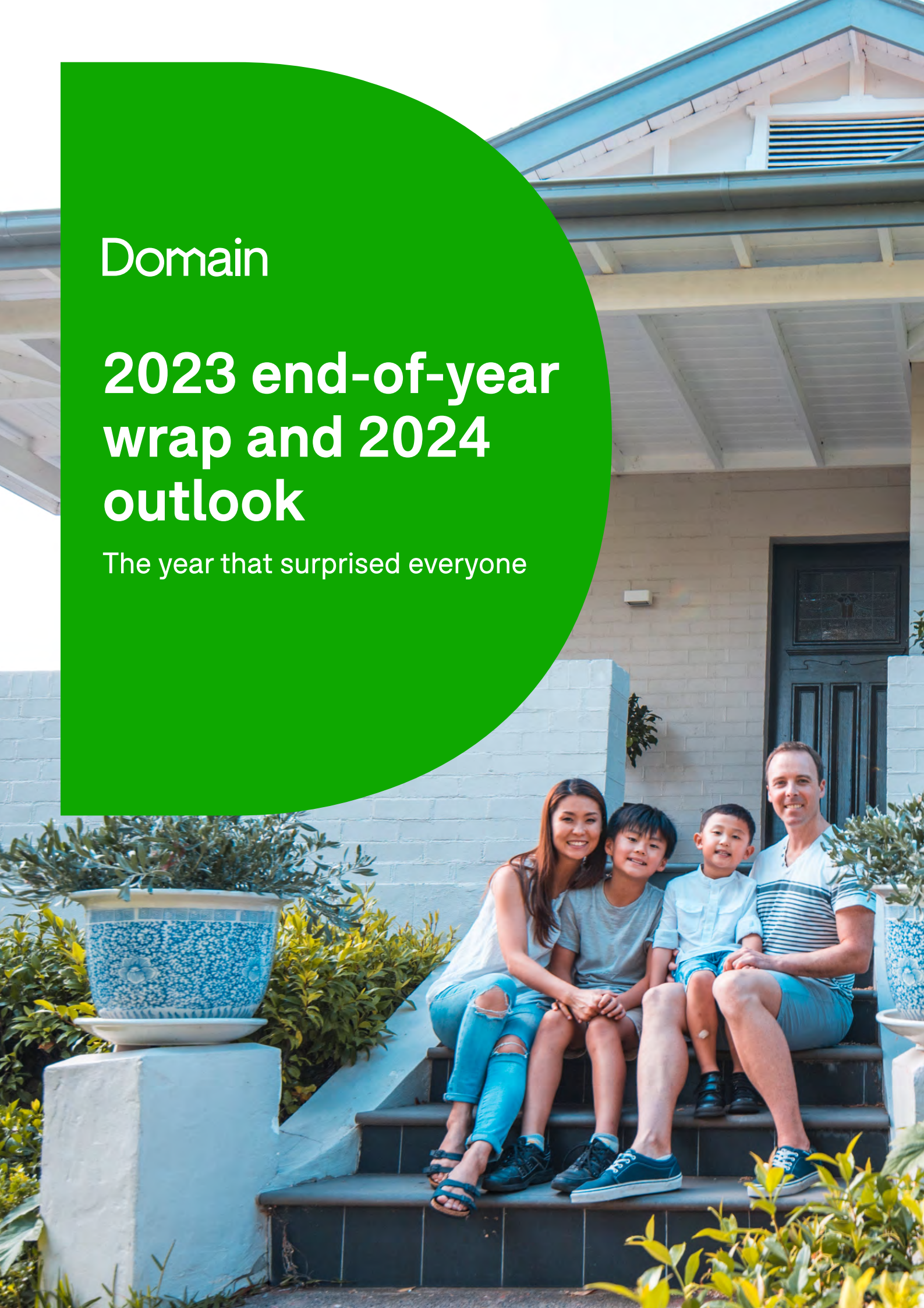


Domain

# 2023 end-of-year wrap and 2024 outlook

The year that surprised everyone



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## Report author

Dr Nicola Powell  
Chief of Research and Economics

## Analysts

Dr Aneeq Sarwar  
Senior Economist

Lakshana Yoganathan  
Research Analyst



## House price growth defies high interest rates

Australia's 2023 property market will be defined as the year price growth defied high interest rates and a new cycle began. It was a surprise, given that it was largely expected to be the year that rapid rate hikes continued to hit housing demand and would impact price growth negatively. As the first Tuesday of every month approached, potential interest rate rises dominated water cooler chats across the nation – will they, won't they? Over the past 18 months, mortgage holders have been slugged with 13 rate hikes, moving the cash rate from 0.1% to 4.35%, with five increases in 2023. It has been a win for savings rates, but the impact on borrowing capacity and mortgage affordability has cut deeply.

What subsequently unravelled over this past year was a reverse of expectation that defied logic – as a shortfall of housing supply collided with rapid population growth, a strained construction sector and the tightest rental market on record – and Australian property prices rose. House prices for the combined capitals bottomed out at the end of 2022, allowing the new year to commence with a new price cycle, with Sydney leading the pricing recovery, followed by Brisbane. Adelaide and Perth are the only capital cities where house prices have persistently hit all-time highs and avoided any material downturns. All in all, as we bid farewell to 2023, it's safe to say that it was a year in property that surprised everyone.

Dr Nicola Powell  
Domain Chief of Research and Economics



**312,579**

House sales



**115,893**

Unit sales



**82,183**

Auctions scheduled



**\$70m**

Biggest sale of  
the year

24 Victoria Road, Bellevue Hill,  
Sydney, NSW

# A year of two halves

## Scarcity of new listings

Consumer behaviour created a year of two halves within the housing market. The first half was marked by a scarcity of new listings from spring 2022, fueling buyer competition and resulting in steep price increases. Many prospective sellers adopted a cautious approach, deferring decisions to see the depth of the downturn and just how high inflation and interest rates would go. This response is reasonable, considering almost a third of homes are owned outright, and many other home owners (35% purchasing with a mortgage) hold a substantial equity stake, providing ongoing insulation to our housing market.<sup>1</sup>

The subdued listing environment ran headfirst into rising demand due to rapid population growth, smaller average household size, tight rental markets (which fast-tracked home buying for some), unemployment at multi-decade lows and wage growth slowly rising. Unprecedented headwinds in the construction sector also added to the accumulated supply shortfall, as skills shortages, supply chain constraints and cost pressures slowed the completion of new homes. Upgraders also stemmed demand as they became buoyed by equity gains and were, therefore, less affected by higher interest rates.

## Winter became the new spring

Dynamics shifted considerably in the second half of 2023 as sellers regained market confidence, bringing pent-up supply to market. Eager to capture market momentum, motivated by the pricing recovery and the belief that interest rates were at or close to a peak, sellers became active during what would traditionally be a seasonally quiet time. This could also signal some buyers are feeling the financial squeeze of higher debt costs, particularly investors. In August, new listings soared well above the five-year average as winter became the new spring, especially in Sydney and Melbourne. However, choice remained limited in Brisbane, Adelaide and Perth. By October, new listings rose to a 17-month high across the combined capitals.

## How much further do prices need to recover?

Location	Houses		Units	
	Median	From Peak	Median	From Peak
Sydney	\$1,583,521	-0.4%	\$783,546	-2.7%
Melbourne	\$1,049,038	-4.1%	\$568,417	-5.5%
Brisbane	\$865,072	At peak	\$511,476	At peak
Adelaide	\$862,078	At peak	\$464,783	-0.3%
Canberra	\$1,050,575	-10.6%	\$554,266	-9.1%
Perth	\$724,033	At peak	\$380,435	-9.9%
Hobart	\$712,062	-6.8%	\$495,380	-12.8%
Darwin	\$649,538	-4.3%	\$382,403	-21.4%
Capitals	\$1,084,855	At peak	\$624,290	-0.5%
Regionals	\$591,139	At peak	\$455,884	-0.3%

Despite the rise in listings, prices have continued to increase, albeit at a slower pace than the bounce seen earlier in the year.

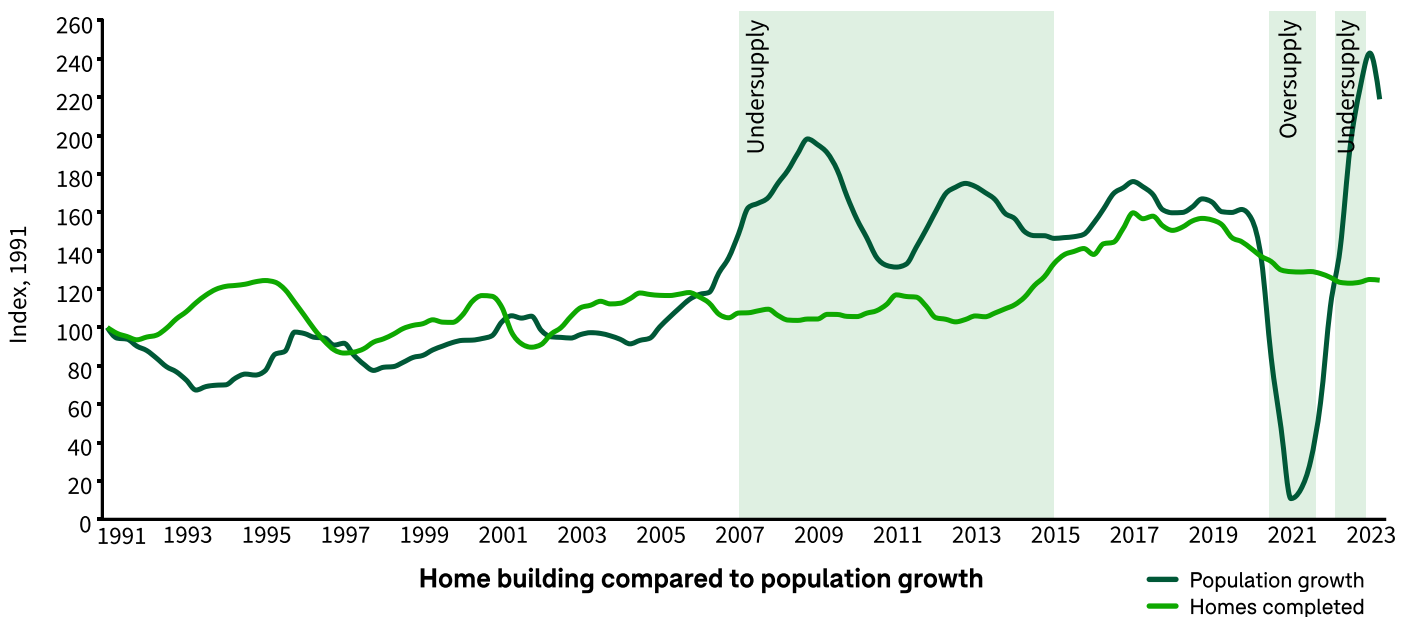
Australia ends the year with house prices across the combined capitals and Brisbane fully recovered from the 2022 downturn. Sydney house prices have only \$7,000 left to break through to a new price record. Adelaide and Perth are the only capital cities where house prices have continued to hit all-time highs. For units, Brisbane is at a record, and Adelaide is close to a record. However, weaker conditions are evident in our smaller capital cities of Canberra, Hobart and Darwin. They are in recovery, although Canberra was the final capital city to reach a price trough and has the most to recover, followed by Hobart and Darwin.

