

1 September 2023

Australian dwelling prices: lift continues Aug CoreLogic home value index: 1.0%^{mt}; -0.1%^{yr} Broad gains but 'supply-demand' balance starting to shift.

- The CoreLogic home value index, covering the eight major capital cities, rose 1% in August, the sixth gain in a row and matching the average pace seen over the previous five months. Prices are now up 6.2% from their Feb low and about flat on a year ago but still 4.1% below their peak in Apr 2022.
- All major capital city markets again recorded rises, ranging from a more muted 0.5% gain in Melbourne to a robust 1.5% rise in Brisbane. Price performances continue to be more subdued and varied across most smaller capital cities and regional areas. Houses are posting slightly better monthly rises than units, although annual growth in unit prices is running ahead, reflecting the milder correction phase.
- Turnover remains weak, our estimates pointing to a fall in the July month in seasonally adjusted terms, sales down about 3.6%^{qtr} on a rolling 3^{mt} basis. Turnover continues to weaken more materially in Sydney and Melbourne, consistent with affordability pressures starting to bite again in these markets. With new listings also lifting, the balance between on-market supply and demand is clearly shifting.
- Sydney dwelling prices rose 1.1%, following a 0.9% rise in July, gains still running at a more moderate pace than through Apr-Jun. Annual price growth has edged into positive, at 1.2%^{yr} although prices are still 6.2% below their early 2022 peak. Monthly gains were uniform across price tiers and segments, houses and 'top tier' properties outperforming slightly.
- Melbourne dwelling prices again posted a more sedate 0.5% rise in Aug, up only a touch on the 0.3% rise in July. Prices have only lifted 3.2% from their Feb low, having fallen more heavily last year (annual price growth still negative at -2.3%^{yr}). Monthly gains remain weak at the lower end of the market, 'lower tier' unit prices dipping in the month.
- Brisbane dwelling prices rose 1.5% in Aug on par with July's 1.4% rise and sustaining the city's outperformance in recent months, 'top tier' houses up 2.2%^{mt}.
- Perth prices rose 0.9% in Aug, in line with July's 1% rise. Adelaide prices rose 1.1%, a more modest pace than July's 1.4% gain. Annual price growth remains firmly positive in both markets, +4.5%^{yr} for Perth and +2.2%^{yr} for Adelaide.
- Price moves were again uneven across smaller capital cities and regional areas. Hobart prices dipped 0.1%^{mt}, stabilising rather than rising. Price gains were a little more convincing in Canberra (0.3%^{mt}) and Darwin (0.8%^{mt}). Regionally, prices continue to correct at a steady pace in regional Vic (-0.6%^{mt}) and regional NSW (-0.2%^{mt}) but are showing a clear recovery in regional Qld (+0.8%^{mt} - noting that this includes the Gold and Sunshine Coast sub-markets).
- Overall, the Aug update is a similar picture to July with solid price gains but soft turnover. The latter, coupled with a lift in 'on-market' supply is likely to see some slight cooling in momentum in months ahead but the broad picture should be much the same (see our latest [Housing Pulse](#) for more details).

Matthew Hassan, Senior Economist

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CoreLogic home value index: August 2023

