6 June 2025

WESTPAC HOUSING PULSE

Australia's quarterly housing market report

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The next issue will be published 29 Aug 2025.

A slow, shallow turn

Our latest **Housing Pulse** finds mixed conditions mid-way through 2025, very much in line with our expectations. Price growth is subdued, turnover soft and conditions have converged across markets. The macroeconomic backdrop has been unsettled but continues to track expectations locally with the RBA taking a further step along a gradual and moderate easing path.

High frequency and forward-looking indicators show rate cuts and firming expectations of a further move lower, are providing some more impetus to housing markets. However, the reaction remains measured to date, consistent with our view that the nature of the easing and the high starting point for prices would see a fairly muted 'affordability-constrained' response.

All-up, where a lift is evident, markets appear to be tracking a slow, shallow turn. That may change. We are wary of housing's famous interest rate sensitivity. There is also evidence of substantial 'pent-up' or delayed activity.

With consumers bullish on prices, buyer sentiment could shift quickly. But so far it remains decidedly luke-warm.

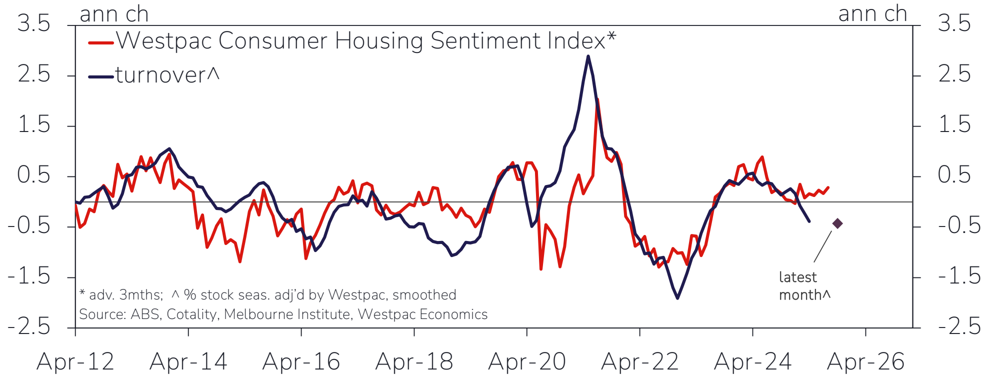
Anecdotes suggest buyers are showing more interest but remain price sensitive – choosing to back off if the price is not right. That is the general message coming from the price detail as well, particularly the relative outperformance of 'lower and middle tier' segments in all of the major capital cities.

There are some hints of a lift in some of the more cyclically-sensitive 'top tier' market segments after the RBA's rate moves. But so far these gains have not been particularly strong or decisive.

We examine the relative performance of price tiers more closely on p8. We also take a deeper dive into the results from the **Westpac Home Ownership** survey, which provides some guidance on where 'pent up' demand may pop up (p6). And we take a look at the Federal government's first homebuyer guarantee scheme – sizing the pool of prospective buyers that would meet lower deposit requirements (p10) but also highlighting the considerable challenges they will face with this support (p12).

Overall, 2025 still has the feel of a 'transition year' for markets with performances neither here or there for most markets.

1. Australia: national housing conditions



"... mixed conditions mid-way through 2025"

*The **Westpac Consumer Housing Sentiment Index** is a composite measure based on four housing–related components of the Westpac Consumer Sentiment survey. See Appendix on p40 for more details.

Drifting ahead of a second interest rate nudge

– Australia's housing markets have drifted somewhat over the last three months, with the impetus from lower interest rates still fairly limited and other uncertainties likely weighing at the margin. While widely expected, the RBA's May rate cut, and the more confident language that accompanied it should provide a little more traction in the months ahead.

– The resolution of election uncertainty and government policy changes could provide some additional support. The latter includes additional assistance for prospective first home buyers and changes to super taxation that may encourage some holders with large super balances to move funds into residential property.

– Prices have continued to tick higher, the major capital city measure tracking a 1.2% gain over the last three months, albeit with some of that seasonal. Annual price growth has moderated to 2.7% overall – a slight decline in real, inflation adjusted terms. Notably, price performances have converged across capital cities, lifting a touch in Sydney and Melbourne and slowing elsewhere.

– All major capital city markets have seen positive price growth over the last three months, ranging from 1.1% in Sydney to 1.2% in Melbourne, 1.3% in Adelaide, and 1.6% in Brisbane and Perth.

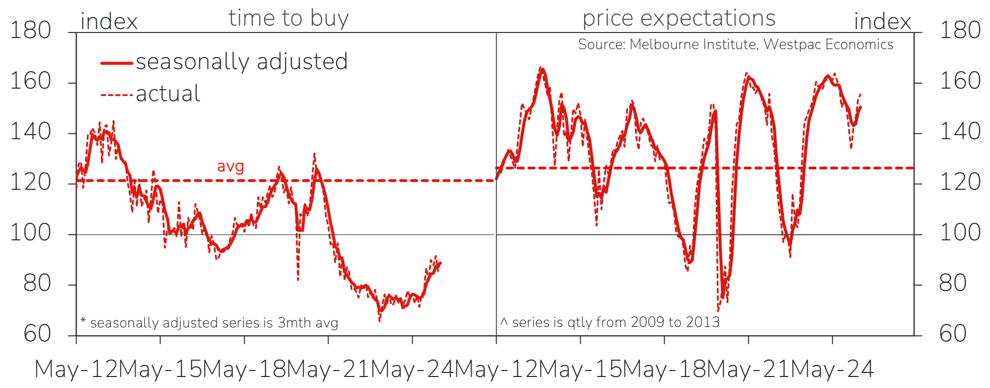
– Annual price growth remains slightly negative in Melbourne (–1.2%) and relatively weak in Sydney (+1.1%) compared to Brisbane (7.1%), Perth (8.6%) and Adelaide (8.6%). While annual growth has improved slightly in Melbourne, it has softened elsewhere, from strong double-digit rates in the case of Brisbane, Perth and Adelaide.

– Forward-looking indicators are mostly unchanged, Auction clearance rates are around long run averages in Sydney and Melbourne, albeit with the latter making a notable improvement on the previous 12 months. Housing–related sentiment has improved marginally with a notable lift in consumer house price expectations. The picture remains consistent with modest growth in turnover.

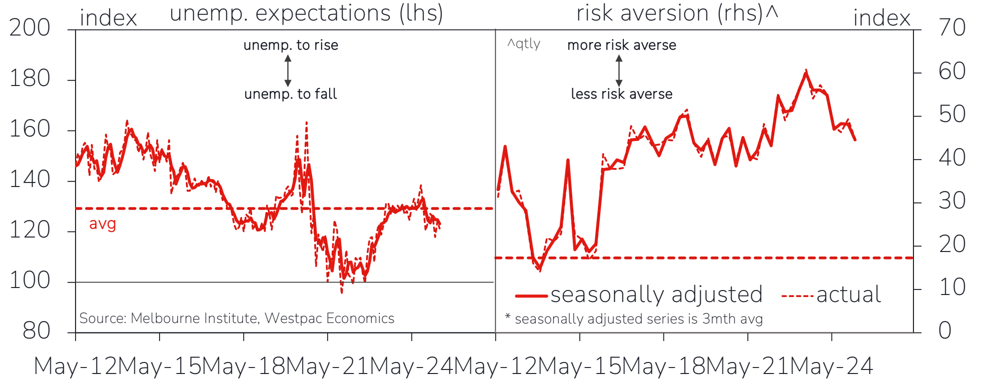
– Tight supply and stretched affordability are still prominent themes. Rental vacancies and on-market supply remains low while the price detail continues to suggest buyers are moving down the cost curve towards more affordable segments.

– Nationally, turnover is down 4% over the three months to April but the big 10% drop estimated over the previous three months has been pared back to 2%. While we continue to make some allowance for upward revisions, recent patterns make the extent of the softness uncertain.

2. Consumer sentiment: housing

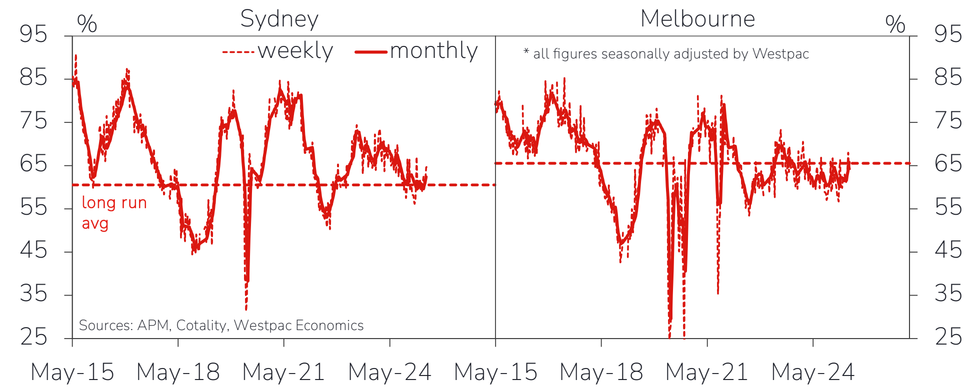


3. Consumer sentiment: jobs & risk aversion

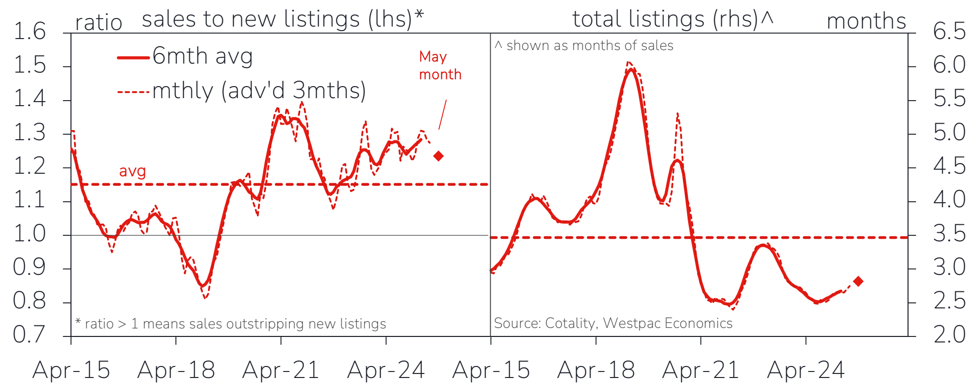


- Housing-related sentiment has seen more broad based gains over the last three months but at a slower pace than over the second half of last year.
- Nationally, the **Westpac Melbourne Institute 'time to buy a dwelling' index** rose 2.5% over the three months to May. At 90, the index is well above recent lows but still in net pessimistic territory and well below the long run average of 120.
- The **Westpac–MI Consumer House Price Expectations Index** surged 9.3% over the three months to May, posting a more decisive rebound. At 155.5, the index is comfortably above the historical average of 128. Just under 64% of consumers expect prices to rise over the next year, up from 55% in February but below the 71% registered in June last year.
- The **Westpac Melbourne Institute Unemployment Expectations Index** declined 3.6% to 121.3 over the three months to May, unwinding most of the rise seen over the previous three months (recall that lower reads mean more consumers expect unemployment to fall in the year ahead). Consumers are marginally more confident about jobs, the measure well below the long run average of 129. Certainly there are no signs that job loss fears are an active factor deterring potential buyers.
- The **Westpac Consumer Risk Aversion Index** improved slightly to 45 in March from 48 in December and similar levels in September and June. That reading was prior to the trade-related turmoil in April which will have likely sparked renewed shift towards caution.
- Aversion remains intense, consumers continuing to heavily favour bank deposits and debt repayment as the 'wisest place for savings'. However, as at March there was a slightly more favourable disposition towards 'real estate' compared to the last five years.
- As noted, auction markets have held around long run averages in Sydney and Melbourne, but with the latter firming from relatively weak reads over the last year. Volumes are reasonable but off the highs seen last year and in 2022. Pre-auction withdrawals – often a sign of soft conditions – have been a bit above average but far from concerning. Note that auction sales account for less than 20% of turnover nationally and are only meaningful indicators for the Sydney and Melbourne markets.
- 'On–market' supply remains tight. Sales continue to run ahead of new listings and total stock on market remains well below long run averages, albeit with both metrics improving slightly in recent months.

4. Auction clearance rates



5. Residential property listings



Home ownership survey 2025, part 2

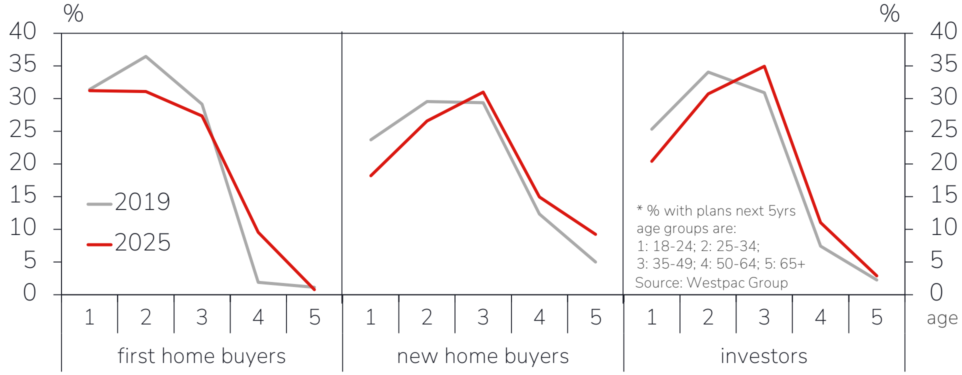
- Our last report profiled some of the top-line results from our annual **Westpac Home Ownership Survey** poll run at the start of the year (see here). This update returns to the survey results, taking a closer look at some of the state and segment detail. While circumstances and assessments may have shifted since the start of the year it is useful to have some guidance on consumers' medium term housing aspirations. In general the results suggest there is a significant degree of delayed or 'pent-up' activity that could come through under the right conditions.
- Recapping: the main headline takeaway from this year's survey was a clear pull–forward with about a third of consumers with plans over the next 5yrs looking to go ahead this year, up from a quarter last year. However, this was not a universal shift with prospective first home buyers a notable exception and the pull-forward in plans centred on upgraders and buyers looking to purchase an investment property.
- As table 6 shows, first home buyer intentions are weak, running 40% below average and subdued across all states. We explore the first home buyer situation more closely elsewhere in this report, including savings levels across potential buyers and the impact of Federal first home guarantee scheme (see p10 and p12).
- In contrast, the proportion of respondents intending to purchase a new home, i.e. upgraders, was up nearly 30% on last year and 30% above the 2019-25 average. Intentions are particularly widespread in NSW and Vic but recorded big increases on a year ago in Vic and Qld. WA was something of an exception, with plans up more modestly on a year ago and below average overall.
- The state patterns suggest there is a complex mix of drivers at work. While 'pent-up' demand is a common factor, it is likely to be lower in markets where sales volumes have been relatively buoyant. Price-wise, upgrader decisions are affected by both the sale price of their existing home and the price they expect to pay for their next purchase. Price 'spreads' are more relevant than price levels for upgrader affordability.
- It's a similar picture around those planning to purchase investment properties. Nationally, the share is up 40% on last year to be 12.4% above the 2019-25 average. All states recorded strong increases, the share of intending buyers highest in Vic and NSW and well above average in Vic, Qld and SA. As discussed back in March, the more detailed responses suggest many were looking to time their purchases around an expected decline in interest rates.

