



BRISBANE RESIDENTIAL PROPERTY MARKET OVERVIEW

DECEMBER 2024

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INTRODUCTION

The Brisbane residential market has been one of the strongest performing capital city markets of the past four years and is currently at an all-time high with houses at a peak of \$974,396 and units at a peak of \$677,810. One of the more interesting points of the boom over the past few years is that attached dwellings (units and townhouses) are outperforming houses. This is likely due to the increasing popularity of townhouses which are more affordable than houses while offering more space than apartments.

The Brisbane market has been heavily influenced over the past four years by high inter-state migration levels, government incentives, and the 2032 Olympics.

Massive infrastructure spending from both the Federal and State Governments is contributing to the boom. The infrastructure spending is targeted to meet the demands hosting the 2032 Olympics and meeting the needs of a growing and increasing technologically advanced population, while providing key jobs to ensure unemployment rates don't skyrocket. Side benefits include increased spending in the communities where the infrastructure projects are underway and many infrastructure projects – particularly new hospitals, airports and major roads – also benefit property markets by improving accessibility and facilities and thus increasing desirability.

The current boom will end like all previous ones. However, while the double-digit price growth is likely to end at some point, as shown by the brief 2022-2023 market decline, it is unlikely there will be any extended decline in property values. It is more likely that price growth will continue, but at a lower rate of around 3 to 5 per cent annual growth.

While we anticipate the Brisbane market to perform solidly in coming years, we expect the city to continue to have 'markets within markets' as it often does, especially in comparison to Melbourne and Sydney where location and supply dynamics are not as critical.

ECONOMY

The Queensland economy has performed strongly over recent years. The Gross State Product (GSP) of Queensland increased by 2.1 per cent in the financial year ended June 2024, with a total GSP of \$510.69 billion per annum, up nearly \$5.46 billion on the previous year.

The City of Brisbane region has a Gross Regional Product of \$153.45 billion and grew by 2.7 per cent in the year to June 2023.

Unemployment figures in Queensland remain stable, with an unemployment rate of 4.06 per cent in September 2024, which is 0.23 percent higher than 12 months previously.

Overall, thanks to the combination of a growing economy, massive infrastructure spending, and strong inter-state migration, the Brisbane property market should continue to be one of the strongest performing markets in Australia over the next decade.

Metric	Latest	Previous	Change
Queensland Gross State Product (growth rate)	2.1% (Jun 2024)	2.3% (Jun 2024)	-0.2%
Queensland Gross State Product (total value)	\$510.69b (Jun 2024)	\$505.23b (Jun 2023)	+\$5.46b
City of Brisbane Regional Product (growth rate)	2.7% (Jun 2023)	5.6% (Jun 2022)	-2.9%
City of Brisbane Gross Regional Product (total value)	\$153.45b (Jun 2023)	\$149.40b (Jun 2022)	+\$4.05b
Brisbane Metro Population	2,706,966 (2023)	2,625,746 (2022)	+81,220 (3.1%)
Unemployment	4.06% (Sep 2024)	3.83% (Sep 2023)	+0.23%
Queensland State Final Demand (total value)	\$11.34b (Jun 2024)	\$11.14 (Jun 2023)	+\$200m
Queensland State Final Demand (percentage change)	1.82% (Jun 2024)	2.9% (Jun 2023)	-1.08%

Source: ABS, economy.id

MAJOR PROJECTS

The Queensland State Government, Australian Federal Government and Brisbane City Council are investing \$25 billion in infrastructure projects, including:

1. A total of \$5.4 billion to fund the Cross River Rail. This is Queensland's biggest infrastructure project and includes a 10.2km rail line which runs from Dutton Park in Brisbane's Southern Suburbs to Bowen Hills in the northern suburbs. The line will include a 5.9km tunnel under the CBD and will see the delivery of four new underground rail stations at Boggo Road, Woollongabba, Albert Street and Roma Street. The project has created around 7,000 construction jobs and is due to be completed by 2025 ahead of extensive safety testing. Services on the new line are due to commence in 2026.
2. A total of \$1.55 billion for the Brisbane Metro high frequency bus rapid transit system involving the construction of two lines totaling 21 kilometres plus 18 stations. The project is jointly funded by the Federal Government (\$218.5 million) and Brisbane City Council (\$644 million). The project is nearing completion and testing is currently underway. Services are expected to commence in early 2025.
3. A total of \$550 million to build five new green bridges across the Brisbane River, including Kangaroo Point Green Bridge; Toowong to West End Green Bridge; St Lucia to West End Green Bridge; Breakfast Creek Green Bridge; and Bellbowrie Green Bridge. The Kangaroo Point Green bridge is due to open in mid-December 2024.
4. The \$2.5 billion Brisbane Live arena, comprising an integrated transport and entertainment precinct at Roma Street, including a 17,000 seat entertainment venue. Construction on the project is planned to start in 2027.



