



Brisbane Rising

May 2018

Brisbane is the capital city and naturally, the most populous city in Queensland - a state with a population of 5m. The city boast of a population of over 2.4 million, centre to the South East Queensland region where over 70% of the state population resides.

Where once it was largely driven by resource mining and agriculture, the Queensland economy has diversify well over the last decade into tourism, education, services export and energy especially in Liquefied Natural Gas (LNG). With IMF forecasting global growth to pick-up to 3.5 per cent and continuing to accelerate further in 2018, resource and energy market is expected to improve, which explains why Deloitte is expecting Queensland to be the nation's second-strongest economy in the next financial year.

Queensland is also Australia's second largest exporter of goods, totalling \$65.8 billion in the year to March 2017. The state also has a large services export industry, worth \$11.5b over the past 12 months.

One of the major trends driving Brisbane's property market is the record levels of interstate migration into the state. This has been motivated by a strong jobs market, better housing affordability and of course, the

sunnier weather. Internationally Brisbane has also been creeping up the liveability index to become one of the most liveable cities in the world.

Infrastructural developments and significant projects driven from both the public and private sectors are behind the improving economic conditions especially when it come to employment.

Notable projects include the Queen's Wharf (\$3 billion), the Brisbane Quarters (\$1 billion), the Cross River Rail (\$5.4 billion) and the Brisbane Airport Second Runway (\$1.4 billion). All in all a total of over \$45 billion worth of projects is in the works. This will further underpin economic growth and jobs creation.

Interstate Migration by States and Territories of Arrival and Departure by Sex

Customise Export

Sex: Persons

Frequency: Quarterly

Time: Dec-2017

State of Departure	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory
New South Wales	0	6 972	10 281	1 855	2 966	616	841	3 281
Victoria	9 103	0	6 402	2 769	3 537	1 218	1 016	1 140
Queensland	15 322	7 112	0	1 959	2 654	884	1 649	1 107
South Australia	1 650	1 789	1 254	0	728	171	678	228
Western Australia	2 141	1 971	1 897	667	0	339	652	242
Tasmania	906	1 072	997	216	396	0	107	87
Northern Territory	836	833	1 102	471	596	53	0	102
Australian Capital Territory	3 651	1 015	1 021	328	375	84	168	0

Future Developments

The Brisbane Economic Development Plan 2012-31 sets out the priorities and actions that will support Brisbane's growth through to 2031. The city is committed to becoming the most business friendly city in Australia.

Statewide, the Department of State Development is developing a series of industry roadmaps to build Queensland's competitive strengths, diversify its economy and create the knowledge-based jobs of the future. Several emerging and priority sectors with global growth potential have been identified as the city works closely with industries to develop the roadmaps and action plans for sectors such as:

- Advanced Manufacturing
- Aerospace
- Biofutures
- Biomedical
- Defence
- Mining Equipment

Employment

Employment forecasts indicate that metropolitan Brisbane will grow by 343,000 jobs by 2021 and a further 100,000 jobs by 2031 to reach total employment of around 1.5 million by 2031. This growth will contribute to a projected doubling of Brisbane's

economic value between 2011 and 2031. Roughly two-thirds of the new jobs will be located in the Brisbane Local Government Area (LGA) with a high proportion in managerial and professional occupations.

Conclusion

Brisbane is certainly set to grow and in our humble opinion, the current window of opportunity to buy into the somewhat distressed inner city apartment market, created by a myriad of factors that include increasing foreigner tax, tightening of loans for foreign investors and China capital outflow control, is a short window that investors will do well to take advantage of.

Brisbane will grow in importance as an economic region of Australia as it continues to contribute roughly 46% of the Queensland economy and generates 9% of national Gross Domestic Product. This new world class city is definitely on the right path to deliver prosperity for its residents and businesses.

And of course, for savvy investors as well.

Thomas Tai

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