



# Gold and the Great Australian Dream





# Foreword

**We have grown to see property as the Great Australian Dream for good reason in this country. From the lifestyle it enables, to the security and the status it has provided, homeownership in Australia is something that appeals to many of us for both economic and cultural reasons.**

The fact it has been so lucrative for so many years, with prices increasing approximately six-fold since the 1990s has only reinforced the attractiveness of this “dream”, with the local economy now heavily dependent on the residential real estate market.

Given its importance, changes in the property market impact every Australian, irrespective of whether they rent, own or invest in real estate. This includes the hundreds of thousands of Australian clients we serve at ABC Bullion, with many of these clients looking at precious metals and real estate, as well as their superannuation as the bedrock of their financial wealth.

This whitepaper looks at the Australian real estate market, tracking the phenomenal price growth that we have seen over the last few decades, as well as the more recent downturn in property values, which has seen prices across the five main capital cities fall by 7% (data to 12th October) since their peak in early 2026.

The pullback, which has both intensified and spread to capture all capital cities except Darwin as well as most regional markets in recent months will have profound implications for the Australian economy, and for Australian investors and households given it brings into question the “you can’t go wrong in property” mantra that has become part of the national psyche.

It also likely has some way to run, with a September update from HSBC forecasting a 13% fall in housing prices, while some expert commentators are stating that they expect this correction to be the largest one seen in fifty plus years.

We explore that topic, looking at several factors including interest rates, tax policy, compulsory superannuation, housing credit and the now hot button topic of immigration, to assess the influence they may have on the Australian property market in the coming years. We also look across the Anglosphere, and the

property price corrections we have seen in Canada and New Zealand, which may prove instructive in terms of what lies ahead for the local property market.

The insight into the property market also includes an exclusive interview with one of Australia’s leading property market analysts and commentators, Cameron Kusher, the founder of Kusher Consulting, whose pedigree includes time spent as the Head of Research at CoreLogic (now Cotality) and Director of Economic Research at REA Group, which owns realestate.com.au.

The whitepaper also looks at how Australians may wish to save for a home deposit, and the growing role that gold has played, and likely can continue to play as a preferred savings asset for Australians looking to get on the property ladder.

We also include national and city level **gold to house price ratios**, which track the number of ounces of gold one would need to buy the median home, with these ratios serving as a simple yet powerful demonstration of gold’s premier role as a store of wealth.

These ratios, and the levels they have reached in prior market cycles, suggest that a gold price close to AUD \$12,000 per ounce would not be a huge surprise in the years ahead, with gold, and precious metals more broadly, set to remain favoured savings and investment assets for Australians in the decade ahead.

*Jordan Eliseo*



Jordan Eliseo  
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# Outlook for House Prices in Australia



Several factors have played a key role in the surge in Australian property values in the past few decades. They are also having an impact on the market today and will continue to do so in the years ahead, with the list including.

- > Supply
- > Interest Rates
- > Inflation
- > Credit Dynamics
- > Household Leverage
- > Tax Policy
- > Affordability
- > Immigration

We comment on each below.

## Supply

Australia remains constrained by a structural undersupply of housing which has persisted since the early 2000s with the current undersupply in the range of 200,000 to 300,000 dwellings (source: AMP). This is unlikely to materially change soon given higher rates and construction costs (up 50% since pre-COVID according to some estimates), with building completions falling well behind Housing Accord targets at this stage.

These factors, combined with falling demand may see home builds decline, with property developer Mirvac warning in late September that home building is set to “fall off a cliff” in the months ahead.

## Interest Rates

Interest rates have fallen for most of the past 25 years, from highs above 15% back at the start of the 1990s to a low of just 0.10% by November 2020. While there were minor tightening cycles along the way, they were typically short-lived, with rates forming lower highs and lower lows for an entire generation. This can be seen in the table below, which shows the average cash rate for each decade.

| Decade            | 1990s | 2000s | 2010s | 2020s |
|-------------------|-------|-------|-------|-------|
| Average Cash Rate | 7.22% | 5.32% | 2.60% | 2.56% |

Source: RBA, ABC Bullion.

\*2020s includes cash rate changes up to May 2026

Lower rates allowed households to borrow higher multiples of income to get a foot on the property ladder, with this trend a primary contributor to the strong house price growth we have seen over this period.

Rate markets have turned higher in recent years, with the RBA tightening policy across most of 2022 and 2023, and again in 2026, with market expectations (as at mid-September 2026) suggesting the cash rate will rise back above 5% by the middle of 2027.

## Inflation

Inflation (CPI) dynamics in Australia have largely aligned with global trends over the past 40 years. High rates of CPI growth were seen from the mid-1970s to the mid-1980s, before a material decline in the 1990s. That low inflation period would last for the better part of three decades, with official inflation rates either anchored within, or close to the 2–3% per annum target range set by the Reserve Bank of Australia (RBA) for this period.

This is observed in the table below, which shows the average per annum inflation (CPI) increase in each decade from the 1980s onward.

| Decade             | 1980s | 1990s | 2000s | 2010s | 2020s |
|--------------------|-------|-------|-------|-------|-------|
| Average Annual CPI | 8.4%  | 2.5%  | 3.2%  | 2.1%  | 3.7%  |

Source: Australian Bureau of Statistics

The uptick that we have seen in the 2020s was initially driven by fiscal, monetary and economic policy responses to the pandemic, with other factors from energy price pressures to the CAPEX involved in the AI buildout providing upward pressure in recent times.

The outlook for inflation going forward remains problematic, given a headline inflation rate of 4% per annum in the year to August 2026, with a more granular breakdown showing.

- Non-tradeable inflation is now 4.5% p.a., reflecting heightened domestic price pressures, and sensitivity to a potential fall in the value of the Australian dollar, which would exacerbate imported inflation.
- Core inflation now sitting at 3.7% p.a. while inflation for non-discretionary items is even higher at 4.7% p.a., almost double the mid-point of the RBA’s target range.
- Administered prices (those that are mostly directly influenced or set by government) are rising at more than double the overall inflation rate. This was evident with end 2025 data showing administered prices rose by 7.55% last year. By contrast, market goods and services (ex-volatile items), which are not set by government, rose by just 2.58%.

Housing costs themselves are becoming more of a pain point from an inflation perspective too, rising by 5.7% p.a. with higher construction costs and strong rental demand generating upward pressure.

### Credit Dynamics

Credit dynamics in the Australian economy are unrecognisable today as compared to what we saw in the early 1990s. This is best illustrated by the below table, which shows the percentage of private sector credit allocated to the key parts of the market in December 1990 and July 2026, as well as the growth multiple across these categories in the past 26 years.

| Credit category        | Dec-90 | Jul-26 | Growth multiple |
|------------------------|--------|--------|-----------------|
| Owner-occupier housing | 20.20% | 41.60% | 25.2×           |
| Investor housing       | 3.80%  | 20.50% | 65.8×           |
| Business credit        | 63.70% | 34.00% | 6.5×            |

Source: ABS, RBA, ABC Bullion

To really consider the magnitude of these changes, imagine all lending in the economy added up to \$100. In 1990, almost \$65 of that \$100 found its way into the business community and productive enterprise. Just \$24 made its way into the housing market, with investors less than \$4 of the total.

By July of this year, loans to businesses had fallen to just \$34 out of that \$100 note. Over \$62 makes its way into the housing market, with housing investors taking up more than \$20 of the total.

The importance of investors to the housing market, particularly in recent years, is one of the reasons why recent tax policy changes are having such a profound impact, with Westpac reporting a 26% fall in mortgage applications from this cohort since the Budget in recent months. CBA have suggested new investor loan volumes may halve relative to late 2025 levels, with Loan Market Group data suggesting investor applications for established property dropped 40% between February and July.

Official ABS data confirms this shift is underway, with the value of new investor housing loan commitments falling by over 10% in the June quarter.

### Household Leverage

The credit dynamics data seen above highlight how profoundly the nature of bank lending in Australia has changed, and how the Australian housing market has come to dominate the domestic lending landscape.

What they do not show, when looked at in isolation, is how much higher the debt burden that Australians have embraced as part of that change.

There are multiple ways this can be expressed, with data from the Reserve Bank of Australia (RBA) and the Bank for International Settlements (BIS) demonstrating that household debt, expressed either as a percentage of income, or as a percentage gross domestic product (GDP) has soared in the past four decades.

| Decade                                          | 1980s | 1990s | 2000s | 2010s | 2026 |
|-------------------------------------------------|-------|-------|-------|-------|------|
| <b>Debt to GDP – decade long average</b>        | 41%   | 53%   | 93%   | 116%  | 114% |
| <b>Household debt to income (end of decade)</b> | 68%   | 111%  | 164%  | 186%  | 178% |
| <b>Housing debt to income (end of decade)</b>   | 32%   | 67%   | 117%  | 136%  | 135% |

Source: RBA, ABC Bullion, BIS.

The table above highlights just how much more leveraged, and therefore sensitive to interest rates, Australian households are today relative to the past. It also shows how housing has been the overwhelming driver of this phenomenon, with the 110% total household debt to income increase (from 68% to 178%) over the period almost exclusively driven by the 103% in housing debt to income (from 32% to 135%).

The second, and arguably more interesting statistic as it relates to the **outlook for housing** is that the table also highlights the fact this borrowing binge appears to have at least slowed, if not outright stopped, with these ratios peaking at various points in recent years.

This is due to a combination of banks being more cautious when it comes to issuing finance, and greater reticence or capacity from the household sector to take on additional leverage, even if it were on offer.

## Tax Policy

Tax Policy has been incredibly favourable when it comes to the housing market. The family home, or principal place of residence (PPOR), continues to enjoy the most pristine of tax settings available to any asset in the nation, for when and if it is sold, there will be zero tax payable on any gain (notwithstanding partial exemptions and exceptions).

The attractiveness of owning a home is only magnified by the fact that a PPOR, irrespective of the value, doesn't impact or minimise the ability of an Australian citizen to claim the age pension when reaching retirement, which stands in stark contrast to assets built within superannuation for example.

Where tax policy has changed to the detriment of the housing market is the recent changes to negative gearing. While the practice has been grandfathered for people already using it, it will no longer be allowed unless it's being used for a new build residential property.

## Affordability

While lower interest rates make it possible for households to borrow more, there is little doubt that relative to incomes, housing is substantially more expensive than it was in the early 1990s. Some analysts suggest that between 1990 and 2024, house prices grew from 9 years of the average household income to 16.5 years of the average household income.

The **Housing Affordability Report** for 2026 published at realestate.com.au is equally sobering. The report found that a median, or typical-income household could afford to buy just 12% of homes sold across the country. That is the lowest on record. Five years ago, these same households could have bought 43% of homes sold, while in the early 1990s they could afford closer to 60% of homes sold. The report also found that in 2026, the highest earning 20% of Australian households can only afford the same share of homes as median-income households from 1997.

As a final observation, an August update from **AMP** showed that an Australian borrower with

- a 20% home deposit
- earning the average full-time wage and
- making mortgage payments that equalled 28% of their income

could "only" afford to pay for a loan on a home that is closer to AUD \$500,000 in value, barely half of the AUD \$1,000,000 price tag that the median home is still selling for in the country today.

## Immigration

Immigration has played an increasingly important role in Australia's overall economic performance in recent years, with many commentators noting that whilst it has helped boost headline GDP, it has also exacerbated a housing shortage and contributed to strong house price growth in recent years.

What is not in dispute is how significant the increase in the number of people arriving has been, with net overseas migration (NOM) rising from approximately 100,000 people per annum (p.a.) on average in the 1980s, to about 175,000 people p.a. in the

2000s, and closer to 220,000 people p.a. in the lead up to COVID.

