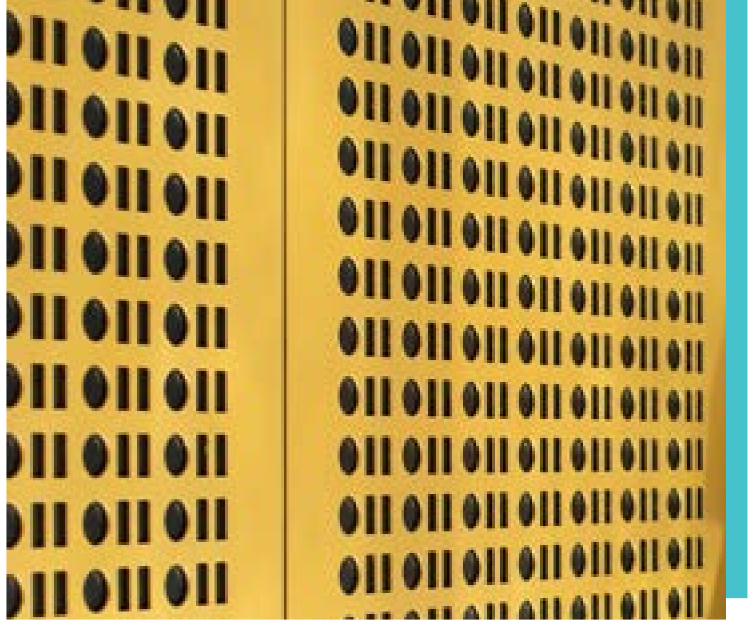
QUARTERLY MARKET INSIGHTS (QMI)

MARCH QUARTER 2025

Contents

Access QMI online at: https://bit.ly/QMIQuarterlyReportMar25



2025 Land Market Outlook

Matt Bell
Chief Economist
Oliver Hume Property Group

In our last market outlook, we commented that the outlook for vacant land markets in 2025 was as strong as it had been since the first half of 2022. This still holds true, but even compared to the end of 2024, the outlook has improved.

While the RBA delivered the widely expected first rate cut in the easing cycle in late February, the commentary was hawkish, and at the time, it was likely that there were maybe only two more rate cuts to follow by the end of 2025.

Consumer sentiment improved, particularly those measures related to expectations of dwelling price growth and whether now was a good time to buy a dwelling. We also saw an immediate reaction in some established housing markets.

Not surprisingly, the most significant changes were seen in Melbourne and Sydney, where monthly price growth quickly turned positive.

Demand remains strong. Population growth is easing but still tracking well above historical average levels and the unemployment rate remained steady over the first quarter of 2025. On the supply side, both dwelling completions and the more up-to-date building approval numbers show we continue to build significantly less than is needed to house our growing population.

The big change is the interest rate environment for 2025, essentially due to the changing global economic outlook. President Trump's tariffs announced in early April and the related uncertainty have rocked markets.

For Australia, the impact is twofold. Firstly, there is the likelihood that goods previously exported to the US will now be looking for new markets. This could mean lower priced imports for Australia. Secondly, the outlook for economic growth around the globe has deteriorated.

The IMF has downgraded global economic growth forecasts and those for Australia by 0.5% this year. Both developments are deflationary and have seen the market move from forecasting two further rate cuts by December to currently pricing in nearly five 25bp cuts.

For property markets, the impact of the much stronger easing cycle is likely to outweigh that of a weaker overall economic outlook.

While we didn't see significant changes in trends in land markets in the first quarter, enquiry levels and sales volumes began to improve as we approached March. We continue to believe that we have passed the bottom of the land sales cycle and that we'll see growth in land sales and prices in 2025 in most markets around the country.

Melbourne

Continued strong population growth and the best relative affordability position compared to other states in decades means Melbourne is in a strong position to take the advantage of the improved interest rate outlook. Investor channels are already reporting increased interest from consumers as the potential for capital growth outstrips those other markets that have seen prices rocket.

We expect sales rates to improve over the remainder of 2025 and pricing incentives in the market to begin to move back to normal levels marking a return to price growth in the second half of 2025.

Adelaide

The smallest of our three key markets had a second consecutive quarter with strong price growth combined with a fall in sales volume. Again, this is largely due to projects selling out and a reduction in available stock rather than any fundamental reduction in demand, although we have seen some signs of recent price growth impacting affordability and demand since the end of the quarter. Any increase in sales volumes in Adelaide will be dependent on the ability of developers to get product out of the ground. As demand eases due to affordability concerns, we expect lot price growth to moderate significantly back to more sustainable levels, with annual growth likely in the single digits.

South East Queensland

South East Queensland sales volumes moved sideways in the first quarter of 2025, even as prices continued to rise very strongly, continuing the trends seen in 2024.

The affordability advantage over Melbourne was completely eroded with the median land price exceeding Melbourne's for the first time on record and by nearly $30,000. This loss of its historically significant affordability advantage over Melbourne is likely to mitigate the impact of rate cuts and ongoing population growth. That said, we still expect resilience in the South East Queensland market, with interstate and overseas migration levels to remain strong and falling interest rates to support sales rates and median price growth.


Villawood Properties' Armstrong project (Geelong, Victoria)

Key Takeouts

Outlook for land continues to improve

With underlying demand for new housing remaining strong and interest rates set to fall throughout the remainder of 2025, we continue to believe that we have passed the bottom of the land sales cycle and that we'll see growth in land sales and prices in 2025 in most markets around the country. (Page 4)

A property's features really do matter to buyers

When it comes to buying a new home, consumers are more thoughtful and informed than ever. Homebuyers are balancing a mix of lifestyle aspirations, practical considerations, and long-term investment thinking. (Page 10)

The solution to Victoria's housing shortage?

Victoria needs to be delivering more than 70,000 new dwellings every year from 2024 to 2029 for the National Housing Accord target of 1.2 million new homes to be achieved. A significant proportion of those need to be apartments and townhouses in both infill and greenfield areas. (Page 22)

South East Queensland is Australia's hottest market

The median lot price in South East Queensland rose by 11% in the March 2025 quarter, pushing to historical highs and exceeding Melbourne's for the first time on record and by nearly $30,000. (Page 32)

Adelaide on track despite supply issues

Despite shrinking sales volumes, the fundamentals for Adelaide's land market remain robust. Prices remain significantly more affordable than both Melbourne and South East Queensland and Adelaide's rental vacancy rate is half the national rate. (Page 40)

Fighting For The Industry, Fighting For Buyers

Julian Coppini
Chief Executive Officer
Oliver Hume Property Group

Oliver Hume takes its role as a leader in the development and housing sector very seriously and has recently stepped up its advocacy on behalf of the industry and the many thousands of people who buy from us every year.

This advocacy takes the form of direct engagement and submissions to government, economic and market research on key issues and having a strong and consistent voice in the media.

The goal of this advocacy is simple. We want to use our knowledge and experience to help end the housing and affordability crisis that has gripped the country for two decades.

Over recent months, we have sought to highlight a number of important issues that we believe contribute to the housing crisis.

The Decline in Greenfield Land Supply

Late last year, we undertook a major study highlighting a significant drop in Victoria's delivery of greenfield land. Our research found that between 2008 and 2018, the average annual delivery of Precinct Structure Plan (PSP)-approved lots was 28,230.

However, from 2019 to 2024, this number plummeted to just 11,570 lots per annum. Projections indicate a further decline, with only 42,000 lots expected to be completed by 2030, equating to just under 7,000 lots per year.

The Impact on Housing Affordability

This reduction in land supply has direct implications for housing affordability. With demand outpacing supply, prices inevitably rise, making it increasingly difficult for average Australians to enter the property market. We have warned on numerous occasions that without addressing these supply constraints, Melbourne risks following in Sydney's footsteps, where limited land availability has led to skyrocketing house prices and reduced affordability.

The Need for Planning Reform

One of the primary culprits behind the slowdown in greenfield development is the bureaucratic red and green tape entangling PSPs. These planning instruments, designed to facilitate growth, have become mired in delays and inefficiencies.

We will take every opportunity emphasise the urgency of planning reform to streamline processes and accelerate land delivery.

Regional Victoria's Emerging Crisis

The challenges aren't confined to metropolitan areas. In a joint report with Quantify Strategic Insights, we have highlighted the worsening housing affordability and inadequate land supply in Regional Victoria. Mortgage repayments have nearly doubled as a share of income since 2020 in many regional centres, and land prices have surged by over 11% annually in the past four years. The report warns that these regions face a long-term housing crisis without urgent planning reform.

Looking Ahead

Despite these challenges, there are glimmers of hope.

We believe the Victorian land market is at, or near, the bottom, and other Australian markets are in much better shape. Lower interest rates, growth in established market housing prices and strong population growth will underpin future demand.

While the short-term outlook is for recovery and growth, addressing the broader housing crisis over the long term will require a multifaceted approach. Streamlining planning processes, increasing greenfield land supply, and implementing strategic reforms are essential steps. As one of the oldest and most respected companies in the property sector, we will continue to advocate for these changes to ensure housing remains accessible and affordable for all Australians.

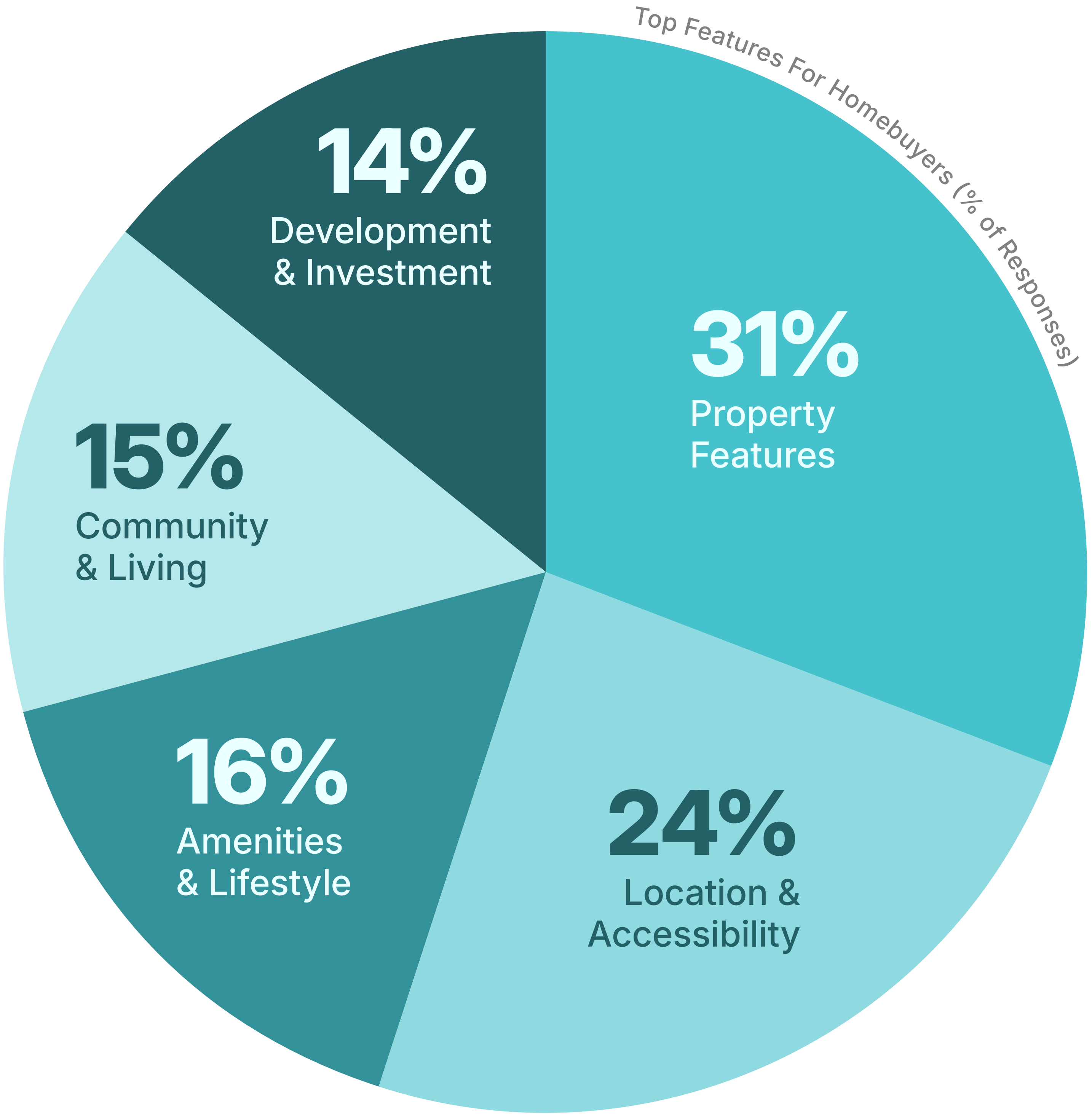
What Today's Homebuyers
Really Want

Ryan Woock
Senior Research Manager
Oliver Hume Property Group

When it comes to buying a new home, consumers are more thoughtful and informed than ever. Homebuyers are balancing a mix of lifestyle aspirations, practical considerations, and long-term investment thinking.

