



November 2025

Monthly Market Focus

A monthly snapshot of how we see the property markets across the country together with relevant research and economic news. We also highlight recent transactions, product innovation and industry insights.

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Economic Outlook

The Reserve Bank of Australia (RBA) met on 3 and 4 November and left the cash rate unchanged at 3.60% as widely expected. This followed ABS statistics having been released showing the important quarterly CPI for September having risen by 1.3% for the quarter and 3.2% over the past 12 months.

Internationally things were different with the Federal Reserve Bank (FOMC) in the United States lowering rates as expected by 0.25% to 3.75% to 4.00% at its October 28,29 meeting. The Bank of Canada (BoC) also reduced its Bank of Canada rate at its October 29 meeting by 0.25% to 2.25%.

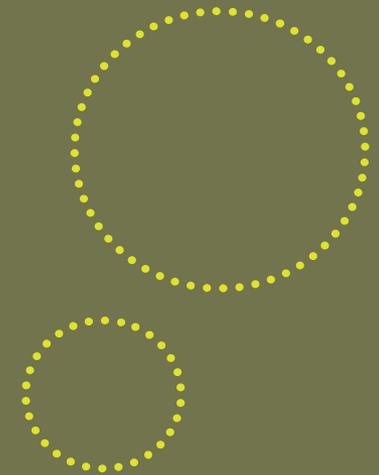
Current US 10 year Government Bond yields are down slightly at 4.10% while 2 year bonds are virtually unchanged at 3.56% . In Australia 10 year bonds are down very slightly at 4.37% and 3 year bonds are up slightly at 3.66%. The AUD after having stabilised from having fallen from near 0.69 early last year and has now fallen below 0.65 again closing most recently at 0.6485 .

The Westpac-MI Consumer Sentiment Index fell again in October by 3.5% to 92.1, a six month low, from 95.4 in September. The survey reflected further concerns of a pause in cuts in the cash rate over the near term future.

The Westpac Melbourne Institute Leading Index for September issued in mid-October rose into marginally positive territory at +0.04% from -0.16 on the basis of economic activity in 2026. The Australian

The Australian Industry Group (AiG) Industry Index for October also recorded an increase of 4.2 points but remained in negative territory at -11.2.

The PMI (manufacturing) was however down by 6.3 points to -22.0 but the PCI (construction) showed an increase of 4.3 points but still leaving it in negative territory at -7.1.



Ratings and Trends

We continue to reflect this month's ongoing improvement in most residential markets in almost all areas despite the general view that interest rates will not fall again in 2025 or early 2026. Herron Todd White (HTW) have issued their October Month in Review including an update on the industrial sector and reported a shortage in all five capitals except Sydney which is balanced.

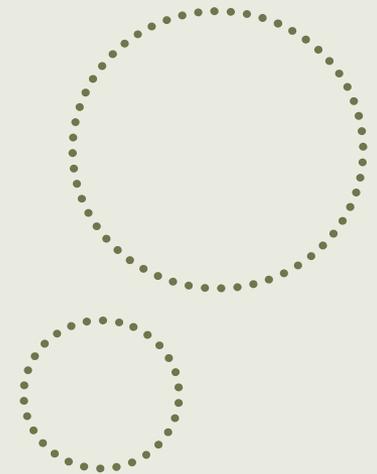
Only Perth was showing steady growth and at its peak with the rest starting to decline. For houses and units despite reporting shortages of supply for almost all capitals it again rated Melbourne as starting to decline or at the bottom of the market in residential houses and units.

Amongst smaller capitals though they continue to be better rated with Brisbane being strongest and Adelaide and Perth both approaching their peaks and this is likely to continue. We have also reflected these comments in our ratings and trends below which are largely unchanged despite the change in view on interest rates.

