



URBIS

APARTMENT ESSENTIALS NATIONAL SNAPSHOT

FIRST QUARTER 2023

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

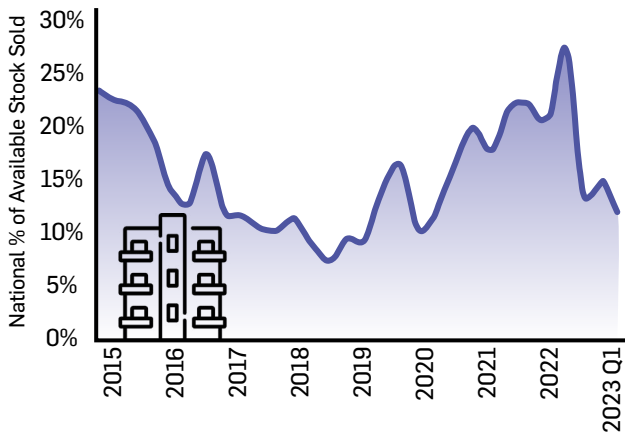
**SYDNEY
MELBOURNE
BRISBANE
PERTH
GOLD COAST**

NATIONAL APARTMENT MARKET INSIGHTS



Clearance Rate of Available Stock

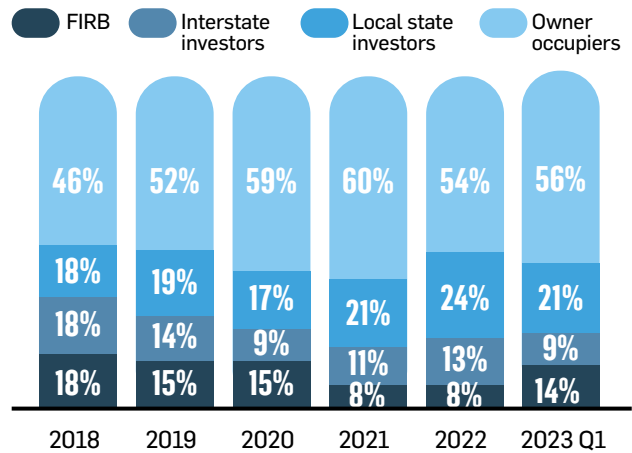
The clearance rate for off-the-plan stock trended downwards from the long-run average of 15% in Q1 2023. This was to be expected after multiple interest rate hikes and thus a reduction in purchasing power.



