

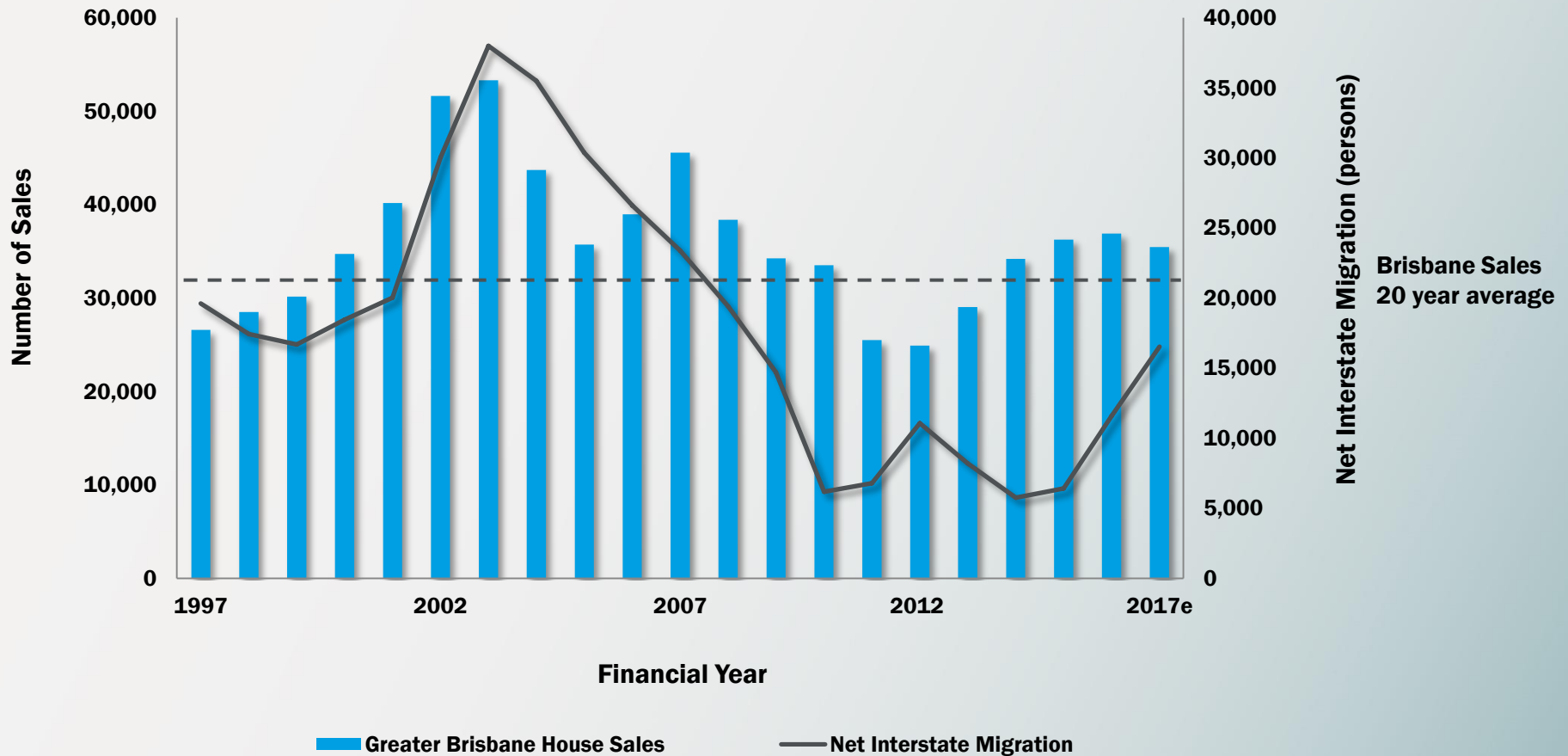
# SEQ Residential Market

## Gavin Hulcombe

### 16 November 2017



# Brisbane House Sales & Net Interstate Migration

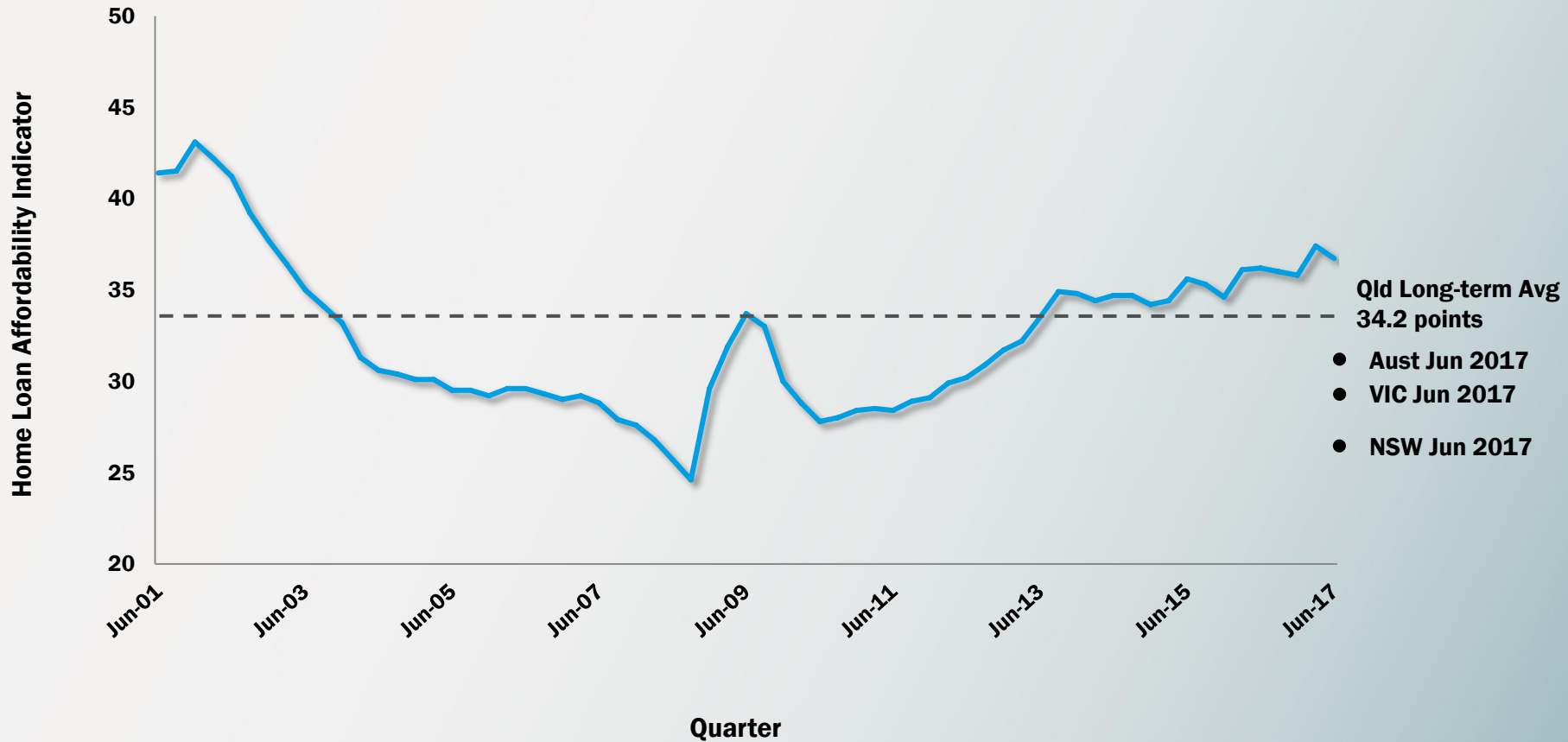


e = Migration estimate based on 9 months data annualised

Source: CoreLogic - RP Data, Australian Bureau of Statistics



# QLD Housing Affordability



# Queensland Housing Affordability



## Meet the Lamb Family

Find out why they're moving up to Brisbane.



The Lamb family are planning a move right now. We asked what they're looking forward to and heard how lifestyle played a big part of their decision.

