



URBIS

APARTMENT ESSENTIALS NATIONAL SNAPSHOT

SECOND QUARTER 2023

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

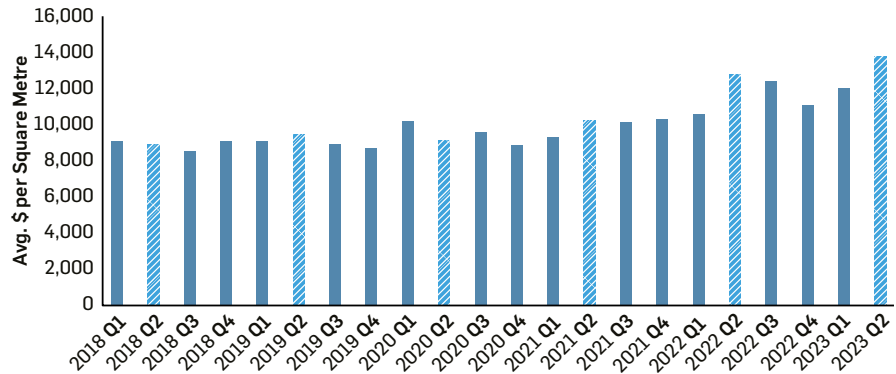
**SYDNEY
MELBOURNE
BRISBANE
PERTH
GOLD COAST**

NATIONAL APARTMENT MARKET INSIGHTS



Price per Square Metre

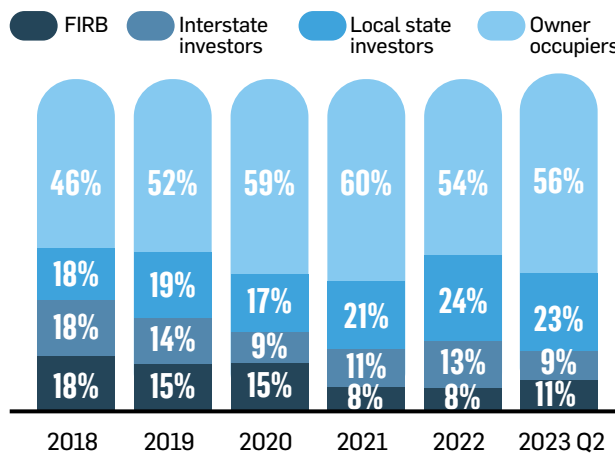
Due to surging construction costs, off-the-plan apartments are commanding higher prices per square metre. In Q2 2023, rates escalated by 15% from the previous quarter and 8% from the preceding year.



Source: Urbis Apartment Essentials Q2 2023

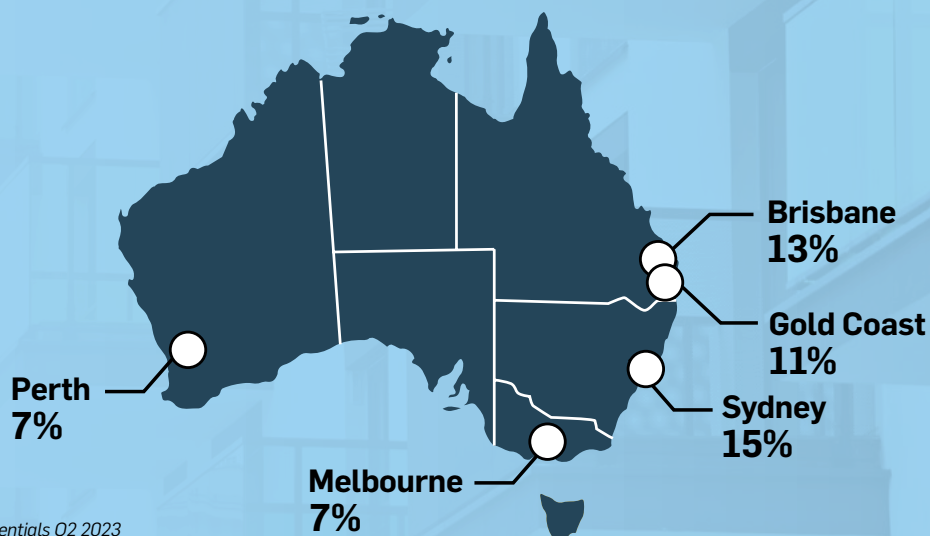
Buyer Profile

Owner occupiers continue to provide the largest share of sales to apartment projects. This is being reflected in the design and price point of the few new projects coming into the market. Meanwhile, the international investor market appears to have opened up slightly now that we are clear of the pandemic.



