



> Affordable & Liveable Property Guide

Brisbane 1st Half 2020

METHODOLOGY

This affordable and liveable property guide for Brisbane Metro analyses all suburbs in the Greater Brisbane area, within a 20km radius of the Brisbane CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth from 2018 to 2019/20*.
- **Investment criteria** – as of April 2020, all suburbs considered will have an on-par or higher rental yield than Brisbane Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – identified suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Queensland (QLD) average home loan, which was \$414,154** as of Q1 2020. Premiums of 51% for houses and -1% for units were added, which were below those required to reach Brisbane Metro's median prices (67% for houses and 9% for units). This places the suburbs below Brisbane Metro's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- **Development criteria** – suburbs identified within this report have a high total estimated value of future project development for the 1st half of 2020, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn having a positive effect on the property market.
- **Liveability criteria** – this included ensuring all suburbs assessed have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, 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, December Quarter 2019 release).

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2018	Median Price 2019/20*	Price Growth	Projects 2020***
Inner	West End	House	\$977,500	\$995,000	1.8%	\$84.6M
	Fortitude Valley	Unit	\$438,000	\$454,500	3.8%	\$222.4M
North	Hamilton	House	\$1,400,000	\$1,525,000	8.9%	\$478.1M
	Hamilton	Unit	\$495,000	\$530,000	7.1%	\$478.1M
South	Kangaroo Point	House	\$940,750	\$1,090,000	15.9%	\$98.9M
	Springwood	Unit	\$271,750	\$280,000	3.0%	\$78.0M
East	Seven Hills	House	\$805,000	\$920,000	14.3%	\$59.5M
	East Brisbane	Unit	\$394,000	\$473,500	20.2%	\$12.0M
West	Seventeen Mile Rocks	House	\$621,000	\$637,500	2.7%	\$6.0M
	Arana Hills	Unit	\$390,000	\$395,000	1.3%	\$7.8M

OVERVIEW

From 2018 and 2019/20* the number of houses sold in Brisbane Metro grew by 20.9%. In correlation, during this time median house prices increased by 1.5%, to \$690,000. On the other hand, the number of units sold increased by 13.9%, however the median unit price softened by -1.5% to \$450,000. These figures indicate unique opportunities in Brisbane Metro. House owners can be more confident of their property value, as real capital growth has transpired, whereas unit buyers can capitalise on a more affordable market. Brisbane has conducive investment conditions, with attractive house (3.7%) and unit (5.3%) rental yields. A declining vacancy rate, currently at its lowest of 2.8% in April 2020 suggests a healthier rental demand. A total of \$12.2B worth of project developments is in the pipeline in the 1st half of 2020, which will have positive a spill-over impact on the property market.

*Median price quoted captures sale transactions from 1st January 2019 to 31st March 2020, or Q1 2019 – Q1 2020. **Average home loan figure is derived from March Quarter 2020 Housing Affordability Report by the Real Estate Institute of Australia (REIA) 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 1st half of 2020 as stated by the relevant data authority. *Market movement is reflective of median price change from 2018 to 2019/20. Median rent is reflective of median price change from Q1 2019 to Q1 2020. u PRD Affordable and Liveable Property Guide Brisbane 2nd Half 2019 report. Source: APM Pricerfindr, Real Estate Institute of Australia, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD Real Estate 2020.

MARKET MOVEMENT

Market Indicator	Market Variation
House Sales	↑
House Median Price	↑
House Median Rent	↑
Unit Sales	↑
Unit Median Price	↓
Unit Median Rent	↑

KEY COMMENTS

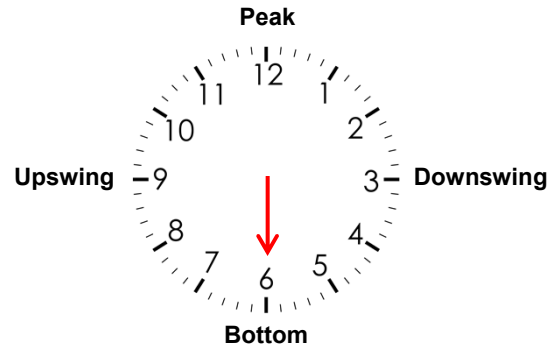
QLD home loan affordability has slightly declined, with the proportion of income to meet home loan repayments increasing by 2.7% in the 12 months to Q1 2020. However first home buyer loan activity increased by 20.8% in the same period, indicative of an effective government first home buyer incentive programme.

