



Monthly Chart Pack

Our Insights. Your Story.

May 2021



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$8.1 Trillion



AUSTRALIAN SUPERANNUATION

\$3.0 Trillion



AUSTRALIAN LISTED STOCKS

\$2.7 Trillion



COMMERCIAL REAL ESTATE

\$964 Billion

Data as at May 2021.



10.6 million
Number of dwellings

\$1.9 trillion
Outstanding mortgage debt

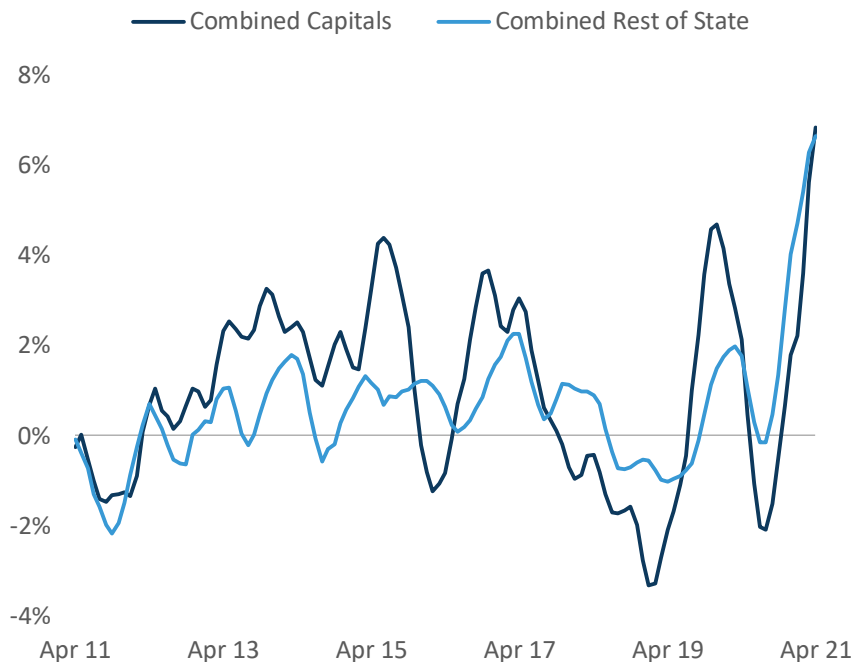
53.0%
Household wealth held in housing

503,691
Total sales p.a.

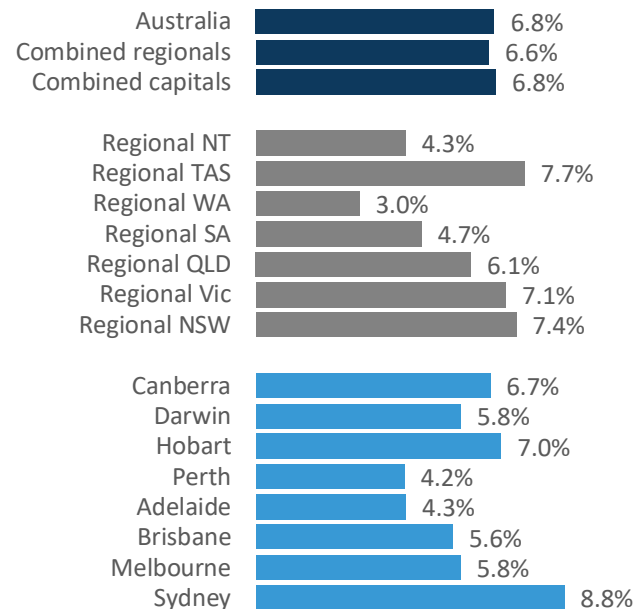
\$331 billion
Gross value of sales p.a.

In the three months to April, national home values rose 6.8%, which is the highest quarterly growth rate since December 1988

Rolling quarterly change in dwelling values

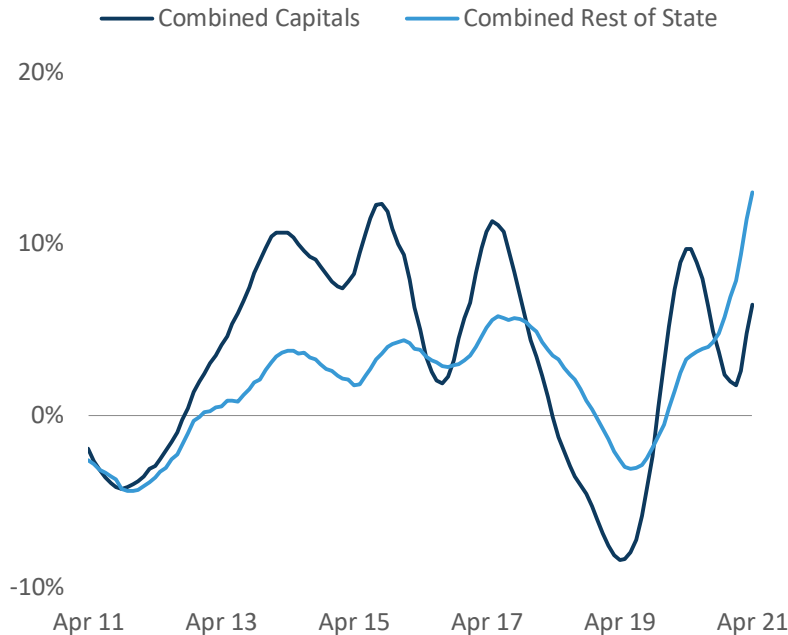


Change in dwelling values, three months to April 2021

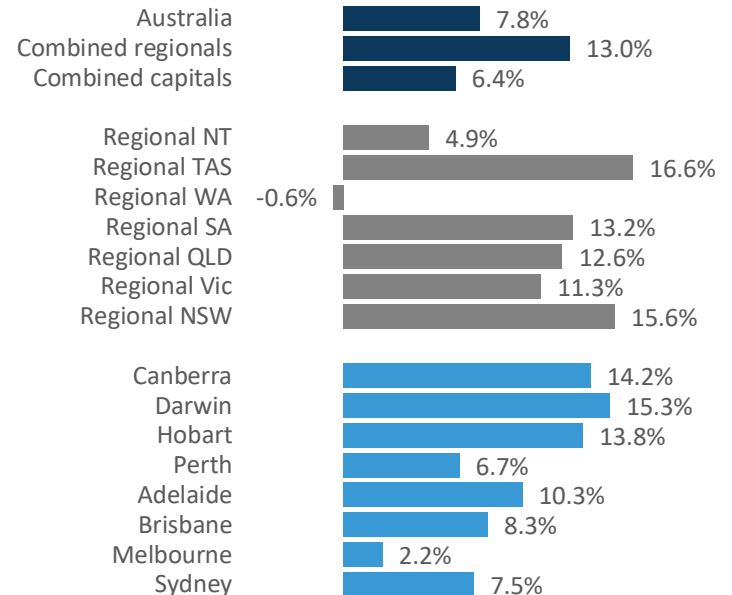


Dwelling values in Australia are 7.8% higher over the year, and currently sit around 7.6% above the previous October 2017 record high

Rolling annual change in dwelling values

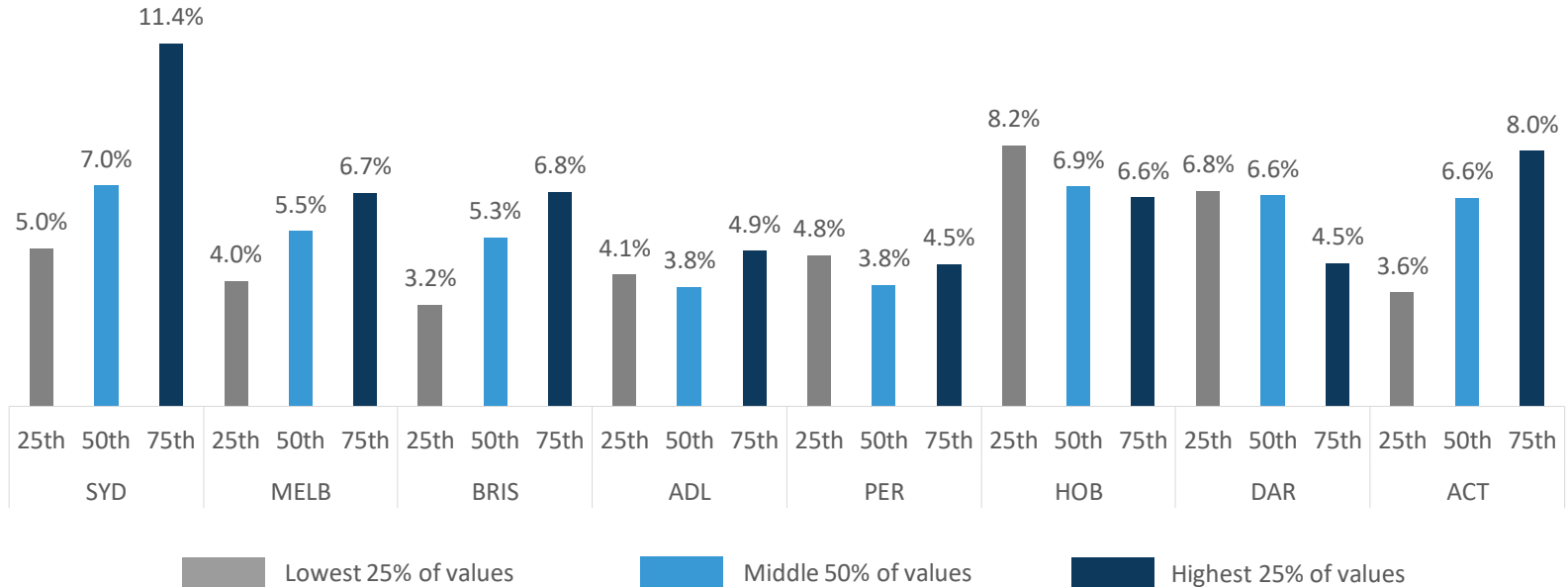


Change in dwelling values, twelve months to April 2021



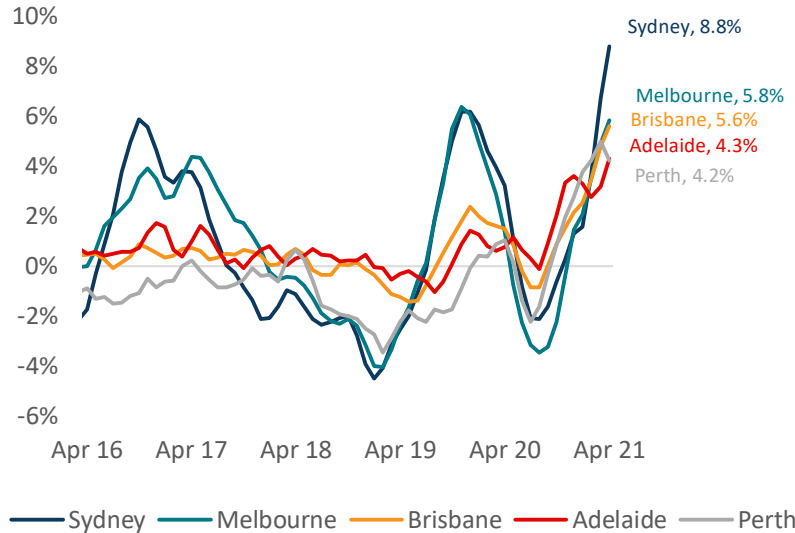
In the three months to April, the largest capital cities showed the 'high' end of market values markedly outpacing other value tiers, while growth was more uniform in smaller cities

