

Intelligent Investment

# Prestige Residential Valuer Insights Q3 2024

REPORT

CBRE RESEARCH  
SEPTEMBER 2024





Image: Sirius, The Rocks

# Key Findings

CBRE’s new Prestige Residential Valuations Property Market survey received 35 responses from our dedicated team of highly experienced Valuers, who specialise in the valuations of high-end residential properties across Australia. With informative insights on local prestige market trends, we gain a deeper comprehension of Australia’s luxury residential real estate market, as detailed in the following findings:



## Demand Has Been Moderate/Strong

51% of Valuers reported ‘moderate’ demand in their local prestige markets, with 40% reporting ‘strong’ to ‘very strong’ demand. Demand was strongest in SA and WA followed by QLD and NSW, with softer demand in VIC.



## Houses Up To \$20 Million

Valuers see demand as being the strongest for houses valued up to \$10 million and houses valued between \$10-\$20 million. Softer conditions prevail for vacant land.



## Local Purchasers/ Upgraders

The most active buyer types were reported as local purchasers and upgraders. Down-sizers, overseas purchasers and interstate purchasers also remain active. Developers are less active.



## Future Demand

A larger percentage of Valuers expect demand to increase in the next 12 months than decrease. The strongest demand is expected in NSW and WA.



## House Values Next 12 Months

54% of Valuers expect house value growth in the next year, with 17% of Valuers predicting price growth of over 5%. The highest growth is expected in WA, SA, and NSW.



## Apartment Values Next 12 Months

41% of Valuers predict an increase in apartment values, 52% anticipate prices will remain stable, whilst just 7% expect a decrease. The highest growth is anticipated in WA and SA.



## Vacant Land Values Next 12 Months

37% of Valuers anticipate an increase in vacant land values with 19% expecting an increase of more than 5%. Most growth is expected in WA, SA, and NSW.



## Future Supply (Listings)

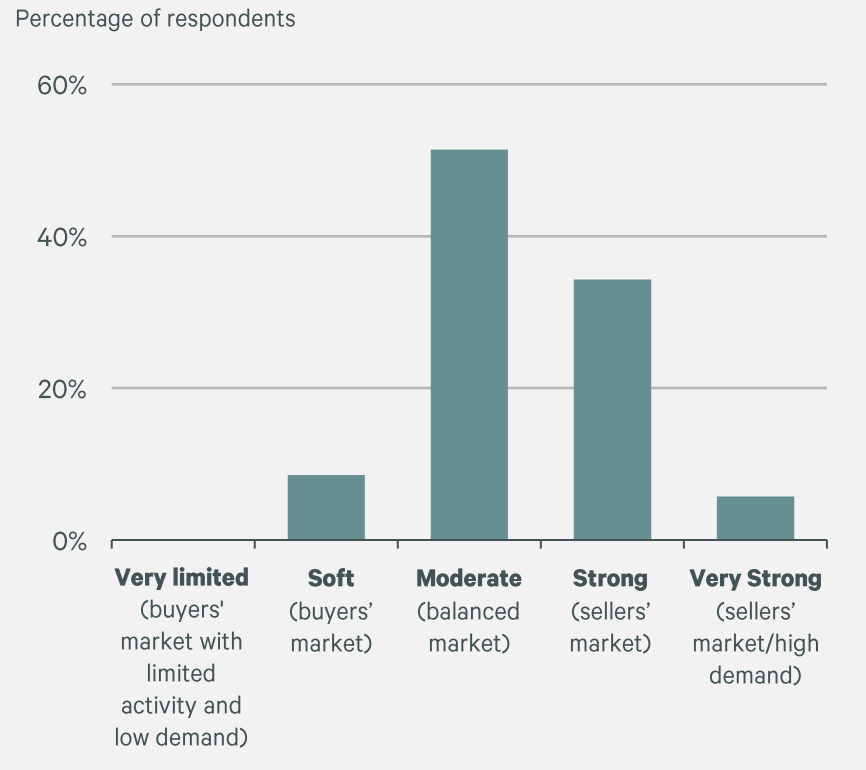
In Q3, most Valuers (63%) expect a slight increase in listings in the next 12 months. 34% of Valuers expect listings to remain stable, compared to 3% expecting a decrease. None expect a significant (i.e.: oversupply) increase.

# Recent demand

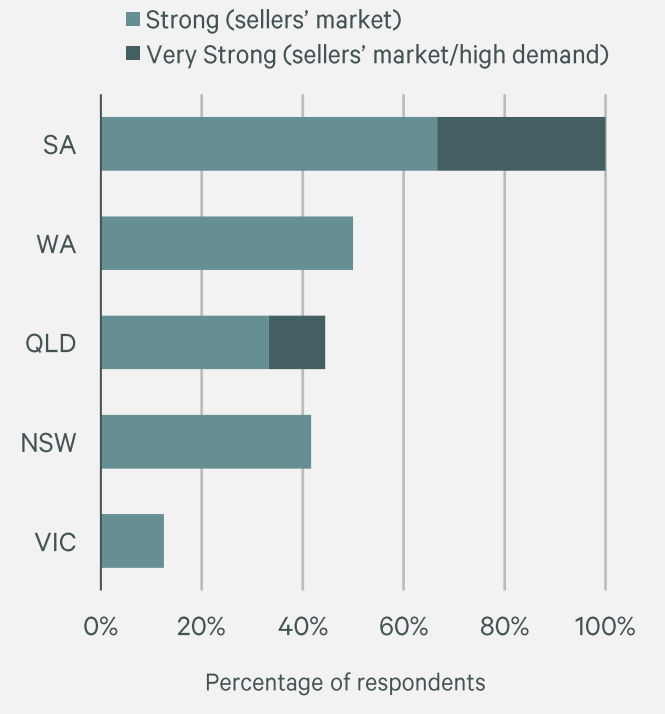
Overall, Australia’s prestige market is showing strength. While 51% of Valuers report ‘moderate’ demand in their local prestige markets, a further 40% report that demand had been ‘strong’ or ‘very strong’. Only 9% were indicating ‘soft’ demand in the last three months.

