

Media Release



For immediate release – 15 March 2023

HOUSING SHORTAGE LEADING TO RECORD RENTAL GROWTH

The Real Estate Institute of Australia (REIA) Real Estate Market Facts report shows a mixed outlook for real estate as consumers deal with a more buyer friendly market, rising cost of living and aggressive interest rate hikes.

REIA President, Hayden Groves said the report found that the weighted average capital city median house price decreased 8% over the past year.

“This was the largest annual decrease over the past 20 years.

“In the eight capital cities, the median house price increased in Adelaide (1.5%), Perth (2.7%), Canberra (0.5%) and Hobart (4.1%) and declined in Sydney (-2.1%), Melbourne (-1.6%), Brisbane (-0.7%) and Darwin (-1.8%).

“The largest rise in median house price over the quarter was 4.1% in Hobart.

“The Australian weighted average median house price fell to \$945,474, a decrease of 1.0% over the previous quarter.”

Mr Groves said that vacancy rates lower than 3.0% indicate strong demand for rental accommodation, whilst rates higher than 3.0% are generally considered to reflect an oversupply of rental accommodation.

“The vacancy rate in the December quarter increased in Sydney, Brisbane, Adelaide, Canberra and Darwin, remained stable in Perth, but decreased in Melbourne and Hobart. The largest increase was in Darwin (0.8 percentage points).

“The largest decrease was in Melbourne (0.8 percentage points). Adelaide has the tightest rental market with a 0.5% vacancy rate. The weighted average vacancy rate for the eight capital cities remained stable at 1.7% over the quarter but a decrease of 1.1 percentage points over the past year,” he said.

According to Mr Groves, there is no relief in sight for renters as prices continue to rise due to the chronic housing shortage.

“In the December quarter, the median rent for 3 bedroom houses increased in Melbourne, Brisbane, Adelaide, Perth and Darwin, remained stable in Sydney and decreased in Canberra and Hobart. The largest quarterly increase was 5.3% in Perth.

“In the 12 months to the December quarter, the median rent increased in all capital cities. Brisbane had the largest annual increase (21.4%), the highest annual increase this century.

Mr Groves said the REIA REMF March quarter will show the continued pressures on the housing and rental market caused by low supply.

“We will be looking to State and Federal Governments for meaningful action on housing and reforms of systems limited a rapid injection of rental supply,” he said.

“We have had inadequate investment and planning reform in Australia for many years and now it is time for true action.”

ENDS

Media Release



For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350, olwyn.conrau@reia.com.au

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au