AUSTRALIAN MIGRATION WHITEPAPER

buyersclub

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EXECUTIVE SUMMARY

Migration policy has long shaped the trajectory of Australia's housing markets. In 2019, a major recalibration redefined "regional" areas as including all areas outside Sydney, Melbourne, and Brisbane, and strengthening visa pathways and points incentives for migrants settling in those locations. At the same time, bespoke Designated Area Migration Agreements (DAMAs) were expanded to target specific local skill shortages.

This report assesses how those reforms intersected with one of the most turbulent housing cycles in decades, marked by the pandemic, remote work, and rapid interest rate swings. Using local government area (LGA) data from 2020–2024, this paper compares metropolitan and regional outcomes in the wake of migration policy changes, before turning to specific case studies of Adelaide, Perth, and Far North Queensland.

Key findings from this paper include:

- **Migration policy effects were concentrated, not broad-based.**

At the national level, the 2019 reforms did not lift the average share of migration directed to regional LGAs. Instead, outcomes diverged widely.

- **Reclassification created clear winners.**

By designating Adelaide and Perth as "regional," policymakers channelled elevated migrant demand into two large capitals with deep housing markets. Perth emerged as a clear outlier, recording historically high migration inflows relative to its population.

- **DAMAs deliver limited, localised pressure.**

In Far North Queensland, incentives under the DAMA scheme were enough to push migration inflows beyond average levels for regional markets.

For investors, a key lesson moving forward is to consider how the intended broad effect of policy changes can inadvertently and disproportionately benefit specific markets more than others.

INTRODUCTION

Australia's housing markets have long been shaped by migration. Population inflows expand demand, alter settlement patterns, and reshape the balance between metropolitan centres and regional communities. While the connection between migration and housing is widely recognised, the precise pathways by which policy, demographics, and local market conditions interact remain complex.

This paper takes migration incentives introduced in 2019 as a starting point for exploring those dynamics. Rather than seeking to prove direct causality, the analysis considers how shifts in settlement incentives coincided with a period of extraordinary disruption. This post-2019 period includes the pandemic, the rise of remote work, and a cycle of historically low interest rates followed by tightening. By comparing metropolitan and regional outcomes, the paper aims to identify where migration pressures translated most visibly into housing stress, and where other factors may have proved more decisive. The goal is to highlight patterns and distributions rather than to isolate single drivers.

POLICY CONTEXT

In 2019, Australia recalibrated its migration framework with the explicit aim of reshaping settlement patterns. At the core of the reforms was a redefinition of “regional,” an overhaul of visa pathways, and a recalibration of the permanent residency (PR) points system designed to incentivise migrants to live and work outside Sydney, Melbourne, and Brisbane.

PRE-2019 SETTINGS

Before 2019, regional incentives already existed, but were narrower in scope and less potent:

- Subclass 489 Skilled Regional (Provisional) visa allowed a PR pathway after two years’ residence and one year of work in a regional area.
- Points incentives included +10 points for state nomination (under subclass 489) and +5 for study in regional areas.
- Regional eligibility excluded major capitals, meaning incentives were concentrated in smaller towns and select mid-sized centres.

POST-2019 REGIONAL REDEFINITION

In 2019, “regional” was redefined to include all of Australia beyond the three largest capitals. This extended eligibility to Adelaide, Perth, Canberra, Gold Coast, Sunshine Coast, Newcastle, and Geelong, alongside smaller centres. By designating Adelaide and Perth as “regional,” policymakers effectively extended regional incentives to full-scale capitals that could offer international migrants lifestyle amenities, education systems, and labour market depth comparable to Sydney and Melbourne.

NEW REGIONAL VISA PATHWAYS

Two new visa subclasses replaced the 489:

- **Subclass 491 Skilled Work Regional (Provisional):** points-tested, requiring state nomination or family sponsorship in a regional area.
- **Subclass 494 Skilled Employer Sponsored Regional (Provisional):** employer-sponsored, designed to fill localised skill shortages.

Both visas carried five-year terms with a clear PR pathway after three years, conditional on continuous residence in a designated regional area.

POLICY CONTEXT

POINTS SYSTEM INCENTIVES

Australia's PR system is points-based, with 65 points as the minimum threshold but real-world cut-offs often closer to 80–90 points. Points accrue across age, English, qualifications, and work experience.

