



COMMITTEE  
FOR BRISBANE

# INNER CITY VITALITY REPORT 2021

November 2021

#### PREPARED ON BEHALF OF THE COMMITTEE FOR BRISBANE

##### Urban Economics

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#### WARRANTY

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# Executive Summary

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# Executive Summary

**The 2021 edition of the Inner City Vitality Report demonstrates encouraging signs of an L-shaped recovery across much of Brisbane's Inner City following a colossal period of disruption and uncertainty experienced throughout 2020 and into 2021.**

The Brisbane CBD commercial office market has been challenged by a rise in both vacancy rates and incentives throughout 2021, as well as ongoing underutilisation of space due to changing workplace attitudes and behaviours, mask wearing, home protocols, and social distancing. This also has influenced train ridership patterns as more workers work from home to avoid public transport commutes. A slow, but gradual return to public transport usage is evident.

The residential market of the CBD reflects both premium apartment stock and smaller, studio and student housing stock targeted at investors. The compression of median price sales for units and the increased number of new rental bonds reflects, in part, the departure of overseas migrants including students from the CBD and limited return of international students during the pandemic. Encouraging signs of declining vacancy rates are emerging.

Brisbane CBD retail vacancy rates also increased throughout 2021 and were most prominent across food court precincts; typically averaging around 30% of food court spaces which rely on high foot traffic.

The education sector has been the "unsung hero" of the Brisbane CBD, and planned entries will continue to consolidate this role, pending any long-term fallout of the international education sector. Despite restrictions allowing international students to return to campus and pivotal shifts to online learning, this sector has been crucial in maintaining the CBD as an educational hub for lifelong learning whilst factoring in lower footfalls of actual student numbers on campus.

South Brisbane also experienced notably higher vacancies in the restaurants and casual dining sectors due to a combination of factors such as lack of international and reduced inter-state tourism amongst its hotel chains, as well as fluctuating utilisation of space in restaurants due to COVID-19 restrictions. Despite this, South Brisbane has continued to adapt and remain flexible, most significantly in its ability to host 445 events throughout 2020/21 FY at the Brisbane Convention and Exhibition Centre and 627 events at QPAC, again showing signs of recovery and reactivation.

Fortitude Valley truly beats its own drum, staying true to its creative, re-inventing character that has been pivotal in sparking everyday life with a booming residential market and attracting major educational sector investment despite a challenged commercial office market.

Spring Hill 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 significance is the St. Joseph's Gregory Terrace Master Plan development to expand and modernise its campus.

An unprecedented pipeline of more than 4,330 additional residential apartments approved or proposed is changing the face of Woolloongabba. A greater diversity of markets, including owner occupiers, are attracted to the area's lifestyle and this is amplified by completion of the Cross River Rail and the opening of 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.



An empirical rating has been applied to each of the key areas based on employment and daytime populations, occupancy rates, business growth and level of activity and total employment levels. As summarised below on a scale of 1 to 10, with 1 being the lowest or underperforming and 10 the highest.



Whilst recognising the events and implications of the 2020 COVID-19 restrictions and impacts continue to play out, including the lag of data available for assessment and critique, this 2021 Inner City Vitality Report also explores the opportunities for the Inner City as indicators of the true vitality and potential of the Inner City.

***There are signs of life!***

Dashboard	Brisbane City Centre 2021	Inner City Remainder 2021
Office Market	6/10	5/10
Residential Market	5/10	6/10
Tourism Industry	4/10	6/10
Retail Market	5/10	6/10
Education Industry	5/10	8/10
<b>Overall Rating</b>	<b>5/10</b>	<b>6/10</b>

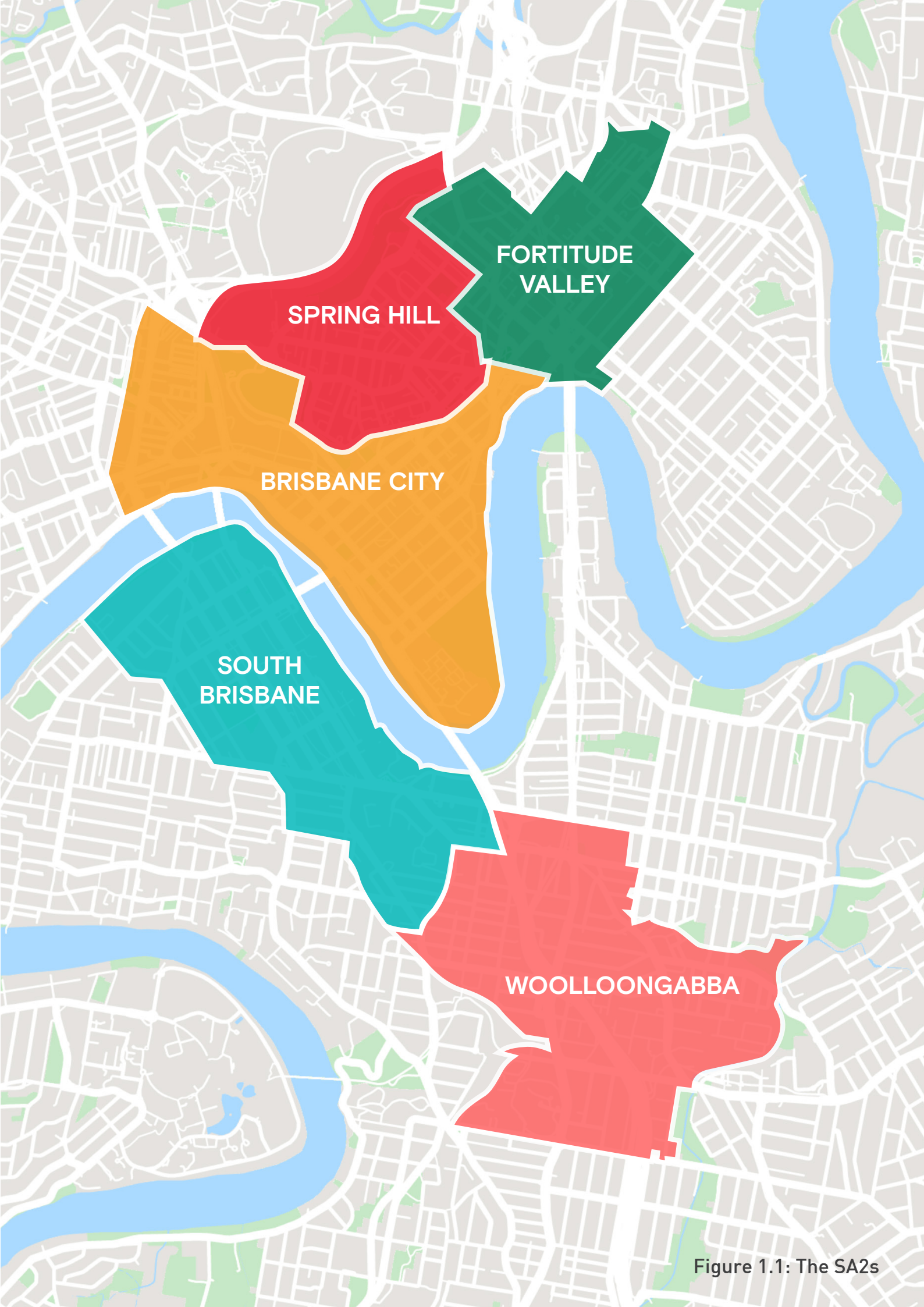
# 1 Introduction

This Inner-City Vitality Report for the Committee for Brisbane presents the 2021 snapshot of the health and vitality of the Brisbane Inner City across a range of property sectors and target markets. As the City's economy continues to emerge from the 2020 COVID-19 pandemic, it is timely to assess the impacts of the economic restrictions and lockdowns on the City Centre. There is an opportunity to critique how the inner city is responding to its new normal and to challenge if the City Centre, as the State's premier employment and administrative hub, is delivering real economic and lifestyle changes.

The Vitality Report is a unique longitudinal analysis that recognises that the Brisbane Inner City is so much more than only a function of its commercial office parts and presents a series of benchmarks exploring the current and trend performance as well as highlighting the opportunities for the City Centre.

This fourth iteration is the first in the series that offers a complete timeseries across both 2020 and 2021 for all five suburbs comprising the Inner-City ring and includes a four year analysis horizon for the inner City Core.





**SPRING HILL**

**FORTITUDE VALLEY**

**BRISBANE CITY**

**SOUTH BRISBANE**

**WOOLLOONGABBA**

Figure 1.1: The SA2s



# 2 Brisbane City Core

This chapter measures the level of success or vitality of the Brisbane CBD by exploring the relative performance of the key sectors in the CBD benchmarked against the outcomes and key performance measures identified in 2020.

## 2.1 The Commercial Office Market

	Jul '18	Jul '19	Jul '20	Jul '21
<b>Number of workers</b>	116,132 (2011)	122,486 (2016)	122,486 (2016)	122,486 (2016)
<b>Registered businesses</b>	11,540	11,774	12,093	12,093 (2020)
<b>Floor space (sqm)</b>	2,243,323sqm	2,211,600sqm	2,223,385sqm	2,273,027sqm (Jan 2021)
<b>Vacancy (%)</b>	14.60 %	11.9 %	12.9 %	13.5%
<b>(A-Grade)</b>	\$550/sqm	\$550/sqm	\$580/sqm	\$594/sqm
<b>Incentive</b>	37%	38%	38%	39% (f)
<b>New supply</b>	Brisbane Quarter (under construction) + number mooted & awaiting precommitments	162,800sqm	127,244sqm	102,449sqm (44,000 2 <sup>nd</sup> half 2021 & 58,449 in 2022)
<b>Average daily rail passengers Central and Roma St Stations (April)</b>	31,502	32,710	4,695	19,234
<b>Rating</b>	<b>5/10 Improving</b>	<b>6/10 Signs of Life</b>	<b>5/10 Waiting Game</b>	<b>6/10 Fits and Starts</b>

Sources: PCA Office Market Report, various agents, ABS

- The Brisbane CBD is the largest single employing area within the Brisbane Metropolitan area, employing 122,486 workers in 2016.
- CBDs are traditionally recognised as the heart and principal administrative and commercial office market; the business district if you will. With almost 2.3 million square metres of floorspace, the commercial office market in the Brisbane CBD continues to dominate the employment profile of the CBD, but the composition and nature of the office market is changing.
- The Property Council of Australia's July 2021 Office Market Report demonstrated a modest decline in vacancy rates within the Brisbane CBD office market, from 13.6% in Jan 2021 to 13.5% in July 2021.
- What the Property Council of Australia's July 2021 Report does not explore is the underutilisation of space as work from home protocols restricted commercial office utilisation and the future space requirements of CBD based businesses, noting that the latest PCA occupancy report estimates that offices in Brisbane are running at about 51% occupancy in line with a return to mask mandates in offices, compared with the April 2021 month occupancy rate of 70%, although noting that this rate had essentially "flat-lined" across 2021 ranging between 65% and 70%.
- Tenant CS's Australian CBD Office Leasing Markets Snapshot reported average incentives of 37.75% for premium stock and 46% for B-Grade in the Brisbane CBD comparable to Adelaide rates. The total vacancy has increased from Q2 in 2020 to Q2 in 2021 from 12.7% to 13.7% overall according to Tenant CS. The vacancy rate is also projected to increase with further completion of commercial office developments which will expand the amount of space available in the market.

