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HOMING IN ON OPPORTUNITY

Courier Mail, Brisbane

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HOMING IN ON OPPORTUNITY

PRICES IN THE SOUTH EAST SET TO LEAP

EXCLUSIVE

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REAL ESTATE REPORTER

HOUSE prices in the Olympic City could skyrocket by more than 100 per cent by the time Brisbane hosts the Games, with experts urging investors to get in to the market now to cash in on financial gold.

Woolloongabba, Hamilton, Herston, Coomera and Bokarina have been revealed as some of the smart suburbs to buy into, with infrastructure upgrades, fast-tracked transport projects and double-digit property price growth expected within a year of this week's historic announcement.

PRD Research predicts Brisbane's median house price could surge 112 per cent to \$1.6m by 2032, based on comparisons with the lead-up to other international events hosted in the city such as the G20 summit and Expo 88.

PRD compared median house prices from 11 years prior to the event, quoting 12 years' growth to include the year after the event, to allow

for a fairer comparison to Olympic 2032 timings.

In the suburbs surrounding these events, house prices grew on average by 335 per cent in the 12 years before Expo 88, while unit prices grew 153 per cent.

In the 12 years leading up to the G20 Summit in 2014, house prices in suburbs surrounding the event grew on average by 82 per cent, while units spiked by 110 per cent.

"Based on what happened to prices when Brisbane hosted other international events, current available government support for home ownership, and our 'bubble' from international demand, now would be an extremely advantageous time to invest in Brisbane," PRD chief economist Diaswati Mardiasmo said.

"If we base our predictions from 12 years after the announcement of the event, which is one year after the

event was held, there is immense price growth to be had. It looks like we will be a \$1m city sooner than later."

PRD has also looked at the suburbs where Olympic infrastructure is proposed and compared property price growth in the past decade to determine how much those areas could grow in the coming 10 years.

The analysis shows double-digit growth at least is on the cards, with Hamilton recording 100 per cent growth over house prices in the past decade.

"It would be a smart investment decision to capitalise on (the Olympics by) getting into one of these markets now in preparation," Dr Mardiasmo said.

Place Advisory researcher Connor Read said he expected inquiries for property to spike in the immediate wake of the announcement – particularly from international investors.



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“The Games will place more eyes than ever before on Brisbane and people will be drawn to the lifestyle, livability, and affordability in comparison to Sydney and Melbourne,” Mr Read said.

But he said significant increases in home prices might not happen until transport infrastructure announcements were made.

“I think it’s worth people analysing where they think long-lasting, connecting transport infrastructure is going to be built,” he said.

Data following the Sydney Olympics in 2000 shows that the median house prices rose more than 140 per cent over the next 10 years – from \$188,000 in 1993 to 454,250 in 2003.

“The year after Sydney Olympics 2000, the number of sales in Newington and its surrounding suburbs increased by 58 per cent, and median house price increased by 13.4 per cent,” Dr Mardiasmo said.

“With lessons learnt from Sydney and how Brisbane prices have travelled over the past 18 months, it wouldn’t be surprising to see a similar trend.

“We might see property demand frenzy the year prior and after the Olympics, giving us double-digit growth.”

Local developer Rob Gray of Graya said he expected “a rush to get into the market” and double-digit price growth in the next 12 months as a result of Brisbane winning the Olympic bid.

“I think every landholder should be cheering,” Mr Gray said. “I think there will be a 12-month spike and then it will slow for a few years after that, then start again closer to the lead-up.”

He said the money would

likely come from “interstate people with bigger wallets”.

Colliers director of residential Andrew Scriven said the winning Olympic bid coupled with unprecedented low interest rates and solid interstate migration would change the landscape of the southeast Queensland property market.

“This means that property prices will continue to grow at rates above their historical averages, making it a good location for investment and development activity,” Mr Scriven said. The obvious candidate for an uplift in buyer demand and property prices is Woolloongabba, where the proposed billion-dollar overhaul of The Gabba stadium will be the epicentre of Olympic activity.

Hamilton northshore will also benefit as it’s one of the largest and closest inner-city areas with the capability for major development in Brisbane.

Mr Read said while investors had generally shied away from apartments in Portside Wharf because of the lack of connectivity, that would likely now change.

“With the limit for transport from athlete villages to major stadiums being 20 minutes, you would expect that this area will see an upgrade in public transport, which will increase liveability for Portside residents and, in turn, home values,” he said.

Meanwhile the median house price in East Brisbane is predicted to surge past \$1m in the coming months in the wake of the Olympic Games announcement.

GO FOR GOLD

THE SUBURBS SET TO BENEFIT FROM BRISBANE 2032 OLYMPICS

SUBURB	2011	2021	%
BRISBANE			
Hamilton (h)	\$824k	\$1.65m	100%
Chandler (h)	\$1,04m	\$1.6m	54%
Woolloongabba	\$623k	\$951k	53%
Redland Bay (h)	\$450k	\$638k	42%
Ipswich (h)	\$325k	\$435k	34%
Herston (h)	\$697k	\$908k	30%
Spring Hill (h)	\$950k	\$1.15m	21%
GOLD COAST			
Coomera (h)	\$353k	\$550k	56%
Broadbeach (u)	\$463k	\$625k	35%
SUNSHINE COAST			
Alexandra Hd	\$570k	\$1.11m	95%
Twin Waters (h)	\$651k	\$1.01m	65%

(Source: PRD Research)