



Monthly Chart Pack

2020 in Review

Our Insights. Your Story.

January 2021



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$7.4 Trillion



AUSTRALIAN SUPERANNUATION

\$2.9 Trillion



AUSTRALIAN LISTED STOCKS

\$2.5 Trillion



COMMERCIAL REAL ESTATE

\$1.0 Trillion

Data as at January 2021.



10.6 million
Number of dwellings

\$1.9 trillion
Outstanding mortgage debt

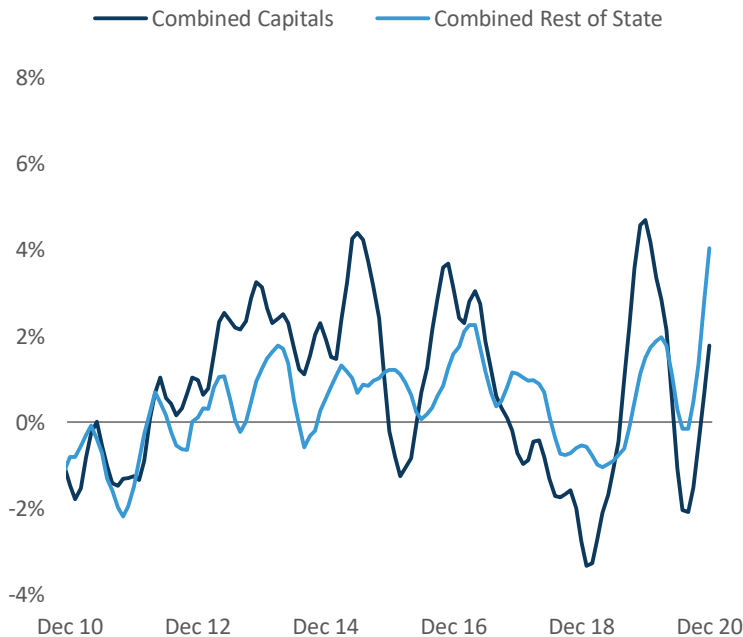
52.6%
Household wealth held in housing

443,928
Total sales p.a.

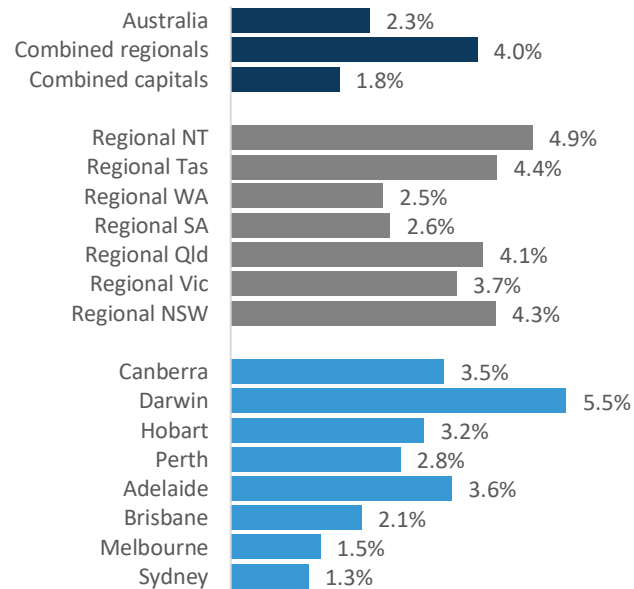
\$294.5 billion
Gross value of sales p.a.

Housing markets have continued a recovery trend in the three months to December, with Australian dwelling values rising 2.3% in the quarter

Rolling quarterly change in dwelling values

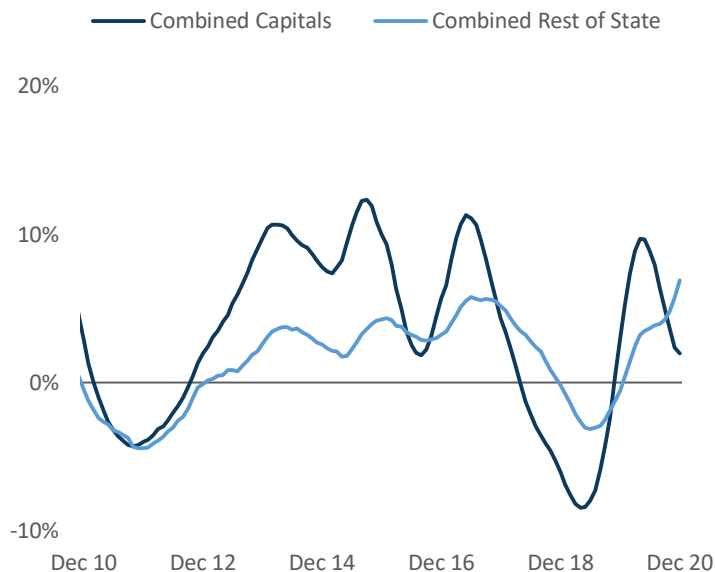


Change in dwelling values, three months to December 2020

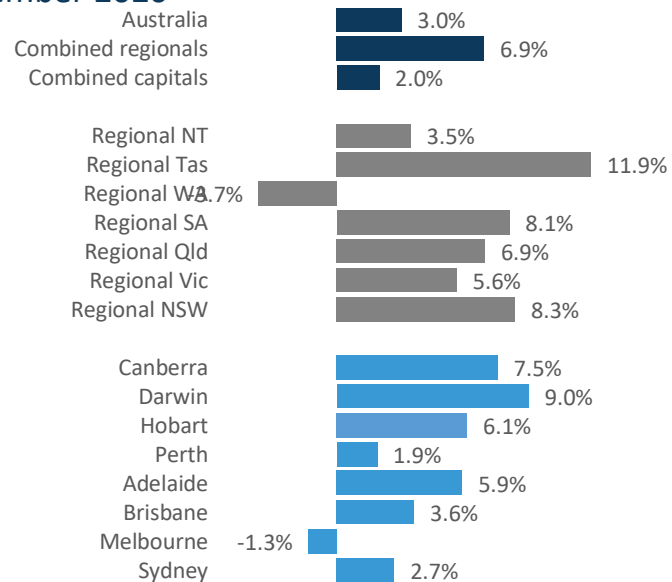


The strong result in December places dwelling values 3.0% higher over the year, far from the value declines forecast at the onset of COVID-19

Rolling annual change in dwelling values

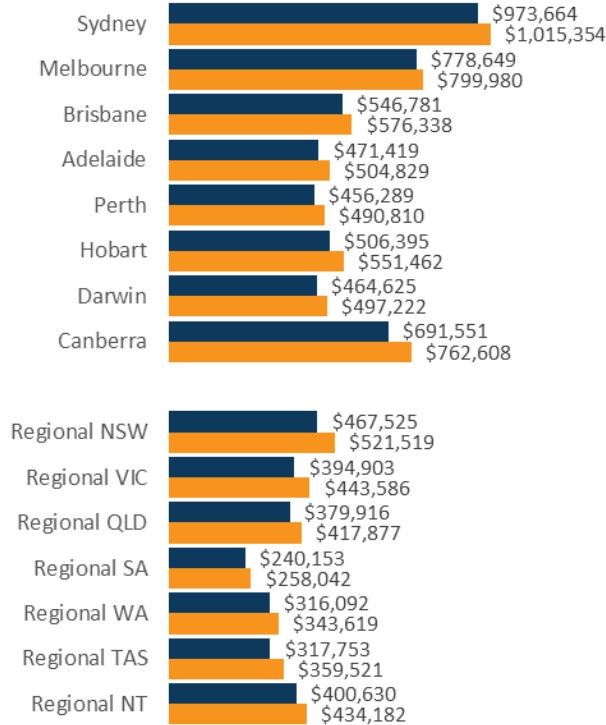


Change in dwelling values, twelve months to December 2020

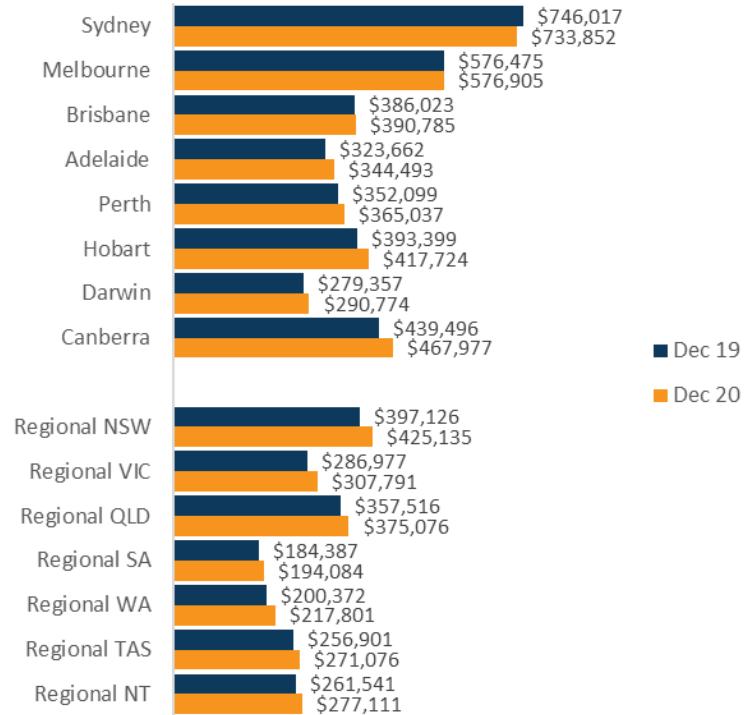


Median house values rose in every greater capital city and regional market, with the median Sydney house value climbing back over \$1 million in 2020

