



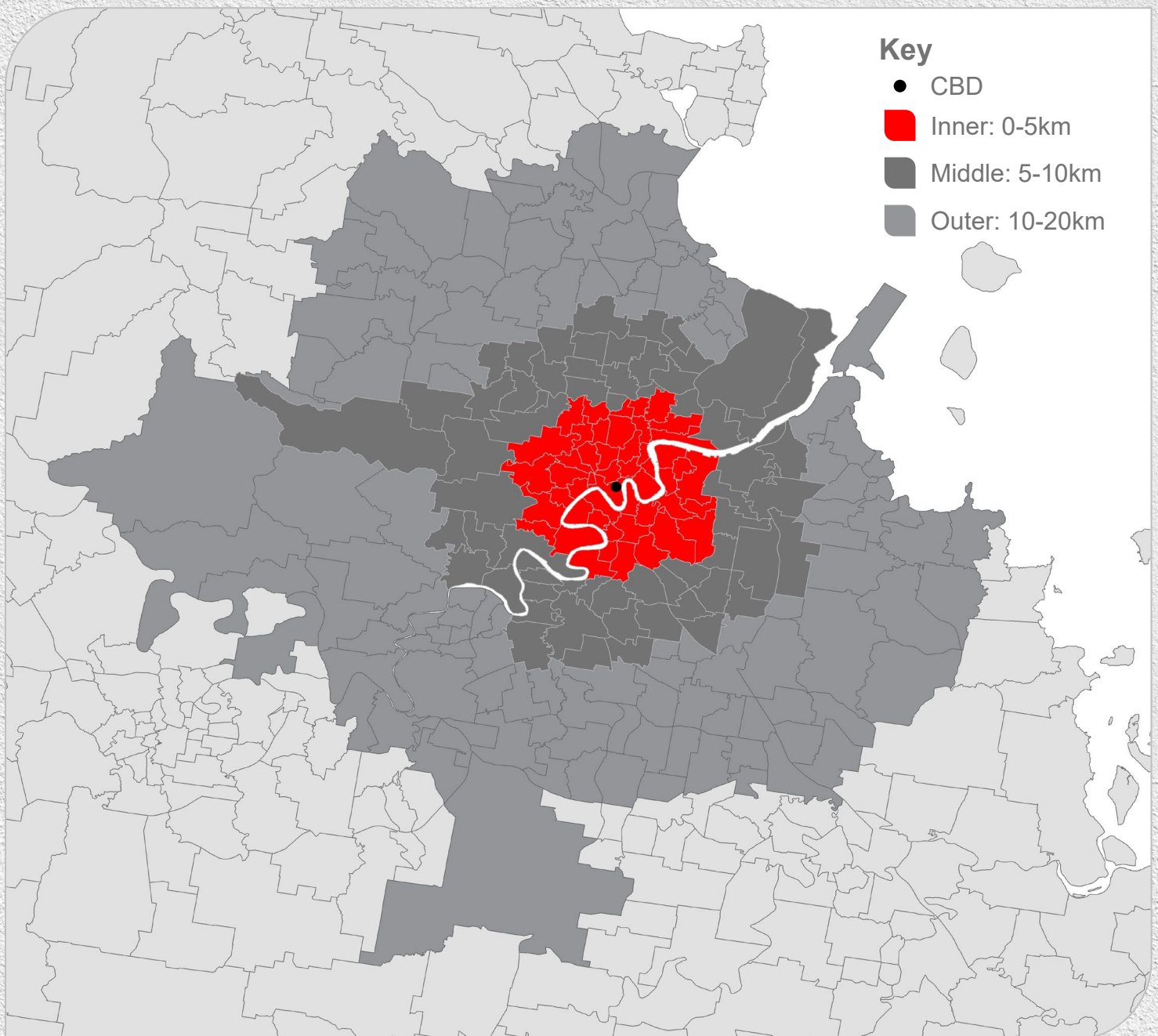
## > Brisbane Market Update

2<sup>nd</sup> Half 2021

## INTRODUCTION

The *PRD Brisbane Market Update 2nd Half 2021* is part of a report series that divides major cities into the inner, middle, and outer rings. This report provides an in-depth analysis of each specified market in an uncomplicated and simple manner, alongside a holistic picture of property conditions in each area.

