

DIXON

JOHNSTON
Quality Property



RIVER REPORT

March 2007

Mangrove manifesto

THE jury is back on the issue of invasive saltwater mangrove proliferation along the Brisbane River. The verdict ... overwhelmingly in favour of allowing judicious pruning, replacing what many call draconian prohibition with commonsense management.

We were swamped (if you'll excuse the intentional pun) with responses to our survey, enclosed with the October 2006 DIXON JOHNSTON Quality Property River Report, seeking your views on river mangrove management. Within weeks, 199 completed questionnaires flooded in - an astonishing response considering there are only around 850 individual residential properties along the river.

Of these 199 respondents, a whopping 195 agreed selective trimming of saltwater mangroves should be permitted under certain conditions. Importantly, the vast majority took great care to stipulate support for pruning - not removal - on the proviso no environmental harm would result.

The concern and frustration expressed on this issue was immense, our readers' outcry so decisive, we lead this edition of the River Report with an analysis and report on the mangrove survey results. Indeed, many respondents conveyed heartfelt gratitude that someone was making a constructive effort to put mangrove management on the public agenda.

Thanks to your participation, we now have a 'mangrove manifesto' that surely cannot be ignored by politicians and public servants. As you will read overleaf, we have compiled the survey results and provided them to government leaders, senior bureaucrats, river precinct MPs and councillors, seeking their official response. The plea for action is firmly on the table. So, thank you for your input.

Of course, this edition includes our regular commentary of the residential river market. Last year saw a slight rise in residential sales activity on the river and, more importantly, continued growth in values. Also, in response to readers' requests for articles on Brisbane's rich riverside history, we explore Chelmer's 'links' to the past.

But first, more on mangroves ...



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Call to permit pruning 'salties' ...mangrove survey swamped

Views are based on long-term first hand experience

GIVE the river back to the people of Brisbane! In a desperate plea to be heard, 98 per cent of respondents to a survey on mangrove management have come down firmly in favour of lifting the blanket prohibition on pruning the prolific saltwater mangroves that now wall off much of our waterway.

The survey, distributed late last year to all river owners, drew a massive 199 responses. A full breakdown of the results is published on P.6 of this report. Key findings include:

- 65% (129) of respondents observed "significant" growth in the height and/or spread of mangroves adjacent to their property, while 18% described growth as "moderate", 11% as "slight" and 6% reported observing no growth.
- 98% (195) of respondents wanted selective trimming of riverside mangroves to be permitted under certain circumstances.
- 79% (158) were in favour of allowing pruning to be done by **either the affected land owner or a qualified contractor**, within guidelines.

- 91% (181) were "strongly in favour" of a **controlled study** being undertaken to ascertain the impact of selective trimming and / or removal of mangroves.

- 32 respondents wanted residents to be given an **unrestricted right** to prune mangroves.

- Ecological / habitat support and bank stabilisation / erosion mitigation were recognised as the most important **positive values of mangroves**.

- Negative impacts of mangroves highlighted by respondents were: restriction of river **views** (90%), restriction of river access (68%), **reduced enjoyment** of your property (68%), and **compromised security** (48%).

LIFETIMES BY THE RIVER

To put these findings into context, it is important to understand the "experience" of those who participated in the survey. By and large, these are people whose views are based on long-term first hand experience.

Significantly, 54% (108 of the 199 returned questionnaires) indicated they had lived on the river for 10 years or longer. Further, 30% of the total had spent 20 years or more in their river

location, with 32 of these living there between 30 and 64 years - not to mention the Oxley Sailing Club which has notched up 105 years of river experience.

Those whose tenure on the river was less than 10 years accounted for 46% of respondents. Around 25% of all respondents had lived on the river for five or fewer years which, on detailed analysis, may account for several of those who reported observing little or no mangrove growth.

Still, of the 91 respondents with less than 10 years on the river, 54% said they had seen "significant" growth. Understandably, "significant" growth and spread was reported by 76% of the long-term (20 years+) residents. In all cases, of course, the response to this question depended on the river reach / location of residence.

WHY, OH WHY!

The views expressed by the vast majority of survey respondents can only be described as passionate and definite. The overarching themes can be summarised as:

- we advocate pruning only - not removal.



