



Monthly Chart Pack

Our Insights. Your Story.

August 2020



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$7.1 Trillion



AUSTRALIAN SUPERANNUATION

\$2.7 Trillion



AUSTRALIAN LISTED STOCKS

\$2.0 Trillion



COMMERCIAL REAL ESTATE

\$1.0 Trillion

Data as at August 2020



10.5 million
Number of dwellings

\$1.85 trillion
Outstanding mortgage debt

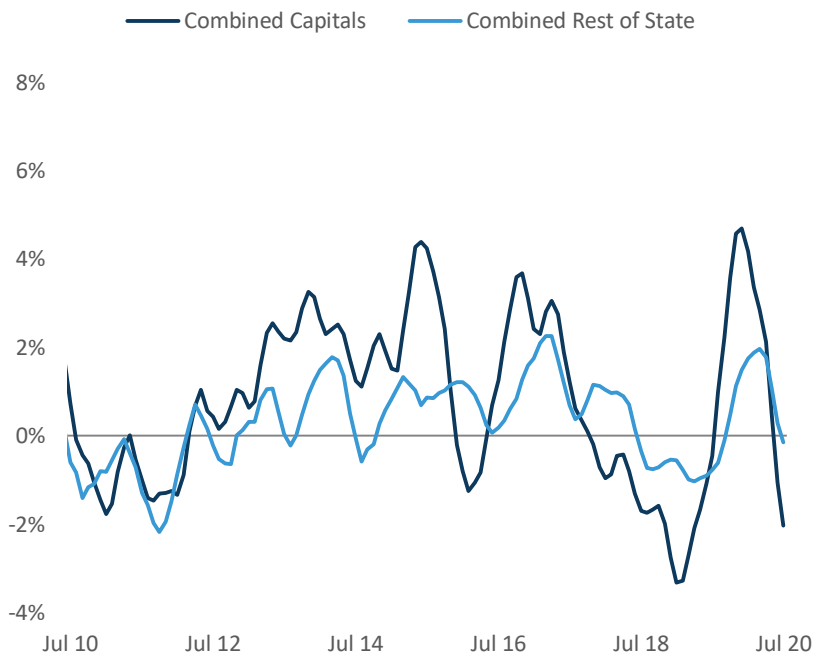
53.9%
Household wealth held in housing

420,127
Total sales p.a.

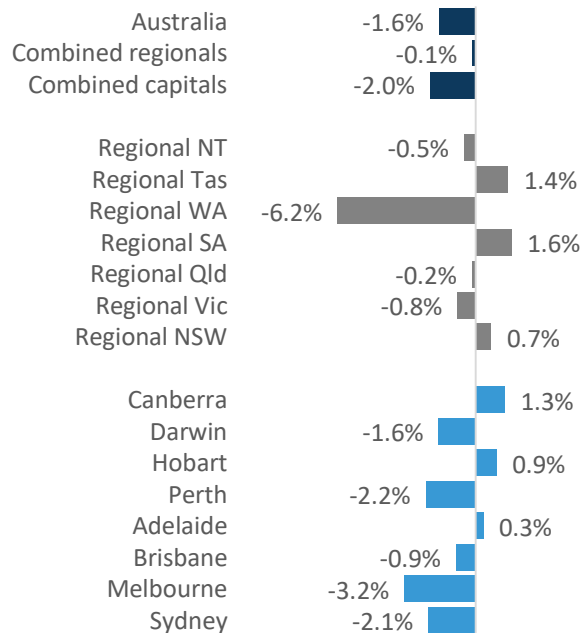
\$274.3 billion
Gross value of sales p.a.

The quarterly change in national dwelling values was -1.6%, led by a -2.0% decline across the capital city markets

Quarterly change in dwelling values

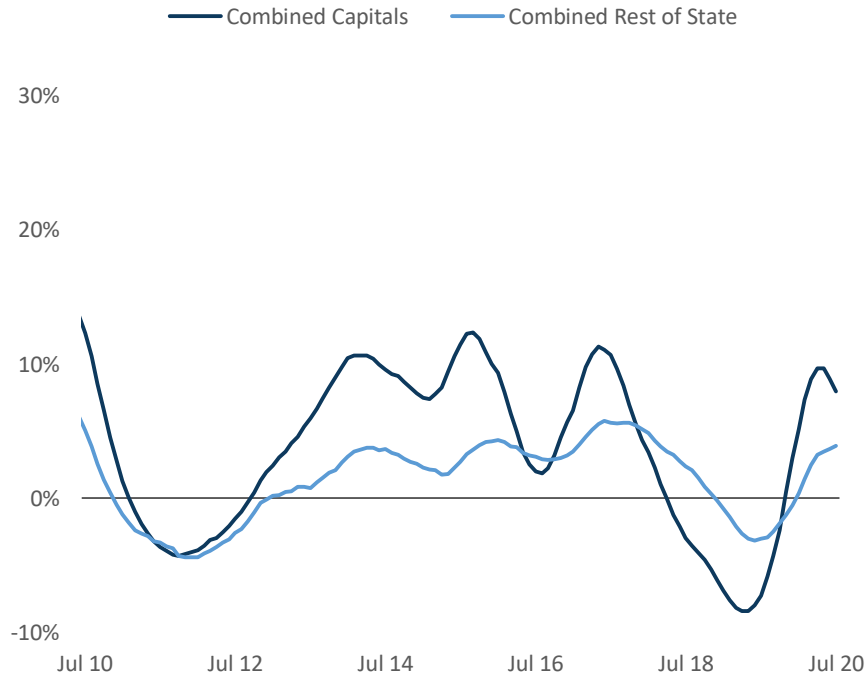


Quarterly change – July 20

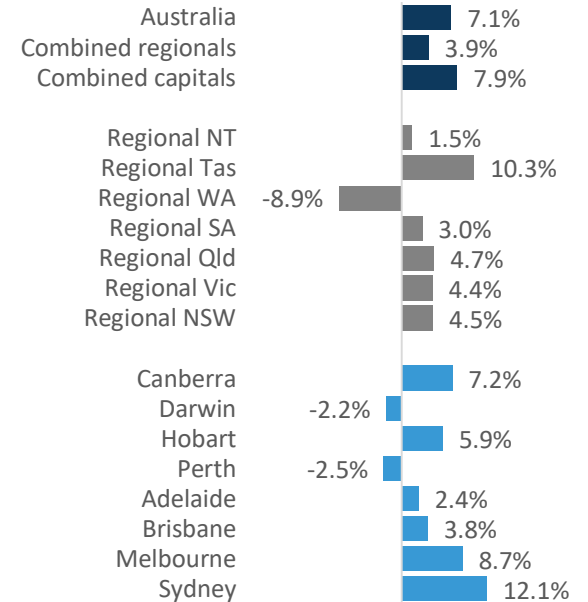


However, annual growth rates across most markets are still relatively strong, off the back of the upswing between July 2019 and April 2020

