



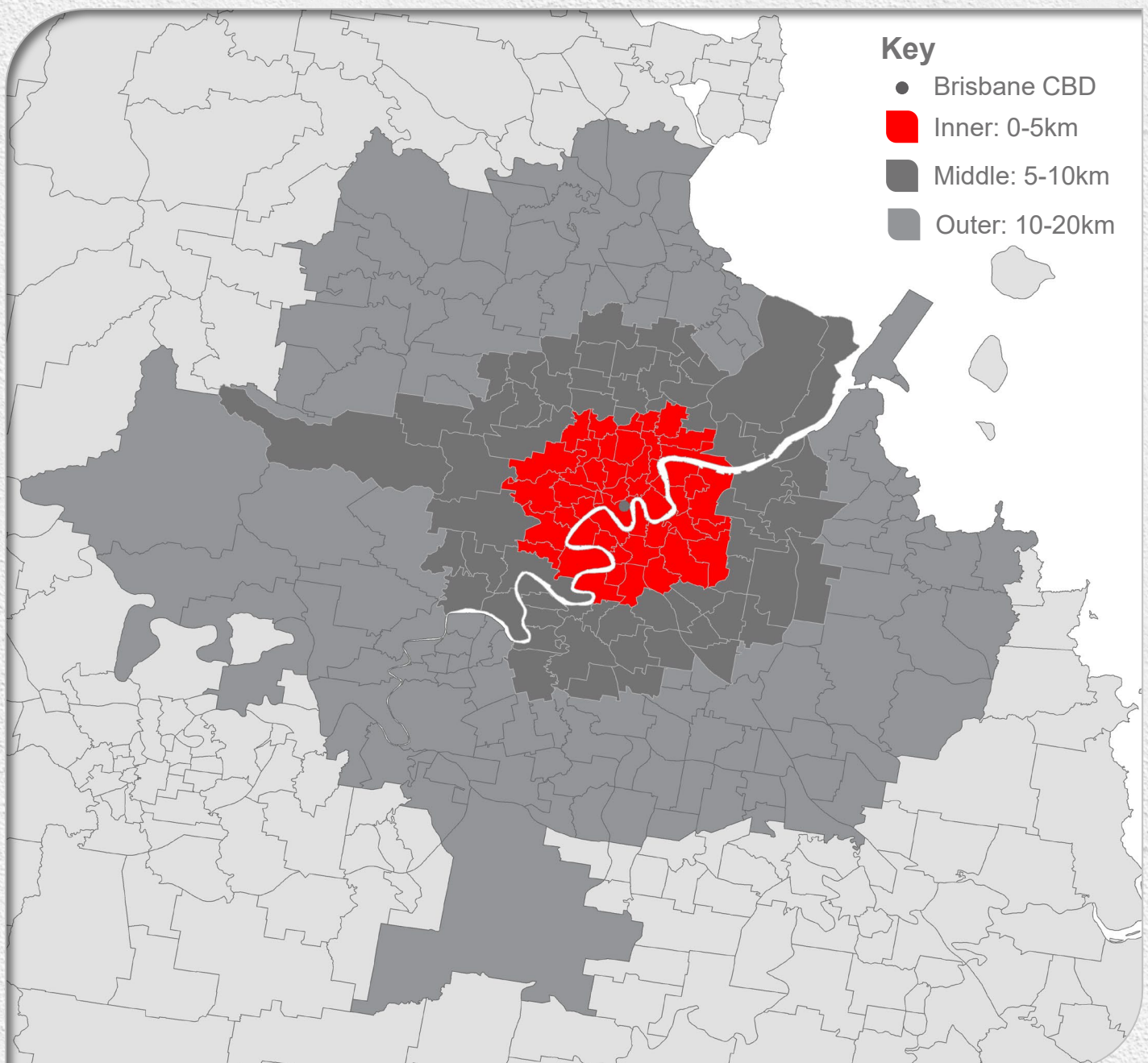
## > Brisbane Market Update

1st Half 2022

## INTRODUCTION

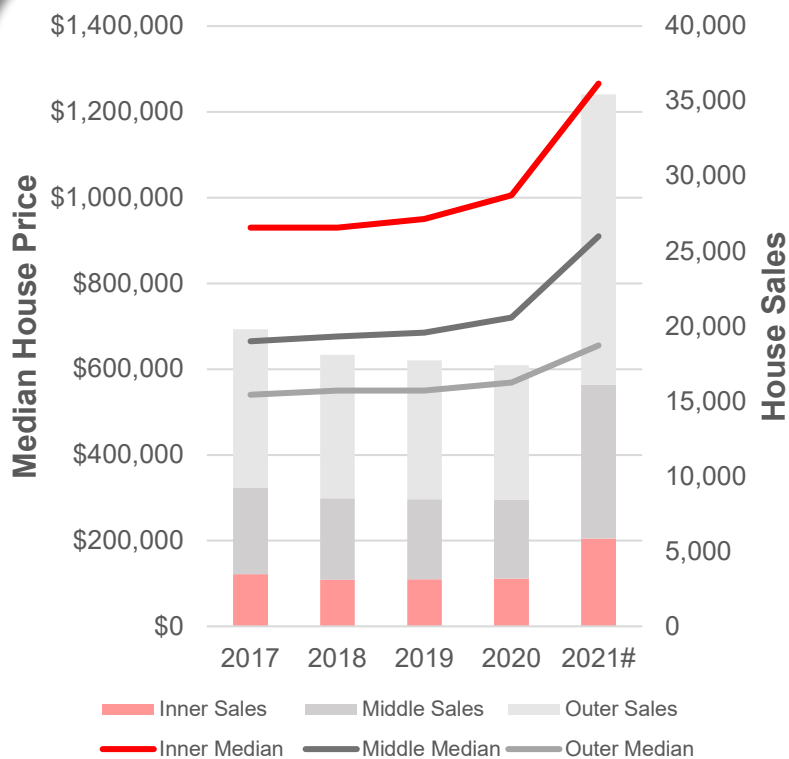
This Brisbane market update report divides the city into the inner-ring (0-5km from the city), middle-ring (5-10km from the city), and outer-ring (10-20km from the city). It provides a comprehensive and in-depth analysis of each specified market and a holistic picture of property conditions in each area.

The Brisbane market saw exponential growth particularly in the middle-ring with its median house price sitting at \$910K, a growth of 36.8% from 2017. There is now a distinctively different house market between the inner and outer rings, with premium pricing of \$1.1M and above dominating the inner-ring (64.2%) and the most affordable bracket of less than \$800K dominating the outer-ring (69.3%). Rental prices for houses have strengthened particularly in the middle-ring, whereas unit rental prices have grown the most in the outer-ring as working from home becomes the norm. All this is in conjunction with record low vacancy rates, particularly in the outer-ring which recorded 1.1%.





## BRISBANE HOUSE SALES 2017-2021#



### 2021# Median Sale Price

- Inner: \$1,266,000
- Middle: \$910,000
- Outer: \$655,000

### 2017-2021 Price Growth

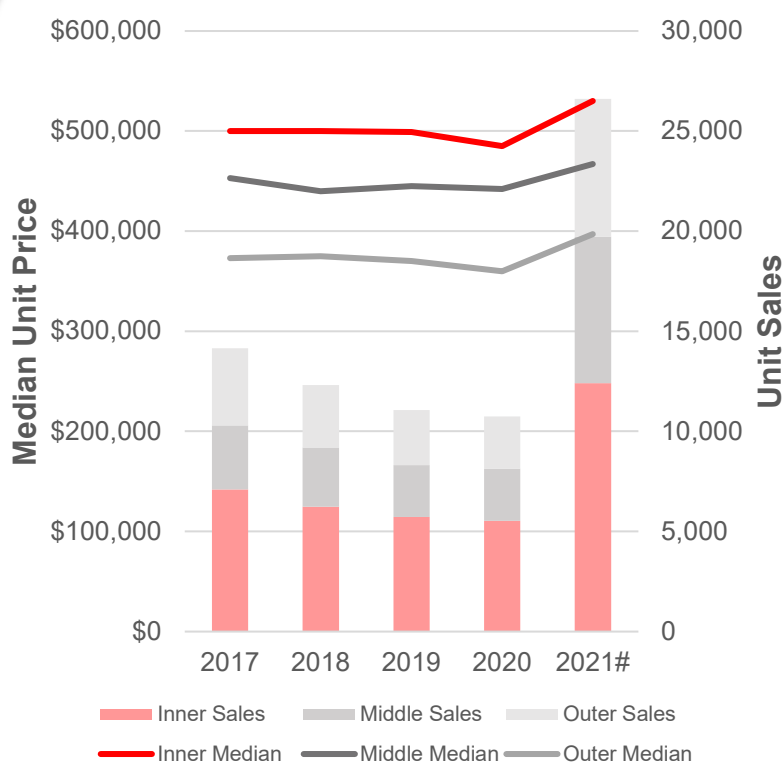
- Inner: +36.1% (+\$336,000)
- Middle: +36.8% (+\$245,000)
- Outer: +21.3% (+\$115,000)

### Key Comments

- Over the past five years, Brisbane median house prices in all rings have recorded double-digit growth.
- Rising median house price growth alongside a substantial increase in sales suggests good returns on capital investment in an undervalued market.

