



Monthly Chart Pack

Our Insights. Your Story.

March 2021



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$7.6 Trillion



AUSTRALIAN SUPERANNUATION

\$3.0 Trillion



AUSTRALIAN LISTED STOCKS

\$2.5 Trillion



COMMERCIAL REAL ESTATE

\$1.0 Trillion

Data as at March 2021.



10.6 million
Number of dwellings

\$1.9 trillion
Outstanding mortgage debt

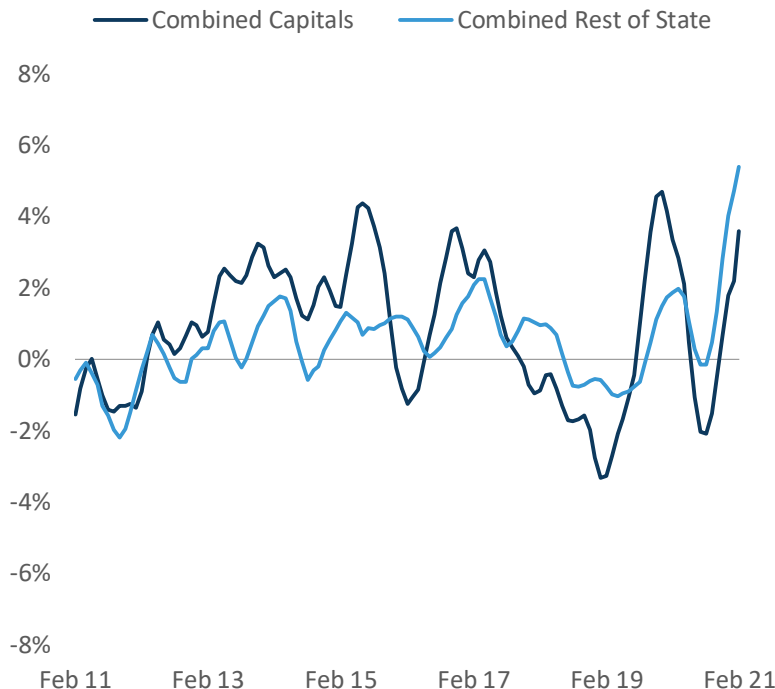
52.6%
Household wealth held in housing

476,811
Total sales p.a.

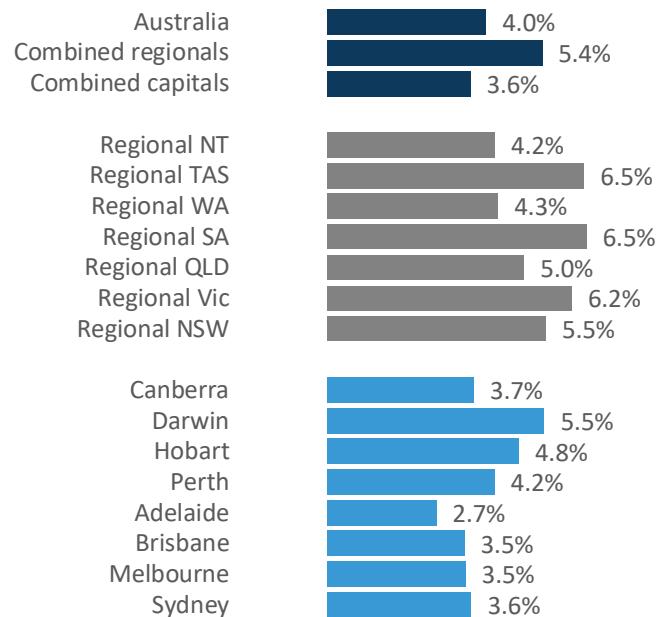
\$312 billion
Gross value of sales p.a.

In the three months to February, national home values rose 4.0%, with every capital city and rest of state region rising in value

Rolling quarterly change in dwelling values

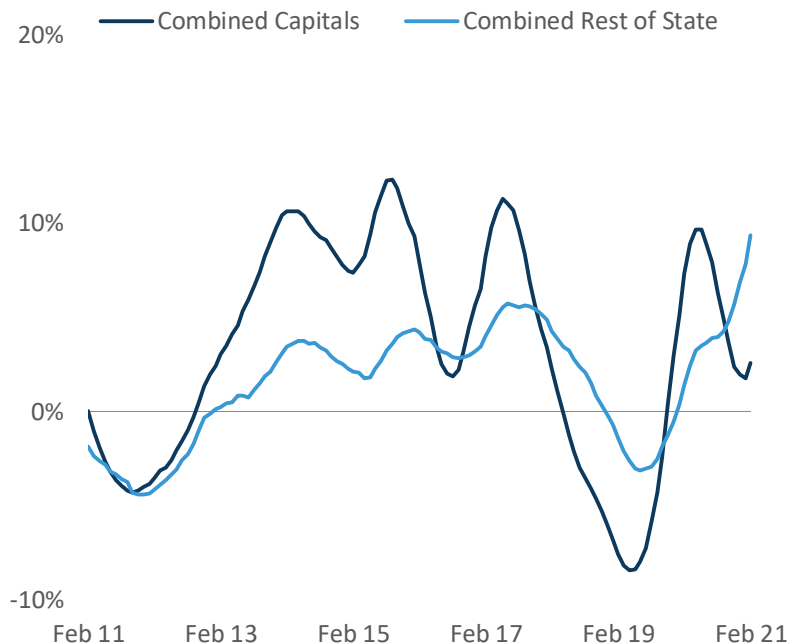


Change in dwelling values, three months to Feb 2021

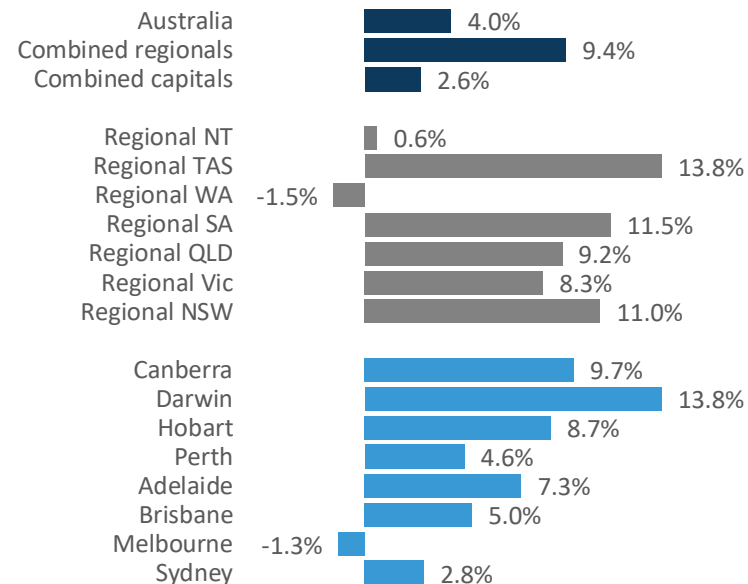


The combined regional dwelling market was 9.4% higher in value over the year, the highest annual growth rate since August 2004

