

2 April 2024

Australian dwelling prices: 'two-speed' market March CoreLogic home value index: 0.6%^{mth}; 9.7%^{yr} Recent momentum shifts mostly seasonal.

- The CoreLogic home value index, covering the eight major capital cities, rose 0.6% in March matching the Feb gain and continuing the slightly improved monthly pace compared to the average 0.3% gain through Nov-Jan. Notably, monthly moves have not shown the same improvement in seasonally adjusted terms with gains in Feb-March instead slightly softer than those in Dec-Jan, casting doubt on the extent to which momentum may be improving. Annual price growth dipped to 9.7%^{yr} from just over 10%^{yr} in the previous two months.
- Note that, unless specified, the figures in the title, table right and commentary below are all in non-seasonally adjusted terms, consistent with the 'headline' figures reported by CoreLogic. Figures in the charts right and overleaf are instead in seasonally adjusted terms unless specified. Ordinarily, the difference is minor, but current trends are diverging noticeably, 'headline' results showing a material slowdown that bottomed in Jan and recovered in Feb-March, but seasonally adjusted figures showing a more gradual slowdown that has carried into early 2024. Typically, seasonally adjusted estimates are the preferred gauge of ongoing trends although they can be subject to more uncertainty around the turn of the year. All of this is to say that while monthly gains are subdued on both counts the extent to which trend price growth is shifting is unclear.
- There is now a very clear 'two-speed' pattern to price growth across the major capital cities with much slower gains in Sydney and Melbourne – the latter stalled flat in recent months – and much stronger rises in Brisbane, Adelaide and Perth, all of which are still seeing growth at 'double-digit' annualised rates. Within the second group, the pace of price rises has moderated in Brisbane (+1.1%^{mth}, +15.9%^{yr}) but lifted a little in Adelaide (+1.4%^{mth}, +13.3%^{yr}) and remains very strong in Perth (+1.9%^{mth}, +19.8%^{yr}). Annual price growth is tracking close to the national pace in Sydney but is running at just 3.2%^{yr} in Melbourne. Across the 50 detailed sub-markets covered in March, fourteen recorded declines.
- There is a similar 'two-speed' picture on turnover, sales in Sydney and Melbourne down 9%^{qtr} in Q1 but holding steady across the other major capitals.
- The detail shows top tier sub-markets are seeing more price weakness in Sydney and Melbourne but out-performing in Adelaide and Perth.
- Across the smaller capitals: Hobart recorded a 0.2% up-tick to be up 0.3%^{yr}; Canberra prices rose 0.4% to be up 1.9%^{yr}; and Darwin recorded a 0.2% dip to be up 0.5%^{yr}. Across regional areas, prices dipped in regional Vic but rose 0.4% in regional NSW and posted a stronger 1.1% gain in regional Queensland (which includes the Gold and Sunshine Coast areas).
- Overall, the March update is inconclusive on momentum shifts but suggests price growth is still tracking at about a 5% annual pace nationally, with prices closer to flat in Sydney-Melbourne and much stronger gains in the other capital cities.

Matthew Hassan, Senior Economist

CoreLogic home value index: March 2024

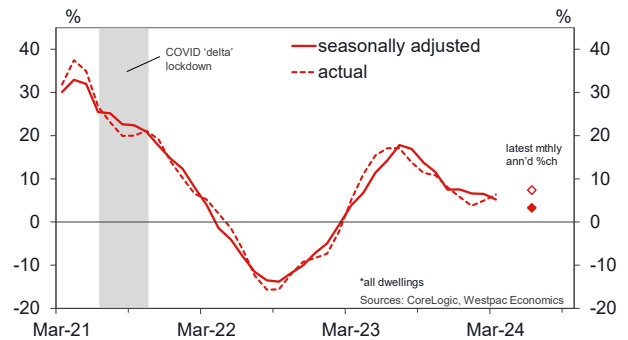
	% ^{mth}				% ^{ann}			
	Dec	Jan	Feb	Mar	Dec	Jan	Feb	Mar
Australia*	0.2	0.3	0.6	0.6	9.3	10.2	10.1	9.7
seas. adjusted	0.5	0.5	0.4	0.3	9.4	10.2	10.1	9.8
- houses	0.3	0.5	0.6	0.6	10.2	11.2	11.0	10.6
- units	0.1	-0.1	0.7	0.6	6.6	6.9	7.2	6.9
Major capital cities								
Sydney	0.0	0.2	0.4	0.3	10.9	11.7	10.8	9.6
Melbourne	-0.5	-0.3	0.1	0.0	3.8	4.0	4.0	3.2
Brisbane	1.0	0.9	1.0	1.1	13.5	14.9	15.6	15.9
Adelaide	1.4	0.9	0.9	1.4	8.8	10.2	11.5	13.3
Perth	1.6	1.6	2.0	1.9	15.7	16.9	18.5	19.8
Turnover [^]	3.6	-4.3	-6.7	-2.4	19.4	12.6	9.2	11.1

