1 August 2026

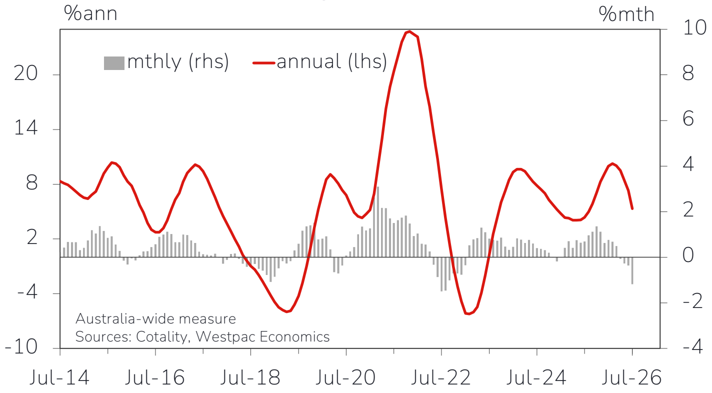
AUSTRALIAN DWELLING PRICES BULLETIN

Correction gathers steam

Key points

- The Cotality home value index – covering all of Australia – fell 1.2% in July, following a 0.4% decline in June, a 0.3% decline in May and a 0.1% dip in April. Annual growth slowed to 5.3%yr. The quarterly decline is the most significant since the 2022-23 price correction.
- Price declines became more widespread in July with five of the eight capital cities recording falls. The biggest shift has been in Brisbane and Perth which have swung from robust gains in the first half of the year to declines tracking a -5% annualised pace through June and July.
- Preliminary estimates point to a sharp 10% decline in sales over the 3mths to July. This remains a notable point of difference across sub-markets with the decline almost entirely centred on Sydney and Melbourne, where turnover is nearing previous lows and there is some risk that corrections start to become more 'disorderly'.

Australian dwelling prices



July Cotality home value index: –1.2%mth; +5.3%yr

Broadening price declines

Matthew Hassan
Head of Australian Macro–Forecasting

The Cotality home value index, covering all of Australia, fell 1.2% in July, a notable acceleration on the 0.3-0.4% declines in May-June and 0.1% dip in April. Prices have now declined 1.9% nationally from their March peak. Annual growth has slowed to 5.3%yr but prices over the last three months have been tracking a –6% annualised pace of contraction.

The detail shows a broadening and deepening price correction which is running at a similar pace to previous months in Sydney and Melbourne but swung sharply from solid gains to material declines in Brisbane and Perth. Across the fifty detailed sub-markets covered, 80% recorded price declines over the three months to July, compared to 16% in the three months to March.

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 correction reflects a combination of interest rate hikes in February, March and May, uncertainty around the Middle East conflict and housing-related tax policy changes announced in the Federal budget in May.

Turnover is also weakening materially. Our estimates based on preliminary figures point to sales tracking a 5% quarterly pace of decline over the last 3mths to be down nearly –12%yr. The same estimates point to falls of closer to 18-20%qtr in Sydney and Melbourne where activity is now below 2022 lows and nearing the quarterly average lows seen during COVID and in the 2018-19 downturn. New listings have softened but not to anywhere near the same extent. Sales are still tracking higher than new listings nationally but the gap has closed right up in Sydney and inverted in Melbourne, the 'buyers market' clearly reflected in weak auction market results in these markets. Sales are still tracking well ahead of new listings in most other markets, Perth a notable exception with sales in the west falling below new listings for the first time since mid-2022 with the widest gap since 2020.

By dwelling type, houses and units recorded similar-sized declines in July. Annual price growth is still tracking more slowly for units which have tended to see steadier prices over the course of recent cycles.

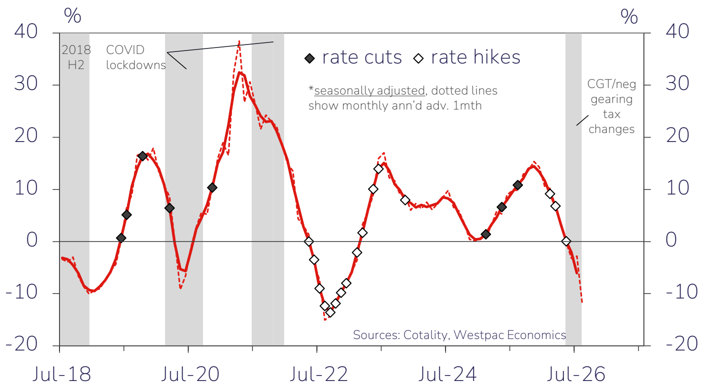
Its a slightly different story across price tiers, all tiers recording sizeable declines a little more pronounced across 'top-tier' segments and mid and low priced tiers still clearly outperforming in annual growth terms.

