

1 November 2024

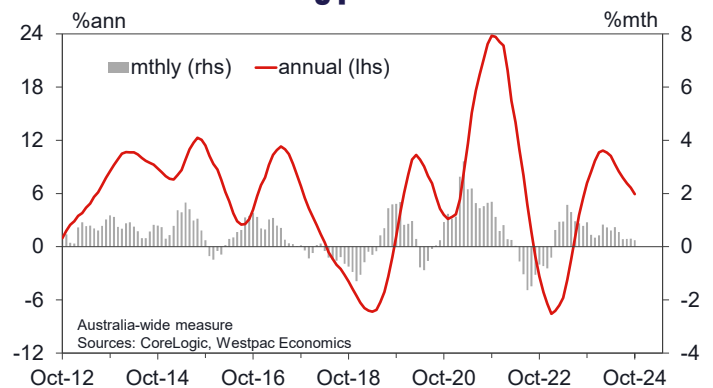
# AUSTRALIAN DWELLING PRICES BULLETIN

## Price growth slows

### Key points

- The CoreLogic home value index rose 0.2% in October, the previous monthly gain also revised down a touch lower to September. Annual price growth dropped to 5.9%yr, down from a peak of 10.9%yr in Feb.
- Slowdowns are becoming more apparent in several markets with Sydney recording a dip in prices in the October month and some of the heat coming out of the stronger Brisbane and Perth markets. Melbourne continues to record modest price slippage while momentum remains steady in Adelaide.

Australian dwelling prices



**Oct CoreLogic  
home value  
index: 0.2%  
mth;  
5.9%yr**

# Price slowdown starting to spread



**Matthew Hassan**  
Head of Australian Macro-Forecasting

The CoreLogic home value index, covering the eight major capital cities, rose 0.2% in October, September's 0.5% rise revised down to 0.3%. The monthly profile is now slowing a clearer 'step down' since mid-year. Annual price growth has tracked back to 5.9%yr but gains have been tracking a 4.5% annual pace since July.

Note that, unless specified, the figures in titles, tables and commentary below are all 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.

## More slowing but still a wide divergence

The detail shows this step down has been led by the Sydney, Brisbane and Perth markets. There continues to be a wide divergence in price performances. Sydney and Melbourne are seeing much slower gains and modest price slippage in recent months, with a similarly soft performance across the small capital cities, Hobart, Canberra and Darwin, and regional parts of NSW and Vic. In contrast, price growth remains relatively robust in Brisbane, Perth and Adelaide and in regional areas of Qld, WA and SA.

Across dwelling types, houses continue to outperform units in annual growth terms (+6.5%yr vs +4.1%yr) but the gap has closed up in the last few months.

**Sydney** prices dipped 0.1% in October, the first decline since January 2023. Annual growth slowed to 3.7%yr with the annualised pace over the last 3mths closer to 1.5%. 'Top tier' houses and units have led the slowing.

**Melbourne** prices declined another 0.2% in October the ninth decline in the last ten months. Prices are now down 1.9%yr. All price tiers and segments recorded price dips in October, with bigger 1%+ falls in 'top tier' markets.

**Brisbane** prices rose 0.7% in October, annual price growth easing a touch to 13%yr. The market continues to stronger 1%+ monthly gains lower priced tiers.

**Adelaide** recorded another solid 1.2% price gain in October, annual growth holding steady at 15%yr. Prices are up over 20%yr across 'lower tier' parts of the market.

**Perth** remains the nation's hottest market by a wide margin, prices up another 1.4% in October and up 22.6%yr. Bottom tier prices are still tracking at around 30%yr.

