

# Brisbane units turn the corner

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OUTLOOK

Brisbane's oversupplied apartment market could turn into the country's star performer in coming years as prices start to stabilise.

Research by property management firm JLL shows Brisbane apartment prices could start to climb next year, as other markets head into negative territory.

JLL national director of residential research Leigh Warner said prices in the greater Brisbane apartment market decreased by 1.8 per cent in 2017, which was the slowest rate of decline in some years.

"Things are still tough — we don't shy away from that fact — but the medium-term outlook is quite good now in our view because the supply side is coming off so sharply," Mr Warner said.

"Price growth is still negative but we don't think it's far off being back to zero and stabilising."

He said the massive development pipeline in the inner city, with numerous major projects get-

ting under way, would help take up some of the supply of apartments.

"That will have a direct impact on economic activity and confidence in the market as well as having an impact on inner-city living because it will draw construction workers to the area," said Mr Warner.

"Couple that with population growth and the outlook is increasingly positive for Brisbane."

In contrast, prices in Sydney, Melbourne and Canberra were expected to remain on a downward trajectory for the rest of the year after a period of strong growth.

"Pricing never grew (in Brisbane) to the same extent as it did in Sydney and Melbourne over recent years, which has limited the downside in Brisbane," Mr Warner said.

"So now, as the larger southern markets face an inevitable slowing, Brisbane is already much closer to coming out the other side."

Consolidated Properties executive chairman Don O'Rorke said the JLL research did not come as a surprise because there were virtually "no apartments being built

after 2019". Australian Bureau of Statistics data showed a decline in apartment approvals of 30.8 per cent for the year to January.

"We're very clearly seeing the effects of this at our various sales offices," said Mr O'Rorke, whose company developed Spire apartments in the CBD, and is currently developing Yeerongpilly Green, and Cornerstone Living at Coopers Plains.

"Right now there are projects in the market that are discounting product, so this is a great time for purchasers to buy at prices people won't be able to believe in a couple of years."

In a further vote of confidence in the Brisbane market, developer Sunland announced yesterday the acquisition of a 3.26ha site at Kenmore, 11km from the CBD, for \$13.1 million.

Sunland Group managing director Sahba Abedian said that the site had development approval for 96 four-bedroom terrace homes with an estimated end value of \$65m.

Construction would begin in the first half of next year, he said.