

11 January 2023

## Australian dwelling prices: weak finish to 2022 Dec CoreLogic home value index: -1.2%<sub>mt</sub>; -6.9%<sub>yr</sub> Correction still looking firmly entrenched.

- The CoreLogic home value index, covering the eight major capital cities, fell 1.2% in December to be down 6.9% for the year as a whole. While monthly declines continue to run at a slightly more moderate pace than in the third quarter the correction still looks firmly entrenched.
- The detail continues to show broad-based declines across the major eastern states. Momentum has improved in some markets – most notably Sydney – but has deteriorated in Brisbane, Adelaide and in regional areas.
- Turnover also weakened into year-end, preliminary estimates suggesting sales were down about 5%<sub>mt</sub> in Dec across the major capital cities in seasonally adjusted terms to be off around 30% for the calendar year (note that figures in the table right are on a rolling 3mth average basis).
- Prices were down 1.4%<sub>mt</sub> in Sydney to be 12.1% lower for the full year, the worst performer by some way. While the detail continues to show a more moderate pace of falls at the upper end of the market, this is coming from a steep 20%+ annualised pace earlier in the year. Other tiers are showing only a slight easing in downward price momentum. The more granular sub-regional detail shows price declines have moderated more significantly in Baulkham Hills, Ryde, and the Northern Beaches – all of which had seen a faster pace of falls in the previous quarter.
- Brisbane again recorded the sharpest monthly price fall amongst the major capitals albeit only just, with the 1.5% decline also milder than the large 2.0% falls in Oct and Nov. All tiers and segments saw price weakness accelerate in the final quarter. Notably, ‘units’ are now posting significant price falls, having initially been much steadier. The sub-regional detail here shows a more material deterioration in the city’s West and some outer areas (Logan and Morton Bay).
- Melbourne recorded a 1.2% price fall in Dec, a slight re-acceleration after 0.8% falls in Oct and Nov. There was a notable weakening in auction markets into year-end suggesting the markets may have been caught a little more off guard by the RBA’s continued rate rises late in the year. That said, price declines have still slowed a touch through the final quarter, particularly in inner areas.
- Perth and Adelaide continue to hold up much better relative to the eastern states. However, Adelaide is showing more signs of entering a correction phase, prices dipping 0.4% in Dec (albeit still up a remarkable 10.1%<sub>yr</sub>). Prices were again about flat in Perth, annual price growth hovering around 3.6%<sub>yr</sub>.
- Results varied across other cities, prices down a hefty 1.9% in Hobart, 1.2% in Canberra but just 0.5% in Darwin. Regional areas of NSW, Qld and Vic all recorded more substantive declines (-1.5%, -0.8% and -0.7% respectively).
- Overall, the Dec update showed some notable shifts in the detail but little change in the big picture for housing – the correction showing few signs of ending anytime soon, especially given further RBA interest rate rises near term.

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### CoreLogic home value index: December 2022

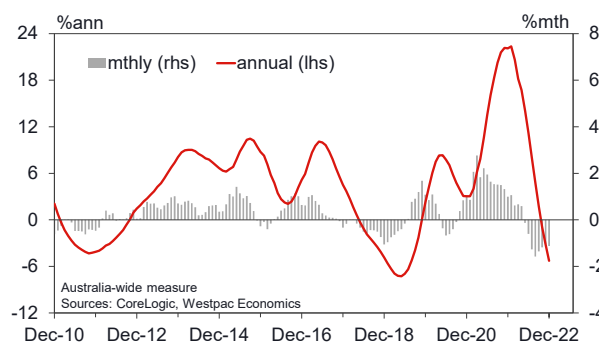
	% <sub>mt</sub>				% <sub>ann</sub>			
	Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
<b>Australia*</b>	<b>-1.4</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-0.7</b>	<b>-3.1</b>	<b>-5.2</b>	<b>-6.9</b>
- houses	-1.6	-1.2	-1.2	-1.3	-0.5	-3.2	-5.5	-7.4
- units	-0.8	-0.7	-0.6	-0.9	-1.2	-3.0	-4.3	-5.3
Major capital cities								
Sydney	-1.8	-1.3	-1.3	-1.4	-6.0	-8.6	-10.6	-12.1
Melbourne	-1.1	-0.8	-0.8	-1.2	-3.9	-5.6	-7.0	-8.1
Brisbane	-1.7	-2.0	-2.0	-1.5	13.4	8.4	3.3	-1.1
Adelaide	-0.2	-0.3	-0.3	-0.4	19.2	16.5	13.4	10.1
Perth	-0.4	-0.2	0.0	0.1	4.1	4.0	3.9	3.6
Turnover^	-3.0	-5.0	-7.0	-9.1	-14.9	-21.7	-25.1	-27.1