So, what exactly are people prioritising when choosing their next place to live?

Drawing on Oliver Hume's proprietary customer survey database, we can delve into the key factors that influence homebuyers' decisions and shape customer preferences. This sample includes responses from 913 purchasers across Melbourne's growth corridors* throughout 2024.



It's All About The Features

At the forefront, property features stand out as the most critical consideration, accounting for 31% of consumer focus.

Buyers continue to prioritise well-designed, affordable, and functional spaces that meet their living standards.

This trend reflects the growing desire for homes that not only offer comfort but also cater to flexible lifestyles, including those with extended families that require space for remote work arrangements.

Lot size and availability (10.2%), affordability (9.8%), and design and presentation (8.8%) were the top three features that prospective homebuyers considered most important before deciding to purchase a new home.

Location, Location, Location

Location & Accessibility follows closely, comprising 24% of buyer priorities.

Proximity to friends and family, public transport, and employment remain vital.

Whether it's the convenience of a short commute to work, access to local amenities or nearby family; where a home is located remains the most influential factor in the decision-making process.

In terms of ranked preferences, the actual location of the home is the most important feature (17.4%) followed by proximity to family and friends (5.0%) and transport and employment (1.7%).

Lifestyle, Amenity & Community Decisions

Beyond the basics, lifestyle and amenities also play a major role.

Amenities & Lifestyle considerations account for 16% of all responses, suggesting that homebuyers are still keen on properties that offer access to facilities that support a balanced and well-rounded living experience.

Parks, residents' clubs/centres, cafes, and shopping precincts contribute to the appeal of a neighbourhood and home, supporting the idea that a home is not just a place to live but part of their lifestyle.

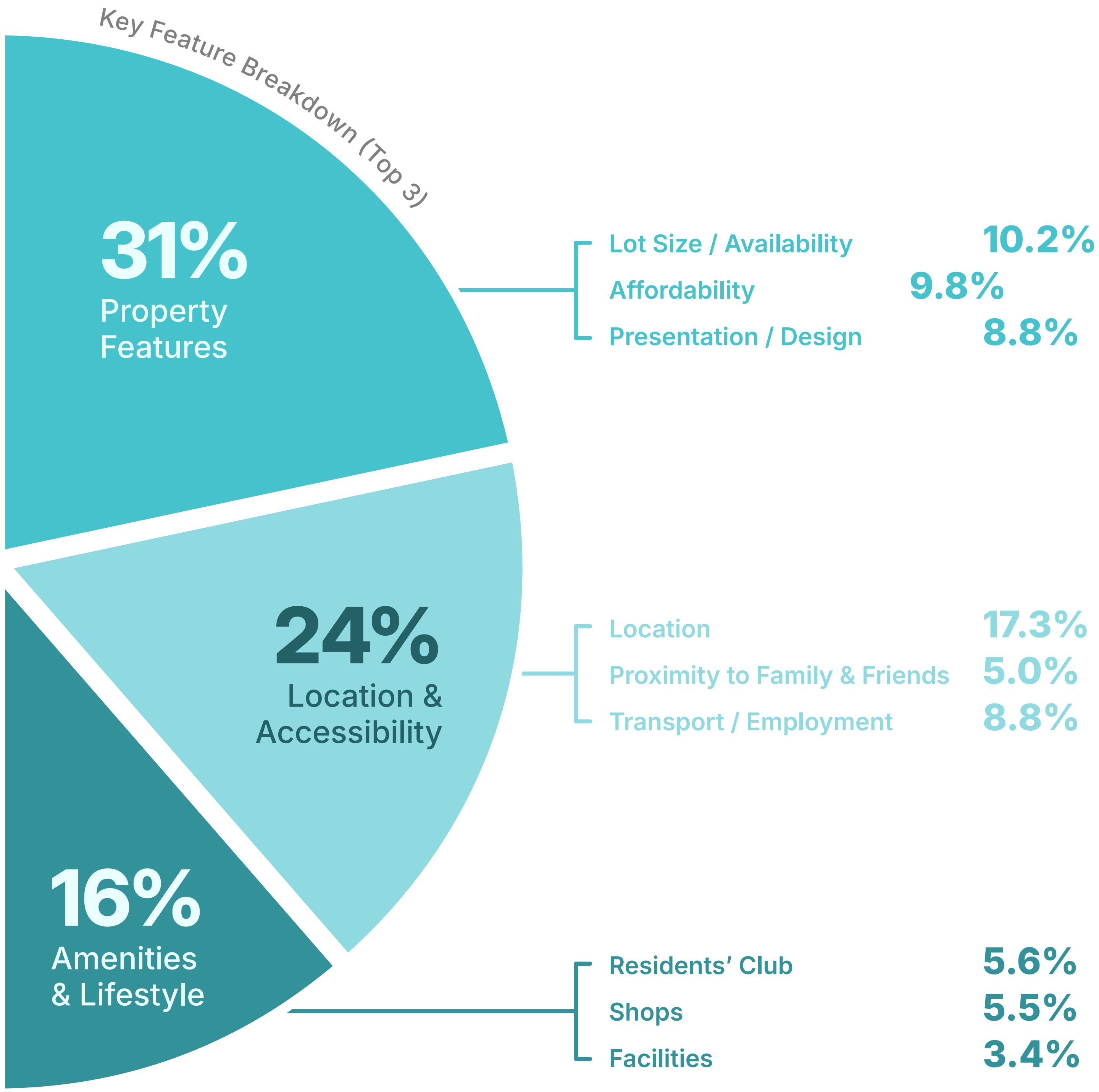
Quality residents' clubs (5.6%), proximity to shops (5.5%), and access to nearby facilities (3.4%) all factor into the equation.

Community & Living, representing 15%, reflects the importance of social connections and neighbourhood culture.

*Melbourne Growth Corridors refer to the Casey, Cardinia, Hume, Melton, Mitchell, Whittlesea and Wyndham municipalities

What Today's Homebuyers Really Want Continued

Buyers are looking for more than just a home; they want to be part of a vibrant, connected community. Good schools, parks and gardens and inclusive community activities add value to potential homes, particularly for families.



For homebuyers, access to good schools (4.7%) and green spaces like parks and gardens (4.6%) are top priorities with other notable factors include the presence of wetlands (2.6%) and features like walking/bike paths (1.7%).

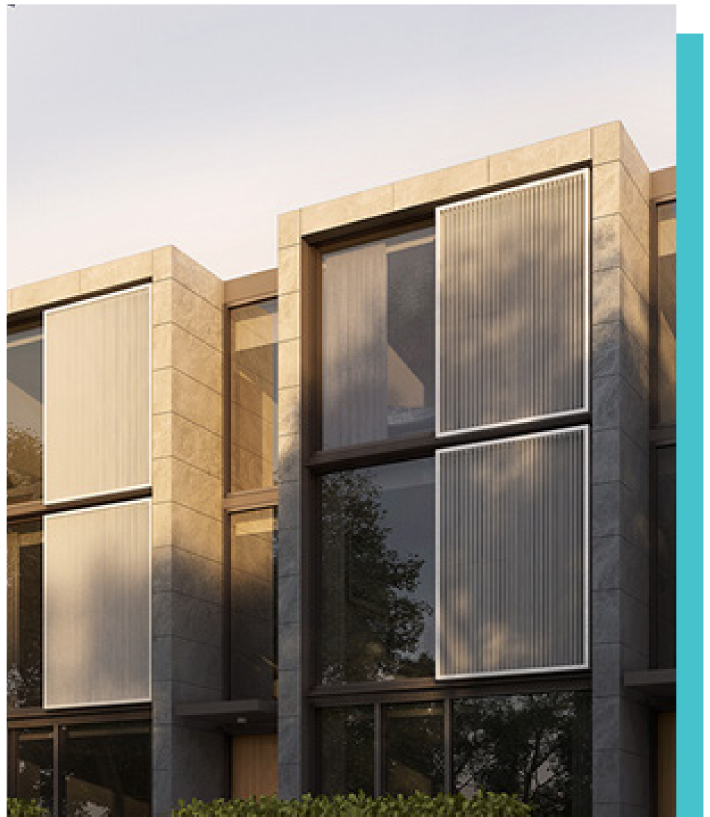
An area's prestige and availability of childcare facilities, while lower on the list of priorities, reflect shifting lifestyle preferences and point to emerging niche market demands among many buyers.

Thinking for the Long-Term

Finally, Development & Investment potential, while the lowest-ranked factor at 14%, remains a significant factor.

Many consumers are still mindful of value when purchasing, factoring in elements such as the potential long-term value of their purchase into their decision making. This includes consideration of developer, market trends, and potential future opportunities in the area.

The developer (5.5%), potential for future value (4.3%), and estate size (4.2%) are important for those thinking beyond the immediate.



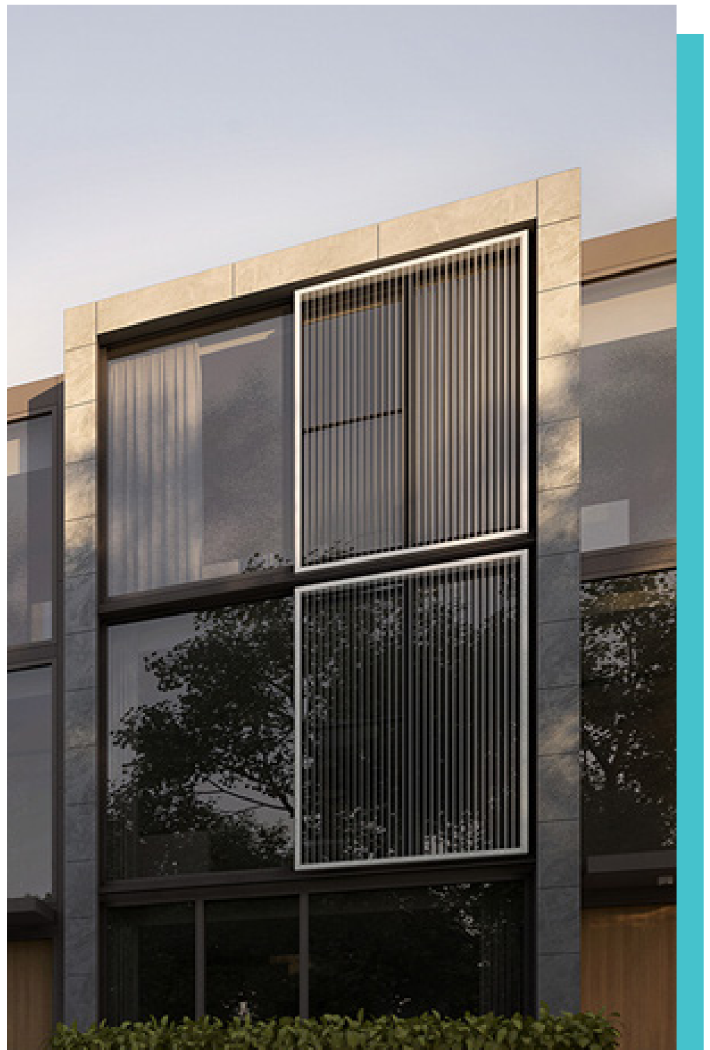
The Big Picture

In conclusion, the 2024 housing market reveals a blend of practicality/functionality while also balancing lifestyle aspirations.

