

1 November 2023

## Australian dwelling prices push towards new highs Oct CoreLogic home value index: 0.9%<sup>mth</sup>; 6.8%<sup>yr</sup> Broad gains but detail points to affordability pressures.

- The CoreLogic home value index, covering the eight major capital cities, rose 0.9% in October, a similar pace to the 0.8% rises recorded in July-September but a touch slower than the burst earlier in the year. Annual growth lifted to 6.8%<sup>yr</sup>. On a combined basis, prices across the eight major capitals are now 0.1% above their record high in 2022, although they are still 2-4% below previous peaks in Sydney and Melbourne, and well below peaks for smaller capitals and most regional areas.
- Note that CoreLogic has made significant changes to its indexes in recent months with a move to time-varied weights that mean it should pick turning points earlier, and an approach that will now see small revisions month to month.
- All major capital city markets recorded rises. Houses continue to outpace units. Perth, Adelaide and Brisbane also continue to outpace Sydney and Melbourne, the latter seeing only subdued gains. Annual price growth ranges from 2.4%<sup>yr</sup> in Melbourne up to 10.8%<sup>yr</sup> in Perth. Across the 50 detailed sub-markets covered, only two recorded price declines in October.
- Turnover weakened in October with what look to be large monthly declines in Sydney and Melbourne in seasonally adjusted terms. While monthly figures can be choppy (and revised), sales nationally look to be down 2.7%<sup>qtr</sup> on a rolling 3mth basis.
- By price tier, dwellings in the top 25% by value underperformed slightly in most markets, especially for houses and most noticeably in Sydney, Melbourne and Perth. The strongest monthly price gains were for 'bottom tier' houses in Perth, and 'bottom tier' units in Adelaide. The pattern suggests buyers are bidding up the more affordable parts of most markets.
- Price moves were again less convincing across smaller capital cities and regional areas. Hobart prices posted a decent 0.8% gain but are still down about 5%<sup>yr</sup>. Canberra posted a slight 0.1%<sup>mth</sup> gain and Darwin a 0.1% dip, both also still showing prices down 1-2%<sup>yr</sup>. Across regional areas, prices held about flat in regional Tasmania and regional Victoria but posted a decent 0.6% gain in regional NSW and a 1% rise in regional Queensland (which includes the Gold and Sunshine Coast areas).
- Overall, the October update shows the price upturn continuing but with some signs that stretched affordability may be starting to impact the volume of sales and performances across markets. Auction clearance rates have also cooled in recent weeks, dropping back below average in the case of Melbourne which has seen a notable lift in stock on market since the state government introduced a range of tax changes affecting property investment in the middle of the year.

**Matthew Hassan**, Senior Economist

### CoreLogic home value index: October 2023

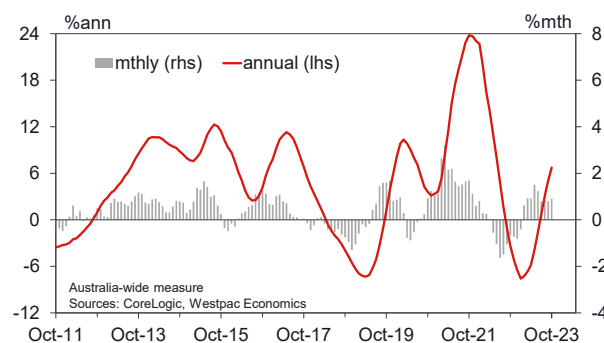
	%mth				%ann			
	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct
<b>Australia*</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>	<b>3.1</b>	<b>5.1</b>	<b>6.8</b>
- houses	0.8	0.9	0.9	1.0	0.7	3.3	5.4	7.2
- units	0.7	0.6	0.6	0.7	1.0	2.8	4.1	5.4
Major capital cities								
Sydney	0.8	0.8	0.9	0.8	2.2	5.1	7.3	9.0
Melbourne	0.4	0.5	0.1	0.5	-1.5	0.3	1.2	2.4
Brisbane	1.4	1.2	1.2	1.4	-1.1	2.0	4.9	7.8
Adelaide	1.2	1.3	1.5	1.3	1.7	2.9	5.0	6.5
Perth	1.0	1.5	1.5	1.6	5.7	7.4	9.2	10.8
Turnover <sup>^</sup>	6.1	0.5	0.9	-2.7	0.2	-0.4	2.5	2.4

