

ISSUE 20 Spring 2022
Brisbane

Place.



Advisory

Apartment.



BRISBANE'S APARTMENT MARKET
REMAINS BUOYANT WHILE NEW
PROJECTS COMING TO MARKET
CONTINUE TO DECLINE.

In this edition of **Apartment**, we reflect on Brisbane's **declining apartment approvals** and **project pipeline**. We also have summarised an **annual review** of the residential market across Brisbane.



WHO IS PLACE ADVISORY?

AS SOUTH-EAST QUEENSLAND'S LEADING OFF-THE-PLAN APARTMENT MARKETING COMPANY, WE ARE CONSTANTLY MONITORING THE PROPERTY MARKET AND 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.

Overall encouraging fundamentals have continued to deliver price growth for Brisbane's apartment market for yet another quarter.

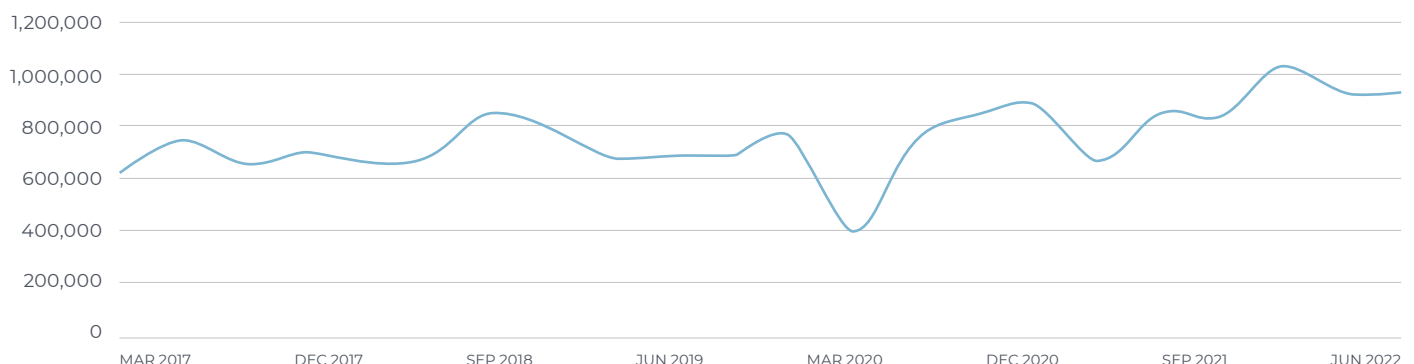
Brisbane achieves extended price growth alongside reducing stock levels in the second quarter of 2022.



There were 877 off-the-plan sales made during the June quarter which represents a substantial spike from 228 sales in the March quarter. Collectively, the weighted average sale price amongst these transactions was \$921,921. This was largely due to the impressive prices achieved in the CBD for the quarter that were made in uniquely large volumes, due to the release of Queen's Wharf Tower. The current weighted average sale price also reflects a 10% increase from one year prior and displays signs of sustaining prices achieved in the previous quarter.

Project deferrals are rising nonetheless and pose the likelihood of a further imbalance between supply and demand. Place Advisory partly attributes this to the rising cost of construction along with uncertainty surrounding the unfortunate collapse of some building companies over the last 12 months. It is assumed that this will be reflected in price growth across Brisbane.

WEIGHTED AVERAGE SALE PRICE OF OFF-THE-PLAN APARTMENTS IN BRISBANE



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Projector.

INNER-CITY APARTMENTS MARKET REPORT APRIL – JUNE 2022

877 off-the-plan sales were recorded in the second quarter of 2022, and they have a total weighted average sale price of \$921,921, a 10% increase from June last year.

There has been a boost in sales for one-bedroom apartments, accounting for an abnormally high 49% of recorded off-the-plan transactions. This was primarily due to the release of Queen's Wharf Tower in April. Two- and three-bedroom apartments comprised a further 43% and 5% of sales respectively. Four-bedroom apartments accounted for 3% of unconditional sales.

