

APARTMENT

ISSUE 12
SPRING 2020

In this edition of **Apartment**, we take a look at Brisbane's future. We cover everything from current incentives on offer to predicted migration and future infrastructure. As always, we also examined Brisbane's off-the-plan and new apartment market to understand how it is tracking during these trying times.

RESILIENCE WITHIN BRISBANE'S APARTMENT MARKET



p
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 sites 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.

Brisbane Property Market Poised to Weather the Storm caused by COVID-19

Since peaking in April, Brisbane's dwelling values have decreased by 0.9% over the three months to July, a relatively small margin alongside Melbourne's 3.2% and Sydney's 2.1% respective declines over the same period.

In view of the uncertainty experienced in March, the early signs of underlying strength within Brisbane's market are positive as there is potential to not only weather the storm of COVID-19, but possibly rebound.

Brisbane is well positioned to become the prime beneficiary of the market slowdown felt in both Sydney and Melbourne, as the turmoil felt in southern states further increases the desirability for Brisbane property.

Brisbane's interstate and overseas investment has predominately been led by affordability, lifestyle and steady returns, with Brisbane's market recording an average annual dwelling growth of 0.9% over the past decade. Accompanying these key attributes contributing to Brisbane's steadily increasing performance are now a plethora of large-scale infrastructure projects which are poised to boost the local economy, increase the capital's desirability, and in turn bolster Brisbane's property market.

Historical evidence suggests that new infrastructure projects boost local economies by creating new jobs and attracting more people to a precinct, increasing both employment and local property values.

In particular, transportation upgrades and developments play a critical role in driving up property values, as these projects improve accessibility. Transport projects such as the Cross-River Rail, Brisbane Metro together with Brisbane Airport's newly completed \$1bn second runway will see Brisbane begin to reap the benefits of increased connectivity, as properties set to benefit from the transport infrastructure are expected to increase in value in correlation with project completions.

Additionally, Brisbane has a vast array of landmark developments currently under construction and in the pipeline including the Queens Wharf Precinct, Brisbane Live and the newly lodged Brisbane Waterfront. All of which will increase Brisbane's desirability and further bolster Brisbane's position as a front-runner interstate and overseas migration.



Take a look at the most notable infrastructure projects that are currently under construction or in the pipeline.

Queens Wharf Precinct (Under Construction)	Brisbane Airport 2nd Runway (Newly Completed)
Brisbane Live (Proposed)	Woolloongabba Station Precinct (Under Construction)
Brisbane Waterfront (Proposed)	Victoria Park Vision (Planning)
Cross River Rail (Under Construction)	River Reach Masterplan (Proposed)
Brisbane Metro (Under Construction)	Brisbane International Cruise Terminal (Under Construction)
Kangaroo Point Pedestrian Bridge (Expected 2023)	Howard Smith Wharves Ferry Terminal (Commence Late 2020)



JUST RELEASED - SEVEN STUNNING TOWN HOMES



Zephyr on Nellie is a new unique town home development offering seven exceptional two-bedroom residences all with studies or multipurpose rooms.

With Construction well underway, now is the time to secure your new home with ample time to prepare for settlement before Christmas 2020.

**To learn more about Zephyr on Nellie, please contact
Stephen Wootten | 0411 790 760 | stephenwootten@eplace.com.au**



YOUR EXCLUSIVE ACCESS TO BRISBANE'S
BEST-SELLING BOUTIQUE LUXURY PROJECT



The Sinclair

BY MOSAIC

Boasting a powerful combination of lifestyle, location, design and five-star amenity, The Sinclair by Mosaic has experienced exceptional demand, selling over 65% in a matter of months, before public release.

As Brisbane's best-selling boutique luxury project so far in 2020, Mosaic is bringing forward the release of a brand-new stage of premium 2- and 3- bedroom apartments in The Sinclair.