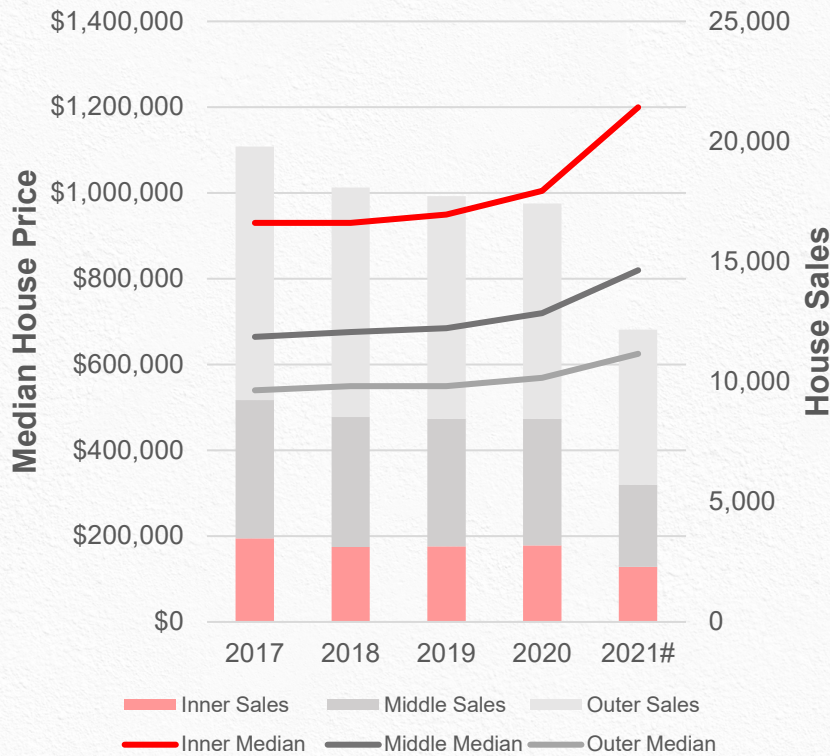
The Brisbane inner ring house market saw exponential growth, with its median house price sitting at \$1.2M, representing a 29.0% growth between 2017 and 2021#. Median house prices have shown solid growth in all rings since 2017, indicative of continued confidence in the Brisbane market. Median house rental prices have strengthened, particularly in the middle and outer ring, as working from home becomes a norm. Brisbane's vacancy rates continue to decline, currently at a historical low in all three rings. Investment conditions are highly conducive in Brisbane, due to an urgent need for rental stock.



#2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).



## BRISBANE HOUSE SALES 2017-2021#



### 2021# Median Sale Price

- Inner: \$1,200,000
- Middle: \$820,000
- Outer: \$625,000

### 2017-21 Price Growth

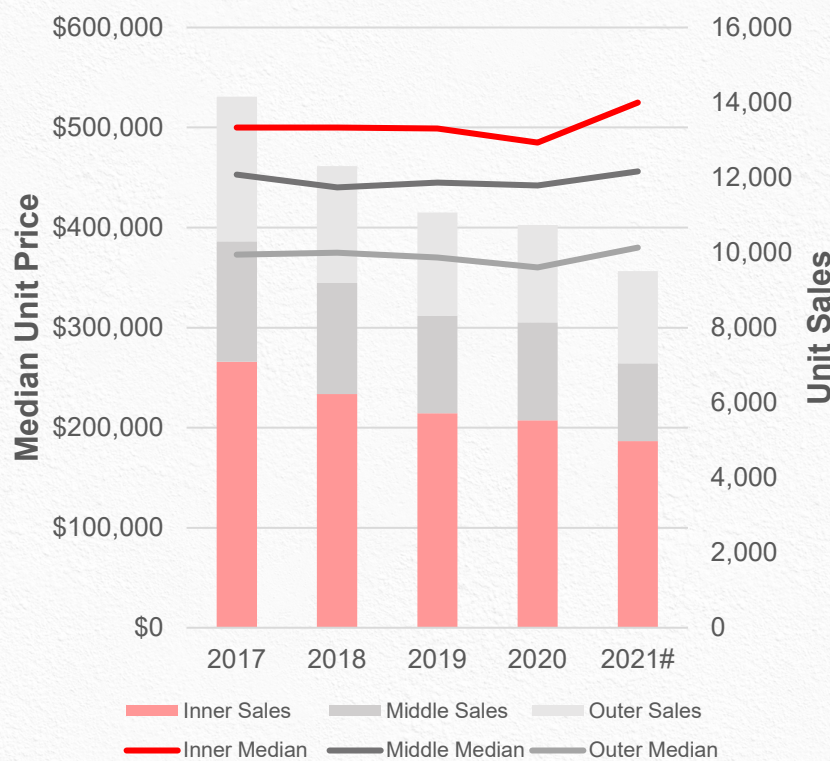
- Inner: +29.0% (+\$270,000)
- Middle: +23.3% (+\$155,000)
- Outer: +15.7% (+\$85,000)

### Key Comments

- Over the past 5 years, Brisbane median house prices in all rings have recorded double-digit growth.
- The inner ring median house price saw the highest growth, of 29.0%.
- The outer ring continues to provide the most affordable option to buyers.

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## BRISBANE UNIT SALES 2017-2021#



### 2021# Median Sale Price

- Inner: \$525,000
- Middle: \$456,000
- Outer: \$380,000

### 2017-21 Price Growth

- Inner: 5.0% (+\$25,001)
- Middle: 0.7% (+\$3,000)
- Outer: 1.9% (+\$7,000)

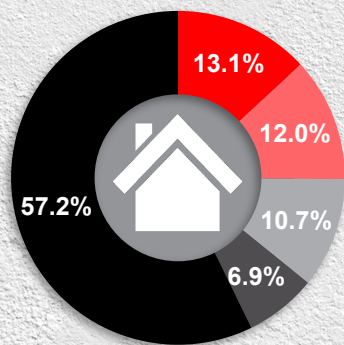
### Key Comments

- Brisbane median unit prices are on the path of recovery, with all rings recording positive price growth.
- This is due to limited supply levels in the market and high interstate migration.
- Inner ring units recorded the highest price growth in the past 5 years.