Rolling annual change in dwelling values

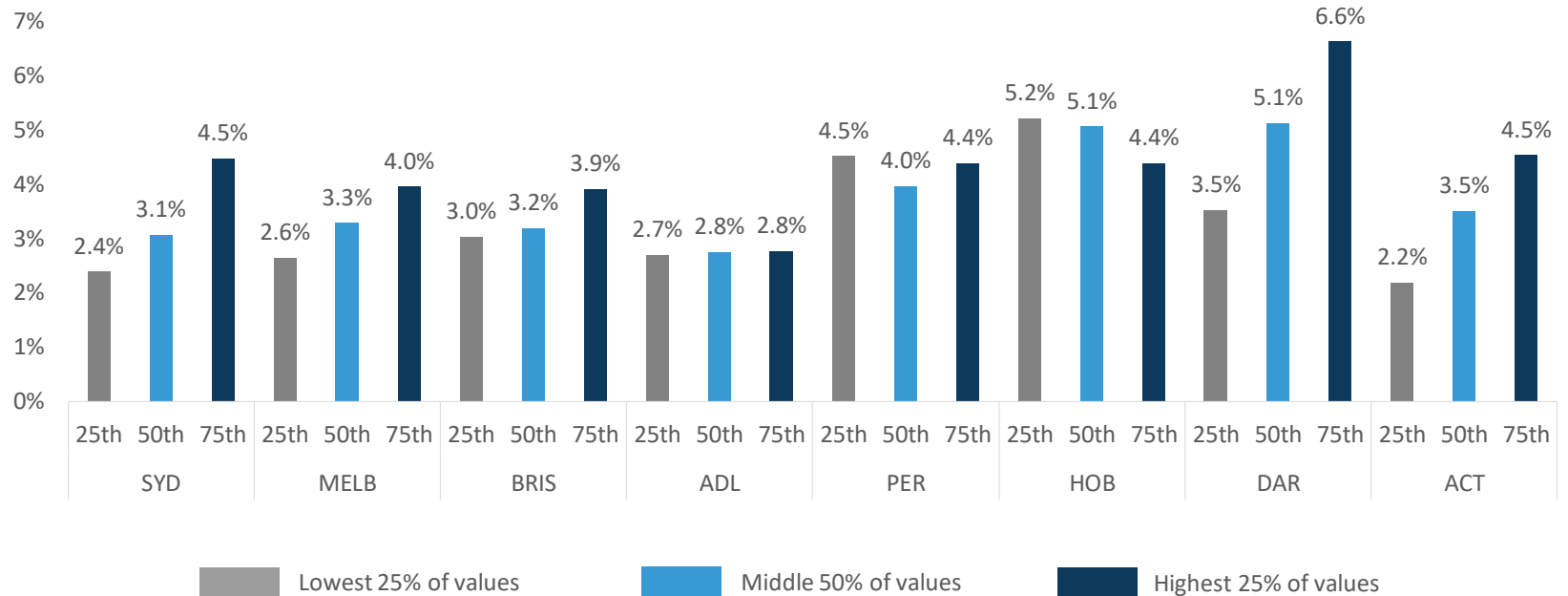


Change in dwelling values, twelve months to Feb 2021



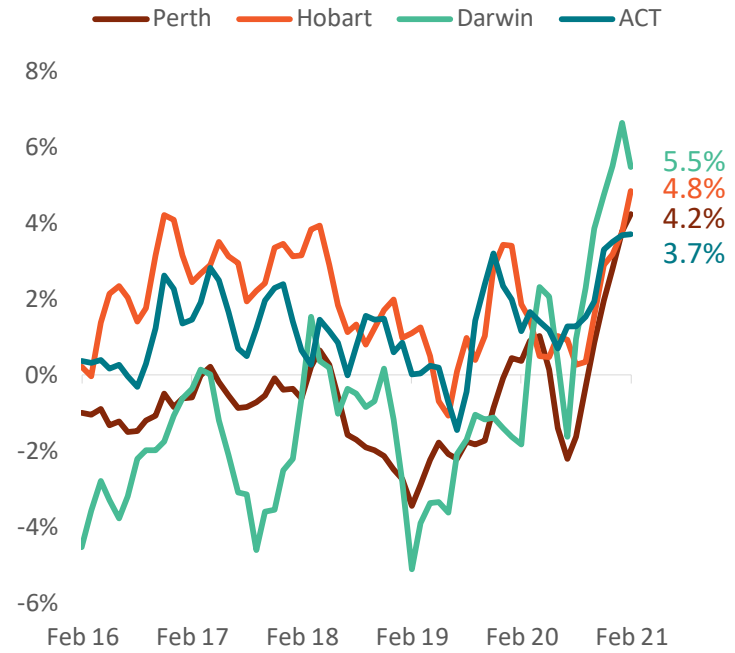
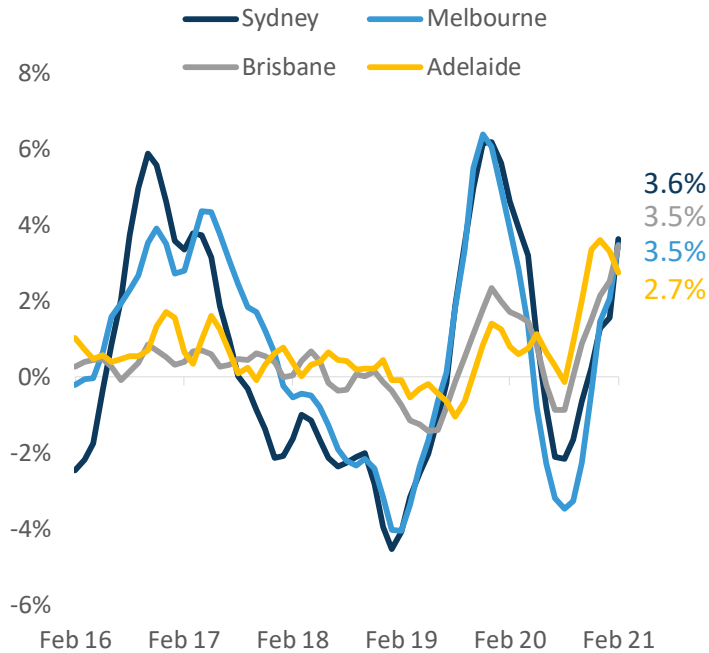
In the three months to February, the top 25% of values led growth across the dwelling markets of Sydney, Melbourne, Brisbane, Darwin and the ACT

Growth in stratified hedonic dwellings index (3 months)



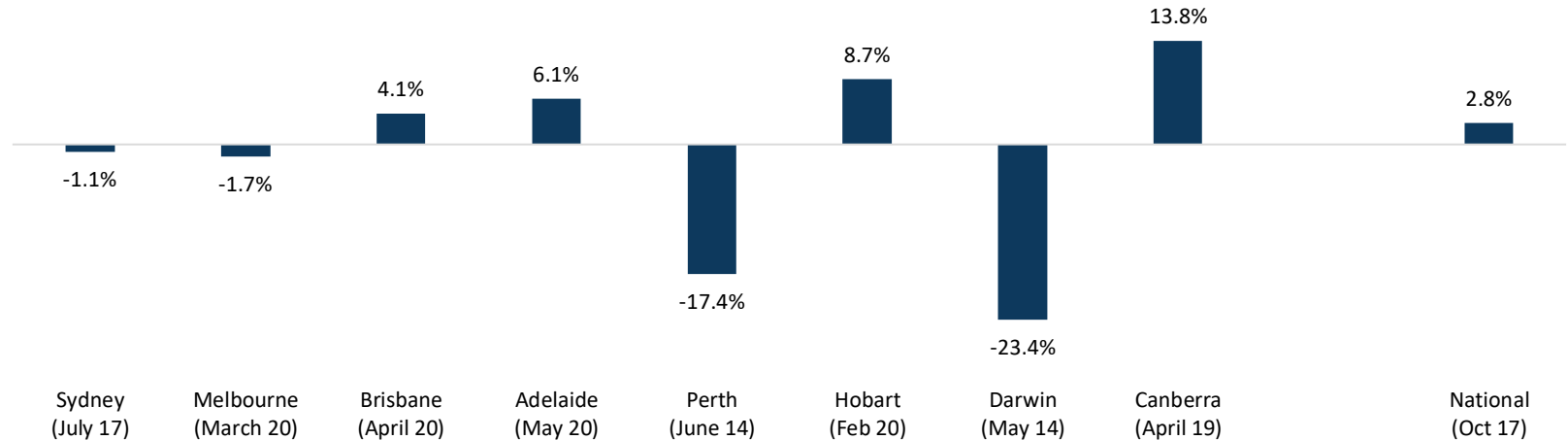
The pace of growth is accelerating across Sydney and Melbourne dwellings, following subdued performance over 2020

Rolling quarterly change in capital city dwelling values

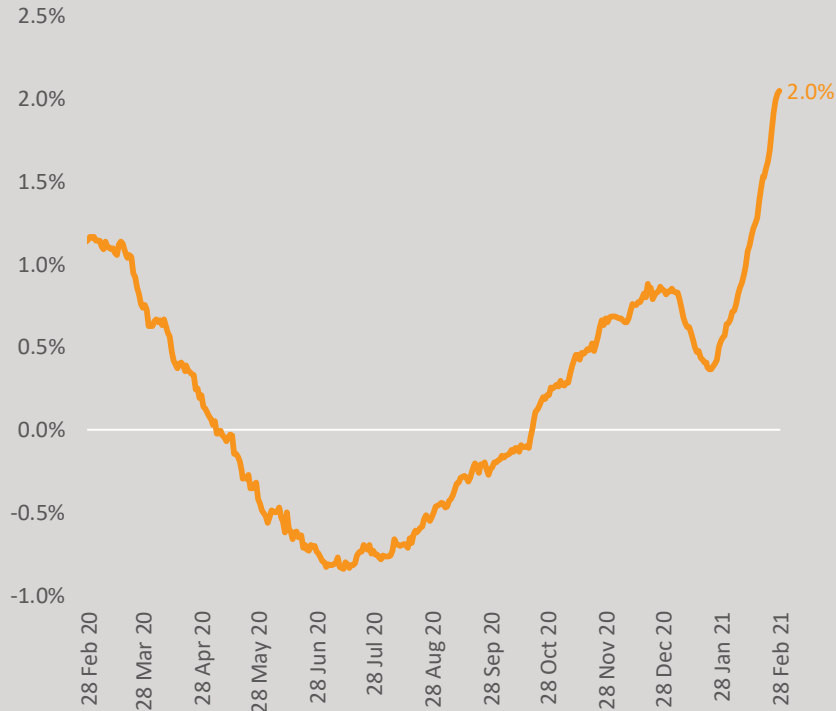


Although values are consistently rising, four of the eight capitals still have some way to go before housing values post a nominal recovery from their earlier peaks

How do housing values compare with their previous record highs?

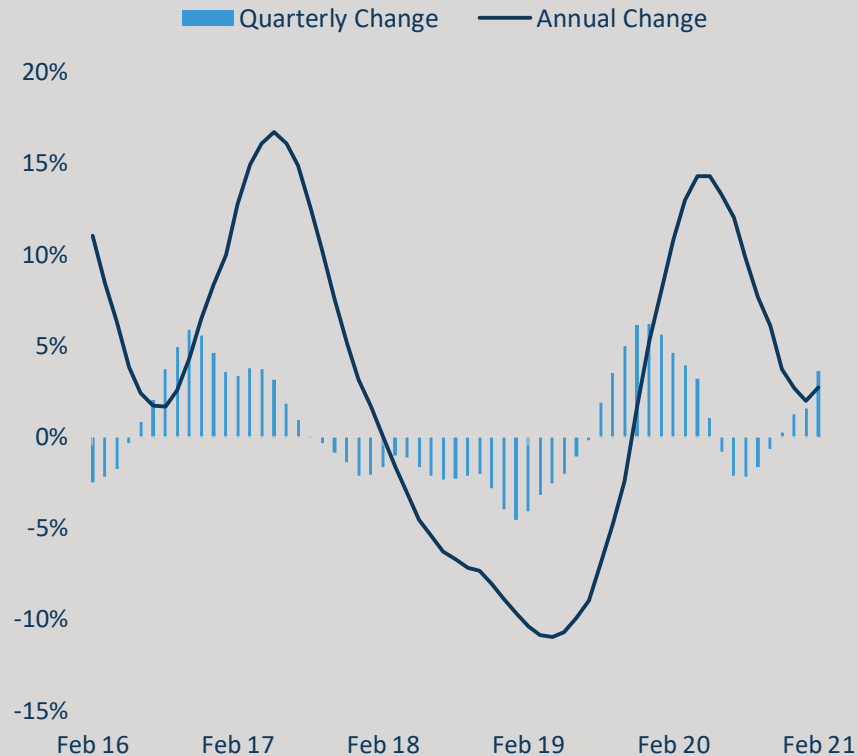


Rolling 28-day change in daily home value index, combined capitals



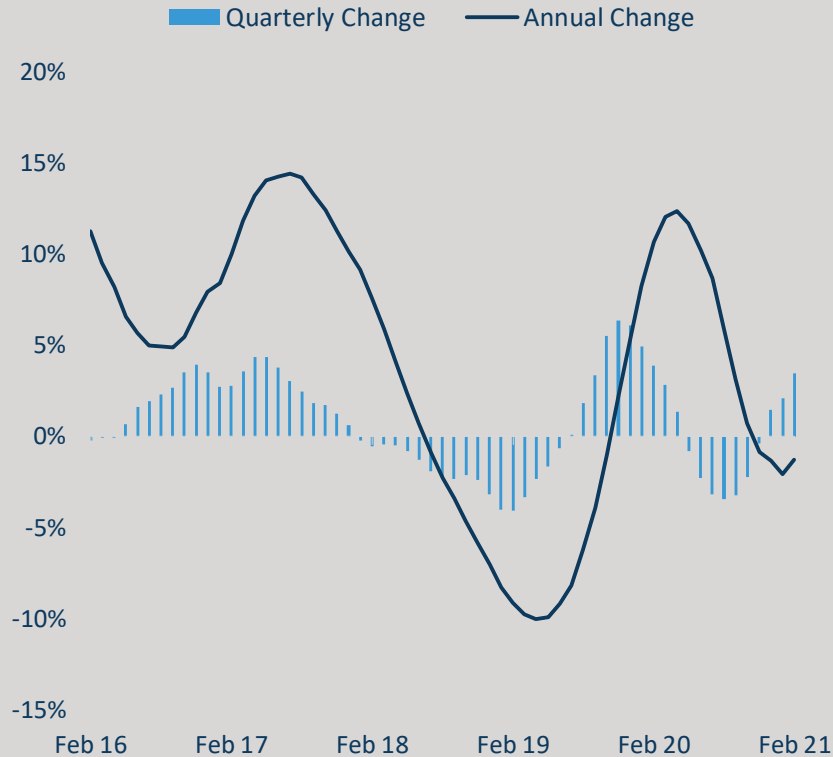
Growth in the combined capital cities index has gained extraordinary momentum since late January, as Australia suppressed COVID-19 cases through the holiday period, and the vaccine rollout commenced from late February.

