



The Week In Real Estate

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Housing Plans Go Head-to-Head

Labor and the Coalition have launched housing policies aimed at helping more Australians onto the property ladder ahead of the 2025 federal election.

The Coalition's plan, led by Peter Dutton, offers first-home buyers of new builds a tax deduction on interest paid for the first \$650,000 of their mortgage for up to five years. Means-tested at \$175,000 (singles) and \$250,000 (couples), this measure is expected to cost \$1.25 billion.

Labor's plan, announced by Anthony Albanese, expands the First Home Buyer Guarantee to all first-home buyers, removing income caps and increasing property price limits (e.g. Sydney: \$1.5M). It also includes a \$10 billion investment to build 100,000 homes for first-home buyers, with \$2B in grants and \$8B in zero-interest loans.

Labor says these homes will be built on underused government land, with access determined in partnership with state governments.

Both parties promise solutions—but with different routes to the same goal: increasing home ownership.

Rents Rise, Relief Lags

Rents have surged 14.2% over the past two years—more than double Australia's inflation rate of 6.6%—according to Money.com.au's analysis of ABS data. After rising 7.3% in 2023 and 6.4% in 2024, projections suggest rents could jump another 18% by 2030.

Money.com.au Property Expert Mansour Soltani said the divide between renters and homeowners is widening: "Inflation is easing for most, but rents keep rising. Renters are bearing the brunt of the housing crisis."

Perth leads with a 19.9% rent hike over two years, followed by Brisbane (15.8%) and Sydney (15.4%). Melbourne (12.7%) and Adelaide (12.2%) also rose, while Darwin and Canberra had smaller increases. Hobart was the only city with a decline (-1.5%).

Nearly half of renters (47%) say they'd move to find cheaper rent, with 14% currently looking. Gen Z and Gen X renters are most affected.

With population growth, low vacancy rates, and housing shortages, Soltani warns the crisis could mirror the prolonged rental surge seen during the GFC.



Quote Of The Week

"I think we will see a cut in May and there's a good chance we will see several more cuts this year."

Head of Inv Strategy & Chief Economist, AMP - Shane Oliver



Chasing Homes, Leaving Cities

New data shows Sydneysiders are leaving in record numbers, with housing affordability driving the exodus. Between 2021–2024, Sydney lost over 129,000 people to internal migration — more than any other capital. Last financial year alone, 41,000 residents left, outpacing the city’s natural population increase.

While Melbourne and Darwin also saw population declines, Brisbane, Perth, and regional Queensland led net domestic migration gains. Brisbane attracted 56,100 newcomers, followed closely by regional Queensland (54,900) and Perth (27,500).

According to the e61 Institute, housing costs are a key factor, especially for those in their 30s. As Sydney’s median house prices remain out of reach for many, younger Australians are looking elsewhere for affordable homes.

However, rising prices in Brisbane and regional Queensland may soon slow this trend, as the gap between Sydney and other markets narrows.

With affordability, demographics, and lifestyle all in play, the shifting flow of Australians seeking better living conditions is set to continue.



Future-Proofing Our Suburbs

Australia urgently needs 1.2 million new homes in the next five years — and the Housing Industry Association (HIA) believes “gentle density” could be the key.

Gentle density refers to medium-density housing like townhouses, duplexes, and micro-lots, built within existing suburbs to boost supply without compromising community character.

HIA Executive Director of Planning, Mike Hermon, says: “Australia’s housing crisis is at a tipping point, and one of the answers lies in embracing gentle density to unlock the missing middle housing solutions.”

Instead of relying solely on costly greenfield development at the urban fringe, HIA proposes smart infill in well-served suburbs. Current zoning laws are outdated, often limiting options to either high-rise apartments or large detached homes.

The HIA is calling for streamlined approvals and more flexible planning to support diverse housing where infrastructure already exists — near jobs, schools, and public transport. It’s a strategic step toward fixing the housing crisis without sacrificing the livability of our suburbs.



Banks Tip Rate Easing

National Australia Bank now expects the Reserve Bank to begin cutting rates from May, forecasting a 50 basis point reduction, followed by a series of 25-point cuts through to February 2025—bringing the cash rate to 2.6%. The shift follows global uncertainty after US President Donald Trump paused plans for sweeping tariffs, excluding China, which had rattled financial markets.

NAB economists said, “A restrictive policy stance in Australia is no longer appropriate, in our view,” citing global risks and domestic weakness.

Deutsche Bank and AMP also updated forecasts, with AMP’s Shane Oliver stating, “I think we will see a cut in May and there’s a good chance we will see several more cuts this year.”

Despite recent global developments, Westpac and CBA have held their cash rate expectations steady.

Though Australia’s direct exposure to tariffs is limited, concerns remain over reduced global demand, especially from China, which could hinder Australia’s economic recovery.