Median house values

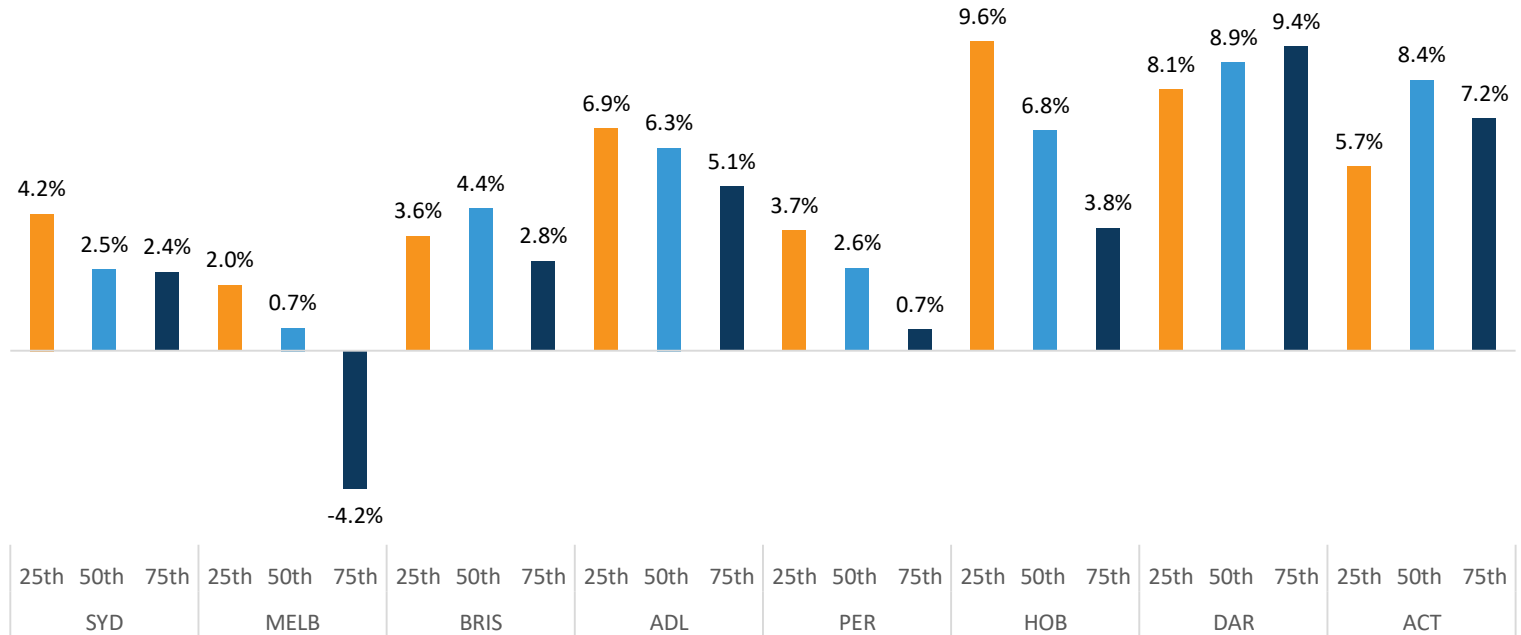


Median unit values



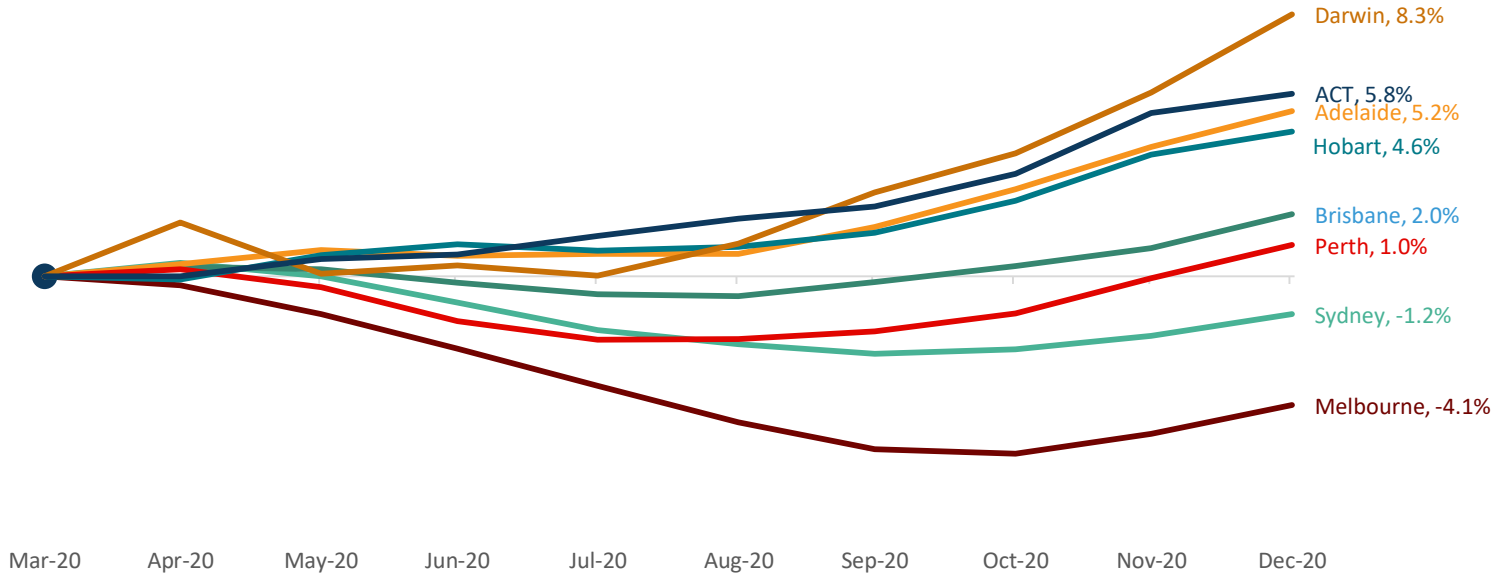
In 5 of the 8 capital city markets, the most affordable segments saw the largest value increases over 2020

Annual change in dwelling values by value segment - year to December 2020



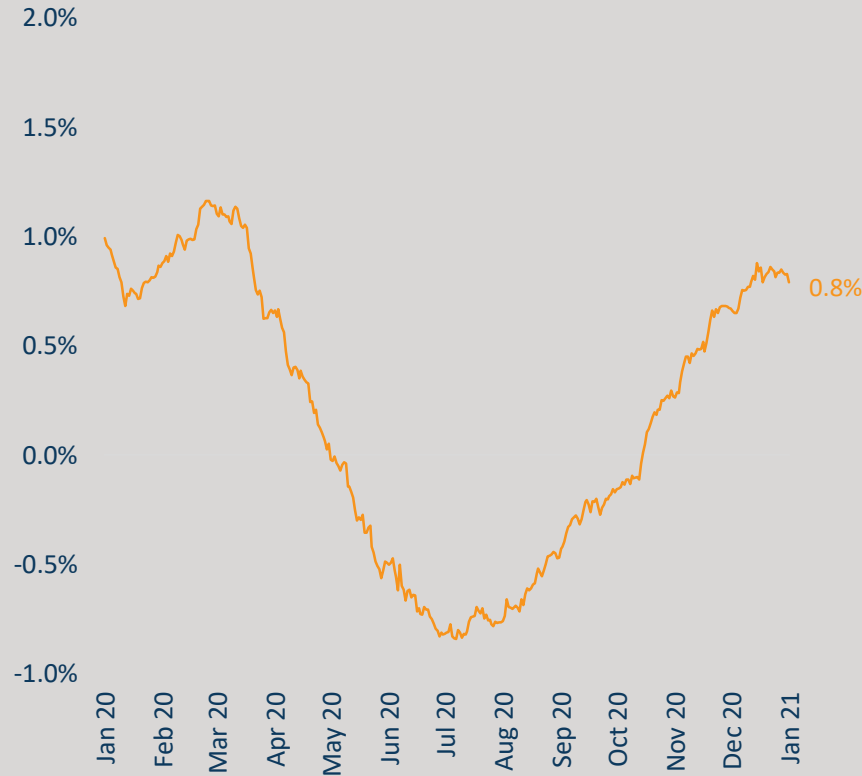
Sydney and Melbourne are now the only capital city markets where values are lower since the onset of COVID-19 in Australia

Cumulative change in capital city dwelling market values – March to December 2020



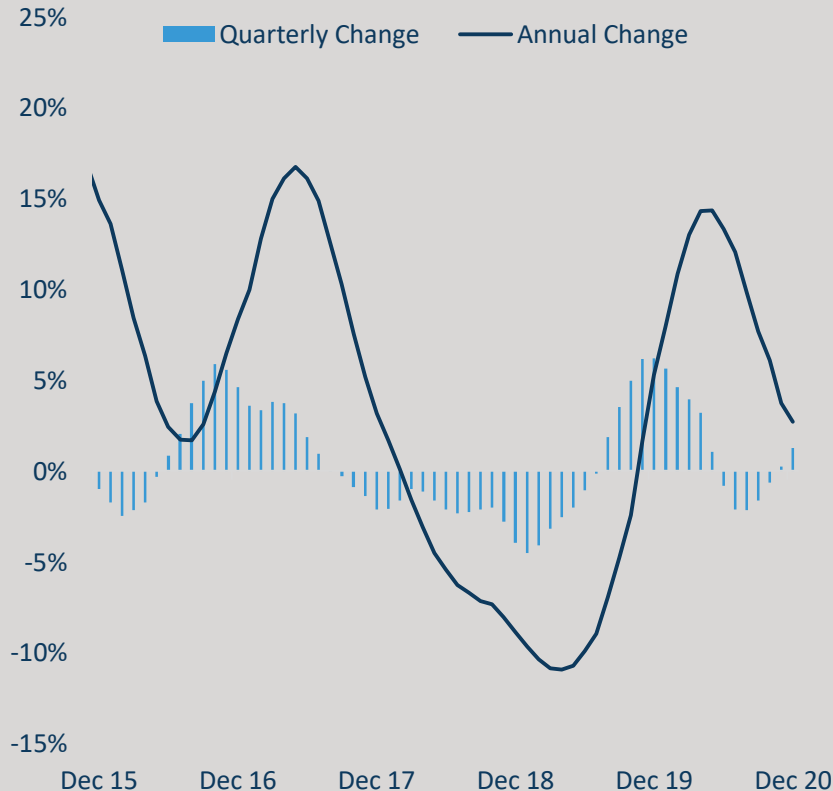


Rolling 28-day change in daily home value index, combined capitals



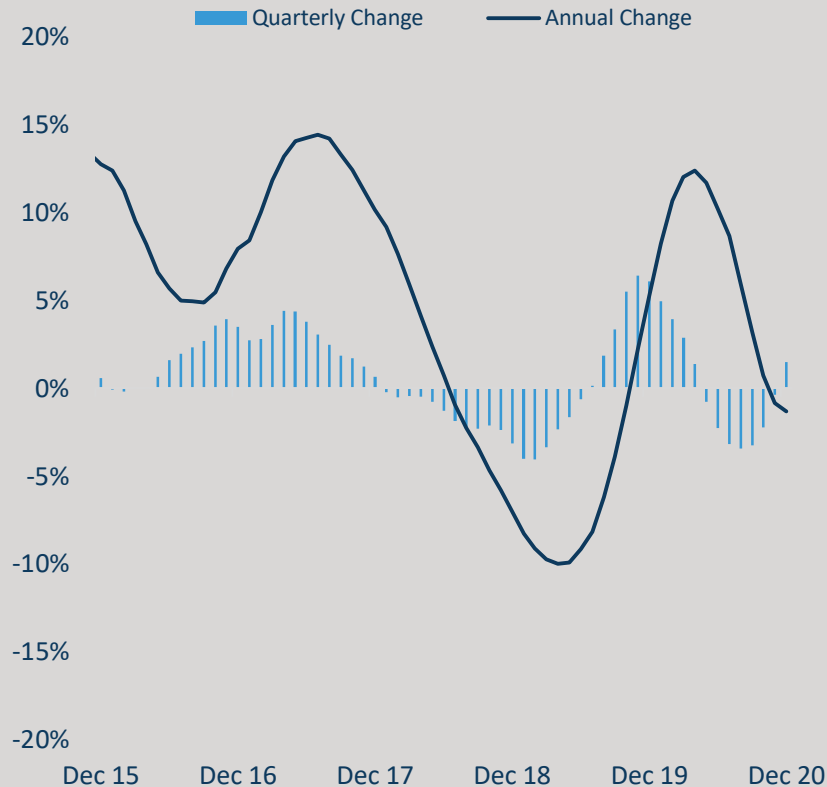
The most recent data shows the rolling monthly trend has returned to positive change since mid-October.

