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# Brisbane Prime Residential Review

Q4 2021

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# BRISBANE PRIME RESIDENTIAL

*The third quarter of 2021 has seen annual sales turnover ease for Brisbane prestige property, although over the same time, a ten day reduction was recorded in the average days a prime residential property was listed on the market. With Queensland borders now open, prime rents are likely to remain elevated in the coming year.*

## Wealth trends

Australia's **stock market** performance eased in the third quarter of 2021 with gains of 0.3%, calculating annual growth at 26.1% (S&P Dow Jones Indices).

**Business conditions** strengthened, moving 2.4 percentage points above the average (NAB).

Total **new private investment** was down 3.6% at the end of 2020, but is forecast to rebound with 10.5% annual growth in 2021 (Oxford Economics).

## Ultra-high-net-worth individuals

(UHNWIs) grew by 10.9% in 2020, to 3,124 Australians with net wealth of US\$30m+. Australia's UHNW population is forecast to grow annually by 3.8% over the next five years. Brisbane had the fourth highest share (10%) with 298 UHNWIs.

## Prime sales performance

Across Brisbane's prime regions, the **volume of sales** in Q3 2021 tallied at 172 prime properties (\$2m-\$7m); the second highest quarter on record. This was 13% lower than Q2 2021, but up 135% in the year ending September 2021.

The number of Brisbane super-prime (\$7m+) sales fell 33% over the past year, with 2 sales recorded in Q3 2021 but

was up 125% over the past year.

The **average days on market** for a prime property in Brisbane was 117 days in Q3 2021. This was 127 days one quarter ago.

## Prime price performance

Globally, Brisbane ranked 21st from 46 cities for annual price growth. **Capital growth** for prime property rose 8.4% over the past year to September 2021, increasing 1.1% in the last quarter. Knight Frank Research **forecast** Brisbane prime prices to increase a total of 9% by the end of 2021 and a further 6% in 2022.

Over the year ending June 2021, those buying with Renminbi (+5%) were ranked most advantaged for major **currencies** when buying Brisbane prime property.

In terms of **relative value** at this time, one could buy 111 sqm of internal luxury floorspace in Brisbane for US\$1 million, compared to 44 sqm in Sydney, 31 sqm in London or 21 sqm in Hong Kong SAR.

## Prime rental performance

**Gross rental yields** for Brisbane prime property remained steady at 2.41% in Q3 2021. A year ago, this yield was recorded at 2.51%. In Q3 2021, **rental growth** increased 1.1% for prime

properties in Brisbane. Over the past year, rental growth rose by a total of 4.3%.

## New prime development pipeline

A total of 3,425 medium- and high-density **new apartments and townhouses** were completed in Brisbane's prime regions in 2020.

This was 44% below the number built in 2019 and below the 3-year average of 5,350 new apartments and townhouses. Compared to 2020, there are 46% less apartments and townhouses forecast to be completed in 2021, with 1,850 currently under construction.

In 2021, the greatest distribution of new apartments and townhouses will be in found in Inner Brisbane (1,075), Inner South (675) and Inner West (100).

Collectively across the Brisbane prime regions 3-year pipeline, the **distribution of bedrooms** being built have been weighted towards 2-bed configured apartments with 43% of the total share, followed by studio & 1-bed (24%) then 3-bed+ (33%).

