25 September 2026

WESTPAC HOUSING PULSE

Australia's quarterly housing market report

CONTENTS

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

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The next issue will be published 20 November 2026.

'Air pocket'

Housing market developments have continued to come thick and fast over the last few months. One by-product of this has been a delay to our latest report which has required a few refreshes. The bottom line is that the correction that began in early 2026 has broadened and intensified. While there are some signs, including from our sentiment-based indicators, that turnover is starting to stabilise, it is at a weak level with prices still moving lower and the near term outlook challenging.

A big part of the challenge now sits with the wider economic and financial backdrop. The economy held up better than expected in the June quarter with consumer spending soft rather than weak and income gains supported by a business investment upswing, led by data centres and renewable energy projects, that is gaining momentum.

Meanwhile inflation remains a pressing concern. Underlying measures are still above the RBA's 2-3% target band and oil prices are again pushing above US$100/bbl following another deterioration in the Middle East situation.

The combination is widely expected to see the RBA Board deliver another rate rise at its September meeting with a clear risk of a further increase.

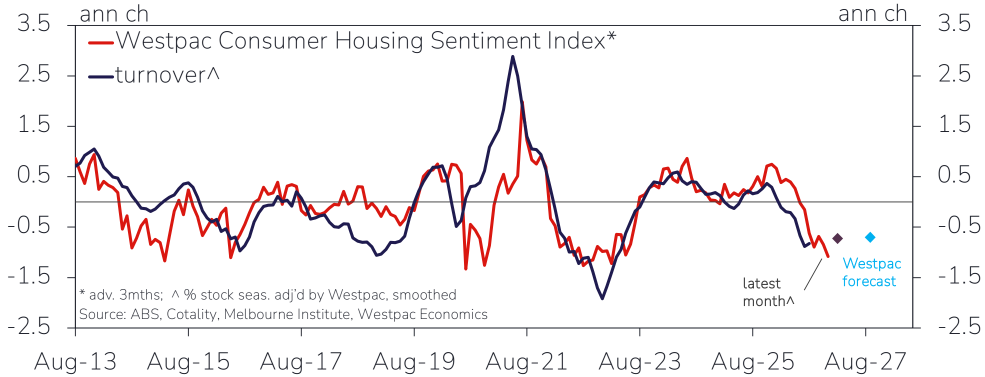
The timing could not be much worse for housing. As we warned in our last report, markets were already at risk of hitting an 'air pocket' as the downdraft from rate rises combined with heightened uncertainty about the impact of housing-related tax policy changes. A steeper drop in activity could see 'thin' trading conditions, raising the risk of more volatile and weaker price outcomes and an air of panic.

Our **Housing Pulse** shows things are delicately poised. The **Westpac Consumer Housing Sentiment Index** is shading lower, suggesting the pull-back in turnover is tilting towards a marginally bigger 25% decline vs our initial forecast of 20%. However, consumers' house price expectations have stabilised at levels that are below average but not at the outright negative reads seen during previous corrections.

There are other factors that should also limit the correction. Selling pressure is minimal and both the physical and on-market supply-demand balance remains relatively tight.

Overall, we have revised down our forecast for prices which are now expected to see a 7.3% decline peak-to-trough, similar to the correction in 2022. The run into year-end is shaping as a particularly nervy one for housing markets.

1. Australia: national housing conditions



"... near term outlook challenging."

*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.

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

Losing altitude

– Our last report found housing markets entering a more uncertain period as a re-tightening in interest rates combined with a global energy shock and major tax policy changes. The combined effect was seeing a significant weakening in both markets and housing-related sentiment. Three months on and the downturn has deepened and broadened. While there have been some tentative signs of stabilisation, particularly around sales volumes (see p6), momentum remains firmly negative and is likely to remain so with a further rise in interest rates now expected in coming months.

– Nationally, the initial dip in prices in Apr-May has accelerated materially with prices falling 3.8% over the 3mths to Aug (albeit with about 0.6ppts of that seasonal) to be 4.7% below their peak. Annual growth has slowed to 1%yr and is likely to move into negative in Sep (see here for more details).

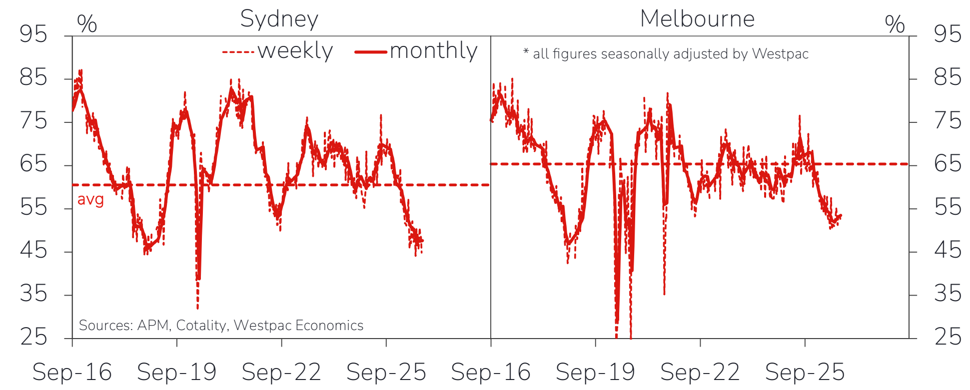
– The price correction has also broadened. Initial declines centred on the 'top tier' segments of the Sydney and Melbourne markets. Those markets are now seeing all price tiers recording declines. Meanwhile, Brisbane, Adelaide and Perth, which were all still recording positive price growth three months ago, are now seeing modest declines as well. Prices are also dipping across most of Australia's smaller capital cities and regional areas.

– Turnover has weakened materially as well. Revised estimates show quarterly volumes have been declining at a 6%qtr average pace in 2026 and are down 17% from last year's high to a near 3½yr low. The initial downturn was a little more pronounced in Sydney and Melbourne but is now coming across nearly all major city markets.

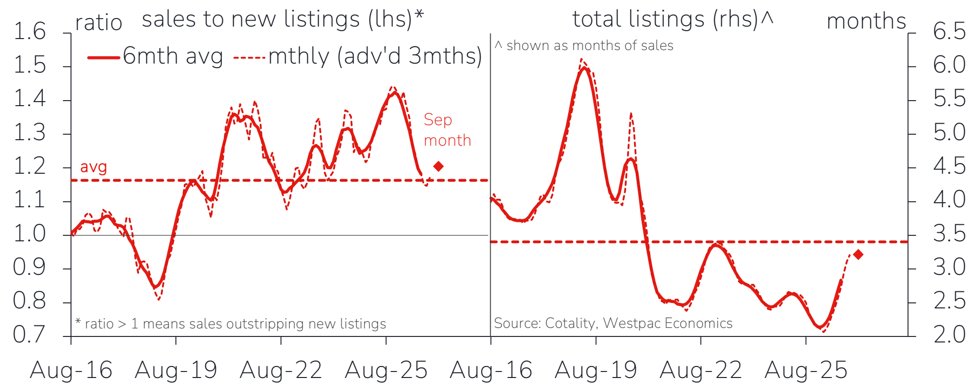
– Auction markets are also stressed. These are more reflective of conditions in the 'top tier' segments of the Sydney and Melbourne markets that have seen bigger corrections to date. Clearance rates have dropped well below avg to be near the lows seen in 2018-19 (slightly higher in Melbourne). Auction volumes are also down 35% vs a year ago. Pre-auction withdrawals rose sharply in Jun but have moderated again since (see p6).

– Around on-market supply, listings have started to pull back with new listings across the major capital cities over the 3mths to Aug down 8.9% from a peak in Apr. This is the lowest pace for new listings since mid-2023. However, the much sharper pull back in sales means total listings on market are still rising, up 28% since the start of the year (adjusting for seasonality). Current inventory now sits at 3.2 months of sales, a touch below historical averages but up sharply on the 2 months of sales that were on hand late last year.

2. Auction clearance rates

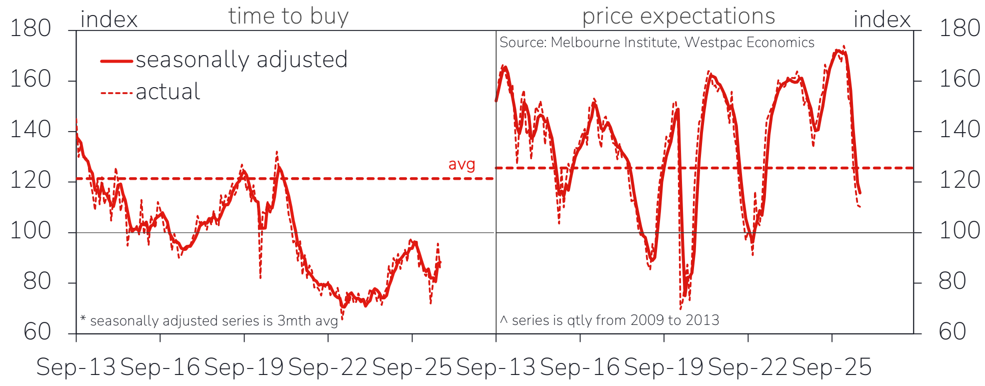


3. Residential property listings

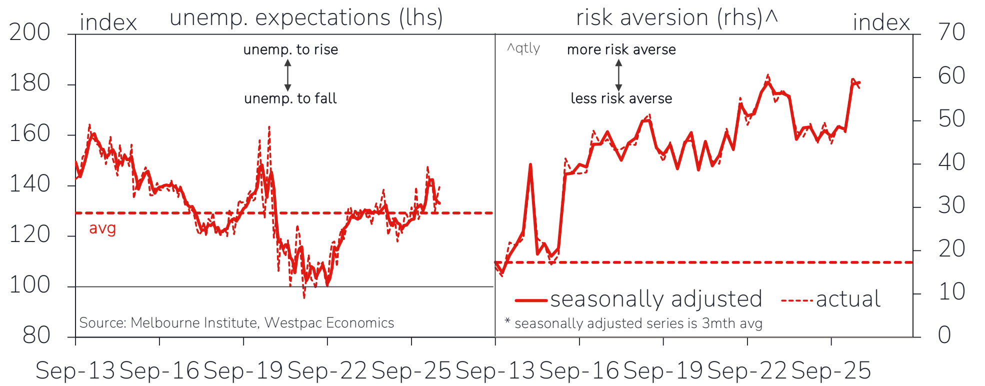


- Housing-related sentiment has also deteriorated since May although there have been significant differences across particular aspects.
- The biggest deterioration has been around price expectations. Recall that these were coming from a very high starting point earlier in the year. The **Westpac–MI Consumer House Price Expectations Index** plunged 27% over the 3mths to Aug following a 13% drop over the previous 3mths but held about steady in Sep. At 110.3, the index is now well below the long run avg of 126. However, it remains comfortably above the 100 level, meaning those expecting prices to rise still outnumber those expecting them to fall. This may well change, but as it stands, the absence of a consensus view that prices will be low in a year's time will tend to limit rather than add to downside momentum (as it did in 2019, 2020 and 2022).
- Risk aversion has also spiked. The **Westpac Consumer Risk Aversion Index** jumped 12.7pts from 47.4 in Mar to 60.1 in Jun, dipping back only slightly to 57.5 in Sep. This compares to the 52yr high of 60.8 recorded 3yrs ago. Responses to the 'wisest place for savings' question used to compile this measure show safe options heavily favoured: 65% nominating 'bank deposits', 'pay down debt' or 'super'. Only 4.7% nominated 'real estate', a record low.
- These moves were partially offset by a less pessimistic take on 'time to buy' and easing job loss fears.
- The **Westpac–MI 'time to buy a dwelling' index** posted a big rebound over the 3mths to Aug but was coming from an extremely weak starting point and unwound some of the gain in Sep. The index jumped from 72 in May (close to previous lows) to 95.7 in Aug, moving back to 85.5 in Sep. The volatility reflects both uncertainty about the impact of recent tax policy changes and the outlook for inflation and interest rates (the 'time to buy' index typically captures the affordability proposition for owner occupiers). The moves suggest some of the initial uncertainty around tax changes has eased. That said, the Index is still a long way from outright positive and the long run avg of 121.
- Sentiment around jobs recovered from a minor scare earlier in the year, likely linked to the energy crisis and interest rate rises, but has weakened again in Sep. The **Westpac–MI Unemployment Expectations Index** dropped 12% over the 3mths to Jul, but has backed up 7.3% again since then. At 139.4 the index is above the long-run avg of 129 but not overly high. The latest deterioration has been more pronounced amongst those working in the construction and hospitality sectors.

4. Consumer sentiment: housing



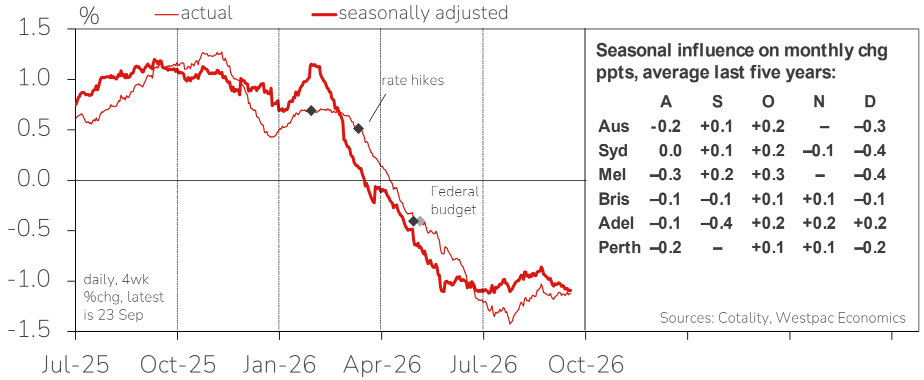
5. Consumer sentiment: jobs & risk aversion



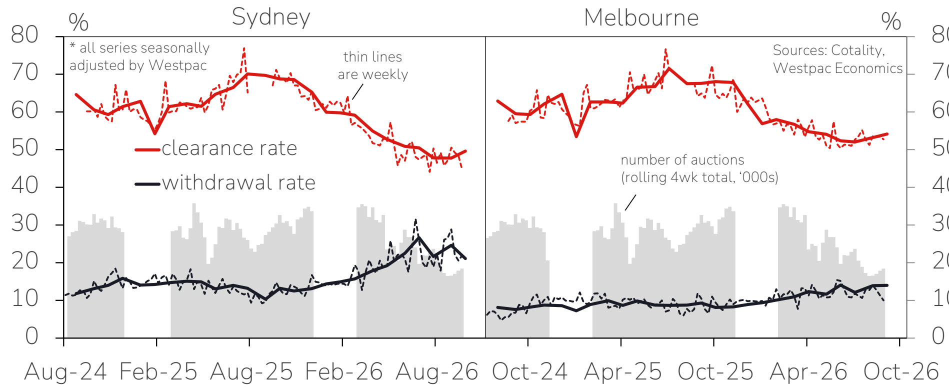
Stabilisation or ‘second leg’?

- Australia’s housing markets are now six months into a correction phase, the fourth market-wide correction in the last 10 years. Our sentiment-based indicators continue to suggest turnover will start to stabilise in coming months, albeit at low levels and with an uncertain outlook for prices. What do the timeliest real market data sources show? And more generally, when it comes to markets forming a base, what do previous cycles suggest we should be looking for?
- There are four areas where particularly timely data is available: prices; auction markets; listings and new home loan credit enquiries. Price estimates are provided daily while the other data is available weekly with updates released a few days after the observation week. Much of this information is regularly discussed elsewhere in this report. However, it is worth exploring some aspects in a little more detail.
- The Cotality daily price data is the most timely. As discussed previously it often picks turning points a few weeks ahead of monthly updates. As with most high frequency data, these signals are much clearer once seasonal variations are removed. Indeed, seasonality is a more general issue that, while often difficult to adjust for, needs to be kept in mind when assessing ‘real’ market data, including with the timelier, high frequency measures.
- Chart 6 shows how seasonal variations are currently accentuating price weakness in the daily measure – an effect that was worth up to 0.3ppts in early Aug. Importantly, this effect is shifting from a slight headwind to a tailwind worth 0.1ppts in Sep and 0.2ppts in Oct. While that is unlikely to ‘flip the script’ when prices are tracking lower at around 1% a month the 0.5ppt net swing over two months will tend to accentuate any improvement. Note that this swing also reverses significantly as we head into year end and is more pronounced in Melbourne and both more muted and slower to show through in Brisbane, Adelaide and Perth.
- The underlying driver of these fluctuations are differences in seasonal variation between buyers and sellers. Buyers are faster to mobilise than sellers, meaning they are more prevalent in early Spring. Conversely, sellers are also slower to withdraw into year-end, with those that are still active more likely to accept a lower price in order to sell before Christmas.
- Auction markets also reflect this seasonality. However, in this instance seasonal effects become less positive through Sep, turning to a dampener in Oct-Nov. As such, the slight improvement in clearance rates in recent weeks is a valid, albeit still very tentative sign of some stabilisation (Chart 7).

