

## Brisbane Residential – Gold Medal Growth

September 2025

### IN A NUTSHELL

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- The Brisbane residential market has undergone a structural change, with renting now 20-25% cheaper than servicing a mortgage
- The rental vacancy rate is likely to remain tight over short to medium term as elevated demand meets labour constraints
- Investors have the opportunity to be a first mover in the Brisbane BTR market, currently accounting for 9% of BTR stock nationally
- Transport and infrastructure investment ahead of the Olympic games look to further add to the appeal of strong rental markets including Dutton Park, Woolloongabba, Bowen Hills, Clayfield, Windsor, Kedron & Chermide.

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### Brisbane Overview

Brisbane is Australia's third largest capital city, home to 2.7 million people<sup>1</sup>, located within the south-east region of Queensland. Brisbane is renowned for its subtropical climate and riverside living, promoting an outdoor lifestyle. The south-east region is regarded as the 'economic powerhouse' of Queensland accounting for more than 72%<sup>2</sup> of the state's gross state product centered around the Brisbane CBD.

Queensland has benefited from the significant growth in population with an additional +355,000 people over the three years to June 2024, with around 60% of this growth concentrated in Metropolitan Brisbane. Population inflows have been largely driven by overseas migration and net interstate migration ([Exhibit 1](#)), particularly from Sydney and Melbourne due to factors such as relative housing affordability, the rise of remote working and employment opportunities.

<sup>1</sup> Estimated Residential population by LGA reflects Metropolitan Brisbane (Brisbane City, Redland City, Logan City, Ipswich City, Moreton Bay City)

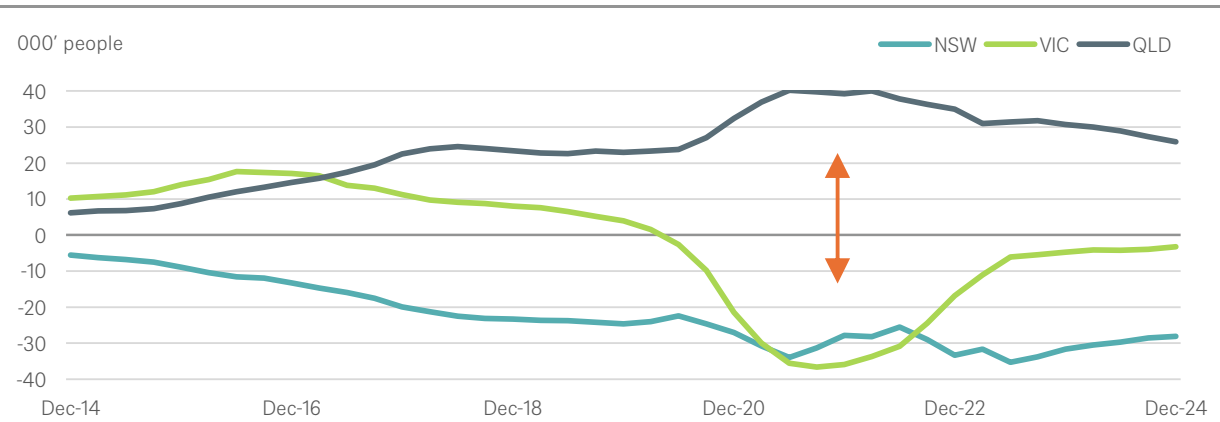
<sup>2</sup> Shaping SEQ 2023

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Exhibit 1: Net Interstate Migration by State

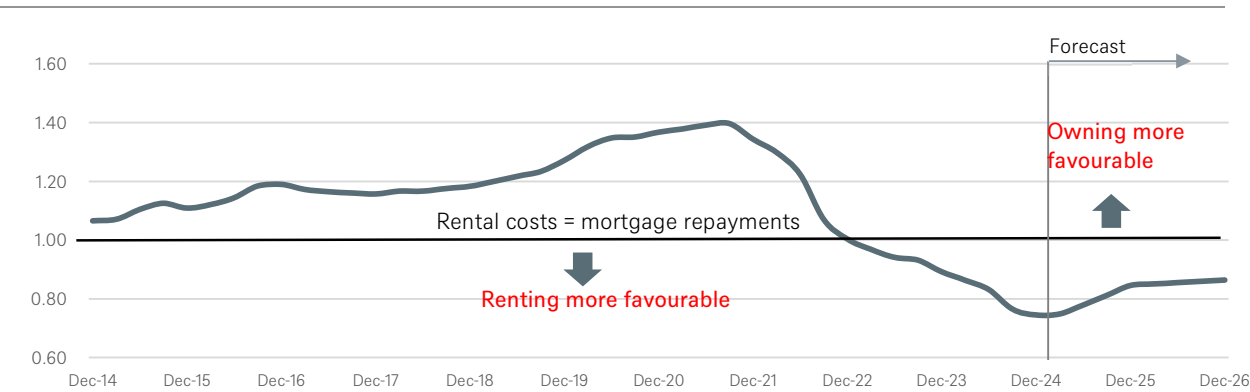


Source: ABS, Dec 2024. [NSW – New South Wales, VIC – Victoria, QLD – Queensland]

