



**URBIS**

# **APARTMENT ESSENTIALS NATIONAL SNAPSHOT**

**THIRD QUARTER 2022**

Urbis apartment essentials is a quarterly report that measures and examines off-the-plan apartment sales, supply and rents across our cities.

**SYDNEY  
MELBOURNE  
BRISBANE  
PERTH  
GOLD COAST**

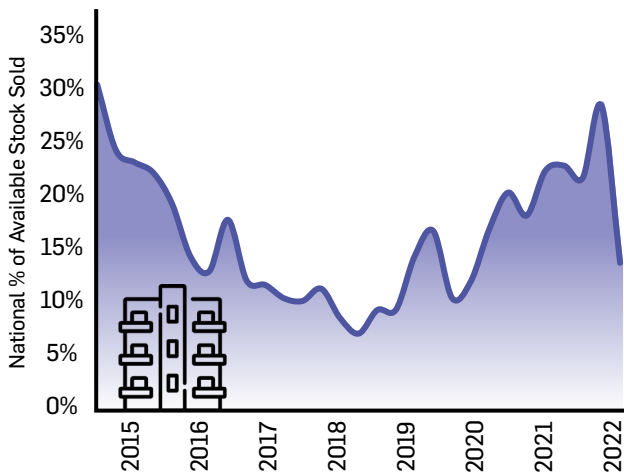


# NATIONAL APARTMENT MARKET INSIGHTS



## Clearance Rate of Available Stock

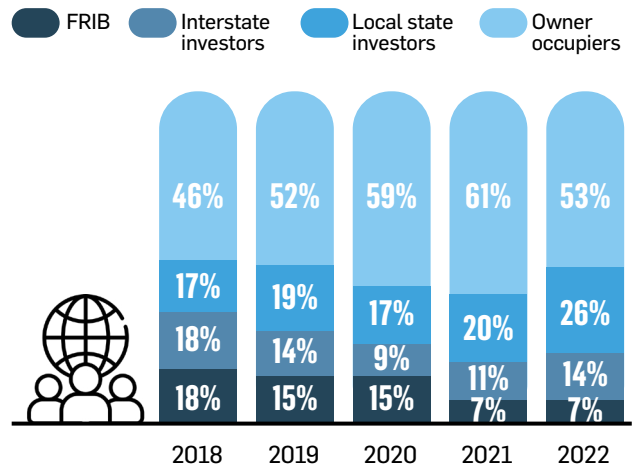
Supply and demand factors had been pushing the clearance rate higher but Q3 2022 has seen this change. A level of uncertainty has entered the market as developers and purchasers apply caution.



