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May 2019

Terry's View

Every day in media we see articles claiming prices are falling across Australia but the research shows this to be false. Hotspotting analysis of price data from four major sources shows that prices have risen in the past year in Hobart, Canberra and Adelaide. In Brisbane, some sources have house prices up slightly and others claim they're down a little. Most regional locations across the nation have rising prices. Behind the generalised figures (one number to describe an entire capital city) there are different scenarios playing out: the generalised figures for Brisbane indicate little growth is happening but a suburb-by-suburb analysis shows almost 70% of suburbs have rising prices. Perth remains down a little, but our analysis finds that 40% of suburbs have median prices higher than a year ago. Melbourne generally is falling but the outer-ring precincts still have prices higher than last year. In Regional NSW, 85% of locations have rising prices, as do 65% of markets in Regional Queensland and virtually 100% in Regional Victoria and Regional Tasmania. The reality is that most Australians live in locations where prices are rising, not falling.



Terry Ryder
Australia's Leading Independent
Property Researcher



Affordability Improves In Most Cities

Housing affordability for new mortgage borrowers in Australia, which improved over the year to March 2019, will continue to improve over the next 12 months, according to Moody's Investor Service. Affordability improved because housing prices declined in the biggest cities, while average incomes also increased modestly.

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Yields Rise Across Capital Cities

The return investors can expect on properties across Australia's major cities is rising, with rising rentals creating improvements in some cities and falling prices helping in others, including Sydney and Melbourne. Rental yields increased in all capital cities bar Brisbane over the past three months, data from the latest Domain Rental Report shows.

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Gearing Changes Create 2-Tiered Market

Labor's negative gearing policy has the potential to create a two-tiered property market where it will become almost impossible to sell "nearly-new" properties, according to Tyron Hyde of depreciation experts Washington Brown.

He asks: why would you buy a property that is, for example, one year old when you can buy the brand new property next door and get significantly better tax benefits from depreciation?

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Fixed Rate Demand Falls

Demand for fixed rate home loans fell in March, reveals new data from Mortgage Choice, prompting many lenders to reduce their interest rates for fixed-rate loans.

According to its latest national home loan approval data, demand for fixed rate home loans fell in March, accounting for 21% of all home loans written – a reduction of 1.38% from the previous month. "The home loan market is fiercely competitive at the moment and lenders are actively trying to entice high quality borrowers with attractive interest rates," says Mitchell.

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Melb Dominates Building Hotspots

Melbourne has again dominated the HIA Hotspots Report, with 12 of Australia's Top 20 building growth areas all located around Victoria's capital.

"The majority of the growth is in the fringe of Melbourne as the city expands, although inner city suburbs such as Southbank and Docklands are also enjoying strong growth as they change to accommodate higher density living," says HIA's Chief Economist, Tim Reardon.

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Vacancy Rates Fall Further in March

The national residential vacancy rate fell further to a low of 2.1% in March 2019, with four of the eight capital cities recording vacancy rates between 0.4% and 1.6%, according to SQM Research.

Canberra is the only capital city to increase its vacancy rate from 0.8% in February to 0.9% in March 2019, but continues to have the second lowest rate among the capital cities. Hobart, steady at 0.4%, remains the city with the tightest rental market.

Sydney, Melbourne, Brisbane, Perth and Adelaide all experienced a 0.1% decrease in vacancy rates in March.

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