

1 November 2022

Australian dwelling prices: steep falls moderate Oct CoreLogic home value index: -1.1%¹mo; -3.1%²yr Pace of correction slows in Sydney & Melb but picks up in Bris.

- The CoreLogic home value index, covering the eight major capital cities, fell 1.1% in Oct, a further moderation in the pace of monthly declines after a 1.4% fall in Sep and a 1.6% fall in Aug. Annual price growth moved further into negative to -3.1%²yr with prices now down 6.6% from their Apr peak.
- The detail continues to show broad-based declines across the major eastern states with all segments – by type, price tier, and metro-regional – showing material price falls. SA and WA remain more resilient although prices are starting to slip here as well, with only lower price tiers still sustaining slight gains.
- The moderating monthly pace of declines centred on ‘top tier’ houses, where price falls had been running at 2.2%¹mo through July-Sep but slowed to -1.2% in Oct. This segment looks to have been more sensitive to the rise in fixed rates, which was much larger and came through earlier in the piece. If so, initial price weakness was effectively ‘pricing in’ the expected full interest rate tightening cycle rather than just incremental moves – an effect that may now be starting to dissipate.
- Turnover fell sharply in the Oct month after steadying in Q3 following big declines in the first half of the year. Preliminary estimates suggest sales nationally were down about 7% in the month, Sydney and Melbourne recording steeper 10%+ falls. Despite this, sales are still up 2.4%³qtr on a rolling 3mth basis.
- Sydney continues to lead the correction, a further 1.3% decline in Oct taking the peak-to-trough decline to 10.2% since Jan. The slowing in falls for ‘top tier’ houses has been a little more pronounced in the city but these segments continue to run ahead of the declines for lower tier properties and units.
- Price declines have also moderated noticeably in Melbourne with a 0.8% fall in Oct the mildest since May. Prices are down 6.4% since their Feb peak, similar to the correction seen nationally. All tiers and sub-markets saw similar-sized declines in Oct.
- Brisbane recorded the sharpest price fall in Oct with a 2%¹mo drop. Annual price growth is still running at 8.4%²yr, an indication of the steepness of the turnaround since mid-2022. ‘Top’ and ‘middle-tier’ houses are leading the price falls with unit prices showing much milder declines in the 0.5-1%¹mo range.
- Perth and Adelaide continue to hold up much better albeit with price slippage becoming a little more evident, both seeing a third successive monthly dip. Adelaide is still the strongest performer, prices up 16.5%²yr and Oct weakness confined to ‘top tier’ houses. Perth’s annual price growth is much more subdued at 4.0%²yr.
- Canberra and Hobart prices moved in line with the national results with prices about square on a year ago. Regional areas of NSW, Vic and Qld all showed more pronounced falls (-1.7%, -1.4% and -1.3% respectively) but with prices still up 4-8%²yr.
- Overall, the moderating pace of monthly price declines is somewhat promising but should be kept in perspective – in annualised terms declines have moderated from a -16% pace in Q3 to a still formidable -12.8% pace in Oct. With more RBA hikes on the way, stabilisation still looks a long way off.

