

the matusik suburb profile

An independent profile of your suburb

Northquarter Place, Murrumba Downs

Dennis Family Corporation has received development approval for 138 townhouses to be built as part of its Northquarter Estate in Murrumba Downs, located 22 kilometres north of Brisbane's central business district. Stages 1 and 2 of "Northquarter Place", comprising 52 townhouses, will be released to the market in June 2010. Another 86 townhouses are proposed for three subsequent stages.

Major growth corridor

Murrumba Downs is one of the fastest growing regions in Australia. Almost 45,000 people currently live in Murrumba Downs and the adjoining suburbs of Griffin, Mango Hill, Dakabin and Kallangur. Last year, an additional 3,302 new permanent residents made this "Northquarter Study Area" their home. On average, the permanent population across the area has increased by 2,798 new residents per year over the past five years, an average annual growth rate of 7.8%. Last year's growth rate was a staggering 8.0%. See the table below.

Estimated resident population Northquarter Study Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average annual growth rate	
										last 1 year	last 5 years
Dakabin-Kallangur-Murrumba Downs	21,417	21,791	22,506	23,283	23,868	24,651	25,652	27,067	28,521	5.4%	4.1%
Griffin-Mango Hill	3,103	4,327	5,795	7,518	9,252	10,396	12,534	14,421	16,269	12.8%	16.7%
Total Northquarter Study Area	24,520	26,118	28,301	30,801	33,120	35,047	38,186	41,488	44,790	8.0%	7.8%
Annual change (no. of residents)	1,282	1,598	2,183	2,500	2,319	1,927	3,139	3,302	3,302	3,302	2,798
Annual change (%)	5.1%	6.5%	8.4%	8.8%	7.5%	5.8%	9.0%	8.6%	8.0%	8.0%	7.8%
Total Pine Rivers Shire	122,303	126,731	132,261	136,956	141,380	144,933	150,871	156,983	163,513	4.2%	3.6%
Annual change (no. of residents)	3,820	4,428	5,530	4,695	4,424	3,553	5,938	6,112	6,530	6,530	5,311
Annual change (%)	3.2%	3.6%	4.4%	3.5%	3.2%	2.5%	4.1%	4.1%	4.2%	4.2%	3.6%

Matusik Property Insights - June 2010. Source - ABS Cat No. 3218.0

As shown above, the population of Pine Rivers Shire at 30th June 2009 was 163,513 people, an increase of 6,530 people or 4.2% over the year. Pine Rivers Shire has added an average of 5,311 new residents each year for the past five years, an average annual growth rate of 3.6%. As detailed above, the population growth rate of the Northquarter Study Area has been significantly higher – roughly twice that of the Pine Rivers Shire as a whole¹.

Population projections prepared by the Queensland Government forecast that the population of the Northquarter Study Area will continue to grow by around 2,000 new permanent residents each and every year between now and the year 2022.

Rental market

According to the latest figures released by the Queensland Government (March 2010), the vacancy rate for residential accommodation across Brisbane's outer-ring suburbs is currently just 3.1% (compared to 4.0% across all of Queensland and 3.7% in Brisbane). A vacancy rate under 4.0% strongly suggests that a market is undersupplied with rental stock.

The latest figures released by the Residential Tenancies Authority (RTA) support the contention that permanent rental houses and townhouses across Dakabin, Griffin, Kallangur and Murrumba Downs are currently undersupplied. According to the RTA, the median weekly rent for three-bedroom townhouses in these areas during the March quarter of 2010 was \$325 per week (up 5% over the past two years). For three-bedroom houses the median weekly rent was \$330 per week (up 10% over the past two years). The median weekly rent for four bedroom houses was \$390 per week (up 11% over this period).

¹ Pine Rivers Shire is now part of Moreton Bay Regional Council. However, most data providers continue to report on the basis of the former local government areas hence we continue to make reference to "Pine Rivers Shire" in this document.

Figures from the Residential Tenancies Authority are the median of rents for both new and old apartments, and of course, rents applicable for new apartment product are usually higher than for older stock. For example, most new townhouses in Murrumba Downs are currently renting for between \$330 and \$340 per week.

Proven performance

Price growth for medium-density product in Murrumba Downs had been fairly constant over the past three years. The median sale price in 2007 was \$340,000. In 2008 it was \$345,000 and in 2009 it was \$349,000. So far in 2010 there have been ten settled townhouse sales in Murrumba Downs ranging from \$340,000 to \$356,000.

We believe the townhouses proposed for Northquarter Place will meet with strong market acceptance. There are many factors that lead us to this conclusion, including:

- Continued high levels of population growth in the Northquarter area;
- Buyer preference for suburbs with good transport connectivity;
- Buyer preference for master-planned estates and those with shopping and recreation facilities nearby;
- Continuation of a residential market characterized by a lack of supply, rising prices and rising rents; and
- Continuing concerns regarding housing affordability.

Furthermore, **new townhouses priced between \$335,000 and \$365,000 and rented at between \$330 and \$340 per week will achieve gross rental yields in excess of 4.5% per annum which is excellent in the current investment climate.**

Local demographics

The significant proportion of lone person households, single-parent families and couples without children across the Northquarter Study Area (see chart 1 below) all indicate a demand for smaller product (i.e. of two- and three-bedrooms). **Townhouses also appeal to these household types.**

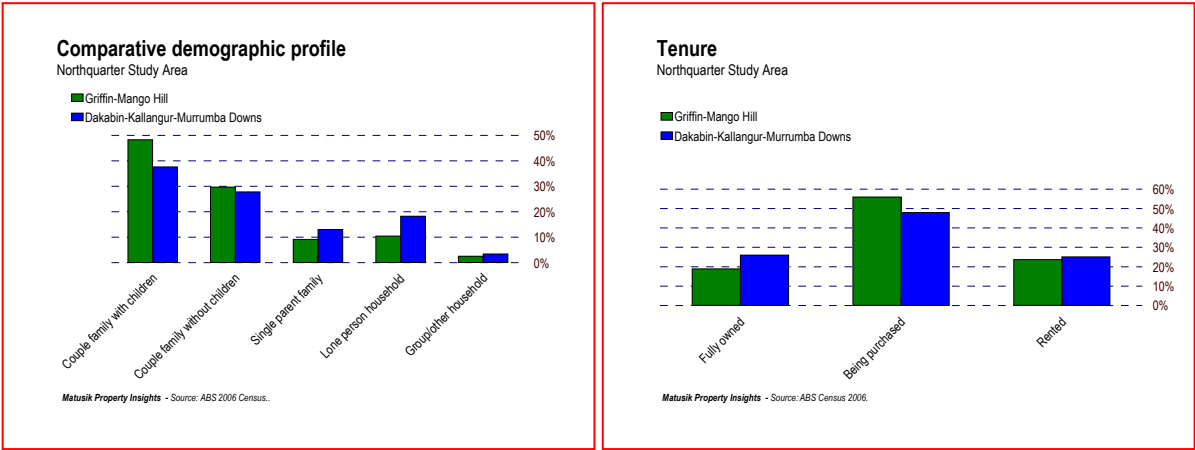


Chart 2 (above) indicates that dwellings being purchased are the most common form of tenure across the Northquarter Study Area. Residents’ renting their home was the next most common, with both regions recording similar figures. **These figures suggest that there is strong demand both for rental properties and entry-level owner-occupier product in the area.**

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