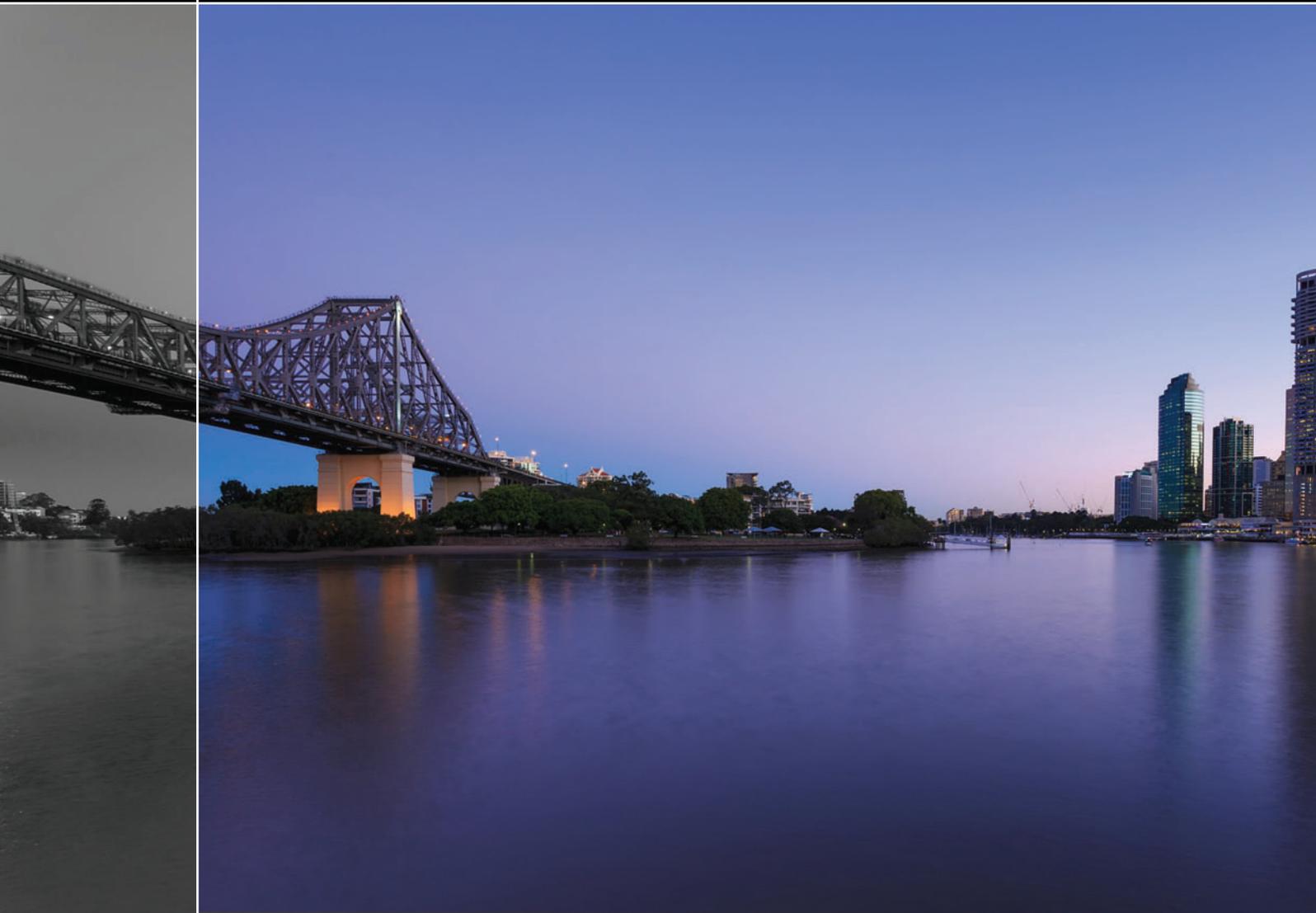


19TH ANNUAL (Issue 35)

BRISBANE **River Report** 2013



TRUSTED
26
YEARS

 **JOHNSTON
DIXON** QUALITY
PROPERTY

2012 saw a massive 60% annual increase in average land sales values (up from \$1,590,171 to \$2,537,500)



JOSEPHINE JOHNSTON-ROWELL
RIVERFRONT DIRECTOR

WELCOME TO MY 19TH ANNUAL RIVER REPORT

I am pleased to report that confidence in the river market is on the improve.

Despite testing times in the economy, over 2012 riverfront house values held firm and riverfront land values literally took off, to post a quite unprecedented 60% annual gain, their largest in history.

That surprising statistic has us again revisiting that unique river phenomenon of average vacant riverfront land values almost equalling riverfront housing.