**Table 2.2: Incentives Overview – A grade**

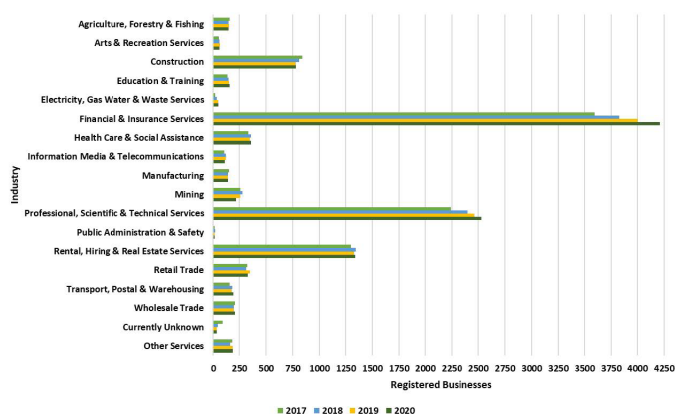
Source: Colliers

	Jul '18	Jul '19	Jul '20	Jul '21 (f)
<b>Sydney</b>	19%	19%	26%	31%
<b>Melbourne</b>	29%	28%	28%	35%
<b>Perth</b>	53%	50%	49%	53%
<b>Adelaide</b>	34%	34%	34%	40%
<b>Canberra</b>	20%	19%	23%	24%



- According to the Small Area Labour Market data, the rate of unemployment for those living within the Brisbane CBD increased from 3.9% in the March Quarter 2020 to 6.6% for the March Quarter 2021, however remaining below the Brisbane average of 7.5% for the March Quarter 2021.
- The unemployment rate for Queensland decreased from 8.7% in July 2020 to a record 12-year low of 5.1% in July 2021 although Queensland’s unemployment rate remaining the highest of all states and territories and demonstrating the fourth highest participation rate.
- Financial and insurance services and professional scientific and technical services clearly dominate the business landscape within the CBD, together comprising 55.8% of all businesses registered within the CBD in 2020 and both sectors continuing to demonstrate growth in the number of businesses across the review period. Ongoing growth in professional occupations will continue to drive demand for additional commercial office space in the CBD.

**Figure 2.1: CBD Number of Businesses by Industry 2017-2020**  
Source: ABS

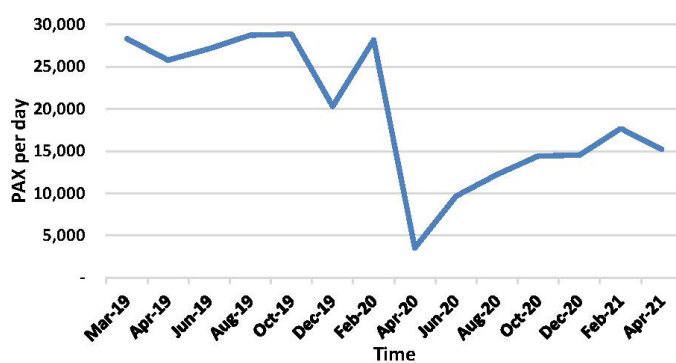


**“Signs of an L-Shaped recovery in activity levels.”**

- 1,546,998 of origin-destination trips were made to/from Central Train Station in April 2019, significantly reducing to 211,506 trips in April 2020 amidst peak shutdowns and restrictions. This represents a -86.3% daily decrease of approximately 24,800 passengers. However, 12 months on, train patronage

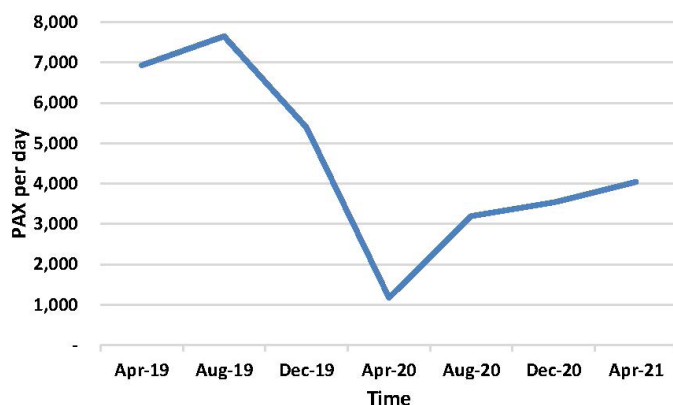
has increased but has not recovered to 2019 levels, with 911,472 trips made in April 2021 which is approximately 10,600 fewer daily passengers than April 2019, or -41.1%. This period did coincide with the 2020 Easter period and January and April lockdowns in 2021.

**Figure 2.2: Central Station Average Daily Passenger Counts**  
Source: Queensland Government Open Data Portal



- Roma Street Station is a significant junction station for six train lines running north-south along the TransLink rail network. 415,675 origin-destination trips were made to/from Roma Street Station in April 2019, down to 70,225 trips in April 2020 representing a -83.1% reduction in train patronage. Similar to Central Station, ridership has increased, albeit not returning, to April 2019 levels, with 2,800 fewer daily passengers in April 2021.

**Figure 2.3: Roma Street Station Average Daily Passenger Counts**  
Source: Queensland Government Open Data Portal



## A New Commercial Office Era for the CBD - it is a Waiting Game!

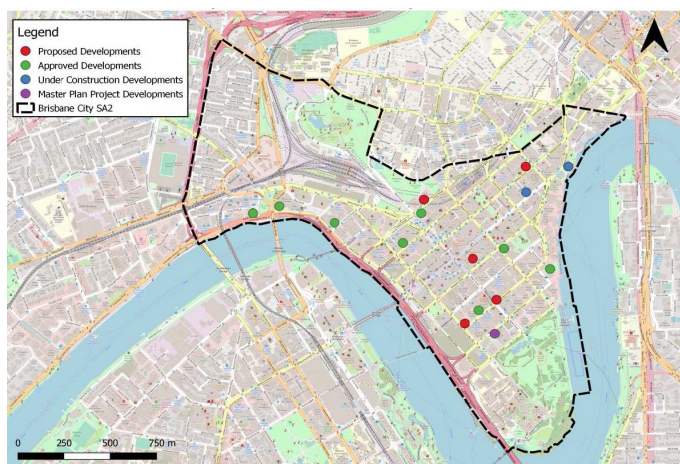
- Rather than continuing the downward trend in workspace ratios, is the future of commercial office in the CBD signalling a return to larger individual space requirements and individual offices, more flexible spaces and designs that allow for social distancing?
- Work from home implications and the longevity thereof are again yet to fully play out in the market in terms of their impact on office space and occupancy requirements. The office is expected to be the hub for connectivity, resource sharing, networking, sharing of ideas and professional development.
- As vaccination rates continue to increase and mask mandates within the office environment become less intrusive to worker activities, office occupancy rates and public transport utilisation rates are again expected to increase throughout 2022 but are unlikely to reach the 2019 peaks without significant returns of in-migration.

The Property Council of Australia reports that 44,000sqm of space is due to come online in the second half of 2021, followed by 58,449sqm in 2022, with under construction, proposed and mooted supply.

Assessment of current development applications and status indicates that there is 166,975sqm of proposed office space, 347,669sqm of approved office space, 50,729sqm of commercial office space under construction, and 15,000sqm of mooted Master Plan commercial space which is geographically represented in FIGURE 2.4.

**Figure 2.4: Brisbane City Commercial Office Developments**

Source: Brisbane Development Map, various agents, Brisbane City Council



## 2.2 The Residential Market

	Jun '18	Jun '19	Jun '20	Jun '21
Residents	11,781	12,237	12,898	13,200
Total # units	5,210	5,906	6,006	6,006
# Under construction	-	+2,246	+2,428	+2,260
Median Unit Price	\$506,800	\$518,500	\$500,000	\$506,500
Median Rental	\$530	\$545	\$500	\$500
Vacancy	5.50%	3.60%	14%	6.1%
Rating	6/10 Surprising Stability	6/10 Absorbing	3/10 Shocked to the Core	5/10 Surprising Rebound

Sources: RTA, Pricerfinder, ABS, SQM Research, REIQ, various agents

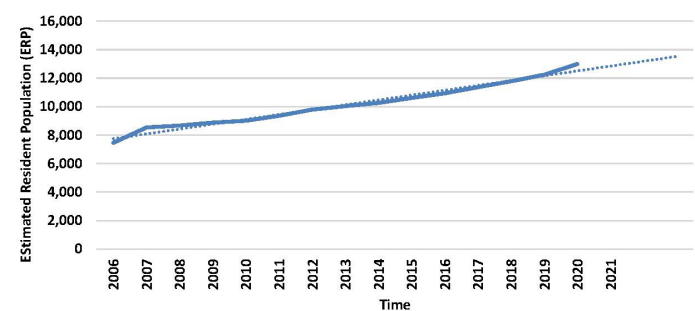
### Factors influencing demand

Although comprising 1% of the total Brisbane City Local Government Area (LGA) population, the share of the City's population calling the CBD home has increased by 38% since 2009, and by June 2021 it is estimated that there were 13,200 persons living within the Brisbane CBD.

- The Brisbane CBD has experienced a continuous increase in population over the last 10 years (FIGURE 2.5), with more than 5,500 persons moving to the Brisbane CBD between 2006 and 2020. Significantly, between 2006 and 2020, the CBD recorded the 8th largest increase in total population by SA2 throughout the City of Brisbane.

**Figure 2.5: CBD Population Trend**

Source: ABS

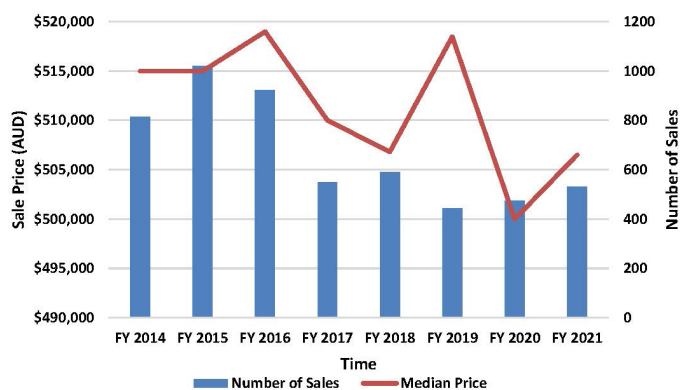


**Factors influencing supply**

- The CBD residential market has had the advantage of appealing 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 and a dichotomy between premium and investor product.
- As a result, the CBD residential market reflects both premium apartment stock and smaller, studio and student housing stock targeted at investors, compressing median sales prices for units which have ranged in a band of between \$500,000 and \$520,000 over the last year period, with some indicators of recovery in 2021 after the shock of 2020 and the out-migration of large sectors of overseas migrants including international students from the CBD.
- Some 13% of all sales in the 12 months ending September 2021 were for units in excess of \$1 million, representing 73 unit sales within the million plus sales point returning to 2017 levels in terms of quantum of sales, and significantly 20 sales or 3.5% of all sales were for units in excess of \$2 million the highest number since 2012.

