adults



Fully airconditioned apartment

Second bedroom with independent entry and two-way bathroom providing flexibility for sharing or visiting guests

Cross ventilated, flow-through apartment with a thoughtful use of space, maximising the integration between indoor and outdoor living

Generously apportioned master bedroom, with spacious dual vanity ensuite and walk-through wardrobe



### **Covid19 caveat**

Without making light of the coronavirus (Covid19) - and at the time of writing – we believe the impact on the Australian housing market will ultimately be temporary.

With RBA action, government incentives and some meaningful endeavours - and with a little bit of self-control on our part too - hopefully, the second half of financial 2021 should be better, economically, than the first half and fiscal 2022 should be stronger than financial 2021.

This assumes that the coronavirus is contained, and most domestic endeavours remain operational (with the exception of international-related travel undertakings as these are likely to take a year or two to recover) and the government stimulus helps constrain the rise in unemployment.

More importantly – to us - it is the property fundamentals that really matter.

Things that matter when it comes to the Australian housing market include demographics, work trends, settlement patterns, finance, taxation, regulations, compliance, affordability, and importantly supply and demand.

None of these fundamentals – we believe - are likely to be substantially altered – over the long term - by Covid19, including work patterns.

And again, in our opinion, **residential property is unlikely to be affected anywhere near as much as other property classes.**

People will always need somewhere to live, and homes are the true “safe haven” in the current environment.

This sentiment may also loiter after this emergency passes. It may even strengthen the longer the virus remains unrestrained or if future outbreaks take place.

### **Matusik Property Insights**

- Matusik Property Insights is an independent consultancy, providing detailed residential market research and analysis for industry, government, companies and, in some instances, individuals.
- Matusik prides itself as a trusted source of property analysis. Michael is seen by many as a 'voice of reason amongst the distortion'.
- For more general information [www.matusik.com.au](http://www.matusik.com.au)

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### **Report date and validity**

- 15<sup>th</sup> December 2020
- Valid for calendar 2021

### **Typical data sources**

- Price Finder
- Queensland Government, various
- SQM Research
- Queensland Rental Tenancy Authority
- ABS Census and other ABS publications
- Matusik Database

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