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RIVERFRONT DIRECTOR



2009 RIVER REPORT





WELCOME TO OUR 31st ANNUAL RIVER REPORT

The pronounced ebb in riverfront sales volume over 2008 is no surprise given the breadth of the economic tsunami that has hit the shores of most first world countries.

Fortunately, the significant drop in sales has not translated to any drop in values on the river, in fact this year for the first time your average Brisbane riverfront house has broken the \$3million mark.

Over the course of the year we also registered a pleasing number of sales beyond the magical \$5million mark, including some sales well above that mark.

The current gloomy economic mood has however seen a notable drop in the number of properties offered for sale with many owners either withdrawing from the market totally or opting to lease.

In addition to our regular market analysis, in this issue we also feature; A Bridge Not Too Far, Our Waterways... Not yet top of the Class and Markets by the Water.

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RIVERFRONT SALES Ebb 43.4%

As the market takes a breather...

ABSOLUTE RIVERFRONT SALES *(all statistics settled sales in 2008 only)*

In 2008 the total value of absolute riverfront sales (both houses and land) has come in at \$116,039,700. This is 43.4% down on the 2007 total of \$205,070,000, which was in turn up 36% on the 2006 result as detailed in our previous River Report. How the pendulum swings.

Absolute riverfront house sales dropped in value over the year by 37.29% from \$141,247,500 to \$88,571,700 and in number from 48 to 29 (a drop of 38.7%). This is well down on the 2003 record of 66 sales and represents an all time low since we started this particular index in 1997.

One of the most striking statistics of our last report was that the 2007 average riverfront land price was actually higher than the average riverfront house price for that year. That is no longer the case. Housing has resumed its primacy with the average Brisbane riverfront home sale for 2008 a record \$3,054,196, an outcome which breaks the magical \$3million mark for the very first time.

2007/08 Comparative - Absolute Riverfront Sale Numbers and Value

		NUMBER OF SALES			
		Houses	Vacant Land	Development Sites	Total
2008		29	11	None Recorded	39
2007		48	14	3	65
		SALES VALUE (\$million)			
		Houses	Vacant Land	Development Sites	Total
2008		\$88.572m	\$27.468m	-	\$116.04m
2007		\$141.25m	\$46.22m	\$17.6m	\$205.07m

In 2008, the total number of absolute riverfront house sales was 29 at a combined value of \$88,571,700. 11 absolute riverfront blocks of land sold over the year for \$27,468,000, down 40.5% on 2007's 14 sales totalling \$46,219,000. Notably absent this year is any record of development sites having changed hands.

*Average absolute riverfront house prices have broken the **\$3million** barrier for the first time*

ABSOLUTE RIVERFRONT HOUSE SALES

The number of sales over \$4million eased to 6 from the 9 registered in 2007. In the \$2million plus price range the number was 25 compared to 2007's 36. There was also a marked drop in the number of sales under \$2million, down from 12 to 4, but this was caused more by the fact that this price bracket has almost disappeared from riverfront housing in Brisbane more than anything else.

The top end strength of the riverfront housing market was consolidated in 2008 where sales that we are able to report included \$6.8million for a large, 4,224sqm holding on King Arthur Tce, Tennyson and \$6.55million for a multi-level home in Dauphin Tce, Highgate Hill. This compares to 2 \$6million plus sales in 2007, the highest of which was \$6.1million.

and the 2008 river crown goes to...Chelmer

In addition to being declared the wealthiest suburb in Brisbane generally, Chelmer has taken the crown from Yeronga as the top performer for absolute riverfront sales values in 2008 with it's 6 sales totalling just over \$16million (at an average of \$2.7million). This represents a 50% improvement on it's 4 sales of 2007. The number of sales in Yeronga fell to 3 in 2008, totalling \$7.675million.

Highgate Hill doubled its previous best this year with \$13.2million in sales. Elsewhere, previous market high flyers Hawthorne and Bulimba had just 2 sales between them and unusually there were no sales at all recorded in Westlake.

