

OUTLOOK NORTH LAKES

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

Centrally located within the northern Brisbane growth region of Moreton Bay, North Lakes is set to benefit from large-scale infrastructure and economic investment which will continue to drive the residential market.

JUNE 2015

- A ACCESSIBILITY**
Moreton Bay has strong economic fundamentals, expected to support the future growth of the region / Pg 02
- B INFRASTRUCTURE INVESTMENT**
Sustained infrastructure investment is projected to positively impact the North Lakes property market / Pg 04
- C POPULATION & DEMOGRAPHICS**
Families with young children are a key demographic within the North Lakes community / Pg 05
- D RESIDENTIAL MARKET ANALYSIS**
Townhouses offer an affordable alternative to detached housing product within North Lakes / Pg 06
- E RENTAL MARKET ANALYSIS**
Townhouses in North Lakes recorded a 5.4 per cent rental return over the first quarter of 2015 / Pg 07



NORTH LAKES
BOASTS A NEW
MODERN
LIBRARY

NORTH LAKES LIBRARY



MAJOR RETAIL PRECINCT
WITHIN WALKING
DISTANCE

WESTFIELD NORTH LAKES



PLENTY OF GREEN
SPACE AND
PARKLANDS FOR
RESIDENTS

LAKE EDEN BIKEWAY

1 POP 2 INF 3 EMP

North Lakes accommodates all three of the Urbis economics and research fundamentals that make a sustainable suburb – Population, Infrastructure and Employment.

