



# The Outlook for Residential Land in Brisbane 2011 – 2016

“What is the timing of a recovery in the Brisbane residential land market?”



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

RESIDENTIAL PROPERTY



## Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1. INTRODUCTION.....</b>	<b>1</b>
1.1 Regions covered by this report.....	3
<b>2. BRISBANE MARKET OVERVIEW .....</b>	<b>5</b>
2.1 Economic conditions, inflation and interest rates.....	7
2.1.1 National.....	7
2.1.2 The Queensland economy.....	8
2.2 Development areas .....	10
2.3 Home loan activity.....	11
2.4 Demand .....	16
2.4.1 Population growth.....	16
2.4.2 Migration .....	17
2.4.3 Underlying demand .....	19
2.5 Headship rates.....	21
2.6 Supply.....	22
2.6.1 Changing trends in dwelling composition .....	26
2.7 Stock deficiency .....	26
2.8 Median house price forecasts.....	29
<b>3. GROWTH AREAS PROFILE .....</b>	<b>33</b>
3.1 Dwelling type.....	35
3.2 Tenure .....	36
3.3 Household type .....	37
3.4 Income.....	38
3.5 Occupation.....	39
<b>4. REGIONAL ANALYSIS .....</b>	<b>41</b>
4.1 Population analysis .....	43
4.2 Distribution of Brisbane residential activity.....	46
4.3 Brisbane residential activity .....	47
4.3.1 House approvals .....	47
4.4 Dwelling approvals by dwelling type in the outer ring .....	51
4.5 Demolitions .....	52

---

<b>5.</b>	<b>LAND PRODUCTION AND PRICE ANALYSIS .....</b>	<b>55</b>
5.1	Land production by sector .....	57
5.1.1	Historical lot production .....	57
5.1.2	Land potential.....	59
5.2	Land value trends.....	60
5.2.1	Prices.....	60
5.2.2	Land price affordability .....	63
5.3	Developer contributions and subdivision costs.....	65
5.4	Land production in Brisbane .....	67
5.4.1	History.....	67
5.4.2	Forecasts .....	68
5.5	Regional land prices.....	70
5.5.1	Land price and sales volume trends.....	70
5.5.2	Indicative land values in outer Brisbane corridors.....	75
5.6	Forecast land price growth .....	79

## List of Tables

Table I:	Dwelling Commencements, Brisbane SD.....	vi
Table II:	Metropolitan Brisbane & Outer Brisbane SD house approvals and lot production, 1993 to 2016 .....	xi
Table III:	Median house and land price, 1987 to 2016 .....	xiii
Table 2.1:	Bank bills, housing rates, and CPI, %, Australia.....	8
Table 2.2:	Number of home loans approved to first home buyers .....	12
Table 2.3:	Number of home loans approved for owner occupation, per cent change on same period previous year.....	14
Table 2.4:	Change in value of home loans approved to investors .....	15
Table 2.5:	Population growth, Brisbane SD and Queensland ('000s) .....	17
Table 2.6:	Population change Brisbane and Remainder Queensland ('000s).....	19
Table 2.7:	Annual underlying demand for dwellings, Brisbane SD .....	20
Table 2.8:	Headship ratio by age, Brisbane, 1986 to 2016.....	22
Table 2.9:	Dwelling commencements, Brisbane SD, 1993 to 2016 .....	24
Table 2.10:	Residential stock deficiency, completions and underlying demand for Brisbane SD dwellings, 1993 to 2016 .....	29
Table 2.11:	Brisbane median house price, quarterly medians.....	32
Table 3.1:	Dwelling type in new growth areas (%), Brisbane SD.....	36
Table 3.2:	Tenure of houses in new growth areas (%), Brisbane SD .....	36
Table 3.3:	Share of population by age (%), new growth areas, Brisbane SD.....	37
Table 3.4:	Household type (%), new growth areas, Brisbane SD .....	37
Table 3.5:	Household income (%), new growth areas, Brisbane SD .....	38
Table 3.6:	Occupation (% of employed persons), new growth areas, Sunshine Coast .....	39
Table 4.1:	Population Projections, Brisbane Regions ('000s).....	43
Table 4.2:	Share of Brisbane SD's population growth by inner, middle and outer ring Brisbane City and Outer Brisbane SD .....	46
Table 4.3:	Share of total dwelling approvals by inner, middle and outer Brisbane .....	47
Table 4.4:	New separate house approvals Brisbane Metropolitan area.....	48
Table 4.5:	New separate house approvals, Outer Brisbane City, 1992 to 2011 .....	50
Table 4.6:	Share of Outer Brisbane SD approvals by dwelling type .....	52
Table 4.7:	Annual average house demolitions by statistical sub-division, 2001 to 2006.....	53
Table 5.1:	Lot production estimate and share by region, Brisbane SD .....	58
Table 5.2:	Broadhectare land activity and potential, share by region, Metropolitan Brisbane.....	60
Table 5.3:	Median house and land price, Brisbane SD .....	61
Table 5.4:	Indicative per dwelling development costs .....	67
Table 5.5:	Brisbane house approvals and lot registrations, 1992 to 2016.....	69
Table 5.6:	Median land price by region, \$'000s, Brisbane SD, 1995 to 2011.....	71
Table 5.7:	Sales volume by region, Brisbane SD, 1996 to 2011.....	73
Table 5.8:	Median lot size of land sales by region, square metres, 1995 to 2010.....	74
Table 5.9:	Median house and land price, 1987 to 2016 .....	81