6. Home ownership: by state

	first home buyers			new home buyers			investors		
	avg*	2024	2025	avg*	2024	2025	avg*	2024	2025
NSW	4.2	1.7	2.8	8.7	10.2	11.8	11.8	9.1	12.8
Victoria	4.0	2.7	1.7	8.5	8.2	12.5	10.1	9.0	13.4
Queensland	4.0	1.7	2.3	6.2	6.9	9.3	7.9	7.3	10.3
South Australia	3.6	2.1	2.1	5.7	7.6	8.3	5.8	4.9	7.5
Western Australia	3.3	2.0	1.0	9.1	6.8	8.7	8.8	6.2	10.2
Australia	**3.7**	**1.9**	**2.2**	**8.2**	**8.3**	**10.6**	**10.3**	**8.2**	**11.5**

% planning to buy, next 12mths; * average across all survey waves, 2019-25 (FHBs is 2021-25). Source: Westpac Economics

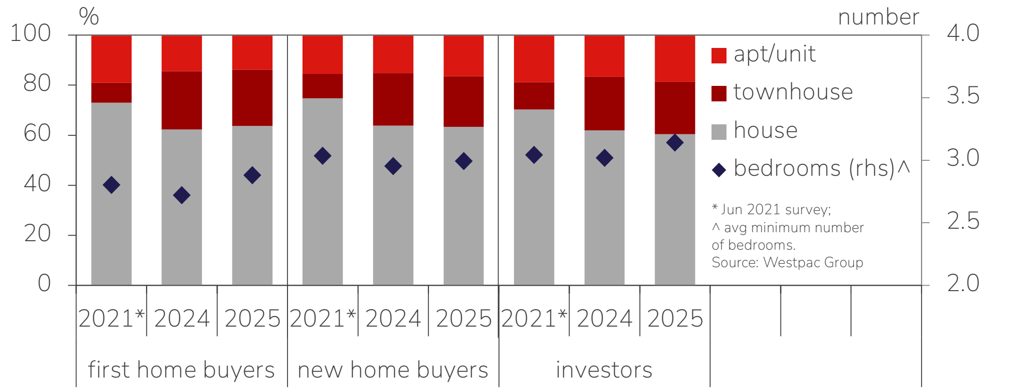
7. Home ownership: selected segments by age



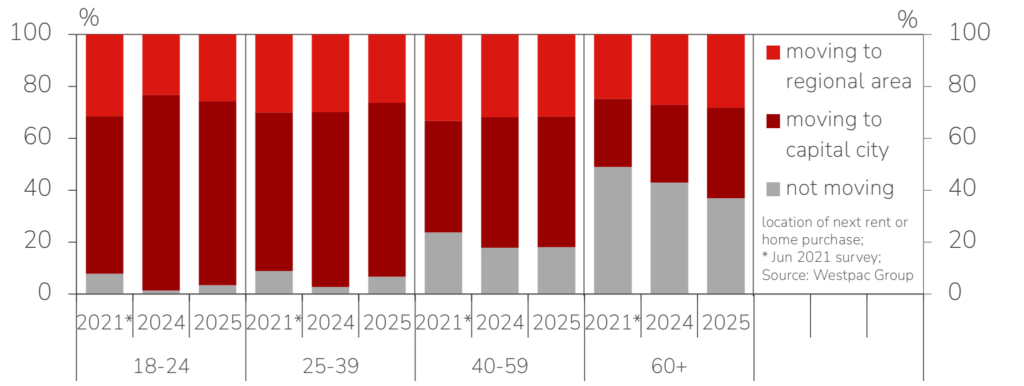
Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known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

- Age-group responses lend support to the idea that consumers have been delaying purchase decisions. Chart 7 shows, for each segment, the share of prospective buyers by age group, comparing responses in 2025 with those back in 2019. All three curves have shown distinct right-ward shifts over the period with a declining share of younger age groups intending to purchase and slight increases in the share of older age groups.
- Preferences for property type were largely unchanged on last year. The previous survey had shown a notable shift in preferences towards townhouses, reflecting the deteriorating affordability of detached houses and concerns about the build quality of apartments. The shift remained largely intact in 2025. That said, what was a smaller shift away from apartments has reversed for 'upgraders' and investors. Remedial work and improved regulation may have eased build quality concerns amongst these more experienced buyers.
- All three segments showed a notable shift toward larger properties in terms of bedroom numbers. Moves were more pronounced for first home buyers and investors. The 3-bedroom dwelling is still the most favoured. However prospective buyers are becoming less inclined towards 1 and 2-bedroom dwellings and more interested in larger homes.
- The shift almost certainly reflects the increased prevalence of work-from-home arrangements. The latest move may be an indication that more Australians are planning their home purchase decisions on the basis that these arrangements will be permanent. That said, bedroom number still looks to be a key area where first home buyers are prepared to compromise.
- Location is another consideration for buyers facing acute affordability challenges. Chart 9 shows the location preferences across age groups (irrespective of whether the intention is to rent or own). Capital cities have become more heavily favoured. Across all groups combined, two-thirds of those planning a move are looking to the capital cities rather than regionally. Note that intra-state and inter-state demand is still substantial for some markets, accounting for over 17% of buyer intentions for Brisbane for example.
- The location breakdown is particularly interesting for older age-groups. The share expecting to stay put has declined materially over the last four years. Back in 2021, moving or not was a 50:50 call for those aged over 60. In 2025, 63% of this group anticipate moving, the bulk of the shift being towards somewhere else in a capital city rather than regional areas. There is a similar but less pronounced shift amongst those in the 40-59 age group.

8. Home ownership: property type, size



9. Home ownership: age by location



Performances by tier

– For some time now we have been highlighting the relative outperformance of lower-priced properties in several markets. The implication is that stretched affordability and limited supply is leading buyers to bid up prices at the lower end of the market. But how have prices across different tiers been evolving more generally, over the short, medium and longer term, and across different markets?

– Chart 10 shows how the 'five major capital city' measures have performed over the last decade.

– Two features stand out.

– Firstly, 'high' tier prices have been more cyclical, outperforming during upturns but also underperforming during downturns and corrections.

– Secondly, there has been a significant narrowing over the period as a whole. Indeed, the 'low' and 'mid' tier indexes have all but converged and the gap between 'mid' and 'high' is at its narrowest in just over 10 years.

– For the period as a whole, the low tier has outperformed, tracking annualised growth of 5.4% compared to 4.9% for 'mid' and 4.7% for 'high' tier. That compares to more even performance over the previous 10 years (low/mid/high tiers tracking annualised growth of 5.6%/5.3%/5.4%).

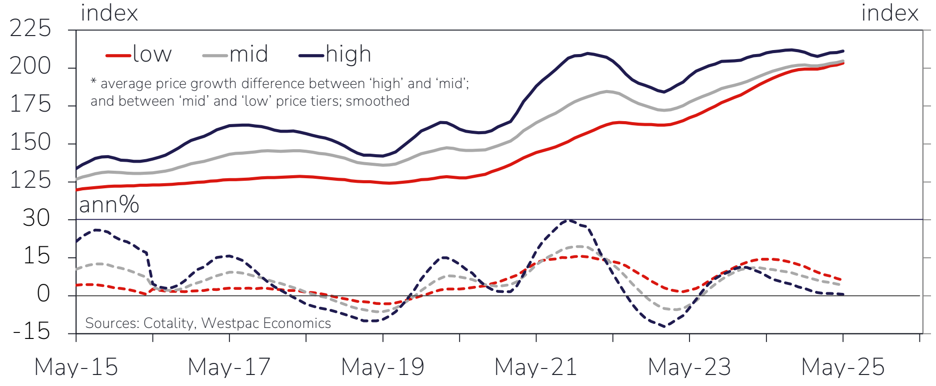
– One important point to note here is that much of the variation in the national measure reflects performances of particular cities. The cut-off for the 'top' tier measure nationally is around $1.2m. As such it will skew heavily towards the Sydney and Melbourne markets. Conversely, the 'low' tier cuts out at around $700k, which will exclude most Sydney houses and a significant share of Sydney units.

– We can go some way towards adjusting for this effect by building 'bottom up' measures based on weighted averages of the 'low', 'mid' and 'high' price indexes for each capital city. This compresses the measures significantly and reduces much of the cyclical volatility.

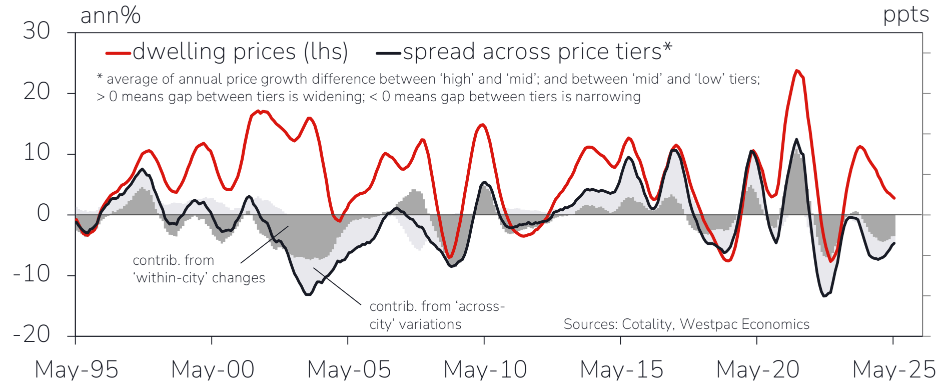
– Chart 11 shows how the spread across tiers has changed year to year (the dark line) with the shaded areas showing the contribution from 'across-city' and 'within-city' variations. The red line shows aggregate price growth.

– The current phase of tier compression reflects both 'across-city' and 'within-city' effects. Lower-priced cities have outperformed. But across all cities, lower-priced parts of the market have also been mostly outperforming over the last three years. Indeed, Chart 12 shows the gap between 'tiers' is currently narrowing in every major city.

10. Australian dwelling prices: by tier



11. Dwelling prices: growth and tier 'spread'



– As mentioned, affordability and supply issues are likely driving much of this trend. However, there will be other factors at play as well.

– Much of the tiering in dwelling prices relates to location premiums. Over time, the premium of well-located, typically central, areas tends to rise. However, as our Chief Economist Luci Ellis observed in a previous life at the RBA, the trend rise that had been evident earlier reversed materially during and following COVID as working from home arrangements led people to put a higher value on 'space' over 'place'. That shift still looks to be operating.

– Another factor in the mix is shifting attitudes towards apartments due to build quality concerns. These mainly related to the major round of high rise construction in Sydney and Melbourne through the second half of the 2010s. Many of these buildings required expensive remedial work, particularly due to the use of flammable cladding products. More generally, buyers were wary of lax standards and regulation. This likely triggered both a shift in buyer preferences towards houses and, within the units segment, a 'flight to quality' as buyers avoided cheaper units in favour of more expensive ones that were less likely to be facing these issues.

– Chart 13 shows long run average differences in price growth across tiers for houses and units at the capital city level.

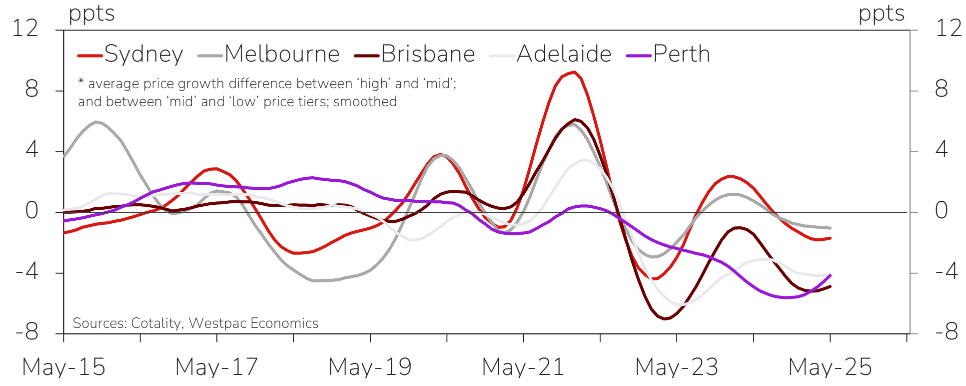
– For unit prices, 'top tiers' have outperformed others over the last decade in Sydney, a clear break with the previous twenty years. There are similar shifts in Melbourne and Brisbane although 'lower tiers' have still outperformed price-wise.

– Interestingly, the same history shows lower tier outperformance on prices is more common than it might seem. Since the mid-1990s, these segments have outperformed in every capital city market. However, that outperformance has almost always come during the 'stable' and 'correcting' phases for prices.

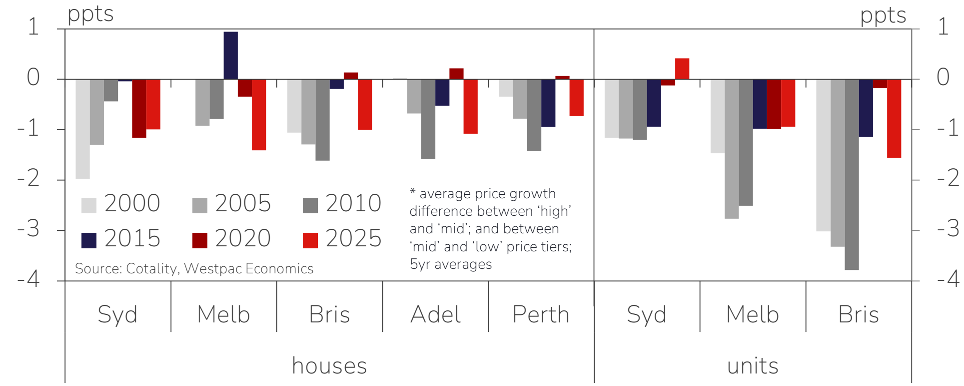
– There are instances where lower tier markets have outperformed during periods of strong price growth – the late 1990s-mid-2000s being a prime example – but these are less common. Whereas almost every price correction has seen the gap between price tiers narrow, price booms only see a narrowing about 40% of the time. The phenomenon also looks to be becoming even less common with just 10% of the 'boom' period observations over the last ten years involving a narrowing in price tiers.

– Turning this around, another potential takeaway here is that periods of strong price growth typically occur when 'top tier' markets are rising strongly. Likewise, periods of strong growth nationally are more likely to occur when one or more capital city markets is seeing very strong price growth.

12. Dwelling price growth: tier 'spread' by capital city



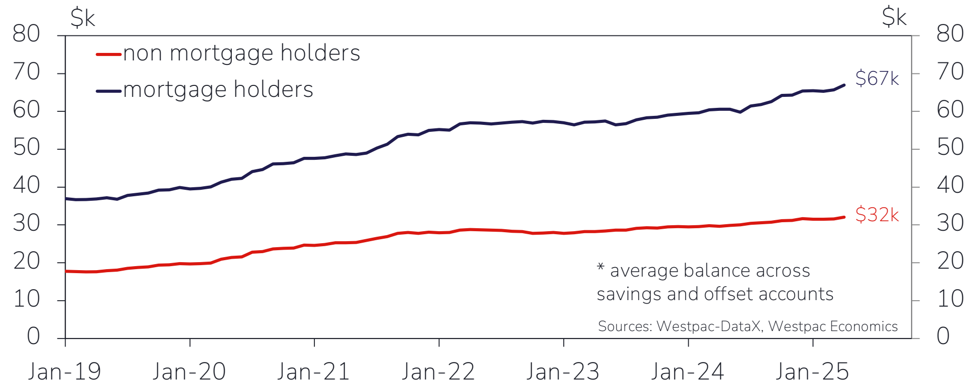
13. Dwelling price growth tier spread: selected segments



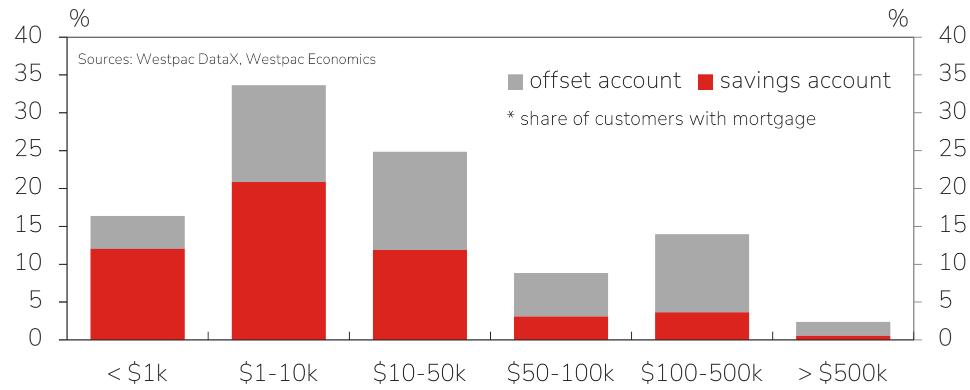
Savings of potential first home buyers

- The **Westpac-DataX Consumer Panel** offers a timely and detailed view of Australian consumer finances and behaviour. Lately, consumer savings patterns have been a focus, particularly following last year's tax cuts and this year's interest rate easing (see here). This special topic takes a closer look at how savings are distributed across households with a mortgage and across those nearing their first property purchase.
- Previous analysis showed mortgagors hold an average of $67k across both savings and offset accounts. The detail is more uneven with a distribution that is bunched at the low end and has long right tail.
- Around three-quarters have less than $50k, with over half of this group sitting below $10k. While this share is down on a year ago there is clearly still a large portion of mortgagors that would struggle in the event of a negative income shock.
- At the other end, around 9% of mortgagors have between $50k and $100k. Surprisingly, an even larger share – around 12% – hold between $100k and $500k, with a little over 2% holding more than $500k. This small group of high-saving households is clearly pulling up the average. The skewed distribution may help explain why the consumption recovery has been modest as best.
- Across age groups, the savings distribution is less varied than might be expected. As anticipated, the 18-24 cohort has an extremely high proportion of mortgagors with less than $50k in saving at around 95%. But for other cohorts, the share with under $50k is fairly consistent – ranging from 74% to 80%. While this share generally declines with age, the 65+ group sits at the upper end, likely reflecting draw down behaviour and lower outstanding mortgage balances.
- State-level data reveals two slight outliers. In NSW, just 70% of mortgagors have savings under $50k – the lowest share nationally. At the other extreme is Tas with a striking 88% below this threshold. Vic sits near the national average while the remaining states hover closer to 80%. These patterns mainly reflect variations in income. Higher incomes typically go hand-in-hand with higher debt levels but even when this weighs on savings rates the dollar value of savings is still higher.
- Age group savings patterns offer some potential insights to first home buyer (FHB) activity and the potential impact of the Federal government's First Home Guarantee (FHG) scheme. This allows eligible buyers to purchase a home with just a 5% deposit and is being expanded in 2026 with income caps removed property price caps lifted to market medians.

