

12 December 2020

## PROPERTY MARKET PROSPERS DESPITE PANDEMIC & RECESSION REIQ QUARTERLY QUEENSLAND MARKET MONITOR

Queensland's property market continues to defy COVID-19 predictions, with median house prices rising yet again for a second consecutive quarter for much of the State. In fact, according to the latest *Queensland Market Monitor* published by the Real Estate Institute of Queensland (REIQ), not one single region recorded a reduction in median house prices over the July-September 2020 quarter, with Queensland's property market showing its resilience.

"Brisbane has enjoyed substantially improved demand across the entire market, with transactions now higher than pre-pandemic figures. And with property prices forecast to perform strongly in the year ahead, it's fantastic to see Brisbane reach a record-breaking \$720,000 median price in these latest quarterly results on the back of 4.4% annual growth," revealed Antonia Mercorella, CEO of the REIQ. "While Brisbane remains considerably more affordable than other States, Corelogic forecasts that one in ten houses sold in our capital will fetch more than \$1 million within the next 2 years, offering some of the best prospects of long term capital growth.

"Where Brisbane real estate is uniquely positioned is thanks to a range of underlying strong market drivers including liveability, affordability and economic investment. It's for these reasons that Brisbane remains Australia's leading capital city where you can confidently purchase an affordable home."

Remarkably, it's regional Queensland that's really lead the charge, with the market so hot some buyers are purchasing houses without even seeing them in person. With quarterly growth of 3.2%, the top area performers come from some rather unexpected regions. These include Isaac, nestled between Mackay and Rockhampton, rising by a staggering 28.5%; the Shire of Murweh in the Maranoa district with an impressive 21.2% increase; and, the Western Downs region north west of Brisbane recording 15.4% growth for the quarter.

The best performer for median house price for a third consecutive quarter is Noosa, with a rise of 3.6% to \$895,000. Noosa's quarterly median unit price was the category's top performer for the State as well, rising 5% to \$705,000. The remainder of the Sunshine Coast also posted strong results, achieving the second highest median unit price for the quarter – \$445,000.

"Noosa has clearly seen the biggest market gains when you consider its ushered in a median house price of \$895,000 on the back of an incredible five-year's growth of 53.6%, easily maintaining its position as the most expensive housing market in Queensland," offered Ms. Mercorella. "The Sunshine Coast property market continues to remain one of the prime spots in Australia, with quarterly growth of 1.8% with a median house price now \$620,000."

Continues/...

Beyond the Sunshine Coast, Rockhampton and Mackay's housing markets are Queensland's biggest growth stories rising 6.7% (\$275,000) and 6.0% (\$379,000) respectively for the quarter. Townsville properties have also put in another strong performance, becoming the second-best performing region over the September quarter (3.1% to \$338,000). And Gladstone land prices have soared, increasing by 20.0% in just three months. It demonstrates current property market trends, with buyer demand at an all-time high since COVID-19 first took hold back in March. First home buyers in particular have been quick to move on both new builds and vacant land thanks to the *HomeBuilder* grant while Queensland's rising interstate migration is also steering the property upswing.

"We're clearly living in extraordinary times. As a result of the COVID-19 pandemic, not only has it haphazardly fluctuated consumer sentiment – that same unpredictability has seen Queensland's property market perform in ways that go against all of the economic predictions that were made early this year," explained Ms. Mercorella. "Real estate across the State has remained extremely stable with steady growth that continues to strengthen its appeal. Between record-low mortgage rates, low stock availability for sale, improvements in consumer sentiment and Queensland's lifestyle drawcard, we're likely to see broader increases in values in 2021."

Queensland's local affordability and lifestyle advantages place it as the most popular destination for Australians seeking to relocate. Over the past few years, the State has seen an unusually high net interstate migration. In fact, the impact of COVID-19 and the associated migration restrictions have had the smallest impact on Queensland's population growth to date, with strong interstate migration into Queensland set to continue. In 2019 Queensland had a net gain of nearly 23,000 people with Brisbane attracting 70% of those new interstate migrants. Over the same period, Victoria recorded the second highest at 9,900 people while New South Wales had a net loss of just over 22,000 people – its largest annual exodus in 10 years.

