

EDITION 22.1

BRISBANE

BRISBANE CAPITAL CITY REVIEW

 **PERFORMANCE**
PROPERTY RESEARCH

DISCLAIMER

The data presented in this report are sourced from 3rd party resources that we have selected due to their reliability and availability over the historical periods that we require for our research to be relevant. Due to the fact that the current year is not yet complete, data presented for the current year are estimated to represent a full year.

BRISBANE AT A GLANCE

Price Parameters - Adjusted for Current Interest Rate

	HOUSE AI	PRICE	UNIT AI	PRICE
AI FLOOR	23%	\$361,552	19%	\$294,964
AI CURRENT	48%	\$755,000	31%	\$480,000
AI CEILING	58%	\$899,613	47%	\$738,968
3 YR PRICE TARGET	\$810,000 - \$900,000 Low Conviction		\$490,000 - \$580,000 Low Conviction	



Average Days
on Market

Houses : **24**
Units : **21**



In the current stage of cycle

The Brisbane house market has a **Hold or Buy Momentum Rating** while the unit market has a **Buy Value or Buy Momentum Rating**. If buying houses, it would be best suited to a **Medium to Long Term Hold Strategy**. If buying units, it would be best suited to a **Medium Term Hold Strategy**.

We classify the Brisbane house market currently as a **Low to Medium Risk Investment**, and the Brisbane unit market as **Medium to High Risk Investment** based on the stage of cycle.

Legend

Medium Term Strategy = **4 to 7 years**

Long Term Strategy = **10+ years**

POPULATION



Current: **2,545,882**
Current Growth Rate: **2.29%**
Avg 10 Yr Growth Rate: **1.81%**

CURRENT MEDIAN HOUSE

\$755,000

CURRENT MEDIAN UNIT

\$480,000

HOUSE
YIELD **3.6%**

UNIT
YIELD **5.3%**

UNEMPLOYMENT RATE **4.0%**

LONG TERM COMPOUNDED
GROWTH PA (1980) IS **7.42%** FOR
HOUSES & **5.87%** FOR UNITS.

Houses the last 3 years have seen 4.22%
PA growth, units 3.90%.



EXECUTIVE SUMMARY

KEY MARKET INDICATORS

Positive

■	Affordability Index HOUSE V. Price Movement.....	08
■	QLD Monthly Housing Finance.....	09
■	Stock on Market V. Avg Days on Market.....	10
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■	Job Creation Index.....	12

SUPPLY & DEMAND - Positive

Does Demand Exceed Supply?

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■	QLD Population Movement Type.....	15
■	Foreign Investment.....	16
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■	Dwelling Sales.....	18
■	Dwelling Approvals V. Population % Change.....	19
■	Bedrooms V. Population Change.....	20

AFFORDABILITY - Neutral

Is Property Affordable?

■	Affordability Index HOUSE V. Price Movement.....	08
■	Affordability Index UNITS V. Price Movement.....	21
■	Price to Income Ratio.....	22
■	Rent to Income V Affordability.....	23
■	FHBs as % of Population.....	24

■	Positive
■	Slightly Positive
■	Neutral
■	Slightly Negative
■	Negative

CONFIDENCE - Positive

Is There Confidence In The Market?

■	Retail Turnover Growth.....	25
■	Mortgage Arrears.....	26
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■	Business Investment	30

MONEY SUPPLY - Neutral

Will There Be More or Less Money Into The Economy?

■	State Budget	31
■	Gross State Product V. Median Price Movement.....	32
■	Coal Price V. House Price Movement.....	33

INVESTMENT VALUE - Slightly Positive

Is This Market Showing Value?

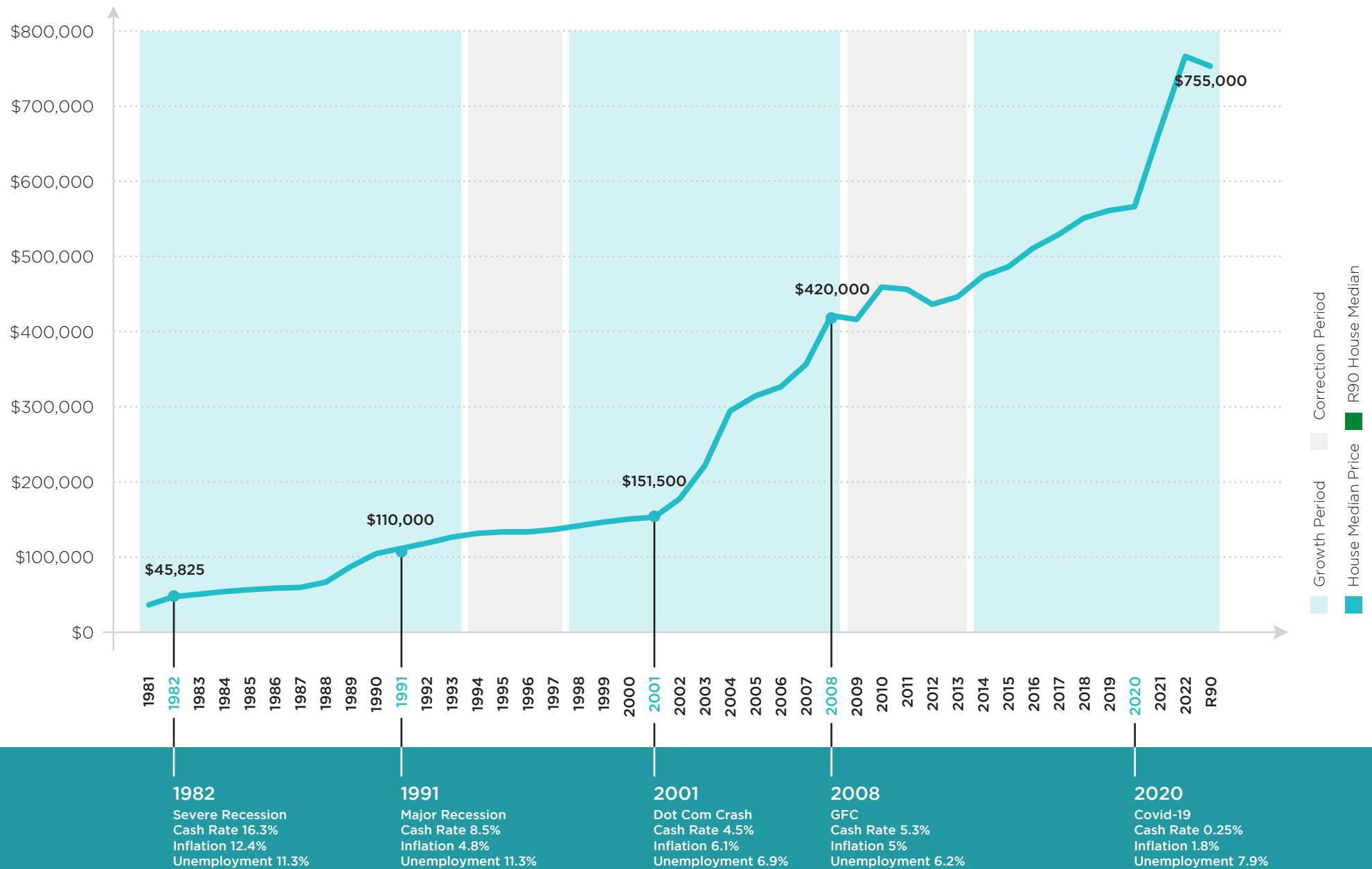
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RISK - Slightly Positive

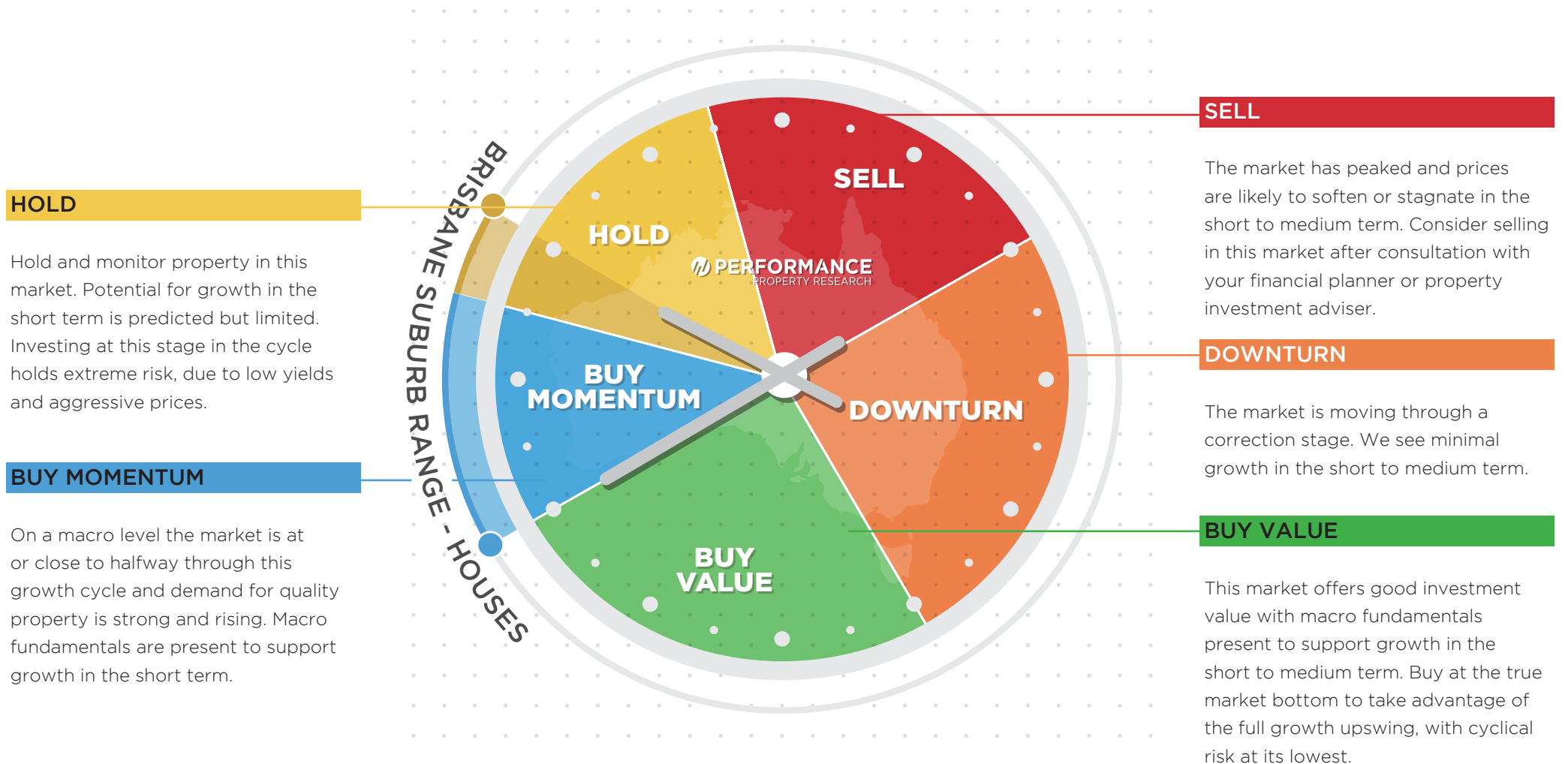
Is There Potentially Downside Volatility?

■	Affordability Index HOUSE V. Price Movement.....	08
■	Price to Income Ratio	22
■	Industry Value Added	38
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BRISBANE HOUSE PRICE MOVEMENT



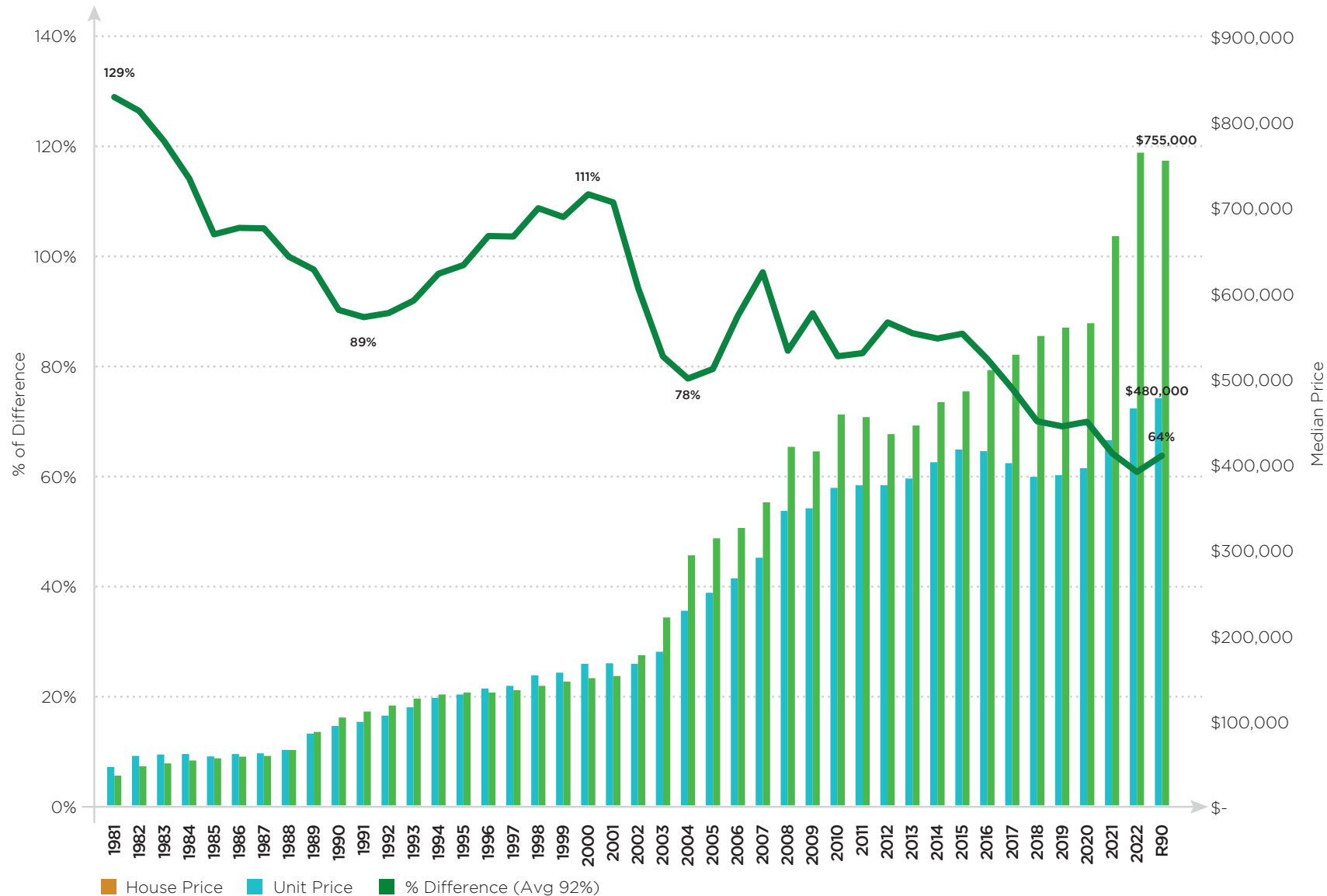
OUR VIEW OF THE BRISBANE HOUSE MARKET



For more information on the Brisbane market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

BRISBANE UNIT V. HOUSE PRICE COMPARISON

This graph shows the comparison between house and unit price movements and the percentage difference for each year.



POSITIVE

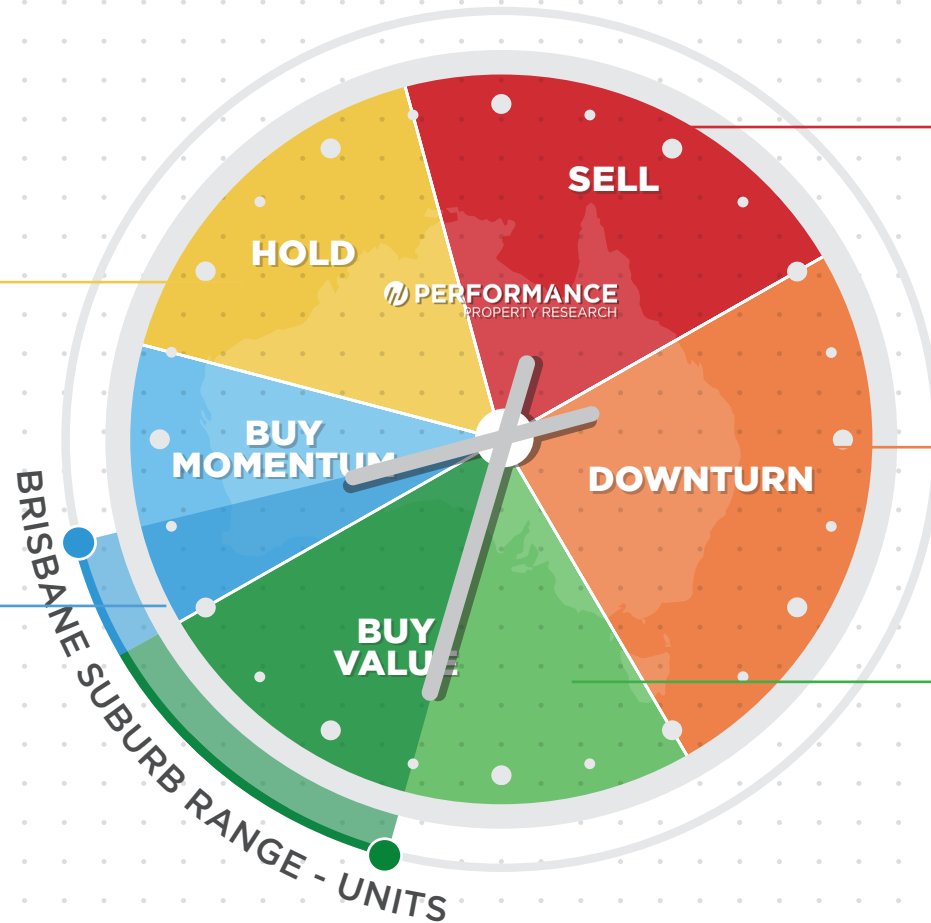
OUR VIEW OF THE BRISBANE UNIT MARKET

HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

DOWNTURN

The market is moving through a correction stage. We see minimal growth in the short to medium term.

