



Views & Vantage Points

IN every respect, this edition of the River Report is about vantage and views - the continued positive view of Brisbane's robust riverside residential market, the delights of our city viewed from the river, and seeking your views on the vexed issue of saltwater mangrove proliferation.

'Vantage' is defined as 'position affording superior advantage or opportunity' and, in terms of real estate market performance, 'vantage' is certainly a condition enjoyed by river property owners. Our progressive 2006 analysis of Brisbane's river market shows this quality sector is defying the negative cyclical trends evident in the broader real estate market.

In fact, sustained prices growth and a number of significant riverfront sales recorded in recent months, highlight the extent to which strong demand and limited supply cushions the river precinct from dramatic market corrections. The unquenchable thirst for our river 'vantage' means this market continues to surge.

Vantage points from which to enjoy views of our river, however, are another matter. They are in dramatic decline thanks to the steady encroachment of saltwater mangroves. This has emerged as a major concern for many reasons - character, visual amenity and security chief among them.

It is an issue authorities must address, and the weight of public opinion is vital. So we are seeking your views, gathering feedback on your experiences and observations, to build a credible research and reference resource. You'll find our survey enclosed.

Finally, we present some delightful views of Brisbane from the river. Through our pages, take a trip aboard the charming old MV Mirimar, spotting some of our city's famous landmarks - old and new.

As always, we hope you find the River Report interesting and informative. We invite your feedback, particularly on issues you may like us to explore in future editions.



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Unquenchable thirst for the river

... makes for feather-soft landing

The market has continued to surge unabated

WHILE analysts describe the current phase in the property cycle as 'corrective', following the peak of the boom in late 2003, Brisbane's river market continues to perform at record, or near record levels. In fact, some very impressive recent river sales indicate this elite slice of Brisbane's real estate market is continuing to surge ever upward.

A progressive tally of 2006 river precinct sales shows, by mid-September, just over \$112 million worth of riverfront and riverside residential real estate sales had been recorded. By comparison, after the first eight months of 2005 (to end August), the sales total was only nudging \$65 million.

Turnover, that is the number of properties changing hands, is undeniably down on the pace seen in 2002 and 2003, but the prices being achieved are significantly higher. In 2003, for example, the average sale price of an absolute riverfront house was \$1.89 million. In 2005, the river house price average was \$2.66 million.

So far in 2006, our

analysis shows absolute riverfront house prices are averaging close to the 2005 figure (approx. \$2.54 million to mid-September 2006). Here is a summary of the river precinct

Property	Location	Number sold	Total Value
Houses	Absolute Riverfront	22	\$55.916 million
	Riverside	13	\$24.695 million
Land	Absolute Riverfront	4	\$21.950 million
	Riverside	5	\$6.007 million
Old unit block / site	Absolute Riverfront	1	\$3.500 million
TOTAL	All river	45	\$112.068 million

sales that had been recorded by mid-September:

Property analysts now generally agree the height of the latest property boom occurred sometime in late 2003. From a turnover viewpoint, our own records confirm the three-month period from August to October 2003 was the sales peak.

History shows that, following closely behind each successive property boom, is a period of 'correction' in the marketplace (or worse, as has been seen this time around in Sydney, somewhat of a protracted property 'bust'). An increase in the number of foreclosures or forced sales

incredibly soft the corrective 'landing' has been at the 'quality' end of the residential real estate market in Brisbane. By 'quality' end, we mean property located roughly within a 10-km radius of the city, but also including riverfront property and some hilltop locations further out.

While the residential real estate market generally throughout Southeast Queensland is undergoing a 'correction', when it comes to the quality end of the market, the negative forces are not making any ground against the positive fundamentals driving demand.

Not only has the landing in this sector been almost 'feather soft', in many areas - notably the river - the market has continued to surge unabated, as if the boom never ended. Riverfront housing and land are in such demand, and in such short supply, that prices are climbing ever upward into uncharted waters.

A case in point is the amalgamated land parcel on Coronation Drive adjacent to the ABC studios. Totalling more than 3500sqm, the parcel sold in September last year for \$10.75 million. Remarkably, in May this year, it was resold for \$13.75 million - a gain of \$3 million, or 28 per cent, in just seven months.