2007/08 Comparative - Absolute Riverfront House Sales

	SALES BY PRICE BRACKET					
	\$1-2million	\$2-3million	\$3-4million	\$4-5million	\$5-6million	\$6million+
2008	4	16	3	3	1	2
2007	12	16	11	3	4	2

RIVERSIDE SALES *(property separated from the river by a road or parkland)*

Sales of riverside houses and land in 2008 totalled \$43,728,500. This compares to \$90,831,679 in 2007, representing a retraction of 51.8%. The 18 sales ranged in price from a low of \$840,000 for a home in Graceville to a high of \$5,700,000 for a property located in Macquarie St, Newstead.

Vacant riverside land sales fell dramatically from 15 to 5. Achieved prices ranged from \$575,000 to \$2.7million. The average land sale of \$1,022,800 for 2008 was down from \$1,629,279 the previous year. There was only one riverside development site recorded for the year at \$3.5million.

The grand total of river sales (including absolute and riverside houses and land sales) in 2008 was \$159,478,000 compared to \$295,898,179 in 2007. This represents an annual drop in total value of 46%.

CHELMER - Wealthiest in State

According to government figures, Queensland can now claim two of Australia's Top Twenty wealthiest suburbs in the riverfront enclaves of Chelmer and Fig Tree Pocket.



Chelmer came in at number 1 with an average wealth of \$996,800. Although this figure is significantly less than Australia's wealthiest suburb, Perth's Peppermint Grove, with an average wealth of \$1.93million, our average wealth is growing much faster than Sydney and Melbourne.

A basket of calculations are used to determine true Household Wealth. These include the value of property, business assets, superannuation, and share portfolios versus debt.

The report compiled by The Bureau of Infrastructure, Transport and Regional Economics, found that income alone was a poor indicator of wealth. Whereas Chelmer ranked 11th in Australia for average wealth, its average income ranked only 21st nationally at \$55,527.



The only **Absolute Riverfront** home sale in Hawthorne for 2008



18A Leura Terrace, Hawthorne

\$2million plus House Sales 2008

The vast majority of absolute riverfront house sales in Brisbane are now over \$2million. These results are illustrated below. The 4 absolute riverfront house sales recorded under \$2million are not shown.

Settled sales as at 31 December 2008.