Prior to the public release of this latest stage, Mosaic has offered Place Projects exclusive access to sell this collection, which features some of the project's absolute best designs.

Construction is set to commence in October, with completion expected in mid 2022. The Sinclair is eligible for the \$25,000 HomeBuilder grant, while first home buyers can capitalise on up to \$40,000* in Government grants (*eligibility criteria and income-cap limits apply).



SILK – ASCOT

SILK is a boutique bespoke project, consisting of 12 unique apartments and a ground floor retail centre, perfectly positioned on the corner of Racecourse Rd and Beatrice Tce in exclusive Ascot Village.



THE SINCLAIR – EAST BRISBANE

Boasting a powerful combination of lifestyle, location, design and five-star amenity, The Sinclair by Mosaic has experienced exceptional demand, selling over 65% in a matter of months, before public release.

NOW SELLING



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.



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 – Thorncliffe 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.



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 JUNE QUARTER 2020

BRISBANE MARKET OVERVIEW: SIGNS OF GROWTH AND RESILIENCE IN A TIME OF UNCERTAINTY

OVERVIEW – 107 UNCONDITIONAL TRANSACTIONS WERE RECORDED FOR THE JUNE QUARTER 2020, TOTTALLING APPROXIMATELY \$79 MILLION WORTH OF APARTMENT SALES.

As Queensland entered stage two restrictions in late March, it was foreseeable that the impact of Covid-19 on the Brisbane apartment market would be more accurately depicted in the June quarter.

Following early public uncertainty surrounding the severity of the virus, came several levels of restrictions alongside widespread economic impacts that included an unparalleled increase in unemployment, negatively impacting buyer sentiment, and in turn, new apartment and off-the-plan sales. Unsurprisingly, the impacts were indicative of the disparity between sales figures of the first and second quarter of the year, with the June quarter recording 80 less unconditional sales.

When comparing the June 2020 quarter to the sale figures 12 months prior, it was surprising to find the penultimate June quarter was slightly outperformed by the June 2020 quarter by eight sales. However, this figure was significantly bolstered by the strong sales presence of The Sinclair (39 unconditional sales) and Brisbane 1 (26 unconditional sales), accounting for 61% of all Brisbane new and off-the-plan sales.

Evidently, the impact of the pandemic has shaped the poor transaction results of the wider project pool in the second quarter of 2020. However, promising performances from standout projects and data relating to changes in dwelling values show that Brisbane has been far less affected by the impacts of Covid-19 when compared to the other major capital cities. Bringing light to the underlying signs of growth and resilience within the Brisbane property market and bearing with it the possibility of a rebound in the back half of the year.

Additionally, Brisbane's market is well positioned to weather the storm of the virus on the back of a forecasted interstate migration boom, as desirability for Queensland's capital is being increasingly driven by housing affordability, the surge in new infrastructure projects and quality of lifestyle. Simultaneously, increased government intervention will play a strong part in the recovery, with newly introduced schemes such as the \$25,000 HomeBuilder grant expected to positively impact consumer sentiment by creating

urgency to purchase and pushing buyers on the edge to cash in now before the scheme becomes void at years end.

For buyers, it should be pleasing to see the Brisbane apartment market showing underlying strength and comforting that even the direst economic forecasts predict a recovery as soon as next year.

