


December 2021

Monthly Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth

 RESIDENTIAL REAL ESTATE
\$9.4 Trillion

 AUSTRALIAN SUPERANNUATION
\$3.4 Trillion

 AUSTRALIAN LISTED STOCKS
\$2.8 Trillion

 COMMERCIAL REAL ESTATE
\$1.1 Trillion

NUMBER OF DWELLINGS

10.7 Million

OUTSTANDING MORTGAGE DEBT

\$2.0 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

55.4%

TOTAL SALES P.A.

614,635

GROSS VALUE OF SALES P.A.

\$461.3 Billion

Australian dwelling values

Overview

3 MONTHS

↑ **4.4%**

National home values rose 4.4% in the three months to November, which has eased from a 5.2% increase in the three months to August

12 MONTHS

↑ **22.2%**

Dwelling values in Australia are 22.2% higher over the past 12 months, which is the highest annual appreciation since June 1989.

CAPITAL CITIES

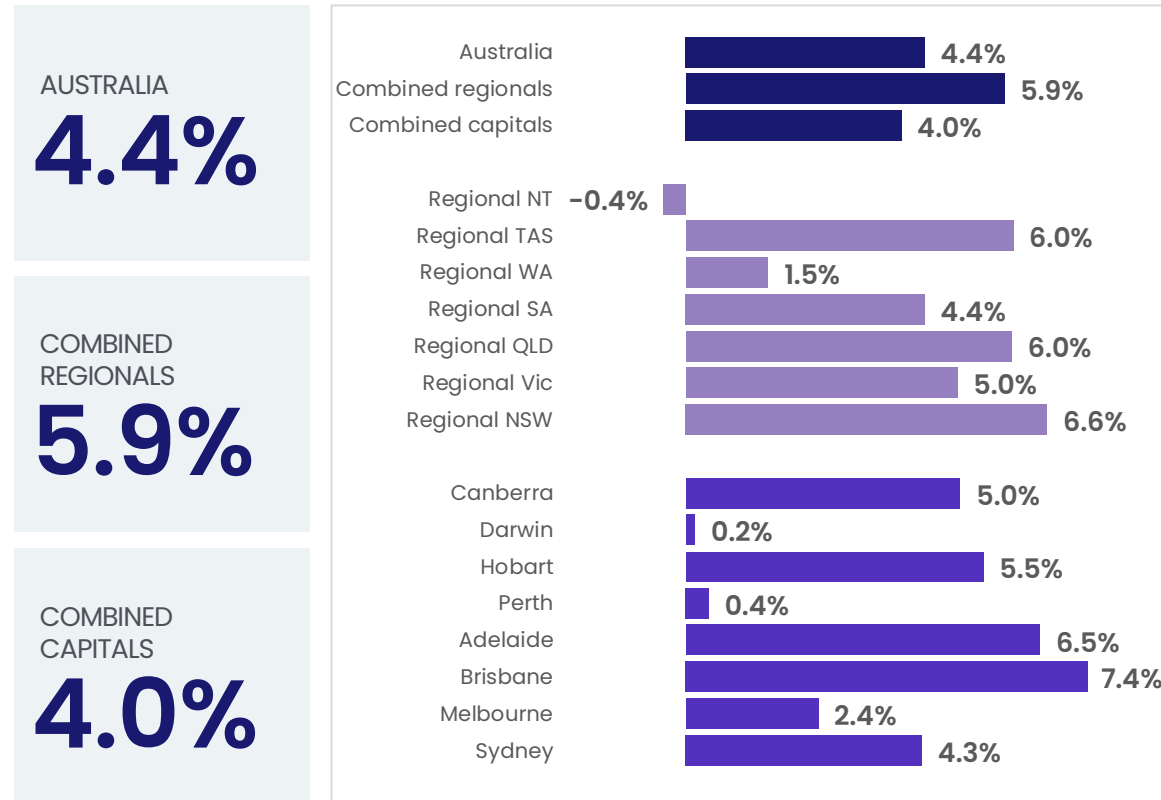
High end of the market leading growth

In the three months to November, capital city homes saw the top 25% of values rise 4.3%, compared to 3.2% across the lowest 25% of values.

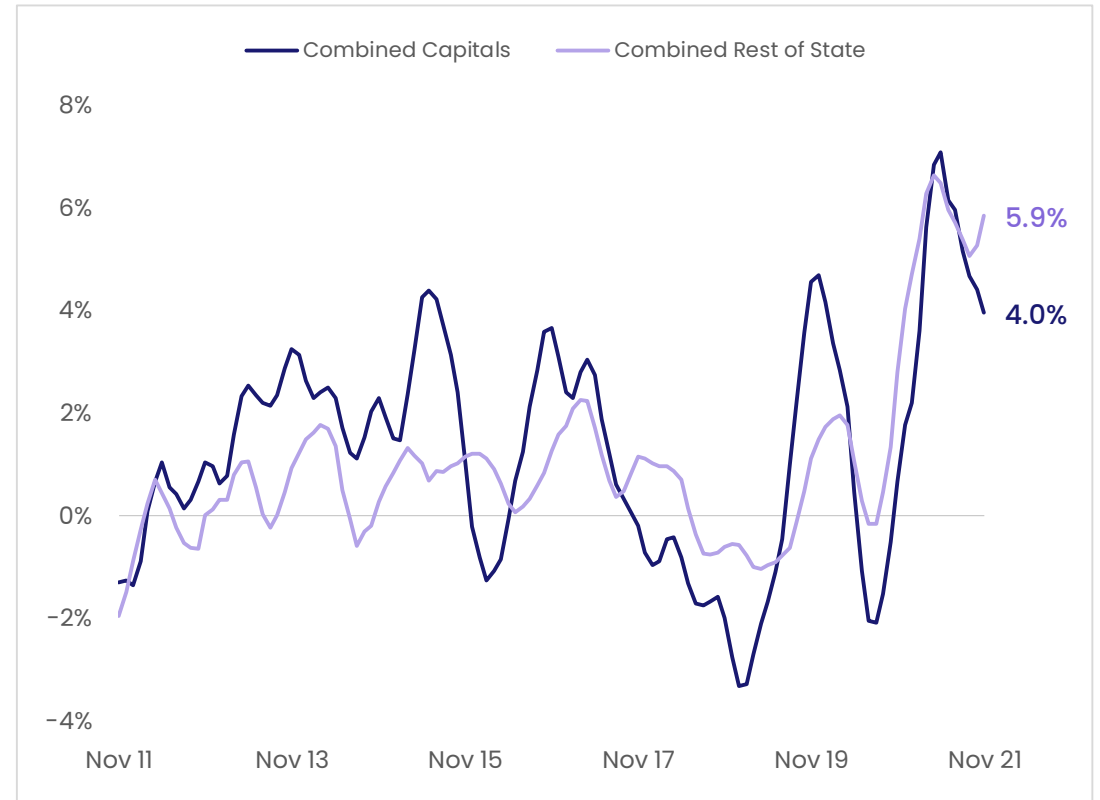
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to November 2021



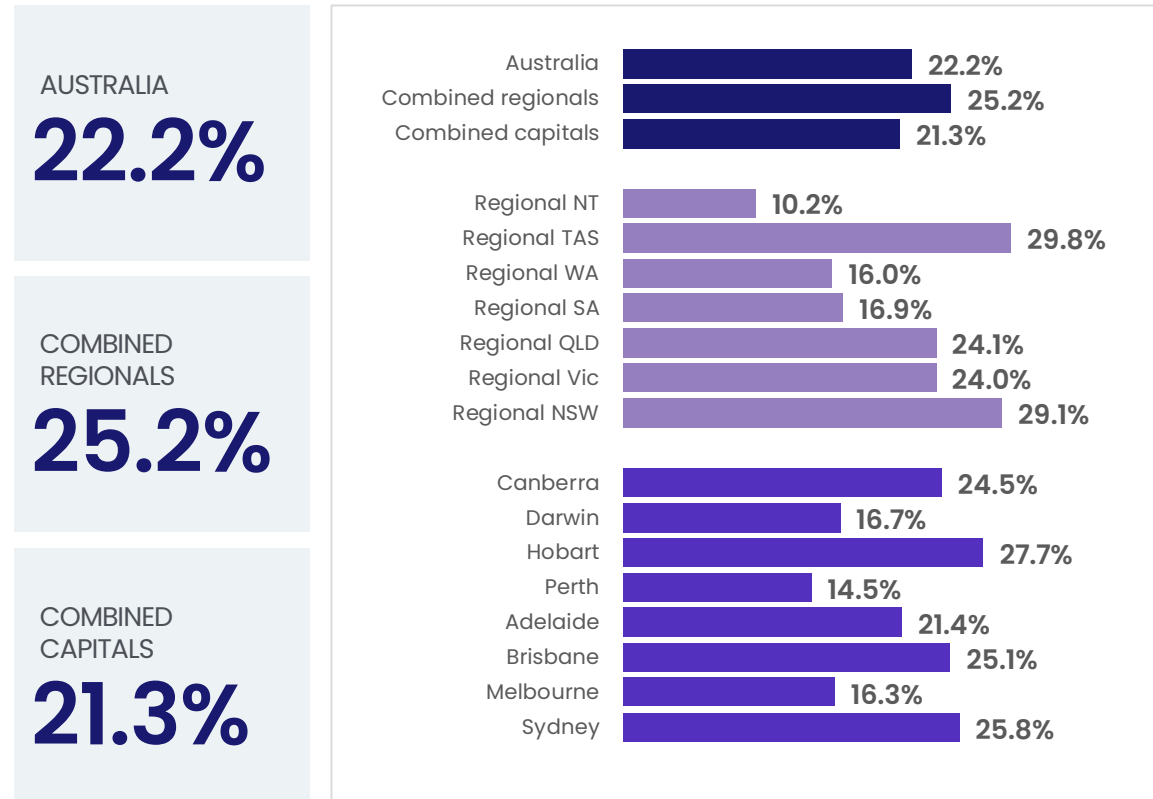
Rolling quarterly change in dwelling values



