

# Increasing Jobs, Migration & Housing Affordability Aligning to Spur Boom

By **Brisbane Development** - November 23, 2017



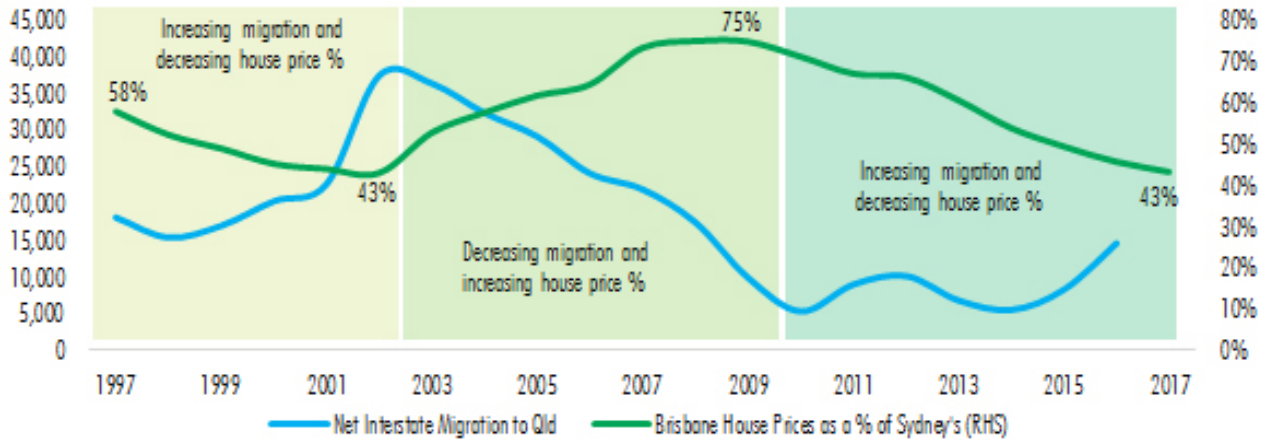
*Image of South Bank Beach*



A new report by CBRE Research has found that the fundamentals of an economic boom in Queensland are present and that all signs show that a growth spur could be around the corner.

[The report finds](#) that white-collar employment growth along with the house price differential between Brisbane and Sydney are two key variables that drive large waves of interstate migration to Queensland.

What is most interesting about the findings is that in the last two decades, interstate migration peaked at just under 40,000 (people per year) in 2002. At the time, the cost of housing in Brisbane cost just 43% the that of Sydney.

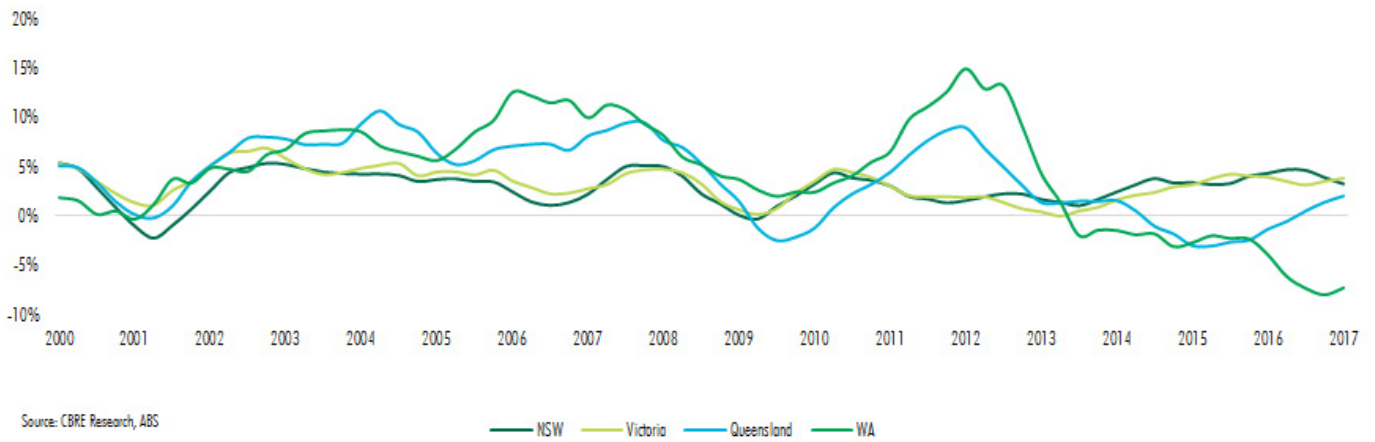


Source: CBRE Research, ABS

Net Interstate Migration and the Cost of Housing. Source: Australia ViewPoint – Sun rising in the sunshine state November 2017

After 15 years and a growing price gap between Brisbane and Sydney, we have now reached that same percentage of 43% the cost of Sydney. Since 2014, interstate migration has again been on the rise and continues to increase to the same levels as before the GFC.