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#2021 encapsulates sales transactions for 2H 2021 (01/07/2021 – 31/12/2021).

## BRISBANE UNIT SALES 2017-2021#



### 2021# Median Sale Price

- Inner: \$530,000
- Middle: \$467,000
- Outer: \$397,000

### 2017-2021 Price Growth

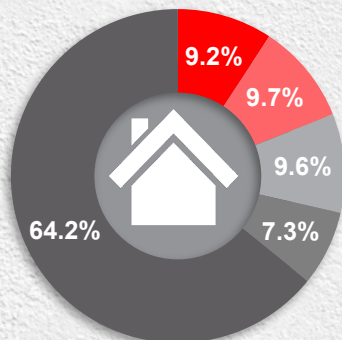
- Inner: 6.0% (+\$30,001)
- Middle: 3.1% (+\$14,000)
- Outer: 6.4% (+\$24,000)

### Key Comments

- Brisbane median unit prices have recovered from a dip in 2020, with all rings recording positive price growth in 2021.
- The outer-ring provides affordability for first home buyers and is also the fastest growing. Buyers must be quick to secure their property.

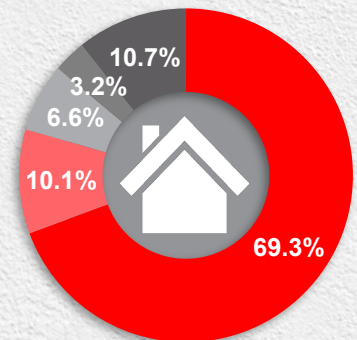
© Prepared by PRD Research. Source: APM Pricefinder.  
#2021 encapsulates sales transactions for 2H 2021 (01/07/2021 – 31/12/2021).