Quarterly and annual change in dwelling values - Sydney



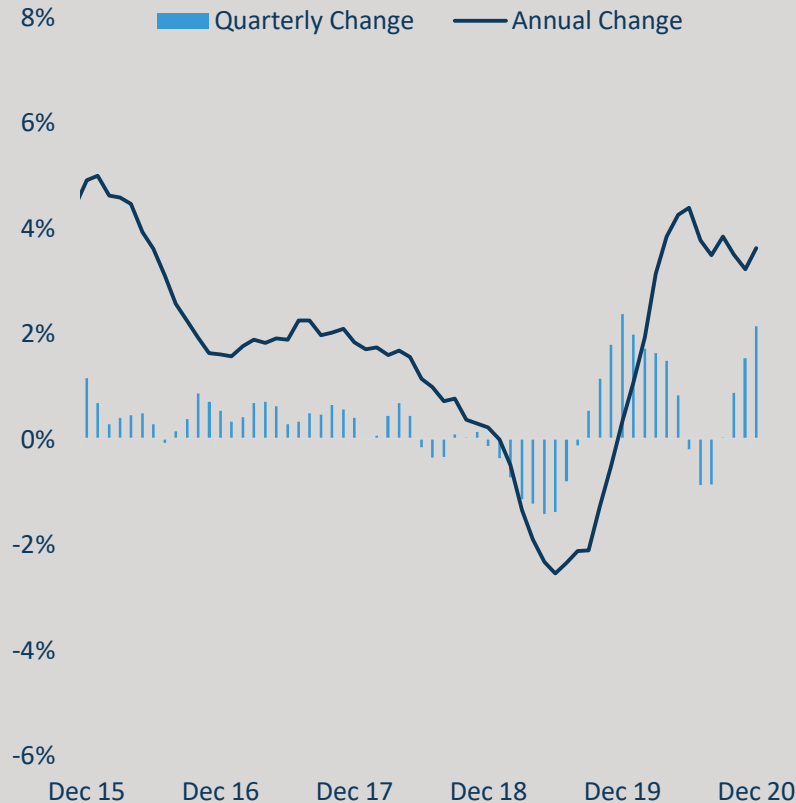
- Sydney dwelling values rose 0.7% in December
- Dwelling values increased 1.3% in the quarter
- Sydney dwelling values are up by 2.7% in the past year
- Sydney dwelling values are -3.9% below the record high, which was in July 2017

Quarterly and annual change in dwelling values - Melbourne



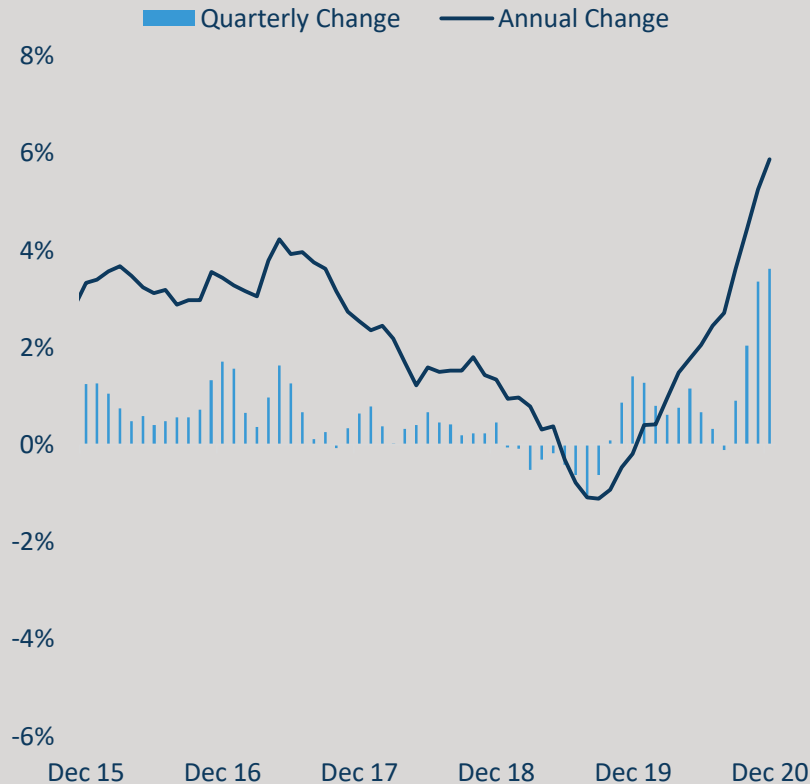
- Melbourne dwelling values rose 1.0% in December
- Dwelling values increased 1.5% in the quarter
- Melbourne dwelling values fell by -1.3% in the past year
- Melbourne dwelling values are -4.1% from the record high, which was in March 2020

Quarterly and annual change in dwelling values - Brisbane



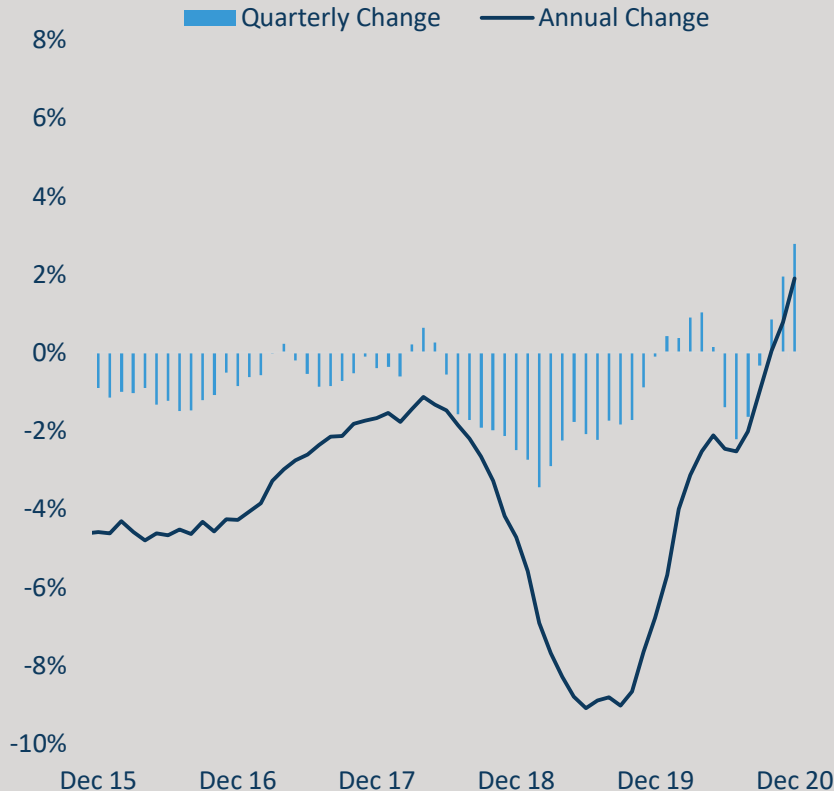
- Brisbane dwelling values increased by 1.1% in December
- Dwelling values increased 2.1% over the quarter
- Brisbane dwelling values are up by 3.6% in the past year
- Brisbane dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Adelaide



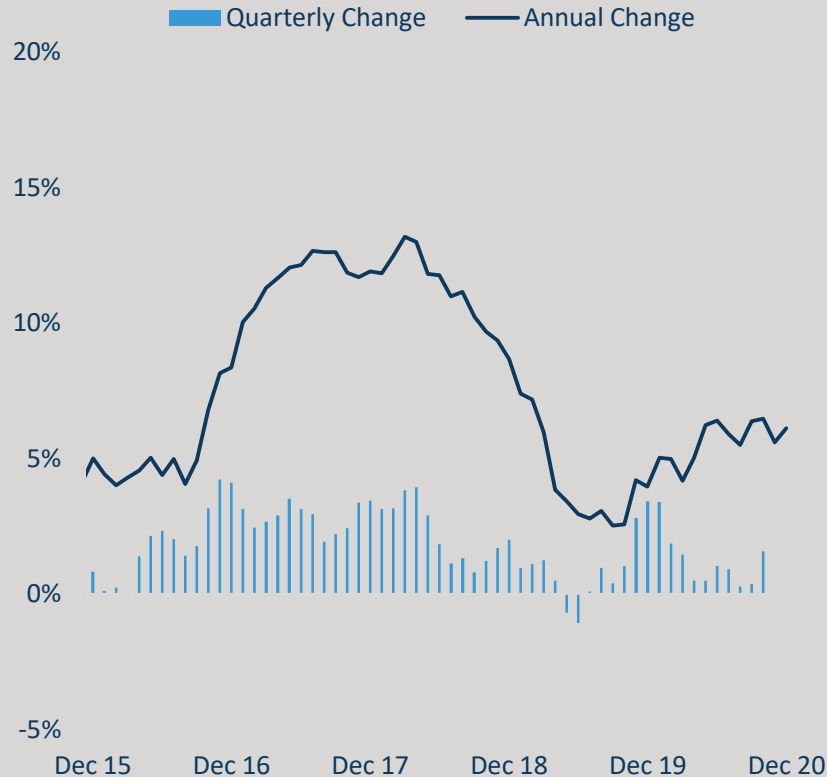
- Adelaide dwelling values increased 1.1% in the month of December
- Dwelling values rose 3.6% in the quarter
- Adelaide dwelling values were up by 5.9% in the past year
- Adelaide dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Perth



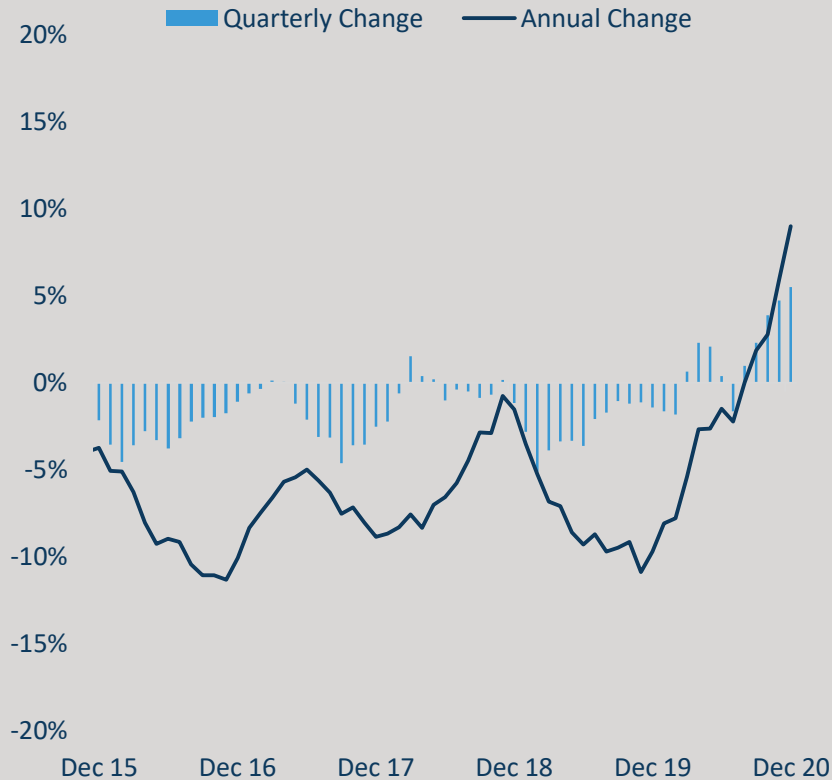
- Perth dwelling values increased 1.1% in December
- Dwelling values increased 2.8% in the quarter
- Perth dwelling values were up 1.9% in the past year
- Perth dwelling values are now -19.9% below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



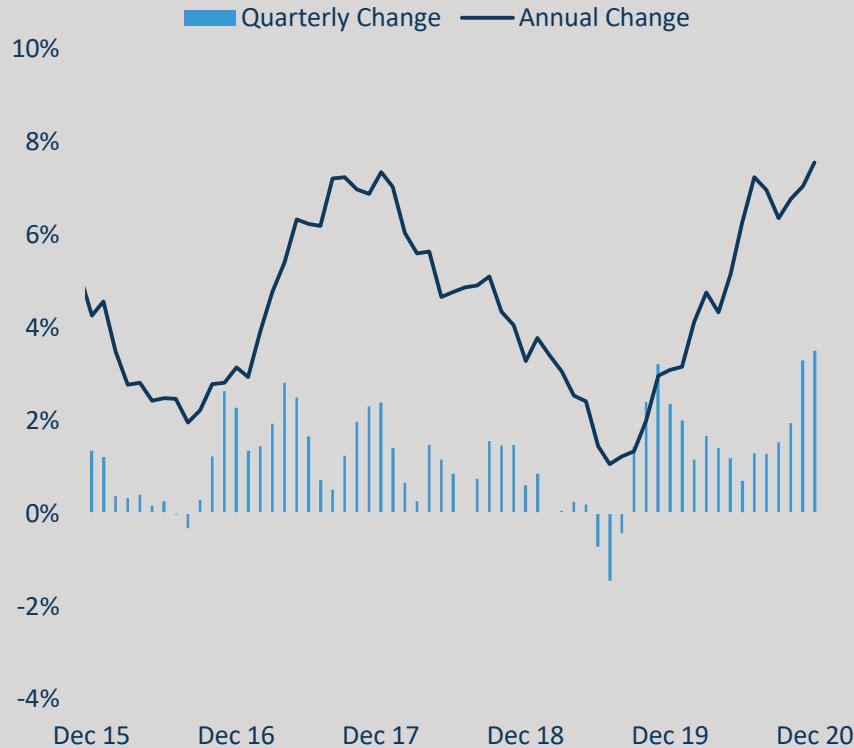
- Hobart dwelling values increased 0.7% in December
- Dwelling values increased 3.2% in the quarter
- Hobart dwelling values are up by 6.1% in the past year
- Hobart dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values increased 2.3% in December
- Dwelling values rose 5.5% in the quarter
- Darwin dwelling values were up 9.0% over the year
- Darwin dwelling values are -25.7% below the record high, which was in May 2014