Source: Urbis Apartment Essentials Q2 2023

Sales as % of Available Stock

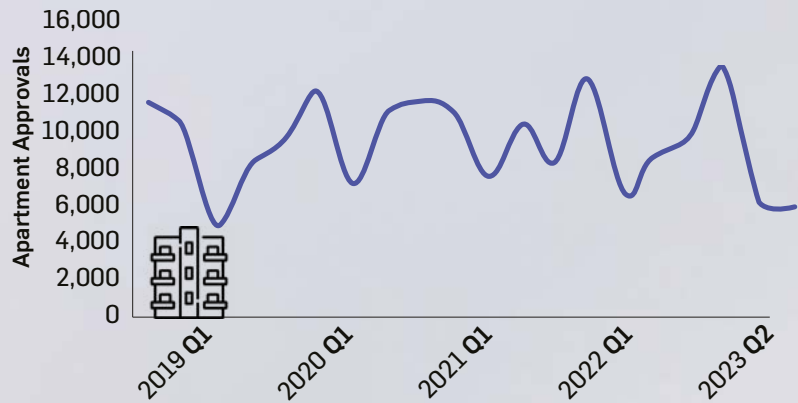


Source: Urbis Apartment Essentials Q2 2023

NATIONAL APARTMENT MARKET INSIGHTS

Apartment Approvals

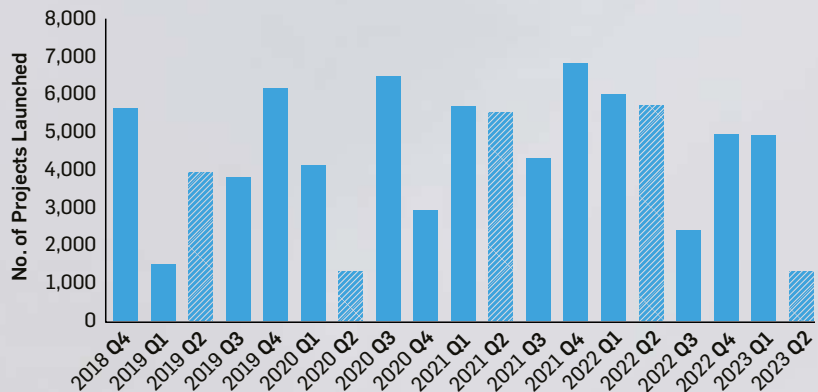
Q2 2023 saw nearly 6,000 apartment approvals, similar to Q1 2023's activity level. Market confidence has continued to be constrained by construction contract uncertainty and costs.



Source: Urbis Apartment Essentials Q2 2023

Project Launches

Only 11 projects and 1,222 apartments launched in Q2 2023 nationally. This was a significant drop following some momentum gained toward the end of 2022 and Q1 2023.



Source: Urbis Apartment Essentials Q2 2023

Future Apartment Pipeline (Active Projects)

Reflecting on the past few years of low completion levels, many projects were pushed out to 2023. This is now reflected in the higher completions in 2023, although still not near enough for the level of demand in our markets for housing. Beyond 2023, the more certain pipeline of apartment completions paints a bleak picture for the ongoing housing crisis.

