

2 December 2024

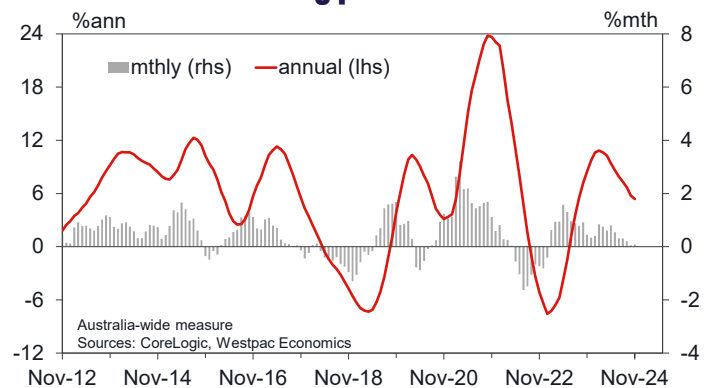
AUSTRALIAN DWELLING PRICES BULLETIN

Price slowdown broadens

Key points

- The CoreLogic home value index rose just 0.1% with downward revisions to previous months as well showing momentum has all but stalled. Annual price growth moderated to 5.4%yr but gains have been tracking a softer 2-3% annual pace since mid-year.
- Momentum slowed across all sub-markets. Sydney and Melbourne both recorded small price dips in the month. Conditions are cooling in the Brisbane, Adelaide and Perth markets although they remain stronger with price growth still positive.

Australian dwelling prices



**Nov CoreLogic
home value
index: 0.1%**mth**;
5.4%**yr****

Price slowdown broadens



Matthew Hassan
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The CoreLogic home value index, covering the eight major capital cities, rose 0.1% in November following a flat October and a 0.2% gain in September, previous months again revised down slightly (from 0.2% and 0.5% respectively). The monthly profile continues to show a clear 'step down'. Annual price growth has slowed to 5.4%yr but gains have been tracking a 2–3% annual pace since mid-2024.

Seasonality accentuated the weak November result a little, prices posting a slightly firmer 0.3%*mt* gain in seasonally adjusted terms and up 0.7%*qtr* vs 0.3%*qtr* in unadjusted terms. 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.

Still a two-speed market, but everywhere slowing

While there continues to be a wide divergence sub-markets, the slowdown into year-end has been broadly based. Price performances have been softer in Sydney and Melbourne, both recording slight declines over the last two months. The mid-sized capitals, Brisbane, Adelaide and Perth posted solid gains in November but are showing a clear cooling in momentum. The smaller capital cities have seen prices hold about flat.

Across dwelling types, houses have underperformed units slightly over the last two months but have still seen stronger gains over the last year (+5.9%*yr* vs +3.8%*yr*).

Sydney prices dipped 0.2% in November, matching a downwardly-revised 0.2% dip in October. Annual growth slowed to 3.3%*yr* with prices down 0.5% over the last 3*mt*s. 'Top tier' houses have seen a more material 2% drop.

Melbourne prices declined 0.4%*mt* in November, following a downwardly-revised 0.4%*mt* decline in October. Price slippage has been persistent with dips in ten of the last twelve months. Prices are down 2.3%*yr*. All tiers and segments recorded price declines in November.

Brisbane prices rose 0.6% in November, following a downwardly revised 0.6%*mt* gain in October. Annual price growth has softened to 12.1%*yr* from peak of 17%*yr* in April. Performances were similar across price tiers but slightly better for units compared to houses.

Adelaide recorded a relatively solid 0.8%*mt* price gain in November, down only slightly from a 0.9%*mt* gain in October and a 1% gain in September. Annual growth eased to 14%*yr* but the slowdown to date has been mild.

