

The Week In Real Estate



House Prices Rising In Most Markets

Price growth is continuing in most markets across Australia, with the latest CoreLogic figures revealing an 0.7% national increase in dwelling values in March, up from 0.6% in February.

Growth in house prices is being led by the smaller capital cities, notably Brisbane and Adelaide, and the regional markets – with Sydney and Melbourne showing small decreases in March.

The highest March growth occurred in Regional South Australia (2.9%), Regional Queensland (2.0%), Brisbane (2.1%), Adelaide (2.0%) and Regional NSW (1.8%).

There was also growth in apartment markets, with 14 of the 15 markets (eight capital cities and seven state regional markets) recording increases in median prices in March, led by Regional WA (2.5%) and Regional Queensland (2.2%).

In the March Quarter, six markets – Brisbane, Adelaide and the Regional areas of NSW, Qld, South Australia and Tasmania – grew their house prices by 5% or more. In annual terms, Sydney, Brisbane, Adelaide, Hobart, Canberra and Regional NSW, Victoria, Qld and Tasmania have all risen 20% plus.



Rental Shortage Crisis Gets Worse

It's become even harder to find a rental property, with new data from Domain revealing the national vacancy rate hit a record low 1% in March.

Vacancies fell in five of the capital cities during the month, while they increased slightly in Hobart and held steady in Perth.

Domain's analysis shows Adelaide's vacancy rate of 0.2% is the lowest vacancy rate ever to be recorded across any capital city since it began keeping records. Canberra, Darwin and Perth have all time low vacancy rates of 0.5%. Sydney's vacancy rate is 1.4%, Melbourne is 1.8%, Brisbane is 0.7% and Hobart is 0.3%, while most regional markets have vacancies below 1%.

Domain says Australia is well and truly in a rental crisis which looks unlikely to ease anytime soon.

It is being made worse by the reopening of international borders in recent months and natural disasters.

The reopening of borders is expected to increase demand for rental properties in Sydney and Melbourne in particular.

Quote of the Week

“Pent-up demand from overseas buyers who wanted to come here and work or study is coming through following the lifting of restrictions. By June, we expect the data to show a strong upswing in overseas buyer numbers.”

Managing director Cedar Woods, Nathan Blackburne





Migration Helps Drive New Home Sales

Renewed interest from international buyers is expected to continue to drive new home sales, now that international borders have reopened.

While new home sales have been strong in the past two years as a result of financial stimulus measures such as the HomeBuilder scheme, developers are already reporting a return of international buyers.

Nathan Blackburne of Cedar Woods told The Australian that 14% of the inquiry they received in the past month came from overseas, with interest from Britain, NZ, Malaysia, China and Hong Kong.

"Pent-up demand from overseas buyers who wanted to come here and work or study is coming through following the lifting of restrictions," he says.

"By June, we expect the data to show a strong upswing in overseas buyer numbers."

He predicts overseas buyers, who have been effectively locked out for two years, will move faster to buy in the coming years.

Population forecasts predict overseas migration will return to pre-pandemic levels within the next two to three years.

Budget Lifts Help For FHBs

First-home buyers are in the sights of the Federal Government with Budget announcements aimed at helping them get a foothold on the property ladder.

The Budget promises three different new or ongoing grants to assist First Home buyers - the First Homeowner Grant, First Home Super Saver Scheme and the Home Guarantee Scheme.

The Home Guarantee Scheme, which allows would-be homeowners to purchase a home with minimal deposit without mortgage insurance, has been expanded with the number of places in the scheme increasing to 50,000 a year for three years.

The original scheme, first announced in 2019, has already resulted in more than 24,000 settled purchases.

The scheme has three different categories: the First Home Guarantee, the Family Home Guarantee and the Regional Home Guarantee.

Under the scheme 5,000 spots will be allocated to single parents wanting to buy with a 2% deposit, and 10,000 places will be allocated to people wanting to buy a new home in a regional area.

Clearances High In Busy Auction Week

The number of home-owners putting their homes to auction continues to rise, with CoreLogic figures showing more than 3,000 properties went under the hammer last week, with clearance rates of 70% or more in most major markets.

A total of 3,148 properties in the combined capital cities were auctioned last week, the third-highest auction volume of the year.

Preliminary clearance rates show that 70% of those properties sold under the hammer, up slightly from the previous week.

In Melbourne, Australia's biggest auction market, 1,476 properties were offered for auction with a clearance rate of 69%.

In Sydney, 1,105 properties went to auction with a clearance rate of 68%.

Brisbane had 208 properties offered for auction with a clearance rate of 71%, while Adelaide had 194 with a clearance rate of 86% and Canberra with 149 had a clearance rate of 72%.

Perth only had 16 properties taken to auction, while there were no auctions in Hobart last week.