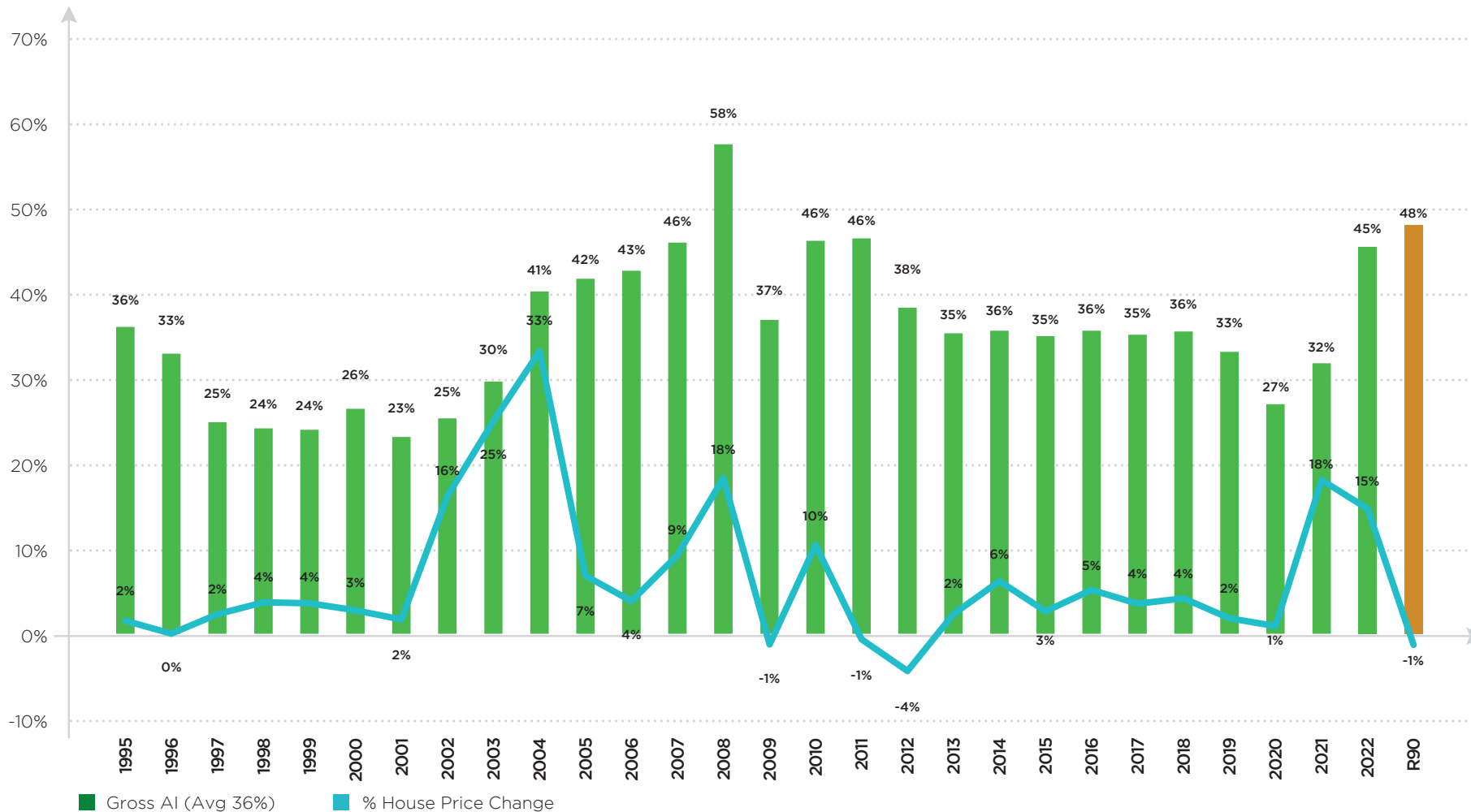
BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

For more information on the Brisbane market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

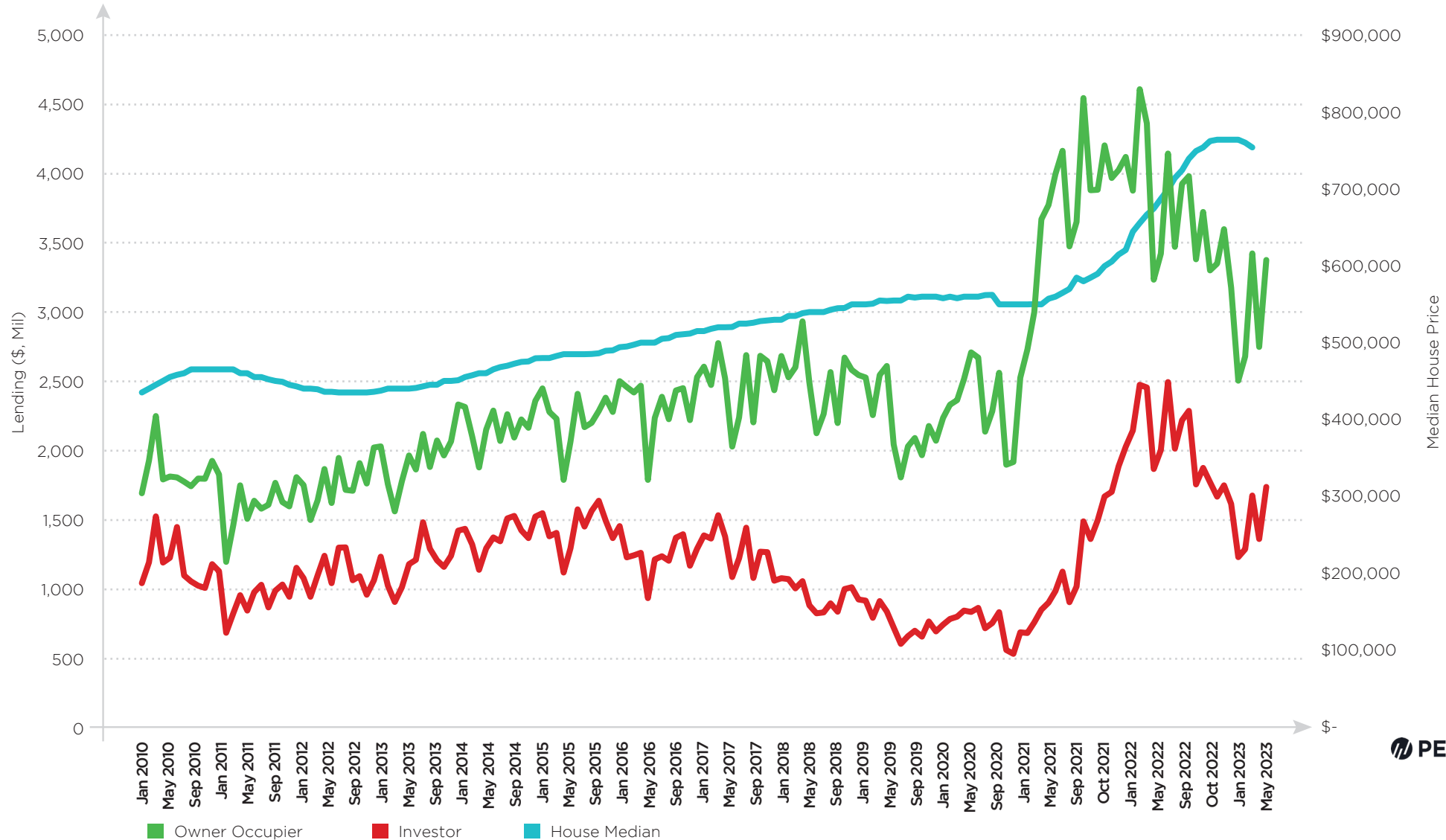
AFFORDABILITY INDEX V. PRICE MOVEMENT - HOUSE

This graph displays the impact interest rates have on house price movements. Performance Property's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term. For the current year, the rolling 90 days (R90) is shown to convey latest market status.



QLD MONTHLY HH LENDING TO OC V. MEDIAN HOUSE PRICE

This graph displays the value of housing finance for the state each month for owner occupiers and investors versus the median house price.



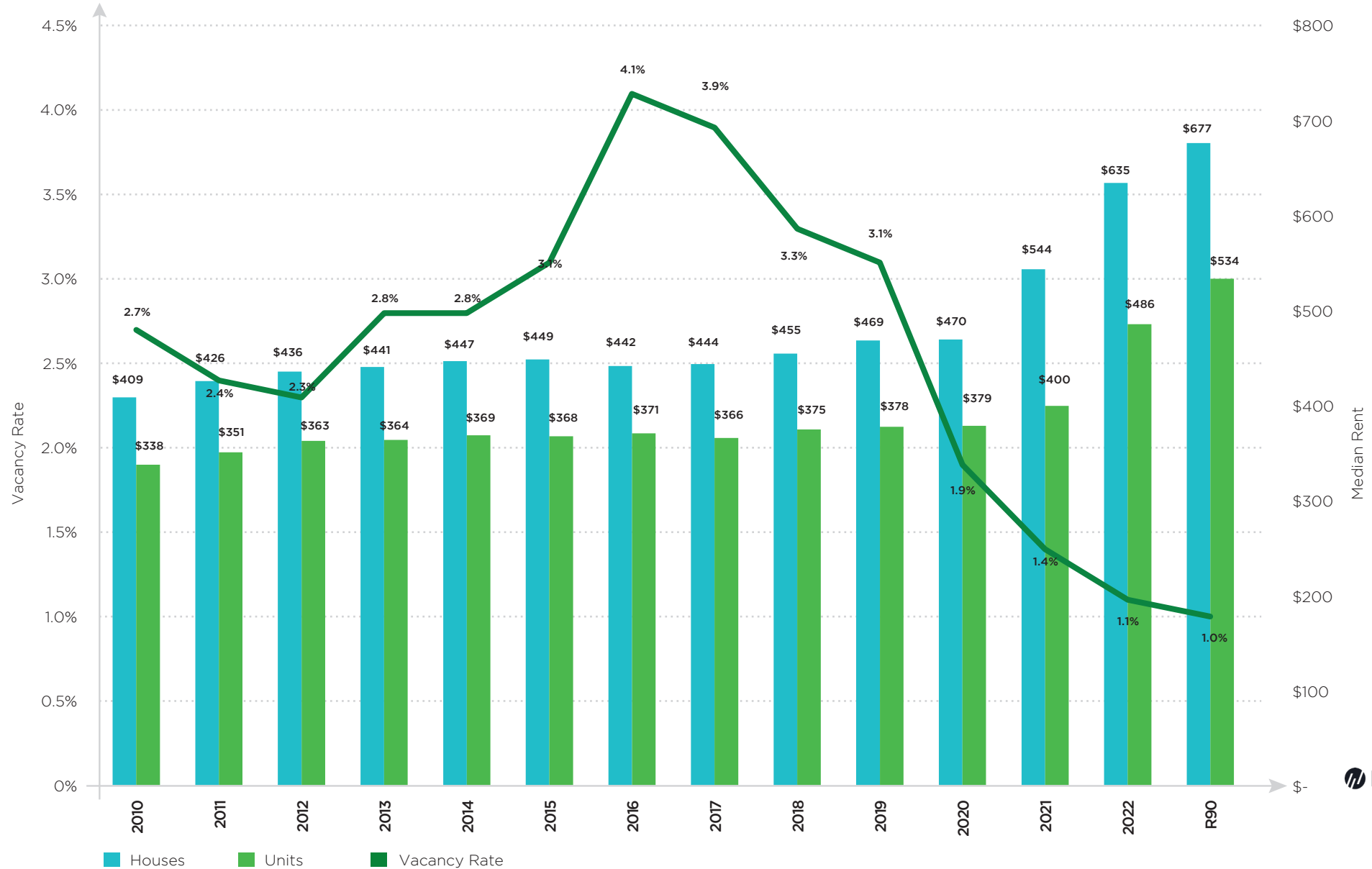
STOCK ON MARKET V. AVG DAYS ON MARKET

This graph displays the average days on market and stock on market.



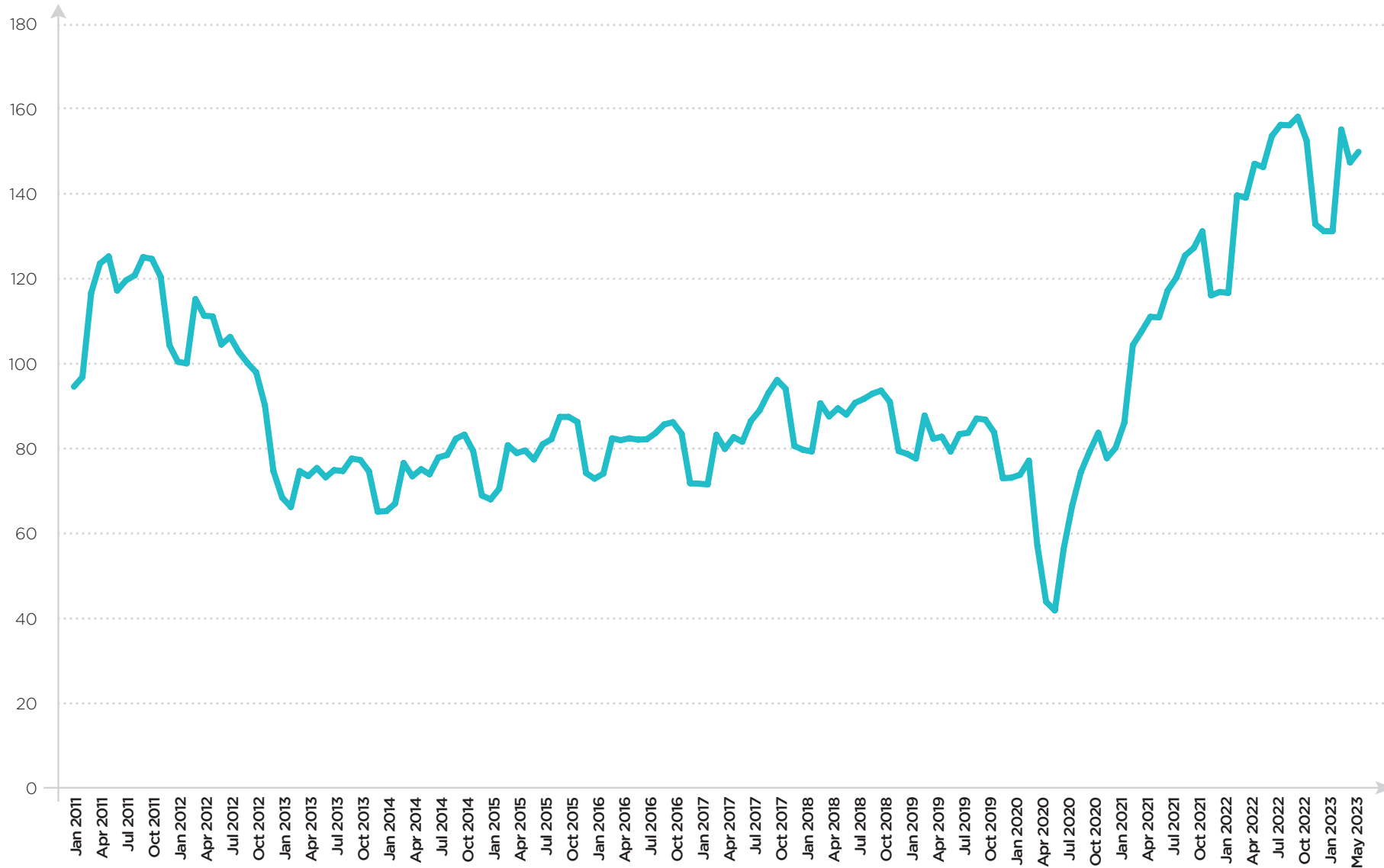
VACANCY RATE V. RENT

This graph displays the relationship between rental growth for both houses and units and the vacancy rate.



