

## Brisbane apartment sales reach for the sky

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The Brisbane apartment market is in a strong position heading into next year, with local and foreign developers bringing a wave of new towers to market. The Queensland capital is witnessing substantial levels of residential construction, prompting concerns about whether continued uptake levels are sustainable and how this will affect the underlying rental market.

But the latest Place Advisory Market Report says that, overall, the city's apartment market is "in a position of strength", with only older units under some pressure. "The quarterly sales rates are at historically strong levels and prices are stable," it says.

"The rental market has tightened; however, it has been the secondary market which has suffered as tenants substitute old for new." The largest players in the market are bullish about the city's prospects. Private operator Metro Property Development, which had a 28.95 per cent market share of inner Brisbane apartment sales, according to Place Advisory, is selling faster than ever. It secured 401 unconditional sales in the September quarter. Place Advisory's report analysed 61 off-the-plan developments being sold during the three-month period. In total, 1385 unconditional sales were reported.

Metro's Brisbane Casino Towers, in South Brisbane, was the top performing project in the period with 224 unconditional sales. It is sold out and now is being built. Other strong performers were Skytower (131 sales), Illumina (84), South City Square (99), Laguna (81) and St Julien Residences (72 sales).

The strong results are being achieved by numerous The private Billbergia and AMP Capital are developing the landmark Skytower, while Queensland developer Property Solutions and China-based Chiwayland International are developing Illumina in Toowong. Private groups Pellicano and Perri Projects are undertaking South City Square in Woolloongabba, while Metro Property is building Laguna as the second stage of its Newstead Central precinct. Aria Property Group is developing the St Julien Residences in South Brisbane.

Metro has struck 1188 sales in this year, reaping more than \$656 million, a 141 per cent increase on the corresponding period last year. Metro marketing director Ken Woodley says the results highlight the strength of the Brisbane market and Metro's capacity to secure significant presales.

"The Brisbane apartment market remains strong and we are seeing significant demand for new developments both from buyers and renters," Woodley says.

Some buyers are seeking out the value on offer in the Queensland capital. "Investor interest is continuing to increase from interstate and overseas buyers who have traditionally looked only at Sydney and Melbourne but are now seeing robust value in Brisbane apartments," he says.

Woodley is excited about next year as this one finishes on a high note. "It certainly provides a good level of optimism for the upcoming year and the projects we plan to launch in 2016 in Brisbane's inner city."

**For more information contact**

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