



27 February 2026

WESTPAC HOUSING PULSE

Australia's quarterly housing market report

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The **Westpac Housing Pulse** report is produced by Westpac Economics.

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The next issue will be published 22 May 2026.

Rate rise surprise

Just when it looked like it was safe to go back into the water again, a ‘rate rise surprise’ has sparked new fears about Australia’s housing market outlook in 2026. The last six months have seen a dramatic swing in interest rate expectations, from good prospects of a further gradual easing this year to a relatively sudden re-tightening that is set to see most – possibly all – of last year’s cuts reversed.

This interest rate ‘whiplash’ is already reverberating through buyer sentiment. Our February **Housing Pulse** shows the steady recovery in sentiment through most of 2025 has faltered. Prospective buyers, especially across the most affordability-sensitive owner-occupier segments, look to be baulking.

However, the reaction from other housing-related sentiment components is not nearly as weak. The changed rate outlook has done nothing to dent house price expectations which have instead pushed to new cycle highs. Unemployment expectations have also improved a little, likely keying off better signals on the economy. Consumer risk aversion is also relatively unchanged. Indeed, the overall signal from housing-related sentiment is still marginally positive, albeit softer.

Of course, the full impact of the RBA’s change of tack has yet to play out. The 25bp rate hike in February is expected to be followed by another 25bp hike in the first half of 2026 and then an extended, and likely very nervous, pause. This, and ongoing uncertainty about the future path of policy, will almost certainly be a further drag on homebuyer sentiment. Consumer views on prices, jobs and risk may also start to reflect any associated cooling in housing markets and the wider economy.

However, there are some indications that housing markets could be quite resilient. One of the most striking features at the moment is the tightness of supply, particularly in the Brisbane, Adelaide and Perth markets which are continuing to post stronger and more resilient price gains. Some of these markets are entering almost uncharted territory in terms of thin supply and stretched affordability (Hobart arguably being one of the few cities to have experienced anything similar).

Overall, we expect prices, turnover and new dwelling approvals to all track more slowly in 2026 but the differences are marginal rather than dramatic. Risk-wise, the path of inflation and the RBA response will continue to dominate, both this year and next.

1. Australia: national housing conditions



“... some indications that housing markets could be quite resilient to interest rate rise ...”

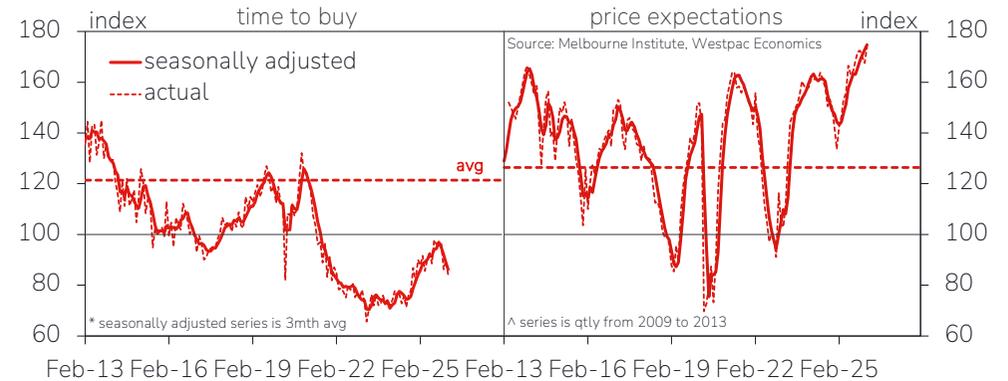
*The **Westpac Consumer Housing Sentiment Index** is a composite measure based on four housing-related components of the Westpac Consumer Sentiment survey. See Appendix on p38 for more details.

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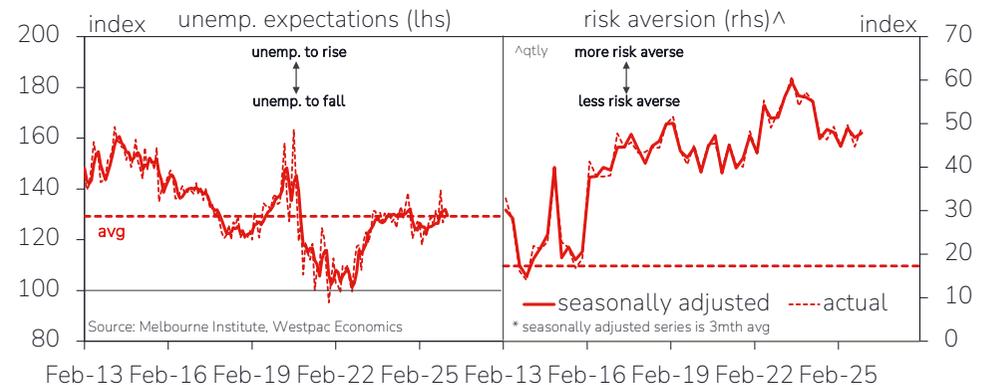
Hot and cold

- The gradual upturn that gathered momentum through most of 2025 is on a much more uncertain footing in early 2026. A sharp reversal in interest rate expectations and the RBA's 25bp rate hike in Feb are already affecting some areas. But in some other areas the impact to date has been more muted. Meanwhile, the supply-demand balance remains very tight, extremely so in the 'hotspot' markets of Brisbane, Adelaide and Perth.
- In the major capital cities, dwelling prices rose a further 2.1% over the 3mths to Jan, a clear step-down on the 3.2% gain over the previous 3mths but still a relatively solid pace. Feb looks to have seen a further moderation to a 3mth pace of around 1.8%. Even with the shift, annual growth has continued to lift, reaching 9.2%yr in Jan (the strongest since mid-2024) and likely to come in around 9.5%yr for Feb. Houses continue to outperform, prices up just over 10%yr compared to a about a 6%yr gain for units.
- Geographically, the moderation has been more pronounced in Sydney and Melbourne, and much milder in Brisbane, Adelaide and Perth. Note that the moderation in price growth has been accentuated by seasonal variations, the price growth firmer in seasonally adjusted terms (see [here](#) for more details).
- Turnover was also notably softer through year-end. While the high seasonality over Dec-Jan and the tendency for preliminary estimates to be revised up makes it hard to pinpoint the degree of softening, our estimates show a decline of around 7.6% on a 3mth basis over and above regular seasonal falls. The Feb update in coming days will be an important one here.
- Other indicators of activity, such as housing finance approvals, remain strong but are more reflective of conditions in earlier 2025, including a boost from the expanded Federal Homebuyer guarantee (see [here](#)).
- Auction clearance rates tracked lower into year-end and look to have seen a further softening in early 2026.
- Sydney's clearance rate has moved back to around or slightly below the long run avg of 60%, where it was through much of 2024 and early 2025. Melbourne's clearance rate is more materially below its long run avg of 65%, nearing the lows seen during the 2022-24 period.
- Note that clearance rates are only really meaningful measures for the Sydney and Melbourne market. Latest reads are broadly consistent with the more pronounced slowing in price growth in these markets.

2. Consumer sentiment: housing



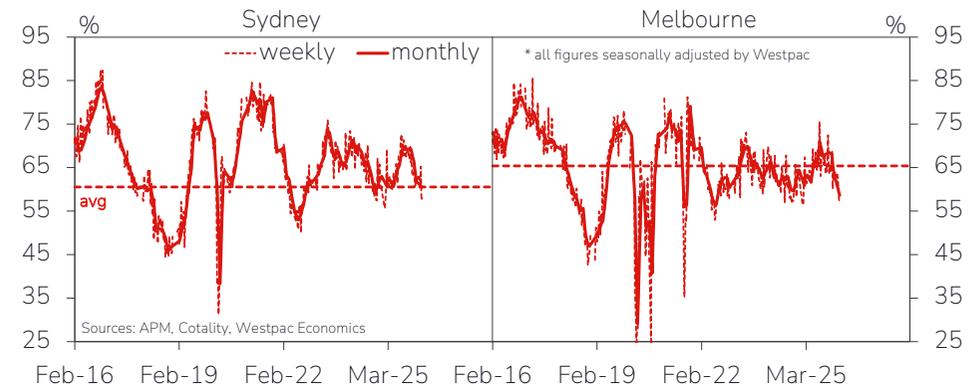
3. Consumer sentiment: jobs & risk aversion



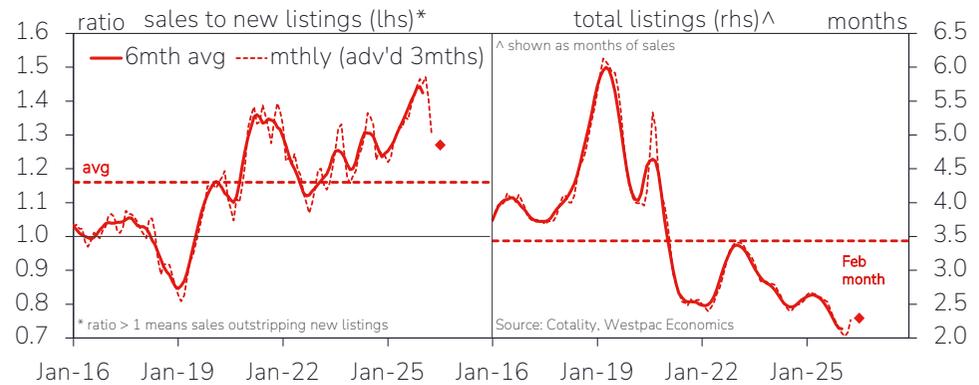
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- Around on-market supply, new listings have risen across the major capitals, up 1.5% over the three months to Jan on a combined basis to be on a par with this time last year. The latest rise centred on units rather than detached houses. Even with the lift in new listings and moderation in sales, the total stock on market continued to drift lower, the sales-to-new-listings ratio still well above average and total on-market supply still hovering around very low levels equivalent to 2-2.5 months of sales. On-market supply remains extremely low in Brisbane, Adelaide and Perth.
- Housing-related sentiment has softened, led by a marked weakening in purchase attitudes. The **Westpac-MI 'time to buy a dwelling' index** recorded a sharp 12.8% over the 3mths to Feb as the shift in interest rates impacted. At 84, the index is back in firmly pessimistic levels, above the extreme lows seen during 2022-24 but a very long way below the long run avg of 120.
- Notably sentiment amongst those in the younger age groups that tend to make up prospective first home buyers is still slightly positive overall (108), having received a significant boost from the expansion of the Federal Government's First Homebuyer Guarantee and Help-to-buy schemes late last year.
- In contrast, the shifting interest rate environment had little or no impact on other aspect of housing sentiment. Most notably, the **Westpac-MI Consumer House Price Expectations Index** posted a further 0.9% rise over the 3mths to Feb, reaching a new cycle high of 173.9. A convincing outright majority of consumers expect prices to continue rising over the next year.
- Meanwhile sentiment around jobs has also improved rather than deteriorated, likely partly reflecting the more positive signals coming from both economic growth and the labour market. The **Westpac-MI Unemployment Expectations Index** has dropped 6.9% over the 3mths to Jan, unwinding most of the rise seen over the previous 3mths and leaving the index basically in line with its long-run avg. Consumers expect an 'about avg' labour market over the next year, implying that it is expected to neither strengthen or weaken materially.
- Risk aversion remains unchanged at high levels. The **Westpac Consumer Risk Aversion Index** rose slightly, by 2.9% between Sep and Dec, noting that the most recent read pre-dates the RBA rate hike. Aversion is coming into this about double the average historically and will very likely rise with the Mar update is released on Mar 10.

4. Auction clearance rates



5. Residential property listings

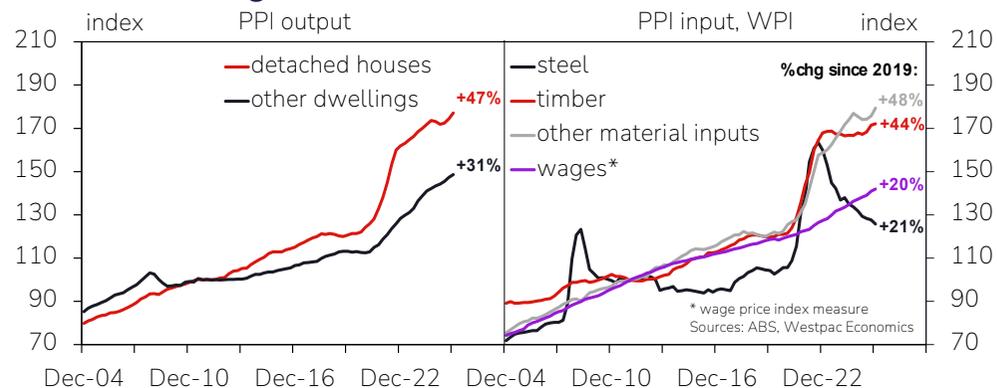


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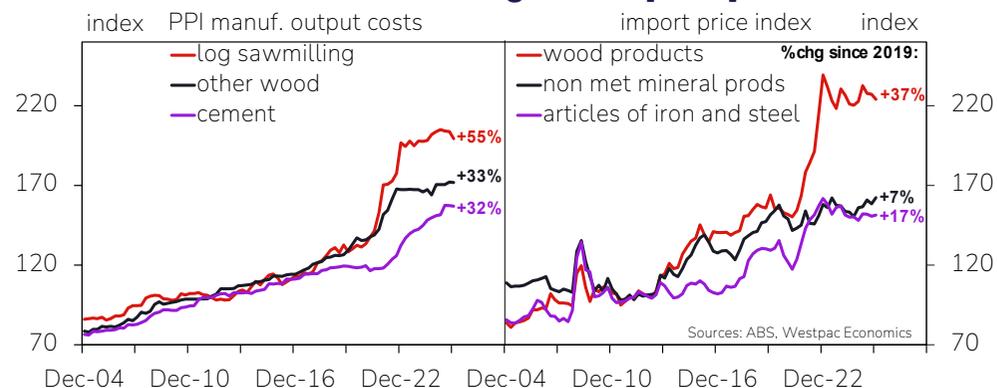
Construction costs: a deep dive

- An inadequate supply of new dwellings sits at the heart of Australia's housing problems. Challenges associated with long-standing productivity and capacity issues have been compounded by a big increase in construction costs over the last six years. This special topic takes a closer look at recent trends, by segment and state.
- Note that throughout this section we are focussed on the cost of dwellings excluding the land component. This is consistent with how new dwelling purchases are measured in the CPI but differs from the dwelling price measures used elsewhere in this report, which are for existing properties including land. Generally speaking, the land component, which captures the 'amenity' of a location and the indirect effects of factors such as zoning, has risen more strongly than the structure component of dwelling prices historically.
- The ABS produces a wide range of dwelling construction and related price measures. Chart 6 shows producer price index (PPI) measures for residential builders. The left panel presents PPI output (i.e. sales) measures for detached houses and other dwellings. These map closely to the house purchase component of the CPI, the main difference being the latter is measured net of government subsidies and support measures.
- The right panel of Chart 6 shows selected PPI input (i.e. cost) measures for the production of detached houses and the Wage Price Index (WPI) measure of wages across the wider construction sector. Note that this wage measure does not include any effects from changes in productivity, an important point we will come back to.
- The scale of the recent run-up in dwelling construction costs is striking. Output-wise, the price of detached houses has risen 47% since 2019 while the price of other dwellings is up 31%. On the input side, there are some notable contrasts. Steel prices for example spiked 50% when global supply chains locked up in 2022, but has since unwound much of that to be up 21% vs 2019. Timber costs however surged and have stayed high to be up 44% since 2019. Other material inputs, everything from concrete to kitchen cabinets, showed a slightly lower rise and have ramped further to be up 48% since 2019.
- The ABS also provides a range of other sectoral PPIs and import price indexes (IPIs) that shed more light on upstream costs. The escalation in timber for example reflects an even larger sustained 55% rise in the PPI output price for log sawmilling. While this will reflect domestic cost and capacity pressures, the 37% rise in imported wood product prices suggests offshore factors are also at play.

