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## Australia House Prices Reach New Record in July

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– Categories: Real Estate



Australia's property market continued its upward trajectory in July, with national home prices reaching a new peak of \$827,000, according to new data. The figures show a 0.3 per cent monthly rise, with property values now 4.9 per cent higher than this time last year, equivalent to an increase of approximately \$39,000.

REA Group senior economist Anne Flaherty noted that regional areas were driving much of the growth. "Regional areas outperformed their capital city counterparts in most markets, recording stronger growth over both the month and the year," she said.

South Australia remained the strongest-performing state, with both Adelaide and regional SA showing the highest gains nationally. Adelaide led the capital city increases, recording a 0.9 per cent rise in July, followed by Hobart at 0.5 per cent and Brisbane at 0.4 per cent.

While property prices in Sydney and Darwin edged up only 0.1 per cent, Canberra saw a slight decline of 0.1 per cent.

Despite the Reserve Bank of Australia (RBA) surprising markets by holding interest rates steady in July, speculation of future rate cuts has buoyed buyer confidence. Industry analysts anticipate the RBA may reduce the cash rate following its upcoming August meetings.

“Although July saw the slowest pace of growth this year, strong buyer demand and expected interest rate cuts could accelerate house price gains later in 2025,” Ms Flaherty said.

Auction clearance rates, often used as a measure of market demand, are reportedly at their highest levels in over two years. A limited supply of homes on the market during winter has also contributed to sustained pricing pressure.

The latest figures from the Australian Bureau of Statistics suggest that new housing construction may be recovering. Total dwelling approvals increased by 11.9 per cent in June, reaching 17,076 approvals, the highest level since August 2022. However, approvals for private sector houses dropped slightly by 2.0 per cent.

Over the past 12 months, a total of 185,844 dwellings were approved across Australia, marking a 13.5 per cent rise from the 163,692 approvals recorded the previous year.

HIA senior economist Tom Devitt stated that reductions in interest rates earlier this year are beginning to influence market conditions. “Even with lower interest rates, Australia is set to start just 200,000 homes per year, on average, over the next four years,” he said.

He emphasised the need for increased activity in the multi-unit sector. “Multi-unit commencements need to double from current levels to achieve the government’s housing targets,” Devitt added.

While the pace of growth may be moderating, all indicators suggest Australia’s housing market remains resilient heading into the latter half of the year.

