



# Brisbane

Affordable & Liveable Property Guide

1st Half 2018



# BRISBANE AFFORDABLE & LIVEABLE PROPERTY GUIDE

1<sup>st</sup> HALF 2018

## METHODOLOGY

This guide analyses all suburbs within the greater Brisbane area. The suburbs chosen as the most affordable and liveable hotspots are within a 20km radius of the CBD. In selecting hotspots, the below factors and methodology were considered:

- Property trends** - suburbs will have a minimum of 20 transactions for statistical reliability purposes, with positive price growth over the past 15 months (2016 to Q1 2018\*).
- Investment** - suburbs will have on-par or higher rental yield than Brisbane Metro, as well as on-par or lower vacancy rates (as of December 2017).
- Affordability and liveability** - suburbs will have a median price below the maximum affordable property sale price, based on the average state loan. In this report 60% for houses and 30% for units were added to the average Queensland home loan, which was \$338,822\*\* as at December 2017. Key liveability factors included ensuring the suburbs have a low crime rate, availability of amenities were within a 5km radius (i.e. schools, parks, shopping centres, and health care facilities), and an unemployment rate that is on par or lower in comparison to the state average (as determined by the ABS Census 2016).
- Project development** - suburbs will have a high total estimated value of future project development for the 1<sup>st</sup> half of 2018. This ensures sustainable economic growth, having a positive effect on to the property market.

## RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2016	Median Price 2017/2018*	Price Growth	Projects 2017***
Inner	Kangaroo Point	House	\$860,000	\$972,500	13.1%	\$105.0M
	Newstead	Unit	\$594,791	\$627,500	5.5%	\$116.4M
North	Ascot	House	\$1,309,000	\$1,520,000	16.1%	\$7.7M
	Ascot	Unit	\$445,000	\$485,000	9.0%	\$7.7M
South	Doolandella	House	\$458,500	\$530,000	15.6%	\$25.7M
	Rochedale	Unit	\$495,000	\$545,000	10.1%	\$28.7M
East	Bulimba	House	\$1,157,500	\$1,295,000	11.9%	\$21.3M
	Cannon Hill	Unit	\$450,000	\$480,000	6.7%	\$6.0M
West	Oxley	House	\$528,000	\$570,000	8.0%	\$11.4M
	Oxley	Unit	\$370,000	\$457,000	23.5%	\$11.4M

## OVERVIEW

Between 2016 to Q1 2018\*, the number of houses sold in the Brisbane City Local Government Area (LGA) grew by 17.9%, yet the median price also grew by 3.1%; indicating real capital growth and healthy demand. Units however, have become increasingly affordable as prices have softened by -3.1%. The majority (61.3%) of suburbs in greater Brisbane experienced single digit price growth, 14.9% experienced double digit growth and 23.8% had negative growth. Property buyers will be ecstatic by the existence of affordable options amid continued price growth across suburbs in the north and south. At the same time, rental prices in the LGA have remained stable for both houses and units.



## KEY MARKET INDICATORS BRISBANE CITY COUNCIL

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

## KEY COMMENTS

Queensland housing affordability has declined. The proportion of income to meet home loan repayments has increased by 27.6% over the past 12 months (to the December 2017 quarter). Although the number of first home buyers has increased by 13.4%, this is much lower than NSW (74.9%) and VIC (39.7%).

Affordable suburbs for houses (those with a maximum property sale price of the average state loan, plus a 40% deposit) exist. There are 4 suburbs that meet our affordable criteria: Ellen Grove, Inala, Acacia Ridge and Darra.

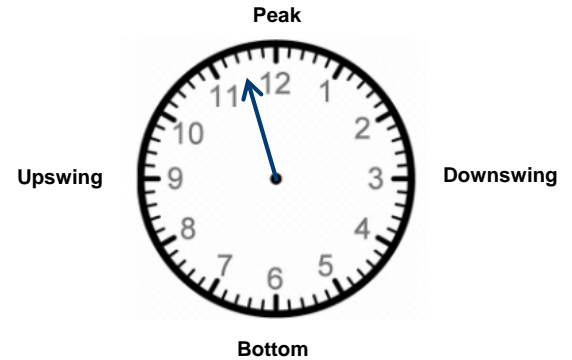
Although affordable, these suburbs fail to meet our liveability criteria set. To meet affordability and liveability criteria, a 60% premium needed to be added to the average state loan. Interestingly, only 30% was needed to be added to find affordable and liveable unit hotspots, making the combined average cost of liveability in Brisbane LGA only 5%, the lowest amongst all capital cities.