When removing Queen's Wharf Tower from recorded transactions, being a once-only event, there is a considerable shift in configuration sales percentages. Further, two-bedroom apartment sales return to a level that is consistent with previous quarters, amounting to 62% of transactions. This reflects an increase from when they comprised as 60% of sales in the June quarter of 2021. One-bedroom apartment sales amount for a further 20% of transactions followed by 16% of sales coming from three-bedroom configurations. This further highlights the lack of 2-bedroom stock in the current off-the-plan projects.

Apartments in the \$900,000 - \$1.2m price range accounted for a significant 36% of recorded sales while this was just 9% in the previous quarter.

This substantial increase in this price bracket represents the higher quality projects being released, designed to fit the desires of the increasing owner-occupier market.

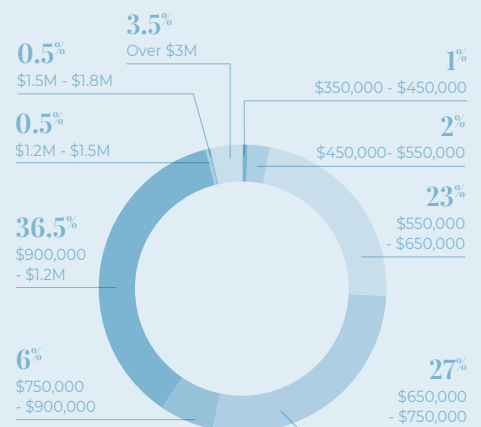
55% of projects remain under construction while 32% have been completed, a vast decrease from 55% completed in the June quarter last year. Construction time frames have been vastly affected by supply issues which have been exacerbated by labour shortages caused by natural disasters within Queensland and Northern NSW.

Currently, 75% of projects are sold out and it's considered that demand will quickly absorb the supply of currently deferred projects when they hit the market. Further, there's estimated to be just two months of supply currently available, given the current sales rate.

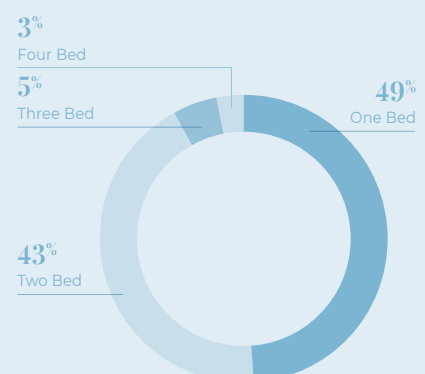
SUMMARY

- 877 unconditional sales occurred during the June quarter 2022. There are 194 sales more than in the same period 12 months prior.
- The weighted average sale price for the June quarter of 2022 was recorded at \$921,921.
- Queen's Wharf Tower was the standout performer for the quarter with 762 unconditional apartment sales.
- Completed construction now amounts to 36% of projects recorded, a decrease from 55% in the June quarter of 2021.

UNCONDITIONAL SALES BY PRICE POINT



UNCONDITIONAL SALES BY CONFIGURATION



CBD PRECINCT

CBD supply has diminished to less than 1-months' worth of stock available.

Bolstered with the release of Queen's Wharf Tower, there were 773 recorded off-the-plan transactions in the CBD precinct which has an average weighted sale price of \$947,218.

– Sales data for The One Residences (Shayher Group) was not available for Q2 2022 results.

– A record-breaking \$732,200,000 worth of unconditional transactions were recorded in the precinct.

– One-bedroom apartments comprised a substantial 52% of sales, while two-bedroom apartments amounted to a further 41%.

DEVELOPMENT	SUBURB	STATUS	TOTAL UNITS	SOLD	AVAILABLE FOR SALE	JUN QTR 2022
Skytower	CBD	Completed	1,141	1,071	70	11
Queen's Wharf Tower	CBD	Awaiting Construction	819	784	35	762
443 Queen	CBD	Under Construction	264	263	1	-
The One Residences	CBD	Completed	467	N/A	N/A	N/A
OVERALL			2,691	2,118	106	773

NORTH OF THE RIVER

Two-bedroom apartments accounted for 62% of recorded transactions while apartments in the \$750,000 to \$900,000 price bracket was most popular, accounting for 54% of sales.

– 90% of off the plan apartments have sold.

