

# HOUSING PULSE MAY 2024.

WESTPAC INSTITUTIONAL BANK



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Our mid-year **Housing Pulse** report finds a continuation of the main themes from our previous report at the start of the year. Price growth has again ticked over at a reasonable pace but turnover has been uneven and performances are more clearly diverging across capital cities. Brisbane, Adelaide and Perth are now the pace-setters with growth more subdued in Sydney and Melbourne, and patchy across the smaller capital cities and regional areas.

Supply – both 'on-market' and the physical stock of housing – remains almost universally tight. Where there are exceptions, these relate to a temporary policy-driven lift in investor sales (Vic); and a very different population dynamic (Tas). Sentiment-wise, consumers remain clearly torn between poor affordability, weighing heavily on assessments of time to buy, and positive price prospects. The balance has tilted towards slight positive over the last year, suggesting the lift in turnover will sustain somewhat near term.

On balance prospects for housing in aggregate are unchanged – we continue to expect dwelling prices to post a 6% gain nationally this year, before growth eases to 4% in 2025 – both down materially on last year's 10% rise. Our **Westpac Consumer Housing Sentiment Index** suggests turnover should continue to improve slightly near term as well.

While that is largely as per our report in January, we have adjusted the near term price outlook slightly across capital city markets. Slowdowns look slightly more pronounced in Sydney and Melbourne – affordability is a factor for both and the aforementioned Vic policy changes are still being absorbed in Melbourne. However momentum is looking stronger in Brisbane and Perth, with both now tracking another year of double-digit price growth. Adelaide is also holding up better than expected. See p9 for the detailed point forecasts and a fuller discussion.

## 1. Australia: national housing conditions



*“Price growth has ... ticked over at a reasonable pace but turnover has been uneven and performances are more clearly diverging ...”*

\*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.

# OVERVIEW: performances diverge

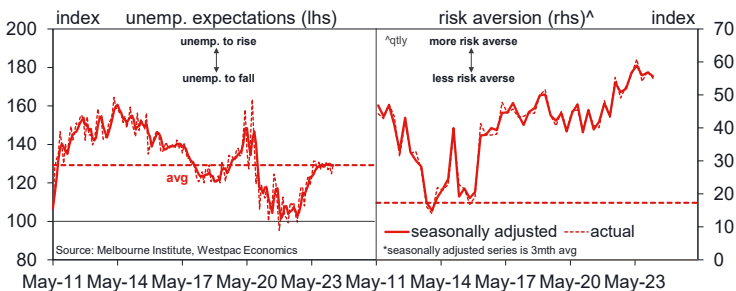


## 2. Consumer sentiment: housing



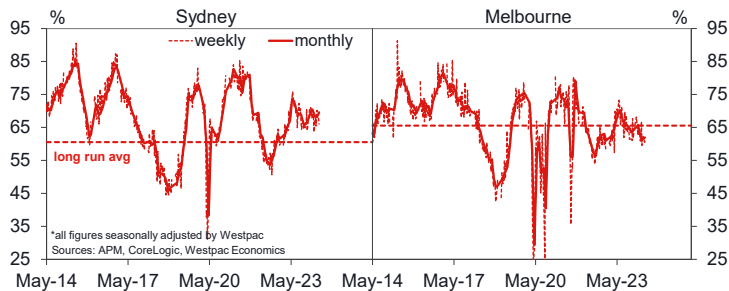
- Australia's housing upturn has continued to track a more moderate path in recent months, turnover softening but price gains still running at a reasonably solid pace. Performances continue to diverge with Sydney and Melbourne cooler; Brisbane, Adelaide and Perth running hotter; and smaller capital cities and regional markets sitting somewhere in between. All markets are showing tensions between tight supply and stretched affordability. In that respect, the slowdowns in Sydney and Melbourne may be a sign of things to come elsewhere as prices continue to rise.
- Across the major capital cities, prices rose 1.8% over the 3mths to May on a combined basis, an improvement on the 1% gain over the previous 3mths although some of this variation appears to be seasonal. Annual price growth has moderated to 9.7%yr, having peaked at 10.7% in Jan. May looks to have seen a stronger 0.8% gain, up from the 0.6% monthly pace through Feb-Apr and 0.3% pace in Nov-Jan.

## 3. Consumer sentiment: jobs & risk aversion

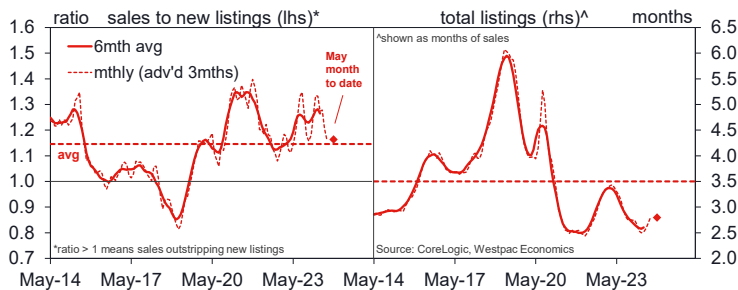


- Nationally, turnover dipped slightly over the last 3mths, unwinding some of last year's recovery. Sales volumes are still up 8.5%yr but relatively low by historical standards (1% below long run averages as a share of the dwelling stock).
- Housing-related sentiment is largely unchanged. Price expectations remain near historical highs and buyer sentiment near historical lows. Unemployment expectations have improved a touch and risk aversion is slightly below the extremes recorded in mid-2023.
- Auction markets have been mixed with a notable weakening in Melbourne. Clearance rates are off their peak in Sydney but still comfortably above long run averages. Melbourne's clearance rate has fallen 4ppts since the start of the year and is below long run averages, consistent with the modest slippage being seen in prices.

## 4. Auction clearances rates



## 5. Residential property listings



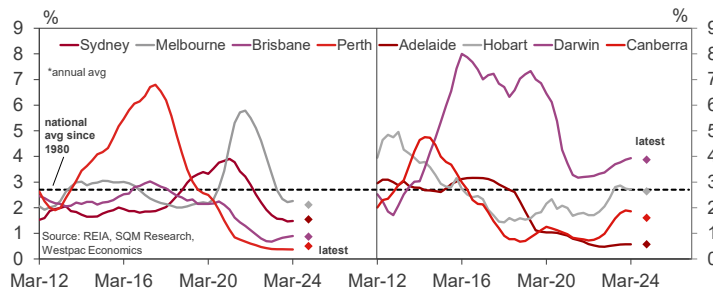
- 'On-market' supply remains tight but has improved marginally since the start of the year. This is despite sales running slightly ahead of new listings, suggesting the improvement is due to fewer unsold properties being de-listed. Conditions and trends continue to vary significantly across cities and sub-markets: on-market supply is extremely tight in Brisbane, Adelaide and Perth but mixed in Sydney and a modest overhang of unsold stock in Melbourne.

- Nationally, the **Westpac Melbourne Institute 'time to buy a dwelling' index** rose 3.1% over the 3mths to May but, at 76.5, remains near historical lows.
- The **Westpac-MI Consumer House Price Expectations Index** was largely unchanged over the 3mths to May, dipping only slightly to 161.1 - the level near historic highs and implying a large outright majority of consumers expect prices to continue rising over the next 12mths. Just under 70% expect prices to rise, 17% expect no change and 8% expect declines.
- The **Westpac Melbourne Institute Unemployment Expectations Index** has improved slightly since the start of the year, declining 0.7% between Jan and May (recall that lower readings mean more consumers expect unemployment to fall in the year ahead). The move is not overly convincing though with the latest index read of 129.8 still in line with the long run average.
- The **Westpac Consumer Risk Aversion Index** dipped 1.4pts to 55.8 in Mar, continuing to move off the record high of 59.2 hit in Jun last year but still at extreme highs by historical standards. A quarter of consumers still favour 'pay down debt' as the 'wisest place for savings' with just 8.4% favouring 'real estate' - the latter off last year's extreme lows of 5% but still a mile away from the long run average of 24%.

# SPECIAL TOPIC: rental markets



## 6. Rental vacancy rates: capital cities

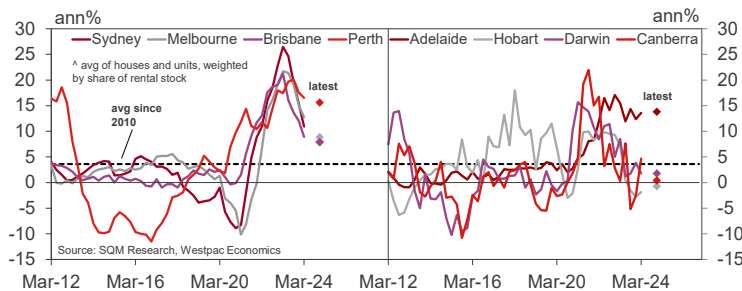


- Australia's rental markets remain very tight by historical standards with an associated surge in rents an intense source of cost-of-living pressures for many households and a key driver of domestic inflation. Here we take a closer look at the most recent developments at a capital city level, how these reflect wider drivers in housing markets and how they may influence the evolution of the housing upturn going forward.

- Tight conditions are most clearly reflected in rental vacancy rates. Chart 6 shows measures for the capital cities, drawing on a mix of data from REIA and SQM Research. Nationally, the average vacancy rate since 1980 has been 2.75%.

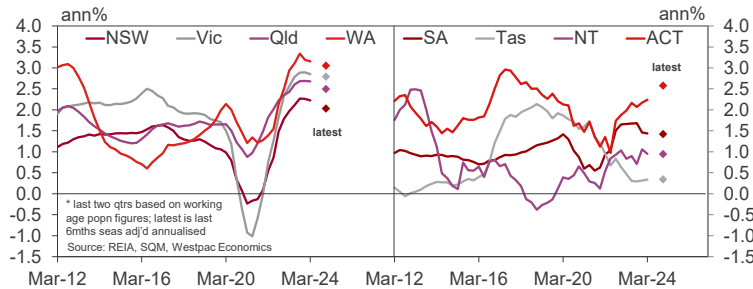
The rough rule of thumb historically is that 3% reflects a balanced market with rates below 2% considered to be tight. All major capital city markets are tight on this basis, vacancy rates ranging from around 2% in Melbourne to 1.5% in Sydney and in the 0.5-1% range in Brisbane, Perth and Adelaide. The smaller capitals have higher vacancy rates and a wider range although measures look to be a little less reliable in some cases. Directionally, the latest reads are showing a slight, tentative, up-trend in Brisbane, and a clearer lift in Canberra, Hobart and Darwin vs a year ago – those last two cities the only ones where vacancy rates do not appear to be tight.