6. Dwelling construction costs



7. Selected manufacturing and import prices

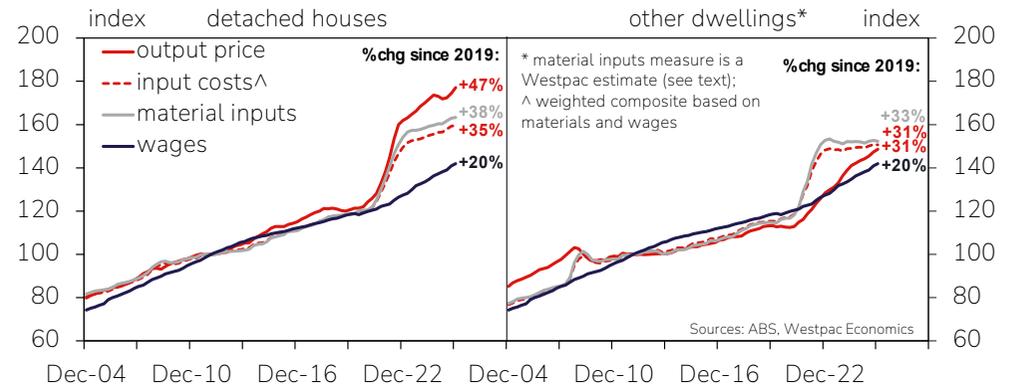


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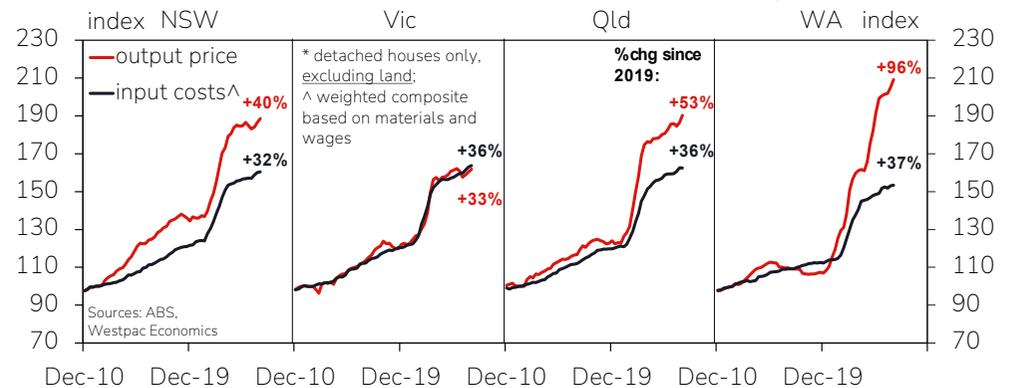
- We can get a rough sense of how total input costs for residential builders have moved by combining these PPI input measures (which are capturing the cost of 'materials') with the WPI measure of wages using weights of the relative share of these costs for producers. Chart 8 shows these broader 'input costs' measure for detached houses and other dwellings (note that the latter uses PPI input costs for detached houses but with the timber and steel components re-weighted according to the estimated use and share of medium and high density building).
- The main takeaway is that the timber price has contributed to a larger rise in input costs for detached houses compared to other dwellings (+38% vs +33%). The pass-through from input costs to output prices also looks to have been more gradual for 'other dwellings'.
- For detached houses the rise in output prices has significantly outstripped the rise in input costs. Some of this reflects costs associated with lower productivity (e.g. longer build times). We can get a rough sense of this effect from sectoral estimates of unit labour costs (ULCs) – the productivity-adjusted measure of 'per unit of output' wage costs. For the construction sector as a whole, ULCs have risen 43% vs 2019. Using this instead of the WPI rise gives a total input cost rise of 43% vs 2019.

- Most of the remaining 'gap' likely reflects shifts in margins. Note that this may be about more than just the relative strength of demand. For detached houses for example recent margin shifts will also reflect the problems associated with the large volume of work agreed on fixed price terms in 2021 that became unprofitable following the subsequent surge in costs. That said, the general pattern of demand since 2019 would clearly have been stronger for detached houses than other dwellings.
- Chart 9 shows the same combined input cost measure for detached houses for each of the major states, using state-specific PPI and WPI measures. Taking productivity effects into account, the state patterns suggest that, since 2019, output prices since 2019 have been associated with a significant margin expansion in Qld and WA and a likely margin compression in Vic.
- While cost and price levels are high, current inflation rates are relatively subdued. For detached houses, output and input prices rose 2.3%/yr and 2.1%/yr respectively in 2025, albeit with both showing a slight acceleration over the second half. Softening demand (in response to higher rates) and improved productivity could see these rates moderate again although the state mix, which shows a stronger recent lift in Qld and WA, suggests there are upside risks. ▶

8. Dwelling construction costs: by dwelling type



9. Dwelling construction costs, houses: by state

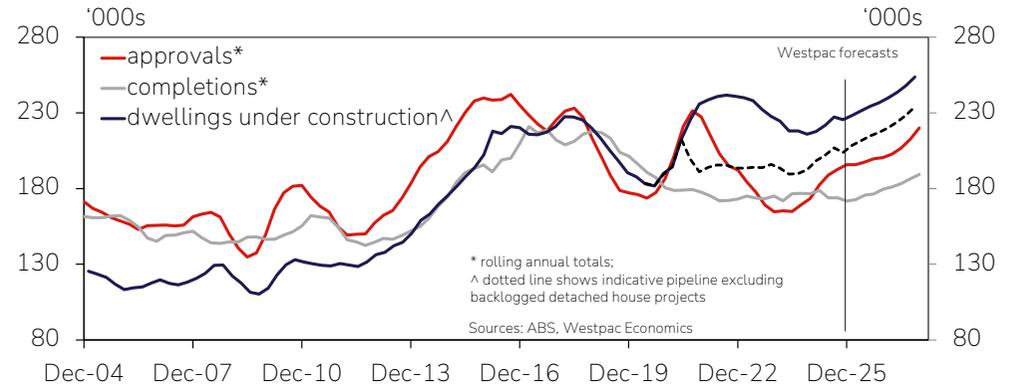


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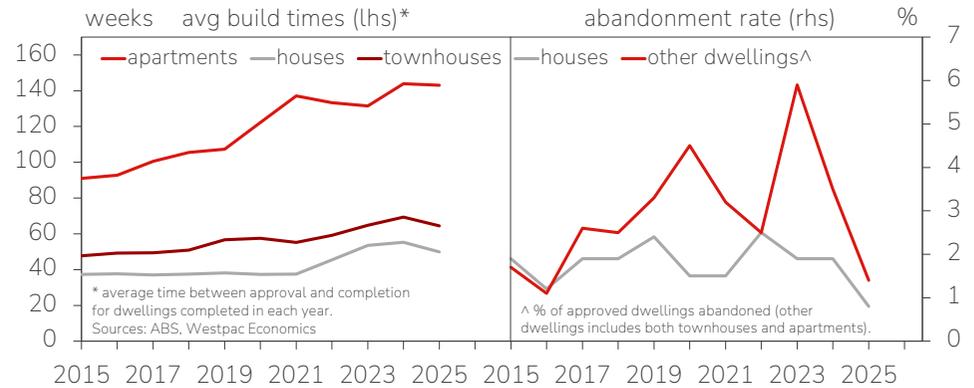
Dwelling supply: slow lift delayed

- The upturn in new dwelling investment that began in 2024 is now looking well-established, the volume of work done having risen 11.5% over the two years to Dec 2025. We expect more gains in 2026 and 2027. However, with interest rates now a headwind rather than a support, the pace of upturn is set to slow initially. With the approval mix also skewing a little more towards higher density dwellings, the flow through to final completions also looks likely to be more drawn out. Here we update our projections, incorporating new data on approvals, starts and completions and the revised trajectory for official interest rates.
- The front end of the pipeline showed a clear lift in 2025 with 194.5k dwellings approved vs 173k in 2024 and 164k in 2023. The mix showed a particularly strong 30% rise in unit approvals over the year, detached houses showing a more muted 3% gain (see [here](#) for more details on the latest approvals data).
- Near term, the re-tightening in interest rates is expected to flatten the recovery profile for approvals which are expected to post a small further gain to 200k in 2026 before re-accelerating to 220k in 2027. Note that aside from interest rates and dwelling prices, a key dynamic here is the range of Federal and state government measures aimed at boosting housing supply.
- Note that there are lags between approvals and commencements, particularly for higher density builds which can also be delayed if market conditions become more uncertain. Commencements were running at 184k as at Sep and look set to come in at just under 190k for the 2025 year. Based on historical average lags and drop-out rates across dwelling types, commencements, our profile for dwelling approvals is expected to see that lift to 194k in 2026 and 209k in 2027.
- Mapping this lift to completions – again based on historical average lags and drop-out rates – points to a gradual lift from around 177k in 2025 to 180k in 2026 and 190k in 2027.
- For the total number of dwellings under construction – the ‘pipeline’ – the positive spread between commencements and completions sees this expand from around 224k currently to 237k by end 2026 (+6%) and 254k by end 2027 (+7%).
- As always there are significant uncertainties to this projection.
- Firstly, the size of any remaining backlogged work remains uncertain. While we assess that these are likely now negligible, there may still be some coming through, which could see higher completions and/or drop-outs dampen the pipeline somewhat near term.

10. Dwelling approvals, completions and ‘pipeline’



11. Dwelling construction: build times and drop-outs



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- Secondly, recent ABS reports show a significant increase in average build times for residential projects. Chart 11 shows average approval-to-completion times for detached houses have risen from 37-38 weeks prior to COVID to closer to 50 weeks in 2024-25. For townhouses, the avg has moved from 50-51 weeks to over 64 weeks. Note that the average time to complete apartment projects has seen an even bigger increase but is more heavily influenced by conditions that were prevailing during and just after COVID (many of these projects take over 3yrs to complete even without disruptions).
- This is a much trickier issue to deal with in our model framework. At this state it is unclear both how sustained the change in building times will be and what distribution of lags around any new averages should be used going forward. All else being equal, longer build times will mean a slower lift in completions and a larger increase in the pipeline. However, the way variations in the pipeline map to dwelling investment will also likely be different (depending on the extent to which this is due to lower productivity).
- These uncertainties aside, the prospect of a continued pick-up in activity looks reasonably well-assured. Table 12 sets out our key forecasts for approvals, starts, the pipeline and new dwelling investment.
- The bottom line is that even with interest rate rises ‘checking’ the upturn, dwelling construction activity should still post solid growth through 2026 and a modest re-acceleration in 2027. Note that for dwelling investment, full-year growth rates in the 5-7% range are somewhat muted – upturns historically have often seen these run at a 10%+ pace.
- It should also be noted that, as a %GDP, the forecast rise only brings new dwelling investment back to its 10yr avg of 3.7%. Even that is likely to test the sector’s capacity. Table 13 shows how the projected residential construction pipeline compares to recent peaks alongside national forecasts for non residential construction and the current situation across the major mainland states.
- Our projections have the residential pipeline nearing previous peaks by end-2026. Notably, residential pipelines are already well above previous peaks in Qld, WA and SA. More pressingly, wider construction activity is already well above its most recent peak both nationally and across all of the large mainland states. The implication is that residential builders will continue to face significant competition for resources from non-residential construction sectors, both private and public. The road to boosting supply still looks like a slow and difficult one. ▶

12. Dwelling construction activity forecasts

	avg*	2022	2023	2024	2025e	2026f	2027f
Dwellings ('000s)							
approvals	203	190	164	173	195	200	220
starts	199	182	165	168	189	194	209
under construction (as at Dec)	216	241	228	216	224	237	254
– excluding backlog ^A	–	194	196	193	204	217	234
completions	192	173	175	177	177	180	189
– detached houses	113	115	115	112	116	111	113
– units	79	58	60	65	61	69	76
New dwelling investment (\$bn)							
real	89	83	84	86	91	96	103
%chg	–	-4.0	2.4	1.8	5.4	6.2	6.7
%GDP	3.7	3.2	3.2	3.2	3.3	3.4	3.6

* 10yr avg; ^A indicative estimate excluding projects delayed due to post-COVID supply disruptions.

Source: ABS, Westpac Economics

13. Construction activity forecasts

	Australia		states*					
	2025e	2026f	NSW	Vic	Qld	WA	SA	Tas
Dwellings under construction ('000s)								
– detached houses	81	82	20	21	16	17	9	2
– units	143	156	57	40	29	6	6	0
total	224	237	77	61	45	24	15	2
– % previous peak	93	98	86	85	112	119	118	69
Total construction work done (real \$bn)								
– private residential building	146	154	46	41	30	13	9	2
– private non residential building	66	68	21	19	12	7	4	1
– private engineering construction	77	78	16	13	15	25	5	1
– public construction	88	90	29	18	19	11	5	2
total	377	390	112	92	75	56	24	6
% previous peak	104	108	103	101	106	105	107	95
% GDP/GSP	13.7	13.8	12.9	14.6	13.5	11.3	14.4	14.0

* latest observation, Dec 2025 for dwellings under construction, Sep 2025 for work done.