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Of course this is a unique property. It was initially bought by a Brisbane investor who demolished three old houses that stood there, built a gated entry and access road, then offered it for sale as four individual allotments.

We understand the single buyer has engaged a leading architectural firm to design a single sensational residence on the site. This land is unrepeatable and opportunities like this come once in a lifetime, if at all. Still, it illustrates the potential.

Similar situations have played out at beachfront sites on Hedges Avenue at Mermaid Beach, where raw land values have multiplied many times over in recent years. Brisbane's waterfront equivalent is, of course, on the river. If we apply a similar rationale, then the local market may still have a very long way to go.

A similar 'flight to quality' was evidenced in the early 1990s at a comparable phase in the residential

property cycle. The difference now is that interest rates are much lower than they were then and, with continued migration to Queensland's south-east corner, population pressures are far more acute. More people with the capacity to purchase a finite number of quality properties means that values can only head in one direction - and that is UP.

Some other highlights of 2006 river market activity so far include:

- **Yeronga** has been a stand-out performer, with nine properties totalling more than \$17.5 million sold from January to mid-September. Some of these sales have resulted from the redevelopment of large blocks to provide two or three smaller sites on which new homes have been established.

In some cases, the change is generational, with properties held for many years by the same families, now coming onto the market. Brisbane

Corso is currently very active, having seen three sales so far this year and with another three now on the market. Yeronga, which is actually closer to the city than Bulimba, has emerged as a very strong performer and, in my opinion is still undercapitalised.

- In **Fig Tree Pocket**, an old Jesmond Road farmhouse on more than 1.5 hectares changed hands. It had been in the same family since the 1950s.

- **Jindalee's** star is rising. One riverfront house sale this year achieved \$1.86 million which, I believe, may have set a new record for that suburb.

All this adds up to continued rising confidence in Brisbane's river market. Demand is very strong in price brackets up to \$3 million. And there are plenty of buyers with the propensity to spend well in excess of \$3 million for premium riverfront properties.

TOP SALES TO MID SEPTEMBER 2006

Suburb	Location	Description	Price indication
Toowong	Coronation Drive	4 adjacent homesites, gated entry, 3565sqm	\$13.75 million
Hawthorne	Virginia Avenue	1500sqm of absolute riverfront land	\$5 million +
New Farm	Oxlade Drive	Prestige riverside house	\$4.5 million +
Indooroopilly	Glencairn Avenue	Prestige riverside residence on 1680sqm	\$4 million +
Fig Tree Pocket	Jesmond Road	Old farm house on approx. 1.5 hectares	\$4 million +
Bulimba	Quay Street	Quality riverfront house with city views	\$3.5 million +
Chelmer	Rosebery Terrace	Riverfront Q'lander on over 2500sqm	\$3.5 million +
Highgate Hill	Dudley Street	Old riverfront units suitable for redevelopment	\$3 million +
Yeronga	Astolat Street	Brand new prestige riverfront home	\$3 million +
Hawthorne	Barton Road	Established riverfront home	\$3 million +



What's your view on mangroves?

SINCE 2000, our 'River Report' has pursued the vexed issue of mangrove management (some would say, lack of it) on the Brisbane River. A recent survey of our readers has again highlighted mangroves and the laws governing them as the issue of most concern to riverside residents. We invite you to tell us more...

As we have stated in so many previous reports, mangroves are an integral part of the Brisbane River landscape and habitat, and need to be protected and nurtured. But the saltwater species, which history attests only occurs upstream from Hamilton through human interference with the natural ecosystem, has continued its prolific march up our now salty river, all the way to Redbank.

This species grows three to four storeys high and has the capacity, as is plainly evident in so many parklands and private riverfront properties, to completely obstruct previously available river views. If left unchecked,

under the current mangrove 'management' policy, within 10 years these foreign invaders could make our river completely invisible to the public.

recently asked readers what issues they would like to see covered in the DIXON JOHNSTON Quality Property River Report:

"I think most riverside owners with a growing mangrove problem are very interested in this issue and would like to know if we could apply to trim mangroves."