Extending a broader post GFC trend, some river reaches outperformed others. Notably there were no \$2m+ sales upstream of Kenmore and a general sales void emerged between East Brisbane and Dutton Park.

The overall Moggill to Murrarie picture however was more one of consolidation with the combined value of all riverfront and riverside house and land sales only up marginally this year on last.

Due to my increased involvement in top end apartment sales, you will note I have added a \$2million+ riverfront and riverside apartment sales index to my report. My top two sales and Mirvac's one actually made up all Brisbane's top three apartment sales for the last year.

Our river is now on permanent display in 'THE RIVER: A History of Brisbane' at City Hall. I was recently invited to attend the opening and I recommend it to all.

Additional to my regular in depth market analysis, in this issue you will also find:

- A Floods Class Action Update
- The Changing Shape of Water Craft

JOSEPHINE JOHNSTON-ROWELL

t: (07) 3858 8820
m: 0414 233 575
e: josephine@johnstondixon.com

ABSOLUTE RIVERFRONT HOUSE AND LAND SALES

RIVERFRONT HOUSES

The total value of all absolute riverfront house sales recorded over calendar year 2012 came in at \$77,347,250, a figure marginally up on last year's \$74,911,000. The volume of sales also increased, from 28 to 30 (a 7.14% increase). The average house sale price in 2012 remained relatively steady at \$2,578,241 from 2011's \$2,675,392 average and is still well below the \$3,545,597 record high that was established in 2010 (refer Table 6).

The highest absolute riverfront house sale recorded for the year was a Queenslander spread across three individual titles of land at 24 Aaron Avenue, Hawthorne which transacted at \$6,030,750. The highest sale for a home on a single block of land was 29 Laurence Street, St Lucia which transacted at \$4,800,000.

In 2012 there were eighteen riverfront house sales recorded over \$2million, down some 18% on the twenty-two recorded in 2011. There were also eight sales in the \$2-3million bracket and notably five over \$4million, a 20% improvement on last year's total of four sales but still a far cry from the impressive thirteen \$4million+ sales that were recorded in 2010.

2007-2012 Comparative – Absolute Riverfront \$1m+ House Sales

	SALES BY PRICE BRACKET						
	\$1-2m	\$2-3m	\$3-4m	\$4-5m	\$5-6m	\$6m+	\$7m+
2012	10	8	5	4	-	1	-
2011	8	11	5	2	1	1	-
2010	7	15	6	4	4	3	2
2009	9	7	9	3	-	1	4
2008	4	16	3	3	1	2	-
2007	12	16	11	3	4	2	-

"THE TOP PERFORMING RIVER SUBURB FOR THE THIRD YEAR IN A ROW WAS CHELMER"

The top performing river suburb for total value of sales in a year for the third year in a row was Chelmer, which recorded six sales totalling \$12,677,500. Overtaking perennial favourites Hawthorne and Yeronga for second place in the rankings was Fairfield with its four sales totalling \$9,775,000. In third place with two very strong sale outcomes totalling \$9,300,000 was St Lucia. Its average price of \$4,650,000 made it Brisbane's most expensive river suburb for 2012. Noticeably absent from the top five suburbs by value this year was Bulimba (Refer Table 4).

RIVERFRONT LAND

There were only six absolute riverfront land sales this year, down one sale further from the previous year, continuing a long term (lack of) availability driven downward trend. Conversely, the total value of sales was up considerably from \$11,131,200 to \$15,225,000, a very significant 36% increase. Much more remarkable was the massive 60% annual increase in average land sale values, up from \$1,590,171 to \$2,537,500, to put them right back up there with average housing values. In 2007, average land sale values even eclipsed houses.

The highest riverfront land sale for the year was the \$5million paid for 11 Ormadale Road, Yeronga, a double block of land with a total area of 3172m². At very much the other end of the scale, the cheapest sale recorded for the year was the \$950,000 paid for an 805m² block at 25 Morley Street, Chelmer.

RIVERFRONT HOUSES / LAND / DEVELOPMENT SITES COMBINED

The total value of all absolute riverfront sales combined in 2012 increased 5% year on year from \$88,042,200 to \$92,572,250. The total number of sales however remain unchanged at thirty-six.