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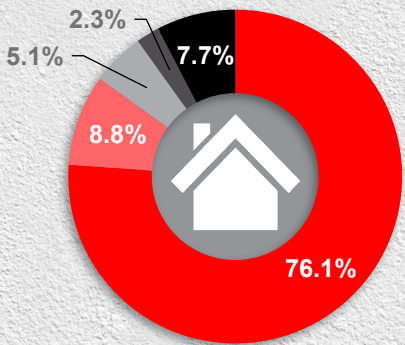


# BRISBANE HOUSE PRICE BREAKDOWN 2021#

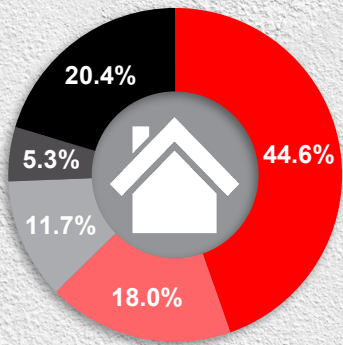


Inner

- Less than \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,099,999
- \$1,100,000 and above

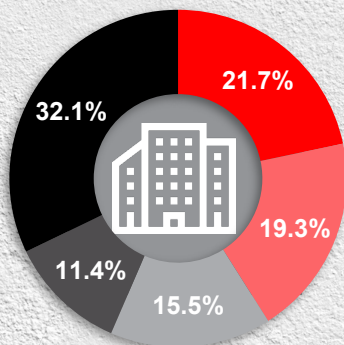


Outer



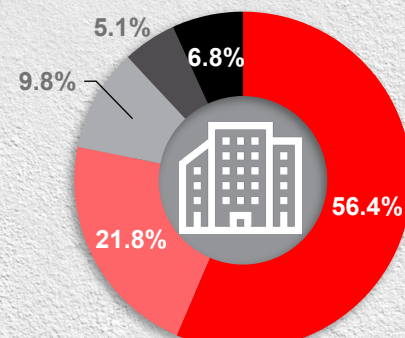
Middle

# BRISBANE UNIT PRICE BREAKDOWN 2021#

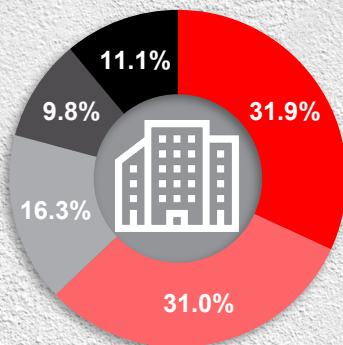


Inner

- Less than \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 to \$699,999
- \$700,000 and above



