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Housing affordability such an issue, experts say apartments will next to surge in price

Housing affordability in Brisbane's inner ring is such a problem, experts predict the stagnant apartment market will surge.



Darren Cartwright [Follow](#)

@dceeaap 4 min read June 7, 2021 - 12:14PM



The ultra-luxury \$200 million Skye by Pikos residences is among several proposed or approved complexes to be built across Brisbane over the next few years. Picture:

Apartment prices are tipped to surge as owner-occupiers and investors, priced out of Brisbane's overheated housing market, turn to more affordable options

housing market, turn to more affordable options.

Experts have warned of a seismic shift from the dream home to the dream apartment within a 5km radius of the [CBD as median house prices across Brisbane](#) hurtle skywards.

House prices have increased at such a rapid rate that homeowners in Brisbane's most popular inner suburbs are raking in up to \$50,000 a month in capital gain.

The unit sector is now wide-open for shrewd investors to cherry pick quality Brisbane apartments with the disparity between the median price for houses (\$755,000) and a unit at a record 47.5 per cent, according to the latest Place Advisory data.

CoreLogic figures released this week show Brisbane house prices rose 2.2 per cent in May and 6.8 per cent over the past quarter.

Yet, unit prices have flatlined from a record high median of \$485,000 in September 2015 to \$465,000 in March.



Place Advisory director of projects Syd Walker expects apartment prices to surge in the near future. Picture: Supplied

In 2001, there was just a 15 per cent gap between Brisbane's median house price (\$219,000) and units (\$190,000).

The downturn in pricing has been blamed on a glut of apartments coming onto the market in 2016 as [part of the Brisbane City Council's Urban Renewal Plan](#), says Place Advisory director of projects Syd Walker.

The gulf is extraordinary but not without reason and it will not last, he said.

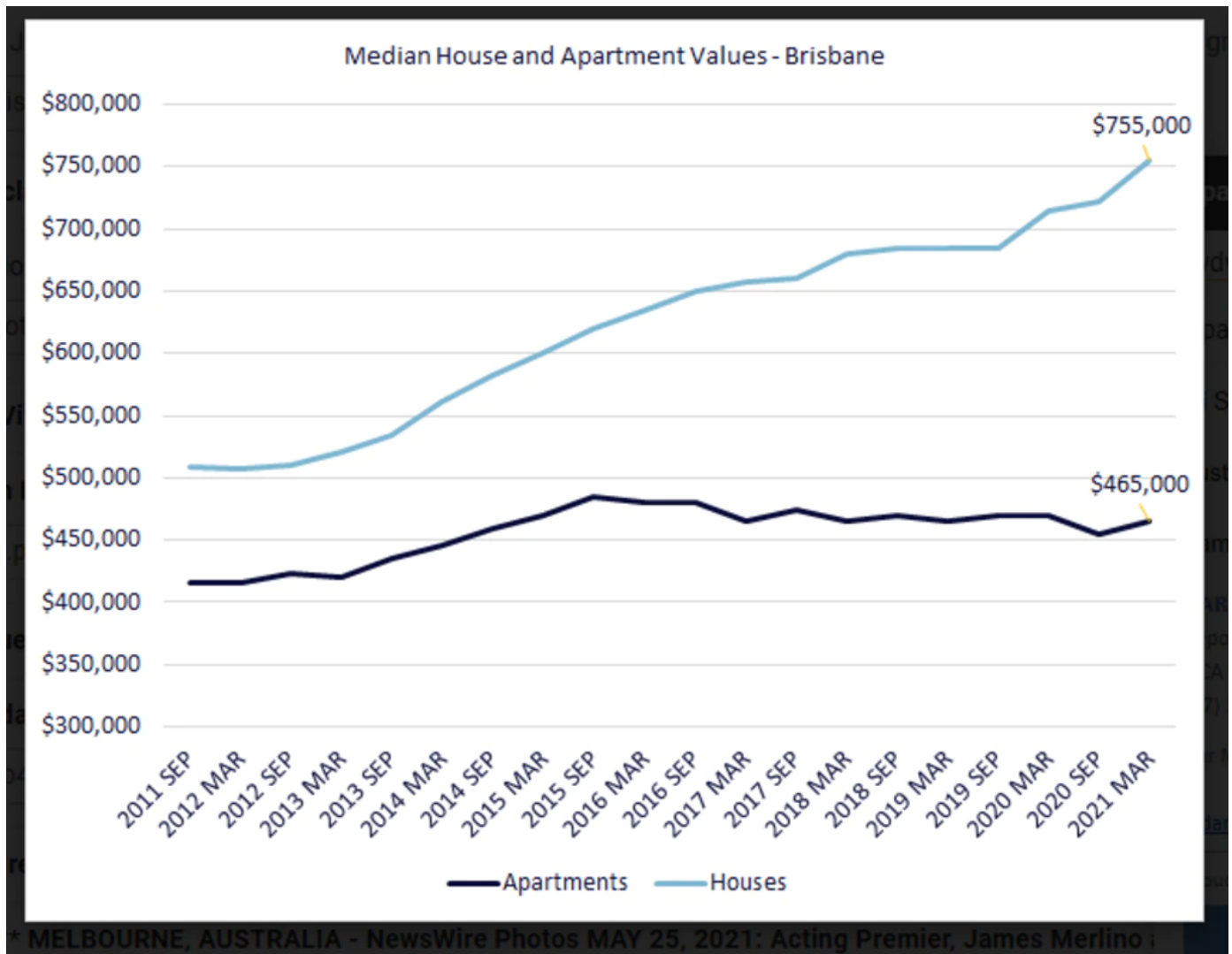
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“The gap should be somewhere between 20 to 30 per cent, between a house and apartments that are owner-occupier stock,” Mr Walker said.