ACCESSIBILITY & WALKABILITY

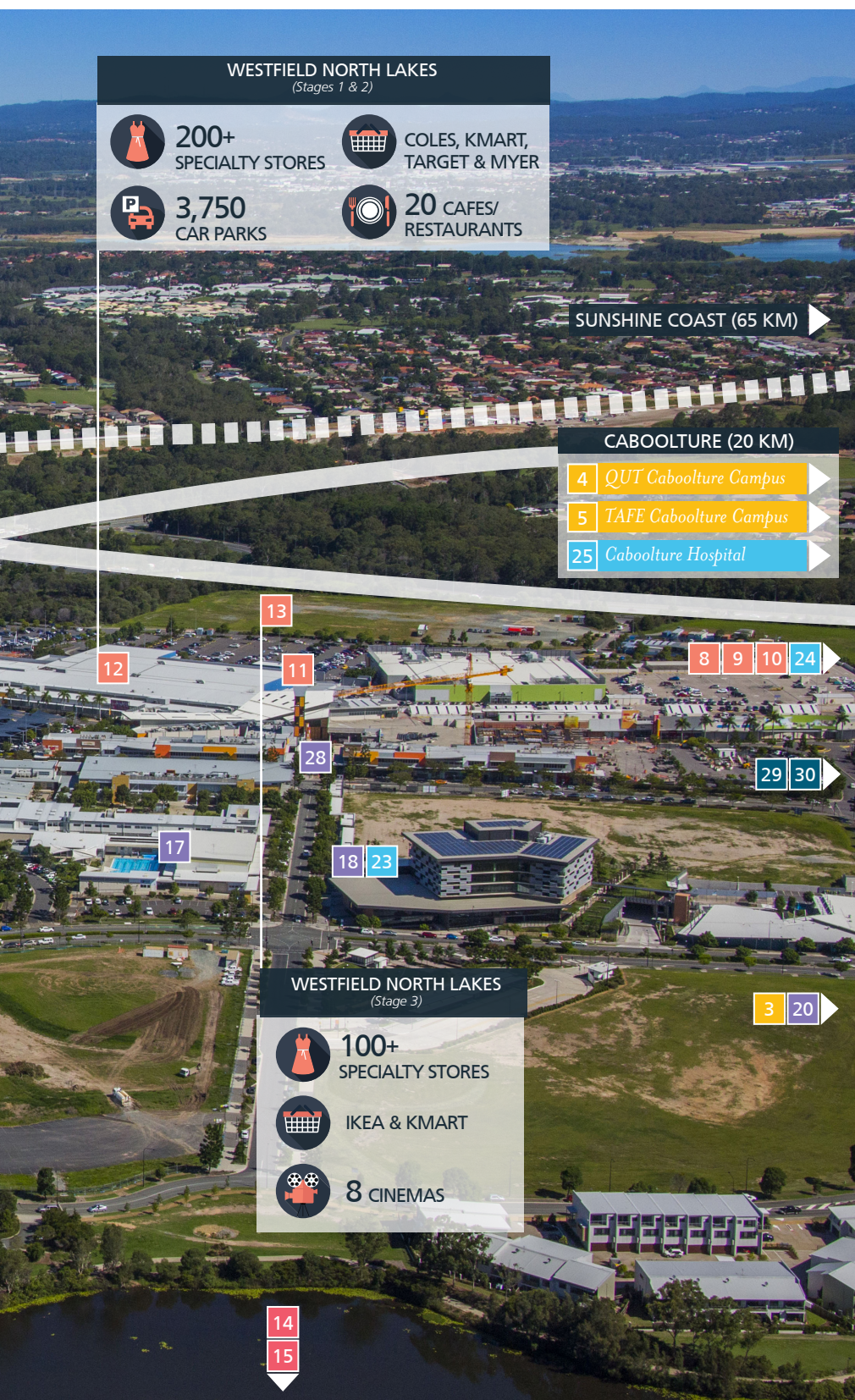
North Lakes Town Centre



Established and proposed infrastructure investment will be a key driver in the growth of North Lakes, with 47,000 new residents forecast between now and 2035.

Proximity to major arterial roads and rail networks highlight the region's connectivity to the Brisbane CBD, domestic and international airport terminals, Port of Brisbane, the Sunshine Coast and the Gold Coast.

Major retail amenity, local health care, civic space, sporting facilities and education – all located within the North Lakes community - will continue to drive demand for residential development.



LEGEND

Future Planned Works

Education	1	North Lakes State College
	2	The Lakes College
	3	Bounty Boulevard State School
	4	Queensland University of Technology (QUT) – Redcliffe & Caboolture
	5	TAFE Campus – Redcliffe & Caboolture
	6	Mueller College
	7	Grace Lutheran College
Retail	8	CostCo - North Lakes
	9	Bunnings - North Lakes
	10	Masters – North Lakes
	11	Aldi
	12	Westfield North Lakes Shopping Centre - Stage 1 & 2
Parks	13	Westfield North Lakes Shopping Centre - Stage 3 (planned 2016)
	14	North Lakes Environmental Park
	15	North Lakes Town Park
Leisure	16	North Lakes Town Common
	17	Pathways Leisure Centre and Swimming Pool
	18	Pathways Library
	19	Lake Kurwongbah
	20	North Lakes Resort Golf Club
Health & Employment	21	North Lakes Day Hospital
	22	North Lakes Health Precinct
	23	Corso North Lakes
	24	North Lakes Business Park
	25	Caboolture Hospital
	26	Redcliffe Hospital
Proximity To	27	Moreton Bay Rail Link
	28	North Lakes Town Centre
	29	Boundary Road Interchange Upgrade (planned 2016)
	30	Plantation Road Upgrade (completed)

INFRASTRUCTURE & DEVELOPMENT

Large-scale infrastructure investment from state and local government has been a direct benefit to North Lakes. This expenditure includes the improvement of road networks, introduction and upgrade of rail transport and the identification of more than 700 hectares of land earmarked for future employment, both industrial and mixed business. Moving forward continued investment will be a catalyst for employment growth and residential demand.

Moreton Bay Rail Link (\$1.15B)



UNDER CONSTRUCTION

The Moreton Bay Rail Link Project will deliver a 12.6 km dual-track rail line between Petrie and Kippa-Ring, with six new rail stations located at Kallangur, Murrumba Downs, Mango Hill, Mango

Hill East, Rothwell and Kippa-Ring. Work is expected to be complete in 2016.

Boundary Road Interchange Upgrade (\$105M)

COMMENCE 2016

Announced in March 2015, the Federal and Queensland Governments have committed to a \$105 million upgrade of the Boundary Road Interchange, to be built north of the existing overpass. Construction is due to start early 2016.

Future employment growth will continue to drive new residents to the area



Westfield North Lakes-Stage Three (\$230M)

PROPOSED

Positioned with direct access to the M1 motorway, Westfield North Lakes serves a trade area population close to 360,000

people, with a total spending capacity of over \$4 billion. The \$230 million third stage of Westfield North Lakes, due for completion in 2016, will include the development of an Ikea retailer with linked specialty mall (100+ specialty stores), Kmart and 8-screen Event Cinema.



Corso North Lakes (\$45M)

COMPLETED

Corso North Lakes, opened in September 2014, is Moreton Bay Regional Council's new \$45 million community and commercial complex centrally located in North Lakes.

The facility provides residents with access to a modern library, community centre, plaza area with a children's playground and a \$4 million young people's place, together with commercial office space and car parking.

