



URBIS

APARTMENT ESSENTIALS NATIONAL SNAPSHOT

THIRD QUARTER 2024

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

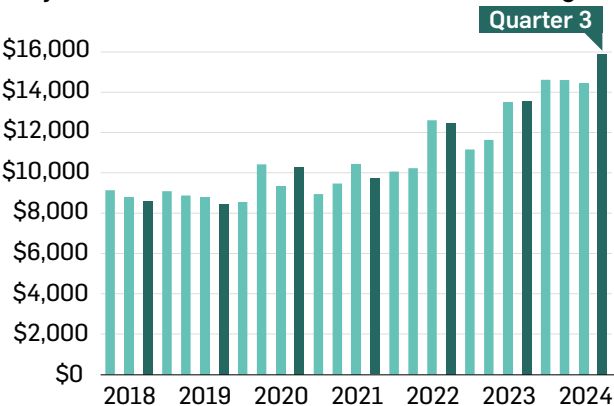
SYDNEY
MELBOURNE
BRISBANE
PERTH
GOLD COAST

NATIONAL APARTMENT MARKET INSIGHTS

PRICE PER SQUARE METRE

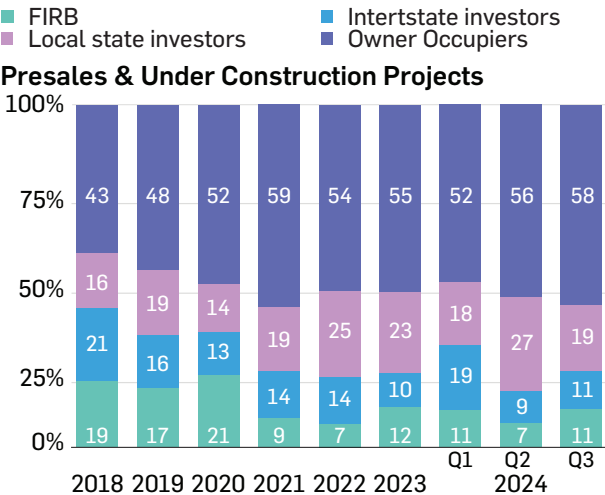
In Q3 2024, the development landscape continued to face challenges due to construction input costs, availability of labour and shifting buyer preferences - leading to increased asking prices and higher average price per square metre rates. This quarter saw the highest quarter-on-quarter growth in 2024 as the average price per square metre exceeded \$15,000, with a 10% increase since Q2 and a 17% rise year-on-year from Q3 2023. The growth was primarily driven by off-the-plan projects in Melbourne, Perth, and Sydney, where square metre rates increased by 16%, 14%, and 15%, respectively.

Projects at Presales & Under Construction Stage

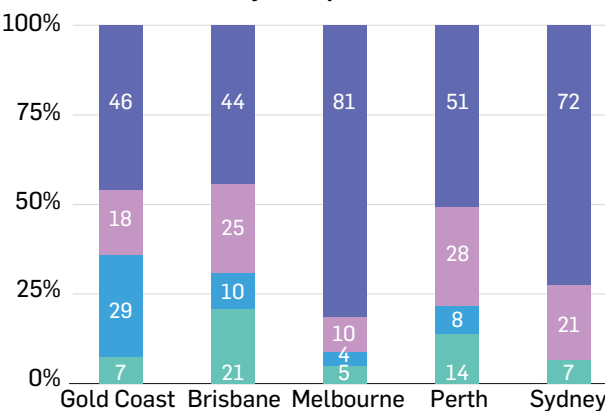


BUYER PROFILE

In Q3 2024, owner-occupiers significantly influenced off-the-plan apartment sales, making up 58% of national transactions. The share of foreign purchasers rose by 4 percentage points quarter-on-quarter, driven mainly by investments in Brisbane and Perth. This increased the proportion of foreign purchasers to 21% in Brisbane and 14% in Perth for the year up to Q3 2024.



Year to Q3 2024 - City Comparison

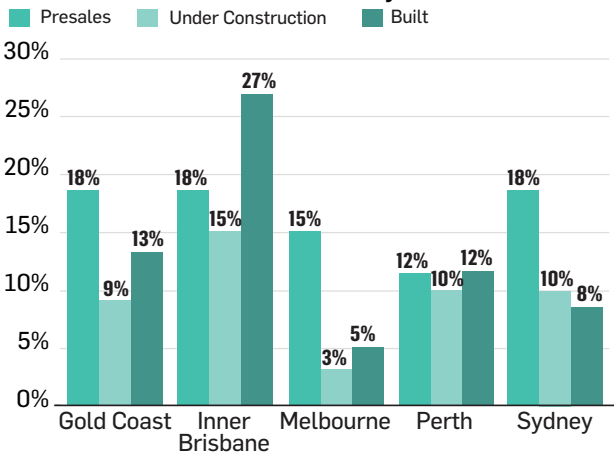


SALES AS % OF AVAILABLE STOCK

Demand for off-the-plan apartments remained subdued due to uncertainties surrounding interest rates, which continued to limit buyer confidence and affordability. Notably, Melbourne's clearance rate dropped below 10% for the first time in 2024.

