

Why Adelaide's northern suburbs are set to boom

The Adelaide property market has proven its resilience throughout the pandemic and experienced the highest growth rate of all Australian capital cities since 2018.



OUR EXPERT

SHAYNE HOLMES
is the managing director of Property Investment Coaching



WHILE PRICES HAVE DECLINED SIGNIFICANTLY OVER THE PAST YEAR IN MOST CAPITALS, the Adelaide market has shrugged off recent rate hikes with prices unchanged and near the all-time high. Forecasts for price growth remain strong for the coming years as the local economy is expected to grow rapidly on the back of large government investment, including the recent announcement that nuclear submarines will be built in SA requiring thousands of skilled workers to migrate to the state.

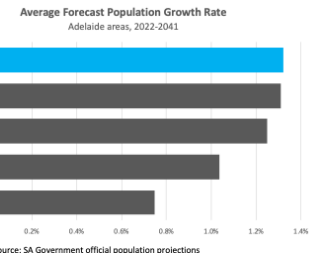
Most of the recent strength in house prices has been attributed to strong population growth driven by overseas mi-

gration. Adelaide has experienced record population growth, reflecting significant overseas migration and smaller levels of natural growth combined with interstate migration. Most of the migration has flowed into Adelaide's northern suburbs which are less constrained by the geographical barriers constraining the other parts of the city. This record population growth has seen prices in Adelaide's northern suburbs, which have generally been more affordable than any other area of Adelaide, grow rapidly – in some suburbs, such as Davoren Park, up to 20% over the past year. When combined with rental yields of over 5%, investors have been enjoying more than 25% total returns.

If population growth is having a material impact on property prices, then where is population growth expected? Official SA Government growth projections point to Adelaide's north – comprising the Salisbury, Tea Tree Gully, Playford, and Gawler councils – as the area that will experience the fastest population growth in the coming decades. Population in this area is expected to jump from 470,000 today to nearly

600,000 in 2041 with extensive options for future development, particularly around Playford, Buckland Park, Gawler, Two Wells, Angle Vale, and Roseworthy.

As the population swells in Adelaide's north, infrastructure investments will be essential in ensuring the area remains an attractive place to live, and these developments have already had a direct impact on local housing prices. Upgrades to transport infrastructure, such as the \$867 million invested in the Northern Connector upgrade, will continue to be rolled out and public transit options expanded to increase accessibility and



connectivity with central Adelaide, making these suburbs more appealing to potential residents. Investments in utilities, such as water systems, power grids, and broadband, will further strengthen the area's appeal, particularly to younger buyers looking for large but affordable homes. The development of new schools, health centres, parks, and community spaces has enriched the social fabric of the region, while investments in commercial infrastructure have enhanced job prospects and contributed to local economic growth.

Adelaide's northern suburbs offer an enticing investment opportunity, characterised by strong population growth, significant infrastructure development, and promising state economic prospects. This nexus of factors is already yielding considerable returns for investors through capital appreciation and high rental yields. The expected continuation of these trends, supported by government growth projections and ongoing infrastructure investment, underscores the suburbs' potential for sustained property value growth. Hence, savvy investors seeking long-term returns should consider Adelaide's northern suburbs as a fertile ground for investment. [VIP](#)