\*Median price quoted captures sale transactions from 1 January 2017 to 31 March 2018, or Q1 2018. \*\*Average home loan figure is derived from December 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 1<sup>st</sup> half 2018. ^Key market indicators for sales are reflective of median price change over the past 15 months between 2016 and 2017/2018, with 2018 data being up to end of Q1 2018. Median rent is reflective of median price change between Q1 2017 and Q1 2018. © PRDnationwide 2018.

## BRISBANE HOUSE HOTSPOTS

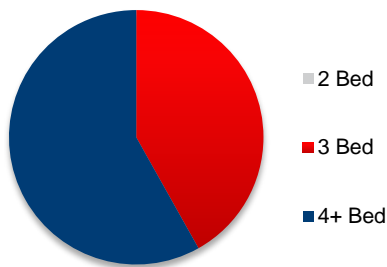


## PROPERTY CLOCK – HOUSES



## AFFORDABLE & LIVEABLE HOUSE HOTSPOTS

### ALGESTER 4115



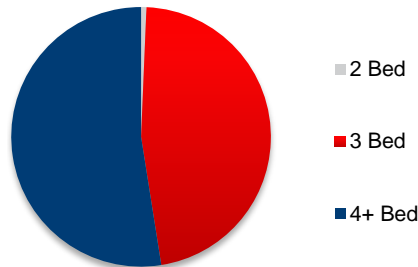
Located in an approximate radius of **16.0km** from the CBD.

Median house price **\$514,500**

- 3 bed median price **\$483,000**
- 4+ bed median price **\$560,000\***

Positioned to the south of Brisbane's CBD, Algester offers the best of both worlds in terms of affordability and liveability as it's close to the supermarket, green parkland space, public school, medical centre and motorway access; whilst recording a price growth of 5.0% since 2016. Investors are enjoying solid rental yields of 4.1%, sitting above Brisbane Metro's 3.7%. The 1<sup>st</sup> half of 2018 is expected to see approximately \$1.5M<sup>^</sup> worth of residential development, which will add 35 lots to the area. First home buyers need to act fast and secure opportunities in this growing suburb.

### BRACKEN RIDGE 4014



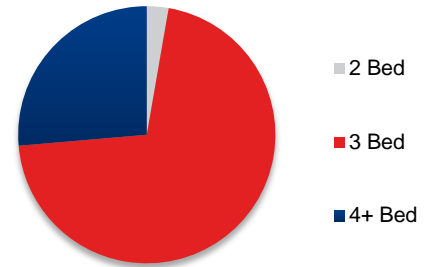
Located in an approximate radius of **15.6km** from the CBD.

Median house price **\$500,000**

- 2 bed median price **\$406,750\***
- 3 bed median price **\$473,000**
- 4+ bed median price **\$530,000**

Located north of Brisbane's CBD, Bracken Ridge offers a fantastic entry price point into the property market without sacrificing median price growth (4.2% over the past 15 months), and ample liveability factors. Investors are currently benefiting from solid rental yields of 4.0%, which when combined with the low vacancy rate of 1.5%, sets Bracken Ridge apart as an investment hotbed. The 1<sup>st</sup> half of 2018 will see \$2.9M<sup>^</sup> worth of developments in the area, with 89.8% allocated to a housing infrastructure project and 10.2% to commercial projects. Both of which will stimulate economic growth in the area.

### GEEBUNG 4034



Located in an approximate radius of **11.1km** from the CBD.

Median house price **\$538,000**

- 2 bed median price **\$510,000\***
- 3 bed median price **\$530,000**
- 4+ bed median price **\$605,000**