Source: ABS, Westpac Economics

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Prudential policy update

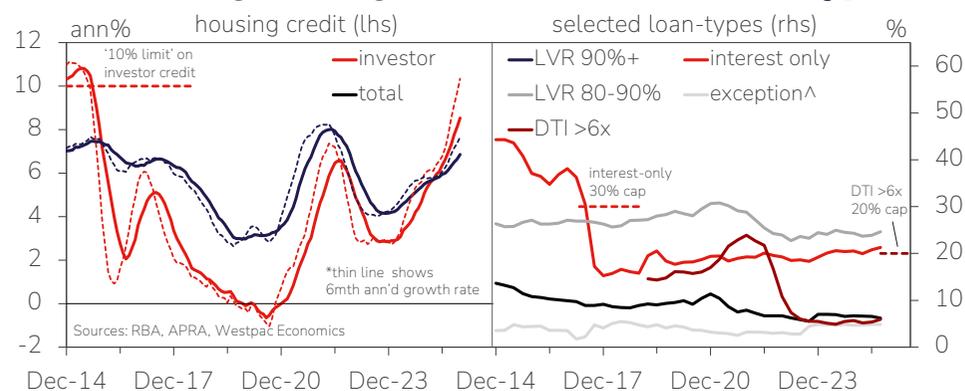
- Long dormant, macro-prudential policy has made a few more rumbling noises of late, with APRA's recently announced 20% cap on high debt-to-income (DTI) loans coming into effect in Feb. That said, the cap is far from binding while the wider context of monetary re-tightening suggests this arm of policy will remain sidelined as the full effects of interest rate rises play out.
- As noted in our last report (and shown in Chart 17) the cap on the share of loans with a DTI>6 is not close to binding industry-wide at the moment. These loans currently account for less than 6% of new loans. However, the caps will be applied separately for investor and owner occupier loans. High DTI loans currently account for around 10% of new investor lending system wide, still well below the 20% cap with only a small number of individual lenders likely to be near the limit (see [here](#) for the APRA note and [here](#) for our take).
- Certainly, investor activity is worth monitoring more closely at the moment. Investor housing credit accelerated over the second half of last year, the six month annualised pace ticking slightly over 10%yr (see [here](#) for more detail). Note that the '10% limit' on investor credit growth back in 2015 was put in place after annual growth had been running above 10% for over a year. Annual growth in investor credit is currently running at 8.5%yr.
- The investor lift is also evident in the 31.8%yr surge in the value of new housing finance approvals to investors over 2025. Investor loans accounted for 39% of new lending over the year, the highest share since 2017. Vic saw the strongest rise (+40.5%yr), with Qld, WA and NSW all up ~30%yr (see [here](#) for more details).
- This pre-dates the RBA's pivot on interest rates. As noted earlier, the shifts has mainly impacted homebuyer sentiment to date rather than the price expectations that tend to be a more important motivating factor for investors. However, higher rates do affect the net yields (i.e. after mortgage repayments) for investors and with a further increase expected, we may see this start to have more of an effect on wider housing-related sentiment.
- Another factor that may have a bearing on investor activity are reports that the Federal government is considering making changes to the capital gains tax (CGT) regime in this year's budget (due May 12). Currently capital gains on investment property (and other assets) are discounted by 50% before tax is applied (the discounted gain being treated as additional income in the year and taxed according to the income tax scale). The discount was introduced in 1999, prior to which gains were adjusted for inflation over the holding period.

16. Summary of prudential policy measures

	cash rate	'macro' prudential	'micro' prudential
2015	-50bps to 2%	10% limit on investor loan growth	Tightened serviceability guidelines and improved consistency.
2016	-50bps to 1.5%	-	Tightened serviceability guidelines incl. scaling of min. expenses.
2017	-	30% limit on 'interest only' loans	Restrictions on high LVR interest only and investor loans.
2018	-	Investor loan growth limit removed	Improved verification of expenses, income & existing debt.
2019	-75bps to 0.75%	'Interest only' limit removed	Serviceability buffer lifted from 2 to 2.5%, 7% 'floor' removed.
2020	-65bps to 0.1%	Capital buffers available to draw	COVID repayment holidays; arrears excl. from capital treatment.
2021	-	-	COVID measures ended. Serviceability buffer raised from 2.5 to 3%
2022	+300bps to 3.1%	-	-
2023	+125bps to 4.35%	-	Basel III capital framework increased risk-weighting for some loans.
2024	-	-	-
2025	-75bps to 3.6%	-	Clarification of student loan treatment in loan assessments.
2026f	+50bps to 4.1%	20% limit on loans with DTI>6	-

Source: APRA, RBA, Westpac Economics

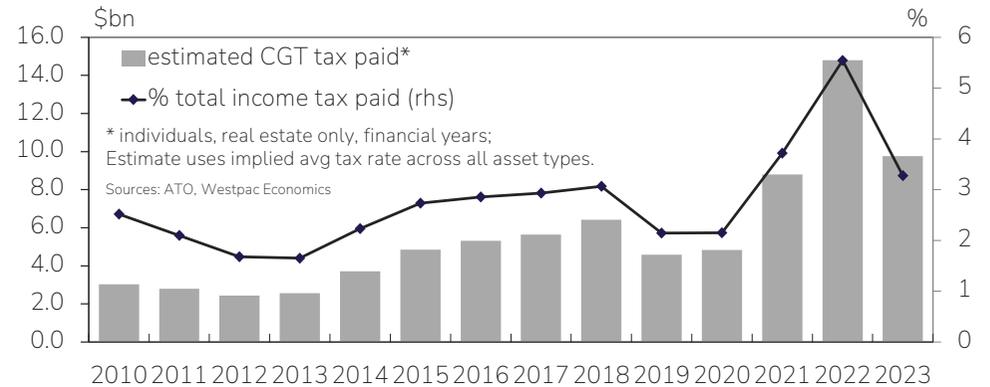
17. Housing credit growth and selected loan types



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- The discount, combined with the ability to 'negatively gear' investment property (i.e. apply any net losses on rental returns and running costs, including interest payments, to reduce taxable income) has been one of the main drivers behind the large structural increase in investor housing activity since 2000. A Senate inquiry is currently assessing the wider impact the discount has had, with a final report due Mar 17 (see [here](#) for more details).
- While there is unlikely to be any official announcements before then, media reports suggest the government is considering lowering the CGT discount as it applies to real estate from 50% to 33%. There may be other changes as well including potential caps on negative gearing and changes aimed at encouraging investment in new rather than existing dwellings. An important aspect will be the extent to which any changes are 'grandfathered', i.e. applied to new investments but not existing investments.
- Sizing this, the latest tax data shows consumers recorded \$33bn in capital gains for residential property in 2022-23. Based on average implied tax rates across all assets, that points to around \$9.8bn in associated CGT payments, or 3.3% of total income tax paid that year (Chart 18). That in turn represents 0.8% of total income in the year.
- Turning to the price outlook. As noted earlier, we have made some more small tweaks to our forecasts since our last report in Dec. This reflects several developments. On the positive side, strong economic growth has been stronger and is expected to be relatively resilient in 2026. That in turn has seen a slight improvement in the labour market outlook. Against this, and more pertinent for housing markets, the interest rate outlook has materially changed with a Feb rate hike now expected to be followed by another 25bp hike in May and an extended pause with a cut only coming in late 2027. The forecasts in our previous report were conditioned on an unchanged view in early 2026 and two 25bp rate cuts from around mid-year.
- Early signs suggest housing markets have remained reasonable momentum in early 2026 despite the changed interest rate situation. Extremely tight supply also suggests there will continue to be some resilience, particularly in the Brisbane, Adelaide and Perth markets. Overall, we have revised our housing price forecasts for down only slightly, from 6% to 5% in 2026 and from 5% to 4% in 2027. This is broadly in line with growth in nominal household disposable income over the two years, reflecting a key view that affordability constraints become a more binding limit on growth across markets.

18. Capital gains tax: real estate



19. Dwelling price forecasts

	avg*	2023	2024	2025	2026f	2027f	comments
Sydney	4.8	11.3	2.8	5.7	3	3	Price growth stalling, expected to be basically flat in real terms.
Melbourne	3.4	4.2	-2.0	5.0	4	6	Price growth stalling. Supply less tight & more headroom for med. term price gains.
Brisbane	7.7	13.5	11.4	14.5	7	4	Entering uncharted territory: extremely tight supply vs v. stretched affordability.
Perth	6.7	16.2	18.4	16.2	8	6	Also entering uncharted territory. Very low rent vacancy and build costs high & rising.
Adelaide	7.5	8.8	13.6	8.5	6	5	Looking resilient as well. But prices have already come off very strong run.
Hobart	6.9	-1.8	0.6	6.7	3	4	No uplift from migration, affordability slowly improving but still not great.
Australia	5.3	10.1	5.1	8.3	5	4	Interest rate rises mean affordability constraints bite a little harder & earlier.

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

Source: CoreLogic, Westpac Economics

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Price momentum eases as conditions rebalance

- NSW dwelling prices rose 0.7% over the 3mths to Jan, the slowest quarterly gain since the state emerged from the slight price correction in late 2024. Prices remain 6.8%yr higher over the year.
- Sydney has contributed most to the slowdown, with price growth of just 0.2%qtr vs 2.5%qtr three months earlier. Much of this weakness reflects the top end of the market, where prices now appear to be falling at a -1.2%qtr pace. Regional NSW is recording growth of around 2.5%qtr, still above the 2025 average of 1.7%qtr.
- Turnover fell -9%qtr in Jan, though it remains 6.1%yr higher. This marked the first quarterly decline in a year and was driven by a sharp 20% fall in Sydney. We expect these preliminary estimates to be revised higher, consistent with the pattern seen through much of last year.
- The value of new housing finance rose 7.8%qtr and 24.9%yr in Q4. NSW recorded the largest lift in first-home-buyer activity (19.9%qtr), likely reflecting the removal of income caps and the more substantial increase in price caps and the relatively large gap between previous caps and median prices. Investor lending accounted for 44% of new lending in 2025, the largest share of any state nationally.
- Across NSW, new listings were little changed over the quarter but remain modestly higher over the year (+2.0%yr). Sydney underpinned this resilience, with new listings broadly flat over the quarter and up 4%yr. Regional NSW has softened more noticeably, with a sharp quarterly pull-back in new listings (-10%qtr).
- Total listings remain tight overall, lifting slightly over the quarter (1%qtr) but still down sharply over the year (-12%yr), leaving stock well below pre-pandemic norms and at the lower end of the post-2022 range.
- The supply-demand mix suggests conditions have loosened since our last update, tilting more towards buyers. The sales-to-new-listings ratio has eased to 1.16 from 1.21 previously, while listings are running at 2.7 months of sales, back at long-run levels. Rental vacancy rates are easing slightly too, the latest reading of 1.9% only slightly below the long-term average of 2.2%.
- Purchasing sentiment fell -7.6%qtr but remained 4.6%yr higher. Price expectations jumped 24.4%yr and are now at their highest level in 15yrs. Overall, the **NSW Consumer Housing Sentiment Index** posted a modest gain over the year, pointing to flat turnover.

20. NSW consumer: housing-related sentiment

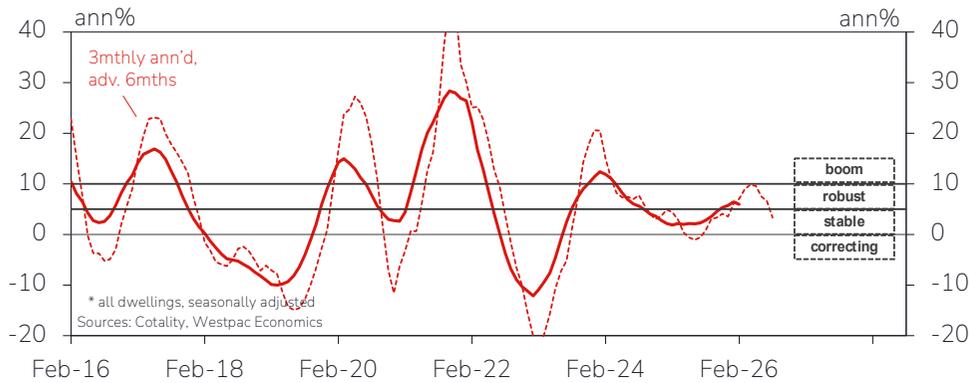


21. NSW housing composite vs turnover

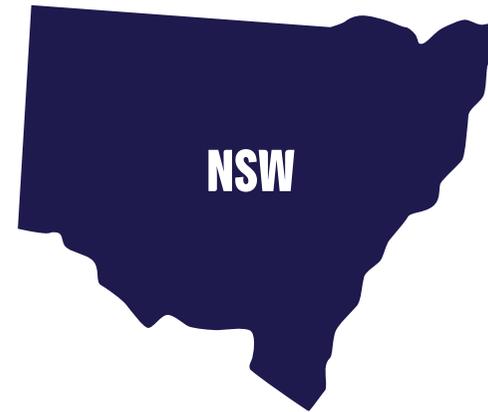
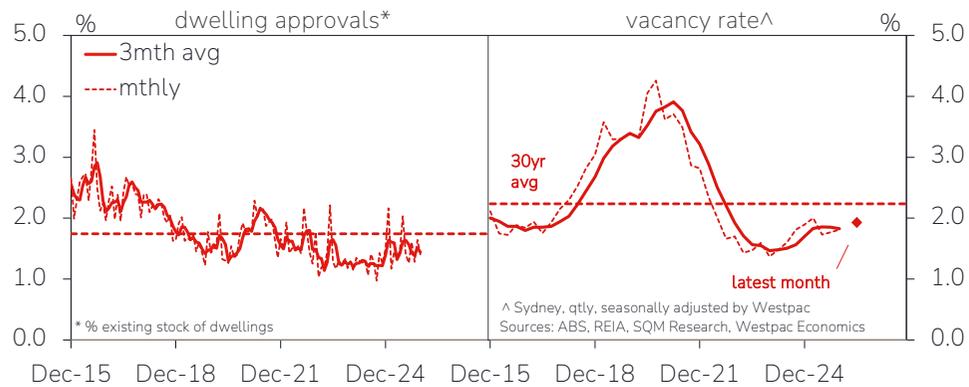


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22. Sydney dwelling prices



23. NSW: dwelling approvals, vacancy rate



Population: 8.7mn
Net migration: +92k pa
GSP: \$829bn (31% of Aus)
Dwellings: 3.5mn, \$4.6trn
Capital: Sydney

June years	avg*	2023	2024	2025	latest
GSP, ann%	2.0	4.1	1.1	0.9	1.6
State final demand, ann%	2.6	5.4	1.0	1.2	1.8
Employment, ann%	1.6	3.9	1.2	1.6	0.2
Unemployment rate, %#	5.9	3.2	3.9	4.1	4.0
Population, ann%	1.2	2.1	1.6	1.2	1.5
Dwelling prices, ann%	5.8	-0.9	6.9	2.1	5.9
Rental yield, %#	4.7	4.5	4.5	4.5	4.4
Sales/new listings, ratio#	1.29	1.37	1.32	1.41	1.16
Total listings, mths sales#	2.7	2.6	2.4	2.6	2.7

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

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Slowdown underway despite lift in investor activity

- Vic has seen the most pronounced slowdown, with price growth moderating from 2.0%qtr three months ago to 0.5%qtr. Melbourne is notably weak, with prices up just 0.1%qtr, and daily data signalling a flat outcome for Feb. Unit prices have fallen -0.2%qtr, while house prices rose a modest 0.3%qtr. Similar to NSW, regional Vic is holding up better, with price growth of 2.3%qtr and 7.1%yr, the latter the strongest in just over three years. Bendigo is quite strong in the region, growing at a 10.7% six-month annualised pace.
- Turnover activity has been slowing since Sep, with the latest result showing a -16.6%qtr decline in Jan. This has left annual growth at 1.2%yr. Weakness is concentrated in Melbourne with regional Vic still posting strong turnover gains (+28.8%yr).
- The value of new housing finance approvals rose 9.1%qtr in Q4. Unlike most other states, strength continues to be heavily skewed towards investors, with investor lending up 16.5%qtr and 11.4%qtr over the past two quarters, lifting annual growth to 40.5%yr.
- Across Vic, new listings were essentially flat over the quarter but are clearly higher than a year ago (8.7%yr). Melbourne is driving this lift, with new listings up modestly over the quarter (0.9%qtr) and

strongly over the year (11.9%yr), pushing flows closer to pre pandemic norms. Regional Victoria has lost momentum, with new listings down over the quarter (-5.7%qtr) and only marginally higher than a year ago (+1.1%yr). Absorption has remained strong enough to prevent a more meaningful rebuild in advertised stock, with total listings still -6%yr lower, although near term trends point to some rebuilding (+2.6%qtr).