2007-2012 Absolute Riverfront Sale Numbers and Value Comparative

	NUMBER OF SALES			
	HOUSES	VACANT LAND	DEVELOPMENT SITES	TOTAL
2012	30	6	-	36
2011	28	7	1	36
2010	41	4	-	45
2009	33	7	-	40
2008	29	11	-	40
2007	48	14	3	65

	SALE VALUE			
	HOUSES	VACANT LAND	DEVELOPMENT SITES	TOTAL
2012	\$77,347,250	\$15,225,000	-	\$92,572,250
2011	\$74,911,000	\$11,131,200	\$2,000,000	\$88,042,200
2010	\$145,369,500	\$9,537,500	-	\$154,907,000
2009	\$113,528,000	\$16,234,893	-	\$129,762,893
2008	\$88,571,700	\$27,468,000	-	\$116,039,700
2007	\$141,247,500	\$46,219,000	\$17,600,000	\$205,066,500

"THE TOTAL VALUE OF ABSOLUTE RIVERFRONT LAND SALES UP 36% ON LAST YEAR"

RIVERSIDE HOUSE AND LAND SALES (PROPERTIES SEPARATED FROM THE RIVER BY A ROAD OR BY PARKLAND)

RIVERSIDE HOUSES

The total value of riverside house sales for 2012 rose to \$36,560,500, a marked 21% increase from 2011's total of \$30,401,500. The number of sales increased even more significantly, up 24% from 17 to 21. The average riverside house price however dipped slightly from \$1,778,324 to \$1,740,976. The highest riverside house sale for 2012 was recorded at 23 Waterline Crescent, Bulimba at \$5,100,000, and the very lowest at 171 Mt Ommaney Drive, Jindalee at \$545,000.

RIVERSIDE LAND

There were three vacant riverside land sales recorded this year at a combined total of \$2,510,000, one more than in 2011. The highest of these was the \$1,150,000 paid for a 462m² block of land at 13 Waterline Crescent, Bulimba, and the lowest the \$420,000 paid for a 1,043m² block of land at 4 Riverpoint Boulevard, Riverhills. The average riverside land price on what remains relatively low volume was down 16.8% year on year from \$1,006,000 to \$836,666.

RIVERSIDE HOUSES & LAND COMBINED

The total combined value of riverside house and land sales in 2012 was \$39,070,500 from 24 recorded sales. This compares to the 21 sales at a total value of \$38,713,500 registered over 2011.

2012's GRAND TOTAL of all river sales (absolute riverfront and riverside house and land sales) came in at \$131,642,750, up only marginally on 2011's \$128,255,700