Quarterly and annual change in dwelling values - ACT

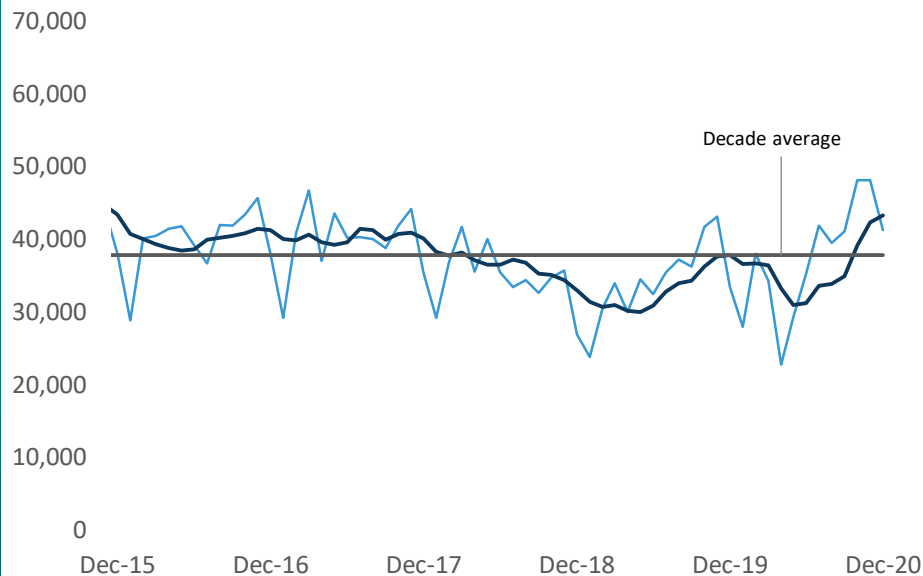


- ACT dwelling values increased 0.6% in December
- Dwelling values were up 3.5% in the quarter
- ACT dwelling values were up by 7.5% in the past year
- The ACT dwelling market is currently at a record high



Despite a significant drop in sales volumes during strict social distancing restrictions, a strong rebound has seen sales volumes increase an estimated 8.6% over 2020

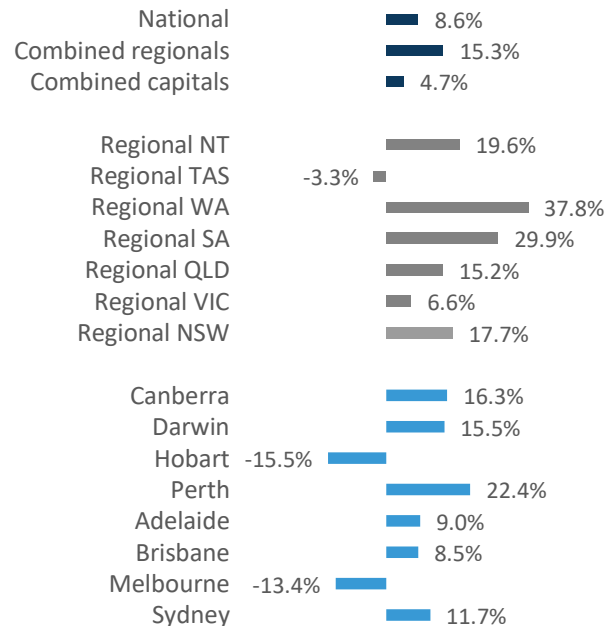
Monthly sales with six month moving average, National



Note: recent months of sales volumes are modelled estimates, and are subject to revision

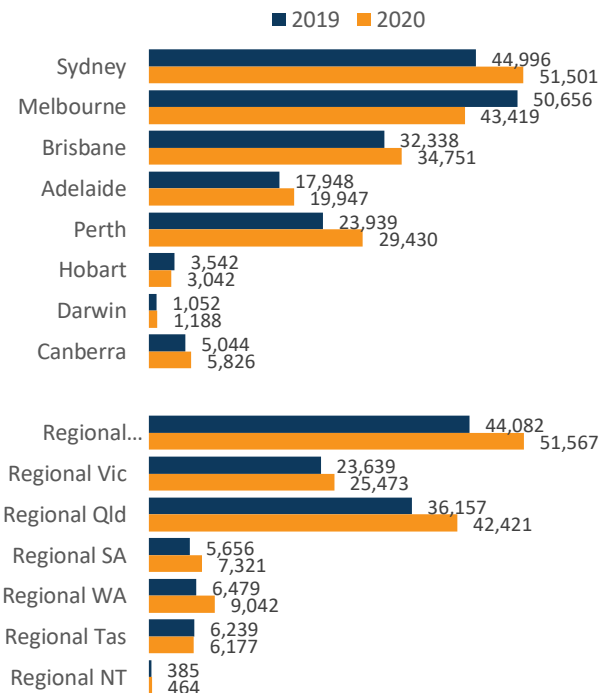
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Annual change in sales volumes Dec 20

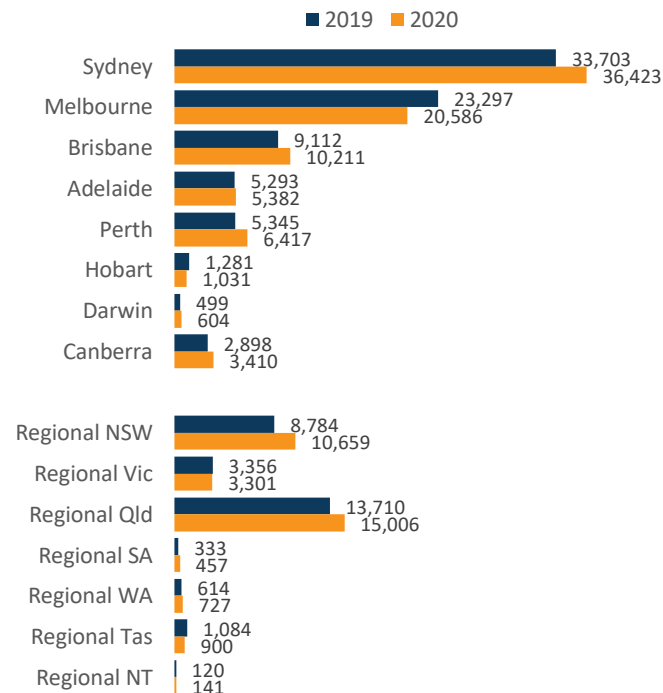


House sales increased 9.7% nationally over 2020, compared with a 5.3% increase in unit sales over the year

House sales – 2019 v 2020



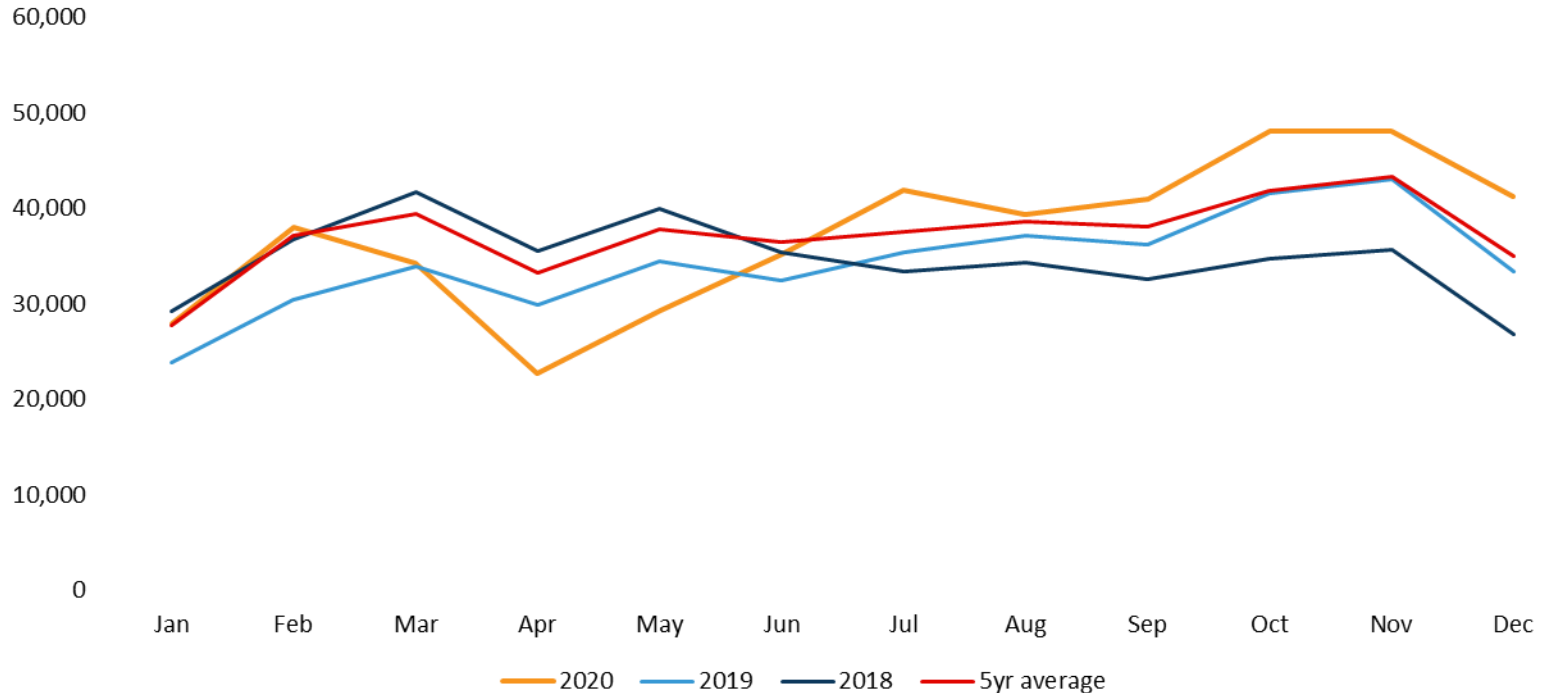
Unit sales – 2019 v 2020



Note: recent months of sales volumes are modelled estimates, and are subject to revision

Though sales volumes rose over 2020, COVID-19 has created greater volatility in housing transactions over the year

