

MELBOURNE PROPERTY MARKET INSIGHTS 2025 REVIEW

SNAPSHOT

Dwelling Value Change

-0.1% +0.8% +4.8%
Month Quarter Annual

\$827,117
Median Dwelling Value

98,853
Annual Dwelling Sales

32 Days
Median Days on Market

Source: Cotality



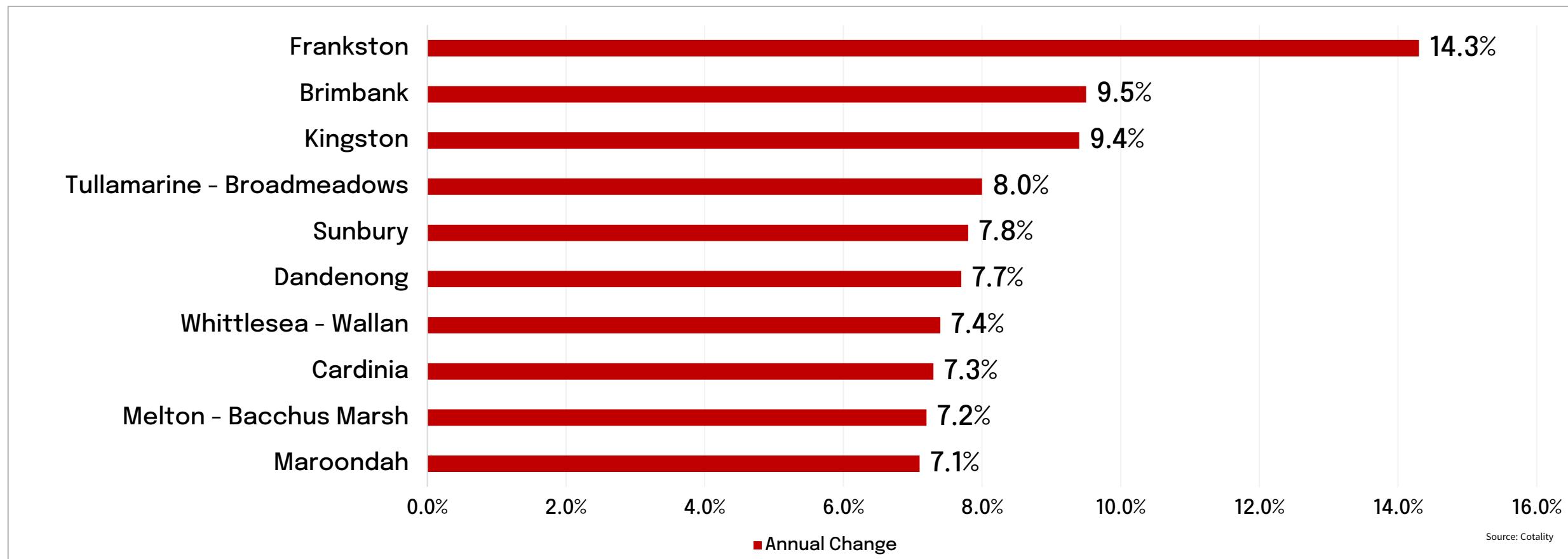
- Melbourne's property market returned to growth in 2025 – up 4.8% for the year after softer results in 2024 which saw a 3% easing. Whilst December 2025 saw a small dip in both house and unit by -0.1%, with every month except January and December seeing a positive result. Despite the late-year easing, house values still rose 0.9% over the quarter and 5.8% annually to a median of \$981,165, while unit values lifted 0.5% over the quarter and 2.5% annually to \$640,391. Market momentum was influenced by interest rate outlook and affordability pressures and cautious buyer sentiment weighed on activity.
- Melbourne's transaction activity strengthened in 2025 with house sales rising 10.4% over the year and sitting 17.5% above the previous five-year average, while unit sales increased 1.0% annually and were 12.9% higher than the longer-term benchmark. Despite stronger sales volumes, the flow of new listings tightened noticeably, with house listings down -8.5% year-on-year and unit listings falling -19.6%. The combination of firmer buyer demand and reduced seller activity contributed to a more competitive environment in parts of the market, particularly for well-presented family homes and established units in sought-after suburbs.
- The extension of the Home Deposit Scheme from October appears to have influenced activity at the lower end of Melbourne's market, with December quarter data showing stronger growth in dwellings priced below the \$950,000 cap. Values in this segment rose 1.4% over the quarter compared with a modest 0.3% increase for dwellings above the cap, suggesting the scheme helped concentrate buyer demand in more affordable price brackets. Increased participation from first home buyers likely added extra competition for mid-priced homes, while higher-value segments saw more subdued conditions in line with broader affordability pressures and cautious sentiment heading into 2026.
- Melbourne's rental market remained tight through 2025 despite a moderation in rent growth, with house rents rising 2.5% for the year which was the lowest increase of all capital cities, while unit rents lifted 3.5% which was the second lowest. Gross rental yields for dwellings held at 3.6%, in line with the national average and slightly above the combined capitals figure of 3.4%. Vacancy tightened further to 0.5%, down from 0.6% in December 2024, highlighting the ongoing mismatch between limited rental supply and strong tenant demand even as the pace of rent growth cooled.

