

## SALES VOLUME AND BUILDING APPROVALS FOR APARTMENTS STRENGTHEN

Despite marginal growth in both capital values and rental growths for houses and apartments, Brisbane sales volumes once again recorded strong figures in the year to October. Similarly, building approvals increased steeply in the three months to October.

### Key facts December 2015

**Capital growth** for houses in the month of October were up 0.2% (up 4.3% YoY); while apartments were up 0.3% (up 2.8% YoY)

**Sales volumes** were up 6.5% for houses and up 5.7% for apartments YoY to October

Annual **rental growth** for houses was recorded at 2.2% while apartments remained stable over the year to October

Gross **rental yields** currently average 4.78% for houses and 5.23% for apartments

- The cash rate remained at an historic low of 2.00% in December after falling 25 basis points in May.
- Greater Brisbane experienced 1.7% population growth between June 2013 and June 2014, led by the Pimpama SA2 (16.7%), with the largest increase in the number of people being in North Lakes-Mango Hill (2,248 persons).
- Population growth is set to continue for Greater Brisbane, with an annual rate of 1.2% projected out to 2021.
- Unemployment as at October 2015 stood at 5.8% for Greater Brisbane (SA4), trending 50 bps lower than the 6.3% recorded in October 2014.
- Building approvals in the three months to October totalled 2,890 houses and 4,758 apartments approved in Greater Brisbane. This is trending 5.6% lower for houses and up 34.2% for apartment approvals compared to the same period in 2014.
- Sales transacted in the year to October tallied 41,046 houses (up 6.5% on previous year) and 19,579 apartments (up 5.7% on prior year).
- House values grew 0.2% in the month of October (with growth of 4.3% over the last year) to a median of \$496,500 while apartment values rose by 0.3% over the month (with growth of 2.8% over the year) to record a median of \$381,000.
- Over the year to October, rental growth was recorded at 2.2% for houses and remained stable for apartments. Weekly median rents are currently achieving \$455 for houses and \$380 for apartments.
- Total vacancy was last recorded at 2.3% in September 2015 for Greater Brisbane; with 3.3% for the inner ring (0-5km), 2.4% for the middle-outer ring (5-20km) and 1.7% for the surrounds.
- In October 2015, gross rental yields across Greater Brisbane compressed 9bps (to 4.78%) for houses and 13bps (to 5.23%) for apartments compared to the previous year.

FIGURE 1  
Greater Brisbane Capital Growth  
12-month rolling

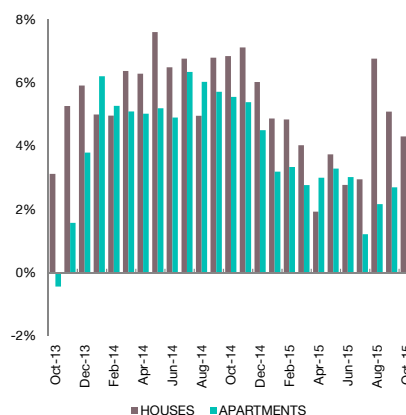
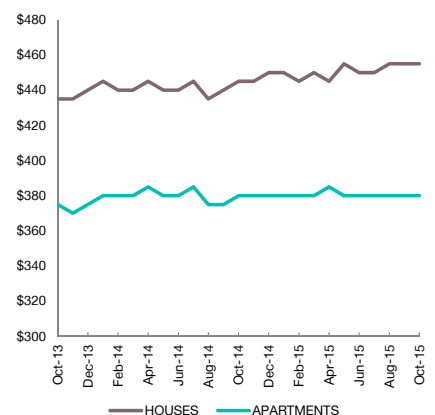


FIGURE 2  
Greater Brisbane Rents  
Median, weekly



Source: Knight Frank Research, Residex, Brisbane City Council, RBA, ABS, REIQ



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## Knight Frank House Price Index, Greater Brisbane Mainstream

	KF House Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Oct-14	310	6.8%	2.4%	0.5%	1.0%
Nov-14	314	7.1%	3.1%	3.4%	1.2%
Dec-14	315	6.0%	3.5%	2.7%	0.5%
Jan-15	315	4.9%	2.2%	1.7%	0.0%
Feb-15	310	4.8%	2.4%	-1.0%	-1.5%
Mar-15	311	4.0%	1.3%	-1.3%	0.2%
Apr-15	309	1.9%	-0.4%	-2.1%	-0.7%
May-15	316	3.7%	0.6%	1.7%	2.2%
Jun-15	313	2.8%	-0.7%	0.6%	-0.8%
Jul-15	318	3.0%	0.7%	2.8%	1.5%
Aug-15	324	6.8%	4.3%	2.6%	1.9%
Sep-15	323	5.1%	3.8%	3.1%	-0.3%
Oct-15	<b>323</b>	<b>4.3%</b>	<b>4.7%</b>	<b>1.8%</b>	<b>0.2%</b>

Source: Knight Frank Research, Residex

## Knight Frank Apartment Price Index, Greater Brisbane Mainstream

	KF Apartment Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Oct-14	279	5.6%	1.4%	0.4%	0.1%
Nov-14	279	5.4%	1.9%	0.7%	0.3%
Dec-14	279	4.5%	2.1%	0.3%	-0.1%
Jan-15	279	3.2%	0.5%	0.1%	0.0%
Feb-15	279	3.3%	0.5%	-0.1%	0.0%
Mar-15	279	2.8%	0.3%	0.0%	0.0%
Apr-15	283	3.0%	1.6%	1.5%	1.5%
May-15	283	3.3%	1.3%	1.5%	0.0%
Jun-15	282	3.0%	0.9%	0.9%	-0.5%
Jul-15	281	1.2%	0.7%	-0.8%	-0.3%
Aug-15	283	2.2%	1.6%	0.1%	0.9%
Sep-15	286	2.7%	2.4%	1.5%	0.8%
Oct-15	<b>286</b>	<b>2.8%</b>	<b>1.2%</b>	<b>2.0%</b>	<b>0.3%</b>

Source: Knight Frank Research, Residex

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