

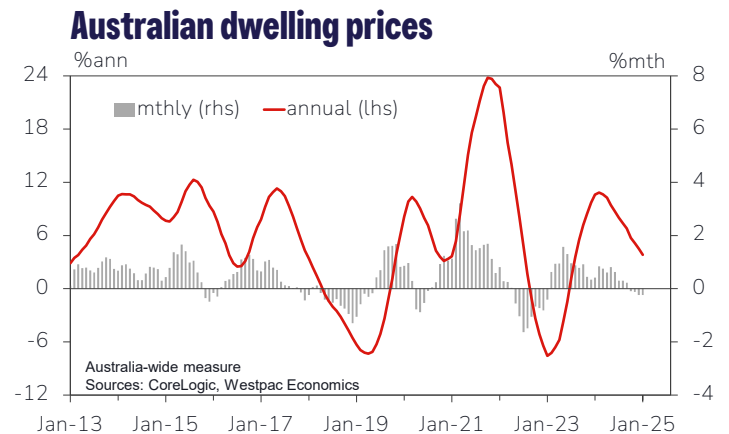
6 January 2025

# AUSTRALIAN DWELLING PRICES BULLETIN

## Another soft month for housing

### Key points

- Australia's housing market remained soft through the new year, the CoreLogic home value index recording another 0.2% dip in Jan, in line with Dec and marking a fourth consecutive monthly decline.
- Annual price growth has continued to slow, dropping below 4%yr.
- Preliminary estimates also point to an underlying weakening in sales volumes - a quieter than usual summer low period.
- Sentiment updates and reopening auction markets in Sydney and Melbourne in coming weeks will be more important gauges of the market mood in early 2025.



**Jan CoreLogic  
home value  
index: -0.2%*mth*;  
3.8%*yr***

# Markets in weak 'holding pattern' through January



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

The CoreLogic home value index, covering the eight major capital cities, declined 0.2%<sup>1</sup> in January, matching the December result and following 0.1%<sup>1</sup> dips in October and November. Prices have retraced 0.7% over the period as a whole, having risen 14.9% over the previous year and a half. Preliminary estimates also point to a weakening in sales volumes over-and-above the usual summer hiatus. The data mostly reflects conditions prevailing late last year with indicators due in coming weeks likely to give a better sense of how markets are travelling in early 2025.

As always, housing-related data should be treated with extra caution of the Christmas-New Year period due to the low level of activity (sales in the January month are typically a third lower than the rest of the year). There can also be some seasonality to prices. This may currently be accentuating price weakness with CoreLogic's seasonally adjusted price measures holding flat rather than declining. 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.

## Prices soft, sales pull back

Both houses and units recorded declines in the month, annual growth a little slower for the latter (2.6%<sup>1</sup> vs 4.2%<sup>1</sup> for houses). Preliminary estimates indicate that turnover is down 9-10%<sup>1</sup> in seasonally adjusted terms. In non-seasonally adjusted terms, sales over December-January were down 7.8% on a year ago.

Sydney prices fell 0.4% in January following on from the 0.6% decline in December after 0.4% declines in both October and November. Annual growth has slowed to just 1.7%<sup>1</sup>. 'Top tier' houses and units are leading the declines with prices still showing small gains in other price tiers.

Melbourne prices fell 0.6% in January following a 0.7%<sup>1</sup> decline in December to be down -3.3%<sup>1</sup>. All tiers and segments recorded price declines in the January month.

Brisbane prices rose 0.3%, annual growth slowing further to 10.4%<sup>1</sup>. Price performances have been relatively steady across tiers and segments.

Adelaide recorded a 0.6%<sup>1</sup> price gain in January, matching the last couple of months, annual growth still tracking a robust 12.7%<sup>1</sup> but with a step-down in momentum over the last three months.