Valuer on the Ground

“ Lower priced dwellings are outperforming as the Home Guarantee Scheme boosts demand. ”

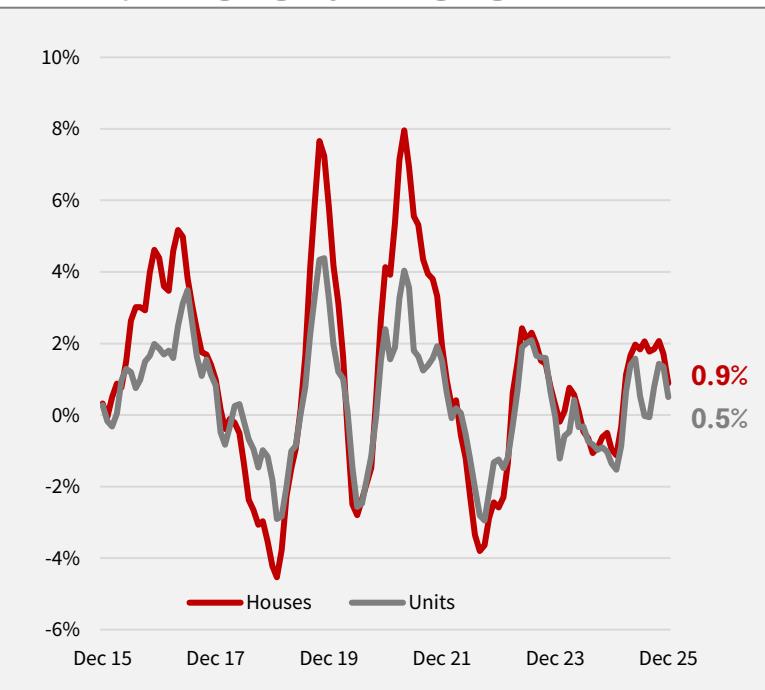
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Top Suburbs Annual Change - Dwellings



