

# Inner City Brisbane

## RENTAL MARKET ANALYSIS



Elizabeth Street, Brisbane City

The following report is an investigation into the historic and current rental market trends of the Inner City Brisbane Area unit market. The Inner City Brisbane Area has been delineated by two catchments, the Inner North and Inner South, each comprising a set of post codes as detailed in the reference table below. A rental analysis has been undertaken for one, two and three bedroom unit markets under each post code for the purpose of comparative analysis and to identify Brisbane's outperforming inner city postcode/s. Median rental data was only provided if the number of new bonds registered was more than 20 per quarter period, otherwise rental prices for post codes that did not meet the criteria were considered 'not applicable'.

INNER CITY BRISBANE STUDY AREA	
INNER NORTH	INNER SOUTH
4000 – Brisbane City/ Spring Hill	4066 – Auchenflower/ MtChootha/ Toowong
4005 – New Farm/ Teneriffe	4101 – Highgate Hill/ South Brisbane/ West End
4006 – Bowen Hills/ Valley/ Herston Newstead	4102 – Buranda/ Dutton Park/ Woolloongabba
4064 – Milton/ Paddington/ Rosalie	4169 – East Brisbane/ Kangaroo Point

### INNER CITY UNIT SUMMARY

An analysis into the Inner City rental market unveiled solid growth across the board over the year to September 2012, and as expected, stable quarterly growth over the past two years. The Inner North catchment demonstrated less volatility in median rental price movements due mostly to a greater number of bonds lodged per quarter, particularly for one and two bedroom stock. The Inner North catchment comprise postcodes that include and are within closer proximity to the Brisbane CBD (4000 pc), and thus understandably these postcodes have a more established unit market and in most cases will command greater rents than those postcodes located within the Inner South catchment. Interestingly, the Inner South catchment demonstrated superior growth in the one bedroom unit market compared to the Inner North. Annual growth was considerably stronger and average annual growth rates were on average more competitive. With that being said, the Inner North catchment outperformed in the two and three bedroom markets, producing superior returns and stability in price movements.

Considering the performances of all postcodes across all unit types, the 4169 pc (East Brisbane/ Kangaroo Point) was perhaps the standout performer, consistently recorded positive growth over the past two years (on a quarterly and yearly basis). The 4101 pc (Highgate Hill/ South Brisbane/ West End) was also a notable performer across all unit markets, highlighting the desirability of suburbs south of the river. It is anticipated that these fringe suburbs will continue to experience stable rental growth in the future as they undergo significant urban gentrification and bring to the market a number of high quality unit developments.

### RENTAL MARKET AT A GLANCE

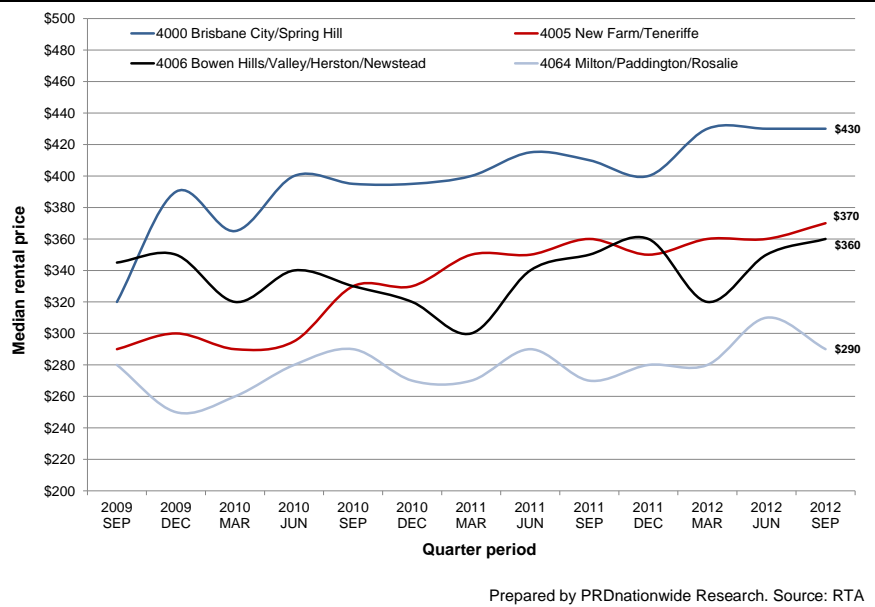
Annual Rental Growth to Sep 2012

Post Code	1 Bed	2 Bed	3 Bed
4000	4.9% ↑	4.5% ↑	3.4% ↑
4005	2.8% ↑	12.8% ↑	4.1% ↓
4006	2.9% ↑	2.1% ↑	4.5% ↓
4064	7.4% ↑	6.7% ↑	n.a
4066	7.7% ↓	3.9% ↑	11.1% ↑
4101	21.0% ↑	0.0% ↑	2.1% ↑
4102	24.0% ↑	10.4% ↓	n.a
4169	12.9% ↑	14.3% ↑	15.0% ↑