## 7. Asking rents: capital cities



- While conditions remain tight, the extent to which this is translating into rental growth may be starting to moderate. Chart 7 shows asking rents across capital cities. Across the major capitals, annual growth peaked at over 20%/yr about a year ago but is tracking back towards a single-digit growth pace, Perth a notable exception. Note that in the case of Sydney and Melbourne this was coming off a large 10% decline in rents during COVID. Surges have been briefer and current reads in the 0-5%/yr range for most small capital cities, Darwin the exception here.

## 8. Population growth: by state

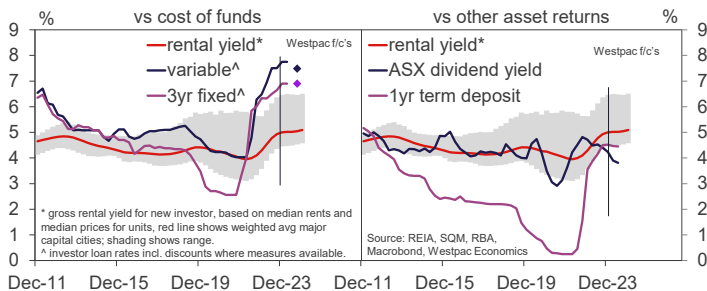


- Note that it can take 12-18mths for shifts in asking rents to flow through fully to the rent measures in the CPI as these cover average rents across all current agreements rather than those for newly signed contracts.

- The post-COVID resurgence in population growth has been a key underlying driver of the tightening in rental markets and of housing markets more generally since early 2023. Westpac expects population growth to slow as movements in foreign student flows start to 'normalise' and a tightening in visa criteria impacts. Growth is expected to slow from 2.5% in 2023 to 2.0% in 2024 and 1.5% in 2025.

- Chart 8 shows the latest data on population at the state level. Note that official figures are only available up to Sep 2023. However, as discussed in previous reports, working age population estimates from the labour force survey, which are based on administrative data, provide a useful guide for more recent periods. These suggest the burst in population growth across the major states is already starting to moderate slightly (SA a notable exception). The population lift has been much more muted for small states, and absent for Tas.

## 9. Rental yields: vs cost of funding, yields on other assets



- Rental markets reflect and influence the wider housing market in a variety of ways. A key potential effect going forward is that tightening conditions and rising rents may draw more investor activity. Chart 9 shows two considerations here: the rental yield (rental return as a % of asset value) compared to the cost of funds (i.e. borrowing rates) and returns on alternative assets (the dividend yield on Australian equities, and return on term deposits - noting tax treatment is not taken into consideration). Gross rental yields are now slightly better than returns on other assets. However they remain well below the cost of funds, suggesting that, even with further rent rises, investor activity is only likely to show a meaningful response if/when interest rates start to cycle lower.

# SPECIAL TOPIC: prudential policy update



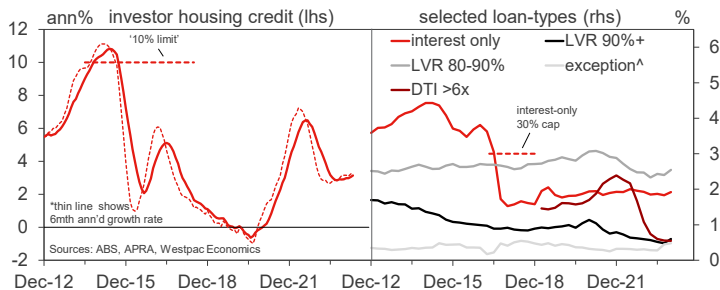
## 10. Summary of prudential policy measures

	'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	Serviceability buffer lifted from 2 to 2.5%, 7% 'floor' removed.
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, Mar 2024: "Preliminary insights from the recent annual Hypothetical Borrower Exercise, where banks provide APRA with serviceability assessments for different types of borrowers, were consistent with other data sources suggesting that bank lending standards had remained sound despite the competitive lending environment."

Source: APRA, RBA, Westpac Economics

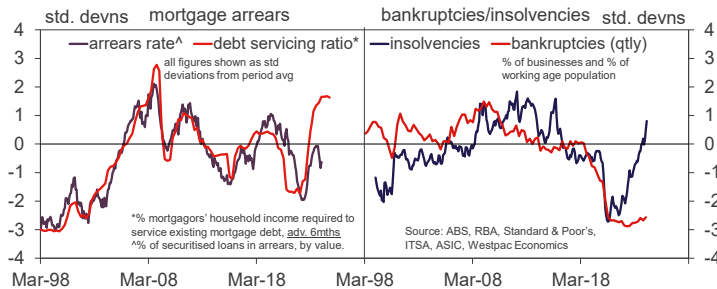
## 11. Mortgage lending: investor credit and selected loan-types



- Little has changed on the prudential policy front. Indeed, as noted previously, this arm of policy is likely to remain completely sidelined while the interest rate tightening cycle plays out. The latest [statement](#) from the Council of Financial Regulators (CFR), released in March, again makes no mention of potential changes to macroprudential policy settings, even in general terms.
- Monitoring-wise, the Council continues to focus on household borrowing but saw risks as "contained for the time being" but potentially rising" if inflation were to remain high for longer than anticipated or if labour market conditions deteriorate more than expected." Externally, stress in global commercial property markets and the potential for spillovers locally were also discussed but risks again viewed as contained.
- Around lending standards, the CFR noted that preliminary results from its recently run annual "Hypothetical Borrower Exercise" indicated no loosening in standards despite intense competition amongst lenders. Note that this exercise was first run in 2014. Previous versions asked lenders to provide maximum loan sizes and details of the net income surplus calculation for four potential borrowers (two owner-occupiers and two investors) that were varied by income, property price, family structure, expenses, other debts and the type of loan they were requesting. Results were published in 2015 and 2016 but have typically not been released since then.
- The assessment of lending standards aligns with other data showing little change in the share of 'riskier' loan-types in the overall lending mix – investor lending growth holding steady at a subdued pace, and the share of high 'loan-to-value' (LVR), high debt-to-income (DTI), interest-only and loans made as exceptions to policy all holding at relatively low levels by historical standards (see Chart 11).



## 12. Financial stress: selected indicators



- With respect to financial stress, the latest data shows some easing in home loan arrears but a continued lift in company insolvencies, which are now running slightly above their long run average (see Chart 12).

- The detail on arrears shows some nuance to the latest improvement, with the main shift coming from investor loans and concentrated in the 90+ days overdue bucket, with little change in the 0-30 days and 30-60 days buckets. While that could be borrowers moving incrementally back towards becoming current it may also be an indication that those moving out of arrears are being matched by other borrowers falling behind. By state, the improvement was broad based but slightly bigger in WA and slightly smaller in Vic which is now seeing a slightly higher arrears rate overall.

- Note that for housing, other arms of policy are becoming more active. In particular, both Federal and state governments are seeking to address long-standing problems around housing supply, with the main measures are set out in [statement 4](#) of the latest Federal Budget. This is unlikely to generate a significant change near term but should generate some lift in new dwelling supply further out.

## 13. Dwelling price forecasts

	avg*	2021	2022	2023	2024f	2025f	comments
Sydney	7.0	26.9	-11.4	11.0	5	4	Gains stalling as severe affordability constraints start to bite.
Melbourne	5.4	16.1	-7.1	3.9	2	2	Investor sell-down weighing near term. Supply-demand more balanced.
Brisbane	5.5	31.5	-1.9	13.5	10	3	Robust gains continuing amid very tight market but prices becoming stretched.
Perth	1.9	13.9	4.1	15.8	14	8	Boom carrying strong momentum. Very tight, less constrained by affordability.
Adelaide	5.5	22.3	9.3	8.9	8	3	Sailed through COVID & rate cycle unaffected. Very tight supply but stretched.
Hobart	6.7	32.6	-6.9	-1.4	0	2	Shaky. No uplift from migration and still extreme affordability issues.
<b>Australia</b>	<b>5.8</b>	<b>23.0</b>	<b>-6.6</b>	<b>9.9</b>	<b>6</b>	<b>4</b>	Recovery moderates at performances diverge across sub-markets.

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

- Note that we have made some small adjustments to our near term price forecasts, set out in table 13. Overall, price growth across the major capital cities is still expected to run at 6% this year, but with slightly slower gains in Sydney (5% vs 6% previously) and Melbourne (2% vs 3%) and stronger gains in Brisbane (10% vs 8%), Adelaide (8% vs 4%) and Perth (14% vs 10%). Prices are expected to hold flat in Hobart. Our price forecasts for 2025 are unchanged, with more modest gains in Sydney and Melbourne and a cooling in the current hot spots, Perth the only market likely to see robust gains. This continues to be predicated on a 1ppt reduction in interest rates between Nov 2024 and the end of 2025.

