

Apartment.



THE PLATFORM IS
SET FOR BRISBANE'S
APARTMENT MARKET
RECOVERY

In this edition of **Apartment**, we delve deeper into the cogs in motion that are sparking the **Brisbane apartment market recovery**. Our researchers break down Brisbane by the numbers and explain the **economic factors, migration statistics, and favourable conditions** that are **shaping a prosperous future** for the Brisbane residential property market.

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's Recovery Gaining Momentum.



In the Summer issue of Apartment, the underlying strength of Brisbane's property market amid the peak of the pandemic was highlighted and we expressed the possibility of a rebound towards the back half of the year.

A quarter later, and we are now seeing indications that this shift should ring true, as the early stages of Brisbane's property market recovery are now visible.

In the face of the nation's first recession in 30 years, which caused major markets like Sydney and Melbourne plummet, Brisbane has remained relatively unscathed, as new data suggests both house and unit prices are trending upwards.

Despite the economic uncertainty of 2020, Brisbane house prices rose by 1.3 per cent over the September quarter to a median of \$720,000, while unit prices grew by 2.2 per cent to \$419,000.

The Brisbane off the plan and new apartment market has also regathered its momentum over the September quarter. An uplift in both sales and weighted average price was realised despite the lack of new projects entering the market, as developers continue to push launches for new projects out until economic conditions are corrected. The lack of new stock is now allowing demand to catch up to what was once an oversupplied market and the prospects for new projects offering the right product look strong for the new year.

The rapid increase in demand for Brisbane property has been created through the culmination of record low interest rates, steady returns, and record interstate migration to the sunshine state as those from the southern states move north following the easing of border restrictions. These factors should positively effect capital growth for the region. For this reason, we expect investors to return to the market for the first time in a while, as the opportunity of wealth creation in Brisbane looks too favourable to ignore, especially when compared to Sydney and Melbourne markets.

For the December quarter, we expect both the Brisbane off the plan apartment market and wider Brisbane residential market to continue its steady recovery as consumer sentiment turns a corner and the border restrictions ease.



ZEPHYR ON NELLIE

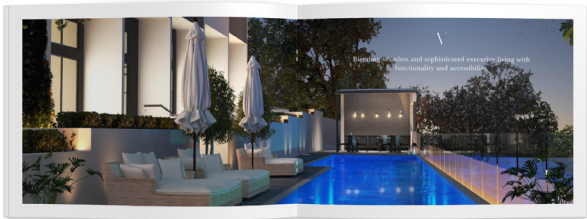
Zephyr on Nellie is a new unique town home development offering seven exceptional two-bedroom residences all with studies or multipurpose rooms. Combining a premier Nundah location, superior design and affordability, the Zephyr on Nellie offering is unrivalled.



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.



IVIE RESIDENCES

Strategically positioned in the heart of Greenslopes and designed for young professionals who want a low maintenance home with space to work from home, relax and entertain.



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.

Projector.

INNER CITY APARTMENTS MARKET REPORT APRIL – SEPTEMBER 2020

BRISBANE STEADILY GAINING MOMENTUM

121 unconditional transactions were recorded for the quarter, totalling approximately \$102 million worth of apartment sales.

The Brisbane off the plan and new apartment market suffered amid the early stages of the pandemic, as external forces placed pressure on sales statistics for the June quarter, owing to an unparalleled level of economic uncertainty. However, in correlation with the wider Brisbane residential market, the Brisbane off the plan market has also steadily begun its recovery from the March quarter blip, regathering momentum to post 121 sales over a period where few new projects entered the market.

Interestingly, September 2020 saw the weighted average price rise by 14% from the previous quarter to \$836,000, the highest level since December 2018. Coincidentally, the demand for three-bedroom apartments rose to occupy 25 per cent of all sales, as the demand for one-bedroom configurations dropped from 27 percent in the previous quarter, to now only account for 14 percent of all sales. The shift in weighted average price and configuration over the September quarter can be attributed to the demand for higher end, quality, owner occupier apartments, an offering we believe will continue to strongly perform as the unprecedented surge of interstate migrants will presumably purchase apartments to occupy.

