

Courier Mail



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Population growth cap to cut Brisbane house prices in next decade

- Steven Scott
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PRICE PRESSURE: A cap on city populations would bring down the cost of houses.

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BRISBANE house prices will plummet by 14.7 per cent over the next decade if the Federal Government uses its sustainable population policy to restrict the city's growth, new economic modelling shows.

Capping population across congested areas of southeast Queensland could push businesses out of the area, causing average incomes to fall and greater pockets of disadvantage to emerge, property developers have warned.

Economic modelling commissioned by developer lobby group Urban Taskforce claims house prices would go into a slow decline if the city's population was capped, with residential property prices expected to fall 4.9 per cent over five years.

The ageing population alone would see Brisbane lose 20,000 workers a year within five years, the report warned.

A snowballing effect as workers move out of the city and retirees sell houses to avoid further losses would accelerate the decline in property prices to 14.7 per cent over the decade, according to the modelling.

Developers are worried the Federal Government will try to limit immigration and keep new workers out of congested areas, including Brisbane and the Gold Coast.

The Government is currently developing its "sustainable population" policy.

Prime Minister Julia Gillard has pinpointed the Gold Coast growth corridor, western Melbourne and western Sydney as areas where communities are struggling with traffic congestion and other problems as a result of run-away population growth. Federal Labor has promised the new policy will balance population plans with investment in transport, health and education facilities.

Urban Taskforce chief executive Aaron Gadiel said the Federal Government could "prevent new home construction, restrict new infrastructure investment or stop immigrant settlement" as part of its population policy.

"If the Government uses those powers, our cities, our communities ... will suffer enormously," he said.

The report said policies introduced in NSW in the early 2000s after former Premier Bob Carr declared Sydney was "full" had contributed to that state's economic decline and warned a population cap would lead to Brisbane being one of the hardest hit of Australia's capital cities.

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