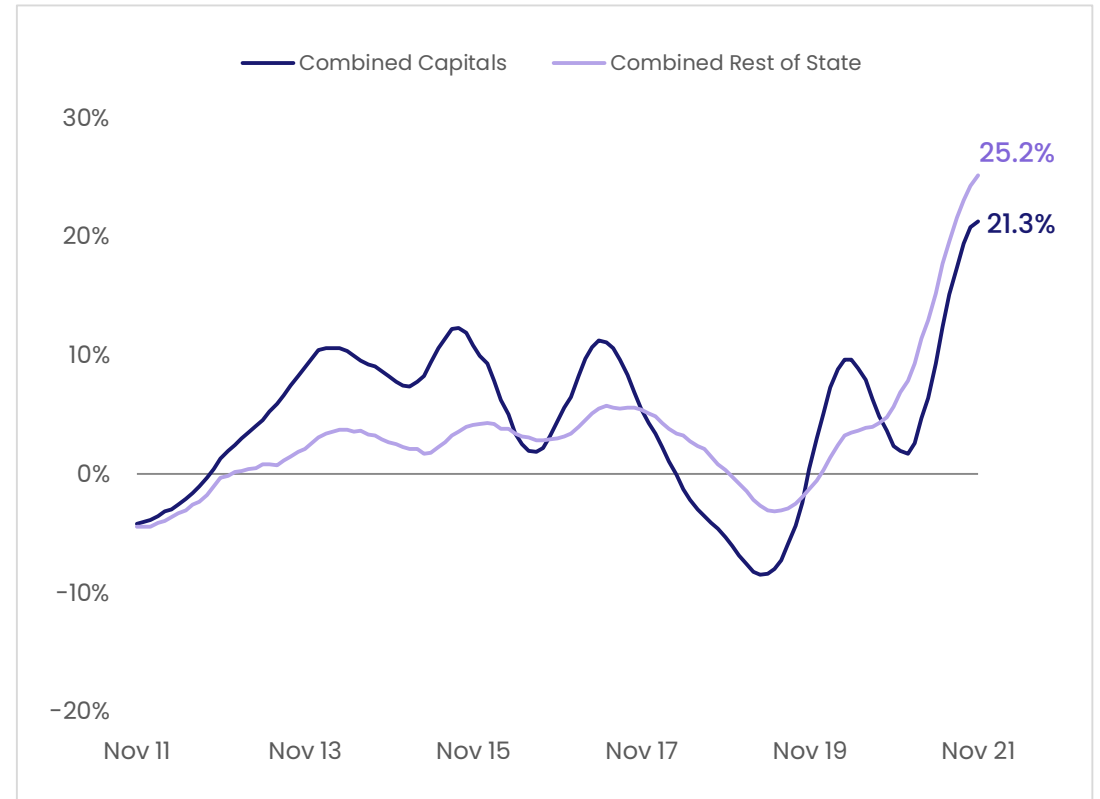
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to November 2021



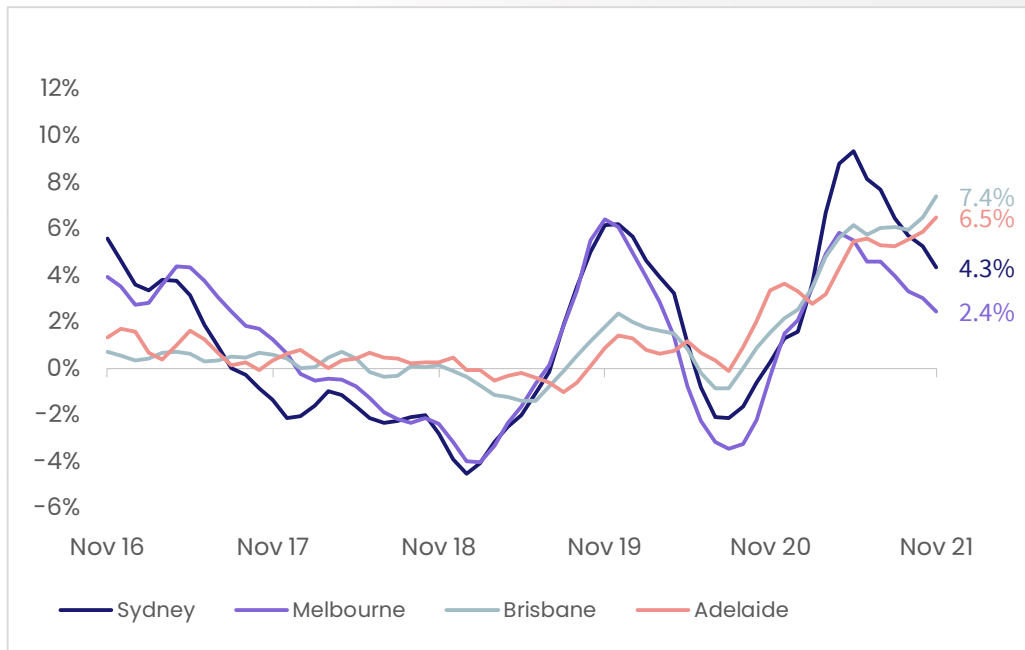
Rolling annual change in dwelling values



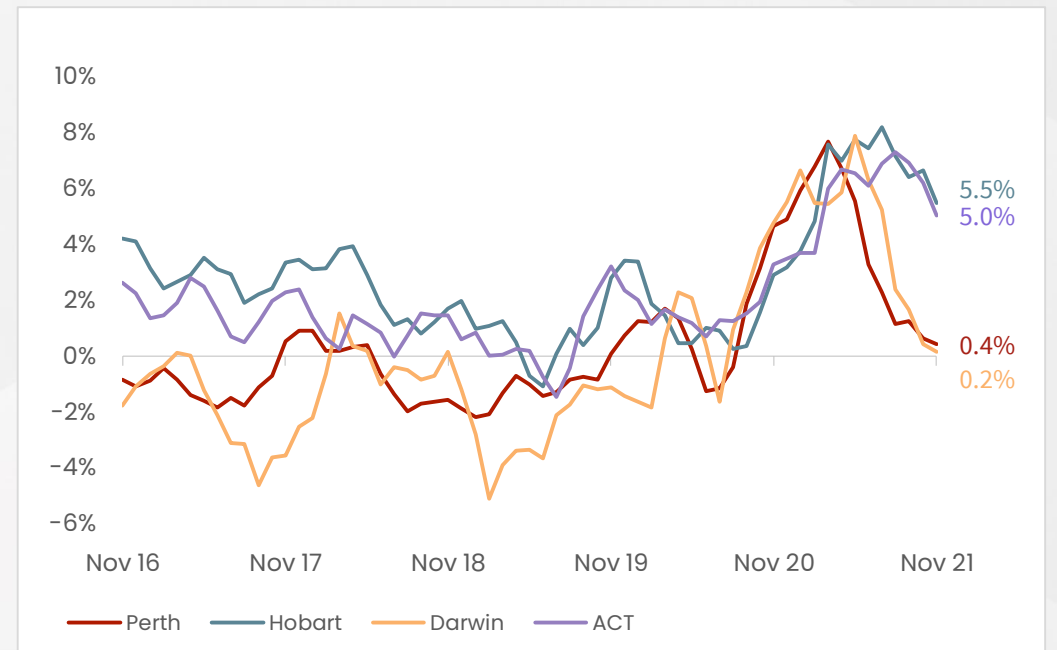
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



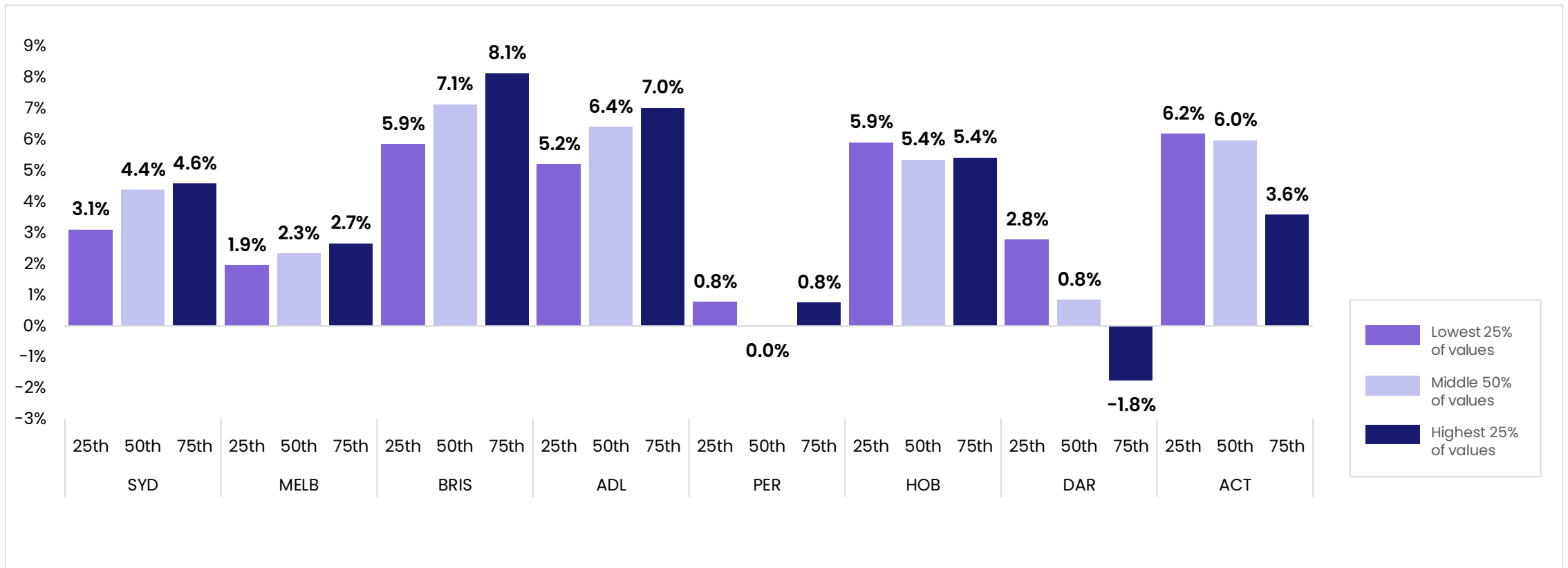
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

Capital cities

Growth in stratified hedonic dwellings index (3 months to November)