**Figure 2.6: CBD Unit Sales Activity**

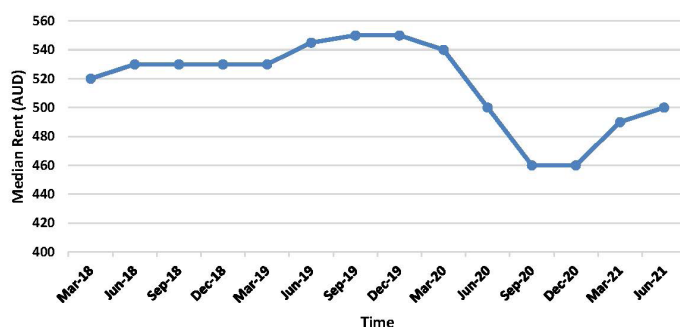
Source: Pricefinder



- SQM Research reported a significant uplift in vacancy rates from 3.6% in July 2019 to 13.0% in July 2020, declining modestly to 12.5% in September 2020 but by July 2021, vacancy rates for postcode 4000 including the CBD were reported to have halved to 6.1%, increasing slightly to 7.5% in August 2021.
- Not surprisingly, there has been an upward shift in median rents throughout 2021 after troughs of late 2020.

**Figure 2.7: CBD Median Rents**

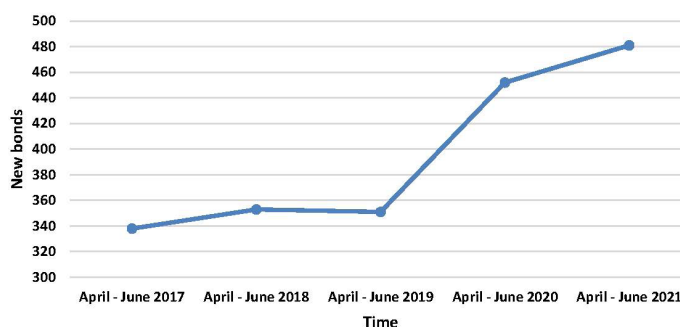
Source: RTA



- The number of new rental bonds recorded by the RTA for the June Quarter had been increasing since 2016 before moderating in 2019, followed by a 22% increase in 2020. This reflects in part the departure of overseas migrants from the CBD and limited return of international students during the pandemic.

**Figure 2.8: CBD New Bonds**

Source: RTA



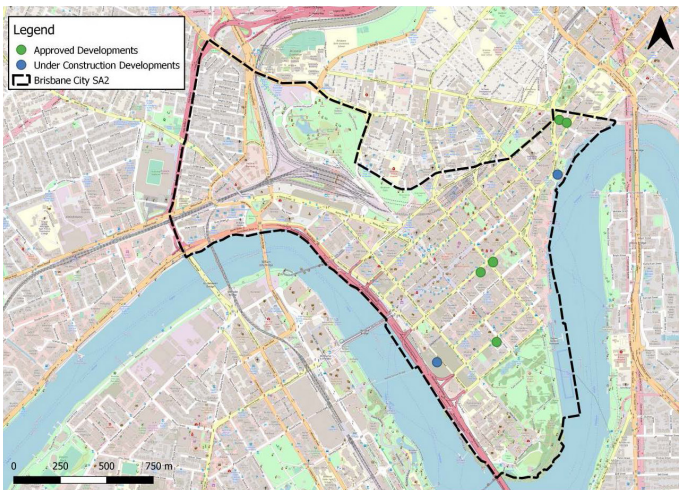
### The Future of Residential in the CBD – Diversity of Lifestyles

Proposed and under construction residential projects across the CBD will continue to contribute to the diversity of residential lifestyles, including an expanding array of premium residential products such as The One residences and Queen's Wharf residences expected to push median sales price ceilings.

Assessment of current development applications and status indicate that there are approximately 1,867 approved residential units and 2,264 residential units currently under construction which is geographically represented in FIGURE 2.9.

**Figure 2.9: Brisbane City Residential Developments**

Source: Brisbane Development Map, various agents



### 2.3 The Tourist Sector

	Jul '18	Jul '19	Jul '20	Jul '21
<b>Total # rooms</b>	7,391	7,585	7,585	7,585
<b># Under construction</b>	299	1,100	1,100	1,800
<b>REVPAR</b>	\$169	\$164	N/A	N/A
<b>Occupancy</b>	81.7%	83.3%	N/A	N/A
<b>Rating</b>	<b>6/10 Consolidating</b>	<b>7/10 Business End of the Market</b>	<b>5/10 Getting Back to Basics</b>	<b>4/10 Lacking Confidence BUT Looking Forward</b>

Sources: STR, TRA, TEQld, Urban Economics

Occupancy rates have not been reported to remove the short-term quarantine and border restriction influences, noting that the overall occupancy for the Brisbane Tourism Region (BTR) for the 2020/21 Financial Year was reported to be 50.7%, compared with 59.4% for the BTR in 2019/20 and 70.3% for the 2018/19 period.

### Opportunities for Tourism in the CBD

Major new infrastructure and accommodation facilities within the CBD and for the City as a whole will continue to change the face of the CBD's tourism sector as well as CBD focused projects including:

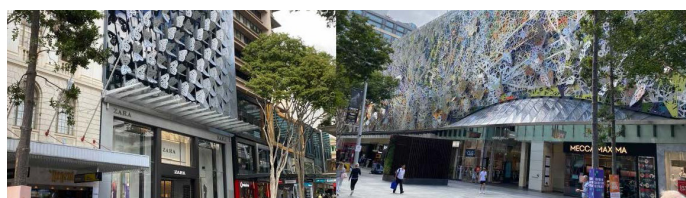
- The proposed 65,000sqm Brisbane Live arena comprising a new 17,000 seat entertainment arena complex for the Brisbane 2032 Olympics and Paralympics with the precinct also proposing a number of buildings for ~4,000 apartments and ~500 hotel rooms, 12,000-hectare Jacaranda Grove Public Parkland (23,000 hectares including existing Roma Street Parklands), three cultural buildings and a footbridge over Roma Street to connect to Kurilpa Bridge;
- Four more hotels are under construction as part of the Queen's Wharf redevelopment, which will deliver some 1,100 additional rooms including The Star branded hotel, six-star Ritz-Carlton and five-star Rosewood and Dorsett Hotels;
- The Lord Alfred Hotel in Petrie Terrace is approved for a 6-floor development that adds 90 rooms and a rooftop bar;
- The Great Southern Hotel at 103 George Street has approval for its expansion of 5 storeys and 77 hotel rooms; and
- The owners of Queen's Plaza have received approval for the addition of a 5-star hotel.

### 2.4 The Retail Market

	2018	2019	2020	2021
<b>Floor Space sqm (major centres)</b>	178,000 sqm	181,000 sqm	181,000 sqm	181,000 sqm
<b>Vacancy %</b>	-	<1%	1.1%	3%
<b>Gross Rents \$/sqm - Super Prime</b>	\$4,175/sqm	\$4,250/sqm	\$3,380 sqm	Low: \$1,500 High: \$7,000
<b>Under Construction</b>	Brisbane Quarter 4,209 sqm	Mirvac 1,098sqm Queen's Wharf 40,000 sqm	Queen's Wharf 40,000sqm	Queen's Wharf 40,000sqm
<b>Rating</b>	<b>6/10 Absorbing Tale of Two Markets</b>	<b>7/10 Strengthening Vitality</b>	<b>6/10 Tale of Two Markets</b>	<b>5/10 Traffic is Traction</b>

Sources: ABS, CBRE, various agents, centre owners, Urban Economics inspections

- There are 12 major shopping centres and arcades within the CBD, the largest of which is Vicinity’s Myer Centre. Together, these centres accommodate 181,000sqm of retail space, with a September 2021 vacancy rate of 3% up some 2 percentage points and more than 3,000sqm.



- Critically, vacancies in 2021 are most prominent across food court precincts of these centres, typically averaging around 30% of food court space.
- CBRE estimates an overall vacancy rate of 12.7% for retail in the CBD. Urban Economics estimates at least 15,000sqm of vacant space across the City Centre.
- As at 2020, there were 328 registered retail businesses within the CBD, a decline since 2019, but notably retail businesses fluctuate substantially year on year.
- More than 550 cafes and restaurants are in the CBD, from coffee kiosks to internationally recognised fine dining establishments.

**Where to for Retail in the CBD? – A City Centre of Retail Precincts**

- A new retail precinct at Queen’s Wharf incorporating bars, restaurants and dining facilities;
- The \$2.1billion Waterfront Brisbane precinct including redeveloped restaurant, entertainment and public realm spaces including more than 9,000sqm of podium level space likely to include dining, bars, retail, and entertainment uses; and
- As well as minor retail at ground floor levels in a number of commercial and residential developments.

**2.5 The Education Sector**

	2018	2019	2020	2021
# Counts*	146	154	160	160
Workforce (2016)	6,265	6,265	6,265	6,265
University Students	>34,000	>34,000	35,900	37,362 (2020)
VET Students	5,400 (2017)	4,730 (2018)	6,695 (2019)	-
Student beds	2,309 (2018)	3,244 (2019)	3,244 (2020)	3,244 (2020)
Rating	8/10 Unsung Hero	8/10 Unsung Hero	5/10 Student Ghost Town on Revival	5/10 Looking to the Future

Sources: ABS, QUT, Echild

\*Universities, English schools, Executive and workplace training institutions

According to the ABS, there are 160 educational and training institutions across undergraduate, postgraduate, English language, executive and workplace training and learning courses and operations in the CBD with strong and consistent growth in education businesses within the City Centre from 2016 to 2020.

- Brisbane CBD is home to Queensland University of Technology’s Gardens Point campus, with a student enrolment of some 33,755 students in 2021.
- The University of Queensland opened its UQ Brisbane City campus in Queen Street in 2017, with other universities offering campuses and executive training in the CBD including James Cook University Brisbane Campus, the CQUniversity Brisbane, Charles Sturt University Study Centres, ACU’s Leadership Centre, and the Federation University Brisbane.
- CQUniversity Brisbane had a student enrolment of 3,724 students in 2018, increasing to some 3,949 students in 2019.
- We estimate an enrolment of some 37,362 students in 2020 across the QUT Gardens Point campus, James Cook campus and CQUniversity Brisbane.
- Five student accommodation residences providing some 3,244 beds in the CBD are currently operating within the CBD.
- In 2021, the CBD accommodates 9 childcare centres offering 845 places.

**The Future of Education in the CBD**

The education sector has been the “unsung hero” of the CBD, and planned entries will continue to consolidate this role, pending any long-term fallout of the international education sector. With major operators such as The University of Queensland and Griffith University exploring significant investment, the City Centre can cement its role as an educational hub for lifelong learning.

- The University of Queensland has purchased 308 Queen Street and 88 Creek Street, together comprising some 3,516sqm of space, anticipated to offer increased postgraduate and professional developing opportunities.
- Griffith University is proposing a high-rise campus within the redeveloped Roma Street/Brisbane Live precinct, comprising a new education and office tower of approximately 55 storeys as well as student accommodation. The proposal forms part of the relocation of Griffith University from its Mount Gravatt campus and would further consolidate the tertiary education role of the inner-City area; and
- The proposed office tower at 205 North Quay incorporates a childcare centre on level 2 together with other end of trip and wellness facilities.

# 3 South Brisbane

South Brisbane is home to Brisbane's premier cultural facilities, South Bank and prominent health and education sectors.

