



Australian Property Update

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Migration Pushing Up Demand

Australia added 484,000 people to the national headcount in the 12 months to September 2024.

According to the Australian Bureau of Statistics, West Australia's population grew by 2.5%, Victoria by 2.1% and Queensland by 2%. This increase in population puts increased pressure on housing across all tenures: ownership, rental, and emergency accommodation. And increased demand leads to increased prices. That pressure on prices is resulting in more people looking for affordable options in Australia's regional markets. The Regional Australia Institute's latest Regional Movers Index shows internal migration to regional areas, has cemented itself as a long-term structural trend. It shows a four-fold increase in migration from capital cities to places like Bendigo and Bunbury. Bendigo, in particular, is surging off the charts, with a 63% quarterly growth in capital city to regional migration and a four-fold increase year-on-year. It's now second only to Bunbury in West Australia as the fastest-growing regional centre.

Why is this important for the property market? Well, when people move, house prices tend to move also. Bunbury is a good example of this. Its median house price jumped 28% in 2024 - the highest growth of any WA regional centre. This shift has profound implications—not just for property values but for rental stress in areas traditionally considered affordable. Australia's housing supply continues to lag population growth. Migration - both international and domestic - remains a powerful driver of housing demand. And while big-city markets get the media spotlight, regional areas are where the most intense growth and pressure are now playing out.

Investment Trifecta Hotspots

Australia's regional towns are powering ahead, with new analysis revealing that regional towns dominate the best locations to achieve an investment trifecta. REA Group has identified the top 37 locations that offer the investment trifecta - affordability, solid capital growth and high yields. It analysed the investment potential of suburbs it had already identified as being in sought-after locations and appealing to families. The results include house and unit suburbs all with prices below national medians, growth above national medians (4% for houses and 3.6% for units) and yields above national medians (4% for houses and 4.9% for units). Of those 37, 24 are house markets and 21 are unit markets. Queensland and South Australia had the most suburbs where investors could find houses that met the criteria for investment prospects. In the house market, Rockhampton in Queensland tops the list with the lowest median house price of \$359,500, the highest annual price growth of 53% and the highest rental yield at 6.5%. Kirwan in Townsville, Gatton in Queensland's Lockyer Valley, Munno Para West and Andrews Farm in Adelaide all made the list, with each recording price growth of more than 20% in the year to February. Six suburbs in Western Australia are on the house market list, two in New South Wales, and one in Tasmania. Queensland had eight unit markets on the list, followed by Victoria (4), West Australia (3), Tasmania and the ACT with two, and New South Wales and South Australia with one each. Wright in the ACT and Mandurah in West Australia topped the list of unit markets with the strongest yields of 5.7%.





Auctions Where The Action Is

Auctions are continuing to emerge as the selling method of choice, with new data showing the number of properties going under the hammer has soared in the past 15 years.

The number of properties going to auction has increased from 26% of listings in 2009 in Sydney to 48% in 2025. Melbourne is up from 36% to 56% over the same period, Adelaide is up from 11% to 33%, Canberra from 30% to 49% and Brisbane from 10% to 17%.

CoreLogic economist Kaytlin Ezzy says the move to auctions has picked up pace in the past couple of years while it has been a sellers' market. "We have seen very low listing levels across the board, which means you are seeing buyers competing for properties, as opposed to when conditions skewed in favour of the buyers, where sellers are competing for the buyers," she says. "The use of auctions, as maximising the returns on the property, has become more popular." The last week of March was the busiest week of auctions since October 2024, with 2905 auctions held, according to CoreLogic data. Adelaide had the highest clearance rate of 75.6%, followed by Melbourne, 67.2%, Sydney, 65.5% and Brisbane, 59.5%.

Prices Continue Rising

Home prices are continuing to rise throughout Australia, with new data showing that modest growth during March has driven prices up by 3.91% over the past 12 months.

PropTrack data shows that annual price growth in regional centres continues to outpace that of capital cities. Regional West Australia had the highest growth in the past 12 months of 12.3%, while Regional South Australia is up by 11.5%. The figures show that the Melbourne market is finally starting to achieve some price growth. Its median house price is up 0.1% during March, which has softened its yearly decline to just -2.4%. The smaller capital cities are the most solid performers in the house market over the past 12 months with Adelaide, up 11.3%, leading the charge, followed by Perth, 11.2%, Brisbane, 8.4% and Darwin, 5.1%. Sydney is up by 2.9%, Hobart, 2.2%, and the ACT, 0.9%. PropTrack senior economist Eleanor Creagh says February's rate cut boosted borrowing capacity and buyer confidence, helping to reignite demand and reverse the small price declines of early 2025. She says prices in both capital cities and regional areas are sitting at record highs. In the unit market medians are up 4.5% over the year with Brisbane the best performer, achieving growth of 14.8%, followed by Perth, 14.4% and Adelaide, 11.3%.



Construction Rising

Construction is beginning to slowly rise again with apartments the dominate housing type to be delivered in 2025 and beyond.

Although PRD's Australian Economic & Property Update says even though residential construction increased slightly in the second half of 2024, the market remains undersupplied.

PRD Chief Economist, Dr Diaswati Mardiasmo, says apartment projects picked up during the second half of the year as they offers buyers more affordable options.

"New dwelling costs in Brisbane and Perth continue to rise due to trade shortages and higher house demand," she says. "Units remained the dominant planned ready-to-sell stock in 2024 and in 2025 and beyond. This is true in almost all capital cities (except for Hobart and Adelaide)."

As a result, Mardiasmo says the freestanding house market will remain under-supplied, which will push up prices. She says rising demand for units is driving prices up in those markets and there is evidence of unit price growth outpacing house price growth in some areas. Sydney has 32,208 units in the pipeline, Brisbane, 25,184; Melbourne, 20,671; Canberra, 16,594; and Perth, 2590. Hobart has 710 units in the pipeline while Adelaide has 180 and Darwin, 163. While Sydney dominates the unit market development pipeline, it also has the highest number of proposed land lots - 8726.