

Property industry cautiously optimistic for 2013

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After a year of fluctuating confidence, cautious optimism for the next 12 months is emerging in Queensland's property industry, according to the Property Council of Australia-ANZ Property Industry Confidence Survey for the March 2013 quarter.

The latest research revealed an 8 point rise in Queensland confidence to 104 on the index, compared to 96 in the December quarter. The Australian average was 107, up 5 points. A score of 100 on the index is considered neutral.

The survey polled more than 3000 professionals from the property and construction sector in all states and territories for their forward-looking views.

The past 12 months have been unfamiliar territory for the property industry in Queensland and the sector's unease was demonstrated through peaks and troughs in confidence, Queensland Executive Director of the Property Council of Australia, Kathy Mac Dermott says.

"Major changes at State and local government level, the September Queensland State Budget, volatility in international economic markets and conflicting information around the resources boom have made for an extremely tough year for the industry," Ms Mac Dermott says. "These most recent results show Queensland, while very cautious, is beginning to recognise the opportunities for green shoots in 2013."

"House price growth over the next 12 months saw a significant surge in confidence, marking the 2nd consecutive quarter of positive growth and the highest levels of optimism since the survey's inception." "The 12-month outlook for capital values in the retail, tourism and office sectors also saw a slight lift in confidence."

ANZ Head of Property Research, Paul Braddick, says the mining and tourism industries continued to drive regional variation in economic growth.

"The outlook for the Queensland property market and economy appears vulnerable, with softness in labour-intensive sectors of the state economy driving sharp increases in the Queensland unemployment rate in the second half of 2012," Mr Braddick says.

"The survey results show the net balance of Queensland respondents expect state economic growth to slow and staffing levels to be lower in the year ahead."

Ms Mac Dermott says survey respondents cited their biggest impediments to doing business as domestic and global economic conditions followed closely by the Federal and state political environments.

"The results clearly demonstrate the need for Government to continue to address the barriers within our planning system and to tackle the issues of tax reform and infrastructure

investment,” Ms Mac Dermott says. “This year we will continue to advocate for the 3 Keys to unlock Queensland’s engine room and promote capitalising on the opportunities for the sector.” Visit the website at www.qldengineroom.com.au to find out more about the "3 keys and read the facts about the contribution of the property industry to Queensland’s economy.

