

# Queensland Boom

Increasing high demand has led to Brisbane and Regional QLD producing some of the nation's healthiest rental yields (4.1% and 5.0% respectively for homes and 6.7 and 7% for Dual Key).

Combine this with rising house prices from a flock of sea changers moving north or returning to Australia and you've got the perfect recipe for a high cash flow positive, high capital growth investment at a fraction of the comparative Sydney property price.

*Southeast Queensland is shaping up to be a strong bet for investors, with properties from the Gold Coast to the Sunshine Coast selling fast and on a solid foundation for capital growth in 2021.*

For much of 2020, it has seemed like just about everybody in Australia wants to move to Queensland.

As the pandemic began, so did a major demographic shift to the Sunshine State, with a recent report from the Australian Bureau of Statistics showing Queensland has had a net gain of more than 22,000 people in 2020, nearly double its 10-year average of 12,409.

Demand for houses is ramping up quickly as a result, erasing any predictions of property price plunges and pivoting them to prognostications of significant capital growth.

ANZ recently said it was expecting Brisbane house prices to grow by 9.5 per cent in 2021, with the Queensland capital likely to battle with Perth for the title of Australia's property market leader in the coming months.

As well as Queensland's enviable lifestyle and the state's ability to suppress the coronavirus, buyers have been attracted to a rising, and reasonably affordable, property market.

CoreLogic's latest data showed Brisbane properties' average days on market for the three months to the end of September were just 45 days, while the city's median dwelling price was just over \$515,000 at the end of November.

"Price growth for Brisbane in the year to November 30 was 3.2 per cent, while dwelling prices in regional Queensland were up 6 per cent over the 12-month period", CoreLogic said.

Gross rental yields in Brisbane sit at 4.2 per cent, while yields in regional Queensland at the end of November were 5.2 per cent.

Combine Queensland's unique factors and market characteristics with historically low interest rates, surging consumer confidence, and billions of dollars in infrastructure investment, and the scene is set for a property boom.

"There are so many moving parts that add up to having a successful project launch like this, particularly in the current environment.

"While things are certainly improving, and quite substantially, the reality is there has been a lot of uncertainty and there hasn't been a lot of people doing average sales of \$1.2 million off-the-plan in Brisbane in the last six months."

## **Queensland property prices defy COVID-19 downturn as interstate buyers head north in droves...**

House prices in Queensland are continuing their upward march, growing by an average of 0.6 per cent in Brisbane in November, taking annual growth to 3.2 per cent.

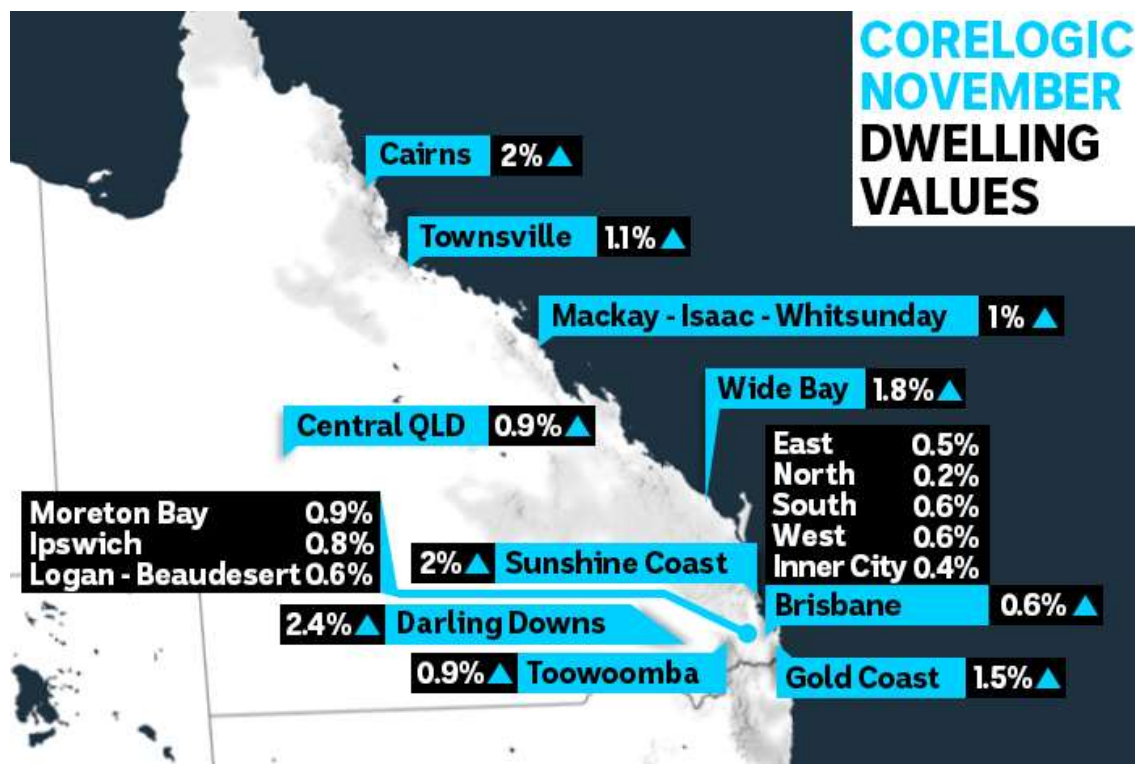
### **Key points:**

- Queensland is the number one destination for interstate migration, according to REIQ
- Demand for luxury beachfront property on the Gold Coast is "exploding" among Melbourne and Sydney buyers
- Cairns is seeing unprecedented demand for rental properties from people living interstate

The latest monthly data released by CoreLogic showed prices grew in every capital city rising by 0.8 per cent nationally.

CoreLogic's Head of Research Tim Lawless said price growth in regional Australia was stronger than in the capital cities, with values in regional Queensland leading the way — rising by 3.2 per cent over the past three months.

"That was the fastest growth rate across any of the regional markets around the country and it really demonstrates the trend we're seeing towards housing demands really rising, particularly in those markets adjacent to Brisbane on the back of relatively low supply levels," he said. Mr Lawless said if the current growth persisted, Australian home values were likely to surpass pre-COVID-19 levels early next year.



CoreLogic figures show dwelling values are up across the board in Queensland. (ABC News: Lewi Hirvela)

"Of course extremely low interest rates are one of the primary factors that's driving housing markets, but on top of that there's a lot of other different types of incentives ... first homebuyers, building grants."