

The Great Australian Scam has got to stop

Andrew Winter
Compare The Market 

Welcome to the property market, where negotiating the biggest purchase of your life is like throwing darts with a blindfold.

You can argue there's a lot wrong with Australian real estate; a shortage of supply, too much sprawl, and first-timer grants that hardly make homeownership more attainable in our cities.

But there's one thing that nobody is talking about, and that's the lack of price transparency that's keeping buyers in the dark and creating inflated prices.

I call it the "Great Australian Scam" and it has got to stop.

So imagine you're a first-time buyer. You see a listing and you phone the agent for a price guide. Nine times out of 10 you'll get no clear answer, meaning you'll potentially waste hours viewing and researching a property that's not even in your budget.

Comparison site, Compare the Market, has unveiled new research to promote property price transparency, inform potentially vulnerable first-home buyers, as well as help sellers negotiate a fair and reasonable price.

The team analysed 680 three and four-bedroom house listings in Brisbane and Sydney across two leading real estate websites. They found that just 23 per cent of listings in Brisbane offered a price or expected range, with the majority using ambiguous terms like "for sale", "submit offers" or "contact agent".

In Queensland, agents are prohibited from giving a price guide on properties going to auction. The legislation was introduced in 2017 to prevent underquoting, but this could be doing more harm than good.

Queensland takes the opposite approach to Melbourne where agents are actually required to provide an asking price or range.

Policymakers need to be asking: 'What really best serves our house hunters and property owners?'

The path to a fairer and more transparent property market is simple. All we need is to allow sellers to ask for the price they want and for buyers to make sure that price works for them.

City's homes premium

Only nine affordable suburbs in Brisbane's top 20 areas

Sophie Foster

Prospective buyers have less chance of finding affordable new builds in Brisbane than they do in Sydney and Melbourne, shock new research reveals.

The devastating findings by PRD research show there are only nine affordable suburbs among Brisbane's top 20 areas for ready-to-sell unit stock, compared to 12 in Melbourne and 14 in Sydney.

The data, which looks at new ready-to-sell housing stock available within a 20km radius of major CBDs, found Brisbane has more than 6800 new homes set for construction this year but almost all of them (6525) are units – except for 37 houses in Yeronga and

TOP BRISBANE AREAS FOR NEW HOUSING SUPPLY

Suburb	Houses	Units	Town-houses	Ready to sell stock
Fortitude Valley	0	949	9	958
Toowong	0	827	5	832
Kangaroo Point	0	756	0	756
Indooroopilly	0	469	18	487
South Brisbane	0	474	0	474
Woolloongabba	0	417	0	417
Teneriffe	0	403	0	403
Rochedale	0	317	31	348
West End	0	324	3	327
East Brisbane	0	250	0	250

289 townhouses across 12 suburbs. But the issue isn't just confined to the state's capital. PRD found only five suburbs with affordable ready-to-sell properties on the Gold Coast, while there were only two sub-

urbs in Cairns and none in Townsville.

The affordability was based on whether prices were below the area's median house or unit price.

Brisbane's top suburb for

ready-to-sell housing this year was Fortitude Valley where 958 homes are planned, followed by Toowong 832, Kangaroo Point 756, Indooroopilly 487, South Brisbane 474, Woolloongabba 417 and Teneriffe 403.

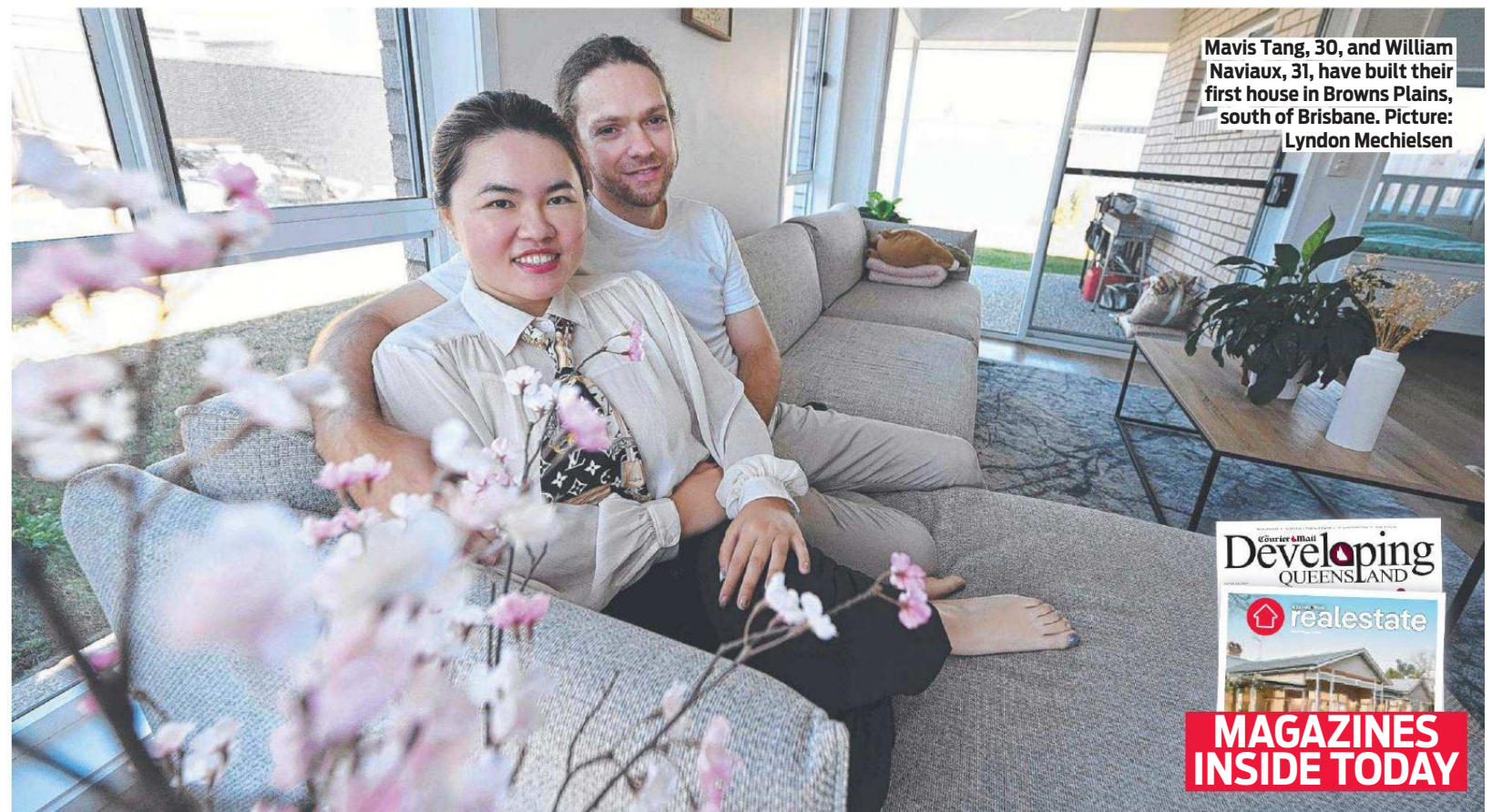
PRD chief economist Dr Asti Mardiasmo said "What we found is if you do want to go to areas that have the most ready-to-sell stock planned, you have to be prepared to pay a premium".

