In Brisbane's outer ring lies two major projects that have redefined their surroundings and created new communities proud to call the southwestern corridor home.

**Forest Lake**

Forest Lake sets about 18 kilometres from the Brisbane CBD and was considered a hold experiment when soil was first turned in 1990. By the time development was completed in 2000, the community had been well established.

The developer's approach was to avoid the usual project program of selling allotments on the premise of future facilities. This normally sees a multi-stage process: develop the core, take out already established market housing Forest Lake was about defining its own community from the get-go.

The original site is located adjacent to the affordable blue-collar suburbs of Toole, which is dominated by 1950s housing commission style dwellings at the low end of the value spectrum. In Forest Lake infrastructure and aesthetics were established from the beginning. Tree-lined streets, community shopping and the digging of the central lake were all part of the grand plan, with stage one housing adjacent to this multi-lane arterial, the infrastructure results in a quick trip south to Gold Coast beaches.

Head west and you travel through the satellite city of Ipswich and onward to regional centres such as Toowoomba. Rail services have been some time coming but with the establishment of a new station in the area, the suburb has opened up further, according to Le.

Richlands train station isn't even two minutes outside of the Forest Lake gates. It's only six months old and everybody is loving it – park your car for free and jump onto the train and you're only 45 minutes into town.

Today, Forest Lake includes the central retail hub of Forest Lake Shopping Centre. Other convenience facilities are dotted throughout the estate.

The suburb's broad range of lot sizes combined with locations ranging from desirable to poor means there's variety in pricing. If you're happy to try a small site with a 75-year-old house, three-bedroom brick home and a single carport affected by motorway noise, then $275,000 should get you there. Travel to the large lake-side reserve and you've got yourself a million-dollar mark for some.

Despite this, Le says there's a typical type and price for Forest Lake.

'Lowest three or four-bedroom, two-bathroom and double lock-up garage homes can range from $330,000 to $430,000 and you're getting about five per cent to six per cent rental return. Usually anything with three-bedrooms, one-bathroom and single garage is easily rented out. You can buy something like that for $300,000 to $310,000 and that will rent out for $300 to $340 per week.'
Forest Lake has a low supply to demand situation. There are few rental properties available to tenants and there’s an undersupply of for-sale listings. Discounting has been muted. Incomes in Forest Lake are growing slower than the Queensland average. The proportion of renters to owner-occupiers is above average for Queensland. Rental vacancy rates are very tight 0.7 per cent. Stock for sale levels are down by 11.9 per cent year-on-year.

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“Forest Lake is perceived as a family-focused suburb with a strong sense of community connection. Brisbane City Council has invested in the Forest Lake area with a recently upgraded sporting facility, the Forest Lake District Junior Sporting Facility and a future community hub,” Sean Butler, a valuer with Herron Todd White, says the market in Forest Lake has continued to soften over the past 12 months. He sees the clearance of mortgage-in-possession (MIP) stock as part of the problem.

“Some of the contracts I’ve seen recently you couldn’t build them for their sale price. There’s been a few MIPs out there where they couldn’t sell them.”

“I think the market is coming back a little bit. If you have a look at sales from a year ago, there was property selling for more back then.”

Butler believes there might be some more softening to come if you are okay with holding for a while, then you should find something interesting.

“If you need to get into the market and you don’t have a lot of cash it’s a good place to start. You can get about $420 per week for a four-bedroom, two-bathroom lowest that will cost around $370,000.”

He also believes there’s another investment in the area buyers should analyse cautiously. In the neighbouring suburb of Doolandella, a large number of townhouses are being produced and targeted at the investor market with many of the bidders not being local to the area. While the returns look reasonable and there might be depreciation benefits, the contract price of new stock seems high in comparison to property in Forest Lake.

“You can buy a three-bed, one-bath, one-car lock-up garage in Forest Lake and get the cheaper ones for $280,000 to $290,000. Developers in Doolandella are trying to sell three-bedroom, two-bathroom, 100-square-metre townhouses for $315,000 or so. I know it’s new product but it’s freehold housing compared to strata. I just find units and townhouses

unconcerned by their investment, according to Le.

“The type of properties I would suggest to investors are ones that don’t have a large block because the maintenance is too high for the tenants. Anything below 500 square metres is good.”

Local Councillor Angela Owen-Taylor says future growth in the local economy would be driven by increased demand from the local population.

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out there (in Doolandella) are fairly expensive purely due to what you can buy comparably in Forest Lake."

Instead of taking the Forest Lake turnoff, many buyers are now heading a little further along the highway and landing in the community development of Springfield Lakes.

The original masterplanned project of Springfield was established in the early 1990s but has evolved into the mega suburb called Springfield Lakes. The community is designed to be all encompassing and the development has another decade to run.

According to the Ipswich City Council, the commercial hub is Springfield Central, a purpose-built, 300-hectare town centre which will provide an employment base for 30,000 workers within an area containing in excess of 1.4 million square metres of office, retail, educational, health and technology facilities.

The project is an important part of the growth strategy for the City of Ipswich.

Investor Snapshot

Home-front

Lea Ford is moving to the southwestern corridor. After moving to Chuwar in Ipswich in 1983, she found herself looking locally for investments and has made it part of her purchasing strategy to be close to her properties.

The 55-year-old mother of four and grandmother of two now lives in Springfield Lakes and holds two investments in the area.

Lea's most recent purchase is a lowset brick four-bedroom, two-bathroom, double garage home near the lake and on a 430-square-metre site. She picked it up in April 2012 for $460,000 and it currently rents for $395 per week, which reflects a gross yield of 5.1 per cent.