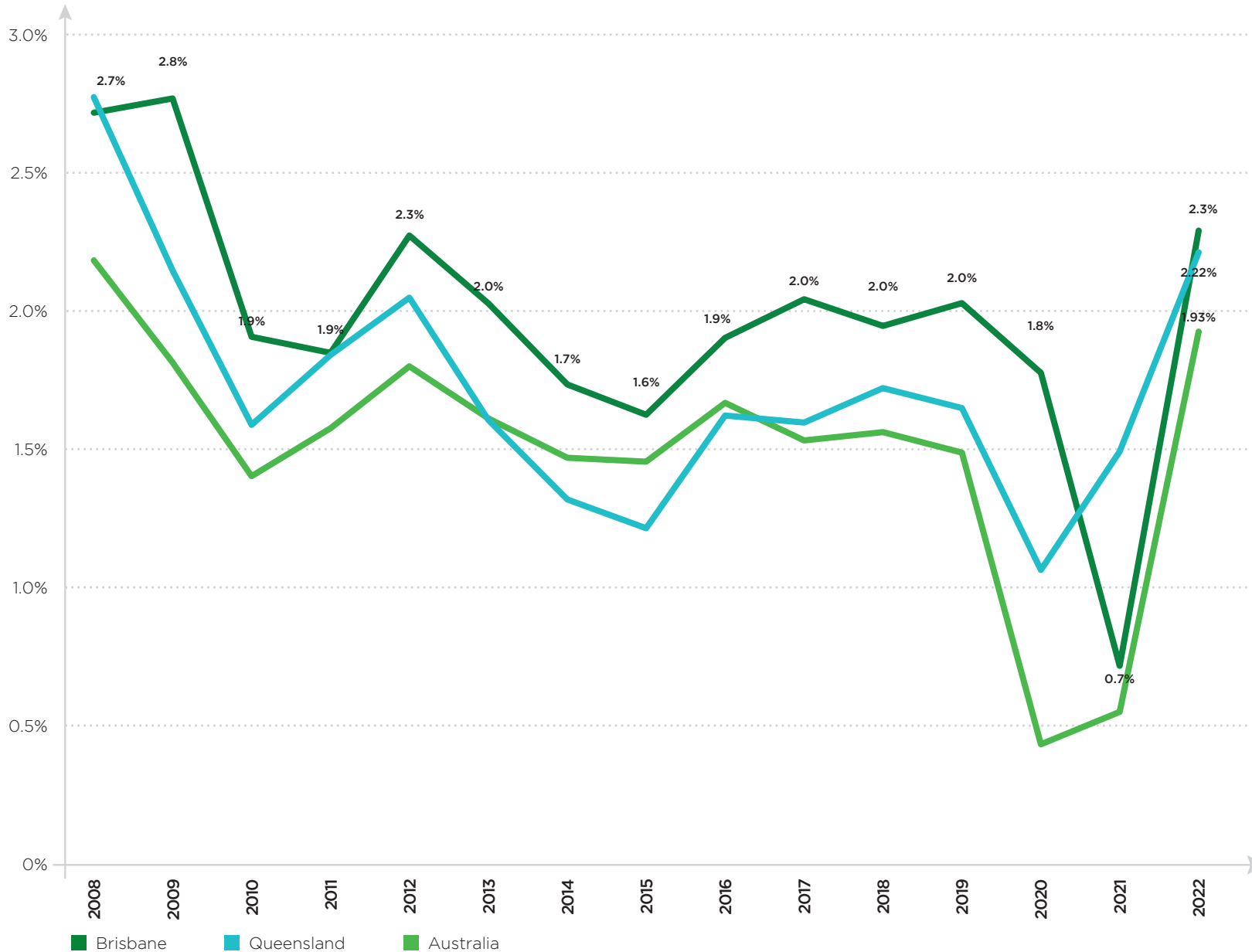
JOB CREATION INDEX - BRISBANE

This graph shows the internet vacancy index for online job advertisements on the three major job boards.



CHANGE IN POPULATION

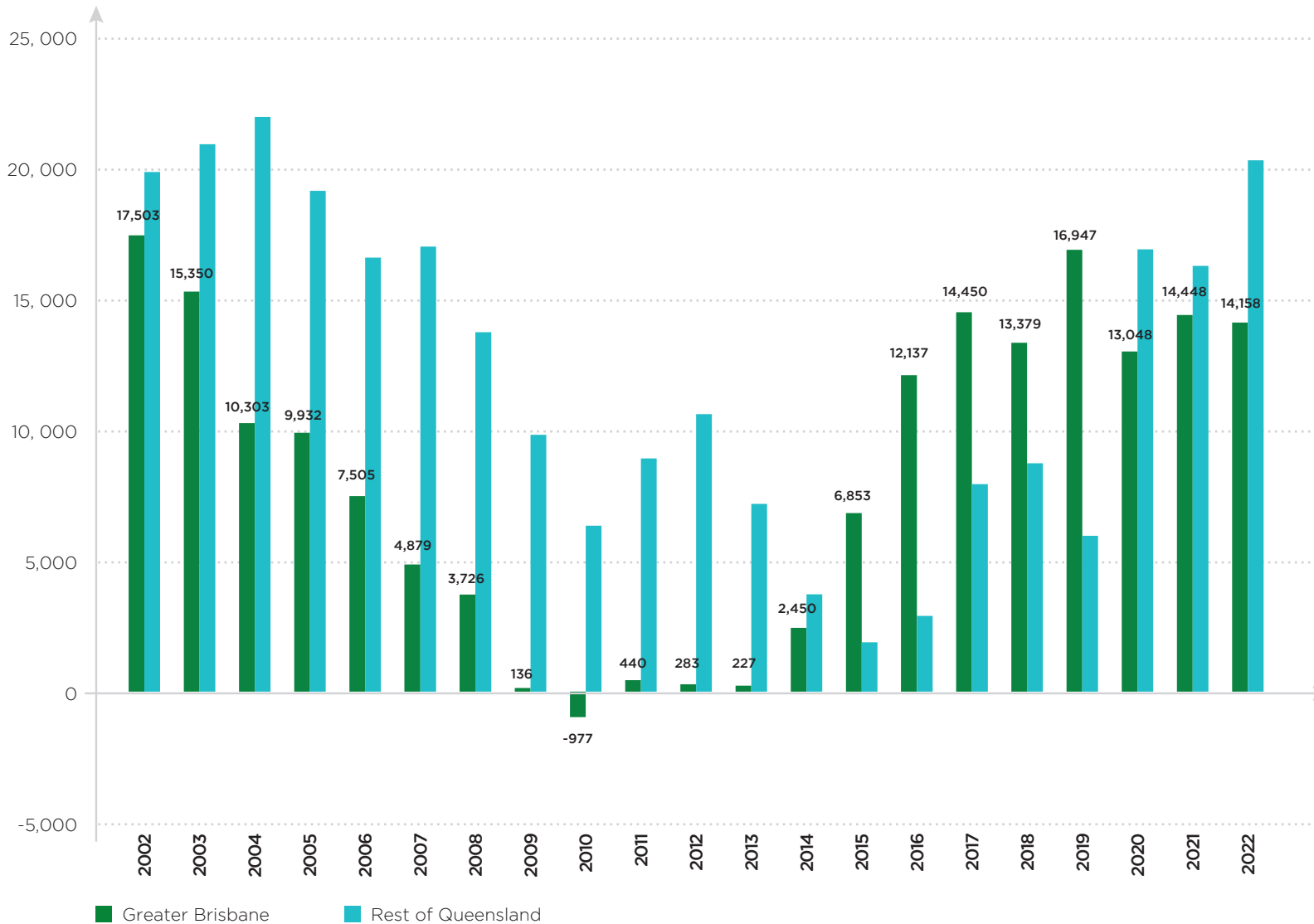
This graph shows the percentage change in the population growth rate for the city, state and Australia.



POSITIVE

STATE INTERNAL MIGRATION

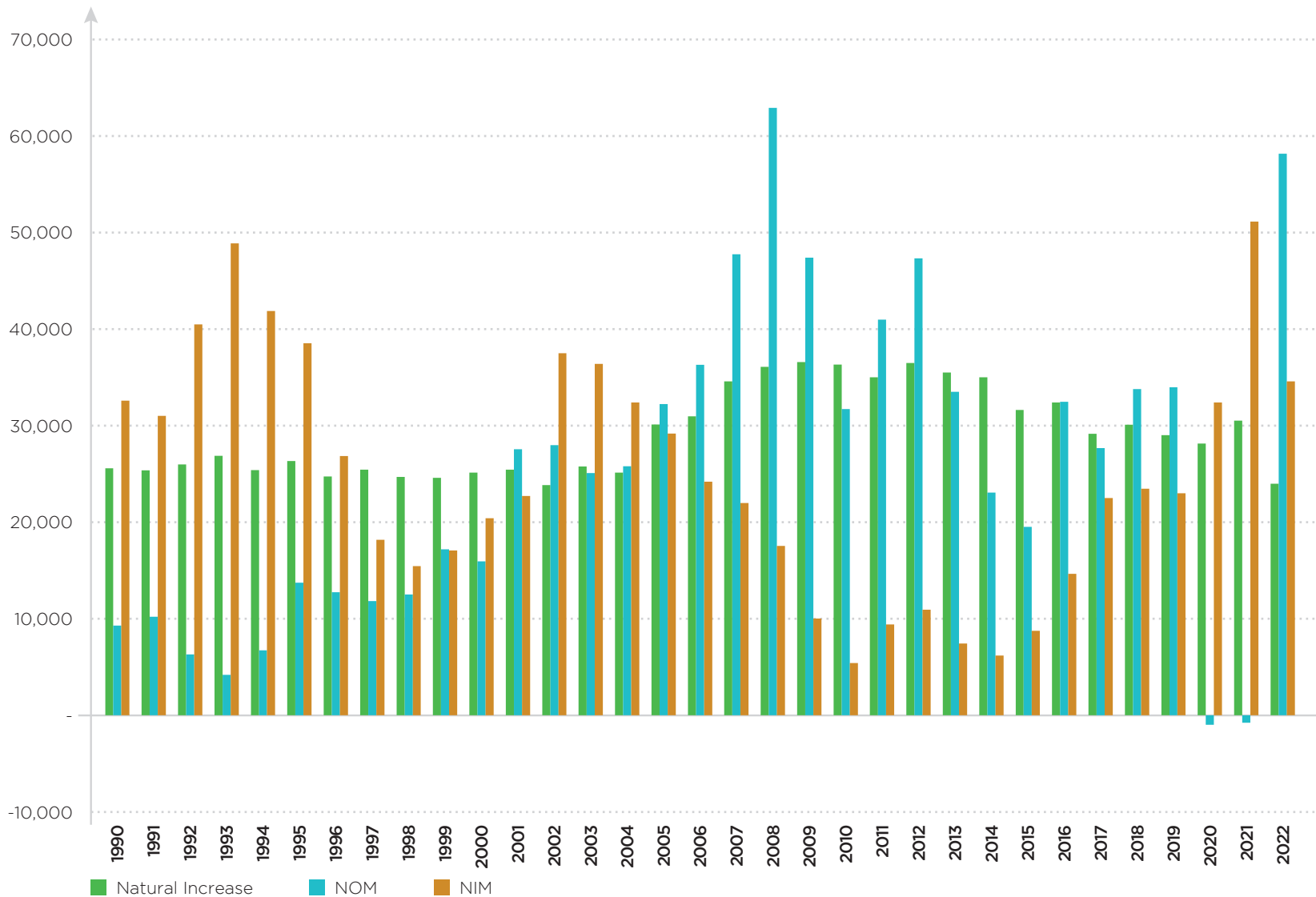
This graph displays the number of Inter and Intra Population movement of Greater Brisbane and the rest of Queensland



SLIGHTLY
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QUEENSLAND POPULATION MOVEMENT TYPE

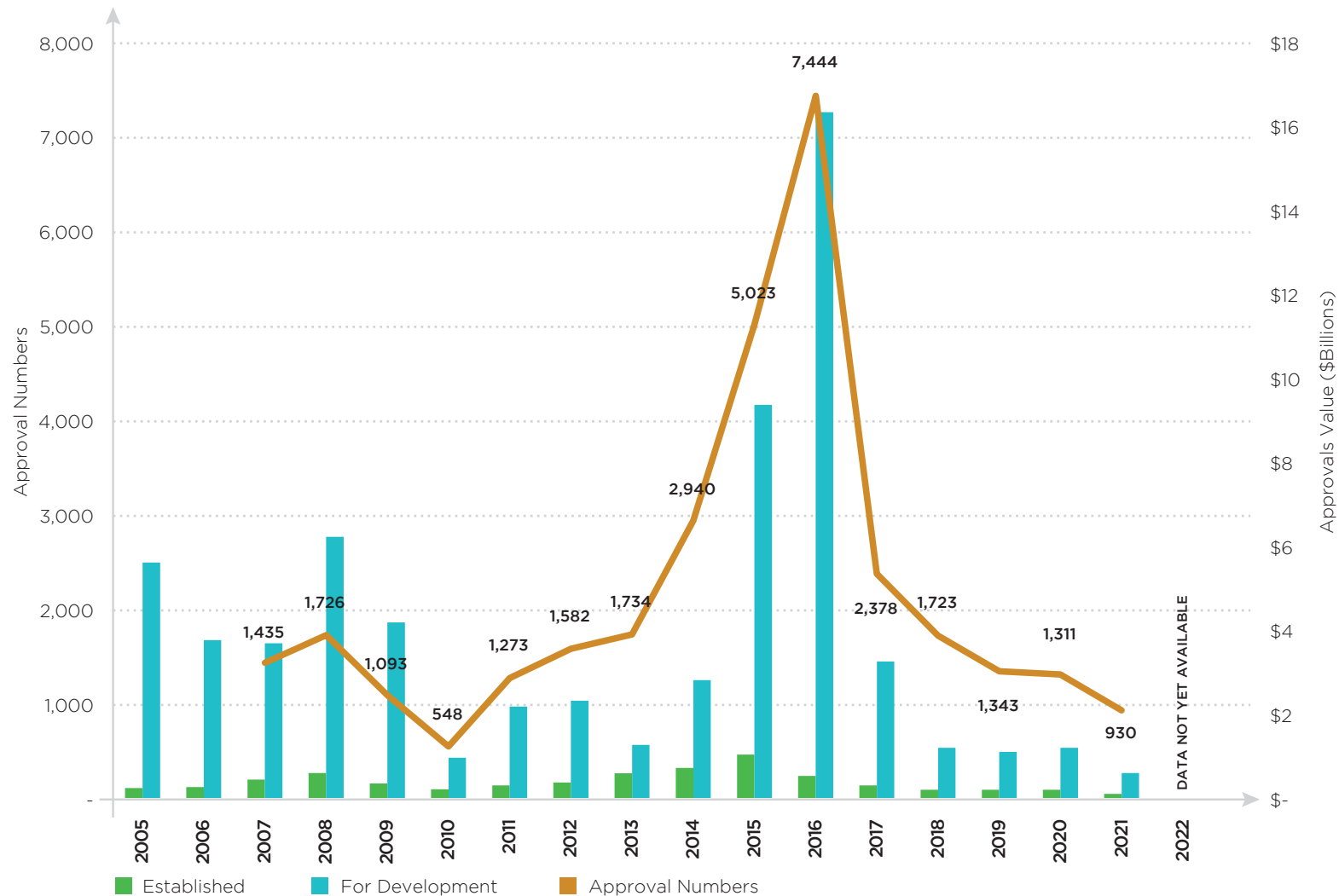
This graph demonstrates the breakdown of Natural Increase, Net Overseas Migration (NOM) and Net Interstate Migration (NIM) for the state.



POSITIVE

FOREIGN INVESTMENT APPROVALS - NEW V. ESTABLISHED PROPERTY

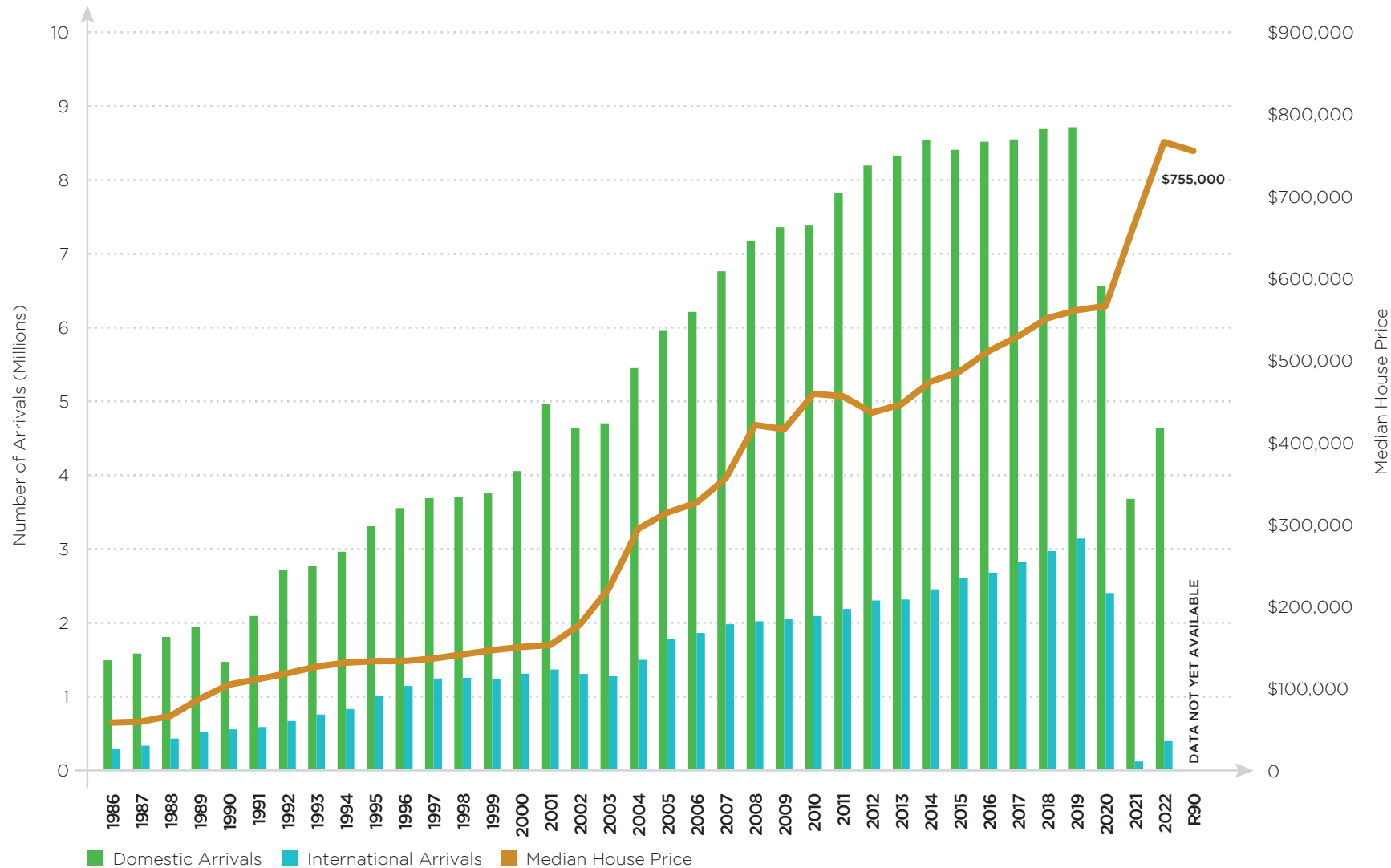
This graph shows the amount of foreign investment approvals for the state's residential market since 2005. Approvals are broken down into established property and developed/for development.