Housing cycles

Capital cities

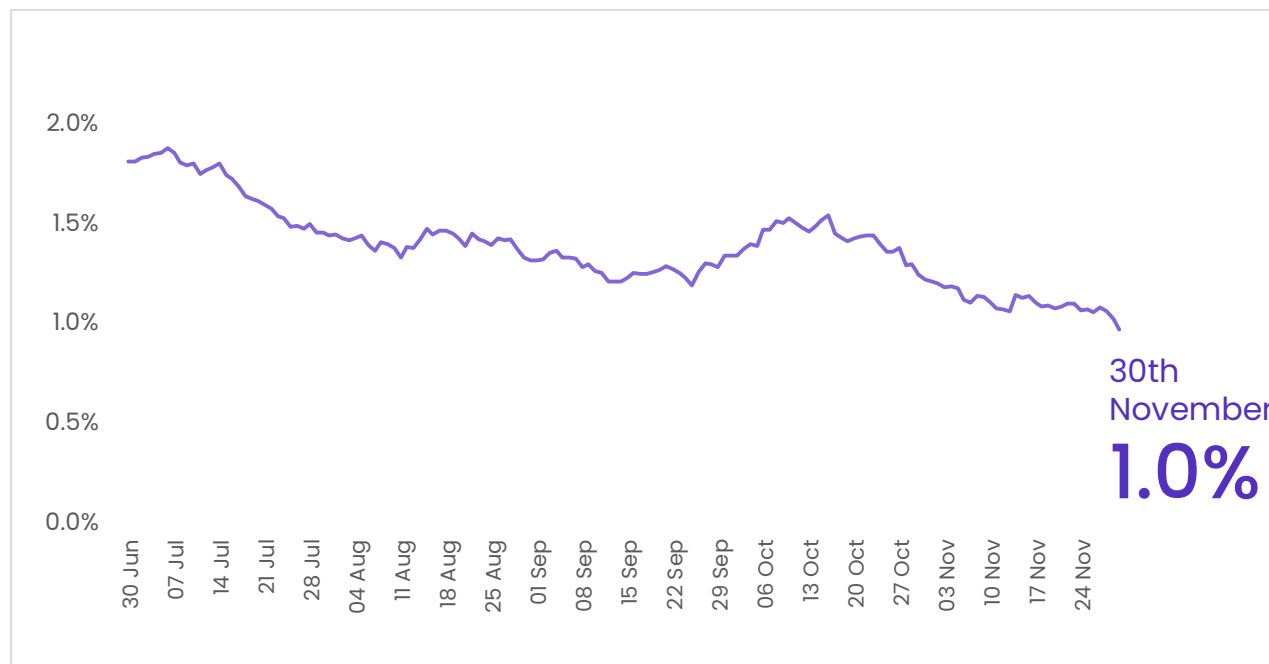


Rolling 28-day growth rate in CoreLogic Daily Home Value index

The 28-day change in the hedonic home value index trended down further through to the end of November.

Higher levels of newly advertised stock, affordability constraints and announced changes to lending conditions may have contributed to an easing in the growth rate.

Combined capital cities



HOUSING CYCLES

Sydney

In **November** Sydney dwelling values rose by

0.9%

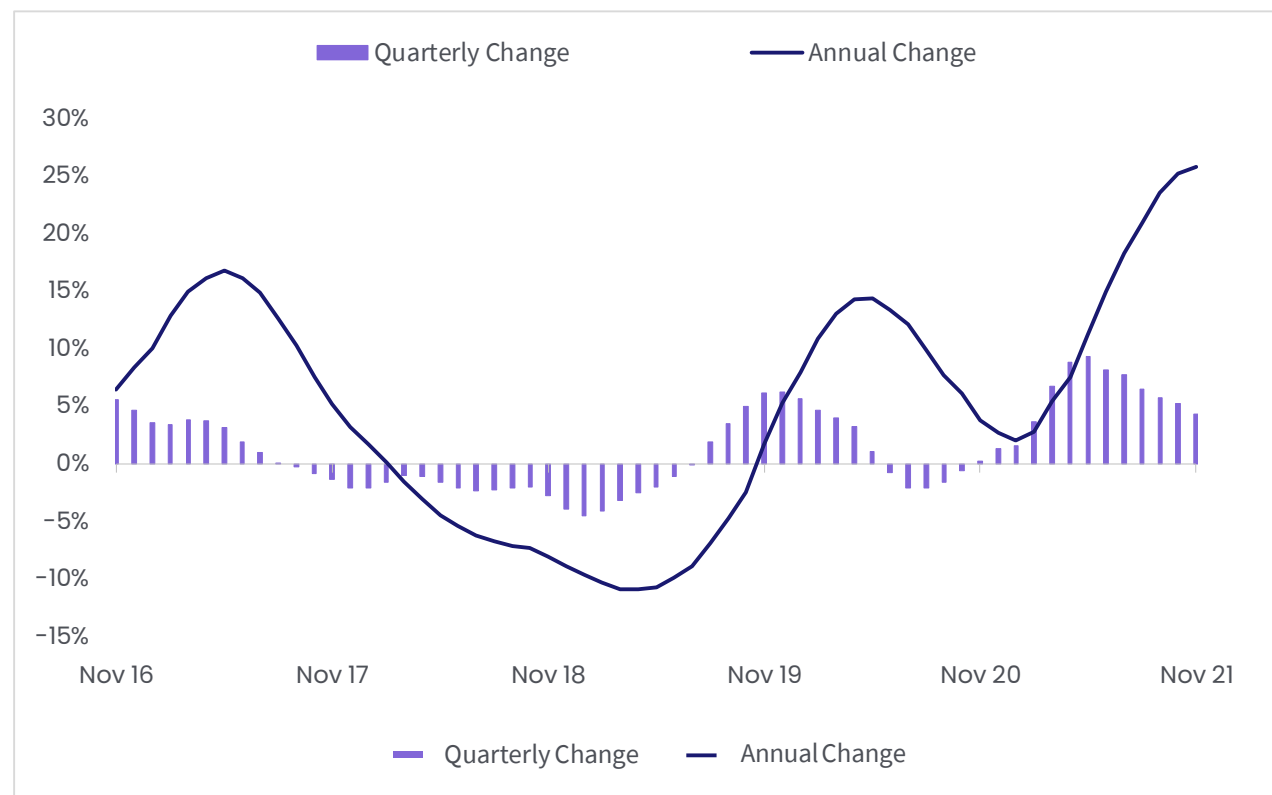
Over the **quarter** dwelling values increased by

