

The Real Estate Institute of Australia

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Regional Data Hub Team,

Regional Data Hub Consultation Plan

Via email: regionaldatahub@infrastructure.gov.au

Dear Regional Data Hub Team,

REIA Submission to the Consultation Paper on the Regional Data Hub – Opportunities to assist with housing supply

The Real Estate Institute of Australia (REIA) welcomes the opportunity to provide feedback to the Regional Data Hub Plan and thanks the team for the extension granted to REIA.

Our comments are provided in support of providing a better evidence base to deal with regional housing shortages; as well as provide tailored support to regional real estate agencies that have a presence in regional cities and towns.

This focuses on the following key areas and questions raised in the Consultation Paper:

- General commentary around regional housing supply and how better data can deal with these challenges
- What regional data do you hold?
- What additional tools or raw products can be used?

About REIA

The Real Estate Institute of Australia (REIA) is the national body and voice for the real estate profession in Australia. REIA's members are the State and Territory Real Estate Institutes (REI's), through which around 85pc of Australian real estate agencies are collectively represented.

REIA represents an integral element of the small business sector, with 99pc of real estate agencies being identified as small businesses. Only 0.6pc of businesses employ 50 persons or more.

The Census records the Rental, Hiring and Real Estate Services Industry employment as sitting around 120,000, which includes business brokers, property managers, principals, real estate agents and representatives.

Property contributes \$300 billion annually in economic activity and underpins a combined workforce of 1 in 4 Australian jobs.

REIA supports the bi-partisan revitalisation and progression of *Regions 2030* with special reference to:

- Advancing regional jobs and economic development agenda
- Advancing soft and hard infrastructure in the regions
- Improving regional health facilities
- Improving access to regional education and communication
- The need to expand private housing market supply and quality in the regions
- The need to audit existing regional relocation incentives and see if any more are required in line with demand projections

Real estate policy for Australia's regions

The changing regional market has been at front of mind for REIA in recent times. COVID-19 saw the intensification of an existing trend: escaping from the cities.

The ABS reports that Australian capital cities had a net loss of 11,200 people during July, August and September 2020, the largest quarterly net loss on record with growing arrival rates and very low departure rates.

The Regional Australia Institute found that around 20% of city-dwellers would like to 'go country' for financial and lifestyle reasons: No traffic, being able to afford a bigger or better home, working remotely, and being close to nature.

At REIA's *Getting Real*: Strategic Policy Forum in June 2021, REIA's State and Territory Institutes noted market changes from a practitioner standpoint. This has two key areas of relevance to the Regional Data Hub Plan:

- 1. Change in preference:** People are moving 'further afield', with a clear increase in interstate migration, especially from cities to regions.

For example, in the year to January, Adelaide sales volumes increased 7.4%, with regional South Australia seeing a 30.2% increase (Source: UDIA).

- 2. Regional housing supply shortage:** There was lack of supply in terms of listings for people moving to regions, making it difficult to fill regional job vacancies.

In May, number of total listings in the regional housing market was down 32.9% from 2020 and down 33.9% from the five-year average (CoreLogic).

There is a need for improved data on housing in Australian regional areas as populations grow and changing trends cause challenges, such as reduced housing supply and surging prices.

Improved data can help to measure the housing needs of specific regions, particularly those regions experiencing unprecedented growth. Data can help to make projections on the number of new properties required and where these need to be built.

Data is also needed to ensure *quality* housing supply and better regions in a broader sense. There is a great opportunity to improve regions as they grow, by bringing new amenities and services to towns who have not previously been beneficiaries of such investment.

Tracking trends and measuring supply will continue to be essential in our regions. The Regional Data Hub offers a great opportunity to see data gaps filled and data become more available.

REIA's Data Sets

Data already available from REIA on our regions on a user-pays basis to government.

REIA's Housing Affordability Report (HAR)

HAR is recognised as the most authoritative indicator of Australian housing affordability currently available.

To ensure an accurate profile of housing affordability nationwide, the REIA Housing Affordability Report incorporates data from all major lending institutions, the Australian Bureau of Statistics and Cannex Ltd.