Growth in stratified hedonic dwellings index (3 months)

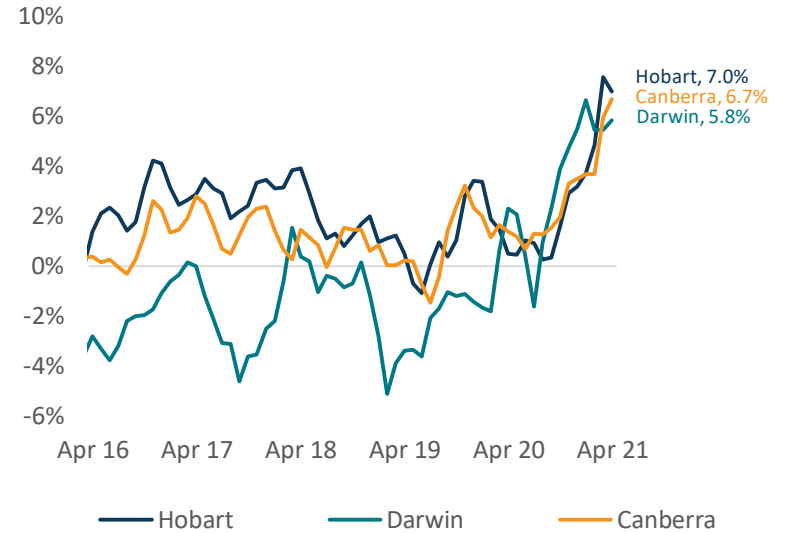


Every capital city is recording a rapid rate of appreciation in home values, ranging from a quarterly rise of 8.8% in Sydney to 4.2% in Perth

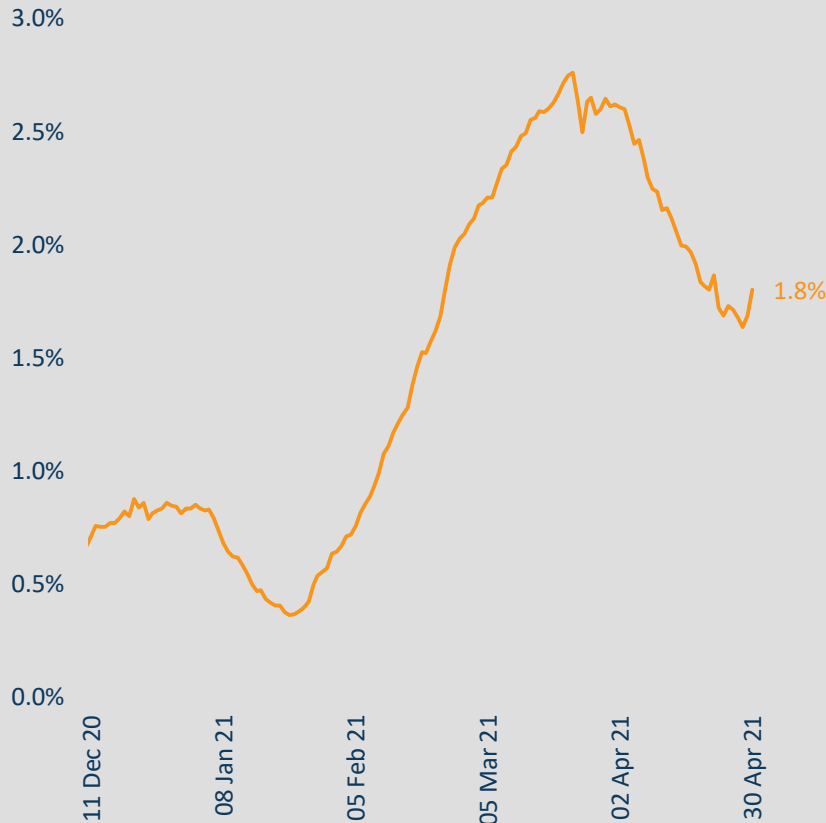
Rolling quarterly change in values, Dwellings



Rolling quarterly change in values, Dwellings

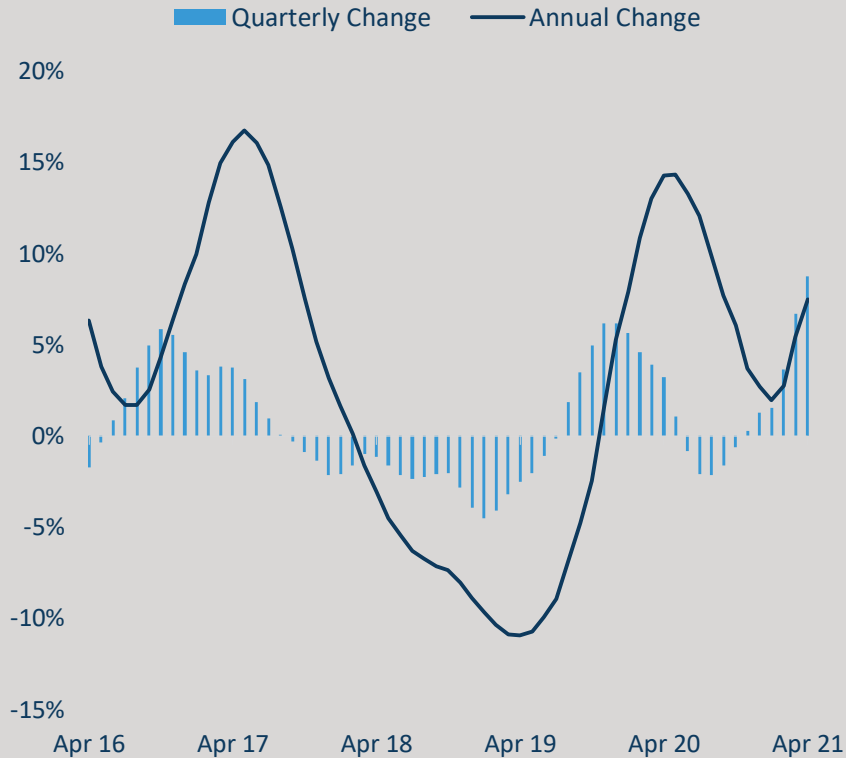


Rolling 28-day growth rate in CoreLogic Home Value index - combined capital cities



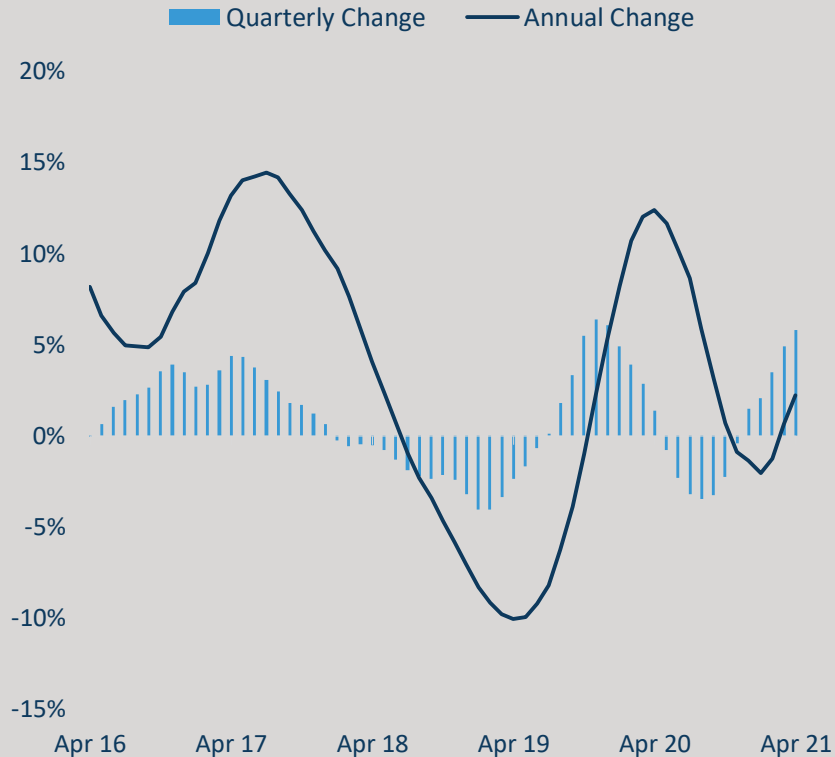
While quarterly growth rates are extremely elevated, the rolling 28-day change in the daily CoreLogic Home Value index has started to slow, suggesting momentum is easing across dwelling markets.