Affordable and liveable house suburbs (those with a maximum property sale price of the QLD average home loan plus 75% premium) as per the *2nd Half 2019^u* report, exist. Example suburbs include: Ferny Grove, Boondall, Griffin, Everton Park, Bracken Ridge and Springwood. In the 1st half of 2020, 113 suburbs exist within this price range. This is an improvement compared with the 91 suburbs previously identified in the *2nd Half 2019^u* report, and further, these suburbs meet the liveability criteria.

The percentage premium needed to be added to the QLD average home loan in this report is 51%, lower than the 75% added in *2nd Half 2019^u* report. Furthermore, it is lower than the 67% premium needed to reach the Brisbane Metro median house price. In the 1st half of 2020 a significant pattern has been noted for units. The percentage premium needed to be added to find liveable suburbs is -1%, thus buyers do not need to go above the QLD average home loan. This is the first occurrence in the *Affordable & Liveable Property Guide* series, establishing Brisbane Metro as haven for first home buyers.

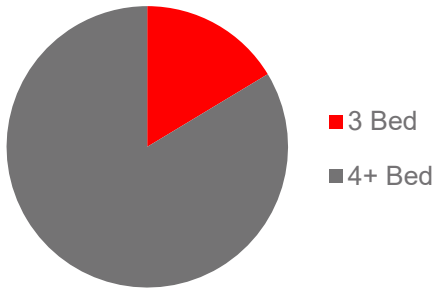


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

GRIFFIN 4503



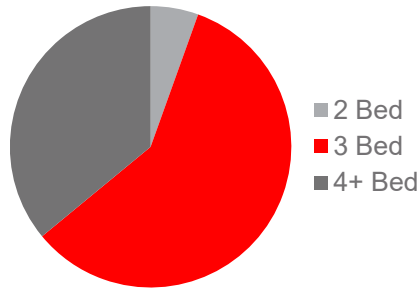
Located in an approximate radius of **19.2km** from the Brisbane CBD.

Median House Price **\$465,000**

- 2 Bed Median Price **N/A**
- 3 Bed Median Price **\$431,000**
- 4+ Bed Median Price **\$471,000**

Griffin is north of Brisbane's CBD, with the most affordable median house price out of the three chosen affordable and liveable suburbs. Median price growth was 1.2% from 2018 to 2019/20**, which showed the area's resilience. Griffin ticks all the liveability factors, with schools, parks, public transport options, and a large shopping centre (Westfield North Lakes) all within 5km. In April 2020, investors benefited from attractive rental yields of 4.3%, above the Brisbane Metro's 3.7%. Combined with a low vacancy rate of 1.6%, lower than Brisbane Metro's 2.8%, makes Griffin as an ideal investment suburb. The Brays Rd Residential Subdivision (\$5.8M) will create 129 lots, an ideal option for first home buyers looking to build their home.

EVERTON PARK 4053



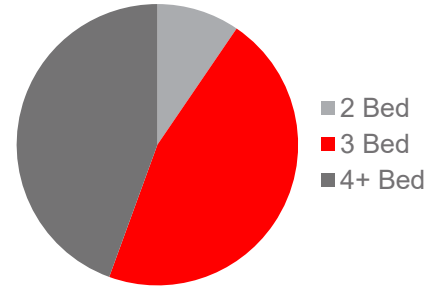
Located in an approximate radius of **10.8km** from the Brisbane CBD.

Median House Price **\$615,000**

- 2 Bed Median Price **\$540,000***
- 3 Bed Median Price **\$595,000**
- 4+ Bed Median Price **\$705,000**

Everton Park is the closest affordable and liveable suburb to the Brisbane CBD. From 2018 to 2019/20** median house prices in Everton Park grew by 1.6%. A house rental yield of 3.7% (as of April 2020) has attracted many investors into the area as it is similar to Brisbane Metro's benchmark. Vacancy rates were recorded at 1.7%, lower than Brisbane Metro's 2.8%. This indicates a healthier rental demand, which is highly conducive for investment. Everton Park ticks many boxes as the suburb is well served by medical centres, schools, shops, public transport and parks. \$29.0M^ of projects are set to commence in the 1st half of 2020, with a large focus on infrastructure projects. This will improve liveability aspects for current and future residents.

VIRGINIA 4014



Located in an approximate radius of **14.0km** from the Brisbane CBD.

