

HOUSING PULSE AUGUST 2024.

WESTPAC GROUP



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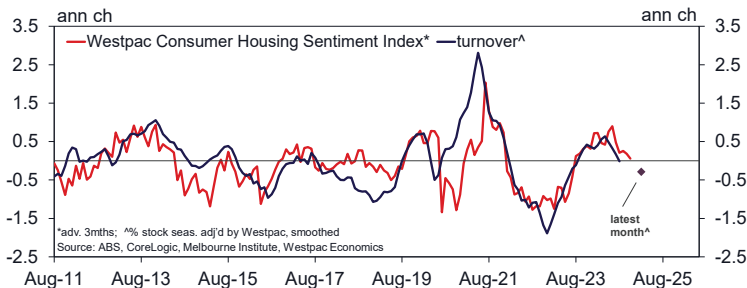
Our latest **Housing Pulse** report again finds conditions largely unchanged over the last three months. Price growth continues to tick over at a steady pace nationally but with turnover softening somewhat.

The biggest theme continues to be around diverging performances across sub-markets. Pace-setters Brisbane, Adelaide and Perth continuing to power ahead with strong price gains and, in the case of Perth, a fully-fledged boom. Conditions remain more subdued in Sydney and on the soft side in Melbourne and across the smaller capital cities and most regional areas. That makes 'potted summaries' like this difficult to compile, with each sub-market having its own idiosyncrasies around supply, demand and pricing. That said, most are still seeing variations on the same themes of tight supply and stretched affordability with buyer sentiment often caught between the two.

While there have been some shifts at the capital city level, the outlook nationally is unchanged. We continue to expect dwelling prices to post a 6% gain this year with growth easing to 4% in 2025 – both down materially on last year's 10% rise. The bulk of that slowing will come through a cooling in the 'boom' markets. Interest rate cuts will provide some cushion although the expected RBA easing cycle is now expected to come through slightly later and be slightly milder than previously assessed. Near term, our **Westpac Consumer Housing Sentiment Index** suggests turnover should hold flat over the second half of 2024.

This report's 'special topics' look at: what credit enquiries can tell us about the housing cycle; some of COVID's other 'ripple effects', on living, family and work arrangements; and what the latest mortgage arrears and insolvencies figures are saying about the risk of financial stress impacting housing markets.

1. Australia: national housing conditions



“The biggest theme continues to be around diverging performances across sub-markets.”

*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 p38 for more details.

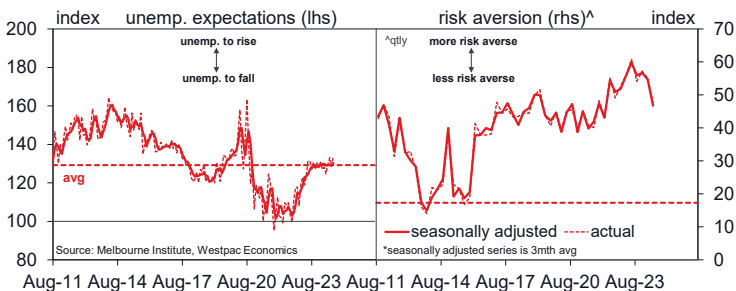
OVERVIEW: upturn continues



2. Consumer sentiment: housing

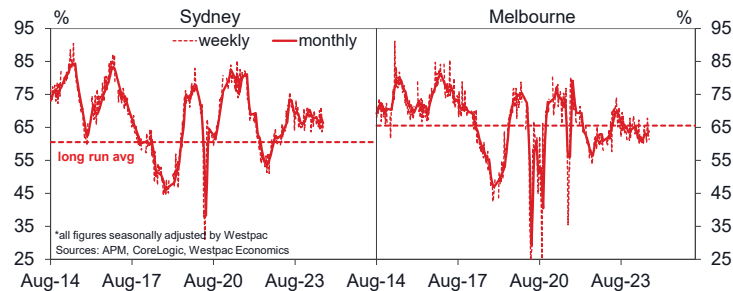


3. Consumer sentiment: jobs & risk aversion

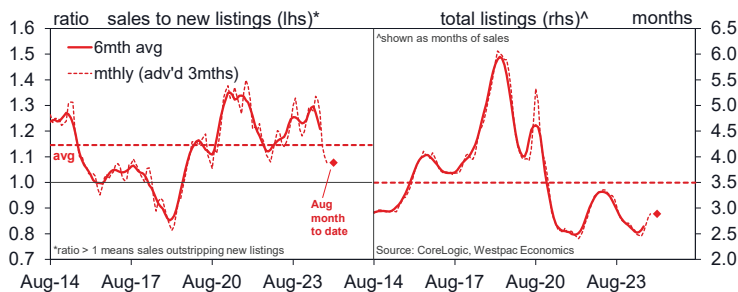


- It has been mostly more of the same for Australia's housing market over the last three months, with the priced upturn that began in early 2023 continuing to track at a more moderate pace and turnover flattening but performances diverging significantly across sub-markets. Brisbane, Adelaide and especially Perth continue to run hot. Conditions remain more subdued in Sydney and Melbourne, the latter in the midst of a slight correction phase. Performances remain patchy across the small capital cities and regional areas as well. Tensions between tight supply and stretched affordability remain evident everywhere but responses appear to be differing - buyers moving 'down the price curve' in Brisbane, Adelaide and Perth, but priced out altogether in Sydney, Melbourne and Hobart.
- Across the major capitals, prices rose 1.7% over the 3mths to Aug on a combined basis, down a touch from the 2% rise over the 3mths to May but a slight improvement on the 1.6% gain over the previous 3mths. Annual price growth has moderated to around 7.5%yr, having peaked at 10.9% in Feb.
- Nationally, turnover has pulled back over the last 3mths, to be about flat on a year ago but still up on 2023 lows. It should be noted that turnover for the most recent months is a modelled estimate that tries to adjust for lags in reporting. Over the last year, these have tended to undershoot final estimates (although over longer histories the average net revision has typically been small).
- Housing-related sentiment is largely unchanged. Price expectations remain near historical highs and buyer sentiment near historical lows. Unemployment expectations have nudged up slightly but remain around long run averages. Risk aversion has shown a bigger shift, declining from the extreme highs seen in mid-2023 but still elevated.

4. Auction clearance rates



5. Residential property listings

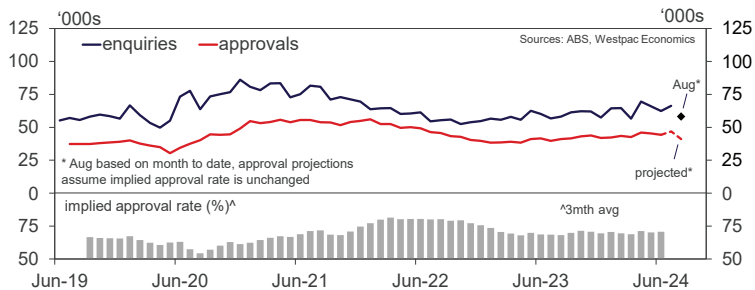


- Auction markets have also been relatively unchanged over the last 3mths. Clearance rates remain comfortably above avg in Sydney but are somewhat below avg in Melbourne (consistent with recent price performances in both markets).
- 'On-market' supply remains tight overall but is showing some tentative signs of starting to loosen a little. New listings lifted over the 3mths to Aug, in contrast to slowing sales. As a result, total listings on market have lifted in terms of months of sales. Conditions and trends continue to vary significantly across cities and sub-markets.
- Nationally, the **Westpac Melbourne Institute 'time to buy a dwelling' index** fell 6.7% over the 3mths to Aug, the drop to 71.4 taking it back towards cycle lows.
- The **Westpac-MI Consumer House Price Expectations Index** declined 2.1% over the 3mths to Aug but at 157.8 remains near historic highs, an outright majority of consumers still expecting prices to continue rising over the next 12mths.
- The **Westpac Melbourne Institute Unemployment Expectations Index** deteriorated over the 3mths to Aug, rising 2.9% to 133.5 (recall that higher readings mean more consumers expect unemployment to rise in the year ahead). The move takes the index to its highest level since the pandemic, albeit still only marginally above its long run avg of 129.2.
- The **Westpac Consumer Risk Aversion Index** dropped 8.9pts to 46.4 in Jun, moving off the extreme highs in the 55-57 range over the previous three quarters. Risk aversion remains elevated though with 26% of consumers still favouring 'pay down debt' as the 'wisest place for savings' and 10% favouring 'real estate' - the latter still well below the long run average of 24%.

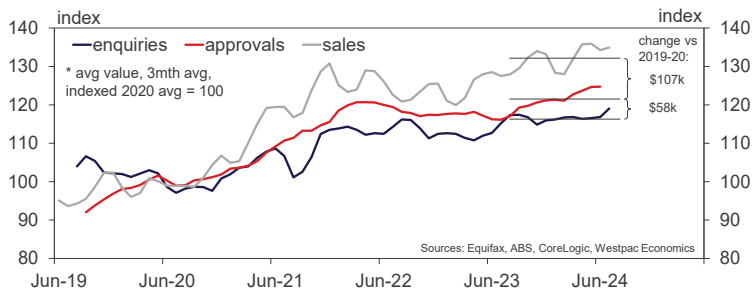
SPECIAL TOPIC: credit enquiries



6. Credit enquiries vs housing finance approvals

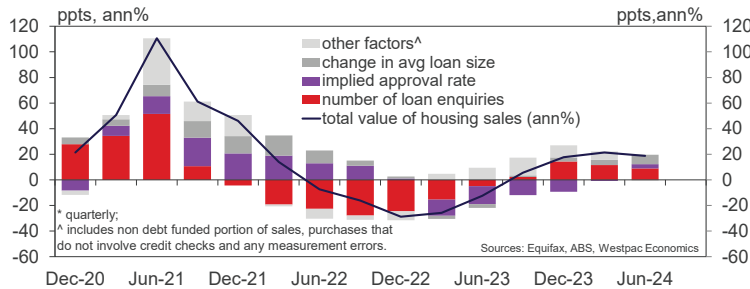


7. Credit enquiries, finance approvals, sales: avg value



- Credit enquiries associated with new home loan applications are a useful near-term indicator for housing finance approvals and offer some additional insights into the drivers behind shifts in housing market activity. This topic explores this data source and what it can tell us about current conditions.
- The data is compiled by Equifax, available weekly back to 2019 with the latest figures covering the week ending Aug 17. The data covers enquiries from all home lenders with both the number and dollar value of loan applications reported. Note that the information mostly relates to the prospective borrower rather than the loan so breakdowns by owner occupier and investor are not available and location relates to the prospective borrower rather than the property (something we will come back to).
- Chart 6 shows monthly credit enquiries nationally alongside the ABS figures on the total number of housing finance approvals. Both series cover owner occupiers and investors, exclude refinance and are seasonally adjusted. While the measures track reasonably closely, enquiries are a little lumpier month to month, the gap to approvals also narrowing and widening at times, as captured by the 'implied approval rate' in the bottom panel. This will reflect a range of behaviours both by borrowers and lenders. The drop in approval rates at the start of COVID for example likely reflects prospective borrowers delaying plans when the pandemic first hit. Other shifts likely reflect a mix of changing credit conditions and changing market conditions making it easier or harder for applicants to secure a loan. Note that there will also be some lag between loan applications and approvals due to both administrative processes and the time taken to secure a property. These lags are likely to shift around and may be shortening slightly over time.

