

MARKET UPDATE



Why an ISEC works so well for Townsville

The development of the Integrated Stadium and Entertainment Centre (ISEC) in the Townsville CBD represents the best value for money infrastructure investment this City can participate in.

The Townsville community is in a unique position to benefit financially from development of an ISEC because the Townsville community controls a majority of the land surrounding the proposed ISEC, via the Queensland Government and Townsville City Council custodianship of this land.

This is an unusual circumstance and is not found in many other major cities. Stadiums such as Lang Park and the “Gabba” in Brisbane are mostly surrounded by privately owned properties.

The preferred site for the Townsville ISEC is adjacent Ross Creek in Saunders Street. This site is within the Townsville City Waterfront Priority Development Area (PDA).

The PDA contains approximately 64 hectares of land area within its 97 hectare coverage. Currently 36 hectares of this land area is controlled by Townsville City Council or the Queensland Government (or its agencies). This 36 hectares forms a majority of the viable land for development in the PDA.

The Queensland Government and Townsville City Council clearly prefer development in this area with this designation for priority development. The PDA has a significantly better opportunity for more rapid and diverse development if it is benefited by a significant Anchor facility. An ISEC provides this anchor and will stimulate development of the surrounding area more quickly than if it does not exist.



What impact would an ISEC have?

An ISEC does two things to the surrounding area:

1. it influences the diversity of demand for accommodation – both residential and specific non-residential uses, improving the rate of development more quickly, and
2. as a consequence of a greater variety of development forms occurring more quickly, in turn positively influencing the public space and amenity of the precinct, it is likely that price growth for developable land would improve more quickly.

Consequently, the community benefits by receiving stronger demand for community controlled land

at improved pricing than would otherwise have occurred. This means higher sale prices being received when this land is sold for development.

A further attractive benefit exists for the community in the annuities that arise for Council and State and Federal governments, through annual rates and taxes that would be obtained from new development within the PDA.

There are many forms of development suitable for the PDA and if only the residential development is measured, the direct benefit over a 15 year period for the Townsville Community, with the ISEC, includes:

1. More than \$140 million in land sales income to either Council or State,
2. More than \$40 million in rates and land tax, with annual receipts growing to more than \$5.5m by Year 15
3. An increasing land value for the remaining undeveloped land

What is not measured above is the benefit of commercial development, headworks charges, rates and taxes for privately owned land in the PDA, nor the benefit of rates and taxes from land in the CBD but outside the PDA.

The measure also has no regard to the employment and income creation due to private sector investment in construction within the PDA, nor the wider CBD.

There is no single infrastructure program that provides a measurably strong economic and social impact anywhere in Regional Australia as the Townsville ISEC and its influence on community controlled land.

If the ISEC does not proceed, then an alternative anchor to development of the PDA should be considered. Without this development, a cost to the Community exists.

The opportunity for the development of sustainable revenue streams for the community, significantly outweighing the initial capital investment by the community is very strong and diverse enthusiastic community support.

For further information, please contact

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