SUMMARY OF THE JUNE 2020 QUARTER

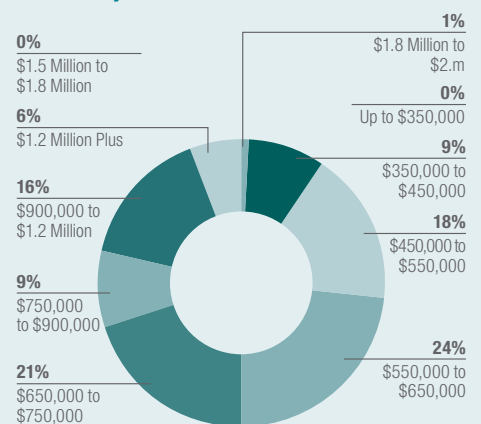
- 107 unconditional sales occurred during the June quarter 2020. This is eight sales higher than the same period 12 months prior.
- The weighted average sale price for the June quarter 2020 was recorded at \$736,449 - 20% lower than 12 months prior.
- "The Sinclair" in East Brisbane was the standout performer for the quarter, recording 39 unconditional apartment sales, the highest result of any development.
- During the June 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 27% of sales, while three-bedroom apartments accounted for a further 18% of new apartment sales. The remaining one percent consisted of studio, 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 June 2020 quarter, both accounting for 21% sales respectively. This was followed by the \$450,000 to \$550,000 price bracket which accounted for a further 17% of sales.
- There are currently 1,098 new apartments available for sale throughout Inner Brisbane which is 3% higher when compared to the previous quarter.
- With few new developments entering the marketplace, the proportion of new apartments that have now completed construction has remained consistent

for the first two quarters of 2020 at 79%.

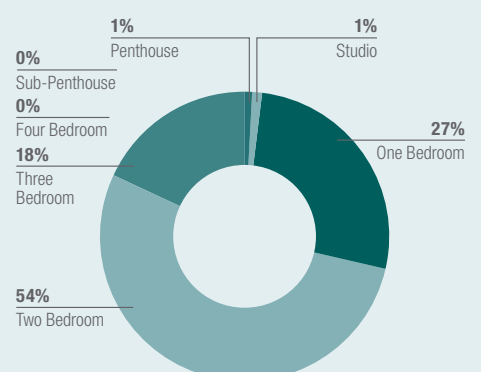
Higher compared to the 65% development completion status at same period 12 months prior.

- Remaining supply consists primarily of two-bedroom apartments, which accounts for 54% of all remaining new apartments. One-bedroom apartments account for a further 20%, whilst three-bedroom apartments account for a further 16% of remaining new apartments. The remaining 10 percent are four-bedroom and penthouse apartments.

June Quarter 2020 Unconditional Sales by Price Point



June Quarter 2020 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 10 unconditional new apartment sales for the June quarter. Demand was primarily seen within the higher price points with five sales over \$1,200,000.
- 433 Queen was the strongest performer within the CBD precinct, recording a total of eight unconditional new apartment sales.
- Most of the remaining supply is in two-bedroom configurations, accounting for 54% of all new apartment supply in the CBD precinct. 20% is in one-bedroom configurations, with a further 16% in three-bedroom configurations. The remaining 10% is made up of four-bedroom apartments and a single penthouse in 433 Queen.
- There are currently only 212 new apartments available for purchase throughout the CBD precinct.
- Of all new apartment buildings in the CBD precinct, only 443 Queen is yet to complete construction. This development is due to for completion in December 2021 and is currently 76% sold out.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	June Qtr 2020
The Midtown	CBD	Completed	144	130	14	0
Skytower	CBD	Completed	1092	1,011	81	0
443 Queen	CBD	Under Construction	264	200	64	8
Mary Lane	CBD	Completed	184	131	53	2
CBD PRECINCT TOTAL			1,684	1,472	212	10

NORTH OF THE RIVER

The North of the River precinct has recorded 15 unconditional new apartment sales for the June 2020 quarter at an average weighted sale price of \$730,000.

