



# Our Insights. Your Story.

Property market chart pack – December 2019



# Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate  
**\$6.8 Trillion**
  -  Australian Superannuation  
**\$2.9 Trillion**
  -  Australian Listed Stocks  
**\$2.0 Trillion**
  -  Commercial Real Estate  
**\$1.0 Trillion**
- As at the end of November 2019**



**10.3 million**  
Number of dwellings



**\$1.80 trillion**  
Outstanding mortgage debt



**51.5%**  
Household wealth held in housing



**386,498**  
Total sales p.a.

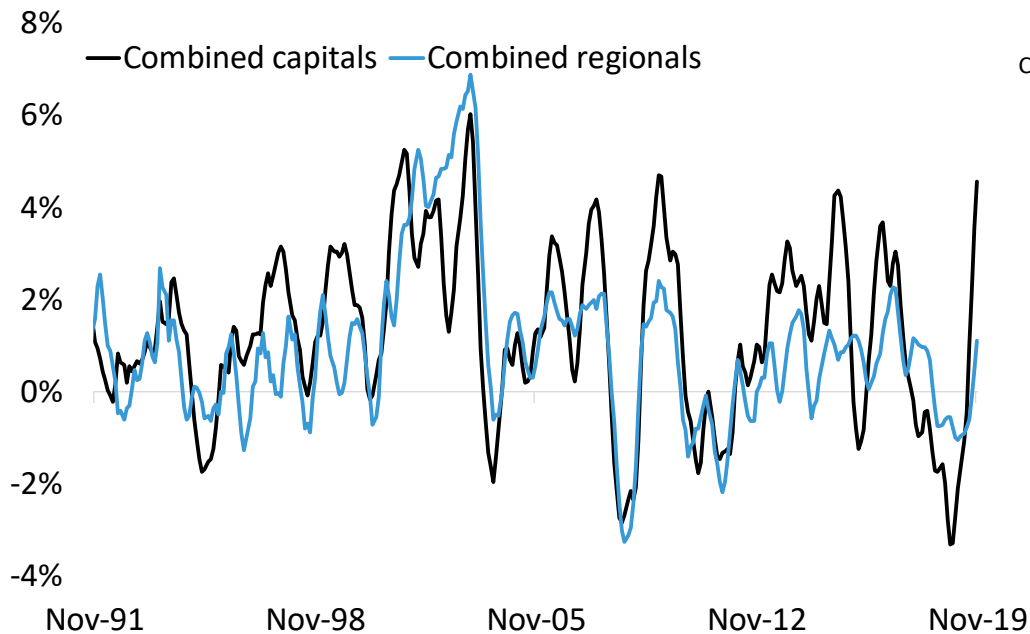


**\$248.5 billion**  
Gross value of sales p.a.

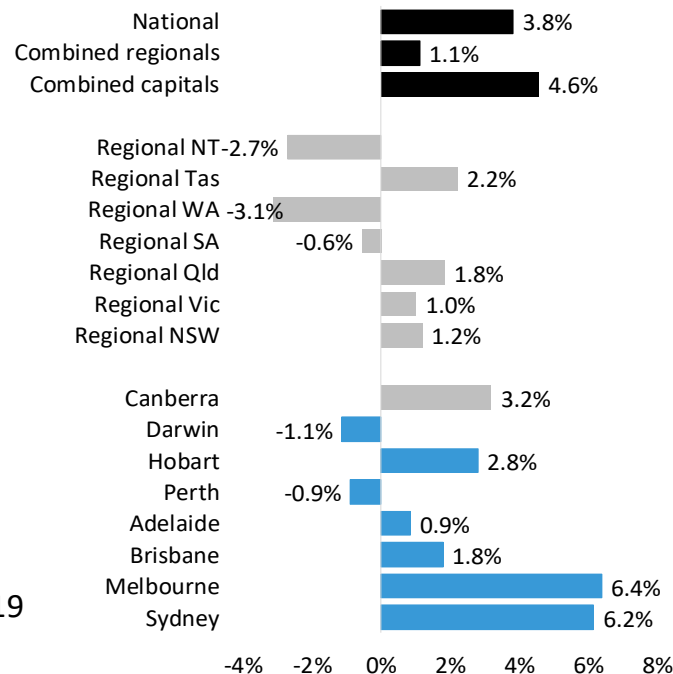
Note: Total sales p.a carried over from previous month – data as at October 2019

# National dwelling values marked their fifth consecutive month of growth in November, taking values 3.8% higher over the quarter

