



**URBIS**

# **APARTMENT ESSENTIALS NATIONAL SNAPSHOT**

**FOURTH 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**

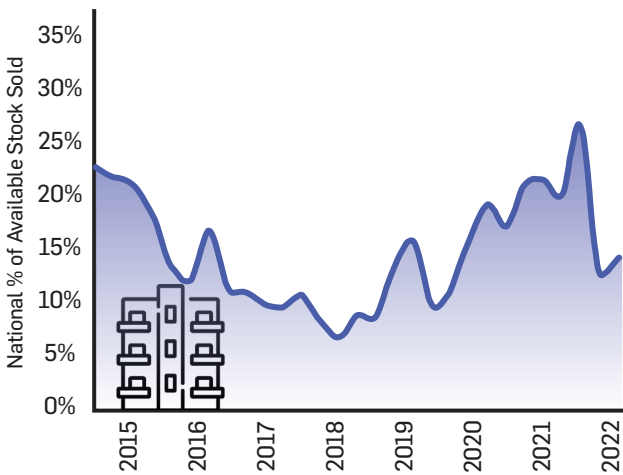


# NATIONAL APARTMENT MARKET INSIGHTS



## Clearance Rate of Available Stock

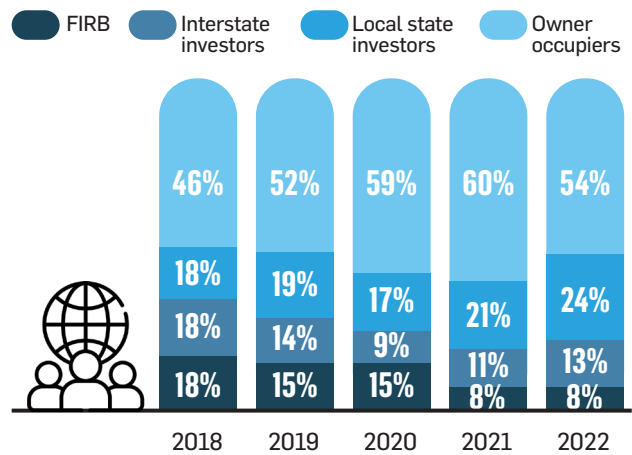
The clearance rate for off-the-plan stock corrected back toward the long-run average of 15% in Q4 2022. This was to be expected after a strong Q2 2022 and the end of the year bringing much uncertainty across the economy.



