

1 October 2024

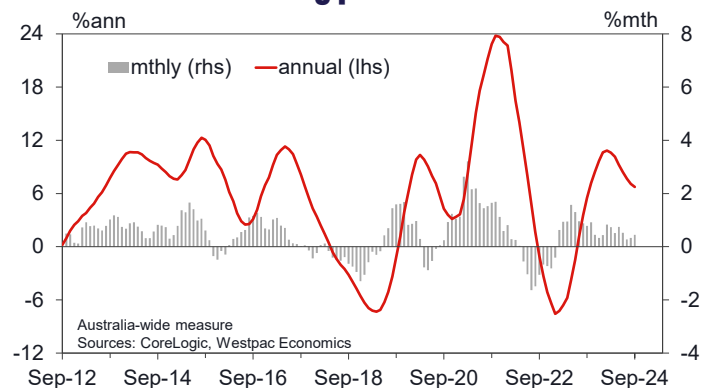
AUSTRALIAN DWELLING PRICES BULLETIN

‘Hot and cold’ performance continues

Key points

- The CoreLogic home value index rose 0.5% in September, annual price growth moderated to 6.7%yr, down from a peak of 10.9%yr in Feb.
- Performances continue to diverge across capital city markets, prices slipping in Melbourne, rising slowly in Sydney but still rising strongly in Perth, Adelaide and Brisbane.
- Across ‘hot’ markets, lower tiers and units are outperforming, suggesting stretched affordability and low on-market supply is seeing buyers move down the price curve.
- Across ‘cold’ markets, prices in top tier segments have underperformed, with these cities also showing more balance between demand and ‘on-market’ supply.

Australian dwelling prices



**Sep CoreLogic
home value
index: 0.5%**mth**;
6.7%**yr****

Medium-sized capitals still booming; softer elsewhere



Matthew Hassan
Head of Australian Macro-Forecasting

The CoreLogic home value index, covering the eight major capital cities, rose 0.5% in September, in line with the slower gains seen since March. Annual price growth ticked down again to 6.7%yr, down from a peak of 10.9%yr in Feb. Price gains over the last six months have been running at a 5.8% annualised pace.

Note that, unless specified, the figures in titles, tables and commentary are in non-seasonally adjusted terms, consistent with the headline figures reported by CoreLogic. Figures in the charts and overleaf are instead in seasonally adjusted terms, unless specified.

Demand and on-market supply edging closer

Preliminary estimates point to a softening in sales volumes, down 2.7% on a rolling 3mth basis nationally. However, this again seems to be overstating weakness. As noted previously, estimates are showing a clear pattern of upward revisions - last month's 6.9% decline has been revised up substantially to now sit at -0.7%. As such, the latest figures are more likely to be around flat once additional information comes in.

This flattening has coincided with a steady lift in new listings, our estimates suggesting these have risen 0.8% in the September quarter in seasonally adjusted terms to be up 11.3% compared to the March quarter. Total stock on market has declined by 1.3% over the same period.

Two-speed market

Price-wise, the defining feature continues to be a widening range of performances. The strongest gains continue to come in Perth, Adelaide and Brisbane. Growth is positive but subdued in Sydney with Melbourne, Canberra, Hobart and Darwin all recording some modest slippage in prices.

At a more detailed level, roughly half of the fifty sub-markets covered have recorded annualised price growth of 5% or lower over the last 3mths (about half of this group recording outright price declines). Most of the rest have recorded gains running at a robust double-digit annualised growth pace.

Also of note is a narrowing in the price performance between houses and units, the latter showing a clear pick-up over the last quarter. That pick-up has centred on the mid-sized capital cities that have seen much stronger price growth, suggesting buyers are starting to look beyond detached houses.

CoreLogic home value index: September 2024

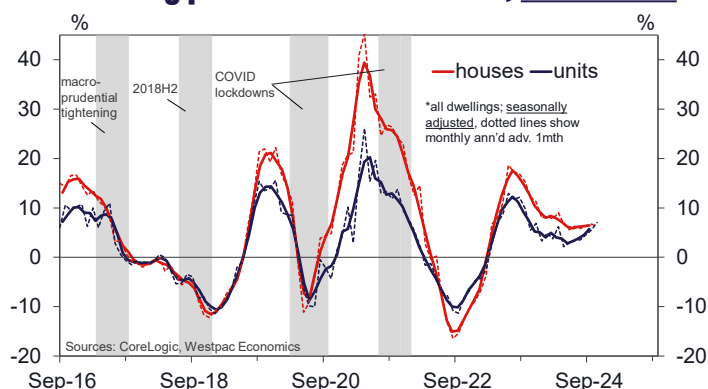
	%mth				%ann			
	Jun	Jul	Aug	Sep	Jun	Jul	Aug	Sep
Australia*	0.5	0.3	0.3	0.5	8.4	7.7	7.1	6.7
seas. adjusted	0.4	0.5	0.5	0.5	8.4	7.6	7.0	6.7
- houses	0.6	0.3	0.3	0.4	9.4	8.6	7.9	7.4
- units	0.3	0.3	0.3	0.6	5.3	4.8	4.4	4.5
Major capital cities								
Sydney	0.4	0.2	0.1	0.2	6.6	5.7	5.1	4.5
Melbourne	-0.4	-0.6	-0.4	-0.1	1.2	0.1	-1.0	-1.4
Brisbane	1.0	0.7	1.1	0.9	16.2	15.3	14.9	14.5
Adelaide	1.0	1.4	1.3	1.3	14.4	14.4	14.6	14.8
Perth	2.0	1.5	1.5	1.6	23.8	24.2	23.9	24.1
Turnover^	2.9	0.2	-0.7	-2.7	12.8	11.9	10.2	4.1