# Affordability 10km from Capital City CBD

Brisbane



**26 Mayled St,  
Chermside West**

U/C Oct 2017 - \$527,000

4 bed / 1 bath / 2 car  
587 sqm land area

Melbourne



**27 Pender St,  
Preston**

Jul 2017 - \$980,000

3 bed / 1 bath / 1 car  
476 sqm land area

Sydney



**5 Emu St,  
Strathfield**

U/C Oct 2017- \$2,215,000

4 bed / 1 bath / 2 car  
454 sqm land area

# Affordability 20km from Capital City CBD

Brisbane



**28 Granville Dr,  
Bray Park**

U/C Oct 2017 - \$375,000

3 bed / 1 bath / 1 car  
629 sqm land area

Melbourne



**32 Mindoro Crt,  
Lalor**

U/C Oct 2017 - \$612,000

3 bed / 1 bath / 2 car  
541 sqm land area

Sydney

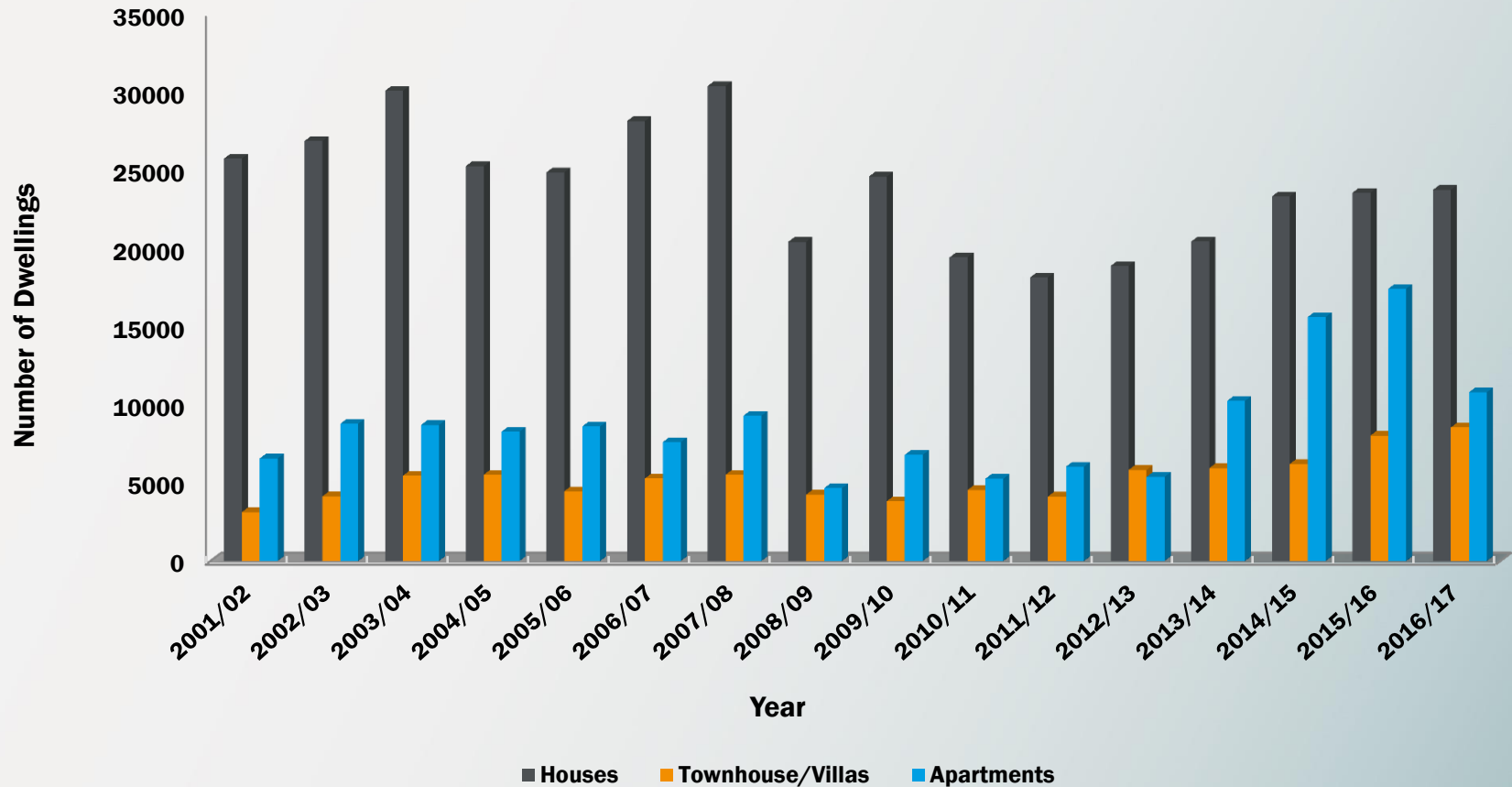


**7 Morris St,  
Smithfield**

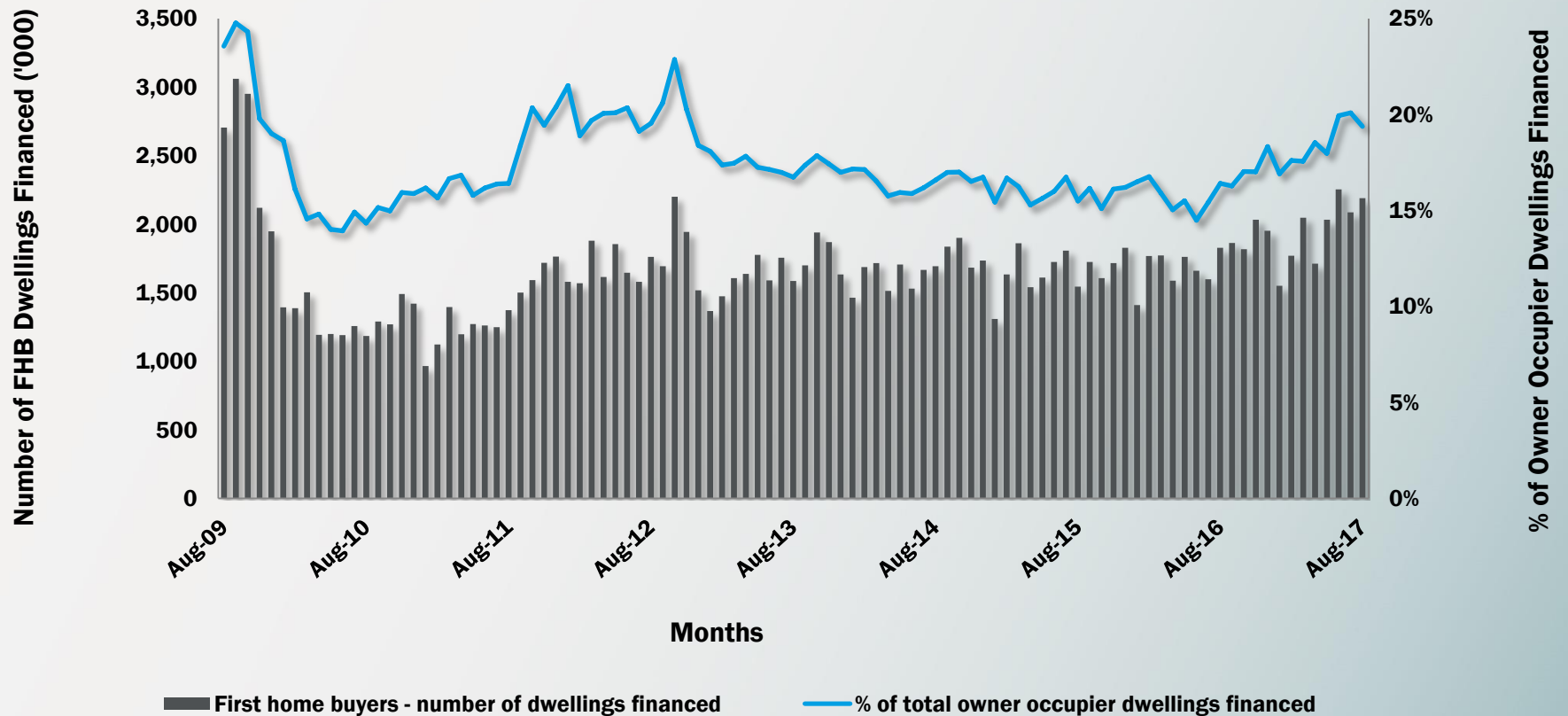
U/C Oct 2017- \$750,000

3 bed / 1 bath / 1 car  
664 sqm land area

# QLD Dwelling Commencements



# QLD First Home Buyers



**N.B. Data excludes refinancing**

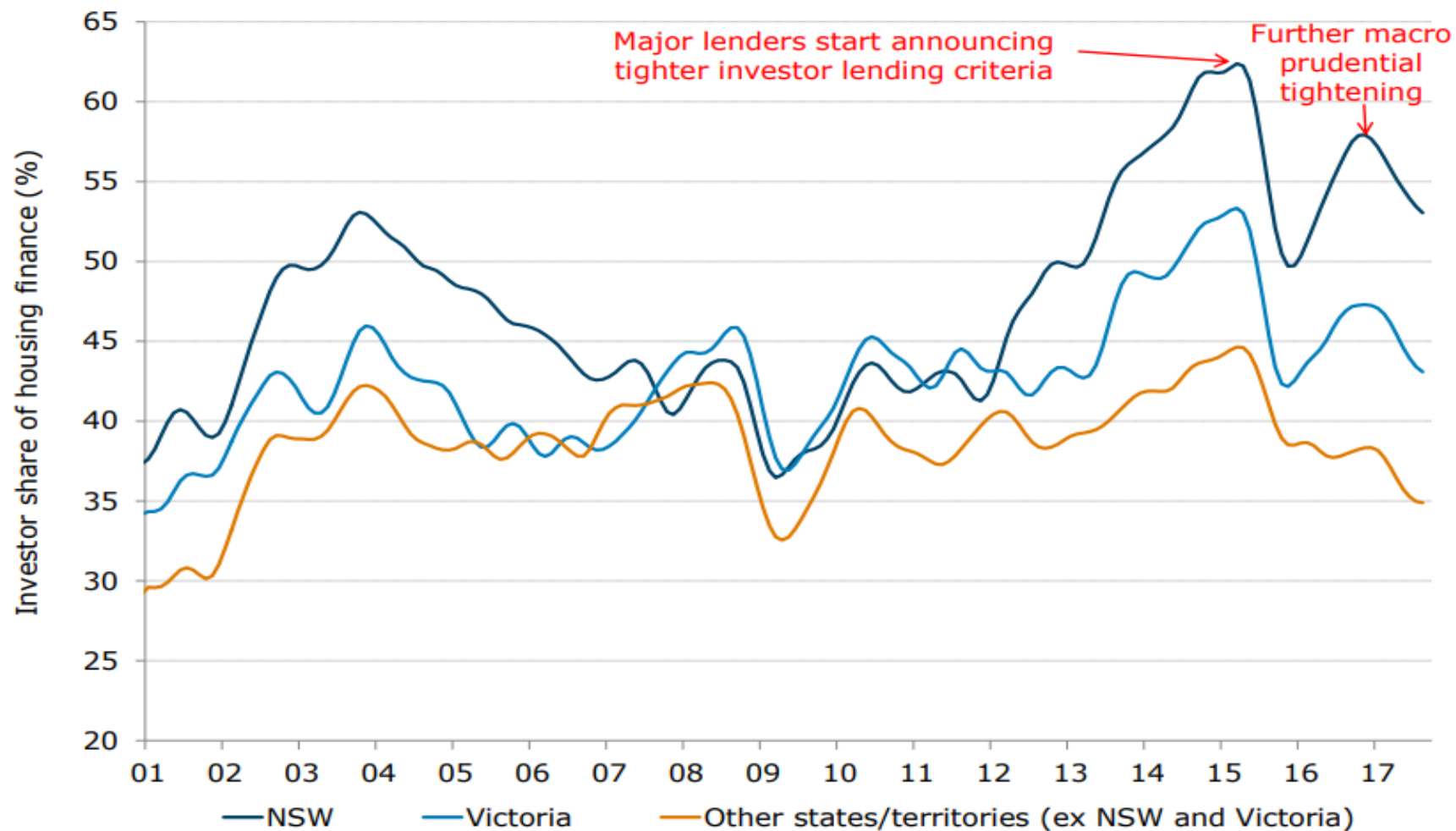
Source: Australian Bureau of Statistics





# Investor Borrowing

Figure 2. Slowdown in investor borrowing is spread across the country





# Residential Unit Market



# Last Year: The Warnings

**RBA warns of apartment glut**

Brisbane facing apartment oversupply, says BIS Shrapnel