Quarterly and annual change in dwelling values - Sydney



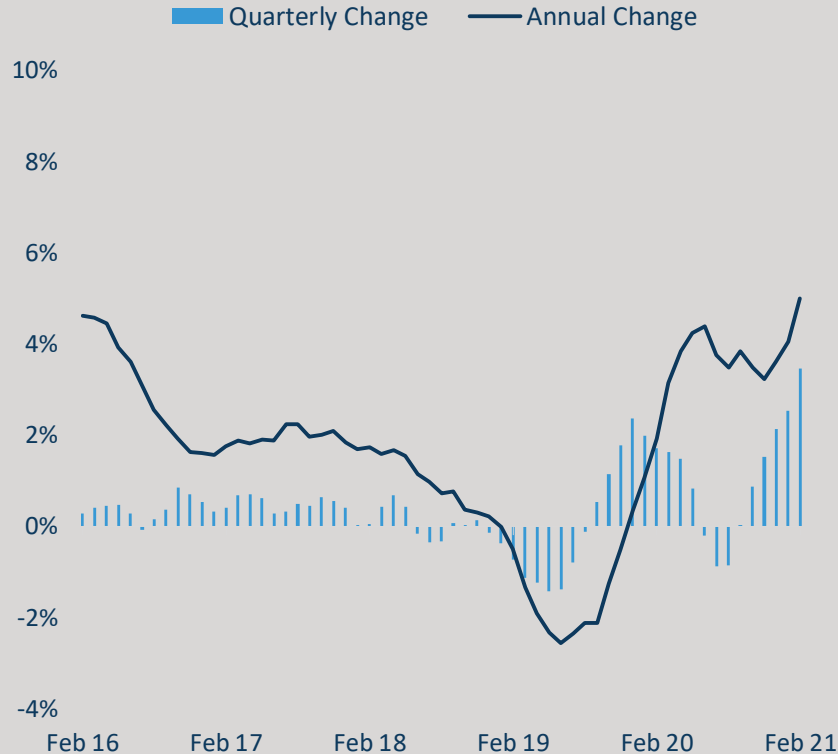
- Sydney dwelling values rose 2.5% in February
- Dwelling values increased 3.6% in the quarter
- Sydney dwelling values are up by 2.8% in the past year
- Sydney dwelling values are -1.1% below the record high, which was in July 2017

Quarterly and annual change in dwelling values - Melbourne



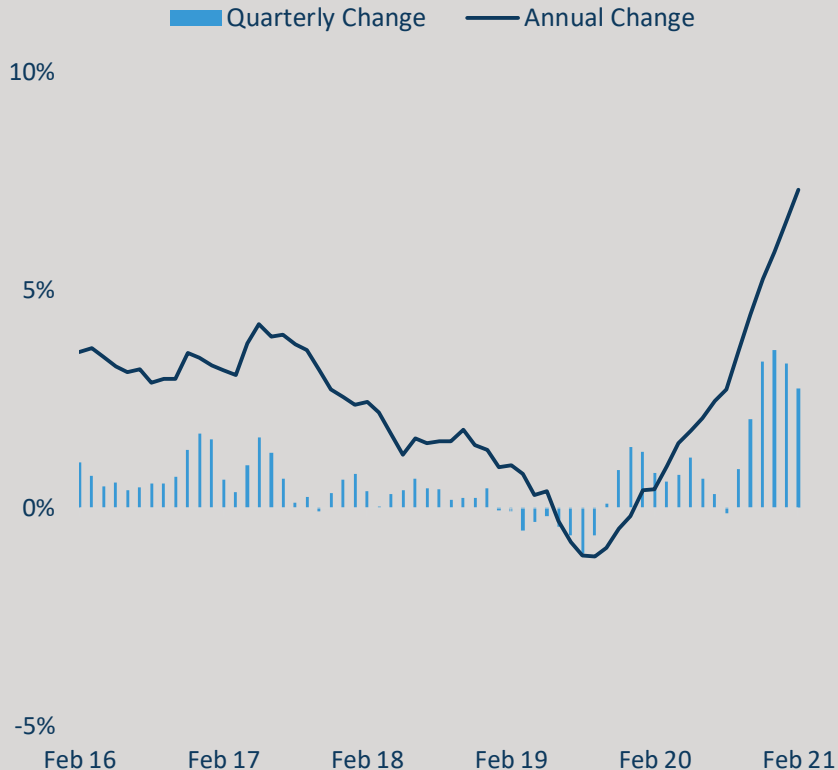
- Melbourne dwelling values rose 2.1% in February
- Dwelling values increased 3.5% in the quarter
- Melbourne dwelling values fell by -1.3% in the past year
- Melbourne dwelling values are -1.7% from the record high, which was in March 2020

Quarterly and annual change in dwelling values - Brisbane



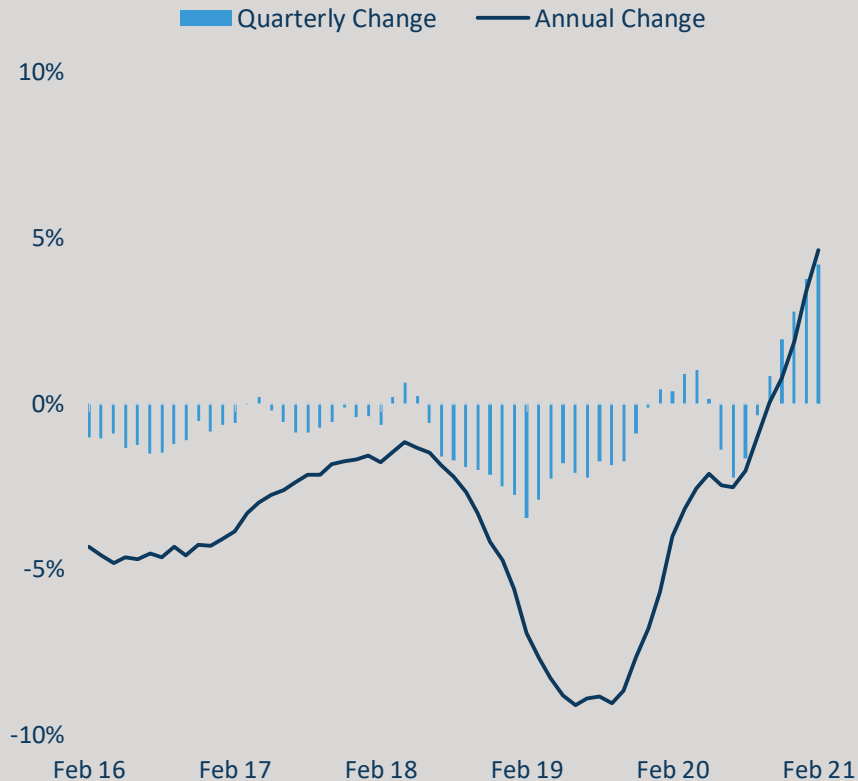
- Brisbane dwelling values increased by 1.5% in February
- Dwelling values increased 3.5% over the quarter
- Brisbane dwelling values are up by 5.0% in the past year
- Brisbane dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Adelaide



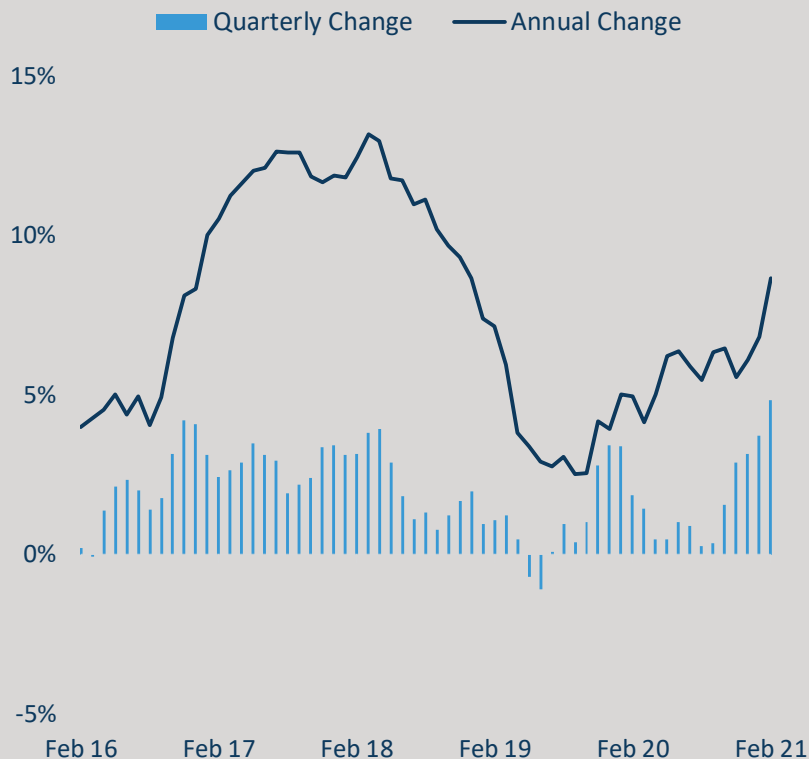
- Adelaide dwelling values increased 0.8% in February
- Dwelling values rose 2.7% in the quarter
- Adelaide dwelling values were up by 7.3% in the past year
- Adelaide dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Perth



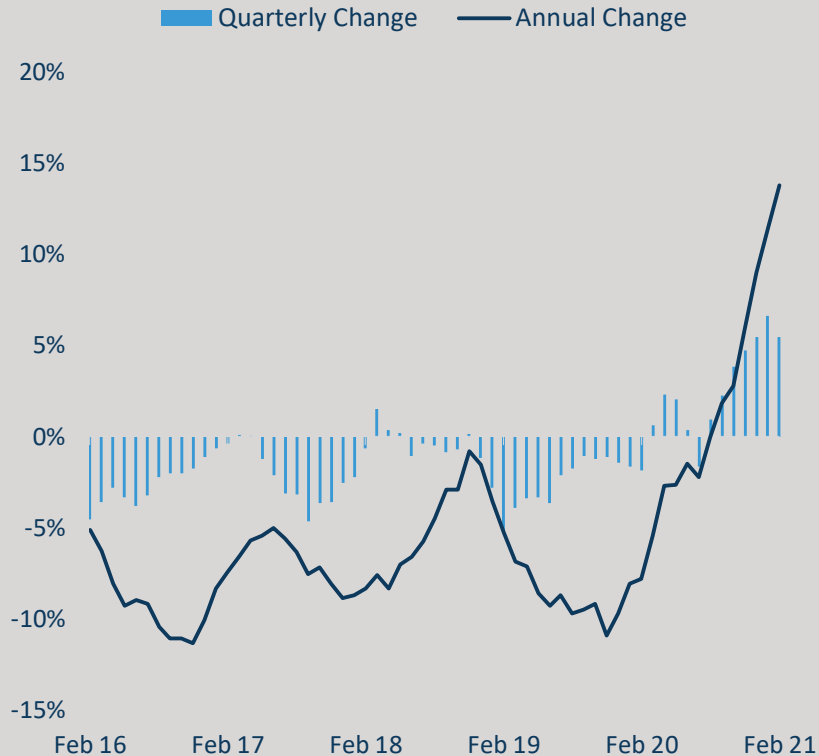
- Perth dwelling values increased 1.5% in February
- Dwelling values increased 4.2% in the quarter
- Perth dwelling values were up 4.6% in the past year
- Perth dwelling values are now -17.4% below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