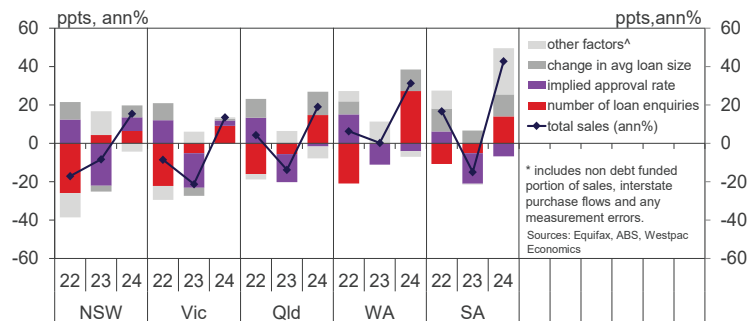
8. Total value of sales: contribution to growth



- Chart 7 shows how shifts in the average value of loan applications compares to the average value of loans approved and the average value of properties sold (all in index terms). In dollar terms, the average application over the last year has been just over \$570k, the average loan \$630k, and the average sale price \$930k. Compared to 2019-20, the wedge between average loan and average application value has widened by just over \$58k with the wedge between average loan and average sales value widening by a further \$107k.

- The enquiries data allows us to make a stylised decomposition of changes in the total value of house sales, splitting growth out by changes in: the number of enquiries; the implied approval rate; and average loan size; with a residual term that captures the combined effect of shifts in the non-debt funded portion of sales (i.e. cash purchases and changes in average LVR) and any measurement errors along the way.

9. Total value of sales: contributions to growth by state



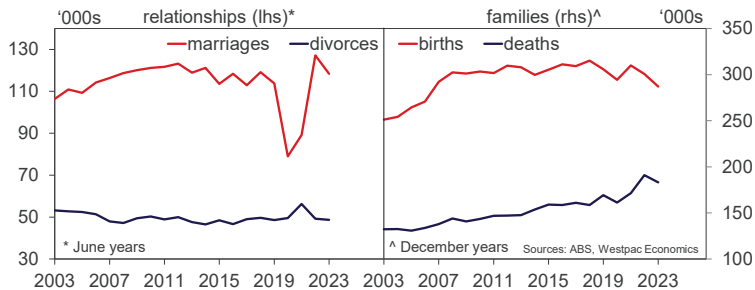
- Chart 8 shows how this looks nationally over the last three years, chart 9 giving annual breakdowns by state (noting that for state measures this will also be affected by fluctuations in net interstate buying as finance approvals are based on property location rather than borrower location).

- What does it all show? The main take-out nationally is that 'other factors' were particularly important drivers of the upturn initially with enquiries lifting more slowly. Approval rates were a headwind initially but have become more supportive, rising average loan size now a more prominent driver as well. Geographically, the relative strength in the 'boom' states now centres on rising enquiries and average loan sizes with declining approval rates more of a drag. The detail gives tentative evidence that shifts in net interstate buying have accentuated some of the gaps as well, boosting activity in WA and Qld relative to NSW and Vic.

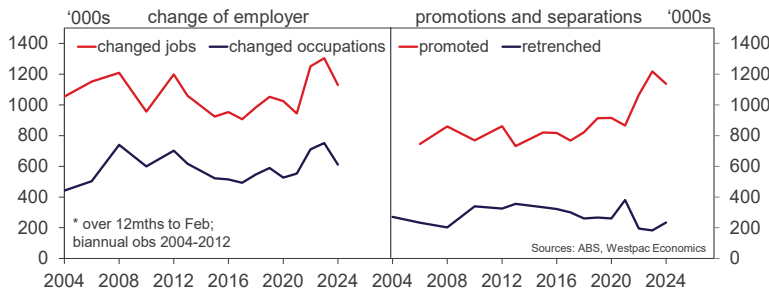
SPECIAL TOPIC: COVID's other 'ripple effects'



10. COVID disruptions: relationships and families

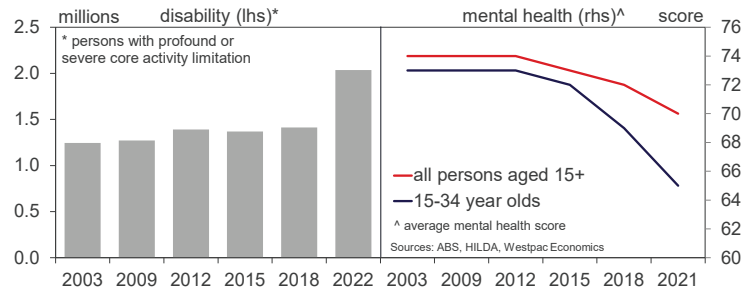


11. COVID disruptions: jobs

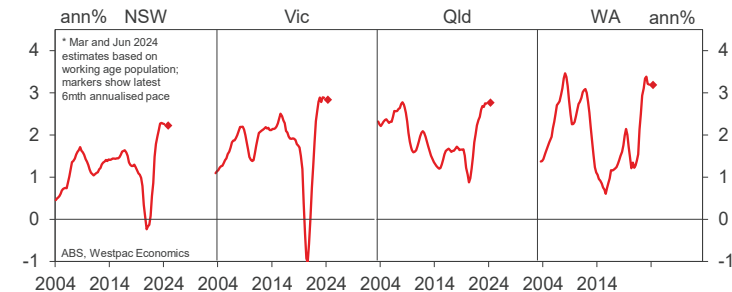


- The main focus of most housing-related discourse about COVID effects has been on the big, and most visible drivers: the sharp swings in international migration; the switch to flexible working-from-home arrangements; and, to a lesser extent, the internal migration flows seen between major capitals and regional areas. Here we investigate some of the other, less obvious, 'ripple effects' from the pandemic and how they may also be influencing Australia's housing markets.
- The COVID period was very disruptive for relationships. Marriage activity was particularly impacted. Lockdowns often precluded large social events in many areas with border closures also affecting the ability of friends and family to attend. The number of marriages dropped 30% in 2019-20, to the lowest level since 1961. On a combined basis, 2020 and 2021 saw about a 60k fewer marriages compared to 2019. That was followed by a 'mini catch-up' with marriages running about 20k above par over 2022 and 2023. Of course, marriage is no longer the social precursor to house purchases that it once was. Informal, 'de facto' relationships also likely to have been less affected. But, at the margin, these disruptions have likely delayed plans amongst the current cohort of prospective first home buyers.
- Formal marriage dissolutions were also impacted but in a very different way. The number of divorces jumped 13.6% in 2020-21, the stress of COVID clearly acting as a catalyst. While the overall figures are relatively small (a rise of 6.7k), in this case the pattern of formal changes are likely to be fairly similar to the dissolution of informal, de facto relationships. For housing, the associated division of what was a single household has likely contributed, at the margin, to shifts in household formation and demand for both rental accommodation and house purchases (both of which may be less affected by affordability considerations).

12. Health and wellbeing: selected measures



13. Population growth by state

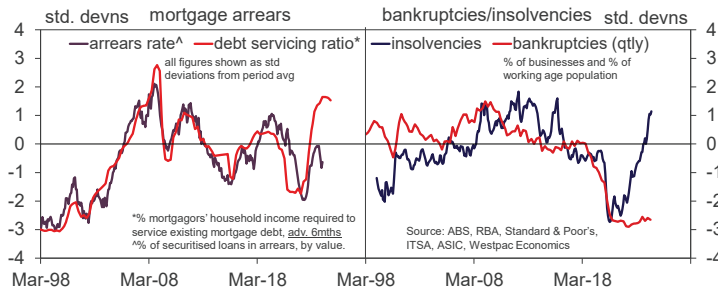


- Working the other way, housing-related demand may have been boosted by a mini baby boom during COVID. Births jumped 15.6k nationally in 2020-21, temporarily reversing a significant decline in the fertility rate over the preceding decade (a decline that looks to have resumed in 2023).
- At the other end of the life cycle, and on a sadder note, the pandemic also contributed directly and indirectly to a noticeable lift in deaths which peaked in 2022 and remained relatively elevated in 2023. That in turn may be seeing slightly more activity relating to deceased estates and the intergenerational transfer of assets.
- COVID also triggered some rethinks on work arrangements, accentuated by intense labour shortages coming out of the pandemic. The two years to Feb 2023 saw a big lift in workers changing jobs, 60% of these also involving a change of occupation. That likely reflects some of the intense stresses on particular roles in sectors like health, social assistance and education. The same period also saw a big rise in the number of promotions and a historically low level of retrenchments. These shifts are likely to have had varied and small influences on housing-related decisions.
- That's likely to be the case with some of the other 'ripple effects' of the pandemic as well. Of particular note is a sharp rise in the number of people with disabilities requiring support, and a deterioration in measures of mental health. The associated needs for both formal and informal care will be another consideration for many when looking at work and living arrangements.
- Overall the biggest ripple effects are likely to keep coming from international migration flows. The latest data on this front suggests population growth has peaked but remains elevated in mid-2024, an expected slowing yet to appear.

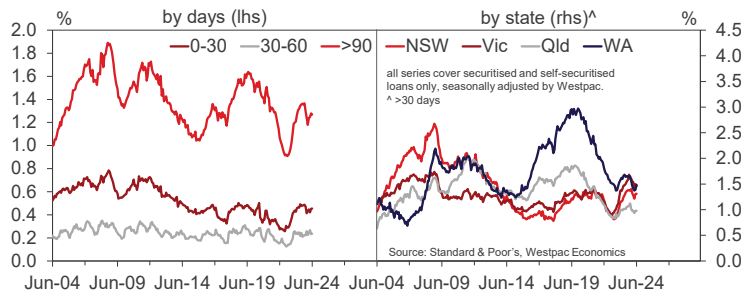
SPECIAL TOPIC: prudential policy update



14. Financial stress: selected indicators

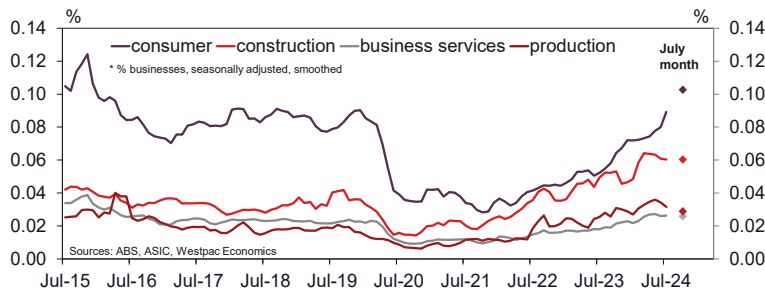


15. Mortgage arrears by days and state



- Prudential policy remains firmly sidelined. It has now been nearly three years since there were any changes to prudential regulation, the last move being an increase in the rate buffer applied in serviceability assessments put through in late 2021. The latest missive from the [Council of Financial Regulators](#) makes no mention of potential changes at all. Regulators are in monitoring mode as the interest rate tightening cycle plays out and focused on other issues. Accordingly we have shelved our usual 'prudential policy update' content for the time being, focusing instead on: how the credit cycle is playing out in the housing space; and Westpac's view on prices. Future updates will also look at developments in other, more active housing-related policy, particularly around new dwelling construction and rental markets.
- So firstly, the credit cycle. The situation here remains relatively benign. The end of COVID-era special treatments and the sharp rise in mortgage rates – the 'fixed rate cliff' included – saw mortgage arrears climb in 2022 and 2023. However, arrears have retraced a little lower over the first half of 2024 and, overall, remain much lower than might be expected given current high debt servicing costs.
- This almost certainly reflects the absence of a material weakening in labour markets. Mortgage distress tends to arise from some combination of high debt servicing costs and some other factor – typically job loss, relationship breakdown, serious health issues or some combination of the three. When labour markets are weakening – as they often are around or just after the top of an interest rate tightening cycle, the incidence of job loss is higher. It also makes it harder for those losing jobs to find new employment. Notably, the 'cure' rate amongst Westpac customers entering hardship is currently about 70% – i.e. seven out of ten borrowers that go into hardship get back on track after their hardship period ends.