Annual change in dwelling values

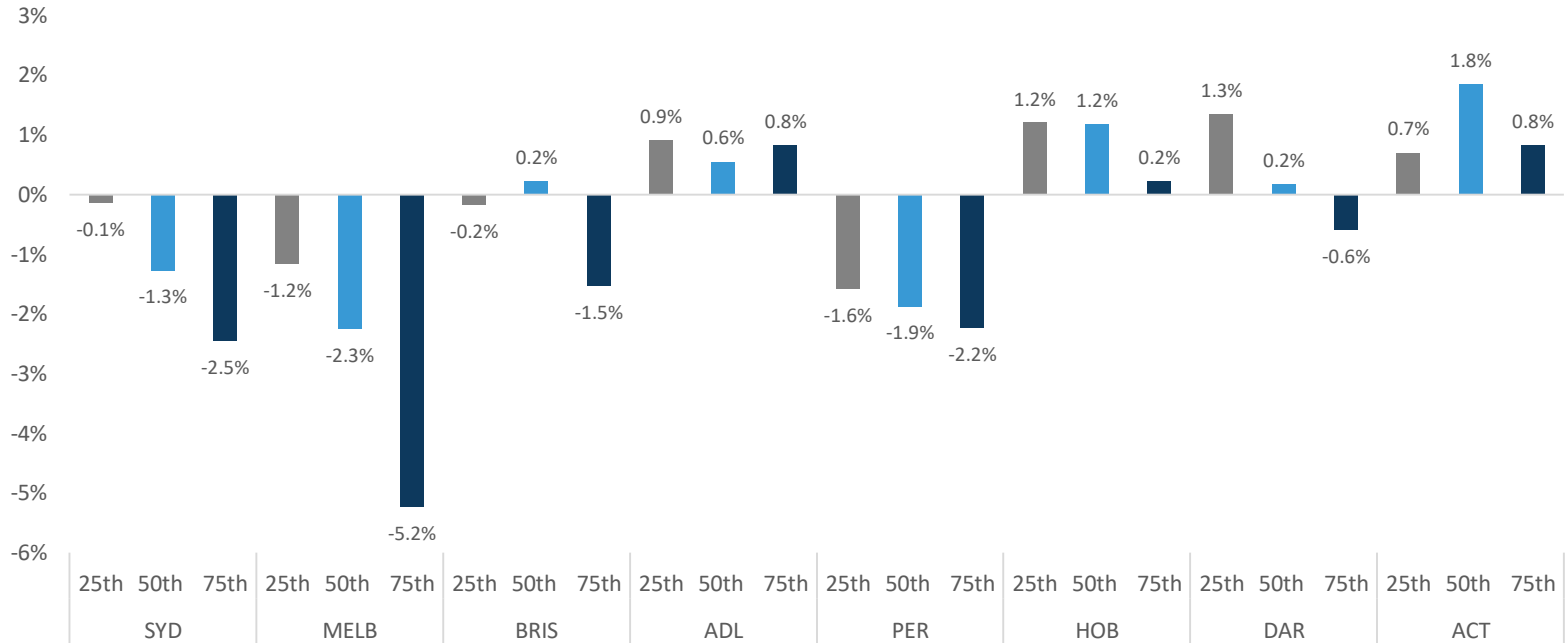


Annual change – July 20



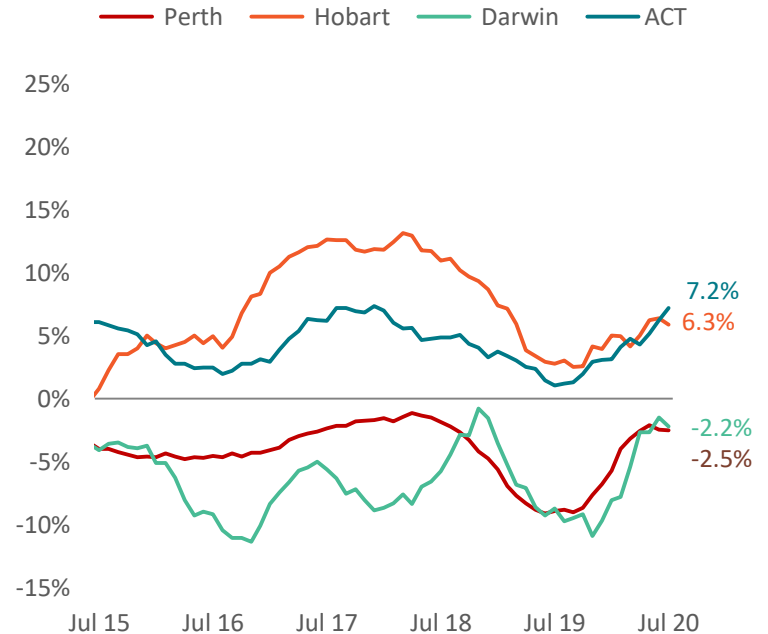
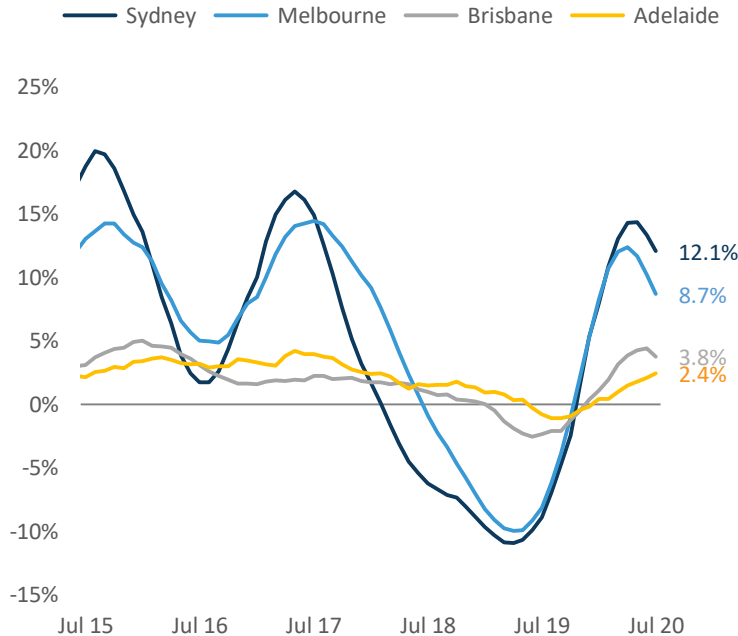
Since March, upper quartile dwelling market values have been most affected by the pandemic, particularly across Sydney and Melbourne

Change in quartile dwelling values, Greater Capital City Regions – End of March to July 2020



The ACT market is proving to be resilient amid the pandemic, with the third-highest annual growth rate of the capital city regions

Annual change in dwelling values



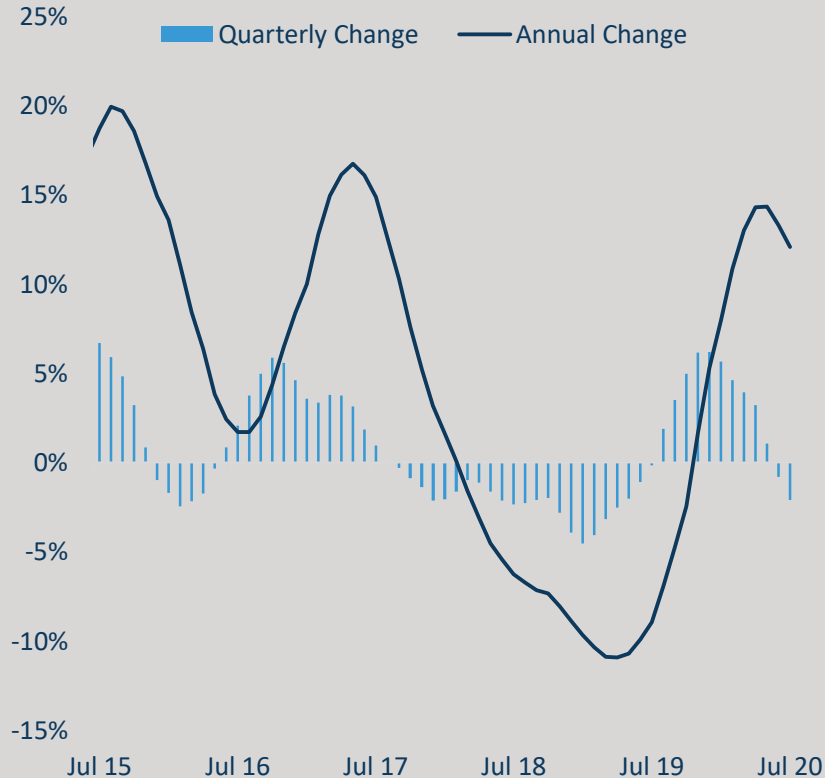
Rolling 28-day change in daily home value index, combined capitals



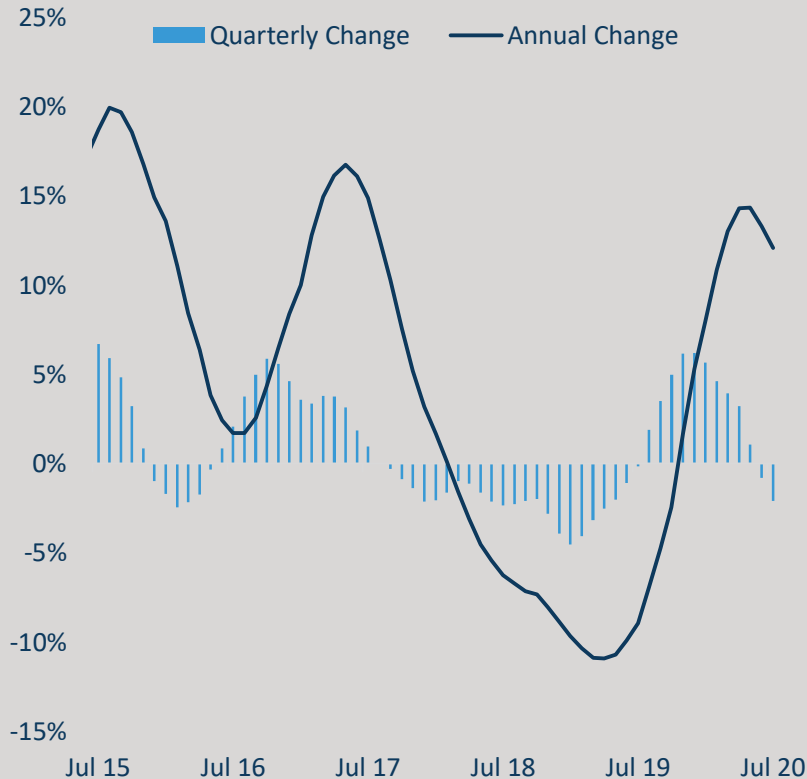
The CoreLogic *daily* home value index for the combined capital cities was -0.8% lower over the past 28 days to 1st of August.

The rate of decline seemed to stabilize slightly in the past month, but the resurgence of COVID-19 cases presents high uncertainty.

Quarterly and annual change in dwelling values - Sydney

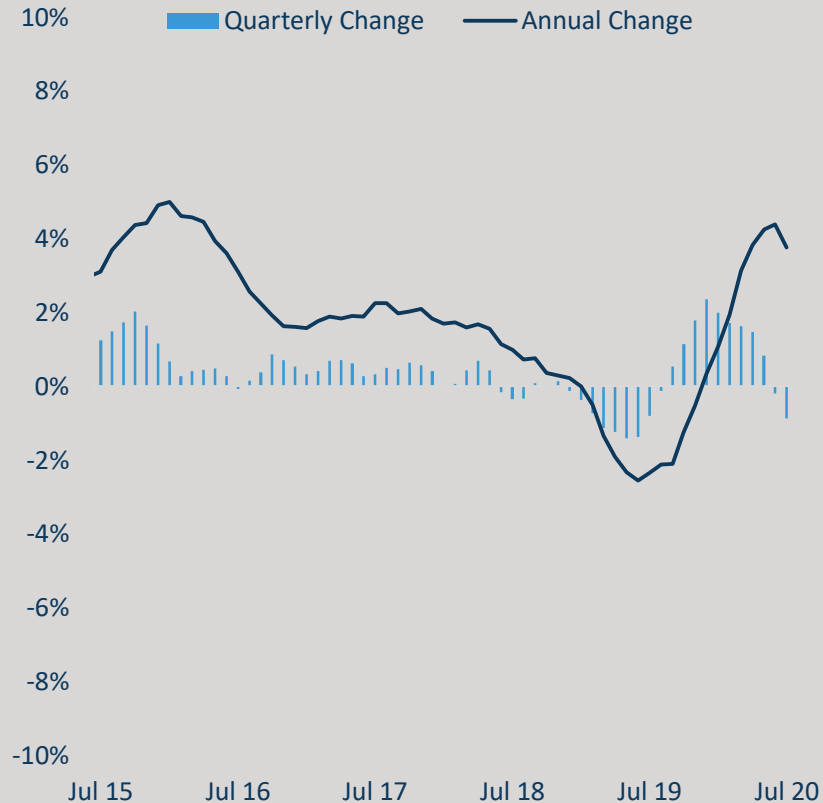


Quarterly and annual change in dwelling values - Melbourne



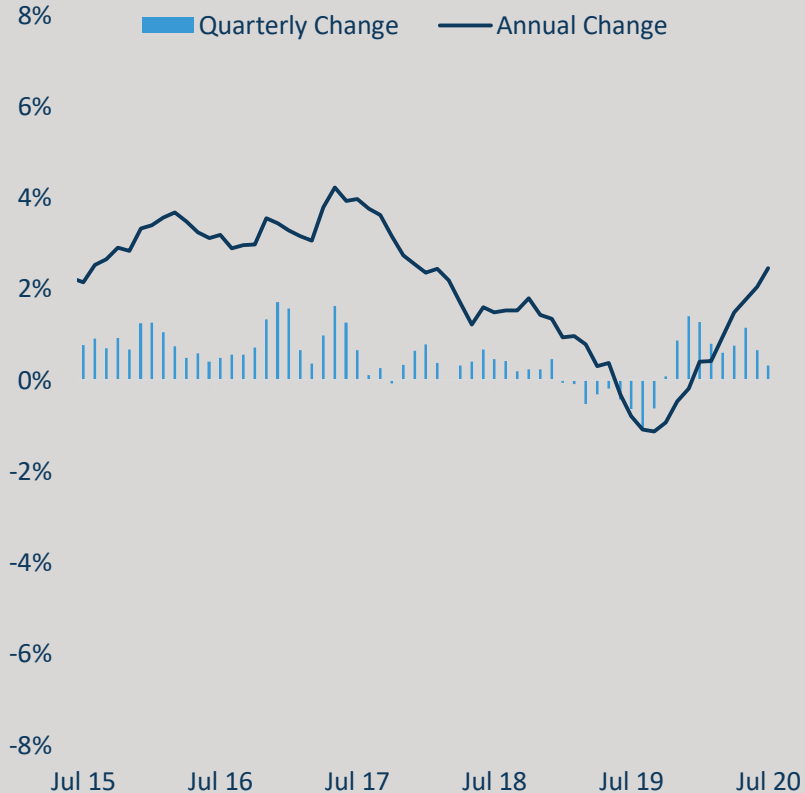
- Melbourne dwelling values fell by -1.2% in July
- Dwelling values fell -3.2% in the quarter
- Melbourne dwelling values are up by 8.7% in the past year
- Melbourne dwelling values are -3.5% from the record high, which was in March 2020

