

OpenVoiceNews

Transparent. Unbiased. Yours.

Melbourne Rate Cut Could Boost Home Seller Profits

August 17, 2025

— Categories: Real Estate

Download IPFS

Victorian home sellers may see gains in the coming weeks as buyers react to the Reserve Bank of Australia's (RBA) recent interest rate cut. Analysts suggest some property owners could gain up to \$20,000 more than initially expected as the market responds.

The RBA reduced the official cash rate by 0.25 percentage points on Tuesday, prompting a surge of buyer interest. Many potential purchasers are seeking to finalize transactions quickly, fearing increased competition if property listings flood the market in the traditional spring season.

Greg Brydon, general manager and master auctioneer at Apollo Auctions Australasia, said buyers are often willing to pay slightly more to secure a home quickly. "Buyers will say to themselves, 'Even if I pay \$5,000, \$10,000, \$20,000 more than I wanted to, at least I won't have to compete with a new flood of buyers in the next four to six weeks,'" Brydon explained.

He added that pre-approved home loans, typically valid for three months, allow buyers approved after the rate cut to access slightly greater purchasing power. However, Brydon

cautioned that if the market sees a significant increase in listings, competition among buyers may decrease, potentially limiting price inflation.

Jeremy Tyrrell, chief auctioneer for Ray White Victoria, said Melbourne's property market is gradually recovering. "We've seen a lot of investors from interstate starting to put their eyes back on Melbourne at the moment," he said. Tyrrell emphasized that the recent rate cut is likely to boost confidence among both buyers and sellers.

"While immediate effects may not be visible this week, as buyers begin to utilize the interest rate reduction over the next two to four weeks, more participants are expected to enter the market with increased purchasing power and confidence," he said.

With Victorian sale stock down 10 to 15 percent since winter 2024, Tyrrell anticipates a rise in listings as warmer weather approaches. "Many sellers have been holding off, waiting for interest rate cuts and the spring market. With these two factors coinciding, we should see more properties listed alongside an influx of confident buyers," he added.

According to PropTrack, Victoria recorded a preliminary clearance rate of 77.5 percent from 476 early auction results this week, reflecting strong buyer activity. Approximately 1,028 homes across the state are scheduled for auction next week, signaling sustained momentum in the real estate market.

Market observers note that favorable interest rates, seasonal timing, and renewed investor interest are likely to drive competition and affect property prices in the coming weeks. Homeowners planning to sell may benefit from higher offers, while buyers will need to balance urgency with financial prudence.