6. Dwelling prices: daily

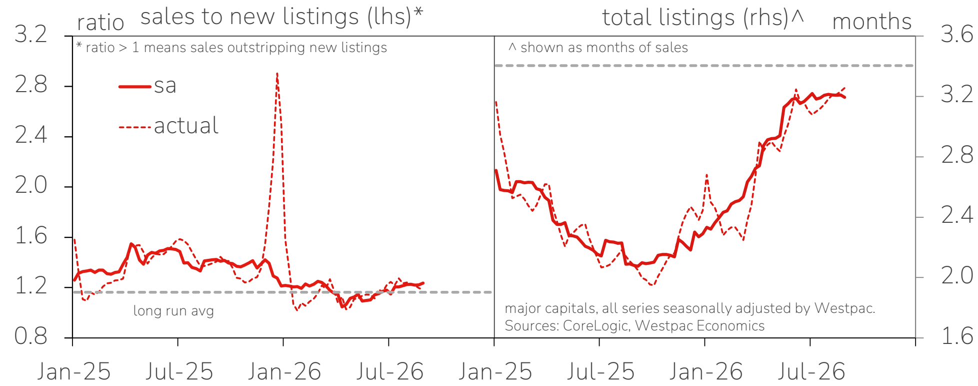


7. Auction market activity

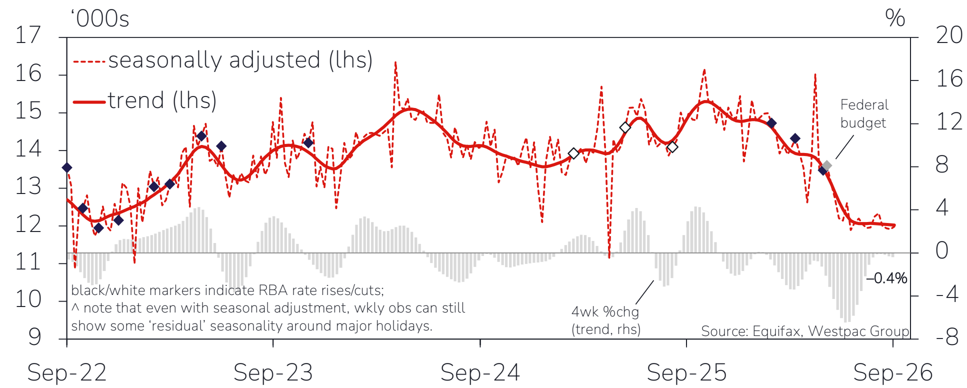


- As discussed in the past, clearance rates around long avg levels (~60% in Sydney and ~65% in Melbourne) are broadly consistent with stable prices. That would require a further 7-8pt improvement from current levels.
- Two other elements are worth keeping an eye on in auction markets at the moment as well: pre-auction withdrawals and volumes (both shown on Chart 7).
- A high rate of pre-auction withdrawals is often a sign of a more distressed market where buyers are in such short supply that auctions are being abandoned altogether. Often this occurs when sellers have been caught out by a sudden shift in market conditions. We saw clear instances of this in 2022 and 2018-19, and an extreme example during COVID. Withdrawal rates currently remain relatively high in both Sydney and Melbourne, albeit with some signs they may have passed their peaks.
- Auction volumes more generally also give a sense of how sellers are approaching the market. As discussed, auction volumes in both Sydney and Melbourne are currently tracking a touch below 2022 lows but slightly above 2019 levels. While this underscores the weakness of demand in these sub-markets, it also indicates that sellers are also withdrawing with signs that more activity is transacting via private sale.
- For the record, auction markets were the first to pick the stabilisation in markets coming out of the 2022 correction, with price and sentiment measures confirming the shift in late 2022/early 2023.
- Data on both new and total listings is available weekly, albeit as a rolling 4wk avg. Our preferred metrics here compare these to total sales to get a sense of how the entry of new sellers is tracking relative to sales activity and the wider balance of on-market supply and demand. These metrics are also highly seasonal, particularly around the turn of the year (Chart 8). Latest updates suggest both new and total listings have steadied with no signs of a 'seller-driven' shift.
- On the demand side, home loan credit enquiries are the best early gauge, as highlighted in previous reports (see here). Here the latest data (up to the first week of Sep) is quite promising with volumes showing a stabilisation since Jul, albeit at a weak level a touch below previous lows excluding COVID (the data goes back to Apr 2019). Interestingly, the average loan size across enquiries has been rising since mid-Jul although this may be more due to the mix with more weakness starting to show through in lower priced sub-markets. Again, it should be noted that seasonality turns strongly positive for loan enquiries through Oct-Nov as well.

8. Property listings: weekly



9. Home loan credit enquiries: weekly



Housing forecast update

- There have been further changes to the housing outlook since our last report. Prices nationally are now expected to decline 6% in calendar 2026 (compared to a –3% fall in our Jun report) with a peak to trough decline of 7.3%. Turnover is now expected to fall 24% compared to the 20% decline predicted back in Jun.
- Recall that our last **Housing Pulse** (see here) was released just weeks after the Federal budget announced major tax policy changes. While much of our initial assessment of the impact of the changes still holds, the housing market correction that has unfolded as these have combined with rate rises and increased uncertainty has been more pronounced than we expected.
- Note that the revised track is despite an interest rate path that is slightly less restrictive than we had back in Jun. At the time, we were concerned about evidence of a high pass-through from a spike in fuel prices to non-fuel prices domestically. A less threatening than feared June quarter CPI update allayed those fears. However, since then the wider data flow domestically and the materialisation of upside risks around global energy prices has seen the inflation threat re-escalate. While the situation is fluid, the risk is of a slower path back to the RBA's 2-3% target.
- Overall, we now expect another 25bp hike in Sep with risks of a further rise. Compared to Jun, the interest rate peak comes a little later but is 25bps lower. GDP growth is expected to be soft rather than weak in 2026 (1.5%yr rather than 0.7%yr) with a slightly lower peak in the unemployment rate (4.7% vs 4.9%). See here for more details on the latest shift in view and here for the reasoning behind the next expected hike being brought forward from Nov to Sep.
- The table right shows how our revised forecasts place the current housing downturn relative to the last six corrections. The projected peak-to-trough decline in prices is now on a par with 2022 but milder than 2018-19. The peak-to-trough decline in turnover is similar across all three episodes although each correction clearly has its own characteristics, complicating comparisons.
- It is worth noting that, in terms of the five capital city price measure, the expected decline 'gives back' just over 1½ years of price gains, similar to 2022 and 2008-09 but small compared to the 2½ years of gains retraced in 2018-19 and 2010-12. The projected retracement metric differs materially across cities, Sydney forecast to roll back 3 years of gains but Melbourne closer to 6 years. Brisbane, Adelaide and Perth all retrace about 1 year of gains.

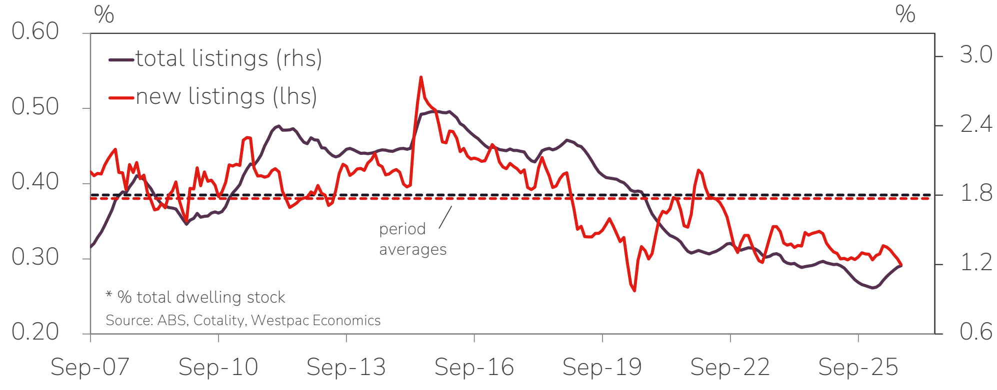
10. Dwelling market corrections

		months	price*	sales*	comments
2008-09	High interest rates, GFC	12	–6.9%	–31	Sustained period of high interest rates followed by GFC shock.
2010-12	Post-GFC re-tightening	20	–5.5%	–20	Re-tightening in interest rates coming out of GFC lows.
2015-16	Macro-pru. tightening	4	–1.3%	–15	Investor credit growth limits, price declines mainly in Sydney and Perth markets.
2018-19	Micro, macro pru., tax fears	19	–8.6%	–25	Limited to Sydney, Melbourne; end of high rise boom,; tighter foreign buyer rules.
2020	COVID pandemic	5	–2.4%	–42	Brief price decline, steep sales fall during COVID lockdowns in 2020.
2022	Post-COVID tightening	10	–7.5%	–29	Limited to Sydney, Melbourne and Brisbane housing markets
2026f	Int. rate, tax policy changes	12	–7.3%	–24	Correction to date: months 5; prices –4.7%; sales –11%

* peak to trough move in five major capital city measure

Source: Cotality, Westpac Economics

11. Property listings: % dwelling stock



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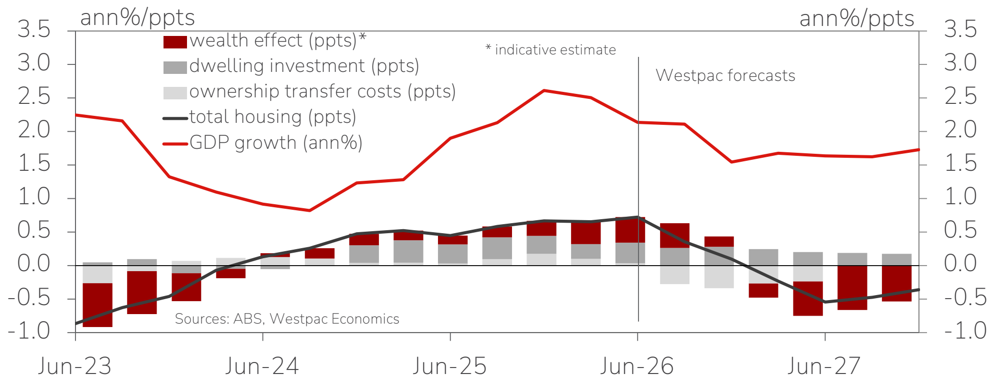
- While the demand side is looking weaker, the supply side, including on-market supply, continues to run low. We expect this to limit price declines. Certainly, the sort of sell-side pressures – from urgent sellers and/or a market with a large overhang of unsold stock – that tend to drive large declines remain absent.
- The on-market supply situation is clearest when listings are viewed as a proportion of the total dwelling stock (Chart 11). Currently, just 1.2% of all dwellings are listed for sale, well below the 1.8% average over the last 20 years. The quarterly flow of new listings is running at around 0.3% of the dwelling stock, also below the long run average, which is closer to 0.4%, and tracking lower.
- Both metrics are at or near historical lows. The takeout is that sellers have also vacated the market. With physical supply still tight – best captured by continued low rental vacancy rates – and the mix of new dwelling construction and population growth unlikely to see this shift much the most likely way this standoff unfolds is with demand coming back into the market first rather than sellers. That's unlikely to occur while interest rate rises are in play, suggesting stabilisation is a 2027 story. Aside from interest rates and buyer sentiment, the key question is what price-level will start to draw more buyers in.
- The housing downturn will have consequences for the wider economy as well. The main impacts come via a drop in turnover, spillover effects on residential building and the dampening effect of falling household wealth on consumer demand. There are some potential indirect or 'second round' impacts as well via the impact on government revenues (especially state governments, see here) and income growth more broadly.
- As discussed previously, Westpac expects dwelling investment to sustain some positive momentum due to the large pipeline of dwellings already under construction (up 27% over the last two years). There are formidable headwinds coming from interest rates, construction costs, uncertainty and the downturn in established markets but activity coming into this appears to have been bolstered by a range of state and federal government policy initiatives.
- This means the main drag on growth will come from other channels. As Chart 12 shows, we expect the combined effect to shift from a growth 'tailwind' of around 0.7ppts to a drag of 0.6ppts in 2027, a 1.3pt swing. This effect is set to be more material in NSW and Vic with the Sydney and Melbourne housing markets experiencing materially larger corrections (see Table 13).

12. Housing-related contributions to GDP growth



13. Dwelling price forecasts

	avg^	2023	2024	2025	2026f	2027f	comments
Sydney	3.7	11.3	2.8	6.5	-10	2	Leading the price correction to date, especially top end of market.
Melbourne	2.4	4.2	-2.0	5.2	-8	5	Weaker starting point and less tight S-D balance. More scope for gains med term.
Brisbane	7.8	13.5	11.4	14.9	2	3	Abrupt slowdown after strong first half. Market still very tight.
Perth	7.3	16.2	18.4	17.6	3	5	Similar story to Brisbane but more extreme in terms of previous run up and tightness.
Adelaide	7.6	8.8	13.6	8.6	3	4	Still looks more resilient than other markets. Tight supply but new build lifting.
Hobart	6.8	-1.8	0.6	7.2	4	3	Relatively unperturbed so far. Coming into latest shocks with recovery forming.
Australia	4.6	10.1	5.1	8.9	-6	3	**Rate rises and tax changes impacting more heavily: –7.3% peak to trough.**

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

Source: Cotality, Westpac Economics

Prudential policy update

– Macro-prudential policy remains well and truly sidelined with the regulator in observation mode as impacts from the interest rate tightening cycle and housing-related tax policy changes play out.

– As noted previously, there were some prudential actions early in the year with a 20% cap on high debt-to-income (DTI) loans coming into effect in Feb but the move was mostly symbolic, characterised as a 'guard rail' with the cap far from binding for most lenders.

– The statement issued following the Sep meeting of the Council of Financial Regulators (here) assessed current macroprudential settings as appropriate with the current focus on monitoring financial stability implications arising from lending practices and changes in borrower finances. The focus here looks to be two-fold: 1) on the potential for some loosening in standards as lenders compete in a contracting market; and 2) the potential for borrower stress to play into the wider financial system. To be clear, there is little sign of either to date but regulators will be monitoring things a little more closely. The Council also highlighted global financial stability risks, geopolitical tensions and challenges from rapid technological change that mean local institutions will need to continue strengthening cyber and operational resilience.

– While this arm of policy remains sidelined, our assessments will continue to focus on stress indicators, including mortgage arrears, insolvencies and other aspects of housing market conditions.

– Latest figures on housing credit, to July, show growth starting to tip over, the annual pace having peaked at 7.5%yr, the last six months tracking a 7% annual pace and the last three months 6.6%.

– Not surprisingly, the turnaround is being led by investor activity which saw annual growth peak at over 10%yr but already running at a markedly slower 8.5% annual pace over the last three months.

– We will see a bigger step down in growth as the pull-back in new finance activity shows through more fully in Aug and Sep (noting that credit growth is the change in the total stock of outstanding credit so relates to the level of new finance rather than the change, i.e. a 20% fall in new finance shows through, roughly proportional drop in the growth rate, e.g. from 10% to 8%). Aug credit data will be released on Sep 30.

