

APARTMENT

ISSUE 11
WINTER 2020

In this edition of **Apartment**, we look at the **benefits of acting in times of crisis**, the surge of **localism** and the upside to **downsizing**. Our team also delve into Brisbane's apartment market and examine the **impact of the pandemic** on the property sector.

A STRENGTHENING MARKET,
DURING TRYING TIMES



place
projects



WHO IS PLACE ADVISORY?

As south east queensland's leading off-the-plan apartment marketing company, we are constantly monitoring the property market, analysing trends, new property developments and almost everything property related.

At Place Advisory, we understand the importance of ongoing market research. We employ in-house full-time researchers, so we can retain and have easy access to all of the information we gather. By providing our clients with accurate, up-to-date research, it ensures they can make informed, financially sound business decisions. It enables us to identify opportunities for our clients, provide advice on choosing the best available site and create the optimal package for each project. We can then provide qualified recommendations on the product mix, positioning, design, finishes and price.

Access to such comprehensive buyer information also enables us to identify early market trends. Our in-depth local market knowledge can help you develop a product that will yield greater returns, experience faster sales, and achieve the best financial result.

Our main aim of "Apartment" is to continue to provide meaningful insights into the new apartment market and social trends throughout the Brisbane area.

BENEFITS OF ACTING IN TIMES OF CRISIS

There are many benefits to acting in times of crisis from low interest rates to newly introduced government incentives. If you are financially secure in a job, you are still in the market to purchase a property, and you have not been severely impacted by the recent pandemic then it may be time to consider purchasing now, not later.

The following benefits are not exhaustive; however they are a few things to consider if you were holding off from purchasing in today's market.

1. LOW INTEREST RATES

Interest rates in Australia are at historic lows. Sitting at 0.25 percent in 2020, which is one percent lower than this time in 2019.

2. MORE CHOICE, LESS BUYERS

There are not as many buyers in the market. Earlier this year, potential buyers were flooding sales suites and open homes. Yet, now we are faced with less people, which means you have more choice in property.

3. THE AUSTRALIAN DOLLAR IS LOW

The Australian dollar is the lowest it has been in over ten years. This is an opportunity for international investors to take advantage of the Australian property market.

4. LESS COMPETITION, EASIER NEGOTIATION

Less buyers means less people making offers. The offer you put down could be the best that the developer has received. Better than that, you might save some coin by making an offer now, as sellers want to sell.

5. NEW INCENTIVES

At both federal and state government levels, we have recently seen the introduction of a range of incentives for first home buyers. For example, as a first home buyer you could possibly have access to the First Home Owners' Grant, Stamp Duty Concessions, the HomeBuilder scheme and the First Home Loan Deposit Scheme.

The current pandemic has re-introduced to our communities the importance of localism. Again, we are seeing children on the streets, rainbows chalked into the footpaths and even neighbours filling their driveways to commemorate Anzac Day. Although these have been trying times, it has really shown us what it truly means to be a part of a community, and by all reports, people are loving it.



THE SURGE OF LOCALISM

In recent times, we have seen that Australian's are becoming more locally conscious, in which they choose to support community businesses; whether this be café food, local retail precincts or even take-away beer.

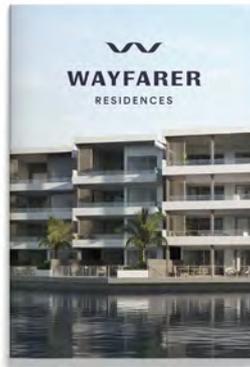
Interestingly, we are also seeing businesses birth new manufacturing processes and further increases in businesses responding to this newfound localism. After years of demand for the globalisation of products, this pandemic has shown that there is still a large need for local self-sufficiency. We've seen brewers making hand sanitisers, restaurants that were once thriving with onsite dining moving into the food delivery climate and even cafés offering grocery items (focusing on farm-to-table) to limit time spent at large-scale supermarkets.

Future town planning will see that these emerging trends have a high possibility of reshaping how communities think about shopping and buying local. **Place Advisory predicts that localism and supporting local will be a trend that continues throughout the rest of 2020.**



SEVEN OAKS – TARINGA

Only 7 exclusive apartment style residences. All feature 3 bedroom - 2 bathroom - 2 car. Specifically designed for owner occupiers seeking a quality living environment.



