



New Brisbane Apartment Statistics: Inner Brisbane skyline lights up as apartments settle

The Brisbane new apartment market recorded 300 sales in the September 2017 quarter, in line with the previous two quarters' results of 302 and 311 sales, according to new research by leading property consultants, Urbis. After last quarter's record high weighted average sale price, this quarter the weighted average sale price decreased by \$80,896, registering \$644,667. This decrease was driven by a higher proportion of one and two-bedroom apartments transacting across Inner Brisbane, compared to more premium price-pointed stock selling in the previous quarter. At a product level, most product types registered a weighted average sale price decrease from the previous quarter. At a precinct level, the CBD and Inner South precincts were the only two precincts to register a weighted average sale price decrease. Looking at future supply, there were only 672 new apartments which reached development approval status in the quarter, the lowest number recorded in the Urbis Apartment Essentials. Paul Riga, Director Property Economics and Research, said, "Between 2014 and 2016, it was normal to see over 2,000 units reach approval status per quarter, and at the height of the cycle in 2014 and 2015, this number peaked at over 5,000 apartments. "We are now in the settlement phase of the cycle, and lower levels of new apartment demand are fast driving a slow-down in the addition of any further future supply." There were 3,382 apartments across Inner Brisbane which commenced settlement this quarter, with over 50% of these in the Inner North precinct. Mr Riga noted that of these 3,382 apartments, 47 per cent belonged to sold out projects, with surveyed projects under construction indicating that 13 per cent of product remained unsold. Looking at the bigger picture, in 2016, over 7,000 apartments reached settlement, whereas in 2017 close to 6,700 apartments are expected to settle. A number of projects saw slippage in the estimated completion period, with 2018 now expecting to see a further 7,100 apartments reach settlement. "We are really starting to notice a change in how we live in Brisbane, the cranes are coming down and more and more lights are turning on, and the effect of these new residents is continuing to re-generate both new and established precincts." said Mr Riga. The traditional two-bedroom two-bathroom apartment market made up the majority of sales this quarter, with 50 per cent of total sales, similar to the 51 per cent achieved in the previous quarter. The level of one-bedroom and three-bedroom-plus sales was also similar to the previous quarter. "What our research is telling us is that even in current market conditions apartments are still selling. Established local developers with a reputation for quality product and strong networks are achieving great results. For the rest of the market, it is certainly harder than it was 18 months ago but sales continue to tick over quarter after quarter. The coming quarters will continue to see limited new project launches, with only a handful mooted to launch over the next six months. "The lack of new launches, combined with competition from built product that hasn't been able to settle, suggests we'll see sales numbers maintain at the current pace." said Mr Riga.

Urbis Brisbane Apartment Essentials Q3 2017 Snapshot The Brisbane Apartment Essentials Report found: 300 sales were recorded in the September 2017 quarter, a slight decrease of 3% in sales from the previous quarter which recorded 311 sales. The weighted average sales price for the September 2017 quarter was \$644,667, a \$80,896 decrease compared to the record June 2017 quarter. This is the lowest weighted average sale price recorded in 2017. The decrease was driven by entry level one and two bedroom apartments transacting across Inner Brisbane, compared to more premium stock in the previous quarter. Sales by product type did not change much from the previous quarter. Two-bedroom two-bathroom product made up the majority of sales at 50% of total sales, similar to 51% in the previous quarter. Three-bedroom plus product made up only 11% of sales, and one-bedroom product made up 31% of total sales. Only two new projects yielding 342 apartments launched this quarter, compared to five new projects yielding 744 apartments in the previous quarter. Interstate investor buyers dominated the market with 35% of transactions, followed by foreign investor buyers with 28% of transactions. Owner occupier buyers made up 21% of purchases. The Inner East had the highest percentage of Interstate Investor sales, driven by the launch of a new project.

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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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