Sydney Property Market Update
Month in Review
December 2023

Sydney Review 🏠

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

Dwelling sale

93,050
Annual Dwelling sales

-15.5%
Lower than one year ago

1.3% higher
The five-year average for the region

-15.1%
House sales

-16.0%
Unit sales

Source: CoreLogic

2023 saw 11.1% growth in Sydney dwelling values with December's 0.2% increase seeing 2023 finish with a relatively soft monthly rise in home values. One of the main trends through the year has been the widening disparity in the rate of home value growth across the capital cities. Sydney home values are stabilising with a monthly growth rate of just 0.2% in the final two months of the year.

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.

Sydney dwelling values are now 24.6% higher than at the onset of Covid and -2.1% below the record high, which was in January 2022.

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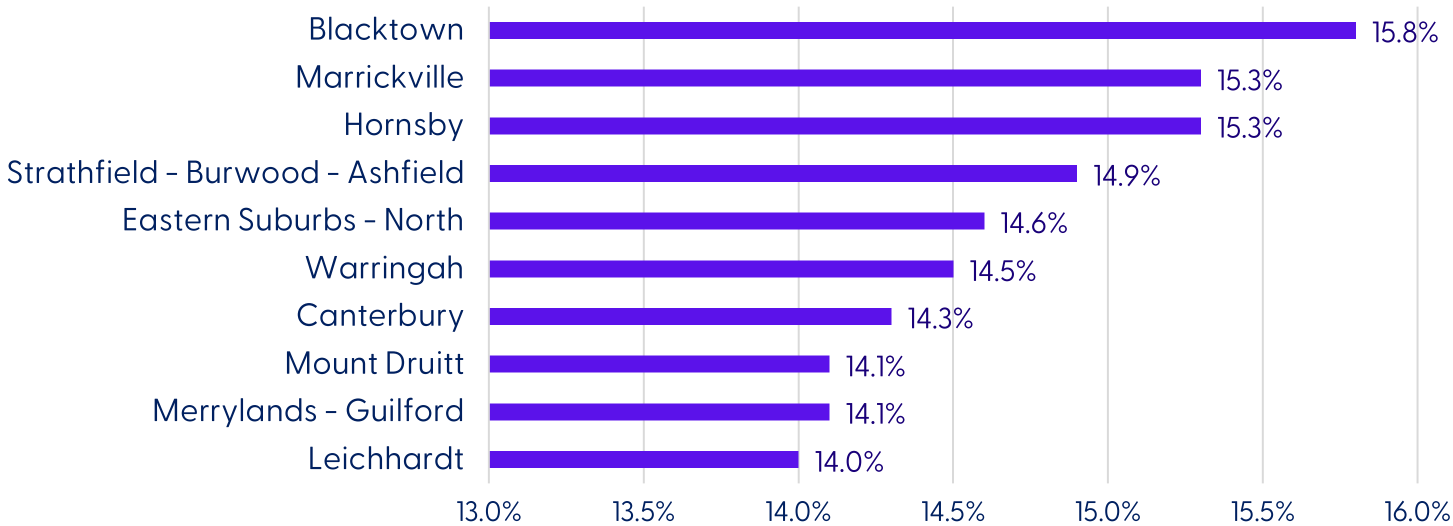
Market Outlook

	HOUSES	UNITS
Listings	↑ 12.8%	↑ 4.3%
Days on market	36	41
Vendor discount	-4.0%	-3.3%
Median value	$1,400,630	$834,57

Source: CoreLogic

What's Hot – Top 10 Sydney 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.