
Research shows March housing decline, market to stabilise: REIA

Property prices fell across Australia at the start of the year with the weighted average median prices decreasing by with houses declining 2.2 per cent and other dwellings 1.4 per cent, according to the latest research from the Real Estate Institute of Australia.

REIA President Adrian Kelly said while REIA Real Estate Market Facts for the March 2019 quarter showed a continuing decline in the market since June 2018 for both houses and other dwellings a number of factors are pointing to a stabilising market.

“With the election out of the way and no change in property taxation, a cut in official interest rates in June and the possibility of a further cut later this year we should see the market, which is already showing signs that the rate of price falls is declining, stabilise.”

“The rate cut, unlike the last series of cuts in 2015 and 2016 which stimulated investor activity, will benefit first home buyers who have seen their numbers decrease nationally to 23,403 in the March quarter 2019, down 19.7 per cent for the quarter and a decrease of 11.6 per cent compared to the corresponding quarter in 2018.”

Mr Kelly said the weighted average median price for houses for the eight capital cities decreased to \$722,028 over the quarter, with prices decreasing in all capital cities except for Adelaide and Darwin.

“The weighted average median price for other dwellings decreased to \$568,584 over the quarter, with prices decreasing in all capital cities except for Adelaide and Hobart.

“The quarterly decline in volume of both investor and owner occupied finance of 20.7 per cent and 21.6 per cent, respectively, following the imposition of prudential controls by APRA and changes in banks’ lending criteria post the Hayne Royal Commission have contributed to this outcome.

“For owner occupied finance it's the largest quarterly decline since March 2010 and for investor finance the largest decline since March 2004.

“Over the quarter, the median rent for three-bedroom houses increased or remained steady in all capital cities except Darwin where there was a decline. The median rent for two-bedroom other dwellings also either increased or remained steady in all capital cities except Darwin.

“The weighted average vacancy rate for the eight capital cities decreased to 2.8% during the March quarter indicating a slight tightening of the rental market,” Mr Kelly.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to interview REIA President

Adrian Kelly please contact Helen Hull at media@reia.com.au or 0419 642 961. A copy of the detailed report is available on request.