**Boom to bust: how many is too many apartments for our big cities?**

**Apartment supply boom a growing concern: Standard & Poor's**

**Collapse of Brisbane's inner city apartment market imminent**



# This Year: Developer Incentives

**Buy one, get a year's avocado  
free: Brisbane agent's  
townhouse incentive**



**Brisbane apartments offered at 39pc discount in disputed fire  
sale**



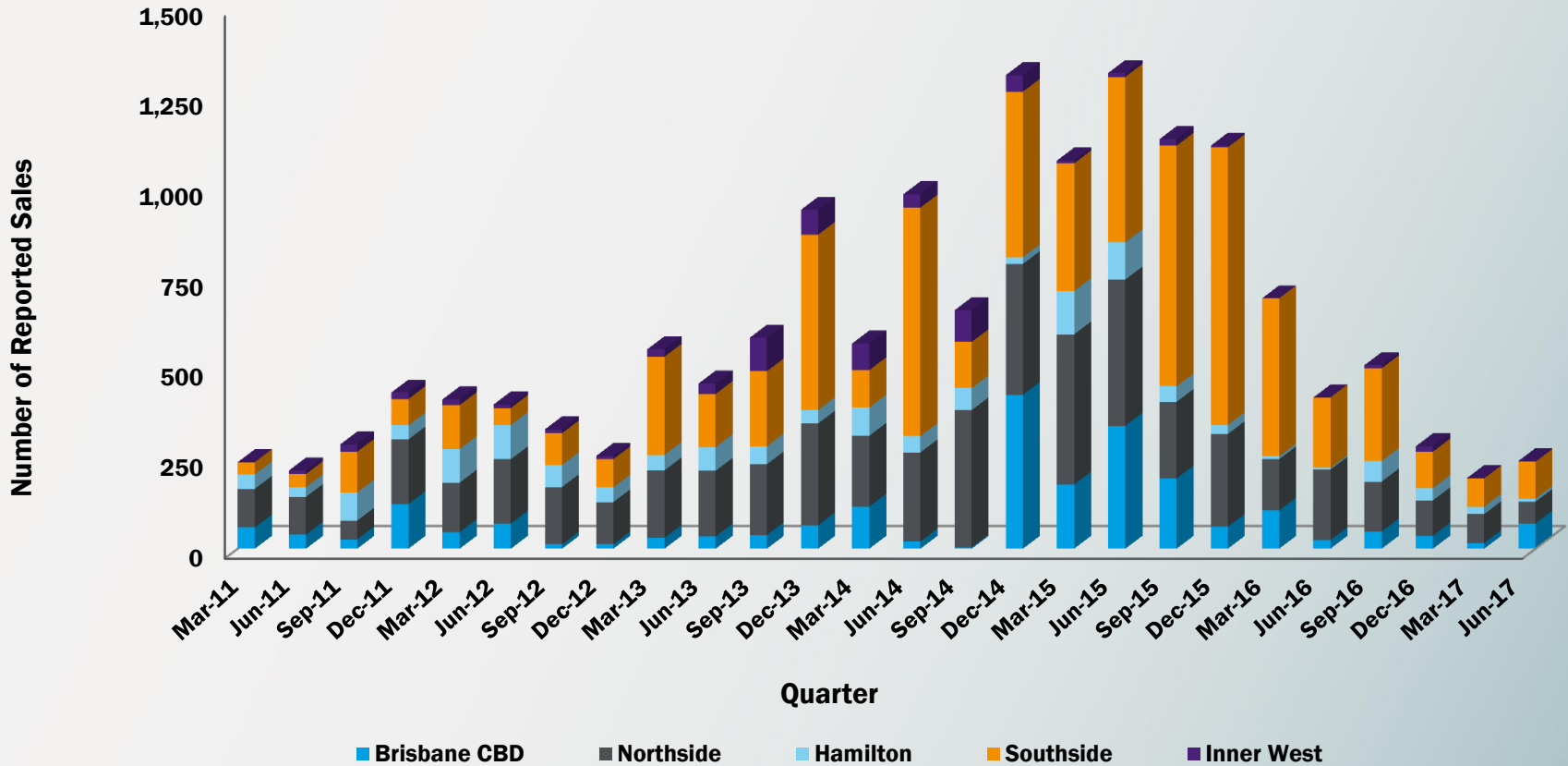
**Buy an apartment off-the-plan and  
win a Jaguar SUV**



**Settlement Package: Free Body Corp,  
Blinds and White Goods bundle**



# Inner Brisbane Off-The-Plan Unit Sales



# Unit Completions

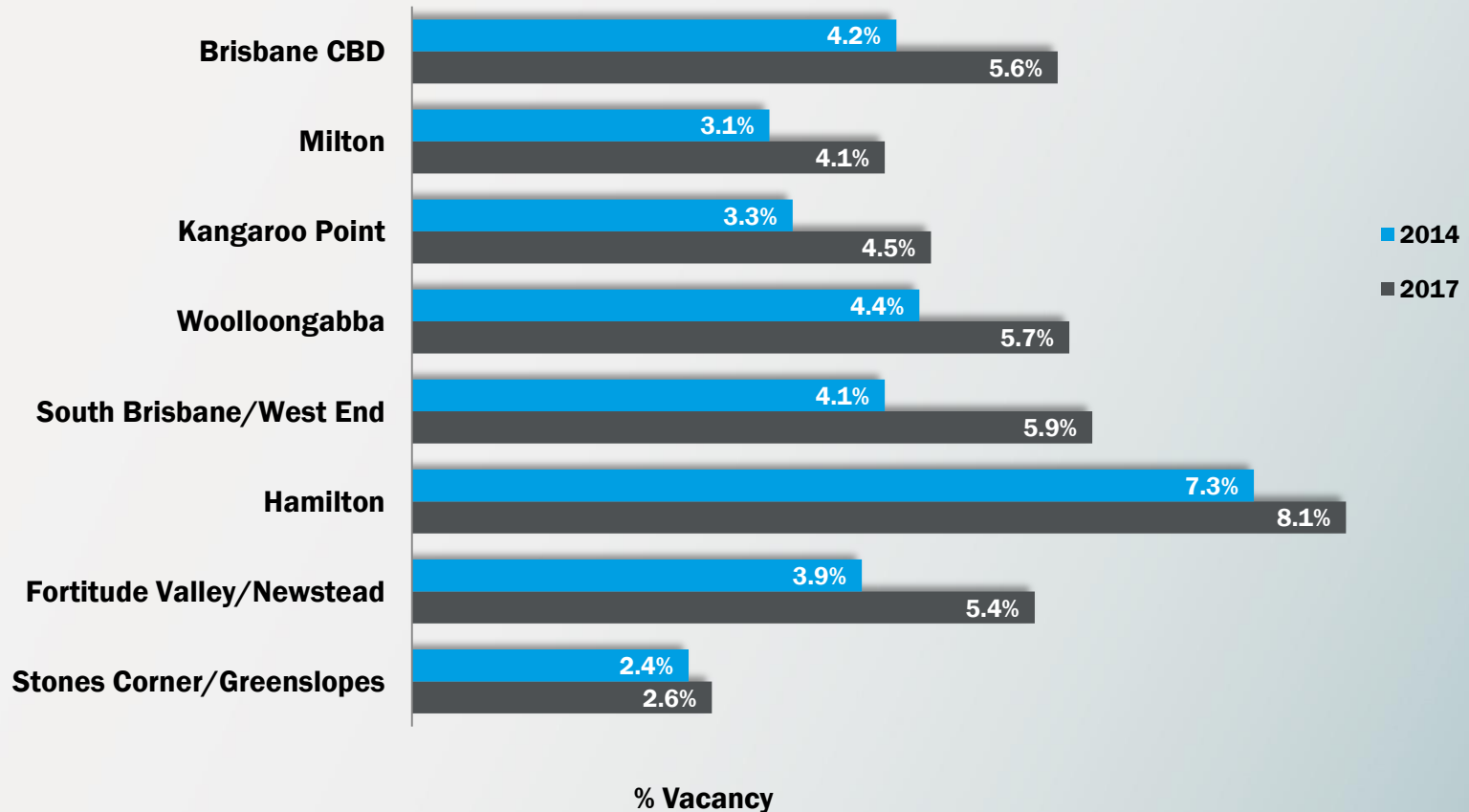
Suburb	Total Existing Units (As at Mar 2014)	Units Completed (Apr 2014 – Sept 2017)	Proposed Units* (Oct 2017 - Late 2018)
Brisbane CBD	8,053	758	898
Fortitude Valley	2,863	2,116	386
Newstead/Teneriffe	3,424	2,429	1,528
Bowen Hills	1,442	765	0
Hamilton	2,232	1,090	335
South Brisbane	3,041	2,296	1,775
West End	1,991	1,922	781
Woolloongabba	938	875	536
Kangaroo Point	3,736	791	338
Greenslopes	2,064	160	253
Milton	649	876	0
<b>Inner Brisbane</b>	<b>30,433</b>	<b>14,078</b>	<b>6,830</b>