### ONE BEDROOM UNIT OVERVIEW

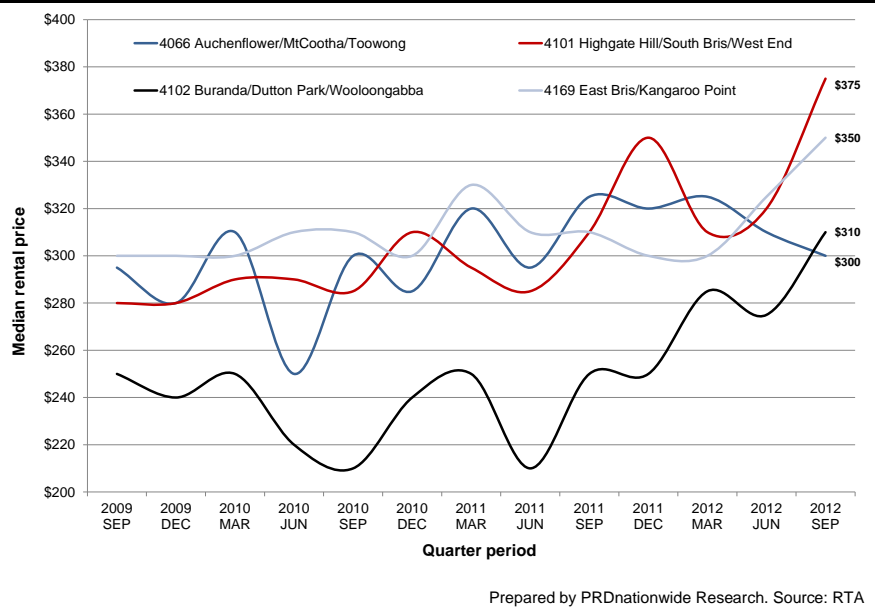
The Inner South postcodes dominated rental growth over the year to September 2012, with all but the 4066 pc (which recorded negative growth) recording double digit increases. The standout performers were the 4101 pc and 4102 pc recording 21.0 and 24.0 per cent annual growth respectively. The 4101 pc also demonstrated 2.5 per cent average quarterly growth over the past two years to September 2012, the highest level of growth shared only with the 4000 pc.

#### INNER CITY NORTH 1 BED UNIT RENTAL PERFORMANCE

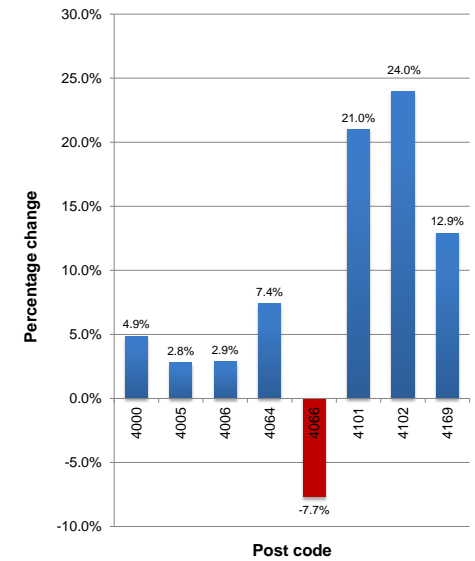


Although the Inner South catchment displayed exceptional growth over the year to September 2012, the Inner North performed relatively well recording positive annual growth all around. The 4064 pc was the standout at 7.4 per cent growth, despite having suffered a sharp turn in rents in the most recent quarter. The lowest median rent was recorded in the 4066 pc at \$300 p/w, \$130 less than the highest median weekly rent of \$430 recorded in the 4000 pc.