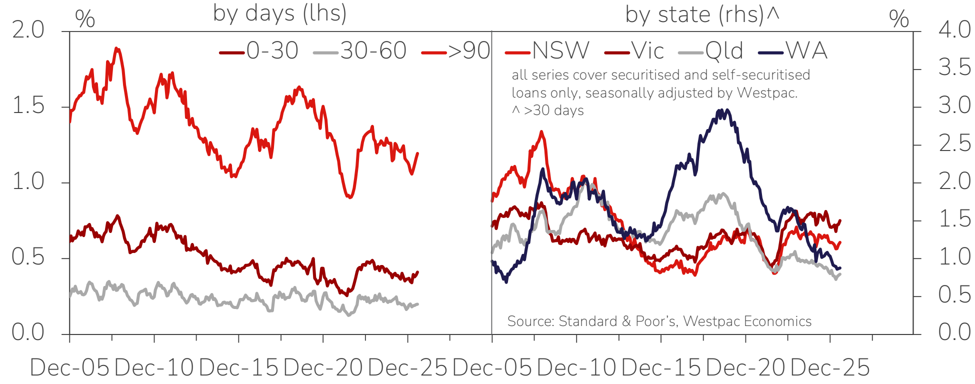
– Mortgage arrears data is also only available up to July. It shows a modest up-tick, broadly consistent with higher interest rates, the detail suggests this is making it more difficult for loans in arrears to exit (Chart 15).

14. Summary of prudential policy measures

	cash rate	'macro' prudential	'micro' prudential and other
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%	–	FHB 5% deposit scheme expanded, student loan treatment clarified.
2026	+75bps to 4.35%	20% limit on loans with DTI>6	Negative gearing and CGT changes for investor housing, AML/CTF obligations widened to real estate and others from July 1.

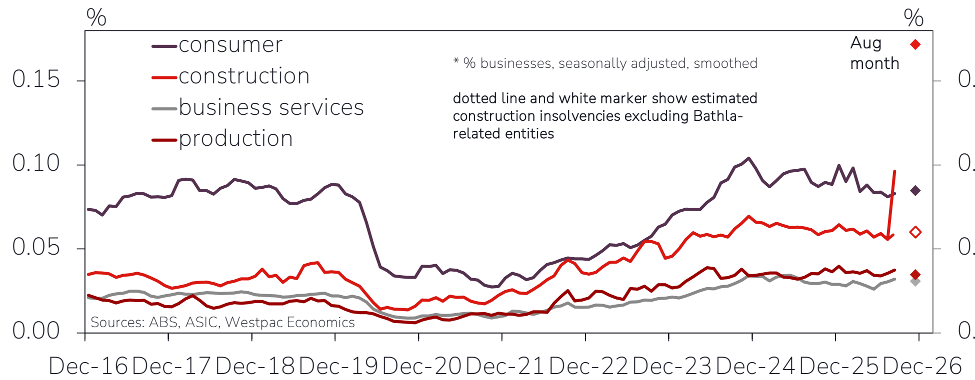
Source: APRA, RBA, Westpac Economics

15. Mortgage arrears

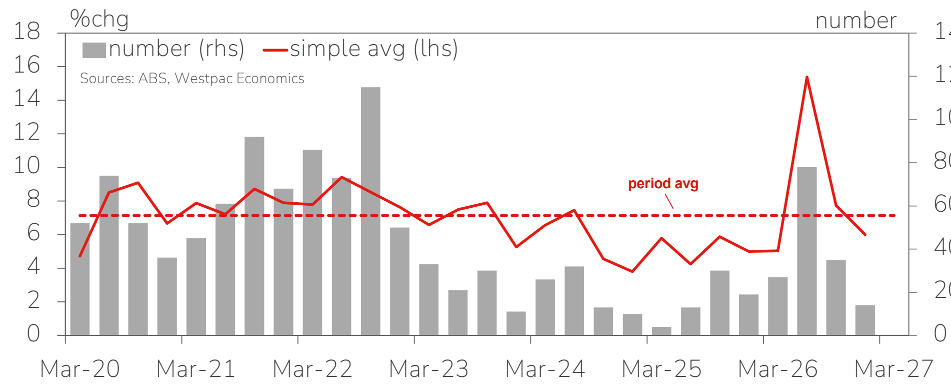


- The state breakdown on mortgage arrears does show a little more stress in Vic. This likely reflects both the weaker state economy – Vic's unemployment rate in particular has shown a more pronounced rise to a relatively high 5.2% – and the weaker general performance of the housing market, Melbourne dwelling prices largely unchanged over the last five years (see our latest **Coast to Coast** report for a more comprehensive update on the performance of Australia's state economies).
- Other indicators of financial stress also look fairly benign. The number of company insolvencies rose sharply in Aug but the bulk of this related to the collapse of homebuilder Bathla, whose operations ran through 540 separate (much smaller) related entities (see here).
- While the development is still a negative for the sector, particularly from a buyer confidence point of view, it is not indicative of a step up in wider stress issues such as those seen during the large cost shock to fixed-price contracts seen in 2022-24.
- Sectorally, insolvency rates are still elevated compared to the 2016-19 period for construction and across industrial production sectors (agriculture, utilities, manufacturing and mining) but are broadly comparable for consumer and business services sectors. This is broadly consistent with persistent price pressures, including the recent rise in oil-related prices, impacting more heavily on the construction and industrial production sectors.
- On cost pressures, one area we were concerned about earlier in the year was the apparent pass-through of higher fuel prices to the cost of building supplies. Chart 17 shows the number and average price change notifications posted to the portal used by national plumbing and building materials supplier Tradelink. The June quarter showed a clear spike in notifications with the average change also jumping to 15.4% compared to the 4-6% range that has prevailed since mid-2024. While it is still early days for the latest run-up in fuel prices to show through, the Sep quarter has so far seen a more subdued pulse for both notifications and average price changes.
- As we warned at the time, this unstructured data should be treated with caution. The June quarter increases centred on large rises for PVC and plumbing products, which was largely confirmed by the official price data, but where there were price increases for items like timber and roofing products these proved to be outliers. Conversely, notifications may not fully capture other pricing changes such as temporary additional fuel levy charges.

16. Company insolvencies: broad sector



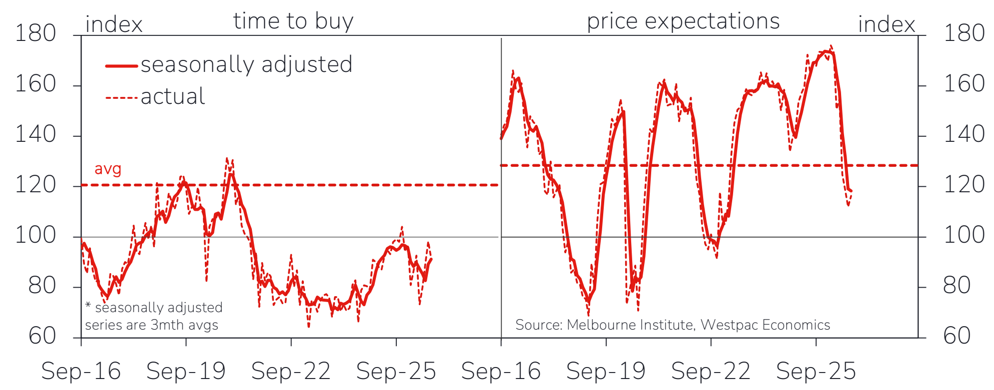
17. Australia: Tradelink price notifications



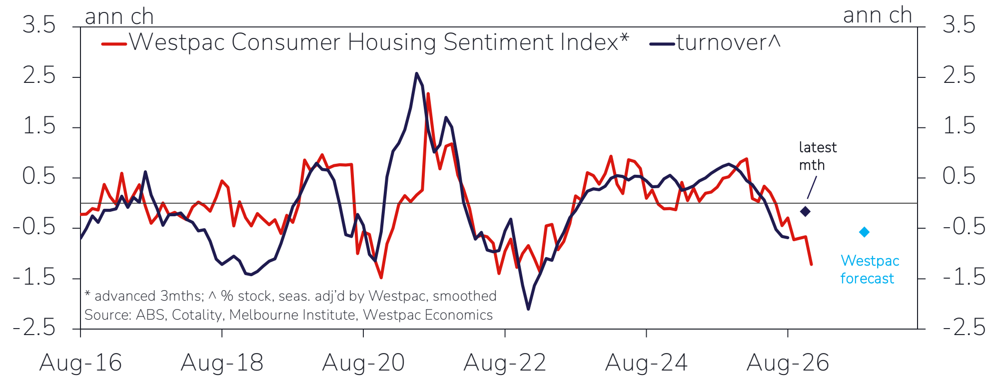
Buyers' market

- The housing correction has deepened in NSW with both prices and turnover now showing declines comparable to those seen in 2022-23 and 2018-19.
- Sydney dwelling prices declined 1.4% in Aug after a downwardly revised 1.8% drop in Jul, taking annual growth into firm negative at –4.6%yr. Sep is tracking another 1.5% decline. Even allowing for seasonality, the few months have been tracking a 16% annualised rate of contraction.
- All segments and tiers recorded falls in Aug but with top and middle tiers still tracking a faster pace of decline, especially houses, which are down 9.5%yr.
- Geographically, this is reflected in particularly eye-catching price declines in Sydney's eastern suburbs and Baulkham Hills but the city's south west has seen a notable weakening in recent months. The central coast remains notably firmer.
- Regional NSW is also looking more resilient although prices are now slipping lower as well. Some pockets, like the Riverina region, have bucked the trend and managed to still post reasonably solid gains.
- The value of new housing finance dropped 11.6%qtr in Q1, investor loans down 14.4%, the biggest pull-back across the major states.
- The sudden stop is evident in turnover as well with rolling 3mth sales now down 19% from last year's peak. That in turn has seen a rapid shift in the balance between on-market supply and demand. After running well ahead for several years, the ratio of sales to new listings is back near its long run avg in Sydney while the total stock of listings is now running at 3.3 months of sales, decisively above the long run avg of 2.8. While this is mostly due to the drop in sales rather than an overhang of supply, Sydney is very much a buyers' market.
- Around physical supply, Sydney's rental vacancy rate remains on the tight side at around 1.7% vs the long-term avg of 2.2%. New dwelling supply remains dormant with any meaningful lift in completions still likely a year off.
- Homebuyer sentiment has weakened over the last few months with a big pull-back in price expectations more than offsetting a slight improvement in assessments of 'time to buy'. Overall, the **NSW Consumer Housing Sentiment Index** suggests there are material downside risks to an already weak outlook for turnover. While rate rises are widely expected by consumers, the NSW market may be particularly sensitive to further RBA moves.

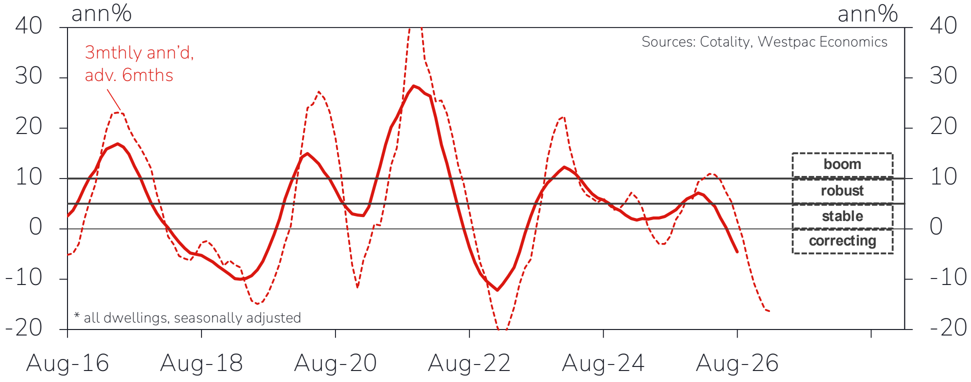
18. NSW consumer: housing-related sentiment



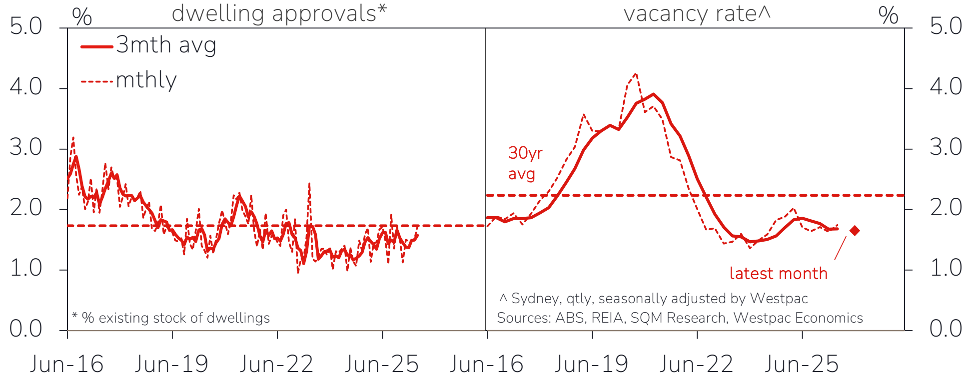
19. NSW housing composite vs turnover



20. Sydney dwelling prices



21. NSW: dwelling approvals, vacancy rate



Population: 8.7mn
Net migration: +74k pa
GSP: $829bn (31% of Aus)
Dwellings: 3.6mn, $4.6trn
Capital: Sydney

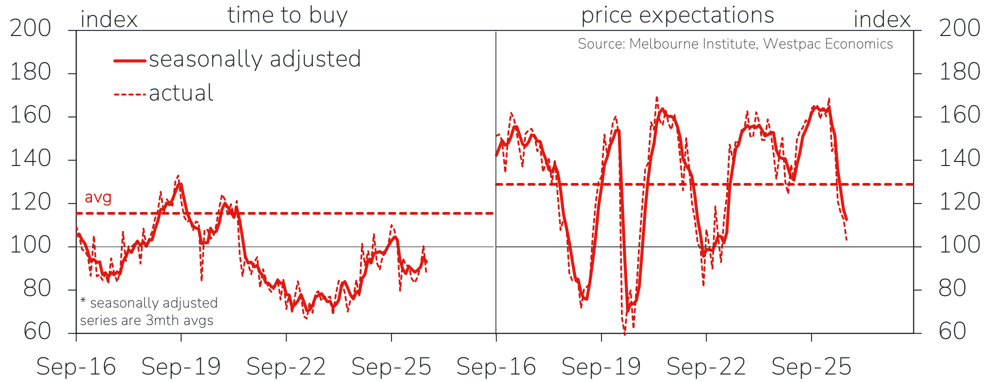
June years	avg*	2023	2024	2025	latest
GSP, ann%	2.0	4.1	1.1	0.9	n.a.
State final demand, ann%	2.6	5.4	1.0	1.2	3.3
Employment, ann%	1.6	3.9	1.2	1.5	2.1
Unemployment rate, %#	5.9	3.1	3.9	4.1	4.2
Population, ann%	1.2	2.1	1.6	1.2	1.2
Dwelling prices, ann%	5.1	–0.9	7.0	2.2	–4.6
Rental yield, %#	4.7	4.5	4.5	4.6	4.7
Sales/new listings, ratio#	1.29	1.39	1.34	1.44	1.30
Total listings, mths sales#	2.7	2.5	2.4	2.5	3.3

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

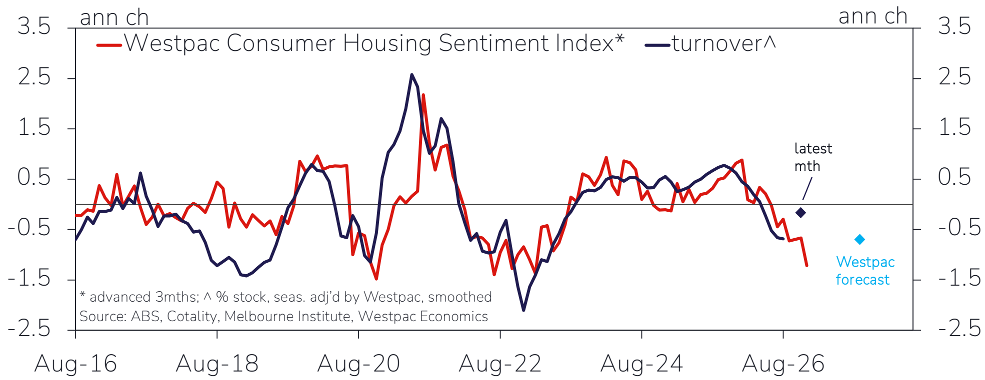
Testing limits

- After being a persistent underperformer over the last two cycles, the Vic housing market is again weakening with price declines running ahead of national avg. That said, turnover, has been steadier than across other markets. While this partly reflects a lower starting point for activity, there have been some signs that prices in Vic, having never risen as much during the most recent upswings, are closer to a point that would draw some buyers back in than they are in other markets.
- State-wide, prices declined a further 3% over the 3mths to Aug having decline 2% over the previous 3mths to May. Melbourne is tracking a further 0.9% fall in Sep, a slightly milder monthly pace of decline than previous months although some of this looks to be seasonal.
- Melbourne dwelling prices are already down over 6%yr. 'Top tier' house prices are also leading the way but relativities are wider across tiers with prices even holding steady for 'low tier' units. Remarkably, prices market-wide have seen no net gain since mid-2021, and have only just kept pace with inflation since 2015.
- Regionally, Melbourne's inner east and inner south are seeing more rapid falls while the west and the expansion areas to the north and north west have seen milder price declines.
- Regional Vic is generally holding better as well although the Mornington Peninsula, which is often considered a part of metro Melbourne is seeing material price declines.
- Notably, turnover in the state has recorded a relatively mild 3% decline on a rolling 3mth basis. However, sales are running at just 4% of the total dwelling stock, below the other major eastern states.
- The value of new housing finance approvals fell 7.4%qtr in Q2, led by a big 12.5% drop in investor loans (the biggest drop across the major states). While Q3 looks set to see another decline, loan enquiries appear to have firmed slightly over the last month.
- On-market supply is again looking tricky. New listings have pulled back 11% since May but the drop in turnover has still seen total stock on market continue to creep higher. At 3.6 months of sales it is a tick above the long run avg.
- Rental conditions remain more balanced with Melbourne's vacancy rates still hovering around 2.5%, close to long run avg levels rather than tight.
- Despite the firmer signal from loan enquiries, the **Vic Consumer Housing Sentiment Index** suggest demand is likely to weaken further near term.