We will monitor this trend closely with the introduction of a temporary off-the-plan stamp duty concession in October 2024.

Sales as % of available stock - by status

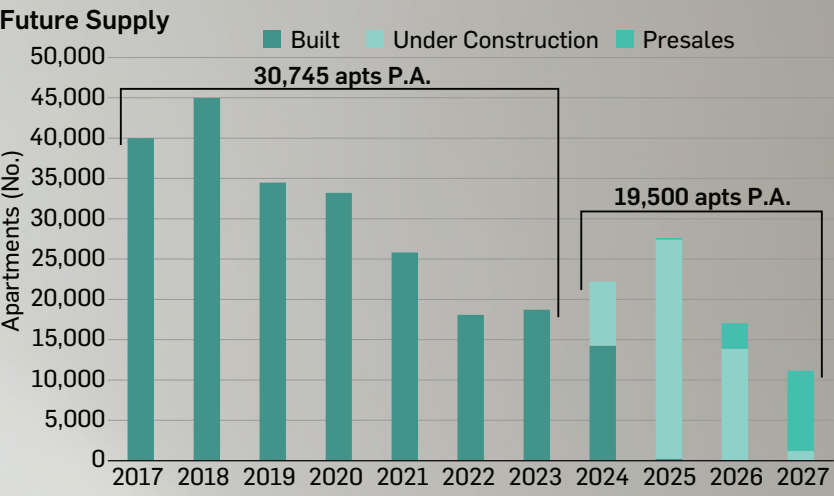


Source: Urbis Apartment Essentials Q3 2024

Note: Projects at Presales and Under Construction

NATIONAL APARTMENT MARKET INSIGHTS

A quarterly average of 4,435 completions in Q1-Q3 and a further 8,000 under construction aiming to complete in Q4 brings the 2024 total to 22,190. This is around half the volume delivered in 2018. Challenges in the development market caused nearly 10,000 apartments planned for delivery in 2024 to slip into 2025.

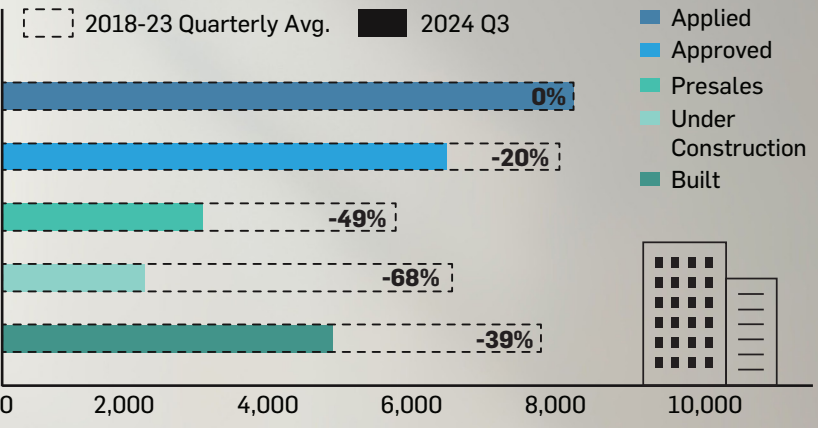


Source: Urbis Apartment Essentials Q3 2024

SUPPLY PIPELINE

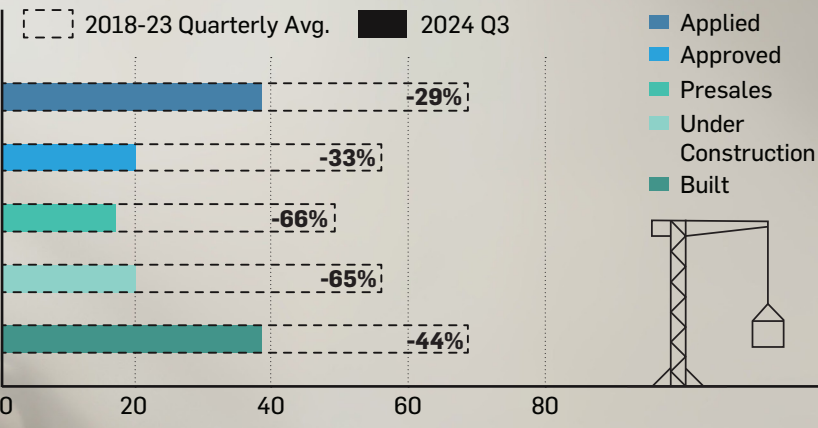
In Q3 2024, the apartment pipeline lagged behind long-term quarterly averages, underscoring the challenging development environment developers continue to face in 2024. Notably, there is a significant bottleneck of approved projects moving to presales and beginning construction with 65% to 66% fewer projects entering these stages compared to the long-term quarterly average.

