



PROPERTY MARKET

LATEST PROPERTY PRICE FORECASTS REVEALED

Brisbane Live



What's ahead in our housing markets

BY MICHAEL YARDNEY

This is a common question people are asking now that our real estate markets are up and running again.

Currently, home prices are surging around Australia, auction clearance rates remain high, and the media keeps reminding us we're in a property boom.

The result is emotions are running high at the moment, with FOMO (fear of missing out) being a common theme around Australia's property markets.

Now, with borrowing costs lower than they ever have been, the reassurance that interest rates won't rise for at least 3 years and increasing confidence that we've got this "virus thing" under control, it is likely that buyer demand will remain strong throughout the year.

In fact, this is a self-fulfilling prophecy...

As property values increase and the media reports more positively about our property markets, FOMO will mean more buyers will be keen to get in the market before it prices them out.

What about house prices?

Interestingly all the bank economists agree that it is likely that all our capital cities will experience strong house price growth over the next couple of years.

Housing Price Forecasts – 2021 Update

CITY	ANZ GROWTH IN 2021	nab GROWTH 2021-2022	Commonwealth Bank GROWTH 2021 - 2022	Westpac GROWTH 2021-2022
Sydney	+8.8%	+13.3%	+13.7%	+20%
Melbourne	+7.8%	+13.9%	+12.4%	+18%
Perth	+12%	+15%	+17.7%	+20%
Brisbane	+9.5%	+16.4%	+16.6%	+20%
Adelaide	+6.3%	+16.3%	+15%	+18%

Source: Property Update

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Brisbane house price forecast

BY MICHAEL YARDNEY

Brisbane's house prices remained resilient over the year, especially given the economic impact of COVID-19.

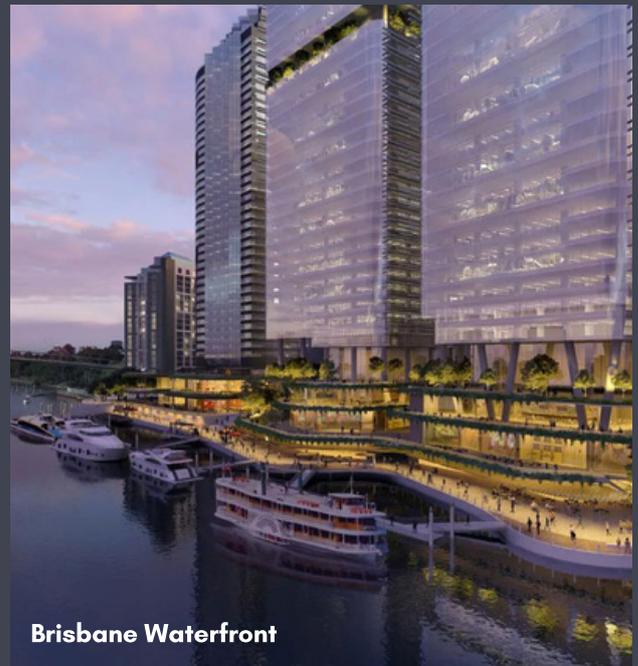
Now, moving forward, it is likely the Sunshine State will shine with strong demand for homes, particularly in lifestyle areas, likely to deliver 6% – 10% capital growth over the next 12 months.

Westpac Bank recently updated its property forecasts, with Brisbane prices tipped to surge 20 per cent between 2022 and 2023.

Increased demand for Brisbane houses has been underpinned by increasing consumer sentiment, historically low interest rates and internal migration considering the relative affordability of houses in Queensland compare to Sydney and Melbourne.

Similarly popular areas of the Gold Coast and Sunshine Coast have enjoyed strong demand considering the increased flexibility of being able to work from home and commuting to the big smoke less frequently.

At the same time property investor activity has been strong, particularly for houses, not only coming from locals but from interstate investors who see strong upside in Brisbane property prices as well as favourable rental returns.



"Brisbane is likely to be one of the best performing property markets over the next few years"

What's special about Brisbane?