Given the scarcity of new projects entering the Brisbane market throughout 2020 and the tightening on investor lending that has diminished the investment sales in Brisbane's apartment market significantly, it is positive to see an increase in sales activity as the percentage of apartments sold in new projects edges to 86 per cent collectively. Importantly, the majority of transactions over the period were in projects under construction or in the presale phase, speaking to the increase consumer sentiment and confidence to purchase off the plan. The shortage of stock coupled with the increase in sentiment should see demand catch up with supply, posing positive prospects for developers releasing projects in the new year.

When comparing the September 2020 quarter to the sale figures 12 months prior, it wasn't shocking to find the September 2019 quarter outperformed by the June 2020 quarter by 92 sales. However, sales for the September 2019 quarter were bolstered by stronger supply and stable economic conditions. The shift in demand for higher quality apartments in the September 2020 quarter is strikingly evident when compared to a year earlier, with the weighted average price and demand for 3-bedroom apartments increasing by 22 per cent and 13 per cent, respectively.

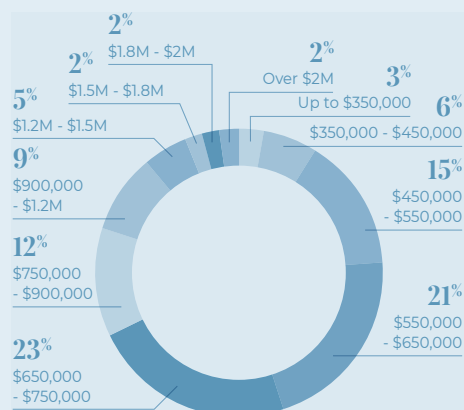
As per the previous quarter, it is evident the impact of the pandemic has shaped the poor transaction results for the Brisbane off the plan and new apartment projects in the September 2020 quarter. However, Brisbane has begun its recovery and the property fundamentals Brisbane possesses that have stabilised the local market should hold the off the plan and new market in good stead for the December quarter and into the new year. We expect the increase in supply, the imminent interstate migration boom, and the wealth creation opportunities the Brisbane market exhibits when compared to southern capitals to culminate into increased sales and strong performances by upcoming projects with the correct offering.

SUMMARY

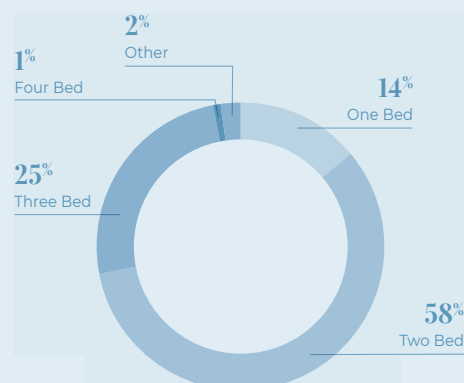
- 121 unconditional sales occurred during the September quarter 2020. This is 92 sales lower than the same period 12 months prior.
- The weighted average sale price for the September quarter 2020 was recorded at \$835,950 - 22% higher than 12 months prior.
- "The Patterson" in Toowong was the standout performer for the quarter, recording 48 unconditional apartment sales, the highest result of any development.
- During the September quarter 2020, the majority of apartments sold unconditionally were in two-bedroom configurations, accounting for 59% of all sales for the quarter. Three-bedroom apartments accounted for 25% of sales, while one-bedroom apartments accounted for a further 14% of new apartment sales. The remaining three percent consisted of four-bedroom and unique apartments.
- The \$650,000 to \$750,000 price bracket was the most common for new apartment sales during the September 2020 quarter, accounting for 23% of sales. This was followed by the \$550,000 to \$650,000 price bracket which accounted for a further 21% of sales.

- There are currently 1,077 new apartments available for sale throughout Inner Brisbane which is 2% lower than 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 71% development completion status at same period 12 months prior.
- Remaining supply consists primarily of two-bedroom apartments, which accounts for 51% of all remaining new apartments. One-bedroom apartments account for a further 28%, whilst three-bedroom apartments account for a further 15% of remaining new apartments. The remaining six percent are four-bedroom and penthouse apartments.

UNCONDITIONAL SALES BY PRICE POINT



UNCONDITIONAL SALES BY CONFIGURATION



CBD PRECINCT

Developments in the CBD precinct are 88% sold.

