



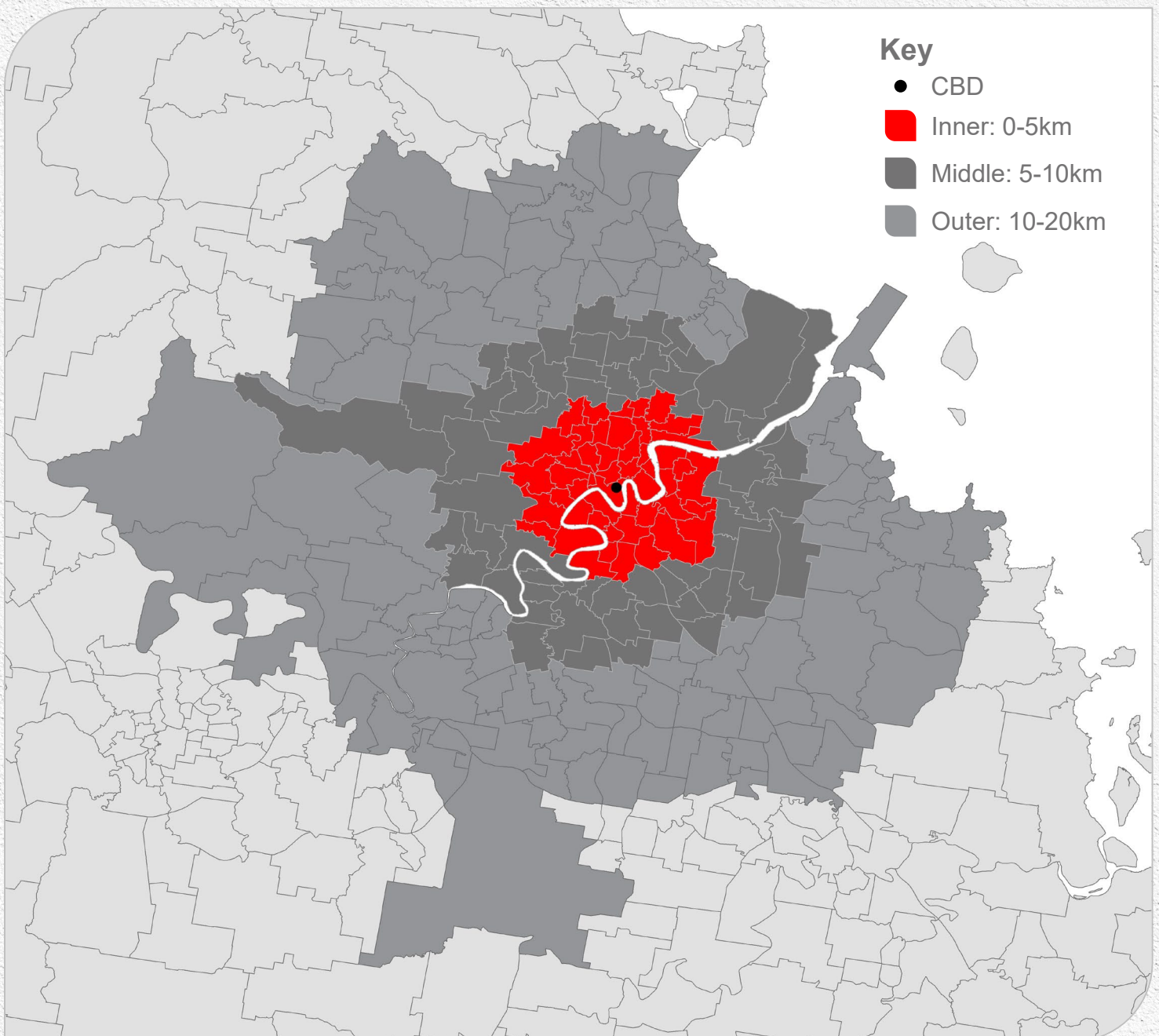
# > Brisbane | Major City Market Update

1st Half 2021

## INTRODUCTION

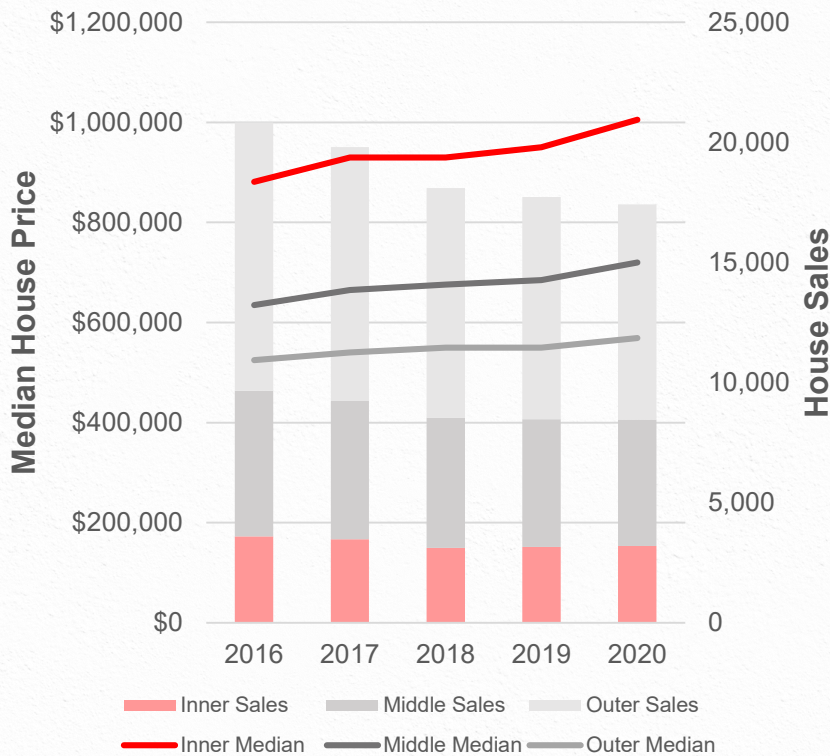
A first of its kind, the *PRD Brisbane Major City Market Update 1st Half 2021* is part of a series of reports which divides major cities into inner, middle, and outer-rings, allowing for an in-depth analysis of each specified market, whilst painting a holistic picture of property conditions in each area.

