HOUSING PULSE NOVEMBER 2023.

WESTPAC INSTITUTIONAL BANK

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This issue was finalised on 30 November 2023.
The next issue will be published 16 February 2024.

EXECUTIVE SUMMARY

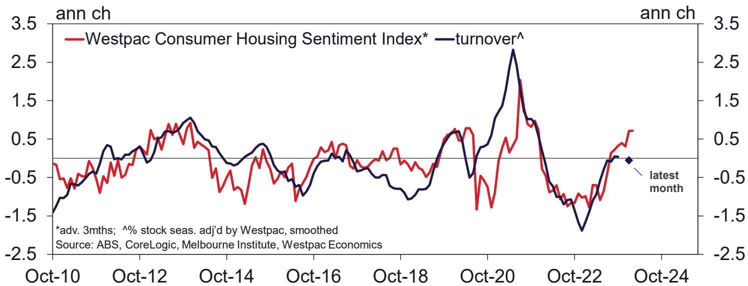
The price-led housing upturn that emerged at the start of the year and sustained despite multiple rate rises is finishing 2023 on a more mixed note. Our November **Housing Pulse** finds price momentum continuing overall but with relativities shifting between states. A surge in population growth is still the main underlying driver but strained affordability is starting to have more impact both in aggregate and on performances across price tiers within markets.

Dwelling prices are tracking towards a 10% gain for the full year across the major capital city markets. While we still anticipate a slowdown in 2024, the stronger momentum looks likely to carry a little better near term, price growth now expected to come in at 6% next year compared to 4% previously. Aside from stretched affordability, a slowdown in aggregate population growth and shifts in internal migration and household formation will shape performances in the next two years. The path of inflation and interest rates remains a key risk.

The outlook for turnover is less convincing. Our **Westpac Consumer Housing Sentiment Index** suggests some lift is likely near term but the detail continues to show a heightened tension between extremely weak buyer sentiment and positive price expectations. In some markets, this tension looks to be resolving towards weaker sales volumes and a loss of price momentum. In others, turnover is lifting slightly and appears better placed for moderate gains.

NSW led the broad upturn and is giving clues to where it is headed with stretched affordability already weighing on turnover and price growth. Vic's more muted recovery has flattened as the market struggles to absorb an investor sell-down following recent state government policy changes. Qld, SA and WA are all showing better momentum in terms of both prices and turnover and will be clear frontrunners next year, WA showing the best prospects. Tas continues to be a notable exception without an upturn so far, its performance highlighting the importance of population growth in the current cycle.

1. Australia: national housing conditions

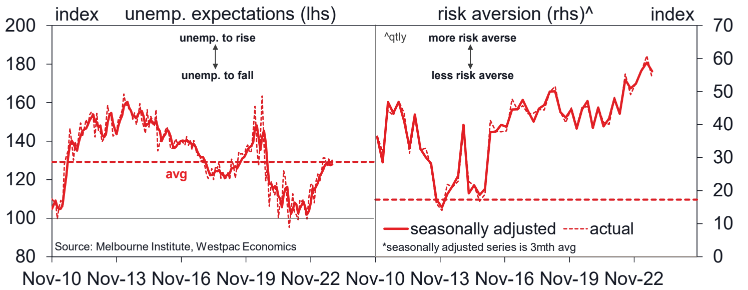


“The price–led housing upturn ... is finishing 2023 on a more mixed note.”

*The **Westpac Consumer Housing Sentiment Index** is a composite measure based on four housing-related components of the Westpac Consumer Sentiment survey. See Appendix on p36 for more details.

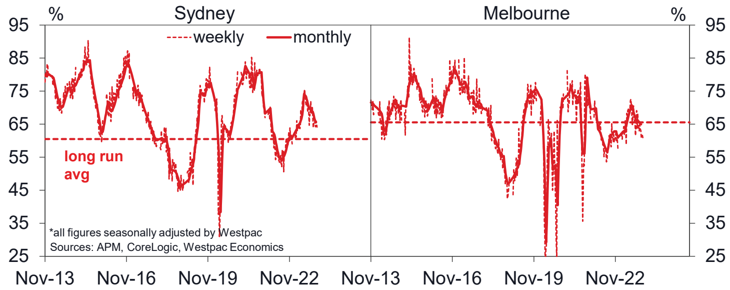
2. Consumer sentiment: housing

3. Consumer sentiment: jobs & risk aversion

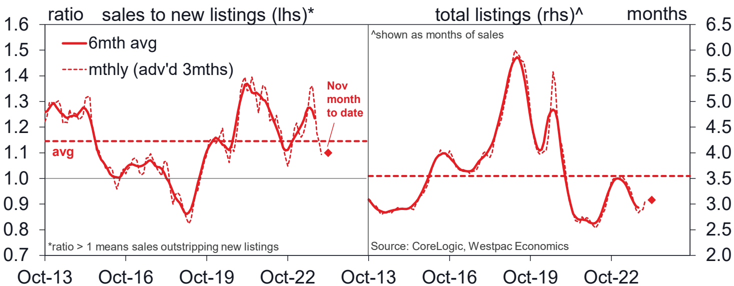


- Australia's housing upturn has carried into year-end but is changing in complexion. It remains primarily price-led, with turnover still relatively low and only showing mixed gains. All markets show some tension between supply shortages – as strong population-driven demand coincides with subdued building – and increasingly stretched affordability. This looks to be tilting towards a slowdown in areas where prices are most stretched. But even in markets where upturns are sustaining, the price detail shows a clear affordability-driven shift in the relative performance of different segments.
- Across the major capitals, prices rose 2.6% over the 3mths to Oct to be up 7.1%yr. Prices look to be up another 0.6% in the Nov month with a moderate slowing in the monthly pace since mid-year.
- Nationally, turnover has dipped about 3% since the June quarter, following a 12% rise over the previous 12mths. Sales volumes remain 23% below the peak in late 2021 and below long run averages as a share of the dwelling stock.
- Housing-related sentiment has improved a little but the mix remains less convincing. The main lift continues to be around price expectations with 'time to buy a dwelling' assessments still deeply pessimistic. Risk aversion has eased a touch but is coming from extremely elevated levels. Confidence around jobs has been a notable support, consumer expectations for unemployment holding up much better than wider sentiment and hovering around long run averages in recent months.
- Auction markets have cooled since mid year, clearance rates down about 10ppts in both Sydney and Melbourne. That said, they are still above average in Sydney and only slightly below average in Melbourne – both consistent with slowing price growth rather than outright price declines.

4. Auction clearances rates

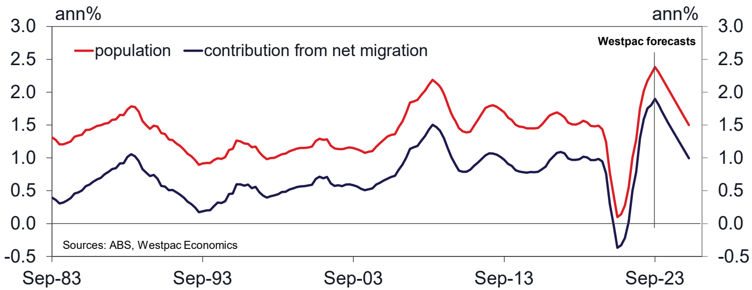


5. Residential property listings

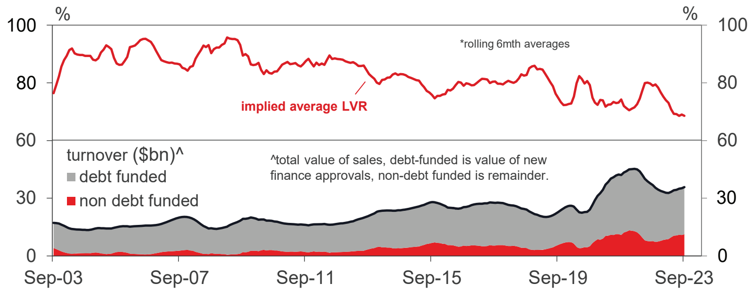


- 'On-market' supply remains tight but looks to be shifting. The last few months have seen a lift in new listings and softer sales with total stock on-market still below average but starting to rise. Conditions continue to vary significantly across cities and sub-markets.
- Nationally, the **Westpac Melbourne Institute 'time to buy a dwelling' index** edged up 1.5% over the 3mths to Nov, unwinding some of the sharp 5.9% fall over the previous 3mths. At 73.2 the index remains near extreme cyclical lows, the long run average being 121.6.
- The **Westpac-MI Consumer House Price Expectations Index** posted another robust gain over the 3mths to Nov, climbing 4.8% to a new cycle high of 158.4. The Index is in strongly optimistic territory, broadly consistent with annual price growth in the 5–10% range. A large outright majority of consumers (over 70%) expect prices to continue rising over the next 12mths. About 20% expect prices to hold flat while only 9% of consumers expect declining prices.
- The **Westpac Melbourne Institute Unemployment Expectations Index** has continued to drift a little higher, rising 2.5% over the 3mths to Nov (recall that higher reads mean more consumers expect unemployment to rise in the year ahead). At 130.4, the Index is now broadly in line with its long run average, consistent with flattening labour market conditions rather than a sharp weakening.
- Risk aversion has eased a touch, the **Westpac Consumer Risk Aversion Index** declining 3.3pts to 55.5 in Sep but coming off a record high in Jun, with estimates going back to the mid-1970s. Over 23% of consumers still favour 'pay down debt' as the 'wisest place for savings' with less than 15% favouring 'shares' or 'real estate' – the proportion nominating these options continuing to run near historic lows.

6. Population growth

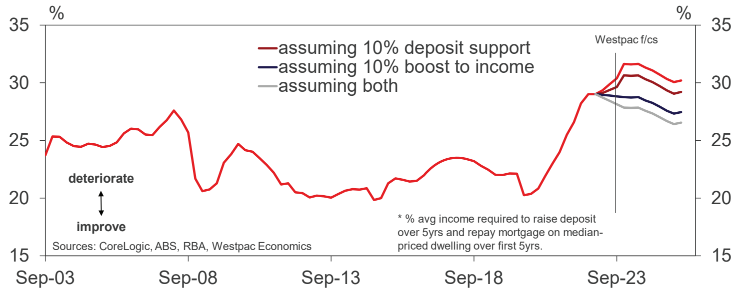


7. Dwelling purchases: funding



- What we dubbed the 'uncanny rally' back in May – the unusual price-led upturn that continued despite high and rising interest rates and relatively subdued turnover – has now been well sustained for the best part of a year. While there has been a slight moderation in recent months, prices across the five main capital cities are set to finish up about 10% for 2023 as a whole, coming in a touch above our forecast for a 7% gain. Brisbane, Perth and Adelaide have been the big outperformers.
- Looking back over the year, there have been a mixed bag of surprises for housing.
- On the upside, the migration-driven surge in population growth – which has been a primary driver of the house price upturn – has continued to come in a little stronger, with annual growth now estimated to be running at around 2.4%yr. The economy has also performed better than anticipated, most notably with respect to labour markets where the unemployment rate remains near cycle lows.
- On the downside, the pause in official interest rate rises has not lasted, with the RBA raising the cash rate by a further 25bps at its November meeting and flagging the risk of further moves if inflation declines more slowly than expected. While our central case view is that there will be sufficient easing in inflation to allow the RBA to leave rates on hold in the near term, consumers continue to brace for further rate rises in the year ahead.
- While the upside surprises have clearly dominated this year, the path forward looks more constrained. Firstly, population growth is expected to moderate in 2024 as 'catch-up' inflows slow and outflows of foreign students completing courses resume. Growth is expected to drop back to 1.9%yr in 2024 and to 1.5%yr the year after.

