



INNER CITY VITALITY REPORT 2021

Brisbane CBD

CBD Dashboard	2018	2019	2020	2021
Office Market	5	6	5	6
Residential Market	6	6	3	5
Tourism Industry	6	7	5	4
Retail Market	6	7	6	5
Education Industry	8	8	5	5
Overall Rating	6.2	6.8	4.8	5

COMMERCIAL OFFICE SPACE



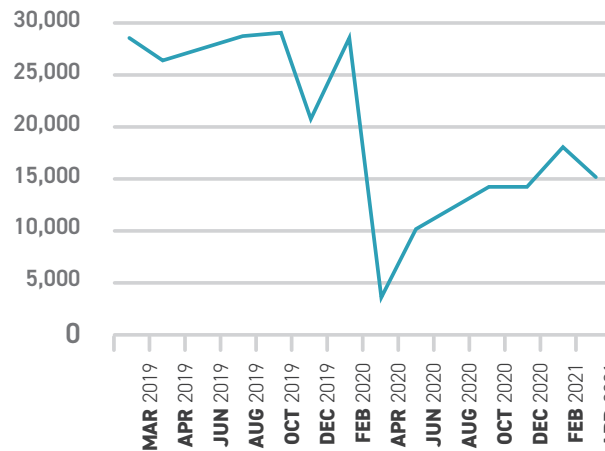
With almost 2.3 million sqm of commercial office space, the commercial office market continues to dominate the Brisbane CBD. The nature and composition of the office space is evolving, with education and health care sectors increasing their representation, and tenancy design, operational practices and leasing

strategies suggesting flexibility will be key! 2021 and its lockdowns and mask wearing mandates coupled with accelerating economic recovery has epitomised the **fits and starts** of the CBD's commercial office and retail markets. Underutilisation of space in particular has been symptomatic of the market in 2021.

More than 500,000sqm of additional commercial office space could be heading to the CBD even with incentives approaching 40% and office vacancy rates in excess of 13%.

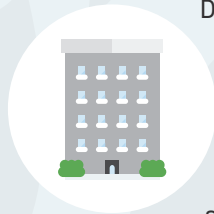
General activity levels across the CBD still demonstrate signs of an **L-shaped recovery**, with daily passenger activity through Central Station up four-fold in April 2021 compared to the all-time low of April 2020 when train patronage represented an 86.3% decrease from pre-COVID ridership patterns.

Central Station Average Daily Passenger Counts



Source: Queensland Government Open Data Portal

RESIDENTIAL MARKET



Demonstrating a **surprising rebound**, the residential market appeals to a range of market sectors including premium buyers, students and investors, reflected in growth in median prices, declining vacancy rates and increasing median rental rates. Some 13% of all sales in the 12 months ending September 2021 were for units in excess of \$1 million and significantly 20 sales or 3.5% of all sales were for units in excess of \$2 million, the highest number since 2012. A potential for more than 5,000 additional apartments will continue to shift the market.

RETAIL MARKET



Pedestrian activity and movement patterns continue to dictate the performance of the CBD retail market; **Traffic is Traction!** A noticeable upward shift in retail vacancy rates has been reported throughout 2021, particularly within food court precincts which rely on pedestrian activity.

EDUCATION SECTOR



The education sector has been the **“unsung hero”** of the CBD, and planned entries will continue to consolidate this role, with major operators such as The University of Queensland and Griffith University exploring significant investment in the City Centre. Despite limitations allowing international students to return to campus and the pivotal shift to online learning reducing the footfalls of actual student numbers on campus, the CBD appears to be evolving its role as an educational hub for lifelong learning and connections.



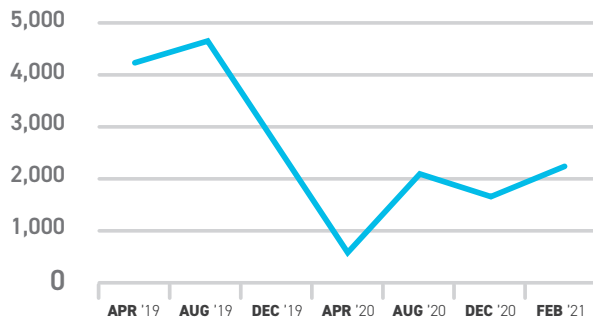
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South Brisbane

South Brisbane recorded the 5th largest growth in population across Brisbane City between 2006 and 2020 and has demonstrated **Surprising Optimism** across its residential sector; including increasing median rents and a halving of residential vacancy rates over 2020 levels. A **"fits and starts"** return to events at BCEC and QPAC has also been synonymous with increasing optimism across the precinct, which will be anticipating flow-on benefits to the retail and dining sectors in 2022.

South Brisbane Dashboard	2019	2020	2021
Office Market	7	6	6
Residential Market	7	5	6
Tourism Industry	8	6	5
Retail Market	5	4	4
Education Industry	8	8	8
Overall Rating	7	5.8	5.8

South Bank Station Average Daily Passenger Counts



Source: Queensland Government Open Data Portal

Fortitude Valley

Fortitude Valley truly **dances to the beat of its own drum**, staying true to its creative, re-inventing character that has been pivotal in sparking everyday life with an accelerating residential market and an emerging educational sector, despite a challenged commercial office market. A significant rise in office vacancies and incentives has been somewhat offset by the Valley's lifestyle renaissance, with residential vacancy rates lower than pre-COVID levels.

Fortitude Valley Dashboard	2019	2020	2021
Office Market	6	6	4
Residential Market	6	5	7
Tourism Industry	8	7	7
Retail Market	6	6	5
Education Industry	6	6	7
Overall Rating	6.4	6	6

Spring Hill

Spring Hill in comparison continues to focus on its education and health sectors, with limited activity across the residential and commercial office markets and a general lack of confidence in these sectors. Of the Inner City areas, Spring Hills is the most **"set in its ways"** with little momentum for change and revitalisation. Of significance, is the St. Joseph's Gregory Terrace Master Plan development to expand and modernise its campus.

Spring Hill Dashboard	2020	2021
Office Market	5	4
Residential Market	5	5
Tourism Industry	6	5
Retail Market	7	6
Education Industry	8	9
Overall Rating	6.2	5.8

Woolloongabba

An unprecedented pipeline of more than 4,330 additional residential apartments approved or proposed is changing the face of Woolloongabba and expected to accommodate a greater diversity of markets including owner occupiers and families attracted to the area's lifestyle, amplified by completion of the Cross River Rail and the 2022 opening of the Brisbane South Secondary College. As a future home for the 2032 Brisbane Olympics and Paralympics including upgraded facilities and amenities for The Gabba – Woolloongabba is transforming to fully encompass a **'live work play'** ethos.

Woolloongabba Dashboard	2020	2021
Office Market	8	8
Residential Market	7	7
Retail Market	9	9
Overall Rating	8	8