The Brisbane market has seen immense growth in its inner-ring, with its median house price sitting above \$1.0M for the first time. Since 2016, median house prices have showed solid growth for all rings, showing clear confidence in the Brisbane market from buyers. On the other hand, house rental prices have strengthened particularly in the outer-ring, as working from home becomes more flexible. This is in conjunction very low vacancy rates, supported by accelerating interstate migration growth.





## BRISBANE HOUSE SALES 2016-20



### 2020 Median Sale Price

- Inner: \$1,005,000
- Middle: \$720,000
- Outer: \$569,000

### 2016-20 Price Growth

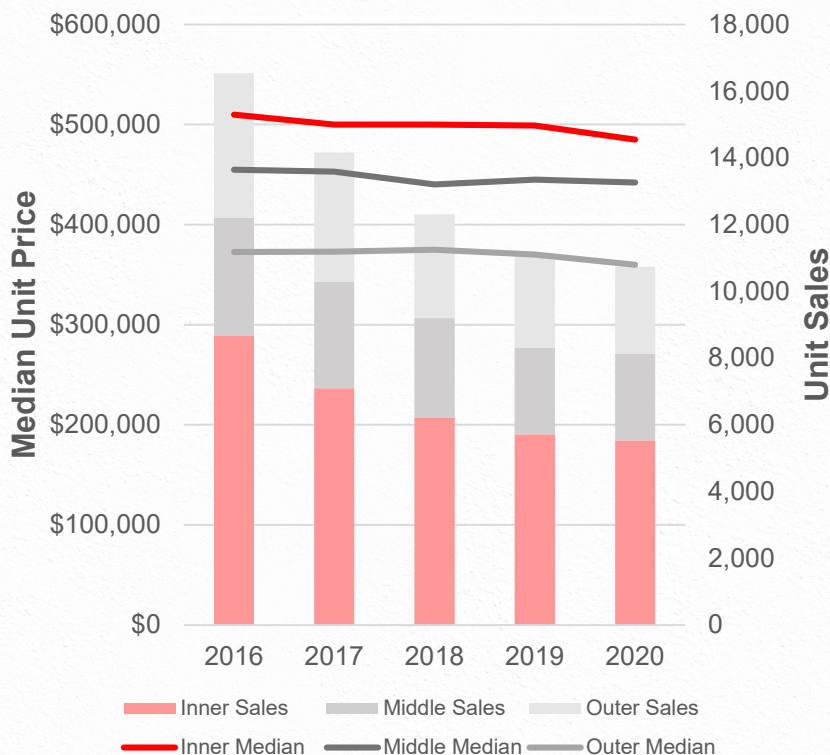
- Inner: +14.1% (+\$124,000)
- Middle: +13.4% (+\$85,000)
- Outer: +8.4% (+\$44,100)

### Key Comments

- Since 2016, Brisbane has seen solid capital growth for houses within all rings.
- The inner ring median house price has outperformed by surpassing the \$1.0M mark for the first time ever.

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## BRISBANE UNIT SALES 2016-20



### 2020 Median Sale Price

- Inner: \$485,000
- Middle: \$442,000
- Outer: \$360,000

### 2016-20 Price Growth

- Inner: -4.9% (-\$25,000)
- Middle: -2.9% (-\$13,000)
- Outer: -3.4% (-\$12,500)

