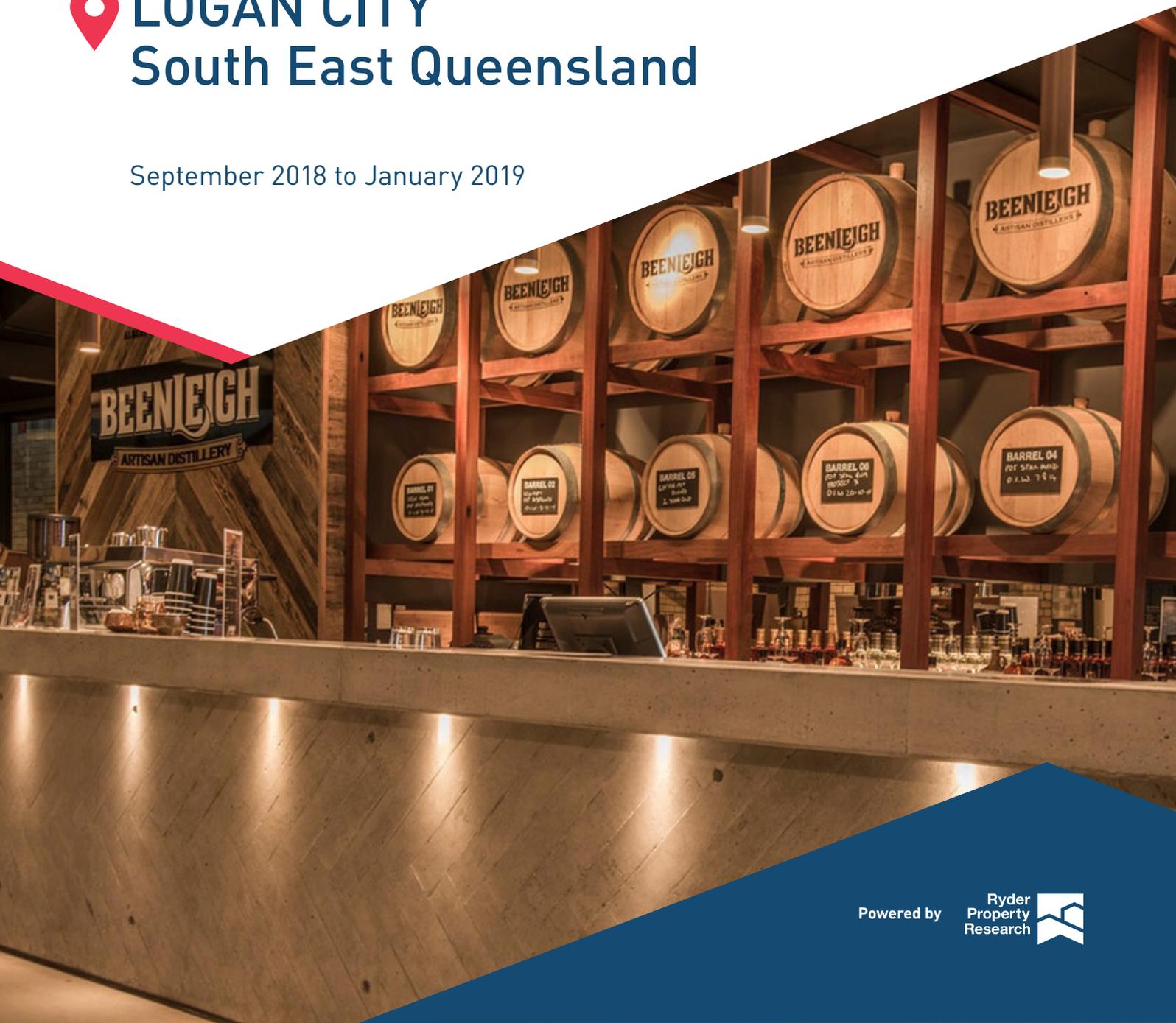


Location Report

 **LOGAN CITY**
South East Queensland

September 2018 to January 2019



LOGAN CITY

South East Queensland

Highlights

- Affordable properties
- Good rental yields
- Excellent infrastructure
- Strong road and rail links
- \$4 billion Yarrabilba PDA
- Location between Brisbane CBD and the Gold Coast
- Proximity to major retail centres
- \$600 million retirement village
- \$512 million Logan Mwy upgrade