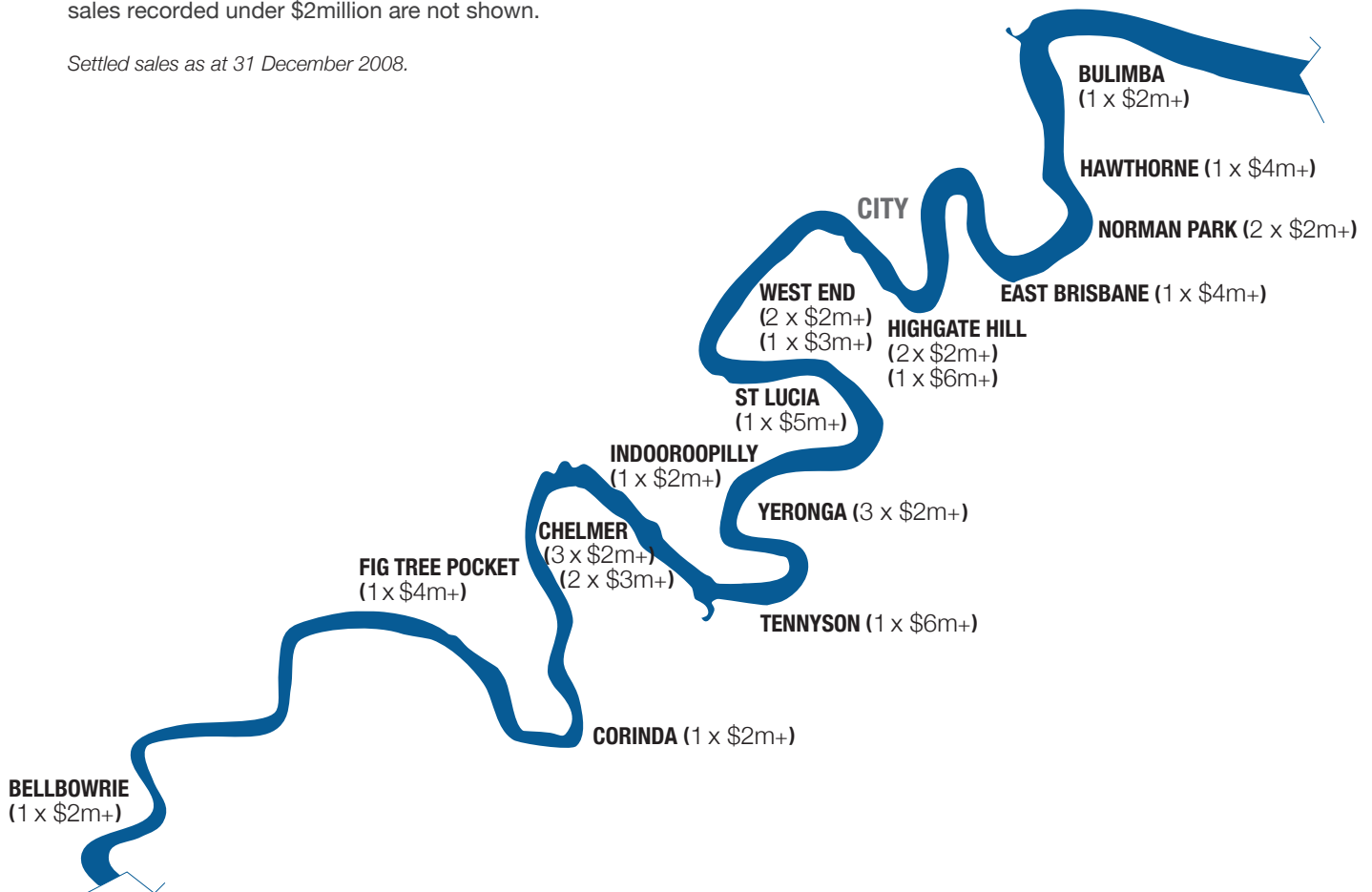


Table 1.

Absolute Riverfront Price Averages (excludes development sites)

	HOUSES		VACANT LAND	
	Value	Number of Sales	Value	Number of Sales
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
1999	\$991,000	42	\$682,700	10
1998	\$769,963	41	\$836,500	5

*The average absolute riverfront house price has risen by **296.6% in just 10 years.***

Table 2.

