

BOOM TOWN

Brisbane to lead the nation with 20 per cent surge in house prices

EXCLUSIVE SOPHIE FOSTER

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ics has forecast 20 per cent growth in house prices in Brisbane, with demand driven by its relative affordability compared to other capitals and a pick-up in positivity.

It's almost double the growth of Adelaide (11 per cent) and way ahead of Sydney (6 per cent).

REPORT P7

House prices on steroids

Brisbane market tipped to soar as stimulus stars align

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BIS Oxford Economics has forecast a massive 20 per cent growth in house prices in Brisbane, with demand driven by its relative affordability compared to other capitals and a pick up in positivity.

Its *Residential Property Prospects 2019-2022* report has the city's median house price growing at almost double the speed of the nearest growth capitals – Adelaide (11 per cent) and Canberra (10 per cent). In contrast, percentage growth in Sydney (6 per cent) and Melbourne (7 per cent) was set to stay in single digits over the three years.

The report comes as the latest Deloitte Access Economics Business Outlook, out today, predicts Queensland will be among the biggest beneficiaries of a major shift in the economy, with stimulus coming out of rising coal prices pushed by Chinese demand, expectations that farmers have a better season ahead, and rising housing demand driven by interstate migration.

BIS Oxford Economics associate director Angie Zigomanis expects Brisbane to be a big winner by the end of 2022, bucking the slow recovery of southern markets.

"The next 12 months we still expect (house price growth) to be fairly weak in Brisbane, but moving into 2020 is when it will pick up," he told *The Courier-Mail*.

Mr Zigomanis said Brisbane was shaking off factors that



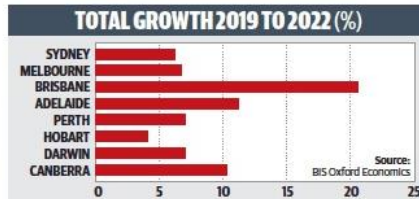
MOVING UP: Grace and Sanath Hettiarachchi – with puppy Millie – are hoping to swap their Oxley apartment for a house. Picture: Annette Dew

had kept it down, including a lack of employment and income growth, plus a big increase in housing supply, particularly apartments.

Real estate agent Ted Hagemeyer of Place Graceville said that there were "some really good buying opportunities" in Brisbane right now, with suburbs such as Oxley, Corinda and Sherwood "surprisingly underperforming".

"The best thing people can do is to buy a block that has plenty of potential – and you can buy those in Oxley and Corinda for under \$750,000," he said.

"Also over the past few years some towers were built along this corridor and the talk of oversupply a few years ago seems to have gone away



"We believe buyers for those units have always been around and are now committing again. To be able to buy a two-bed apartment eight train stops from the city for \$419,000 makes sense."

Grace and Sanath Hettiarachchi have put their apartment at 10/76 William Tce, Oxley, on the market with a view to buying a house

with land that has subdivision potential. "We have our hearts set on Oxley and Corinda, where properties are still affordable and have potential for growth."

"We were at first sceptical to see buyers paying \$500,000 for an 800sqm block in Oxley a few years ago, however, now the same blocks are about \$650,000.

"The key thing for us was to get into the market as soon as we could and buy into potential growth areas."

Deloitte partner Chris Richardson said that Queensland was perfectly positioned to make the most of coming stimulus, both nationally and internationally.

"There is more stimulus coming than people realise," Mr Richardson said.

"This is the first time ever that the Reserve Bank is cutting interest rates rapidly, not because the economy is softer, but mainly because it has changed its mind about what unemployment rate is required to get wages moving faster," he said.

"Because of that change of mind out of the RBA,

Queensland is getting stimulus pretty much from everywhere. The world has given Australia a pay rise, and coal is very central to what's happening. It's not just more money flowing into Australia, but also renewed interest in building coal mines in the Galilee Basin.

"Queensland also gets the full force of national stimulus around interest rates and exchange rates.

"Think of that combination and think of Queensland's economy – there are farmers and miners getting benefit with the drought less nasty and China pumping out stimulus, and then there are mums and dads with government stimulus and interest rate combinations."

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