Demand is strongest in SA, with all Valuers reporting either ‘strong’ or ‘very strong’ demand. Demand is also strong in WA, QLD and NSW. Softer demand is evident in VIC.

**FIGURE 1: Demand in local markets in the last 3 months, Australia wide.**



**FIGURE 2: A closer look at responses for Q3 2024 indicating ‘strong’ or ‘very strong’ demand over the past 3 months.**



“

The prestige residential property market on the Gold Coast has displayed a strong level of resilience to the prevailing interest rate cycle.

- Gold Coast, QLD

”

“

The prestige market has moderate demand and supply with an average selling period of 6-8 weeks. Prospective purchasers have a more relaxed attitude at present.

- North Sydney, NSW

”

“

Good demand remains for new or newly renovated homes with good ancillary improvements including pools, outdoor areas and parking.

- Melbourne North West, VIC

”

# Active buyers

In the last 3 months, local purchasers were the most active buyer type in the prestige market. Local purchasers were most prevalent in QLD, SA and WA.

Upgraders and down-sizers were also active. Upgraders were most active in WA while down-sizers were most active in WA and VIC.

Developers were the least active buyer type and were only reported as active in NSW.

Overseas purchasers were most active in NSW.

“

There is a strong market for buyers looking to retire out of Sydney. They prefer premium locations, generally level or with a lift, nothing to spend, sought after suburbs.

- Illawarra, NSW

”

“

Low stock levels and steady demand from potential purchasers (in particular, interstate purchasers) have been the key factors in the price growth.

- Gold Coast, QLD

”

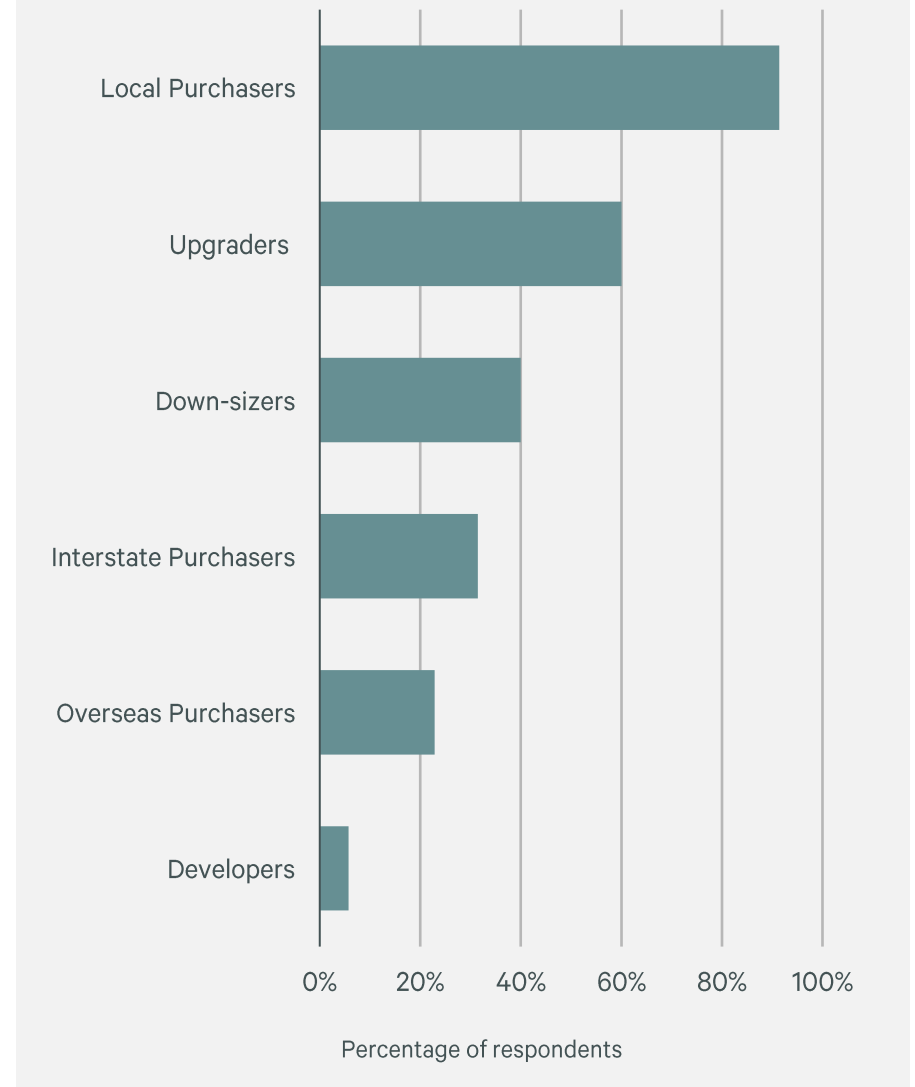
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The purchaser profile is often wealthy overseas purchasers or locals who are upsizing/downsizing in a particular area.