Functional spaces that are within close proximity to friends and family, public transport, and employment along with access to facilities that support a balanced and well-rounded living experience are key.

Homebuyers are also looking for a location that fits the needs of their lifestyle, places with convenient amenities, attractive surroundings, a strong sense of community, and spaces that reflect their personal vision.

For developers, agents, and marketers, understanding these preferences is not just helpful; it's essential for meeting the evolving needs of a savvy and values-driven market.



Melbourne

Market Overview

Sales Volumes

March quarter sales volumes for Melbourne rose for the second consecutive quarter to the highest level in two and a half years but remain well below recent highs (and still more than 40% below long-term average sales levels). Pleasingly, sales over the last 12 months are up nearly 25% on the previous 12 month period and monthly sales in February and March were higher than for any month since 2022.

At a corridor level, rises in volumes in Casey, Wyndham and particularly Hume, offset falls in Cardinia and Melton while Whittlesea and Mitchell markets remained steady.

One critical factor that must be addressed before any significant market recovery can occur is the volume of resold and returned stock currently available. The market still needs to absorb a significant amount of existing product. However, once this existing stock is cleared, the foundation will be laid for the next upswing.

Land Prices

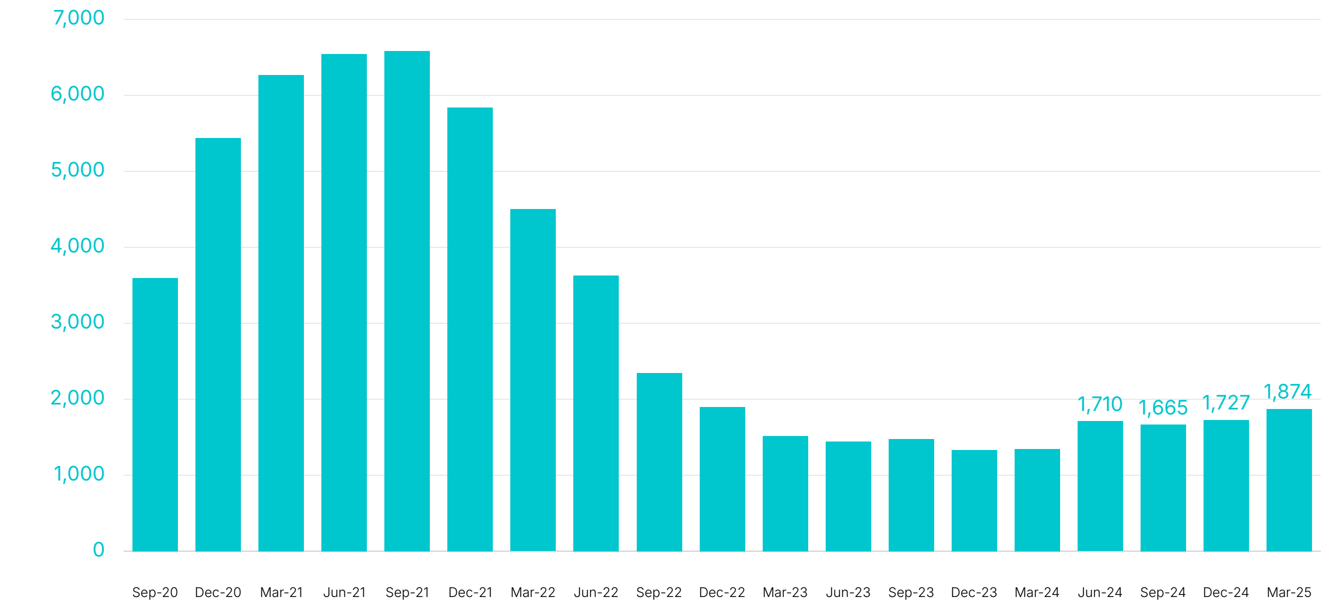
The gross median lot price in Melbourne rose back to $408,000 in March from $405,000 in the December quarter. Headline prices were essentially flat over the 12 month period and likely fell in net terms as financial incentives remain largely unchanged for purchasers.

Incentives broadly range between 5 to 10 percent of the headline price, although there is some variation between regions.

The story was the same in $/sqm terms, with the median $/sqm rate down slightly in the March quarter as the average lot size rose from 358sqm to 365sqm. Over the last 12 months however, $/sqm were flat and remain only marginally higher than the second quarter of 2022.

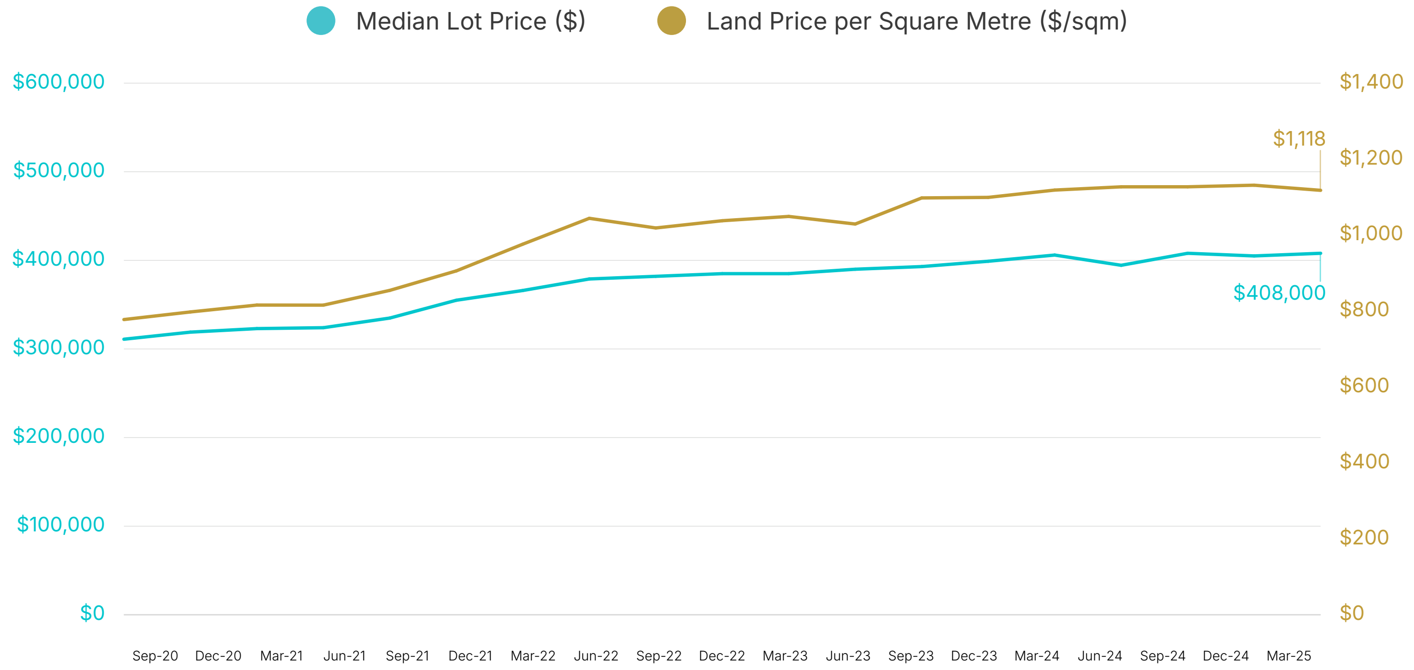
Median lot prices rose materially in Cardinia, Hume and Melton in the March quarter, and were largely steady elsewhere.

Melbourne Vacant Land Sales (Quarterly)



Source: Oliver Hume Research

Melbourne Land Prices



Source: Oliver Hume Research

Melbourne

Victoria

Median Lot Prices by Suburb (Gross)
March Quarter 2025

Median Price
$408,000

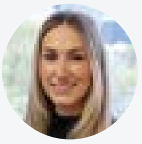
Median Size
365 sqm

Land Price per Sqm
$1,118 per sqm

Commonly Sold Lots
12.5 × 28m
12.5 × 32m
14 × 28m

Source: Oliver Hume Property Group

Building Smarter, Living Better



Aleksandra Czajkowski
Operations Manager
Oliver Hume Property Group

A growing shift in lifestyle needs, policy changes and climate pressures are just some of the obstacles responsible for delivering a raft of challenges to our housing industry. As Oliver Hume's Operations Manager Aleksandra Czajkowski discovered, architects, builders and consultants are just some of the 'first-stage' project groups adapting and finding new ways around design and construction.

Aleksandra recently met up with industry experts, Les Finnis who heads up Finnis Architecture & Interiors and Sebastian Catalfamo, Chief of Development at Simonds.

Here's what they had to say on building smarter and living better.

Pictured: Cliff House by Finnis Architecture & Interiors. Photograph by Timothy Kaye.

Les Finnis
Director, Finnis Architecture & Interiors

How have you seen the role of an architect change over the years? What are the biggest shifts?

The biggest shifts in the industry have been in the field of technology and the implementation of AI into the design process. Promoting visual/walkthrough ability of designs has immensely assisted in the communication of the end product to our clients. Assisting in providing realisation of design is becoming an expected tool—essentially viewing the finished product prior to construction.

How do you foresee the role of architecture in addressing the issues of climate change and environment-resilient design, and what are the biggest challenges?

Both coastal and country areas face differing but important challenges of rising sea levels and extreme climate events. We as architects have a responsibility to meet these challenges head-on in all areas of design. We already understand the need to accept climate change as real and, through sustainability committees (UDIA) and developing product knowledge, we are actually directing awareness and making change across all areas of policy and implementation procedures.

How has the increasing focus on sustainability affected architectural practices?

Architects have become acutely aware of the importance of sustainable design. Energy-efficient designs are becoming an expected criterion in all areas of development, especially in reducing cost and creating comfortable living and working spaces. Initial financial outlays in construction may increase cost but are soon recovered due to reduced energy usage and better orientated buildings. We are experiencing a range of new and sustainable building products that are making significant inroads to achieve smarter, more energy-conscious decisions.

As our cities grow, what do you think will be the future of urban planning and architectural design in densely populated areas?

Urban planning for future growth should be focused on increased population densities surrounding metropolitan and regional transport hubs. Hopefully, we understand the importance of providing vital infrastructure and amenity provisions as pillars in any densification of our communities. The need to focus on providing appropriate accommodation for all age and diverse living situations should also be seen as key elements in any structure plan.

How does globalisation affect architectural design choices?

In recent times, globalisation and the reliance on imported goods have shown Australia's vulnerability with sourcing and supply issues. The need to create independent and local material markets will definitely assist in architectural choices, protecting a construction market so exposed to multiple international supply chain issues. Cultural diversity combined with population growth has created new markets for materials and construction choices which are being accommodated in new builds through responsive design guidelines, especially in emerging communities.

What is your vision for the future of architecture? How would you like to see the industry evolve?

Our vision for the future stems from a responsibility of shaping better urban communities by responding to sustainability issues, energy conservation, and social and affordable housing needs. Whilst very aspirational, we believe our thoughts and energy are shared with many in the industry and, over the course of the next 20 to 30 years, we are sure to experience positive change.