Quarterly change in dwelling values

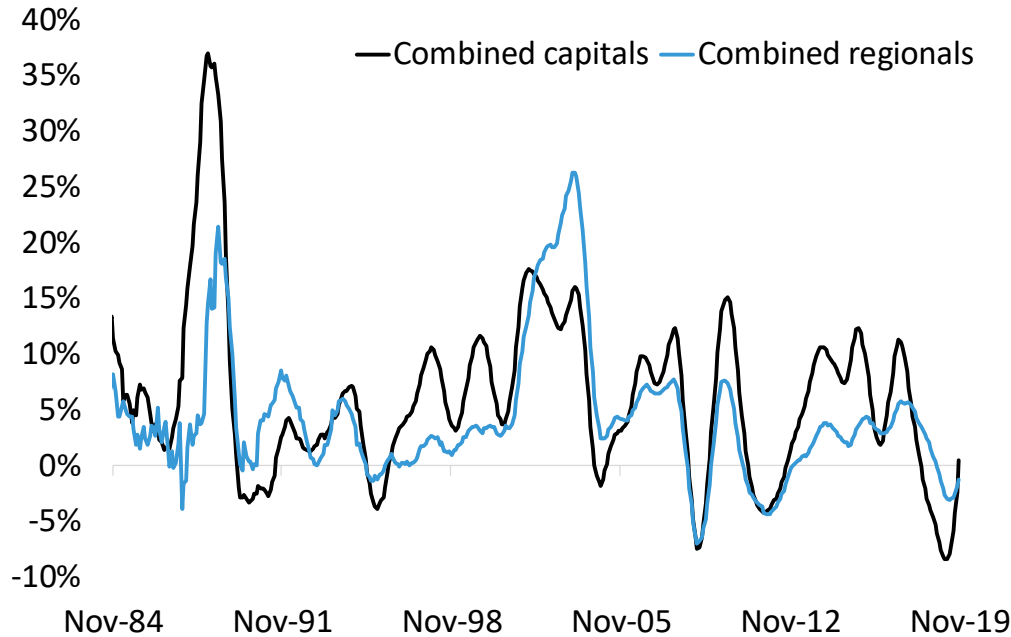


Quarterly change in dwelling values to Nov-19

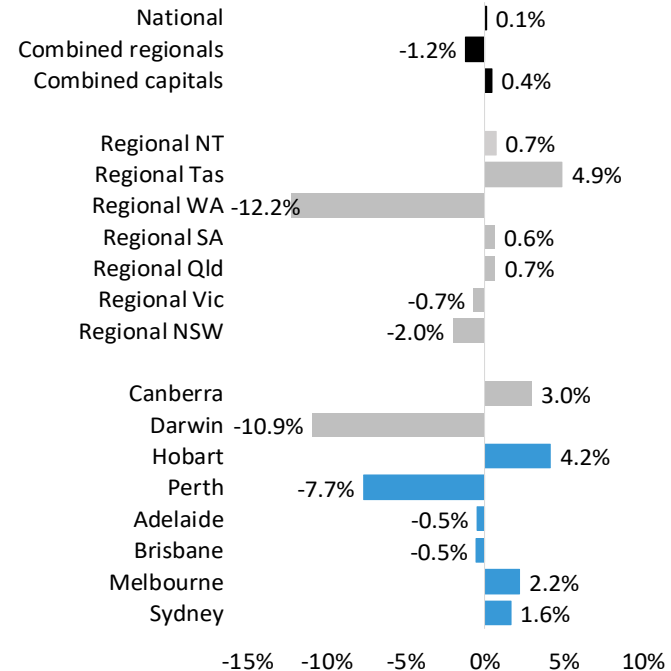


# National dwelling values returned to positive annual growth territory for the first time since April 2018

Annual change in dwelling values

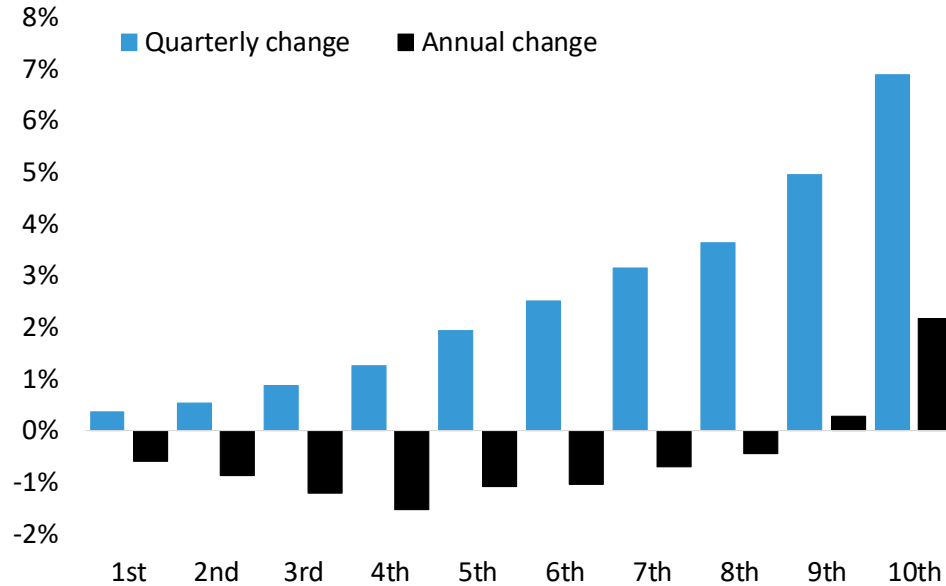


Annual change in dwelling values to Nov-19

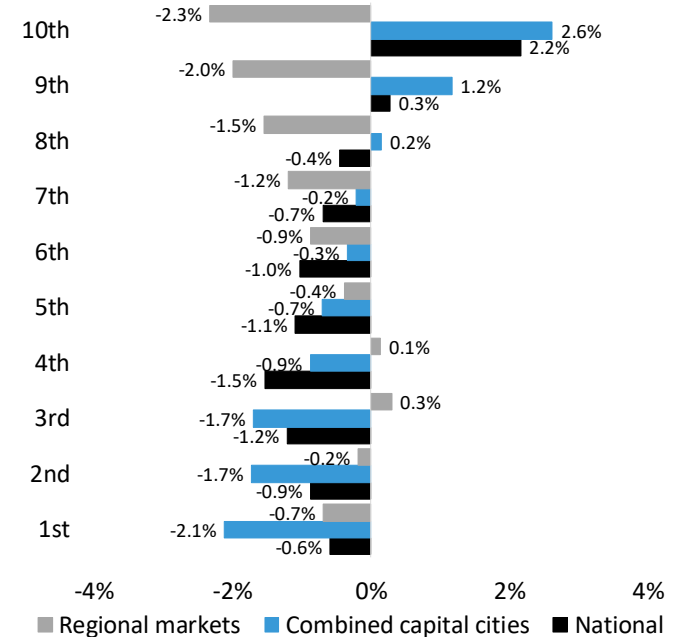


# The most expensive dwellings have recorded the largest decline over the past twelve months, but are also recording the most rapid recovery, returning to positive territory in November

Quarterly and annual change in dwelling values by deciles, National as at November 2019

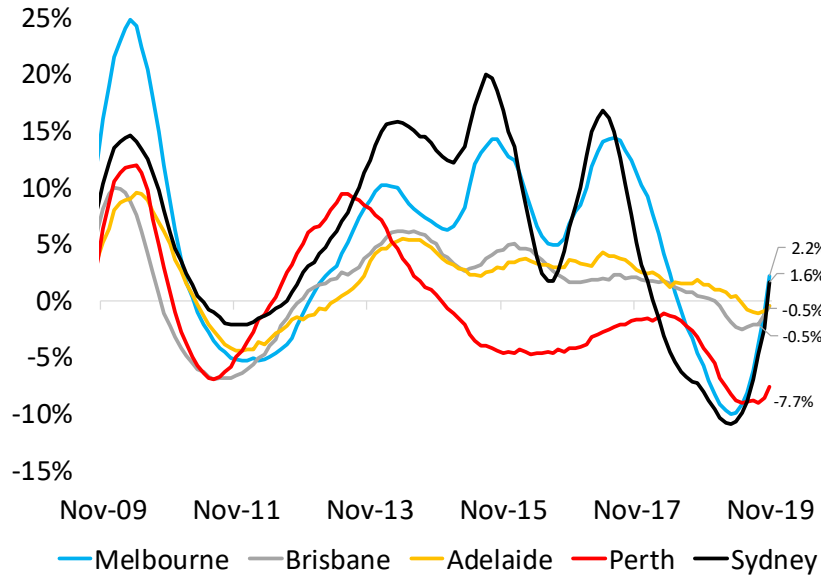


Annual change in dwelling values by decile, November-19

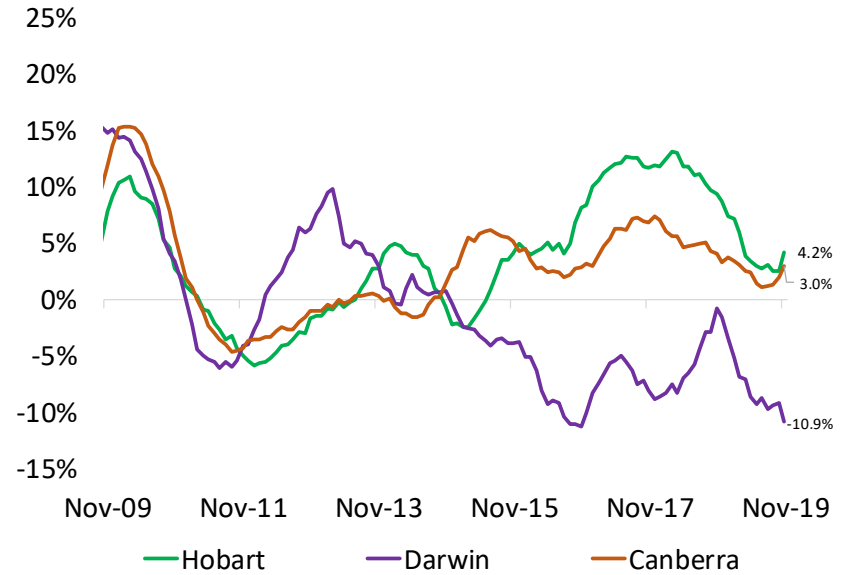


# The annual rate of decline continues to ease across most cities, with four of the eight cities returning a positive annual growth rate in November

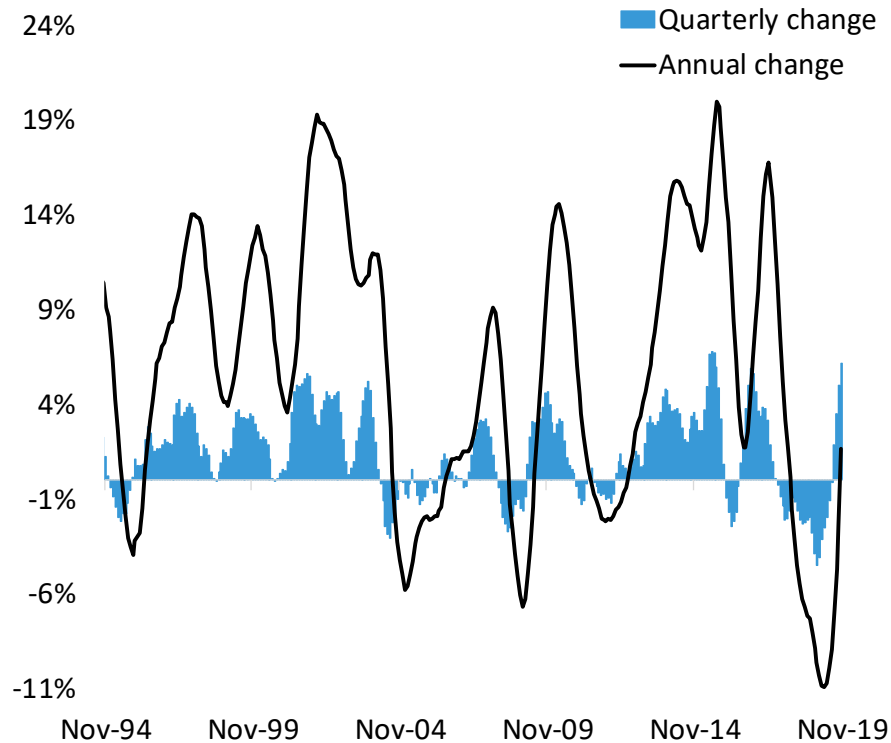
Annual change in dwelling values



Annual change in dwelling values

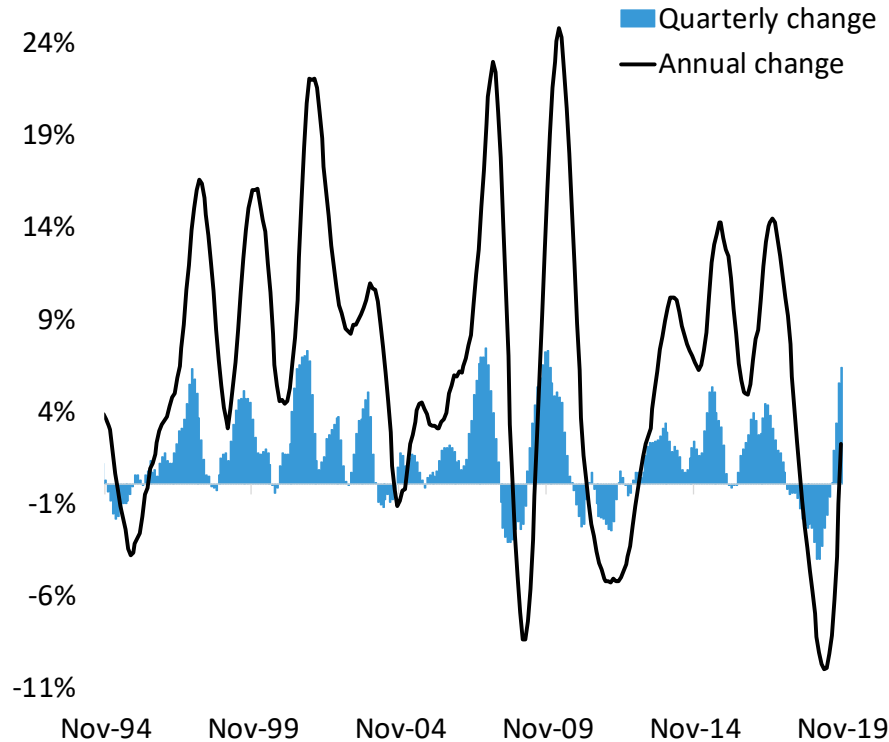


## Quarterly and annual change in dwelling values - Sydney



Sydney dwelling values increased by 2.7% in November and by 6.2% over the three months to November 2019. Sydney dwelling values are up by 1.6% over the past year and they are currently -8.0% lower than their July 2017 peak.

