



Thursday, 24 January 2019

## MEDIA RELEASE

### **New research reveals how Australians are weighing up the housing market**

With Australian house prices continuing to moderate after 5 years of solid growth - particularly in Sydney and Melbourne - home owners, investors, buyers and sellers now face a very different property market.

New NAB research shows how consumers are weighing up the new opportunities or threats that the current housing downturn presents.

NAB's Chief Economist, Alan Oster, said "most consumers think now is a good time to renovate their home or buy to live in, but with prices falling across most of the country, not surprisingly they don't think it's a good time to sell their home or investment property".

Overall, 1 in 2 Australians said it wasn't a good time to sell their home or investment property.

This view was broadly consistent across states, although a much higher number in Western Australia said it wasn't a good time to sell their home.

"We suspect this is influenced by the fact that some home owners in WA may also be sitting on capital losses" said Mr. Oster.

Over the next 12 months Australians are still most positive about renovating their home and buying a property to live in. But, it's also clear consumers are far more uncertain about the future - around 4 in 10 said they simply didn't know if it would be a good time to buy, sell, renovate or take out a mortgage.

So what do consumers actually intend to do over the next 12 months?

"Overwhelmingly, the majority plan to sit tight and do nothing", said Alan.

What about prices?

On average, consumers expect price falls of -2.1% over the next 12 months (against -2.4% forecast by property professionals in NAB's latest Residential Property Survey).

New South Wales (-3.1%) and Victoria (-2.9%) are expected to lead the way down, but consumers again are a little less pessimistic than property professionals.

Tasmania is the only state with positive expectations (2.2%).

"Tasmanians are by far the most positive across states, with almost 1 in 2 people there still expecting a positive price outcome, followed by Queensland at around 1 in 3", said Mr. Oster.

By comparison, only 1 in 5 consumers in New South Wales and Victoria expect house prices to grow next year.

By region the downturn is being driven by expectations for larger falls in capital city house prices (-2.8%), with smaller falls in rural towns (-1.0%) and major regional cities (-0.9%). Consumers living more than 5km from the nearest town (or the 'bush') are on average predicting modest growth of 0.6%.

View the full report at [business.nab.com.au](http://business.nab.com.au)

#### **Media**

James Richards                      NAB Media Line  
M: +61 (0) 459 812 770              M: +61 (0) 3 8641 0180