16. Company insolvencies: by broad sector



17. Dwelling price forecasts

	avg*	2021	2022	2023	2024f	2025f	comments
Sydney	7.0	26.9	-11.4	11.5	5	4	Price gains flatten out, constrained by very poor affordability.
Melbourne	5.4	16.1	-7.1	4.1	0	3	Investor sell-down weighing near term. Supply-demand more balanced.
Brisbane	5.6	31.5	-1.9	13.6	12	3	Robust gains continuing amid very tight market but prices becoming stretched.
Perth	1.9	13.9	4.2	16.5	20	4	Extreme price surge has cleaned out any pre-COVID affordability advantage.
Adelaide	5.5	22.3	9.3	9.2	12	3	Proving resilient but median price passing Melbourne now looks very stretched.
Hobart	6.7	32.6	-6.8	-1.9	0	2	Still shaky. No uplift from migration and still dealing with extreme affordability issues.
Australia	5.8	23.0	-6.6	10.2	6	4	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.

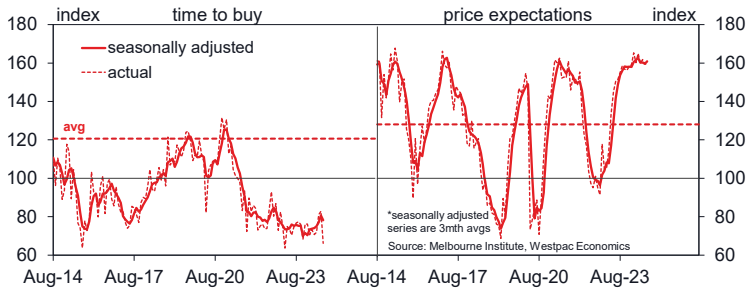
Source: CoreLogic, Westpac Economics

- Chart 15 shows arrears by months overdue and state. The proportion of loans less than 30 days and 30-60 days overdue has stabilised at around pre-COVID levels, suggesting the decline in 90+ days overdue in recent months has been due to struggling borrowers getting out of arrears. Interestingly, the state detail shows a particularly significant improvement in WA, which had seen persistently higher arrears over the preceding decade. The resurgence in the state's housing market and strong local economy may have given some struggling borrowers a welcome opportunity to resolve long-standing repayment issues.
- These positives are somewhat offset by a deterioration in business insolvencies which are now near the previous peaks seen a decade ago. Failures remain high across the construction sector and have risen sharply in consumer sectors - insolvencies in accommodation & food services hitting an all-time high in July. It should be noted that while insolvencies affect a very small proportion of businesses (<0.1%) there is likely a wider number of businesses moving through more orderly exits. Latest ABS figures show over one in six businesses in the consumer sector exited in 2023-24, about 15% above the average over the last decade.
- Around the price outlook, we have made some minor tweaks to our price forecasts at the capital city level but with the national view unchanged. That reflects stronger than expected price performances for the medium sized capital city markets offset by a less conducive interest rate outlook - Westpac now expects the RBA to leave the cash rate unchanged in 2024 with the easing cycle beginning in early 2025 and running to a slightly higher end-point (see [here](#) for more details). Nationally, price growth is still seen moderating to 6% in 2024 and 4% in 2025. The extraordinary gains in Perth mean its price boom is likely to slow more abruptly.

NEW SOUTH WALES: stuck in a bind



18. NSW consumer: housing-related sentiment



- The slowdown in NSW is looking more like a moderation with price growth stabilising at a slow pace rather than weakening further over the last few months. Turnover is again showing signs turning down although earlier weakness has since been revised away. High prices are seeing buyers squeezed out and the supply-demand balance does appear to be shifting. Housing-related consumer sentiment has softened slightly, and may turn down more quickly if price expectations falter. But so far that does not look to be the case. Notably auction market clearance rates are still holding comfortably above long run averages.

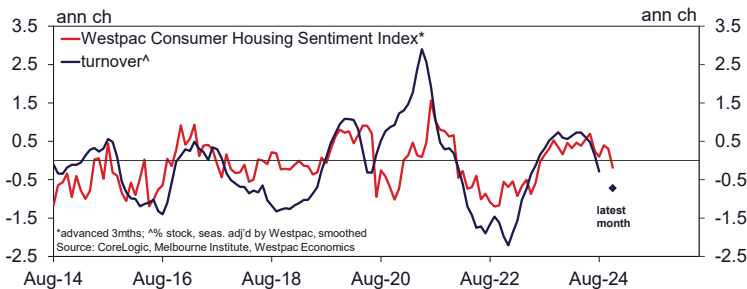
- Quarterly turnover fell sharply, by 13.8% over the 4mths to Aug, to be about flat on a year ago. Initial estimates have tended to be revised up significantly over the last year suggesting the drop-off is being exaggerated. However, new listings have been rising, with on-market supply moving slightly above long run averages.

- Physical shortages are also easing slightly, Sydney's rental vacancy rate ticking up to 1.7% from 1.5% 3mths ago but still very low in the scheme of things.

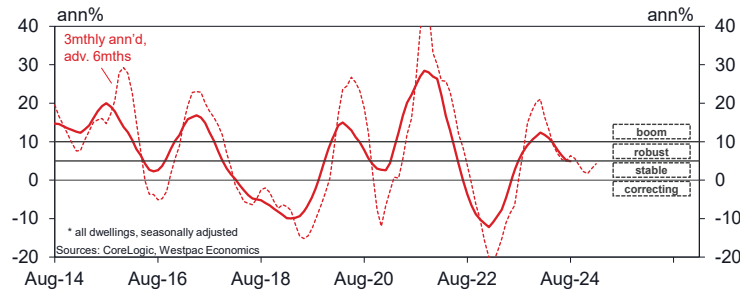
- Dwelling prices continue to see small gains, tracking a 3-4% annual pace. The detail shows slightly firmer gains for houses and middle and lower priced tiers. The sub-regional detail shows slight price declines across Sydney's eastern suburbs but more resilient conditions for the city and inner south west. Regionally, prices are about steady but dipping slightly in Coffs Harbour.

- 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).

19. NSW housing composite vs turnover

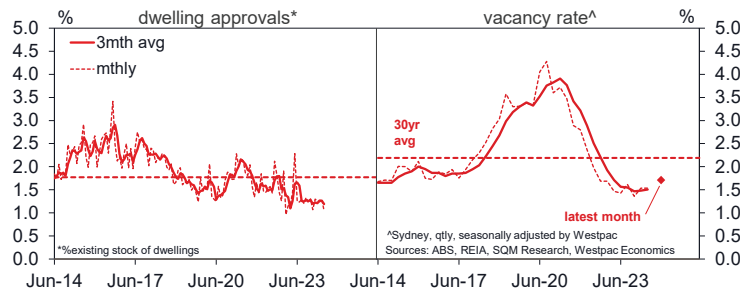


20. Sydney dwelling prices



Population: 8.5mn
Net migration: +156k pa
GSP: \$733bn (30% Aus)
Dwellings: 3.5mn, \$4.2trn
Capital: Sydney

21. NSW: dwelling approvals, vacancy rate



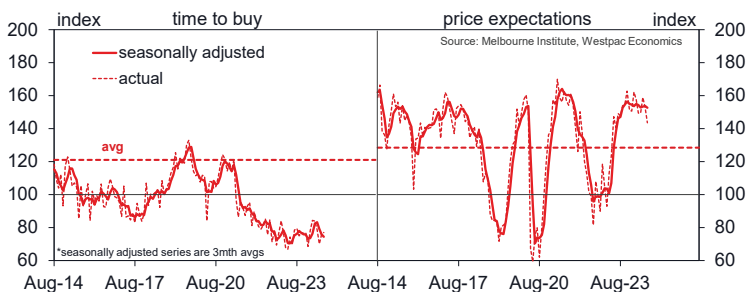
June years	avg*	2021	2022	2023	latest
GSP, ann%	2.3	2.3	2.6	3.7	n.a.
State final demand, ann%	2.9	4.4	3.8	4.8	2.2
Employment, ann%	1.7	6.0	2.7	3.9	2.4
Unemployment rate, %#	5.9	5.3	3.7	3.2	3.9
Population, ann%	1.1	-0.2	0.9	2.2	2.3
Dwelling prices, ann%	6.0	20.1	4.1	-1.0	4.9
Rental yield, %#	4.7	3.1	3.4	4.5	4.5
Sales/new listings, ratio#	1.28	1.38	1.06	1.36	1.02
Total listings, mths sales#	2.8	2.0	3.2	2.7	3.1

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

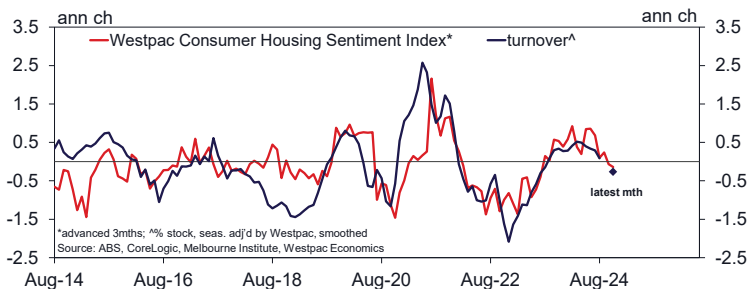
VICTORIA: mild correction deepens slightly



22. Vic consumer: housing-related sentiment

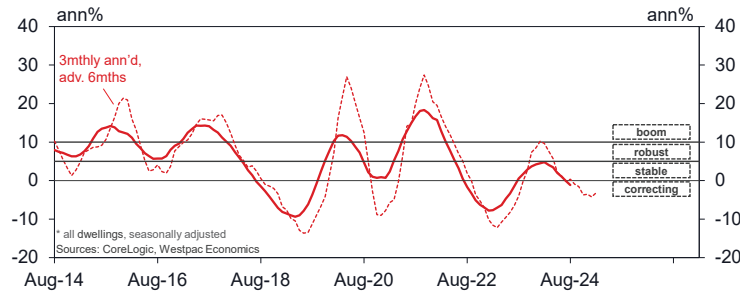


23. Vic housing composite vs turnover

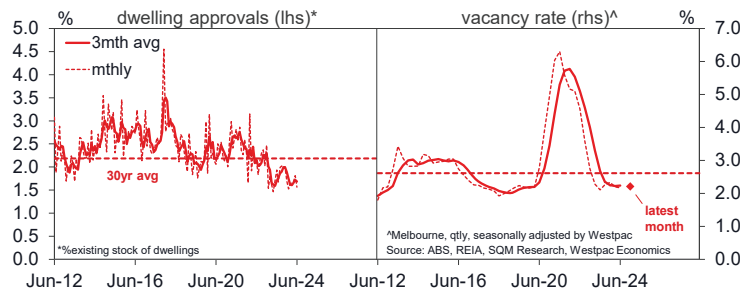


- The Vic housing market continues to be the weakest of the major states, its mild correction deepening slightly over the last 3mths. Overall, prices are still expected to stabilise but are now forecast to be flat for the full 2024 year.
- On-market supply remains a key point of difference. State government tax changes triggering a surge in investor selling in the second half of 2023 that has yet to be absorbed. New listings surged 25%qtr following the tax changes in mid-2023, retracing 11%qtr over the following quarter. That absorption may be hampered by another surge in 2024, new listings over the last 3mths up by more than a third compared to mid-2023. At their current pace, new listings are running 20% ahead of sales. The stock of unsold properties is now around 35k, around 4½ months of sales at their current pace, about month more than avg.
- Against this, the physical supply-demand balance looks to be tightening with population growth running at close to 3%yr, rental vacancy rates already at below avg levels and new building dropping to historic lows.
- Melbourne dwelling prices declined a further 1.2% over the 3mths to be Aug to be down 1%yr. The detail shows outright price weakness centres on 'top tier' segments, particularly in the city's inner ring suburbs (but interestingly, not the inner city). Regional areas are recording even bigger price declines, prices falling at their 2022 pace in the case of Ballarat.
- The **Vic Consumer Housing Sentiment index** suggests turnover will continue to see a mild softening near term that suggests Melbourne will remain largely a 'buyers market' through the rest of 2024. Indeed, the risk is that the overhang of on-market supply may take longer to absorb and that conditions may not stabilise until the next interest rate easing cycle is well underway.

