

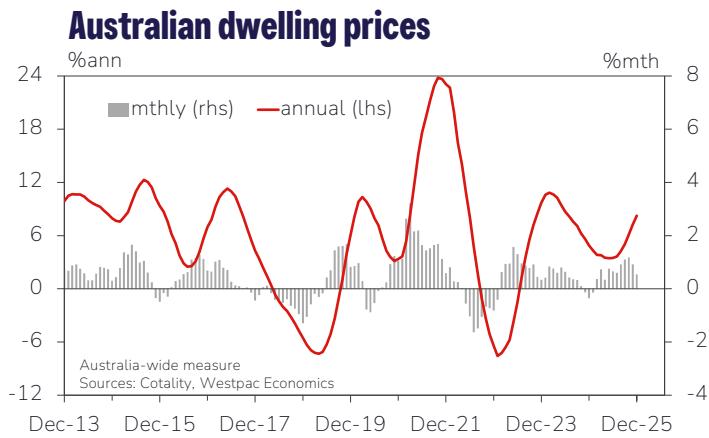
5 January 2026

AUSTRALIAN DWELLING PRICES BULLETIN

Upswing cools

Key points

- The Cotality home value index rose 0.5% in Dec with a further slowing in momentum. Prices rose 8.2% over calendar 2025 with a cumulative 25% rise since the 2022 correction. That said, prices are only 15% above their previous high having lagged slightly behind inflation over the last four years.
- The end-of-year slowdown was most pronounced in the Sydney and Melbourne market, albeit accentuated by seasonal variation. Initial estimates suggest turnover is also off sharply in these markets. Price growth remains much firmer elsewhere but has also cooled a little in Brisbane and Perth.
- The slowing coincides with a sharp turn in interest rate expectations following higher than expected inflation reads and more hawkish messaging from the RBA.



Dec Cotality home value index: +0.5%mth; +8.2%yr

Soft finish to 2025



Matthew Hassan
Head of Australian Macro-Forecasting

The Cotality home value index, covering the eight major capital cities, rose 0.5%mth in December, the slowest monthly gain since April. Despite this, annual growth lifted to 8.2%yr, the strongest pace since mid-2024. The details show the end-of-year fade was most pronounced in Sydney and Melbourne but has been accentuated by seasonal variations.

Note that, unless specified, the figures in titles, tables and the commentary below are in non-seasonally adjusted terms, consistent with the 'headline' figures reported by Cotality. Figures in charts are in seasonally adjusted terms. Seasonal effects become larger around the turn of the year, effectively taking 0.3-0.4ppts off price growth in the December and January months, the effect turning to a slight positive in February.

The detail shows a more marked slowing in Sydney and Melbourne, where prices dipped slightly in the month in non seasonally adjusted terms. Brisbane and Perth also recorded a moderation in price growth but from a stronger starting point to a still firm 1.5-2% monthly pace. Across dwelling types and tiers, the moderation has been a little more pronounced for houses and for higher-priced segments, especially in the Sydney and Melbourne markets.

Preliminary estimates suggest there was a bigger than usual pull-back in sales volumes in December with turnover about flat for the quarter in seasonally-adjusted terms but still up 10%yr. However, a continued lift in regional areas saw turnover up slightly nationally. Listings data is not yet available for the full December month but weekly figures to mid-month suggest these were also seeing a bigger than usual seasonal pull-back.

The December price results by capital city were as follows:

- **Sydney:** Prices dipped 0.1% in the month in non seasonally adjusted terms (the first decline since January) but posted a less alarming 0.4% gain in seasonally adjusted terms. Annual growth lifted to 5.8%yr. Top tier houses were softest in the month but also tend to see more marked seasonal variations.
- **Melbourne:** A similar story, prices dipping 0.1% but by a milder 0.4% seasonally adjusted. Softness was a little more evenly spread across top and middle tier segments. Annual growth remains the slowest of the majors at 4.8%yr.
- **Brisbane:** Prices up 1.6%, off a 1.9% gain in November – a discernible though very mild slowing. Annual growth ticked up to 14.5%yr, all types and segments seeing robust gains.
- **Adelaide:** Prices rose another 1.9% in the month, slightly firmer than November's 1.8% gain with annual growth quickening to 8.2%yr. The quarterly seasonally adjusted pace of price growth is the strongest since mid-2022.