After a brief period where NOM went negative, it then spiked to a record high of more than 500,000 people in 2022–2023, with the below table looking at average daily NOM under the various Labor and Coalition governments going back to the Hawke and Keating era.

| Government      | Hawke, Keating | Howard | Rudd, Gillard | Abbot, Turnbull, Morrison | Albanese |
|-----------------|----------------|--------|---------------|---------------------------|----------|
| Daily Migration | 256            | 407    | 617           | 610                       | 1,106    |

Source: Macrobusiness

These record levels of immigration were the primary driver of the 37% increase in the Australian population seen between 2005 and 2025. By contrast, Canada and New Zealand (two other countries known for strong net-migration up until a couple of years ago) only saw a 29% increase in population over this period, while for the US and UK, it was just 15%, according to World Bank Data.

Looking ahead, immigration may be the wildcard when it comes to the outlook for property, given it shapes as one of, if not the primary debating points that political parties are focusing on in the current climate.

Australian citizens themselves appear to want to see a significant downward shift in immigration, with a recent **News**poll suggesting 66% of the country want lower immigration. Only 6% of the country want immigration to increase, with the preference for lower immigration transcending political allegiances, with Labor, Coalition, One Nation and Greens voters all expressing a preference for lower vs higher immigration.

While policy is evolving, and the quantum of the changes we will see are yet to be determined, it doesn't appear to be in doubt that going forward, NOM into Australia won't reach the levels seen in the past.

## Other contributors

There are four other, arguably more minor factors that are rarely mentioned when it comes to the outlook for the housing market in Australia that nonetheless have had and will have an impact.

The first of these is labour force participation. In the late 1970s, roughly 70% of Australians aged 15–64 were working. This increased to 75% by 1995, and to 80% by the early 2020s, with the huge increase in female labour force participation (51% in 1978 to 78% in 2025) driving this change.

The second factor is compulsory superannuation. It started at 3% in the early 1990s, before rising to 9% by the early 2000s. It now sits at 12% of employee earnings. It is helping people build a pool of retirement wealth, but whereas a generation ago it was only “holding back” a fraction of worker income and preventing that income from being used either as a housing deposit or to help service a mortgage, it now “consumes” more than one in ten dollars every worker earns.

The fact SMSFs can no longer use LRBAs to invest in property is another consideration when looking at the interplay between compulsory superannuation and our housing market. It is also noteworthy that since the 2026 Budget, large super funds have seen a surge in voluntary contributions, with Australian Super seeing a 35% year on year increase in June 2026, with July and August seeing a continuation of this trend. MLC have reported similar findings. Some of that money may have made its way into property in the past. Essentially none of it will now.

The third factor is real wage growth. From the late 1990s to about 2009, it averaged 1% per annum or higher. It has basically halved since, dropping to 0.50% per annum between 2010 and 2019 and just 0.7% per annum in the past 6 years. Given declining productivity, it is unlikely to rise much further.

**“Compared to the boom period, almost all have taken a turn for the worse.”**

The final factor is household formation. In the early 1970s, households had 3.3 persons living in them (based on Census data). This number fell to 2.6 by the late 1990s and hit a new low in the 2021 census of just 2.5 persons per household. For a given population, the decline in persons per household from 3.3 to 2.5 translates to the need for 33% more houses than you'd otherwise need.

We think the below table captures the current dynamics for the various factors likely to influence house prices, as well as how they've changed when compared to the multi-decade house price surge that appears to have peaked in early 2026.

| Factor              | Boom Period    | Current Dynamic | Change    |
|---------------------|----------------|-----------------|-----------|
| Supply              | Tailwind       | Tailwind        | No Change |
| Interest Rates      | Tailwind       | Headwind        | Negative  |
| Inflation           | Tailwind       | Headwind        | Negative  |
| Credit Dynamics     | Tailwind       | Played Out      | Negative  |
| Affordability       | Tailwind       | Played Out      | Negative  |
| Household Leverage  | Tailwind       | Played Out      | Negative  |
| Tax Policy          | Tailwind       | Minor Tailwind  | Negative  |
| Immigration         | Tailwind       | Minor Tailwind  | Negative  |
| Real Wage Growth    | Tailwind       | Headwind        | Negative  |
| Labour Force        | Tailwind       | Played Out      | Negative  |
| Household Formation | Tailwind       | Played Out      | Negative  |
| Superannuation      | Minor Headwind | Major Headwind  | Negative  |

Source: ABC Bullion

The above table brings to mind a great quote from investment management firm GMO's Arjun Divecha, who once stated that; "you make the most money when things go from truly awful to merely bad".

He was referencing emerging market stocks, but it is not hard to see the parallel with Australian housing today, though the observation applies in reverse such that property owners may find that they "lose the most money as things go from truly fantastic to merely good".



For it is not all bad news when it comes to the outlook for housing. There are still tailwinds, including the introduction of and subsequent expansion of the Australian Government 5% Deposit Scheme (formerly the Home Guarantee Scheme/First Home Guarantee).

It is however undeniable that the outlook has soured, as many factors that were tailwinds during the multi-decade boom period can no longer provide additional support, while others have turned or are turning into clear headwinds. Compared to the boom period, almost all have taken a turn for the worse.

As a final comment it needs to be acknowledged that the above factors don't impact the housing market in isolation. There is interplay and crossover between them. They multiplied together, magnifying the boom. Their contractionary impact is also likely to be more significant in the years ahead.

Investors in Australia looking to build wealth need to factor this into their decision making when it comes to capital allocation, with it increasingly likely this current cycle will see the largest property price falls that we have seen in forty to fifty years.

# Why Choose ABC Bullion?

## Gold Fun Fact

The chemical symbol for gold is 'Au'. It is derived from the Latin word aurum meaning "shining dawn" and from Aurora, the Roman goddess of the dawn. Around 50 B.C., Romans began issuing gold coins, which they called the Aureus.



## Established in 1972

Trading continuously since 1972, ABC Bullion is a cornerstone of the Australian physical precious metal market.



## Highly Accredited

ABC Bullion products are made at the LBMA-, SGE- and CME Group-accredited ABC Refinery.



## 24 Hour Trading

Buy and sell precious metals 24 hours a day, and track the value of your portfolio online.



## Wide Variety Of Products

Wide range of products including bar, coin and pool allocated precious metals, perfect for SMSF investment.



## Protection

All metals stored by ABC Bullion are independently audited and fully insured.



## Live Pricing

Live pricing on gold, silver, platinum and palladium, as well as daily email updates and market information.



## Storage Solutions

Range of allocated storage solutions including private vaulting via Custodian Vaults.



## Major Distributor

Distributor for major global mints such as the Royal Australian Mint, Royal Canadian Mint, The Royal Mint (UK), South African Mint and PAMP.



# Interview with Cameron Kusher

## Founder of Kusher Consulting

In mid-September 2026, ABC Bullion sat down with Cameron Kusher, one of the nation's leading property market analysts and commentators, to discuss the evolving outlook for the Australian residential real estate market.

With more than 25 years of experience in the industry, including as the Head of Research at CoreLogic (now Cotality) and as Director of Economic Research at REA Group (owner of realestate.com.au).

A regular commentator in the financial news media on the Australian property market, Cameron is the founder of Kusher Consulting.



**1 Cameron, thanks so much for agreeing to talk with us at ABC Bullion. We serve hundreds of thousands of Australian investors who invest in precious metals, all of whom are exposed to or influenced by the Australian property market as well, so it's a very opportune time to have you here. Was hoping you can start by giving some background to your career in the real estate industry, some insight into the role that REA Group and CoreLogic (now Cotality) play in the Australian real estate market, including how the indices they publish are constructed.**

Thanks. I've always had an interest in property since I was quite young. I think it came from my parents and the fact that as kids we were constantly renovating our home. I remember saying to my parents I just want to own a home that is finished; little did I know this never really happens.

In high school I worked in a real estate office. I studied Property Economics at university and started my career working for a property developer. Unfortunately, that business went bankrupt. Thereafter I was looking for a job, I would never say I was particularly good at mathematics, but I always liked statistics and found a job at PRDnationwide. From there I did a few other roles before landing at what was then

CoreLogic (now Cotality) where I spent 12 years and then had five and a half years at REA Group. These two roles were fairly similar, analysing the market, writing and presenting to clients about market conditions, engaging with the industry and working with internal teams to develop new analytical products about the housing market.

In terms of how the property indices are constructed, both have detailed technical papers which you can read if interested. In very simplistic terms, what these indices do is use sales information they have to estimate the current value of properties. They then bundle those estimates into a portfolio and measure the change in the value of that portfolio over time to tell you how the housing market has changed. More recent sales information is weighed more heavily and has more of an influence on the estimate of the current value of a property than older sales information does. These indices are at times heavily revised, because the month they are reporting on they will typically only have 50% to 55% of all the ultimate sales. Furthermore, these indices are designed, at least the two of them that I am most familiar with (Cotality and PropTrack), to not be overly volatile. Given this, if the market conditions are changing or fluctuating significantly these indices will lag in reflecting those changes and may not show the changes as severely as they are in reality.

House price indexes are good from a macro perspective, although they lag, but at an individual property level the chances are conditions are substantially different.

**2 Property has been a go-to investment for decades in Australia, but the attention on it today seems as high as it has ever been. We've had high-profile economists like Shane Oliver from AMP Capital discuss the potential for a decade of house price stagnation, while other commentators like Chris Joye from Coolabah Capital have spoken about the "mother of all housing bubbles". We also have large property developers filing for bankruptcy, with implications for household construction and private credit markets. As an industry insider, how do you see the outlook for the market right now, and how significant do you think the current correction could be?**

Betting against the Australian property market has been a bad bet over recent decades. Since the start of the 1980s the largest fall in values at a national level has been 8% but there have been cities and regions where the data has shown much larger corrections. Most downturns have only occurred for a short period of time too.

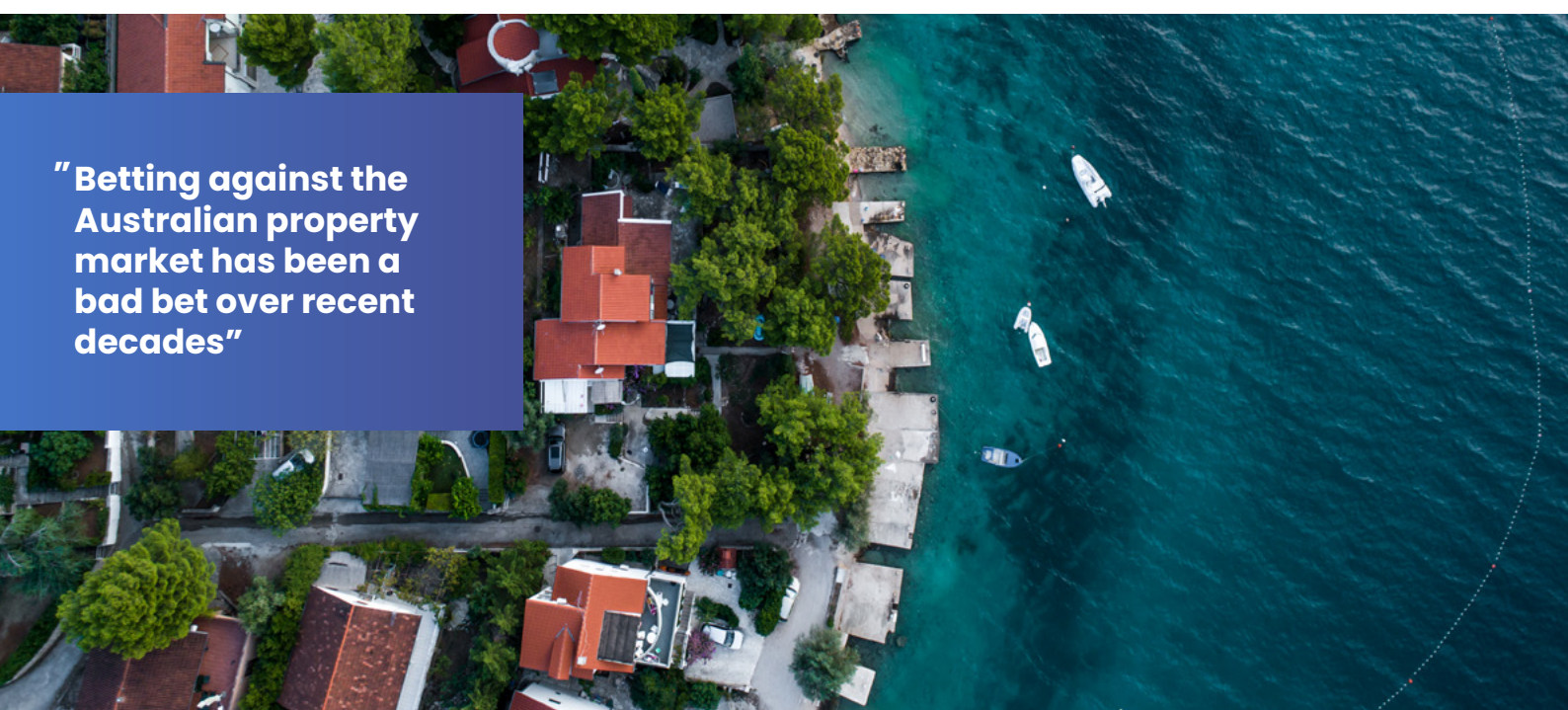
I believe this downturn is going to be deeper than any we've seen since the start of the 1980s and

run for longer too and that is because what has created this downturn and what has typically led to a recovery will be harder to manufacture this time around.

