BULLETIN

3 July 2023

Australian dwelling prices: up again
June CoreLogic home value index: 1.2%mth; –4.8%yr
‘Low turnover’ price rally continues

- The CoreLogic home value index, covering the eight major capital cities, rose 1.2% in June, following on from a 1.4%mth gain in May, and milder 0.7-0.8% gains in April and March. The cumulative 4.1% lift since Feb comes after a 9.7% decline over the previous ten months. The annual pace of price declines moderated from –6.8%yr to –4.8%yr.
- All major capital city markets recorded gains in the month, albeit with most seeing the pace slowing a touch compared to May. Sydney and Brisbane continue to track a slightly faster pace than the other majors.
- Turnover remains very weak, our estimates suggesting sales declined significantly in seasonally adjusted terms in the month of June to be down 2.3%qtr for Q2 as a whole, with particularly big falls in Sydney (–7.4%qtr) and Melbourne (–8.5%qtr). Both sales and listings continue to track at historically low levels. As noted previously, ‘thin’ market conditions cast doubt over the sustainability over the current rally in prices.
- Sydney again recorded the strongest monthly gain, dwelling prices up another 1.7% following a 1.8% rise in May. Prices have now bounced 6.4% since Feb but are coming off a larger 13.8% decline in 2022. ‘Top’ and ‘middle tier’ houses again showed the biggest rises.
- Melbourne posted a solid but more sedate 0.7% rise. While ‘bottom tier’ houses are seeing only muted gains, other tiers and all segments of ‘units’ saw gains in the 0.7-1.1% range this month.
- Brisbane dwelling prices rose 1.3% vs 1.4% in May. The firming remains fairly broad based but has slowed a little for ‘top tier’ units.
- Perth prices also milder 0.9% gain in June after a 1.3% rise in May. Adelaide prices also rose 0.9%, in line with the gain seen in May. Both markets have seen much milder corrections with annual price growth still positive in the case of Perth (+2.5%yr) and flat in Adelaide.
- Price moves were more mixed across the smaller capital cities and regional areas. Hobart saw price declines resume with a 0.3% fall in June following a more tentative 0.5% gain over Apr-May, prices still down heavily on a year ago (–12.7%). Canberra and Darwin posted 0.4-0.5%mth gains, firm but running well behind the other capital cities. Regionally, June saw price falls continue in regional Vic (–0.4%mth) and resume in regional Tas (–0.3%mth). Gains were muted in regional NSW and regional WA (both +0.3%mth) but firmer in regional Qld and regional SA (both +1%mth) - noting that regional Qld includes the Gold and Sunshine Coast areas in South East Qld.
- Overall, the June update continues the theme of steady price gains that are sustaining despite further interest rate rises and very weak turnover. As noted, this is a discomfiting mix. Price momentum may quickly fade if we see a rate hike hit to expectations and/or a material lift in ‘on-market’ supply.

