



Wealth trends



Prime sales, price and rental performance



Prime development pipeline



Brisbane Prime Residential Review

Q2 2021

knightfrank.com/research



BRISBANE PRIME RESIDENTIAL

Brisbane's diminishing development pipeline across the prime residential regions, coupled with three consecutive quarters of record sales volume of established luxury homes has created the perfect stimulus for future price performance.

Wealth trends

Australian **ultra-high-net-worth individuals** (UHNWIs) grew by 10.9% in 2020, to 3,124 people with net wealth of US\$30m+. This UHNW population is **forecast to grow** by 3.8% annually over the next five years. Brisbane had the fourth highest share (10%) with 298 UHNWIs.

The Australian **stock market** has continued a stellar run and saw gains of 3.1% in the first quarter of 2021, taking annual growth to 33.8% (S&P Dow Jones Indices). **Business conditions** strengthened, moving 23.3 percentage points above the average (NAB).

Total **new private investment** was down 3.6% at the end of 2020, but is forecast to rebound to 12.3% annual growth in 2021 (Oxford Economics). Brisbane ranked 65th place in 2021 on the Knight Frank **City Wealth Index**, based on factors such as wealth, investment and lifestyle.

Prime sales performance

Across Brisbane's prime regions, the **volume of sales** in Q1 2021 tallied at 139 prime properties (\$2m-\$7m); the highest quarter on record. This was 21% higher than Q4 2020, and up 55% in the year ending March 2021.

The number of Brisbane super-prime

(\$7m+) sales remained steady over the past year, with 3 sales recorded in Q1 2021.

The **average days on market** for a prime property in Brisbane was 129 days in Q1 2021. This was 124 days one quarter ago.

Prime price performance

Globally, Brisbane ranked 21st from 46 cities for annual price growth. **Capital growth** for prime property rose 3.8% over the past year to March 2021, increasing 1.6% in the last quarter. Knight Frank Research forecast Brisbane prime prices to further increase by a minimum of 2% by the end of 2021.

Over the year ending March 2021, those buying with the Indonesian Rupiah (at an additional 14%) were ranked most advantaged for major **currencies** when buying Brisbane prime property. In terms of **relative value** at this time, one could buy 109 sqm of internal luxury floorspace in Brisbane for US\$1 million, compared to 45 sqm in Sydney, 30 sqm in London or 23 sqm in Hong Kong SAR.

Prime rental performance

Gross rental yields for Brisbane prime property trended down 6 bps to 2.39% in Q1 2021. A year ago, this yield was recorded at 2.46%.

In Q1 2021, **rental growth** fell 0.7% for prime properties in Brisbane. Over the past year, rental growth rose by 1.3%.

New prime development pipeline

A total of 3,425 medium- and high-density **new apartments and townhouses** were completed in Brisbane's prime regions in 2020. This was 44% below the number built in 2019 and below the 3-year average of 5,350 new apartments and townhouses. Compared to 2020, there are 46% less apartments and townhouses forecast to be completed in 2021, with 1,850 currently under construction.

In 2021, the greatest distribution of new apartments and townhouses will be in found in Inner Brisbane (1,075), Inner South (675) and Inner West (100).

Collectively across the Brisbane prime regions 3-year pipeline, the **distribution of bedrooms** being built have been weighted towards 2-bed configured apartments with 43% of the total share, followed by studio & 1-bed (24%) then 3-bed+ (33%).

Brisbane **new prime apartment prices** have increased 2.9% in 2020 to an indicative \$17,500/sqm; to range between an average of \$15,000/sqm and \$21,000/sqm.

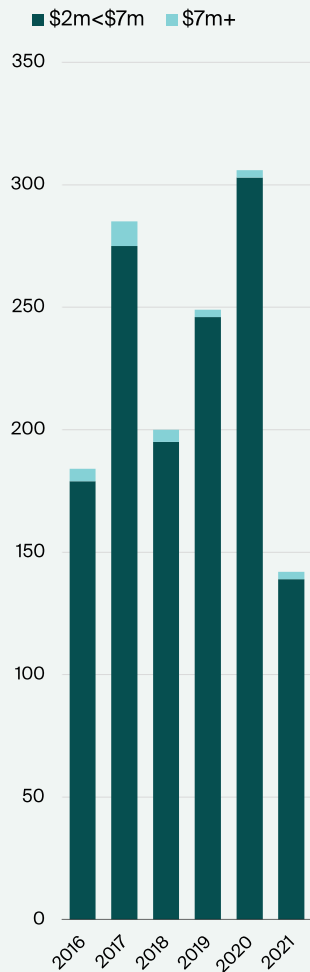
BRISBANE PRIME RESIDENTIAL
31 March 2021