Sales volumes for the CBD precinct recorded a total of 2 unconditional new apartment sales for the June quarter. Demand was primarily for one-bedroom apartments under \$350,000.

- The Midtown was the strongest performer within the CBD precinct, recording a total of two unconditional new apartment sales.

- Most of the remaining supply is in two-bedroom configurations, accounting for 55% of all new apartment supply in the CBD precinct. One-bedroom configurations account for 19% of remaining stock, with a further 16% owing to three-bedroom configurations. The remaining 10% is made up of four-bedroom apartments and a single penthouse in 433 Queen.

- There are currently only 210 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	AVAILABLE FOR SALE	SEP QTR 2020
The Midtown	CBD	Completed	144	132	12	2
Skytower	CBD	Completed	1092	1011	81	0
443 Queen	CBD	Under Construction	264	200	64	0
Mary Lane	CBD	Completed	184	131	53	0
OVERALL			1684	1474	210	2

NORTH OF THE RIVER

"The Patterson" in Toowong recorded the most unconditional sales with 48 transactions. This was the highest rate of sale of all inner Brisbane projects for the September quarter.

The North of the River precinct has recorded 21 unconditional new apartment sales for the September 2020 quarter at an average weighted sale price of \$941,000.

- During the September 2020 quarter, the North of the River precinct recorded a total of 21 unconditional new apartment sales.

The majority of these sales were within the \$650,000 to \$750,000 price bracket, accounting for 30% of sales.

- The majority of demand North of the River was for two-bedroom configurations, this accounted for 66% of sales. This was followed by three bedroom at 25% and one-bedroom at 7%.

- At the end of the September 2020 quarter, there were 272 new apartments remaining available for sale throughout the North of the River precinct.
- At present, 76% of new supply in the precinct has completed construction. Additionally, only 10% of the total new apartment supply to the North of the River Precinct remains available for purchase.

DEVELOPMENT	SUBURB	STATUS	TOTAL UNITS	SOLD	AVAILABLE FOR SALE	SEP QTR 2020
Belize	Bowen Hills	Completed	230	209	21	1
The Yards	Bowen Hills	Completed	401	333	68	0
Mode	Newstead	Completed	158	157	1	0
Alcyone Residences	Hamilton	Completed	228	207	21	8
Utopia Space	Fortitude Valley	Completed	300	261	39	3
Gallery House - Stage 1	Hamilton	Completed	167	161	6	1
Gallery House - Stage 2	Hamilton	Completed	148	124	24	4
Chester Apartments	Newstead	Completed	170	159	11	0
Anthology	New Farm	Under Construction	26	21	5	4
Ella Apartments	Newstead	Completed	149	130	19	0
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
The Henry	Indooroopilly	Under Construction	55	55	0	3
The Patterson	Toowong	Under Construction	62	48	14	48
Aura	Milton	Under Construction	82	55	27	1
OVERALL			2704	2432	272	73

SOUTH OF THE RIVER

During the September 2020 quarter, the South of the River precinct recorded 46 unconditional transactions. Demand for apartments in a range of prices occurred with a weighted average sale price of \$691,300.

- As per the previous quarter, “The Sinclair” was South of the River’s best performer with 20 unconditional off the plan apartment sales. This development totalling 122 apartments now has 20 apartments remaining available for purchase.
- 49% of the 46 sales for the September 2020 quarter were two-bedroom apartments followed by three-bedroom apartments (27%) and one-bedroom apartments (22%).

- The price brackets were evenly spread for the quarter; however, the most common price brackets were \$550,000 to \$650,000 and \$450,000 to \$550,000, accounting for 28% and 24% of total sales, respectively.
- Remaining stock is mostly made up of two-bedroom apartments (48%), with one-bedroom and three-bedroom apartments accounting for 32% and 15% of remaining new apartment supply. The remaining five percent are penthouses.

- Of all new apartments in the South of the River precinct, approximately 81% have now completed construction. There are currently 595 new apartments remaining for sale throughout the South of the River precinct.
- There are currently 21 new apartment buildings in the South of the River precinct with apartments available for purchase. Of these, several are close to selling out, with 10 developments having 10 apartments or less available for sale.

