

## Property

According to the Housing Industry Association (HIA), housing finance and other leading indicators point to a further widening in the gap between housing supply and demand. The HIA believe we should be building at least 175,000 new residential dwellings each year to satisfy existing demand - a figure significantly above current building levels.

On this basis it is hard to see house prices falling, especially as there is no sign of population growth slowing, and burgeoning rent rises could fuel further investor interest. In some areas of the country, notably Queensland, the HIA say rents on new listings have risen as much as 27%.

Angus Raine, CEO of the Raine & Horne Property Group says, "Higher interest rates could certainly have the effect of slowing property price growth, however it's worth remembering that we are also enjoying record levels of employment, hopefully with the prospect of a more stable interest rate environment in the next financial year. These factors suggest growth will continue, and in the resource-rich regions in particular, it's likely property prices will continue to fire on all four cylinders.

Raine & Horne research also reveals that the margin between median list prices and median sales prices is narrowing. According to Raine, "This indicates that people selling homes are becoming more realistic about the value of their homes which is excellent news for buyers."