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RIVER REPORT AUTUMN 2008





Absolute Riverfront Sales for 2007 exceed \$200million

In terms of quantity and quality, it is much flow and little ebb.

WELCOME TO OUR 30TH RIVER REPORT.

Brisbane has transformed from a 'sleepy riverside town' into a sophisticated city with its own unique Manhattan style skyline.

Riverfront house and land prices continued to perform remarkably well over 2007, recording very strong capital growth, testament to the River's maturity and a broad desire to secure a slice of quality riverfront living.

The total number of sales for all riverfront and riverside property in 2007 climbed to 116 reflecting a gross sales value of \$295.89m.

In the last quarter of 2007 the market adopted a more 'steady as she goes' approach and experienced a rare breather as it digested the first change of Government for 11 years.

In this issue also, we reflect on some interesting statistics and developments from the past decade. We also take a look at what is happening above and below the Brisbane River waterline.

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Like other major cities, Brisbane has its own highly desirable places to live with both locals and newcomers to Brisbane experiencing a fresh vibrancy that has given this River City a distinctive and exciting vitality. With thousands of people flocking annually to South East Queensland, our City has gained a renewed sense of independence and cosmopolitanism that has been flourishing not only in the CBD and its urban fringes but most confidently in our City's sought-after prestige riverfront.

ABSOLUTE RIVERFRONT SALES

Once again Brisbane just cannot get enough of our incomparable riverfront lifestyle, with sales figures for 2007 pushing through the magic \$200 million mark. In fact, including the sale of three development sites for \$17,600,000, the total value of absolute riverfront sales was a staggering \$205,066,500 – a full 32% increase on 2006.

Breakdown of Absolute Riverfront Sale Numbers and Value

Absolute Riverfront	Houses	Vacant Land	Development Sites	Total
Number of Sales	48	14	3	65
Value of Sales	\$141.25m	\$46.22m	\$17.6m	\$205.07m

Even with development sites excluded from results, the total value of absolute riverfront sales for the year is still very significant. 48 homes transacted for a combined total of \$141.25m along with 14 absolute riverfront blocks of land that collectively achieved \$46.22m. Absolute riverfront sales for 2007 totalled \$187.47m compared to \$137.88m in 2006. This 36% increase cemented property growth for Brisbane's riverfront as some of the strongest in the state's history, a result hot on the heels of the still solid 12.4% increase recorded from 2005 to 2006.

Interestingly, the number of homes sold (48) remains well down on the record result of 2003 (66) (refer to Table 1).

“ the skyrocketing average value of absolute riverfront land which is up by 217% in just 5 years ”



Equally remarkable was the healthy increase in the number of individual absolute riverfront home sales over \$2 million. 36 homes in this category were sold during 2007 compared to 29 in 2006. Very pronounced evidence of escalating property values were evident in the greatly increased number of sales in the \$4 million+ mark which rose from four in 2006 to nine in 2007.

In 2006 the highest absolute riverfront house sale price recorded was \$4.6m. In 2007 however, absolute riverfront house prices broke the \$6m barrier twice with the sale of two absolute riverfront homes located at Indooroopilly and New Farm respectively.

For the first time since 1998, the average absolute riverfront land sale price at \$3,301,357 has outperformed the riverfront housing average at \$2,942,656. The highest price achieved overall during 2007 was also higher for absolute riverfront land over riverfront housing, \$7,200,00 versus \$6,100,000, and for the first time ever, there were no absolute riverfront land sales under \$1m. A sure sign of the fading opportunity to build one's own dream home on the river.

Breakdown of Absolute Riverfront Sales by Price Bracket

Price Bracket	\$1m to \$1.99m	\$2m to \$2.99m	\$3m to \$3.99m	\$4m to \$4.99m	\$5m to \$5.99m	\$6m to \$6.99m
Number of Sales	12	16	11	3	4	2

RIVERSIDE SALES (Property separated from the River by Road or Parkland)

2007 saw 51 riverside properties exchange for a total of \$90,831,679, a very significant 72.8% increase on the 2006 result of 29 riverside sales totaling \$52,567,035. The sales recorded stretched the length of the River and included 34 house sales ranging from a modest \$750,000 at Kenmore to the highest riverside home sale at Macquarie Street, Newstead at \$4.5m.