24. Melbourne dwelling prices



25. Vic: dwelling approvals, vacancy rate



Population: 7.0mn
Net migration: +169k pa
GSP: \$535bn (22% Aus)
Dwellings: 2.9mn, \$2.7trn
Capital: Melbourne

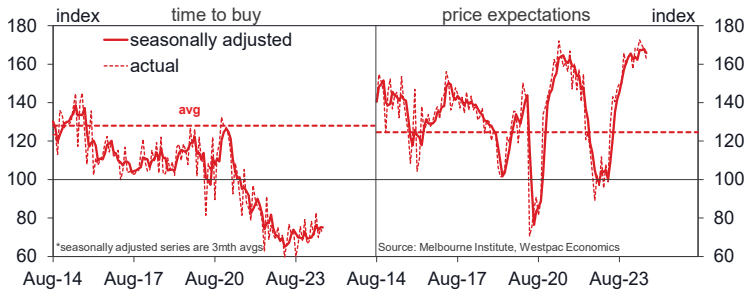
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.0	-0.2	6.3	2.6	n.a.
State final demand, ann%	3.6	0.9	7.2	4.3	2.3
Employment, ann%	2.2	4.0	3.9	4.0	3.1
Unemployment rate, %#	6.3	4.9	3.8	3.8	4.5
Population, ann%	1.5	-1.0	1.3	2.8	2.9
Dwelling prices, ann%	6.0	12.8	3.2	-3.4	-1.1
Rental yield, %#	4.8	3.2	3.6	4.8	5.0
Sales/new listings, ratio#	1.04	1.09	0.93	1.01	0.79
Total listings, mths sales#	3.5	3.0	3.8	4.0	4.5

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

QUEENSLAND: boom running out of puff?



26. Qld consumers: housing-related sentiment



27. Qld housing composite vs turnover



- Qld's housing upturn is continuing to run strongly but some shifts suggest underlying momentum may be starting to fatigue. Price growth is still holding comfortably above round 10%yr. But turnover has slipped a little with signs that stretched affordability is starting to bite a little harder. Housing-related consumer sentiment also suggests momentum is fading a bit, albeit still positive. Extremely low levels of supply – both 'on-market' and physical – will remain an important support as well.

- Brisbane prices rose a further 2.9% over the 3mths to Aug, down slightly from the 4.1% gain over the 3mths to May but in line with the previous 3mths.

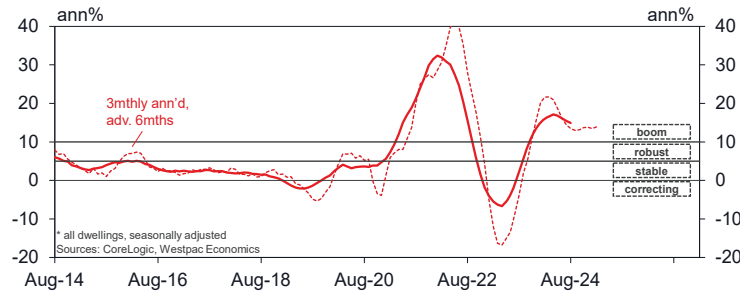
- The detail shows diverging trends: price growth accelerating for units but slowing for houses; and accelerating for dwellings in the 'bottom tier' but slowing for those in 'top tier' segments. The pattern is a clear sign that constrained supply and deteriorating affordability is driving buyers down the value curve.

- Across sub-regions, Brisbane's southern suburbs have seen the most pronounced cooling, with price growth steady in Ipswich and lifting in the city's north and inner areas. Regionally, the Gold Coast continues to outperform. All up there looks to be some nuance to the geographic patterns.

- Sales continue to run 14% ahead of new listings with 'on-market' inventory holding around 2½ months of sales, well below the long run avg of around 4½ months. Similarly, Brisbane's rental vacancy rate is still just 1%.

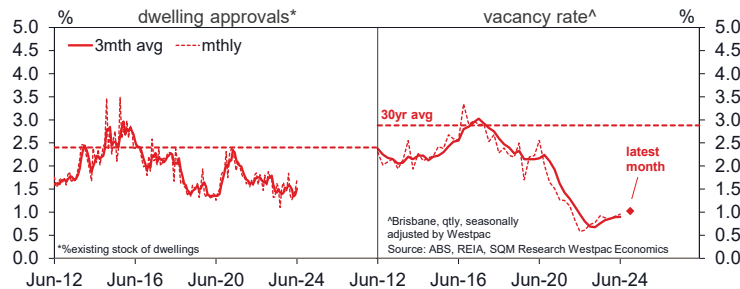
- The **Qld Consumer Housing Sentiment index** suggests there is still some decent positive momentum to demand, albeit down compared to earlier in the year.

28. Brisbane dwelling prices



Population: 5.6mn
Net migration: +128k pa
GSP: \$465bn (19% Aus)
Dwellings: 2.2mn, \$1.9trn
Capital: Brisbane

29. Qld: dwelling approvals, vacancy rate



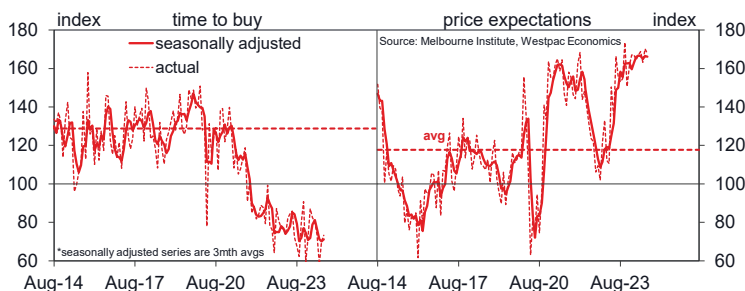
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.6	2.8	5.5	2.3	n.a.
State final demand, ann%	3.7	5.0	5.0	3.3	2.9
Employment, ann%	2.4	10.0	4.8	2.8	3.8
Unemployment rate, %	6.6	5.5	4.0	3.8	4.1
Population, ann%	1.9	1.0	2.0	2.6	2.7
Dwelling prices, ann%	6.5	17.1	24.7	-3.8	14.9
Rental yield, %	5.1	5.1	4.9	5.8	5.8
Sales/new listings, ratio	1.02	1.30	1.09	1.41	1.14
Total listings, mths sales	4.6	2.8	2.7	2.7	2.6

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

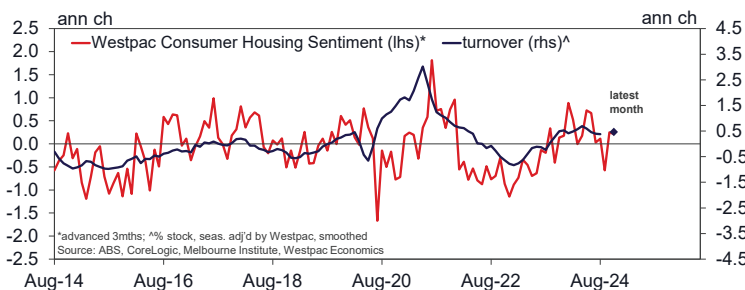
WESTERN AUSTRALIA: soaring prices yet to slow



30. WA consumers: housing-related sentiment

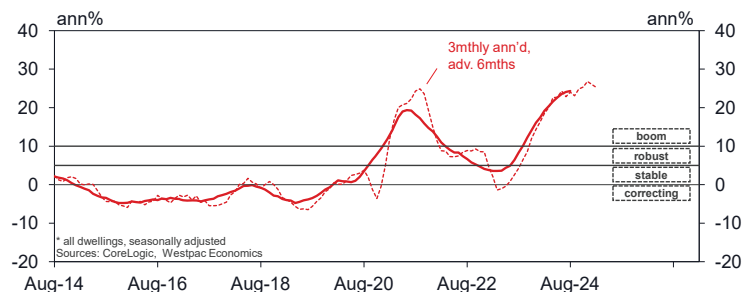


31. WA housing composite vs turnover



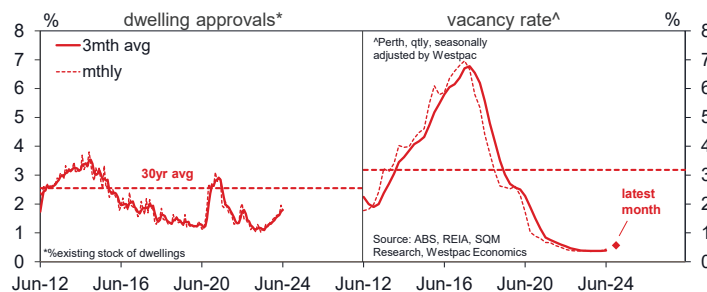
- WA's housing market remains extraordinarily strong. Price growth is tracking well above 20%yr and turnover is continuing to rise despite an increasingly stretched affordability situation. While there are still no real signs of an imminent slowing, this rollicking pace is clearly not sustainable. Perth prices were coming into the latest upturn after nearly a decade of no change but any affordability advantage coming into the cycle now looks to have been largely exhausted.
- Turnover remains elevated, running at around 6% of the dwelling stock annually, a good 1½pts above the average over the last ten years. New listings have risen as well but are still trailing by about 20%. The stock of listed properties remains extremely low at barely over two months of sales, compared to a long run avg of around 5½ months.
- Perth prices have continued to rise at just under 2%mt, to be up 24%yr and an incredible 35% over the last 2yrs. The detail shows similar gains across houses and units but 'bottom tier' and 'middle tier' segments outpacing 'top tier' segments by 12pts and 7pts respectively. By sub-region, Perth's inner areas, which lagged through most of the upturn have seen price growth accelerate sharply. Outside of the capital, Mandurah and Bunbury have also seen very strong price gains.
- Physical supply remains extremely tight, Perth's rental vacancy rate is still barely 0.5%. New dwelling approvals are starting to track higher but it will be some time yet before new supply comes on.
- Housing-related sentiment has been choppy over the last year but is still a slight positive overall. The **WA Consumer Housing Sentiment index** points to turnover moving a little higher in coming months.