Cotality home value index: Dec 2025

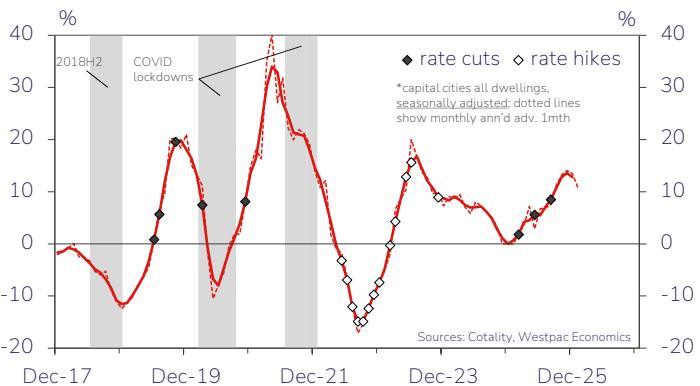
	%mth				%ann			
	Sep	Oct	Nov	Dec	Sep	Oct	Nov	Dec
Australia*	1.1	1.2	0.9	0.5	5.0	6.2	7.3	8.2
seas. adjusted	1.0	1.1	1.1	0.9	5.0	6.1	7.2	8.2
– houses	1.2	1.2	1.0	0.6	5.7	6.9	8.1	9.1
– units	0.7	0.9	0.7	0.5	2.6	3.5	4.5	5.3
Major capital cities								
Sydney	0.9	0.7	0.3	-0.1	3.7	4.5	5.3	5.8
Melbourne	0.8	0.7	0.2	-0.1	2.9	3.7	4.3	4.8
Brisbane	1.7	2.0	1.9	1.6	9.8	11.5	13.1	14.5
Adelaide	0.7	1.3	1.8	1.9	5.9	6.4	7.7	8.8
Perth	2.1	2.8	2.7	1.9	8.4	10.6	13.5	15.9
Turnover[▲]	5.2	2.0	3.6	1.0	8.6	10.2	12.1	11.3

* combined capital cities

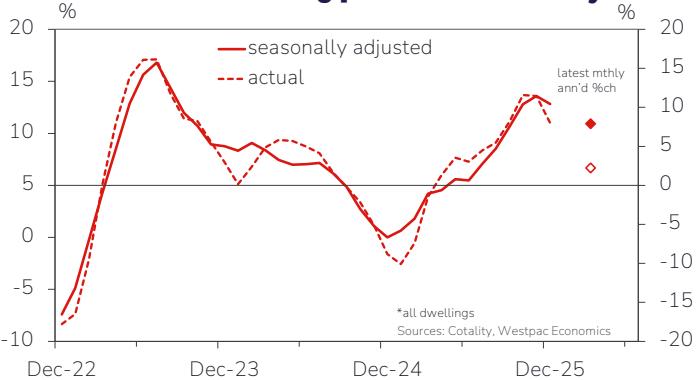
Sources: Cotality, Westpac Economics.

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

Australian dwelling prices: 3mth ann'd



Australian dwelling prices: seasonality



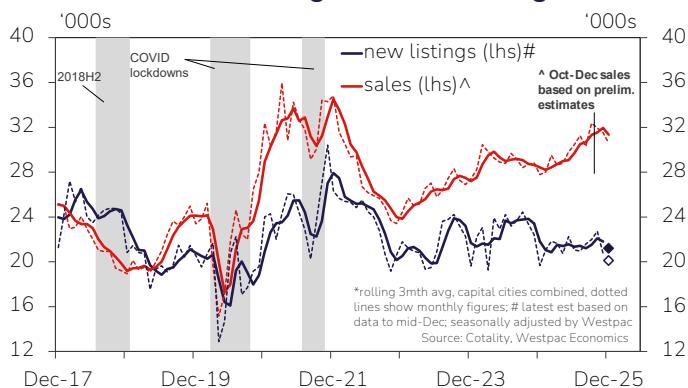
- **Perth:** Prices also posted a robust 1.9% gain but were coming off very strong 2.7% monthly rises in October and November. While the cooling looks to be broadly based prices are still up 15.9%yr.

Performances were also mixed across small capitals, upturns consolidating in Hobart and, less convincingly, in Canberra, and strong growth continuing in Darwin. Regional markets continued to outperform slightly in NSW and Vic but are lagging the capital city in Qld.

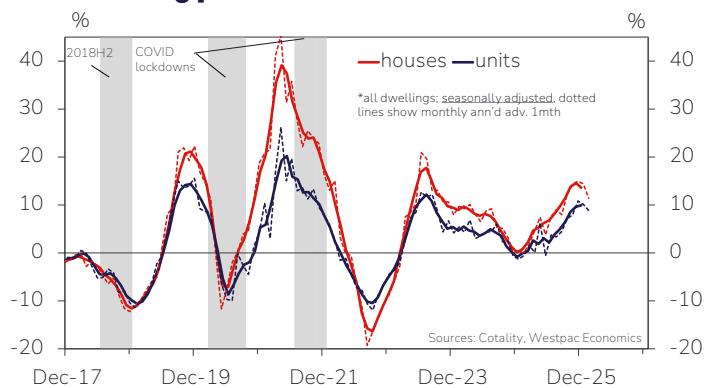
Stepping back, markets were clearly impacted by the sharp shift in interest rate expectations late last year, clearly captured in our [consumer sentiment survey](#). Price growth has cooled with signs both buyers and sellers have pulled back.

