

Brisbane's Moreton Bay gaining strength: Terry Ryder



The latest event in the evolution of the Brisbane market is the strong emergence of the Moreton Bay Region in the far north of the city.

It has joined Logan City in the far south as the precinct with the most momentum in the Greater Brisbane area. Meanwhile, Ipswich City in the south-west is putting its hand up as well.

Most national commentators misunderstand what's happening with the Brisbane market. They look at that single figure which apparently describes the whole Brisbane metropolitan area and conclude not much is happening. Australian Property Monitors says Brisbane prices rose 5% last year while CoreLogic RP Data says 4%.

But beneath that one generalised (and highly misleading) figure, there has been lots of activity in precincts which have recorded double-digit annual growth in median house prices.

Markets in the Greater Brisbane area have been on the move for about two years. The inner-city suburbs were busy a couple of years ago and then the middle-ring suburbs on the northside surged. Many of them had annual growth in the 13% to 15% range. The middle-ring suburbs on the southside joined the party 12-18 months ago.

Now it's the outer-ring areas that are leading. There are still rising suburbs in those northside and southside middle-market precincts, but it's the cheaper areas on the outskirts that have the greatest activity and momentum.

In this regard, Brisbane is displaying the same pattern we have seen over the past three years in Sydney and Melbourne – the upturn started in the near-city areas and gradually gravitated outwards from the centre. The Ripple Effect is alive and well in residential real estate.

In Brisbane, Logan City (which is the urban bridge between Brisbane and the Gold Coast) has been the market leader in terms of sales volumes for the past 12 months or so. But now it's counterpart in the north, the Moreton Bay Region local government area (which is the urban bridge between Brisbane and the Sunshine Coast) has mounted a challenge.

Like Logan City, Moreton Bay Region is all about affordability, transport infrastructure and jobs nodes. Many of the suburbs of Moreton Bay Region – including Caboolture (the capital suburb), Morayfield and Deception Bay – have median prices in the \$300,000s, while Burpengary and Narangba are in the low \$400,000s.

These are high-volume housing markets: Caboolture, Deception Bay, Morayfield and Narangba have each recorded over 340 house sales in the past 12 months. Some have seen median prices rise 6-7% in the past year – but, in terms of price growth, they're just getting started.

Median rental yields are an attraction for investors, ranging from 5.2% to 5.6% in most of the suburbs of the Moreton Bay Region.

The LGA includes the Redcliffe Peninsula, which has heightened appeal because the long-awaited Moreton Bay Rail Link will be completed this year.

The overall region has improved amenity through the evolution of the North Lakes master-planned community, which includes major retail (and will soon include an Ikea superstore).

The region also has good proximity to Brisbane Airport, the Port of Brisbane and the Australia Trade Coast industrial precinct, which means plenty of jobs are handy to the suburbs of Moreton Bay Region.

Published in Property Observer by Terry Ryder; Wednesday 10th February 2016