## BRISBANE HOUSE PRICE BREAKDOWN 2021<sup>#</sup>

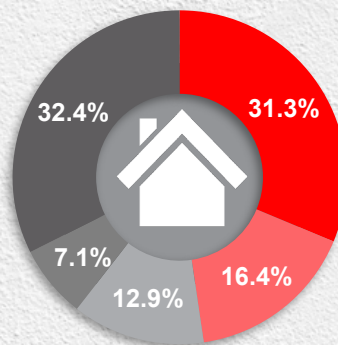


Inner-Ring

- 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

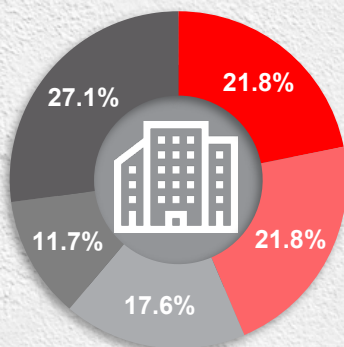


Outer-Ring



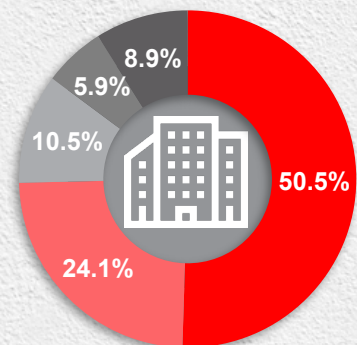
Middle-Ring

## BRISBANE UNIT PRICE BREAKDOWN 2021<sup>#</sup>

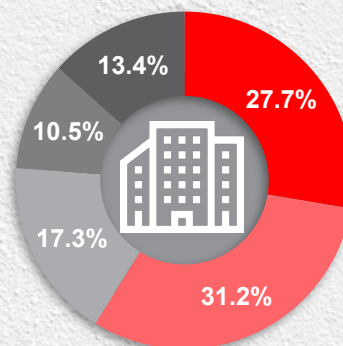


Inner-Ring

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



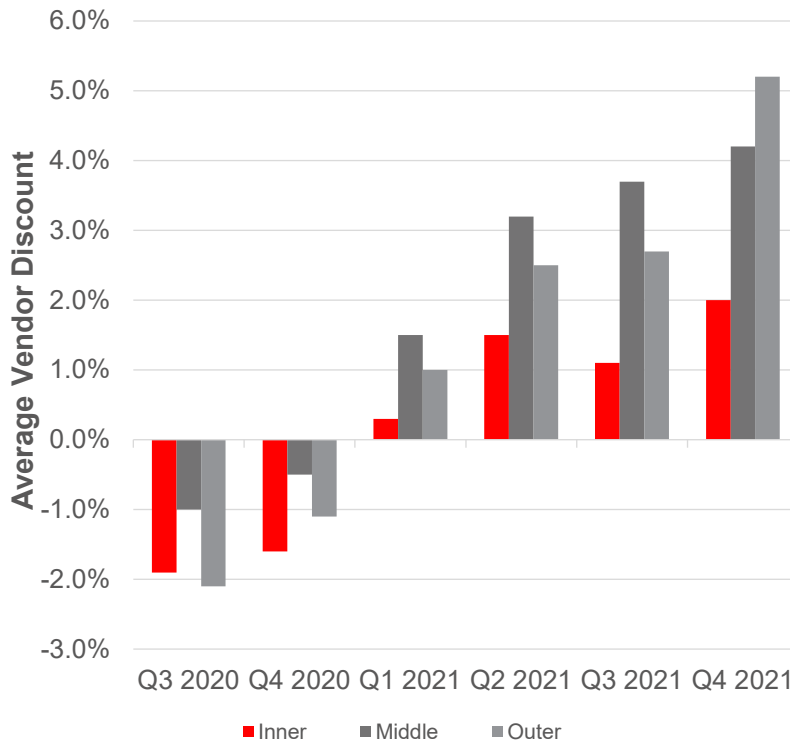
Outer-Ring



Middle-Ring



## BRISBANE HOUSE AVERAGE VENDOR DISCOUNT



### Q4 2021 Overview

- Inner: 2.0%
- Middle: 4.2%
- Outer: 5.2%

### What is Average Vendor Discount?

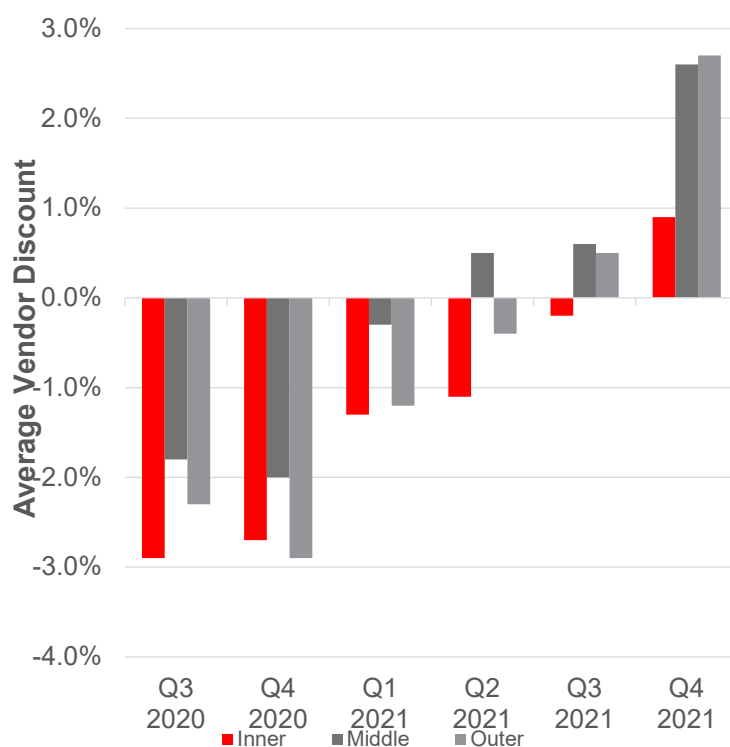
- The average percentage difference between the first list price and final sold price.

### Key Comments

- In Q4 2021 all Brisbane rings swung to an average vendor premium. Sellers are achieving extraordinary results well above their asking prices.
- The outer-ring recorded the highest average vendor premium of 5.2%. A record high for Brisbane since mid-2020.

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## BRISBANE UNIT AVERAGE VENDOR DISCOUNT



