



**Brisbane**

Property Hotspots

2nd Half 2017



# BRISBANE HOTSPOTS

2<sup>ND</sup> HALF 2017



## HOTSPOTS METHODOLOGY

This Brisbane hotspot report analyses all suburbs within the Greater Brisbane area, providing valuable insights and highlights of the property market in 2017. This report focuses on suburbs within a 20km radius of the CBD, taking into consideration the following factors:

- Sales indicators - the number of sales transactions (suburbs with less than 20 sales are excluded in affordable hotspots and top performer selection) and median price growth between 2016 and 2017\*.
- Rental indicators - median rental price, rental yield, and vacancy rates.
- Affordability - the average Queensland home loan, which indicates the amount banks are comfortable with lending to home buyers. To determine the maximum property price, 40% is added to the average Queensland home loan, which was \$325,876\*\* as at June 2017, having increased by 2.0% from the previous quarter.
- Projects value - developments scheduled to commence in the 2<sup>nd</sup> half of 2017, which include mixed use, infrastructure, industrial, and residential projects. This is key to maintaining growth as it indicates a potential increase in economic and commercial activity; as well as interconnectivity to key transport routes, the CBD, and other major urban business hubs.

## RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2016	Median Price 2017*	Price Growth	Projects 2017***
Inner	East Brisbane	House	\$860,000	\$900,500	4.7%	\$0.9M
	South Brisbane	Unit	\$494,000	\$575,000	16.4%	\$108.0M
North	Windsor	House	\$737,500	\$855,000	15.9%	\$37.0M
	Ascot	Unit	\$445,000	\$467,500	5.1%	\$4.7M
South	Rocklea	House	\$386,000	\$408,750	5.9%	\$418.5M
	Sunnybank	Unit	\$439,000	\$461,000	5.0%	\$40.0M
East	Wynnum	House	\$600,000	\$645,000	7.5%	\$21.1M
	Bulimba	Unit	\$597,000	\$630,000	5.5%	\$13.7M
West	Toowong	House	\$790,000	\$850,000	7.6%	\$101.5M
	Corinda	Unit	\$450,000	\$470,000	4.4%	\$40.0M

## BRISBANE OVERVIEW

Between 2016 to 2017\*, Brisbane City LGA house median price experienced 1.5% growth, whilst unit prices softened by -2.2%. Housing affordability has declined, as the proportion of income required to meet home loan repayments increased to 27.2%. 40% has to be added to the average Queensland home loan to include the northern suburbs in identifying affordable hotspots, a 10% increase when compared to Brisbane Hotspots 1<sup>st</sup> Half 2017. Over \$5.1B\*\*\* of commercial, industrial, infrastructure, mixed use and residential projects are planned in 2<sup>nd</sup> half of 2017, underlining Brisbane's economic growth potential.

\*Median price quoted captures sale transactions from 1<sup>st</sup> January 2017 to 30<sup>th</sup> September 2017, or end of Q3 2017.

\*\*Average home loan figure is derived from June quarter 2017 Housing Affordability Report by Real Estate Institute of Australia and Adelaide Bank.

\*\*\*Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence in the 2<sup>nd</sup> half of 2017.

\*Key market indicators for sales and median prices are reflective of median price change between 2016 and 2017, with 2017 data being up to end of Q3 2017. Median rent is reflective of median price change between Q2 2016 and Q2 2017.



### KEY MARKET INDICATORS<sup>^</sup> BRISBANE CITY COUNCIL

Indicator	Market Variation <sup>^</sup>
House Sales	↓
House Median Price	↑
House Median Rent	↓
Unit Sales	↓
Unit Median Price	↓
Unit Median Rent	↓

**“Brisbane continues to provide a significant value for money market when compared to Melbourne and Sydney, however affordability for its residents is starting to diminish. That said first home buyers are still able to find affordable hotspots in every pocket within the city. The threat of units oversupply is evident, suggesting the council needs to revise its development plans.”**