## 3.1 The Commercial Office Market

	2019	2020	2021
<b>Number of Workers</b> (2016)	27,493	27,493	27,493
<b>Registered Businesses</b>	1,553	1,643 (2020)	1,643 (2020)
<b>Employment Projections</b> (2041)	+12,000	+12,000	+12,000
<b>Floor Space</b> (sqm)	200,000sqm	200,000sqm	200,000sqm
<b>Vacancy</b> (%)	7.0%	11.0%	12.0%
<b>Net Face Rents/sqm</b> (A-Grade)	\$500/sqm	\$490/sqm	\$490/sqm Incentives up to 43%
<b>Average Daily Passengers</b> (April)	6,995	810	3,807
<b>New Supply</b> (short term)	+17,000sqm	+17,000sqm	+17,315sqm
<b>Rating</b>	<b>7/10 Strength of the Fringe</b>	<b>6/10 Opportunities elsewhere</b>	<b>6/10 Opportunities elsewhere</b>

Sources: PCA Office Market Report, various agents, ABS, JLL, Urban Economics

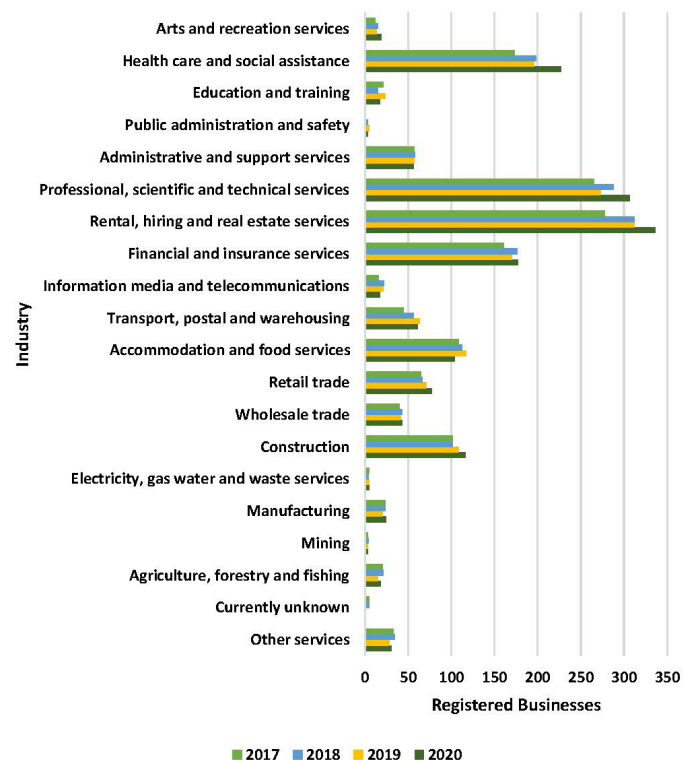
- The Property Council of Australia reported a commercial vacancy rate for the Inner South area of 13.0% for January 2021 up from 12.8% in July 2020, noting that Inner South includes Woolloongabba, Kangaroo Point, South Brisbane, and parts of West End.
- The South Brisbane office market demonstrated an increase in vacancy rates, from 7% to 11% potentially due to tenants taking affordable opportunities in the CBD or possibly an early signal of COVID-19 impacts.



Offices, South Brisbane

- A total of 1,643 businesses were registered in South Brisbane in 2020, 14.8% of which were within the education, health care and social service industry.

Figure 3.1: South Brisbane Number of Businesses by Industry 2017-2020  
Source: ABS



- According to the Small Area Labour Market data, the rate of unemployment for those living within South Brisbane increased from 5.2% for the March Quarter 2020 to 7.1% for the March Quarter 2021, however remaining considerably below the Brisbane average of 7.5% for the March Quarter 2021.
- South Brisbane and South Bank Stations have great accessibility to cultural and entertainment hubs in South Brisbane. Estimated ridership per day from April 2019 - 2020 significantly decreased for both stations by 87-90% with South Bank ridership recovering four-fold by August 2020, compared to South Brisbane which doubled from April 2020 figures.
- April 2021 ridership represents 47% less passengers per day than pre-COVID figures for South Brisbane and 44.6% less for South Bank.

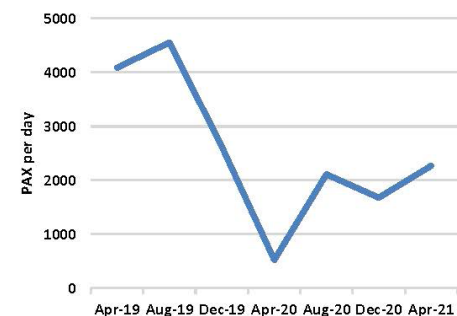
**Figure 3.2: South Brisbane Station**

Source: Queensland Government Open Data Portal



**Figure 3.3: South Bank Station**

Source: Queensland Government Open Data Portal

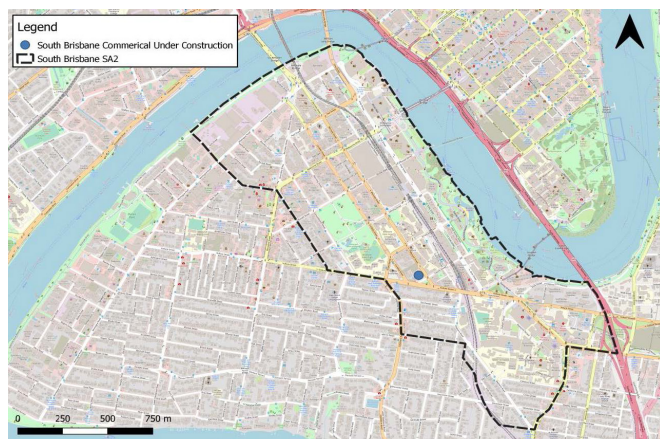


**Office supply underway in South Brisbane includes:**

Assessment of current development applications and status indicate that there is 17,000sqm of commercial office space under construction in the South Brisbane SA2 as represented in FIGURE 3.4.

**Figure 3.4: South Brisbane Commercial Office Developments**

Source: Brisbane Development Map, various agents



**3.2 The Residential Market**

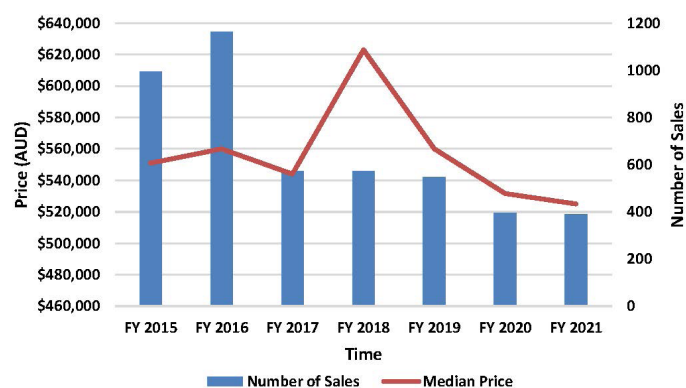
	2019	2020	2021
<b>Residents</b>	9,880	10,240	11,380
<b>Total # units</b>	4,576	4,810	4,810
<b># Building Approvals</b>	366 (2018/19)	1 (2019/20)	510 (2020/21)
<b># Under construction</b>	216	691	675
<b>Median Unit Price</b>	\$560,000 (2018/19)	\$532,000 (2019/20)	\$525,000 (2020/21)
<b># Unit Sales</b>	548 (2018/19)	396 (2019/20)	388 (2020/21)
<b>Median Rental</b>	\$520	\$500	\$540
<b>Vacancy</b>	3.3%	8.3% (Sept 2020)	4.6% (July 2021)
<b>Rating</b>	<b>7/10 Absorbingly Active Market</b>	<b>5/10 Caution</b>	<b>6/10 Rebounding Optimism</b>

Source: RTA, Pricerfinder, ABS, SQM Research, REIQ, various agents

- South Brisbane recorded the 5th largest growth in population across Brisbane City between 2006 and 2020.
- The highest sale price recorded in South Brisbane during 2021 to date was \$4.3 million, with a median unit price of \$525,000 during the 2020/21 financial year, significantly lower than the median unit price of the previous financial year.
- Median sales prices for residential units in South Brisbane peaked in 2017/18 and have been declining ever since from \$623,000 in 2017/18 to \$525,000 in 2020/21. 396 sales were recorded in the 2019/20 financial year, compared with 388 in the 2020/21 financial year.

**Figure 3.5: Unit Sales**

Source: Pricerfinder



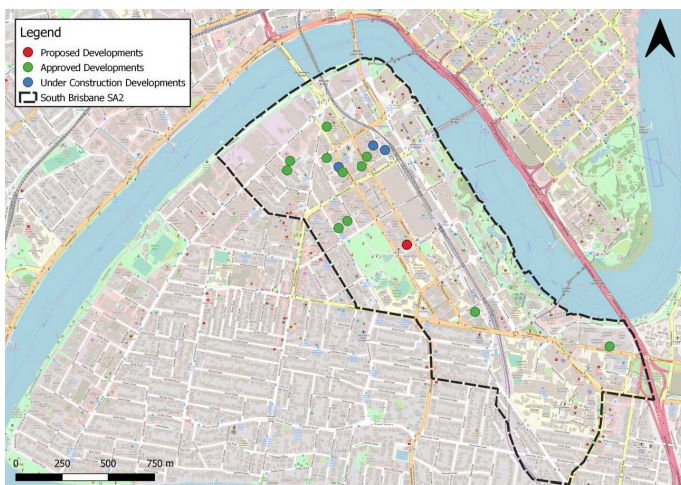
- As reported by SQM Research, vacancy rates in South Brisbane increased from 3.3% in July 2019 to 9.2% in July 2020, although recovering to 8.3% in September 2020 and 4.6% in July 2021. The number of new rental bonds recorded by the RTA for the June Quarter increased from 432 (2020) to 513 (2021). Median rents for the market declined between the June Quarter 2019 and June Quarter 2020 from \$520 to \$500. However, have since risen to \$540 as of June Quarter 2021.

### New Residential supply in South Brisbane:

Assessment of current development applications and status indicate that there are approximately 382 new residential units proposed, 2,205 approved residential units and 675 residential units currently under construction which is geographically represented in FIGURE 3.6. These developments demonstrate a pivot to better meet owner occupier demand for the South Brisbane lifestyle, transforming the area's residential market potential including larger 3- and 4-bedroom apartments.

Figure 3.6: South Brisbane Residential Developments

Sources: Brisbane Development Map, various agents



### 3.3 The Tourist Sector

South Brisbane is Brisbane's cultural heart housing South Bank, the Convention Centre, QPAC, GOMA, the Museum and State Library; an active leisure mecca for day-trippers and tourists alike.

	2019	2020	2021
<b>Total # rooms</b>	1,741	1,741	1,741
<b># Under construction</b>	-	-	-
<b>Overnight Visitors</b>	856,000	N/A	N/A
<b>Events</b>			
BCEC	1,158	713	445
QPAC	1,215	903	627
<b>Visitors</b>			
BCEC	816,953	528,549	226,482
QPAC	1,503,529	982,957	461,285
<b>Rating</b>	<b>8/10 Event Heart</b>	<b>6/10 Opening Back Up</b>	<b>5/10 Stuttering Starts</b>

Sources: STR, TRA, TEQld, Urban Economics

- There are some 14 hotels located within South Brisbane including chains such as the Swiss-Belhotel, Mantra, Novotel and Rydges, as well as motels proximate to the hospital precinct.
- As reported by South Bank Corporation, the Brisbane Convention and Exhibition Centre (BCEC) hosted a total of 445 events during the 2020/21 financial year and was the first of the major convention facilities to re-open on its COVID-safe plan.
- To increase programming flexibility across venues, the construction of a new 1,500 seat theatre worth \$150 million is currently underway, aimed to establish QPAC as the most significant performing arts complex in Australia in terms of co-location of performance arts.
- Plans have also been proposed for the purchase of land along Montague Road, South Brisbane for a temporary 57,000sqm structure housing the International Broadcast Centre for the 2032 Olympic and Paralympic Games. The major seven-hectare site will then be converted into a multi-use parkland precinct to extend South Bank along a new reach of the Brisbane River.

