

PROPERTY MARKET UPDATE MONTH IN REVIEW APRIL 2025

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Australian property values recorded a third straight month of positive dwelling value growth with +0.3% recorded over April.

The monthly rise in values was evident across all national capital cities including Hobart which has experienced a softening in previous months. Among the capitals, monthly changes ranged from a +1.1% gain in Darwin to a +0.2% rise in Sydney and Melbourne. All regional areas recorded growth for the month, except Regional TAS with softening of -0.3%.

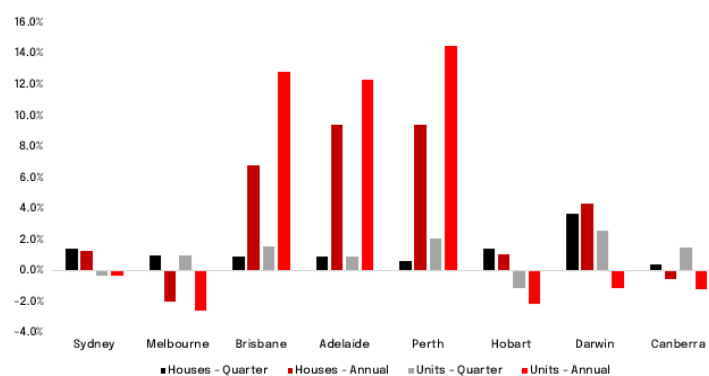
Having turned the corner with positive value growth over prior months, Melbourne and Sydney continued their momentum (albeit at a more subtle pace) both up +0.2% in April and year to date growth of 1% for both.

The pace of gains gently moderated in April from +0.4% recorded in March to +0.3% in April. With two long-weekends, public and school holidays, the US 'Liberation Day' announcement and usual hesitation around elections.

Although national housing values experienced a broad-based rise and new nationwide peak, not every capital city is back to new record highs with the mid-sized capitals only being at their highest levels on record. Sydney values remain -1.1% below their September 2024 high. Melbourne values are down -5.4% from the record peak in 2022. Hobart is down -11.1%, while in Darwin and ACT values remain -2.7% and -6.4% below their all-time highs.

Regional markets continue to see stronger growth compared to their respective capital city, with every state except Tasmania recording a faster monthly pace of gains in regional dwelling values. The growth trajectory has started to converge, as the capital city trend accelerates and the regional trend holds steady.

House & Unit Value Movement – End of April



Source: Cotality (previously CoreLogic)

The month of April saw rental growth firming with the national rental index rising by +0.6% consistent with the past three months. The pace of growth is more moderate with rents rising +0.4% nationally in April. A moderation in rental growth is more evident in the annual change, where the pace of growth has more than halved, from +8.3% over the 12 months to April 2024 to +3.6% over the most recent 12 month period.

The most evident downturn was recorded in Perth, where annual rental growth easing from the 12 months prior of 13.6% to the current 5.7%. Despite the easing, the annual change in Perth rents remains the highest of any capital city. Melbourne has also seen a notable drop in annual rental growth, easing from +9.4% to +2.0%, while Sydney rents are now rising just +1.9% per annum, the slowest annual rise since April 2021.



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Market Level Review

Sydney



- Last month: +0.2% gain in dwelling values
- Quarterly: +1.0% gain in dwelling values
- Annually: +0.9% gain in dwelling values
- Houses: +0.4% for the month, +1.4% for the quarter and +1.3% increase annually.
- Units: -0.4% for the month, -0.3% for the quarter and -.3% decrease annually.
- Rents are up +1.6% annually for houses and +2.4% for units.

Melbourne



- Last month: +0.2% gain in dwelling values.
- Quarterly: +1.0% gain in dwelling values
- Annually: -2.2% ease in dwelling values
- Houses: +0.1% for the month, +1.0% for the quarter and -2.0% decline annually.
- Units: +0.4% for the month, +1.0% for the quarter and -2.6% decline annually.
- Rents are up +1.9% annually for houses and +2.2% for units.

Brisbane



- Last month: +0.4% gain in dwelling values
- Quarterly: +1.0% gain in dwelling values
- Annually: +7.8% gain in dwelling values
- Houses: +0.4% for the month, +0.9% for the quarter and +6.8% increase annually.
- Units: +0.5% for the month, +1.6% for the quarter and +12.8% increase annually.
- Rents are up +3.0% annually for houses and +4.3% for units.

Perth



- Last month: +0.4% gain in dwelling values
- Quarterly: +0.7% gain in dwelling values
- Annually: +10.0% gain in dwelling values
- Houses: +0.4% for the month, +0.6% for the quarter and +9.4% increase annually.
- Units: +0.6% for the month, +2.1% for the quarter and +14.5% increase annually.
- Rents are up +5.3% annually for houses and +8.2% for units.



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Adelaide



- Last month: +0.3% gain in dwelling values
- Quarterly: +0.9% gain in dwelling values
- Annually: +9.8% gain in dwelling values
- Houses: +0.2% for the month, +0.9% for the quarter and +9.4% increase annually.
- Units: +0.3% for the month, +0.9% for the quarter and +12.3% increase annually.
- Rents are up +4.8% annually for houses and +8.5% for units.

Hobart



- Last month: +0.9% gain in dwelling values
- Quarterly: +0.9% gain in dwelling values
- Annually: +0.5% gain in dwelling values
- Houses: +1.1% for the month, +1.4% for the quarter and +1.1% increase annually.
- Units: 0.0% for the month, -1.1% for the quarter and -2.1% annually.
- Rents are up +5.0% annually for houses and +7.0% for units.

Darwin



- Last month: +1.1% gain in dwelling values.
- Quarterly: +3.4% gain in dwelling values
- Annually: +2.5% gain in dwelling values
- Houses: +1.0% for the month, +3.7% for the quarter and +4.3% increase annually.
- Units: +1.2% for the month, +2.6% for the quarter and -1.1% decline annually.
- Rents are up +3.5% annually for houses and +7.3% for units.

Canberra



- Last month: +0.4% gain in dwelling values.
- Quarterly: +0.6% gain in dwelling values
- Annually: -0.6% ease in dwelling values
- Houses: +0.4% for the month, +0.4% for the quarter and -0.5% decline annually.
- Units: +0.3% for the month, +1.5% for the quarter and -1.2% decline annually.
- Rents are up +0.8% annually for houses and +1.6% for units.



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Regional Australia



- Last month: +0.6% gain in dwelling values
- Quarterly: +1.5% gain in dwelling values
- Annually: +5.3% gain in dwelling values
- Houses: +0.6% for the month, +1.5% for the quarter and +5.3% increase annually.
- Units: +0.5% for the month, +1.5% for the quarter and +5.1% increase annually.

Perspectives

The positive effect from the lower interest rates lost some momentum during the month with the federal election this weekend and the US's 'Liberation Day' tariff announcements causing uncertainty, seeing confidence moderate.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of April 2025 and is intended to be of 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.

Outlook

The market continues to expect the rate-cutting cycle to be gradual over the coming year, with NAB Economics expecting great easing than the wider market. bringing it to 2.6% in early 2026. The improvement in home loan serviceability improves is expected to progressively see continued moment in housing markets.

Regional housing values continue to stand firm compared to their capital city counterparts, with the trend of regional home values rising at a faster pace than the capitals which was not only a clear feature of the market through the pandemic but has also become a theme in the monthly growth trends since October last year.

New housing supply is also 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 with the infrastructure sector is also likely to persist for several years at least, with these challenges contributing to the low supply which could support further value growth.