**Tony Brasier**

PRDnationwide Chairman & Managing Director

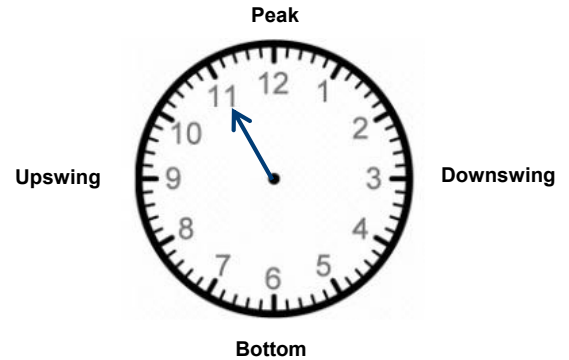




## BRISBANE HOUSE HOTSPOTS

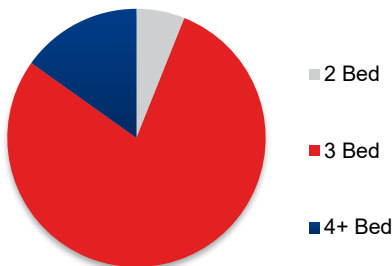


## PROPERTY CLOCK – HOUSE



## AFFORDABLE HOUSE HOTSPOTS

### ACACIA RIDGE 4110



#### OVERVIEW

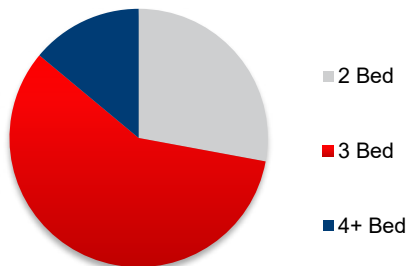
Approx. radius from CBD **14km**

Median house price **\$400,000**

- 2 Bed median price **\$366,000\***
- 3 Bed median price **\$400,000**
- 4+ Bed median price **\$428,000\***

Located to the south of Brisbane's CBD, Acacia Ridge has earned its place in the Brisbane hotspots two consecutive times in 2017 due to its positive price growth and affordable median price combination. Acacia Ridge has recorded 2.6% annual price growth. Savvy investors are enjoying 3.8% rental yields, which when combined with a low vacancy rates of 2.5% signifies the suburb's high rental demand. The 2<sup>nd</sup> half of 2017 will see approx. \$7.0M<sup>^</sup> worth of projects commence construction, with 77.6% allocated to commercial and 22.4% to residential.

### DEAGON 4017



#### OVERVIEW

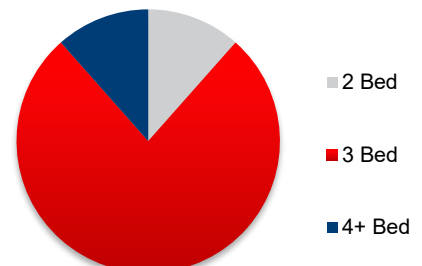
Approx. radius from CBD **16km**

Median house price **\$450,000**

- 2 Bed median price **\$415,000\***
- 3 Bed median price **\$468,000**
- 4+ Bed median price **\$507,500\***

Positioned to the north of Brisbane's CBD and nearby to major transport arteries including the Motorway, Deagon offers great affordability and has recorded 3.3% annual price growth since 2016. Interest in Deagon is recorded at 633 online visits per property, two times the Queensland average at 311. With a very low vacancy rate of 1.5% and solid rental yield of 4.1%, Deagon is a real investors' delight. The 2<sup>nd</sup> half of 2017 will see approx. \$1.2M<sup>^</sup> worth of residential development commence, which will add 4 additional dwellings to the area.

### ROCKLEA 4106



#### OVERVIEW

Approx. radius from CBD **9km**

Median house price **\$412,500**

- 2 Bed median price **\$435,000\***
- 3 Bed median price **\$412,500**
- 4+ Bed median price **\$460,000\***

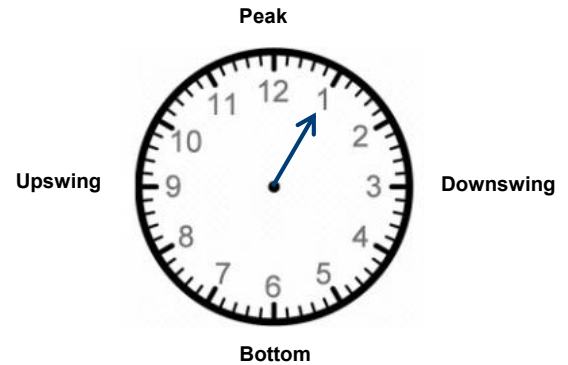
Rocklea is located south of Brisbane's CBD and since 2016 has recorded a price growth of 5.9%. Rocklea is a highly demanded area with interest recorded at 900 visits per property, almost 3 times the Queensland average at 311. Astute investors are currently benefiting from a solid rental yields of 4.3%. Rocklea is subject to an impressive \$418.5M<sup>^</sup> of projects scheduled to commence construction in the 2<sup>nd</sup> half of 2017, with 95.6% allocated to infrastructure projects and 4.4% to commercial. This will improve local job growth in the future.