Matthew Hassan, Senior Economist, ph (61-2) 9178 2054

CoreLogic home value index: October 2022

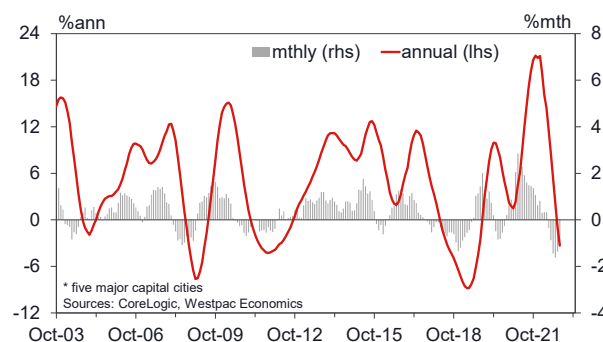
	%mth				%ann			
	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct
Australia*	-1.4	-1.6	-1.4	-1.1	5.4	2.2	-0.7	-3.1
- houses	-1.5	-1.8	-1.6	-1.2	6.3	2.7	-0.5	-3.2
- units	-1.0	-0.9	-0.8	-0.7	2.5	0.5	-1.2	-3.0
Major capital cities								
Sydney	-2.2	-2.3	-1.8	-1.3	1.6	-2.5	-6.0	-8.6
Melbourne	-1.5	-1.2	-1.1	-0.8	0.3	-2.1	-3.9	-5.6
Brisbane	-0.8	-1.8	-1.7	-2.0	22.1	17.5	13.4	8.4
Adelaide	0.4	-0.1	-0.2	-0.3	24.1	21.8	19.2	16.5
Perth	0.2	-0.2	-0.4	-0.2	5.5	4.9	4.1	4.0
Turnover^	-8.2	-6.8	-1.4	2.4	-16.2	-16.1	-12.6	-14.3

*combined capital cities

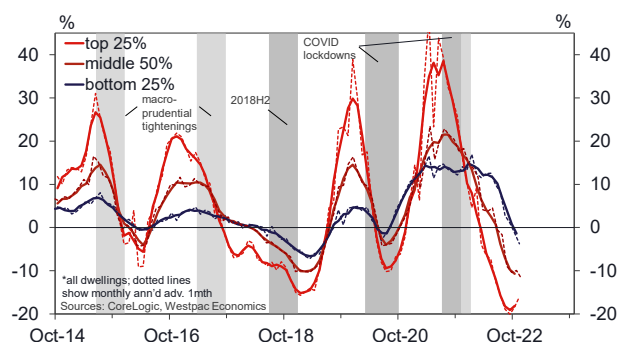
Sources: CoreLogic, Westpac Economics

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

Australian dwelling prices

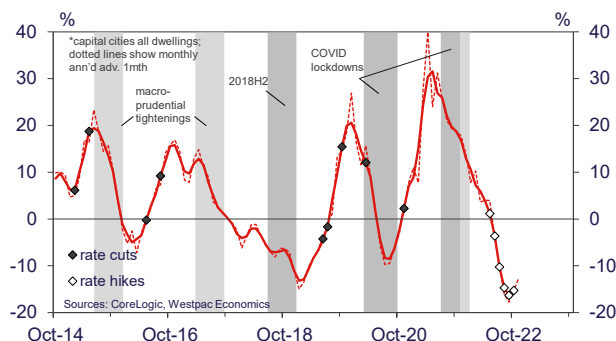


Dwelling prices: by property value, 3mth ann'd

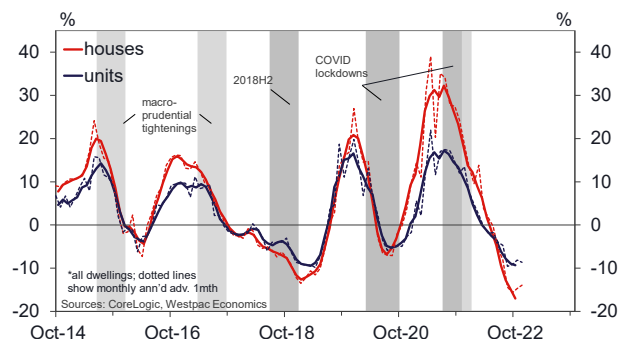


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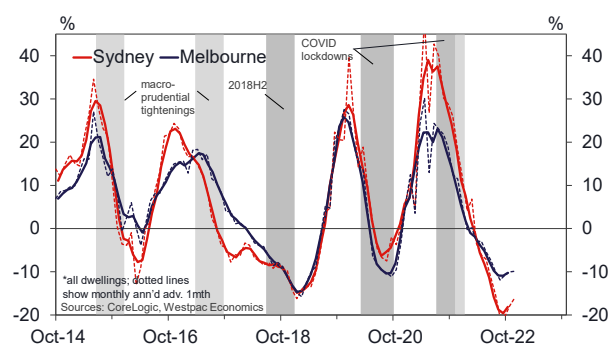
Australian dwelling prices: 3mth annualised