Suburb - houses	Typical prices	Suburb- units	Typical prices
Beenleigh	\$348,000	Beenleigh	\$233,000
Daisy Hill	\$501,000	Browns Plains	\$267,000
Eagleby	\$320,000	Loganlea	\$259,000
Kingston	\$310,000	Waterford	\$229,000
Shailer Park	\$575,000	Woodridge	\$194,000

Affordability and amenity are the keys to the appeal of Logan City. It is a nation-leading example of the “power combination” that leads to elevated market activity: Affordability + Infrastructure + Jobs Nodes.

Logan City is a cluster of affordable suburbs midway between Brisbane City and the Gold Coast, and is well-connected by road and rail.

Already one of the fastest-growing municipalities in Australia, Logan City is the home of two evolving satellite cities – Yarrabilba and Greater Flagstone – both of which are under construction.

There are plans to further develop a Health and Knowledge Precinct linking Logan Hospital, Logan TAFE and Griffith University while the Logan City Council is actively courting developers by offering incentives on selected projects that support tourism.

With economic activity growing, opportunities abound for property investors.

Population and Demographics

Logan City is the most culturally diverse city in Australia with the population increasing 1.5% each year, largely due to migrants moving to the area.

The City provides services to 217 different nationalities and cultures, the most common sources of immigrants being:

- New Zealand (8%),
- England (4%),
- Philippines (1%),
- India (1%) and
- Samoa (1%), according to Census data.

Logan City sometimes struggles with high unemployment. In July 2015, the jobless rate was 8.3%, compared to the national average of 6.0%. By November 2016, the local rate was on par with the national average, but this has deteriorated again. In December 2017, the Logan–Beaudesert rate was 6.8%, above the national average of 5.4% and state average of 5.9%.

Economy and Amenities

Covering a broad geographical expanse, the City of Logan is divided into **five major centres**.

Logan Central is the civic heart and retail service centre while **Springwood** is the commercial and retail hub.

Beenleigh serves as a node for government services. Another retail and commercial centre is Browns Plains which also has light industrial facilities.

The newer suburb of **Meadowbrook** (designated as a Specialist Centre in health, research and education in the *South East Queensland Regional Plan 2009-2031*) features a health and knowledge precinct, with Logan Hospital, Logan TAFE and Griffith University campus. It is also home to light and general industry.

Logan City has a specific focus on each of the following industries:

- Transport and logistics
- Food and beverage
- AgTech
- Health and aged care
- Tourism.

- Transport and Logistics

Transport and logistic businesses established in the Logan area include: DHL, M3 Logistics, Direct Freight Express, CEVA Logistics, Toll NQX, AirRoad, PACCAR Parts and Linde.



Location

- Mid-way between Brisbane and the Gold Coast
- Rochedale South, a northern suburb within Logan City LGA, is 19km south of Brisbane CBD
- Beenleigh, a southern suburb within Logan City LGA, is 34km south of Brisbane CBD
- Logan City is connected by rail to both Brisbane and the Gold Coast
- Road links include the Pacific, Logan and Gateway Motorways.



Population

Population 2016:	203,000
Projected Population 2036:	490,000
Median age:	34



Employment

- Construction: 12%
- Healthcare/social assistance: 12%
- Retail: 11%
- Manufacturing: 10%
- Education & training: 8%
- Transport, postal, w'housing: 7%

Source: 2016 Census

HOME OWNERSHIP

- 23% own their homes
- 40% have mortgages
- 33% rent their homes

Source: 2016 Census

There is also Holmwood Highgate which builds road tankers and Defence Force vehicles.

Complementing these businesses are five major industrial precincts located at Berrinba, Crestmead, Kingston, Loganholme and Underwood/Slacks Creek.