*combined capital cities

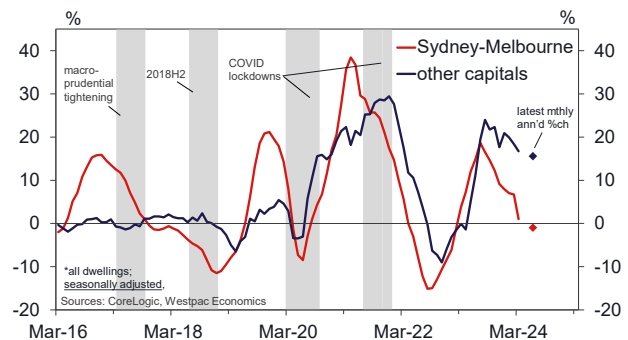
Sources: CoreLogic, Westpac Economics

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

Australian dwelling prices: 3mth annualised



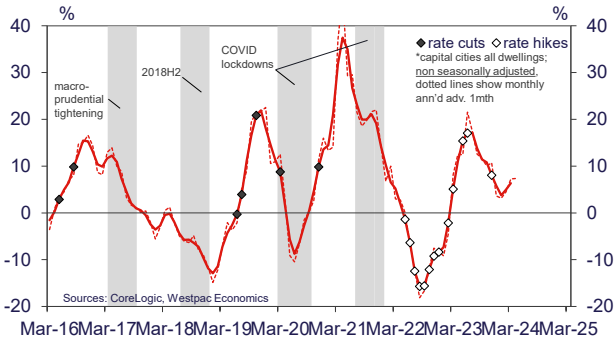
Dwelling prices: Syd-Melb vs rest, 3mth annualised



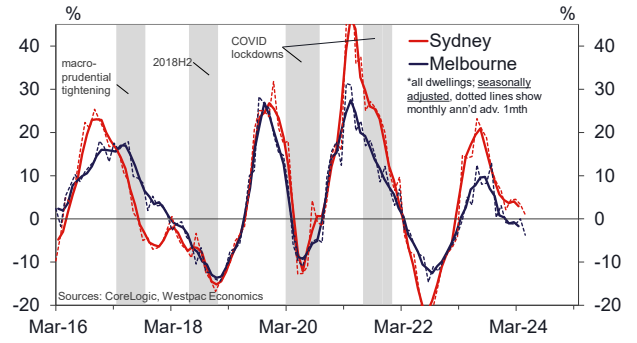
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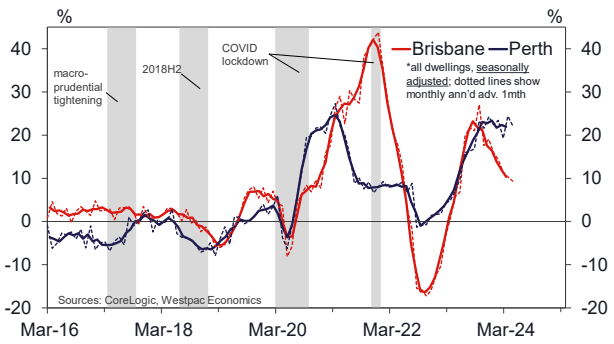
Australian dwelling prices: 3mth annualised



