

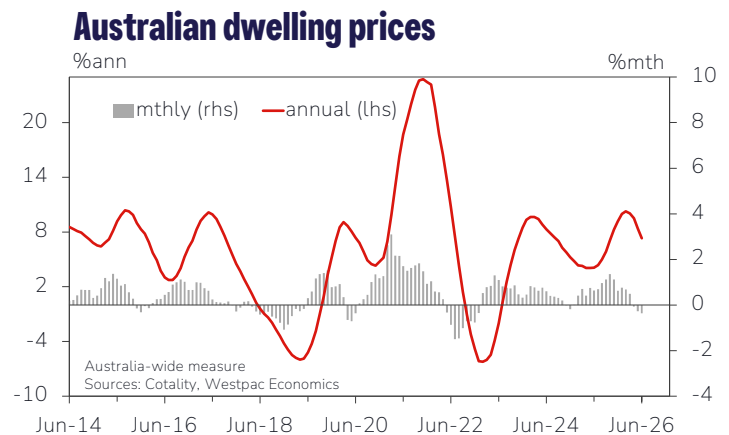
1 July 2026

AUSTRALIAN DWELLING PRICES BULLETIN

Sydney-Melbourne correction deepens

Key points

- The Cotality home value index – covering all of Australia – fell 0.4% in June, following a 0.3% decline in May and a 0.1% dip in April. Annual growth slowed to 7.3%yr. The quarterly decline is the most significant since the 2022-23 price correction.
- Corrections in Sydney and Melbourne are becoming more pronounced, led by material declines in 'top tier' segments with turnover also down sharply. Momentum is slowing elsewhere but price and turnover growth are still mostly positive.
- Uncertainty about the outlook for interest rates and impact of tax policy changes means markets – particularly those already in a correction – are somewhat prone to 'air pockets' emerging near term.



June Cotality home value index: -0.4%^{mth}; +7.3%^{yr}

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Markets heading south or slowing



Matthew Hassan
Head of Australian Macro-Forecasting

The Cotality home value index, covering all of Australia, fell 0.4% in June following a 0.3% decline in May and a 0.1% dip in April. The cumulative 0.7% fall over the quarter is the biggest quarterly decline since the 2022-23 correction. Annual growth has slowed to 7.3%yr.

The detail continues to show deepening price corrections in Sydney and Melbourne, a moderation in previously strong gains in Brisbane, Adelaide and Perth and slowing momentum in other cities and regional areas. Across the fifty detailed sub-markets covered, 28% recorded price declines in Q2 compared to 16% in Q1.

Note that, unless specified, figures in titles, tables and the commentary below are in non-seasonally adjusted terms, consistent with the 'headline' figures reported by Cotality. Figures shown in charts are in seasonally adjusted terms.

The slowdown to date mainly reflects the rate hikes in February, March and May and uncertainty around the Middle East conflict with some likely added drag more recently from tax policy changes announced in the Federal budget in mid May.

Turnover is starting to weaken more materially in the Sydney and Melbourne markets where price corrections have been more pronounced. Preliminary estimates points to a 4.6%qtr decline in turnover nationally in Q2, following a 5%qtr decline in Q1. The same estimates point to falls of around 15%qtr for Sydney and Melbourne, compared to 7% declines in Q1. The gap between sales and new listings, which have been relatively steady, is narrowing quickly, particularly in these softer markets. The shift is reflected in auction markets, with clearance rates moving further below average in Sydney and Melbourne and a notable rise in pre-auction withdrawals.

By dwelling type, the price cycle continues to be slightly more pronounced houses than units. Price growth is also weaker for 'top-tier' properties across each market (defined as the top 25% of properties by value). Indeed, weighted across cities, prices in this segment declined 1% in June to be down 2.6%qtr. The same measures for mid and low price tiers show 1.4%qtr and 0.1%qtr declines respectively.