8. Housing affordability: sensitivity analysis



9. Dwelling price forecasts

	avg*	2021	2022	2023	2024f	2025f	comments
Sydney	7.0	26.9	-11.4	12	6	4	Solid rebound from bigger 2022 fall, severe affordability constraints already emerging.
Melbourne	5.4	16.1	-7.1	4	3	2	Steady. Investor sell down weighing near term. Supply-demand more balanced.
Brisbane	5.5	31.5	-1.9	12	8	3	Solid rebound from milder correction. Very tight market should sustain gains.
Perth	1.9	13.9	4.1	14	10	8	Accelerating strongly. Very tight market. Less strained affordability. To outperform.
Adelaide	5.5	22.3	9.3	10	4	3	Barely affected by correction. Very tight supply but affordability issues emerging.
Hobart	6.7	32.6	-6.9	-1	0	2	Stabilising. No uplift from migration and still extreme affordability issues.
Australia	**5.8**	**23.0**	**-6.6**	**10**	**6**	**4**	Recovery moderating as affordability constraints start to bite.

All dwellings, Australia is five major capital cities combined measure; *10yr avg.
Note that historical estimates have been revised due to changes to CoreLogic price measures.

Source: CoreLogic, Westpac Economics

- On top of this, extremely stretched levels of affordability now looks to be biting, with a notable drop in turnover and a slowdown in price growth in Sydney a sign of things that are likely to come elsewhere. With economic growth still sluggish and a further softening to come in labour markets, dwelling price growth is expected to moderate. Prices across the five major capitals are expected to rise 6% in 2024, slightly better than our previously forecast 4% gain.
- There are many risks to this outlook. Markets may have defied rate rises in 2023 but could struggle to do so again if rates rise again in 2024. Our central case view also has a modest interest rate easing from the second half of 2024 – markets will lose more traction if this is not forthcoming either.
- Two other risks are worth mentioning. The first is the nature of the 2023 price upturn which, as Chart 7 highlights, has been associated with a relatively small rise in mortgage debt, implying buyers are putting more of their own funding towards purchases. In other words, households have been increasing their equity holding of housing rather than their leverage. Its unclear exactly where this equity is coming from – it may be the extra savings accumulated during the pandemic or a reallocation of other assets such as super (both of which may be flowing intergenerationally to support younger buyers). Either way, it is unclear if this increased contribution (and lower average loan-to-value-ratios) can be sustained. If not, prices could retrace.
- The second risk is that the affordability picture may be more nuanced at the 'median' price we use to benchmark. Buyers at this point tend to be dual-income households. Many may be able to command higher combined incomes due to labour market conditions and increased work from home flexibility. If sustained, that may in turn mean affordability is less stretched than it appears and prices less susceptible to slowing.

SPECIAL TOPIC: prudential policy update

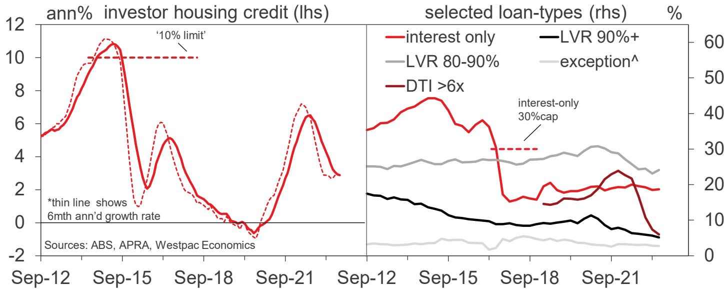
10. Summary of prudential policy measures

	'Macro' prudential	'Micro' prudential
2015	10% limit on investor loan growth	Tightened serviceability guidelines and improved consistency lenders
2016	–	Tightened serviceability guidelines incl. scaling of minimum expenses.
2017	30% limit on 'interest only' loans	Restrictions on high LVR interest only and investor loans.
2018	Investor loan growth limit removed	Improved collection and verification of expenses, income & existing debt.
2019	'Interest only' limit removed	Removal of 7% minimum 'floor rate' on serviceability assessments.
2020	Capital buffers available to draw	COVID repayment holidays; arrears exempted from capital treatment.
2021	–	COVID measures ended. Serviceability buffer increased from 2.5 to 3%
2022	–	–
2023	–	–

Council of Financial Regulators, Sep 2023: "… the outlook for employment remains the most important factor in households' resilience."; "The main considerations for macroprudential settings … [include] the risks arising from housing and business lending and the uncertainty around the economic outlook."

Source: APRA, RBA, Westpac Economics

11. Mortgage lending: investor credit and selected loan-types

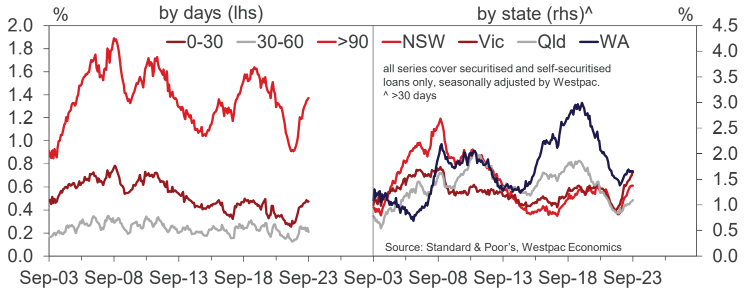


- Prudential policy remains firmly on hold, effectively sidelined by the interest rate tightening cycle. While the housing market upturn is seeing strong price gains, credit growth remains subdued, with leverage steady and no obvious areas of concern around new lending. Conversely, the monetary tightening is not seeing much in the way of fragility or systemic risks emerge in the financial system. As such, there is little call for active prudential measures either way – tightening or loosening. The regulator is likely to remain in 'monitoring mode' for some time yet.

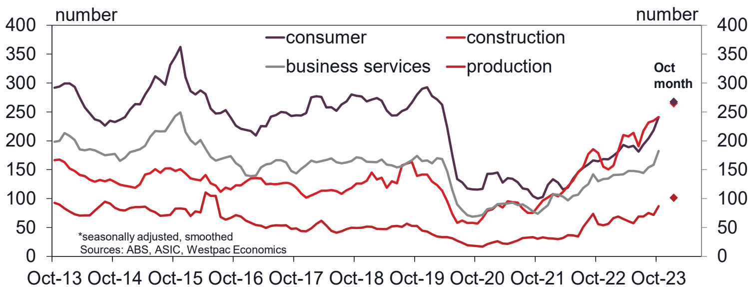
- The latest quarterly statement from the Council of Financial Regulators (CFR) confirms it is in monitoring mode. Domestically, the focus is on the effects of higher inflation and interest rate rises. Households and businesses were seen as showing continued resilience but with signs of stress starting to short through across mortgages. The extent to which a slowing economy impacts employment was seen as the most important factor for household resilience going forward. Comments on macro-prudential policy settings were general in nature.

- Certainly there appears to be little cause for concern in the mortgage lending space. As noted, so far households have not been leveraging into the current housing upturn with credit growth trailing growth in nominal turnover. In aggregate terms both the mortgage-debt-to-income and mortgage-debt-to-housing-assets ratios are down slightly on pre-COVID levels. Investor housing credit growth remains subdued as well, bottoming-out around 3%yr. APRA's detailed breakdown of new mortgage lending by type also shows a low share of loans with interest-only; high loan-to-value; high debt-to-income; or policy exemptions being applied (see Chart 11).

12. Mortgage arrears: by days, state



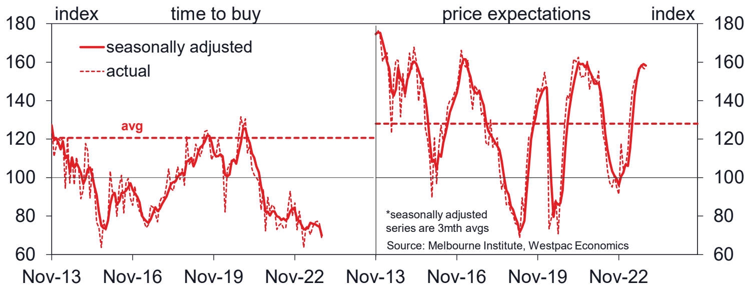
13. Company insolvencies by broad sector



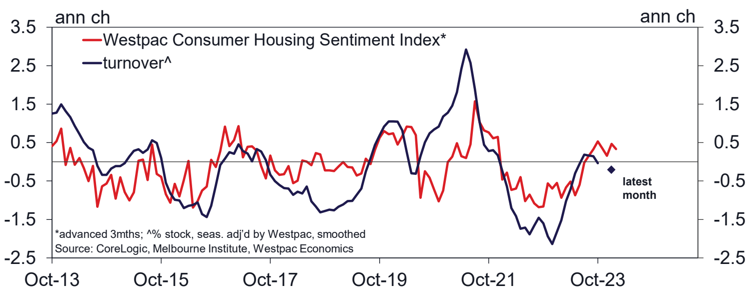
- Latest indicators show a further rise in financial stress, albeit still coming from a very low starting point and to levels that are around historical averages. The arrears rate on securitised home loans lifted to 1.37% in September (in seasonally adjusted terms), up slightly from 1.32% in June and 1.19% in March but in line with historical averages. The state breakdown shows a more marked rise in Vic with arrears in WA slightly higher than the other major states. Arrears are for running 30–40bps higher for owner occupier loans compared to investor loans.
- Company insolvencies can be an indicator of business financial stress and prospective weakness in labour markets that could affect households. The number of insolvencies has continued to rise, up 17% over the last 3mths with a broad rise across consumer, business services and the construction sector. Compared to pre–COVID, insolvencies remain elevated across the construction sector and are slightly above average for firms in the business services and production sectors but around average for consumer sector firms. The rate of insolvencies for construction sector businesses is running roughly double that of other sectors.
- Outside of the prudential policy space, state governments have been a little more active with respect to housing policies. Recent changes include new planning changes aimed at fast–tracking low and mid–rise housing construction in Greater Sydney and surrounding metro areas; similar changes for Vic; and a temporary increase in first homebuyer support in Qld (see p14). Many jurisdictions have also moved to try and improve conditions in rental markets, with the national cabinet agreeing that a nationally consistent policy on renter rights is needed, which includes moving towards limiting rent increase to once a year and phasing in minimum rental standards.