\* Unit projects under construction or about to commence construction

Source: Herron Todd White Research, CoreLogic – RP Data



# Inner Brisbane Vacancy Rates – 2014 to 2017

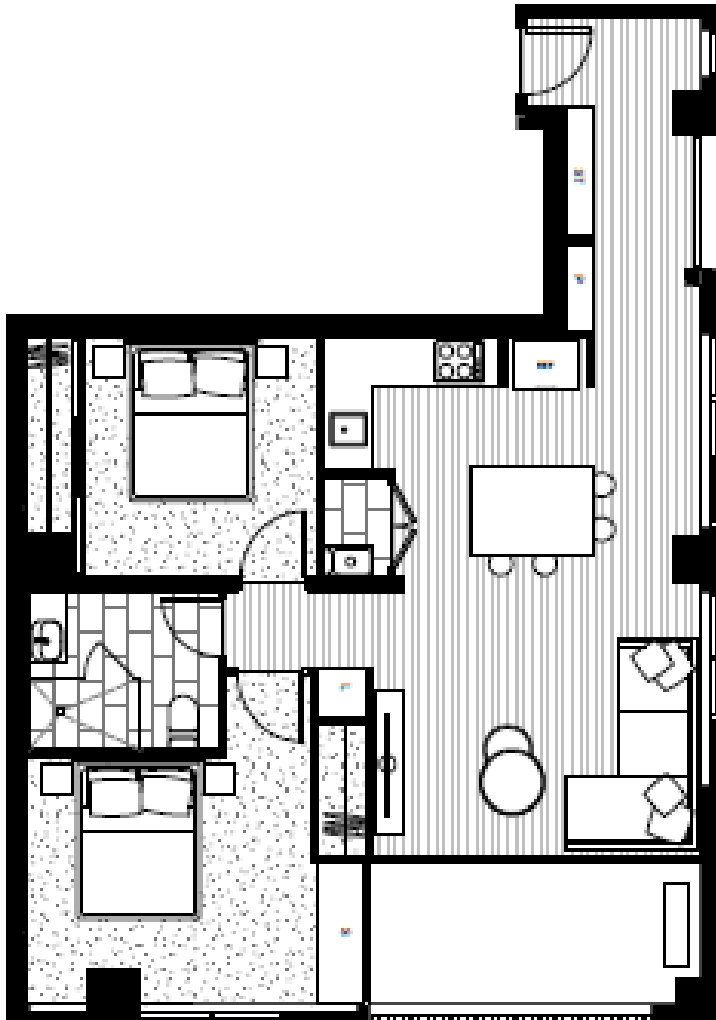


# Off-The-Plan Sales & Re-sales

Address	Unit Configuration	Off the Plan Purchase	Re-sale Price	% Change
<b>8137/191 Constance St, Bowen Hills</b>	1 bed / 1 bath / 0 car	\$400,000 (17/06/2014)	\$255,000 (09/05/2017)	<b>-36%</b>
<b>1045/191 Constance St, Bowen Hills</b>	2 bed / 1 bath / 1 car	\$530,000 (27/02/2015)	\$375,000 (17/06/2017)	<b>-29%</b>
<b>20209/37 Kyabra St, Newstead</b>	1 bed / 1 bath / 1 car	\$433,325 (26/08/2016)	\$310,000 (11/10/2017)	<b>-29%</b>
<b>701/338 Water St, Fortitude Valley</b>	2 bed / 1 bath / 1 car	\$476,000 (14/06/2013)	\$350,000 (Under Contract)	<b>-27%</b>
<b>608/510 St Pauls Tce, Fortitude Valley</b>	2 bed / 1 bath / 1 car	\$465,000 (08/09/2013)	\$388,000 (Under Contract)	<b>-17%</b>
<b>1005/ 30 Festival Pl, Newstead</b>	2 bed / 2 bath / 1 car	\$747,800 (23/05/2014)	\$820,000 (24/01/2017)	<b>10%</b>
<b>1503/77-79 Grey St, South Brisbane</b>	1 bed / 1 bath / 1 car	\$472,000 (01/02/2013)	\$520,000 (24/07/2017)	<b>10%</b>
<b>205/34 Helen St, Teneriffe</b>	2 bed / 2 bath / 1 car	\$630,000 (27/11/2013)	\$705,000 (19/04/2017)	<b>12%</b>



# Typical 2 bedroom Investor Unit



## **2 bed, 1 bath, 1 car**

Internal: 73 square metres

External: 8 square metres

### Design Comments:

- Lack of storage
- Internal bedroom 2 (no window)
- Lack of dedicated dining area
- L - shaped kitchen
- Air-conditioning condenser unit on balcony

# Typical 2 bedroom Owner Occupier Unit



**2 bed, 2 bath, 1 car**

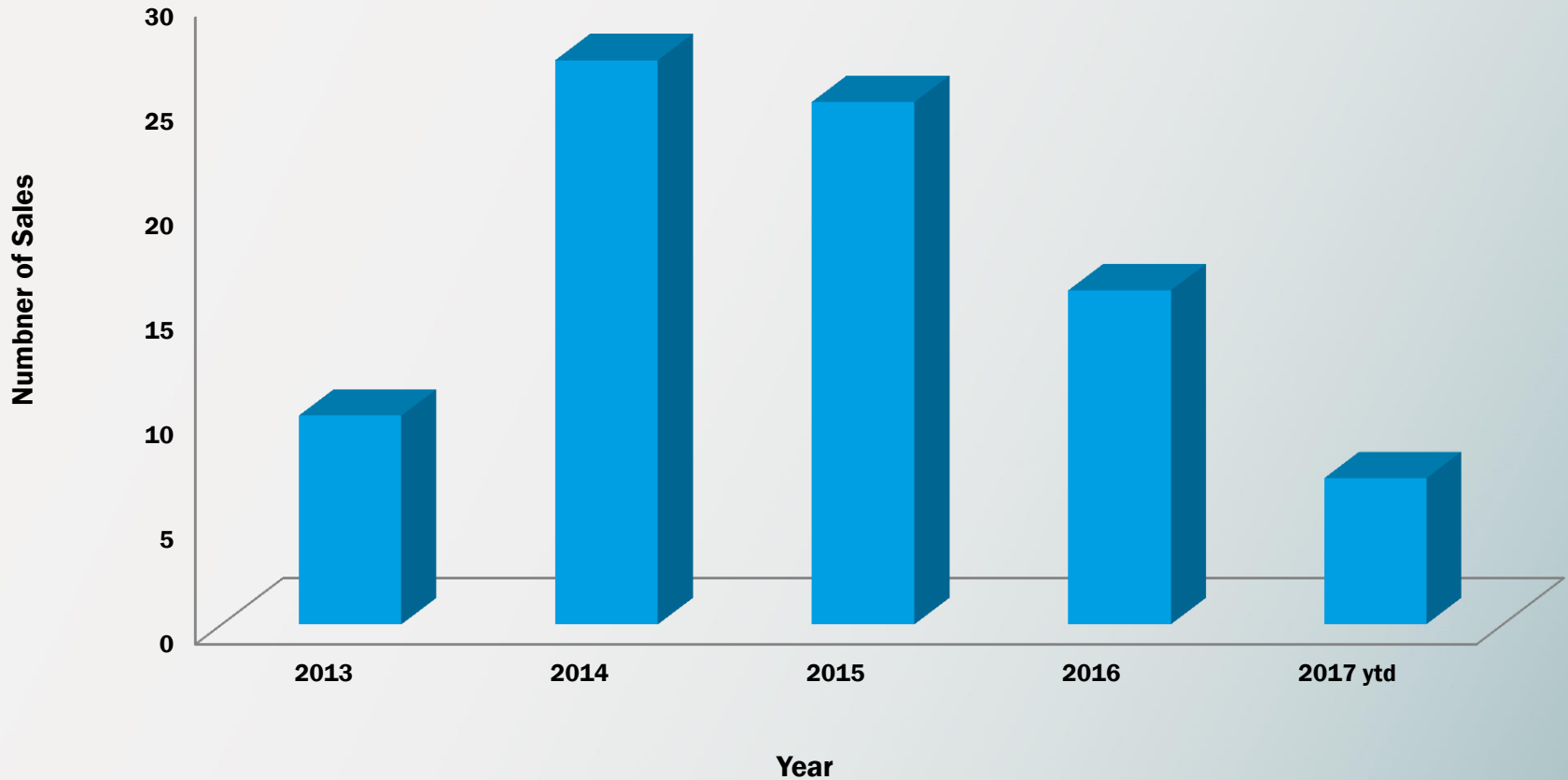
Internal: 84 square metres

External: 10 square metres

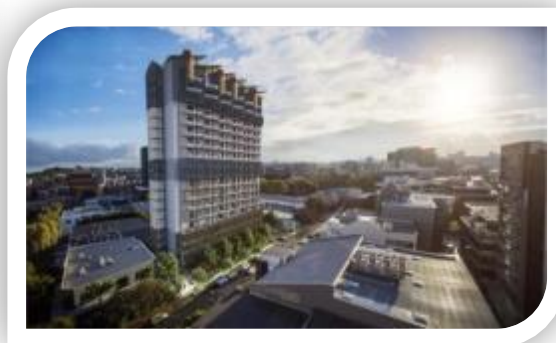
Design Comments:

- Ample sized living areas (ie, kitchen, dining and lounge)
- Large wardrobes
- Study nook
- Good external light and ventilation

# Inner Brisbane Development Site Sales >\$10M



# Recent Development Site Sales



Address	Land Area (m <sup>2</sup> )	Sale Date	Sale Price	\$/m <sup>2</sup> Site Area
<b>75 Longland St, Newstead</b>	3,298	Under Contract Sept 2017	Confidential	\$3,800 - \$4,200
<b>19-23 McDougall St, Milton</b>	2,019	Under Contract Early 2017	\$12,250,000	\$6,067
<b>13-17 Manning St, South Brisbane</b>	1,890	May 2017	\$13,000,000	\$6,878
<b>160 Macquarie St, St Lucia</b>	1,242	Under Contact Early 2017	\$9,500,000	\$7,649
<b>39-45 Byron St, Bulimba</b>	4,472	Mar 2017	\$10,600,000	\$2,370



