



DROP IN INNER CITY UNIT SALES

North - West News

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HIPSTERS drove more than a billion dollars' worth of unit sales in inner Brisbane last year, according to latest data, but it was a sharp drop on the previous year's record results.

The latest Place Advisory Inner Brisbane apartment report found gross sales of new units declined to \$1.304 billion as the market continued to soften.

It was a 59 per cent fall from 2015's record sales of about \$3.194 billion. Place Advisory head Lachlan Walker saw a clear slowdown in the number of units that developers were putting to market, with 2980 apartments released during 2016 in 25 new projects.

This was down by a third over 2015's figure and almost half the number released during 2014's peak. "Inner Brisbane has undergone a significant transformation," Mr Walker said. "Following a record-breaking 2015, which saw the highest volume of transactions on record, 2016 was a considerably tougher year."

Mr Walker attributed softer sales to election year policies, higher construction costs, changes to lending policies for both developers and purchasers, plus the crackdown on foreign purchases. There were 47 apartment projects under construction in inner Brisbane last year, compared with 68 in 2015, though still up on the 26 recorded in 2011.

Mr Walker said there had been a significant shift "away from smaller, more affordable stock to larger apartments", with the number of one-bedroom apartment sales decreasing from 52 per cent in 2011 to just 36 per cent last year.

The biggest demand last year was for two-bedroom units (55 per cent), up from 38 per cent in 2011, but three-bedroom stock had also made a comeback to 7 per cent after dropping to 4 per cent in 2015. The average price of inner-city apartments sold last year was \$606,922, a 2 per cent rise on the previous year.

The Place Advisory report also showed the apartment sale price bounced back by 2.3 per cent during the December quarter. Two-bedroom apartments remained popular with buyers in the final three months of 2016, making up half of all apartment sales, followed by one-bedroom configurations, accounting for 35 per cent of transactions.

For more information contact

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