NEW SOUTH WALES: buyers retreat

14. NSW consumer: housing-related sentiment

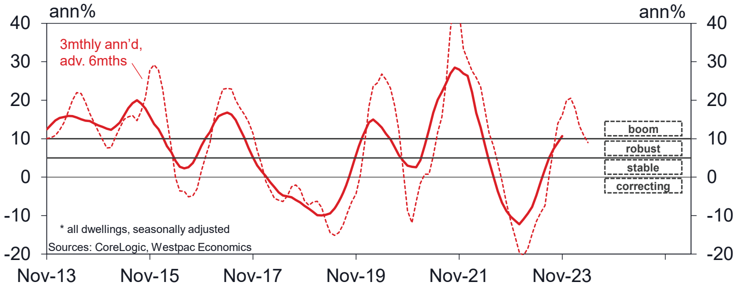


15. NSW housing composite vs turnover



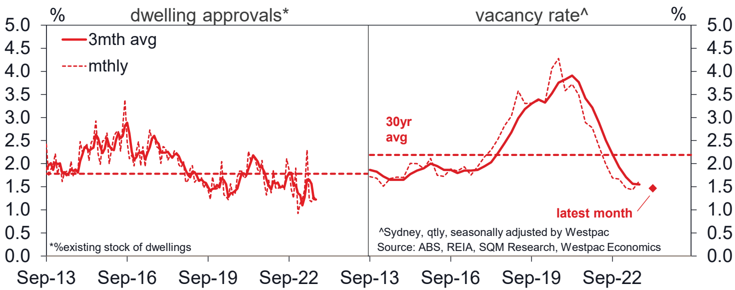
- The NSW market exemplifies the tensions running through the current housing upturn and provides a pointer to where other markets may be heading in 2024. Prices have posted more gains over the last three months to be 12% above their cycle lows, having led the way in the current upturn. However, recent months have shown a clear cooling in price momentum and auction results, with a sharp fall in turnover suggesting buyers are starting to baulk at extremely stretched price levels.
- Turnover fell 9.1% over the 3mths to Oct compared to the previous 3mths, to be flat on a year ago. With new listings lifting materially over the same period (+18%qtr), the supply–demand balance has turned quickly, total on-market supply now high relative to sales and rising. That said, physical shortages remain intense, Sydney's rental vacancy rate holding at just 1.5% and asking rents continuing to surge at strong double-digit annual growth rates.
- Monthly price gains have slowed from 1.6% over the five months to July, to 0.7% over the latest five months, November tracking a soft 0.4% gain. The detail shows the moderation has been broadly based but more pronounced for 'top tier' properties and for houses (which have both shown bigger swings through recent cycles). Across sub-regions, the eastern suburbs, northern suburbs, city & inner south have led the latest slowdown, prices also underperforming in Ryde but momentum holding up better in Blacktown, Sutherland and Parramatta. Regional markets have lagged the upturn to date.
- Sentiment shows an extreme gap between upbeat price expectations and deeply negative 'time to buy' assessments. The **NSW Consumer Housing Sentiment index** suggests the balance is slightly positive for turnover but the detail makes this far from convincing (note that in chart 23 and similar charts for other states both the index and turnover are shown in annual change terms rather than levels).

16. Sydney dwelling prices



Population: 8.3mn
Net migration: +132k pa
GSP: $733bn (30% Aus)
Dwellings: 3.4mn, $4trn
Capital: Sydney

17. NSW: dwelling approvals, vacancy rate

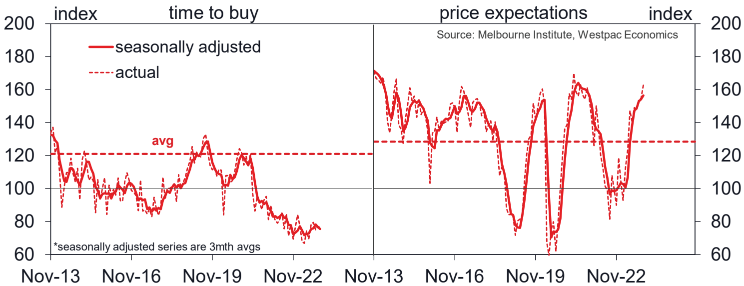


June years	avg*	2021	2022	2023	latest
GSP, ann%	2.3	2.3	2.6	3.7	n.a.
State final demand, ann%	2.9	4.4	3.2	4.3	4.3
Employment, ann%	1.7	5.9	2.8	3.5	2.3
Unemployment rate, %#	5.9	5.2	3.7	3.1	3.4
Population, ann%	1.1	–0.2	0.9	2.0	2.1
Dwelling prices, ann%	6.2	20.1	4.1	–1.1	9.0
Rental yield, %#	4.7	3.1	3.4	4.5	4.4
Sales/new listings, ratio#	1.27	1.35	1.04	1.38	0.96
Total listings, mths sales#	2.8	2.1	3.4	2.7	3.3

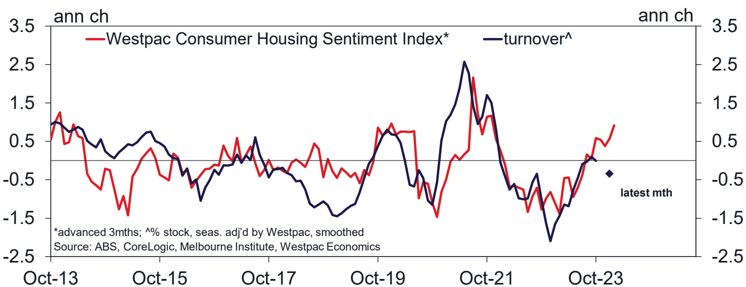
* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

VICTORIA: investor sell-down

18. Vic consumer: housing-related sentiment

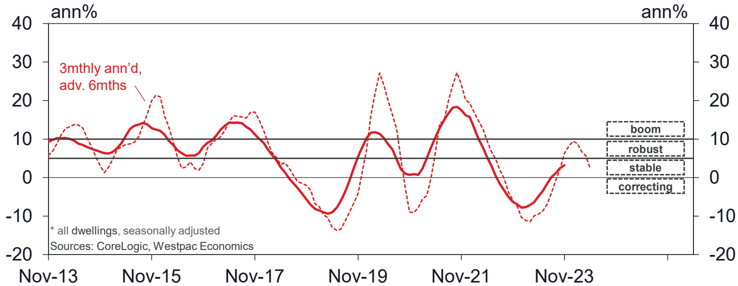


19. Vic housing composite vs turnover



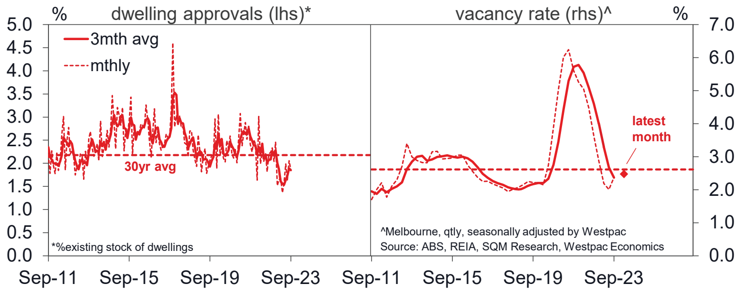
- While demand is the shaky aspect of the NSW housing market, in Vic it is a surge in on-market supply led by what looks to be a significant sell-down by investors following recent state government policy changes. The changes include new land tax charges for investment properties that come into effect from 2024 but are couched as temporary measures to reduce the state's 'COVID debt'.
- New listings have surged 25% since the state budget in May, listings of units up by over a third. With turnover only up slightly by 2.5%, the market balance has tilted sharply with an overhang of unsold stock now running at 4.4 months of sales (5.3 months for units).
- The lift in on-market supply looks to be weighing on prices with quarterly gains moderating from 2.2% in May to 1.2% in October, and prices tracking no change in November. Houses and 'top tier' segments have seen more of a slowdown. Notably, annual growth is much weaker than in other major capitals, running in the 0–3% range. Across sub-regions, the biggest slowdowns since May have been in Melbourne's Inner East and Inner South with price growth actually lifting slightly across most outer suburbs. Conditions remain materially weaker across the regions with prices still declining in Geelong and Ballarat.
- Physical supply remains relatively tight but not quite as tight as in other markets, Melbourne's rental vacancy rate hovering around the 2–2.5% range. As elsewhere, asking rents have surged strongly, lifting gross yields on new purchases towards 5%.
- The **Vic Consumer Housing Sentiment index** suggests turnover will lift in coming months. A slight lift in 'time to buy' assessments suggests buyers in the state are a little more inclined to buy than their peers elsewhere.

20. Melbourne dwelling prices



Population: 6.8mn
Net migration: +151k pa
GSP: $535bn (22% Aus)
Dwellings: 2.9mn, $2.6trn
Capital: Melbourne

21. Vic: dwelling approvals, vacancy rate

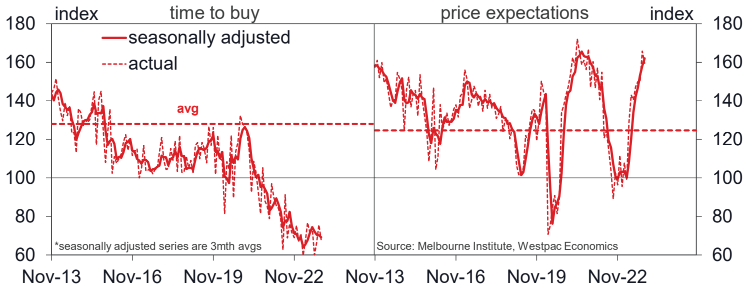


June years	avg*	2021	2022	2023	latest
GSP, ann%	3.0	-0.2	6.3	2.6	n.a.
State final demand, ann%	3.5	1.0	7.1	4.0	4.0
Employment, ann%	2.2	4.5	3.7	3.7	4.1
Unemployment rate, %#	6.3	4.9	3.7	3.7	3.6
Population, ann%	1.5	-1.0	1.3	2.6	2.7
Dwelling prices, ann%	6.5	12.8	3.2	-3.4	2.4
Rental yield, %#	4.8	3.2	3.6	4.8	4.8
Sales/new listings, ratio#	1.06	1.07	0.91	1.03	0.87
Total listings, mths sales#	3.5	3.1	4.0	4.1	4.4

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

QUEENSLAND: tight squeeze ahead

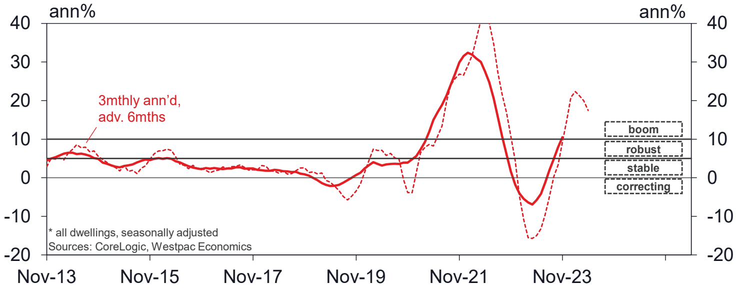
22. Qld consumers: housing-related sentiment



23. Qld housing composite vs turnover

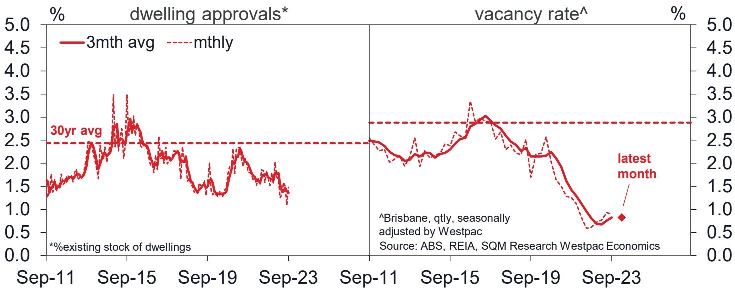
- Qld's housing market continues to move through a volatile price cycle, strong gains in early 2022 giving way to an abrupt contraction in the second half of the year, then a gradual recovery in early 2023 accelerating sharply since May. Turnover has seen similar but less extreme variations. The most striking feature of the Qld market continues to be an extremely low level of supply. With new building subdued and net international and interstate migration inflows running at 120–130k a year – more than 1.5 times previous record highs – the state is facing into a very tight squeeze.
- Demand-side policy supports will add to the pressure, the Qld state government recently announcing a doubling of its first homeowner grant, from $15k to $30k, for those purchasing or building a new home valued less than $750k. The increase runs through to mid-2025 and is likely to generate at least some pull-forward in buyer activity.
- Brisbane prices continue to post strong gains in the 1–1.5%mth range and are now a touch above the all-time highs reached early last year. The detail shows broad based gains across houses and units. Across tiers, lower-priced markets are outperforming slightly, suggesting affordability pressures are driving buyers down the price curve. Across sub-regions, Brisbane's outer areas are performing strongly, the South and West in particular, while the Gold Coast is outperforming other regions.
- Sales continue to run 30–40% ahead of new listings with 'on-market' inventory still around 2.5 months of sales (about half of the long run average). Brisbane's rental vacancy rate remains very low, below 1%.
- The **Qld Consumer Housing Sentiment index** points to a lift in turnover in coming months despite stretched affordability weighing heavily on 'time to buy' assessments.