- The sales to new listings ratio fell to 0.98, one of the lowest readings observed in recent years and below the long term average of 1.06. Meanwhile, at 37.1k total listings, stock is running at around 3.3 months of sales. This compares with 2.7 months three months ago and a long term average of 3.5 months. Rental conditions have broadly held steady over the past three months, with the vacancy rate holding around 2.5%, the highest nationally albeit around 0.3ppts below the long run average.
- The **Vic Consumer Housing Sentiment Index** recorded a modest gain over the year, although momentum has slowed notably in recent months. Buying expectations slipped from outright optimism three months ago to 88.2pts in February, while house price expectations rose 2.2% over the same period.

24. Vic consumer: housing-related sentiment

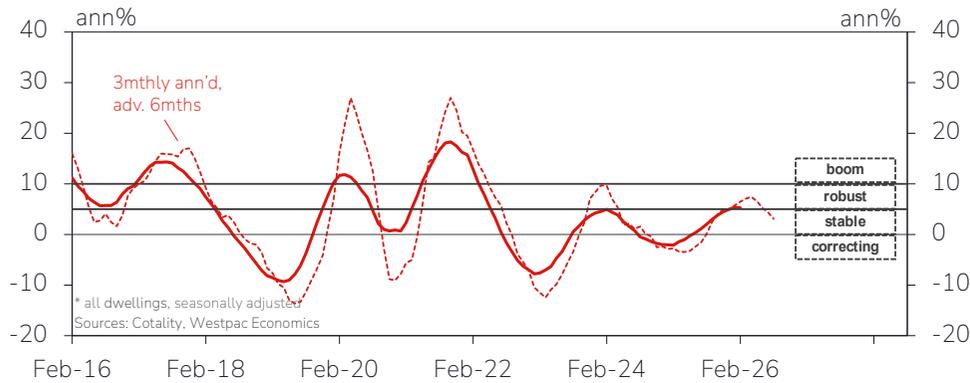


25. Vic housing composite vs turnover

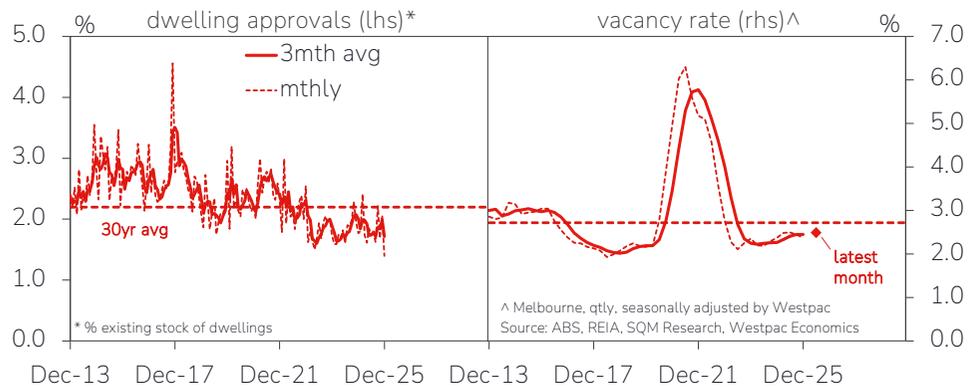


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26. Melbourne dwelling prices



27. Vic: dwelling approvals, vacancy rate



Population: 7.1mn
Net migration: +100k pa
GSP: \$615bn (23% Aus)
Dwellings: 3.0mn, \$2.8trn
Capital: Melbourne

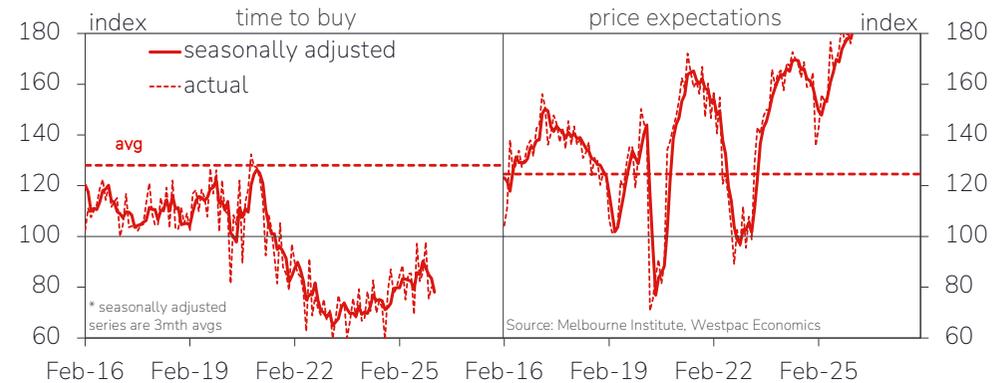
June years	avg*	2023	2024	2025	latest
GSP, ann%	2.6	3.6	1.4	1.1	1.2
State final demand, ann%	3.2	4.6	1.7	1.7	1.9
Employment, ann%	2.2	3.9	2.4	2.2	1.6
Unemployment rate, %#	6.4	3.8	4.4	4.4	4.5
Population, ann%	1.6	2.8	2.3	1.8	2.0
Dwelling prices, ann%	5.7	-3.3	1.7	0.4	5.2
Rental yield, %#	4.8	4.8	4.9	4.9	4.8
Sales/new listings, ratio#	1.06	1.00	0.99	1.20	0.98
Total listings, mths sales#	3.5	4.0	3.5	3.0	3.3

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

Supply-demand balance tightens

- Dwelling prices in Qld rose 4.4%qtr and 14.4%yr, the strongest outcome since mid 2024. Brisbane is leading the upswing, with prices up 5.1%qtr, a rollicking 23.7% annualised pace. Unlike most other capitals, units are driving the gains, rising 6.1%qtr, while house prices increased 4.9%qtr. Regional Qld is growing at a more moderate 3.6%qtr pace, though annual growth of 13.0%yr is at its strongest pace since mid 2022.
- Turnover fell at a more moderate pace than in the two larger eastern states over the quarter, declining -1.4%qtr, although the annual decline of -6.7%yr is notably bigger than other states. This softness is concentrated entirely in regional Qld, where sales fell -3.0%qtr and -11.2%yr. By contrast, Brisbane sales stabilised, rising 0.5%qtr after earlier weakness.
- The value of housing finance approvals rose 8.8%qtr and 24.5%yr. Similar to NSW, first home buyer activity was the main driver, rebounding from a small decline in Q3 to rise 18.7%qtr in Q4. Investor lending growth also remained strong at 31.2%yr, though momentum softened over the quarter.
- New listings have eased, falling -0.8%qtr and sitting well below a year ago (-7.8%yr). Brisbane mirrors this pattern, with new listings slightly lower over the quarter and down close to -8.0%yr. Regional Qld has weakened more materially, with new listings down sharply both over the quarter and the year (-4.8%qtr/-9.1%yr). Total listings across Qld fell -1.8%qtr and -20.2%yr). At around 22k listings, advertised stock is at extreme lows – the lowest level across the full series dating back to 2009.
- The balance between supply and demand suggests conditions have tightened slightly since our last update. The sales-to-new-listings ratio increased to 1.36, while total listings are now running at just 1.9 months of sales. While these changes are modest, conditions were already well away from long run norms, so even small changes can have a large impact on prices.
- Rental vacancy rates have held broadly steady since late last year at around 0.9%, indicating very tight rental conditions.
- The **Qld Consumer Housing Sentiment Index** lifted over the year, with momentum picking up in recent months, suggesting turnover activity may improve in the near term. This is despite buying intentions falling -18.3%qtr, though they remain around 30% above their mid 2022 lows. Meanwhile, price expectations rose 21.7%yr to reach a new record high.

28. Qld consumers: housing-related sentiment

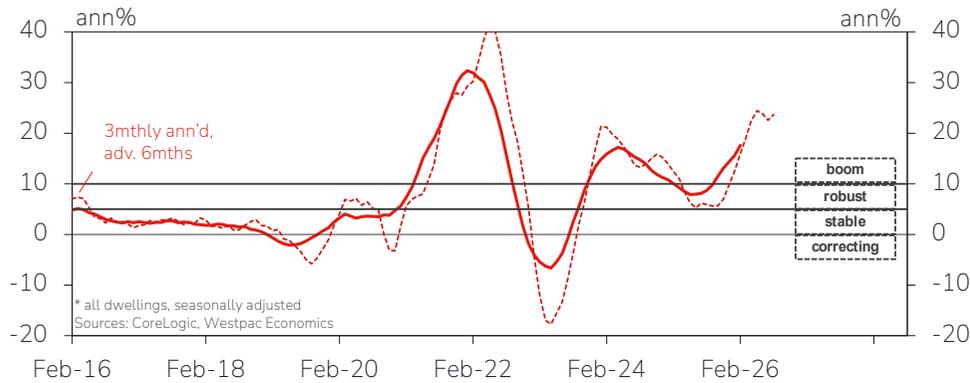


29. Qld housing composite vs turnover

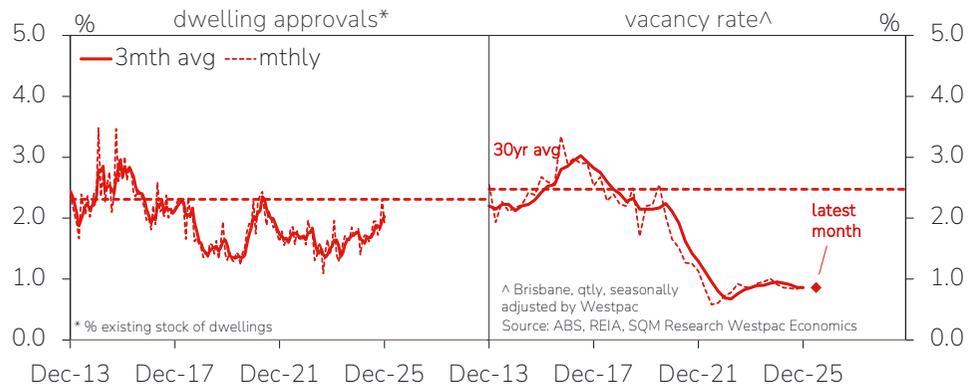


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30. Brisbane dwelling prices



31. Qld: dwelling approvals, vacancy rate



Population: 5.7mn
Net migration: +93k pa
GSP: \$524bn (19% Aus)
Dwellings: 2.3mn, \$2.3trn
Capital: Brisbane



June years	avg*	2023	2024	2025	latest
GSP, ann%	3.3	2.9	1.7	2.2	1.7
State final demand, ann%	3.6	3.7	3.3	2.5	2.4
Employment, ann%	2.4	2.9	3.7	2.3	0.9
Unemployment rate, %#	6.6	3.8	4.0	4.0	4.1
Population, ann%	1.9	2.6	2.2	1.8	2.0
Dwelling prices, ann%	7.0	-3.7	16.2	7.9	17.3
Rental yield, %#	5.1	5.8	5.7	5.8	5.8
Sales/new listings, ratio#	1.03	1.43	1.28	1.35	1.36
Total listings, mths sales#	4.5	2.7	2.3	2.3	1.9

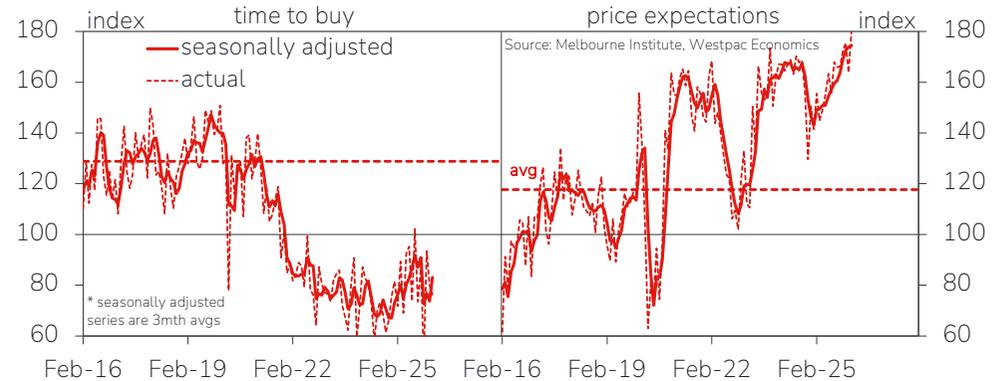
* avg last 25yrs; # June qtr readings
 Sources: ABS, Cotality, REIA, Westpac Economics

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Continuing to lead nationally

- WA remains the strongest housing market in Australia. Prices are growing 6.9%qtr, growth lifting from 6.0%qtr in Oct, and prices up 18.4%yr. Gains are evenly split between houses and units. Perth continues to lead, with prices up 7%qtr. This remains close to the strongest pace since the mid-2000s mining boom and has lifted the three-month annualised pace to 31.3%. Monthly growth has tracked at or above 2.0% for five consecutive months, with daily data for Feb pointing to a sixth. Regional WA is recording gains of around 6.1%qtr and 17.3%yr, though some regions such as Mandurah and the Wheat Belt are seeing gains of around 30% on a six-month annualised basis.
- Turnover activity fell -4.1%qtr and -0.7%yr. Much of the weakness occurred late in 2025, with Jan showing a solid 2.5%mtb rebound. The slowdown is broad-based, split between Perth and regional WA, down -4.3%qtr and -2.1%qtr respectively. Despite this, regional WA has performed relatively well over the year, with turnover up 4.5%yr.
- The value of new housing finance rose 9.4%qtr, driven by an 18.6%qtr lift in owner-occupier first homebuyer lending, the strongest increase since late 2010, excluding the pandemic period. Investor lending rose 11.8%qtr, while other owner-occupier lending increased 3.7%qtr.
- New listings have fallen sharply across WA, down -6.5%qtr and -16.0%yr. Perth is leading the decline, with listings easing -1.7%qtr and down more than -15%yr. Regional WA has also weakened, with new listings down -3.0%qtr and -10.5%yr, reinforcing the broad-based nature of the slowdown in new supply. Total listings continue to contract rapidly, falling -7.9%qtr and -35.9%yr. At around 9.1k in February, advertised stock is at its lowest level in the series, highlighting the exceptionally tight supply conditions in the WA market.
- The sales-to-new-listings ratio fell to 1.38 from 1.5, while total listings continue to run at 1.7 months of sales. Similar to Qld, both remain well below long-run norms, suggesting near-term price pressures will persist.
- Rental conditions have eased slightly since late last year but remain the tightest nationally, the vacancy rate still sitting at just 0.6%, Perth remains furthest from long-term norms, supporting the highest rental yields nationally at 7.1%.
- The **WA Consumer Housing Sentiment Index** has been stable in recent months. Buying intentions rose 9.0%yr and 14.2%qtr, unlike other states, though they remain more than 30% below the long-run average. Price expectations lifted a firm 16.9%yr.