32. Perth dwelling prices



Population: 3.0mn
Net migration: +77k pa
GSP: \$419bn (17% Aus)
Dwellings: 1.2mn, \$0.9trn
Capital: Perth

33. WA: dwelling approvals, vacancy rate



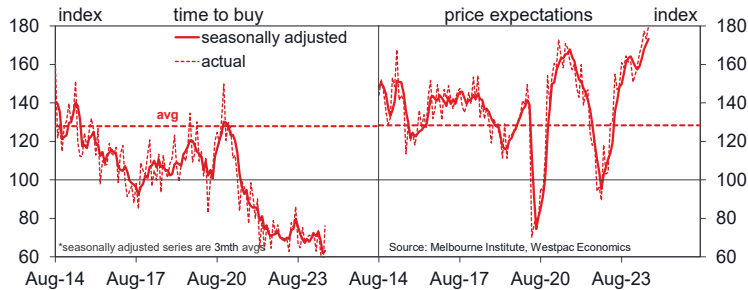
June years	avg*	2021	2022	2023	latest
GSP, ann%	4.0	3.3	2.9	3.5	n.a.
State final demand, ann%	3.4	6.1	5.8	4.4	5.5
Employment, ann%	2.3	7.9	5.3	2.5	4.8
Unemployment rate, %	5.6	4.9	3.2	3.6	3.7
Population, ann%	1.8	1.3	1.5	3.3	3.2
Dwelling prices, ann%#	6.2	19.4	8.4	4.9	24.3
Rental yield, %	4.8	5.3	5.5	6.6	6.8
Sales/new listings, ratio#	0.93	0.97	0.99	1.29	1.18
Total listings, mths sales#	5.6	4.0	3.6	2.9	2.1

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

SOUTH AUSTRALIA: surge gets a second wind



34. SA consumers: housing-related sentiment

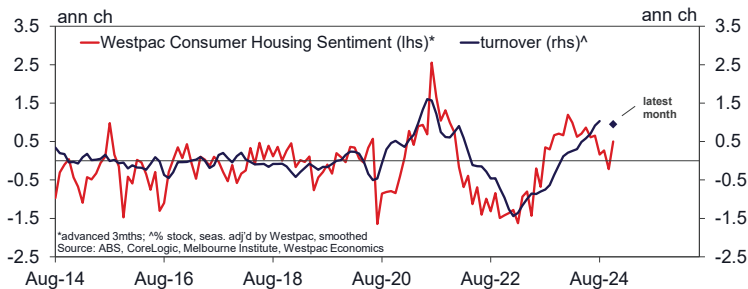


- Activity has sustained at a robust pace across SA's housing market, with price growth still running at over 10%/yr and turnover lifting notably. On-market and physical supply remain extremely tight. However, prices are becoming very stretched both compared to history and other cities. With population growth also tracking a more subdued pace in the state, the latest 'second wind' may be harder to sustain.

- Turnover has continued to surge over the last 3mths, in contrast to the material softening seen in the other major states. Sales are up nearly 30%/yr.

- Adelaide dwelling prices rose 4% over the 3mths to Aug, annual growth holding at just under 15%/yr. Note that prices barely dipped during both COVID and the interest rate tightening in 2022 that preceded the latest surge. Remarkably, Adelaide's median dwelling price is now \$790k, slightly higher than Melbourne's median of \$776k.

35. SA housing composite vs turnover

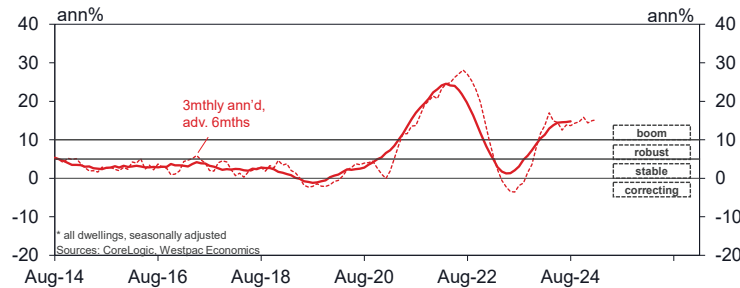


- The detail shows price growth accelerating across 'bottom tier' properties and to a lesser extent 'middle tier' properties with price gains levelling out for the 'top tier' segment. Adelaide's north and west have led the latest acceleration. Regional areas have seen price growth sustain above 10%/yr.

- The supply side remains extremely tight, on-market listings down to just under 1½ months of sales and rental vacancy rates still below 1% (albeit lifting slightly over the last six months). SA's population growth is tracking around 1.5%/yr, about a percentage point below the pace nationally and well behind the 3% pace in the fastest growing states.

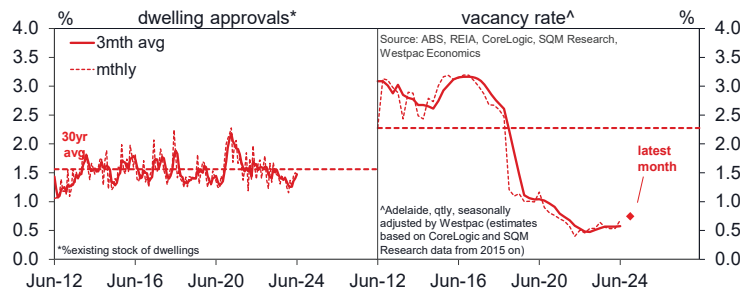
- While price expectations have lifted, buyer sentiment suggests momentum has faded a little. The **SA Consumer Housing Sentiment index** points slower turnover growth near term, although that would still have it at high levels.

36. Adelaide dwelling prices



Population: 1.9mn
Net migration: 24k pa
GSP: \$134bn (6% Aus)
Dwellings: 0.8mn, \$0.6trn
Capital: Adelaide

37. SA: dwelling approvals, vacancy rate



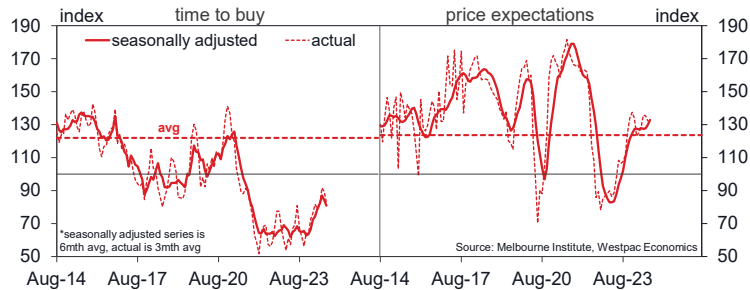
June years	avg*	2021	2022	2023	latest
GSP, ann%	2.4	4.9	5.6	3.8	n.a.
State final demand, ann%	2.8	5.1	6.1	3.1	1.9
Employment, ann%	1.6	6.4	3.0	4.2	-0.5
Unemployment rate, %#	6.9	5.7	4.5	4.2	4.1
Population, ann%	0.8	0.7	1.0	1.7	1.5
Dwelling prices, ann%	6.8	13.5	22.9	1.3	14.8
Rental yield, %#	5.3	5.9	5.7	5.3	4.8
Sales/new listings, ratio#	1.08	1.34	1.32	1.39	1.59
Total listings, mths sales#	3.8	2.5	2.1	2.2	1.4

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

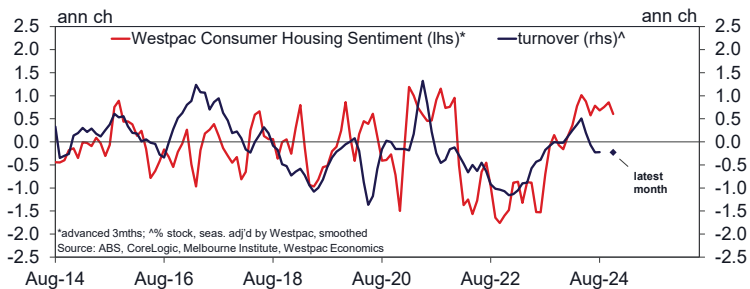
TASMANIA: still struggling to stabilise



38. Tas consumers: housing-related sentiment

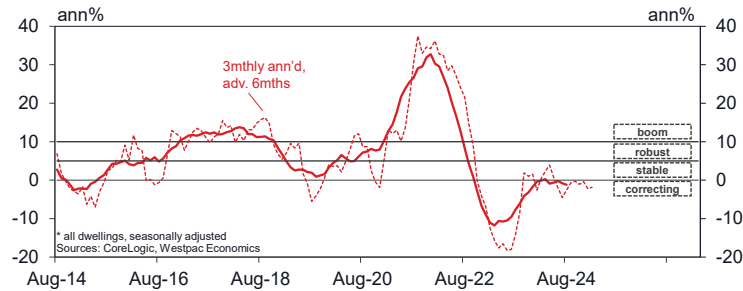


39. Tas housing composite vs turnover



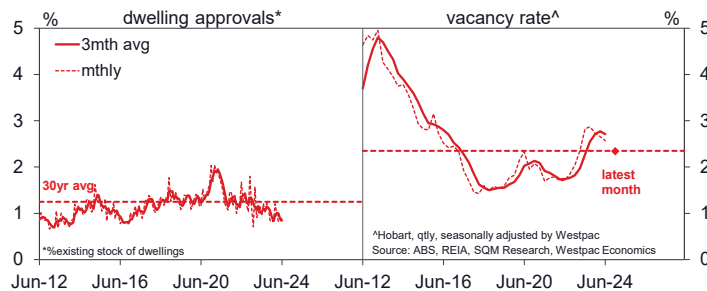
- Tas remains one of the weakest performing states in terms of housing markets. Prices have shown some renewed slippage in recent months with turnover also dropping back again – the earlier stabilisation never looking that convincing. Tas is not facing anything like the supply-demand tightness evident in other states, its housing markets also coming off a sustained period of strong price gains in the second half of last decade.
- Quarterly turnover dropped 16% over the 3mths to Aug to be down 4.4%yr. Just 3.3% of the dwelling stock is transacting annually at the moment, well down on the long run average of 5.5%.
- Hobart dwelling prices declined 0.4% over the 3mths to Aug to be down 1.2%yr. The price detail shows weakness centred on 'top tier' segments with prices flat or up slightly across other parts of the market. Hobart's north east, which saw modest price gains in 2023 is recording a slightly more pronounced decline. Prices are also declining more materially in the state's south east but about steady in Launceston.
- There is now a clearer overhang of on-market supply, with listings rising to 5.3 months of sales, slightly above the long run average of 5. Rental vacancy rates have also pushed above average, in stark contrast to the very tight conditions across other capital city markets.
- Interestingly, housing-related sentiment is pointing to some positive momentum. The **Tas Consumer Housing Sentiment index** suggests turnover may regain traction near term. That said, the wider picture, including from population growth (very subdued at just 0.5%yr) looks less conducive.