Cotality home value index: July 2026

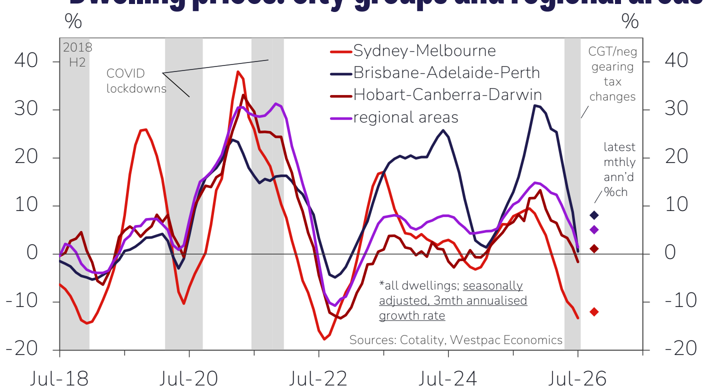
	%mth				%ann			
	Apr	May	Jun	Jul	Apr	May	Jun	Jul
Australia*	**–0.1**	**–0.3**	**–0.4**	**–1.2**	**9.5**	**8.4**	**7.3**	**5.3**
seas. adjusted	0.0	–0.3	–0.2	–1.0	9.6	8.5	7.4	5.4
– houses	–0.1	–0.3	–0.4	–1.2	10.3	9.0	7.8	5.7
– units	–0.1	–0.1	–0.2	–1.1	6.8	6.1	5.6	3.9
Major capital cities								
Sydney	–0.9	–1.1	–1.4	–1.4	4.1	2.1	0.1	–2.0
Melbourne	–0.8	–0.8	–1.3	–1.2	2.1	0.6	–1.2	–2.8
Brisbane	0.7	0.3	–0.4	–0.6	18.9	18.3	16.6	14.8
Adelaide	0.9	0.3	–0.2	–0.2	12.0	12.0	11.3	10.5
Perth	0.7	0.6	–0.9	0.1	24.5	24.2	21.9	20.5
Turnover^	**–4.3**	**–2.4**	**–5.4**	**–4.9**	**–0.7**	**–1.6**	**–8.4**	**–11.9**

* 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

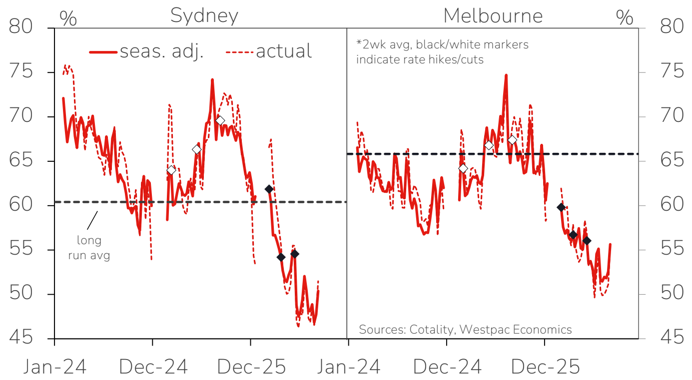


Across different jurisdictions:

