



Issue 1 July 2012  
City Fringe Edition

**don't settle for second best**

## The Fringe Outlook Is A Positive One

***The outlook for the city fringe is positive after the precinct has fought back after experiencing a number of setbacks in recent years.***

Tightening vacancy levels, limited supply and a more positive economic outlook should see the market increase into the future.

Our north fringe agent, Ben Bowen, said the area has seen increased activity in the past six months, particularly considering this time last year the area was plagued by natural disaster.

"The mining and resources sector continues to provide a back fill of small to medium sized office tenants as consulting, human resources and engineering groups remain prominently active."

City fringe agent Ryan Mitchell said in the last 12 months there had been a significant fall in vacancy rates, particularly with A Grade commercial space.

He said tenants looking for new A Grade space were having a lot of difficulty sourcing options as a result. Over the next 12 months, the city fringe should see plenty of positive change.



According to Ben Bowen, The next 12 months will see several new high rise developments start to turn dirt as pre-commitments fall into place.

"We have seen a spike in requirements from large interstate showroom users looking to make their mark on the Brisbane market. A lack of supply in this type of property has seen hard and fast deals come together with reduced incentives offered by owners. Franchise retailers have also continued to search for suitable locations in the fringe with food and coffee showing their resilience under current market conditions. With rates falling and a new government now in place the market is slowly responding in confidence."

The backend of 2012 is shaping up to be a more prosperous year for owners as vacancy rates across the board were heading south from the current 7.5%.

The number of sales in the city fringe increased by up to 30% over the past 12 months and capital values typically range between around \$4000 per square metre to \$6000 per square metre for A grade buildings, and between \$2500 and \$4000 per square metre for secondary buildings.

*The last 12 months has seen interest rates decrease and commercial property yields increase. There is no doubt market uncertainty has been established as the world sits and waits to see what unfolds in the European debt crises.*

*With the 10 year Australian bond dropping from 3.6 to 2.9 we may expect interests rates to fall some more. I think most of us have given up predicting how the RBA's meeting-by-meeting strategy of dealing with issues unfolds. I expect property prices will remain stable for the remainder of the year and that in the New Year Commercial Property will once again become an attractive vehicle for investors.*

**Jim Wicks,**  
**Senior Investment Sales Executive**

## From the desk of

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## Tax breaks green building axed.

The Federal Government's "Tax Breaks for Green Buildings" program has been axed.

The program was announced as part of the election commitment in 2010 and was due to commence on July 1 2011, however this was postponed to a new start date of July 1, 2012.

As part of the 2012-13 Budget, the Government has decided not to proceed with the program.

The \$1 billion tax break would have covered specified expenditure associated with businesses improving the energy efficiency.

Businesses would have been able to claim a one-off bonus tax deduction of up to 50% of the cost of the eligible assets or capital works for retrofits of existing office buildings, hotels and shopping centres.

## DID YOU KNOW ?

### Top 5 Things To Consider When Buying A Property

1. **Research** - make sure you have done your research on the area so you know its potential, as well as any competition you might face.
2. **Background** - Carry out a survey and valuation to make sure the property is structurally sound.
3. **Suitability** - Ensure the property you are buying is suitable for your needs. Make sure the location is right; and if you are intending to redevelop, make sure it is zoned correctly.
4. **Extras** - Find out if there are any improvements that need doing and at what cost.
5. **Future** - Look beyond the cost of the transaction and calculate the actual expense of running a commercial property – ensure the yield is worth the investment.

## First Commercial's Sales & Leasing team



## Agent Profile



**Jim Wicks**

Jim holds a Bachelor of Business Degree and a Graduate Diploma in Applied Finance and after starting his career in Chartered Accounting he moved into an Executive position with Radio 4BC at the age of 27. With his strong interests in property after completing a small development on the Gold Coast and his strong knowledge in Finance, the commercial property industry was an easy transition for him to make.