## CoreLogic home value index: September 2024

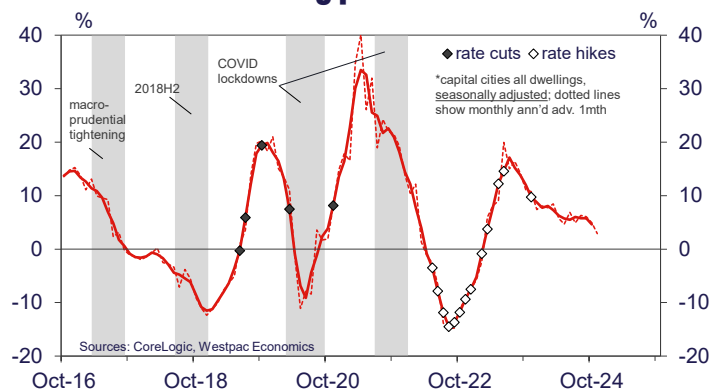
	%mth				%ann			
	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct
<b>Australia*</b>	0.3	0.3	0.3	0.2	7.8	7.2	6.6	5.9
seas. adjusted	0.5	0.5	0.4	0.2	7.7	7.1	6.6	5.9
– houses	0.3	0.3	0.2	0.2	8.7	8.0	7.3	6.5
– units	0.3	0.1	0.5	0.2	5.0	4.5	4.5	4.1
<b>Major capital cities</b>								
Sydney	0.2	0.2	0.0	-0.1	5.8	5.3	4.5	3.7
Melbourne	-0.5	-0.5	-0.2	-0.2	0.4	-0.9	-1.3	-1.9
Brisbane	0.7	0.9	0.8	0.7	15.3	14.6	14.0	13.0
Adelaide	1.3	1.3	1.2	1.1	14.4	14.6	14.7	15.0
Perth	1.5	1.3	1.4	1.4	24.1	23.5	23.4	22.6
<b>Turnover^</b>	2.3	1.3	-0.6	-7.5	14.1	12.3	7.2	-0.2

\*combined capital cities

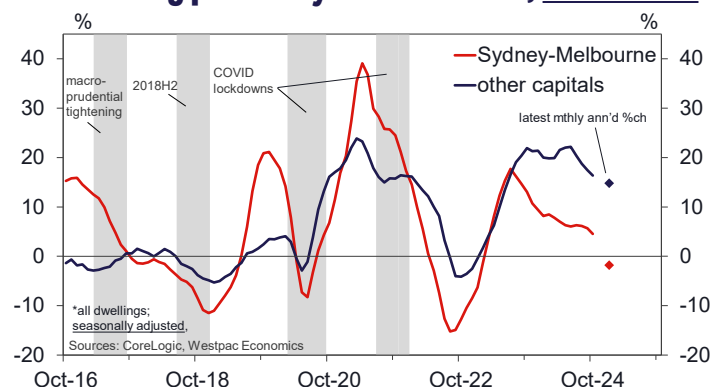
Sources: CoreLogic, Westpac Economics.

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

## Australian dwelling prices: 3mth annualised



## Dwelling prices: Syd-Melb vs rest, 3mth ann'd



Across the smaller capitals: **Hobart** recorded a 0.8%<sup>1</sup> bounce but prices are still down 1.2%<sup>2</sup>yr; **Darwin** recorded a 1%<sup>1</sup> fall, taking annual price growth down to -0.1%<sup>2</sup>yr; and **Canberra** prices dipped 0.3%<sup>1</sup>month, annual growth slowing to 0.4%<sup>2</sup>yr.

Across **regional areas**, prices continued to track lower in regional Vic, down 0.2%<sup>1</sup>month, -2.1%<sup>2</sup>yr, but were firmer in regional NSW (+0.5%<sup>1</sup>month, +3.2%<sup>2</sup>yr) and remained relatively buoyant across regional Queensland, which includes the Gold and Sunshine Coasts (+0.8%<sup>1</sup>qtr, +11.4%<sup>2</sup>yr).

## Other indicators

Preliminary estimates of sales volumes remain problematic due to the pattern of upward revisions. The latest month shows volumes down 7.5% on a rolling 3<sup>1</sup>month basis nationally. A similar preliminary estimate of a 6.9% decline two months ago has since been revised up to +1.3%. Common sense suggests we should hold off on judging the latest read.

New listings have been about steady over the last few months. Total stock on market has risen slightly suggesting there may have been some softening in sales.

Notably, auction clearance rates have softened noticeably. These are only meaningful indicators for the Sydney and Melbourne markets. Clearance rates have dipped back below 60% in Sydney in recent weeks, consistent with the dip in prices. Melbourne clearance rates are also below 60% but have been noticeably softer throughout 2024.

