

Growth spurt puts Brisbane on top

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February 1, 2012

Brisbane's most expensive unit?

A Newstead apartment is on sale for \$8.75 million. The record for a Brisbane unit which has settled is \$8.55 million, also at Newstead.

Brisbane will grow faster than any other 'mature' world city over the next eight years, according to an international study compiled by market analysts Jones Lang LaSalle.

The only other Australian city to make the list, which comprises of cities with a "mature property market" and a population of more than 1 million, was eighth-placed Perth.

[The study, *A New World of Cities: Redefining the Real Estate Investment Map*](#), ranked Brisbane number one for expected gross domestic product growth from 2012 to 2020.

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Brisbane is growing faster than any comparable city in the world, according to a new report.

Photo: Glenn Hunt

Sixteen of the top 20 cities were in North America.

The list ignores developing cities, which grow at a much faster rate.

JLL Brisbane-based research and consulting director Leigh Warner said it was not surprising the Queensland capital had come out on top, primarily due to the strength of the state's resources sector.

A similar boom in Western Australia also contributed to Perth's strong showing, he said.

"Not only is it creating investment that drives GDP, but it's also driving population growth in both those markets, which is the ultimate driver of property demand across all property sectors," Mr Warner said.

While Brisbane's strong showing came as no surprise to Mr Warner, he conceded public confidence may not reflect the city's strong showing.

"Even in the middle of the GFC, we put out a couple of papers on coal seam gas and the resources sector more generally and the impact it could have on this region," he said.

"I'm certainly not surprised, but I guess it is a surprise to some when we're seemingly doing so poorly in the residential property market at the moment and other visible aspects, like our retail property market.

"But certainly the office market is already a major beneficiary of the resources sector and has been recovering very strongly for over 12 months now.

"Usually the office market lags in economic activity, but in this case it seems to be leading because there's a lot of up-front jobs creation through the resources sector.

"Hopefully that will flow through to broader jobs growth and lift other areas of the economy like retail, which is suffering at the moment."

Mr Warner said emerging cities, such as those in the boom economies of China and India, were not included on the list.

If they were, he said they would dominate world growth.

"For property investors, a lot of them don't want the direct exposure to an emerging market because there's fundamental risks associated with investing in countries where there's not even the basic security of property rights and you're at the whim of an unpredictable central government with a lot of power," Mr Warner said.

"So there's a lot of risk inherent in direct investment in emerging countries, so looking at where to invest - and this is something that a lot of investors coming through our office are doing - they're looking for the markets that have the exposure to those (emerging) markets, like Perth and Brisbane.

"... There's a lot of investors looking for those mature cities that are more secure as an investment, but with an indirect exposure to the Asian growth story."

However, Mr Warner said there were challenges associated with such growth.

"If we don't keep up in terms of infrastructure delivery and accommodating a large population, then there is a real risk that the cost of living would go up quite significantly," he said.

"But in the end, it all comes down to how well we manage it. There's also magnificent opportunities in how we capitalise in terms of state revenue from this mining boom, so if we use that wisely and spend it wisely then we can all benefit from it."

Lord Mayor Graham Quirk said he was "delighted" with JLL's assessment of Brisbane's commercial growth opportunities.

He said the report showed Brisbane was on track to be one of the world's most prosperous cities. "While Brisbane doesn't feature in the top 30 cities for direct commercial real-estate investment, I'm delighted that we have been identified as number one of the 20 fastest growing mature cities ahead of Singapore, Austin and Hong Kong," Cr Quirk said.

Earlier this month, Cr Quirk launched a [\\$125,000 Brisbane City Council domestic marketing campaign](#) to attract professionals and investment to the city.

"With one council, one set of rules, over 1 million residents and a \$3 billion budget covering 1387 square kilometres, we're working hand-in-hand with industry to double our capital city economy to \$217 billion by 2031," he said.

The JLL report showed more than half of all global commercial real estate investment in 2010/11 resided in just 30 "high-order" cities.

Two Australian cities, Sydney and Melbourne, made that list, but neither were ranked in the world's top 10.

London was the top city for commercial investment, followed by New York, Tokyo, Hong Kong and Paris.

Source: [Brisbane Times](#)