## The cliffhanger

Between 2020 and 2021, rock-bottom interest rates saw the share of fixed-rate loans almost double to close to 40% of outstanding housing credit.<sup>2</sup> Refinancing of these ultra-low fixed loans – the exaggerated “cliff” – peaked in the June and September quarters of 2023 and will remain elevated into early 2024.<sup>3</sup>

Despite higher interest rates, the vast majority have managed the transition, and mortgage arrears have risen but remain near historic lows. Rising housing prices have provided support, increasing household wealth and reducing losses in the event of an urgent sale or default.

In fact, the proportion of distressed listings on domain.com.au declined throughout 2023. However, a financial squeeze was evident for some borrowers in the mortgage belt of our expensive capitals, with elevated distressed listings in Sydney’s Blacktown, Bringelly-Green Valley and Campbelltown. Little evidence suggests it is biting households at a broader scale, as feared by some, but measures of mortgage stress are rising and could worsen if the RBA raises rates further.



## Gloom but not doom

Unsurprisingly, consumer confidence has remained notably pessimistic since mid-2022. This has made the recovery somewhat unusual, as normally, sentiment would improve. In all of this gloom, the recovery shows that long-term confidence in housing remains as it is perceived as a stable investment, offering a sense of security and a place to call home.

Also, the pricing recovery has put Australia’s undersupply firmly in the spotlight in 2023. Borrowing power has taken a drastic hit, and consumer sentiment is deeply negative, but despite this, the country has record house prices across the combined capitals and combined regionals, affirming that our housing shortfall runs far deeper than initially thought. This has certainly

overflowed into the rental market, with a record-low vacancy rate driving the longest continuous stretch of rising asking rents (also at a record). Addressing the issues of undersupply has come to the forefront, with the national cabinet setting a new target to build 1.2 million homes over five years.

The outlook for the property market is uncertain, with various push-pull factors at play between a supply shortfall, strong population growth and interest rates remaining higher for longer. Both will no doubt dominate throughout 2024. Affordability will contain the pace of price growth, and interest rates are expected to stay high for some time, but we’re expecting a cut in the second half of 2024.

# National snapshot

## Most wanted property type



### House

🛏️ 4 🏠 2 🚗 2



### Townhouse

🛏️ 3 🏠 2 🚗 2



### Unit

🛏️ 2 🏠 1 🚗 1



### School catchment area

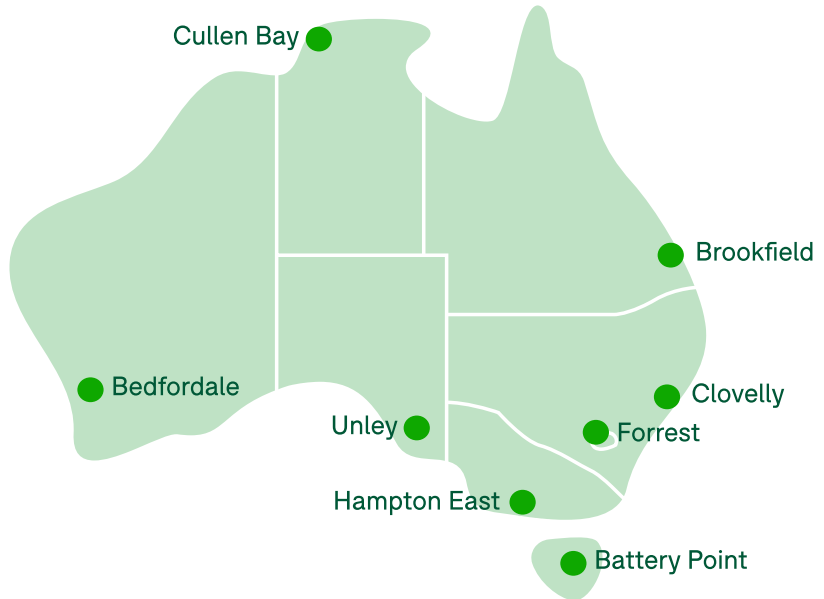
East Doncaster  
Secondary College,  
Melbourne, VIC

## Overseas searches

By looking at overseas searches we can see what areas potential overseas buyers are most interested in.

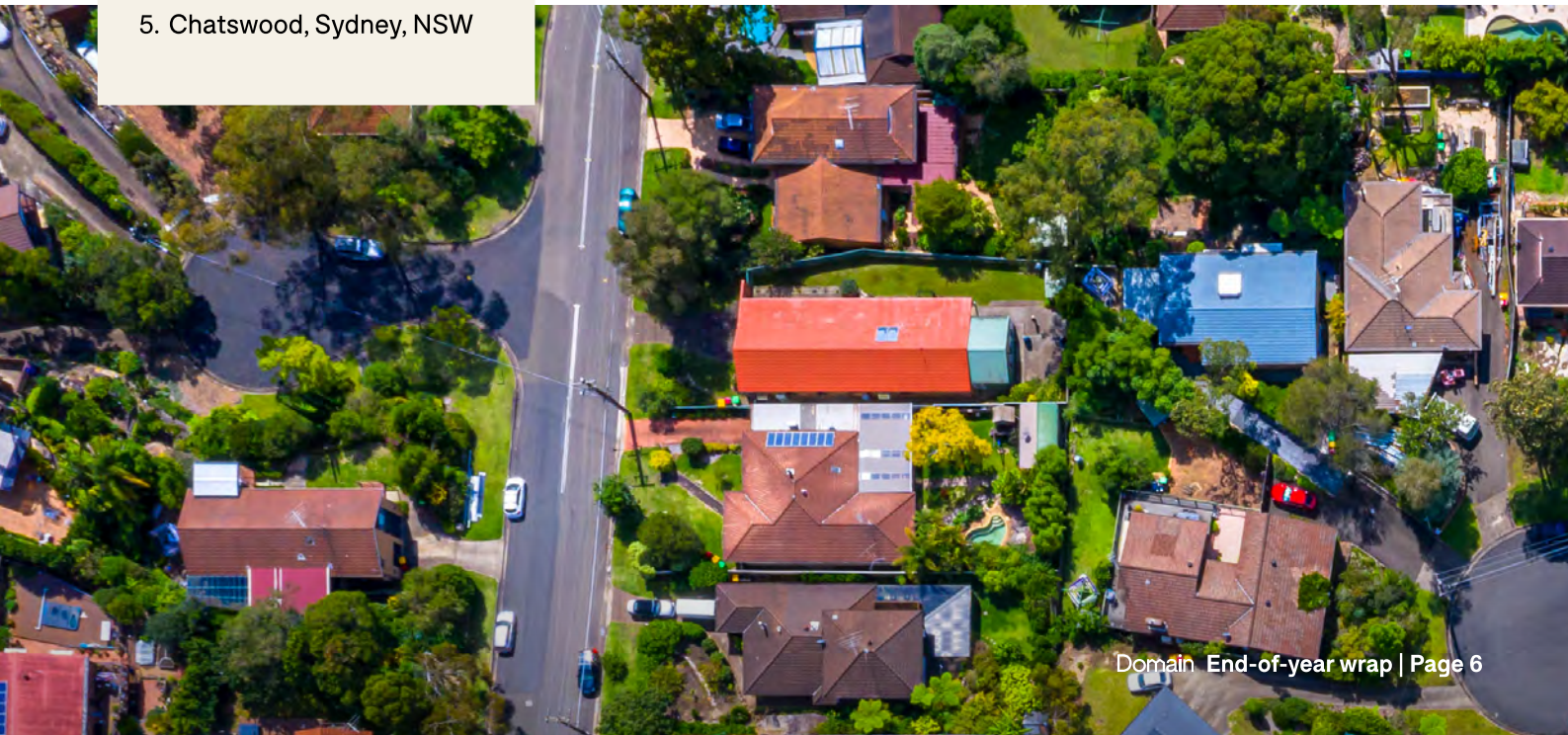
1. Melbourne, VIC
2. Sydney, NSW
3. Mosman, Sydney, NSW
4. Surry Hills, Sydney, NSW
5. Chatswood, Sydney, NSW

## Most in demand area by city

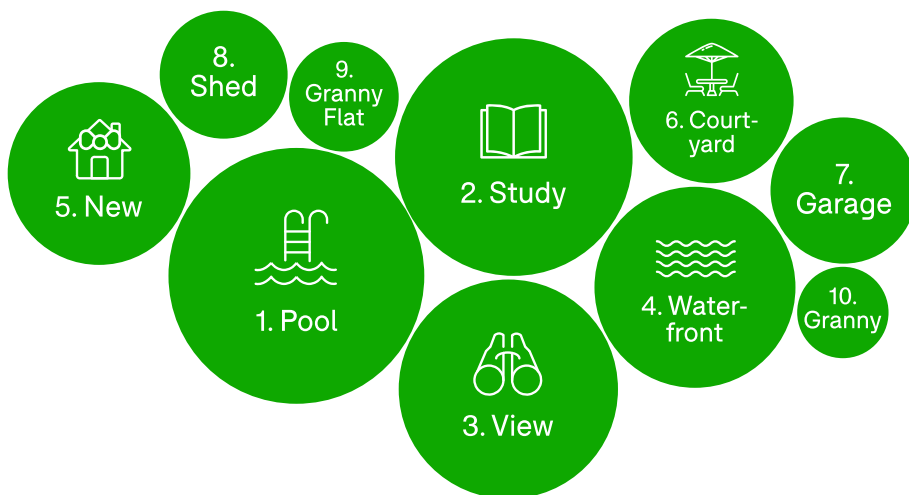


## Suburbs with the quickest sales by city

Leda Perth, WA	8 days	Rosny Hobart, TAS	22 days
Normanhurst Sydney, NSW	13 days	Fraser Canberra, ACT	31 days
Brendale Brisbane, QLD	18 days	Hillier Adelaide, SA	39 days
Watsonia North Melbourne, VIC	21 days	Nakara Darwin, NT	74 days



## Australia's top keyword searches



- ‘Study’ searches have become more important at the expense of a ‘view’. It looks like working from home is here to stay – ‘study’ is now the second most popular search term, up from fifth in 2020.
- Rising through the ranks has been ‘granny flat’ – showing the tightness of the rental market and desire to have a side income, more space to work or a rise in intergenerational living.
- ‘Courtyards’ have become more important than ‘balconies’ – indicating a preference for standalone homes over high rise.
- Home buyers clearly want so much more from their homes – waterfront suburbs and the added lifestyle luxury of a pool.
- Searches for ‘new’ builds are heating up, indicating home buyers are ditching the renovation journey for fear of cost blowouts and instead opting for the turnkey home.
- ‘Beach’ popularity has dropped – are buyers being priced out, or are they heading to the cities?

