



The Week In Real Estate

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Affordable Deposit Stars

There are plenty of places where buyers can get into the market without requiring a massive deposit, according to the new Canstar Deposit Stars 2024 report.

The report, powered by Hotspotting, highlights 150 suburbs in Australia where buyers can secure a home with a deposit between \$50,000 and \$100,000. Terry Ryder of Hotspotting says many locations featured in the report reflect a growing phenomenon in Australian real estate: the rise of attached dwellings as the home of choice by more and more buyers.

"A range of cohorts are increasingly opting for units and townhouses, including downsizers, lifestyle buyers, migrants and first-home buyers," he says.

In the Brisbane inner city unit market Bowen Hills tops the list. It is close to the CBD and its median unit price has jumped 17% in the past year but it remains (just) below \$500,000. In Sydney, Liverpool tops the list with a median unit price of \$485,000. Melbourne's Melton South has a median house price of just \$489,000 and the report says, "attractively priced unit options are quite plentiful in the inner-city precinct".

Adelaide's Evanston with a median house price of \$480,000 tops that city's list while Perth's Midland with a median house price of \$460,000 is the best option in that city.

Building Approvals Strengthen

Building approvals are on the rise with the latest Australian Bureau of Statistics figures showing total approvals are up by 10.4% in July.

ABS head of construction statistics Daniel Rossi says house approvals are up by 0.6% for the month while apartment approvals are up by 32.1% after a low June result.

In July approvals for total dwellings rose in New South Wales (0.5%), Victoria (2.4%), South Australia and Queensland (3.8%) and Western Australia (2.9%).

Approvals are down in Tasmania by 0.5%, and the ACT was down by 13.9%.

The total value of residential buildings approved rose 11.8% to \$7.38 billion while the value of alterations and additions fell 6.8% per cent to \$1.11 billion.

Housing Industry Association economist Maurice Tapang says that the latest figures show market confidence appears to be returning to the home building market.

"The uplift in home building approvals in those markets outside of Sydney and Melbourne has been driven by strong economic conditions and the relatively lower cost of delivering a new home," he says.



Quote Of The Week

"A range of cohorts are increasingly opting for units and townhouses, including downsizers, lifestyle buyers, migrants and first-home buyers."

Hotspotting Founder and Managing Director, Terry Ryder



FHBs Still Keen

Younger generations have not given up on their homeownership dreams, with research showing Millennials and Gen Z still hope to buy.

The research by Ubank shows more than half (56%) of them want to buy within the next five years and 89% of the demographic consider home ownership a life goal. The study did however identify hurdles that potential buyers thought could stand in the way of getting on the property ladder.

High prices concern 63% of those surveyed, 42% are worried about saving a deposit and 39% are worried about higher interest rates.

In all about three-quarters of respondents are feeling stressed about the home buying process.

Mortgage Choice research shows 43% of Australians are in the market to buy a home, with 19% intending to buy in spring.

Loan Market also reports a lift in pre-approval demand, with a 23% increase in finance pre-approvals in the 30 days to the beginning of September.



Top Sellers' Markets

Sellers continue to hold all the cards in many Australian suburbs with new analysis revealing where vendors are in the box seat.

The analysis by APIM shows 23 suburbs with conditions it predicts will remain strongly in favour of sellers over the coming months. It examined a range of data including short and long-term sales, capital growth, rental affordability, vacancy rates, listings, household income patterns, household sizes and suburban composition of houses compared to units. Mosman Park in Western Australia is listed as a good prospect. The report says the unit market is tight and the market listing price increased by \$65,350 in the past 12 months. In Queensland tightening supply and strong demand makes much of Mackay a sellers' market. Eimeo's median listing price increased by \$92,500 in the past 12 months. In Victoria, Merbein is a sellers' market. Listings for detached houses have dropped in the past month, rents are stable and vacancy rates remain at 0%.

In South Australia supply constraints make Burton a good market for sellers. The median list price has risen to \$64,550 in the past 12 months.



Prime Investment Suburbs

There are 140 prime suburbs that have been identified as ideal for investors with rents high enough to cover mortgage repayments.

Analysis by PropTrack says investors are re-entering the market to capitalise on rising weekly rents and yields. It says in New South Wales there are a range of major regional towns offering great investment opportunities for investors.

The top location is South Lismore which has a median house price of just \$280,000, monthly advertised rent of \$2000 and monthly mortgage repayments of \$1418.

In Victoria, a unit in Carlton has the biggest price differential between rents achieved and mortgage repayments. The monthly advertised rent is \$2200 and mortgage repayments are \$1976. In Queensland regional mining towns offer the biggest difference between rents and mortgage repayment, although areas focused on the resources industry can be volatile and a risky investment. In Moranbah unit monthly rents are \$2600 and mortgage repayments are \$1444. In South Australia, regional Roxby Downs has the biggest difference between monthly rents, \$1,560 and mortgage repayments which are \$1,431.

In Western Australia, it is Baynton where the monthly rent is \$5600 and monthly mortgage repayment is \$3458.