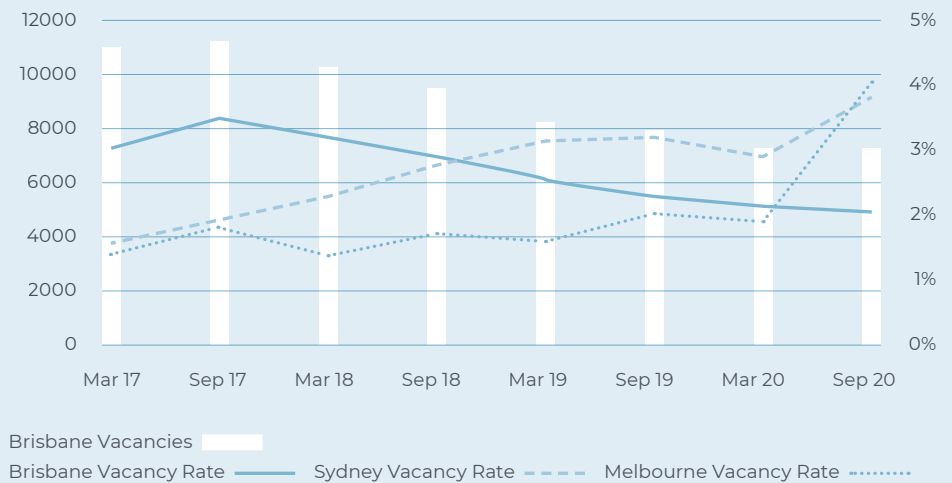
*46 unconditional transactions;
weighted average price \$691,300.*

DEVELOPMENT	SUBURB	STATUS	TOTAL UNITS	SOLD	AVAILABLE FOR SALE	SEP QTR 2020
Atlas	South Brisbane	Completed	210	173	37	0
Brisbane 1	South Brisbane	Completed	608	355	253	4
Citro	West End	Completed	106	69	37	5
Encore	West End	Completed	60	49	11	5
INK	West End	Completed	107	98	9	0
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	323	1	1
West Village Stage 2 North Gallery	West End	Completed	53	48	5	5
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	42	19	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	75	0	3
Linton Apartments	Kangaroo Point	Completed	154	126	28	1
M Apartments	Kangaroo Point	Awaiting Construction	46	9	37	0
Lincoln on the Park	Greenslopes	Completed	93	78	15	2
The Sinclair	East Brisbane	Under Construction	122	100	22	20
Oxy	Greenslopes	Completed	60	53	7	0
OVERALL			3073	2478	595	46

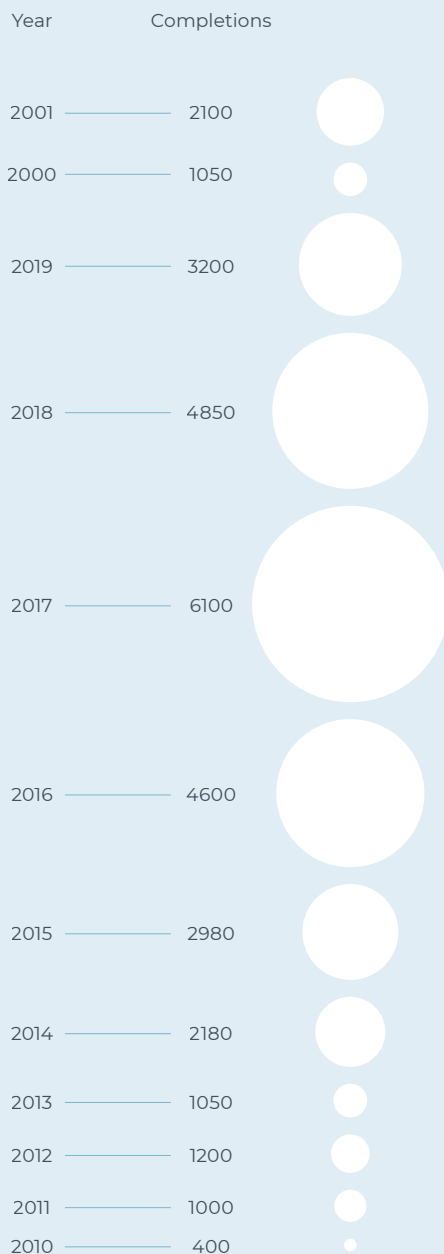
SPECIAL REPORT

Brisbane by the numbers.

