

Sophie Foster July 21, 2023 - 2:53PM

Queensland home prices, rents on the rise as rate peak nears: NAB



More signs confidence in the Queensland property market has swung in a positive direction, with the latest Big Four bank survey now expecting house prices to rise in the next two years.

Property professionals in the last NAB survey now expect home prices to rise across Queensland, flipping falls that were forecast last quarter.
Picture: NCA NewsWire / John Gass

More signs confidence in the Queensland property market has swung in a positive direction, with the latest Big Four bank survey now expecting house prices to rise in the next two years.

Property professionals on average see Queensland home values rising 0.6 per cent in the next 12 months (-2.7pc forecast in Q1), with longer-term expectations now at 1pc (-0.9pc forecast in Q1), according to the NAB Quarterly Australian Residential Property Survey Q2 2023.

NAB group chief economist Alan Oster said migration and the approaching end of interest rate rises were key factors impacting sentiment right now.



Increased levels of migration were expected to keep home prices and rents at elevated levels.

“Migration has picked up so there are a lot more people coming here,” he said, “and people are thinking that interest rates are pretty close to the top of the cycle, and therefore they’re getting into what they think they can deal with, and now’s not a bad time to buy.”

He said Brisbane was still plagued by significantly low numbers of actual transactions in terms of auctions and private treaty sales.

“That could mean that there are not a lot of alternatives around and people are more reluctant to actually sell if they haven’t got somewhere good to go to,” he said.

And Mr Oster warned “the full effects of those rate rises haven’t fully come through yet and so they’re still going to cause some grief”.

The survey found property professionals expected rents in Queensland to continue to rise at above average levels – up 2.9pc in the coming year, and 3.2pc in the next two years.

A massive 92 per cent of those surveyed said the Queensland rental market was either somewhat (15pc), quite (22pc), very (27pc) or extremely (28pc) undersupplied.

Only Western Australia (100pc) and South Australia (94pc) were believed to be in a worse undersupplied rental market position.

Queensland saw the highest level of new property sales to Australian investors in the Q2 report, at 17.5pc of market share, while foreign buyers rose to 10pc (7.5pc in Q1)



NAB is watching for rises in investor credit levels for housing. Picture: NCA NewsWire / Glenn Campbell.

But Mr Oster said “if you look at investor credit for housing, it’s not grown very much at all in the last 12 months (nationally)”. “It just means that there are more problems with rents (ahead) and we’ll just see what happens as they go forward”.

Local investors made up 15.8 per cent of total sales in the Queensland established housing market, with the survey also predicting higher participation from foreign buyers overall (+26 in Q2 from +22 in Q1).

NAB said first homebuyer owner occupiers were falling in terms of market share – down to 20 per cent for new property in Queensland – but more property professionals now expect those numbers to rise (+2), reversing exceptions from Q1 when more said it would fall (-9).