Plantation Road Project (\$15.1M)

COMPLETED



Moreton Bay Regional Council has now completed work on the new \$15.1 million Plantation Road project including a significant upgrade to the intersection of Alma Road and Old Gympie Road, Dakabin.

EMPLOYMENT

The average household income in North Lakes at the 2011 Census was \$99,399, while across the Brisbane LGA this figure was \$88,027. In addition, residents in North Lakes had a higher rate of employment at 75.8 per cent than the Brisbane LGA at 68.5 per cent.

Analysis of the ABS Census 2011 data reveals that the top two industries by employment for residents of North Lakes are Health Care and Social Assistance (13.8%) and Retail Trade (10%). These two industries recorded a higher proportion of employees in North Lakes than the Brisbane LGA benchmark, which is not surprising given the proximity of North Lakes to a number of hospitals and associated health facilities, as well as the concentration of local shopping and retail amenity located within the suburb.

NORTH LAKES HOUSEHOLD INCOME & EMPLOYMENT

	 AVERAGE HOUSEHOLD INCOME	 EMPLOYMENT (% EMPLOYED)
NORTH LAKES	\$99,388	75.8%
BRISBANE LGA	\$88,027	68.5%

Prepared by Urbis, Source: ABS Census 2011

North Lakes is made up of a family demographic attracted by the low-maintenance, high amenity lifestyle

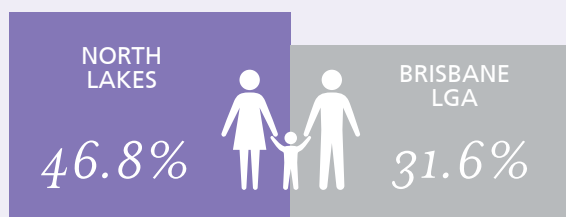
North Lakes has continued to register strong population growth due to the suburb's established amenity and infrastructure, as well as its accessibility to motorways, the Sunshine Coast, Brisbane CBD and Airport precinct. Significant road and rail improvement, paired with a diversified mix of industry, is expected to drive employment moving forward, a major factor for families moving into the region.

AGE DISTRIBUTION

North Lakes has a higher proportion of younger residents than the Brisbane LGA, with 25.4 per cent of residents aged 25 to 39 years, compared to 22.3 per cent for the Brisbane LGA. Conversely, residents aged 60 and over make up a lower proportion of the total North Lakes population at 11 per cent, when compared to the Brisbane LGA, where this age cohort makes up 17 per cent of the population.

North Lakes has a higher proportion of families with young children than the Brisbane LGA, accounting for 46.8 per cent of the various family structures.