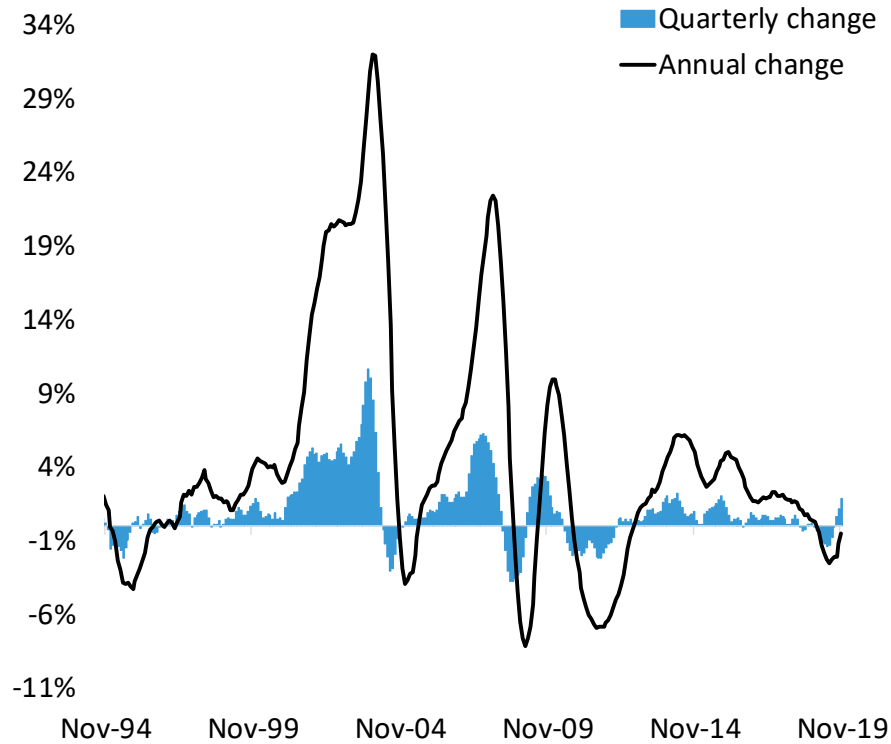
## Quarterly and annual change in dwelling values - Melbourne



Melbourne dwelling values increased by 2.2% in November and by 6.4% over the three months to November 2019. Melbourne dwelling values have increased by 2.2% over the past year and they are currently -3.7% lower than their November 2017 peak.

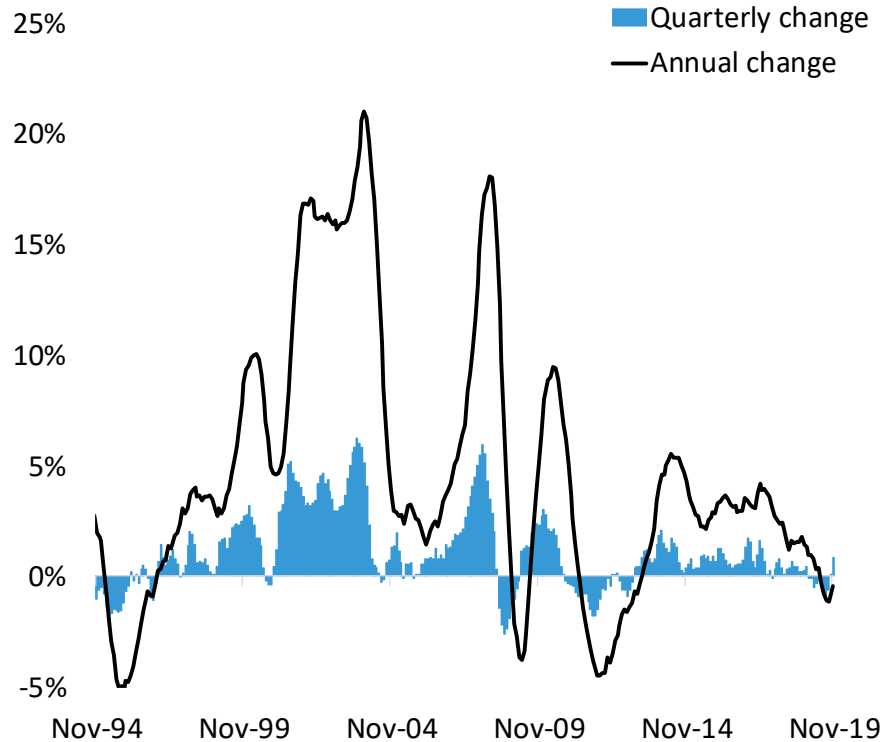


## Quarterly and annual change in dwelling values - Brisbane



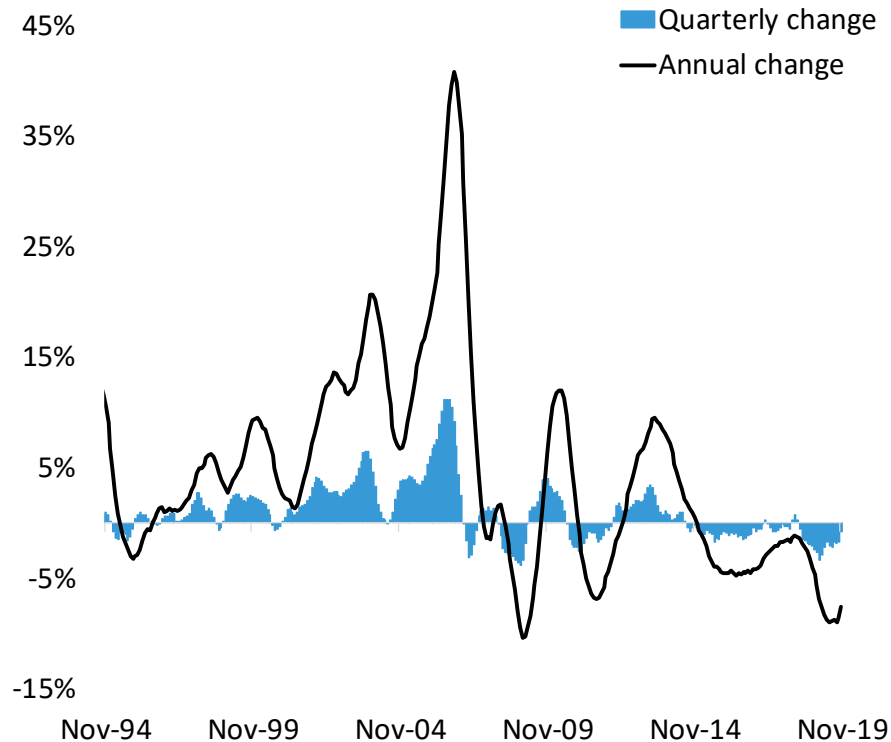
Brisbane dwelling values increased by 0.8% in November, and they were 1.8% higher over the three months to November 2019. Brisbane dwelling values have fallen by -0.5% over the past year and they are currently -0.8% lower than their April 2018 peak.

## Quarterly and annual change in dwelling values - Adelaide



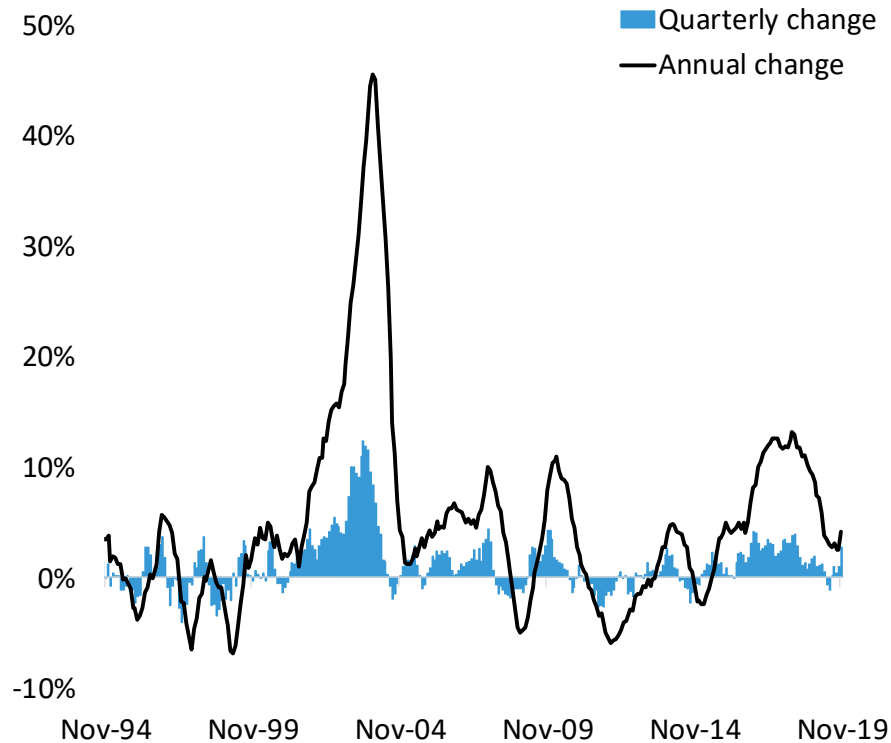
Adelaide dwelling values increased by 0.5% in November and they were 0.9% higher over the three months to November 2019. Adelaide dwelling values have fallen by -0.5% over the past year and they are currently -0.7% lower than their December 2018 peak.