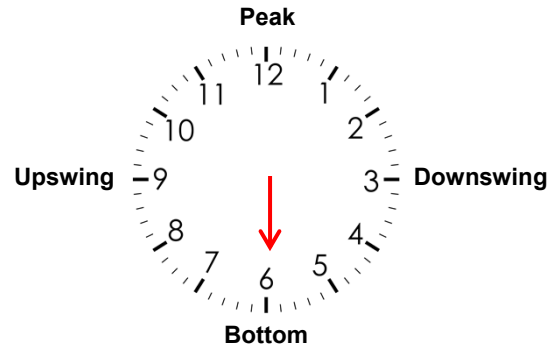
Median House Price **\$625,000**

- 2 Bed Median Price **\$511,500***
- 3 Bed Median Price **\$581,250**
- 4+ Bed Median Price **\$760,000**

Virginia, north of Brisbane CBD, recorded median price growth of 6.1% from 2018 to 2019/20**. This is the highest price growth out of the three affordable and liveable suburbs chosen, which shows the area's strong potential. Investors are currently benefiting from rental yields of 3.9%, which is above Brisbane Metro's 3.7%. This is combined with a low vacancy rate of 1.9%, below Brisbane Metro's 2.8%, thus setting Virginia as an ideal investment suburb. The 1st half of 2020 will see approximately \$15.6M^ worth of project developments, with a focus on residential and infrastructure projects. This project mix will create both employment opportunities and innovative new housing stock. Now is an ideal time to enter the market.

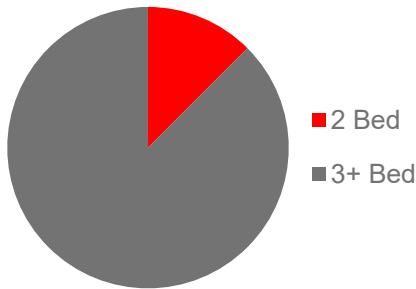


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

GEEBUNG 4034



Located in an approximate radius of **12.4km** from the Brisbane CBD.

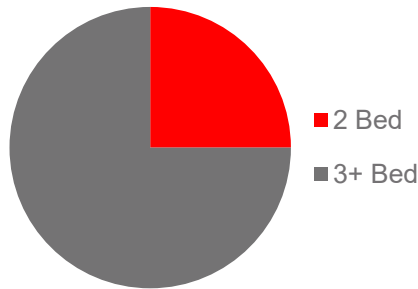
Median Unit Price **\$392,000**

• 2 Bed Median Price **\$243,500***

• 3+ Bed Median Price **\$392,500***

Geebung is north of the Brisbane CBD and is the most affordable of the three affordable and liveable suburbs chosen. From 2018 to 2019/20** median unit prices grew by 13.8%, suggesting strong potential growth in the future. Geebung recorded low vacancy rates of 1.5%, well below Brisbane Metro's 2.8%. This indicates a healthier rental demand in Geebung, highly conducive for investment. Geebung ticks many boxes as it is close to medical centres, schools, public transport, shops, and parks. \$2.6M[^] of projects will commence in the 1st half of 2020, with a focus on commercial projects. This will increase economic activity and create local jobs, which will have a positive spill-over effect on the property market. Geebung Train Station Redevelopment (\$2.0M) will improve liveability for residents.

ARANA HILLS 4054



Located in an approximate radius of **12.0km** from the Brisbane CBD.

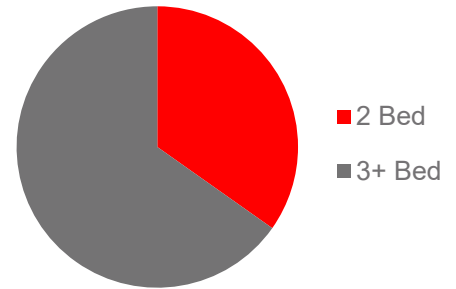
Median Unit Price **\$395,000**

• 2 Bed Median Price **\$341,000***

• 3+ Bed Median Price **\$402,000***

Arana Hills is the closest affordable and liveable suburb to the Brisbane CBD. It offers buyers an affordable entry price and resilient growth, of 1.3% from 2018 to 2019/20**. A unit rental yield of 5.7% has attracted many investors into the area, as it is above Brisbane Metro's 5.3%. Arana Hills recorded the lowest vacancy rates of the three affordable and liveable suburbs chosen, at 0.9%. It is well below Brisbane's average and suggests fast occupancy of rental properties. Residents of Arana Hills can access schools, medical, shops and green space within 5kms. \$7.8M[^] of projects will commence in the 1st half of 2020 with mixed-use projects being the main focus. First home buyers and investors must act quickly, to make the most of this growing suburb whilst it's still affordable.

