

10 Things: Moreton Bay

Quite a few folks have asked me to do a **10 Things: Moreton Bay** post.

So here goes.

1. Moreton Bay Regional Council holds 460,000 permanent residents and is growing by 10,000 new inhabitants per annum. There is a need to build 3,700 new dwellings in the area each year.

2. Whilst there has been an increase in the new dwelling supply in recent years, this increase in supply hasn't been enough to oversupply the local new housing market.

3. According to the Queensland government's broad hectare land supply – a stocktake of the residential greenfield and brownfield land (greater than 2,500 m²) that is currently suitable for residential development – Moreton Bay has some 2,737 ha of such land, which is expected to yield about 18,350 new dwellings. This count – as at June 2018 – amounts to just under 5% of south east Queensland's available residential land supply. If no further broad hectare land supply is found in the area, and based on current demand trends, the Moreton Bay Regional Council area will run out of developable residential land within the next five years.

4. Reflecting this land shortage, median lot sizes have dropped from 625m², ten years ago to 420m² today. The price of vacant land sold has risen from \$300/m² in 2008 to about \$650/m² during fiscal 2018.

5. There is also an expectation that two out of five new dwellings in the Moreton Bay will be attached and, in particular, apartments. This isn't 'on trend' and I do question the local market's appetite to absorb this quantum of medium to high density product over the short to medium

term. Whilst the new railway, educational facilities and the North Lakes employment hub have made a difference the expected shift away from detached to attached is doubtful.

6. On a more positive note, the current rate of local employment growth is impressive and way above trend, with 9,000 new jobs created last year, compared to the 5,500-annual average over the past five years. The North Lakes hub is set to become a major employment node in SEQ.

7. Detached houses and vacant land in Moreton Bay are at between 10 and 11 o'clock on the property clock. Townhouses and apartments are positioned, by my estimates, to be just past the market's current peak.

8. A sign that a market is in the upswing quadrant of the property clock is rising sales volumes. Total residential sales in Moreton Bay have doubled over the past seven years. I estimate that 13,500 residential properties sold in Moreton Bay last year.

9. Detached house values and vacant land prices in Moreton Bay continue to improve. In contrast, attached dwelling values (apartments mostly) have declined in recent years. This trend again raises issues as to the depth of demand for attached product in the region.

Time frame	Moreton Bay: Annual change in values		
	Houses	Attached	Vacant land
Last decade	1.7%	0.8%	2.0%
Last five years	3.1%	0.9%	4.3%
Last year	1.1%	-6.3%	1.2%

10. Finally, median weekly rents across the Moreton Region continue to improve and especially for more affordable rental accommodation.

Time frame	Moreton Bay: Annual change in weekly rents		
	2 bed apartments	4 bed houses	3 bed townhouses
Last decade	\$6	\$7	\$5
Last five years	\$4	\$6	\$3
Last year	\$5	\$0	\$5

Until next time,



Michael Matusik

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