Brisbane

Affordable & Liveable Property Guide

2nd Half 2018

PRD nationwide

BRISBANE AFFORDABLE & LIVEABLE PROPERTY GUIDE

2ND HALF 2018

PRD nationwide RESEARCH

METHODOLOGY

This Brisbane Affordability and Liveability Guide analyses all suburbs within the Greater Brisbane Area (Brisbane City Local Government Area), within a 20km radium from the Brisbane CBD. The below factors were considered:

- **Property trends** – all suburbs considered will have had a minimum of 20 transactions for statistical reliability purposes, with positive price growth between 2017 to 2018*.
- **Investment** – as of June 2018 the suburb will have an on-par or higher rental yield than Brisbane Metro, and an on-par or lower vacancy rate.
- **Affordability** – suburbs with a median price below the maximum sale price of state average home loan plus allocated premium percentage. In this report 75% (houses) and 20% (units) was added to the average Queensland home loan, which was $349,165** as at June 2018. This is below the 91% (houses) and 25% (units) premiums needed to purchase the Brisbane LGA median price, thus more affordable for buyers.
- **Project development** – the suburb has a high total estimated value of future project development for 2nd half 2018. This ensures sustainable economic growth, having a positive effect on to the property market.
- **Liveability factors** – this includes ensuring low crime rate, availability of amenities within a 5km radius (i.e., school, green space, public transport, shopping centres, and health care facilities), and an unemployment rate on par or lower in comparison to the state average (as determined by the Department of Jobs and Small Business, June Quarter 2018 release).

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2017	Median Price 2018*	Price Growth	Projects 2018***
Inner	Milton	House	$811,000	$844,500	4.1%	$50.0M
	West End	Unit	$533,750	$579,000	8.5%	$77.2M
North	Carseldine	House	$610,000	$640,000	4.9%	$23.6M
	Newstead	Unit	$630,000	$656,000	4.1%	$120.3M
South	Kenmore	House	$665,000	$735,500	10.6%	$22.8M
	Rochedale	Unit	$545,000	$758,500	39.2%	$128.3M
East	Tingalpa	House	$530,000	$565,000	6.6%	$17.3M
	Morningside	Unit	$473,500	$493,000	4.1%	$17.1M
West	Toowong	House	$835,000	$870,500	4.3%	$49.0M
	Toowong	Unit	$453,250	$470,500	3.8%	$49.0M

OVERVIEW

Between 2017 and 2018*, the number of houses sold in Brisbane City Local Government Area (LGA) grew by 5.0% yet median house price softened by -1.0% to $670,000. This indicates increasing affordability in the housing market and a healthy demand. Brisbane LGA unit market have also become affordable as prices softened by -1.0% to $439,000 in 2018*. Median rents for both houses and units have fluctuated, providing tenants with greater opportunities to find affordable rentals. With $3.3B worth of development in the pipeline or under construction in 2nd half 2018 there are many exciting projects that will further attract commercial activity and population growth.

KEY MARKET INDICATORS
BRISBANE CITY COUNCIL

Indicator	Market Variation^
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 increased to 28.1% over the past 12 months to the June 2018 quarter, and the number of first home buyers decreased by -3.6%.

Affordable house suburbs, those with a maximum property sale price of the Queensland average state loan plus 60% premium, as per the 1st Half 2018 Affordable and Liveable Property Guide, exist. Thet are: Wynnum West, Doolandella, Tingalpa, Coopers Plains, Boondall, and Taigum.

However, these suburbs fail to meet the liveability criteria. To meet this, 75% premium needed to be added to the average state loan. Algester and Bracken Ridge which were identified in the 1st half of 2018 as affordable and liveable experienced high price growth in 6 months and can no longer meet the affordability criteria. This suggests the need for a more strategic approach to quickly improve liveability conditions in a number of affordable areas.

