

MELBOURNE

PROPERTY MARKET INSIGHTS

SEPTEMBER 2025



SNAPSHOT

Dwelling Value Change

+0.5% **+1.0%** **+1.9%**
Month Quarter Annual

\$805,880
Median Dwelling Value

93,354
Annual Dwelling Sales

35 Days
Median Days on Market

Source: Cotality



- Property values across Melbourne continued to gain upward momentum in September. House values rose by 0.5% over the month, 1.0% over the quarter and are now 2.5% higher year-on-year, bringing the median house value to \$953,454. While prices remain below the January 2022 peak of \$976,878, the recent uplift signals ongoing buyer confidence. Unit values also increased, up 0.6% month-on-month, 0.8% over the quarter and 0.2% annually, with the median unit value now at \$628,979. This remains below the March 2022 peak of \$653,523, but the consistent monthly growth suggests a gradual recovery in this sector.
- Sales activity remains a key driver of price growth, with house sales up 8.7% year-on-year and 11.5% above the five-year average, despite a -12.4% drop in listings compared to last year. This imbalance between demand and supply is helping to support rising house values. Unit sales were slightly lower than a year ago (-1.2%), but still 8.9% above the five-year average, while unit listings fell sharply (-20.8%), tightening stock and contributing to modest price gains in the unit market.
- Melbourne recorded the lowest annual rental growth of all capital cities in September, with house rents rising just 1.2% and unit rents up 1.8%. Despite the subdued growth, gross rental yields held steady at 3.7%, aligning with the national average. The soft rental conditions may reflect easing demand pressures or a shift in tenant preferences, particularly in inner-city areas.
- The expanded Home Deposit Guarantee Scheme, which went live on October 1, designed to make home ownership more accessible to first-time buyers in Melbourne. With no income caps, unlimited places and a raised property price cap of \$950,000, the scheme allows eligible buyers to enter the market with just a 5% deposit, bypassing costly Lenders Mortgage Insurance (LMI). While this move is expected to fast-track home ownership – cutting the average deposit-saving timeline in Melbourne from nearly eight years to just over two – it also raises concerns about price inflation in a market already grappling with limited supply. Analysts predict increased competition in Melbourne's middle and lower price segments, potentially driving up values by 5–10% over the next year, especially in suburbs still priced under the new cap.

Valuer on the Ground

“ Growth is steady and consistent without tipping into overheated territory. ”

