

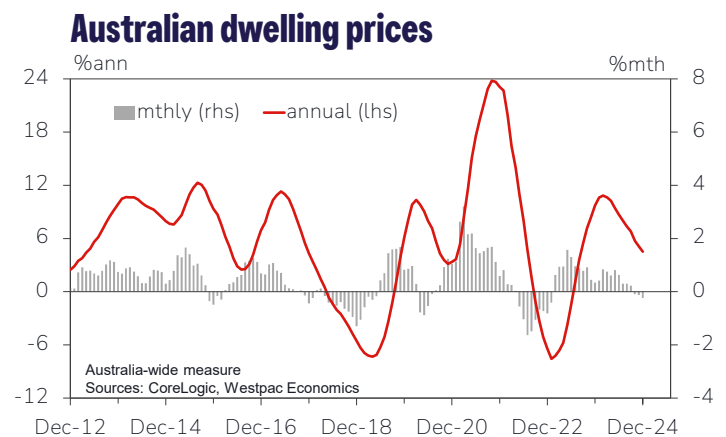
6 January 2025

AUSTRALIAN DWELLING PRICES BULLETIN

Prices 'dip into the close'

Key points

- Australia's housing market posted a weak finish to 2024, turnover dropping and prices down. The CoreLogic home value index declined 0.2% in the final month with the previous two months revised lower to slight 0.1% dips.
- While the monthly softness is exaggerated by seasonality, annual price growth has continued to move lower, dropping to 4.5%yr with the more granular price details suggesting the pace will fall further in coming months.
- Across the major cities, Sydney and Melbourne are recording clearer price declines over and above seasonal effects with falls looking firmly entrenched in Melbourne. Brisbane, Adelaide and Perth continue to record price gains but at a much slower rate compared to the strong double-digit annual pace seen in early 2024.



**Dec CoreLogic
home value
index: -0.2%^{mth};
4.5%^{yr}**

Australia's housing markets stumble into year-end



Matthew Hassan
Head of Australian Macro-Forecasting

The CoreLogic home value index, covering the eight major capital cities, declined 0.2% in December, with October and November also revised down to 0.1% dips from slight gains. Prices declined 0.5% over the quarter as a whole although all of this looks to be a seasonal effect with prices holding flat in seasonally adjusted terms. Note that, unless specified, the figures in titles, tables and commentary below are in non-seasonally adjusted terms, consistent with the 'headline' figures reported by CoreLogic. Figures in charts are in seasonally adjusted terms.

The flat final quarter still represents a material step-down from the 1.2% gain in the September quarter and the 1.4% gain in the June quarter. Annual price growth has now slowed to 4.5%yr, down from 8.7%yr in mid-2024 and a peak of 10.8%yr in February.

Granular price detail points to further softening

The CoreLogic price data includes an enormous amount of geographic detail, essentially going down to local 'suburbs' for each major capital city. Our November **Housing Pulse** showed some of these suburbs appear to be 'bellwether' markets that give a slight lead to price cycles across the wider city (see [here](#) for more). The chart bottom right shows these sub-markets currently point to a further moderation in annual price growth nationally in coming months, with momentum tracking a slight negative annual pace over the second half of 2024.

December quarter slowing broad-based

All major capital city markets recorded weak finishes to 2024, with the pace of outright price declines accelerating in Sydney and Melbourne, and a further moderation in the previously strong growth in Brisbane, Adelaide and Perth.

Sydney prices fell 0.6% in December after 0.4% declines in October and November. That said, about half of the 1.4% decline in the quarter is attributed to seasonality. Annual growth slowed to 2.3%yr. 'Top tier' houses continue to lead the declines.

Melbourne prices fell 0.7% in December to be down -1.8%qtr and -3%yr. Melbourne dwelling prices have lagged inflation for the best part of 5½ years now. All tiers and segments recorded price declines in the December quarter.

Brisbane prices rose 0.5% in December, in line with the 0.5% gain in November and up a tick from the 0.3% rise in October but well off the 1% average over the previous nine months. Annual price growth softened to 11.2%yr.