- “Utopia Space” in Fortitude Valley and “Gallery House – Stage Two” in Hamilton recorded the most unconditional sales for the quarter. The developments recorded 8 and 3 unconditional new apartments sales, respectively.
- During the June 2020 quarter, the North of the River precinct recorded a total of 15 unconditional new apartment sales. The majority of these sales were within the \$450,000 to \$550,000 price bracket, accounting for 47% of sales.
- The majority of demand North of the River was for two-bedroom configurations, this accounted for 53% of sales. This was followed by one-bedroom (27%) and three-bedroom, four-bedroom and penthouse configurations each at 7%.
- At the end of the June 2020 quarter, there were 283 new apartments remaining available for sale throughout the North of the River precinct.
- At present, 81% 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.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	June Qtr 2020
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
Gallery House - Stage 1	Hamilton	Completed	167	158	9	0
Gallery House - Stage 2	Hamilton	Completed	148	124	24	3
Chester Apartments	Newstead	Completed	170	154	16	1
Anthology	New Farm	Under Construction	26	21	5	0
Ella Apartments	Newstead	Completed	149	126	23	2
Nero	Newstead	Completed	108	106	2	0
38 High St	Toowong	Completed	136	127	9	0
Illumina	Toowong	Completed	224	222	2	0
White Dawn	Toowong	Completed	60	57	3	0
Aura	Milton	Under Construction	82	54	28	0
The Henry	Indooroopilly	Under Construction	55	52	3	1
NORTH OF THE RIVER TOTAL			2,642	2,359	283	15

SOUTH OF THE RIVER

82 UNCONDITIONAL TRANSACTIONS;
WEIGHTED AVERAGE PRICE
\$697,560

- During the June 2020 quarter, the South of the River precinct recorded the most unconditional sales of new apartments in Inner Brisbane, accounting for 77% of total sales for the quarter, following up the strong sales presence of 60% in the March 2020 quarter. Demand for apartments in a range of prices occurred with a weighted average sale price of \$697,560.
- "The Sinclair"** was South of the River's best performer with 39 unconditional off the plan apartment sales, the most for market over the June 2020 quarter. This development totalling 122 apartments has 42 apartments remaining available for purchase.
- 52% of the 82 sales for the June 2020 quarter were two-bedroom apartments followed by one-bedroom apartments (26%) and three-bedroom apartments (22%).
- The price brackets were relatively even for the quarter, the most common price brackets were \$650,000 to \$750,000, \$550,000 to \$650,000 and \$900,000 to \$1,200,000, accounting for 24%, 22% and 20% of total sales, respectively.
- Remaining stock is mostly made up of two-bedroom apartments (47%), with one-bedroom and three-bedroom apartments accounting for 33% and 18% of remaining new apartment supply. The remaining two percent are four-bedroom but predominately penthouse configurations.
- Of all new apartments in the South of the River precinct, approximately 82% have now completed construction. There are currently 603 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 11 developments having 10 apartments or less available for sale.

Development	Suburb	Status	Total units	Sold to Date	Available for sale	June Qtr 2020
Atlas	South Brisbane	Completed	210	205	5	3
Black Fold	West End	Completed	40	40	0	0
Brisbane 1	South Brisbane	Completed	608	351	257	26
Citro	West End	Completed	106	64	42	0
Encore	West End	Completed	60	44	16	7
INK	West End	Completed	107	98	9	2
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	0
West Village Stage 2 North Gallery	West End	Completed	53	43	10	0
Soko Waterfront Apartments	West End	Completed	120	119	1	0
The Mews	Woolloongabba	Completed	139	123	16	0
The One West End	West End	Completed	61	48	13	0
The Standard	South Brisbane	Under Construction	268	260	8	0
Silk One	Woolloongabba	Awaiting Construction	173	93	80	0
Boggo Road Stage 2	Dutton Park	Completed	75	72	3	1
Linton Apartments	Kangaroo Point	Completed	154	125	29	0
M Apartments	Kangaroo Point	Awaiting Construction	46	9	37	4
Lincoln on the Park	Greenslopes	Completed	93	76	17	0
Oxy	Greenslopes	Completed	60	53	7	0
The Sinclair	East Brisbane	Under Construction	122	80	42	39
SOUTH OF THE RIVER TOTAL			3,113	2,510	603	82