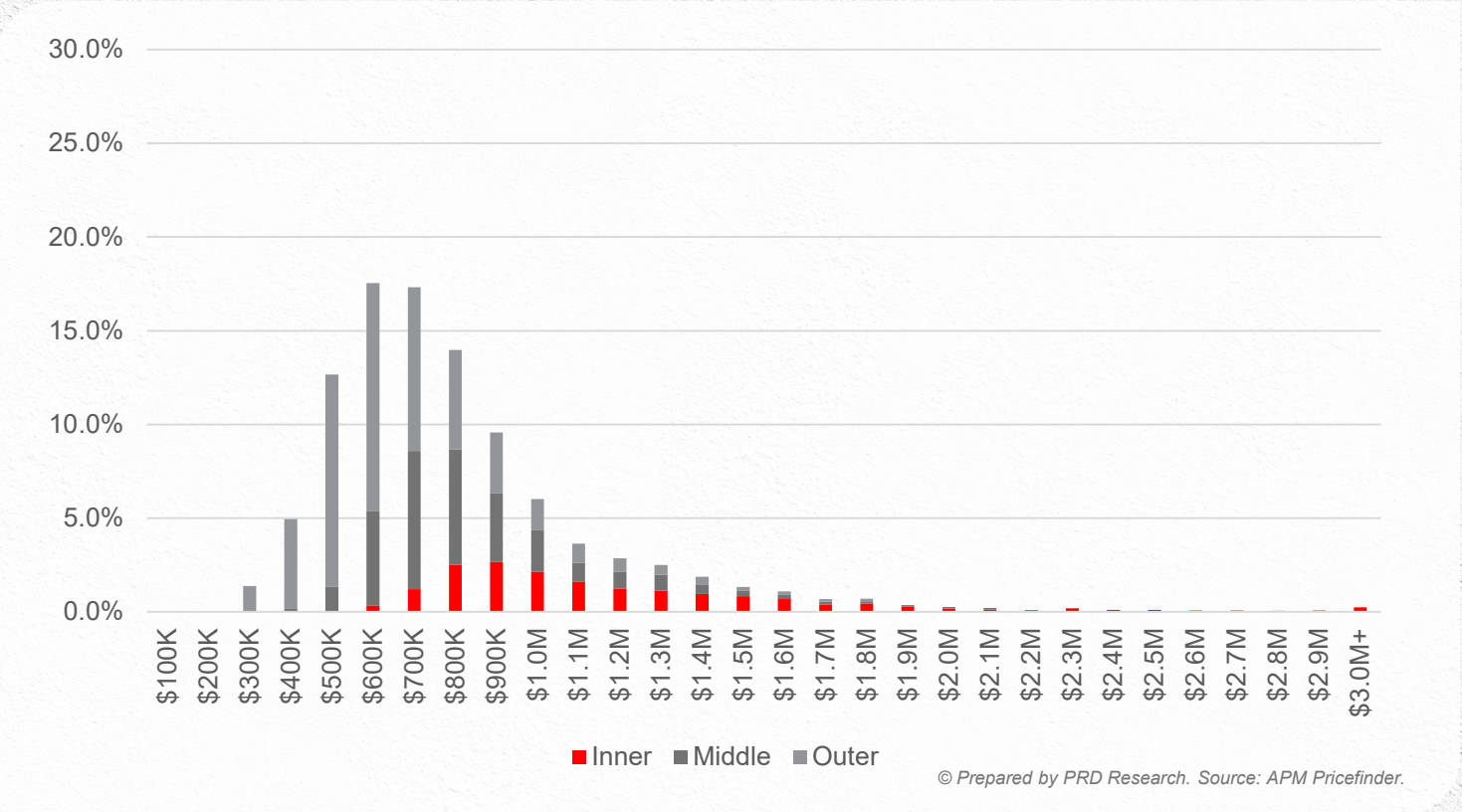
### Key Comments

- Brisbane median unit prices over the have softened due to oversupply, with the inner ring being most affected.
- There is limited supply in the market, which will strengthen prices with the addition of interstate migration.

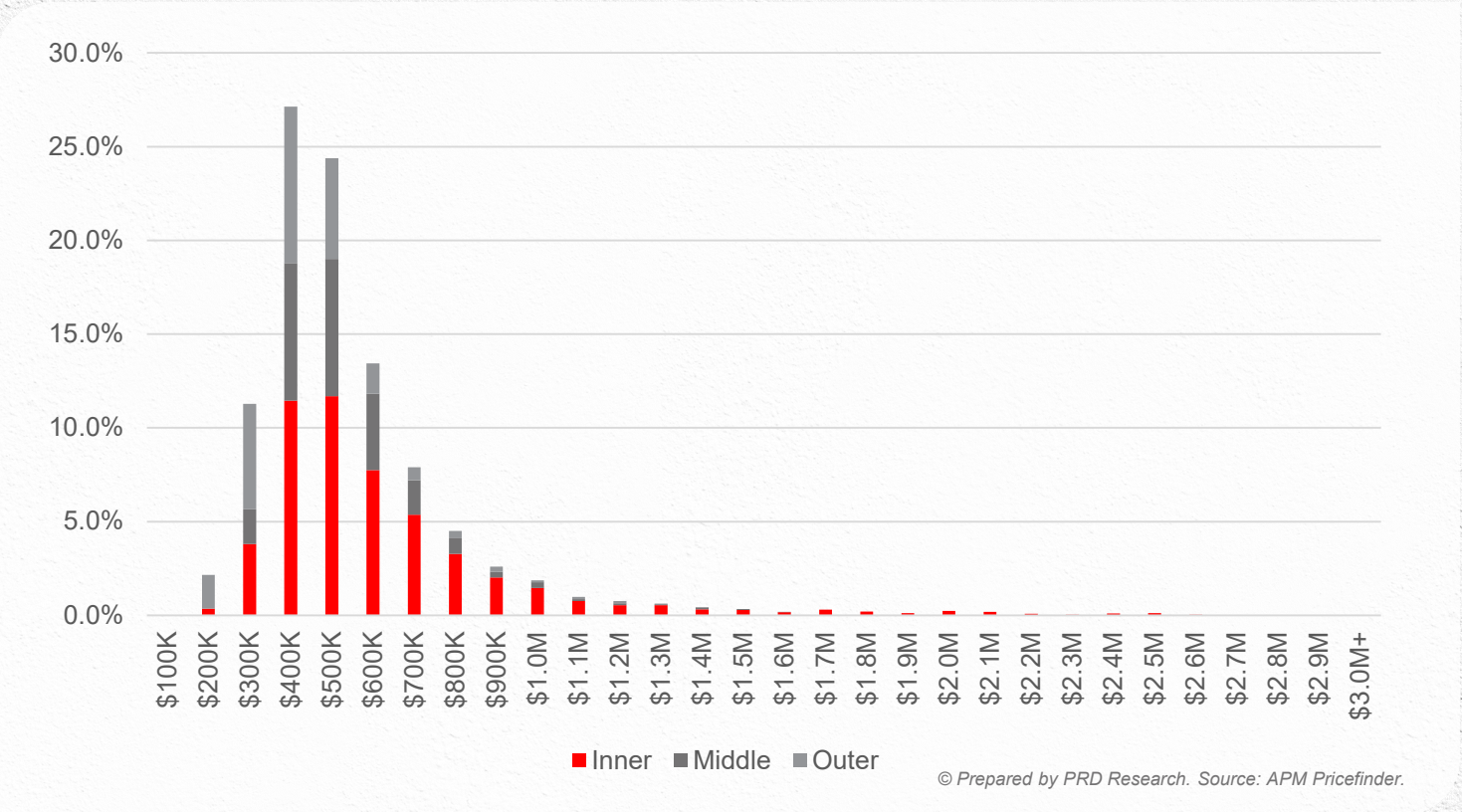
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# BRISBANE HOUSE SALES PRICE DISTRIBUTION 2020