Overall Ratings: 7 ratings are Good, 15 are Fair, 3 remain Strong of which 2 are in Perth and 1 in Brisbane. None are weak reflecting the stable investment environment. Trends show 10 Improving and none deteriorating.

| | Sydney | Melbourne | Adelaide | Brisbane | Perth |
|-------------------|--------|-----------|----------|----------|----------|
| Residential Homes | Fair ▲ | Fair ▶ | Good ▲ | Good ▲ | Strong ▲ |
| Residential Units | Fair ▲ | Fair ▶ | Good ▲ | Strong ▲ | Good ▲ |
| Office | Fair ▶ | Fair ▶ | Fair ▶ | Fair ▶ | Fair ▶ |
| Retail | Fair ▶ | Fair ▶ | Fair ▶ | Fair ▶ | Fair ▲ |
| Industrial | Fair ▶ | Fair ▶ | Good ▶ | Good ▶ | Strong ▲ |

▶ Stable ▲ Improving
 ▼ Deteriorating ● Steady



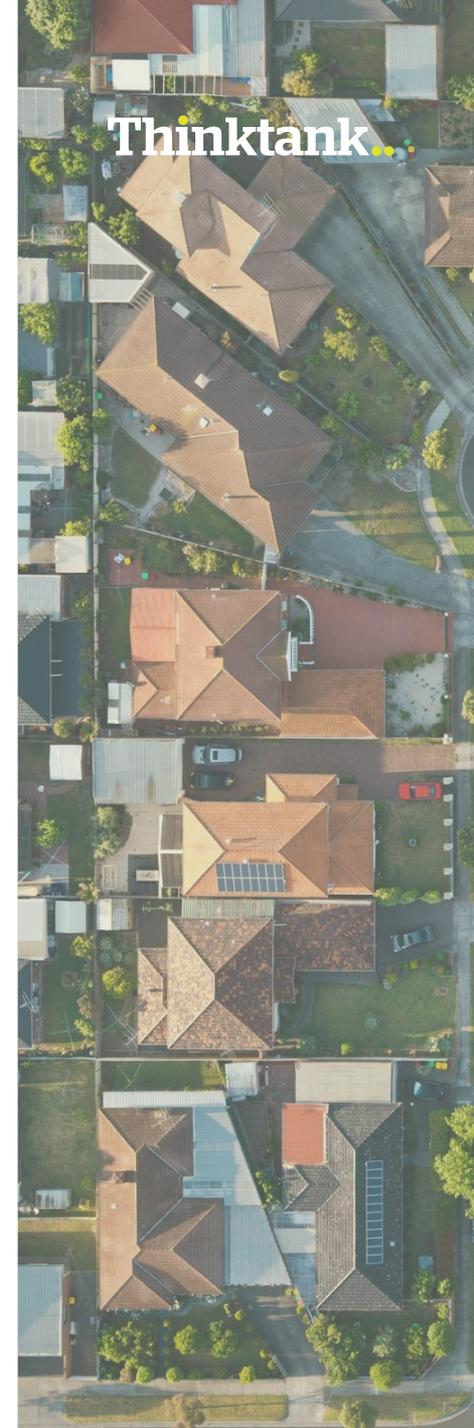
Cotality Data

Cotality (formerly known as CoreLogic) dwelling prices for October recorded another positive National result for the month up 1.1% the fastest monthly growth in two years and also up again by 2.8% for the quarter.

Sydney and Melbourne both showed monthly gains with Sydney up 0.7% and Melbourne beating it at 0.9%. Both were also up for the quarter by 2.3% and 1.6% respectively. Melbourne remains in fifth place in median home value amongst the other major capital cities and was up 1.9% for the year as the other four all rose again this month.

