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Market Essentials October 2025

National Overview

- **Market direction:** National dwelling values continue to rise modestly, up ~0.5% in August and ~4.1% over the year. The market remains resilient despite affordability pressures.
 - **Momentum:** The quarterly pace of growth ($\approx +1.8\%$) marks the strongest since mid-2024, supported by interest-rate easing expectations and improving consumer confidence.
 - **Macro factors:** Stabilising inflation, expected RBA rate cuts in early 2026, and ongoing population growth underpin demand. However, affordability ceilings and supply bottlenecks persist as structural headwinds.
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New South Wales (NSW)

- **Trend:** Sydney prices have resumed moderate growth (+0.7% monthly), driven by low listings and strong employment.
 - **Rental market:** Among the nation's tightest — vacancy < 1%, rents +7–8% YoY. Competition remains intense in inner-metro and coastal markets.
 - **Regional NSW:** Hunter Valley and Central Coast show stable growth; affordability remains a draw for ex-city buyers.
 - **Growth Suburbs:**
 - **Menangle (South-West Sydney)** — $\approx +16\%$ growth in 6 months; benefitting from Western Sydney Airport infrastructure.
 - **Leppington & Austral** — strong pipeline of transport and housing development; sustained investor interest.
 - **Vineyard (NW Growth Corridor)** — double-digit annual gains; low new supply.
 - **Outlook:** Continued steady price appreciation through Q4 2025, though affordability limits upside in inner Sydney.
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Victoria (VIC)

- **Trend:** Melbourne's recovery remains cautious (+0.3% monthly), still below 2022 peaks.
- **Drivers:** Population recovery, migration inflows, and reduced investor selling support stability.
- **Rental market:** Tight vacancies ($\sim 1.3\%$), rents +6% YoY across inner-north and west.

- **Growth Suburbs:**
 - **Tarneit** (West Melbourne) — strong first-home buyer and investor demand; yield ~4.6%.
 - **Clyde North** (SE corridor) — robust land releases, high owner-occupier interest.
 - **Epping** (North) — transport, retail and hospital infrastructure driving new interest.
 - **Outlook:** Gradual recovery with outer-metro outperforming core city areas; rental pressure to remain elevated.
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Queensland (QLD)

- **Trend:** Brisbane leads the eastern capitals (+1.2% monthly). Regional QLD remains buoyant amid lifestyle migration.
 - **Rental market:** Among tightest nationally — vacancy ~0.9%, rents +9% YoY.
 - **Growth Suburbs:**
 - **Chapel Hill, Kedron, Chermside** — mid-ring Brisbane suburbs showing sustained annual growth > 20%.
 - **North Ipswich & Logan Central** — affordable price points (< \$600 k) and strong rental yields (> 5%).
 - **Upper Coomera (Gold Coast corridor)** — approaching \$1 m median, underpinned by population inflows and infrastructure.
 - **Outlook:** Continued above-average capital growth into early 2026; investor demand remains robust due to strong yields.
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Western Australia (WA)

- **Trend:** Perth continues its strong run, with some of the nation's highest growth rates (+1.3% monthly).
 - **Rental market:** Extremely tight (vacancy ~0.6%); rents +10% YoY — strongest rental inflation nationwide.
 - **Growth Suburbs:**
 - **Bateman & Bellevue** — top performers (> 15% annual growth).
 - **Brookdale & Seville Grove** — outer-metro, high rental yield > 6%.
 - **Trigg** (coastal) — long-term capital growth leader, premium owner-occupier market.
 - **Outlook:** WA to remain Australia's growth leader through 2025 given mining-led migration and chronic housing undersupply.
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South Australia (SA)

- **Trend:** Adelaide continues steady growth (~0.4% monthly), holding near record highs.
- **Rental market:** Tight (< 1.2% vacancy), rents +5% YoY.
- **Growth Suburbs:**
- **Salisbury North & Mawson Lakes** — affordable entry points, strong rental yield (~5%).
- **Glenelg East** — premium coastal market maintaining above-trend value increases.

- **Outlook:** Moderate but consistent gains expected through mid-2026; low volatility market.
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Tasmania (TAS)

- **Trend:** Hobart and regional Tasmanian markets broadly flat (-0.1 to +0.2% monthly).
 - **Rental market:** Vacancy 1.3%, rents +4% YoY.
 - **Growth Suburbs:**
 - **Kingston & Huonville** — outer lifestyle zones with rising interest from mainland buyers.
 - **Outlook:** Stable, affordability-driven market with limited short-term catalysts.
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Northern Territory (NT)

- **Trend:** Darwin values rising steadily (+0.6% monthly).
 - **Rental market:** High yields (~6%), low vacancies (< 1.5%).
 - **Growth Suburbs:**
 - **Muirhead & Lyons** — newer suburbs showing solid investor activity and rental demand.
 - **Outlook:** Expected to outperform smaller states on a yield basis; price growth moderate but stable.
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Cross-Market Insights

- **Growth convergence:** Capital city performance is more uniform than in 2023–24; dispersion narrowing.
 - **Regional resilience:** Regional centres near transport and resource hubs maintain strong relative momentum.
 - **Rental stress:** National rental affordability index at decade-low; limited new supply is a systemic constraint.
 - **Investor sentiment:** Strengthening as yields improve and rate-cut expectations increase borrowing confidence.
 - **Policy impact:** Expansion of the *Home Guarantee Scheme* and state-level land-release programs will influence entry-level demand through 2026.
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Summary:

Australia's housing market remains in a controlled upswing, underpinned by tight supply, migration-led demand, and early signs of credit easing. Growth is broadening beyond Perth and Brisbane, with select NSW and QLD outer-metro corridors emerging as 2025's standout performers. Rental markets nationwide remain under acute pressure, ensuring ongoing investor appeal and policy attention.