SPECIAL REPORT

THE FUTURE OF MIGRATION

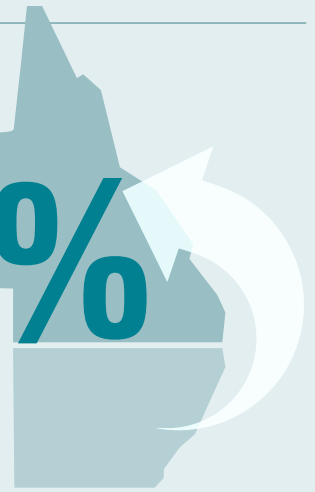
Before the onset of COVID-19, one of the underlying demand fundamentals of the Brisbane housing market was its affordability and lifestyle, which drew interstate migration from other parts of Australia, particularly New South Wales.

In the two years to September 2019, ABS migration data suggests that Queensland received the highest number of interstate migrants of the states and territories. 49.4% of this interstate migration to Queensland stems from New South Wales.

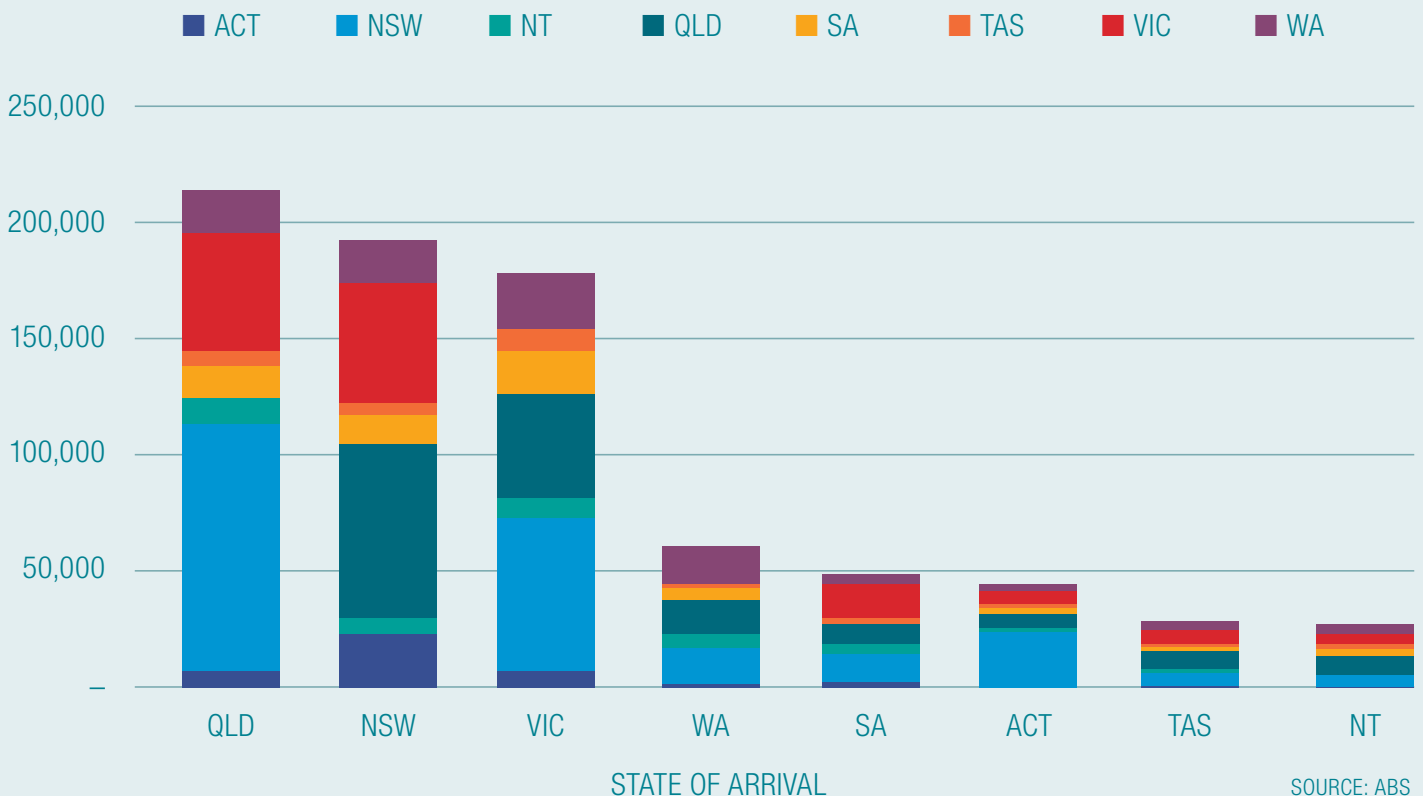
The breakdown of interstate arrivals from different states to Queensland is present in the chart below.