After phenomenal price growth over recent years the rate of growth started to slow late last year and as interest rates rose in three consecutive RBA meetings earlier this year that slowdown gathered pace with markets like Sydney, Melbourne and Canberra already seeing price falls.

We then had the announcement of changes to the availability of the capital gains tax discount and negative gearing in May during the federal budget. At that time, around 40% of new mortgage lending was to investors. These changes led to a significant drop in sentiment around housing and not just from investors which has resulted in the slowdown in housing price rises with many regions now seeing prices fall. It has also led to a significant drop in transaction volumes.

It also now looks like interest rates are going to rise further and that it will be some time before the RBA is in a position to cut interest rates. Typically, it is stimulus (usually for first home buyers) and interest rate cuts either being delivered or to be delivered in the near-term that lead to a recovery in the housing market.



**"Betting against the Australian property market has been a bad bet over recent decades"**

There's already significant stimulus for first home buyers in the form of the expanded Home Guarantee Scheme and then you also have the fact that it's looking likely that interest rates will be increased over the coming months (potentially as early as September). We then also have the fact that the RBA aren't forecasting inflation to return to the target range until late next year so it looks like at the absolute earliest it would be late 2027 until interest rates will be reduced and it could be a lot later than that.

Right now, investors are inactive, sales volumes have dropped significantly, and many people are simply not purchasing while there is still a high volume of properties available for sale.

The fact that affordability remains stretched and interest rates look set to rise and not be cut for some time, I expect will lead to a larger correction which will take some time to end.

The higher rate environment for longer and falling established prices will also make it much more difficult for new housing supply to be delivered. Pre-sales of new developments will be more difficult, and I expect more people that would buy new will question whether it is worthwhile when established prices are lower and falling.

**3 There have been several high-profile policy changes in recent months, with the Federal Budget appearing to "change the game" for housing investors, while there is still a question mark as to how migration policy may evolve in the lead-up to the next Federal election. Can you comment on these factors (changes to negative gearing, SMSFs no longer being able to use LRBAs, RBA policy changes, migration) and which you think is perhaps the most important when it comes to the outlook for housing going forward?**

As I said in the previous comment, I think a lot of the tax changes have had a significant impact on the housing market and not just for investors but also first home buyers and people that either own or have a mortgage only on their principal place of residence. They also will impact on new development, particularly the change around SMSF lending.

The changes to CGT and negative gearing were announced as a means to make the system more generationally fair and to link investor

incentives with new housing supply. But the reality is people buy existing properties because they are usually cheaper than new ones and there are a lot more established properties than there are new ones. Even if people aren't currently investors many may aspire to invest in the future and they have just had all the incentives that previous investors had taken away from them. These tax changes have significantly impacted on housing market confidence.

The SMSF changes came after the budget and although the number of SMSF loans is small, these investors have been a key source of funding, particularly for smaller new developments. These changes will impact on new supply of housing delivered by smaller-scale developers.

Migration has been a big driver of housing demand, mainly rental housing, over recent years. When you have a high rate of net overseas migration you need to be building a lot more housing and delivering rental housing because migrants create demand for new households whilst children will join existing households. We don't know what happens to migration from here, but it is clear there is increased pressure to slow and reduce the rate of migration.

All of these are important factors for the housing market going forward but I think interest rates are the most important followed by the CGT and negative gearing changes.

**4 In early August 2026 government frontbenchers claimed "there has never been a better time to be a first-home buyer", which seems to be quite the contrast to the housing affordability data, which shows households earning a median income of \$125,000 a year can only afford to buy about 12% of homes across the country, a record low. Interested in your thoughts on that as a general observation and was particularly interested in recent analysis of yours that suggested that in Sydney for example, the median weekly rent of \$795 translates to repaying a mortgage of just over \$550,000, whereas in practice the median dwelling in Sydney is still worth over AUD \$1.2 million. Is it really cheap to buy now, and is rent money really dead money in a world when interest repayments likely dwarf rental costs?**

Never been a better time to buy is a popular claim from the real estate industry and given the handouts available from the federal government I am not surprised they claim the same, but it is completely false. In fact, I would go so far as to say it would pretty much be the worst possible time to buy right now but that is weighed against the fact that looking back in 10 years' time it probably would have been a better time than to wait and buy later. Notwithstanding expected price falls for some time yet.

People on normal incomes can afford few properties and the gap between the cost of renting and the cost of servicing a mortgage is close to the widest it has ever been. People will pay a premium to own rather than rent but right now that premium is substantial.

It is not at all cheap to be buying now and with interest rates likely to rise again it will become even less affordable.

**5 For most of the past few decades, property has only gone up. In that environment, many investors and/or would-be homeowners have happily paid stamp duty and other costs, but in a world where prices are stagnating or falling, those costs are perhaps a bigger headwind. Each state is different, but between stamp duty to buy/sellers fees etc, what does it typically cost to buy and sell property in Australia these days?**

I think headwinds is the right way to describe what's happening in the property market right now. For so many years there have been significant tailwinds for property and now there are more headwinds than we've seen in a long time. Agent fees vary by state and location, but you will typically pay at least 2% of the purchase price (and in some markets much more) to the agent.

You then have your marketing costs on top of that which will typically be at least \$6,000 if not a lot more depending on where and how you advertise.

Most people that sell will need to buy and even though prices are falling, they are still historically high so the amount of debt you have to take on and then the

**"I believe this downturn is going to be deeper than any we've seen since the start of the 1980s and run for longer too."**



repayments on that debt. Stamp duty will typically cost between 3% and 5% of the ultimate purchase price.

If you can't conjure up a 20% deposit and you aren't a first home buyer, you'll also have an upfront cost or the cost capitalised into the life of the mortgage of lenders mortgage insurance. This cost ranges depending on how much of a deposit you have from between 1% of the purchase price to 5%.

I think right now when housing prices are still high but falling, borrowing costs are also high and relatively speaking the cost of renting is much lower, plus investors are unsure of their investment plans many are in wait and see mode, especially when you consider all the additional costs when you purchase.

**6 Unlike gold (which has a defined and clear spot price at any time of the day), there is no one "Australian property market". Which parts of the market are really struggling right now, and which parts are holding up best? Are there state or city/regional standouts, or is it more entry vs mid-tier vs high-end housing where the differences stand out?**

I think it's important to understand that house price indexes can only tell you so much. They tend to lag what is happening in the market and right now I believe they are understating how much property prices have fallen. In saying that, they are still valuable in highlighting broad trends.



The weakest markets right now are Sydney, Melbourne and Canberra but they have been correcting for longer and have seen much weaker price growth than many other regions over recent years, so affordability isn't as stretched as elsewhere.

We're also seeing right now that it is the more expensive properties that are seeing the largest price falls but even in that market things are quite varied. There are still some strong sales occurring at the ultra-top-end but that \$2 million to \$5 million market is noticeably quieter.

As the market is expected to soften further, I believe many of the areas where values have risen very strongly over recent years, places like SE Qld, SA and WA will start to see larger declines.

I also wouldn't be surprised if the FHB trepidation and lack of investors see more affordable housing fall faster while the higher-end housing starts to hold up better as people start to realise the principal place of residence is the one tax-effective investment left and many look to upgrade into better located homes.

**7 There has been a bit of commentary about what has happened in New Zealand and Canada (where property has fallen substantially in the post-COVID era). Do you have any comments on that, and the potential parallels to what we see unfolding in Australia right now?**

I don't analyse those markets closely, but I take note of what has happened in both those countries, and they have seen large falls in property prices which are still occurring. What has

happened in those two countries is somewhat different to what's happened in Australia but should still be informative.

Coming out of the pandemic both central banks lifted their official interest rates to a much higher level than we did here and that led to a significant slowing of economic growth and home price falls. What it did allow these economies to do is curtail inflation which we never managed here.

On the back of the weaker economy and falling housing prices, overseas migration slowed substantially to NZ and many Kiwis moved to Australia. In Canada, the government significantly reduced net overseas migration too and this contributed to further price declines.

With there now being a significant debate locally about migration, if migration is reduced it could lower demand for housing in an already weak market and push dwelling values lower. In saying that, in Australia most of the impact of high rates of migration appears to be in the rental market rather than the home purchase market.

**8 Australian property has had pullbacks in the past. There are still some tailwinds supporting the market, so is this just another bump on the road to ever higher property prices (both in absolute terms and relative to incomes) or is there a chance it is 'different this time' and this correction is more generational or a proper market reset?**

The headwinds for property have certainly increased but there are still tailwinds. The headwinds are high inflation, higher interest rates, increasing construction costs, incentives to invest and very stretched affordability. From my reading

that is a lot more headwinds than the market has seen over recent decades given there has been a 30-year downcycle in interest rates, inflation has been contained, construction costs have typically been quite stable and whilst affordability has been stretched in the past, falling interest rates have boosted borrowing capacity. We've also now had tax changes which impact on what was about 40% of market demand.

There are still some tailwinds for the market but certainly not as many as there have been in the past. Mortgage debt is mostly on a variable rate, so when interest rates eventually fall borrowing capacities will increase, housing supply is not currently keeping up with demand and demand is strong due to high rates of net overseas migration.

We still have an inflation target here in Australia whereby consumer prices aim to rise by 2.5% each year. Now housing isn't included in the CPI calculations, but I think it is reasonable to expect house prices over time should rise by at least that much with perhaps a small premium above it. The problem is that over recent decades property prices have increased at a rate well in excess of the inflation target and well in excess of income growth. Given this, I think over the longer-term property prices are likely to rise but I believe that the rate of growth in the future will be slower than it has been over recent decades. This is mostly due to the fact that I don't believe we will see the same interest rate cycle again.

I also believe that this housing market downturn is different. I expect that this downturn will be deeper and longer than ones we've seen over recent decades. Furthermore, I think that prices are going to take some time to recover to the previous peaks because interest rate cuts when they eventually occur won't be as deep and aggressive as they have been in previous downturns. You also have the fact that the recent tax changes are likely to result in a lower level of investment in housing which will lower overall credit demand.

**"These tax changes have significantly impacted on housing market confidence."**



# ABC Bullion Gold Saver

The ABC Bullion Gold Saver is a direct debit physical gold, silver and platinum accumulation plan, which allows any Australian to become a precious metal investor from as little as \$50 per month.