Quarterly and annual change in dwelling values - Brisbane



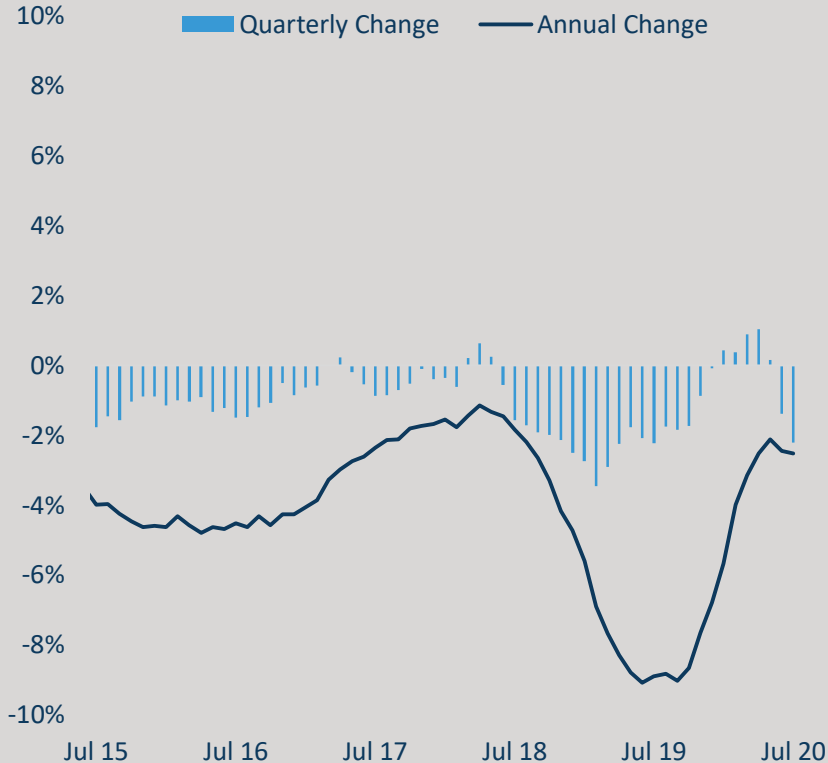
- Brisbane dwelling values fell by -0.4% in July
- Dwelling values declined -0.9% in the quarter
- Brisbane dwelling values are up by 3.8% in the past year
- Brisbane dwelling values are -0.9% below the record high, which was in April 2020

Quarterly and annual change in dwelling values - Adelaide



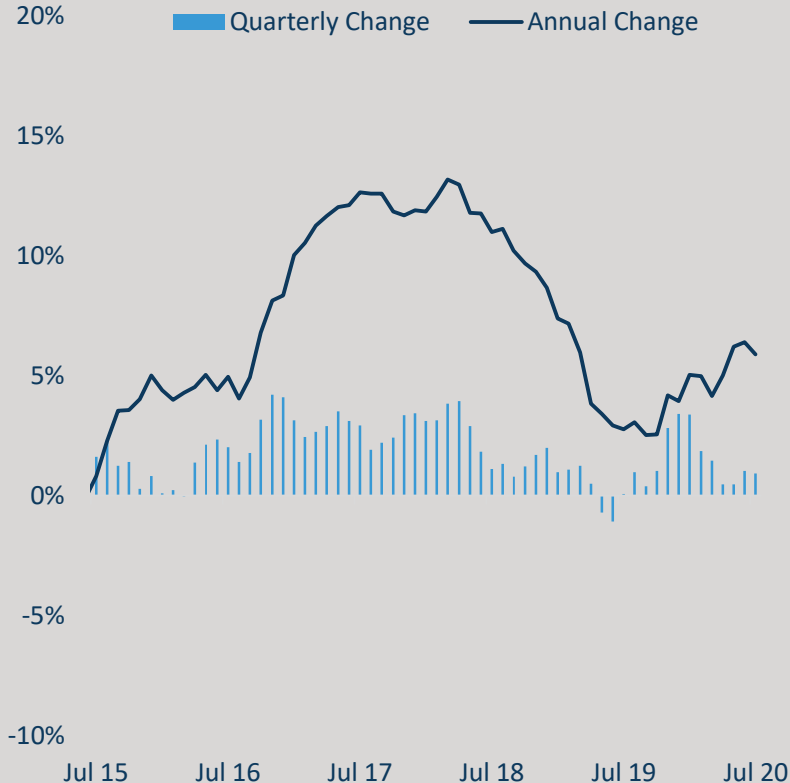
- Adelaide dwelling values increased 0.1% in July
- Dwelling values increased 0.3% in the quarter
- Adelaide dwelling values were up by 2.4% in the past year
- Adelaide dwelling values are -0.1% below the record high, which was in May 2020

Quarterly and annual change in dwelling values - Perth



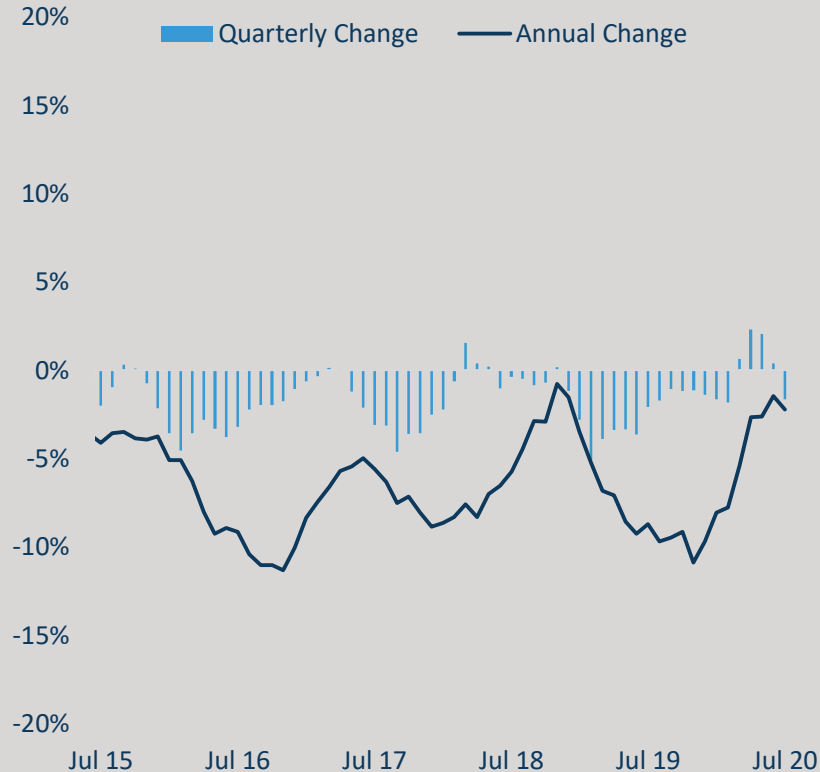
- Perth dwelling values were down -0.6% in July
- Dwelling values decreased -2.2% in the quarter
- Perth dwelling values are down by -2.5% in the past year
- Perth dwelling values are now -22.3% below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



- Hobart dwelling values fell -0.2% in July
- Dwelling values increased 0.9% in the quarter
- Hobart dwelling values are up by 5.9% in the past year
- Hobart dwelling values are 0.2% below the record high, which was in June 2020

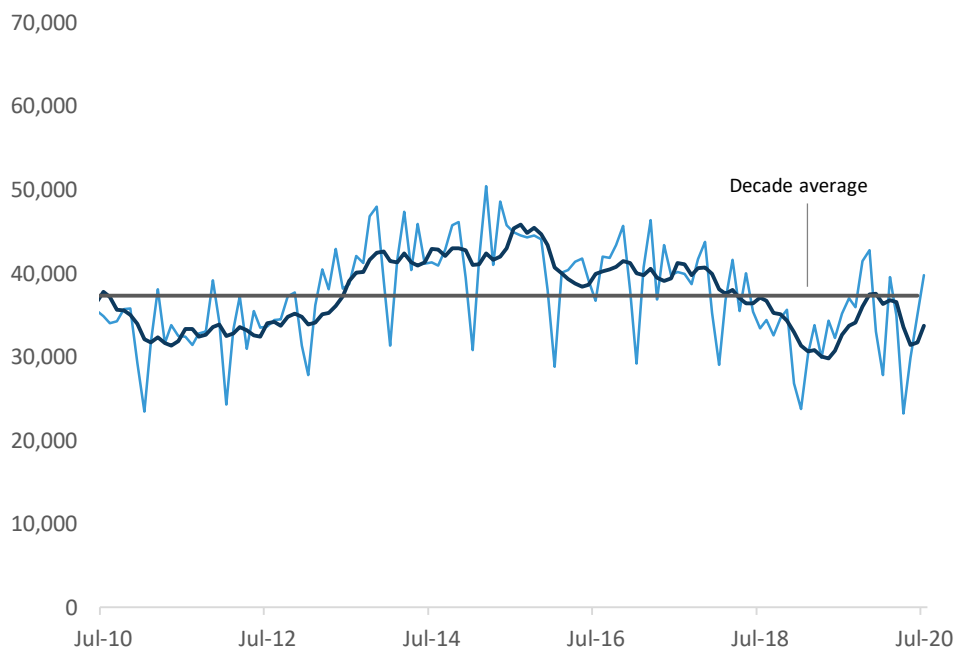
Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values declined -0.3% in July
- Dwelling values fell -1.6% in the quarter
- Darwin dwelling values are down by -2.2% in the past year
- Darwin dwelling values are -31.4% below the record high, which was in May 2014

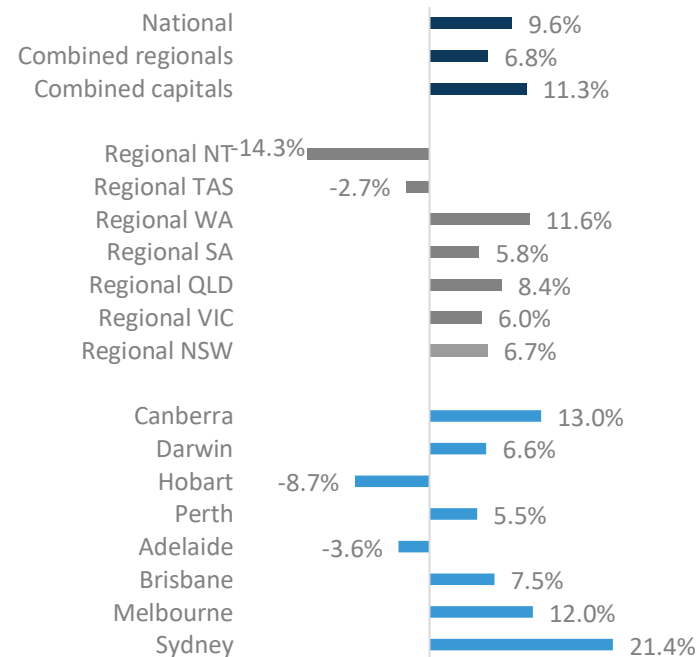
CoreLogic estimates that national settled sales have bounced back since April. Sales volume estimates increased a further 13.5% over July

