



## 'It's more about the location': One-bedroom apartments most popular option for inner Brisbane renters

**KELL ANDERSEN** JUL 2, 2019

One-bedroom apartments were the most popular with inner Brisbane renters in the March quarter this year, despite agents **considering them some of the hardest to sell**.

According to the latest quarterly Inner Brisbane Apartment Rental Review from property consultants Urbis, one-bedroom, one-car space apartments had the highest average number of rental applications per apartment.

So what is it about one-bedroom apartments that is proving so popular with inner Brisbane renters?

"It's indicating that it's a product that can suit a number of different lifestyles, or a number of different demographics," Urbis director of property economics and research Paul Riga says.

"They're often the cheapest and most affordable products. It does offer itself to both singles and couples.

"Whether it be first-time renters or long-term renters, it's more about the location than the apartment itself. With Brisbane's growth, and Brisbane's maturity and different amenities, it's more about having the ability to have a place that you can sleep and reside rather than actually entertain."

to rent a two-bedroom apartment.

He's also quick to point out that these numbers are relative to the total number of units of that type in the market. There is overall less one-bedroom apartment stock currently available to rent compared to stocks of larger apartments, but more applications are being filed per apartment for one-bedrooms.

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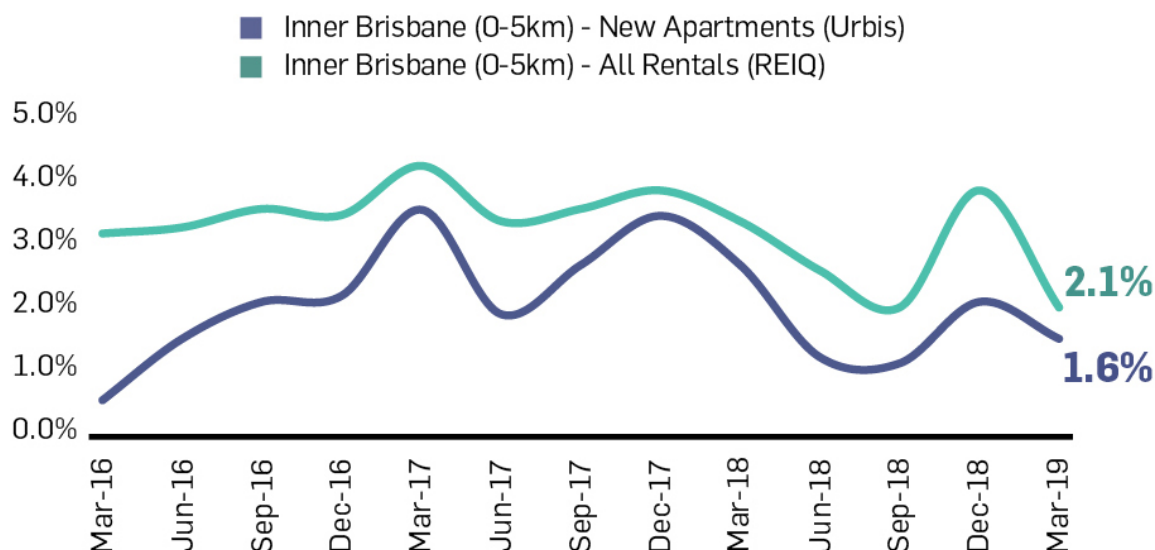
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The result is particularly interesting in light of reports suggesting that one-bedroom apartments are becoming increasingly difficult to sell in Brisbane. In fact, Riga says Urbis' figures show these apartments remain competitive in the market.

## Inner Brisbane Vacancy Rate — New and Established March 2016-March 2019



Prepared by Urbis;

Source: Urbis Primary Research; Real Estate Institute of Queensland (REIQ)

Source: Urbis Primary Research, REIQ

“In our new apartment sales that we look at for inner Brisbane, there were some trickier ones to sell depending on where they were, but generally they are actually quite a good investment,” he says.

“There are a lot of buyers who are price-pointed from an investment perspective who lean towards a [one-bedroom apartment] because it gives them a lower entry point to the market.”

More broadly, Urbis' report revealed a 1.6 per cent vacancy rate for apartments in the March quarter. The Real Estate Institute of Queensland recorded a rate of 2.1 per cent over the same period.

“We saw [in the] last December quarter a slight spike in vacancies,” Riga says. “However, that does typically occur around that period on an annual basis as people pack up and leave and end their lease. It did tighten, as we assumed it would, in the March quarter.

“With any sort of product that’s coming out on the market in these new developments or near-new developments, there’s a solid level of inquiry for it, [and it is] certainly being bolstered by interstate migration figures.”

Interstate migration saw more than 24,000 people move to Brisbane in the 12 months leading to September 2018.

Riga says one of the other big factors affecting this tightening is a decrease in the number of apartments available to rent.

“There’s a lessening level of supply completing within the inner Brisbane,” he says. “The past two or three years we’ve seen a fair bit of supply enter the market, but that is starting to taper off, and the cranes are exiting the skyline.

“So the new supply coming to the market is continuing to decline, and that means there’s less product coming to market, less new competition coming to market. The supply that’s out there is the supply that’s out there.”

The peaks that have preceded this decline in supply have led to a more informed renter pool, according to Riga.

“The competition and the overall supply has brought about a more savvy and aware renter market,” he says. “Everyone has a view now [that] there’s a supply out there. It’s educated them as to where these precincts are, and what’s good and bad.”