DAISY HILL 4127



Located in an approximate radius of **20.0km** from the Brisbane CBD.

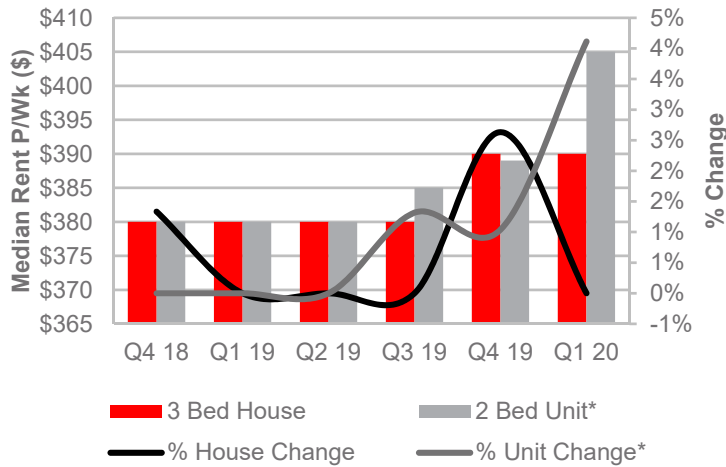
Median Unit Price **\$411,000**

• 2 Bed Median Price **\$224,950***

• 3+ Bed Median Price **\$435,000***

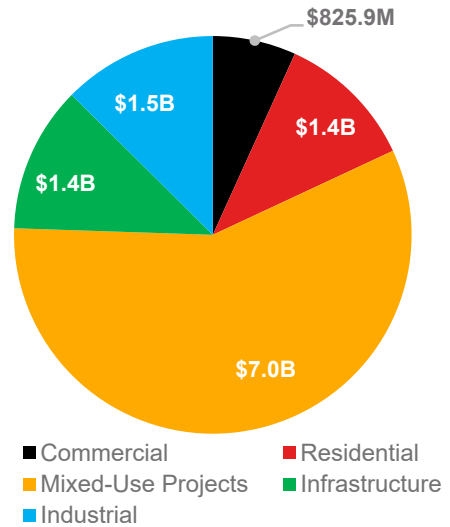
Daisy Hill recorded a significant spike in median unit price growth, of 33.8% from 2018 to 2019/20**. This suggests there is a high demand in the area. Investors are currently benefitting from extraordinary rental yields of 6.7%, the highest between the three affordable and liveable suburbs chosen. Arana Hills recorded a low vacancy rate of 1.9%, below Brisbane Metro (2.8%), indicating a healthier rental demand. Daisy Hill is within close proximity of Springwood shopping centre, Springwood State School, public transport and the M1 Highway connecting it to major cities such as Brisbane and Gold Coast. The Pacific Motorway (M1) Eight Mile Plains to Daisy Hill (\$5.0M) is a key infrastructure project for the 1st half 2020, which will further benefit residents, especially commuters.