Source: Urbis Apartment Essentials Q3 2022

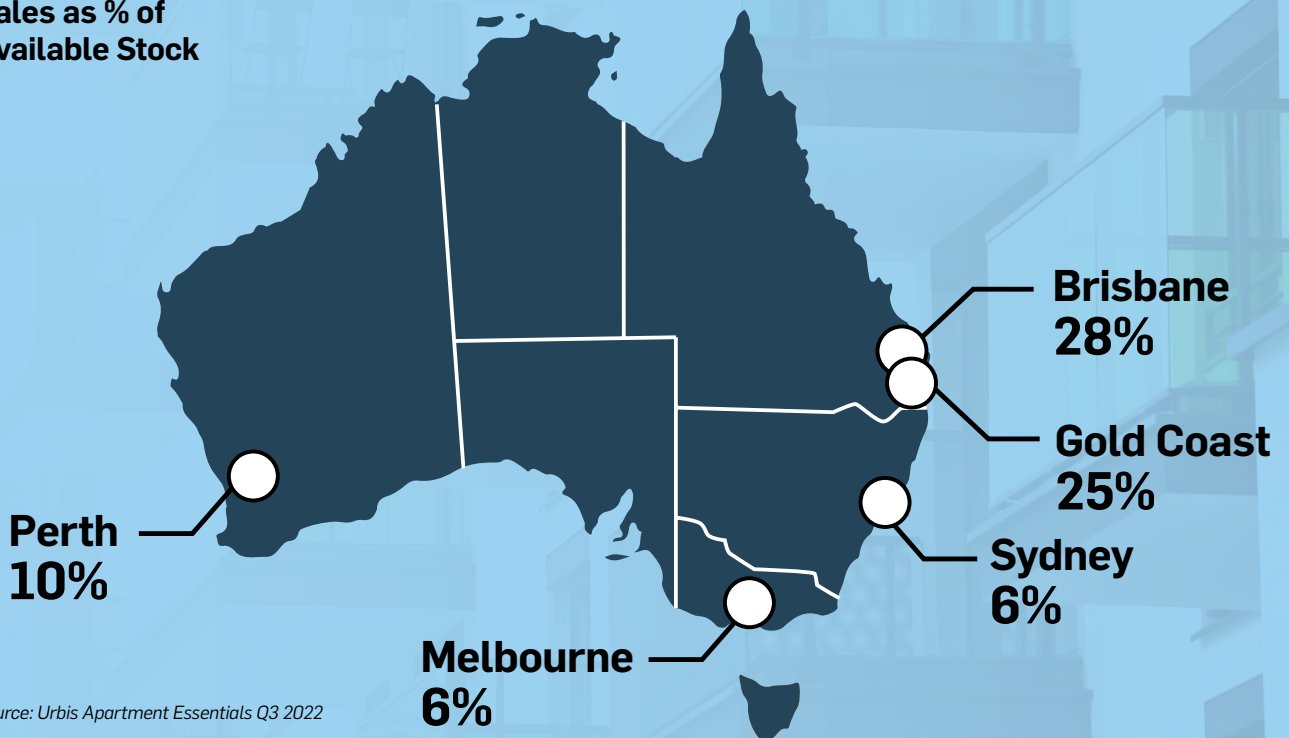
## Buyer Profile

The presence of overseas buyers during 2022 (up to Q3) is less than half the levels of pre-Covid period. Owner occupiers remain strong while local investors increase their presence. The pressures of interest rate rises and inflation are beginning to show.



Source: Urbis Apartment Essentials Q3 2022

## Sales as % of Available Stock

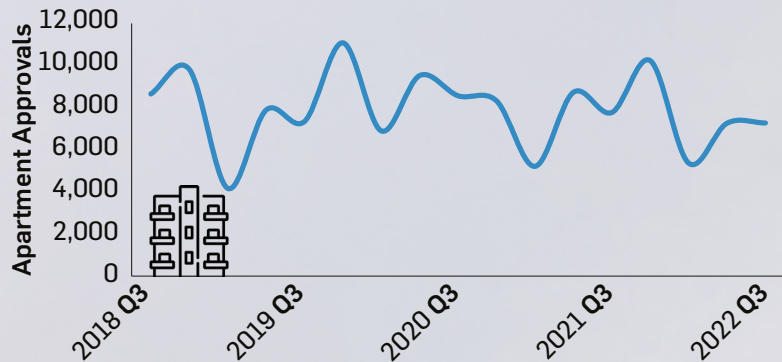


Source: Urbis Apartment Essentials Q3 2022

# NATIONAL APARTMENT MARKET INSIGHTS

## Apartment Approvals

Going into 2022, the level of approvals declined sharply as rising construction costs and talk of interest rates increases swirled around the industry. During Q2 and Q3 2022 the level increased marginally and has remained stable.



Source: Urbis Apartment Essentials Q3 2022

## Project Launches

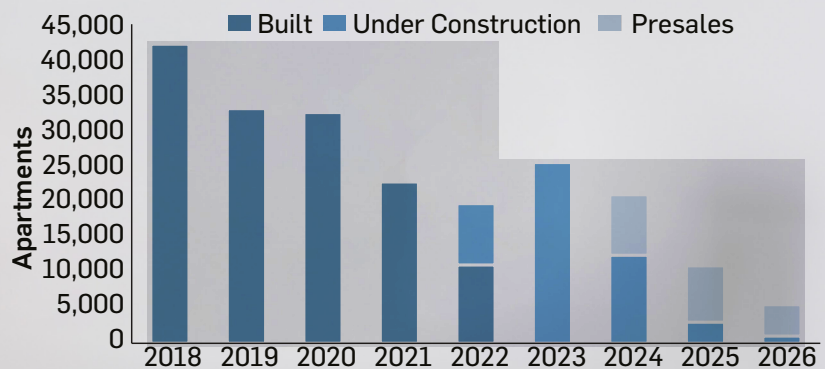
The last 12 months has seen a steady decline in the number of new apartment project launches, as again, construction cost increases, supply chain issues and rising interest rates have an effect on the viability of projects and confidence of both developers and purchasers as they adapt to changing circumstances.



Source: Urbis Apartment Essentials Q3 2022

## Future Apartment Pipeline (Active Projects)

While a reasonably solid pipeline of projects will complete construction throughout 2023 and into 2024 it is well below pre-Covid levels. From 2025 the level of supply is declining and if current economic conditions do not improve there will be a significant under supply of new apartments.



