



Wealth trends



Prime sales, price and rental performance



Prime development pipeline & outlook



Brisbane Prime Residential Review

Q4 2020

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BRISBANE PRIME RESIDENTIAL

As the Queensland border reopens to more Australian states and territories, how will the Brisbane prestige residential market perform heading into 2021?

Wealth trends

Coming into 2020, Australian **ultra-high-net-worth individuals** were projected to grow by 5.2% per annum, by the end of 2024. From 1 April to 30 September 2020, the Australian **stock market** saw gains of 14.6%, driven by health care, technology, materials (commodity related manufacturing) and telecommunication sectors.

Prime sales performance

Across Brisbane's prime regions, the **volume of sales** in the third quarter of 2020 tallied to 104 prime properties. This was 259% above the second quarter volume, and up 22% over the past year. The **average days on market** for a prime property in Brisbane was 116 days in the September 2020 quarter. This was 112 days one quarter ago.

Prime price performance

Capital growth for prime property rose 1.1% over the past year to September 2020, although falling 1.4% in the last quarter. Globally, Brisbane ranked 23rd from 45 cities for annual price growth.

At the end of September 2020, those buying with the euro were ranked most advantaged for major **currencies** when buying Brisbane prime property. In terms of **relative value** at this time, one could buy 121 sqm of internal

luxury floorspace in Brisbane for US\$1 million, compared to 95 sqm in Melbourne and 49 sqm in Sydney.

Prime rental performance

Gross rental yields for Brisbane prime property rose 5 bps to 2.51% over the September 2020 quarter. A year ago this yield was recorded at 2.40%. Over the quarter ending September 2020, **rental growth** was 0.5% for prime property in Brisbane. Over the past year, prime rents have increased by 5.7%.

New prime development pipeline

In mid-2020, there had been 35,426 medium- and high-density **new apartments and townhouses** completed in Brisbane's prime regions since 2015. There are 13,629 more forecast by the end of 2024 in the pipeline; currently under construction or being marketed with DA approval.

In this pipeline, the **distribution of bedrooms** have been weighted towards 2-bed configured apartments with 46% of the total share, followed by studio & 1-bed (36%) then 3-bed+ (19%).

Brisbane **new prime apartment prices** have increased 41.7% since 2015 to an indicative \$17,000/sqm at the end of the first half of 2020; to range between an average of \$15,000/sqm and \$20,000/sqm.

Outlook

The maturing Brisbane prestige market has significant appeal with buyers and tenants ranging from downsizers, through to families relocating from regional areas and the southern states—many attracted to the balmy lifestyle, relative value and the opportunity to invest in the transforming riverfront city. The prime market will not be immune to the economic challenges ahead, but there is some comfort with the significant reduction of new product being built across the prime regions of Brisbane over the coming years. The Brisbane prime market is forecast to grow by a further 2% by the end of 2021.

BRISBANE PRIME RESIDENTIAL PROPERTY as at 30 September 2020

ANNUAL CAPITAL CHANGE	1.1%
ANNUAL CAPITAL CHANGE 2021 FORECAST	2.0%
AVERAGE DAYS ON MARKET	116 days
ANNUAL RENTAL CHANGE	5.7%
GROSS RENTAL YIELD	2.51%

Source: Knight Frank Research

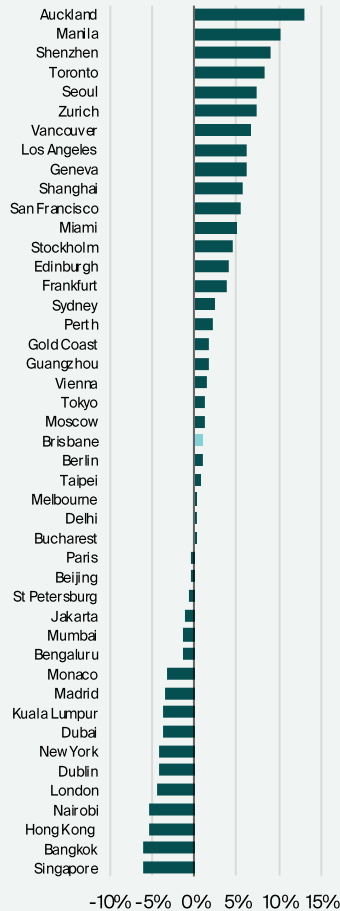
◆ ◆
“The third quarter of 2020 saw the highest number of prime sales on record across the prime regions of Brisbane”
 ◆ ◆

▲
22%

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

▼
Prime property price performance

% annual capital growth, as at 30 September 2020



Source: Knight Frank Research

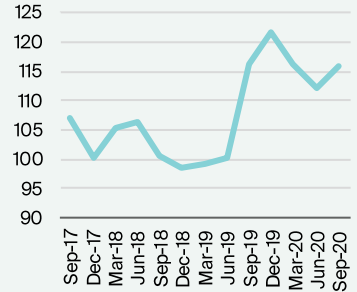
116
 Average days on market for prime residential properties in Brisbane in Q3 2020

€1m buys 142 sqm of prime residential internal floorspace in Brisbane

US\$1m buys 121 sqm of prime residential internal floorspace in Brisbane

As at 30-Sep-20

▼
Brisbane prime residential average days on market

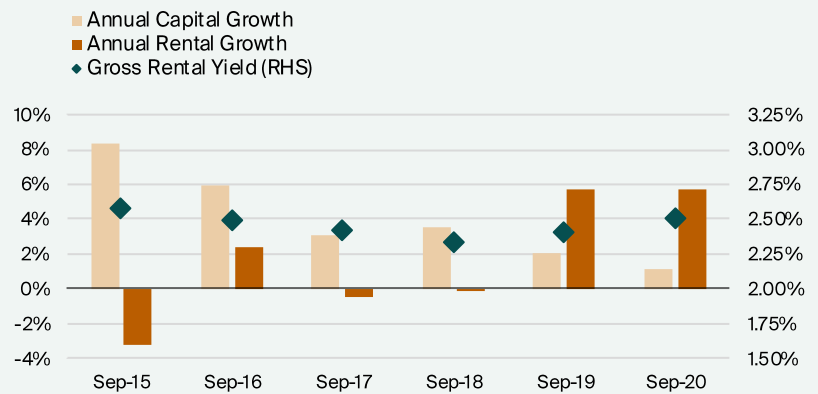


Source: Knight Frank Research

5.7%
 Growth in Brisbane prime rents between Q3 2019 and Q3 2020

◆ ◆
“Brisbane prime residential prices have increased by 1.1% over the year ending September 2020 and forecast to grow by a further 2% by the end of 2021”
 ◆ ◆

▼
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.



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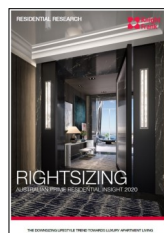
Prime Global Forecast 2021



Global Buyer Survey 2020



Prime Global Cities Index Q3 2020



Rightsizing 2020



Australian Prime Waterfront Index 2020



The Wealth Report 2020

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