

BEST SUBURBS FOR FIRST-HOME BUYERS TO GET GOOD CAPITAL GROWTH

Buying a home is a big investment by anyone's measure and when you're investing this much money you want to be confident that your investment will grow in value over time.

But how can you predict the future?

OK, that's impossible, but there is a way to look at the growth over time and make a reasonable estimate on whether that will continue.

Look at the growth over the past 12 months and the past five years – is it going up or down? This data is readily available from the REIQ. Visit REIQ.com and check out the latest Queensland Market Monitor report.

However, before you start gleefully polishing your crystal ball and picturing your rapidly growing wealth, be aware of two things.

Firstly, property is a “pick and stick” investment. Unlike shares that can be traded quickly, property is best bought and held over at least five years, preferably 10 years.

Secondly, be aware that while markets are cyclical, there are often unexpected events that introduce volatility.

In 2008 the GFC triggered non-cyclical patterns in the real estate market, and again in 2011 when the mining downturn took effect.

But the real estate market in southeast Queensland has largely stabilised and provided the market continues to perform in the steady, sustainable manner it has for the past five years, we may take a stab at forecasting continued growth.

First-home buyers who are looking for value for money in areas where growth has exceeded the state's average should focus their search on suburbs where infrastructure and public transport are well established.

As the inner city becomes more dense and the local councils and State Government favour density in town planning decisions, the larger blocks of the middle and outer ring suburbs will become more rare and more valuable. Bargain hunters can snap up a house on a decent sized block (at least 600m²) and be confident of capital growth over the next five to 10 years.

Other things to look for when spotting the next suburb to boom include schools and retail. Is the area well serviced by shops? How many schools are in the area? Are there parks and bike paths?

These features all attract young families and first-home buyers.

So, what suburbs have performed well over the past 12 months? Here is the latest data, as at the September quarter, 2016.

The top 10 suburbs, ranked by growth over the past 12 months*

1	Marburg (Ipswich)	\$395,000	43.6%
2	Archerfield (Brisbane)	\$371,000	18.7%
3	Godwin Beach (Moreton Bay)	\$410,000	17.1%
4	Richlands (Brisbane)	\$470,000	13.3%
5	Donnybrook (Moreton Bay)	\$345,000	13.1%
6	Toorbul (Moreton Bay)	\$308,500	12.2%
7	Edens Landing (Logan)	\$369,000	11.8%
8	Jamboree Heights (Brisbane)	\$471,750	11.8%
9	Delaneys Creek (Moreton Bay)	\$500,000	11.1%
10	Woodend (Ipswich)	\$321,108	10.7%

*Data supplied by CoreLogic, prepared by REIQ.

-ENDS-