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Top 5 Revealed

Brisbane resale market set for growth

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THE top 5 performing apartment blocks in Brisbane have been identified by new PRDnationwide research.

Topping the list – registering a whopping 15.8% growth per annum per year for the past five years – was Abbey Apartments at 160 Roma Street.

According to report author Josh Brown, PRDnationwide Queensland research analyst, the complex was the only one in Brisbane to reach growth over 15 per cent.

An average apartment in Abbey Apartments will be owned for 3.62 years before being resold, the report shows.

“These apartments are primarily investment units designed for short term accommodation and given their affordable price (average sale price \$235,700) and good location, will provide investors with good rental yields,” said Mr Brown.

Second on the list – recording 14.35 % growth per annum – was Riparian Plaza in Brisbane.

Twenty-one apartments have been re-sold in that building since they started selling off-the-plan.

“The average hold time between resales will vary for different reasons, but it is interesting to see that the top five apartment buildings have a high hold time – meaning they are tightly held,” said Mr Brown.

A resale analysis was conducted on individual Brisbane CBD apartment buildings to assess their performance as investments over the one year and five year periods to September 2009.

During the past one year growth Analysis Abbey Apartments was also in number one spot followed closely by Admiralty Quays.

“Admiralty Quays can also boast good average annual capital growth with 7.13% per annum achieved for product sold over the 12 months to September 2009. This product was held for an average holding period of 6.77 years and has sustained the highest average sale price of \$1,137,500,” he said.

The September 2009 six month period has seen an increase in existing product re-entering the market with a 19% increase in resales from the corresponding period last year.

“Median price for resales in the Brisbane CBD has remained relatively stagnant

over the past two years as fewer buyers entertained the market and high rental returns encouraged vendors to hold onto their product,” said Mr Brown.

Over the most recent one year period median growth has slowed to 1.1%. This slight growth has taken median price to \$444,500 for the September six month period.

While values have stalled for the past couple of years due to economic uncertainty, the outlook is bright, according to Mr Brown.

“Brisbane CBD apartment sales have traditionally been driven by the popularity of apartment living in convenient locations and good rental returns. Increasing population growth, a growing shortage of new supply and high asking rents will drive growth as investors see the potential within this market,” he said.

“We can expect capital values to strengthen, median price to experience strong growth and sales activity to increase,” he said

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About PRDnationwide

PRDnationwide was founded on Queensland's Gold Coast in 1975. The company has specialised in residential project marketing for more than three decades and it has a strong commercial presence in both the Gold Coast and Brisbane markets. It has a total of 139 franchise offices and corporate offices in Melbourne, Sydney, Brisbane and the Gold Coast. For further information about PRDnationwide visit www.prdnationwide.com.au.

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