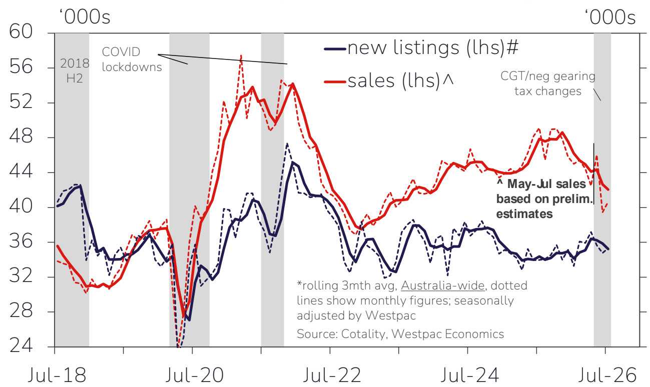
- **Sydney** recorded the largest decline in July, prices down 1.4%mth and June's fall marked down to a similar move. Prices dropped nearly 4% over the 3mths and closer to 5% for 'top tier' houses. Prices are down 2%yr but still up on a year ago for bottom and middle tier segments.
- **Melbourne** dwelling fell another 1.2% in July, on par with the 1.3% decline in June, both a slight acceleration on the –0.8%mth falls in May and April. Prices are down about 3% on rolling quarterly basis. 'Top tier' house prices are declining at a similar pace to Sydney but 'bottom tier' unit prices have held about flat. Prices market-wide are down –2.8%yr and 0.5% below their June 2021 level.
- **Brisbane** prices fell 0.6% in July with June's 0.3% gain revised to a 0.4% decline, taking the rolling 3mth change to –0.6%qtr, the first negative since early 2023. At 14.8%yr, annual growth is still strong but is set to decelerate quickly from here. Interestingly, the detail shows a relatively even pattern to declines across tiers and dwelling types, if anything prices a touch softer at the lower end. However, the sales-listing balance is much more supportive with the former still running 25% ahead of the latter.
- **Adelaide** dwelling prices dipped 0.2%mth, annual growth moderating to 10.5%yr. While price growth has come off abruptly most sub-markets appear to be flattening rather weakening dramatically.
- **Perth** dwelling prices were about flat in the July month but downward revisions to June (now down 0.9%mth) are pointing to a more sudden turnaround than other markets. Prices were tracking 0.6%mth gains in April-May and 2-3%mth over the six months before that. All tiers and segments have swung to declines and, as noted, sales are now running behind new listings suggesting the sudden shift has caught some sellers on the hop.
- Outcomes across the smaller capitals were again more mixed, price growth proving very resilient in Darwin (0.8%mth, 16.3%yr), holding about flat in Hobart (0.1%mth, 9.3%yr) but with a clear deterioration in Canberra (–1%mth, 1.0%yr).
- **Regional markets** showed 0.3-0.4% declines in NSW Victoria, and Queensland (which includes the Gold and Sunshine Coasts). Annual prices growth remained in positive though, at around 6-7%yr in NSW and Victoria, and closer to 12%yr in regional Queensland.

Overall, the July update shows broadening price declines with notable accelerations, revisions and shifts in the pattern of declines in a few jurisdictions, as well as some divergences in both sales and the balance of sales and listings. Momentum is becoming the common dominating factor. Its too early to tell if a stabilisation may emerge but the detail already suggests that if/when it does, the correction is likely to become more varied across sub-markets.

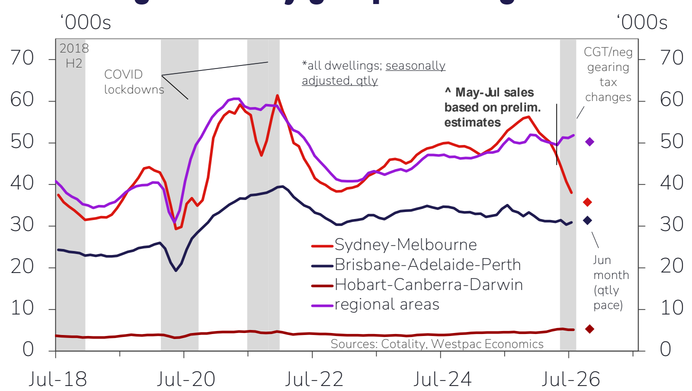
Auction clearance rates



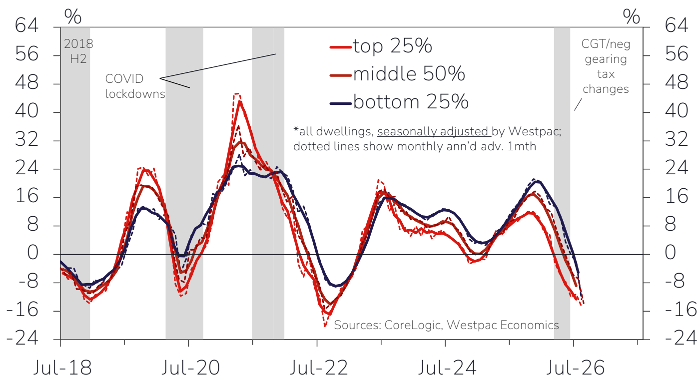
Australian dwellings: sales and listings



