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Regional centres set Qld property pace

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Queensland's coastal and southern regions have defied predictions of doom and gloom to post median price rises over the December quarter.

The Real Estate Institute of Queensland (REIQ) December quarter median house prices show that regional centres from Bundaberg to Townsville all recorded median price rises of between 1.5 to 2.9 per cent over the December quarter.

Southern regional Queensland also performed well with the Southern Downs, the Scenic Rim and Dalby recording median price growth of between 4.2 to 6.7 per cent.

"Despite all the doom and gloom predictions, particularly from southern scribes, the Queensland property market has held up remarkably well considering what we have all experienced over the past year," REIQ chairman Peter McGrath said.

While small median price drops were recorded across the southeast, this can be attributed to the increase in affordable house sales as first home buyers returned to the market.

"After years waiting on the sidelines as house prices and interest rates escalated, and housing affordability consequently dropped to historic lows, thousands of first-time buyers are making the most of stable house prices and the current interest rate environment," Mr McGrath said.

More than 6,500 Queensland first-time buyers entered the market between mid October, when the First Home Owner Boost was introduced, and the end of January.

REIQ figures show about 81 per cent of house sales across Queensland were for properties under \$500,000 in the December quarter, up from 75 per cent six months before.

As the composition of sales has changed, with more activity in the affordable price range, the median - or middle sale - will be lower.

Toowoomba's mantle as the most affordable major regional centre in Queensland has helped it record an increase in sales numbers over the period.

Its median house price is now \$256,000.

Acreage homes continue to perform well, with Brisbane, Moreton Bay, the Gold Coast, Toowoomba, the Fraser Coast, Rockhampton and Mackay all recording median price growth of between 2.5 to 9.2 per cent over the quarter.

Acreage homes historically make up 10 per cent of house sales in Queensland and this percentage remains steady.

Investors are also starting to make a return to the market as historically low interest rates improve yields.

"Given the continued tight rental market, there are signs that renters are staying in their homes longer, which is good news for investors who rely on regular rent to meet loan repayments," Mr McGrath said.

Investors who have yet to return to the market may find that first home buyers have bought all the affordable stock.