*combined capital cities

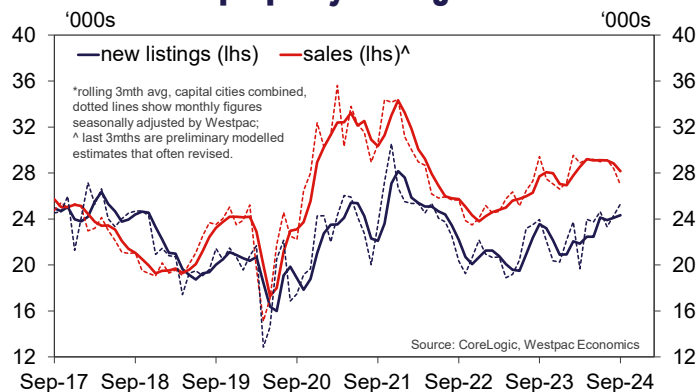
Sources: CoreLogic, Westpac Economics.

^ rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.

Dwelling prices: houses vs units, 3mth ann'd



Residential property: listings and sales



Sydney dwelling prices rose 0.2%*mth* in September to be up 0.5% for the quarter, annual growth slowing to 4.5%*yr*. 'Top tier' houses are a notable under-performer, prices in this segment flat over the last quarter.

Melbourne dwelling prices dipped 0.1%*mth* in September to be down 1.4%*yr*. Prices are slipping rather than falling sharply. As with Sydney, weakness is a little more pronounced for 'top tier' houses.

Brisbane prices rose 0.9%*mth* in September, another solid gain. Annual price growth moderated slightly but at 14.5%*yr* remains strong. Gains continue to be led by 'middle tier' and 'lower tier' units which have 5-6% rises in the quarter.

Adelaide recorded another strong 1.3%*mth* price rise in September, annual growth lifting slightly to 14.8%*yr*. Unit prices are rising at over 17%*yr* but make up a small part of the market. Across tiers, the lower and middle part of the market is continuing to outperform.

Perth was again the nation's hottest market, prices up another 1.6% in September, taking annual growth to just over 24.4%*yr*. Again, units and bottom tier parts of the market are performing more strongly with annual growth tracking over 30%*yr*.

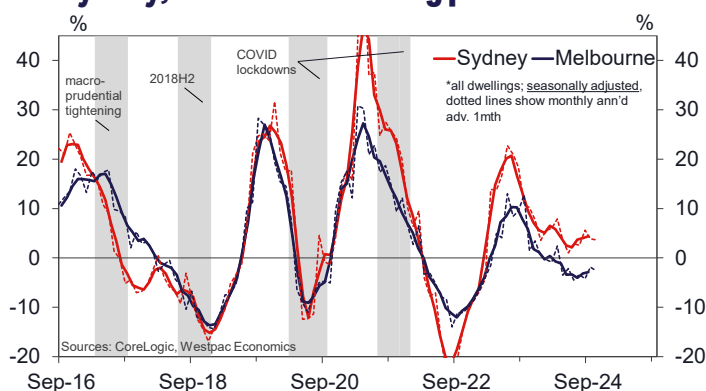
Prices are showing little or no traction across the smaller capitals: **Hobart** recorded a -0.4%*mth* fall in September, continuing the modest price slippage seen for two and a half years now, prices down 1.1%*yr*; **Darwin** recorded a 0.1%*mth* uptick, annual growth at 2%*yr*; and **Canberra** prices declined 0.3%*mth*, annual growth just 0.7%*yr*.

Across **regional areas**, prices dipped another 0.2% in regional Vic to be down 1.5%*yr*, but firmed 0.2% in regional NSW to be up 3.6%*yr*. Prices remain relatively buoyant across regional Queensland, which includes the Gold and Sunshine Coasts (+0.7%*mth*, +11.9%*yr*).