32. WA consumers: housing-related sentiment

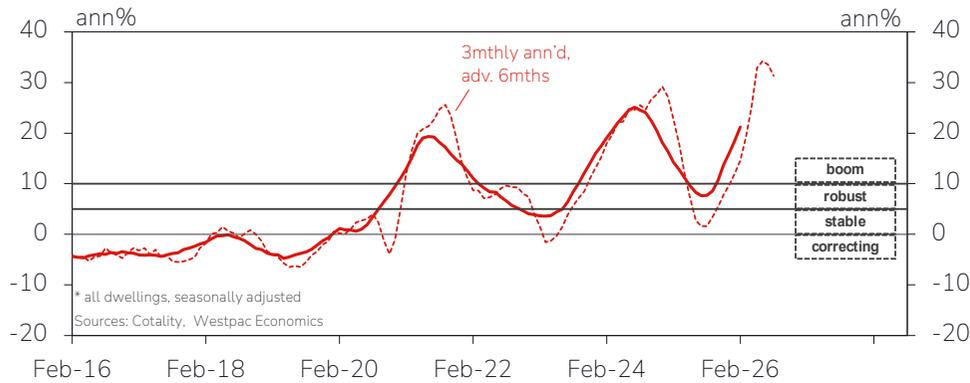


33. WA housing composite vs turnover



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34. Perth dwelling prices



35. WA: dwelling approvals, vacancy rate



Population: 3.1mn
Net migration: +60k pa
GSP: \$462bn (17% Aus)
Dwellings: 1.2mn, \$1.1trn
Capital: Perth



June years	avg*	2023	2024	2025	latest
GSP, ann%	3.7	4.0	1.2	1.3	1.6
State final demand, ann%	3.8	4.2	5.7	3.0	3.0
Employment, ann%	2.4	2.8	4.1	2.6	1.2
Unemployment rate, %#	5.6	3.6	3.8	4.1	3.9
Population, ann%	1.9	3.5	3.0	2.2	2.5
Dwelling prices, ann%#	6.8	4.9	24.5	8.3	21.1
Rental yield, %#	4.8	6.6	6.7	7.2	7.1
Sales/new listings, ratio#	0.94	1.23	1.16	1.23	1.38
Total listings, mths sales#	5.4	3.1	2.2	2.4	1.7

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

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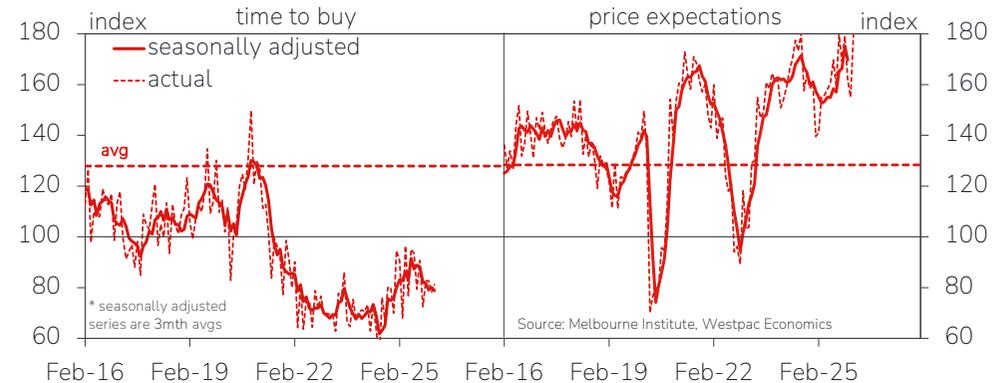
A slight easing in conditions as listings rise

- Dwelling price growth is showing robust momentum in SA, prices rising 1%^{mo} or more for the past four months. This has lifted quarterly growth to 4.8%^{qtr}. Regional SA is doing slightly more of the heavy lifting, with prices up 5.1%^{qtr} and 11.9%^{yr}, compared with 4.7%^{qtr} and 9.7%^{yr} for Adelaide. North Adelaide is seeing particularly strong conditions, with price growth running at around a 20% six-month annualised pace.
- Turnover activity in SA has bucked the trend seen in other states, rising a strong 7.9%^{qtr}, the largest lift in four years, and up 8.4%^{yr}, the highest annual gain nationally. Unlike other states, momentum has been steadily building since mid-2025. Strength is concentrated in Adelaide, where activity rose 8.8%^{qtr}, compared with a 5.2%^{qtr} lift across regional SA.
- The value of new finance approvals rose 6%^{qtr} and 17.3%^{yr} in Q4, the softest outcome nationally. Owner-occupier lending increased 6.6%^{qtr}, led by first-home buyers, while investor lending rose 5%^{qtr}.
- SA recorded the strongest increase in new listings over the quarter, up 1.9%^{qtr}, though listings remain slightly lower than a year ago at -1.6%^{yr}. Adelaide is driving the quarterly improvement, with new listings up 4.6%^{qtr}, while still marginally below

year-ago levels at -0.6%^{yr}. Momentum is weaker outside the metro market, with new listings down -5.4%^{qtr} and -5.5%^{yr}. Total listings across SA rose 3.0%^{qtr} but remain -6.2%^{yr} lower. Even with the recent rise, stock levels are still close to the trough seen in late-2025, highlighting that advertised supply remains tight despite some near-term rebuilding.

- The supply-demand mix points to a slight easing in conditions. The sales-to-new-listings ratio eased by 0.3pts to 1.59, though this remains well above the long-run average of 1.11. At the current run rate, SA's 5.2k listings equate to 1.5 months of sales. This remains the tightest nationally, albeit up slightly from 1.3 in Dec.
- Rental conditions continue to ease in Adelaide. The vacancy rate lifted to 0.9%, its highest level since late-2020, though still well below the long-run average of 1.9%. Rental yields have continued to rise and are now sitting at 5.2%.
- The **SA Consumer Housing Sentiment Index** lifted slightly over the year, broadly in line with recent gains. Buying intentions fell -5.2%^{yr} and remain 38.4% below long-run levels. In contrast, price expectations surged to the highest level nationally in February at 190.9pts and are 12.5%^{yr} higher on a three-month moving-average basis.

36. SA consumers: housing-related sentiment

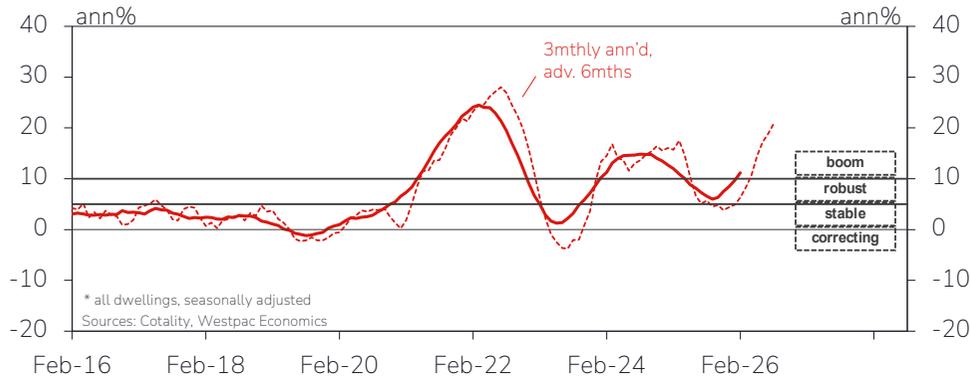


37. SA housing composite vs turnover

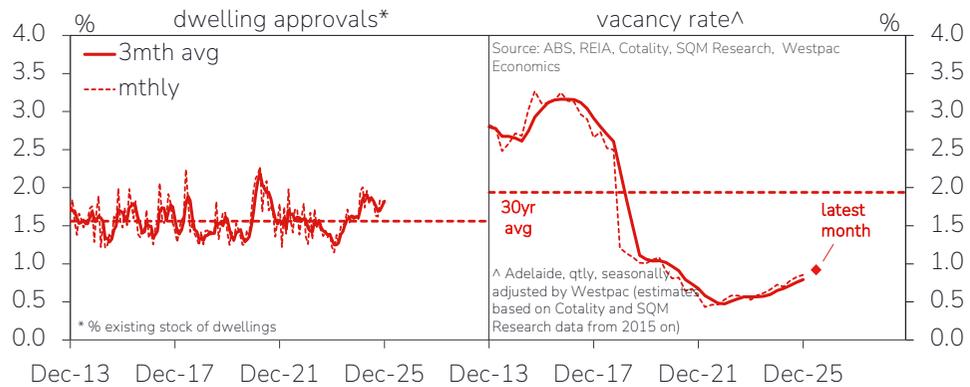


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38. Adelaide dwelling prices



39. SA: dwelling approvals, vacancy rate



Population: 1.9mn
Net migration: 19k pa
GSP: \$152bn (6% Aus)
Dwellings: 0.8mn, \$0.7trn
Capital: Adelaide



June years	avg*	2023	2024	2025	latest
GSP, ann%	2.2	3.8	1.3	1.0	1.4
State final demand, ann%	2.8	3.3	2.0	3.0	3.4
Employment, ann%	1.5	4.3	-0.7	3.4	4.2
Unemployment rate, %#	6.9	4.1	4.0	4.2	3.9
Population, ann%	0.9	1.8	1.3	1.1	1.2
Dwelling prices, ann%	6.9	1.4	14.6	8.1	11.0
Rental yield, %#	5.3	5.3	4.7	5.1	5.2
Sales/new listings, ratio#	1.11	1.48	1.40	1.44	1.59
Total listings, mths sales#	3.7	2.1	1.7	1.7	1.5

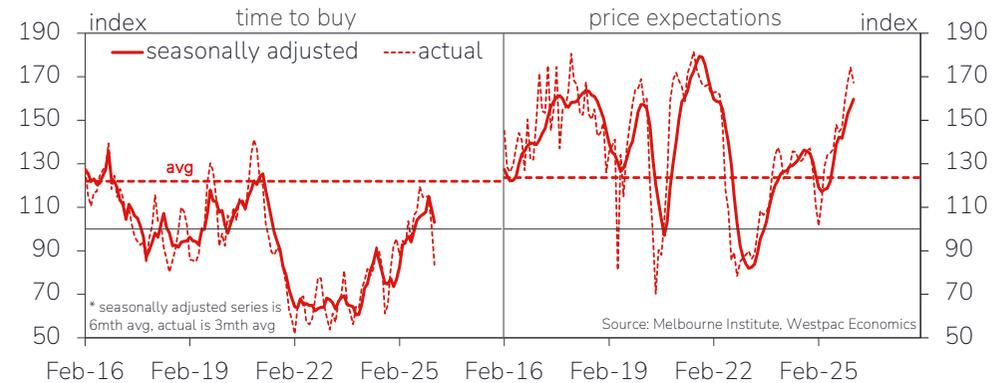
* avg last 25yrs; # June qtr readings
 Sources: ABS, Cotality, REIA, Westpac Economics

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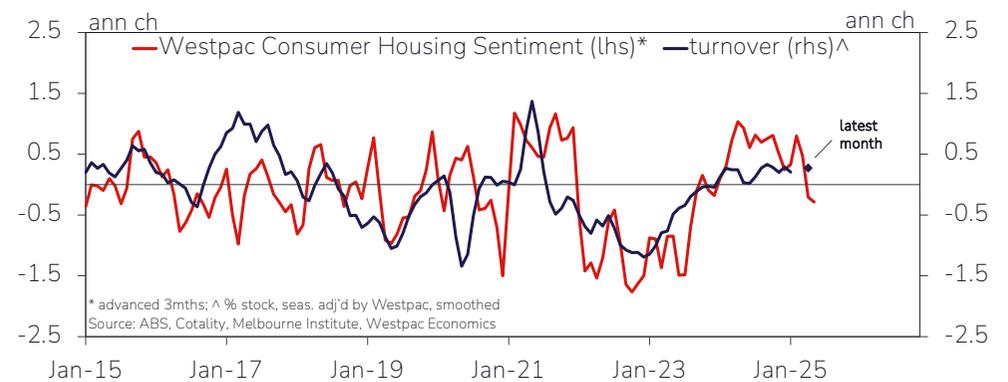
Investor lending surges

- Similar to WA, price momentum has firmed in Tas compared with three months ago. Price growth is running at 3.7%qtr and 6.9%yr, both the strongest outcomes since mid-2022. Regional Tasmania continues to lead, with prices up 4.7%qtr, pulling further ahead of the capital where growth has eased to 2.6%qtr as house price momentum moderates. This divergence highlights stronger conditions outside Hobart, while the metro market shows signs of consolidation.
- Turnover activity fell a modest -1.0%qtr but remains 8.3%yr higher. Hobart is supporting, with activity up 7.0%qtr and 12.8%yr, the strongest annual pace of any capital city. That said, momentum has moderated from the peak of around 16%yr recorded in mid-2025. Regional Tas continues to perform solidly through the year, with turnover up 5.2%yr, though near-term momentum has softened, down -6.1%qtr.
- The value of new housing finance has picked up materially. Total lending is up 35.8%yr, driven by a sharp acceleration in investor lending, up 73%yr. Owner-occupier lending is also strong through the year, though the first-home-buyer component slipped slightly in Q4, down -0.3%qtr.
- New listings have weakened across the state, falling -6.6%qtr and sitting -2.3%yr lower. Hobart is driving most of the near-term softness, with new listings down -7.1%qtr and broadly flat relative to a year ago. Regional Tas has also eased, with new listings down -5.4%qtr and -3.6%yr. Total listings fell -7.7%qtr and a sharp -25.3%yr.
- Overall, the mix suggests conditions have tightened further in the Tas housing market. The sales-to-new-listings ratio is running at 1.47, second only to SA, and has tightened from 1.33 three months ago. Total listings are sitting at around 2.9k, equivalent to 2.3 months of sales. Both measures are at their tightest levels in recent years and remain consistent with ongoing price pressure.
- The tightening in Hobart's rental market appears to be bottoming out. Vacancy rates eased slightly to 1.8%, though this remains well below the long-run average of 2.8%. Rental yields remain elevated relative to post-pandemic trends but sit below long-run norms.
- The **Tas Westpac Consumer Housing Sentiment Index** fell over the year, making Tasmania the only state to record a decline. Purchasing intentions rose 24.2%yr but remain 15.5% below long-run levels. In contrast, price expectations rose sharply, up 33.9%yr, the largest increase nationally, though still slightly below their mid-2022 peak.