Quarterly and annual change in dwelling values - Sydney



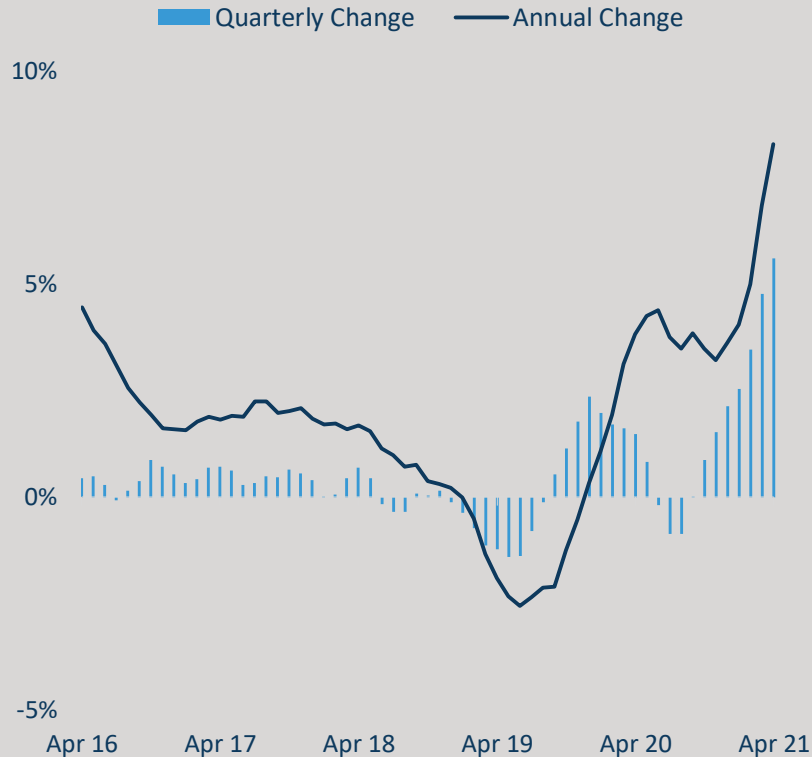
- Sydney dwelling values rose 2.4% in April
- Dwelling values increased 8.8% in the quarter
- Sydney dwelling values are up by 7.5% in the past year
- Sydney dwelling values are now at a record high

Quarterly and annual change in dwelling values - Melbourne



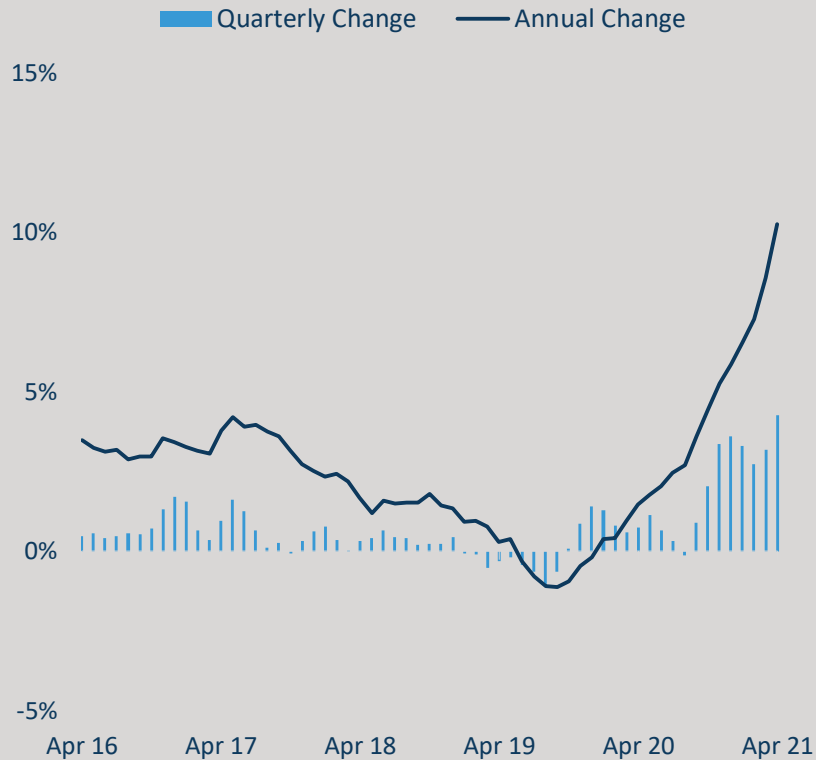
- Melbourne dwelling values rose 1.3% in April
- Dwelling values increased 5.8% in the quarter
- Melbourne dwelling values increased 2.2% in the past year
- Melbourne dwelling values are now at a record high

Quarterly and annual change in dwelling values - Brisbane



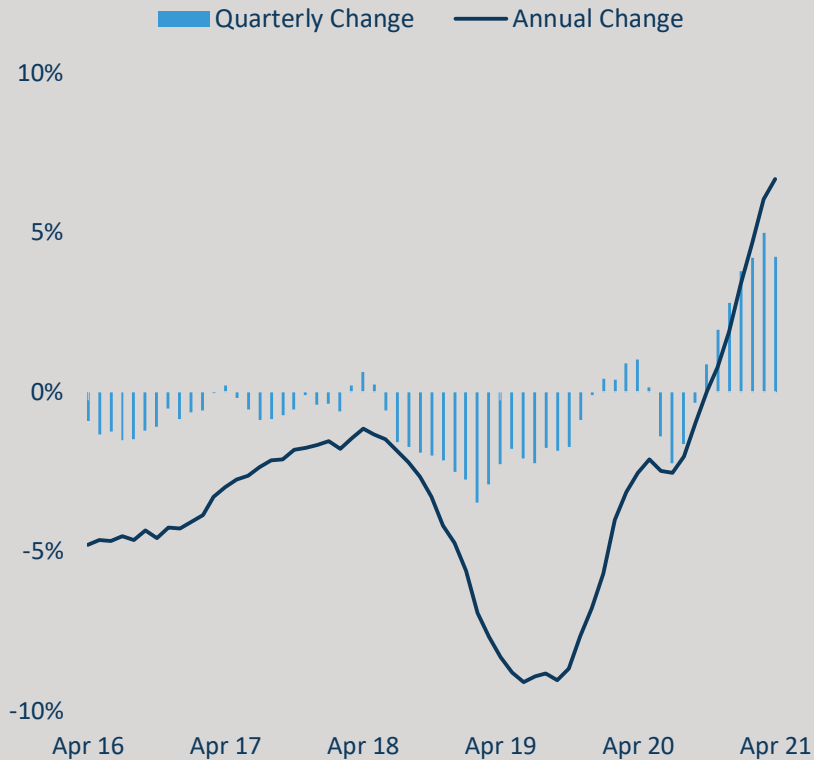
- Brisbane dwelling values increased by 1.7% in April
- Dwelling values increased 5.6% over the quarter
- Brisbane dwelling values are up by 8.3% in the past year
- Brisbane dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Adelaide



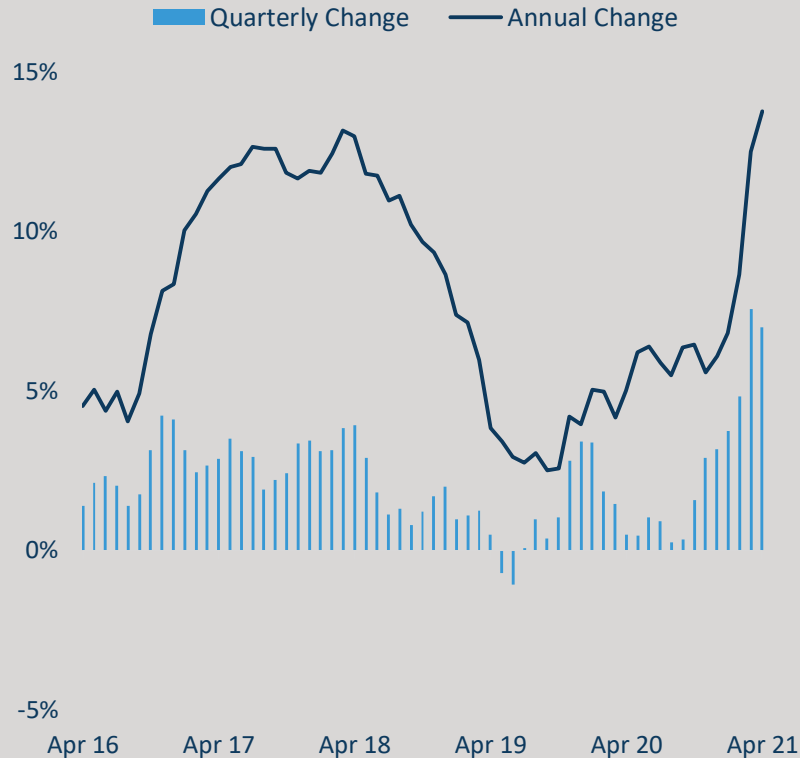
- Adelaide dwelling values increased 2.0% in April
- Dwelling values rose 4.3% in the quarter
- Adelaide dwelling values were up by 10.3% in the past year
- Adelaide dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Perth



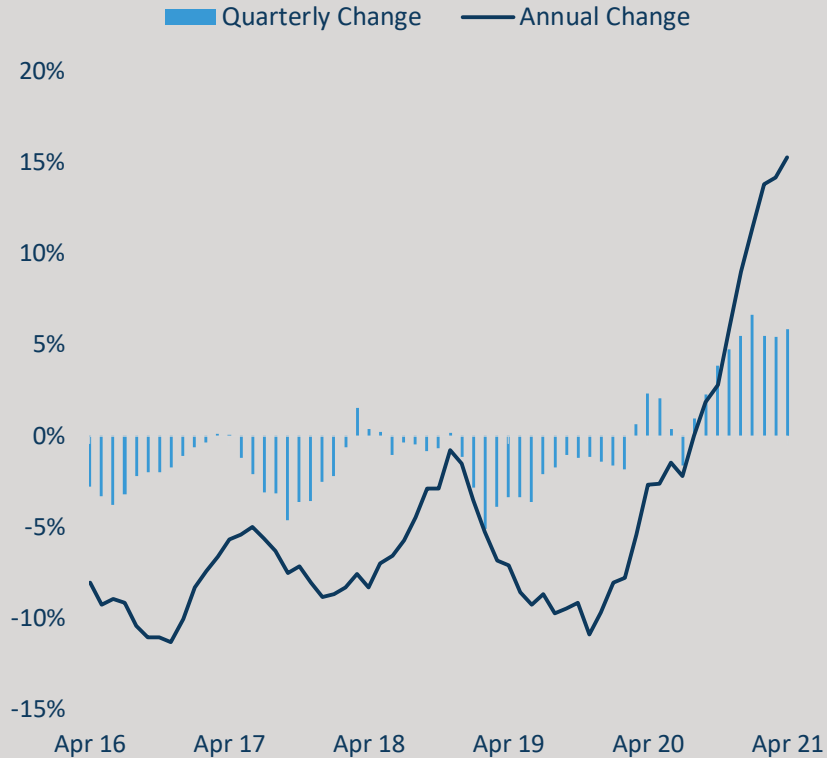
- Perth dwelling values increased 0.8% in April
- Dwelling values increased 4.2% in the quarter
- Perth dwelling values were up 6.7% in the past year
- Perth dwelling values are now -15.2% below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