He said the market was swamped with one-bedroom and, to a lesser extent, two-bedroom apartments five and it completely steamrolled the market with an oversupply of units.

Demand also punctured following a Royal Commission into banking and a decline in Asian investors, he said.



MELBOURNE, AUSTRALIA - NewsWire Photos MAY 25, 2021: Acting Premier, James Merlino
There has never been a greater disparity between the median house and unit price in Brisbane. Experts tip unit prices are set to surge in the coming months. Picture: Place Advisory

“The apartment market has been hammered over the last four or five years because there was an oversupply of one-bedders,” Mr Walker said.

“We are very much approaching a tipping point and now’s the time to be looking for an apartment and getting in on the ground floor before it takes off.”

He expects the resurgence in the apartment market to be swift and boosted by rising construction costs that will push up the asking price for new builds.

“The cost of new units coming onto the market is increasing and that will help push up the price of older units,” he said.

“If the market reacts in the same way it has for houses, it will happen within 18 months.”

The number of new builds is expected to rise sharply following a 35 per cent increase, year-on-year, in multi-level building approvals across Greater Brisbane.



The Master Builders Association (Qld) says building approvals for unit complexes has started gather momentum again. Picture: Liam Kidston.

There have been 6,929 approvals for unit complexes over the 12 months until March 21 compared with 5,134 in the previous year, according to Master Builders Association (MBA) Queensland data.

MBA policy and economics manager Dyan Johnson said the unit market had “benefited to some extent” from the federal government’s HomeBuilder scheme.

“Things are definitely pulling through for units which is encouraging,” said MBA policy and economics manager Dyan Johnson.

“They have to some extent benefited from HomeBuilder but not quite to the same extent as houses.

“Units have been struggling for a long time and I think we have reached the bottom of the market.”



An artist impression of luxury Rivello apartment complex on Wharf St, Hamilton which is due to begin construction in late 2021. Picture: Supplied

Among the developments that have been approved, or under construction, are the plush residences within the Queen’s Wharf project in the CBD, Quay Waterfront, Newstead and Rivello, Hamilton.