\*Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.  
\*Median price is either N/A due to no recorded sales data or quoted as an indication only due to having less than 20 sales transactions.

## BRISBANE UNIT HOTSPOTS

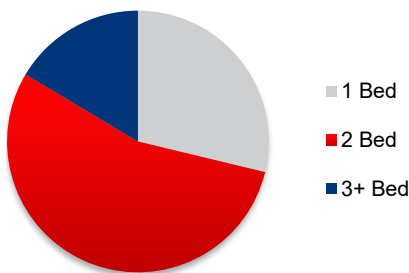


## PROPERTY CLOCK – UNIT



## AFFORDABLE UNIT HOTSPOTS

### SPRING HILL 4000



#### OVERVIEW

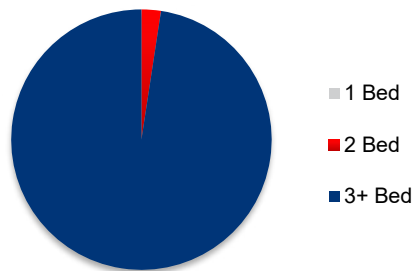
Approx. radius from CBD **2km**

Median unit price **\$415,000**

- 1 Bed median price **\$295,000**
- 2 Bed median price **\$417,000**
- 3+ Bed median price **\$640,000\***

Perched on the cusp of the Brisbane centre, Spring Hill is one of Brisbane's most popular suburbs, well known for its health service and prestigious schools. First home buyers can capitalize on the increasing affordability in the unit market in Spring Hill, while investors are currently enjoying soaring high rental yields of 5.7%. The 2<sup>nd</sup> half of 2017 is set to see approx. \$25.0M<sup>^</sup> worth of developments, with 80.0% allocated to mixed projects and 20.0% to commercial projects. This will stimulate economic growth in the area and liveability for residents.

### CALAMVALE 4116



#### OVERVIEW

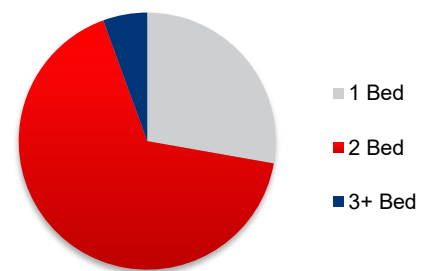
Approx. radius from CBD **18km**

Median unit price **\$397,900**

- 1 Bed median price **N/A**
- 2 Bed median price **\$350,000\***
- 3+ Bed median price **\$365,000**

Positioned to the south of Brisbane's CBD, the suburb of Calamvale offers great affordability whilst recording an annual price growth of 1.4% since 2016. Vacancy rate is currently at 3.4%, which is on par with Brisbane LGA. Astute investors are benefiting from a rental yield of 5.4%, which is higher compared to the rental yields of Brisbane City LGA at 5.0%. The area will see approximately \$15.5M<sup>^</sup> residential projects scheduled to commence in the 2<sup>nd</sup> half of 2017, which will add a total of 58 dwellings to the area. First home buyers need to look at opportunities in Calamvale.