#### INNER CITY SOUTH 1 BED UNIT RENTAL PERFORMANCE

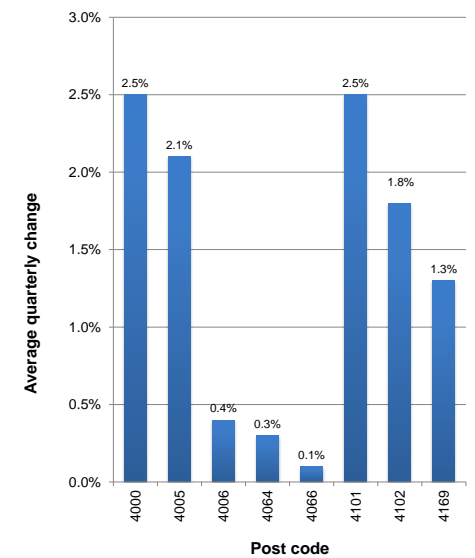


### ANNUAL GROWTH FOR THE YEAR TO SEPTEMBER 2012



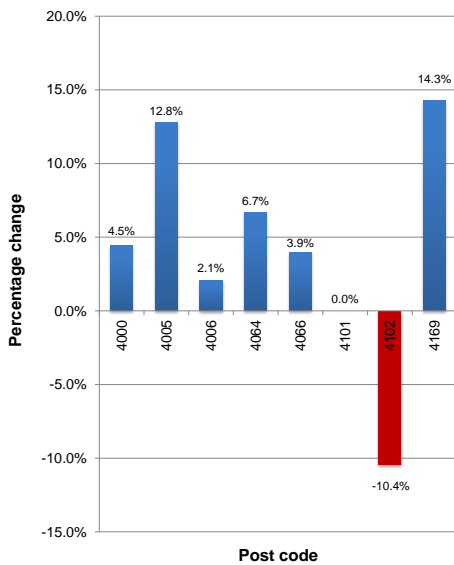
Prepared by PRDNationwide Research. Source: RTA

### AVERAGE QUARTERLY GROWTH TO SEPTEMBER 2012



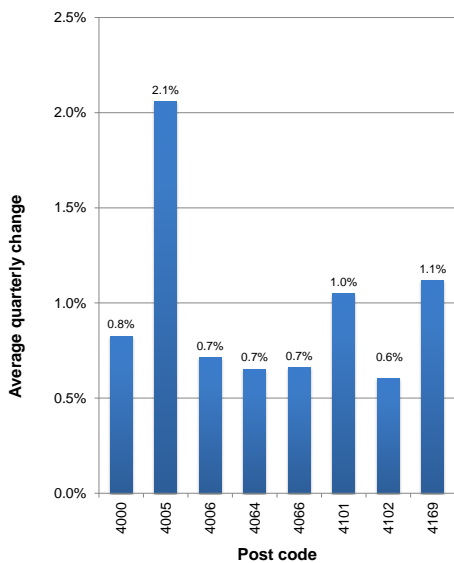
Prepared by PRDNationwide Research. Source: RTA

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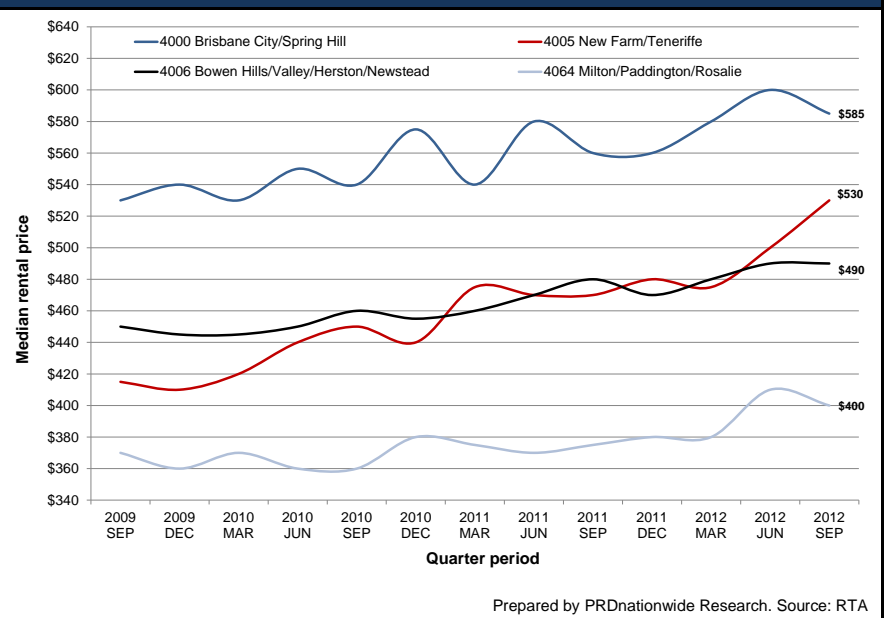


Prepared by PRDnationwide Research. Source: RTA

### TWO BEDROOM UNIT OVERVIEW

Unlike their performance in the one bedroom market, the Inner North postcodes dominated rental growth over the year to September 2012, with the 4005 pc recording an increase of 12.8 per cent (second to the 14.3 per cent growth experienced in the 4169 pc). The 4005 pc did however post the highest average quarterly growth rate at 2.1 per cent, topping the nearest 4169 pc by 1.0 per cent.

