



# Monthly Chart Pack

Our Insights. Your Story.

June 2021



# Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$8.4 Trillion



AUSTRALIAN SUPERANNUATION

\$3.1 Trillion



AUSTRALIAN LISTED STOCKS

\$2.7 Trillion



COMMERCIAL REAL ESTATE

\$963 Billion

Data as at June 2021.



10.6 million  
Number of dwellings

\$1.9 trillion  
Outstanding mortgage debt

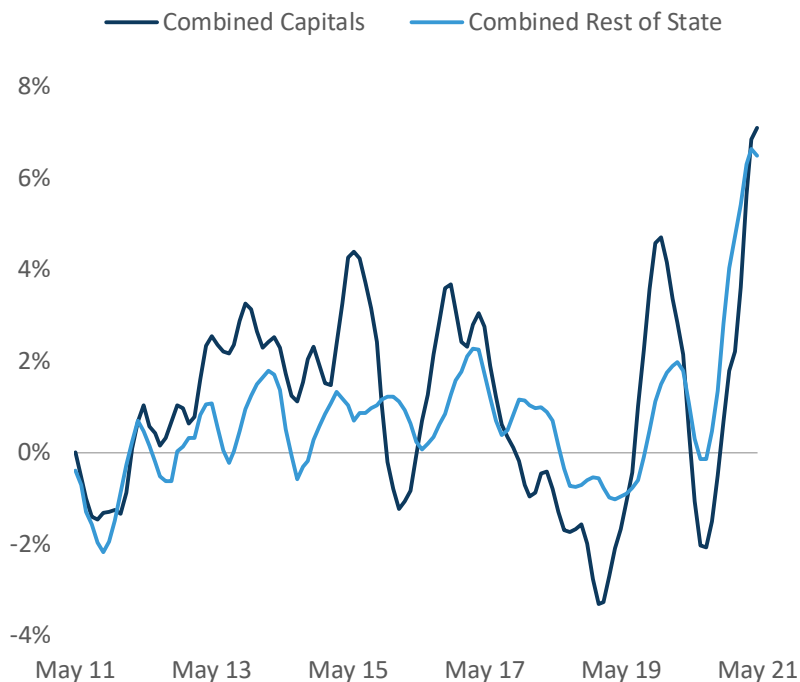
53.0%  
Household wealth held in housing

553,583  
Total sales p.a.

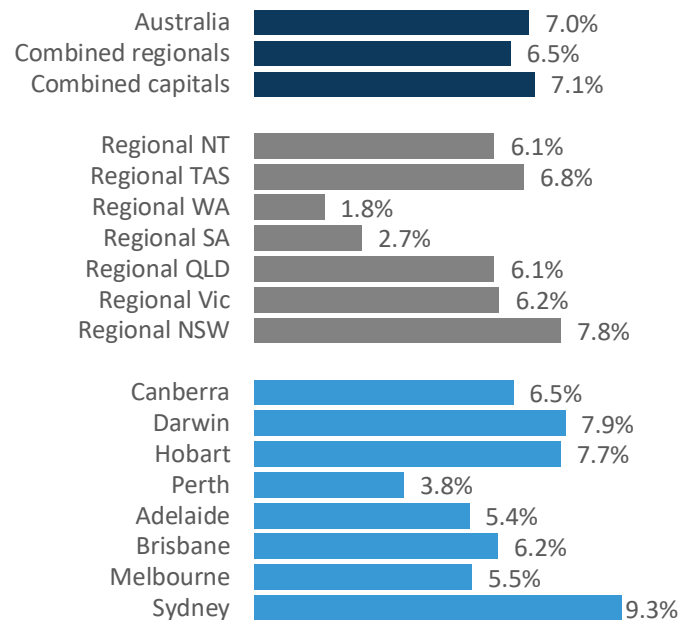
\$337 billion  
Gross value of sales p.a.

# In the three months to May, national home values rose 7.0%, which is the highest quarterly growth rate since November 1988

## Rolling quarterly change in dwelling values

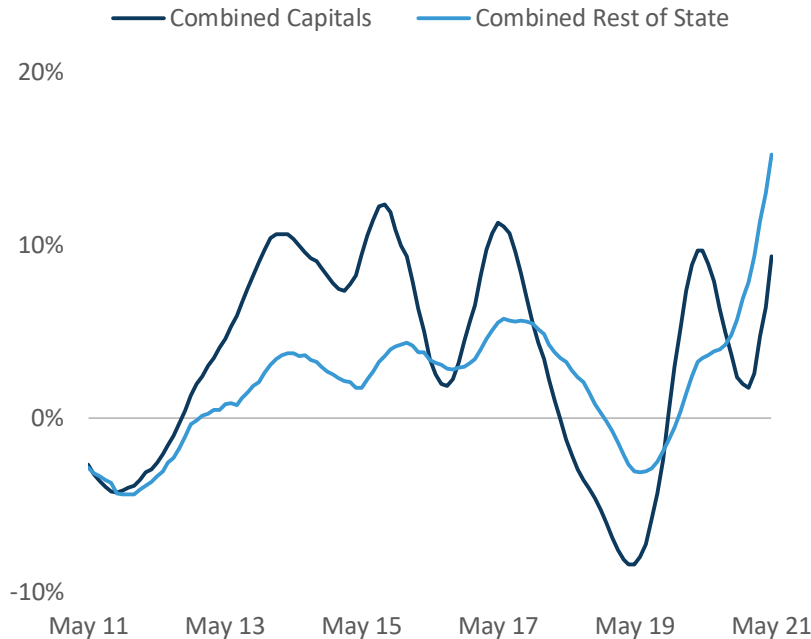


## Change in dwelling values, three months to May 2021

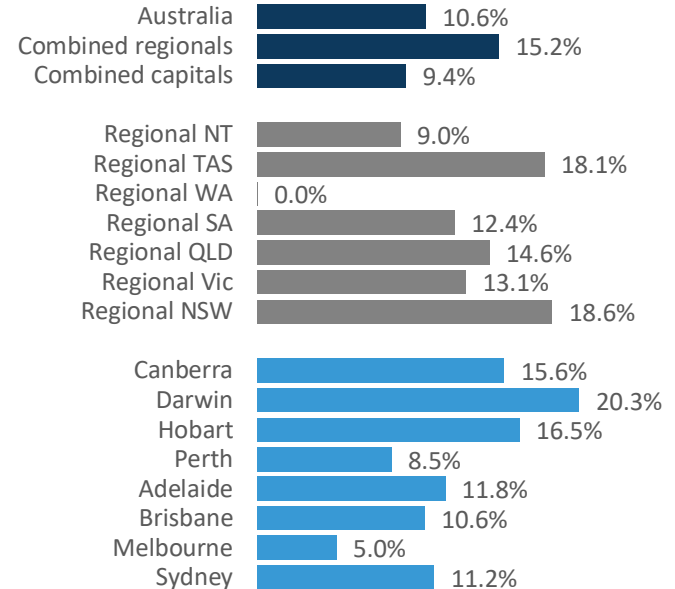


# Regional dwelling values are 15.2% higher over the year, compared with a 9.4% lift in the combined capital cities dwelling market

