



THE POCKET ACES

New infrastructure and easy travel options in a rural community just nine kilometres from the heart of Brisbane could make Fig Tree Pocket a very attractive option. KIERAN CLAIR [@kieranclair]

FIG TREE POCKET MEDIANS ¹	
	House
Median price June 14	\$871,500
12-month growth	-0.7%
Median rent June 14	\$705
Rent growth June 14 (YoY)	17.5%
Gross rental yield June 14	4.2%
Properties sold June 14	76
Properties sold June 13	64
Average vendor discount August 14	4.8%
Average vendor discount August 13	3.8%

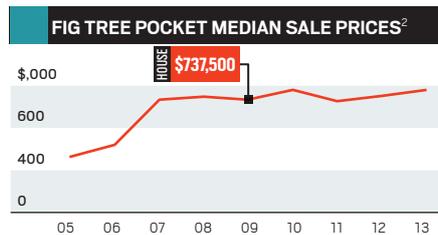
Even its name is evocative. Fig Tree Pocket conjures up images of an idyllic rural enclave – quiet, organic and spacious. And the truth isn't far off the mark. This is one of Brisbane's highly prized addresses with plenty to offer property owners, and it's all within a short distance of the CBD. While Fig Tree Pocket is home to some of the city's most expensive real estate, the suburb has a diversity of housing to suit most property buyers.

THE PROFILE

Fig Tree Pocket sits in Brisbane's inner western suburbs and provides a residential district that ticks many lifestyle boxes. It's bordered by the Centenary Motorway, Clivedon Park and the Brisbane River. While considered primarily an owner-occupier space, there are enough features for family-demographic tenants to enjoy with parks, shopping and schooling all available.

Scott Edwards, Brisbane Real Estate senior sales consultant, says the suburb has found a balance that's hard to achieve close to town.

"It has the best of city life but also the country-life elements as well, plus the high end riverfront properties."



The area is split into informal sections. The older, established and more affordable real estate is located on the northeastern side of Kenmore Road, a fairly busy local connector that traverses part of the suburb. Look east and you'll find 1960s homes, but the location starts to take on a more rural feel. There are even a few new developments of low-density blocks with very good quality homes.

Further west and south and the land starts expanding. Jesmond Road – a thoroughfare that parallels part of the river – is the heart of prestige rural residential and riverfront property. The Thiesfield and Cubberla streets sections find a mixed bag of property types from acreage style living to smaller lots in new subdivisions. Homes vary from cutting-edge contemporary to decades-old chamferboard cottages.

The section furthest south is a peninsula with the river on three sides and Biambi Yumba Park on the fourth. Blocks are of traditional size – around 650 square metres plus – but some have direct river frontage and more than a few provide for prestige homes. Dotted amongst these streets are also a number of very modest lowset dwellings providing very accessibly priced real estate but there's a catch, so keep reading.

In terms of services and amenities, most of the necessary components are covered. Fig Tree Pocket State School is at the heart of the area and the Brisbane Montessori School in Mactier Street is very well regarded. For private schools of note, Nudgee Junior College is in an adjacent suburb and St Peters Lutheran College, a very highly considered co-educational facility, is within an easy drive.

Convenience shopping is probably a little more difficult to find so you'll have to remember to pick up the milk and bread on the way home from work. It's not entirely isolated of course, and very comprehensive shopping is just a short drive away, but the area is yet to get itself a village hub of cafés and restaurants.

Finally, let's not forget Fig Tree Pocket is



“Certainly now is the ideal time to be buying rather than waiting because you're going to have to pay more next year I think.”