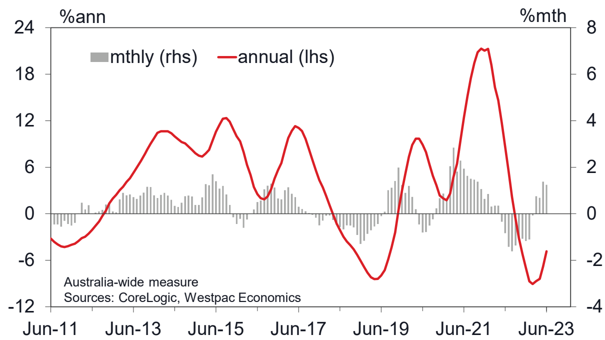
Matthew Hassan, Senior Economist

CoreLogic home value index: June 2023

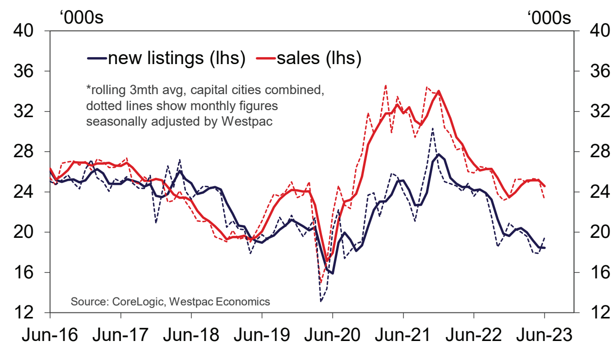
	%mth				%ann			
	Mar	**Apr**	**May**	**Jun**	**Mar**	**Apr**	**May**	**Jun**
Australia*	**0.8**	**0.7**	**1.4**	**1.2**	**-8.7**	**-8.4**	**-6.8**	**-4.8**
– houses	0.8	0.7	1.5	1.3	-9.6	-9.4	-7.7	-5.6
– units	0.6	0.7	1.0	1.0	-5.8	-5.2	-4.1	-2.6
Major capital cities								
Sydney	1.4	1.3	1.8	1.7	-12.1	-10.7	-8.2	-5.1
Melbourne	0.6	0.1	0.9	0.7	-9.0	-8.9	-7.4	-5.7
Brisbane	0.1	0.3	1.4	1.3	-8.6	-9.8	-9.3	-8.2
Adelaide	-0.1	0.2	0.9	0.9	3.0	1.3	0.4	0.0
Perth	0.5	0.6	1.3	0.9	1.9	1.3	2.0	2.5
Turnover^	2.8	1.8	-1.9	-1.0	-18.1	-17.1	-16.2	-12.5

*combined capital cities
^ rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.
Sources: CoreLogic, Westpac Economics

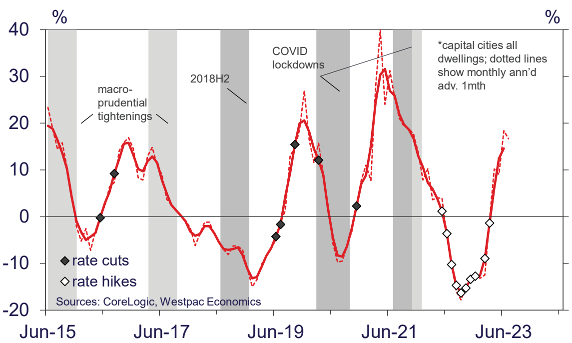
Australian dwelling prices



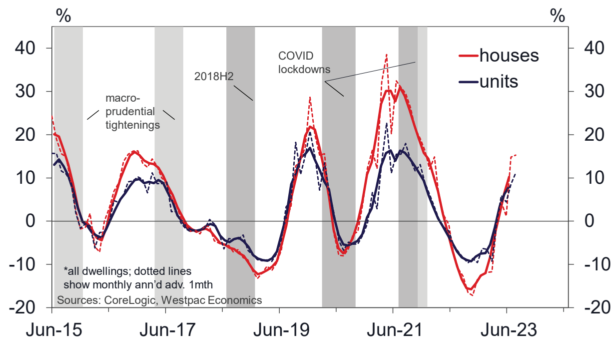
Residential property: listings and sales



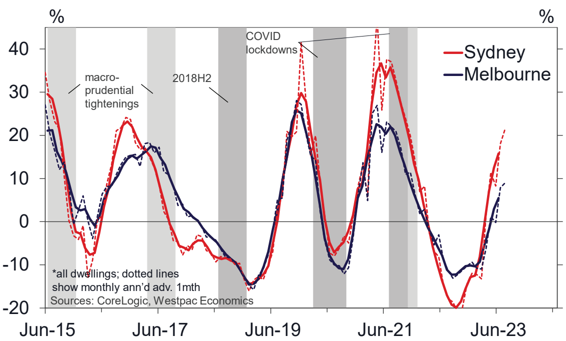
Australian dwelling prices: 3mth annualised



