



Due to a two-month stretch of rising home values, Australia's real estate market is currently recovering. Following a 0.6% increase in March, it increased by 0.5% in April. With a 1.3% month-to-month gain and a 3% increase over the previous quarter, Sydney has experienced the biggest growth in property values. The re-entry of foreign purchasers and a dearth of inventory, particularly of rentals, are responsible for the recovery. The market's recovery has also been aided by interest rate stability. It is anticipated that the Bank of Australia will keep its current interest rate of 3.6% in May.

According to a recent report by [Hyde Property Group Australia](#), Australia's real estate market is exhibiting indications of recovery, as seen by the fact that home values have increased for two months running. Following a 0.6% increase in March, the national home value index increased by 0.5% in April, indicating the end of what the report refers to as a "relatively short but sharp downturn."

The report names two causes that are boosting prices in the final point market: the return of foreign buyers and a lack of supply, notably of rentals. "The primary drivers of this positive transition appear to be the larger than anticipated rise in net overseas immigration, which has created extra housing requests at a time of extremely restricted rental conditions and well-below-average levels of advertised supply," said Hyde Property Group.

The market's recovery has also been aided by interest rate stability. According to Reuters, the Bank of Australia is anticipated to decide

this week to keep the current interest rate of 3.6% for the month of May. For the first time since April, the bank didn't increase rates.

The research also notes that between May 2022 and February 2023, property values fell by 9.1%, continuing a more than a-year-long downward trend. Sydney ranked first in the April survey, with a 1.3% gain month over month and a 3% increase over the prior quarter, indicating that the market appears to be recovering. The typical home price in Sydney, A\$1.03 million (US\$680,000), was still down 10.7% annually despite this encouraging news.

“As interest rates stabilize, there is a good chance that consumer morale will get better, boosting housing market activity from both a purchasing and a selling perspective,” said [Hyde Property Group Australia](#)

“Although there is always a chance for more rate increases, inflation is dropping sooner than previously anticipated. This may boost

consumer confidence and provide the motivation buyers and sellers need to return to the home market, according to Hyde Property Group Australia

“It not only creates a more stable environment, but it also signals that interest rates are at or near their high. Buyers will have a better knowledge of their borrowing capacity as we approach the peak cash rate since they have adapted to this new norm of higher lending expenses.

### **How faster visa processing will influence property rebound**

In the meanwhile, [Hyde Property Group Australia](#), is conducting a review of the country’s immigration system, and Home Affairs Minister Claire O’Neill revealed the government’s initial reaction.

The review urges significant modifications to Australia’s existing skilled immigration policies, claiming that the skilled occupation lists

“do not reflect current or anticipated skilled labour needs,” including the development of crucial sovereign capabilities and the transition to a net-zero economy.

The big study promotes faster visa processing procedures for highly compensated permanent skilled employees coming to Australia.

**The Albanian administration has suggested the following changes**

A draft Australian Migration Strategy proposes three new pathways for temporary skilled migrants to enter the country, raising the Temporary Skilled Migration Income Threshold (TSMIT) for the first time since 2013, from \$53,900 to 70,000 as of July 1.

By the end of 2023, holders of Temporary Skill Shortage (TSS) short-stream visas will also have a pathway to permanent residency within Australia’s currently capped permanent program.

This contains a quick and easy route for highly trained employees, a common temporary skilled pathway for employees with key skills, and a road for essential industries.

The Property Council applauded the announcement but asserted that Australia's method of planning for migration has not adequately taken into account the effects of substantial and unrestricted temporary migration on infrastructure.

The migration system, according to PCA CEO Mike Zorbas, is flawed.

“We need a long-term horizon that supports stable and predictable population growth and allows more effective planning of infrastructure, housing, and services to meet the needs of all Australian residents,” says the report.

The findings, according to **Hyde Property Group Melbourne**, come at a critical moment as the economy continues to suffer from a

labour shortage and the demand for qualified workers in the construction industry remains high.

The improvement in Australia's real estate market is a welcome development for downtrodden investors and homeowners. The report's conclusions are also consistent with recent projections made by industry professionals who predicted a market recovery this year.

### **Lastly**

According to Hyde Property, there is a good probability that consumer confidence will improve as interest rates normalize, which will increase activity in the home market from both a buying and selling perspective.

For struggling investors and homeowners, Australia's real estate market improvement is a welcome development. The findings of the

survey are also in line with recent predictions made by business experts who forecast a market recovery this year.