- Food and Beverage

Logan's multi-culturism has introduced a plethora of new flavours to locally-grown fruit, vegetables and produce.

Honey, rum, apples, mushrooms, Asian greens, cucumbers, potatoes, herbs, spices, coffee and strawberries are cultivated and processed into exotic boutique fare destined for both national and global markets.

Many research facilities supporting these industries are located across Logan City.

- Health and Aged Care

Logan City is serviced by the Logan Hospital, which opened a \$145 million extension in 2015, and is supported by the new GP Super Clinic Health Hub in Meadowbrook.

- Retail

The area is especially strong on retail facilities. Employing 24,000, the Logan Hyperdome is among the largest shopping centres in Australia while Swedish furniture and homewares store Ikea has a large outlet in Springwood.

The Logan Mega Centre has 28 retail stores which mostly offer household and furniture outlets, but also camping and sporting goods.

- Education Facilities

Around 10 primary schools and 10 high schools attend to the educational needs of Logan families.

- General Amenities

Teys Australia, the second largest meat processor and exporter in Australia, is based in Beenleigh and employs 800 people.

Tourism injects \$450 million a year into the Logan region and supports 2,600 local jobs.

Major venues include the Logan Entertainment Centre which can seat 1,200 patrons and the Logan Metro Sports Centre, a multi-purpose venue capable of seating 2,000 spectators.

Beenleigh is renowned for its rum production, the Beenleigh Rum Distillery being Australia's oldest rum distillery and built by convicts.

Property Profile

Logan has been repeatedly identified as one of the fastest-growing areas in Australia in recent years.

Property advisor Michael Matusik says residential sales in Logan have doubled over the last six years. He also says Logan City needed to build 9,000 new dwellings over the last five years, but only 7,500 were built, leaving the LGA undersupplied by about 20%.

Building activity has intensified in the last three years with an average of 2,400 dwellings per year approved from FY2015 to FY2017.

This is a significant increase on the previous three years when an average of 1,400 dwellings were approved annually.

Standalone houses remain the preferred choice of new abodes.

Logan City's affordability is the key factor driving its property market, according to REIQ CEO Antonia Mercorella. And it's young families and first-home buyers who are seizing the opportunity, she says, a pattern that's expected to carry on.

"More people means demand for housing and it is likely this growth trend will continue in the immediate future for Logan," she says.

Another driver to the Logan property market is the increasing price of properties in the neighbouring Gold Coast, especially as vacant land becomes scarce in that region.

Selling agents are reporting an increase in migration from the Gold Coast to affordable Logan City.

Many older suburbs in Logan City have been revitalised through urban renewal partnership projects between Logan City Council and the State Government.

New estates also flourish, giving buyers a wide range of lifestyle options, from leafy suburbs to bushland acreage.

In this edition, we have added Jimboomba to the price data list because it has one of the highest growth rates in Queensland. According to the ABS, it's population has grown 8% in the last 12 months.

With 195 dwelling sales in the past 12 months, Jimboomba is also a busy market.

Yarrabilba is another new addition; six years ago this precinct was a vast tract of vacant land. Over the last three years, annual dwelling sales have exceeded 150 as new estates have appeared.

Logan City attracts investors because it has affordable housing, access to the third largest job market in Australia (Brisbane) and is blessed with infrastructure, says demographer Bernard Salt.

Houses priced under \$400,000 can be found readily in at least 11 suburbs, the cheapest homes being in Kingston, Woodridge and Eagleby where the median prices are \$310,000, \$312,000 and \$320,000 respectively.

Vacancy rates began to rise in several suburbs in 2017 and at present, some postcodes are above the comfort zone of 3.0% - although all are below 3.6%.

New housing estates, located mostly to the west of the M1 and east of the Mt Lindesay Highway, may account for the higher vacancies in some areas.

Logan is one of the largest and fastest growing LGAs in Australia.

The population is increasing by approximately 1.5% per year.