The 2019 reforms expanded the regional attraction:

- **+5 points for regional nomination or sponsorship.**
- **+5 points for regional study.**
- **+15 points for state/territory government nomination under subclass 491.**

This created up to +25 points in regional-specific boosts, compared to only +15 previously. While modest in absolute terms, the additional weighting was significant for migrants who may have been near the competitive threshold and, crucially, the redefinition of "regional" dramatically expanded the number of cities where those points could be secured.

DESIGNATED AREA MIGRATION AGREEMENTS (DAMAS)

Alongside the national reforms, the Commonwealth also expanded certain Designated Area Migration Agreements (DAMAs). DAMAs are bespoke agreements between the federal government and local regions or industry bodies. DAMAs target regions with acute skill shortages and may offer:

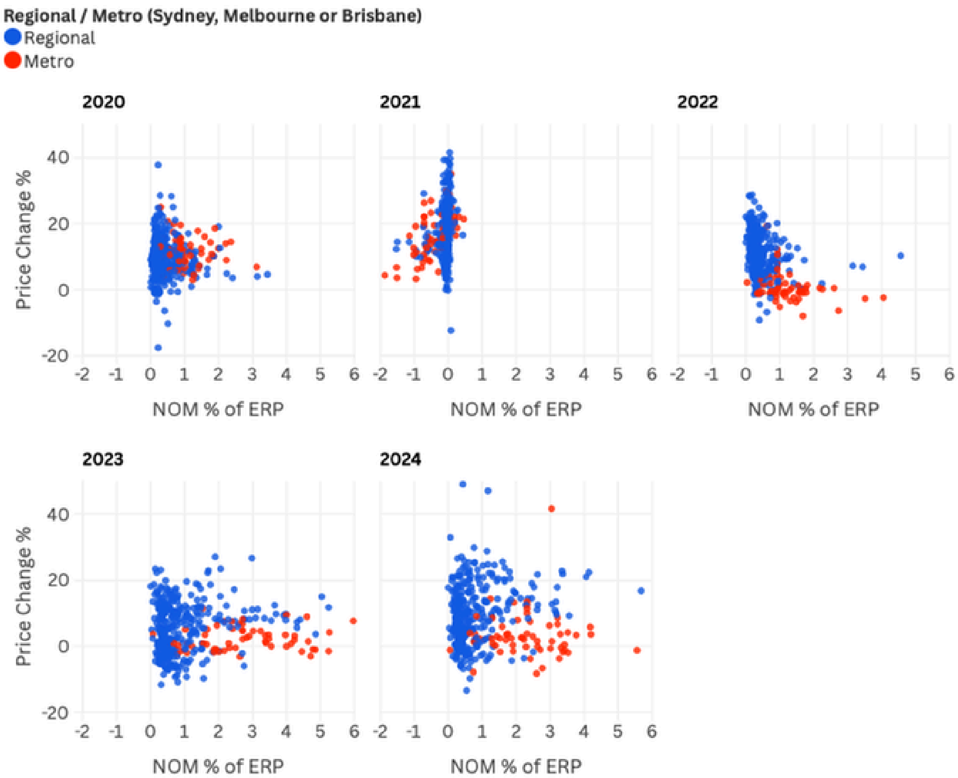
- Tailored occupation lists.
- Concessions on English, skills, or experience.
- PR pathways for otherwise ineligible occupations.

Active DAMAs include the Far North (QLD), Northern Territory, South Australia (statewide), Orana (NSW), Goulburn Valley (VIC), and multiple WA regions (Pilbara, Goldfields, East Kimberley).

POST-2019 REGIONAL VS METRO DATA

PRICE GROWTH

Below, local government area (LGA) annual price changes are charted against net overseas migration (NOM) as a percentage of estimated resident population (ERP) from 2020 to 2024. LGAs classed as regional are shown in blue and LGAs classed as metropolitan are shown in red. Regional LGAs include all markets beyond Sydney, Brisbane and Melbourne:



To further investigate this data, the following table examines annual averages for price growth and NOM levels across both metro and regional LGAs:

Year	Mean Metro LGA Price Growth %	Mean Regional LGA Price Growth %	Mean Metro LGA NOM % of ERP	Mean Regional LGA NOM % of ERP
2020	11.89	10.13	1.09	0.42
2021	15.13	18.36	-0.71	-0.09
2022	1.02	11.41	1.02	0.43
2023	2.42	5.59	3.18	1.01
2024	2.70	9.34	2.44	0.83