### ENOGERA 4051



#### OVERVIEW

Approx. radius from CBD **6km**

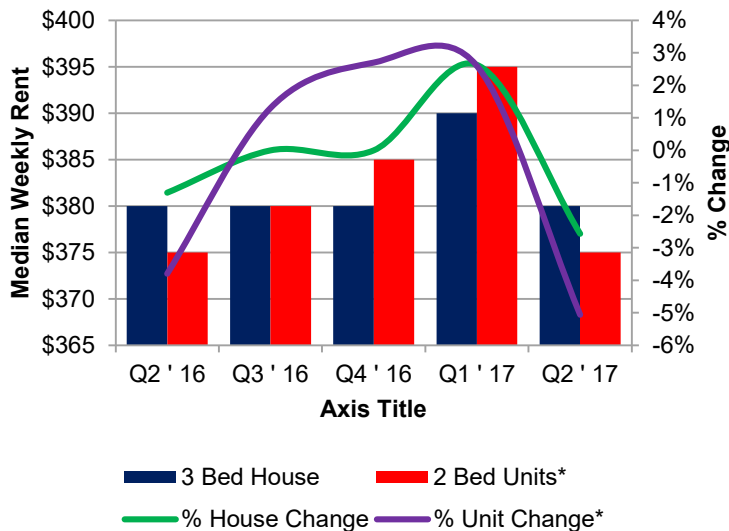
Median unit price **\$437,500**

- 1 Bed median price **\$201,000\***
- 2 Bed median price **\$358,250\***
- 3+ Bed median price **\$470,000\***

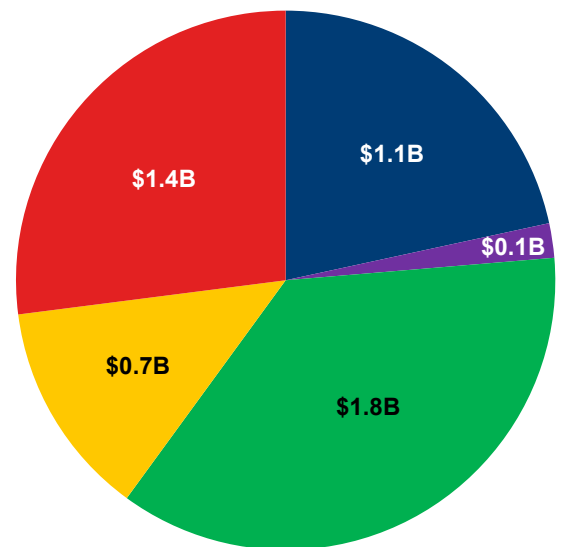
Enoggera is located North-West of the Brisbane's CBD and boasts a positive price growth of 5.0% over 2016, while having an affordable entry price point. The suburb is accessible by public transport, and is close to the major arterials and shopping centres. It has 850 online visits per property, much higher than Queensland's 311. Investors are currently enjoying a high rental yield of 4.8%. The 2<sup>nd</sup> half of 2017 is set to see approx. \$3.4M<sup>^</sup> worth of infrastructure projects, which will improve connectivity to the CBD and liveability for residents.

<sup>^</sup>Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.  
\*Median price is either N/A due to no recorded sales data or quoted as an indication only due to having less than 20 sales transactions.

