

Home Price Index

1 September 2025

Home values at new peak as momentum accelerates in 2025

Key findings:

- National home prices rose 0.5% in August, marking the eighth consecutive month of growth and taking home values to a fresh record high.
- National home prices are up 5.3% over the past year, adding around \$47,900 to the value of the median home, and have surged 50.4% in the past five years.
- Prices in capital city markets rose 0.5% in August and are up 4.9% year-on-year, with values at record highs.
- Among the capitals, Darwin (+0.8%) and Sydney (+0.7%) led monthly growth, while Hobart was the only capital market to record a fall (-0.5%).
- Over the past year, regional South Australia (+13.3%), Darwin (+10.4%), regional Queensland (+9.9%) and regional Western Australia (+9.9%) recorded the strongest gains.
- Prices in Melbourne rose 0.3% in August and are now just 0.6% below their previous 2022 peak, almost fully recovered after several years of underperformance.
- Regional prices climbed 0.3% in August and are up 6.6% year-on-year, outpacing the capitals and maintaining a stronger five-year growth record (65.2% vs 46.0%), bolstered by affordability and lifestyle appeal.

“National home prices lifted in August, rising 0.5% to a new record high. This marks eight straight months of growth as the housing market gains momentum following the series of interest rate cuts this year which have boosted borrowing capacities, improved sentiment and drawn buyers back into the market. As a result, the housing upswing, once narrowly led by a handful of cities, is broadening.

“Demand has re-accelerated in Sydney and Melbourne, marking a turnaround from the slower conditions observed in late 2024. Darwin has swung from inertia in 2024 to leading annual growth amongst the capitals. Melbourne is closing in on its 2022 peak, with relative affordability and strong population growth restoring its appeal. By contrast, Adelaide and Perth are still growing briskly, but at a slower pace compared to the same period last year.

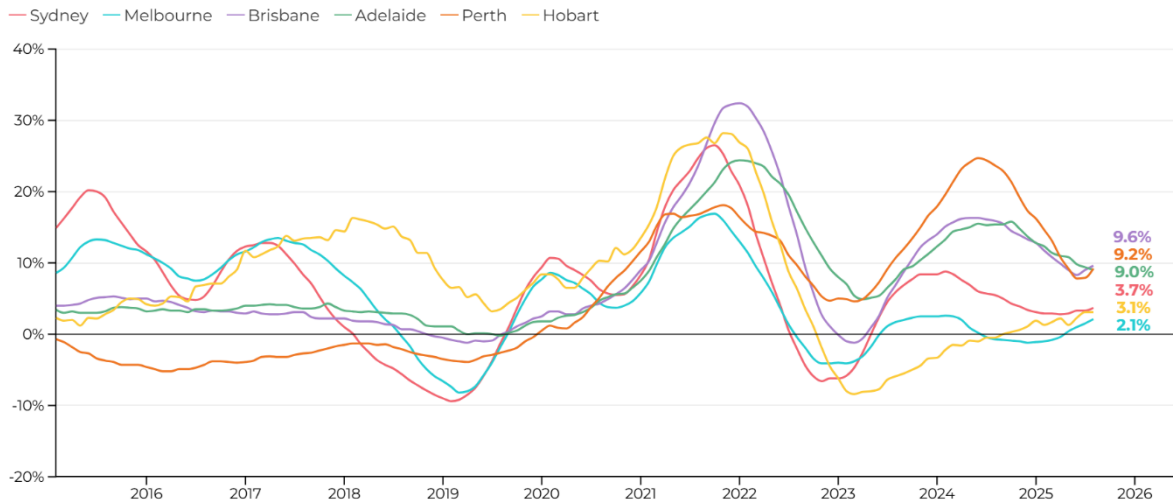
“Looking ahead, the combination of lower interest rates, increased borrowing capacities and improved sentiment is expected to continue to drive demand. Constrained new housing supply, strong population growth and the expansion of the Home Guarantee Scheme from October will also maintain upward pressure on prices. As we enter spring, the housing market appears poised for another leg higher, albeit strengthening in some capitals while normalising in others.”

PropTrack Home Price Index August 2025

All dwellings	Monthly growth	Annual growth (%)	Change from Peak	5-year growth	Annual growth (\$)	Median value
Sydney	0.7%	3.7%	0.0%	41.4%	\$59,000	\$1,201,000
Melbourne	0.3%	2.1%	-0.6%	19.3%	\$25,300	\$830,000
Brisbane	0.6%	9.6%	0.0%	91.7%	\$86,600	\$936,000
Adelaide	0.3%	9.0%	0.0%	88.9%	\$70,700	\$853,000
Perth	0.6%	9.2%	0.0%	91.6%	\$75,000	\$865,000
Hobart	-0.5%	3.1%	-7.5%	30.2%	\$22,800	\$665,000
Darwin	0.8%	10.4%	0.0%	38.4%	\$58,400	\$550,000
Canberra	0.3%	1.4%	-2.3%	33.4%	\$16,900	\$842,000
Capital cities	0.5%	4.9%	0.0%	46.0%	\$51,800	\$938,000
Regional NSW	0.2%	4.4%	0.0%	52.1%	\$33,400	\$734,000
Regional Vic	0.5%	2.6%	-2.2%	39.5%	\$22,500	\$561,000
Regional Qld	0.3%	9.9%	0.0%	91.0%	\$75,000	\$738,000
Regional SA	0.7%	13.3%	0.0%	95.9%	\$56,000	\$467,000
Regional WA	0.2%	9.9%	0.0%	89.8%	\$50,400	\$559,000
Regional Tas	-0.1%	4.3%	-0.1%	55.8%	\$24,900	\$516,000
Regional NT	-0.1%	2.1%	-3.0%	8.0%	\$3,700	\$338,000
Regional areas	0.3%	6.6%	0.0%	65.2%	\$44,600	\$658,000
National	0.5%	5.3%	0.0%	50.4%	\$47,900	\$835,000

Annual change in home prices

By capital city, all dwellings



Source: PropTrack

PropTrack

Methodology

The PropTrack HPI model measures changes in residential dwelling values across Australia, aiming to provide an up-to-date and accurate assessment of housing market performance and trends. The PropTrack HPI is calculated daily and reported monthly. It includes all properties that are defined as residential and are grouped as residential units, houses and all dwellings.

Measuring the change in the value of homes can be challenging because the size and quality of dwellings that transact over time are not representative of the broader stock of dwellings. The PropTrack HPI model overcomes this by implementing an adjacent period hedonic imputation methodology. This method captures the rate of change of home values by adjusting for the compositional differences in property attributes. The model leverages hedonic regression by measuring the relationship between observed prices and property features, including information about each property's location and time of sale.

The PropTrack HPI is a revisionary index. The full history is recalculated each month, and index values for the latest three years are revised. This is an important feature because it compensates for the delay in the receipt of comprehensive official records of sales transactions after settlement occurs. The revisionary nature of the PropTrack HPI mitigates significant revisions when new data are received.

PropTrack aligns to the Australian Statistical Geography Standard (ASGS) as defined by the Australian Bureau of Statistics.

For more detailed information on the PropTrack HPI, please visit our [website](#) to download the full methodology. This template was updated on 1st July 2025.

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