\*combined capital cities

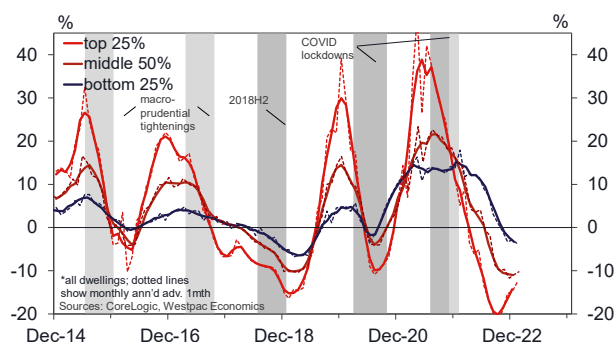
Sources: CoreLogic, Westpac Economics

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

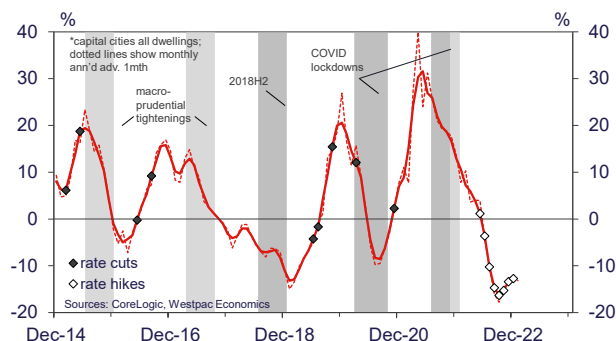
### Australian dwelling prices



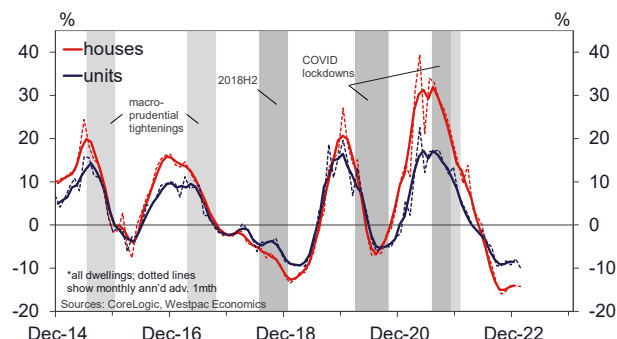
### Dwelling prices: by property value, 3mth ann'd



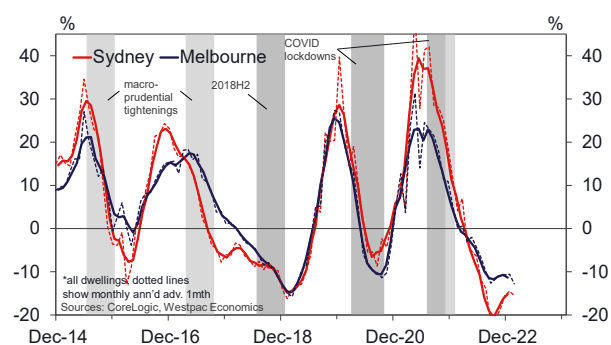
### Australian dwelling prices: 3mth annualised