Building Smarter, Living Better Continued

Sebastian Catalfamo
Chief of Development, Simonds

How do you see the revised Small Lot Housing Code, impacting greenfield developments?

The Small Lot Housing Code (SLHC) has been a very useful code that has been introduced and adopted in most greenfield estates in Melbourne. It applies to any lots less than 300m² in area and has enabled a much more fluid process in the planning of projects.

With the introduction of the new Type C requirements, we believe there is an increased possibility it could hinder future designs in greenfield sites due to:

- Greater front (Type B) and rear (Type A or B) setbacks, reducing usable floor space.
- Greater secondary side setbacks (Type B) reducing usable floor space having to increase the width of the corner lot.
- More stringent requirements for direct sunlight to private open space (POS), including for balcony-based POS. The easiest solution to achieve compliance may be with a rooftop balcony, however, this would come with significant costs related to access, construction, and future maintenance.

Does the split contract model still have a place in the greenfield market?

In short, yes. The majority of medium-density packages in the greenfield market are currently being delivered via a split contract model. Landowners typically need to receive land payment once titles are registered, and most builders have limited capacity to fund builds to completion without progress payments. From a purchaser's perspective, the 10/90 model is more preferred due to greater security and more financing options, but the current market conditions still necessitate the use of split contracts.

Are builder designs solving for smaller lot product?

Yes. Most builders now offer a strong range of designs that fit lot sizes from around 80m² to 300m², including various 2, 3, and 4-bedroom homes across single and double-storey layouts. Over the past decade, smaller lot product has evolved considerably—4-bedroom townhouses that were once around 230m² are now closer to 180m². Lot grids have also evolved, allowing for more affordable options. Whilst townhouse designs and lot grids have reduced, of upmost importance is to still ensure that a high level of amenity and functionality is maintained for the end purchaser. Street appeal and internal amenity needs to continue to be a key consideration in townhouse design.

How far do you think we can push densities in greenfield developments to improve affordability?

There is room for improvement. Current SLHC setback requirements can sometimes necessitate larger lot sizes, which pushes up the overall package price. This is particularly noticeable on corner lots. With further refinement of the SLHC, we believe there is an opportunity to push densities while still achieving good design outcomes.

Is there a place for three-storey product or walk-up apartments over time?

Yes, but only where the location or estate warrants it, and where there is a market for it. Construction costs are significantly higher for these types of buildings, so unless the estate is mature and demand is established, double- and single-storey options will remain the dominant products in the near future.

The future of the built environment depends on innovation, adaptability, and a focus on quality. By embracing change and prioritizing sustainability, the industry can create resilient, valuable communities for the long term.

Pictured: Cloverton by Simonds

Townhouse Spotlight

Ryan Woock
Senior Research Manager
Oliver Hume Property Group

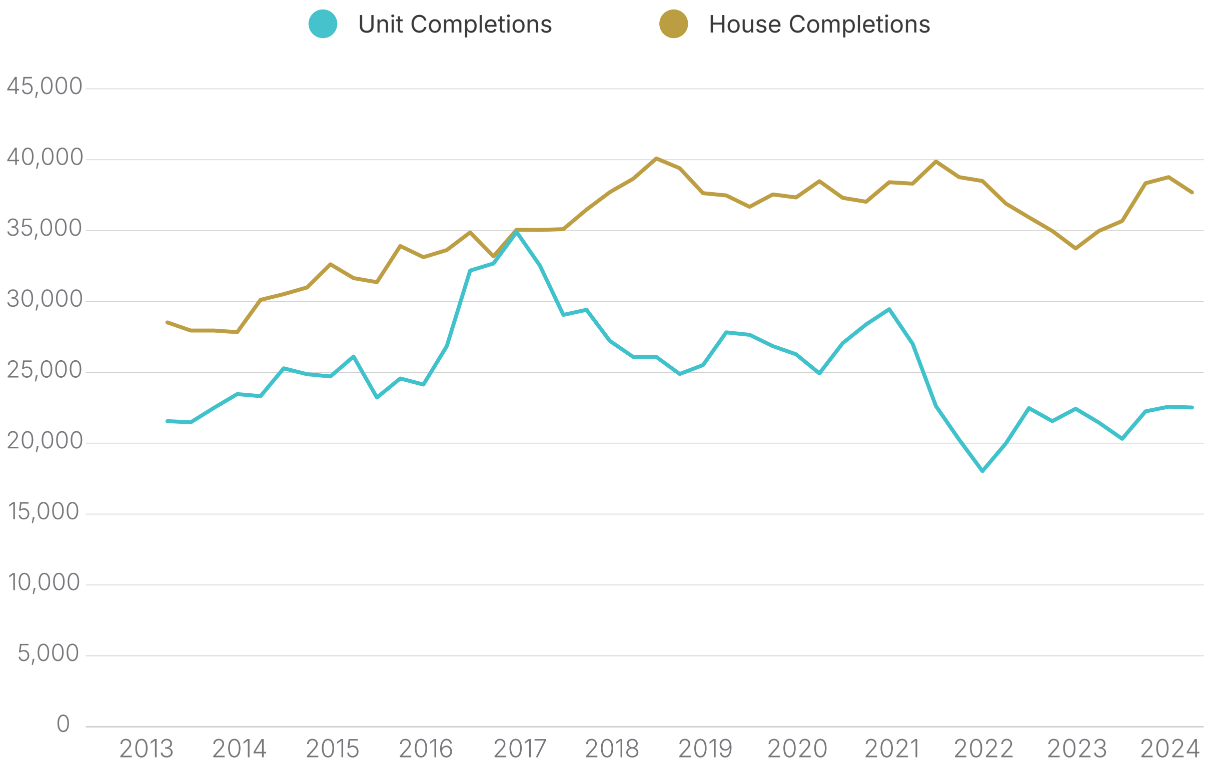
New Townhouse Supply in Victoria

Victoria needs to be delivering more than 70,000 new dwellings every year from 2024 to 2029 for the National Housing Accord target of 1.2 million new homes to be achieved. A significant proportion of those need to be apartments and townhouses, in both infill and greenfield areas.

In 2024, Victoria completed 60,220 new residential dwellings, missing the target by more than 15%. Just over a third of those delivered new dwelling were units (apartments and townhouses), but this is well under the required level, especially if official targets of 70% new supply to be delivered in infill and established areas are to be hit. Since 2022, the level of new unit completions has been well below the average level of the last decade, and this in an era of historically high population growth.

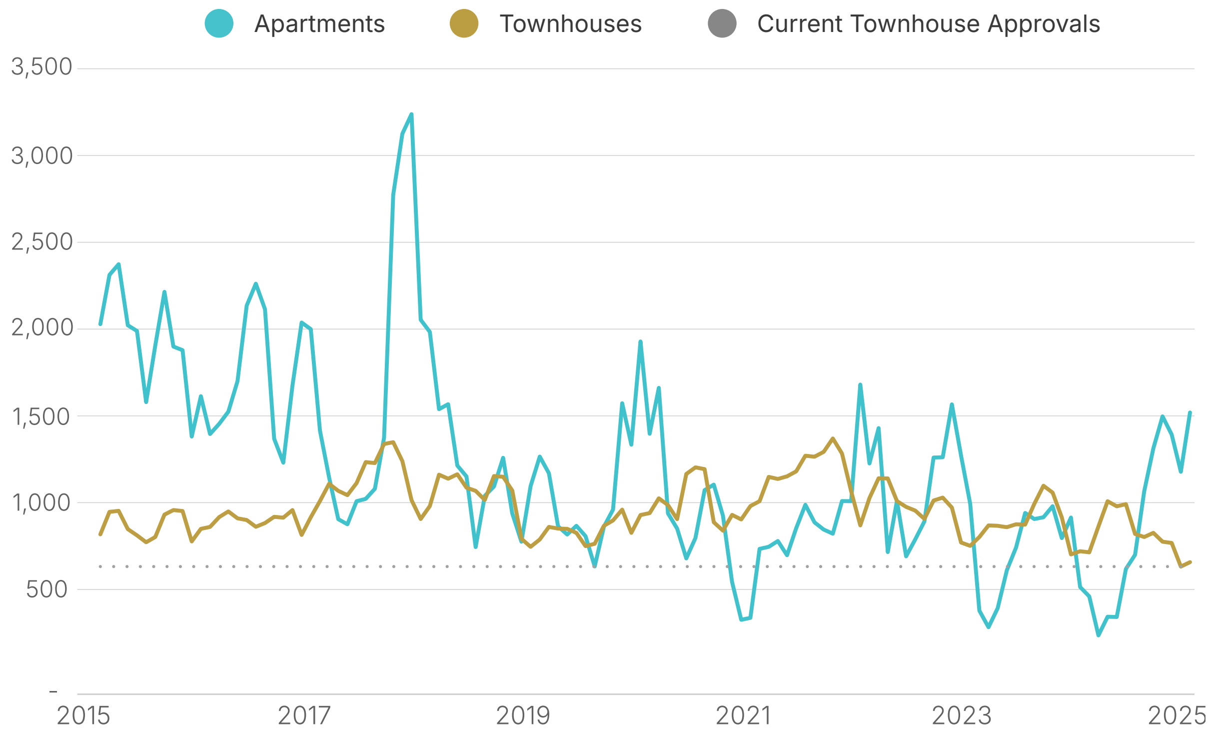
Across the country, one-to-three storey semi-detached product has been identified as a key element in expanding housing supply in infill and established areas but has consistently underdelivered – the so-called "missing middle", sitting between detached housing and apartments.

Annual Dwelling Completions - Victoria



Source: ABS, Oliver Hume Research

Unit Building Approvals - Victoria



Source: ABS, Oliver Hume Research

Current market conditions remain tough for the delivery of attached housing product. Costs remain high, both for materials and labour, planning processes are uncertain and lengthy, and consumer housing preferences often prevent townhouses and apartments from reaching viable price points in many cases.

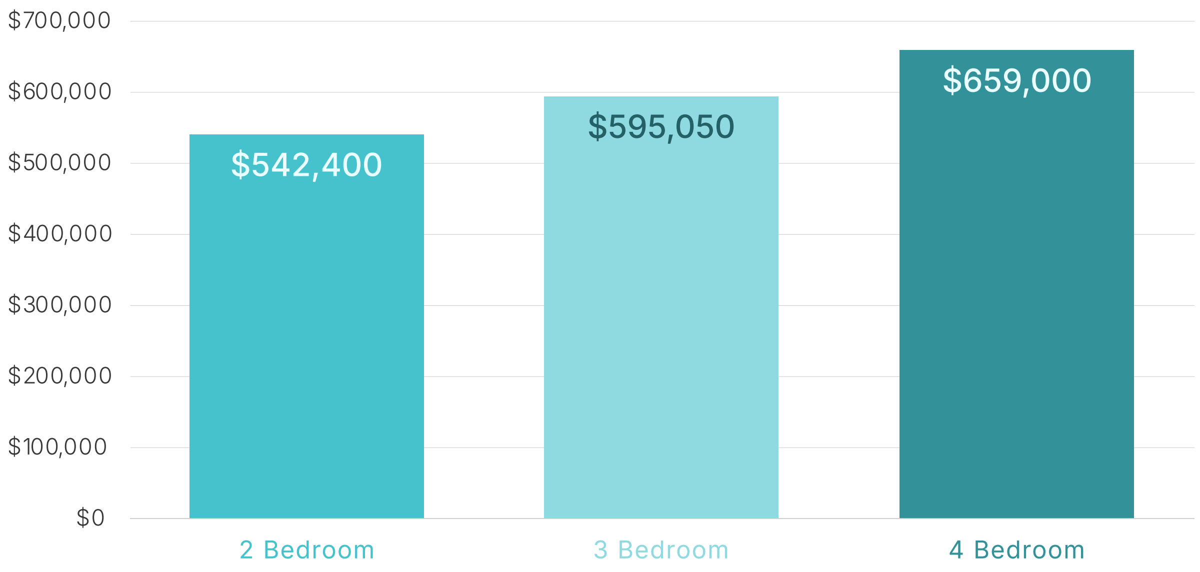
In Victoria, the average monthly rate of new dwelling approvals for townhouses in the three months to January 2025 fell to a decade low (631) before rising slightly in February. Just under 10,000 new townhouses were approved in the last 12 months, compared to 12,000 apartments and 33,500 detached houses.