CoreLogic home value index: November 2024

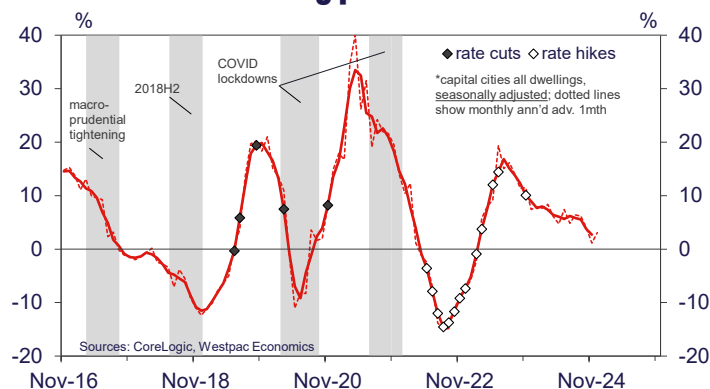
	%mt				%ann			
	Aug	Sep	Oct	Nov	Aug	Sep	Oct	Nov
Australia*	0.3	0.2	0.0	0.1	7.3	6.7	5.8	5.4
seas. adjusted	0.5	0.3	0.1	0.2	7.2	6.6	5.8	5.4
– houses	0.4	0.2	0.1	0.0	8.2	7.4	6.4	5.9
– units	0.1	0.3	0.0	0.3	4.5	4.4	3.7	3.8
Major capital cities								
Sydney	0.2	0.0	–0.2	–0.2	5.4	4.6	3.6	3.3
Melbourne	–0.5	–0.3	–0.4	–0.4	–0.6	–1.1	–1.9	–2.3
Brisbane	0.9	0.6	0.6	0.6	14.7	14.0	12.8	12.1
Adelaide	1.3	1.0	0.9	0.8	14.5	14.4	14.5	14.0
Perth	1.2	1.2	0.7	1.1	23.7	23.4	21.8	21.0
Turnover^Δ	3.4	2.4	–4.7	–8.0	13.8	10.3	3.6	–0.3

*combined capital cities

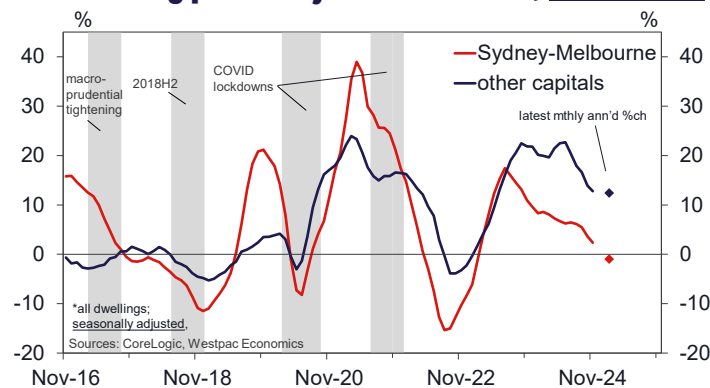
Sources: CoreLogic, Westpac Economics.

^Δ rolling 3*mt* total, %3*mt* and %ann ch, seasonally adjusted by Westpac.

Australian dwelling prices: 3*mt* annualised



Dwelling prices: Syd–Melb vs rest, 3*mt* ann'd



Perth remains the nation's hottest market, prices again outstripping other markets in November with a 1.1%^{mth} gain holding annual growth at 21%^{yr}. That said, momentum has moderated from the extreme red-hot pace seen over the year to June. Bottom tier prices are still tracking at close to 30%^{yr}.

Across the smaller capitals: Hobart recorded a 0.1%^{mth} dip with prices down 1%^{yr}; Darwin recorded a 0.2%^{mth} tick up but with annual price growth also slightly positive at 0.9%^{yr}; and Canberra prices recorded a 0.2%^{mth} rise but with annual growth still about flat (–0.1%^{yr}).

Regional areas mostly mirror capital city performances, prices in regional Vic down 0.1%^{mth}, –2.8%^{yr}, regional NSW +0.1%^{mth}, +3.2%^{yr}; regional Queensland, which includes the Gold and Sunshine Coasts, +0.5%^{qtr}, +10.9%^{yr}.

Other indicators

Preliminary estimates of sales volumes remain problematic due to the pattern of upward revisions. The latest month shows volumes down 9.8% on a rolling 3mth basis nationally. Our estimates – shown in the charts and tables in this note – suggest this is likely to be revised up to a milder 7.5% decline.