## Most viewed property

### National

14 Charming Street, Hampton East  
VIC 3188

### Regional

430 Cooroy Mountain Road, Cooroy  
Mountain QLD 4563

### Sydney

21 Plane Tree Drive, Narellan Vale  
NSW 2567

### Melbourne

14 Charming Street, Hampton East  
VIC 3188

### Brisbane

598 London Road, Chandler QLD  
4155

### Canberra

1 Lois Simpson Crescent, Whitlam  
ACT 2611

### Adelaide

51 Kauri Parade, Seacliff SA 5049

### Perth

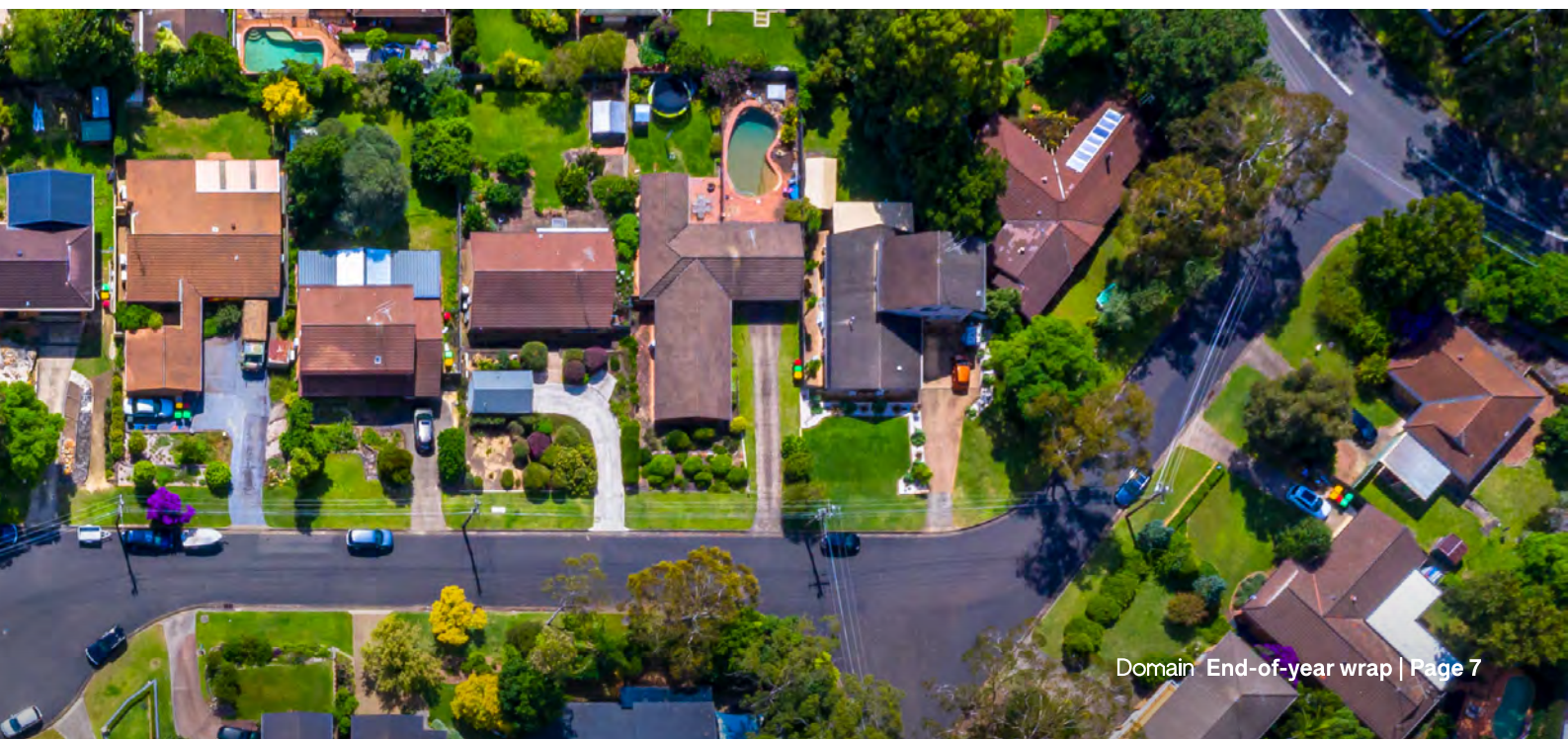
32 Chalmers Street, Fremantle WA  
6160

### Hobart

49 Lawitta Road, Lawitta TAS 7140

### Darwin

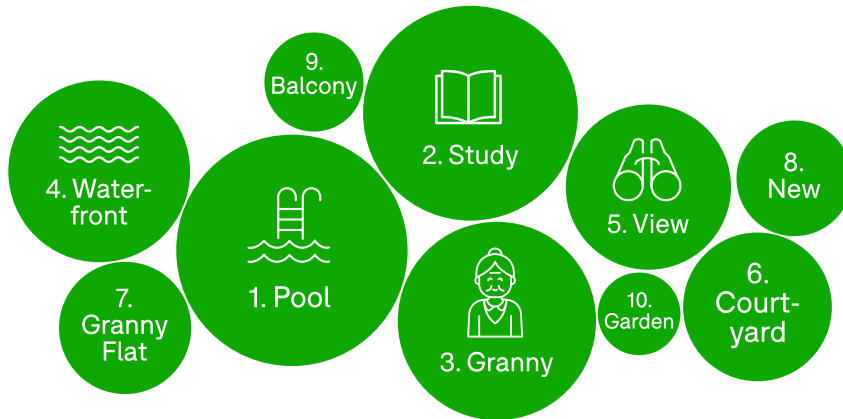
156/21 Cavenagh Street, Darwin City  
NT 800





# Sydney most wanted





## Top keyword searches



- ‘Study’ was the second most popular search term for Sydney – it looks like working from home is here to stay.
- ‘Granny flat’ searches have risen through the ranks and placed highest out of all the cities – showing the desire to have a side income in Australia’s most expensive city, more space to work or a rise in intergenerational living.
- ‘Courtyards’ have become more important than ‘balconies’ – Australians love standalone homes.
- The need for outdoor space continues to shape the Sydney home with a garden, courtyard, and balcony high on a Sydney buyer’s wish list.
- Remote working and the search for more affordable pastures remains strong, with 28% of Regional NSW enquiries coming from Sydney siders, while only 6% are looking at moving to Sydney.
- While most home hunters across NSW come from within the state (80% of searches), some have their sights set on Victoria and Queensland as affordability and lifestyle calls.

## Most wanted property type

 **House**  
 4  2  2

 **Townhouse**  
 3  2  2

 **Unit**  
 2  2  1

 **School catchment area**  
 Carlingford High School

## In demand suburbs

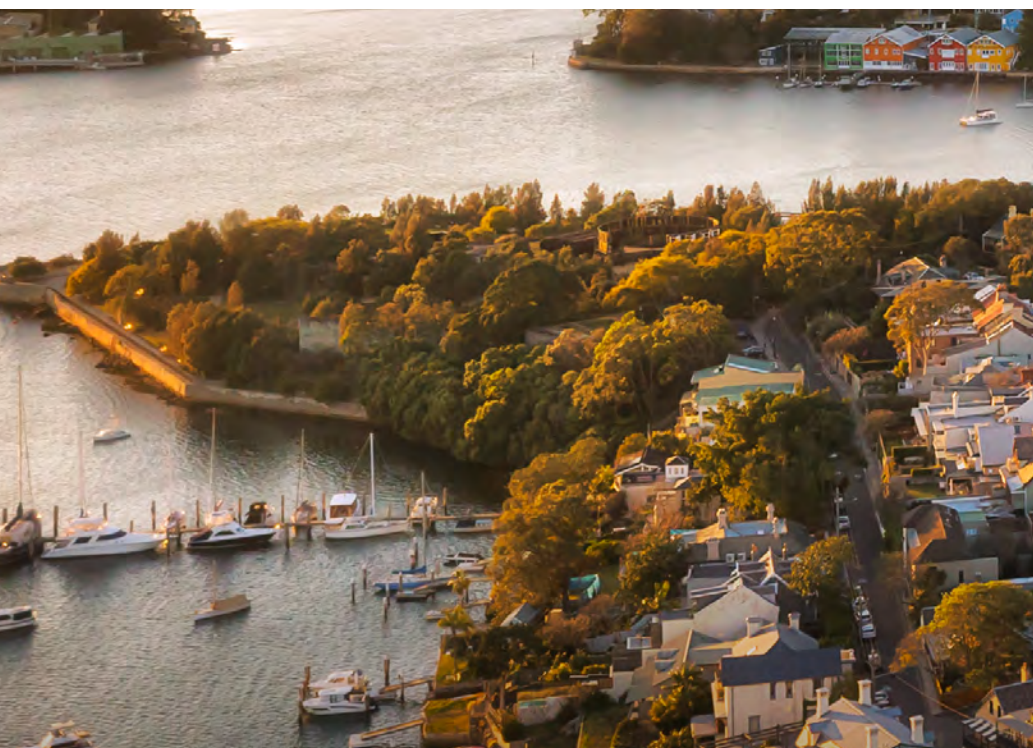
1. Clovelly
2. Bronte
3. Castlecrag
4. McMahons Point
5. Balmain

## Overseas searches

1. Sydney
2. Mosman
3. Surry Hills
4. Chatswood
5. North Sydney

## Intrastate enquiries

28% of total enquiries on Domain to Regional NSW have been from Sydney







# Sydney suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Normanhurst	13 Days
2. Dean Park	13 Days
3. Birrong	17 Days
4. Wetherill Park	18 Days
5. North St Marys	19 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. Banksia	100%
2. Berowra Heights	100%
3. Fairfield East	94%
4. Beaconsfield	94%
5. Colyton	93%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Paddington	\$26,992/m <sup>2</sup>
2. Surry Hills	\$23,882/m <sup>2</sup>
3. Woollahra	\$23,456/m <sup>2</sup>
4. Bronte	\$16,567/m <sup>2</sup>
5. North Bondi	\$16,538/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Hazelbrook	\$861/m <sup>2</sup>
2. Faulconbridge	\$892/m <sup>2</sup>
3. Wentworth Falls	\$902/m <sup>2</sup>
4. Leura	\$1,015/m <sup>2</sup>
5. Blackheath	\$1,020/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

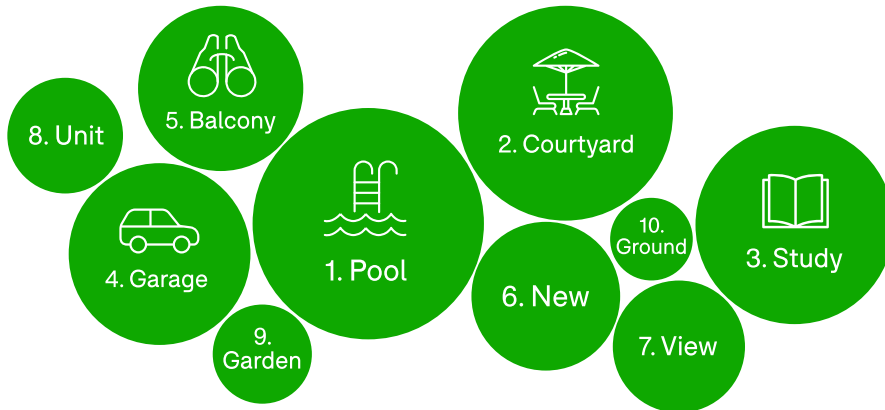
- 1. Blacktown, 11.4%
- 2. Fairfield, 9%
- 3. Parramatta, 9%
- 4. Marylands - Guildford, 8.4%
- 5. Richmond - Windsor, 7.5%





# Melbourne most wanted



## Top keyword searches





- The wish list hasn't altered much, with 'pool', 'courtyard' and 'study' holding the top three for the past two years.
- 'Study' was the third most popular search term for Melbourne – it looks like working from home is here to stay.
- Apartment living is gaining popularity – with 'units' breaking into the top 10 search terms for 2023 – as affordability and squeezed borrowing capacities steer decisions amid a tight rental market.
- Searches for 'new' builds are heating up, indicating home buyers are ditching the renovation journey for fear of cost blowouts and instead opting for the turnkey home.
- Remote working and the search for more affordable pastures remains strong, with 34% of Regional Vic enquiries coming from Melburnians, while only 4% are looking at a city move.
- While most home hunters across Victoria come from within the state (78% of searches), some set their sights on Queensland as affordability and lifestyle calls, while others are looking towards NSW.