This building approvals data does not bode well for maintaining the level of new dwelling completions at the current 60,000, let alone rising to the 70,000-plus required under the National Housing Accord.

Townhouse Spotlight Continued

Melbourne Growth Corridors Median Townhouse Sale Price

(March 2025 Quarter)



Source: Oliver Hume Research

Melbourne Townhouse Spotlight

In 2024 and early 2025, Melbourne's townhouse market has been shaped by a mix of rising prices, limited supply, and changing buyer preferences, influenced by changing broader economic conditions (including growing affordability constraints) and regional dynamics.

Pricing Trends and Sales Volume

As of March 2025, the median price for townhouses across Melbourne's growth corridors reached $595,000, marking an 8.2% increase compared to March 2024.

This has bucked the broader trend seen across the Melbourne residential market, where overall house prices have experienced more moderate growth, or even price falls, over the past year.

When broken down by bedroom configuration, 3-bedroom townhouses saw the strongest price growth, while 2-and 4-bedroom options experienced more modest gains. The median price for a 2-bedroom townhouse was $542,400, 3-bedrooms at $595,050, and 4-bedrooms at $659,000.

Product Mix and Regional Variations

Townhouses in key growth corridors such as Wyndham, Melton, and Casey, typically offer configurations of 2 to 4 bedrooms.

These areas are especially attractive to first-home buyers and investors due to their more affordable entry points compared to inner-city properties and traditional house-and-land packages.

Three-bedroom townhouses remained the most in-demand product, accounting for 52% of all stock sold during the March 2025 quarter, broadly consistent with the average observed throughout 2024.

A closer analysis of the sales data reveals some notable product trends.

Leading the pack for the quarter was the 3-bedroom, 2-bathroom, 2-car configuration. This result is hardly unexpected, given the broad appeal of this layout. It caters well to a wide range of buyers, including first home buyers, investors, downsizers, and young families, whilst also offering a more affordable alternative to larger townhouse products or house-and-land packages.

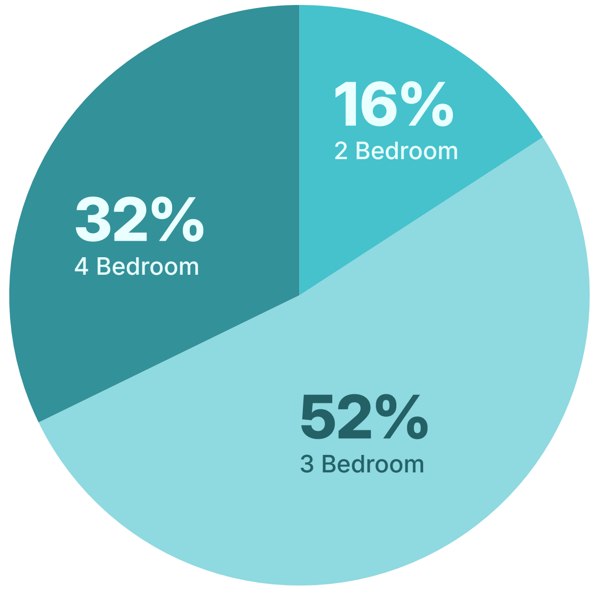
The 3-bed, 2-bath, 1-car and 3-bed, 3-bath, 1-car configurations, secured the second and third spots in total sales volume. The 2-bedroom, 1-bathroom, 1-car option claimed fourth place, driven by strong demand from investors and first home buyers prioritising affordability and entry-level access.

Completing the top five was the 4-bedroom, 4-bathroom, 2-car layout, which attracted interest primarily from downsizers looking for additional space.

Townhouse sales also showed significant regional variation. Melbourne's south-east continued to lead activity across the growth corridors, contributing 55% of all quarterly sales. This was followed by the western corridor, which accounted for 28% of sales, while the northern growth corridor made up the remaining share.

Melbourne Growth Corridors Product Mix

(Sales by Bedroom, March 2025 Quarter)



Source: Oliver Hume Research

This was likely driven by a combination of factors, including the price gap between houses and townhouses, overall pricing trends, availability of stock, and varying demand dynamics, all of which influenced the rate of townhouse growth across different corridors.

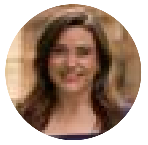
Conclusion

The Melbourne townhouse market continues to grow across the growth corridors.

Townhouses continue to draw interest due to their relative affordability compared to detached homes and growing demand from households seeking more flexible living arrangements including new couples, downsizers and smaller households.

Regional dynamics play a crucial role in determining the growth within Melbourne's diverse property landscape and the ongoing development of the townhouse market.

Residential Housing Market Outlook



Eliza Owen
Head of Residential Research
CoreLogic Australia

Housing market performance looked positive through the March quarter of 2025, with the market showing a strong response to the February rate cut. After a 0.5% decline over three months to January, the national home value index has recorded two consecutive month-on-month rises, taking the national measure to new record highs in March.

A widespread uplift

The positive inflection in values was widespread with every capital city market outside of Canberra rising through the March quarter (Canberra values dropped a mild 0.1%).

Sydney home values increased 0.4% in the quarter, following a very short-lived downturn of 2.2% between September 2024 and January this year.

The long running weakness in Melbourne values also looks to have turned a corner in the March quarter, with values rising 0.3%. Melbourne home values remain 5.6% below the record high in March 2022, but with interest rates likely to fall further, and Melbourne home values sitting at a relatively affordable level compared to other capital cities, this market seems poised for further value increase over the course of the year.

Darwin led growth in the quarter, rising 2.8%, albeit off weaker market performance in 2024. Adelaide home values showed the next strongest increase at 1.0%, followed by 0.9% in Brisbane. Despite these two markets continuing to outperform most capitals, they have clearly lost some momentum. Price rises have slowed from over 3% in Brisbane and Adelaide through the March quarter of last year. Perth has seen the most notable loss in momentum but remained in positive territory with a 0.2% uplift in the March quarter (down from a 5.5% rise in the March quarter of last year). Clearly, the mid-sized capital city markets are entering a period of more 'slow and steady' increases.

Transaction activity slows through April...

To say that April introduced uncertainty into the housing market is an understatement. The Westpac-MI consumer sentiment index, which had been trending higher and is strongly correlated with home sales, plunged 6% through April to a six-month low.

President Donald Trump's tariff announcements are weighing on growth expectations for Australian GDP, and as of April 23, the ASX 200 has still not recovered value from 'Liberation Day'. This may create some pause for those buying in the higher-end of the housing market, where executive incomes for example, are more strongly tied to company performance.

April also saw the lead up to a fairly housing-centric election, with both major parties targeting first home buyers. While either successful party would have seen a boost to first home buyer activity over the course of the term, some prospective buyers may hold back from the market until they can take advantage of Labor's expanded Home Guarantee schemes.

Both buyers and sellers may also be holding out for the next RBA cash rate decision on May 20, where markets are still pricing in a reduction. Finally, the proximity of Easter and ANZAC day public holidays in 2025 has also weighed on buyer activity, with many Australians taking a 'super break' over the period.

The slowdown in buying and selling is evident in weekly auction numbers, which dropped to 644 auctions scheduled for the week of the 20th of April across the combined capitals. Outside of COVID, this is the lowest Easter auction week since 2019, when the housing market was nearing a cyclical trough. Final clearance rates have also slipped, averaging just under 60% across the combined capitals in the past four weeks, down from 62.8% over the four weeks prior.

Across both auction and private treaty campaigns, new listings added to the market have seen a sharp decline in recent weeks. In the four weeks to April 20, there were around 34,000 listings added to the market nationally, which is 6.2% lower than the previous five-year average for this time of year. This has also dragged on total stock for sale, which slipped 3.3% over the four week period, to about 139,000 properties for sale.

... but longer-term suggests stability in the housing market

Despite the uncertainties facing the Australian economy, and a slowdown in buying and selling through April, relatively stable conditions are still expected for the Australian residential sector in 2025.

An important feature of the Australian housing

market is that periods of economic uncertainty have little effect on value but instead have a temporary effect on sales and listings numbers.

For example, shocks like the GFC, expiry of COVID stimulus and strongly rising interest rates have seen annual home sales fall by about 25% from peak, regardless of the catalyst. But during these times of weak buyer demand, home sellers can usually respond by postponing a sale campaign for when demand starts to rise. As a result, the largest fall from peak in home values nationally was around 7.7% in the 1980s.

Strong lending conditions have helped to underpin this dynamic, with relatively low rates of mortgage arrears meaning people are more empowered to chose when to sell. The mortgage market continues to show resilience despite cost of living pressures, with APRA data showing just 1.6% of loans either non-performing or 30+ days past due at the end of last year. The unemployment rate seems to have structurally lowered through the recent period of low interest rates during COVID, sitting at just 4.1% through March, which also helps to underpin stability in the mortgage market.

For 2025, the main tailwind for the housing market would be a continued easing in monetary policy, assuming inflation keeps trending lower. On the other hand, there are still headwinds to be conscious of, including slowed economic growth due to global factors, a normalising in population growth which will reduce overall housing demand (albeit mainly through rentals), and caution in lending conditions.

Addressing Regional Victoria's Affordability Challenges

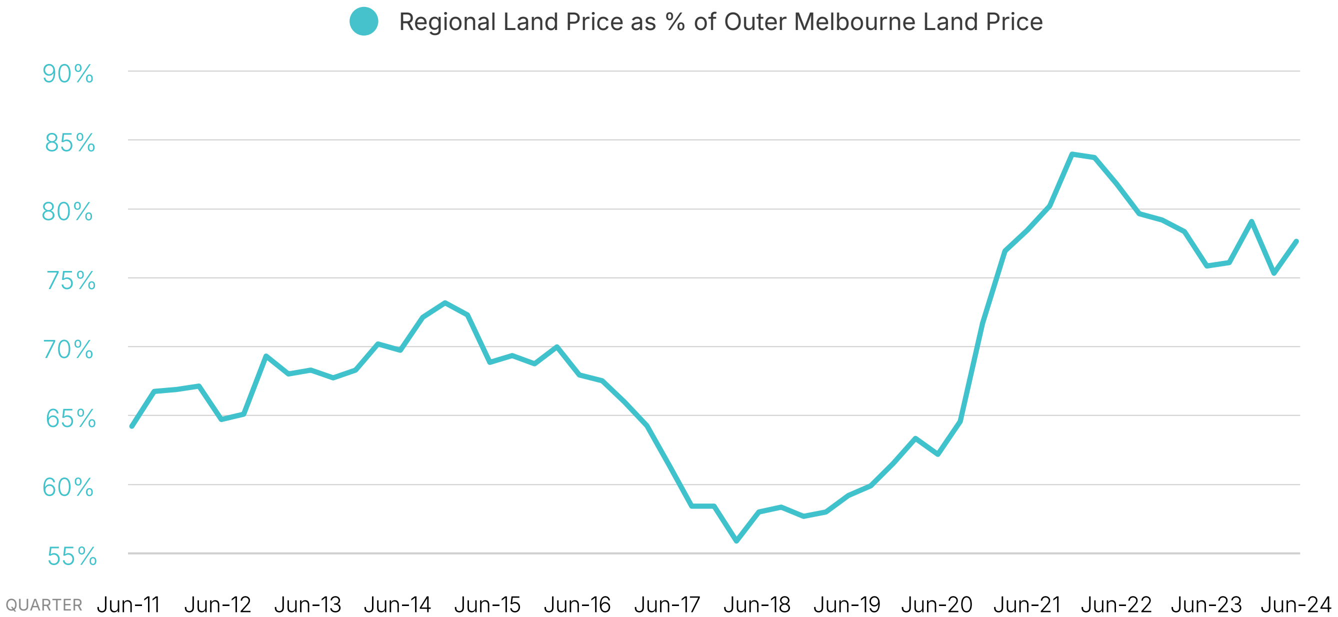
Angie Zigomanis
Head of Data and Insights
Quantify Strategic Insights

Regional Victoria is at a housing crossroads. Once known for its affordability and lifestyle appeal, it now faces mounting housing pressures driven by strong population growth, rising costs, and systemic policy challenges.