Chelmer Reach - photo taken 1986

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- we appreciate the importance of mangroves to the river eco-system and bank stability.
- we absolutely want to see the 'science' on mangrove management, because all commonsense and anecdotal evidence suggests trimming would promote, not harm mangrove health.
- historic evidence shows the saltwater mangrove is not natural to river reaches beyond the inner eastern suburbs, rather, a consequence of human intervention; and
- as one resident of 10 years summed it up - mangroves constitute an invasive species which did not previously exist in the area, so it is ridiculous to regard them as a 'protected species'.

One reader who returned our questionnaire included copies of correspondence from the Queensland Department of Primary Industries and Fisheries' legal department. He was alleged to have "damaged" (ie. trimmed) some saltwater mangroves on his property. The letter duly informed him:

"The Fisheries Act 1994 provides for severe penalties of up to 3000 penalty

units (\$225,000) for an offence under section 123 of the Act which states that:

A person must not unlawfully -

- (a) remove, destroy or damage a marine plant; or
- (b) cause a marine plant to be removed, destroyed or damaged."

ANXIETY AND FRUSTRATION

It is clear from our readers' responses, many accompanied by extensive comments, letters and notes of support, this issue is causing widespread stress and anxiety. The sense of frustration is perhaps evident in the fact that, when asked to identify the positive impacts of mangroves, 57 ticked the box marked 'none'.

Most, however, frankly acknowledged mangroves, in addition to providing environmental benefits, enhanced their lifestyle and amenity. They just can't understand why trimming would compromise the ecological or bank stabilisation attributes. Fair question!

The negative impacts listed in addition to those previously noted, were many. The strongest to emerge was excessive mosquitos and midgies, in some cases causing abject misery. Other problems highlighted were build

up of mud and sediment, affect on water flow, levels and potentially heightened flood risk, rubbish build-up, reduced breezes, white ants, snakes, feral animals, fire risk and danger to children.

Environmental and lifestyle concerns were clearly dominant. In fact, only three respondents mentioned concern about property values being threatened. Five made the valid point that they are paying rates based on "riverfront" values, yet they can't even see the river.

Given the lack of action, or even interest in this issue by the relevant authorities, who could blame residents for feeling their worries are being ignored for the wrong reasons. Consider this poignant note by one respondent:

"We are adjacent to a park. Soon the public will not be able to see the river either. Permits to trim now (eg for pontoons) are prohibitively expensive. It is always assumed that those who live on the river have large cash flows. Not so! We have just lived here for a long time. Resident 40 years

Survey results - and more on this issue page six



Chelmer Reach - Same view photo taken 2006

River rewards continue to flow

... intrinsic value in riverfront land

The average price of vacant land has been the real mover

BRISBANE'S love affair with river living continued to drive the prestige residential market in 2006. Sales of houses and vacant land on the river were up on the 2005 tally but, more significantly, we achieved yet another all-time record average price for absolute riverfront homes and vacant homesites.

In our interim River Report (Oct '06), we predicted a soft landing for the river market, despite a more pronounced 'correction' across the wider residential real estate market after the 2003 boom.

That has indeed proved to be the case, with the 2006 turnover of riverfront houses and land lifting to 51 from 49 in 2005, and the average house price climbing another 3.5 per cent to reach \$2,761,290.

Notably, the market has recognised the intrinsic unimproved value of riverfront land - in essence, the location - more so than the cost or size of houses. The average price of vacant land has been the real mover. It leapt from \$1.9 million in 2005 (on 12 sales) to almost \$2.4 million in 2006 (on eight sales) - an increase of 26 per cent.

This trend is also evident over the longer term. The average price of riverfront houses has lifted 281 per cent in the last decade, from \$724,000 in 1996 to \$2,761,290 in 2006, which is impressive enough. But, the average price for a vacant block of riverfront land has soared by more than 500 per cent in the same period, from \$395,000 to \$2,392,500.

Total value of absolute riverfront property sales in 2006, including 43 houses, eight blocks of land and two development sites, was



Highest Absolute Riverfront House Sale - New Farm

\$155,125,500. This is actually down on 2005 (\$188.67 million), but should not be seen as a reflection of the residential market.

The 2005 figure was boosted by nine development site sales totalling \$67.2 million. In 2006, we recorded only two development site sales totalling \$17.25 million. The real picture for residential buyers and sellers lies in the house and land sales data.

Excluding development sites, the total value of houses and vacant land sold on the river in 2006 was \$137.88 million. That is a healthy 12.4 per cent increase on the corresponding 2005 total of \$121.46 million. It is also worth noting, while the volume of sales had

been in decline since 2003, it picked up last year, though only slightly.