RENTAL MARKET ANALYSIS



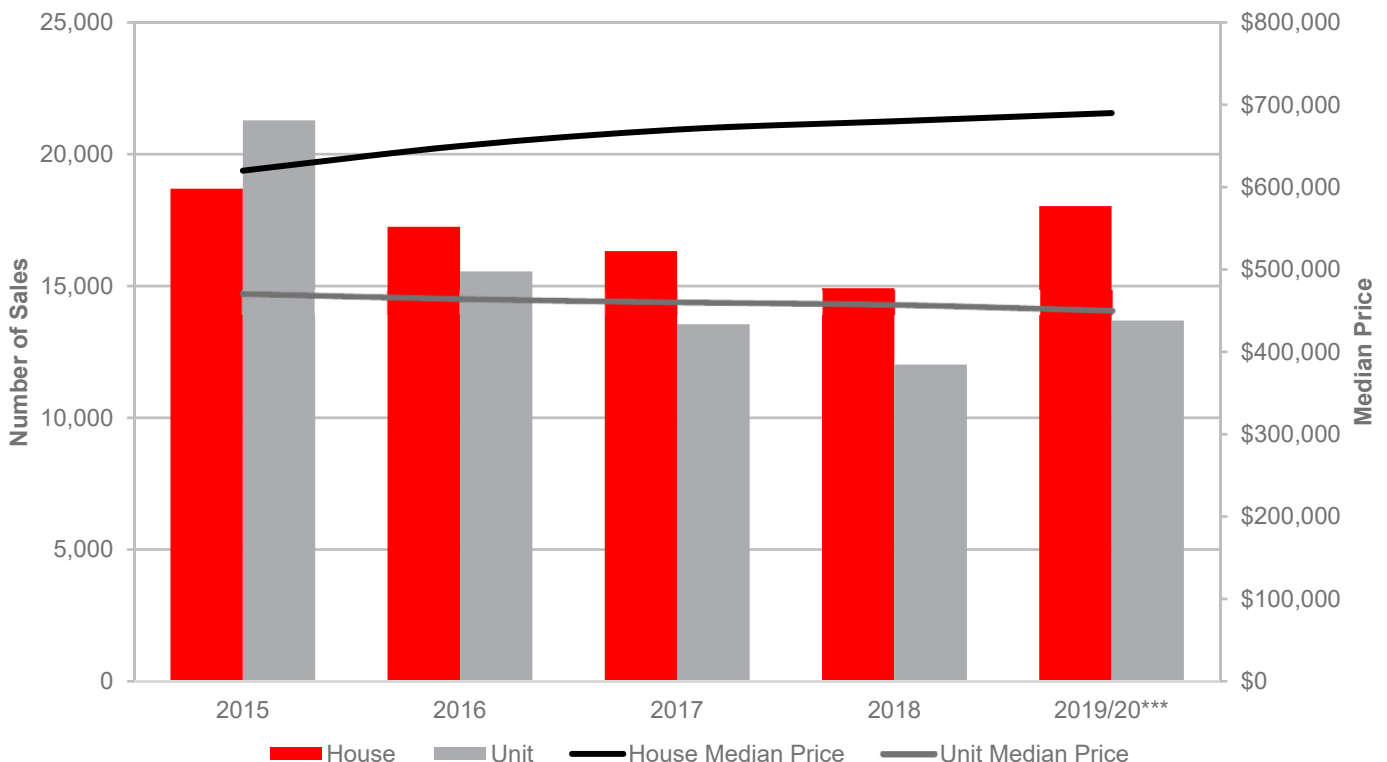
Over Q1 2020, the Brisbane Metro rental market recorded a median rental price of \$390 per week for houses and \$405 per week for units, representing quarterly median price growth of 0.0% for houses and 4.1% for units. Investors are enjoying sustainable rental growth, despite predictions of an oversupply and a slower rental market. Brisbane Metro saw low vacancy rates of 2.8% in April 2020, sitting below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Brisbane Metro's rental yields were 3.7% (houses) and 5.3% (units), well above Sydney Metro (houses 2.5%; units 3.5%) and Melbourne Metro (houses 2.7%; units 3.9%). Brisbane Metro is an attractive investment market.