Source: Urbis Apartment Essentials Q4 2022

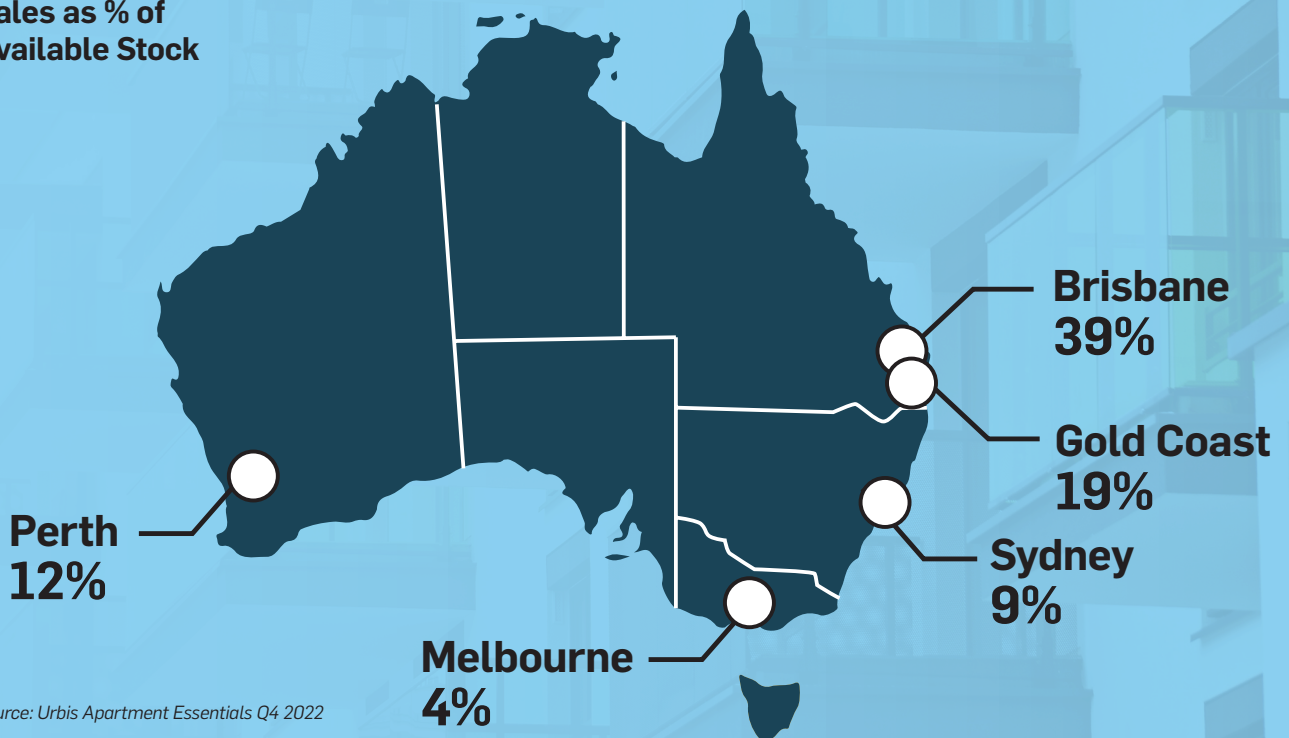
## Buyer Profile

Buyers from overseas made up 13% of sales in Q4 2022. While the level of 8% overall for the year is low, our data indicates a return from this end of the market. Local and interstate investment (8% and 19%) was slightly down from the previous quarter, although up overall for the year. Owner-occupiers continued to dominate the volume of sales across the national market.



Source: Urbis Apartment Essentials Q4 2022

## Sales as % of Available Stock

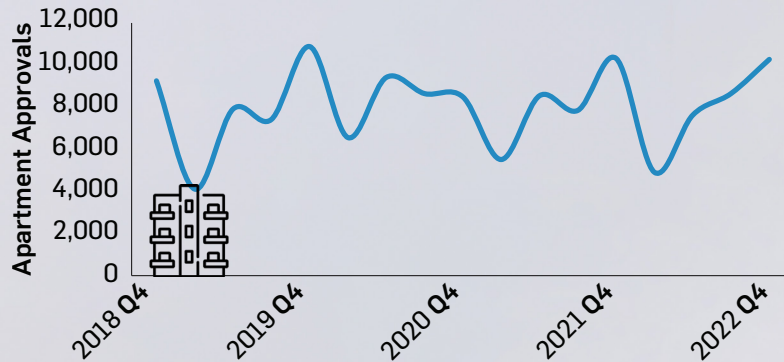


Source: Urbis Apartment Essentials Q4 2022

# NATIONAL APARTMENT MARKET INSIGHTS

## Apartment Approvals

After a sharp decline over Q1 2022, approvals recovered significantly to close out the year. During Q4, approvals improved on Q2 and Q3 to end the year with over 10,000 apartment approvals in the quarter.



Source: Urbis Apartment Essentials Q4 2022

## Project Launches

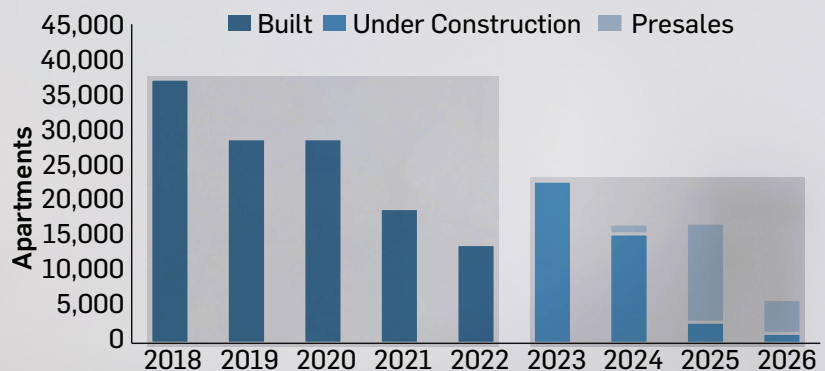
Over the course of 2022, supply chain issues, increases in construction costs and rising interest rates impacted the confidence of developers and purchasers. This is reflected in the decreasing volume of project launches over the course of Q1, Q2 and Q3 2022. Q4 2022 showed a slight uplift as the number of projects launched recovered after a slow year, albeit still below the average from previous years.