Rolling annual change in dwelling values

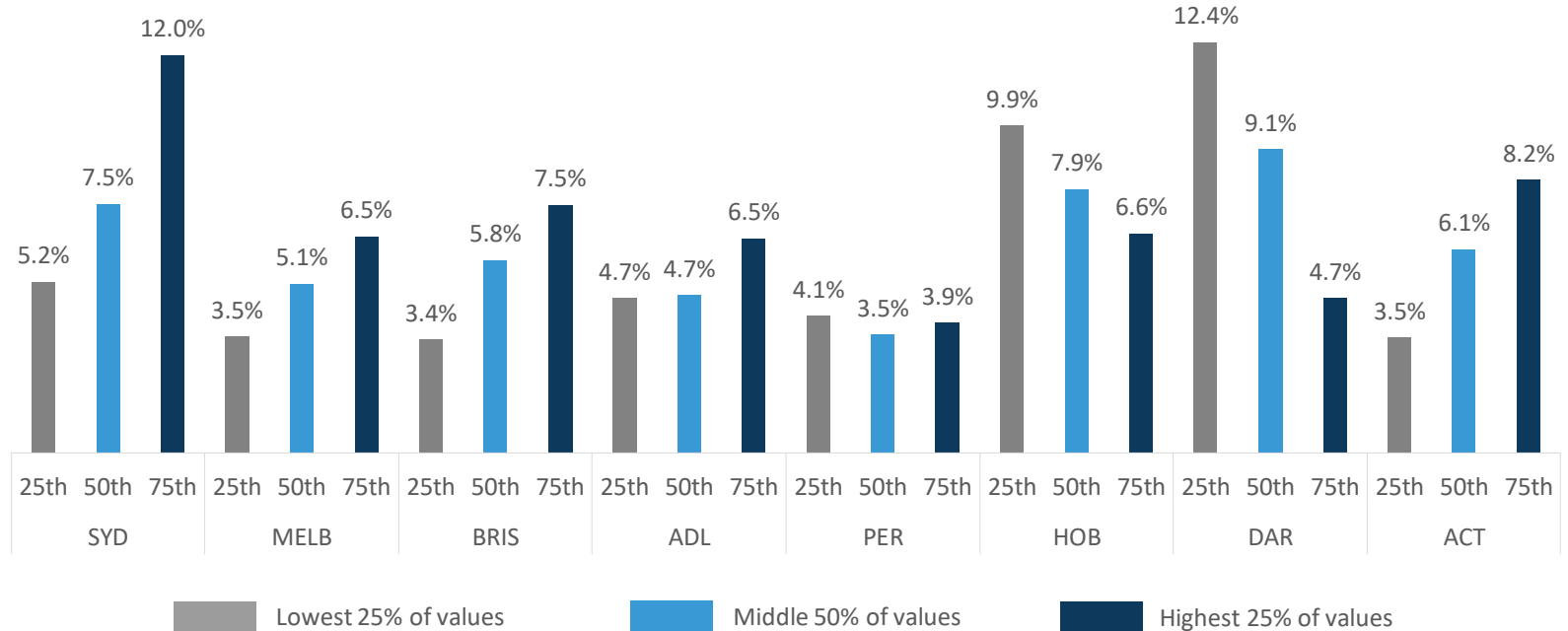


Change in dwelling values, twelve months to May 2021

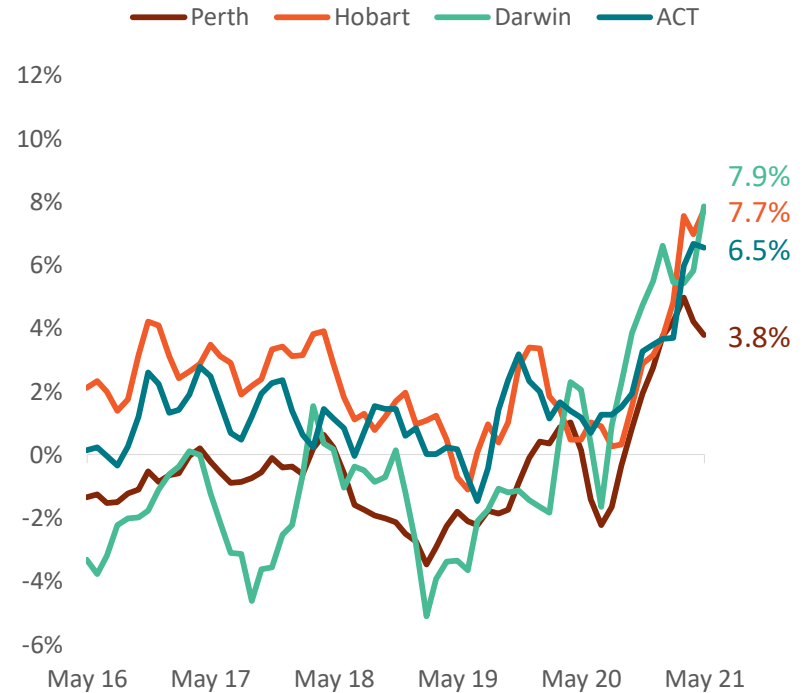
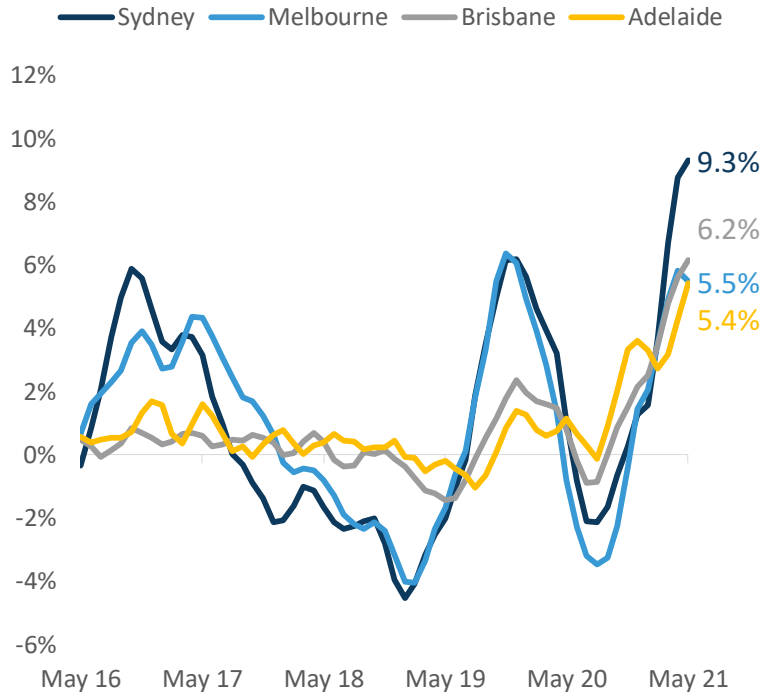


# In the three months to May, the largest capital cities continued to show the ‘high’ end of market values outpacing lower value tiers

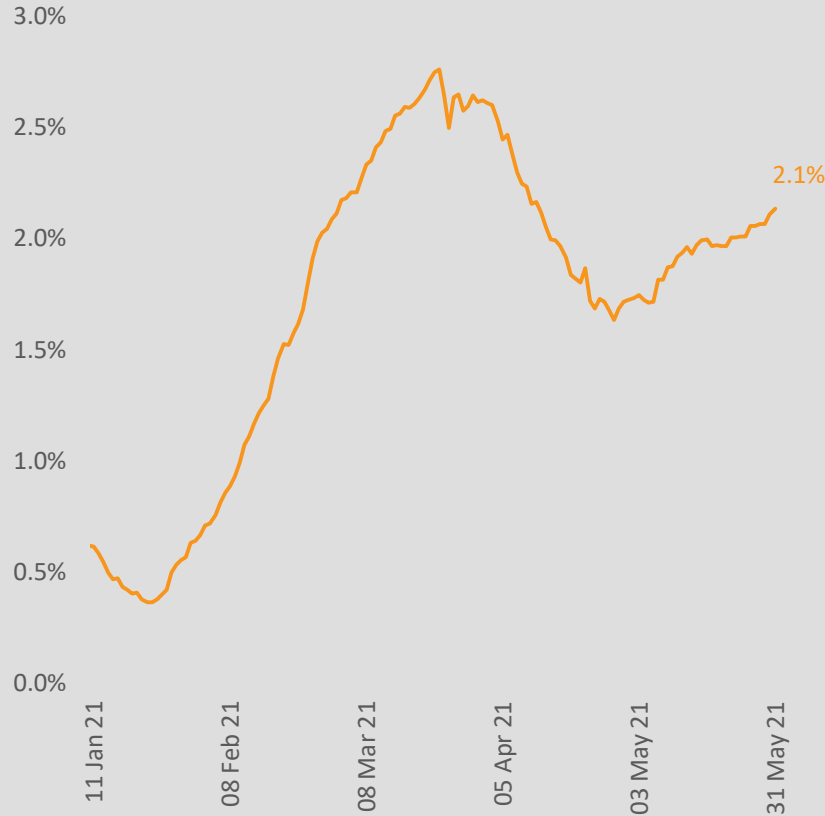
Growth in stratified hedonic dwellings index (3 months)



# Every capital city is recording a rapid rate of appreciation in home values, ranging from a quarterly rise of 9.3% in Sydney to 3.8% in Perth

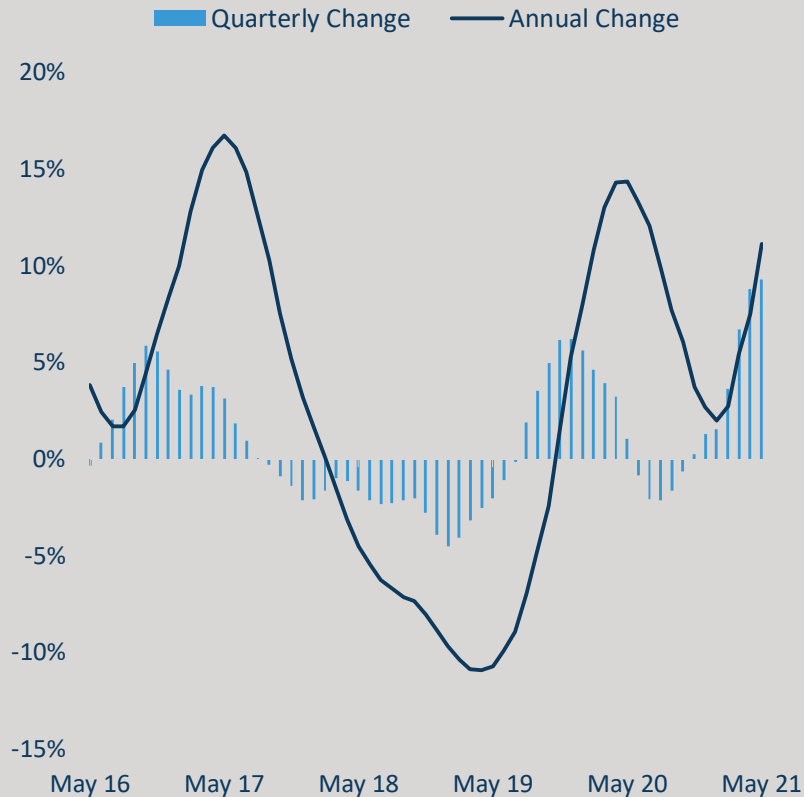


## Rolling 28-day growth rate in CoreLogic Home Value index - combined capital cities



After easing through April, the 28-day rolling change in the CoreLogic Home Value index once again accelerated through May.

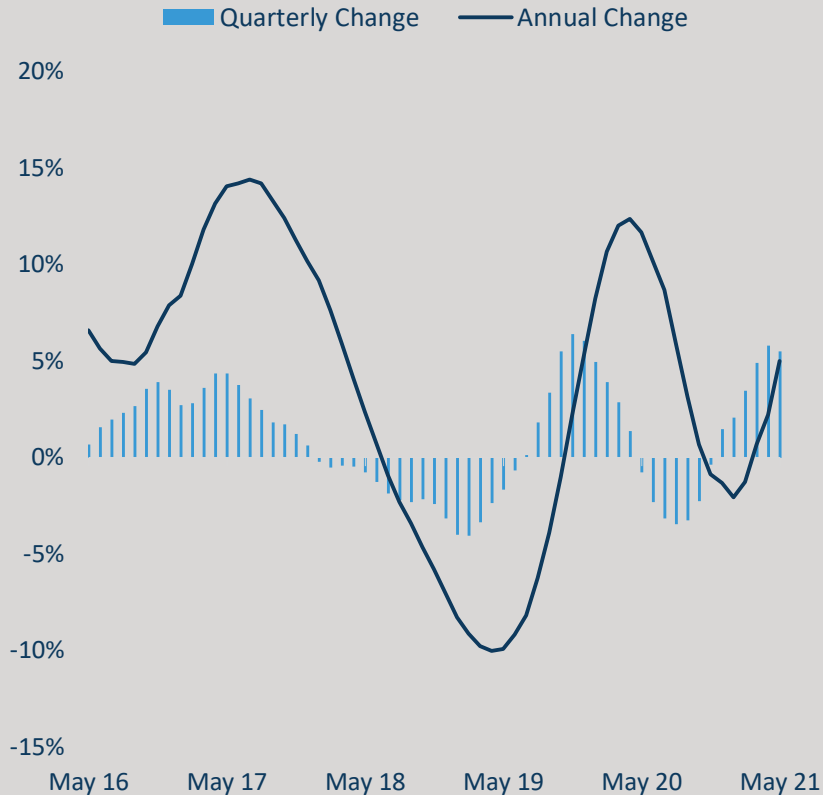
## Quarterly and annual change in dwelling values - Sydney



- Sydney dwelling values rose 3.0% in May
- Dwelling values increased 9.3% in the quarter
- Sydney dwelling values are up by 11.2% in the past year
- Sydney dwelling values are currently at a record high

