

3 October 2022

Australian dwelling prices: down again Sep CoreLogic home value index: -1.4%¹mo; -0.7%¹yr Most markets remain locked into material price corrections.

- The CoreLogic home value index, covering the eight major capital cities, declined 1.4% in Sep after a 1.6% fall in Aug and a 1.4% decline in July. Prices fell 4.3% for the September quarter as a whole, a sharp acceleration on the 0.8% decline in the June quarter. Annual price growth tipped into negative for the first time, the 0.7% fall over the year to September, a steep turnaround on the 19.5% surge over the year prior.
- The detail continues to show broad-based declines across the major eastern states – nearly all sub-markets in NSW, Vic and Qld recording falls in the month. SA and WA continue to see more resilient price performances, with performances varying somewhat across the smaller states and territories, falling sharply in Tas and the ACT but relatively resilient in NT.
- Turnover was surprisingly steady, preliminary estimates suggesting sales nudged slightly higher in the September month in seasonally adjusted terms, to be down -2.2%¹qtr for Q3 as a whole, compared to a 5.4%¹qtr drop in Q2 and a 9.1% fall in Q1. Sydney and Melbourne continue to see much steeper declines, down 26%¹qtr and 14%¹qtr respectively. Indeed, sales have rallied across the rest of Australia, up 4.6%¹qtr on a combined basis to a relatively high level by historical standards.
- Sydney again led the decline, recorded another sizeable 1.8% decline in the September month, albeit somewhat milder than the 2.2-2.3% falls in July-August. Prices are down 6%¹yr and are off 9% from their January peak. 'Top tier' houses recorded a particularly steep 7.2% fall in Q3 to be 12.6% down from their recent peak. All house and unit price tiers recorded declines in the month.
- Brisbane recorded a 1.7% fall in September, similar to the 1.8% decline in August and continuing the sharp turnaround since mid-year – prices had risen 2.7% in Q2. While the pace of monthly declines has been faster than Melbourne's, the declines have been more uneven spread, concentrated in 'houses' with unit prices holding steady through Q3. As elsewhere, 'top tier' markets have seen more pronounced falls.
- Melbourne's price correction continue to track a more moderate pace with a 1.1% decline in September leaving prices 3.7% lower for Q3 as a whole. That said, annual growth is firmly in negative territory at -3.9%¹yr and price weakness is widespread across all tiers of both houses and units.
- Prices showed more moderate dips in Perth (-0.4%¹mo) and Adelaide (-0.2%¹mo), the latter still seeing prices flat for the quarter as a whole, and with weakness in both markets confined to 'top tier' houses.
- Price declines continue to run a-pace in Canberra (-1.6%¹mo) Hobart (-1.4%¹mo) and in regional areas of NSW (-1.7%¹mo), Qld (-1.3%¹mo) Vic (-1.1%¹mo) and Tas (-1.7%¹mo). That said, in all cases, annual growth is still in positive territory, and comfortably above 5%¹yr in all regional areas.
- Overall, while the lift in sales ex Sydney and Melbourne is interesting, the price correction is showing few signs of letting up. With the RBA poised to deliver more rate hikes, conditions are unlikely to improve for some time yet.

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CoreLogic home value index: September 2022

