

Predictions based on history

THE Property Price Predictor report offers forecasted medians for suburbs in three, five and 10 years, based on past growth rates.

Australian Property Monitors, which compiled the statistics, has been a market leader in online property sales information for the past 20 years, providing data services to banks, real estate agents, property developers, government agencies, media and consumers.

The three, five and 10-year forecasted percentages are based on what a suburb has historically done, and no other economic factors have been taken into consideration when calculating the forecast prices.

It's simply what your area would be worth if it went up for the next three, five and 10 years at the same rate as it has over the past decade.

The figures also don't take into account variables such as planned subdivisions or new transport routes.

"For example, for the three-year period, that percentage is the constant annual growth rate that would have to be applied to the median price three years ago to get to what the median is right now," APM economist Matt Bell said.

"The same process was applied with the five-year and 10-year forecast percentages.

"At a suburb level, it's very hard to do predictions beyond the first year, so when we get into the longer-term outlooks, we just look at historically what they've done over the same time period.

"With the 10-year percentages, people could say that it might change, and that's very true. But I'd like to

think 10 years has covered multiple property cycles, so it's a decent average. But there are going to be some cases where it's just a boom and that boom isn't going to last forever."

Suburbs with too few sales for the specified time frame were not included in the report because they were considered "statistically not reliable" (SNR) - and have therefore been omitted from *The Sunday Mail's* list.

The forecasted growth rates and median prices are based on previous trends and are obviously no guarantee your suburb is going to be worth this price. You should always consult your local agent or a valuer before buying or selling.

But it's still an interesting exercise to get some idea of the potential future of property prices in our state.

4217	Surfers Paradise	134	\$900,000	\$578,571	\$668,041	\$2,063,694
4218	Broadbeach Waters	185	\$820,000	\$988,824	\$1,067,302	\$2,744,490
4218	Mermaid Beach	57	\$970,000	\$940,900	\$1,025,504	\$3,136,333
4218	Mermaid Waters	190	\$610,000	\$729,608	\$787,513	\$1,714,747
4220	Burleigh Heads	113	\$517,500	\$563,803	\$588,585	\$1,486,367
4220	Burleigh Waters	283	\$525,000	\$602,459	\$664,157	\$1,468,043
4220	Miami	95	\$500,000	\$561,798	\$632,911	\$1,700,680
4221	Elanora	235	\$490,000	\$544,444	\$600,250	\$1,297,838
4221	Palm Beach	207	\$515,000	\$576,576	\$633,751	\$1,617,226
4223	Currumbin	27	\$530,000	\$564,056	\$405,632	\$1,699,335
4223	Currumbin Valley	26	\$730,000	\$819,846	\$813,588	\$1,962,799
4223	Currumbin Waters	161	\$465,000	\$533,889	\$566,776	\$1,235,571
4224	Tugun	74	\$439,000	\$470,051	\$528,003	\$1,205,260
4225	Coolangatta	20	\$626,000	\$750,002	\$753,608	\$2,278,349
4226	Clear Island Waters	77	\$850,000	\$969,799	\$1,111,538	\$1,952,703
4226	Merrimac	124	\$402,250	\$473,807	\$513,667	\$951,794
4226	Robina	358	\$500,000	\$526,316	\$581,395	\$1,152,074
4227	Reedy Creek	137	\$587,500	\$670,206	\$802,689	\$1,612,880
4227	Varsity Lakes	299	\$450,000	\$500,000	\$516,911	\$997,537
4228	Tallebudgera	57	\$700,000	\$820,084	\$907,407	\$2,112,069
4228	Tallebudgera Valley	15	\$720,000	\$810,000	\$891,871	\$2,217,754

Millionaires Row suburbs are set to spring up

Mitch Gaynor

MOVE over Millionaires Row, and make way for the Millionaires State.

In just 10 years, Queensland could be awash with hundreds of suburbs where homeowners can boast of their own patch of million-dollar real estate.

The only problem is, they are forecast to be joined by tens of thousands of other residents, across 577 postcodes, where the median house price will be at least \$1 million.

New figures released to *The Sunday Mail* by property analyst Australian Property Monitors show hundreds of suburbs from Collinsville, northwest of Mackay, to Capalaba in Brisbane's east and Coolangatta on the Gold Coast, will be in the million-dollar bracket by 2020.

On top of that, 54 regions could be able to crow about \$2 million-plus houses, including Dutton Park in Brisbane's inner-south and Minyama on the Sunshine Coast.

House prices are expected to rise an average 11 per cent across the state over the next decade, with prices being driven by demand exceeding supply and strong economic growth, particularly in resources.

APM chief economist Matthew Bell said he believed there was little risk in reaching the forecast prices, which were based on growth rates recorded over the past decade.

Mr Bell said the greatest risk to reaching seven-figure prices would be if incomes did not grow to meet property values.

"People will look at these numbers and say: 'Wow, I'm never going to be able to afford a \$2 million house in the suburbs'," Mr Bell said.

"People always think there is a ceiling on affordability, but it's just maths and if incomes are rising and allowing people to afford it, then it's just a relative price and I have no doubt that in 10 years when we're



talking about \$1 million properties, it will be the same as when we talked about \$500,000 properties."

But property analyst Michael Matusik said there was a danger in looking to the past when forecasting prices.

"We got away with murder, financial and investment-wise (in the past decade)," Mr Matusik said, adding that undersupply and government stimulus packages had decreased affordability.

He said people were "entering a more frugal mindset" due to higher costs from food to petrol and increasing interest rates. "We will see a lot less largesse."

The new figures come as a poll of investors showed Brisbane as one of the most overpriced cities in the country. Only Sydney fared worse.

Prices in Brisbane have increased by about 11.7 per cent a year in the past decade. Wages have increased by only 4.5 per cent.

What do you think? Email us at yournews@thesundaymail.com.au or write to GPO Box 130, Brisbane, 4001.