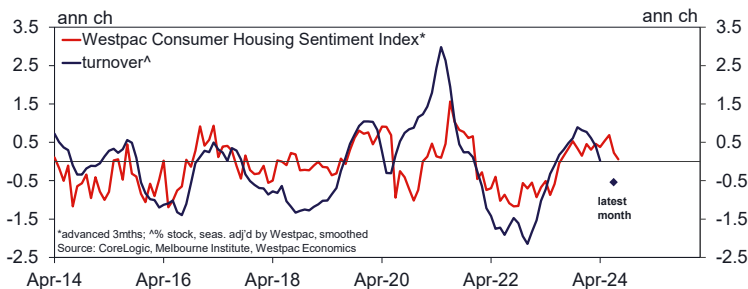
# NEW SOUTH WALES: stalling



## 14. NSW consumer: housing-related sentiment

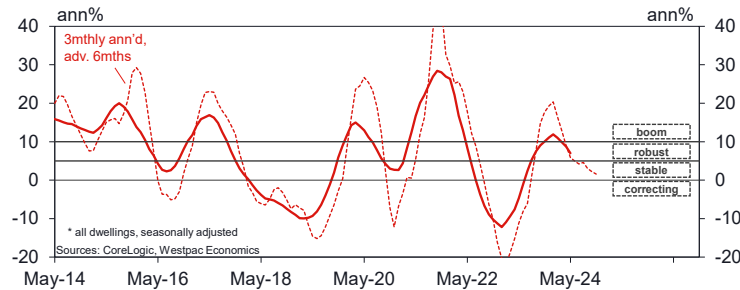


## 15. NSW housing composite vs turnover



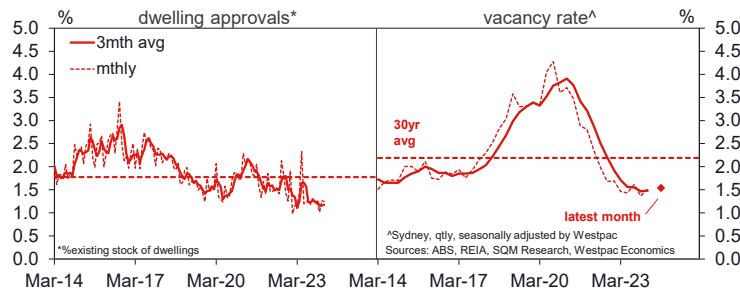
- The slowdown in NSW has become more pronounced, turnover weakening more materially over the last 3mths and price growth tracking back to a sub-5% annual pace. That said, markets look more likely to move into a holding pattern than a correction. High prices are seeing buyers drop back but supply remains relatively tight with auction market clearance rates still comfortably above average. Housing-related consumer sentiment also suggests activity should hold flat rather than move into sustained declines.
- Quarterly turnover has fallen 7.5% over the first four months of the year to be down over 11% from a year ago. That said, sales are still tracking slightly ahead of new listings with total listings on market at around three months of sales, broadly in line with the long run average.
- Physical shortages also remain intense, Sydney's rental vacancy rate holding at 1.5% although there are signs that the surge in asking rents is starting to slow.
- Dwelling prices continue to see small gains, momentum somewhat uncertain due to seasonal effects with a slight pick-up in unadjusted terms but a slight slowing moderation in seasonally adjusted terms. The detail shows the slowing to date has centred on houses and properties in the top and middle price tiers. The sub-regional detail shows a broad slowing but with some signs that prices in inner city areas have picked up again slightly. The price cycle continues to be more muted for regional areas of NSW.
- The **NSW Consumer Housing Sentiment index** suggests the underlying momentum to turnover is stalling rather than turning materially negative (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: 8.5mn**  
**Net migration: +151k pa**  
**GSP: \$733bn (30% Aus)**  
**Dwellings: 3.4mn, \$4.1trn**  
**Capital: Sydney**

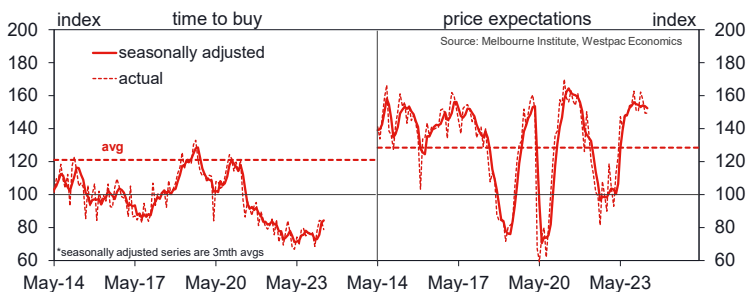
## 17. NSW: dwelling approvals, vacancy rate



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	3.8	4.4	1.8
Employment, ann%	1.7	6.0	2.7	3.9	2.4
Unemployment rate, %#	5.9	5.2	3.7	3.2	3.8
Population, ann%	1.1	-0.2	0.9	2.1	2.2
Dwelling prices, ann%	6.0	20.1	4.1	-1.0	8.7
Rental yield, %#	4.7	3.1	3.4	4.5	4.5
Sales/new listings, ratio#	1.28	1.41	1.08	1.40	1.09
Total listings, mths sales#	2.8	1.9	3.2	2.6	3.0

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

## 18. Vic consumer: housing-related sentiment

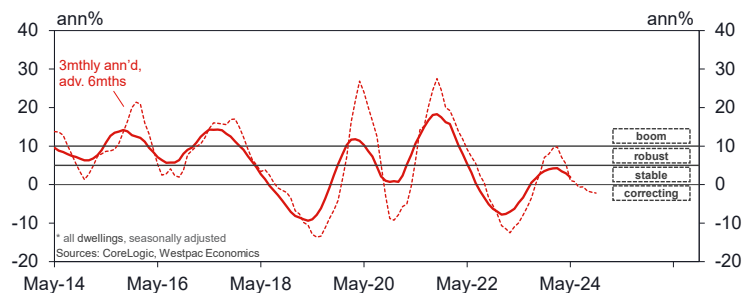


## 19. Vic housing composite vs turnover



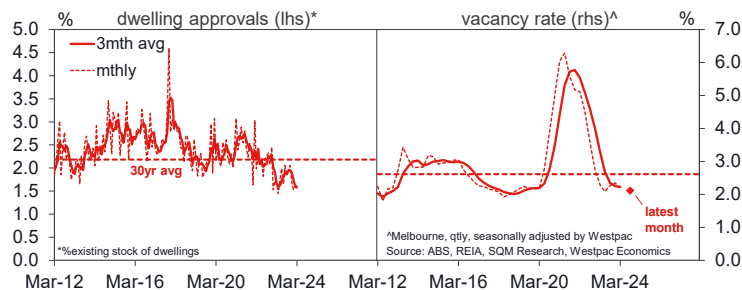
- The Vic housing market continues to be the weakest of the major states in terms of price growth with turnover also moving lower in recent months. On-market supply has been a key point of different, state government tax changes triggering a surge in investor selling in the second half of 2023 that created an overhang of stock that has yet to be absorbed. The associated price slippage is likely to continue until this works off, especially with softening turnover slowing the pace of absorption and while interest rates remain high.
- State-wide, the flow of new listings remains relatively high, 20% above the average over year prior to the tax changes. At just over 45k, the stock of unsold properties is running at just over five months of sales. That compares to two-to-three months of supply in the NSW and Qld (note that the listings metrics in the table on p13 and in similar tables elsewhere in this report are for capital cities rather than states).
- Melbourne dwelling prices flat-lined over the 3mths to Apr, a slight improvement on the 0.8% decline over the previous 3mths although as with Sydney, seasonality makes the underlying trend uncertain (prices have continued to slip lower in seasonally adjusted terms). Below avg auction clearance rates are consistent with price slippage.
- The price detail shows weakness is across dwelling types and price tiers. By sub-region, Melbourne's inner areas are seeing outright price declines while other areas are tending to see price growth stalling. Regional areas missed out on the 2023 price recovery and are only just stabilising.
- The **Vic Consumer Housing Sentiment index** suggests turnover will remain subdued near term but is not pointing to further outright declines. Even so, the risk is that the patchy market performance will continue through the remainder of 2024.

## 20. Melbourne dwelling prices



**Population: 7.0mn**  
**Net migration: +183k pa**  
**GSP: \$535bn (22% Aus)**  
**Dwellings: 2.9mn, \$2.6trn**  
**Capital: Melbourne**

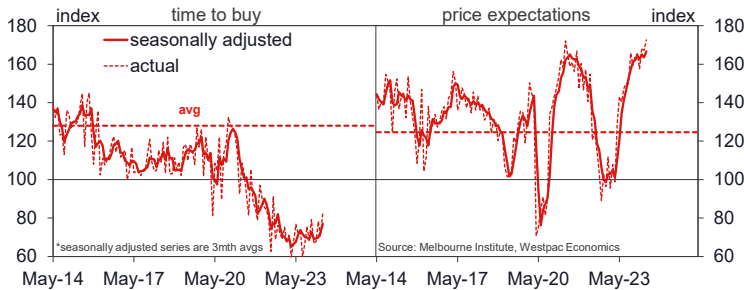
## 21. Vic: dwelling approvals, vacancy rate



June years	avg*	2021	2022	2023	latest
GSP, ann%	3.0	-0.2	6.3	2.6	n.a.
State final demand, ann%	3.6	0.9	7.2	3.9	2.0
Employment, ann%	2.2	4.0	3.9	3.9	3.0
Unemployment rate, %#	6.3	4.9	3.8	3.8	4.1
Population, ann%	1.5	-1.0	1.3	2.7	3.2
Dwelling prices, ann%	6.2	12.8	3.2	-3.3	3.0
Rental yield, %#	4.8	3.2	3.6	4.8	4.9
Sales/new listings, ratio#	1.05	1.10	0.94	1.03	0.80
Total listings, mths sales#	3.5	2.9	3.7	3.9	4.5

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

## 22. Qld consumers: housing-related sentiment

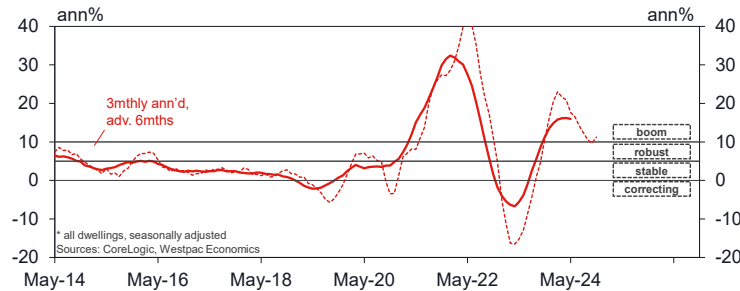


## 23. Qld housing composite vs turnover



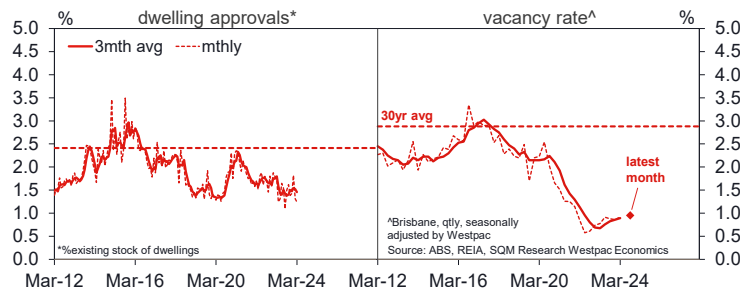
- Qld's housing upturn is sustaining at a relatively strong pace. Price growth is holding around 10%yr, having cooled a little around the turn of the year. Turnover is tracking a slower upturn profile but is also continuing to tick higher. As noted previously, turnover is tracking well behind housing-related consumer sentiment in the state, which suggests it should also be seeing double-digit growth. Extremely low levels of supply - both 'on-market' and physical - look to be the underlying issue.
- Brisbane prices rose a further 3.1% over the 3mth to Apr, matching the gain over the previous 3mths. May looks to have seen a slight step up with prices up 1.5% in the month.
- The detail shows units are now outperforming houses slightly with lower price tiers also seeing stronger gains than others - a sign that constrained supply and deteriorating affordability is driving buyers down the value curve. Across sub-regions, the cooling has been more pronounced for Brisbane's southern reaches, west and inner city, price performances more resilient in Ipswich. Regionally, gains have been steady with a notable surge in Townsville, albeit coming off more than a decade of underperformance.
- Sales continue to run 30% ahead of new listings with 'on-market' inventory barely 2.3 months of sales, an extremely short supply compared to the long average of 4.7 months. Similarly, Brisbane's rental vacancy rate remains very low, stuck below 1%.
- The **Qld Consumer Housing Sentiment index** suggests there is significant pent-up demand behind current market activity. To the extent that this draws more sellers onto the market, activity should see more solid gains.