## RENTAL MARKET ANALYSIS



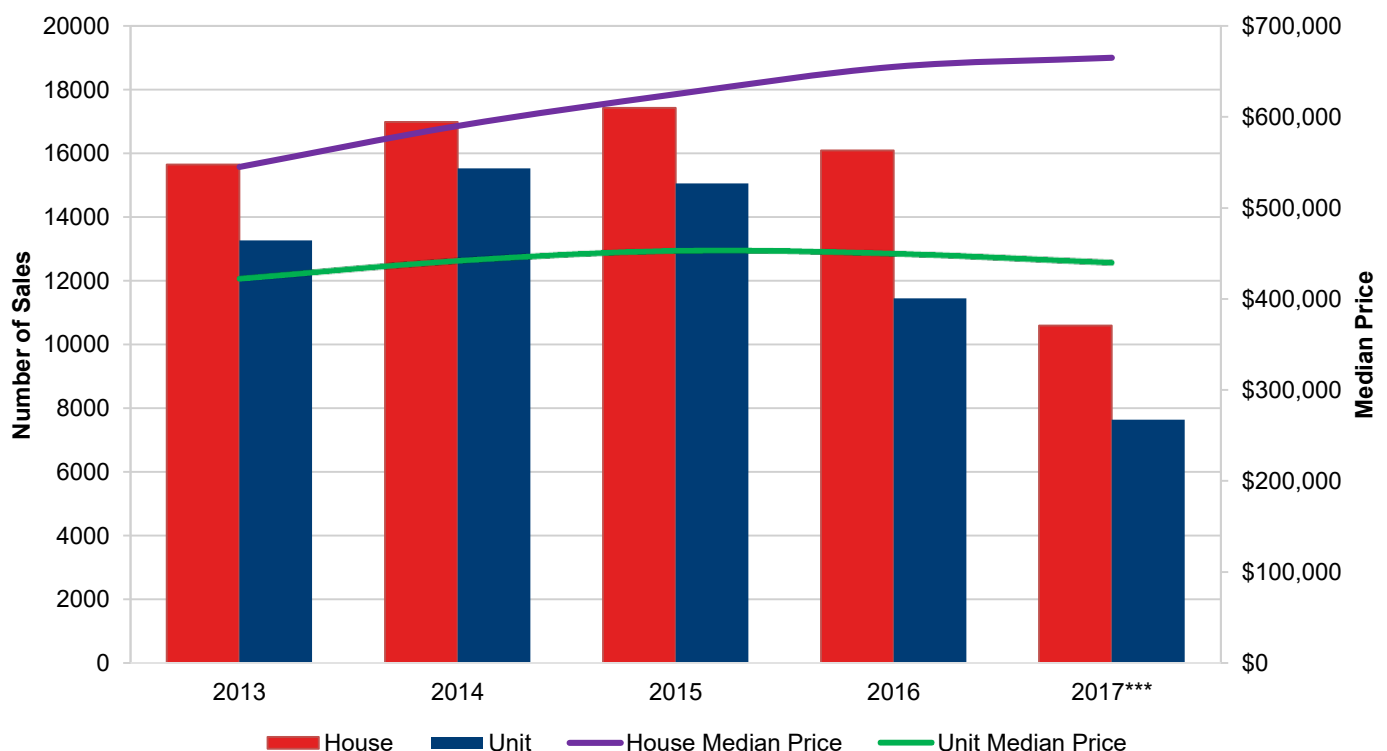
## 2<sup>ND</sup> HALF 2017 PROJECTS\*\*



Over the June quarter, the Brisbane rental market has recorded a median rental price of \$380 for houses (-2.6%) and \$375 for units (-5.1%). This reflects a slight softening of demand for rental properties in the Brisbane market which corresponds to the increase of dwellings supply in Brisbane. For the past 12 months to Q3 2017, vacancy rates has widened slightly to 3.2%. The 2<sup>nd</sup> half of 2017 is set to see approx. \$5.1B\*\* of project developments with a focus on infrastructure, residential and commercial projects. The main infrastructure development (\$0.9B) is the Yeerongpilly Green Master Planned Community.