Strong population growth—even prior to the COVID-induced flight to the regions—and the absence of commensurate supply, has eroded Regional Victoria's long-standing affordability advantage, led by land prices. Residential land values in the regions have increased from equivalent to 50%–75% of Melbourne's land values, to 75%–85%.

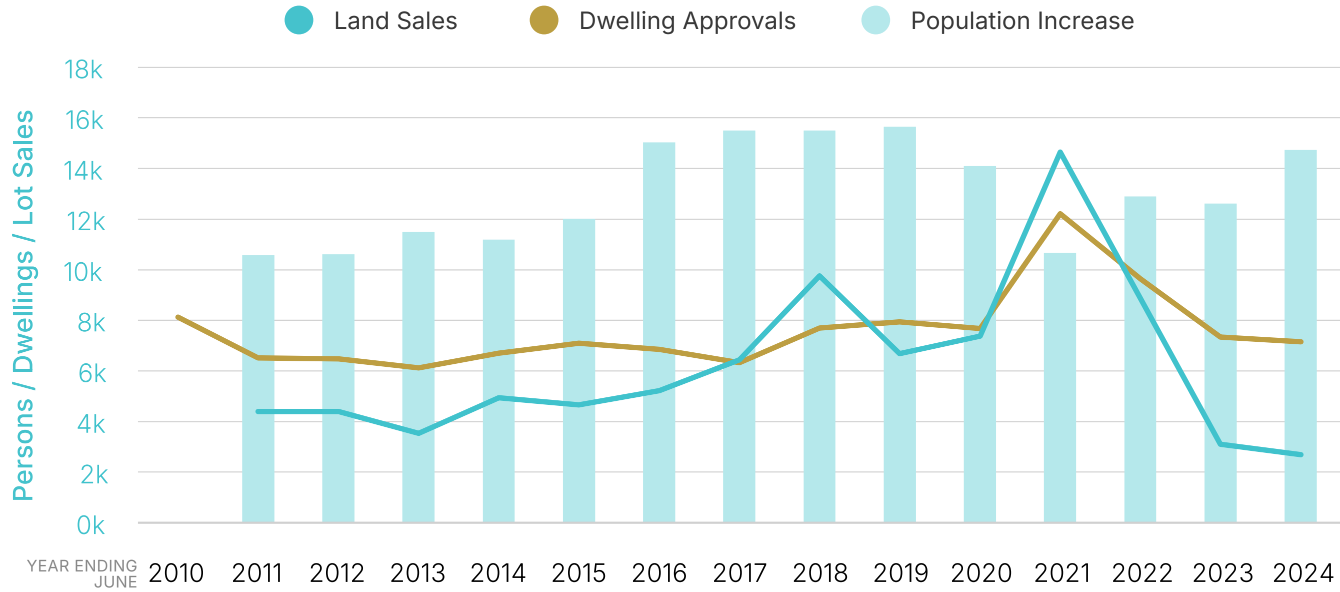
Despite continued strong population growth, diminishing land availability and affordability challenges have seen new housing activity trail off since the post-COVID bump, and is now well short of that required to accommodate projected population growth. Vacancy rates have also remained consistently tight, and rents have risen.

Regional Land Values Are Increasingly Less Affordable Relative To Outer Melbourne Land



Source: PriceFinder, Quantify Strategic Insights

New Land & Dwelling Demand In The Regions Has Fallen In The Face Of Sustained Population Growth



Source: ABS, PriceFinder, Quantify Strategic Insights

Providing adequate capacity for anticipated demand is the key to providing more affordable land and, consequently, housing. The housing targets in Plan for Victoria that prioritise infill development through medium and high density housing in the largest regional centres are admirable, but clash with market realities. Greenfield land is the only feasible option in most regional centres. Apart from a few exceptions, regional housing values are nowhere near sufficient to cover medium and high density development costs without financial incentives.

Improving affordability requires that the "lowest hanging fruit" be developed in the most efficient manner. This firstly requires a clear definition of land supply. Rather than draw lines on a map to identify intended locations for housing, policy must shift to reflect "actual" land supply—land that is zoned, serviced, (most importantly) feasible to build on, and likely to deliver housing in the next 5–10 years.

To address these challenges, there is a clear need to recalibrate how land supply is assessed and ensure planning tools reflect real development capacity. Infrastructure delivery must be improved and better aligned with areas experiencing growth to support housing feasibility. Moreover, a more diverse range of housing options should be encouraged through realistic financial and planning incentives. Finally, housing growth targets must be grounded in market realities to ensure they are achievable and supportable over the long term.

Without urgent reform, Regional Victoria risks entering a new era of housing unaffordability—constraining growth, limiting economic opportunity, and weakening regional resilience.

Queensland Team Ramps Up For Project Launches

Dan Ross
General Manager - Qld & NT
Oliver Hume Property Group

Nothing unites people like a buzz in the property market. Recent data from the Oliver Hume research team reveals that if the proposed drop in interest comes to fruition over coming months, a growth trend is likely to continue.

Currently, our Queensland team is preparing to bring two major new projects to market in the second half of the year, building on the company's portfolio that includes more than 12 projects.

Over the past few months, we've been working extensively with developers including Villawood Properties on the upcoming Baya Redland Bay project and Citimark Properties on the Novella Waters project at Coomera.

Both projects have been meticulously planned to meet the needs of local buyers and will help support undersupplied markets with high-quality new homes and homesites.

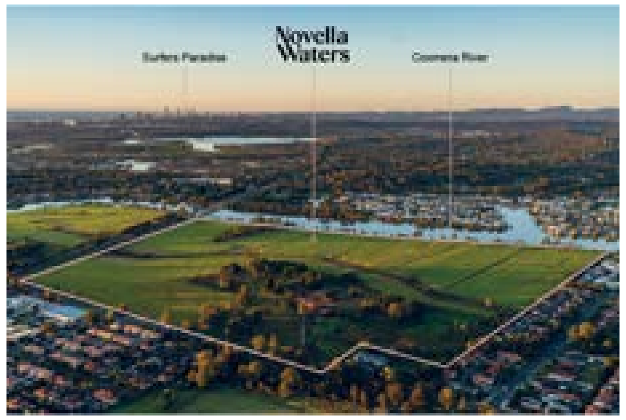
Bringing any new project to market for the first time is exciting, and these are both exceptional projects that will set a new benchmark for their respective regions.

Like all of our projects, we have used extensive data and research to ensure we have the right product at the right time to build momentum with early sales success.

We expect market conditions to improve over the next 12 months, and with that improvement will come more competition, so understanding the market and consumer expectations is going to be more critical than ever.

Set against the beautiful backdrop of Moreton Bay, Villawood's Baya project is an exclusive new boutique community in Redland Bay that will provide buyers with access to a coastal sanctuary nestled between bushland and the blue water of the bay.

With a diverse mix of homesites, Baya will provide a rare opportunity to be part of a community that is enhanced by public artwork, lush landscaping, diverse streetscapes, and family-friendly open spaces.



Further south at Coomera, on the northern end of the Gold Coast, Citimark's Novella Waters is situated on a prime 58ha riverfront site.

The development benefits from the high level of amenities in the area, including the Coomera Town Centre, schools, sports & recreation, and multiple transport options, including motorway and rail.

Both projects are expected to be launched over the next few months.

Pictured: Baya Redland Bay by Villawood Properties
Inset: Novella Waters (Coomera) by Citimark Properties

South East Queensland

Market Overview

Sales Volumes

The volume of land sales remained steady in the first quarter of 2025 but was down on the average quarterly rate of sales experienced in 2024. The rolling 12-month sales total was 6% above the previous 12-month period. The SEQ market experienced a significant change in the geographic composition of sales in the March 2025 quarter, with a strong rise in sales in Logan and a fall in Ipswich sales once again pushing Logan to the number one position in SEQ for vacant land sales.

"Nothing unites people like a buzz in the property market. Recent data from the Oliver Hume research team reveals that if the proposed drop in interest comes to fruition over coming months, a growth trend is likely to continue."

Dan Ross
General Manager Queensland & Northern Territory

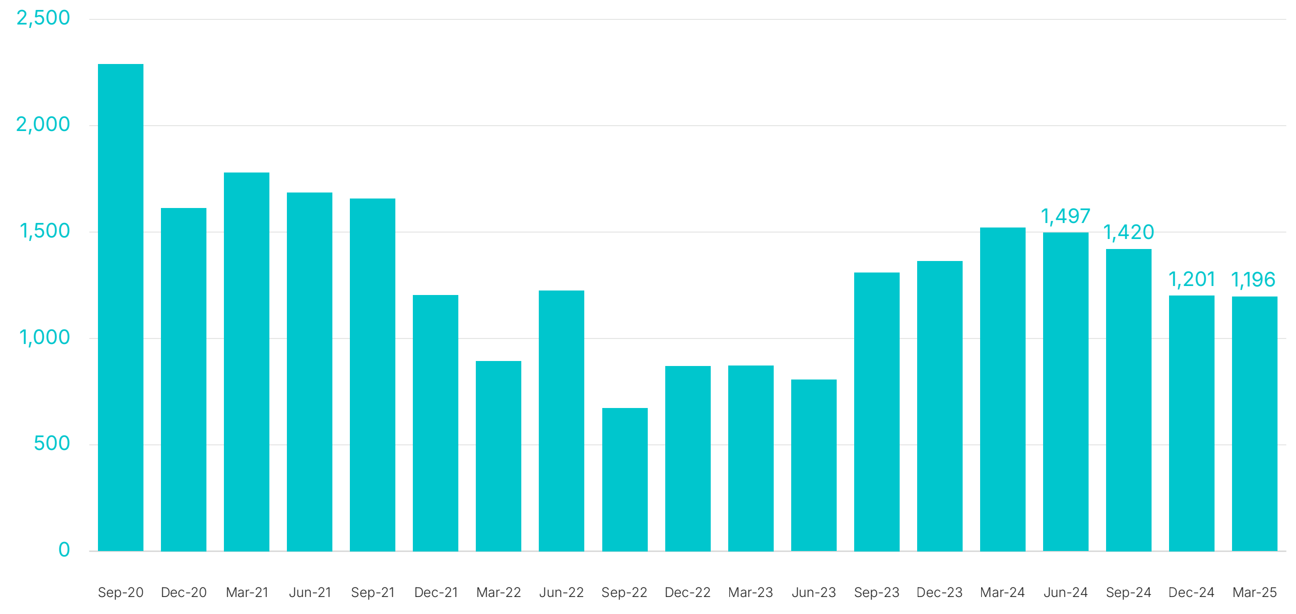
Land Prices

The median lot price in SEQ rose by 11% in the March 2025 quarter, pushing to historical highs and exceeding Melbourne's for the first time on record and by nearly $30,000. The strongest price growth in the quarter was experienced in Ipswich (+11%), Moreton Bay (+10%) and Redlands (+5%). The strong price growth in Ipswich is due to limited supply from large projects controlled by a small number of market players and means the Logan corridor has regained its position as the most affordable growth corridor in the SEQ as several significant projects return to market with more affordable stock and seeing median price growth rate moderate over the last quarter.