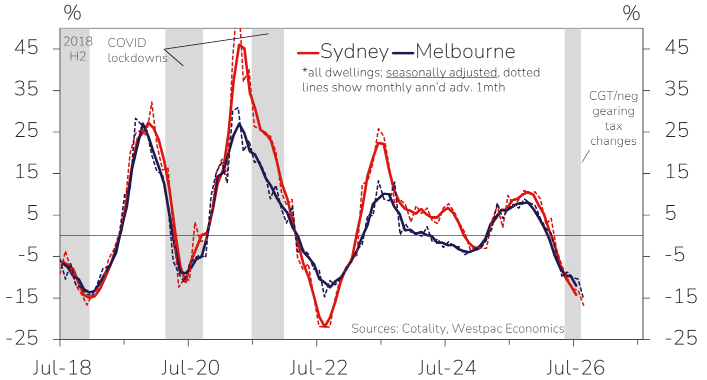
Dwelling sales: city groups and regional areas



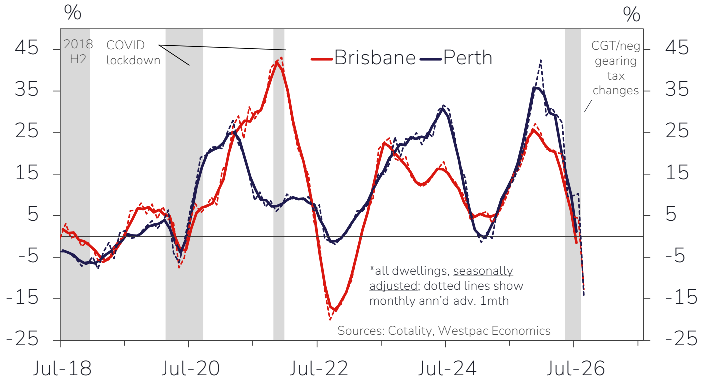
Australian dwelling prices: price tiers



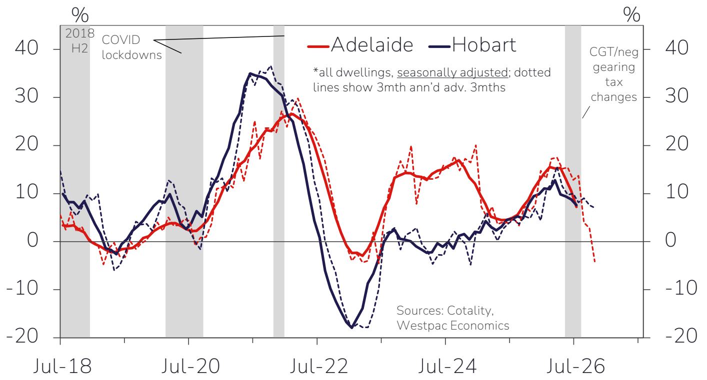
Sydney, Melbourne dwelling prices: 3mth ann'd



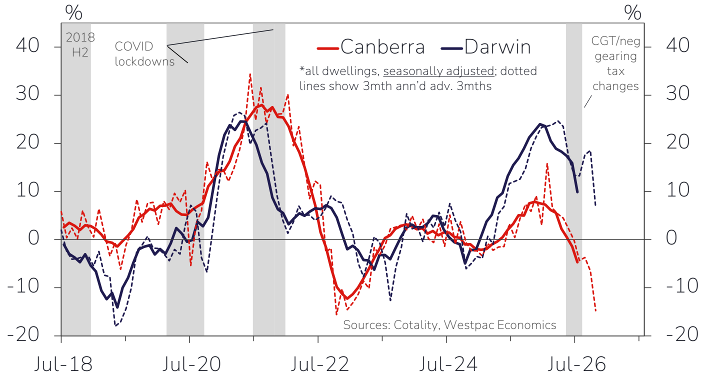
Brisbane, Perth dwelling prices: 3mth ann'd



Adelaide, Hobart dwelling prices: 6mth ann'd



Canberra, Darwin dwelling prices: 6mth ann'd



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