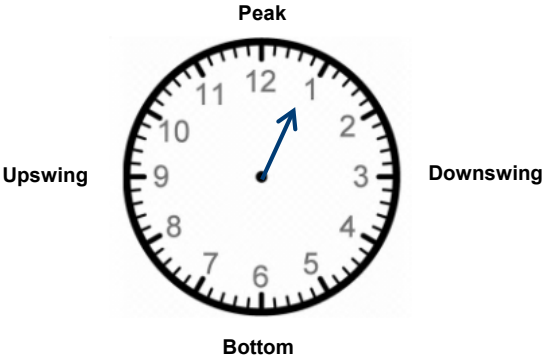
*Median price quoted captures sale transactions from 1st January 2017 to 30th September 2018, or Q3 2018.
Average home loan figure is derived from June quarter 2018 Housing Affordability Report by Real Estate Institute of A*Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence in the 2nd half 2018. AAustralia and Adelaide Bank. ^Key market indicators for sales are reflective of median price change between 2017 and 2018, with 2018 data being up to end of Q3 2018. Median rent is reflective of median price change between Q2 2017 and Q2 2018.

YOUR HOME OF PROPERTY KNOWLEDGE

PRD nationwide RESEARCH

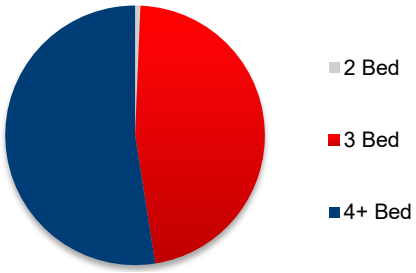
BRISBANE HOUSE HOTSPOTS

PROPERTY CLOCK – HOUSES



AFFORDABLE & LIVEABLE HOUSE HOTSPOTS

ASPLEY 4034

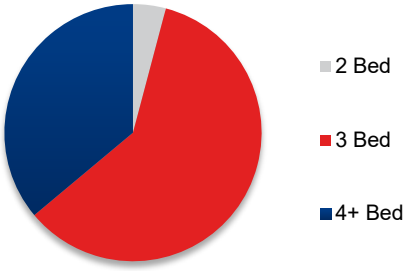


Located in an approximate radius of **13.9km** from the CBD.

Median house price **$600,000**
- 2 Bed Median Price **$575,000**
- 3 Bed Median Price **$598,000**
- 4+ Bed Median Price **$598,000**

Located 13.9km north of Brisbane's CBD, Aspley has a fantastic low entry price point to offer first home buyers, with a median price growth of 1.3% since 2017. Investors are currently benefiting from solid rental yields of 3.9% (above the Brisbane average of 3.8%). Combined with a low vacancy rate of 1.9%, this sets Aspley as an investment hotbed. The 2nd half of 2018 will see $2.0M^ worth of project developments, with a focus on commercial projects. This will create local jobs in Aspley and assist with economic growth. Now is the time to capitalise on this affordable and liveable suburb.

EVERTON PARK 4053

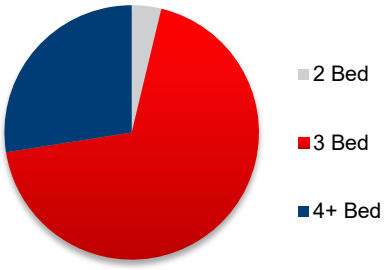


Located in an approximate radius of **10.8km** from the CBD.

Median house price **$605,000**
- 2 Bed Median Price **$606,625**
- 3 Bed Median Price **$602,500**
- 4+ Bed Median Price **$605,250**

Everton Park is a suburb located north of Brisbane's CBD. It offers a unique combination of affordability and liveable opportunities, whilst having a 0.8% median price growth since 2017. Everton Park ticks all the right boxes with being close to hospitals, schools, variety of shops, and public transport. Investors are achieving rental yields of 3.8% with a low vacancy rate of 2.2%, well below Brisbane Metro's average of 2.6%. The 2nd half of 2018 will see $7.0M^ worth of commercial and residential projects. These projects will improve local employment and stimulate economic growth.

GEEBUNG 4034



Located in an approximate radius of **15.1km** from the CBD.

Median house price **$545,000**
- 2 Bed Median Price **$530,000**
- 3 Bed Median Price **$536,000**
- 4+ Bed Median Price **$536,750**

Ideally positioned to the north of Brisbane's CBD, Geebung offers great affordability and liveability for first home buyers as it is close to amenities such as shops, green parkland, schools, medical centre and great public transport access. This follows along with a median price growth of 0.9% since 2017. Investors are receiving solid rental yields of 3.9%, which sits above that of Brisbane Metro's 3.8%. The 2nd half of 2018 is expected to see approx. $7.6M^ worth of commercial projects. This will create local jobs and drive property demand into the suburb. Now is the time to act.