– The weighted average sale price north of the river was \$782,692.

– Hamilton's high-end Rivello apartments have almost sold out.

DEVELOPMENT	SUBURB	STATUS	TOTAL UNITS	SOLD	AVAILABLE FOR SALE	JUN QTR 2022
Ascot Aurora	Ascot	Under Construction	15	4	11	4
Charlton House	Ascot	Under Construction	115	N/A	N/A	N/A
Utopia Space	Fortitude Valley	Completed	300	298	2	1
Bide	Newstead	Under Construction	89	71	18	-
Rivello	Hamilton	Under Construction	150	148	2	-
Oria	Spring Hill	Awaiting Construction	109	107	2	5
Estilo on the Park	Chermside	Under Construction	121	63	58	3
Ethereal Residences	Indooroopilly	Under Construction	46	18	28	-
OVERALL			945	709	121	13

SOUTH OF THE RIVER

There were 91 reported unconditional new apartment sales for the June quarter, with two-bedroom apartments in the \$750,000 to \$900,000 price range accounting for majority of this demand.

– Two-bedroom apartments comprised 59% of sales south of the river.

– Majority of projects in the precinct have an estimated completion date of mid-late 2023.

– There was a weighted average sale price of \$730,555 within the precinct.

DEVELOPMENT	SUBURB	STATUS	TOTAL UNITS	SOLD	AVAILABLE FOR SALE	JUN QTR 2022
Upper House Penthouses	South Brisbane	Under Construction	N/A	N/A	N/A	N/A
Atlas	South Brisbane	Completed	210	194	16	5
Brisbane 1	South Brisbane	Completed	608	481	127	23
Croft & Cremorne on Fish Lane	South Brisbane	Under Construction	61	N/A	N/A	N/A
The Carl	Woolloongabba	Under Construction	74	54	20	54
Citro	West End	Completed	106	78	28	2
West Village (Altura)	West End	Under Construction	147	19	128	3
The One West End	West End	Completed	61	52	9	3
Skye	Kangaroo Point	Under Construction	68	N/A	N/A	N/A
Lume	Kangaroo Point	Completed	136	134	2	1
OVERALL			1,471	1,012	330	91

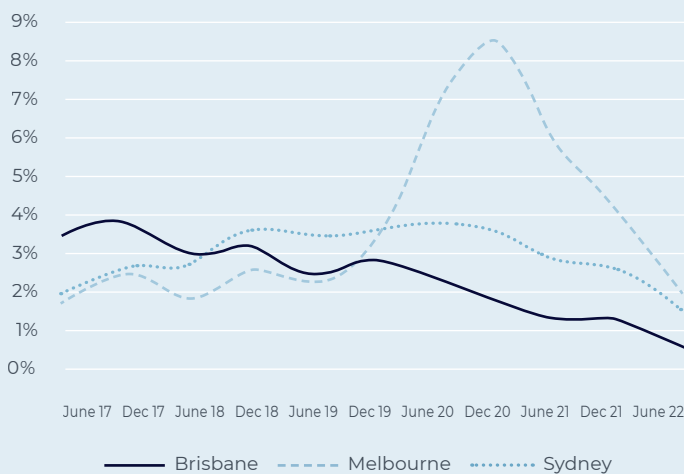
N/A represents projects where data is not certain

SPECIAL REPORT

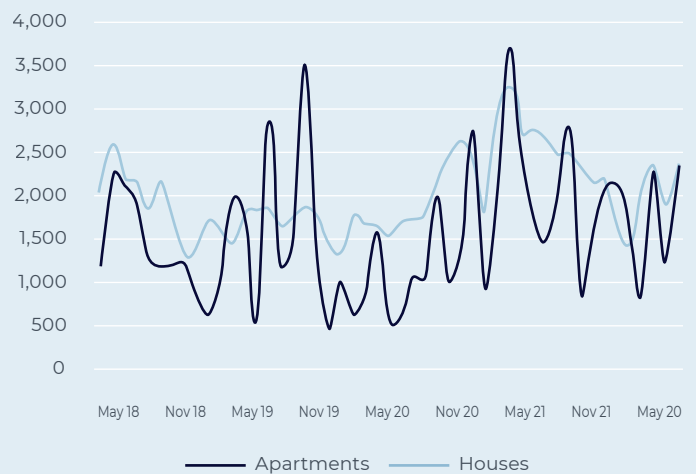
Brisbane by the numbers.