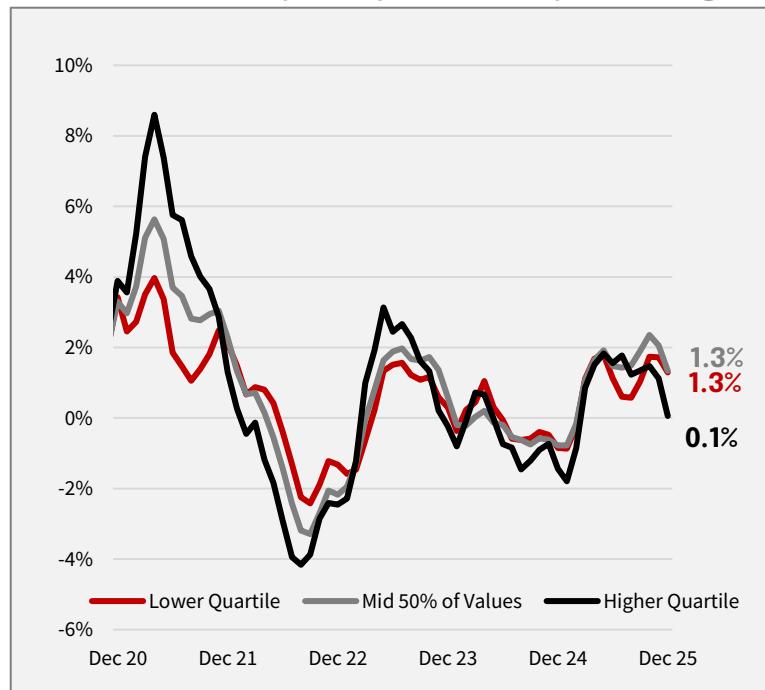
Quarterly Value Change by Property Type

Houses posting slightly stronger growth than units

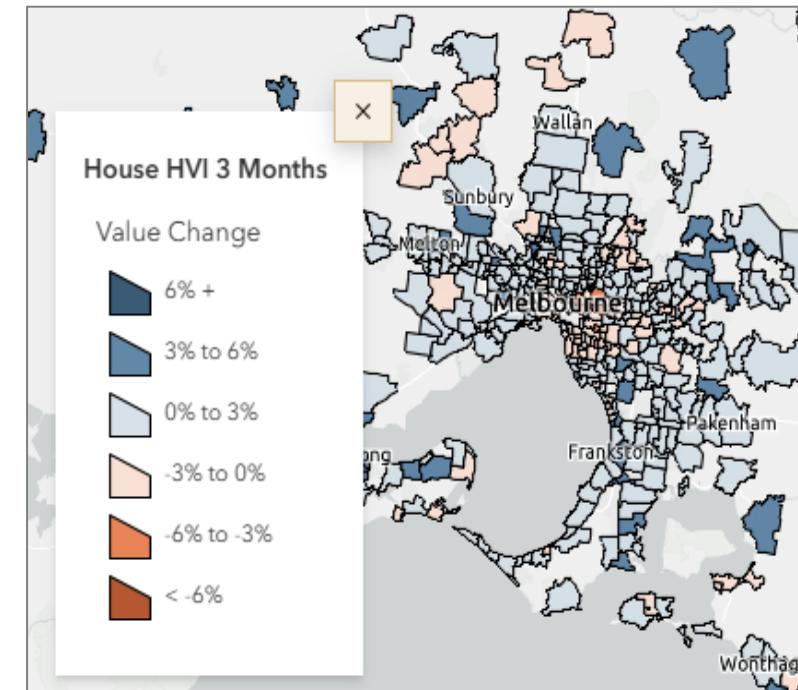


Quarterly Value Change by Price Quartile

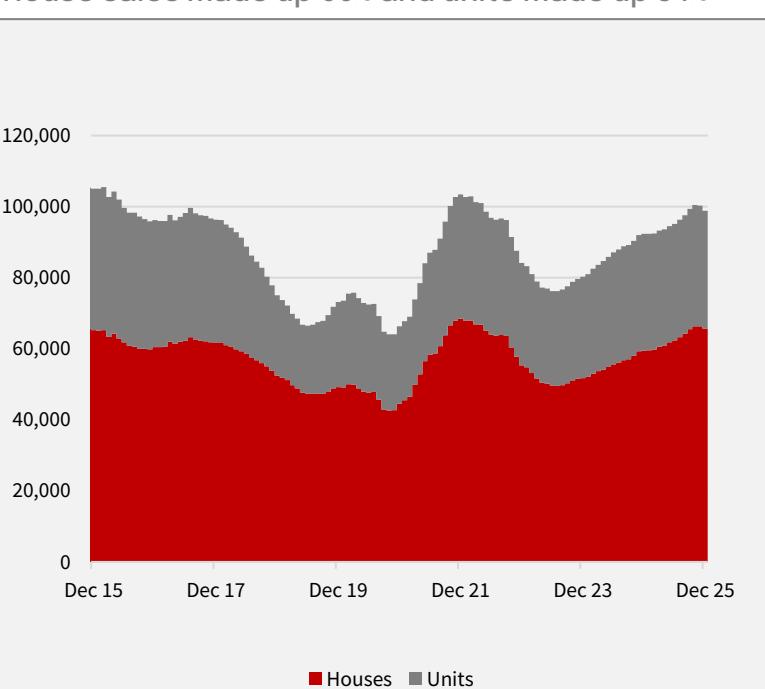
Lower and middle price quartiles outperforming



Mapping the Market – 3 months to Dec Inner City and South East dwelling values softening