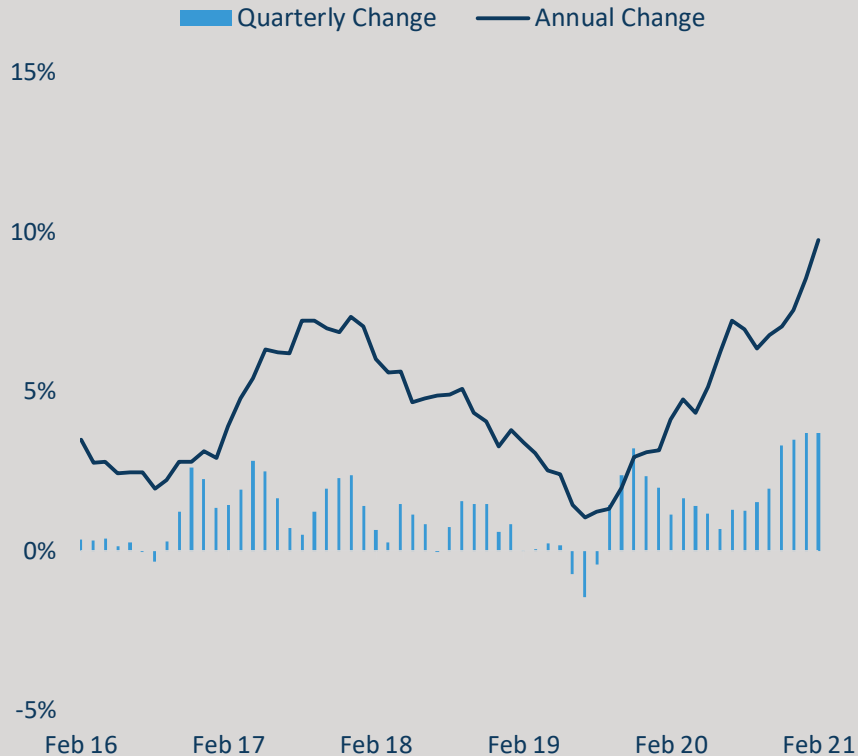
- Hobart dwelling values increased 2.5% in February
- Dwelling values increased 4.8% in the quarter
- Hobart dwelling values are up by 8.7% in the past year
- Hobart dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values increased 0.7% in February
- Dwelling values rose 5.5% in the quarter
- Darwin dwelling values were up 13.8% over the year
- Darwin dwelling values are -23.4% below the record high, which was in May 2014

Quarterly and annual change in dwelling values - ACT

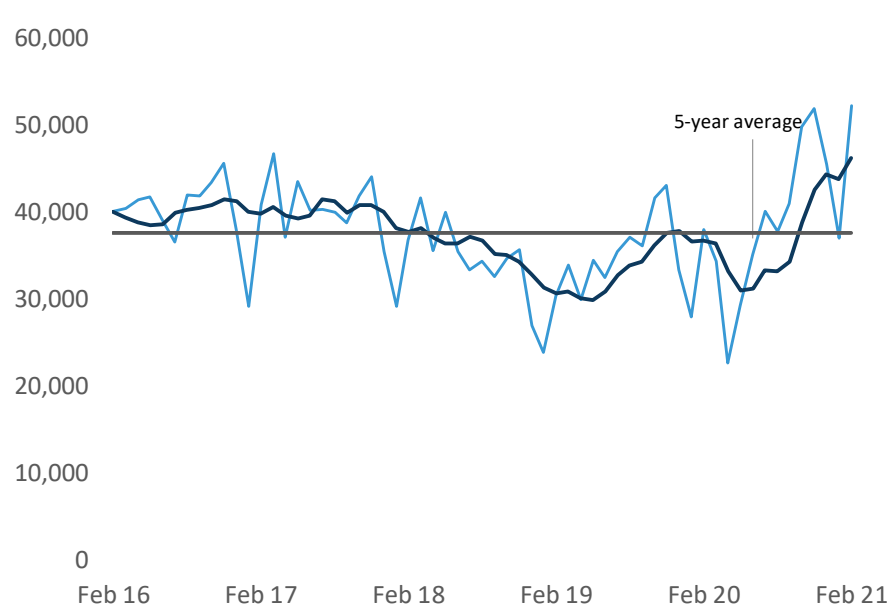


- ACT dwelling values increased 1.9% in February
- Dwelling values were up 3.7% in the quarter
- ACT dwelling values were up by 9.7% in the past year
- The ACT dwelling market is currently at a record high



CoreLogic estimates sales volumes increased 12.6% nationally in the year to February, with the largest volume uplift coming from the regional areas of Australia

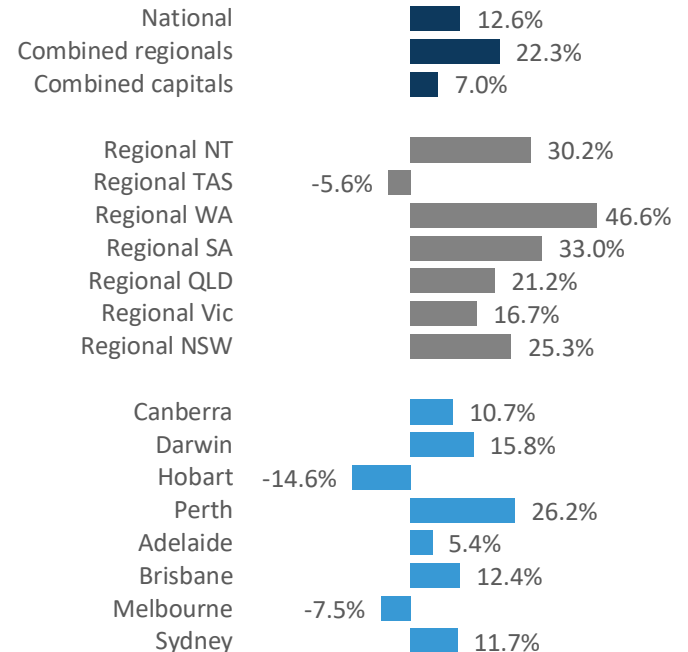
Monthly sales with six month moving average, National



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

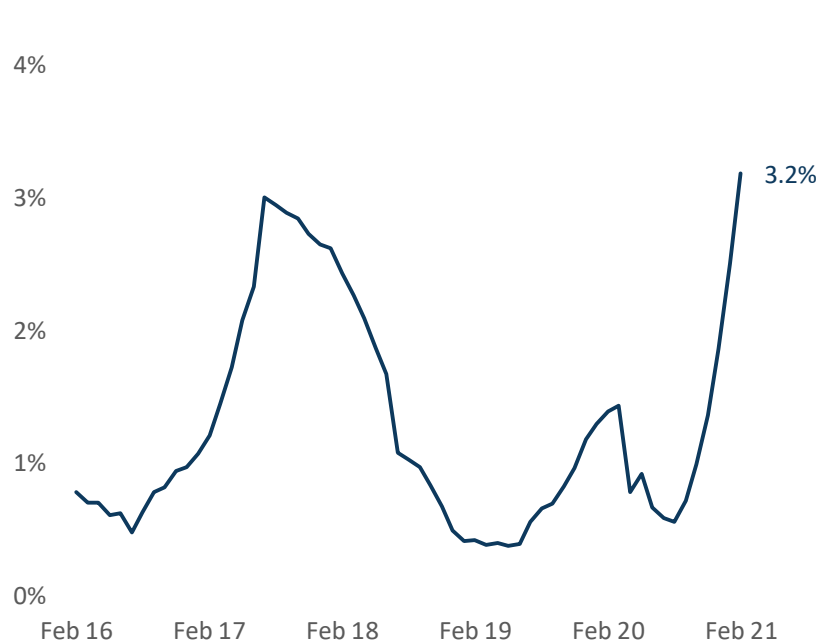
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Annual change in sales volumes Feb 21

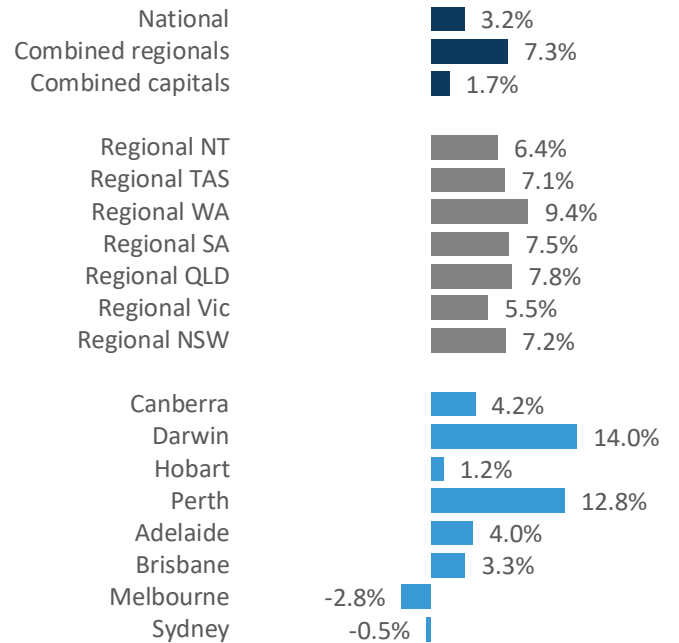


National rent values have risen 3.2% in the year to February, which is the highest annual growth rate since March 2012

Annual change in rental rates - National



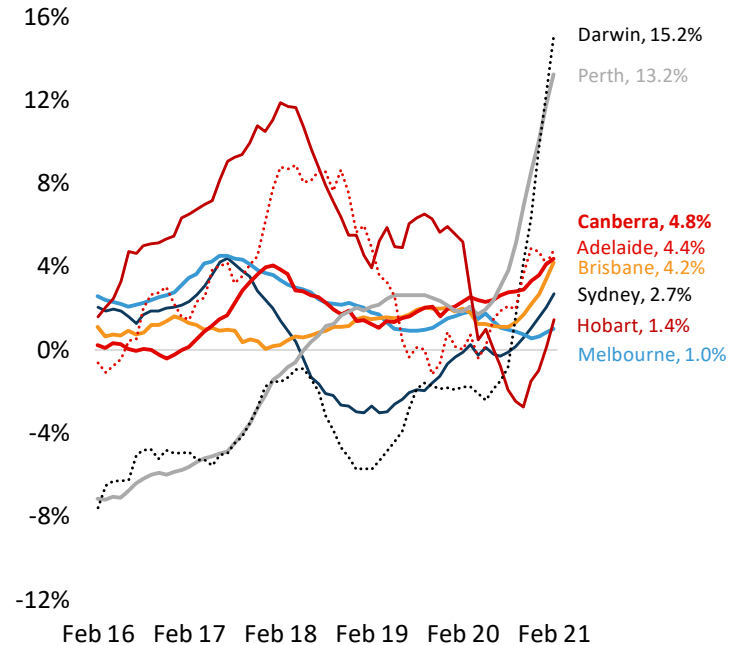
Annual change in rental rates to Feb 21



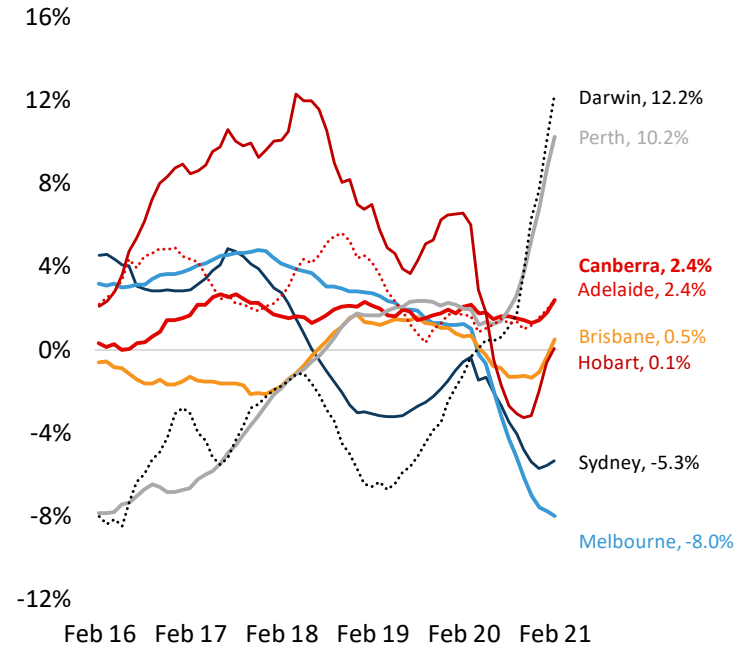
Sydney and Melbourne unit rents have fallen substantially, but are stabilising

