



**MEDIA RELEASE**

## **NEW SURVEY: PROPERTY OWNERS CONCERNED ABOUT ECONOMY, INFLATION AND FIRST HOME BUYERS**

More than seven out of 10 Australian property owners are concerned that the country will experience a recession this year and only 28 per cent believe that property prices will rise over the period, according to a new survey.

Findings also showed that Australian property owners are extremely sympathetic to the plight of first home buyers with eight in 10 respondents believing that home ownership is out of reach for most people, and over four out of 10 are willing to offer first home buyers a discount in a property sale.

*The LocalAgentFinder Real Estate Sentiment Report*, released today, explores the attitudes of a nationally representative sample of 1038 property owners on topical property and economic issues. The report was commissioned by LocalAgentFinder and completed by independent research agency, Nature, in January 2023.

The survey showed that rising inflation is negatively affecting the wellbeing of Australians in many different ways with nearly nine out of 10 saying that they will be more prudent with their discretionary spending this year because of inflation. Around seven out of 10 respondents said it had eroded their household's savings and that the issue has them thinking twice about taking an overseas trip in 2023.

When asked whether they were concerned that Australia would experience a recession this year, only two percent strongly disagreed, 13 per cent disagreed and 12 per cent were unsure. 73 per cent of respondents agreed or strongly agreed that they were concerned about this prospect. 66 per cent of respondents said they were 'a bit stressed' at the prospects of interest rates rising further in 2023. 11 per cent strongly disagreed and 21 per cent disagreed.

"As we start the new year, Australians seem very concerned about the health of the economy, the impact of inflation and rising interest rates. These concerns translate to the property market where a reasonably large cohort believes prices will fall this year, albeit somewhat moderately," said CEO of LocalAgentFinder, Richard Stevens.

When it came to views on property prices, 28 per cent of respondents believe residential property prices will increase over the coming year, 37 per cent expected no change and 34 per cent said that prices will fall. The survey showed that younger Australian property owners were more likely to believe that house prices will rise this year with older property owners more likely to believe that prices will fall.

Of those that expected falling prices, the majority (58 per cent) expected modest falls this year between one and 10 per cent. 31 per cent of respondents expected falls of 11-25 per cent, with five per cent of respondents expecting falls of greater than 25 per cent.

63 per cent of respondents believe that governments are still not doing enough to help first home buyers while 55 per cent believe that governments should incentivise retirees to downsize to help first home buyers. Nearly eight out 10 respondents (77 per cent) believe that governments are not doing enough to limit foreign investment into the Australian property market.

Richard Stevens said that most parents surveyed want to help their children achieve the dream of home ownership, "People appear to want more action from governments around housing affordability, but while the problem persists, most parents are willing to step in to support their children."

28 per cent of parents said that they are willing to gift money as a deposit, 21 per cent are willing to loan money for the same purpose and 26 per cent are happy to guarantee their child's loan. Six per cent said they would be willing to buy children a house outright and 19 per cent of respondents said they wouldn't be able or willing to help their children attain home ownership.

"It appears that the bank of Mum and Dad will continue to be a significant force in the economy until the affordability issue subsides or is adequately addressed," said Richard Stevens.

***Continues...***



Of the 1038 property owners surveyed, 11 per cent were willing to provide a discount of between one to four per cent of the asking price for first home buyers, 10 per cent were willing to provide a discount of five to nine per cent of the asking price and 11 per cent were willing to offer a 10 per cent discount. 10 per cent of respondents were willing to offer a discount of 10 per cent or more to first home buyers. 58 per cent said they would not take less than the asking price.

“The fact that over four out of ten property owners in Australia would be willing to offer substantial discounts to first home buyers points to how prevalent the issue of housing affordability is and just how sympathetic many Australians are to people confronting this challenge,” said Richard Stevens.

The working from home trend appears to be well supported with 26 per cent of respondents saying that people should be able to work from home anytime they want while 62 per cent believe they should be able to do so at least some of the time. Only eight per cent of respondents said that people should not be able to work at home at all with four per cent undecided.

Despite advancements in technologies such as Artificial Intelligence, the vast majority of Australian property owners believe that real estate agents will be needed in five years’ time. Also, over seven in 10 Australian property owners feel it is absolutely critical or very important to compare real estate agents when selling their property, with this proportion increasing to nearly eight in 10 for younger Australians. The majority of respondents (52 per cent) believe that three agents should be compared before a final decision is made and many are comfortable to do so online.

Mr Stevens said that LocalAgentFinder research has shown that agent selection is a very stressful process for most property sellers, “A strong and effective agent can not only maximise the sale price of a property but can also alleviate some of the stress from what can be an emotional process. It’s unsurprising that property owners believe there is a strong future for agents and want to invest time and effort finding the right one for their needs, be that online, in person or a combination of both.”

“All in all, I believe that property owners are rightly concerned about what 2023 has in store with rising interest rates, inflation at record highs and ongoing geopolitical issues,” said Richard Stevens.

“When it comes to selling property in this context and as recent listing data suggests, there are not a lot of people taking their properties to market at present. However, this situation could change quickly as our internal data is showing a large uptick [8.2 per cent] in people comparing real estate agents on our platform in January this year compared to January last year. The survey also showed that 2 out of ten property owners are extremely serious about selling within the next 12 months.

“These data points suggest to me that many Australians are currently making preparations to sell or have plans to sell but are waiting for the market to stabilise or recover before doing so.

“While the survey suggests that property owners possess a degree of fear or concern around what this year may hold, the property market has shown incredible resilience and growth over the long term and it wouldn’t surprise me if activity, and even prices, pick up sooner than some may think,” concluded Richard Stevens.

**\*\*\*ENDS\*\*\***

**For more information, please contact:**

**Michael Zahn | 0407922918 | michael@zmmgroup.com**

<http://www.localagentfinder.com.au>