### Brisbane’s emerging rental market

The impact of population growth has led to a structural change within the Brisbane residential market. Historically, the cost of servicing an apartment mortgage has been relatively cheaper compared to renting, leading to a preference to own. Over the five years to June 2025, apartment values have surged around 95%<sup>3</sup>, following a shift of wealth from Sydney and Melbourne. Today the cost of renting an apartment is around 20-25% cheaper compared to the cost of servicing a mortgage (assuming a 20% deposit) (Exhibit 2). While we anticipate some of this to be offset by a fall in interest rates and continued growth in rents, we expect a gap to remain in favour of renting over the short to medium term.

Exhibit 2: Brisbane’s rent-to-own cost ratio – Apartments



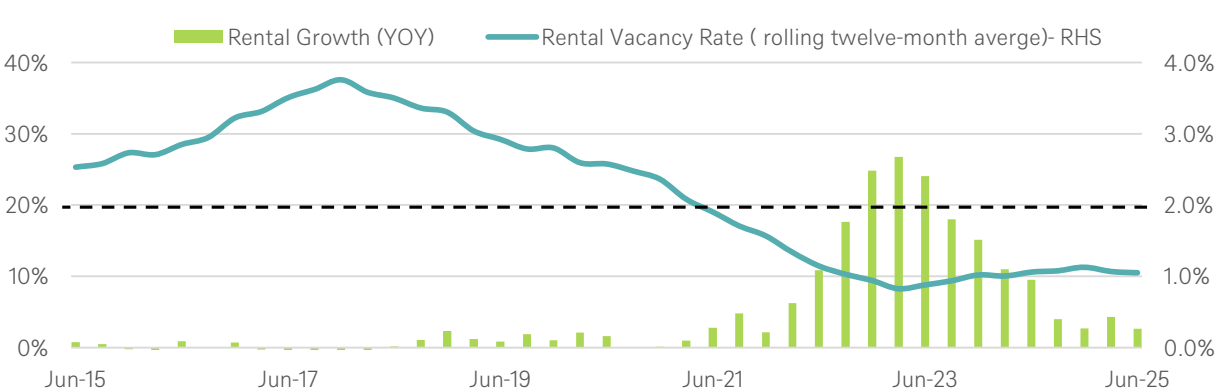
Source: SQM Research, DWS Research (June 2025)

<sup>3</sup> PropTrack Home Price Index by GCCSA Units to June 2025

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The Brisbane rental market fundamentals are underpinned by elevated demand and lack of supply. Metropolitan Brisbane’s population is running close to 2 years ahead of its mid-tier population growth projections (June 2024)<sup>4</sup>, with residential dwelling approvals struggling to keep pace with the ‘excess’ demand in the market. The imbalance has led to an erosion in Brisbane’s rental vacancy rate to 0.9% (June 2025)<sup>5</sup> with apartment asking rents surging more than 60% over the past five years (Exhibit 3). Sustained demand for apartments has seen apartment rental growth outpace houses over the year to date<sup>6</sup>

Exhibit 3: Rental vacancy rate vs Apartment rental growth



Source: SQM Research (June 2025)