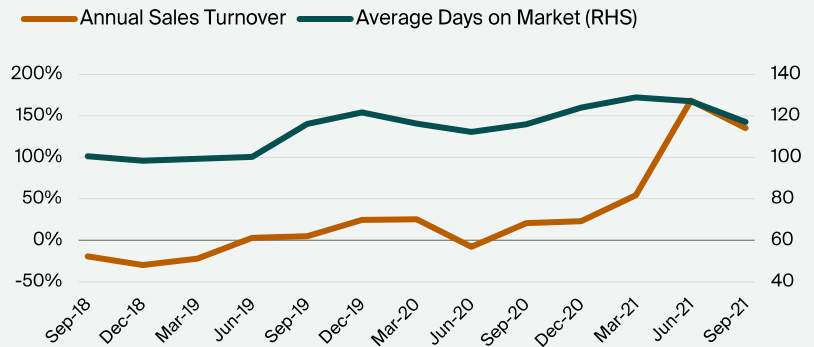
Brisbane **new prime apartment prices** have increased 2.9% in 2020 to an indicative \$17,500/sqm; to range between an average of \$15,000/sqm and \$21,000/sqm.

**BRISBANE  
PRIME RESIDENTIAL**  
30 September 2021

Capital Growth   YoY	8.4%
Sales Volume   Annual	633
Sales Volume   YoY	135%
Ave. Days on Market	117
Gross Rental Yield	2.41%
Rental Growth   YoY	4.3%

Source: Knight Frank Research

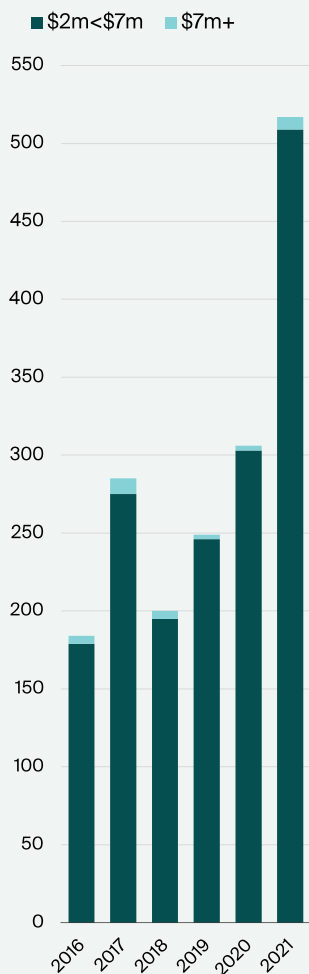
**Brisbane prime residential annual sales turnover and average days on market**



Source: Knight Frank Research

**Brisbane prime sales**

Number of sales, prime regions  
At end of Q3 2021



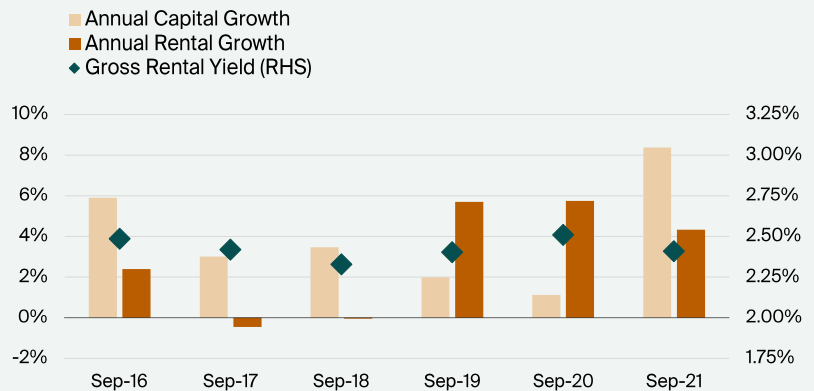
Source: Knight Frank Research

**135%**  
Increase in the number of Brisbane prime properties sold over the past year

**4.3%**  
Growth in Brisbane prime rents between Q3 2020 and Q3 2021

“Brisbane prime residential prices have increased by 8.4% in the year ending September 2021 and forecast to grow by a further 6% by the end of 2022”

**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 A\$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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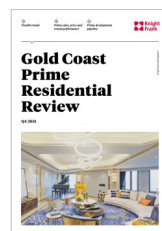
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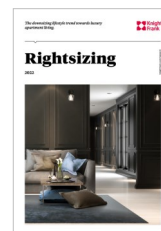
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