

# INNER CITY VITALITY REPORT 2023

**As the Brisbane economy continues to shake off the lagging effects of COVID-19, the 2023 Report reflects on an inner Brisbane that is increasingly looking forward and gathering momentum towards 2032!**

There is a real sense of a new era lifestyle expectation FOMO – the experiences, the working environments, the luxury goods! The 2023 analysis has highlighted a sense of urgency around experiences that is having a bounceback effect across tourism, education and residential sectors in particular, with retail and office still lagging but showing increasing signs of life, particularly for premium goods and spaces! Reinventing the City Centre as far more than a Central Business District, but a Centre in which to live, learn, work and play.

This dashboard introduces Kangaroo Point to the mix, rounding out the inner city areas and the differences and commonalities between the inner city precincts. Each of the inner city areas has their own unique identifier and heart; hearts that are increasingly beating more rapidly and regularly!

## Brisbane City Centre

CBD Dashboard	2018	2019	2020	2021	2022	2023
Office Market	5	6	5	6	6.5	7
Residential Market	6	6	3	5	6	6
Tourism Industry	6	7	5	4	7	8
Retail Market	6	7	6	5	4	4
Education Industry	8	8	5	5	5	6
Overall Rating	6.2	6.8	4.8	5	5.7	6.2

As Queensland's economy recorded the third fastest rate of growth in the September Quarter 2023 (Commsec State of the States) there has been a corresponding increased level of economic activity in the Brisbane City Centre's office market, with increasing office occupancy rates, declining vacancy rates, particularly for Premium and A grade stock, and a significant jump in average premium leasing rates.

This is a significant restructuring of the commercial office market, in light of evolving workplace models, with Brisbane one of only 2 capital cities to record a vacancy decrease down from 14% in July 2022 to 11.6% in July 2023 (PCA) as tenant demand outpaced available supply and a deliberate flight to quality as staff amenities become more favourable to employers.

Most notably Brisbane CBD has seen an incredible jump in office construction projects, with more than 300,000m<sup>2</sup> of space currently under construction. This is approximately the same as the last 3 consecutive years, and far exceeds that of pre-pandemic levels.

Retail in the CBD continues to be challenged with a vacancy rate amongst the shopping centres in the CBD tripling from 7.5% to 22.5%, including the notable absence of major retailers such as Myer from the now Uptown centre. This is a sector that is also repositioning itself in the City Centre, with the Queen Street Mall and centres such as Queens Plaza in particular, becoming a hub for luxury and high-end shopping with names like Gucci, Chanel and Burberry taking up residence and Tiffany's expanding.

Tourism in the City Centre is "living up to the hype!" Overall occupancy rates for July 2023 reached pre-pandemic levels comparable to that of July 2018 and last observed in October 2019. The end of July 2023 also coincided with beginning of the Australia and New Zealand FIFA Women's World Cup with FIFA estimating one fifth of tickets sold were to overseas visitors. The Queensland Department of Tourism, Innovation and Sport projected the eight matches held in Brisbane generated \$30.5 million in economic impact.



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## Fortitude Valley

Dashboard	2019	2020	2021	2022	2023
Office Market	6	6	4	5	5
Residential Market	6	5	7	7	7
Tourism Industry	8	7	7	7	8
Retail Market	6	6	5	5	6
Education Industry	6	6	7	7	7
<b>Overall Rating</b>	<b>6.4</b>	<b>6</b>	<b>6</b>	<b>6.2</b>	<b>6.6</b>

Whilst the number of projects approved and under construction has slowed since a recent peak of 559 in 2021, Fortitude Valley remains a tourism and nightlife hotspot within Brisbane, hosting the Fortitude Music Hall, a wide variety of bars and nightclubs and a Chinatown and Brunswick Street Mall that is repositioning itself.

The residential market within Fortitude Valley is extremely promising with 682 units under construction, performing at pre-pandemic levels with the median unit price lowering with the new availability. The number of sales has also landed in the second highest year on record since FY 15/16 showing that there is still significant demand for additional residential properties.

