

## Why Buyers Are Off To Regional Australia: Terry Ryder



People moving to live and work in Australia naturally gravitate to the big cities such as Sydney and Melbourne, but research suggests regional parts of the country are becoming more popular.

One of the issues is that house prices in most capital cities are becoming beyond the reach of many, so a growing number of people living in Australia are deciding to ditch the inner city lifestyle for more laidback regional centres around the country.

Indeed regional internal migration estimates from the Australian Bureau of Statistics (ABS) highlight some interesting trends about where people are moving to.

According to an analysis of the figures, while several factors have contributed to the gaining rise in city dwellers moving to regional areas, it is affordability that is the main concern.

According to a report from international real estate firm Knight Frank, with the median house price in Sydney nudging the AUD\$1 million mark and Melbourne not too far behind at AUD\$730,000, people are moving rather than increasing their mortgage.

Over the five years to June 2014, the latest available data shows that an average of almost 15,000 people net per annum left Australia's capital cities for regional areas. Over this period, the largest outbound movement came from Sydney with average of 19,257 net per annum leaving.

Regional New South Wales experienced the largest inflow, gaining an average of 6,824 persons net per annum, most notably to coastal locations such as Port Macquarie and Shoalhaven.

Over the five year period, Perth and Brisbane were the only capital cities to record an internal migration gain which the report says is reflective of strong employment gains recorded for the period, underpinned by professional services associated with mining construction.

A recent softening in labour market conditions, particularly in Greater Perth, is likely to have stemmed the inflow of internal migrants to these cities while at the same time constraining property market conditions. Alternatively, buoyed net overseas migration has more than offset the decline in internal migration to all capital cities.



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By age, the attraction of capital cities due to tertiary education, employment opportunities and the “bright lights” has ensured strong growth of young adults in their late teens and twenties. On average, 13,000 people net per annum aged between 15 to 24 moved to one of Australia’s capital cities.

However for other age groups, particularly those aged 45 to 64 and retired people aged 65 plus, the outbound movement to regional locations has been extensive at 18,505 and 2,685 persons per annum respectively.

“With migration rates acting as a reasonable proxy for housing demand, the pickup in internal migration outside of our capital cities is likely to bode well for regional property markets and economies,” said Luke Crawford, an analyst with Knight Frank Australia.

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