



**Westpac**

# Queensland

Property Report – January 2015

## National Overview

This quarter we asked Herron Todd White’s team of valuers to identify those suburbs ideally suited to upgraders. Despite differing market conditions around the nation, it is clear that upgraders often have remarkably similar aspirations when it comes to climbing the property ladder.

### FOCUS ON NEARBY SCHOOLS

The move to a second, third or even fourth home is often triggered by the needs of a growing family, so proximity to quality schools and family-friendly facilities is often at, or near, the top of an upgrader’s wish list.

This is certainly the case in Sydney, where the population growth zones north-west and south-west of the city are proving extremely popular among second and subsequent home buyers. With homes priced anywhere from \$500,000 to over \$1 million in prestige locations such as The Ponds, these areas of Greater Western Sydney will benefit from improvements to transport infrastructure and the development of new employment hubs such as the Western Sydney Airport.

It’s a similar story in Brisbane, where upgraders are favouring family-focused northern suburbs such as Ashgrove, Wilston, Bardon and New Farm. Price growth in Brisbane has hovered around 5-10% in the past 12 months, and if interstate migration picks up, we could see further long-term gains in value across the city.

### A CHANCE TO ENJOY MORE DESIRABLE LOCATIONS

Melbourne upgraders can take the opportunity to buy into one of the near-city suburbs that offer cosmopolitan living and charming character homes, such as South Melbourne, Thornbury, Williamstown and Essendon. The weak Australian dollar may stimulate further foreign investment in Melbourne, thereby supporting future capital growth.

In some areas, upgraders are taking advantage of increased home equity to trade up to more desirable locations. In Hobart, for instance, proximity to water frontage is a key drawcard, so we are seeing plenty of upgrader activity in waterfront locations such as Howrah, Sandy Bay, Lindisfarne, Bellerive and Blackmans Bay. It’s a similar situation in Adelaide, where the inner north-west suburbs between Croydon and St Clair offer nearby beaches and an easy commute to the CBD.



Melbourne upgraders can take the opportunity to buy into one of the near-city suburbs that offer cosmopolitan living and charming character homes, such as South Melbourne, Thornbury, Williamstown and Essendon.

In the Northern Territory, government incentives are enticing upgraders to consider brand new dwellings and units. This has underpinned the popularity of newer suburbs in Palmerston, including Durack Heights, Johnston, Zuccoli and Bellamack.

#### **THE APPEAL OF LOCAL EMPLOYMENT OPPORTUNITIES**

Not surprisingly, many upgraders regard local employment opportunities as an important location factor. In Perth, the opening of the new Fiona Stanley Hospital in Murdoch has stimulated upgrader activity in nearby Kardinya and Winthrop.

Upgraders are more experienced than first home buyers, and the buying trends we are observing suggest that many of today's upgraders are very selective about the area they buy into. As location remains a driving force of future capital gains, I am confident this considered approach will pay off over time.

Brendon Hulcombe

**CEO - HERRON TODD WHITE**



## Queensland



### Brisbane

In Brisbane's north, upgraders typically favour suburbs 5-10 kilometres from the CBD, including Ashgrove, Wilston, Bardon, New Farm, Ascot, Clayfield, Hamilton and St Lucia. These locations offer retail, restaurant and entertainment facilities plus reputable schools. Homes are of a high standard, often set on large allotments. In the northern suburbs, upgrader properties command prices of around \$800,000 to \$1.5 million.

To the south of the CBD, upgraders generally favour suburbs such as West End, Highgate Hill, Coorparoo, Norman Park and Camp Hill. These locations are well serviced by cafes and other amenities, and typical upgrader properties are priced from \$600,000 to \$800,000.

Over the past 12 months we have seen capital growth in the order of 5-10% for Brisbane. One of the key drivers for longer-term capital growth is likely to be interstate migration, which remains below historical averages.

### Gold Coast

The Gold Coast offers plenty of variety for upgraders, and in the \$500,000-\$650,000 price bracket purchasers could buy an older detached house in an established suburb such as Runaway Bay or Ashmore. These suburbs offer proximity to shopping centres, transport, schooling and the beach and Broadwater. For upgraders seeking a more modern dwelling, Coomera, Upper Coomera, Pimpama and Ormeau have new estates with high-quality homes priced under \$550,000.

At the southern end of the coast, the northern New South Wales beachside villages of Casuarina and Salt are proving to be very popular with upgraders, and beachside houses are selling for \$600,000 to \$750,000. This area has seen a significant flow of vacant land sales and plenty of new construction is now underway.

Gold Coast prices have firmed in the past 12 months with capital growth of up to 15%. We believe the market could firm another 5-10% over the next 12 months, supported by preparations for the 2018 Commonwealth Games, which are bringing significant infrastructure and development projects to the local economy.