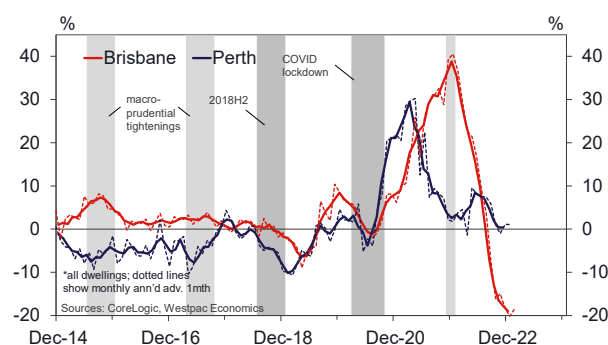
### Dwelling prices: houses, units, 3mth annualised



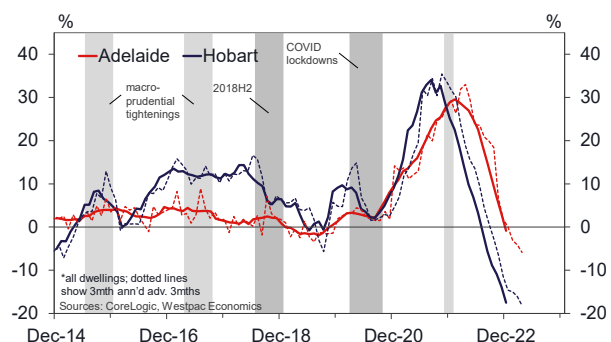
### Sydney, Melbourne dwelling prices: 3mth ann'd



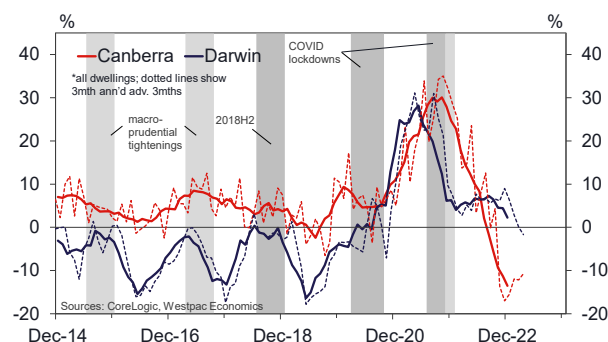
### Brisbane, Perth dwelling prices: 3mth ann'd



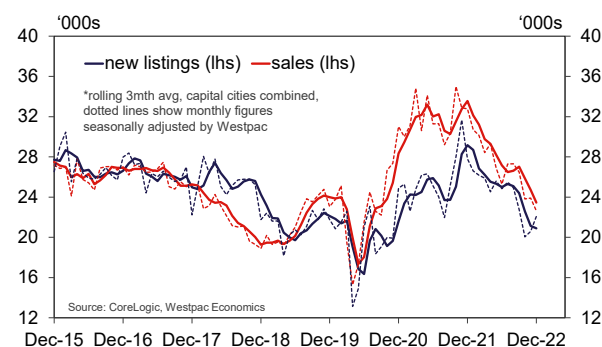
### Adelaide, Hobart dwelling prices: 6mth ann'd



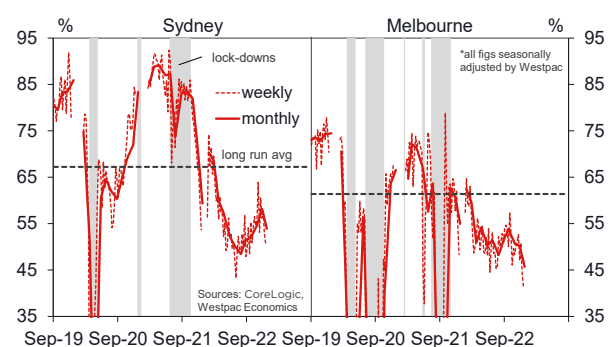
### Canberra, Darwin dwelling prices: 6mth ann'd



### Residential property: listings and sales



### Auction clearance rates: withdrawal adjusted



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