Annual change in rents

Houses

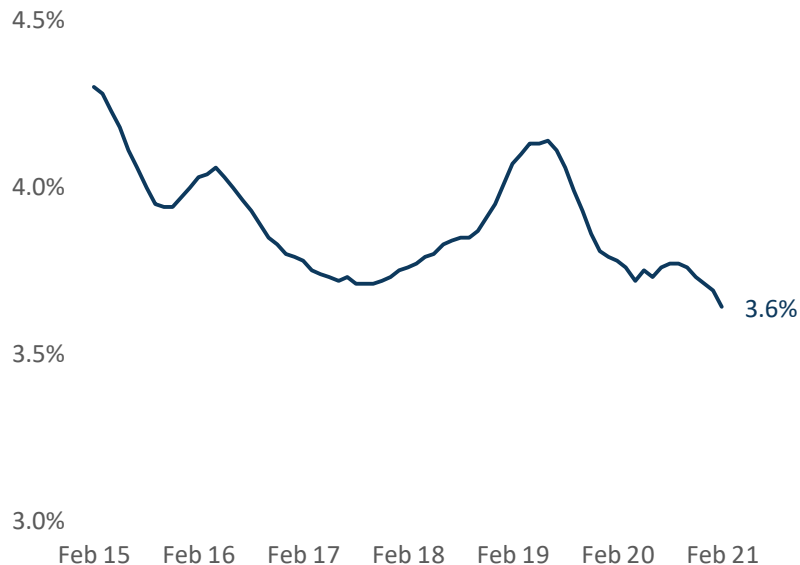


Units

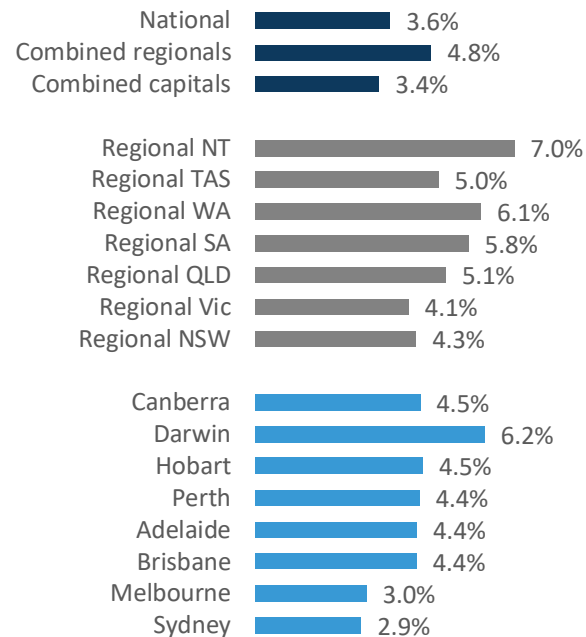


Despite the rapid increase in rent values, gross rental yields have compressed to their lowest level on record, at 3.64%

Gross rental yields - Australia



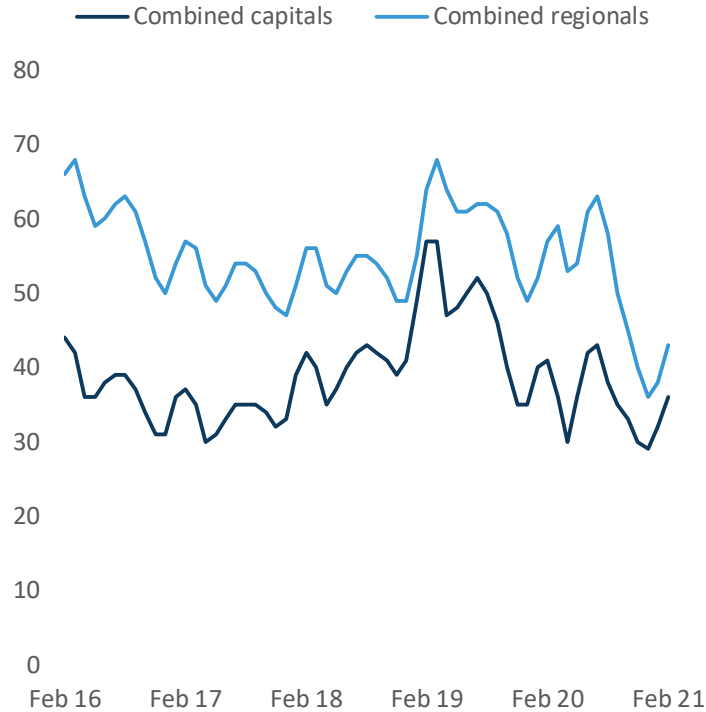
Gross rental yields as at Feb 21





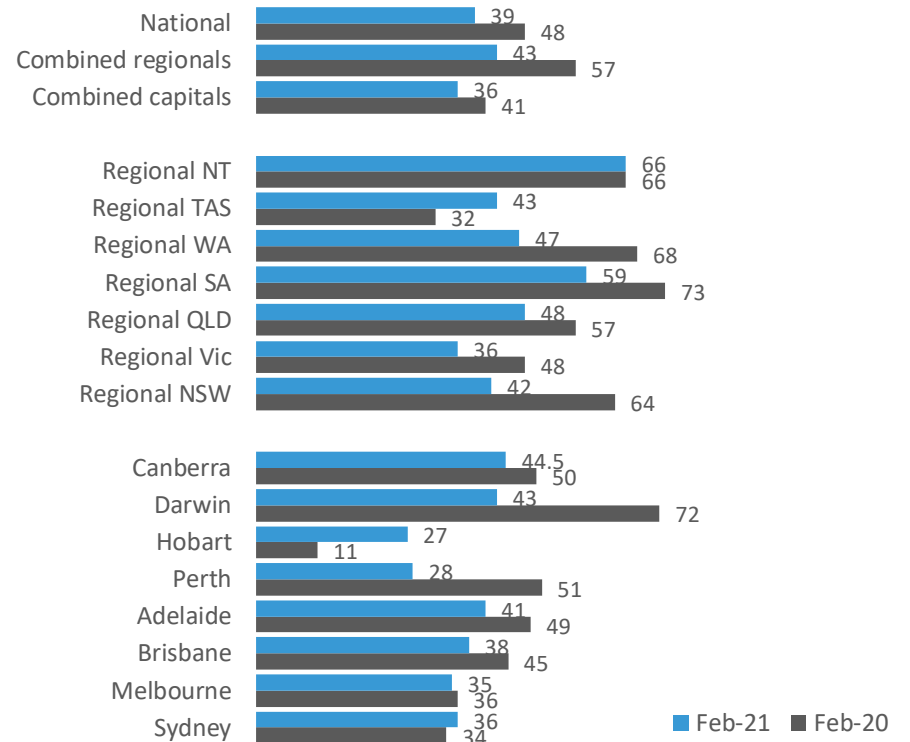
Days on market have trended slightly higher due to seasonality at the national level, but are still well below the 5 year average

Median days on market



Median days on market are based on a rolling 3-month measure
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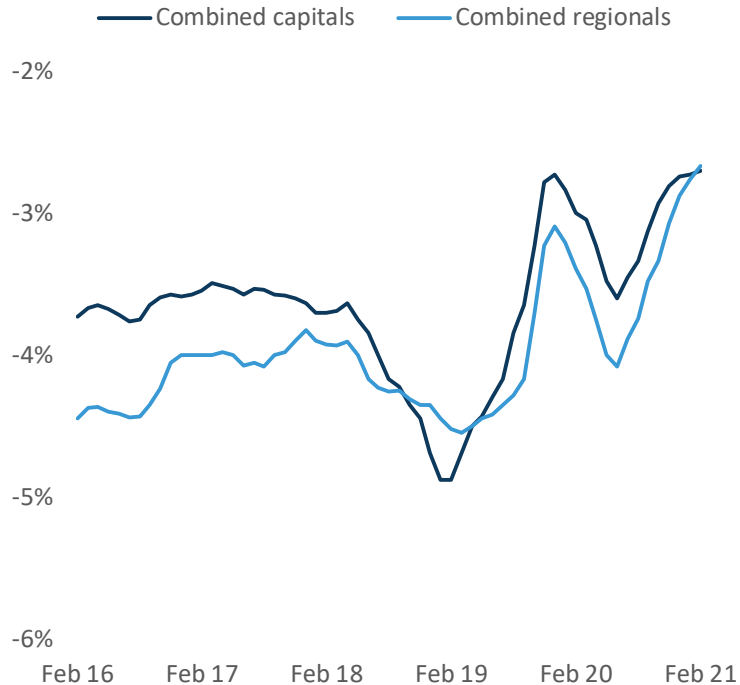
Median days on market Feb 20 v Feb 21





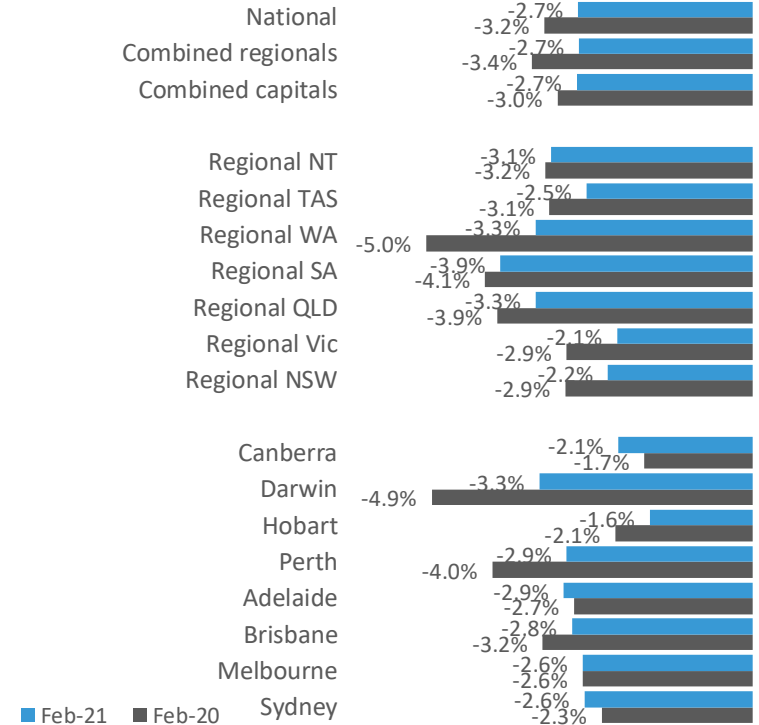
Nationally, the rate of vendor discounting has tightened by 52 basis points over the year to February