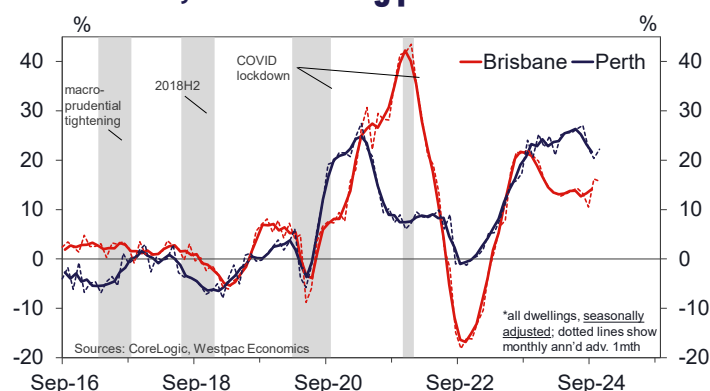
Conclusion

The September figures continue the same themes seen in previous months with a more moderate pace to price gains overall, softening turnover and a widening divergence in performances across sub-markets. Where price gains remain 'hot' they are increasingly centred on lower tier parts of these markets and across units, a sign that stretched affordability is driving buyers down the price curve. Where conditions are cooler, there looks to have been more rebalancing between demand and 'on-market' supply. While we expect performances to converge over time, that looks likely to be a story for 2025 rather than 2024.

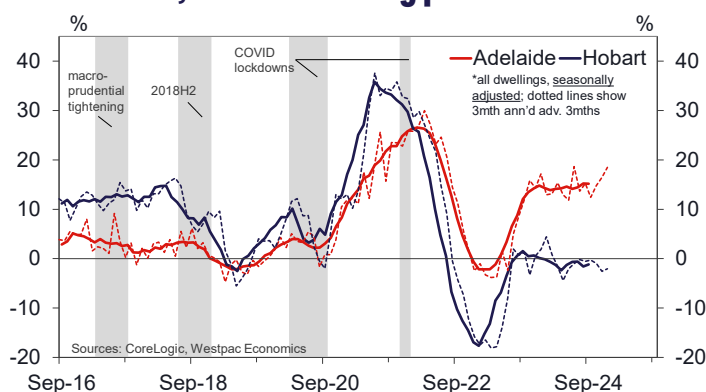
Sydney, Melbourne dwelling prices: 3mth ann'd



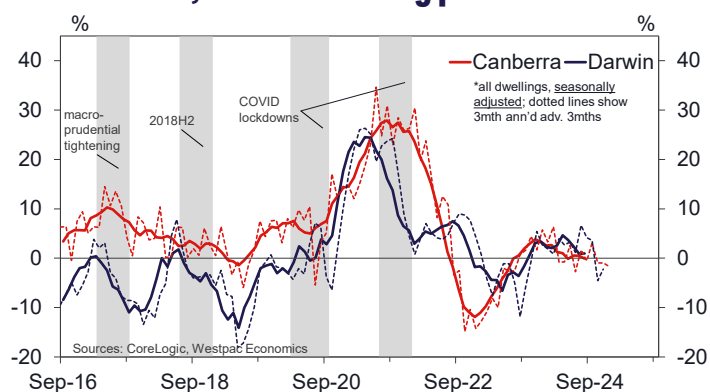
Brisbane, Perth dwelling prices: 3mth ann'd



Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd





Authors

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Jameson Coombs

Economist
E: jameson.coombs@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



 westpaciq.com.au

©2024 Westpac Banking Corporation ABN 33 007 457 141 (including where acting under any of its Westpac, St George, Bank of Melbourne or BankSA brands, collectively, “Westpac”). References to the “Westpac Group” are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

Things you should know

We respect your privacy: You can view our [privacy statement](#) at [Westpac.com.au](#). Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior written permission of the Westpac Group.

Disclaimer

This information has been prepared by Westpac and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision. This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward-looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

Conflicts of Interest: In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter, distributor, swap counterparty and calculation

agent) simultaneously with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

Author(s) disclaimer and declaration: The author(s) confirms that no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material. The author(s) also confirms that this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate.

Further important information regarding sustainability-related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access [Westpac's Financial Services Guide here](#) or request a copy from your Westpac point of contact. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice.

New Zealand: In New Zealand, products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac (“WNZL”). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address [www.westpac.co.nz](#).

Singapore: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking

Disclaimer continues overleaf ▶

licence and is subject to supervision by the Monetary Authority of Singapore.

U.S.: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Westpac Capital Markets, LLC ("WCM"), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ('the Exchange Act') and member of the Financial Industry Regulatory Authority ('FINRA'). This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

UK and EU: The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586). The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac's London branch by the PRA are available from us on request.

Westpac Europe GmbH ("WEG") is authorised in Germany by the Federal Financial Supervision Authority ('BaFin') and subject to its regulation. WEG's supervisory authorities are BaFin and the German Federal Bank ('Deutsche Bundesbank'). WEG is registered with the commercial register ('Handelsregister') of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2) of the Order; (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for "eligible counterparties" and "professional clients" as defined by the rules of the Financial Conduct Authority and is not intended for "retail clients". Westpac expressly prohibits you from passing on the information in this communication to any third party.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an 'investment recommendation' and/or 'information recommending or suggesting an investment', both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) ("MAR"). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found [here](#). Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.