^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.

Source: APM Pricefinder, Relestate.com.au, Real Estate Institute of Australia, SQM Research, Cordell Connect, Corelogic RP Data, Department of Jobs and Small Business, GoogleMaps. © Copyright PRDnationwide 2018.

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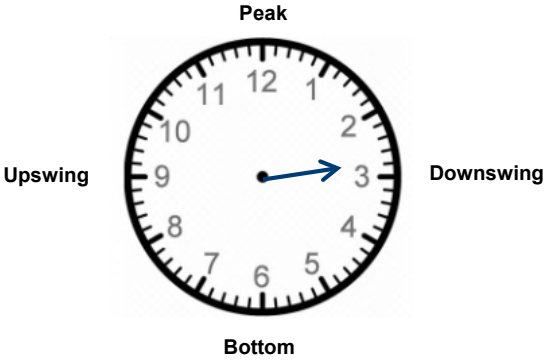
PRD nationwide RESEARCH

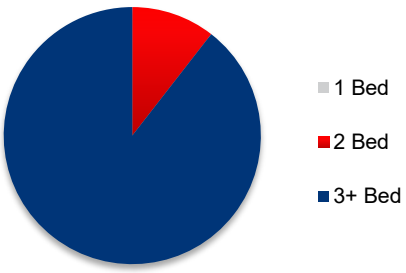
BRISBANE UNIT HOTSPOTS

PROPERTY CLOCK – UNITS



AFFORDABLE & LIVEABLE UNIT HOTSPOTS

CARSELDINE 4034

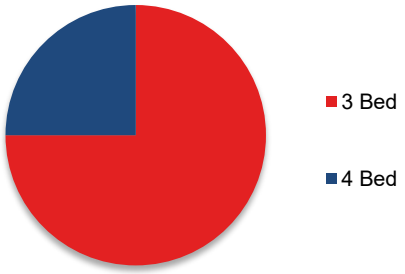


Located in an approximate radius of **17.7km** from the CBD.

Median unit price **$373,000**
- 2 Bed Median Price **$335,000**
- 3+ Bed Median Price **$373,000**

Carseldine is located north of the Brisbane's CBD, offering a unique combination of impressive 14.8% growth in median unit price since 2017 yet with a lower entry price point (compared to Brisbane LGA) for first home buyers. The suburb is positioned well with accessibility to the hospital, schools, shops, public transport and community parks. Investors are currently enjoying a high unit rental yield of 5.7%, well above Brisbane Metro of 5.0%; as well as a low vacancy rate of 1.9%. The 2nd half of 2018 is earmarked for $29.8M^ worth of developments which will result in further economic growth in the area.

DOOLANDELLA 4077

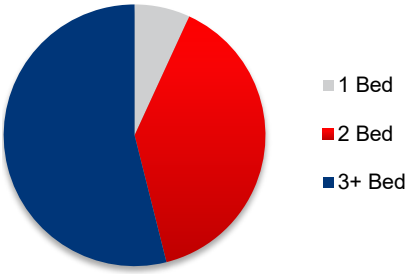


Located in an approximate radius of **17.0km** from the CBD.

Median unit price **$357,000**
- 3 Bed Median Price **$355,000***
- 4 Bed Median Price **$358,000***

Doolandella is a suburb positioned to the south of Brisbane's CBD that offers affordability whilst recording an annual price growth of 3.6% since 2017. Extraordinary rental yield of 6.2% and low vacancy rates of 2.0% have attracted many investors into the area. Liveability factors come into great play as its positioned close to medical centres, schools, shops, public transport and few community parks. $20.1M^ worth of projects are scheduled to commence in the 2nd half of 2018 in Doolandella. These are predominantly residential, with a key project being 33 townhouses at Blunder Rd ($9.9M^), to cater for the projected increasing demand.

WYNNUM WEST 4178



Located in an approximate radius of **18.5km** from the CBD.

