

Queensland houses are, a hidden gem for long-term capital growth

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Queensland is the second-largest and third-most-populous state in Australia. It is generally called, the Sunshine State due to its perfect climate and its undoubtable reputation as a world-famous tourist destination. It offers a variety of attractions from beautiful beaches and rainforest to modern theme parks.

Property statistics have positioned Queensland as the Sunshine State for the house market as it has offered lifestyle along with long-term solid wealth growth.

Affordability a reality

More than 50 per cent of Queenslanders live in affordable regions with a median house price below \$500,000. Queensland also has four Local Government Areas (LGAs) with a median house price below \$100,000.

The top-five most affordable LGAs are Paroo (\$55,000), Blackall Tambo (\$71,500), Richmond (\$77,500), Flinders (\$95,000) and Murweh (\$114,000).

Queensland house prices at the beginning of the '80s started at around \$16,000 and rose to about \$43,000. The Gold Coast was the most expensive LGA with an annual median house price of \$42,500. Brisbane and the Sunshine Coast had an annual median house price of \$34,000.

Generally, LGAs in the southeast corner are the dearest in Queensland. This is not a surprise as the southeast corner offers lifestyle along with job opportunities.

Brisbane, Noosa, Gold Coast, Sunshine Coast and Redland are the top five most-expensive house markets in Queensland, with the annual median house price from \$518,500 to \$662,500 for June 2017. These LGAs provide housing to about 47 per cent Queenslanders.

Queenslanders wishing to live in Greater Brisbane without the price tag could select between Ipswich, Logan and Moreton Bay, which had an annual median sale price below \$450,000 for June 2017.

Long-term solid growth

Holding a Queensland property for the long term definitely pays off. Generally, the longer you own a property, the better the opportunity for a solid capital growth.

The Queensland house market has seen upward pressure on prices for past 37 years. An estimation of the compound annual growth rate for Queensland LGAs from 1980 to date, has revealed a solid growth in the range from 5.3 per cent to 9.4 per cent a year.

The top-five-best performing house markets for the past 37 years are Noosa, Brisbane, Scenic Rim, Tablelands and Redland with a compound annual growth from 8.0 per cent to 9.4 per cent.

Generally, the number of house sales has also followed an upward trend over the past 37 years. However, the compound annual growth rate has been more volatile, fluctuating from 2.3 per cent to 11.1 per cent throughout the different LGAs.

The small regional LGAs of Cook, Burdekin, Isaac, North Burnett and Douglas have seen the largest compounding annual growth in the number of sales since 1980, from 9.3 per cent to 11.1 per cent per year.

The largest LGAs of Brisbane and Gold Coast have seen an annual growth in the volume of sales from 5.5 per cent to 6.5 per cent.

There is clear evidence that property prices and property demand (measured as the number of sales) follow an up and down path. However, in the long run the pricing upward pressure is dominant and support house ownership as a solid long-term investment.

Queensland property lifestyle

Queensland has nearly 80 LGAs and less than 50 per cent of its population lives in the capital city (Greater Brisbane), showing a reasonable level of decentralisation in the state.

Queenslanders love their backyard and the outdoor lifestyle. The long-term increasing population putting upward pressure on house prices has had an impact on their lifestyle. However, there is still a large probability for Queenslanders to enjoy a backyard.

Queensland has about 1,851,900 properties and more than 75 per cent are houses, according to Corelogic Market Trends data for Jun 2017. In reality, this means that people living in Queensland have a larger probability of living in a house than a unit.

More than 55 per cent of Queenslanders reside in a LGA where houses represent at least 83 per cent of the total dwelling numbers

The top-five-largest LGAs for medium to high density dwellings are Douglas, Gold Coast, Weipa, Noosa and Brisbane. Three of the top-five largest regions for medium to high density dwellings, Gold Coast, Noosa and Brisbane, are also the top three-most expensive ones.

