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Queensland Floods Causing Unstability In Property Prices

It is no understatement to say that properties in the flood-ravaged Queensland region have been hit hard. In fact, current land valuations dropped tremendously, leaving many Australian homeowners with mortgages worth more than their homes. State Government valuations on approximately 23,000 homes affected by the floods have seen price decreases of 5% through 25% of the pre-flood value and resulted housing crisis in Australia.

Local governments may cut the council rates offering some relief to homeowners. However, it remains to be seen what the real affects will be. There will obviously be little comfort for those that do not have insurance and the mortgage amount exceed the property value. Annual valuation letters expected soon will outline the effects on individual homes.

In a report issued on April 27th, valuer-general Neil Bray suggested that while these new valuations did take note of the flood damage, sales on properties could also reduce the prices. He also indicated a present approach to valuations based on reductions following floods in 1974, but did not say for certain what would be the outcome.

As it stands, many of the flood-affected homeowners may be in for a long wait in terms of their home values returning to anything near the pre-flood values. Those not affected by the Queensland floods will likely retain current values and take a larger share of the market competition in sales while damaged homes are renovated.

In Brisbane, for example, the number of homes for sale declined once it was hit by the flood. The asking prices for many of these properties were said to have lowered between 10 and 30%.

A new method for accessing home valuations has been applied in all of the relevant areas where rates are implemented. It includes improvements to the land or property, a piece of data that was not used in the previous assessment method. Using this method and combining it with the poor market performance as of late and there were no appreciable increases in land valuations.

Based on the information contained in the Valuer-General Property Market Movement Report, there has been a 4% increase in the total value of land throughout Queensland. As a result, the residential prices in the city of Brisbane have experienced 6.9% increases and caused housing affordability crisis Australia.

A large number of suburbs showed increases upward of 36% while other parts of Brisbane did experience property value declines. In the Gold Coast area, about two-thirds of the suburbs showed very little appreciable changes in valuations -- if any changes at all.

"The Queensland property market has been subdued over the last twelve months," said valuer-general Bray.

Other areas of the region, 19 total not accessed since 2006 by the department, have shown noticeable changes. The Central Highlands and Croydon have seen price decreases of 22% and 21%. While in Mount Isa, the average cost of property has risen 155%.

As a whole, the new land valuations for the Queensland area will take effect from June 30 onward. Each area from that point forward would be reevaluated on an annual basis. The goal, as outlined by Bray, is to provide better security in the future to compensate for market changes to avoid the major rises in land valuations. Regular reporting is the key to this approach.

Readers who are looking for information about the topic of forex trading, please check out the link that was mentioned right in this passage.