



Home Price Index

2 December 2024

Australia's median home value hits \$800,000 for first time despite surge in properties for sale

Key findings:

- National home prices hit a new record in November, rising 0.15% over the month to sit 5.53% higher than a year ago.
- Prices in the combined capital cities have increased 5.55% over the past year, after climbing 0.11% in November, but price performance remains varied across the country.
- Hobart (+0.43%) and Adelaide (+0.40%) recorded the strongest growth in November of the capital cities, followed by Brisbane and Canberra (both +0.28%).
- Perth, Adelaide and Brisbane remain the strongest capital city markets for annual growth, with prices up 18.74%, 14.64% and 12.56% in the past year, respectively.
- Annual price growth in the combined capitals (+5.55%) has just outpaced regional areas (+5.48%), but capital city buyers have been spoilt for choice with the surge in new listing volumes through spring. As a result, price growth has levelled out in the capitals, with regional areas leading in November. Prices in regional areas rose 0.26% over the month compared to 0.11% in the capitals.
- Regional SA (+1.06%) and regional Tasmania (+0.65%) led growth in November, while momentum in regional Victoria remains subdued with prices down 2.09% over the past year following a 0.05% fall in November.

“Australian home prices hit a new peak in November after 23 consecutive months of growth.

“While housing demand has remained resilient to persistent affordability constraints, we have seen the pace of home price growth slow since earlier in the year.

“This softening in growth has occurred alongside a surge in stock for sale, giving buyers more choice and reducing the urgency to transact. However, performance has varied across markets with differing supply and demand conditions.

“The increase in properties hitting the market this year has been met with strong demand, but increased stock for sale has been a contributor to slowing price growth, along with affordability constraints and the sustained higher interest rate environment.

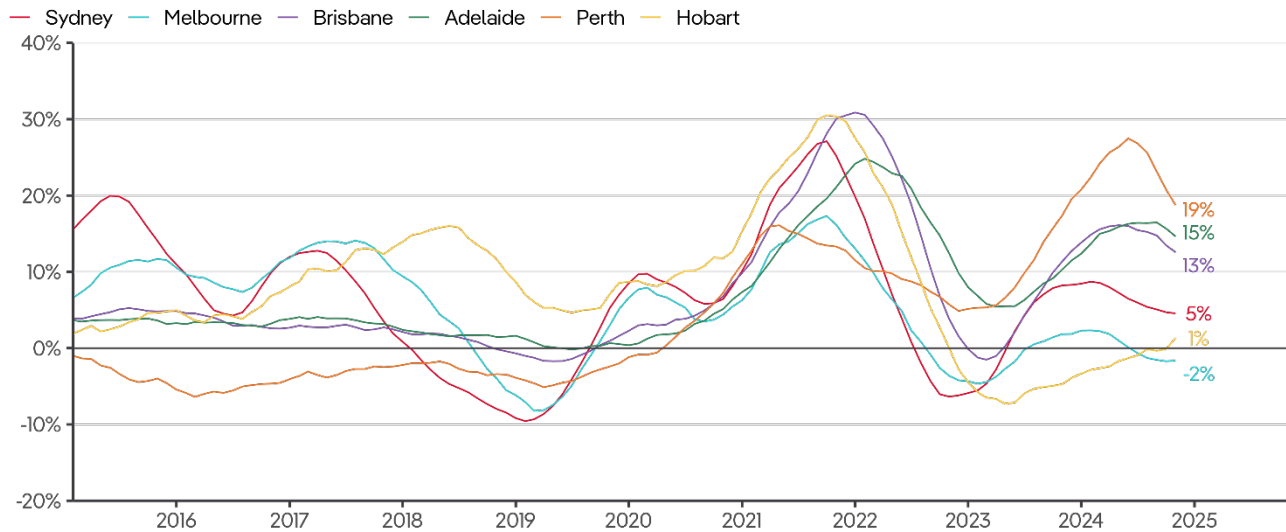
“In the period ahead, home prices are expected to lift, though the pace is expected to remain softer trailing the strong growth in prices over recent years.”

PropTrack Home Price Index November 2024

All dwellings	Monthly growth	Annual growth	Change from peak	Change since March 2020	Median value
Sydney	0.08%	4.55%	At peak	38.9%	\$1,112,000
Melbourne	-0.07%	-1.63%	-4.38%	15.5%	\$792,000
Brisbane	0.28%	12.56%	At peak	78.2%	\$868,000
Adelaide	0.40%	14.64%	At peak	80.0%	\$795,000
Perth	0.23%	18.74%	At peak	79.5%	\$778,000
Hobart	0.43%	1.33%	-7.22%	37.3%	\$682,000
Darwin	0.07%	2.29%	-0.37%	28.6%	\$511,000
ACT	0.28%	1.02%	-4.68%	37.0%	\$843,000
Capital Cities	0.11%	5.55%	At peak	41.1%	\$871,000
Rest of NSW	0.33%	3.95%	At peak	55.7%	\$732,000
Rest of Vic.	-0.05%	-2.09%	-5.37%	38.6%	\$570,000
Rest of Qld	0.21%	10.88%	At peak	76.8%	\$709,000
Rest of SA	1.06%	13.30%	At peak	79.1%	\$454,000
Rest of WA	0.17%	15.08%	At peak	76.6%	\$557,000
Rest of Tas.	0.65%	2.95%	At peak	57.5%	\$520,000
Rest of NT	-0.10%	0.16%	-4.84%	9.9%	\$410,000
Regional Areas	0.26%	5.48%	At peak	59.5%	\$652,000
National	0.15%	5.53%	At peak	45.8%	\$800,000