POSITIVE

AIRPORT ARRIVALS V. MEDIAN HOUSE PRICE

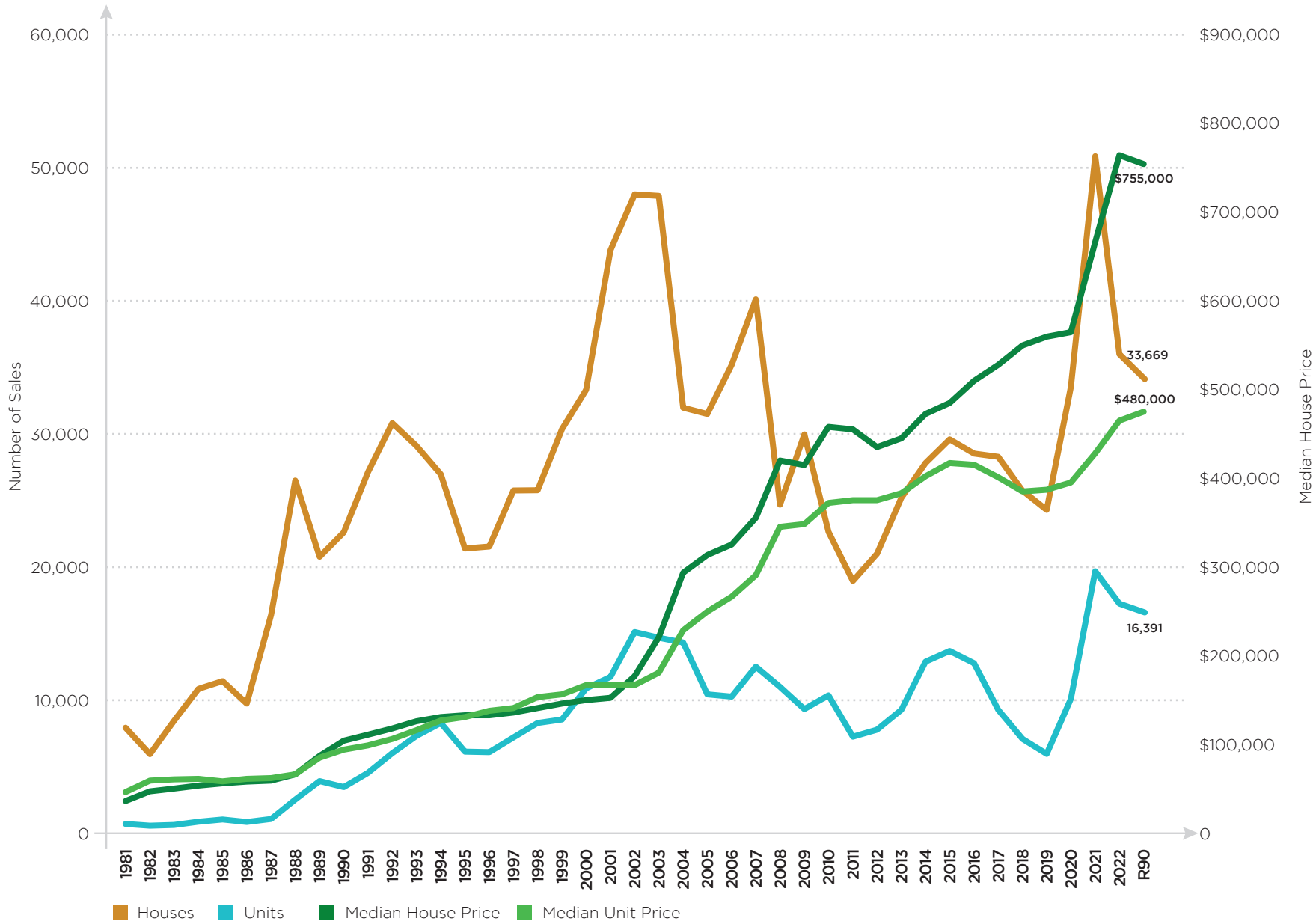
This graph shows the numbers for International and Domestic arrivals into the city's airport from 1985 plotted against the median house price. For the current year, the rolling 90 days (R90) is specifically shown to give emphasis on current house median movement.



SLIGHTLY
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DWELLING SALES

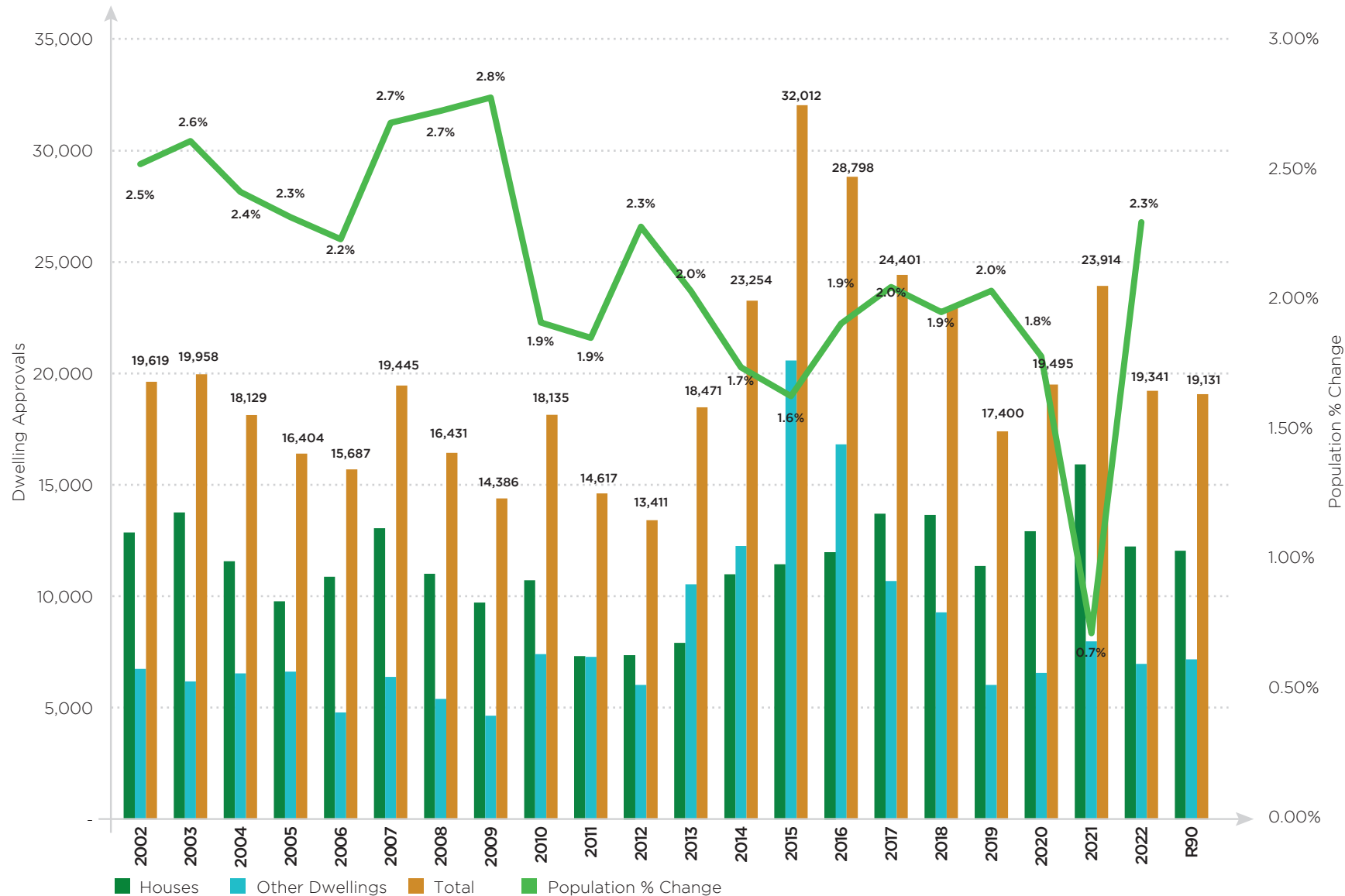
This graph displays the number of unit and house sales.



SLIGHTLY
NEGATIVE

DWELLING APPROVALS V. POPULATION

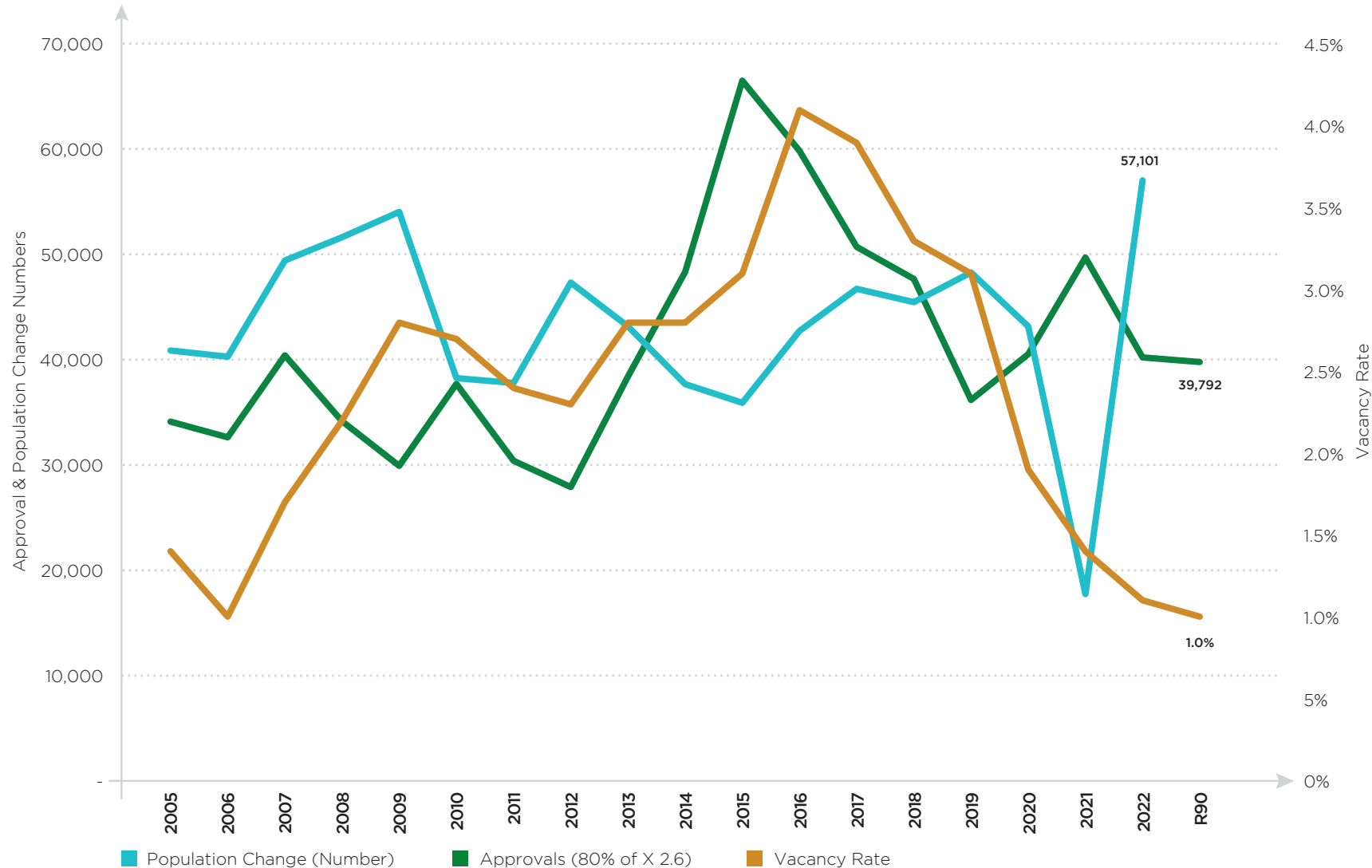
This graph shows the relationship between population growth and dwelling approvals in the Greater City region.



NEUTRAL

BEDROOM APPROVALS V. POPULATION CHANGE

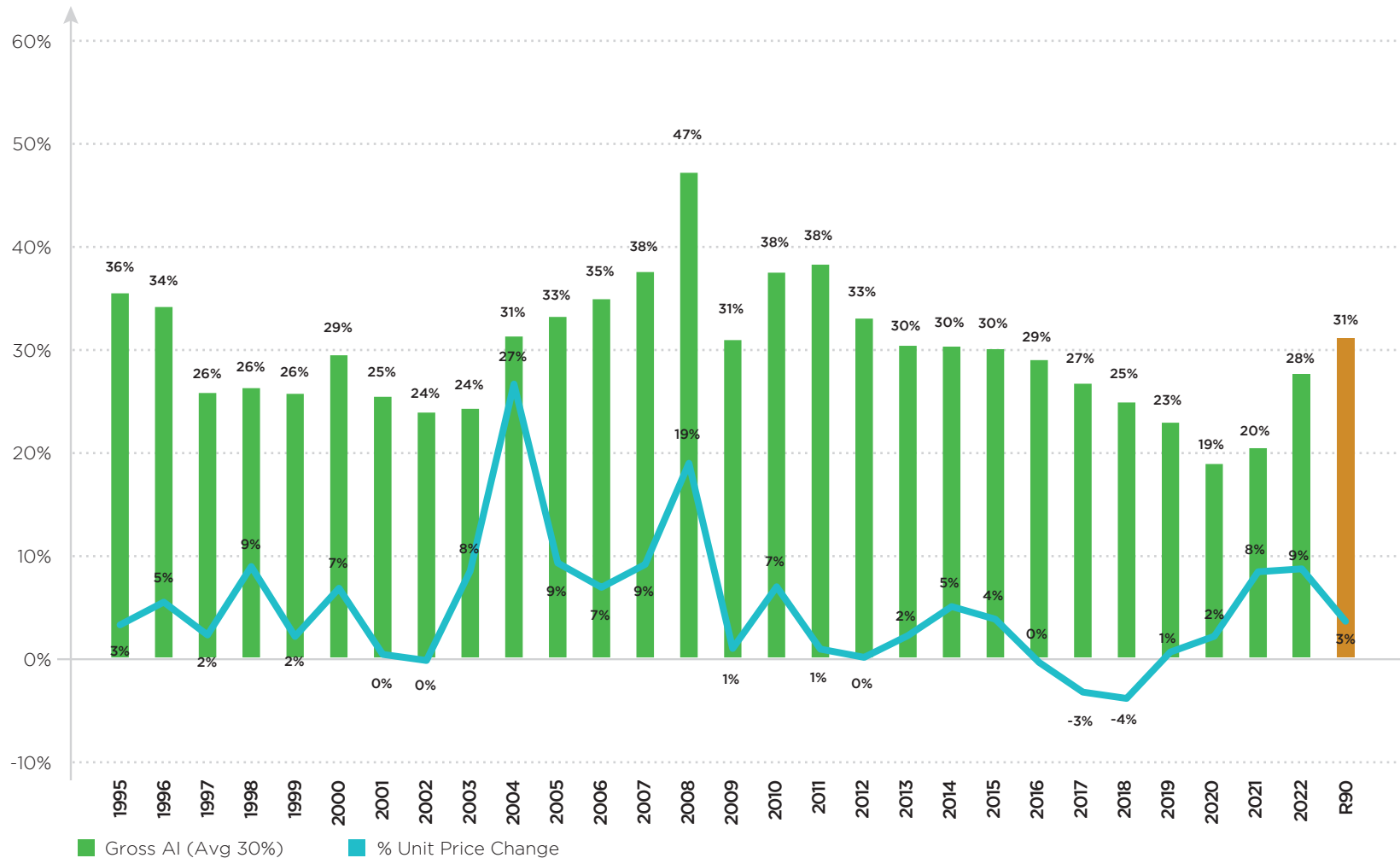
This graph shows the relationship between the assumed number of bedrooms being commenced, the change in population numbers and the vacancy rate. Performance Property calculates this assuming 80% of approvals commence, and multiplying by the average household size of the city.



