

BRISBANE GROWTH STEADY

Brisbane sales volumes continue to grow, with apartments achieving the strongest growth levels across all capital cities, while apartment capital values also grew despite the slowing of growth in population from interstate migration and the tapering back of Queensland mining activities. Rental growth is beginning to stabilise over the past month, however vacancy continues to trend below equilibrium, albeit with a solid pipeline of projects projected.

Key facts June 2015

Capital growth for houses in the last month was down 0.7% (up 1.9% year-on-year); while apartments grew by 1.5% (up 3.0% year-on-year)

Sales volume was up 9.5% for houses and up 22.9% for apartments year-on-year to April

Annual **rental growth** for both houses and apartments remained stable over the year to April

Gross **rental yields** currently average 4.91% for houses and 5.34% for apartments

- The cash rate remained stable at 2.00% in June after falling 25 basis points in May - a new historic low. The standard variable rate currently stands at circa 5.45% and the 3-year fixed mortgage rate at circa 4.80%.
- Population growth is set to continue for the Brisbane metropolitan area, with an annual rate of 1.2% projected out to 2021. This will be led by net overseas migration.
- The unemployment rate as at April 2015 stands at 5.6% for the metropolitan region (SA4), trending below the 6.5% rate of April 2014.
- Building approvals in the three months to April totalled 2,574 houses and 3,915 apartments approved in the Brisbane metropolitan area. This is trending 10.3% higher for houses and 124.6% higher for apartment approvals compared to the same period in 2014.
- Sales transacted in the twelve months to April tallied 40,626 houses (up 9.5% on previous year) and 19,073 apartments (up 22.9% on prior year).
- House values fell 0.7% in the month of April (growth of 1.9% over the last year) to a median of \$474,000 while apartments recorded growth of 1.5% over the month (rising 3.0% over the year) to record a median of \$376,500.
- Over the year to April rental growth remained stable for houses and also remained stable for apartments. Weekly median rents are currently achieving \$445 for houses and \$385 for apartments.
- Total vacancy was last recorded at 2.2% in March 2015 for Brisbane; with 3.1% for the inner ring (0-5km), 2.2% for the middle-outer ring (5-20km) and 1.9% for the surrounds.
- Gross rental yields across the metropolitan area have fallen slightly off the back of relatively stable capital values and rental growth, to stand at 4.91% for houses and 5.34% for apartments.

FIGURE 1
Brisbane Capital Value Growth
12-month rolling

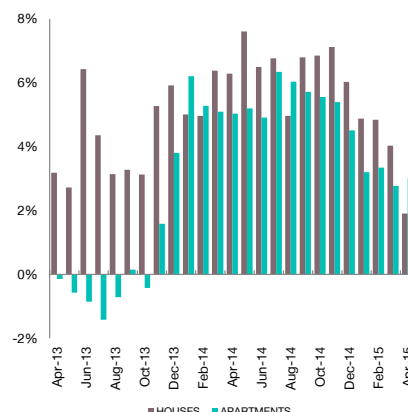
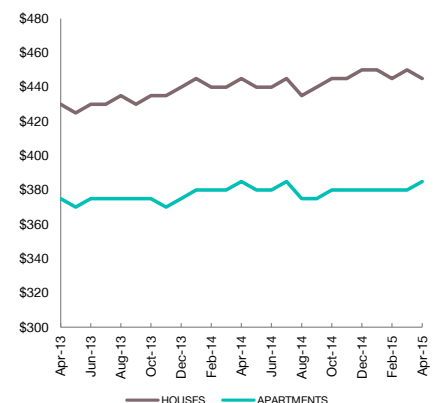


FIGURE 2
Brisbane Rents
Median, weekly



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Knight Frank House Price Index, Brisbane Mainstream

	KF House Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Apr-14	303	6.3%	4.4%	0.8%	1.3%
May-14	304	7.6%	3.9%	2.8%	0.4%
Jun-14	305	6.5%	2.4%	1.9%	0.1%
Jul-14	308	6.8%	2.6%	1.8%	1.3%
Aug-14	303	5.0%	2.4%	-0.3%	-1.7%
Sep-14	307	6.8%	2.7%	0.9%	1.3%
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%

Source: Knight Frank Residential Research, Residex

Knight Frank Apartment Price Index, Brisbane Mainstream

	KF Apartment Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Apr-14	275	5.0%	4.1%	1.7%	1.2%
May-14	274	5.2%	3.4%	1.5%	-0.3%
Jun-14	273	4.9%	2.4%	0.7%	-0.3%
Jul-14	277	6.3%	2.6%	1.0%	1.5%
Aug-14	277	6.0%	2.8%	1.2%	0.0%
Sep-14	278	5.7%	2.5%	1.8%	0.3%
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%

Source: Knight Frank Residential Research, Residex

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