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HOUSE PRICES INCREASE, OTHER DWELLINGS TAKE A HIT AND RENTS KEEP RISING

Australian housing prices continued to rise but other dwellings recorded falls over the March quarter, Real Estate Institute of Australia's (REIA) latest *Real Estate Market Facts* report has found.

REIA President, Mr Hayden Groves said the March quarter of 2022 saw an increase in the weighted average capital city median price for houses and a decline for other dwellings across the Australian residential property market.

"The Australian residential real estate market, at the end of March, was worth an extraordinary \$10.2 trillion dollars.

"The weighted average capital city median price increased by 0.8% for houses, yet decreased by 0.8% for other dwellings."

Mr Groves said the weighted average median house price for the eight capital cities increased to \$1,033,621 over the March 2022 quarter.

"The median house price rose in all capital cities except Melbourne, Darwin and Canberra. Increases ranged from 0.1% in Perth to a substantial 8.2% in Adelaide.

"At \$1,590,932, Sydney's median house price continues to be the highest amongst the capital cities, 53.9% higher than the national average. At \$525,750 Perth has the lowest median house price across Australian capital cities, 49.1% lower than the national average, demonstrating the relative value of the Western Australian market.

"The weighted average median price for other dwellings for the eight capital cities is now \$656,692, a quarterly decrease of 0.8%, demonstrating the strong nation's demand for detached family dwellings.

"Over the quarter, the median price for other dwellings rose in Brisbane, Adelaide, and Darwin, remained stable in Perth and declined in Sydney, Melbourne, Canberra and Hobart. At \$796,524, Sydney's median price for other dwellings continues to be the highest amongst the capital cities, 21.3% higher than the national average.

"At \$415,000 both Perth and Darwin have the lowest median price for other dwellings across Australian capital cities, 36.8% lower than the national average. Over the 12 months to the March quarter, the weighted average capital city median price for other dwellings increased by 5.1%," he said.

Mr Groves said rents have grown across most capital and regional cities and extremely low vacancy rates represent a serious challenge to those seeking to change their housing options.

"Most major cities recorded fewer rental properties available than the previous quarter with declines in vacancy rates in Sydney (2.3%), Brisbane (0.9%), Adelaide (0.4%), Canberra (0.5%) and Darwin (1.6%).

"Vacancy rates stabilised in other centres, but remained extremely tight in Hobart at 0.9%, but improved in both Perth 1.2% and Melbourne 5.2%.

"House rents rose in the March quarter, the weighted average median rent for 3-bedroom houses in the eight capital cities rising to \$488 per week, a quarterly increase of 3.5%.

Media Release



Rising rents reminds the nation of the need to continue supporting privately owned residential rental housing in Australia. "With almost a third of all homes rented by mum and dad investors, we cannot afford to disincentivise this group through the introduction of disempowering tenancy laws.

"During the quarter, the weighted average median rent for 2-bedroom other dwellings increased to \$450 a week, a quarterly increase of 3.4%."

Mr Groves said that geopolitics, the newly elected Government's response to their inherited economic conditions, and whether the Reserve Banks' rate rises do their job in curbing inflation and the housing supply challenge, will all be critical inputs into how the real estate market plays out in 2022.

"REIA is looking forward to getting to work with the new Federal Minister for Housing, the Hon. Julie Collins MP on a National Plan for Housing to deal with these fundamentals, particularly Australia's short rental supply."

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