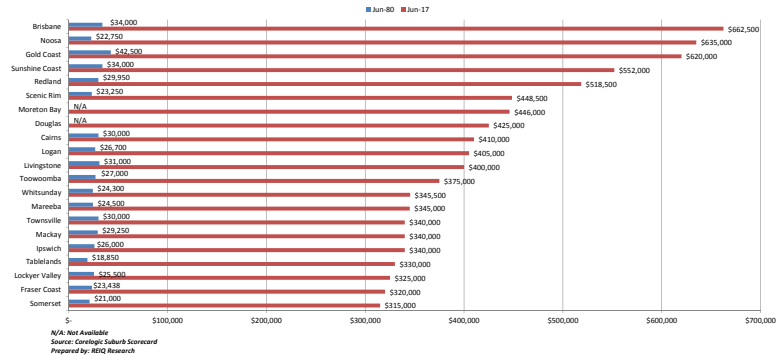
Queensland house market - Fast Facts

Queensland is the Sunshine State not only for the unique lifestyle and envious weather, but also for providing property wealth creation opportunities to mums and dads.

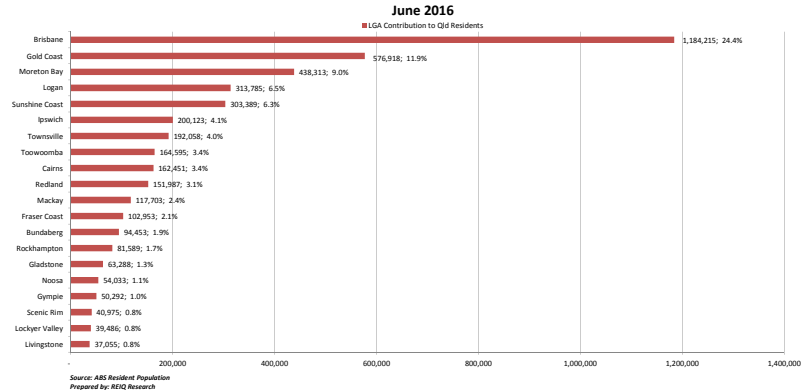
The key facts supporting Queensland as the Sunshine State for the house market in Australia are:

- More than 50 per cent of Queenslanders live in affordable regions with a median house price below \$500,000.
- The top-three-best performing house markets for the past 37 years are Noosa, Brisbane and Scenic Rim with a compound annual growth from 8.3 per cent to 9.4 per cent.
- Only about one per cent of the Queensland population lives in Noosa, which is the second-most expensive house market in Queensland with an annual median sale price of \$635,000.
- In 1980, the top-three most expensive regions were the Gold Coast, Brisbane and the Sunshine Coast. These LGAs are located in the southeast corner and remain within the top-four most expensive LGAs in Queensland at present.
- In June 2017, four LGAs had an annual median house price below \$100,000. They are Paroo, Blackall Tambo, Richmond and Flinders.
- More than 75 per cent of Queensland properties are houses, allowing Queenslanders to enjoy a privileged lifestyle.
- Three of the top-five largest regions for medium to high density dwellings, Gold Coast, Noosa and Brisbane, are also the top three-most expensive LGAs in Queensland.

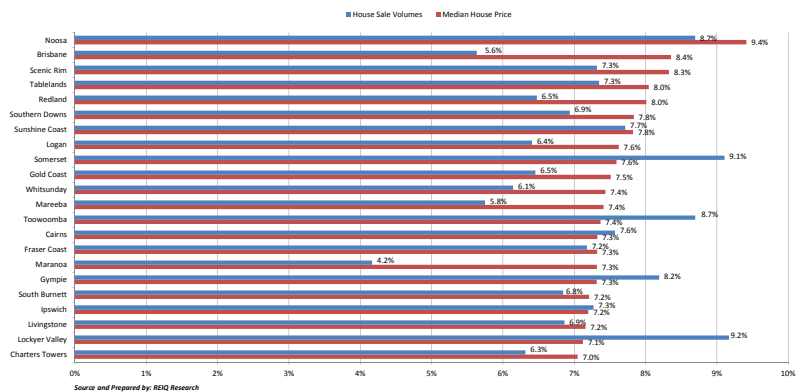
Historical Annual Median House Price by LGA



Resident Population by LGA



37-years Compound Annual Growth by LGA



Queensland Dwelling Type by LGA

