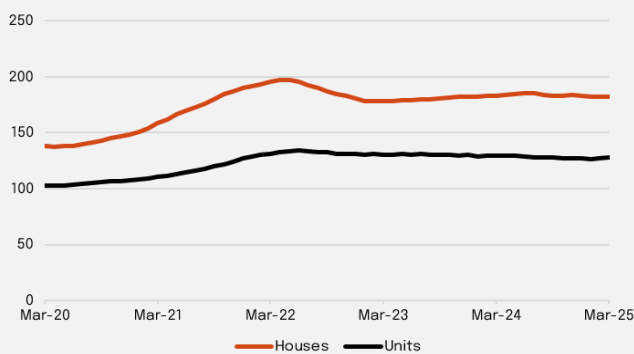




CANBERRA MARKET SNAPSHOT

Home Value Index – March 2025

The change in house and unit values to end of March is recorded at:



HOUSES



UNITS

Quarter

-0.3%

0.5%

Annual

-0.2%

-1.6%

Annual Dwelling Sales to March 2025

8,543

1.2% higher than one year ago.

-8.6% below the five-year average.



4.4%

HOUSE SALES



-3.0%

UNIT SALES

Source: CoreLogic

Canberra's property market displayed modest growth in March, with dwelling values increasing by +0.2%, bringing the median value to \$854,398. Despite this monthly uptick, the market was still impacted by the softer conditions observed over December and January, with quarterly and annual growth at -0.1% and -0.5% respectively.

While house values recorded growth of +0.3%, the unit value tracked sideways (0.0%) in March, off the back of higher growth of +0.9% in February. Q1 results showed that house values eased by -0.3% whereas units grew by +0.5% quarterly, however the annual results showed that the housing market outperformed overall, easing only slightly by -0.2% versus units' -1.6%.

March recorded a balanced number of sales transactions, up by +1.2% from the same period last year, with demand higher in the housing segment (+4.4%) when compared with the unit market which saw a drop in sales activity of -3.0% from this time last year.

The volume of total listings on the market saw a substantial increase from March last year, up 25.8% and 30.1% respectively for houses and units, creating a shift in market dynamics and contributing to softer condition. This was

particularly evident in the unit market, where sales volumes had declined over the year with no corresponding increase in buyer demand, causing escalated competition among sellers, extending days on market and softening price growth.

The continued positive shift in dwelling values as a result of improved sentiment after the RBA cut the cash rate in February is accompanying the cut's direct impact on borrowing capacity and mortgage serviceability, leading to increased buyer activity. While the rate cutting cycle is expected to be a drawn-out process, as further confirmed by the RBA's decision last week to leave the cash rate unchanged in April, affordability challenges persist despite gradual improvements, impacting the extent to which property prices can grow.

On a national level, according to CoreLogic data, home prices hit a new peak in March as the rate cut reignited buyer demand and revived confidence. This data showed that property prices rose in all regions across the country except Hobart (-0.4%) in March, ranging from the +0.2% in Canberra to +1.0% in Darwin.





MARKET CONDITIONS



HOUSE



UNITS

LISTINGS – ANNUAL INCREASE

25.8%

30.1%

DAYS ON MARKET

47 days

54 days

VENDOR DISCOUNT

-3.0%

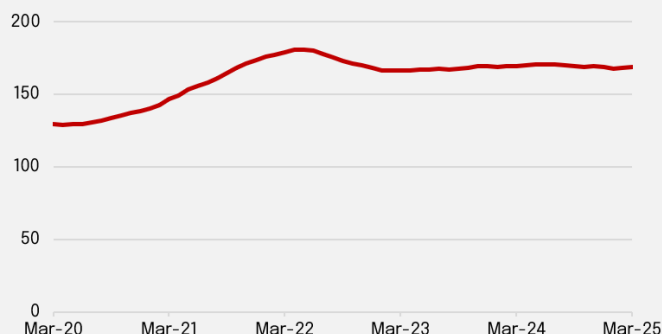
-2.8%

MEDIAN VALUE

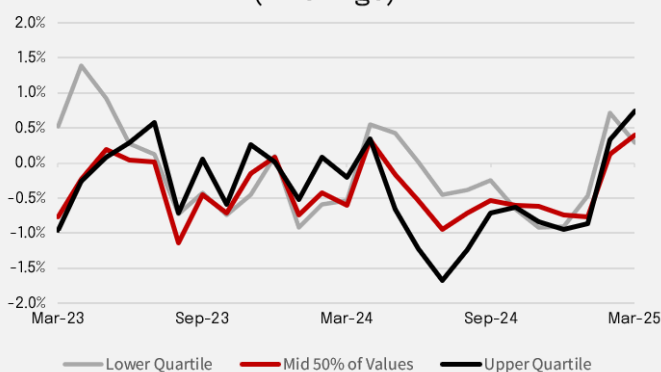
\$969,819

\$590,818

Hedonic Home Value (Dwellings)