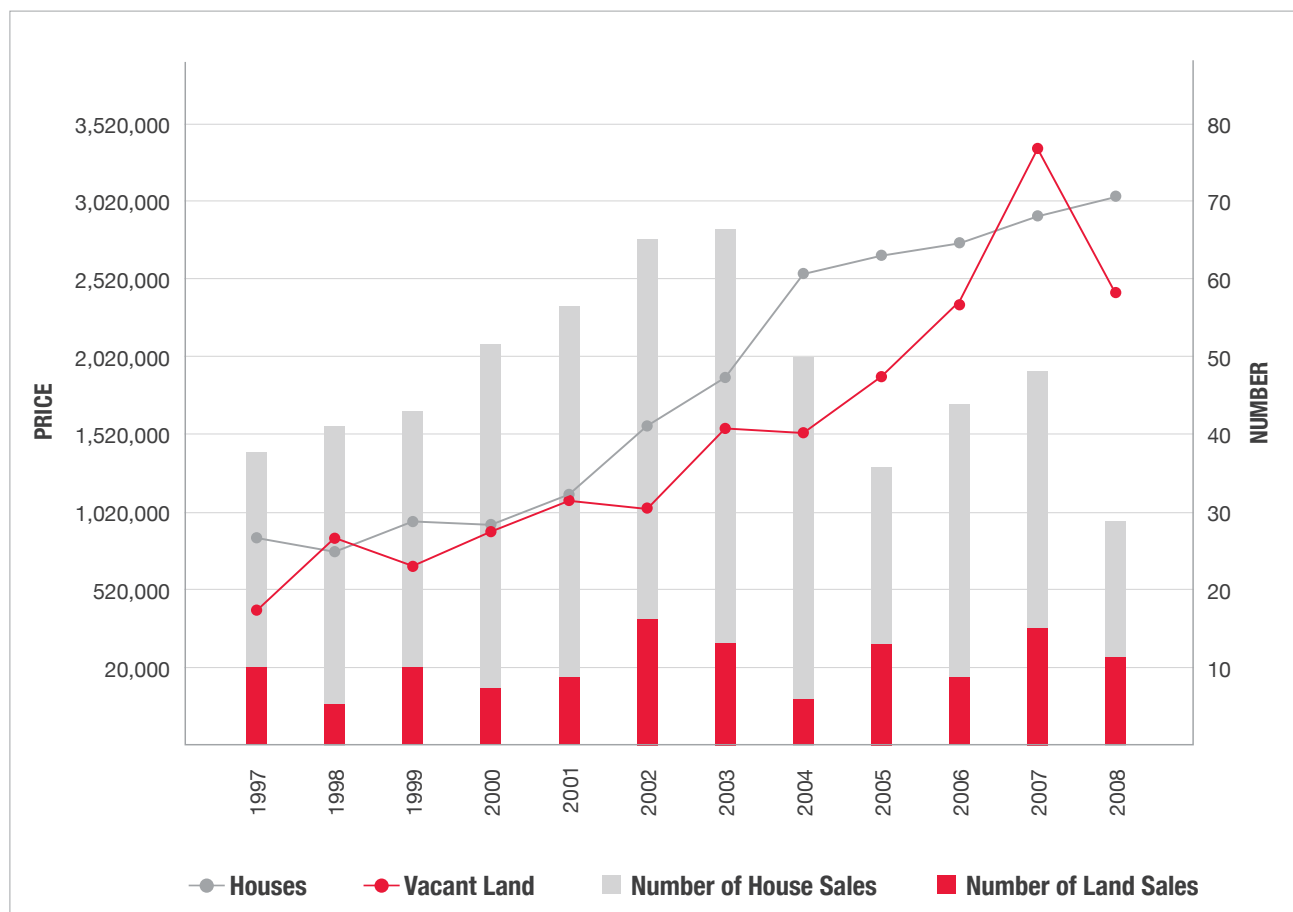
Absolute Riverfront Sales History

Table 3.

Top Performing Absolute Riverfront Houses by Suburb - Average Price last 10 years*(minimum 3 recorded sales - development sites excluded)*

	First Place	Second Place	Third Place
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
1999	YERONGA \$1,290,000	INDOOROOPIILLY \$1,200,000	CHELMER \$680,000
1998	HAWTHORNE \$2,000,000	INDOOROOPIILLY \$1,183,000	YERONGA \$1,084,000

Table 4.