Median vendor discount



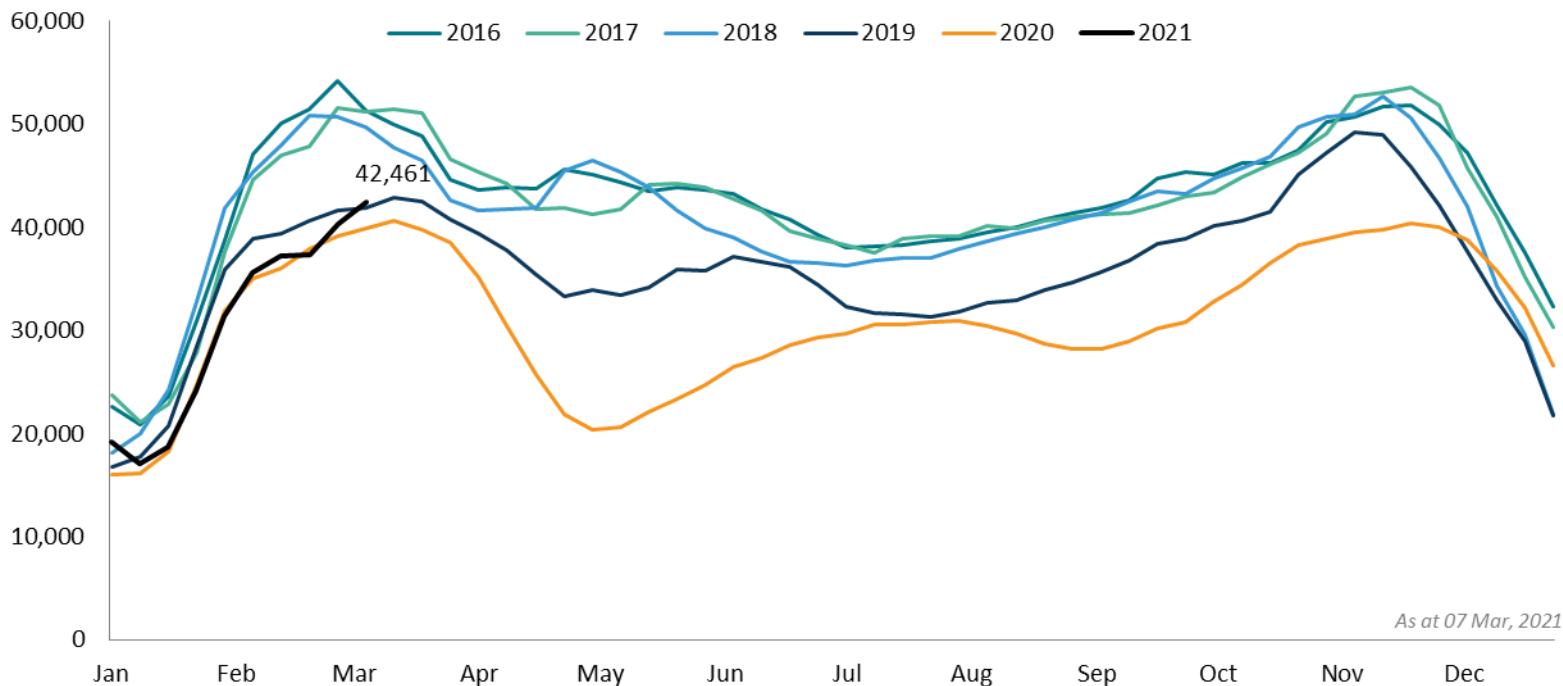
Median vendor discounts are based on a rolling 3-month measure
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Median vendor discount Feb 20 v Feb 21



New listings added to the market are showing an uplift relative to previous years, largely driven by increases across Sydney, Melbourne and Perth

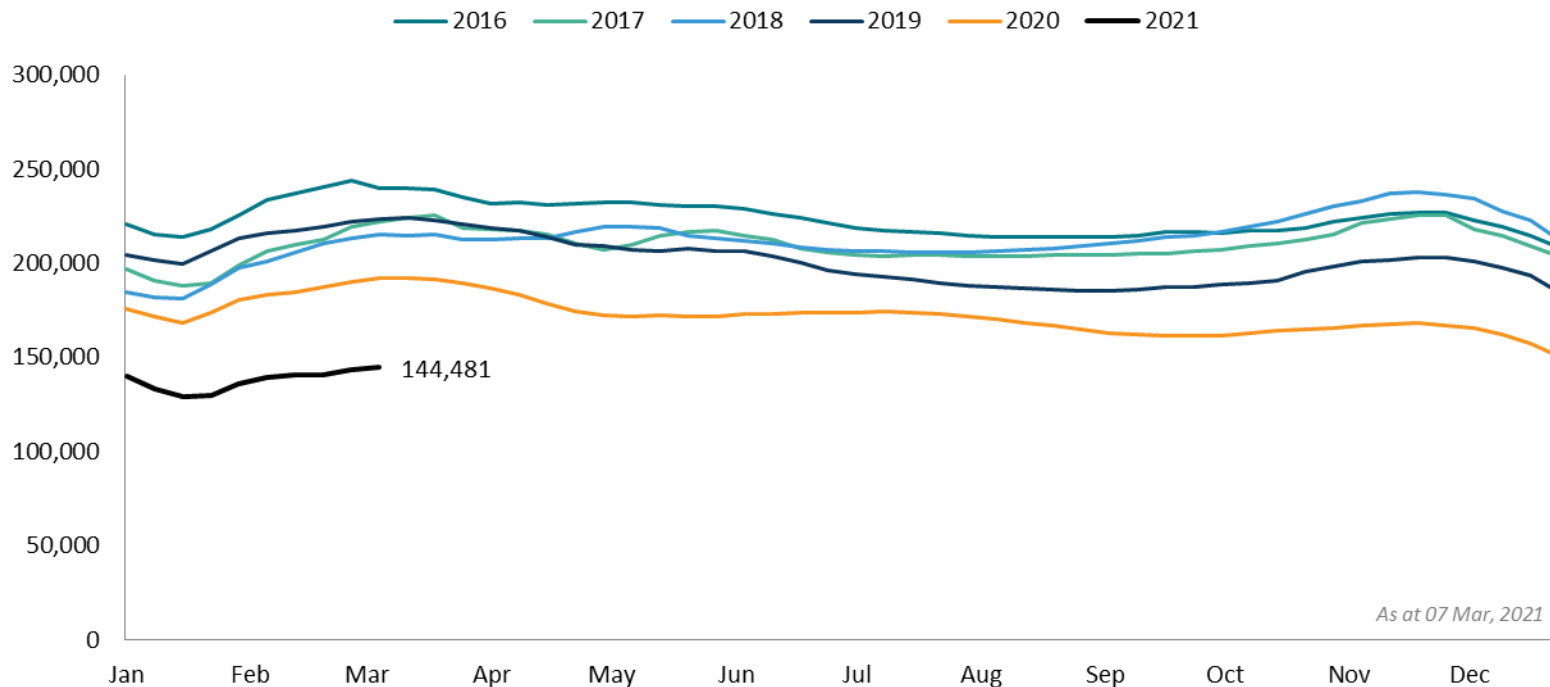
Rolling 28-day count of new listings, national



As at 07 Mar, 2021

Despite the relative uplift in new listings, total stock on market remains -27.5% below the 5 year average for this time of year

Rolling 28-day count of total listings, national

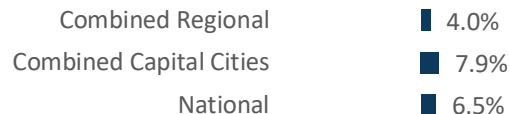
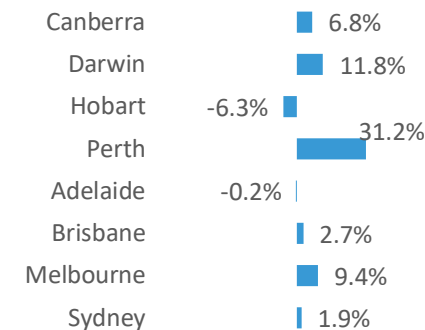
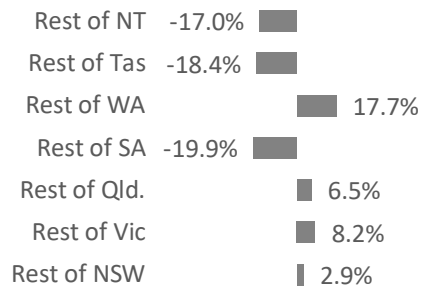




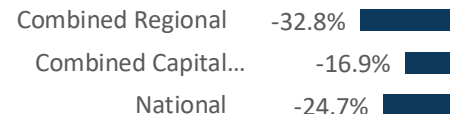
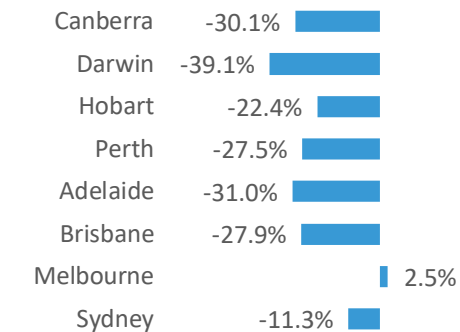
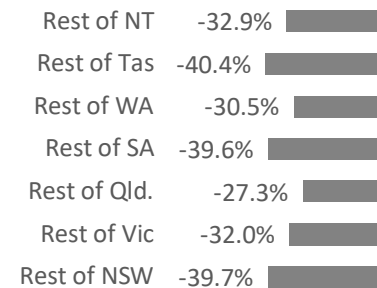
New listings volumes are now outpacing 2020 levels across 6 of the 8 capital city markets.

However, *total* levels of stock on the market remain lower than the equivalent period last year across every market but Melbourne.

