

Price time bomb tipped

Phil Bartsch

SOUTHEAST Queensland home prices are a "ticking time bomb" set to blow out as Australia faces a worsening housing affordability crisis, it has been claimed.

The cost of housing in the southeast is predicted to soar over the next decade as a result of high migration rates and government moves to restrict urban sprawl.

Gold Coast-based property analyst Colleen Coyne said the two housing pressures were on a collision course that would send property prices skywards.

Ms Coyne said restrictions on de-



veloping outside urban areas, and the promotion of sustainable housing, had limited the development industry's capacity to provide affordable housing on the urban fringe.

"With more people set to move to the region and require housing, and the impact government measures are already having on the cost of real estate in southeast Queensland, the outlook for those trying to enter the market in the medium term is not good," she said.

Ms Coyne said Queensland's continuing high migration rates would also have a huge impact.

"Over the past two decades, housing prices have leapt in line with a jump in migration rates in southeast Queensland," she said.

"This issue will become more pronounced as the demographic time bomb of the baby boomer generation

entering retirement over the next decade begins.

"We would expect to see an influx of workers to fill the gap, particularly from overseas, as baby boomers leave the workforce.

"Coastal areas will still be popular with retirees, although net interstate migration may be adversely affected if property prices are driven to similar levels as the southern states, making the seachange shift less attractive."

Meanwhile, new figures to be released next month are expected to confirm Australia's housing affordability crisis is worsening.

Queensland already has the second-most acute housing shortage – the

catalyst for escalating property prices and rents – in the country after New South Wales.

Australia's housing shortfall has previously been variously estimated at between 85,000 and 140,000. Within three years, it has been touted to reach 200,000, and by 2018 as high as 325,000.

Former ANZ chief economist Saul Eslake hinted that new figures would "revise estimates upwards".

"Australia does have an ongoing housing affordability problem, which on present indications is likely to get worse as house prices and rents rise and as interest rates continue to rise," he said.