

## Signs of Recovery in the Melbourne Housing Market Following a Prolonged Downturn

### Three Months in a Row of Development

After years of decline, Melbourne property prices have increased for three consecutive months in 2025, suggesting a possible reversal.

### Falling Short of Other Capitals

Melbourne's recent poor performance is highlighted by the fact that, in contrast to thriving regional capitals, housing values are still 3.3% below May 2022 levels.

### The Affordability Divide Expands

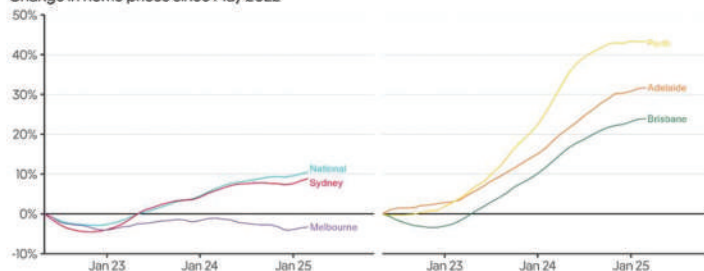
A long-standing pattern of Melbourne's relative expense has been reversed, with median prices in Brisbane, Adelaide, and Perth now matching or surpassing those of Melbourne.

### The Price Difference May Close

The city may start to reduce the growing affordability and pricing disparity as growth picks up in Melbourne while slowing elsewhere.

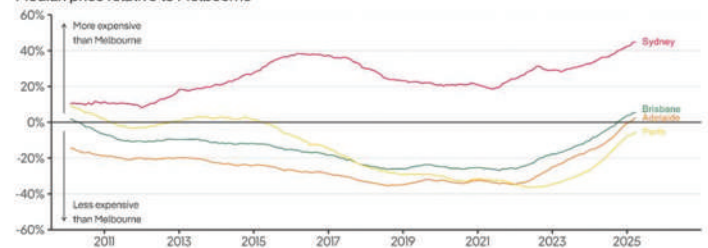
**Melbourne home prices have tracked sideways since 2022, while the smaller capitals have surged**

Change in home prices since May 2022



**Median home prices in Adelaide and Brisbane are now more expensive than in Melbourne, and Perth is not far behind**

Median price relative to Melbourne



## Melbourne has posted three consecutive months of growth this year, starting to reverse last year's falls

Monthly home price growth

