

On the move

Time and again, large infrastructure projects have proved their ability to influence property markets. **Matthew Liddy** reveals the big projects under way or coming up around Australia right now.

INFRAStructure IS the backbone of the economy – power and water supplies, roads, rail, telecommunications. It's also a major driver of property markets in Australia.

"Residents want it, but not necessarily in their backyard. Politicians love it, and businesses can't get enough of it," valuer Herron Todd White (HTW) reports in a recent *Month in Review* study on infrastructure.

"Infrastructure conjures up images of a centre on the move, a city on the grow. Come on over, it says, we can handle the traffic. There's enough power and water for everyone!"

With that in mind, HTW asked its network of property valuers to detail the infrastructure and other large economic projects under way around Australia that might impact on the property market. A selection of the infrastructure discussed in the report is outlined below.

Western Australia

PERTH

Gas and mining projects in the northwest of Western Australia have helped underpin massive price climbs in Perth's residential market. Transport infrastructure is also having an effect, HTW notes.

For instance, values of englobo sites have increased in anticipation of the Perth to Mandurah rail line.

Higher-density development is also in the works around planned train stations at locations such as Clarkson and Merriwa.

Proposed extensions to the Kwinana Freeway and Mandurah bypass, and the construction of Marmion Avenue to Yancheop and the Indian Ocean Drive

are also impacting on values, the report says.

Tasmania

LAUNCESTON AND HOBART

Tasmanians are waiting to see whether a \$1.4 billion pulp mill proposed between George Town and Launceston wins final approval. The project is both controversial and massive in scale, HTW says. If it goes ahead, the mill will mean significant growth for the Tamar Valley and an influx of workers from interstate, it adds.

The report says that if the mill doesn't get up, property values in George Town could fall back after recent rises. On the other hand, the mill proceeding would prompt property price rises – or at least a steady local market if the rest of the market is falling, HTW forecasts. It adds that some properties affected by pollutants or by being close to the mill could lose value.

Northern Territory

DARWIN

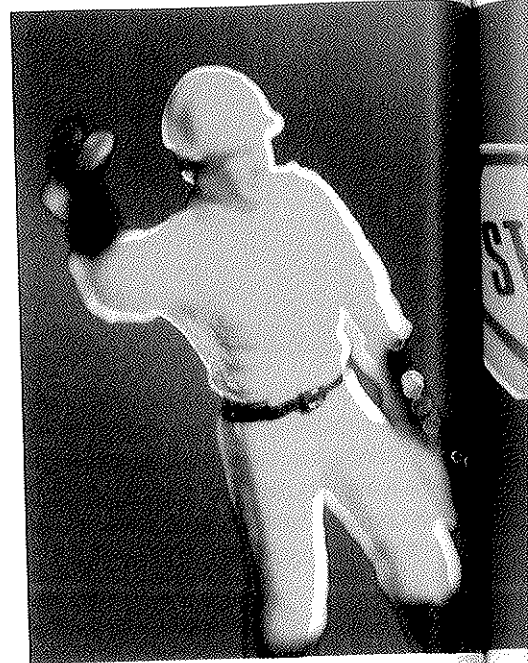
The defence industry is helping to power the property market in Darwin, including the development of Lyons, a planned \$170 million suburb to help house defence personnel.

HTW says a purpose-built industrial hub adjacent to the Army's Robertson Barracks will also drive the local economy. After all, "not too many Bob Jane T-Marts carry Abram tank tracks", the report notes.

Australian Capital Territory

CANBERRA

The 9-km Gungahlin Drive Extension will improve commuting times for



residents of Gungahlin, which HTW labels Canberra's fastest growing district. The new transport link should have a positive impact on residential property prices in Gungahlin, HTW says, though the extensive roadworks may have had a negative impact on inner-northern suburbs in the short term.