Annual growth in median price terms for the 12 month period rose to 27%, easily exceeding the easing rate of change in the price of established homes in Greater Brisbane of 8.6%. Brisbane, Ipswich, Logan and Moreton Bay all saw annual price growth ranging between 16% and 30%.

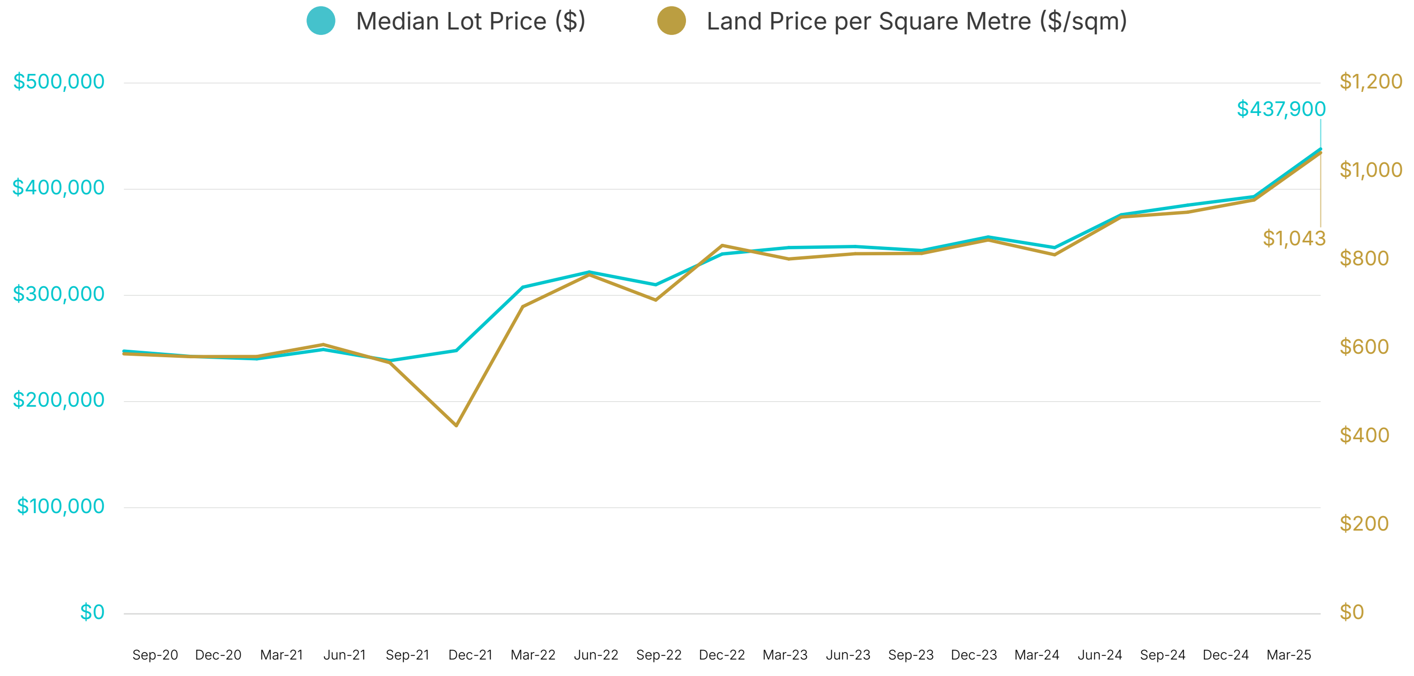
The price in $/sqm terms once again matched headline price growth at 11% as the median lot size sold across SEQ remained steady at 420sqm. Melbourne's significantly lower median lot size has meant that in $/sqm terms, it still holds a small premium over SEQ.

South East Queensland Vacant Land Sales (Quarterly)



Source: Oliver Hume Research

South East Queensland Land Prices



Source: Oliver Hume Research

South East Queensland

Queensland

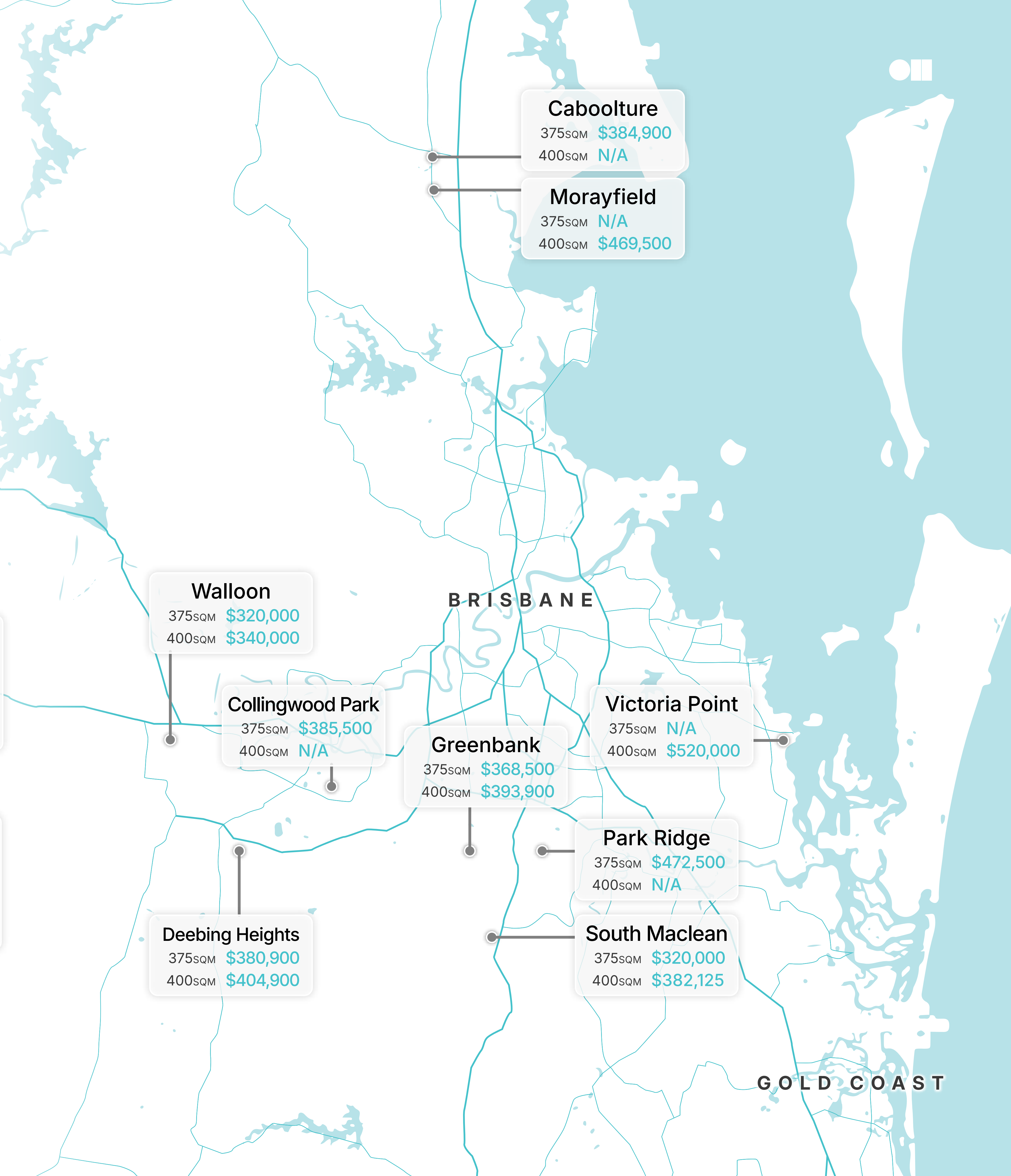
Median Lot Prices by Suburb (Gross)
March Quarter 2025

Median Price
$437,900

Land Price per Sqm
$1,043 per sqm

Commonly Sold Lots
12.5 × 30m
12.5 × 32m
14 × 30m

Median Size
420 sqm



Source: Oliver Hume Property Group

Misguided Draft Legislation Will Have Unintended Consequences

Caroline Speed
Director of Policy & Collaboration
Master Builders Assoc (Victoria)

As part of the suite of building reforms announced by the Victorian Government late last year, the Building Legislation Amendment (Buyer Protections) Bill 2025 was introduced into Parliament on the 4 March 2025 and is now sitting with the Legislative Council for debate.

The Victorian Government has been clear the purpose of the Bill is to increase consumer protections, which it is seeking to achieve through wide-ranging changes to the current system, including the introduction of Rectification Orders (RO). An RO can be issued by the Victorian Building Authority (soon to be the Building and Plumbing Commission) to a registered builder in response to a complaint from a consumer for up to ten years after a consumer has received an Occupancy Certificate and moved in.

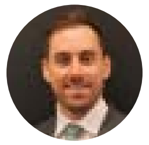
The builder has 14 days to comply with the RO. If a builder does not comply with the RO they risk losing their registration and the VBA will use insurance to cover the cost of repairs that will be reclaimed from the builder. There is a theoretical right to challenge the RO within the fourteen days, however it is unlikely a decision would be made in that time so the builder will have to comply anyway.

In practical terms this means a builder is at risk of having an RO issued ten or potentially even more years after completing a project. For example, an RO may be issued for peeling paint nine years after the OC is issued. This is absurd when the warranty for many paint products is seven years.

The Bill is like to cause serious unintended consequences, including increasing the cost of projects for registered, insured builders which is likely to drive more consumers to use unregistered, uninsured operators who are less expensive. This, combined with increased risk from ROs, is likely to drive registered builders out of the industry.

As a result, there will be fewer registered builders to deliver the Victorian Government's ambitious housing target.

Oliver Hume South Australia
Wins Major Appointments



Ryan Davis
General Manager South Australia
Oliver Hume Property Group

Oliver Hume's South Australian business continues to go from strength to strength with the appointment to a major new master-planned community in Mount Barker and the commencement of construction of a 500-lot project at Mallala.

The appointment to undertake sales, marketing and advisory roles at Jinding's Larkview project in Mount Barker follows the appointment last year to Wel.Co's Gracewood project at Mallala

Jinding's Larkview project will deliver more than 350 lots to the market across a 22.38-hectare site off Wellington Road, which it purchased in mid-2024 to diversify its pipeline.

As one of the last sites to be developed in growing Mount Barker, the $120 million development will deliver new parkland, ensure the retention of established trees and provide a crucial link between new communities and established local amenities, improving connectivity and traffic flows.

With planning approval expected in June, Jinding intends to launch Larkview in the coming months.

The approval of Larkview is a great win for growing Mount Barker. Projects like Larkview are crucial in delivering much-needed housing supply in a way that is integrated with the region's long-term infrastructure and transport plans.

It is positive that Jinding is looking to offer land that delivers on affordability, as the traditional larger lot sizes in Mount Barker have priced many young locals out of the area.

Meanwhile, at Mallala, 60km north of Adelaide, developer Wel.Co recently broke ground on its $100 million Gracewood residential community

The Wel.Co plan comprises 500 land lots and homes for 1200 residents plus a community park with a playground, dog park, half basketball court and open spaces.

Oliver Hume has been appointed to undertake a range of advisory services for the project with a number of Oliver Hume executives on site to help turn the first sod.

South Australia is a great place to do business, and with more national developers like Jinding and Wel.Co investing in the State, we have an even brighter future ahead of us.

The Oliver Hume team looks forward to working on these exciting projects and delivering a successful outcome for all stakeholders.

Top: Proposed site of Jinding's Larkview project at Mount Barker, SA

Bottom: Oliver Hume Property Group executives on site for a recent sod turning at Wel.Co's Gracewood project

Adelaide

Market Overview

Sales Volumes

The volume of land sales fell relatively heavily for the second consecutive quarter as stock sold out in key projects and corridors and the market struggled to get new product released due to more difficult topography in the south and water infrastructure limitations in the north.