24. Brisbane dwelling prices



Population: 5.5mn
Net migration: 132k pa
GSP: $465bn (19% Aus)
Dwellings: 2.2mn, $1.7trn
Capital: Brisbane

25. Qld: dwelling approvals, vacancy rate

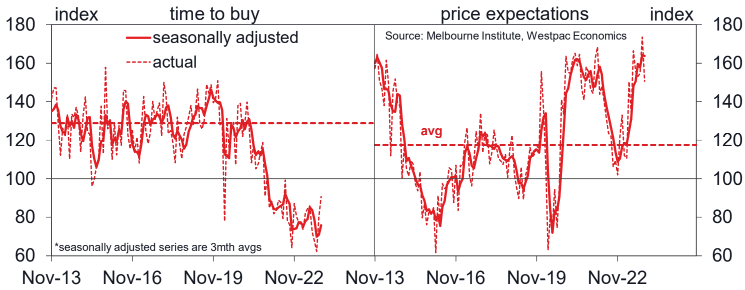


June years	avg*	2021	2022	2023	latest
GSP, ann%	3.6	2.8	5.5	2.3	n.a.
State final demand, ann%	3.7	5.0	5.0	2.9	2.9
Employment, ann%	2.4	9.8	4.8	2.7	2.2
Unemployment rate, %#	6.6	5.5	4.1	3.8	4.1
Population, ann%	1.9	1.0	2.0	2.7	2.9
Dwelling prices, ann%	6.1	17.1	24.7	–4.2	7.9
Rental yield, %#	5.1	5.1	4.9	5.8	5.8
Sales/new listings, ratio#	1.01	1.29	1.10	1.44	1.27
Total listings, mths sales#	4.7	3.0	2.9	2.8	2.6

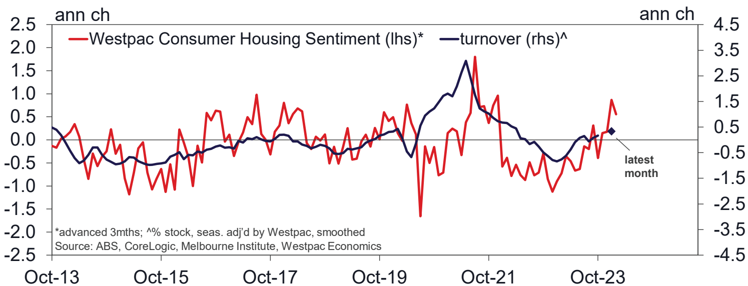
* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

WESTERN AUSTRALIA: price boom

26. WA consumers: housing-related sentiment

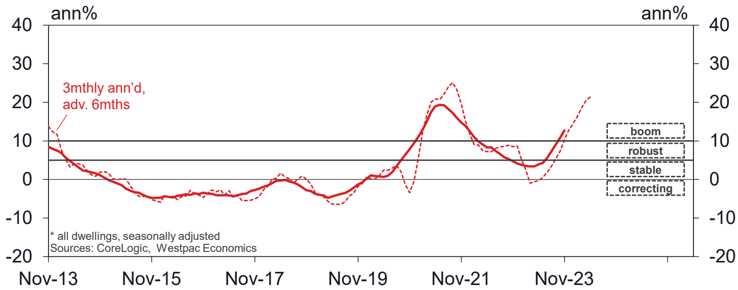


27. WA housing composite vs turnover



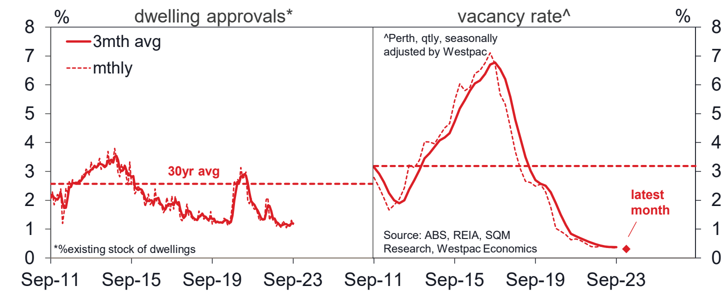
- WA's housing upturn is moving into 'boom' territory. Price growth is now running at a strong double-digit annual pace and turnover is firming, albeit moderately.
- As elsewhere, sentiment shows a clear tension between stretched affordability and positive price expectations. However, Perth looks to have more 'headroom' around affordability than other markets, price growth having lagged behind average household income growth over the last decade. With both 'on-market' and rental supply very tight, the state looks set to be the housing 'frontrunner' going forward.
- Turnover posted a robust 9% gain over the first half of the year, flattening since but with latest monthly updates suggesting the upturn is regaining traction. Turnover is still relatively low as a share of the dwelling stock.
- Price gains have been running at 1.5%mth through Aug-Oct but looks to have lifted to 2% in Nov. The detail shows 'bottom and middle tier' segments continue to outperform. Perth's 'inner' and North East are now leading the way, Mandurah the stand-out regionally.
- New listings have lifted materially since mid-year but continue to run well behind sales with 'on market' supply down 11% since the middle of the year and still barely covering 2.5 months of sales (the long run average is 5.7 months). Perth's rental vacancy rate remains in the 0-0.5% range - suggesting there is no meaningful spare capacity given some level of 'frictional' vacancy due to tenant movement.
- Housing-related sentiment has improved, led by a lift in price expectations. The **WA Consumer Housing Sentiment index** points to turnover continuing to move higher near term.

28. Perth dwelling prices



Population: 2.9mn
Net migration: 62k pa
GSP: $377bn (18% Aus)
Dwellings: 1.1mn, $0.7trn
Capital: Perth

29. WA: dwelling approvals, vacancy rate

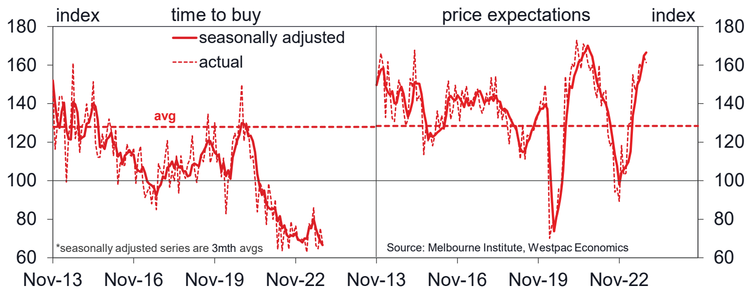


June years	avg*	2021	2022	2023	latest
GSP, ann%	4.0	3.3	2.9	3.5	n.a.
State final demand, ann%	3.4	6.2	5.6	3.6	3.6
Employment, ann%	2.3	8.2	5.5	1.7	3.2
Unemployment rate, %#	5.6	4.9	3.2	3.6	3.6
Population, ann%	1.8	1.3	1.4	3.0	3.1
Dwelling prices, ann%#	5.7	19.3	8.3	4.3	10.8
Rental yield, %#	4.8	5.3	5.5	6.6	6.6
Sales/new listings, ratio#	0.92	0.98	1.01	1.35	1.17
Total listings, mths sales#	5.7	4.1	3.7	2.9	2.7

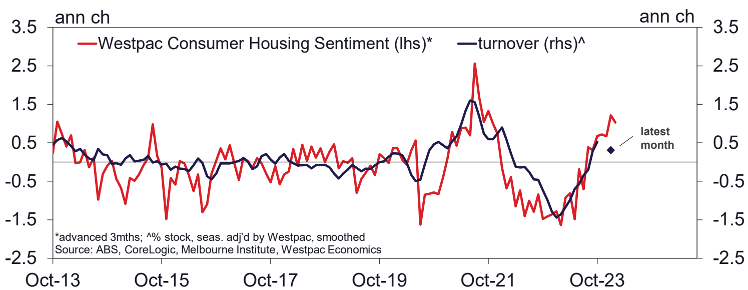
* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

SOUTH AUSTRALIA: robust upturn

30. SA consumers: housing-related sentiment

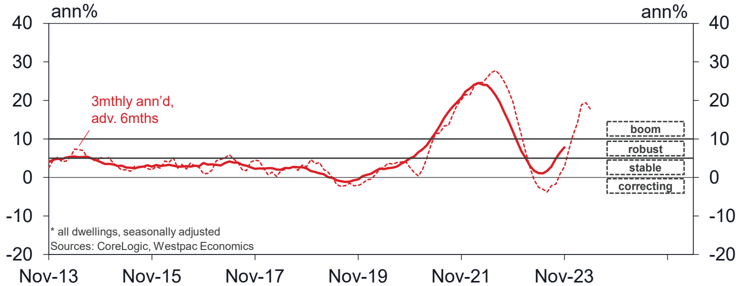


31. SA housing composite vs turnover



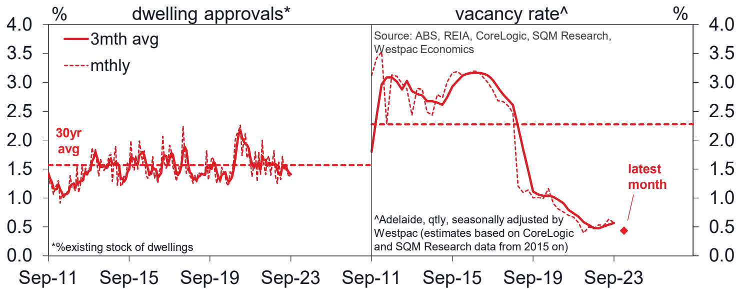
- SA is seeing a fairly robust upturn with steady price gains and a solid rebound in turnover. However, conditions are not quite as buoyant as they were at the tail-end of the last upturn, when SA was the stand-out performer and price growth was running at over 20%yr. While the supply shortages that were a big factor back then are still a clear issue, demand is looking less vigorous – the migration-driven population surge having less of an effect in SA and the 2021-22 price boom meaning affordability is considerably more stretched coming into the current upturn. That said, both prices and turnover are posting a solid lift.
- Turnover is up over 25% from the lows at the start of the year and running around long run averages as a share of the dwelling stock.
- Adelaide dwelling prices have been rising at 1–1.5%mth since mid year, annual growth lifting back towards 8%yr after bottoming out just above 1%yr in what was the second mildest downturn across the major state capital cities behind Perth. The detail shows 'bottom tier' properties are leading gains, with Adelaide's Northern suburbs and the Barossa leading regionally.
- Supply side remains extremely tight, total on-market listings still holding at just two months of sales, about half the normal level. Rental vacancy rates are also still lodged around 0.5%. However, population-driven demand has been notably slower, the state's population growth of 1.5%yr tracking about a percentage point behind the national pace.
- Buyer sentiment shows a similar mix to that seen nationally but with the **SA Consumer Housing Sentiment index** pointing to more robust gains in turnover near-term. Sales are likely to rise to above long run average levels in come months.