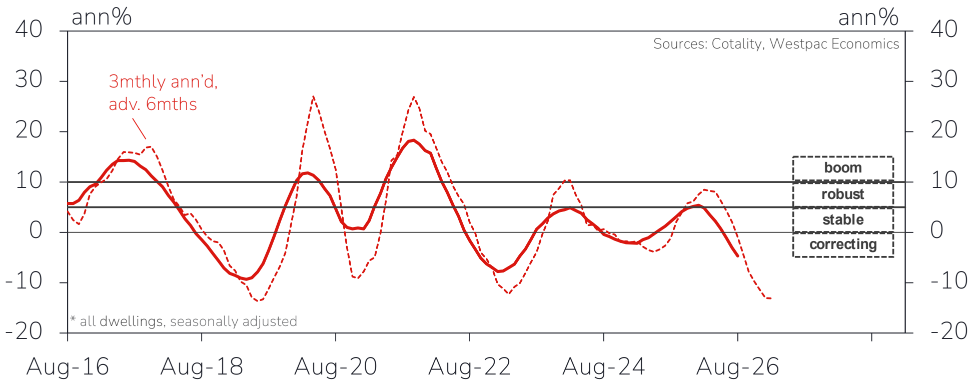
22. Vic consumer: housing-related sentiment



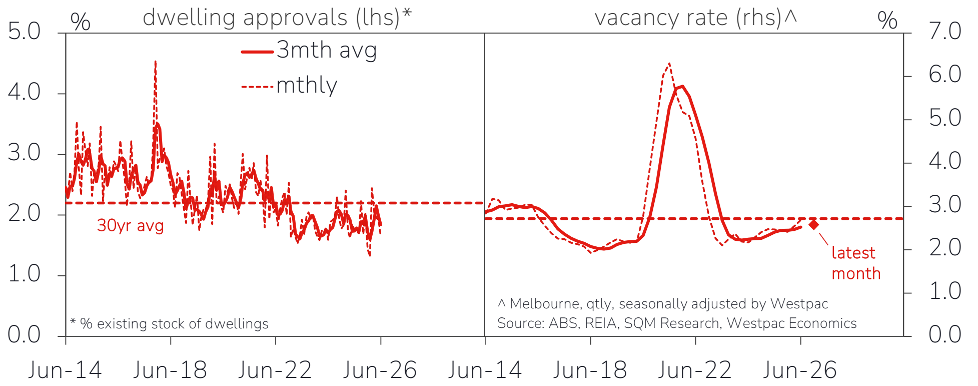
23. Vic housing composite vs turnover



24. Melbourne dwelling prices



25. Vic: dwelling approvals, vacancy rate



Population: 7.2mn
Net migration: +86k pa
GSP: $615bn (23% Aus)
Dwellings: 3.0mn, $2.8trn
Capital: Melbourne

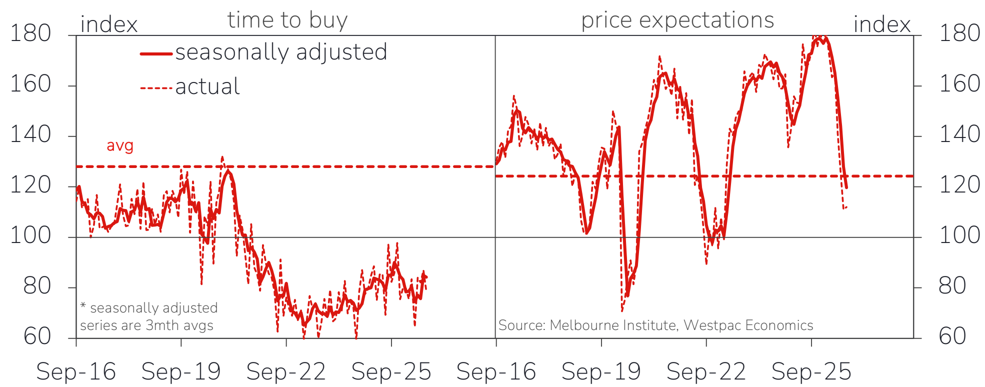
June years	avg*	2023	2024	2025	latest
GSP, ann%	2.6	3.6	1.4	1.1	1.7
State final demand, ann%	3.2	4.6	1.7	1.7	3.0
Employment, ann%	2.2	3.9	2.4	2.1	0.9
Unemployment rate, %#	6.4	3.8	4.4	4.4	5.1
Population, ann%	1.6	2.8	2.3	1.6	1.6
Dwelling prices, ann%	4.9	-3.3	1.7	0.4	-4.7
Rental yield, %#	4.8	4.8	5.0	5.1	5.3
Sales/new listings, ratio#	1.07	1.03	1.03	1.25	1.17
Total listings, mths sales#	3.5	3.9	3.4	2.9	3.6

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

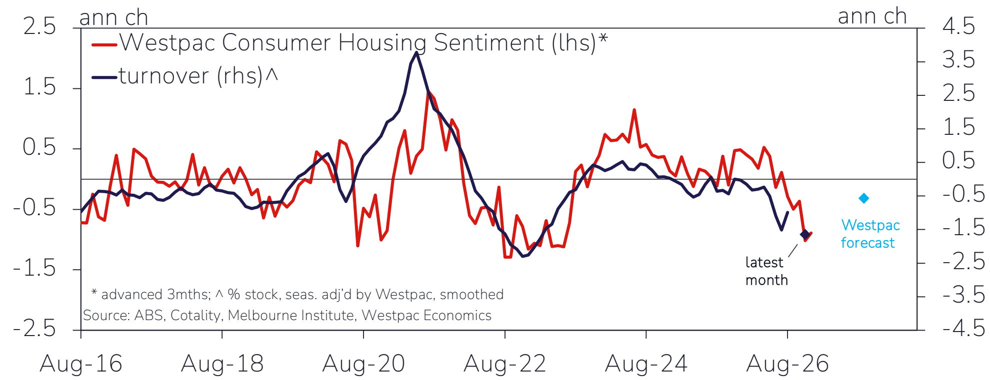
Sudden stop

- Qld housing markets have come off sharply with both prices and turnover breaking lower. The turnaround from what was a hot starting point earlier in the year has been abrupt. While the demand side is moving quickly, supply still looks to be relatively tight.
- Qld dwelling prices dropped 1.5% over the 3mths to Aug, having risen 16%yr over the previous 12mths, Brisbane is tracking a further 1.3% decline in Sep with annual growth set to drop into single-digits for the first time since Aug 2025.
- The detail continues to show relatively uniform declines across tiers and dwelling types.
- The divergences that were being seen between weaker areas like Brisbane's inner city and south, and firmer areas like Moreton Bay and Ipswich, have largely closed.
- Regionally, the Gold and Sunshine Coasts have also slowed abruptly but areas further from Brisbane have generally been more resilient, Darling Downs for example still recording double digit price growth.
- Sales volumes are falling rapidly, down 10%qtr, 17%yr. The value of housing finance approvals dropped 4.7% in Q2 led by an 8.6% fall in investor loans, owner occupier loans steadier, only off 2%qtr.
- Credit enquiries suggest activity saw a more pronounced weakening than other states through Q3.
- This is driving a rapid shift in what was still an extremely tight market at the start of the year. Despite an 8% pull back in new listings, total stock on market is up nearly 30% since May. At 3.6 months of sales, it is still below the long run avg of 4.4 months but in stark contrast to the extreme lows of 1.8 months recorded late last year.
- Physical supply remains extremely tight, rental vacancy rates still stuck around 0.9%. Dwelling completions are set to rise this year with the pipeline of dwellings under construction surging 25% over the year to March. However, this will be slow to rebalance the physical supply situation with the state's population growth still tracking strongly at 1.8%yr.
- The **Qld Consumer Housing Sentiment Index** has fallen into deeper negative suggesting turnover will remain weak near term. With supply tight, this will be an interesting market to watch for gauging the tug of war between demand and still relatively tight supply.

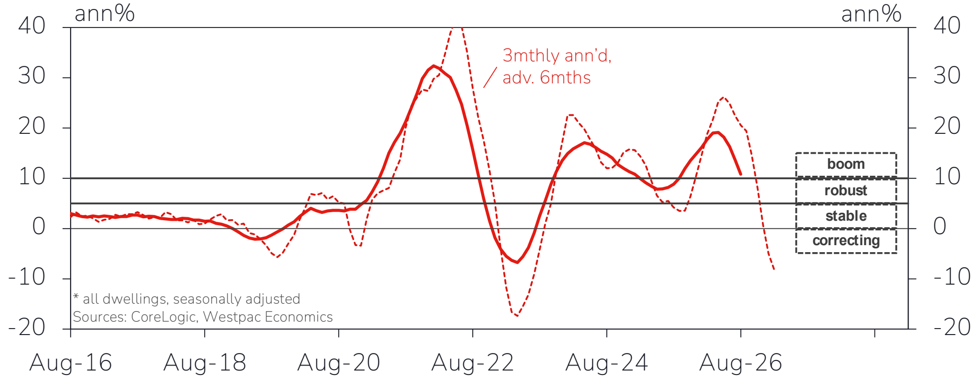
26. Qld consumers: housing-related sentiment



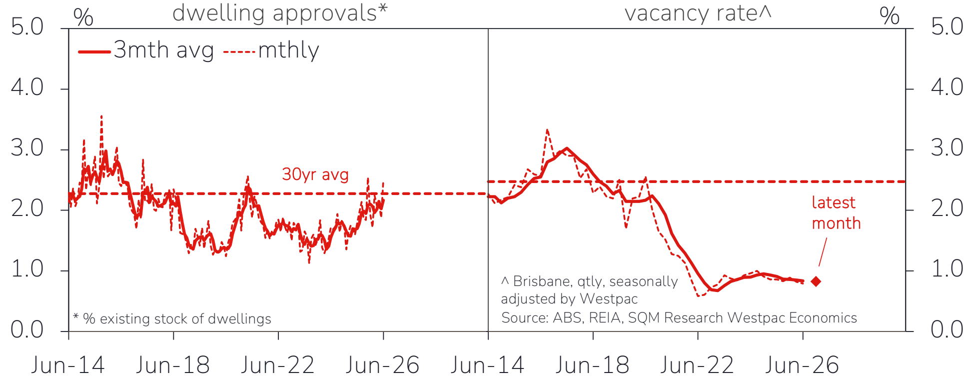
27. Qld housing composite vs turnover



28. Brisbane dwelling prices



29. Qld: dwelling approvals, vacancy rate



Population: 5.8mn
Net migration: +79k pa
GSP: $524bn (19% Aus)
Dwellings: 2.3mn, $2.6trn
Capital: Brisbane

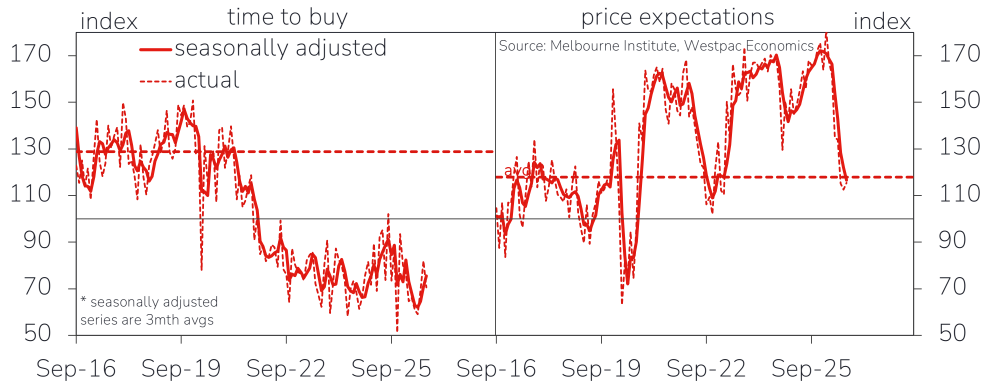
June years	avg*	2023	2024	2025	latest
GSP, ann%	3.3	2.9	1.7	2.2	2.5
State final demand, ann%	3.6	3.7	3.3	2.5	3.3
Employment, ann%	2.4	2.8	3.7	2.4	1.7
Unemployment rate, %#	6.6	3.8	4.0	4.0	4.3
Population, ann%	1.9	2.6	2.2	1.8	1.8
Dwelling prices, ann%	6.7	-3.8	16.1	7.9	10.8
Rental yield, %#	5.1	5.8	5.3	4.8	4.2
Sales/new listings, ratio#	1.04	1.45	1.31	1.40	1.01
Total listings, mths sales#	4.4	2.6	2.2	2.3	3.8

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

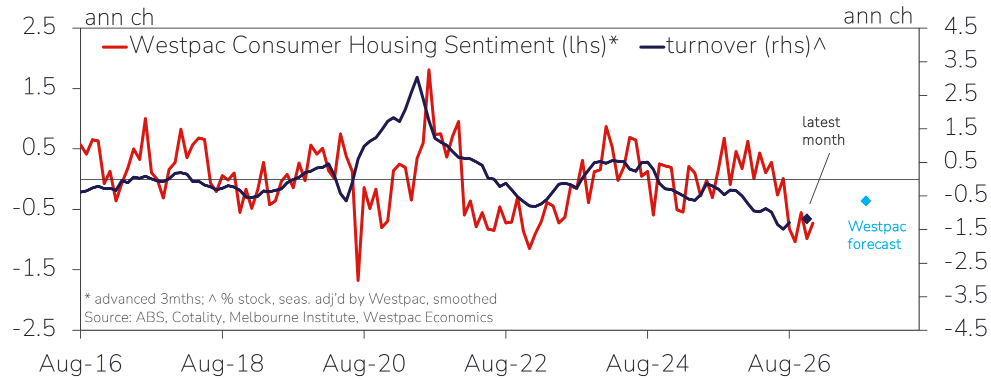
Abrupt weakening

- Similar to Qld, the WA housing market has also had an abrupt turnaround since our last report. And while conditions have held up a bit better than the larger states, WA has led the downturn among the smaller states over the past 3mths.
- Dwelling prices have fallen –2.8% over the past 3mth in WA – the weakest 3mth period since the GFC. However, this recent weakness has done little to dent annual price growth which is still running at a nation high of 15.8%yr.
- Perth has now posted four consecutive monthly price declines. Although the pace of decline eased in Aug, the daily data suggest downward momentum has re-accelerated in Sep, pointing to a fall of around 1.2%mth. Regional WA is holding up a bit better with prices down only –0.2% in the 3mths to Aug (compared to –3.2% for Perth). The Mandurah and Bunbury regions have seen a more pronounced slowing recently, with the Wheat Belt holding up a bit better.
- Sales volume have fallen notably in WA, down –6.9%qtr (3mths to Jul) and –24.7%yr – the weakest since the post mining boom. Somewhat surprisingly, regional WA has seen a more pronounced decline in turnover at –10.6%qtr vs –5.8%qtr.
- Over the same period, new listings rose 7.0%qtr in WA. However, Aug and Sep show a notable drop-off in new listings with the last 3mth read at just 0.1% with Perth seeing a stronger easing.
- Overall, sales are running ahead of new listings with the ratio declining to 0.9 to below its long-run average. However, it appears homes are struggling to clear, with total listings up over 20% in the three months to August. Even with this, total listings are still only just 3.6 months of sales, well-below the historical avg of 5.3.
- Rental market conditions continue to point to a severe physical housing shortage, with Perth's vacancy rate declining further since our last report to around 0.4%. Rental inflation remains the strongest in the nation at around 9%yr, although growth appears to have topped out. The pipeline for new homes remains solid, particularly for low-mid rise approvals which have been tracking a strong uptrend since late last year. This should help to reduce some rental supply pressures gradually.
- Homebuyer sentiment remains deeply depressed, but the decline appears to have run its course, with the **WA Consumer Housing Sentiment Index** moving broadly sideways since our last report. This suggests that turnover may have found a floor, but the overall level of activity may remain soft for some time.