## South Brisbane

Dashboard	2019	2020	2021	2022	2023
Office Market	7	6	6	6	6
Residential Market	7	5	6	6	6
Tourism Industry	8	6	5	7	8
Retail Market	5	4	4	5	6
Education Industry	8	8	8	9	9
<b>Overall Rating</b>	<b>7</b>	<b>5.8</b>	<b>5.8</b>	<b>6.6</b>	<b>7</b>

Commonly seen as the cultural and entertainment heart of Brisbane, South Brisbane has been synonymous with tourism and visitor activity since its redevelopment for Expo'88. With major facilities such as the BCEC, QPAC, QLD Museum and QAGOMA bringing a combined 4.7million visitors alone, the area attracts visitors from around the world.

South Brisbane continues to grow as one of south east Queensland's most critical educational precincts. With institutions such as Griffith university and Tafe in the precinct and sitting between the largest universities in Queensland, QUT and UQ, it not only supports the learning capabilities of younger students, but also provides the perfect space for tertiary education to continue. To support the educational structure, South Brisbane also features the largest number of student accommodation outside of the CBD and there are major masterplans for redevelopment of St Laurence's, Sommerville House and the new St George College to open in 2025.

The new QPAC theatre, the International Broadcast Centre site, Neville Bonner Bridge and the Kurilpa TLPI are just the start of what is yet to come for the ongoing vitality of South Brisbane.

## Spring Hill

Dashboard	2020	2021	2022	2023
Office Market	5	4	5	6
Residential Market	5	5	6	6
Tourism Industry	6	5	6	6
Retail Market	7	6	5	7
Education Industry	8	9	9	9.5
<b>Overall Rating</b>	<b>6.2</b>	<b>5.8</b>	<b>6.2</b>	<b>6.9</b>

Spring Hill is a diverse inner-city suburb which houses some of Brisbane's oldest secondary schools and is known for its healthcare industry –home to multiple hospitals and significant private consulting space. Spring Hill is also a hub for an array of hotels including Novotel, Mantra Richmond Hotel, Pacific Hotel, Holiday Inn, The Johnson and Ovolo etc. Historically, local accommodation has been focused on cheaper budget options given the area's location as a medical hub. There are currently over 20 hotels within the suburb offering at least 1,810 rooms and a number of new hotels under construction.

Spring Hill's role as an educational precinct will be further enhanced through masterplans at Girls Grammar to introduce years 5 to 6 and further expansions at Terrace as well as a new student accommodation facility.

## Woolloongabba

Dashboard	2020	2021	2022	2023
Office Market	8	8	8	8
Residential Market	7	7	8	7
Tourism Industry	n/a	5	6	7
Retail Market	9	9	9	9
<b>Overall Rating</b>	<b>8</b>	<b>7.25</b>	<b>7.75</b>	<b>7.75</b>

Woolloongabba is undergoing a resurgence, which is set to be boosted by the completion of the Cross River Rail project, redevelopment of the Gabba precinct including 2032 Games venues and integration with the Brisbane Metro project.

In September 2023, the former Woolloongabba Priority Development Area (PDA) was revoked and an expanded PDA was put in place; recognising Woolloongabba's role as a conduit to key health, knowledge and employment precincts of inner-Brisbane and the ongoing development plans for the locality towards 2032.

## Kangaroo Point

Dashboard	2023
Office Market	8
Residential Market	8
Tourism Industry	7
Retail Market	8
<b>Overall Rating</b>	<b>7.75</b>

The inaugural addition of Kangaroo Point recognises its position within Brisbane's Inner City as a high amenity residential hub, but also as a part of the 2032 Games precinct and recently defined Woolloongabba Priority Development Area (PDA) and future connectivity to the CBD via the Kangaroo Point Green Bridge. This strategic location has the potential to make Kangaroo Point a more convenient spot for tourists. Whilst the office market is modest in scale compared to all other inner-city areas, there has been growth in the number of businesses registered in Kangaroo Point and significant repositioning and reinvigoration of the residential market with population growth underpinned by a resurgence in development activity with 2,016 units approved and 578 units under construction.