1ST HALF 2020 PROJECTS

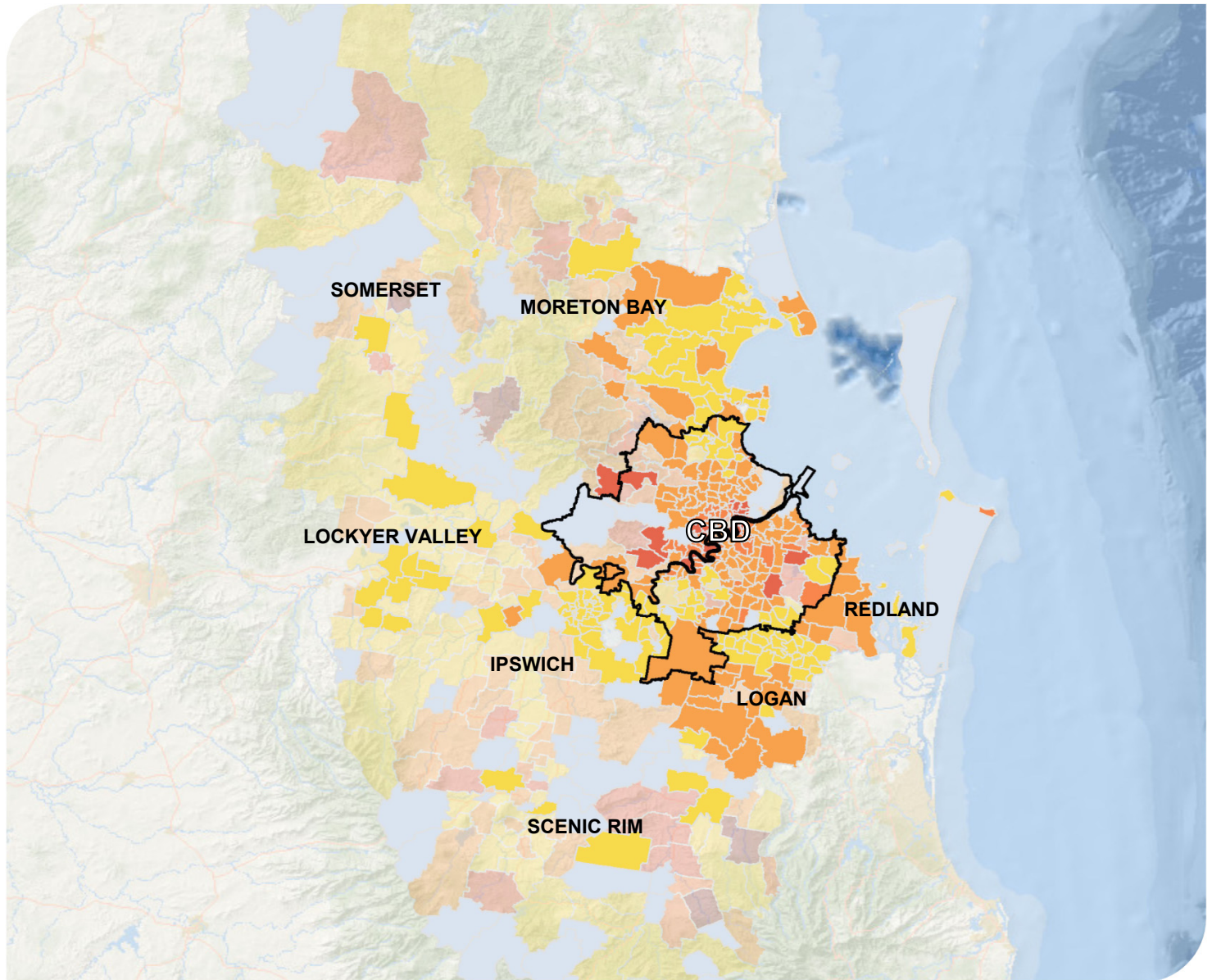


Greater Brisbane is set to see approx. \$12.1B** worth of new projects commencing in the 1st half of 2020. A key focus on mixed-use projects is ideal for Greater Brisbane, as it will create both new housing design options as well as commercial opportunities. This will stimulate economic growth and create local jobs, whilst also addressing an increase in housing demand in certain suburbs. A key project is the Waterlea Master Plan Development at Walloon (\$350.0M). This project is set to construct 1,500 homes in 8 neighbourhoods including recreational activity spaces and cafés. A key residential project is Carver's Reach (\$23.0M, 472 lots).