The June price results by capital city were as follows:

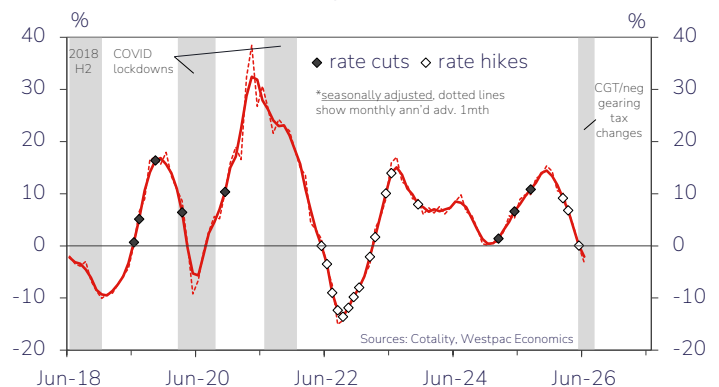
- **Sydney:** with a sharp 1.2% fall in June coming on top of a 1.1% decline in May, Sydney is now leading the correction nationally with prices down 3.2%qtr and annual price growth dropping back to just 0.3%yr. 'Top tier' houses are down more meaningfully, -4.6%qtr and -4.7%yr. 'Bottom tier' houses are still sitting on a 9%yr annual gain.

Cotality home value index: June 2026

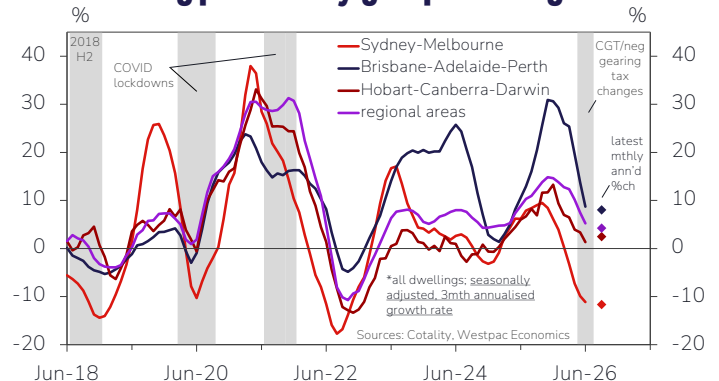
	%mth				%ann			
	Mar	Apr	May	Jun	Mar	Apr	May	Jun
Australia*	0.5	-0.1	-0.3	-0.4	10.0	9.5	8.4	7.3
seas. adjusted	0.3	0.0	-0.3	-0.2	10.0	9.6	8.5	7.4
- houses	0.5	-0.1	-0.3	-0.4	10.9	10.3	9.0	7.8
- units	0.4	-0.1	-0.1	-0.2	7.0	6.8	6.1	5.6
Major capital cities								
Sydney	-0.4	-0.9	-1.1	-1.2	5.2	4.1	2.1	0.3
Melbourne	-0.7	-0.8	-0.8	-1.0	3.3	2.1	0.6	-0.9
Brisbane	1.5	0.7	0.3	0.3	18.9	18.9	18.3	17.4
Adelaide	1.2	0.9	0.3	0.0	11.3	12.0	12.0	11.6
Perth	2.0	0.7	0.6	0.7	24.5	24.5	24.2	23.9
Turnover^	-5.0	-3.4	-3.2	-4.6	2.0	0.3	-1.8	-7.0

* Australia-wide measure, covering both capital cities and regional areas.
Sources: Cotality, Westpac Economics.
^ rolling 3mth total, %3mth and %ann ch, seasonally adjusted by Westpac.

Australian dwelling prices: 3mth ann'd



Dwelling prices: city groups and regional areas



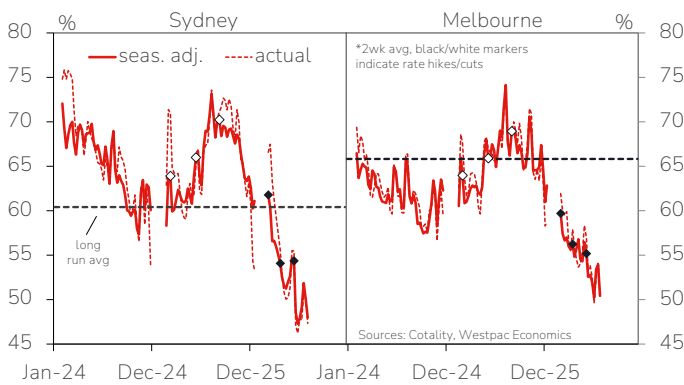
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- Melbourne:** a -1%^{mth} decline, a slight acceleration on the -0.8%^{mth} falls in May and April, leaving prices off 2.6%^{qtr} and tipping annual growth into outright negative (-0.9%^{yr}). 'Top tier' house prices are down 4.5%^{yr}, comparable to the weakness in this segment in Sydney. However, that follows a much poorer price performance in Melbourne in recent years - 'top tier' house prices have declined 4.4% since mid-2021 in Melbourne but are up 4.6% for this segment in Sydney and by just over a third for capital city dwelling prices more generally.
- Brisbane:** prices rose 0.3% in June, in line with May's rise and consistent with a continued tapering in growth back from the very strong gains seen over the ten months to March. At 17.4%^{yr}, annual growth remains strong but gains have been tracking a 6% annualised pace more recently. The detail continues to show the familiar pattern of outperformance across lower-priced tiers although the wedge is narrowing. Notably, all tiers are still seeing positive, albeit slower, price growth.
- Adelaide:** stalled flat in June, annual price growth slowing back 11.6%^{yr} with a clearer step-down in recent months. Interestingly, the detail here shows the latest slowing has been a little more pronounced for 'low and middle tier' segments. South Australia has seen a more meaningful rise in new dwelling construction than other states and this price pattern could be a sign that new supply is starting to ease pressures in some segments.