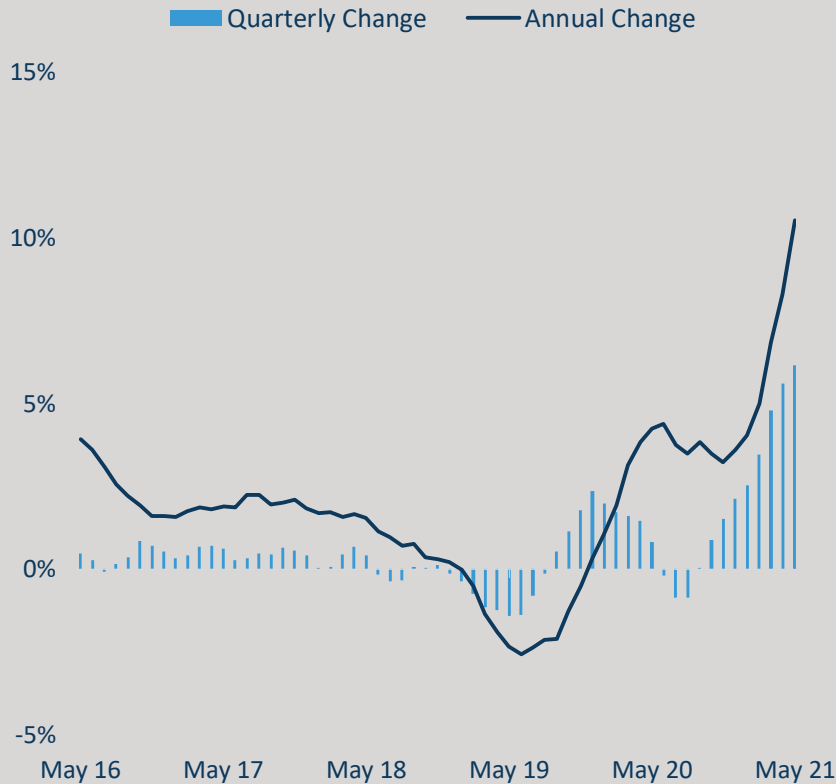


## Quarterly and annual change in dwelling values - Melbourne



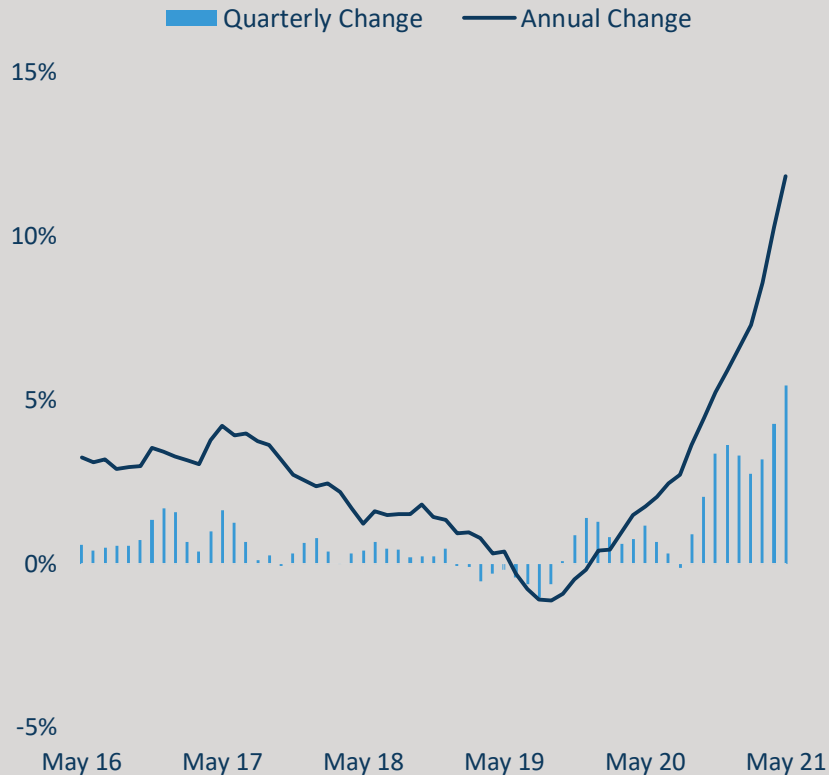
- Melbourne dwelling values rose 1.8% in May
- Dwelling values increased 5.5% in the quarter
- Melbourne dwelling values increased 5.0% in the past year
- Melbourne dwelling values are currently at a record high

## Quarterly and annual change in dwelling values - Brisbane



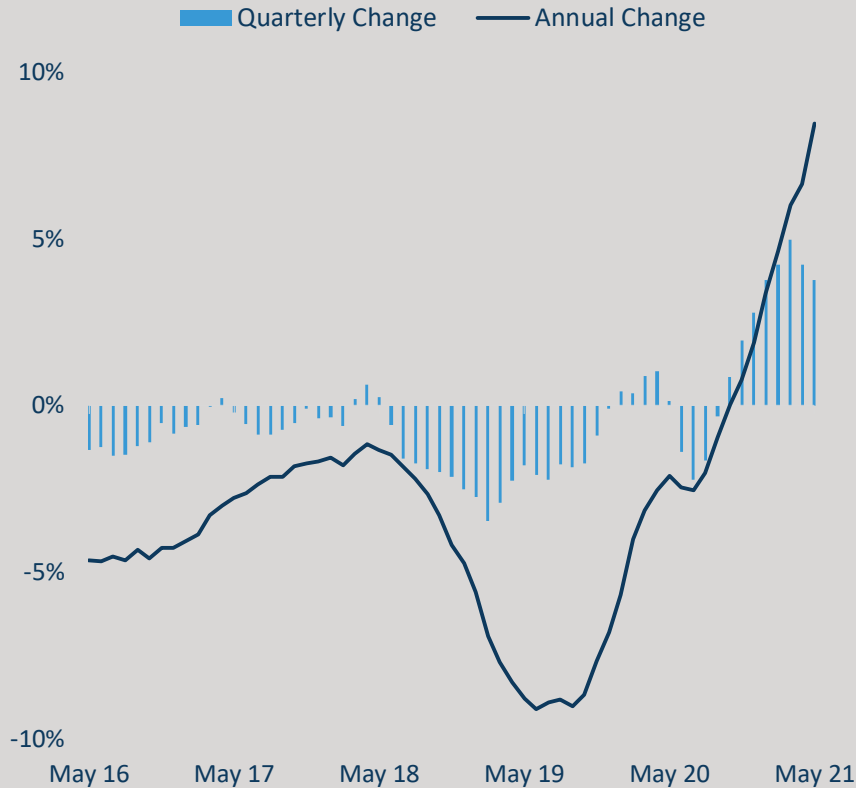
- Brisbane dwelling values increased by 2.0% in May
- Dwelling values increased 6.2% over the quarter
- Brisbane dwelling values are up by 10.6% in the past year
- Brisbane dwelling values are currently at a record high

## Quarterly and annual change in dwelling values - Adelaide



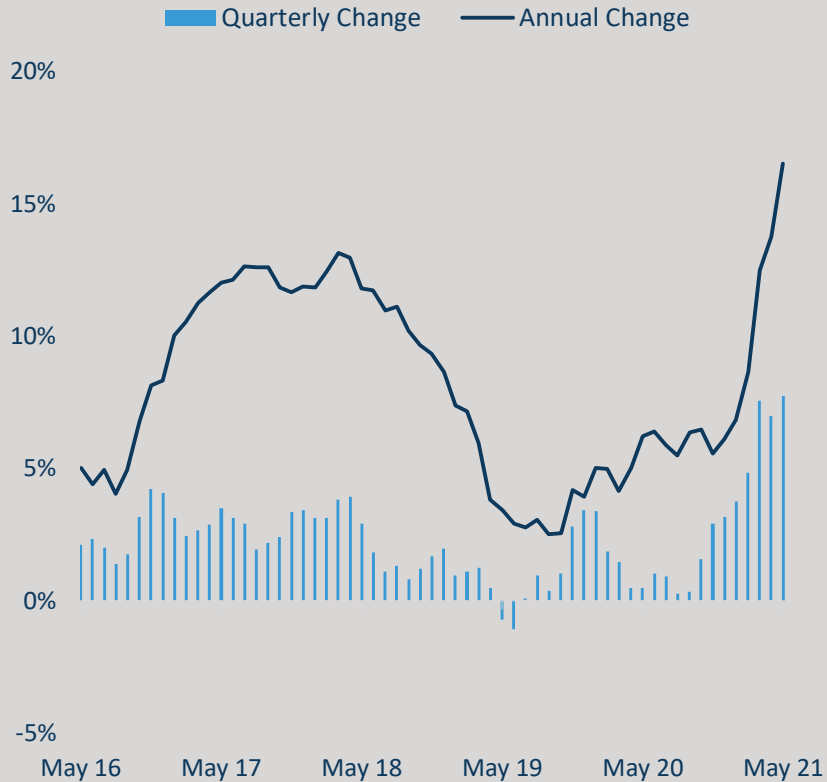
- Adelaide dwelling values increased 1.9% in May
- Dwelling values rose 5.4% in the quarter
- Adelaide dwelling values were up by 11.8% in the past year
- Adelaide dwelling values are currently at a record high

# Quarterly and annual change in dwelling values - Perth



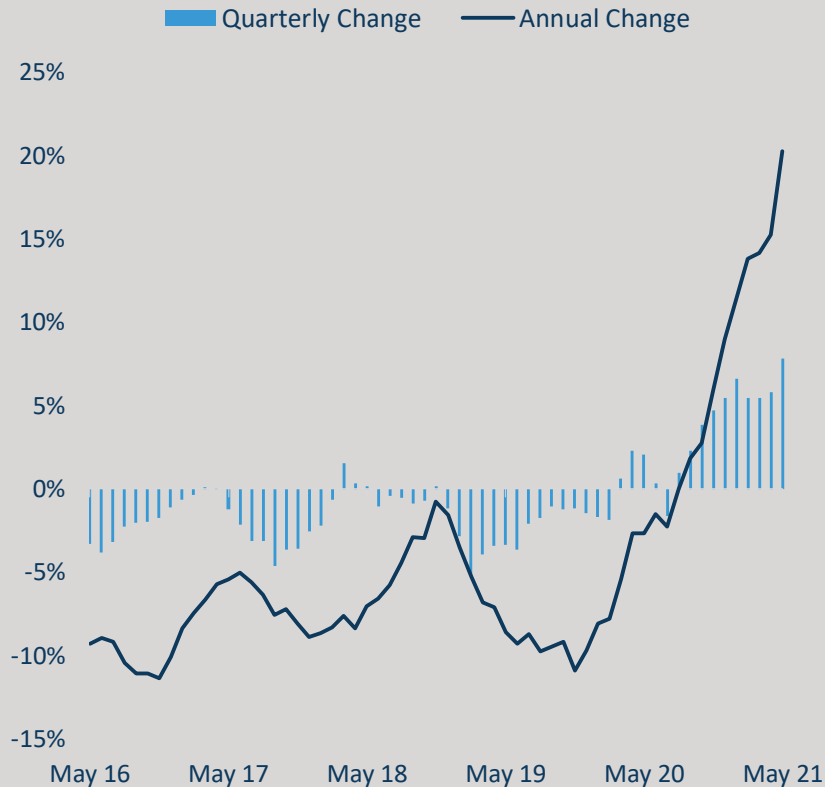
- Perth dwelling values increased 1.1% in May
- Dwelling values increased 3.8% in the quarter
- Perth dwelling values were up 8.5% in the past year
- Perth dwelling values are now -14.2% below the record high, which was in June 2014