As we've so often stated, riverfront owners have chosen not only a superb lifestyle, but Brisbane's best performing real estate. Few investments of any kind have achieved such consistent, outstanding growth, year on year, regardless of changing economic conditions.

Demand for the river location and lifestyle remains the key driver, and supply - the lack of it - is still the crucial factor ensuring this precious property continues to escalate in value. While real estate growth generally cooled in Queensland following the 2002-03 peak, there has been no such impact

The breakdown of riverfront sales for the 2006 year was:

Absolute Riverfront	Houses	Vacant Land	Development Sites	TOTAL
Number of sales	43	8	2	53
Value of sales	\$118.74 M	\$19.14 M	\$17.25 M	\$155.13 M

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in the upmarket river property bracket where the upward march continues.

Not only are riverfront owners reluctant to sell, once they have their coveted patch on the water, the number of opportunities to own an individual dwelling on the river is dwindling. Fewer and fewer properties are available, as developers grab any opportunity to acquire sites for apartment projects.

Just how tightly the river is held was glaringly evidenced in the response to our mangrove survey. Over half the 199 responses came from people who have enjoyed 10 years or more at their current address on the river. One third had been river residents for 20 years or more, and many had lived at the one riverfront address for 30, 50, even 60 years.

A closer look at absolute riverfront house sales illustrates the strength of

the top end market. The vast majority of sales are at or above \$2 million, and the number of sales in this category rose from 26 in 2005 to 29 in 2006.

Even more pronounced evidence of escalating values is found in the \$3 - 4 million bracket. In 2005, five sales were recorded in this price range. Last year, there were 15.

Price bracket	Number of sales
Under \$1 million	-
\$1 - \$1.99 million	14
\$2 - \$2.99 million	10
\$3 - \$3.99 million	15
\$4 million +	4

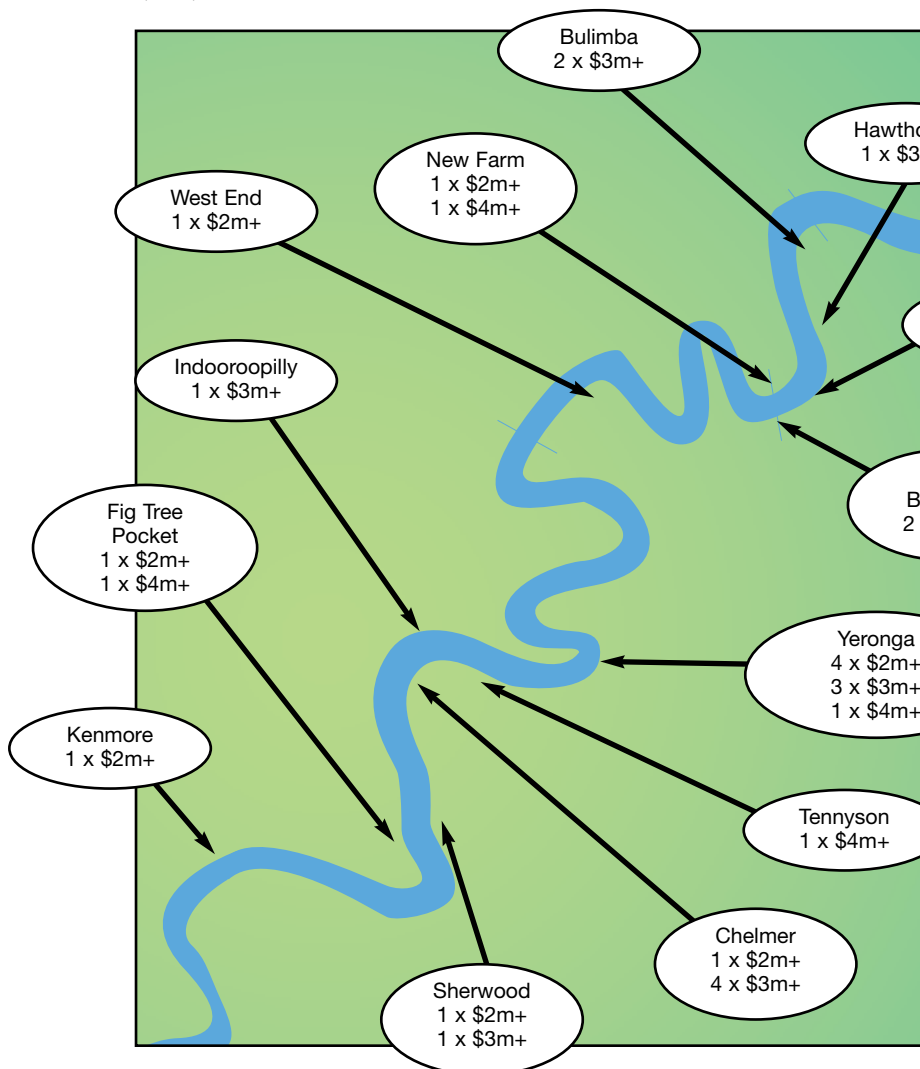
These figures relate exclusively to properties with absolute river frontage. A further 29 riverside properties (separated from the river by no more than a road or parkland) exchanged for a total of \$52,567,035.