40. Tas consumers: housing-related sentiment

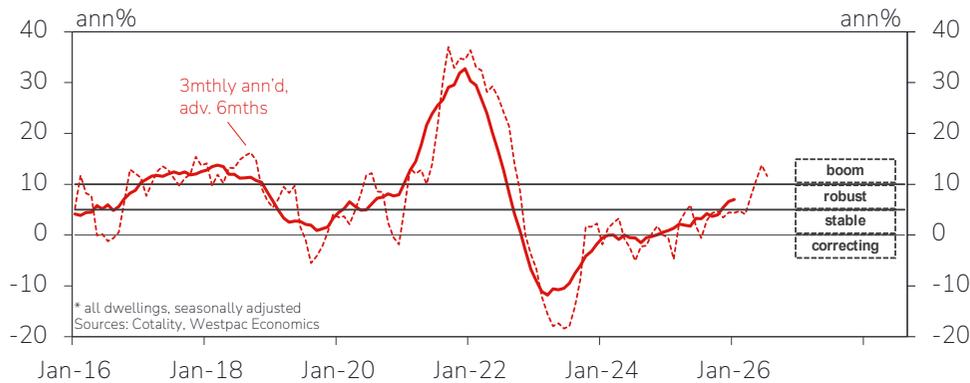


41. Tas housing composite vs turnover

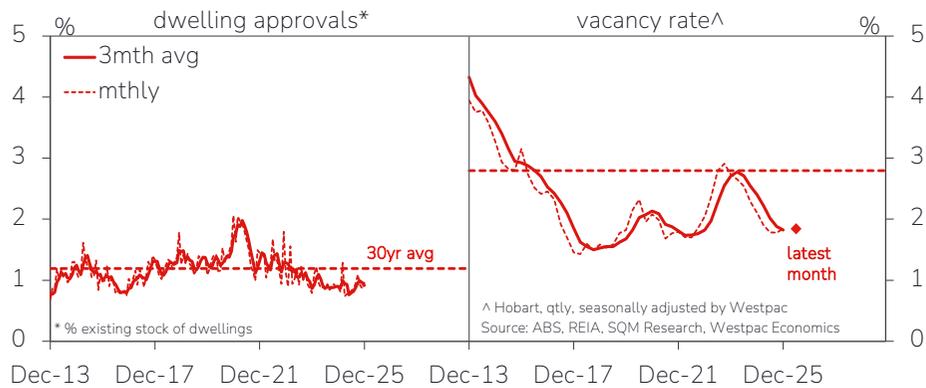


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42. Hobart dwelling prices



43. Tas: dwelling approvals, vacancy rate



Population: 0.6mn
Net migration: 1k pa
GSP: \$43bn (2% Aus)
Dwellings: 0.3mn, \$180bn
Capital: Hobart

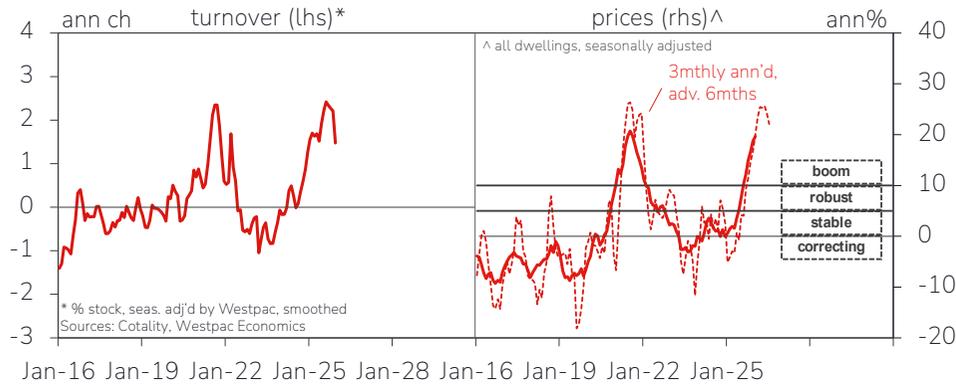


June years	avg*	2023	2024	2025	latest
GSP, ann%	2.4	2.2	1.2	1.0	1.2
State final demand, ann%	2.9	3.0	0.6	3.4	1.5
Employment, ann%	1.4	2.4	-1.5	-0.1	0.0
Unemployment rate, %#	7.5	4.0	4.0	3.8	4.5
Population, ann%	0.8	0.3	0.2	0.2	0.3
Dwelling prices, ann%	6.7	-10.5	-0.5	3.3	7.0
Rental yield, %#	5.8	4.3	4.2	4.7	4.7
Sales/new listings, ratio#	1.07	1.07	1.12	1.46	1.47
Total listings, mths sales#	4.8	4.4	4.1	2.9	2.3

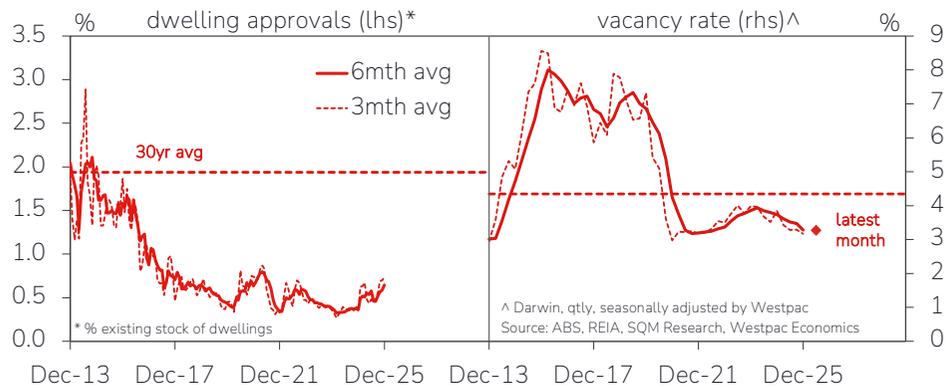
* avg last 25yrs; # June qtr readings
Sources: ABS, Cotality, REIA, Westpac Economics

NT tops out; ACT still strong

44. Turnover, Darwin dwelling prices



45. NT: dwelling approvals, vacancy rate



Population: 0.3mn
Net migration: 2k pa
GSP: \$34bn (1% Aus)
Dwellings: 0.1mn, \$51bn
Capital: Darwin

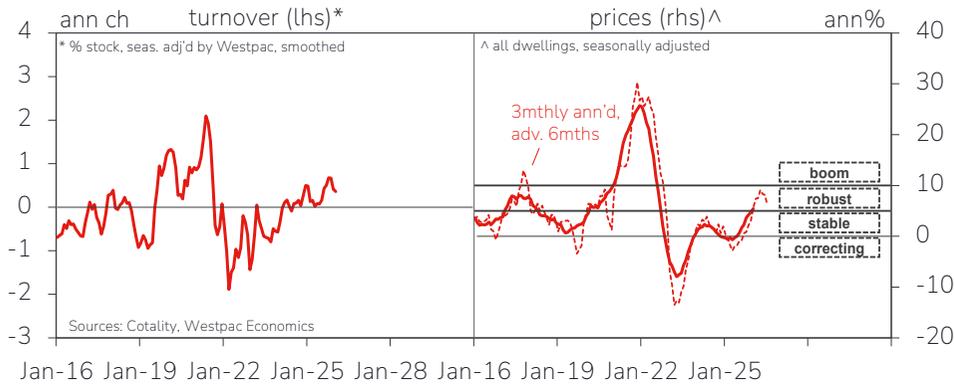


June years	avg*	2023	2024	2025	latest
GSP, ann%	2.9	-4.4	0.8	1.0	n.a.
State final demand, ann%	2.8	2.3	4.9	2.9	1.2
Employment, ann%	1.5	2.6	-0.9	0.0	2.5
Unemployment rate, %#	6.7	4.2	4.1	4.0	4.4
Population, ann%	1.2	1.7	1.3	1.4	1.6
Dwelling prices, ann%	4.6	-2.6	2.7	5.3	19.0
Sales/new listings, ratio#	1.26	1.35	1.31	2.64	3.30
Total listings, mths sales#	5.3	5.0	3.6	1.4	0.9

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

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46. Turnover, Canberra dwelling prices



Population: 0.5mn
Net migration: 4k pa
GSP: \$58bn (2% Aus)
Dwellings: 0.2mn, \$197bn
Capital: Canberra



47. Dwelling approvals, vacancy rate

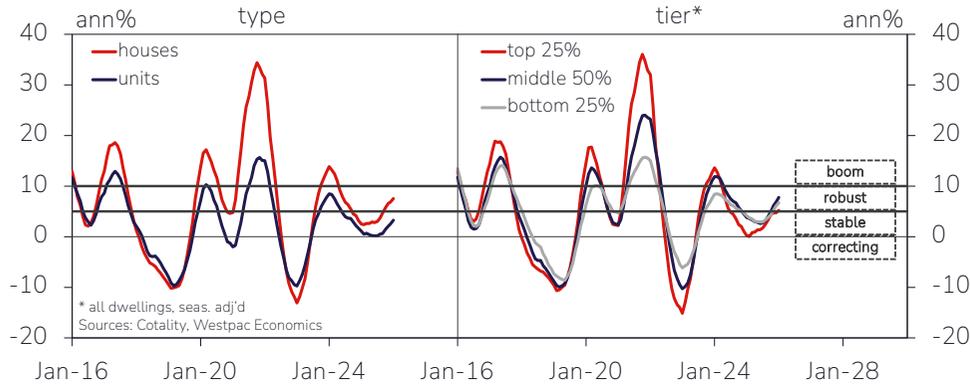


June years	avg*	2023	2024	2025	latest
GSP, ann%	3.8	5.2	3.6	3.5	n.a.
State final demand, ann%	3.7	3.1	2.6	3.9	3.3
Employment, ann%	1.5	3.0	-0.3	-0.2	-1.0
Unemployment rate, %#	6.6	3.9	3.9	3.8	4.3
Population, ann%	1.7	2.2	1.5	1.3	1.5
Dwelling prices, ann%	5.7	-7.3	2.1	0.0	5.4
Sales/new listings, ratio	1.43	1.29	1.33	1.54	1.51
Total listings, mths sales	2.5	2.7	2.6	2.7	2.3

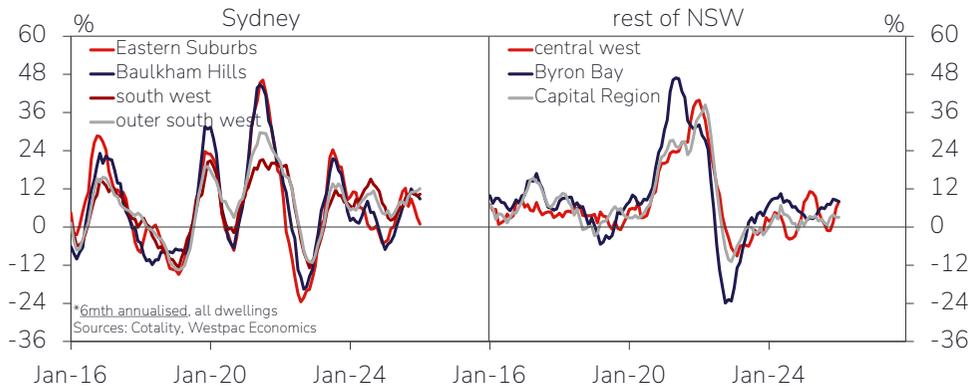
* avg last 25yrs;
 # June qtr readings
 Sources: ABS, Cotality, REIA, Westpac Economics

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48. NSW: Sydney dwelling prices by type, tier



49. NSW dwelling prices, selected sub-region

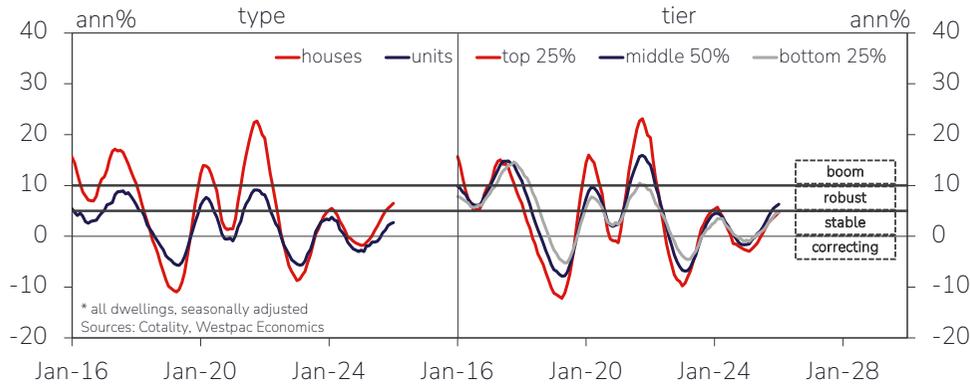


	Sydney	rest of NSW
Population:	5.6mn	2.9mn
Net migration*:	+80k pa	+27k pa
Employ (%state):	69%	31%
Dwellings, no.:	2.1mn	1.4mn
Dwellings, value:	\$3.2trn	\$1.2trn

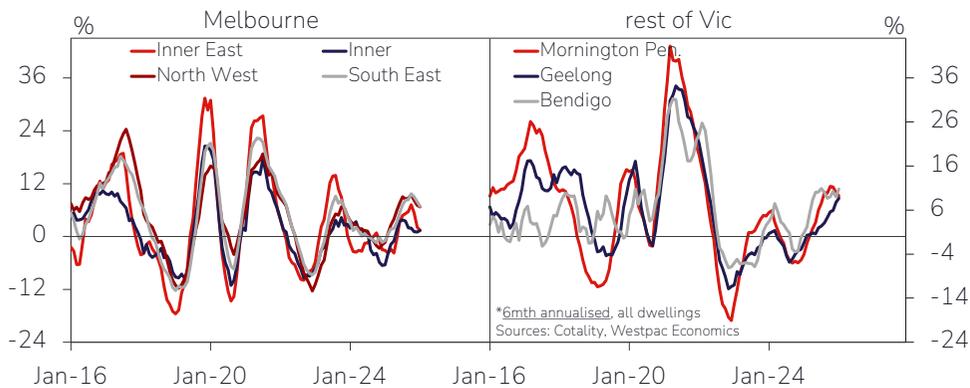
June years	avg [^]	2023	2024	2025	latest
Sydney					
Employment, ann%	1.8	4.3	0.7	2.8	1.6
Unemployment rate, %	5.3	3.5	4.1	4.3	4.0
Houses – prices, ann%	6.3	-0.9	7.8	2.8	7.5
– sales/new listings, ratio	1.12	1.31	1.23	1.35	1.36
– total listings, mths sales	3.1	2.5	2.5	2.6	2.3
Units – prices, ann%	4.7	-1.0	4.6	0.2	3.2
– sales/new listings, ratio	1.57	1.48	1.42	1.51	1.63
– total listings, mths sales	2.3	2.6	2.3	2.5	2.0
rest of NSW					
Employment, ann%	1.3	2.9	2.1	-0.9	-1.1
Unemployment rate, %	7.1	2.6	3.5	3.9	4.1
Dwelling prices, ann%	6.2	-6.5	4.1	3.9	7.8

* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

50. Vic: Melbourne dwelling prices by type, tier



51. Vic dwelling prices, selected sub-region

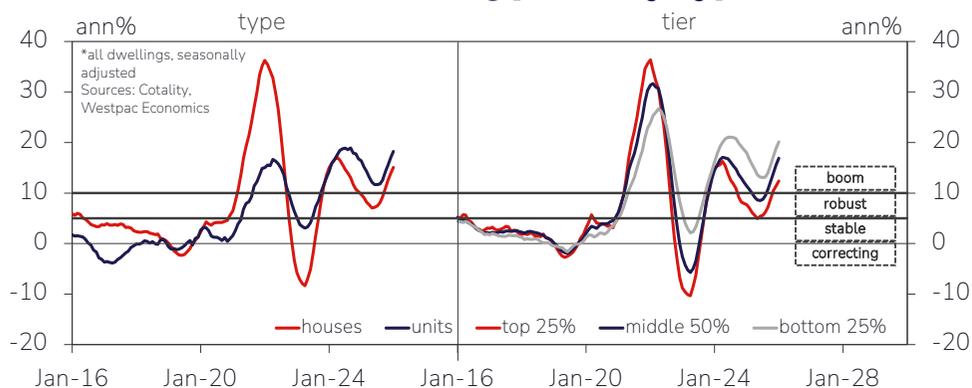


	Melbourne	rest of VIC
Population:	5.4mn	1.6mn
Net migration*:	+114k pa	+17k pa
Employ (%state):	79%	21%
Dwellings, no.:	2.1mn	0.9mn
Dwellings, value:	\$2.1trn	\$0.5trn

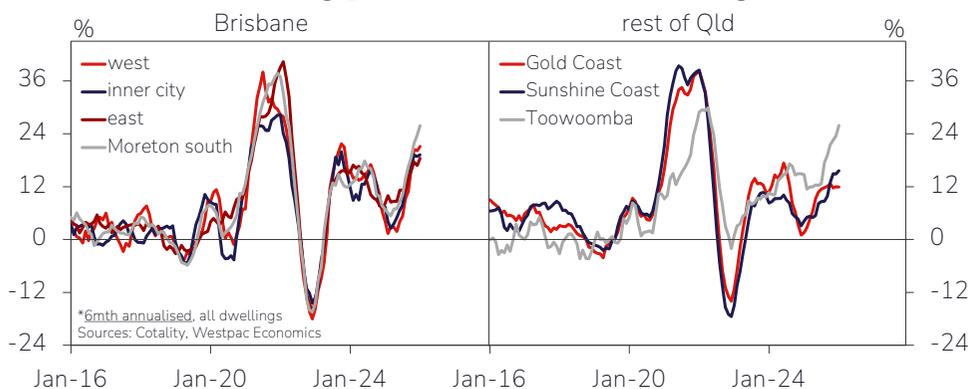
June years	avg [^]	2023	2024	2025	latest
Melbourne					
Employment, ann%	2.3	4.3	2.4	3.4	1.5
Unemployment rate, %	6.2	4.0	4.5	4.6	4.9
Houses – prices, ann%	6.4	-3.7	2.1	1.0	6.5
– sales/new listings, ratio	1.05	1.03	0.98	1.25	1.27
– total listings, mths sales	3.4	3.7	3.5	2.8	2.6
Units – prices, ann%	4.4	-2.6	0.7	-1.2	2.7
– sales/new listings, ratio	1.08	0.97	1.00	1.15	1.14
– total listings, mths sales	3.7	4.6	3.6	3.4	2.7
rest of VIC					
Employment, ann%	1.5	2.4	2.3	-2.2	1.2
Unemployment rate, %	6.7	2.8	4.0	3.7	3.7
Dwelling prices, ann%	5.6	-5.7	-0.4	1.7	7.0

* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

52. Qld: Brisbane dwelling prices by type, tier



53. Qld dwelling prices, selected sub-region



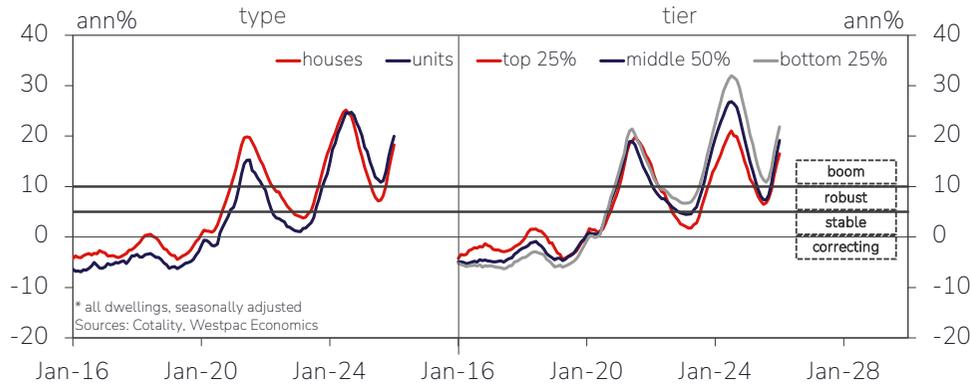
	Brisbane	rest of QLD
Population:	2.8mn	2.8mn
Net migration*:	+60k pa	+43k pa
Employ (%state):	52%	48%
Dwellings, no.:	1mn	1.3mn
Dwellings, value:	\$1.1trn	\$1.2trn

June years	avg [^]	2023	2024	2025	latest
Brisbane					
Employment, ann%	2.7	3.6	4.1	3.5	2.4
Unemployment rate, %	6.2	3.7	4.6	4.1	4.4
Houses – prices, ann%	7.4	-5.1	15.6	7.2	15.1
– sales/new listings, ratio	0.93	1.34	1.18	1.29	1.33
– total listings, mths sales	5.0	2.9	2.6	2.4	2.0
Units – prices, ann%	5.6	4.1	18.8	11.7	18.2
– sales/new listings, ratio	1.54	1.57	1.55	1.48	1.52
– total listings, mths sales	3.4	2.0	1.6	1.8	1.5
rest of Qld					
Employment, ann%	2.2	2.0	3.4	1.2	-1.2
Unemployment rate, %	6.9	3.9	3.4	4.0	3.8
Dwelling prices, ann%	6.2	-1.8	12.4	8.7	12.9

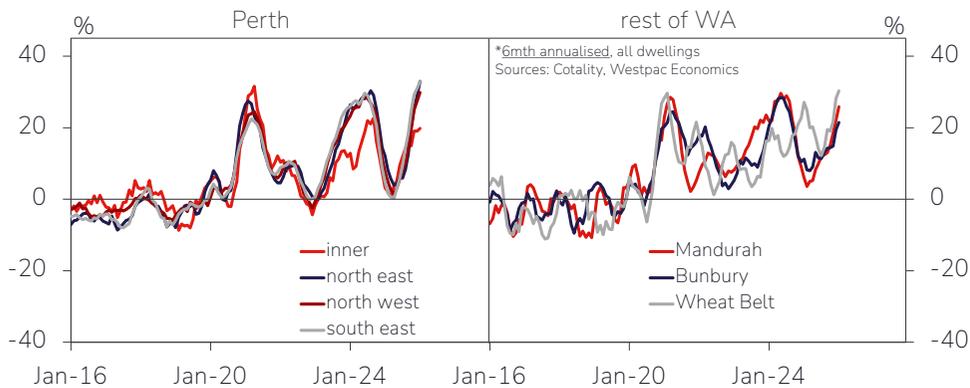
* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

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54. WA: Perth dwelling prices by type, tier



55. WA dwelling prices, selected sub-region

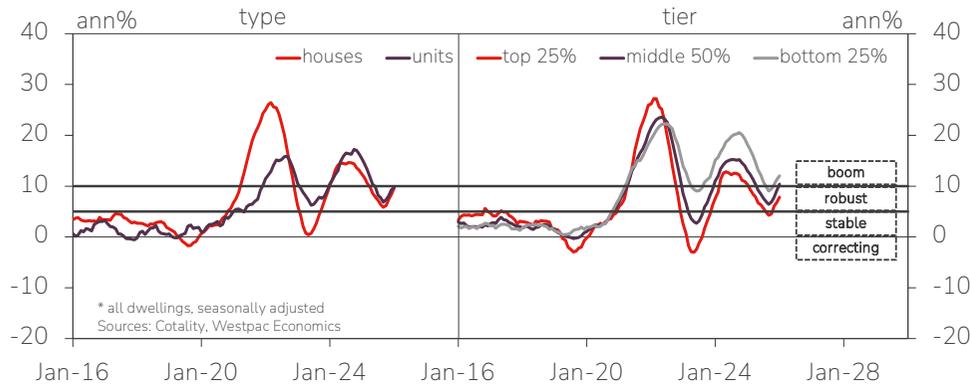


	Perth	rest of WA
Population:	2.4mn	0.6mn
Net migration*:	+61k pa	+6k pa
Employ (%state):	81%	19%
Dwellings, no.:	0.9mn	0.3mn
Dwellings, value:	\$0.9trn	\$0.2trn

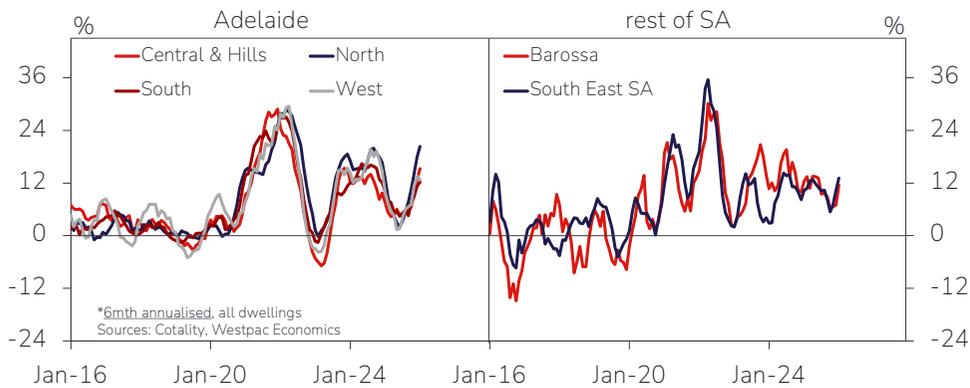
June years	avg [^]	2023	2024	2025	latest
Perth					
Employment, ann%	2.7	3.3	4.7	3.0	1.4
Unemployment rate, %	5.8	3.6	3.9	4.2	4.4
Houses – prices, ann%#	6.9	5.2	24.7	7.9	18.3
– sales/new listings, ratio	0.90	1.18	1.13	1.21	1.49
– total listings, mths sales	5.6	2.9	2.2	2.3	1.6
Units – prices, ann%#	5.6	2.8	23.3	11.8	20.0
– sales/new listings, ratio	1.12	1.39	1.26	1.30	1.08
– total listings, mths sales	4.8	3.1	2.2	2.2	2.2
rest of WA					
Employment, ann%	1.3	1.0	1.2	0.7	0.5
Unemployment rate, %	5.2	3.5	3.0	3.4	3.6
Dwelling prices, ann%	5.8	6.9	16.7	12.8	17.3

* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

56. SA: Adelaide dwelling prices by type, tier



57. SA dwelling prices, selected sub-region

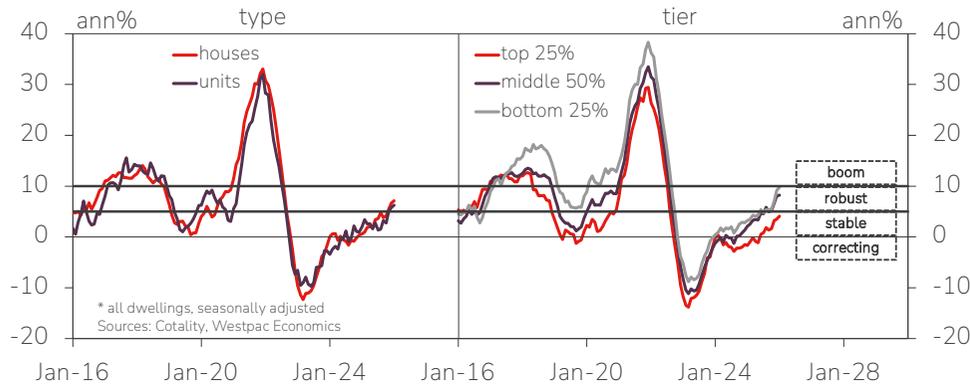


	Adelaide	rest of SA
Population:	1.5mn	0.4mn
Net migration*:	+18k pa	+3k pa
Employ (%state):	81%	19%
Dwellings, no.:	0.6mn	0.2mn
Dwellings, value:	\$0.6trn	\$0.1trn

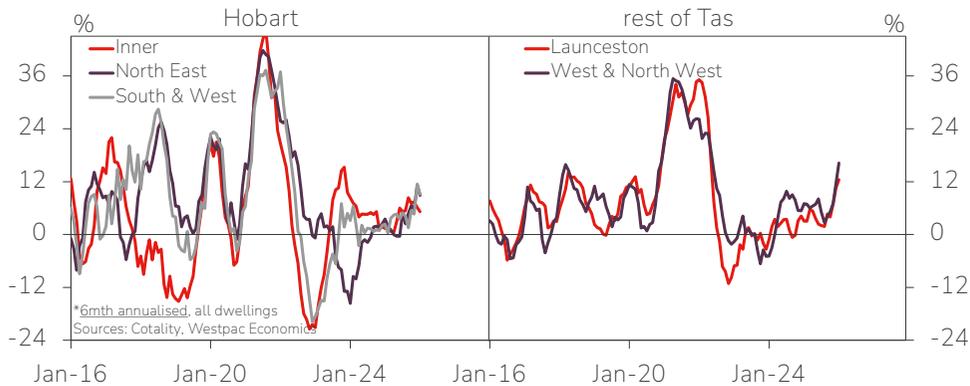
June years	avg [^]	2023	2024	2025	latest
Adelaide					
Employment, ann%	1.7	4.3	-1.0	4.3	5.1
Unemployment rate, %	7.1	4.2	4.1	3.9	3.7
Houses – prices, ann%	6.9	0.7	14.4	7.9	9.6
– sales/new listings, ratio	1.09	1.41	1.35	1.37	1.55
– total listings, mths sales	3.6	2.1	1.8	1.7	1.5
Units – prices, ann%	7.6	6.3	15.8	9.9	9.7
– sales/new listings, ratio	1.21	1.69	1.56	1.70	1.65
– total listings, mths sales	3.8	1.8	1.5	1.4	1.3
rest of SA					
Employment, ann%	0.9	4.9	0.3	0.2	0.9
Unemployment rate, %	6.3	3.8	3.3	5.4	5.7
Dwelling prices, ann%	7.5	7.5	10.6	10.8	11.8

* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

58. Tas: Hobart dwelling prices by type, tier



59. Tas dwelling prices, selected sub-region



	Hobart	rest of TAS
Population:	255k	321k
Net migration*:	flat pa	+1k pa
Employ (%state):	46%	54%
Dwellings, no.:	107k	163k
Dwellings, value:	\$81bn	\$97bn

June years	avg [^]	2023	2024	2025	latest
Hobart					
Employment, ann%	1.8	3.7	1.0	-2.3	1.5
Unemployment rate, %	6.9	3.9	4.1	4.0	4.1
Houses – prices, ann%	6.8	-10.6	-0.6	3.4	7.1
– sales/new listings, ratio	1.03	1.03	1.05	1.49	1.32
– total listings, mths sales	5.1	4.7	4.4	2.8	2.5
Units – prices, ann%	6.1	-9.7	-0.3	2.8	6.3
– sales/new listings, ratio	1.23	1.29	1.31	1.35	1.36
– total listings, mths sales	4.0	3.1	3.7	2.7	2.0
rest of Tas					
Employment, ann%	1.1	1.4	-3.7	1.9	2.0
Unemployment rate, %	8.0	4.1	4.0	3.7	4.2
Dwelling prices, ann%	6.7	-3.2	-0.3	4.1	6.9

* estimates as at Jun 2024 and may not sum to more recent state totals, migration includes flows within states;
[^] avg last 25yrs (last 10yrs for listings).
 Sources: ABS, Cotality, Westpac Economics

Economic and financial forecasts

Interest rate forecasts

Australia	Latest (27 Feb)	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
Cash	3.85	3.85	4.10	4.10	4.10	4.10	4.10	4.10	3.85	3.60	3.60
90 Day BBSW	3.99	4.05	4.15	4.15	4.15	4.20	4.20	4.05	3.80	3.70	3.70
3 Year Swap	4.23	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
3 Year Bond	4.22	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
10 Year Bond	4.65	4.75	4.80	4.80	4.80	4.75	4.70	4.65	4.60	4.60	4.60
10 Year Spread to US (bps)	65	55	50	45	40	30	20	10	0	-5	-10
US											
Fed Funds	3.625	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	4.00	4.20	4.30	4.35	4.40	4.45	4.50	4.55	4.60	4.65	4.70

Exchange rate forecasts

	Latest (27 Feb)	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.7119	0.70	0.71	0.72	0.72	0.73	0.73	0.74	0.74	0.73	0.73
NZD/USD	0.5989	0.59	0.60	0.62	0.63	0.65	0.67	0.68	0.68	0.68	0.67
USD/JPY	155.76	151	149	147	145	144	143	142	141	140	139
EUR/USD	1.1804	1.19	1.20	1.20	1.21	1.21	1.22	1.22	1.21	1.21	1.21
GBP/USD	1.3493	1.37	1.38	1.38	1.39	1.39	1.40	1.41	1.41	1.40	1.40
USD/CNY	6.8551	6.90	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.1887	1.18	1.18	1.17	1.14	1.12	1.10	1.09	1.09	1.08	1.09

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Economic and financial forecasts

Australian economic growth forecasts

	2025		2026				2027	
	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f
GDP %qtr	0.4	0.8	0.6	0.6	0.6	0.6	0.6	0.6
%yr end	2.1	2.3	2.5	2.4	2.6	2.4	2.4	2.4
Unemployment Rate %	4.3	4.2	4.1	4.2	4.4	4.5	4.5	4.5
Wages (WPI) %qtr	0.8	0.8	0.8	0.7	0.7	0.8	0.7	0.8
%yr end	3.4	3.4	3.3	3.1	3.0	3.0	3.0	3.1
CPI Headline %qtr	1.3	0.6	1.1	0.7	1.0	0.5	0.6	0.5
%yr end	3.2	3.6	3.8	3.8	3.4	3.3	2.8	2.6
CPI Trimmed Mean %qtr	1.0	0.9	0.9	0.7	0.8	0.7	0.7	0.6
%yr end	3.0	3.4	3.5	3.5	3.4	3.2	2.9	2.8

Calendar years

	2025f	2026f	2027f	2028f
GDP % qtr	–	–	–	–
%yr end	2.3	2.4	2.4	2.6
Unemployment rate %	4.2	4.5	4.5	4.4
Wages (WPI)	–	–	–	–
annual chg	3.4	3.0	3.0	3.4
CPI Headline	–	–	–	–
annual chg	3.6	3.3	2.6	2.7
Trimmed mean	–	–	–	–
annual chg	3.4	3.2	2.6	2.5

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Consumer sentiment: housing-related measures

index*	avg	2024			2025			2026			%mth	%yr
		Jun	Sep	Dec	Mar	Jun	Sep	Dec	Jan	Feb		
'Time to buy a dwelling'												
Australia	116.1	72.8	76.1	81.6	91.6	93.3	96.1	86.2	89.6	84.0	-6.3	-4.4
– New South Wales	115.8	81.0	78.9	79.1	88.1	94.9	99.2	94.3	96.9	81.0	-16.5	-10.1
– Victoria	115.5	70.0	84.6	91.4	106.0	95.6	110.0	79.7	94.7	91.4	-3.5	-0.6
– Queensland	128.0	69.9	59.3	77.5	88.5	85.4	82.4	75.5	80.1	79.8	-0.3	-5.9
– Western Australia	128.8	58.2	68.6	75.6	89.4	95.2	73.5	93.5	80.0	76.4	-4.5	6.4
– South Australia	127.9	62.8	67.2	69.9	68.0	95.1	90.7	82.6	78.2	81.2	3.7	-10.2
– Tasmania	122.0	109.6	45.6	77.0	97.5	72.1	105.7	103.8	75.0	71.9	-4.1	-16.2
House price expectations												
Australia	126.4	163.8	150.5	142.0	146.5	166.5	168.4	169.9	167.5	173.9	3.9	22.2
– New South Wales	128.0	161.8	150.3	133.9	153.7	172.3	167.7	172.5	169.8	176.0	3.6	23.0
– Victoria	128.4	158.9	131.3	130.0	131.0	155.1	163.9	159.0	163.8	160.3	-2.2	16.1
– Queensland	124.6	170.0	168.7	164.6	155.9	176.6	173.7	181.2	176.1	182.1	3.4	27.4
– Western Australia	117.7	163.3	168.6	150.4	145.0	163.4	165.8	175.4	163.8	181.0	10.5	16.3
– South Australia	128.3	177.3	157.6	160.7	155.3	160.6	179.7	161.9	155.1	180.6	16.5	28.1
– Tasmania	128.3	135.3	135.5	121.1	123.5	133.1	145.2	176.9	166.9	168.7	1.1	75.2

* 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

index*	2024				2025			2026			%mth	%yr
	avg	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Jan	Feb		
Unemployment expectations												
Australia	129.2	133.1	138.4	123.7	117.9	127.4	131.4	126.8	129.4	129.8	0.3	3.2
– New South Wales	129.6	130.0	142.9	123.5	118.2	123.8	125.3	127.3	132.1	131.5	-0.5	2.9
– Victoria	131.2	134.0	138.2	122.8	112.2	131.5	142.5	130.8	132.4	134.1	1.3	2.5
– Queensland	133.2	132.5	139.4	121.0	122.4	134.0	132.7	124.0	129.5	128.1	-1.1	1.9
– Western Australia	128.1	142.2	134.7	128.4	114.1	121.5	123.5	133.9	124.5	122.8	-1.4	6.8
– South Australia	135.3	135.2	128.0	134.8	130.6	118.8	125.1	117.1	122.5	129.8	5.9	13.6
– Tasmania	138.3	121.7	126.2	110.5	129.0	136.1	108.5	107.5	113.0	131.8	16.6	4.6
Risk aversion										qtr ch	ann ch	
Australia	17.3	46.6	48.6	48.0	44.8	48.9	46.8	47.9	n.a.	n.a.	1.0	2.0
– New South Wales	11.7	42.8	58.5	50.6	57.3	51.1	51.8	43.2	n.a.	n.a.	-8.6	-11.8
– Victoria	11.0	52.2	47.9	48.2	39.3	52.3	52.5	55.5	n.a.	n.a.	2.9	13.2
– Queensland	12.7	49.1	39.7	44.6	34.4	39.4	47.0	44.2	n.a.	n.a.	-2.8	6.5
– Western Australia	7.0	51.8	53.1	42.4	47.8	49.7	30.1	61.8	n.a.	n.a.	31.7	15.8
– South Australia	14.4	35.0	34.1	48.6	34.6	50.0	41.1	45.4	n.a.	n.a.	4.3	6.1
– Tasmania	15.5	34.3	45.7	50.4	34.5	26.3	44.7	17.2	n.a.	n.a.	-27.5	-22.6

* 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.

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Dwelling prices and turnover

		2023	2024	2025				2026				
	avg	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Jan	Feb
Dwelling prices, ann%*												
Australia	6.2	5.5	9.7	10.6	8.7	7.1	4.9	3.8	3.4	4.9	5.9	7.2
– Sydney	5.8	7.6	11.3	10.9	6.9	5.1	2.8	2.0	2.0	3.5	4.1	5.1
– Melbourne	5.8	1.7	4.2	4.3	1.7	-0.8	-2.0	-1.5	0.4	2.6	3.5	4.2
– Brisbane	6.9	5.6	13.5	16.5	16.1	14.1	11.4	9.1	7.8	9.7	11.3	12.8
– Perth	6.5	10.3	16.2	20.3	24.4	24.1	18.4	12.8	8.0	8.5	10.6	13.1
– Adelaide	6.9	4.9	8.8	13.1	14.5	14.8	13.6	11.0	7.9	5.9	6.8	8.2
– Hobart	6.5	-6.0	-1.8	0.0	-0.5	-0.5	0.6	2.2	3.1	3.3	3.4	n.a.
Turnover, %stock^												
Australia	5.5	4.5	4.8	4.8	4.8	4.7	4.7	4.9	5.0	4.9	4.7	n.a.
– New South Wales	5.7	4.4	4.7	4.7	4.7	4.5	4.7	4.7	5.0	5.3	4.8	n.a.
– Victoria	4.6	3.7	4.0	4.0	4.0	4.2	4.2	4.5	4.8	4.8	4.1	n.a.
– Queensland	6.5	5.5	5.7	5.8	5.7	5.6	5.3	5.6	5.4	5.1	5.0	n.a.
– Western Australia	6.2	5.8	5.9	5.7	5.8	5.5	5.3	5.5	5.6	5.3	5.2	n.a.
– South Australia	4.6	4.1	4.0	4.2	4.2	4.0	4.0	4.0	4.0	4.1	4.3	n.a.
– Tasmania	5.5	3.6	3.8	3.8	3.9	3.9	4.0	4.1	4.2	4.2	4.2	n.a.

* '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

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Residential property listings

		2023	2024	2025				2026				
	avg	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Jan	Feb
Sales/new listings ratio*												
Australia^	1.16	1.16	1.24	1.36	1.23	1.24	1.28	1.32	1.39	1.47	1.45	1.47
– Sydney	1.29	1.21	1.25	1.42	1.32	1.26	1.32	1.35	1.41	1.45	1.45	1.49
– Melbourne	1.06	0.92	0.99	1.10	0.99	1.04	1.15	1.19	1.20	1.28	1.27	1.28
– Brisbane	1.03	1.28	1.27	1.32	1.28	1.22	1.26	1.24	1.35	1.41	1.34	1.42
– Perth	0.94	1.10	1.30	1.24	1.16	1.17	1.10	1.14	1.23	1.37	1.39	1.40
– Adelaide	1.11	1.25	1.43	1.44	1.40	1.41	1.46	1.44	1.44	1.55	1.55	1.57
– Hobart	1.07	0.97	1.19	1.15	1.12	1.22	1.26	1.37	1.46	1.47	1.36	1.36
Total listings, months of sales*												
Australia^	3.4	2.8	2.7	2.4	2.5	2.6	2.7	2.6	2.4	2.1	2.1	2.0
– Sydney	2.7	2.6	2.6	2.4	2.4	2.6	2.7	2.7	2.6	2.3	2.2	2.1
– Melbourne	3.5	3.9	3.7	3.4	3.5	3.6	3.4	3.3	3.0	2.6	2.5	2.5
– Brisbane	4.5	2.5	2.4	2.3	2.3	2.3	2.5	2.5	2.3	2.0	2.0	1.9
– Perth	5.4	2.9	2.4	2.3	2.2	2.2	2.5	2.6	2.4	2.0	1.9	1.8
– Adelaide	3.7	2.2	1.9	1.8	1.7	1.7	1.7	1.8	1.7	1.6	1.6	1.5
– Hobart	4.8	4.4	4.5	4.0	4.1	3.8	3.7	3.5	2.9	2.6	2.6	2.5

* 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: Cotality, Westpac Economics

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About the Westpac Consumer Housing Sentiment Indexes

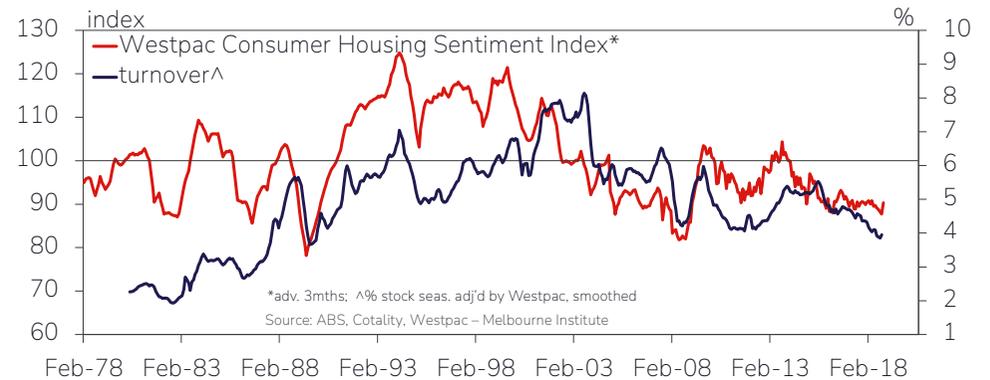
The **Westpac Consumer Housing Sentiment Indexes** presented in this report are composite measures based on a weighted combination of four indexes from the Westpac–Melbourne Institute Consumer Sentiment survey.

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).

60. Westpac Consumer Housing Sentiment Index: full series



61. Westpac Consumer Housing Sentiment Index: cycles



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