Source: Urbis Apartment Essentials Q4 2022

## Future Apartment Pipeline (Active Projects)

The pipeline continues to dwindle with 2022 having the lowest volume of completions in almost a decade. Project delays pushed completions into 2023, which should see a higher volume completed but still well below pre-Covid levels and below where they need to be to house our growing population. Rapid action is needed to bring forward additional supply in 2025 onward, otherwise we face more significant supply issues than we have at present.

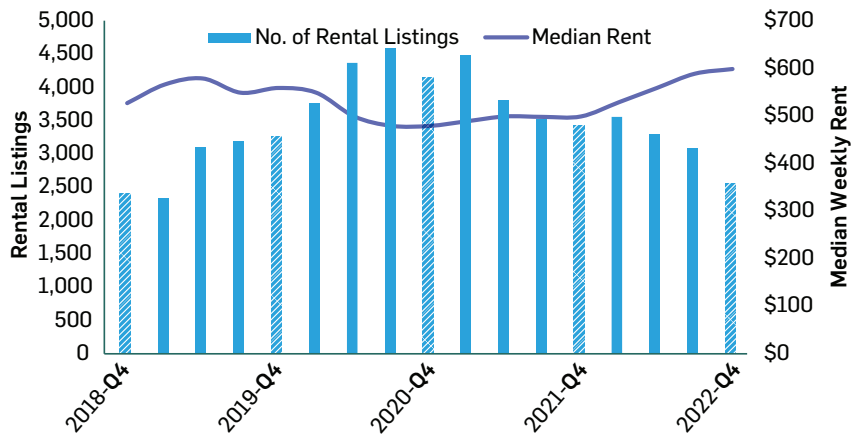


Source: Urbis Apartment Essentials Q4 2022

# NATIONAL APARTMENT MARKET INSIGHTS

## Rents In New Builds

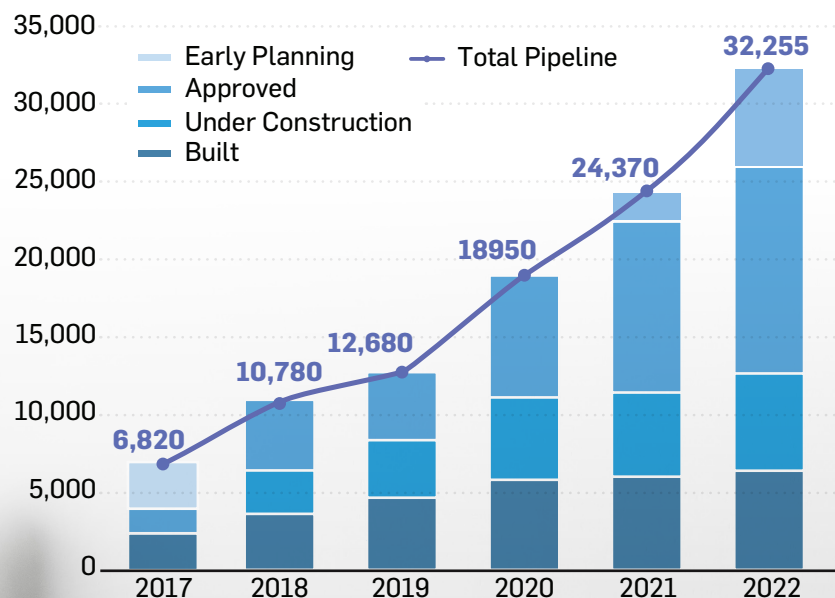
National median rent has increased by 20% in the past year to Q4 2022. Interest rate hikes continue to reduce the purchasing power across Australia and have initiated a shift towards rental properties. This in turn has further highlighted the shortage of apartment supply nationally as rents continue to rise. That said, we are now back to pre-Covid levels in terms of median rent following significant falls, particularly in Melbourne and Sydney. We will be watching closely the extent to which growth rates are spurred on beyond the recent recovery.



Source: Urbis Apartment Essentials Q4 2022

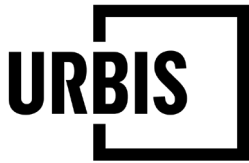
## Build-to-Rent Pipeline

Build-to-Rent continues its momentum across Australia with a strong pipeline through 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 61% of the pipeline is yet to begin construction with 19% of the total pipeline having been delivered as at 2022.



Source: Urbis Apartment Essentials Q4 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