These included 21 houses (ranging from \$670,000 at Jindalee to \$4.15 million at Indooroopilly), seven blocks of vacant land (from \$580,000 at Sinnamoon Park to \$1.7 million at Bulimba) and a New Farm development site for \$4.8 million. If you add these to the riverfront tally, the overall value of river precinct property sales in 2006 was almost \$207.7 million.

For the first time since we have been publishing these records, Bulimba took out the honour of 'top performing riverfront suburb' for the year, based on average price. It recorded three sales in 2006 for an average price of \$3.033 million. Other suburbs achieved higher prices, but saw fewer than three sales (so not a valid average). The highest house price for 2006 was \$4.6 million at New Farm.

\$2 MILLION + HOUSE SALES 2006

The vast majority of house sales on the Brisbane now achieve in excess of \$2 million. This map illustrates the location of sales in price brackets over \$2 million. All other house sales for the year (15) were for prices of between \$1 - \$1.99 million.



Mangrove survey results

... response sought from leaders

Full results of our mangrove management survey

PREMIER Peter Beattie, Lord Mayor Campbell Newman, senior bureaucrats and every State MP and city councillor whose electorate borders the Brisbane River have been sent a letter requesting their official response to the outcry over mangroves.

Below we have detailed the full results of our mangrove management survey which attracted a staggering 199 completed questionnaires. Based on such a high response rate, we believe it represents a significant 'mangrove manifesto' - one that no-one in power can afford to ignore or dismiss.

The results are accompanied by a letter imploring them to give us answers and action (full list of recipients noted below). While many readers indicated their previous approaches to the halls of power had fallen on deaf ears, we urge you all to ring, write, email or knock on doors again. People power can and does get results.

If you would like a copy of our letter to the leaders, or information on how to contact any of the government recipients, contact Josephine Johnston-Rowell at DIXON JOHNSTON Quality Property.

SURVEY ... seeking your view on mangroves in the Brisbane River

Total number of respondents:	199
Length of time at current address on the Brisbane River	
0 - 9 years	46%
10 - 19 years	24%
20 years +	30%
Are there mangroves on your property, or do mangroves affect your property?	
YES	90%
NO	10%
In your experience, to what extent have these mangroves grown or spread?	
Significant increase in height / spread	65%
Moderate increase in height / spread	18%
Slight increase in height / spread	11%

No noticeable change	6%	Yes, but only if studies can show there is no significant negative environmental impact	31
Reduction in height / spread	nil	Yes but only by government authorities in areas where they affect public (not private) river views and access	nil
What, in your view, are the positive values / impacts of the mangroves? (Multiple boxes ticked. Numbers indicate total number of times each point was indicated)		Yes, private owners should be able to seek approval for trimming or removal by an authorised expert contactor	71
Vital / contribute to river ecosystem / fish habitat	113	Yes, private owners should be able to undertake the work themselves, within strict guidelines	133
Vital / contribute to stabilise banks / prevent erosion	101	Yes, private owners should have an unrestricted right to undertake trimming or removal adjacent to their property	32
Attractive visual amenity	15		
Lifestyle amenity benefits (eg. shade, buffer)	17		
None / don't know	60		
Other: buffer to noise, encourage birdlife, serenity			
What, in your view are the negative values / impacts of the mangroves? (Multiple boxes ticked. Numbers indicate total number of times each point was indicated)			
Restrict views of river	175		
Restrict access to river	136		
Restrict surveillance of your property / impede security	93		
Reduce overall enjoyment of your property	135		
None	11		
Other: biting insects (30), not natural (29), mud/sediment, flows/flood risk, rubbish trap, impede breezes, snakes, ferals, white ants, fire risk, danger to children, reduce property value.			