32. Adelaide dwelling prices



Population: 1.9mn
Net migration: 25k pa
GSP: $134bn (6% Aus)
Dwellings: 0.8mn, $0.6trn
Capital: Adelaide

33. SA: dwelling approvals, vacancy rate

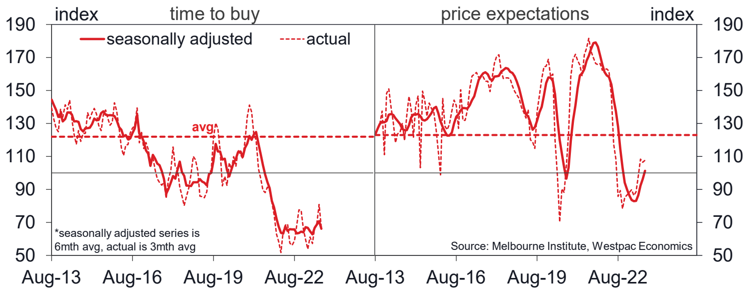


June years	avg*	2021	2022	2023	latest
GSP, ann%	2.4	4.9	5.6	3.8	n.a.
State final demand, ann%	2.8	5.3	5.6	2.8	2.8
Employment, ann%	1.6	6.4	2.8	4.3	4.1
Unemployment rate, %#	6.9	5.6	4.5	4.1	3.6
Population, ann%	0.8	0.7	1.0	1.5	1.6
Dwelling prices, ann%	6.6	13.4	22.9	1.1	6.5
Rental yield, %#	5.3	5.9	5.7	5.3	5.0
Sales/new listings, ratio#	1.06	1.35	1.24	1.40	1.39
Total listings, mths sales#	3.9	2.6	2.3	2.3	2.0

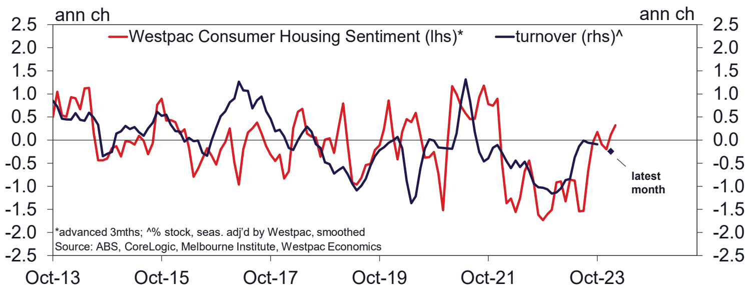
* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

TASMANIA: a notable exception

34. Tas consumers: housing-related sentiment

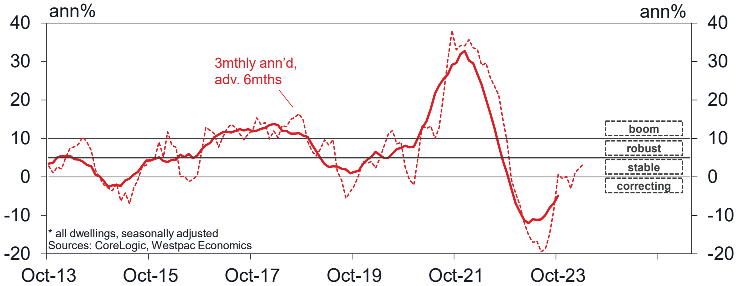


35. Tas housing composite vs turnover



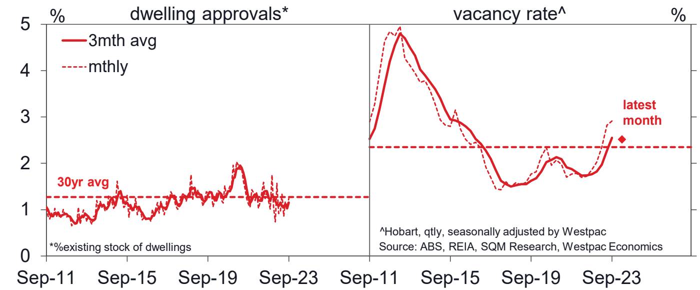
- The Tas housing market is a notable exception to the upturns being seen in other markets and highlights the importance of population growth in explaining recent performances. Both prices and turnover have only just stabilised after more pronounced downturns than in other markets with conditions still looking fragile. In contrast to the strong inflows seen in other states, net international and interstate migration has slowed materially in Tas during the post-COVID reopening, the state's population growth falling from 1.7%yr in mid-2021 to around 0.7%yr currently.
- After recovering about 10% over the first half of 2023, turnover has fallen away again since June to be down 1.5%yr. Just 3.5% of the dwelling stock is transacting at the moment, well down on the long run average of 5.5%.
- Hobart dwelling prices have been roughly flat since mid-year but are still down 4.9%yr. The detail shows the bottom end of the market has been a bit better supported with some modest price gains in Hobart's North East. Other regions have been mixed, with prices steady in Launceston but declines resuming elsewhere.
- As noted previously, the sustained period of extremely tight supply looks to be ending. Sales are running behind new listings and stock on market has risen to be more in line with long run averages. Rental vacancy rates have also lifted to be slightly above their long run average. Hobart is the only capital city rental market currently seeing asking rents decline.
- The **Tas Consumer Housing Sentiment index** has lifted into slight positive after stabilising earlier in the year. That suggests turnover should improve a little. However, the upturn looks likely to remain lacklustre in the near term.

36. Hobart dwelling prices



Population: 0.6mn
Net migration: 4k pa
GSP: $39bn (2% Aus)
Dwellings: 0.3mn, $174bn
Capital: Hobart

37. Tas: dwelling approvals, vacancy

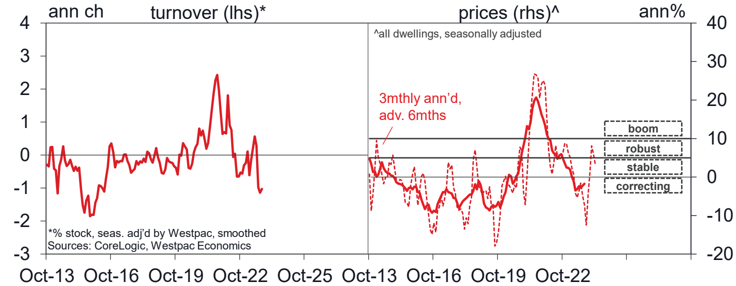


June years	avg*	2021	2022	2023	latest
GSP, ann%	2.5	4.8	4.3	1.1	n.a.
State final demand, ann%	2.8	5.5	5.6	1.1	1.1
Employment, ann%	1.5	6.4	1.9	2.9	1.5
Unemployment rate, %#	7.5	5.6	4.2	3.9	4.2
Population, ann%	0.7	1.7	0.7	0.7	0.7
Dwelling prices, ann%	6.6	23.8	16.6	–11.1	–6.8
Rental yield, %#	5.8	4.5	4.0	4.3	4.2
Sales/new listings, ratio#	1.02	1.21	0.83	1.06	0.85
Total listings, mths sales#	5.0	2.1	2.9	4.5	5.1

* avg last 25yrs (12yrs for listings); # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

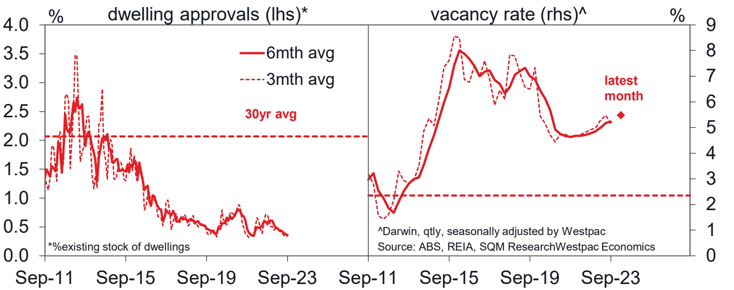
TERRITORIES: NT volatile; ACT steady

38. NT: turnover, Darwin dwelling prices



Population: 0.3mn
Net migration: 1k pa
GSP: $30bn (1% Aus)
Dwellings: 0.1mn, $47bn
Capital: Darwin

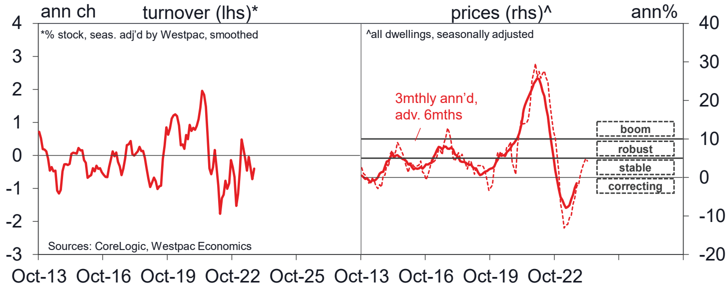
39. NT: dwelling approvals, vacancy rate



June years	avg*	2021	2022	2023	latest
GSP, ann%	3.7	-1.6	5.1	-5.2	n.a.
State final demand, ann%	3.0	8.6	7.7	2.0	2.0
Employment, ann%	1.6	4.6	2.4	3.0	0.8
Unemployment rate, %#	6.6	5.5	4.1	4.0	4.2
Population, ann%	1.1	0.3	0.8	1.1	1.3
Dwelling prices, ann%	4.2	19.8	6.0	-3.1	-1.8
Sales/new listings, ratio#	1.11	0.94	0.96	1.22	1.00
Total listings, mths sales#	5.9	4.7	5.3	5.6	6.1

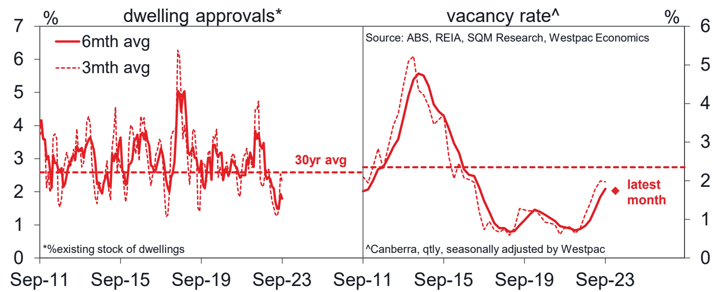
* avg last 25yrs (last 10yrs for listings); # June qtr readings
Sources: ABS, CoreLogic, Westpac Economics