SLIGHTLY
POSITIVE

AFFORDABILITY INDEX V. PRICE MOVEMENT - UNIT

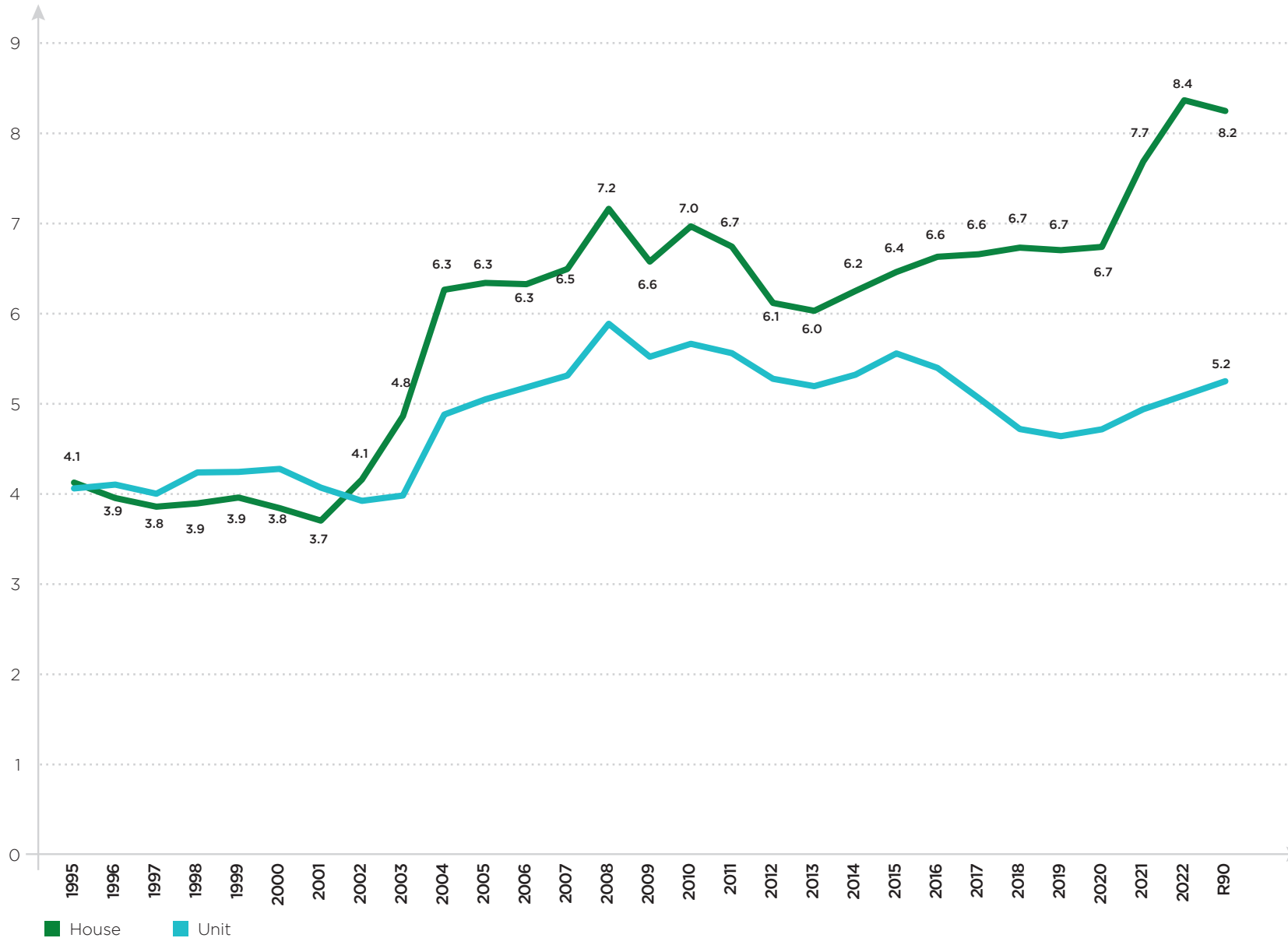
This graph displays the impact interest rates have on unit price movements. Performance Property's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term. For the current year, the rolling 90 days (R90) is depicted to convey latest market status.



NEUTRAL

PRICE TO INCOME RATIO

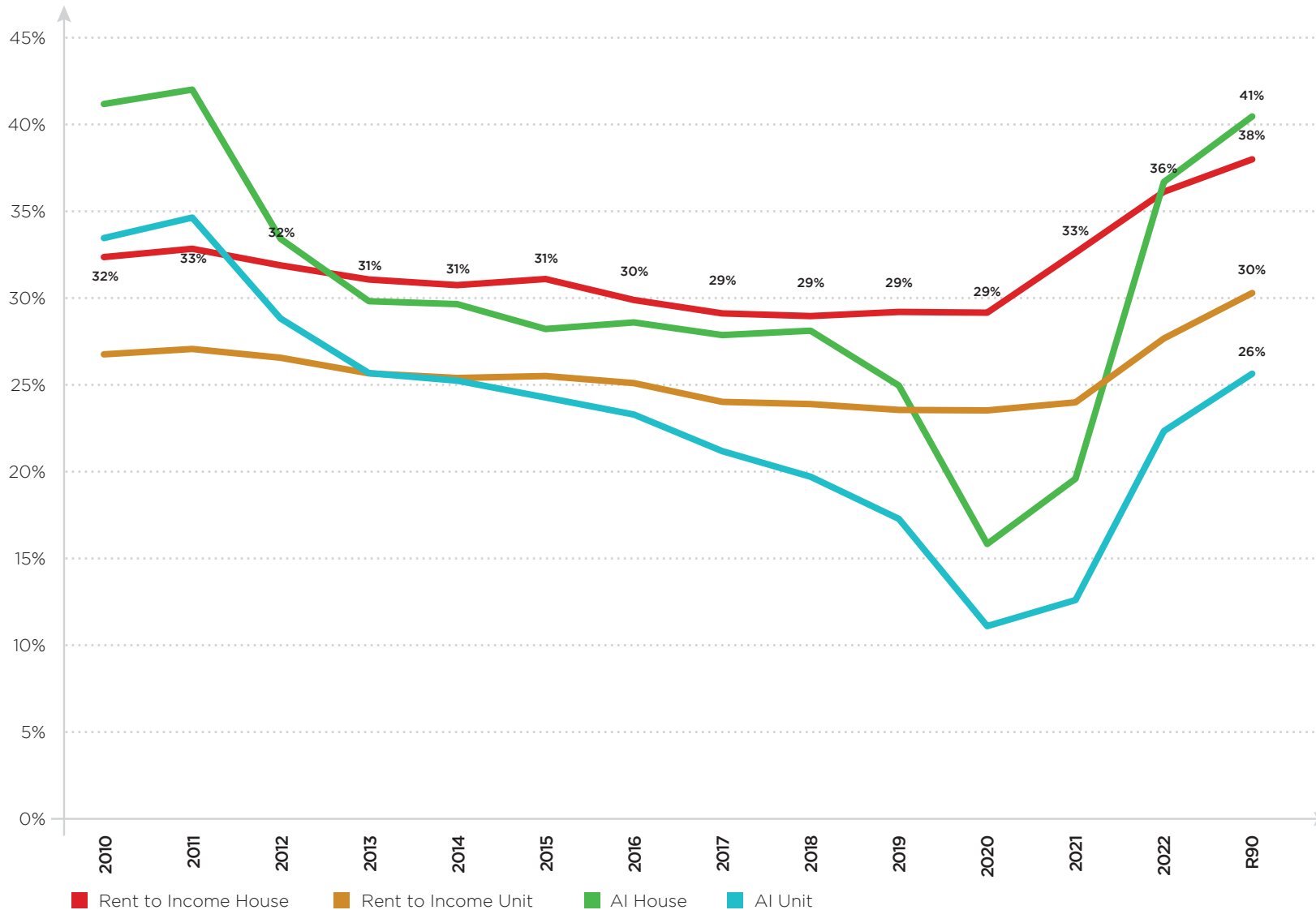
This graph displays the price to income ratio which is the relationship between the median house price and the average annual income. This also represents the average time taken to save a 20% deposit when assuming 20% of the average wage is saved.



SLIGHTLY
NEGATIVE

INCOME TO RENT V. AFFORDABILITY INDEX

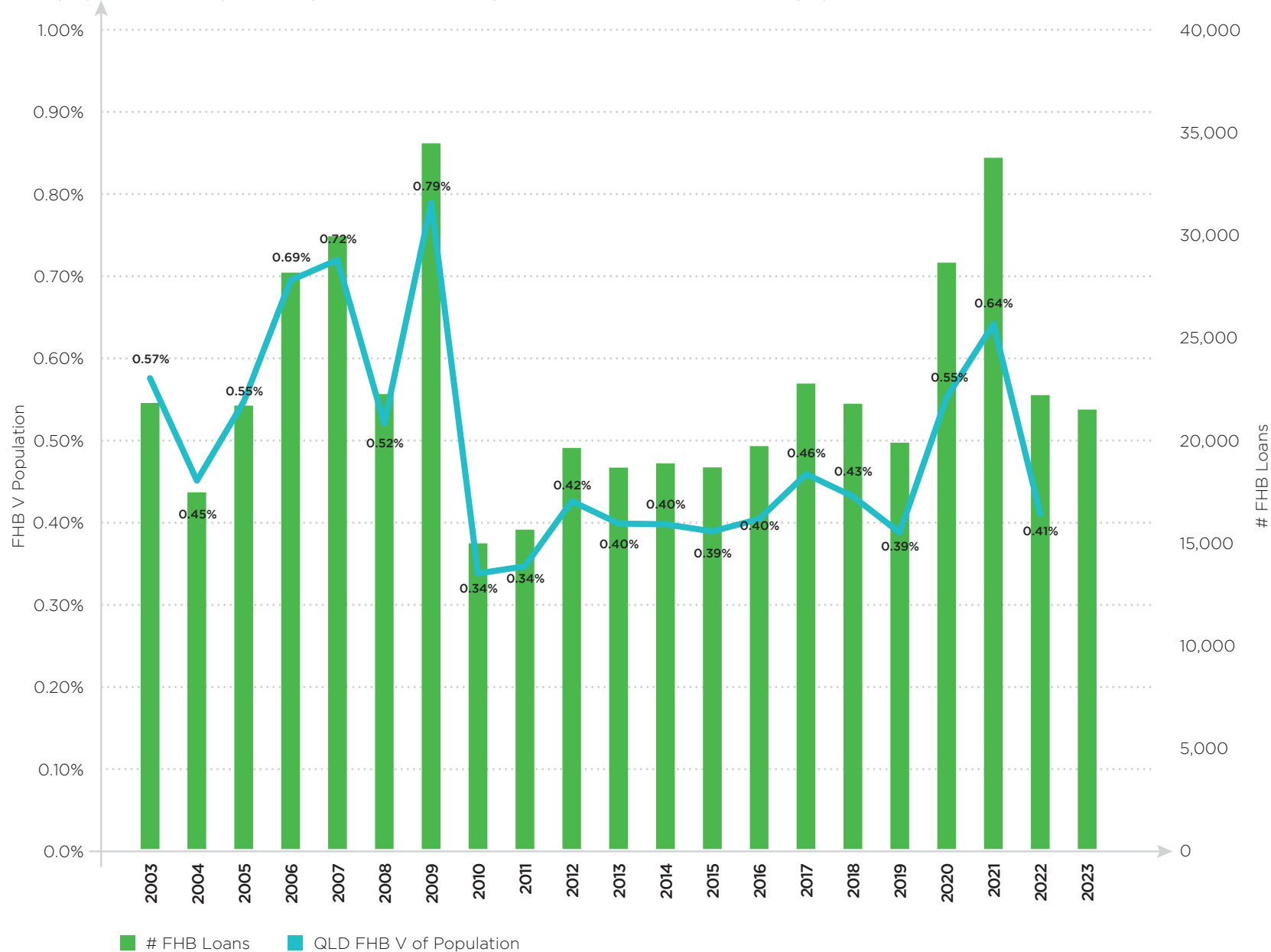
This graph displays the percentage of the average wage that pays the median rent versus the Performance Property Affordability Index for houses and units using an Interest Only loan.



NEUTRAL

FHBS AS A % OF POPULATION

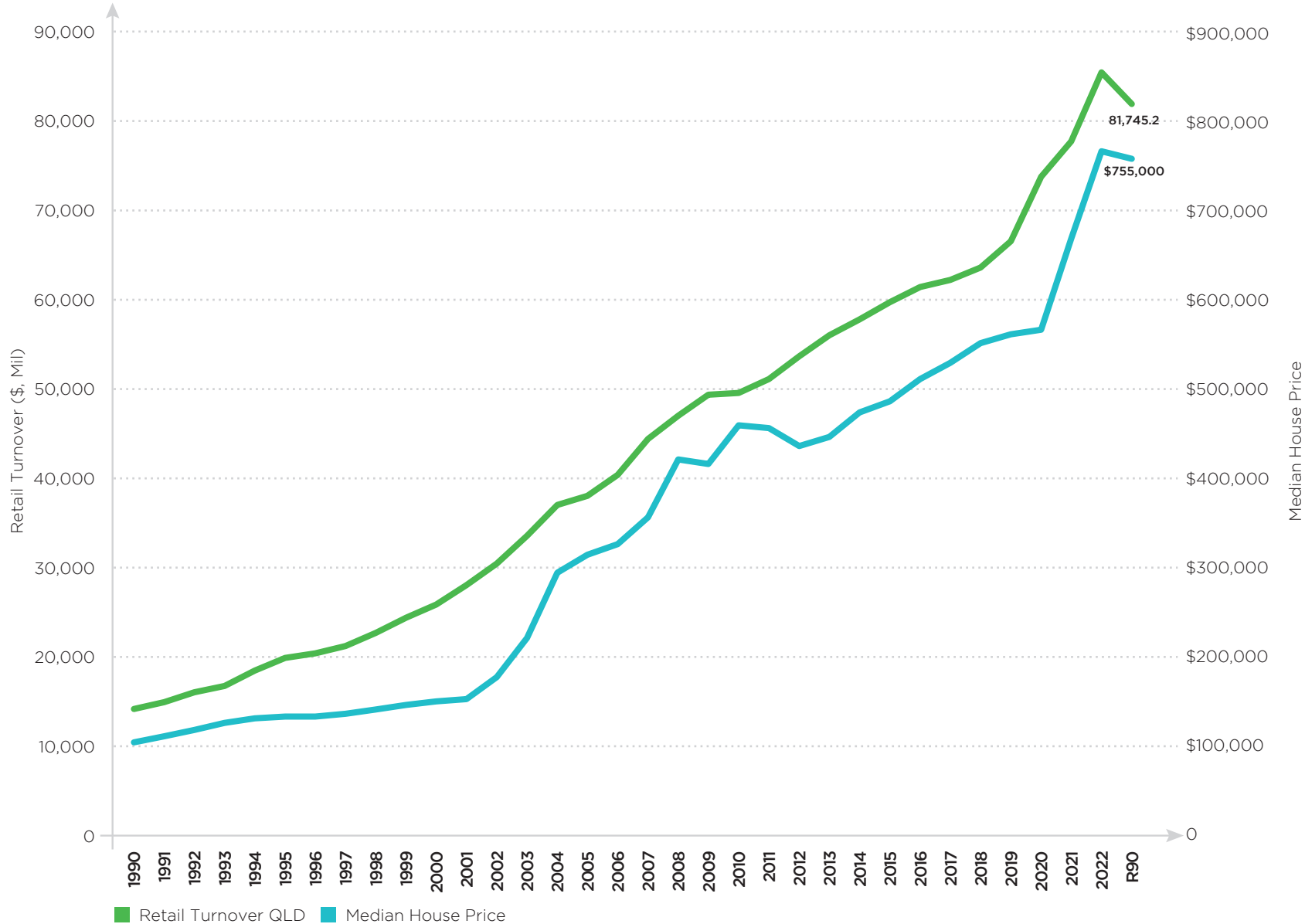
This graph shows the percentage of first home buyers (FHB) relative to the state population.



SLIGHTLY
NEGATIVE

RETAIL TURNOVER GROWTH

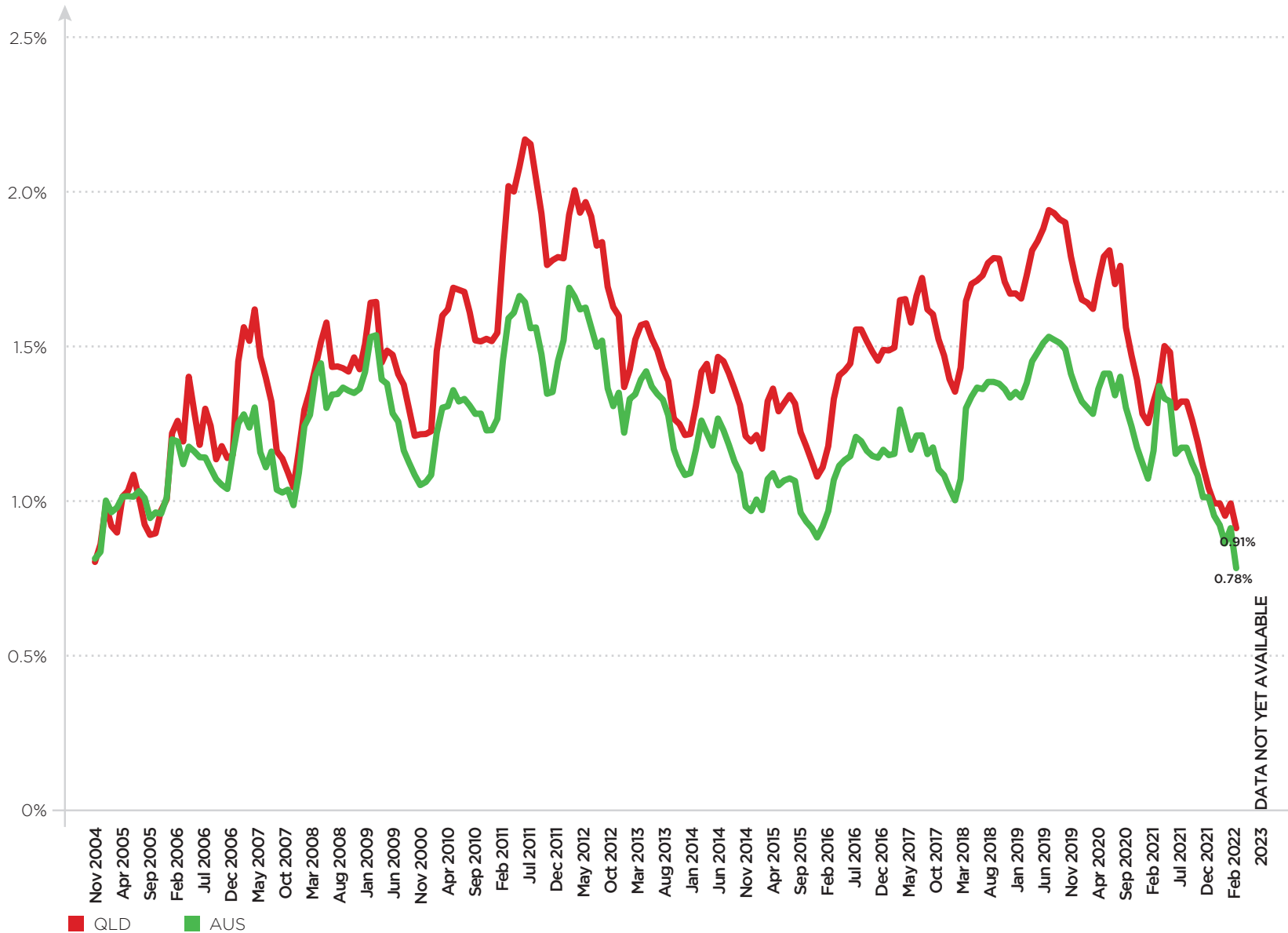
This graph displays levels of retail turnover for the state charted against the median house price. For the current year, the rolling 90 days (R90) is specifically shown to give emphasis on current median house price movement.