New listings, change from equivalent period last year



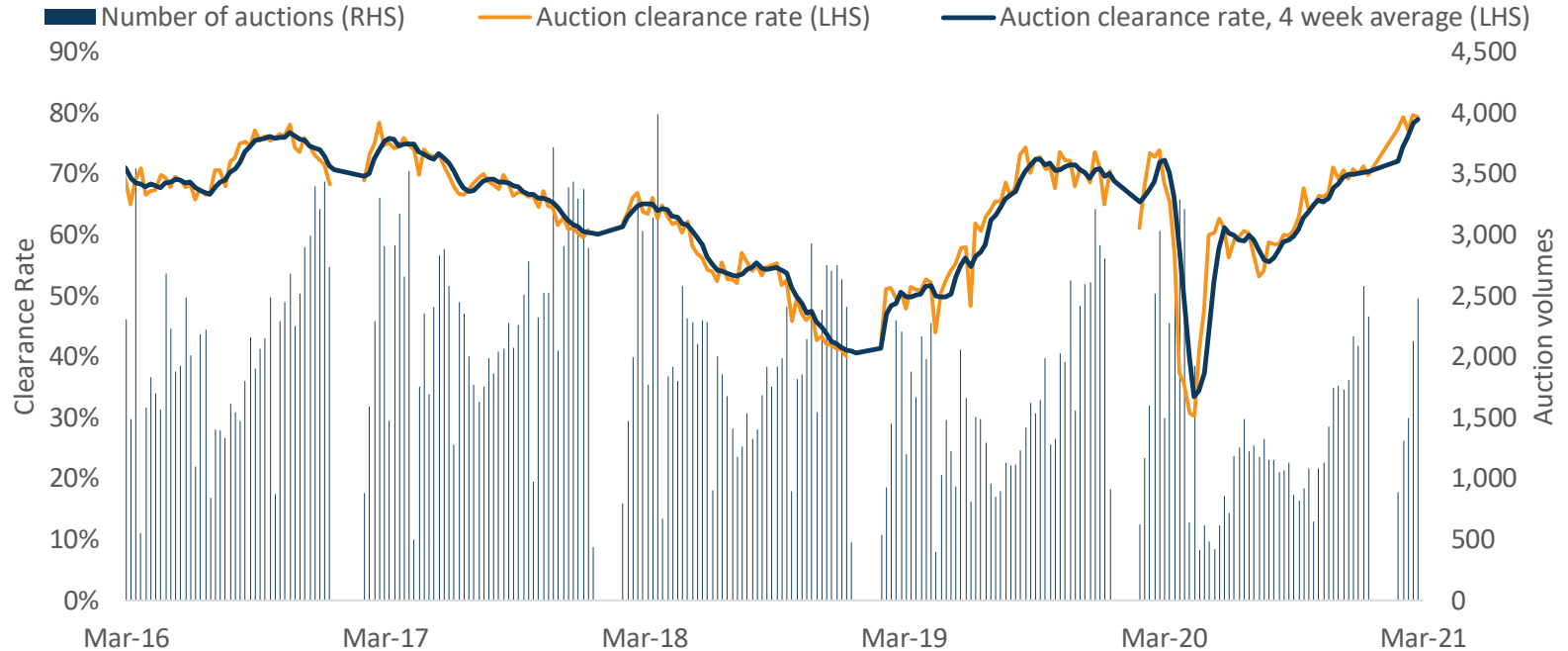
Total listings, change from equivalent period last year





For the four weeks to March 7th, the combined capital cities auction clearance rate averaged 78.8%, reflecting strong buyer demand

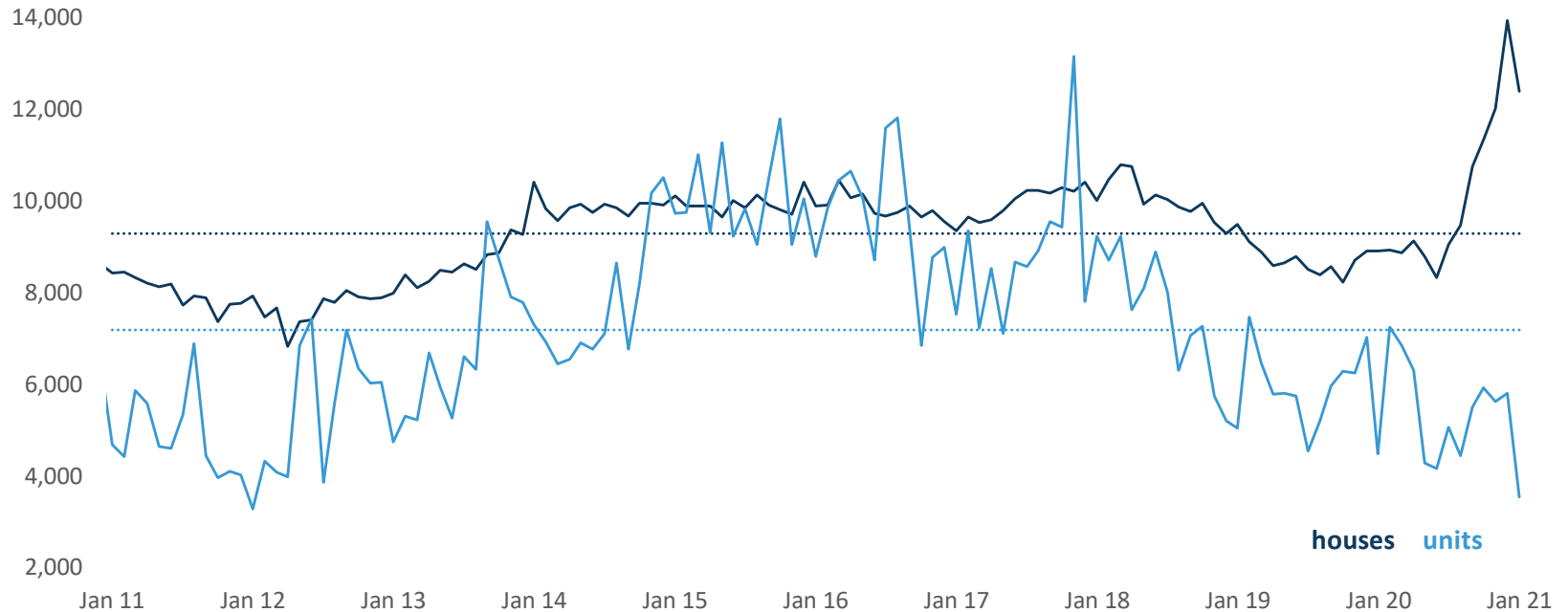
Weekly clearance rates, combined capital cities





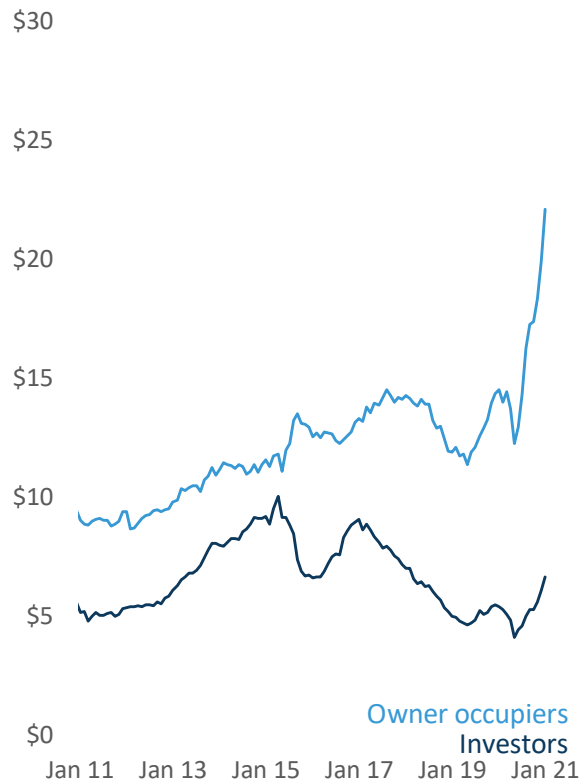
Dwelling approvals fell in January, albeit from record highs. House approvals are 33.3% above the decade average, while units are trending 50.8% lower.

Monthly house v unit approvals, National

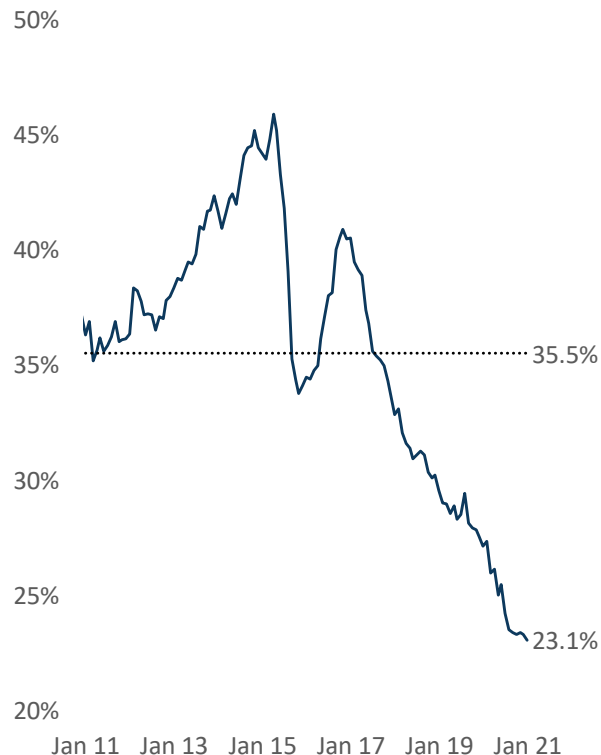




Monthly value of new finance commitments, total (\$ billions)



Portion of new lending for investment housing (excluding refinance)

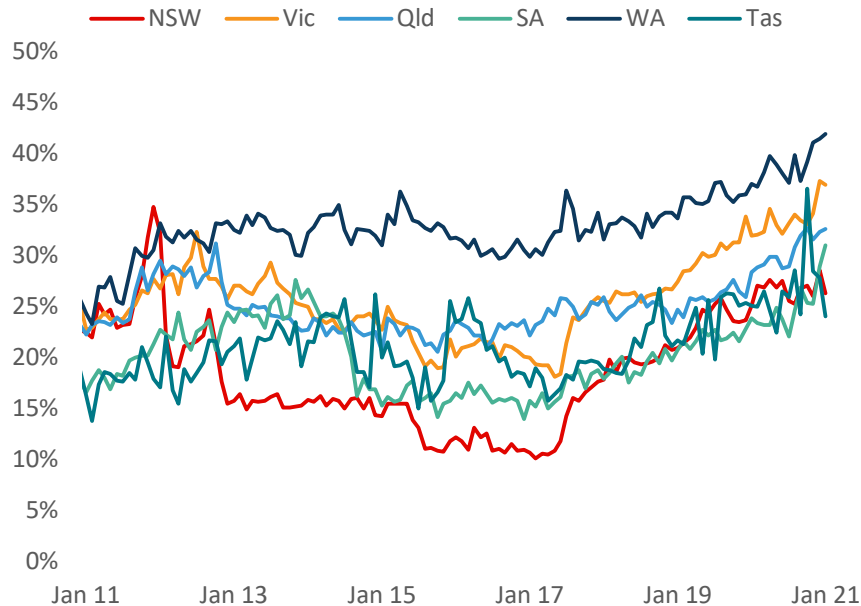


Over January, the value of owner occupier finance commitments for the purchase of property grew 10.9%, while investor lending rose 9.4%.

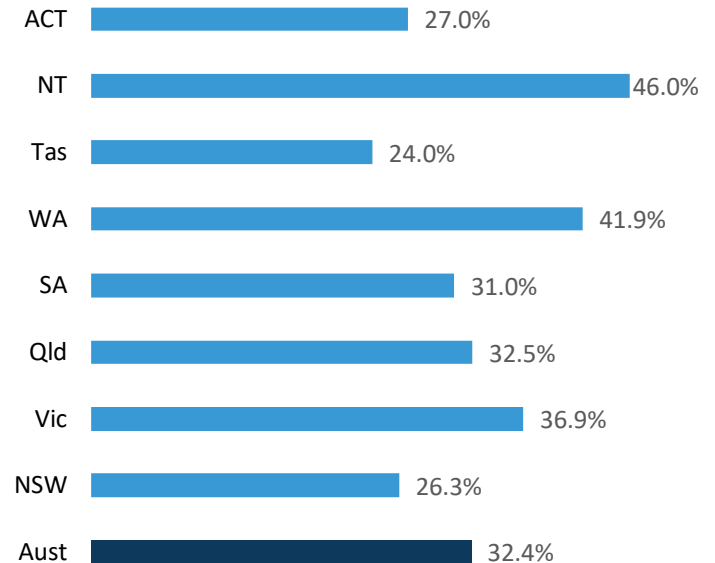
Investor financing dropped to historic lows proportionally, but the value of lending to investors has been increasing since May 2020.