SCOTT EDWARDS



Older homes on traditional blocks



New, cutting-edge designs



Rural residential blocks with potential



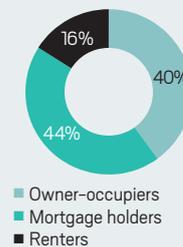
There's even a riverfront castle

FIG TREE POCKET FACT SHEET

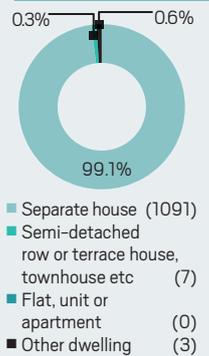
Fig Tree Pocket has a mixed supply to demand situation. There are adequate rental properties available to tenants, however there's an undersupply of for-sale listings. Discounting is heavy. Incomes in Fig Tree Pocket are growing slightly slower than the Queensland average. The proportion of renters to owner-occupiers is below average for Queensland. Rental vacancy rates are a soft 3.3 per cent. Stock for sale levels are up by 14.7 per cent year on year.

Source: SQM Research, www.sqmresearch.com.au (accurate to August, 2014)

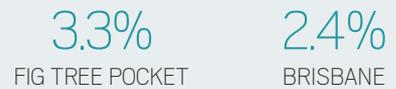
OCCUPANT TYPE³



HOUSING MAKE-UP⁴



VACANCY RATES³



10-YEAR AVERAGE ANNUAL GROWTH⁵



KEY DRIVERS

- ▶ Infrastructure.
- ▶ Lifestyle.
- ▶ Housing variety.

POPULATION⁴

3652

WALK SCORE⁶: 38

Fig Tree Pocket has a Walk Score of 38. Fig Tree Pocket is car-dependent with most errands requiring a vehicle. It is the 207th most walkable suburb in Brisbane.



home to the Australian drop bear park, or the Lone Pine Koala Sanctuary as it's more formally known. One of Brisbane's longest running tourist attractions, the facility is positioned on a multimillion-dollar 19.5 hectare waterfront site in Fig Tree Pocket's most expensive heart and is one of the icons of Brisbane's wilderness tourism trade. It's hard to imagine the property will remain like this indefinitely. Redevelopment to residential is pretty much inevitable given the obvious value of the land.

Ben Anderssen, founder of buyers' agency Property Chase, says it's a lovely leafy locality, and those who want the address will pay a premium.

"It's one of those fairly polarising sort of areas where it's very tightly-held. People who really want to get there will pay the price to buy in."

■ PLANS ARE UNDER WAY

As if its setting and location weren't enough, there are also a few major projects that will benefit local property owners.

The nearby suburb of Indooroopilly is best known as home to one of Brisbane's oldest and most recognisable retail spaces. Indooroopilly Shopping Centre and its surrounding streets are a community location, transport hub, entertainment complex and commercial centre. The shopping centre itself was getting a bit long in the tooth however, so a recently completed \$450 million refurbishment has resulted in a top level shopping destination with brand names including Carla Zampatti, sass & bide, Armani, Max&Co. as well as anchors Myer and David Jones all taking up the floors space.

The improvements have been welcomed with much rejoicing by the locals, according to Herron Todd White valuer, Alyson Huntley.

"It's a top class shopping centre now... It has everything that you'd want there.

"I think that's been great, particularly for the likes of Fig Tree Pocket, when you're only five minutes away."

Another big piece of infrastructure is Legacy Way, and hopes are it will have a direct benefit for local commuters. One of the toughest aspects of residing in the western suburbs is rush hour traffic. Moggill Road feeds the rural localities around Anstead and Bellbowrie into the city, while the Centenary Highway takes northbound traffic off the Logan and Ipswich motorways. These two heavy traffic flows meet right next to Fig Tree Pocket so there's often a bumper-to-bumper jam each morning and evening.

The Legacy Way tunnel will enter at the roundabout adjacent to the Mt Coot-tha Botanical Gardens, exiting onto the Inner City Bypass at Kelvin Grove. Legacy Way will work as part of Brisbane's tunnel and road network to keep traffic flowing and steered clear of the CBD. There are some unconfirmed rumours the Centenary Highway will be widened once Legacy Way is completed, but this is yet to be confirmed or denied.

Anderssen says he's had first-hand experience of buyers salivating at the thought of Legacy Way's finalisation.