- North Adelaide, SA

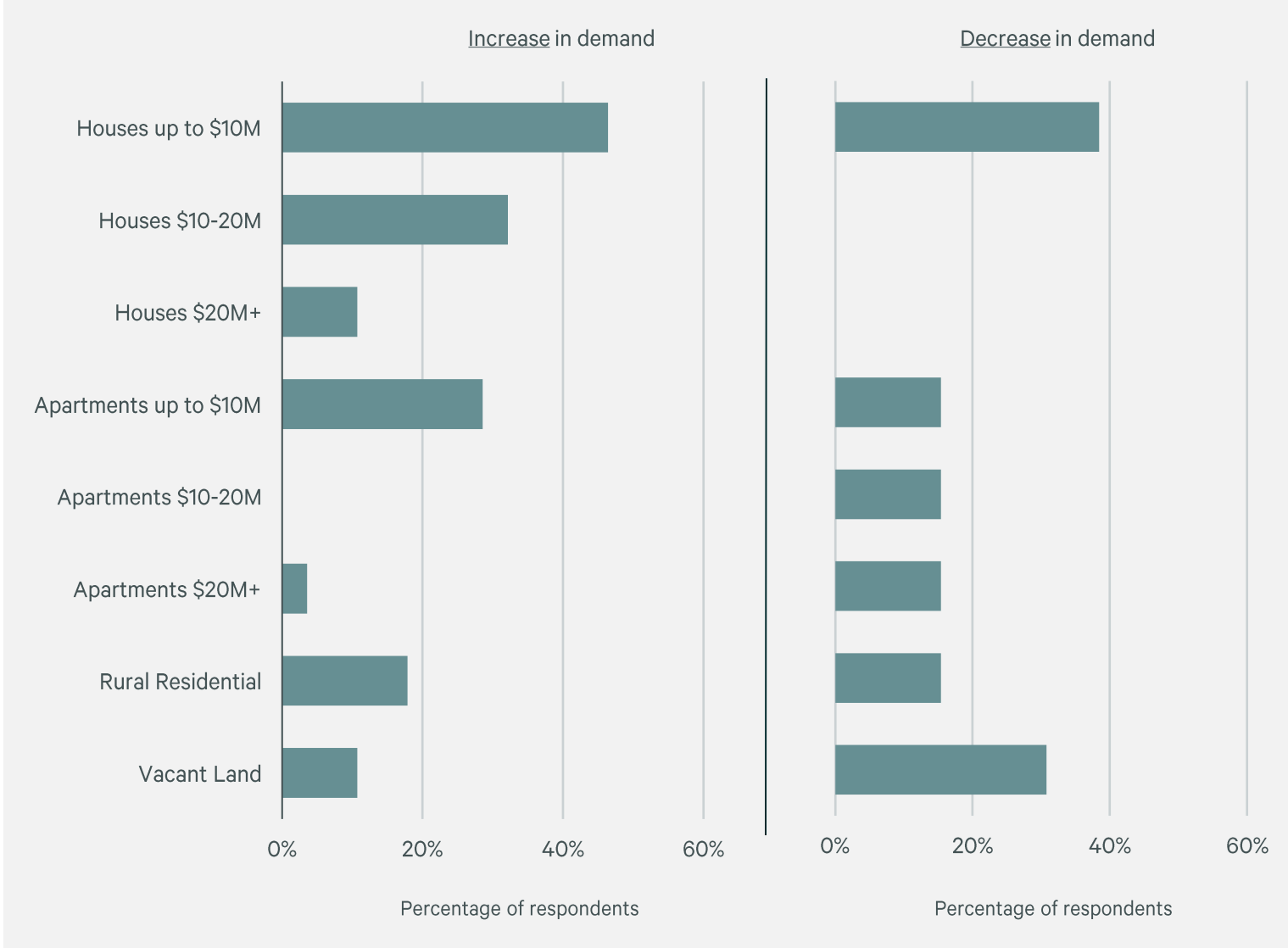
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**FIGURE 3: Most active buyers in the market in the last 3 months.**



Note: respondents were able to select multiple options (up to 4)

**FIGURE 4: Properties that have experienced the biggest increase/decrease in market demand in the last 3 months.**



Note: respondents were able to select multiple options (up to 4)

## Change in demand

This quarter, 46% of Valuers saw a rise in demand for houses valued up to \$10 million in their local prestige markets.

Increased demand was also reported for houses valued between \$10-\$20 million (32%) and apartments up to \$10 million (29%).

Rural residential properties experienced mixed demand, with 18% of Valuers reporting an increase, and 15% reporting a decrease in the last 3 months.

A majority of Valuers did not see demand decrease in their area. Of the Valuers who did, 38% reported a decline in demand for houses up to \$10 million and 31% reported reduced demand for vacant land.

Demand for houses valued up to \$10 million increased across NSW, SA, VIC, and demand for apartments up to \$10 million increased across QLD and WA, according to Valuers. NSW and VIC also saw a rise in demand for houses valued between \$10-\$20 million. However, some NSW Valuers saw a drop in demand for vacant land and rural residential properties, while VIC Valuers reported reduced demand for apartments valued up to \$20 million.



“

For Prestige Rural Residential, there appears to be strong buyer demand for acreage holdings within the \$5-\$10 million price range.

- Dural, NSW

”



“

Wealthy owners from metropolitan Adelaide will often move up to the Adelaide Hills for rural lifestyle but maintain lives (school/work) in the city so ease of access is considered desirable.