D.J.S., Fig Tree Pocket

"More info on mangroves please, ie. developers allowed to destroy mangroves (Macquarie Street, New Farm)."

T.H., Indooroopilly

"More information about the right to trim mangroves."

H.S., Chelmer

"I can't see why they (mangroves) can't be kept at a reasonable height. After all, we pay river rates because of the view, but increasingly our view is diminishing."

N.L., Fig Tree Pocket

"When we built here (on the river) over 50 years ago, we pruned our mangroves as we did our garden shrubs. They remained healthy and provided us with a plentiful supply of huge mud crabs. Now we are lucky to get a glimpse of the river - not to mention the discomfort of midgies that breed there now. Oh, for the good old days!"

H.C., Yeronga

If we are ever to see this issue resolved once and for all, public opinion needs to be heard. We invite you to take a few moments to fill out the survey enclosed with this report so we can continue to lobby for mangrove action - armed with our findings.

Above are just some of the many comments we received when we

Various stakeholders have expressed alternate views on mangrove management. Some suggest hedging, whereby the root system would be encouraged to grow to stabilise the bank and extra leaf litter produced to support marine life. One proposal is that 50 per cent of mangroves in front of riverfront properties be permitted to be hedged, which would allow

Public opinion needs to be heard



Chelmer Reach - photo taken 1986

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What's your view on mangroves? continued...

Various stakeholders have expressed alternate views

intermittent views while retaining some full-size trees to support bird life.

Anyone who strolls along the riverside park on the Brisbane Corso, in Orleigh Park at West End or at the Yeronga esplanade well knows how rapidly the mangroves have grown and the visual blackout the invading saltwater species brings.

Brisbane City Council, although not the authority responsible for controlling and administering mangrove management policy, needs to agitate on behalf of its constituents - to bring commonsense to this debate. Surely research can be done to provide definitive answers on the question of trimming.

Interestingly, as we have also pointed out in previous editions, the issue may well be forced by one of the State Government's own pet projects - North Bank. The Department of Natural Resources' current 'hands off' mangrove policy will have to be tackled to bring this huge development to fruition on a reach of the river thick with mangroves.

The blueprint for the northern side of the river envisages a development to emulate South Bank, with residential and / or commercial buildings, retail, entertainment, parklands and tourist / boating facilities under the expressway. After a long silence, since the close of Expressions of Interest in early February, the State Government has finally announced the short-list of bidders for the North Bank development (Stage 1, between the Victoria Bridge and Alice Street).

Three developers, Multiplex, Lend Lease Developments and The Property Solutions Group, have been short-listed. In making the announcement, Deputy Premier Anna Bligh said the project would transform Brisbane's "forgotten" riverfront precinct. "It also aims to make one of the greatest stretches of the Brisbane River frontage safer and more accessible for all," she said.

So it will be interesting to see just how they propose to do that without touching the mangroves. Or will it be a case of 'do as I say, not do as I do'? Since July, these short-listed bidders

have been putting together more detailed plans, with final proposals submitted to the government by the end of September.

While no date has been set for announcing the successful bidder, Ms Bligh said a report on the submissions would be completed "later this year".

We wait and watch with interest, and can only hope North Bank might finally bring matters to a head. It is the perfect opportunity for the State Government to study mangrove proliferation, to once and for all seek answers on mangrove care and control and to make this development a model for all private and public riverfront property for the future.

In the meantime, we invite you to have your say through our survey. Tell us your mangrove experiences, how they have altered your property and river views, and how you would like to see the issue resolved. We will continue to do our bit to have your voices heard.



Chelmer Reach - Same view photo taken 2006



All aboard for a magical history tour

THERE is nothing quite like a view of Brisbane from the river - this mighty river that shaped our city's progress and character. It is a view of our past, a fascinating perspective on contemporary life and, in many places, provides a glimpse of our future.

Brisbane's most famous river cruise is aboard the MV Mirimar, the oldest vessel in constant survey in Queensland, possibly in all of Australia. The Mirimar was built by Bulimba's famed shipwrights, Norman R. Wright & Sons, and launched in June 1934. At the time, she was Brisbane's largest launch, at 96 feet (39 metres).