POST-2019 REGIONAL VS METRO DATA

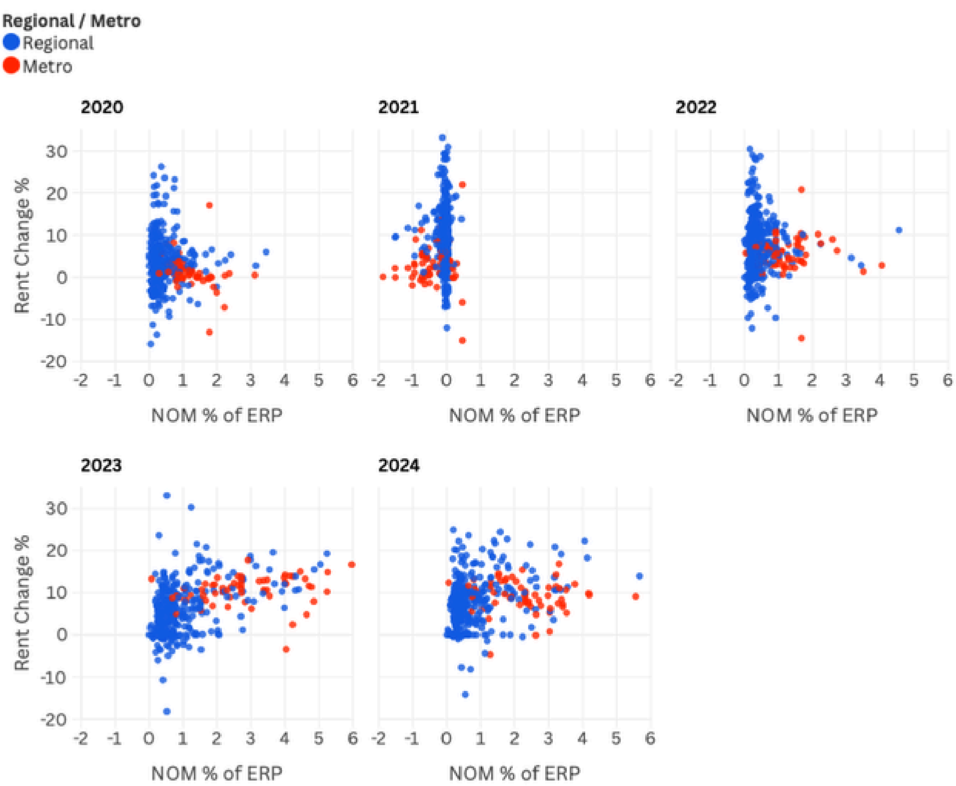
Across 2020-21, ultra-low interest rates combined with lifestyle migration to drive a broad national upswing. Regional LGAs recorded stronger growth than metropolitan counterparts despite receiving smaller absolute NOM inflows. This outperformance reflects the greater price sensitivity of thin regional markets: with fewer transactions and tighter supply pipelines, even small increases in demand exerted outsized effects.

By 2022, divergence sharpened. Metro markets slowed sharply as credit tightening bit, with average price growth stalling near zero. Regional markets, however, sustained double-digit growth, suggesting that affordability, lifestyle appeal, and the incremental boost from PR incentives maintained demand momentum longer.

From 2023 onward, metro markets partially recovered alongside the rebound in migration inflows, but regional volatility remained elevated. Some LGAs continued to record strong gains, while others softened, reflecting local constraints and affordability ceilings.

RENT GROWTH

While house prices reflect long-term capital flows, rent growth is often a more immediate lens on the housing market's response to migration. Prices are shaped by interest rates, credit conditions, and investor sentiment, which can dilute the short-run signal of population inflows. Rents, by contrast, adjust quickly to shifts in demand and supply, and may act as a cleaner indicator of how NOM pressures are absorbed across metro and regional markets. The following scatter plots assess rent growth and NOM levels across 2020-2024:



POST-2019 REGIONAL VS METRO DATA

RENT GROWTH

Again, to more closely parse differences in performance, the following summary table compares annual averages across this period:

Year	Mean Metro LGA Rent Growth %	Mean Regional LGA Rent Growth %	Mean Metro LGA NOM % of ERP	Mean Regional LGA NOM % of ERP
2020	1.45	3.90	1.09	0.42
2021	2.68	10.15	-0.71	-0.09
2022	5.68	7.92	1.23	0.43
2023	10.73	5.72	3.18	1.01
2024	9.16	7.55	2.44	0.83

In 2020–21, regional rents surged ahead of metros, reflecting domestic relocation trends and early policy-driven settlement incentives. Meanwhile, metropolitan rental demand softened, with international outflows leaving vacancies elevated in inner-city markets.