Value Change by Price Quartile (Dwellings)



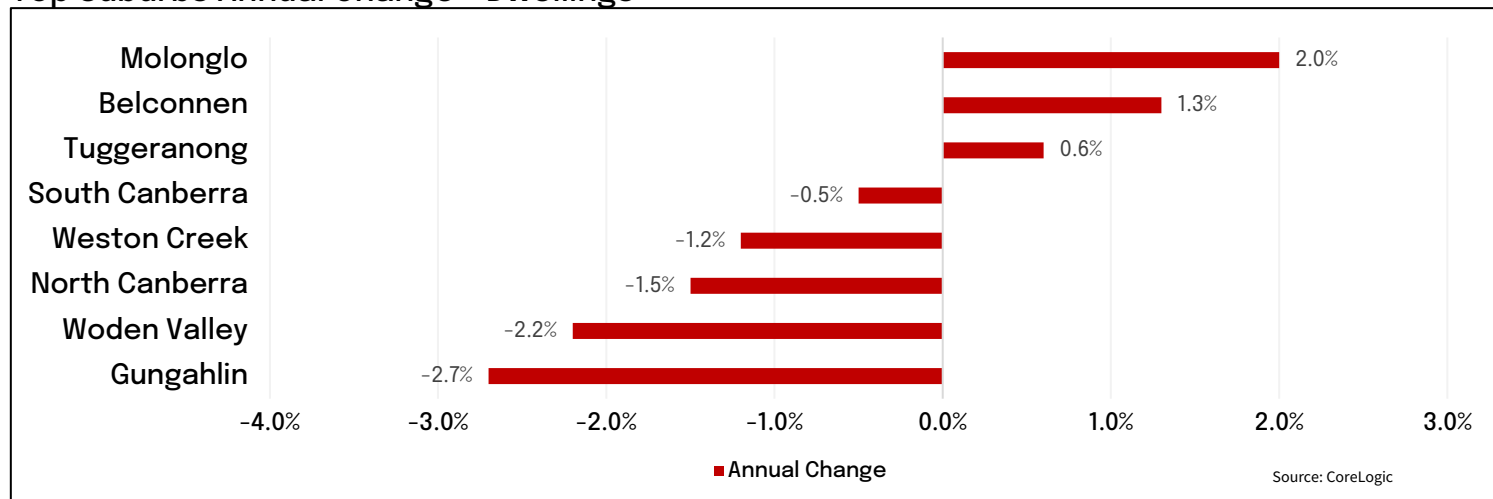
Source: CoreLogic

New housing supply is expected to remain limited as a result of elevated construction costs presenting ongoing viability challenges to project viability, a shortage of skilled trades and tight profit margins for builders and developers. While population growth is starting to slow, the accumulated shortfall in housing will take some time to resolve, particularly when the infrastructure is expected to maintain strong demand for trades over the coming years, intensifying competition and further constraining residential supply. According to the latest ABS report, dwelling approvals in March dipped slightly when compared with the previous month but have risen from recent lows and remain on an upward trajectory.

Rental values continue to reach record highs, following a similar trend to dwelling values. In March, the national rental index rose by +0.6%, matching February's increase but more moderate than the +1.0% rise recorded the same time last year. Rents increased across all capital cities, with Hobart leading at +1.2%, while Melbourne saw the smallest gain at just +0.3%. Both Canberra's house and unit rental values saw the smallest annual growth across the capital cities, with a respective +1.6% and +1.5% increase.