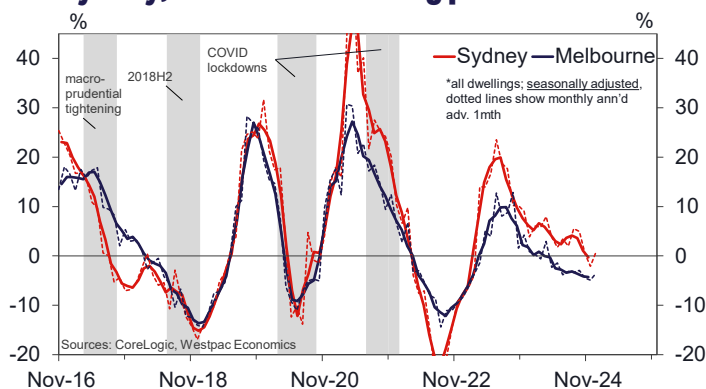
While the degree of the weakening in sales is uncertain, there does look to be some softening coming through, consistent with the moderation in price growth and an earlier softening in housing-related consumer sentiment. With new listings holding relatively steady in recent months, the 'balance of power' looks to be tilting slightly back towards buyers although in most cases 'on-market' supply remains very low.

Notably, auction clearance rates have softened noticeably in recent months. While these are only meaningful indicators for the Sydney and Melbourne markets, the dip is broadly consistent with recent price slippage. How these markets open in 2025 will be a key bellwether for the year ahead.

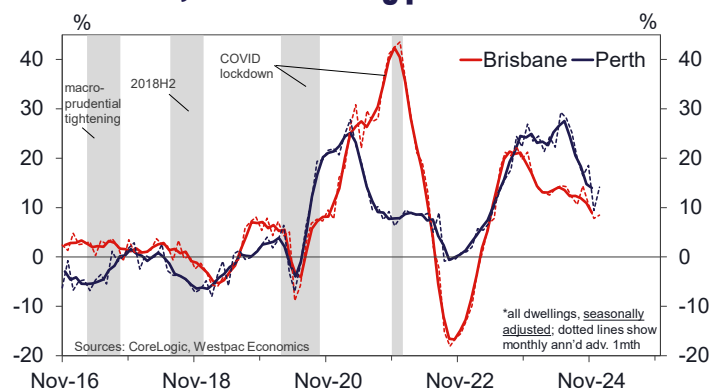
Conclusion

Overall, the November update shows a clear tapering off in price growth and a softening in turnover. With the prospect of interest rate cuts still looking some way off, markets are likely slow further over the first half of next year with a further narrowing in the divergence of performances – prices staying subdued where they are already soft and cooling further where they have been rising strongly.

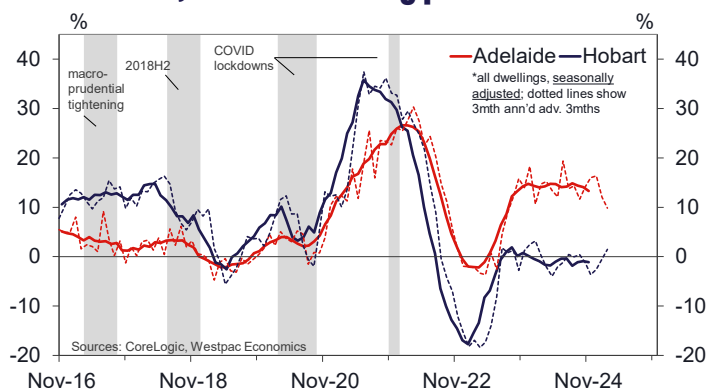
Sydney, Melbourne dwelling prices: 3mth ann'd



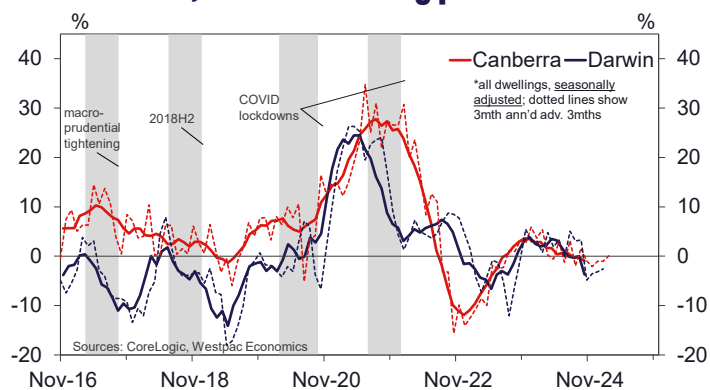
Brisbane, Perth dwelling prices: 3mth ann'd



Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



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