

The logo for Urbis, featuring the word "URBIS" in a bold, black, sans-serif font. The text is contained within a white rectangular box with a black border. The box is positioned in the top right corner of the page, partially overlapping the blue sky background.

URBIS

APARTMENT ESSENTIALS NATIONAL SNAPSHOT

FIRST QUARTER 2024

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**

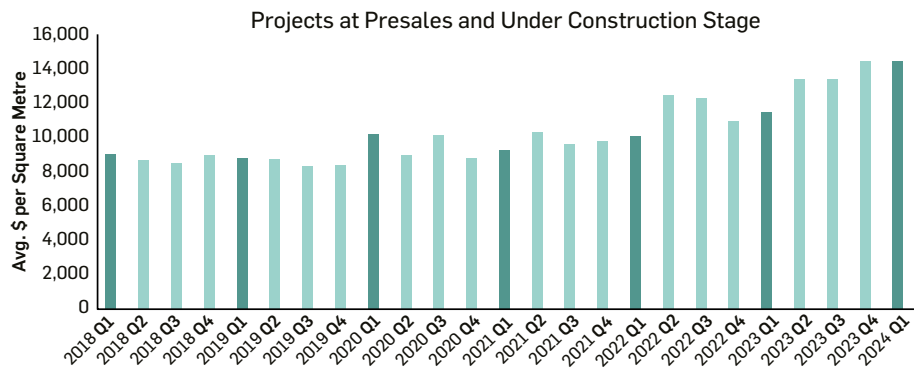


NATIONAL APARTMENT MARKET INSIGHTS



Price per Square Metre

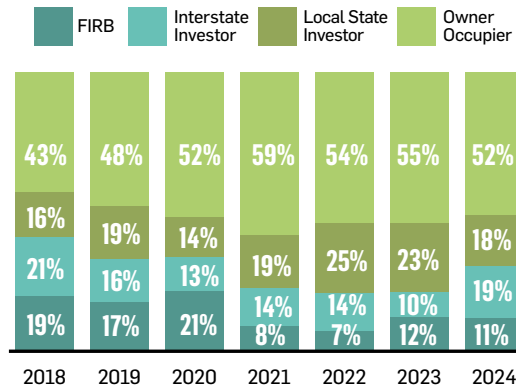
In Q1 2024, the off-the-plan apartment market continued to attract demand from owner occupiers as foreign investor demand remained subdued. The current development environment continued to place pressure on developers, and price per square metre rates reflected increases in asking prices and changes in buyer preferences. In the year to Q1 2024, the price per square metre increased by 26% for projects in presales and under construction. From the previous quarter Brisbane and Melbourne increased by 24% and 5% respectively.



Source: Urbis Apartment Essentials Q1 2024

Buyer Profile

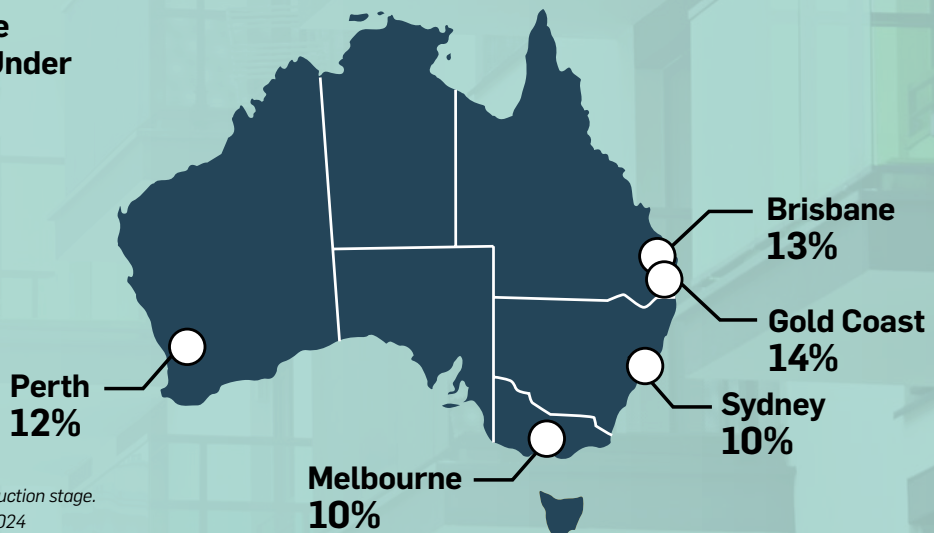
In Q1 2024, owner occupiers continue to lead off-the-plan apartment sales, accounting for 52% of national transactions. Interstate investor sales rose by nine percentage points compared to the 2023 annual average, largely due to the Gold Coast's off-the-plan apartment market, where 41% of Q1 sales were to interstate investors.