4.3%

Over the **past year** dwelling values increased by

25.8%

Sydney dwelling values are currently at a record high



HOUSING CYCLES

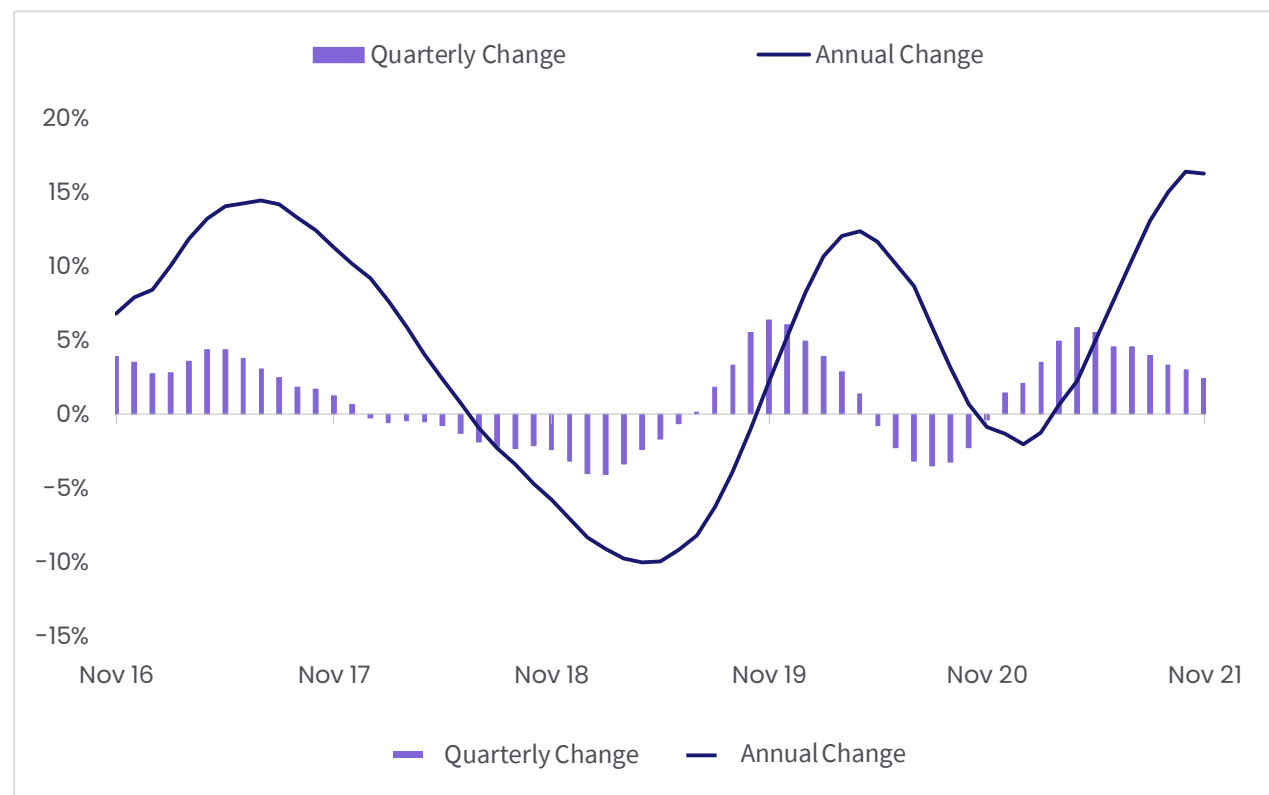
Melbourne

In **November** Melbourne dwelling values rose by **0.6%**

Over the **quarter** dwelling values increased by **2.4%**

Over the **past year** dwelling values increased by **16.3%**

Melbourne dwelling values are currently at a record high



HOUSING CYCLES

Brisbane

In **November** Brisbane dwelling values rose by

2.9%

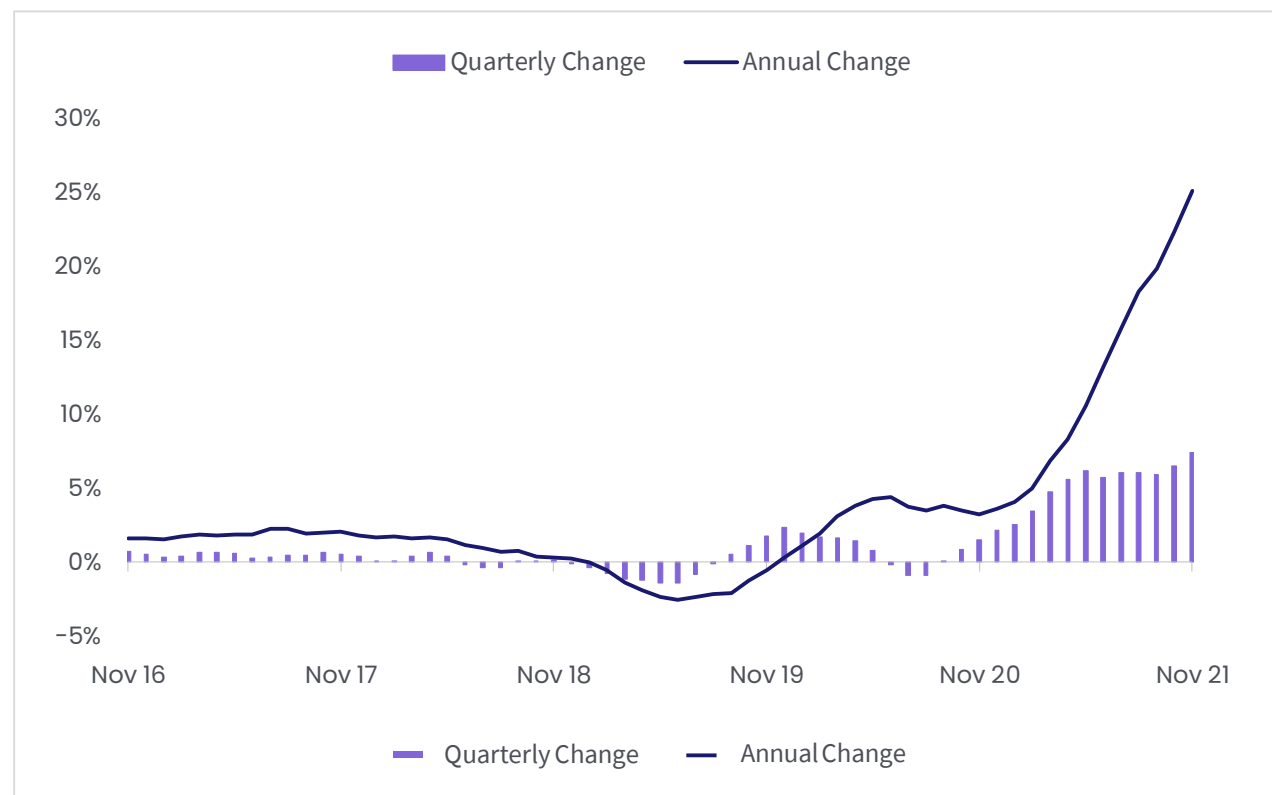
Over the **quarter** dwelling values increased by

7.4%

Over the **past year** dwelling values increased by

25.1%

Brisbane dwelling values are currently at a record high



HOUSING CYCLES

Adelaide

In **November** Adelaide dwelling values rose by

2.5%

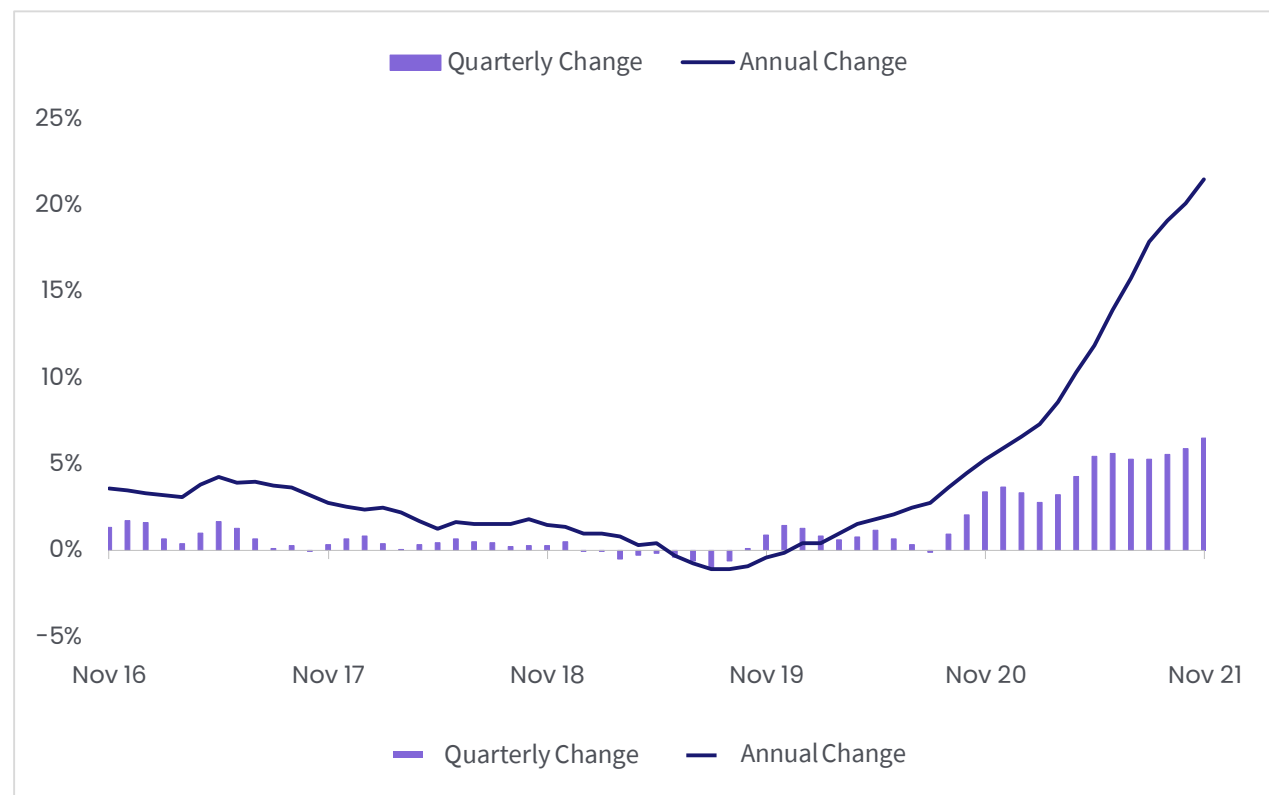
Over the **quarter** dwelling values increased by

6.5%

Over the **past year** dwelling values increased by

21.4%

Adelaide dwelling values are currently at a record high



HOUSING CYCLES

Perth

In **November** Perth dwelling values rose by

0.2%

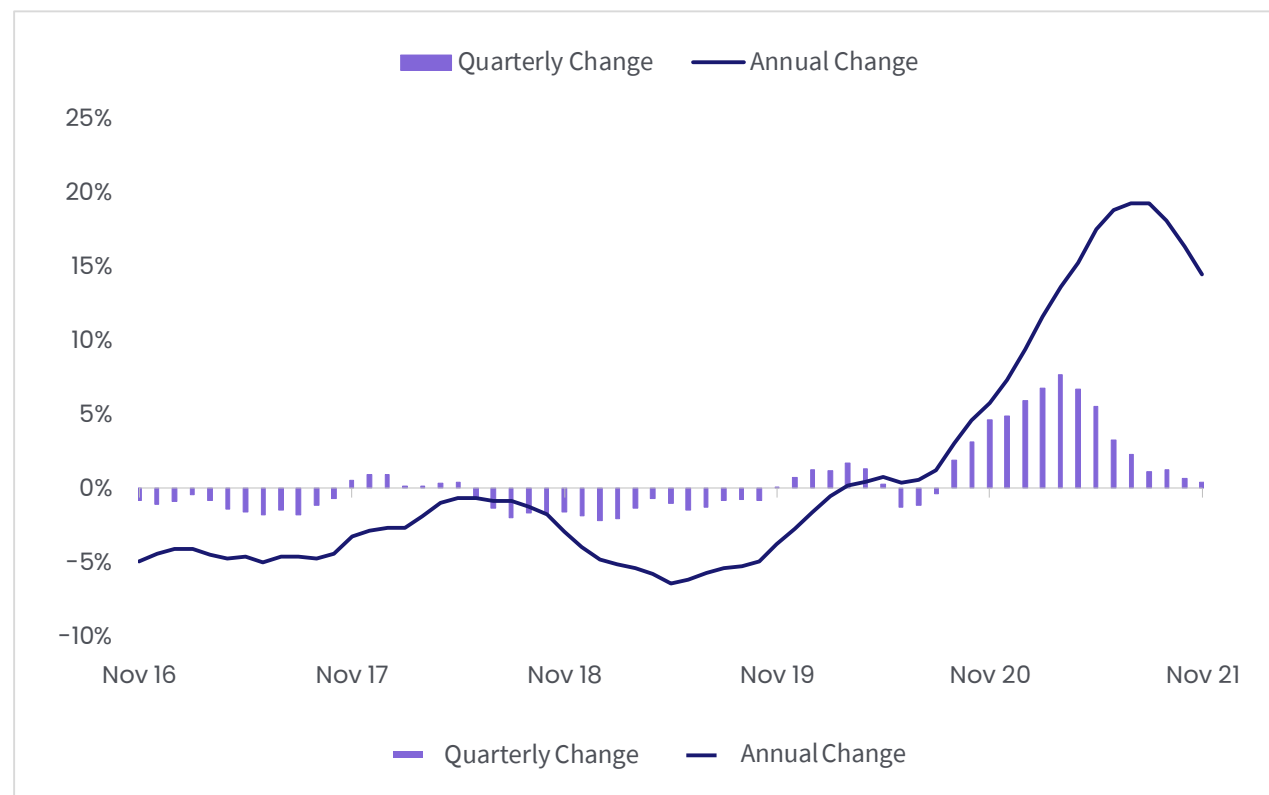
Over the **quarter** dwelling values increased by

0.4%

Over the **past year** dwelling values increased by

14.5%

Perth dwelling values are now -2.4% below the record high, which was in June 2014