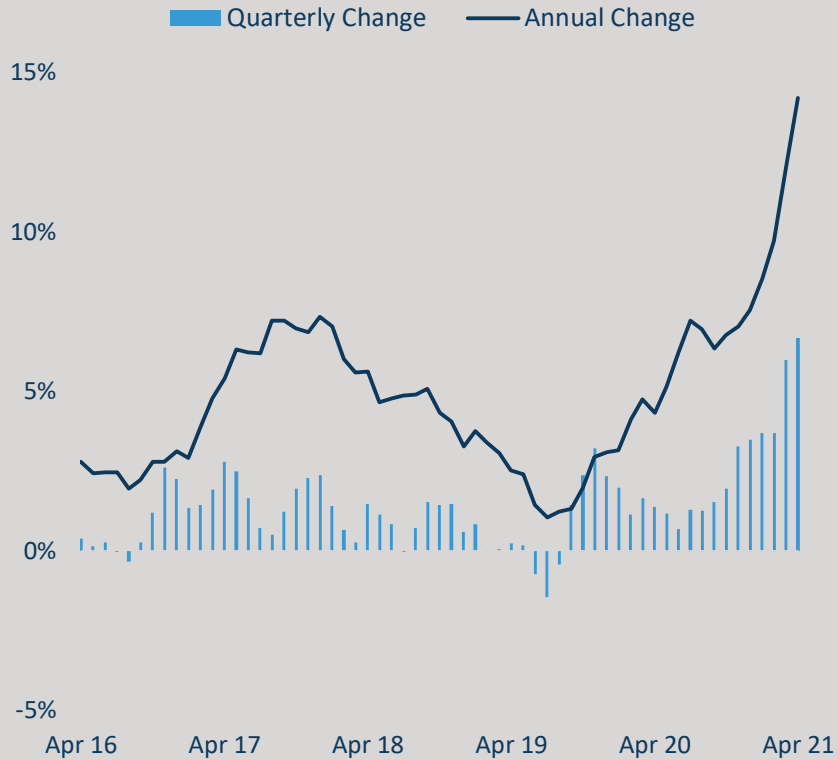
- Hobart dwelling values increased 1.0% in April
- Dwelling values increased 7.0% in the quarter
- Hobart dwelling values are up by 13.8% in the past year
- Hobart dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values increased 2.7% in April
- Dwelling values rose 5.8% in the quarter
- Darwin dwelling values were up 15.3% over the year
- Darwin dwelling values are -19.5% below the record high, which was in May 2014

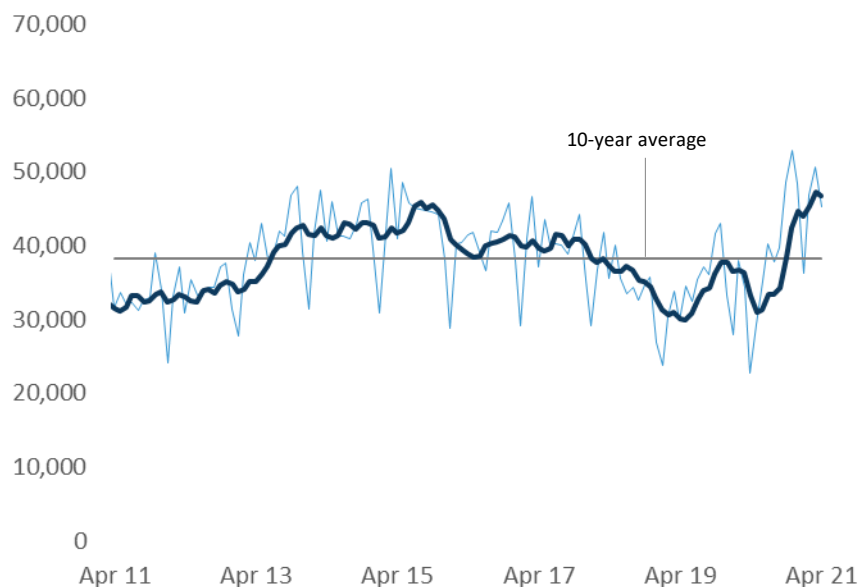
Quarterly and annual change in dwelling values - ACT



- ACT dwelling values increased 1.9% in April
- Dwelling values were up 6.7% in the quarter
- ACT dwelling values were up by 14.2% in the past year
- The ACT dwelling market is currently at a record high

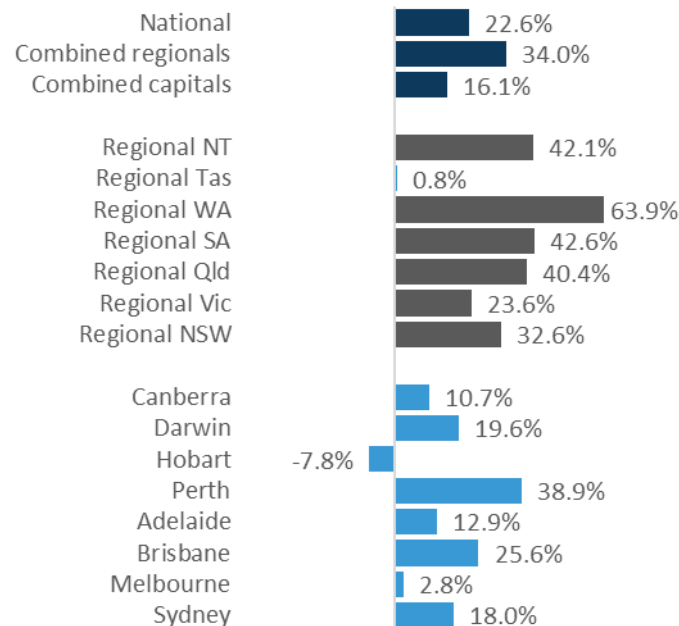
CoreLogic estimates sales volumes increased 22.6% nationally over the twelve months to April

Monthly sales with six month moving average, National



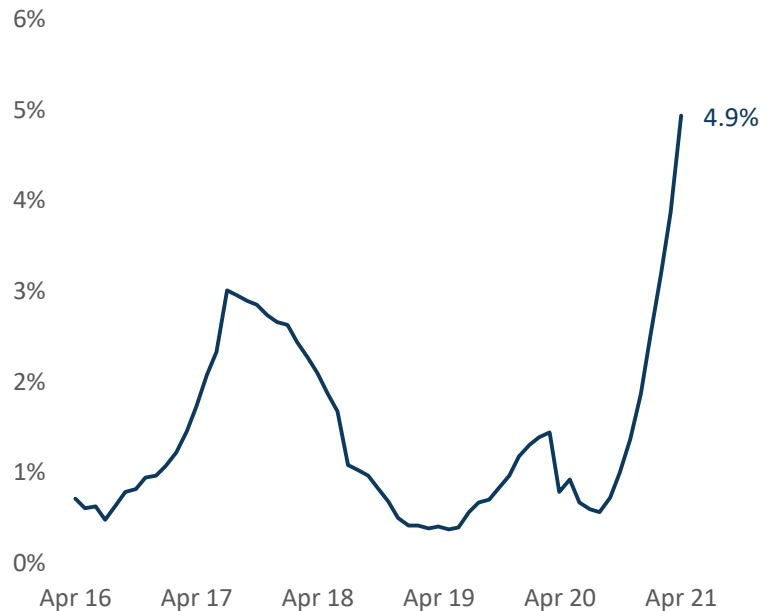
Note: recent months of sales volumes are modelled estimates, and are subject to revision

Annual change in sales volumes April 21

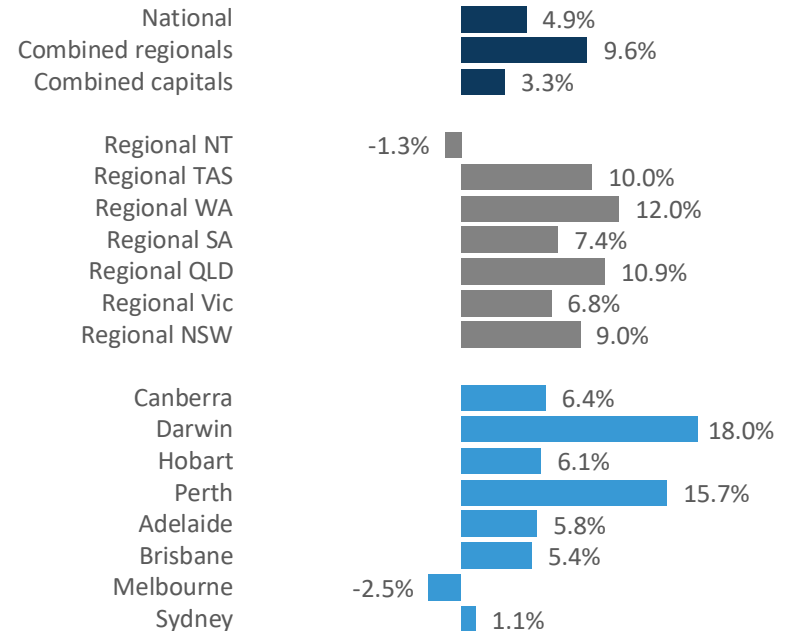


National rent values have risen 4.9% in the year to April, following a long period of subdued rental conditions, and a fall in rents at the onset of COVID-19

