RESIDENTIAL RESEARCH

BRISBANE RESIDENTIAL MARKET UPDATE

AN UPTICK IN SALES VOLUME ALLOWS BRISBANE TO STEP INTO THE SPOTLIGHT

An uptick in sales volume suggests there could be an upward trajectory earmarked for Greater Brisbane capital values as investors seek more affordable options with a tighter lending environment now imposed by institutions.

Key facts November 2015

Capital growth for houses in the month of September was down 0.3% (up 5.1% YoY); while apartments were up 0.8% (up 2.7% YoY)

Sales volumes were up 6.6% for houses and up 7.2% for apartments YoY to September

Annual **rental growth** for houses was recorded at 3.4% while apartments fell 1.3% over the year to September

Gross **rental yields** currently average 4.79% for houses and 5.23% for apartments

- The cash rate remained at an historic low of 2.00% in November 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 September 2015 stood at 5.4% for Greater Brisbane (SA4), trending below the 6.1% recorded in September 2014.
- Building approvals in the three months to September totalled 3,057 houses and 4,099 apartments approved in Greater Brisbane. This is trending 2.1% higher for houses and up 24.4% for apartment approvals compared to the same period in 2014.
- Sales transacted in the year to September tallied 40,705 houses (up 6.6% on previous year) and 19,478 apartments (up 7.2% on prior year).
- House values fell 0.3% in the month of September (with growth of 5.1% over the last year) to a median of $495,500 while apartment values rose by 0.8% over the month (with growth of 2.7% over the year) to record a median of $380,000.
- Over the year to September, rental growth was recorded at 3.4% for houses and fell 1.3% for apartments. Weekly median rents are currently achieving $455 for houses and $380 for apartments.
- Total vacancy was last recorded at 2.4% in June 2015 for Greater Brisbane; with 3.0% for the inner ring (0-5km), 2.4% for the middle-outer ring (5-20km) and 2.1% for the surrounds.
- In September 2015, gross rental yields across Greater Brisbane compressed 9bps (to 4.79%) for houses and 8bps (to 5.23%) for apartments compared to the previous year.

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FIGURE 1

Greater Brisbane Capital Growth

12-month rolling

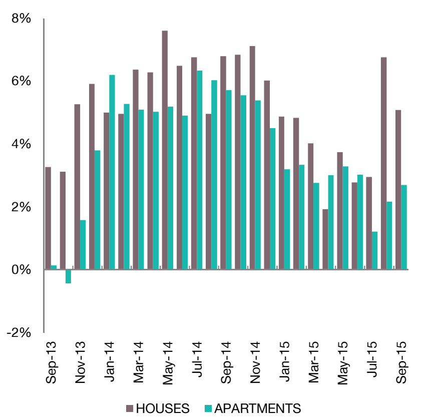
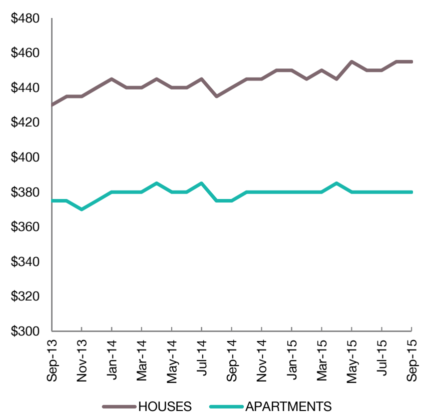


FIGURE 2

Greater Brisbane Rents

Median, weekly



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

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
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%
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%**

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
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%
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%**

Source: Knight Frank Research, Residex

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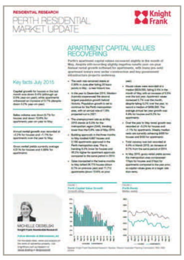

Perth Residential Update November 2015

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