## 24. Brisbane dwelling prices



**Population: 5.6mn**  
**Net migration: 111k pa**  
**GSP: \$465bn (19% Aus)**  
**Dwellings: 2.2mn, \$1.9trn**  
**Capital: Brisbane**

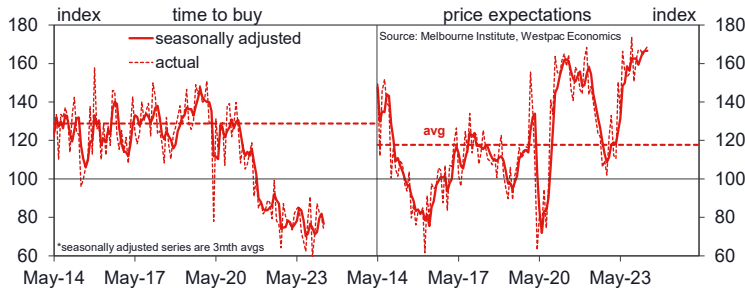
## 25. Qld: dwelling approvals, vacancy rate



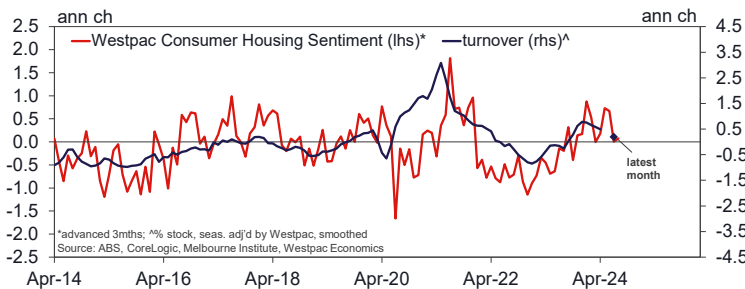
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.6	2.8	5.5	2.3	n.a.
State final demand, ann%	3.7	5.0	5.0	2.8	2.4
Employment, ann%	2.4	10.0	4.8	2.8	4.1
Unemployment rate, %#	6.6	5.5	4.0	3.8	4.1
Population, ann%	1.9	1.0	2.0	2.6	2.5
Dwelling prices, ann%	6.3	17.1	24.7	-3.9	16.2
Rental yield, %#	5.1	5.1	4.9	5.8	5.6
Sales/new listings, ratio#	1.02	1.30	1.10	1.43	1.28
Total listings, mths sales#	4.6	2.8	2.7	2.7	2.3

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

## 26. WA consumers: housing-related sentiment



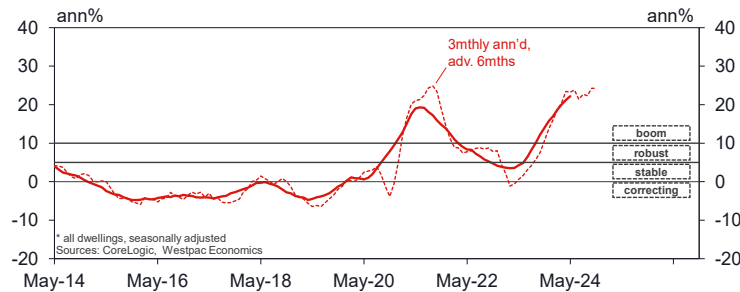
## 27. WA housing composite vs turnover



- WA's housing market remains the hottest nationally. Price growth continues to run at a 20%+ annual pace, turnover also sustaining strong gains, albeit levelling out a bit in the last couple of months. Prices were coming into the latest upturn having moved sideways for the best part of a decade. That said, what was a big affordability advantage vs other states two years ago is now shrinking quickly. Both on-market and rental supply remain extremely tight.
- Turnover remains relatively elevated running at around 6% of the dwelling stock annually, a good 1½pts above the average over the last ten years. Sales continue to outstrip new listings by close to 30% with the inventory of listed properties now barely over two months of sales, miles below the long run average of 5.6, both houses and units running very low.
- Price-wise, Perth has been rising at 2% mth since Jan. The detail shows a widening outperformance for 'bottom tier' and 'middle tier' segments, 'top tier' segments tracking a little more slowly, albeit still posting strong gains. Reflecting this, Perth's inner areas have lagged during the boom, slowing a touch in recent months. Perth's main suburban ring and the 'satellite' city of Mandurah have all seen strong gains, Bunbury in the state's idyllic Margaret River region in the southwest has also seen very strong price gains.
- Physical supply remains extremely tight in Perth, the rental vacancy rate still around 0.5%. New dwelling approvals have started to track a clear up-trend (WA the only state showing convincing signs of a lift) but activity is still at subdued levels.
- Housing-related sentiment has been volatile but remains slightly improved overall. The **WA Consumer Housing Sentiment index** points to turnover moving slightly higher in coming months.

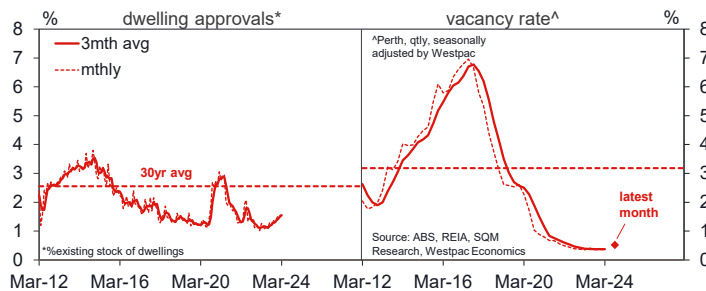


## 28. Perth dwelling prices



**Population: 3.0mn**  
**Net migration: 80k pa**  
**GSP: \$419bn (17% Aus)**  
**Dwellings: 1.2mn, \$0.8trn**  
**Capital: Perth**

## 29. WA: dwelling approvals, vacancy rate



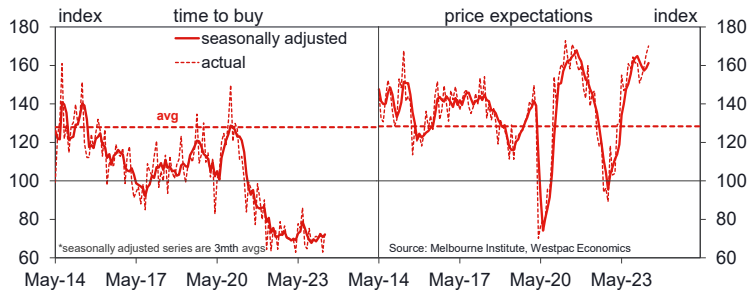
June years	avg*	2021	2022	2023	latest
GSP, ann%	4.0	3.3	2.9	3.5	n.a.
State final demand, ann%	3.4	6.1	5.8	3.9	4.7
Employment, ann%	2.3	7.9	5.3	2.4	3.9
Unemployment rate, %#	5.6	4.9	3.2	3.6	3.6
Population, ann%	1.8	1.3	1.5	3.1	3.3
Dwelling prices, ann%#	6.0	19.3	8.3	4.9	21.2
Rental yield, %#	4.8	5.3	5.5	6.6	6.4
Sales/new listings, ratio#	0.93	0.98	1.00	1.29	1.29
Total listings, mths sales#	5.6	3.9	3.6	2.9	2.1

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

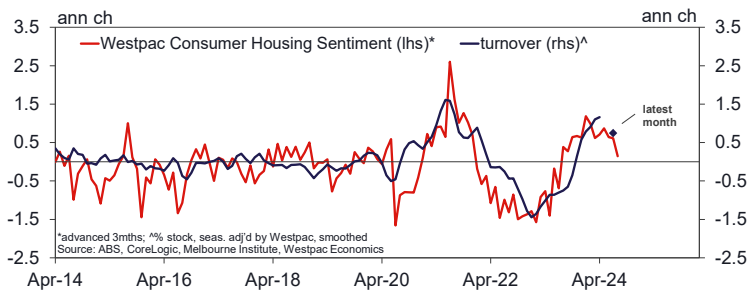
# SOUTH AUSTRALIA: surging



## 30. SA consumers: housing-related sentiment

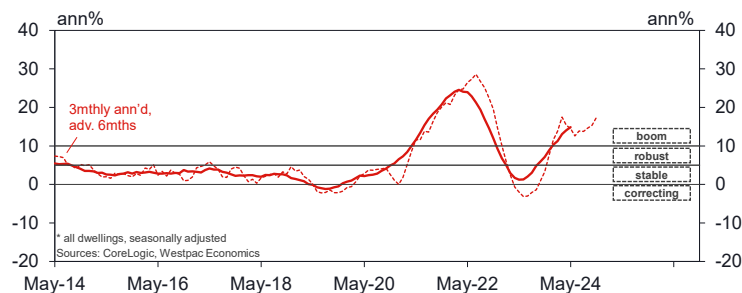


## 31. SA housing composite vs turnover



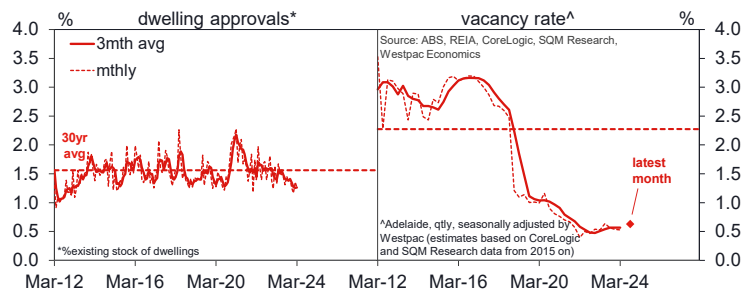
- Activity has quickened again across SA's housing market, both price growth and turnover re-accelerating in the first half of 2024. On-market supply has fallen to record lows. All of this is coming with somewhat milder population-driven demand dynamics than in other states.
- Turnover surged over 6% in the first few months of 2024 to be up just over a third on a year ago and a touch above long run averages in terms of the share of the dwelling stock.
- Adelaide dwelling prices continue to track quarterly gains in the 3-3.5% range, annual growth pushing back above 14%/yr. Note that prices barely dipped during both COVID and the interest rate tightening in 2022 that preceded the latest surge.
- The detail shows 'bottom tier' properties continuing to outstrip other price tiers. Adelaide's northern and southern suburbs are outperforming the west and central & hills areas although the variation is relatively small. Regionally, the Barossa area is also seeing strong gains.
- The supply side is now extremely tight, on-market listings down to just 1.5 months of sales - reminiscent of the extremely low levels seen at the height of Tasmania's boom several years ago. Rental vacancy rates also remain stuck around 0.5%. SA's population growth is tracking around 1.9%/yr, about half a percentage point below the pace nationally and well behind the 3% pace in the fastest growing states.
- The renewed lift in prices and short supply may be unsettling buyer sentiment a little. The **SA Consumer Housing Sentiment index** suggests turnover growth will slow near term although that would leave it at a high level.