HOUSING CYCLES

Hobart

In **November** Hobart dwelling values rose by

1.1%

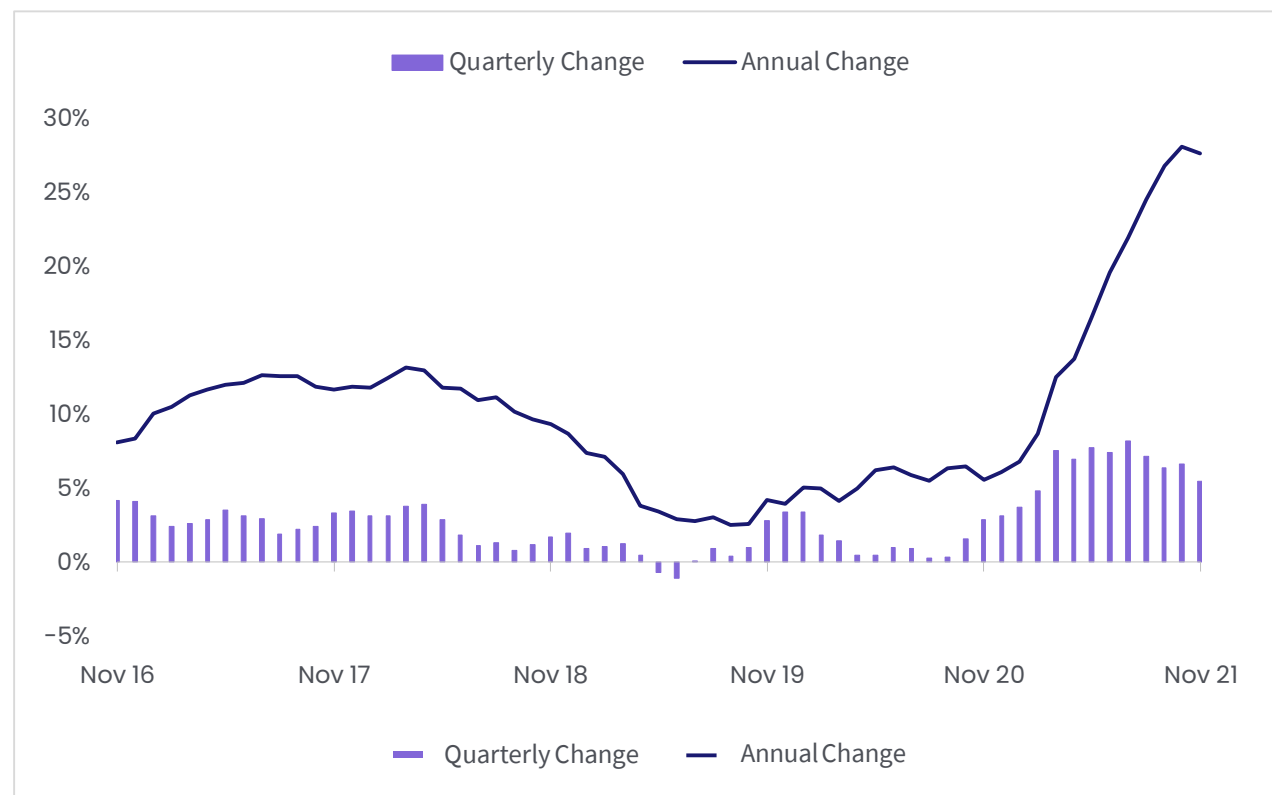
Over the **quarter** dwelling values increased by

5.5%

Over the **past year** dwelling values increased by

27.7%

Hobart dwelling values are currently at a record high



HOUSING CYCLES

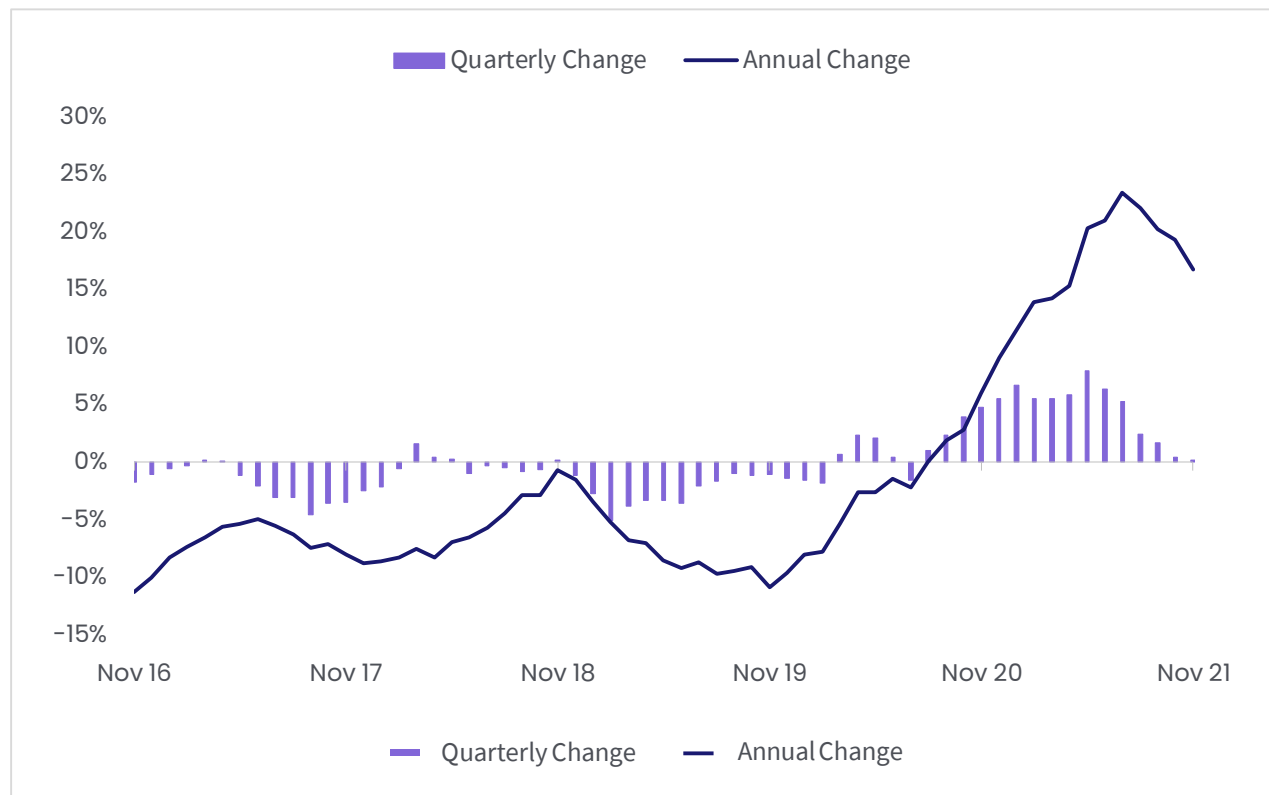
Darwin

In **November** Darwin dwelling values fell by **-0.4%**

Over the **quarter** dwelling values increased by **0.2%**

Over the **past year** dwelling values increased by **16.7%**

Darwin dwelling values are -15.3% below the record high, which was in May 2014



HOUSING CYCLES

Canberra

In **November** Canberra dwelling values rose by

1.1%

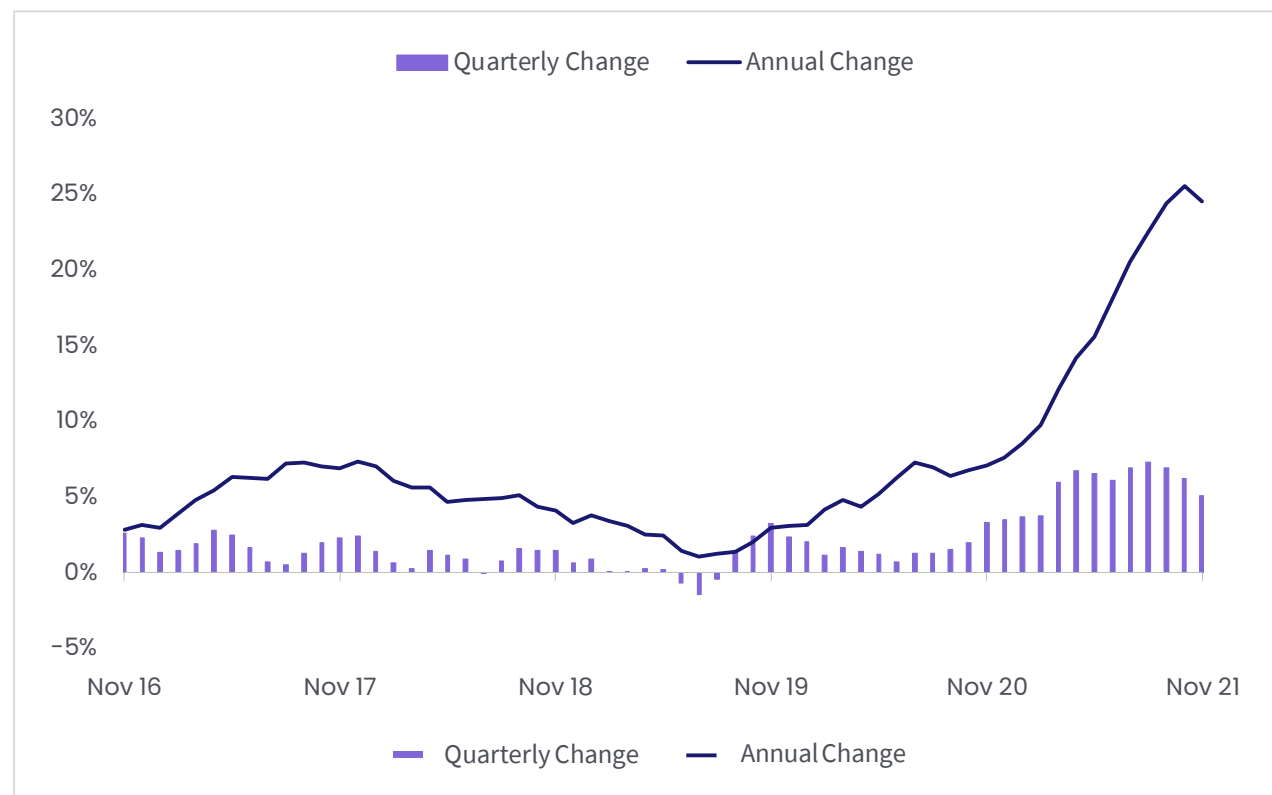
Over the **quarter** dwelling values increased by