Source: City of Logan

The tightest rental market is the Springwood/Slacks Creek/Daisy Hill postcode where the vacancy rate is currently 1.7%.

Beenleigh, Loganlea and Woodridge have been active unit markets in the past. However, the sales numbers have fallen in the last six months, though Woodridge remains solid.

It has a median unit price of \$194,000 based on 96 sales in the last 12 months.

The apartment markets in Beenleigh, Browns Plains, Waterford and Woodridge have recorded median yields ranging from 6.3% to 7.4% in the last 12 months.

LOGAN CITY VACANCY RATES

Postcode	Suburb	Vacancy rate
4114	Kingston, Woodridge, Logan Central	3.3 %
4127	Springwood, Slacks Creek, Daisy Hill	1.7 %
4128	Shailer Park, Tanah Merah	3.3 %
4129	Loganholme	3.4 %
4207	Beenleigh, Eagleby, Edens Landing, Holmview, Mt Warren Park, Windaroo, Yarrabilba	3.1 %
4280	Jimboomba	3.6 %

Source: SQM research

The suburbs listed below are a sample of the Logan City house market:

Suburb	Sales Houses	Median Houses	1-year Growth	Growth Averag33	Median Yield
Beenleigh	115	\$348,000	6 %	1 %	5.2 %
Bethania	95	\$365,000	8 %	2 %	5.0 %
Browns Plains	79	\$365,000	4 %	2 %	5.0 %
Cornubia	122	\$636,000	5 %	3 %	4.2 %
Daisy Hill	130	\$501,000	1 %	3 %	4.4 %
Eagleby	155	\$320,000	5 %	1 %	5.4 %
Edens Landing	101	\$388,000	4 %	1 %	4.9 %
Jimboomba	195	\$495,000	6 %	2 %	4.4 %
Kingston	138	\$310,000	0 %	1 %	5.5 %
Loganholme	120	\$402,000	-6 %	2 %	5.2 %
Loganlea	106	\$390,000	5 %	3 %	4.7 %
Mt Warren Park	100	\$395,000	2 %	2 %	5.0 %
Rochedale South	226	\$515,000	3 %	3 %	4.1 %
Shailer Park	189	\$575,000	7 %	3 %	4.0 %
Slacks Creek	155	\$355,000	4 %	2 %	5.2 %
Springwood	122	\$525,000	5 %	3 %	4.4 %
Tanah Merah	71	\$445,000	-3 %	2 %	4.9 %
Underwood	94	\$570,000	8 %	4 %	4.1 %
Waterford West	75	\$370,000	5 %	2 %	5.2 %
Woodridge	126	\$312,000	4 %	2 %	5.3 %
Yarrabilba	153	\$418,000	5 %	2 %	4.7 %

Source: CoreLogic. "No. of sales" is the number of house sales in the past 12 months; "10yr ave." is the average annual rise in median house prices in the past 10 years. "Snr": Statistically not reliable

Future Prospects

Hotspotting research shows that **affordability** plus **commuter train links** plus **proximity to jobs nodes** is a powerful combination in driving good capital growth and that is part of Logan City's appeal.

The area also offers good education, shopping and recreational options – and a handy location halfway between the Brisbane CBD to the north and the Gold Coast to the south – with major road and rail links in both directions.

Logan City has an \$11 billion economy which is rising, says Matusik.

There are some 675,000 jobs within a 30-minute commute from the centre of Logan City and in another 25 years, Logan City would have 100,000 new dwellings – a quarter of South East Queensland's new housing development, he says.

Given its central location, good transport links and young workforce, Logan has thriving commercial, retail and manufacturing precincts, as well as healthy service and wholesale industries.

There are also light industrial precincts at Marsden, Crestmead, Slacks Creek and Loganholme, which are expanding.

- New Satellite Cities

Already one of the fastest growing municipalities in Australia, Logan is about to expand further as work on two satellite cities escalates.

1. Yarrabilba

Work has begun on Lendlease's \$4 billion master-planned community on the Waterford Tamborine Road, Yarrabilba.