Annual change in rental rates - National

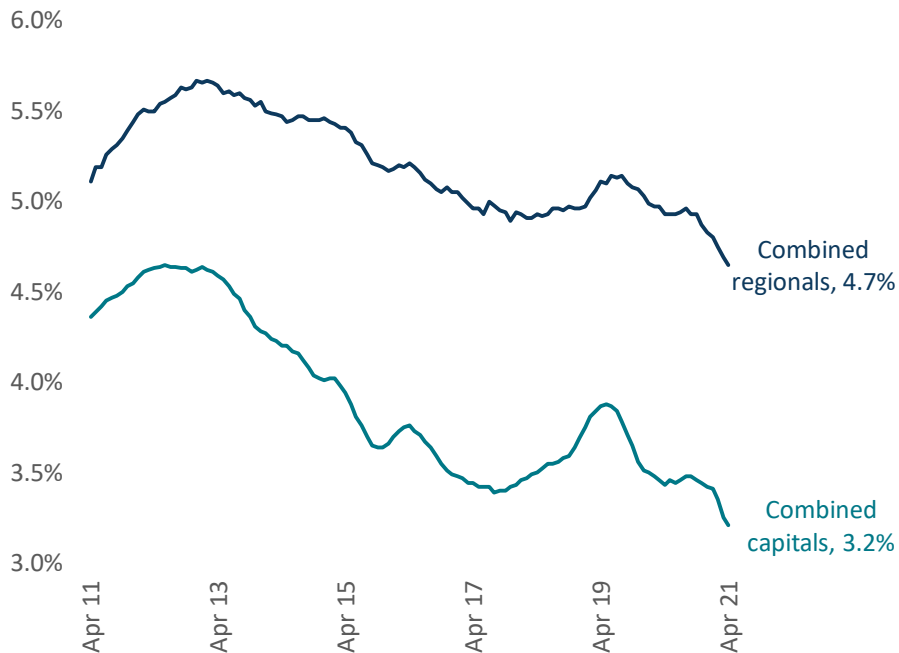


Annual change in rental rates to April 21

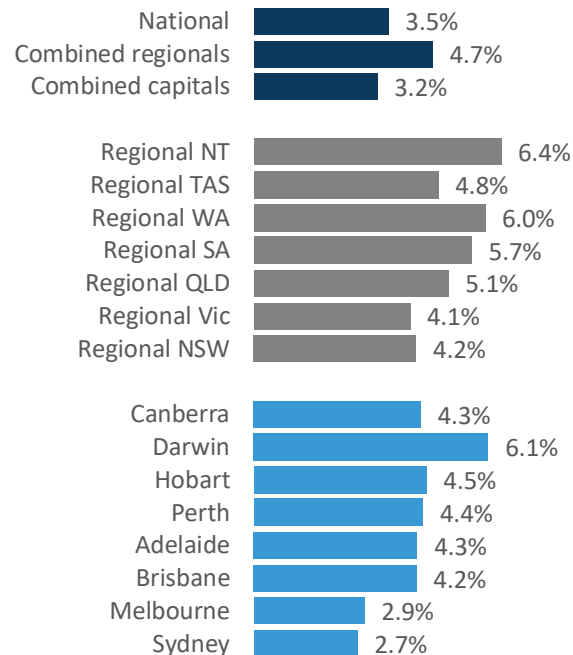


With housing values generally outperforming rents, yields are trending lower, with the exception of Perth and Darwin

Gross rental yields

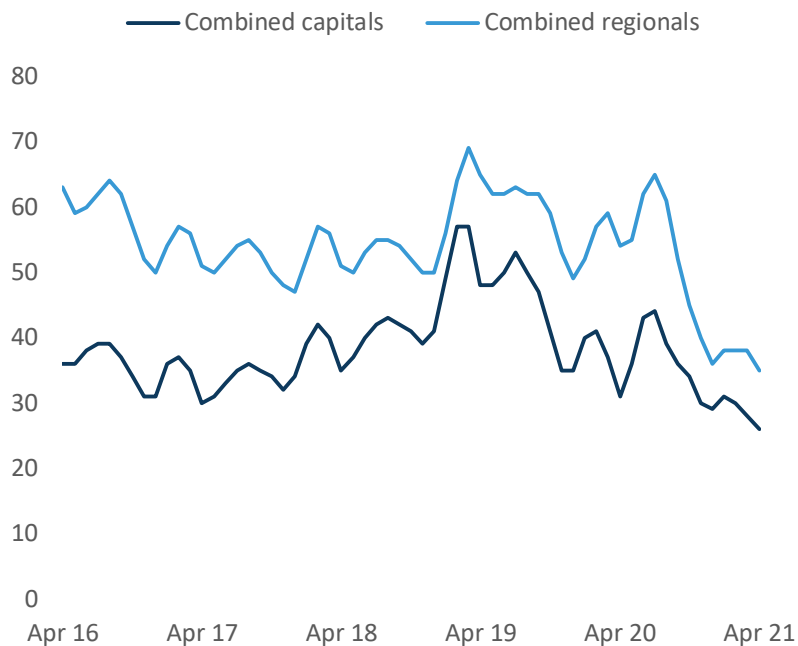


Gross rental yields, April 2021

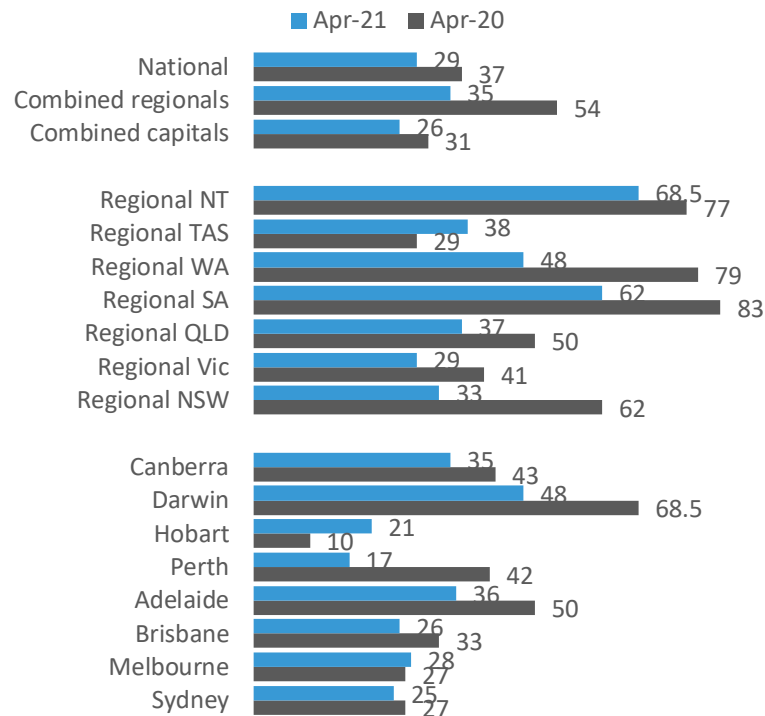


In the 3 months to April 2021, median time on market across Australia fell to 29 days, the lowest level since October 2003

Median days on market



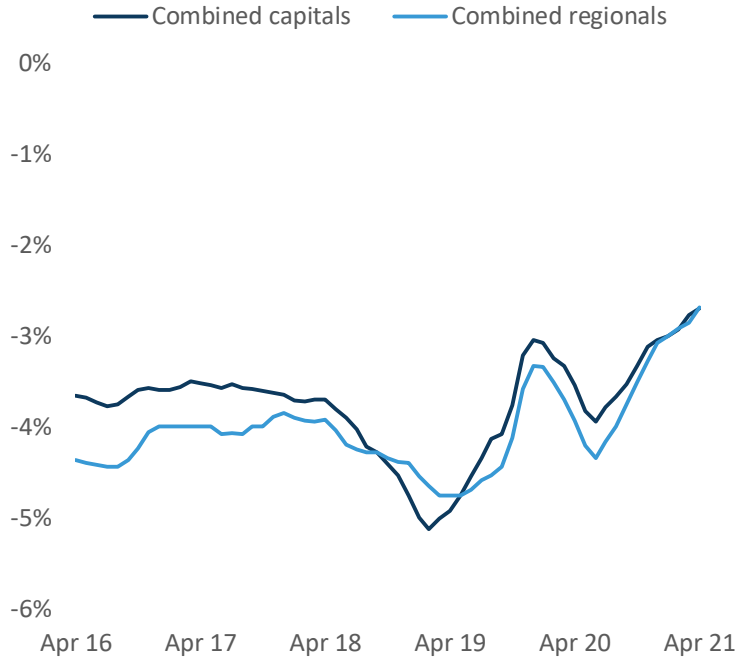
Median days on market April 20 v April 21





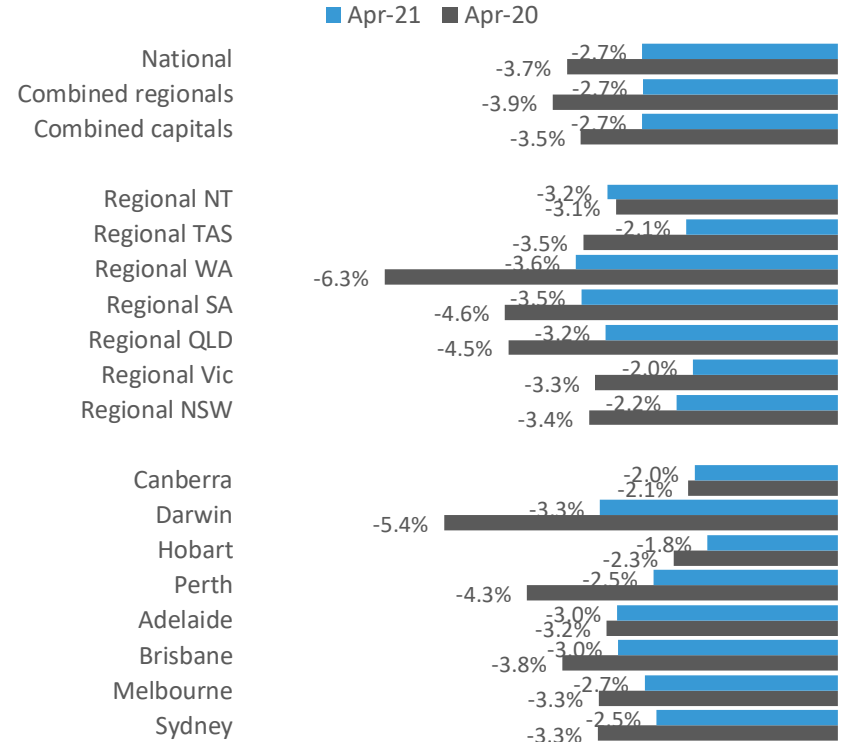
Nationally, the rate of vendor discounting has tightened by 100 basis points over the year to April