The pattern reversed sharply in 2022–23. As overseas migration roared back, capital cities bore the brunt of the inflow. With metro NOM averaging over 3% of ERP in 2023, rent growth accelerated into double digits. Regional rental growth moderated at the same time, as many areas reached affordability limits or absorbed earlier demand surges.

By 2024, both metros and regionals were experiencing broad rental pressure, with growth rates converging. This suggests that while policy incentives helped shape regional outcomes early, the later period was dominated by the universal imbalance between migration-driven demand and constrained national rental supply.

POST-2019 REGIONAL VS METRO DATA

OBSERVABLE PATTERNS AND PERMANENT RESIDENCY INCENTIVES

Across the 2020–2024 period, NOM as a percentage of ERP shows no consistent upward trajectory. Regional LGAs mostly fall within a narrow band of ~0.4 – 1.0% of ERP, while metro LGAs fluctuate far more widely, from negative levels in 2021 to peaks above 3% in 2023. This suggests that the 2019 policy changes extending permanent residency points to regional areas did not produce an obvious uplift in migration share relative to population size. Once internal migration and natural increase are factored in, the effect appears more muted than first assumed.

Where differences emerge most clearly is in the distribution of outcomes. Regional LGAs exhibit tighter clustering of NOM % of ERP, yet wider variance in housing results. Many regional markets converted modest inflows into outsized rent and price growth, while others tracked closer to metro-like stability. Metro LGAs, by contrast, absorbed large inflows with fewer extreme housing outcomes, reflecting their scale and greater supply elasticity. In other words, regional markets appear less stable and more sensitive at the extremes.

The pandemic period highlights this divergence. In 2021, metro LGAs recorded negative NOM relative to ERP, while regional LGAs broadly retained positive inflows. At the same time, almost no LGAs nationally recorded negative price or rent growth, driven by ultra-low interest rates and domestic migration. Regional markets appear to have been more insulated from volatility in NOM itself, yet more exposed in how market outcomes varied.

From 2023 onward, the dispersion of results widens sharply. NOM % of ERP rose to elevated levels in both metro and regional areas, but housing outcomes decouple from NOM intensity. Some LGAs with relatively modest NOM inflows still recorded strong rent or price growth, while others with high NOM shares underperformed. This suggests that while migration policy incentives may have played a role in enabling certain regional areas to punch above their weight, they did not fundamentally reshape aggregate market patterns. Instead, supply constraints, affordability baselines, and local labour dynamics appear more decisive in shaping housing market responses.

ADELAIDE & PERTH CASE STUDY

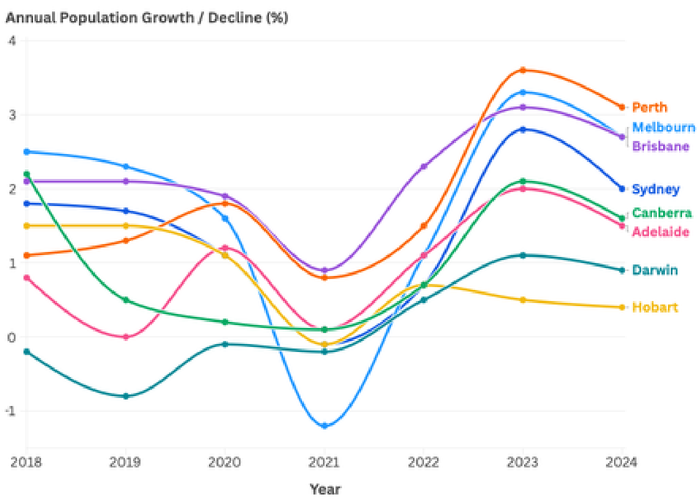
As Section 4 showed, the 2019 migration reforms did not trigger a clear uplift in average NOM share across all regional LGAs across the country. On the surface, this suggests limited macro impact. Yet aggregate averages risk concealing redistribution effects within the "regional" category itself.

