

Brisbane Tipped To Take Off

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By: Staff Reporter

Brisbane's property market is offering strong potential to investors according to a report by Place Estate Agents.

Lachlan Walker, Place Estate Agents researcher, said Brisbane's affordable pricing, comparative to other east coast capitals, was one factor expected to drive interest in the city's market.

Certainly, yesterday's figures from Australian Property Monitors showed Brisbane is now the most affordable mainland capital city, with a median house price of \$448,669.

This compares to median prices of \$643,713 in Sydney and \$563,397 in Melbourne.

In addition to affordable prices, Mr Walker said yields in Brisbane, particularly apartments, were also attractive.

"Brisbane apartments are currently able to provide between 5 and 6 per cent return on investment given its increasing undersupply."

According to Place's report Brisbane is expected to face a growing undersupply of dwellings as the population is forecast to grow by one per cent per annum over the next 20 years.

"Considering Brisbane's predicted population growth, there is a forecast need for 138,000 new infill apartments, equating to a need for 17 apartments delivered per day," Mr Walker said.

"This demand has never been serviced historically, and given the finance constraints and development approval processes, this is unlikely to occur moving forward. The result will be an undersupply of residential dwellings in Queensland's capital city."

Based upon historic property cycles, the report also suggests Brisbane is due for an upswing.

"Based upon historic property cycles, Brisbane has on average been approximately two years behind the larger Australian markets of Melbourne and Sydney," Mr Walker said.

"Given that both Sydney and Melbourne have entered periods of robust growth during the past 12 months, recording a median price growth of 17 per cent and 11 per cent respectively, Brisbane is likely to follow suit in the short term."

Mr Walker said that the best time to buy was during a period of market weakness.

"The greatest returns, and individual fortunes, have their roots in real estate down turns," he said.

"The opportunity to buy in a subdued market is greater and growth achieved is generally above average as a result."