40. Hobart dwelling prices



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

41. Tas: dwelling approvals, vacancy



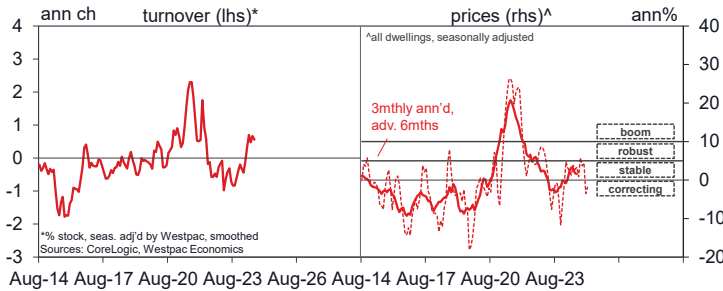
June years	avg*	2021	2022	2023	latest
GSP, ann%	2.5	4.8	4.3	1.1	n.a.
State final demand, ann%	2.8	5.4	5.5	1.7	1.8
Employment, ann%	1.5	8.0	2.1	2.7	-1.0
Unemployment rate, %	7.5	5.6	4.4	4.0	4.0
Population, ann%	0.7	1.7	0.7	0.4	0.5
Dwelling prices, ann%	6.5	23.8	16.6	-10.5	-0.8
Rental yield, %	5.8	4.5	4.0	4.3	4.4
Sales/new listings, ratio	1.00	1.23	0.85	1.00	0.86
Total listings, mths sales	5.0	1.9	2.7	4.8	5.3

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

TERRITORIES: NT and ACT both lacking direction

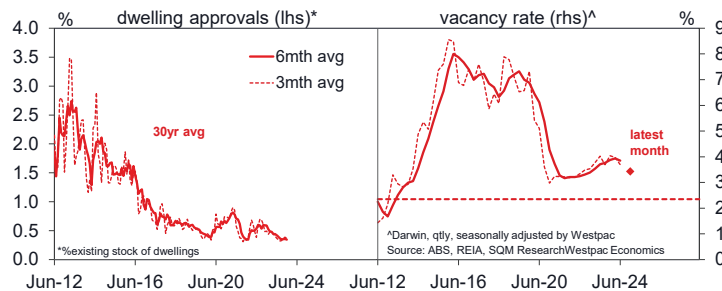


42. NT: turnover, Darwin dwelling prices



Population: 0.3mn
Net migration: 1k pa
GSP: \$30bn (1% Aus)
Dwellings: 0.1mn, \$46bn
Capital: Darwin

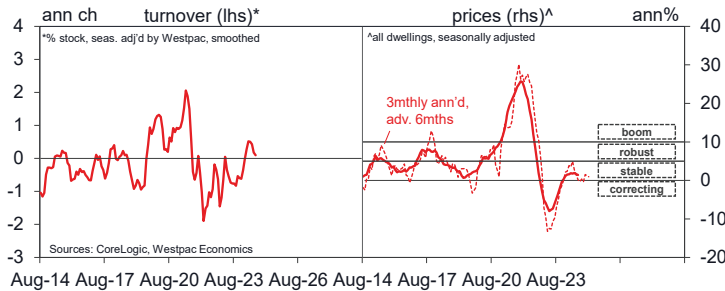
43. NT: dwelling approvals, vacancy rate



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	1.3	2.1
Employment, ann%	1.5	6.2	2.4	2.6	2.3
Unemployment rate, %	6.7	6.0	4.3	4.3	4.0
Population, ann%	1.1	0.3	0.8	1.1	1.3
Dwelling prices, ann%	4.2	19.7	6.0	-2.6	1.8
Sales/new listings, ratio#	1.16	1.11	1.06	1.28	1.38
Total listings, mths sales#	5.7	4.0	4.8	5.4	3.7

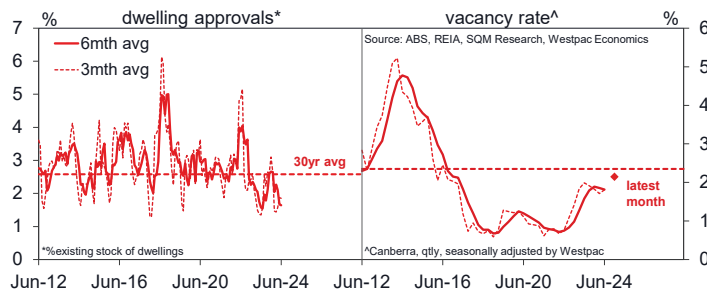
* avg last 25yrs (last 10yrs for listings); # June qtr readings
 Sources: ABS, CoreLogic, Westpac Economics

44. ACT: turnover, Canberra dwelling prices



Population: 0.5mn
Net migration: 7k pa
GSP: \$49bn (2% Aus)
Dwellings: 0.2mn, \$188bn
Capital: Canberra

45. ACT: dwelling approvals, vacancy rate



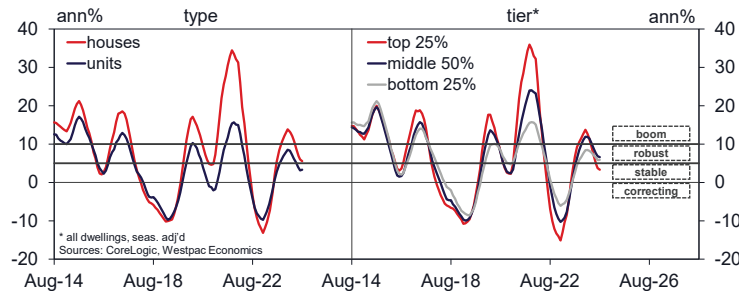
June years	avg*	2021	2022	2023	latest
GSP, ann%	3.7	3.9	2.8	4.3	n.a.
State final demand, ann%	4.0	5.8	3.0	4.1	2.4
Employment, ann%	1.6	5.6	3.0	3.1	2.4
Unemployment rate, %	6.6	5.4	4.0	3.9	3.8
Population, ann%	1.6	1.7	1.0	2.1	2.1
Dwelling prices, ann%	6.2	19.9	15.9	-7.3	1.5
Sales/new listings, ratio#	1.42	1.56	1.16	1.27	1.44
Total listings, mths sales#	2.5	1.6	2.2	2.8	2.5

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

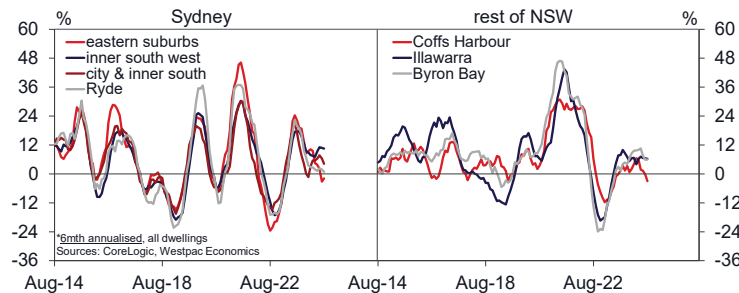
ADDITIONAL MATERIALS: charts and tables



46. NSW: Sydney dwelling prices by type, tier



47. NSW dwelling prices, selected sub-region

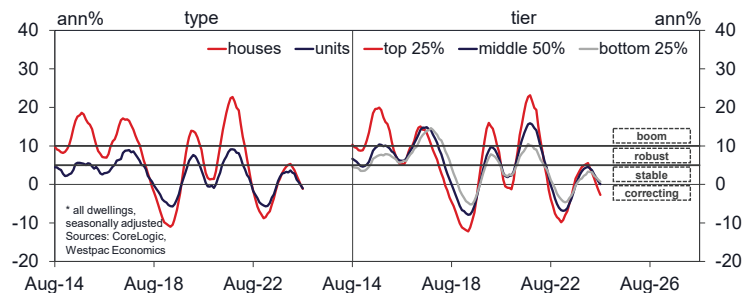


NSW	Sydney	rest of NSW
Population:	5.5mn	2.9mn
Net migration*:	+118k pa	+25k pa
Employ (%state):	67%	33%
Dwellings, no.:	2.1mn	1.4mn
Dwellings, value:	\$3.0trn	\$1.2trn

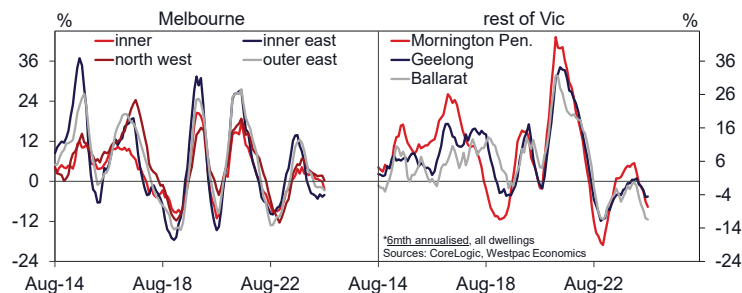
June years	avg [^]	2021	2022	2023	latest
Sydney					
Employment, ann%	1.8	5.3	3.7	3.6	1.6
Unemployment rate, %	5.3	5.6	3.5	3.5	4.1
Houses - prices, ann%	6.4	25.6	5.4	-1.0	5.5
- sales/new listings, ratio	1.09	1.25	1.00	1.29	1.16
- total listings, mths sales	3.2	1.9	3.0	2.6	2.7
Units - prices, ann%	4.9	8.5	0.8	-1.0	3.3
- sales/new listings, ratio	1.60	1.59	1.15	1.49	1.41
- total listings, mths sales	2.3	2.1	3.4	2.7	2.3
rest of NSW					
Employment, ann%	1.7	7.6	0.8	4.5	4.1
Unemployment rate, %	7.1	4.5	4.0	2.6	3.5
Dwelling prices, ann%	6.3	25.9	20.8	-6.6	3.8

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states; [^]avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

48. Vic: Melbourne dwelling prices by type, tier



49. Vic: dwelling prices, selected sub-regions



Vic	Melbourne	rest of Vic
Population:	5.2mn	1.6mn
Net migration*:	+140k pa	+15k pa
Employ (%state):	78%	22%
Dwellings, no.:	2.1mn	0.9mn
Dwellings, value:	\$2.1trn	\$0.5trn

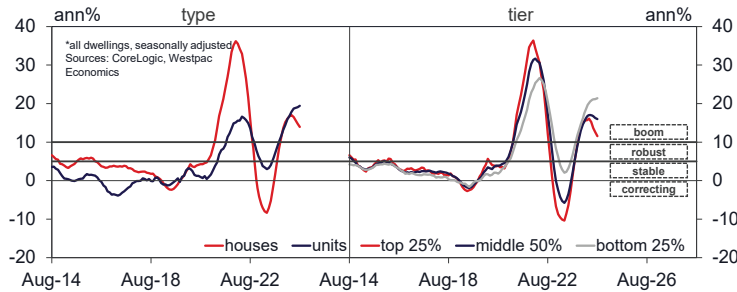
June years	avg [^]	2021	2022	2023	latest
Melbourne					
Employment, ann%	2.4	3.7	5.1	3.8	16.0
Unemployment rate, %	6.2	5.2	3.9	4.0	4.6
Houses - prices, ann%	6.5	15.9	3.9	-3.7	-1.2
- sales/new listings, ratio	1.01	1.12	0.93	1.01	0.86
- total listings, mths sales	3.5	2.6	3.3	3.8	4.1
Units - prices, ann%	4.8	6.3	1.8	-2.6	-1.0
- sales/new listings, ratio	1.12	1.06	0.92	1.01	0.86
- total listings, mths sales	3.6	3.8	4.9	4.5	4.1
rest of Vic					
Employment, ann%	1.9	5.3	-0.3	4.3	3.3
Unemployment rate, %	6.7	3.8	3.2	2.7	4.2
Dwelling prices, ann%	5.7	22.3	16.2	-5.8	-1.1

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states; [^]avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

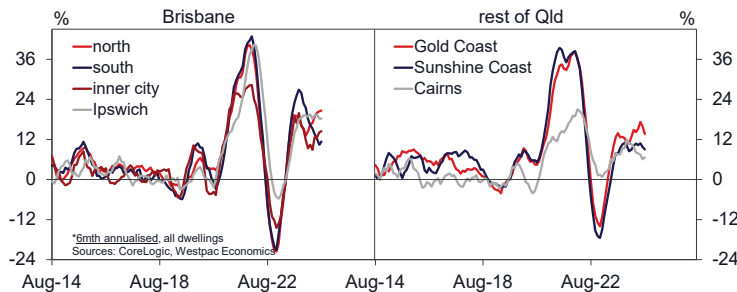
ADDITIONAL MATERIALS: charts and tables, cont.