### 3.4 The Retail Market

	2019	2020	2021
<b>Floor Space (sqm)</b>	18,000sqm	18,000sqm	18,000sqm
<b># Restaurants &amp; Cafes</b>	110	110	105
<b># Number of Workers</b>			
- Food & Beverage Sector	1,821 (2016)	1,821 (2016)	1,821 (2016)
- Retail Sector	428 (2016)	428 (2016)	428 (2016)
<b>Vacancy (%)</b>	8%	15%	17%
<b>Gross Rents (\$/sqm)</b>	\$1,500/sqm	\$1,500/sqm	\$1,500/sqm
<b>Under construction</b>	384sqm	384sqm	-
<b>Rating</b>	<b>5/10 Controlled</b>	<b>4/10 Challenged</b>	<b>4/10 Challenged</b>

Sources: ABS, various agents, centre owners, Urban Economics inspections

- Urban Economics estimates a September 2021 vacancy rate of around 17% for the South Bank precinct, the majority of which is in the dining precinct. Four vacancies are within the Emporium retail precinct, which is reliant on pedestrian traffic through the rail station and others fronting Grey Street, proximate to the Cinema complex, again hampered by pedestrian levels.
- The South Bank precinct accommodates around 105 cafes and restaurants, including specialty restaurants, bars and cafes, alongside rotating food trucks.
- Fish Lane is transforming as the new niche "hot spot" for dining and the retail night-time.





Grey Street

### 3.5 The Education Sector

South Brisbane and South Bank are home to a number of major secondary colleges, including Brisbane State High, Somerville House and St Laurence’s as well as tertiary institutions and student accommodation facilities.

	2019	2020	2021
# Establishments*	15	15	15
Workforce (2016)	2,586	2,586	2,586
University Students	3,900 (2018)	3,879 (2019)	3,400 (2021)
VET Students	1,270	1,085	1,085 (2020)
Primary & Secondary Students	6,363 (2018)	6,332 (2019)	6,608 (2020)
Student beds	2,382 (2019)	-	-
# Child Care Places	469	555	555
Rating	8/10 Learning Hub	8/10 Learning Hub	8/10 Learning Hub

Sources: ABS, Griffith, Echid, NCVER

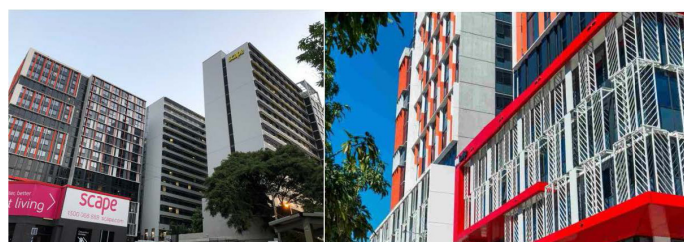
\*Universities, English schools, Executive and workplace training institutions

- South Brisbane is home to Griffith University’s South Bank campus including the Conservatorium of Music and the Griffith Film School, with other universities offering campuses and training in South Brisbane including the University of the Sunshine Coast campus.
- The Griffith University campus reported a student enrolment of 3,195 students in 2018 increasing to 3,338 students in 2019, whilst the Sunshine Coast Campus reported a 2018 enrolment base of 705 students reducing to some 541 students in 2019. Student enrolment numbers at Griffith’s South Bank campus have remained relatively consistent over the last 5 years.



Griffith University South Brisbane Campus

- Between 2014 to 2018, the number of students enrolled in the University of Sunshine Coast increased by some 640 students from 65 in 2014 to 705 in 2018. We note that enrolment at the campus reduced by a significant 23% between 2018 and 2019.
- South Brisbane is also home to some VET establishments including South Bank TAFE, with a total of 1,900 student VET enrolments in 2018 increasing to 2,100 students in 2019.
- Several prominent secondary colleges are also located within South Brisbane including the sought-after Brisbane State High, St Laurence’s College and Somerville House. A total enrolment of 6,608 primary and secondary students were estimated to be interacting in South Brisbane in 2020.
- Brisbane State High reported a 2020 enrolment of 3,350 students, a 6.4% growth since 2016, and by 2021 reported an enrolment of 3,441 students which may be influenced by the opening of the new Brisbane South State Secondary College Dutton Park for the 2022 school year.



Over 2,380 student beds in South Brisbane

## 4

# Fortitude Valley



Fortitude Valley is home to Brisbane's nightlife and music scene but is also evolving as an eclectic lifestyle and business environment. Fortitude Valley is constantly re-inventing itself and is not as rusted on to particular sectors or markets as is more evident in Spring Hill. As a result, we consider that the pandemic overall has been less impactful in the Valley. The Valley beats to its own drum!

## 4.1 The Commercial Office Market

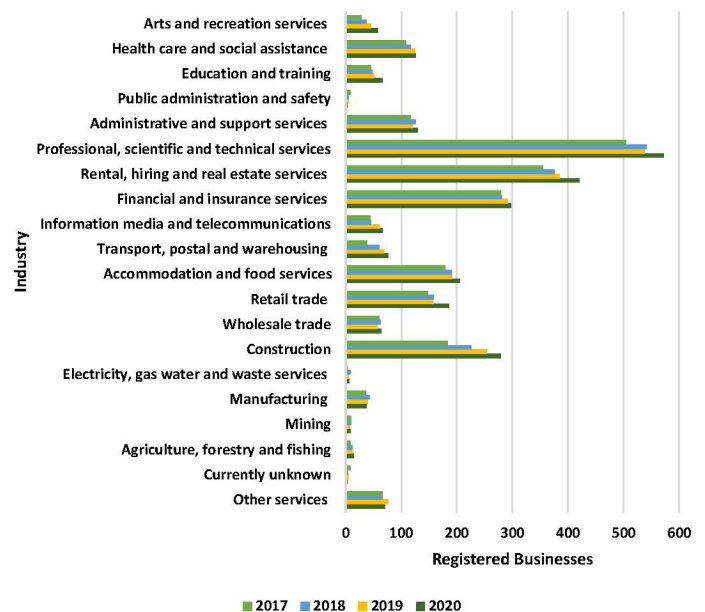
	2019	2020	2021
<b>Number of Workers</b>	22,088 (2016)	22,088 (2016)	22,088 (2016)
<b>Registered Businesses</b>	2,398 (2018)	2,501 (2019)	2,683 (2020)
<b>Floor Space (sqm)</b>	270,000sqm	274,000sqm	280,000sqm
<b>Vacancy (%)</b>	12%	13.4%	19%
<b>Net Face Rents/sqm (A-Grade)</b>	\$500/sqm	\$520/sqm	\$565/sqm Incentives up to 44%
<b>New Supply (short term)</b>	+60,000sqm	+43,303sqm	+22,000sqm u/c
<b>Average Daily Rail Passengers (April)</b>	8,600	1,000	4,160
<b>Rating</b>	<b>6/10 Professional Services Homes</b>	<b>6/10 Relative Stability</b>	<b>4/10 Free Range Tenancies</b>

Sources: PCA Office Market Report, various agents, ABS, JLL, Urban Economics

- According to JLL, Fortitude Valley is the fastest growing precinct in Brisbane's Near City. Based on size, it has been the largest market since 2006 and currently totals 43% of total tracked area of the Brisbane "Near City office market (South Brisbane 21%, Milton 17%, Spring Hill 14% and Toowong 5%)". (JLL)
- In the past decade, JLL indicated that 24 out of the 27 commercial projects completed in the Near City have been in Fortitude Valley because of both the availability of larger development sites and more centralised transportation nodes in comparison to other precincts.
- In 2020, 41.7% of all businesses registered in Fortitude Valley were in the professional, scientific and technical service industry, health care and social service industry as well as the rental, hiring and real estate industry.

Figure 4.1: Number of Registered Businesses by Industry 2017-2020

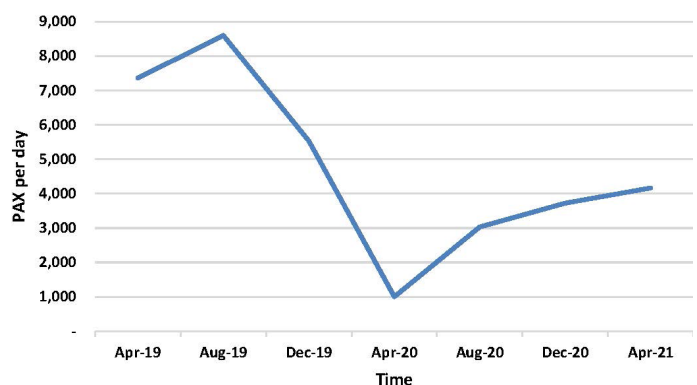
Source: ABS



- Fortitude Valley Station daily passenger numbers in April 2021 averaged almost 4,200, but remaining 43% less than pre-COVID daily passenger estimates of some 8,600 passengers in April 2019. This decline reflects the impact of the pandemic with slight increase in 2021 primarily due to returning to office and the re-opening of cultural, entertainment and restaurant precincts.

Figure 4.2: Fortitude Valley Station Average Daily Passenger Counts

Source: Queensland Government Open Data Portal



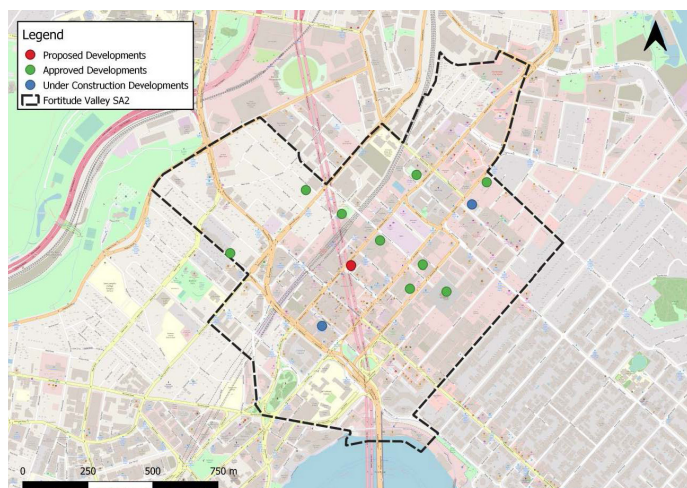
- According to the Small Area Labour Market data, the rate of unemployment for those living within Fortitude Valley reduced from 7.9% for the March Quarter 2019 to 7% for the March Quarter 2020. Since March 2020 the rate of unemployment has steadily increased throughout 2020 to its highest at 9.4% for March Quarter 2021 and remaining well above the Brisbane average of 7.5% for the March Quarter 2021.

### What’s Next for the Office Market in Fortitude Valley?

The divergence between Fortitude Valley and the other precincts continues to grow, due to the larger scale and quality of office buildings being constructed in the precinct. The increased development in Fortitude Valley projects and the area’s influence as an office market of note is expected to continue, given that the majority of projects in the inner-city supply pipeline are in Fortitude Valley (at least 70% by total area).

