

URBIS

APARTMENT ESSENTIALS NATIONAL SNAPSHOT

FOURTH QUARTER 2023

The Urbis Apartment Essentials provides quarterly analysis of off-the-plan sales, supply, and rents across our major cities.

**SYDNEY
MELBOURNE
BRISBANE
PERTH
GOLD COAST**

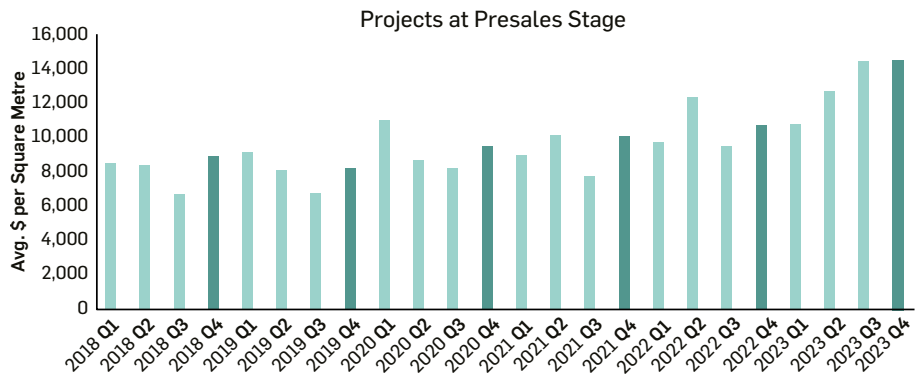


NATIONAL APARTMENT MARKET INSIGHTS



Price per Square Metre

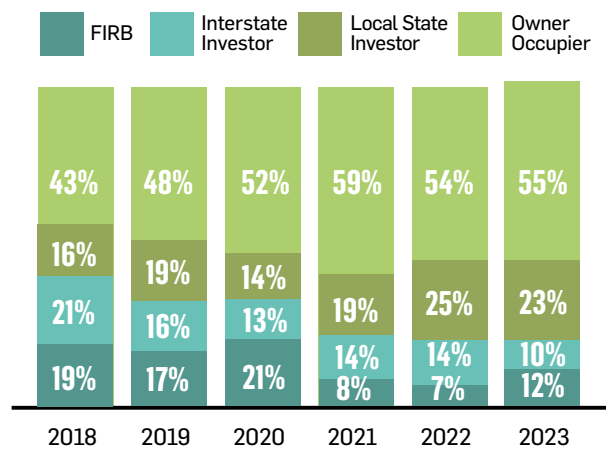
Off-the-plan apartments continued to target owner occupiers, with the price per square metre averaging above \$14,000. Despite construction cost escalation easing, it is highly unlikely there will be any decreases in costs. In the year to Q4 2023, the sales price per square metre increased by 28% for projects in presales, reflecting a mix of target market focus and higher construction costs.



