

MELBOURNE MARKET SNAPSHOT

Home Value Index – March 2025

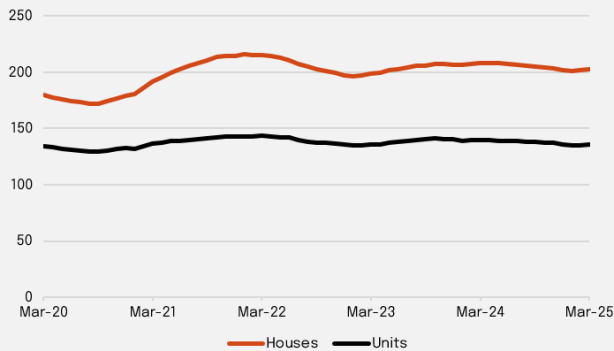
The change in house and unit values to end of March is recorded at:



HOUSES



UNITS



	HOUSES	UNITS
Quarter	0.6%	-0.2%
Annual	-2.5%	-2.8%

Annual Dwelling Sales to March 2025

89,360 +6.9% higher than one year ago.
+7.5% higher than the five-year average.



+11.7%
HOUSE SALES



-2.0%
UNIT SALES

Source: CoreLogic

Melbourne's property market continued its recovery in March, recording an increase of +0.5% for the month – the second month of growth after recording 10 consecutive months of easing last year.

The +0.4% in February and this month's +0.5 has seen first quarter 2025 results returned to positive territory (+0.3%), with annual growth now at -2.6% with the median dwelling value reached \$781,318.

Both the house and unit markets recorded monthly growth of +0.5% and +0.4% respectively, however the housing market's quarterly growth was +0.6% compared with the unit market's softening of -0.2% on a quarterly basis. Annual growth was similar in both markets, at -2.5% and -2.8% for houses and units respectively.

Increased property prices are reported alongside increased sales volumes and higher listing volumes, which would usually place downward pressure on values. These factors, however, may point towards greater market activity and

competition, with the rise in sales volumes indicating higher buyer demand, particularly in desirable suburbs where supply remains constrained. In addition, despite Melbourne's weaker performance in the last year in comparison with other capital cities, its relative affordability has made the city more attractive to buyers.

The positive shift in dwelling values is primarily driven by improved sentiment after the RBA cut the cash rate in February, alongside its direct impact on borrowing capacity and mortgage serviceability. While the rate cutting cycle is expected to be a drawn-out process, as further confirmed by the RBA's decision this week to leave the cash rate unchanged in April, affordability challenges persist despite gradual improvements, which will impact how much 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 +0.2% in Canberra to +1.0% in Darwin.





MARKET CONDITIONS



HOUSE



UNITS

LISTINGS – ANNUAL VARIANCE

4.8%

14.6%

DAYS ON MARKET

36 days

40 days

VENDOR DISCOUNT

-3.4%

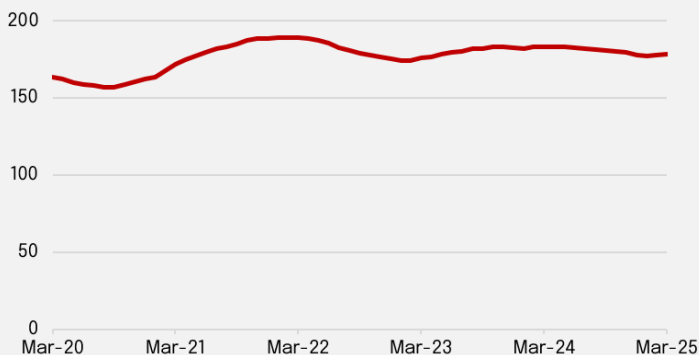
-3.3%

MEDIAN VALUE

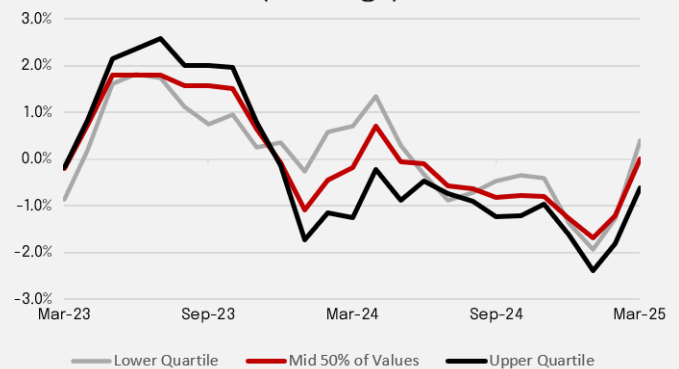
\$929,070

\$608,614

Hedonic Home Value (Dwellings)