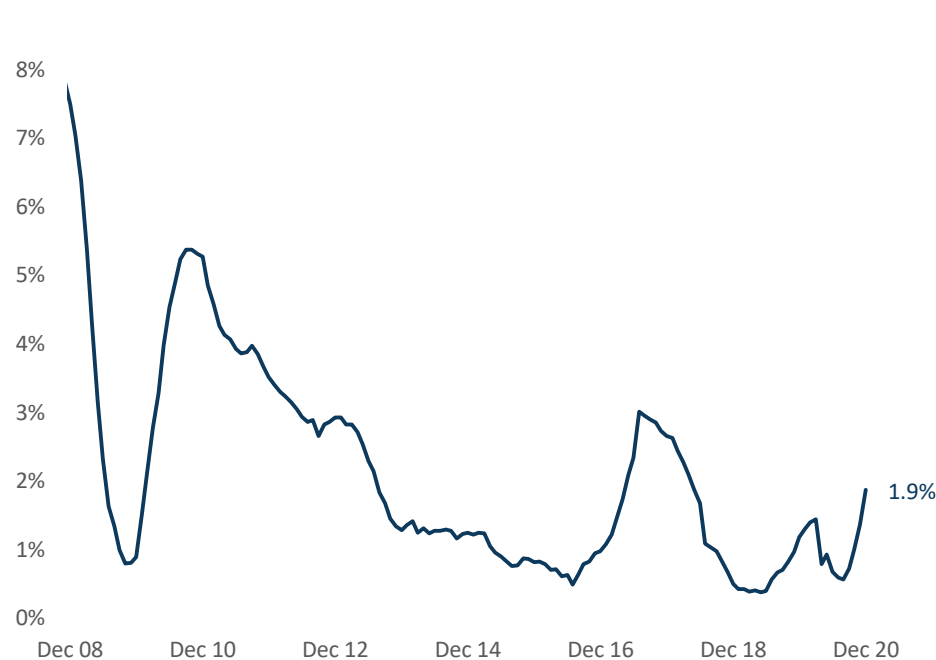
Monthly sales relative to previous years - National



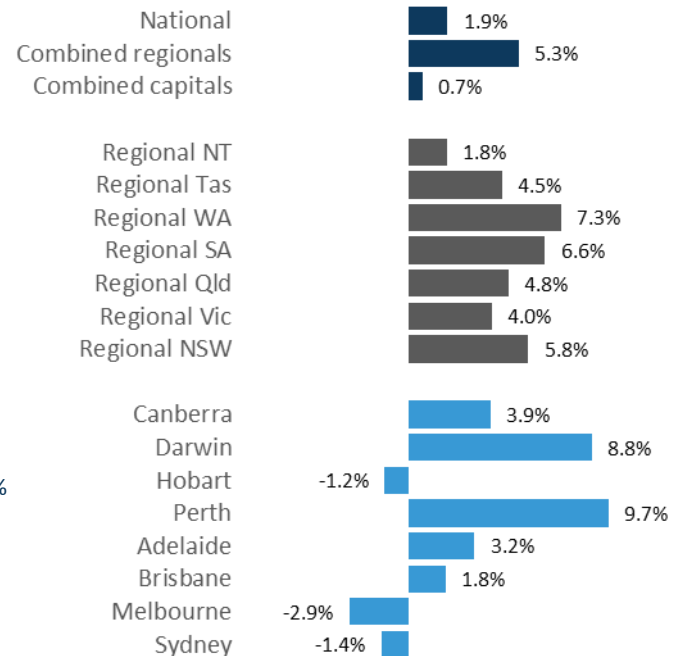
Note: recent months of sales volumes are modelled estimates, and are subject to revision

Despite the demand shock to some rental markets brought about by COVID-19, growth in rent incomes was 1.9% at the national level over 2020, up from 1.2% in 2019.

Annual change in rental rates - National

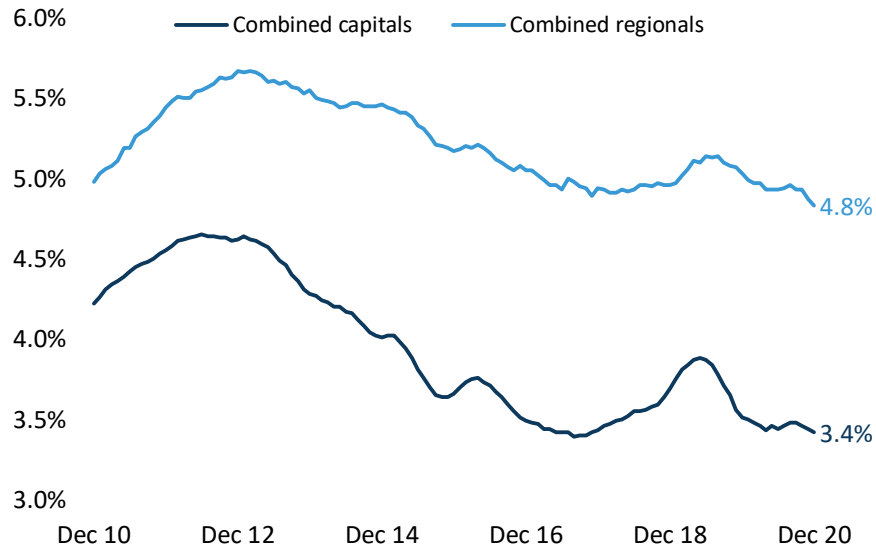


Annual change in rental rates

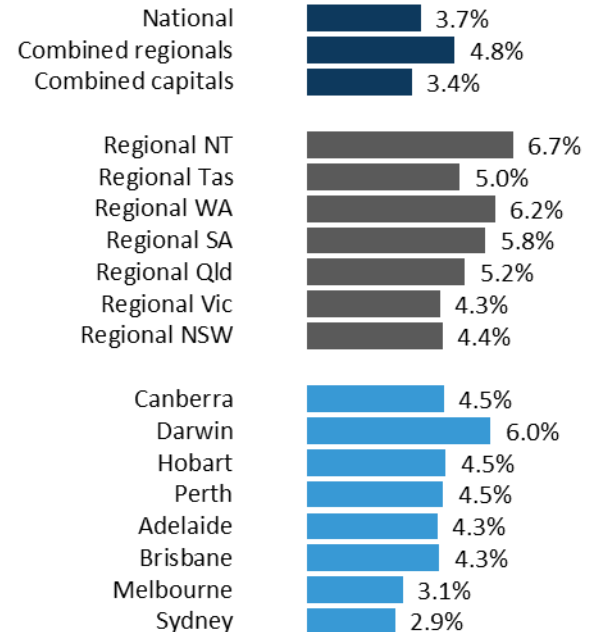


Nationally, gross rental yields fell 2 basis points over the month to 3.71% in December, as property value increases outpaced rental increases over the month

Gross rental yields – combined capital cities v regional Australia

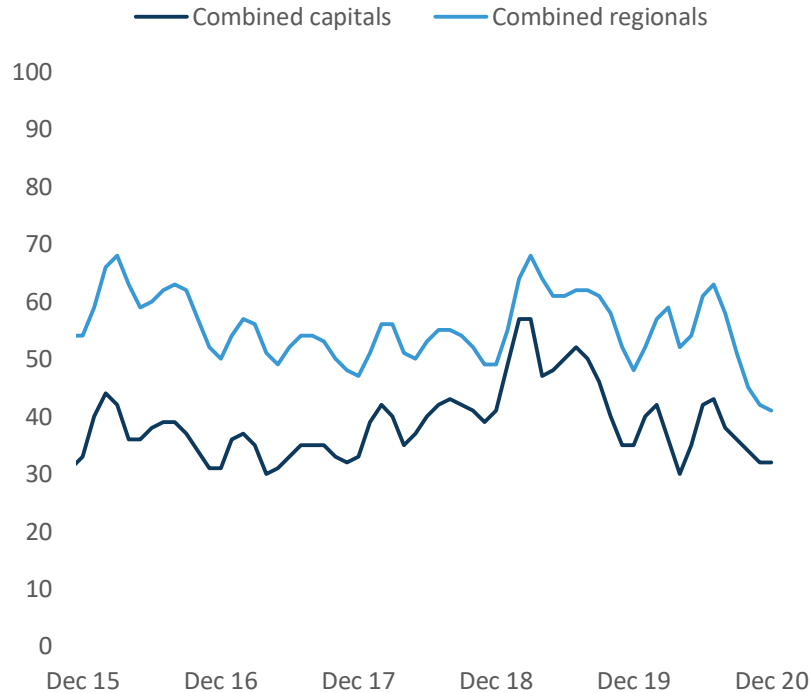


Gross rental yields as at Dec 20

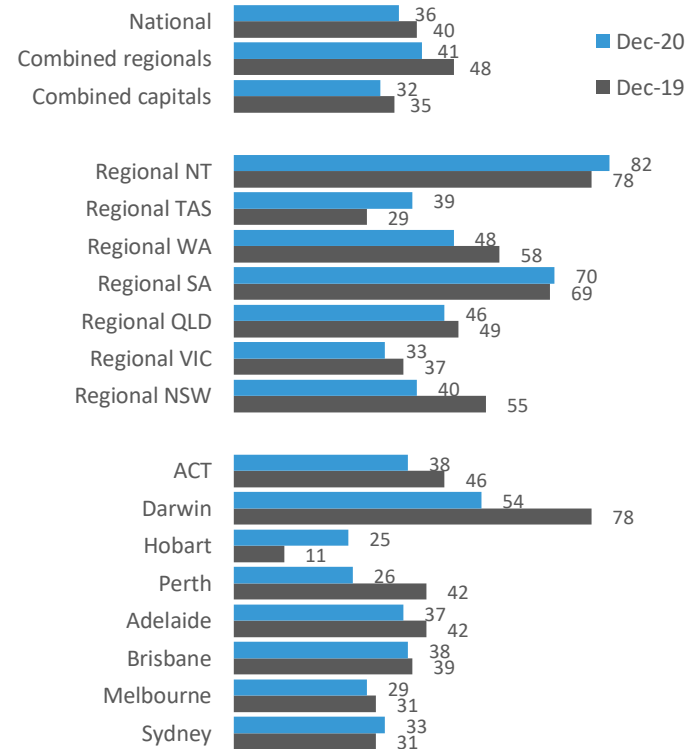


Nationally, typical days on market fell by 4 days year-on-year, reflecting rising demand as COVID restrictions eased

Median days on market



Median days on market Dec 2019 v Dec 2020

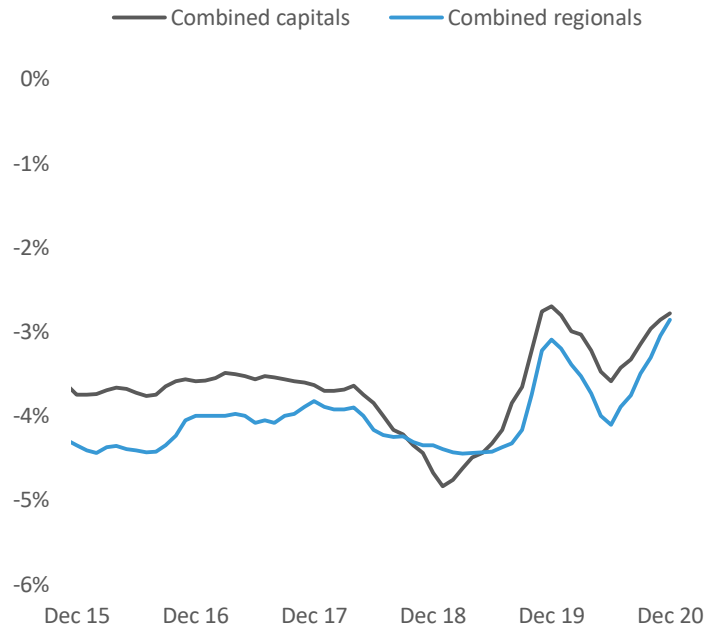


Median days on market are based on a rolling 3-month measure
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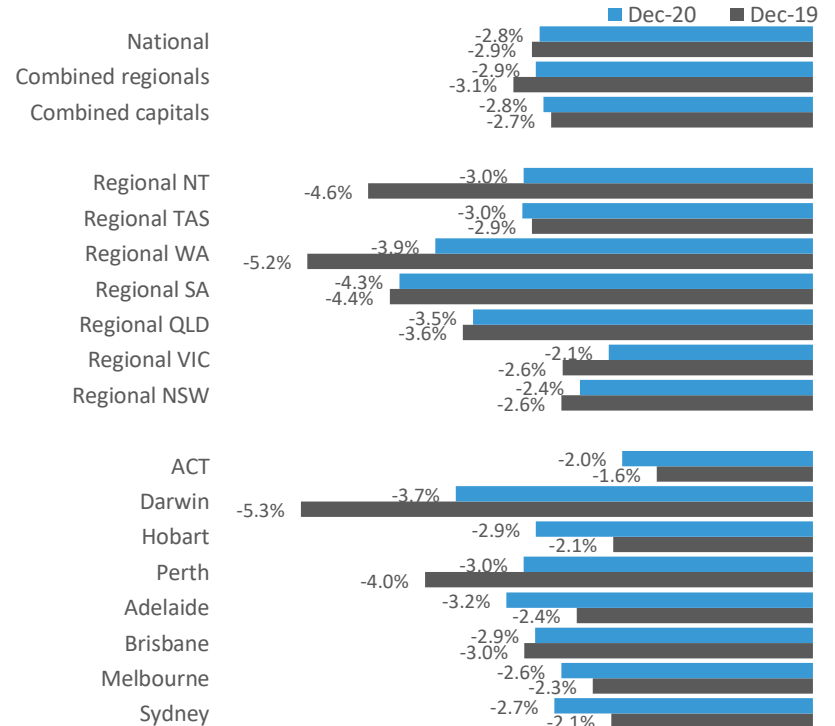
Vendor discounting has also shown a trend toward tightening, but is still larger across the capital cities than in December 2019