# Quarterly and annual change in dwelling values - Hobart



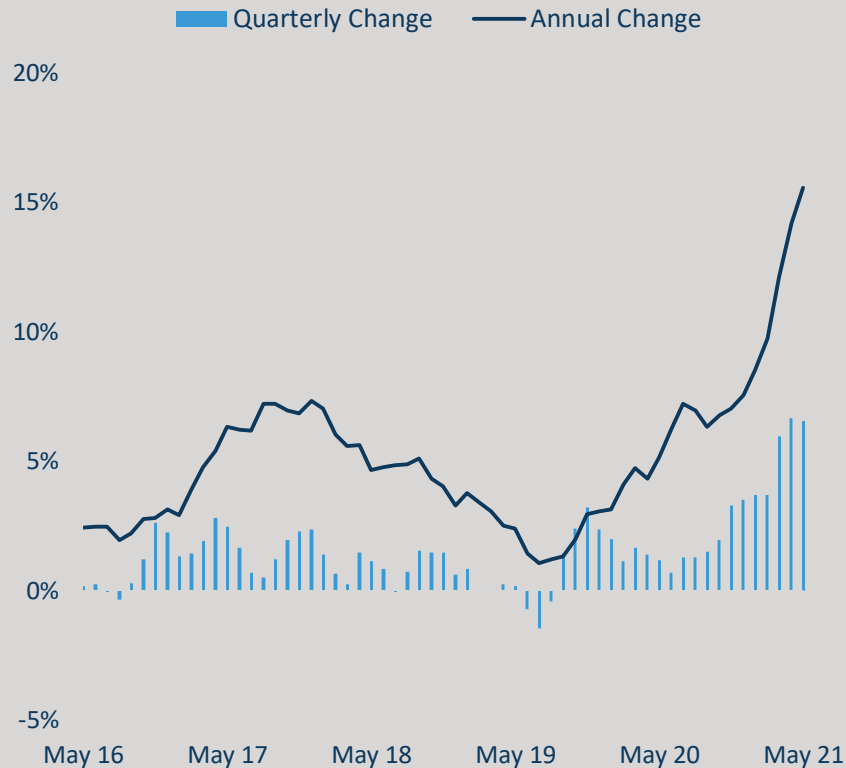
- Hobart dwelling values increased 3.2% in May
- Dwelling values increased 7.7% in the quarter
- Hobart dwelling values are up by 16.5% in the past year
- Hobart dwelling values are currently at a record high

# Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values increased 2.7% in May
- Dwelling values rose 7.9% in the quarter
- Darwin dwelling values were up 20.3% over the year
- Darwin dwelling values are -17.4% below the record high, which was in May 2014

# Quarterly and annual change in dwelling values - ACT

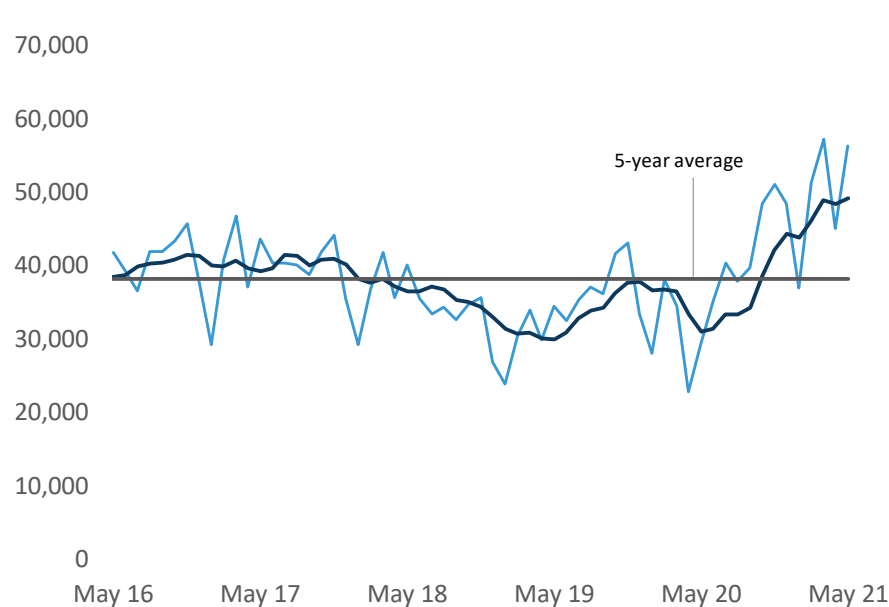


- ACT dwelling values increased 1.7% in May
- Dwelling values were up 6.5% in the quarter
- ACT dwelling values were up by 15.6% in the past year
- The ACT dwelling values are currently at a record high



# CoreLogic estimates sales volumes increased 33.1% nationally over the twelve months to May, with sales volumes sitting well above the 5-year average

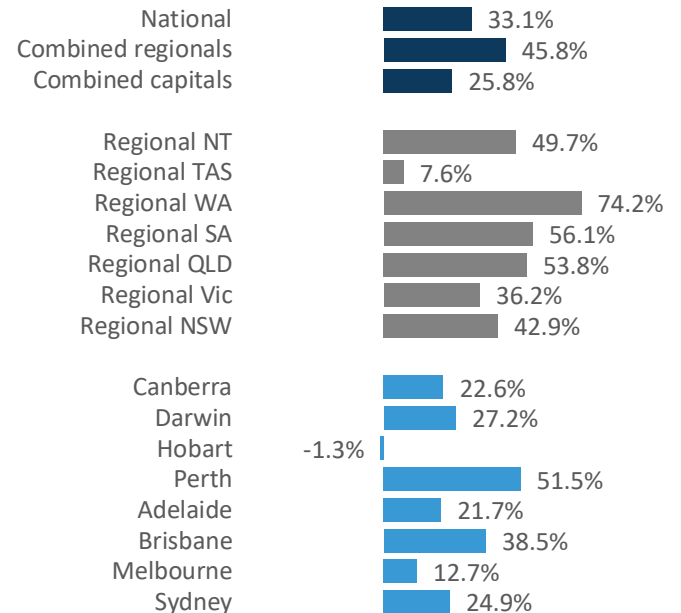
Monthly sales with six month moving average, National



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

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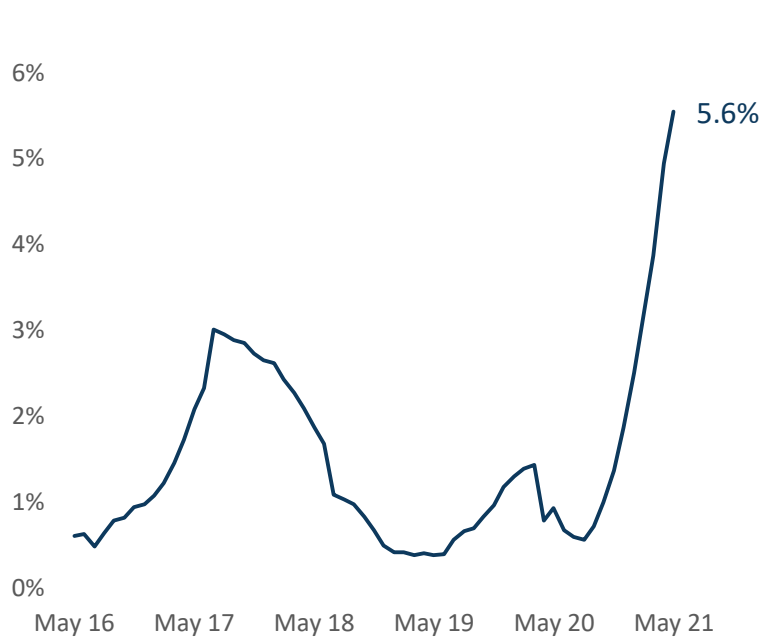
Annual change in sales volumes May 21



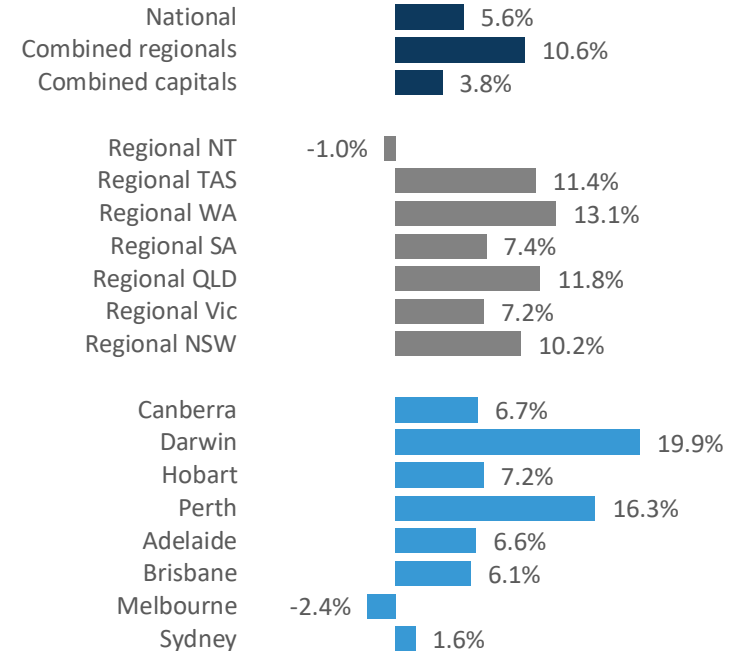


# National rent values have risen 5.6% in the year to May, which is the fastest annual increase since February 2009

## Annual change in rental rates - National



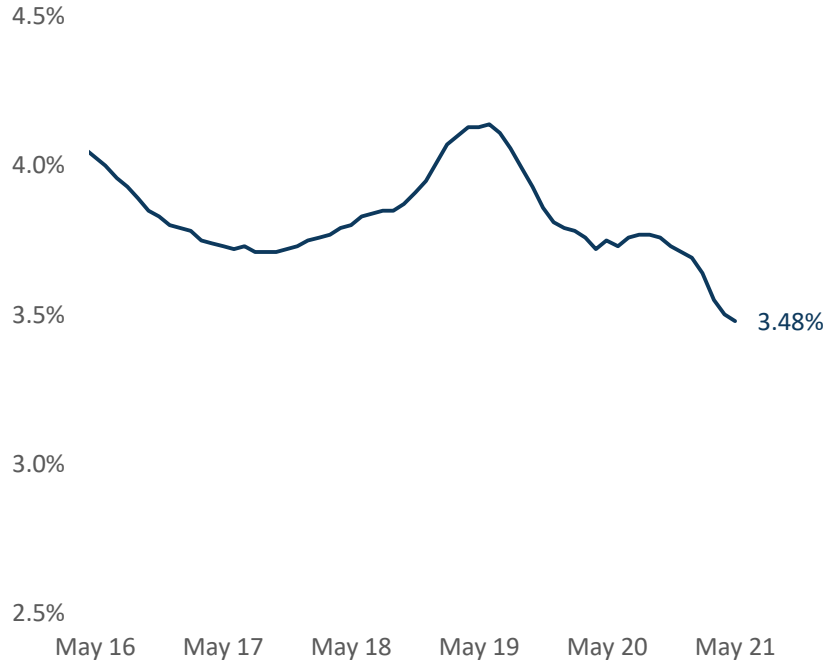
## Annual change in rental rates to May 21



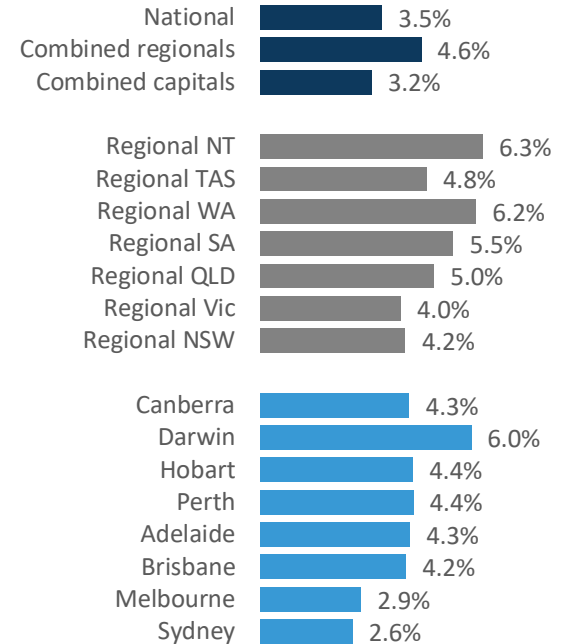


Gross rental yields have compressed 27 basis points nationally, to a record low of 3.48%. Perth and Darwin remain the only capital city regions where yields are higher year on year.