Annual change in home prices

By capital city, all dwellings



Source: PropTrack

Sydney

A surge in new listings throughout the spring selling season has seen price growth in Sydney levelling out. Prices in Sydney increased by a modest 0.08% in November. Prices are now up 4.28% year-to-date and 4.55% higher than November 2023. While the increase in properties hitting the market in Sydney this year has been met with strong demand, greater stock for sale has been a contributor to the sharp slowing of price growth, along with affordability constraints and the sustained higher interest rate environment.

Brisbane

Prices lifted 0.28% in November to reach a new peak for Brisbane. While buyers have enjoyed greater choice throughout spring, the increase in stock for sale has seen the pace of price growth slow. Despite this, Brisbane remains one of the strongest performing capital city markets over the past year, with home prices sitting 12.56% above November 2023 levels. This prolongs a run of strong growth in Brisbane that has seen Brisbane become the second-most expensive capital, ahead of Melbourne and Canberra, with prices up 80% over the past five years.

Perth

Perth home prices rose 0.23% in November and continue to lead the country with the strongest annual growth (+18.74%). Sellers in Perth have held the upper hand through spring and although the number of properties hitting the market has increased, total stock on market remains historically low as new listings are quickly absorbed amid strong buyer demand. Despite remaining the top performing market for annual home price growth, growth has slowed over the past quarter in line with the slowing momentum seen in other markets.

Darwin

Home prices in Darwin lifted by a small 0.07% in November, with prices now 2.29% higher than a year ago.

Melbourne

Melbourne home prices fell slightly in November, dropping by 0.07%. Prices have fallen for seven of the past eight months, bringing them 1.63% below November 2023 levels and 4.38% below their March 2022 peak. Melbourne ranked as the fourth-most expensive capital in November, down from second place. Price momentum has been weaker in Melbourne over the past four years in part due to greater buyer choice and higher property taxes. Additionally, construction activity in Victoria has aligned more closely with population growth over the past decade.

Adelaide

Adelaide remained one of the country's top performing markets in November, with home prices rising 0.40% to a new peak. Although the number of properties hitting the market has increased through spring, total stock on market remains constrained as new listings are quickly absorbed amid strong buyer demand. The comparative affordability of the city's homes has contributed to persistently strong growth of recent years, though the pace of price growth is slowing with affordability having deteriorated significantly and the higher interest rate environment persisting.

Hobart

After a two-and-a-half-year decline, prices in Hobart continued to recover in November, rising 0.43% over the month to now sit 1.33% higher than the same time last year. It is the first time Hobart has recorded positive annual growth since October 2022. Even so, Hobart remains the weakest capital city market when comparing change from peak, with prices down 7.22%, despite having recovered a fifth of their decline in the past seven months.

ACT

Home prices in Canberra rose 0.28% over the month and are now 1.02% above November 2023 levels. However, prices remain 4.68% below their March 2022 peak, despite home prices in Canberra having recovered a third of their decline from peak.

Methodology

The PropTrack HPI model uses a hybrid methodology that combines repeat sales and hedonic regression. Both of these methodologies are commonly used to measure housing price movements in Australia and overseas. These methodologies are designed to estimate the change in home prices in a way that is not affected by the quality and location of the sample of homes that transact in a given period.

Repeat sales regression matches transactions of identical properties over time. This uses the fact that the change in price of a given property over time should only reflect changes in market prices (assuming no significant alteration or renovation was undertaken between sales). Hedonic regression breaks down the value of homes into observable characteristics (e.g. size, location) to account for differences in characteristics of sold properties over time.

The PropTrack HPI uses a hybrid methodology, which starts with a repeat sales regression, but allows transactions for non-identical, but closely located properties of the same type to be matched together. Sales of properties of the same type (house, unit) in the same ABS Statistical Area Level 1 are matched together. There are over 57,000 spatial SAI regions across Australia, with a population generally between 200 and 800 people. This increases the number of matches that can be used to estimate home price growth and uses the fact that nearby properties are generally similar. Hedonic regression is used to account for differences in the size of properties that are matched together, using the number of bedrooms in each property.

In this way, the hybrid methodology augments the repeat sales methodology for home price growth to be estimated where there might not be sufficient volume of repeat sales transactions.

The PropTrack HPI estimates home price growth in a robust and flexible manner, which is revised each month, allowing each estimate to best reflect the available data on Australian home prices over time.

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Author:

Eleanor Creagh
Senior Economist, REA Group

Media enquiries:

Meagan Lechucki
Media and Partnerships Manager
0411 398 992
meagan.lechucki@rea-group.com

For PropTrack insights visit:

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