



Hotspotting
by Ryder



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Location Report

Prepared for Hillscorp Developments by Ryder Property Research



BAHRS SCRUB South East Queensland

April 2019



BAHRS SCRUB

South East Queensland

Highlights

- Affordable properties
- Strong price growth
- Good infrastructure
- Strong road and rail links
- Proximity to major retail centres
- Location between Brisbane CBD and the Gold Coast
- \$510 million Logan Mwy upgrade

Suburb - houses	Typical prices
Bahrs Scrub	\$480,000
Coomera	\$540,000
Helensvale	\$615,000

The developing region of Bahrs Scrub is part of the fast-growing Logan City, which bridges the urban gap between Brisbane City and Gold Coast City.

It is one of the new growth areas on the western side of the Pacific Highway between Beenleigh and the Gold Coast, which is being transformed into new residential communities to help absorb rapid population growth.

As vacant land runs out in the Gold Coast metropolitan area, its northern-most point is spreading north towards Brisbane.

This is turning the corridor along the Pacific Motorway from Helensvale to Beenleigh into a boom region that's ideal for first-home buyers and investors seeking locations with growth potential.

Bahrs Scrub is well-placed to take advantage of these elements. It has good access to major job nodes, modern amenities, major transport routes and recreational features.

It also offers affordability. The median house price of \$480,000 at Bahrs Scrub compares favourably to longer-established areas nearby like Springwood (median \$520,000), Coomera (\$540,000), Daisy Hill (\$500,000) and Helensvale (\$615,000).

A feature of the new homes emerging in Bahrs Scrub is the number of dual-key homes, which provide attractive options for both home-buyers and investors.

Economy and Amenities

Bahrs Scrub was a vast tract of vacant land until the late 1970s when a rural residential estate, Windaroo Acres, was subdivided.

Houses began to appear in the 1980s and other development followed - a golf course, the Windaroo Shopping Village and Windaroo State School.

In 1993 approval was given for the construction of a State High School to be named Bahr’s Scrub State High. When it opened it became known as Windaroo Valley High School, with the name taken from the housing estate being marketed at the time.

At around the same time another school, Rivermount College, opened at nearby Yatala.

Bahrs Scrub is a five-minute drive from Beenleigh, a key administrative centre for Logan City. Several Government Departments are based at Beenleigh.

TransLink, the Brisbane Metropolitan train line, stops at Beenleigh, connecting the region to Brisbane to the north and the Gold Coast to the south.

Logan City has an \$11 billion economy based on the industries of:

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

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.

Griffith University’s Logan Campus is just 10 minutes away from Bahrs Scrub.

The Logan area is especially strong on retail facilities. Employing 24,000, the Logan Hyperdome is among the largest shopping centres in Australia.

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.



Location

- A suburb in Logan City, Bahrs Scrub is 40km south of the Brisbane CBD and 6km south-west of Beenleigh
- Access via Pacific Mwy (M1) and Beenleigh & Gold Coast train lines
- LGA: Logan City Council.



Population

Bahrs Scrub:	2,000
Logan City:	303,400

Source: 2016 Census



Employment - Logan City

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

Source: 2016 Census

Property Profile

HOME OWNERSHIP

- 21% own their homes outright
- 31% own with mortgages
- 46% rent their homes

Source: 2016 Census

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

This means this growth region fits what Hotspotting describes as "the power combination" for real estate:

Affordability + Jobs + Infrastructure = Growth

Logan has been repeatedly identified as one of the fastest-growing areas in Australia in recent years and its population growth is expected to continue strongly for the next 20 years or more.

The number of Logan City residents grew from 303,400 as at the 2016 Census to 313,800 in 2018, according to the Queensland Statistician's Office.

By 2041, Logan City will need to cater for 586,000 people which means 89,000 new homes will be needed.

The puts particular focus on the evolution of new growth areas like Bahrs Scrub.

The 2016 Census shows that 75% of the homes in Bahrs Scrub are four-bedroom houses, as is typical of modern residential communities.

It sits in a region under development with several residential estates under construction in or near Bahrs Scrub.

Frasers Property is building a master-planned community and shopping precinct called Brookvale. The project spreads from Wuraga Road, Prengley Road and Bahrs Scrub Road to beyond Menora Road.

Nearby Yarrabilba is another growth suburb where there have been 3,000 residential lots created in the past five years.

The median house price in Bahrs Scrub is \$480,000 following a 7% increase in the last 12 months.

Growth has been consistent in the last five years, recorded at a rate of 12% per year.

The median rent of \$420 per week in Bahrs Scrub will deliver a median rental yield of 4.6%

- Building Approvals

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

This is despite a rise in building activity in recent 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.

In FY2018, 3,500 residential dwellings were approved, reflecting an investment of \$798 million - over double the \$345 million invested in FY2014.

Standalone houses remain the preferred choice of new abodes.

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

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 continue.

"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 neighbouring Logan City, which is considerably more affordable..

- Future Growth Locations

Future growth areas, identified by Logan City Council and *Shaping SEQ* policy, include Bahrs Scrub, Yarrabilba, Greater Flagstone, Park Ridge, Meadowbrook and Greenbank. A break-down of the forecast figures for these suburbs can be viewed in the table below.