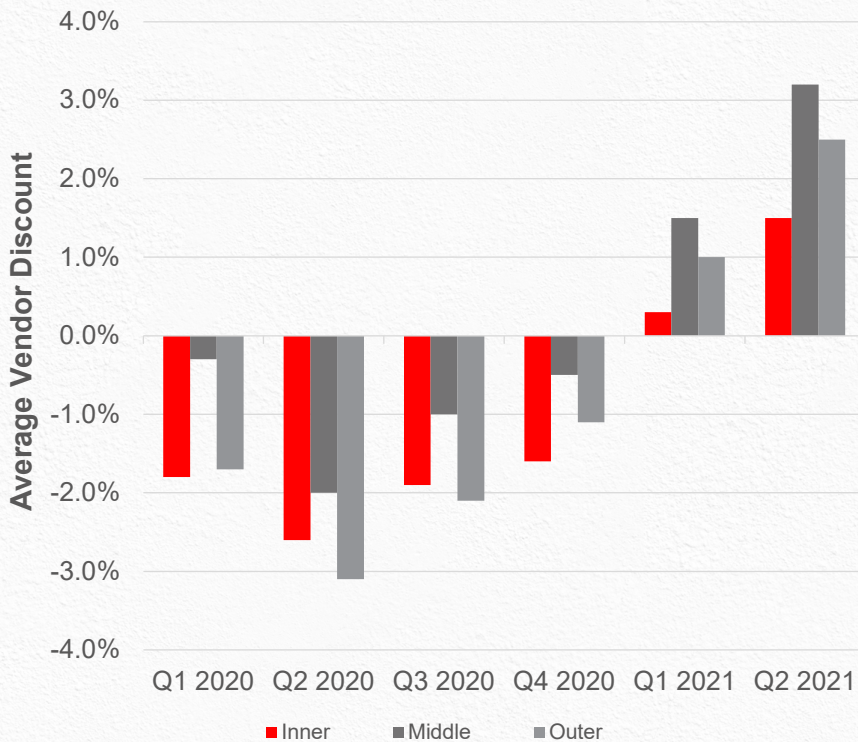
Outer



Middle



## BRISBANE HOUSE AVERAGE VENDOR DISCOUNT



### Q2 2021 Overview

- Inner: 1.5%
- Middle: 3.2%
- Outer: 2.5%

### What is Average Vendor Discount?

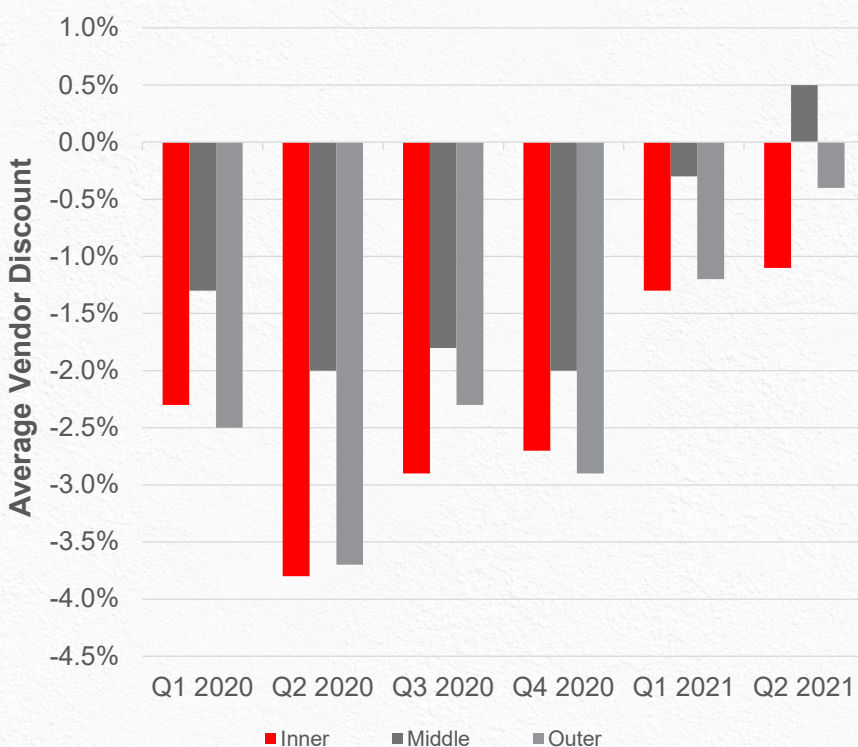
- The average percentage difference between the first list price and final sold price.

### Key Comments

- In Q2 2021 all rings swung to a premium, with the middle ring outperforming at 3.2%.
- Vendors are achieving extraordinary results, well above their asking prices.
- Inner ring houses provide the highest discount to buyers.

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## BRISBANE UNIT AVERAGE VENDOR DISCOUNT



### Q2 2021 Overview

- Inner: -1.1%
- Middle: 0.5%
- Outer: -0.4%

### 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.

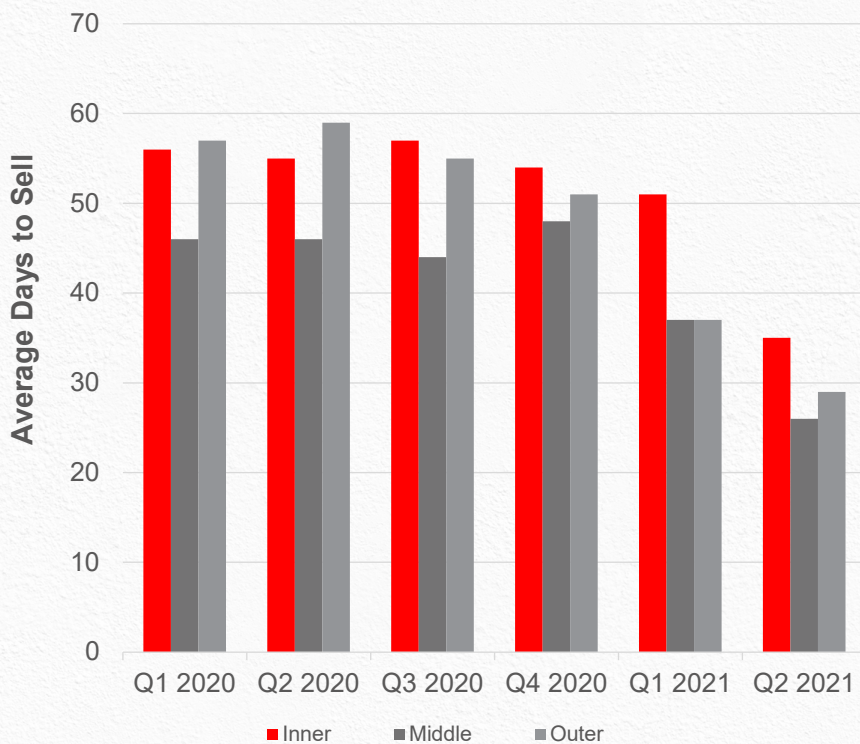
### Key Comments

- Middle ring unit average discounting has swung to a premium, due to high demand that outstripped supply.
- Inner and middle ring units currently provide buyers with a discount. However as all rings have tightened in average vendor discount, time is limited.