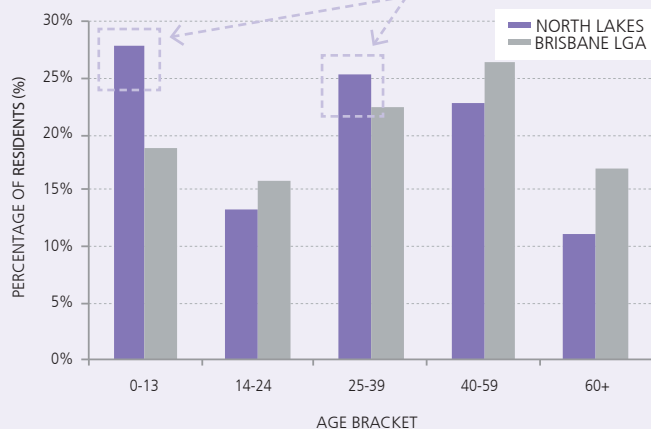
FAMILIES WITH CHILDREN UNDER 15



Prepared by Urbis, Source: ABS Census 2011

DEMOGRAPHIC COMPARISON

Young families make up 46.8% of the North Lakes demographic



Prepared by Urbis, Source: ABS Census Data 2011, OESR 2013

POPULATION & DEMOGRAPHICS

POPULATION GROWTH

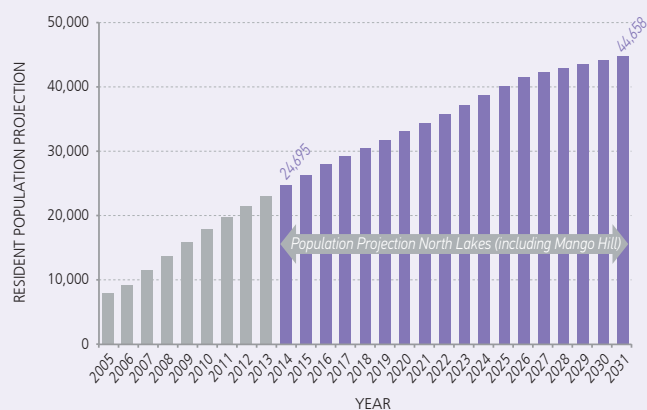
The population growth registered within North Lakes made it one of the fastest growing regions in Queensland. Over the five-year period 2001 to 2006 the population of North Lakes grew by nearly 6,000 new residents. Over the following Census period (2006 to 2011), the population grew by a further 8,500 residents, and at the time of the 2011 Census, North Lakes had a population of just over 15,000 people.

As well as the current and proposed infrastructure projects outlined, the close proximity of North Lakes to large employment nodes is expected to contribute to sustained long-term population growth.

North Lakes is centrally located within the Moreton Bay LGA, one of the fastest growing urban regions in Australia

NORTH LAKES POPULATION PROJECTION

OESR, PROJECTED POPULATION (MEDIUM SERIES) BY SA2, QUEENSLAND, 2011-2031



REGIONAL POPULATION GROWTH



1,145
NEW RESIDENTS PER ANNUM

Prepared by Urbis, Source: ABS Cat. no. 3235.0, OESR 2013
*North Lakes Catchment includes the suburbs of North Lakes and Mango Hill

RESIDENTIAL ANALYSIS

Increased employment growth and infrastructure investment is expected to bode well for residential and rental demand within North Lakes.

North Lakes has continued to attract new residents across all dwelling types due to its large scale private and public investment. As North Lakes nears ultimate build out, residential demand has remained strong with solid sales levels registered over recent years.

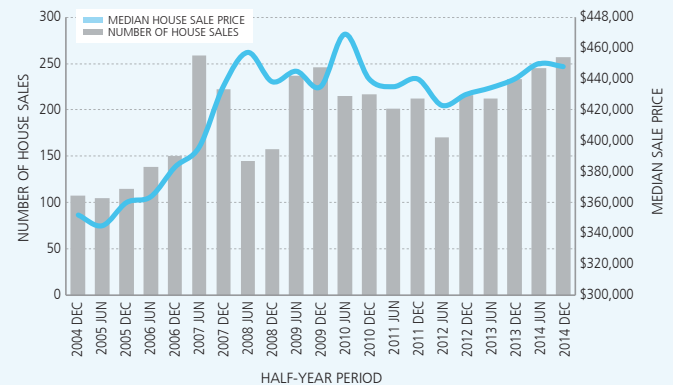
In 2014, North Lakes registered a record-breaking 602 house sales demonstrating the demand within the local residential market. The North Lakes market has displayed a long-term upward trend over the past ten years, recording a median house price of \$448,000 during the period ending December 2014.

High quality residential product in proximity to North Lakes Town Centre continues to be an in-demand product, with Urbis primary research identifying that residents of North Lakes are willing to pay a premium for new and near-new residential stock within proximity to the North Lakes Town Centre.

From a townhouse perspective, analysis of new developments over the last three years to December 2014 showed that new townhouse product located in the North Lakes Town Centre has recorded sales as high as \$530,000, 48 per cent higher than the \$359,000 median townhouse price.

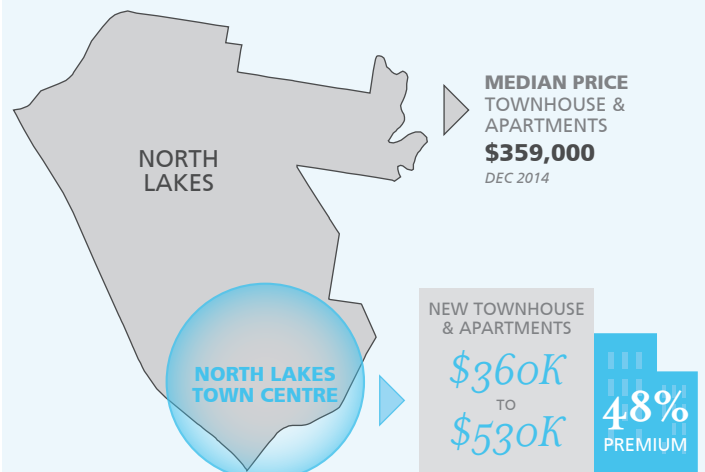
Price premiums of up to 48 per cent have been recorded for Townhouse & Apartment product within close proximity to North Lakes Town Centre