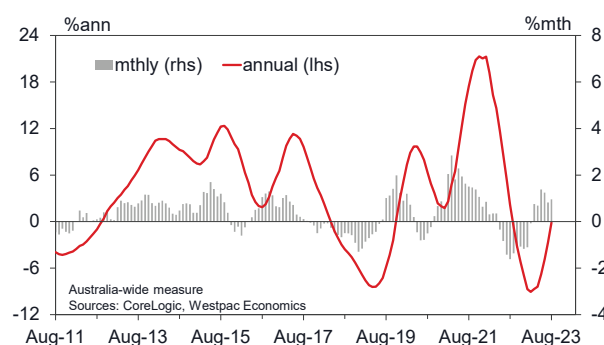
	% ^{mt}				% ^{ann}			
	May	Jun	Jul	Aug	May	Jun	Jul	Aug
Australia*	1.4	1.2	0.8	1.0	-6.8	-4.8	-2.7	-0.1
- houses	1.5	1.3	0.8	1.0	-7.7	-5.6	-3.3	-0.4
- units	1.0	1.0	0.7	0.7	-4.1	-2.6	-0.9	0.8
Major capital cities								
Sydney	1.8	1.7	0.9	1.1	-8.2	-5.1	-2.1	1.2
Melbourne	0.9	0.7	0.3	0.5	-7.4	-5.7	-4.0	-2.3
Brisbane	1.4	1.3	1.4	1.5	-9.3	-8.2	-6.2	-3.0
Adelaide	0.9	0.9	1.4	1.1	0.4	0.0	1.0	2.2
Perth	1.3	0.9	1.0	0.9	2.0	2.5	3.4	4.5
Turnover^	7.7	4.9	2.3	-3.6	-7.9	-5.2	-1.8	-4.5

*combined capital cities

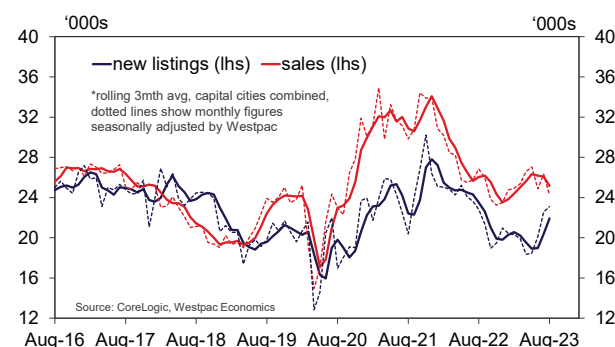
Sources: CoreLogic, Westpac Economics

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

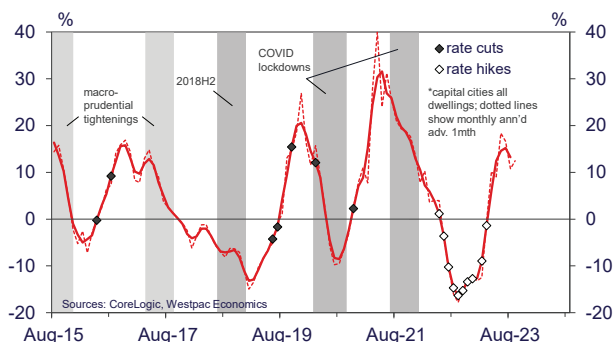
Australian dwelling prices



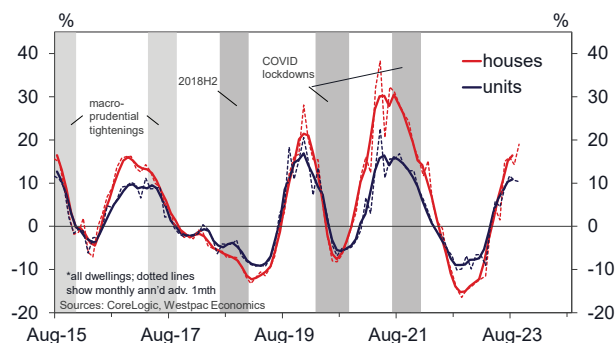
Residential property: listings and sales



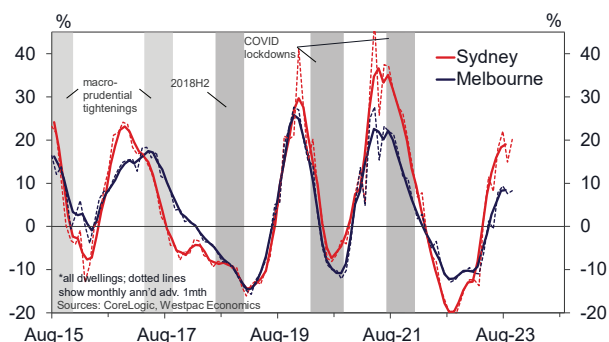
Australian dwelling prices: 3mth annualised