5.0%

Over the **past year** dwelling values increased by

24.5%

Canberra dwelling values are currently at a record high



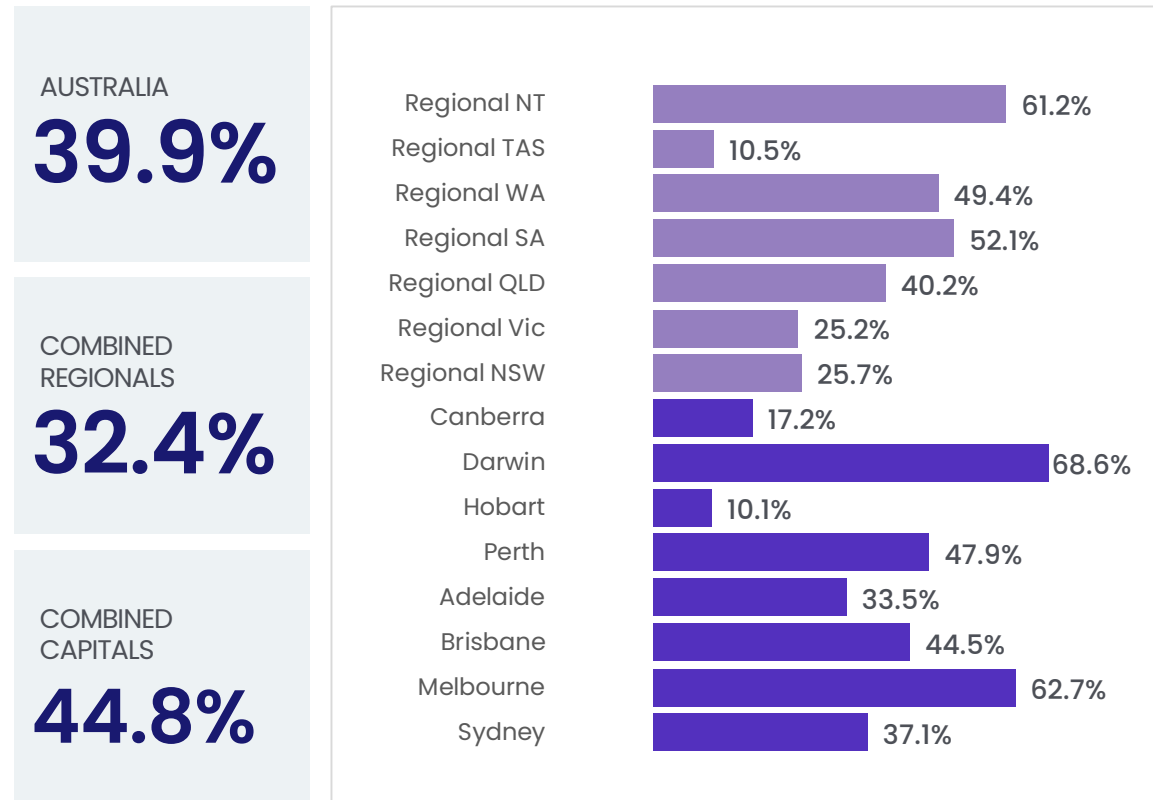
Sales and listings



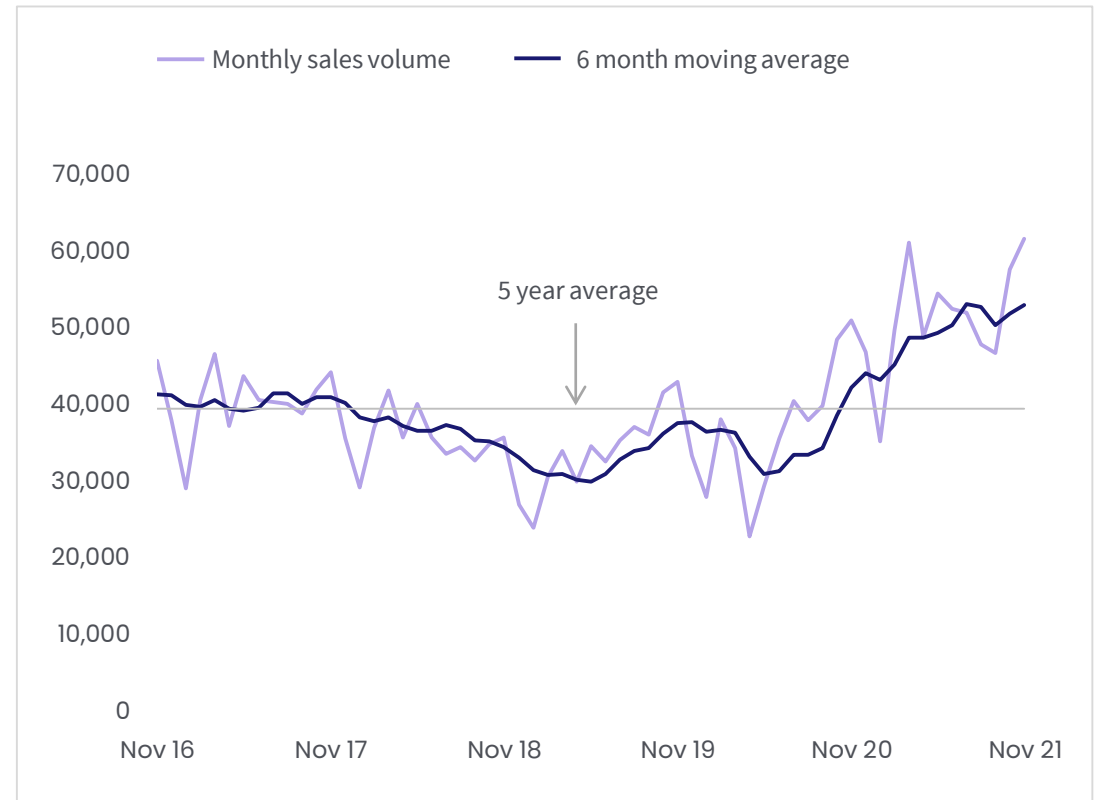
NATIONAL SALES

Sales volumes rose 39.9% in the 12 months to November, and transaction volumes through the *month* of November were estimated to be 56.2% above the five year average, at 61,638.

Change in sales volumes, twelve months to November 2021



Monthly sales with six month moving average, National

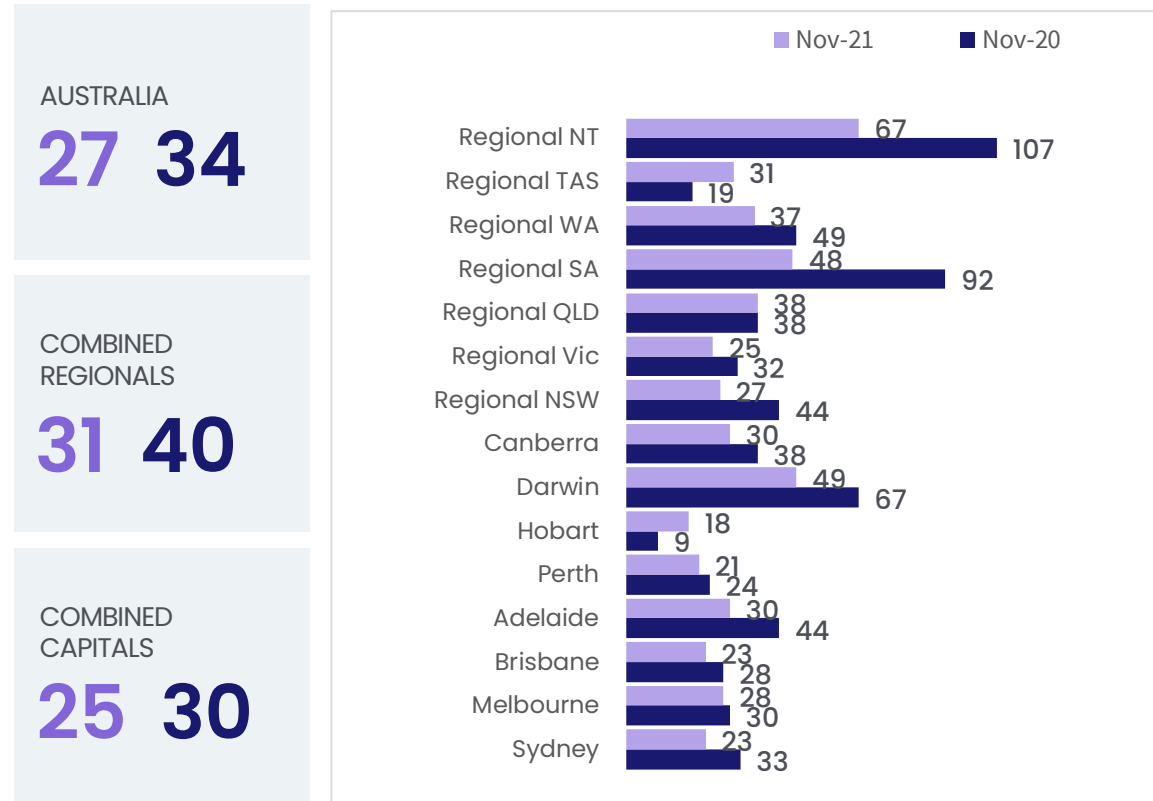


Note: recent months of sales volumes are modelled estimates, and are subject to revision