WAYFARER – REDLAND BAY

The Redlands first true waterfront building in two decades offers a limited selection of 2, 3 & 4 bedroom residences, all overlooking the waters of pristine Moreton Bay.



LUCIANA – ST LUCIA

Located in beautiful St Lucia and just 10 minutes from the City. Architecturally designed to appeal to the owner occupier, this luxurious project is a must to inspect.

NOW SELLING



ROSEWOOD GREEN – ROSEWOOD

Offering country living mixed with modern convenience, this new land estate offers a range of block sizes and house & land packages.



THORNCLYFFE – KANGAROO POINT

Nestled into the eastern edges of one of the city's oldest suburbs, Kangaroo Point, lies an unprecedented opportunity to live on a significant piece of Brisbane's heritage – Thornclyffe Residences.



TREELINE RESIDENCES – ORMISTON

Within thirty minutes' drive from Brisbane's CBD and conveniently located close to breezy Raby Bay, this exceptional new development presents a rare opportunity for owner-occupiers and savvy investors.



AURA – MILTON

Bordering the Brisbane CBD and long recognized as one of Brisbane's premium western suburbs, Milton promotes the perfect Inner-City lifestyle for anyone seeking a unique high-quality way of life. Nestled in the heart of this vibrant area is Aura Apartments.



ZEPHYR ON NELLIE

Zephyr on Nellie is a new unique town home development offering seven exceptional two-bedroom residences all with studies or multipurpose rooms. Combining a premier Nundah location, superior design and affordability, the Zephyr on Nellie offering is unrivalled.

PROJECTOR

INNER CITY APARTMENTS MARKET REPORT MARCH QUARTER 2020

BRISBANE MARKET OVERVIEW: A TIME OF UNCERTAINTY

93 UNCONDITIONAL TRANSACTIONS WERE RECORDED FOR THE MARCH QUARTER 2020, TOTALLING APPROXIMATELY \$57 MILLION WORTH OF APARTMENT SALES.

The March 2020 quarter will be remembered as one of economic and health volatility. One where the COVID-19 pandemic began its international turmoil. One of investment indecision and uncertainty. Despite this, the three months to March 2020 recorded stronger unconditional new apartment sales within Inner Brisbane in comparison to previous quarters of uncertainty or economic shocks such as the Global Financial Crisis in 2008.

When comparing to the same period 12 months prior, which was a similar period of uncertainty where many were awaiting the outcome of the federal election; there was a total of only 64 unconditional sales and \$43 million worth of apartment sales. This is surprisingly lower than what we have seen during the March 2020 quarter.

Upon analysis of the new unconditional sales recorded during the March 2020 quarter, it does become readily apparent that the impact of the pandemic has shaped the transaction results for the period. Feedback across the market has consistently stated that the uncertainty of COVID-19 negatively impacted buyer sentiment. On a positive note, Brisbane has united and is recovering much stronger than expected as the world starts to get used to this 'new way of life'. Although, it is important to note that the pandemic did not hit Australia severely until the beginning of March. As such, it is predicted that the June quarter 2020 will see the largest impact to the new apartment sector.

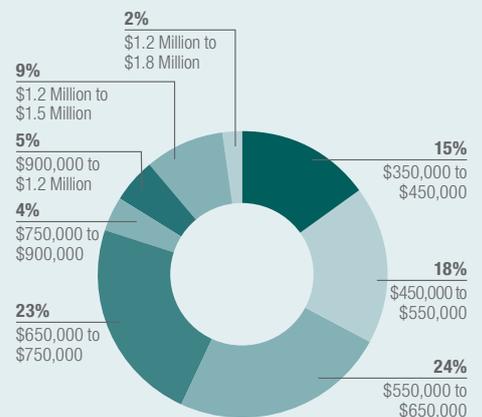
The conversations surrounding undersupply within the Inner Brisbane apartment market will cease, as predictions show this not to be an issue for the next 24 months. The North of the River and South of the River month's supply being 27 and 28 months, respectively. Brisbane has various infrastructure projects committed to or due to commence shortly, including Queens Wharf, Cross River Rail, The Howard Smith Wharves Ferry Terminal and the Victoria Park Vision. These projects are expected to create jobs and drive Brisbane's recovery over the coming months.

