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## Terry's View

The new credit reporting system now being introduced has added to “the series of fortunate events” which are revitalising real estate markets across the nation.

Expert analysis suggests that most Australians will be able to borrow more for real estate and get better interest rate deals once the system takes effect. Already consumers are benefiting from other recent changes, including the relaxation of the APRA's rules on lending, the recent reductions in interest rates, the tax cuts and growing assistance for first-home buyers.

This follows the removal of the uncertainty caused by May's Federal Election and the turnaround in media sentiment, which is now a lot more positive about real estate.

We are seeing increasing evidence that all of this is translating into improved performance in real estate markets, with vacancies falling, rents rising, clearance rates improving and big cities prices returning to growth.



**Terry Ryder**  
Australia's Leading Independent  
Property Researcher



## Hold Long Term For Best Returns

Many property investors seek to buy when the market is low and sell just as it peaks — but trying to time the market can be risky and most get it wrong, new research shows. It revealed the high transactional costs of buying and selling meant those who tried to profit from short-term jumps in property values rarely made as much money as those who kept their properties for longer.

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## Interest Rates To Stay Low Long Term

Interest rates are likely to fall before they rise again, giving more hope to home-buyers and investors seeking to enter the property market, according to a senior researcher at Bendigo & Adelaide Bank. David Robertson, Bendigo Bank's Head of Economic & Market Research, said indicators showed low interest rates would remain a feature of the economy for the next 5 years.

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## More Loans Under New System

Australian credit bureau Equifax says \$20 billion in extra loans could be granted to consumers over the next year, due to a new regime giving lenders greater detail on customers' debts and repayment habits. In a move previously hailed as a "game-changer" for borrowers, a system known as "comprehensive credit reporting" (CCR) passed a major milestone earlier this month. All of the major banks are now providing credit bureaux with more detailed customer data relating to credit card usage, personal loans and mortgages.

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## Low Supply Set To Push Up Prices

Leading mortgage insurer QBE has forecast price rises as high as 20% in our major cities, boosted by reduced supply at a time of rising demand. In its Australian Housing Outlook 2019-2022 report, QBE predicts house price growth across all capital cities. Brisbane is set to experience the sharpest rise in house prices (20%) over the three years to 2022, followed by Adelaide (13%), Darwin (7%), Canberra (6%), Perth (6%), Sydney (6%), Melbourne (5%) and Hobart (4%).

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## Deposit Scheme Eases Path

Legislation giving effect to the Commonwealth Government's deposit gap scheme will ease the pathway to home ownership. The scheme – promised in the lead-up to the Federal Election – helps remove barriers to first-home buyers (FHBs) by reducing the deposit savings requirement and effectively reducing mortgage insurance costs. FHBs will be able to access loans with a deposit of only 5%. FHBs are becoming increasingly active around Australia. The latest Australian Bureau of Statistics data shows that 28.5% of housing finance commitments in May were FHBs, compared to 20.4% two years ago.

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## Home Lending Up As Rules Ease

Improved access to finance and lower interest rates are helping households get into real estate, with the number of new loans approved in July rising almost 4% to \$32.24 billion.

Lending to owner-occupiers (excluding refinancing) rose 5.3% in July, new data from the Australian Bureau of Statistics shows.

Refinancing of existing home loans also increased 5.4% as home owners look to get the best value for money, as lenders compete by offering attractive interest rate deals.

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