Assessment of current development applications and status indicate that there is 14,550sqm of proposed office space, 210,121sqm of approved office space, and 22,219sqm of commercial office space under construction which is geographically represented in FIGURE 4.3. The growth in commercial office developments within Fortitude Valley is reflective of a huge entry of new supply in the medium term and strong projected employment growth.

**Figure 4.3: Fortitude Valley Commercial Office Developments**  
Source: Brisbane Development Map, various agents, Brisbane City Council



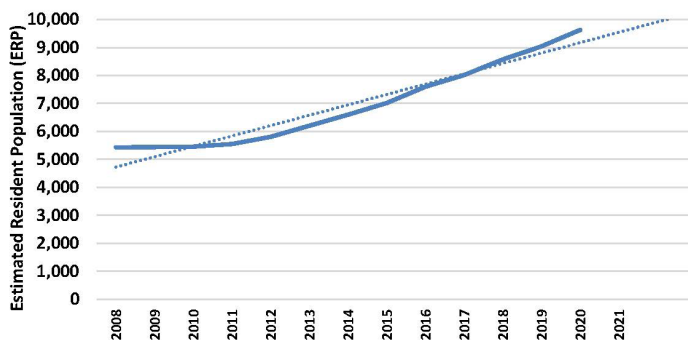
## 4.2 The Residential Market

	2019	2020	2021
<b>Residents</b>	9,041	9,629	10,200
<b>Total # units</b>	4,920	5,103	5,115
<b># Building Approvals</b>	207 (2018/19)	93 (2019/20)	37 (2020/21)
<b># Under construction</b>	767	306	1,051
<b>Median Unit Price</b>	\$443,750 (2018/19)	\$442,000 (2019/20)	\$445,000 (2020/21)
<b># Number of Unit Sales</b>	386 (2018/19)	326 (2019/20)	371 (2020/21)
<b>Median Rental</b>	\$480	\$480	\$500
<b>Vacancy (2019)</b>	4.0%	7.9%	3.2% (Jul 2021)
<b>Rating</b>	<b>6/10 Absorbing Supply</b>	<b>5/10 Absorbing</b>	<b>7/10 Rebounding</b>

Sources: RTA, Pricefinder, ABS, SQM Research, REIQ, various agents

- Significant population growth post 2011, as illustrated in the following FIGURE 4.4, reflects activity in new apartment construction within the area.

**Figure 4.4: Population Growth (Fortitude Valley)**  
Source: ABS

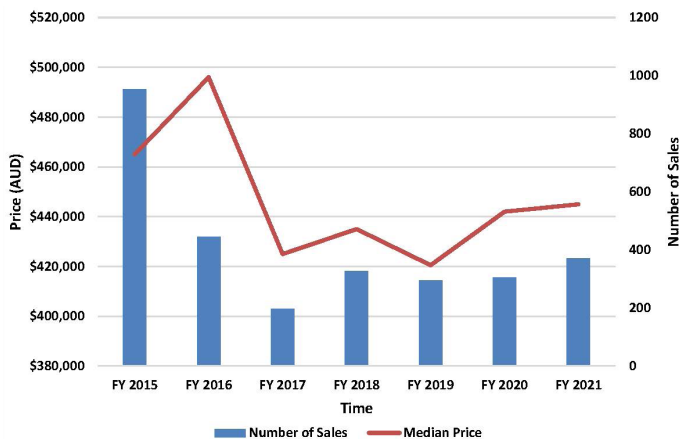


- As at June 2021 it was estimated that there were some 10,200 persons living within Fortitude Valley.
- The State projections anticipate that a further 10,580 additional residents will move to Fortitude Valley between 2020 and 2041, requiring at least 4,810 additional dwelling units.

- The highest residential sale price recorded in Fortitude Valley during 2021 to date was \$3.7million, with a median unit price of \$437,500. Overall, median sales prices for residential units in Fortitude Valley have been slowly recovering since 2017/18. 371-unit sales were recorded in the 2021 financial year, compared with 305 in the 2020 financial year up on 294-unit sales from 2019 financial year.

Figure 4.5: Fortitude Valley Unit Sales

Source: Pricefinder



- As reported by SQM Research, vacancy rates in Fortitude Valley increased from 4.0% in July 2019 to 7.9% in July 2020, before falling back to 3.2% for July 2021. Median rents for the market have increased from \$480 in June Quarter 2019 to \$500 for the June Quarter 2021.
- There were 606 new bonds recorded for the June Quarter 2021 down marginally from 616 new bonds in 2020, with 2020 recording the highest number of new bonds seen in Fortitude Valley in the last decade, followed by 2018 which recorded 570 new bonds.

#### The Future of Residential in Fortitude Valley:

New trends suggest a decline in the number of units per building in favour of increased unit sizes that will attract families as opposed to single residents.

Fortitude Valley is anticipated currently to support more than 10,500 additional residents by 2041, and there is a raft of residential projects underway in Fortitude Valley comprising of 120 proposed new residential units, 3,791 approved residential units, and 1,051 units under construction.

### 4.3 The Tourist Sector

Fortitude Valley is home to Brisbane's live music and late-night entertainment scene, including the Fortitude Music Hall and supports Australia's largest adult entertainment precinct as well as Brisbane's burgeoning boutique hotel market.

	2019	2020	2021
<b>Total # rooms</b>	967	1,107	1,107
<b># Under construction</b>	140	150	559
<b>Overnight Visitors</b>	387,000	N/A	N/A
<b>Rating</b>	<b>8/10 Boutique Hub</b>	<b>7/10 Rising Star</b>	<b>7/10 Opening Up</b>

Sources: STR, TRA, TEQld, Urban Economics

- The Intercontinental Hotel Group's 140-room boutique hotel Indigo in Fortitude Valley opened in 2020, with the Valley evolving as Brisbane's boutique hotel hub, including Limes, the Sage, The Calile, Alex Perry, The Ovolo, and Tryp.
- 4000 Studios is a unique concept for the Valley providing creative spaces for the music and arts sector, further contributing to the role of Fortitude Valley as a hub for the creative sector.
- Fortitude Valley is also home to Australia's largest concentration of adult entertainment venues, surpassing even Sydney's famed Kings Cross, although we expect this sector will evolve considerably as a lasting impact of COVID-19 restrictions.
- An approved development at 426-442 St Pauls Terrace will provide 101 hotel rooms.

### 4.4 The Retail Market

	2019	2020	2021
<b>Floor Space (sqm) (major precincts)</b>			
- 1000 Ann (formerly Emporium)	4,760 sqm	4,760 sqm	4,760 sqm
- James Street	13,810sqm	13,810 sqm	13,810 sqm
- Brunswick St/Chinatown	8,000 sqm	11,600 sqm	11,600 sqm
<b># Restaurants &amp; Cafes</b>	190	190	190
<b># Number of Workers</b>			
- Food & Beverage Sector	2,031 (2016)	2,031 (2016)	2,031 (2016)
- Retail Sector	1,542 (2016)	1,542 (2016)	1,542 (2016)
<b>Vacancy (%)</b>			
- 1000 Ann (formerly Emporium)	12%	14%	10%
- James Street	13%	4%	4%
- Brunswick St/Chinatown	<5%	4%	15%
<b>Gross Rents (\$/sqm)</b>			
- 1000 Ann (formerly Emporium)	\$1,250/sqm	\$700 sqm -\$1,250/sqm	N/A
- James Street	\$1,600/sqm	\$900 sqm -\$1,600/sqm	
<b>Under construction</b>	5,930 sqm	1,940 sqm	60 sqm
<b>Rating</b>	<b>6/10 Eclectic</b>	<b>6/10 Surprising Activity</b>	<b>5/10 Traffic is Traction</b>

Sources: ABS, various agents, centre owners, Urban Economics inspections

- There are 3 major shopping precincts and strips within Fortitude Valley, the largest of which is the James Street precinct. Together these centres accommodated some 26,570sqm of retail space, increasing to some 30,170sqm of retail space as a result of the completion of FV Fortitude Valley, introducing 3,600sqm of retail space to the precinct.
- In September 2019, Urban Economics estimated a vacancy rate of <10% within the Valley retail precincts, with higher vacancies concentrated within the Emporium and James Street shopping precincts at the time. As at September 2020, we estimated a vacancy of <6%, in large part attributed to the declining vacancy in James Street; noting that James Street was particularly busy at the time of inspection. By September 2021, an estimated vacancy rate of 10% with large floorplates in the Homemaker, 1000 Ann St, but reflecting again surprising levels of activity during inspections particularly throughout James Street.
- The Fortitude Valley precinct accommodates around 190 cafes and restaurants, including specialty restaurants, bars and cafes.

#### Back to the Future for the Valley's Retail Heart?

Fortitude Valley is demonstrating surprising activity in retail activities with increasing shopper activity and an increasingly diverse retail base servicing day-trippers, workers and residents alike. Proposals include a number of small scale retail tenancies as ground floor activation in residential and commercial developments. More substantial proposals and approvals include:

- A development application for Foster & Black has been lodged for a Medium Impact Industry B use and Food and Drink Outlet, located at 628 Wickham Street, Fortitude Valley. The development will consist of 118.423sqm of Coffee Roaster and Food and Drink Outlet of 127.13sqm.
- Stage 1 of the development on 527 Gregory Terrace will deliver 340sqm of retail space over 3 tenancies and Stage 2 will consist of 600sqm of retail floor area for 5 tenancies.
- The Central Village Stage 4 residential development at 332 Water Street and 62-68 Brunswick Street will consist of 450sqm over 4 tenancies.
- The multi-purpose building development at 426-442 St Pauls Terrace will deliver 1,155sqm of retail floor area designed to be for a supermarket.
- The Valley Metro Commercial at 36-52 Alfred Street will deliver 1,560sqm of retail floor area.
- Night Edge, the approved residential development at 358 Wickham Street will have 650sqm of retail floor area over four tenancies.
- The residential building approved for 95 Robertson Street will have 964sqm of retail floor area.

## 4.5 The Education Sector

	2019	2020	2021
# Establishments*	29	30	30
Workforce	1,095 (2016)	1,095 (2016)	1,095 (2016)
University Students	N/A	N/A	N/A
VET Students	930	930	1,055
Primary & Secondary Students	1,557 (2018)	1,562 (2019)	1,862 (2020)
# Child Care Places	607	607	558
Rating	6/10 Watch this Space	6/10 Watch this Space	7/10 Growing Sector

Sources: ABS, Griffith, Echid, NCVET

\*Universities, English schools, Executive and workplace training institutions

Fortitude Valley has around 3,000 students attending vocational and training institutions (VET), primary and secondary schools.

- All Hallows within Fortitude Valley SA2 recorded some 1,562 students in 2019, increasing to some 1,593 students in 2020.

#### New supply in Fortitude Valley

- Whilst there are currently no student accommodation residences operating within Fortitude Valley, a new \$180 million international university and 30 storey tower comprising student accommodation submitted a development proposal and is associated with Torrens University.
- The Fortitude Valley State Secondary College (Stage 1) opened in September 2020, making it the first vertical state high school built in Brisbane's inner city in more than 50 years with a 2021 enrolment of 299 students.

# 5 Spring Hill

Spring Hill is an eclectic inner-city suburb supporting significant education, health and commercial office markets, as well as a burgeoning short-term accommodation sector.