BRISBANE RENTAL PRICES	MEDIAN PRICE	QUARTER % CHANGE	12 MONTH % CHANGE	10 YEAR % (PA) CHANGE
House	\$620	5.10%	20.20%	3.60%
House (3 Bed)	\$560	4.40%	16.80%	3.30%
Apartment	\$448	7.80%	14.70%	2.10%
Apartment (2 Bed)	\$450	7.30%	15.00%	2.60%

BRISBANE VACANCY RATES ARE TIGHTER THAN SYDNEY & MELBOURNE



NEW BUILDINGS APPROVED IN QUEENSLAND



TOP 10 PERFORMING APARTMENTS IN THE INNER RING SUBURBS

	JUN 2022 MEDIAN PRICE	1Y PRICE GROWTH	5Y PRICE GROWTH	10Y PRICE GROWTH
Dutton Park	\$516,571	58%	2%	1%
Annerley	\$560,438	30%	4%	7%
Balmoral	\$864,556	29%	5%	7%
Greenslopes	\$565,132	27%	5%	10%
Seven Hills	\$617,960	26%	7%	9%
Teneriffe	\$850,826	24%	5%	6%
Hawthorne	\$759,773	23%	4%	10%
Yeronga	\$622,357	23%	7%	8%
Auchenflower	\$666,868	22%	5%	8%
Highgate Hill	\$1,016,383	20%	12%	16%

Project Pipeline.

THERE HAVE BEEN 11 PROJECTS OVER 9 STOREYS IDENTIFIED WITHIN THE INNER RING TO BE CURRENTLY UNDER CONSTRUCTION, INCLUDING THOSE THAT ARE NO LONGER ON THE MARKET.



This will amount to 1,534 new apartments to be completed by early 2024 with Woolloongabba, South Brisbane and Kangaroo Point seeing the majority of incoming supply.

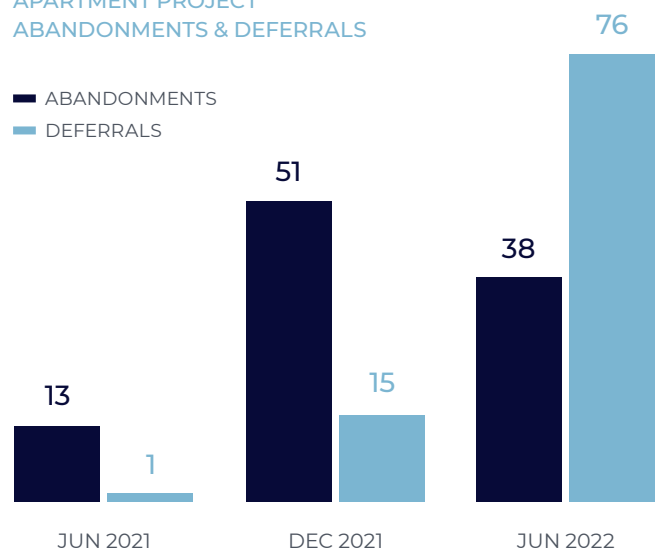
It's important to also understand the increase of deferred development in the first half of 2022, a trend that if continued, will exacerbate supply and demand pressures.

Within six months, 76 projects in the pipeline for Brisbane's LGA have been deferred. This reflects a sizable increase from just 15 in the 6-months to Dec 2021. Further, for those projects that fall into the deferred status, construction delays were anticipated and identified as a key issue.

Building costs are yet to stabilise and continue to impose a major hurdle for developers. However, construction experts, Rider Levett Bucknall, anticipate that the annual percentage change of construction cost inflation will approximately halve during the 2023 financial year.

