

Off-the-plan stock shortage



MILLIONS SELL IN MONTHS AS STOCK RUNS LOW

Southeast Queensland's property crisis has extended well beyond housing with concerns Brisbane's off-the-plan apartment stock could dry up by the end of the year.

The run on proposed developments has been a boon for one sales company that moved more than \$200 million worth of proposed apartments across three projects in two months. Another developer sold three \$2.5m plus pads, in an exclusive five-unit block, in just 12 weeks. Those sales came after Place Advisory predicted there were just five months of off-the-plan units remaining in Brisbane. The astounding rate at which off-the-plan apartments changed hands in the June quarter (April-June) ended with more than 680 unconditional contracts being signed, according to the Place Advisory apartment report. "The rapid sales increase has left 53 per cent of Brisbane's in-market projects either completely sold out or with fewer than 10 apartments remaining for sale," the report stated.

"At the current sales rate, only five months of off-the-plan stock remains throughout Brisbane." The average sale price was \$840,000 and, compared with the June 2020 quarter, sales were up about 20 per cent but the pace at which high-end abodes have sold has amazed industry veterans.

The report did not include GAP Development moving 23 of 24 Skye Apartments (\$80m in sales) in two months and all 46 residences

(\$53m) at Sol Kirra Beach and 72 units at The Del Ray at Kirra (\$72) having sold within two and eight weeks respectively.

"I've never seen anything like this and I've been in this industry for 29 years," said Grant Plummer, sales director at GAP Development, the company managing Skye Apartments sales. Three residential towers within Skye Apartments, being developed by the Pikos Property Group, overlook Brisbane's Kangaroo Point cliffs with only one tower so far being released.

"We've had interstate buyers who have bought sight unseen and they laugh at paying two million dollars so close to the city overlooking the river. They say 'if this was in Sydney it would be 10 or 12 million dollars,'" he said.

It was an interstate buyer who snapped up level three of a one apartment per-floor residence within Five on Florence in Teneriffe from Frank Developments.

The penthouse and sub-penthouse of the five level boutique complex also sold within 12 weeks following more than 22,000 online views, 435 inquiries and 26 inspections, with Rebecca Lawler, chief operating officer at Frank Developments, saying a good result was one off-the-plan sale every 90 days.

"There is still a strong demand for downsizers and interstate buyers who are coming out of big homes, wanting to be in New Farm and Teneriffe from a lifestyle point of view," she said.

"It's supply and demand and the Brisbane market, at the high end, is so hot right now that if they do not buy now, they will miss out."

The trend is also being reported by local developer Pradella which has reported unprecedented demand for Enclave's Davies Residences, their latest boutique residential development in West End.

After stage one sold out in only five months, 50 per cent of Enclave's second stage sold in four weeks.

Acting as both the developer and the builder, Pradella revised the project to provide for larger apartments that cater more to the owner-occupier than the transient rental market. "This is why Enclave boasts huge spatial benefits and we believe that correlates directly with its sales success," Pradella sales and marketing director Lee-Anne Kielar said. Place Advisory attributed the phenomenal sales rate with a rush to beat hefty price rises because of escalating costs in materials and a labour shortage.

Words: Darren Cartwright

Simplicity fits

There's no better advertisement for apartment living than Adrian and Leigh Jorgensen (pictured left) who downsized more than a decade ago to an inner-Brisbane high-rise after leaving the Redlands.

Their latest purchase is an off-the-plan apartment in Pradella's Davies Residences at Enclave.

Ms Jorgensen said it took some convincing for Adrian to part with some treasured belongings and move to West End for a life where "you can lock up and leave" without any worry. "We have lived in apartments for the last 13 years. I had previously lived in the city and wanted to come back to the city and it was a little hard to get Adrian to downsize," she said.

"We have downsized from large homes and love the simplicity of living in an apartment where you can lock up and leave your house.

"Our initial move was because we were both working in the city and living out in Redlands and it made sense to move closer to the CBD." It's the second residence they have bought off-the-plan, having purchased in Pradella's Light and Co where they have been since 2017.

They expect to move into their apartment in January.

"It's the top floor with two bedrooms and a multipurpose room. The reason we are selling and moving is that we needed an extra room for a home office," she said.

Pradella revised the development to cater to owner-occupiers before taking it to market. About half of the 70 apartments sold in one month, with the spacious floorplans and design features helping boost sales.