First home buyer finance, as a portion of lending to owner occupiers, fell across NSW, VIC, TAS and ACT over January

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



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

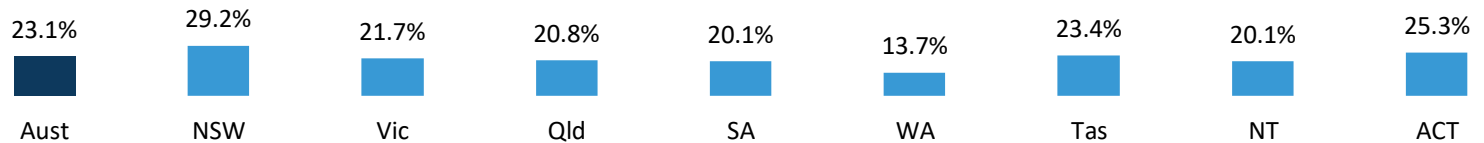


The trend of declining investor participation has been fairly uniform across the states, with a recent lift apparent in QLD, NSW and TAS

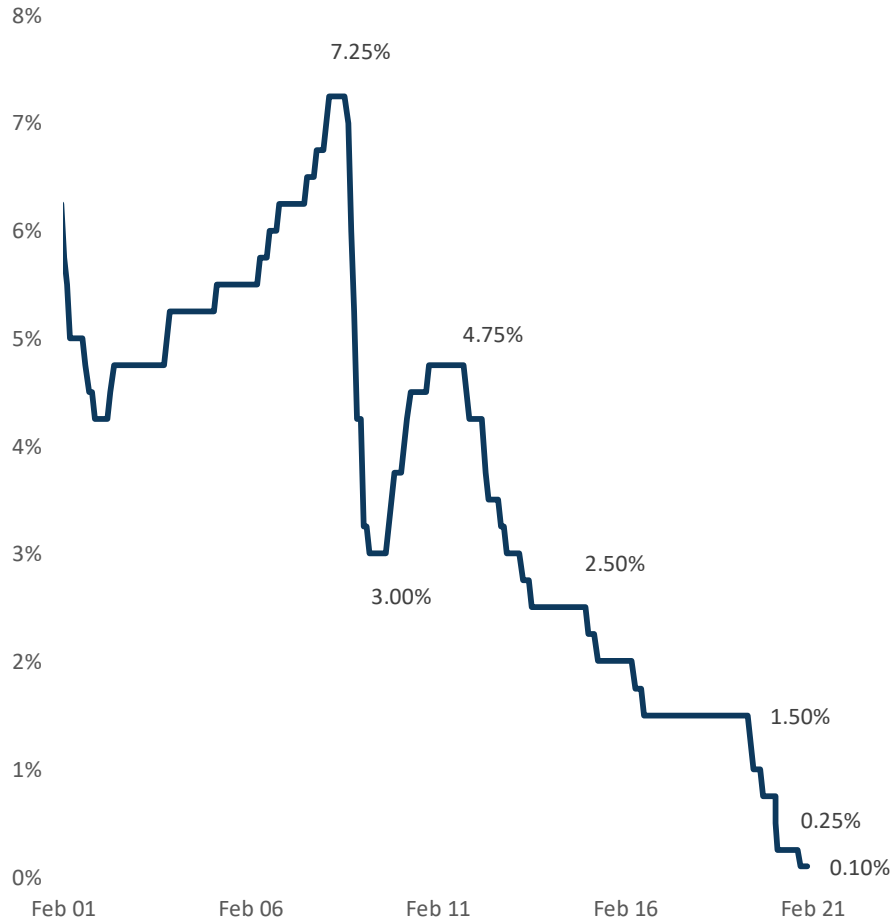
Investors as a portion of total value of lending (excluding refinancing)



Investors as a % of housing finance commitments by state



RBA Cash Rate



The RBA held rates at 0.1% through February, and reiterated messaging that rates could stay low until 2024

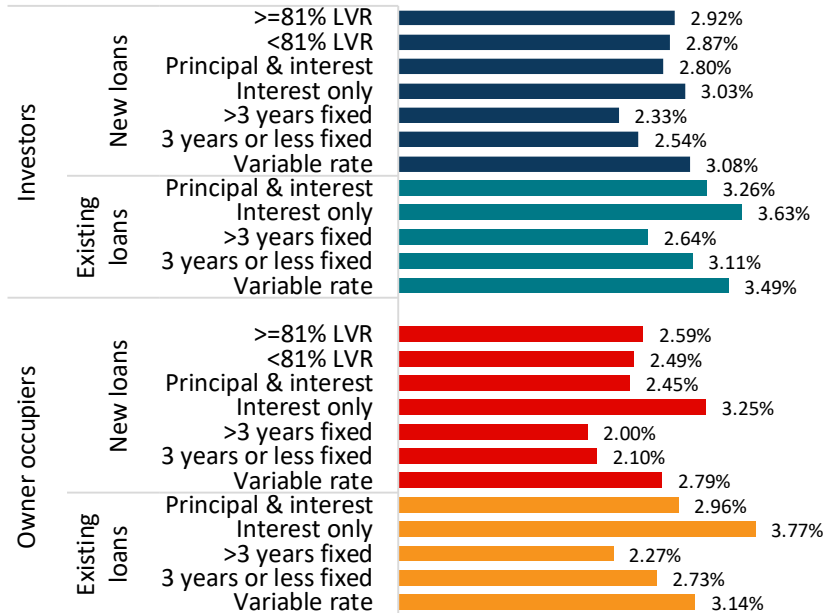
"The Board will not increase the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range. For this to occur, wages growth will have to be materially higher than it is currently. This will require significant gains in employment and a return to a tight labour market. The Board does not expect these conditions to be met until 2024 at the earliest." - Statement by Philip Lowe on Monetary Policy Decision, 2nd of March 2020.



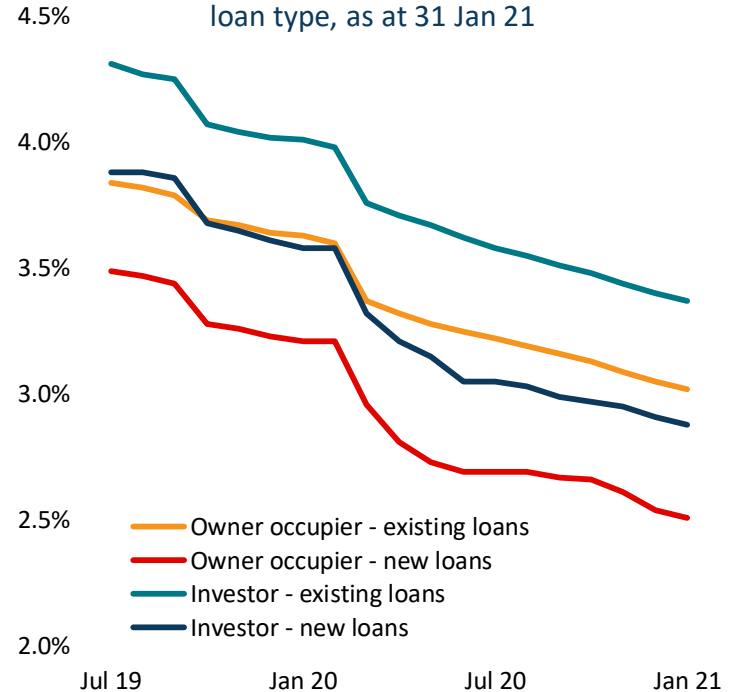
Record low mortgage rates are likely to continue to support housing demand:

Average housing lending rates for new loans have declined 70 basis points for owner occupiers, and 70 basis points for investors through the year to January

Average borrowing costs by borrower and loan type, as at 31 Jan 21

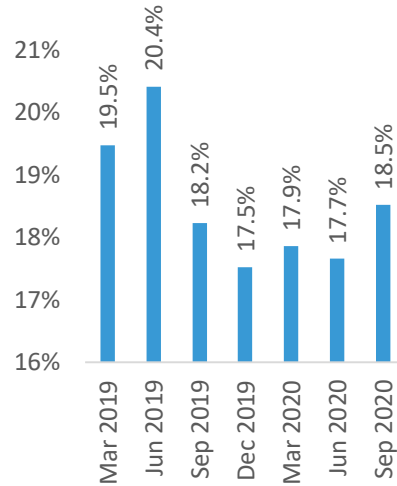


Average borrowing costs by borrower and loan type, as at 31 Jan 21

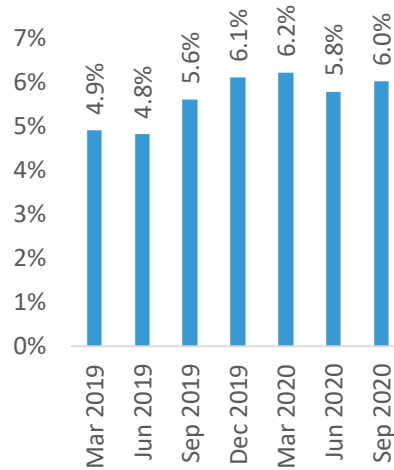


Riskier types of lending remain well contained, at least based on September data... But regulators and policy makers are likely to be watchful for any signs of slippage in lending standards.

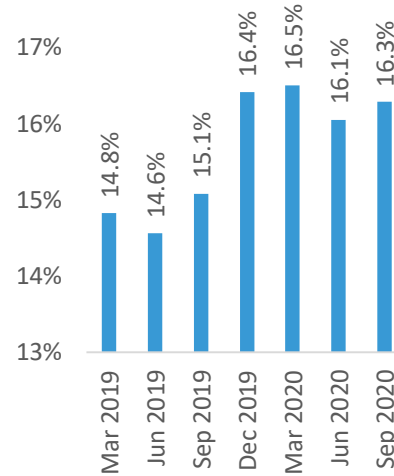
% of loans on interest only terms



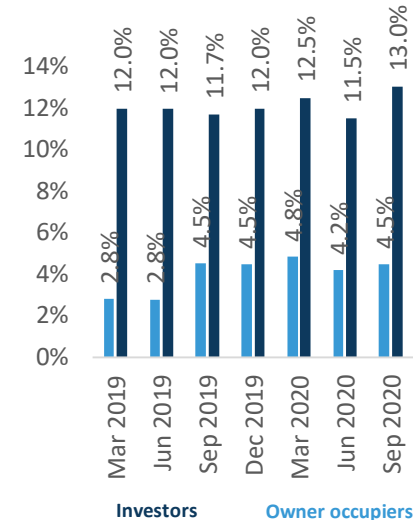
% of loans originated with a LTI ratio $\geq 6x$



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



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





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