

the matusik suburb profile

An independent profile of your suburb

St. Lucia

St. Lucia is a riverside suburb just four kilometres from Brisbane's central business district (CBD) and is home to the University of Queensland's main campus which has almost 37,000 students attending. The St. Lucia campus also employs 5,200 staff. The adjoining suburb of Toowong has been identified in the Queensland Government's **South East Queensland (SEQ) Regional Plan** as a Major Activity Centre, which means it is recognised as a key suburban transport node with significant concentrations of employment in a range of commercial, retail and service industries..

Population growth

Brisbane City as a whole has a population of 1.067 million people and Brisbane City remains the fastest-growing municipality in Australia, with the Gold Coast second. Significantly, six of Australia's top 15 fastest-growing municipalities are located in Queensland.

Almost 226,500 people live within Inner Brisbane, defined as that area within 5km of the Brisbane GPO. The population of Inner Brisbane has grown by an average of nearly 5,000 new residents each year for the past decade. On average, around one-fifth of Brisbane City's total population growth is accommodated within Inner Brisbane whereas in the 1990s, Inner Brisbane was losing permanent residents. St. Lucia and Toowong have a combined population of 28,000 permanent residents. The population of St. Lucia and Toowong has increased by an average of nearly 500 new permanent residents each and every year for the past decade.

Top performance

There were 98 settled apartment sales in St. Lucia during 2011, with a median sale price of \$425,000. As shown in **chart 1**, the median sale price of apartments in St. Lucia has increased by an average of 9.6% per annum over the past decade, making it one of the better-performing suburbs across Inner Brisbane over this period.

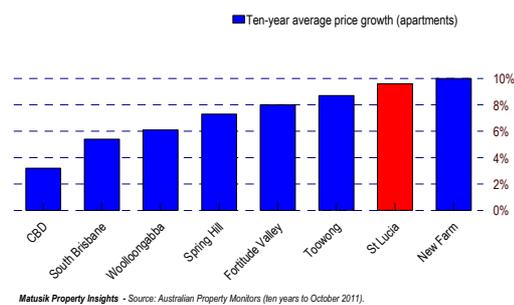
Equally impressive is the fact that – despite the January 2011 flood - the average annual capital gain for apartments in major projects in St. Lucia that re-sold during 2011 was 7.5% per annum.

The rental market in Brisbane remains very tight, a trend that has accelerated over the past 24 months. According to the latest figures released by the Queensland Government, the vacancy rate for permanent rental accommodation across inner Brisbane is currently just 2.2%. See **chart 2**. A vacancy rate under 3% strongly indicates that a market is undersupplied with rental stock.

Tight vacancy rates have put significant upward pressure on rents. For example, the latest figures from the Residential Tenancies Authority show

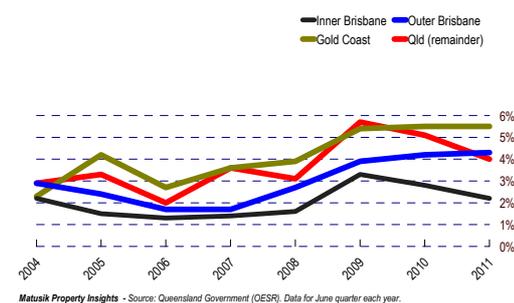
Apartment price growth - 10 year average
Inner Brisbane

1.



Rental vacancy rates
Queensland

2.



median weekly rents for one-bedroom apartments in St. Lucia have increased by \$30 per week over the past 12 months. Rents for two-bedroom apartments have increased by \$20 per week over this period.

New development

Set to benefit from its close proximity to Toowong Village and the University of Queensland is a new project situated right on the border between Toowong and St. Lucia to be known as *Linear*. On the corner of Gailey Road and Sir Fred Schonell Drive, *Linear* offers 42 spacious two-bedroom apartments with functional facilities. *Linear* is ideally located within easy walking distance of Toowong railway station, Toowong Village Shopping Centre, and buses along Gailey Road and Sir Fred Schonell Drive. The site’s proximity to good transport infrastructure cannot be underestimated, as research we have undertaken has shown that accessibility to major transport infrastructure can translate into higher rental demand, longer rental tenure, higher rents, and increased land values.

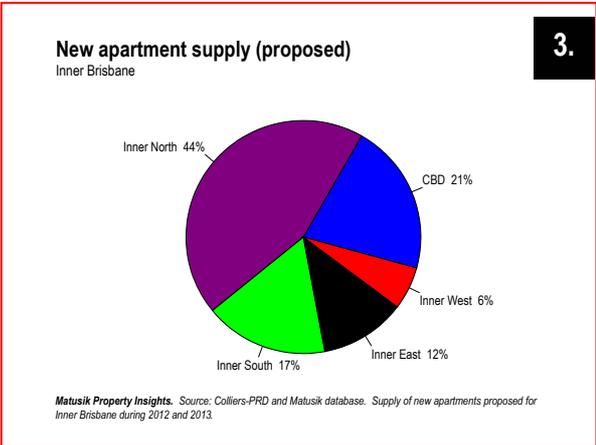
Linear will have strong appeal to the investment-buyer market as the apartments will be readily rented by a large pool of potential tenants. These include university students, academics and other university employees, staff of Toowong Village Shopping Centre and the many other businesses in the immediate locality, and people working in Brisbane’s CBD. Appealing to such a wide range of potential renters is important, as it insulates investors from a slow-down in any one market segment.

Inner West

Outside of the Brisbane CBD, a major area of interest for developers in recent times has been inner western suburbs such as Toowong, St. Lucia and Taringa. The major drivers behind the push out west include:

- The recent expansion and upgrade of Coronation Drive and the riverside bikeway to the CBD;
- Localised employment opportunities – when combined, Toowong Village and Indooroopilly Shopping Centre hold over 100,000m² of retail space and 15,000m² of office space;
- At present, around 37,000 students study at the St. Lucia campus of the University of Queensland. The St. Lucia campus also employs 5,200 staff;
- Frequent rail and bus services into the CBD;
- Existing “lifestyle” precincts such as Toowong Village, the Regatta and Royal Exchange Hotels at Toowong, Indooroopilly Shopping Centre, and the Rosalie corner; and
- The demographic make-up of the Brisbane western suburbs - ageing baby boomers and their adult children looking to live in apartments closer to town.

According to Colliers-PRD, there are approximately 5,000 apartments expected to be released to the market across Inner Brisbane over the next 18 months. However, the least amount of this new stock (just 6%) is proposed for the Inner West. See **chart 3**. The lack of suitable development sites has meant that much of the demand for new, high-quality apartment product in the area has not been met. In fact, *Linear* is being built on one of the last major development sites in St. Lucia.



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