

Media Release



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LOCKDOWNS CAST SHADOW ON SPRING SEASON DESPITE STRONG BUYER INTEREST

Lockdowns are creating havoc on Australia's property market as listings continue to be delayed, Real Estate Institute of Australia's (REIA) President, Adrian Kelly said.

Mr Kelly said this spring certainly doesn't feel like a normal spring market.

"Where we would usually see an influx of new properties coming to market, the opposite is happening. Melbourne estate agents have been closed for business with spring auction campaigns shelved although the recent allowance of inspections should ease that pain, somewhat. Sydney agents are still trading but under very much imposed conditions. Canberra agents have only just seen restrictions eased while in other jurisdictions agents are still trying to operate normally.

"Despite the low interest rate environment, we aren't seeing the usual new properties coming to market. In fact, spring listings are down by a staggering 20% to 40%.

"Having said that though, buyer demand is absolutely through the roof with most agents reporting that for every property they are selling, they probably could have sold it another five to ten times over. That is the silver lining...for those sellers that do go to market now they are achieving premium prices due to low levels of competitive properties and pent up buyer demand.

"There is a very large cohort of sellers who would normally go to market now, in particular retirees living in large family homes who wish to downsize, but instead are sitting tight either because they have to due to lockdowns or because they know it will be difficult to buy something at the other end of the transaction and even if they do find a suitable property they will be under intense competition in order to secure it.

"We are at a stalemate until we reach more vaccinations and a return to some sort of normality. Perhaps the usual spring selling season will be somewhat shelved and we will look forward to a revitalised summer selling season. Either way, the demand for Australian property still remains very strong and sale prices are continuing to rise," he said.

Mr Kelly said that the REIA has urged the government to focus on a National Housing Plan to address issues such as housing affordability for first home buyers through addressing stamp duty costs. "Everybody needs somewhere to live and you can't live in a share portfolio."

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