APARTMENT PROJECT ABANDONMENTS & DEFERRALS

■ ABANDONMENTS
■ DEFERRALS



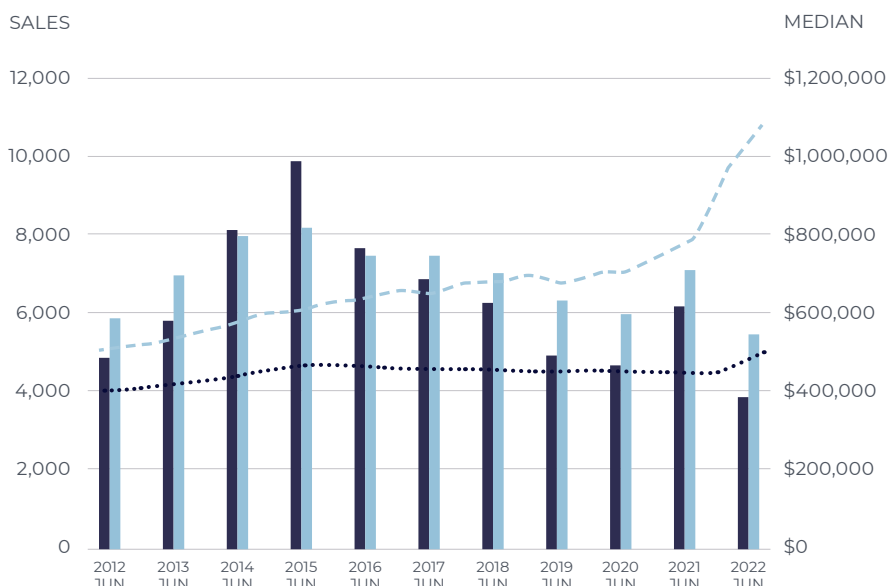
Residential Market Review.

TOP 10 INNER RING SUBURBS – 1 YEAR APARTMENT SALES VOLUME GROWTH

	1 YEAR SALES VOLUME AVERAGE	5 YEAR SALES VOLUME AVERAGE	% ABOVE AVERAGE
WILSTON	13	11	18%
KELVIN GROVE	50	50	0%
SPRING HILL	67	71	-5%
FORTITUDE VALLEY	168	179	-6%
RED HILL	15	17	-9%
DUTTON PARK	7	8	-9%
BOWEN HILLS	56	62	-10%
HAWTHORNE	22	25	-13%
WOOLLOONGABBA	54	62	-13%
NEW FARM	99	118	-16%

APARTMENT GAP

■ APARTMENT SALES ●●●● APARTMENT MEDIAN
■ HOUSE SALES - - - - HOUSE MEDIAN



Brisbane's overall apartment market, including resales, saw 13.2% price growth to a median price of \$505,000 in the year to June 2022. This was achieved with a decrease in listing activity in the last 6 months and sales volume that has consequently fallen 31% below the 5-year average.

Place Advisory has analysed just two inner ring suburbs with sales volume in the last 6 months that surpassed their average number of sales in the past five years. Further, Wilston and Kelvin Grove recorded sales of 18% and 1% above their five-year averages, respectively.

Suburbs that trailed include Spring Hill, Fortitude Valley, and Red Hill, with volume in these suburbs not falling below 10%.

APARTMENTS

MEDIAN

\$505,000

10 YEAR ANNUAL AVERAGE GROWTH

2.13%

1 YEAR GROWTH

13.23%

HOUSES

MEDIAN

\$1,080,000

10 YEAR ANNUAL AVERAGE GROWTH

7.90%

1 YEAR GROWTH

36.32%

During the year to June 2022, Brisbane's LGA house prices increased by 36.3% to a median of \$1,080,000. There was nonetheless a decrease in volume in the last 6 months, with 5,502 sales. This reflects a 23% drop from the 5-year average sales volume of 7,134 and is consequent of the persistently low number of listings over recent months.

