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Joel Robinson | July 4, 2023 | 5 min read | CITY BEAT

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Unit values rose a further one per cent last month, following gains of 1.1 per cent in May and 0.9 per cent in April.

Brisbane's median unit value broke through the \$500,000 barrier in May. Now it's over \$512,000, according to CoreLogic, after year to date gains of three per cent.

Units in Brisbane have proven to be one of the best performing markets over the last 12 months despite the nation-wide downturn fuelled by rising interest rates. Compared to this time last year, Brisbane unit values are 1.5 per cent higher. Only Perth and Adelaide's units have seen growth over the same period.

CoreLogic's Research Director Tim Lawless says a lack of available supply continues to be the main factor keeping upwards pressure on housing values.

"Through June, the flow of new capital city listings was nearly -10 per cent below the previous five-year average and total inventory levels are more than a quarter below average.

Read more: [City Beat June 2023: Brisbane's tight supply drives off the plan apartment sales](#)

"Simultaneously, our June quarter estimate of capital city sales has increased to be 2.1% above the previous five-year average."

Although housing values continue to record a broad-based upswing, the pace of growth across most capitals eased in June.

"A slowdown in the pace of capital gains could be a reflection of a change in sentiment as interest rate expectations revise higher," Lawless added.

Those developers who have had their projects in market over the last few months, and have either shown buyers they've delivered quality product previously or they have agreements in place with builders, are securing strong sales.

Colliers Director Residential Lily O'Connell says buyer activity throughout the first half of 2023 has been incredibly positive across their Brisbane projects.

"We've consistently experienced higher than average enquiry numbers and inspections as demand continues to outstrip supply," O'Connell says.

"There's been immense media hype around the high-end apartment market, however buyer demand isn't isolated to the top end. We've experienced strong sales activity across all product types and price points."



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O'Connell says that while local owner occupiers have predominantly driven buyer activity, they have witnessed a surge in renewed interest from interstate and overseas buyers, both owner-occupiers and investors.

Three key trends have emerged so far in 2023, O'Connell says, the first, unsurprisingly, being the substantial number of downsizers.



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The second trend is the all-time high demand for two-bedroom, two-bathroom apartments with two car spaces and a multi-purpose room.

"Historically, this particular group of buyers would typically opt for three-bedroom apartments," O'Connell says, adding however that, due to subsequent price changes in off the plan properties, this configuration has become an affordable and appealing lifestyle alternative.

The third has been significant demand for larger three-bedroom apartments which are at the more affordable end of the three-bed market.

"In our projects across Brisbane, we have amalgamated a total of eighteen individual apartments to create nine larger apartments. These apartments are typically situated on the lower levels of a building which have created more affordable price point options."



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He says Brisbane has "come of age."

"The price data indicates a shift in perception and a growing recognition of the city's potential among buyers," Caulfield said.

"The limited listings in Brisbane's premium suburbs and the notable sales in New Farm and Kangaroo Point have created a sense of urgency surrounding this price point.

"Place Advisory says penthouse sales have risen by 350 per cent since 2017, as luxury and security become front of mind for cashed-up interstate and local buyers."

Earlier this year Caulfield sold [Spyre Group](#)'s Moray House penthouse for a new record \$15.75 million, as well as the smallest whole floor apartment in the six-level New Farm building, for \$9 million. That apartment, with 259 sqm of internal living area, represented a price of over \$34,000 per sqm, a price more commonly achieved in Sydney or Melbourne.



Moray House

65 Moray Street, New Farm QLD 4005

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"It is not just the views that are creating this sense of urgency; it is the limited opportunities available in this market," Caulfield added.

"The demand for premium properties with exceptional features and locations has surpassed the

"The recent sales at the higher end of the market, coupled with limited opportunities and the allure of exceptional views, have created a sense of urgency and heightened interest among buyers. The city's potential for growth and the prospect of securing a premium property have positioned Brisbane as a compelling destination for real estate investment."



Moray House

65 Moray Street, New Farm QLD 4005

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Position Property Director Richard Lawrence says demand is outstripping supply, and that will continue well into next year.

"The Brisbane residential property market is at a critical crossroad, with new listings across the city reported as being 17.8 per cent lower than the previous five-year average, and almost 20 per cent lower than this time last year," Lawrence said.

"With more than 700,000 migrants forecast to make the move to Australia by 2024, combined with interstate migration, this unprecedented demand will continue to outstrip supply."

Lawrence says, with inflation and construction costs continuing to rise each quarter and momentum building towards the Brisbane 2032 Olympics, he can't see the trend in supply or property prices changing in the coming months or years.



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