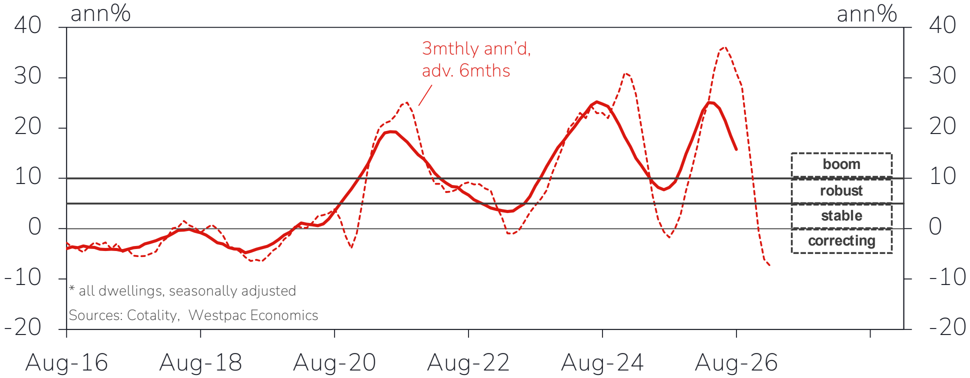
30. WA consumers: housing-related sentiment



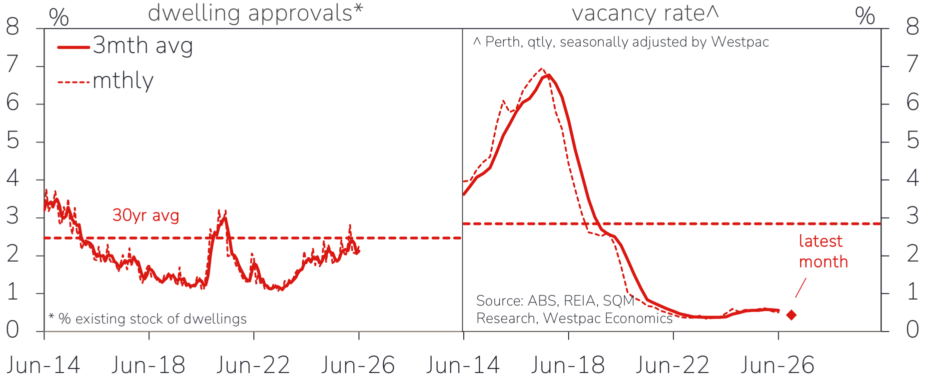
31. WA housing composite vs turnover



32. Perth dwelling prices



33. WA: dwelling approvals, vacancy rate



Population: 3.1mn
Net migration: +56k pa
GSP: $462bn (17% Aus)
Dwellings: 1.2mn, $1.4trn
Capital: Perth

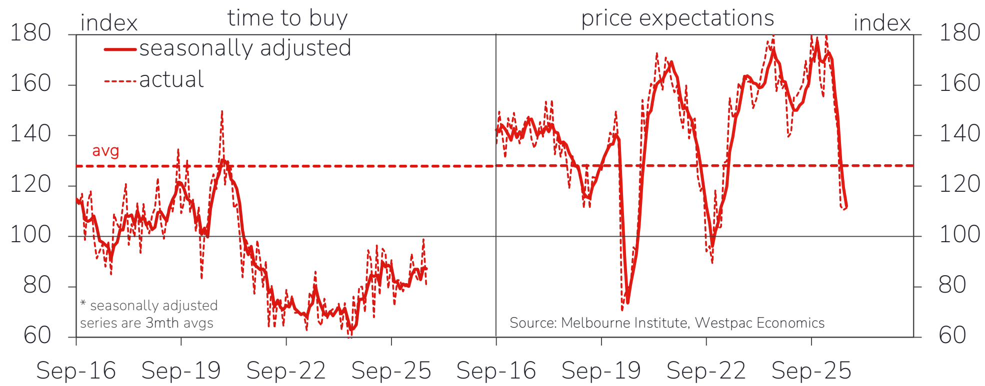
June years	avg*	2023	2024	2025	latest
GSP, ann%	3.7	4.0	1.2	1.3	2.4
State final demand, ann%	3.8	4.2	5.7	3.0	3.5
Employment, ann%	2.4	2.8	4.0	2.7	2.0
Unemployment rate, %#	5.6	3.6	3.7	4.0	4.4
Population, ann%	1.9	3.5	3.0	2.2	2.2
Dwelling prices, ann%#	6.7	4.9	24.6	8.2	15.8
Rental yield, %#	4.8	6.6	6.1	5.8	5.0
Sales/new listings, ratio#	0.94	1.24	1.18	1.28	0.91
Total listings, mths sales#	5.3	3.1	2.2	2.3	3.6

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

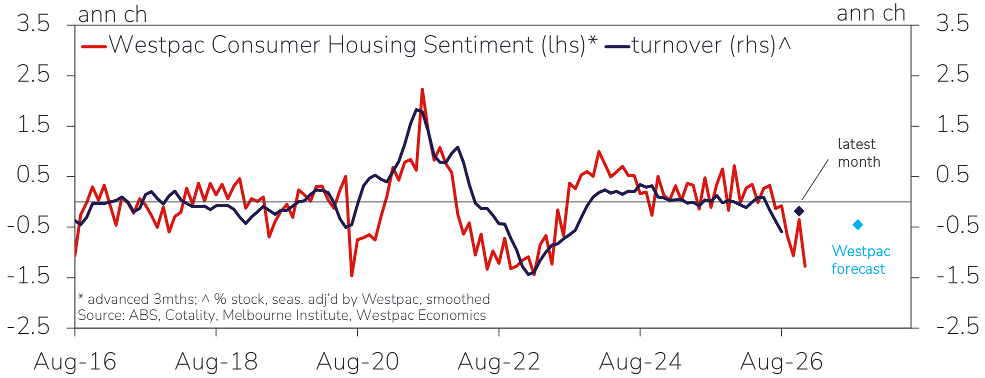
Goldilocks?

- The SA housing market has been occupying something of a middle ground over the last year with almost a goldilocks mix of 'not too hot/not too cold' price growth and turnover, while a lift in new construction has started to make inroads on a very tight supply-demand balance.
- That may be starting to shift though with signs that the shock from higher interest rates and tax policy changes stared to land more heavily through Aug-Sep. Notably, SA had a relatively high share of investor activity coming into this, accounting for 36% of finance loans last year compared to closer to 30% nationally.
- Adelaide dwelling prices declined 0.8% in Aug, annual growth moderating to 8.6%yr. The city's price correction only began in May and remains noticeably milder. That said, declines accelerated through Jun-Jul and are becoming more widespread with all sub-markets now seeing some slippage.
- Sep is tracking a more material 1.4% decline which would lower annual growth into the 6-6.5% range.
- The moderation has been across all types and segments although price growth is still slower up through price tiers. It iss a similar story within the city with the previous wedge between the outperforming northern suburbs closing up.
- Turnover had been more resilient than in other states but recorded a sharp pull-back over the 3mths to Aug, declining 11.3%qtr. At 3.7%, turnover as a proportion of the dwelling stock is now well below the long run avg of 4.6%.
- The value of new finance approvals held about steady in Q2 despite an 8.1% drop in investor loans. That looks to have given way to a more material, likely broader weakening in Q3.
- The shift has caught sellers on the hop with new listings still rising 2.3% over the 3mths to Aug to be 11%yr. The mix has seen total listings jump over 20%qtr to be up 30%yr. In level terms, both are still low relative to sales (total listings are running at 2.4 months of sales, up sharply from 1.5 earlier in the year but still well below the long run avg of 3.6).
- Physical supply shortages are also becoming a little less intense with rental vacancy rates drifting up and dwelling approvals well above avg since mid-2024.
- The **SA Consumer Housing Sentiment Index** points to a further decline in turnover near term. Notably though, assessments of 'time to buy' remain less pessimistic compared to both recent history and other states.

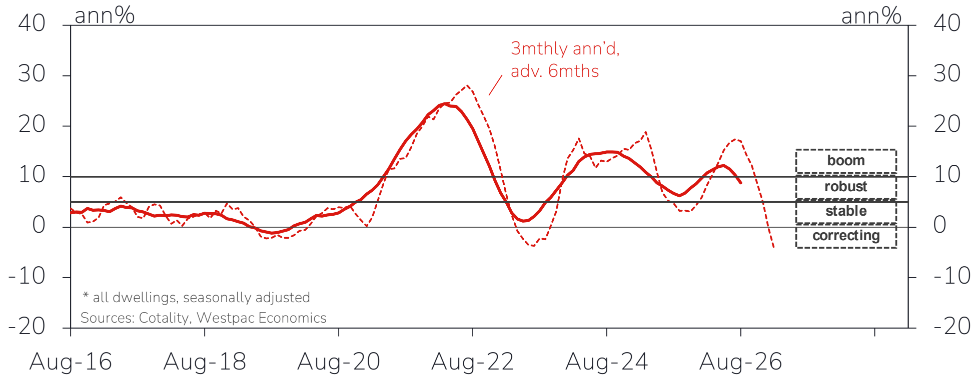
34. SA consumers: housing-related sentiment



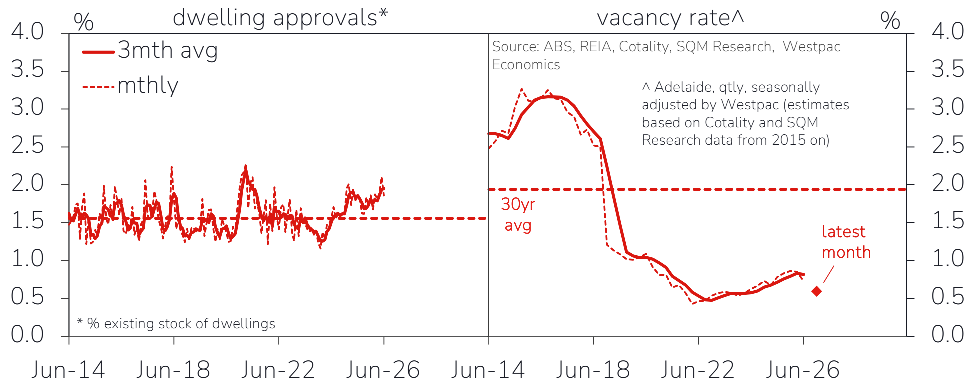
35. SA housing composite vs turnover



36. Adelaide dwelling prices



37. SA: dwelling approvals, vacancy rate



Population: 1.9mn
Net migration: 17k pa
GSP: $152bn (6% Aus)
Dwellings: 0.8mn, $0.8trn
Capital: Adelaide

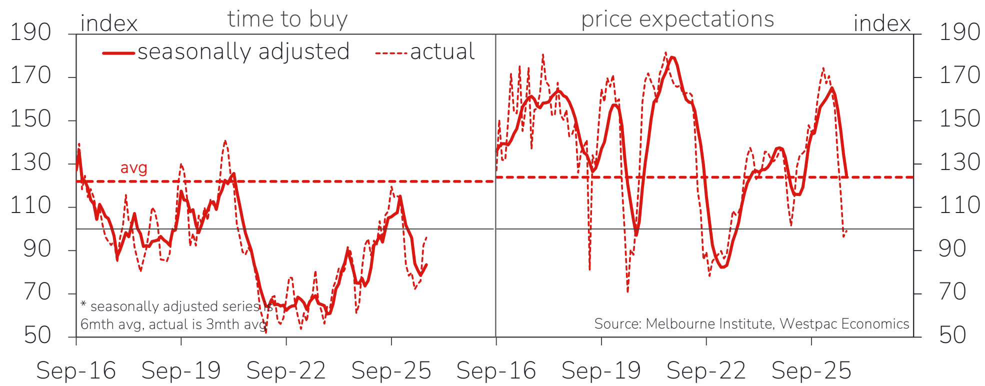
June years	avg*	2023	2024	2025	latest
GSP, ann%	2.2	3.8	1.3	1.0	2.8
State final demand, ann%	2.8	3.3	2.0	3.0	3.7
Employment, ann%	1.5	4.4	-0.7	3.4	1.0
Unemployment rate, %#	6.9	4.1	4.0	4.2	4.4
Population, ann%	0.9	1.8	1.3	1.0	1.0
Dwelling prices, ann%	6.5	1.3	14.6	8.2	8.8
Rental yield, %#	5.3	5.3	4.5	4.3	3.9
Sales/new listings, ratio#	1.12	1.49	1.41	1.49	1.19
Total listings, mths sales#	3.6	2.1	1.7	1.7	2.4

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

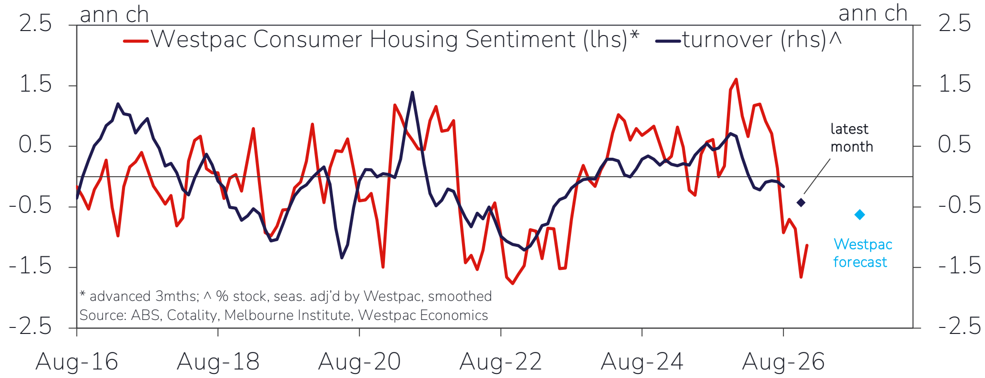
Housing sentiment lifts slightly

- The slowdown in the Tas housing market has been milder than the mainland states. Tas has generally lagged other states during previous housing cycles and the same looks to be holding in the currently.
- Dwelling prices have fallen a shallow –0.2% over each of the past 2mths to still be 0.3% higher in the 3mths to Aug. Annual growth also appears healthy at 10.5%yr.
- The weakness has been centred in Hobart, down –0.2% and –0.4% over the past two month respectively. The daily data suggests this decline has tapered off in September, signalling a flat read for the month. The downturn has been centred on houses with prices down –0.5% over the past 3mths, compared to a solid 1% rise for units.
- Within Hobart, most of the weakness looks to be focused on the inner region where prices are down –3.5% on a six-month annualised basis. By comparison, the North East and South & West regions are still seeing gains between 5-7%. Regional Tas markets are also holding up, with Launceston and the West & North West regions seeing gains of closer to 9%.
- Robust demand is providing upside support, with turnover up 8.4%qtr in July. This was driven by a 12%qtr rise in regional Tas and 3.5%qtr rise in Hobart.
- Similar support is coming from the supply side. New listings have fallen by almost 7% over the period, although the pace of decline has moderated materially once the August and September data are incorporated, leaving listings down a more modest 2.4%qtr. Total listings have also declined, with the sharpest falls occurring in Hobart.
- On balance, the sales-to-new-listings ratio is running at 1.59, with total listings at 2.2 months of sales. Both measures are running tighter than historical averages, with Tas being the only market where conditions have tightened since our last update.
- Hobart's rental vacancy has been holding relatively stable in 2026. At around 2%, it is holding well-below the long-run average of 2.8%. Rent growth is running second strongest nationally, at 8.6%yr. Unlike WA, growth does not look to have topped out just yet.
- After declining sharply since January, the **Tas Westpac Consumer Housing Sentiment Index** has rebounded moderately over the past three months. The rise has been led by an improvement in time to buy assessments, while price expectations have continued to soften. Overall, the stabilisation in sentiment suggests the downside risks to turnover may be abating.

