

# Brisbane apartment market to outperform nation: Moody's



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Brisbane's apartment market is set to outperform the rest of the nation. Picture: Mark Cranitch.

BRISBANE'S apartment market is predicted to outperform the rest of the nation over the next two years as it bounces back from a supply glut.

In good news for property investors, apartment values in the city are forecast to grow nearly 1 per cent this year before jumping 5.8 per cent in 2020 and climbing a further 5.3 per cent in 2021, according to Moody's Analytics.

Areas like Ipswich, Moreton Bay and Logan are expected to see the biggest gains in apartment values in the next two years.

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## Hedonic Home Value Index, units

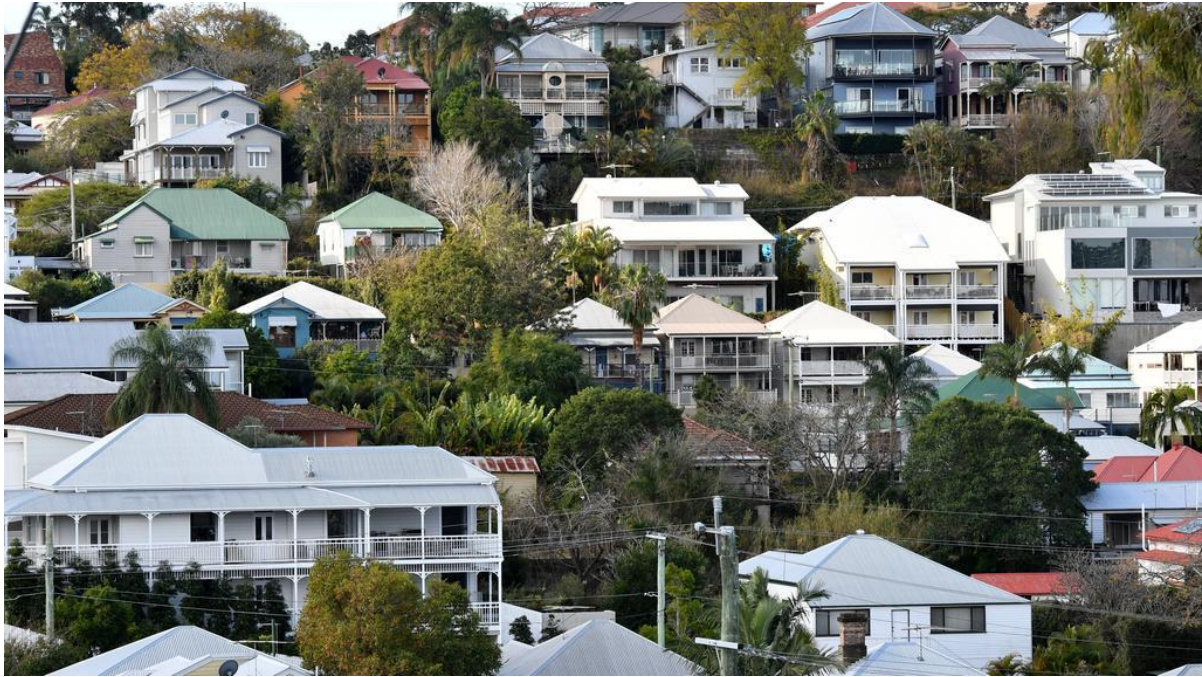


Brisbane apartments to recover in coming years. Source: Moody's Analytics, CoreLogic.

The latest quarterly CoreLogic-Moody's Analytics Australia Home Value Index Forecasts report predicts a modest 0.6 per cent correction for house values in greater Brisbane in 2019.

But that's much better than the 9.3 per cent fall in house values forecast for Sydney this year and the 11.4 per cent drop expected for Melbourne.

The report by the ratings agency sees Brisbane's housing market recovering in 2020, with a 1.9 per cent increase in house values forecast, followed by a further 2.3 per cent growth the following year.



Brisbane house values are forecast to soften this year and recover next year.  
Image: AAP/Darren England.

But not all of Queensland's housing markets are expected to soften this year.

Moody's Analytics is predicting home values in the Mackay and Whitsunday region to grow 2.3 per cent in 2019, followed by stunning growth of 8.2 per cent and 9.1 per cent in 2020 and 2021, respectively.

The report's authors write that the "recent uptick in commodity prices and tourism has sparked recoveries in areas such as Mackay".



Moody's Analytics predicts strong growth for Mackay home values. Picture: Rob Maccoll.

Cairns home values are also set to rise modestly this year, while Ipswich house values are expected to increase 1.5 per cent in 2019.

Houses in East Brisbane are also set to buck the trend, with a 0.4 per cent rise in values predicted this year.

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The Moody's Analytics report revises down its predictions for the nation's property market.

In January, the agency forecast a 3 per cent fall for house prices across the country through 2019, but it now believes they could drop as much as 7.7 per cent — led predominantly by falls in Sydney and Melbourne.

It expects a more modest correction for apartment values, which are forecast to take a 4.3 per cent hit to growth.



Brisbane apartment values are set to rise over the next two years, according to Moody's Analytics. Photo: AAP/Ric Frearson.

Universal Buyers Agents director Darren Piper said the forecast recovery in Brisbane's apartment market presented "great buying" opportunities for investors who knew what to look for.

"The apartment market has been more sluggish in the face of excessive supply levels," Mr Piper said.

"However, unit values have started to pick up recently, perhaps hinting that the rough patch for the Brisbane apartment market is likely over now.

“Since the unit construction peaked back in 2016, supply concerns are not a pressing point now.”

It comes as CoreLogic’s quarterly rent review released this week revealed rental yields are rising in Brisbane and rents increased 0.8 per cent in the first three months of the year to a median of \$436 a week.

Online Link: <https://www.realestate.com.au/news/brisbane-apartment-market-to-outperform-nation-moodys/?rsf=syn:news:nca:cm:spa>