State final demand (SFD) in Queensland has also recorded its best performance since June 2013, increasing by 2.0% following the collapse of mining investment across Australia. Queensland’s more diversified economy has resulted in a stabilisation of state final demand compared with WA which is still heavily reliant on the mining sector for economic growth.



Source: CBRE Research, ABS

State Final Demand – Rolling 4 Quarter % Change. Source: Australia ViewPoint – Sun rising in the sunshine state November 2017

## Affordability

Brisbane’s millennials are now starting to take advantage of the wide variety of affordable inner city apartments now on offer, most of which are located near major public transport infrastructure and lifestyle hubs.

First home buyer Thomas Bellew secured his new apartment at EPV Developments' The Wellington in East Brisbane. Using the long construction period helped save enough money for settlement.



*Thomas Bellew at the recently completed The Wellington*

"I am looking forward to making the most of the social lifestyle at The Wellington with friends and family visiting my new place and exploring the local restaurants, bars and cafes with me," he said.

This particular project, The Wellington has been designed to integrate with East Brisbane's growing young professional market, as well as the area's already-established retail and foodie culture.

The remaining one-bedroom and two-bedroom apartments at The Wellington are priced between \$339,000 and \$560,000, which is still within range for a lot of first home buyers who are able to access the Queensland Government's \$20K first home buyers grant.

## Jobs

The report also found that in 2016, Queensland was the second largest contributor to job growth in Australia with the public sector employment on a strong growth trajectory since

2014.

NAB's Monthly Business Survey consistently shows that Queensland outperforms the national average when it comes to private sector confidence. According to the report, there is some translation of this confidence into investment, both public and private, particularly into the tourism sector which is expected to grow substantially over the next decade.

## Major Projects

There is currently an estimated ~\$30 billion worth of investment in projects across South East Queensland.

Opportunities that are expected to ripple across the state, specifically in the tourism sector which will benefit greatly from Brisbane's new privately funded Parallel Runway Project, which will provide Brisbane Airport with the same capacity as Hong Kong and Singapore Airports.

The new airport runway will help to cater for a tourist boom following the opening of Queen's Wharf Integrated Resort which is forecast to generate 1.39 million additional visitors to Brisbane per year. Meanwhile the Port of Brisbane is expecting that its new privately funded mega cruise ship terminal will bring a further 800,000 tourists annually to the city which is expected to triple the size of the industry in the next two decades.

# TOP 10 MAJOR PROJECTS LIST

## 2018- 2025

# 1



**2,123**  
PROFESSIONS

ESTIMATED  
COMPLETION  
**2021**

### CROSS RIVER RAIL

# 2



**10,000**  
PROFESSIONS

ESTIMATED  
COMPLETION  
**2022**

### QUEEN'S WHARF

# 3



**10,000**  
PROFESSIONS

ESTIMATED  
COMPLETION  
**2024**

### BRISBANE LIVE

# 4



**7,700**  
PROFESSIONS

ESTIMATED  
COMPLETION  
**2022**

### BRISBANE METRO

# 5



**7,800**  
PROFESSIONS

ESTIMATED  
COMPLETION  
**2022**

### BRISBANE AIRPORT NEW RUNWAY

# 6



**UP TO**  
**10,000**  
PROFESSIONS

ESTIMATED



A list of Brisbane’s major projects from 2018 to 2025

The indicators that an improvement in Queensland’s economy are now falling into place with affordability issues driving increased migration to Queensland.

Newly created jobs will also be more freely available for these newcomers within the next few years with major projects coming online.

For price growth, history has shown a situation whereby Brisbane property prices which have not experienced the extreme growth of other cities generally begin to play catch up as the Sydney and Melbourne markets begin to cool.