She has been cruising our waterways ever since, principally doing exactly as she is today, transporting passengers to Lone Pine Koala Sanctuary at Fig Tree Pocket. In the early days, she ventured further afield, taking passengers north to Redcliffe and Bribie Island.

During the war (1942-45), she was seconded for other duties, as a troop ship, target tow ship, and to transport construction materials to Moreton Island for the establishment of Cowan



Rob Treasure (above), proud skipper of the Mirimar has "Brisbane's best job". He loves to regale passengers with his informative and often amusing commentary of river highlights and history.



MV Mirimar, a gracious lady of the Brisbane River since 1934, still delighting passengers with her special view of the city.

Battery. These days, she makes her trip up the river every day (except Christmas and Anzac Days) to Lone Pine, along the way delighting passengers with a magical history tour.

The 19 km voyage upstream passes gracious old Queenslanders and modern riverside mansions, famous landmarks, old and new, and spectacular natural features like the flying fox colony on Indooroopilly Island.

Skipper, Rob Treasure, has worked aboard for six years and skippered this charming vessel for the past two years. He says 90 per cent of passengers are tourists visiting Lone Pine, but many locals also take the cruise to discover

or rediscover the delights of their home town.

Rob proudly boasts (and who would disagree?) that he has the "best job in Brisbane". Many of the Mirimar's previous skippers have gone on to captain the CityCats, but are still drawn back to the help of the gracious Mirimar on weekends and during Rob's holidays.

So ... welcome aboard as we give you a glimpse of the view of Brisbane from the MV Mirimar.

The MV Mirimar is based in Queens Wharf Road, Brisbane City, under the Victoria Bridge on North Quay.

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All aboard for a magical history tour continued...



Rhyndarra (left), one of Brisbane's most magnificent heritage-listed homes, commands pride of place at Yeronga alongside quality modern-day riverfront residences. This grand private home was designed by prominent Brisbane architect, Andrea Stombuco and built in 1889 for William Williams, manager of the Australasian Steam Navigation Company, at a cost of 3,200 pounds.

In its lifetime, Rhyndarra has been used as a Salvation Army home for orphaned girls and a military hospital. At the time of writing, the spectacular Victorian manor was listed for sale with DIXON JOHNSTON Quality Property for \$4.35 million.

Last vestiges of the Tennyson Power House (right). For a short while, these towering skeletons were the last visible remnants of the power house along this 700-metre river frontage between Tennyson and Yeerongpilly. The land, part of which had been used as a staging camp during World War II, and part occupied by the late 19th century house Hayslope, was chosen in 1945 as the power house location. Hayslope was demolished and power house construction began in 1950. Now another chapter is being written its history, as demolition makes way for the new \$60 million State Tennis Centre.



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All aboard for a magical history tour continued...



Eleanor Schonell Bridge (left), or the 'Green Bridge' as most locals had become accustomed to calling it, is a new feature of the Brisbane River, providing Australia's first dedicated pedestrian, cycle and bus bridge, linking the University of Queensland's St Lucia campus and Dutton Park. The cable-stay bridge spans 390 metres, with dramatic twin-column supports rising to 70 metres.

Dr Eleanor Schonell was a distinguished Brisbane educator and humanitarian who worked with her husband, Sir Fred Schonell, producing world-recognised literacy tests. She contributed a great deal to the education of children with intellectual disabilities, working in particular with cerebral palsy children.

The Regatta Hotel at Toowong (right), with its signature lace ironwork verandas, has been a famed Brisbane watering hole for more than a century. She weathered inundation in both the 1890 and 1974 floods, but many may not know has withstood tempests of a different kind.

The Regatta is home to Queensland's women's liberation movement, thanks to two women who chained themselves to the footrest in a public bar in 1965 in a controversial battle for the right to drink alongside men. Only last month, this historic pub was sold to high profile publican Tom Hedley for a sum reported to be close to \$35 million.



The Gas Cracking Tower at West End (left). This intricate cast iron tower was fabricated in Yorkshire, England, in 1912 then brought to Brisbane. It was used to strip tar and ammonia from coal gas produced by the south Brisbane Gas and Light Company Limited.