

3 April 2023

Australian dwelling prices: revival continues May CoreLogic home value index: 1.4%_{mt}; -6.8%_{yr} Gains strengthen and broaden but turnover remains very low.

- The CoreLogic home value index, covering the eight major capital cities, rose 1.4%_{mt} in May, an acceleration from the 0.7% rise in April and 0.8% gain in March and following ten consecutive monthly declines prior to that. The 3% rise since Feb reverses nearly a third of the 9.7% decline seen through the correction period.
- All capital city markets recorded a lift in the monthly pace of gains in May. Sydney, Brisbane and Perth are tracking a slightly firmer pace than other markets.
- Turnover remains weak, our estimates pointing to a significant fall in seasonally adjusted terms in the May month, with sales down 1.9%_{qtr} nationally on a rolling 3_{mt} basis. Sales and listings are at very low levels, with just 1% of the total dwelling stock turning over each quarter. This adds a note of caution to recent gains which may struggle to sustain if/when the market becomes more active.
- Sydney continues to record the strongest gains, prices up 1.8%_{mt} in May after averaging 1.3% gains in March and April. Prices have bounced 4.8% since Jan but are retracing are larger 13.8% decline in 2022. 'Top' and 'middle tier' houses continue to lead the way, posting 2% gains in May, but all tiers and segments are seeing gains.
- Melbourne posted a more subdued 0.9%_{mt} rise, albeit still a clear improvement on recent months. Performances are fairly even across tiers and segments, but with price gains a bit more muted for lower tier houses.
- Prices posted a robust 1.4%_{mt} rise in Brisbane, turnover also posting a solid gain, in contrast to the continued declines in other major eastern capital city markets. The firming is consistent across all segments and tiers.
- Perth prices also posted a solid 1.3%_{mt} gain while prices in Adelaide were up 0.9%_{mt}. Both markets have also seen much milder corrections with price growth still positive in annual terms.
- Price gains were more muted for the smaller capital cities: Hobart, Canberra and Darwin all seeing 0.4-0.5%_{mt} rises. Rises were also slower across regional areas, running in the 0.5-1% range for most, a 0.5% decline in regional Vic the main exception. Only nine of the fifty detailed sub-market measures recorded price declines in May.
- The strong May gain clearly raises the prospect that markets may be doing more than just stabilising. As noted, 'thin' turnover suggests the lift in prices may be difficult to sustain. More generally, the interest rate backdrop remains a headwind and is unlikely to become supportive for some time yet. While population and other factors are driving a shift, a fully-fledged upswing is not expected to gain traction until 2024 (see [here](#) for a more detailed discussion).

Matthew Hassan, Senior Economist

CoreLogic home value index: May 2023

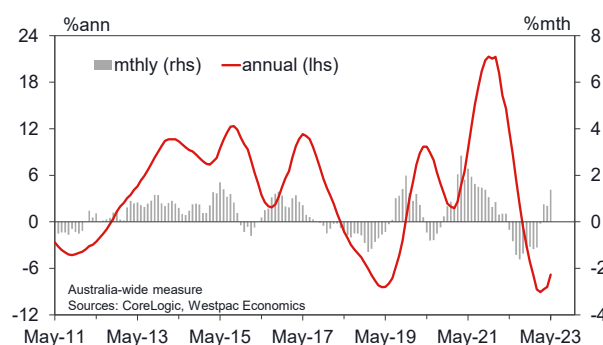
	%mt				%ann			
	Feb	Mar	Apr	May	Feb	Mar	Apr	May
Australia*	-0.1	0.8	0.7	1.4	-9.1	-8.7	-8.4	-6.8
- houses	-0.1	0.8	0.7	1.5	-9.9	-9.6	-9.4	-7.7
- units	0.0	0.6	0.7	1.0	-6.4	-5.8	-5.2	-4.1
Major capital cities								
Sydney	0.3	1.4	1.3	1.8	-13.4	-12.1	-10.7	-8.2
Melbourne	-0.4	0.6	0.1	0.9	-9.6	-9.0	-8.9	-7.4
Brisbane	-0.4	0.1	0.3	1.4	-6.8	-8.6	-9.8	-9.3
Adelaide	-0.2	-0.1	0.2	0.9	5.1	3.0	1.3	0.4
Perth	-0.1	0.5	0.6	1.3	2.4	1.9	1.3	2.0
Turnover^	0.4	2.8	1.8	-1.9	-21.4	-18.1	-17.1	-16.2

*combined capital cities

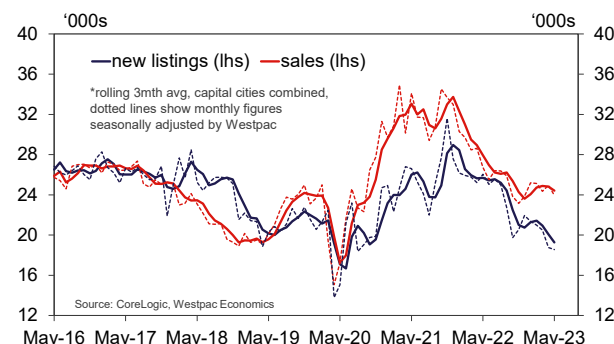
Sources: CoreLogic, Westpac Economics

^ rolling 3_{mt} total, %3_{mt} and %ann ch, seasonally adjusted by Westpac.