Median vendor discount



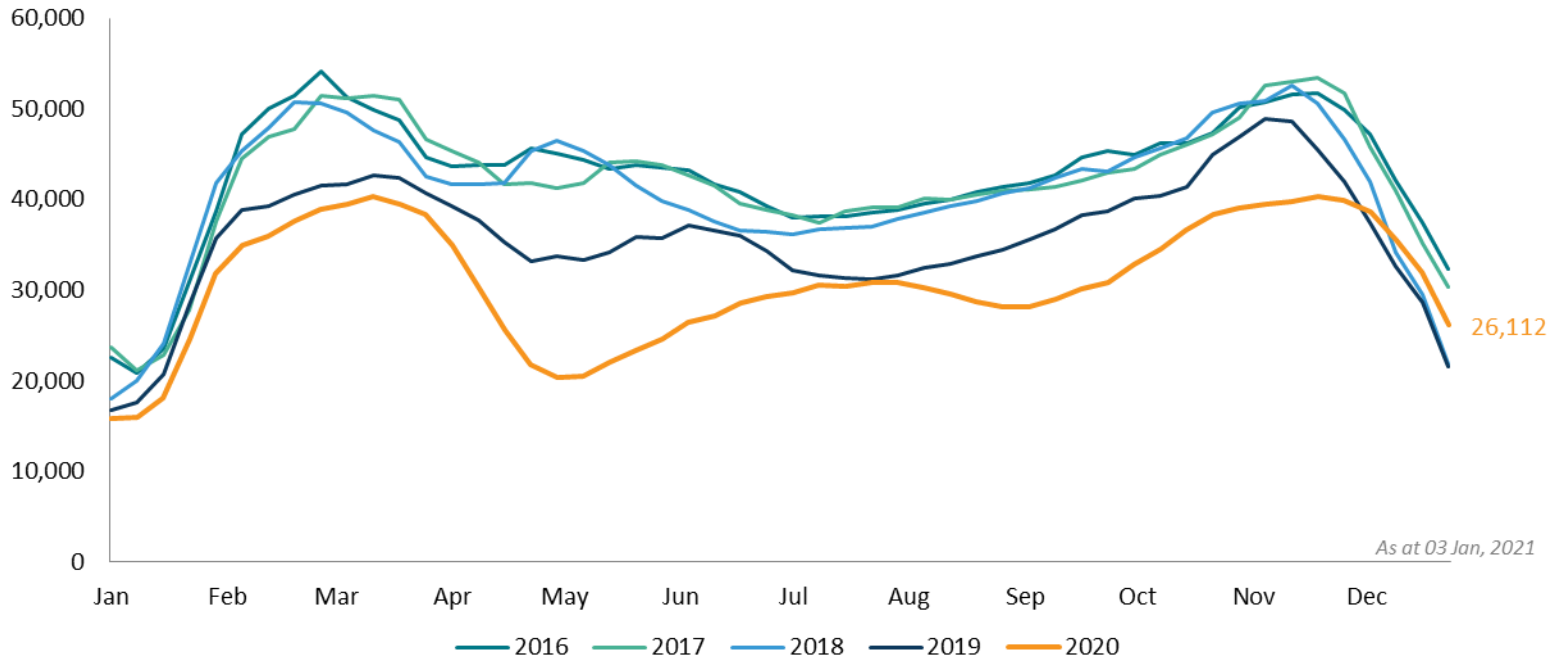
Median vendor discounts are based on a rolling 3-month measure
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Median vendor discount Dec 2019 v Dec 2020



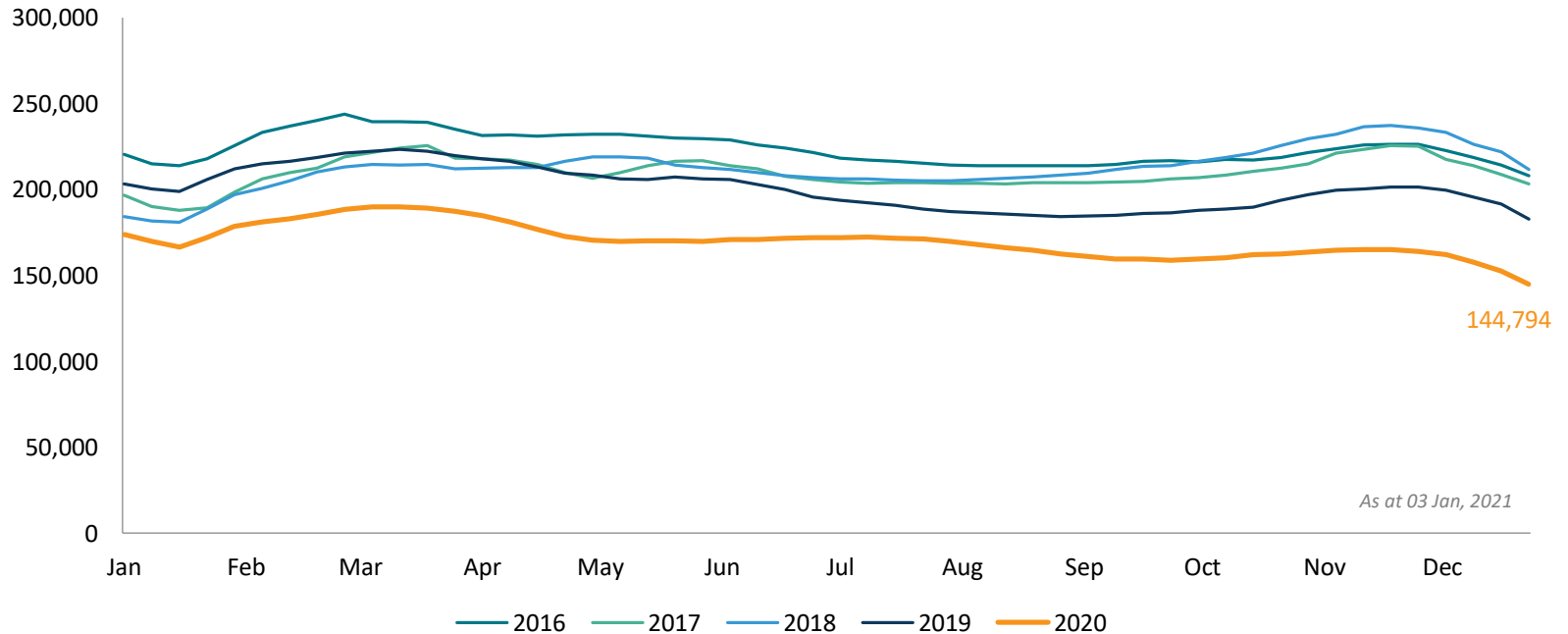
New listings added to the market saw a seasonal slowdown through the end of 2020, but finished around 20% higher than the equivalent 28-day period of 2019

New listings, rolling 28-day count, national



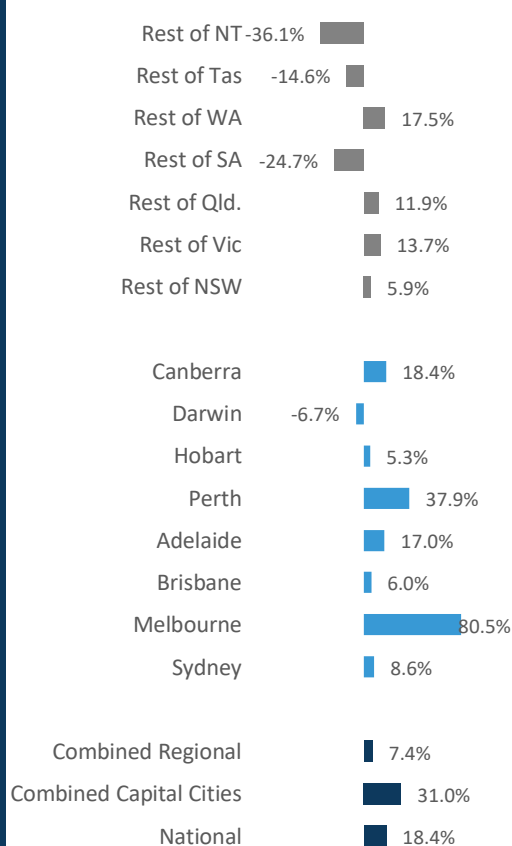
Despite the relative uplift in new listings, total stock on market finished around 20% *lower* than in the same period of 2019

Total listings, rolling 28-day count, national

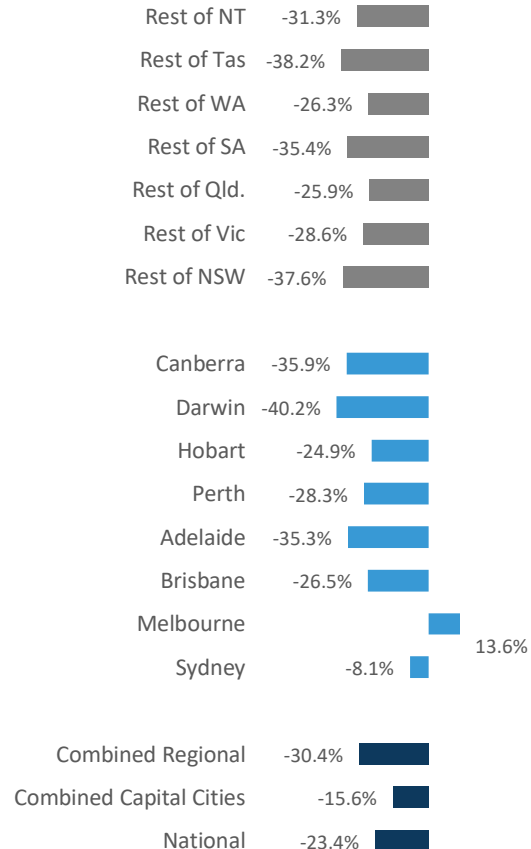


As stock surged with easing restrictions across Melbourne, this is the only city where the count of listings for sale is higher than the equivalent period last year.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