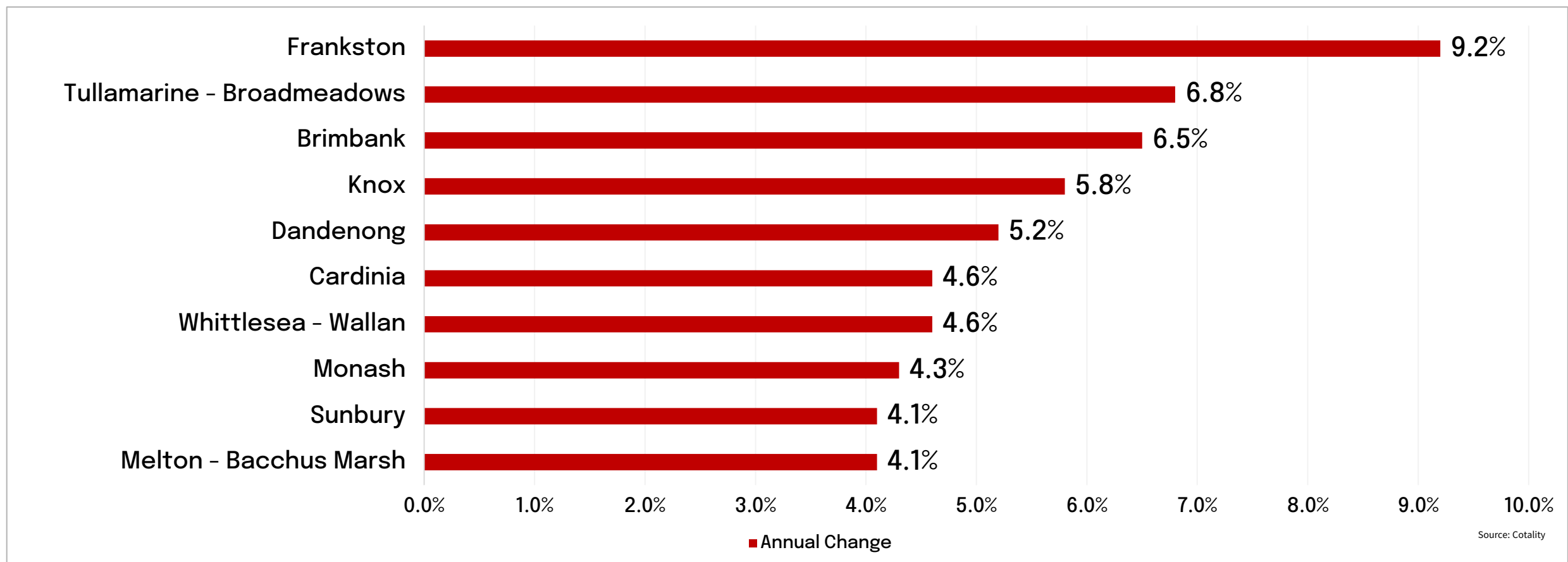
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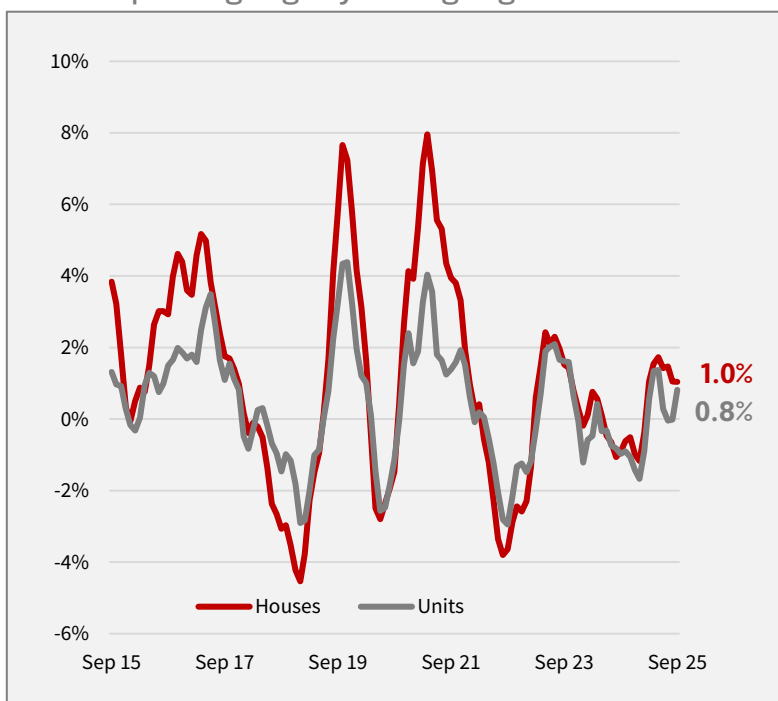


Top Suburbs Annual Change - Dwellings



Quarterly Value Change by Property Type

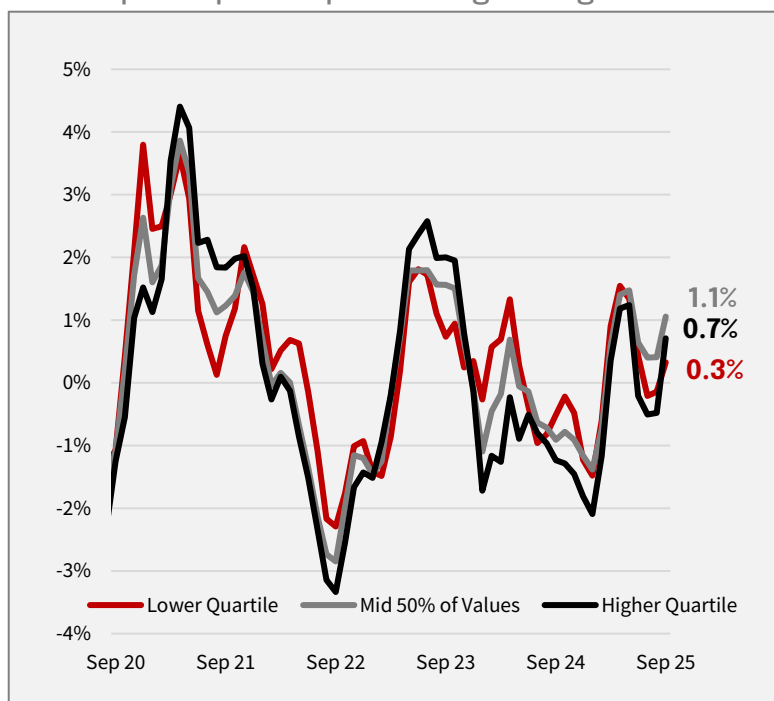
Houses posting slightly stronger growth than units