Gross rental yields

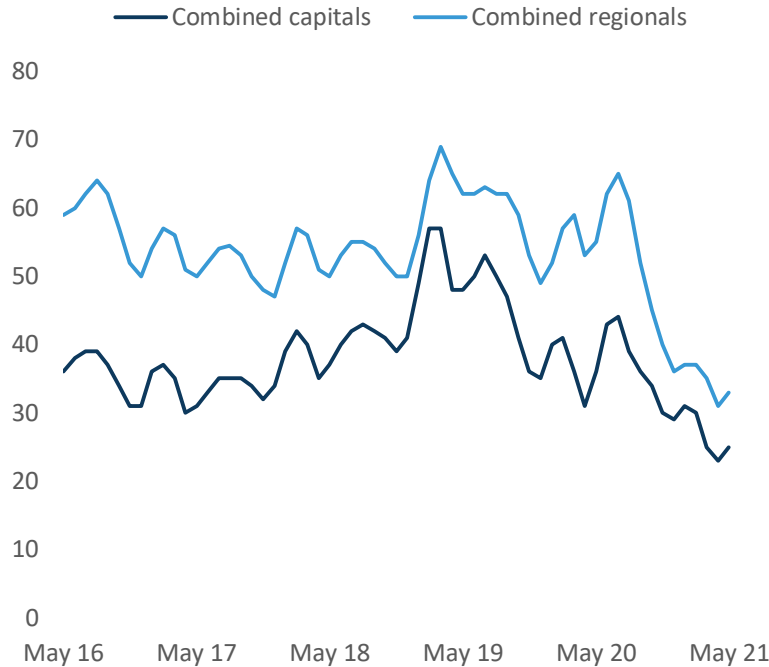


Gross rental yields, May 2021

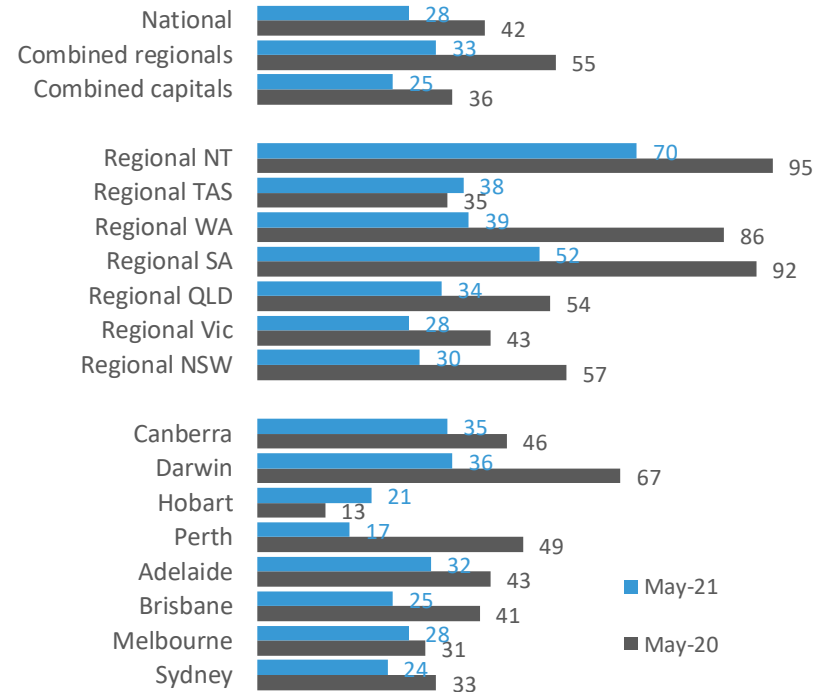


# In the 3 months to May 2021, median time on market across Australia fell to 28 days, down from 42 days in the same period of 2020

## Median days on market



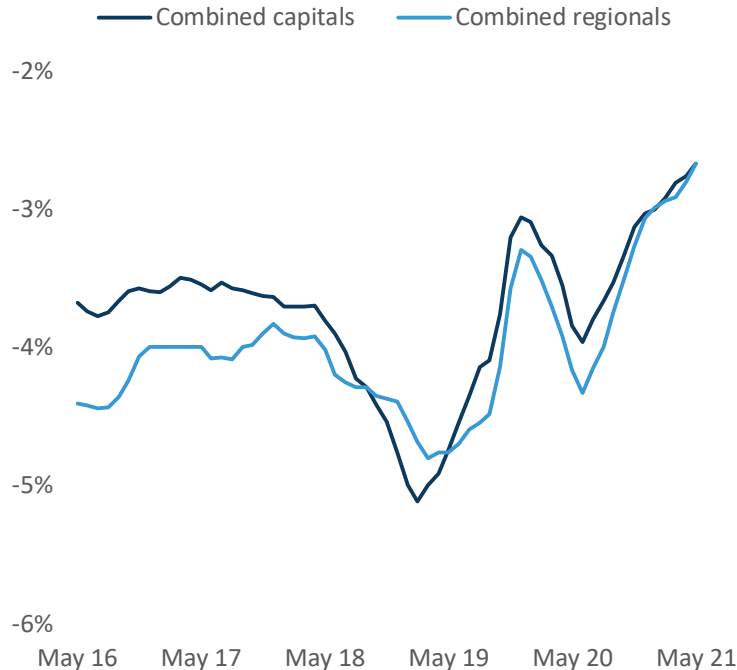
## Median days on market May 20 v May 21





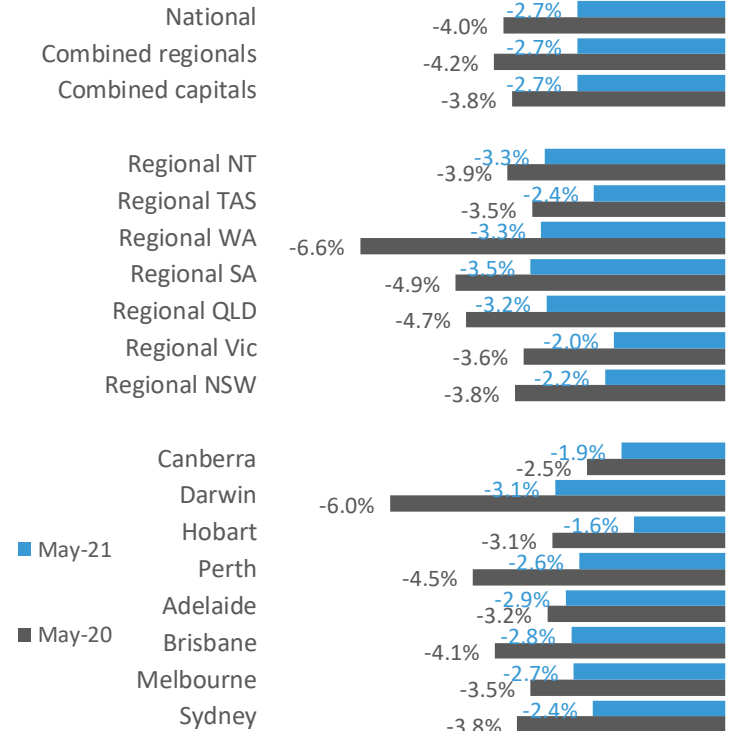
# Nationally, the rate of vendor discounting has tightened by 133 basis points over the year to May

Median vendor discount



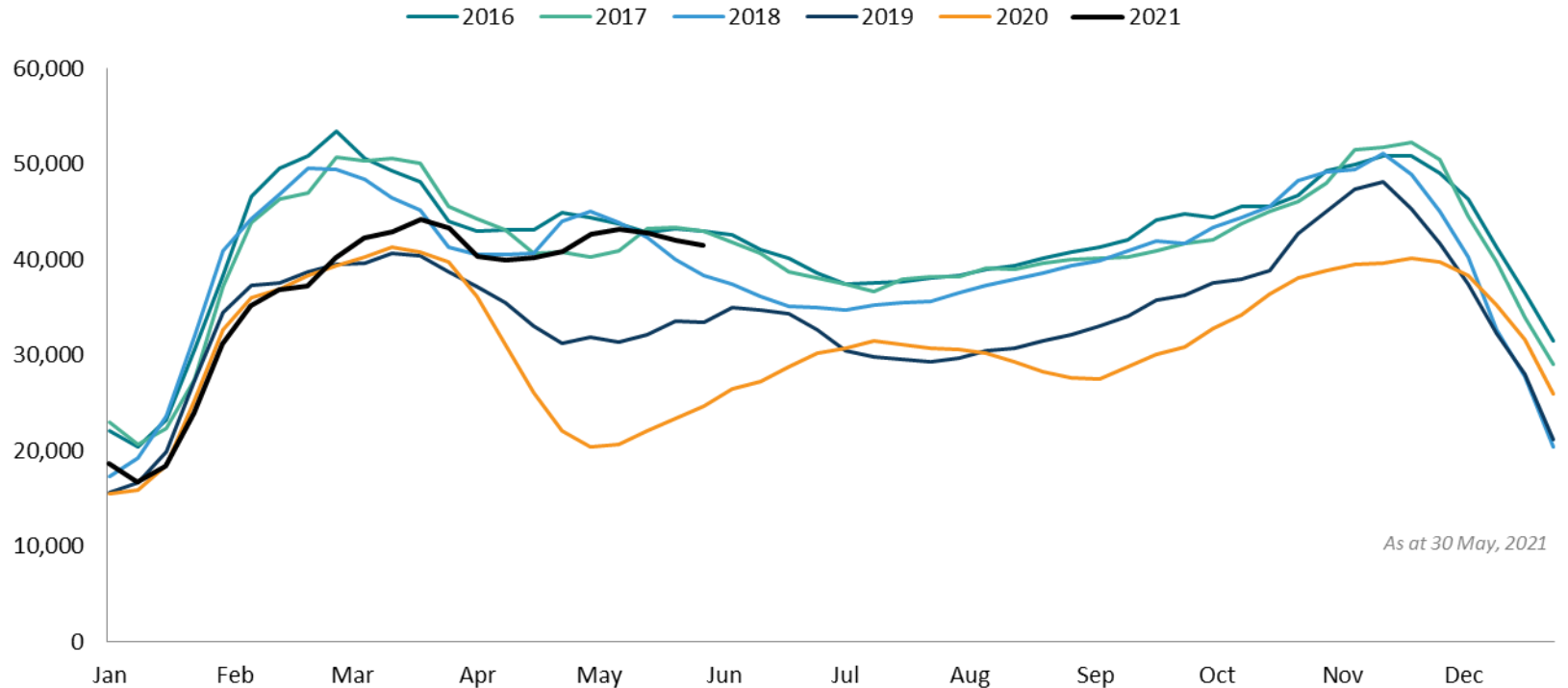
Median vendor discounts are based on a rolling 3-month measure  
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Median vendor discount May 20 v May 21