Source: Urbis Apartment Essentials Q1 2023

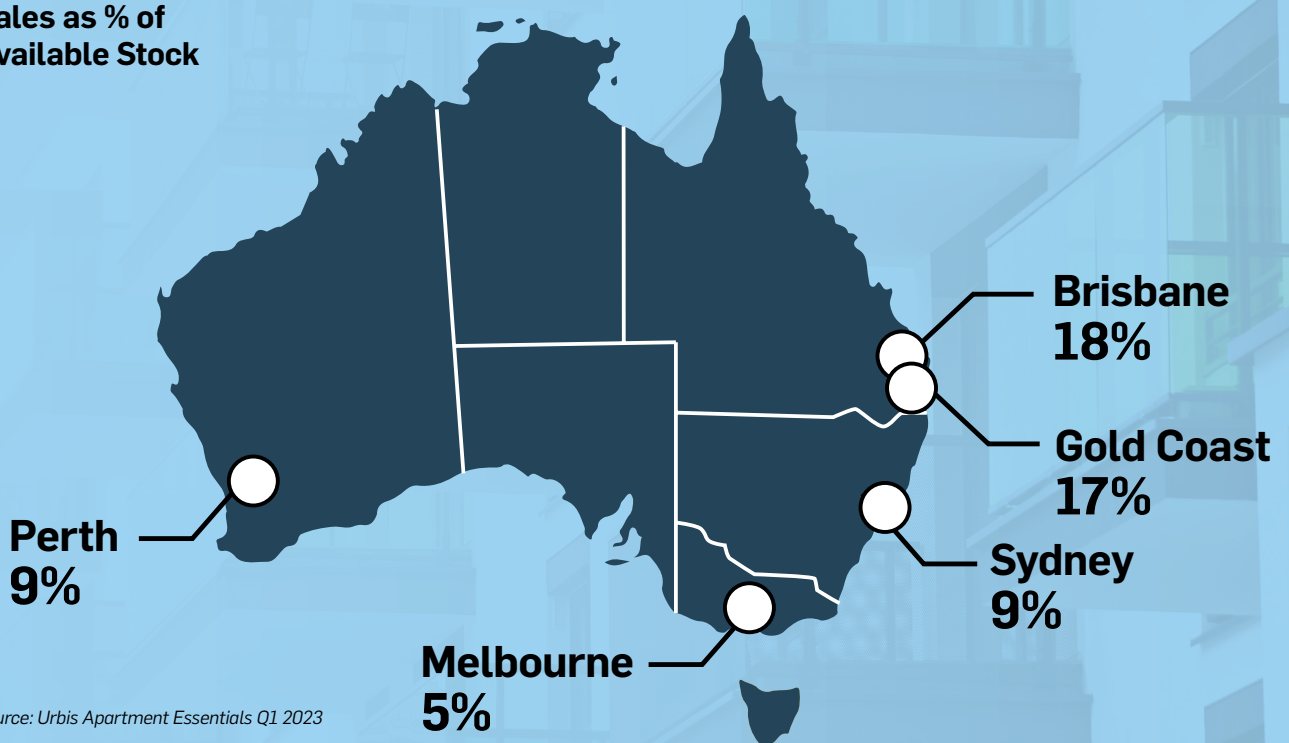
Buyer Profile

Overseas buyers accounted for 14% of sales in Q1 2023. Our data indicates a return in foreign investors as observed in Q4 2022. Local and interstate investment (9% and 21%) was slightly up from the previous quarter, although down overall from the long-term average, as owner-occupiers continued to dominate sales across the national market.



Source: Urbis Apartment Essentials Q1 2023

Sales as % of Available Stock

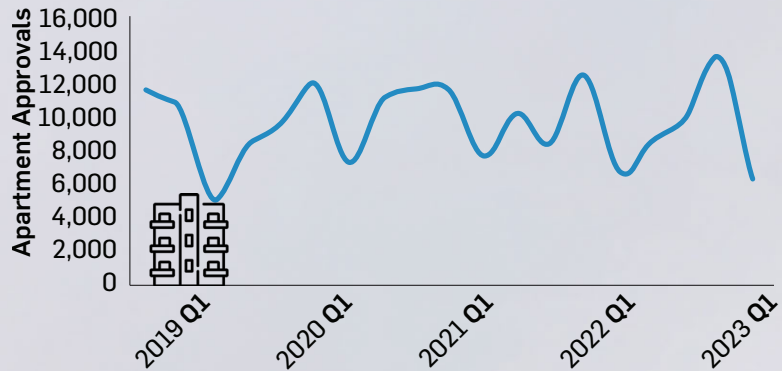


Source: Urbis Apartment Essentials Q1 2023

NATIONAL APARTMENT MARKET INSIGHTS

Apartment Approvals

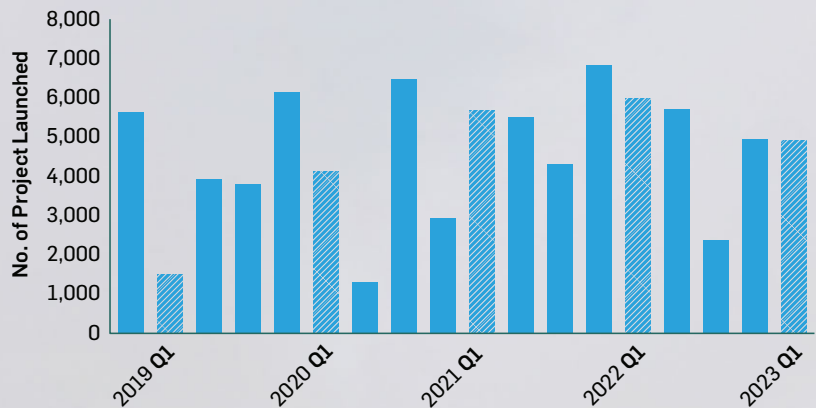
Apartment approvals recovered significantly to close out 2022, however a sharp decline in approvals was observed in Q1 2023. Construction contract uncertainty and rising construction costs have constrained market confidence.