## Most wanted property type

 **House**  
 4  2  2

 **Townhouse**  
 3  2  2

 **Unit**  
 2  1  1

 **School catchment area**  
 East Doncaster Secondary College

## In demand suburbs

1. Hampton East
2. Middle Park
3. Albert Park
4. Carlton North
5. Toorak

## Overseas searches

1. Melbourne
2. South Yarra
3. Richmond
4. Toorak
5. Kew

## Intrastate enquiries

34% of total enquiries on Domain to Regional VIC have been from Melbourne





# Melbourne suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Watsonia North	21 Days
2. Croydon Hills	23 Days
3. Tecoma	24 Days
4. Lysterfield	27 Days
5. Blind Bight	28 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. Oakleigh South	88%
2. Blackburn North	87%
3. Dingley Village	86%
4. Aspendale Gardens	85%
5. Blackburn	85%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Albert Park	\$14,016/m <sup>2</sup>
2. Fitzroy	\$11,713/m <sup>2</sup>
3. South Melbourne	\$10,748/m <sup>2</sup>
4. Carlton North	\$10,051/m <sup>2</sup>
5. Port Melbourne	\$9,593/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Emerald	\$418/m <sup>2</sup>
2. Romsey	\$510/m <sup>2</sup>
3. Narre Warren North	\$613/m <sup>2</sup>
4. Belgrave	\$701/m <sup>2</sup>
5. Mount Evelyn	\$778/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

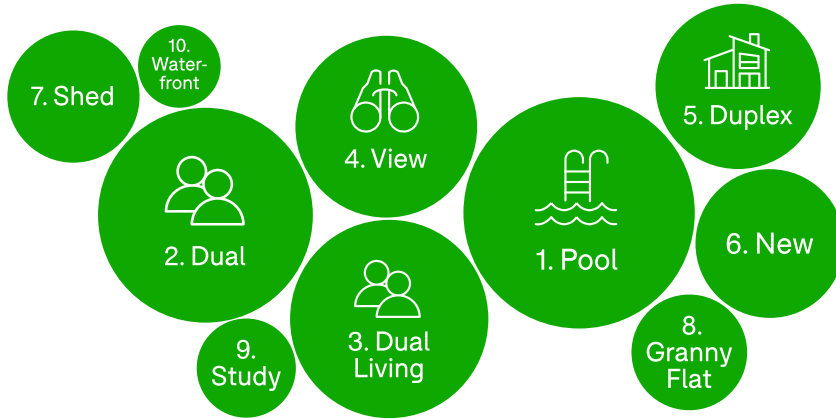
1. Casey - South, 4.6%
2. Dandenong, 4%
3. Whitehorse - West, 2.7%
4. Wyndham, 2.5%
5. Melbourne City, 2.5%





# Brisbane most wanted





## Top keyword searches



- Budget-conscious buyers seek a duplex, dual occupancy and even dual living. It places the missing middle of affordable housing in the spotlight; those priced out of purchasing a house are now looking for an affordable alternative such as a split block.
- Rising through the ranks has been 'granny flat' – showing the tightness of the rental market and the desire to have a side income, more space to work or a rise in intergenerational living.
- A 'study' has also risen through the ranks – it looks like working from home is here to stay.
- Younger generations may be seeking city life for career opportunities, university education, and access to more options that come with an urban lifestyle – 15% of Brisbane enquiries came from regional Queensland.
- While most home hunters across Queensland come from within the state (79% of searches), some set their sights on the bigger-city living on offer in NSW and Victoria.

## Most wanted property type

 **House**  
 4  2  2

 **Townhouse**  
 3  2  2

 **Unit**  
 2  2  1

 **School catchment area**  
 Mansfield State High School

## In demand suburbs

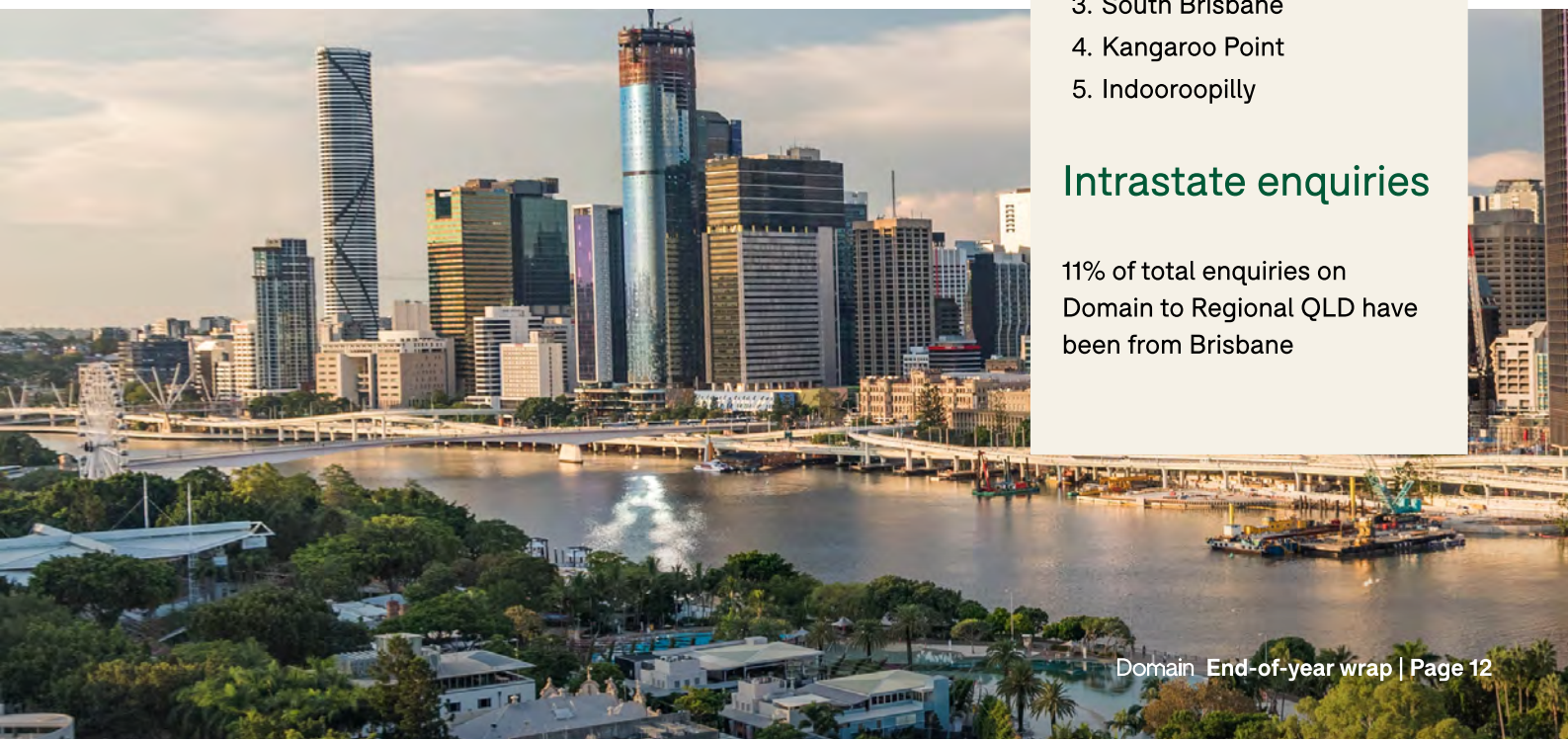
1. Brookfield
2. Pullenvale
3. Hawthorne
4. New Farm
5. Holland Park West

## Overseas searches

1. Brisbane City
2. Moreton Bay
3. South Brisbane
4. Kangaroo Point
5. Indooroopilly

## Intrastate enquiries

11% of total enquiries on Domain to Regional QLD have been from Brisbane





# Brisbane suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Brendale	18 Days
2. Laidley North	22 Days
3. Holmview	24 Days
4. Enoggera	25 Days
5. Keperra	26 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. East Brisbane	80%
2. Gordon Park	78%
3. Woolloowin	77%
4. Kingston	76%
5. Kedron	76%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Paddington	\$4,516/m <sup>2</sup>
2. Bulimba	\$4,308/m <sup>2</sup>
3. Hawthorne	\$4,179/m <sup>2</sup>
4. Red Hill	\$3,994/m <sup>2</sup>
5. Rochedale	\$3,591/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Regency Downs	\$97/m <sup>2</sup>
2. Jimboomba	\$228/m <sup>2</sup>
3. New Beith	\$259/m <sup>2</sup>
4. Karalee	\$293/m <sup>2</sup>
5. Laidley	\$446/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

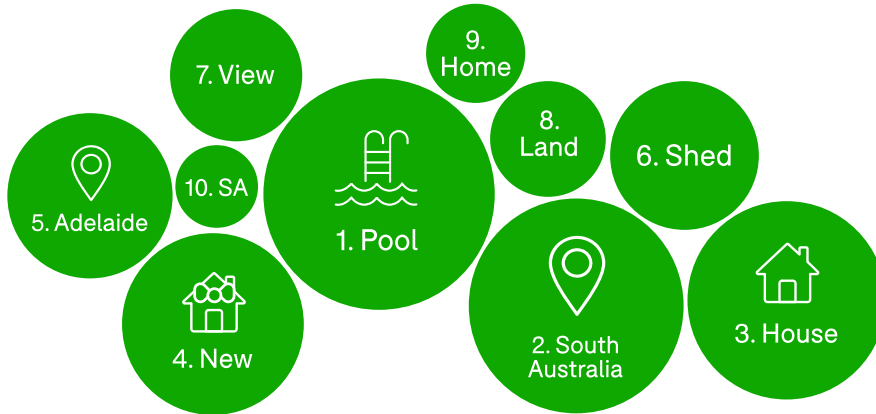
1. Sunnybank, 15.1%
2. Wynnum - Manly, 11.4%
3. Mt Gravatt, 11.3%
4. Springwood - Kingston, 10.4%
5. Rocklea - Acacia Ridge, 8.3%





# Adelaide most wanted

## Top keyword searches



- Prospective buyers do not prioritise a home with a study as highly as other capital cities – relative affordability means the extra space is ready to set up working-from-home or it's a trend that's just not prevalent as in the bigger cities.
- Building a home or buying a new one has grown in popularity over the past year, as more people start their home-buying journey with 'new', 'land' and 'block'.
- Remote working and the search for more affordable pastures remains strong, with 42% of Regional SA enquiries coming from Adelaide, while only 6% are looking at a move to Adelaide.
- While most home hunters across South Australia come from within the state (78% of searches), some set their sights on NSW, Victoria and Queensland for big-city living.