### Q4 2021 Overview

- Inner: 0.9%
- Middle: 2.6%
- Outer: 2.7%

### What is Average Vendor Discount?

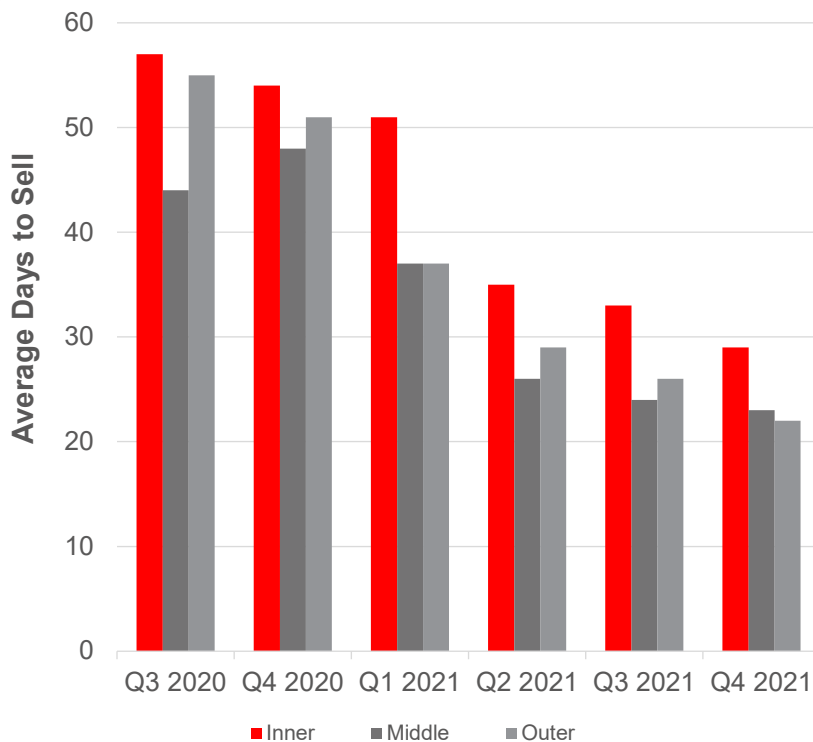
- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

### Key Comments

- Units in all three Brisbane rings are selling for higher than the first list asking price. There is a revival in the unit market after a period of price discounting in mid-2020.
- Units in the outer-ring recorded the highest average premium of 2.7% while inner-ring units recorded the smallest premium. This is great news for first home buyers.

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## BRISBANE HOUSE AVERAGE DAYS TO SELL



### Q4 2021 Overview

- Inner: 29 days
- Middle: 23 days
- Outer: 22 days

### Why Average Days to Sell?

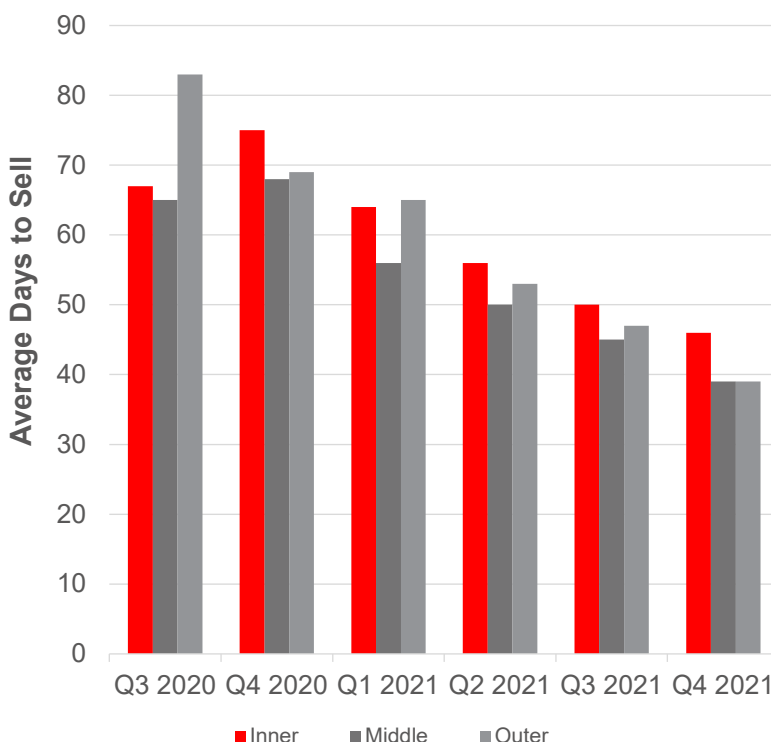
- The change in average days to sell a property is indicative of buyer demand.

### Key Comments

- Houses are selling quicker in the outer-ring as demand starts to shift due to an increase in people working from home.
- Days to sell a house continued to decline as demand increased exponentially, with Q4 2021 recording the lowest amount of days since mid-2020.