BRISBANE METRO SALES & MEDIAN PRICE GROWTH



GREATER BRISBANE MEDIAN HOUSE PRICE 2019/20**



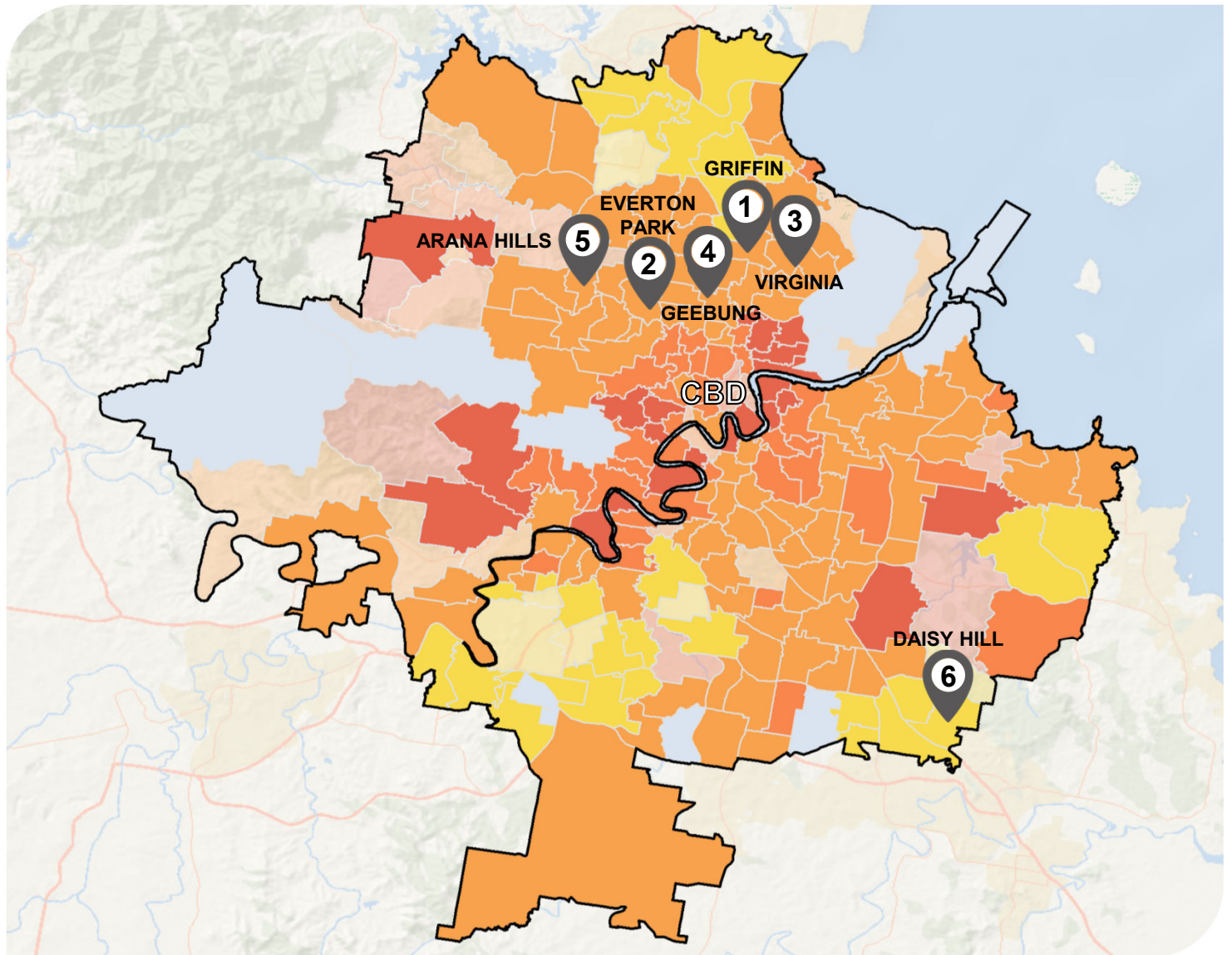
LEGEND

	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
	Translucent colours for <20 sales

Top 3 Lowest Priced Suburbs**	Median Price 2019/20*	Project Development ***	Median Rent 2019/20**	Rental Yield
Ellen Grove	\$277,500	\$1.1M	\$330	4.2%
Woodridge	\$282,500	\$640.0K	\$310	5.5%
Goodna	\$286,000	\$300.0K	\$330	4.6%
Top 3 Highest Priced Suburbs**	Median Price 2019/20*	Project Development ***	Median Rent 2019/20*	Rental Yield
Teneriffe	\$1,850,000	\$22.2M	\$650	4.4%
New Farm	\$1,800,000	\$11.0M	\$750	4.4%
Hamilton	\$1,525,000	\$478.1M	\$630	3.5%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2019 to 31st March 2020. 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 20km from CBD; suburb median price and median rent figures capture data from 1st January 2019 to 31st March 2020. ***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in the 1st half of 2020; it does not reflect commercial/re-sale value. Source: APM Pricefinder, Cordell Connect. ESRI ArcGIS, SQM Research. © PRD Real Estate 2020.

BRISBANE METRO MEDIAN HOUSE PRICE 2019/20* 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
	Translucent colours for <20 sales

BRISBANE METRO AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

House			Unit		
	Suburb			Suburb	
1	Griffin	4.3%	4	Geebung	5.3%
2	Everton Park	3.7%	5	Arana Hills	5.7%
3	Virginia	3.9%	6	Daisy Hill	6.7%

ABOUT PRD RESEARCH

PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company,

PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material. Prepared by PRD Research © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed.



OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

PRD Research

T +61 7 3229 3344

E research@prd.com.au

PRD.com.au