## Most wanted property type

**House**  
 4 2 2

**Townhouse**  
 3 2 2

**Unit**  
 2 1 1

**School catchment area**  
 Glenunga International High School

## In demand suburbs

1. Unley
2. Goodwood
3. Bridgewater
4. Stirling
5. North Adelaide

## Overseas searches

1. Adelaide
2. North Adelaide
3. Parkside
4. Norwood
5. Unley

## Intrastate enquiries

42% of total enquiries on Domain to Regional SA have been from Adelaide





# Adelaide suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Hillier	39 Days
2. Woodville Park	45 Days
3. Tonsley	45 Days
4. Marryatville	47 Days
5. Clovelly Park	47 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. Albert Park	100%
2. Marion	100%
3. Rosewater	100%
4. Clarence Park	93%
5. Richmond	93%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Adelaide	\$7,094/m <sup>2</sup>
2. North Adelaide	\$5,884/m <sup>2</sup>
3. Norwood	\$4,757/m <sup>2</sup>
4. St Clair	\$4,461/m <sup>2</sup>
5. Lightsview	\$4,159/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Elizabeth North	\$494/m <sup>2</sup>
2. Elizabeth East	\$531/m <sup>2</sup>
3. Elizabeth Downs	\$570/m <sup>2</sup>
4. Davoren Park	\$574/m <sup>2</sup>
5. Elizabeth Park	\$600/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

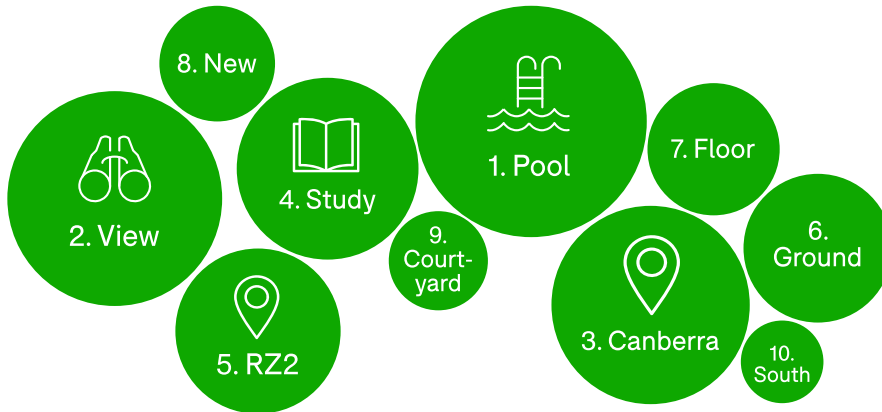
- |                         |                               |
|-------------------------|-------------------------------|
| 1. Charles Sturt, 2.4%  | 4. Port Adelaide - West, 1.9% |
| 2. Tea Tree Gully, 2.1% | 5. Adelaide Hills, 1.4%       |
| 3. Campbelltown, 2%     |                               |





# Canberra most wanted




## Top keyword searches



- The city divide across Lake Burley Griffin stands strong, with 'south' trumping 'north', coming in at number 10 and 11, respectively.
- Home buyers want so much more from their homes – a view and the added lifestyle luxury of a pool take the top spots.
- 'Ground floor', 'courtyard' and 'RZ2' rank highly. It places the missing middle of affordable housing in the spotlight; those priced out of purchasing a house are now looking for an affordable alternative.
- A home with a study isn't as important as it once was – 'study' slipped to the fourth most popular keyword from second last year.
- Canberrans are looking to hop over the border into NSW. These could be the more affordable areas that are still within close proximity to the territory.

## Most wanted property type

 **House**  
 4  2  2

 **Townhouse**  
 3  2  2

 **Unit**  
 1  1  1

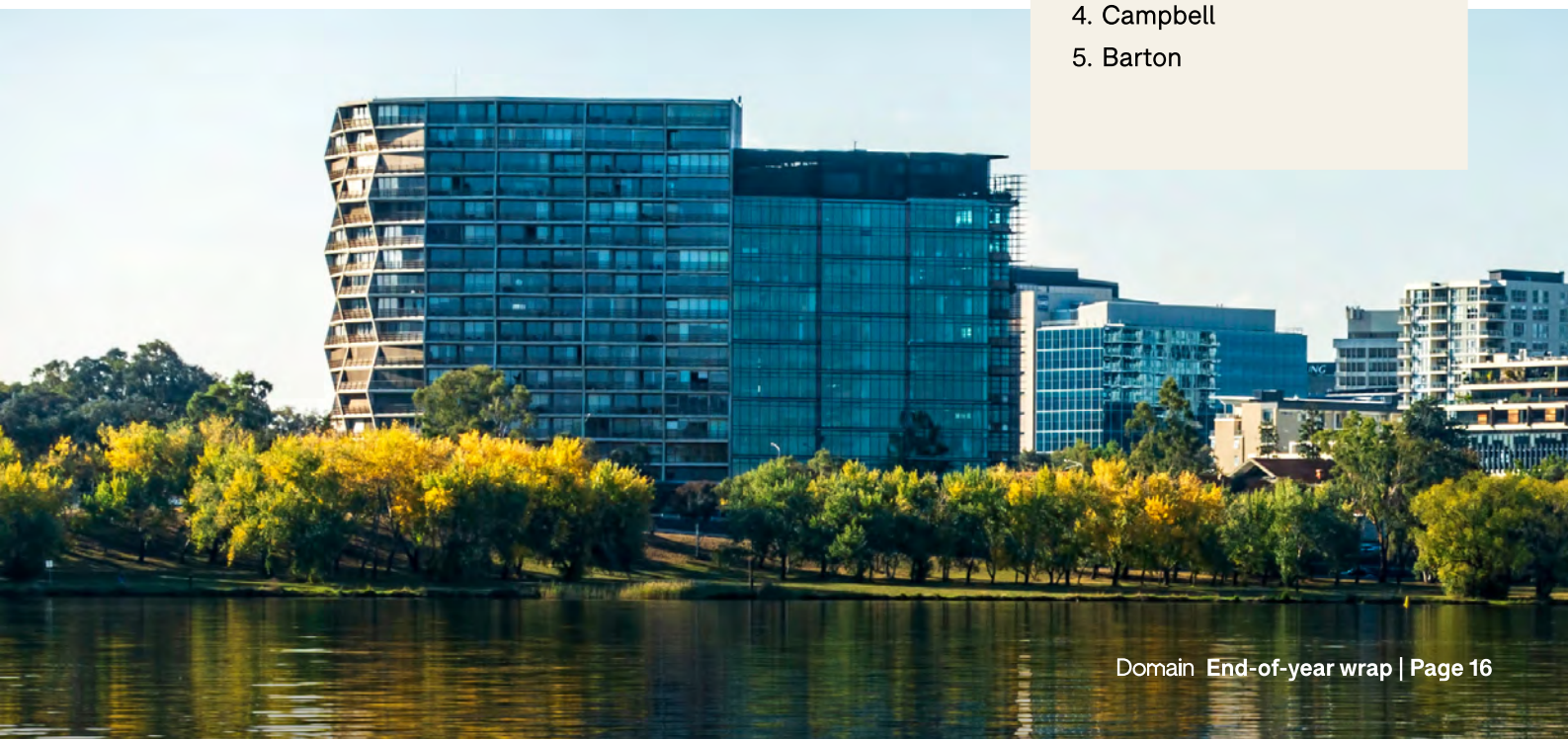
 **School catchment area**  
 Telopea Park School

## In demand suburbs

1. Forrest
2. O'Connor
3. Yarralumla
4. Narrabundah
5. Deakin

## Overseas searches

1. Yarralumla
2. Red Hill
3. Braddon
4. Campbell
5. Barton







# Canberra suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Fraser	31 Days
2. Hawker	33 Days
3. Higgins	34 Days
4. Cook	35 Days
5. Florey	36 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. Page	85%
2. Giralang	83%
3. Weetangera	81%
4. Conder	75%
5. Coombs	75%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Taylor	\$2,632/m <sup>2</sup>
2. Watson	\$2,601/m <sup>2</sup>
3. Forde	\$2,585/m <sup>2</sup>
4. Casey	\$2,516/m <sup>2</sup>
5. Bonner	\$2,227/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Wanniasa	\$993/m <sup>2</sup>
2. Kambah	\$1,049/m <sup>2</sup>
3. Calwell	\$1,058/m <sup>2</sup>
4. Holt	\$1,130/m <sup>2</sup>
5. Evatt	\$1,158/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

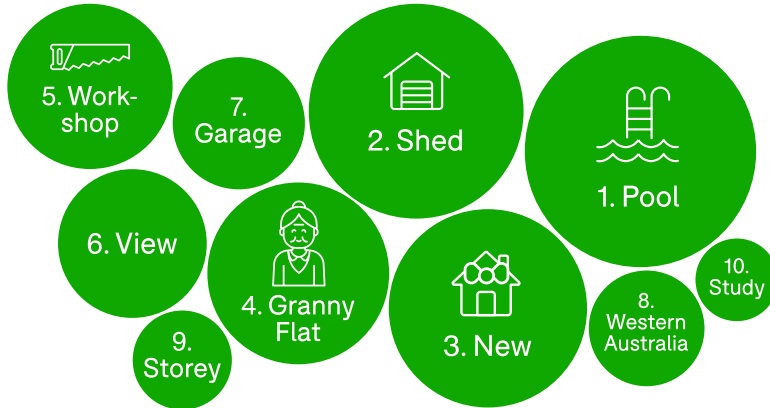
1. Belconnen, 1.8%
2. Woden Valley, 1.6%
3. Weston Creek, 1.6%
4. Molonglo, 1.5%
5. Tuggeranong, 1.3%





# Perth most wanted





## Top keyword searches




- Home buyers are after something a little different in Perth – a shed – one of only two capitals to have it rank in the top two keywords (along with Darwin).
- A workshop is also prioritised – it's the only city where it sits in the top 10 keywords.
- Rising through the ranks has been 'granny flat' – showing the tightness of the rental market and the desire to have a side income, more space to work or a rise in intergenerational living.
- Searches for 'new' builds are heating up, indicating home buyers are ditching the renovation journey for fear of cost blowouts and instead opting for the turnkey home.
- Remote working and the search for more affordable pastures remains strong, with 41% of Regional WA enquiries coming from Perth, while only 4% are looking at a move to Perth.
- While most home hunters across WA come from within the state (89% of searches), some set their sights on NSW and Queensland.