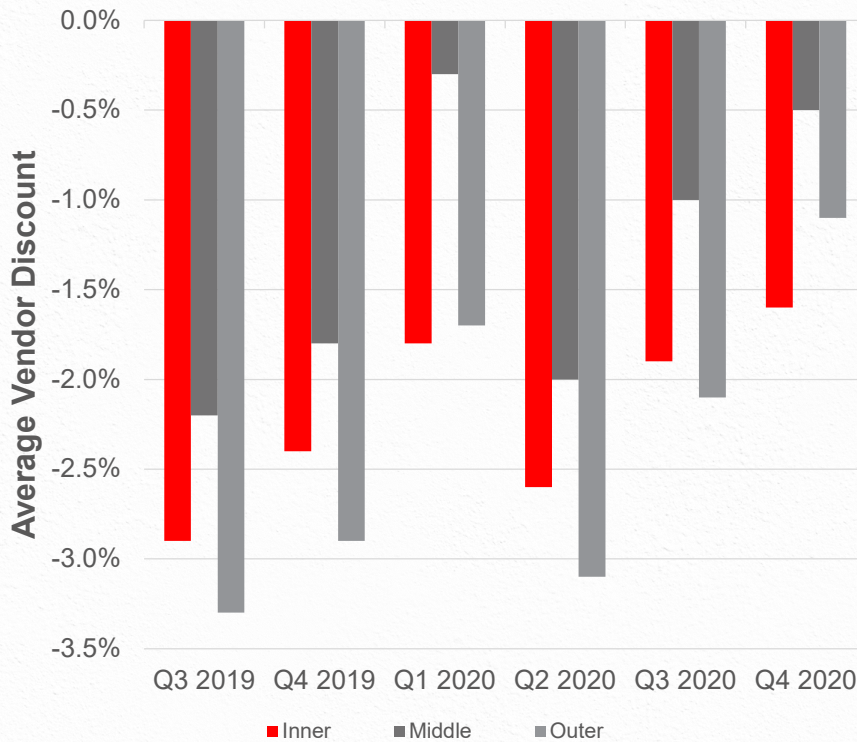


# BRISBANE UNIT SALES PRICE DISTRIBUTION 2020





## BRISBANE HOUSE AVERAGE VENDOR DISCOUNT



### Q4 2020 Overview

- Inner: -1.6%
- Middle: -0.5%
- Outer: -1.1%

### What is Average Vendor Discount?

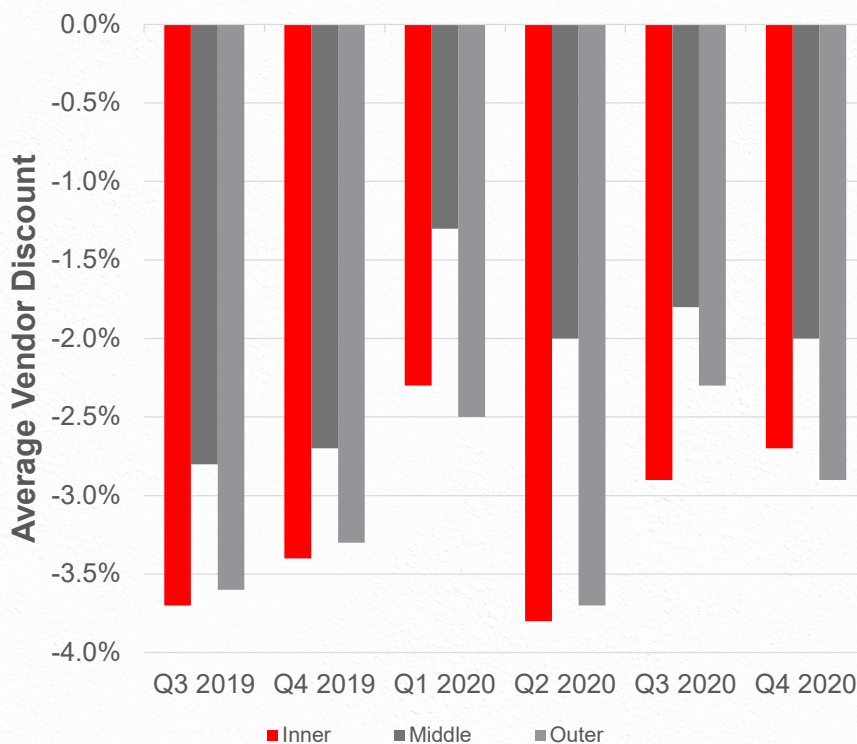
- The average percentage difference between the first list price and final sold price.

### Key Comments

- Middle and outer ring house discounting has tightened over the past 12 months, indicating increased buyer demand in those areas.
- The inner ring also improved as average discounting for houses has tightened to pre-COVID-19 levels.

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## BRISBANE UNIT AVERAGE VENDOR DISCOUNT



### Q4 2020 Overview

- Inner: -2.7%
- Middle: -2.0%
- Outer: -2.9%

### What is Average Vendor Discount?

- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

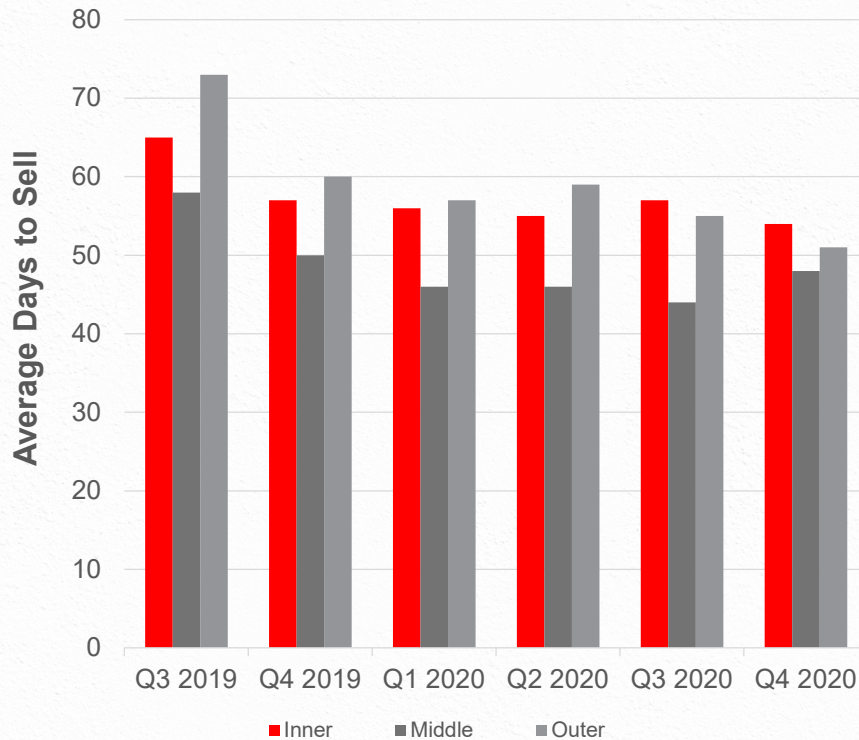
### Key Comments

- Inner ring unit average discounting is showing signs of resilience as demand is strong from low stock.
- Unit middle ring average discounting has outperformed other rings; an ongoing trend in the past 18 months.