KANGAROO POINT BRIDGE
Source: brisbane.qld.gov.au

RESIDENTIAL

The Greater Brisbane property market is currently in the midst of its second post-COVID boom, with median house and unit prices now passing 21 straight months of consecutive growth and the boom looks set to continue thanks to a lack of supply, strong state economy and the boost provided by the 2032 Olympics.

BRISBANE METRO MEDIAN PRICES

The Brisbane property markets experienced a decade of relative stability and low growth prior to the 2020 COVID pandemic. However, since COVID, there have been two property booms separated by a short-lived downturn in late 2022 that followed the first interest rate increases.

When the pandemic hit, the Brisbane property market saw a short dip in prices which resulted in house values dropping to \$555,284 by August 2020. Since then, house prices have climbed by 75.4 per cent to reach \$974,396 in December 2024, which represents a new peak in market values. Values are up by 11.93 per cent over the past 12 months and by 26.9 per cent since the most recent market trough in March 2023.

Brisbane's apartment market has traditionally not performed as well as the housing market, but unit price growth has outperformed houses in the current boom. The current median apartment value of \$677,810 is up by 22.72 per cent over the past 12 months and by 38.39 per cent since the previous market trough for units in February 2023 and represents a new peak in the market. During the 2010s, apartment prices increased slowly due to over-supply. However, with fewer new developments completed in recent years and with the recent popularity of townhouses (which are grouped with units for data purposes), the unit market has shown much stronger returns in the past 18 months. The growing popularity of townhouses, which provide a more affordable alternative to houses while offering more space than apartments, are driving a trend towards greater medium density housing in Brisbane and will likely help reduce the gap between unit and house prices.

BRISBANE LOCAL GOVERNMENT AREAS

Looking at the local government areas that make up the Brisbane metro area, it is clear that all five LGAs have seen very high growth rates for both houses and units since January 2020.

Brisbane City Council

The Brisbane City Council has seen median house prices rise by 63.89 per cent from \$687,600 in January 2020 to reach a peak of \$1,126,750 in August 2024. In the 12 months to August 2024, houses grew at 14.10 per cent.

Unit prices grew by a more modest 40.96 per cent from \$415,000 in January 2020 to reach \$585,000 in August 2024. With growth of 14.71 per cent in the 12 months to August 2024, it is notable that unit price growth has surpassed growth rates for houses.

Ipswich

The Ipswich City Council has seen median house prices rise by 73.61 per cent from \$360,000 in January 2020 to reach a peak of \$625,000 in August 2024, the highest increase of any of the five Brisbane Local Government Areas. Growth was also strong in the 12 months to August 2024, with house prices growing at 15.74 per cent.

Unit prices grew by 62.76 per cent from \$255,000 in January 2020 to reach \$415,000 in August 2024 and by 20.29 per cent in the 12 months to May 2024.

Logan

The Logan City Council has seen median house prices rise by 61.63 per cent from \$430,000 in January 2020 to reach a peak of \$695,000 in August 2024. In the 12 months to August 2024, house prices grew at 12.10 per cent.

Logan saw the highest growth in unit prices, with prices rising 81.42 per cent from \$226,000 in January 2020 to reach \$410,000 in August 2024. With growth of 22.39 per cent in the 12 months to August 2024, unit price growth significantly surpassed that of houses.

Redland

The Redland City Council had seen median house prices rise by 59.62 per cent from \$532,500 in January 2020 to reach \$850,000 in August 2024. In the 12 months to August 2024, house prices grew at 12.36 per cent.

Unit prices in Redland also grew strongly with a 65.71 per cent increase from \$350,000 in January 2020 to reach \$580,000 in August 2024.

Moreton Bay

The City of Moreton Bay has seen median house prices rise by 65.69 per cent from \$465,000 in January 2020 to reach a peak of \$770,000 in August 2024. In the 12 months to August 2024, houses grew at 10.0 per cent.

Unit prices grew by a more modest 55.56 per cent from \$315,000 in January 2020 to reach \$490,000 in August 2024, with growth of 16.67 per cent in the 12 months to August 2024.

**BETWEEN
SEPTEMBER 1993
AND WHEN THE
SYDNEY OLYMPICS
WERE HELD IN
SEPTEMBER
2000, SYDNEY
DWELLING VALUES
INCREASED BY 60
PER CENT.**

STRONGEST PERFORMING SUBURBS

The strongest performing suburbs in the Brisbane metro area in the 12 months to October 2024 for houses were Yeerongpilly (64.5 per cent); Manly (36.0 per cent); and Macgregor (33.1 per cent).