She said Brisbane was fast becoming a place where the only affordable homes would be units – not houses – with only two suburbs with ready-to-sell stock priced below the capital's median level.

Jon Raven, the Mayor of Queensland's fastest growing

city, Logan, has 7000 dwellings in the development pipeline and says it's important to not just provide the "classic Australian dream of the quarter acre block" but also ensure "people who want a more affordable option get to have it near our already built-up areas around public transport".

"During a housing crisis, the temptation is just to build houses as far as the eye can see, but houses require jobs, and places you can go shopping and have a high quality of life. You can't just have a dormitory city. We know that doesn't work any more, people don't want to drive 30 minutes to a restaurant, they want 10 minutes. So we want to make sure that we're actually providing quality of life."



Mavis Tang, 30, and William Naviaux, 31, have built their first house in Browns Plains, south of Brisbane. Picture: Lyndon Mechielsen



Best thing about owning? No more rent

Sophie Foster

A Logan pair who had to move more than six times in nine years renting have been stunned by a 50 per cent rise in value in their first home, which allowed them to build a second one to rent out.

Mavis Tang, 30, a real

estate agent, and her partner William Naviaux, 31, a landscaper and professional epoxy flooring installer, moved into their first home in mid 2022 in Browns Plains, where hundreds of people are now flocking for new subdivisions.

"The value has increased

by almost 50 per cent since I built it," Ms Tang said. "Similar houses now cost around \$900,000 to \$1m in the Logan area."

With the increased valuation, the couple were able to refinance and purchase another Keylin project as an investment

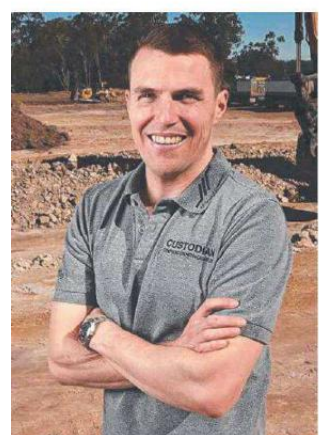
property in Serenity Reserve, Helensvale, which recently settled.

Ms Tang, who has been living in Australia since 2013, said she'd moved more than six times renting.

"The best part is I don't have to worry about moving anymore. Rent prices have

been increasing due to demand, but we don't have to worry about that. Additionally, William is really handy, so he can do our epoxy flooring and fix things if necessary."

She said it was important to get into the property market as soon as possible.



Developer James Fitzgerald.

Competition with public builders a developer's pain

Sophie Foster

A developer with record inquiry levels and more than 350 residential lots being built is facing three major pain points, including having to compete with the state government's massive wallet for workers.

James Fitzgerald, managing director of JLF Group, said there were several pain points for land lot builders at the moment, including the approvals

process, funding and high cost of labour and supplies.

"We are building 68 lots in Logan Reserve, 16 lots in Yamanto and about to kick off 75 lots in Holmview," he said. "We have a further 200 across three different developments that we will aim to kick off next financial year."

"When you get projects started, the demand is very strong," he said. "We have record amounts of inquiry and

sales activity across all projects. There is a desire for cheaper, smaller products which demonstrates people are seeking out affordable housing (sub-\$800,000 price point)."

He said construction had improved but still took longer and was more expensive than they would like.

"This is due to competition between private industry (our builders) and public industry (government) for the same

pool of labour and supplies," he said. "Record infrastructure spend and commitments means more competition for same labour, and we can't afford to have cost plus contracts like the government can so inevitably are second served at the table when it comes to labour and supplies."

Mr Fitzgerald said "it's hard to get projects started".

"Council and state approvals take longer than they should,"

he said. "We feel this is a resourcing issue and lack of co-operation between councils and states (that is, not on same page)."

"Constantly dealing with further information requests where questions are asked that could have been asked and responded to first time around. Constantly finding state and council at odds on matters such as environment, infrastructure and density."