



The Week In Real Estate

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Strata The Solution

There are almost 1.3 million sites throughout Australia that could be used for new strata developments. Analysis by CoreLogic and Archistar, assessed the development potential of capital city land that doesn't currently have a strata development and where local regulations allow for higher-density dwellings. It says there is room for potentially three million additional units, almost 500,000 of which could be built in areas with "low complexity" - meaning there are not significant issues with the sites, which may slow development.

The research was looking to identify sites that could accommodate smaller projects – on average 2.5 units per site. It says Melbourne has the most potential sites for this type of development and could potentially deliver 1.2million new strata units, followed by Sydney (934,000 units), Brisbane and Adelaide (400,000 each), Perth (63,000), ACT (59,000), Hobart (58,000) and Darwin (4000) More than half of the sites identified are within 2km of an existing train station. CoreLogic research director, Tim Lawless, says the analysis identifies opportunities for low-rise strata units that would typically take the form of townhouses, duplexes or triplexes.

"This style of infill development is often more sympathetic to the local character and tends to encounter less resistance from local residents who are often wary of higher densities," he says.

Regions Filling Fast

The big push to affordable lifestyle locations in regional Australia continues, with 40% of city dwellers considering moving to other regions.

Regional Australia Institute (RAI) research shows the number of people considering a move has doubled from 20% in May 2023 to 40% in November 2024.

RAI CEO Liz Ritchie says demand for regional living has never been higher.

The RAI's annual progress report shows regional rental vacancy rates dropped from 1.5% in 2023 to 1.3% in 2024. At the same time building approvals have dropped by 9.4%.

Ritchie says regional Australia is undergoing an unprecedented transformation and there is a need for improved services and infrastructure in regional communities.

"Many regions are already struggling with housing, particularly rental markets, and until region-specific policy measures are put in place, this will only be further magnified," she says.

While housing may be hard to come by in the regions Ritchie says there are nearly 76,000 jobs available across regional Australia.



Quote Of The Week

"Many regions are already struggling with housing, particularly rental markets, and until region-specific policy measures are put in place, this will only be further magnified."

Regional Australia Institute (RAI) CEO, Liz Ritchie



Where It's Affordable

There are still affordable pockets for buyers in Australia's capital cities, although you might have to buy a unit instead of a house, according to PRD's latest Affordable and Liveable Property Guide.

In says in the second half of 2024, 48.7% of unit markets and 29.2% of house markets within a 20km radius (10km in Hobart) of the CBD were affordable. Affordability was judged on areas that have a median price below the relevant capital city metro median. In Brisbane Strathpine, Griffin and Alexandra Hills were the most affordable suburbs for houses and Springwood, Richlands and Griffin for units. In Sydney, Chester Hill, Granville and Villawood were the most affordable for houses and Bankstown, Lakemba and Merrylands for units. In Melbourne, Albanvale, Ardeer and Lalor were the most affordable house markets and Williams Landing, Bundoora and Kensington for units. In Hobart, Glenorchy, Risdon Vale and Rokeby were the most affordable house markets and Berriedale, Glenorchy and Lutana for units.

PRD head of research, Dr Diaswati Mardiasmo, says that all the suburbs identified also have great liveability criteria.



Growth To Continue

Property prices are tipped to keep growing, particularly in Australia's smaller capital cities in 2025.

SQM Research's 2025 Boom and Bust Report says the most likely scenario next year of a 25 to 50 basis point rate cut midway through the year means property values could increase between 1% and 4%. SQM Research managing director Louis Christopher says Perth will lead the market with growth between 14% and 19%, followed by Brisbane (9% to 14%) and Adelaide (8% to 13%). Christopher predicts that prices will drop by as much as 5% in both Sydney and Melbourne.

"Our two largest capital cities, along with Canberra and Hobart, will start 2025 off in the red," Christopher says.

"We are currently recording dwelling price falls in each of these cities.

"However, once interest rate cuts do occur, we are expecting a speedy bounce in demand for Sydney and Melbourne in particular (where both are still) experiencing underlying housing shortage relative to the strong population growth rates."



Student Housing Rises

Student accommodation has nearly doubled in the past decade, according to new analysis of the sector.

The number of student accommodation beds has increased on the back of a surge in private developers moving into the purpose-built student accommodation sector. The Student Accommodation Benchmarks report shows there are 132,700 student accommodation beds in Australia, over half (53 %) of which are owned or managed by the private sector.

Victoria has the highest level of student accommodation with 43,982 beds, followed by New South Wales (34,069), Queensland (23,353), ACT (10,226) and South Australia (9,133).

Student Accommodation Council Executive Director Torie Brown says there is another 29,500 beds in the supply pipeline, with about 7,400 already in the construction stage, 14,900 approved, and 7,200 awaiting development approval.

It comes as the latest Rental Affordability Index shows the private rental market has never been less affordable and students are struggling to even afford share homes.