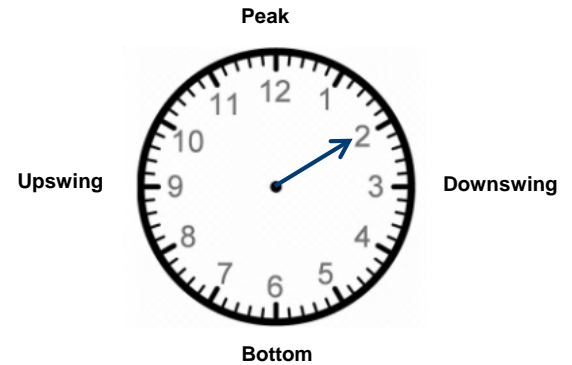
Geebung offers affordable and liveable opportunities to the north of Brisbane's CBD, recording a 4.5% median price growth since 2016. Geebung is served by several forms of public transport and is close to major shopping centres. Investors are enjoying attractive rental yields of 3.8% with vacancy rates of 2.9%, which is well below Brisbane Metro's average of 3.8%. The 1<sup>st</sup> half of 2018 will see \$3.8M<sup>^</sup> worth of commercial projects, which will improve local employment and economic conditions. First home buyers need to act fast to secure a property in this area.

\*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. © PRDnationwide 2018.

## BRISBANE UNIT HOTSPOTS

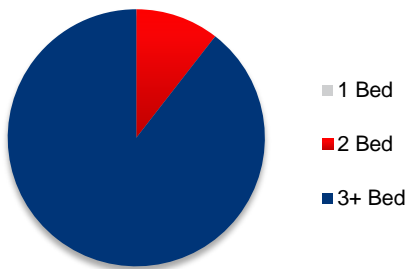


## PROPERTY CLOCK – UNITS



## AFFORDABLE & LIVEABLE UNIT HOTSPOTS

### ALGESTER 4115



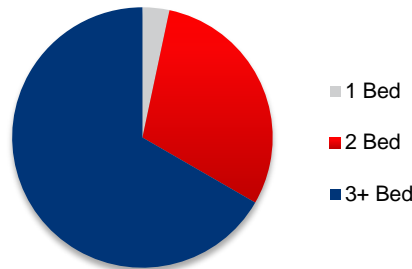
Located in an approximate radius of **16.0km** from the CBD.

Median unit price **\$365,000**

- 2 bed median price **\$311,500\***
- 3+ bed median price **\$302,500**

Algester is located south of Brisbane's CBD and offers a unique combination of an impressive 17.4% unit median price growth and a lower entry price point for first home buyers. The suburb scores high on the liveability scale with accessibility to public transport, a community park and other amenities. Investors are currently enjoying a high unit rental yield of 5.4%, as well as a vacancy rate of 3.3%, which is slightly below Brisbane Metro's average of 3.8%. The 1<sup>st</sup> half of 2018 is earmarked for \$1.5M<sup>^</sup> worth of residential developments to service increasing demand.

### NORTHGATE 4013



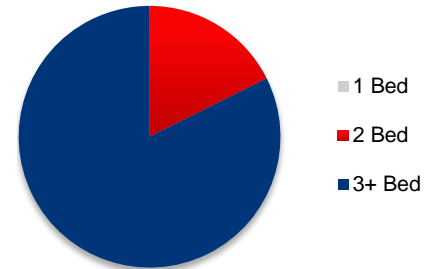
Located in an approximate radius of **9.4km** from the CBD.

Median unit price **\$414,000**

- 1 bed median price **\$239,000\***
- 2 bed median price **\$350,000\***
- 3+ bed median price **\$452,500**

Positioned to the north of Brisbane's CBD, Northgate offers great affordability, recording an annual price growth of 7.5% since 2016. Solid rental yields of 4.8% when combined with a low vacancy rate of 1.8% and a high liveability score, provide astute investors with great confidence in buying in the area. Northgate will see \$5.1M<sup>^</sup> of residential projects scheduled to commence in the 1<sup>st</sup> half of 2018, with 83.2% allocated to commercial projects and 16.2% to residential. This will further stimulate economic growth in the area and liveability for residents.

### PARKINSON 4115



Located in an approximate radius of **18.0km** from the CBD.