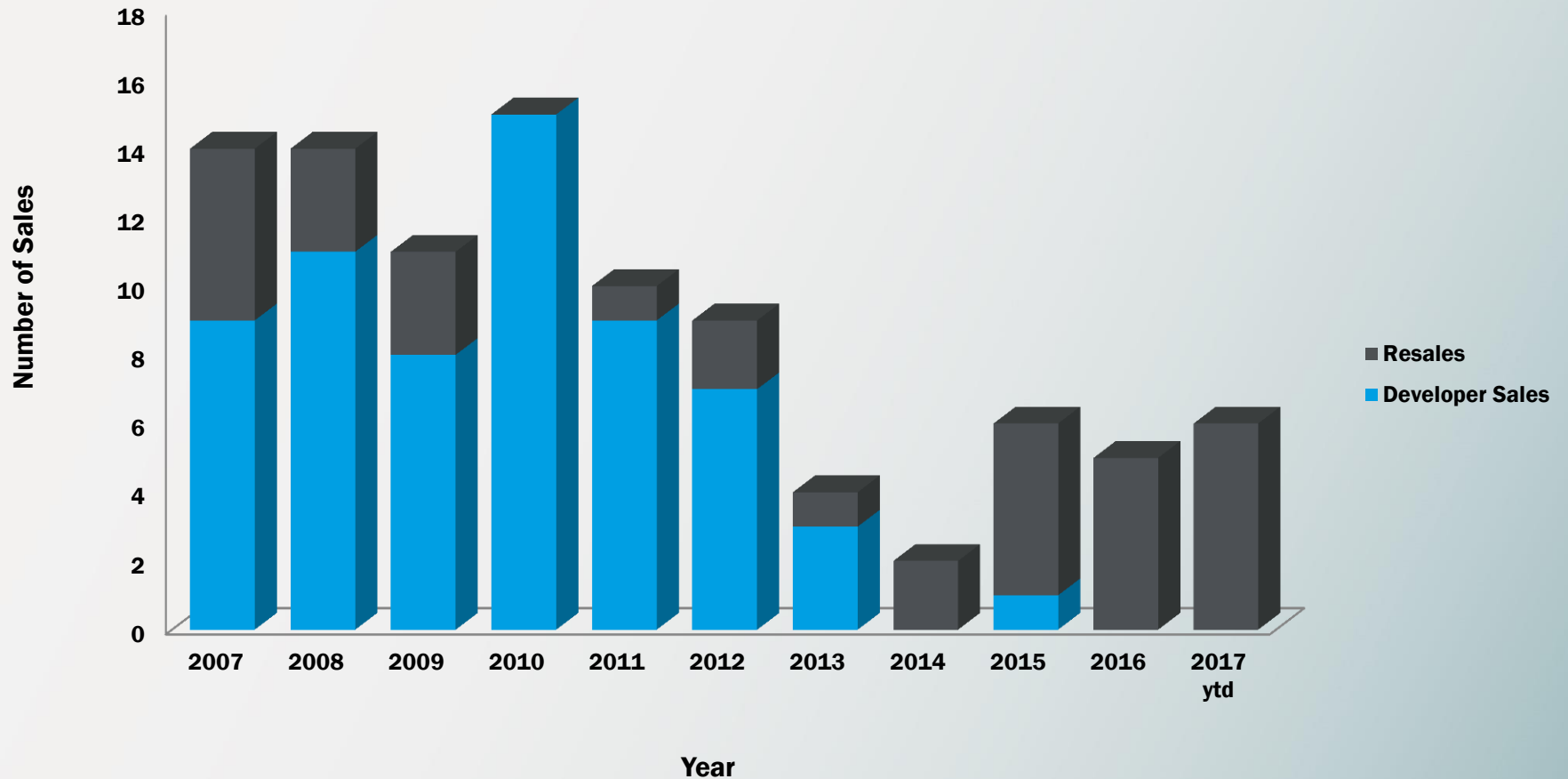


# Prestige Residential Unit Market



HERRON  
TODD  
WHITE

# Brisbane Prestige Unit Sales Over \$4M



2017 ytd: As at October 2017

Source: CoreLogic - RP Data

# Proposed Prestige Unit Projects



Suburb	No of Prestige Units Proposed
Kangaroo Point	104
East Brisbane	5
Highgate Hill	4
New Farm	96
Newstead	4
South Brisbane	7
Teneriffe	19
Bulimba	7
<b>Total</b>	<b>246</b>