## CoreLogic home value index: January 2025

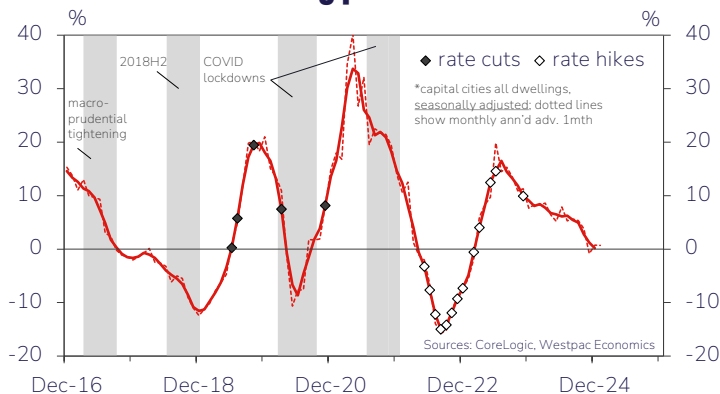
	%mth				%ann			
	Oct	Nov	Dec	Jan	Oct	Nov	Dec	Jan
<b>Australia*</b>	-0.1	-0.1	-0.2	-0.2	5.7	5.1	4.5	3.8
seas. adjusted	-0.1	0.1	0.0	0.0	5.7	5.1	4.5	3.9
- houses	-0.1	-0.2	-0.3	-0.2	6.4	5.7	5.0	4.2
- units	-0.2	0.0	-0.1	-0.3	3.6	3.4	3.0	2.6
<b>Major capital cities</b>								
Sydney	-0.4	-0.4	-0.6	-0.4	3.6	3.1	2.3	1.7
Melbourne	-0.5	-0.6	-0.7	-0.6	-2.0	-2.6	-2.9	-3.3
Brisbane	0.3	0.5	0.4	0.3	12.5	11.7	11.2	10.4
Adelaide	0.9	0.6	0.5	0.7	14.4	13.8	13.0	12.7
Perth	0.7	0.5	0.1	0.4	21.8	20.4	18.5	17.1
<b>Turnover<sup>1</sup></b>	-2.1	-4.3	-10.1	-9.4	5.9	4.0	-0.5	-3.8

\* combined capital cities

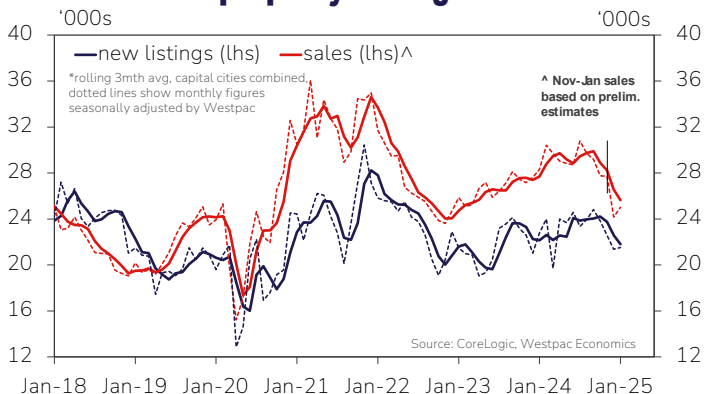
Sources: CoreLogic, Westpac Economics.

<sup>1</sup> rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.

## Australian dwelling prices: 3mth annualised



## Residential property: listings and sales



Perth prices rose 0.4%*mt*, annual growth moderating to 17.1%*yr* but tracked a much slower 5-10% annual pace over the last three months.

Across the smaller capitals: Hobart prices were flat in the month, down -0.4%*yr*; Canberra prices fell another -0.5%*mt*, annual growth ticking down to -0.5%*yr*; but Darwin posted a decent 0.6%*mt* gain, annual growth holding at slight positive at 0.9%*yr*.

Regionally, prices basically held flat in regional Vic and regional NSW (down -2.6%*yr* and up 2.9%*yr* respectively), but continued to firm in regional Qld (+0.7%*mt*, +10.3%*yr*).

Preliminary estimates of sales volumes remain problematic due to the pattern of upward revisions. Current estimates have volumes down 10.5%*qtr* in January. Our estimates – shown in the charts and tables in this note – suggest this is likely to be pared back to a still large 9.4% decline. Previous estimates have been upgraded slightly, in line with our estimates.