The development will result in 17,000 dwellings to accommodate 45,000. Included in the plan are 11 private and public schools.

2. Greater Flagstone

Located west of the Jimboomba and the Mount Lindesay Highway, Greater Flagstone is earmarked for 50,000 homes and 120,000 people.

Other developments by Lendlease, Mirvac and Villa World across Logan City will introduce another 6,600 dwellings in coming years.

CORE INFLUENCES

Transport Infrastructure

Cheapies with Prospects

Urban Renewal

Ripple Effect

Government Policy

- Health and Knowledge Precinct

Logan City Council has plans to develop a Health and Knowledge Precinct linking Logan Hospital, Logan TAFE and Griffith University.

A major boost to the region will be the \$600 million redevelopment of Jeta Gardens Retirement Village.

A private hospital and international training college will also be developed in partnership with one of Queensland's universities and will incorporate student accommodation.

Jeta Gardens is expected to grow from housing 200 residents and 150 staff to 2,000 residents and 1,000 staff in around 10 years. It currently injects \$10 million into the local economy annually; that's set to rise to \$100 million.

Elsewhere across Logan City, shopping centres are being upgraded and around \$50 million is being spent to improve sporting facilities.

The Council is spending \$180 million to repair and replace the water pipeline network and has also marked \$1 billion for upgrades to local roads over several years.

Longer term, the State Government has plans for a 55km passenger rail link between Salisbury and Beaudesert while the former Darlington Park Raceway at Yatala is being transformed into a massive industrial hub.

Over 10 years, the Empire Industrial Estate will generate 5,000 jobs and deliver \$1 billion to the local economy.

Recommended Areas

There are two distinct types of suburbs within Logan City: the well-established ones and the new-growth suburbs.

We suggest investors focus on the established suburbs, which tend to be near the major road and rail services, the major retail centres which line the Pacific Motorway and established infrastructure such as schools, public transport, medical services and shopping.

Proximity to these features provides the best chance of achieving long-term capital growth.

The newer suburbs are being developed in the western part of Logan City and tend to be some distance from the established infrastructure such as commuter rail services and major motorways.



Major projects currently impacting the region are:

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Logan Motorway upgrade	\$512 million	Under construction Completion due in 2019	Jobs 1,300 Designed to improve “congestion hotspots” at interchanges
Transurban			

COMMERCIAL DEVELOPMENTS

Project	Value	Status	Impact
Watland Plaza site redevelopment	\$160 million	Proposed	Plans include a 4-star hotel, cinema, medical centre, 100 apartments and retail outlets
Vanguard P/L			
SouthWest 2 precinct, Browns Plains Rd, Berrinba	TBA Industrial park near SouthWest1 community	Proposed	Jobs 1,000
GPT Group			
New meat processing distribution centre, Heathwood	\$115 million	Under construction Completion expected in 2019	Jobs 500 Economic benefit \$850 million
Hilton Foods Australia			

RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
Yarrabilba Priority Development Area Lendlease	\$4 billion Includes 17,000 dwellings for 45,000, 11 schools	Under construction	Jobs 15,000 during construction
Greater Flagstone Priority Development Area	TBA	Under construction	50,000 dwellings for 120,000 people are planned
Everleigh, Greenbank Mirvac	TBA Part of the Greater Flagstone PDA	Proposed	Includes 3,300 homes, a primary school, retail and health facilities
Harvest Rise, Greenbank Intrapac	TBA Part of the Greater Flagstone PDA	Under construction	440 homes are planned
Covella Estate, Greenbank Villa World	TBA Part of the Greater Flagstone PDA	Proposed	1,500 lots initially; will eventually be home to 4,000 people
Re-development, Jeta Gardens Retirement Village	\$600 million	Under construction Completion expected around 2025	Jobs 850 Facility will grow from 200 to 1,000 residents
SouthWest 1 precinct, Browns Plains Rd, Berrinba	TBA Industrial estate, urban village with a hotel, tavern, café and food venues	Approved	Jobs 2,000



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