Source: Urbis Apartment Essentials Q1 2024

Sales as % of Available Stock - Presales and Under Construction Projects

Around Australia, sales as a percentage of available stock exceeded 10% for the first time since Q2 2022.



For projects at presales and under construction stage.
Source: Urbis Apartment Essentials Q1 2024

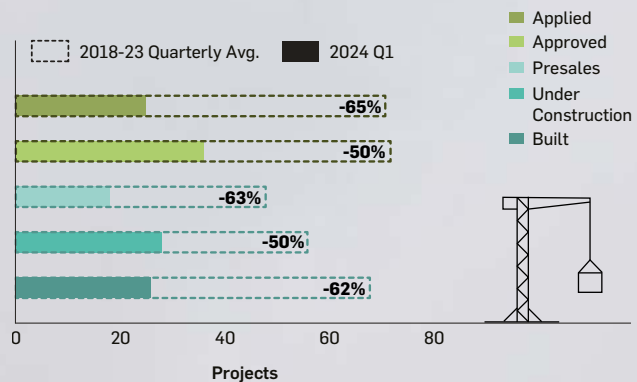
NATIONAL APARTMENT MARKET INSIGHTS

Development Activity

Through the first quarter of 2024, the property industry continues to face challenges impacting development progress. Across each stage in a development's lifecycle we are observing fewer apartments and fewer projects when compared against long-term quarterly averages over the past five years. As the nation becomes entrenched in a housing shortage we will need continued innovation across funding, Planning, taxation and construction capacity to eat away at the viability gap for more apartment projects.



Source: Urbis Apartment Essentials Q1 2024

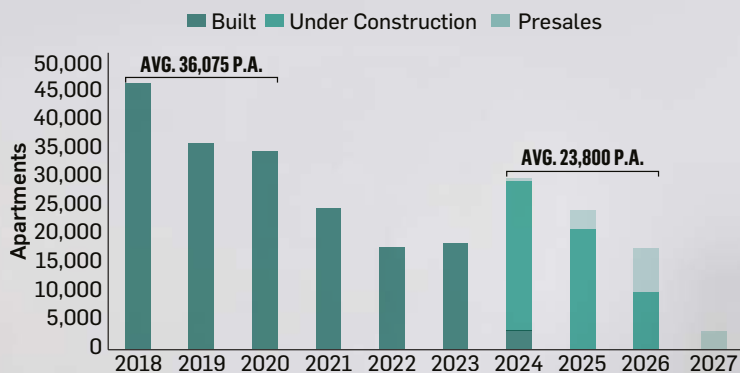


Source: Urbis Apartment Essentials Q1 2024

Supply Pipeline

As of Q1 2024, around 3,035 apartments have been delivered, a 13% increase from the 2,700 delivered in Q1 2023. If the remaining pipeline for the year is delivered as planned, 2024 could see a total of 28,000 apartments delivered for the year. This would be the largest volume since 2020 but remains well below the average delivered in prior years.

Until finance conditions and buyer expectations shift, the pipeline for the next 2-3 years is expected to remain below the levels needed to meet underlying demand.