Even with some further upward revisions, turnover looks to have fallen substantially since late 2024 (over and above the usual seasonal pull back). That in turn the 'balance of power' is

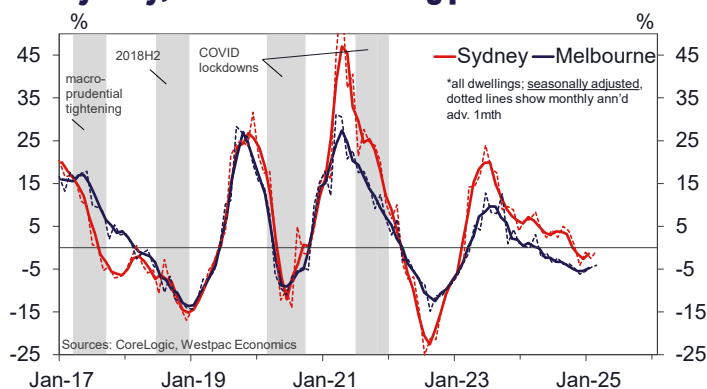
tilting back from sellers to buyers, adding to the soft near term price outlook.

## Conclusion

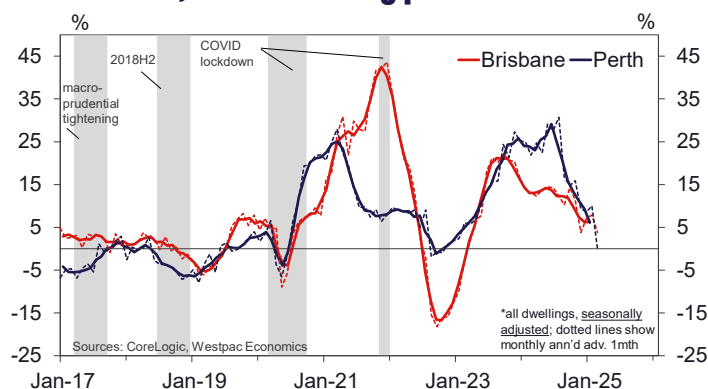
Overall, the January update is very much in line with the picture presented late last year, with market activity weakening into the close, prices continuing to slip in the large Sydney and Melbourne markets and growth moderating in the medium-sized capital cities. Indeed, it's fair to say given the very light trading conditions in January that the update largely reflects the pre-existing momentum from late last year rather than any new developments in 2025.

How markets are shaping up in the new year should become clearer in coming weeks, with an important read on the buyer mood due with the next consumer sentiment update on February 11 and the reopening of auction markets over the next three weeks – a period that is now widely expected see the first RBA interest rate cut as well. For what it's worth, the very tentative early signs show clearance rates opening around 65%, up on the 55-60% level they left off late last year but prone to being 2-3pts higher in January due to seasonality.

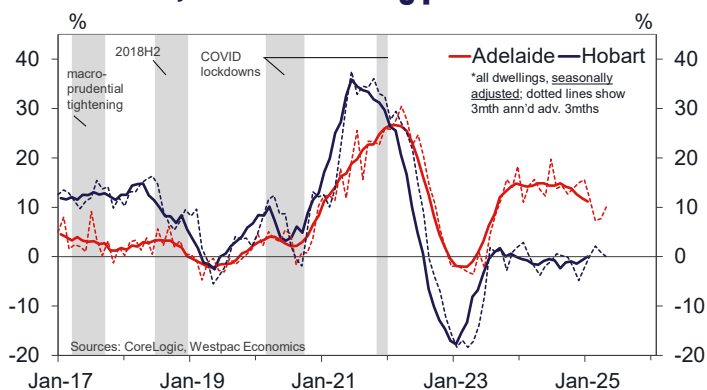
### Sydney, Melbourne dwelling prices: 3mth ann'd



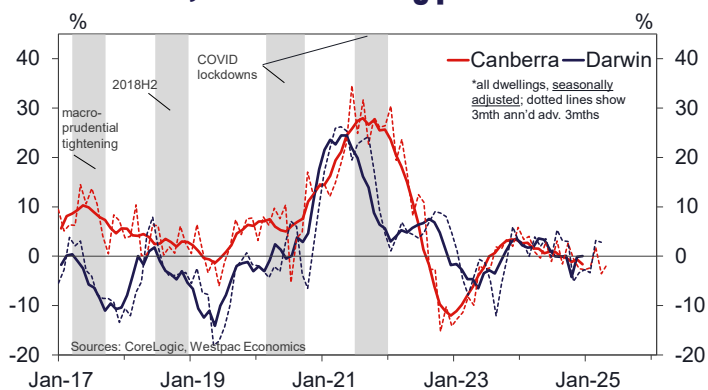
### Brisbane, Perth dwelling prices: 3mth ann'd



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



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



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