

BRISBANES AFFORDABLE MARKET OVERVIEW



- Purchasers within the more affordable unit market are comprised of a mix of demographics. This includes empty nesters looking to downgrade, investors and owner occupiers.
- During the December 2010 half year affordability within Brisbane is defined as predominately within the \$400,000 to \$499,999 price point for houses.
- Following the 2006 to 2007 boom the prospect of buying a house within the \$200,000 to \$299,999 range within a practical distance of the CBD was no longer a viable option.

Overview

As the debate on the affordability of residential property continues, PRDnationwide Research has analysed the affordable sub \$500,000 market within Brisbane over the past five years. Over this five year period, the Brisbane market has seen a shift in what affordable price point's account for the majority of transactions.

During the 2005 half year to December, the sub \$400,000 price point represented the majority of Brisbane's total house market transactions. More recently, during the December 2010 half year, affordability within Brisbane is defined as predominately within the \$400,000 to \$499,999 price point for houses accounting for 2,658 sales.

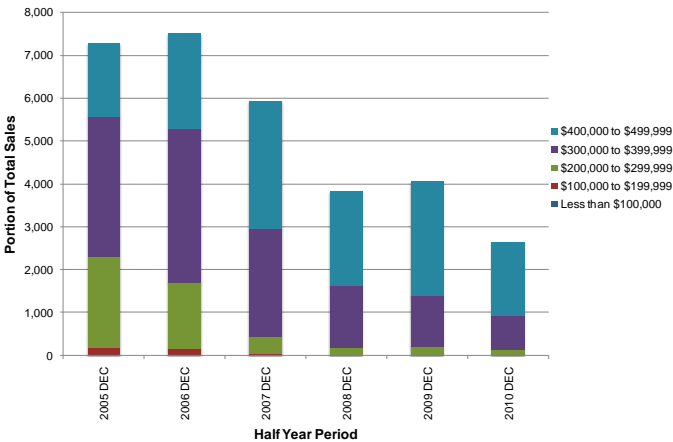
This is viewed as a natural shift associated with increasing prices, taking into account wage growth and inflation. However, following the 2006 to 2007 boom the prospect of buying a house within the \$200,000 to \$299,999 range within a practical distance of the CBD was no longer a viable option. With increasing cost of living and rising cost of debt, this has prompted younger generations and more price sensitive purchasers to look at units and townhouses within more attractive areas as a more feasible property purchase, which has a lesser impact on their lifestyle.

Purchasers within the more affordable unit market comprise a mix of demographics. This includes empty nesters looking to downgrade, investors and younger residents who cannot afford a house in an appealing area. People are becoming less inclined to make purchases which adversely affect their lifestyle and therefore units, representing an affordable compromise, are becoming more popular.

PRDnationwide Research has analysed the suburbs of Brisbane which have the highest portion of sales within the \$300,000 to \$399,999 price point for both houses and units over the December 2010 half year. Predictably this study indicated most houses that sold within this price range were located around a 15km radius from the CBD, nestled along major transport corridors. Units on the other hand, are clustered within a five kilometre radius of the CBD with only a few located further out.

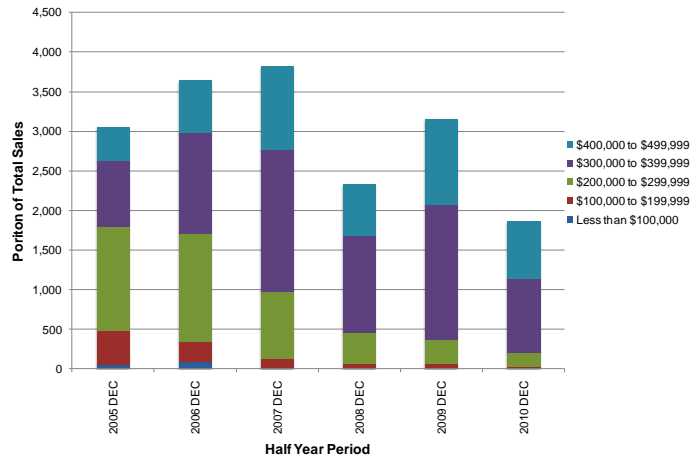
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Brisbane sub \$500,000 House Price points



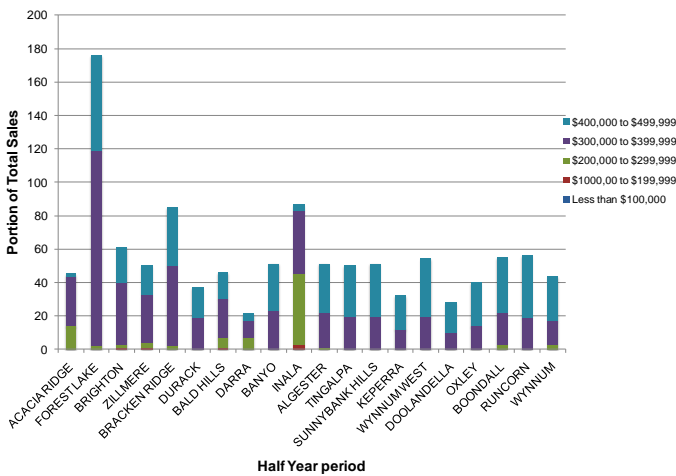
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Brisbane Sub \$500,000 Unit Price Points



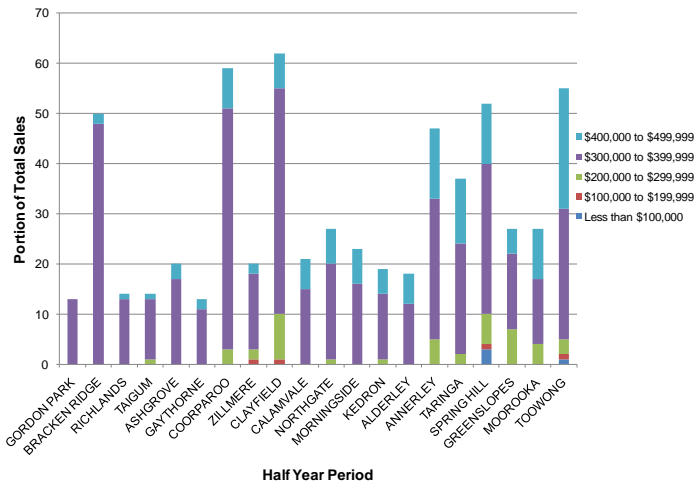
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Brisbane Suburbs with Highest Portion of House Sales within \$300,000 to \$399,999



Graph Prepared by PRDnationwide Research, Source: PDS

Brisbane Suburbs with Highest Portion of Unit Sales within \$300,000 to \$399,999



Graph Prepared by PRDnationwide Research, Source: PDS

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