Between the three premium sites, there are some 950 apartments with plenty of owner-occupier, two and three bedroom stock among them.

Market researcher Kent Lardner said there had been a notable shift in buying patterns across the east coast towards units because of housing affordability issues.

“They are going to rise, but I don’t know if the gap between houses and unit prices will close that much,” Mr Lardner, from SuburbTrends.com, said.





Kent Lardner says there has been a shift across the east coast for apartments because of the housing affordability crisis. Picture: Supplied

“I’ve seen a uniformed shift in demand across the unit market because of the affordability issue with houses.”

Crunch-time for owner-occupiers and investors being priced out of the housing market is nigh said Mr Walker, especially for those wanting to live within five to 10km of the CBD.

He said that would put upward pressure on three bedroom apartments, especially those with two car spaces.

“Owner occupiers are returning to the apartment market and we’ve got a big demand for three bedrooms, two-cars units because there is just not the supply out there,” Mr Walker said.

“All the signals are there and it’s the inner and middle rings of Brisbane that will take off.”

Brisbane Median: House / Apartment – disparity

2001: \$219,000 / \$190,000 – 15.2 per cent

2015 (Sept): \$620,000 / \$485,000 – 24.4

2021 (March): \$755,000 / \$465,000 – 47.5

Brisbane Apartment Developments:

Complex (Developer) Suburb: Apts -priced from – stage / cost to build

Queen’s Wharf Residence (Far East Consortium), CBD: 667 – 1br \$550,000, 3br \$1.85m – Open 2023 / \$3.6bn (total build)





Queens Wharf residences are within the complex due to be completed by mid-2023. Picture: Supplied

Albion Exchange (Geon Property), Albion: 253 – 1br \$420,000, 2br \$590,000, 3br \$850,000 – Approved / \$750m





An artist's impression of Geon Property's Albion Exchange which set to bring the rail station precinct alive. Picture: Supplied

Quay Waterfront (Mirvac), Newstead: 143 – 1br \$382,000, 2br \$672,500, 3rb \$1.305m 4br \$2.925m – Selling / \$180m



Quay Waterfront will provide majestic views of the Brisbane River. Picture: Supplied

Skye Apartments (Pikos Group), Kangaroo Point: 68 – prices not available – Approved / \$200m





The ultra-luxury, \$200 million Skye by Pikos residences will tower over the famous Kangaroo Point cliffs, offering panoramic views of the Brisbane CBD skyline. Picture: Supplied

Waterfall (ARIA), South Brisbane: 216 – prices not available – Approved / \$150m



Waterfall apartments has been approved but it may be a few years yet before construction starts. Picture: Supplied.

Rivello (Brookfield), Hamilton: 150 – 1br \$405,000 to sub-penthouse \$1.995m – Selling / \$144m Opens Late-2023



An artist impression of luxury Rivello apartment complex on Wharf St, Hamilton which is due to begin construction in late 2021. Picture: Supplied

'108 Lambert Street' \$350m (Pikos Group), Kangaroo Point: 273 – prices not available – Approved /TBA





An artist's impression of Pikos Group's residential tower development at 108 Lambert St, Kangaroo Point.

600 Coronation Dve (Consolidated Properties Group), Toowong: 250 – prices not available – Planning



The site map for 600 Coronation Dve, formerly the home of ABC HQ. Picture: Supplied

The Aviary (State Development Corp/White & Partners), Toowong: 145 – prices not available – Approved / \$450m





The Aviary Toowong Town Centre is set to transform the suburb. Picture: Supplied

The One (Shayher Group), CBD: 468 – 1br \$518,000, 2br \$677,000, 3br \$2.143m – Selling / \$300m