BRISBANE VACANCY RATE COMPARISON



INNER BRISBANE APARTMENT COMPLETIONS (2010 - 2021)



BRISBANE MEDIAN RENTS (2 BEDROOM APARTMENTS - SEP QTR 2020)

	2018	2019	2020
Inner City (0km-2km,GPO)	\$490	\$500	\$470
Inner Ring (2km-5km)	\$385	\$395	\$390
Middle Ring (5km-20km)	\$355	\$370	\$375
Outer Ring (20km-40km)	\$290	\$290	\$295

TOP 5 PERFORMING SUBURBS (APARTMENTS) MEDIAN PRICE CHANGE





NEWLY COMPLETED STUNNING TOWNHOMES

Zephyr on Nellie is a new unique town home development offering seven exceptional two-bedroom residences all with studies or multipurpose rooms. With Construction now complete, it is time to secure your new brand-new home and move in for a fresh start for 2021.

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



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.

Ideal for the downsizing owner occupier or the savvy investor these residences offer elegant finishes and striking colours, perfect to relax and unwind.

Completion due late 2021. Prices starting from \$510,000

Treeline Residences

**To learn more about Treeline, please contact
Shaun Lennon | 0480 170 396 | shaunlennon@eplace.com.au**

COVID the catalyst for a Brisbane property boom.

BRISBANE'S PLATFORM IS SET FOR AN ECONOMIC RECOVERY & A PROPERTY SURGE.

THE DIRE PREDICTIONS OF EXPERTS IN MARCH SURROUNDING HEALTH, THE ECONOMY, AND THE NATIONAL PROPERTY MARKETS INVOKED A GREAT DEAL OF FEAR FOR WHAT WAS TO COME.

We can now look back on these predictions and be pleased with how well Brisbane has fared, particularly when compared to Sydney and Melbourne who endured longwinded restrictive lockdowns, unfathomable economic impacts, and who are currently heading a national property slump. Brisbane now sits on the precipice of a property boom, as COVID induced factors such as record interstate migration figures, increased desirability, and wealth creation opportunity begin to play a role in the state's property market. Already increasing Brisbane house prices to a record high and generating strong growth in regional markets such as the Sunshine Coast and Gold Coast.

ECONOMIC FACTORS

Queensland's strict response to the health crisis allowed for less severe lockdowns and as such, less pressure was placed on Queensland businesses compared to those in other states, laying a foundation for a quicker economic recovery. As such, The Queensland Government has already begun actioning its COVID-19 economic recovery plan that should further bolster the already strong economic recovery through \$8 billion worth of recovery initiatives.

Subsequently, the Queensland Government's recent COVID-19 fiscal and economic review has forecasted a Gross State Product (GSP) growth in 2021 of 3.75 per cent, nearly double the Reserve Bank's predicted national growth of 2 per cent. An extremely positive indication of where Queensland is heading in comparison to other states for both the economy and local property markets.

IMPACT OF MIGRATION

Although the latest interstate migration figures from the Australian Bureau of Statistics (ABS) date to June 2020 amidst the height of national lockdowns, where internal travel was restricted. The preliminary data, forecasts, and indications from real-estate agents and removalist companies suggest that Queensland is set to welcome an unprecedented amount of interstate migrants.

ABS data suggests that on average Brisbane alone has been welcoming a net average of 11,700 new residents each year since 2015. An impressive figure when compared to that of Sydney where a net average of 26,200 residents are lost to other regions a year in the same timeframe. These figures are expected to be significantly accentuated following the easing of travel restrictions as those in southern states seek to relocate to the sunshine state.

The Real Estate Institute of Queensland (REIQ) have recently estimated interstate demand for property had increased by about 20 per cent on last year. Furthermore, Realestate.com.au have reported a 39 per cent increase in buyer searches in Queensland from 2019 figures. This increase in activity is already boding well for Queensland property owners, and the benefits of the increased interstate demand aren't expected to diminish anytime soon.