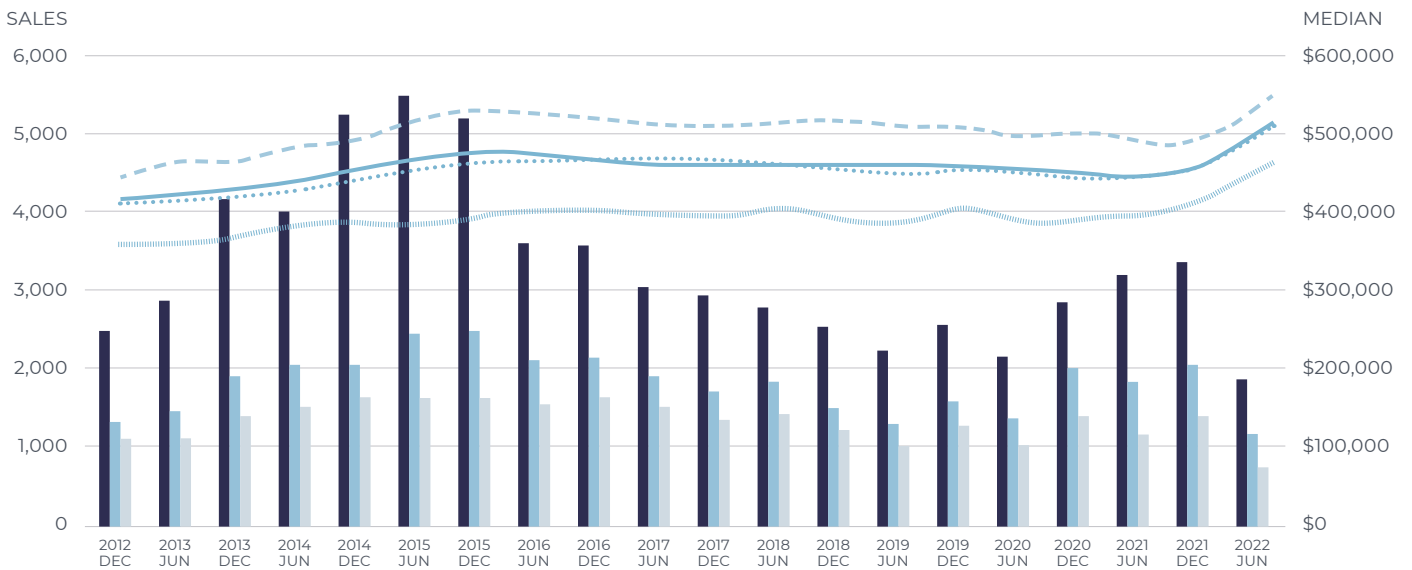
The median apartment rent in Brisbane is now \$448 per week after increasing by 14.70% in the year to June 2022. The median rent for houses on the other hand is now \$620 per week, a 20.20% increase during the same period. Vacancy rates are sitting at approximately 0.6%, the lowest figure in over 15 years and further validates the significant demand in Brisbane's rental market.

Brisbane Property Market Breakdown.