\*combined capital cities

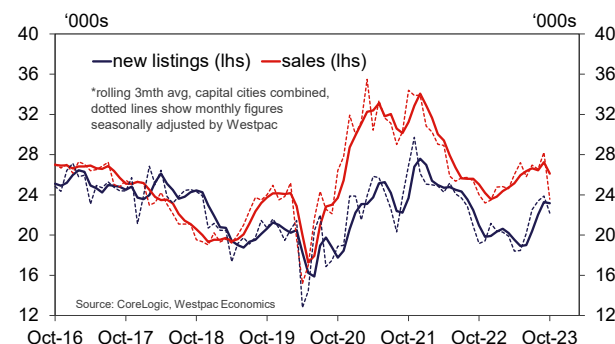
Sources: CoreLogic, Westpac Economics

<sup>^</sup>rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.

### Australian dwelling prices

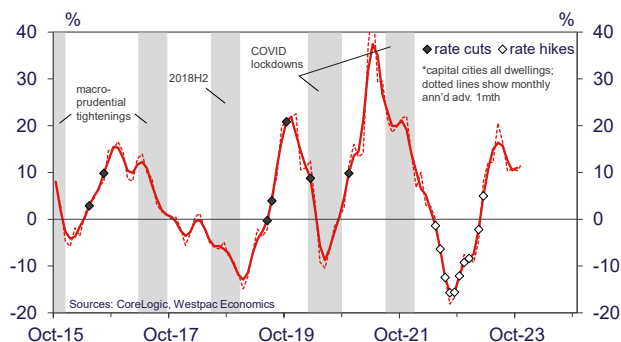


### Residential property: listings and sales

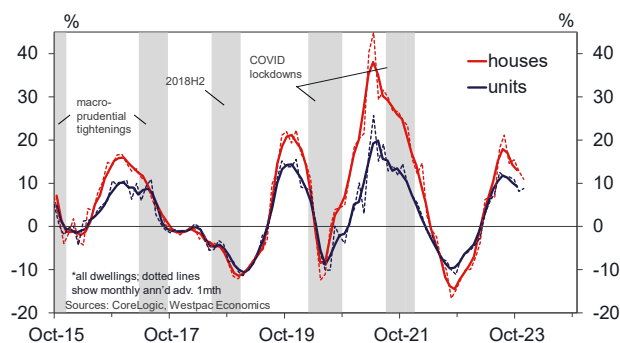


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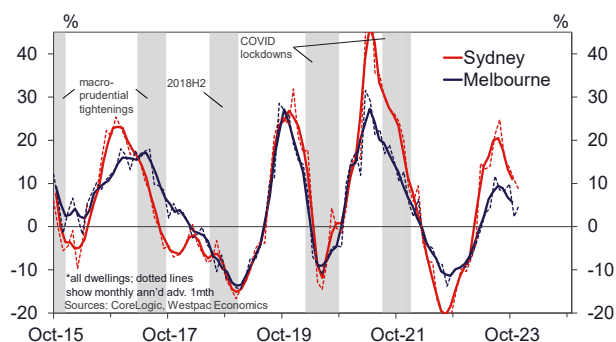
### Australian dwelling prices: 3mth annualised