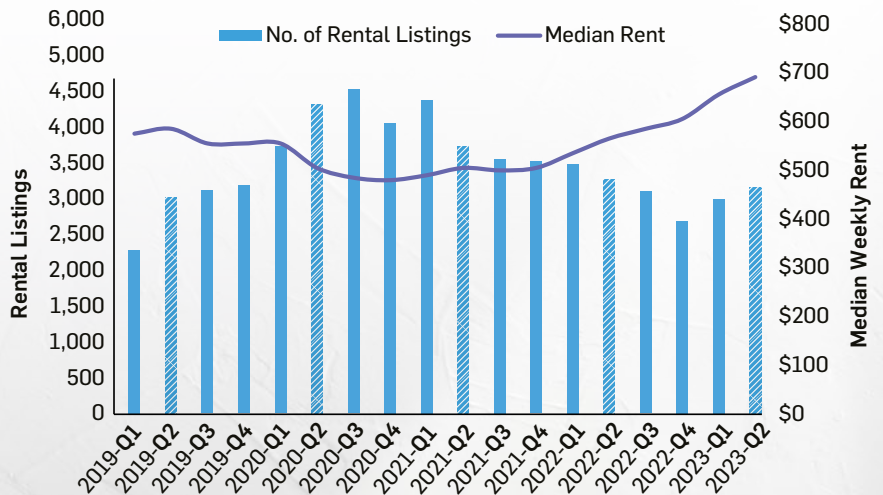


Source: Urbis Apartment Essentials Q2 2023

NATIONAL APARTMENT MARKET INSIGHTS

Rents In New Builds

In Q2 2023, national median rent and rental listings both rose by 5%, driven by interest rate increases and the reopening to population growth against an under-supplied market. Carrying a trend line from 2019 shows the impact of Covid-19 on the rental market as listing activity spiked with stock on market longer. Interestingly, we have now recovered from those rental rate lows and are back to long-run average growth. We anticipate the strong growth, seen recently from a lower base, will now begin to moderate overall. Those areas with a highly transient market and low additional stock levels are likely to see stronger rental growth.

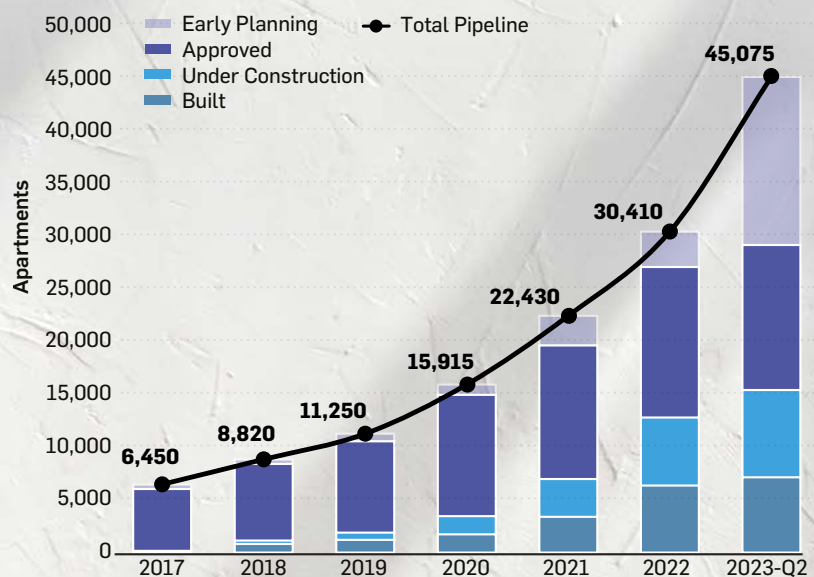


Source: Urbis Apartment Essentials Q2 2023

Build-to-Rent Pipeline

The pipeline of Build-to-Rent apartments continues to grow. The majority of these projects will be constructed along the Eastern Seaboard, with Victoria expected to develop approximately two-thirds of the national stock. Nationally, 8,400 build-to-rent apartments were added to the pipeline in Q2 2023.

While this stock is helping to deliver some of the much needed supply, we need stronger confidence in our BTS market to elevate supply levels overall and alleviate the housing crisis.



Source: Urbis Apartment Essentials Q2 2023

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OUR SERVICES – PROPERTY ECONOMICS



Market assessment

Determining the best product and price mix



Highest & best use assessment

Determining the best land use mix for your site



Network & location strategy

Identifying growth hotspots and location opportunities



Urban strategy

Understanding the economic factors to support the best planning outcomes



Data analytics

Knowing the current state of the market and industry benchmarks



Economic impact assessment

Evidence based research into size rezoning



Primary research

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



Expert Witness

Identifying and mitigating potential impacts