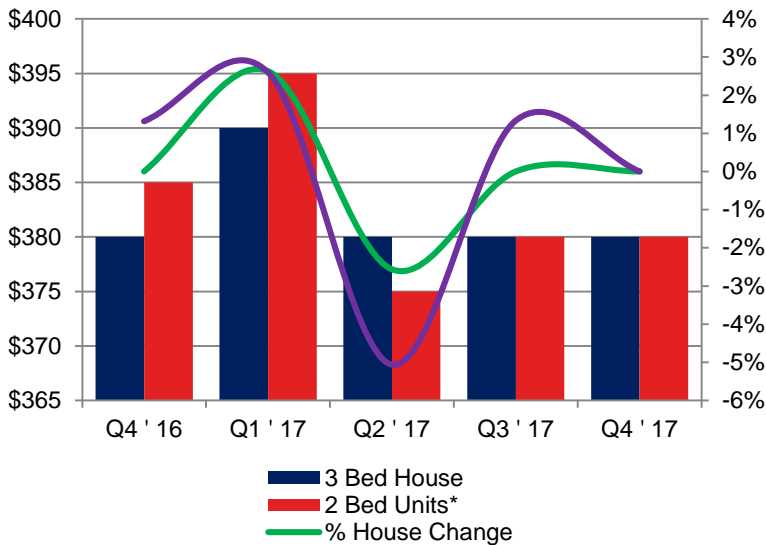
Median unit price **\$401,000**

- 2 bed median price **\$290,000\***
- 3+ bed median price **\$349,500\***

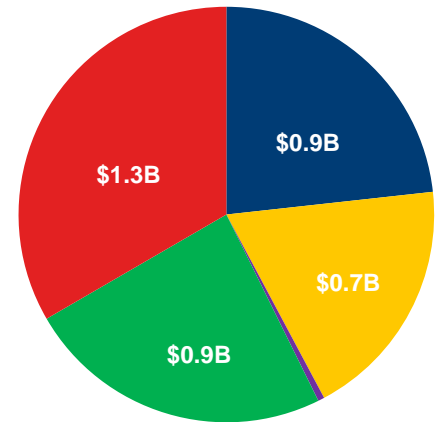
Parkinson is a hidden gem positioned to the south of Brisbane's CBD. It is close to shopping centres and offers easy motorway access to the Brisbane Airport, the Gold Coast and Ipswich. Since 2016, Parkinson has recorded a price growth of 8.7% and astute investors are currently benefiting from solid rental yields of 5.4%. The 1<sup>st</sup> half of 2018 is expected to deliver \$12.0M<sup>^</sup> worth of residential development that will add 42 new townhouses to the area, which will further present first home buyers the perfect opportunity to get on the property ladder.

\*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. © PRDnationwide 2018.