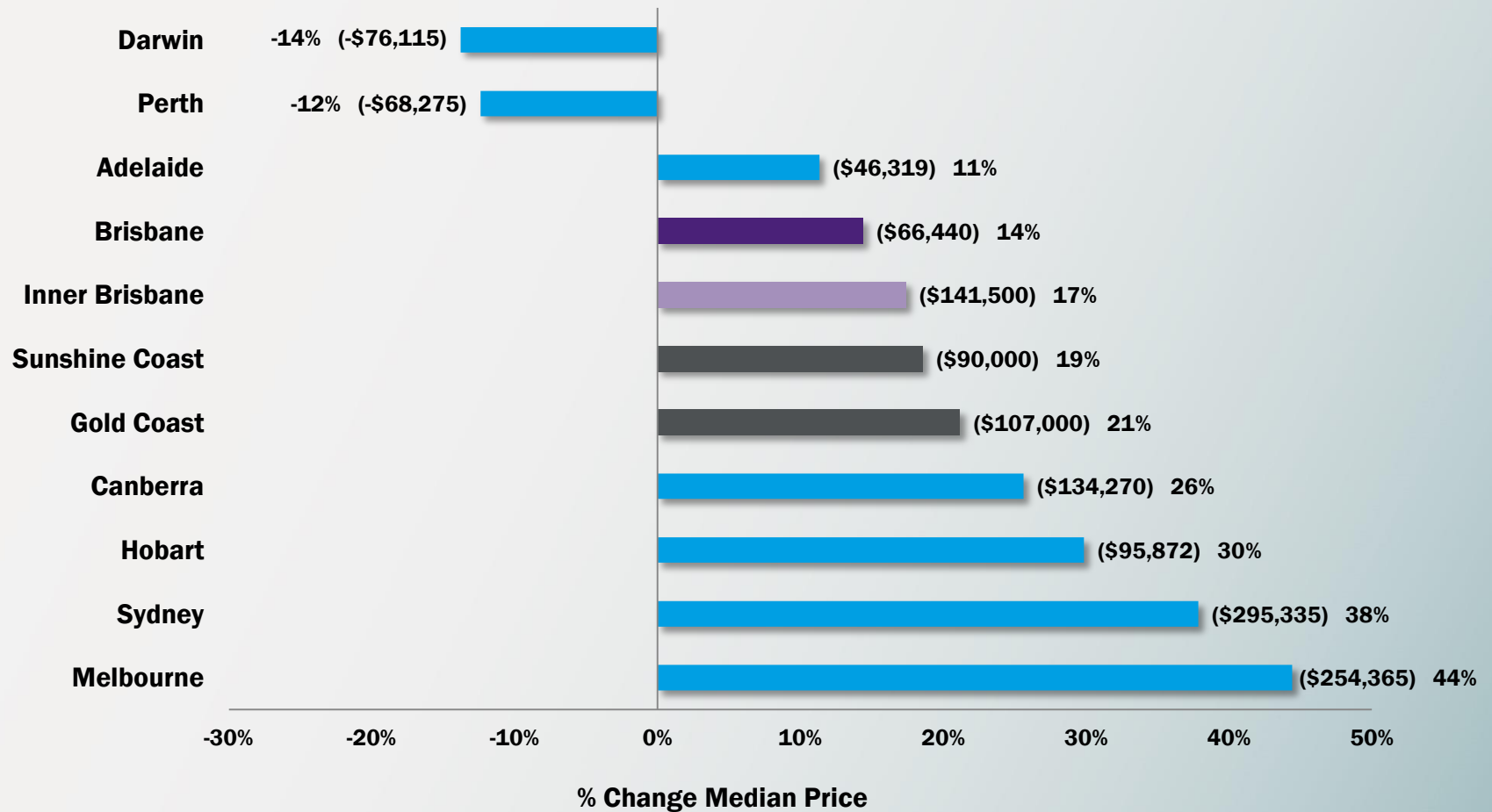


# Residential Housing Market





# House Price Change 2014 to 2017



Median prices 3 months to Oct 2016

Source: CoreLogic - RP Data



# Brisbane Price Growth 2014 to 2017

## Inner Ring



### 16 Hopetoun Way, New Farm

Dec 2014 - \$2,010,000  
U/C Oct 2017 - \$2,485,000

Increase of 23%

## Middle Ring



### 109 Haig St, Stafford

Apr 2014 - \$595,000  
May 2017 - \$692,500

Increase of 16%

## Outer Ring



### 8 Clowes Crt, Morayfield

May 2014 - \$245,000  
Mar 2017 - \$270,000

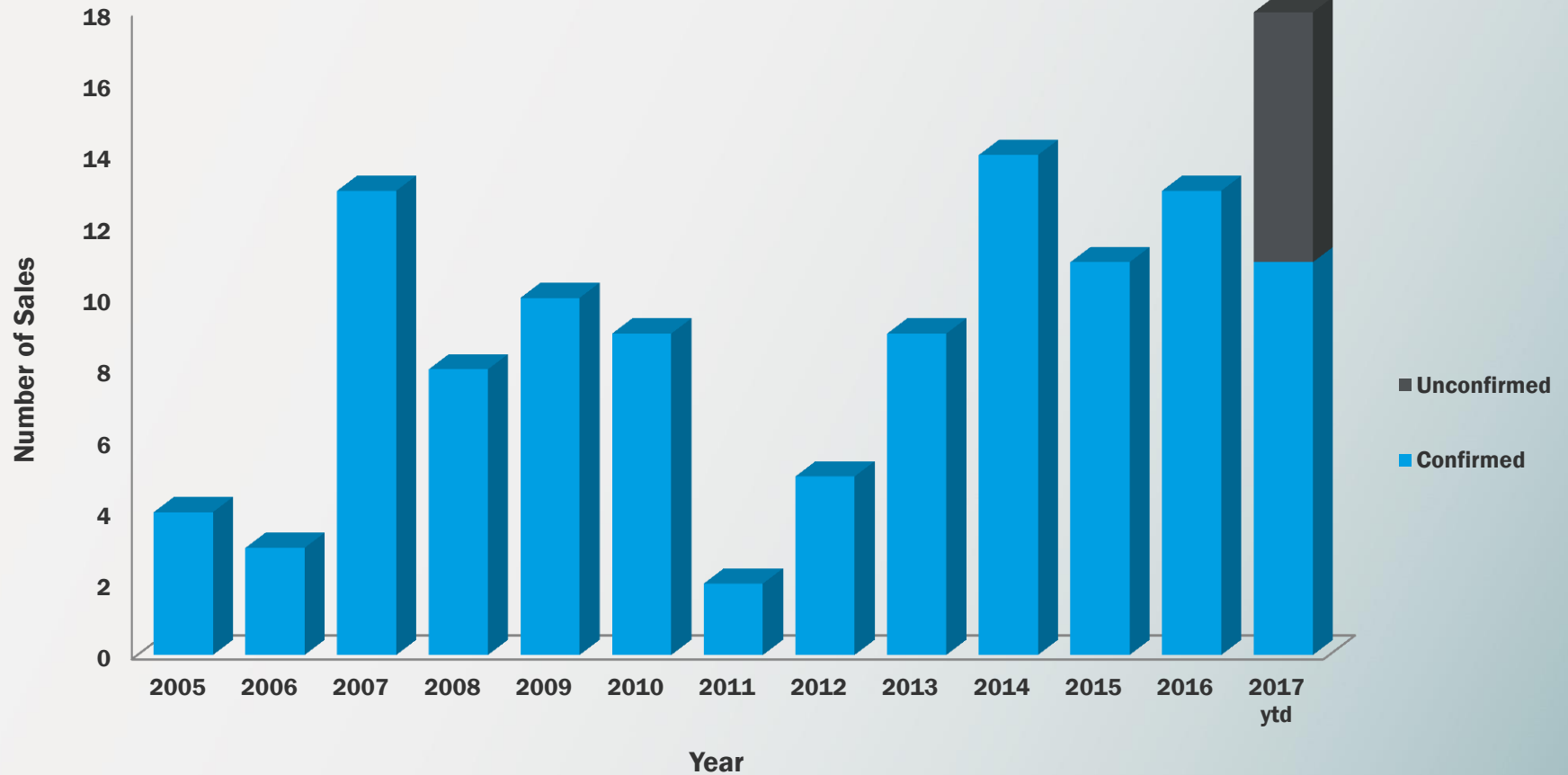
Increase of 10%



# Prestige Residential Housing Market



# Brisbane Prestige Houses Over \$5M



# SEQ Prestige House Sales



## **1 Leopard St, Kangaroo Point**

Sale Price: \$18,488,888

Sale Date: Nov 2016



## **6 Belmore Tce, Sunshine Beach**

Sale Price: \$6,460,000

Sale Date: Mar 2017



## **2620-2622 Virginia Dr, Hope Island**

Sale Price: \$16,500,000

Sale Date: May 2017

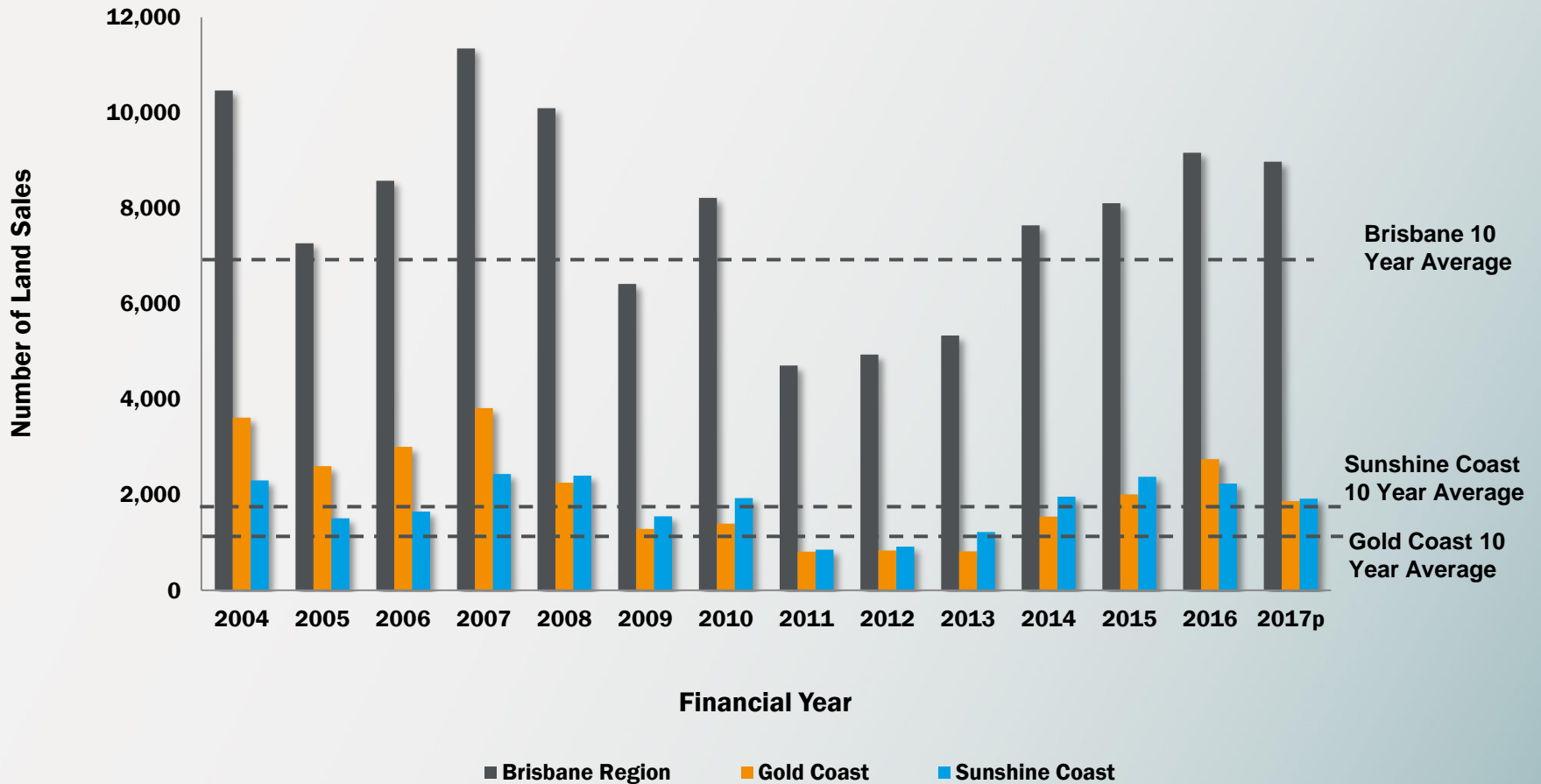


# Land Market

Source: Google Images



# SEQ Land Sale Volumes









*p = preliminary*  
 Sales \$50,000 < \$1 million

Source: CoreLogic - RP Data



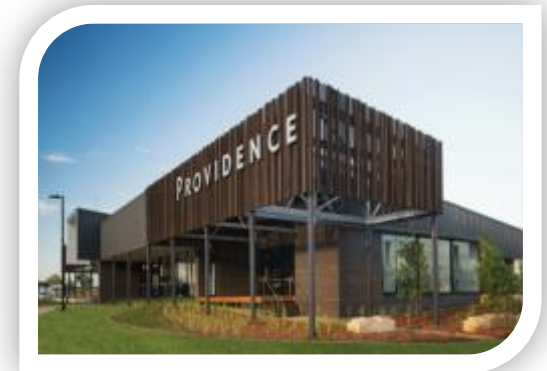
# MBRC Lot Sizes

Lot Type	A	B	C	D	E	F
						
<b>Frontage (m)</b>	7.5	>7.5 - 10	>10 - 12.5	>12.5 - 18	>18 - 32	32+
<b>Lot Depth (m)</b>	25 - 35	25 - 35	25 - 35	25 - 35	25 - 35	25 - 35
<b>Built to Boundary</b>	Mandatory built to boundary both sides	Mandatory built to boundary one side	Mandatory built to boundary one side			



# SEQ Land Sales Activity

Estate	Lots/month
Springfield Lakes	Approx. 50-70 lots/month
Aura, Baringa	Approx. 39 lots/month
Capestone, Mango Hill	Approx. 30 lots/month
North Harbour, Burpengary East	Approx. 25 lots/month
Providence, South Ripley	Approx. 20-30 lots/month
Gainsborough Greens, Pimpama	Approx. 13 lots/month
The Heights, Pimpama	Approx. 11 lots/month