Value Change by Price Quartile (Dwellings)



Source: CoreLogic

New housing supply is expected to remain constrained amid high costs, a scarcity of skilled trades and compressed profit margins. Although population growth is easing, the cumulative undersupply of housing will take some time to address. Housing construction costs are still rising from an already high base, creating ongoing feasibility challenges for builders and developers. The competition for trades within the infrastructure sector is also likely to persist for several years, with these challenges contributing to the low supply which could support further value growth.

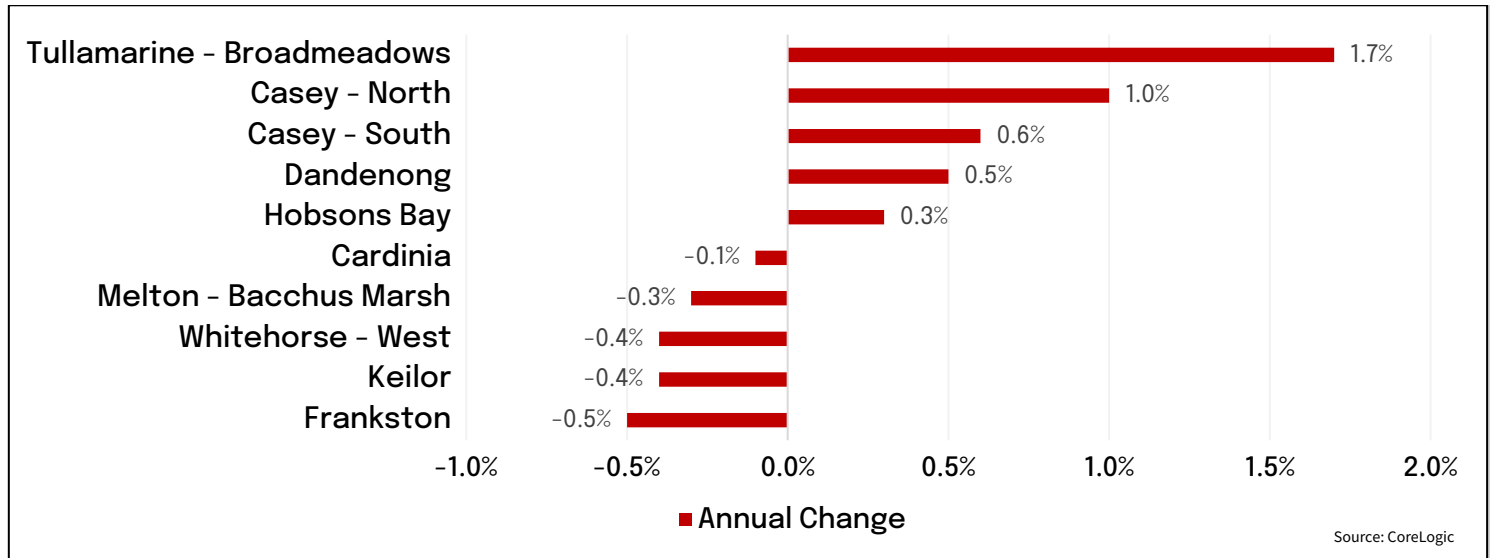
Rental values continue to reach record highs, following a similar trend to dwelling values. In March, the national rental

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%. Houses and units recorded similar annual results, at +2.2% and +2.7% respectively.

Looking ahead, cost of living relief is expected to support household balance sheets, although the May 3rd federal election is anticipated to be a flurry of campaign announcements on housing more broadly.