## RENTAL MARKET ANALYSIS



## 1<sup>st</sup> HALF 2018 PROJECTS\*\*

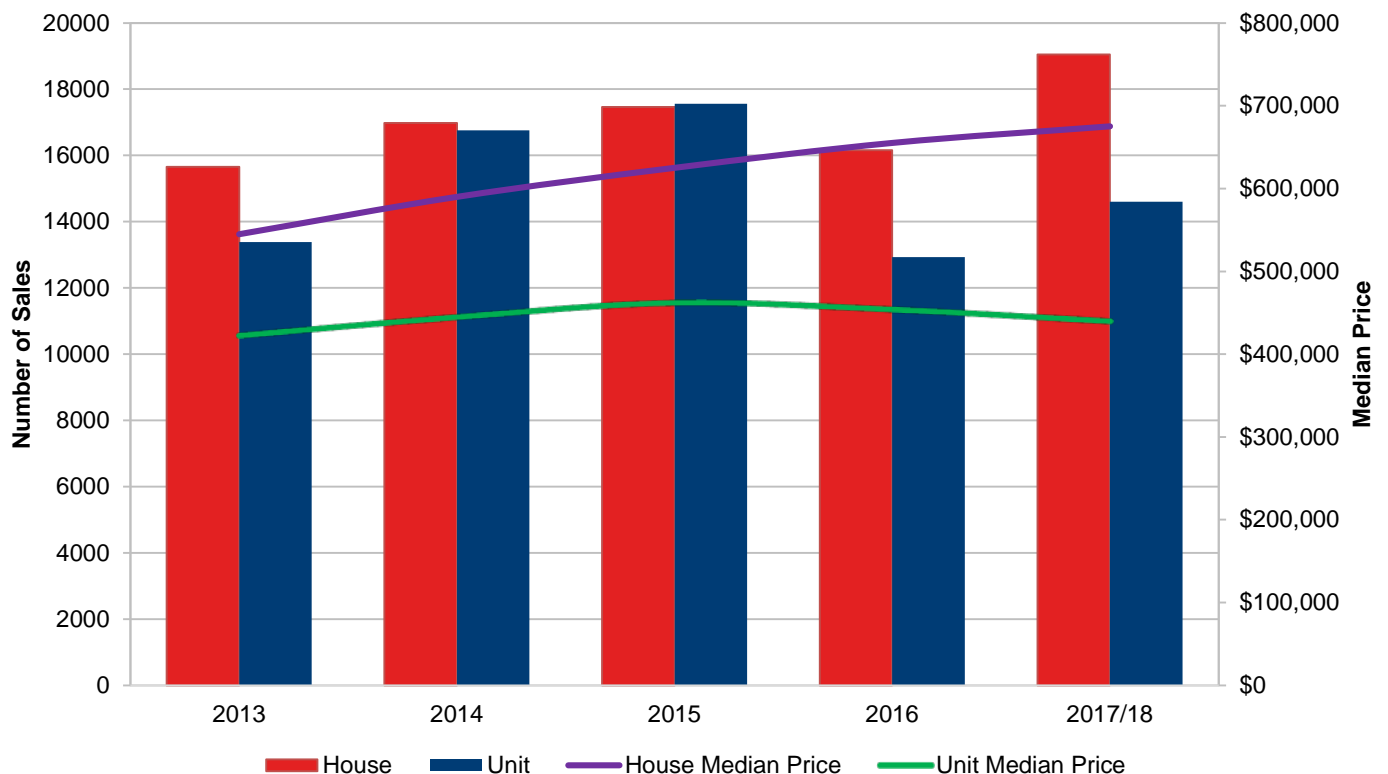


■ Commercial ■ Mixed Use ■ Industrial  
■ Infrastructure ■ Residential

Over the 2017 December quarter, the Brisbane rental market recorded a median rental price of \$380 for both houses and units, representing stable growth. The vacancy rate peaked in December 2017 and is on a decreasing trend when compared to December 2016, suggesting the Brisbane market is absorbing the oversupply of residential accommodation. Moreover, the rental yield in Brisbane Metro is at 3.7% (houses) and 5.0% (units), which is well above Sydney Metro's 2.9% (houses) and 3.8% (units) and Melbourne Metro's 2.8% (houses) and 3.8% (units). This is exciting news for investors who are looking to purchase a property in Brisbane as it is still highly affordable yet offers a higher yield.