Median vendor discount



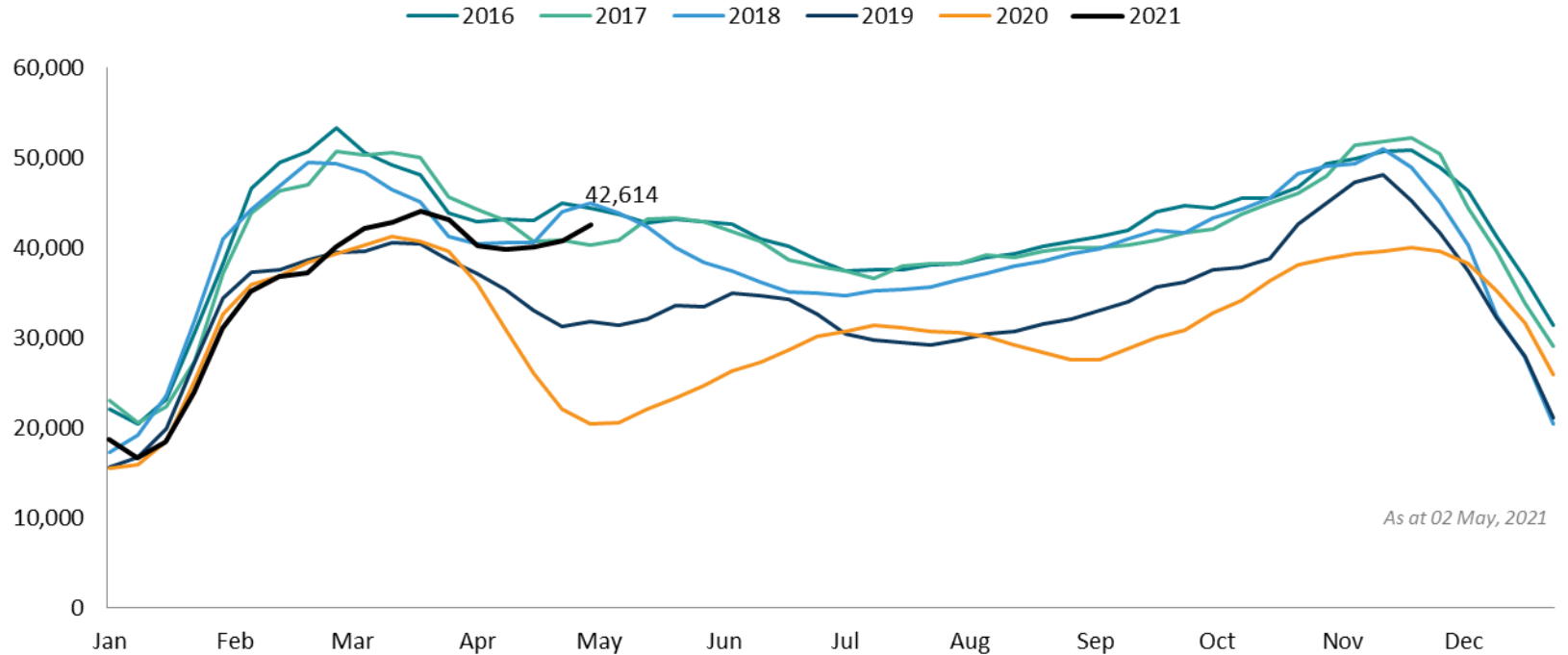
Median vendor discounts are based on a rolling 3-month measure
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Median vendor discount April 20 v April 21



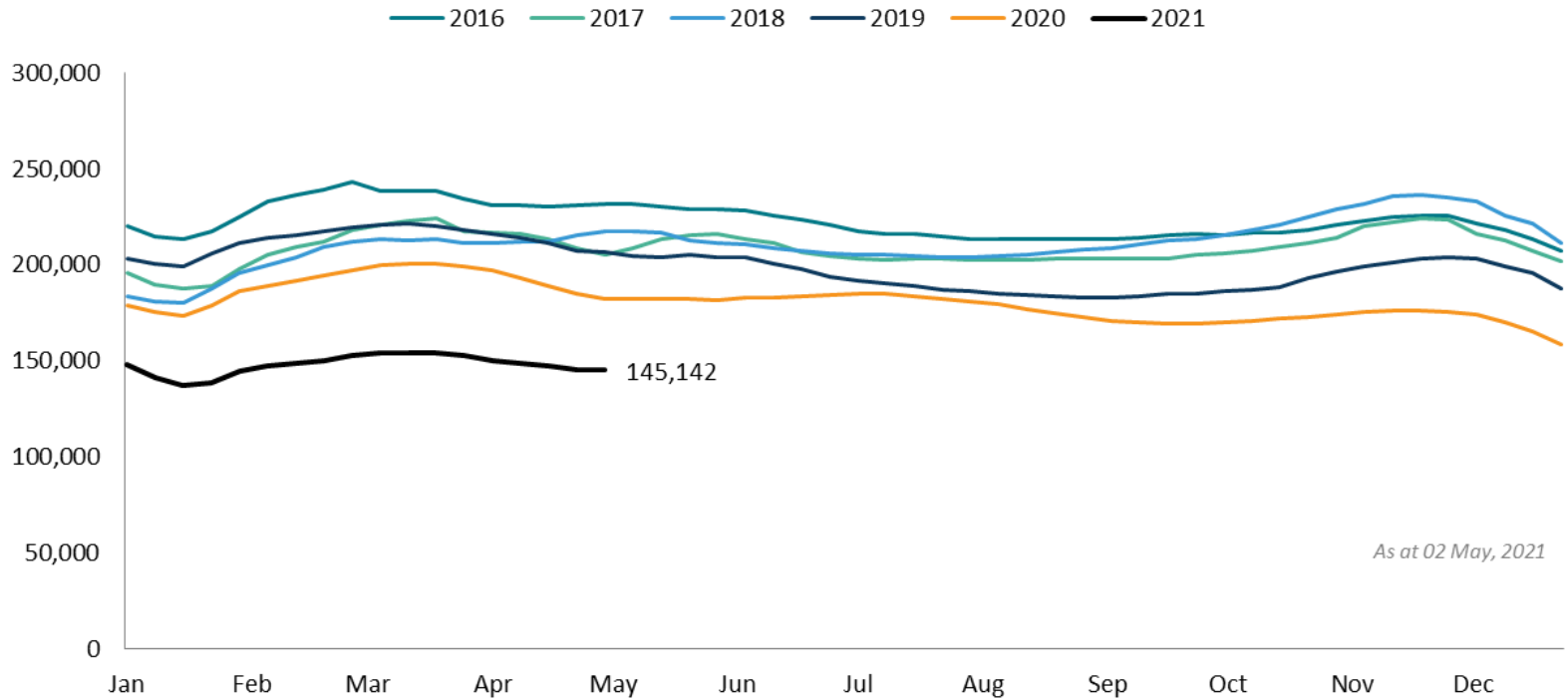
Fresh listings to the market have increased substantially through April, and sat 18.3% above the 5-year average level for this time of year

Number of new listings, National Dwellings



However, total listings remained -24.2% below the 5-year average due to strong absorption from sales

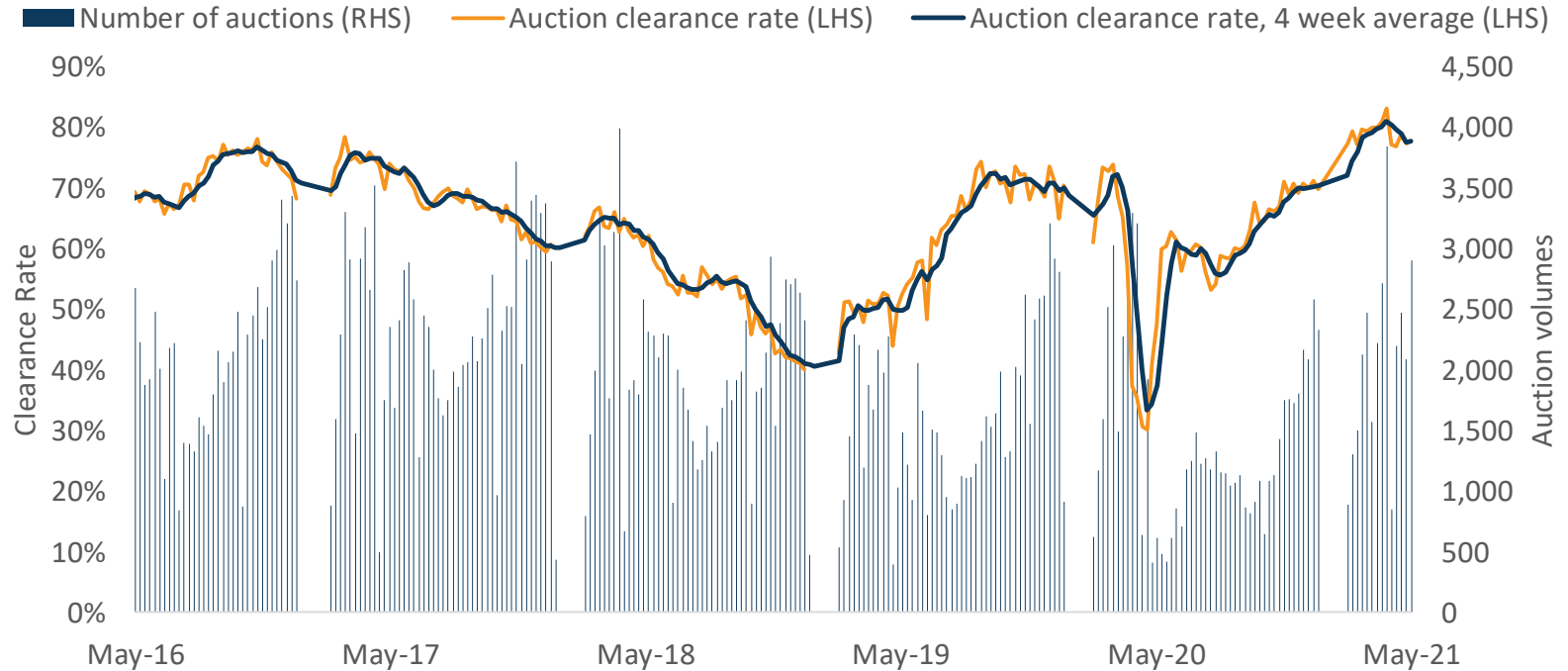
Number of total listings, National Dwellings





Auction clearance rates faded since the end of March but remain well above average. In the four weeks to May 2nd, the combined capital cities clearance rate averaged 77.6%.