## Most wanted property type

 **House**  
 4  2  2

 **Townhouse**  
 3  2  2

 **Unit**  
 2  1  1

 **School catchment area**  
 Rossmoyne Senior High School

## In demand suburbs

1. Bedfordale
2. Gidgegannup
3. Gooseberry Hill
4. Darlington
5. Roleystone

## Overseas searches

1. Perth
2. West Perth
3. East Perth
4. South Perth
5. Nedlands

## Intrastate enquiries

41% of total enquiries on Domain to Regional WA have been from Perth





# Perth suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Leda	8 Days
2. Brookdale	10 Days
3. Hillman	12 Days
4. Darling Downs	12 Days
5. Ridgewood	14 Days
6. Hocking	15 Days
7. Seville Grove	15 Days
8. Kwinana Town Centre	16 Days
9. Pearsall	16 Days
10. Hilbert	17 Days

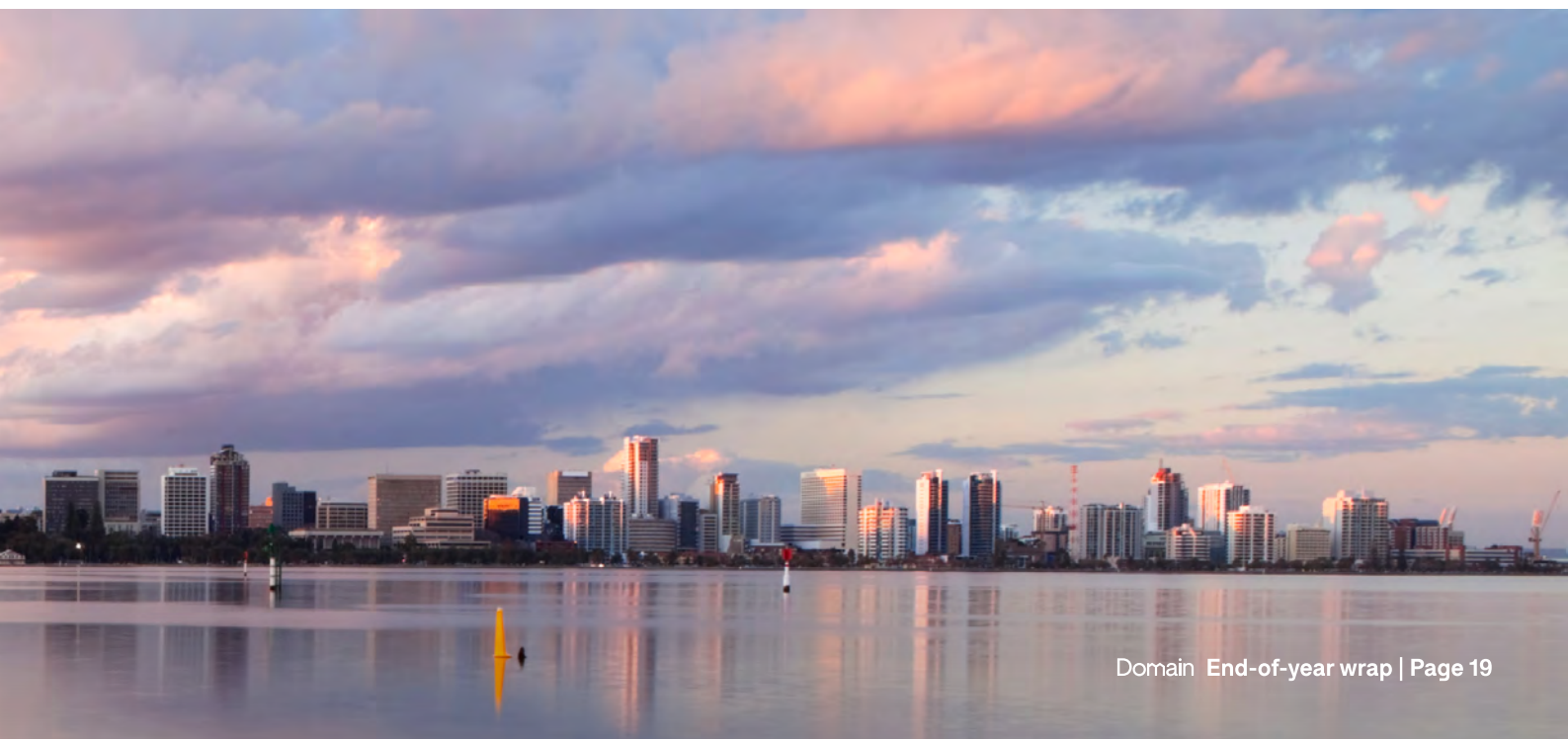
## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. North Fremantle	\$5,660/m <sup>2</sup>
2. Subiaco	\$5,066/m <sup>2</sup>
3. Burswood	\$4,908/m <sup>2</sup>
4. North Coogee	\$4,812/m <sup>2</sup>
5. West Leederville	\$4,725/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Roleystone	\$300/m <sup>2</sup>
2. Medina	\$463/m <sup>2</sup>
3. Lesmurdie	\$523/m <sup>2</sup>
4. Camillo	\$578/m <sup>2</sup>
5. Parmelia	\$595/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

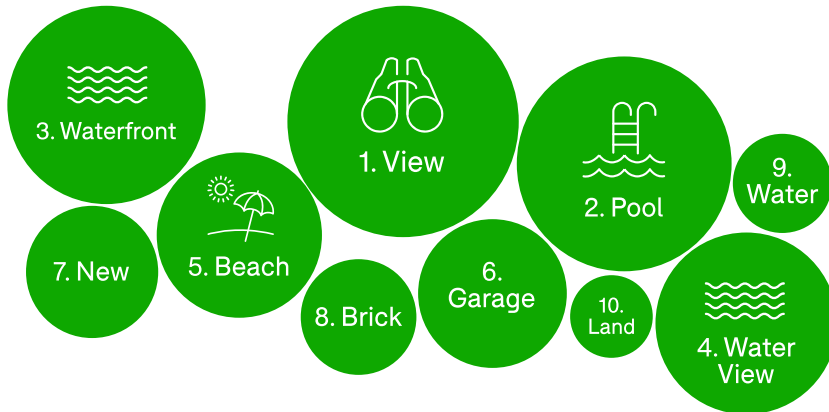
- |                                     |                     |
|-------------------------------------|---------------------|
| 1. Belmont -<br>Victoria Park, 6.2% | 4. Perth City, 3.4% |
| 2. Canning, 5.7%                    | 5. Mundaring, 3.4%  |
| 3. Rockingham, 4.4%                 |                     |





# Hobart most wanted

## Top keyword searches




- Unsurprisingly, a view is a top priority for buyers in Hobart. It is the only city to rank 'view' as the number one keyword in 2023, with others featuring high on the list encompassing anything to do with the ocean such as 'waterfront,' 'water view', and 'beach'.
- Home buyers want so much more from their homes – the added lifestyle luxury of a pool takes second spot. However, it is the only city not to have 'pool' at number one.
- Younger generations may be seeking city life for career opportunities, university education, and access to more options that come with an urban lifestyle – 13% of Hobart enquiries came from Regional Tasmania.
- While most home hunters in Tasmania come from within the state (59% of searches), this proportion is lower than other states, with around one-third of searches setting their sights on NSW, Queensland and Victoria.

## Most wanted property type

 **House**  
🛏️ 3 🚿 1 🚗 2

 **Villa**  
🛏️ 2 🚿 1 🚗 1

 **Unit**  
🛏️ 2 🚿 1 🚗 1

 **School catchment area**  
South Hobart  
Primary School

## In demand suburbs

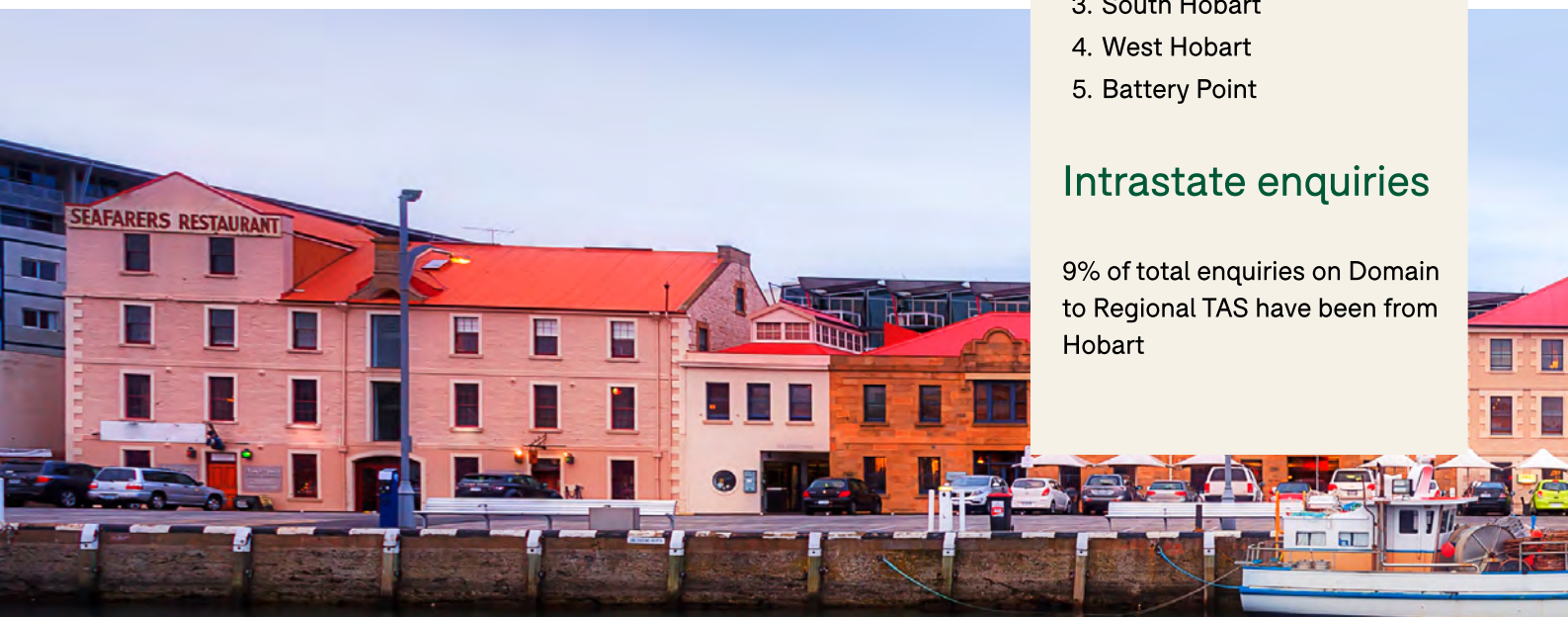
1. Battery Point
2. Hobart
3. West Hobart
4. Sandy Bay
5. North Hobart