There were 18 absolute riverfront house sales over \$2m recorded in 2012

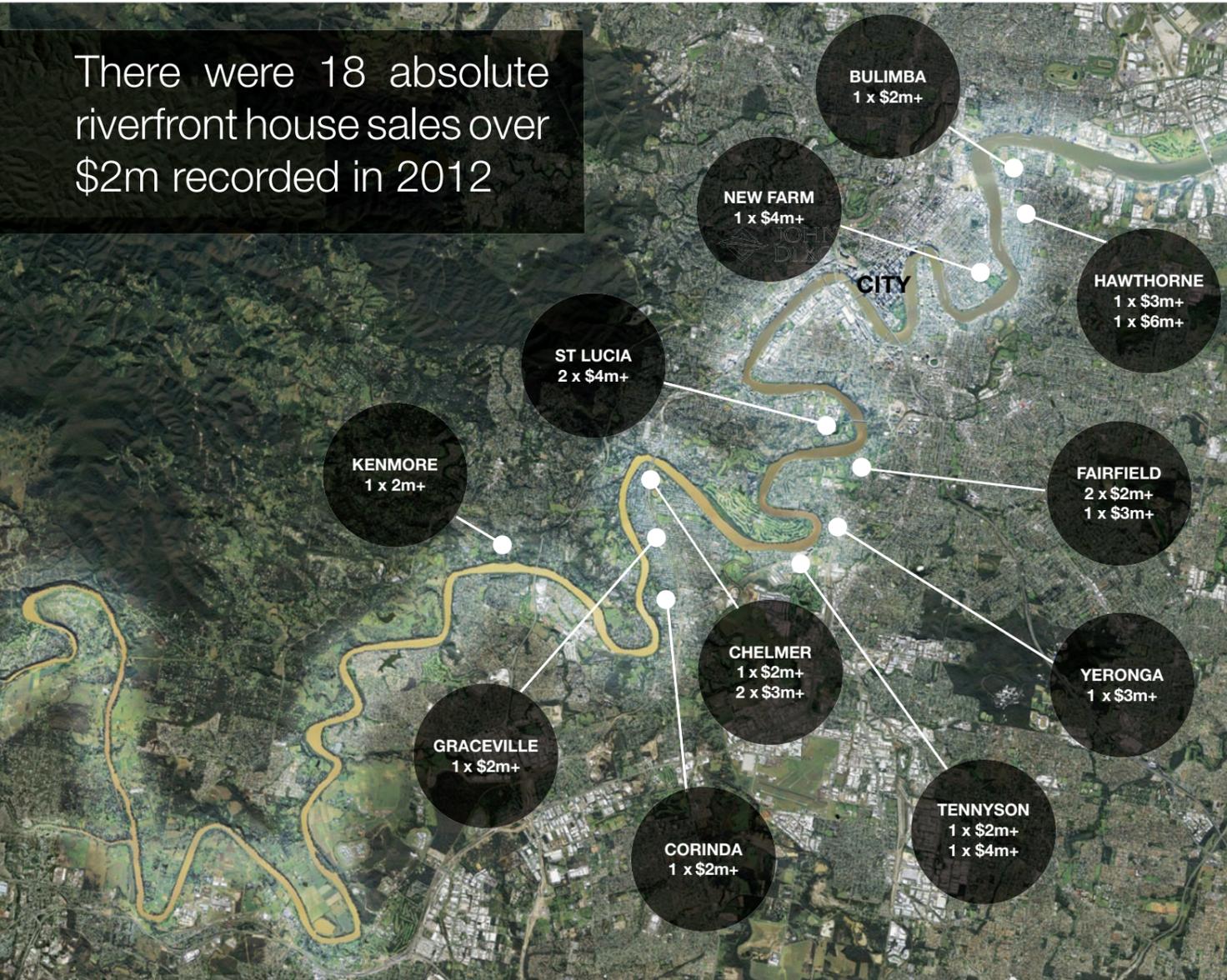


Table 1.

Absolute Riverfront Price Averages (excludes development sites)

	HOUSES		VACANT LAND	
	AVERAGE PRICE	NUMBER OF SALES	AVERAGE PRICE	NUMBER OF SALES
2012	\$2,578,241	30	\$2,537,500	6
2011	\$2,675,392	28	\$1,590,171	7
2010	\$3,545,597	41	\$3,007,500	4
2009	\$3,440,242	33	\$2,014,418	7
2008	\$3,054,196	29	\$2,497,090	11
2007	\$2,942,656	48	\$3,301,357	14
2006	\$2,761,290	43	\$2,392,500	8
2005	\$2,666,687	37	\$1,900,416	12
2004	\$2,535,810	50	\$1,511,667	6
2003	\$1,890,103	66	\$1,530,417	12
2002	\$1,554,344	64	\$1,040,875	16
2001	\$1,131,349	56	\$1,099,277	9
2000	\$ 961,490	51	\$ 894,500	8

Table 2.