Vacant riverside blocks have been in hot demand and the 15 sales recorded for the year doubled riverside land sales from 2006. The prices recorded varied significantly from a low of \$572,975 at Moggill to \$6.3m at Kangaroo Point. A further two residential sites with potential for development at East Brisbane and Kangaroo Point exchanged hands for \$6m and \$3.42m respectively.

All absolute riverfront and riverside sales for 2007 combined reached a record total of \$295,898,179 – an increase of 42.5% on the previous year.

“Yeronga absolute riverfront house price up by 20%”

Yeronga has been crowned the top performing absolute riverfront home sales suburb for 2007, (as predicted in our previous report) with sales totalling \$31.3m. The average absolute riverfront house price in Yeronga has risen by 20% over the year, with Chelmer next best at 15%.

Noticeably absent from 2007's absolute riverfront sales is Fig Tree Pocket, with not ONE sale recorded.

Absolute riverfront land as expected continued to perform well due to its rarity, recording a dramatic average increase of 38% for the year. This adds significantly to the skyrocketing average value of such land which is up by 217% over the last 5 years.

Interestingly, our record house price sale from the April 2006 River Report has on sold for a 30% premium, proof positive that riverfront property keeps going from strength to strength.



Absolute Riverfront Sale Record, Westlake

“ House sales on the Brisbane River now achieve in excess of \$2m ”

\$2m+ House Sales in 2007

The majority of absolute riverfront house sales on the Brisbane River now achieve more than \$2m. This map below illustrates the location of sales over \$2m for 2007. There were only 12 absolute riverfront house sales recorded under \$2m (not shown).