### Toowoomba

The Toowoomba residential property market is ripe for upgraders as the area is enjoying the economic boost of the new Brisbane West Wellcamp Airport and the soon-to-be-constructed Toowoomba Range Crossing. Toowoomba offers a range of upgrader suburbs at various price points,

Over the past 12 months we have seen capital growth in the order of 5-10% for Brisbane. One of the key drivers for longer-term capital growth is likely to be interstate migration, which remains below historical averages.



from Centenary Heights, where the median price is \$320,000, to more-affluent eastern locations such as Rangeville, where the median price is \$515,000. The appeal of these upgrader suburbs is heavily influenced by lifestyle factors such as proximity to schools and shops.

## Sunshine Coast

As the Sunshine Coast property market recovers, upgraders are taking the opportunity to enjoy more bang for their buck. The typical price range for upgraders is \$600,000 to \$900,000, and preferred property types can vary from canal or lake front and beachside areas to rural properties located further inland.

## Fraser Coast

Upgraders are spoilt for choice on the Fraser Coast, with considerable supply across all price levels. Four-bedroom homes in close proximity to the Esplanade are priced from \$400,000 to \$600,000, while Dundowran Beach and Craignish have seen steady sales in the \$450,000-\$700,000 range. Demand is expected to remain consistent throughout 2015, and the completion of the Stockland Shopping Centre expansion and the new 96-bed St Stephen's Private Hospital is likely to underpin population growth and market confidence.

## Bundaberg

For Bundaberg upgraders on a tight budget, Thabeban offers established homes priced from the high \$200,000s. Kepnock, Kalkie, Avenell Heights and Avoca are a little further along the spectrum, ranging in price from around \$300,000 to \$350,000. These suburbs are all close to retail and healthcare facilities and the city centre. Prices are expected to remain stable over the next 5 years.

## Gladstone

With the first of the liquid natural gas (LNG) export ships docked in the Port of Gladstone, the local residential market appears to be showing early signs of recovery after a significant period of decline. Established modern dwellings are the preference of local upgraders, and suburbs such as Kirkwood and New Auckland offer modern 4-bedroom, 2-bathroom dwellings for under \$500,000.

## Rockhampton

Rockhampton's northern suburbs of Norman Gardens and Frenchville are the locations of choice for upgraders. These areas offer easy access to schools, healthcare, shopping and various sporting facilities. The Central Queensland University borders Norman Gardens. These suburbs feature modern homes typically priced at around \$450,000 to \$600,000. In the

With the first of the liquid natural gas (LNG) export ships docked in the Port of Gladstone, the local residential market appears to be showing early signs of recovery after a significant period of decline.

city's south, The Range and Allenstown offer older dwellings on generous allotments priced between \$450,000 and \$600,000. Job losses from the mining sector in the Bowen Basin have started to impact the Rockhampton market, with sales decreasing and prices starting to weaken in some areas. This may continue over the short term at least.

## Mackay

The Mackay residential market has been subdued on the back of a downturn in the mining industry. This has seen a reduction in upgrader activity, though quality modern dwellings are now priced from around \$500,000 to \$600,000 and many offer better value than the region has seen in the past 8 years. Fully renovated Queenslander homes in Mackay's inner southern suburbs are priced from \$450,000 to \$500,000. The decline in the mining sector is impacting some property markets within Mackay.

## Whitsundays

Upgraders in the Whitsundays have a good supply across all price levels. First home owners can upgrade to larger 4-bedroom, 2-bathroom homes on acreages or existing dwellings with views over the district and ocean priced from \$450,000 to \$700,000.

## Townsville

Townsville's middle-class suburbs of Douglas, Idalia, Annandale, Kirwan, Bohle Plains and Mount Louisa all offer modern homes in new subdivisions featuring parks, walking paths and suburban shopping centres. Many of these locations are within close proximity of major employment hubs such as James Cook University, Townsville Hospital and Lavarack Army Barracks. Median prices for upgrader properties are around \$400,000 to \$450,000. Prices have remained stable over the past 12 months, and reasonable capital growth is expected over the medium to long term.

## Cairns

There are two types of upgraders active in the Cairns market: the local upgraders already resident in Cairns, and the migrant upgraders relocating from elsewhere. Among locals, popular areas include Redlynch and Brinsmead, where median house prices sit at about \$450,000. These suburbs offer proximity to the CBD, rainforest mountain outlooks and good local services. The northern beaches area appears to be the most popular among relocating buyers, and median house prices range from around \$450,000 in Trinity Beach to \$700,000 at Palm Cove. Property prices in Cairns have crept up over the past 3 years, at a typical rate of up to 5% annually. We anticipate price growth to accelerate to around 10% in 2015.



Local expertise.  
National strength.  
Trusted solutions.

Herron Todd White is Australia's leading property valuation and advisory group. For more than 45 years, we've given our customers peace of mind and the confidence to make good-decisions for their vital property investments. Whether you are buying or selling, expert independent advice is the smartest property investment you can make.

Liability limited by a scheme approved under Professional Standards Legislation. The scheme does not apply within Tasmania.