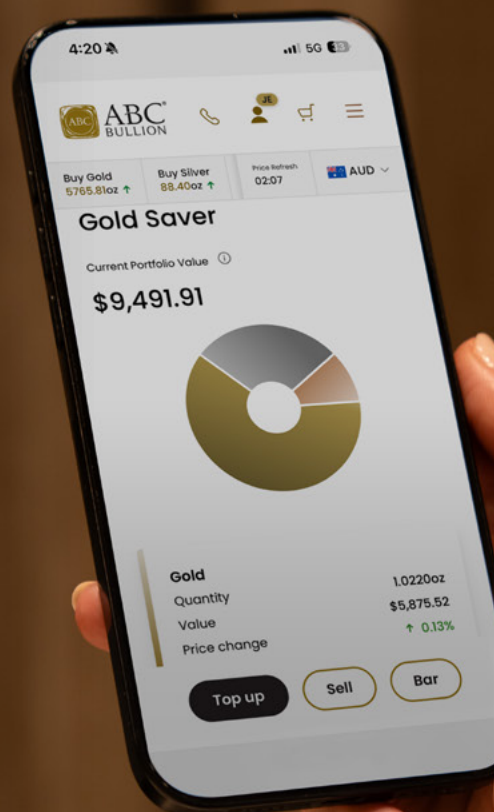
It is an Australian first, having first been launched by ABC Bullion back in 2016. Since then, tens of thousands of clients have used this product, with prices for gold almost tripling since Gold Saver was launched.

Australian investors are increasingly attracted to this product as it allows them to dollar cost average into physical bullion, rather than investing in a lump sum.

## Product Features Include:

- ▶ Options to build savings in physical gold, silver, platinum or a combination of the three
- ▶ Ability to invest in regular instalments (weekly, fortnightly, or monthly)
- ▶ Transparent pricing - transactions occur at 5pm AEST on each business day
- ▶ No activation fees or cancellation fees
- ▶ No ongoing storage fees
- ▶ Ability to track the value of your gold, silver and platinum holdings online 24/7
- ▶ Easy to trade - you can sell your gold, silver and platinum back to ABC Bullion at any time
- ▶ 100% backed by externally audited metal positions held by ABC Bullion and its related bodies corporate

To learn more about this unique product, access the ABC Bullion Gold Saver Brochure.



## Gold Fun Fact

The last Australian to win a real physical gold medal at the Olympics was Sarah Frances "Fanny" Durack. She won the 100m freestyle in Stockholm, Sweden, way back in 1912. The medal Durack received weighed 24 grams and was worth about USD \$15 when she won it. Today, it would be worth closer to USD \$2,945.

# Gold vs National Housing

Over the past five decades, Australian residential property has delivered strong capital growth, with the national median house price rising from below \$20,000 in 1970 to more than \$1 million by June 2026. That 50x price increase works out to approximately 8% per annum.

However, when measured against gold, a very different picture emerges. For while house prices have increased approximately 61-fold over this period, gold has risen more than 200-fold in Australian dollar terms, which is a return of approximately 10% per annum.

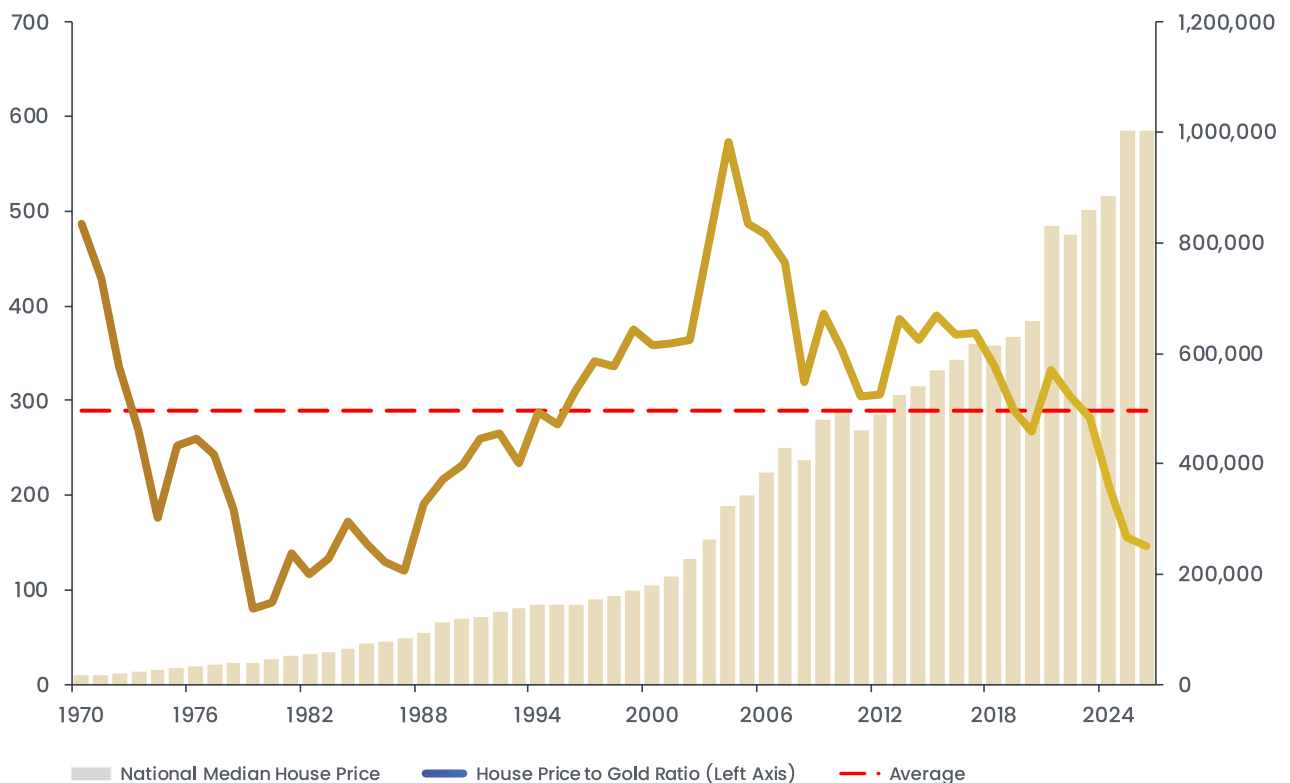
This means that when measured in gold, housing is cheaper today compared to what it was in 1970.

The chart below highlights changes in the value of the median house price from 1970 through to 2026 (grey columns). It also shows the national median house price relative to the Australian dollar

gold price, and how that has changed over time, with this ratio effectively illustrating the number of ounces of gold required to purchase the national median property.

The red dashed line shows the average ratio between house prices and gold over the entire period, which sits at approximately 289, meaning it has on average taken 289 ounces of gold (just under 9 kilos) to buy the median home. Periods where the ratio rises substantially above this level indicate that property is expensive relative to gold, and vice versa.

## Australian Gold vs Australian Housing



**"When measured in gold, housing is cheaper today compared to what it was in 1970."**

During the early 2000s, the ratio surged to a record high of around 573 ounces (2004), meaning it required more gold (almost 18 kilos) than at any other point in the last 50 plus years to purchase the median Australian home.

The surge in the ratio which took place between 1990 and 2004 reflected a combination of rapidly rising house prices (national median house price increasing ~2.7x) and a gold market that was almost flat delivering a total return of just 11%.

Throughout this period, interest rates fell significantly in Australia, from their 1990 highs near 17%, to less than 5% in the early 2000s, with lowered borrowing costs improving accessibility to housing. As well as strong economic growth, tailwinds from earlier deregulation of the financial system and the introduction of the 50% Capital Gains Tax Discount in 1999 also stimulated property demand.

Conversely, the late 1970s and early 1980s saw the ratio plunge to a historical low of 80 ounces (less than 3 kilos) as gold prices surged in the years following the abandonment of the gold standard by President Nixon in 1971. Gold outperformed property significantly in this period.

This period was characterised by persistently high inflation, weak economic growth (stagflation) and sharp increases in interest rates (highs of 13% in Australia), with borrowing costs reducing housing affordability nationwide.

This period also coincided with the Hawke Labor government removing negative gearing (like what we have seen in the 2026 Federal Budget) for residential property in 1985, only to reinstate it two years later amid a collapse in the rental market.

By end August 2026 when the above chart was created, the ratio between gold and housing was closer to 160 ounces (almost exactly 5 kilos). That ratio is approximately half its long-term average, demonstrating the strong outperformance of gold relative to property, and indeed most other mainstream assets since the early 2000s.

## What happens next?

The previous trough-to-peak cycle in the gold vs housing ratio unfolded over approximately 25 years, from 1979 to 2004, with housing strongly outperforming gold throughout that period. The current cycle is around 22 years removed from its 2004 peak, reinforcing the notion that there is still scope for gold to continue outperforming residential property in this market cycle.

That possibility is further supported by a macroeconomic backdrop characterised by elevated government debt, persistent inflation risks, ongoing central bank gold purchases and geopolitical uncertainty—all of which have historically been supportive of gold.

As a result, it would not surprise to see this ratio continue to fall, and at the very least return to its previous low, which was closer to 80 ounces. At current prices for property, that ratio would imply a gold price of approximately AUD \$12,500oz.

That is a more than 100% increase from end September 2026 levels.

While valuation metrics and ratios cannot guarantee future returns, the historical relationship between Australian residential property and gold has exhibited a tendency towards higher peaks and lower lows, with movements in the ratio between the two playing out over multi-decade market cycles.

**For the next few years at least, the trend is likely to remain in golds favour.**



# Saving in Cash vs Saving in Gold



**For generations, Australians have been encouraged to save for a home deposit by steadily accumulating cash in a savings account or term deposit. While cash provides short-term stability, and the capacity to generate interest, its value is also steadily eroded by inflation, while interest is also taxable.**

This has posed a particular challenge for prospective homebuyers over the past few decades: while property prices rise (up until recently) and the cost-of-living increases, cash savings often struggle to maintain, let alone increase, their purchasing power.

And the challenge has only gotten worse over time, as the long-term data in the table below clearly highlights.

| Date | Bank Term Deposit Rates (%) |        |        | Gold (AUD) | CPI (%) |
|------|-----------------------------|--------|--------|------------|---------|
|      | 3 Month                     | 1 Year | 3 Year |            |         |
| 2000 | 4.50                        | 5.9    | 6.15   | 482        | 3.08    |
| 2005 | 3.85                        | 4.55   | 4.40   | 574        | 2.48    |
| 2010 | 3.75                        | 6.00   | 6.50   | 1,469      | 3.12    |
| 2015 | 2.15                        | 2.45   | 2.70   | 1,519      | 1.51    |
| 2020 | 0.70                        | 0.80   | 0.90   | 2,566      | -0.35   |
| 2025 | 2.75                        | 3.70   | 3.05   | 5,019      | 2.16    |
| 2026 | 3.30                        | 5.05   | 4.45   | 5,835      | 3.80    |

Source: LBMA, RBA, ABS. Notes: All dates are as at end June. Australian CPI and gold return data is annualized to end June. Gold price is per troy ounce.

In 2000, Australian investors could earn between 4.5% and 6.2% on bank term deposits, a real return at the time of around 2%. Since then, returns on cash savings have fallen dramatically, reaching less than 1% in 2020.

Even today, despite higher rates, one-year term deposits are only just generating interest (which is taxable) of around 5%, which is only modestly above current inflation rates.

Gold, by contrast, has provided stronger long-term returns over this period, having risen from below \$500 per troy ounce in 2000 to approximately \$6,000 per troy ounce in 2026. That represents an increase of more than 1000%.

While this growth has not been linear, gold's long-term trajectory has significantly outpaced both inflation and cash returns as illustrated in the above table.

