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Market Essentials November 2025

National Overview

- **Values:** National dwelling prices up **1.1% MoM (Oct 2025)** – fastest pace in > 2 years. **Annual growth:** ~ 6.1% y/y (Sept–Oct 2025).
- **Houses vs Units:** Now rising at similar rates – Oct houses +0.6%, units +0.7%; 12-month growth 7.6% vs 7.2%.
- **Drivers:** Record-low listings, strong migration, improved borrowing conditions, and RBA rate cuts stimulating demand.
- **Rental market:** National yields ≈ 3.5% (houses) | 4.6% (units); rents +3–4% y/y; vacancy rates < 1.5%.
- **Outlook:** Further moderate growth expected through early 2026 as supply remains constrained and rent pressures persist.

New South Wales (Sydney & Regional NSW)

- **Sydney:** House prices ↑ ~0.7% in Oct; annual +4%. Median house ~$1.55 m; unit ~$881 k (+0.3% y/y).
- **Regional NSW:** Still outperforming metro for affordability & lifestyle.
- **Trend:** Houses > units for growth, but unit rents rising faster.
- **Outlook:** Tight supply and stable rates to support slow price acceleration into 2026.

Victoria (Melbourne & Regional VIC)

- **Melbourne:** Weaker momentum; quarterly house ≈ +2.4%, unit ≈ +1.7%. Median ~$803 k.
- **Rental yields:** ~3.7% (houses); units slightly higher.
- **Regional VIC:** Better relative performance as buyers seek value.
- **Outlook:** Slower recovery but improving with rate stability and low new supply.

Queensland (Brisbane & Regional QLD)

- **Brisbane:** Among national leaders – Oct growth ~1.8%. Quarterly ~+3.5%.
- **Units vs houses:** Units outpacing houses due to severe supply shortage & rental demand.
- **Regional QLD:** Lifestyle and migration-driven markets performing strongly.

- **Yields:** Solid – units > houses (typically 4–5% gross).
- **Outlook:** Continued growth into 2026 as supply lags and population growth remains strong.

South Australia (Adelaide & Regional SA)

- **Adelaide:** Quarterly growth ~+2.5%; steady and consistent.
- **House vs unit:** Houses slightly ahead on growth.
- **Yields:** Moderate (≈ 4%). Vacancy tight.
- **Outlook:** Sustained stability; affordability supports continued buyer interest.

Western Australia (Perth & Regional WA)

- **Perth:** Nation's strongest capital – Oct growth ~1.9%; quarter +4%.
- **Units vs houses:** Both rising solidly; units occasionally outpacing houses.
- **Yields:** Among highest nationwide (~5%+); investor demand robust.
- **Outlook:** Continued leader into 2026 as migration and mining activity boost demand.

Tasmania (Hobart & Regional TAS)

- **Hobart:** Flat quarter (+0.1%); growth muted after earlier rally.
- **Units:** Slight catch-up potential given lower entry prices.
- **Yields:** Relatively high (≈ 4.5%); vacancy tight < 1.5%.
- **Outlook:** Stable, slow growth through 2026.

Northern Territory (Darwin & Regional NT)

- **Darwin:** Quarter growth ~5.9% – one of the strongest nationwide.
- **Yields:** High (~5.8% houses; ~7–8% units).
- **Trend:** Low stock and rising rents continue to lift values.
- **Outlook:** Likely to remain volatile but income returns remain appealing.

Australian Capital Territory (Canberra)

- **Quarter growth:** ~+3%. Houses slightly ahead of units.
- **Rental market:** Stable but tight due to public-sector demand.
- **Outlook:** Modest growth expected into 2026; consistent performer.

Market Outlook 2026

- **National values:** Projected to rise 3–5% in 2026.

- **Rents:** Forecast +3.5% p.a. (2025–26); apartment rents expected to rise ~24% by 2030.
- **Supply:** Building approvals remain weak → ongoing undersupply pressure.
- **Investor trend:** Shift toward units for yield and affordability.
- **Risks:** Economic slowdown or faster-than-expected rate changes could temper growth.

Summary:
Australia's housing upswing accelerated into spring 2025, led by Perth and Brisbane. Houses retain long-term capital growth advantage, but units are catching up on value and yield. Tight supply and persistent rental pressure should support further modest price growth nationally into 2026.