Nearly 20,000 houses will be built on the existing growth corridor along transport routes in places such as Logan Central, Beenleigh and Meadowbrook.

- Vacancy Rates

The vacancy rate in postcode 4207, which includes Bahrs Scrub, Beenleigh, Mount Warren Park, Windaroo and Yarrabilba, has been steady at around 3%. This suggests that development of new dwellings in the area is being managed in concert with demand.



POPULATION AND HOUSING PROJECTIONS BY 2041

Suburb	No. of dwellings	No. of people
Greater Flagstone PDA	50,000	120,000
Yarrabilba	17,000	45,000
Park Ridge	12,000	30,000
Bahrs Scrub	4,400	10,100

Source: Qld Statistician's Office and Logan City Council

The table below summarises the Bahrs Scrub market, with comparisons with nearby suburbs showing the location's affordability and growth:

Suburb	Sales Houses	Median Houses	1-year Growth	Median Yield
Bahrs Scrub	54	\$480,000	7 %	4.6 %
Coomera	265	\$540,000	4 %	4.3 %
Springwood	115	\$520,000	1 %	4.5 %
Holmview	61	\$405,000	-1 %	5.3 %
Mount Warren Park	105	\$400,000	5 %	5.1 %
Yarrabilba	153	\$405,000	3 %	4.9 %

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

As a strategic part of the fast-growing Logan City, Bahrs Scrub can expect to be swept along in the slipstream as the population grows, as a central joining point between Brisbane and the Gold Coast.

It has four key features that appeal to homebuyers:

1. it's affordable
2. it's near major transport links
3. it's near significant jobs nodes
4. it's near key amenities, e.g. Logan Hyperdome, Logan Hospital, the Griffith University campus.

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

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 growing light industrial hubs at Marsden, Crestmead, Slacks Creek and Loganholme.

- New Residential Communities

Already one of the fastest growing municipalities in Australia, Logan is about to expand further as work on new residential communities escalates.

The Nature's Edge estate is one of the new communities being created in the Bahrs Scrub growth precinct. It is evolving on Bahrs Scrub Rd, close to two key green space areas - Bahrs Scrub Reserve and Bahrs Scrub Park.

Nature's Edge is creating close to 100 new homes, including houses on large 850m² allotments.

It sits within 6km of the Pacific Motorway, Beenleigh Rail Station, Windaroo Primary School, Windaroo Valley State High School, Beenleigh State School, Mt Warren Park Sports Complex and major shopping complexes including Coles, Woolworths and Aldi.

It provides a higher level of affordability than major master-planned communities that are being created elsewhere in Logan City, such as Yarrabilba and the Greater Flagstone precinct.

A key feature of the new communities emerging at Bahrs Scrub is dual-key homes, which provide the prospect for positive cashflow for investors.

Rents in the range from \$650 to \$700 per week are being achieved on dual-key homes in this precinct.

Jace Roach, Principal of property management firm Image Realty, says Dual Key properties in the Bahrs

CORE INFLUENCES

Transport Infrastructure

Cheapies with Prospects

Ripple Effect

Scrub precinct are renting quickly "at exceptional prices" when compared to the Logan, Eagleby and Pimpama/Ormeau regions. "Most tenants are young professionals or small families who need to be close to work and shops," Roach says.

Major developers targeting the area as a key growth precinct include Lendlease, Mirvac and Villa World.

- Health and Knowledge Precinct

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

The most recent project benefiting the 2,000 staff at Logan Hospital has been the \$5 million car park.

Logan Hospital is only 10km from Bahrs Scrub.

Across Logan City, new private schools are being built and existing public schools are being expanded.

The State Government is spending \$27 million to upgrade schools at Beenleigh, Marsden, Flagstone, Park Ridge and Windaroo Valley.

The \$600 million redevelopment of Jeta Gardens Retirement Village, Bethania, will boost the area.

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 upgrade the water pipeline network and has also marked \$1 billion for upgrades to local roads over several years.

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.

Major projects currently impacting the region are:

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, Bethania	\$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
Pebble Creek, South Maclean Orchard Property Group	\$120 million	Proposed	650 homes are planned

COMMERCIAL DEVELOPMENTS

Project	Value	Status	Impact
SouthWest 2 precinct, Browns Plains Rd, Berrinba GPT Group	TBA Industrial park near SouthWest1 community	Proposed	Jobs 1,000
Holmview Central Shopping Centre expansion Lancini Group	\$130 million	Proposed Construction could begin in 2020	Jobs 290 during construction; 670 retail Includes extra retail and 6 cinemas
Jimboomba Shopping Centre redevelopment Pellicano and Zagame Group	\$14 million	Under construction	
Mixed-use project, York St, Beenleigh InvestLogan	TBA	Approved Construction is expected to begin in 2019	A 7-storey commercial building

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Logan Motorway upgrade Transurban	\$510 million	Under construction Completion due in 2019	Jobs 1,300 Designed to improve “congestion hotspots” at interchanges