For the month houses in Sydney were up 0.6% and Melbourne houses up 0.9%. Unit prices were up 0.8% for the month in Sydney and up 0.9% in Melbourne the same as houses there. Adelaide, Perth and Brisbane all did well once again this month with all three up in houses and units for the month, the quarter and for the year while nationally dwelling growth was up again at 6.1% for the year. Cities recorded robust double-digit annual growth, far outpacing the national 12-month rise of 3.4%.

| Index results as at 31 st October 2025 | Change in dwelling values | | | | Median value |
|---|---------------------------|-------------|-------------|--------------|------------------|
| | Month | Quarter | Annual | Total return | |
| Sydney | 0.7% | 2.3% | 4.0% | 7.1% | \$1,256,156 |
| Melbourne | 0.9% | 1.6% | 3.3% | 6.8% | \$818,975 |
| Brisbane | 1.8% | 4.9% | 10.8% | 14.7% | \$992,864 |
| Adelaide | 1.4% | 3.2% | 6.7% | 10.5% | \$867,681 |
| Perth | 1.9% | 5.4% | 9.4% | 14.0% | \$884,471 |
| Hobart | 0.3% | 0.5% | 2.4% | 6.7% | \$686,262 |
| Darwin | 1.6% | 5.4% | 15.4% | 23.1% | \$564,473 |
| Canberra | 0.6% | 1.7% | 3.2% | 7.3% | \$877,937 |
| Combined capitals | 1.1% | 2.9% | 5.6% | 9.1% | \$959,526 |
| Combined regional | 1.0% | 2.4% | 7.5% | 12.3% | \$710,573 |
| National | 1.1% | 2.8% | 6.1% | 9.8% | \$872,538 |

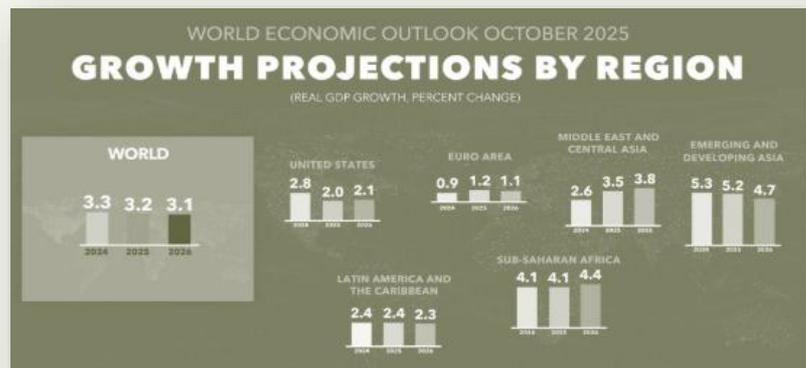


International Monetary Fund (IMF), World Economic Outlook October 2025 and Reserve Bank of Australia (RBA), Statement on Monetary Policy (SoMP)

The quarterly IMF outlook for the world economy was quite muted but not as negative as many expected. World growth is shown as reducing this year and next by 0.1% as shown below.

The United States has the biggest fall this year going from 2.8% in 2024 to 2.0% in 2025 but then recovering slightly to 2.1% in 2026. Advanced economies are shown as slowing from a low of 1.8% growth last year in 2024 to 1.6% this year in 2025 and the same next year in 2026.

Canada comes in less than those figures at 1.6% growth last year and a low 1.2% this year, improving only slightly to 1.5% in 2026. It is understandable that the Bank of Canada has continued to cut interest rates.



The heading of the report was “Global economy in flux, prospects remain dim.” Australia is shown as recording GDP growth of 1.0% in 2024 and forecast 1.8% for this year 2025 and 2.1% for next year 2026.

CPI is also reported and forecast for all of the Economies covered and for Australia this is shown as 3.2% for 2024 and forecast at 2.6% for this year 2025 and 3.0% for next year 2026. Globally Advanced economies are shown as having CPI of 2.6% in 2024 with 2.5% expected in 2025 and 2.2% forecast for 2026. Those numbers are higher for the USA at 3.0% for 2024, 2.7% for 2025 and forecast for 2.4% in 2026. Canada is a bit lower than all of those at 2.4% for last year 2024, 2.0% for this year 2025 and the same forecast for next year 2026.

Shortly after the release of the Global Economic Outlook, the IMF published a lengthy and detailed paper written by two of its leading economists under the description of an IMF Working Paper. The paper examines the effectiveness of “inflation targeting” (IT) frameworks during the global inflation surge of 2022.