Sales volumes halved in Playford and Adelaide Plains in the quarter and fell heavily in Barossa. Consequently, sales volumes for the 12 months to March 2025 were -34% lower than seen in the previous 12 month period.

> "South Australia is a great place to do business, and with more national developers like Jinding and Wel.co investing in the State, we have an even brighter future ahead of us."
>
> 
>
> **Ryan Davis**
> General Manager South Australia

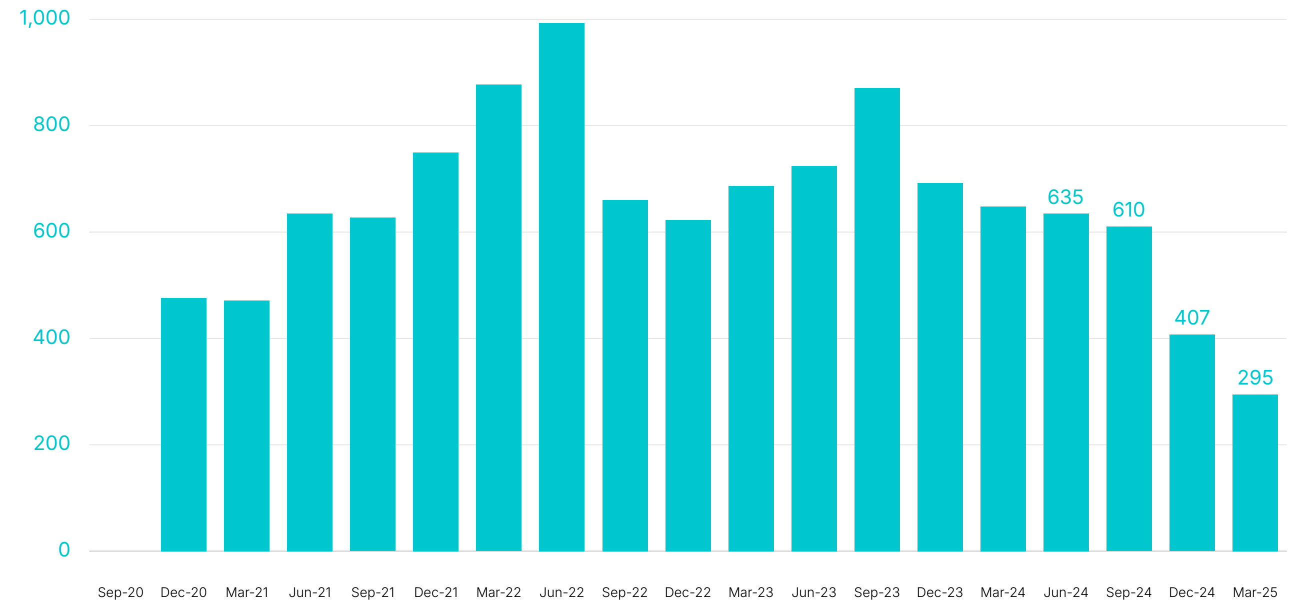
Land Prices

The median lot price in Adelaide rose strongly for the second consecutive quarter and pushed to a new high of $320,000 even as volumes fell indicating demand remains robust and a lack of supply is driving the fall in volumes.

The overall median price growth was largely driven by an increase of 23% in Playford, Adelaide's highest selling LGA. Prices eased in $/sqm terms as the median lot size rose to 480sqm as the composition of sales shifted from 350sqm-450sqm lots to 544sqm and 612sqm lots.

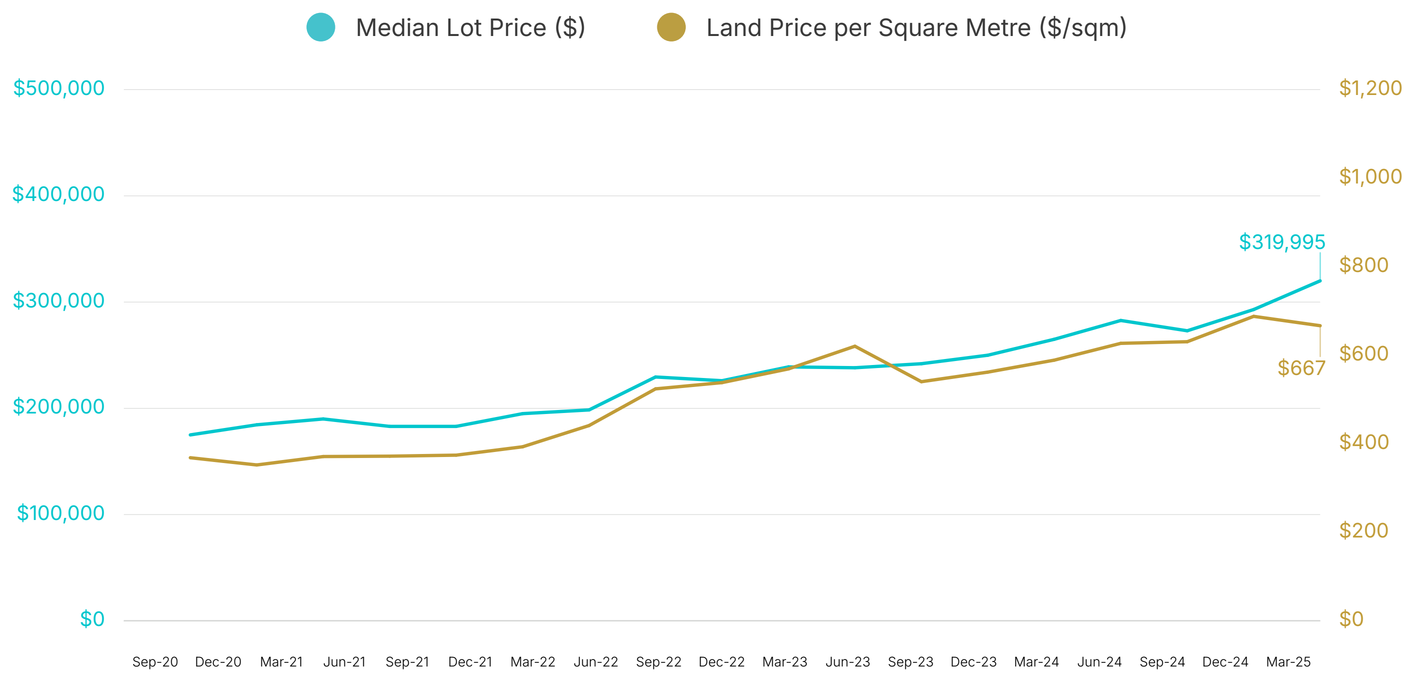
The demand and supply fundamentals for Adelaide remain robust. Adelaide land prices remain significantly more affordable than both Melbourne and South East Queensland and Adelaide's rental vacancy rate is half the national rate.

Adelaide Vacant Land Sales (Quarterly)



Source: Oliver Hume Research

Adelaide Land Prices



Source: Oliver Hume Research

Adelaide

South Australia

Median Lot Prices by Suburb (Gross)
March Quarter 2025

Median Price
$319,995

Land Price per Sqm
$667 per sqm

Commonly Sold Lots
10 × 30m
12.5 × 30m
16 × 34m

Median Size
480 sqm

Source: Oliver Hume Property Group

About the Authors

Julian Coppini

Chief Executive Officer

Oliver Hume Property Group

Julian is Chief Executive Officer of the Oliver Hume Property Group and has been with the company for more than 10 years. He has broad experience within Oliver Hume across a number of key roles (Group Chief Financial Officer, Chief Operating Officer and now Chief Executive Officer) and brings a unique blend of financial and commercial skills garnered while working in both large ASX-listed corporations, private companies and chartered accounting environments.

j.coppini@oliverhume.com.au
linkedin.com/in/julian-coppini

Matt Bell

Chief Economist

Oliver Hume Property Group

Matt is the Chief Economist at Oliver Hume, joining the business in early 2025. Matt has spent more than 20 years analysing and researching markets, providing insights and advice to business, government and industry on residential property market issues, investments and opportunities across Australia. Prior to joining Oliver Hume, Matt ran Colliers' National Strategic Advisory business as well as being Head of Research & Strategy at Stockland.

m.bell@oliverhume.com.au
linkedin.com/in/matthew-bell-research

Ryan Woock

Senior Research Manager

Oliver Hume Property Group

Ryan has more than 10 years' experience as a researcher and analyst and plays a critical role in the development of Oliver Hume's research capabilities and data sets. He works closely with internal and external stakeholders to develop market-leading insights and information to drive successful projects.

r.woock@oliverhume.com.au
linkedin.com/in/ryanwoock

Aleksandra Czajkowski

Operations Manager

Oliver Hume Property Group

Aleksandra joined Oliver Hume in 2020 as a Project Coordinator and has since built a deep understanding of the business's operations and processes. Her growth within the company led to her appointment as Operations Manager in 2024. In this role, Aleks focuses on streamlining workflows, enhancing efficiency, and ensuring the team is equipped with the tools and support they need to consistently deliver strong outcomes for both clients and vendor partners.

a.czajkowski@oliverhume.com.au
linkedin.com/in/aleksandra-czajkowski

Dan Ross

General Manager Queensland & NT

Oliver Hume Property Group

Dan is the General Manager of Oliver Hume's Queensland and Northern Territory operations and overseas an experienced team of property industry executives working with a variety of clients. He has built a wealth of knowledge in the sales and marketing of new land and mixed-use projects and has become a trusted adviser to some of Queensland's leading developers.

d.ross@oliverhume.com.au
linkedin.com/in/dan-ross-11a61649

Ryan Davis

General Manager South Australia

Oliver Hume Property Group

Ryan commenced with Oliver Hume in 2015 and was appointed General Manager of the South Australian operation in early 2024. He works closely with Oliver Hume's clients to deliver successful project outcomes and has been instrumental to the success of the Oliver Hume brand in South Australia.

r.davis@oliverhume.com.au
linkedin.com/in/ryan-davis-35589590

Angie Zigomanis

Head of Data and Insights

Quantify Strategic Insights

Angie's experience spans over 25 years working across two of Australia's major independent economic and property consultancies, analysing and forecasting property markets. His keen understanding of population and demographic trends enables him to identify trends before they enter mainstream commentary.

angie.zigomanis@quantifysi.com.au
linkedin.com/in/angie-zigomanis-87778955

Caroline Speed

Director of Policy & Collaboration

Master Builders Assoc (VIC)

Caroline is an urban policy and research specialist and an experienced executive with a detailed understanding of the tiers of policy, regulation, and market forces impacting on all aspects of urban development at the state and precinct scale.

cspeed@mbav.com.au
linkedin.com/in/caroline-speed-gaicd-42380461

With thanks to our special guest contributor:

Eliza Owen

Head of Residential Research

CoreLogic Australia

Eliza has a wealth of experience in property data analysis and reporting. She worked as an economist at Residex, a research analyst at Domain Group and previously as the commercial real estate and construction analyst at CoreLogic.

linkedin.com/in/eliza-owen-2554ab65
elizowen-au@corelogic.com

OLIVER HUME

HEAD OFFICE
Level 2
4 Riverside Quay
Southbank, VIC 3006

P. 03 9669 5999

SYDNEY
Level 24, Tower 3
300 Barangaroo Avenue
Sydney, NSW 2000

P. 1300 881 780

SOUTH AUSTRALIA
217 Flinders Street
Adelaide, SA 5000

P. 08 7201 3999

BRISBANE
Shop 9, Gasworks Precinct
26 Reddacliff Street
Newstead, QLD 4006

P. 07 3216 1666

GOLD COAST
Suite 5B, Emerald Lakes Town
Centre Commercial
3027 The Blvd, Emerald Lakes
Carrara QLD 4211

P. 1300 645 433

DARWIN
129 Asche Street
Muirhead, NT 0810

P. 07 3216 1666

www.oliverhume.com.au