Jim has enjoyed for a long period of time a high level of success throughout Brisbane's City Fringe region with over 30 million dollars worth of sales transactions to date.

Specialising in the City Fringe Precinct Jim provides extensive knowledge within this area ensuring his clients always have up-to-date information to assist with all decision making when it comes to their property requirements. Jim is one of the most experienced real estate agents working within the City Fringe Area. His results and reputation speak for him. Jim will ensure the marketing of any property is done cost effectively and professionally achieving the best result for his client's. He is highly motivated, enthusiastic and takes pride in his ability to build strong and lasting business relationships.

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### Fringe On The Go

**Brisbane's fringe suburbs are constantly changing, with 11 Neighbourhood Plans now set in place or planned.**

**Eastern Corridor** - Adopted in 2011, the plan capitalises on construction of the Eastern Busway, regulates building heights and land uses and protects heritage buildings.

**Fortitude Valley** - Adopted in 2010, the plan's aim was to reinforce the Fortitude Valley area as a major entertainment, cultural, tourism, retail and business centre and to reinforce a strong link between land use and public transport.

**Kangaroo Point South** - Approval to adopt given in 2011, the Kangaroo Point Neighbourhood Plan focuses on growth along main road corridors such as Main and Vulture Streets, and rejuvenating commercial areas along Main Street and Lytton Road.

**Milton Station** - Adopted in 2011, the plan is based on promoting the integration of land use and transport and facilitating increased housing and business opportunities.

**Newstead and Teneriffe Waterfront** - Adopted in 2011, the Newstead and Teneriffe Waterfront Neighbourhood Plan concentrates new medium-high density residential and commercial development in the Riverpark site and the adjoining Commercial Road precinct; maintains existing character and

ensures new development complements the converted wool stores.

**South Brisbane Riverside** - Adopted in 2011, the plan seeks to retain the village character that exists in Boundary Street and increase mixed use development in the Kurilpa Precinct.

**Taringa - St Lucia** - In draft phase, the Taringa - St Lucia Renewal Strategy has been prepared and forms the basis of a new neighbourhood plan for the area.

**Toombul Nundah** - Approval to adopt given in 2012, the Toombul Nundah draft encourages rejuvenation of the Toombul centre and the strengthening of Nundah through more offices, shops and residential uses.

**Toowong Auchenflower** - Adopted in 2012, the plan aims to rejuvenate Toowong by encouraging more offices, shops and homes and to create a new centre around the Auchenflower Railway Station.

**Woolloongabba Centre** - Adopted in 2009, the plan develops a community focal point in the northern section of Logan Road and provides pedestrian and public space enhancements along major road corridors.

**Yeerongpilly** - Brisbane City Council and the Queensland Government are currently working on a plan for the Yeerongpilly area, highlighting transit oriented development.

recently leased



1/130 Fairfield Road, Fairfield



6/23 Booran Drive, Woodridge



1/7 Hudson Road, Albion



121 Wickham Street, Spring Hill



79 St Pauls Terrace, Spring Hill



178 Wickham St, Fortitude Valley



7/125 Old Cleveland Rd, Capalaba



12/94 George Street, Beenleigh



11/191 Vienna Rd, Alexandra Hills

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### **WHAT FRINGE AGENTS ARE SAYING**

#### ***Business security is a fact of doing business ...***

- Vacancy rates are decreasing, particularly for A Grade stock
- Limited stock to be released to the market in the remainder of 2012
- Rental rates to increase
- Capital values remain healthy
- Number of transactions is increasing compared to 2008-2010



# CHANGE



Has your property manager rolled over just because the going has gotten tough? Compare our performance with theirs. And then change.

Contact Angelo Efsthatis, Managing Director, First Asset Management on (07) 3391 9500.



**The first thing you will notice about First Commercial Realty is we are a very different real estate agency.**

**What makes us different?**

**We don't just talk about delivering; we actually deliver.**

**CALL US TODAY ON 07 3391 9500!**

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