50. Qld: Brisbane dwelling prices by type, tier



51. Qld dwelling prices, selected sub-regions

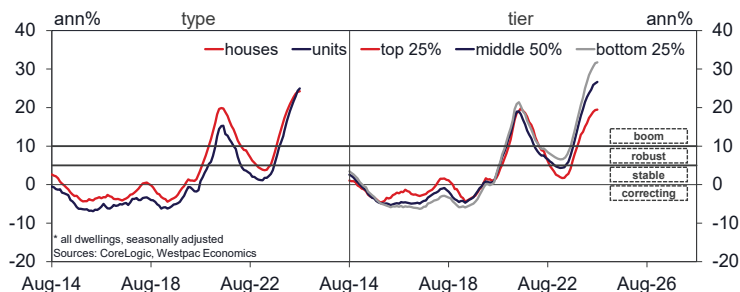


Qld	Brisbane	rest of Qld
Population:	2.7mn	2.8mn
Net migration*:	+67k pa	+50k pa
Employ (%state):	51%	49%
Dwellings, no.:	1mn	1.3mn
Dwellings, value:	\$0.9trn	\$1.0trn

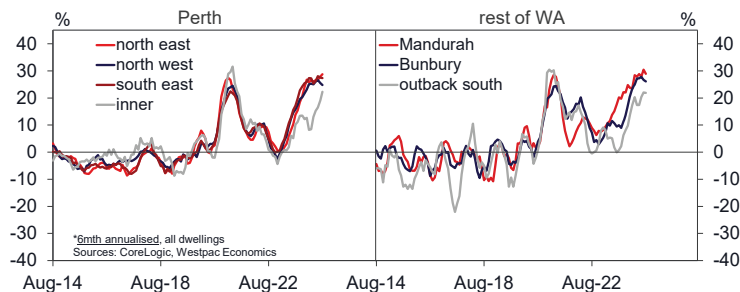
June years	avg [^]	2021	2022	2023	latest
Brisbane					
Employment, ann%	2.7	11.0	5.4	3.3	4.4
Unemployment rate, %	6.2	5.9	4.2	3.8	4.8
Houses - prices, ann%	6.9	19.1	26.5	-5.2	14.0
- sales/new listings, ratio	0.91	1.24	0.98	1.33	1.07
- total listings, mths sales	5.2	2.7	3.1	2.9	2.8
Units - prices, ann%	4.8	7.9	15.8	4.1	19.4
- sales/new listings, ratio	1.55	1.50	1.41	1.57	1.60
- total listings, mths sales	3.5	2.9	2.2	2.0	1.6
rest of Qld					
Employment, ann%	2.3	8.9	4.1	2.3	3.2
Unemployment rate, %	6.9	5.1	3.7	3.8	3.4
Dwelling prices, ann%	5.6	19.9	22.6	-1.9	12.1

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states; [^]avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

52. WA: Perth dwelling prices by type, tier



53. WA dwelling prices, selected sub-regions



WA	Perth	rest of WA
Population*:	2.3mn	0.6mn
Net migration*:	+70k pa	+6k pa
Employ (%state):	81%	19%
Dwellings, no.:	0.9mn	0.3mn
Dwellings, value:	\$0.7trn	\$0.2trn

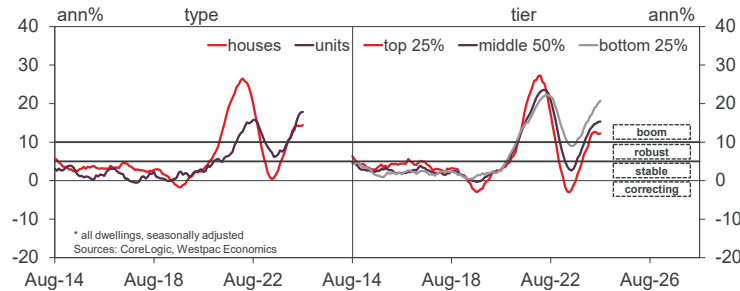
June years	avg [^]	2021	2022	2023	latest
Perth					
Employment, ann%	2.7	8.7	5.2	2.5	4.9
Unemployment rate, %	5.8	4.9	3.2	3.7	3.9
Houses - prices, ann%#	6.4	19.9	9.0	5.2	24.2
- sales/new listings, ratio	0.94	1.03	1.06	1.36	1.28
- total listings, mths sales	5.5	3.6	3.3	2.5	2.0
Units - prices, ann%#	4.9	15.2	3.6	2.8	25.0
- sales/new listings, ratio	0.91	0.78	0.82	1.11	0.98
- total listings, mths sales	5.8	5.6	5.4	3.6	2.6
rest of WA					
Employment, ann%	1.4	5.2	5.6	2.4	4.2
Unemployment rate, %	5.2	5.0	3.7	3.5	2.9
Dwelling prices, ann%#	5.0	21.6	11.3	6.8	19.0

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states; [^]avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

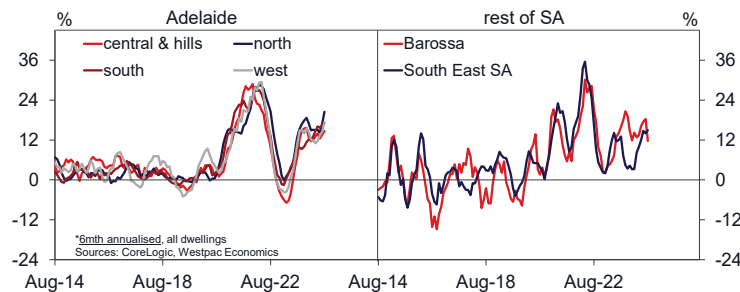
ADDITIONAL MATERIALS: charts and tables, cont.



54. SA: Adelaide dwelling prices by type, tier



55. SA dwelling prices, selected sub-regions

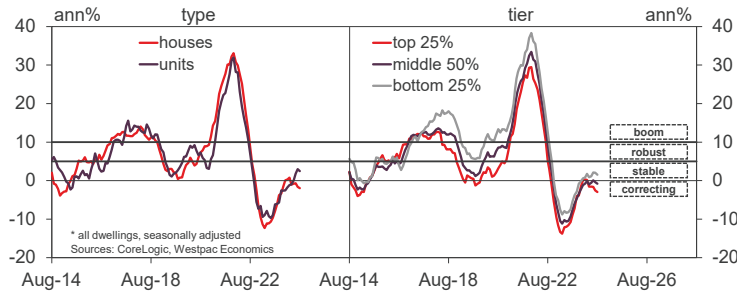


SA	Adelaide	rest of SA
Population:	1.4mn	0.4mn
Net migration*:	+25k pa	+3k pa
Employ (%state):	80%	20%
Dwellings, no.:	0.6mn	0.2mn
Dwellings, value:	\$0.5trn	\$0.1trn

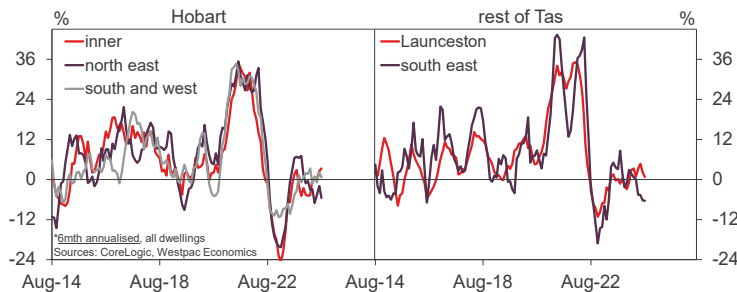
June years	avg [^]	2021	2022	2023	latest
Adelaide					
Employment, ann%	1.5	7.4	4.4	3.9	-0.7
Unemployment rate, %	7.1	5.6	4.4	4.2	4.2
Houses - prices, ann%	7.4	14.8	24.2	0.7	14.4
- sales/new listings, ratio	1.06	1.32	1.28	1.37	1.56
- total listings, mths sales	3.8	2.3	2.1	2.1	1.5
Units - prices, ann%	7.0	5.9	14.9	6.2	17.9
- sales/new listings, ratio	1.18	1.35	1.44	1.48	1.69
- total listings, mths sales	4.0	3.0	2.2	2.0	1.3
rest of SA					
Employment, ann%	1.0	2.9	-1.9	5.3	0.1
Unemployment rate, %	6.3	5.6	4.8	3.8	3.4
Dwelling prices, ann%	6.8	12.4	20.4	7.4	9.4

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes: flows within states; [^]avg last 25yrs (last 10yrs for listings).

56. Tas: Hobart dwelling prices by type, tier



57. Tas dwelling prices, selected sub-regions



Tas	Hobart	rest of Tas
Population:	254k	320k
Net migration*:	+1k pa	+1k pa
Employ (%state):	46%	54%
Dwellings, no.:	106k	161k
Dwellings, value:	\$80bn	\$94bn

June years	avg [^]	2021	2022	2023	latest
Hobart					
Employment, ann%	1.8	9.1	0.3	3.9	0.8
Unemployment rate, %	6.9	5.5	4.3	3.9	4.3
Houses - prices, ann%	6.5	24.6	17.2	-10.7	-2.0
- sales/new listings, ratio	0.95	1.21	0.81	0.94	0.78
- total listings, mths sales	5.4	1.7	3.2	5.3	5.9
Units - prices, ann%	6.0	20.6	13.9	-9.7	2.5
- sales/new listings, ratio	1.23	1.33	1.01	1.28	1.09
- total listings, mths sales	3.9	1.7	2.3	3.1	4.0
rest of Tas					
Employment, ann%	1.2	7.1	3.5	1.8	-2.5
Unemployment rate, %	8.0	5.6	4.4	4.0	4.0
Dwelling prices, ann%	6.5	24.1	20.6	-3.3	1.3

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes: flows within states; [^]avg last 25yrs (last 10yrs for listings).