Median unit price **$345,000**
- 2 Bed Median Price **$387,000***
- 3+ Bed Median Price **$387,000***

Wynnum West is a well-established suburb positioned to the east of Brisbane's CBD. It is close to the beach, medical centres, variety of shops, schools, public transport and many community parks. Since 2017 Wynnum West has recorded an annual price growth of 2.2%, with investors benefiting from solid rental yields of 5.0%. 2nd half of 2018 is expected to deliver $8.8M^ worth of residential and commercial projects. These projects will further present first home buyers with the perfect opportunity to get on the property ladder, whilst enjoying a new health centre and more retail options.

^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.

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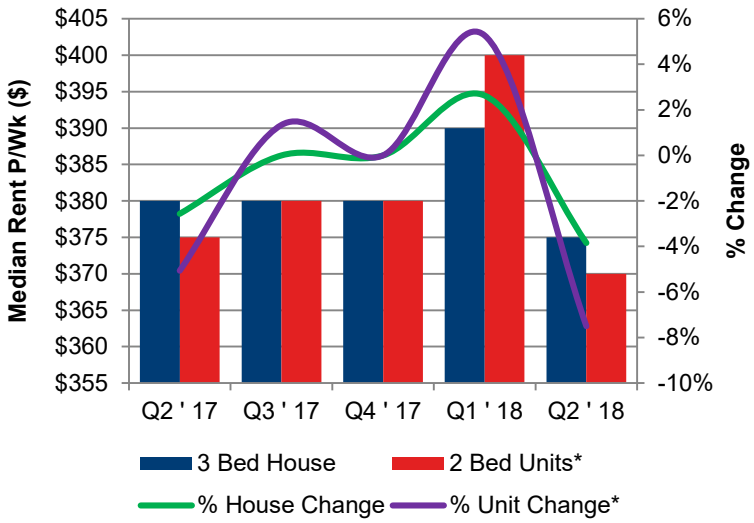
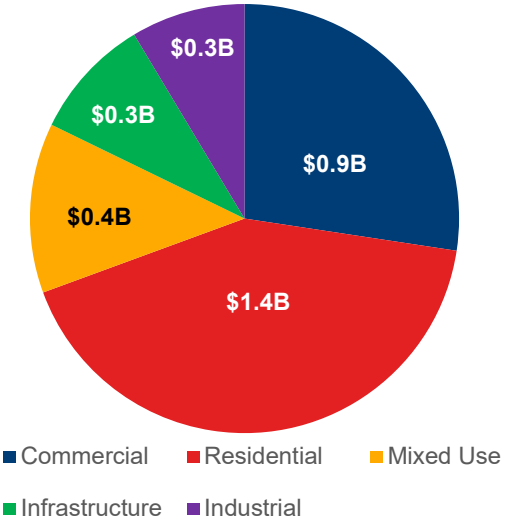
RENTAL MARKET ANALYSIS