NEUTRAL

MORTGAGE ARREARS

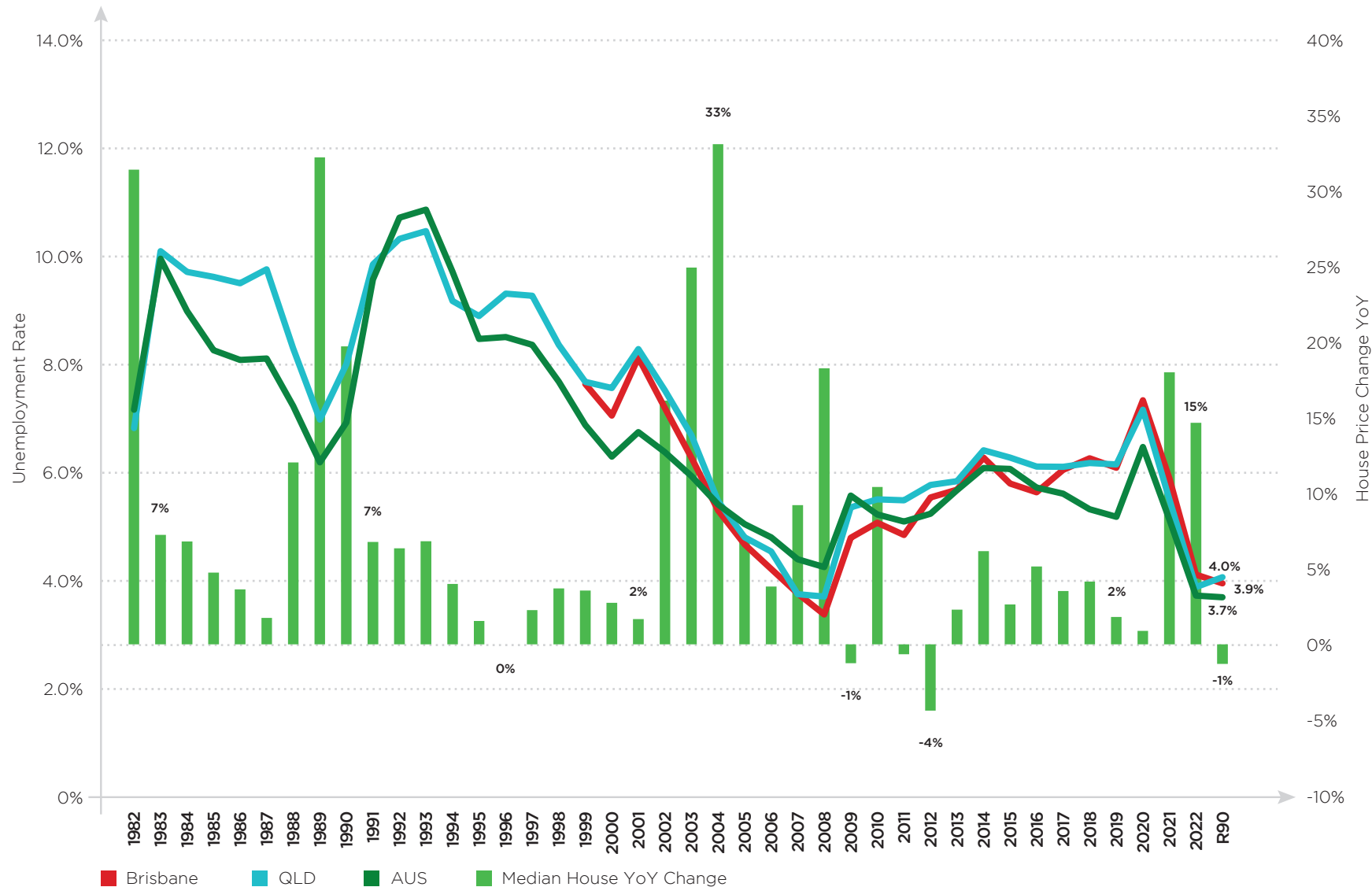
This graph displays the percentage of mortgages that are 30+ days in arrears in the state and Nationally. Supplied by Standard and Poor's Global Ratings.



SLIGHTLY
POSITIVE

UNEMPLOYMENT V. MEDIAN HOUSE PRICE CHANGE

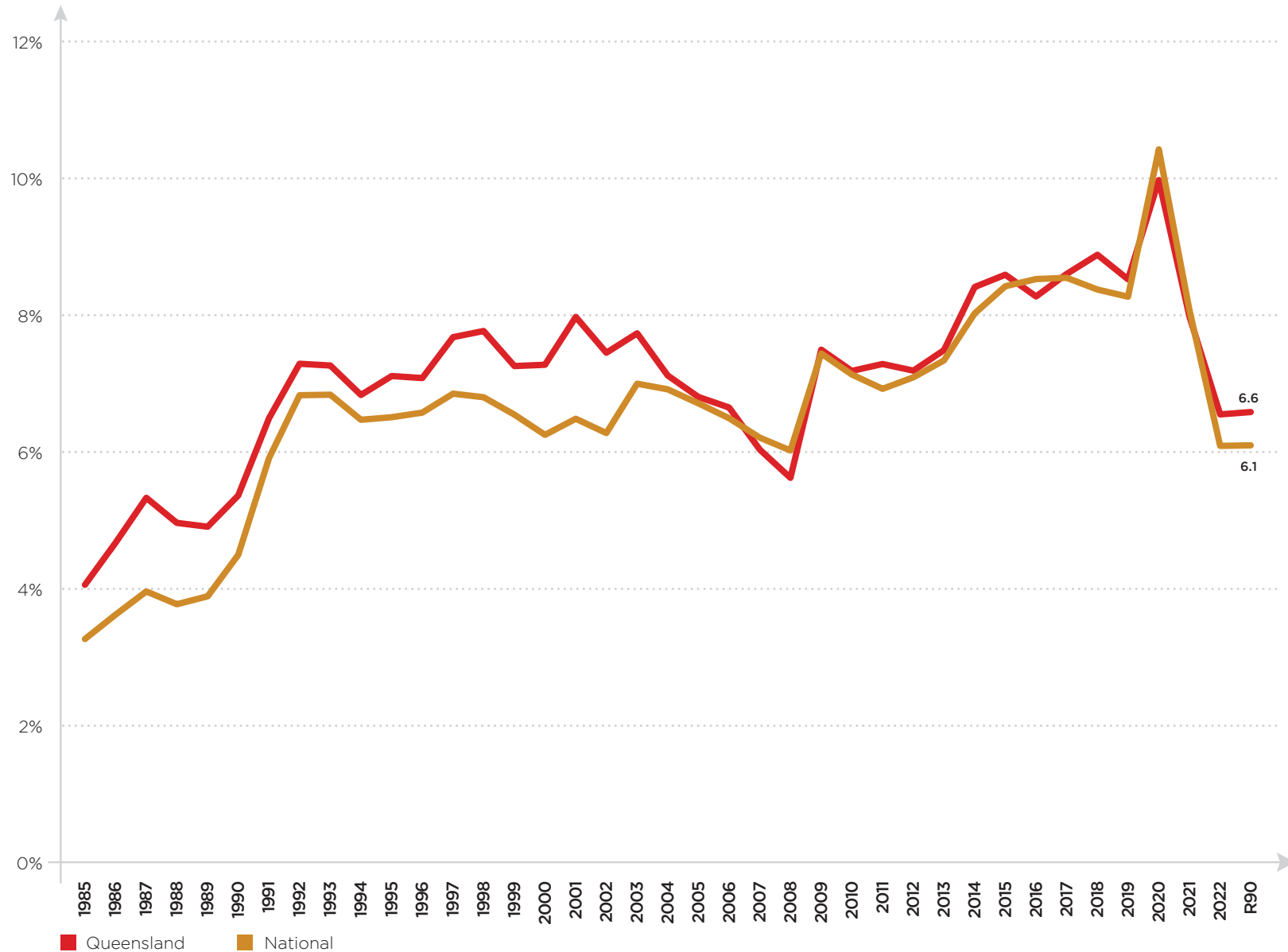
This graph shows the relationship between the state and national unemployment rate as a yearly average from 1982 and the current, most recent rate.



POSITIVE

UNDEREMPLOYMENT

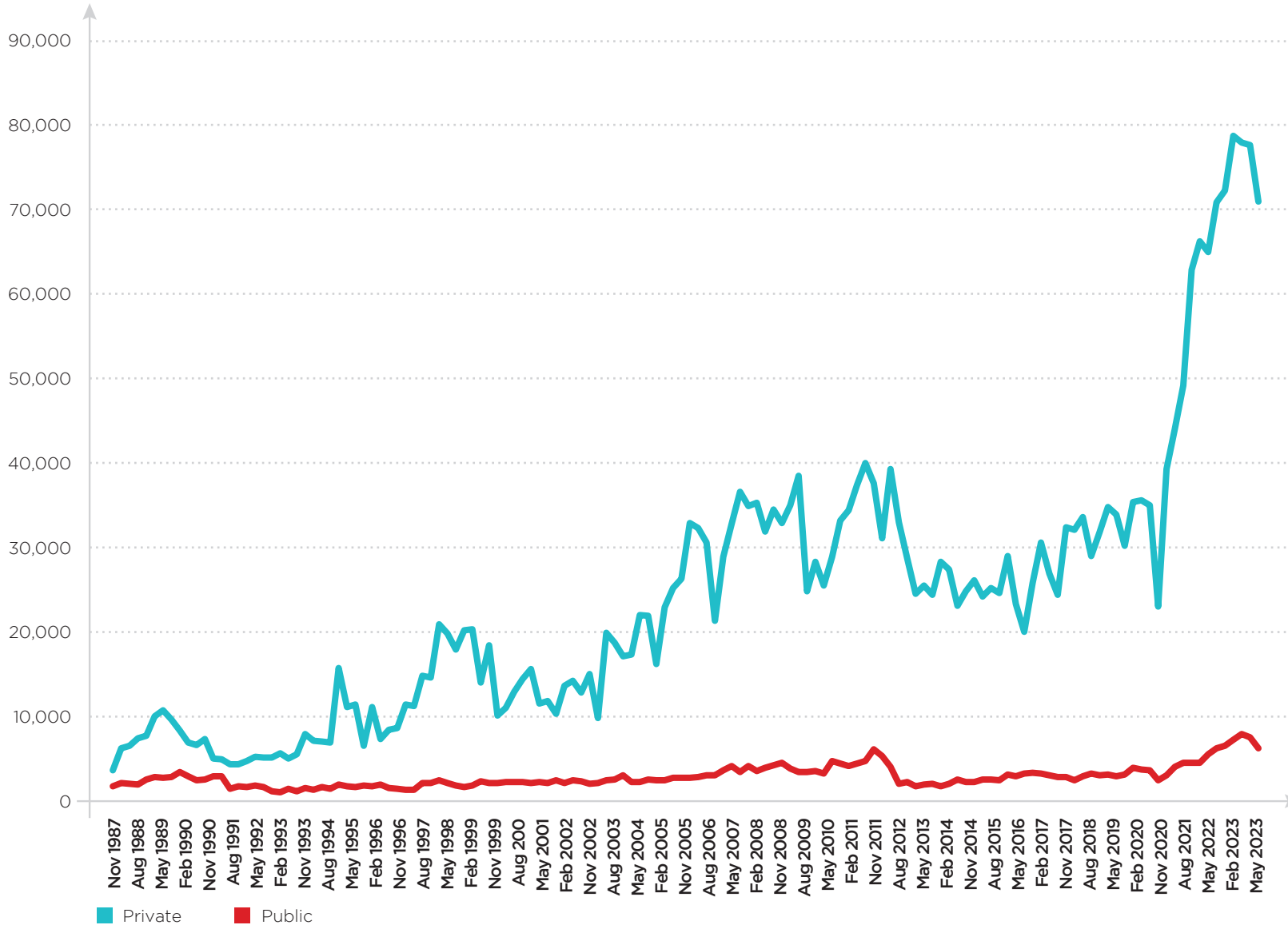
This graph shows the relationship between the state and national underemployment rate as a yearly average from 1985 and the current, most recent rate.



POSITIVE

STATE JOB VACANCIES - PRIVATE & PUBLIC

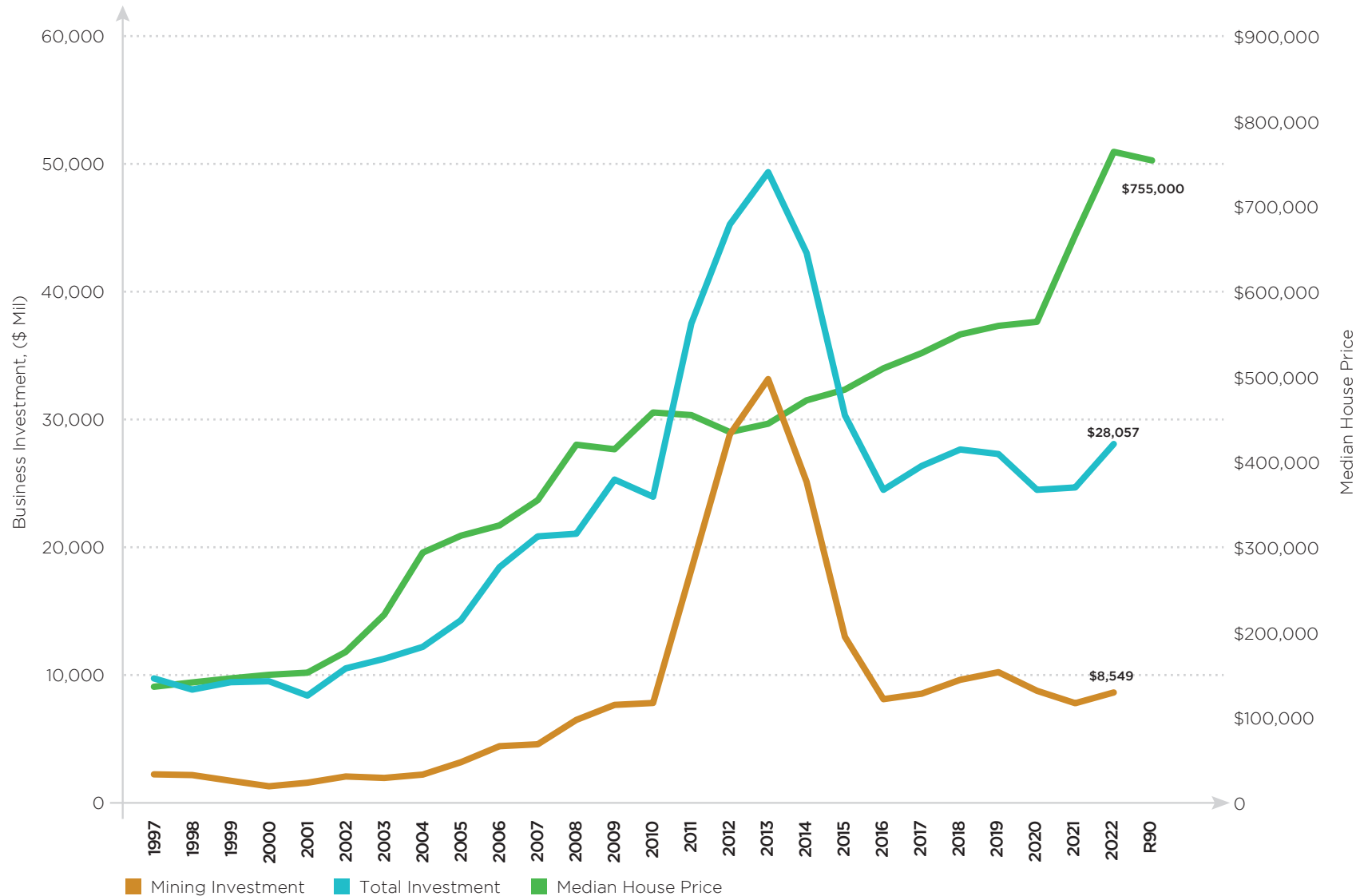
This graph displays the ABS figure for the number of jobs created in the private and public sectors state wide.



