

# Brisbane Prime Residential Insight

Q4 2023

Knight Frank's quarterly analysis of the Brisbane prime luxury residential sales and rental markets

[knightfrank.com.au/research](https://knightfrank.com.au/research)

## Brisbane records the shortest average time to sell a prestige home

◆ Upswing in prime sales momentum leads to price growth.

### WEALTH TRENDS

Brisbane's high-net-worth individual (HNWI) population, otherwise known as the millionaire population, grew by 4.3% in 2022, to 221,025 people with net wealth of more than US\$1 million according to the Knight Frank Wealth Sizing Model. This population in Brisbane comprises 10.0% of the total Australian HNWI population, after being a similar 9.7% proportion five years ago. Since this time, Brisbane's millionaire population has grown by 32.2%, higher than the Australian 28% growth. The HNW population is forecast to grow by 80.1% in Brisbane by the end of 2027, lower than the Australian growth of 71.1% when Brisbane is expected to hold a 10.5% share of all Australian millionaires.

The ultra-high-net-worth (UHNW) population in Brisbane declined by 4.6% in 2022, to 1,215 people with net wealth of more than US\$30 million. From 2017, Brisbane's ultra-wealthy have expanded by 37.9%, ahead of the Australian growth of 31.3%, where the Brisbane share of the Australian UHNW population has expanded from 6.6% to 7.0%. The ultra-wealthy population is forecast to grow by a further 83.9% over the next five years across Brisbane, being more than the double the Australian UHNW population growth of 40.9%.

### THE ECONOMY

Queensland recorded economic growth of 3.3% in 2022, while Greater Brisbane's unemployment rate stood at 4.1% in September 2023, being 3 bps higher than the year earlier (ABS).

Oxford Economics forecast Queensland economic growth to taper to 3.0% at the end of 2023, 2.6% in 2024 and 3.2% in 2025.

Australia's stock market performance on the S&P/ASX 200 fell in the third quarter of 2023 by 1.9%, arriving at total change of 8.8% over the past year. The stock market is forecast to record 2.2% by the end of 2023, and 1.0% in 2024 and 6.0% in 2025.

Business conditions trended down 1.0 pts in the September 2023 quarter to +7.5 index points in the NAB business sentiment survey. By comparison, business conditions were +20.3 index points one year ago.

Company profits across Australia fell by 19.3% in 2022, after recording 5.3% growth in 2021. Annual company profits are forecast to fall by 0.3% in 2023, before falling by 4.2% in 2024, with 1.7% growth in 2025 (Oxford Economics).

New private business investment grew by 8.0% in the year to September 2023 (ABS). This was higher than 6.8% annual growth recorded a year earlier.

**4.6%**

Growth in Brisbane's ultra-high-net-worth individuals in 2022

**+8 pts**

Business conditions index points in September 2023

**8.0%**

Annual growth in September 2023 of new private business investment

### LENDING ENVIRONMENT

The official cash rate was last set by the Reserve Bank of Australia at 4.35% on 5 December 2023. This rate was 3.10% a year ago. Oxford Economics forecast the official cash rate towards an average rate of 3.85% by the end of 2025.

Over the year to September 2023, average mortgage lending rates to owner occupiers increased by 51 bps to 6.56% for a 3-year fixed term loan and rose by 175 bps to 8.52% for a standard variable loan.

For investors, a 3-year fixed term increased by 64 bps to 6.65%, and a standard variable loan rose by 175 bps to 9.10%.

# Brisbane Prime Established Residential

- ◆ Brisbane's prime rental growth was the strongest across the five major Australian cities, with the city now recorded four consecutive quarters of double-digit annual rental growth.