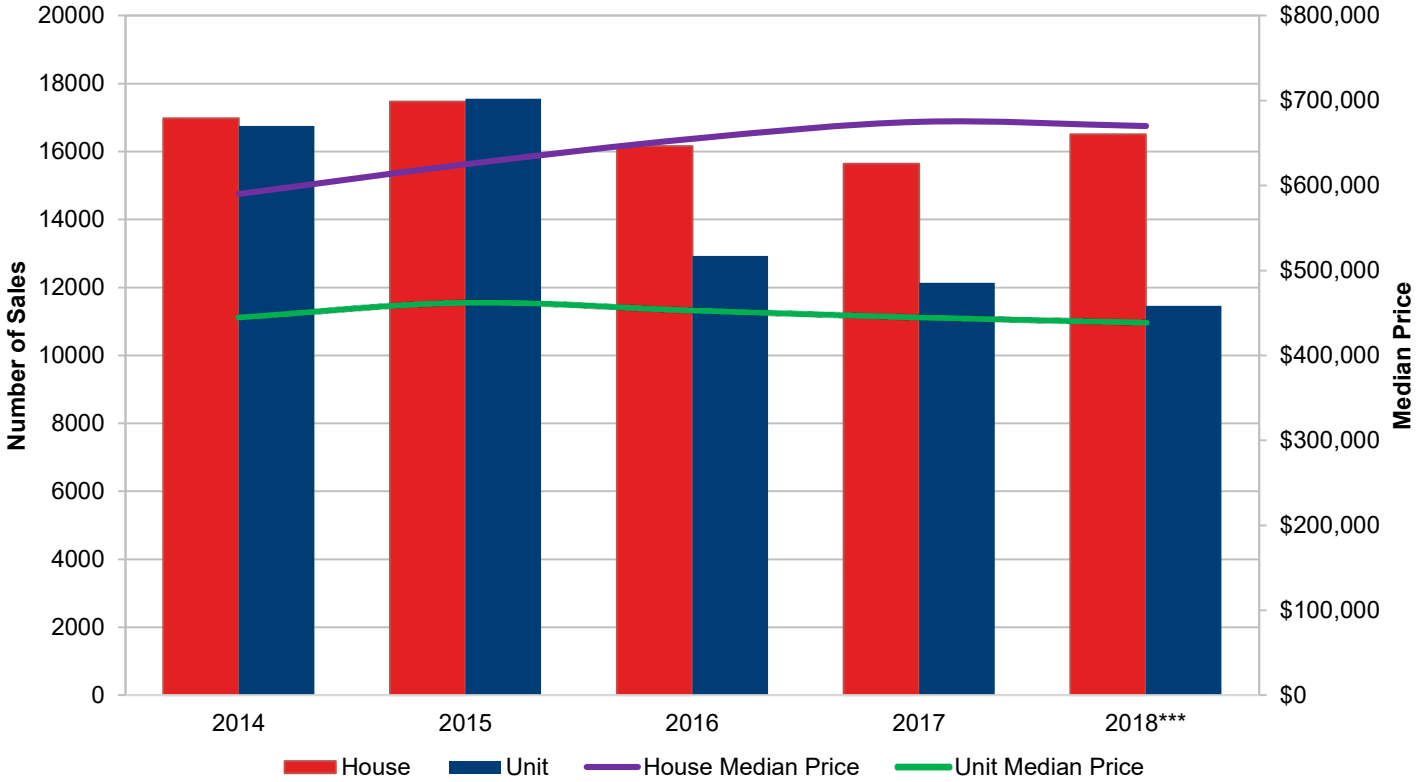
There have been slight fluctuations in the Brisbane rental market over the past 12 months to Q2 2018, with the highest spike in rental prices in Q1 2018. That said, rental prices have largely remained stable during this time frame. Brisbane Metro's vacancy rate has continued to trend downwards since December 2017 and was at 2.6% in June 2018, back under the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests that the Brisbane market is re-absorbing the oversupply of residential accommodation. Brisbane Metro rental yield is 3.8% (houses) and 5.0% (units), well above that of Sydney Metro (houses 2.7% and units 3.7%) and Melbourne Metro (houses 2.7% and units 3.9%).

2nd HALF 2018 PROJECTS**



Brisbane will focus on residential projects in the 2nd half of 2018, with approximately $1.4B** dedicated to this sector. This will cater to Brisbane's population growth of 2.0%, which is the second highest growth across Australia between year 2016-17. Brisbane Quarter the One Residential Tower ($300.0M) is the main residential project, set to deliver 466 units. The Wickham Street commercial tower ($90.0M) is a key commercial project. The main infrastructure project is Brisbane International Cruise Ship Terminal ($100.0M).

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 2018 report and are assumed to be predominantly units.
**Quoted project development spending reflects aggregate of estimated values for projects commencing in 2nd 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 2018 captures sale transactions from 1st January 2018 to 30th September 2018.