\$2m+ Absolute Riverfront House Sales by Suburb

As at 31 December 2007

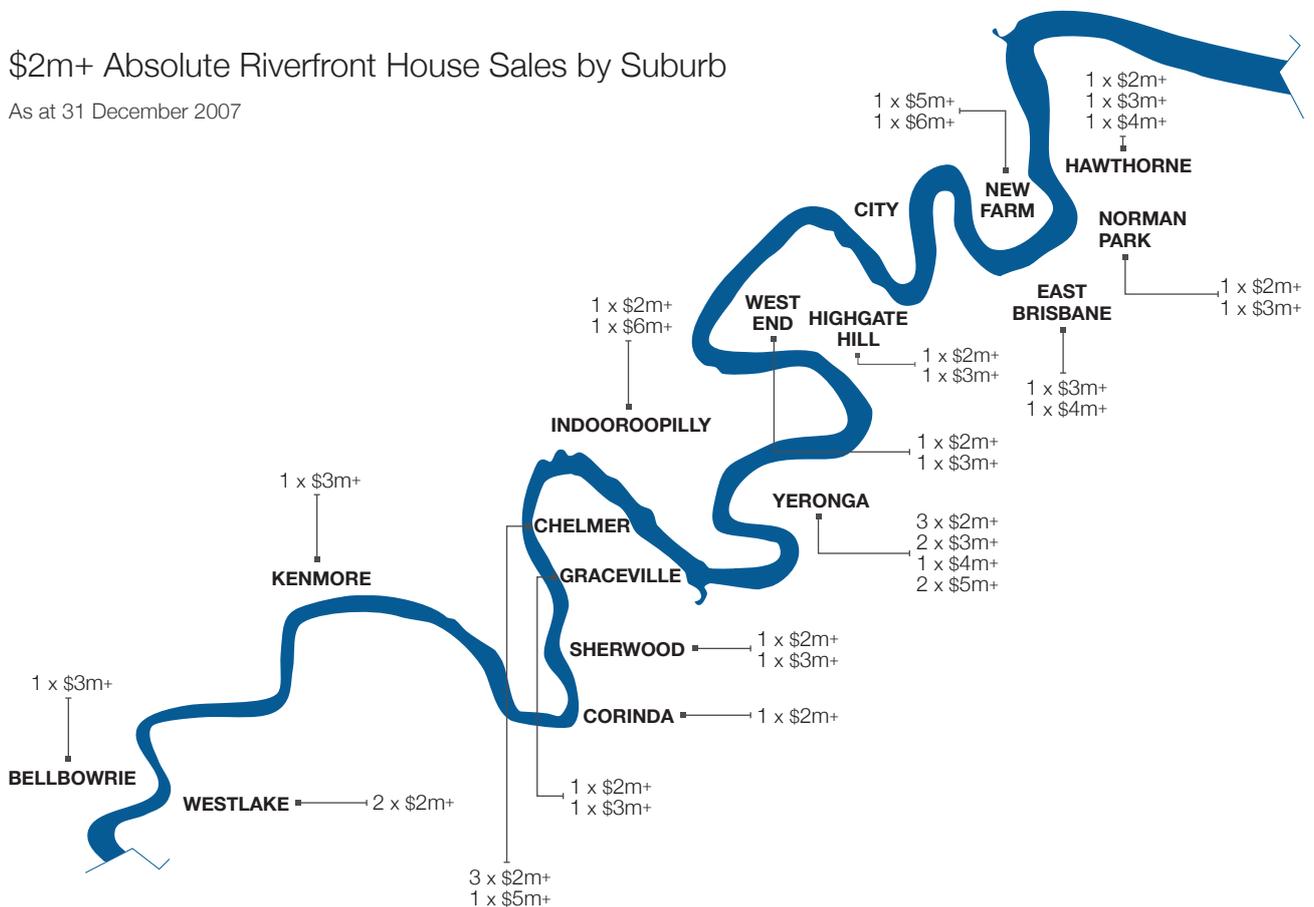


Table 1.

Absolute Riverfront Price Averages and Volume (excludes development sites)

	1997	1998	1999	2000	2001
Houses	\$871,687	\$769,963	\$991,000	\$961,490	\$1,131,349
Number of Sales	38	41	42	51	56
Vacant Land	\$435,500	\$836,500	\$682,700	\$894,500	\$1,099,277
Number of Sales	10	5	10	8	9

	2002	2003	2004	2005	2006	2007
	\$1,554,344	\$1,890,103	\$2,535,810	\$2,666,687	\$2,761,290	\$2,942,656
	64	66	50	37	43	48
	\$1,040,875	\$1,530,417	\$1,511,667	\$1,900,416	\$2,392,500	\$3,301,357
	16	12	6	12	8	14

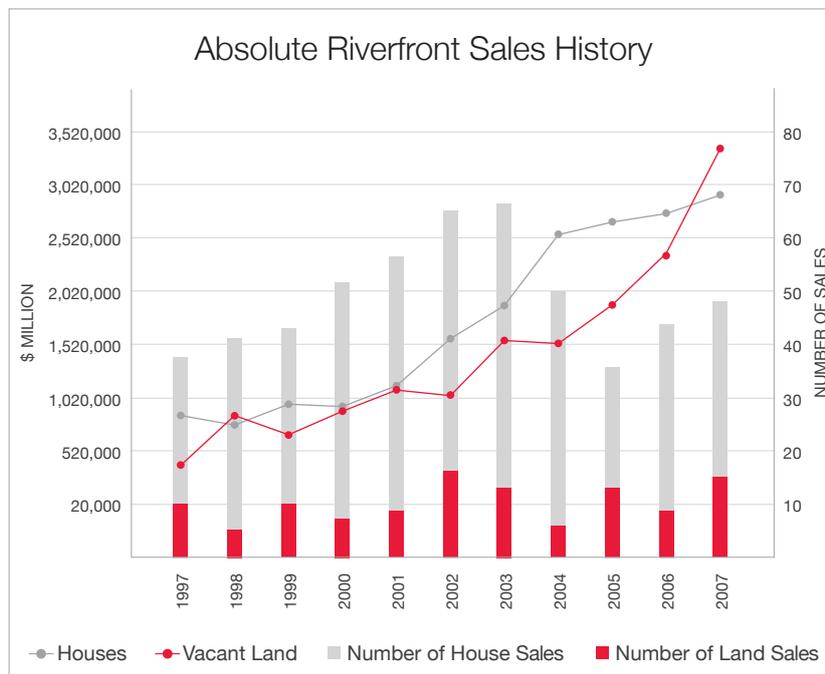


Table 2.