## 32. Adelaide dwelling prices



**Population: 1.9mn**  
**Net migration: 23k pa**  
**GSP: \$134bn (6% Aus)**  
**Dwellings: 0.8mn, \$0.6trn**  
**Capital: Adelaide**

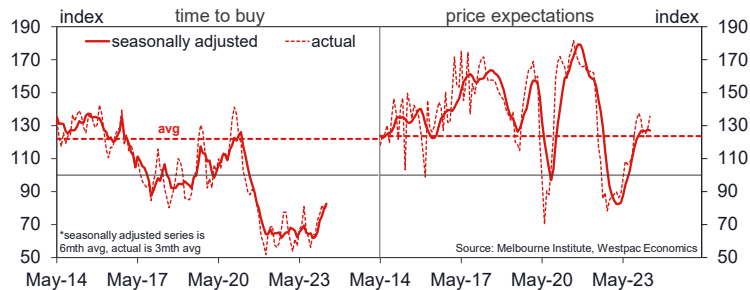
## 33. SA: dwelling approvals, vacancy rate



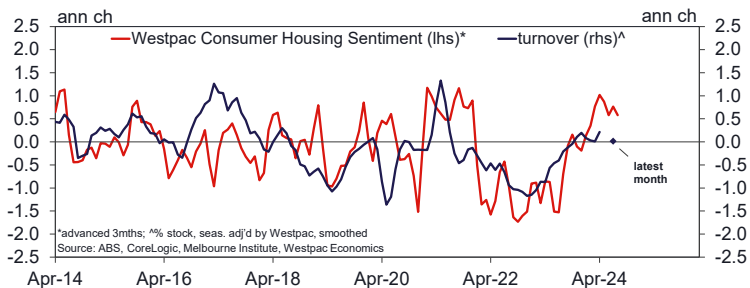
June years	avg*	2021	2022	2023	latest
GSP, ann%	2.4	4.9	5.6	3.8	n.a.
State final demand, ann%	2.8	5.1	6.1	2.8	1.7
Employment, ann%	1.6	6.4	3.0	4.1	0.4
Unemployment rate, %#	6.9	5.7	4.5	4.2	3.8
Population, ann%	0.8	0.7	1.0	1.7	1.4
Dwelling prices, ann%	6.7	13.4	22.9	1.3	14.0
Rental yield, %#	5.3	5.9	5.7	5.3	4.9
Sales/new listings, ratio#	1.06	1.32	1.21	1.28	1.64
Total listings, mths sales#	3.8	2.5	2.2	2.3	1.5

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

## 34. Tas consumers: housing-related sentiment

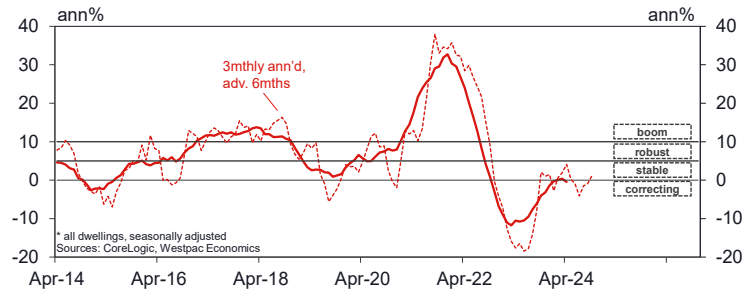


## 35. Tas housing composite vs turnover



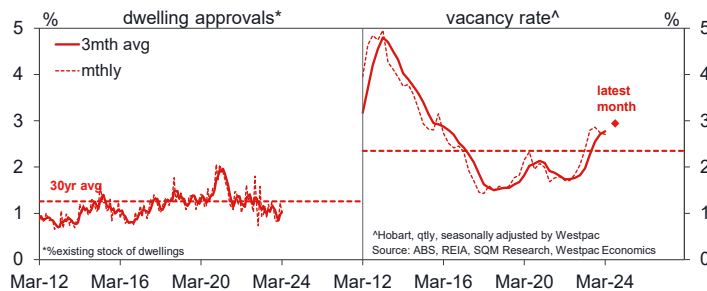
- Tas remains the weakest housing market nationally. Prices have stabilised somewhat in recent months after slipping back again around year-end. Turnover has also stabilised. In both cases, the picture still looks unconvincing. Tas is not facing anything like the supply-demand tightness evident in other states, its housing markets also coming off a sustained period of strong price gains in the second half of last decade.
- Turnover lifted slightly over the first few months of the year but was coming off two years of large declines. Latest months suggest the recovery momentum has stalled again. Just 3.5% of the dwelling stock is transacting annually at the moment, compared to a long run average of 5.6%.
- Hobart dwelling prices were about flat over the 3mths to Apr annual price growth also about flat. Prices dipped back slightly again in May. The price detail shows tightly clustered performances, houses, units and all price tiers looking soft. There is a little more variation across sub-regions, Hobart's north east driving the weakening since late last year. Launceston and the state's west and north west are also looking more stable price-wise.
- On-market supply remains elevated at 4.7 months of sales, albeit down on recent peaks due to the lift in sales. Rental vacancy rates have also continued to press higher, to around 3%. Hobart is the only capital city rental market in Australia that has seen rents record persistent declines over the last year.
- Interestingly, housing-related sentiment has remained relatively positive, particularly around assessments of 'time to buy'. The **Tas Consumer Housing Sentiment index** points to a lift in turnover and may gain more traction if stabilising prices shores up consumer price expectations.

## 36. Hobart dwelling prices



**Population: 0.6mn**  
**Net migration: 0k pa**  
**GSP: \$39bn (2% Aus)**  
**Dwellings: 0.3mn, \$173bn**  
**Capital: Hobart**

## 37. Tas: dwelling approvals, vacancy



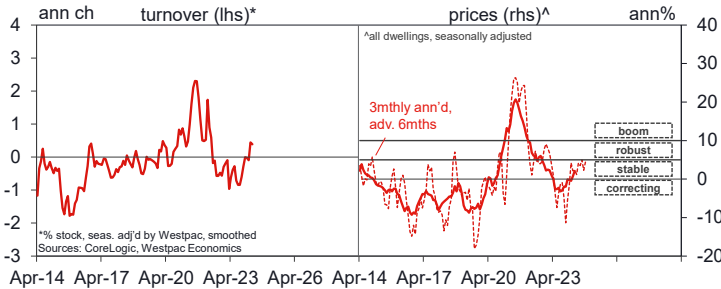
June years	avg*	2021	2022	2023	latest
GSP, ann%	2.5	4.8	4.3	1.1	n.a.
State final demand, ann%	2.8	5.3	5.5	1.2	1.7
Employment, ann%	1.5	8.0	2.1	2.7	-1.9
Unemployment rate, %	7.5	5.6	4.3	4.0	4.1
Population, ann%	0.7	1.7	0.7	0.3	0.1
Dwelling prices, ann%	6.6	23.8	16.6	-10.5	0.4
Rental yield, %	5.8	4.5	4.0	4.3	4.3
Sales/new listings, ratio	1.01	1.23	0.84	0.98	0.97
Total listings, mths sales	5.0	1.9	2.7	4.8	4.7

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

# TERRITORIES: NT stabilising; ACT steadying

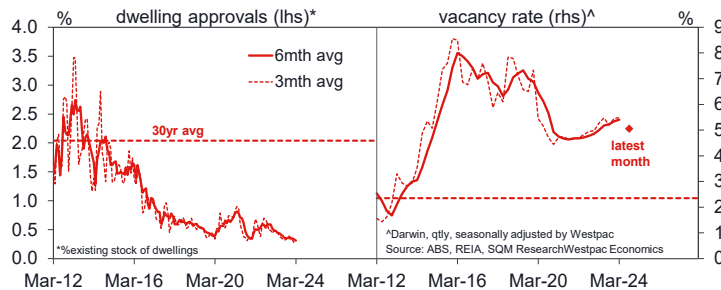


## 38. NT: turnover, Darwin dwelling prices



**Population: 0.3mn**  
**Net migration: Ok pa**  
**GSP: \$30bn (1% Aus)**  
**Dwellings: 0.1mn, \$44bn**  
**Capital: Darwin**

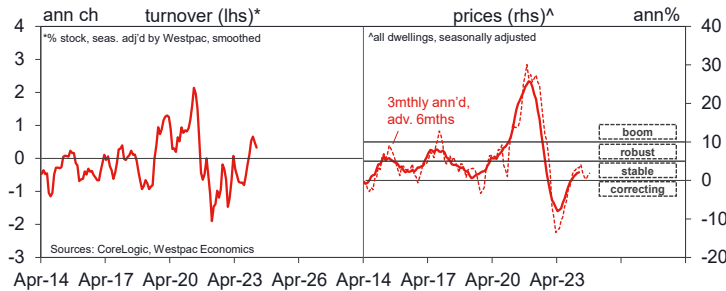
## 39. NT: dwelling approvals, vacancy rate



June years	avg*	2021	2022	2023	latest
GSP, ann%	3.7	-1.6	5.1	-5.2	n.a.
State final demand, ann%	2.9	8.8	6.9	1.1	1.5
Employment, ann%	1.5	6.3	2.4	2.6	1.7
Unemployment rate, %	6.7	6.0	4.3	4.3	4.1
Population, ann%	1.1	0.3	0.8	0.9	1.0
Dwelling prices, ann%	4.2	19.8	6.0	-2.6	1.3
Sales/new listings, ratio#	1.16	1.13	1.08	1.30	1.48
Total listings, mths sales#	5.7	4.0	4.7	5.3	3.4

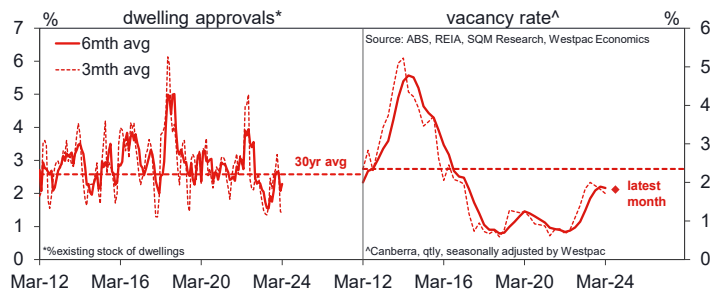
\* avg last 25yrs (last 10yrs for listings); # June qtr readings  
 Sources: ABS, CoreLogic, Westpac Economics