## 5.1 The Commercial Office Market

	2020	2021
<b>Number of Workers</b> (2016)	12,630	12,630
<b>Registered Businesses</b>	2,221 (2019)	2,215 (2020)
<b>Employment Projections</b> (2041)	+4,896	+4,896
<b>Floor Space</b> (sqm)	135,000	129,617
<b>Vacancy</b> (%)	20.9%	23.4%
<b>Net Face Rents/sqm</b> (A-Grade)	\$430/sqm	\$430/sqm
<b>New Supply</b> (short term)	29,220sqm	30,000sqm
<b>Rating</b>	<b>5/10 Needing Revival</b>	<b>4/10 Under Stress</b>

Sources: PCA Office Market Report, various agents, ABS, JLL, Urban Economics

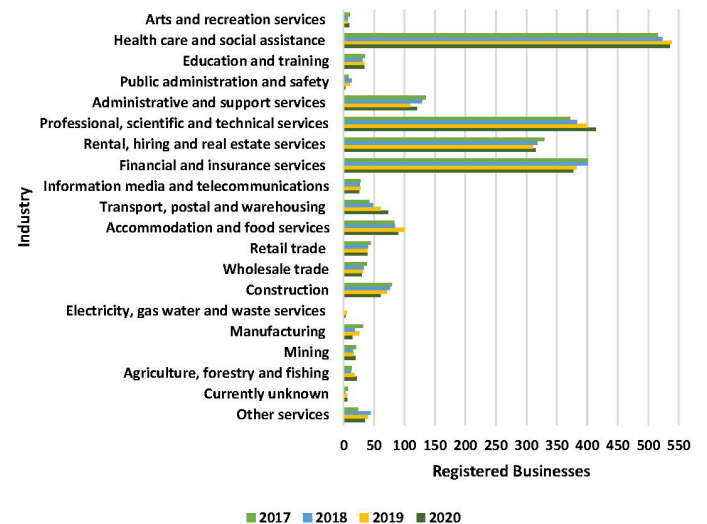
- The Property Council of Australia reported a 23.4% commercial vacancy rate in Spring Hill in July 2021, increasing from 20.9% in July 2020 and 18.4% in January 2020.
- A total of 2,215 businesses were registered in Spring Hill in 2020, down from 2,221 in 2019 and 2,233 in 2018.
- In 2020, 59% of all businesses registered in Spring Hill were in the health care and social service industry, professional, scientific and technical services as well as the financial and insurance service industry.
- Historically, Spring Hill has accommodated healthcare and social assistance businesses and currently includes four hospitals, two (St Andrew's War Memorial Hospital and Spring Hill Specialist Day Hospital) of which reported a total of 431 hospital beds.



St Andrew's War Memorial Hospital

Figure 5.1: Number of Employment by Industry

Source: ABS



- According to the Small Area Labour Market data, the rate of unemployment for those living within Spring Hill was 6.0% for the March Quarter 2021 reducing from 8.1% and 6.4% for the March Quarter 2019 and 2020, respectively and remaining well below the Brisbane average of 7.5% for the March Quarter 2021.

### The ATO and more for Spring Hill’s Office Market

- A new 27-storey commercial tower is under construction at 152 Wharf Street, Spring Hill. The development which has been leased by ATO, will consist of 29,220sqm of office space across 20 levels and 340sqm of retail space.
- Approval had been granted for the development of a 9-level office building at 440 Upper Edward Street.
- The refurbishment of the existing Athol Place, the 1860 heritage building located at 307 Wickham Terrace has been approved to include 2,255sqm of office space.
- The sold Dorchester Inn site at 484 Upper Edward Street has been granted development approval for an 11-floor office building.



Artist's impression of the proposed new construction at 152 Wharf Street in Spring Hill.

### 5.2 The Residential Market

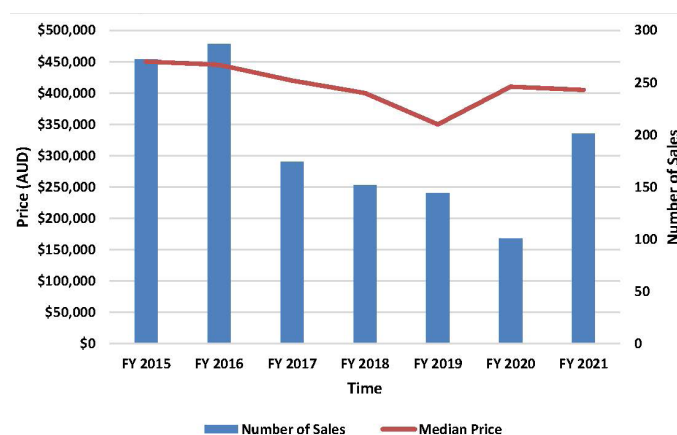
	2020	2021
Residents	7,480	7,793
Total # units	3,210	3,210
# Building Approvals	5	6
# Under construction	-	-
Median Unit Price	\$410,000 (2019/20)	\$405,000 (2020/21)
# Number of Unit Sales	110	201
Median Rental	\$500	\$500
Vacancy (postcode 4000)	12.5% (Sept 2020)	6.8% (Jul 2021)
Rating	5/10 Restrained	5/10 Restrained

Sources: RTA, Pricerfinder, ABS, SQM Research, REIQ, various agents

- An estimated 7,793 people were living in Spring Hill as of June 2020. This is anticipated to increase by more than 4,000 people to 2041 requiring at least 1,770 additional dwellings.
- Median sales prices for residential units in Spring Hill are recovering to 2017/18 levels. 201-unit sales were recorded in the 2021 financial year up from 101 in the 2020 financial year.
- The highest sale price recorded in Spring Hill during 2021 to date was \$2.8 million, with a median unit price of \$390,000.

Figure 5.2: Spring Hill Unit Sales

Source: Pricerfinder



### Is Change in the Air?

Whilst there is currently no residential development under construction in the suburb, there are a number of approvals which will continue to change the face of the Spring Hill lifestyle for the more than 4,400 additional residents anticipated to be living in the area by 2041.

Some 600 apartments are currently proposed or mooted within Spring Hill.

### 5.3 The Tourist Sector

Spring Hill is home to an array of hotels including Novotel, Mantra Richmond Hotel, Pacific Hotel, Holiday Inn, The Johnson and Ovolo etc. There are currently over 20 hotels within the suburb offering at least 1,810 rooms.

	2020	2021
<b>Total # rooms</b>	1,810	1,810
<b># Under construction/proposed</b>	159 proposed	168 proposed
<b>Overnight Visitors</b>	N/A	N/A
<b>Rating</b>	<b>6/10 Evolving</b>	<b>5/10 On Hold</b>

Sources: STR, TRA, TEQld, Urban Economics

#### Spring Hill's Future Visitor Opportunities

- Brisbane City Council is creating public parklands at Victoria Park from 2021. The 18-hole golf course at Victoria Park will be closed to make way for the 45 hectares greenspace which is anticipated to include a range of facilities including a cultural hub, mountain bikes and walking tracks, boat house and kayaking hire, children's water park, skate part etc. Victoria Park is planned to host the freestyle BMX and cross-country equestrian during the 2032 Brisbane Olympics and Paralympics.

Proposed:

- A development application is proposed for the Wyndham Garden Suites, located at Hartley Street & McConnell Street, Spring Hill. It is proposed that this development will include 120 hotel suites and 14 short term apartments.
- A proposed development for a mixed-use development at 375 Wickham Terrace for the Wickham Private Medical Centre & Hotel is expected to deliver an additional 48 hotel rooms overlooking Roma Street Parkland.

### 5.4 The Retail Market

The majority of retail outlets in Spring Hill are located on the ground floor of residential, commercial and hotel developments, activating the streets, and servicing residents, visitors and workers alike, with a focus on day-to-day conveniences.

	2020	2021
<b>Floor Space (sqm)</b>	10,710sqm	10,700sqm
<b># Restaurants &amp; Cafes</b>	35	30
<b># Number of Workers</b>		
- Retail Sector	279 (2016)	279 (2016)
- Accommodation and Food Services	918 (2016)	918 (2016)
<b>Vacancy %</b>	5%	6%
<b>Gross Rents (\$/sqm)</b>	\$450/sqm - \$600/sqm	\$460/sqm - \$630/sqm
<b>Under construction</b>	-	Redevelopment Boundary St
<b>Rating</b>	<b>7/10 Convenience</b>	<b>6/10 Convenience</b>

Sources: ABS, various agents, centre owners, Urban Economics inspections

- The precinct accommodates an estimated 10,710sqm of retail space and as at September 2021, a vacancy rate of 6% within Spring Hill has been estimated, with closure of conveniences such as newsagent and a number of takeaway/café outlets, although noting others advising re-opening. The Johnson Hotel currently advertises up to 490sqm for food and beverage outlets.
- Retailing in Spring Hill, whilst small in scale, is distributed across three retail precincts: Astor Terrace, Wickham Terrace (servicing workers), Boundary Street (IGA Express and Australia Post) and the Woolworths anchored Spring Hill Marketplace (servicing residents). Together, these precincts accommodated almost 11,000sqm of retail.



## 5.5 The Education Sector

Spring Hill is home to a number of Brisbane’s elite secondary colleges as well as the established Brisbane Central State Primary School.

	2020	2021
# Establishments *	34	34
Workforce	1,370	891
University Students	-	-
VET Students	740	740 (2020)
Primary & Secondary Students	5,588 (2019)	5,839 (2020)
# Child Care Places	337	337
Rating	8/10 School’s Inl	9/10 Educational Hub

Sources: ABS, Griffith, Echild, NCVET

\* Universities, English schools, Executive and workplace training institutions

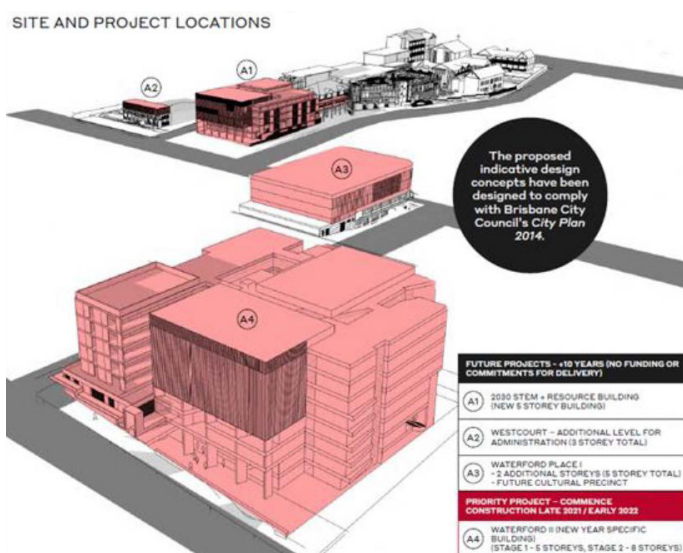
- Brisbane Central State School, St James College, Grammar, Girl’s Grammar and St Joseph’s College in Spring Hill had a total enrolment of 5,839 students in 2020 increasing from 5,588 students in 2019 and 5,181 enrolments in 2018. Arethusa College also has a campus on Quarry St, Spring Hill.
- There are 4 childcare centres within Spring Hill offering 337 places for young children in 2021, demonstrating a 2020 occupancy rate of almost 85%.

