



National apartment statistics: Two-bedroom apartments most attractive to Aussie buyers

Property consultants Urbis surveyed 37% of brand new and off the plan apartments across Sydney, Melbourne, Brisbane, Perth and the Gold Coast in the September 2017 quarter, recording a total of 1,241 sales. This is a 35% decrease in sales from the previous July quarter which recorded a spike in sales, though similar to the March 2017 quarter (38% of market surveyed), which recorded a total of 1,360 sales. Of the surveyed apartments nationally, 75% are now sold. Urbis monitored over 100,000 actively selling apartments across 704 developments nationally, of which 69% are currently under construction or built. Despite the sales slowdown, the number of available apartments remaining to sell is at the lowest level in years. National Director of Property Economics and Research, Clinton Ostwald, said, "At the end of the quarter, only 9,827 surveyed apartments remained available for sale, compared to 12,548 apartments at the same time last year. Fewer new apartments are launching to the market, leading to fewer sales, however the existing product is still selling though at a slightly slower rate." PRODUCT Two-bedroom, two-bathroom apartments were the most popular selling product, accounting for 47% of total sales, compared to 39% in the previous quarter. One-bedroom, one-car park apartments were the next most popular product type making up 23% of total sales. Three-bedroom plus product recorded 13% of total sales, the same rate as the previous quarter. Looking at projects currently under construction, an average of 55% of future supply across the country is made up of two-bedroom apartments, while one-bedroom apartments make up 32%, with the remainder being three-bedroom plus units and studios. PRICE Across Australia, the weighted average sale price decreased by \$36,672. This decrease was only felt across Brisbane and Perth, which impacted the overall price as surveyed sales in these cities made up 46% of the sample. Mr Ostwald said, "The number of apartments on the market which had recently been completed had an impact on price, as developers, particularly in Brisbane and Perth, were keen to move existing product. "Across the country quality apartments in highly sought-after locations are selling first, quickly achieving their presale targets." In Perth, 44 per cent of actively selling apartments are now built. Similarly, in Brisbane 35 per cent of projects have completed. In Sydney and Melbourne, respectively, only 14% and 10% of actively selling apartments are built. Nationally, the weighted average sale price for a built apartment was \$657,000, for an apartment under construction \$788,000, and for an apartment in presales \$914,000. FUTURE SUPPLY Sixty-nine developments yielding over 11,000 units settled in the quarter, the majority of these being in Brisbane (31%), Melbourne (33%) and Sydney (31%). Additionally, nineteen projects yielding just under 2,000 apartments sold out in the quarter. Twenty-nine projects yielding over 4,000 apartments launched nationally in the quarter, compared to 56 projects yielding over 6,000 apartments in the same period last year. As well as a slowdown in project launches, only 7,047 apartments were approved, the lowest number of approvals since the beginning of 2014. Mr Ostwald noted, "The slowdown in supply along with demand was a positive sign for the apartment market." "In 2018, over 44,000 apartments are expected to settle across all five cities, including approximately 10% of which belong to already sold out developments. The skyline and the way we live in Australia is changing, however the pace is currently maintainable. Currently there are approximately 131,000 apartments in development application and approval across the five cities and new development approvals are slowing down. "Of course, not all of these will come to the market, and the level of demand will regulate what does sell and is eventually built. "In Q3, each state had their own story to tell about market conditions, however the united message was one of stability. "In Brisbane, fewer launches, combined with competition from built product that hasn't been able to settle suggests we won't be seeing sales numbers increasing, but rather maintain at the current pace. Elsewhere in Queensland, with the festive season and the lead up to the Commonwealth Games, The Gold Coast is quite active for property developers. "In Sydney, owner occupiers and local state investors made up 86% of total transactions this quarter, so we can see that in current conditions the market is very much a local one. The Melbourne market is still very much in presales, and almost 50% of active selling projects in Inner Melbourne have not yet commenced construction. While in Perth, we are seeing sentiment improve about the economy and property market, and we expect to see population growth levels improve, leading to more demand." said Mr Ostwald. Urbis Apartment Essentials Q3 2017 snapshot: 1,241 sales were recorded in the September 2017 quarter across: Sydney (381 sales, 19% of market surveyed, market size 41,844 units) Melbourne (291 sales: Inner Melbourne 131 sales, 22% of market surveyed, market size 32,636 units – a further 160 sales were recorded in the middle-ring) Brisbane (300 sales, 62% of market surveyed, market size 18,441 units) Perth (276 sales, 88% of market surveyed, market size 10,681 units) Gold Coast (153 sales, 83% of market surveyed, market size 4,519 units) Weighted average sale price recorded at \$822,570, a national decrease of \$37,000. Sydney - \$1,205,774 - \$47,000 increase Inner Melbourne - \$737,473 - \$82,000 increase Brisbane - \$644,667 - \$81,000 decrease Perth - \$608,424 - \$53,000 decrease Gold Coast - \$676,307 - \$48,000 increase The most popular product type was two-bedroom, two-bathroom product at 47% of total sales. Across the cities the highest selling product types were: Sydney – Two-bedroom, two-bathroom apartments - 32%. Inner Melbourne – Two-bedroom, two-bathroom apartments - 27%. Brisbane – Two-bedroom, two-bathroom – 50% Perth – Two-bedroom, two-bathroom – 60% Gold Coast – Two-bedroom, two-bathroom – 69% 31% of actively selling apartments are in presales, 49% are under construction and 20% are recently built. ENDS For media enquiries contact: Rebecca Parry, DEC PR Ph: 02 8014 5033 E: urbis@decpr.com.au About Urbis Urbis is a market-leading firm with the goal of shaping the cities and communities of Australia for a better future.

Drawing together a network of the brightest minds, Urbis consists of practice experts, working collaboratively to deliver fresh thinking and independent advice and guidance – all backed up by real, evidence-based solutions. Working across the areas of planning, design, policy, heritage, valuations, transactions, economics and research, the expert team at Urbis connect their clients in the public and private sectors to a better outcome, every time.

Contacts

Alexis Carroll

mailto:

Rebecca Parry

02 8014 5033

mailto: r.parry@decpr.com.au