## 40. ACT: turnover, Canberra dwelling prices



**Population: 0.5mn**  
**Net migration: 8k pa**  
**GSP: \$49bn (2% Aus)**  
**Dwellings: 0.2mn, \$187bn**  
**Capital: Canberra**

## 41. ACT: dwelling approvals, vacancy rate



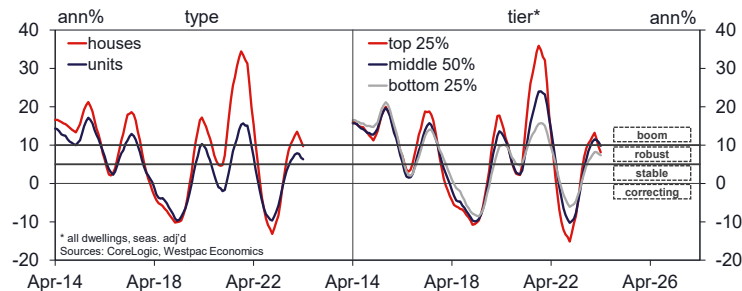
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.7	3.9	2.8	4.3	n.a.
State final demand, ann%	4.0	5.8	3.0	3.8	2.2
Employment, ann%	1.6	5.6	3.0	3.1	1.6
Unemployment rate, %	6.6	5.4	4.0	3.9	4.0
Population, ann%	1.6	1.7	1.0	2.2	2.2
Dwelling prices, ann%	6.3	19.9	15.9	-7.3	2.0
Sales/new listings, ratio#	1.43	1.59	1.20	1.31	1.48
Total listings, mths sales#	2.5	1.6	2.1	2.6	2.2

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

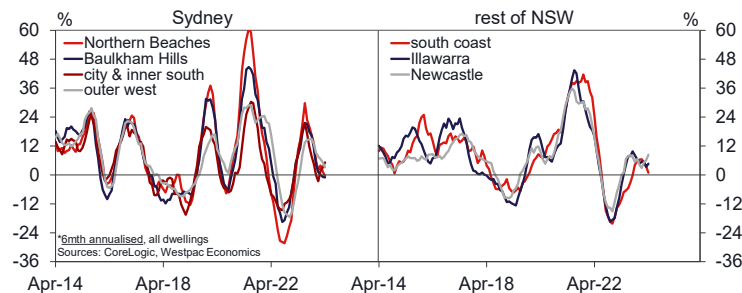
# ADDITIONAL MATERIALS: charts and tables



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



## 43. NSW dwelling prices: selected sub-region



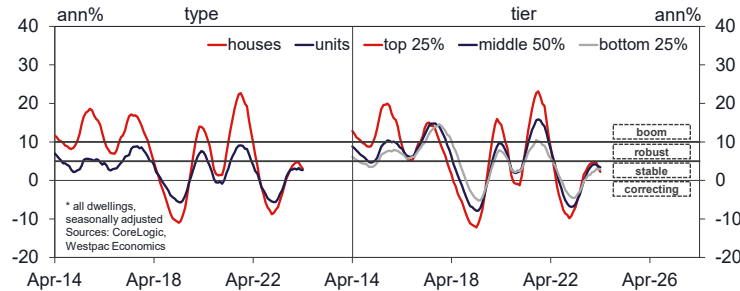
NSW	Sydney	rest of NSW
<b>Population:</b>	5.3mn	2.9mn
<b>Net migration*:</b>	+3k pa	+19k pa
<b>Employ (%state):</b>	67%	33%
<b>Dwellings, no.:</b>	2.1mn	1.4mn
<b>Dwellings, value:</b>	\$2.9trn	\$1.1trn

June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Sydney</b>					
Employment, ann%	1.8	5.3	3.7	3.6	1.2
Unemployment rate, %	5.3	5.6	3.5	3.5	4.4
Houses - prices, ann%	6.5	25.6	5.4	-1.0	9.7
- sales/new listings, ratio	1.09	1.28	1.02	1.32	1.11
- total listings, mths sales	3.2	1.8	3.0	2.5	2.9
Units - prices, ann%	5.0	8.4	0.8	-1.1	6.3
- sales/new listings, ratio	1.59	1.61	1.17	1.52	1.29
- total listings, mths sales	2.3	2.0	3.4	2.6	2.6
<b>rest of NSW</b>					
Employment, ann%	1.7	7.6	0.8	4.5	4.4
Unemployment rate, %	7.1	4.5	4.0	2.6	3.5
Dwelling prices, ann%	6.2	25.9	20.7	-6.6	4.3

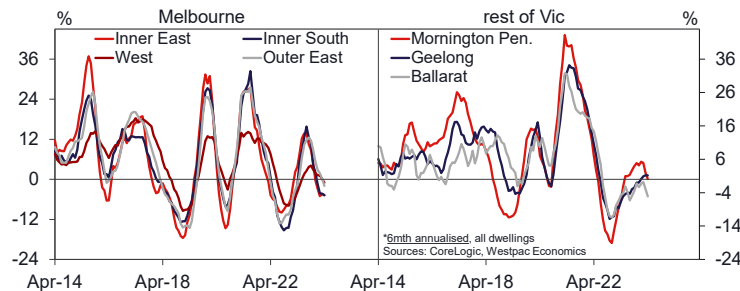
\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>avg last 25yrs (last 10yrs for listings).  
Sources: ABS, CoreLogic, Westpac Economics



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



## 45. Vic: dwelling prices: selected sub-regions



Vic	Melbourne	rest of Vic
<b>Population:</b>	5mn	1.6mn
<b>Net migration*:</b>	+28k pa	+15k pa
<b>Employ (%state):</b>	77%	23%
<b>Dwellings, no.:</b>	2.1mn	0.9mn
<b>Dwellings, value:</b>	\$2.1trn	\$0.5trn

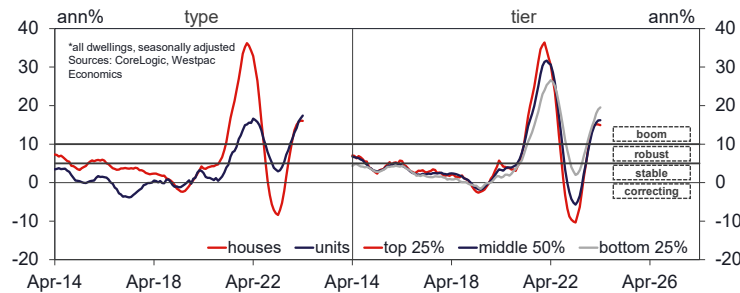
June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Melbourne</b>					
Employment, ann%	2.3	3.6	5.1	3.8	16.0
Unemployment rate, %	6.2	5.2	3.9	4.0	4.0
Houses - prices, ann%	6.8	15.9	3.8	-3.7	3.0
- sales/new listings, ratio	1.02	1.13	0.94	1.02	0.86
- total listings, mths sales	3.5	2.5	3.2	3.7	4.3
Units - prices, ann%	5.0	6.3	1.7	-2.6	2.7
- sales/new listings, ratio	1.12	1.04	0.92	1.01	0.83
- total listings, mths sales	3.6	3.8	4.7	4.3	4.2
<b>rest of Vic</b>					
Employment, ann%	1.9	5.3	-0.2	4.3	3.9
Unemployment rate, %	6.7	3.8	3.3	2.8	3.3
Dwelling prices, ann%	5.8	22.3	16.2	-5.8	-0.5

\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>avg last 25yrs (last 10yrs for listings). Sources: ABS, CoreLogic, Westpac Economics

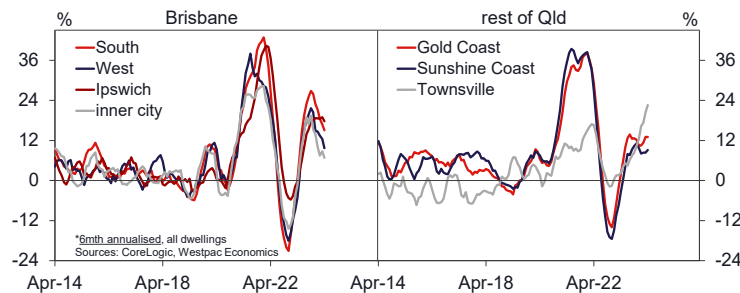
# ADDITIONAL MATERIALS: charts and tables, cont.



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



## 47. Qld dwelling prices: selected sub-regions

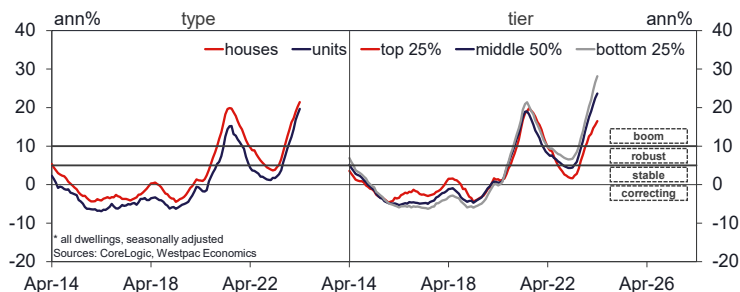


<b>Qld</b>	<b>Brisbane</b>	<b>rest of Qld</b>
<b>Population:</b>	2.6mn	2.7mn
<b>Net migration*:</b>	+43k pa	+38k pa
<b>Employ (%state):</b>	50%	50%
<b>Dwellings, no.:</b>	1mn	1.3mn
<b>Dwellings, value:</b>	\$0.9trn	\$1.0trn

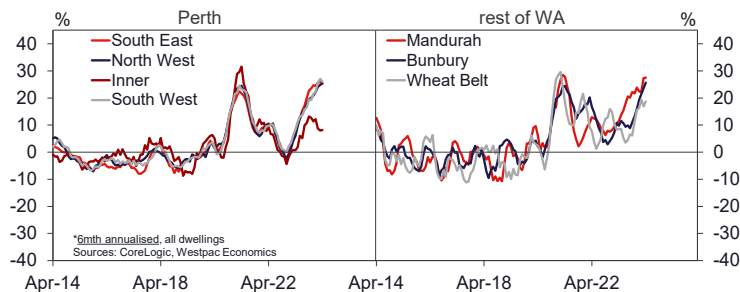
June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Brisbane</b>					
Employment, ann%	2.6	11.1	5.5	3.3	2.7
Unemployment rate, %	6.2	5.8	4.2	3.8	4.2
Houses - prices, ann%	6.8	19.1	26.5	-5.3	16.0
- sales/new listings, ratio	0.91	1.26	1.00	1.36	1.15
- total listings, mths sales	5.1	2.6	3.0	2.8	2.7
Units - prices, ann%	4.6	7.9	15.7	4.1	17.4
- sales/new listings, ratio	1.52	1.49	1.40	1.57	1.69
- total listings, mths sales	3.5	3.0	2.2	2.0	1.6
<b>rest of Qld</b>					
Employment, ann%	2.2	8.9	4.1	2.3	3.9
Unemployment rate, %	6.9	5.0	3.7	3.8	4.0
Dwelling prices, ann%	5.4	19.9	22.6	-1.8	11.2