Monthly sales with six month moving average, National

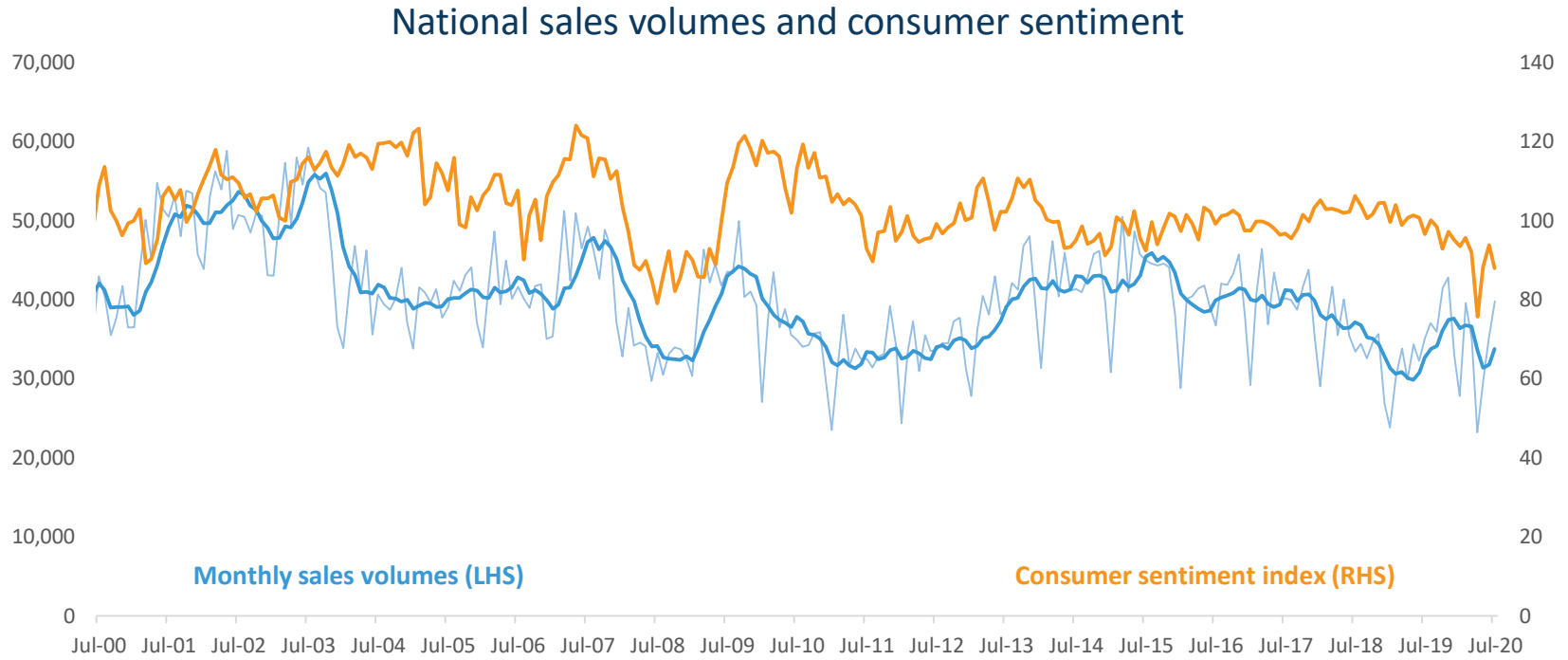


Note: recent months of sales volumes are modelled estimates, and are subject to revision
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Annual change in sales volumes



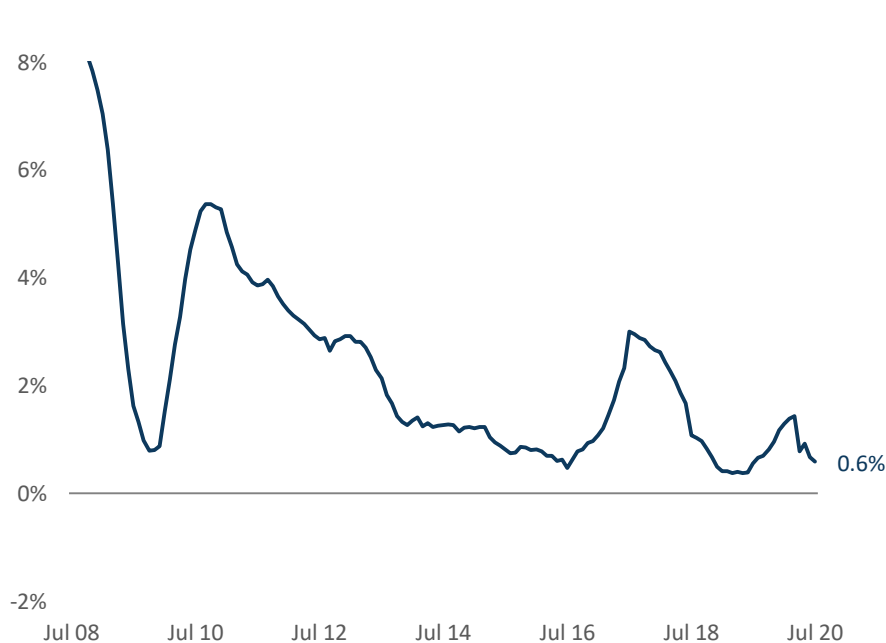
Consumer confidence started to decline off the back of a resurgence of COVID-19 cases, which is likely to dampen sales volumes in the coming months



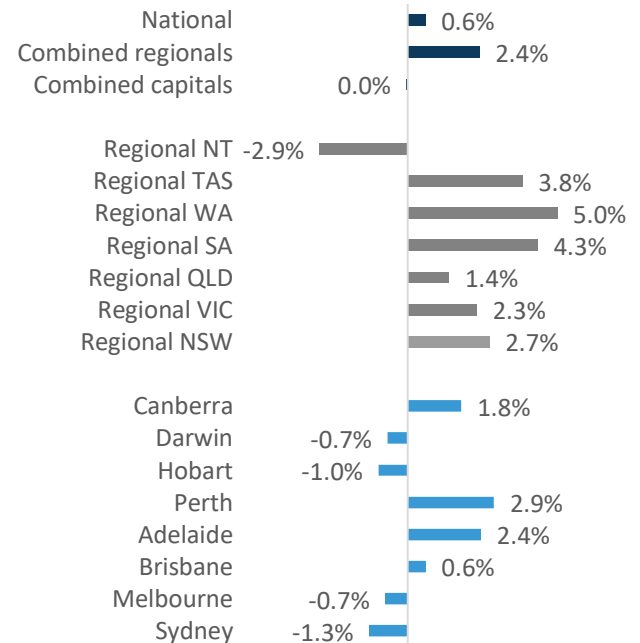
Note: recent months of sales volumes are modelled estimates, and are subject to revision

Annual growth in rent values fell to 0.6%, and declined -0.7% since March. Rent values are expected to fall further in Melbourne amid lockdown conditions

Annual change in rental rates - National

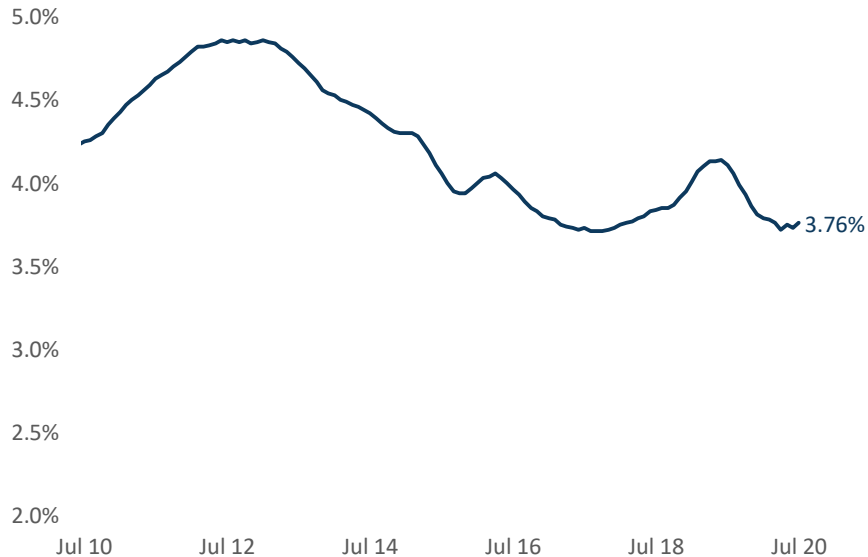


Annual change in rental rates

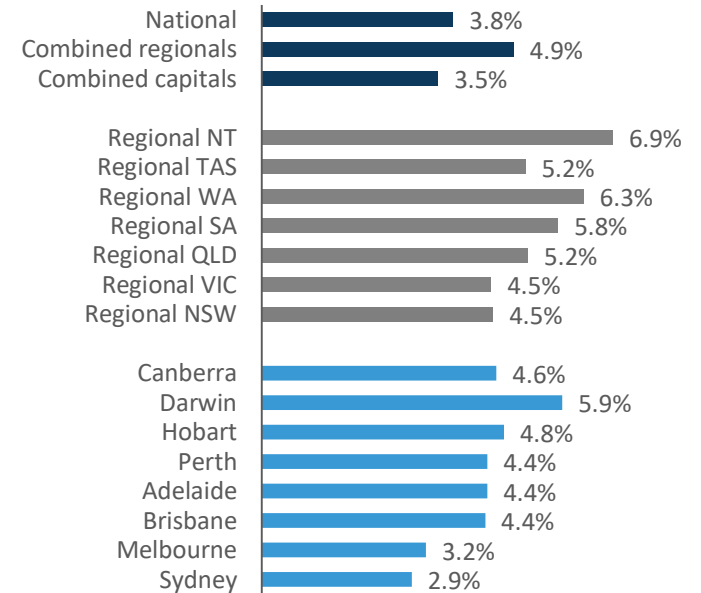


Nationally, dwelling value falls have so far been larger than rent value falls, which has led to a slight increase in rent yields of 3 basis points over July

Gross rental yields - National

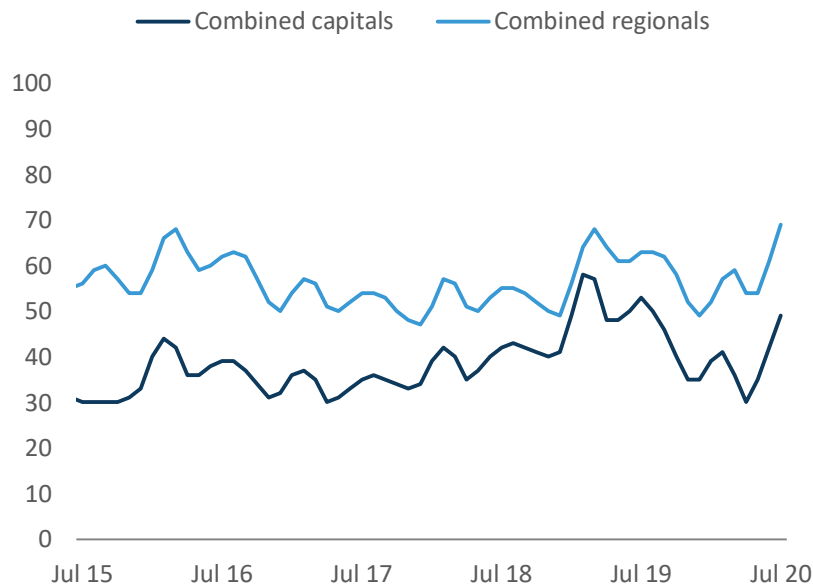


Gross rental yields as at July-20



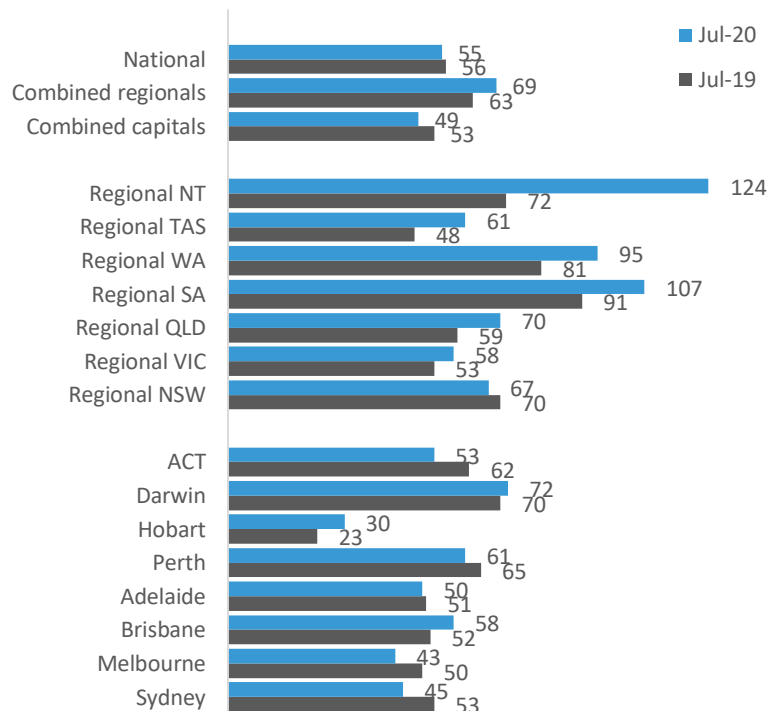
Median days on market increased to 49 days across the capital cities in the 3 months to July, up from 42 days in June

Median days on market



These charts show the median days on market over 3 month rolling periods. Please note that CoreLogic have made significant improvements to listings data, which help paint a more accurate and consistent picture of real estate listing activity. These additions have resulted in a revised view of the historical days on market series to ensure comparability across time.