Top Performing Absolute Riverfront Suburbs - Average Price

(minimum of 3 recorded sales - excludes development sites)

	1997	1998	1999	2000	2001
First	Tennyson \$1,606,000	Hawthorne \$2,000,000	Yeronga \$1,290,000	Hawthorne \$1,200,000	Kangaroo Point \$2,034,185
Second	St Lucia \$1,546,000	Indooroopilly \$1,183,000	Indooroopilly \$1,200,000	Chelmer \$1,115,250	New Farm \$1,758,333
Third	Kangaroo Point \$1,310,000	Yeronga \$1,084,000	Chelmer \$680,000	New Farm \$1,040,833	Yeronga \$1,655,375

	2002	2003	2004	2005	2006	2007
	Hawthorne \$2,440,000	St Lucia \$2,916,667	New Farm \$3,617,000	Fig Tree Pocket \$4,075,000	Bulimba \$3,033,333	Hawthorne \$3,616,667
	Norman Park \$2,340,000	Newstead \$2,715,833	Hawthorne \$3,525,000	Hawthorne \$3,625,000	Yeronga \$2,914,050	Yeronga \$3,482,222
	Bulimba \$2,193,333	Fig Tree Pocket \$2,615,545	Fig Tree Pocket \$3,520,000	Yeronga \$2,070,000	Chelmer \$2,732,857	Chelmer \$3,130,000

Sources: JOHNSTON DIXON / RP Data Ltd



Absolute Riverfront Sale, Belbowrie

Table 3.
Average Absolute Riverfront House Prices by District (excludes development sites)

District	Number of Sales	Total Sales Value	Average Price
Bulimba / Hawthorne / Norman Park / East Brisbane	7	\$24,280,000	\$3,468,571
West End / Dutton Park / Highgate Hill	5	\$12,020,000	\$2,404,000
Fairfield / Yeronga / Tennyson	10	\$33,091,000	\$3,309,100
Chelmer / Graceville / Sherwood / Corinda	11	\$30,875,000	\$2,806,818
Jindalee / Mt Ommaney / Westlake	4	\$6,980,000	\$1,745,000
Pinjarra Hills / Moggill / Anstead / Bellbowrie	3	\$6,200,000	\$2,066,667
Toowong / St Lucia / Indooroopilly	3	\$9,200,000	\$3,066,667
Fig Tree Pocket / Kenmore	3	\$6,701,500	\$2,233,833

Table 4.
Absolute Riverfront Sales Chronology

HOUSES	1998	1999	2000	2001	2002
Highest Sale Price	\$2,700,000	\$3,300,000	\$2,900,000	\$2,700,000	\$4,100,000
Lowest Sale Price	\$385,000	\$400,000	\$375,000	\$409,000	\$365,000
Average Sale Price	\$769,963	\$991,000	\$961,490	\$1,131,349	\$1,554,344
	2003	2004	2005	2006	2007
	\$8,200,000	\$5,250,000	\$5,500,000	\$4,600,000	\$6,100,000
	\$490,000	\$825,000	\$1,175,000	\$1,250,000	\$1,100,000
	\$1,890,013	\$2,535,810	\$2,666,687	\$2,761,290	\$2,942,656
LAND	1998	1999	2000	2001	2002
Highest Sale Price	\$1,587,500	\$2,880,000	\$1,290,000	\$3,200,000	\$2,900,000
Lowest Sale Price	\$380,000	\$235,000	\$470,000	\$393,000	\$295,000
Average Sale Price	\$836,500	\$682,700	\$894,500	\$1,099,277	\$1,040,875
	2003	2004	2005	2006	2007
	\$3,660,000	\$2,400,000	\$3,175,000	\$5,050,000	\$7,200,000
	\$495,000	\$970,000	\$950,000	\$825,000	\$1,230,000
	\$1,530,417	\$1,511,667	\$1,900,416	\$2,392,500	\$3,301,357
TOTAL VALUE	1998	1999	2000	2001	2002
Total Riverfront Sales	42	52	59	65	86
Total \$ Riverfront Sales	\$36,603,000	\$48,456,000	\$55,880,500	\$73,249,055	\$136,898,000
	2003	2004	2005	2006	2007
	81	59	58	53	65
	\$166,295,860	\$159,520,500	\$186,252,436	\$137,875,500	\$205,066,500