\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>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



<b>WA</b>	<b>Perth</b>	<b>rest of WA</b>
<b>Population*:</b>	2.2mn	0.6mn
<b>Net migration*:</b>	+19k pa	+3k pa
<b>Employ (%state):</b>	80%	20%
<b>Dwellings, no.:</b>	0.9mn	0.3mn
<b>Dwellings, value:</b>	\$0.7trn	\$0.1trn

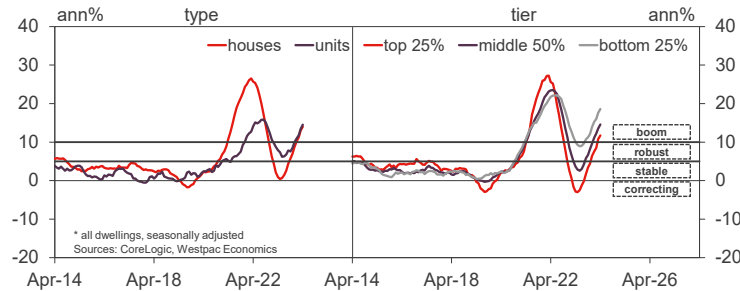
June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Perth</b>					
Employment, ann%	2.7	8.7	5.2	2.4	4.8
Unemployment rate, %	5.8	4.9	3.2	3.7	4.3
Houses - prices, ann%#	6.2	19.9	8.9	5.1	21.4
- sales/new listings, ratio	0.94	1.05	1.08	1.38	1.37
- total listings, mths sales	5.5	3.5	3.2	2.4	2.0
Units - prices, ann%#	4.7	15.2	3.6	2.7	19.7
- sales/new listings, ratio	0.91	0.77	0.81	1.10	1.14
- total listings, mths sales	5.9	5.6	5.4	3.7	2.4
<b>rest of WA</b>					
Employment, ann%	1.3	5.2	5.7	2.3	1.0
Unemployment rate, %	5.2	5.0	3.6	3.5	3.6
Dwelling prices, ann%#	4.7	21.6	11.3	6.8	13.4

\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>avg last 25yrs (last 10yrs for listings).  
Sources: ABS, CoreLogic, Westpac Economics

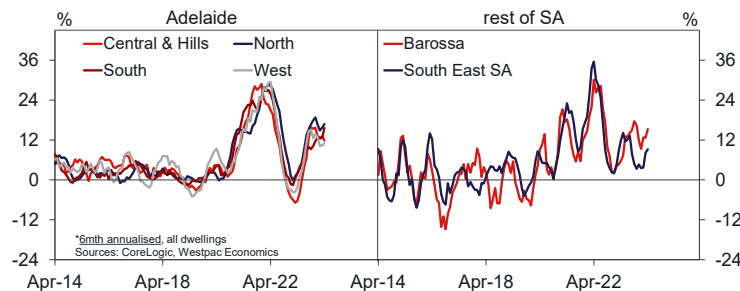
# ADDITIONAL MATERIALS: charts and tables, cont.



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



## 51. SA dwelling prices: selected sub-regions

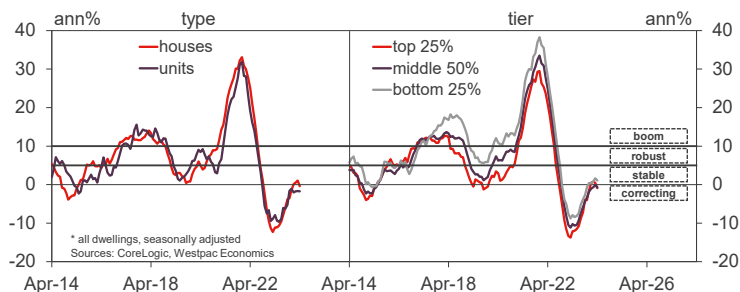


<b>SA</b>	<b>Adelaide</b>	<b>rest of SA</b>
<b>Population:</b>	1.4mn	0.4mn
<b>Net migration*:</b>	+11k pa	+2k pa
<b>Employ (%state):</b>	79%	21%
<b>Dwellings, no.:</b>	0.6mn	0.2mn
<b>Dwellings, value:</b>	\$0.5trn	\$0.1trn

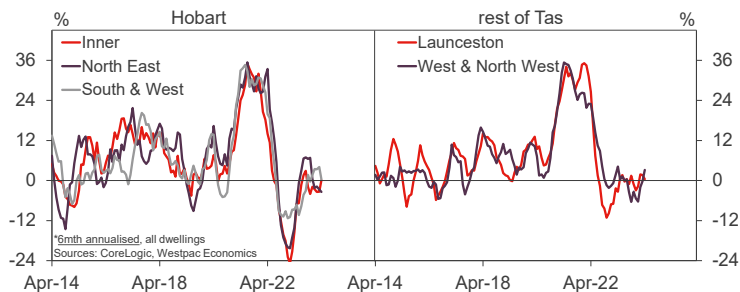
June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Adelaide</b>					
Employment, ann%	1.6	7.4	4.4	3.9	0.1
Unemployment rate, %	7.1	5.5	4.3	4.1	4.1
Houses - prices, ann%	7.3	14.7	24.1	0.6	14.0
- sales/new listings, ratio	1.04	1.32	1.17	1.24	1.62
- total listings, mths sales	3.8	2.3	2.2	2.3	1.5
Units - prices, ann%	6.8	5.9	14.9	6.2	14.5
- sales/new listings, ratio	1.17	1.35	1.43	1.49	1.78
- total listings, mths sales	4.0	3.0	2.2	2.0	1.4
<b>rest of SA</b>					
Employment, ann%	1.0	3.0	-1.8	5.3	2.7
Unemployment rate, %	6.3	5.5	4.7	3.7	3.7
Dwelling prices, ann%	6.6	12.4	20.4	7.4	9.9

\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>avg last 25yrs (last 10yrs for listings).

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



## 53. Tas dwelling prices: selected sub-regions



<b>Tas</b>	<b>Hobart</b>	<b>rest of Tas</b>
<b>Population:</b>	<b>253k</b>	<b>319k</b>
<b>Net migration*:</b>	<b>+1k pa</b>	<b>+2k pa</b>
<b>Employ (%state):</b>	<b>47%</b>	<b>53%</b>
<b>Dwellings, no.:</b>	<b>105k</b>	<b>161k</b>
<b>Dwellings, value:</b>	<b>\$78bn</b>	<b>\$93bn</b>

June years	avg <sup>^</sup>	2021	2022	2023	latest
<b>Hobart</b>					
Employment, ann%	1.8	9.2	0.3	3.8	0.0
Unemployment rate, %	6.9	5.5	4.3	3.9	4.8
Houses - prices, ann%	6.7	24.6	17.2	-10.6	-0.4
- sales/new listings, ratio	0.95	1.18	0.77	0.89	0.92
- total listings, mths sales	5.4	1.7	3.2	5.3	4.9
Units - prices, ann%	6.1	20.6	13.9	-9.7	-1.7
- sales/new listings, ratio	1.23	1.27	0.99	1.24	1.27
- total listings, mths sales	3.9	1.8	2.4	3.2	3.3
<b>rest of Tas</b>					
Employment, ann%	1.2	7.1	3.5	1.6	-2.9
Unemployment rate, %	8.0	5.6	4.3	4.0	4.4
Dwelling prices, ann%	6.4	24.1	20.6	-3.4	0.4

\* estimates as at Jun 2022 and may not sum to more recent state totals, migration includes flows within states; <sup>^</sup>avg last 25yrs (last 10yrs for listings).

# ECONOMIC and FINANCIAL FORECASTS



## Interest rate forecasts

Australia	Latest (31 May)	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.10
90 Day BBSW	4.35	4.37	4.37	4.17	3.92	3.72	3.55	3.30
3 Year Bond	4.18	4.20	4.10	4.00	3.85	3.70	3.60	3.50
3 Year Swap	4.05	4.00	3.90	3.80	3.65	3.50	3.40	3.30
10 Year Bond	4.41	4.35	4.30	4.25	4.20	4.10	4.00	4.00
10 Year Spread to US (bps)	-14	-15	-10	-5	0	0	0	0
US								
Fed Funds	5.375	5.375	5.125	4.875	4.625	4.375	4.125	3.875
US 10 Year Bond	4.55	4.50	4.40	4.30	4.20	4.10	4.00	4.00

## Exchange rate forecasts

	Latest (31 May)	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD/USD	0.6633	0.66	0.66	0.67	0.68	0.69	0.70	0.71
NZD/USD	0.6116	0.60	0.60	0.61	0.62	0.63	0.64	0.65
USD/JPY	156.75	156	155	154	150	146	143	140
EUR/USD	1.0817	1.08	1.09	1.10	1.11	1.12	1.13	1.14
GBP/USD	1.2720	1.26	1.27	1.28	1.29	1.30	1.31	1.31
USD/CNY	7.2411	7.20	7.15	7.10	7.05	7.00	6.90	6.80
AUD/NZD	1.0826	1.10	1.10	1.10	1.10	1.10	1.10	1.10

# ECONOMIC and FINANCIAL FORECASTS



## Australian economic growth forecasts

% change	2023			2024			
	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f
GDP % qtr	0.5	0.3	0.2	0.3	0.3	0.4	0.5
%yr end	2.1	2.1	1.5	1.3	1.1	1.3	1.6
Unemployment rate %	3.6	3.7	3.9	3.9	4.0	4.2	4.3
Wages (WPI)	1.0	1.2	1.0	0.8	0.8	0.8	0.7
annual chg	3.7	4.0	4.2	4.1	3.9	3.5	3.1
CPI Headline	0.8	1.2	0.6	1.0	0.9	0.6	0.8
annual chg	6.0	5.4	4.1	3.6	3.7	3.0	3.2
Trimmed mean	0.9	1.2	0.8	1.0	0.7	0.8	0.8
annual chg	5.8	5.1	4.2	4.0	3.7	3.4	3.5