Australian dwelling prices

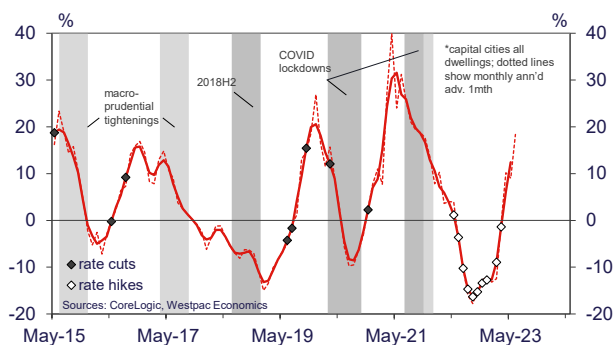


Residential property: listings and sales

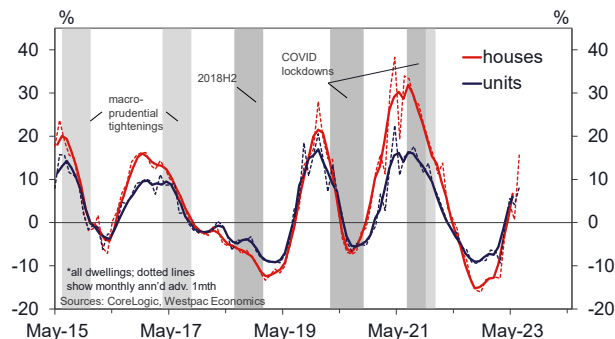


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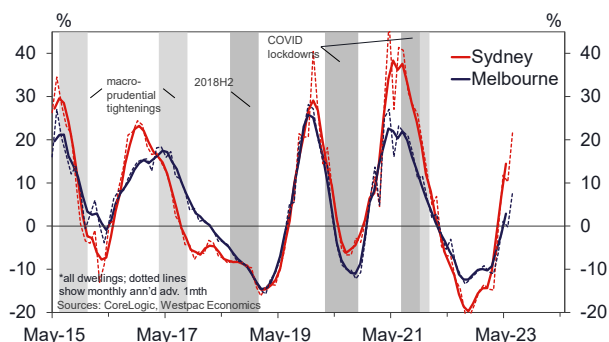
Australian dwelling prices: 3mth annualised



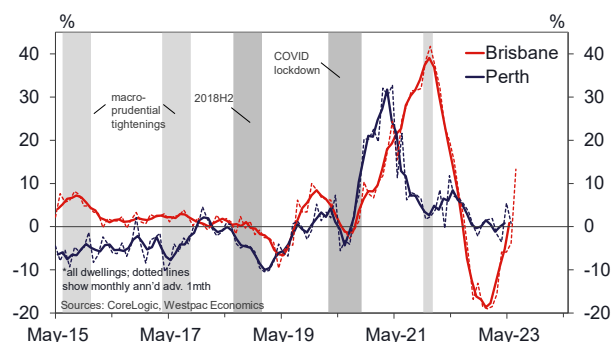
Dwelling prices: houses, units, 3mth annualised



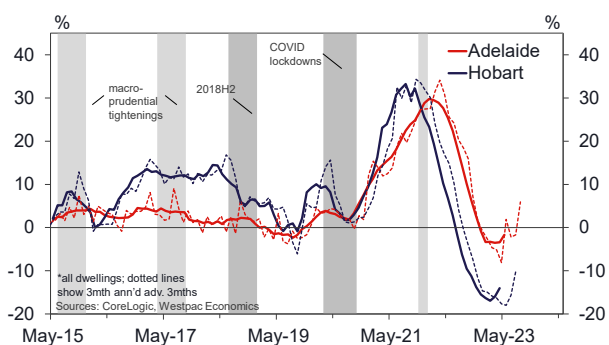
Sydney, Melbourne dwelling prices: 3mth ann'd



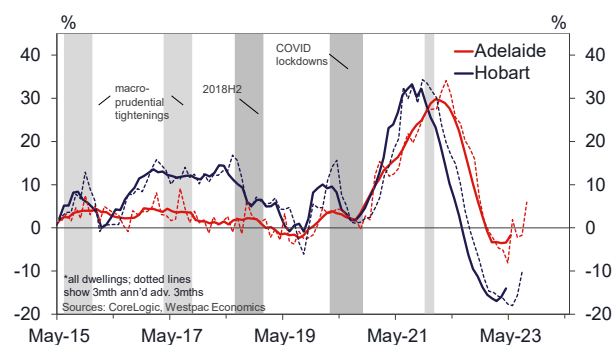
Brisbane, Perth dwelling prices: 3mth ann'd



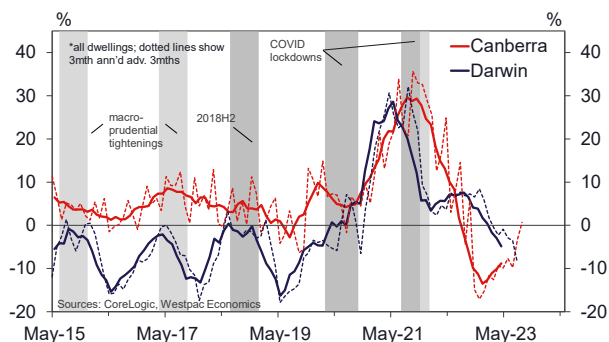
Adelaide, Hobart dwelling prices: 6mth ann'd



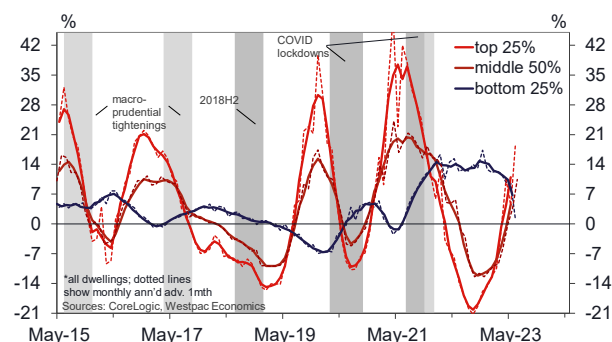
Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



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



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