NORTH LAKES HOUSE SALES CYCLE
DEC 2004 - DEC 2014



Prepared by Urbis, Source: RPData

NORTH LAKES TOWNHOUSE & APARTMENT MARKET
MEDIAN PRICE PREMIUMS (JAN-DEC 2014)



Prepared by Urbis, Source: RPData, Jan to Dec 2014

STRUCTURAL UPLIFT

The positive impact of master planned residential developments

NORTH LAKES MASTER PLAN



- Large scale Master Plan development
- Multiple Use (Residential, Retail, Commercial)
- Highly diverse product range
- High amenity provision
- Aligns with surrounding infrastructure
- Enables elements of traditional neighbourhoods
- High levels of Urban Design
- High levels of walkability & connectivity

Greater Capital Investment can increase the potential to outperform the surrounding area for:

- **MEDIAN PRICE GROWTH**
- **CAPITAL VALUE GROWTH**
- **RENTAL GROWTH**

New and near-new rental product is recording premiums over established North Lakes residential product

RENTAL ANALYSIS

NORTH LAKES RENTAL YIELD—HOUSE & TOWNHOUSE



NORTH LAKES
HOUSE
RENTAL YIELD
MARCH 2015

3.4%

Average rental yield
over the past 3 years



NORTH LAKES
TOWNHOUSE
RENTAL YIELD
MARCH 2015

5.4%

Average rental yield
over the past 3 years

Prepared by Urbis, Source: RTA

WEEKLY RENTAL PREMIUM—NEW/NEAR-NEW VS ESTABLISHED



NEW & NEAR-NEW
PRODUCT

\$360

ESTABLISHED
PRODUCT

\$320

PREMIUM
\$40



NEW & NEAR-NEW
PRODUCT

\$450

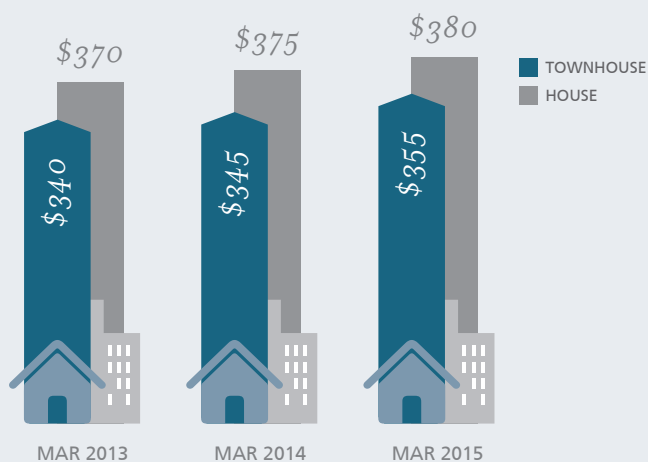
ESTABLISHED
PRODUCT

\$355

PREMIUM
\$95

Prepared by Urbis, Source: RTA, RPData

TYPICAL THREE-BEDROOM PRODUCT



*The sample of two and four-bedroom townhouses are too small for the RTA to report.
Prepared by Urbis, Source: RTA, Realestate.com, Domain.com.au, Agents

Over the past three years, the North Lakes rental market has delivered a strong rental return on investment. Combined with the large scale infrastructure and retail amenity investment, North Lakes and its surrounds is expected to further its position as a key region in accommodating increasing employment and population growth in the Greater-Brisbane region.

North Lakes has recorded stable rental growth over the past three years to March 2015, with median weekly rents increasing to provide annual growth in both house and townhouse markets. Since March 2012, rental yields within North Lakes have remained solid, averaging 3.4 per cent for houses and 5.4 per cent for the townhouse market.

Strong demand in North Lakes has driven increased competition for rental dwellings, leading to ongoing rental growth and a rental premium over existing residential product.

Market demand for new house and townhouse product can drive a strong investment platform. According to the Residential Tenancy Authority (RTA) for the quarter ending March 2015, North Lakes* recorded median weekly rents of \$380 per week for house and \$355 per week for townhouse product. This represents a more affordable option than rental product in the Brisbane LGA, which registered weekly rents of \$430 per week for houses and \$410 per week for townhouses.

New and near-new residential product currently being advertised for rent is attracting significant premiums over established stock. On-the-market research completed by Urbis indicates that higher rents are achieved for newly constructed or near-new product that provides tenants with a superior location, amenity and quality of build.

* Postcode 4509 includes Mango Hill

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Brisbane
Level 7, 123 Albert St
Brisbane QLD 4000
07 3007 3800

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