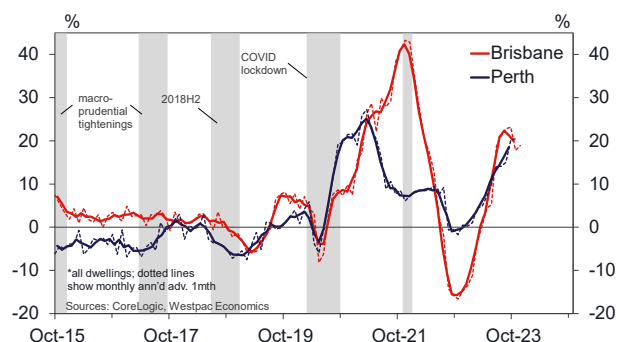
### Dwelling prices: houses, units, 3mth annualised



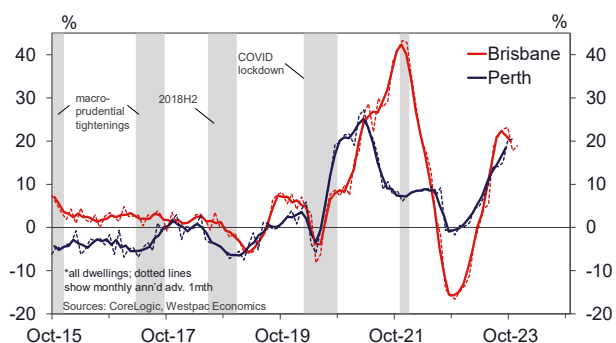
### Sydney, Melbourne dwelling prices: 3mth ann'd



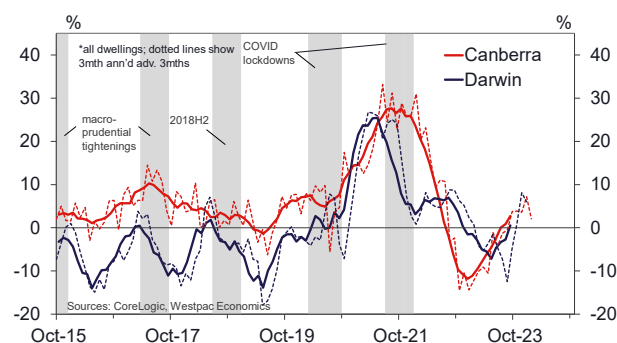
### Brisbane, Perth dwelling prices: 3mth ann'd



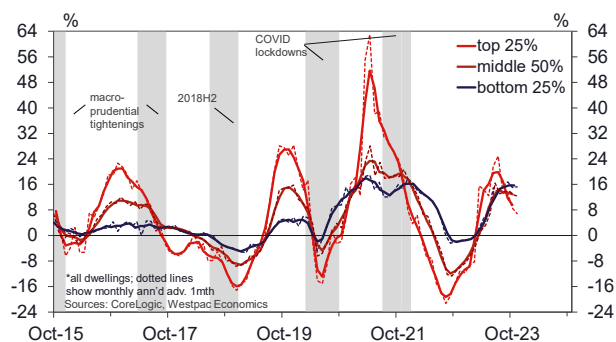
### Brisbane, Perth dwelling prices: 3mth ann'd



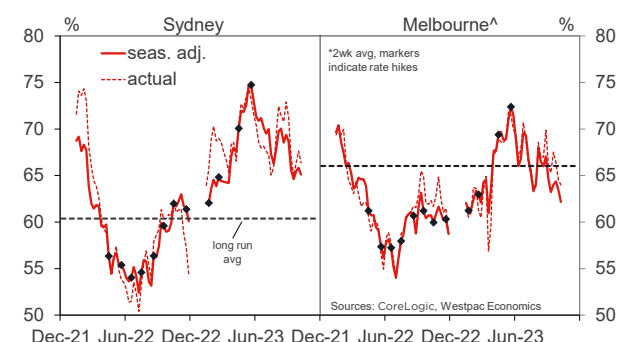
### Canberra, Darwin dwelling prices: 6mth ann'd



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



### Auction clearance rates: weekly



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