## Quarterly and annual change in dwelling values - Perth



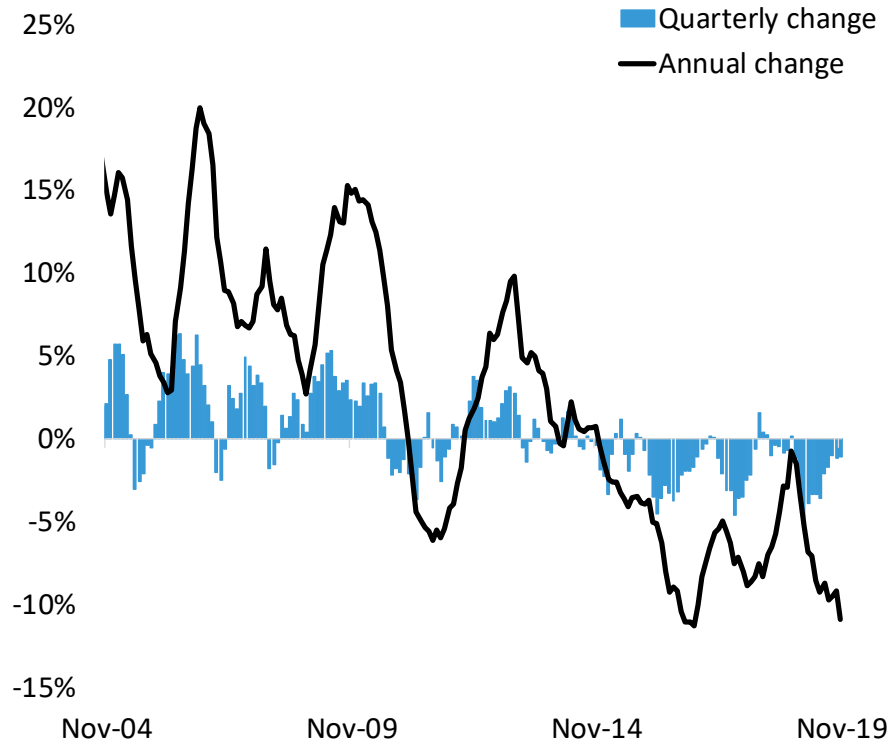
Perth dwelling values rose by 0.4% in November and they were -0.9% lower over the three months to November 2019. Perth dwelling values have fallen by -7.7% over the past year and they are currently -21.3% lower than their June 2014 peak.

### Quarterly and annual change in dwelling values - Hobart



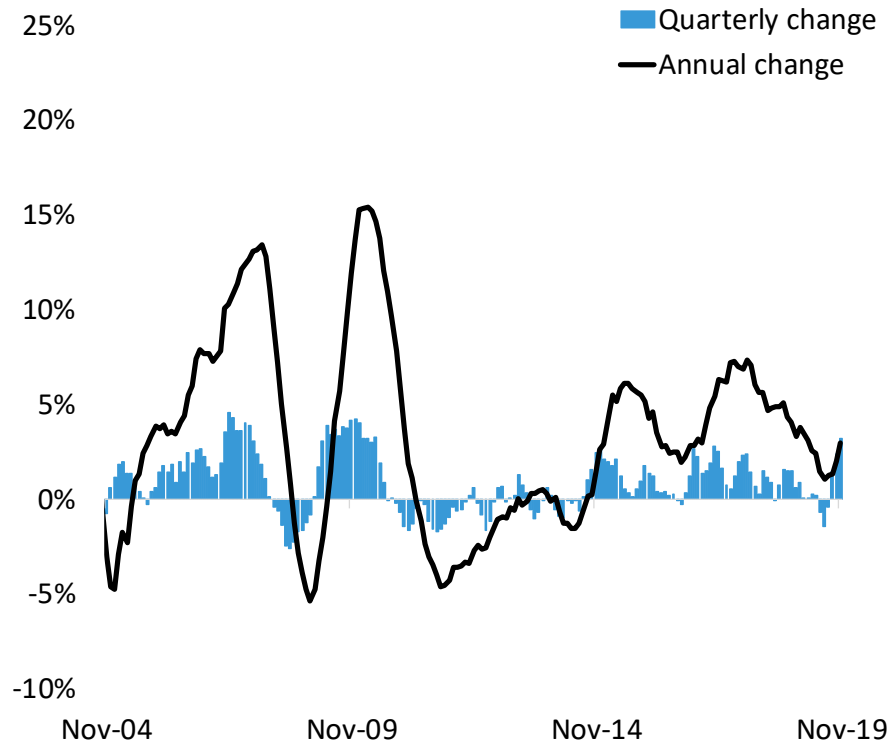
Hobart dwelling values rose by 2.3% in November and they were 2.8% higher over the three months to November 2019. Hobart dwelling values have increased by 4.2% over the past year and they are now higher than their previous March 2019 peak.

### Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values were down by -1.2% in November 2019 and they were -1.1% lower over the three months to November 2019. Darwin dwelling values have fallen by -10.9% over the past year and they are currently -31.5% lower than their May 2014 peak.

### Quarterly and annual change in dwelling values - Canberra

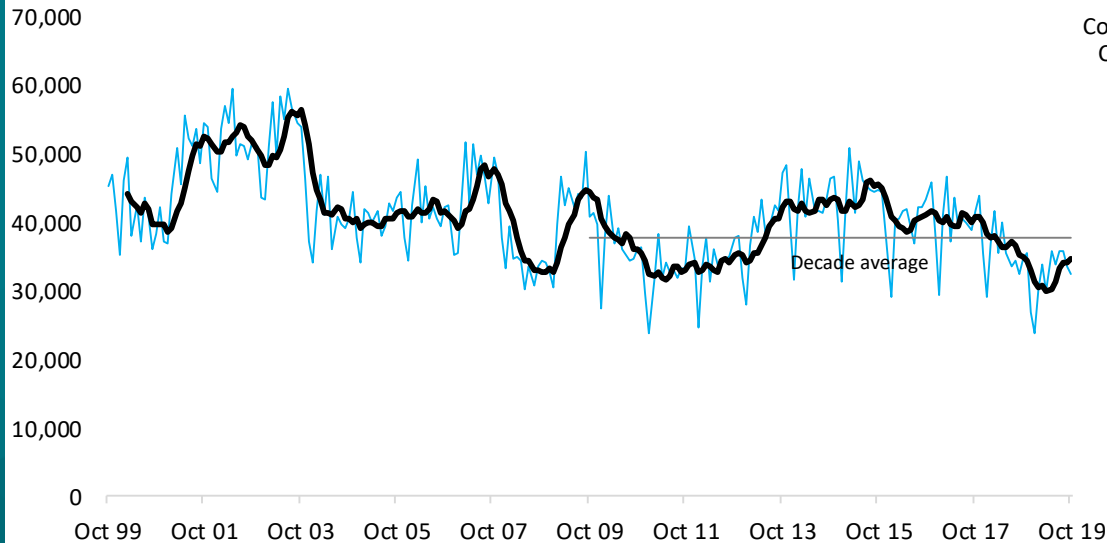


Canberra dwelling values increased by 1.6% in November, and they were 3.2% higher over the three months to November 2019.

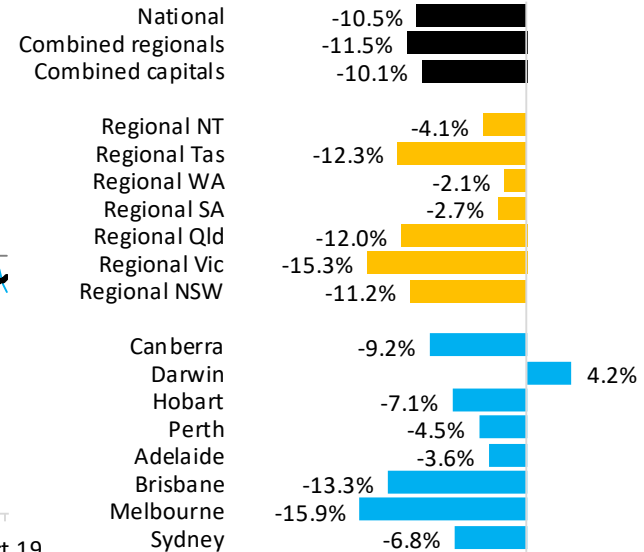
Canberra dwelling values have increased by 3.0% over the past year and they are 2.5% higher than the previous April 19 peak in value.

# While the number of settled sales is much lower than a year ago, the recent trend is showing a pick-up in buyer activity