Source: Cotality

Quarterly Value Change by Price Quartile

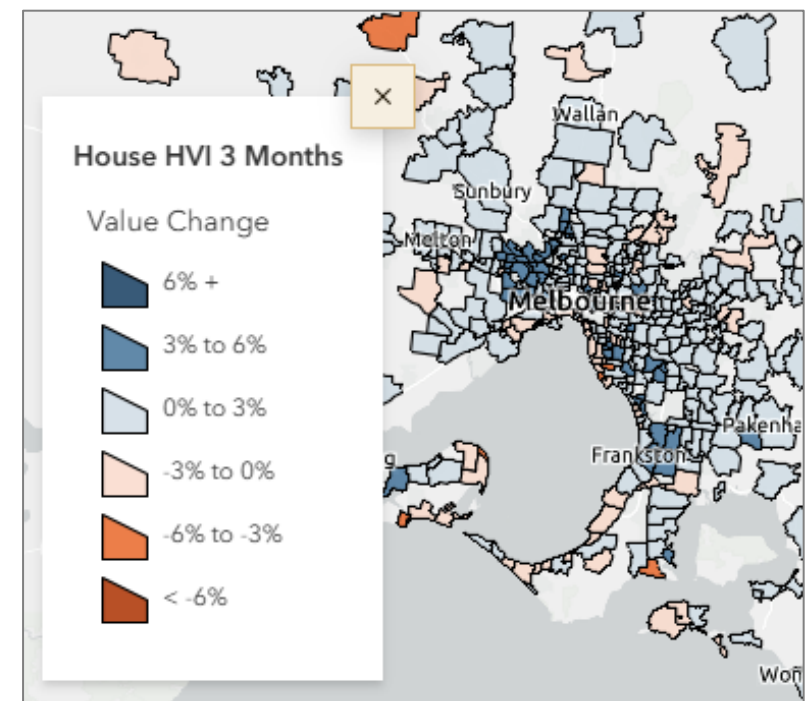
Middle price quartile performing strongest



Source: Cotality

Mapping the Market - 3 months to Sep

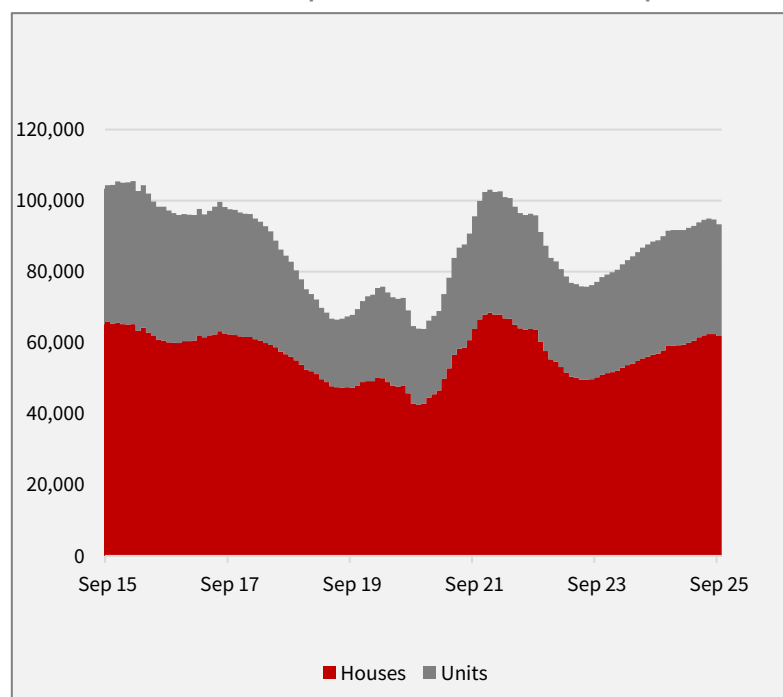
Positive growth evident across most of Melbourne