Commercial Industrial Infrastructure  
Mixed Used Residential

## BRISBANE CITY COUNCIL SALES AND MEDIAN PRICE GROWTH

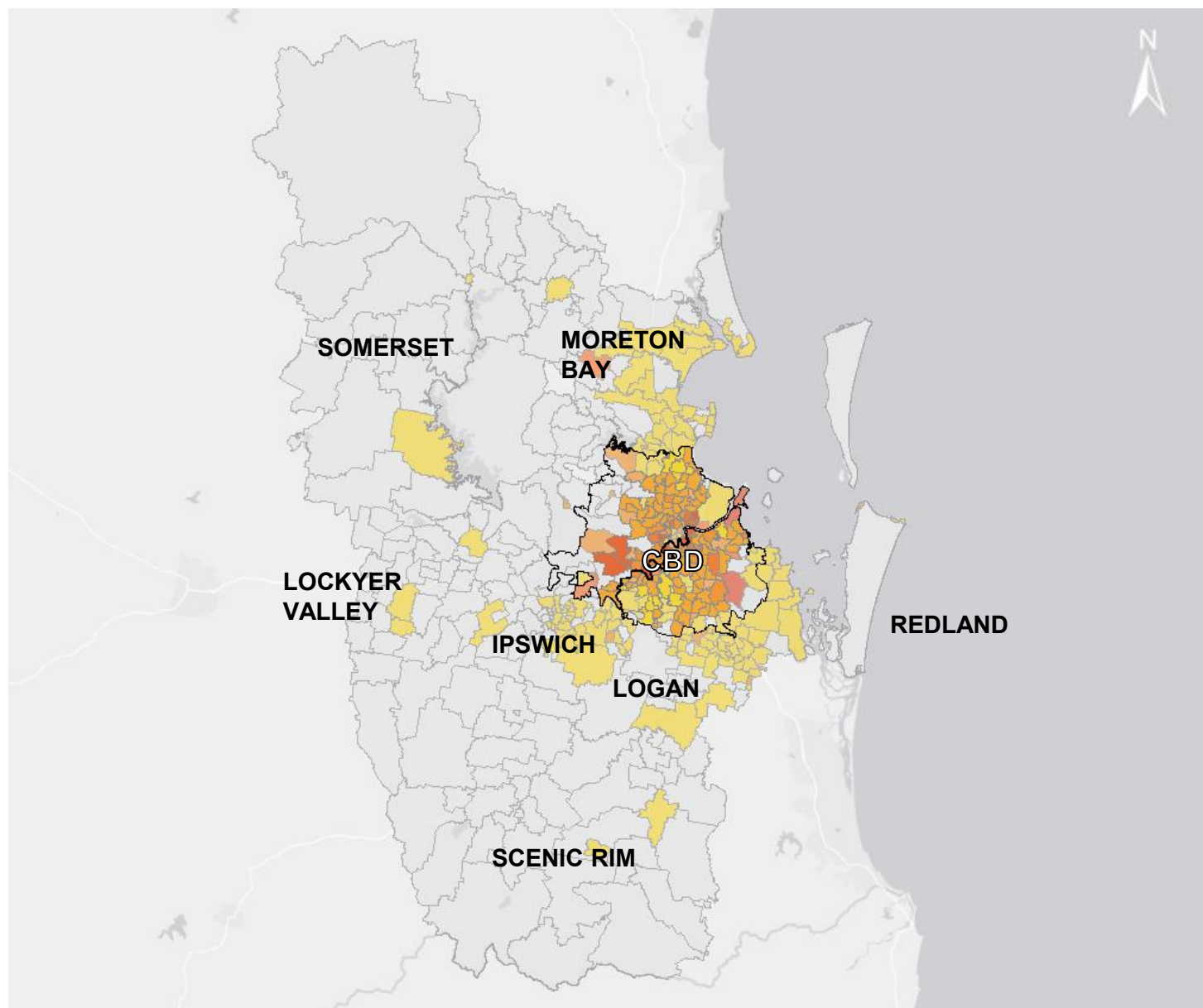


\*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts June quarter 2017 report and are assumed to be predominantly units.

\*\*Quoted project development spending reflects aggregate of estimated values for projects commencing in 2<sup>nd</sup> half 2017. Quoted estimated value of projects is based on reported land construction value as stated by the relevant data authority and does not signify its commercial/resale value.

\*\*\*Median price for 2017 captures sale transactions from 1<sup>st</sup> January 2017 to 30<sup>th</sup> September 2017, or Q3 2017.

## GREATER BRISBANE MEDIAN HOUSE PRICE 2017\*



### LEGEND

	DATA NOT AVAILABLE
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20 KM from CBD

Top 3 Lowest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
Ellen Grove	\$293,000	N/A	\$320	4.2%
Inala	\$360,000	N/A	\$320	4.0%
Acacia Ridge	\$400,000	\$7.0M	\$360	3.8%
Top 3 Highest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
Ascot	\$1,545,000	\$4.7M	\$738	2.6%
New Farm	\$1,350,000	\$10.2M	\$758	3.5%
Wilston	\$1,325,000	\$1.5M	\$650	3.5%

\*Median house price reflected in the heat-map captures sale transactions from 1st January 2017 to 30th September 2017. Grey areas represent suburbs within the Greater Brisbane geographical boundaries (as determined by the ABS) where no recorded sales data could be accessed or due to having less than 20 sales transactions.