FAVOURABLE CONDITIONS

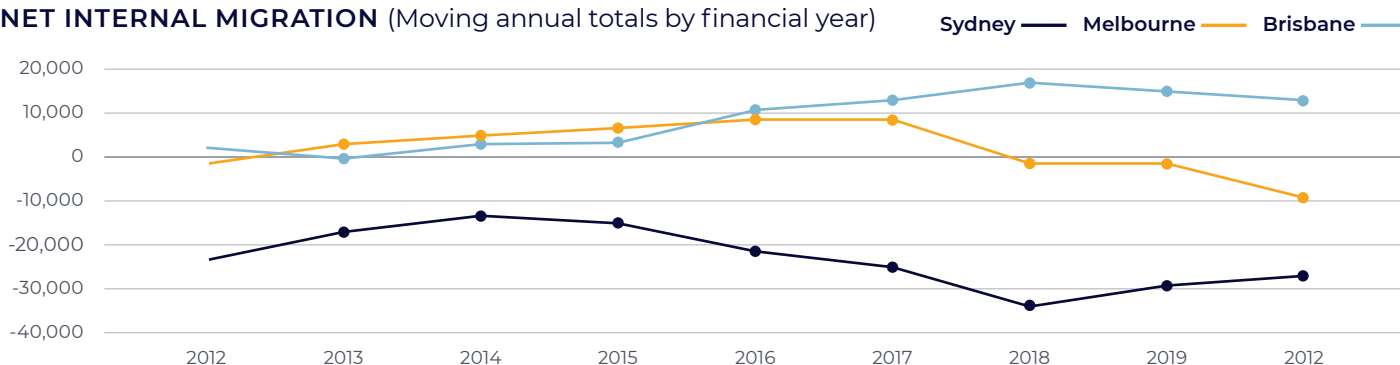
The increase in activity and demand throughout the state can be put down to desirability, affordability, and the strong property market fundamentals. Together, these factors have seen every single local government area in the state hold their values during the September quarter and Brisbane record an 4.4% annual increase to post its highest median house price in history at \$720,000.

In comparison to other capitals, the opportunity for wealth creation in the Brisbane housing market is extraordinarily strong and it's spurring buyer interest both locally and interstate.

Favourable borrowing conditions have also influenced Brisbane's rebound. Record low interest rates have increased the average person's borrowing power, fueling the first home buyer and upgrader markets along with the raft of government stimulus schemes like the 'HomeBuilder Grant', which has now been extended until the end of March 2021.

Ambitious infrastructure investment, the highest net migration in the country, and appealing weather and lifestyle factors should continue position the Brisbane property market as one of the most attractive in the country. With buyer interest high, the housing market also appears ready to boom.

NET INTERNAL MIGRATION (Moving annual totals by financial year)





Place.



Projects

About Place Projects.

Place Projects is South East Queensland's premier project marketing agency with the experience and resources to bring success to your next residential development.

Our people are 'hands on' operators who specialise in marketing off-the-plan apartment developments and master-planned communities in the South East of Queensland market. Our clients range from small local builders to large publicly listed companies; our buyers range from first home buyers, luxury downsizers, to professional national and international investors.

Place Projects is a high-quality organisation with a proven track record of customer satisfaction and outstanding sales results, which has helped us achieve record residential sales. The secret to this success is managing our growth and hand-picking the very best sales professionals in the business. Our unique set of systems and processes helps our staff grow professionally. It also allows us to offer a comprehensive sales and marketing service that minimises costs to our clients.

Using our proven formula, we empower developers and investors with information to make informed decisions on areas including site selection, development creation and planning, and buying opportunities. It also assists in the development of tailor-made strategic marketing campaigns that actively engage a project's most suitable target markets. This holistic approach, combined with our experience and local knowledge, means we can minimise the risk, while maximising the return on your development.

The detail of our reporting systems to developers is second to none. The reporting system available supports rational discussion in marketing spends, and minimises lost sales opportunities.

The Place Projects team is led by some of the most experienced and high achieving sales and marketing professionals in the industry. If you are interested in discussing how Place Projects can work with you, and your next project, please contact our team.



Bruce Goddard

Director

M 0418 185 209

E brucegoddard@eplace.com.au

in @brucegoddard



Syd Walker

Director

M 0418 710 888

E sydwalker@eplace.com.au

in @sydwalker



07 3107 9223

research@eplace.com.au

projects@eplace.com.au

[in](#) @placeprojects

[f](#) @placeprojects

[@](#) @placeprojectsptyltd

WeChat



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