



# The Week In Real Estate

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## Investor Intentions

Investors look set to become active again in 2024 according to the latest Australian Property Investor Property Sentiment Report.

It says despite high inflation and rising interest rates, property market sentiment “held its ground” over the last quarter of 2023.

The report, which surveys property investors throughout Australia, shows four out of five respondents expect price increases over the coming 12 months, with very few expecting price falls.

Investors felt that increased taxes on land, properties and landlords were a large impediment to helping alleviate Australia’s housing crisis by encouraging investment in new property stock.

“Survey respondents reflecting on the last quarter of 2023 have given every indication they are going to be very active in the property market in 2024,” the report says.

“For almost two years, the proportion of respondents intending to buy in the next 12 months has been zigzagging up and down, but the latest results reveal that this key indicator of market sentiment is now at a two-year high.”

## Surprise Top Performer

Despite what many may think the majority of Australia’s top-performing property markets are not beachfront or inner-city suburbs but are in fact normal suburban markets.

Domain’s latest House Price Report shows Churchlands in Perth outperformed every other location in 2023 with its median house price rising by almost 50% to \$1.535 million.

In New South Wales the best performer was about 500km from Sydney. West Wyalong recorded the strongest growth of 39% to a still very affordable \$400,000.

In Queensland, it was Parkhurst in Rockhampton with growth of 38% to \$622,500.

PropTrack which uses a different methodology agrees Western Australia had the top performer but says it was Armadale and Brookdale with their medians up 34% to \$404,000 and \$441,000 respectively.

It says Riverview at Ipswich in Queensland was the top performer with growth of 24% to \$464,000 while Sydney’s best performer was Denistone East (up 17% to \$2,332,000).

Rosedale in Latrobe in Victoria was up 11% to \$493,000 while Elizabeth North in Adelaide was up 30% to \$366,000.



## Quote Of The Week

*“The surge in people, combined with strong regional job growth and the role regional Australia will play in the nation’s transition to net zero, are putting pressure on regional housing like never seen before.”*

Regional Australia Institute CEO Liz Ritchie



## Coastal Properties Hold Values

More than a third of Australia's regional coastal markets have property prices at record highs.

Analysis of 368 coastal markets, at least 50km from the nearest capital city, shows the top performers in 2023 were: Bouvard (WA), Mulambin in Central Queensland and Port Vincent (SA). CoreLogic research director Tim Lawless says the markets which recorded significant value growth tended to be the more affordable ones, with all top 20 suburbs having median values well below \$1million.

"The past 12 months have seen markets that offer a combination of value and lifestyle attributes, such as commuting distance to a major city, great beaches, and quality housing at a more affordable price point, outperform more well-known areas," Lawless says.

"Suburbs in areas such as Western Australia and more northern regions of Queensland where it's still possible to make a sea change for less than \$1 million were the strongest performers last year. Although home values in these regions are mostly at record highs, they remain relatively affordable for sea changers selling out of more expensive metro markets."



## Where To Find Rentals

Tenants are continuing to struggle to find rentals in much of Australia but new data shows where they have a fighting chance.

PropTrack senior economist Eleanor Creagh says since 2021, rental market conditions have tightened considerably in inner-city suburbs, particularly in Sydney, Melbourne and Brisbane.

But she says for those who can work from anywhere, there are suburbs with vacancy rates that are much higher than the national vacancy rate of just 1%.

Taylor, north of Canberra has the highest vacancy rate of 14.7% while in NSW tenants will find it easier to secure something in Berridale (9.7%).

On Melbourne's fringe, the highest vacancy rates are in Eynesbury (5.96%), Queensland mining town Dysart has a vacancy rate of 13%, while in Western Australia, outback town Newman's vacancy rate is 11.3%.

"Regional renters have since seen more stable market conditions, and in some regions easing conditions as those population flows have reversed," Creagh says.



## Regional Housing In Demand

Regional housing is in demand with capital city to regional relocations still almost 12% above the pre-COVID average.

And according to the Regional Australia Institute (RAI), a further 3.5 million people have reported a desire to move regionally.

A regional housing summit will be held in Canberra next month to discuss the issues affecting the regional housing market.

RAI CEO Liz Ritchie says Australia's regional communities are dealing with low vacancy rates and a lack of supply.

She says regional populations will continue to rise as more people seek a more affordable location to live and work.

"The surge in people, combined with strong regional job growth and the role regional Australia will play in the nation's transition to net zero, are putting pressure on regional housing like never seen before," she says.

Ritchie says an important consideration is that there is no one-size-fits-all solution to housing issues in regional Australia.