Absolute Riverfront Sales History

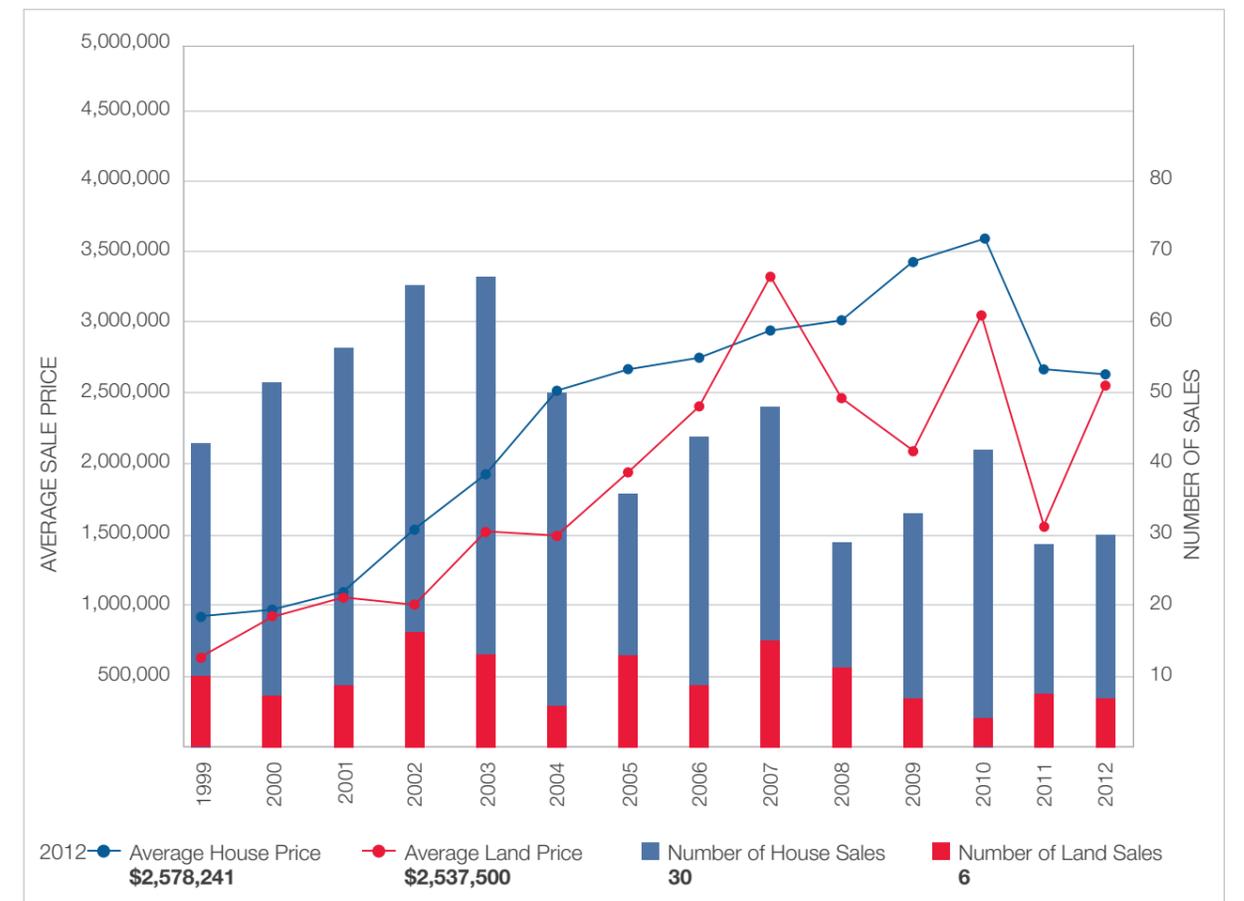




Table 3.
Top Performing Suburb by Average Absolute Riverfront House Price

	FIRST	SECOND	THIRD
2012	St Lucia \$ 4,650,000	Hawthorne \$4,515,875	Tennyson \$2,934,333
2011	Hawthorne \$4,025,000	Chelmer \$2,564,285	Bulimba \$2,526,000
2010	Hawthorne \$5,695,000	Yeronga \$4,972,500	Tennyson \$3,768,333
2009	Fig Tree Pocket \$8,325,000	Norman Park \$3,809,166	Chelmer \$3,790,000
2008	Highgate Hill \$3,310,000	Chelmer \$2,698,333	Yeronga \$2,558,333
2007	Hawthorne \$3,616,667	Yeronga \$3,482,222	Chelmer \$3,130,000
2006	Bulimba \$3,033,333	Yeronga \$2,914,050	Chelmer \$2,732,857
2005	Fig Tree Pocket \$4,075,000	Hawthorne \$3,625,000	Yeronga \$2,070,000
2004	New Farm \$3,617,000	Hawthorne \$3,525,000	Fig Tree Pocket \$3,520,000
2003	St Lucia \$2,916,667	Newstead \$2,715,833	Fig Tree Pocket \$2,615,545
2002	Hawthorne \$2,440,000	Norman Park \$2,340,000	Bulimba \$2,193,333
2001	Kangaroo Point \$2,034,185	New Farm \$1,758,333	Yeronga \$1,655,375
2000	Hawthorne \$1,200,000	Chelmer \$1,115,250	New Farm \$1,040,833

* Note: averages only provided where there are 2 or more sales

Table 4.
Absolute Riverfront House Sales Comparative – Top Five Suburbs by Value



Table 5.
Average Absolute Riverfront House Prices by District

AREA	NUMBER OF SALES	TOTAL SALES VALUE	AVERAGE PRICE
Bulimba / Hawthorne / Norman Park / East Brisbane	5	\$14,431,750	\$2,886,350
West End / Dutton Park / Highgate Hill	1	\$1,150,000	-
Fairfield / Yeronga / Tennyson	8	\$21,928,000	\$2,741,000
Chelmer / Graceville / Sherwood / Corinda	8	\$17,207,500	\$2,150,937
Jindalee / Mt Ommaney / Westlake	2	\$2,130,000	\$1,065,000
Pinjarra Hills / Moggill / Anstead / Bellbowrie	0	-	-
Toowong / St Lucia / Indooroopilly	3	\$11,000,000	\$3,666,666
Fig Tree Pocket / Kenmore	1	\$2,400,000	-

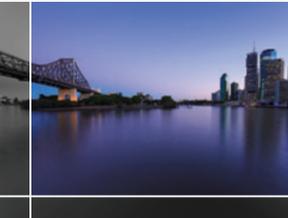
Table 6.
Absolute Riverfront Sales Chronology (since 1999)