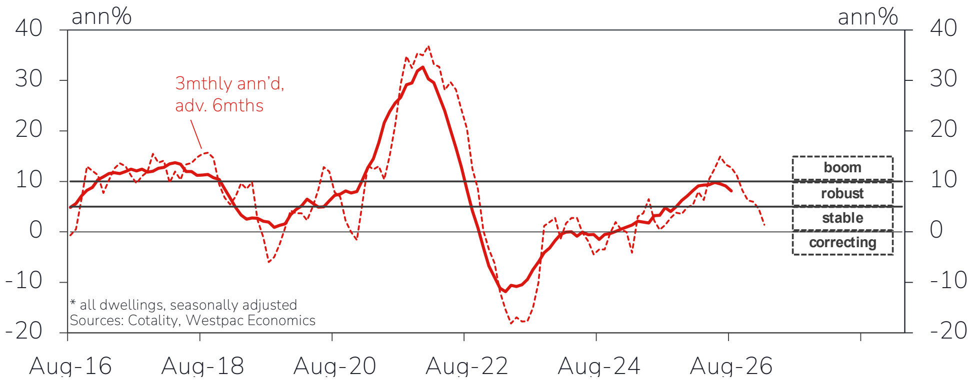
38. Tas consumers: housing-related sentiment



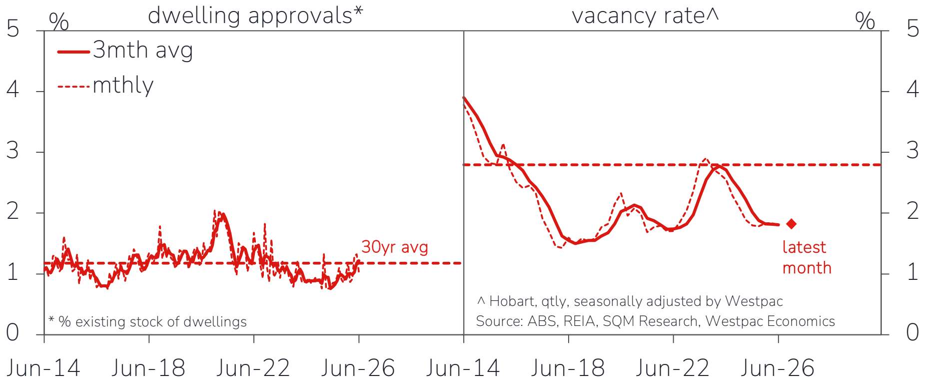
39. Tas housing composite vs turnover



40. Hobart dwelling prices



41. Tas: dwelling approvals, vacancy rate



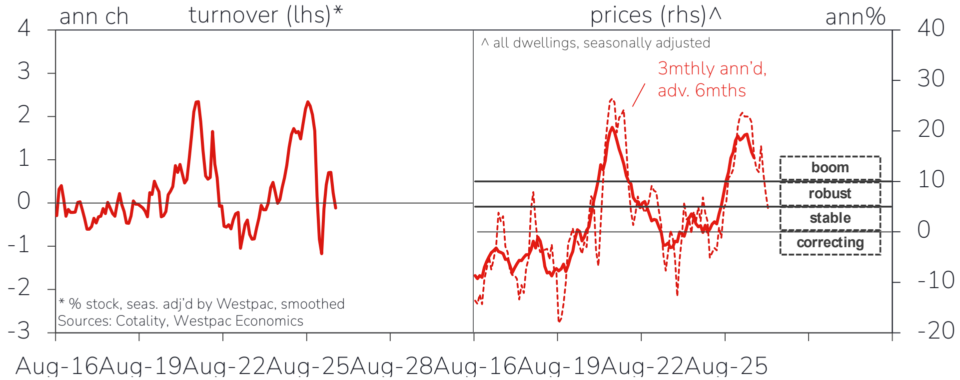
Population: 0.6mn
Net migration: 2k pa
GSP: $43bn (2% Aus)
Dwellings: 0.3mn, $198bn
Capital: Hobart

June years	avg*	2023	2024	2025	latest
GSP, ann%	2.4	2.2	1.2	1.0	2.5
State final demand, ann%	2.9	3.0	0.6	3.8	-0.2
Employment, ann%	1.4	2.5	-1.5	0.4	-1.3
Unemployment rate, %#	7.5	4.0	4.0	3.8	5.0
Population, ann%	0.8	0.3	0.2	0.5	0.5
Dwelling prices, ann%	6.6	-10.5	-0.6	3.2	8.1
Rental yield, %#	5.8	4.3	4.3	4.6	4.6
Sales/new listings, ratio#	1.09	1.08	1.13	1.48	1.59
Total listings, mths sales#	4.7	4.3	4.0	2.8	2.2

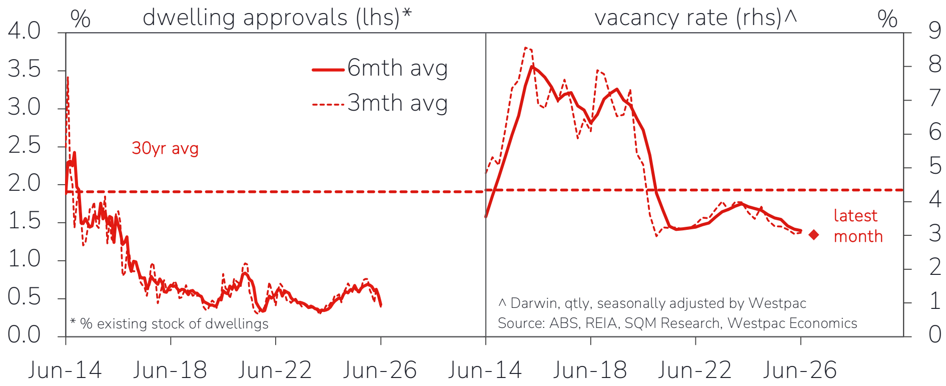
* avg last 25yrs; # June qtr readings
Sources: ABS, Cotality, REIA, Westpac Economics

NT slows; ACT contracts

42. Turnover, Darwin dwelling prices



43. NT: dwelling approvals, vacancy rate

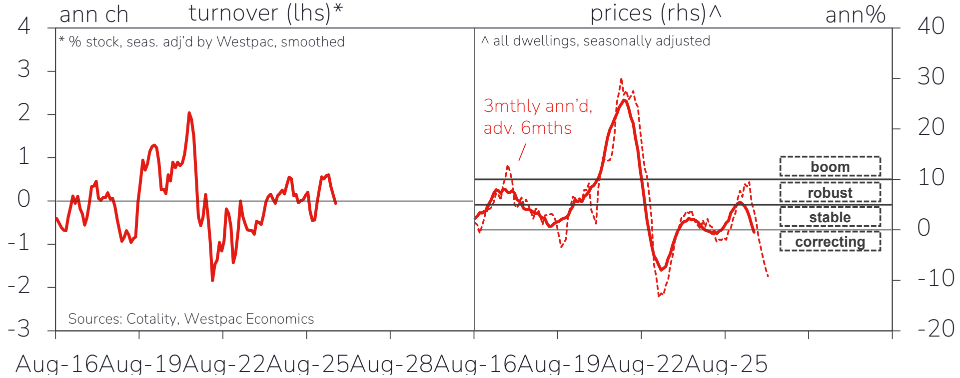


Population: 0.3mn
Net migration: 3k pa
GSP: $34bn (1% Aus)
Dwellings: 0.1mn, $56bn
Capital: Darwin

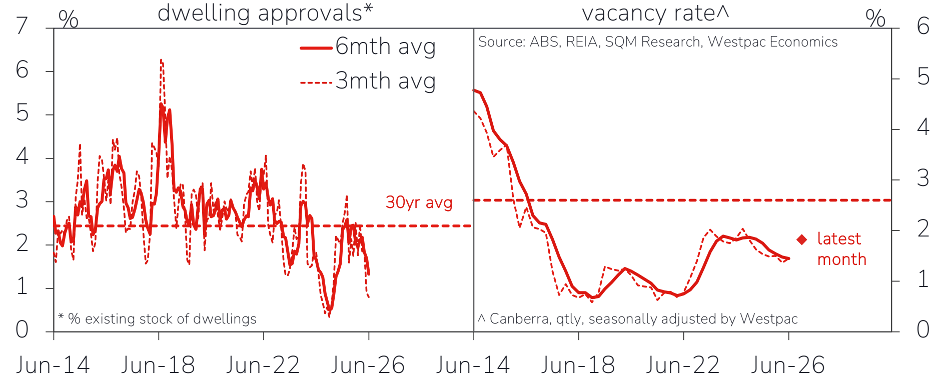
June years	avg*	2023	2024	2025	latest
GSP, ann%	2.9	-4.4	0.8	1.0	n.a.
State final demand, ann%	2.8	2.3	4.9	2.6	-1.9
Employment, ann%	1.5	2.6	-0.9	0.6	0.5
Unemployment rate, %#	6.7	4.2	4.1	3.9	4.9
Population, ann%	1.2	1.7	1.3	2.0	1.7
Dwelling prices, ann%	4.7	-2.6	2.7	5.2	14.7
Sales/new listings, ratio#	1.29	1.36	1.31	2.63	2.31
Total listings, mths sales#	5.1	5.0	3.6	1.5	1.4

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

44. Turnover, Canberra dwelling prices



45. Dwelling approvals, vacancy rate

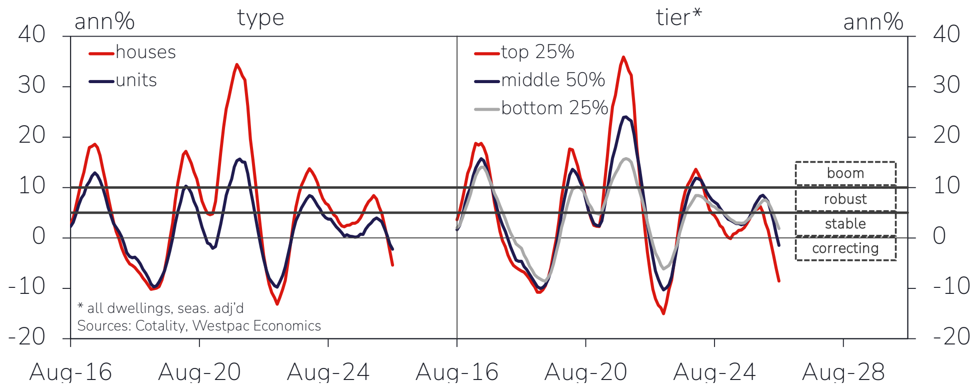


Population: 0.5mn
Net migration: 4k pa
GSP: $58bn (2% Aus)
Dwellings: 0.2mn, $203bn
Capital: Canberra

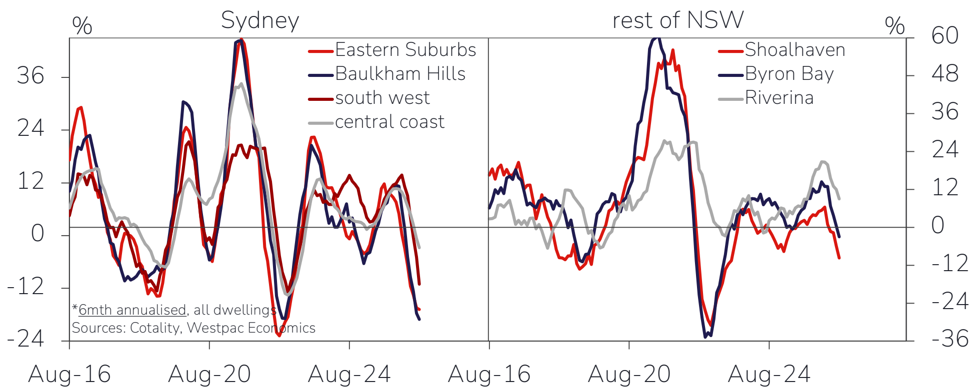
June years	avg*	2023	2024	2025	latest
GSP, ann%	3.8	5.2	3.6	3.5	n.a.
State final demand, ann%	3.7	3.1	2.6	3.7	2.5
Employment, ann%	1.6	3.0	-0.3	0.1	1.6
Unemployment rate, %#	6.6	3.9	3.9	3.8	4.7
Population, ann%	1.7	2.2	1.5	1.3	1.4
Dwelling prices, ann%	5.1	-7.3	2.1	0.0	-0.4
Sales/new listings, ratio	1.44	1.30	1.37	1.57	1.60
Total listings, mths sales	2.5	2.6	2.5	2.6	2.6

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

46. NSW: Sydney dwelling prices by type, tier



47. NSW dwelling prices, selected sub-region

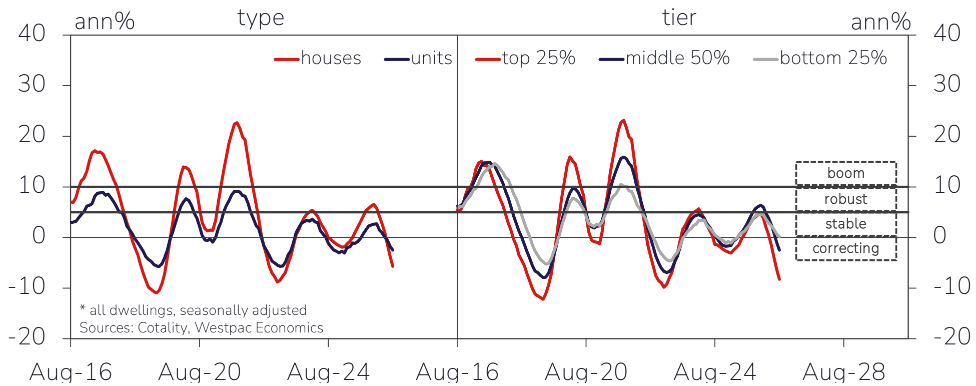


	Sydney	rest of NSW
Population:	5.6mn	3.0mn
Net migration*:	+45k pa	+21k pa
Employ (%state):	68%	32%
Dwellings, no.:	2.1mn	1.4mn
Dwellings, value:	$3.2trn	$1.3trn