SUMMARY OF THE MARCH 2020 QUARTER

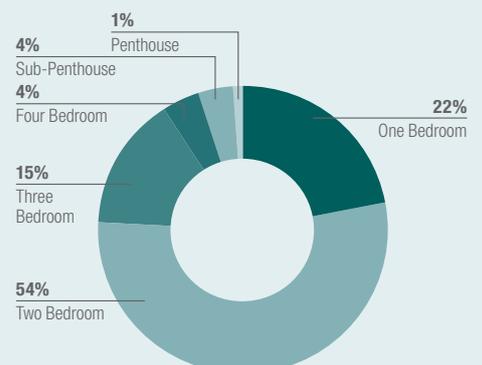
- 93 unconditional sales occurred during the March quarter 2020. This is 29 sales higher than the same period 12 months prior.
- The weighted average sale price for the March quarter 2020 was recorded at \$613,172 - 10% lower than 12 months prior.
- "Atlas" in South Brisbane was the standout performer for the quarter, recording 13 unconditional apartment sales, the highest result of any development.
- During the March quarter 2020, the majority of apartments sold unconditionally were in two-bedroom configurations, accounting for 54% of all sales for the quarter. One-bedroom apartments accounted for 22% of sales, while three-bedroom apartments accounted for a further 15% of new apartment sales. The remaining nine percent consisted of four-bedroom, sub-penthouse and penthouse apartments.
- The \$550,000 to \$650,000 and \$650,000 to \$750,000 price brackets were the most common for new apartment sales during the March 2020 quarter accounting for 24% and 23% of sales respectively. This was followed by the \$450,000 to \$550,000 price bracket which accounted for a further 18% of sales.
- There are currently 1,022 new apartments available for sale throughout Inner Brisbane which is 20% lower when compared to the previous quarter.
- With few new developments entering the marketplace, the proportion of new apartments that have now completed construction continues to increase, reaching 83% in the March quarter 2020 compared to 73% in the previous quarter and 47% in the same period 12 months prior.

- Remaining supply consists primarily of two-bedroom apartments, which accounts for 52% of all remaining new apartments. One-bedroom apartments account for a further 26%, whilst three-bedroom apartments account for a further 16% of remaining new apartments. The remaining six percent are four-bedroom and penthouse apartments.

Unconditional Sales by Price Point



Unconditional Sales by Bedroom Configuration



CBD PRECINCT

Developments in the CBD precinct are 87% sold.

- Sales volumes for the CBD precinct recorded a total of six unconditional new apartment sales for the March quarter. Demand was primarily seen within the lower to mid-price points.
- Mary Lane was the strongest performer within the CBD precinct, recording a total of five unconditional new apartment sales.
- Consistent with the overall market, most of the remaining supply is in two-bedroom configurations, accounting for 55% of all new apartment supply in the CBD precinct. 21% is in one-bedroom configurations, with a further 15% in three-bedroom configurations. The remaining 9% is made up of four-bedroom apartments.
- There are currently only 226 new apartments available for purchase throughout the CBD precinct.
- Of all new apartment buildings in the CBD precinct, only 443 Queen has not completed construction. This development is due to complete construction in late 2020 and is currently 73% sold out.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	March Qtr 2020
443 Queen	CBD	Under Construction	264	192	72	0
Mary Lane	CBD	Completed	184	129	55	5
The Midtown	CBD	Completed	144	130	14	1
Skytower	CBD	Completed	1092	1,007	85	0
CBD PRECINCT TOTAL			1,684	1,458	226	6

NORTH OF THE RIVER

The North of the River precinct has recorded 31 unconditional new apartment sales for the March 2020 quarter at an average weighted sale price of \$611,290.