## Overseas searches

1. Hobart
2. Sandy Bay
3. South Hobart
4. West Hobart
5. Battery Point

## Intrastate enquiries

9% of total enquiries on Domain to Regional TAS have been from Hobart





# Hobart suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Rosny	22 Days
2. Mount Nelson	28 Days
3. Seven Mile Beach	29 Days
4. Glebe	33 Days
5. Cambridge	34 Days
6. Lauderdale	45 Days
7. Oakdowns	48 Days
8. Clarendon Vale	49 Days
9. Taroon	50 Days
10. Risdon Vale	50 Days

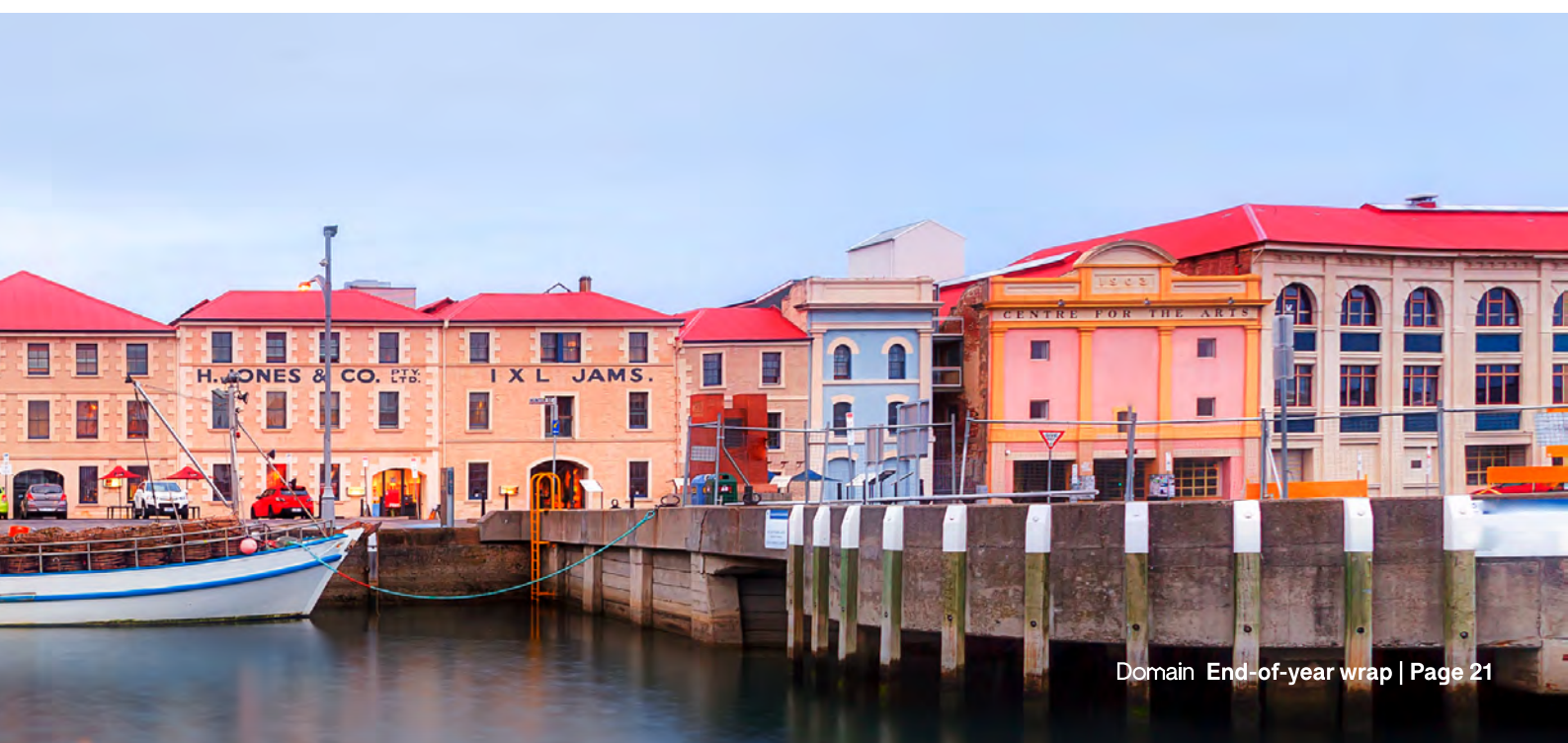
## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. West Hobart	\$2,166/m <sup>2</sup>
2. Sandy Bay	\$1,994/m <sup>2</sup>
3. New Town	\$1,832/m <sup>2</sup>
4. Howrah	\$1,258/m <sup>2</sup>
5. Blackmans Bay	\$1,246/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. New Norfolk	\$667/m <sup>2</sup>
2. Claremont	\$813/m <sup>2</sup>
3. Glenorchy	\$978/m <sup>2</sup>
4. Midway Point	\$980/m <sup>2</sup>
5. Brighton	\$1,082/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

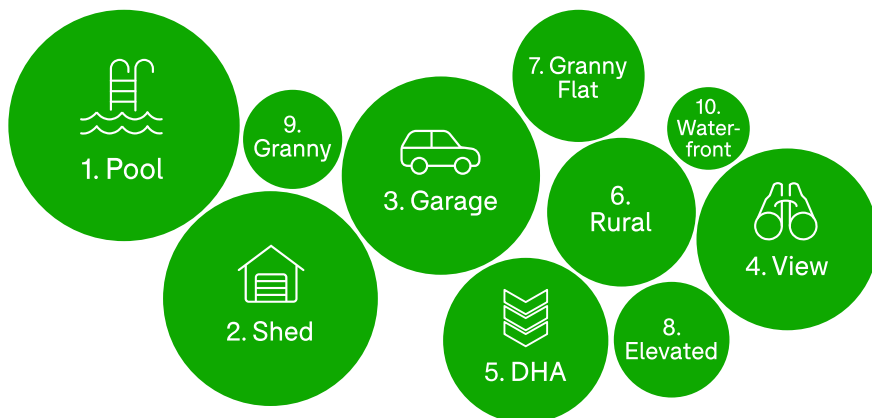
1. Brighton, 3%
2. Hobart - South and West, 1.6%
3. Sorell - Dodges Ferry, 1.3%
4. Hobart Inner, 0.9%
5. Hobart - North West, 0.8%





# Darwin most wanted

## Top keyword searches



## Most wanted property type

 **House**  
🛏️ 4 🚶 2 🚗 2

 **Unit**  
🛏️ 2 🚶 1 🚗 1

 **School catchment area**  
Darwin High School

## In demand suburbs

1. Cullen Bay
2. Howard Springs
3. Fannie Bay
4. Rapid Creek
5. Alawa

## Overseas searches

1. Stuart Park
2. Parap
3. Fannie Bay
4. The Gardens
5. Bayview

- Rising through the ranks has been 'granny flat' – showing the desire to have a side income, multigenerational living or more space to work.
- Home buyers are after something a little different in Darwin – a shed – one of only two capitals to have it rank in the top two keywords (along with Perth).
- A workshop is also prioritised – it's one of only two cities where it ranks within the top 20, landing as the 12th most used search term this year for Darwin.
- The Northern Territory bucks search trends seen across the states, with 30% heading to South Australia compared to 25% focused on finding a home within the state. This demonstrates the more transient nature of the north's population.
- Just over one in 10 searches are looking to relocate to NSW and 16% to Queensland.





# Darwin suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Nakara	74 Days
2. Woolner	81 Days
3. Tiwi	85 Days
4. Ludmilla	88 Days
5. Johnston	90 Days
6. Brinkin	90 Days
7. Wulagi	100 Days
8. The Gardens	103 Days
9. Farrar	103 Days
10. Wanguri	104 Days

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Zuccoli	\$1,168/m <sup>2</sup>
2. Durack	\$1,073/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Berrimah	\$557/m <sup>2</sup>
2. Gunn	\$953/m <sup>2</sup>

## Areas with the highest proportion of distressed listings

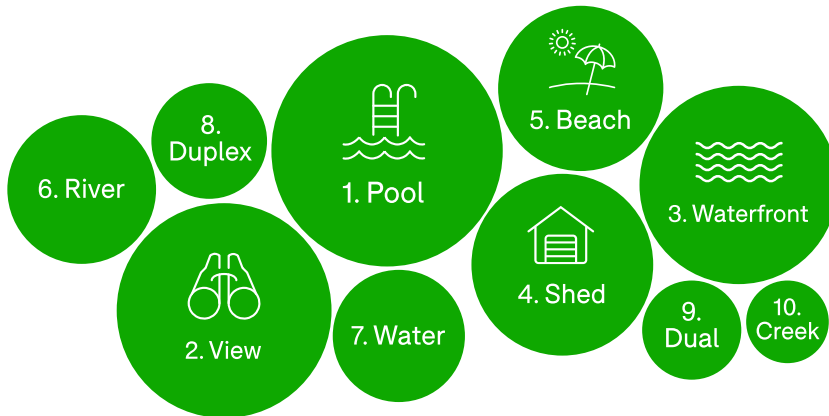
1. Palmerston, 7.5%
2. Darwin City, 6.9%
3. Darwin Suburbs, 5.8%
4. Litchfield, 4.3%





# Regional most wanted

## Top keyword searches



### Lifestyle-driven choices


- Location is top of mind as 'view', 'waterfront', 'beach', 'river' and 'creek' all rank in the top keyword searches on Domain in regional Australia.
- Regional home hunters have become more budget-conscious, seeking a duplex or dual occupancy. It places the missing middle of affordable housing in the spotlight in some of our larger regional towns; those priced out of purchasing a house are now looking for an affordable alternative such as a split block.

### Affordable pastures

- Remote working and the search for more affordable pastures remains strong across certain regional markets originating from the respective capital city.
- Sydney, Melbourne, Adelaide and Perth have a higher proportion of enquiries seeking a tree or sea change in their respective regional areas.
- Sydney and Melbourne are expensive capitals, while Adelaide and Perth have record house prices and have seen a rapid change in affordability.