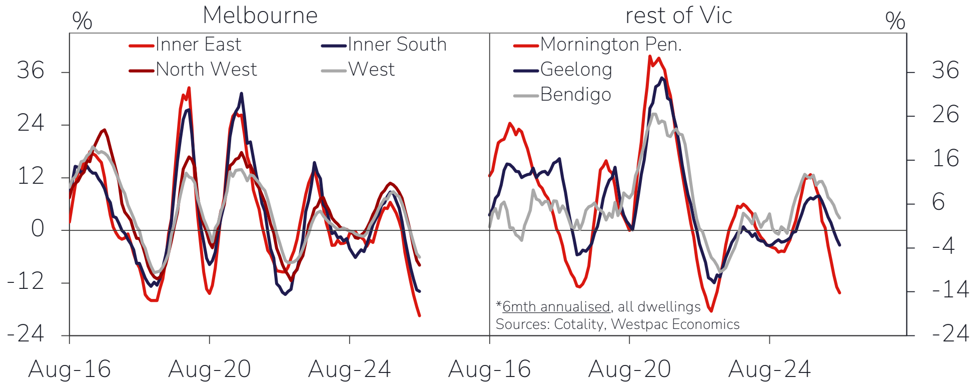
June years	avg^	2023	2024	2025	latest
Sydney					
Employment, ann%	1.8	4.3	0.7	2.5	1.7
Unemployment rate, %	5.3	3.5	4.1	4.2	4.2
Houses – prices, ann%	5.5	-0.9	7.8	2.9	-5.4
– sales/new listings, ratio	1.14	1.32	1.25	1.39	1.14
– total listings, mths sales	3.1	2.5	2.5	2.5	3.4
Units – prices, ann%	4.1	-1.0	4.6	0.2	-2.3
– sales/new listings, ratio	1.54	1.51	1.43	1.50	1.40
– total listings, mths sales	2.4	2.6	2.2	2.6	2.8
rest of NSW					
Employment, ann%	1.4	2.9	2.2	-0.4	1.2
Unemployment rate, %	7.1	2.6	3.5	3.8	3.9
Dwelling prices, ann%	5.8	-6.5	4.1	3.9	5.3

* estimates as at Jun 2025 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

48. Vic: Melbourne dwelling prices by type, tier



49. Vic dwelling prices, selected sub-region

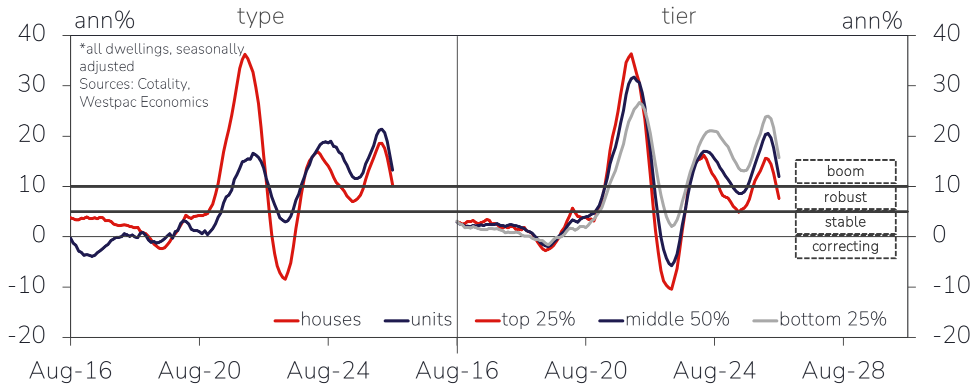


	Melbourne	rest of VIC
Population:	5.4mn	1.6mn
Net migration*:	+73k pa	+14k pa
Employ (%state):	79%	21%
Dwellings, no.:	2.1mn	0.9mn
Dwellings, value:	$2.1trn	$0.6trn

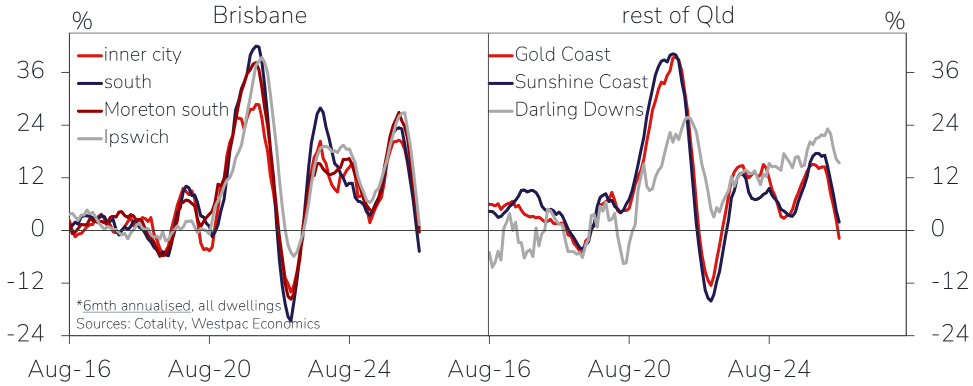
June years	avg^	2023	2024	2025	latest
Melbourne					
Employment, ann%	2.3	4.3	2.4	3.2	0.8
Unemployment rate, %	6.2	4.0	4.5	4.6	5.3
Houses – prices, ann%	5.5	-3.6	2.1	1.1	-5.7
– sales/new listings, ratio	1.07	1.05	1.01	1.31	1.11
– total listings, mths sales	3.3	3.6	3.3	2.7	3.5
Units – prices, ann%	3.7	-2.6	0.7	-1.1	-2.5
– sales/new listings, ratio	1.07	0.98	1.01	1.18	1.04
– total listings, mths sales	3.7	4.5	3.5	3.3	3.6
rest of VIC					
Employment, ann%	1.5	2.5	2.3	-2.0	1.4
Unemployment rate, %	6.7	2.7	4.0	3.6	3.7
Dwelling prices, ann%	5.3	-5.8	-0.4	1.7	4.6

* 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. Qld: Brisbane dwelling prices by type, tier



51. Qld dwelling prices, selected sub-region

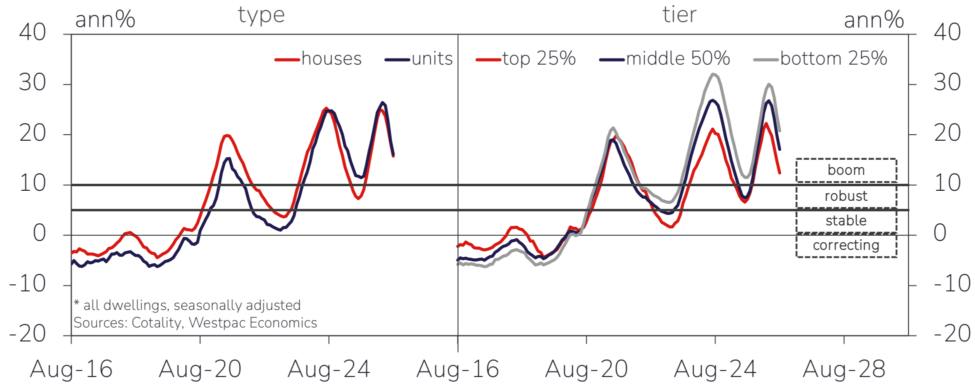


	Brisbane	rest of QLD
Population:	2.8mn	2.8mn
Net migration*:	+45k pa	+32k pa
Employ (%state):	52%	48%
Dwellings, no.:	1.1mn	1.3mn
Dwellings, value:	$1.3trn	$1.3trn

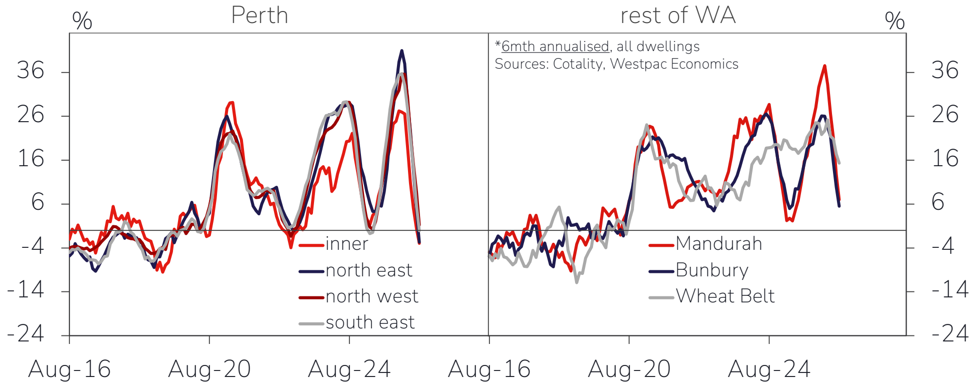
June years	avg^	2023	2024	2025	latest
Brisbane					
Employment, ann%	2.8	3.7	4.2	3.6	1.8
Unemployment rate, %	6.2	3.7	4.5	4.0	4.6
Houses – prices, ann%	7.1	-5.2	15.6	7.2	10.3
– sales/new listings, ratio	0.96	1.39	1.25	1.39	0.92
– total listings, mths sales	4.9	2.8	2.4	2.3	3.5
Units – prices, ann%	5.5	4.1	18.7	11.6	13.3
– sales/new listings, ratio	1.43	1.49	1.41	1.38	1.01
– total listings, mths sales	3.6	2.1	1.8	2.0	2.9
rest of Qld					
Employment, ann%	2.1	2.0	3.3	1.2	1.1
Unemployment rate, %	6.9	3.9	3.5	4.1	3.7
Dwelling prices, ann%	6.1	-1.8	12.3	8.7	9.1

* 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. WA: Perth dwelling prices by type, tier



53. WA dwelling prices, selected sub-region

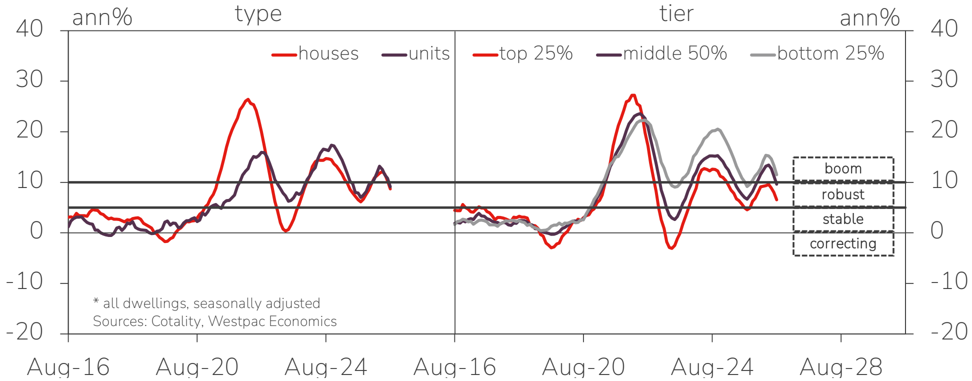


	Perth	rest of WA
Population:	2.5mn	0.6mn
Net migration*:	+46k pa	+6k pa
Employ (%state):	82%	18%
Dwellings, no.:	0.9mn	0.3mn
Dwellings, value:	$1.2trn	$0.2trn

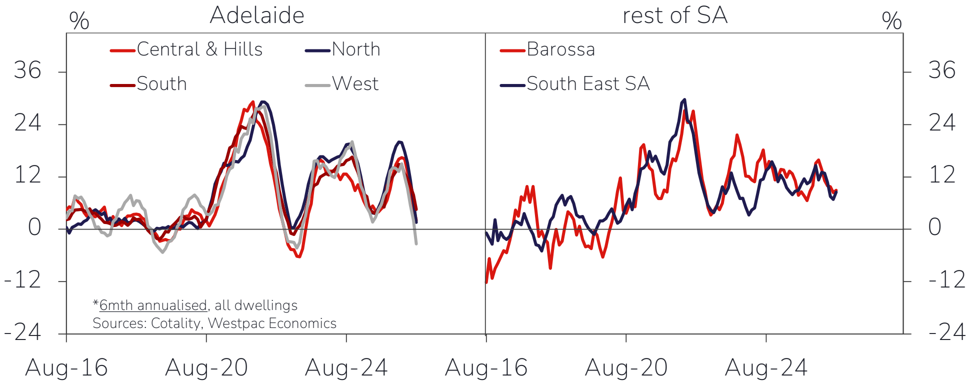
June years	avg^	2023	2024	2025	latest
Perth					
Employment, ann%	2.7	3.2	4.6	3.0	1.9
Unemployment rate, %	5.8	3.6	3.9	4.2	4.3
Houses – prices, ann%#	6.9	5.2	24.7	7.8	15.7
– sales/new listings, ratio	0.91	1.20	1.16	1.27	1.02
– total listings, mths sales	5.5	2.9	2.2	2.2	2.7
Units – prices, ann%#	5.6	2.7	23.2	11.9	16.1
– sales/new listings, ratio	1.07	1.33	1.24	1.27	0.69
– total listings, mths sales	4.9	3.2	2.2	2.3	4.0
rest of WA					
Employment, ann%	1.3	1.0	1.2	1.2	-0.5
Unemployment rate, %	5.2	3.5	2.9	3.4	4.5
Dwelling prices, ann%	6.0	6.8	16.7	12.7	16.7

* 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

54. SA: Adelaide dwelling prices by type, tier



55. SA dwelling prices, selected sub-region

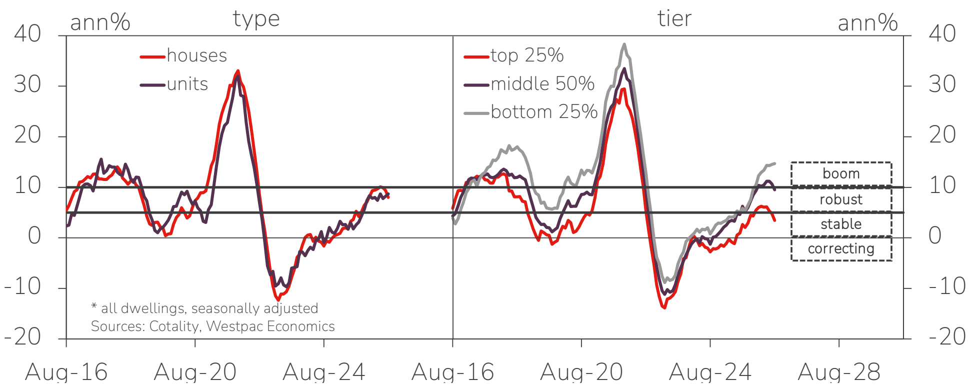


	Adelaide	rest of SA
Population:	1.5mn	0.4mn
Net migration*:	+15k pa	+2k pa
Employ (%state):	80%	20%
Dwellings, no.:	0.6mn	0.2mn
Dwellings, value:	$0.6trn	$0.1trn

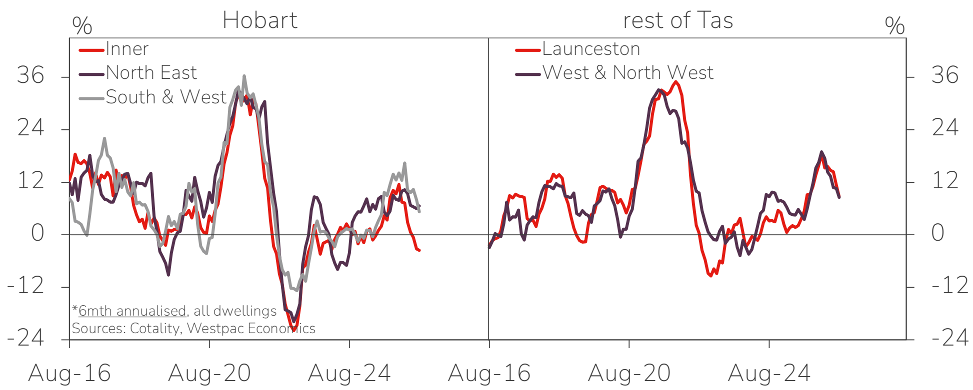
June years	avg^	2023	2024	2025	latest
Adelaide					
Employment, ann%	1.8	4.3	-1.0	4.2	1.7
Unemployment rate, %	7.1	4.0	4.0	3.8	4.1
Houses – prices, ann%	6.5	0.6	14.4	7.9	8.7
– sales/new listings, ratio	1.10	1.44	1.38	1.46	1.25
– total listings, mths sales	3.5	2.1	1.8	1.7	2.1
Units – prices, ann%	7.7	6.2	15.8	9.7	9.1
– sales/new listings, ratio	1.19	1.71	1.59	1.72	1.25
– total listings, mths sales	3.9	1.8	1.5	1.5	2.0
rest of SA					
Employment, ann%	0.8	4.9	0.3	0.3	-1.2
Unemployment rate, %	6.3	3.8	3.3	5.4	4.1
Dwelling prices, ann%	7.7	7.5	10.7	11.0	11.4