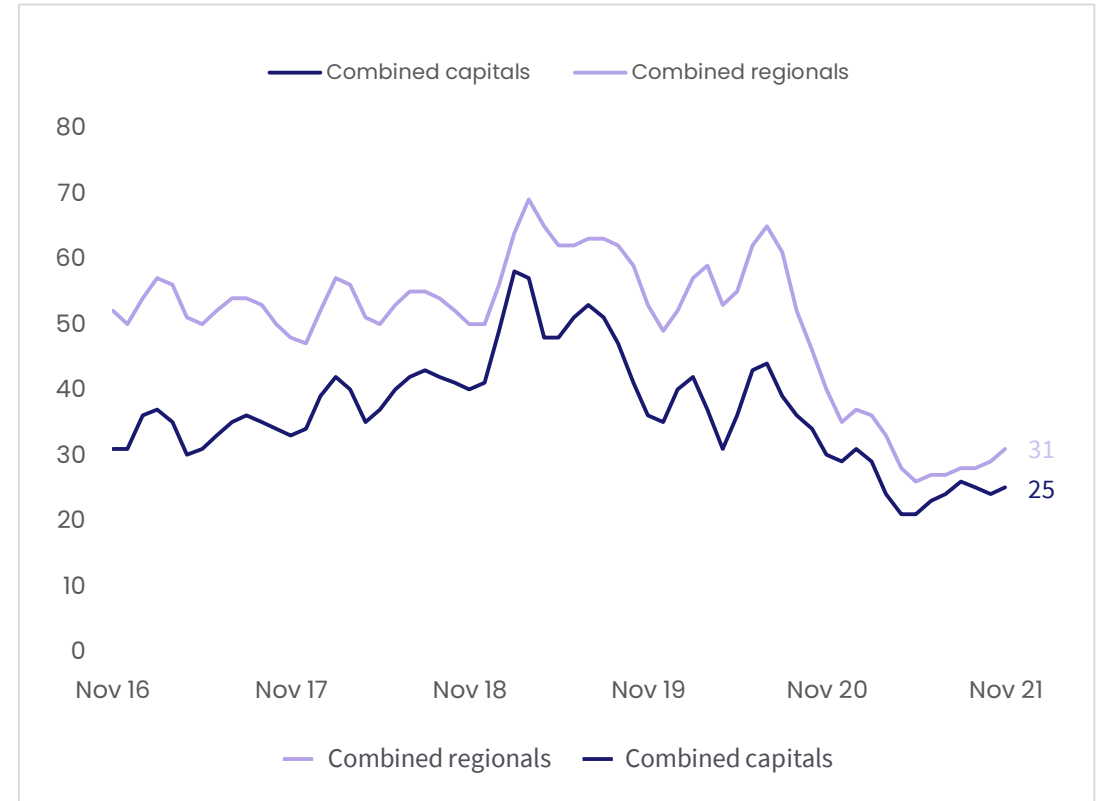
MEDIAN DAYS ON MARKET

Properties are now taking slightly longer to sell. Across the combined capital cities, median days on market have increased from 21 days in the 3 months to May, to 25 days in the three months to November.

Median days on market – three months to November 2021



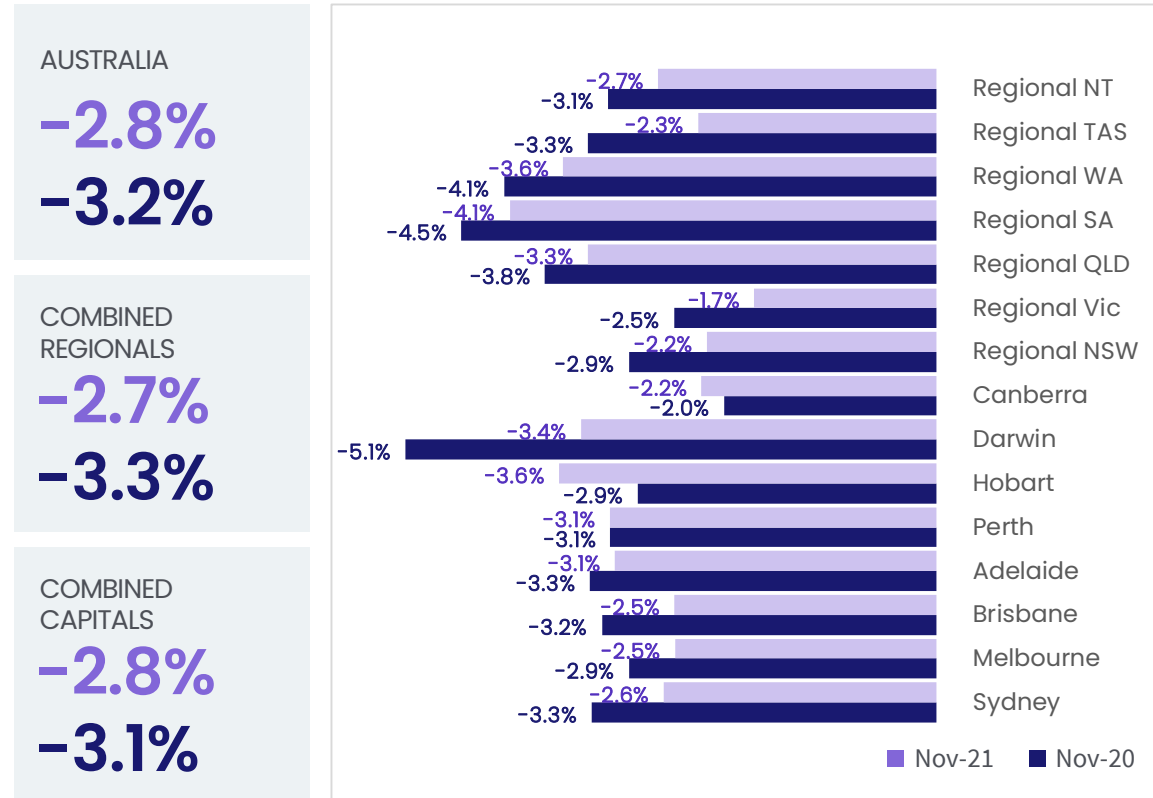
Median days on market



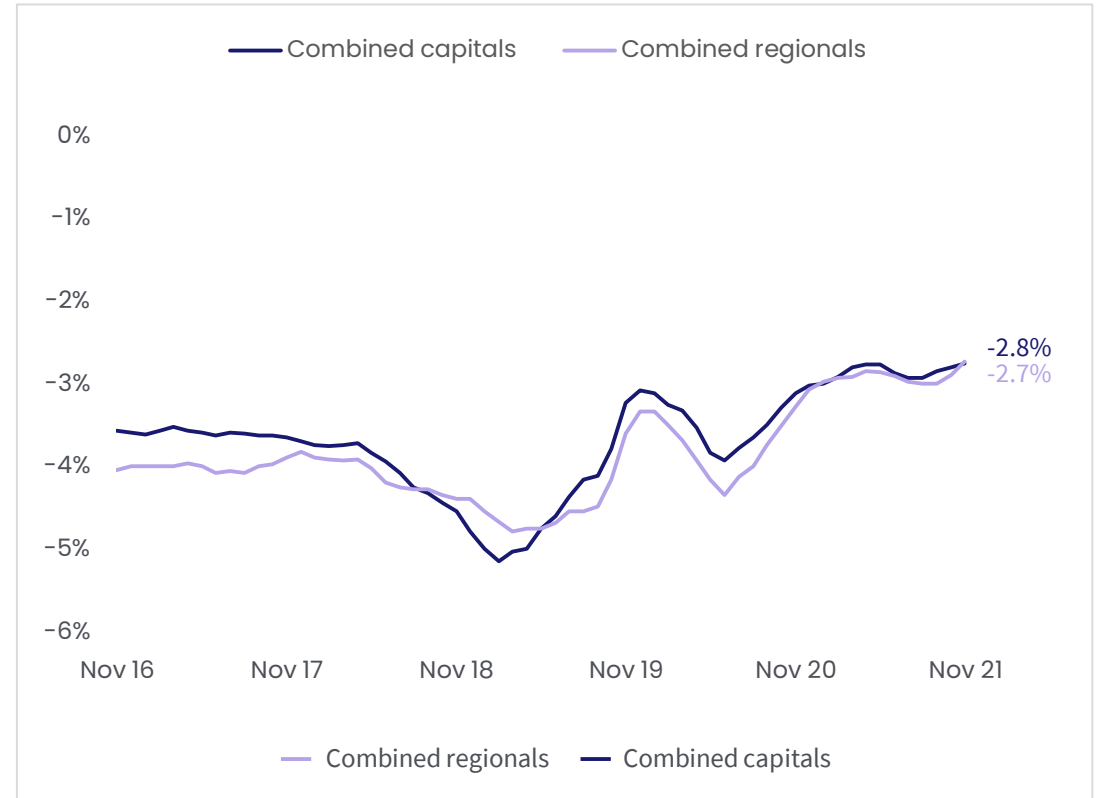
VENDOR DISCOUNT

Despite higher stock levels and properties taking longer to sell, vendor discounting indicates seller price expectations are holding firm.

Median days on market – three months to November 2021



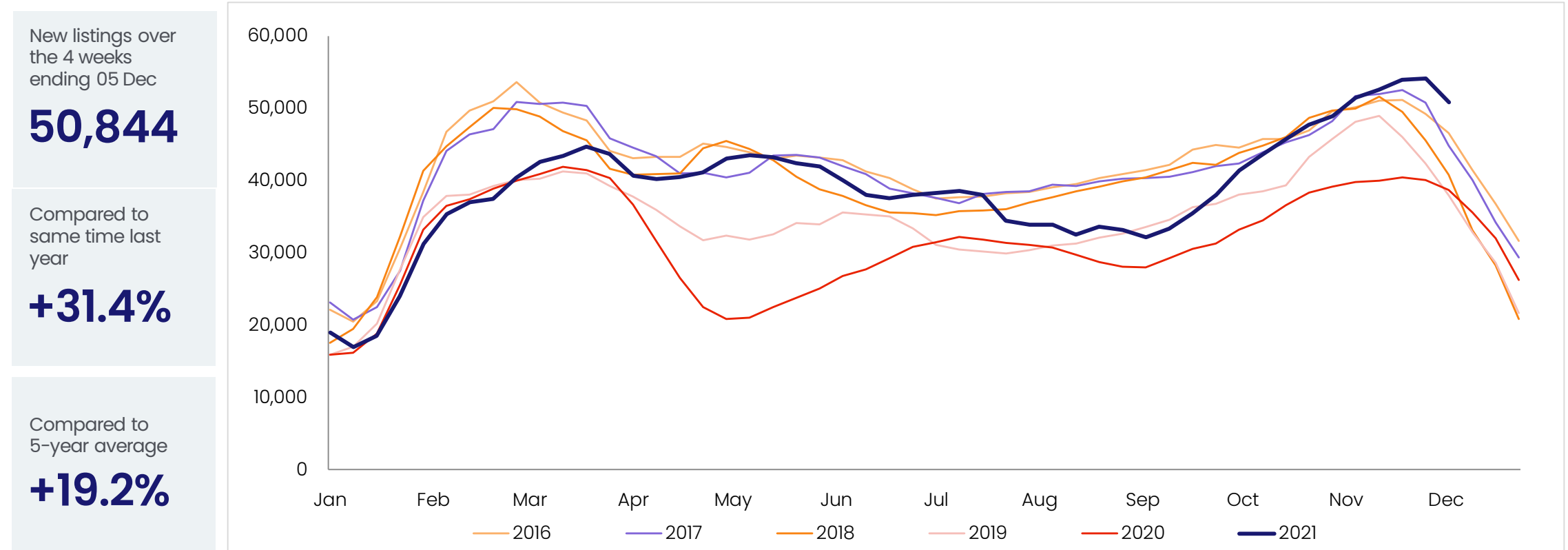
Median vendor discount



LISTINGS

New listings have jumped 22.8% since the beginning of October, when restrictions around property inspection eased across Melbourne. This has made for a robust spring selling season, with new listings finishing 19.2% higher than the 5-year average.