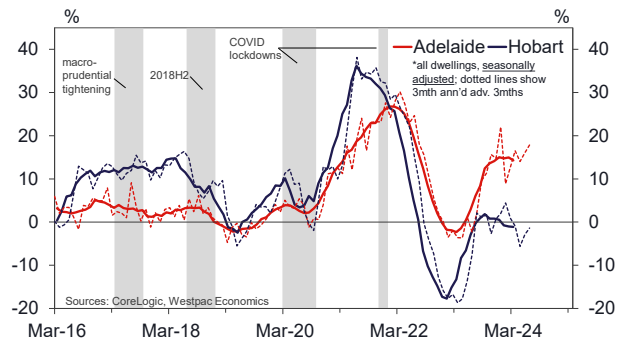
Sydney, Melbourne dwelling prices: 3mth ann'd



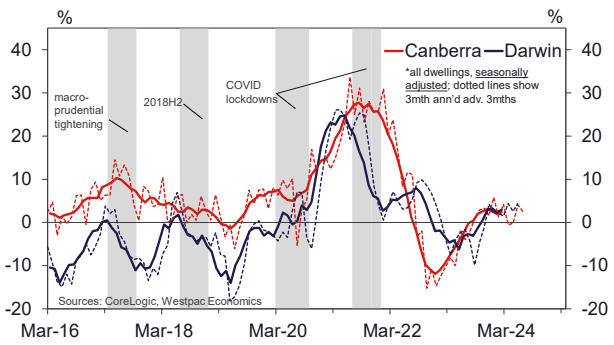
Brisbane, Perth dwelling prices: 3mth ann'd



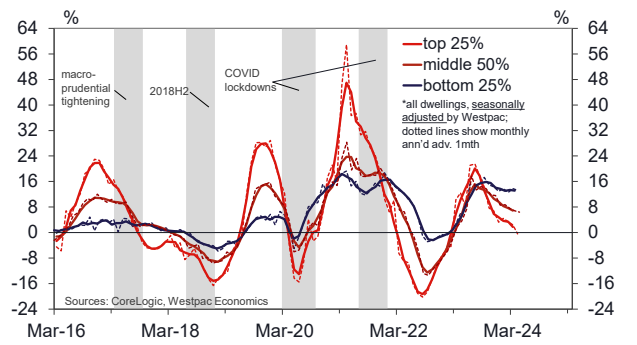
Adelaide, Hobart dwelling prices: 6mth ann'd



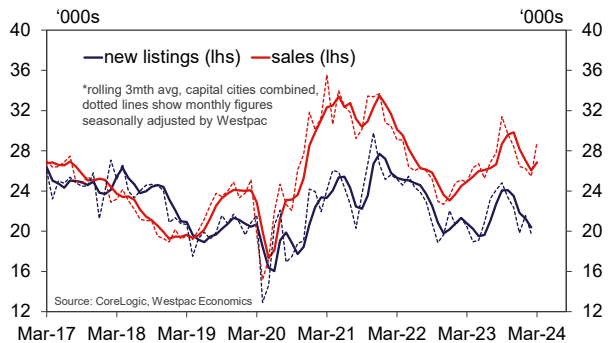
Canberra, Darwin dwelling prices: 6mth ann'd



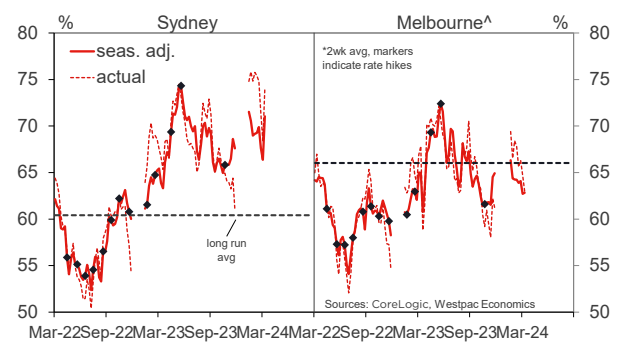
Dwelling prices: by property value, 3mth ann'd



Residential property: listings and sales



Auction clearance rates: weekly



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