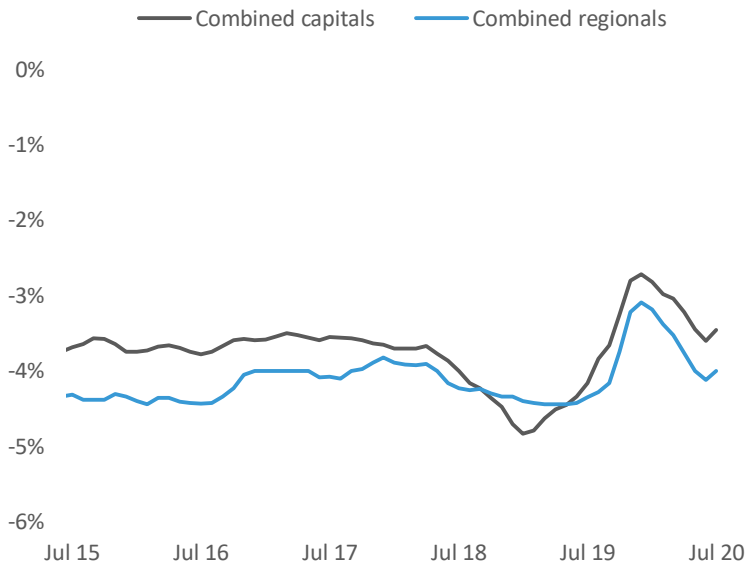
Median days on market July 2019 v July 2020





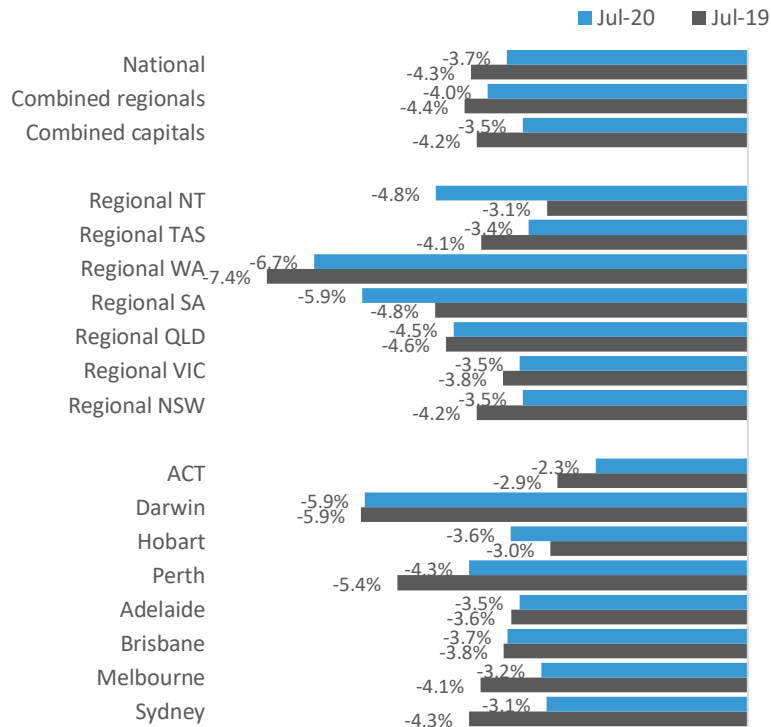
However, the typical discount offered over the month eased from 3.6% in June to 3.5% in July across the capitals

Median vendor discount



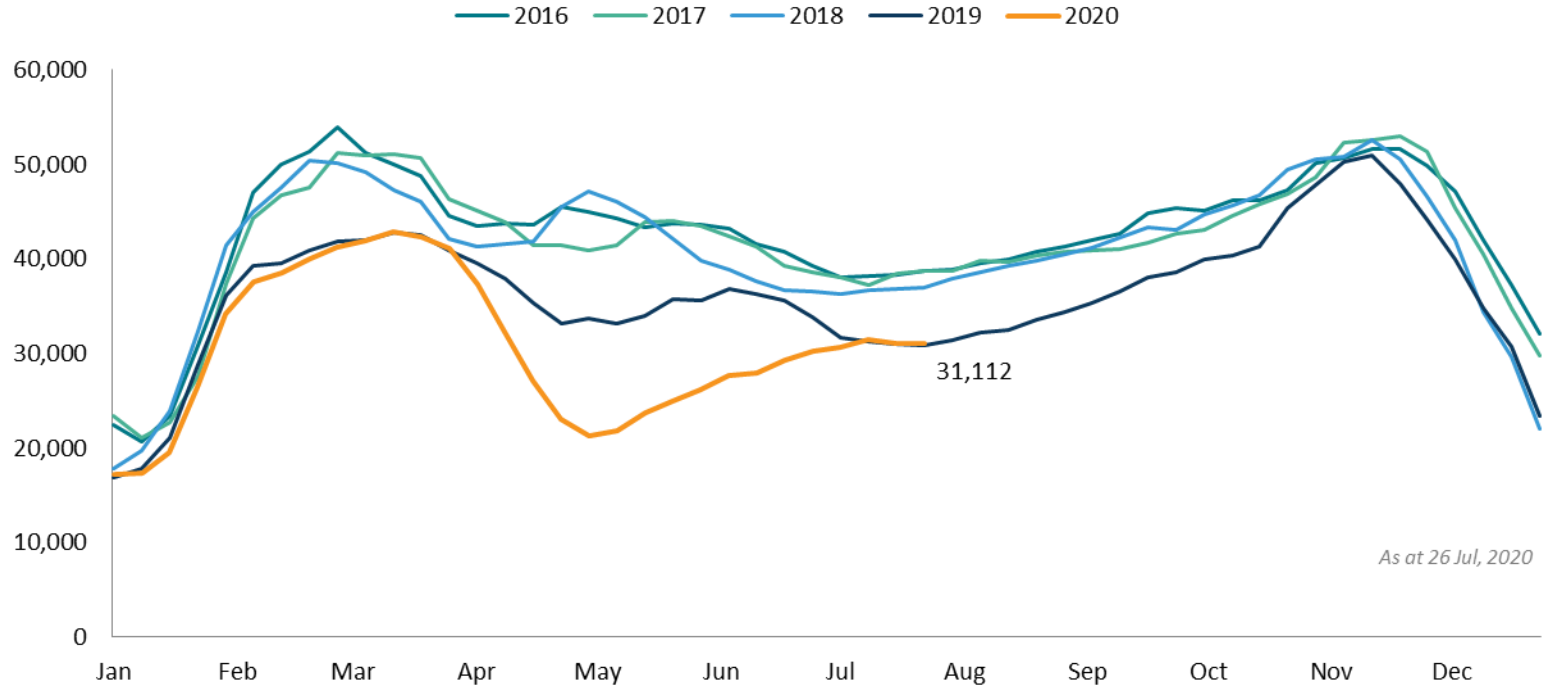
These charts show median vendor discounting over 3 month rolling periods. Please note that CoreLogic have made significant improvements to listings data, which help paint a more accurate and consistent picture of real estate listing activity. These additions have resulted in a revised view of the historical vendor discounting series to ensure comparability across time.

Median vendor discount July 2019 v July 2020



At the 28 days ending 26th of July, new listings had climbed to be 1.0% higher than the equivalent period in 2019

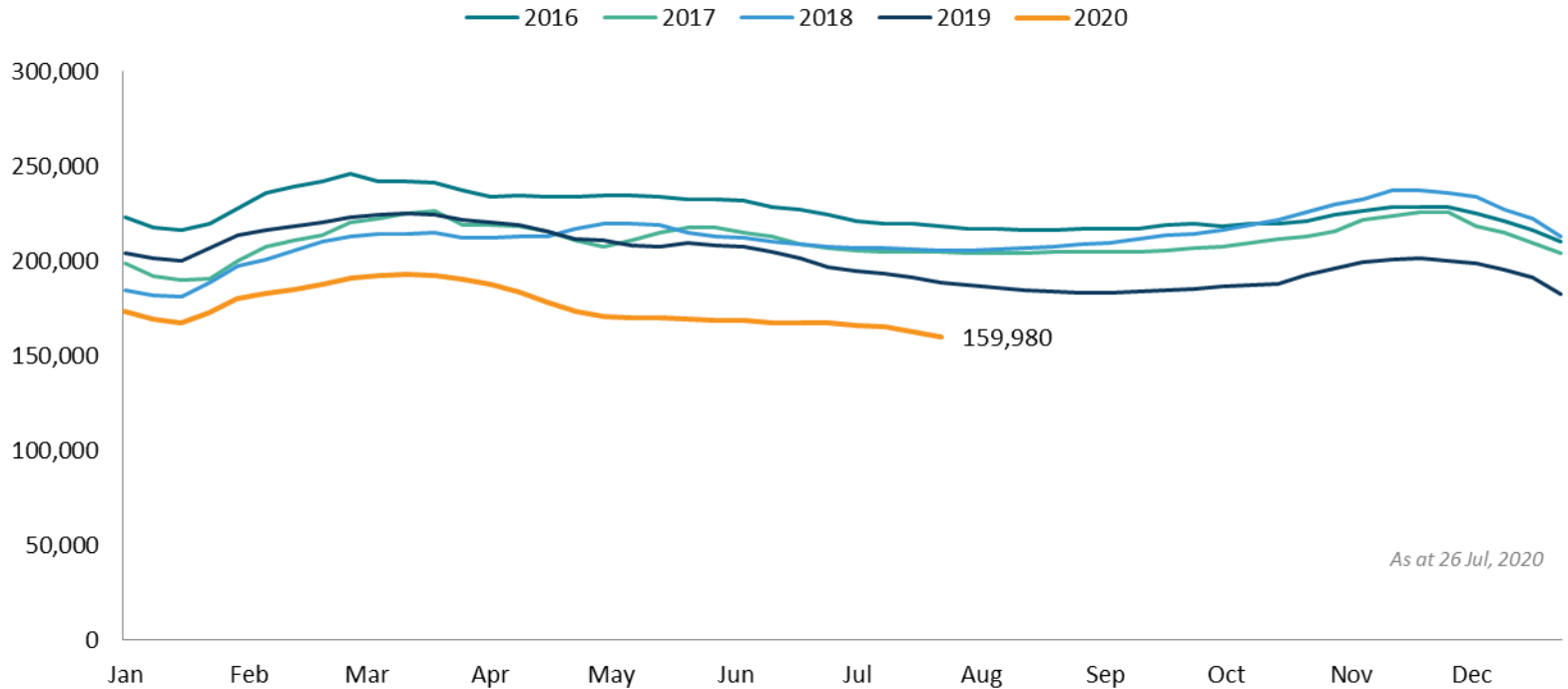
New Listings, rolling 28-day count, national