# Changing Landscape

Ripley 2013



Ripley 2017

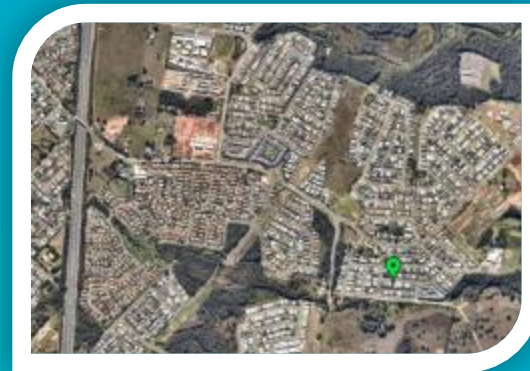


Circa 1,121 lots since 2014

Griffin 2013

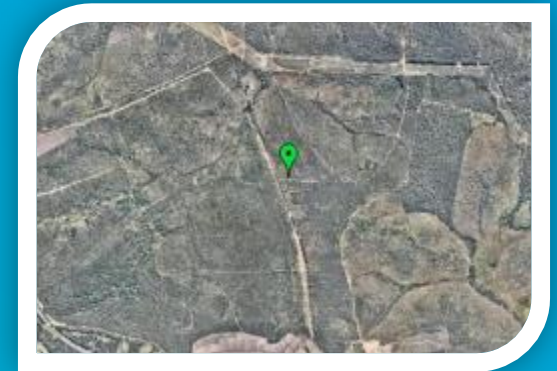


Griffin 2017



Circa 1,362 lots since 2013

Yarrabilba 2015



Yarrabilba 2017



Circa 2,442 lots since 2013



# Englobo Land Market

Source: Google Images



# Brisbane Englobo Site Sales

Address	Developable Land Area (Ha)	Anticipated Yield	Sale Price	Sale Date	\$/Ha Developable Land Area	\$/Lot
Gardner Rd, Rochedale	7.6	133 lots	\$29,682,000	Oct 2016	approx. \$3,900,000	approx. \$220,000
Panorama Dr, Springfield	28.1	406 lots	\$21,000,000	Jul 2017	approx. \$750,000	approx. \$50,000
Ripley Rd, Ripley	19.6	230 lots + school site	\$11,400,400	Early 2017	approx. \$580,000	approx. \$50,000
Daleys Rd & Binnies Rd, Ripley	18.8	275 lots	\$6,100,000	Jul 2017	approx. \$325,000	approx. \$20,000
352 Ripley Rd, Ripley	81.6	837 lots + school site	\$21,000,000	Apr 2017	approx. \$260,000	approx. \$25,000
Clarke Rd & Robbs Rd, Morayfield	Circa 32	672 lots	\$21,840,000	2016/2017	approx. \$680,000	approx. \$30,000



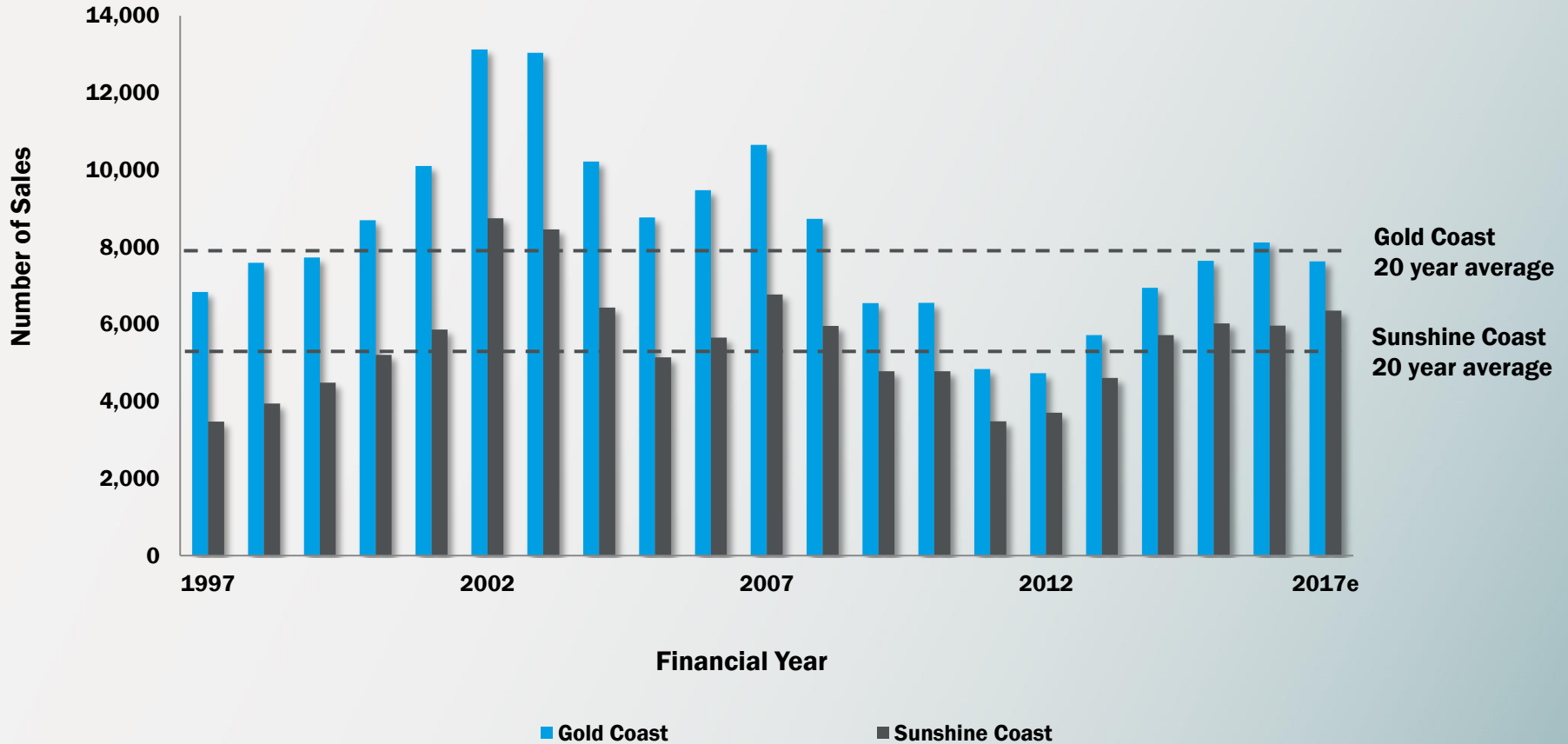


# Gold Coast Market

Source: Google Images



# Gold & Sunshine Coast House Sale Volumes

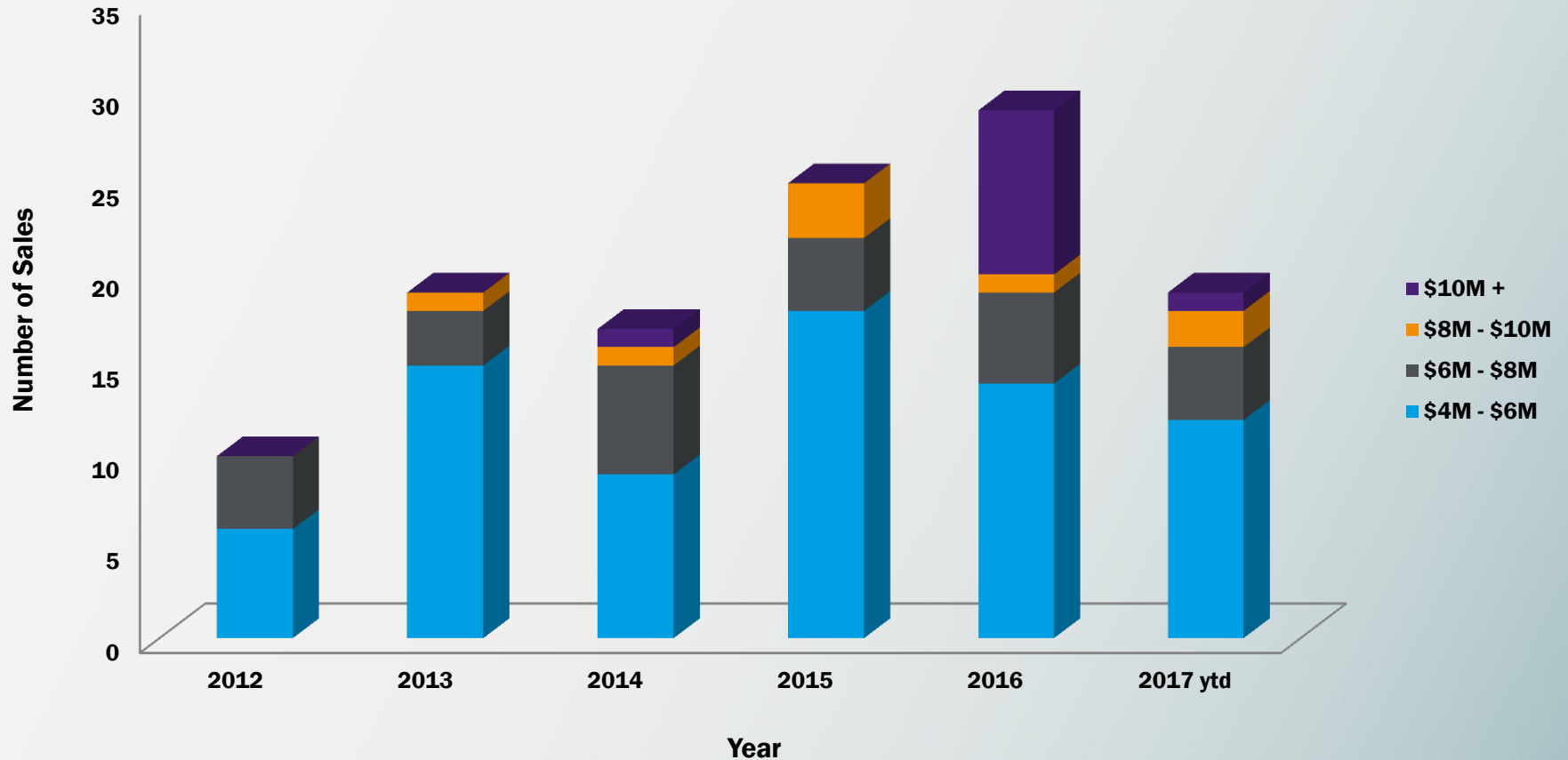


e = Migration estimate based on 9 months data annualised

Source: CoreLogic - RP Data



# Gold Coast Prestige Houses Over \$4M



# Gold Coast Unit Market

- Unit sales volumes have slowed this year
- A large number of new units under construction/being marketed off the plan
- Unit construction has been constrained since 2012
- Most units under construction are cheaper stock sold 'off the plan'
- Notable exceptions are 'Jewel' and 'Spirit', both Chinese driven projects which are being funded and sold largely off shore