Mangroves are protected under the Fisheries Act 1994, prohibiting trimming or removal. Would you be in favour of a controlled study to ascertain the impact of selective trimming and / or removal?	
Strongly in favour	91.0%
Moderately in favour	4.5%
Don't care	1.0%
Moderately opposed	1.0%
Strongly opposed	2.5%
Should, in your view, selective trimming and / or removal be permitted? (Multiple boxes ticked. Numbers indicate total number of times each point was indicated.)	
No, under no circumstances	2
Only in circumstances where they pose a risk to public health and safety	2

COPIES SENT TO:
State Government and MPs:
The Hon. Peter Beattie MP, Premier, Member for Brisbane Central
The Hon. Anna Bligh MP, Deputy Premier, Member for South Brisbane
The Hon. Tim Mulherin MP, Primary Industries & Fisheries Minister
The Hon. Andrew Fraser MP, Local Govt. & Planning Minister, Member for Mt Coot-tha
The Hon. Pat Purcell MP, Minister for Emergency Services, Member for Bulimba
The Hon. Paul Lucas MP, Transport Minister, Member for Lytton
Mr Mike Horan MP, Shadow Minister Primary Industries & Fisheries
Dr Bruce Flegg MP, Liberal Leader, Member for Moggill
Mr Ronan Lee MP, Member for Indooroopilly
Mr Tim Nicholls MP, Member for Clayfield
Ms Anastacia Palaszczuk MP, Member for Inala
Ms Julie Attwood MP, Member for Mt Ommaney
Mr Simon Finn MP, Member for Yeerongpilly
Dr John Beaumer, Principal Scientist / Policy, DPI - Qld Fisheries Service
Ms Dawn Couchman, Fisheries, Dept. of Primary Industry & Fisheries
City Council:
The Right Hon. Campbell Newman, Lord Mayor of Brisbane
Cr David Hinchliffe, Deputy Mayor / Chair Urban Planning
Cr Felicity Farmer, Chair Environment & Sustainability Committee, Jamboree Ward
Cr Judy Magub, (Shadow Environment spokesperson), Toowong Ward
Cr John Campbell, Doboy Ward
Cr Helen Abrahams, Dutton Park Ward
Cr Catherine Bermingham, East Brisbane Ward
Cr David McLachlan, Hamilton Ward
Cr Shayne Sutton, Morningside Ward
Cr Margaret de Wit, Pullenvale Ward
Cr Jane Prentice, Walter Taylor Ward



Chelmer's historic links

DID you know, Chelmer's leafy riverside precinct once echoed to cries of 'fore'? Balls hurtled down Hurlton Street, sliced across Sutton and lobbed along Longman Terrace - long before, of course, these thoroughfares existed. Here lie the roots of golf in Brisbane.

The Brisbane Golf Club has a distinguished 110-year history and is well known as a proud feature of Yeerongpilly. But most people, including many residents of Chelmer, probably don't know its history began in the pocket bounded by Regatta Street, Honour Avenue, Kew Road and the river.

All is revealed in "The Fairway is Mine -

One Hundred Years of The Brisbane Golf Club", written by Bruce S. Richter and published by the club in 1996 to mark its centenary. "It was a typical sultry Brisbane summer day," the book begins, "hot, humid and with the threat of a late afternoon thunder-storm. The date was Saturday 12 December, 1896 ..."

It goes on to describe the arrival at Chelmer station of a train from the city. On board, His Excellency the Governor of the Colony of Queensland, Lord Lamington, and other dignitaries, there to tee off for the first time, officially launching the Brisbane Golf Club.

That, in itself, was remarkable, given it was only five weeks and three days earlier a group of gentlemen had met in the city to discuss formation of Brisbane's first golf club. Immediately a committee was formed and the secretary dispatched to ascertain the owners of land in Chelmer, which had already been identified as a suitable locality.

"Play was across vacant allotments and the rear portions of housing

blocks," Richter reveals. "The land had been cleared for sugar cane production in the late 1860s and there had been a sugar mill near the present Regatta Street. Other crops included cotton, maize, arrowroot and vegetables, but a series of severe winters during the 1870s saw the end of agriculture. The advent of the rail line in 1857 gave rise to closer development and much of the area was cut into house lots during the 1880s."

Landholders, it seems had no objection to giving the club ready access. So, with the official opening performed, "the serious business of running a golf club began". First order of business was to improve the greens, which was achieved by March 1897, at a cost of 13 pounds, 5 shillings. Then there was the matter of a clubhouse.