POSITIVE

STATE PRIVATE BUSINESS INVESTMENT

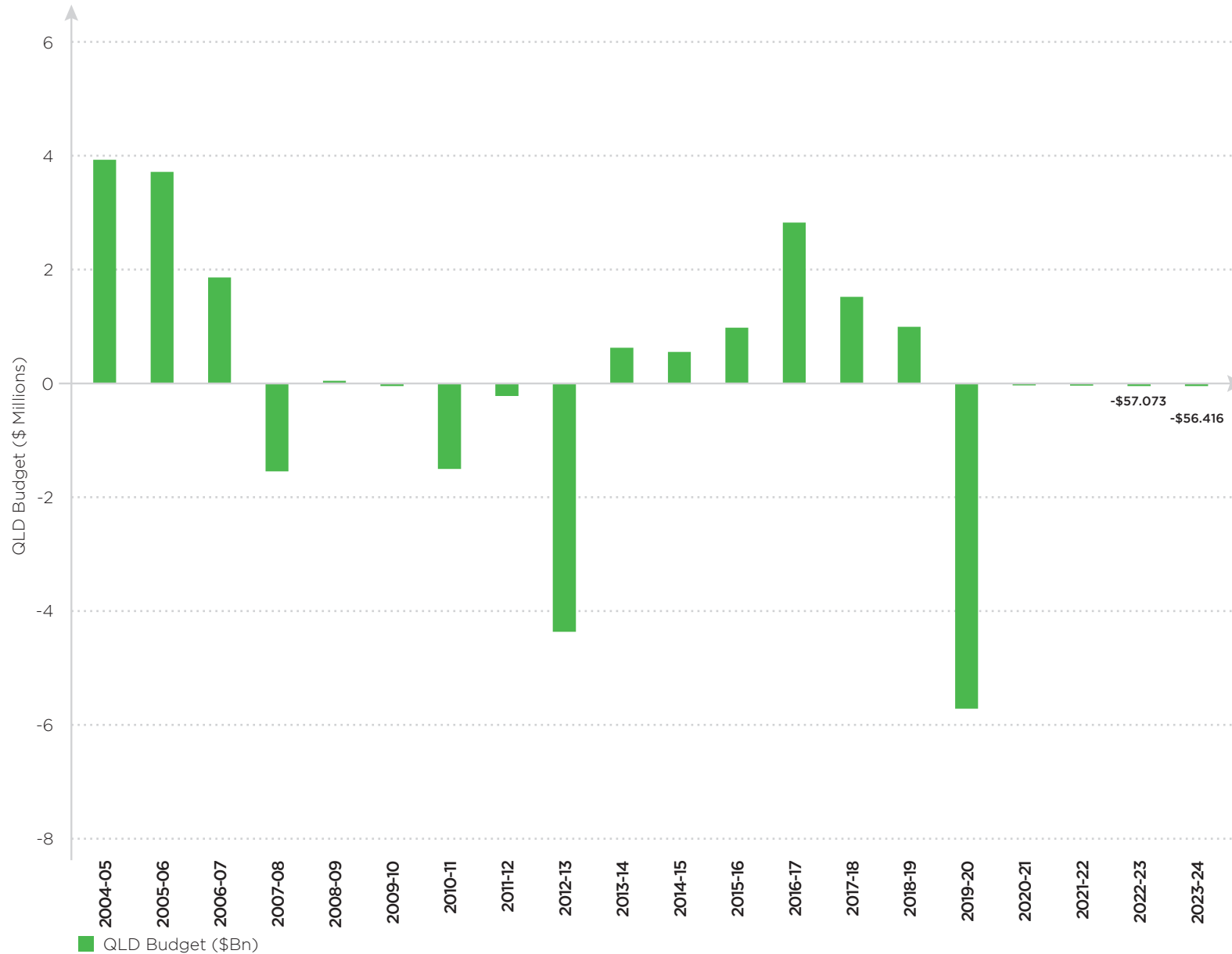
This graph displays private business investment into the state charted against the median house price. For the current year, the rolling 90 days (R90) is specifically shown to give emphasis on current median house price movement.



NEUTRAL

STATE BUDGET

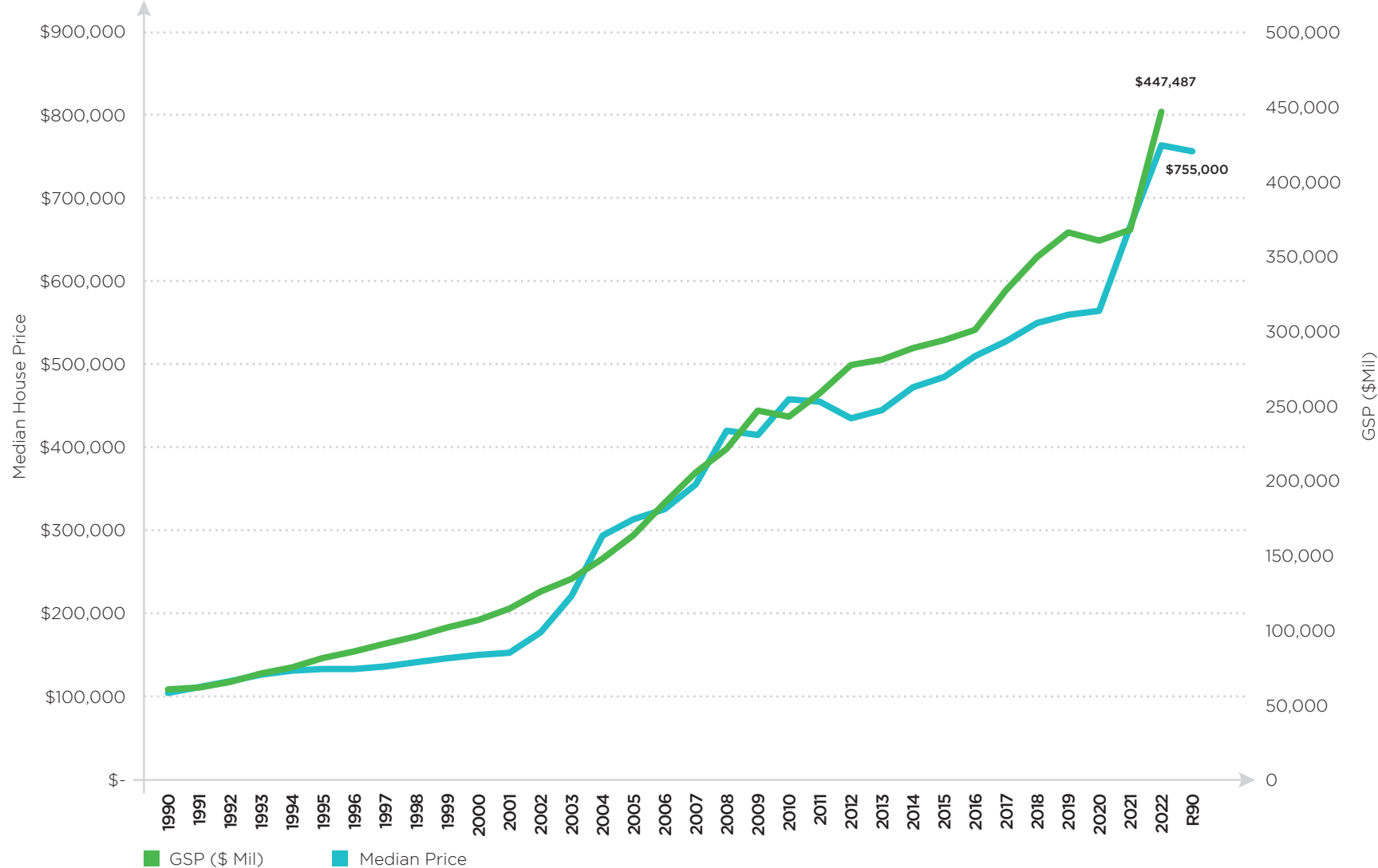
This graph displays the State Government position of either a surplus or deficit.



SLIGHTLY
NEGATIVE

GROSS STATE PRODUCT V. MEDIAN PRICE MOVEMENT

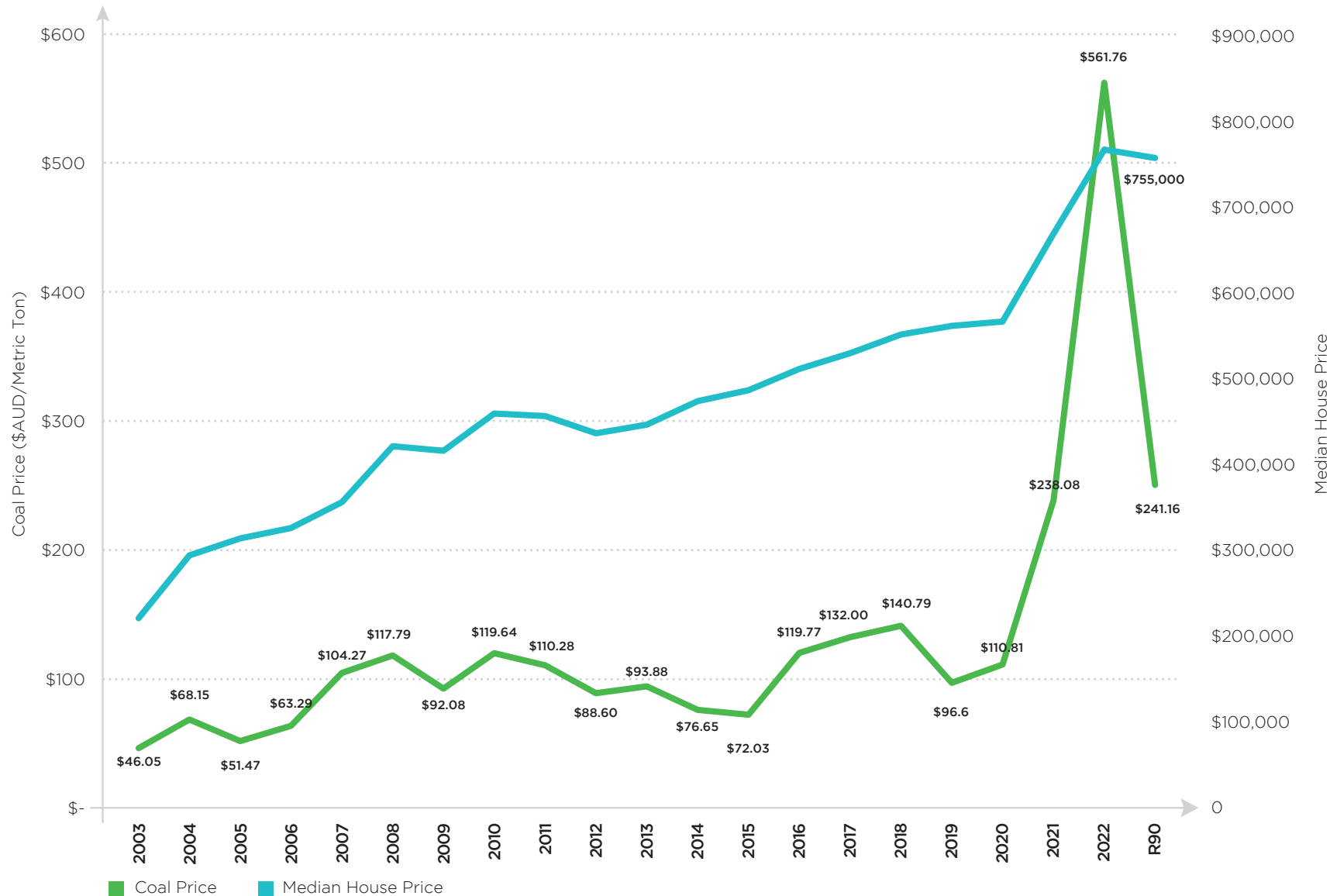
This graph displays Gross State Product charted against the median house price. Gross State Product is the measure of final goods and services produced in the state in a period of time. For the current year, the rolling 90 days (R90) is specifically shown to give emphasis on current median house price movement.



SLIGHTLY
POSITIVE

COAL PRICE V. MEDIAN PRICE MOVEMENT

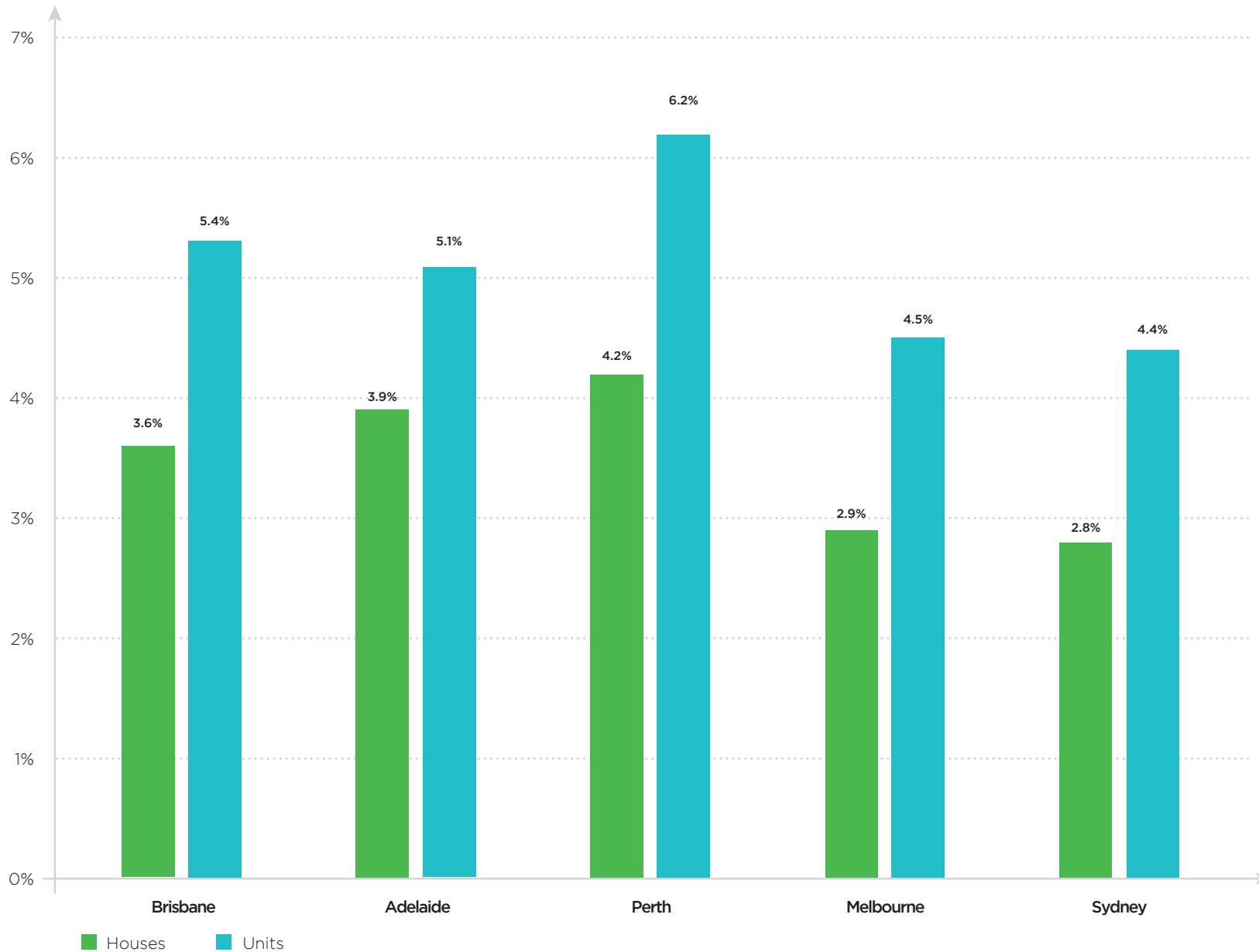
This graph displays the coal price against the median house price price.



SLIGHTLY
NEGATIVE

CURRENT INVESTMENT VALUE

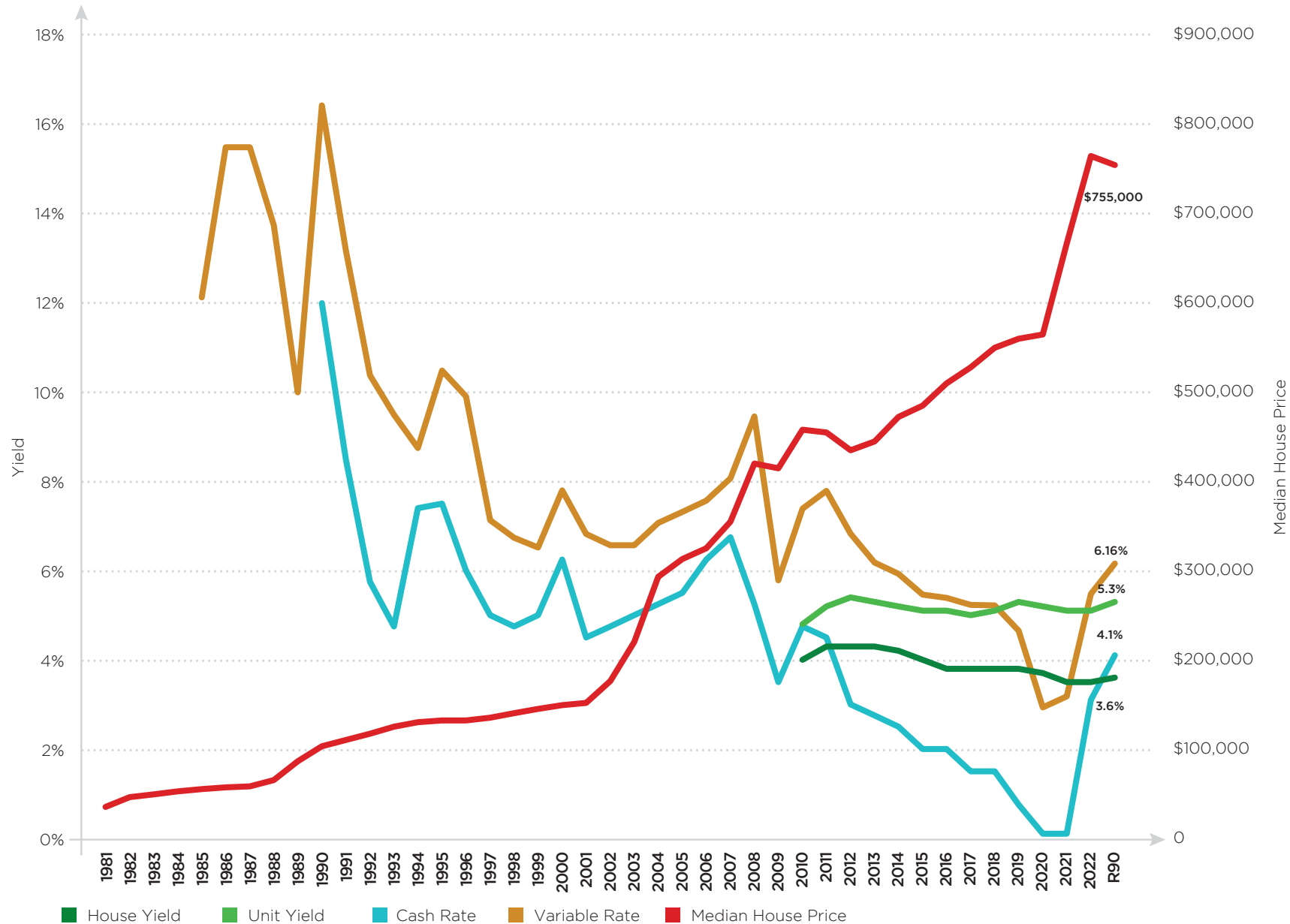
This graph compares the gross yield for houses and units in each of the five major capital cities.