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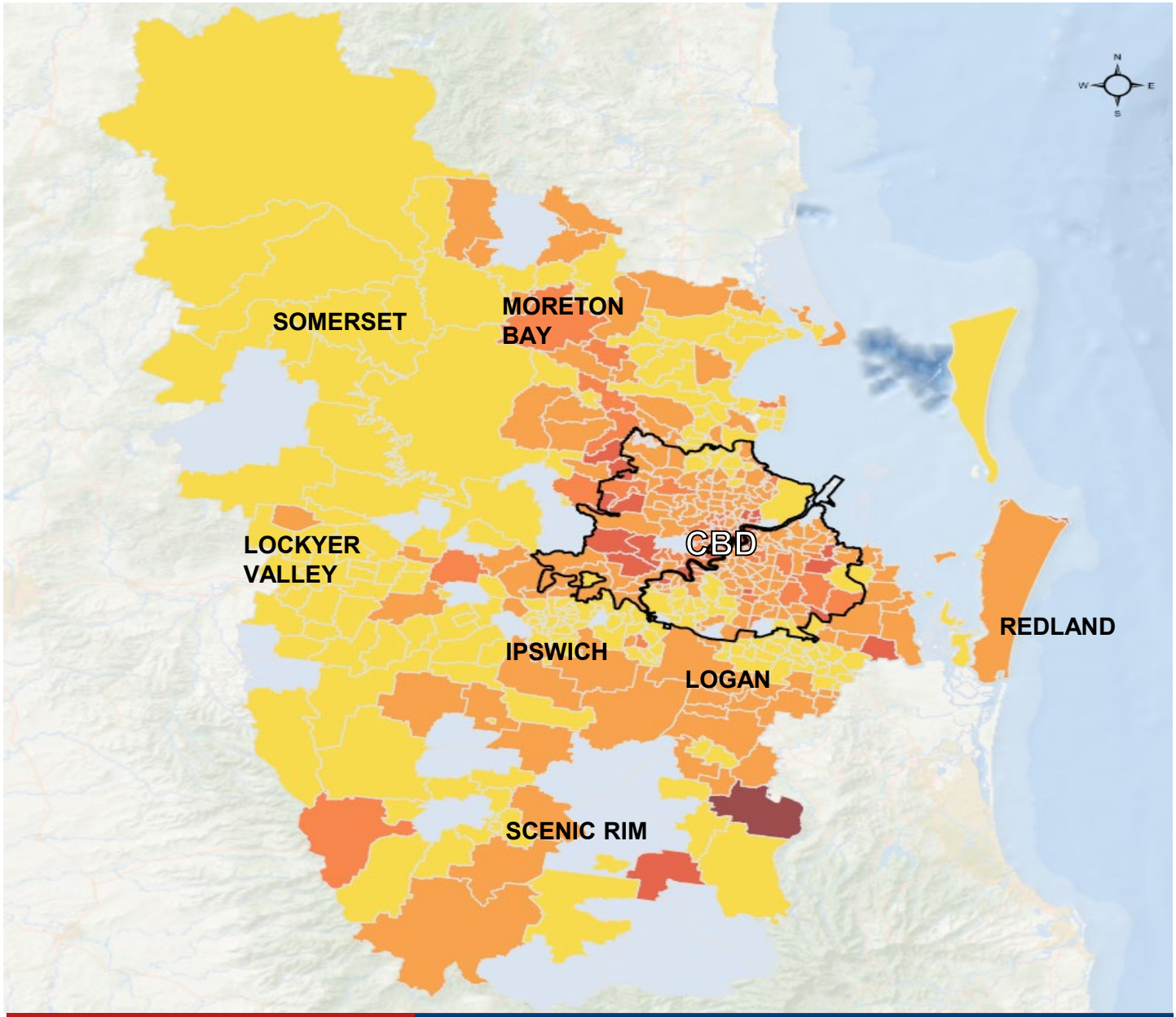
GREATER BRISBANE MEDIAN HOUSE PRICES 2018*



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

Top 3 Lowest Priced Suburbs**	Median Price 2018**	Project Development***	Median Rent 2018**	Rental Yield
Wacol	$320,000	$29,980,000	$330	4.4%
Inala	$367,000	$10,550,000	$325	4.5%
Rocklea	$395,00	$18,000,000	$370	3.9%
Top 3 Highest Priced Suburbs**	**Median Price 2018****	**Project Development*****	**Median Rent 2018****	**Rental Yield**
Ascot	$1,610,000	$12,000,000	$680	3.4%
New Farm	$1,450,000	$2,400,000	$728	2.5%
Hamilton	$1,300,000	$3,300,000	$550	3.4%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2018 to 30th September 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 2018 to 30th September 2018.
***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 2nd half 2018; and does not reflect commercial/re-sale value.