Source: Urbis Apartment Essentials Q1 2023

Project Launches

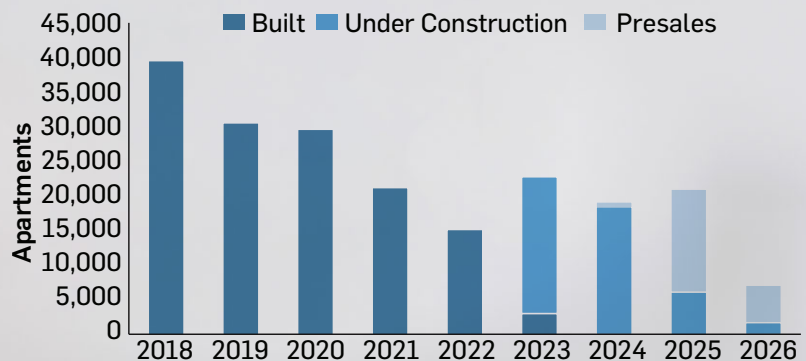
New projects launches in 2023 Q1 maintained the increased momentum observed towards the end of 2022.



Source: Urbis Apartment Essentials Q1 2023

Future Apartment Pipeline (Active Projects)

After a quiet 2022, the future apartment pipeline is showing signs of recovery. In 2023, a higher volume of apartments are expected to be completed, but numbers are still well below pre-Covid levels. Rapid action is needed to bring forward additional supply from 2025 onwards, in order to alleviate the significant current supply issues and house our growing population.

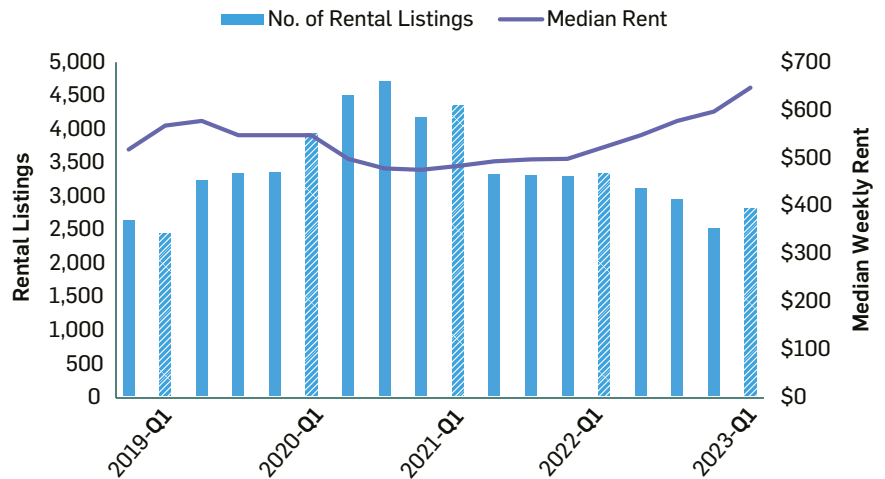


Source: Urbis Apartment Essentials Q1 2023

NATIONAL APARTMENT MARKET INSIGHTS

Rents In New Builds

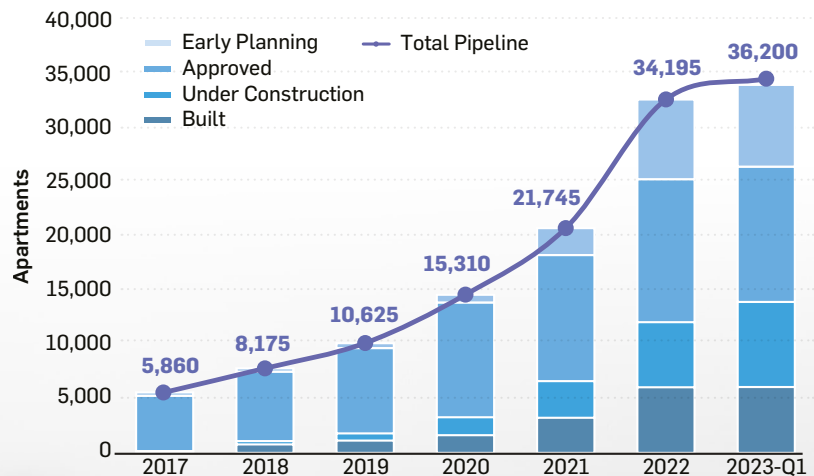
National median rent has increased by 8% in the past quarter to Q1 2023. Interest rate hikes continue to reduce purchasing power across Australia and have initiated a shift towards rental properties. This in turn has further highlighted the shortage of apartment supply nationally as rents continue to 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 Q1 2023

Build-to-Rent Pipeline

Build-to-Rent continues to gain 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. However, 58% of the pipeline is yet to commence construction.



Source: Urbis Apartment Essentials Q1 2023



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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