The clubhouse was erected on land leased rent-free from a J.L. Cardno, in the vicinity of the present-day corner of Honour Avenue and Hurlton Street. Design was by acclaimed architect, Robin Dods, who today lends his name to a major award of the Royal Australian Institute of Architects.

Completion of the clubhouse was celebrated on July 10, 1897. It still stands there today as a family home. Ipswich Golf Club was founded in October 1897 and, in June 1898, formation of a second club in Brisbane - the first Victoria Park Golf Club - was initiated, though it didn't last.

The Brisbane Golf Club remained our only metropolitan club for 24 years. But its days at Chelmer were numbered. There was no security of tenure and residential development was fast encroaching.

By 1903, the search was on for another location, and a 110-acre parcel was secured at Yeerongpilly. All play ceased at Chelmer when possession of the new Yeerongpilly course and clubhouse was taken at the end of May 1904.



Riverfront sales

Sales of houses and vacant land on the river were up

Table 1: Average Price / Number of Sales (excluding development sites)

	1998	2000	2002	2003	2004	2005	2006
Houses	\$769,963	\$961,490	\$1,554,344	\$1,890,103	\$2,535,810	\$2,666,687	\$2,761,290
Number of Sales	41	51	64	66	50	37	43
Vacant Land	\$836,500	\$894,500	\$1,040,875	\$1,530,417	\$1,511,667	\$1,900,416	\$2,392,500
Number of Sales	5	8	16	12	6	12	8

Table 2: Top Performing Suburbs / Average House Price (min. of 3 sales) (excluding development sites)

Ranking	1998	2000	2002	2003	2004	2005	2006
1	Hawthorne \$2 million	Hawthorne \$1,200,000	Hawthorne \$2,440,000	St Lucia \$2,916,667	New Farm \$3,617,000	Fig Tree Pocket \$4,075,000	Bulimba \$3,033,333
2	Indooroopilly \$1,183,000	Chelmer \$1,115,250	Norman Park \$2,340,000	Newstead \$2,715,833	Hawthorne \$3,525,000	Hawthorne \$3,625,000	Yeronga \$2,914,050
3	Yeronga \$1,084,000	New Farm \$1,040,833	Bulimba \$2,193,333	Fig Tree Pocket \$2,615,545	Fig Tree Pocket \$3,520,000	Yeronga \$2,070,000	Chelmer \$2,732,857

Table 3: 2005 Average Absolute Riverfront House Prices by District (excluding development sites)

River district	No. of Sales	Total Sales Value	Average Price
Bulimba / Hawthorne / Norman Park / East Brisbane	7	\$23,165,000	\$3,309,285
West End / Dutton Park / Highgate Hill / Fairfield / Yeronga / Tennyson	14	\$40,805,500	\$2,914,678
Chelmer / Graceville / Sherwood / Corinda	9	\$24,430,000	\$2,714,444
Jindalee / Mt Ommaney / Westlake	5	\$8,010,000	\$1,602,000
Pinjarra Hills / Moggill / Anstead / Bellbowrie	2	\$3,000,000	\$1,500,000
Toowong / St Lucia / Indooroopilly	0	-	-
Fig Tree Pocket / Kenmore	3	\$9,375,000	\$3,125,000

Table 4: Absolute Riverfront Sales Activity Snapshot

Houses	2000	2002	2003	2004	2005	2006
Highest sale price	\$2,900,000	\$4,100,000	\$8,200,000	\$5,250,000	\$5,500,000	\$4,600,000
Lowest sale price	\$375,000	\$365,000	\$490,000	\$825,000	\$1,175,000	\$1,250,000
Average sale price	\$955,382	\$1,554,344	\$1,890,013	\$2,535,810	\$2,666,660	\$2,761,290
Land						
Highest sale price	\$1,290,000	\$2,900,000	\$3,660,000	\$2,400,000	\$3,175,000	\$5,050,000
Lowest sale price	\$470,000	\$295,000	\$495,000	\$970,000	\$950,000	\$825,000
Average sale price	\$894,500	\$1,040,875	\$1,530,417	\$1,511,667	\$1,900,416	\$2,392,500
Totals (incl. devel. sites)						
Number all riverfront sales	59	86	81	59	58	53
Total value all riverfront sales	\$55,880,500	\$136,898,000	\$166,295,860	\$159,520,500	\$186,252,436	\$137,875,500

Disclaimer: Statistics are sourced from RP Data Ltd and DIXON JOHNSTON Quality Property's own records. The information contained herein is believed to be correct at the time of publishing, but accuracy is reliant on sources and is not guaranteed.