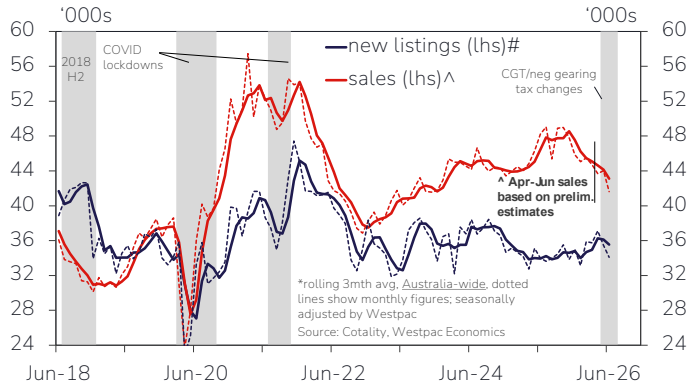
- Perth:** continues to lead the major capitals price-wise posting another 0.7%^{mth} gain in June, broadly in line with May and April but a significant step-down on the string of 2%+ monthly rises between August and March. Annual price growth is still very strong at 24%^{yr} but gains in recent months have been at around a 10% annual pace.
- Outcomes across the smaller capitals were again more mixed, price growth holding up in Darwin (1.4%^{mth}, 19.8%^{yr}), more subdued in Hobart (0.6%^{mth}, 9.3%^{yr}), and dipping in Canberra (-0.6%^{mth}, 2.9%^{yr}).
- Regional markets** showed flat prices in NSW and Victoria but and modest gains in Queensland (which includes the Gold and Sunshine Coasts).

Overall, the June update showed a similar picture to May with deepening corrections underway in Sydney and Melbourne and momentum slowing everywhere else. As we highlighted in our recent [Housing Pulse](#), tight supply, the likely absence of 'urgent' selling and relatively well anchored consumer price expectations should limit downside risks to prices going forwards. Notably, new listings are starting to show some pull back as well. However, current uncertainty about the outlook for interest rates and impact of tax policy changes means markets - particularly those already in a correction - are somewhat prone to 'air pockets' emerging near term. If these were to emerge, thin trading conditions could result in sharper price moves.

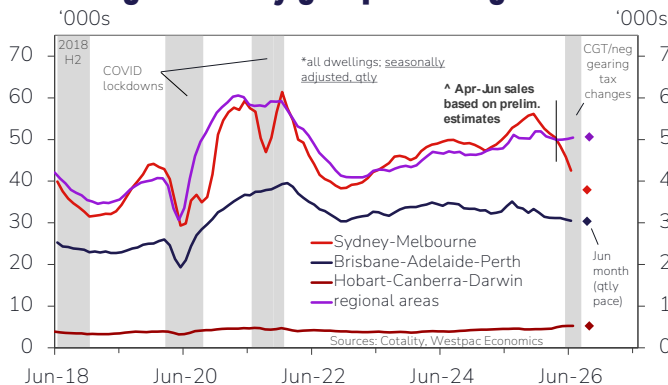
Auction clearance rates



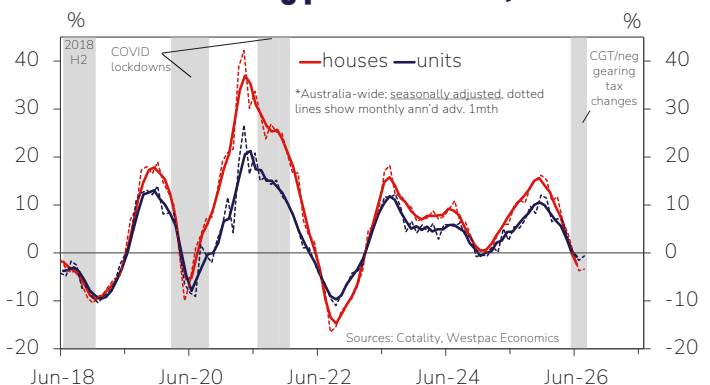
Australian dwellings: sales and listings