The difference becomes even more apparent when examining annualised returns across multiple periods, which the table below does. Over the past 10 years for example, gold has delivered annual returns of 12.6%, compared with just 2.2% for cash and 3.1% for inflation.



| Asset             | 3 Years | 5 Years | 10 Years | 20 Years | 25 Years | Since 1971 |
|-------------------|---------|---------|----------|----------|----------|------------|
| <b>Gold (AUD)</b> | 26.7    | 19.9    | 12.6     | 10.3     | 10.1     | 9.7        |
| <b>Cash</b>       | 4.2     | 3.1     | 2.2      | 3.3      | 3.7      | 7.2        |
| <b>CPI</b>        | 3.2     | 4.3     | 3.1      | 2.7      | 2.7      | 5.0        |

Source: LBMA, RBA, ABS, Bloomberg. Notes: 1. Per annum total returns to 30 June 2026. 2. LBMA monthly price data, RBA AUD USD price data, ABC Bullion Calculations. 3. Bloomberg AusBond Bank Bill Index. 4. ABS Consumer Price Index.

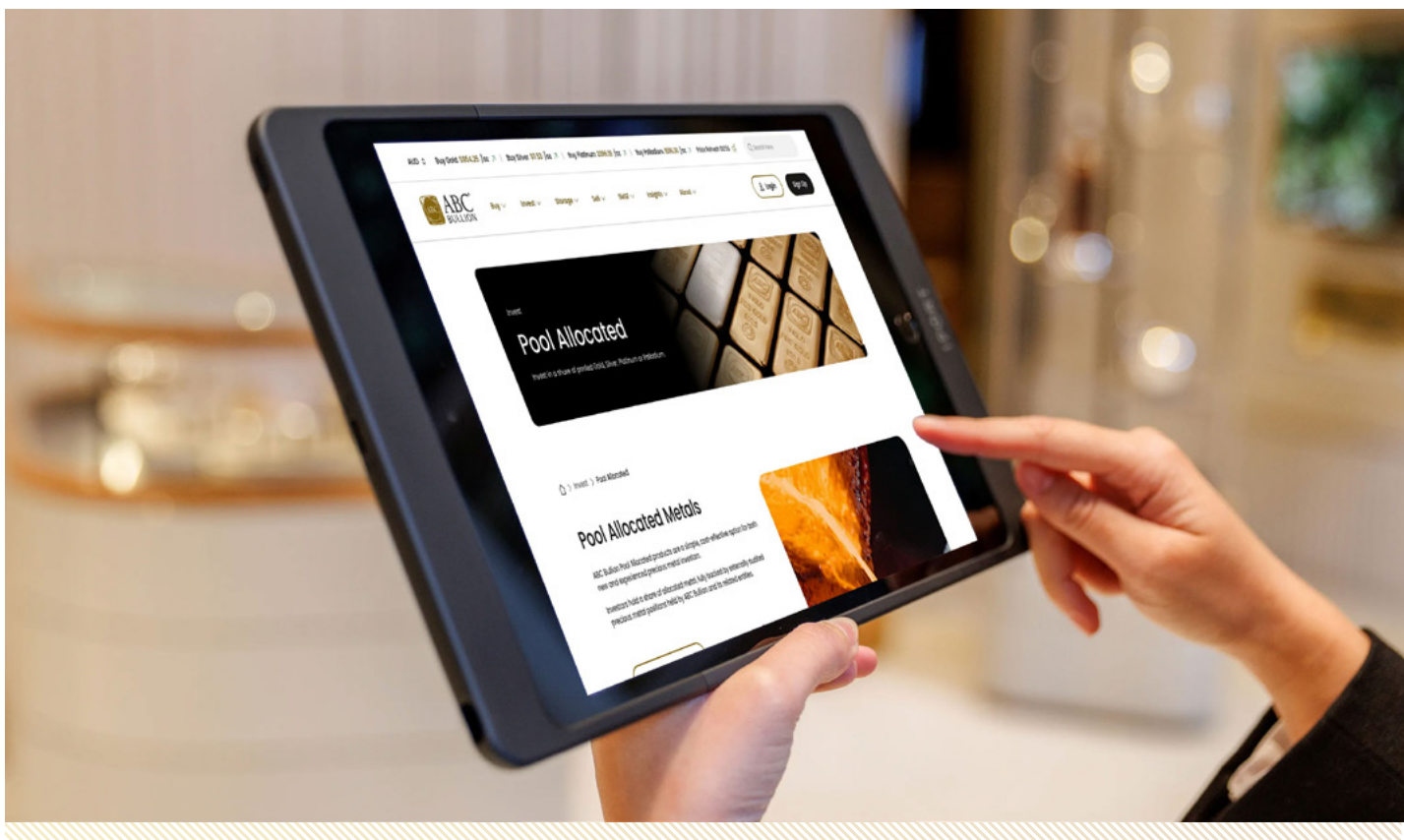
For Australians saving for a property deposit, these differences can be significant, with those that have used gold as their primary savings asset benefitting from a substantial increase in purchasing power, relative to those who have saved in cash alone.

This does not mean cash has no role. Emergency funds, short-term expenses, and liquidity requirements are all important considerations. But for goals measured in years rather than months, relying exclusively on cash carries an often-overlooked risk: the gradual erosion of purchasing power.

Gold's historical ability to outperform both inflation and cash returns has helped investors protect their savings against this risk, with modern day investment solutions like the ABC Bullion Gold Saver allowing everyday Australians to incorporate gold into a deposit-saving strategy,

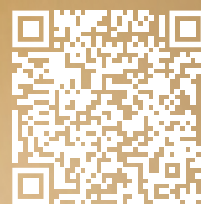
Launched in 2016, the ABC Bullion Gold Saver allows clients to set up recurring auto-investments from as little as \$50 per week, per fortnight or per month, automatically converting cash savings into gold, silver, or platinum.

Solutions like this can help investors align their investments with their pay cycle, smooth market fluctuations and build exposure to gold gradually. These investments then have the potential to benefit from gold's long-term price appreciation while maintaining the flexibility to redeem holdings when required.



# THE ABC BULLION GOLD DECUMULATION PLAN (GDP)

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investment solution  
to generate cashflow  
from precious metal  
investments



Find out more



# Canada and New Zealand – A Cautionary Tale

Developments in the Canadian property market in recent years may provide insight for those observing the outlook for Australian residential real estate, with the below chart showing a Canadian property price index from the 1970s through to this year.

## Real Residential Property Prices for Canada (Index 2010=100)



Source: Bank for International Settlements via St Louis Federal Reserve

Like Australia, Canada has seen a surge in home prices over the past few decades, with much of the growth concentrated in the just over twenty-year period from 2000 to 2022. At their peak, which occurred in February 2022, the national average sale price in Canada hit \$826,800 according to the Canadian Real Estate Association (CREA), with higher prices observed in major cities like Toronto and Vancouver.

Since that peak 2022, Canadian property prices have fallen in an almost uninterrupted fashion, with CREA data suggesting the decline over the last four and a half years has been close to 25%, while the above chart from the BIS suggests that in real terms, the price drop has been close to 30%.

This correction has been driven by several factors, many of which are relevant to Australia today, including;

- A sharp rise in interest rates, which moved from a low of 0.25% in March 2022 to a peak of 5% less than 18 months later in July 2023, though rates have come down in the past two years.
- A substantial change to migration policy in the last three years, with the Canadian government reducing planned permanent resident admissions and setting a target that only 5% of the population would be made up of temporary residents by 2030
- A federal prohibition on the purchase of residential property by non-Canadians, which kicked in from 2023 onward.
- A slowdown in overall economic activity, with GDP growth halving since 2022, with per capita figures often declining.

As a resource rich, English speaking Commonwealth nation with a history of strong immigration and a slowing economy, Canada shares many similarities with Australia. The story of its property market in recent years should not be ignored when forming a view of what may transpire Down Under in the years ahead.

## New Zealand

New Zealand is another market worthy of observation. Persistent inflation and rising living costs have created one of its longest real estate downturns in decades, with housing prices dropping close to 30% (including inflation) since its peak in 2022 (ABC).

This fall is evident in the chart below which highlights real residential property prices in New Zealand.

### Real Residential Property Prices for New Zealand (Index 2010=100)



Source: Bank for International Settlements via St Louis Federal Reserve

From the early 1960s to the 1980s, the NZ property market was largely stable, with regulation limiting mortgage access and real capital gains muted. Indeed, there was a 5-year slump from peak to trough between 1975 and 1980 with the 1973 global oil crisis sparking a recession and migration reversal.

From the mid-1980s through to the early 2020s, property surged, with lower interest rates, high net migration, and supply shortages all contributing to the boom. In nominal terms, BIS data suggests prices rose by more than 450% over this period.

Data suggests that at their peak in late 2021, the median New Zealand property was worth close to NZD \$1 million.

Since then, it has been almost non-stop price falls, with various estimates (BIS and Cotality) suggesting the market has fallen in nominal terms by 15-18% in the last five years, with real price falls of just over 25%.

The New Zealand property price decline has been driven by:

- Higher interest rates, which increased from 0.25% in October 2021 to a peak of 5.5% in May 2023, though like Canada (but not Australia) we have seen rates come down from their peak.
- A change from strong net migration (more than 125,000 people in the 12 months to October 2023) to very little net migration, with Stats NZ suggesting less than 40,000 people arriving in 2024 and 2025 combined.

- Tax changes from 2021 which meant residential property investors faced restrictions on deducting mortgage interest against rental income, as well as changes to the bright-line test which increased the period a property must be held for before it can be sold without incurring tax on the gains.

New Zealand has also seen a slowdown in economic output, especially on a per capita basis, in recent years.

## US and UK during the Global Financial Crisis

Though it is now almost 20 years ago, the experiences of the US and UK during the Global Financial Crisis also provide important historical parallels for the correction we are seeing in Australia today.

For what transpired in those countries shows that national house prices can experience significant declines when credit conditions tighten, especially if they occur when household balance sheets are stretched, and affordability measures are extreme.

In the case of the United States, property prices (according to the Case Shiller Index) fell by just over 25% in a six-year corrective cycle that started in 2006 and ended in 2012.

The United Kingdom saw a correction of closer to 20%, though the pain was sharper, in that the correction took place in barely 18 months, from Q3 2007 to Q1 2009, based on the Nationwide UK HPI Index.

## What does this mean for Australia?

The below table provides one final data point worthy of reflection as it relates to property price corrections in other countries, and what it may portend for Australia. It shows the approximate value of residential property expressed as a percentage (rounded to the nearest five points) of annual nominal GDP, for every five years from 2000 onward.

| Country               | 2000 | 2005 | 2007 | 2010 | 2020 | 2025 |
|-----------------------|------|------|------|------|------|------|
| <b>Australia</b>      | 210% | 310% | 330% | 350% | 400% | 430% |
| <b>Canada</b>         | 170% | 205% | 225% | 250% | 325% | 285% |
| <b>New Zealand</b>    | 210% | 295% | 330% | 305% | 380% | 370% |
| <b>United Kingdom</b> | 230% | 330% | 355% | 310% | 345% | 300% |
| <b>United States</b>  | 125% | 170% | 155% | 125% | 160% | 155% |

Source: ABC Bullion, ABS, RBNZ, Statistics Canada, FRED database, BIS, UK HPI, BEA

Relative to the economy that underpins it, the Australian market is far larger than the other countries.

This data, and the strong pullbacks seen in other nations should serve as a cautionary tale.

For while there is no guarantee that the property price corrections we have seen in other Anglo nations will also occur in Australia, there is also no reason to think “it can’t happen here”. There is also little doubt that the current economic outlook in

Australia, and the changing dynamics impacting the Australian housing market share several trend characteristics that have existed or played out in some of these other markets before their significant corrections.

This historical evidence and global perspective suggest that an Australian property correction of at least 20% in nominal terms would not be unprecedented in this market cycle.