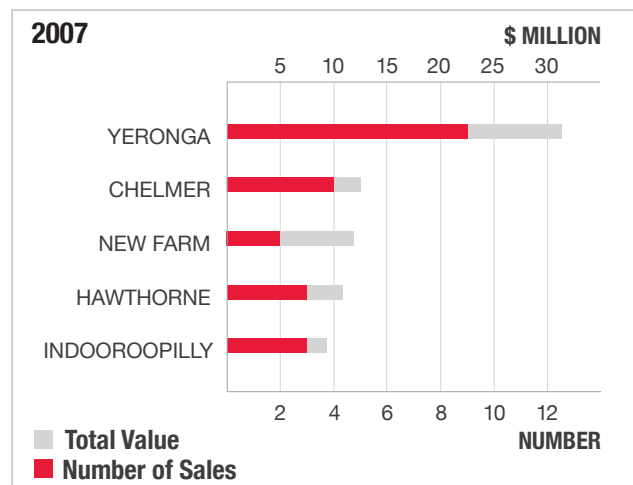
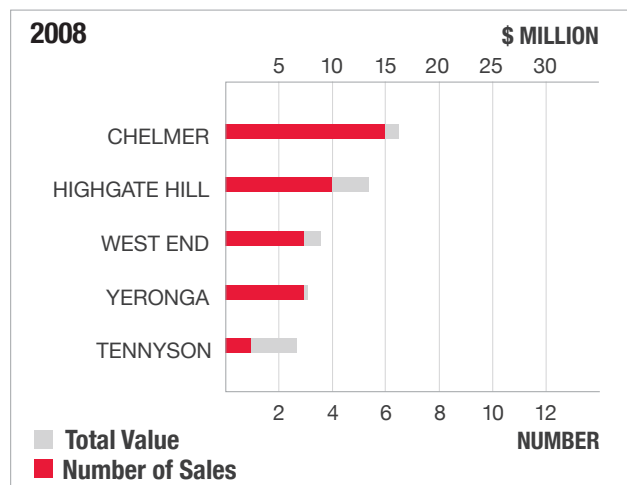
2007/08 Absolute Riverfront House Comparative - Top Suburbs by Total Value

Table 5.

Average Absolute Riverfront House Prices by District *(development sites excluded)*

District	Number of Sales	Total Sales Value	Average Price
Bulimba / Hawthorne / Norman Park / East Brisbane	5	\$15,650,000	\$3,130,000
West End / Dutton Park / Highgate Hill	6	\$22,225,000	\$3,704,166
Fairfield / Yeronga / Tennyson	4	\$14,475,000	\$3,618,750
Chelmer / Graceville / Sherwood / Corinda	7	\$19,090,000	\$2,727,142
Jindalee / Mt Ommaney / Westlake	1	\$1,641,700	\$1,641,700
Pinjarra Hills / Moggill / Anstead / Bellbowrie	2	\$3,530,000	\$1,765,000
Toowong / St Lucia / Indooroopilly	2	\$7,660,000	\$3,830,000
Fig Tree Pocket / Kenmore	1	\$4,300,000	\$4,300,000



Brisbane River Cityscape

Table 6.

Absolute Riverfront Sales Chronology

	HIGHEST SALE PRICE		LOWEST SALE PRICE		AVERAGE SALE PRICE	
	House	Land	House	Land	House	Land
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
1998	\$2,700,000	\$1,587,500	\$385,000	\$380,000	\$769,963	\$836,500

	ABSOLUTE RIVERFRONT SALES	
	Number of Sales	Total Value
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
1999	52	\$48,456,000
1998	42	\$36,603,000

Currently, a number of properties offered for sale are being withdrawn from the market or owners are opting to lease.



A Bridge Not Too Far

If you have driven along the South-East freeway in recent times you could not fail to have noticed the meccano like structure growing across the river.



With metal struts extending at impossible angles and tall concrete pillars appearing to go nowhere, for many weeks the small platform which was originally built tottering over the road, was parking with a view for a crane!

This is the birthing of Brisbane's newest bridge - a \$63.3million pedestrian and bicycle bridge connecting the inner city at Tank Street with South Brisbane and completing a bicycle loop via South Bank and the Goodwill Bridge. The bridge is an initiative of the Queensland Government being managed by the Department

of Public Works and constructed by Boulderstone Pty Ltd.

With South East Queensland experiencing rapid growth (1,500 people each week) the demand for better, safer and more efficient ways to manoeuvre around the city has flourished. The ever increasing numbers biking to schools, universities and their workplaces is highlighting the need to separate wherever possible the bikes and pedestrians from the cars and this trend is not about to slow.

The bridge was conceived not just for its functional nature but as a work of art, very much a fitting link given that it joins the cultural precinct of South Brisbane with the Law Courts in the CBD. Sculptural and delicate in appearance, it will combine a network of steel masts seemingly held in suspension by a cross stitching of high wire tensioned cables. The array of flying struts and wires are said to recall the ropes and spars of sailing ships and boats.