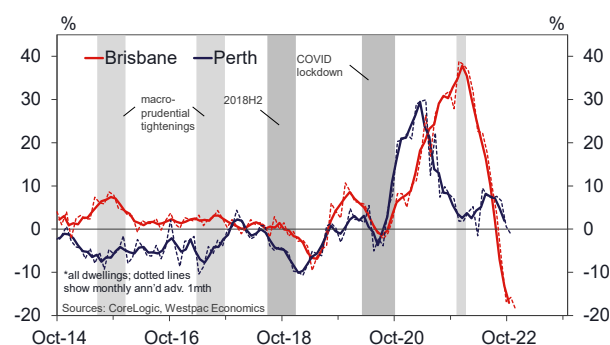
Dwelling prices: houses, units, 3mth annualised



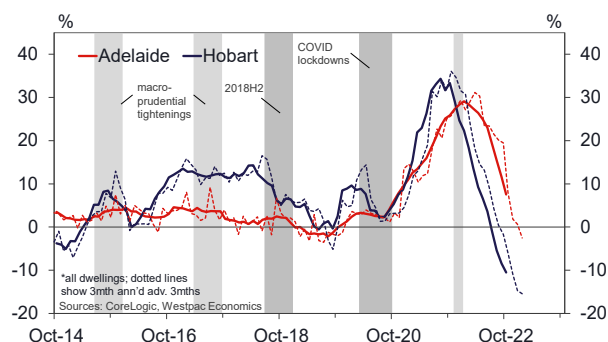
Sydney, Melbourne dwelling prices: 3mth ann'd



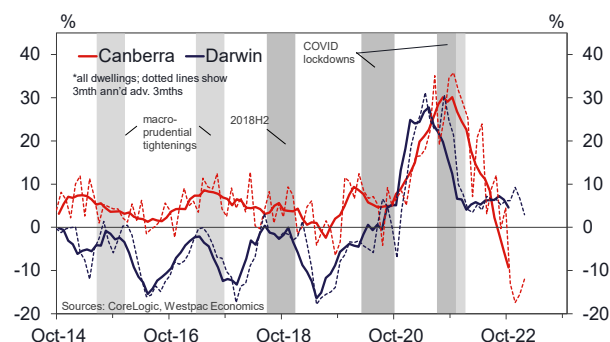
Brisbane, Perth dwelling prices: 3mth ann'd



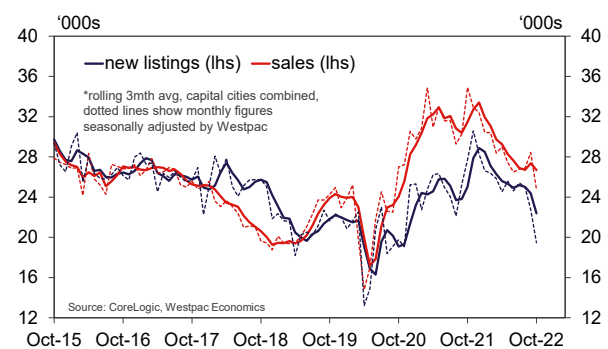
Adelaide, Hobart dwelling prices: 6mth ann'd



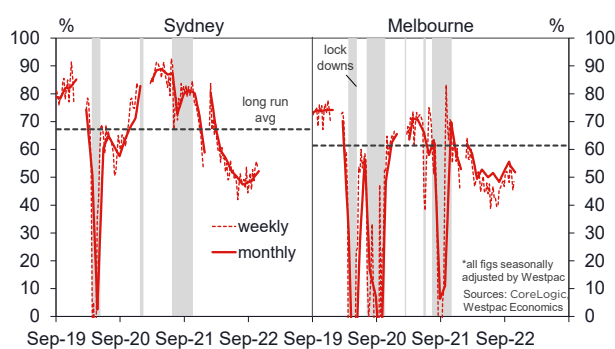
Canberra, Darwin dwelling prices: 6mth ann'd



Residential property: listings and sales



Auction clearance rates: withdrawal adjusted



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