

Time to buy a Brisbane apartment is now, leading analyst says



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A new report has found Brisbane's new apartment supply is shrinking fast. Image: AAP/Darren England.

THE time to buy an apartment in Brisbane is now, according to a leading property analyst.

Nearly two thirds of apartment projects planned for the city have been ditched or deferred as it heads towards an undersupply of stock that could drive up prices and competition, a new report reveals.

The Place Advisory report shows new development applications now account for just 10 per cent of the future apartment pipeline, with 62 per cent shelved or abandoned and only 28 per cent approved.



Place Advisory director Lachlan Walker says it's a good time to look at buying an apartment in Brisbane.

Inner Brisbane "appears to be headed toward undersupply within the next 12 to 18 months", according to the report, which makes a return to sustained capital growth in the apartment market an increasingly likely scenario.

Place Advisory director Lachlan Walker said there had been a significant shift away from investor-grade one-bedroom units to higher quality two-bedroom and three-bedroom, which was good news for buyers.



Quality apartments aimed at owner-occupiers like those in Gallery House in Hamilton are selling fast.

Mr Walker said less stock was coming to market, which meant increased demand and likely price growth.

“It’s definitely a good time to be looking at the apartment market again,” Mr Walker said.

“Compared to 18 months ago, when the apartment market was to some degree flooded, the current product on market is designed for owner occupier purchasers (not investors).”

The average apartment sale price in Brisbane is 6.5 per cent higher at \$841,333 based on 150 unconditional sales — up from \$790,000 in the September quarter and \$700,000 in the same period 12 months prior.

The second stage of the waterfront development Gallery House sold 22 apartments during the December quarter, the highest result of any development.



Jorge and Alejandra Palacios recently bought an apartment off-the-plan in Gallery House in Hamilton.

Other developments, including 443 Queen, Alcyone Residences, Capri, Soko Waterfront Apartments, The Mews and The Standard all recorded more than 10 unconditional sales for the quarter.

The report said construction of the majority of new apartments would be completed in 2019, with 44 per cent currently completed.



One of the bedrooms in the penthouse in Soko Waterfront Apartments.

The latest Urbis apartment report predicts the national apartment market will show signs of recovery this year.

The report found that with new stock coming in and sales experiencing speed bumps, national apartment sales as a percentage of available stock dropped to a new low of 7.7 per cent in the December quarter of 2018.

It noted that the first half of 2019 would likely bring more than 1000 new apartment launches for Brisbane.

NEW APARTMENT PROJECTS COMPLETED

Project Location Total units Sold to date Available for sale

The Midtown CBD 144 129 15

Mary Lane CBD 184 124 60

Belise Bowen Hills 228 207 21

The Yards Bowen Hills 401 331 70

Capri Newstead 207 189 18

Mode Newstead 158 153 5

Nero Newstead 108 95 13

Alcyone Hamilton 228 198 30

Pure Spring Hill 93 86 7

The Johnson Spring Hill 192 191 1

Baxter St Fortitude Valley 56 50 6

38 High St Toowong 136 127 9
 Illumina Toowong 221 211 10
 Augustus Toowong 90 85 5
 Light & Co – Radiance West End 139 136 3
 Light & Co – Illuminate West End 90 84 6
 INK West End 107 80 27
 Olympia on Russell South Brisbane 65 62 3
 Black Fold West End 40 29 11
 Atlas South Brisbane 210 170 40
 Soko West End 120 113 7
 Allure West End 53 41 12
 Corde East Brisbane 60 56 4
 The Marc Kangaroo Point 69 69 0
 Lincoln on the Park Greenslopes 93 72 21
 The Duke Kangaroo Point 125 124 1

NEW APARTMENT PROJECTS UNDER CONSTRUCTION

Project Location Expected completion Total units Sold to date Available for sale

Skytower CBD 2019 1092 1005 87
 443 Queen CBD 2020 264 173 91
 Magnolia St Lucia Dec 2019 34 13 21
 Utopia Space Fortitude Valley End 2019 300 243 57
 Gallery House
 (Stage 1) Hamilton 2019 170 145 25
 White Dawn Toowong 2019 60 52 8
 Chester Newstead Jun 2020 170 152 18
 Ella Newstead Jun 2020 149 119 30
 Gallery House
 (Stage 2) Hamilton 2020 150 107 43
 Encore West End Jul 2019 60 25 35
 One Bulimba Bulimba Aug 2019 30 17 13
 Linton Kangaroo Point Oct 2019 154 111 43

The One West End Nov 2019 61 33 28

Citro West End 2019 106 69 37

Virtuoso West End 2019 77 64 13

The Mews Woolloongabba 2019 139 136 3

Boggo Road

(Stage 2) Dutton Park 2019 75 63 12

Park Central 1 Woolloongabba 2019 168 17 151

Brisbane 1 South Brisbane 2019 608 454 154

Oxy Greenslopes 2019 60 31 29

The Standard South Brisbane Dec 2020 268 244 24

NEW APARTMENT PROJECTS AWAITING CONSTRUCTION

Project Location Expected completion Total units Sold to date Available for sale

Aura Milton Late 2019 82 49 31

Obsidian Milton Jun 2020 298 57 241

(Source: Place Advisory)

<https://www.realestate.com.au/news/time-to-buy-a-brisbane-apartment-is-now-leading-analyst-says/>