40. ACT: turnover, Canberra dwelling prices



Population: 0.5mn
Net migration: 6k pa
GSP: $49bn (2% Aus)
Dwellings: 0.2mn, $185bn
Capital: Canberra

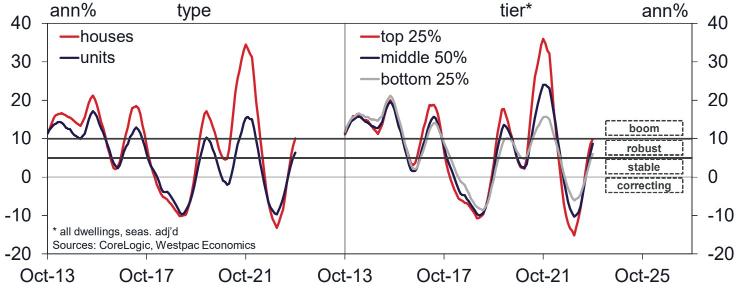
41. ACT: dwelling approvals, vacancy rate



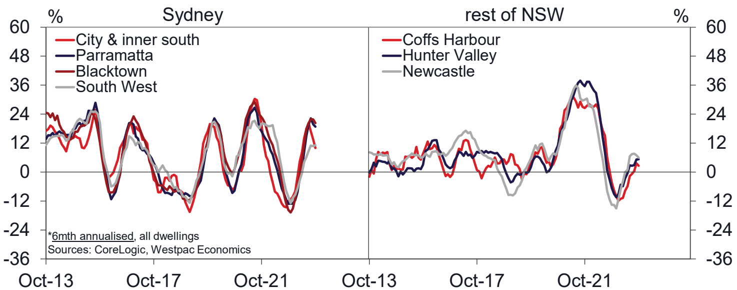
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.7	3.9	2.8	4.3	n.a.
State final demand, ann%	4.0	5.7	2.3	3.2	3.2
Employment, ann%	1.7	4.2	2.4	3.2	3.3
Unemployment rate, %#	6.6	5.3	3.9	3.8	4.0
Population, ann%	1.6	1.7	1.0	1.8	1.8
Dwelling prices, ann%	6.3	19.9	15.8	-7.2	-1.7
Sales/new listings, ratio#	1.42	1.54	1.20	1.38	1.02
Total listings, mths sales#	2.5	1.8	2.3	2.7	3.3

* avg last 25yrs (last 10yrs for listings); # June qtr readings
Sources: ABS, CoreLogic, Westpac Economics

42. NSW: Sydney dwelling prices: by type, tier



43. NSW dwelling prices: selected sub-region

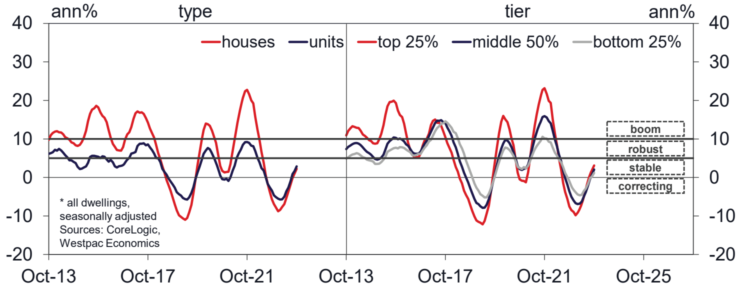


NSW	Sydney	rest of NSW
Population:	5.3mn	2.9mn
Net migration*:	+3k pa	+19k pa
Employ (%state):	66%	34%
Dwellings, no.:	2.0mn	1.4mn
Dwellings, value:	$2.8trn	$1.1trn

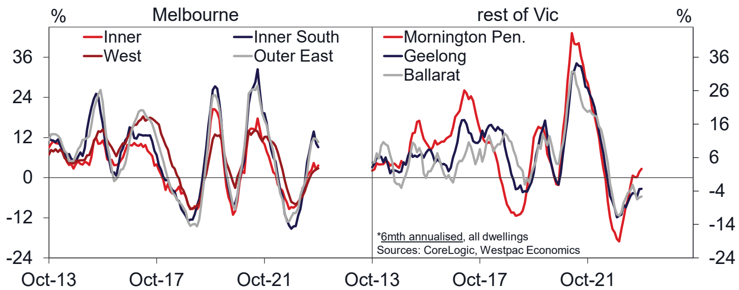
June years	avg^	2021	2022	2023	latest
Sydney					
Employment, ann%	1.7	5.5	2.7	2.7	2.2
Unemployment rate, %	5.3	5.5	3.5	3.5	3.6
Houses – prices, ann%	6.6	25.6	5.4	-1.2	10.0
– sales/new listings, ratio	1.09	1.28	1.02	1.32	0.93
– total listings, mths sales	3.2	1.9	3.1	2.6	3.3
Units – prices, ann%	5.1	8.5	0.8	-1.0	6.4
– sales/new listings, ratio	1.58	1.51	1.10	1.45	0.94
– total listings, mths sales	2.4	2.3	3.7	2.8	3.8
rest of NSW					
Employment, ann%	1.7	7.0	2.9	5.1	2.7
Unemployment rate, %	7.1	4.5	4.0	2.5	3.0
Dwelling prices, ann%	6.3	25.8	20.7	-6.9	0.2

* incl. flows within state , year to Jun 2022; ^avg last 25yrs (last 10yrs for listings)
Sources: ABS, CoreLogic, Westpac Economics

44. Vic: Melbourne dwelling prices: by type, tier



45. Vic: dwelling prices: selected sub-regions



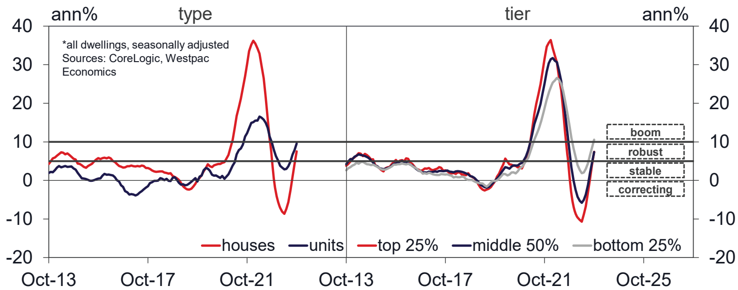
Vic	**Melbourne**	**rest of Vic**
Population:	**5mn**	**1.6mn**
Net migration*:	**+28k pa**	**+15k pa**
Employ (%state):	**76%**	**24%**
Dwellings, no.:	**2mn**	**0.8mn**
Dwellings, value:	**$2trn**	**$0.5trn**

June years	avg^	2021	2022	2023	latest
Melbourne					
Employment, ann%	2.2	4.1	4.1	2.6	16.0
Unemployment rate, %	6.2	5.2	3.9	4.0	3.8
Houses – prices, ann%	7.1	15.9	3.8	-3.7	2.3
– sales/new listings, ratio	1.04	1.12	0.92	1.02	0.91
– total listings, mths sales	3.4	2.7	3.4	3.8	4.1
Units – prices, ann%	5.4	6.3	1.7	-2.6	2.9
– sales/new listings, ratio	1.10	0.99	0.88	1.03	0.77
– total listings, mths sales	3.8	4.2	5.2	4.7	5.3
rest of Vic					
Employment, ann%	2.0	5.9	2.4	7.1	8.2
Unemployment rate, %	6.7	3.8	3.2	2.8	2.8
Dwelling prices, ann%	5.9	22.3	16.1	-6.0	-3.3

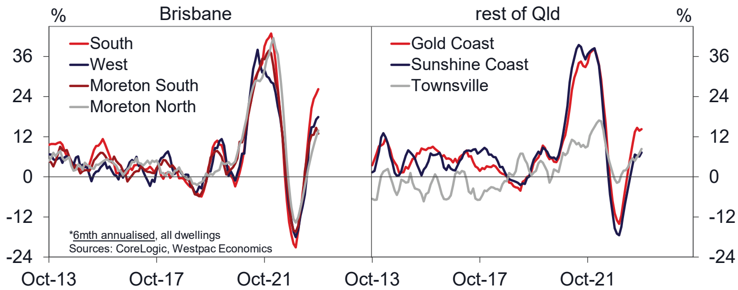
* incl. flows within state, year to Jun 2022; ^avg last 25yrs (last 10yrs for listings)
Sources: ABS, CoreLogic, Westpac Economics

ADDITIONAL MATERIALS: charts and tables, cont.

46. Qld: Brisbane dwelling prices: by type, tier



47. Qld dwelling prices: selected sub-regions

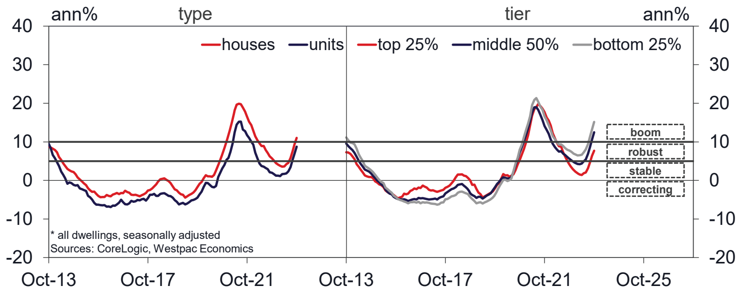


Qld	Brisbane	rest of Qld
Population:	2.6mn	2.7mn
Net migration*:	+43k pa	+38k pa
Employ (%state):	50%	50%
Dwellings, no.:	1mn	1.2mn
Dwellings, value:	$0.8trn	$0.9trn

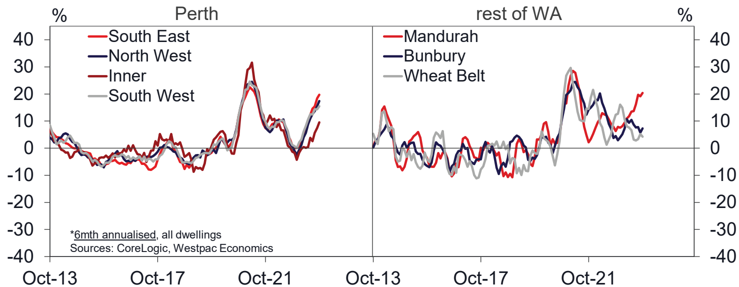
June years	avg^	2021	2022	2023	latest
Brisbane					
Employment, ann%	2.5	10.6	5.1	2.1	1.5
Unemployment rate, %	6.2	5.8	4.2	3.8	4.2
Houses – prices, ann%	6.5	19.0	26.4	–5.6	7.5
– sales/new listings, ratio	0.91	1.26	1.01	1.37	1.17
– total listings, mths sales	5.2	2.8	3.2	3.0	2.9
Units – prices, ann%	4.3	7.9	15.7	3.7	9.6
– sales/new listings, ratio	1.50	1.45	1.39	1.62	1.59
– total listings, mths sales	3.7	3.2	2.4	2.1	1.9
rest of Qld					
Employment, ann%	2.3	9.0	4.4	3.3	2.9
Unemployment rate, %	6.9	5.1	4.0	3.9	3.9
Dwelling prices, ann%	5.3	19.9	22.6	–1.9	5.6