BRISBANE DEMOGRAPHICS

According to the 2015 Intergenerational Report the population of Australia is expected to almost double by 2055, with Queensland also becoming home to more than seven million people over the next 40 years.

Given its sub-tropical climate, the region is well known for its laidback lifestyle and enviable weather.

Greater Brisbane also has far more affordable property than the southern cities of Melbourne and Sydney.

BRISBANE'S LAYOUT

Brisbane, is a sprawling city with outlying suburbs up to one hour drive from the city centre.



BRISBANE'S INFRASTRUCTURE

There are many multi-million dollar projects happening in and around Brisbane at the moment, that are starting to create jobs and more importantly get the economy rolling again.

One of the biggest would have to be the addition of a second runway to the Brisbane Airport. It has already provided hundreds of construction jobs and by 2035, it is expected to generate up to 8,000 new jobs and generate an additional \$5billion dollars to the Brisbane Economy.

Capitalising on opportunities from the Asian Century, there are many major tourism projects with a combined value of \$30 billion scattered up and down Queensland's coastline.

New resorts – and upgrades of existing resorts – are slated for Brisbane, Ipswich, the Gold and Sunshine coasts, Rockhampton, Mackay and Cairns.

BRISBANE'S ECONOMY

Brisbane is Queensland's economic engine room – a growth city with a strong history of economic performance and significant infrastructure investment.

All the economic key pointers are heading in the right direction.

Brisbane's economy is being underpinned by major projects like Queen's Wharf, HS Wharf, TradeCoast, Cross River Rail, the second airport runway and the Adani Coal Mine.



BRISBANE'S POPULATION GROWTH

The population growth that saw the Sunshine State gain a net 7237 people from interstate in the September quarter of 2020– while NSW shed 4110 and Victoria lost 3749.

Brisbane's 2021 population is now estimated at 2,439,467.

The Australian Bureau of Statistics has predicted strong population growth at an average of 62,410 people in Brisbane per year over this period.

Underpinned by continued overseas and interstate migration, metropolitan Brisbane requires approximately 23,000 additional dwellings each year to accommodate its growth.

BRISBANE'S CULTURE

Given its sub-tropical climate, Brisbane is well-known for its outdoor lifestyle, especially the plethora of dining options along the Brisbane River in residential and restaurant precincts such as Teneriffe, Bulimba, New Farm and West End.

And while Brisbane is Australia's third largest city, tenants don't necessarily want the same features as renters in Sydney and Melbourne.

Adelaide house price forecast

BY MICHAEL YARDNEY

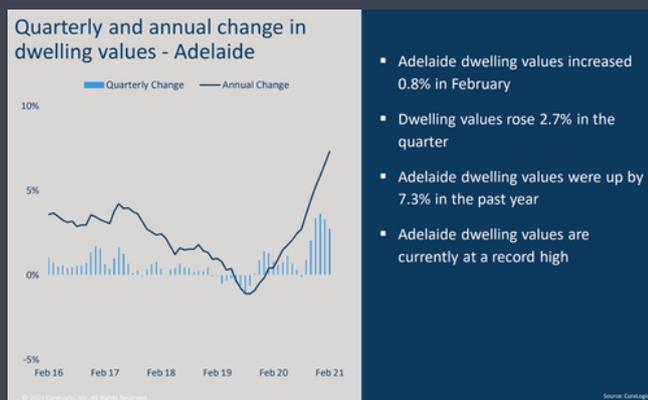
Adelaide's housing market has moved from strength to strength over recent months, with home values reaching new record highs.

Relatively low housing prices and the stimulus of low interest rates are likely to be the main factors behind the growth in housing values.

With housing affordability in Adelaide substantially better than the other states, combined with the fact that the current low mortgage rates makes it cheaper to buy, than to rent them, it is likely strong demand for houses will continue to push up Adelaide property values in 2021.

It is likely that overall Adelaide house prices could increase by 5 to 8% in the next 12 months.

Westpac Bank recently updated its property forecasts, with Adelaide prices tipped to surge 18 per cent between 2022 and 2023.



*All information provided in this article above, has been sourced from:

'Property Update'

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to suffer from

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