The redefinition of "regional" to include Adelaide and Perth may have altered migrant settlement choices in ways not immediately visible at the national average level. For many prospective permanent residents, these cities offer eligibility the same regional incentives for permanent r~~esidency, combined with the em~~ployment depth, education opportunities, and lifestyle amenities of a major metropolitan centre. This effectively created a two-tiered regional system – one in which Adelaide and Perth may have gained a structural advantage over both genuinely smaller regional towns, and other major cities like Brisbane, Sydney and Melbourne.

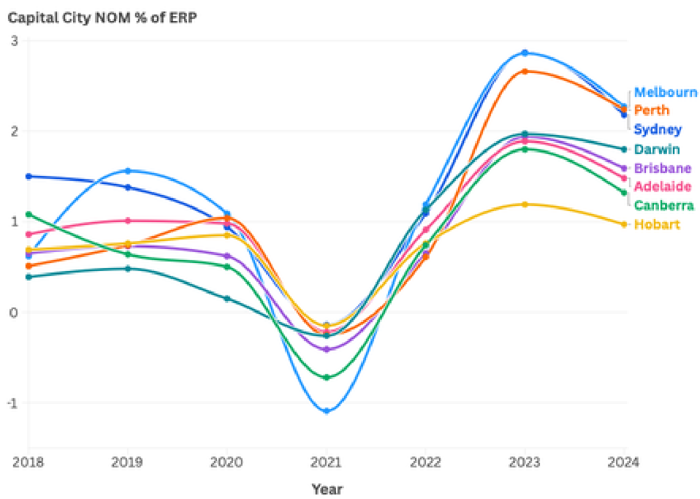
Given the redefinition of Adelaide and Perth as regional, these cities likely disproportionately benefited from the 2019 reforms, attracting a larger share of migrants who may previously have aimed for Sydney, Brisbane or Melbourne but recalibrated their plans to maximise PR outcomes. The following sections test this hypothesis by examining NOM flows and property market outcomes in Adelaide and Perth, with a particular focus on whether migration-linked demand visibly influenced purchasing behaviour and price dynamics.

ADELAIDE AND PERTH DATA

The two charts below show (1) overall population change and (2) NOM as a share of ERP across the major capitals (Greater Capital City Area):