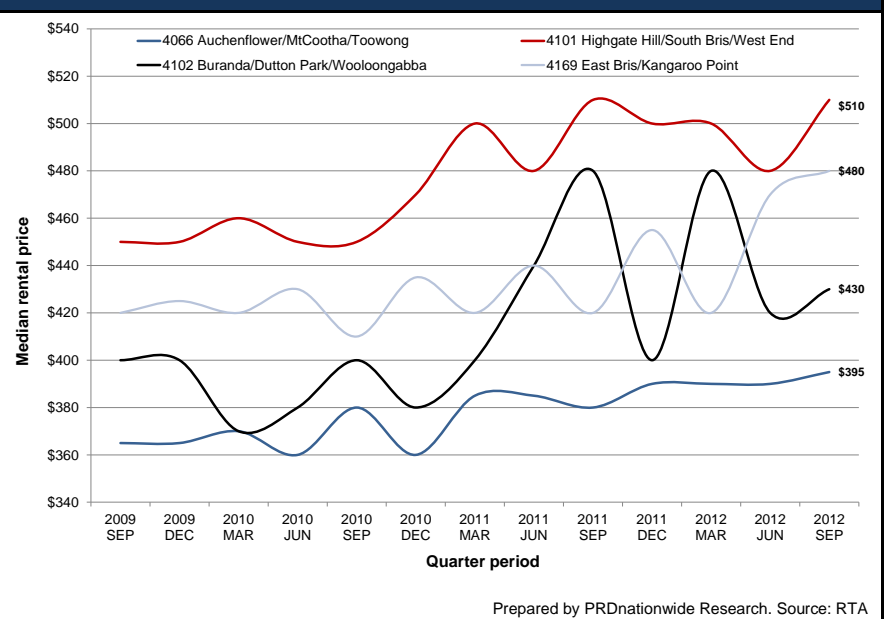
#### INNER CITY NORTH 2 BED UNIT RENTAL PERFORMANCE



Prepared by PRDnationwide Research. Source: RTA

The top performers in the one bedroom market were in fact the worst performing in the two bedroom market with the 4101 pc recording no growth in rents over the year and the 4102 pc experiencing an acute fall of 10.4 per cent over the year, contributing to it having the lowest average quarterly growth rate over the past two years at 0.6 per cent. Again, the lowest median rent was recorded in the 4066 pc at \$395 p/w, \$190 less than the highest median weekly rent of \$585 recorded in the 4000 pc.

#### INNER CITY SOUTH 2 BED UNIT RENTAL PERFORMANCE

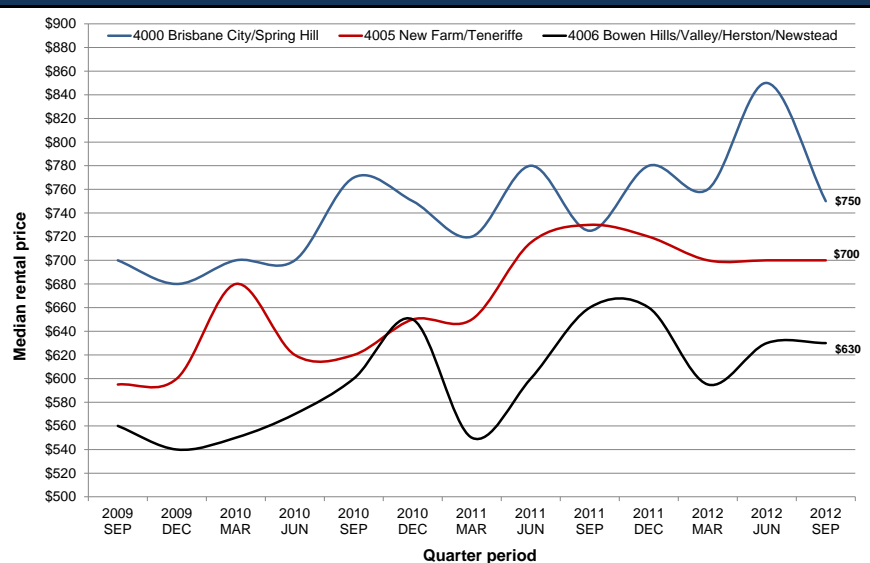


Prepared by PRDnationwide Research. Source: RTA

### THREE BEDROOM UNIT OVERVIEW

The Inner North postcodes underperformed over the year with the 4005 pc and 4006 pc posting negative growth of 4.1 and 4.5 per cent respectively. The 4064 pc and 4102 pc did not register enough rental bonds in the September quarter to be considered for the three bedroom unit study. The 4169 pc and 4066 pc demonstrated the strongest annual growth recording 11.1 and 15.0 per cent increases over the year to September 2012. The 4066 pc also managed to post the highest average quarterly growth over the past two years at 1.9 per cent. On average the Inner North catchment recorded superior quarterly growth, albeit marginally.