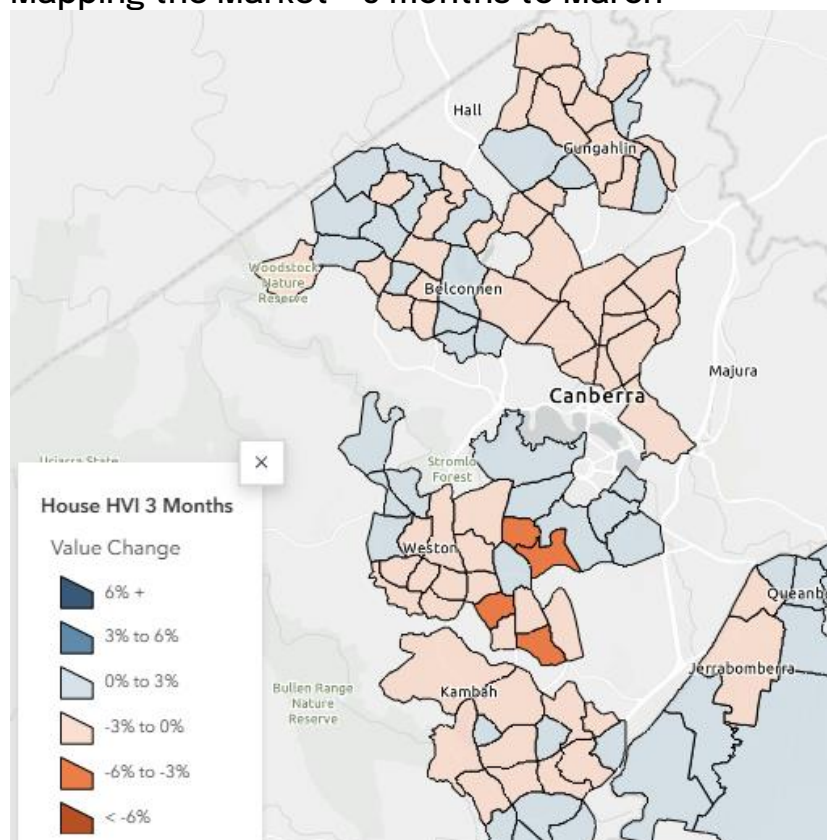
Cost of living relief is expected to support household balance sheets, although May's federal election is anticipated to be a flurry of campaign announcements on housing more broadly.

Top Suburbs Annual Change - Dwellings



Key highlights and trends surrounding each of the Housing, Unit and Rental Markets being seen include:

Mapping the Market - 3 months to March



Source: CoreLogic

- The median house value in Canberra grew by +0.3% in March, bringing the quarterly change to -0.3%, annual growth to -0.2% and the median value to \$969,819.
- The median unit value in Canberra sits at \$590,818, with sideways growth (0.0%) recorded in March, bringing the quarterly change to +0.5% and annual change to -1.6%.
- Vacancy rates are currently at 1.6%, after sitting around 2% in 2024. Canberra house and unit rents had the smallest growth of all capital cities, at +1.6% and +1.5% respectively.



RECENT SALES ACTIVITY

Lower Market

11 Igera Place, Ngunnawal



The sale property comprises a well-presented, 1994-built, three-bedroom, one-bathroom single-level brick property of 100 square metres on a 446 square metre lot. Ancillary improvements include concrete driveway, landscaped yard, undercover alfresco and undercover parking for one vehicle. The property was offered to the market for sale via private treaty with a list price guide of \$699,000. After a marketing campaign and 108 days on market, the property was sold for \$692,000 on 7th March.

Mid-Market

50 Lexcen Avenue, Nicholls



The sale property comprises an updated, 1995-built, five-bedroom, three-bathroom double-storey rendered brick dwelling of 304 sqm on a 893 square metre lot. Ancillary improvements include paved driveway, landscaped yard, balcony, courtyard and undercover parking for two vehicles. The property was recently offered for sale via auction with no listing price guide provided. After a marketing campaign and 25 days on the market, the property was sold for \$1,791,000 on 15th March.

Premium Market

37-39 National Circuit, Forrest



The sale property comprises a modern, architecturally designed, four-bedroom, three-bathroom double-storey rendered brick dwelling of 307 sqm on a 2,663 square metre lot. Ancillary improvements include concrete driveway, undercover balcony, paved courtyard, landscaped yard, inground pool and undercover parking for two vehicles. The property was offered for sale via auction with no listing price guide provided. After a marketing campaign and 163 days on the market, the property sold for \$4,005,000 on 1st March.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of March 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.