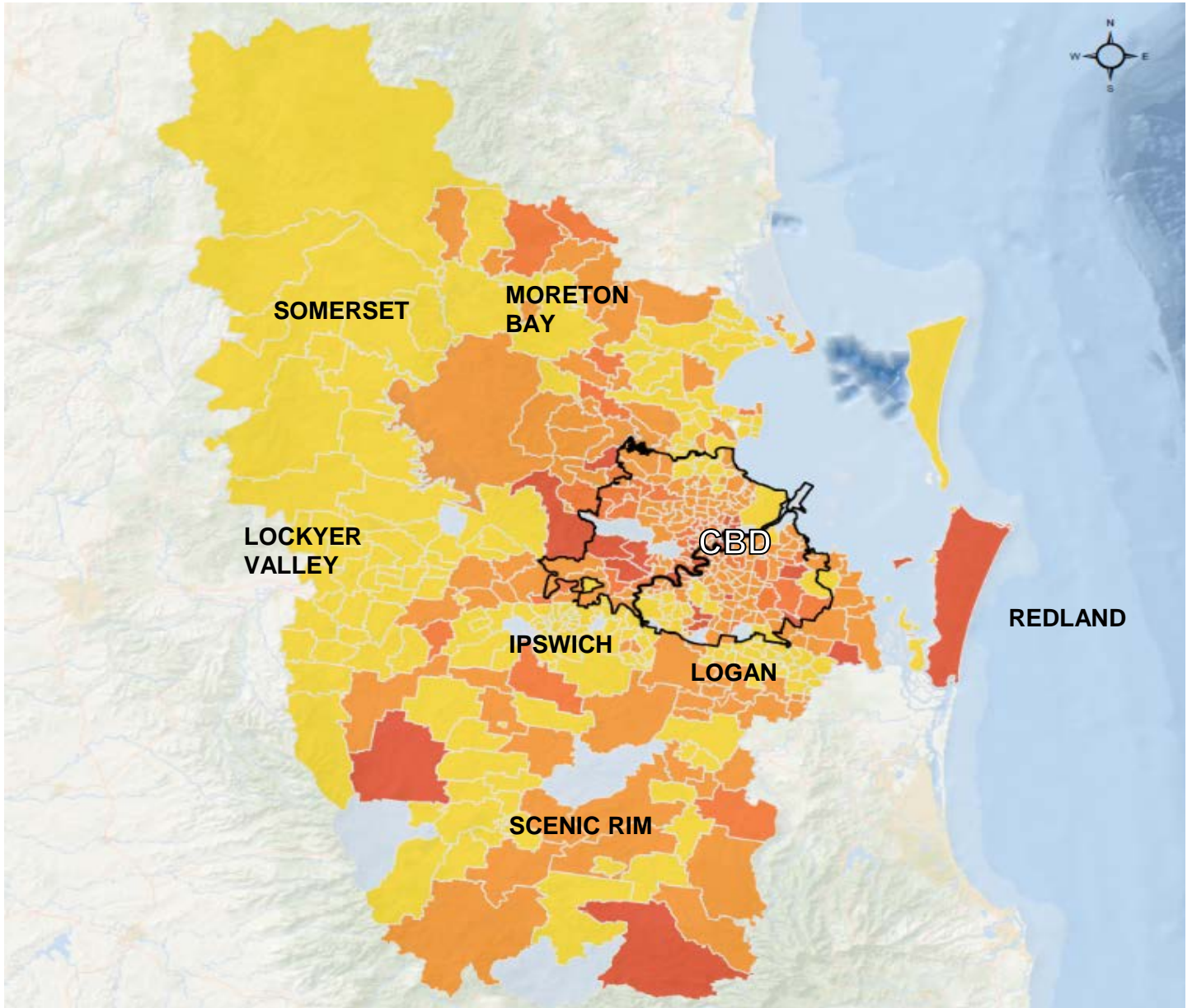
The 1<sup>st</sup> half of 2018 is set to see approximately \$3.8B\*\* worth of developments with a well-balanced focus on infrastructure, residential and commercial projects. The Herston Quarter Rehabilitation and Ambulatory Care Centre (\$347.0M) will be the main commercial project. Brisbane Quarter the One Residential Tower (\$300.0M) is set to deliver 466 units over 81-storey tower in Brisbane CBD. The main infrastructure project will be the Logan Enhancement Project (\$512.0M), which will improve key traffic congestions.

## 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 December quarter 2017 report and are assumed to be predominantly units. \*\*Quoted project development spending reflects aggregate of estimated values for projects commencing in 1<sup>st</sup> half 2018. 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 2017/2018 captures sale transactions from 1<sup>st</sup> January 2017 to 31<sup>st</sup> March 2018. © PRDnationwide 2018.