Source: ABS

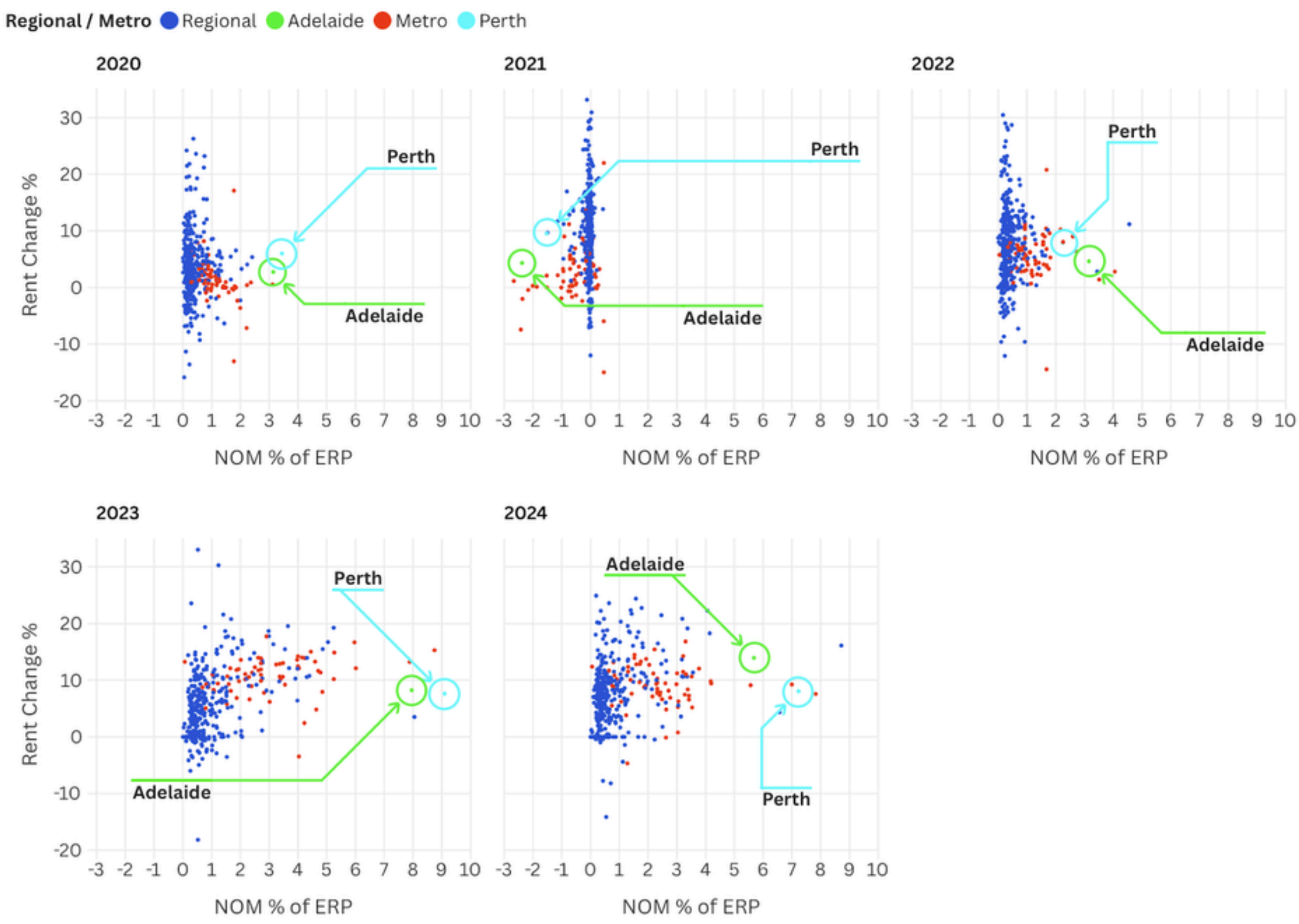


Source: ABS

ADELAIDE & PERTH CASE STUDY

The patterns highlight two important points. First, all capitals experienced a sharp rebound in NOM from 2021 onwards as international borders reopened, so elevated inflows are not unique to any one city. Second, Perth clearly stands out from the pack. Perth's NOM share of ERP has reached historically high levels and remained elevated, suggesting that post-2019 regional incentives may have had more bite there than elsewhere. Adelaide, by contrast, shows only a moderate uplift. While it benefitted from the same cyclical rebound as Sydney, Melbourne and Brisbane, its NOM profile does not separate as cleanly from the broader national recovery.

However, at the LGA level there is a much clearer impact. The chart below highlights the distinctive positioning of Perth and Adelaide's innermost LGAs within the national distribution of LGAs between 2020 and 2024. While most metro and regional areas cluster tightly around NOM inflows of 0–2% of ERP and moderate rent growth outcomes, Perth and Adelaide (at LGA level) consistently separate from this grouping:

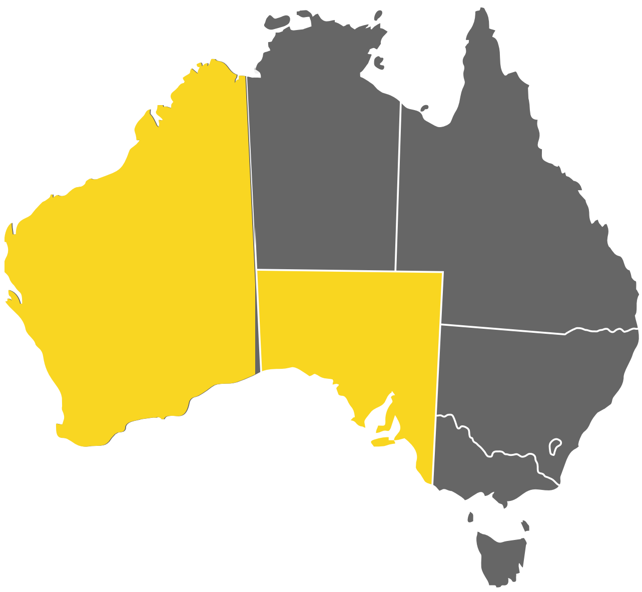


ADELAIDE & PERTH CASE STUDY

Perth emerges as the clearest outlier. From 2022 onward, the city attracted exceptionally high levels of NOM relative to its population base, reaching the far-right edge of the distribution in both 2023 and 2024. Importantly, this surge coincided with outsized rent growth, particularly in 2023 when Perth combined the highest NOM inflows of any capital with double-digit rental increases. The visual detachment of Perth from the metro cluster underscores how it disproportionately benefited from policy reclassification that placed it within the regional framework, making it far more attractive to migrants seeking PR pathways.