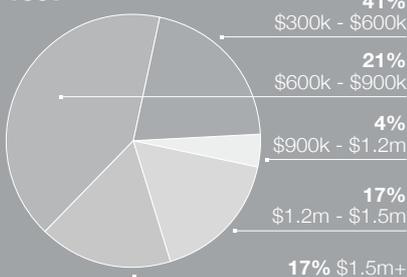
Sources: JOHNSTON DIXON / RP Data Ltd



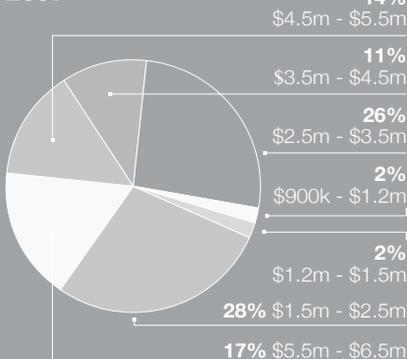
Then and Now...

1997	2007
Average riverfront house price \$871,687	Average riverfront house price \$2,942,656
Average riverfront land price \$435,500	Average riverfront land price \$3,301,357
Total sales \$41.8m	Total sales \$141.2m
Sales over \$1m 18	Sales over \$1m 48
Highest price \$2.7m	Highest price \$6.1m

% OF SALES / PRICE RANGE
1997



% OF SALES / PRICE RANGE
2007



Reflecting Back 10 Years

The year was 1997 and the sales of absolute riverfront properties in Brisbane were booming.

There were 18 sales over a million dollars and many just short of that figure saw the ever increasing demand for river property being reflected in escalating prices. The top sale for the year was \$2.7 million for a large stately home located at King Arthur Terrace, Tennyson.

Several factors contributed to the record 1997 results as reported in our April 1998 report. These included changes to the tax treatment of superannuation contributions, a much strengthened local economy, historically low interest rates (5%), robust profits on the stock market and an ever increasing desirability of a river address.

The same report saw many events effecting the Brisbane River:

- Brisbane City Council had introduced its new Riparian Amendments legislation which made it more complicated to get riverfront development applications approved.
- Pioneer Concrete, after 135 years of dredging the Brisbane River ceased operations in April 1997, with the "tying off" of its last barge. The then environment minister Brian Littleproud, announced that all river dredging would cease by September 1997.
- The inaugural Brisbane Riverfestival began September 1998. This 10 day event was attended by an estimated 250,000 people.
- Two of the festival's subsequent signature events were established - the International Riversymposium (a gathering of river managers, academics, researchers, NGOs, environmentalists and the water industry focusing on environmental issues) and Riverfire, South east Queensland's largest fireworks display.
- The 230m tanker Barrington that was docked at the AMPOL refinery near Fisherman's Islands was hit by a local Tugboat named "Austral Salvor", causing 8 tonnes of heavy fuel oil to be spilled into the Brisbane River.
- The Jack Pesch Bridge, named after the local cycling legend of the 1930's, opened on 2 October 1998 at Indooroopilly, adjacent to the Walter Taylor and Albert Bridges.



Ferries at the bottom of your garden

There is no traffic, no road rage, simply jump on board a Brisbane River Ferry and enjoy the ride just as Brisbanites have done since the 1840's.

“ before cars,
ferries were
literally the only
way to travel ”

Long before our network of bridges and public transport was fully developed and before people owned cars, ferries were literally the only way to travel. The very first ferry operated from Holman Street, Kangaroo Point to the Customs House in Petrie Bight in November 1844.

Downriver, it was not quite as high-tech, with Samuel and Matthew Buckley operating a penny-a-trip rowing boat ferry service at Bulimba from 1850 until 1864 when John Watson commenced his vehicular ferry operation.

The steam ferry Hetherington served the Bulimba route for many years, and it was estimated to have carried over 10 million passengers and 2 million vehicles between 1928 and its decommissioning in 1952.

The landmark Holman Street Ferry Terminal was constructed in the early 1900's along with other graceful Federation Queen Anne style terminals built at Bulimba (1922) and Hawthorne (1925) and all three are still in existence. In October 2004, the Queensland Heritage Council entered the iconic Kangaroo Point 'waiting shed' in the State Heritage Register citing its cultural significance.