Monthly sales with six month moving average, National



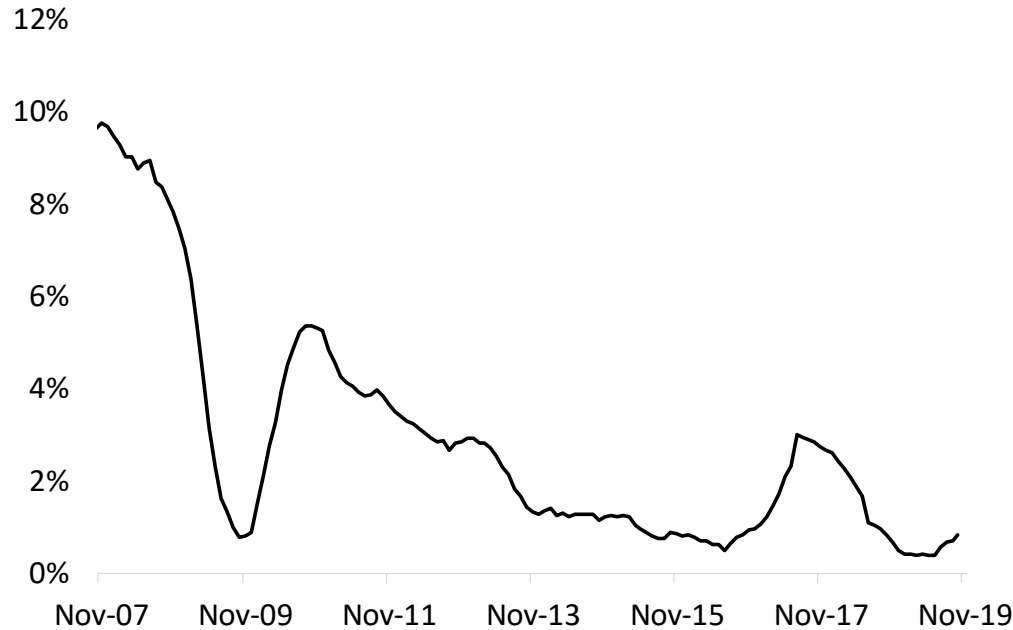
Year on year change in settled sales



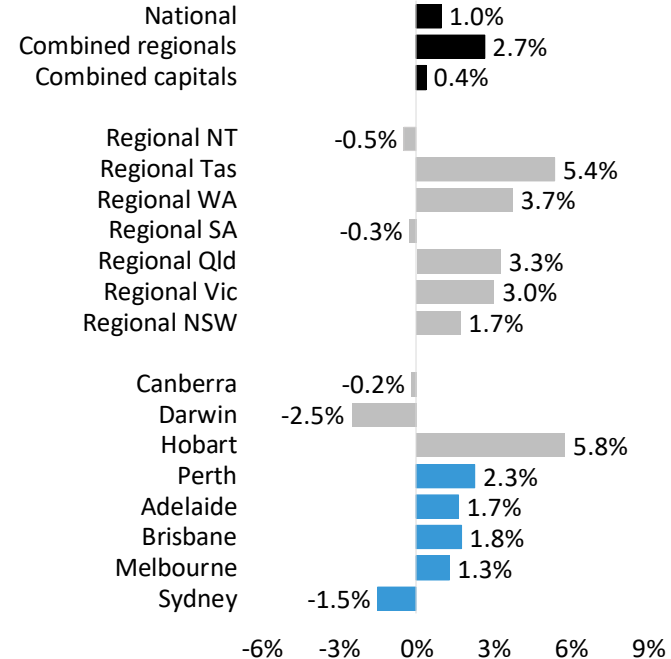
Note: Sales volumes carried over from previous month – data as at October 2019

# National rental rates were flat over the month to November, however the annual rate of rental growth is still trending slightly higher

Annual change in rental rates - National



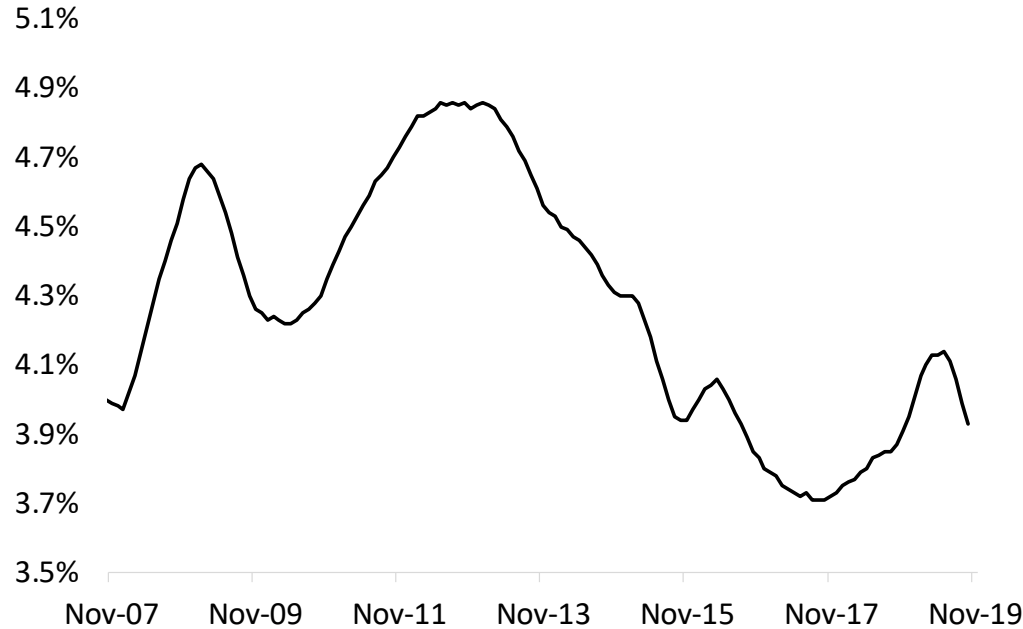
Annual change in rental rates to Nov-19



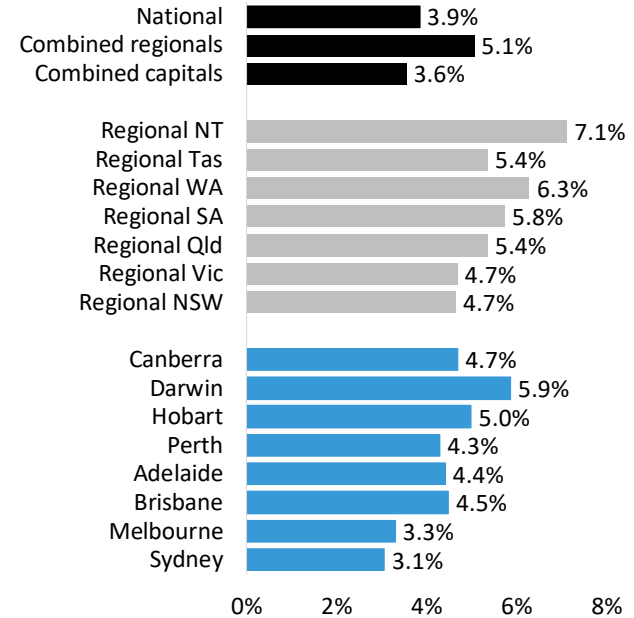


# With dwelling values now trending higher and rents generally soft, rental yields are once again trending lower

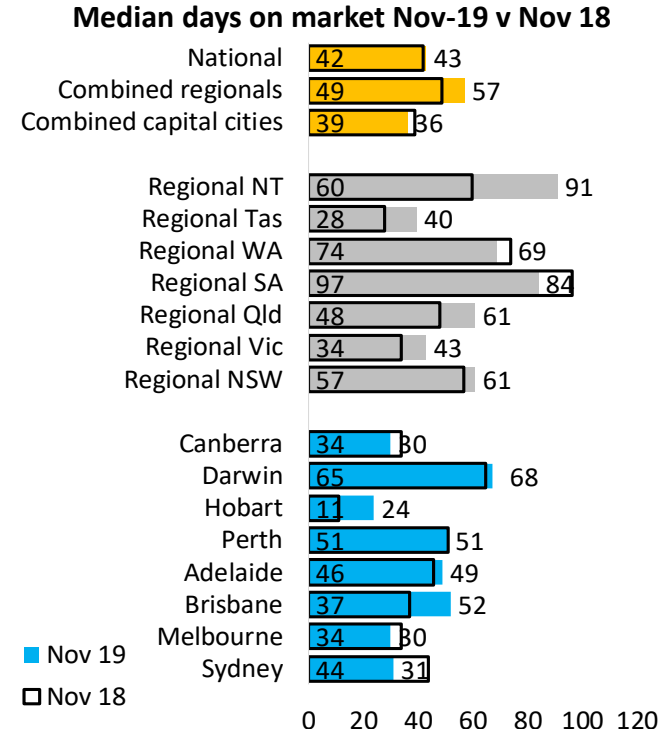
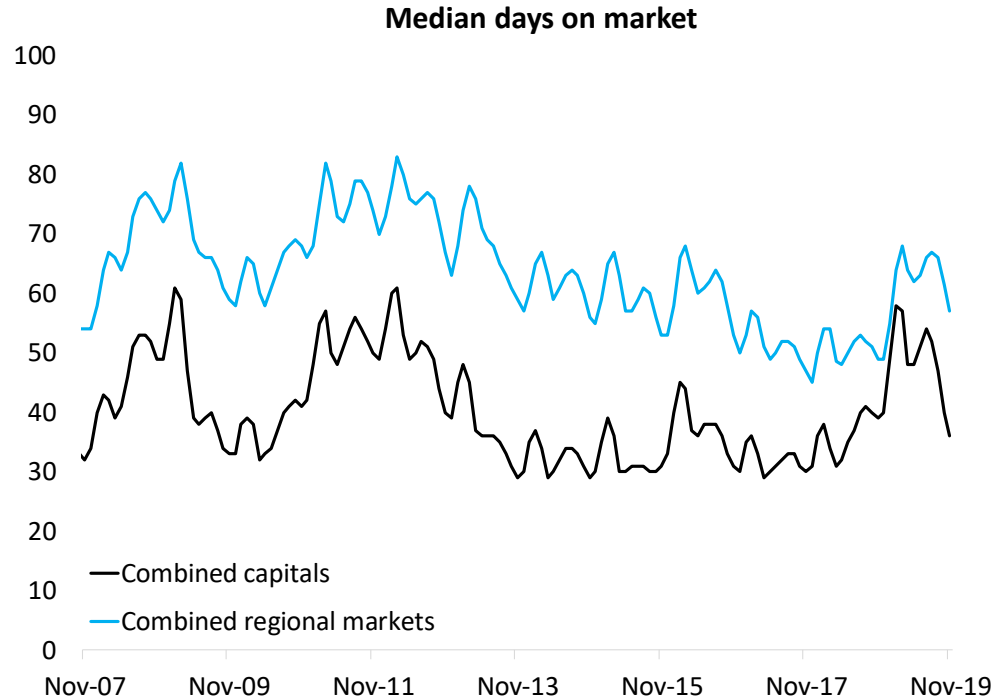
Gross rental yields - National