"There's a client that I just bought something for in Jesmond Road. He's really looking forward to the new tunnel coming through because he works at the hospital (Royal Brisbane). For him it's going to cut his

¹Source: APM and SQM Research. ²Source: realestate.com.au. ³Source: ABS 2011 Census. ⁴Source: APM. ⁵Source: www.wallscow.com.au. H = houses, U = units, YoY = year on year, SNR = statistically not reliable.

INVESTOR SNAPSHOT

A little piece of Fig Tree

After emigrating from the United Kingdom 19 years ago, Stephanie and Martyn Robotham, both 49, decided the opportunity to hold some Fig Tree Pocket real estate was a good idea. The couple moved to this great southern land to escape the northern hemisphere and chase work opportunities. With Martyn's experience in mining and Stephanie's accounting background, the shift was full of possibilities.

They decided to seek refuge in Brisbane's inner-western suburbs. Stephanie says they initially looked in Indooroopilly.

"We basically couldn't afford that suburb so we came a bit further out and we really liked Chapel Hill."

When it came time to invest some years later, they checked out the area and were happy to find a little something in the neighbouring suburb of Fig Tree Pocket.

"It's just a lowset three-bedroom, one-bathroom on about 750 square metres. The house is about 40 years old."

Stephanie says while it was in modest condition, the bones were good and they could see the potential.

"We actually both loved the house. It's very open-plan. It's just a nice little house and it has the most beautiful garden."

"We both walked in and thought we could easily live in it. A lot of the little houses are really tiny, but this one is very liveable."

They bought the home in November 2013 and paid \$580,000 for it.

"We made an offer much lower than the asking price... and eventually we settled on a price and the sweetener came when

the people who were selling turned around and asked if we'd be prepared to rent it back to them because their circumstances had changed in the meantime. So our tenants are actually the previous owners of the house."

Stephanie says they're achieving just below five per cent gross rental return on the investment.

"You could actually build a second storey and invest upwards. If you did you'd get fantastic views. You could easily extend out as well."

"We're just going to hold it for the moment. We'll just play it by ear."

She says the suburb is convenient and the property's position just off the Centenary Highway means easy access to most destinations, and they've purchased to take advantage of the available family facilities.

"You can also walk to the local primary school and it's within walking distance of all the playing fields so for a young family, it's in an ideal position and it's out of the flood area."

Stephanie believes they timed their purchase just about right, and with the suburb's convenient facilities and solid reputation amongst families, they're sure to be on a long-term winner.



Names:
Stephanie and
Martyn Robotham
Live:
Chapel Hill
Invest:
Fig Tree Pocket
Properties: 2
Strategy:
Buy and hold

Anderssen believes for some purchasers, the address is more important than the flood risk.

"They have no problem with it. They just want to be there. They sort of understand that that's the culture of Brisbane now, that we're a river city and that the river floods. If you want to enjoy it, then sometimes you've got to be prepared that you might be right in the middle of it."

Edwards agrees that buyers are coming back to flood-affected property. In his opinion, these holdings do present a prospect to profit.

"From an investor's perspective, there's the opportunity to get reasonable returns over the years as the memory of the flood dissipates."

PROPERTY OPTIONS

In Fig Tree Pocket the one thing you'll struggle to buy is attached housing. If you must have a townhouse or unit, then the adjacent suburb of Kenmore is bound to be your address. With detached housing it's an entirely different story, because the options are enormous, Huntley says.

"I just did a property in Norman Street that's a standard little three-bed, two-bath home that just sold for \$560,000. That seems to be the bottom of the market in Fig Tree Pocket. I've struggled to find sales under \$600,000."

"You go from that extreme up to Jesmond Road where a property recently sold for \$1.9 million. The diversity in prices is huge, as is the quality and the size of the homes."

The cheap stuff can be found on the western side of Kenmore Road and in sections adjacent to the Centenary Motorway. The next step up is the similarly aged but far more substantial homes on larger sites dotted throughout the main sections of Fig Tree Pocket.