"While Queensland is famously known for being 'beautiful one day, perfect the next' thanks to the brilliant brand strategies employed by Tourism and Events Queensland, with the world of travel and tourism changing and people's priorities dramatically shifting as a result of COVID-19, our great State is more than just the weather that makes it such an incredible place to stay," said Ms. Mercorella. "With Queensland benefiting more than all other States and Territories from high interstate migration year in year out, the timing couldn't be more perfect to promote Queensland as the ultimate destination for home. With the significant long-term economic contributions it will bring, we can't afford to miss this opportunity."

-ENDS-

**Media enquiries:**

**Olivier Björksäter-Bleylock**

**Corporate Affairs Manager, REIQ**

**T: 0417 623 723 E: [objorksater@reiq.com.au](mailto:objorksater@reiq.com.au)**

Continues/...

## REIQ QUARTERLY QUEENSLAND MARKET MONITOR OVERVIEW

### GREATER BRISBANE

#### House Market (<2400m2)

With detached homes a backbone market for the Greater Brisbane region, properties collectively are positioned in the steady but rising sector of the price cycle. The Greater Brisbane region experienced a 1.0% rise in annual median price to September 2020 to reach \$535,000 across 27,581 sales. The Brisbane LGA saw its annual median increase 4.4% while Logan's was up 2.0%, Moreton Bay's rose 3.4% and Redland's increased 1.0%. The Ipswich median fell 0.7%. Logan's annual median was \$403,000, Moreton Bay's \$460,000, Redland's came in at \$530,000 and Ipswich had a \$350,000 median. In terms of price movement across the September 2020 quarter, Ipswich saw no price change while Brisbane and Logan's quarterly medians rose 1.4% and 0.8% respectively. Redlands quarterly median rose 1.0% while Moreton's increased 1.6%.

#### Unit Market

A slowdown in construction has seen unit supply tighten, which has resulted in firming prices. Even in the outer suburbs, development are down and developers are now land banking. Meanwhile, townhouses are proving popular because it's a kind of 'in between' property. Sometimes people can't afford a house, but they want a courtyard and maybe a small pet, so townhouses are a popular option. That said, the Greater Brisbane region saw its annual unit and townhouse median remain flat at \$390,000 across 8,906 transactions to the end of September 2020. The Brisbane LGA unit market saw its annual median rise 0.7% to \$418,000 to the end of September 2020 while the remaining LGAs saw mixed results. Ipswich's annual median had the most dramatic fall, recording a whopping 21.9% drop to reach \$211,000 across 207 transactions. Logan's units rose a modest 0.4% to a median of \$229,000 while Redland's saw a solid 6.1% gain to \$375,000. Moreton Bay's attached housing fell 1.6% to reach a median of \$314,000. Looking at the numbers for the September 2020 quarter only, Ipswich saw a substantial fall in its median, down 4.1% to \$195,000 across 44 transactions. Moreton also saw a drop, down 0.3% to \$310,000. Logan and Redland experienced quarterly gains with increases of 1.8% and 1.6% respectively.

### BRISBANE LGA

#### House Market (<2400m2)

The Brisbane LGA has achieved the unlikely. In the December 2019 QMM results, it broke through the \$700,000 property price tag for the first time right before COVID-19 struck, sending back into the high 600s. Well, it's time to celebrate once more, as analysis of quarterly and annual median price movements show Brisbane houses are in the rising phase of the price cycle, with median house price rising 1.4% in the September Quarter to record a result of \$720,000 across 2,751 transactions. On an annual basis, the detached house median price rose 4.4% to reach \$710,000 across 12,309 transactions. This takes into account the period during which restrictions began to ease as Queensland's infection rates fell.

Continues/...

## BRISBANE LGA (CONTINUED)

### Unit Market

A look at median price movements reveal unit values are steady, but still within the overall downward sector of the price cycle. Unit prices remained reasonably flat over the September 2020 quarter to recording a median of \$420,000 across 1,538 transactions. Over the past year, the annual median unit price rose 0.7% to \$418,000 across 6,556 transaction.

## GOLD COAST

### House Market (<2400m2)

Like many others around the state, property stakeholders on the Gold Coast had a far more successful run than they may have envisaged way back in March. It seems the drive for lifestyle over proximity to work has resulted in increased demand for housing in our glitter region. Our analysis shows the Gold Coast housing market has passed the bottom of the price cycle and is in a 'recovering' phase. And the results are looking good. In fact, the Gold Coast's annual house price rose 3.2% for the year to September 2020, coming in at \$640,000 across 6,959 transactions. Prices rose modestly over the September quarter too, reflecting a 0.8% gain to \$650,000 across 1,714 transactions.