- Adelaide Central-Hills, SA

”



“

Entry level prestige around \$5-\$8 million has seen more price sensitivity being the market segment closest to the broader market.

- Inner East Melbourne, VIC

”



“

Strong demand and premiums are still being paid for high quality turnkey products.

- Eastern Suburbs, NSW

”



“

There has been a significant rise in the volume of sales over \$5 million for non-riverfront properties and consistent market values over \$10 million for riverfront properties.

- Inner Brisbane, QLD

”



“

The prestige rural residential market surrounding the ACT has shown signs of continued growth throughout 2024.

- Queanbeyan, NSW

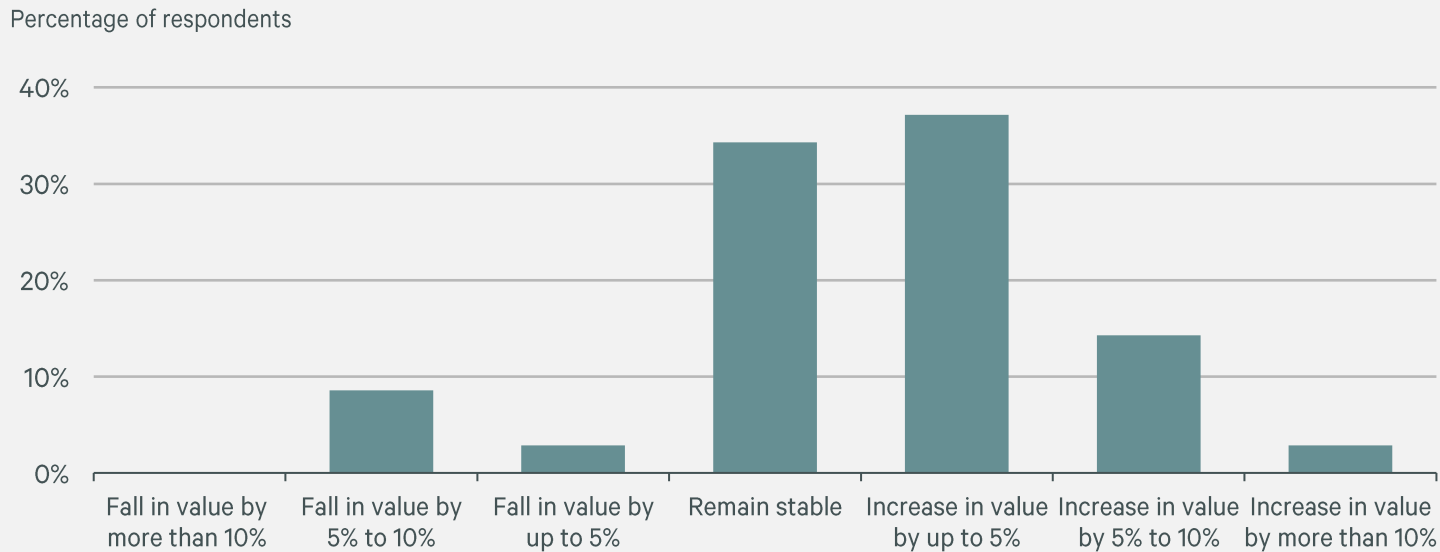
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# House values

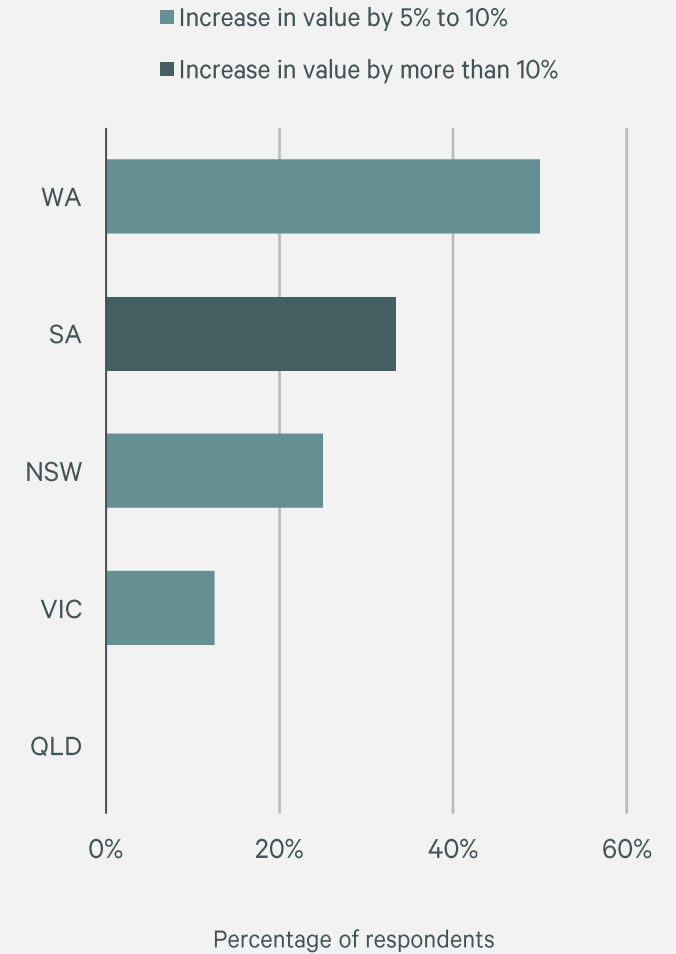
More than half of Valuers (54%) expect house values to grow in the next 12 months, with 17% anticipating price growth of 5% or more. 34% of Valuers expect house prices to remain stable, while only 11% expect values to decline. The strongest growth is expected in WA, and SA. Growth expectations are lower VIC and QLD.