- “Utopia Space” in Fortitude Valley and “Gallery House - Stage One” in Hamilton recorded the most unconditional sales for the quarter. The developments recorded 8 and 7 unconditional new apartments sales, respectively.
- During the March 2020 quarter, the North of the River precinct recorded a total of 31 unconditional new apartment sales. The majority of these sales were within the \$550,000 to \$650,000 price bracket, accounting for 48% of sales.
- Demand was similar to the overall market with majority of the sales (54%) being in two-bedroom configurations. This was followed by one-bedroom (19%) and three-bedroom apartments (15%). The remaining 12% were four-bedroom configurations.
- At the end of the March 2020 quarter, there were 282 new apartments remaining available for sale throughout the North of the River precinct.
- At present, 80% of new supply in the precinct has completed construction. Additionally, only 11% of the total new apartment supply to the North of the River Precinct remains available for purchase.
- New apartments are becoming scarce throughout this precinct, as 7 of the 15 apartment developments in the North of the River precinct have less than 10 apartments remaining available for sale.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	March Qtr 2020
Aura	Milton	Under Construction	82	54	28	0
Anthology	New Farm	Under Construction	26	21	5	1
Gallery House - Stage 2	Hamilton	Under Construction	150	126	24	1
Gallery House - Stage 1	Hamilton	Completed	170	162	8	7
Belise	Bowen Hills	Completed	230	209	21	0
The Yards	Bowen Hills	Completed	401	332	69	0
Mode	Newstead	Completed	158	157	1	0
Alcyone Residences	Hamilton	Completed	228	207	21	0
Utopia Space	Fortitude Valley	Completed	300	253	47	8
Chester Apartments	Newstead	Completed	170	153	17	1
Ella Apartments	Newstead	Completed	149	124	25	5
Nero	Newstead	Completed	108	106	2	0
38 High St	Toowong	Completed	136	127	9	0
Illumina	Toowong	Completed	224	222	2	3
White Dawn	Toowong	Completed	60	57	3	5
NORTH OF THE RIVER TOTAL			2,592	2,310	282	31

SOUTH OF THE RIVER

56 UNCONDITIONAL TRANSACTIONS; WEIGHTED AVERAGE PRICE \$670,982

- During the March 2020 quarter, the South of the River precinct recorded the most unconditional sales of new apartments in Inner Brisbane, accounting for 60% of total sales for the quarter. Demand for apartments in a range of prices occurred with a weighted average sale price of \$670,982.
- “Atlas” was South of the River’s best performer with 13 unconditional off the plan apartment sales for the March 2020 quarter. This development is now almost sold out with only 8 of 210 apartments remaining available for purchase.
- 53% of the 56 sales for the March 2020 quarter were two-bedroom apartments followed by one-bedroom apartments (23%) and three-bedroom apartments (16%). The remaining 8% of sales were sub-penthouse and penthouse apartments.
- The price brackets were relatively even for the quarter, the most common price brackets were the \$650,000 to \$750,000, \$350,000 to \$450,000 and \$450,000 to \$550,000, accounting for 25%, 21% and 20% of total sales, respectively.
- Remaining stock is mostly made up of two-bedroom apartments (49%), with one-bedroom and three-bedroom apartments accounting for 29% and 19% of remaining new apartment supply. The remaining three percent are four-bedroom and penthouse configurations.
- Of all new apartments in the South of the River precinct, approximately 86% have now completed construction. There are currently 514 new apartments remaining for sale throughout the South of the River precinct.
- There are currently 22 new apartment buildings in the South of the River precinct with apartments available for purchase. Of these, several are close to selling out, with 12 developments having 10 apartments or less available for sale.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	March Qtr 2020
Silk One	Woolloongabba	Awaiting Construction	173	93	80	0
M Apartments	Kangaroo Point	Awaiting Construction	46	5	41	1
The Standard	South Brisbane	Under Construction	268	260	8	0
Atlas	South Brisbane	Completed	210	202	8	13
Black Fold	West End	Completed	40	29	11	0
Brisbane 1	South Brisbane	Completed	608	413	195	0
Citro	West End	Completed	106	62	44	0
Encore	West End	Completed	60	38	22	5
INK	West End	Completed	107	96	11	1
Light & Co - Illuminate	West End	Completed	90	86	4	0
Light & Co - Radiance	West End	Completed	139	137	2	0
Olympia on Russell	South Brisbane	Completed	65	62	3	0
West Village Stage 1	West End	Completed	324	322	2	5
West Village Stage 2 North Gallery	West End	Completed	53	43	10	9
Soko Waterfront Apartments	West End	Completed	120	119	1	5
The Mews	Woolloongabba	Completed	139	137	2	0
The One West End	West End	Completed	61	48	13	5
Virtuoso	West End	Completed	77	77	0	4
Boggo Road Stage 2	Dutton Park	Completed	75	71	4	1
Linton Apartments	Kangaroo Point	Completed	154	125	29	0
Lincoln on the Park	Greenslopes	Completed	93	76	17	4
Oxy	Greenslopes	Completed	60	53	7	3
SOUTH OF THE RIVER TOTAL			3,068	2,554	514	56