* incl. flows within state, year to Jun 2022; ^avg last 25yrs (last 10yrs for listings)
Sources: ABS, CoreLogic, Westpac Economics

48. WA: Perth dwelling prices: by type, tier



49. WA dwelling prices: selected sub-regions

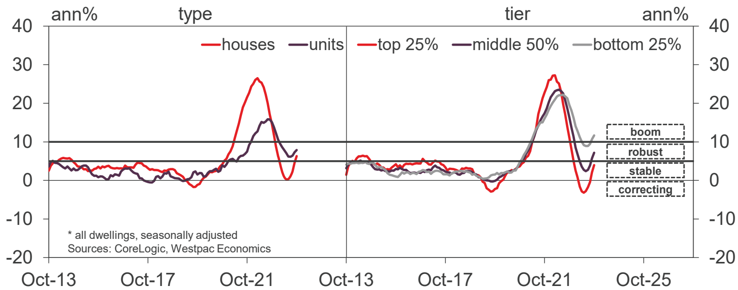


WA	Perth	rest of WA
Population:	**2.2mn**	**0.6mn**
Net migration*:	**+19k pa**	**+3k pa**
Employ (%state):	**80%**	**20%**
Dwellings, no.:	**0.9mn**	**0.3mn**
Dwellings, value:	**$0.6trn**	**$0.1trn**

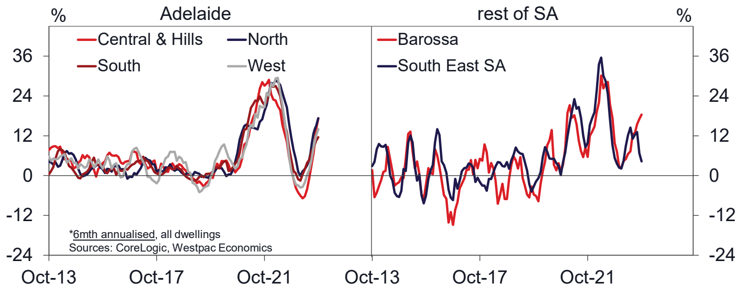
June years	avg^	2021	2022	2023	latest
Perth					
Employment, ann%	2.6	8.9	5.2	1.8	4.1
Unemployment rate, %	5.8	5.0	3.2	3.8	3.5
Houses - prices, ann%#	5.9	19.9	8.9	4.6	11.0
- sales/new listings, ratio	0.94	1.07	1.10	1.46	1.33
- total listings, mths sales	5.6	3.6	3.3	2.5	2.3
Units - prices, ann%#	4.4	15.2	3.6	2.4	8.7
- sales/new listings, ratio	0.90	0.76	0.79	1.11	0.97
- total listings, mths sales	6.1	6.0	5.7	3.8	3.3
rest of WA					
Employment, ann%	1.4	5.8	6.6	1.4	-0.2
Unemployment rate, %	5.2	4.7	3.2	3.3	4.4
Dwelling prices, ann%#	4.4	21.7	11.4	6.1	5.9

* incl. flows within state, year to Jun 2022; ^avg last 25yrs (last 10yrs for listings).
# Note that WA price data has been suspended due to technical issues and is under review.
Sources: ABS, CoreLogic, Westpac Economics

50. SA: Adelaide dwelling prices: by type, tier



51. SA dwelling prices: selected sub-regions

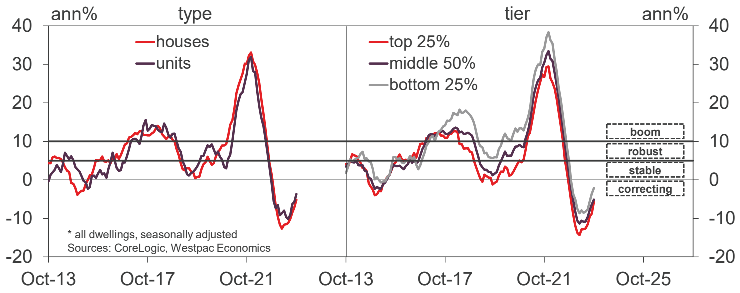


SA	Adelaide	rest of SA
Population:	1.4mn	0.4mn
Net migration*:	+11k pa	+2k pa
Employ (%state):	79%	21%
Dwellings, no.:	0.6mn	0.2mn
Dwellings, value:	$0.4trn	$0.1trn

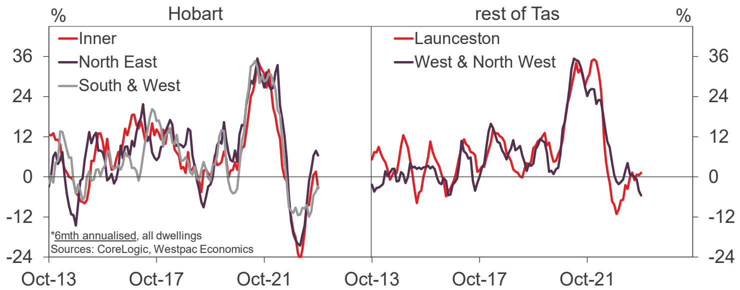
June years	avg^	2021	2022	2023	latest
Adelaide					
Employment, ann%	1.7	7.1	4.0	3.6	2.9
Unemployment rate, %	7.1	5.5	4.3	4.1	3.8
Houses – prices, ann%	7.0	14.8	24.1	0.4	6.3
– sales/new listings, ratio	1.04	1.33	1.19	1.36	1.46
– total listings, mths sales	3.8	2.4	2.3	2.2	1.8
Units – prices, ann%	6.4	6.0	14.9	6.2	7.9
– sales/new listings, ratio	1.15	1.29	1.38	1.52	1.54
– total listings, mths sales	4.1	3.3	2.4	2.1	1.9
rest of SA					
Employment, ann%	1.3	4.2	-1.8	7.3	9.1
Unemployment rate, %	6.3	5.4	4.7	3.5	3.3
Dwelling prices, ann%	6.5	12.4	20.5	7.3	9.3

* incl. flows within state, year to Jun 2022; ^avg last 25yrs (last 10yrs for listings)
Sources: ABS, CoreLogic, Westpac Economics

52. Tas: Hobart dwelling prices: by type, tier



53. Tas dwelling prices: selected sub-regions



Tas	Hobart	rest of Tas
Population:	253k	319k
Net migration*:	+1k pa	+2k pa
Employ (%state):	46%	54%
Dwellings, no.:	104k	158k
Dwellings, value:	$74bn	$94bn

June years	avg^	2021	2022	2023	latest
Hobart					
Employment, ann%	1.8	7.6	0.0	4.2	5.2
Unemployment rate, %	6.9	5.5	4.2	3.9	4.1
Houses – prices, ann%	6.8	24.6	17.2	-11.3	-5.1
– sales/new listings, ratio	0.97	1.22	0.80	1.01	0.82
– total listings, mths sales	5.3	1.9	3.3	4.9	5.4
Units – prices, ann%	5.7	20.6	13.9	-10.1	-3.6
– sales/new listings, ratio	1.22	1.26	1.01	1.37	1.13
– total listings, mths sales	4.0	2.0	2.7	3.2	3.8
rest of Tas					
Employment, ann%	1.3	5.4	3.4	1.7	-1.6
Unemployment rate, %	8.0	5.5	4.3	4.0	4.0
Dwelling prices, ann%	6.4	24.1	20.6	-4.0	-1.4

* incl. flows within state, year to Jun 2022; ^avg last 25yrs (last 10yrs for listings)
Sources: ABS, CoreLogic, Westpac Economics

ECONOMIC and FINANCIAL FORECASTS

Interest rate forecasts

Australia	Latest (24 Nov)	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Cash	4.35	4.35	4.35	4.35	4.10	3.85	3.60	3.35
90 Day BBSW	4.38	4.55	4.55	4.47	4.22	3.97	3.72	3.47
3 Year Bond	4.39	4.50	4.40	4.30	4.20	4.10	3.90	3.70
3 Year Swap	4.18	4.30	4.20	4.10	4.00	3.90	3.70	3.50
10 Year Bond	4.54	4.70	4.60	4.50	4.40	4.30	4.15	4.05
10 Year Spread to US (bps)	10	-10	-10	-10	-10	-10	-5	-5
US								
Fed Funds	5.375	5.375	5.125	4.875	4.625	4.375	4.125	3.875
US 10 Year Bond	4.44	4.80	4.70	4.60	4.50	4.40	4.20	4.10

Exchange rate forecasts

	Latest (24 Nov)	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Jun-25
AUD/USD	0.6566	0.66	0.67	0.68	0.69	0.70	0.71	0.72
NZD/USD	0.6049	0.60	0.61	0.62	0.62	0.62	0.63	0.63
USD/JPY	149.54	149	147	144	141	138	135	132
EUR/USD	1.0905	1.08	1.09	1.11	1.13	1.14	1.15	1.16
GBP/USD	1.2540	1.23	1.24	1.25	1.26	1.27	1.28	1.30
USD/CNY	7.1476	7.20	7.10	6.90	6.80	6.70	6.60	6.50
AUD/NZD	1.0849	1.09	1.10	1.11	1.11	1.12	1.13	1.14

ECONOMIC and FINANCIAL FORECASTS

Australian economic growth forecasts

	2022	2023				2024	
% change	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f
GDP % qtr	0.7	0.4	0.4	0.3	0.2	0.2	0.3
%yr end	2.7	2.4	2.1	1.7	1.2	1.1	1.0
Unemployment rate %	3.5	3.6	3.6	3.7	3.8	4.1	4.5
Wages (WPI)	0.8	0.9	0.9	1.3	0.9	0.9	0.8
annual chg	3.3	3.6	3.6	4.0	4.1	4.1	4.0
CPI Headline	1.9	1.4	0.8	1.2	1.1	0.8	0.7
annual chg	7.8	7.0	6.0	5.4	4.6	4.0	3.9
Trimmed mean	1.7	1.2	1.0	1.2	0.9	0.9	0.8
annual chg	6.8	6.6	5.9	5.2	4.4	4.0	3.8

	Calendar years			
	2021	2022	2023f	2024f
GDP % qtr	–	–	–	–
%yr end	4.6	2.7	1.2	1.6
Unemployment rate %	4.7	3.5	3.8	4.7
Wages (WPI)	–	–	–	–
annual chg	2.4	3.3	4.1	3.2
CPI Headline	–	–	–	–
annual chg	3.5	7.8	4.6	3.4
Trimmed mean	–	–	–	–
annual chg	2.6	6.8	4.4	3.3