Not only will it be a means of moving from one bank of the river to another but also a place for leisure. With



expansive views, there will be two large viewing and relaxation platforms, two rest areas and a continuous all-weather canopy across the entire bridge for sun and rain protection.

A series of soft pastel coloured LED lighting will add texture and magic at night as the bridge will appear to float as you walk along the deck or boat quietly below.

Originally named the 'Tank Street Bridge', Anna Bligh called upon the public to put forward their ideas on

a suitable name – a process which attracted some 1500 suggestions. A committee was formed including Anna Bligh, the State Governments chief architect Philip Follent, Sunday Mail editor Liz Deegan and some members of the public including an ABC radio competition winner.

After much deliberation they settled on 'Kuripla Bridge'. The original inhabitants named the West End area 'Kuripla' being an aboriginal word meaning 'place for water rats', because of the large rats that infested

the area close to the river. This is relevant, as the new bridge lands at Kuripla Point Park adjacent to the Queensland Gallery of Modern Arts.

Nothing like 'Kuripla' has been seen in the architectural landscape of Brisbane before. Careful thought and consideration has gone to ensuring that this bridge is not only aesthetically pleasing but harmonious with the artistic and cultural feel of this part of our city. Now all there is to do is use it and enjoy it!

'Kuripla' being an aboriginal word meaning 'place for water rats'





OUR WATERWAYS... Not yet top of the class!

Spotted 75km upstream from the mouth of the river at the junction of the Brisbane and Bremer Rivers, this truly was an awesome sight. Generating excitement, the 'spot the dolphin' campaign began triggering reports on the internet as residents eagerly logged their sightings.

"Dolphins spotted in
the Brisbane River"
sang the headlines on
October 14, 2008.



There is no doubt that aquatic life is returning to our river, with local anglers snaring record catches – a hopeful sign that the general health of our waterways is improving. Twice a year in Spring and Autumn the EHMP (Ecosystem Health Monitoring Program) in partnership with the Queensland Healthy Waterways Partnership, use rigorous science including a broad range of biological, physical and chemical indicators to determine the ecosystem health.

Grades are given dependant on such things as nutrient levels, pollutants, dissolved oxygen and turbidity and levels and type of aquatic life.

Information collected is used to advise council and land managers on the effects of different land uses on our waterways, and evaluate the effectiveness of management strategies which have been implemented. Armed with this information local governments have invested significant sums to repair damage to our waterways including upgrades to wastewater treatment plants, stormwater management and restoration of riparian areas.

So how have we fared? The report card issued in October 2008 shows varied results. Our waterways are divided into areas. Of particular interest to Brisbane River dwellers are the Lower Brisbane Catchment, the Oxley Catchment, the Mid-Brisbane Catchment and the Bremer Catchment.

The results from the Western Catchment, which includes the Bremer Catchment where perhaps the most disturbing now being identified as contributing major diffuse source sediment and nutrient pollution which affects the Brisbane River and Moreton Bay. Dropping from a D- to an F, various factors contributed to its poor performance. The high rates of population growth including increasing numbers of 'lifestyle blocks' in the Western corridor is placing increased pressure on our waterways. Adding to this is the significant industry, mining and commerce particularly around Ipswich and the lower river reaches.

The Mid Brisbane Catchment is the star with an improvement in their report card from a B- to an A-. This catchment extends from the Wivenhoe dam wall to the Mt Crosby weir. Featuring some of the more intact regional riparian corridors in SEQ,



much of its banks are surrounded by Brisbane Forest Park. Likewise the Oxley Catchment has had significant improvement with a result of D up from an F. This is due to substantial investments in wastewater treatment plants which have led to the reduction of point source pollution.

The lower Brisbane Catchment which takes in areas from Moggill to Bulimba Creek and on to Bramble Bay has had little significant improvement. This area is very urbanised with much of the riparian vegetation cleared. Accurate results have been hindered however, by the large volume of stormwater runoff during the 2008 storms causing high loads of sediment and nutrients flowing into the rivers and out to the Bay.