14. Savings balance: average by mortgage status

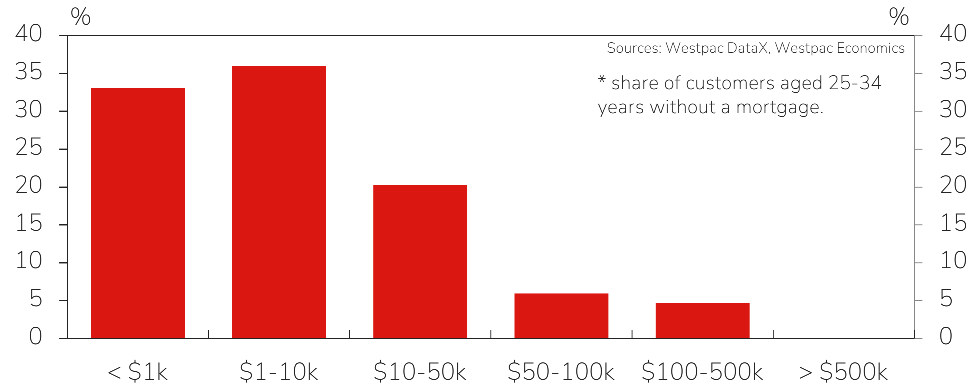


15. Savings distribution: all mortgage holders

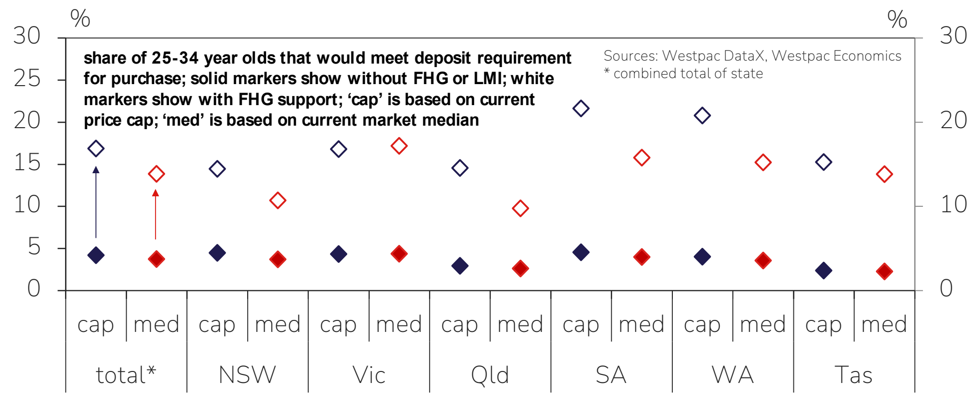


- In this analysis, we estimate the share of 25-34 year olds – typically the core FHB group – who may be eligible for the FHG scheme. We apply a few simplifying assumptions: that all non-mortgagors in this age bracket are non-property owners that meet the current income criteria (though around 14% earn over $135k and would be ineligible), and that all applications are made individually.
- With the median Australian dwelling price sitting at just over $825k, a 5% deposit under the FHG scheme would require at least $41k. Based on our Panel data, just over 15% of 25-34 year olds without a mortgage have savings that meet this criteria. Without the scheme, just 4% of this pool would have enough savings for a 20% deposit on a median home purchase.
- We can refine this estimate by taking into account the price caps applied at the capital city and regional level. Assuming buyers are purchasing in their state's capital and need savings equal to 5% of the cap amount this points to a slightly higher 16.9% share with qualifying savings. By state, we find that around 22% of local buyers would have enough savings to purchase in SA, 21% in WA, 17% in Vic, 15% in Qld and Tas, and 14% in NSW. If buyers were willing to purchase in a different, more affordable, capital city, eligibility would rise to 22% in NSW and Vic, and 17% in Qld.
- As noted, the government is planning to raise price caps to the median price level in each capital city and regional area. The same analysis based on medians rather than price caps gives an estimated 13.9% of local buyers would meet the lower deposit requirement, up from 3.8%.
- Note that the implied pool of prospective FHBs qualifying under the FHG scheme is high – in the order of 400k nationally. However, that is just the deposit requirement. While meeting this is often a major hurdle to home ownership, prospective FHBs also need to have sufficient income to meet lenders' loan serviceability tests. Notably, the FHG scheme means these tests are applied to a larger loan (95% of the purchase price rather than 80%) although that may be offset by lower purchase prices for FHG-supported buyers. We explore what this means for affordability measures and potential regulatory considerations on p12.
- Official numbers suggest serviceability tests filter out many buyers. Currently, the scheme is being accessed by around 50k a year with expanded eligibility expected to see this rise to 80k. Overall, the FHG scheme goes some way towards improving access, particularly for prospective FHBs without support from the 'bank of Mum and Dad'. However, serviceability is likely to remain a major constraining factor.

16. Savings distribution: potential first home buyers*



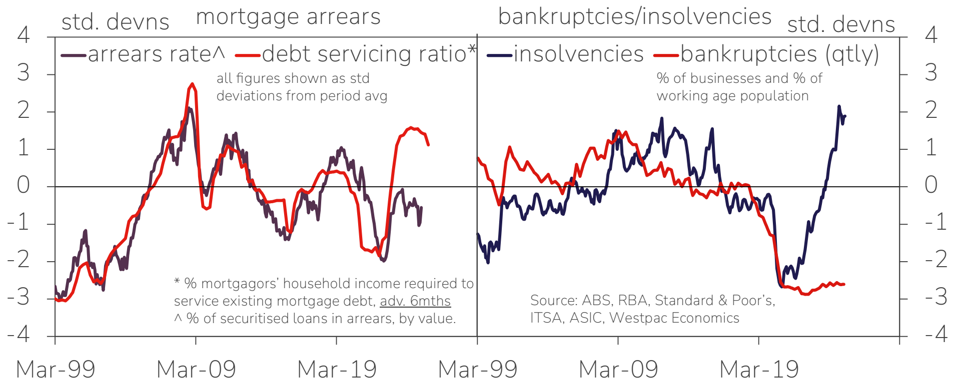
17. Potential first home buyers meeting deposit reqt



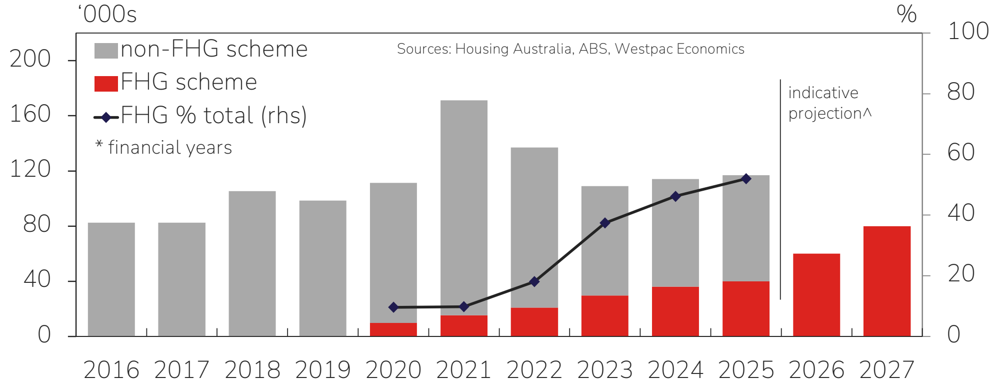
Prudential policy update

- Prudential policy remains dormant, in monitoring mode while the effects of the interest rate tightening cycle play out. As noted previously, this is effectively a 'stress test' of the lending decisions that were made during the low interest rate phase of the cycle. Results continue to be positive with mortgage loan arrears in particular relatively low and tracking lower in recent months. Company insolvencies have been elevated but so far the associated financial stress looks to be limited.
- Looking ahead, lower interest rates and a gradual lift in economic activity will take some pressure off borrowers. Prudential policy may start come back into frame but likely only very gradually, depending on the extent to which new finance activity picks up and/or lending standards start to shift.
- Certainly prudential policy settings were nowhere to be seen in the March quarterly statement from the Council of Financial Regulators. Systemic risks and vulnerabilities relating to a more volatile and uncertain global backdrop were instead front and centre, along with cyber and operational risks. The Council also convened an additional meeting in April following the 'liberation day' global financial turmoil and high profile cyber-attacks on several super funds.
- As with previous reports, we are using this section of the **Housing Pulse** to focus on other topics. In this edition we add some colour to the first homebuyer guarantee (FHG) analysis on p10 and recap the Westpac price forecasts.
- The FHG is a Federal scheme that allows eligible buyers to purchase a home with a 5% deposit with the government providing without requiring loan mortgage insurance (the government giving a guarantee covering an additional 15% that would normally be needed to have insurance requirements waived). The scheme was introduced in 2019-20 with around 10k places, rising to 35k in 2024-25.
- Currently, eligibility is restricted with caps on both income and dwelling price. Sole applicants must have income at or below $125k/yr while joint applicants must have combined income at or below $200k/yr. Price caps vary by location: Sydney at $900k; Melbourne at $800k; Brisbane at $700k; and $600k for other state capitals. Regional caps are set $150k below each state's capital city cap.
- From 2026, income caps will be removed with price caps lifted to median price levels in each location. This is expected to see the scheme expand to 80k places. At this stage it is unclear whether places will be limited or determined by demand.

18. Financial stress: selected indicators

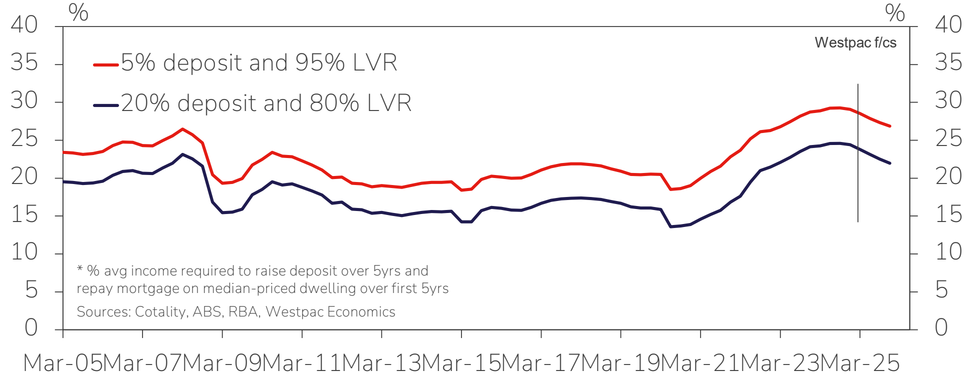


19. First home buyers



- Chart 19 shows the evolution of FHG take-up compared to total first home buyer loan approvals. Projections are based on the expected expansion of the scheme noting that figures are on a financial year basis. Currently, the figures imply just over a third of first home buyers are accessing the scheme. Note that just over half of FHG places are joint applicants, hence the number of people in the scheme (rather than the number of loans) is just over 60k.
- Two things are worth noting.
- Firstly, the scheme roll-out to date has not prevented a weakening in total first homebuyer activity since 2021. That weakening reflects both the difficult affordability environment (as higher interest rates have combined with higher prices) and the end of the Federal Homebuilder scheme and similar state measures deployed during COVID. The FHG has likely cushioned what would otherwise have been a steeper drop-off.
- Secondly, the ramp-up to date has seen a significant rise in the share of first home buyers accessing the scheme, from around 10% in the first few years to closer to a third over the last two years. The widened eligibility will likely see a further increase in share. That would significantly dampen the bottom line impact on the total number of first home buyers.
- Indeed, if the FHG coverage were to rise to half or two thirds of first home buyers, there may be little or no change in aggregate loan approvals.
- As discussed on p10-11, the FHG scheme lowers the deposit hurdle for prospective buyers but borrowers will still need to meet serviceability tests of their ability to meet loan repayments. Here, the higher LVR for FHG loans will make it harder to pass these tests. Chart 20 illustrates this well. It shows our preferred affordability measure – the share of income required to raise a deposit over 5yrs and repay a mortgage over the first 5yrs – for borrowers with a 20% deposit and 80% LVR compared to borrowers with a 5% and 95% LVR. The latter is more expensive, the difference worth 4.8% of income.
- It should also be noted that lenders and regulators may be reluctant to see a large increase in high LVR loans. System-wide, these currently sit at 6.7% of new loans by value, having been closer to 15% prior to the macroprudential tightening in the second half of last decade.
- Turning to the price outlook: our forecasts are unchanged since Nov with key elements tracking as expected. The only small changes have been slight upgrades to 2025 price forecast for Melbourne and Brisbane.

20. First home buyer affordability



21. Dwelling price forecasts

	avg*	2022	2023	2024	2025f	2026f	comments
Sydney	5.4	-11.4	11.3	2.5	3	6	Price growth to remain slow as affordability constrains rate cut response.
Melbourne	4.1	-7.1	4.2	-2.2	2	8	On-market supply still relatively high, economy underperforming.
Brisbane	6.7	-1.9	13.5	11.4	4	6	Momentum coming off but supply still extremely tight.
Perth	4.4	4.2	16.2	18.2	4	6	Price expectations off sharply. Pre-COVID affordability advantage now gone.
Adelaide	6.8	9.3	8.8	13.3	4	6	Robust run continuing but price relativities looking very stretched.
Hobart	6.5	-6.8	-1.8	–0.1	2	4	Still shaky. No uplift from migration affordability still extremely poor.
Australia	5.2	-6.6	10.1	4.9	3	7	Recovery moderates. Performances to re-converge across sub-markets.

All dwellings, Australia is five major capital cities combined measure; *10yr avg

Source: CoreLogic, Westpac Economics

Price gains but weak activity

– Housing momentum in NSW has firmed slightly but remains soft overall. Over the past three months, city and regional markets have taken divergent paths. Sydney saw prices recover after several months in the red while regional prices continued to ease.

– The recent price improvement in Sydney has been led by houses. After a sustained period of weakness, the pace of decline appears to have stabilised. In contrast, unit prices continue to fall and have now turned negative on an annual basis.

– Moreover, there are divergences across price tiers. While the middle and lower ends of the market are still experiencing softening price growth, prices at the top end have found a floor and look to be moving higher.

– Despite the improvement in prices, activity remains subdued, highlighting the affordability challenges confronting the state. Housing turnover has stayed firmly on a downward path since mid-2024. On a three-month rolling basis, turnover fell 11%qtr – the biggest decline of all the states – and is down 14%yr.

– New listings also continued their decline, down 4.4%yr. The sales-to-new-listings ratio now stands at 1.13 – an improvement since our last update but running below the long-term average of 1.28.

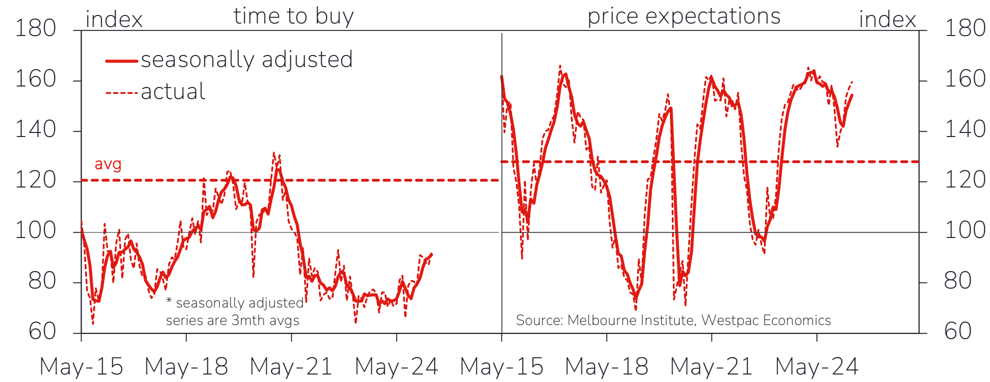
– Total listings have edged higher, rising 1%qtr. At the current sales pace, it would take 3.2 months to absorb current stock – above the long-term average of 2.8 months – pointing to a continued tilt towards a buyer's market.

– The easing in the rental vacancy rate looks to have stabilised. After trending higher over the past year, it dipped for the first time and now sits at 1.7%.

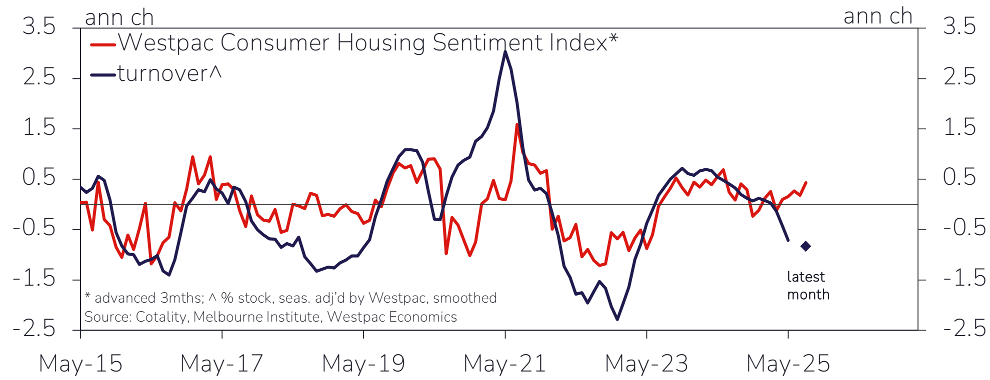
– Dwelling approvals have been trending higher since last-November, averaging around 1.2% of dwelling stock. Growth in dwelling approvals has been solid, rising around 26%yr. However, this is led by the volatile high rise units segment, while detached house approvals are falling.

– The **NSW Consumer Housing Sentiment** index has shown a solid improvement over the past three months, with early signs of an up-trend emerging. The index is up 0.4%yr. Price expectations are on the mend but have yet to fully recover from the losses sustained in the nine months to February. Purchasing sentiment has also strengthened – now at its highest level in almost four years – though buyers overall remain pessimistic.