“ Prestige properties are taking slightly longer to sell, however, are still achieving and surpassing expectations in regard to price. ”  
 - Newcastle, NSW

**FIGURE 5: Expectations of house value movement in the next 12 months, Australia wide.**



**FIGURE 6: A closer look at responses for Q3 2024 indicating that house values are expected to increase by 5% or more in the next 12 months.**

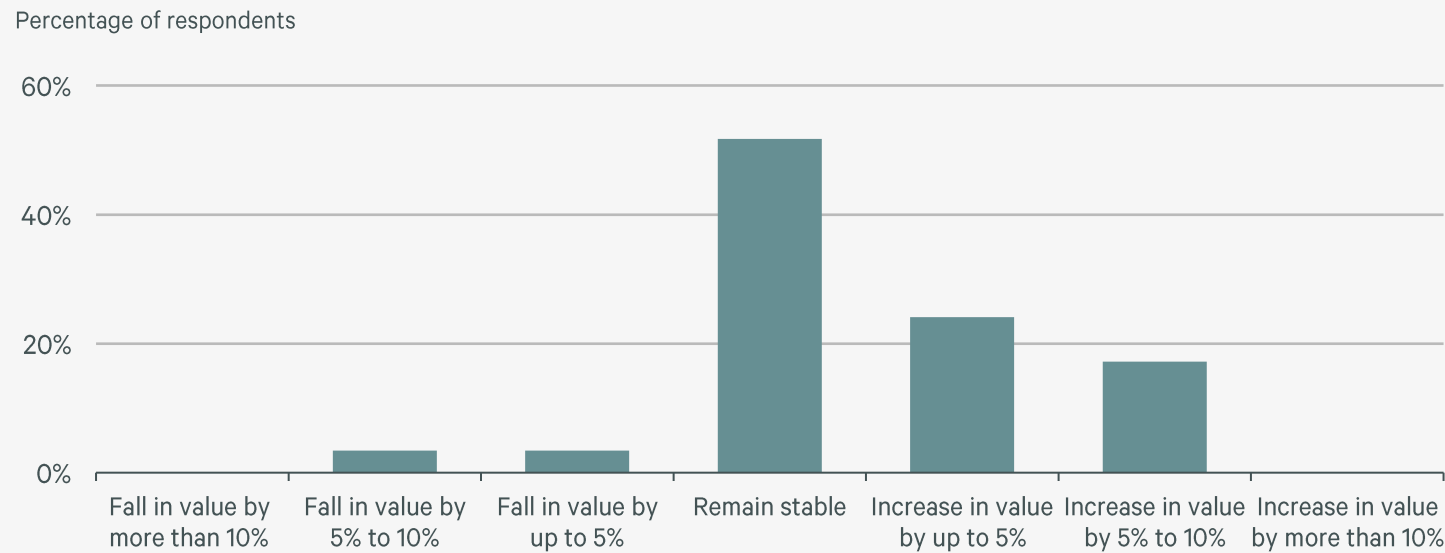


# Apartment values

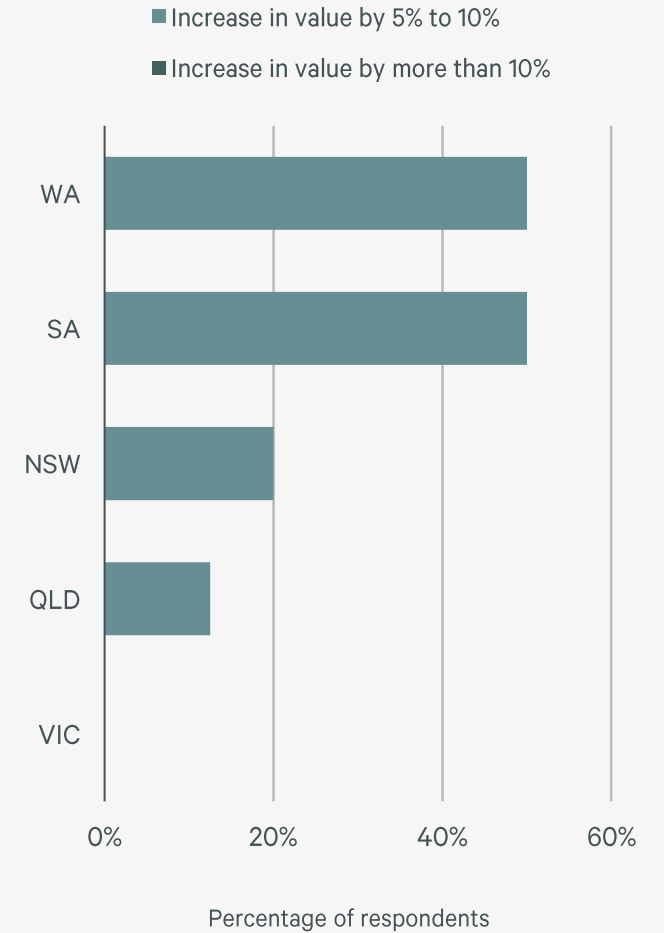
In Q3, 41% of Prestige Valuers predict an increase in apartment values in the next 12 months, with Valuers expecting apartment price growth to be less than 10%. 52% anticipate apartment prices will remain stable. Just 7% expect a decrease in values. Most growth is expected in NSW, WA and SA. In VIC, no Valuers expect price growth for apartments in the next year.