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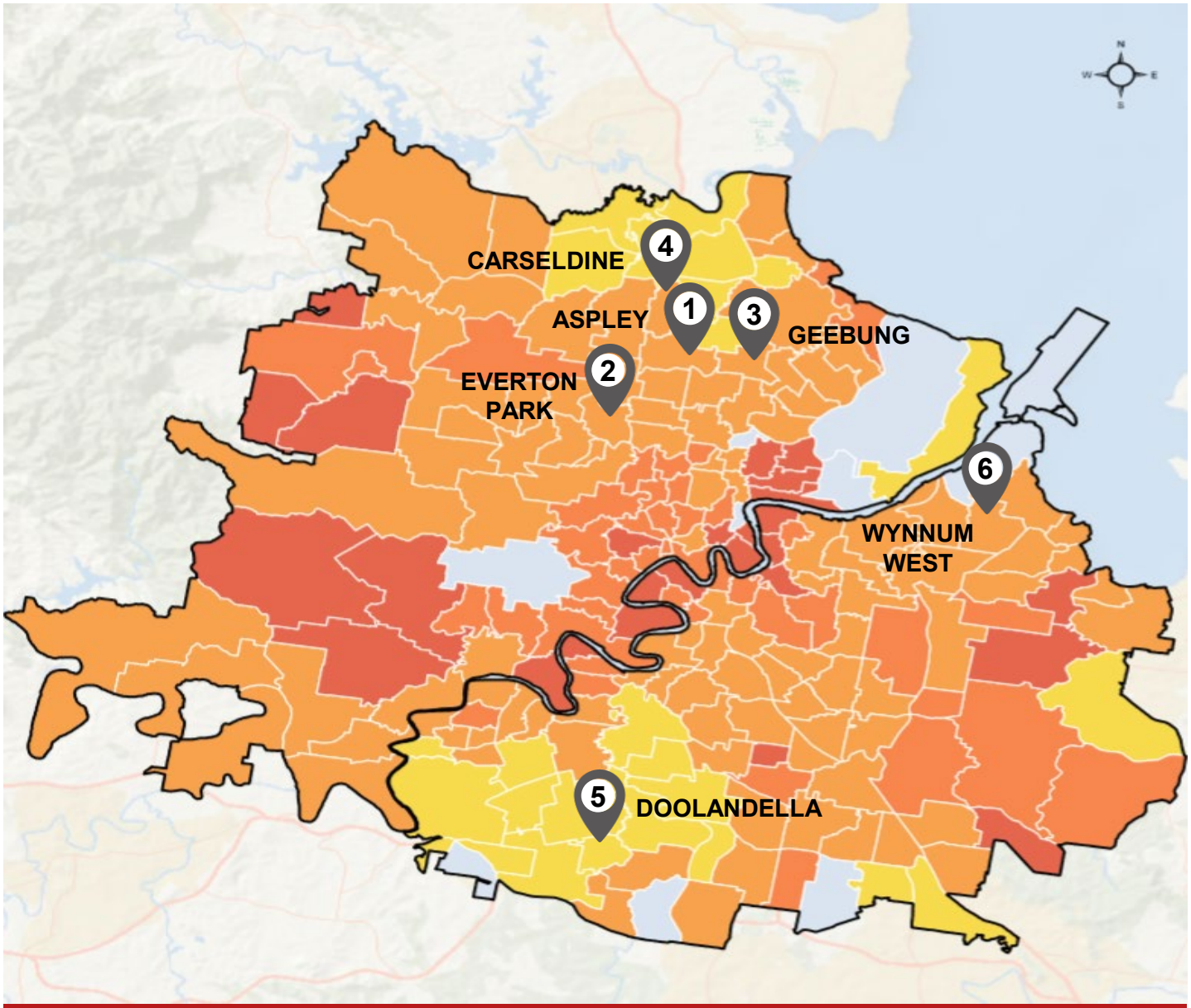
BRISBANE MEDIAN HOUSE PRICES 2018*
20KM FROM CBD



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
1	Aspley	3.9%
2	Everton Park	3.8%
3	Geebung	3.9%

	Suburb	Unit
4	Carseldine	5.7%
5	Doolandella	6.2%
6	Wynnum West	5.0%

*House median price reflected in the heat-map captures sale transactions from 1st January 2018 to 30th September 2018..
Source: APM PriceFinder, ESRI ArcGIS, SQM Research, REIA and Adelaide Bank.

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Contact us:

PRDnationwide Corporate Head Office

P +61 7 3229 3344

E info@prd.com.au

PRD.com.au

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