Consumer sentiment – housing-related measures

		2022				2023						
index*	**avg**	**Mar**	**Jun**	**Sep**	**Dec**	**Mar**	**Jun**	**Sep**	**Oct**	**Nov**	**%mth**	**%yr**
'Time to buy a dwelling'												
Australia	116.1	78.3	75.1	80.5	74.9	65.7	72.0	72.5	76.0	73.2	-3.7	-5.1
– New South Wales	115.8	73.1	73.7	93.0	73.0	63.7	70.4	77.4	76.0	68.3	-10.2	-21.4
– Victoria	115.5	80.6	85.2	71.3	77.1	67.8	69.6	74.9	77.0	76.5	-0.6	10.1
– Queensland	128.0	85.6	62.6	76.2	75.2	59.8	71.8	66.6	75.7	68.0	-10.1	-1.4
– Western Australia	128.8	83.6	79.4	76.2	80.5	73.5	85.8	62.3	80.3	90.8	13.1	4.1
– South Australia	127.9	64.3	74.8	78.8	69.7	69.3	75.5	64.7	75.3	67.6	-10.2	-11.7
– Tasmania	122.0	88.8	54.3	82.2	48.3	70.4	78.3	64.6	67.8	60.5	-10.8	-9.5
House price expectations												
Australia	126.4	139.0	111.1	100.6	116.3	111.7	146.7	154.6	160.4	158.4	-1.2	73.8
– New South Wales	128.0	135.2	103.8	101.0	117.8	114.7	150.5	158.7	156.8	156.3	-0.3	71.0
– Victoria	128.5	137.0	101.5	108.0	118.6	112.8	140.5	153.9	154.7	162.8	5.2	81.0
– Queensland	124.6	140.5	124.5	89.2	111.7	98.8	140.5	149.8	165.8	159.5	-3.8	65.5
– Western Australia	117.5	143.8	131.3	106.2	121.7	110.6	166.3	154.7	173.5	150.6	-13.2	47.7
– South Australia	128.4	138.9	123.9	94.1	118.2	129.2	146.9	158.4	164.4	161.2	-1.9	80.5
– Tasmania	128.4	167.0	100.9	72.0	84.7	81.7	111.4	118.7	130.6	138.9	6.3	65.3

*indexes based on net balance of % assessing 'good time to buy'/'house prices to rise' and % assessing 'bad time to buy'/'house prices to decline'
Sources: Melbourne Institute, Westpac Economics

Consumer sentiment – other components

	2022					2023						
index*	avg	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Oct	Nov	%mth	%yr
Unemp. expectations												
Australia	129.2	101.8	108.5	99.6	117.9	122.9	131.3	130.8	127.3	130.4	2.4	11.1
– New South Wales	129.6	101.7	110.3	98.5	120.1	125.8	130.7	131.2	128.1	131.4	2.6	9.7
– Victoria	131.2	98.0	106.1	99.9	120.0	118.6	133.3	138.7	129.4	130.3	0.7	16.7
– Queensland	133.2	105.8	121.9	101.2	118.0	122.4	133.8	124.9	129.7	135.1	4.2	8.1
– Western Australia	128.1	94.6	87.7	95.1	112.8	120.6	115.7	121.7	114.9	114.3	-0.5	-2.2
– South Australia	135.3	123.0	108.0	105.0	111.7	132.8	129.0	131.9	123.2	131.4	6.6	16.4
– Tasmania	138.3	109.0	94.3	101.1	105.7	132.1	136.3	139.8	107.3	143.7	33.9	34.1
Risk aversion											qtr ch	ann ch
Australia	17.3	43.3	53.6	50.9	52.4	56.3	58.8	56.1	n.a.	n.a.	-2.6	4.2
– New South Wales	11.7	39.9	53.3	53.3	52.2	54.1	59.1	55.3	n.a.	n.a.	-3.7	2.8
– Victoria	11.0	42.6	57.2	52.5	55.5	59.2	55.0	55.6	n.a.	n.a.	0.5	1.1
– Queensland	12.7	44.3	49.6	36.5	49.7	55.9	67.4	65.1	n.a.	n.a.	-2.3	19.8
– Western Australia	7.0	51.5	56.9	55.0	54.3	55.2	58.6	54.9	n.a.	n.a.	-3.7	0.3
– South Australia	14.4	47.7	59.7	60.2	57.8	56.2	48.9	55.0	n.a.	n.a.	6.1	-3.6
– Tasmania	15.5	33.5	37.7	47.1	57.0	42.3	60.1	45.8	n.a.	n.a.	-14.2	-7.8

*indexes based on net balance of % assessing ‘unemployment to rise’ and % assessing ‘unemployment to fall’; ^measure based on responses to ‘wisest place for savings’ question.
Sources: Melbourne Institute, Westpac Economics

HOUSING MARKET DATA

Dwelling prices and turnover

		2021		2022				2023				
	avg	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Oct	Nov
Dwelling prices, ann%*												
Australia	6.3	22.9	23.1	16.4	8.0	-1.1	-6.4	-6.7	-1.7	5.1	6.8	9.1
– Sydney	6.2	26.9	26.9	16.6	4.2	-6.6	-11.4	-9.4	-1.0	7.3	9.0	10.3
– Melbourne	6.5	18.1	16.1	10.0	3.3	-3.3	-7.1	-7.1	-3.3	1.2	2.4	3.0
– Brisbane	6.1	24.1	31.5	30.8	24.8	10.7	-1.9	-6.4	-4.0	4.9	7.8	10.3
– Perth#	5.7	17.3	13.9	9.7	8.4	5.8	4.1	3.2	4.4	9.2	10.8	12.9
– Adelaide	6.6	18.4	22.3	24.5	22.9	17.1	9.3	2.9	1.1	5.0	6.5	8.0
– Hobart	6.6	29.3	32.6	26.7	16.6	4.2	-6.9	-12.0	-11.0	-6.9	-4.9	n.a.
Turnover, %stock^												
Australia	5.6	5.5	5.9	5.3	4.7	4.4	4.1	4.2	4.4	4.5	4.3	n.a.
– New South Wales	5.7	5.4	5.9	5.0	4.3	3.9	3.8	4.0	4.2	4.1	3.8	n.a.
– Victoria	4.7	4.0	5.5	4.5	4.1	3.7	3.4	3.4	3.6	3.8	3.6	n.a.
– Queensland	6.6	7.4	7.4	6.7	6.1	5.5	5.1	5.1	5.5	5.3	5.4	n.a.
– Western Australia	6.3	5.8	6.1	6.0	5.7	5.5	5.3	5.4	5.7	5.6	5.6	n.a.
– South Australia	4.6	4.7	5.0	4.8	4.6	4.2	3.7	3.6	4.0	4.5	4.6	n.a.
– Tasmania	5.6	4.6	4.7	4.4	4.0	3.6	3.5	3.5	3.9	3.5	3.5	n.a.

* 'all dwellings' measures, ann% ch, latest is month to date
^ % dwelling stock; most recent months are estimates modeled on preliminary data
Sources: CoreLogic, ABS, Westpac Economics

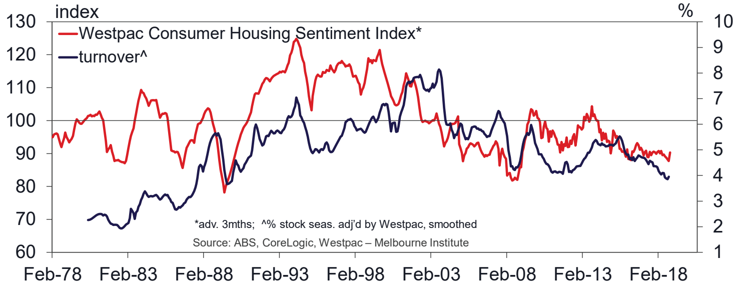
Residential property listings

		2021		2022				2023				
	avg	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Oct	Nov
Sales/new listings ratio*												
Australia^	1.14	1.35	1.23	1.20	1.08	1.13	1.17	1.21	1.35	1.14	1.08	1.09
– Sydney	1.27	1.55	1.26	1.19	1.05	1.15	1.24	1.27	1.38	1.08	0.96	0.93
– Melbourne	1.06	1.08	1.12	0.98	0.91	0.96	1.05	0.96	1.03	0.90	0.87	0.85
– Brisbane	1.01	1.43	1.33	1.20	1.10	1.10	1.15	1.20	1.44	1.28	1.27	1.29
– Perth	0.92	1.08	1.05	1.10	1.01	1.08	1.10	1.15	1.35	1.17	1.17	1.21
– Adelaide	1.06	1.38	1.41	1.41	1.24	1.24	1.18	1.10	1.40	1.40	1.39	1.47
– Hobart	1.02	1.21	1.16	1.14	0.83	0.88	0.94	0.90	1.06	0.90	0.85	0.88
Total listings, months of sales*												
Australia^	3.5	2.7	2.5	2.8	3.3	3.5	3.5	3.3	2.9	2.9	3.1	3.1
– Sydney	2.8	2.2	2.2	2.6	3.4	3.6	3.3	3.1	2.7	3.0	3.4	3.5
– Melbourne	3.5	3.7	2.9	3.5	4.0	4.4	4.4	4.5	4.1	4.1	4.4	4.6
– Brisbane	4.7	2.6	2.3	2.5	2.9	3.5	3.6	3.3	2.8	2.7	2.6	2.6
– Perth	5.7	3.9	3.7	3.6	3.7	3.8	3.7	3.4	2.9	2.8	2.7	2.6
– Adelaide	3.9	2.4	2.1	2.0	2.3	2.5	2.6	2.7	2.3	2.0	2.0	1.9
– Hobart	5.0	1.9	2.1	2.2	2.9	4.0	4.1	4.6	4.5	4.8	5.1	5.0

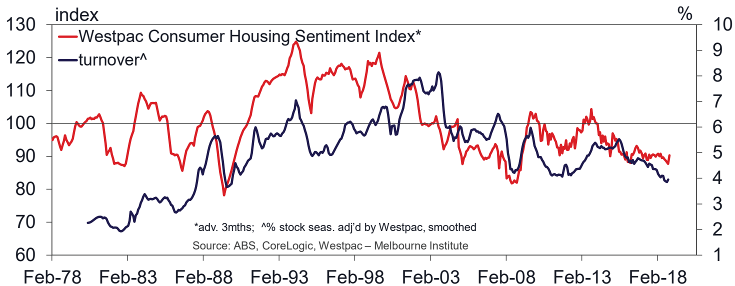
* figures show 3mth avg, readings for most recent months based on sales estimates modeled on preliminary data and latest weekly listings figures.
^ avg since 2007
Sources: CoreLogic, Westpac Economics

APPENDIX

Westpac Consumer Housing Sentiment Index: full series



Westpac Consumer Housing Sentiment Index: cycles



The **Westpac Consumer Housing Sentiment Indexes** presented in this report are composite measures based on a weighted combination of four indexes from the Westpac–Melbourne Institute Consumer Sentiment survey.

Two of these are 'primary' components with a higher weight that relate directly to consumer perceptions of housing market conditions: the Westpac–Melbourne Institute 'time to buy a dwelling' index and the Westpac–Melbourne Institute House Price Expectations Index. The remaining 'supplementary' components, with lower weights, relate to consumer assessments of job security – the Westpac–Melbourne Institute Unemployment Expectations Index – and risk appetite – the Westpac Risk Aversion Index.

Each of these components is seasonally adjusted, converted to a consistent base and combined using fixed weights determined by historical regression analysis. Note that the house price expectations component is only available from 2009 on – a re-weighted composite based on the remaining measures is used for earlier periods.

The resulting composite measures provide significant insight into housing market conditions both nationally and at the individual state level. The national index has over 40yrs of history and a clear lead indicator relationship with a variety of housing market metrics. The index is particularly good at picking turning points in housing market turnover – correctly anticipating every major upswing and downturn since 1980 with a lead of around three months (four once the timeliness of sentiment updates is included).

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