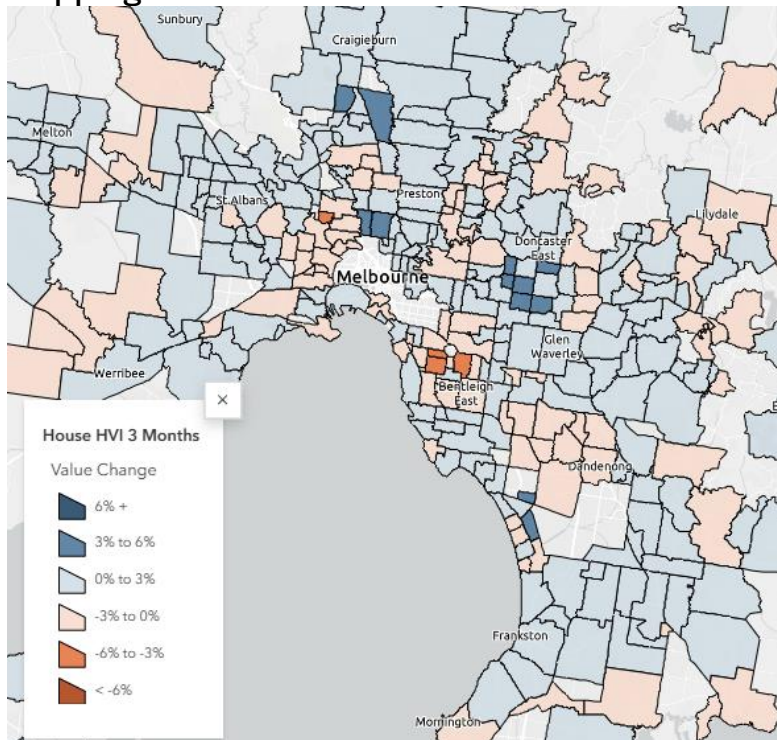


Top 10 Suburbs Annual Change - Dwellings



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

Mapping the Market - 3 months to March 2025



Source: CoreLogic

- The average median house value in Melbourne sits at \$929,070, recording significant growth of +0.5% for the month of March, and bringing quarterly growth back into positive territory for the first time since May 2024. Annual growth was -2.5% to the end of March.
- Units in Melbourne grew +0.4% in March, bringing quarterly and annual growth to -0.2% and -2.8% respectively. The average median unit value to the end of March was \$608,614.
- Vacancy rates are on the rise again after a brief dip in January – now at 1.8% across the city. Housing rental values increased +2.2% in the 12 months to March, and units recorded a similar annual result of +2.7%.



RECENT SALES ACTIVITY

Entry Level Market

15 Grainger Dr, Wollert



The sale property comprises a modern, three-bedroom, two-bathroom, single-storey brick home on a 398 sqm lot. Ancillary improvements include a concrete driveway, landscaped yard and undercover parking for two vehicles. The property was offered for sale via auction with a list price guide of \$580,000 - \$620,000 provided. After a marketing campaign and 33 days on the market, the property was sold for \$625,000 on 29th March.

Mid-price Market

3 Timmothy Dr, Wantirna South



The sale property comprises a well-presented, partially-updated 1985-built, five-bedroom, three-bathroom, double-storey brick home of 284 sqm on a 673 sqm lot. Ancillary improvements include concrete driveway, undercover alfresco deck, landscaped yard, garden sheds, water tank and undercover parking for two vehicles. The property was offered for sale via auction with no listing price guide provided. After 21 days on the market, the property was sold for \$1,535,000 on 26th March.

Premium Market

37 Newstead Street, Maribyrnong



The sale property comprises a modern, near-new, five-bedroom, three-bathroom, double-storey concrete home on an 853 sqm lot. Ancillary improvements include a concrete driveway, undercover balcony, inground pool, pool lounge, outdoor entertaining area with kitchen, and undercover parking for eight vehicles. The property was offered for sale via private treaty in July with an undisclosed list price guide. After a marketing campaign and 12 days on the market, the property was sold for \$7,100,000 on 3rd 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.