# Summary

**There seems little doubt the current Australian property market downturn will end up delivering the largest price correction in several decades. While the exact percentage decline is impossible to be certain of, a nationwide pullback of 10% is now likely to be the bare minimum, and may be reached by Christmas of this year, or early 2027 at the latest.**

When one factors in the current speed at which prices are falling, and the fact that price falls are now being seen across a greater share of the market, a 15-20% peak to trough correction should not be unexpected.

Factor in inflation, and the real decline in property prices may approach 25-30%.

While that number will shock many, it would be entirely in line with price corrections seen in other Anglosphere developed nations, with falls of this magnitude bringing prices back to where they were just prior to the pandemic hit in 2020.

Some will argue this correction is a good and necessary thing, given it will make property more affordable, especially for young Australians, many of whom feel locked out of the housing market.

Others will argue it is bad, particularly for those who are newer entrants into the property market, with climbing mortgage payments an additional pain point for those now facing negative equity, where the size of their mortgage exceeds the value of their property.

What is not in doubt is the scale of the potential wealth destruction, with the Australian property market valued at over AUD \$12.20 trillion in May 2026. Should the market fall 20%, that is close to AUD \$2.5 trillion in wealth that will disappear.

The impact on the economy, and on investing in Australia will be profound, with a local stock market that has a heavy concentration to banks and financial services businesses that are exposed to the slowdown occurring in Australian property today.

Gold by contrast stands as a beacon of wealth protection, with its inflation protecting qualities, and its history as a portfolio diversifier likely to attract significant investor interest in Australia going forward.



The fact that gold is exceptionally liquid, has zero credit risk, and has proved capable of delivering strong long-term capital growth through periods of economic deterioration and financial market instability will only add to its attractiveness.

Gold's strong outperformance vs cash, and its greater flexibility vs term deposits mean that it will also likely continue to prove popular for households wanting to save for a home deposit.

This is only reinforced by the fact that Australian housing has been getting cheaper in gold terms for more than two decades.

This is a clear and powerful illustration of the value of saving in gold, with strong potential for the precious metal to continue outperforming as the current property market correction plays out in the years ahead.

*Jordan Eliseo*



Jordan Eliseo  
General Manager  
ABC Bullion



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# Appendix

The below table shows the gold to house price ratio at a national level, and across the 8 capital cities at multiple time points from 1970 through to end August 2026, an average over the period, and an implied Australian dollar gold price if:

- A.** The gold to median house price ratio again reaches the trough seen in the late 1970s.
- B.** Australian house prices drop 10%.

Note it doesn't include the continued falls seen in September and early October, with prices across the five main capital cities falling by almost 1.75% from 1st September to 12th October 2026.

| Ratio            | 1970 | Ratio Average | Ratio Trough<br>Late 1970s | Ratio Peak<br>Early 2000s | Current<br>August 2026 | Implied<br>Gold Price |
|------------------|------|---------------|----------------------------|---------------------------|------------------------|-----------------------|
| <b>National</b>  | 484  | 291           | 79                         | 550                       | 161                    | \$11,425              |
| <b>Sydney</b>    | 554  | 424           | 126                        | 883                       | 234                    | \$10,393              |
| <b>Melbourne</b> | 379  | 297           | 72                         | 551                       | 135                    | \$10,402              |
| <b>Brisbane</b>  | 258  | 264           | 65                         | 532                       | 184                    | \$15,813              |
| <b>Adelaide</b>  | 317  | 236           | 66                         | 463                       | 159                    | \$13,467              |
| <b>Perth</b>     | 519  | 269           | 74                         | 572                       | 161                    | \$12,176              |
| <b>Hobart</b>    | 316  | 214           | 66                         | 407                       | 126                    | \$10,599              |
| <b>Darwin</b>    | 144  | 278           | 75                         | 420                       | 123                    | \$9,157               |
| <b>Canberra</b>  | 479  | 320           | 82                         | 638                       | 167                    | \$11,410              |

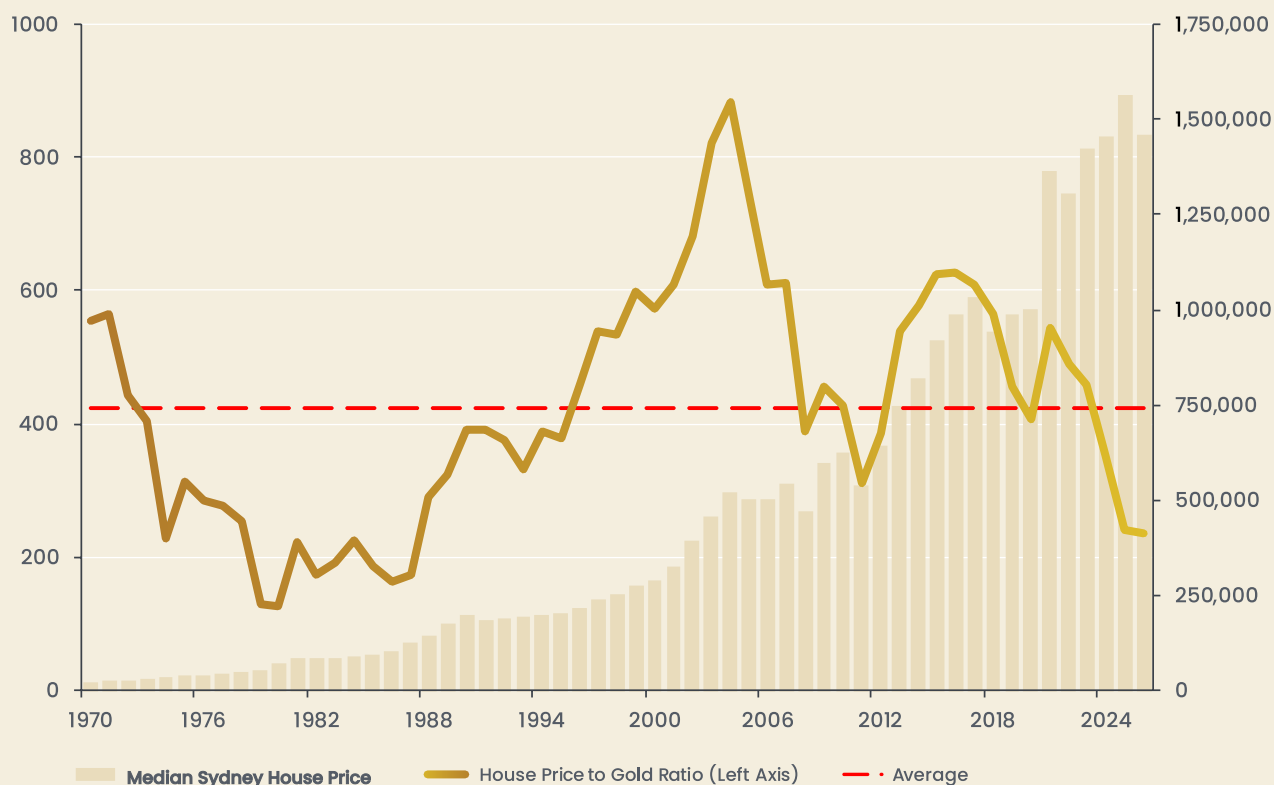
Sources: ABS, LBMA, Cotality, ABC Bullion, Abelson and Chung.

On the following pages, we provide detailed housing v gold charts for each of the main capital cities in Australia, as well as commentary on movements in this ratio over time for each city.



# Sydney

## Australian Gold vs Sydney Housing



The graph above highlights the median house price to gold ratio for Sydney, while the table below shows key levels in the house price to gold ratio for Sydney, and a national level, since the 1970s.

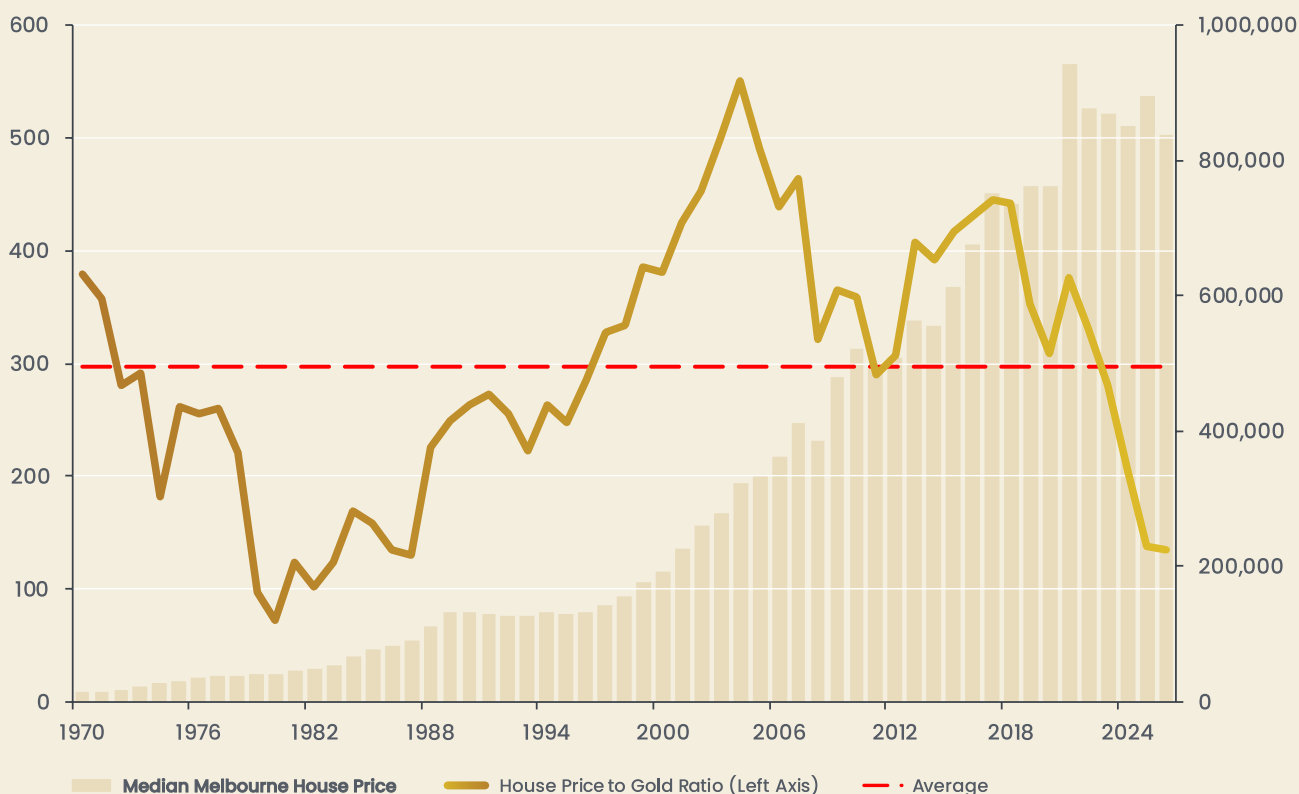
| Ratio    | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|----------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| National | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| Sydney   | 554  | 424           | 126                   | 883                    | 234                 | \$10,393           |

- The long-term average Sydney house price to gold ratio shows one would have needed just over 420 ounces (or just over 13 kilos) of gold to purchase the median house in Sydney.
- The Sydney ratio is almost 1.5x the national equivalent, evidence of the premium homeowners and investors (both local and international) have paid to live in the harbour city.
- At their peak in bullion terms, Sydney properties were worth 883 ounces (or just over 27 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even with the median Sydney property approaching AUD \$1,450,000, which is equivalent to 234 ounces (or just over 7 kilos) of gold.
- Sydney property prices fell by 4.6% in the year to end August, with the downturn accelerating, evidenced by a 4.7% over the quarter and 1.4% in August alone.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# Melbourne

## Australian Gold vs Melbourne Housing



The graph above highlights the median house price to gold ratio for Melbourne, while the table below shows key levels in the house price to gold ratio for Melbourne, and a national level, since the 1970s.