	Calendar years			
	2022	2023f	2024f	2025f
GDP % qtr	-	-	-	-
%yr end	2.4	1.5	1.6	2.5
Unemployment rate %	3.5	3.9	4.3	4.6
Wages (WPI)	-	-	-	-
annual chg	3.3	4.2	3.1	3.0
CPI Headline	-	-	-	-
annual chg	7.8	4.1	3.2	2.8
Trimmed mean	-	-	-	-
annual chg	6.8	4.2	3.5	2.8

# HOUSING MARKET DATA



## Consumer sentiment – housing-related measures

index*	2022			2023			2024					
	avg	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May	%mth	%yr
<b>'Time to buy a dwelling'</b>												
Australia	116.1	80.5	74.9	65.7	72.0	72.5	74.3	77.8	75.3	76.5	1.6	0.2
- New South Wales	115.8	93.0	73.0	63.7	70.4	77.4	76.2	73.3	70.7	71.9	1.8	-2.4
- Victoria	115.5	71.3	77.1	67.8	69.6	74.9	77.0	84.3	84.0	78.8	-6.2	6.0
- Queensland	128.0	76.2	75.2	59.8	71.8	66.6	79.2	78.3	70.6	82.8	17.3	7.8
- Western Australia	128.8	76.2	80.5	73.5	85.8	62.3	59.6	82.5	80.2	73.3	-8.6	-13.2
- South Australia	127.9	78.8	69.7	69.3	75.5	64.7	70.3	73.3	63.0	73.5	16.8	-5.4
- Tasmania	122.0	82.2	48.3	70.4	78.3	64.6	62.5	78.9	85.7	79.6	-7.2	1.1
<b>House price expectations</b>												
Australia	126.4	100.6	116.3	111.7	146.7	154.6	157.3	161.1	161.2	161.1	-0.1	11.7
- New South Wales	128.0	101.0	117.8	114.7	150.5	158.7	158.2	160.1	165.0	159.8	-3.2	10.1
- Victoria	128.5	108.0	118.6	112.8	140.5	153.9	151.1	157.7	149.4	149.3	0.0	1.5
- Queensland	124.6	89.2	111.7	98.8	140.5	149.8	164.1	168.4	167.2	172.6	3.3	20.7
- Western Australia	117.7	106.2	121.7	110.6	166.3	154.7	161.8	164.4	166.9	168.8	1.1	25.7
- South Australia	128.3	94.1	118.2	129.2	146.9	158.4	161.6	159.4	165.9	170.1	2.5	9.8
- Tasmania	128.3	72.0	84.7	81.7	111.4	118.7	137.5	124.3	138.0	133.5	-3.2	25.7

\*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



# HOUSING MARKET DATA



## Consumer sentiment – other components

index*	2022			2023			2024					
	avg	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May	%mth	%yr
<b>Unemp. expectations</b>												
Australia	129.2	99.6	117.9	122.9	131.3	130.8	128.9	128.1	124.6	129.8	4.1	5.4
- New South Wales	129.6	98.5	120.1	125.8	130.7	131.2	128.4	129.0	118.5	135.5	14.4	12.0
- Victoria	131.2	99.9	120.0	118.6	133.3	138.7	126.0	126.3	124.1	132.7	6.9	3.0
- Queensland	133.2	101.2	118.0	122.4	133.8	124.9	132.4	132.0	132.3	124.4	-5.9	-2.8
- Western Australia	128.1	95.1	112.8	120.6	115.7	121.7	128.2	115.4	129.2	120.3	-6.9	8.4
- South Australia	135.3	105.0	111.7	132.8	129.0	131.9	133.8	129.4	128.9	123.7	-4.0	4.4
- Tasmania	138.3	101.1	105.7	132.1	136.3	139.8	129.7	144.0	126.7	138.9	9.6	8.3
<b>Risk aversion</b>											qtr ch	ann ch
Australia	17.3	50.8	51.9	56.8	58.9	55.9	56.8	55.7	n.a.	n.a.	-1.1	-2.5
- New South Wales	11.7	53.4	51.0	55.0	59.3	55.2	57.5	56.4	n.a.	n.a.	-1.2	-1.5
- Victoria	11.0	52.3	55.6	59.0	55.4	55.3	55.3	55.2	n.a.	n.a.	-0.1	-1.4
- Queensland	12.7	34.3	50.3	57.8	67.2	62.5	54.4	51.7	n.a.	n.a.	-2.7	-12.3
- Western Australia	7.0	55.2	54.5	54.8	58.6	55.1	60.4	69.4	n.a.	n.a.	9.0	12.0
- South Australia	14.4	60.2	56.0	57.8	49.0	55.0	59.5	46.3	n.a.	n.a.	-13.3	-5.7
- Tasmania	15.5	48.9	62.3	33.4	61.5	47.7	43.8	65.6	n.a.	n.a.	21.8	13.4

\*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

	2022					2023				2024		
	avg	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May
<b>Dwelling prices, ann%*</b>												
Australia	6.2	16.4	8.0	-1.1	-6.4	-6.6	-1.5	5.5	9.4	9.8	9.4	9.6
- Sydney	6.0	16.6	4.2	-6.6	-11.4	-9.4	-0.9	7.6	11.0	9.5	8.5	6.9
- Melbourne	6.2	10.0	3.3	-3.3	-7.1	-7.1	-3.2	1.7	3.9	3.4	2.8	1.8
- Brisbane	6.3	30.8	24.8	10.7	-1.9	-6.3	-3.7	5.6	13.5	16.1	16.1	15.8
- Perth#	6.0	9.7	8.4	5.8	4.2	3.3	5.0	10.3	15.8	19.9	21.1	22.0
- Adelaide	6.7	24.5	22.9	17.1	9.3	2.8	1.3	4.9	8.9	13.0	14.0	14.7
- Hobart	6.6	26.7	16.6	4.2	-6.8	-11.8	-10.4	-6.0	-1.4	0.3	-0.4	n.a.
<b>Turnover, %stock^</b>												
Australia	5.6	5.2	4.8	4.5	4.0	4.2	4.4	4.6	4.6	4.6	4.5	n.a.
- New South Wales	5.7	5.0	4.4	4.0	3.7	4.0	4.3	4.4	4.5	4.4	4.1	n.a.
- Victoria	4.7	4.5	4.2	3.7	3.4	3.4	3.6	3.8	3.9	3.8	3.6	n.a.
- Queensland	6.6	6.7	6.1	5.5	5.1	5.2	5.4	5.5	5.5	5.4	5.5	n.a.
- Western Australia	6.3	6.0	5.7	5.5	5.3	5.4	5.5	5.5	6.0	5.9	6.0	n.a.
- South Australia	4.6	4.7	4.6	4.3	3.8	3.5	3.7	3.7	4.3	4.6	4.7	n.a.
- Tasmania	5.6	4.4	4.1	3.6	3.5	3.5	3.6	3.5	3.7	3.5	3.8	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

# HOUSING MARKET DATA



## Residential property listings

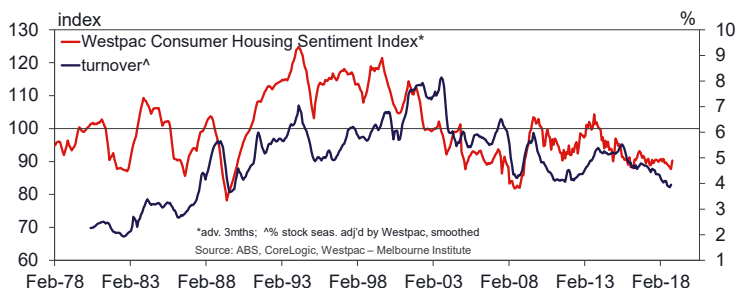
	2022					2023				2024		
	avg	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May
<b>Sales/new listings ratio*</b>												
Australia^	1.15	1.18	1.11	1.15	1.12	1.19	1.35	1.16	1.33	1.28	1.21	1.16
- Sydney	1.28	1.19	1.08	1.19	1.17	1.28	1.40	1.22	1.35	1.28	1.18	1.09
- Melbourne	1.05	0.96	0.94	0.99	0.97	0.93	1.03	0.92	1.12	0.95	0.85	0.80
- Brisbane	1.02	1.22	1.10	1.10	1.12	1.22	1.43	1.29	1.33	1.29	1.29	1.28
- Perth	0.93	1.09	1.00	1.07	1.07	1.13	1.29	1.13	1.36	1.26	1.27	1.29
- Adelaide	1.06	1.39	1.21	1.27	1.18	1.08	1.28	1.11	1.56	1.58	1.60	1.64
- Hobart	1.01	1.12	0.84	0.86	0.89	0.88	0.98	0.89	1.20	0.89	0.98	0.97
<b>Total listings, months of sales*</b>												
Australia^	3.5	2.7	3.0	3.3	3.4	3.2	2.8	2.7	2.5	2.6	2.7	2.8
- Sydney	2.8	2.5	3.2	3.4	3.3	3.0	2.6	2.6	2.5	2.6	2.8	3.0
- Melbourne	3.5	3.4	3.7	4.1	4.3	4.4	3.9	3.8	3.5	3.8	4.2	4.5
- Brisbane	4.6	2.3	2.7	3.3	3.4	3.1	2.7	2.5	2.3	2.3	2.3	2.3
- Perth	5.6	3.5	3.6	3.7	3.6	3.3	2.9	2.7	2.3	2.2	2.2	2.1
- Adelaide	3.8	2.0	2.2	2.3	2.5	2.7	2.3	2.4	1.8	1.6	1.5	1.5
- Hobart	5.0	2.0	2.7	3.9	4.2	4.6	4.8	4.8	4.4	5.0	4.6	4.7

\* figures show 3mth avg, readings for most recent months based on sales estimates modeled on preliminary data and latest weekly listings figures.

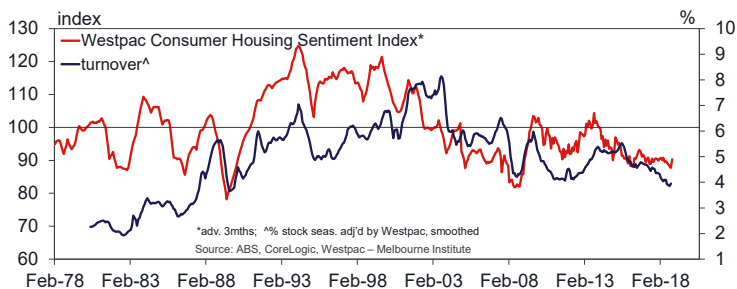
^ avg since 2007.

Sources: CoreLogic, Westpac Economics

## 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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