

Australians returning home due to COVID-19 could lead to extremely high housing demand

 **Matt Bell**
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Returning expats are adding to the competition for houses in Sydney.

A wave of Australians returning home due to COVID-19 is contributing to growing property prices.

With DFAT figures showing 389,000 Australians having returned home since March, many industry figures believe the demand for property from expats combined with a shortage of stock across the state could lead to extremely high housing demand and price growth.

Many agents across Sydney are already seeing a willingness from expats to pay premium prices for the little stock available.

Max Walls International agent Anthony Walls, who specialises in the expat market, said he has noticed expats outpricing locals for many properties, including one who paid 20 per cent above the asking price due to the weak Australian dollar.

DFAT reports 389,000 have returned home since the pandemic started in March. PICTURE: Adam Yip.



“They don’t see it as paying a premium because they are taking advantage of the weak Australian dollar,” he said.

Mr Walls believes returning Australians are contributing to growing house prices because they are aggressively competing for properties, which is leading to some big sales.

Buyer’s agent Michelle May, who has helped many expats since March, agreed many expats are cashing in on the weak Australian dollar to secure a property for their return.

“They are happy to spend more and dig deeper because of the low exchange rate if it means they can secure a property,” she said.

Byron Bay is highly sought after from house hunters overseas.





Mosman was the fifth most in demand suburb in NSW.

Demand for NSW property has seen overseas search activity grow on realestate.com.au by 5.24 per cent year-on-year. NSW was the second most searched state with a 26 per cent share behind Queensland with 28 per cent.

The surge is being driven by house hunters in the United States (up 32 per cent in the past 12 months), plus the United Kingdom, Hong Kong, New Zealand and Singapore. They were particularly attracted to the CBD, Byron Bay, Manly, Bondi Beach and Mosman.

Realestate.com.au chief economist Nerida Conisbee said there are plenty of expats looking to buy based off internet traffic.

“While we don’t know who exactly is looking, we are seeing increase in property searches from every country apart from China,” she said.



REA chief economist Nerida Conisbee said Byron Bay has been popular with people based in the United States.

“Byron Bay is the most desired spot at the moment for US based buyers and has been growing in popularity thanks to high-profile residents such as Chris Hemsworth and Elsa Pataky.”

Foreign property investors are only permitted to purchase new properties and cannot buy established housing.

Managing director of property group Patrick Leo, James Nihill, said he has been shocked by the volume of expats returning home, which he believes will result in the population growing despite the borders being shut to non Australians.

Australians Veronica and Kyle, with their children Serena and son Jasper, are currently living in Abu Dhabi and have purchased a house in Gladesville.

“Many are finding that it is not about the fancy job or the big overseas salary anymore,’ he said.

“We know of many more Aussies waiting to relocate home as soon as physically possible – seeking to flee countries that are home to escalating health or political risks.”

Abu Dhabi based expats Veronica and Kyle lacono enlisted Ms May to help them purchase a Gladesville home at auction ahead of their return to Sydney. Ms lacono said like many other expats, the pandemic saw them rethink their life abroad and made them want to move back home.

“The pandemic saw us move forward our plans of purchasing a home in Sydney and crystallised the need to get this deal done.” she said.

Source: <https://www.realestate.com.au/news/australians-returning-home-due-to-covid19-could-lead-to-extremely-high-housing-demand/>