### Unit Market

The unit market on the Gold Coast is proving attractive to owner occupiers. There are a number of high rises under construction by well-funded, well-established development companies like Sunland and Mosaic which are renowned for putting out a high-quality product. They're really targeting owner-occupiers and moving away from the holiday market. They're also producing larger units and getting good prices. Data showed the unit and townhouse median price rose 0.5% over the quarter, coming in at \$425,000 across 1,457 transactions. And for the year to September 2020, the annual median rose by 1.8% to \$420,000. This was across a total of 6,260 sales.

## TOOWOOMBA

### House Market (<2400m2)

Like pretty much every other major region around the state, Toowoomba has recorded strong market conditions over the quarter and over the year. In fact, the region's housing market is continuing to post strong demand from buyers with prices firming. One chief factor is that the region has experienced very few ill effects from the pandemic, with quarterly median house price growth recorded for each three-month period over the past year. The median house price in Toowoomba increased 1.1% over the September quarter to \$360,750 and posted a rise of 2.4% over the year. The region is also experiencing an influx of new residents from near and far – migrants from within Southeast Queensland are moving to Toowoomba with many more likely to arrive from southern States now the border has reopened. Many are shifting to the region for jobs, such as at the hospital or the pilot academy, while others want to be closer to family members if the border is ever closed again. First home buyers are also active in the market with many bypassing being a renter and moving directly into home ownership given low interest rates as well as government grants on offer.

Continues/...

## TOOWOOMBA (CONTINUED)

### Unit Market

The opposite of many other major regions around the State, the Toowoomba unit market has outshone its housing sector over the quarter and the year. The median unit price in Toowoomba increased by 1.8% over the quarter to be \$272,500, while it increased by a solid 4.1% over the year to make it one of the best performing in the state, according to QMM data. The affordability of units in the region is no doubt part of the reason for its strong results.

## SUNSHINE COAST

### House Market (<2400m<sup>2</sup>)

The Sunshine Coast has weathered the storm from the pandemic better than anyone could have predicted with all sectors of the market firing on all cylinders. A combination of factors is underpinning the region's property market, with major infrastructure projects, low interest rates, as well as already strong interstate migration, which is expected to strengthen even further. Noosa remains number one of all major regions across Queensland with an impressive 3.6% quarterly increase to \$895,000 and is the clear leader over the year with growth of 11%. While the charms of Noosa are well known, the remainder of the Sunshine Coast is also kicking serious property goals with quarterly growth of 1.8% and annual median house price rise of 5.3%. Its annual median is now \$611,000. The robust market conditions have continued over the September quarter, even with the Queensland border remaining closed. Enquiries from southern buyers have remained strong with many waiting for the border to reopen (which it now has at the time of writing). Perhaps unsurprisingly, lifestyle properties were in hot demand from buyers' post-pandemic, but all housing types were attracting plenty of potential buyers. However, the rising market conditions had caused some vendors to become overly optimistic with their sale prices. Those houses that are priced correctly are not lasting long on the market with buyers prepared to pay a premium to secure their slice of coast real estate.

### Unit Market

While plenty of other locations around the State have had sluggish unit markets over recent years that hasn't been the case for the Sunshine Coast. With many regions, including Brisbane, struggling to return to price points from five years ago, the coast unit market has made healthy price gains over the same period. The median unit price in Noosa has increased by a staggering 67% over the past five years while it has risen by 15.3% in the Sunshine Coast LGA. Over the quarter and the year, the two regions also posted solid median unit price increases. With many of the region's unit developments offering excellent positions near the coastline, as well as more affordable entry points, demand is expected to continue as well as strengthening prices.

Continues/...

## FRASER COAST

### House Market (<2400m2)

Both quarterly and annual median house price movements up to September 2020 indicate Fraser Coast values are steady within the rising sector of the price cycle. There's still a bullish energy in the air and momentum has certainly continued for houses in the \$500,000 to \$700,000 price range to the point where there's very few available now. In fact, all those listings that had been sitting on the market have now sold. And while the prices being achieved are certainly coming as a shock to locals, the price points available to buyers are very accessible on the Fraser Coast – if you can find a listing, that is. Based on the data, the annual median sale price for houses was \$328,500 across 1,698 transaction to September 2020 – a rise of 1.1% on last year's median price figure. The quarterly median house price to September 2020 was \$335,000 across 379 transactions and reflected an increase of 1.1% over the same period.