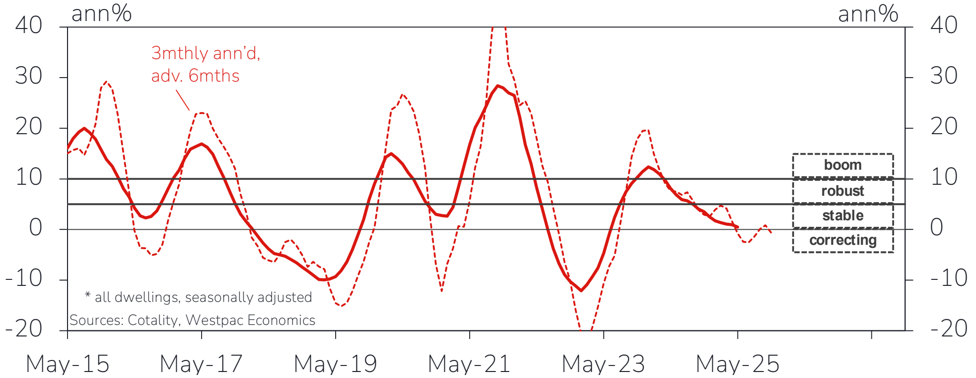
22. NSW consumer: housing-related sentiment



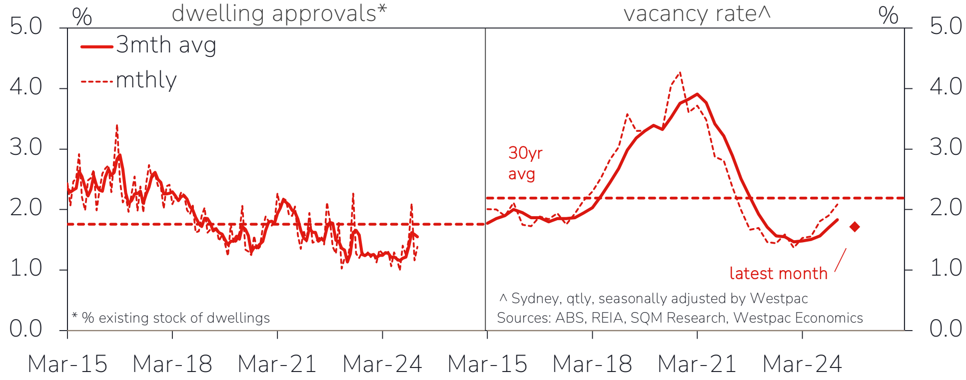
23. NSW housing composite vs turnover



24. Sydney dwelling prices



25. NSW: dwelling approvals, vacancy rate



Population: 8.6mn
Net migration: +112k pa
GSP: $789bn (30% of Aus)
Dwellings: 3.5mn, $4.3trn
Capital: Sydney

June years	avg*	2022	2023	2024	latest
GSP, ann%	2.2	2.5	4.2	1.2	n.a.
State final demand, ann%	2.8	3.8	4.6	1.3	0.7
Employment, ann%	1.7	2.7	3.9	1.2	2.1
Unemployment rate, %#	5.9	3.7	3.2	3.9	4.0
Population, ann%	1.1	0.9	2.1	1.7	1.7
Dwelling prices, ann%	5.7	4.1	-1.0	6.9	1.2
Rental yield, %#	4.7	3.4	4.5	4.5	4.4
Sales/new listings, ratio#	1.28	1.08	1.39	1.34	1.13
Total listings, mths sales#	2.8	3.2	2.6	2.4	3.2

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

Correction bottoms out

– Vic's housing market has stabilised and begun to recover since our last update in March. We had anticipated that correction would remain shallow, and it appears the RBA's February rate cut helped kick-start a turnaround. With another rate cut now in place and prices still lower than those in other major eastern states, there is room for further gains in the months ahead.

– Housing prices have risen 1.2%qtr in Vic to be -1%yr lower. Regional markets have outperformed, holding flat over the same period (Bendigo a stand-out positive). That compares to a 1.2%yr decline for Melbourne.

– The recovery in prices is evident across all price tiers, though middle tier homes have led the improvement to date in Melbourne. Meanwhile, both the bottom and top tier homes have shown similar levels of improvement – though the top end had previously experienced a more pronounced slowdown.

– Both houses and units have seen the downturn come to an end. That said the price cycles has been weaker for units, which posted both a lower peak and a deeper trough than houses.

– Housing turnover fell 4% over the three months to May but remains 2.2% higher over the year. The pace of decline has eased since bottomin- out in February, suggesting buyer activity has likely found a floor. This improvement has been led by Melbourne as regional Victoria continues to post declines.

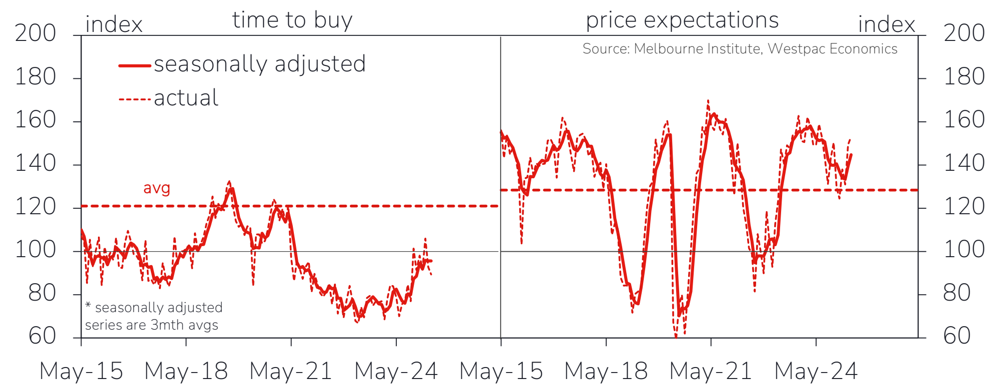
– Total listings, by contrast, have softened. The backlog that had built up through early-to-mid 2024 has started to clear. Total listings were down around 1.3%qtr, though still 2.3% higher than a year ago. At the current pace of sales, it would take 3.7 months to clear the available stock. This a marked improvement from 4.5 months when the overhang was at its worst and suggests conditions are normalising.

– Dwelling approvals are averaging 2.0% of existing dwelling stock. Like NSW, this is being spearheaded by high rise approvals with detached house approvals down -5%yr.

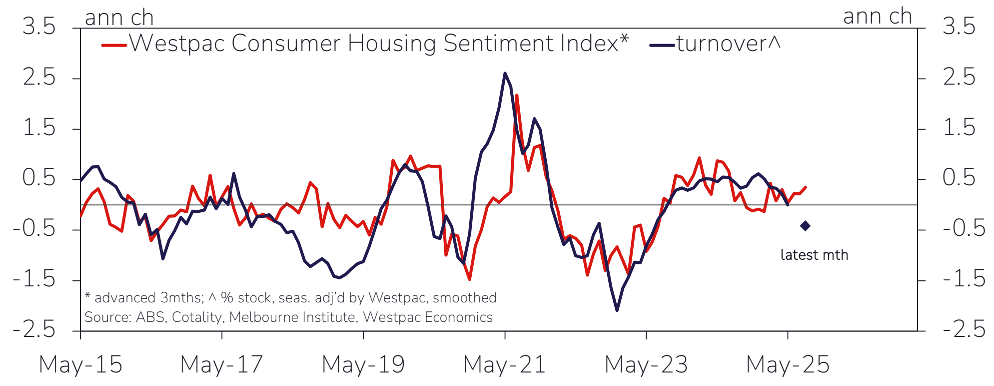
– The rental market has also eased, being the only state where the vacancy rate is at its long-term average (2.6%). Rental yields are sitting at 5.0%.

– The **Vic Consumer Housing Sentiment** index has improved over the past three months, with strong gains in both price expectations. Price expectations reached a recent low in March 2025 and has risen 10.6% since then. Buyer sentiment has also improved since our last update, though this has been more modest.

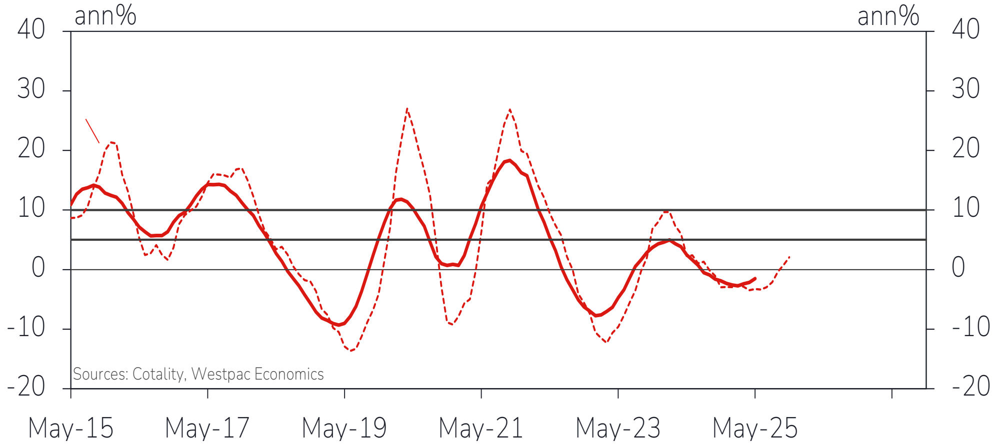
26. Vic consumer: housing-related sentiment



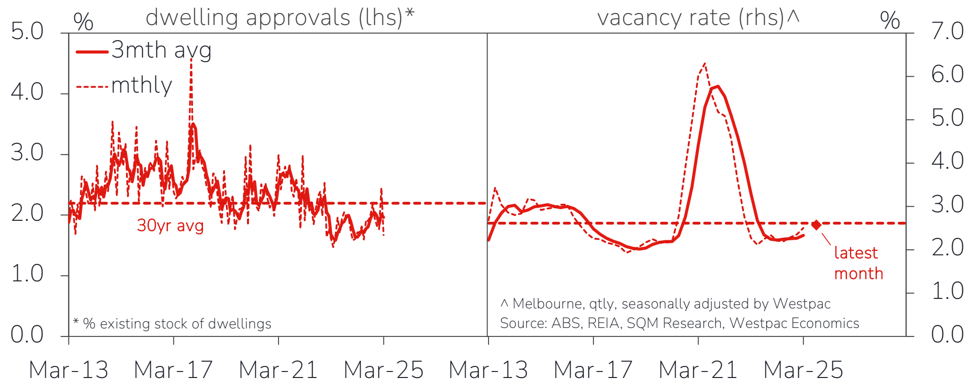
27. Vic housing composite vs turnover



28. Melbourne dwelling prices



29. Vic: dwelling approvals, vacancy rate



Population: 7.1mn
Net migration: +131k pa
GSP: $581bn (22% Aus)
Dwellings: 3.0mn, $2.6trn
Capital: Melbourne

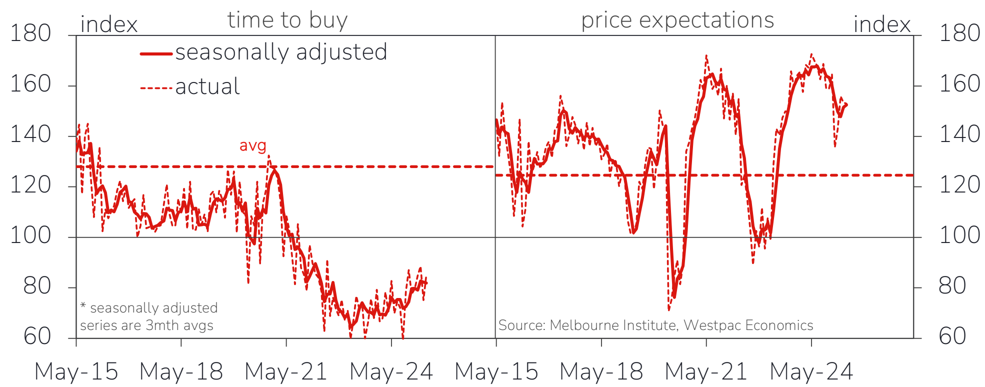
June years	avg*	2022	2023	2024	latest
GSP, ann%	2.7	6.7	3.4	1.5	n.a.
State final demand, ann%	3.4	7.2	3.9	1.9	1.7
Employment, ann%	2.2	3.9	4.0	2.6	2.4
Unemployment rate, %#	6.3	3.8	3.8	4.4	4.4
Population, ann%	1.6	1.3	2.8	2.4	2.0
Dwelling prices, ann%	5.7	3.2	-3.4	1.6	-1.2
Rental yield, %#	4.8	3.6	4.8	4.9	4.9
Sales/new listings, ratio#	1.05	0.93	1.01	0.97	1.03
Total listings, mths sales#	3.5	3.8	4.1	3.6	3.7

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

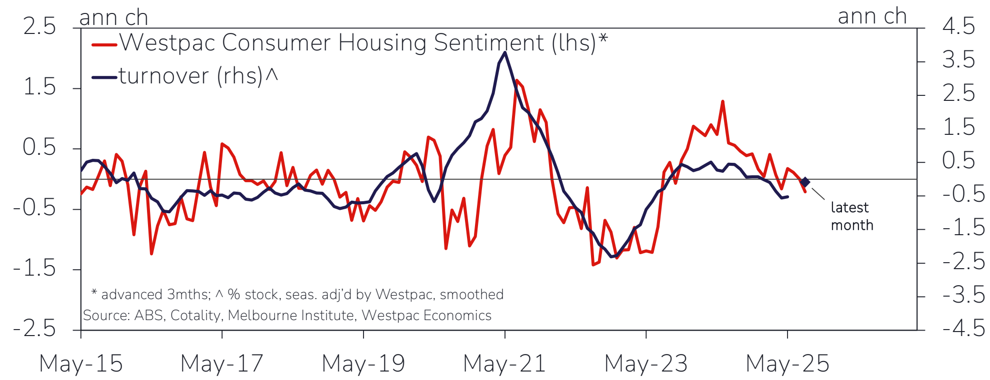
Affordability shifts dynamics

- The Qld housing market continues to slow, following the strong gains seen through 2023 and into mid-2024. Despite the slowdown, price growth remains solid and is outperforming most states in 2025 so far.
- Prices in Brisbane have risen 2.3% in 2025 so far, led by gains in units, which are up solid 3.6%, compared to 2% for houses. By price tiers, growth is being led by the lower end of the market, with a widening gap between low-tier and middle-to-high-tier dwellings. These trends reflect the persistent affordability challenges facing Qld buyers.
- Further evidence of this pressure can be seen in the performance of regional markets which have outpaced Brisbane, rising 3.2% in 2025 so far. Within regional Qld, Toowoomba is leading with growth running at a 9.7% six-month annualised rate followed by around 5% for Gold Coast and Sunshine Coast.
- Divergences are also apparent within Brisbane: East Brisbane and Moreton South are up 7.8% and 6.5% respectively, while the west and inner-city markets are growing at a more moderate 2-3% rate.
- Turnover fell 4%qtr and is down 8%yr. However, the pace of decline has begun to ease with improvements led by the city market. So far in 2025, average monthly turnover sits at 9.9k.
- The slowdown in sales has occurred alongside a decline in new listings, which fell 4.2%qtr. This has seen the sales-to-new-listings ratio hold at 1.26.
- Total on-market listings have been tracking slightly lower, down 2.1%yr. However, the decline in turnover means the time required to clear this inventory has edged higher, to 2.6 months. This is up from our last update but still well below the long-term average of 4.5 months.
- Rental conditions remain tight by historical standards. Vacancy rates are sitting at around 1.1%, on a very gradual easing trends that has been underway from two years. Gross rental yields have edged higher to 5.8%.
- Dwelling approvals are rising modestly, up around 1% over the year. This is comparatively weaker than other states but is being driven by weakness in high rise segment (-29%yr). Detached homes (10%yr) and low-to-mid-rise units (4%yr) are faring better.
- Indicators from the **Qld Consumer Housing Sentiment** point to a modest improvement. Both price expectations and buyer sentiment have edged higher over the past three months. Though, like other states buyer sentiment remains pessimistic.

