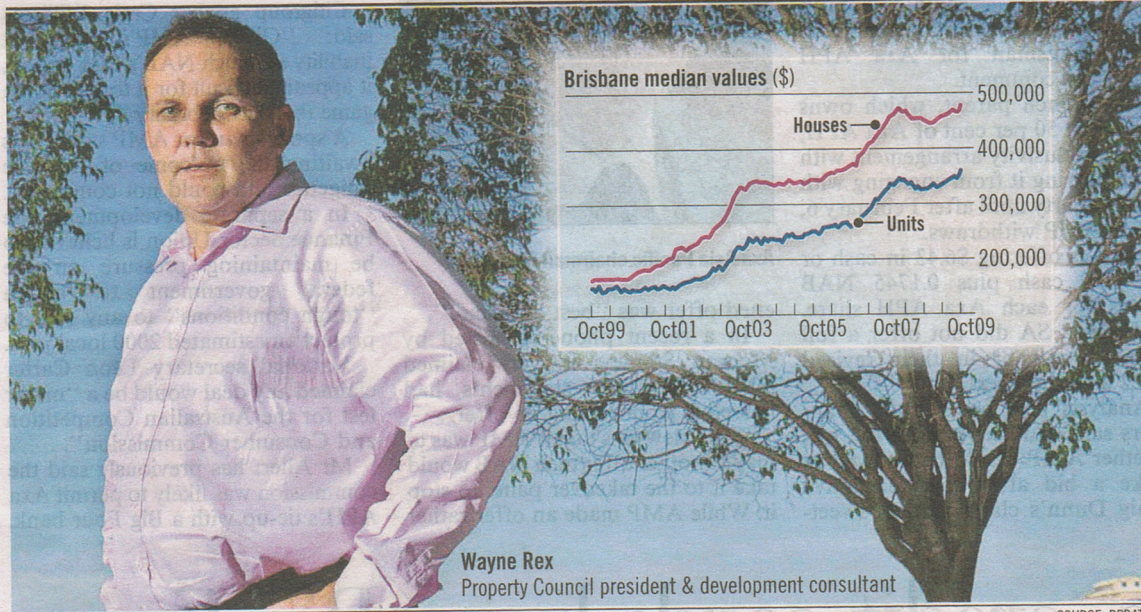


## On the rebound



## Beautiful one day, no room the next . . .

Property researcher Bill Morris is adamant that not enough homes are being built in the Sunshine State's most popular areas to accommodate all its residents.

His figures show the south-east Queensland population increased by 75,000 in 2008-09.

They needed 30,000 homes but only 17,000 were built.

And although interstate migration has dropped, with Victoria overtaking Queensland for the first time, the number of residents relocating from overseas remains high.

The sector is yet to recover from the global financial crisis, with developers still finding it "difficult if not impossible to get finance", Mr Morris said.

"Developers can't buy land at the right price. It also means they can't produce a house that's affordable in the under-\$500,000 range," he said.

Macquarie Capital Advisers property analyst Rod Cornish said while Queensland was suffering from a supply shortage, it was not as severe as in Sydney. He said construction in Queensland had come

off sharply in the past 12 months.

"The market has definitely improved but I don't think it will achieve runaway growth this year, it will be single-digit growth."

Colliers International's residential research analyst, Lachlan Walker, is forecasting a "bumpy" 2010 although sales volumes had started to improve in south-east Queensland in the final six months of 2009.

"I don't think we will see really good bargains but some developers might offer significant incentives."

**Michelle Singer**