



BRISBANE'S RENTAL MARKET

By Propertyology Head of Research & REIA Hall of Fame Inductee, Simon Pressley

Brisbane's rental market is about to (quickly) change. The current low volume of rental supply is incredibly unhealthy to the extent that we anticipate asking rents for standard Brisbane houses may increase by as much as \$5,000 per annum by the end of the 2022 calendar year.

For much of the last 20-years, Brisbane's rental supply held an equilibrium with rental demand. Consequently, the price of rents in Australia's third biggest city largely flatlined.

But, at the end of June 2021, there were only 4,520 residential dwellings advertised for rent across Greater-Brisbane. That is a massive reduction from 9,222 dwellings 5-years earlier, when 230,000 fewer people lived in Brisbane.

For as far back as official records go, the ratio of total population living in rentals has always hovered around 35%. Unfortunately, the rate of extra rental supply coming onto the market reduced from 2015 to 2020. So, the supply-demand equilibrium was snapped well before COVID-19, and Brisbane rents started to increase in 2019.

98% of rental accommodation in this country is funded by everyday Aussie property investors. It has been (and always will be) that way, primarily because state and federal governments do not have sufficient revenue to fund rental housing.

Since 2015, the landscape for property investors included concern about unpredictable tax policy changes, new state government rental legislation diluting asset owner's fundamental rights, very restrictive credit policies and an underwhelming market outlook. Bearing in mind that investing is a discretionary action which involves a preparedness to assume risk, these conditions produced a significant reduction in property investor participation rates.

Brisbane's total population increase of approximately 30,000 people in the 2020 calendar year is well down on the 50,000 that it normally produces. Nonetheless, total rental demand still increases each and every year and the volume of extra rental supply required has consistently fallen short for several years. As a result, Brisbane's rental vacancy rates have consistently tightened in recent years.

The alarmingly low participation rates by everyday Aussie property investors has led to Australia now being in the midst of the single biggest real estate crisis in our nation's history.

To put things into perspective, the asking annual rent for a standard house was between \$1,500 and \$7,000 higher in June 2021 than in December 2019 in 34 individual Australian cities and towns. Mark my words, Brisbane will soon join this list!

There (quite literally) is only one solution for releasing the intense upward pressure on rents and that is to put the baseball bats away and to stop over-engineering the housing system with new layers of regulation. Eventually, investor participation rates will increase.



Propertyology

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Propertyology are national buyer's agents and Australia's premier property market analyst. Propertyology analyse fundamentals in every market, to help everyday Aussies to invest in strategically-chosen locations all over Australia.
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JULY LEASING REPORT

Office Vacancy Rate: 0.18%

Vacancy rates continue to decrease across the greater Brisbane area. Our agency is seeing continued high demand for stand-alone houses under \$450 per week.

2022 SMOKE ALARM LAWS

Only 100 working days until the deadline!

Rental properties must be compliant to new smoke alarm laws by 1st Jan 2022 in order to renew a lease or place new tenants

ACT NOW TO APPROVE YOUR SMOKE ALARM UPGRADE.

CALENDAR DATES

DISBURSEMENTS

Wed 4th Aug
Wed 11th Aug
Wed 18th Aug
Wed 25th Aug
Wed 1st Sept

STATEMENT

Wed 1st Sept

OFFICE HOLIDAYS

EKKA SHOW DAY
Mon 9th August

Supporting Safe Tenancies

Strengthening the Real Estate Response to Domestic and Family Violence



In conjunction with Mercy Community Services, SafeHome Alliance helped co-ordinate a training event for the real estate industry on 28th July. Designed for agencies in the Moreton Bay region, this practical workshop featured speakers from various local services who provide financial and emotional support to survivors of DFV.

The aim of the event was to bring awareness to real estate agents and property managers so that we can assist DFV survivors to move into safe rental homes. As founder of SafeHome Alliance, Laura was MC for the event and spoke about how just a little effort on our part can make a huge difference in the lives of DFV survivors.

We hope to bring this workshop to other local areas and spread the word on how everyone can play a part in the fight against DFV.

SafeHome
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