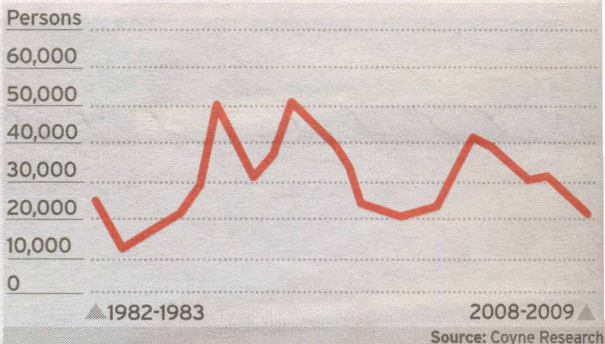


## Queensland net interstate migration



# High land prices tipped to scare away southerners

Phil Bartsch

ROCKETING property prices in Queensland are threatening to kill the "golden goose" of interstate migration, adding to the woes of the embattled construction sector, it has been claimed.

The warning comes amid recent forecasts that job losses in the sector still have "a little further to run".

A worst-case estimate of up to 37,000 direct job losses has been predicted for Queensland's residential building industry.

"There's just not enough construction starting," Gold Coast-based property analyst Colleen Coyne said.

Ms Coyne said that although much of the focus was on development finance constraints, housing affordability was the "elephant in the room" impacting on the state's construction industry over the medium term.

Ms Coyne said net interstate migration to Queensland had been falling since 2003-04.

At the same time, the gap has been closing between affordability of property in the state's southeast and the traditionally less-affordable southern capital cities.

"Industry bodies have been doing their best to highlight this issue for at least five years, but it remains a major concern

for the state's property sector," Ms Coyne said.

Affordability – including low taxes – was once a strong lure for southerners, she said.

"Now, however, we are in danger of killing the 'golden goose' of net interstate migration because we've simply become unaffordable."

Ms Coyne said Queensland's affordability was being impacted by high infrastructure charges, complex regulation leading to lengthy planning processes and uncertainty in outcomes, and an inflexible southeast urban footprint boundary.

Figures from the September quarter in 2009 showed Brisbane was significantly more unaffordable than Melbourne, with a median land price in Brisbane of \$223,900, while Melbourne's was \$165,000.

Sydney's median land price had fallen to \$255,000 but jumped by 14 per cent in the September quarter 2009 to \$290,000.

Ms Coyne said that although net overseas migration had replaced interstate migration as the driver of Queensland's population growth, it had not compensated for it "because Australia attracts a significant proportion of temporary migrants, such as students and business people, whose housing needs are arguably different."