Gross rental yields as at Nov-19

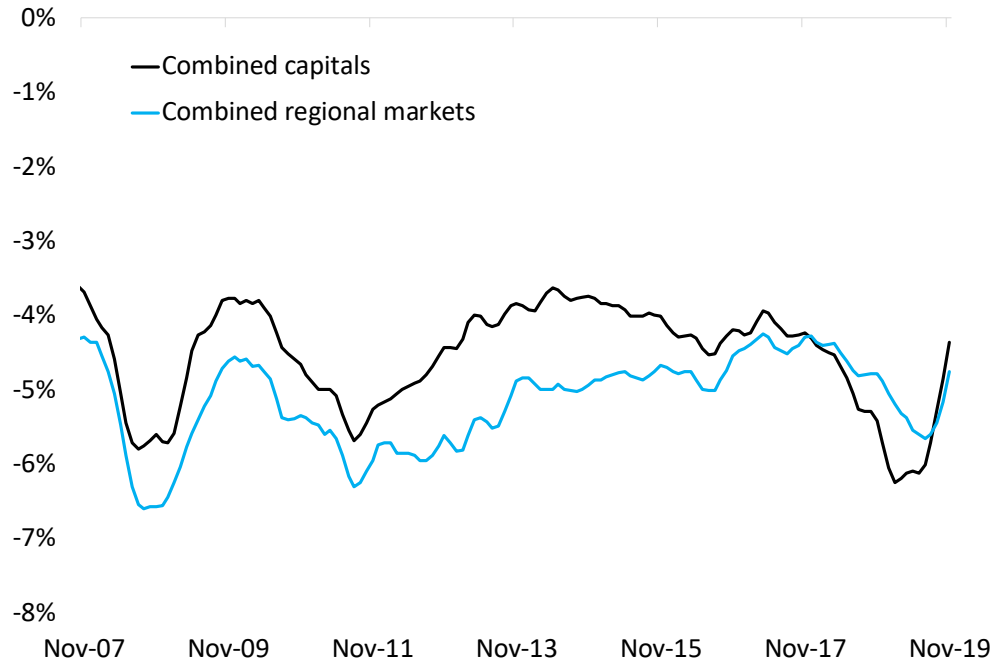


# The median selling time continues to trend lower across both the Combined capital cities and Combined regional markets as market conditions improve

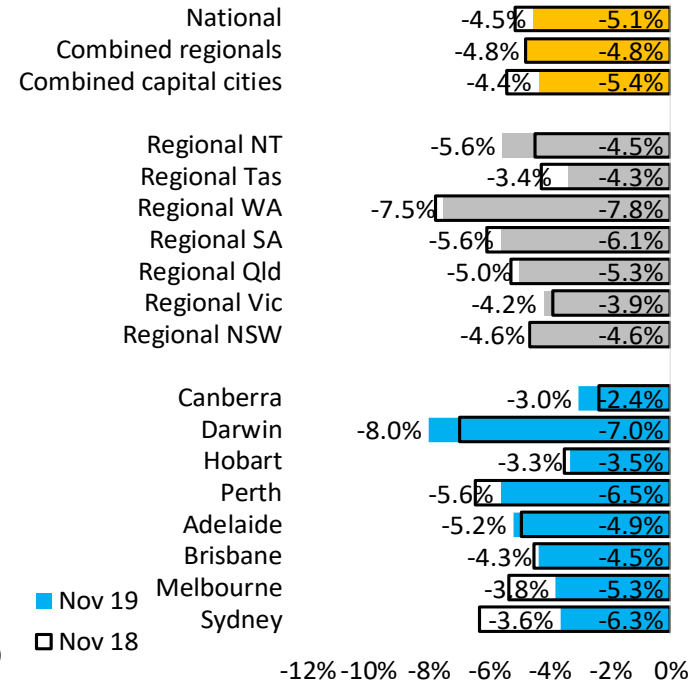


# Vendor discounting rates are continuing to ease as buyers lose some leverage

Median vendor discount



Median vendor discount Nov-19 v Nov-18

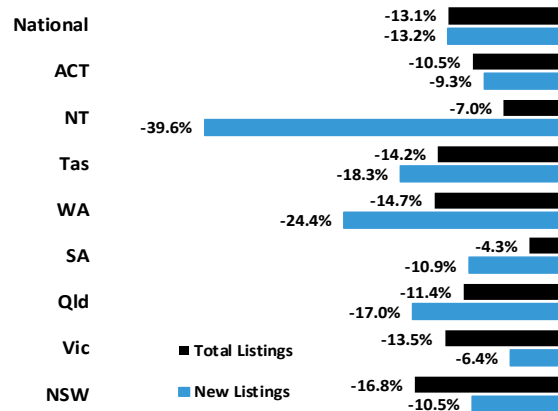
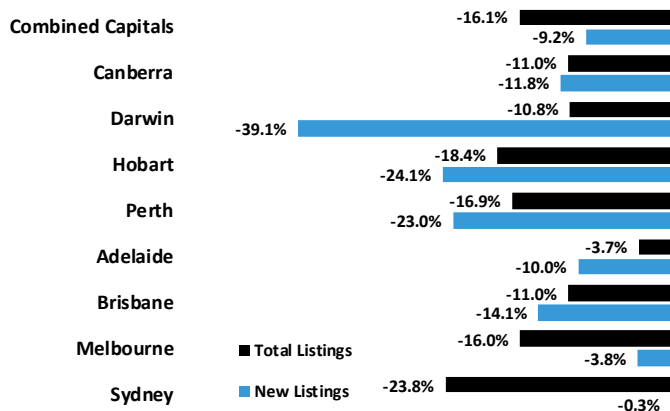


The volume of stock for sale remains lower than it was a year ago with -13.2% fewer newly advertised properties year-on-year

### Number of new and total properties advertised for sale, 28 days to 1 December 2019

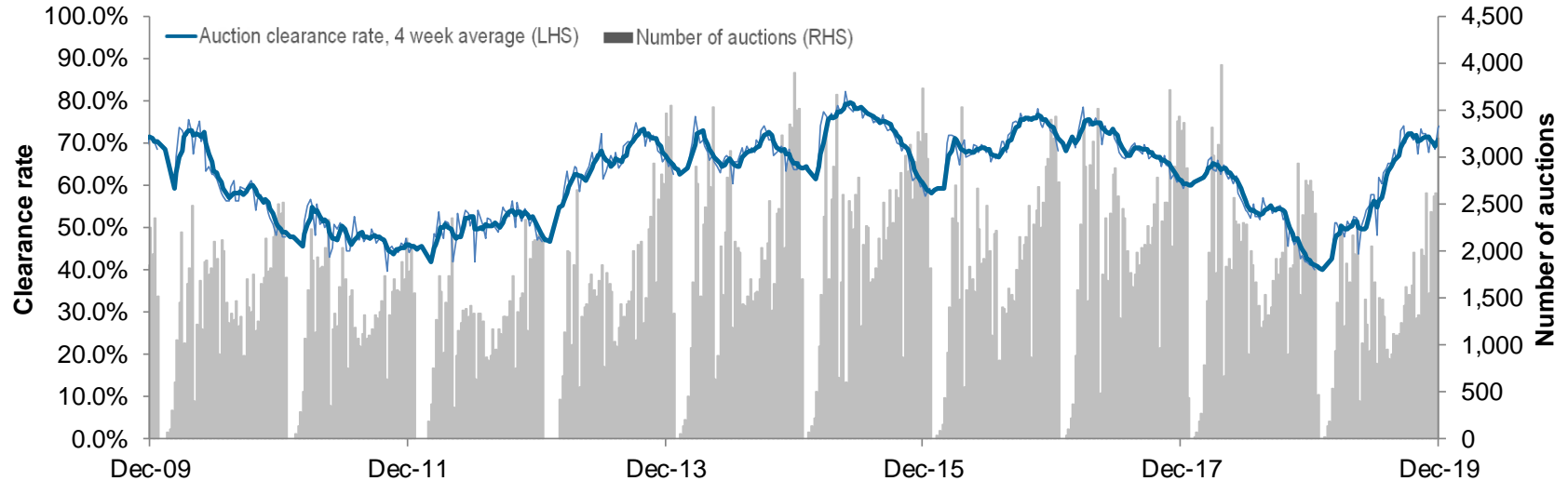
Capital city	No of new listings	No of total listings	State	No of new listings	No of total listings
Sydney	6,005	23,537	NSW	10,278	47,272
Melbourne	7,859	32,546	Vic	11,037	49,053
Brisbane	3,750	19,986	Qld	8,751	59,434
Adelaide	2,226	8,933	SA	3,014	17,727
Perth	3,275	18,340	WA	4,582	30,425
Hobart	382	1,057	Tas	1,013	4,340
Darwin	103	1,307	NT	139	1,939
Canberra	710	2,382	ACT	745	2,501
<b>Combined Capitals</b>	<b>24,310</b>	<b>108,088</b>	<b>National</b>	<b>39,559</b>	<b>212,691</b>

### 12 month change: new and total properties advertised for sale



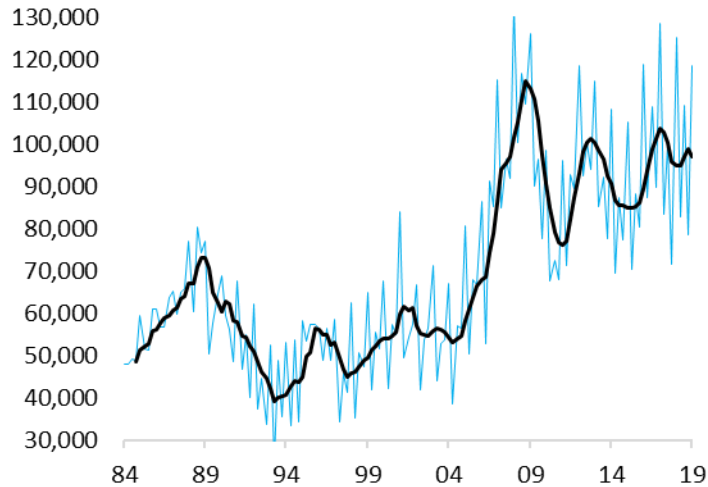
# Auction markets have strengthened with clearance rates remaining above 70% for most week's since mid-Sept and volumes trending higher through spring