As at 26 Jul, 2020

However, as sales volumes continued to recover, listings were strongly absorbed and fell a further -4.3% over the month

Total listings, rolling 28-day count, national



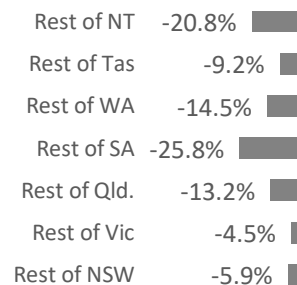
As at 26 Jul, 2020



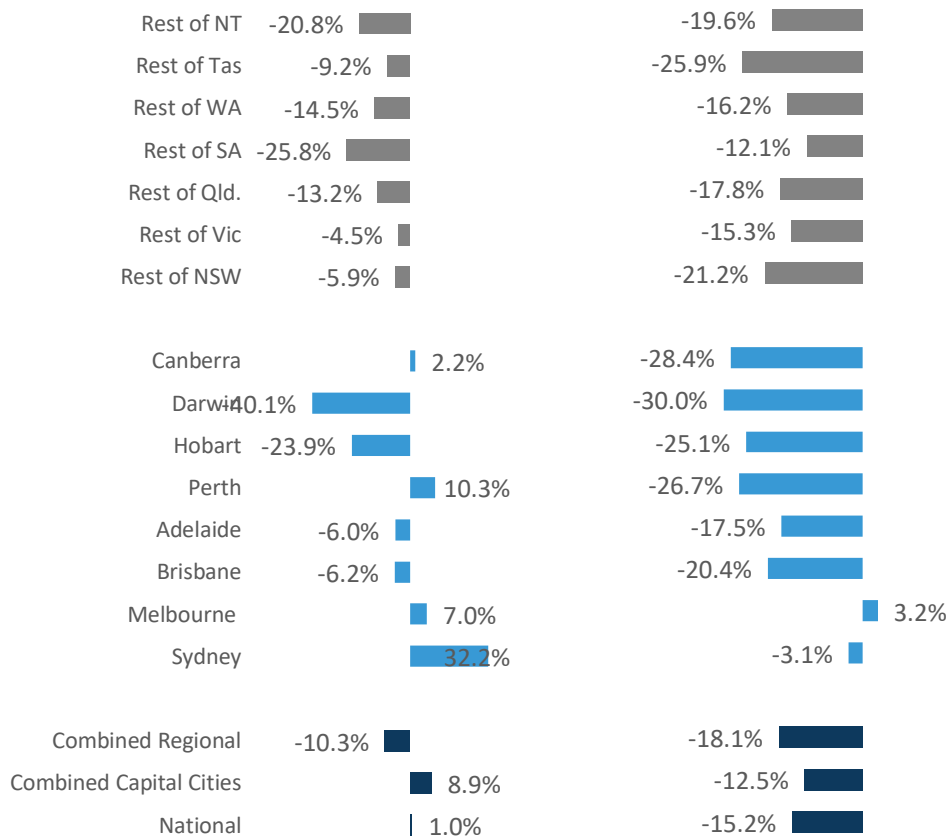
New listings are now higher than the equivalent period last year across Sydney, Melbourne, Perth and the ACT.

However, Melbourne is the only market with a year-on-year rise in total listings.

New listings, change from equivalent period last year

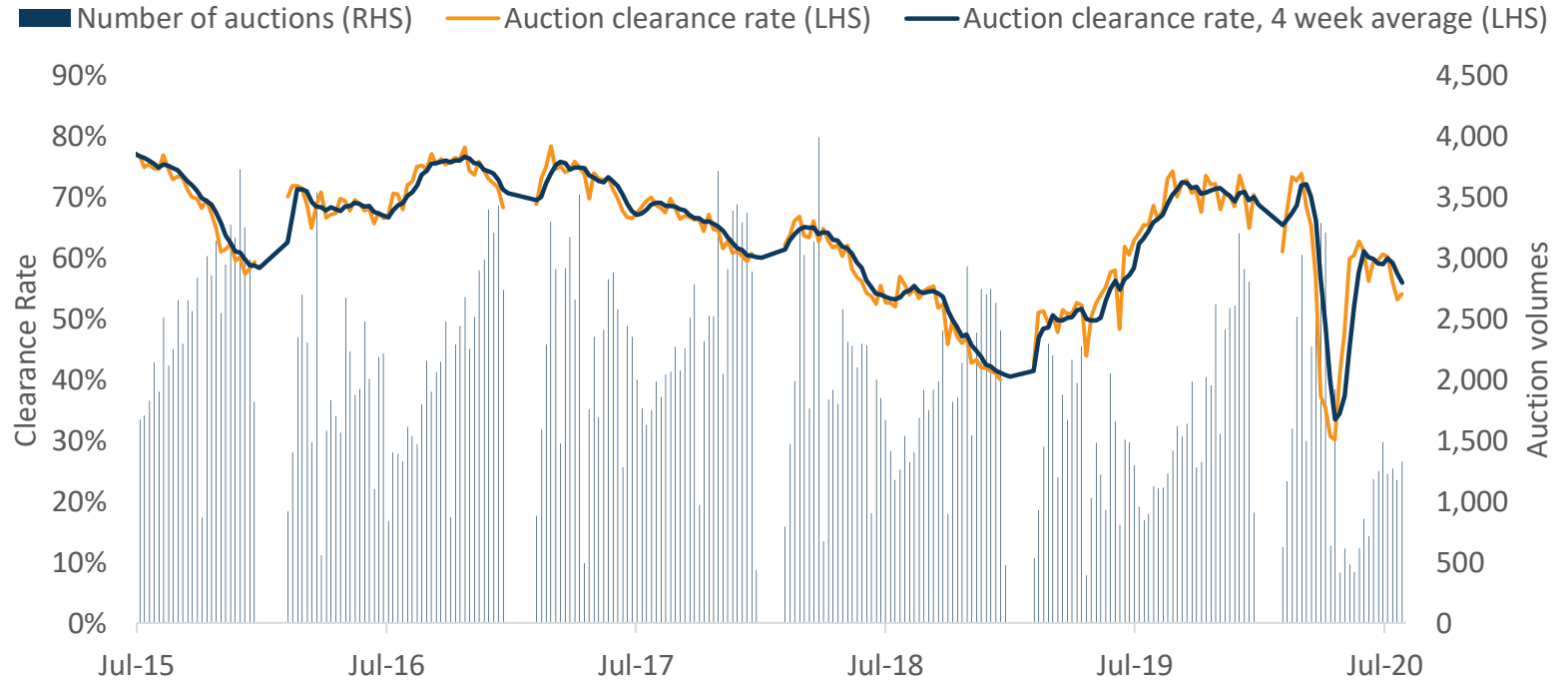


Total listings, change from equivalent period last year



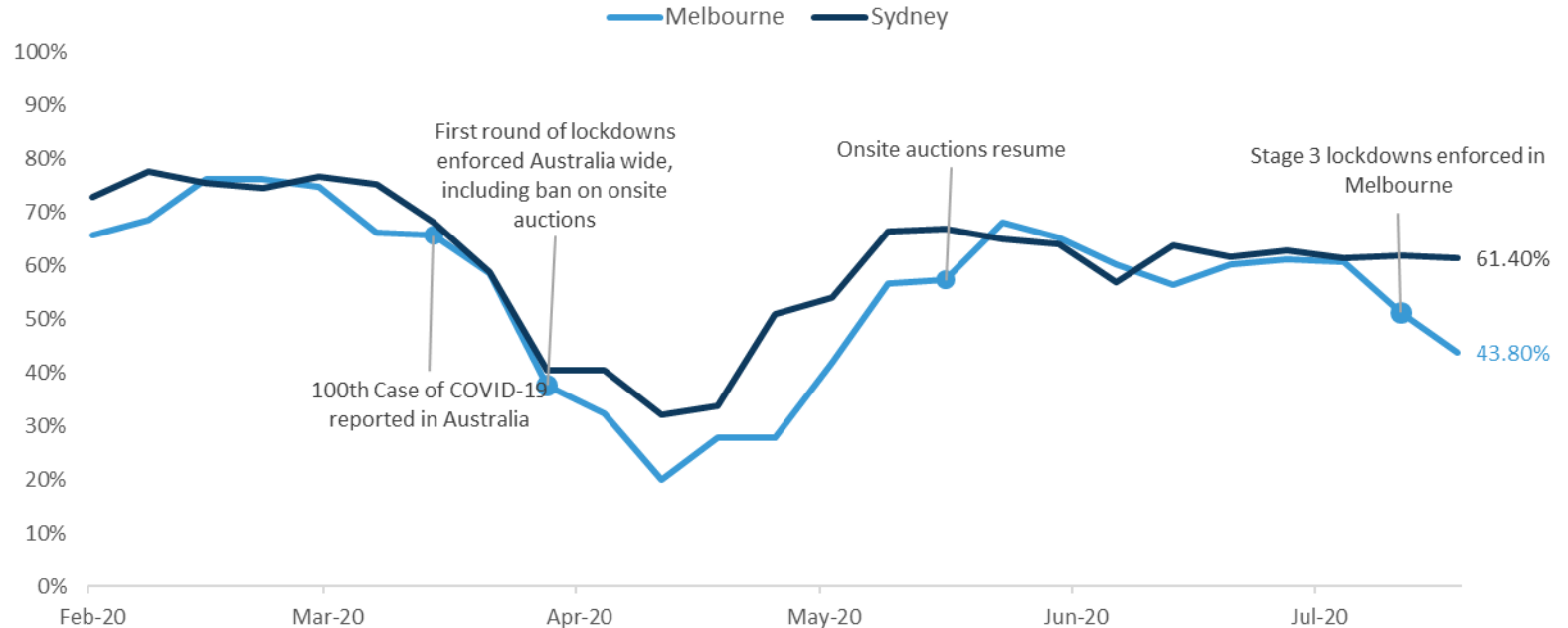
The typical clearance rate over July was 55.9%, down from 58.9% in June

Weekly clearance rates, combined capital cities



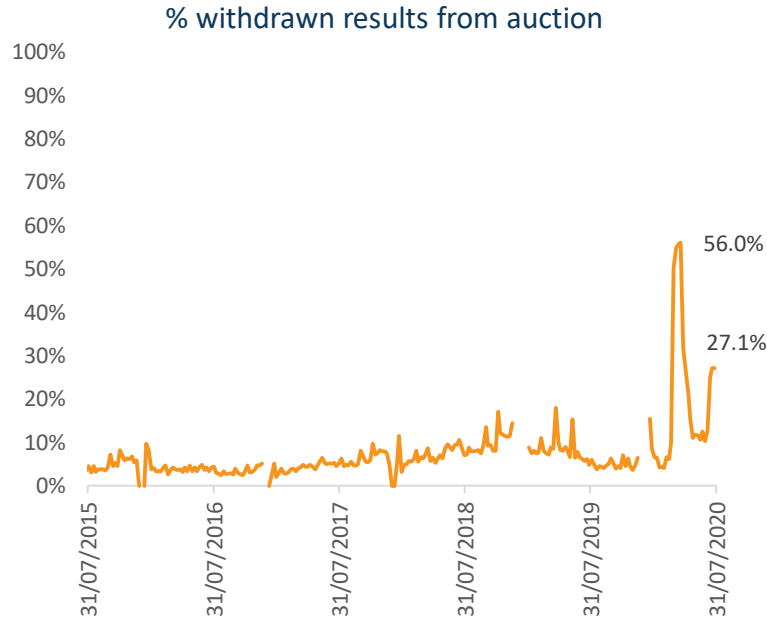
The Melbourne clearance rate fell amid the second lockdown and a higher proportion of withdrawn auctions, while the Sydney clearance rate stabilized at around 62%