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## BRISBANE HOUSE AVERAGE DAYS TO SELL



### Q2 2021 Overview

- Inner: 35 days
- Middle: 26 days
- Outer: 29 days

### Why Average Days to Sell?

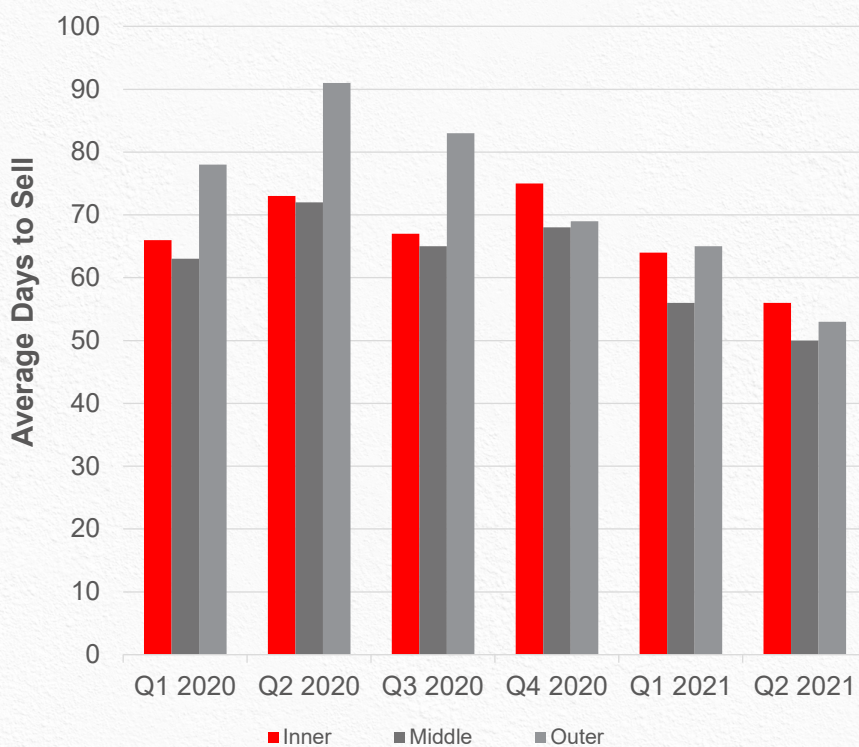
- The change in average days to sell a property is indicative of buyer demand.

### Key Comments

- Houses are selling the fastest in the middle ring. This is due to demand starting to shift thanks to working from home trends and higher affordability compared to the inner ring.
- Overall, days to sell a house have declined across all three rings, as demand for houses has increased exponentially.

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## BRISBANE UNIT AVERAGE DAYS TO SELL



### Q2 2021 Overview

- Inner: 56 days
- Middle: 50 days
- Outer: 53 days

### Why Average Days to Sell?

- A lower average number of days to sell a property reveals an increase in demand, as buyers are willing to purchase property more quickly.

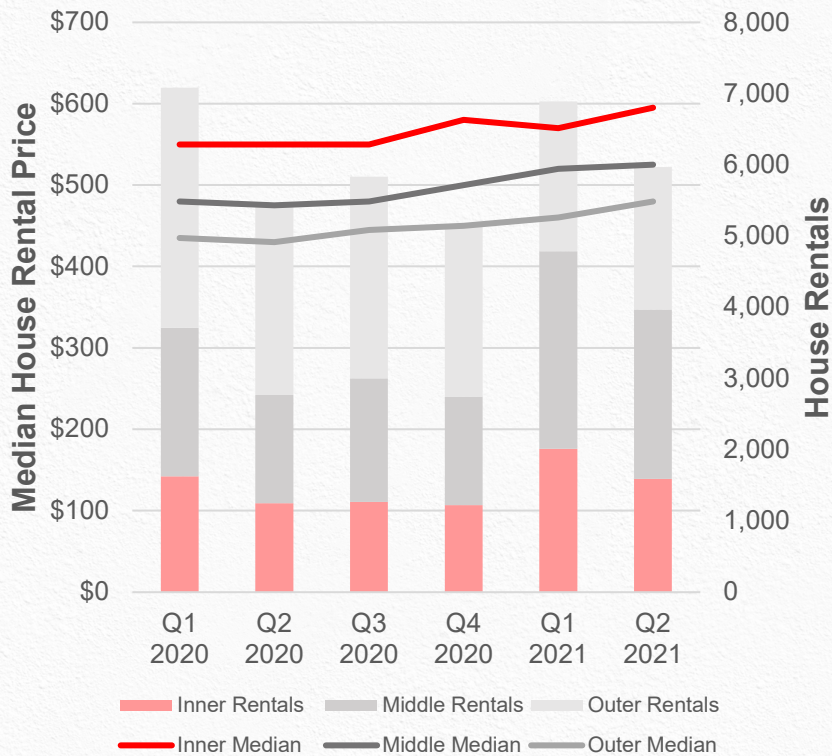
### Key Comments

- Average days to sell units in the middle ring have significantly declined as demand in those areas has increased.
- Inner ring unit average days declined slightly over the past 12 months. This suggests the current stock is being absorbed.