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## BRISBANE UNIT AVERAGE DAYS TO SELL



### Q4 2021 Overview

- Inner: 46 days
- Middle: 39 days
- Outer: 39 days

### Why Average Days to Sell?

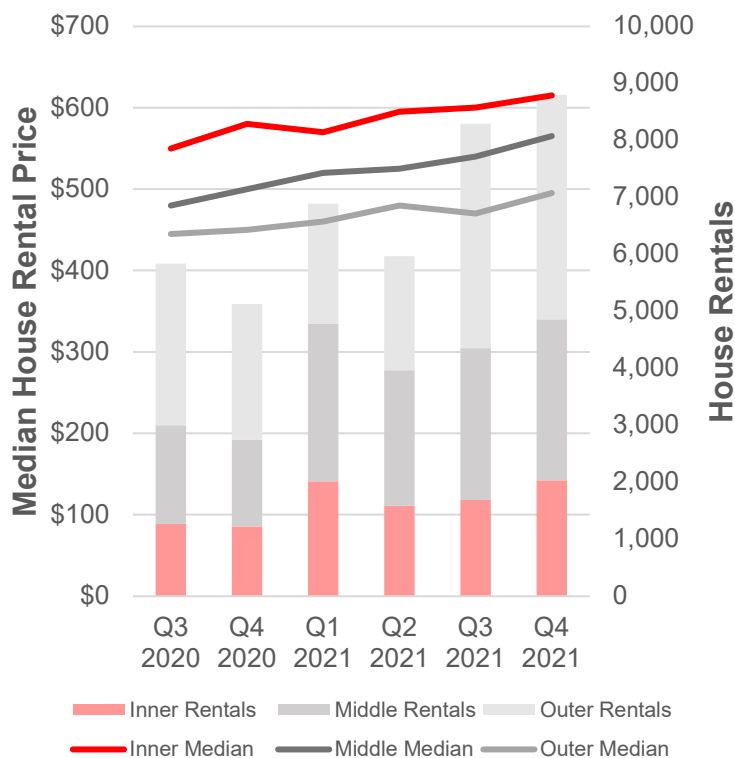
- A lower average number of days to sell a property reveals an increase in the willingness of buyers to purchase property sooner.

### Key Comments

- Units are selling quicker in the middle and outer rings as demand starts to shift due to an increase in people working from home.
- Days to sell a unit continued to decline over the past 18 months. The Brisbane unit market is moving faster again, allowing for new stock to come to the market.

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## BRISBANE HOUSE RENTALS



### Q4 2021 Median Rental Price

- Inner: \$615 per week
- Middle: \$565 per week
- Outer: \$495 per week

### Annual Price Growth\*

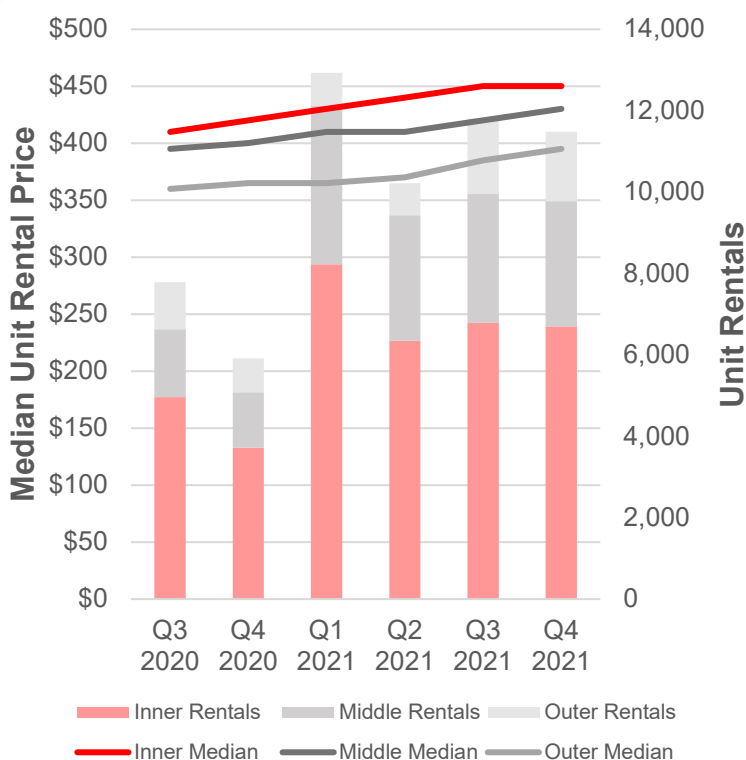
- Inner: +6.0% (+\$35 per week)
- Middle: +13.0% (+\$65 per week)
- Outer: +10.0% (+\$45 per week)

### Key Comments

- Each ring showed an increase in median house rental price annually, with the middle-ring recording the highest growth of 13.0%.
- Median house rental price growth and a higher number of houses rented is providing investors with confidence in the market.