The empirical findings suggest that IT frameworks did not systematically deliver better inflation outcomes during this episode. The decline in inflation back towards historical norms was broadly comparable across IT and non-IT country groups. While IT central banks hiked their policy rates by more than non-IT central banks on average, this did not help with achieving better inflation outcomes. This will be of great interest we would think for IT central banks such as the RBA and the Bank of Canada both of whom are included as IT central banks but the US Federal Reserve is not. Overall there were 33 IT countries and 37 no-IT countries.

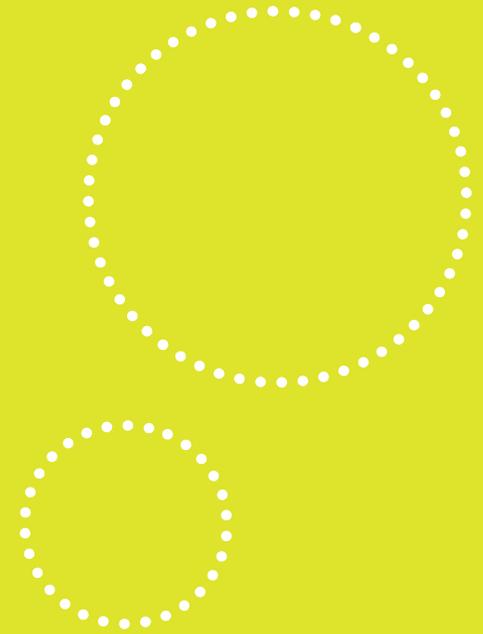
RBA, SoMP Forecasts

The RBA issued their usual quarterly SoMP update with their November Monetary Policy Board meeting and with a great deal of detail on the economy, much of it is summarised in their forecasts for the next two years of key performance factors together with the changes from their last update.

| | Year-ended | | | | | |
|----------------------------------|------------|----------|-----------|----------|-----------|----------|
| | June 2025 | Dec 2025 | June 2026 | Dec 2026 | June 2027 | Dec 2027 |
| GDP growth | 1.8 | 2.0 | 1.9 | 1.9 | 2.0 | 2.0 |
| (previous) | (1.6) | (1.7) | (2.0) | (2.1) | (2.0) | (2.0) |
| Unemployment rate ^(b) | 4.2 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 |
| (previous) | (4.2) | (4.3) | (4.3) | (4.3) | (4.3) | (4.3) |
| CPI inflation | 2.1 | 3.3 | 3.7 | 3.2 | 2.7 | 2.6 |
| (previous) | (2.1) | (3.0) | (3.1) | (2.9) | (2.6) | (2.5) |
| Trimmed mean inflation | 2.7 | 3.2 | 3.2 | 2.7 | 2.6 | 2.6 |
| (previous) | (2.7) | (2.6) | (2.6) | (2.6) | (2.6) | (2.5) |

The table above shows the big changes in the new forecasts and those from last quarter particularly in GDP and Trimmed Mean Inflation which is the RBA's preferred measure. The GDP figures are higher in the new forecast than both the previous SoMP and the IMF numbers for this year but lower for next year 2026.

This year's CPI figures show a bigger variance at the Trimmed Mean level, being 0.6% higher than last forecast and the same for the IMF forecast. This is a worry for the RBA and those hoping for an interest rate cut in 2026. Local economists and researchers have changed positions in large numbers with most abandoning forecasts of cuts but with a small number still feeling the numbers will change in their favour in early 2026.



Sources

Sources: ABS, ACCI, AiG, ABS, AFR, ANZ Research, ATO, CBA, CBRE, Colliers International, CoreLogic, Cushman & Wakefield, HTW, IMF, MSCI, JLL, Knight Frank, OECD, PCA, Preston Rowe Patterson, RBA, RLB, Savills Research, Westpac Economics, World Bank, RLB Crane Index

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