

## 2016 Marks The Return Of Queensland's Owner Occupier Market: UDIA



Owner occupiers are expected to return to the market in force as their choices widen and the outlook for interest rates remains positive, according to a report by the the Urban Development Institute of Australia (Queensland) Research Foundation.

The third Industry Insights Report talks about the trends in land, house and apartment sales, supply and prices across Queensland.

It reveals a marked shift in the residential property market in 2015, with the focus shifting from regional Queensland to the South East.

Prepared by The National Property Research Company (NPR Co), the report gathers market intelligence from industry players – real estate agents and developers across 15 regional areas.

**South East Queensland hotspots include Brisbane, Gold Coast, Ipswich, Logan and Moreton Bay**, all showing price growth in land and house sales volume. Medium to high density median prices – houses and apartments – remained fairly static, with growing sales volume, this is a reflection of the strong supply into the market in this category.

The report also reveals:

- In Brisbane, almost all respondents reported a rising market across all forms of housing over the last six months, with the majority view that we were yet to see the top of the cycle for apartments. Interest rates and population growth were cited as the most positive market influences.
- **The outlook for the Sunshine Coast is positive.** Whilst median price rises were slight across the board, the hospital nearing completion, investigation into improved transport infrastructure, economic diversification and improving domestic tourism figures buoyed the market.

- **In Ipswich, the market is steadily rising**, although there was concern about the negative impacts of low employment growth and infrastructure investment that may limit growth. Two thirds of respondents reported healthy levels of demand from international buyers.

- **Logan, Gladstone and Toowoomba led the state for land, with modest growth in land volume sales.** Whilst Gladstone is coming off a low base, the outlook is more positive into 2016. Toowoomba is riding the wave of infrastructure projects, and there was strong agreement that demand had increased across the board for all forms of housing. Logan has reaped the benefits of two major masterplanned communities and may well prove to be Brisbane's newest and most dynamic corridor.

- Population growth in the Fraser Coast, Mackay and Gladstone has challenged recovery in these LGAs. Mackay and Gladstone continue to experience oversupply, but are optimistic for improved conditions and see the affordability as the silver lining for buyers over the next 12 months.

- In Bundaberg, it was the opinion of respondents that positive growth in the market will be driven by low interest rates and affordability.

- Whilst sales volumes in Cairns cooled since the last report, median prices rose across the board, and the industry eagerly awaits the commencement and/or confirmation of major infrastructure projects.

- **The outlook for the Gold Coast is very positive** with a large majority of respondents confident about a continued rising market, particular for houses, and very healthy overseas demand from both investors and owner occupiers.

UDIA (Qld) president Brett Gillan said Queensland's new property market contributed to economic growth and jobs in Queensland in the first half of 2015, noting the buoyancy of the South East Queensland market.

"We are seeing the return of owner occupiers to the market, and they are looking for diversity and fresh choices in housing types and locations. Our challenge is to respond to this demand, and meet their lifestyle aspirations at an affordable price," he said.

"We are very aware of the challenges that regional communities outside of South East Queensland continue to face and we have been working closely with our industry, local councils and the state government in 2015, to assist with the creation of local planning schemes that have the best interests of the communities' future at heart."

Industry Insights researcher, NPR Co managing director Matthew Gross, said that the research throws the spotlight on the factors behind the vastly variable market conditions being experienced across Queensland.

"The report suggests that confidence and certainty, interstate capital inflows and a resurgence in the stock market are issues to watch in 2016," he said.

CSQ CEO Brett Schimming said the UDIA (Qld) Research Foundation, that has just celebrated its first anniversary, has filled a gap in industry knowledge that CSQ is proud to have been able to facilitate.



“The housing and construction industry is one of the most important economic drivers and this research helps to keep industry informed. The more we know the better we can plan housing developments and ensure we have the right skills and training in place to meet future needs,” he said.

The Foundation’s research programme is driven by the Industry Leaders’ Research Group representing Stockland, Amex Corp, Lend Lease, Frasers Property, Investa, Peet, Pradella Property Ventures, Excel Development Group, Defence Housing Australia, Pointcorp, AV Jennings, Wentworth Equities, McNab, PLACE Design Group and Village Retirement Group.

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