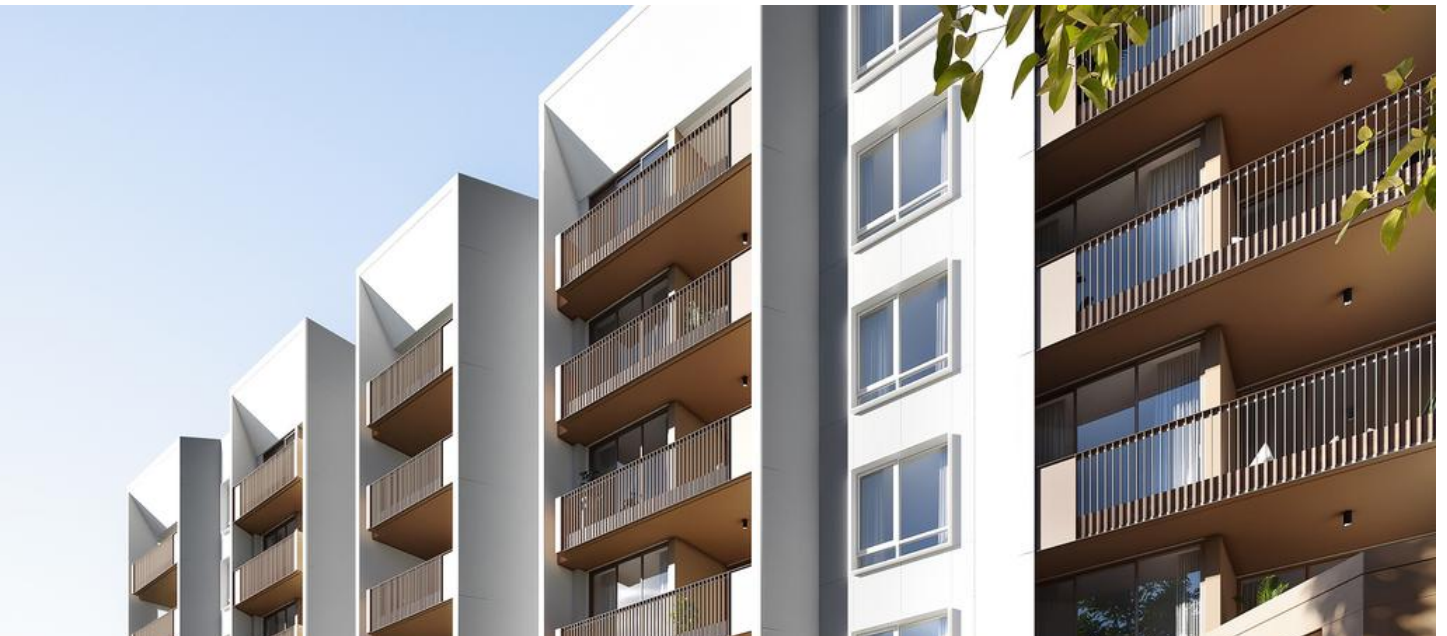
Impressive! The One residences in the CBD will provide some of the best views across Brisbane. Picture Supplied

433 Queen St (Cbus Property), CBD: 264 – 1br \$730,000, 2br \$1.17m, 4br \$2.55mn – Selling / \$375m



433 Queen St is estimated to cost \$375 million to construct and will be another skyscraper towering over the Brisbane river. Picture: Supplied

Francis Apartments at Greville (Cedar Woods), Woolloowin: 58 - upwards from high-\$300,000 – Launch mid-2021 / \$180m Opens mid-2023





Frances Apartments at Greville, Woolloowin are in the mid-range price point for owner-occupier's and investors. Picture Supplied

Yeerongpilly Green (Consolidated Properties Group), Yeerongpilly: 101 – 1br \$450,000 to penthouse \$950,000 – Selling / \$850m Opens early- 2023



Yeerongpilly Green at Yeerongpilly is selling. Construction will commence in October. Picture: Supplied

*total build of project

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