Weekly clearance rates, combined capital cities

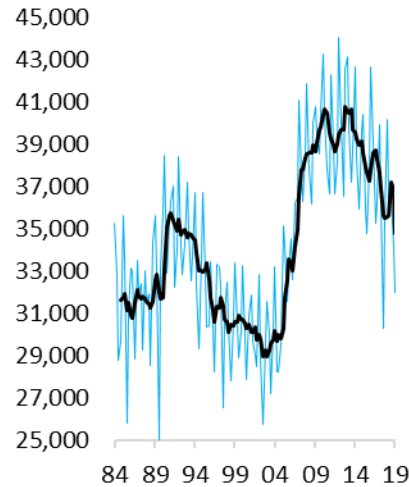


# Housing demand: High migration rates are continuing to push the national population higher, with growth of 1.6% over the 12 months ending March 2019

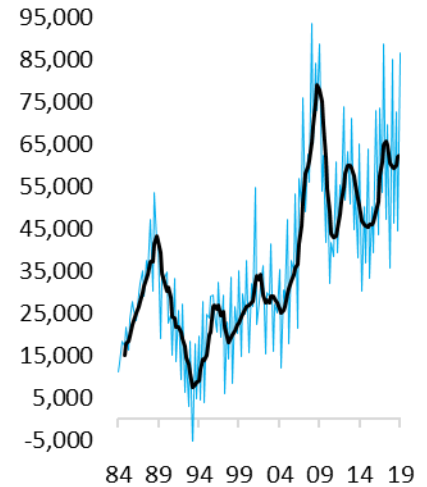
**Quarterly change in population, Aus**



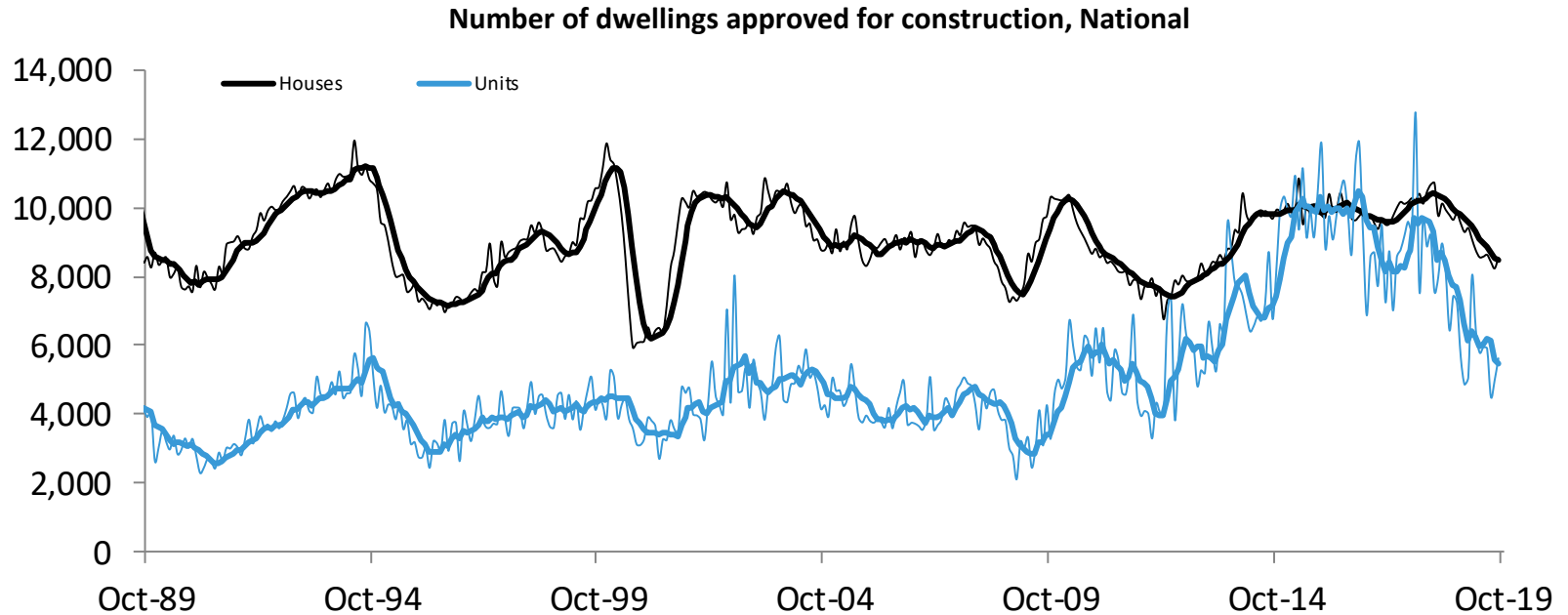
**Natural increase, Aus**



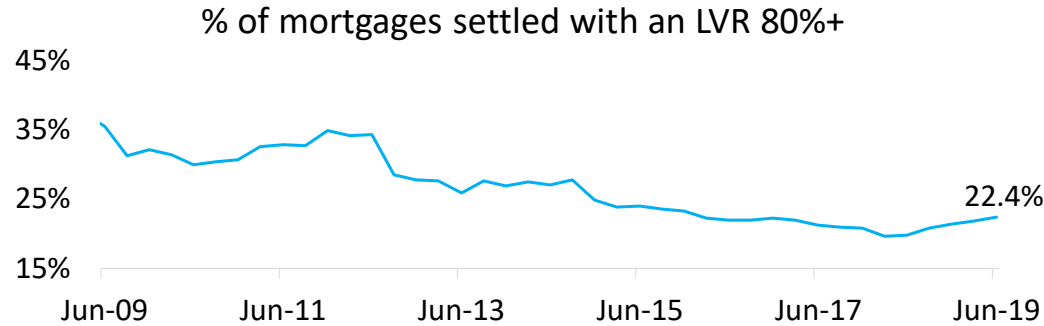
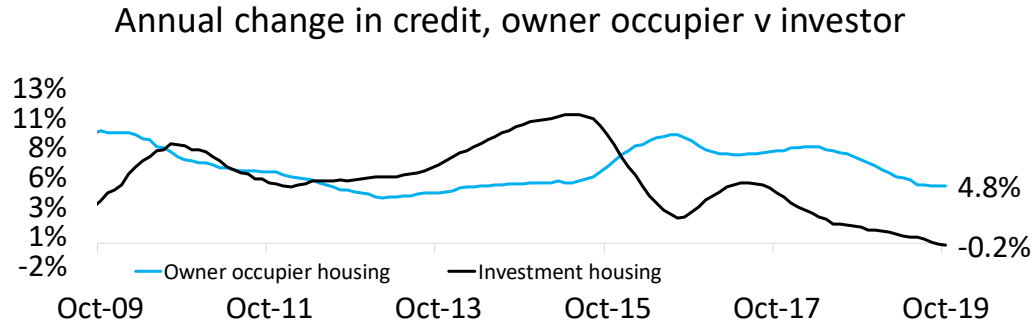
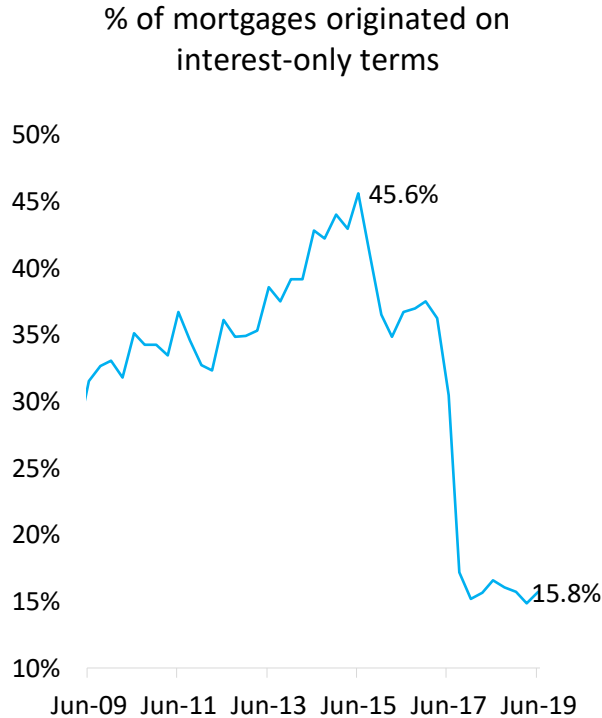
**Overseas migration, Aus**