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## BRISBANE HOUSE AVERAGE DAYS TO SELL



### Q4 2020 Overview

- Inner: 54 days
- Middle: 48 days
- Outer: 51 days

### Why Average Days to Sell?

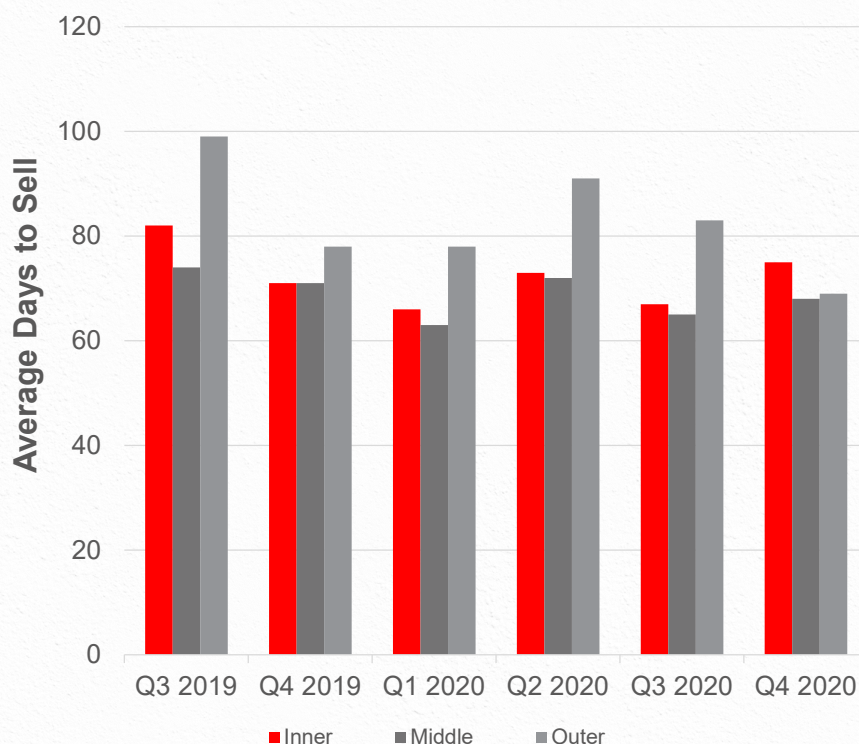
- The change in average days to sell a property is indicative of buyer demand.

### Key Comments

- Houses are selling quicker in the outer ring as demand starts to shift due to working from home trends.
- Overall, days to sell a house are generally stable in comparison to pre-COVID-19 levels.

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## BRISBANE UNIT AVERAGE DAYS TO SELL



### Q4 2020 Overview

- Inner: 75 days
- Middle: 68 days
- Outer: 69 days

### Why Average Days to Sell?

- A lower average number of days to sell a property reveals an increase in the willingness of buyers to purchase property more quickly.

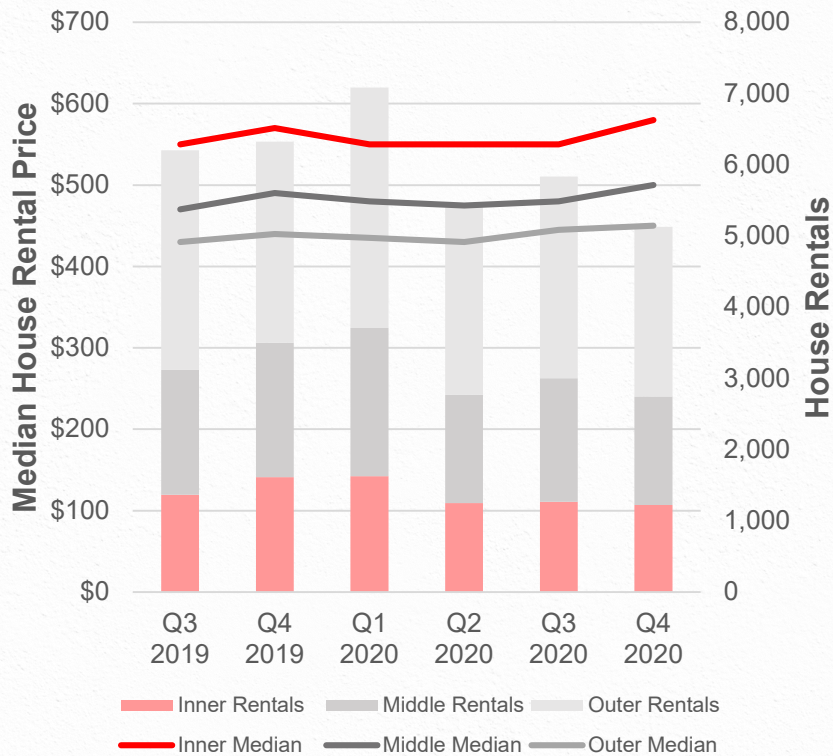
### Key Comments

- Average days to sell units in the middle and outer rings significantly declined as demand in those areas increased.
- Inner ring unit average days increased slightly over the past 12 months, giving opportunity to prospective tenants.

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## BRISBANE HOUSE RENTALS



### Q4 2020 Median Rental Price

- Inner: \$580 per week
- Middle: \$500 per week
- Outer: \$450 per week

### Annual Price Growth\*

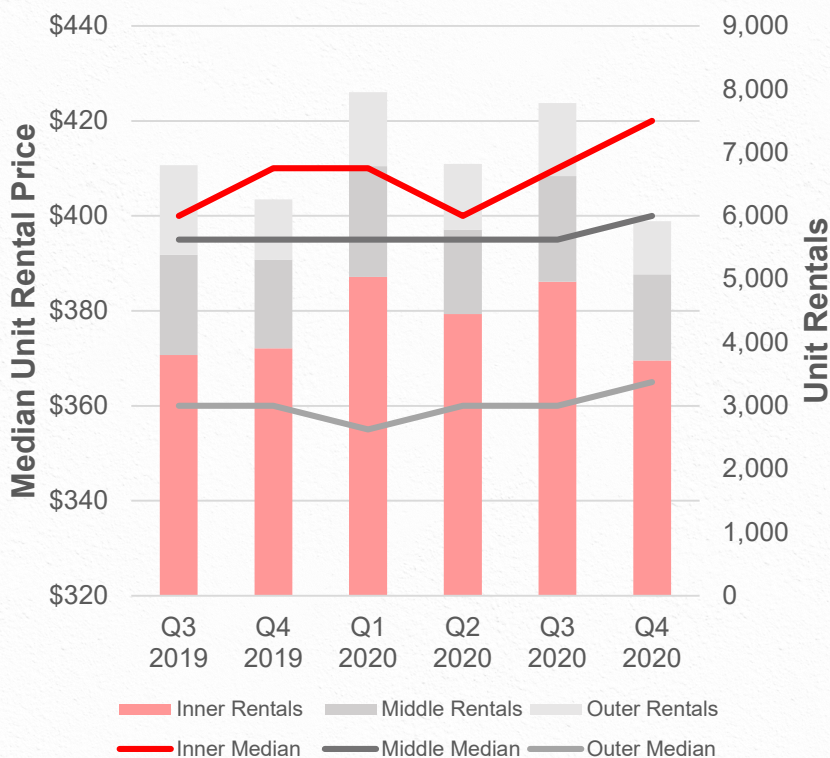
- Inner: +1.8% (+\$10 per week)
- Middle: +2.0% (+\$10 per week)
- Outer: +2.3% (+\$10 per week)