# Fresh listings to the market have increased through May, and sat 14.7% above the 5-year average level for this time of year

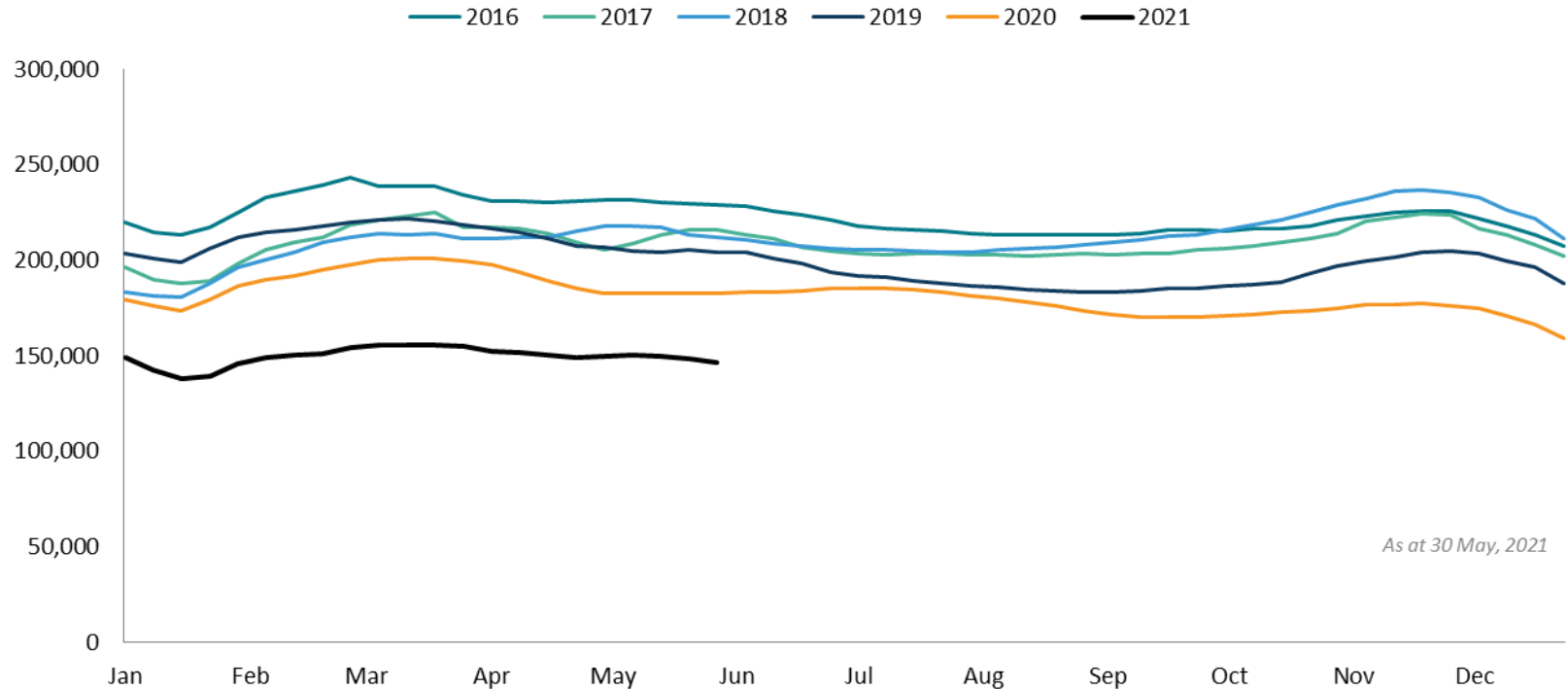
Number of new listings, National Dwellings



As at 30 May, 2021

# However, total listings remained -23.8% below the 5-year average due to strong absorption from sales

Number of total listings, National Dwellings

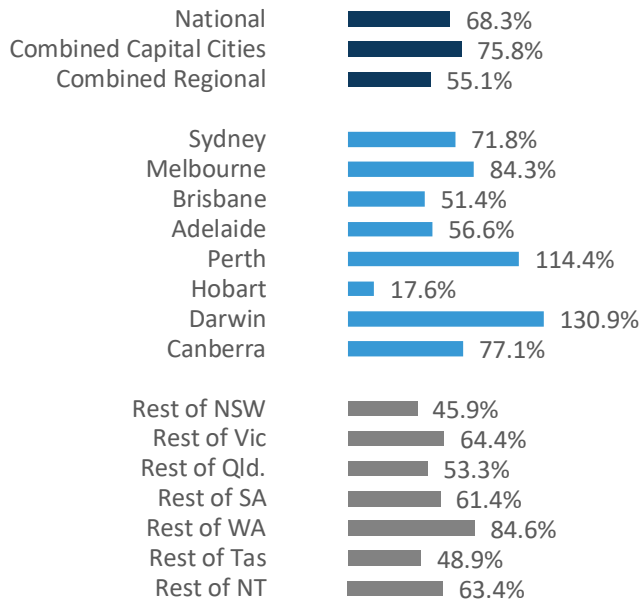


As at 30 May, 2021

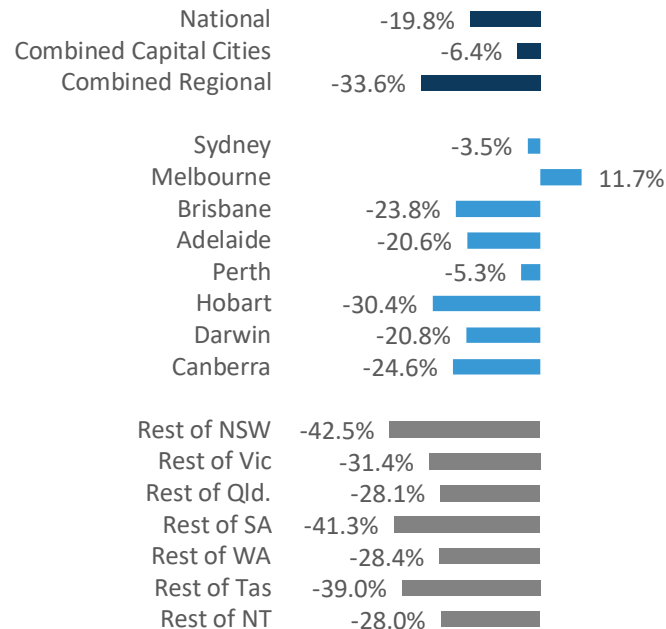


# New listings are elevated on volumes in the equivalent period of 2020, which marked national stage 2 restrictions. However, Melbourne is the only region where total listings are higher.

New listings, change from equivalent period last year



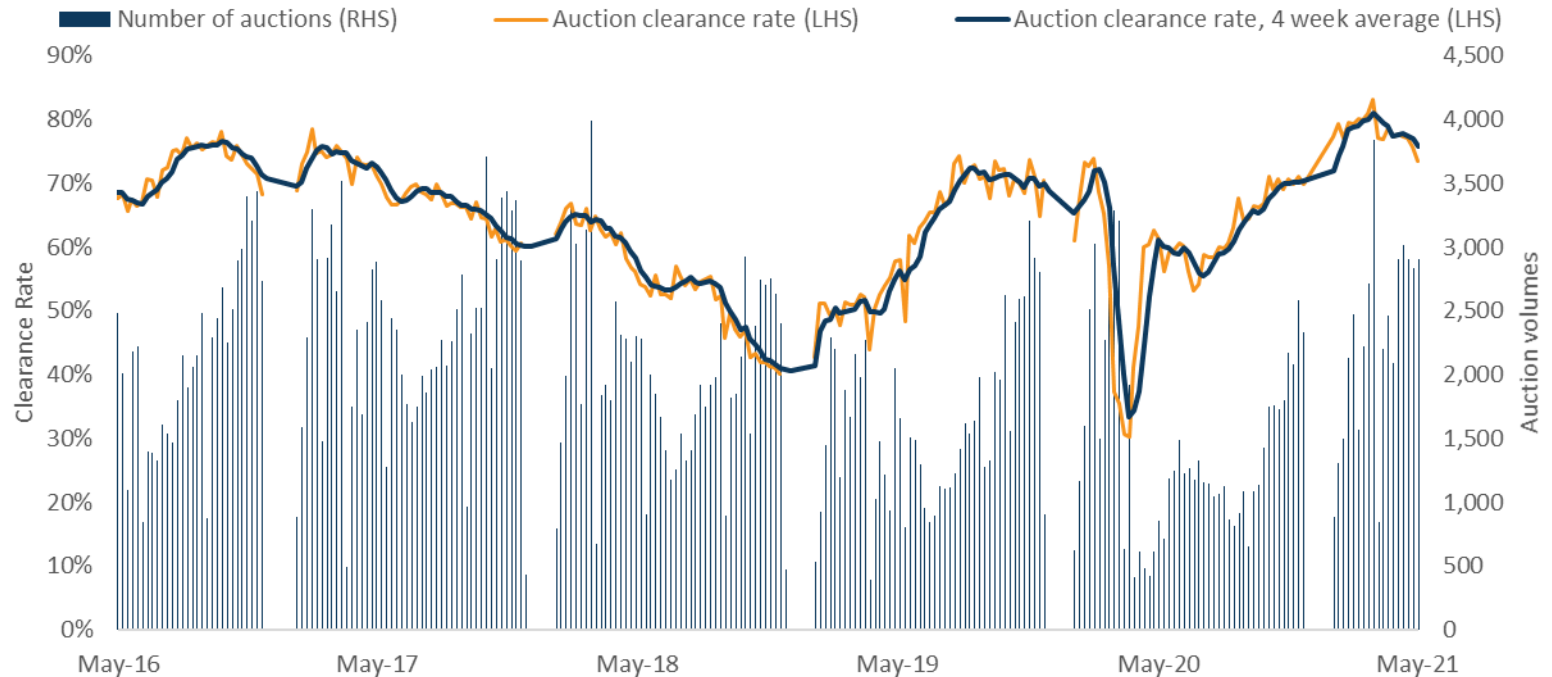
Total listings, change from equivalent period last year





# Auction clearance rates faded since the end of March but remain well above average. In the four weeks to May 30th, the combined capital cities clearance rate averaged 75.8%.