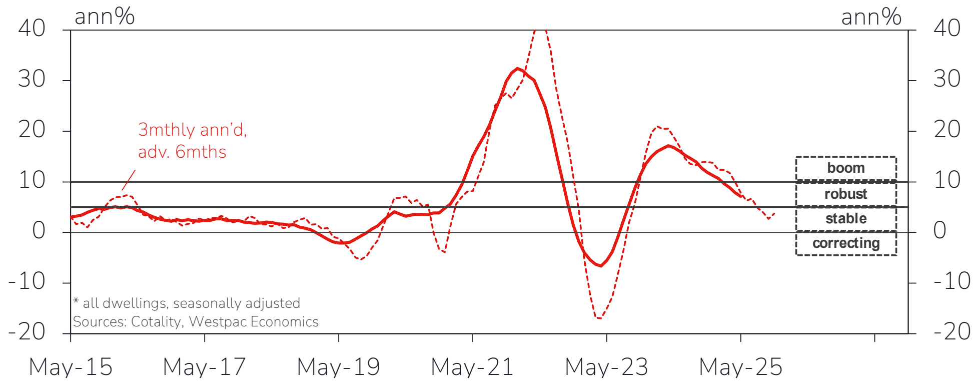
30. Qld consumers: housing-related sentiment



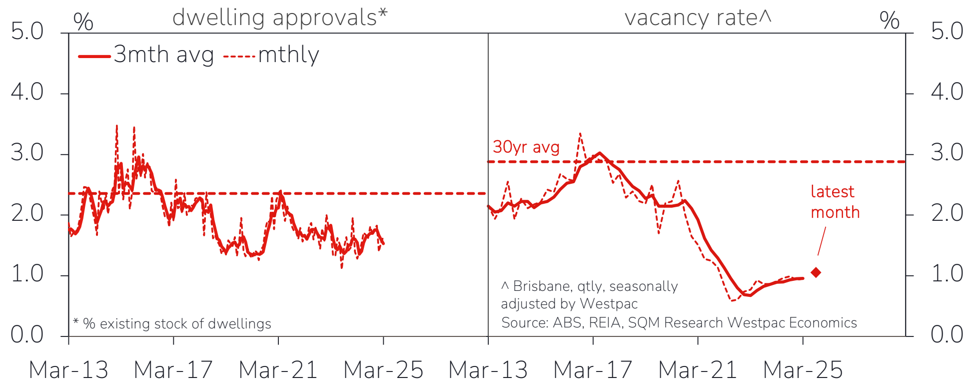
31. Qld housing composite vs turnover



32. Brisbane dwelling prices



33. Qld: dwelling approvals, vacancy rate



Population: 5.7mn
Net migration: +106k pa
GSP: $516bn (20% Aus)
Dwellings: 2.3mn, $2.1trn
Capital: Brisbane

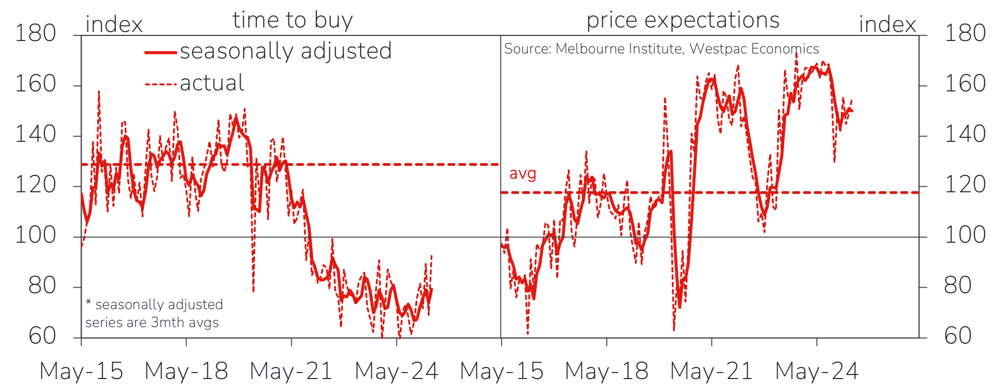
June years	avg*	2022	2023	2024	latest
GSP, ann%	3.4	5.5	2.8	2.1	n.a.
State final demand, ann%	3.6	5.0	2.9	2.9	2.4
Employment, ann%	2.4	4.8	2.8	3.8	2.3
Unemployment rate, %#	6.6	4.0	3.8	4.0	4.1
Population, ann%	1.9	2.0	2.6	2.3	2.0
Dwelling prices, ann%	6.5	24.7	-3.8	16.1	7.2
Rental yield, %#	5.1	4.9	5.8	5.7	5.8
Sales/new listings, ratio#	1.03	1.10	1.41	1.26	1.26
Total listings, mths sales#	4.5	2.7	2.7	2.3	2.6

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

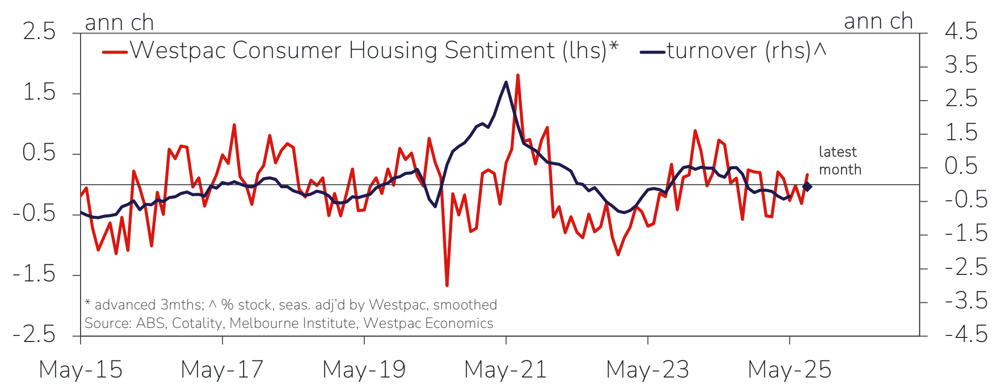
Investor activity fading

- WA, along with SA and Qld, was a strong performer during the recent housing upturn. Of the three, WA has seen the weakest growth since the start of the year, with prices up 1.8% over the period.
- On an annual basis, prices in WA are up 9.1%yr, a marked slowdown from the 14.2%yr recorded three months ago. The softening has been more pronounced in the housing segments (8.8%yr), while unit price growth has been firmer (12.8%yr). As in other states, the slowdown has been led by the top end of the market.
- Perth has seen a noticeable deceleration. On a three-month annualises basis, price growth dropped from an above-10% pace to a sub-5% in just three months. The pace has improved a touch over the last two months. Regional WA continues to perform more strongly with prices up 12.5%yr.
- Within Perth, there are pockets of weakness. The north-west and north-east suburbs are showing housing price declines on a six-month annualised basis. The inner region has led the latest small up-tick.
- Turnover fell 1.3%qtr and has averaged 5.5% of dwelling stock over the past three months. New listings have risen 5.2%qtr, pushing the sales-to-new-listings ratio lower to 1.20.
- Total listings have moved higher in 2025 to be up 1.6%yr. At the current sales pace, listings represent around 2.5 months of supply, up from 2.2 months in 2024, as conditions continue to rebalance. That is still well below the 5.5 historical average.
- Perth's rental market has also begun to ease, with vacancy rates lifting to 0.7%. However, it remains the tightest rental market in the country. Population growth remains higher than other states at 2.7%yr. Rental yields have also edged higher to 7.3%.
- Investor activity is beginning to fade, with investor loan commitments falling for a second consecutive quarter in Q1.
- Dwelling approvals are trending higher, averaging slightly above 2% of existing stock – the highest of any state. Unit approvals, particularly low-to-mid-rise are seeing strong approvals numbers, with detached home approvals also healthy.
- Sentiment indicators from the **WA Consumer Housing Sentiment** index have improved over the past three months. Purchaser sentiment rose 4.8%, though remains firmly pessimistic – sitting 38.4% below the long-term average. Price expectations re-firmed but lost some ground, now up just 0.8% from three months ago.

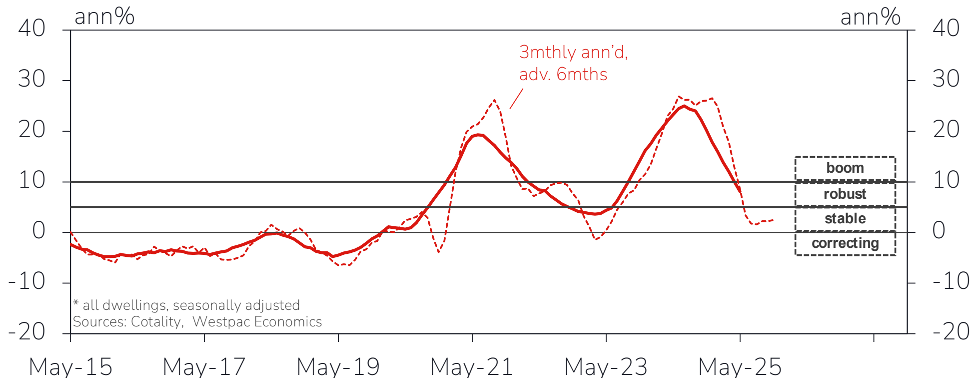
34. WA consumers: housing-related sentiment



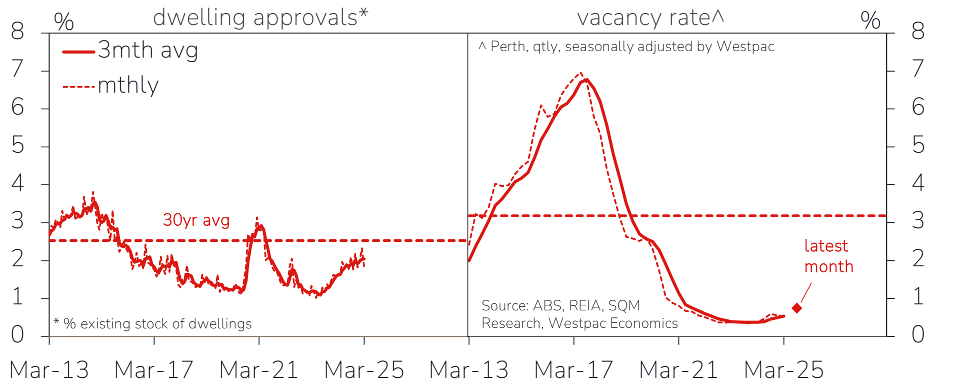
35. WA housing composite vs turnover



36. Perth dwelling prices



37. WA: dwelling approvals, vacancy rate



Population: 3.0mn
Net migration: +66k pa
GSP: $448bn (17% Aus)
Dwellings: 1.2mn, $1.0trn
Capital: Perth

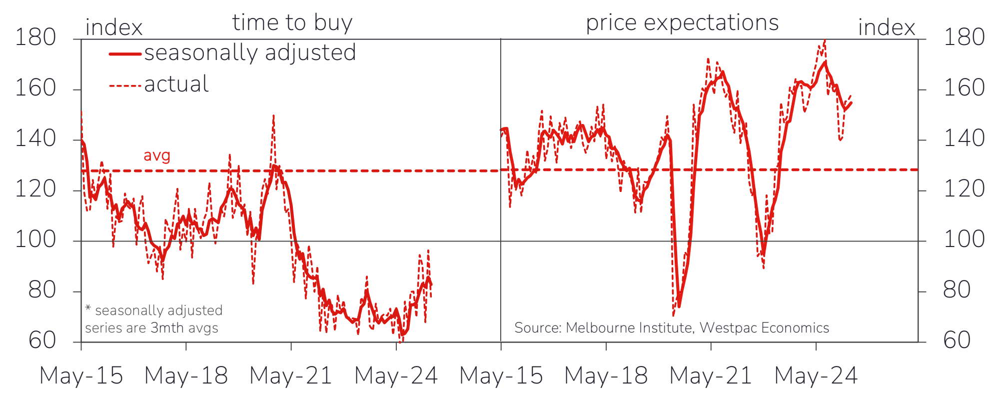
June years	avg*	2022	2023	2024	latest
GSP, ann%	3.8	2.5	3.7	0.5	n.a.
State final demand, ann%	3.7	5.9	3.2	5.7	3.4
Employment, ann%	2.4	5.3	2.6	3.8	2.9
Unemployment rate, %#	5.6	3.2	3.6	3.8	3.8
Population, ann%	1.8	1.5	3.3	2.8	2.5
Dwelling prices, ann%#	6.1	8.3	4.9	24.5	8.7
Rental yield, %#	4.8	5.5	6.6	6.7	7.2
Sales/new listings, ratio#	0.93	0.97	1.24	1.16	1.20
Total listings, mths sales#	5.5	3.7	3.0	2.2	2.5

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

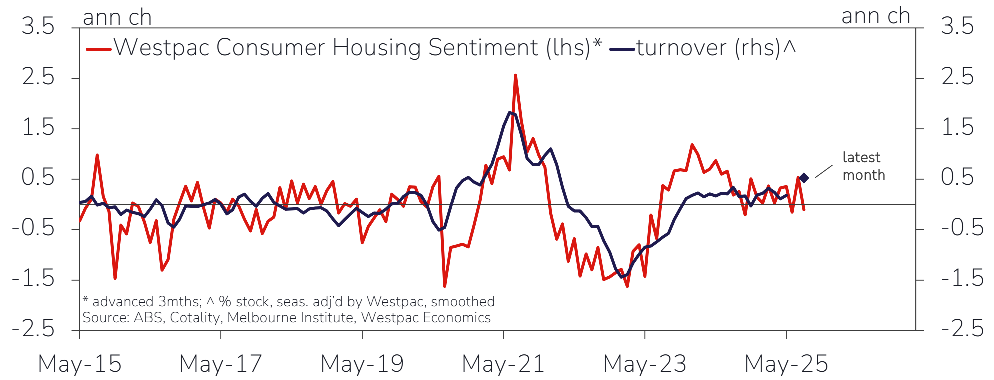
Strongest market in 2025 so far

- SA has recorded the strongest housing price growth of any state so far this year, with prices up 1.9%. That said, the broader story is the same as most other states. Price pressures are easing but remain above the long-term trend.
- Near-term momentum also remains solid. Adelaide housing prices are rising at a healthy 4.6% pace on a three-month annualised basis.
- Houses and properties at the bottom of the price tier are leading the gains, but price growth in other areas also remains robust.
- Unlike other states, turnover in SA has been mostly rising. Despite a 2.6%qtr softening over the last three months, the annual growth rate is still a solid 5.5%yr, driven primarily by gains in Adelaide, while sales in regional SA have seen declines.
- SA has now overtaken WA as the strongest investor market. Investor finance rose 29.9%yr in Q1, although momentum has softened slightly on a quarterly basis. This has coincided with a small easing in rental vacancy rates, now at 0.9%. Gross rental yields have firmed further, rising to 5.2%, just shy of the long-term average of 5.3%.
- New listings also increased, rising 1.7%qtr, though they are down a touch on a year ago. Strength again came from Adelaide, but regional markets also held firm. These dynamics lifted the sales-to-new listings ratio to 1.56. While slightly lower than our last update, this remains well above the long-term average of 1.1 and is higher than in any other state. Sales are running miles ahead of new listings.
- On-market listings have averaged around 5.8k so far in 2025 – slightly above the 2024 average but still far below the long-term norm of 12.3k.
- At the current sales rates, it would take only 1.6 months to clear available stock – roughly two months below the long-run average and lowest the numbers we've seen over the past three years. This is the lowest in Australia and underscores the tightness in supply that is apparent in the SA housing market.
- Dwelling approvals are trending higher. As a share of existing stock, approvals are averaging around 1.9%, the only states where this sits above the long-term average. Detached house approvals are especially strong, up nearly 50%yr, well-ahead of WA in second place (18%yr).
- The SA Consumer Housing Sentiment index has remained broadly steady in SA. Minor gains in purchasing intentions over the past three months have been offset by a slight softening in price expectations.

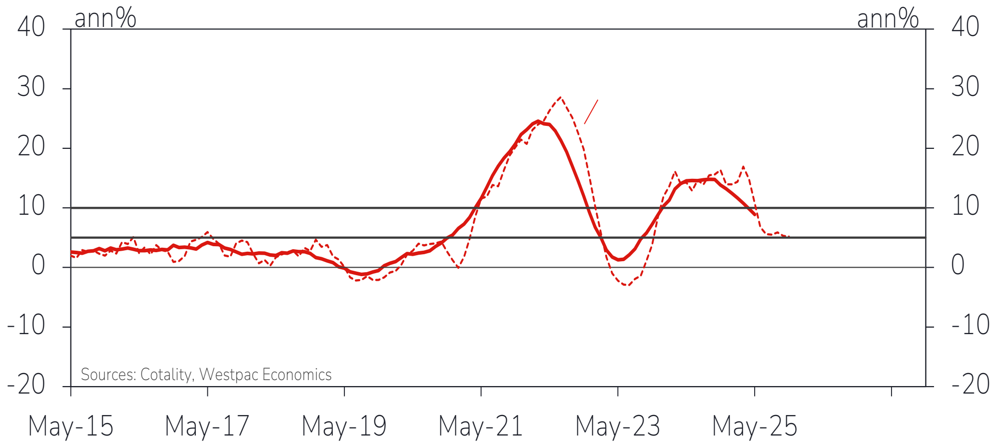
38. SA consumers: housing-related sentiment



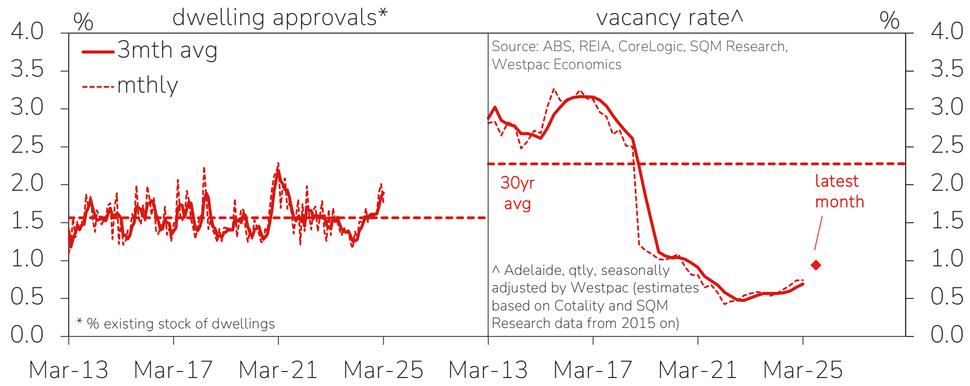
39. SA housing composite vs turnover



40. Adelaide dwelling prices



41. SA: dwelling approvals, vacancy rate



Population: 1.9mn
Net migration: 20k pa
GSP: $142bn (5% Aus)
Dwellings: 0.8mn, $0.7trn
Capital: Adelaide

June years	avg*	2022	2023	2024	latest
GSP, ann%	2.3	5.4	3.6	1.2	n.a.
State final demand, ann%	2.9	6.2	2.6	1.8	2.2
Employment, ann%	1.4	3.0	4.2	-0.7	2.2
Unemployment rate, %#	6.9	4.5	4.1	4.0	3.9
Population, ann%	0.9	1.0	1.7	1.4	1.1
Dwelling prices, ann%	6.7	22.9	1.4	14.6	8.7
Rental yield, %#	5.3	5.7	5.3	4.7	5.2
Sales/new listings, ratio#	1.10	1.35	1.48	1.39	1.56
Total listings, mths sales#	3.7	2.0	2.1	1.7	1.7

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

Market gradually improving

– The Tas housing market has been a slow mover, but conditions now appear to be improving rather than softening. Dwelling prices have edged up 1.6%yr, growth moderating slightly from the 2.2%yr seen at our last update.

– Price growth is being driven by regional Tas, where values have lifted 2.3%yr. In contrast Hobart has seen a more modest 1%yr rise – still a welcome sign that the price correction that was still playing out in late-2024 has stabilised.

– There are, however, divergences within Hobart. Inner Hobart is seeing a sharp slowdown, with prices stalling flat on a six-month annualised basis. Meanwhile, areas to the north-east and south-west have continued to show positive momentum.

