

# Brisbane's Residential Market – A Year in Review.

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An extraordinary year marred by unparalleled abnormalities, but remarkable outcomes for the Brisbane residential property market, 2020 can only be described as rare. Rare in the sense that in the wake of Australia's first recession in almost 30 years, the Brisbane housing market not only displayed resilience, but performed to a level where it now bodes as one of the nation's strongest residential markets.

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National economic uncertainty peaked in early March, following the establishment of heightened Covid-19 restrictions. It was predicted that property markets would suffer nationwide, and the impacts would cripple the sector for years to come. A year on, we now find that the dire predictions of experts have not rung true for Brisbane, as demand for property in the region continues its record surge.

Originally, it was believed that demand within the Brisbane market would be dramatically disrupted, as consumer sentiment took a substantial blow, owing to the snap increase in unemployment and economic skepticism. However, time has revealed that the culmination of record-low interest rates, substantial economic stimulus and Queensland's ability to contain the virus in comparison the other states, saw Brisbane's market quickly readjust. The recovery was further reinforced by a record spike in interstate migration, which has seen dwelling prices boom and vacancy rates reach an historical low, as stock continues to rapidly decrease across the region.

Brisbane unit values displaying resilience and holding their value amidst the pandemic was a major theme across previous Apartment issues. This prediction has more than substantiated, as unit values grew by 1.4 per cent over the year. An exceptional result considering the frequent border closures, and when compared to Sydney and Melbourne markets where unit values declined by 0.9 and 0.2 per cent respectively, from pre-pandemic levels.

Alongside the perceived lifestyle benefits, Brisbane's desirability was further enhanced by its residential market performance. Major infrastructure spending and the house price boom (which characteristically piggy backs unit prices), increased market activity, particularly in the back half of 2020. The momentum generated record interstate migration further increased demand for owner-occupier stock, as migrants from southern states sought out residences to live in. Unsurprisingly, this has lured investors out from their hiatus, as the prospects of profitability within Brisbane's property market and the easiest investment lending conditions in recent history became too compelling to ignore.

For 2021, we expect many of the themes we saw in the final quarter to continue and Brisbane residential property to maintain its steady growth. Increasing demand and diminishing stock within the house and the owner occupier unit market is expected to continue. However, replenishment of unit stock is on the horizon, as many developers withheld project launches amidst unpredictable economic conditions of 2020. Finally, an effective national vaccine rollout should play its part in keeping state borders open, supporting interstate migration, and further driving demand.