

## News Release

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### Settling in the Sunshine State

Internal migration and relative affordability through the pandemic have driven both investment and population increases across Queensland, according to the latest ANZ CoreLogic Housing Affordability report.

Queensland had the highest annual rate of population growth of the states and territories over the year to March 2022 at 1.8 per cent - an increase of around 92,000 – the highest since 2012. The rise reflected record interstate migration combined with fewer people choosing to leave the state.

The relative affordability of housing in Brisbane and across Queensland, compared with other capital cities, could also have been a contributing factor driving higher migration to the state through to early 2022, resulting in the lifting of property prices.

ANZ Senior Economist Felicity Emmett said: “The drivers of a soft rental market at the onset of COVID-19, including closed international borders, reduced interstate migration and job loss have now reversed. For Queensland in particular, greater relative affordability and a desire for more space through the pandemic drove a shift to lifestyle markets and higher-than-usual interstate migration in 2021.

“Increased rents are the result of demand and supply factors. Stronger demand for rentals from migration and higher levels of household formation, coupled with limited levels of rental supply, have driven vacancy rates to record lows, and resulted in declining rental affordability across the state,” Ms Emmett said.

While rents have been rising strongly across the country, Brisbane saw the highest increase in capital city house rents in the year to October 2022 at 13.6 per cent. Across the rest of Queensland, rents increased the highest of any other combined regional market over the year, with an 11.7 per cent rise in house rents and 13.3 per cent increase in unit rents.

For buyers, Queensland housing values soared 42.7 per cent between August 2020 and June 2022 following a long period of price stability through the 2010s. This sharp lift in prices over the course of 23 months was the fastest observed in more than two decades across Queensland.

While a range of market factors have become more favourable for home buyers in Queensland this year, with dwelling values down 5.5 per cent since a peak in June 2022, the sharp rise in interest rates has pushed up the cost of servicing a mortgage.

Eliza Owen, Head of Research at CoreLogic Australia, said the factors driving rents and house prices must be balanced against the social challenges of affordability for buyers and renters.

“Queensland has long been a top destination for Australians moving around the country, it has so much economic diversity and the Brisbane Olympic Games will only add to growth and prosperity. It is key that housing supply keeps up with the growth of the state, so affordability constraints don’t deter people moving there or erode the lifestyle of the Sunshine State,” Ms Owen said.

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