

## when it comes to apartments

Carrier Mail 17/07/2010

# Bigger not always the best option



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NEW research has found bigger is not necessarily better when it comes to apartment price growth.

The value of apartments in smaller complexes grows much faster than those in their taller counterparts, the study by Simon Pressley of 6Point Property shows.

Mr Pressley, a property and finance adviser, found the capital value of apartments in large towers grew at about 6 per cent a year compared with 9.4 per cent for those in smaller buildings of less than 50 units.

"On a \$450,000 apartment, the 3.4 per cent per annum difference in capital growth equates to \$160,000 over 10 years," he said.

"None of the apartments in large complexes had capital growth which was equal to or better than the Brisbane median over the same period.

"Conversely, 50 per cent of the apartments in small/medium complexes achieved capital growth equal to or better than the median."

Unit owner David Braatvedt recognised the financial benefits of buying in a smaller complex.



He owns an investment unit in a smaller complex north of Brisbane and is currently negotiating to buy a unit in a complex of 13 apartments at Toowong, in which he plans to live.

While he is buying the unit for his home, Mr Braatvedt said it was good to know that he would get a good level of capital growth.

Mr Braatvedt said body corporate fees also tended not to be as high in smaller complexes and when reselling he would not be potentially competing against other units in the same large complex for the sale.

It is not only the financial side of buying in a smaller complex that appeals to Mr Braatvedt - he likes the sense of community that you feel living in close quarters with a handful of people rather than hundreds.

"It is more than the

actual investment side of it," he said.

"I have lived in large complexes before ... you have to wait a long time for the lift etc and everyone is a stranger.

"What I found in a smaller complex is a community spirit."

Mr Braatvedt said it seemed easier to get things done in a small complex than in a larger one.

Mr Pressley's research found many of the apartments with the lowest capital growth were in the biggest complexes.

About a third of apartments in small to medium complexes recorded capital growth of more than 10 per cent.

He said new two-bedroom apartments in larger complexes were selling in the mid-\$500,000 range whereas you could still find two-bedroom apartments in smaller, older complexes for \$100,000 less.

Mr Pressley said the benefits of living in larger complexes was mostly emotional, not financial.

Often larger complexes had more facilities, he said.

The research was pulled together by evaluating 300 individual Brisbane apartments in 24 suburbs all within a 5km radius of the Brisbane CBD.