## List of Charts

Chart I:	Lots produced, Metropolitan Brisbane and Outer Brisbane SD, 1993 to 2016 .....	iv
Chart II:	Annual underlying demand, new dwelling supply and stock deficiency, Brisbane, 1993 to 2016 .....	vi
Chart III:	Housing affordability*, Brisbane, 1991 to 2016.....	viii
Chart IV:	Median land price as a proportion of median house price, Metropolitan Brisbane and Outer Brisbane, 1995 to 2011 .....	ix
Chart 1.1:	Components of Brisbane Statistical District (Greater Brisbane).....	4
Chart 2.1:	Annual underlying demand and total dwelling completions, 1993 to 2016 .....	28
Chart 2.2:	Affordability*, Brisbane, 1991 to 2016.....	31
Chart 4.1:	Share of Brisbane SD's population by Ring, 2006–2010 .....	45
Chart 4.2:	Share of total dwelling approvals by ring, 2006–2011 .....	46
Chart 4.3:	Share of new separate house approvals, Brisbane Inner, Middle and Outer Brisbane, 1992 to 2011.....	51
Chart 5.1:	Median land price as proportion of median house price, Brisbane SD and Outer Brisbane SD, 1995 to 2011 .....	64
Chart 5.2:	Median land price and construction cost in comparison with median house price and new house commencements, Metropolitan Brisbane, 1995 to 2011 .....	65

## 1. INTRODUCTION

In Brisbane, over the past few years, continued development on greenfield sites has meant the development potential of Australia's largest urban local government area, Brisbane City, is running low. Increasingly in Metropolitan Brisbane, that is the Brisbane Statistical Division (SD), greenfield development will rely on lot production and broadhectare land in the outer Local Government Areas (LGAs).

This report *The Outlook for Residential Land in Brisbane 2011 to 2016* is BIS Shrapnel's fifth report into the outlook of the demand for, and the supply of, broadhectare land in Brisbane.

In undertaking the analysis, the study takes a "top down" approach to determining the demand for land—starting with forecasts of the demand for and the supply of residential dwellings, which can then be translated into the demand for residential land.

The report provides:

- Forecasts for population growth and underlying demand;
- Forecasts for new dwelling commencements, split between detached houses, medium density (semi detached, terraces and townhouses), and high density (flats, units, and apartments) dwellings;
- A profile of residents living in the regions where new houses are being constructed, and a comparison with the general population to highlight the differences;
- Analysis and forecasts of broadhectare land production at the capital city level;
- Identification of the residential growth corridors and analysis of the trends in their broadhectare lot production;
- An analysis of selected growth corridors, identifying the typical development patterns in each—i.e. average lot sizes, average lot prices, etc.; and
- Forecasts for residential house and vacant broadhectare land price growth.

The forecasts for new dwelling activity, land production and price growth are provided annually to 2016.

### 1.1 Regions covered by this report

This report examines in depth residential land development in mainly the outer regions of Brisbane SD. It should be noted that, with the amalgamation of local councils in 2008, the boundaries of Brisbane SD have changed slightly, while within Brisbane SD, many of the Local Government Area boundaries have changed more significantly. Through this report, we have adjusted historical and forecast data to best match the new Brisbane SD boundary, and the regional boundaries within Brisbane SD.

The regions covered within this report are:

#### **Inner Brisbane City**

- Within Brisbane City—the CBD and adjoining suburbs such as the high growth areas of Kangaroo Point, Newstead, South Brisbane, West End and Woolloongabba.

#### **Middle Brisbane City**

- Also contained within Brisbane City—Suburbs north of Brisbane River such as Ascot, Enoggera, Indooroopilly, Newmarket and Toowong, together with suburbs south of the river such as Annerley, Coorparoo, Greenslopes, Morningside and Yeronga.