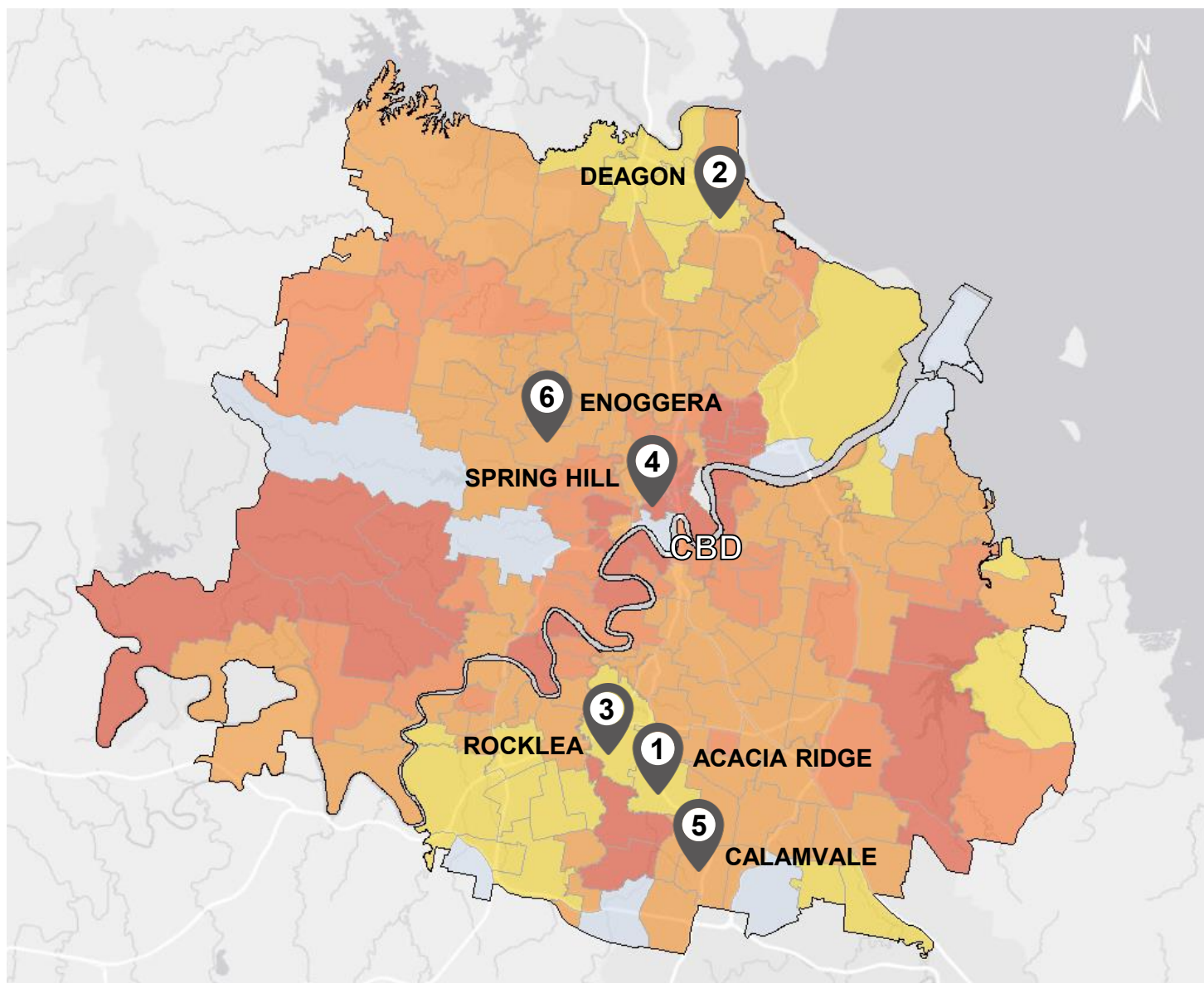
\*\*Top 3 suburbs identified are located within 20 km from Brisbane CBD; suburb median price and median rent figures capture data from 1st January 2017 to 30th September 2017.

\*\*\*Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 2nd half 2017; and does not reflect commercial/re-sale value.



## BRISBANE MEDIAN HOUSE PRICE 2017\*

### 20KM FROM CBD



#### LEGEND

	DATA NOT AVAILABLE
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+

#### BRISBANE AFFORDABLE HOTSPOTS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Acacia Ridge	3.8%	4	Spring Hill	5.7%
2	Deagon	4.1%	5	Calamvale	5.4%
3	Rocklea	4.3%	6	Enoggera	4.8%

\*House median price reflected in the heat-map captures sale transactions from 1<sup>st</sup> January 2017 to 30<sup>th</sup> September 2017.  
Source: APM PriceFinder, ESRI ArcGIS, SQM Research, REIA and Adelaide Bank, Cordell Database.

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