

Property market returns to form

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Queensland's residential property market has shown its staying power over the June quarter with increasing sales and median house price growth in many areas.

After an uncertain year, the latest Real Estate Institute of Queensland (REIQ) median sales data shows a return to form for the State's property market.

"We are cautiously optimistic that the worst is behind us. These really are solid results in what have been very weak economic conditions," REIQ managing director Dan Molloy said.

The REIQ June quarter median house prices show sales volumes up significantly in many areas.

Compared to the March quarter, preliminary sales numbers are up about 28 per cent in Brisbane; about 17 per cent on the Gold and Sunshine coasts; 14.5 per cent in Rockhampton; 20 per cent in Townville; and about 18 per cent in Cairns.

Bundaberg was the top performer of any Queensland major centre over the June quarter with a very healthy 6.8 per cent median house price increase to \$283,000. Logan also performed extremely well over the year to post a 9.7 per cent median price increase to \$340,000.

"Bundaberg and Logan has both benefited from having a variety of stock available - from affordable homes for first home buyers to mid-range properties attractive to up-graders," Mr Molloy said.

While first home buyers have remained active over the quarter, there has been increased demand from up-graders and investors who are equally keen to take advantage of the current market conditions.

"The low interest rate environment, stable prices and rising consumer confidence have certainly spurred market activity," Mr Molloy said.

"And while median prices have risen in many areas over the June quarter, prices have either regained any ground lost over the past year or found their new level."

First home buyers represented about 25 per cent of the Queensland property market in June, up dramatically from just 14 per cent a year ago. First home buyers are likely to return to their historical average of about 20 per cent once interest rates move from their current low level.

Strong underlying demand from an increasing population and comparatively affordable property prices - especially in regional areas - are likely to continue to underpin the

State's property market over the year ahead.

REIQ figures show about 78 per cent of house sales across Queensland were for properties under \$500,000 in the June quarter, down from 81 per cent the previous quarter.