Median Weekly family income figures are based on ABS family Income Surveys, and are updated from ABS Average Weekly Earnings data. The REIA Housing Affordability Report contains the following information for Australia and each of the states and territories:

- Proportion of family income devoted to meeting average loan repayments
- Proportion of family income devoted to meet median rent

- Comparison of movements in rents and CPI
- Median weekly family income
- Average monthly loan repayments
- Average loan
- Total number of loans
- Average loan, standard variable interest rate and fixed interest rate figures for banks, building societies and other lenders
- Home loan affordability indicator

For the March Quarter of 2021, HAR saw housing affordability improve on average (scoring cities and regions) in South Australia and New South Wales.

Over the March quarter, the average loan size increased to \$506,340, and increase of 1.0% over the quarter and an increase of 2.6 % over the past month. This reflects rising house prices, which are increasing more rapidly in our regional areas.

Further information can be found [here](#).

REIA's Real Estate Market Facts (REMF)

REMF is a quarterly report on the state of residential property markets in the capital cities and major regional centres throughout Australia.

It provides timely and authoritative information on real estate activity in the market, including median house and flat/unit/townhouse prices, residential vacancy rates, returns on rented property and commentary on the major factors affecting the real estate industry across Australia.

REMF contains the following information:

- Quarterly median, lower quartile and upper quartile prices for flats/ units/ townhouses for capital cities in inner, middle and outer zones of capital cities
- Quarterly moving annual (trend) median house prices
- Quarterly median, lower quartile and upper quartile prices for flats/units/townhouses for capital cities and inner, middle and outer zones of capital cities
- Quarterly moving annual (trend) median prices for flats/units/ townhouses for capital cities
- Quarterly median weekly rents of 3 bedroom houses and 2 bedroom flats/units/townhouses for capital cities

- Quarterly median, lower quartile and upper quartile weekly rents for 2,3 & 4 bedroom houses for inner, middle and outer zones of capital cities
- Quarterly median, lower quartile and upper quartile weekly rents for 1,2 & 3 bedroom flats/units/townhouses
- Quarterly residential vacancy rates for capital cities
- Charts of median prices for houses, flats, units, townhouses and vacancy rates
- Yields and returns for three-bedroom house and other dwellings for all capital cities

REMF results for the March quarter, as ever, highlighted differences between trends in cities. For example, the median rent for 3-bedroom houses increased in all Brisbane zones: Brisbane Inner (5.6%), Brisbane Middle (4.7%) and Brisbane Outer (2.9%). In regional Queensland, it increased on the Gold Coast (6.5%) and in Townsville (9.4%).

The higher increases experienced in regional Queensland were also reflected in other states. In fact, Victoria's regional areas were the only areas to experience median rent increases. The median rent for 3-bedroom houses remained steady in Melbourne Outer but decreased in Melbourne Inner (-5.1%) and Melbourne Middle (-4.7%). In regional Victoria, it increased in all the major cities: Geelong (6.7%), Ballarat (3.0%) and Bendigo (2.9%).

Further information can be found [here](#).

Other insights

REIA is able to generate on an as needs basis as follows:

- Qualitative data from practitioners and their clients on an as needed basis (e.g. Investor sentiment)
- Other occasional series and reports such as REIA's 20-year report on Housing Affordability (2021)

Regional Data Hub Plan

REIA supports the Regional Data Hub Plan to improve data accessibility and provide an evidence base to improve regional housing supply and quality.

From a federal perspective REIA currently uses a range of ABS data; and supports the overall open data framework proposed by the Regional Data Hub Plan.

In particular, REIA sees critical areas of data development to help house regional Australians and aspirational regional Australians to be:

- Joint development of a regional housing supply index with REIA
- Establishment of a quarterly tracker with a heat map of job vacancies with measure of housing availability (this would support qualitative feedback REIA has received that jobs are available where housing is not)

REIA would be happy to provide a more in depth briefing to support the development of property and housing component of the Hub. I encourage you to arrange this via REIA's [REDACTED]

Yours Faithfully,