SPECIAL REPORT

SPLITTER BLOCKS OR GOLDEN BLOCKS?

What is a 'Splitter Block' and why are they some of the most sought after properties in Australia? A Splitter Block, simply put, is a single property title with two existing lots.

WHAT ARE THE BENEFITS OF A SPLITTER BLOCK?

There are many benefits associated with Splitter Blocks, hence their 'Golden Block' moniker. One of the main benefits is removing the need to subdivide a new property, saving yourself much hassle and money. Subdividing property is when a property is split into two or more smaller lots. During this process, you must pay council contribution fees, which are similar to a tax or levy. In Brisbane, this amount is close to \$30,000 (for every extra lot that you create). However, with a splitter block you actually have two lots on one title, this means you are not subject to that tax, thereby saving yourself close to \$30,000 in feasibility. Furthermore, Splitter Blocks are exempt from minimum size lots, whereas subdivisions are not.

SPLITTER BLOCKS IN BRISBANE'S INNER AND MIDDLE RING

So where are these golden blocks located? Looking at suburbs that are 10km or less from Brisbane's CBD you can see that the top five suburbs offering the largest number of Splitter Blocks within Brisbane's Inner and Middle rings are (in order): Annerley (337), Coorparoo (298), Camp Hill (285), Norman Park (224) and West End (201).

TOP FIVE SUBURBS OFFERING THE LARGEST NUMBER OF SPLITTER BLOCKS



BRISBANE'S FASTEST SELLING SUBURBS

Where within Brisbane are the fastest selling suburbs? And what factors contribute to making these suburbs so popular? Place Advisory has undertaken an investigation into Brisbane's suburbs to determine which are selling the quickest.

WHAT CONTRIBUTES TO MAKING A SUBURB QUICK TO SELL?

Finding the right suburb is one of the most important factors when it comes to purchasing a property, whether you are buying your first property, searching for your family home, downsizing or simply looking to invest. Apart from financial drivers, personal preferences can dominate the purchasing decision. Every suburb has different qualities that hold more value to one person and less to another, particularly for owner occupiers and investors.

The suburb of Bardon was Brisbane's fastest selling suburb, when looking specifically at units, recording an average of 27 days on the market. Bardon is highly competitive due to its leafy green streets and charming community vibe. This suburb is nestled within the foothills of the nearby Mount Coot-Tha mountain, which attracts young families and maturing couples alike that enjoy a vibrant café culture whilst being close to the CBD and surrounded by nature.



SUBURB

AVERAGE DAYS ON MARKETPRICE

MEDIAN SALE PRICE

BARDON	27	\$620,000
FAIRFIELD	33	\$430,000
ENOGGERA	52	\$398,000
EAST BRISBANE	58	\$489,000
ANNERLEY	69	\$352,750



POSITIONED FOR GROWTH

Bordering the Brisbane CBD and long recognised as one of Brisbane's premium western suburbs, Milton promotes the perfect Inner City lifestyle for anyone seeking a unique, high quality way of life. Nestled in the heart of this vibrant area is Aura Apartments. A 20 storey tower spanning only 82 one, two and three bedroom apartments.

To learn more about Aura, please contact
Stephen Wootten | 0411 790 760 | aura@eplace.com.au



Silk

THE GATEWAY TO ASCOT

Just ten minutes from Fortitude Valley and less than 15 minutes from the city centre, putting CBD offerings and nightlife within easy reach, Silk provides easy access to the airport, the Sunshine Coast and prestigious private and public schools. Silk will be the epicentre of a street rejuvenation that will improve on Ascot's already vibrant boulevard, which provides seven-day-a-week eating options amidst the lush Poinciana trees that line the street. Consisting of 12 unique apartments and a ground floor retail centre, perfectly positioned on the border of Racecourse Rd and Beatrice Tce in exclusive Ascot Village.