Weekly clearance rates, Sydney v Melbourne

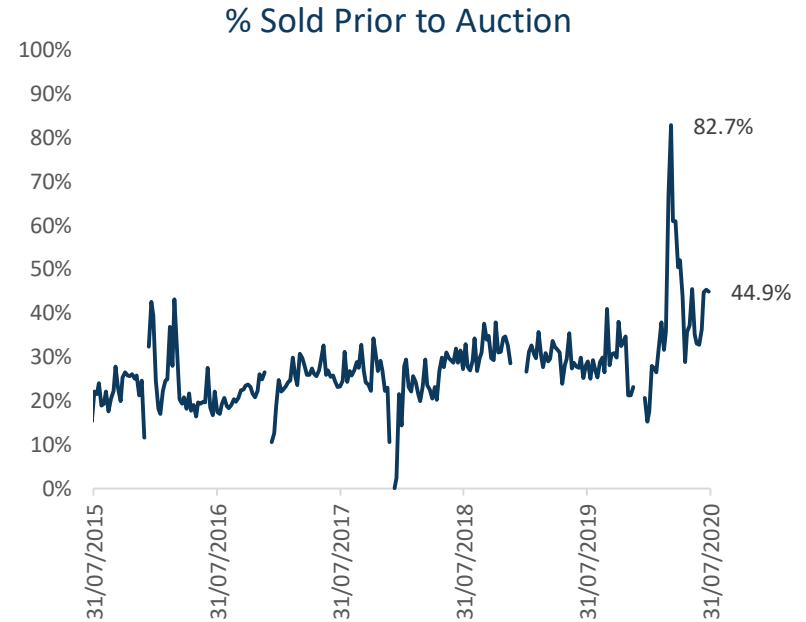


The weaker clearance rate results stem from an increase in withdrawn properties, as onsite auctions are once again suspended in Melbourne

Auction outcomes, combined capital cities



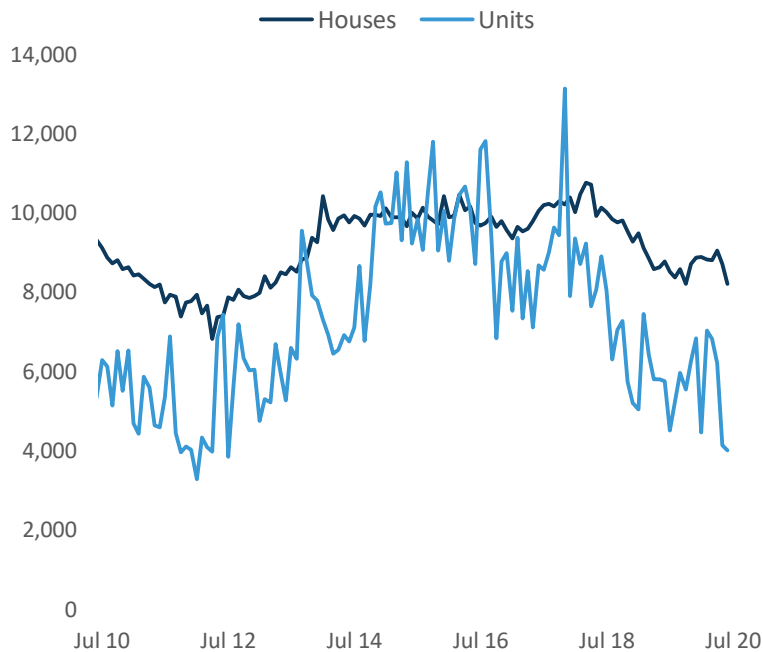
* As a % of all auction results



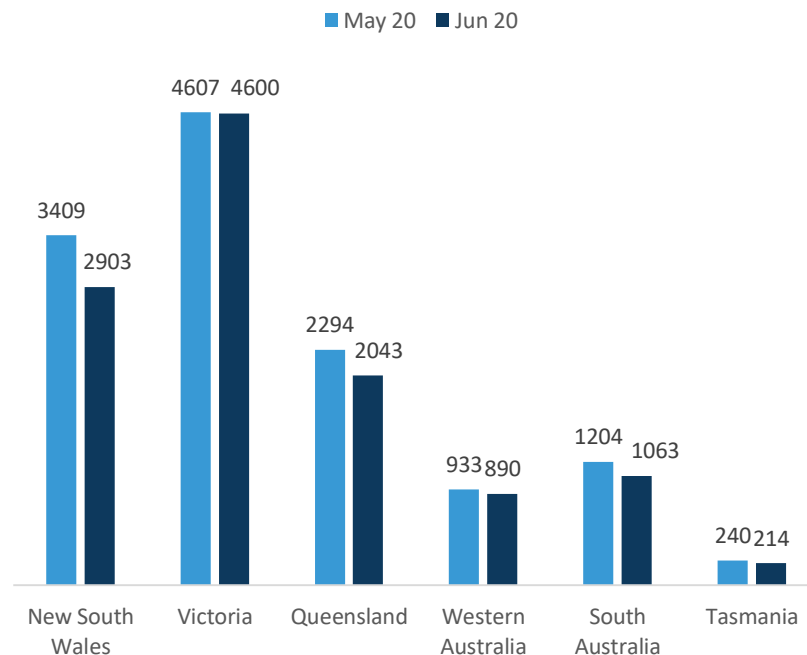
* As a % of all 'sold' auction results

Dwelling approvals declined a further 4.9% over June to 12,213 - the lowest volume of approvals since July 2012

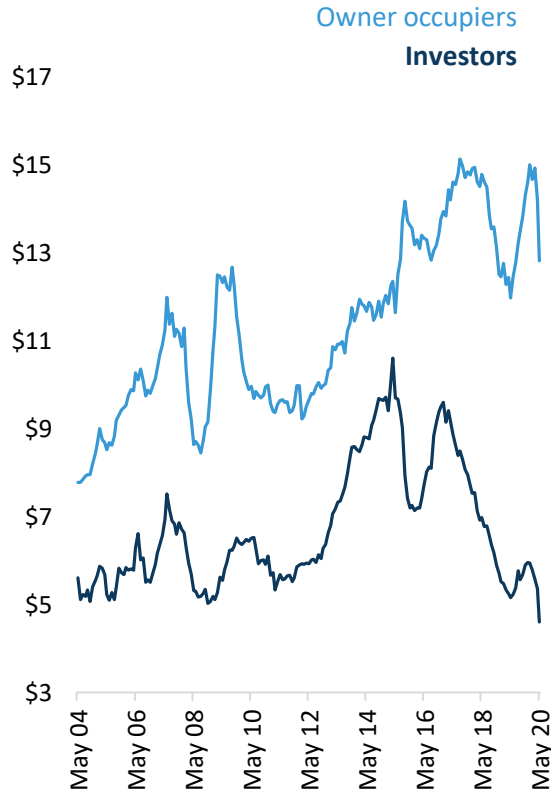
Monthly number of dwellings approved for construction, national (Seasonally adjusted)



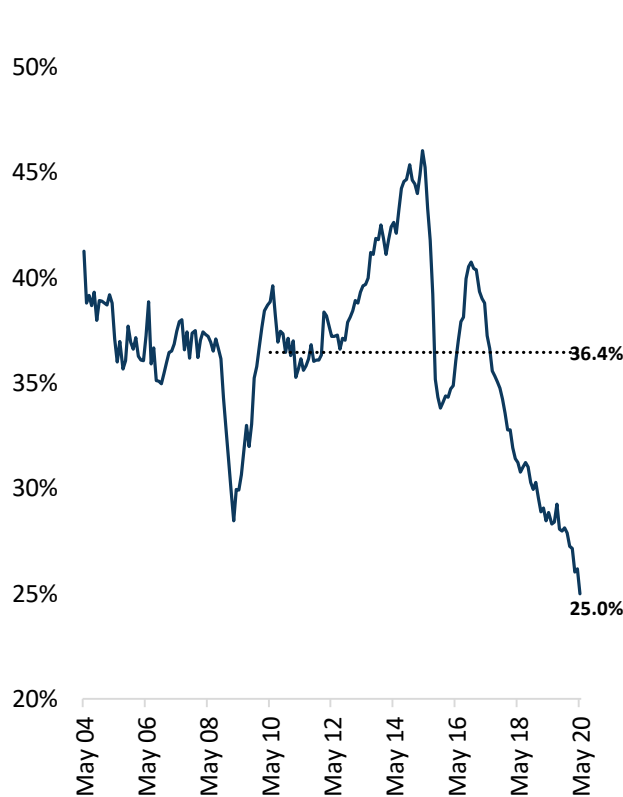
Monthly dwelling approvals by state, seasonally adjusted



Monthly value of new finance commitments, total (\$ billions)



Portion of new lending for investment housing (excluding refinance)



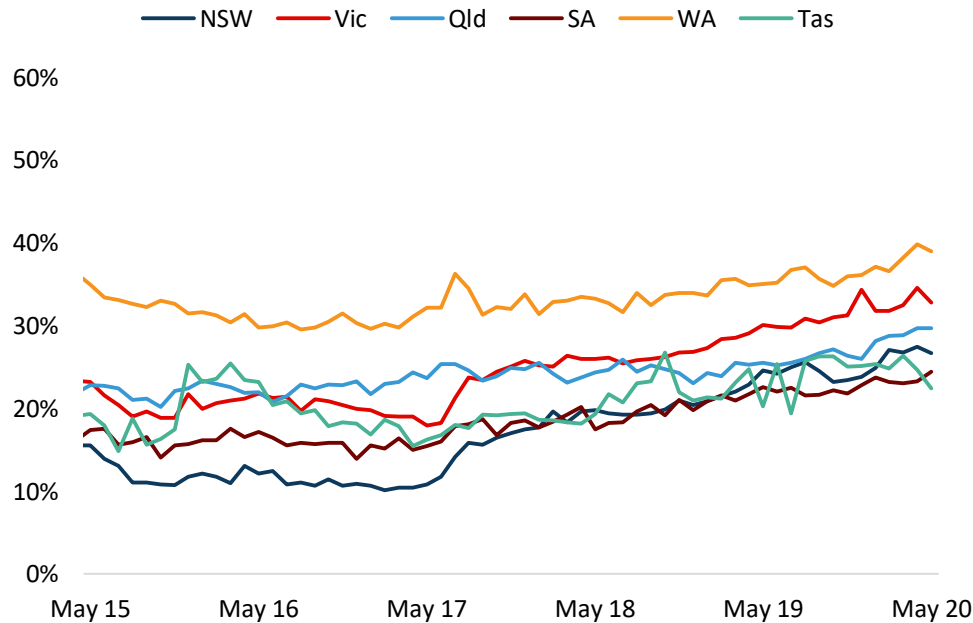
The value of finance secured for the purpose of housing saw its largest monthly decline in the history of the series in May 2020.