CoreLogic home value index: December 2024

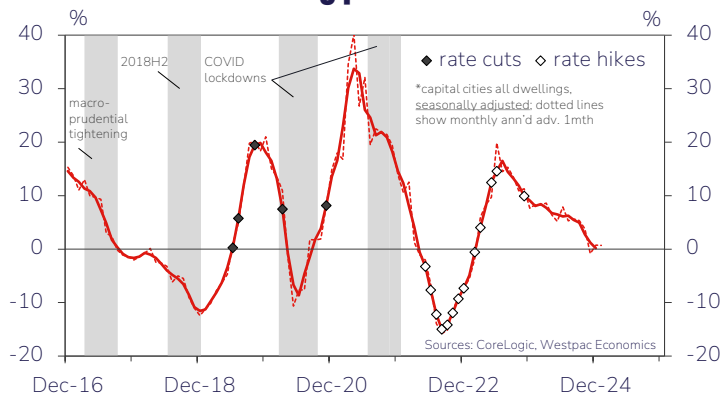
	%mth				%ann			
	Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
Australia*	0.2	-0.1	-0.1	-0.2	6.8	5.7	5.1	4.5
seas. adjusted	0.3	-0.1	0.1	0.0	6.7	5.7	5.1	4.5
- houses	0.2	-0.1	-0.2	-0.3	7.5	6.4	5.7	5.0
- units	0.3	-0.2	0.0	-0.1	4.5	3.6	3.4	3.0
Major capital cities								
Sydney	0.1	-0.4	-0.4	-0.6	4.8	3.6	3.1	2.3
Melbourne	-0.3	-0.5	-0.6	-0.7	-1.0	-2.0	-2.6	-3.0
Brisbane	0.6	0.3	0.5	0.5	14.0	12.5	11.7	11.2
Adelaide	1.0	0.9	0.6	0.6	14.4	14.4	13.8	13.1
Perth	1.1	0.7	0.5	0.7	23.5	21.8	20.4	19.1
Turnover^	4.4	-1.0	-4.3	-8.5	11.2	7.1	3.9	1.4

* combined capital cities

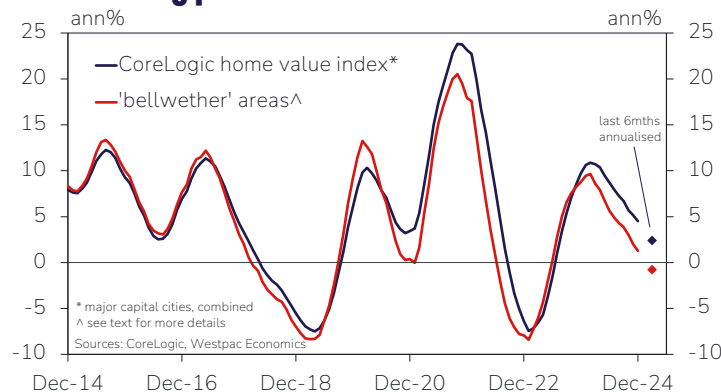
Sources: CoreLogic, Westpac Economics.

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

Australian dwelling prices: 3mth annualised



Dwelling prices: 'bellwether' areas



Adelaide recorded a 0.6%*mt* price gain in December, matching November but also off the 1.1%*mt* average over the previous nine months. Annual growth ticked down to 13.1%*yr* but prices tracked an 8.5% annual pace in the final quarter.

Perth prices rose 0.7%*mt* in December, with previous months revised down more materially. Annual growth remains high at 21%*yr* but prices tracked a much milder 7.5% annual pace in the December quarter.

The Brisbane, Adelaide and Perth markets all continue to show firmer growth across lower price tiers.

Across the smaller capitals: Hobart recorded a 0.5%*mt* fall, prices down -0.6%*yr*; Canberra was also down -0.5%*mt*, -0.4%*yr*; but Darwin posted a 0.4%*mt* rise to be up 0.8%*yr*. Regional areas mirrored capital city performances, regional Vic down 0.3%*mt*, -2.7%*yr*, regional NSW flat%*mt*, +3.2%*yr*; regional Queensland up +0.4%*mt*, +10.9%*yr*.

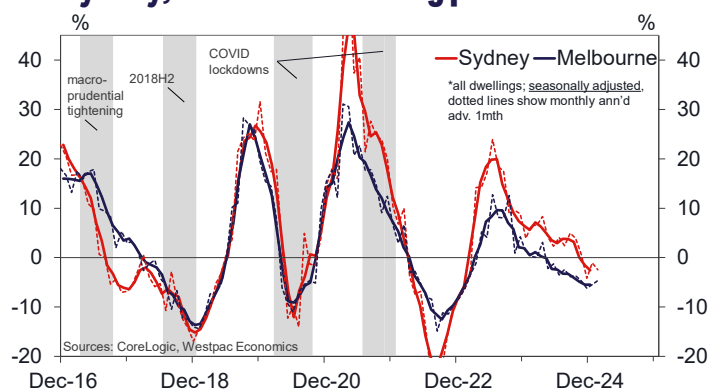
Preliminary estimates of sales volumes remain problematic due to the pattern of upward revisions. Current estimates have volumes down 10.5% for the December quarter. Our estimates – shown in the charts and tables in this note – suggest this is likely to be revised up to an 8.5% decline, still a large pull-back and at a time that new listings appear to be rising – the shift in the ‘balance of power’ between buyers and sellers adding to the soft near term price outlook.