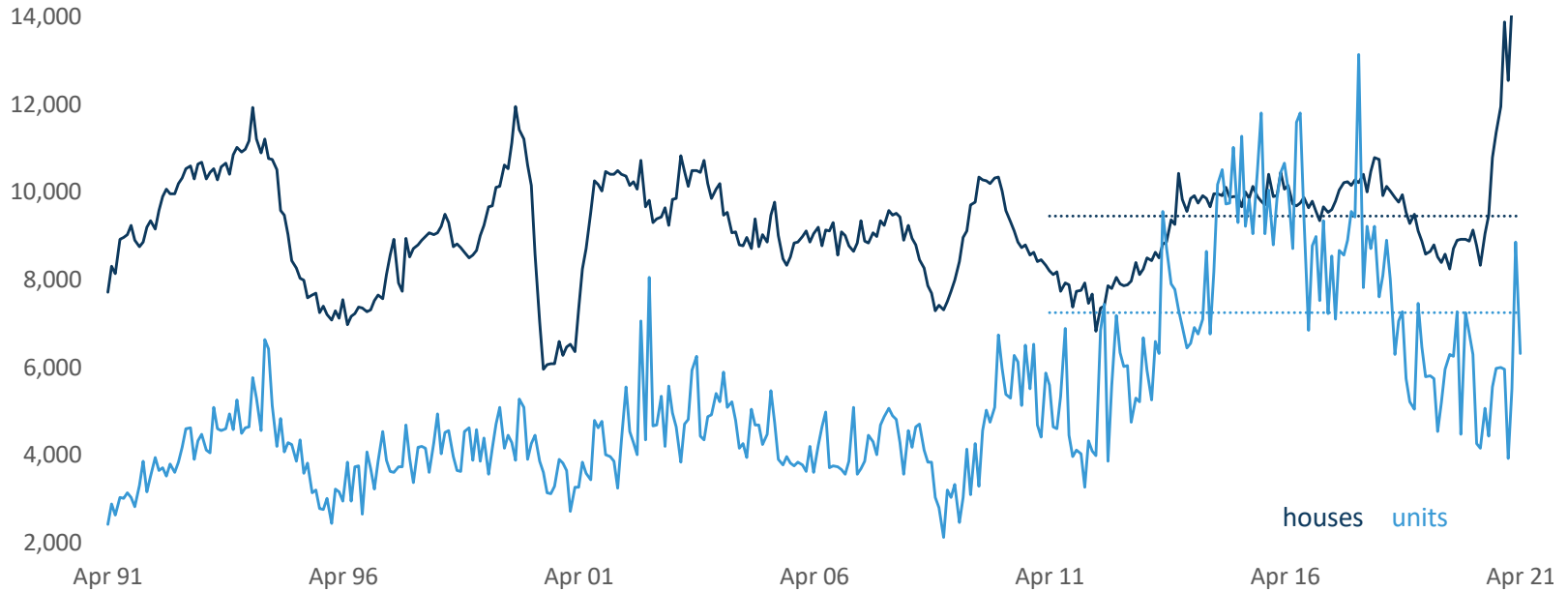
## Weekly clearance rates, combined capital cities





# Detached housing approvals hit a fresh record high in April, rising 3.4% in the month to 15,160. Unit approvals fell -28.6% to 6,321.

Monthly house v unit approvals, National

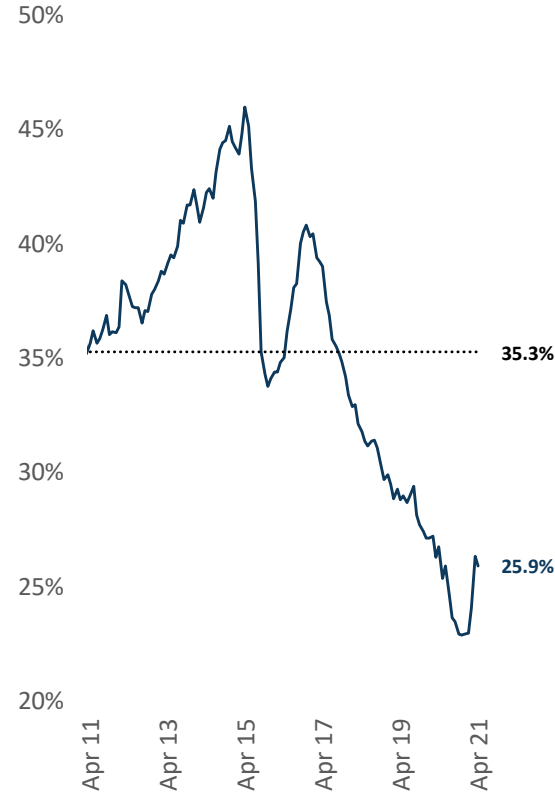




## Monthly value of new finance commitments, total (\$ billions)



## Portion of new lending for investment housing (excluding refinance)

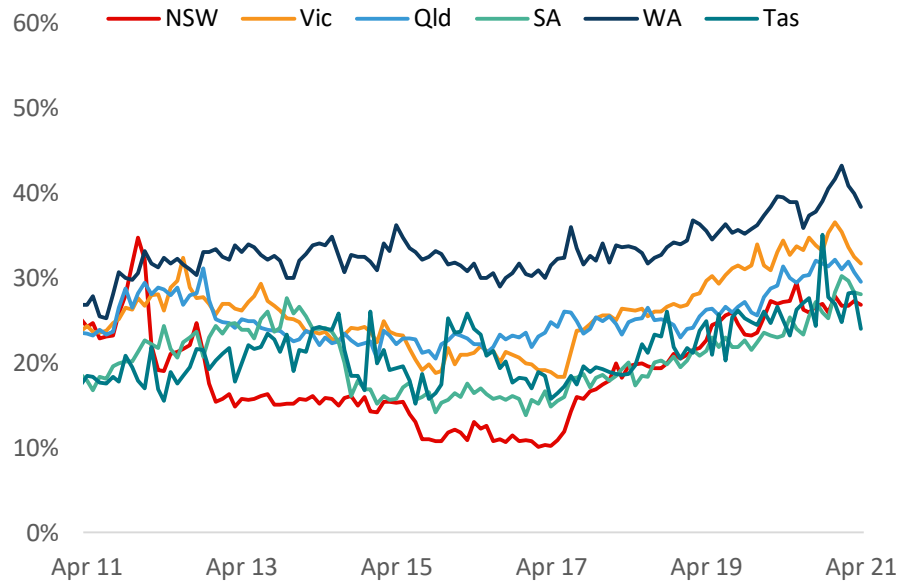


In April, owner-occupier finance commitments for the purchase of property rose 4.3%. This was led by a 7.0% rise in finance to owner-occupier, non-first home buyers. First home buyer finance fell -1.9%, the third consecutive month of decline.

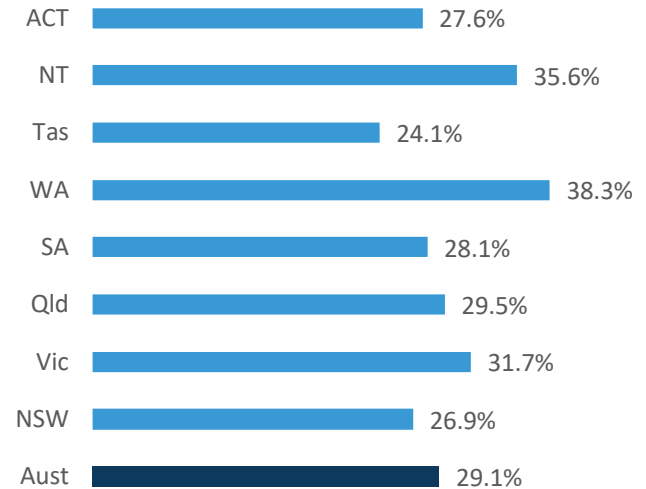
Investor lending rose 2.1% in April, which marks the 6th consecutive month of increases across this segment.

# First home buyer finance, as a portion of lending to owner occupiers, fell nationally to 29.1%, but remains above the decade average of 24.0%