Adelaide follows a similar trajectory. While its NOM inflows relative to ERP were less extreme than Perth's, the city nonetheless pulled away from the main metro cluster by 2023–24. In 2024, Adelaide paired a significantly elevated NOM share with strong rental growth, positioning itself alongside Perth as one of the few capital cities where the migration-policy nexus translated into visible housing market pressure.

These outcomes suggest that, even though the broader regional average did not record a step-change in NOM as a share of ERP (as discussed in Section 4), specific markets reclassified as "regional" absorbed disproportionately large shares of migrant inflows. The result was a concentrated rather than a generalised policy effect, one that reshaped purchasing and rental dynamics in two major capitals.



ADELAIDE & PERTH CASE STUDY

IMPLICATIONS FOR PURCHASING DECISIONS

The experiences of Adelaide and Perth illustrate how migration policy changes can concentrate demand in specific markets, even when national or regional averages appear unaffected. By extending regional classification to two large capitals, the 2019 reforms appear to have channelled elevated migrant demand into locations that already offered the employment, education, and lifestyle depth similar to that of other metropolitan hubs.

For investors, the implication is twofold. First, housing demand in these cities received an additional layer of support that was not necessarily present in genuinely regional centres. Elevated NOM shares coincided with stronger rental pressure, producing conditions where purchasing demand and rental yields rose in tandem. This confluence created outsized market performance, most notably in Perth.

Second, this data highlights the importance of monitoring policy changes. Government classifications and incentive structures can materially shift settlement flows and thereby alter localised housing dynamics. While Adelaide and Perth have already absorbed much of the benefit, investors should remain alert to any future redefinitions of “regional” or other migration-related categories, as these may redirect inflows again and replicate the concentration effects observed here.