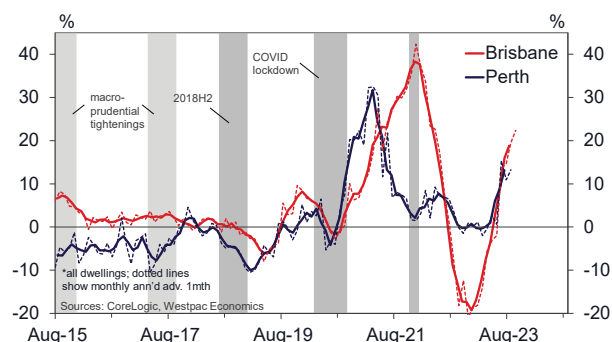
Dwelling prices: houses, units, 3mth annualised



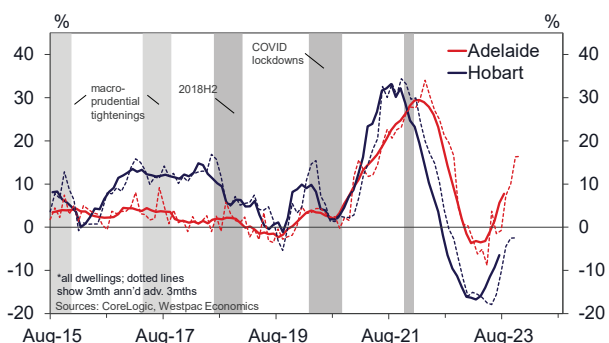
Sydney, Melbourne dwelling prices: 3mth ann'd



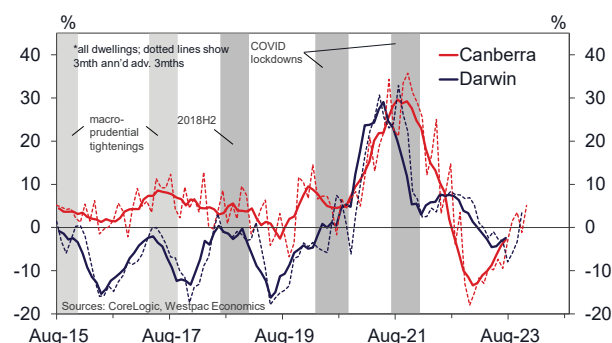
Brisbane, Perth dwelling prices: 3mth ann'd



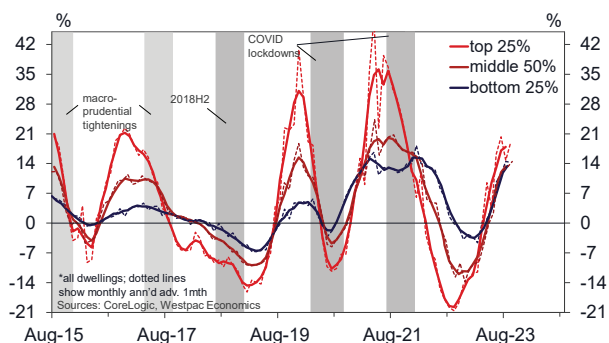
Adelaide, Hobart dwelling prices: 6mth ann'd



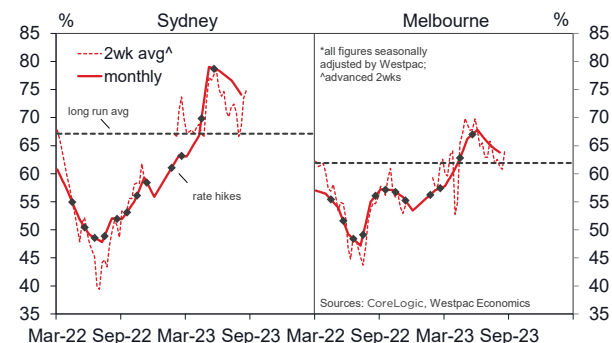
Canberra, Darwin dwelling prices: 6mth ann'd



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



Auction clearance rates: withdrawal-adjusted



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