	HIGHEST		LOWEST		AVERAGE	
	HOUSE	LAND	HOUSE	LAND	HOUSE	LAND
2012	\$6,030,750	\$5,000,000	\$755,000	\$950,000	\$2,578,241	\$2,571,451
2011	\$6,250,000	\$3,100,000	\$1,131,000	\$900,000	\$2,675,392	\$1,590,171
2010	\$10,300,000	\$5,500,000	\$1,500,000	\$800,000	\$3,545,597	\$3,007,500
2009	\$9,500,000	\$3,500,000	\$1,111,000	\$1,345,000	\$3,440,242	\$2,014,418
2008	\$6,800,000	\$5,050,000	\$1,330,000	\$825,000	\$3,054,196	\$2,497,090
2007	\$6,100,000	\$7,200,000	\$1,100,000	\$1,230,000	\$2,942,656	\$3,301,357
2006	\$4,600,000	\$5,050,000	\$1,250,000	\$825,000	\$2,761,290	\$2,392,500
2005	\$5,500,000	\$3,175,000	\$1,175,000	\$950,000	\$2,666,687	\$1,900,416
2004	\$5,250,000	\$2,400,000	\$825,000	\$970,000	\$2,535,810	\$1,511,667
2003	\$8,200,000	\$3,660,000	\$490,000	\$495,000	\$1,890,013	\$2,470,727
2002	\$4,100,000	\$2,900,000	\$365,000	\$295,000	\$1,554,344	\$1,040,875
2001	\$2,700,000	\$3,200,000	\$409,000	\$393,000	\$1,131,349	\$1,099,277
2000	\$2,900,000	\$1,290,000	\$375,000	\$470,000	\$961,490	\$894,500
1999	\$3,300,000	\$2,880,000	\$400,000	\$235,000	\$991,000	\$682,700

Table 7.
Combined Riverfront Sales (House & Land)

	NUMBER OF SALES	TOTAL VALUE
2012	36	\$92,572,250
2011	36	\$88,042,200
2010	45	\$154,907,000
2009	40	\$129,762,893
2008	40	\$116,039,700
2007	65	\$205,066,500
2006	53	\$137,875,500
2005	58	\$186,252,436
2004	59	\$159,520,500
2003	81	\$166,295,860
2002	86	\$136,898,000
2001	65	\$73,249,055
2000	59	\$55,880,500

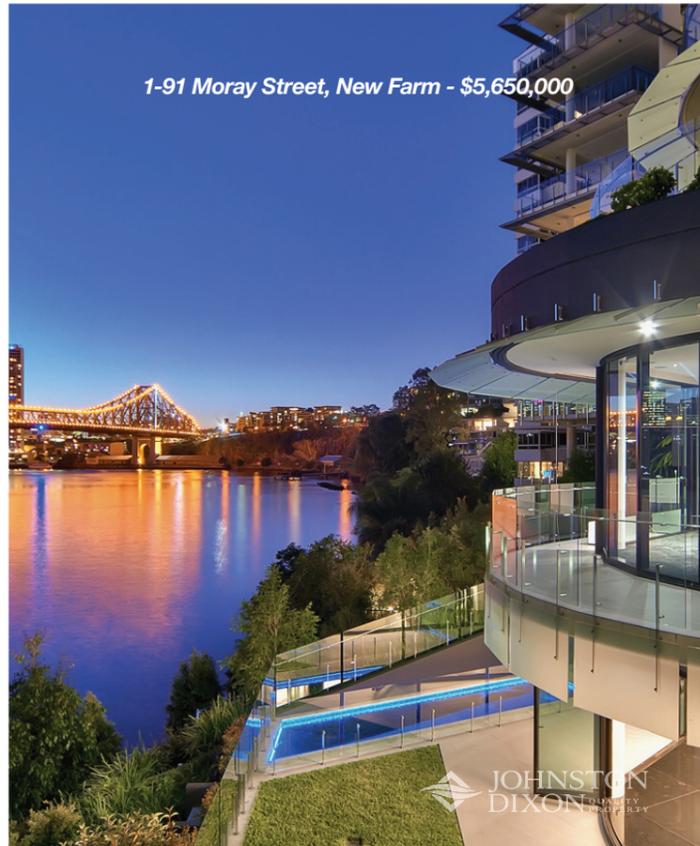




SIGNIFICANT RIVERFRONT AND RIVERSIDE APARTMENT SALES (\$2MILLION+)

RIVERFRONT APARTMENTS

There were twelve absolute riverfront apartments sales in the \$2million+ bracket recorded for calendar year 2012 totalling \$41,070,000. The three highest prices among these were firstly the \$5,850,000 achieved for a WATERFRONT penthouse at 1 Newstead Terrace, Newstead; the second was the \$5,650,000 paid for a two storey apartment at PIETRA, 91 Moray Street, New Farm; the third the \$4,500,000 paid for a one level apartment at AQUILA, 81 Moray Street, New Farm.



*"NEW FARM
DOMINATED 2012'S
TOP END RIVERFRONT
APARTMENT SALES"*

RIVERSIDE APARTMENTS (PROPERTIES SEPARATED FROM THE RIVER BY A ROAD OR PARKLAND)

There were a total of 4 riverside apartment sales in 2012 in the \$2million+ bracket totalling \$10,750,00. "Flinders at Cutters Landing" located at 22 Refinery Parade, New Farm was the highest riverside apartment sale for the year at \$2,800,000.