Upriver another ferry known as the Russell Street ferry crossed the river between North Quay and South Brisbane, at the site of the present Victoria Bridge. It was operated by local trader John Williams, and was colloquially called the Time Killer due to the time it took to complete its journey across the river. Mr Williams lost a lot of his trade in June 1865 when the first bridge across the Brisbane River was



opened, however business boomed again less than two years later when the timber bridge, now infested with marine worm, collapsed. The Russell Street ferry became obsolete with the construction of a permanent Victoria Bridge.

A number of other ferries also operated including the Indooroopilly Ferry (made redundant by the Walter Taylor Bridge) and the Moggill Ferry, a vehicular ferry then operated by hand and still in use today.

One of Brisbane's worst river disasters involved the sinking of the ferry Pearl. The Pearl had been put into service carrying people across the river to South Brisbane due to flood damage to the Victoria Bridge. At about 5pm on Thursday 13 February 1896, the Pearl passed in front of the government yacht Lucinda, and the flood waters carried the Pearl onto Lucinda's anchor chain. The Pearl sank within thirty seconds, with substantial loss of life.

A JOURNEY COMING TO AN END

With 13 river crossings and a record number of cars, today there are not as many ferries as there used to be. Several operations like the Toowong to Hill End service were simply washed away in the 1974 floods and were never reinstated.

The area covered by the CityFerry service is much smaller than the CityCat service.

12 monohull ferries are operational, the majority of which work short inner city routes from Bulimba to North Quay and 3 or 4 that cover cross-river trips. All are between 11.5 and 15 metres long and all are made of wood except the steel-hulled Kalparrin.

The oldest of the current fleet are the Balmoral (formerly Susan) and Hamilton (formerly Pamela Sue) built in 1965 and the Hawthorne (formerly Ethel) which was launched in 1966. Most of the fleet carry between 54 and 60 passengers, except the 15 metre Mermaid, Doomba and Otter designed to handle a maximum of 80 passengers. Sadly the days of most of the ferries are numbered.

With the CityFerry services poorly used – only 6% of all ferry passengers use it as opposed to 74% who prefer the sleek new CityCats – it is inevitable that soon only the cross-river services will remain. This will leave just three ferries to carry on a proud tradition and to act as a visible link to our heritage.

Perhaps one of the old girls may end up in the Maritime Museum alongside the Diamantina or Forceful. The rest will go the way of the Time Killer and their journey will be – as passengers used to shout to hail the ferrymen – “Oh-ver!”

“ today there are not as many ferries as there used to be ”



Inner City Ferry



There's light at the end of the tunnel

East is East and West is West and never the twain shall meet.

That may be true, however North and South will definitely meet when the longest road tunnel in Australia reaches completion by the end of this decade.

The first of two major arterial tunnels planned for the River City, the North-South Bypass tunnel is 6.8 kilometres long including 4.8 km of dual, twin-lane tunnels stretching from Bowen Hills to Woolloongabba.

The tunnel will be connected to the Inner City Bypass and Lutwyche Road at Bowen Hills, Shafston Avenue in Kangaroo Point, and Ipswich Road and the Pacific Motorway at Woolloongabba.

As well as being Australia's longest, it also has some other claims to fame such as being the largest public-private partnership ever undertaken in Queensland and Brisbane's first privately financed toll road.

The \$2 billion tunnel will be the 14th river crossing in Brisbane, counting the Goodwill, Eleanor

Schonnel and Jack Pesch (pedestrian and cyclist bridge Indooroopilly) green bridges and the Merivale and Albert Railway bridges.

The Gateway duplication will be the 15th river crossing and will be completed soon after the tunnel is operational, in 2011.

The tunnel will eliminate up to 18 sets of traffic lights, reducing a cross-city trip by up to 30%.

Construction of the North-South Bypass tunnel commenced in August 2006 and already more than 1.5 kilometre of tunnel has been excavated. Work is believed to be ahead of schedule.

One of two 12.4 metre diameter double shielded tunnel boring machines (affectionately christened Matilda) started crunching into the formidable 'Brisbane Tuff' rock in December 2007 and its 4,000 tonne twin started working in March 2008.