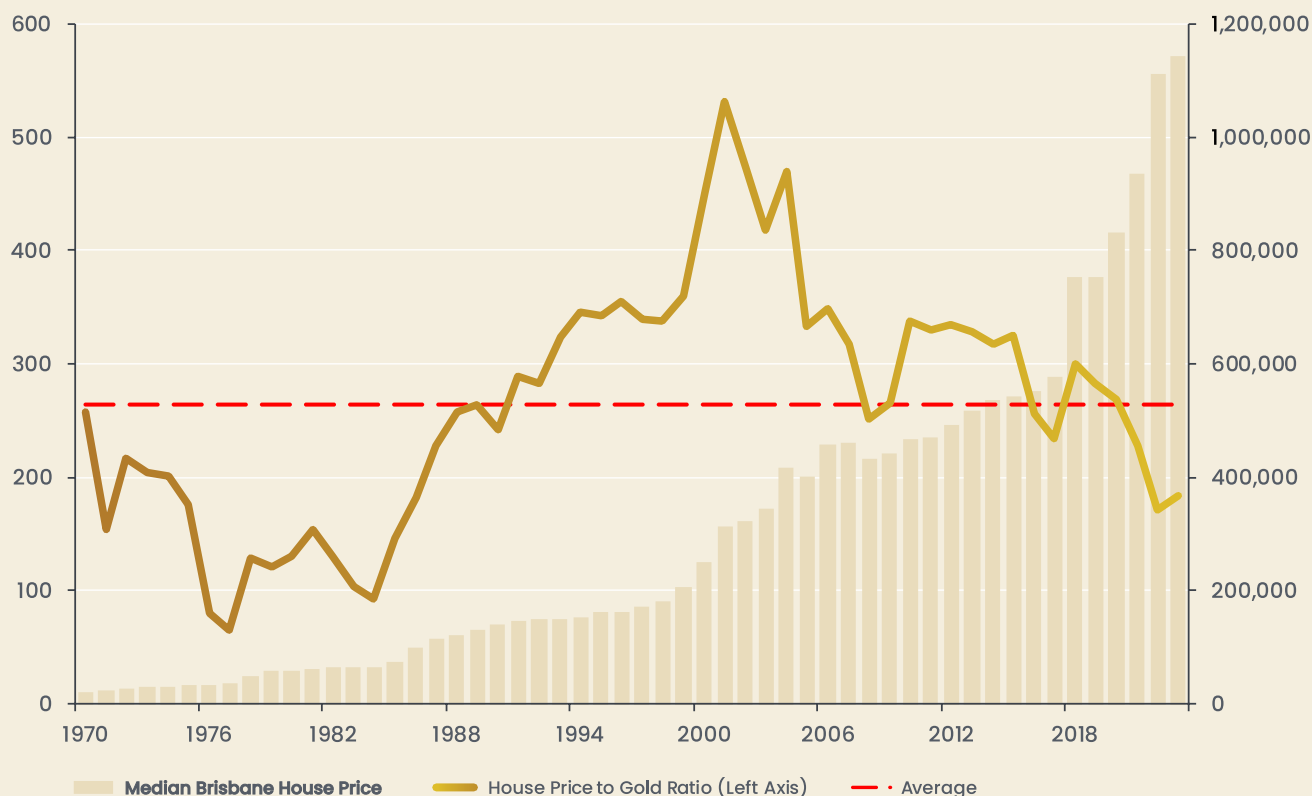
| Ratio            | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|------------------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| <b>National</b>  | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| <b>Melbourne</b> | 379  | 297           | 72                    | 551                    | 135                 | \$10,402           |

- The long-term average Melbourne house price to gold ratio shows one would have needed just under 300 ounces (or just over 9 kilos) of gold to purchase the median house in Melbourne.
- Melbourne's ratio is broadly aligned with the national average but has trended lower since 2022, reflecting a temporary oversupply following a surge in high-density completions and post-pandemic population weakness.
- At their peak in bullion terms, Melbourne properties were worth 551 ounces (or just over 17 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even with the median Melbourne property trading close to AUD \$850,000 which is equivalent to 135 ounces (or just over 4 kilos) of gold.
- Melbourne property prices have fallen 4.7% in the 12 months to end August, with the downturn accelerating, declining 3.9% over the past quarter and 1.1% in the last month alone.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# Brisbane

## Australian Gold vs Brisbane Housing



The graph above highlights the median house price to gold ratio for Brisbane, while the table below shows key levels in the house price to gold ratio for Brisbane, and a national level, since the 1970s.

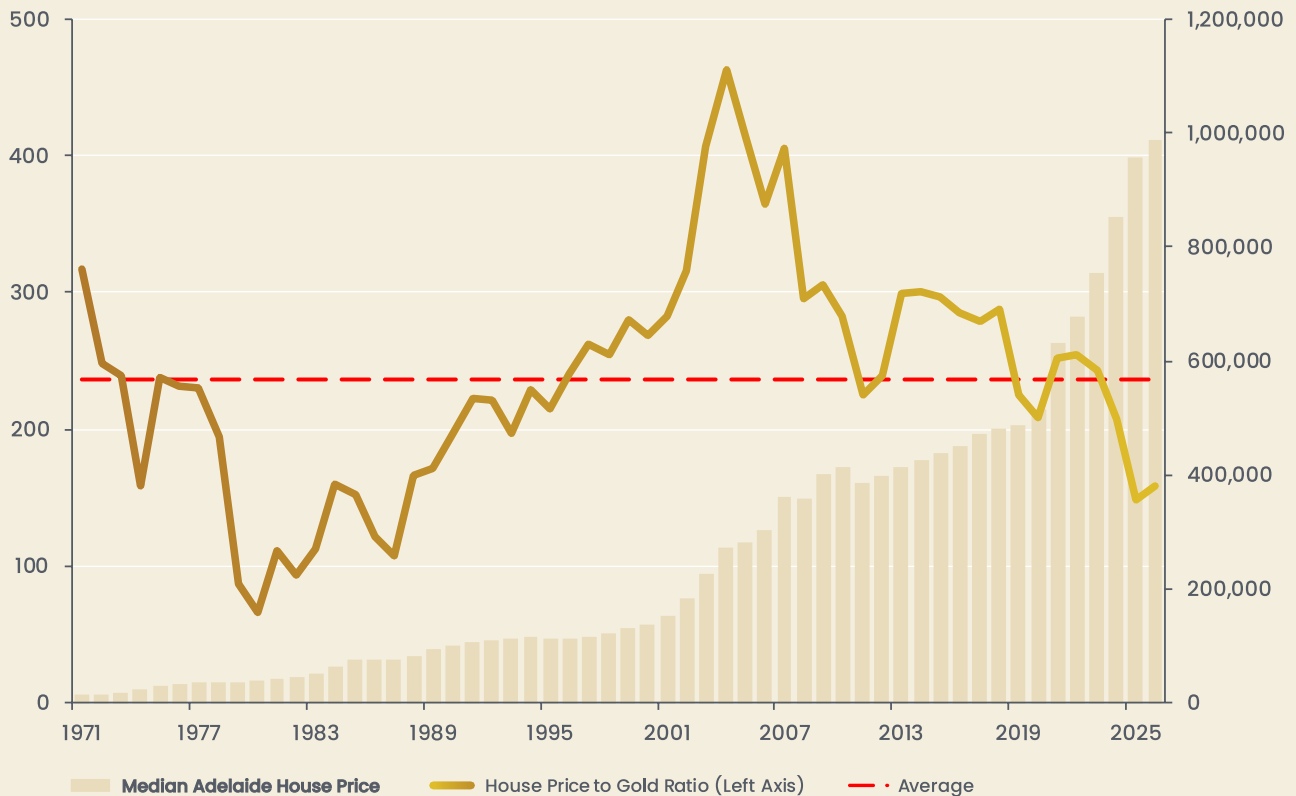
| Ratio           | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|-----------------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| <b>National</b> | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| <b>Brisbane</b> | 258  | 264           | 65                    | 532                    | 184                 | \$15,813           |

- The long-term average Brisbane house price to gold ratio shows one would have needed just over 261 ounces (or just over 8 kilos) of gold to purchase the median house in Brisbane.
- The Brisbane ratio is approximately 0.9x the national equivalent, however, the market surged post 2018 due to a massive wave of net interstate migration, historically low interest rates and severe housing undersupply.
- At their peak in bullion terms, Brisbane properties were worth 532 ounces (or just over 16 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even as the median Brisbane property rose above AUD \$1,100,000, which is equivalent to 183 ounces (or almost 6 kilos) of gold.
- Brisbane property prices rose by almost 11% in the 12 months to end August. Momentum has turned though, with prices falling 1% in August alone and by almost 3% in the 3 months.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# Adelaide

## Australian Gold vs Adelaide Housing



The graph above highlights the median house price to gold ratio for Adelaide, while the table below shows key levels in the house price to gold ratio for Adelaide, and a national level, since the 1970s.

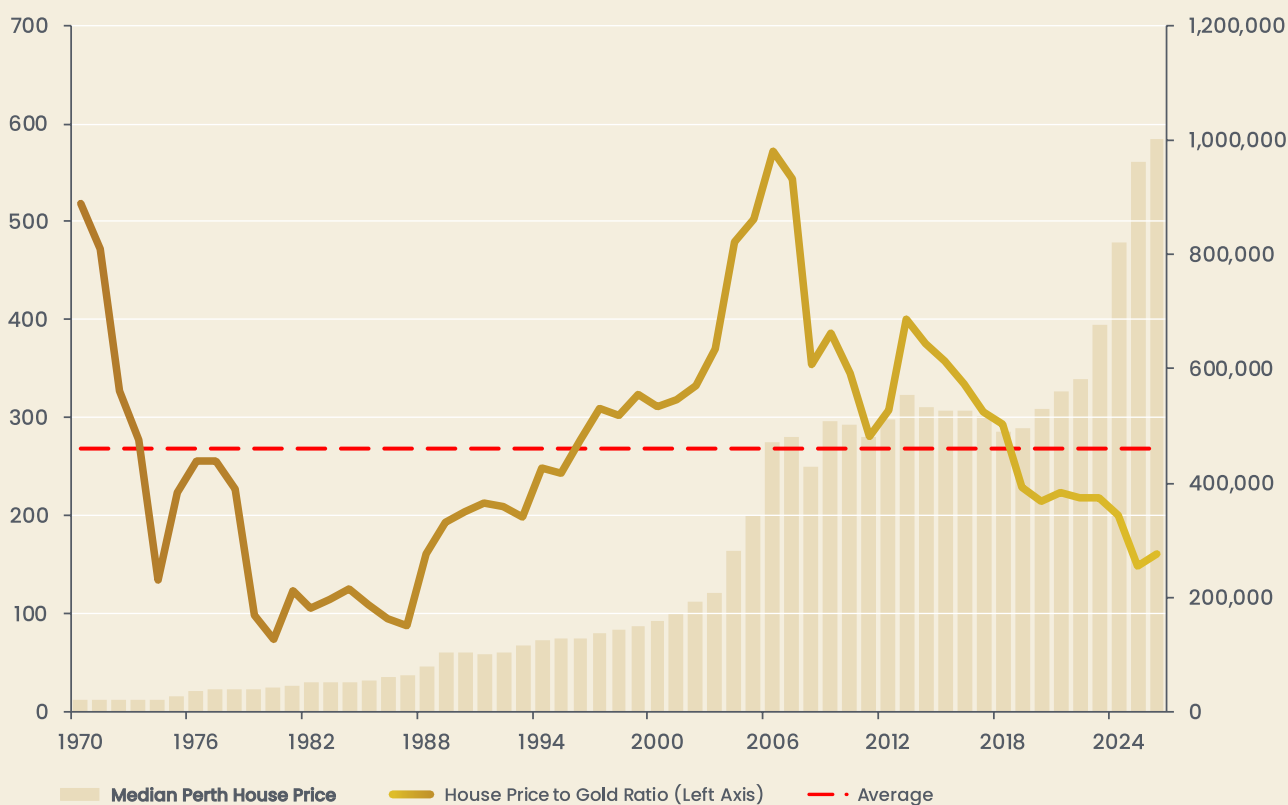
| Ratio           | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|-----------------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| <b>National</b> | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| <b>Adelaide</b> | 317  | 236           | 66                    | 463                    | 159                 | \$13,467           |

- The long-term average Adelaide house price to gold ratio shows one would have needed just over 236 ounces (or just over 7 kilos) of gold to purchase the median house in Adelaide.
- The Adelaide ratio is approximately 0.8x the national equivalent, where more recently, the interstate migration toward mining booms in WA and QLD slowed population growth, stagnating the growth of property in the region.
- At their peak in bullion terms, Adelaide properties were worth 463 ounces (or just over 14 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even as the median Adelaide property approached AUD \$1,000,000, which is equivalent to 159 ounces (or almost 5 kilos) of gold.
- Adelaide property prices rose 8.6% in the 12 months to end August. However, prices have begun to decline, falling 0.8% in August alone and 1.6% in three months.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# Perth

## Australian Gold vs Perth Housing



The graph above highlights the median house price to gold ratio for Perth, while the table below shows key levels in the house price to gold ratio for Perth, and a national level, since the 1970s.