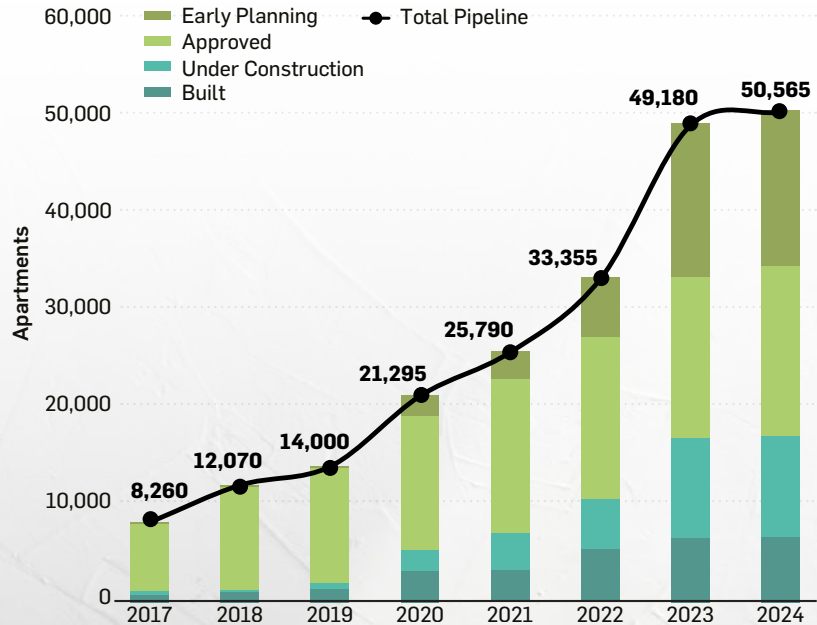
Source: Urbis Apartment Essentials Q1 2024



NATIONAL APARTMENT MARKET INSIGHTS

Build-to-Rent Pipeline

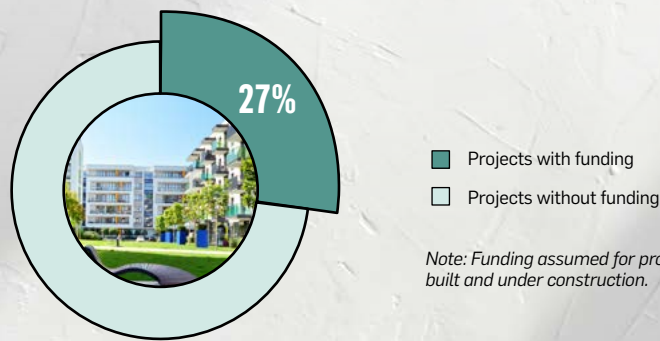
In Q1 2024, the pipeline of Built-to-Rent (BTR) apartments grew by 4%, with more than 50% of the additional BTR apartments added to the Brisbane pipeline. Victoria continues to drive the majority of BTR activity in Australia, making up 49% of the total market.



Source: Urbis Apartment Essentials Q1 2024

Proportion of Build to Rent Pipeline with Funding

Of the nearly 52,000 build-to-rent (BTR) apartments in the national pipeline, approximately 33% are built or under construction. Of the remaining pipeline, which includes projects in development approval, application and development sites, only 27% of projects are funded.

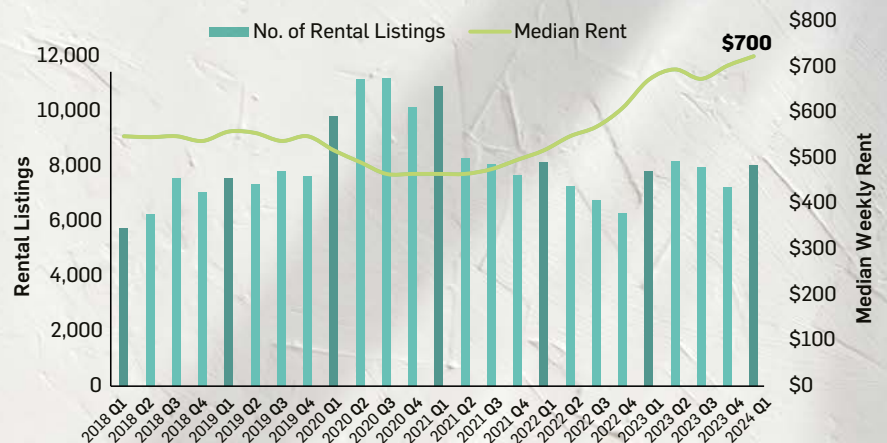


Note: Funding assumed for projects built and under construction.

Source: Urbis Apartment Essentials Q1 2024

Rents In New Builds

The median weekly rent for new apartments increased by 3% in Q1 2024, finishing 8% higher compared to a year ago. The lack of new supply has become a consistent pain point in the rental market, as such we expect the median weekly rent to increase in the foreseeable future as demand continues to outweigh supply.



Source: Urbis Apartment Essentials Q1 2024

Reach out to our experts:

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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