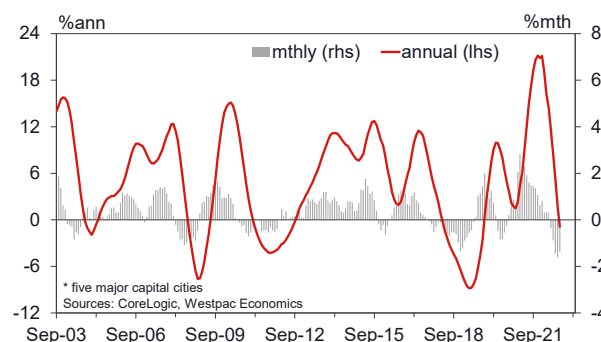
	% ¹ mo				% ¹ ann			
	Jun	Jul	Aug	Sep	Jun	Jul	Aug	Sep
Australia*	-0.8	-1.4	-1.6	-1.4	8.7	5.4	2.2	-0.7
- houses	-0.9	-1.5	-1.8	-1.6	10.0	6.3	2.7	-0.5
- units	-0.5	-1.0	-0.9	-0.8	4.7	2.5	0.5	-1.2
Major capital cities								
Sydney	-1.6	-2.2	-2.3	-1.8	5.9	1.6	-2.5	-6.0
Melbourne	-1.1	-1.5	-1.2	-1.1	3.1	0.3	-2.1	-3.9
Brisbane	0.1	-0.8	-1.8	-1.7	25.6	22.1	17.5	13.4
Adelaide	1.3	0.4	-0.1	-0.2	25.7	24.1	21.8	19.2
Perth	0.4	0.2	-0.2	-0.4	5.8	5.5	4.9	4.1
Turnover^	-5.4	-10.0	-7.0	-2.2	-12.7	-17.3	-15.1	-12.4

*combined capital cities

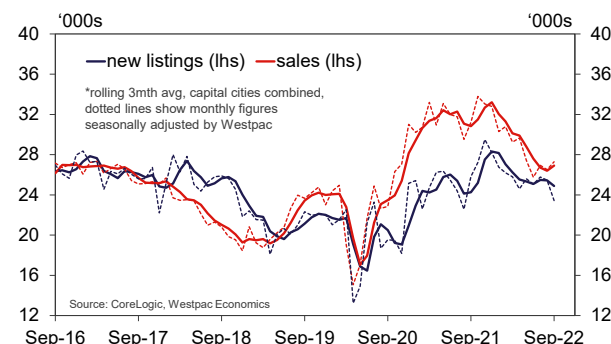
Sources: CoreLogic, Westpac Economics

^ rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.

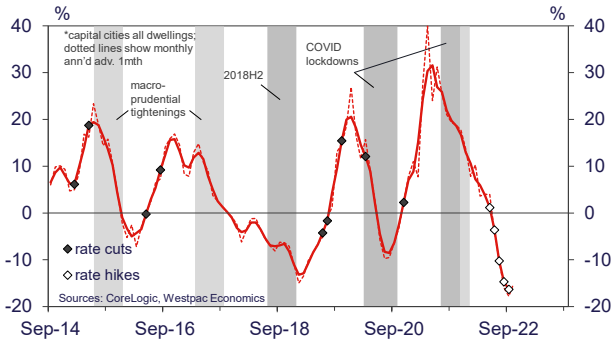
Australian dwelling prices



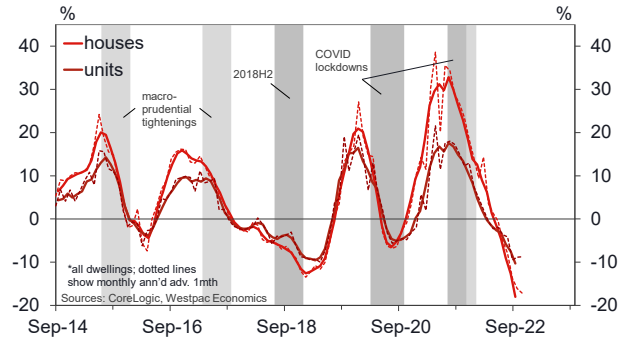
Residential property: listings and sales



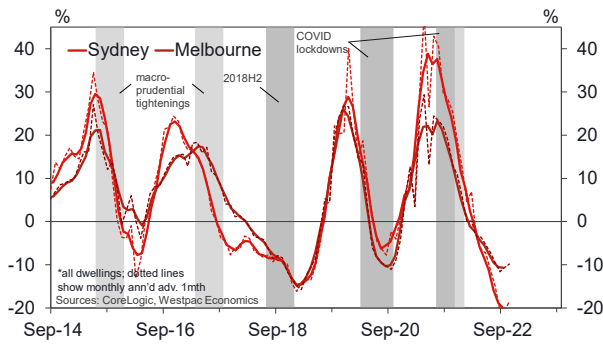
Australian dwelling prices: 3mth annualised