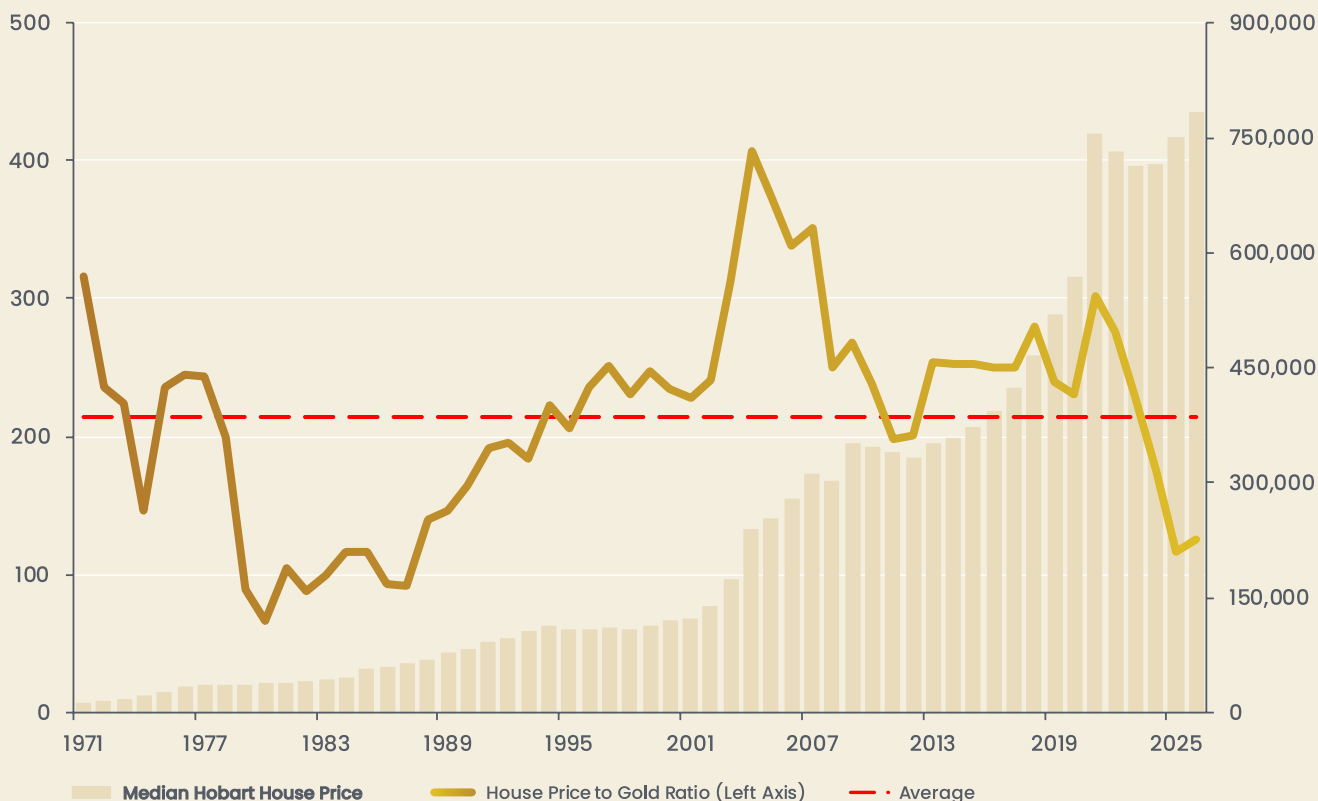
| Ratio    | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|----------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| National | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| Perth    | 519  | 269           | 74                    | 572                    | 161                 | \$12,176           |

- The long-term average Perth house price to gold ratio shows one would have needed just over 269 ounces (or just over 8 kilos) of gold to purchase the median house in Perth.
- Perth's ratio is around 0.9x the national average but has recently outperformed due to housing shortages and strong population growth driven by interstate and overseas migration.
- At their peak in bullion terms, Perth properties were worth 572 ounces (or just under 18 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even as the median Perth property traded at close to AUD \$1,000,000 which is equivalent to 161 ounces (or around 5 kilos) of gold.
- Data to end August shows Perth property prices rising 15.6% over the past 12 months. Prices have begun to decline however, falling by 3.2% in the 3 months to end August.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# Hobart

## Australian Gold vs Hobart Housing



The graph above highlights the median house price to gold ratio for Hobart, while the table below shows key levels in the house price to gold ratio for Hobart, and a national level, since the 1970s.

| Ratio    | 1970 | Ratio Average | Ratio Trough Late 70s | Ratio Peak Early 2000s | Current August 2026 | Implied Gold Price |
|----------|------|---------------|-----------------------|------------------------|---------------------|--------------------|
| National | 484  | 291           | 79                    | 550                    | 161                 | \$11,425           |
| Hobart   | 316  | 214           | 66                    | 407                    | 126                 | \$10,599           |

- The long-term average Hobart house price to gold ratio shows one would have needed just over 214 ounces (or almost 7 kilos) of gold to purchase the median house in Hobart.
- Hobart's ratio is around 0.7x the national average, reflecting its relatively affordable housing market compared with Australia's major capital cities.
- At their peak in bullion terms, Hobart properties were worth 407 ounces (or just under 13 kilos) of gold.
- Since the peak in the early 2000s, gold has outperformed, even with the median Hobart property now trading close to AUD \$750,000, which is equivalent to 126 ounces (or around 4 kilos) of gold.
- Hobart property prices have risen 8.1% over the past 12 months (data to end August). The market has however joined the nationwide downturn, with prices falling by 0.2% in August alone.

Sources: LBMA, ABS, Cotality, ABC Bullion, Abelson and Chung

# ABC Bullion Insights Centre

**The ABC Bullion Insights Centre is Australasia's leading precious metals investment portal.**

It contains a wealth of knowledge on the key factors influencing the physical gold and silver markets, as well as research into foreign exchange markets, interest rates, share markets, fixed income securities, cryptocurrencies, property and superannuation.

From investment guides, to weekly/monthly reports, podcasts, videos, webinars and media appearance, the ABC Bullion Insights Centre is the perfect place for Australian investors to stay up to date on all precious metal related news.

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**Jordan Eliseo**  
**General Manager,**  
**ABC Bullion**

Jordan Eliseo is a recognised specialist in global precious metals markets, with almost three decades of experience across investment management, portfolio analytics, and market strategy.

As General Manager of ABC Bullion Australia, he leads strategic initiatives and product innovation, including the ABC Bullion Gold Saver.

Jordan has held senior roles with J.P. Morgan, Deutsche Bank, AMP Capital and Cazenove Capital in London, where he was Head of Investment Analytics. He is also the author of two books.



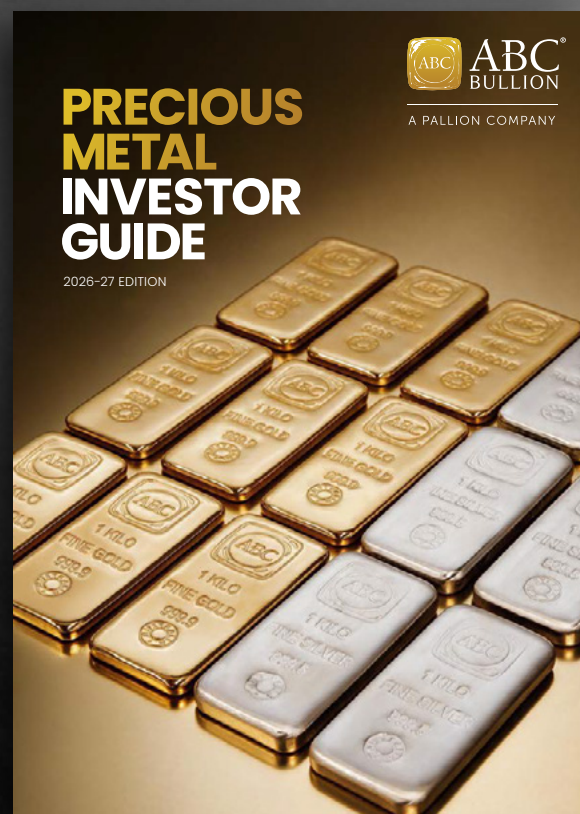
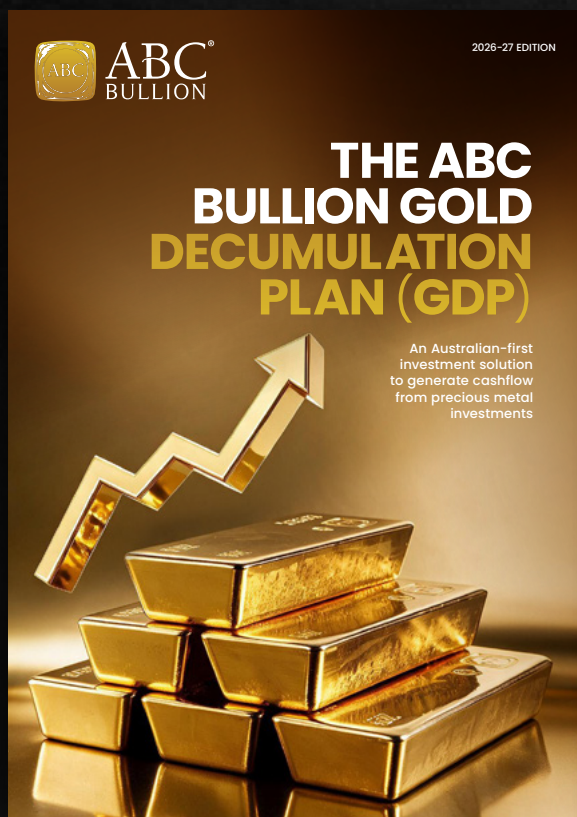
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Nicholas leads ABC Refinery's international business development and structured finance, with nearly 30 years of precious metals trading experience across London, Tokyo, Singapore and Hong Kong.

He holds a Master's in Finance from the University of London, a Diploma in Statistics and a distinction in Technical Analysis.

Nick is a Board member of the LBMA, serves on the LBMA Membership sub-committee and is Chair of the Gold Forum for the Minerals Council Australia, and is co-host of the Pod of Gold podcast as well as a regular speaker at major industry events.

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