**-3%**

Brisbane prime residential sales volume in September 2023 compared to a year ago

**2.5%**

The change in Brisbane's prime residential values in the year to September 2023

**19.8%**

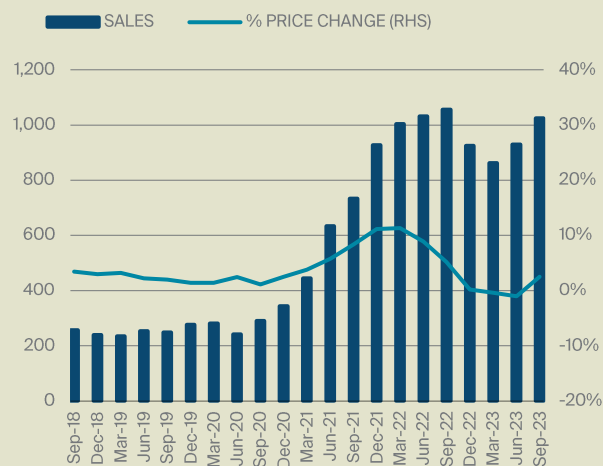
Annual prime residential rental growth in September 2023 in Brisbane

## SALES & PRICE PERFORMANCE

- ◆ Sales volume trended 1% higher in the September 2023 quarter with 324 prime residential homes sold in Brisbane, while the 1,025 annual sales volume was 3% lower than a year ago.
- ◆ The average days on market for a luxury home was 74 days in September 2023. This was 65 days three months earlier, and 48 days one year ago.
- ◆ Prime residential property prices increased 2.5% in the year to September 2023, while rising 1.1% in the last quarter.
- ◆ Looking forward, average prime prices are forecast to rise 2% at the end of 2023, with 3% in 2024 and 4% in 2025, according to Knight Frank Research.

### Brisbane Prime Residential Sales & Prices

No. annual sales & % annual price growth



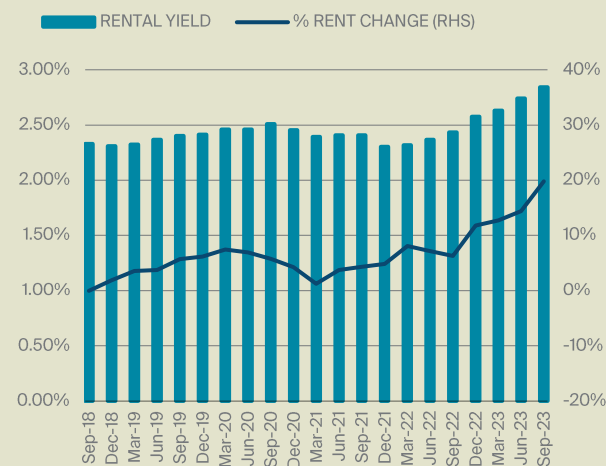
Source: Knight Frank Research

## RENTAL MARKET

- ◆ Gross rental yields rose 41 bps in the year ending September 2023, as Brisbane prime residential property averaged 2.84%.
- ◆ Prime residential rents increased 5.0% in the September 2023 quarter, while increasing by 19.8% over the past year.
- ◆ Knight Frank Research forecast prime rents to rise 16% at the end of 2023, with 10% likely in 2024, and 8% in 2025.

### Brisbane Prime Residential Rents & Yields

Gross rental yield & % annual rental change



Source: Knight Frank Research

# Brisbane Prime Residential Forecast

## Key Drivers Forecast

	2021	2022	2023f	2024f	2025f	Average 2023f-2025f
QLD Economic Growth	6.1%	3.3%	3.0%	2.6%	3.2%	2.9%
Unemployment Rate	5.1%	3.7%	3.7%	4.3%	4.3%	4.1%
Cash Rate Target	0.1%	1.2%	3.9%	4.6%	3.9%	4.1%
Stock Market	18%	-2%	2%	1%	6%	3%
Company Profits	5%	19%	0%	-4%	2%	-1%

Source: Oxford Economics

## Brisbane Prime Residential Forecast

	2021	2022	2023f	2024f	2025f	Average 2023f-2025f
Price Performance	11%	0%	2%	3%	4%	3%
Rental Market	5%	12%	16%	10%	8%	11%

Source: Knight Frank Research

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

## Recent Research



Australian Prime Residential Review



Global Branded Residences Report



The Wealth Report 2023 Wealth Population Edition



The Wealth Report 2023



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