– Breaking it down further, unit prices continue to drag overall growth, while detached home prices have shown signs of forming a base. Over the past six months, house prices are up 3.2% annualised, compared to a -0.2% fall for units.

– The price recovery comes alongside stronger sales activity. Housing turnover rose a robust 5.7%qtr – the strongest gain across any state – and marks the first increase since November 2024, driven by strength in Hobart. Tas has also seen the strongest rise in owner-occupier housing finance approvals (21.5%yr).

– New listings fell slightly over the quarter down 1.5%qtr and are 8.4% lower than a year ago. As a result, the sales-to-new-listings ratio has lifted to 1.14 – just above its long-term average.

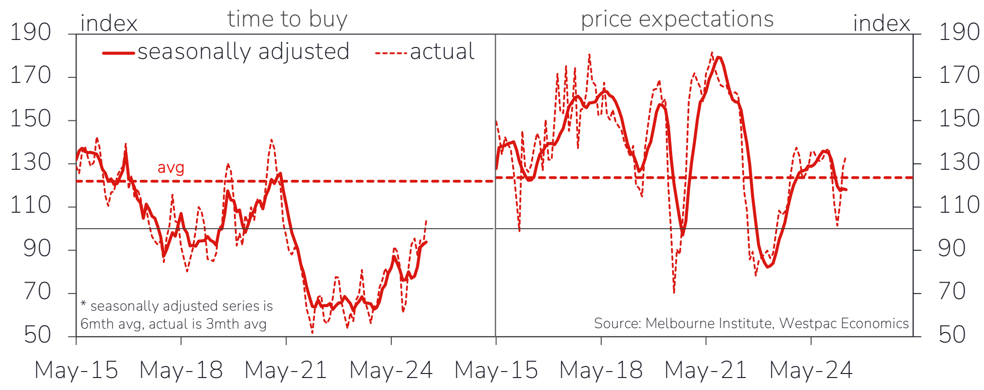
– Total listings also declined, falling -3.2%qtr. At the current sales rate, it would take 3.9 months to clear existing listings. While this is higher than most other states, it remains below Tas's long-term average of 4.9 months, indicating that on-market supply remains relatively tight, which should continue to support prices.

– Tas is the only state where rental market conditions are tightening. The latest data shows vacancy rates trending lower, currently near 2%. While this is higher than the national average, the tightening trend is notable.

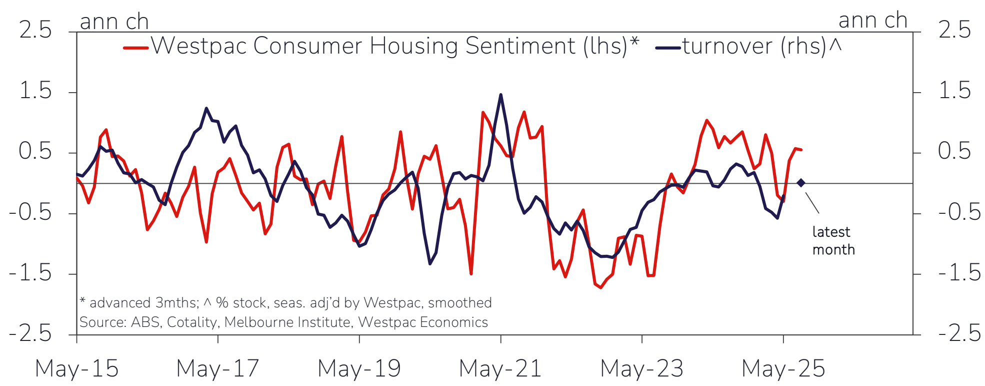
– Dwelling approvals are currently averaging around 0.9% of stock. This signals a weak supply outlook, providing further impetus to prices going forward.

– The **Tas Consumer Housing Sentiment** index has rebounded strongly after showing some softness in the previous update. This improvement has been led by a solid lift in purchasing intentions (+13.9%qtr), while house price expectations lost some ground (-1.3%qtr).

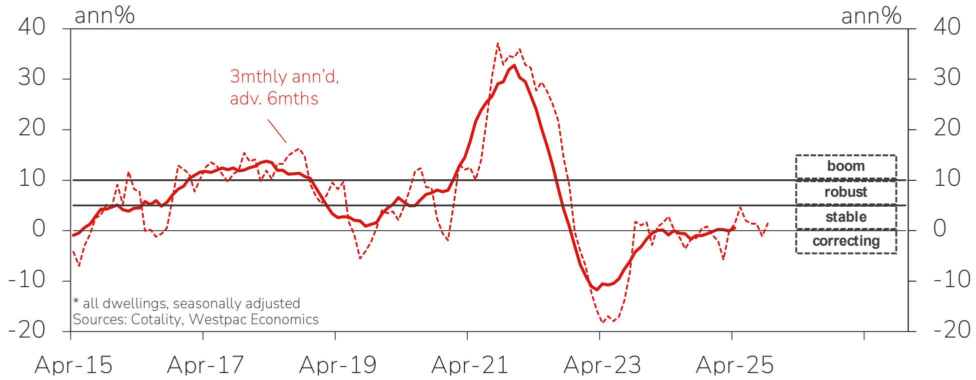
42. Tas consumers: housing-related sentiment



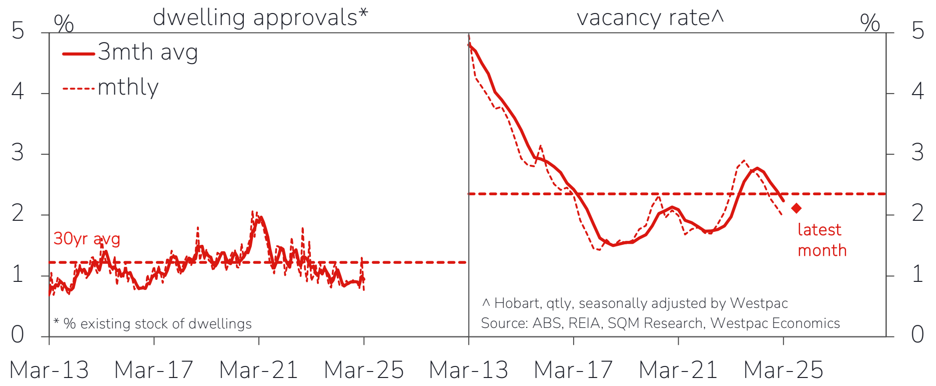
43. Tas housing composite vs turnover



44. Hobart dwelling prices



45. Tas: dwelling approvals, vacancy rate



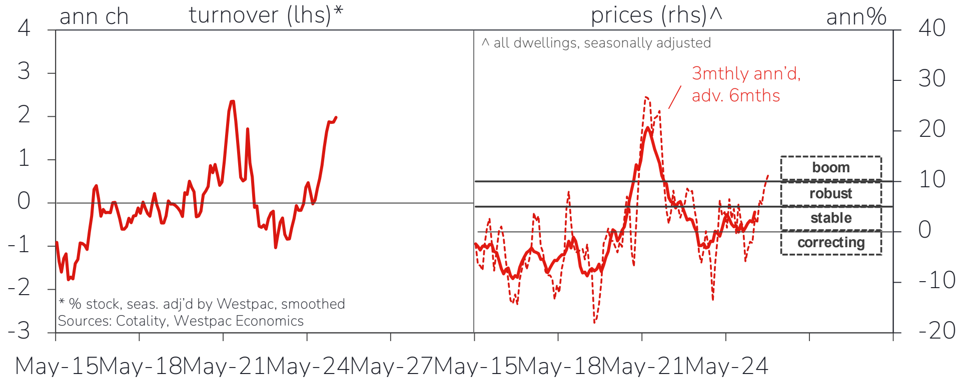
Population: 0.6mn
Net migration: 2k pa
GSP: $41bn (2% Aus)
Dwellings: 0.3mn, $172bn
Capital: Hobart

June years	avg*	2022	2023	2024	latest
GSP, ann%	2.4	4.5	1.9	1.4	n.a.
State final demand, ann%	2.9	5.5	1.4	1.9	1.9
Employment, ann%	1.5	2.1	2.8	-1.3	-0.3
Unemployment rate, %#	7.5	4.4	4.0	4.0	3.9
Population, ann%	0.8	0.7	0.5	0.3	0.3
Dwelling prices, ann%	6.4	16.6	-10.4	-0.5	0.7
Rental yield, %#	5.8	4.0	4.3	4.2	4.7
Sales/new listings, ratio#	1.04	0.88	1.09	1.11	1.14
Total listings, mths sales#	4.9	2.6	4.4	4.3	3.9

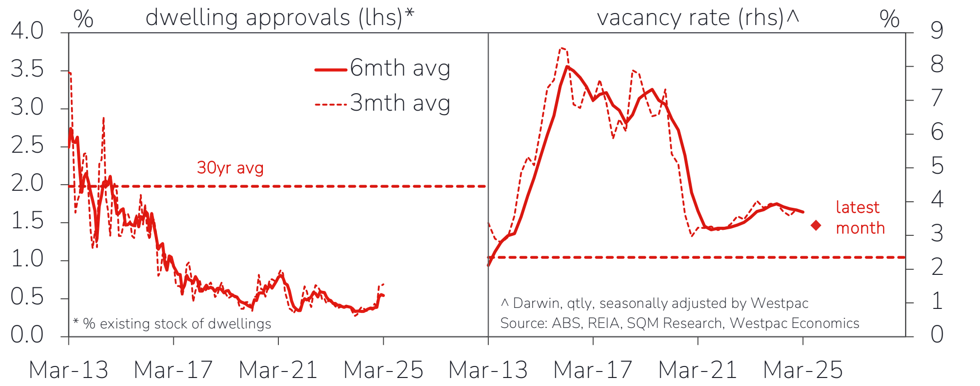
* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

NT lifts; ACT lacklustre

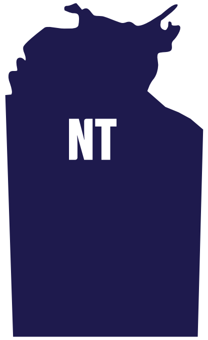
46. Turnover, Darwin dwelling prices



47. NT: dwelling approvals, vacancy rate



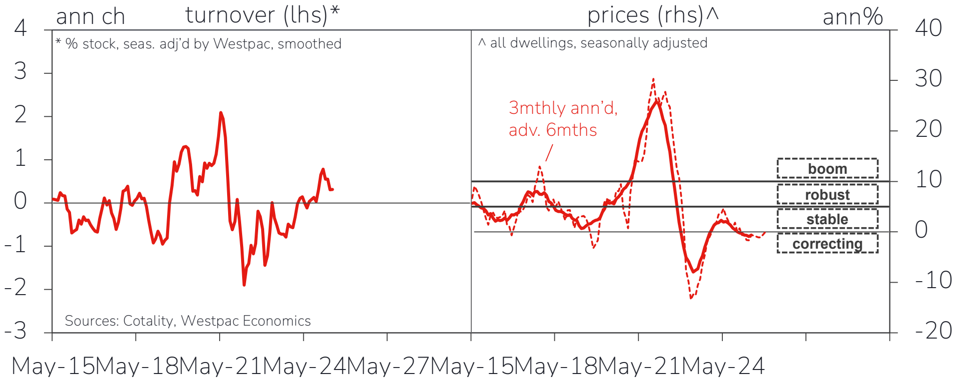
Population: 0.3mn
Net migration: 1k pa
GSP: $35bn (1% Aus)
Dwellings: 0.1mn, $45bn
Capital: Darwin



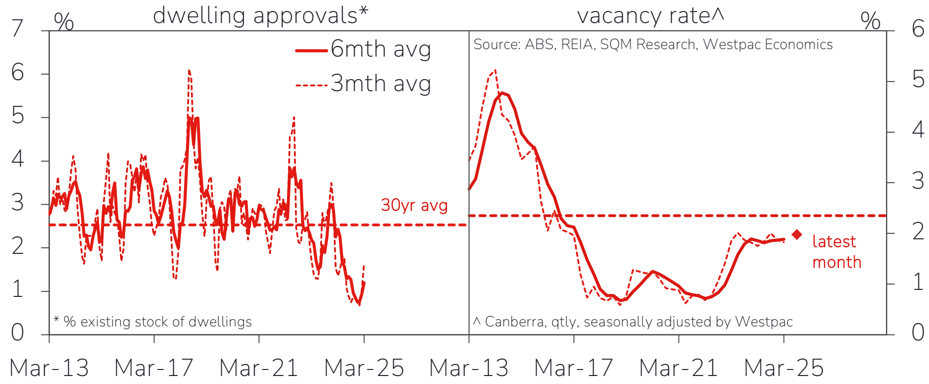
June years	avg*	2022	2023	2024	latest
GSP, ann%	2.9	5.4	-5.2	4.6	n.a.
State final demand, ann%	2.4	6.9	1.3	4.4	4.9
Employment, ann%	1.5	2.4	2.7	-0.9	0.0
Unemployment rate, %#	6.7	4.3	4.3	4.1	4.0
Population, ann%	1.1	0.8	1.1	0.8	1.2
Dwelling prices, ann%	4.1	5.9	-2.7	2.6	2.9
Sales/new listings, ratio#	1.22	1.13	1.35	1.32	2.56
Total listings, mths sales#	5.4	4.5	5.1	3.6	1.5

* avg last 25yrs; # June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

48. Turnover, Canberra dwelling prices



49. Dwelling approvals, vacancy rate

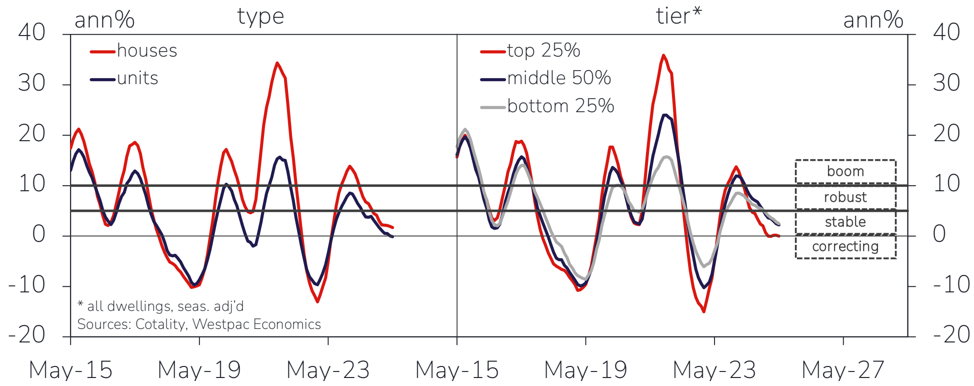


Population: 0.5mn
Net migration: 5k pa
GSP: $53bn (2% Aus)
Dwellings: 0.2mn, $192bn
Capital: Canberra

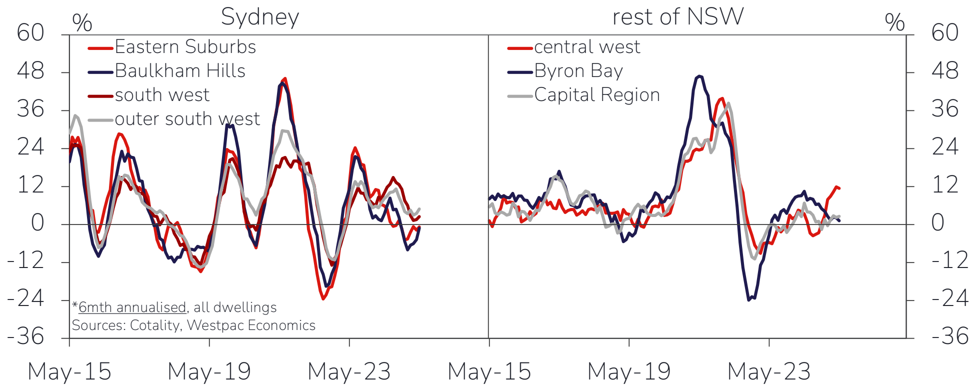
June years	avg*	2022	2023	2024	latest
GSP, ann%	3.7	2.7	4.7	4.0	n.a.
State final demand, ann%	3.6	3.0	1.7	1.9	3.9
Employment, ann%	1.6	2.9	3.1	-0.2	2.6
Unemployment rate, %#	6.6	4.0	3.9	3.9	3.7
Population, ann%	1.6	1.0	2.1	1.6	1.7
Dwelling prices, ann%	5.7	15.9	-7.3	2.0	-0.7
Sales/new listings, ratio	1.43	1.20	1.30	1.36	1.55
Total listings, mths sales	2.5	2.2	2.7	2.6	2.6

* avg last 25yrs;
# June qtr readings
Sources: ABS, CoreLogic, REIA, Westpac Economics

50. NSW: Sydney dwelling prices by type, tier



51. NSW dwelling prices, selected sub-region

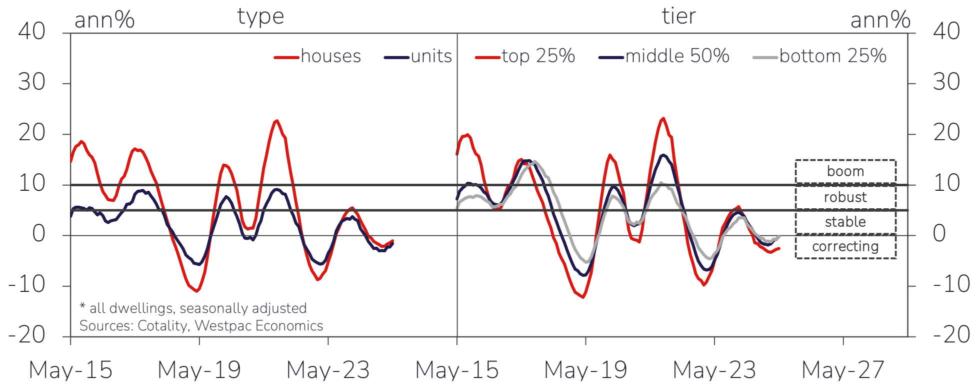


	Sydney	rest of NSW
Population:	5.5mn	2.9mn
Net migration*:	+118k pa	+25k pa
Employ (%state):	68%	32%
Dwellings, no.:	2.1mn	1.4mn
Dwellings, value:	$3.0trn	$1.2trn