### Unit Market

Fraser Coast's unit market is moving toward its peak of the price cycle, but it's just come off a low base. In essence, there was little demand for units up until recently, but that's turned a corner with demand back on the increase which is great given the region experienced a decade of listings from developments that had gone into receivership. With a mix of both local and out-of-town buyers making up the demand, everything is changing – even resale prices are going up. Crunch the numbers and September 2020 data shows the annual median sale price for units was \$261,000 across 272 transaction, which reflects a solid 6.5% increase on the previous year's measure. The quarterly median unit price to September 2020 was \$256,250 across 59 transactions which reflected a 1.4% increase on last year's result.

## BUNDABERG

### House Market (<2400m2)

Bundaberg is among a raft of regional property markets that have performed well this year despite challenging circumstances. There's no doubt concern set in at the start of 2020 for markets across the state, and Bundaberg wasn't insulated from the anxiety. But as locations emerged from lockdown, and Queensland's hard borders proved successful in stemming the spread of COVID, our local economies began to operate once more. Analysis of both quarterly and annual median price movement indicate Bundaberg's housing is in the 'recovering' phase of its price cycle, reaching a median house price rise of 3.6% in the year to September 2020, coming in at \$285,000 based on 1,187 transactions. The region's September 2020 quarter median price was \$293,184 based on 283 sales. This was a 1.8% increase on the median price as compared to the previous quarter.

### Unit Market

Meanwhile, analysis of both quarterly and annual median price movements indicate Bundaberg's unit market is in the rising sector of the cycle and approaching its peak. The quarterly unit and townhouse recorded a median sale price for the September 2020 quarter of \$205,000 which was 1.6% lower than the previous quarter. The annual median for units to September 2020 was \$245,000 based on 215 transactions. This reflected no change on last year's result.

Continues/...

## GLADSTONE

### House Market (<2400m2)

The Gladstone property market continues to record robust results in its housing. The region's strong market conditions continued in the September Quarter with sales activity strong and prices rising. The Gladstone median house price increased 1.1% over the quarter to be \$303,500. Over the year, Gladstone's median house price has firmed up 2.9%. The market continues to record solid demand with multiple offers quite common. Confidence among local buyers is underpinning the vastly improved market conditions, with enquiries from interstate the feather in the cap more than the determining factor. Buyer enquiries is being fielded from Victoria, regional New South Wales, as well as Southeast Queensland with the motivating factors often jobs as well as housing affordability. Word on the street is any houses that offer little to do renovation-wise, three or four bedrooms, two bathrooms, a shed or room for a shed, are being snapped up quickly.

### Unit Market

The Gladstone unit market has yet to start its recovery in any significant way, with its median unit price steady over the quarter but down 5.6% over the year to be just \$170,000. The region's median unit price is the most affordable of all major regions across the State by some margin. The sector's relatively high body corporate fees continue to be an issue for potential buyers, but the strengthening rental market may see investors return. It's definitely a tale of two sectors in Gladstone, however, with its vacant land market out performing any other in the State. According to QMM, the vacant land median price increased 20% over the September quarter to be \$126,000. Over the year ending September, the vacant land price has increased 9.1% to be number one in the state as well. Demand for vacant land releases has been so strong that there were significant supply bottlenecks which was a turnoff for many first-time buyers.

## ROCKHAMPTON

### House Market (<2400m2)

People will tell you that 2020 is the best property year Rockhampton's had in a very long time. Of course, things have moved particularly fast this year, so while the available data is painting a positive picture of the market leading up the end of September, it's within recent months that things have really started firing. Rockhampton's house market has continued to strengthen this year with a rise in both annual and quarterly median values. The September 2020 quarterly median house price rose 1.5% to reach \$275,000 across 281 sales while in the 12-months to September 2020, houses recorded a median sale price of \$272,000 – which is a 6.7% increase on the previous year – across 1,145 transactions. Values are softer on the medium-term analysis, however. The current annual median house price is 7.8% lower than the same measure five years ago when it came in at \$292,000.