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## BRISBANE UNIT RENTALS



### Q4 2021 Median Rental Price

- Inner: \$450 per week
- Middle: \$430 per week
- Outer: \$395 per week

### Annual Price Growth\*

- Inner: +7.1% (+\$30 per week)
- Middle: +7.5% (+\$30 per week)
- Outer: +8.2% (+\$30 per week)

### Key Comments

- Outer-ring median unit rental price growth has outperformed all other rings, recording 8.2% annual growth.
- Investors are currently benefiting from unit rental price increases within all rings due to declining and low vacancy rates.

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## BRISBANE HOUSE RENTAL PERFORMANCE 2020-2021



### 2021 Median Rental Prices

#### 2 Bedroom

- Inner: \$460 per week
- Middle: \$420 per week
- Outer: \$350 per week

#### 3 Bedroom

- Inner: \$575 per week
- Middle: \$500 per week
- Outer: \$425 per week

#### 4+ Bedroom

- Inner: \$800 per week
- Middle: \$660 per week
- Outer: \$520 per week

### Key Comments

- Middle-ring 3 bedroom median house rental prices were the most resilient, returning 11.1% growth annually.
- 4+ bedroom houses in the inner-ring are the most expensive rental stock.

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## BRISBANE UNIT RENTAL PERFORMANCE 2020-2021



### 2021 Median Rental Prices

#### 1 Bedroom

- Inner: \$385 per week
- Middle: \$320 per week
- Outer: \$280 per week

#### 2 Bedroom

- Inner: \$460 per week
- Middle: \$400 per week
- Outer: \$350 per week

#### 3+ Bedroom

- Inner: \$580 per week
- Middle: \$500 per week
- Outer: \$410 per week

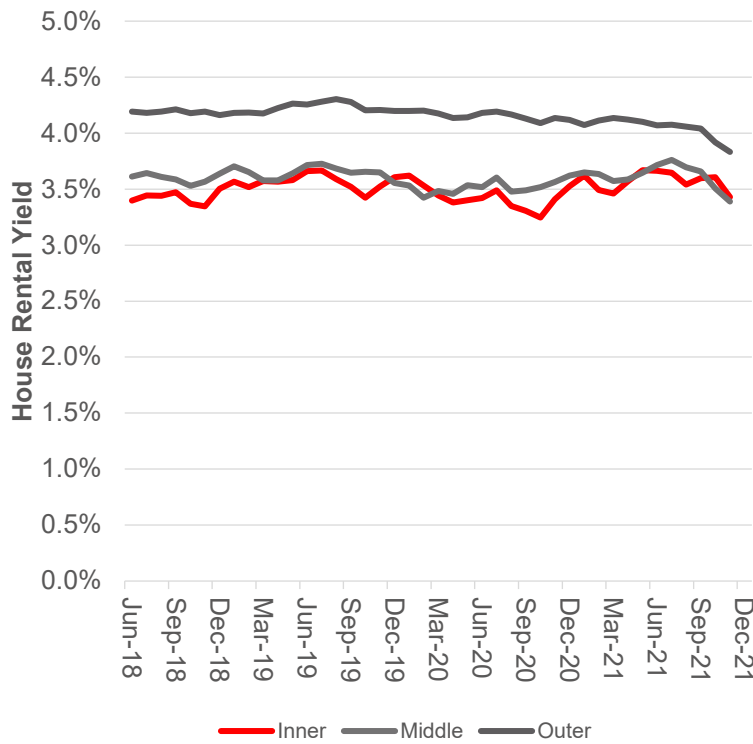
### Key Comments

- Middle-ring 1 bedroom units have recorded the largest annual increase of 10.3% in median rental prices.
- 3+ bedroom units in the inner-ring are the most expensive rental stock.

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## BRISBANE HOUSE AVERAGE RENTAL YIELD