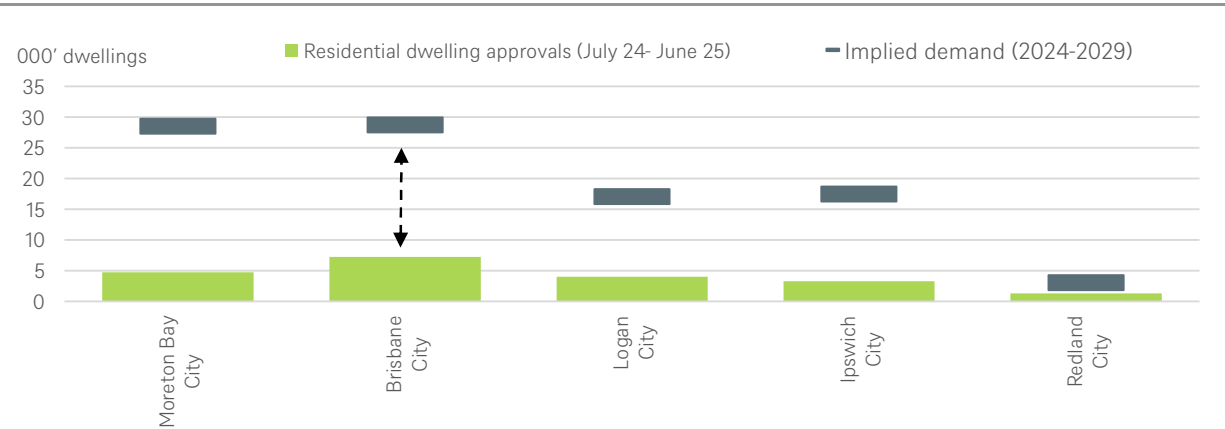
The supply equation

Metropolitan Brisbane requires an additional 100,000 dwellings by mid-2029 to account for the ‘excess’ demand in the market and future growth in population (Exhibit 4). Over the 12 months to June 2025, Metropolitan Brisbane saw 20,000 dwellings approved for construction, though largely skewed towards low density housing. Higher construction costs and labour constraints primarily due to competition with government infrastructure projects, has led to an increase in the time taken from approval to completion, with the construction of new apartments taking more than 2 years<sup>7</sup>. This time lag is expected to see vacancy remain lower over the short to medium term, particularly in the Brisbane City local government area (LGA) where stock is more reliant on apartment supply given land constraints.

<sup>4</sup> Estimated Resident Population June 2024 & ABS  
<sup>5</sup> SQM Research (June 2025)  
<sup>6</sup> Cotality Home Value Index (Aug 2025)  
<sup>7</sup> Master Builders Australia 2023-2024

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Exhibit 4: Metropolitan Brisbane- residential supply requirements by LGA

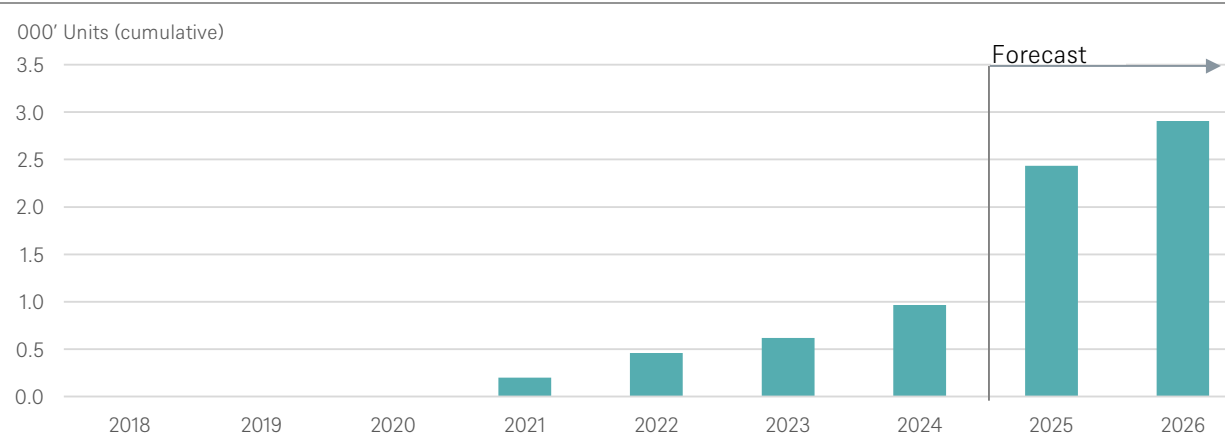


Source: ABS (June 2025), DWS Research

Built-to-Rent Opportunity

The Brisbane Build-To-Rent (BTR) market is relatively nascent, which provides an opportunity for investors to be first movers. Brisbane accounts for around 9% of all operational BTR stock nationally<sup>8</sup>, held by a handful of owners/developers including the likes Pellicano and more recently Hines. Supply is largely reflective of higher amenitised ‘premium’ product concentrated within the ‘Inner ring’ suburbs of the Brisbane City LGA. Looking forward, around 20% of the projected supply pipeline is due for completion over the next two years with the balance largely reliant on funding and/or planning approval. While there is uncertainty on timing beyond 2026, around a third of the potential supply pipeline is earmarked for the suburb of Fortitude Valley.