### Key Comments

- Outer ring median house prices have strengthened annually as working from home becomes a norm.
- Overall, each ring showed an increase in median house price annually, in good news for investors.

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## BRISBANE UNIT RENTALS



### Q4 2020 Median Rental Price

- Inner: \$420 per week
- Middle: \$400 per week
- Outer: \$365 per week

### Annual Price Growth\*

- Inner: +2.4% (+\$10 per week)
- Middle: +1.3% (+\$5 per week)
- Outer: +1.4% (+\$5 per week)

### Key Comments

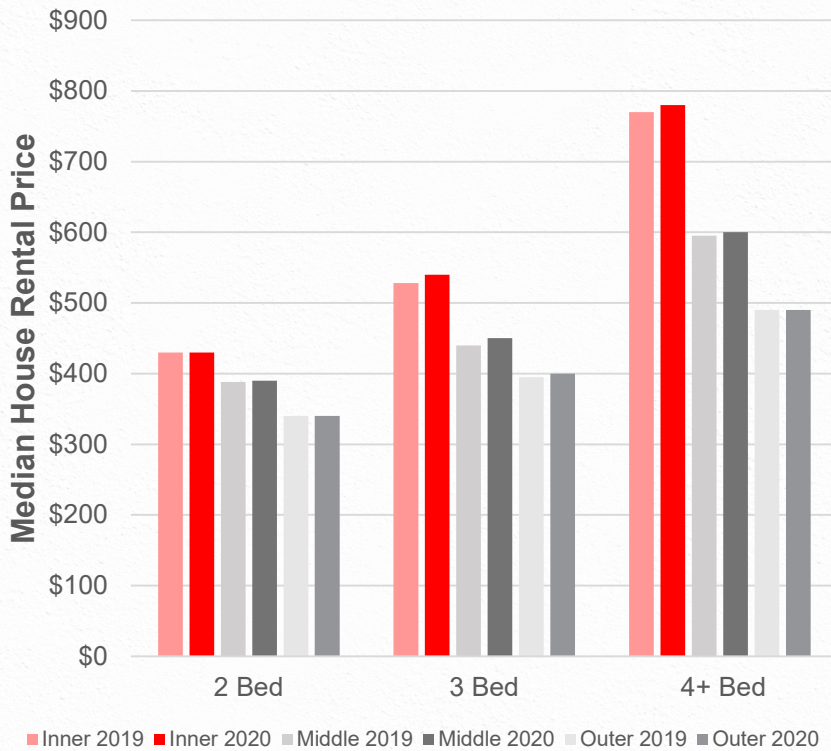
- Inner ring median unit prices have outperformed all other rings, showing confidence is returning post-COVID-19.
- Investors are currently benefiting from unit rental price increases within all rings due to record low vacancy rates.

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\* Annual price growth is based on comparison between Q4 2019 and Q4 2020 figures.



## BRISBANE HOUSE RENTAL PERFORMANCE 2019-20



### 2020 Median Rental Prices

#### 2 Bedroom

- Inner: \$430 per week
- Middle: \$390 per week
- Outer: \$340 per week

#### 3 Bedroom

- Inner: \$540 per week
- Middle: \$450 per week
- Outer: \$400 per week

#### 4+ Bedroom

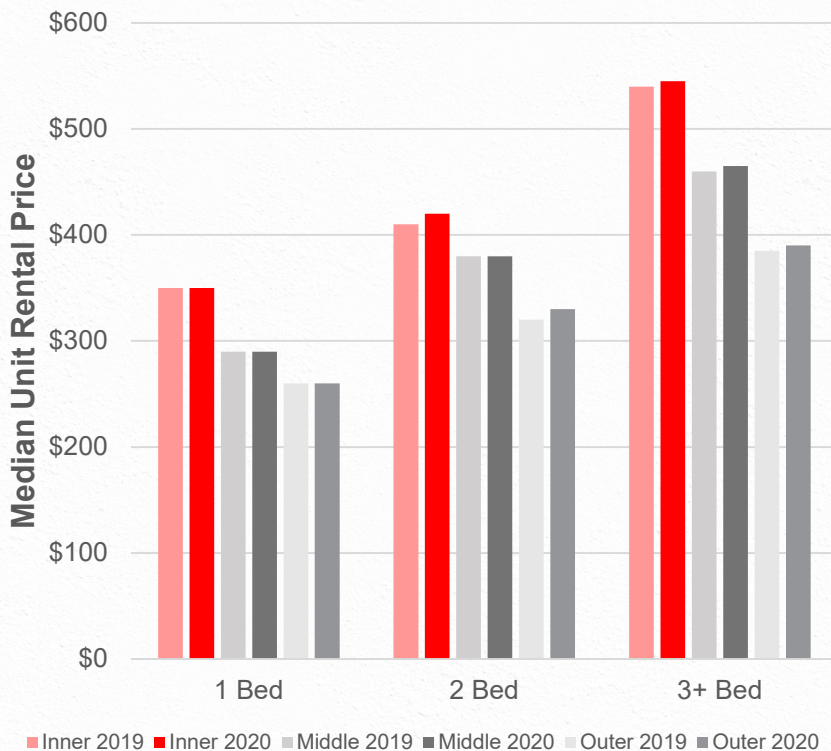
- Inner: \$780 per week
- Middle: \$600 per week
- Outer: \$490 per week

### Key Comments

- Inner ring 3 bedroom median house rental prices were the most resilient, returning 2.3% growth annually.