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AN OPPORTUNE TIME TO BREAK INTO THE MARKET OR DOWNSIZE, PARTICULARLY FOR THOSE SEEKING A SEA CHANGE.

Redland Bay, Victoria Point, Ormiston and Thornlands constitute a vast area of the Bayside. These suburbs hold a desirable easterly position, at the southern end of Redland City.

The region exemplifies a relaxed, bayside lifestyle whilst also offering dining, entertainment, and educational opportunities at your doorstep. Despite public transport being limited, the local amenities at their disposal creates substantial community atmosphere. Perfect for families or retirees, being some 40km from Brisbane CBD, the area makes a pleasant escape from the hustle and bustle.

The current median house price sits at an affordable \$550,000 and for units it sits at \$407,500. 51,093 people reside in this respected part of the Bayside. With the median age above the state average at 42, it's suggested that, collectively, these suburbs are appreciated by a more mature demographic, namely retirees. Residents of the Bayside are also higher paid in comparison to the state average, with a median household income of \$1,668 per week.



Treeline Residences

Offering modern and natural homes set amongst the beautiful trees of Ormiston, Treeline Residences is a collection of 11 Villas featuring open floor plans and an abundance of space.

A Sanctuary Among Ormiston's Parklands, ideal for the downsizing owner occupier or the savvy investor these residences offer elegant finishes and striking colours, perfect to relax and unwind.

With only 2 left in stage 1, now is the perfect time to secure your investment into the future of Ormiston.

To book a private appointment of Treeline Residences, view floor plans or to learn more please contact
Shaun Lennon | 0480 170 396 | treeline@eplace.com.au

DOWNSIZING IS OFTEN PANNED WITH A NEGATIVE POINT OF VIEW, ASSOCIATED WITH RETIREMENT VILLAGES AND THE FINAL HOUSING OPTION FOR HOMEOWNERS. HOWEVER, THERE USUALLY COMES A TIME WHEN THE GREAT AUSSIE DREAM OF OWNING A FOUR-BEDROOM HOME, ON A MASSIVE BLOCK IS NOT SOMETHING THAT INTERESTS YOU ANYMORE.



Instead you are looking for something more stylish, convenient, and comfortable. Maybe you would rather access to your favourite stores and restaurants rather than the big back yard that nobody uses. Or maybe you have decided to trade in your family home for a smaller abode that is closer to the city.

But once you have made the decision that it is time to downsize, next comes the decision of what to purchase. Whether this be the luxury penthouse, one-bedroom apartment, beachside townhouse or garden terrace, there are a lot of options out there and it's hard to make the decision on what suits you. Here are a few things to consider before downsizing.

LIFESTYLE

Make sure you choose a property that allows you to engage in your favourite activities on a regular basis. Do you prefer easy access to nearby cafés, being able to cycle to your local yoga studio or a walk alongside the beach every morning?

LOCATION

They say location is everything, ensure that the property you choose is perfect for your everyday needs. It is important to not only consider the suburb, but the community vibe, public transport, and nearby facilities.



SECURITY

This may not be important to all downsizers, however for some, security offers a 'safe' feeling to their new home. Some complexes offer gated security, basement carparking, onsite management and key fob entry to lifts.

SIZE

Exactly how big does your new property need to be? Are you suited to a one-bedroom or possibly three-bedroom apartment? Will family or friends regularly stay at your new abode? Will there be enough space for your belongings? This is important when it comes to downsizing as you need to be able to live how you are used to.

Place Projects is Brisbane's and one of the Sunshine Coast's premier project marketing company. Specialising in marketing off-the-plan apartment developments, we provide a full-service sales organization to the South East Queensland market.

Our passion for innovation and exceptional results ensures interaction with quality people, quality properties and quality marketing.

If you are interested in personalised property data analysis for the Sunshine Coast or Brisbane markets, please get in touch.



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