

Joel Robinson | 24 June 2019

Brisbane's apartment market forecast to rise 5.6% in 2020: Moody's Analytics



Brisbane apartment prices are expected to perform better than houses in the medium term, according to Moody's Analytics.

They forecast the Greater Brisbane area's apartment values to increase by 5.6% in 2020 after a 0.7% decline in 2019.

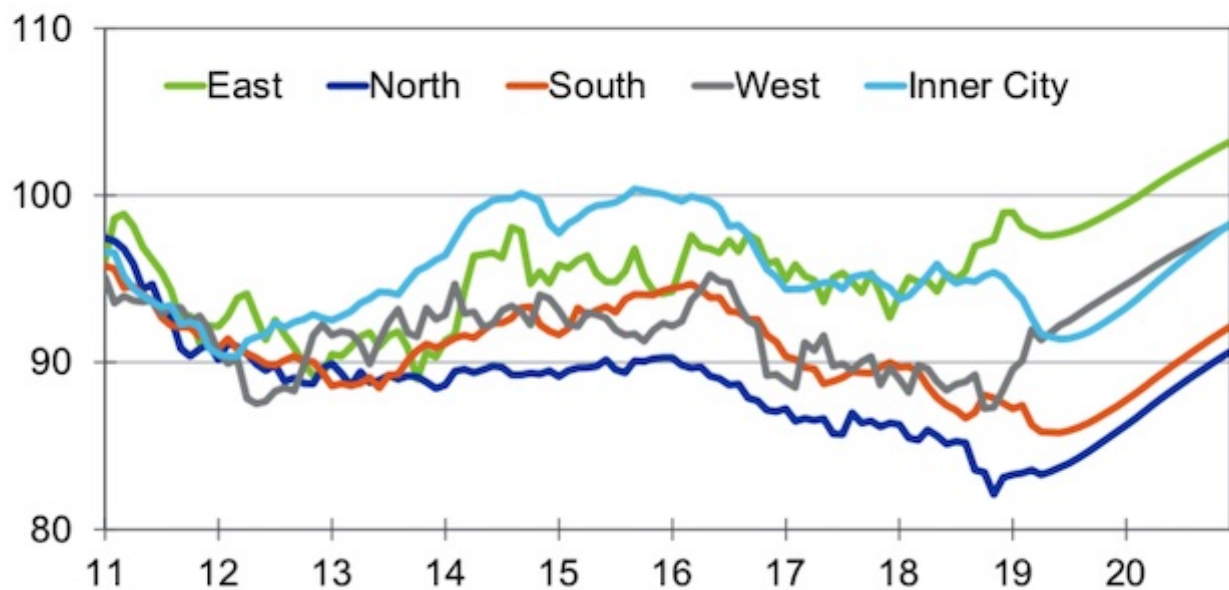
Moody's said growth in Brisbane apartment market has been crimped by high supply in recent years.

Between 2013 and 2016 apartment approvals outnumbered housing approvals on an average three to one.

Recently approvals have been more aligned which is set to drive apartment prices.

Chart 20: Brisbane Apartments to Recover

Hedonic unit value index, units



Sources: CoreLogic, Moody's Analytics

The increase is forecast to be led by Ipswich and the Moreton Bay North areas which are expected to see prices increase over eight percent in 2020.

"Apartment prices are expected to perform better than house prices for Brisbane (and Greater Brisbane) in the medium term", Moody's advised.

"We forecast home values to underperform throughout the forecast period, while apartment values are expected to reach a trough in 2018-2019 followed by a pronounced recovery in 2020

Moody's 2021 forecast for Brisbane apartments is similar to how they expect it to perform in 2020, however there are areas of concern in the inner city areas.

Ipswich and the Moreton Bay regions will remain strong, however Moody's believe there will be declines up to 5.4% for apartments in the inner city.

Table 4: Queensland Home Value Forecasts

% change yr ago

	Houses				Apartments			
	2018	2019	2020	2021	2018	2019	2020	2021
Greater Brisbane	1.5	-1.8	1.4	2.9	-1	-0.7	5.6	5.8
Brisbane-East	2.7	-0.5	1	1.2	1.2	2.6	3.3	3.7
Brisbane-North	3.1	-0.2	1.4	0.4	-2	-0.6	5.3	5
Brisbane-South	0.5	-4	-0.8	2	-1.6	-1.8	4.1	5
Brisbane-West	3.4	-1.2	1.5	4.2	-1.4	4.1	4.6	3.6
Brisbane Inner City	0.5	-1.2	2	1.9	0.2	-2.7	3.9	5.4
Ipswich	-0.3	0.3	1.9	3.4	-8.1	-8.3	8.2	7.6
Logan-Beaudesert	0.6	-2.7	2.8	4.1	-4.5	0	6.8	6.2
Moreton Bay-North	2.3	-1.4	2.5	4.8	-2.6	3.3	8.3	6.5
Moreton Bay-South	2.2	-0.8	2.3	4.4	-1.3	1.8	6.3	6.7