

Media Release



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HOUSE PRICES DEFY RESERVE BANK'S BIG CALL: REIA

The Real Estate Institute of Australia (REIA) President, Mr Hayden Groves said their latest Real Estate Market Facts, powered by Managed, has found that Australian housing prices fell over the June quarter as rising interest rates and inflation impacted affordability but not all cities and regions are experiencing price contractions.

"Combined, the June quarter of 2022 saw a decline in the weighted average capital city median price for both houses and other dwellings across the Australian residential property market. The weighted average capital city median price decreased by 1.8% for houses and 0.6% for other dwellings.

"The weighted average median house price for the eight capital cities fell to \$1,012,230 over the quarter. The median house price increased in Brisbane, Adelaide and Darwin remained stable in Perth and declined in Sydney, Melbourne, Canberra and Hobart. Increases ranged from 0.4% in Darwin to 2.6% in Adelaide.

"This defies the Reserve Bank's latest comment on potential house price falls and simply demonstrates the current market conditions are the adjustment 'we had to have'.

"At a median sale price of \$1,552,015, Sydney's median house price continues to be the highest amongst the capital cities, 53.3% above the national median.

"At \$530,000, Perth offers great value with the lowest median house price across Australian capital cities, 47.6% lower than the national median. Over the 12 months to the June quarter, the weighted average capital city median house price increased by 9.2%. Whilst a significant gain, this is the lowest annual increase since the December quarter 2020."

According to Mr Groves, the weighted average median price for other dwellings for the eight capital cities dipped to \$651,142, a quarterly fall of 0.6%. Over the quarter, the median price for other dwellings rose in Brisbane, remained stable in Adelaide, Canberra and Darwin and declined in Sydney, Perth, Melbourne and Hobart.

"At \$790,983, Sydney's median price for other dwellings continues to be the highest amongst the capital cities, 21.5% higher than the national median. At \$410,000 Perth has the lowest median price for other dwellings across Australian capital cities, 37.0% lower than the national median.

"Over the 12 months to the end of June, 2022 the weighted average capital city median price for other dwellings increased by one percentage point," he said.

Mr Groves said rents increased sharply after a period of relative stability with the weighted average median rent for 3-bedroom houses in the eight capital cities inflating to \$506 per week, a quarterly rise of 3.6%.

"The median rent for 3-bedroom houses increased in all capital cities over the quarter, except Melbourne where it remained stable. During the quarter, the weighted average median rent for 2-bedroom other dwellings increased to \$474 a week, a quarterly rise of 5.4%. The median rent increased in all capital cities over the quarter except in Adelaide and Hobart where it remained stable."

Mr Groves said vacancy rates have dropped in most cities with Melbourne also falling but still recording the highest at 4.6% while Adelaide has the lowest at 0.4%.

"With weekly median rents for 3-bedroom homes rising 11.7% in twelve months, the data points toward rental affordability remaining the most significant challenge facing the housing sector for the foreseeable future."

Mr Groves thanked Managed, for coming on board as an exclusive three-year sponsor for the REIA REMF.

"Innovation in financial payments for real estate will be one of the great productivity gains for practitioners in the next decade and we look forward to this partnership with Managed.

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"This is more significant with the swearing in of the 47th Parliament and the appointment of the Hon Stephen Jones as Financial Services Minister.

"Reform across the Federation will be critical if we want to conduct the safest and most trusted property transactions in a consistent way for what is, in the main, very large monetary sums."

Sponsors of this report and pioneers in rental market payments, Managed App also commented on the findings of the report.

Co-founder and CEO, Nick Bouris said at Managed App, we're certainly noticing a considerable rise in median rental prices across our national portfolio of property management customers," he said.

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About REIA

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au

About Managed

From collecting rent to paying bills and tradespeople and everything in between: Managed App is the first and only fully automated payment platform for property management. For more information visit www.managedapp.com.au