

South-east Queensland is booming, as Victorians upped sticks and left

Victorian population decline

As Melbourne heads passed a cumulative 230 days in lockdown, there has been evidence of internal migration away from the state of Victoria.

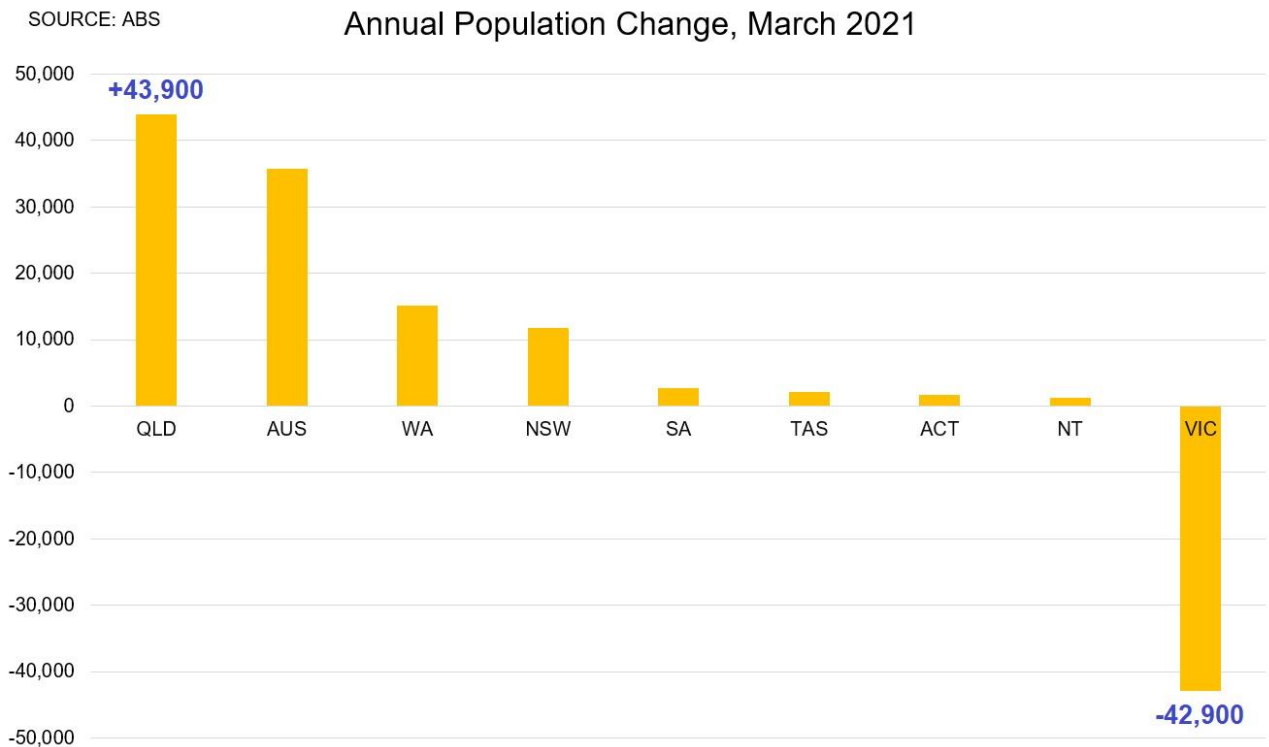
Pete Wargent, co-founder of Australia’s first national property buyer’s agency network BuyersBuyers said there has been a marked shift towards southeast Queensland’s coastal and lifestyle locations.

“While state borders have not always been open, even by the end of March there was a significant swing in population away from Victoria, reversing the internal migration trends towards Victoria prevailing in recent years. Queensland has had relatively few restrictions over the past 18 months, and when the opportunity has presented itself, residents have headed for the Sunshine State” Mr Wargent said.

Australian Bureau of Statistics figures showed that Queensland’s estimated resident population increased by 43,900 over the year to March, while Victoria’s population fell by 42,000.

Doron Peleg, CEO of RiskWise Property Research said, “the main population growth hubs in the state are Greater Brisbane, Gold Coast, and Sunshine Coast, all of which have been busy locations in recent months.”

Figure 1 – Annual population change by state, March 2021



Mr Peleg said “we can see the impacts directly in the respective rental markets of the two states. In Brisbane, the rental vacancy rates has continued to tighten to below 1½ per cent, while Gold Coast and Sunshine Coast both have exceptionally tight rental markets”.

“This is not the case in Melbourne, however. The inner regions of Melbourne have vacancy rates running at around 5 to 6 per cent”.

Figure 2 – Rental vacancy rates in inner Melbourne

SA4 Region	Vacancy rate
Melbourne Inner	6.6%
Melbourne Inner-East	6%
Melbourne Inner-South	5%

Source: RiskWise, CoreLogic

“The high vacancy rates in inner Melbourne have been exacerbated by the absence of international students and tourists, and as expected we have seen declining rents. Investors in Melbourne should expect and be prepared for low rental yields at least for the coming year” Mr Peleg said.

Figure 3 – Declining rents in Melbourne

SA4 region	Suburb	Postcode	Median suburb rent	12m Change
Melbourne – Inner	Fitzroy	3065	\$495/week	-11%
Melbourne – Inner-East	Balwyn North	3104	\$500/week	-10%
Melbourne – Inner	Fitzroy North	3068	\$450/week	-9%
Melbourne – Inner	Cremorne	3121	\$510/week	-7%
Melbourne – Inner-East	Burwood East	3151	\$430/week	-6%

Source: RiskWise, CoreLogic

Despite the shifts and the impacts on the rental market, property prices are rising in both states.

Co-founder of BuyersBuyers Pete Wargent said that total property listings are extraordinarily low, and this has seen housing prices push higher.

“Even in Melbourne, where the housing market is almost in an induced coma at the moment due to restrictions on open homes, we’re still seeing some exceptionally strong results, and we expect that to continue in a renewed wave when restrictions are finally lifted.”

“The dynamics in southeast Queensland are a different matter entirely. The whole region from Noosa to the Tweed is booming, and our buyer’s agents are running at a very high capacity right now. The biggest challenge for buyers is sourcing stock, with properties selling exceptionally quickly.”

“Buying pre-market or off-market if you can, is a great advantage in this type of market” Mr Wargent said.

“We’ve been very active in suburban Brisbane, where investors are coming back into the market, seeking detached houses with solid yields, and the potential to add future value. But actually demand is roaring up and down the entire coastal strip” Mr Wargent said.

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