Investor lending declined 15.6%, while owner occupier finance fell 10.2%.

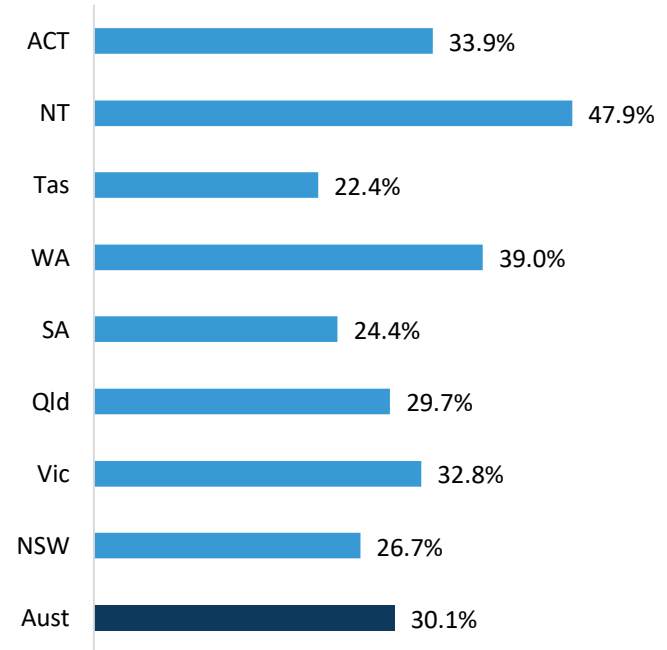
The sharp drop in secured finance is likely a reflection of the shock to sales volumes in April.

Through May, first home buyer participation as a portion of owner-occupiers fell slightly from April, but remains relatively high

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

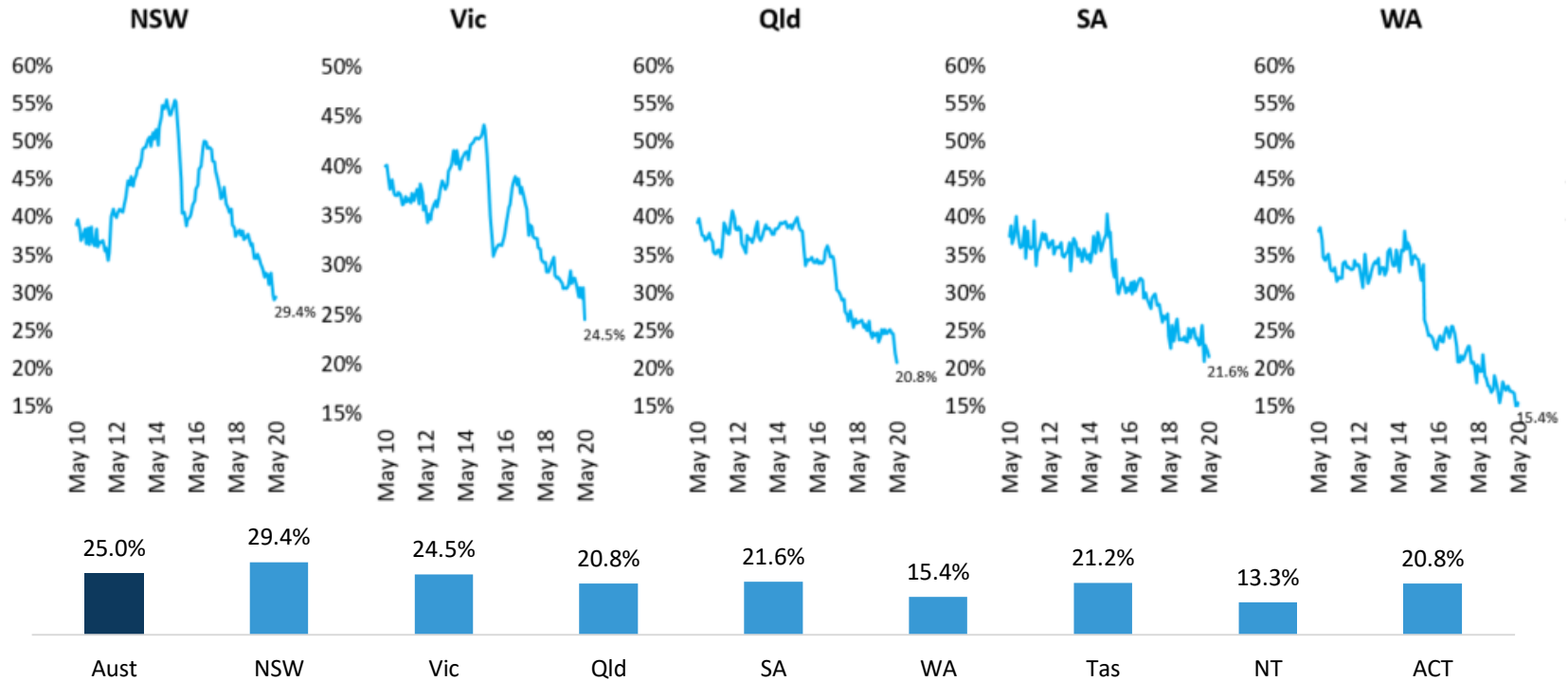


May 2020



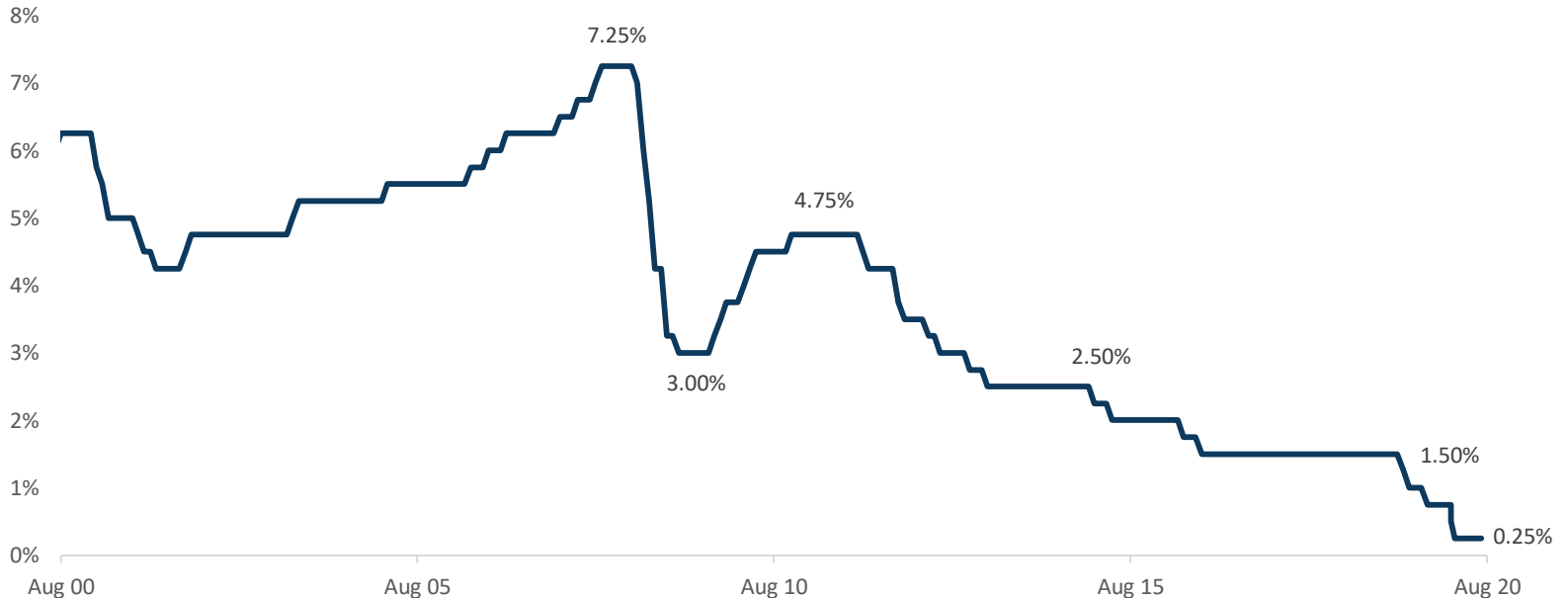
In May, the portion of new housing finance to investors fell to a new record low of 25.0%

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



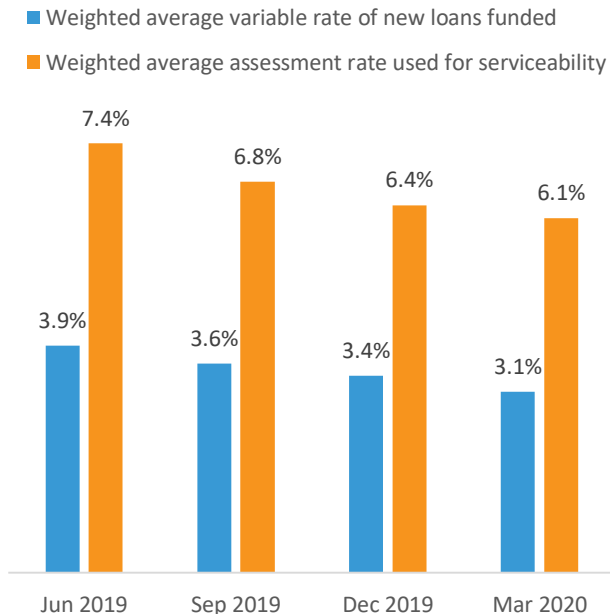
The cash rate target was held at 0.25% for August, though the RBA has reported the actual cash rate has been closer to 13 or 14 basis points since late April

RBA Cash Rate

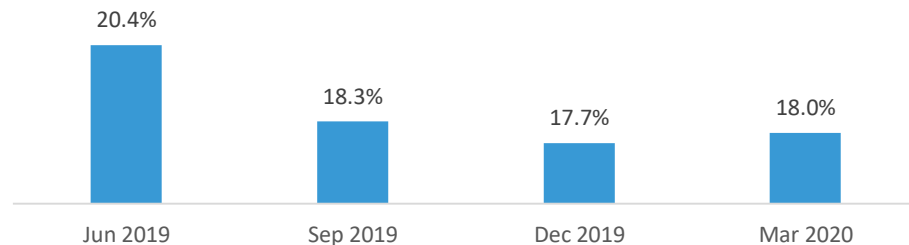


Lending conditions were relatively unchanged from the December 2019 to March 2020 quarter, as economic conditions started to slow in Australia

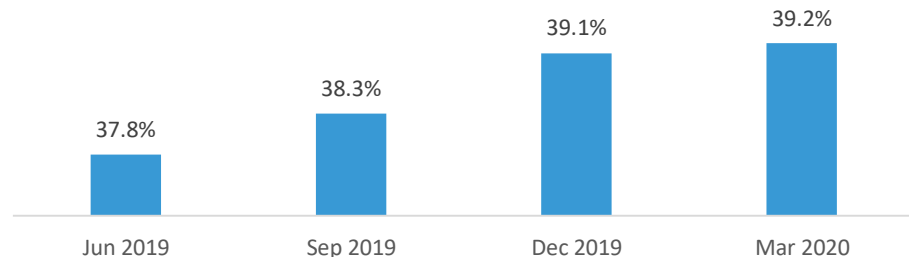
Interest rates for new loans funded



Portion of new loans funded on interest-only terms



Portion of new loans funded with an LVR $80\% \leq$ *



* Data on loans funded on an LVR $\geq 95\%$ were unavailable from APRA, as such these figures are a derived estimate



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