National property prices expected to rise up to 4% in 2024

REA Group today launched the PropTrack Property Market Outlook Report December 2023, a bi-annual report combining an analysis of the residential property market with an outlook for the year ahead.

Key take outs:
- The rebound in home prices is likely to continue in 2024, with national property prices expected to increase between 1% and 4%.
- Prices in Sydney (+2% to +5%), and Melbourne (+1% to +4%) are set to rise, though at a slower pace than they have in 2023.
- Perth (+5% to +8%), Adelaide (+4% to +7%), and Brisbane (+3% to +6%) are likely to lead home price growth across the country after consistently recording strong gains in 2023.
- The smaller capital cities may see slight declines or moderate gains over the year, including Canberra (-1% to +2%), Hobart (-2% to +1%), and Darwin (-3% to 0%).
- This forecast considers current market momentum, as well as predictions on housing supply, the trajectory of interest rates and the impact of rate rises to-date.

PropTrack Director of Economic Research and report author, Cameron Kusher, said: “Australia’s property market proved resilient in 2023. Home prices have increased 5.5% so far this year to a record high, despite deteriorating housing affordability and interest rate rises significantly reducing borrowing capacities.

“Nationally, we expect prices to grow between 1% and 4% in 2024. We expect that a combination of continued strong demand and limited new housing construction will contribute to price gains, albeit at a slower pace than what we experienced this year.

“Stage three tax cuts will commence in July, which will benefit higher income earners, and in-turn, could lead to increased demand for higher priced housing.

“Interest rates are now at a 12-year high, and while they remained steady in December, there is a possibility of future increases, which could have an impact on buyer and seller sentiment.

“Reflecting on 2023, a number of factors drove the home price rebound. The volume of stock available for sale remained at persistently low levels while buyer demand also increased significantly, fuelled by a housing shortage and strong population growth. It’s likely these trends will continue into 2024.”

Additional report findings:
- In November 2023, home prices had risen 5.5% year-to-date to sit at a record high. This comes following 11 consecutive months of price growth.
- Capital cities drove home price growth in 2023, rising 6.6% over the same period, compared to a 2.8% increase in regional areas.
- Nationally, the total stock of properties for sale is historically low, sitting 23.9% below its November decade average.
• Buyers have been competing for a relatively low volume of stock. As a result, the number of enquiries per listing on realestate.com.au increased 20.5% year-on-year.

The report analyses consumer behaviour in real time by extracting property market insights from more than 10 million Australians who visit realestate.com.au each month1.

Key metrics include price changes, sale volumes, new and total listing volumes, enquiry per listing, and days on site.

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

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About REA Group (www.rea-group.com): REA Group Ltd ACN 068 349 066 (ASX:REA) (“REA Group”) is a multinational digital advertising business specialising in property. REA Group operates Australia’s leading residential and commercial property websites – realestate.com.au and realcommercial.com.au – as well as the leading website dedicated to share property, Flatmates.com.au and property research website, property.com.au. REA Group owns, Mortgage Choice Pty Ltd, an Australian mortgage broking franchise group, PropTrack Pty Ltd, a leading provider of property data services and Campaign Agent Pty Ltd, Australia’s leading provider in vendor paid advertising and home preparation finance solutions. In Australia, REA Group holds strategic investments in Simpology Pty Ltd, a leading provider of mortgage application and e-lodgement solutions for the broking and lending industries; Realtair Pty Ltd, a digital platform providing end-to-end technology solutions for the real estate transaction process and Managed Platforms Pty Ltd, an emerging Property Management software platform. Internationally, REA Group holds a controlling interest in REA India Pte. Ltd. operator of established brands Housing.com, Makaan.com and PropTiger.com. REA Group also holds a significant minority shareholding in Move, Inc., operator of realtor.com in the US, and the PropertyGuru Group, operator of leading property sites in Malaysia, Singapore, Thailand and Vietnam.

1 Ipsos iris Online Audience Measurement Service, August 2023 to September 2023 (monthly average), P14+, PC/laptop/smartphone/tablets, text only, Brand Group, Homes and Property Category, Audience (000s).