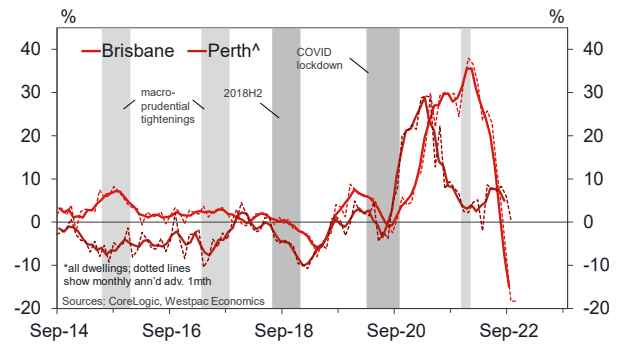
Dwelling prices: houses, units, 3mth annualised



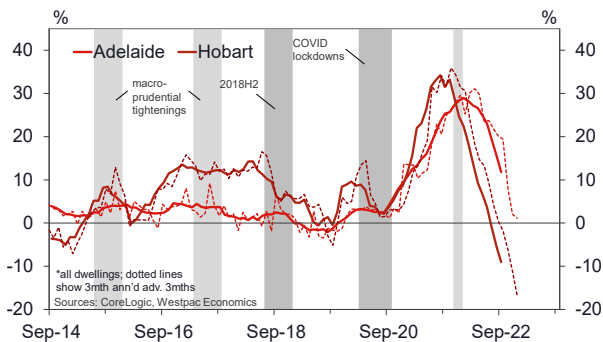
Sydney, Melbourne dwelling prices: 3mth ann'd



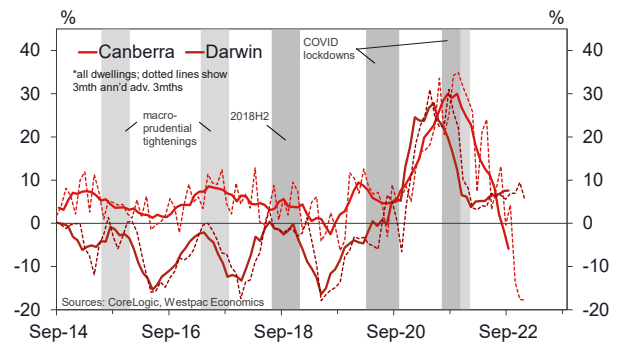
Brisbane, Perth dwelling prices: 3mth ann'd



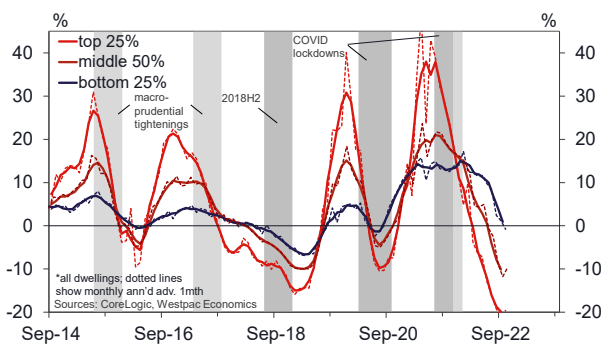
Adelaide, Hobart dwelling prices: 6mth ann'd



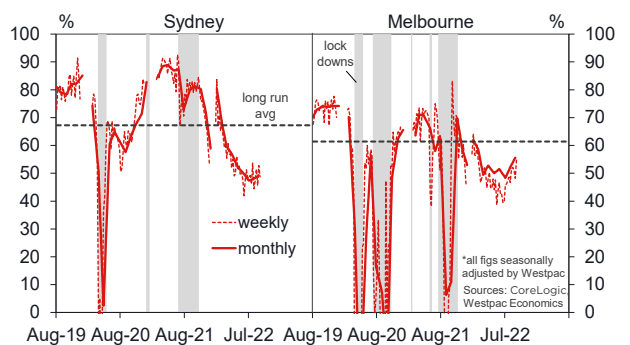
Canberra, Darwin dwelling prices: 6mth ann'd



Dwelling prices: by property value, 3mth ann'd



Auction clearance rates: withdrawal adjusted



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