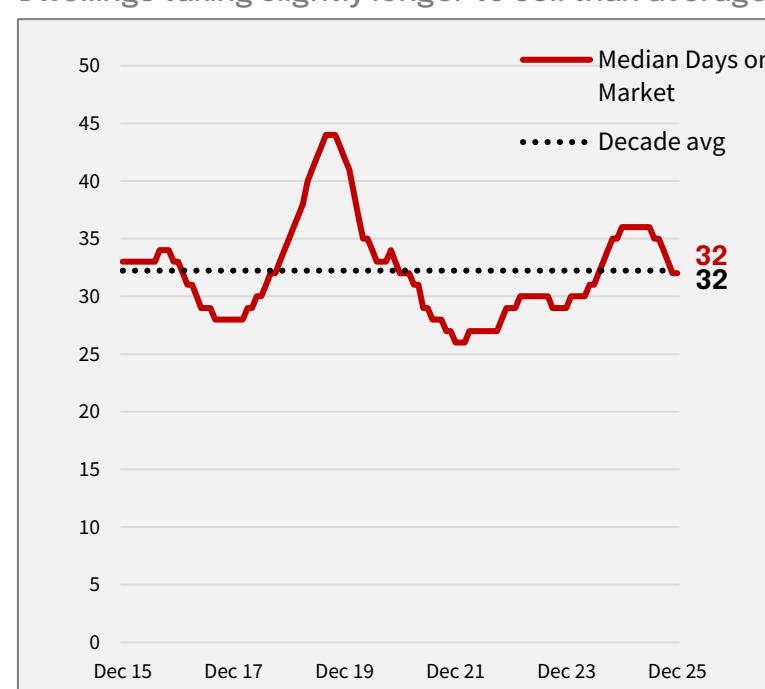


Annual Volume of Sales by Property Type

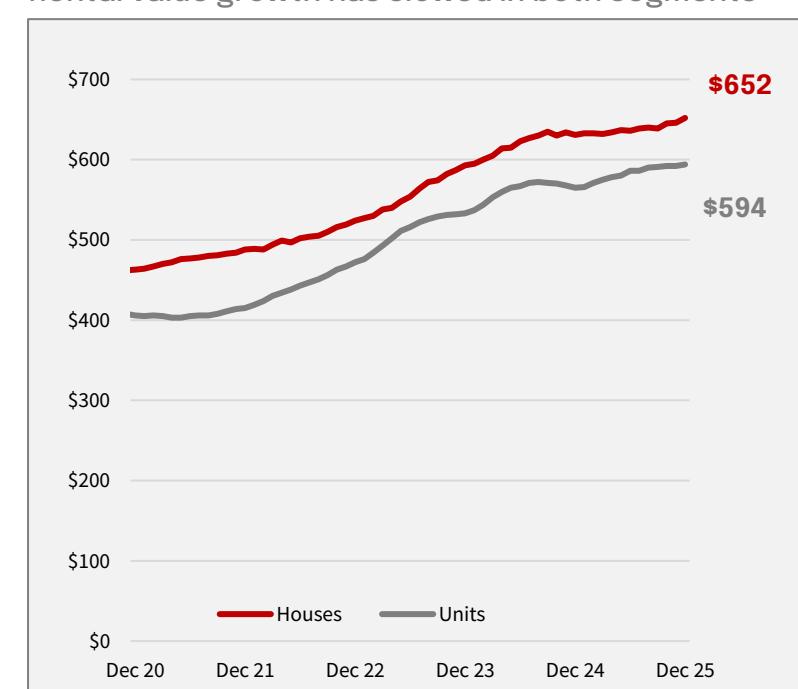


Median Days on Market vs Decade Average

Dwellings taking slightly longer to sell than average



Median Rental Value by Property Type



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RECENT SALES ACTIVITY

18 Wattle Street, Thomastown



\$531,000



Sold: 20/12/2025

Days on Market: 30

20 Bevan Avenue, Clayton South



\$957,000



Sold: 06/12/2025

Days on Market: 25

302/2 Bruce Street, Toorak



\$20,950,000



Sold: 10/12/2025

Days on Market: 62

Source: Cottality

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of December 2025 and is intended to be of a general nature only. It has been prepared without taking into account any person's objectives, financial situation or needs. Before acting on this information, NAB recommends that you consider whether it is appropriate for your circumstances. NAB recommends that you seek independent legal, property, financial, and taxation advice before acting on any information in this publication.