Source: Urbis Apartment Essentials Q4 2023

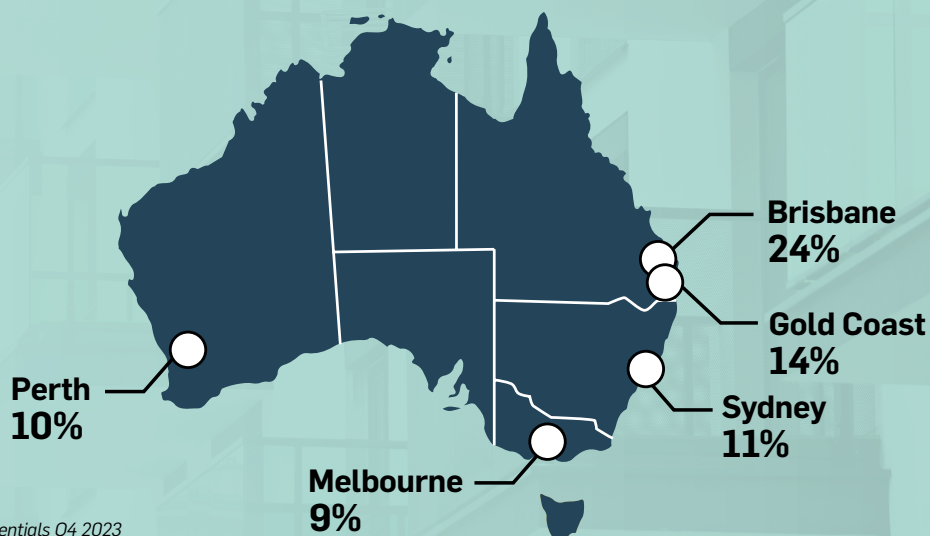
Buyer Profile

Owner occupiers continued to drive off-the-plan apartment market sales in Q4 2023. The proportion of owner occupier sales reached 56% in Q4 bringing the 2023 yearly average to 55%. Additional costs imposed on investors and the higher cost of financing made it less enticing for new investors to enter the market.



Source: Urbis Apartment Essentials Q4 2023
Note: Projects at Presales and Under Construction

Sales as % of Available Stock



Source: Urbis Apartment Essentials Q4 2023
Note: Projects at Presales and Under Construction

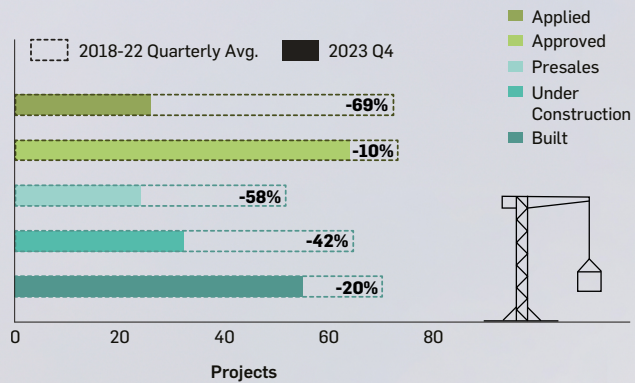
NATIONAL APARTMENT MARKET INSIGHTS

Development Activity

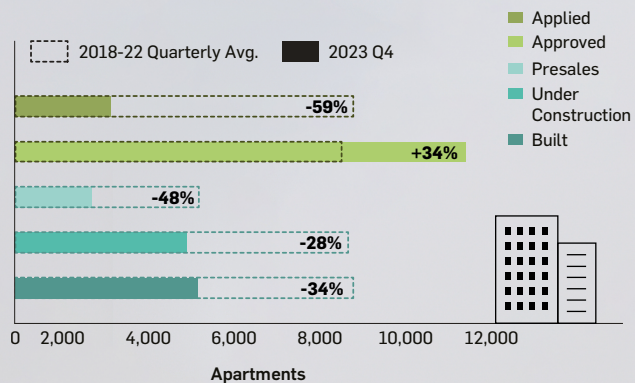
The property industry continues to face challenges impacting each stage in the development lifecycle. In Q4 2023 we continued to observe fewer projects progressing to presales and construction.

Despite this, the volume of apartments approved in Q4 2023 was actually 34% higher than the quarterly average for the previous five years.

As developers adjust to the changing landscape, it will be interesting to see how quickly these approved apartments come to market and commence construction.



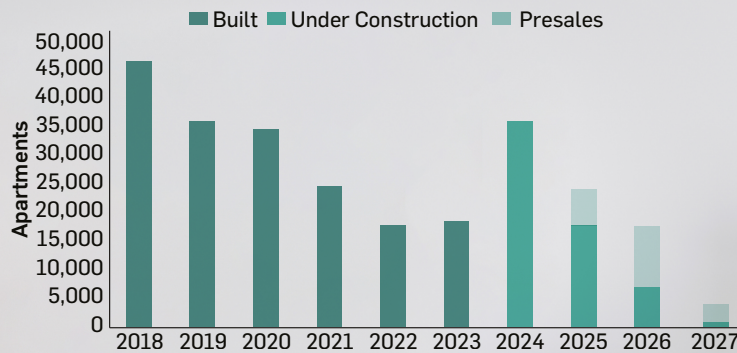
Source: Urbis Apartment Essentials Q4 2023



Source: Urbis Apartment Essentials Q4 2023

Supply Pipeline

At the end of 2023, the 2024 pipeline stood at 35,000 apartments planned to complete over the year. This follows two consecutive years with fewer than 20,000 apartment completions in 2022 and 2023. In light of current market dynamics it is likely some of the 2024 pipeline will spill over into 2025.