SLIGHTLY
POSITIVE

YIELD V. INTEREST RATES

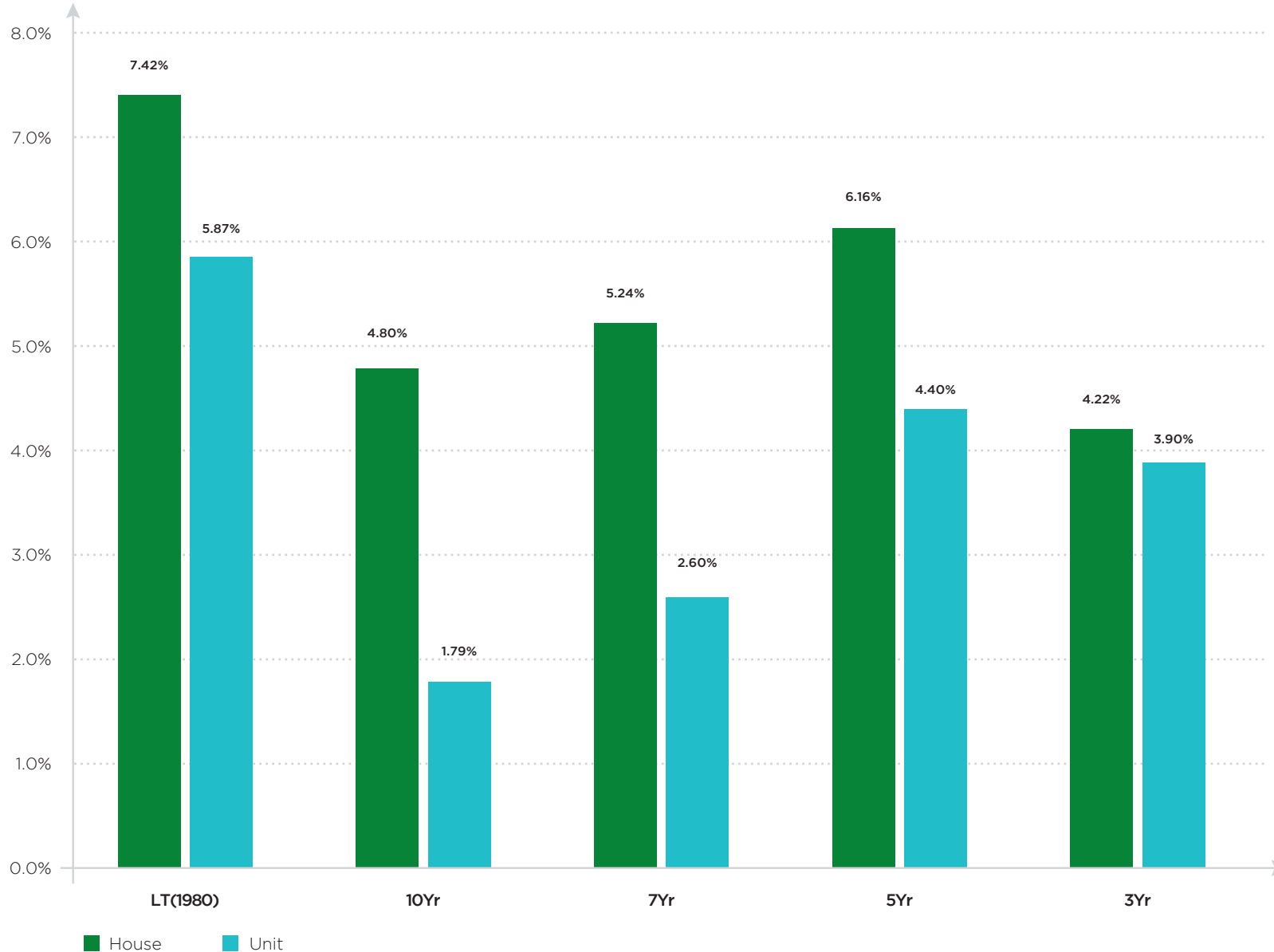
This graph displays house and unit yields against the variable and cash rates.



NEGATIVE

LONG TERM TRENDS

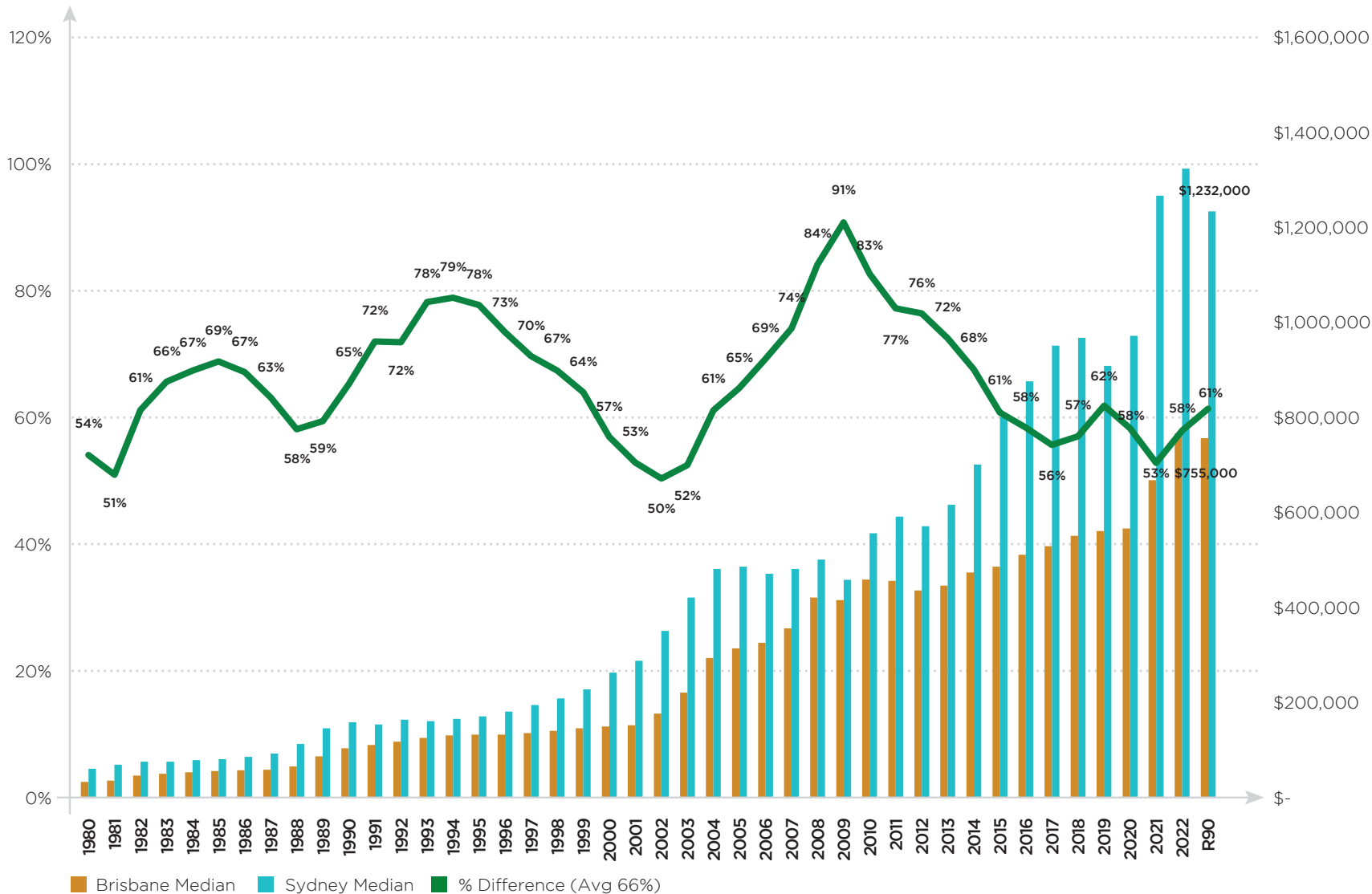
This graph displays the annual compounded growth rates for houses and units over the long term, and the last 10 years, 7 years, 5 years and 3 years.



SLIGHTLY
POSITIVE

BRISBANE VS. SYDNEY PRICE COMPARISON (HOUSE)

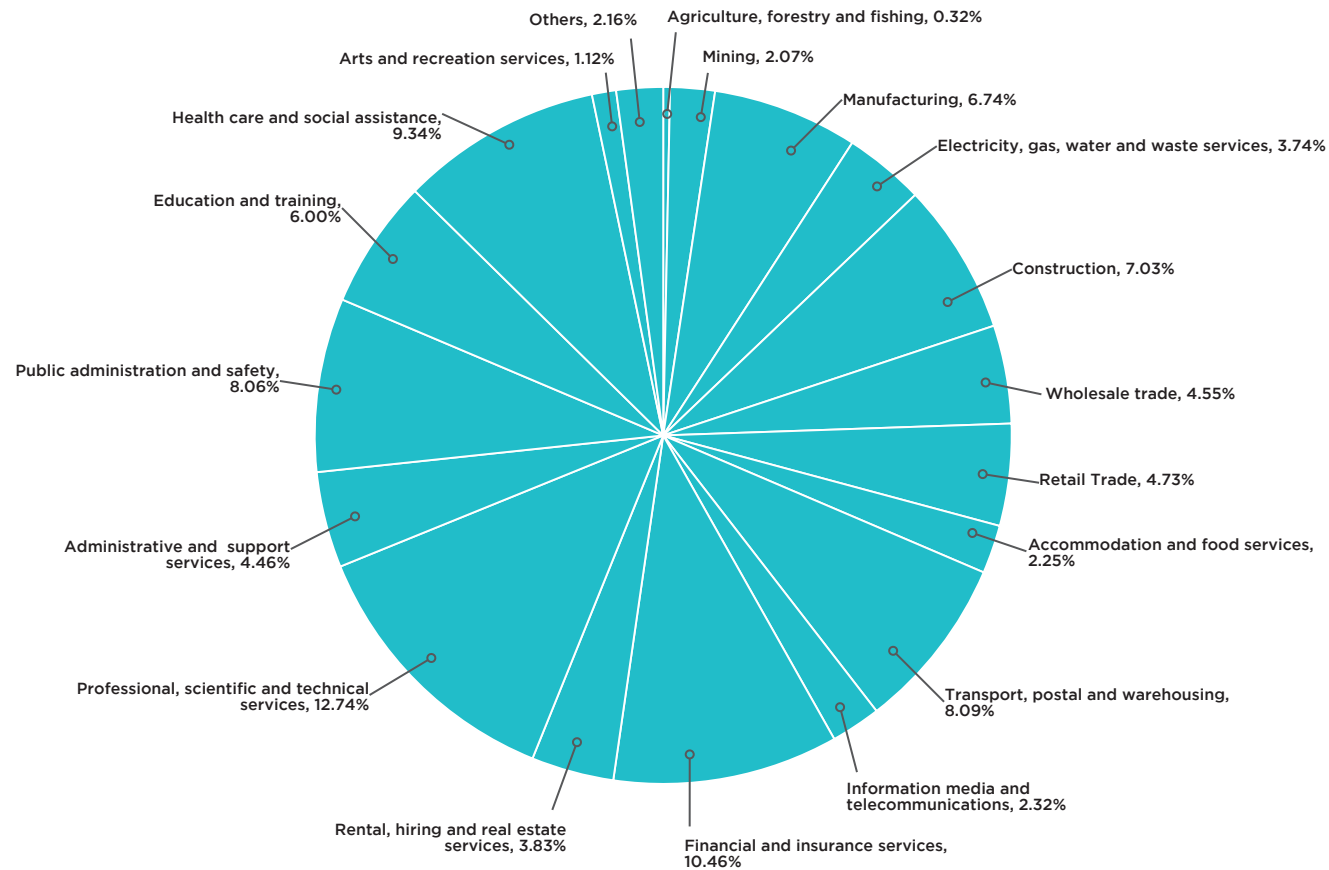
This graph shows a relationship between the Brisbane median and the Sydney median and the percentage difference between them for each year.



SLIGHTLY POSITIVE

INDUSTRY VALUE ADDED

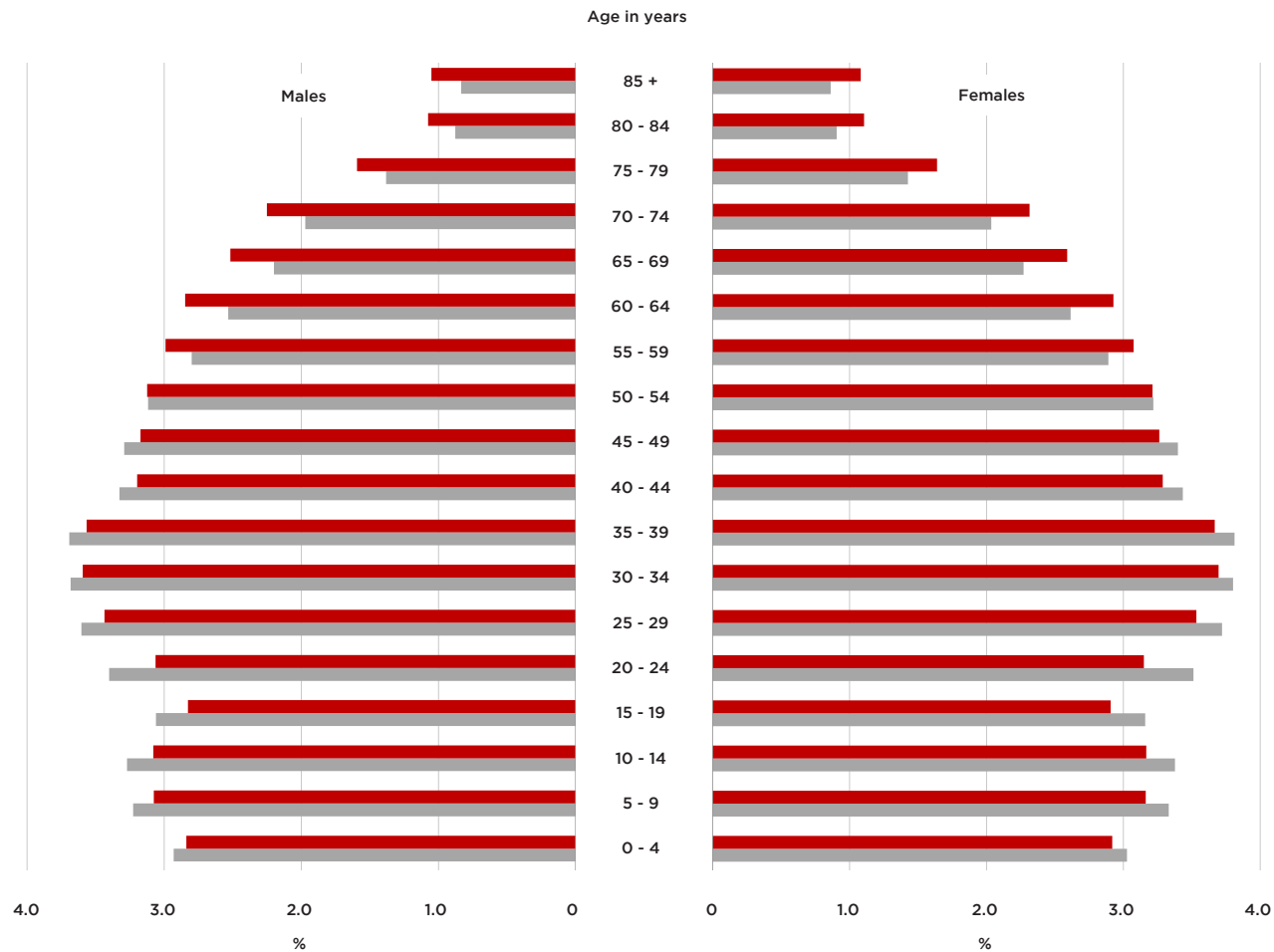
INDUSTRY BREAKDOWN



POSITIVE

QUEENSLAND POPULATION PYRAMID

The population pyramid demonstrates the breakdown of the different ages and sex percentages of the population. The dominant consumer base of a population is the 35 to 49 age brackets and ideally we like to see the preceding age brackets larger as they age to replace the existing group.



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data).

■ Greater Brisbane ■ Australia

POSITIVE

INVESTMENT PHILOSOPHY

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Each property must pass our stringent investment criteria and is subject to a thorough due diligence and price analysis process. This low risk approach excludes 99% of all properties currently on the market or for sale off market. We provide quality ethical and personalised advice, exceptional customer service, and pride ourselves on delivering successful outcomes.

Our objective is not to buy you a property. Purchasing a property is the last step in our considered and thorough process.

Our mission is to understand and satisfy your needs – financial or emotional, in a low risk and efficient manner. Our objective is to build your wealth through sophisticated property investment. We believe in everything we do because we treat your investment portfolio like it was our own.

OUR PROCESS

RESEARCH

Macro Micro Property

ACQUIRE

Find Assess Negotiate

MANAGE

Property Management

REVIEW

Annual Portfolio Review

ADVISE

Hold Improve Dispose

PERFORMANCE PROPERTY ADVISORY SERVICES

- Property Acquisition
- Property Management
- Portfolio Review
- Sales Advisory / Vendor Advocacy

DATA SOURCES:

- Australian Bureau of Statistics
- BIS Shrapnel
- Residex
- SQM Research
- CoreLogic RP Data
- Foreign Investment Review Board
- Australian Trade & Investment Commission

IMPORTANT INFORMATION



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Capital Cities and Regions Median House Price