* 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. Tas: Hobart dwelling prices by type, tier



57. 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.:	108k	165k
Dwellings, value:	$86bn	$110bn

June years	avg^	2023	2024	2025	latest
Hobart					
Employment, ann%	1.8	3.7	1.1	-1.9	-1.1
Unemployment rate, %	6.9	3.9	4.1	4.0	5.6
Houses – prices, ann%	6.7	-10.6	-0.6	3.3	8.0
– sales/new listings, ratio	1.06	1.05	1.09	1.54	1.34
– total listings, mths sales	4.9	4.6	4.2	2.6	2.2
Units – prices, ann%	6.1	-9.7	-0.3	3.0	8.7
– sales/new listings, ratio	1.19	1.23	1.29	1.32	1.44
– total listings, mths sales	4.1	3.2	3.9	2.9	1.9
rest of Tas					
Employment, ann%	1.1	1.4	-3.7	2.6	-1.0
Unemployment rate, %	8.0	4.1	3.9	3.7	4.8
Dwelling prices, ann%	6.9	-3.3	-0.4	4.2	12.7

* 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 (18 Sep)	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28	Sep–28	Dec–28
Cash	4.35	4.60	4.60	4.60	4.35	4.10	3.85	3.85	3.85	3.85
90 Day BBSW	4.69	4.70	4.70	4.55	4.30	4.05	3.85	3.95	3.95	3.95
3 Year Bond	4.94	4.65	4.60	4.50	4.40	4.30	4.25	4.20	4.15	4.10
3 Year Swap	4.94	4.65	4.60	4.50	4.40	4.30	4.25	4.20	4.15	4.10
10 Year Bond	5.27	5.20	5.10	5.00	4.90	4.85	4.80	4.80	4.80	4.80
10 Year Spread to US (bps)	33	40	35	30	25	15	5	0	–5	–10
US										
Fed Funds	3.875	4.125	4.125	4.125	4.125	4.125	3.875	3.625	3.625	3.625
US 10 Year Bond	4.94	4.80	4.75	4.70	4.65	4.70	4.75	4.80	4.85	4.90

Exchange rate forecasts

	Latest (18 Sep)	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28	Sep–28	Dec–28
AUD/USD	0.7133	0.72	0.72	0.73	0.73	0.73	0.73	0.72	0.72	0.72
NZD/USD	0.5731	0.59	0.61	0.63	0.64	0.65	0.65	0.65	0.65	0.65
USD/JPY	157.06	155	154	153	152	151	150	149	148	146
EUR/USD	1.1488	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.21	1.21
GBP/USD	1.3371	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.40
USD/CNY	6.6977	6.70	6.60	6.50	6.45	6.40	6.35	6.35	6.30	6.30
AUD/NZD	1.2446	1.22	1.19	1.16	1.14	1.12	1.12	1.11	1.11	1.11

Economic and financial forecasts

Australian economic growth forecasts*

	2026				2027			
	Q1	Q2	Q3(f)	Q4(f)	Q1(f)	Q2(f)	Q3(f)	Q4(f)
GDP %qtr	0.3	0.4	0.5	0.4	0.4	0.4	0.5	0.5
%yr end	2.5	2.1	2.1	1.5	1.7	1.6	1.6	1.7
Unemployment Rate %	4.2	4.4	4.5	4.7	4.7	4.8	4.8	4.7
Wages (WPI) %qtr	0.8	0.8	1.0	0.8	0.8	0.8	0.8	0.8
%yr end	3.2	3.2	3.4	3.4	3.4	3.4	3.2	3.2
CPI Headline %qtr	1.4	0.6	1.3	0.5	0.7	0.6	0.7	0.4
%yr end	4.1	3.9	3.9	3.7	3.0	3.0	2.5	2.4
CPI Trimmed Mean %qtr	0.8	0.8	0.9	0.7	0.8	0.7	0.6	0.6
%yr end	3.5	3.6	3.5	3.3	3.2	3.1	2.8	2.7

	Calendar years			
	2025	2026f	2027f	2028f
GDP % qtr	–	–	–	–
%yr end	2.6	1.5	1.7	2.5
Unemployment rate %	4.3	4.7	4.7	4.5
Wages (WPI)	–	–	–	–
annual chg	3.4	3.4	3.2	3.4
CPI Headline	–	–	–	–
annual chg	3.6	3.7	2.4	2.3
Trimmed mean	–	–	–	–
annual chg	3.3	3.3	2.7	2.3

* currently under review

Consumer sentiment: housing-related measures

		2025				2026						
index*	**avg**	**Jan**	**Apr**	**Jul**	**Oct**	**Jan**	**Apr**	**Jul**	**Aug**	**Sep**	**%mth**	**%yr**
'Time to buy a dwelling'												
Australia	116.1	89.9	85.7	88.5	96.5	89.6	85.8	85.4	95.7	85.5	–10.7	–11.0
– New South Wales	115.8	91.1	87.2	93.2	98.1	96.9	92.6	89.5	98.3	91.6	–6.8	–7.7
– Victoria	115.5	98.0	92.8	97.1	107.8	94.7	85.3	91.0	100.4	87.2	–13.2	–20.8
– Queensland	128.0	79.6	75.2	69.3	85.9	80.1	83.4	82.2	86.9	78.5	–9.6	–4.6
– Western Australia	128.8	81.6	69.0	73.8	86.6	80.0	66.1	69.6	82.0	70.5	–14.0	–4.1
– South Australia	127.9	94.5	96.4	93.5	72.5	78.2	93.1	83.0	98.9	79.6	–19.5	–12.3
– Tasmania	122.0	100.6	93.8	127.7	113.1	75.0	79.0	83.4	99.0	105.6	6.7	–0.1
House price expectations												
Australia	125.6	133.7	153.4	162.8	171.9	167.5	153.5	118.0	110.8	110.3	–0.4	–34.5
– New South Wales	128.4	139.8	157.0	164.8	173.5	169.8	150.7	118.6	112.0	116.3	3.9	–30.6
– Victoria	128.9	124.5	149.4	158.4	165.3	163.8	144.2	115.7	113.0	103.3	–8.6	–37.0
– Queensland	124.3	135.7	153.4	167.0	184.2	176.1	163.4	125.8	111.0	112.1	0.9	–35.5
– Western Australia	117.9	141.5	148.9	155.7	166.1	163.8	161.7	115.1	112.5	115.5	2.6	–30.4
– South Australia	128.1	139.6	155.8	169.7	169.1	155.1	164.3	112.0	110.6	111.3	0.7	–38.0
– Tasmania	128.1	100.9	141.7	145.9	143.6	166.9	160.3	102.7	90.0	100.5	11.7	–30.8

* 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

		2025				2026						
index*	**avg**	**Jan**	**Apr**	**Jul**	**Oct**	**Jan**	**Apr**	**Jul**	**Aug**	**Sep**	**%mth**	**%yr**
Unemployment expectations												
Australia	129.2	127.2	123.9	128.7	127.6	129.4	147.8	129.9	135.7	139.4	2.8	6.1
– New South Wales	129.6	128.9	121.7	129.3	129.9	132.1	143.6	126.3	131.0	138.0	5.4	10.1
– Victoria	131.2	124.6	125.1	128.9	125.6	132.4	154.6	133.2	142.9	146.8	2.7	3.0
– Queensland	133.2	134.7	121.8	126.2	134.6	129.5	148.8	131.8	131.4	129.0	–1.8	–2.7
– Western Australia	128.1	109.6	127.6	134.6	116.5	124.5	138.8	128.1	149.0	142.0	–4.7	15.0
– South Australia	135.3	135.8	126.9	124.2	130.8	122.5	152.1	127.2	126.0	143.7	14.1	14.9
– Tasmania	138.3	120.0	116.0	140.9	108.3	113.0	162.2	144.5	151.0	143.4	–5.0	32.2
Risk aversion											qtr ch	ann ch
Australia	17.3	47.6	46.3	47.3	47.1	48.5	51.5	58.6	58.7	58.8	0.1	12.5
– New South Wales	11.7	53.2	55.8	51.0	48.1	45.3	50.8	57.4	60.3	63.2	2.9	12.9
– Victoria	11.0	45.8	43.1	51.4	54.4	56.2	58.4	60.2	57.6	55.1	–2.5	1.7
– Queensland	12.7	42.4	37.4	40.4	44.6	44.5	47.3	57.9	59.7	61.5	1.8	17.3
– Western Australia	7.0	44.5	48.5	42.7	40.7	58.2	53.7	59.6	58.7	57.8	–0.9	27.8
– South Australia	14.4	44.7	39.4	45.8	43.2	47.6	53.2	57.1	54.8	52.5	–2.3	10.9
– Tasmania	15.5	46.9	35.6	29.8	31.5	15.0	32.8	67.4	58.0	48.7	–9.3	10.0

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

Dwelling prices and turnover

		2024		2025				2026				
	avg	Jul	Oct	Jan	Apr	Jul	Oct	Jan	Apr	Jul	Aug	Sep
Dwelling prices, ann%*												
Australia	5.7	8.1	6.2	4.3	3.5	3.8	6.6	9.8	9.0	3.3	1.1	–1.4
– Sydney	5.1	6.1	4.1	2.1	2.0	2.4	4.9	7.2	4.5	–2.3	–4.6	–6.9
– Melbourne	4.9	0.8	–1.4	–2.1	–1.1	1.2	4.2	5.4	2.2	–3.1	–4.7	–6.3
– Brisbane	6.7	15.3	12.8	10.9	8.4	8.1	11.9	16.2	19.0	13.6	10.8	7.3
– Perth	6.7	25.1	22.5	16.5	11.1	7.5	11.6	20.6	25.0	18.3	15.6	11.7
– Adelaide	6.5	14.6	14.8	12.8	10.1	7.3	6.7	9.7	12.1	10.3	8.6	6.4
– Hobart	6.6	–0.6	–0.3	0.9	1.9	3.2	5.0	8.2	9.3	9.1	8.1	n.a.
Turnover, %stock^												
Australia	5.5	4.8	4.7	4.7	4.7	5.1	5.0	4.7	4.5	4.2	4.2	n.a.
– New South Wales	5.7	4.8	4.6	4.5	4.6	4.9	5.1	4.8	4.4	4.1	4.1	n.a.
– Victoria	4.6	4.1	4.1	4.2	4.3	4.7	4.9	4.6	4.4	4.1	4.1	n.a.
– Queensland	6.5	5.8	5.6	5.4	5.3	5.9	5.2	5.3	5.1	4.4	4.4	n.a.
– Western Australia	6.2	5.9	5.5	5.4	5.4	5.6	5.2	4.7	4.5	4.2	4.2	n.a.
– South Australia	4.6	4.2	4.3	4.2	4.1	4.2	4.3	4.1	4.1	3.8	3.7	n.a.
– Tasmania	5.5	3.7	3.8	3.9	4.1	4.3	4.4	4.2	3.9	4.2	4.1	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

Residential property listings

		2024		2025				2026				
	avg	Jul	Oct	Jan	Apr	Jul	Oct	Jan	Apr	Jul	Aug	Sep
Sales/new listings ratio*												
Australia^	1.16	1.27	1.22	1.30	1.37	1.44	1.39	1.35	1.20	1.15	1.17	1.20
– Sydney	1.29	1.34	1.22	1.34	1.36	1.44	1.38	1.39	1.19	1.22	1.27	1.30
– Melbourne	1.07	1.03	1.08	1.17	1.23	1.27	1.22	1.19	1.05	1.07	1.13	1.17
– Brisbane	1.04	1.32	1.18	1.22	1.27	1.45	1.34	1.34	1.11	0.94	0.96	1.01
– Perth	0.94	1.22	1.08	1.13	1.19	1.31	1.32	1.19	1.03	0.88	0.88	0.91
– Adelaide	1.12	1.45	1.43	1.50	1.49	1.52	1.64	1.51	1.42	1.27	1.21	1.19
– Hobart	1.09	1.12	1.23	1.33	1.45	1.48	1.44	1.45	1.19	1.53	1.59	1.59
Total listings, months of sales*												
Australia^	3.4	2.4	2.6	2.6	2.6	2.2	2.1	2.2	2.6	3.1	3.2	3.2
– Sydney	2.7	2.4	2.7	2.7	2.7	2.4	2.3	2.4	2.9	3.4	3.4	3.3
– Melbourne	3.5	3.4	3.5	3.4	3.2	2.7	2.6	2.8	3.3	3.7	3.7	3.6
– Brisbane	4.4	2.2	2.4	2.5	2.6	2.1	2.0	1.9	2.3	3.4	3.7	3.8
– Perth	5.3	2.1	2.3	2.5	2.6	2.2	2.0	2.0	2.2	3.1	3.4	3.6
– Adelaide	3.6	1.7	1.6	1.7	1.8	1.6	1.5	1.5	1.7	2.0	2.3	2.4
– Hobart	4.7	4.0	3.7	3.6	3.2	2.7	2.4	2.3	2.4	2.2	2.2	2.2

* 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

About the Westpac Consumer Housing Sentiment Indexes

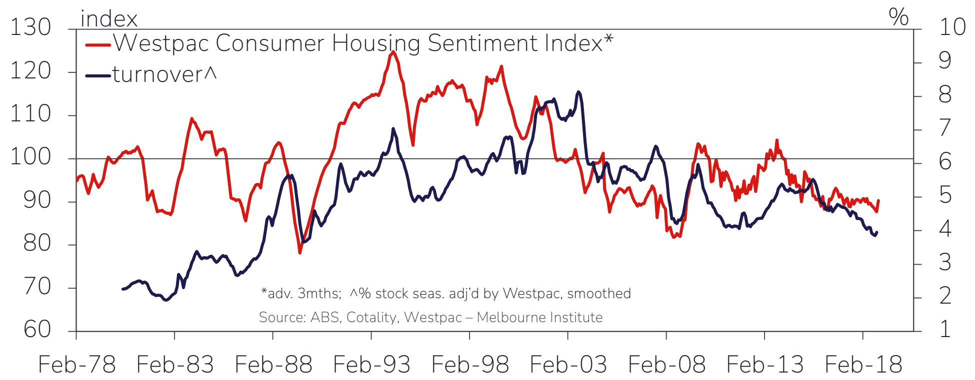
The **Westpac Consumer Housing Sentiment Indexes** presented in this report are composite measures based on a weighted combination of four indexes from the Westpac–Melbourne Institute Consumer Sentiment survey.

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**.

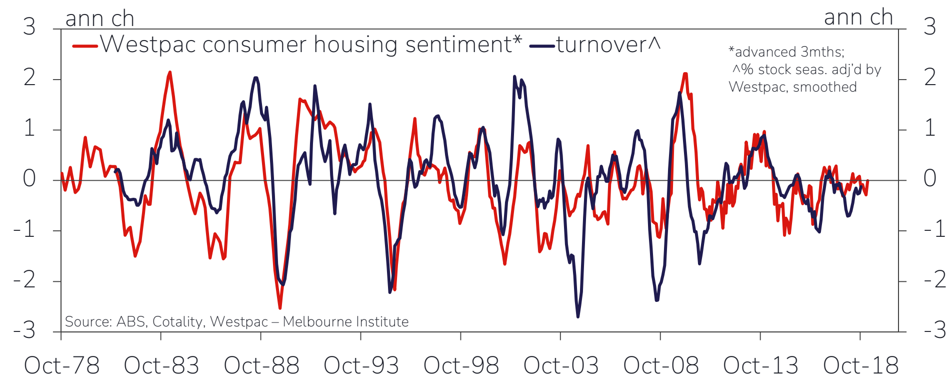
Each of these components is seasonally adjusted, converted to a consistent base and combined using fixed weights determined by historical regression analysis. Note that the house price expectations component is only available from 2009 on – a reweighted composite based on the remaining measures is used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

58. Westpac Consumer Housing Sentiment Index: full series



59. Westpac Consumer Housing Sentiment Index: cycles



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