Lea says facilities are an important consideration in her investments because she's a capital growth motivated investor.

Access to schools, shops and public transport are all on her list of must-haves. Lea says that's why she originally bought in Forest Lake rather than Springfield.

"In the early 1990s when we bought the first investment property, Forest Lake had a bit more infrastructure and was close to schools, shops and public transport. It had proximity to a private school as well."

Lea takes what some investors would consider an unusual approach when assessing a potential investment. She always asks herself whether she would be able to live in any property she's looking at purchasing.

"Because it's such a big investment buying a property, I need to know if I need to live there or can't sell it – if my financial situation changes – am I happy to live in the property? As it turns out, I have lived in my investment properties."

Lea is excited by the prospects for Springfield Lakes and sees the establishment of future infrastructure as a surety for capital growth.

"The train line is coming and the shopping centre will supposedly be the biggest one in the southern hemisphere when it's finished."

A diverse mix of residents, ready access to major centres plus all the facilities on hand in the suburb tells Lea she's on a winner in Springfield Lakes.

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Ipswich City Council says the suburb is also well located in terms of community infrastructure such as the Orion shopping centre, Robelle Domain Parklands, University of Southern Queensland, a wide range of public and private schools, the new railway stations and the proposed Mater Medical precinct and the surrounding health and wellness precinct.

Between early 2012 and early 2013, four new schools were opened in the education precinct and the university is well established.

"Transport infrastructure is important to the project. The highway extension is single lane in each direction right now, however there are plans to upgrade this with additional lanes over the coming year. A new train station is due to open in late 2013 and according to Ian Murray, project director of Springfield Lakes, residents should be pleased with the improved options."

"The train line is well under way and is due to be completed by the end of this year."

"As part of the same package, the State Government committed to the upgrade of the Centenary Highway. It's getting duplicated from the on and off ramps in the project out to the Logan Motorway."

The suburb was due to be among the first to benefit from the National Broadband Network (NBN), however this was pushed back by the government.

"The developers are, however, ensuring any new homes in the estate are suitably serviced to take advantage of the NBN once it reaches the project."

Springfield Lakes has continued the approach established in Forest Lake by ensuring amenities are well in place prior to selling. The idea is to have parks with playgrounds, walking tracks, tennis courts and services all ready to go well before buyers put up their hand. The approach appears to be one of ensuring no resident is living more than about 100 metres’ walk from a park.

"They don't provide a platform for community activities," Lea says. "Robelle Domain Parklands is emerging as the event and community hub for the Springfield region," he says.
Like Forest Lake, the project offers a broad range of block sizes to cater for a variety of price points.

Properties include terrace house blocks of 180 square metres right through to traditional allotments, which can exceed 1000 square metres. While lowset design is well established, many of the new designs are split over two-level to cope with sloping building sites.

Standard lowset homes on 400-square-metre sites are priced between $385,000 and $425,000 with yields running at about five per cent gross.

According to one local valuer, the market has been soft over the past year and the developer has had to adopt a more flexible approach in order to meet the buyers’ demands.

As with most areas in Queensland’s southeast, there has been an increased number of MIP sales over the past two years and prices have softened so vendor realism has had to set in.

As Butler notes, buyers now are pretty astute and most of them know the sales history of a property and its neighbours.

While it will be great to have better roads and rail, most residents will want to avoid any property affected by noise, according to Butler. Investors shouldn’t have difficulty renting these homes but reselling may prove difficult at some future date. Best stick to the quieter localities.

Murray says there was a relative price disparity between older and newer housing stock.

There was a reasonable amount listed for sale in the older areas and vendors were needing to move things so pricing on that older existing, larger stock was very flat if not coming down below where it should have been. There were some good deals to be made 18 months ago.

That relative has swung back and here’s a premium for new now.”

Murray says Springfield Lakes is acutely aware that in order to achieve sales, agents need to meet the market.

“Investor Snapshot

Settled in

Debbie Holland travelled far afield as part of her job in the defence force, but after landing in Forest Lake, she found a place to call home.

“I was a supply clerk in the Air Force doing purchasing, I was in for four years and joined at 42. I went to the Middle East for a while and did what I wanted to do.”

Not bad for a mum of seven.

The 53-year-old first came to Forest Lake as part of the Defence Housing Authority (DHA) scheme that places personnel in homes and manages the properties on behalf of the landlord. She decided after only a few months as a tenant in the suburb that she wanted to become a homeowner.

“We bought our first property in May of 2002. We’d rented for three to four months before that in a DHA house and then I was due to be deployed and we actually bought before I deployed.”

“The first house was a 900-square-metre block with a salt water pool, four bedrooms and an office – quite a big house. We paid $365,000 at the time and just resold that for $461,500.”

Debbie picked up the keys to her current Forest Lake home in March this year and is delighted with her acquisition.

“It’s near The Cascades which has a lovely walk to the lake. It’s a lot smaller than the house I was in previously.”

Debbie paid $335,000 for the three-bedroom, two-bathroom cottage with a single garage and small, low-maintenance yard. She believes the suburb’s greatest drawcard is proximity to all the necessary services and facilities.

“One of my daughters wrote my car off. I was able to live in Forest Lake for four months without a car. Public transport was fantastic. Everything was convenient – my daughters’ schools were all close and they could walk to school. Everything that I needed was in Forest Lake.”

Debbie thinks there’s still plenty of upside for Forest Lake and the surrounding suburbs with the future set to reveal the best.

“I think it’s going to develop. You only have to look around Blunder Road... it’s expanding with the university at Springfield Lakes. The bus service is wonderful and we have the train station now.”