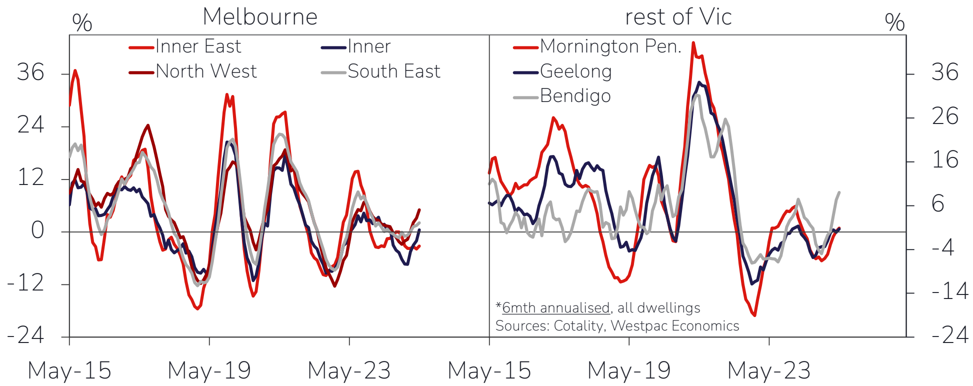
June years	avg^	2022	2023	2024	latest
Sydney					
Employment, ann%	1.8	3.6	4.3	1.0	3.7
Unemployment rate, %	5.3	3.5	3.5	4.1	4.2
Houses – prices, ann%	6.1	5.4	-1.0	7.7	1.9
– sales/new listings, ratio	1.09	0.99	1.26	1.19	1.07
– total listings, mths sales	3.2	3.1	2.6	2.7	3.3
Units – prices, ann%	4.6	0.8	-1.0	4.6	0.1
– sales/new listings, ratio	1.62	1.21	1.54	1.50	1.20
– total listings, mths sales	2.3	3.2	2.6	2.2	3.2
rest of NSW					
Employment, ann%	1.3	0.8	2.9	1.6	-1.6
Unemployment rate, %	7.1	4.0	2.6	3.5	3.7
Dwelling prices, ann%	6.1	20.8	-6.5	4.1	3.1

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

52. Vic: Melbourne dwelling prices by type, tier



53. Vic dwelling prices, selected sub-region

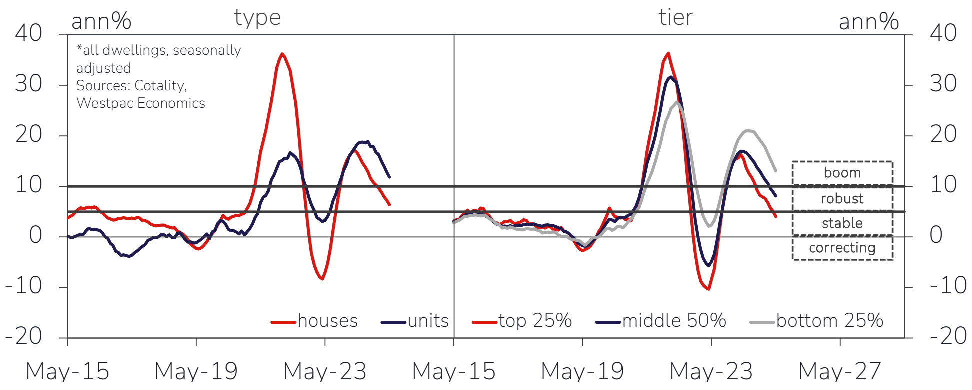


	Melbourne	rest of VIC
Population:	5.2mn	1.6mn
Net migration*:	+140k pa	+15k pa
Employ (%state):	79%	21%
Dwellings, no.:	2.1mn	0.9mn
Dwellings, value:	$2.0trn	$0.5trn

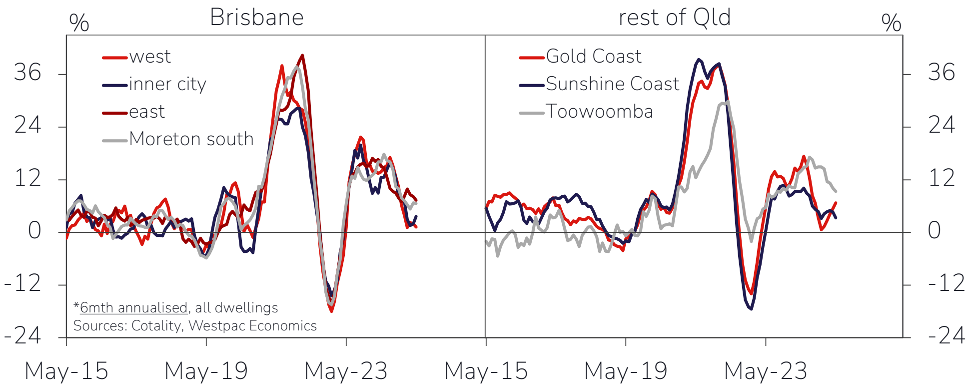
June years	avg^	2022	2023	2024	latest
Melbourne					
Employment, ann%	2.4	5.1	4.4	2.7	3.7
Unemployment rate, %	6.2	3.8	-3.7	2.0	-1.4
Houses – prices, ann%	1.02	0.92	1.01	0.96	1.09
– sales/new listings, ratio	3.5	3.3	3.9	3.6	3.4
– total listings, mths sales	4.5	1.7	-2.6	0.7	-2.3
Units – prices, ann%	1.12	0.94	1.02	1.01	0.93
– sales/new listings, ratio	3.6	4.8	4.5	3.6	4.3
– total listings, mths sales	3.6	4.8	4.5	3.6	5.5
rest of VIC					
Employment, ann%	1.6	-0.3	2.5	1.8	-2.2
Unemployment rate, %	6.7	3.2	2.8	4.0	3.5
Dwelling prices, ann%	5.5	16.2	-5.8	-0.4	-0.6

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

54. Qld: Brisbane dwelling prices by type, tier



55. Qld dwelling prices, selected sub-region

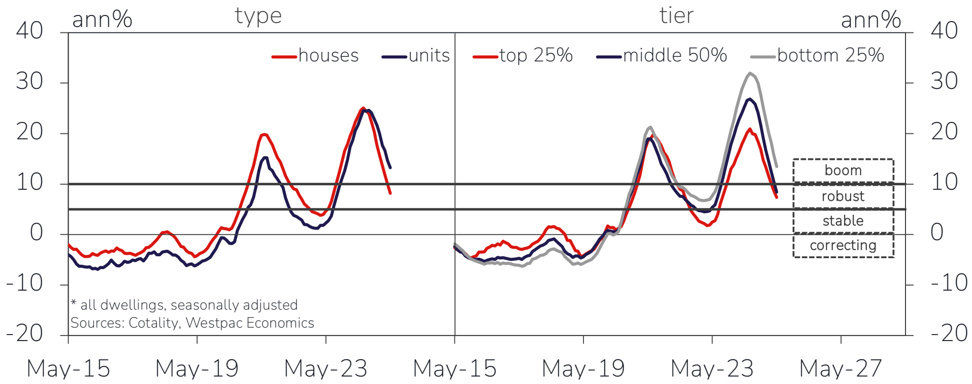


	Brisbane	rest of QLD
Population:	2.7mn	2.8mn
Net migration*:	+67k pa	+50k pa
Employ (%state):	51%	49%
Dwellings, no.:	1mn	1.3mn
Dwellings, value:	$1.0trn	$1.0trn

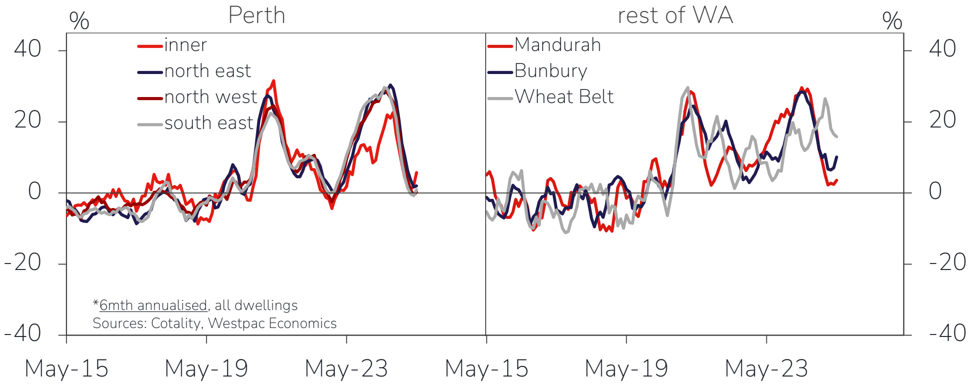
June years	avg^	2022	2023	2024	latest
Brisbane					
Employment, ann%	2.7	5.5	3.6	4.2	3.2
Unemployment rate, %	6.2	4.2	3.7	4.5	4.2
Houses – prices, ann%	6.9	26.5	-5.2	15.7	7.3
– sales/new listings, ratio	0.92	0.98	1.32	1.15	1.21
– total listings, mths sales	5.1	3.1	2.9	2.6	2.8
Units – prices, ann%	5.0	15.7	4.0	18.7	12.9
– sales/new listings, ratio	1.59	1.43	1.57	1.58	1.43
– total listings, mths sales	3.3	2.2	2.0	1.6	2.1
rest of Qld					
Employment, ann%	2.3	4.1	2.1	3.4	1.4
Unemployment rate, %	6.9	3.7	3.8	3.4	4.0
Dwelling prices, ann%	5.8	22.7	-1.8	12.3	9.0

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

56. WA: Perth dwelling prices by type, tier



57. WA dwelling prices, selected sub-region

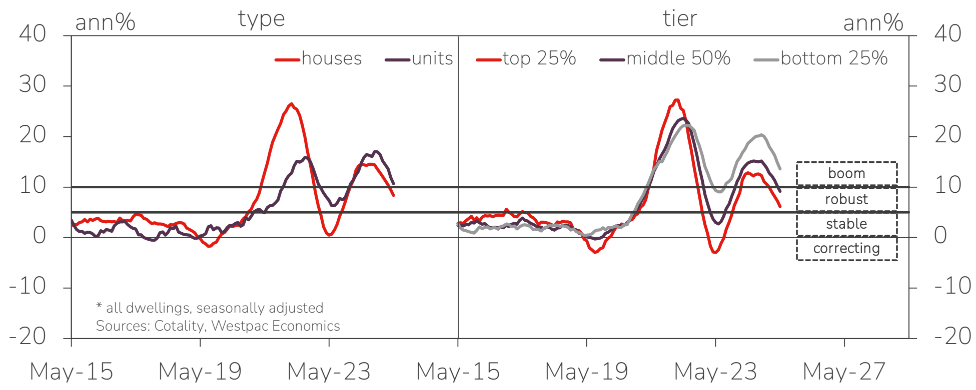


	Perth	rest of WA
Population:	2.3mn	0.6mn
Net migration*:	+70k pa	+6k pa
Employ (%state):	82%	18%
Dwellings, no.:	0.9mn	0.3mn
Dwellings, value:	$0.7trn	$0.2trn

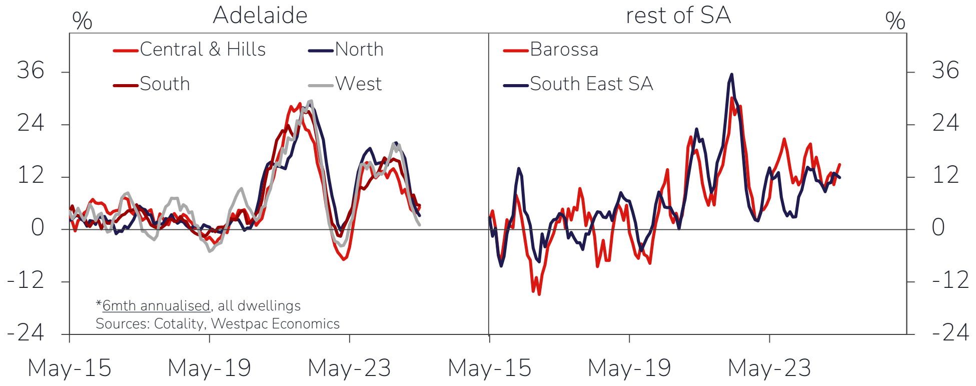
June years	avg^	2022	2023	2024	latest
Perth					
Employment, ann%	2.7	5.3	3.0	4.6	3.3
Unemployment rate, %	5.8	3.1	3.6	3.9	3.8
Houses – prices, ann%#	6.3	8.9	5.1	24.6	9.5
– sales/new listings, ratio	0.94	1.02	1.31	1.23	1.28
– total listings, mths sales	5.4	3.4	2.6	2.1	2.4
Units – prices, ann%#	5.0	3.6	2.7	23.2	14.5
– sales/new listings, ratio	0.92	0.83	1.11	1.00	0.98
– total listings, mths sales	5.8	5.3	3.6	2.7	3.1
rest of WA					
Employment, ann%	1.2	5.7	0.8	0.5	0.9
Unemployment rate, %	5.2	3.6	3.5	3.0	3.4
Dwelling prices, ann%	5.1	11.3	6.7	16.6	13.3

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

58. SA: Adelaide dwelling prices by type, tier



59. SA dwelling prices, selected sub-region

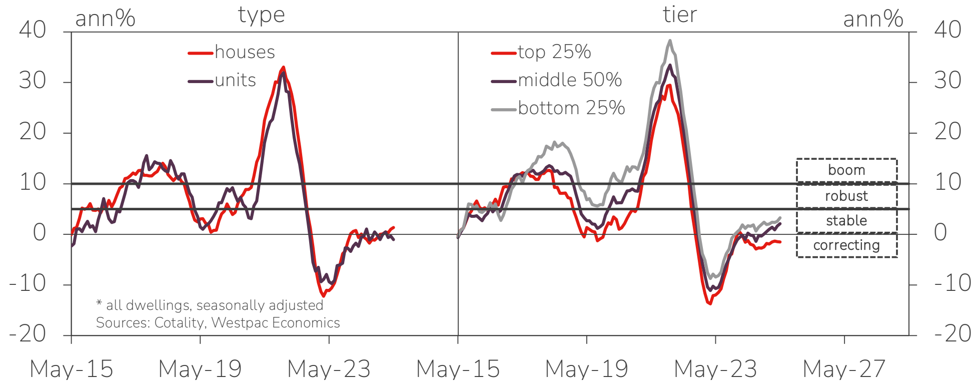


	Adelaide	rest of SA
Population:	1.4mn	0.4mn
Net migration*:	+25k pa	+3k pa
Employ (%state):	80%	20%
Dwellings, no.:	0.6mn	0.2mn
Dwellings, value:	$0.5trn	$0.1trn

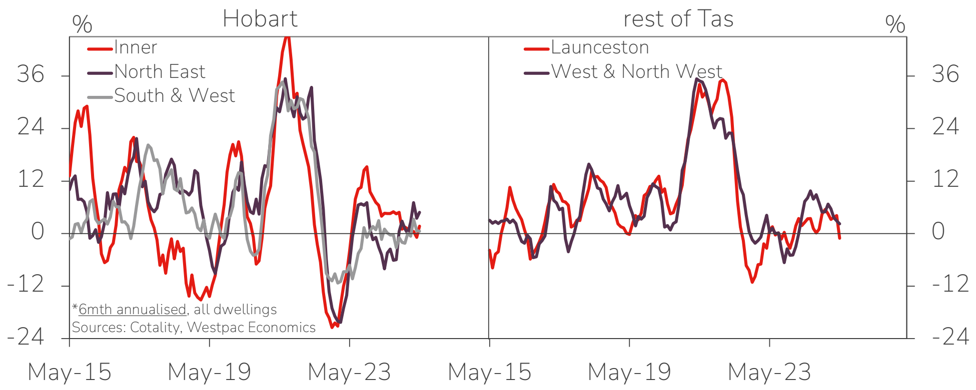
June years	avg^	2022	2023	2024	latest
Adelaide					
Employment, ann%	1.6	4.4	4.1	-0.9	3.1
Unemployment rate, %	7.1	4.4	4.2	4.1	3.5
Houses – prices, ann%	6.7	24.2	0.7	14.4	9.4
– sales/new listings, ratio	1.07	1.26	1.40	1.33	1.48
– total listings, mths sales	3.7	2.1	2.1	1.8	1.7
Units – prices, ann%	7.2	14.9	6.3	15.9	11.9
– sales/new listings, ratio	1.24	1.60	1.71	1.58	1.83
– total listings, mths sales	3.8	2.0	1.7	1.4	1.4
rest of SA					
Employment, ann%	0.8	-1.9	4.8	-0.1	-1.8
Unemployment rate, %	6.3	4.8	3.8	3.2	5.1
Dwelling prices, ann%	7.1	20.4	7.4	10.6	12.9