# Approved housing supply has been trending lower since late 2017, roughly in line with the peak in housing values

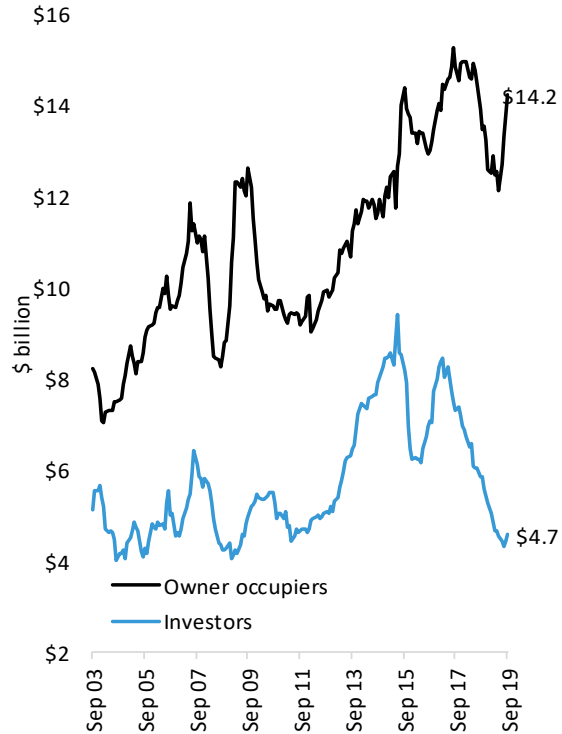


# Housing credit is expanding at an historically slow pace with investment credit growth down further in October

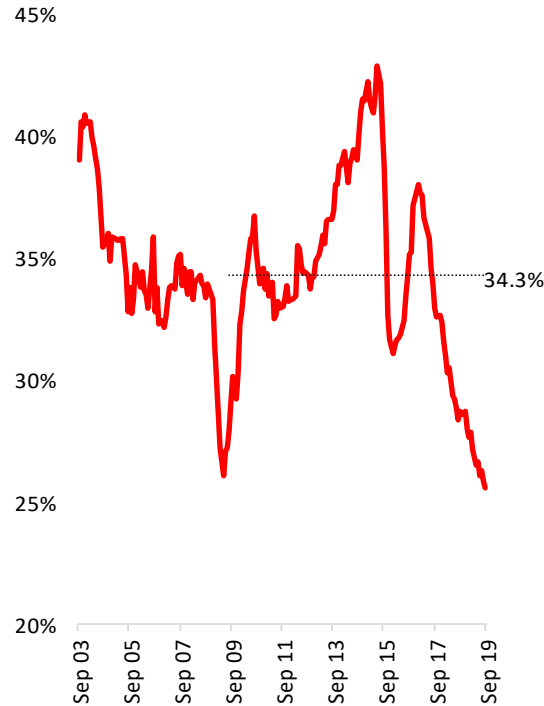




Monthly value of new housing finance commitments, National

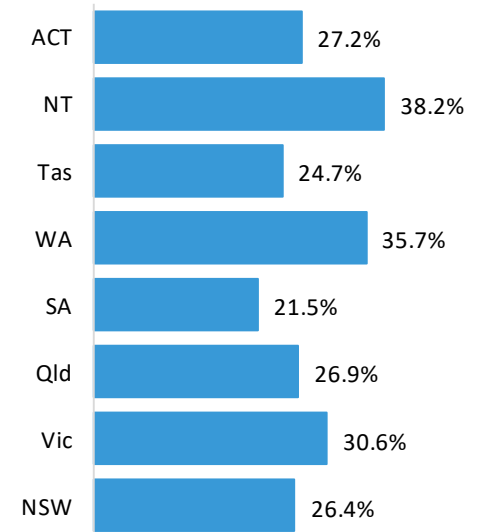
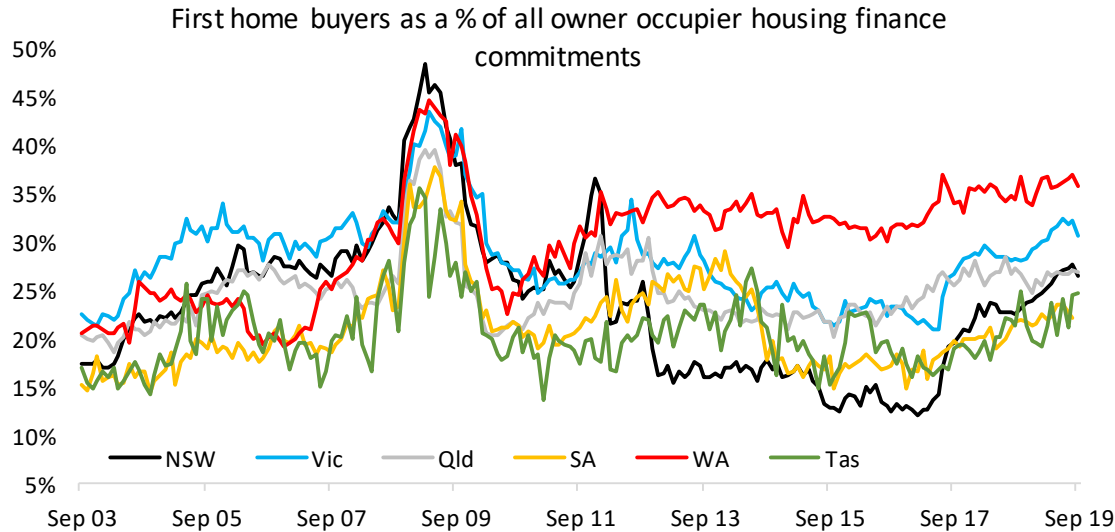


New investor lending share of total new lending (ex refinances)



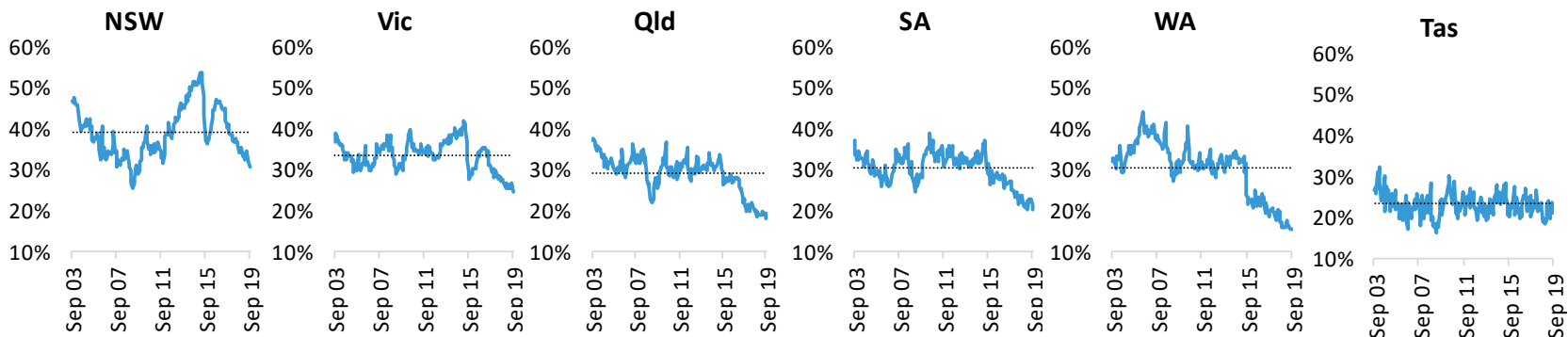
The value of lending to owner occupiers increased by 3.3% in September 19, while investor loans were -4.0% lower over the month of September. Investors continue to comprise a lower than average share of mortgage demand

# First home buyers have been a key source of housing demand due to improved affordability, less competition from investors, low mortgage rates and incentives

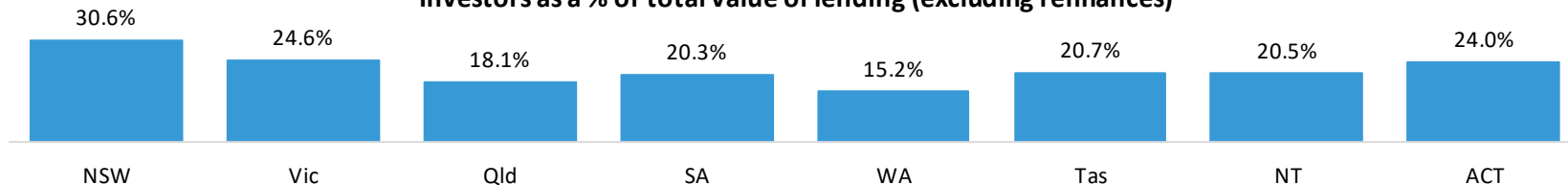


# Investor activity has faded over the past couple of years in each state and territory and is yet to show a rebound

**Investor housing finance commitments by states as a share of total commitments (excluding refinances)**

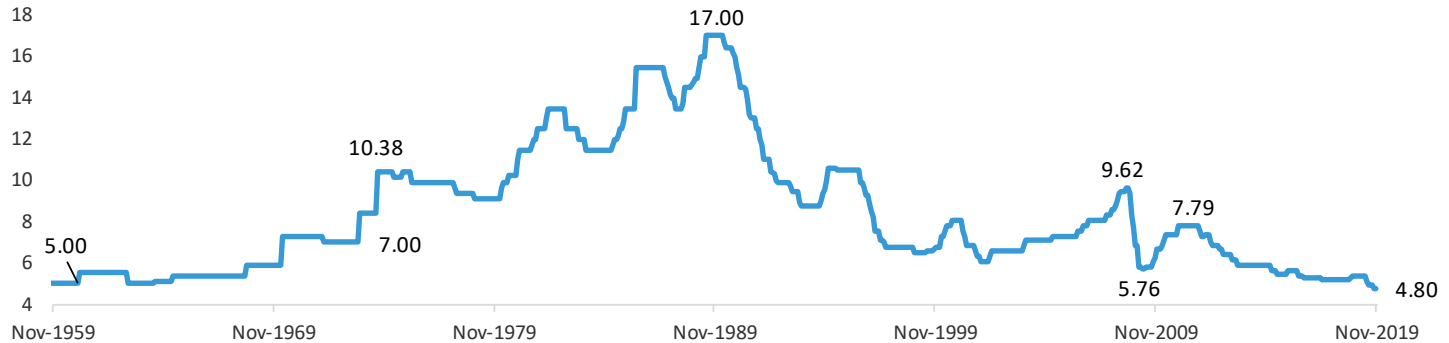


**Investors as a % of total value of lending (excluding refinances)**



# With the cash rate falling by 75 basis points between June and October 2019, mortgage rates are tracking at the lowest level since the 1950's

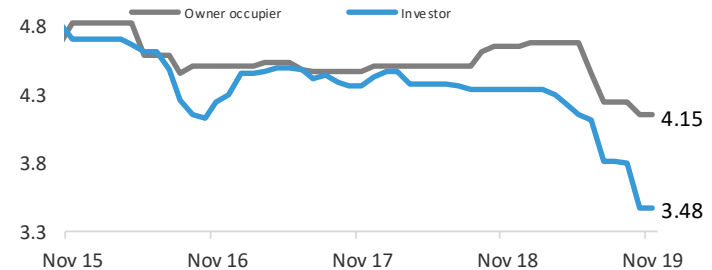
Standard variable mortgage rates over time



Avg mortgage rate by product type, November 2019 (%)



Investor mortgage rate premium





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