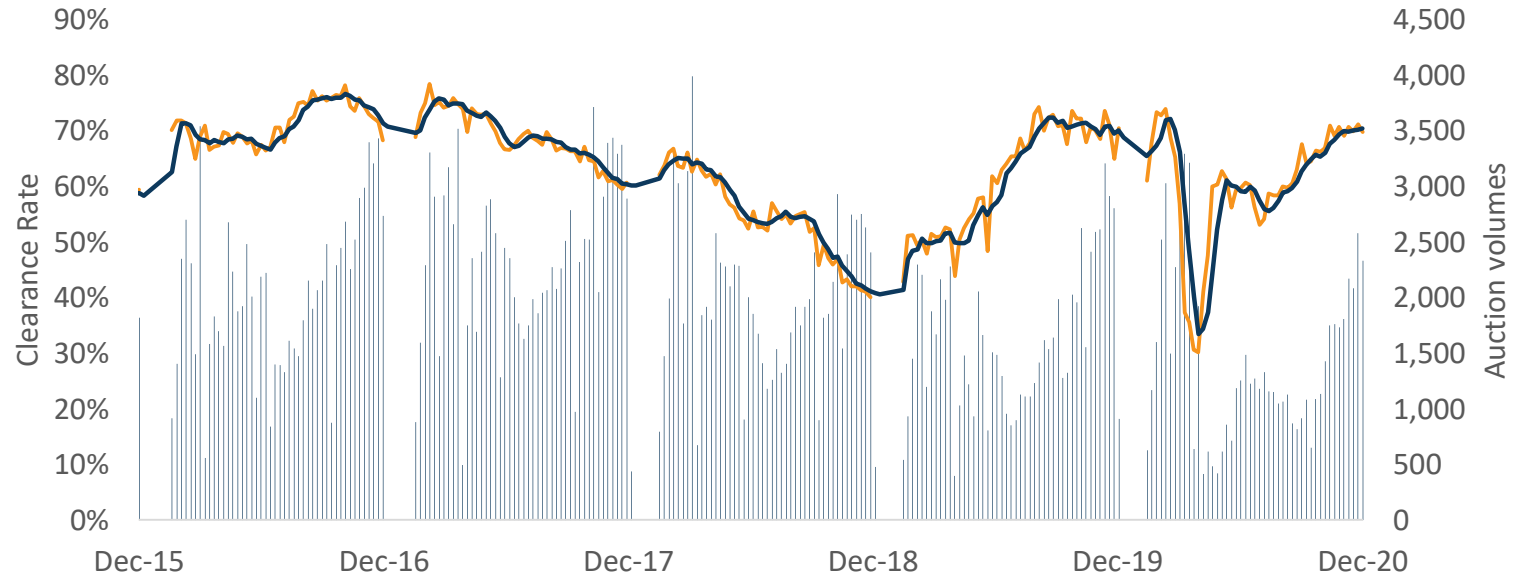




The average auction clearance rate in the four weeks to December 20th rose to 70.4%, and average weekly auction volumes rose to around 2,331 in the same period

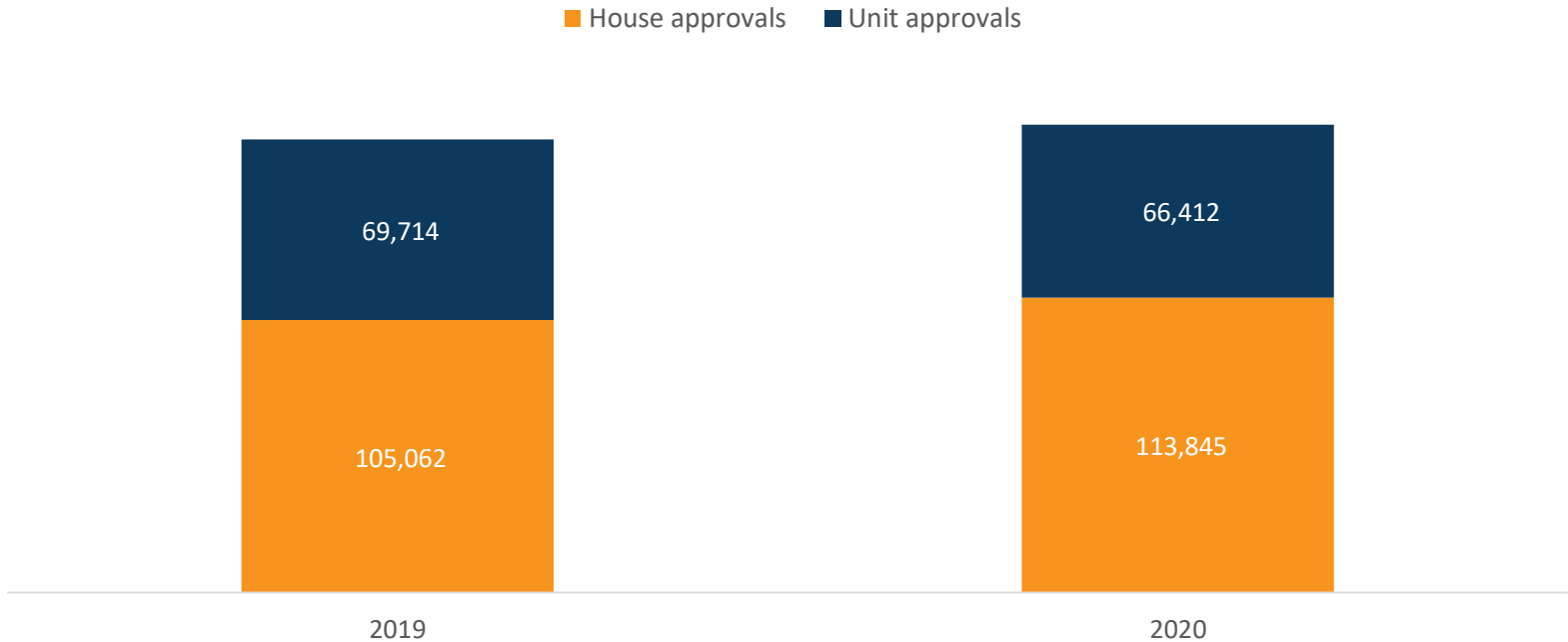
Weekly clearance rates, combined capital cities

■ Number of auctions (RHS) — Auction clearance rate (LHS) — Auction clearance rate, 4 week average (LHS)



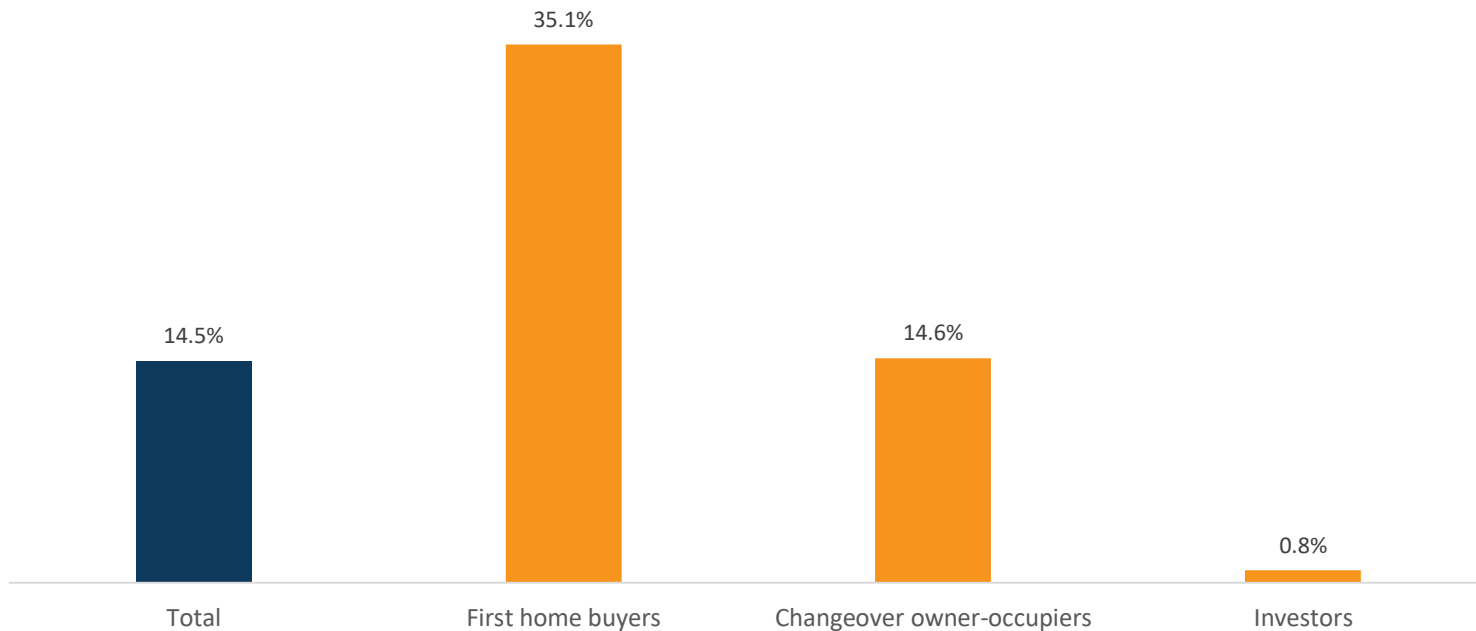
Government stimulus programs and the rise of owner-occupier purchases over 2020 may have contributed to a strong uplift in detached house approvals over the year relative to units

Total dwelling approvals, year to Nov 2020 v Dec 2020



Owner occupiers led a recovery in housing finance over the year, aided by rapid growth in the first home buyer segment

Growth in finance for the purchase of property - year to October 2020





First home buyers have made up an increasing portion of mortgage finance activity, while investor participation has reached record lows

Investor housing finance commitments as a % of total housing finance commitments (based on value exc- refi)



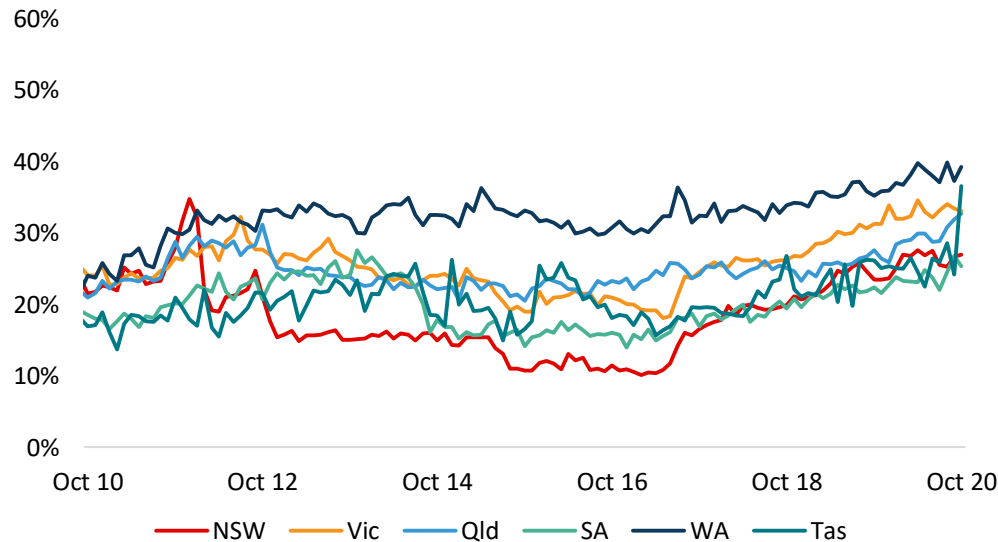
First home buyer housing finance commitments as a % of total owner occupier commitments (based on value exc- refi)