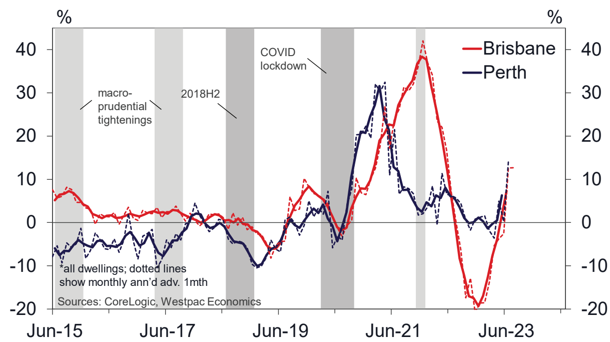
Dwelling prices: houses, units, 3mth annualised



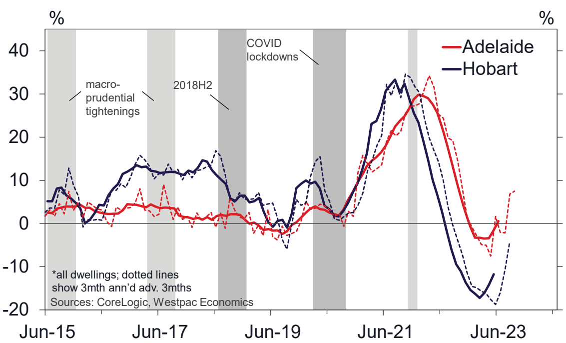
Sydney, Melbourne dwelling prices: 3mth ann'd



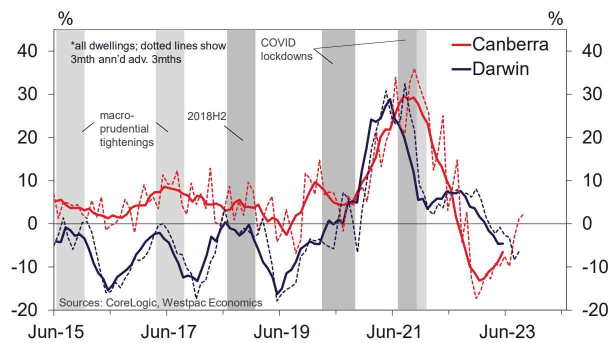
Brisbane, Perth dwelling prices: 3mth ann'd



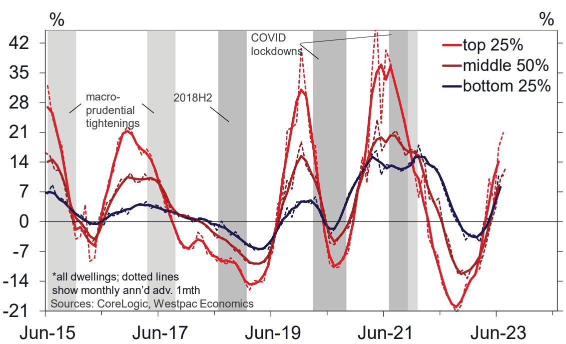
Adelaide, Hobart dwelling prices: 6mth ann'd



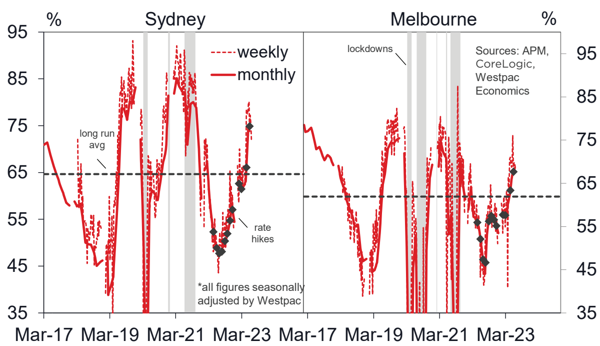
Canberra, Darwin dwelling prices: 6mth ann'd



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



Auction clearance rates: withdrawal adjusted



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