Conclusion

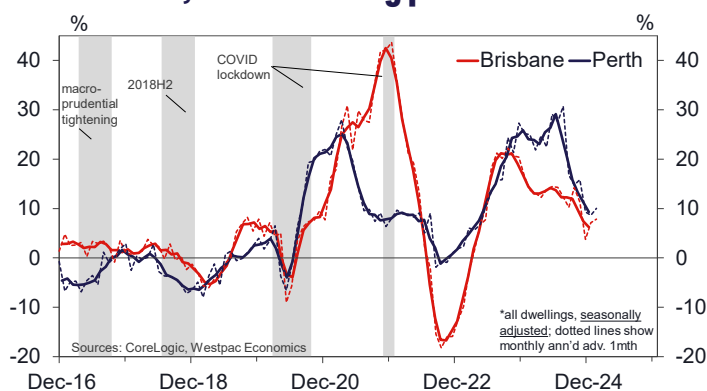
Overall, the December update shows markets stumbling into year-end with more price weakness in the two biggest markets and growth clearly coming off the boil in the previously strong ‘middle-sized’ capitals. With turnover also pulling back and listings starting to rise, the market looks susceptible to more price softness in early 2025.

How auction markets perform when they reopen in early February will be an important test of how far the ‘balance of power’ has shifted between buyers and sellers in the Sydney and Melbourne markets.

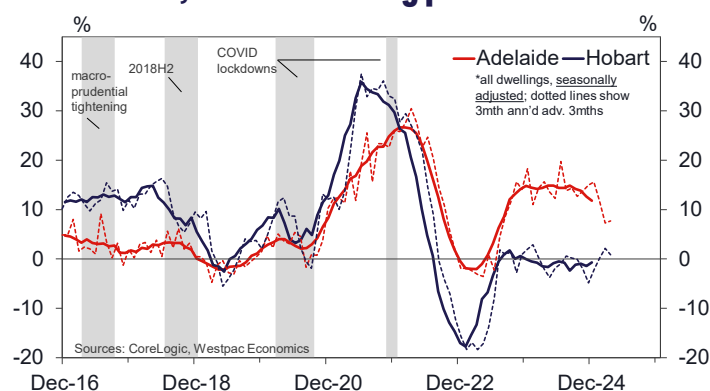
Sydney, Melbourne dwelling prices: 3mth ann'd



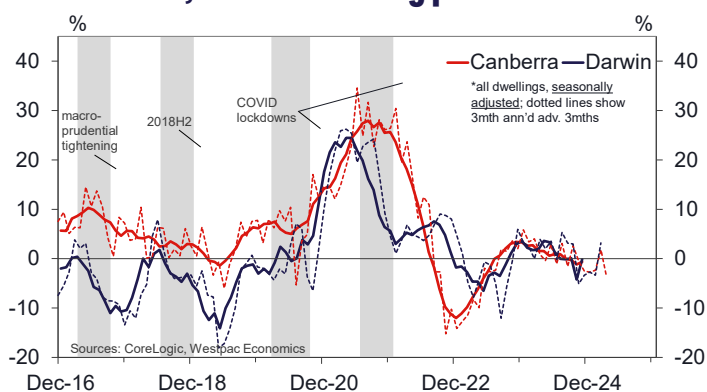
Brisbane, Perth dwelling prices: 3mth ann'd



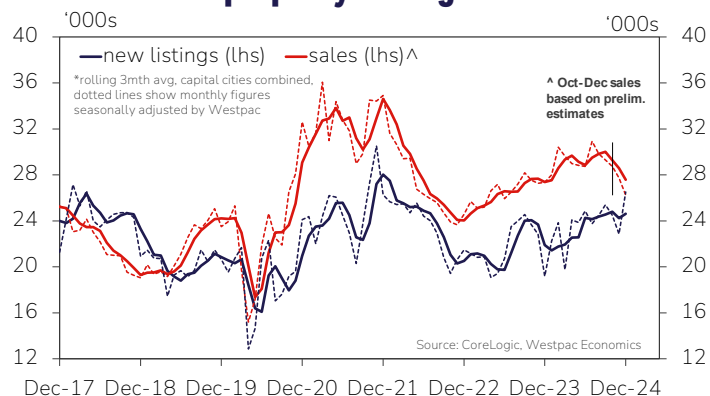
Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



Residential property: listings and sales



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.



Corporate Directory

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

©2025 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 licence and is subject to supervision by the Monetary Authority of Singapore.

Disclaimer continues overleaf ▶

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.