Dwelling sales: city groups and regional areas

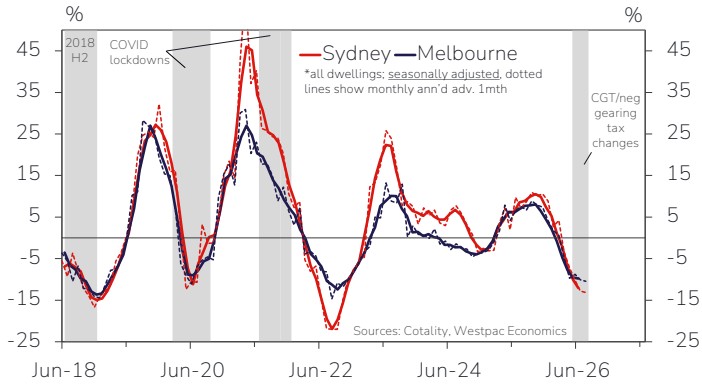


Australian dwelling prices: houses, units

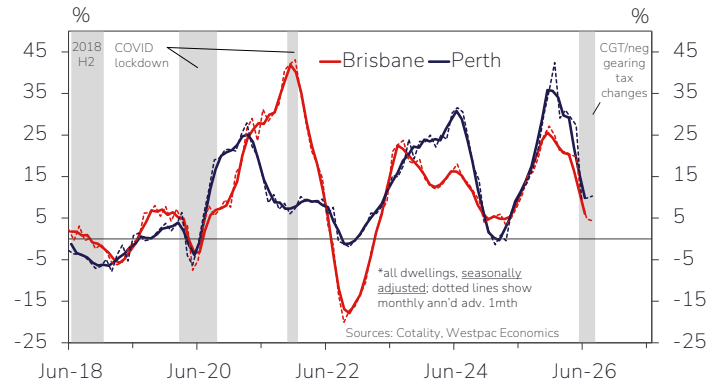


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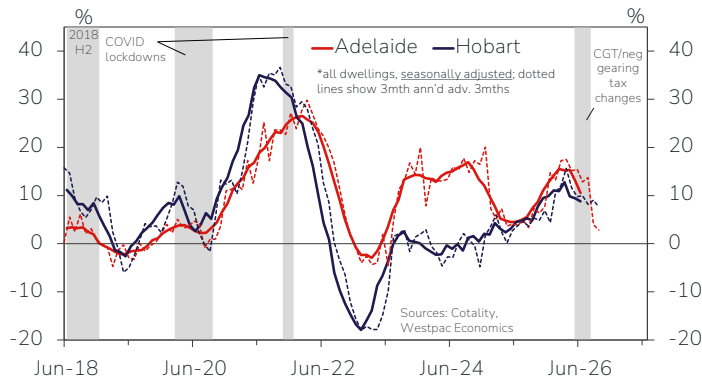
Sydney, Melbourne dwelling prices: 3mth ann'd



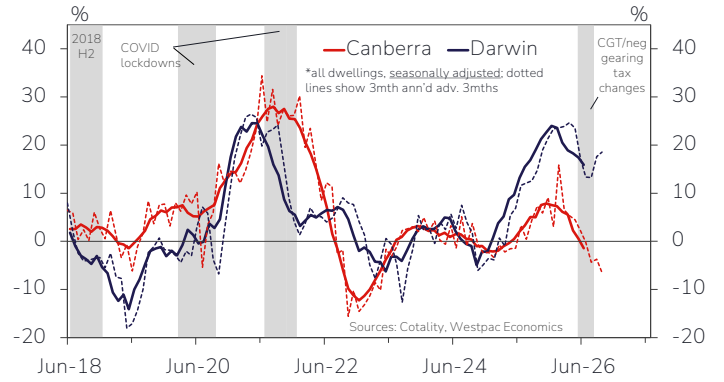
Brisbane, Perth dwelling prices: 3mth ann'd



Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



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