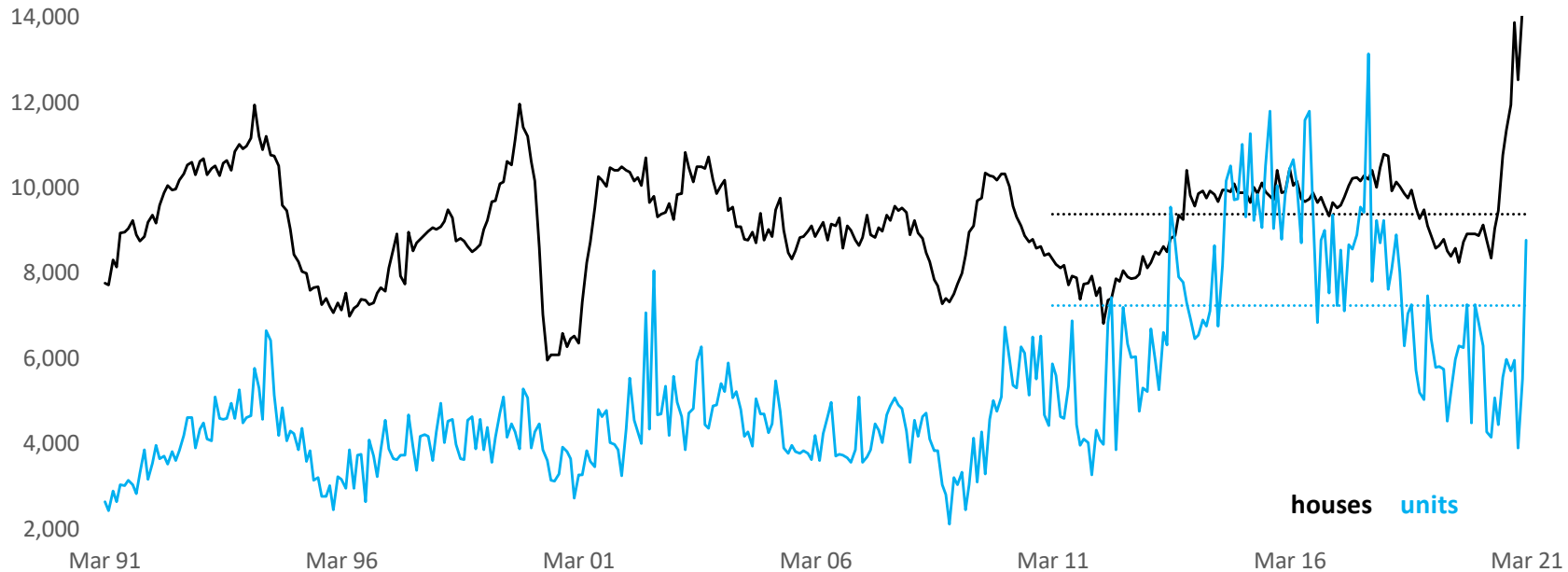
Weekly clearance rates, combined capital cities





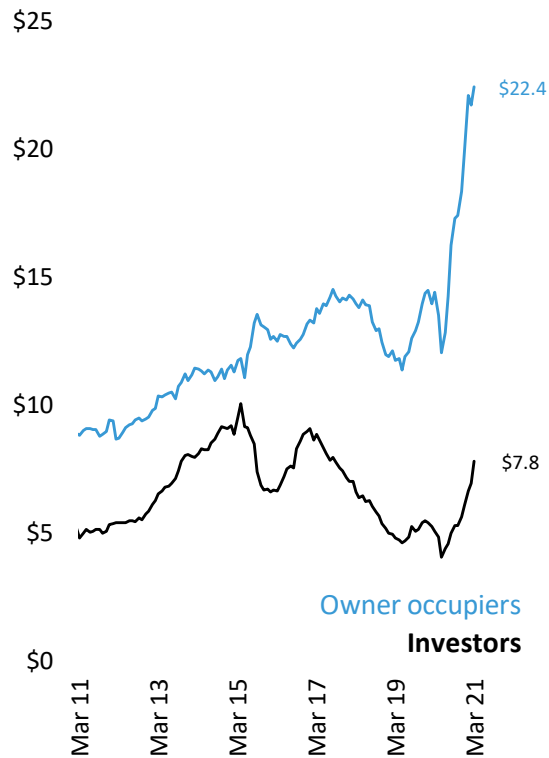
Dwelling approvals surged 17.4% over the month, marking the second-highest month of approvals on record. House approvals reached a new record high in the month.

Monthly house v unit approvals, National

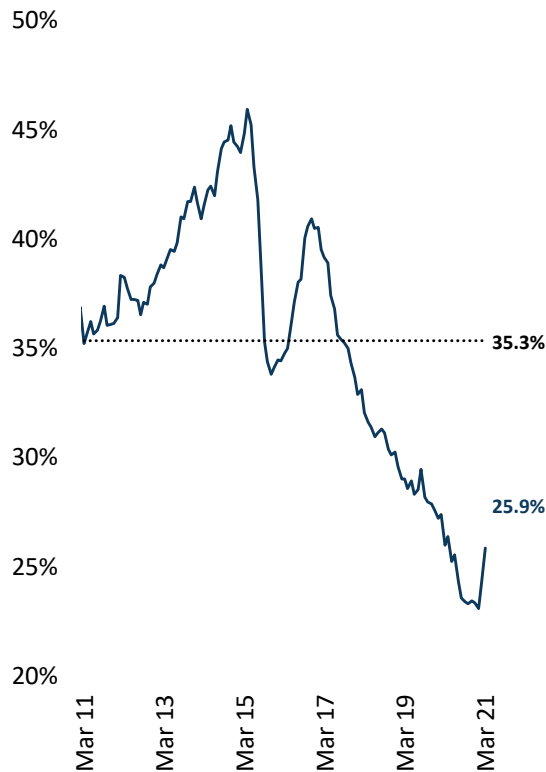




Monthly value of new finance commitments, total (\$ billions)



Portion of new lending for investment housing (excluding refinance)

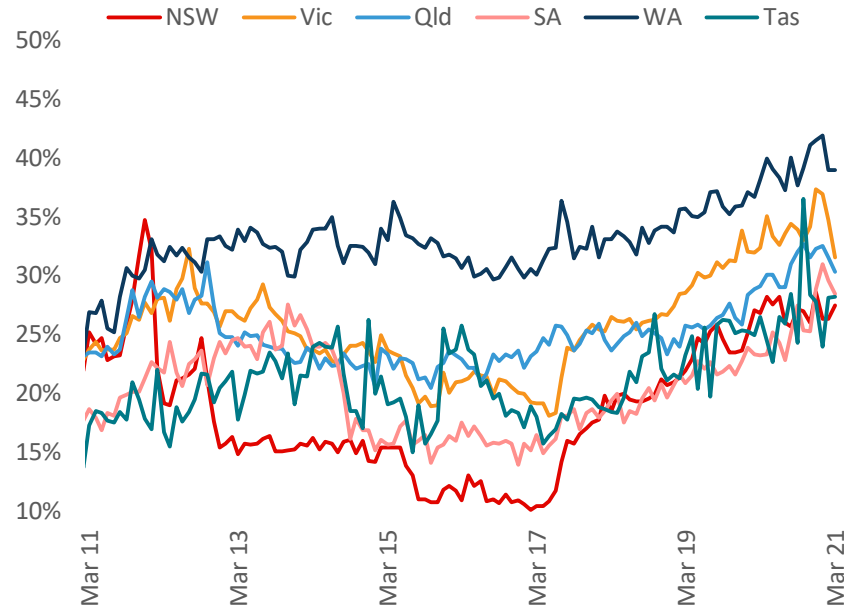


Over March, the value of owner occupier finance commitments for the purchase of property rose 3.3%, while investor lending rose 12.7% off a low base.

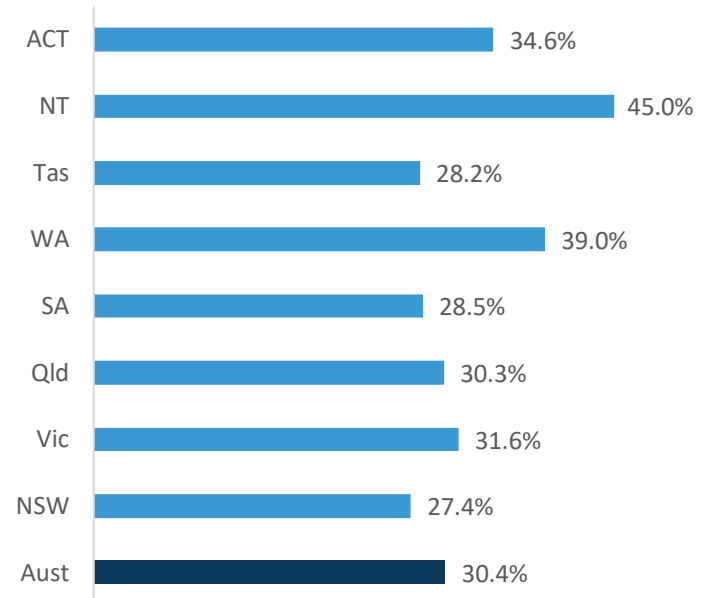
First home buyer finance fell for the second consecutive month, at -0.9%.

