

Media Release
18 December 2024

Australian property prices expected to increase by up to 4% in 2025, marking an easing of price growth

REA Group today launched the PropTrack Property Market Outlook Report December 2024, a bi-annual report combining an analysis of the residential property market with an outlook for the year ahead.

Key take outs:

- Australian property prices are expected to increase by up to 4% in 2025, which would mark an easing of price growth compared to recent years.
- Over the 12 months to November 2024, Australian property prices rose 5.5%, reflecting a slowdown from the 6.9% growth in 2023.
- Home prices in Perth and Adelaide are projected to grow by up to 6% in 2025, reinforcing their dominance after rising 18.7% and 14.6%, respectively, over the year to November 2024.
- After recording the sharpest decline in home prices in the year to November 2024, Melbourne (-1.6%) is forecast to have the weakest 2025 performance, with prices projected to move between -1% and +2%.
- Following a 12.6% rise in Brisbane and 4.6% increase in Sydney home prices over the year to November 2024, home prices are expected to grow more moderately in 2025, with Brisbane projected to increase by 2% to 5% and Sydney by 1% to 4%.
- Hobart, Darwin and Canberra property prices are projected to rise by up to 3% in 2025, following modest gains in the year to November 2024 with increases of 2.3% in Darwin, 1.3% in Hobart and 1% in Canberra.

REA Group Director of Economic Research and report author, Cameron Kusher, said:
"Australia's property market has shown unexpected resilience in 2024, with home prices rising nationally despite varied performance across the country and an influx of new properties hitting the market.

"The increase in available stock has boosted sales volumes but also led to softening demand, which has been a contributing factor to slowing price growth. With more options, buyers face less urgency to purchase, and properties are spending a longer time on the market.

"Property market conditions in 2024 have been far from uniform across the capitals and regions, with significant variations reflecting diverse supply and demand dynamics.

"With price growth moderating, stock levels rising, and the expected timing for interest rate cuts delayed, we anticipate weaker price growth compared to recent years.

"Nationally, property prices are expected to rise by up to 4% in 2025, down from the 5.5% growth recorded in the year to November. Adelaide and Perth are anticipated to lead price growth, while Melbourne could experience a price decline of as much as -1%."

Additional report findings:

- Total listing volumes were higher over the year in all capital cities except Adelaide and Darwin, as Sydney and Melbourne saw total listing volumes in late-2024 reach levels not seen in more than a decade.

- Perth was the only capital to see lower estimated sales volumes over the first 11 months of 2024 compared to 2023, while Sydney and Melbourne recorded some of the strongest increases in this period despite seeing the greatest increase in supply.
- Capital city enquiries per listing were 8.6% lower over the year with only Melbourne, Hobart and Darwin recording increases. Across the combined regional markets, enquiries per listing were 2.7% higher.
- Median days on market increased nationally from 27 days in November 2023 to 34 days in November 2024, this was the longest median days on market since September 2020 (excluding the slower January months).
- Over the five years to November 2024, national dwelling prices increased by 47.9%, although growth varied significantly depending on the city. Adelaide (+80.9%), Brisbane (+80.7%) and Perth (+79.1%) saw the strongest price growth in this time while Melbourne (+17.1%), Darwin (+29.8%) and Canberra (+38.2%) recorded the smallest increases.

For more information and to view the full report please visit realestate.com.au/insights or [click here](#).

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