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Regional Queensland back on the growth path with sustained momentum



Just over a year ago I started pushing an argument for investment in Queensland regional centres [like Cairns, the Sunshine Coast and Hervey Bay](#).

It seemed like a big call because those locations – and others with similar CVs – had been poor performers in the previous three, four or five years.

But with hotspotting the future is the most important thing and the past is often irrelevant – because, in real estate, things change.

Cairns, the Sunshine Coast and Hervey Bay had several things in common. They had struggled in recent times because their economies were dependent largely on tourism, which is volatile at the best of times and had been through a rough patch. Their

property markets had suffered badly from oversupply and prices had gone backwards.

But it was apparent in the early part of 2013 that important changes were happening. The previous surpluses had been largely soaked up. Tourism was improving. Local councils were working hard to diversify their local economies and find ways to attract new business.

And, most importantly, big money was being directed into significant new infrastructure. Growth was on the way back to these coastal cities.

The latest quarterly Market Monitor from the Real Estate Institute of Queensland confirms that these locations, and a couple of other coastal cities, are back on the growth path.

In the March quarter the median house price for Cairns rose 5.6%, the Fraser Coast (Hervey Bay) was up 3% and the Sunshine Coast rose 2%. Other growth was recorded in Rockhampton (3%), Townsville (2%) and the Gold Coast (4%).

As I have often pointed out, median prices can be a dodgy way to gauge markets. But when all data is pointing in the same direction, you can start to believe it. Particularly when other research arrives at the same conclusion.

That other research is our charting of sales volumes, which show that many [Queensland regional markets have strong forward momentum](#), headed by Cairns, the Sunshine Coast and the Gold Coast, and followed by Hervey Bay and Townsville.

Another Queensland regional market that's had my vote in recent years [is the inland city of Toowoomba](#), and this is another location moving in a positive direction.

In many ways, Toowoomba has been the success story of Queensland real estate in recent times. Market Monitor published data on the percentage of recent sales which made a profit and Toowoomba led the state for houses with a 95% success rate, ahead of Brisbane at 95% and Rockhampton on 87%. It also led the field for units, with 92% of sales making a profit.

Toowoomba also has a low vacancy rate, at 1.4%, is the fastest-selling region in terms of average days on the market and recorded an 8.2% rise in its median house price over the year to the end of March, with the unit median up 6%.

These regional Queensland cities are poised for a sustained period of growth, boosted by population growth, growing economies and, above all, infrastructure spending.