



New Apartment Statistics: Room for growth in Sydney new apartment market

Sydney's new apartment market recorded 381 sales from a sample of 19% of the market in the September 2017 quarter, according to new research released today by leading property consultants, Urbis. The Inner West Precinct recorded the majority of sales at 27% of total sales in the quarter, closely followed by the Eastern Suburbs (24%) and Parramatta (16%). Though fewer sales were recorded with 81% of surveyed apartments now sold, the weighted average sale price increased by \$46,677 over the previous quarter, reaching \$1,205,774. At a product level, the weighted average sale price decreased across one-bedroom, one-car and two-bedroom, two-bathroom apartments, despite these being the two best-selling product types. However, with 18 of the 30 surveyed projects registering a total weighted average sale price of over \$1 million, including the top two selling developments, the overall increase makes sense. Urbis Associate Director of Property Economics and Research, Alex Stuart, said, "Two-bedroom, two-bathroom product was back in the top selling position this quarter, however at only 32% of total sales the popularity of this product type differs from other markets. "The Gold Coast, Brisbane and Perth markets generally sit between 50% and 60% for the proportion of two-bedroom, two-bathroom apartments sold. However, in Sydney and Melbourne where it is a lot harder to get a foot on the property ladder, this is a lot more spread across other, mostly smaller, product types." One bedroom, one car apartments were the next best seller making up 24% of sales. Sixteen projects containing 2,157 apartments launched in the quarter, compared to thirteen projects containing 3,232 apartments in the previous quarter. Looking ahead, there are 12 projects containing 3,902 new apartments which are expected to launch in the next 6 months. Apartment approvals dropped to 2,433 apartments in the Q3 2017, the lowest number of approvals since mid-2014. However, with only approximately 27,000 apartments currently in development approval and application status, there is still plenty of room for growth. Mr Stuart noted, "The Sydney apartment market has fewer apartments in future supply compared to the much smaller Brisbane apartment market. In Sydney, developments are coming to the market at a much quicker rate than the rest of the nation, and if developers are able to source affordable land, there is opportunity to make a profit." "Looking at sales and supply levels, apartments in Sydney are still attractive to buyers and developers. Owner occupiers and local 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 challenge is keeping these apartments attractive and affordable for both developers and buyers." concluded Mr Stuart. Urbis Sydney Apartment Essentials Q3 2017 Snapshot The Sydney Apartment Essentials Report found: 381 sales, from a sample of 30 surveys, were recorded in the September 2017 quarter. The Inner West Precinct recorded 27% of total sales, followed by Eastern Suburbs (24%) and Parramatta (16%). The weighted average sales price for the September 2017 quarter was \$1,205,774 an increase of \$46,677 over the previous quarter, and the highest weighted average sale price recorded for the Sydney Apartment Essentials. Two-bedroom, two-bathroom apartments were the most popular product type, making up 32% of total sales. One-bedroom, one-car apartments made up 24% of total transactions. NSW investor sales were once again the most popular transaction, accounting for 51% of total sales. Owner occupier sales accounted for 35% of sales. There were sixteen new apartment launches this quarter, equating to 2,157 apartments. 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.

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