

The Week In Real Estate



Move In Together: RBA

The only respite most renters will get in the current crisis is to increase the number of people they live with, according to Reserve Bank Governor, Philp Lowe.

Lowe told a Senate Estimates hearing that rents will keep rising and the only way to ease the pressure is to have more people on average in each house.

Plenty are looking to do just that according to figures from Flatmates.com.au which had its busiest month on record in May with a further 69,400 people signing up to the platform.

On the Gold Coast there are hundreds of prospective flatmates looking for somewhere to live.

The website shows there are almost 1800 people actively looking for a room to rent with only 1200 listings available.

Flatmates.com.au community manager Claudia Conley says it's not just young people first out of home looking for somewhere to live.

The website's largest growing demographic is members aged 45 to 65 (up 10% in May).

Quote Of The Week

"Measures must be taken to encourage and stimulate greater numbers of Australians to buy an investment property to increase the rental pool."

Gold Coast Estate Agent, Andrew Bell

329 New Homes Required A Day

New figures show population growth is continuing to surge with Australia's population soaring by a record 497,000 people in calendar year 2022.

The increase follows a record net overseas migration of 387,000 people.

It is projected the increase will continue with 2.18 million people to be added to the population in the five years to FY-2027.

The population growth leads to increased demand for housing at a time when dwelling approvals have crashed to a 13-year low.

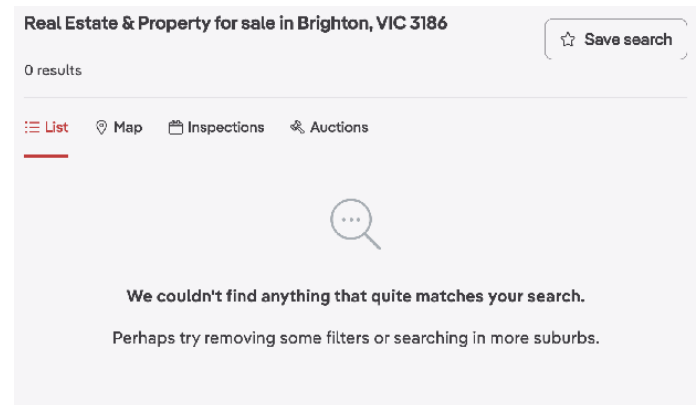
Treasury secretary Steven Kennedy says this drop in approvals is likely to continue until 2025.

The Housing Industry Association says new home sales in May were 25% below pre-pandemic levels.

HIA Senior Economist Tom Devitt says continual interest rate rises will continue to dampen new home sales with finance becoming unobtainable for an increasing number of buyers.

Australia needs to add 329 homes every day to Australia's housing stock just to accommodate the 1.5 million net overseas migrants projected to arrive by FY2027.





Stock Levels Continue To Tighten

House are selling at a faster rate than properties are being listed for sale, market analysis by CoreLogic reveals.

In the three months to May, 78,700 were sold, while only 68,250 properties were listed, according to CoreLogic research director Tim Lawless.

“Despite the previously weak housing market conditions through the second half of last year, the sales to new listings ratio has held relatively high compared with pre-COVID levels,” Lawless says.

The current ratio of sales to listings means it is a sellers’ market.

Lawless says that vendors will continue to have the upper hand in the market, as stock levels tighten.

As a result he says buyers will need to make more competitive offers.

According to analysis by Suburbtrends, demand exceeds supply in 219 of 328 Australian markets.

Suburbstrend founder Kent Lardner says listing volumes remain very low as a result of many potential sellers being unsure as to what they can move into if they do sell.

Minerals To Create Jobs

The commitment of a further \$500M to kickstart the minerals’ processing industry is tipped to boost the economy and create thousands of new jobs.

The Federal Government says the funding could create \$133.5 billion in new economic activity and 262,600 new jobs by 2040.

At the same time it has announced a review of the Australia’s critical minerals list by 2026. The Federal Government wants Australia to be a significant producer of raw and processed critical minerals by 2030.

Australia has some of the largest untapped deposits of minerals including cobalt, lithium, manganese, rare earth elements, tungsten and vanadium.

It is hoped the focus on the industry will lead to further downstream processing of minerals used in batteries, electric vehicles, wind turbines and solar panels, in Australia. The strategy also aims to encourage further international investment in downstream processing and manufacturing sectors.

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Suburbs With Zero Listings

Listings have been tight for some time throughout Australia, but now there are some markets where there are zero listings available.

According to figures from Domain there have been no apartments listed in South Australia’s Barossa, Yorke or Mid North in the past 12 months.

When it comes to houses, many markets are also tight. Listings in the West Australian southern outback are 90% lower than in 2022.

Geelong’s listings for units are down 95%, while unit stock available in Brisbane’s western suburbs is down 94%.

REIA national president Hayden Groves says the figures show buyers are experiencing a lot of pain.

“Those historical lows in the numbers of listings are something of a perfect storm, and it’s being felt all over Australia,” he says.

“Part of the reason we have such a blockage in supply is that sellers are reluctant to put their properties on the market as they can’t be sure they’ll find anything that’ll suit their needs to move into.”

