



New Perth Apartment Statistics: Perth apartment market continues to see demand

Despite sluggish activity for Perth real estate, the new apartment market continued to show resilience with 267 sales totalling almost \$170 million in value. Urbis Apartment Essentials report for Q3 2017 found that the Perth real estate market was starting to recover with 624 apartment sales in the second half of the year compared to 511 sales in the first half of the year. September 2017 quarter sales were evenly spread across Inner, Fringe and Western Suburbs precincts, however the top two selling projects were both Finbar developments, with the successful launch of Reva in South Perth and Vue Tower in East Perth. Across Perth, the weighted average sale price was \$608,424, this was lower than the previous quarter which reflected the more diverse sales, as opposed to the previous quarter which saw a high focus of sales in the Western Suburbs. Sales in other areas (areas outside of the eight defined Urbis precincts and generally more suburban areas) saw an increase in activity for the quarter with 48 apartments sold for the quarter. In the first half of 2017 activity in these areas fell right back (44 sales) but it picked up again in the second half of the year (93 sales). An issue for projects looking to achieve pre-sales continues to be competition from recently completed projects with 38% of total sales in recently built apartments, and a further 30% were in developments which had commenced construction. Urbis Director of Property Economics and Research, David Cresp, said, "Our research shows pre-sales are continuing to support new projects, with almost 60% of all apartments currently under construction having been sold off the plan." There were only three developments yielding 163 new apartments launching to the market this quarter. However, there are a number of projects sitting on the sideline with 20 projects yielding 1,578 apartments looking to launch over the next 12 months. This is attesting the regained confidence in the Perth apartment market. Included in the launches are projects such as Wright Street Apartments and Eden apartments, which launched in Q4 and are already seeing strong sales. Mr Cresp said, "Apartment over supply was not an issue for the Perth market. Apartments accounted for only 17% of all dwelling approvals according to ABS data for the YTD August 2017. Minute in comparison to Sydney, where 54% of approvals were apartments. As to who these apartments are aimed for, according to Urbis research 53% of sales were to owner-occupiers this quarter, and a further 25% were to local state investors." The outlook for apartments in Perth was positive, with sentiment improving about the economy and property market in general for 2018. "We expect to see population growth levels improve, leading to more demand. While we are seeing lower levels of apartment completions forecast in 2018, which will allow the market the breathing space it needs to sell any excess apartments. Overall, I feel the Perth apartment market is sitting comfortably." concluded Mr Cresp. Urbis Perth Apartment Essentials Q3 2017 Snapshot The Perth Apartment Essentials Report found: 276 sales were recorded in the September 2017 quarter. The Inner City precinct recorded the majority of sales at 52 sales, followed by the Other precinct (48 sales), Fringe-East (36 sales), Western suburbs (36 sales), Fringe-South (35 sales), Fringe-North West (30 sales), Southern (16 sales), Southern-Coastal (14 sales) and Outer Southern (9 sales) The weighted average sales price for the September 2017 quarter was \$608,424. Two-bedroom two-bathroom product made up the majority of sales at 60% of total sales. One-bedroom, one-bathroom product made up 24% of total sales compared to 29% in the previous quarter. Owner occupier sales dominated the market with 53% of transactions, up slightly from 50% in the previous quarter. ENDS For media enquiries contact: For media enquiries contact: Rebecca Parry, DEC PR Ph: 02 80145033 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