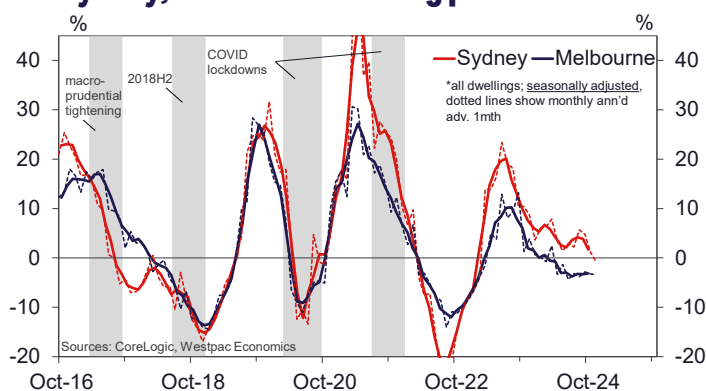
## Conclusion

Overall, the October update is in line with our expectations that price growth across the major capital cities would slow to 6% by year-end. However, the mix is again pointing to slightly weaker than expected results in Sydney and Melbourne, balance by slightly firmer outcomes in Adelaide and Perth.

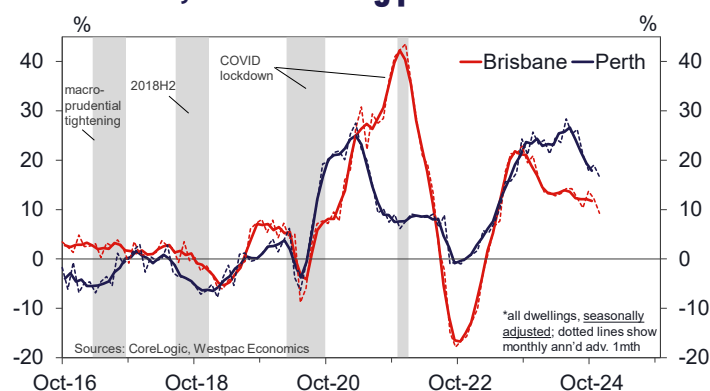
Looking ahead, the affordability strains that have contributed to slowing price growth in Sydney and Melbourne are likely to become more of a restraining factor in the Brisbane, Adelaide and Perth markets.

However, against this is some boost that is likely to come if and when the RBA decide to start lowering interest rates. An associated 'bid' will support prices somewhat in 2025 although we still expect only moderate growth overall and a narrowing in the performance across markets.

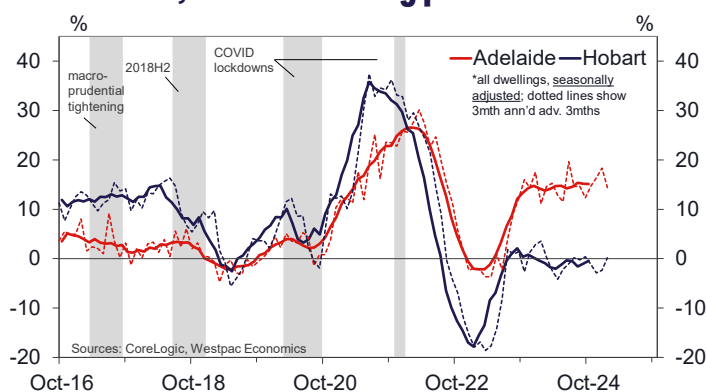
### Sydney, Melbourne dwelling prices: 3mth ann'd



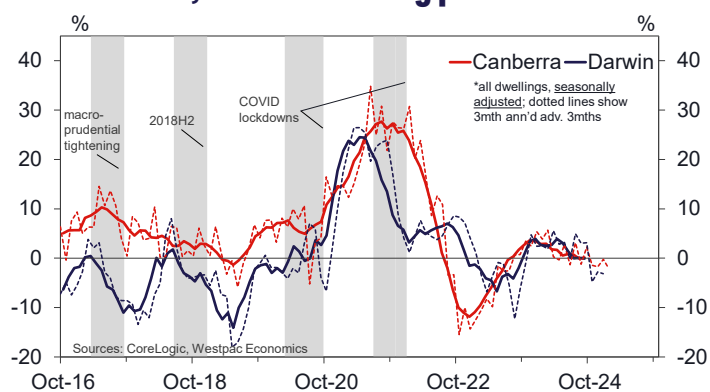
### Brisbane, Perth dwelling prices: 3mth ann'd



### Adelaide, Hobart dwelling prices: 6mth ann'd



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



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