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## BRISBANE UNIT RENTAL PERFORMANCE 2019-20



### 2020 Median Rental Prices

#### 1 Bedroom

- Inner: \$350 per week
- Middle: \$290 per week
- Outer: \$260 per week

#### 2 Bedroom

- Inner: \$420 per week
- Middle: \$380 per week
- Outer: \$330 per week

#### 3+ Bedroom

- Inner: \$545 per week
- Middle: \$465 per week
- Outer: \$390 per week

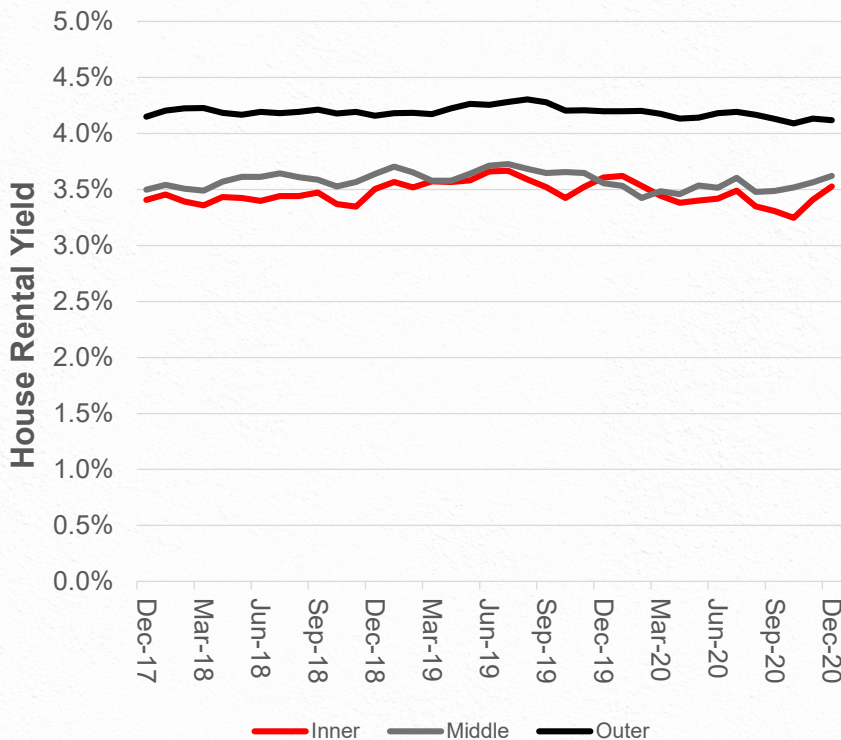
### Key Comments

- Outer ring 2 bedroom units have outperformed the market with the biggest annual increase of 3.1% in its median unit rental price.

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## BRISBANE HOUSE AVERAGE RENTAL YIELD



### Dec-20 Overview

- Inner: 3.5%
- Middle: 3.6%
- Outer: 4.1%

### Annual Change

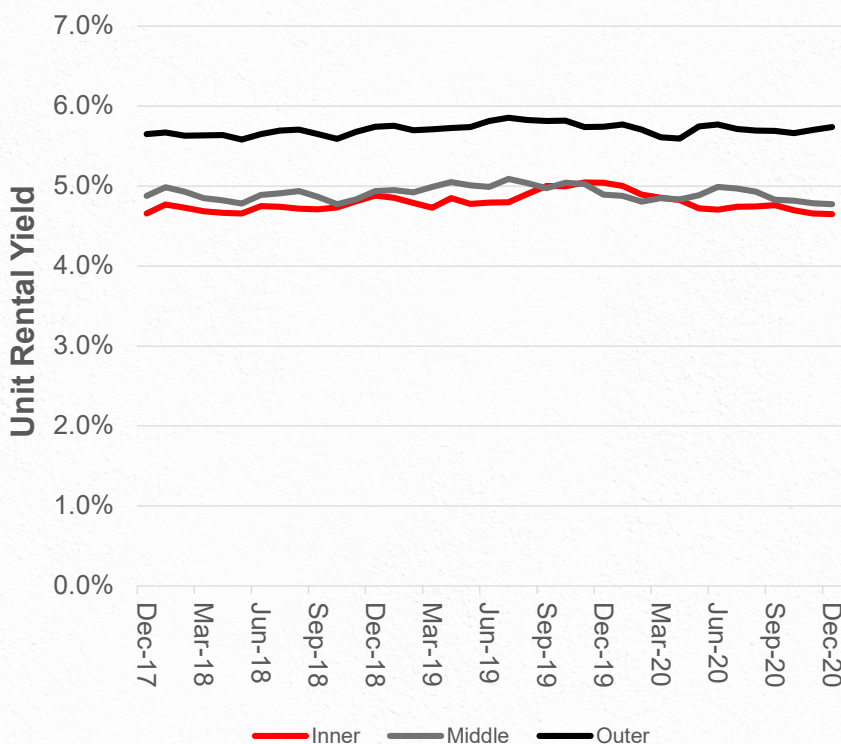
- Inner: -0.1%
- Middle: +0.1%
- Outer: -0.1%

### Key Comments

- Inner ring house yields are showing signs of improvement since COVID-19's peak, which will benefit investors.
- Outer Brisbane continues to offer a wider yield margin overall, with middle and inner showing similar results.