First home buyer finance, as a portion of lending to owner occupiers, fell nationally to 30.4%, but remains well 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

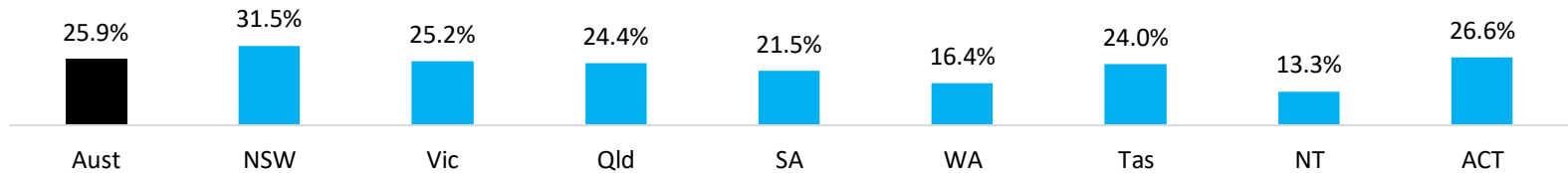


Other than the ACT, each state and territory has seen a proportional uplift in investor financing for property purchases through March

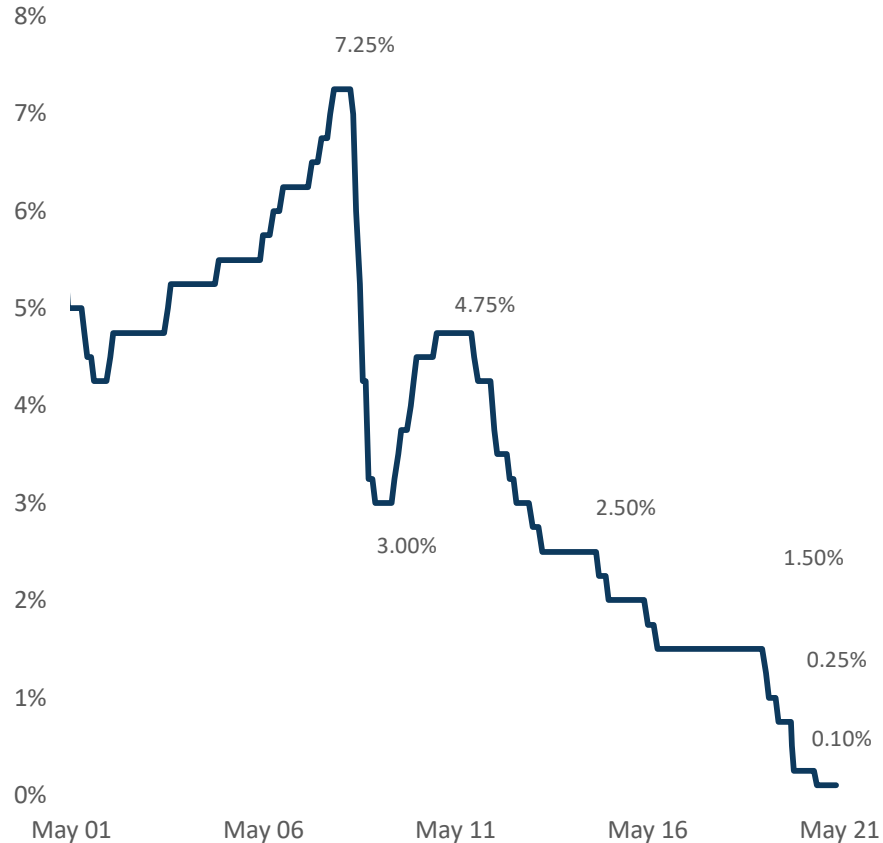
Investors as a portion of total value of lending (excluding refinancing)



Investors as a % of housing finance commitments by state



RBA Cash Rate



The RBA held rates at 0.1% through May

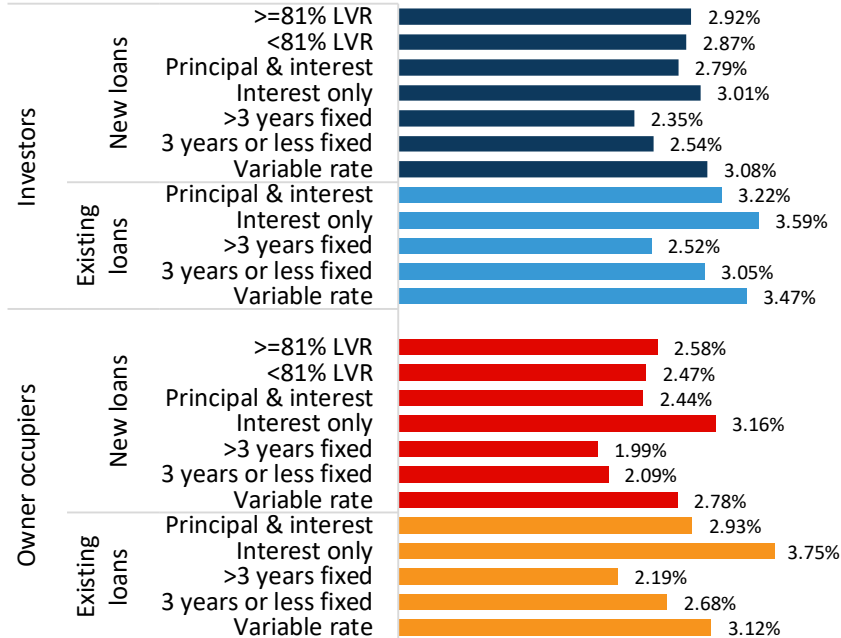
Statement highlights

- No change to the targets of 10 basis points for the cash rate or the 3-year Government bond yield
- Economic outlook was upgraded, to GDP growth of 4.75% through 2021 CY and 3.5% through 2022 CY, unemployment is expected to reach 4.5% at the end of 2022 CY, and underlying inflation is expected to be 1.5% per cent in 2021 and 2% in mid 2023
- The board is not considering a further extension of the Term Funding Facility
- The board will discuss a shift in the maturity of yield curve control in July
- The next round of bond purchases will be considered in July

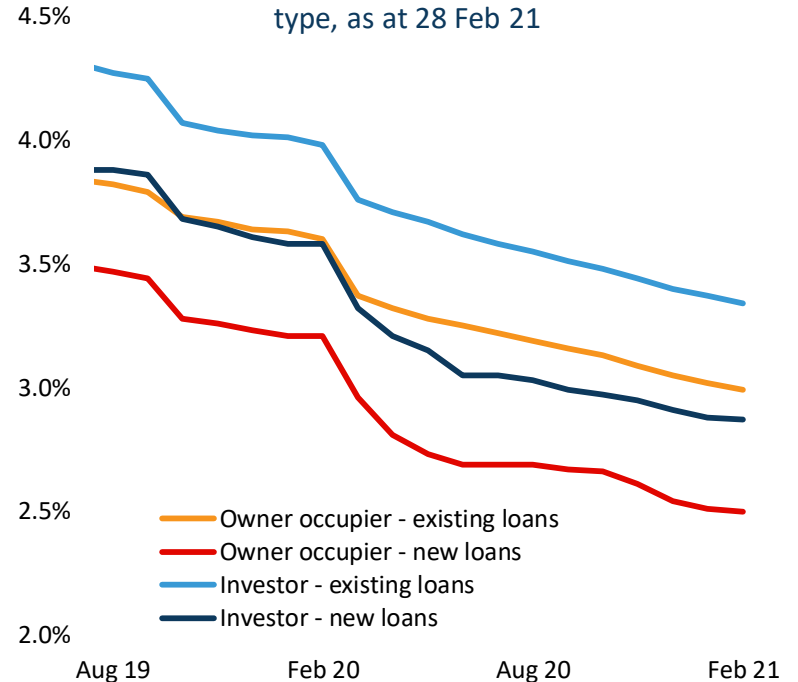
Low mortgage rates are likely to continue to support housing demand:

Average housing lending rates for new loans have declined 71 basis points for owner occupiers, and 71 basis points for investors through the year to February

Average borrowing costs by borrower and loan type, as at 28 Feb 21



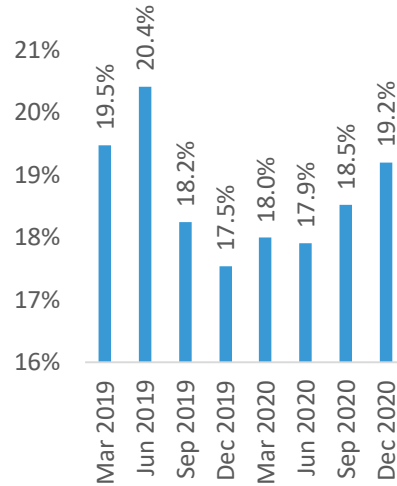
Average borrowing costs by borrower and loan type, as at 28 Feb 21



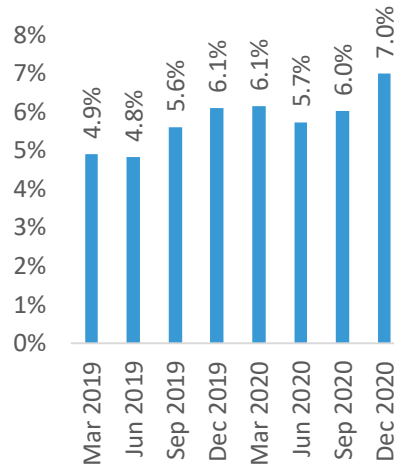
Could we see another round of credit tightening?

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.

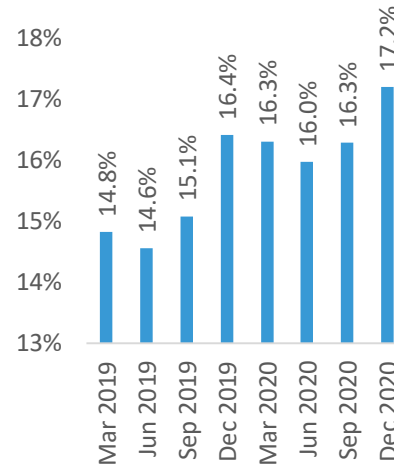
% of loans on interest only terms



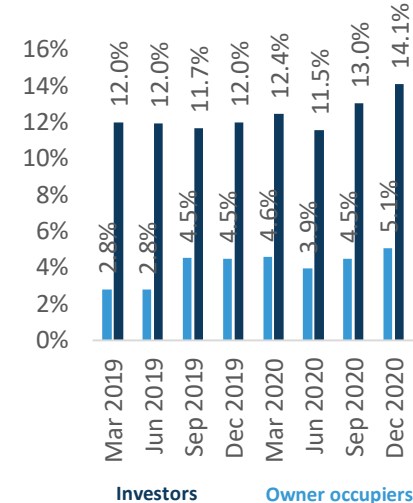
% of loans originated with a LTI ratio >=6x



% of loans originated with a DTI ratio >=6x



% of loans originated with an LVR >=90%





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