16 River Apartments Sold for more than \$2million in 2012

*NOTE: - THE RIVER REPORT INCLUDES ALL SALES THAT SETTLED OVER THE LAST CALENDAR YEAR BUT DOES NOT INCLUDE EITHER RELATED PARTY NOR DEVELOPMENT SITE SALE TRANSACTIONS (OTHER THAN WHERE SPECIFICALLY INDICATED).

2011 FLOODS CLASS ACTION PROGRESS



It has been more than two years since we endured the 2011 floods in South-East Queensland and sadly, there are still many people having to work every day to rebuild homes and businesses that were damaged or destroyed during that fateful event.

Since the Floods Commission of Inquiry delivered its final report, Maurice Blackburn Lawyers and litigation funder IMF Australia have been investigating a potential class action on behalf of victims of the floods. They have reached the final stages of their investigation and believe that there is sufficient evidence for a class action to proceed against the operators of Wivenhoe and Somerset dams and the State of Queensland.

Part of the work undertaken to arrive at this determination was an extensive investigation by international experts whose findings concluded that for many, the poor operation of Wivenhoe and Somerset dams meant that January 2011 was a flood that need not have happened at all.

While it has always been recognised that some areas would have experienced a level of flooding even had the dams been operated appropriately, the investigation found that a large number of properties downstream of Wivenhoe Dam would not have flooded had the dam been properly managed. The same investigation concluded that the poor dam operation meant flooding was much worse in many areas than it would otherwise have been.

Lawyers for the class action allege that the dam operators were negligent in failing to use rainfall forecasts in making decisions about release strategies and in failing to maintain a reasonable amount of the dams' storage capacity to protect surrounding areas from inundation.

Maurice Blackburn Lawyers state that, "the potential floods class action is open to residents and businesses that are located downstream of Wivenhoe Dam and who suffered financial loss and damage to property in 2011 as a result of the negligent operation of Wivenhoe and Somerset Dams." A full list of the areas affected is available on the internet at:

<http://www.mauriceblackburn.com.au/areas-of-practice/class-actions/current-class-actions/queensland-floods-class-action.aspx>

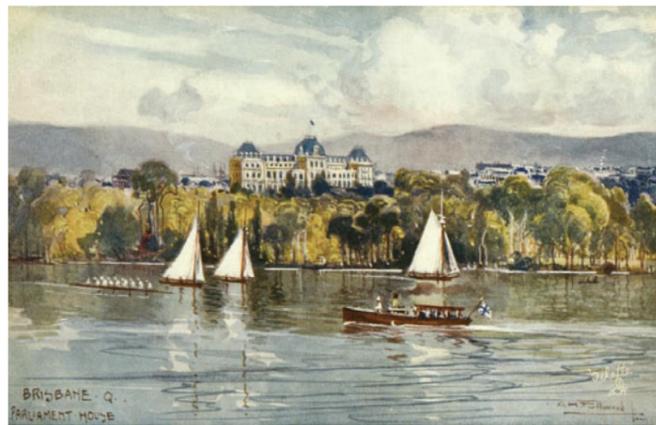
Maurice Blackburn advise that if the action proceeds, damages claimable by those who have signed on will vary from person to person depending on individual circumstances. They state, "participants will potentially be able to claim across a range of areas including damage caused to business, home, furniture or possessions; financial loss due to business interruption; loss of value of property assets; and costs associated with relocating, repairing or rebuilding from flood damage". They advise that some 4800 people have already registered to join the class action. Should the class action proceed as expected, it will be run on a no-win, no-fee basis. Greater information on the class action may be found at www.imf.com.au/wivenhoe or by calling 1800 809 600.



A Jaunt along the River

Brisbane is known as the river city, its lively heart and surrounding suburbs cut in two and more broadly very much shaped by the epic watercourse that snakes its way a full 344km from its Mount Stanley source through to the Port of Brisbane.

Used for transport, employment and entertainment for over 150 years, the river has also now become symbolic of the vibrant culture and relaxed lifestyle Brisbane's population aspires to and enjoys.



NOSTALGIC PAST - Boats ply the Brisbane River in front of Parliament House, ca. 1895 (painting by Albert Henry Fullwood).

No one knows this better than those fortunate enough to live on the water with a private pontoon or jetty providing immediate access to a unique world of travel, transport and leisure delights.

Certainly discovering the river by boat is one of the finer pleasures in life, a yacht or cruiser offering a rare viewpoint from which to observe this fair city.

A boat also offers a unique way of enjoying the water, with a cruise equally capable of conjuring age-old romanticism as fast-paced excitement.