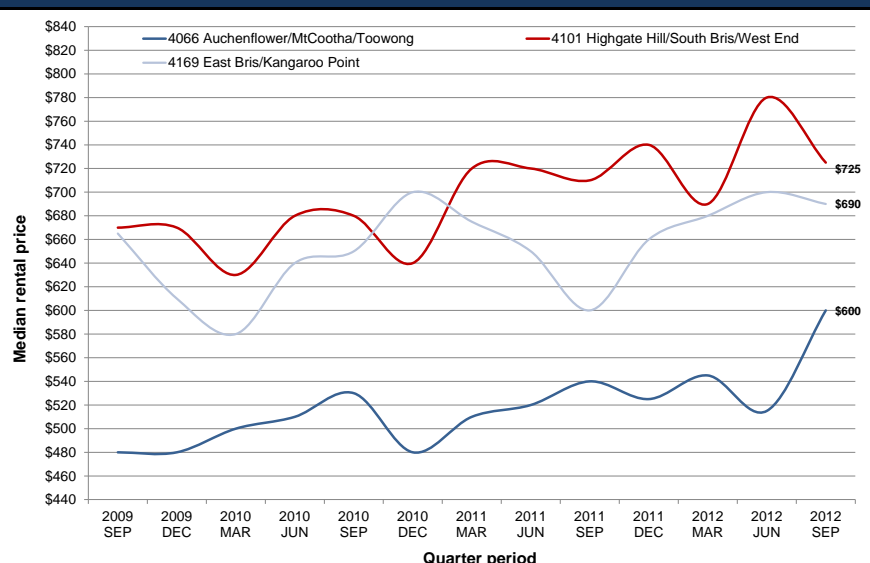
#### INNER CITY NORTH 3 BED UNIT RENTAL PERFORMANCE



Prepared by PRDnationwide Research. Source: RTA

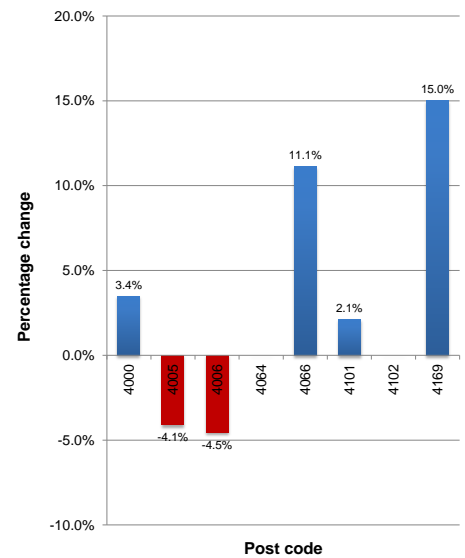
Once again, the lowest median rent was recorded in the 4066 pc at \$600 p/w, despite a spike in median rents over the most recent quarter. The highest median rent was recorded in the 4000 pc at \$750, despite an acute fall in the median price over the most recent quarter. The disparity being \$150 between the postcodes.

#### INNER CITY SOUTH 3 BED UNIT RENTAL PERFORMANCE



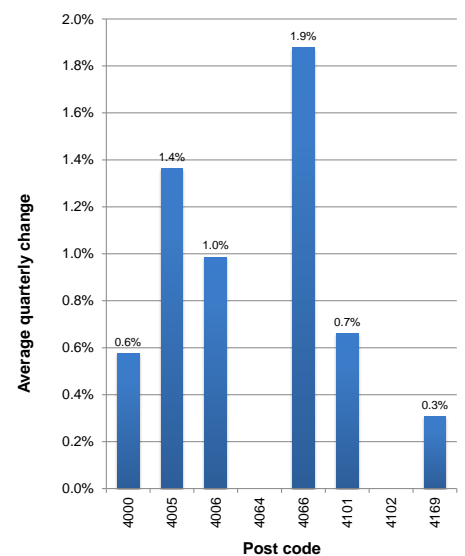
Prepared by PRDnationwide Research. Source: RTA

### ANNUAL GROWTH FOR THE YEAR TO SEPTEMBER 2012



Prepared by PRDnationwide Research. Source: RTA

### AVERAGE QUARTERLY GROWTH TO SEPTEMBER 2012



Prepared by PRDnationwide Research. Source: RTA