Continues/...

## ROCKHAMPTON (CONTINUED)

### Unit Market

The unit market in Rockhampton is relatively thin – although there’s been a recent shift in the appeal of attached housing in one location – there was a fair bit of development in the last few years along the riverfront and it was hard to resell units there, but that market is pretty strong now. In fact, the more premium units that come on the market are being literally snapped up straight away. The 12-month median unit price rose by a notable 5.5% to \$249,000 across 96 sales. The data also reflects a market with tighter supply. The total number of unit listings in Rockhampton for the 12 months to September 2020 was 228 – a 7.7% decrease on the previous 12-month period, which had 247 listings.

## MACKAY

### House Market (<2400m<sup>2</sup>)

The thing about market cycles is that they come and go – it’s just the timing of the ups and downs that can never be accurately predicted. And while the Mackay region has been waiting longer than it should have for improving market conditions, but it appears they have well and truly arrived. Over the year ending September, the volume of house sales increased by nearly 13% in Mackay. On top of the rising number of sales, the Mackay median house price grew by 6.0% over the period to be about \$365,000. With such a superior annual result, it’s secured Mackay a spot amongst the top performers of all major regions across the State for the year ending September 2020 – a mantle that’s been a long time coming.

### Unit Market

There was always going to come a time when the affordable price points of Mackay’s unit market saw that sector start to improve. Well, it appears that time may be starting to occur, with the median unit price increasing by 2.3% over the quarter to be \$225,000. Of course, only time will tell if these conditions continue, however, with price points likely below replacement value, coupled with a strengthening rental market, there are plenty of reasons to be more positive about Mackay’s unit sector. The best performing unit suburb over the year was North Mackay, which posted price growth of 27% to about \$216,000. Meanwhile, it appears that vacant land is back in vogue with buyers in Mackay with the numbers of sales increasing strongly over the September quarter. There were 60 preliminary sales of vacant land recorded over the period – an significant increase from the 23 recorded during the previous.

## TOWNSVILLE

### House Market (<2400m<sup>2</sup>)

The Townsville property market has continued its strong conditions over the September quarter. Indeed, the robustness of its housing sector saw it becomes the second-best performing major region in the State based on September results. However, like much of regional Queensland over the past decade, Townsville’s property market hasn’t been one to write home about. Its median house price has been clawing back previously recorded losses as each year passes to now be nearing parity to where it was five years ago. However, the situation may be set to change with strengthening market conditions and activity being recorded in the region. As mentioned, the region’s housing market is the second-best performer over the September quarter behind Noosa, with a 3.1% increase to \$338,000.

Continues/...



## TOWNSVILLE (CONTINUED)

### Unit Market

The Townsville median unit price may have recorded a flat result over the September quarter, but was up 2.2% over the year with the volume of sales also increasing. The annual median unit price is now \$250,000. Demand for units in North Ward has pushed that suburb's median unit price up significantly over the quarter and the year. The North Ward median unit price was up 4.3% over the quarter and an impressive 11.5% over the year ending September to \$300,000.

## CAIRNS

### House Market (<2400m<sup>2</sup>)

While the data might show a flat result for the September quarter in Cairns, the reality is much different with strengthening conditions well under way. In fact, the Cairns median house price recorded no change over the September quarter, remaining at \$430,000 with the quarterly change in sales activity also benign. However, the Cairns house market is performing better than these numbers suggest, with activity on the rise as well as multiple offers becoming more common. Actually, the market has been firming for several months, even with the Queensland border closed to Sydney and Melbourne. And, there has been a percentage of interstate buyers prepared to purchase remotely. However, much of the activity is derived from locals or from elsewhere around the State. The availability of cheap money from once-in-generation interest rates is a part of the reason for the market uptick but so is pent-up demand, low supply, and most people having more money to spend from no overseas holidays.

### Unit Market

The Cairns unit market has yet to experience the same robust market conditions, however, it also did record a flat result over the September quarter to be \$215,000. Sales activity was also flat over the quarter but had plunged significantly over the past year. The sector has long struggled with high body corporate rates which has put off many buyers. But with the rental market improving, along with yields, this could change. The region hasn't had any serious unit development for the best part of a decade which will likely impact supply, and potentially prices, if the market strengthens.