The strongest performing suburbs for units were Macgregor (45.7 per cent); Gordon Park (40.6 per cent); and Dutton Park (39.2 per cent).

VACANCY RATES

Rental vacancy rates have been very tight across the Brisbane metro area since mid 2020, with a vacancy rate of 1.1 per cent across the Brisbane metro area for September 2024, which is slightly up on the 1.0 per cent recorded in September 2023. The tight vacancy rate has put upwards pressure on rental prices. Weekly median rental rates across the Brisbane metro area increased for both houses and units in the year to November 2024, with a 2.83 per cent increase to \$755 per week for houses and a 5.38 per cent increase to \$578 per week for units.

STOCK

The Brisbane market currently has an undersupply of new stock, which is contributing to the ongoing property boom and creating a seller's market. In September 2024 there were just 8,088 new listings under 30 days and total of 17,033 listings. While the number of new listings is up slightly on the 7,450 new listings recorded in September 2023, it remains below the historical average of around 8,500 new listings per month, indicating a lack of supply and quick turnover of properties that do come to the market.

Currently, the time on market for residential properties is just 20 days, which is the same as 12 months ago.

OLYMPICS

The forthcoming 2032 Brisbane Olympic games are helping to boost Brisbane's property markets and will continue to do so over the next decade, particularly for those suburbs around the Game's venues.

The best guide as to the impact of the Olympics on an Australian residential market is what happened in Sydney prior to the 2000 Games. Between September 1993 and when the Olympics were held in September 2000, Sydney dwelling values increased by 60 per cent, or almost twice the growth of the combined capital city markets during this period. Thanks in part to the significant expenditure in infrastructure to support the Games and to the international exposure afforded to Brisbane, it is likely that the Olympics continue to help fuel Brisbane's property markets in the years leading up to 2032. However, given that Brisbane's property boom is also being fuelled by other factors such as high inter-state migration and a booming state economy, the Olympics are currently only one of several contributing factors to the current boom.



POPULATION GROWTH

Queensland is experiencing significant population growth, a population increase of 406,147 residents in the four years to March 2024 including 134,596 new residents in the last 12 months alone. Most of the new residents settle in South-East Queensland, and particularly in the Brisbane metro area. The strong population growth means that there is significant demand for both rental properties and properties to purchase. This in turn is fueling the very tight vacancy rate.

APPROVALS

Approvals for construction of new dwellings are currently down from the peak of around 41,000 dwellings in the 2021 financial year. For the 12 months to September 2024 there were 35,169 dwellings approved for construction in the Brisbane metro area, which is up slightly by 2.3 per cent compared to 12 months previously. The current lack of dwelling approvals is further exacerbating the demand for property in Brisbane and is not keeping pace with population growth.

FORECASTS

Most of the forecasters are predicting Brisbane property prices to slow with growth at a much lower level in 2025. Westpac's forecast is the most pessimistic, with a 3 per cent forecast growth rate, whereas both NAB and ANZ are predicting 5 per cent growth rates. Meanwhile, Oxford Economics is the most bullish predicting 6.1 per cent house price growth in 2025.

SUMMARY

The recent and predicted future growth of Brisbane's residential market is due to the market benefitting from a combination of strong population growth, a booming state economy, an historical lack of housing supply, the exposure afforded by the 2032 Olympics, and Brisbane's appeal as a highly liveable city. Strong infrastructure spending further enhances the attractiveness of the Brisbane property markets. While Brisbane has lost a lot of the relative affordability in comparison to Sydney and particularly Melbourne that previously made the city an attractive option for homebuyers and investors, the city retains significant advantages that ensure that it is likely that strong property growth will continue over the next decade.

Metric	Latest	Previous	Change
Metro Brisbane - Median House Prices	\$974,396 (Dec 2024)	\$870,526 (Dec 2023)	11.93%
Metro Brisbane - Apartment Prices	\$677,810 (Dec 2024)	\$552,332 (Dec 2023)	22.72%
Metro Brisbane - Median Weekly Rental – Houses	\$725 (Nov 2024)	\$705 (Nov 2023)	2.83%
Metro Brisbane - Median Weekly Rental – Units	\$578 (Nov 2024)	\$549 (Nov 2023)	5.38%
Metro Brisbane - Vacancy Rate	1.1% (Sep 2024)	1.0% (Sep 2023)	0.1%
New Dwelling Approvals	35,169 (Sep 2024)	24,367 (Sep 2023)	2.3%

SOURCES

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