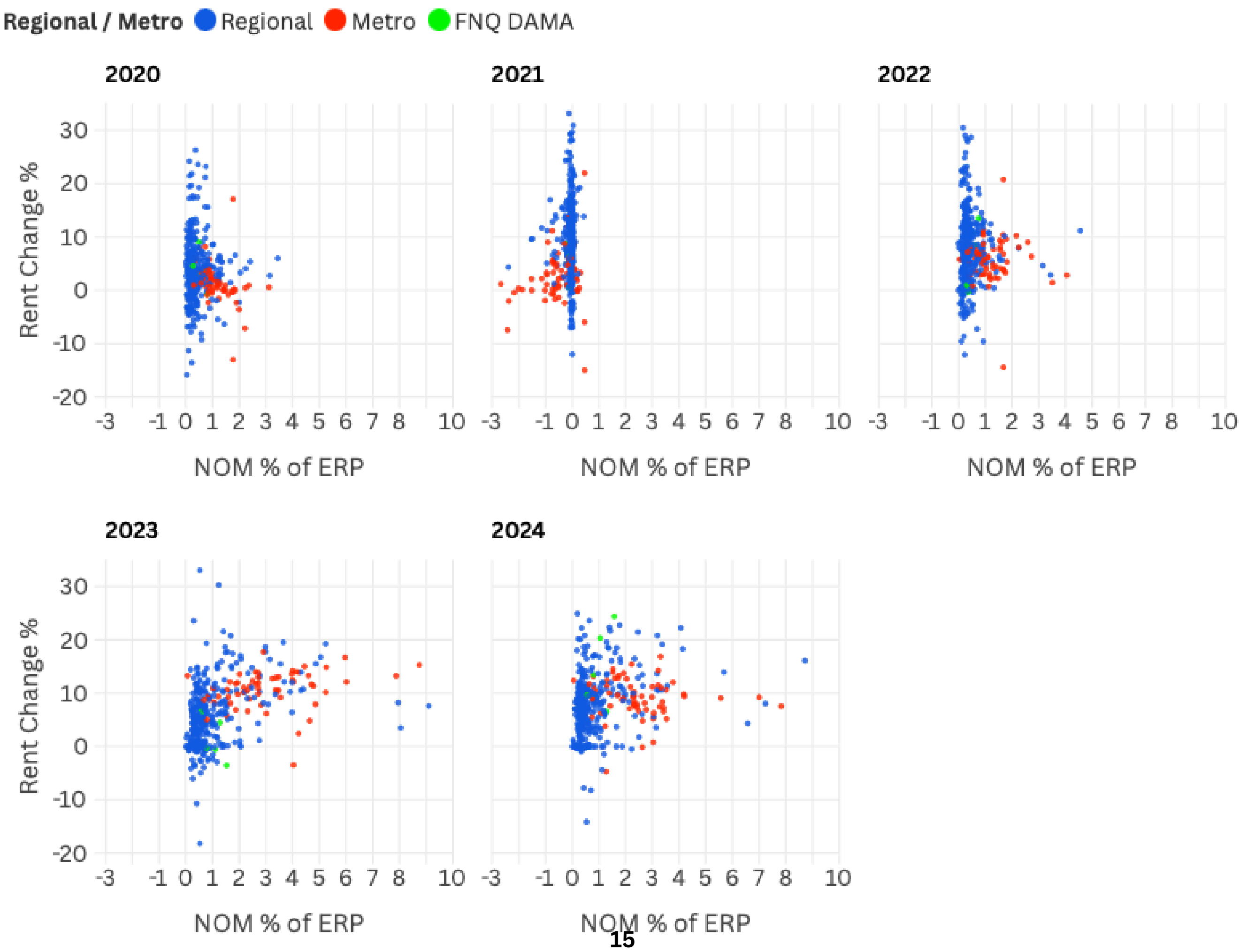
FAR NORTH QUEENSLAND DAMA CASE STUDY

While the reclassification of Perth and Adelaide expanded the definition of “regional” to include large metropolitan centres, a parallel policy tool – Designated Area Migration Agreements (DAMAs) – has targeted specific labour markets with tailored migration pathways. DAMAs allow local councils, state governments, or industry bodies to negotiate region-specific agreements with the Commonwealth, identifying acute skill shortages and offering concessions on standard visa requirements.

The Far North Queensland DAMA (FNQ DAMA), introduced in 2019, covers Cairns and surrounding LGAs (including Tablelands, Mareeba, Douglas, and others). It provides employers with access to over 170 skilled and semi-skilled occupations, many of which would not normally qualify under standard skilled migration lists. Importantly, visa holders sponsored under the DAMA pathway are tied to the designated area, strengthening the link between migration and local housing demand.

FNQ DAMA IMPACT

The chart below plots NOM as a share of ERP against rent change for all LGAs between 2020 and 2024, with the Far North Queensland DAMA region highlighted in green.



FAR NORTH QUEENSLAND DAMA CASE STUDY

FNQ DAMA IMPACT

Unlike the sharp separation visible for Perth and Adelaide in Section 5, FNQ LGAs do not break away as clear outliers to the same extent. That said, there is a noticeable tendency for these LGAs to sit slightly ahead of the bulk of regional markets, with elevated NOM inflows and above-average rent growth from 2022 onwards. This suggests that while DAMAs are smaller scale in impact, they can still tilt migrant settlement patterns enough to lift demand.

The implication is that DAMAs, while unlikely to transform entire markets, can create a modest but tangible boost in areas with constrained rental supply – especially when layered onto pre-existing migration drivers.

CONCLUSION

This report has shown that migration policy can significantly shape housing demand but the effects are uneven and often concentrated rather than broadly distributed.

Classification matters: The 2019 expansion of “regional” status to include Adelaide and Perth did not shift averages across the board for all regional areas, but it decisively altered the trajectory of those two capitals. Perth illustrates how a single classification change can transform NOM inflows and housing market outcomes.

Policy effects are concentrated, not universal: While national NOM rebounded for all capitals post-COVID, only select markets separated from the pack. The strongest housing market pressure appeared where incentives aligned with scale, amenities, and migrant preferences – namely Perth and, to a lesser degree, Adelaide.

Smaller instruments have subtler impacts: DAMAs, such as the Far North Queensland agreement, demonstrate more localised but still tangible effects. They rarely create outliers at the national level but can lift demand in thin rental markets, compounding supply pressures, and should be considered.

Investor lesson: Policy shifts should not be read as blanket demand boosters. Instead, the real signal lies in which markets have become comparatively more attractive to migrants, and whether those markets already have tight housing conditions. Those conditions are where migration policy translates most directly into price and rent growth.

Shifts in migration policy reshape the property investment landscape. Understanding the interplay between migration incentives and local housing dynamics is essential to positioning ahead of the curve. Buyers Club continues to track these evolving migration frameworks - reach out to identify the next markets poised to benefit from policy-driven demand before the rest of the market catches up.

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