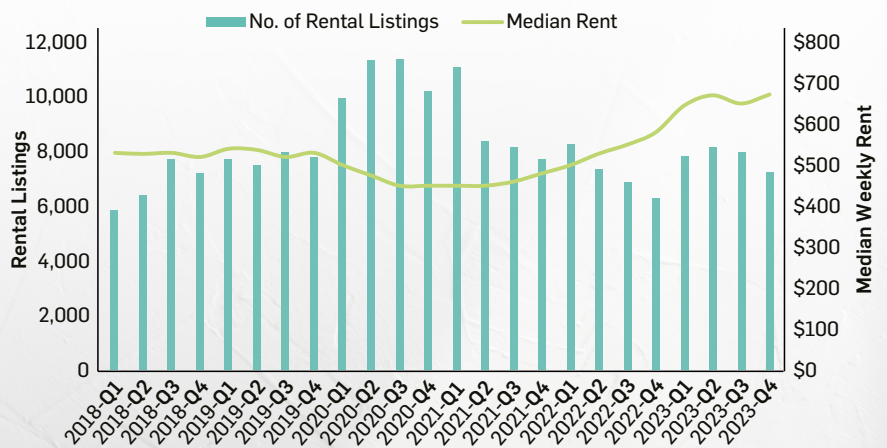


Source: Urbis Apartment Essentials Q4 2023

NATIONAL APARTMENT MARKET INSIGHTS

Rents In New Builds

The median rent for new apartments increased by 3% in Q4 2023, finishing the year 16% higher than a year ago. As delivery of new supply continues to fall below the long-term historical average, we anticipate the median rent will continue increasing as demand exceeds new supply. Nationally we are observing record low vacancy rates, and as population growth continues, tight rental markets will stimulate rental growth.



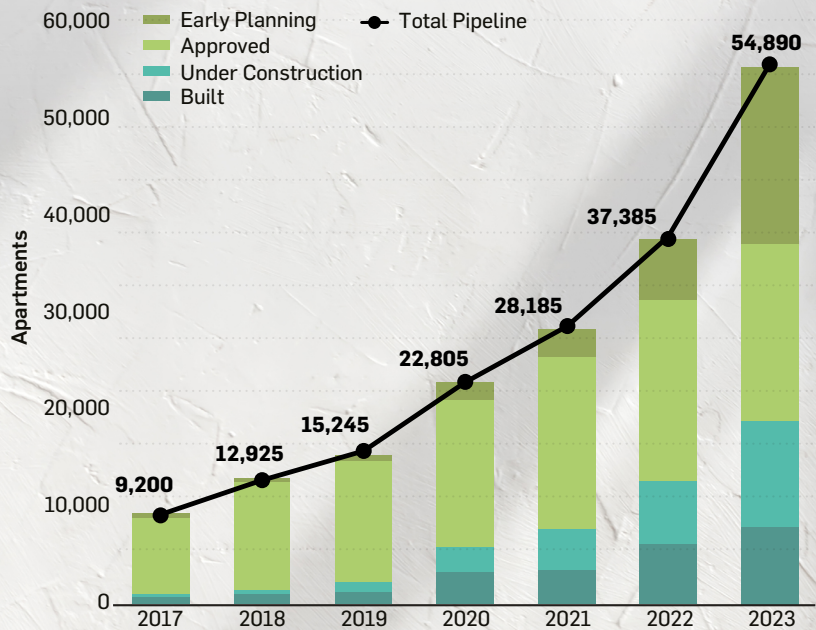
Source: Urbis Apartment Essentials Q4 2023

Build-to-Rent Pipeline

In Q4 2023, the pipeline of Build-to-Rent (BTR) apartments grew by 4%, with Victoria making up 50% of BTR activity in Australia.

The volume of completed stock or under construction remains limited, albeit with some notable projects coming to market.

The Build-to-Sell market is anticipated to pick-up in 2024. However, delivering a diverse and sustained mix of housing is key to alleviating housing shortages and supporting a growing, productive population.



Source: Urbis Apartment Essentials Q4 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