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Market Essentials August 2025

National Overview

- National dwelling values rose +0.6% in June 2025, continuing a five-month upward trend.
 - 45% of suburbs nationwide are at record-high prices.
 - Growth is being supported by:
 - Rate cuts (February & May 2025)
 - Low stock levels (listings)
 - Strong demand from investors and first-home buyers
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Market Metrics – National

Listings

- Total listings remain ~18% below the 5-year average, especially tight in Perth, Adelaide, and Brisbane.
- New listings are rising in Melbourne and Sydney but still below pre-pandemic averages.

Rental Trends

- National rent values up +8.1% YoY, driven by low vacancy rates (~1% nationally).
- Unit rents rising faster than house rents across most capitals due to affordability constraints.
- Gross rental yields improved slightly to 3.75% nationally, highest in Perth and Darwin.

Buyer Composition

- Owner-occupiers still make up the bulk of purchases, but investor lending is growing rapidly:

- Investor loan commitments rose +20.5% YoY
 - First-home buyers account for ~29% of owner-occupier loans, supported by incentives and more accessible price brackets.
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State/Territory Snapshot

New South Wales (Sydney)

- **Price movement:** +0.5% in June
- **Rental growth:** +8.3% YoY, especially in outer suburbs
- **Listings:** New listings up 3% YoY; total stock ~11% below average
- **Buyer mix:** High investor interest in inner-city units

Victoria (Melbourne)

- **Price movement:** +0.4–0.5%
- **Rental growth:** +6.2% YoY; inner units rebounding from previous drops
- **Listings:** Up 5.6% YoY, highest stock increase nationally
- **Buyer mix:** Owner-occupiers dominate, but investor loans up 16% YoY

Queensland (Brisbane)

- **Price movement:** +0.7%
- **Rental growth:** +9.1% YoY, with record-low vacancy (~0.9%)
- **Listings:** Remain low (-20% vs 5-yr avg)
- **Buyer mix:** Balanced mix of first-home buyers and investors

Western Australia (Perth)

- **Price movement:** +0.8% (leading growth nationally)
- **Rental growth:** +13.4% YoY (strongest nationally)
- **Listings:** -32% vs 5-year average – severe supply squeeze
- **Buyer mix:** Investors re-entering, FHBs being priced out

South Australia (Adelaide)

- **Price movement:** +0.8–0.9%
- **Rental growth:** +10.7% YoY

- **Listings:** 27% below average
- **Buyer mix:** Owner-occupiers remain dominant, investor interest rising

Australian Capital Territory (Canberra)

- **Price movement:** +0.9%
- **Rental growth:** +6.5% YoY
- **Listings:** Down 14% YoY
- **Buyer mix:** First-home buyers supported by territory-level schemes

Tasmania (Hobart)

- **Price movement:** +0.5%
- **Rental growth:** +7.3% YoY; high regional demand
- **Listings:** Increasing slightly but still tight
- **Buyer mix:** Local owner-occupiers dominate, investor activity modest

Northern Territory (Darwin)

- **Price movement:** +1.5% (highest for June)
- **Rental growth:** +11.2% YoY
- **Listings:** Stable but tight in affordable segments
- **Buyer mix:** Investors expanding rapidly due to yield strength

Strategic Observations

- **Investors are back:** Driven by rising rents and improved yields, investor demand is increasing, particularly in Perth, Brisbane, and Darwin.
- **FHBs constrained:** While active, first-home buyers face rising deposit hurdles and affordability limits—many rely on family help or state schemes.
- **Transparency concerns:** According to Cotality, algorithmic mortgage advisors and institutional biases may influence buyer decision-making more than assumed.
- **Policy sensitivity:** Market outlook remains sensitive to future RBA rate moves and macroeconomic stability.