Source: Cotality

Annual Volume of Sales by Property Type

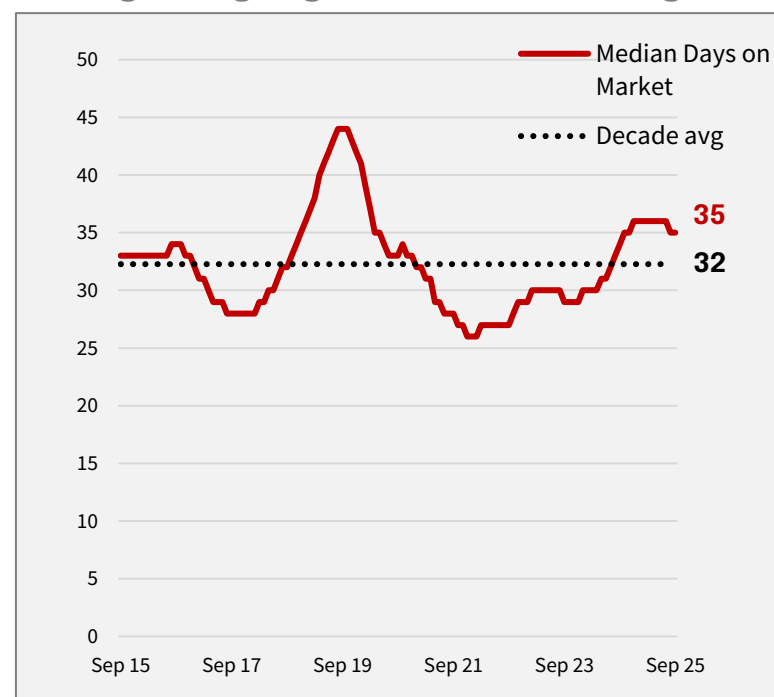
House sales made up 66% and units made up 34%



Source: Cotality

Median Days on Market vs Decade Average

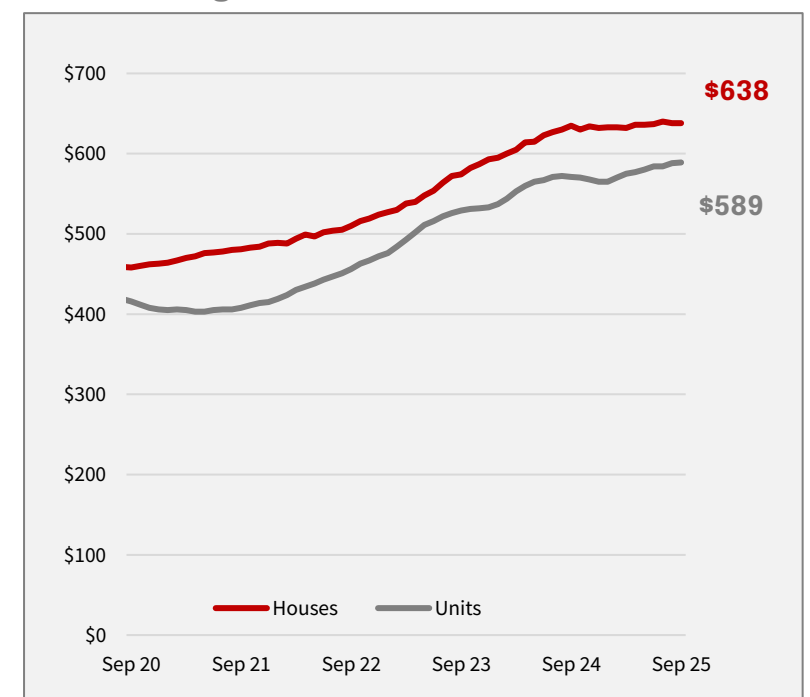
Dwellings taking longer to sell than on average



Source: Cotality

Median Rental Value by Property Type

Rental value growth has slowed



Source: Cotality

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more
than
money



RECENT SALES ACTIVITY

6 Chambly Drive, Mickleham



\$561,000



3



2



1



255 m²



135 m²

Sold: 27/09/2025
Days on Market: 23

8 Rosehill Road, Niddrie



\$1,570,000



4



3



1



346 m²



223 m²

Sold: 06/09/2025
Days on Market: 27

18 Netherlee Street, Glen Iris



\$4,560,000



5



3



2



721 m²



445 m²

Sold: 06/09/2025
Days on Market: 25

Source: Cotality

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