# GREATER BRISBANE MEDIAN HOUSE PRICES 2017/2018\*

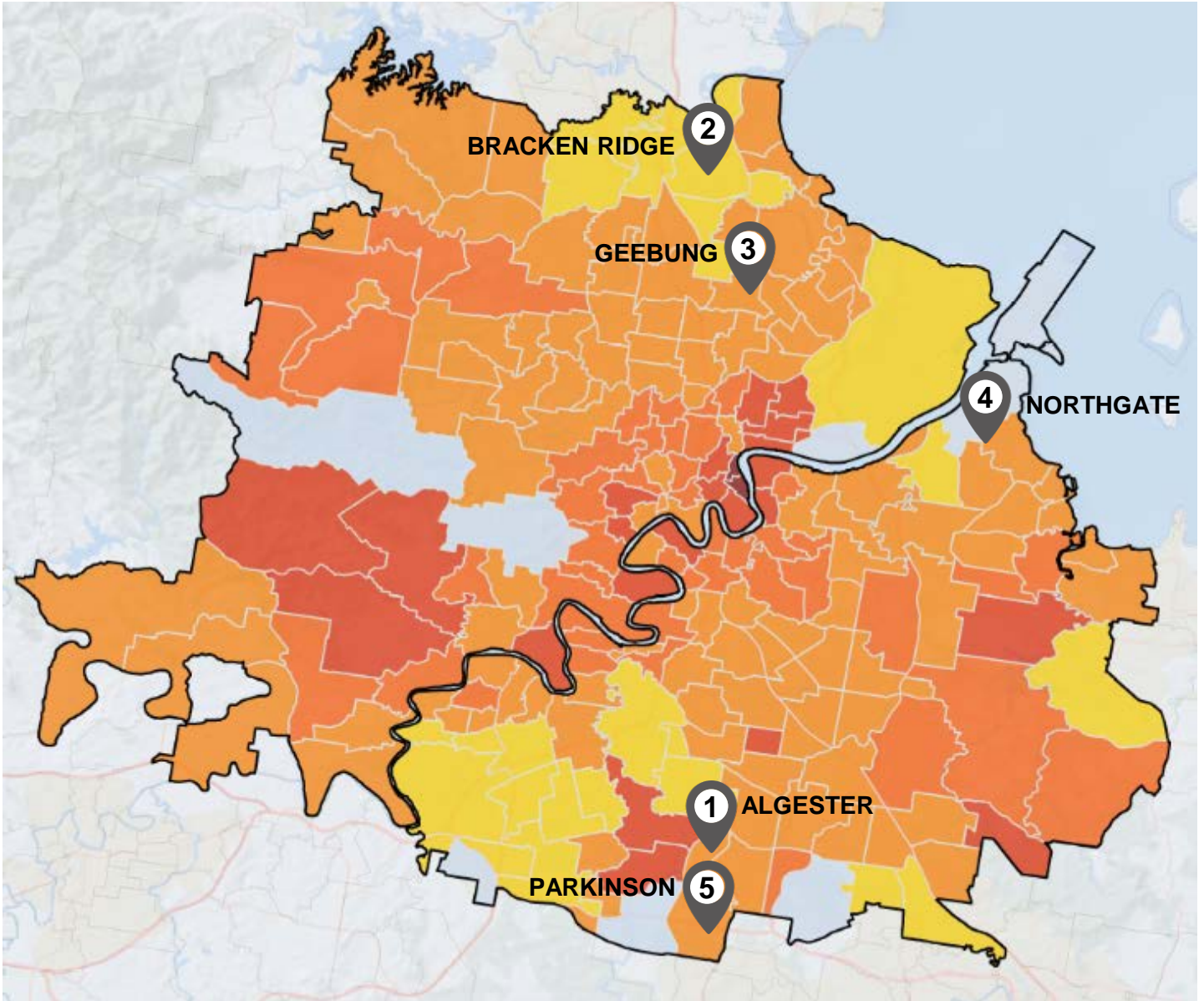


LEGEND		Top 3 Lowest Priced Suburbs**	Median Price 2017/2018**	Project Development***	Median Rent 2017/2018**	Rental Yield
	Data not available	Ellen Grove	\$295,000	\$9,600,000	\$325	4.5%
	\$0 - \$500,000	Inala	\$368,000	\$2,884,000	\$325	4.3%
	\$500,000 - \$800,000	Acacia Ridge	\$406,500	\$3,750,000	\$355	4.0%
	\$800,000 - \$1,000,000	Top 3 Highest Priced Suburbs**	Median Price 2017/2018**	Project Development***	Median Rent 2017/2018**	Rental Yield
	\$1,000,000 - \$2,000,000	Teneriffe	\$2,325,000	\$5,500,000	\$700	2.8%
	\$2,000,000+	Ascot	\$1,520,000	\$7,650,000	\$715	3.0%
	20km from CBD	New Farm	\$1,519,000	\$15,400,000	\$800	2.8%

\*Median house price reflected in the heat-map captures sale transactions from 1st January 2017 to 31st March 2018. Grey areas represent areas 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 31st March 2018. \*\*\*Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 1st half 2018; and does not reflect commercial/re-sale value. © PRDnationwide 2018.

# BRISBANE MEDIAN HOUSE PRICES 2017/2018\*

## 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+
	20km from CBD

### BRISBANE AFFORDABLE & LIVEABLE HOTSPOTS RENTAL YIELD

	Suburb	House	Suburb	Unit	
1	Algerster	4.1%	1	Algerster	5.4%
2	Bracken Ridge	4.0%	4	Northgate	4.8%
3	Geebung	3.8%	5	Parkinson	5.4%

\*House median price reflected in the heat-map captures sale transactions from 1<sup>st</sup> January 2017 to 31<sup>st</sup> March 2018. Source: APM PriceFinder, ESRI ArcGIS, SQM Research, REIA and Adelaide Bank. © PRDnationwide 2018.

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