The extent and duration of these effects remains highly uncertain. As noted, seasonality is a significant complicating factor. This is currently accentuating weakness. Performances will remain difficult to judge in January with conditions only likely to become clearer from mid February on.

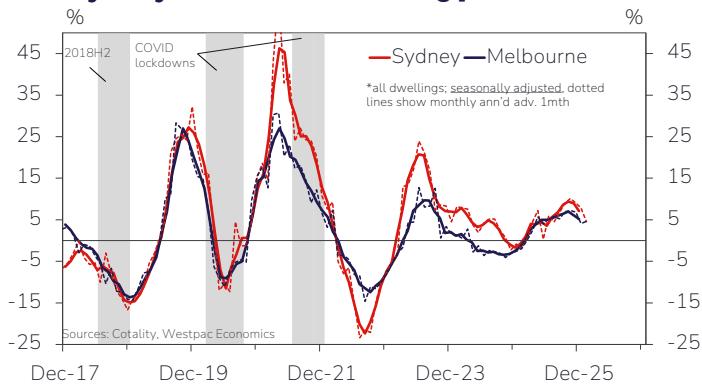
Australian dwelling sales and listings



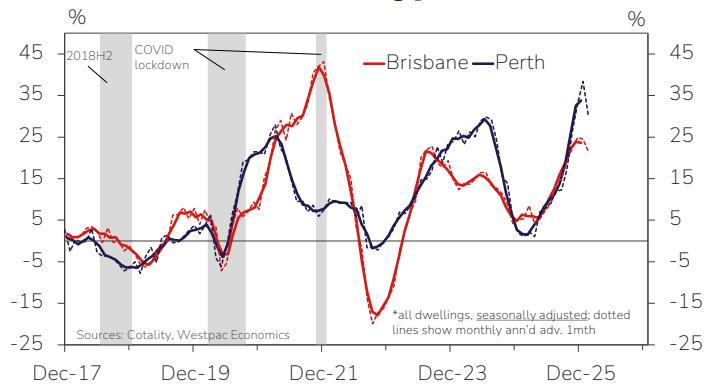
Dwelling prices: houses, units: 3mth ann'd



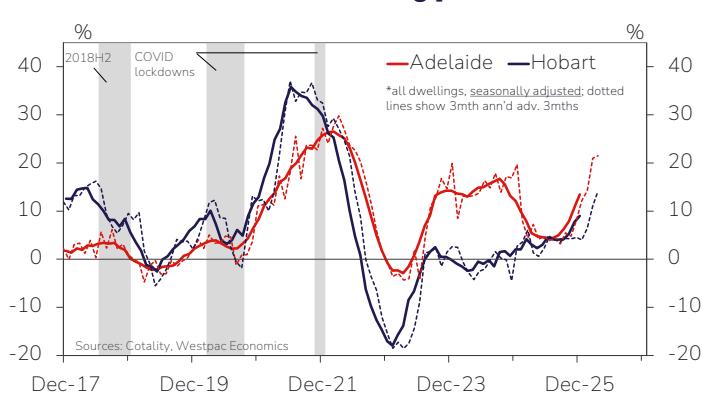
Sydney, Melbourne dwelling prices: 3mth ann'd



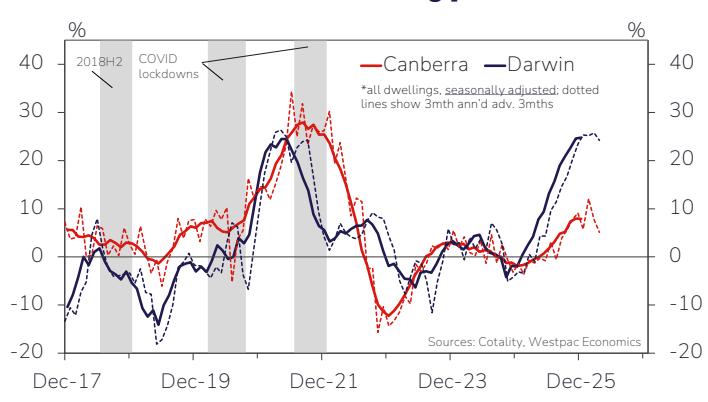
Brisbane, Perth dwelling prices: 3mth ann'd



Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



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