### Dec-21 Overview

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

### Annual Change

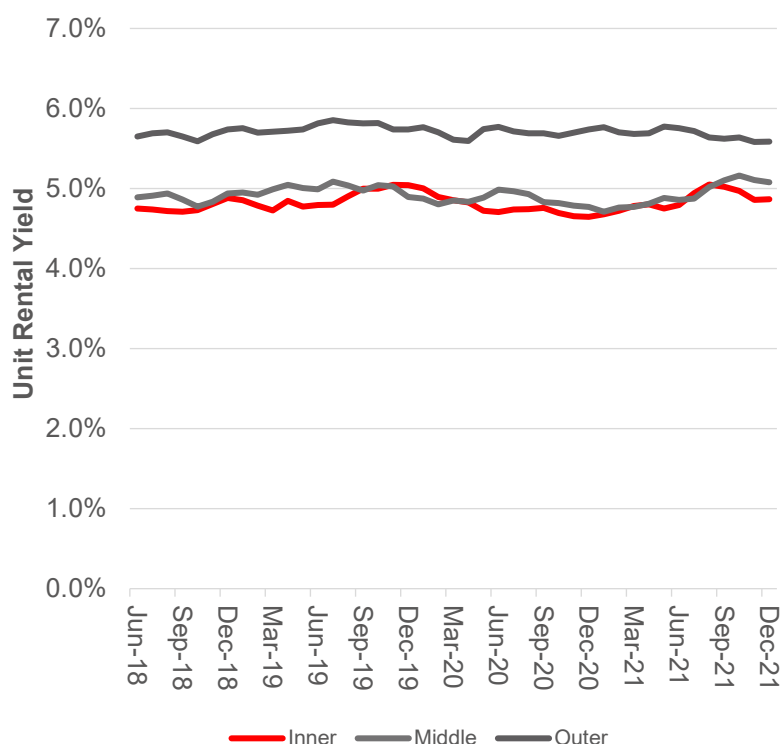
- Inner: +0.1%
- Middle: +0.1%
- Outer: 0.0%

### Key Comments

- House rental yields have remained relatively stable in the past 12 months due to house sale price growth being on par with house rental price growth.
- Outer-Brisbane offers a higher yield margin overall. With a lower entry price compared to other rings it offers a great return for investors.

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## BRISBANE UNIT AVERAGE RENTAL YIELD



### Dec-21 Overview

- Inner: 4.9%
- Middle: 5.1%
- Outer: 5.6%

### Annual Change

- Inner: +0.2%
- Middle: +0.3%
- Outer: -0.2%

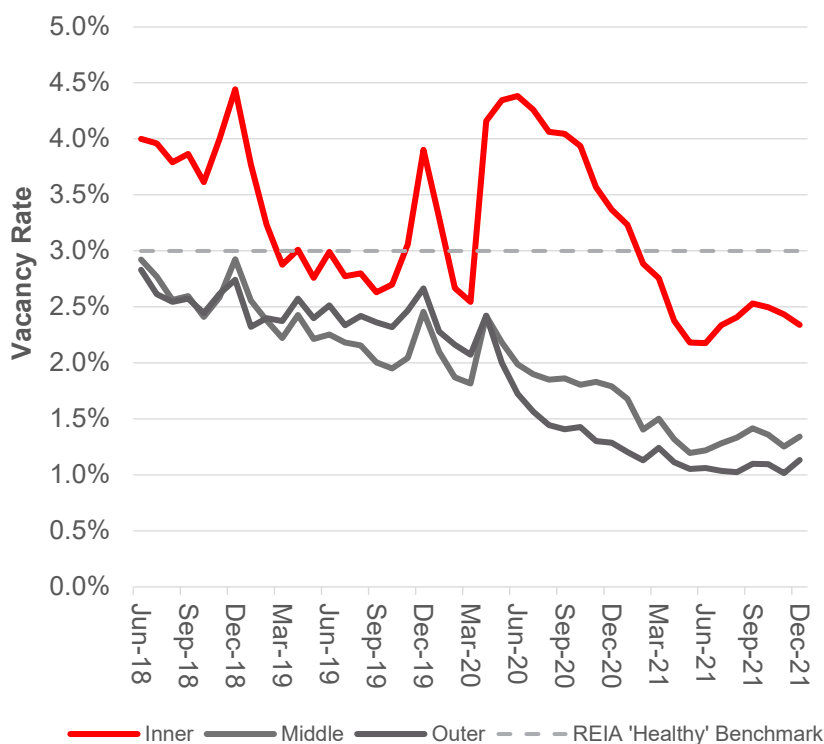
### Key Comments

- Middle-ring unit yields improved the most annually due to a surge in rental demand in those areas.
- Outer-ring unit yields slightly softened annually due to median sale price growth (10.3%) in the area, surpassing that of median rental price growth (8.2%).

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## BRISBANE VACANCY RATES



### Dec-21 Overview

- Inner: 2.3%
- Middle: 1.3%
- Outer: 1.1%

### Annual Change

- Inner: -1.0%
- Middle: -0.4%
- Outer: -0.2%

### Key Comments

- All rings recorded healthy vacancy rates well below the Real Estate Institute of Australia's healthy benchmark of 3.0%.
- Inner-ring vacancy rates continued to record the highest improvements of vacancy rates, dropping by -1.0% annually.



## REFERENCES

Inner-ring market data encapsulates aggregate property conditions within the 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 the 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, Gables, 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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