



# The Week In Real Estate



## Rents Rise In Most Cities

Capital city rents continue to increase. Analysis by rent.com.au shows rents in February increased in all cities except Brisbane and Perth. Unit rents rose in Hobart (4.2%), Sydney (3.8%), Canberra (3.3%), Darwin (2.9%), Melbourne (2.3%) and Adelaide (1.6%), but were unchanged in Brisbane and down slightly in Perth, according to rent.com.au. On a price-per-room basis, the biggest rises were in Hobart (7.8%) and Sydney (3.9%).

The increases follow a trend of growing rents in the past year, with vacancies low in most cities – including Melbourne, Hobart, Canberra and Adelaide, which are all below 1.8%, according to SQM Research.

While the rise in rents seems out of step with the downward trend in house prices in some cities, University of New South Wales City Futures research fellow Chris Martin says it is to be expected.

“Rents and house prices can move in different directions,” he says. “This is because house prices have a speculative component that rents do not have. Rents more directly reflect demand for, and supply of, housing.”

## Quote of the Week

***“Housing construction, already in a slump, would likely fall further due to the lack of investor demand. This would set up a shortage of housing based on current population growth rates and there is likely to be upward pressure on rents and prices.”***

**SQM Research founder Louis Christopher, who published an analysis on Labor’s negative gearing policy.**



## Brisbane Most At Ease With Loans

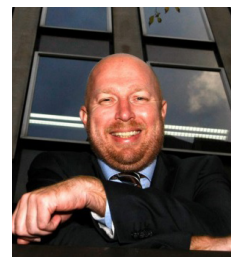
A new survey has found that home-owners in Brisbane fare the best when it comes to paying the mortgage comfortably.

The research by Finder asked respondents if they struggled with their mortgage - and Brisbanites emerged as the most comfortable with their repayments among the capital cities.

It found 62% of Brisbane respondents “can make repayments comfortably” compared 48% in Sydney, 50% in Melbourne, 54% in Adelaide and 43% in Perth. In addition, 32% of Brisbane respondents “live month to month, but find enough”, compared to 43% in Sydney, 42% in Melbourne, 37% in Adelaide and 49% in Perth.

Brisbane also had the lowest percentage of homeowners (4%) who were “barely able to make repayments every month”, while Sydney, Melbourne and Perth were at 8% and Adelaide was 7%.

Only a few respondents were “behind in repayments”, including 1% in Melbourne and Perth, 2% in Sydney and Adelaide, and 3% in Brisbane.





## Victoria Leads Population To 25 million

The latest Australian Demographic Statistics report by the ABS shows that Australia's population at 30 September 2018 was 25.1 million, up 1.5% over the year.

Net overseas migration of 240,100 comprised 61% of the growth, but was lower than the net migration of 259,400 in the previous year.

ABS demography director Anthony Grubb says 395,100 people were added to the population in the year to September 2018, compared to 407,000 the year before. "The growth rates varied across the states and territories," he says. "Victoria continued to have the fastest growth."

Victoria added 140,000 people, boosting its population to 6.5 million. The state's net overseas migration was 84,827 and it had a net inflow of 13,985 from interstate movement. NSW grew 1.5% and reached 8 million people.

Chinese-born people are now the nation's second biggest migrant group, edging out New Zealanders. A surge in Chinese arrivals in recent years saw their number rise to 606,450 as of mid-2017, behind the English who number 997,830, according to the ABS report.

## NAB Drops Loan Spotters' Fees

National Australia Bank will ditch its controversial "introducer" home loan referral program in an effort to clean up its reputation in the wake of the Royal Commission as big banks compete on the speed with which they can improve their image.

The move will place pressure on the other banks to follow NAB in putting an end to the practice of paying people a commission to recommend new mortgage customers.

For chairman-elect Phil Chronican, who is the face of the cleaner, more customer-oriented and better-behaving NAB, this move would have to have been a no-brainer. Paying unlicensed, unqualified and fairly random members of the community to funnel new mortgage customers to a particular bank should have set off alarm bells far earlier.

Commissioner Kenneth Hayne estimated NAB paid out \$100 million in commissions between 2013 to 2016 to an array of people from gym instructors, hairdressers and taxi drivers to members of local sporting clubs to act as spotters of would-be borrowers.

## Jobless Rate Dips Below 5%

Australia's unemployment rate has fallen to 4.9%, marking the first time it has dropped below 5% since 2011.

The unemployment rate fell by 0.1 percentage points in February, on seasonally adjusted terms, to reach its eight-year low of 4.9%. An 11,900 spike in part-time jobs drove the improvement, with the number of people in full-time work falling by 7,300 in the month.

Jobs Minister Kelly O'Dwyer says the latest ABS data shows the jobs market is in great health. "It is, I think, tremendous that the unemployment rate now has a four in front of it, rather than a five," she says.

But Labor leader Bill Shorten says there is more to the story than the headline figures, with many people in short-term and casual positions and struggling to cope with slow wages growth. "We've got a lot of Australians who are working two jobs just to make ends meet," he says.

Asked whether she is concerned about the trend, O'Dwyer pointed to the bigger picture, noting the majority of the 280,000 new positions created in the past 12 months have been full-time.