As we continue to see positive signs of improvement in our waterways, along with council and local community bodies there are ways to get involved. Supported by the Brisbane City Council and Brisbane Forest Park, thirteen working groups have been established at a local level to coordinate tasks in sub-catchment areas. On a regular basis these groups meet to undertake rejuvenation projects along the creeks and river corridor. Private landholders are able to become involved, having a say in the replanting of native species and preservation of riverside areas.

WHAT DO THE GRADES MEAN?

A EXCELLENT Conditions meet all set ecosystem health values; all key processes are functional and all critical habitats are in near pristine condition.

B GOOD Conditions meet all set ecosystem health values in most of the reporting region; most key processes are functional and most critical habitats are intact.

C FAIR Conditions meet some of the set ecosystem health values in most of the reporting region; some key processes are functional and some critical habitats are impacted.

D POOR Conditions are unlikely to meet ecosystem health values in most of the reporting region; many key processes are not functional and many critical habitats are impacted.

F FAIL Conditions do not meet set ecosystem health values; most key processes are not functional and most critical habitats are severely impacted.

For more information please go to the Brisbane City Council website and search for catchment groups or call them on 3403 8888.

Markets by the Water

Brisbane has had a long love affair with outdoor markets.



Some twenty years ago the riverside markets were created giving people a place to go before the advent of Sunday shopping. Situated on the north banks of the river in the financial centre of the CBD, they were a perfect outlet for artisans and manufacturers to show their wares and gain a reputation. Today they remain a thriving, bubbling hotspot on a Sunday morning.

Following closely on this popularity, the Southbank Lifestyle Market sprang to life. Offering something a little different, they became popular for their night time markets. With many colourful stalls and the added benefit of all the Southbank attractions, this is a fabulous location to enjoy the blazing city lights and on special occasions, a front row seat to the fireworks.

Ten years later, as public demand grew for fresh organic produce Jan Power, cook, journalist, public speaker and entrepreneur introduced the Brisbane Farmers Market. The Powerhouse Farmers Market located by the river in New Farm pride themselves on selling quality fruit, vegetables, meat, fish, poultry, bread and flowers. Local producers bring their wares to the market with a guarantee of absolute freshness. A wonderful experience, vendors are happy to have a chat and share their secrets.

On the back of the Farmers Markets, the Green Flea Community Market on the banks of the river at West End has gained popularity. An eclectic mix of organic produce, bric a brac and pre-loved clothing offers a vibrant shopping experience under the enormous fig trees. Children laugh and play whilst their parents enjoy a great coffee and exotic food from all over the world. Buskers add entertainment and atmosphere to the already rich environment.

RIVER MARKET VENUES

Riverside Markets

123 Eagle Street
Sunday 8am to 4pm

Southbank Lifestyle Market

Southbank Parklands
Friday 5pm to 10pm
Saturday 10am to 5pm
Sunday 9am to 5pm

Powerhouse Farmers Markets

119 Lamington Street, New Farm
2nd and 4th Saturday
6am till 12 noon

Green Flea Community Market

Davies Park, West End
Saturday 6am to 2pm

The Final Word

The financial tsunami that had the Wall Street meltdown at its epicentre has passed through every economy on earth leaving significant economic debris in its wake, not least the countless fortunes and retirement nesteggs wiped out in the ensuing sharemarket collapse.

Just how long the recovery from the tsunami's passing will be is uncertain. From a property perspective, whilst the carnage in housing markets overseas is very well publicised, overly so in many cases, equally well documented is the fact that both the US and UK housing

markets had expanded well beyond their real levels of demand. The US crisis has been made worse by 'Super-prime', caused in large part by the past introduction of US government policy directing a unilateral easing of credit requirements.

Given we have an opposite reality here and now cheaper funding than we have seen for half a century, I am confident that we will soon see a return to the normal levels of growth for Brisbane's residential property generally and for our prime riverfront market particularly. The river will always be a very limited commodity in an ever expanding, population-fuelled marketplace.