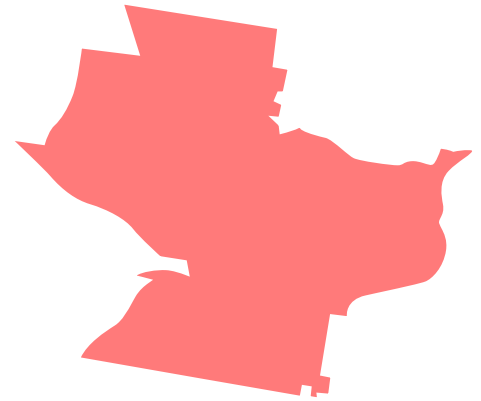
### Proposed and approved supply in Spring Hill

- A development application has been lodged for approval of student accommodation at 487 Boundary Street Spring Hill consisting of 248 rooms.
- Approval has been granted for development of a student accommodation building at 36 Little Edward Street with 9 floors and 62 rooms.
- St Joseph’s College Gregory Terrace has a 10-year Masterplan for redevelopment of its buildings on campus (FIGURE 5.3). In the short term, there is a development proposal for ‘Waterford Place II’ at 184 St Paul’s Terrace for construction of a new Year 9 campus which is planned to be delivered in two stages; classrooms, general purpose learning areas and indoor sport facilities. Stage one is expected to commence construction of a five-storey building in 2022 for completion by the end of 2024. Stage two is expected to add a further three-stories but is a long-term objective. Other remaining developments in the Masterplan include a new STEM and indoor facility for the Main Campus at 309 Gregory Terrace, Spring Hill; extension of the administration services building at Westcourt (99 Union Street, Spring Hill); and extensions and internal alterations for Waterford Place at 32, 34, 40, and 173-177 Quarry Street, Spring Hill for cultural, creative and indoor sport activities.

Figure 5.3: St Joseph’s Gregory Terrace Masterplan Developments

Source: St Joseph’s College





# 6 Woolloongabba

Whilst most renowned for its sporting facilities, Woolloongabba is undergoing considerable change with major residential developments and the future Cross River Rail and as a future event space for the Brisbane 2032 Olympics and Paralympics changing the face and heart of Woolloongabba as a “live work play” suburb. This is further benefitted by the opening of the new Brisbane South Secondary College which will open for enrolments in 2022 and further increase the appeal of Woolloongabba for families.

## 6.1 The Commercial Office Market

- The commercial market is orienting towards the Logan Rd corridor, headlined by Pellicano’s South City Square, and will continue to evolve as the commercial heart over the older Ipswich Rd area.

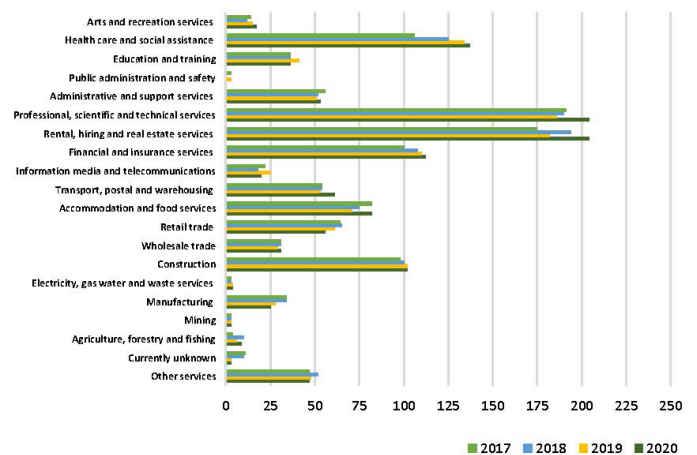
	2020	2021
<b>Number of Workers</b> (2016)	15,592	15,592
<b>Registered Businesses</b>	1,157 (2019)	1,209 (2020)
<b>Average Daily Rail Passengers</b> (April)	205	988
<b>New Supply</b> (short term)	6,652sqm	6,652sqm
<b>Rating</b>	<b>8/10 Renewal</b>	<b>8/10 Renewal</b>

Sources: PCA Office Market Report, various agents, ABS, JLL, Urban Economics

- A total of 1,209 businesses were registered in Woolloongabba in 2020, increasing from 1,157 registered businesses in 2019. The health care and social assistance sector dominates the number of businesses registered in Woolloongabba reflective of the presence of the Princess Alexander hospital and the range of health care facilities servicing these facilities.

Figure 6.1: Woolloongabba Number of Businesses by Industry 2017-2020

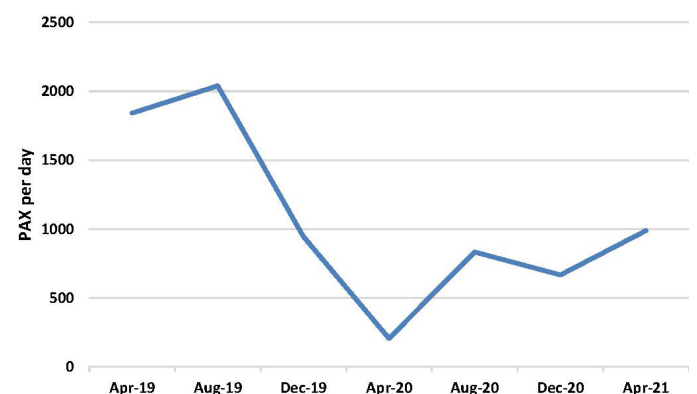
Source: ABS



- Rail passenger activity as with all other stations has demonstrated an L-shape recovery in daily passenger numbers but remaining at 50% of 2019 activity levels.

Figure 6.2: Park Road Station Average Daily Passenger Counts

Source: Queensland Government Open Data Portal



## Modest Commercial for the Short Term

- A mixed-use development has gained approval at 847 Stanley Street, Woolloongabba. It will consist of 1,652sqm of office space, 265sqm of retail space and 178 apartments.
- 5,000sqm of office space is underway as part of the South City Square development.
- 6 floors for commercial and healthcare are under construction at 198 Ipswich Road.

## 6.2 The Residential Market

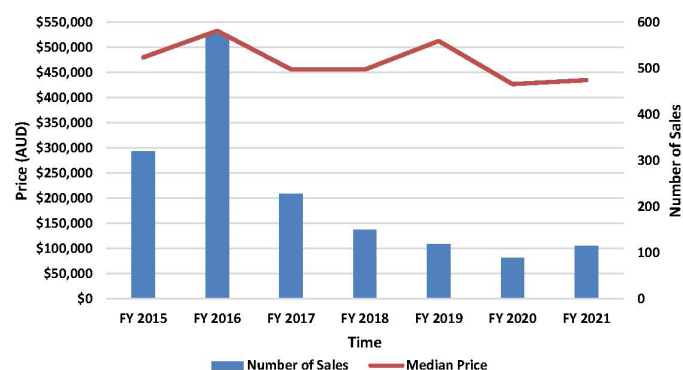
	2020	2021
Residents	6,494	6,600
Total # units	2,920 (2019)	2,920 (2019)
# Building Approvals	35 (2019/20)	550 (2020/21)
# Under construction	734	1,165
Median Unit Price	\$427,000 (2019/20)	\$436,000 (2020/21)
# Number of Unit Sales (2019/20)	88	116
Median Rental (2020)	\$462.50	\$487.50
Vacancy (2020)	5.3%	3.0% (Jul 2021)
Rating	7/10 Lacking Amenity	7/10 Increasing Activity

Sources: RTA, Pricefinder, ABS, SQM Research, REIQ, various agents

- Median sales prices for residential units in Woolloongabba increased \$427,000 in the 2019/20 financial year to \$435,000 in the 2020/21 financial year whilst the number of sales increased back to 2018/19 levels, reflective of the mix of new apartments.

Figure 6.3: Unit Sales

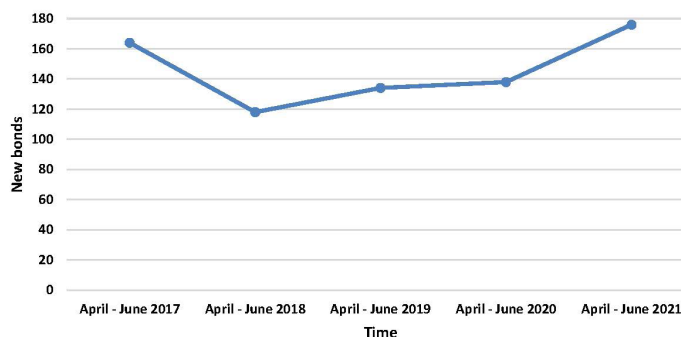
Source: Pricefinder



- As reported by SQM Research, 2021 vacancy rates in the market have returned to July 2019 levels at 3% after peaking at 6.3% in August 2020 in part due to the new market supply but trending as one of the more stable inner-city markets.
- In the 4102 postcode which includes Woolloongabba, median rents for the market are the highest since 2017 at \$487.50 in the June Quarter 2021 and representing a 5.4% increase from June Quarter 2020.
- 176 new rental bonds were recorded by the RTA for the June Quarter 2021, representing a 27.5% increase from June Quarter 2020.

Figure 6.4: New Rental Bonds

Source: RTA



### The Evolving Woolloongabba Lifestyle

According to QGSO, an additional 10,514 people will be living in Woolloongabba by 2041, requiring at least 4,200 dwellings.

**More than 4,330 additional residential apartments have also been approved or proposed within Woolloongabba.**

### 6.3 The Retail Market

	2020	2021
<b>Floor Space</b> (sqm)	20,711	20,711
<b># Retail Businesses</b>	57 (2019)	56 (2020)
<b># Number of Workers</b>		
- Retail Sector	686 (2016)	686 (2016)
- Accommodation and Food Services	666 (2016)	666 (2016)
<b>Vacancy (%)</b>	2.2%	3%
<b>Net Rents</b> (\$/sqm)	\$400-\$700/sqm	\$600-\$700/sqm
<b>Under construction</b>	265sqm	9,475sqm
<b>Rating</b>	<b>9/10 Healthy Conveniences</b>	<b>9/10 Evolving Lifestyle</b>

Sources: ABS, various agents, centre owners, Urban Economics inspections

- The precinct accommodates an estimated 20,711sqm of retail space and as at September 2021, an estimated vacancy rate of 3%, with future space still to be leased within Pellicano's new South City development.
- The Woolloongabba precinct incorporated some 57 retail businesses including cafes, restaurants, bars etc in 2019, reducing from 66 retail businesses in 2018.

#### Retail is evolving in Woolloongabba with almost 30,000sqm of proposed, approved and underway retail space:

- 265sqm of retail space over two retail tenancies is under construction as part of the residential development at 847 Stanley Street.
- South City Square is a major mixed-use lifestyle development that will contribute to local amenity. This development will include 9,000sqm of retail space including Woolworths supermarket, Reading Cinema complex, 170 room Hyatt Place hotel and a childcare centre
- Approval has been granted for the development of 17,755sqm for a Bunnings Woolloongabba at 73 Ipswich Rd including three retail tenancies.
- Gabba Precinct masterplan includes some retail and commercial space.
- Approved residential development at 26 Balaclava Street to include ~1,000sqm over four tenancies.
- Residential development at 44 Ipswich Road (Building A1) approved to include ~400sqm retail floor area.
- Silk 2 at 825 Stanley Street is approved to include 431sqm
- Approved Mixed-use developments at 150 Ipswich Road and 162 Ipswich Road to include 100sqm over two tenancies and 55sqm of retail floor area, respectively.
- Residential development at 22 Wellington Street (Stage 1) is approved to deliver 120sqm over three tenancies and Stage 2,200sqm over two tenancies.

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