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### **Carseldine Gardens: Executive Summary**

We have reviewed Carseldine Gardens to find:

- Strong and growing demand for affordable property in the local area.
- Demand for your product offering, price points and weekly rents, far exceeding current and very likely future local housing supply.
- Housing affordability is a growing issue and Carseldine Gardens is one of the only local housing options providing truly affordable housing to rent and buy.
- Carseldine Gardens provides a very attractive investment opportunity for those who are more risk adverse and looking for a proven, high-yielding rental property.
- Looking forward, the nearby former Carseldine QUT campus is to be redeveloped into a new urban mixed-use development, called Carseldine Urban Village, by the Queensland Government. This urban initiative is likely to catalyse new investment in the local area and greatly improve the appeal of the local area as well.
- **Carseldine Gardens has a very strong local market match.**
- For more information, see our full report dated 29<sup>th</sup> June 2017.

For your information.

Michael Matusik



Director  
Matusik Property Insights  
**Trusted Property Analysis**



## **Carseldine Gardens: Market Match Review**

We review twelve essential dynamics when assessing a residential project's or dwelling product's degree of local market match.

Our commentary for Carseldine Gardens follows in **bold**.

### **1. Pedigree**

*If a new off plan project, who are the developer, builder and manager? What is their track record? Do they deliver what they say they will?*

**Carseldine Gardens is built. They are low maintenance, single level brick villas. Regarding rental management: proven track record with low vacancy rates and limited tenant turnover.**

### **2. Timing**

*In what position is the local market and subject product type in the property cycle?*

**The local market is in the upswing phase of the property cycle. Property values and sales are increasing. For similar property, rents are rising, too.**

### **3. Who**

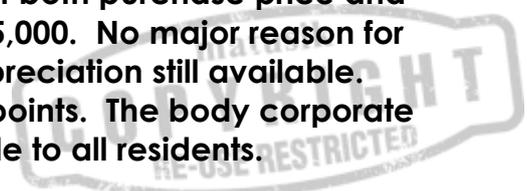
*Does the project appeal to at least two major housing local demographic subsets?*

**Yes, the two largest local housing market segments are downsizers and retirees. Carseldine Gardens is focussed on the over 55's market but importantly, it is not restricted to that. This is important for both banks (lending) and valuers.**

### **4. Value**

*Is the property fair value? Is the starting rent sustainable? Are you getting the best deal?*

**Carseldine Gardens is very affordable in terms of both purchase price and weekly rent. Prices range from \$282,500 to \$325,000. No major reason for significant lift in body corporate fees. Good depreciation still available. Surrounding real estate is at much higher price points. The body corporate also includes a community bus which is available to all residents.**



## 5. Rental market

*How big is the local rental market? What has been the local vacancy rate and rental growth over the recent past?*

**Carseldine Gardens has a vacancy rate under 2% over the past five years and there is a very low turnover of tenants. Villas are offered for sale with secure tenants in place. Actual gross rental yields range from 5.6% to 6.7% and average over 6%.**

## 6. Supply

*Underlying demand versus potential to supply similar property in terms of price, design and site attributes.*

**The demand for affordable rental property exceeds local supply. The same applies for property to purchase. There is a growing local need for more one and two bedroom villas.**

## 7. Design

*Is the project and product well designed? Does it appeal to renters now and potentially, owner-residents on resale?*

**All property is over 50m<sup>2</sup>. A range of one and two bedroom villas are for sale. The product has been well received as security by all major banks. Renovation/upgrade packages are available.**

## 8. Depth

*How big is the local market? Could you resell your property relatively quickly and above your purchase price?*

**There is a growing mismatch between the price/rent of local housing supply and underlying demand. For example, when looking at the likely future housing supply in the local area, at best, just 5% could be priced under \$325,000, yet the underlying demand for this affordable price point is close to 20%. A similar trend is evident when it comes to rent.**



## 9. Need

*Is there a local need for this property type? Are local jobs being created and how sustainable is the economic base?*

**Very much so. There is need to build some 4,000 new dwellings in the local area over the next ten years. Most will need to target an aging demographic. The project is also within easy commuting distance of most important facilities, including regional retail centres, major hospitals and the Brisbane Airport.**

## 10. Site

*How good is the actual site? What facilities are proposed and importantly, already exist in the local area? How good is the local amenity?*

**Corner site, which is surrounded by well-established detached housing; making it very hard to redevelop nearby land into higher density dwellings. Almost all villas are in triplex arrangements, allowing for plenty of natural light into the villas.**

## 11. Evidence

*Does the property have valuation support? Does it have independent rental and financial evidence?*

**Several independent valuations have been undertaken. Sale prices have valuation support. Again, Carseldine Gardens has an established and consistent rental record. As a result, the product has been well received as security by all major banks.**

## 12. Exit

*What are the longer-term demographic and economic trends? Does this property/project fit in with our housing market outlook?*

**Yes. Plus, the nearby former Carseldine QUT campus is to be redeveloped into a new urban mixed-use development, called Carseldine Urban Village, by the Queensland Government. This urban initiative is likely to catalyse new investment in the local area and greatly improve the appeal of the local area as well.**



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