## Most wanted property type

 **House**  
🏠 4 🏠 2 🏠 2

 **Townhouse**  
🏠 2 🏠 1 🏠 1

 **Unit**  
🏠 2 🏠 1 🏠 1

## In demand suburbs

1. Adamstown Heights
2. Cooks Hill
3. New Lambton
4. Merewether
5. Hamilton South

## Overseas searches

1. Surfers Paradise, QLD
2. Broadbeach Waters, QLD
3. Southport, QLD
4. Mermaid Waters, QLD
5. Burleigh Heads, QLD







# Regional suburb snapshot

## Suburbs with the quickest sales

Suburb	Days on market
1. Stratford, QLD	11 Days
2. Qunaba, QLD	13 Days
3. Hodgson Vale, QLD	16 Days
4. Wilsonton Heights, QLD	17 Days
5. Freshwater, QLD	18 Days

## Suburbs with the highest clearance rates

Suburb	Clearance rate
1. Australind, WA	92%
2. Carrington, NSW	86%
3. Kotara, NSW	85%
4. Kiama Downs, NSW	83%
5. Merewether Heights, NSW	83%

## Price per sq meter

Most Expensive Suburbs	\$/m <sup>2</sup>
1. Merewether, NSW	\$3,931/m <sup>2</sup>
2. Kingscliff, NSW	\$3,928/m <sup>2</sup>
3. Surfers Paradise, QLD	\$3,630/m <sup>2</sup>
4. Miami, QLD	\$3,210/m <sup>2</sup>
5. Palm Beach, QLD	\$3,045/m <sup>2</sup>

Least Expensive Suburbs	\$/m <sup>2</sup>
1. Coober Pedy, SA	\$49/m <sup>2</sup>
2. Tamborine, QLD	\$57/m <sup>2</sup>
3. Glenwood, QLD	\$68/m <sup>2</sup>
4. Agnes Water, QLD	\$74/m <sup>2</sup>
5. Charleville, QLD	\$143/m <sup>2</sup>

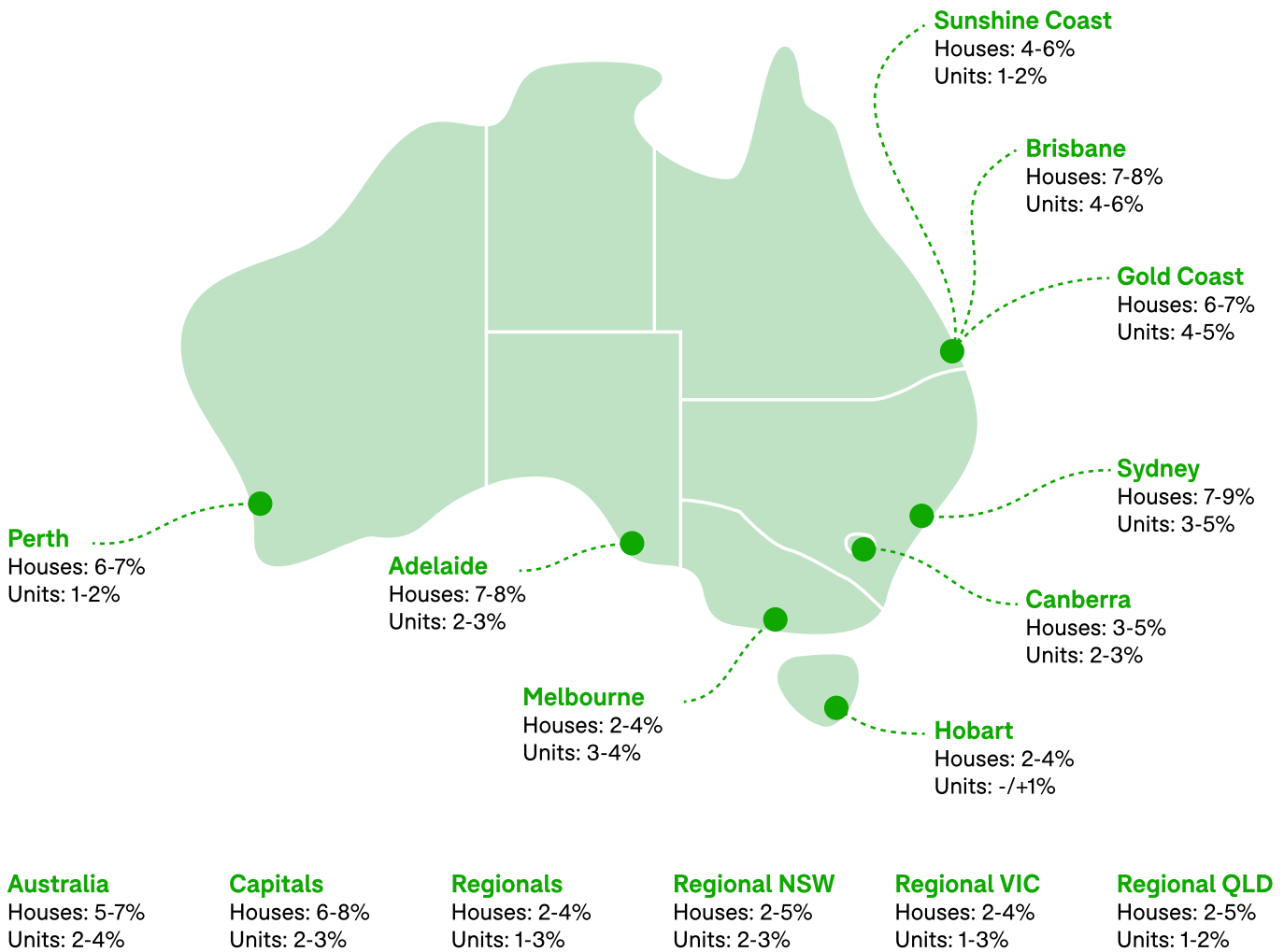
## Areas with the highest proportion of distressed listings

- |                        |                                   |
|------------------------|-----------------------------------|
| 1. Mudgeeraba -        | 4. Robina, QLD, 11.5%             |
| Tallebudgera, QLD, 15% | 5. Gold Coast - North, QLD, 11.5% |
| 2. Barkly, NT, 14.2%   |                                   |
| 3. Nerang, QLD, 12.8%  |                                   |



# 2024 outlook

## House and unit price forecasts for 2024



## Upwards price drivers

**Population:** Unprecedented post-COVID migration and population growth will continue to send shock waves through the property market as a booming population looks for a place to live. It will continue to exert extraordinary upward price pressures on the property market.

**Supply:** Given Australia's slowing housing supply in the face of a bigger Australia, the extremes of a supply shortfall will exert upward pressures on the housing market.

**Relaxed lending:** Given high inflation and interest rates, there are calls to review the mortgage serviceability buffer (currently 3%). If this buffer is reduced, it will speed up access to the property market for many by lifting borrowing capacity, increasing demand and resulting in swift upward price pressures on the housing market. This, together with the prospect of a cash rate cut in the latter half of 2024, would most likely signal a further gear change in property price.

## Downwards price drivers

**Affordability:** Stretched affordability could weaken prices. Wage growth has lagged behind home prices for some time, and higher interest rates have hit borrowing capacity. This combination will slow demand and exert downward pressures on prices unless incomes rise or mortgage rates fall.

**Rising unemployment:** RBA expects unemployment to rise as inflation slows down. More unemployment will mean greater uncertainty, fewer loan approvals, delayed demand, and greater inequality in Australia.

**Inflation:** If inflation sticks around for longer, further rate rises, or high rates for longer, could push more mortgage holders into financial stress and listings higher, particularly from investors who are quicker to offload properties than an owner-occupier. Rising inflation will also cut affordability and limit buying power, reducing or limiting property demand.



# 2024 trends to watch

## 1 An interest rate cut will spark demand

**Stretched affordability and lower borrowing power will continue to place a ceiling on buyers' capacity to pay for a home.**

We could see measures that improve this outlook for buyers in 2024. A cut in interest rates or other stimulus measures will spark demand and create another price upswing – a prospect likely to come to fruition in the latter part of 2024. An alternative to a rate cut would be an easing of the mortgage serviceability buffer. It would inevitably speed up access to the property market for many by lifting borrowing capacity and/or improving the cost of holding debt, increasing demand and resulting in swift upward price pressures on the housing market.

## 2 The flight to affordability

**Urban spread and gentrification will be on the rise as more people chase affordability. Buyers will explore bridesmaid suburbs and areas they initially overlooked.**

The flight to affordability for first-home buyers will be ignited by the federal government's 'Help to Buy' – a shared equity scheme of up to 40% of a home. The four-year program is likely to commence in 2024. Access will be restricted to residents in states that have enacted legislation endorsing the program – all have agreed to pass legislation, which should happen early next year. This will support demand for affordable homes, especially units, in larger capitals. We will also see generational inheritance rise as Baby Boomers consider early inheritance (and perhaps even skipping a generation to help grandchildren), influencing buying capacities and choices. Policies aimed at making the homeownership dream a reality will exacerbate the stress on housing supply as more buyers compete for the same number of properties.

## 3 YIMBYs will replace NIMBYs

**It will be the year of progressive housing and planning reforms nationally in 2024, with the not-in-my-backyard folk swinging to yes-in-my-backyard.**

We will see a visionary attitude towards housing development and affordability that takes a radical approach to enable urban densification in areas where people want to live. This could involve tweaking planning powers away from local governments to avoid decision-making swayed from NIMBYism, placing us on a path that shapes our cities for the future and our changing demographics rather than planning for the Australia of yesterday and today. The federal government's effort to address housing affordability and facilitate greater entry for first-home buyers into the property market is expected to generate substantial activity.

## 4 Population-driven housing demand

### **Strong population growth is set to remain a feature of the housing market.**

We believe that net overseas migration has peaked and is forecast to return to normal patterns by 2025. The recent temporary record strength in migration will continue influencing our housing markets. Domain analysis found population growth has a cumulative longer-term effect on house prices and, therefore, will continue to play a driving role in our housing markets into 2024 and beyond. Together with a perilous rental market, it makes purchasing more attractive and may shift some to buy, given the current challenges of securing a lease.

## 5 Rental markets reach a tipping point

### **Australia's rental market is playing a much larger role in our housing market than we have been used to – increasingly more of us are renting, and for longer.**

This will continue to play out in 2024. However, a tipping point will be reached at some stage, rent growth will slow, and some sub-markets will operate with a more balanced rental market. This will be driven by stretched affordability. More renters opting for house shares and first-home buyer incentives will help transition some to being owners or fast-track others to a more affordable purchase. As mortgage stress weighs in, cashed-up buyers will benefit from landlords divesting early in 2024.



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## Methodology

All data is from January 1 2023, to 15th November 2023, apart from median prices.

Auction clearance rates are the percentage of properties successfully sold before or at an auction. The clearance rate is calculated by dividing auction sales by the number of reported auctions, including those withdrawn or postponed.

A buyer enquiry is a query from a potential buyer to an agent.

Days on market is the average number of days a listing is active before being sold.

Distressed listing are identified by a machine learning model that flags when the seller is seeking an urgent sale. The figure is represented as a proportion of total listings.

Out-of-state searches are a search for property on domain.com.au in which the traffic has not originated within the same state.

Overseas searches are a search for property on domain.com.au in which the traffic has not originated within Australia.

Keyword searches are words used by prospective home hunters on domain.com.au.

Most wanted property types are based on the highest volume of residential properties sold, aggregated by property type, bedroom count and bathroom count.

Most searches for school catchment areas are based on the volume of searches that begin with a school catchment area.

Most in demand suburbs are the ones with the highest average views per listing.

Price forecasts uses a Bayesian Structured Time Series (BSTS) model to forecast house and unit median price(s). We use a Kalman filter to detrend time series variables and filter out noise in the measurements. BSTS has an inbuilt component that addresses seasonality; we compare its performance against a Fourier transformation for seasonal adjustment. The model incorporates various economic factors, real-time Domain behavioural data, and property statistics. We benchmark the performance of our model against VAR, ARIMA model(s), and a Recurrent Neural Network (RNN) and find that our results are more accurate and robust.

Price per square metre is based on the sold price divided by the block size, with the median value calculated from the relevant region and time period. House sales include individual stand-alone houses, townhouses, terraces and semi-attached properties. Apartments were not included in this analysis.

# References

1. ABS, Census, 2021.
2. RBA, APRA.
3. RBA, Financial Stability Review, October 2023.

# Domain

Know what we know