

Melbourne Review 🏠

The annual change in house and unit values for the month of December

Dwelling sale

86,267

Annual Dwelling sales

1.5%

Higher than one year

4.3% higher

The five-year average
for the region

-3.7%

House sales

12.5%

Unit sales

Source: CoreLogic



2023 saw 3.5% growth in Melbourne dwelling values with December's -0.3% growth seeing 2023 finish with softer conditions. One of the main trends through the year has been the widening disparity in the rate of home value growth across the capital cities. Melbourne dwelling values easing in December and over the final quarter reflected in an increase in listings providing buyers more choice and taking some urgency from the market.

Capital cities have generally recorded stronger growth conditions relative to regional areas. Across the combined capital cities index, dwelling values were up 9.3% in 2023, more than double the 4.4% rise recorded across the combined regional index. Melbourne has experienced higher demand amid strong international migration.

Melbourne dwelling values are now 11% higher than at the onset of Covid and -4.1% below the record high, which was in March 2022.

Melbourne Property Market Update

Month in Review

December 2023

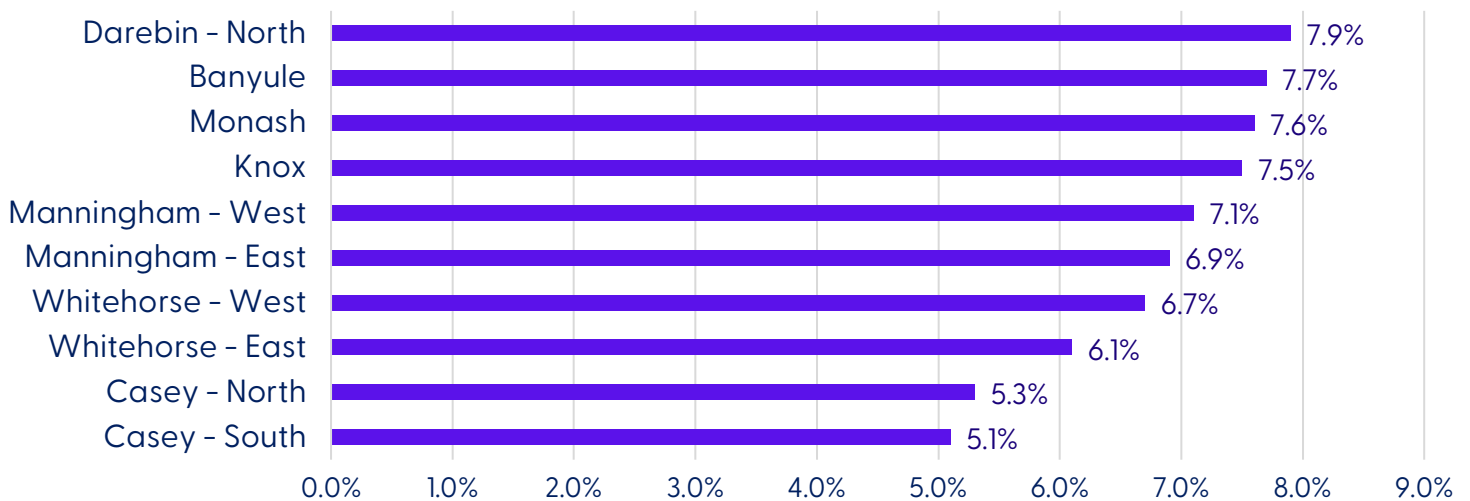


Market Outlook 🧐

	🏠 HOUSES	🏢 UNITS
Listings	↑ 35.8%	↑ 25.3%
Days on market	39	40
Vendor discount	-4.1%	-3.8%
Median value	\$948,041	\$610,122

Source: CoreLogic

What's Hot – Top 10 Melbourne Suburb Annual Change 🔥



Source: CoreLogic

Final Outlook 🤔

The trends from late 2023 are pointing towards a milder outcome for housing values in early 2024, with the potential for a year of two halves. In the first half of 2024, dwelling value growth will be tested by continued high interest rates and weaker economic conditions, both of which are likely to weigh on housing activity.

The trajectory of interest rates through 2024 will be a key factor influencing housing trends. The trend towards lower inflation, weakening economic conditions amid low consumption and a loosening labour market, suggests we are at peak rates. A reduction in the cash rate target through 2024 could help to re-stoke demand later in the year.

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