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

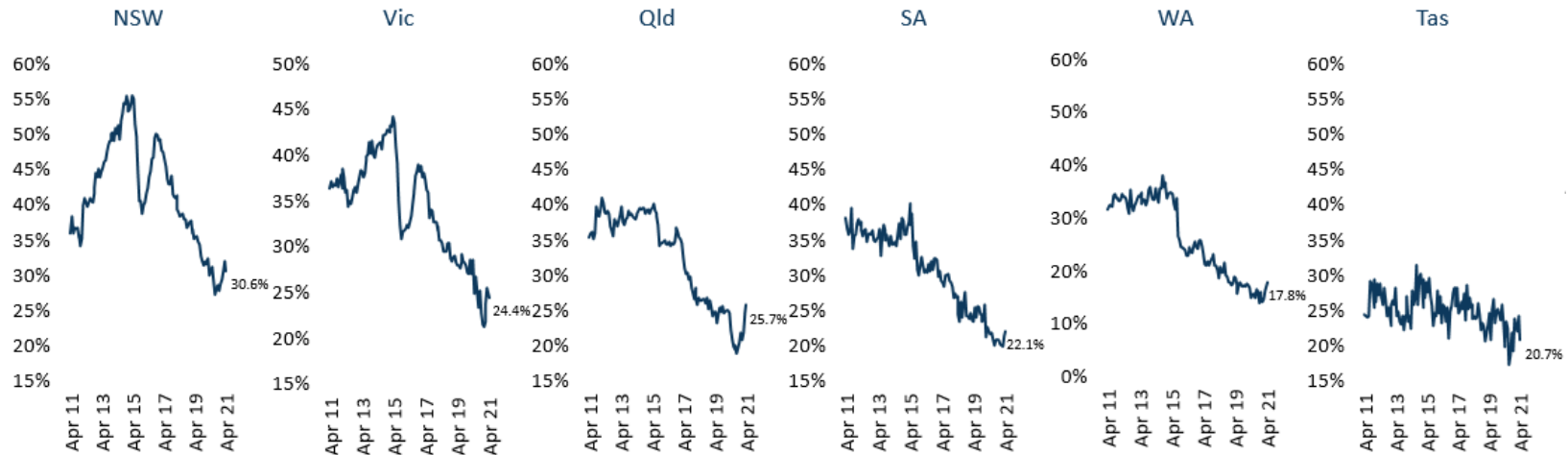


First home buyers as a % of owner occupier housing finance commitments

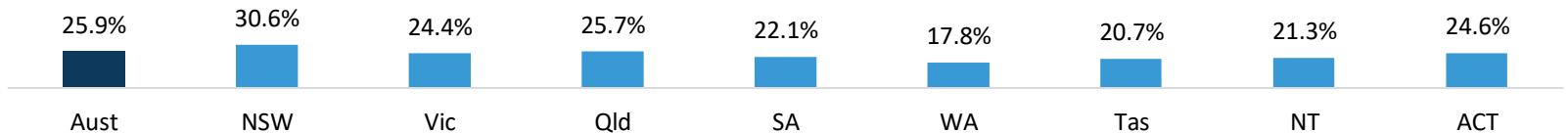


# Through the month of April, lending to investors increased proportionally across QLD, SA, WA and the NT

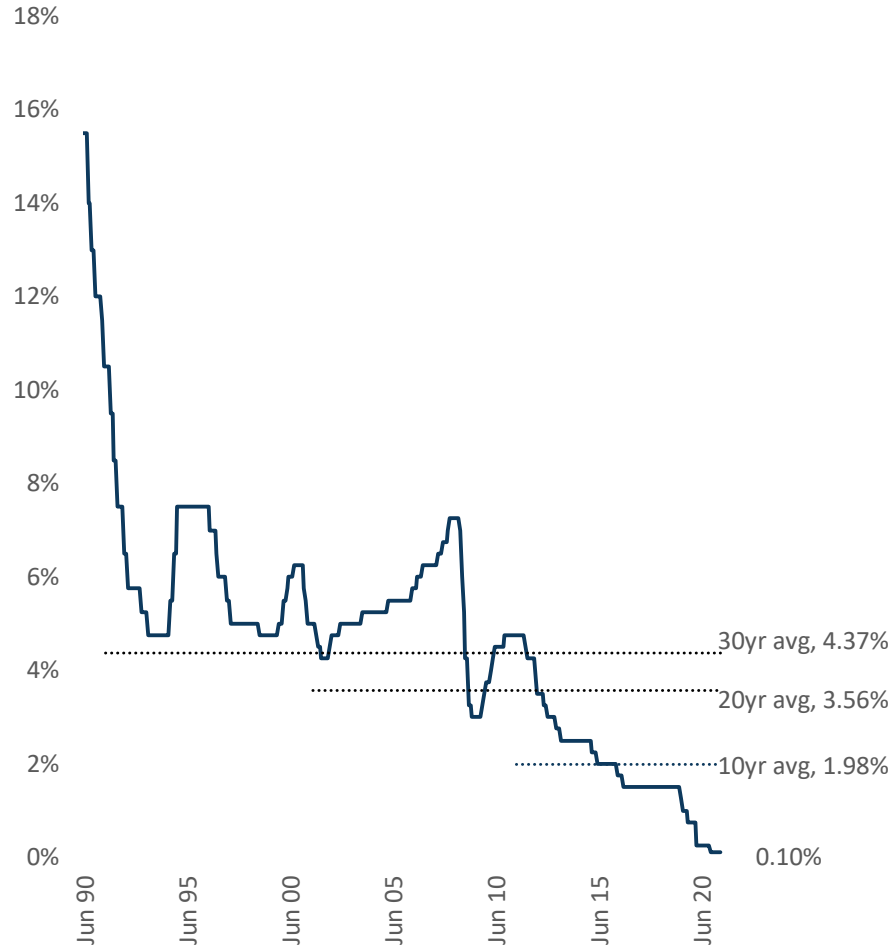
Investors as a portion of total value of lending (excluding refinancing)



Investors as a % of housing finance commitments by state



## RBA cash rate



# The RBA held rates at 0.1% through June

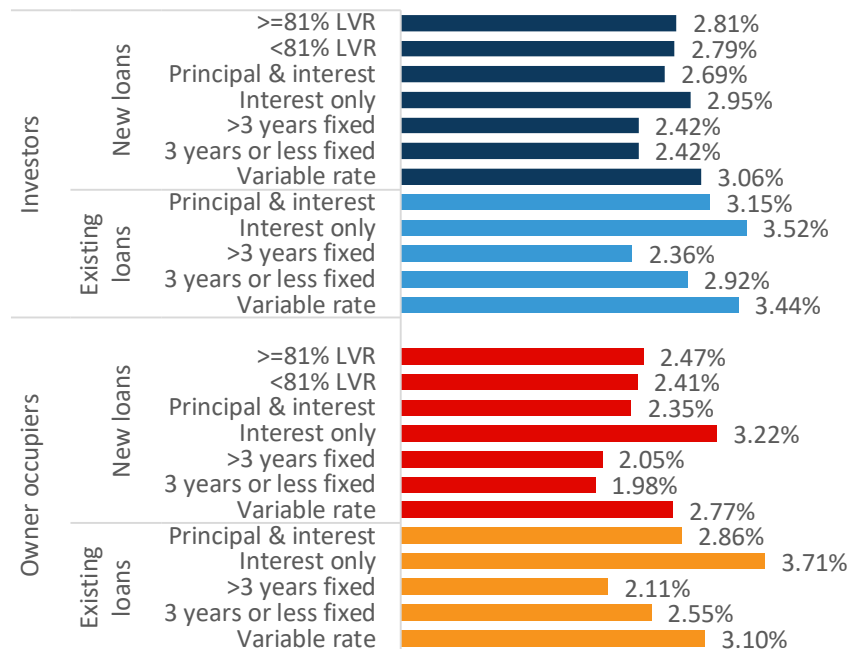
## Statement highlights

- No change to the targets of 10 basis points for the cash rate or the 3-year Government bond yield.
- Final drawings for the Term Funding Facility will finish on the 30th of June. \$134 billion has been drawn by ADIs so far, and will support low borrowing costs until 2024.
- The board will discuss a shift in the maturity of yield curve control from April 2024 to November 2024 in July.
- On housing, the RBA noted there has been “increased borrowing by investors”, while reiterating that trends in housing borrowing are being “carefully” monitored, to see that lending standards are maintained.

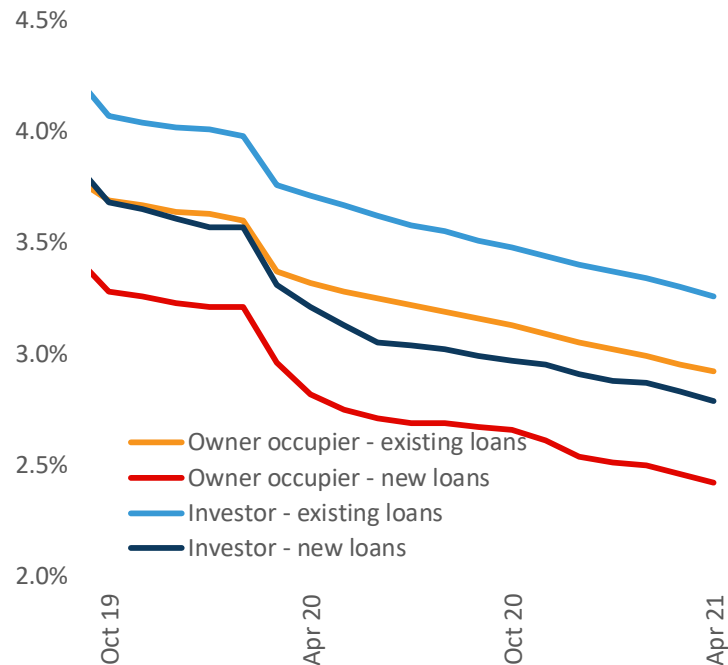
# Average home lending rates continued to decline through April

*Average housing lending rates for new loans have declined 4 basis points for owner occupiers, and 4 basis points for investors through the month of April*

Average borrowing costs by borrower and loan type, as at 30 Apr 21



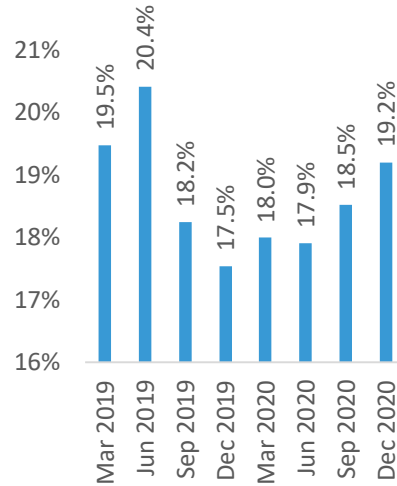
Average borrowing costs by borrower and loan type, as at 30 Apr 21



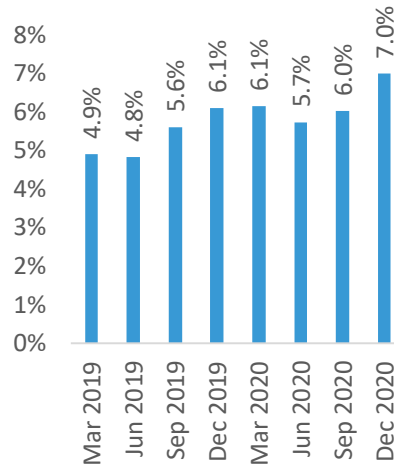
# Could we see another round of credit tightening?

*Riskier types of lending are rising, but probably not enough to trigger a regulatory response yet.... regulators and policy makers are likely to be watchful for any signs of slippage in lending standards.*

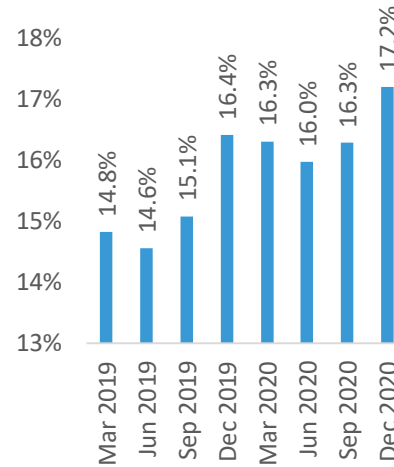
% of loans on interest only terms



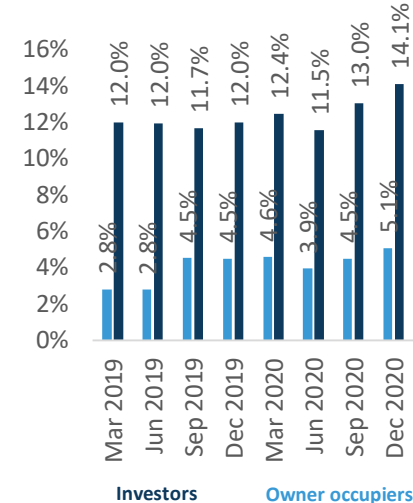
% of loans originated with a LTI ratio  $\geq 6x$



% of loans originated with a DTI ratio  $\geq 6x$



% of loans originated with an LVR  $\geq 90\%$





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