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

60. Tas: Hobart dwelling prices by type, tier



61. Tas dwelling prices, selected sub-region



	Hobart	rest of TAS
Population:	254k	320k
Net migration*:	+1k pa	+1k pa
Employ (%state):	46%	54%
Dwellings, no.:	106k	162k
Dwellings, value:	$76bn	$90bn

June years	avg^	2022	2023	2024	latest
Hobart					
Employment, ann%	6.6	17.2	-10.6	-0.6	1.0
Unemployment rate, %	0.98	0.83	1.04	1.03	1.05
Houses – prices, ann%	5.3	3.1	4.8	4.6	4.1
– sales/new listings, ratio	5.7	13.9	-9.7	-0.3	-0.3
– total listings, mths sales	1.29	1.06	1.33	1.41	1.51
Units – prices, ann%	3.8	2.2	2.9	3.5	2.7
– sales/new listings, ratio	0.92	0.83	1.10	1.00	1.00
– total listings, mths sales	5.7	5.3	3.6	2.7	2.9
rest of Tas					
Employment, ann%	1.0	3.5	1.7	-3.5	0.7
Unemployment rate, %	8.0	4.4	4.1	3.9	3.6
Dwelling prices, ann%	6.3	20.7	-3.2	-0.3	3.8

* estimates as at Jun 2023 and may not sum to more recent state totals, migration includes flows within states;
^ avg last 25yrs (last 10yrs for listings).
Sources: ABS, CoreLogic, Westpac Economics

Economic and financial forecasts

Interest rate forecasts

Australia	Latest (5 Jun)	Jun–25	Sep–25	Dec–25	Mar–26	Jun–26	Sep–26	Dec–26	Mar–27
Cash	3.85	3.85	3.60	3.35	3.35	3.35	3.35	3.35	3.35
90 Day BBSW	3.70	3.90	3.70	3.45	3.50	3.50	3.55	3.55	3.55
3 Year Bond	3.31	3.35	3.40	3.50	3.65	3.80	3.85	3.90	3.95
3 Year Swap	3.25	3.40	3.45	3.55	3.70	3.85	3.90	3.95	3.95
10 Year Bond	4.26	4.35	4.40	4.45	4.50	4.55	4.60	4.70	4.80
10 Year Spread to US (bps)	–19	5	5	5	5	5	0	0	0
US									
Fed Funds	4.375	4.375	4.125	3.875	3.875	3.875	3.875	3.875	3.875
US 10 Year Bond	4.45	4.30	4.35	4.40	4.45	4.50	4.60	4.70	4.80

Exchange rate forecasts

	Latest (5 Jun)	Jun–25	Sep–25	Dec–25	Mar–26	Jun–26	Sep–26	Dec–26	Mar–27
AUD/USD	0.6495	0.64	0.65	0.67	0.68	0.69	0.70	0.71	0.72
NZD/USD	0.6033	0.59	0.59	0.59	0.60	0.61	0.61	0.62	0.62
USD/JPY	143.20	144	143	141	139	137	136	135	134
EUR/USD	1.1410	1.12	1.13	1.14	1.15	1.15	1.16	1.16	1.16
GBP/USD	1.3549	1.32	1.33	1.33	1.34	1.34	1.35	1.35	1.36
USD/CNY	7.1834	7.25	7.20	7.15	7.10	7.05	7.00	6.95	6.90
AUD/NZD	1.0764	1.08	1.10	1.13	1.13	1.13	1.15	1.15	1.15

Economic and financial forecasts

Australian economic growth forecasts*

	2024		2025				2026	
	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q1f
GDP %qtr	0.3	0.6	0.2	0.4	0.6	0.5	0.5	0.5
%yr end	0.8	1.3	1.3	1.7	2.0	1.9	2.1	2.2
Unemployment Rate %	4.1	4.0	4.1	4.2	4.4	4.5	4.5	4.5
Wages (WPI) %qtr	0.9	0.7	0.9	0.8	0.7	0.6	0.8	0.8
%yr end	3.6	3.2	3.4	3.4	3.2	3.1	3.0	2.9
CPI Headline %qtr	0.2	0.2	0.9	0.8	0.8	0.8	0.8	0.8
%yr end	2.8	2.4	2.4	2.2	2.8	3.4	3.3	3.2
CPI Trimmed Mean %qtr	0.8	0.5	0.7	0.6	0.7	0.7	0.6	0.6
%yr end	3.6	3.3	2.9	2.7	2.6	2.8	2.7	2.7

	Calendar years			
	2023	2024	2025f	2026f
GDP % qtr	–	–	–	–
%yr end	1.5	1.3	1.9	2.2
Unemployment rate %	3.9	4.0	4.5	4.5
Wages (WPI)	–	–	–	–
annual chg	4.3	3.2	3.1	3.3
CPI Headline	–	–	–	–
annual chg	4.1	2.4	3.4	2.8
Trimmed mean	–	–	–	–
annual chg	4.2	3.3	2.8	2.5

* currently under review

Consumer sentiment: housing-related measures

		2023		2024				2025				
index*	**avg**	**Sep**	**Dec**	**Mar**	**Jun**	**Sep**	**Dec**	**Mar**	**Apr**	**May**	**%mth**	**%yr**
'Time to buy a dwelling'												
Australia	116.1	72.5	74.3	77.8	72.8	76.1	81.6	91.6	85.7	90.0	5.1	17.7
– New South Wales	115.8	77.4	76.2	73.3	81.0	78.9	79.1	88.1	87.2	92.6	6.2	28.7
– Victoria	115.5	74.9	77.0	84.3	70.0	84.6	91.4	106.0	92.8	89.3	-3.8	13.4
– Queensland	128.0	66.6	79.2	78.3	69.9	59.3	77.5	88.5	75.2	85.3	13.4	3.0
– Western Australia	128.8	62.3	59.6	82.5	58.2	68.6	75.6	89.4	69.0	92.6	34.1	26.4
– South Australia	127.9	64.7	70.3	73.3	62.8	67.2	69.9	68.0	96.4	76.8	-20.3	4.5
– Tasmania	122.0	64.6	62.5	78.9	109.6	45.6	77.0	97.5	93.8	119.6	27.6	50.3
House price expectations												
Australia	126.4	154.6	157.3	161.1	163.8	150.5	142.0	146.5	153.4	155.5	1.4	-3.5
– New South Wales	128.0	158.7	158.2	160.1	161.8	150.3	133.9	153.7	157.0	159.6	1.6	-0.1
– Victoria	128.4	153.9	151.1	157.7	158.9	131.3	130.0	131.0	149.4	153.3	2.6	2.6
– Queensland	124.6	149.8	164.1	168.4	170.0	168.7	164.6	155.9	153.4	152.9	-0.3	-11.4
– Western Australia	117.7	154.7	161.8	164.4	163.3	168.6	150.4	145.0	148.9	155.0	4.0	-8.2
– South Australia	128.3	158.4	161.6	159.4	177.3	157.6	160.7	155.3	155.8	158.0	1.4	-7.1
– Tasmania	128.3	118.7	137.5	124.3	135.3	135.5	121.1	123.5	141.7	128.6	-9.2	-3.7

* indexes based on net balance of % assessing 'good time to buy'/'house prices to rise' and % assessing 'bad time to buy'/'house prices to decline'.
Sources: Melbourne Institute, Westpac Economics

Consumer sentiment: other components

		2023		2024				2025				
index*	**avg**	**Sep**	**Dec**	**Mar**	**Jun**	**Sep**	**Dec**	**Mar**	**Apr**	**May**	**%mth**	**%yr**
Unemployment expectations												
Australia	129.2	130.8	128.9	128.1	133.1	138.4	123.7	117.9	123.9	121.3	-2.1	-6.5
– New South Wales	129.6	131.2	128.4	129.0	130.0	142.9	123.5	118.2	121.7	120.6	-0.9	-11.0
– Victoria	131.2	138.7	126.0	126.3	134.0	138.2	122.8	112.2	125.1	123.8	-1.0	-6.7
– Queensland	133.2	124.9	132.4	132.0	132.5	139.4	121.0	122.4	121.8	121.5	-0.3	-2.4
– Western Australia	128.1	121.7	128.2	115.4	142.2	134.7	128.4	114.1	127.6	126.6	-0.8	5.3
– South Australia	135.3	131.9	133.8	129.4	135.2	128.0	134.8	130.6	126.9	119.8	-5.6	-3.2
– Tasmania	138.3	139.8	129.7	144.0	121.7	126.2	110.5	129.0	116.0	92.2	-20.5	-33.6
Risk aversion											qtr ch	ann ch
Australia	17.3	56.1	56.1	54.9	47.0	48.3	48.2	44.6	n.a.	n.a.	-3.6	-5.1
– New South Wales	11.7	55.2	57.9	54.3	43.3	58.6	49.5	57.6	n.a.	n.a.	8.1	10.6
– Victoria	11.0	55.6	54.5	56.3	52.4	47.5	48.6	38.9	n.a.	n.a.	-9.7	-14.8
– Queensland	12.7	64.4	53.0	52.3	48.0	40.5	44.9	34.5	n.a.	n.a.	-10.3	-14.9
– Western Australia	7.0	55.1	61.4	69.1	51.9	53.0	41.9	48.2	n.a.	n.a.	6.3	-9.4
– South Australia	14.4	55.8	58.4	45.1	35.6	32.6	49.0	35.1	n.a.	n.a.	-13.9	-3.7
– Tasmania	15.5	43.2	41.5	72.2	30.5	48.7	47.1	38.6	n.a.	n.a.	-8.5	-5.8

* indexes based on net balance of % assessing 'unemployment to rise' and % assessing 'unemployment to fall';
^ measure based on responses to 'wisest place for savings' question.
Sources: Melbourne Institute, Westpac Economics.

Dwelling prices and turnover

		2023				2024				2025		
	avg	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May
Dwelling prices, ann%*												
Australia	6.0	-6.6	-1.5	5.5	9.7	10.6	8.7	7.1	4.7	3.3	3.0	2.7
– Sydney	5.7	-9.4	-0.9	7.6	11.3	10.9	6.9	5.1	2.5	1.6	1.4	1.1
– Melbourne	5.7	-7.1	-3.3	1.7	4.2	4.3	1.7	-0.8	-2.2	-1.9	-1.7	-1.2
– Brisbane	6.5	-6.3	-3.7	5.6	13.5	16.5	16.1	14.1	11.4	8.8	8.1	7.1
– Perth	6.1	3.3	5.0	10.3	16.2	20.3	24.4	24.2	18.2	12.2	10.4	8.6
– Adelaide	6.7	2.8	1.3	4.9	8.8	13.1	14.5	14.8	13.3	10.8	9.7	8.6
– Hobart	6.4	-11.8	-10.4	-6.0	-1.8	0.0	-0.5	-0.8	-0.1	0.2	0.6	1.0
Turnover, %stock^												
Australia	5.6	4.2	4.4	4.6	4.5	4.7	4.8	4.8	4.7	4.7	4.6	4.5
– New South Wales	5.7	4.0	4.3	4.5	4.4	4.6	4.7	4.7	4.5	4.5	4.3	4.0
– Victoria	4.6	3.4	3.6	3.8	3.7	3.9	4.1	4.2	4.3	4.2	4.1	4.0
– Queensland	6.5	5.2	5.5	5.5	5.5	5.7	5.7	5.8	5.6	5.3	5.2	5.2
– Western Australia	6.2	5.4	5.5	5.5	5.8	5.8	5.7	5.9	5.6	5.5	5.5	5.5
– South Australia	4.6	3.9	4.0	3.9	4.1	4.0	4.2	4.1	4.3	4.3	4.2	4.3
– Tasmania	5.5	3.7	3.8	3.5	3.6	3.9	3.8	3.9	3.8	3.4	3.4	3.6

* 'all dwellings' measures, ann% ch, latest is month to date.
^ % dwelling stock; most recent months are estimates modelled on preliminary data.
Sources: Cotality, ABS, Westpac Economics

Residential property listings

		2023				2024				2025		
	avg	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr	May
Sales/new listings ratio*												
Australia^	1.15	1.18	1.34	1.18	1.23	1.32	1.22	1.24	1.29	1.28	1.28	1.23
– Sydney	1.28	1.26	1.39	1.23	1.26	1.35	1.34	1.27	1.32	1.25	1.21	1.13
– Melbourne	1.05	0.90	1.01	0.92	0.99	1.04	0.97	1.04	1.14	1.12	1.09	1.03
– Brisbane	1.03	1.21	1.41	1.30	1.29	1.30	1.26	1.24	1.28	1.23	1.24	1.26
– Perth	0.93	1.09	1.24	1.12	1.31	1.23	1.16	1.17	1.14	1.19	1.21	1.20
– Adelaide	1.10	1.28	1.48	1.26	1.47	1.43	1.39	1.36	1.58	1.51	1.52	1.56
– Hobart	1.04	0.95	1.09	0.97	1.17	1.12	1.11	1.19	1.15	1.06	1.03	1.14
Total listings, months of sales*												
Australia^	3.5	3.3	2.9	2.7	2.7	2.5	2.5	2.5	2.6	2.7	2.7	2.8
– Sydney	2.8	3.0	2.6	2.5	2.6	2.5	2.4	2.6	2.7	2.8	3.0	3.2
– Melbourne	3.5	4.5	4.1	3.8	3.8	3.6	3.6	3.6	3.5	3.5	3.6	3.7
– Brisbane	4.5	3.1	2.7	2.5	2.4	2.3	2.3	2.3	2.4	2.6	2.6	2.6
– Perth	5.5	3.5	3.0	2.8	2.4	2.3	2.2	2.1	2.4	2.5	2.5	2.5
– Adelaide	3.7	2.3	2.1	2.2	1.8	1.8	1.7	1.7	1.6	1.7	1.7	1.7
– Hobart	4.9	4.2	4.4	4.5	4.6	4.1	4.3	4.0	4.1	4.4	4.4	3.9

* figures show 3mth avg, readings for most recent months based on sales estimates modelled on preliminary data and latest weekly listings figures.
^ avg since 2007.
Sources: CoreLogic, Westpac Economics

About the Westpac Consumer Housing Sentiment Indexes

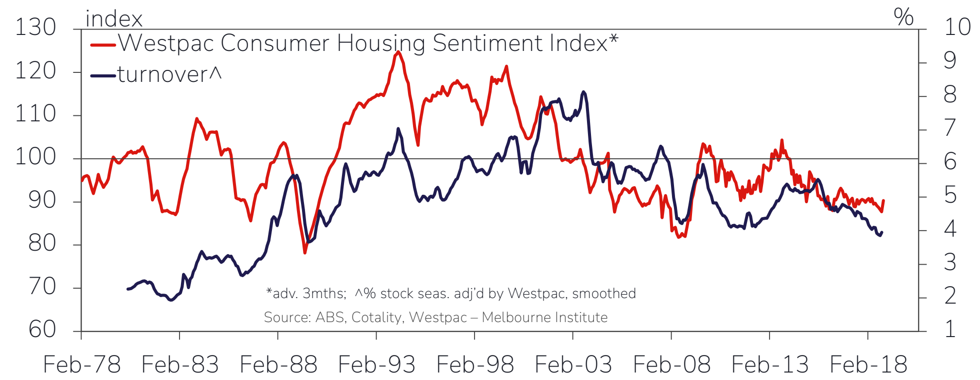
The **Westpac Consumer Housing Sentiment Indexes** presented in this report are composite measures based on a weighted combination of four indexes from the Westpac–Melbourne Institute Consumer Sentiment survey.

Two of these are 'primary' components with a higher weight that relate directly to consumer perceptions of housing market conditions: the **Westpac–Melbourne Institute 'time to buy a dwelling' index** and the **Westpac–Melbourne Institute House Price Expectations Index**. The remaining 'supplementary' components, with lower weights, relate to consumer assessments of job security – the **Westpac–Melbourne Institute Unemployment Expectations Index** – and risk appetite – the **Westpac Risk Aversion Index**.

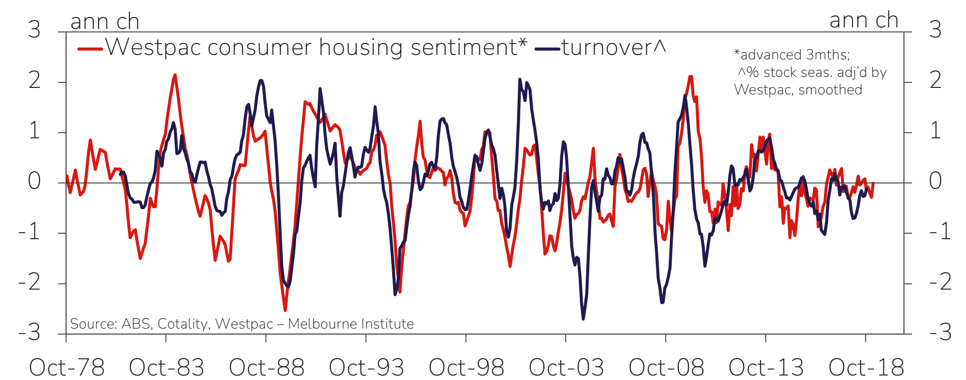
Each of these components is seasonally adjusted, converted to a consistent base and combined using fixed weights determined by historical regression analysis. Note that the house price expectations component is only available from 2009 on – a reweighted composite based on the remaining measures is used for earlier periods.

The resulting composite measures provide significant insight into housing market conditions both nationally and at the individual state level. The national index has over 40yrs of history and a clear lead indicator relationship with a variety of housing market metrics. The index is particularly good at picking turning points in housing market turnover – correctly anticipating every major upswing and downturn since 1980 with a lead of around three months (four once the timeliness of sentiment updates is included).

62. Westpac Consumer Housing Sentiment Index: full series



63. Westpac Consumer Housing Sentiment Index: cycles



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