“ Prestige apartments in and around the Melbourne CBD are expected to remain stable with single or several offers through short expression of interest campaigns. ”  
 - Inner Melbourne, VIC

**FIGURE 7: Expectations of apartment value movement in the next 12 months, Australia wide.**



**FIGURE 8: A closer look at responses for Q3 2024 indicating that apartment values are expected to increase by 5% or more in the next 12 months.**



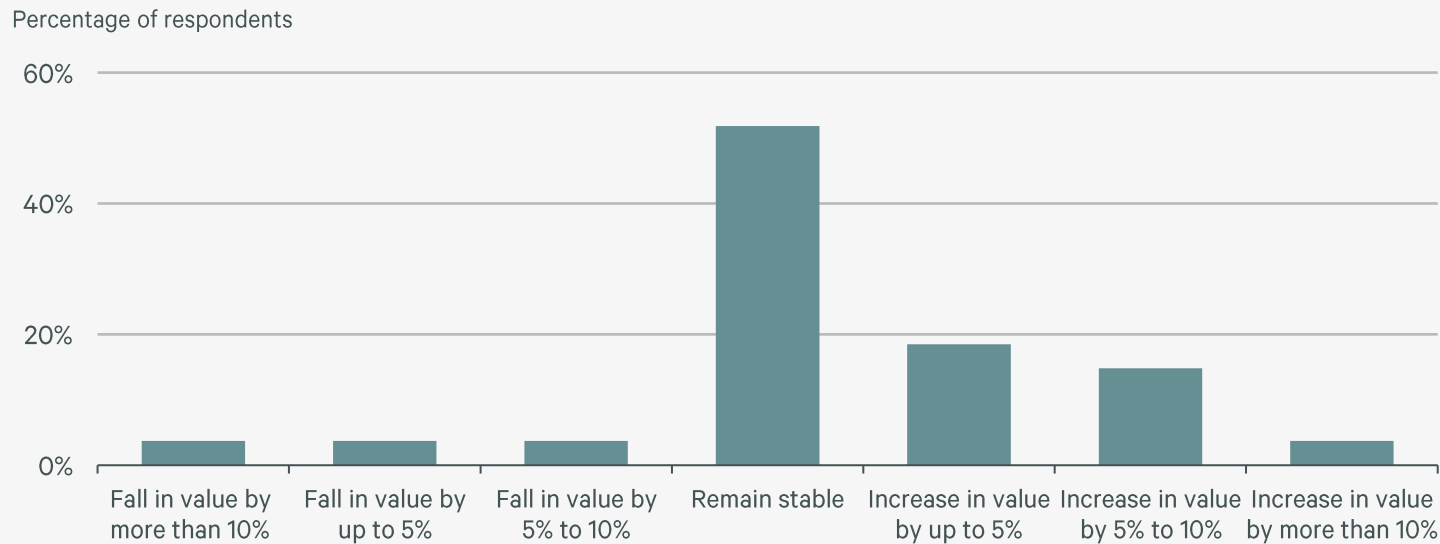


# Vacant land values

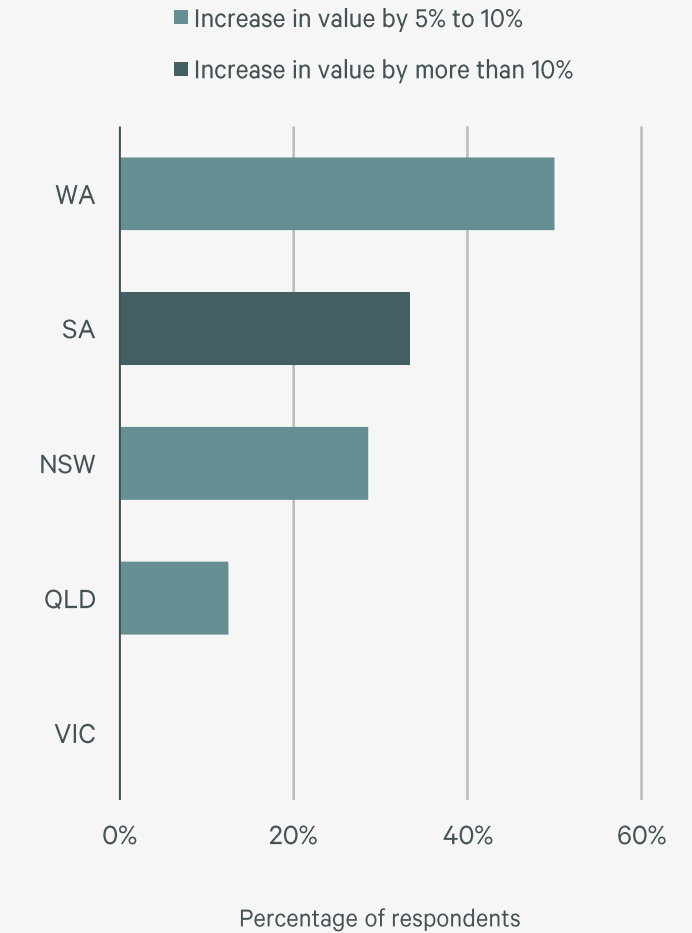
This quarter, 52% of Valuers expect vacant land values to remain stable over the next 12 months in their local prestige markets. 37% of Valuers anticipate an increase, with 19% expecting an increase of more than 5% and 15% expecting an increase of between 5% and 10%. 11% expect prices to fall. The greatest growth is expected in WA, SA, and NSW. In VIC, no Valuers expect growth for vacant land.