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## BRISBANE UNIT AVERAGE RENTAL YIELD



### Dec-20 Overview

- Inner: 4.6%
- Middle: 4.8%
- Outer: 5.7%

### Annual Change

- Inner: -0.4%
- Middle: -0.1%
- Outer: +0.0%

### Key Comments

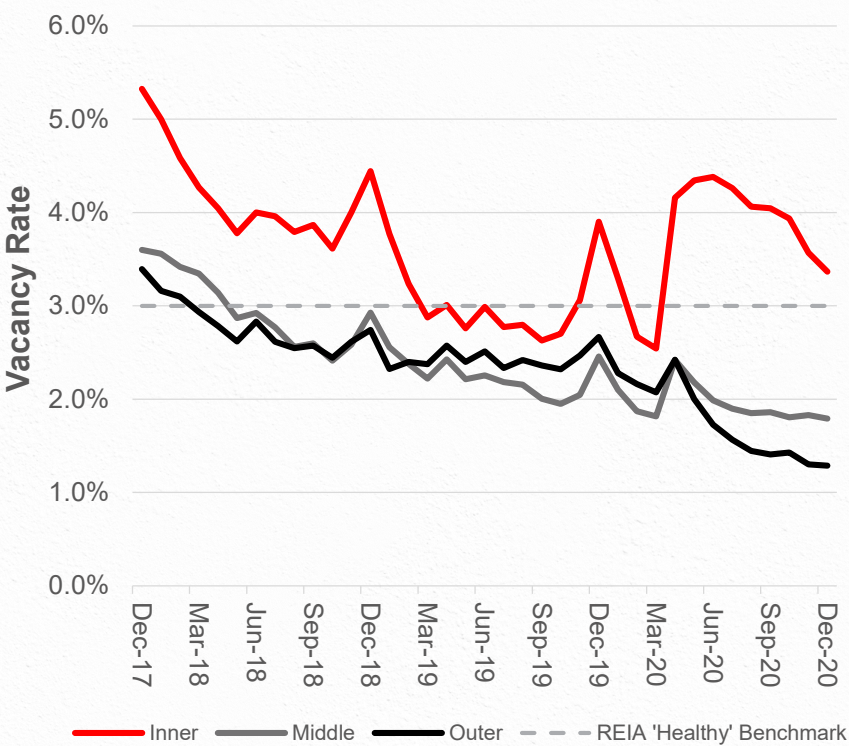
- Inner ring unit yields have slightly softened annually, however appear to be returning to pre-COVID-19 levels.
- Middle and outer ring unit yields were stable annually, showing great signs of resilience amidst COVID-19.

© Prepared by PRD Research. Source: SQM Research.





# BRISBANE VACANCY RATES



## Dec-20 Overview

- Inner: 3.4%
- Middle: 1.8%
- Outer: 1.3%

## Annual Change

- Inner: -0.5%
- Middle: -0.7%
- Outer: -1.4%

## Key Comments

- Brisbane's middle and outer rings saw the lowest vacancy rates as there has been a shift towards working from home.
- Inner ring vacancy rates are heading towards healthy levels after COVID-19's peak with stock levels reducing.

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## REFERENCES

Inner ring market data encapsulates aggregate property conditions within following suburbs:

Albion, Alderley, Annerley, Ascot, Ashgrove, Auchenflower, Balmoral, Bardon, Bowen Hills, Brisbane City, Bulimba, Camp Hill, Clayfield, Coorparoo, Dutton Park, East Brisbane, Fairfield, Fortitude Valley, Grange, Greenslopes, Hamilton, Hawthorne, Herston, Highgate Hill, Kangaroo Point, Kelvin Grove, Lutwyche, Milton, Morningside, New Farm, Newmarket, Newstead, Norman Park, Paddington, Petrie Terrace, Red Hill, Seven Hills, South Brisbane, Spring Hill, St Lucia, Taringa, Teneriffe, Toowong, West End, Wilston, Windsor, Woolloongabba, Woolloowin, Yeronga.

Middle ring market data encapsulates aggregate property conditions within following suburbs:

Arana Hills, Archerfield, Aspley, Belmont, Brisbane Airport, Cannon Hill, Carina, Carina Heights, Carindale, Chapel Hill, Chelmer, Chermside, Chermside West, Coopers Plains, Corinda, Eagle Farm, Enoggera, Enoggera Reservoir, Everton Hills, Everton Park, Fig Tree Pocket, Gaythorne, Geebung, Gordon Park, Graceville, Hemmant, Hendra, Holland Park, Holland Park West, Indooroopilly, Kalinga, Kedron, Kenmore, Kenmore Hills, Keperra, Mansfield, McDowall, Mitchelton, Moorooka, Mount Coot-tha, Mount Gravatt, Mount Gravatt East, Murarrie, Nathan, Northgate, Nundah, Oxley, Pinkenba, Rocklea, Salisbury, Sherwood, Stafford, Stafford Heights, Tarragindi, Tennyson, The Gap, Tingalpa, Upper Kedron, Upper Mount Gravatt, Virginia, Wavell Heights, Yeerongpilly.

Outer ring market data encapsulates aggregate property conditions within following suburbs:

Acacia Ridge, Albany Creek, Alexandra Hills, Algester, Anstead, Bald Hills, Banyo, Bellbowrie, Birkdale, Boondall, Bracken Ridge, Bray Park, Brendale, Bridgeman Downs, Brighton, Brookfield, Bunya, Burbank, Calamvale, Camira, Camp Mountain, Capalaba, Carole Park, Carseldine, Cashmere, Chandler, Clear Mountain, Closeburn, Daisy Hill, Darra, Deagon, Doolandella, Draper, Drewvale, Durack, Eatons Hill, Eight Mile Plains, Ellen Grove, Ferny Grove, Ferny Hills, Fitzgibbon, Forest Lake, Gailes, Goodna, Greenbank, Griffin, Gumdale, Heathwood, Inala, Jamboree Heights, Jindalee, Jollys Lookout, Karalee, Karawatha, Kholo, Kuraby, Lake Manchester, Larapinta, Lawnton, Logan Central, Lota, Lytton, Macgregor, Mackenzie, Manly, Manly West, Middle Park, Moggill, Mount Crosby, Mount Ommaney, Murrumba Downs, Nudgee, Nudgee Beach, Pallara, Parkinson, Pinjarra Hills, Port Of Brisbane, Priestdale, Pullenvale, Ransome, Redbank, Richlands, Riverhills, Robertson, Rochedale, Rochedale South, Runcorn, Samford Valley, Samford Village, Sandgate, Seventeen Mile Rocks, Sheldon, Shorncliffe, Sinnamon Park, Slacks Creek, Springwood, Strathpine, Stretton, Sumner, Sunnybank, Sunnybank Hills, Taigum, Thorneside, Underwood, Upper Brookfield, Wacol, Wakerley, Warner, Wellington Point, Westlake, Wights Mountain, Willawong, Wishart, Woodridge, Wynnum, Wynnum West, Yugar, Zillmere.

Source: APM Pricerfinder, SQM Research, ESRI ArcGIS.

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## 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 customised 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.



## 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


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