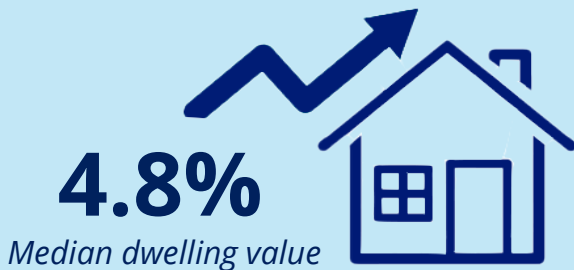


Brisbane Market Outlook: A Perfect Storm Brewing

The Brisbane property market in 2024 is witnessing what many describe as a “perfect storm,” driven by various factors that create both opportunities and challenges for buyers, investors, and stakeholders. This dynamic period is marked by high demand, ongoing infrastructure developments, and rising costs, contributing to the city’s growing prominence in Australia’s real estate landscape.

Nationally, around 163,000 homes were approved over the 2023-2024 financial year - the slowest rate in a decade, and well short of the 240,000 homes needed annually to meet the federal government’s target of 1.2 million new dwellings over the next five years.



The Brisbane property market remains strong despite national economic challenges. According to CoreLogic’s August 2024 report, Brisbane’s median dwelling value increased by 4.8% year-on-year. This growth is fueled by strong demand, particularly from interstate migration, as Brisbane continues to offer relative affordability compared to Sydney and Melbourne, along with lifestyle advantages.

A key factor influencing prices is the constrained supply of new properties, especially apartments and townhomes. SQM Research reports that new listings are 10% lower than the five-year average, contributing to limited housing availability. Additionally, Urbis notes that the supply of new apartments and townhomes is lagging behind demand, with new completions down 15% from 2023 levels. Developers are facing higher construction costs, which has slowed the volume of new project launches.

The limited supply is intensifying competition among buyers, a trend that is expected to accelerate with forecasted rate cuts on the horizon. Meanwhile, the rental market faces mounting pressure, with vacancy rates at a low 1.2% (REIQ). Coupled with population growth, this has driven rents up by 7% over the past year.

Government incentives have recently promoted Build-to-Rent (BTR) projects as part of the solution to the housing crisis. While these projects aim to provide high-quality rental options, they do little to help those aspiring to home ownership. In fact, BTR properties, often equipped with premium amenities, are typically more expensive to rent than traditional housing, making them inaccessible to many. Moreover, BTR developments do not increase the supply of homes for sale, further tightening the market for buyers.

Brisbane’s property market is also being buoyed by major infrastructure projects that are set to enhance the city’s livability and connectivity.

The highly anticipated Brisbane Metro project, slated for completion in 2025, will significantly improve public transport efficiency by offering high-frequency services across 18 stations.

Additionally, the Cross River Rail - expected to be operational by 2026 - will connect key inner-city precincts and reduce commuting times for thousands of residents.



Project Overview of Brisbane’s new Cross River Rail.

Further enhancing inner city connectivity are the new pedestrian bridges:

 Neville Bonner Bridge connecting Queens Wharf to South Bank – completed in 2024

 Breakfast Creek Green Bridge connecting Albion to Bowen Hills & Newstead – completed in 2024

 Kangaroo Point Green Bridge connecting Kangaroo Point to the CBD – anticipated completion late 2024.



Breakfast Creek Green Bridge, completed in 2024.

These bridges are designed to not only improve accessibility but also reduce traffic congestion and promote healthier, greener commuting options across Brisbane's riverine areas.



Queen's Wharf opened to the public in August 2024

The \$3.6 billion Queens Wharf development will transform Brisbane's CBD with new entertainment, dining, and residential options.

These infrastructure upgrades are not only enhancing the city's appeal but are also expected to drive demand in surrounding suburbs, boosting property values and rental yields in key growth corridors.

As these projects come online, they will further cement Brisbane's status as a growing metropolitan hub, making it an attractive destination for both investors and future residents.

Looking ahead

I see Brisbane's property market remaining highly competitive, despite ongoing supply constraints. Over the coming years, we don't expect significant changes in new property supply, which will keep upward pressure on both prices and rents.

Speculation interest rates will soon fall, after being on hold since November 2023, will further fuel buyer activity in the market.

According to leading property planning consultant Urbis, it currently takes two-and-a-half years longer to deliver apartment projects than it did five years ago, squeezing supply even more tightly in the nation's biggest markets.

Most new developments are sold out well before completion, and with the limited number of new developments, securing a home that meets your needs now may be your best chance to enter the market before affordability pressures worsen.

For those considering a purchase, the time to act is now. With property prices expected to continue their upward trajectory due to ongoing demand and limited supply, savvy buyers should seize the opportunity before interest rates drop and fuel the next boom. Acting quickly could position you advantageously in a competitive landscape.

Brisbane's enduring appeal, driven by its lifestyle advantages and relative affordability compared to other capitals, makes it a prime market for both investors and homebuyers.

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