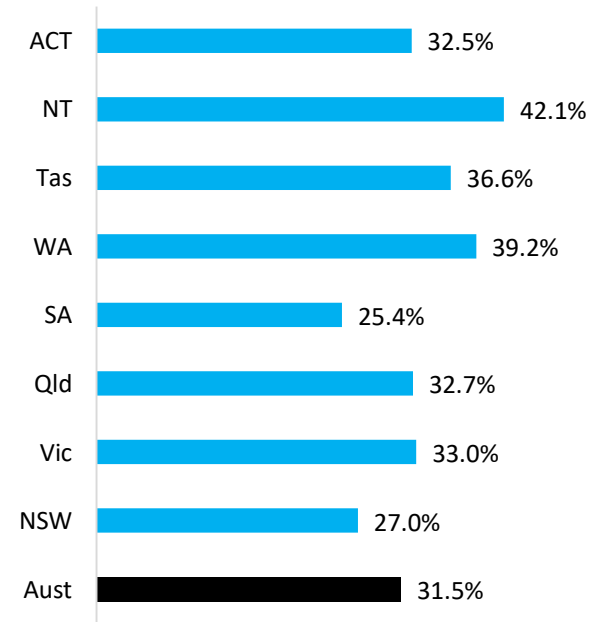


Over October, first home buyer finance for the purchase of property accounted for 31.5% of secured owner-occupier finance

First home buyers as a portion of owner-occupier finance commitments (values)

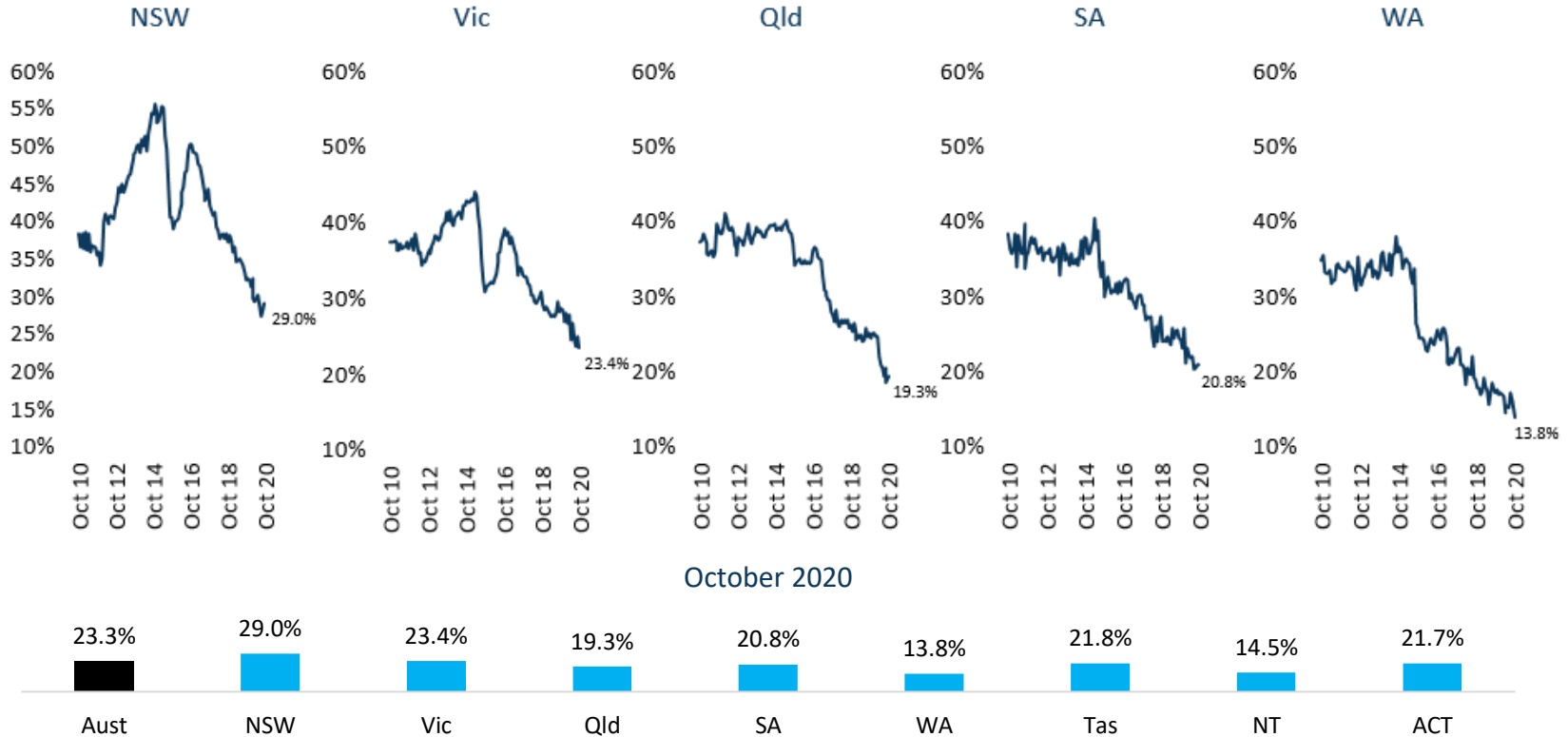


October 2020



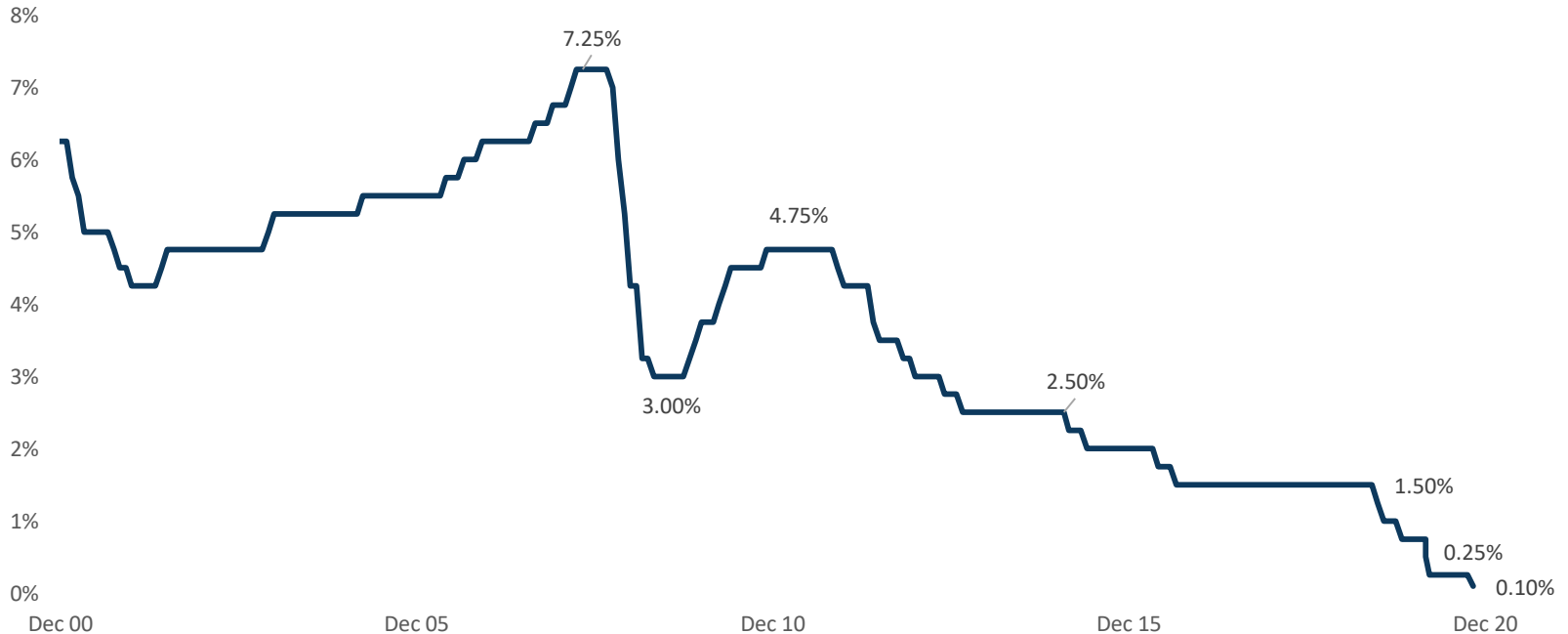
The trend of declining investor participation has been fairly uniform across the states

Investors as a portion of total value of lending (excluding refinancing)



A record low cash rate, which may be held at record lows for years to come, has been an important factor in the recovery trend of the Australian housing market

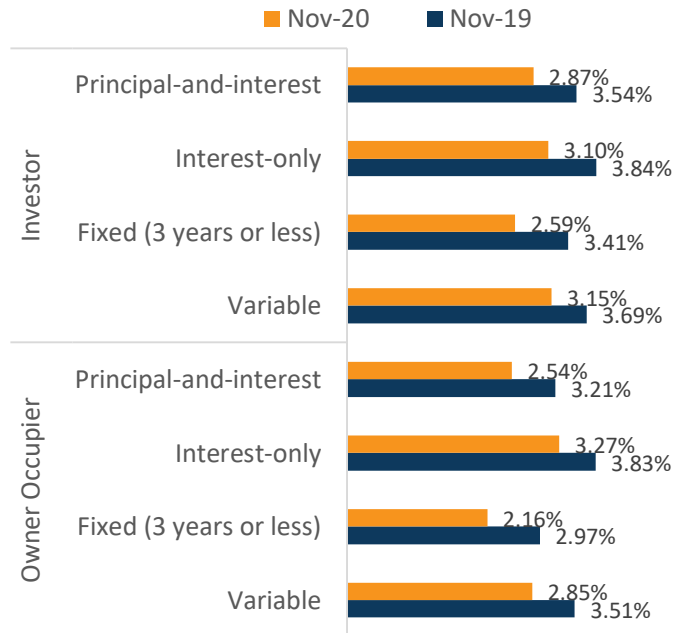
RBA Cash Rate



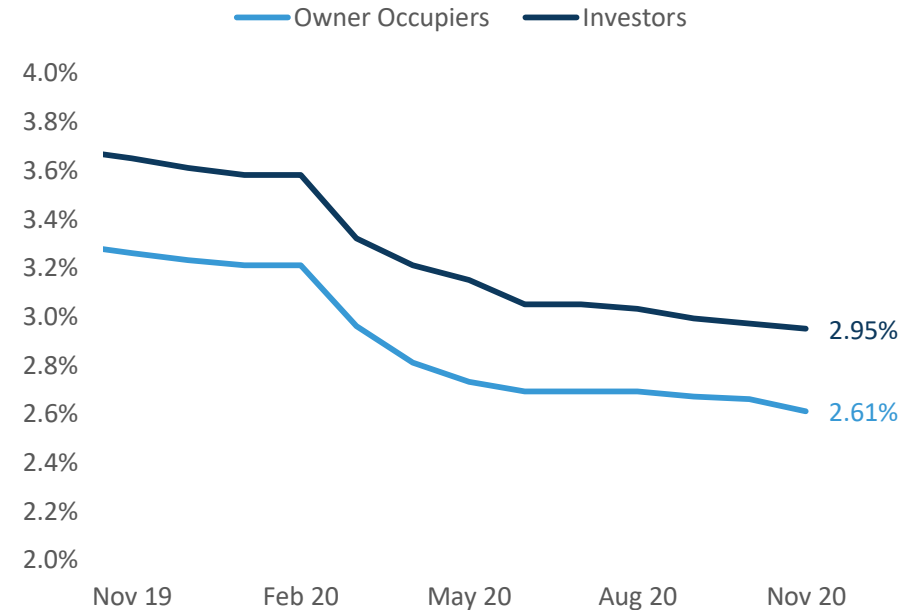


Average housing lending rates have declined 65 basis points for owner-occupiers, and 70 basis points for investors, in the year to November 2020

Average mortgage rate by product type



Average new lending rate - all institutions



Note: Data reported in the rate by product and borrower tables are based on the new RBA 'Housing Lending Rates' publication, based on Economic and Financial Statistics (EFS) collection. Data is based on typical rates of new lending.



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