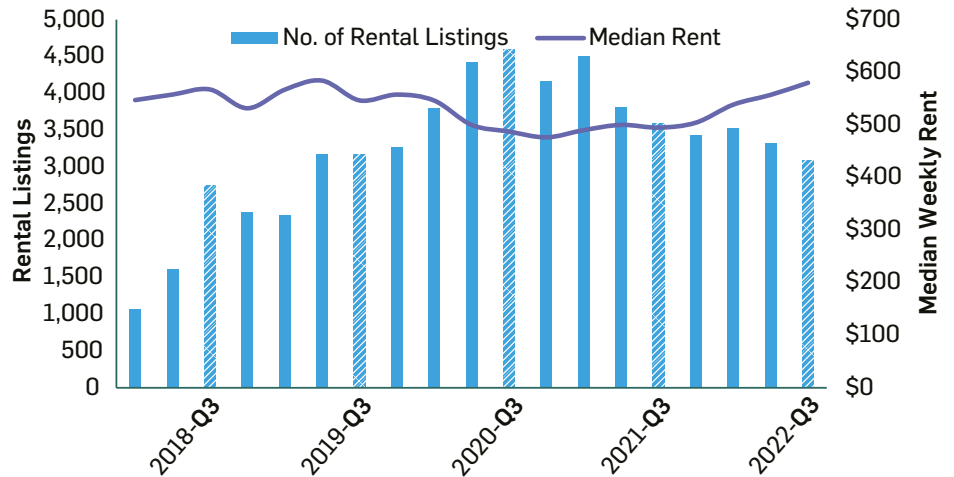
Source: Urbis Apartment Essentials Q3 2022



# NATIONAL APARTMENT MARKET INSIGHTS

## Rents In New Builds

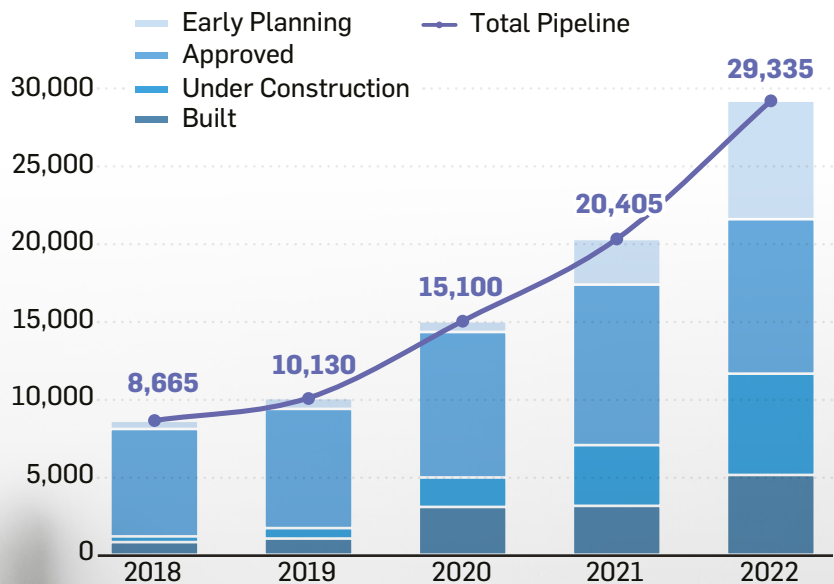
National median rent has increased by 17% in the year to Q3 2022. Interest rate increases are a factor contributing to reductions of purchasing power across Australia and the shift towards rental properties.



Source: Urbis Apartment Essentials Q3 2022

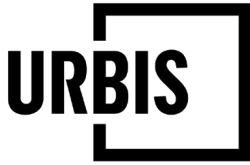
## Build-to-Rent Pipeline

Build-to-rent continues to gain momentum across Australia with a strong pipeline to 2025. The majority of these projects will be constructed along the Eastern Seaboard with Victoria expected to develop approximately two-thirds of the national stock. Approximately 60% of the pipeline is yet to begin construction with 18% of the total pipeline having been delivered as at 2022.



Source: Urbis Apartment Essentials Q3 2022





For more information about how we can assist you please contact:

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## OUR SERVICES – PROPERTY ECONOMICS



### Primary research

Understanding what customers are thinking and the push buttons to maximise their interests



### Market assessment

Determining the best product and price mix



### Expert Witness

Identifying and mitigating potential impacts



### Urban strategy

Understanding the economic factors to support the best planning outcomes



### Data analytics

Knowing the current state of the market and industry benchmarks



### Network & location strategy

Identifying growth hotspots and location opportunities



### Economic impact assessment

Evidence based research into size rezoning



### Highest & best use assessment

Determining the best land use mix for your site