These humongous machines grind through between 16 and 20

metres of solid rock per day and line the tunnel walls with precast concrete panels as they go.

They are ably assisted by eight roadheaders, each capable of clearing 2 metres per day and working around the clock at three locations – small wonder they are making such great progress.

For the mathematically minded, approximately 3.5 million tonnes of rock will be removed from the tunnel, 280,000 cubic metres of concrete will be used in the construction and over 1700 workers will be employed at the peak of construction.

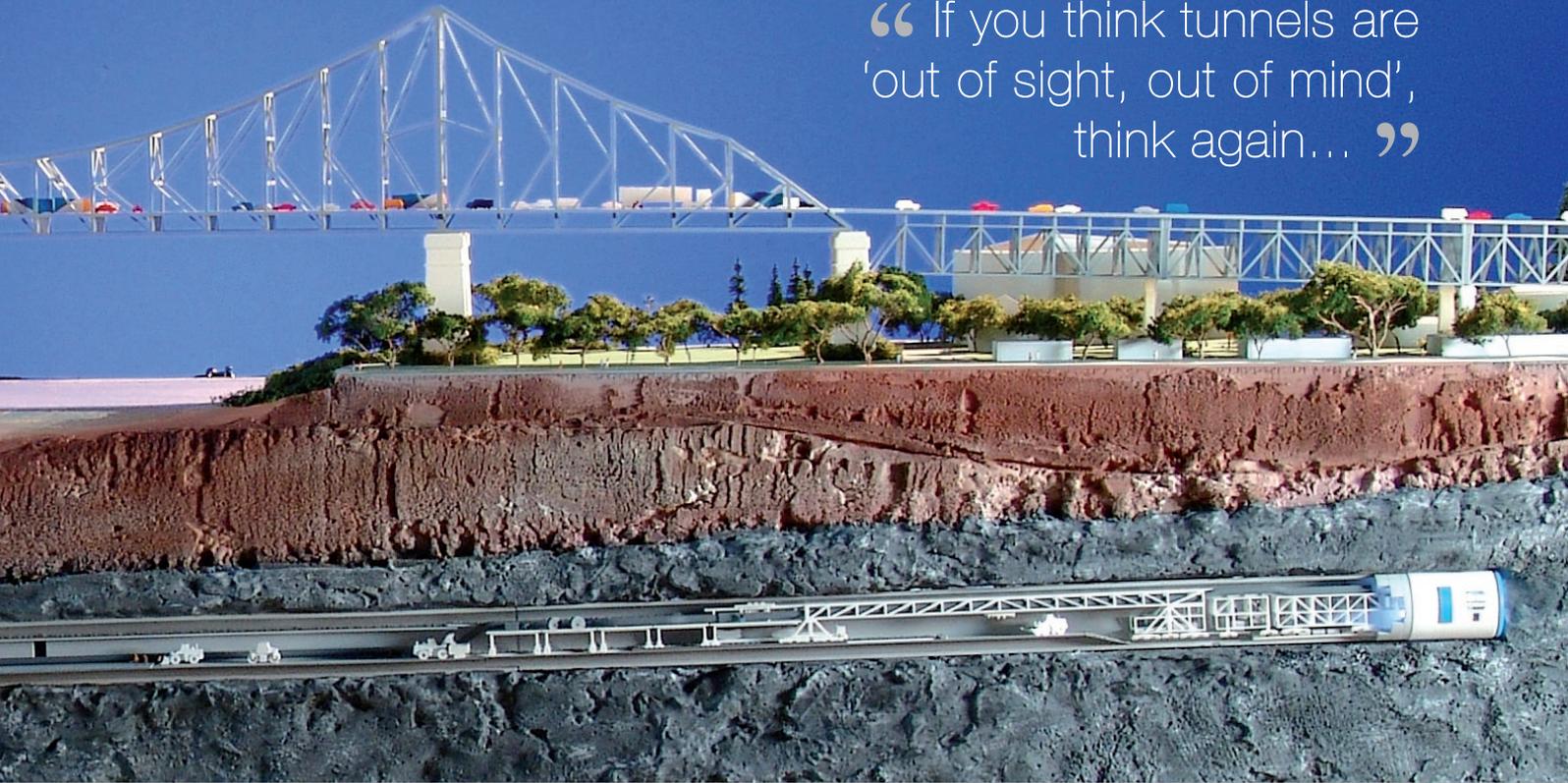
There is currently a roadheader team working 40 metres underground at Kangaroo Point.