You then move towards contemporary home designs. Because of the rural nature of the suburb, many sites have been subdivided and a number have attracted hefty price tags for their finished allotments. The calibre of new architectural homes is generally well above average, but they come at a cost, Edwards says.

"When you talk about new homes in the region, the starting price really on a smaller block generally starts at around a million. It might be in the \$900,000s, but generally it's a million or more depending on where you're going."

Edwards says those who want to build from scratch will find newly created home sites around the \$650,000 mark, and you'll be amongst other great quality real estate.

The final price point is the mega holdings. These sites offer rural residential size allotments with and without river frontages. Many are earmarked for subdivision, but a few are landmark holdings fetching some of

times down quite considerably to drive to the hospital and back home."

THE DOWNSIDE

There's one large elephant that stands front and centre when you start talking about Brisbane's riverfront suburbs – January 2011's flood and its rising tide sweeping away a whole heap of confidence in the property market. Fig Tree Pocket was an unfortunate victim of the floods. Of course, the whole suburb wasn't built on a floodplain – most of it was well above the high water point. Unfortunately the southern peninsula, including Biambi Yumba Park, copped a lot of water and this is why buying into this section of Fig Tree Pocket seems so affordable. Other portions north of the peninsula and fronting the river were also affected, but not as dramatically.

Since then there's been a general improvement in buyer confidence that the

flood was, to some extent, mismanaged and that lessons learned will help to ensure any future inundations won't have such dramatic impacts. That said, there are plenty of buyers who won't consider property that has been touched by rising waters. If you have a tolerance for investing in homes with a flood history, then there may be some interesting prospects available in Fig Tree Pocket.

Huntley says flood-affected property is still being discounted, but many of the homes have now been repaired and upgraded.

"There's very few that haven't been renovated. It's just a matter of, number one, if the purchaser is willing to take the risk that it's never going to happen again, and number two, whether the bank will lend on it."

Brisbane has had experience with floods back in 1974, but it took a full 10 years before buyers felt truly comfortable.

"I don't think that it's going to take as long this time," Huntley says.



“The diversity in prices is huge, as is the quality and the size of the homes.”

ALYSON HUNTLEY

Brisbane's best prices, including the \$8.25 million paid for a Ningana Street house. This riverfront 9991-square-metre site provides a huge five-bedroom, seven-bathroom, six-car home with to-die-for water views.

In terms of rent return, Fig Tree Pocket isn't a high cash flow option. The older homes will probably provide the best yield, but you'll be below five per cent gross. Edwards' advice for investors looking to spend \$500,000 to \$1 million is to seek allotments of size.

“If you can buy something on a larger allotment, something that has a reasonable frontage that maybe you can remove the house later and sub-divide. That's the sort of thing that's got upside... it might be 1000 square metres... you're going to get \$650 a week return and in five years' time the land

values will outstrip the value of the house and you can (then) remove it.”

■ THE MARKET OUTLOOK

While the GFC was already doing its work sucking the life out of Brisbane's market, 2011's flood put another boot in. Since then it has been a quiet few years but things are starting to move, according to Huntley.

“If it's priced right, it sells quick. Most of the agents are all complaining about lack of stock. If it's priced right it's not uncommon to have multiple offers and that's been very encouraging for that area.”

Edwards agrees that setting the correct list price for your property is imperative for sellers, and for buyers the opportunity to reap long-term rewards begins now.

“In general terms if you've got a reasonably priced property then you're going to be run off your socks, but if it's overpriced, it's going to be a bit slower.

“The market has been very confident and is showing signs of lifting. Certainly now is the ideal time to be buying rather than waiting because you're going to have to pay more next year I think.”

You can't help but notice all the fundamentals are in place – the check-boxes you like to tick when investing in a great set-and-forget locality.

Fig Tree Pocket is quiet, accessible, close to water and green space, has quality housing, a high proportion of owner-occupiers, new infrastructure under way to boost the suburb, and plenty of services nearby. **API**