For one river resident and his family, it also creates a perfect way to maximise time together.

The family of six regularly takes to the water aboard their 52 foot cruising motoryacht, which they find as suitable for a simple sail for a Sunday lunch as for serious game fishing out beyond Moreton Bay.

"We'll often take it to New Farm Park or South Bank, weigh anchor and cook Sunday lunch," says the owner. "Then about once a month we'll overnight at Tangalooma or somewhere similar and make a weekend of it."

With three double bedrooms and two bathrooms, the owners find there is space for everyone to spread out, with the enclosed flybridge doubling as a second living area.

When moored, the boat is utilised as a truly waterfront entertainment area for up to 30 people, cocktail style. However it is in its element when cruising, where averaging 12-13 knots it provides plenty of opportunity to enjoy the every changing Brisbane River vistas.

Greg Haines, Sales and Marketing Manager of Queensland-based luxury boat manufacturer Maritimo says, "Brisbane really is perfectly positioned as a gateway. I grew up in Brisbane and it was great to have such easy access to Moreton Bay, with Mooloolaba and Tangalooma accessible in just a few hours and with inland trips to Riverhills or Karana Downs also possible with the river being deep enough all the way through."

Greg says that while the larger cruisers are a perfect choice for family jaunts, it is the M48 which is Maritimo's most popular model, due to its size and layout which includes walk-around decks and internal stairs.



INDULGENT PRESENT - A luxury Maritimo motoryacht tests the water

However it is not just horsepower that brings people to the water, with sail boats also experiencing something of a renaissance.

The South Brisbane Sailing Club was established in 1903 with a club house built in West End's Orleigh Park in 1956.

They run a sailing school for those wishing to learn more about the sport as well a boat hire facility for already competent sailors.

So whether it be via kayak, tinny or super yacht, the Brisbane River offers a world of exploration, adventure and wanderlust, as well as a magnificent way of viewing our beautiful city.

.....aweigh Back to the Future....?



TITANIC FUTURE - The shape of things to come

Ebullient Queensland Clive Palmer's ambitious plans to build TITANIC MkII were recently unveiled in New York amid much fanfare.

With almost exactly the same specifications as the ill-fated original Titanic, TITANIC II will share similar décor, amenities and layout as its predecessor, including three distinctly separate classes of travel. Guests it seem will also be encouraged to don clothing typical of the era and will also have the option to dine from menus of the day, (might there even still be some of the champagne salvaged from the original craft available we wonder).

While the provision of internet and email aboard ship is still in question, TITANIC II will definitely have two startling differences over the other that has now been at rest for more than a century on the seabed off Newfoundland; air-conditioning and plentiful, state-of-the-art lifeboats.

Noting Mr Palmer's waterfront property holdings in Brisbane (in addition to that of the coast) begs the question; could we see TITANIC II home ported in Brisbane? At an estimated 40,000 DWT (deadweight tons), a towering 53 metres in height, and a full 270 metres in length, TITANIC II's mass will rival those of both the P&O Aurora and Oriana; two of the largest ships ever to dock at Portside Wharf. Technically therefore, it may be possible.

With construction in China of TITANIC II not expected to begin until 2016 and to take some years to complete (even at diligent Chinese workers speed), unless Clive chooses to put us out of our misery by announcing where he is going to keep it in the interim (and we doubt that Fig Tree Pocket will be an option), we may have quite some time to wait to find out.

The Final Word on the river

A family member perhaps best summed up this January's (non) flood event when he casually observed that this was 'the flood we had to have'.

And so it was. The level of concern in the market over a potential repeat of January 2011's flood debacle pre and post January this year is night and day.

Wivenhoe Dam under its now much stricter operational performance requirements, was so unequivocal in proving that when capably managed it is a very capable flood mitigator back in January, that concern around future flooding has since largely dried up.

Post January 2011 and pre January 2013, I came to expect that with almost every river enquiry would come inevitable questions about flooding. I am happy to report that since Wivenhoe performed so well, such voiced concern has become rarer with each passing day.

Excising the monkey off the river's back so comprehensively as January's non-flood event has done will quickly free the river up to resume its rightful place as Brisbane's Real Estate Royalty.

There is only one river, there can only ever be one river, and with our population growth once again trending sharply upward as the supply of riverfront property continues to contract, we won't have long to wait before we see the river resume its previously unbroken stratospheric year on year value appreciation, a property market juggernaut that even the GFC at its very height couldn't lay a glove on.

As we know, where the GFC failed to slow the river market, January 2011's 'alleged' mismanagement of Wivenhoe Dam succeeded. Fortunately, that dark period of our history has now been largely laid to rest, and could be buried forever if the proposed Floods Class Action goes the way we expect it to.

Josephine Johnston-Rowell



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PROPERTY