



# The Week In Real Estate

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## Where the Biggest Profits Are

Property sale profits are on the increase according to CoreLogic's latest Pain and Gain Report.

In the June quarter of 2024, the median nominal gain from resales increased to \$285,000 according to the report - a record high since the report commenced.

The report analysed 91,000 resales in the June quarter, of which 94.5% made a profit – up from 94.4% in the March quarter. Total nominal gains from resales hit \$31.8 billion in the June quarter, up 7.7% from the March quarter.

Brisbane was the most profitable market with 99.1% of properties selling for more than the owner originally paid for the property. It is followed by Adelaide, 98.7%, Perth, 95.4%, Melbourne, 96.9%, Hobart, 94.7%, ACT, 94.4%, Sydney, 92% and Darwin, 67.9%.

The report says houses remain the far more profitable property type, with only 2.8% of house sales during the quarter for a loss, while it is 10.6% in the unit market.

The regions (95.7% of profit-making sales) outperformed the capital cities markets (93.8%).

## Spring Listings Surge Ahead

Listings are beginning to rise in some capital cities as the Spring Selling Season takes hold according to PropTrack.

PropTrack senior economist, Eleanor Creagh, says the stronger new listings environment has resulted in more choice for buyers with the total number of properties advertised for sale having increased from this same period last year.

"Sellers in these markets are entering the spring season with a lot of competition from other sellers given the accumulation of total stock on market," she says.

"This likely indicates that buyers in these markets will hold the upper hand as spring progresses and the number of new properties hitting the market continues to lift through spring."

In Melbourne total listings have been sitting above historic average levels for the past year and were at their highest level since November 2018 in July this year - 24% above the previous record.

Across Adelaide and Perth, and in parts of west Brisbane, total listings are up to 50% below the five-year average.



## Quote Of The Week

*"If we can incentivise older Australians to rent out a spare bedroom, it serves the dual purpose of improving access to affordable housing and cost of living relief to vulnerable older Australians."*

QUT economist, Dr Lyndall Bryant



## Cash Incentives For Loans

Banks have once again started to offer cash-back deals to borrowers in an effort to grab more market share.

Cash-back offers took off for a while in 2023 and competition reached a point where some banks were writing loans below the cost of capital. Those offers dried up by the end of 2023 but have now resumed with some of Australia's biggest banks now offering thousands of dollars' worth of incentives.

Jeff Cai, an analyst with the Investment and advisory group Jarden, says the big bankers now have the discretion to offer cash incentives for home loans.

"Banks remain competitive on discounting and are also – selectively – offering cashback to retain existing customers given the ongoing focus on retention," he says.

Canstar data director Sally Tindall says there is still a lot of heat in the mortgage market. She says with banks keen to retain customers it's a good time for existing borrowers to see if their banks will give them a better deal.



## Agents To Fight Money Laundering

Real Estate Agents will become part of the Federal Government's crackdown on money laundering, following the introduction of new legislation.

The legislation which will be enacted from March 2026 means real estate agents may need to further scrutinise some of their clients. Under the legislation real estate agents, among other professionals including lawyers and accountants, will need to report suspicious transactions.

The "Tranche 2" laws will bring Australia into line with other countries that are trying to stop criminals from converting ill-gotten funds into money that looks legitimate. Lawyer, Lachlan Gepp, of Addisons, says the legislation may cost agents some business as they won't be able to take on customers whose details they can't verify. According to the Real Estate Institute of Australia the introduction of similar rules in New Zealand had cost agencies between \$30,000 and \$60,000, depending on size. The legislation once introduced will mean that Australian laws are in line with the international standards set by the Financial Action Task Force (FATF).



## Older Owners Can Solve Housing Crisis

Offering incentives to older homeowners to rent out spare bedrooms could help ease Australia's housing crisis, according to new research.

A briefing paper by QUT economist, Dr Lyndall Bryant, says with appropriate tenant matching and management (and guarantees pensions won't be impacted) it could be a viable solution.

"As one possible solution, I propose we shift the housing debate from new supply to better utilisation of existing housing, by assisting older homeowners to increase rental stock through renting out their spare bedrooms." "Older Australians represent the highest proportion of homeowners, with over 80% of persons aged over 65 owning their own home. Research shows three-quarters of those homes contain three or more bedrooms, and 84% of these homes are under-utilised." She says it would ease the housing problem but also could help older people improve their finances.

"If we can incentivise older Australians to rent out a spare bedroom, it serves the dual purpose of improving access to affordable housing and cost of living relief to vulnerable older Australians."