# Gold Coast Site Market

- Solid demand still evident from local developers for smaller/medium rise sites
- Recent sales of large/high rise sites are mostly to Asian or Interstate buyers entering the Gold Coast market for the first time
- Concerns over commercial viability of high rise projects in the short to medium term



# Gold Coast Site Sales



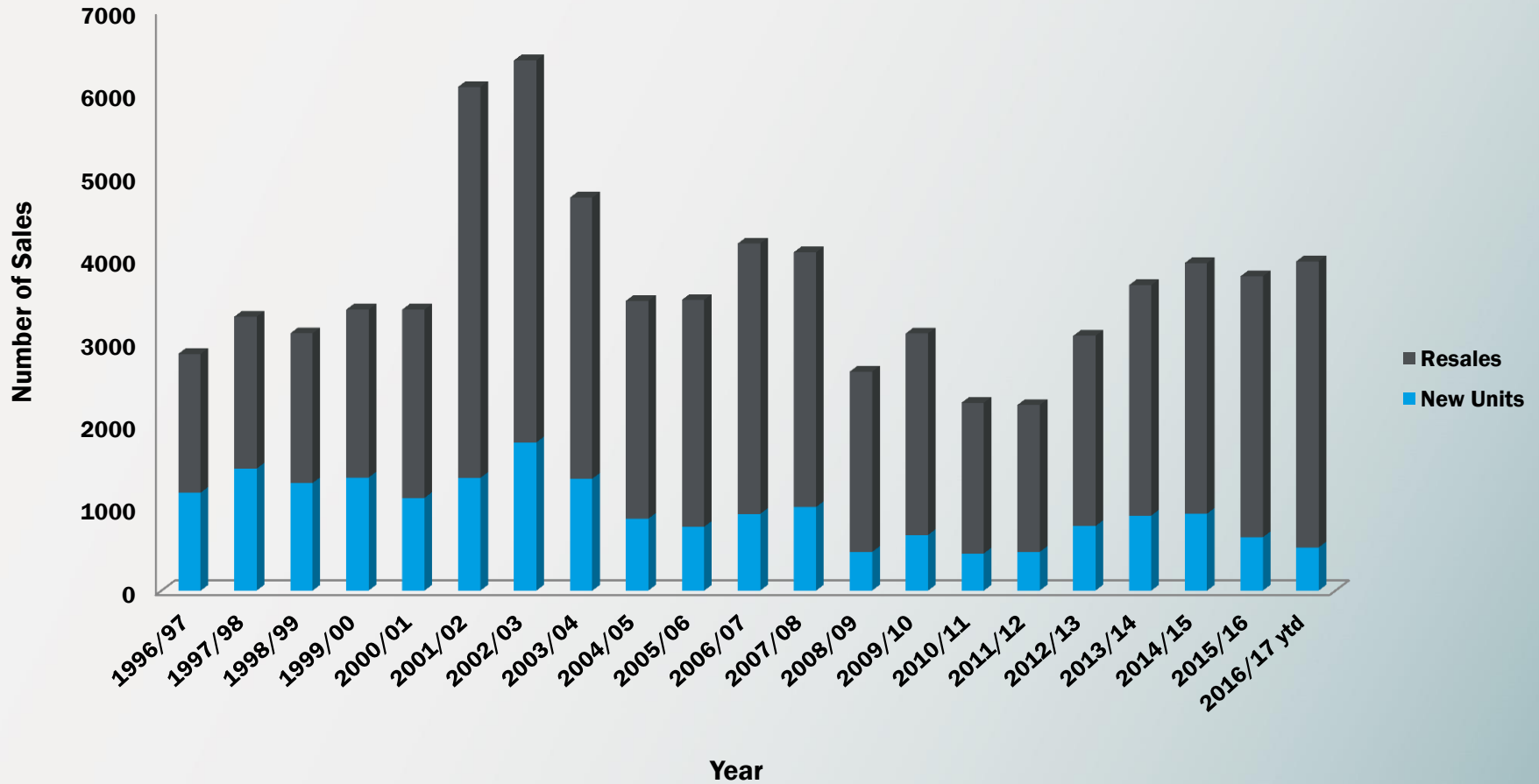
Address	Land Area (m <sup>2</sup> )	Sale Date	Sale Price	\$/m <sup>2</sup> Site Area
3464 - 3366 Main Beach Pde, Surfers Paradise	1,682	Under Contract Jul 2017	\$24,000,000	\$14,269
185 Old Burleigh Rd, Broadbeach	825	Under Contract Apr 2017	\$6,350,000	\$7,697
272-276 Hedges Ave, Mermaid Beach	1,821	Apr 2017	\$13,400,000	\$7,359
122 Marine Pde, Miami	7,284	Under Contract Sept 2017	\$23,750,000	\$3,261



# Sunshine Coast Market



# Sunshine Coast Unit Sale Volumes



# Sunshine Coast Market

## Units

- Significantly less supply
- Firming market – both owner occupier and investor

## Sites

- Improved demand including at price points >\$5M
- Supply remains constrained

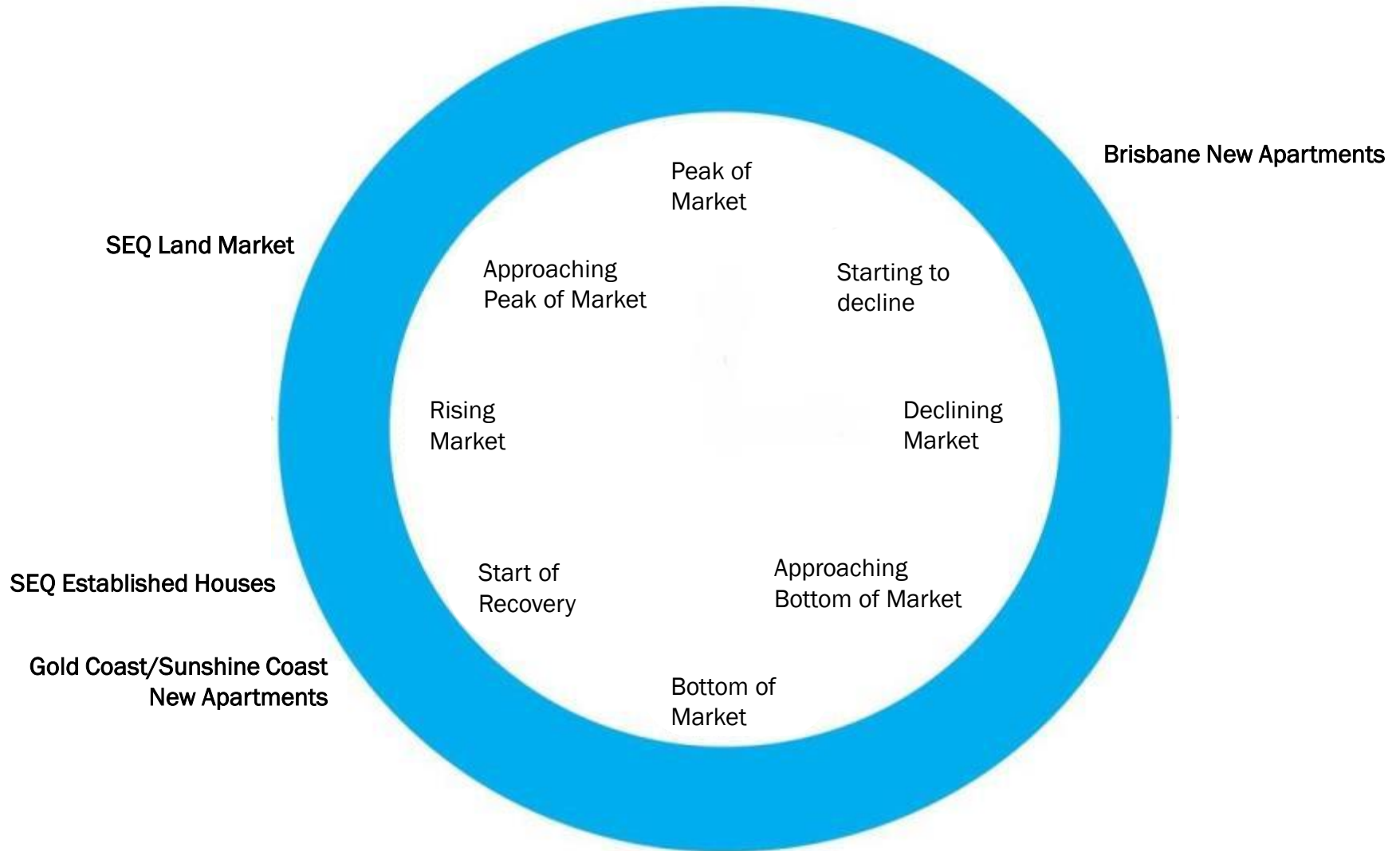


# Sunshine Coast Site Sales



Address	Land Area (m <sup>2</sup> )	Sale Date	Sale Price	\$/m <sup>2</sup> Site Area
1718-1722 David Low Way & 65 Coolum Tce, Coolum Beach	4,161	Feb 2017	\$7,250,000	\$1,742
100-106 Duporth Ave, Maroochydore	3,407	Under Contract	\$7,150,000	\$2,099
1-5 Bermagui Cres & 30-34 Lowanna Dr, Buddina	3,878	Aug 2016	\$5,437,000	\$1,402

# Overall Summary







# Disclaimer



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