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Market Essentials May 2025

National Overview

- **National dwelling values** increased by 0.3% in April, reaching a record median of \$825,349.
 - **Annual growth** slowed to 3.2%, the weakest since August 2023.
 - **Auction activity** and **new listings** hit their lowest levels since 2019, influenced by Easter holidays and political uncertainty.
 - **Regional markets** outperformed capitals, with regional SA and WA leading growth at 1.5% and 1.3%, respectively.
 - **Rental growth** moderated nationally to 3.6% annually, down from 8.3% a year ago.
 - **Housing affordability** remains strained, with mortgage serviceability at record highs and deposit savings taking over a decade for median-income households.
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New South Wales (Sydney)

- **Sydney's median dwelling value** rose 0.2% in April but remains 1.1% below its September 2024 peak.
- **House values** outperformed units, with a 1.4% quarterly rise compared to a 0.3% decline in units.
- **Regional NSW** continues to experience stronger growth, with areas like Central Coast and Hunter Valley seeing significant demand.

Victoria (Melbourne)

- **Melbourne's median dwelling value** increased slightly in April but remains 5.4% below its 2022 peak.
- **Unit values** have been underperforming compared to houses, with some areas experiencing price declines.

- **Regional Victoria**, including Geelong and Ballarat, is showing stronger growth, driven by lifestyle migration and affordability.

Queensland (Brisbane)

- **Brisbane's median dwelling value** rose 8.7% to \$882,000, with regional areas like Townsville and Rockhampton experiencing even higher growth.
- **Central Queensland** markets, particularly Rockhampton, are seeing intense demand, with properties attracting multiple bids and record prices.
- **Regional Queensland** continues to outperform Brisbane, with areas like Mackay-Isaac-Whitsunday and Ipswich showing strong growth.

South Australia (Adelaide)

- **Adelaide's median dwelling value** reached \$804,000, up 10.77% from the previous year.
- **Regional SA** saw a 11.6% increase, with areas like Barossa-Yorke-Mid North leading at 14.11% annual growth.
- **Housing affordability** remains a concern, with limited supply and increasing demand pushing prices higher.

Western Australia (Perth)

- **Perth's rental growth** has slowed from 13.6% to 5.7% annually, but it still leads the nation.
- **Dwelling values** have been relatively stable, with some areas experiencing modest growth.
- **Regional WA**, including areas like Bunbury and Kalgoorlie, is seeing stronger growth, driven by mining and infrastructure projects.

Tasmania (Hobart)

- **Hobart's rental growth** has accelerated to 5.4% annually, up from -0.3% a year ago.
- **Dwelling values** remain below their 2022 peak, but the rental market is tightening due to limited supply.
- **Regional Tasmania**, including areas like Launceston and Burnie, is experiencing increased demand and price growth.

Northern Territory (Darwin)

- **Darwin's dwelling values** rose 1.1% in April but remain 2.7% below their all-time high.
 - **Rental growth** has accelerated to 5.0% annually, up from 3.2% a year ago.
 - **Affordability** remains a key factor, with Darwin being the most affordable capital city.
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Housing Supply & Policy Outlook

- **Building commencements** fell 4.4% in the December 2024 quarter, with higher-density housing starts at their lowest since 2011.
 - **Net overseas migration** surged by 155,000 in January and February 2025, further straining the housing market.
 - **Housing Accord targets** are falling short, with a 160,000-home shortfall and only 70% of the required commencements met in late 2024.
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