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## BRISBANE HOUSE RENTALS



### Q2 2021 Median Rental Price

- Inner: \$595 per week
- Middle: \$525 per week
- Outer: \$480 per week

### Annual Price Growth\*

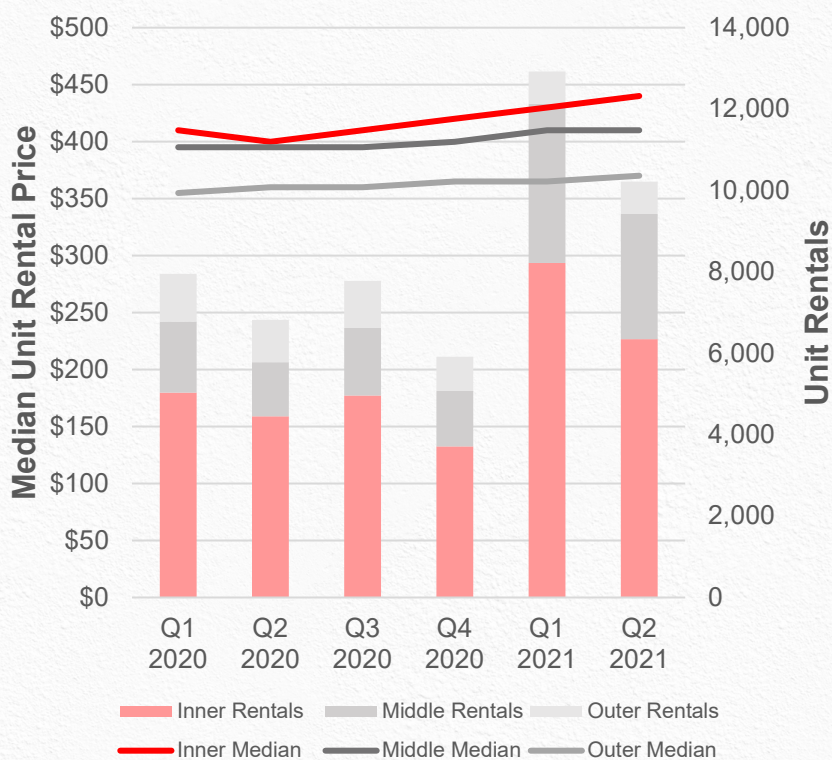
- Inner: +8.2% (+\$45 per week)
- Middle: +10.5% (+\$50 per week)
- Outer: +11.6% (+\$50 per week)

### Key Comments

- Outer ring median house rental prices continue to strengthen 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



### Q2 2021 Median Rental Price

- Inner: \$440 per week
- Middle: \$410 per week
- Outer: \$370 per week

### Annual Price Growth\*

- Inner: +10.0% (+\$40 per week)
- Middle: +3.8% (+\$15 per week)
- Outer: +2.8% (+\$10 per week)

### Key Comments

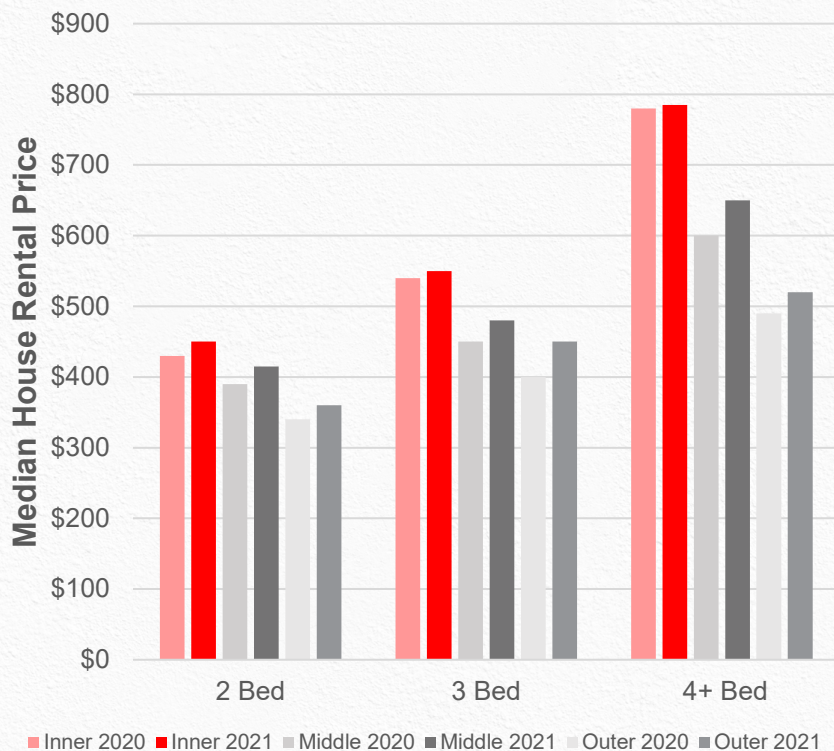
- Inner ring median unit prices have continued to outperform all other rings, showing confidence is returning post-COVID-19.
- Investors are currently benefiting from unit rental price increases within all rings due to record low vacancy rates.

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\* Annual price growth is based on comparison between Q2 2020 and Q2 2021 figures.