Exhibit 5: Brisbane BTR market size by total stock



Source: Franklin Street H1 2025, EY, DWS

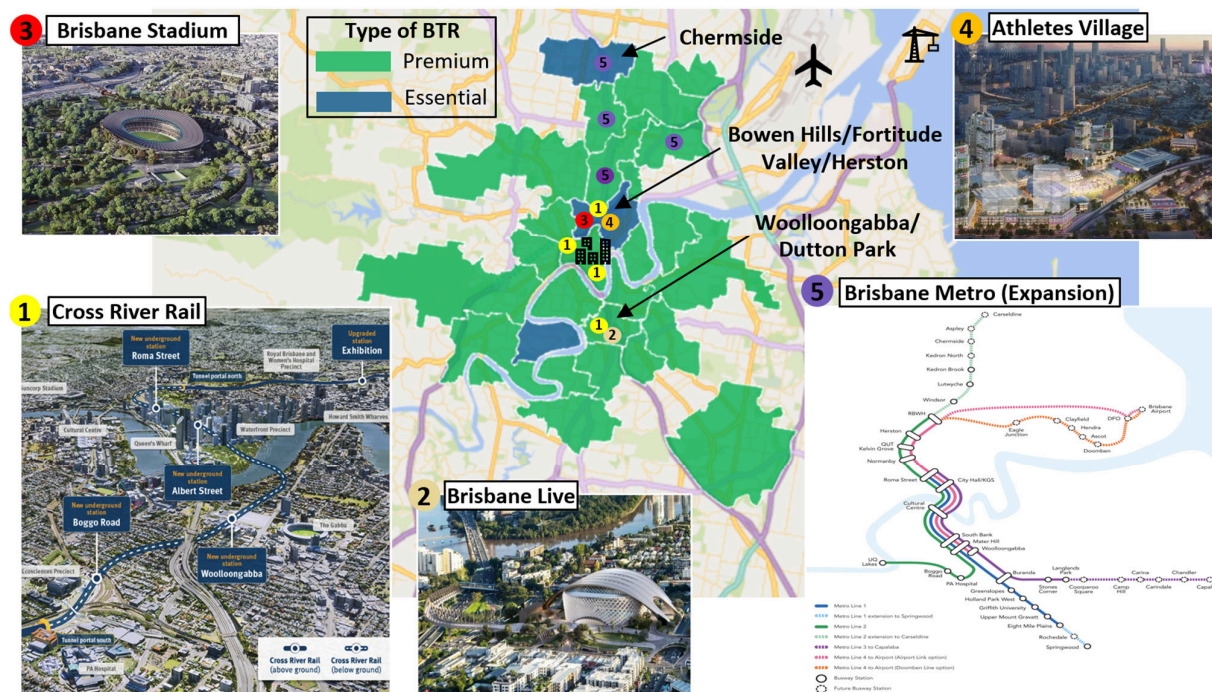
<sup>8</sup>Franklin Street (Feb 2025)

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## Build-To-Rent preferred locations

The 'Inner ring' suburbs of the Brisbane City LGA continue to be favoured for BTR compared to the broader Metropolitan Brisbane. A demographic analysis undertaken by DWS Research has identified the top 27 BTR locations across Metropolitan Brisbane out of more than 100+ individual post codes. These locations have a median age below 40 years, as well as a higher proportion of renters living within apartment product, which demonstrates existing demand. Relatively higher incomes (Green) support the underwrites for higher amenitised 'Premium' BTR product, while there remain select opportunities for a lower amenitised 'Essential' product, which better reflect localised income levels (Blue).

### Exhibit 6: Preferred BTR locations & key transport/infrastructure investment



Source: DWS Research, Areasearch, QLD Government

Metropolitan Brisbane is anticipated to benefit from significant transport and infrastructure investment ahead of the 2032 Olympic games, which should further add to the appeal of certain locations.

The Cross River Rail is a new 10.2km rail line that will run under the Brisbane River via the CBD, connecting Dutton Park (South) to Bowen Hills (North). The rail project is expected to improve commute time and connectivity to the CBD, with the development of four new underground stations, located within **Dutton Park**, **Woolloongabba**, **Brisbane CBD** and an upgrade in **Bowen Hills**. In addition, the new station developments have stimulated precinct development and urban renewal projects such as 'Brisbane-Live', a proposed multi-purpose entertainment and sporting arena and 'Brisbane stadium' an outdoor sporting venue, both of which will add to the local amenity. Rental markets in these locations typically show a greater proportion of single and group households with a diverse tenant pool including young professionals, healthcare workers and university students.

The second major infrastructure project is the 'Brisbane Metro expansion' building on the recently completed stage one. The high-capacity bus rapid transit (BRT) expansion will improve connectivity to the metropolitan bus and train network for locations such as **Clayfield**, **Windsor**, **Kedron** and **Chermside** through a "turn-up-and-go" service every five minutes. These locations are typically established suburban markets with rental households displaying a higher proportion of families with children, which would dictate product requirements. With the Olympic games around the corner and Brisbane to be showcased on a global scale, there is a lot to be excited about in this market.

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