“ Vacant land is increasing as buyers are becoming comfortable to build again as building industry settles. ”  
 - Perth Inner, WA

**FIGURE 9: Expectations of vacant land value movement in the next 12 months, Australia wide.**



**FIGURE 10: A closer look at responses for Q3 2024 indicating that vacant land values are expected to increase by 5% or more in the next 12 months.**

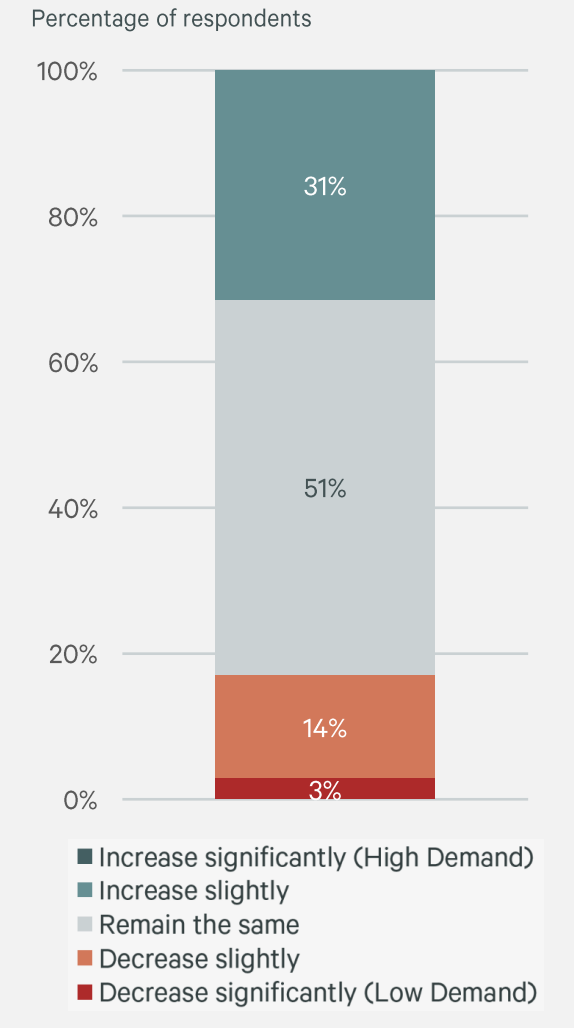


# Future demand

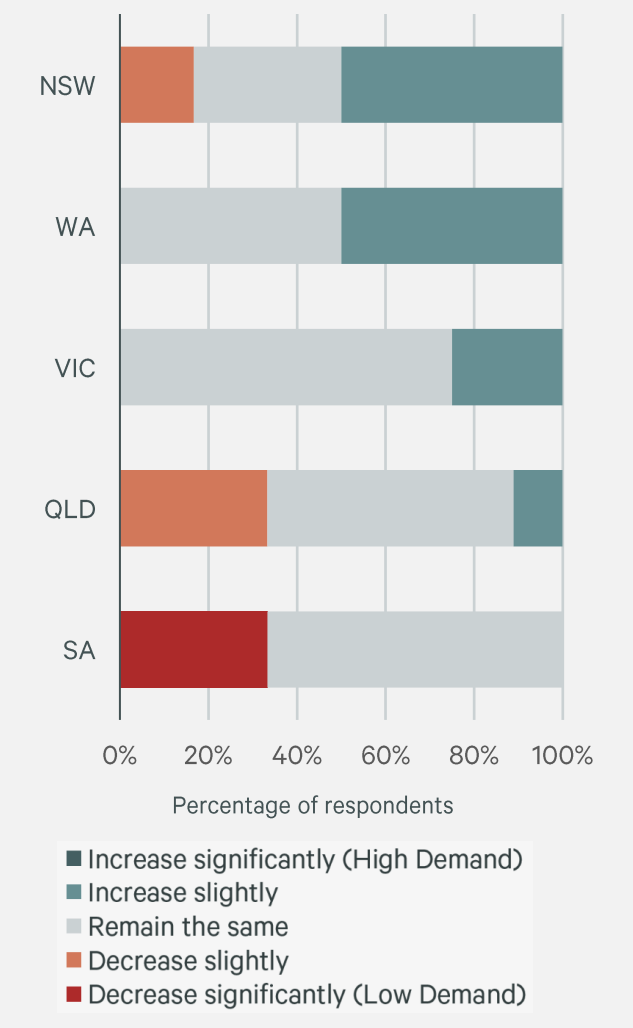
The majority of Valuers (51%) expect demand to remain the same in their local prestige markets over the next 12 months. 31% expect demand to increase ‘slightly’, and no Valuers expect demand to increase ‘significantly’. 17% of Valuers predict demand will decrease ‘slightly’ or ‘significantly’.

NSW and WA are expected to see demand increase the most, while softer demand conditions are anticipated in SA and QLD. Demand in VIC is expected to remain relatively stable.

**FIGURE 11: Demand in local markets in the next 12 months, Australia wide.**



**FIGURE 12: A closer look at Q3 2024 expectations for demand in the different markets.**



“The future of the prestige market will depend on what the RBA and international Central banks do with interest rates.