## BRISBANE HOUSE RENTAL PERFORMANCE 2020-21



### 2021 Median Rental Prices

#### 2 Bedroom

- Inner: \$450 per week
- Middle: \$415 per week
- Outer: \$360 per week

#### 3 Bedroom

- Inner: \$550 per week
- Middle: \$480 per week
- Outer: \$450 per week

#### 4+ Bedroom

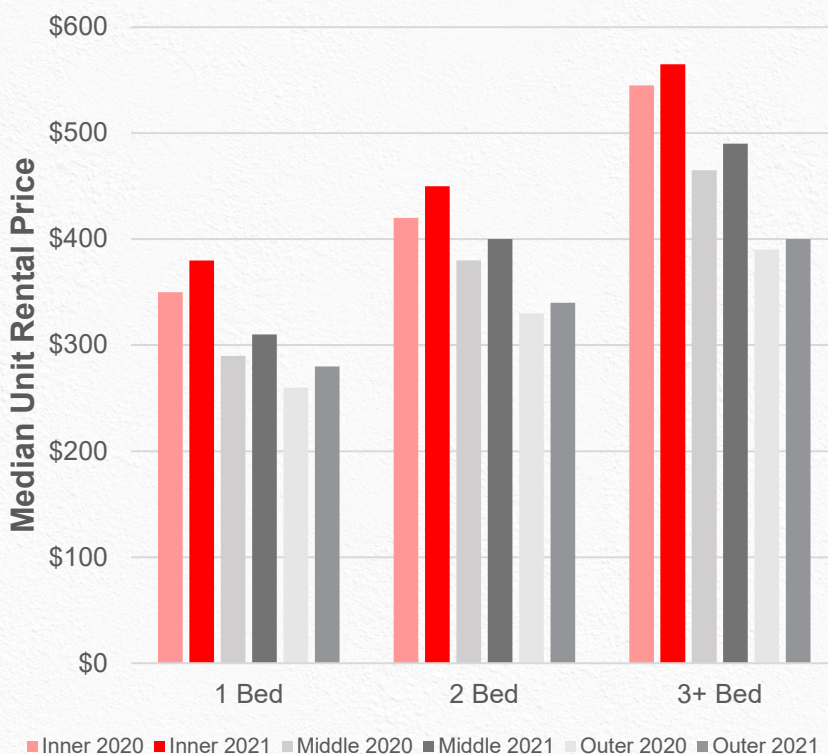
- Inner: \$785 per week
- Middle: \$650 per week
- Outer: \$520 per week

### Key Comments

- Outer ring 3 bedroom median house rental prices were the most resilient, returning 12.5% growth annually.
- 4+ bedroom houses in inner and middle rings fetched the highest rental price.

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## BRISBANE UNIT RENTAL PERFORMANCE 2020-21



### 2021 Median Rental Prices

#### 1 Bedroom

- Inner: \$380 per week
- Middle: \$310 per week
- Outer: \$280 per week

#### 2 Bedroom

- Inner: \$450 per week
- Middle: \$400 per week
- Outer: \$340 per week

#### 3+ Bedroom

- Inner: \$565 per week
- Middle: \$490 per week
- Outer: \$400 per week

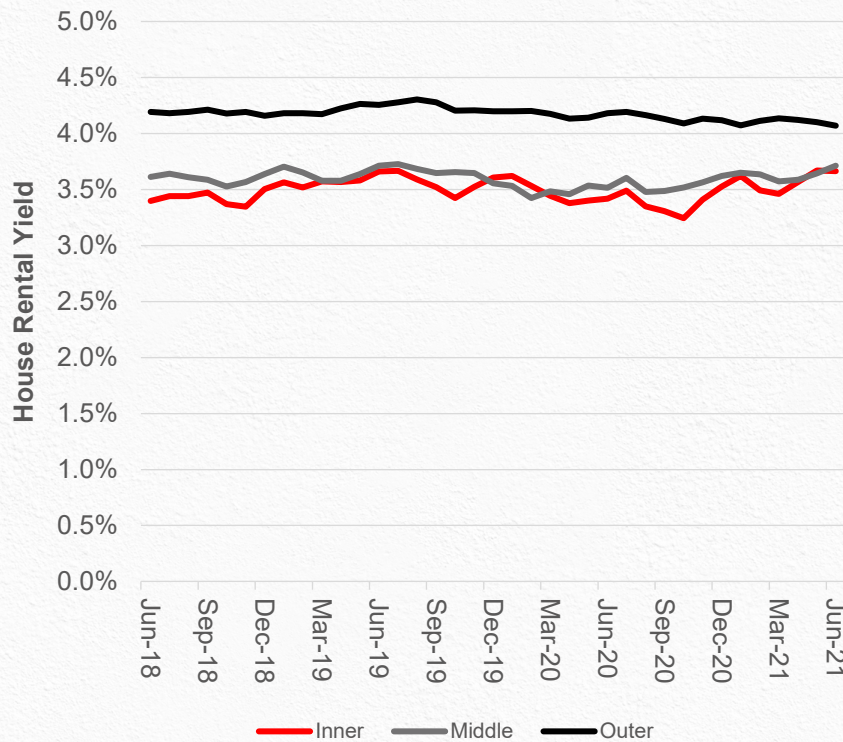
### Key Comments

- 1 bedroom units in the inner ring have outperformed the market, with the highest annual growth of 8.6%.
- 3+ bedroom units in inner and middle rings fetched the highest rental price.