49.4%

INTERSTATE MIGRATION
NSW → QLD

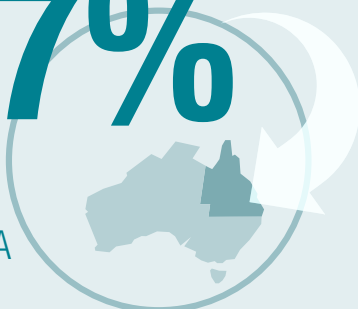


INTERSTATE MIGRATION ARRIVALS BY STATE OF DEPARTURE – TWO YEARS TO SEPTEMBER 2019



12.7%

OVERSEAS
MIGRATION
TO AUSTRALIA



As mentioned, local affordability and the lifestyle advantages has resulted in strong interstate migration. At the same time 12.7 percent of our overseas migrants have been settling in Queensland and interest from foreign investors is rising.

Of course, international migration will be put on hold for a short time, but once we are through the current pandemic, both Brisbane and Queensland as a whole will remain an attractive location for interstate and overseas migration.



GOVERNMENT INCENTIVES

FIRST HOME BUYERS AND NEW BUILDS

In response to industry bodies warning that the economic downturn associated with the Covid-19 pandemic could see the number of building projects in the pipeline plummet, the Federal Government have announced the \$25,000 HomeBuilder grant.

Available nationally until 31 December 2020, the grant will boost new projects, stabilise jobs, and will be serviceable alongside the raft of already established government incentives for homebuyers.

Take an in-depth look at the all the active measures in-play stimulating the economy through property and see how you can take advantage!



NATIONAL SCHEMES

HOMEBUILDER

Offers owner-occupiers a \$25,000 grant when building new homes valued up to \$750,000, and for renovations valued between \$150,000 and \$750,000. Available for all owner-occupiers, the grant can be used in conjunction with federal first-home buyer schemes and existing state schemes.

Income limits of \$125,000 for singles and \$200,000 for couples apply and cannot be used by investors, or for renovations of sheds, pools or granny flats.

FIRST HOME LOAN DEPOSIT SCHEME

Allows eligible First-home buyers to pay a deposit of as little as 5 per cent on their first home.

Under the scheme, the Government acts as guarantor so borrowers won't need to pay lender's mortgage insurance, which usually applies when buying with a deposit less than 20 per cent of the value of the property.

Both new and existing residential properties are eligible with income limits of \$125,000 for singles and \$200,000 for couples.

FIRST HOME SUPER SAVER SCHEME

Allows first-home buyers to make up to \$30,000 in voluntary contributions to their superannuation fund (taxed lower than income) to save for a home, with a limit of \$15,000 per financial year.



QUEENSLAND FIRST-HOME BUYER SCHEMES

FIRST-HOME OWNER GRANT

In Queensland, you can get \$15,000 towards buying or building a new house, unit or townhouse valued at less than \$750,000.

STAMP DUTY CONCESSIONS

Eligible first-home buyers' concession won't pay any transfer (stamp) duty on homes costing less than \$500,000 or vacant land under \$250,000.

