

Media Release



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MYEFO A POSITIVE FOR AUSTRALIA'S PROPERTY MARKET

The bounce back of the Australian economy projected in the Mid-Year Economic and Fiscal Outlook (MYEFO) is a positive for the property market.

"The uplift in expected economic growth from 1.5% in 2020/21 to 3.75% in 2021/22 is a major boost to the economy," said Mr Hayden Groves, President of the Real Estate Institute of Australia.

"Together with a drop in the unemployment rate to 4.5% in 2021/22 and 4.25% in the following year, wages growth of 2.25% and 2.75% in those two years and then accelerating along with a CPI within the RBA's target will be a positive for the property sector.

"The outlook for interest rates is benign under this scenario and with signs that prices are stabilising, buyers and sellers should have confidence in the economy and the property sector.

"With evidence new listing enquiries are increasing, the number of properties coming to market early next year should approach long-term average levels, which in turn, ought to moderate price rises, easing affordability decline experienced in 2021.

"With the possibility of tax cuts next year increasing disposable incomes affordability would get a boost.

"Whilst all the signs are positive for the property sector, a long-term plan addressing the supply side is still needed.

"For Australian's considering buying or selling, this MYEFO should give them the encouragement to reach out to your local real estate agent to discuss your options," Mr Groves said.

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