The \$300 million Defence Theatre Headquarters to be built near Bungendore will provide 24,000 sqm of high-security office space. As well as short-term benefits during the construction phase, HTW predicts about 1000 defence staff will boost demand for housing around South Canberra, Queanbeyan and Bungendore.

New South Wales

TAMWORTH

A \$19 million National Equine and Livestock Centre with stabling for 500 horses and indoor arena seating for up to 5000 spectators is due to commence construction in Tamworth in 2006/07. HTW says it "will have a significant positive impact on the local property market".

"Already there are indicators that large horse studs may consider establishing facilities in the Tamworth district," HTW's *Month in Review* report says.

ORANGE

Three projects of note are on the cards for Orange: the construction of a new hospital; the expansion of the Cadia mining operation; and the northern Orange Bypass, which is nearing completion.



NEWCASTLE

Retail services are the biggest mover in Newcastle, HTW reports. The city's two major shopping centres – Westfield Kotara and Charlestown Square – are both in the midst of redevelopment and expansion.

SYDNEY

Transport infrastructure such as the M2 motorway in Sydney has boosted house prices in affected areas, HTW says. It says future projects include the \$8 billion Metropolitan Rail Expansion Program. This long-term project would improve train services in the northwest, the southwest and through the CBD.

Queensland and NSW GOLD COAST AND TWEED COAST

Roadworks and a runway extension are the major projects on the cards. The Tugun Bypass is due for completion in late 2008, HTW says, and should improve transit times between Tweed Heads and Currumbin. Combined with upgrades to the Pacific Highway further south, the bypass may boost values along the far north coast of NSW, the report says. A 500-m runway extension at the Gold Coast airport will open up the region to flights from as far away as the west coast of the USA, potentially increasing tourism traffic and buyer confidence in holiday-let stock.

Queensland MACKAY

The mining-driven Mackay market

appears to have cooled somewhat, HTW says, perhaps because a number of large projects have moved from construction to production. However, a number of other projects should support value levels.

These include: a \$1.47 billion upgrade to the Hay Point and Dalrymple Bay coal-loading terminals; multi-million dollar rail and power infrastructure upgrades; and a \$500 million ammonium nitrate plant at nearby Moranbah.

BUNDABERG

A new ring road should divert heavy industry vehicles out of the city centre and open up new areas for development, the report says. In addition, the completion of the Paradise Dam provides water security, upgrades at the Bundaberg Base Hospital will improve services and the Bundaberg Airport is set for an upgrade. The Hinkler Mall in South Bundaberg will also receive a \$40 million facelift.

SUNSHINE COAST

Given its rapid population growth, the Sunshine Coast relies more than most on infrastructure upgrades. HTW says a new hospital is slated for a site at the Kawana Business Village and the northern route of the Sunshine Motorway is to be upgraded in a bid to ease traffic gridlock.

CAIRNS

HTW says Cairns has been “in the grip of an investment and infrastructure drought” for the best part of 10 years.

“The concern in Cairns is that unless the pace of infrastructure provision quickens to match the recent rapid increases in population growth, further strains will emerge on service delivery to (the) community in key areas such as roads,” the report says.

TOWNSVILLE

Private development and public infrastructure spending is promoting a mood of optimism in Townsville. Notable projects include: a \$500 million expansion of the QNI nickel refinery; the new Townsville Hospital; a \$1 billion cruise terminal and canal residential development; and the relocation of an additional Army battalion to the city.

BRISBANE

The main theme of infrastructure development in Brisbane is transport, HTW notes. The almost-completed pedestrian, cycle and bus bridge between Dutton Park and the University of Queensland's St Lucia campus will spawn increased rental demand and support baseline values in “suburbs that have always been a reasonably difficult swim from the campus”, such as Fairfield, Dutton Park and Highgate Hill.

A proposed bridge between Milton and West End could open up the West End even further if it goes ahead, while the North South Bypass Tunnel has the potential to improve transport on both sides of town. ■