ECONOMIC and FINANCIAL FORECASTS



Interest rate forecasts

Australia	Latest (30 Aug)	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Cash	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.35	3.35	3.35	3.35
90 Day BBSW	4.39	4.42	4.42	4.19	3.96	3.73	3.50	3.55	3.55	3.55	3.55
3 Year Bond	3.60	3.75	3.70	3.65	3.60	3.55	3.50	3.50	3.50	3.55	3.60
3 Year Swap	3.56	3.70	3.65	3.55	3.50	3.40	3.35	3.30	3.30	3.35	3.40
10 Year Bond	3.96	4.00	3.90	3.90	3.90	4.00	4.05	4.05	4.10	4.10	4.15
10 Year Spread to US (bps)	10	15	15	15	10	10	5	5	5	5	5
US											
Fed Funds	5.38	5.13	4.63	4.13	3.88	3.63	3.38	3.38	3.38	3.38	3.38
US 10 Year Bond	3.86	3.85	3.75	3.75	3.80	3.90	4.00	4.00	4.05	4.05	4.10

Exchange rate forecasts

	Latest (30 Aug)	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
AUD/USD	0.68	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73	0.73
NZD/USD	0.63	0.60	0.61	0.62	0.62	0.63	0.63	0.63	0.63	0.63	0.64
USD/JPY	145	150	150	148	146	144	142	140	138	136	134
EUR/USD	1.11	1.10	1.10	1.11	1.12	1.13	1.13	1.14	1.14	1.15	1.15
GBP/USD	1.32	1.29	1.29	1.30	1.30	1.31	1.31	1.32	1.32	1.32	1.32
USD/CNY	7.09	7.15	7.10	7.05	7.00	6.90	6.80	6.70	6.60	6.55	6.50
AUD/NZD	1.09	1.10	1.10	1.10	1.11	1.12	1.13	1.14	1.14	1.14	1.14

ECONOMIC and FINANCIAL FORECASTS



Australian economic growth forecasts

% change	2024				2025			
	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
GDP %qtr	0.1	0.3	0.6	0.5	0.5	0.6	0.6	0.7
%yr end	1.1	1.0	1.4	1.6	2.0	2.2	2.2	2.3
Unemployment Rate %	3.9	4.1	4.2	4.3	4.4	4.5	4.6	4.6
Wages (WPI) %qtr	0.9	0.8	0.8	0.7	0.7	0.7	0.8	0.8
%yr end	4.1	4.1	3.5	3.2	3.0	2.9	2.9	3.1
CPI Headline %qtr	1.0	1.0	0.3	0.4	0.7	0.9	1.1	0.7
%yr end	3.6	3.8	2.9	2.6	2.4	2.3	3.2	3.5
CPI Trimmed Mean %qtr	1.0	0.8	0.8	0.7	0.8	0.7	0.7	0.7
%yr end	4.0	3.9	3.5	3.4	3.1	2.9	2.8	2.9

	Calendar years			
	2023	2024f	2025f	2026f
GDP % qtr	-	-	-	-
%yr end	1.6	1.6	2.3	3.5
Unemployment rate %	3.9	4.3	4.6	4.5
Wages (WPI)	-	-	-	-
annual chg	4.2	3.2	3.1	3.3
CPI Headline	-	-	-	-
annual chg	4.1	2.6	3.5	2.8
Trimmed mean	-	-	-	-
annual chg	4.1	3.4	2.9	2.6

HOUSING MARKET DATA



Consumer sentiment – housing-related measures

index*	avg	2022		2023			2024					
		Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jul	Aug	%mth	%yr
'Time to buy a dwelling'												
Australia	116.1	74.9	65.7	72.0	72.5	74.3	77.8	72.8	75.7	71.4	-5.8	-1.0
- New South Wales	115.8	73.0	63.7	70.4	77.4	76.2	73.3	81.0	82.9	66.1	-20.2	-13.8
- Victoria	115.5	77.1	67.8	69.6	74.9	77.0	84.3	70.0	75.6	76.9	1.7	-3.2
- Queensland	128.0	75.2	59.8	71.8	66.6	79.2	78.3	69.9	74.6	72.2	-3.3	20.2
- Western Australia	128.8	80.5	73.5	85.8	62.3	59.6	82.5	58.2	70.0	73.3	4.8	8.5
- South Australia	127.9	69.7	69.3	75.5	64.7	70.3	73.3	62.8	51.7	76.0	47.2	14.5
- Tasmania	122.0	48.3	70.4	78.3	64.6	62.5	78.9	109.6	79.4	58.5	-26.3	60.9
House price expectations												
Australia	126.4	116.3	111.7	146.7	154.6	157.3	161.1	163.8	161.2	157.8	-2.1	4.4
- New South Wales	128.1	117.8	114.7	150.5	158.7	158.2	160.1	161.8	159.5	159.3	-0.1	2.6
- Victoria	128.5	118.6	112.8	140.5	153.9	151.1	157.7	158.9	153.1	143.5	-6.3	-2.9
- Queensland	124.6	111.7	98.8	140.5	149.8	164.1	168.4	170.0	167.8	162.6	-3.1	8.5
- Western Australia	117.7	121.7	110.6	166.3	154.7	161.8	164.4	163.3	170.2	167.8	-1.4	9.6
- South Australia	128.3	118.2	129.2	146.9	158.4	161.6	159.4	177.3	173.2	180.2	4.0	12.1
- Tasmania	128.3	84.7	81.7	111.4	118.7	137.5	124.3	135.3	133.0	127.2	-4.4	20.9

*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						%mth	%yr
	avg	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jul	Aug			
Unemp. expectations													
Australia	129.2	117.9	122.9	131.3	130.8	128.9	128.1	133.1	128.6	133.5	3.8	5.0	
- New South Wales	129.6	120.1	125.8	130.7	131.2	128.4	129.0	130.0	126.6	138.3	9.2	7.1	
- Victoria	131.2	120.0	118.6	133.3	138.7	126.0	126.3	134.0	136.8	133.5	-2.4	3.2	
- Queensland	133.2	118.0	122.4	133.8	124.9	132.4	132.0	132.5	123.2	128.2	4.0	3.7	
- Western Australia	128.1	112.8	120.6	115.7	121.7	128.2	115.4	142.2	118.8	122.6	3.2	-3.6	
- South Australia	135.3	111.7	132.8	129.0	131.9	133.8	129.4	135.2	132.8	137.4	3.5	12.5	
- Tasmania	138.3	105.7	132.1	136.3	139.8	129.7	144.0	121.7	140.2	133.4	-4.8	-0.1	
Risk aversion											qtr ch	ann ch	
Australia	17.3	51.9	55.9	59.8	56.0	56.7	54.7	46.7	n.a.	n.a.	-8.0	-10.5	
- New South Wales	11.7	51.2	53.9	60.5	55.2	57.4	55.2	42.9	n.a.	n.a.	-12.2	-14.1	
- Victoria	11.0	55.5	58.9	55.8	55.2	55.1	55.2	53.3	n.a.	n.a.	-1.9	-2.1	
- Queensland	12.7	50.6	57.6	67.4	62.1	54.9	51.4	49.2	n.a.	n.a.	-2.1	-14.6	
- Western Australia	7.0	54.2	54.9	58.8	55.2	60.1	69.5	52.9	n.a.	n.a.	-16.7	-3.5	
- South Australia	14.4	55.7	56.7	51.2	54.4	59.2	44.9	36.6	n.a.	n.a.	-8.2	-16.7	
- Tasmania	15.5	62.6	34.4	63.0	44.9	43.5	67.4	31.5	n.a.	n.a.	-35.9	-19.4	

*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	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jul	Aug
Dwelling prices, ann%*												
Australia	6.2	8.0	-1.1	-6.4	-6.6	-1.5	5.5	9.7	10.5	8.2	7.5	7.1
- Sydney	5.9	4.2	-6.6	-11.4	-9.4	-0.9	7.6	11.3	10.9	6.4	5.3	5.0
- Melbourne	6.0	3.3	-3.3	-7.1	-7.1	-3.3	1.7	4.1	4.0	1.0	-0.1	-1.0
- Brisbane	6.5	24.8	10.7	-1.9	-6.3	-3.7	5.6	13.6	16.5	16.1	15.5	15.0
- Perth#	6.2	8.4	5.8	4.2	3.3	5.0	10.3	16.2	20.2	23.5	24.1	24.4
- Adelaide	6.8	22.9	17.1	9.3	2.8	1.3	4.9	8.9	12.9	14.5	14.6	14.9
- Hobart	6.4	16.6	4.2	-6.8	-11.8	-10.4	-6.0	-1.8	0.2	-0.2	-0.8	n.a.
Turnover, %stock^												
Australia	5.6	4.8	4.5	4.1	4.2	4.3	4.6	4.5	4.7	4.7	4.6	4.4
- New South Wales	5.7	4.3	4.0	3.8	3.9	4.1	4.5	4.4	4.7	4.6	4.4	4.1
- Victoria	4.6	4.1	3.7	3.4	3.4	3.5	3.8	3.7	3.9	3.9	3.9	3.7
- Queensland	6.5	6.1	5.5	5.1	5.1	5.3	5.5	5.4	5.5	5.5	5.3	5.1
- Western Australia	6.2	5.6	5.5	5.3	5.3	5.5	5.6	5.8	5.9	5.9	5.8	5.8
- South Australia	4.6	4.6	4.2	3.8	3.7	3.7	3.6	3.9	4.0	4.4	4.6	4.6
- Tasmania	5.5	4.1	3.6	3.5	3.4	3.7	3.5	3.5	3.8	3.6	3.3	3.3

* '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

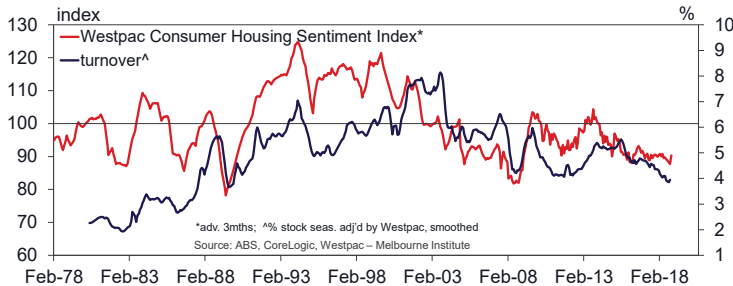
	2022			2023				2024				
	avg	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jul	Aug
Sales/new listings ratio*												
Australia^	1.15	1.09	1.16	1.15	1.19	1.33	1.18	1.29	1.34	1.14	1.10	1.08
- Sydney	1.28	1.06	1.22	1.23	1.25	1.36	1.26	1.34	1.42	1.22	1.12	1.02
- Melbourne	1.04	0.93	0.99	0.98	0.92	1.01	0.93	1.07	0.99	0.82	0.80	0.79
- Brisbane	1.02	1.09	1.10	1.14	1.19	1.41	1.31	1.32	1.29	1.19	1.15	1.14
- Perth	0.93	0.99	1.07	1.07	1.10	1.29	1.14	1.31	1.27	1.22	1.20	1.18
- Adelaide	1.08	1.32	1.37	1.30	1.23	1.39	1.20	1.51	1.50	1.58	1.58	1.59
- Hobart	1.00	0.85	0.87	0.90	0.86	1.00	0.90	1.10	1.02	0.89	0.84	0.86
Total listings, months of sales*												
Australia^	3.5	3.1	3.3	3.4	3.2	2.9	2.7	2.6	2.5	2.7	2.8	2.9
- Sydney	2.8	3.2	3.4	3.1	3.0	2.7	2.5	2.5	2.4	2.6	2.9	3.1
- Melbourne	3.5	3.8	4.1	4.3	4.4	4.0	3.7	3.6	3.7	4.1	4.3	4.5
- Brisbane	4.6	2.7	3.2	3.3	3.1	2.7	2.4	2.3	2.3	2.4	2.5	2.6
- Perth	5.6	3.6	3.7	3.7	3.4	2.9	2.7	2.4	2.2	2.2	2.2	2.1
- Adelaide	3.8	2.1	2.2	2.3	2.4	2.2	2.3	1.8	1.7	1.5	1.5	1.4
- Hobart	5.0	2.7	3.9	4.2	4.7	4.8	4.7	4.8	4.3	5.0	5.2	5.3

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

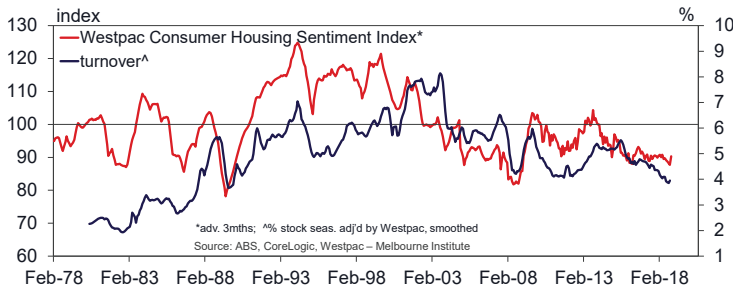
^ avg since 2007.

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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