

Media Release

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REIA 20 YEAR REPORT SHOWS LOWER RENTAL RISES WHILE CAPITAL VALUES SOAR Hobart housing prices soar by 269% over two decades

The Real Estate Institute of Australia (REIA) President, Mr Hayden Groves said the latest REIA report shows Australian housing prices have doubled over the past two decades while rentals have recorded half that growth.

Mr Groves said *"Real Estate Market Facts: 20 years"* found the weighted average median house price for the eight capital cities increased 103.8% to \$1,011,208 from 2002 to 2022.

"The real median house price increased in all capital cities with increases ranging from 75.4% in Perth to a staggering 269.1% in Hobart.

"Over the past 10 years, the weighted average median house price for the eight capital cities grew by 56.1%. The highest increase was in Sydney (91.7%) and the lowest increase was 33.6% for Adelaide. Both Perth and Darwin had decreases over the past decade, down 10.2% and 18.1% respectively."

According to Mr Groves, the weighted average median price for other dwellings for the eight capital cities has grown by 51% over the past 20 years.

"Over the past 10 years the weighted average median other dwelling price for the eight capital cities grew by 19.6%.

"Over the decade, the median price for other dwellings increased in Hobart (59.2%), Sydney (34.4%), Melbourne (18.9%), Canberra (14.6%) and Adelaide (12.8%), remained stable in Brisbane and decreased in Perth and Darwin (-3%)."

Mr Groves said that over the past 20 years the weighted average median rent for three-bedroom houses in the eight capital cities increased 41.4% to \$506 per week. The median rent for three-bedroom houses increased in all capital cities over the 20 years ranging from 30.6% in Melbourne to 84% in Hobart.

"Since 2002, the weighted average median rent for two-bedroom other dwellings grew by 39.3% to \$474 a week. The median rent increased in all capital cities over the ranging from 26.1% in Sydney to 90.9% in Hobart."

Mr Groves commented that over the past 20 years there have been 3,390,189 new dwelling completions. Of these 63.7% were new houses and 36.3% were other residential.

"March 2012 saw the lowest number of new house completions (19,836) and September 2018 had the highest number (33,853).

"For other residential March 2002 saw the lowest number of completions (7,294) and December 2016 had the highest number of new completions (30,328)."

He said that in June of 2002 the average median house price was six years of annual family income, in June of 2007 and 2012 it increased to around six and a half years on annual income. By 2017 median house prices had increased to over eight and a half years of annual income.

"As of June 2022 the median house price was eight years and nine months of annual income. The highest house price to annual income was in December 2021 (9 years 2 months) and the lowest was in June 2002 (6 years)."

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The report found that lending to investors was at its highest in June 2015 (\$33.9b), 45.1% of all housing loans. It was at its lowest point (\$15.2b) in June 2020 the start of the pandemic. The volume of lending to owner occupiers was at its highest in June 2021 (\$71.6b), and at its lowest in the March quarter of 2003 (\$31.6b).

“Commonwealth Rent Assistance is not keeping pace with rent increases. For a family with 2 children, in 2002 rent assistance met 24.4% of the median rent for a 3 bedroom house whereas in 2022 this had reduced to 16.9%. The level of assistance varied across capital cities.”

Real Estate Market Facts: A 20-year report 2002- 2022 was sponsored by Homely.

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