INNER SALES
 MIDDLE SALES
 OUTER SALES
 BRISBANE MEDIAN
 INNER MEDIAN
 MIDDLE MEDIAN
 OUTER MEDIAN

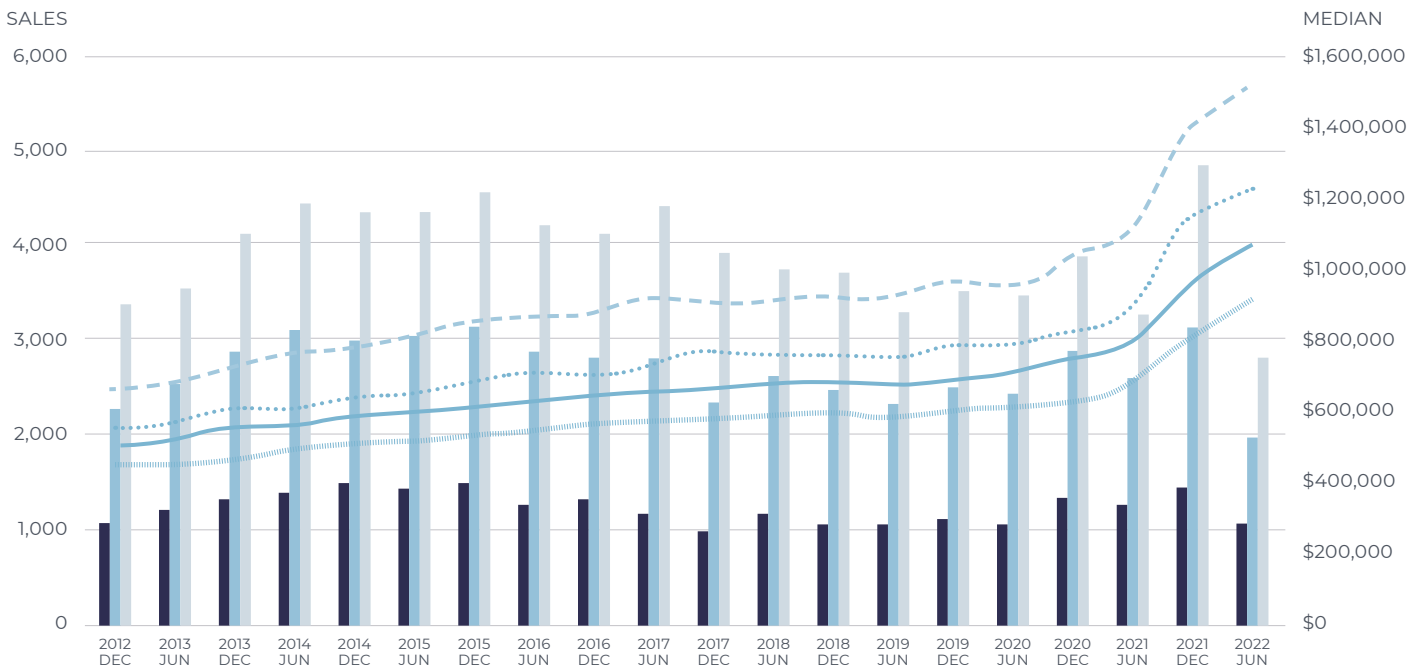
APARTMENTS

	MEDIAN	1Y PRICE GROWTH	5Y PRICE AAGR	10Y PRICE AAGR	JUN 22 SALES VOL	1Y SALES VOL	5Y SALES VOL	10Y SALES VOL
INNER RING	\$540,000	11.3%	1.3%	4.2%	1853	-42%	-37%	-27%
MIDDLE RING	\$505,000	13.5%	1.9%	2.1%	1160	-39%	-35%	-14%
OUTER RING	\$460,000	16.0%	3.2%	2.6%	766	-42%	-45%	-32%



HOUSES

	MEDIAN	1Y PRICE GROWTH	5Y PRICE AAGR	10Y PRICE AAGR	JUN 22 SALES VOL	1Y SALES VOL	5Y SALES VOL	10Y SALES VOL
INNER RING	\$1,510,000	36.7%	10.8%	17.6%	797	-34%	-25%	-32%
MIDDLE RING	\$1,228,500	36.5%	10.1%	8.3%	1832	-26%	-21%	-22%
OUTER RING	\$920,000	37.1%	9.7%	7.3%	2824	-15%	-20%	-19%





WHY CHOOSE US? We are leaders in the creation and delivery of individually considered and specifically designed sales and marketing strategies for well-located Queensland residential projects.

We take pride in offering a full-service project marketing approach to your development. At Place Projects, we actively engage with our developers to provide advisory information in relation to site acquisition through to settlement. We provide tailor-made strategic marketing campaigns to promote your project's unique selling points and influence specific target markets.

This holistic approach, combined with our experience, local knowledge and research by Place Advisory means we can minimize the risk while maximizing the return on your development.

Place Projects has applied this formula with continued success with major developments, boutique projects, master planned communities, investment sales, residential sales as well as DHA mid-lease and surplus sales. We also have our property management team who provides rental appraisals, advice and oversees a boutique portfolio.

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.



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MARKETING IMPLEMENTATION

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MONITOR RESPONSE & GENERATION

LEAD CONVERSATION & SALES

CAMPAIGN REPORTING

ONGOING MANAGEMENT

REVIEW TARGET MARKET

REVIEW STRATEGY & FEEDBACK

CONTRACT MANAGEMENT

REVIEW MARKETING INITIATIVES

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