Apartments



Source: Urbis Apartment Essentials Q3 2024

Projects



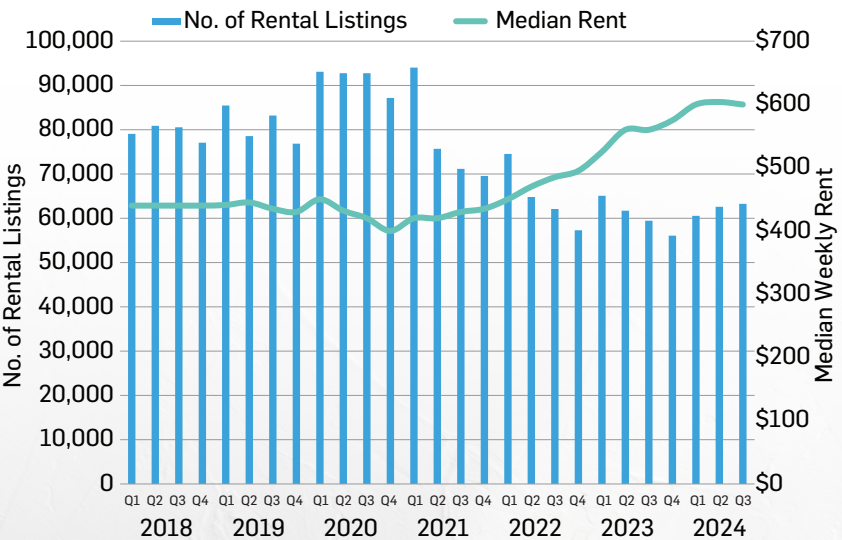
Source: Urbis Apartment Essentials Q3 2024

NATIONAL APARTMENT MARKET INSIGHTS

RENTS IN NEW BUILDS

In Q3 2024, the median weekly rent for new apartments stabilised around \$600. The ongoing challenges developers face in delivering new supply are expected to sustain pressure on the rental market, and we anticipate an upwards movement over the next two quarters.

Rents In New Builds



Source: Urbis Apartment Essentials Q3 2024

BUILD-TO-RENT PIPELINE

In Q3 2024, Melbourne completed 1,765 build-to-rent (BTR) apartments, increasing the national total of built apartments by 25% from Q2. Of the 56,470 apartments in the pipeline, 67% are in early planning or development approval stages, while 32% have secured funding.

Build-to-Rent Pipeline

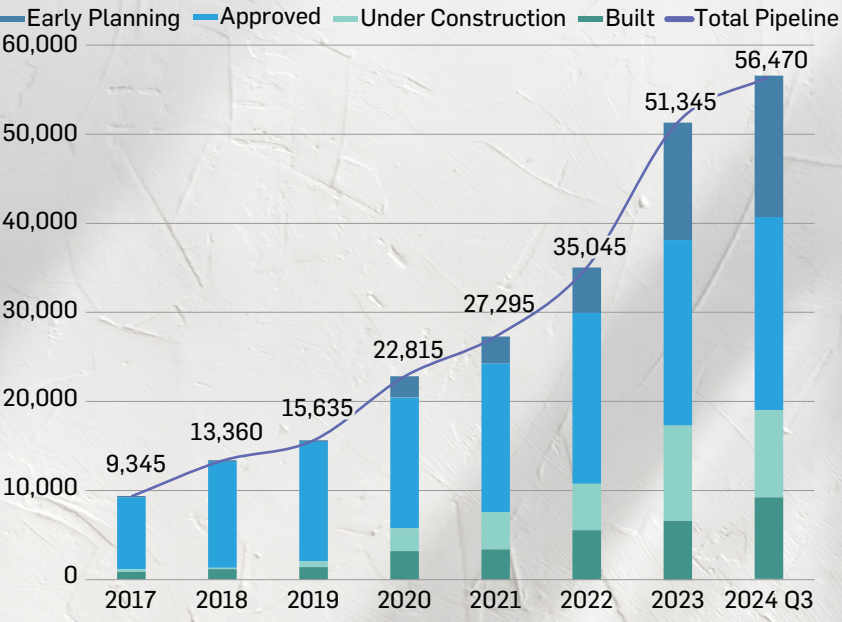


- Projects with funding
- Projects without funding

Note: Funding assumed for projects under construction

Source: Urbis Apartment Essentials Q3 2024

Build To Rent Pipeline



Source: Urbis Apartment Essentials Q3 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