

The \$8b exodus: Sydney home owners are selling up and Queensland is the big winner

- Michael Heath

Sydneysiders are cashing out of their million-dollar homes in favour of cheaper houses in the tropical north, says Macquarie Bank.

The emerging exodus is part of [Australia's latest wave of interstate migration to Queensland](#), where house prices are half Sydney's and job creation is on the rise. When similar factors were at play in the mid-1980s and mid-2000s, an average 134,000 people made the trek north over a three-year period. They were mainly from New South Wales, Macquarie said.

"People have been leaving New South Wales at a faster pace over the past couple of years and movement into the traditional destination of Queensland is picking up," Macquarie's wealth management unit said in a note.

"When the cycle turns, the acceleration occurs rapidly based on the experience of past cycles."

The shift will likely leave Australia's overall economy in better shape: selling high down south and buying low up north will help curb [mortgage-driven debt currently at a record 194 per cent of income and a key deterrent for central bank rate hikes](#). Such deleveraging will potentially boost consumption that accounts for more than half of gross domestic product.

Macquarie estimates the migration shift could inject \$8.1 billion into the Brisbane and southeast Queensland housing markets, equivalent to 25 per cent of current turnover.

In contrast, little would be lost in Sydney, as \$8.1 billion represents about 10 per cent of its annual turnover and isn't enough to affect the market, according to Macquarie. The city's median house price has sailed past \$1 million.

Critically, an exodus to the Sunshine State could strengthen the national property market by spreading housing equity around the country, Macquarie said. Queensland consumer spending could also see a significant boost as heavily indebted Sydney households turn into cash cows.



Sydneysiders

are cashing in and shipping north. *Photo: Bloomberg*

[The Australian economy has almost completed a transition out of the biggest mining bonanza in 150 years,](#) which was concentrated in Western Australia and Queensland and fuelled internal population flows.

At the peak of the boom, Western Australia drew 3,000 people per quarter; the same number is now leaving there for other states, Macquarie says.



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Queensland property market is heating up again, says Macquarie. *Photo: Louie Douvis*

While the downturn was less severe in Queensland due to a more diverse economy, its internal migration intake was flat by 2013, the lender said. That's since been recovering, according to Macquarie.