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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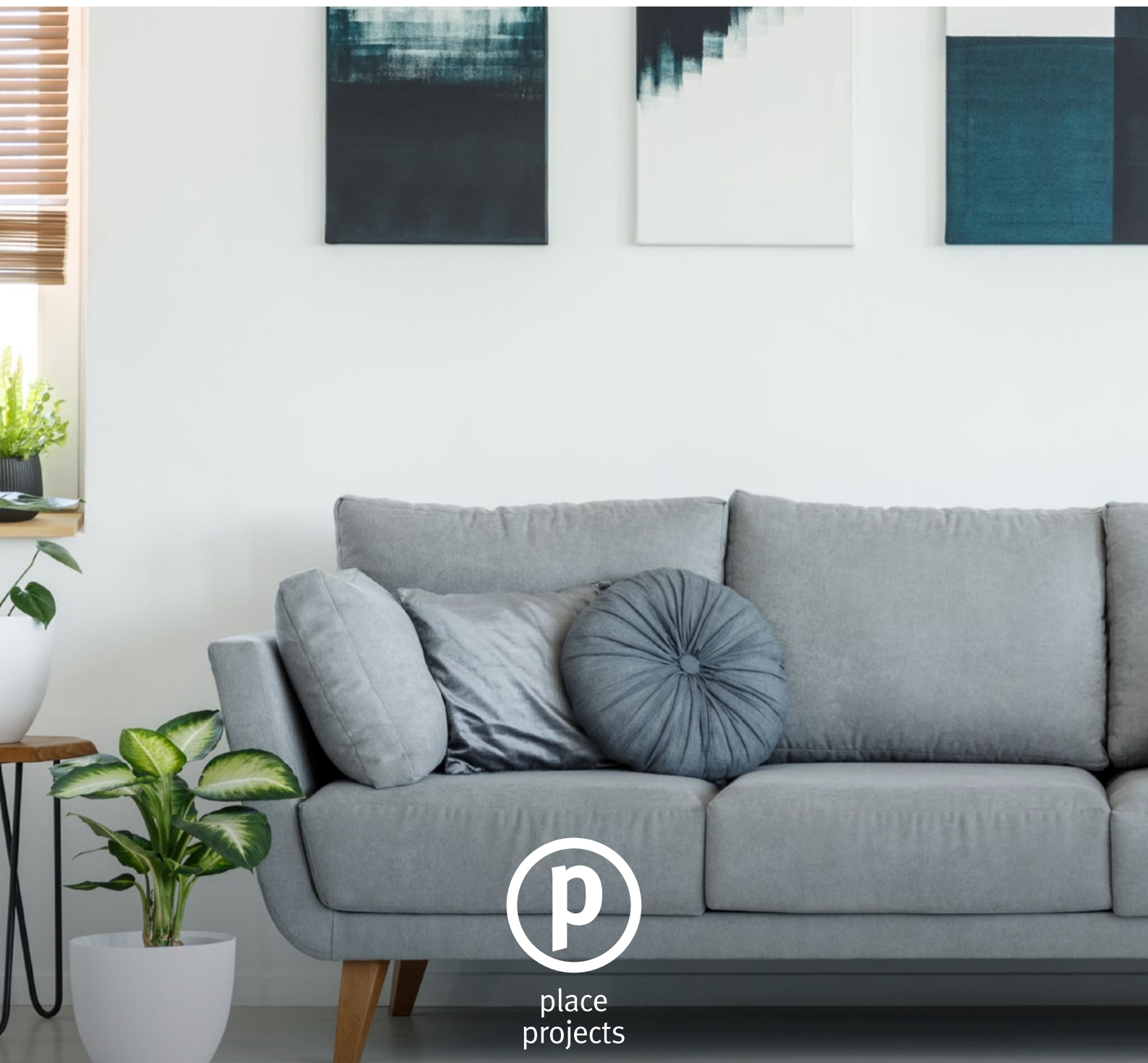


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