- Sunshine Coast, QLD

“With increases in mortgage rates and cost of living expenses potential purchasers are opting to hold onto existing property or wait for potential rate relief in 2025.

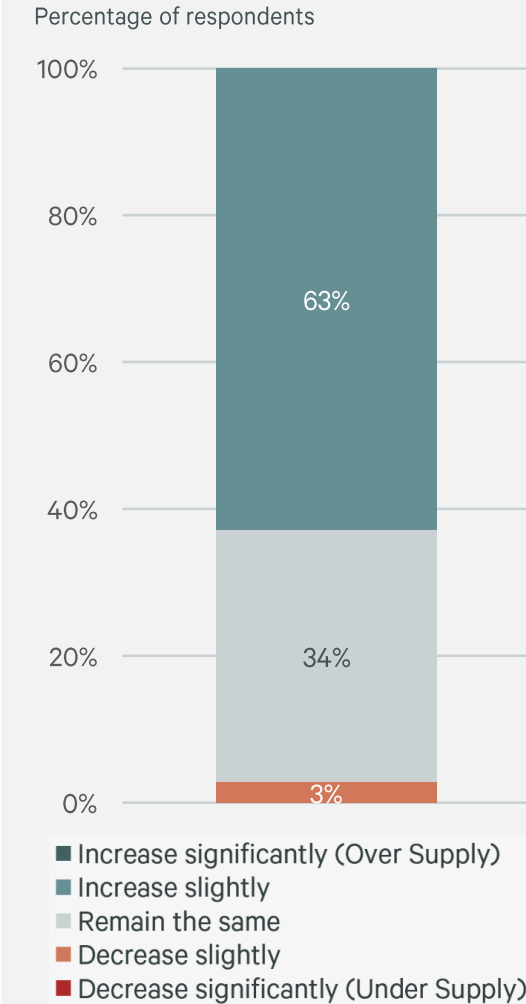
- North Adelaide, SA

# Future supply (listings)

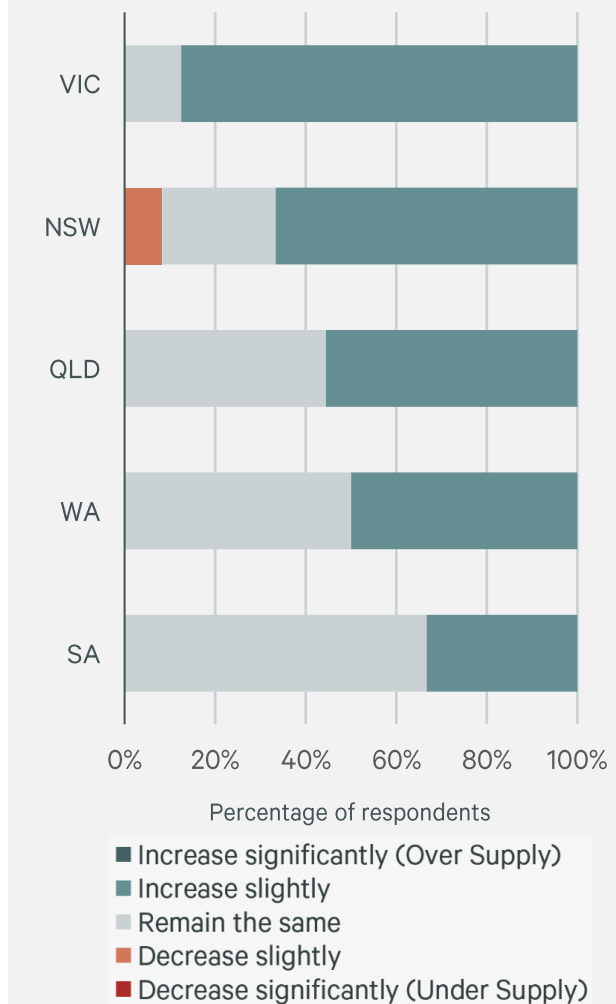
In the Q3 survey, supply (listings) are overall expected to increase in the next 12 months, with 63% expecting a slight increase in stock available. 34% of Valuers anticipate listing levels will remain the same, while only 3% expect a decline.

An increase in listings is expected in VIC by 88% of VIC Valuers and in NSW by 67% of NSW Valuers. Just over half of Valuers in QLD expect an increase in supply in their local markets.

**FIGURE 13: Supply in local markets in the next 12 months, Australia wide.**



**FIGURE 14: A closer look at Q3 2024 expectations for supply in the different markets.**



“ More stock is coming onto the market during the traditional Spring selling period which will give us a better understanding of values as there has been a hiatus over Winter.

- Inner South Melbourne, VIC

“ Demand is outstripping supply for Prestige Property in most Northern Beaches suburbs. Stock levels are very low, and this trend is likely to continue to the end of 2024.

- Northern Beaches, NSW

# Survey Profile

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The CBRE Research Q3 2024 Residential Valuations Prestige Property Market Survey was conducted in early-August of 2024. A total of 35 responses were received. Valuer locations:

Valuer locations:

## NSW

- Sydney
- Hawkesbury
- Newcastle
- Central Coast
- Illawarra
- Hunter
- Southern Highlands

## VIC

- Melbourne
  - Mornington Peninsula
  - Bellarine Peninsula
- ## QLD
- Brisbane
  - Gold Coast
  - Sunshine Coast

## WA

- Perth

## SA

- Adelaide

## ACT

- Queanbeyan NSW

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