Capital Growth - Annual	3.8%
Sales Volume - Annual	389
Sales Turnover - Annual	54%
Ave. Days on Market	129
Gross Rental Yield	2.39%
Rental Growth - Annual	1.3%

Source: Knight Frank Research

Brisbane prime sales

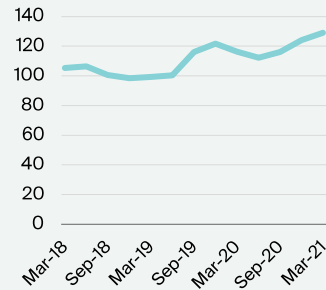
Number of sales, prime regions
At end of Q1 2021



Source: Knight Frank Research

129
Average days on market for prime residential properties in Brisbane in Q1 2021

Brisbane prime residential average days on market



Source: Knight Frank Research

55%

Increase in the number of Brisbane prime properties sold over the past year

“Q1 2021 saw the highest number of prime sales on record across the prime regions of Brisbane”

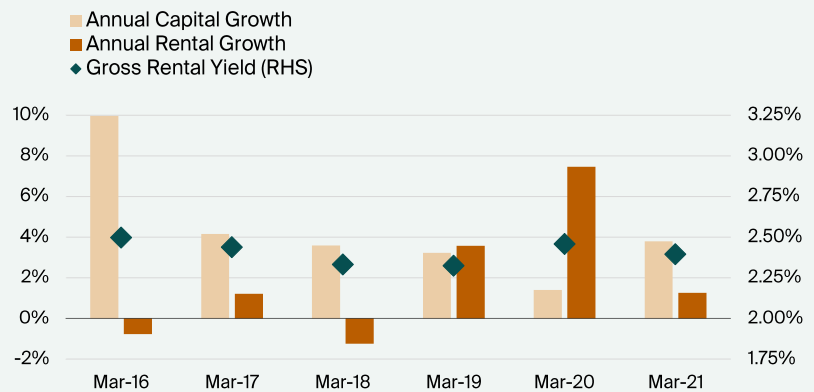
1.3%
Growth in Brisbane prime rents between Q1 2020 and Q1 2021

CITY WEALTH INDEX 2021 BRISBANE
100 global cities ranked

CATEGORY	RANKING
WEALTH	80
INVESTMENT	29
LIFESTYLE	79
OVERALL	65

Source: Knight Frank Research

Brisbane prime residential price and rental performance



Source: Knight Frank Research

DATA DIGEST

Prime (luxury) residential property is the most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias in terms of buyer profile.

Prime residential sales hold a threshold of AU\$2 million in Brisbane prime regions.

Ultra-high-net-worth individual (UHNWI) is someone with a net worth of over US\$30 million including their primary residence. Otherwise known as ultra-wealthy.

Prime regions cover postcodes in Inner Brisbane: 4000, 4005-4011, 4151; Inner South: 4074-4075, 4101, 4105, 4153-4155, 4169-4173, 4178-4179; Inner West: 4051, 4059-4061, 4064-4069.

Currency reference to dollars or \$ refers to Australian dollars (AUD), unless stated.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Research

Michelle Ciesielski

+61 2 9036 6659

michelle.ciesielski@au.knightfrank.com



Residential

Shayne Harris

+61 2 9036 6713

shayne.harris@au.knightfrank.com



Valuations

Alistair Carpenter

+61 2 9036 6662

al.carpenter@au.knightfrank.com



Franchise Partnerships

Scott Timbrell

+61 2 9761 1823

scotttimbrell@au.knightfrank.com



Private Office

Sarah Harding

+61 2 9036 6752

sarah.harding@au.knightfrank.com

Media Enquiries

Caroline Stanley

+61 402 170 901

pr@au.knightfrank.com

Recent Publications



Sydney Prime Residential Review Q2 2021



Melbourne Prime Residential Review Q2 2021



Perth Prime Residential Review Q2 2021



Gold Coast Prime Residential Review Q2 2021



Australian Residential Tennis Court Premium 2021



Australian Prime Waterfront Index 2021

Knight Frank Research Reports are available at knightfrank.com/research

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.



Important Notice © Knight Frank Australia Pty Ltd 2021 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank Australia Pty Ltd for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank Australia Pty Ltd in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank Australia Pty Ltd to the form and content within which it appears.