TUNNEL VISION

If you think tunnels are "out of sight, out of mind", think again.

The urban designers of the North-South bypass tunnel have worked hard to ensure that it integrates with the existing city landscape.

“ If you think tunnels are ‘out of sight, out of mind’, think again... ”



Their key considerations in terms of urban and architectural design included minimising visual and noise impacts, providing pedestrian and cycle amenities, incorporating crime prevention principles, improving accessibility and employing high quality landscaping.

Importantly for riverfront home owners, they were also responsible for reinforcing residential character and protecting creek corridors.

Iconic portal canopies have been designed to accommodate the entry/ exit points at Bowen Hills, Kangaroo Point and Woolloongabba.

These copper-clad overhead canopies will filter the light and provide the perfect transition for motorists as they drive in and out of the well-lit tunnel.

In short it all sounds fantastic and like the rest of Brisbane we can not wait to join ‘the underground movement’ at the end of the decade.





“ The result gives a fascinating insight into our heritage... ”

Has the suburb of Sherwood the remotest connection to Robin Hood? How does the exotic-sounding St Lucia sit alongside an area bearing the tongue-twister Indooroopilly? What's the story behind your address?

Retired Uniting Church minister, Ron Potter, curious about the origins of Southeast Queensland place names, embarked on a research project, trawling libraries and university resources. The result gives a fascinating insight into our heritage.

“Place names reflect the experiences and decisions of people in the dominant culture,” he said. “In other words, they have their origin with white Australians rather than with the Aboriginal inhabitants.” But, while many names have an Anglo-Saxon or Celtic background, the use of Aboriginal roots, in many cases, adds something distinctive to the Australian identity.

Toowong, for example, is the Aboriginal name for the Koel (cuckoo). It seems Aborigines used this name for a bend in the river closer to

Indooroopilly. But, Richard Drew adopted it when he subdivided land around a creek white people were already calling Toowong Creek.

Indooroopilly residents may have preferred he didn't, given their suburb name apparently derives from 'yinduru-pilly', meaning 'gully of leeches'. Such a descriptive origin can also be attributed to Yeronga, which comes from the Yerong people's name for the area, Yerongpa, meaning 'sandy place'.

There are quite obvious references to dominant natural features, like Fig Tree Pocket, or to influential people: Brisbane, officially named in 1834 after NSW Governor, Sir Thomas Brisbane.

According to Rev. Potter's research, Hawthorne is named indirectly after the Melbourne suburb. The Baynes family moved here from Victoria in

1875, calling their property Hawthorne House. William Henry Baynes, a butcher and MLA, was said to have grown hawthorn hedges there.

Old England provided frequent inspiration – Milton and Tennyson, linked to famous writers, and West End, named by settlers from London's West End (perhaps fortunate, given the original Aboriginal name was Kuripla, meaning 'place for rats').

And, yes, Sherwood does have a Robin Hood link. Its name comes from Sherwood Homestead, part of Capt. John Boyland's estate, named for Sherwood Forest near Nottingham, England.

Rev. Potter has kindly posted more detailed stories behind these and many other place names on his website, www.piulapublications.com



The Final Word

2008 - A change of government federally, several interest rate rises, share market volatility and a US economy in serious decline have all contributed to the current caution in real estate markets; granted on top of better than 20% capital growth last year right across Brisbane.

Traditionally any caution in the market affects the river much less than other areas and for less time. Such past circumstances have provided a rare 'breathing space' opportunity for buyers used to continually missing out, to have a little more time to act so as to finally achieve that

elusive prized foothold on the river. Historically such 'breaks in stride' in the forward march of the river have been altogether too brief.

It doesn't take long for the sheer weight of numbers, many tens of thousands a year, migrating to our City to grasp the concept that in choosing where to invest in booming Brisbane, that among scores of suburbs, several dozen hilltops, there is only one river.

Increasing demand for a very finite resource... Riverfront property stands alone as the most recession proof investment in Brisbane.