

## Keeping up the momentum in 2013!

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The Brisbane CBD property market appears to have 'turned the corner' in the 2<sup>nd</sup> half of 2012. The growing increase in market confidence from buyers translated in activity – and lots of it. This confidence and the state of the central CBD marketplace is already providing a strong impetus for 2013 with continuing and sustained activity by buyers and now sellers too.

Let's have a look at the trends and property market that was 2012 and will be 2013 :

→ **Brisbane CBD property market trends** After a fairly volatile start to 2012 (one week hot, the next week not) and the state elections, we recorded a significant increase in buyer activity from July. In fact July was our busiest month since the beginning of the GFC and this continued in the following months. At the end of last year this waned somewhat as people got into 'Xmas and holiday' mode early. **January 2013 has already bounced back** with buyer and seller interest well above that of the past two years.

2012 kept us very busy, with more properties sold in 2012 than in any of the past 5 years – since 2007, in the middle of the property market boom – and a strong **62% increase over 2011**. Interestingly most properties had either been listed only a few days/ weeks, or listed for many months or even a year – one extreme or the other.

**One bed apartments** were back to pre-2011 popularity, accounting for about 40% of our sold properties. **2bed 2bath apartments** remained the most popular type of CBD property, just nudging out one bed units.

Extensive building activity on the CBD fringe and inner city suburbs will continue in 2013, however **value-for-money remains very strong within established CBD buildings**, especially when the rental situation is also taken into account (strong, growing rental returns and very low vacancy rates in the CBD). A 'rental bubble' is forecast by some analysts for the CBD fringe and inner city suburbs within the next years. This is due to a combination of high density, comparatively smaller unit size and sheer number of properties that will be for rent, and the situation when the 2-year rent guarantees run out for these buildings.

→ **Economic factors / Interest rates:** State Government elections affected the property market early-mid 2012 with a lot of hesitation and then positive accolade for the in-coming Liberal government. However this was dampened by the hard-hitting job redundancies throughout the public sector late in 2012. Mining and resources remain strong and will continue to be key driver for the state's economy as the sheer volume of mining going on throughout the state is nothing short of staggering. The official RBA interest rate is forecast to approach the 2% mark (currently 3%) by the end of 2013, however an upswing in the marketplace and property prices may cancel out any 'real' benefit from lower interest rates for those who wait too long.

→ **Buyer trends:** Buyers were busy! In fact they were out in force almost more than in any time since 2007. Buyers are still strongly targeting the under \$500K market. Investors are back in force after sitting on their hands in 2010 and 2011. Nevertheless owner occupiers remain the main buyer group with first home buyers also gradually returning to the market. The majority of buyers were Queenslanders but the strongest growth was recorded from overseas buyers – up to 29% compared to 19% in 2011 and none in 2010.

... and my personal prognosis? I still maintain that the Brisbane CBD marketplace will gain momentum as a **solid and growing property market** in terms of property prices as well as rental forecasts for 2013, which should continue into the mid- and long-term.

## High-profile Properties

Brisbane CBD's best selection of fabulous apartments

... our **TOP 1-2-3 of the month** ..



**M On Mary** 70 Mary St

**ONE** bed 1bath study car **\$399K**

Top range - perfect city pad!



**Aurora** 420 Queen St

**TWO** bed 2bath car **\$539K**

Lasting views + 107sqm living!



**Felix** 26 Felix St

**THREE** bed 3bath 3car **\$1.25M**

Pinnacle of luxury, space & living!



Hannah Schuhmann  
Principal

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