



The Week In Real Estate

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Stamp Duty Reform

Abolishing stamp duty would immediately help more people buy property, according to new research.

Analysis by e61 Institute and PropTrack shows that increasing the rate of stamp duty by just one percentage point reduces the number of homes sold by more than 7%. It says if a state such as NSW abolished stamp duty entirely, an extra 100,000 people would be able to buy every year. The report says stamp duty doesn't just affect the property market. It blames stamp duty for making it difficult or too expensive for people to change jobs if it involves moving to a new location.

"Job mobility has slowed over the past couple of decades, which has weighed on productivity and coincides with a surge in the cost of stamp duty," it says.

"Meanwhile, older households – many of whom have numerous spare bedrooms – are discouraged from downsizing.

"Discouraging people from moving has all sorts of damaging flow-on effects, and these problems are becoming increasingly acute because the impost of stamp duty has grown considerably relative to previous generations," it says.

Buyers Remain Optimistic

Home buyers believe now is a good time to buy, because of predictions that property prices will continue to rise this year.

The Residential Audience Pulse Survey released this week, shows 40% of buyers think property prices will increase in the next six months. Despite this 35% of respondents believe now is the time to buy, up 9% on the previous quarter.

The report says this suggests that while apprehensions exist, many buyers remain optimistic about market conditions. The survey says almost a quarter of consumers aged 18 and above are actively looking to buy. The biggest motivator for buying was a lifestyle change (32%), followed by making financial gains (18%), downsizing (13%), retirement (12%), and upsizing (12%).

About a third of respondents say they believe demand for property will be even stronger in the coming months. First-home buyers look set to not be as active with a drop of 3% compared to the previous quarter who are looking to secure a property in the next five years.

4600 people were surveyed for the report, which examined buyers' perspectives on the market.



Quote Of The Week

"The construction industry is filled with a wide range of opportunities for women, and we are already seeing a larger percentage of women taking on roles in construction and thriving."

HIA Senior Executive Director, Compliance and Workplace Relations, Melissa Adler



More Women in Construction

The number of women working in the construction industry is on the rise according to analysis by the HIA. HIA Senior Executive Director, of Compliance and Workplace Relations, Melissa Adler says while figures are still lower than they would like to be, it is rising steadily.

“Currently, women make up approximately 15% of the construction industry, but these figures do not tell the whole story, with the focus too often only on onsite trades,” she says. “The construction industry is filled with a wide range of opportunities for women and we are already seeing a larger percentage of women taking on roles in construction and thriving.” Adler says the industry is now training more female workers than ever before. “There are nearly 6,000 female apprentices and trainees undertaking training in the construction industry which is more than double the number in training from 2019,” she says.

“For its part HIA has a strong network of women who work within the construction industry, offering opportunities for professional connections through HIA’s Building Women program nationally, and offering training and apprentice programs with wrap-around mentoring to support young women entering the industry.”

Markets to Outperform

Perth, Sydney and Adelaide property markets are tipped to outperform in 2024.

CBRE’s inaugural Quarterly Residential Valuations Property Market survey says house prices in those cities could increase by up to 10%.

The report, which surveys property valuers to gain predictions for the market in the next 12 months, found that 60% of valuers believe house prices will rise nationwide with 40% predicting an increase of 5% or more. The vast majority of valuers are upbeat about the prospects, particularly in the apartment sector, with 44% tipping price increases in that sector.

The report says apartments in Brisbane, the Gold Coast, Sunshine Coast and Sydney are likely to achieve the strongest price growth. CBRE Pacific Head of Research, Sameer Chopra, says as vacancy rates drive up rents, tenants are deciding to buy, and apartments appear to be the most affordable option.

“Early signs of value growth in the property market are emerging, driven by purchasers willing to buy ahead of potential interest rate cuts,” he says.



Cheaper Markets Feel Rent Squeeze

Affordable rental locations have recorded bigger rent rises than the more expensive end of the market, according to PropTrack analysis.

Senior economist, Angus Moore, says rents nationally surged by 11.5% in 2023 after 15.6% growth in 2022. The median national rent is now \$600 per week, compared with \$400 per week in 2020. He says rents in the most affordable end of the market have increased by 43% in the past five years, compared to 30% in the most expensive markets.

The PropTrack Rental Affordability Index shows affordability is toughest in New South Wales, Tasmania and Queensland. Victoria is Australia’s most affordable state for renters according to the report. At \$550 per week, median advertised rents in Melbourne are \$50 lower than in Brisbane and Perth.

“This improvement reflects the slower pace of rent growth in Melbourne since the pandemic,” the report says.

While all parts of Australia have had substantial increases in rent, growth has been particularly strong in Perth where rents have increased 67% since the start of the pandemic.

Brisbane and regional Queensland rents increased by 50% and 53%, respectively.