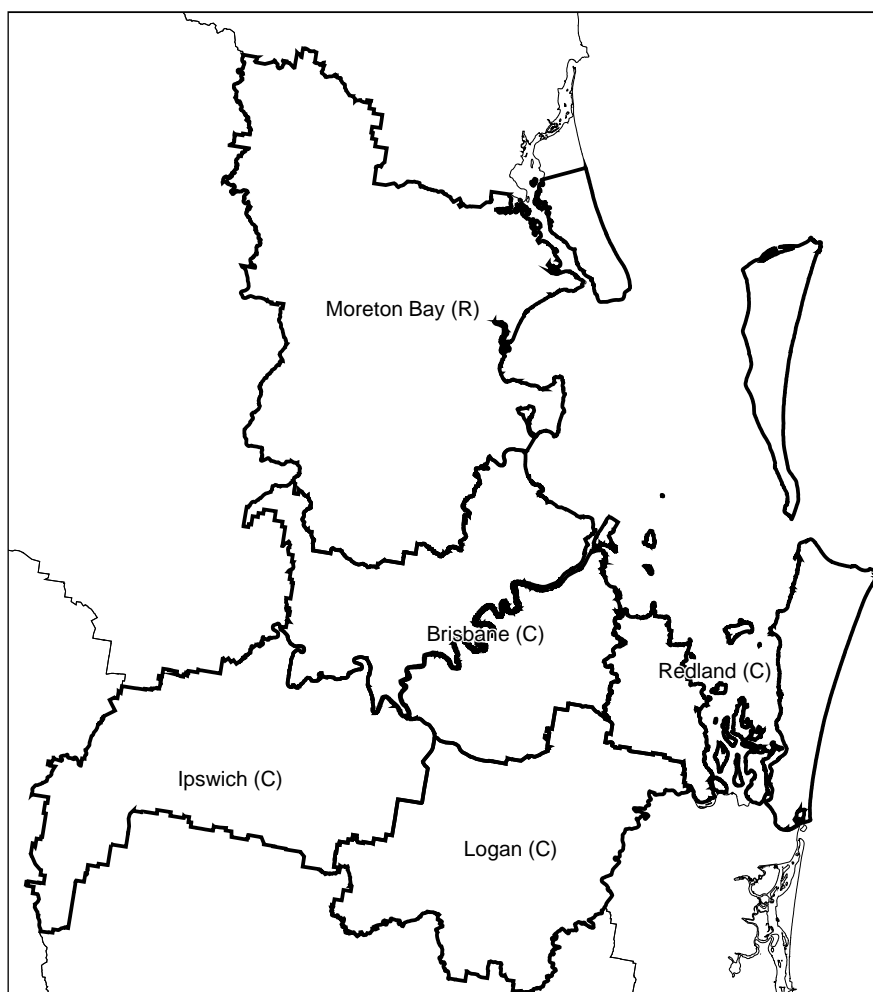
### Outer Brisbane City

- Brisbane City outer north with suburbs such as Aspley, Carseldine and Taigum–Fitzgibbon,
- Brisbane City outer west containing suburbs such as Doolandella–Forest Lake, Moggill and Seventeen Mile Rocks,
- Brisbane City outer south with suburbs such as Calamvale, Parkinson–Drewvale and Wakerley.

### Outer Brisbane SD

- North—Moreton Bay Regional Council, made up of the former Local Government Areas of Caboolture, Pine Rivers and Redcliffe,
- East—Redland City Council,
- West—Ipswich City Council,
- South—Logan City Council, which with the Council amalgamations of 2008, has absorbed suburbs north of the Albert River that were once in Gold Coast City Council, and the northern fringes of Beaudesert Shire.

**Chart 1.1: Components of Brisbane Statistical District (Greater Brisbane)**





# Residential Land Market Outlook for Demand and Supply 2011 – 2016 Subscription Form



RESIDENTIAL PROPERTY

**I would like to order:**

- Single region: \$6,050
- Three regions: \$14,850
- All seven regions: \$25,300

**I would like to order:**

**Selected Regions**

- Sydney
- Melbourne
- Brisbane
- Gold Coast
- Sunshine Coast
- Adelaide
- Perth

*All prices quoted are inclusive of GST.*

Mr/Mrs/Ms: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Street address: (for courier) \_\_\_\_\_

Postal address: \_\_\_\_\_ Postcode: \_\_\_\_\_

Phone: (0 ) \_\_\_\_\_ Fax: (0 ) \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

A cheque for \$ \_\_\_\_\_ is enclosed.       Bill me on delivery       Charge my Visa/Mastercard

Card No. \_\_\_\_\_ Amount \$ \_\_\_\_\_

Expiry date: \_\_\_\_\_ Cardholder's Name: \_\_\_\_\_

I confirm that this report is for the internal use of my organisation and its branches &/or subsidiaries, and will not be copied, reproduced or made available to any person outside of my organisation, or used for promotional purposes. Online Subscribers: I understand that my login details may only be shared with 4 other staff members, but that the ADMIN Password is to remain confidential.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please fax to: **BIS Shrapnel Pty Ltd**  
**F: (02) 9959 5795**  
**T: (02) 8458 4200**  
**www.bis.com.au**

or post to: **BIS Shrapnel Pty Ltd**  
**Level 8, 99 Walker Street**  
**North Sydney NSW 2060**  
**AUSTRALIA**

**ABN: 20 060 358 689**

**For further enquiries please contact:**

Angie Zigomanis on **(03) 8679 7300** or email **(azigomanis@bis.com.au)**.