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## BRISBANE HOUSE AVERAGE RENTAL YIELD



### Jun-21 Overview

- Inner: 3.7%
- Middle: 3.7%
- Outer: 4.1%

### Annual Change

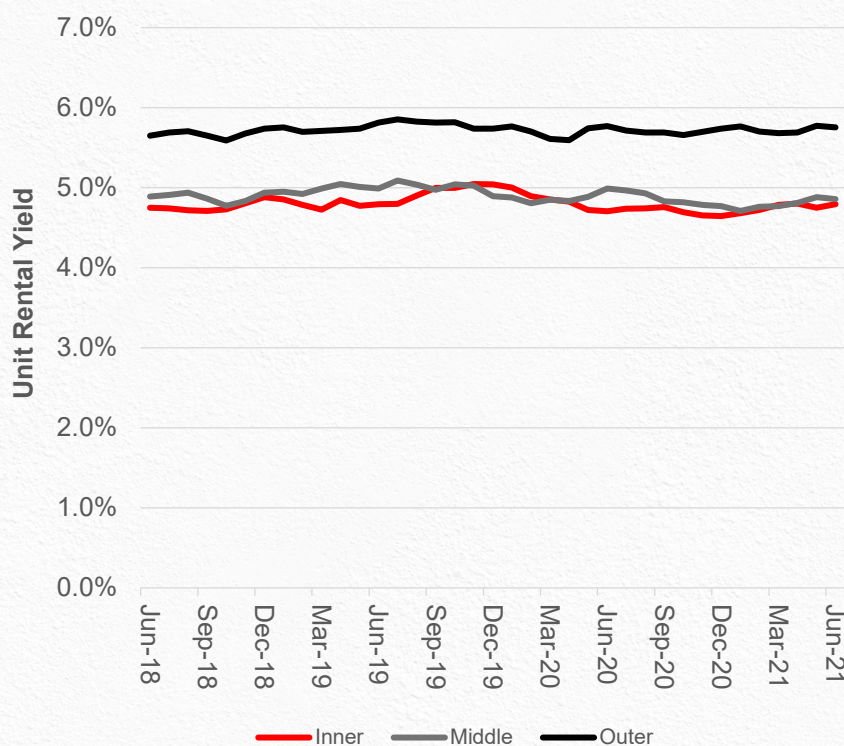
- Inner: +0.2%
- Middle: +0.2%
- Outer: -0.1%

### Key Comments

- Inner ring house yields have improved since COVID-19's peak in April 2020, which will benefit investors.
- Outer Brisbane continues to offer a higher yield margin overall, offering a great return for investors.

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## BRISBANE UNIT AVERAGE RENTAL YIELD



### Jun-21 Overview

- Inner: 4.8%
- Middle: 4.9%
- Outer: 5.8%

### Annual Change

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

### Key Comments

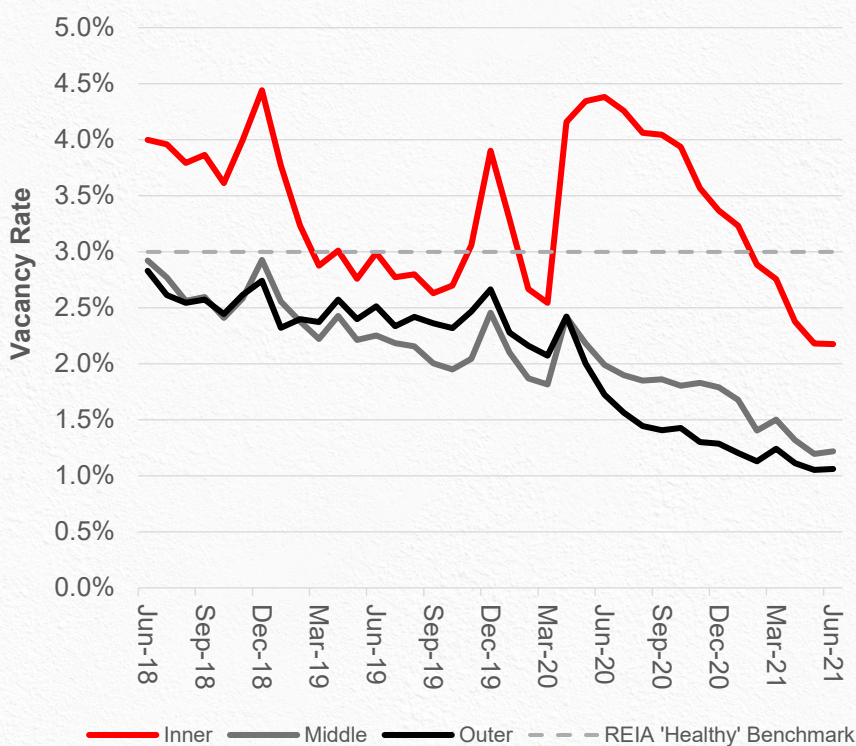
- Middle ring unit yields have slightly softened annually, due to a surge in median house prices that outweighs median rental prices.
- Inner and outer ring unit yields were stable annually, showing great signs of resilience post-COVID-19.

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## BRISBANE VACANCY RATES



### Jun-21 Overview

- Inner: 2.2%
- Middle: 1.2%
- Outer: 1.1%

### Annual Change

- Inner: -2.2%
- Middle: -0.8%
- Outer: -0.7%

### Key Comments

- All rings recorded vacancy rates well below REIA's healthy benchmark of 3.0%.
- The outer ring recorded the tightest vacancy rate, due to an absence of new rental stock.
- Inner ring vacancy rates saw the highest improvement, declining by -2.2%.

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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, Gales, 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 Pricefinder, 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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