Number of new listings, National Dwellings



LISTINGS

However, total listings remained -23.6% below the 5-year average due to strong absorption from sales.

Number of total listings, National Dwellings

Active listings
over the 4 weeks
ending 05 Dec

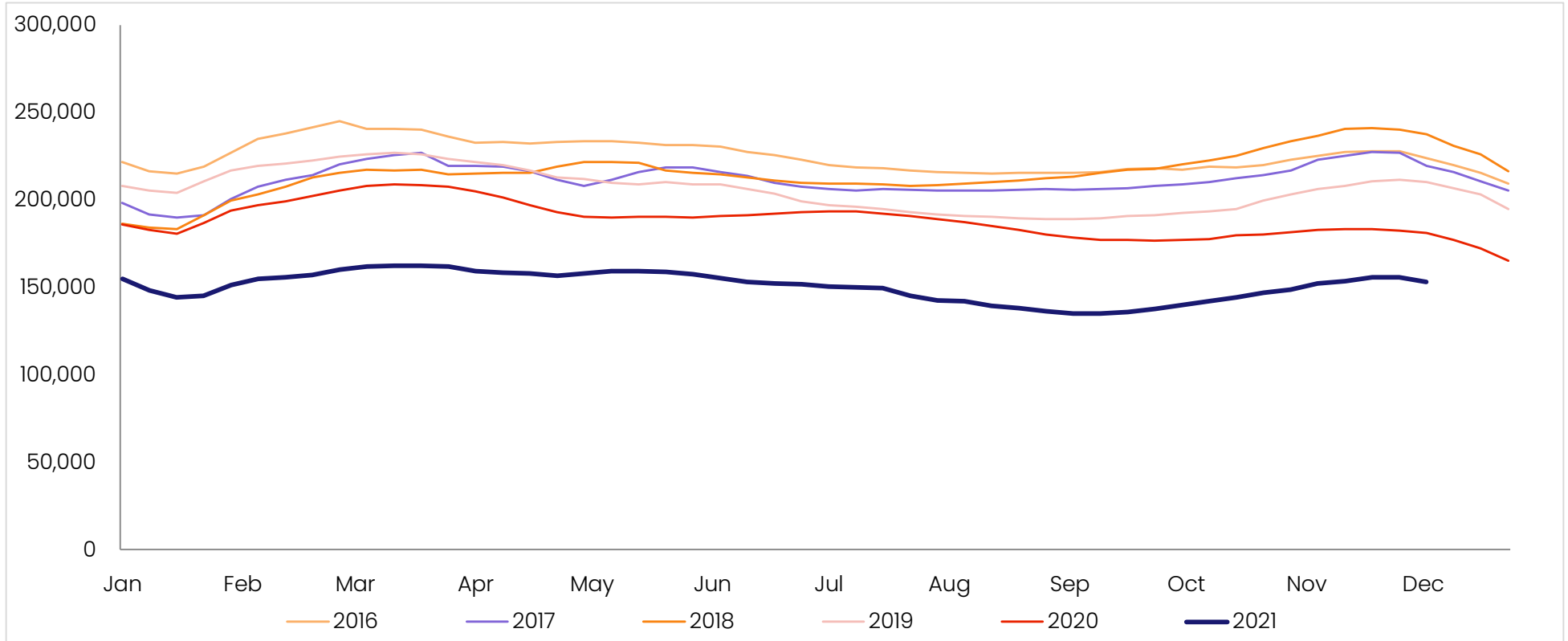
152,902

Compared to
same time last
year

-15.5%

Compared to
5-year average

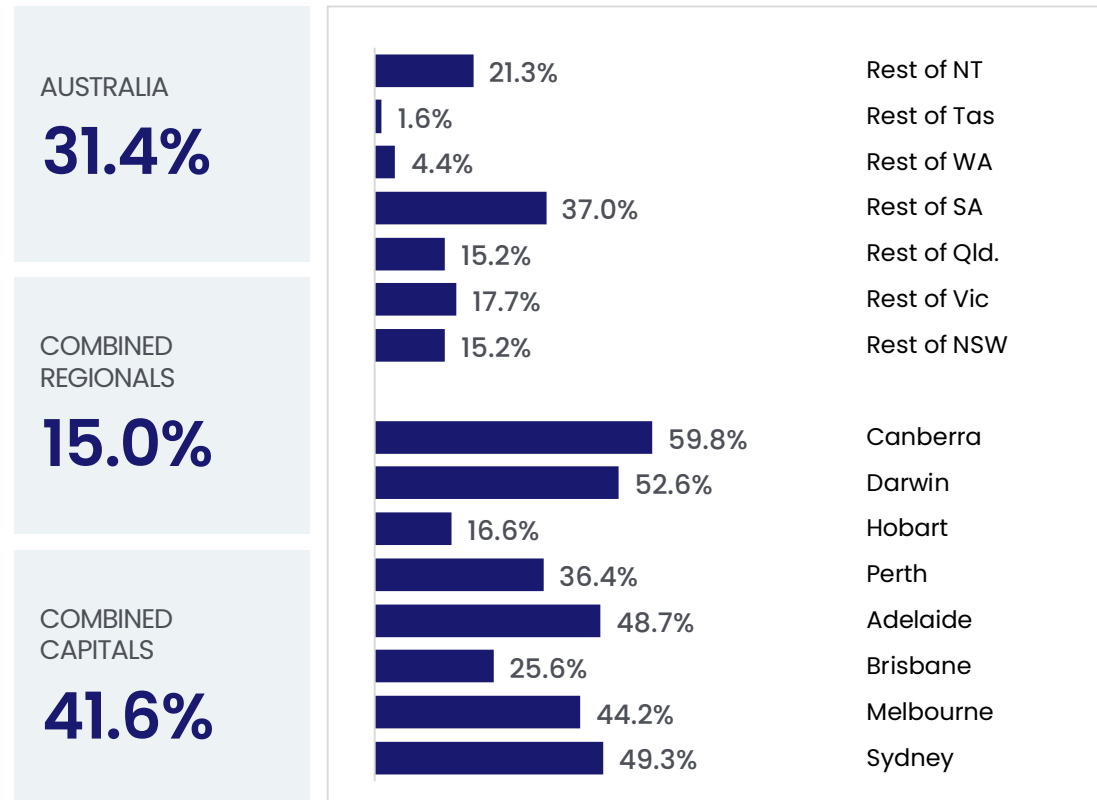
-23.6%



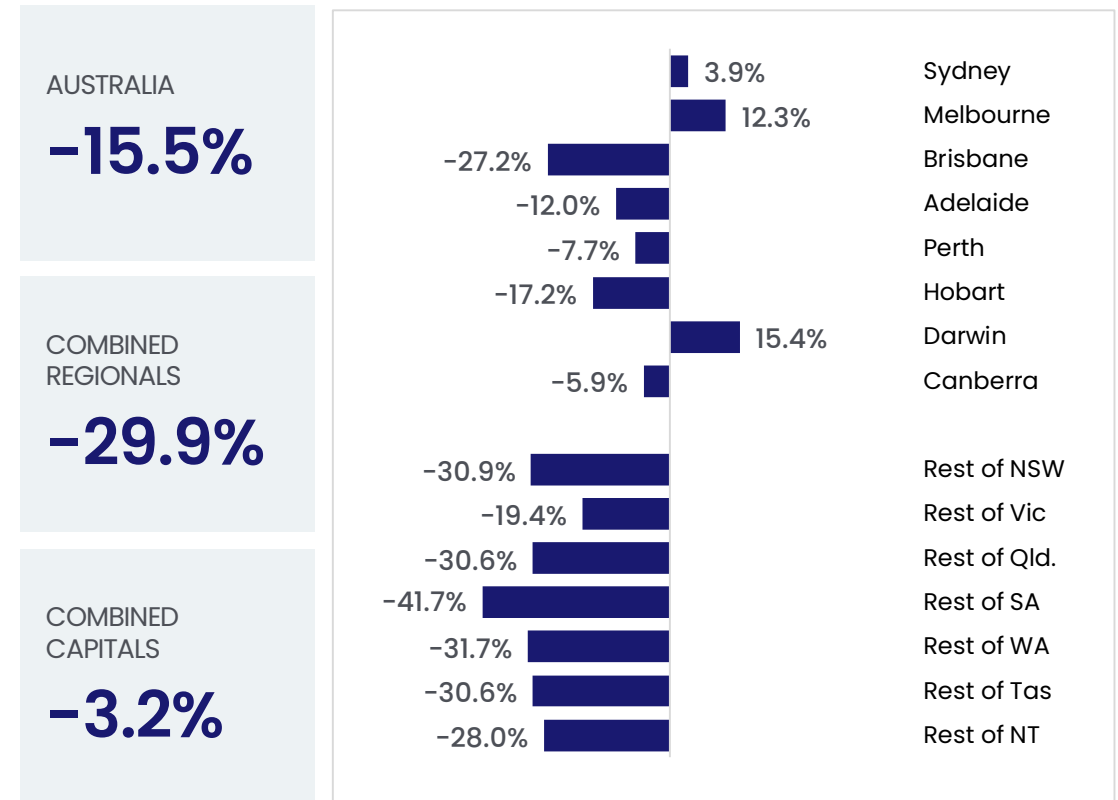
LISTINGS

Total stock levels have normalised across Sydney and Melbourne, while much of regional Australia and smaller capital cities are sitting well below total stock levels in 2020.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

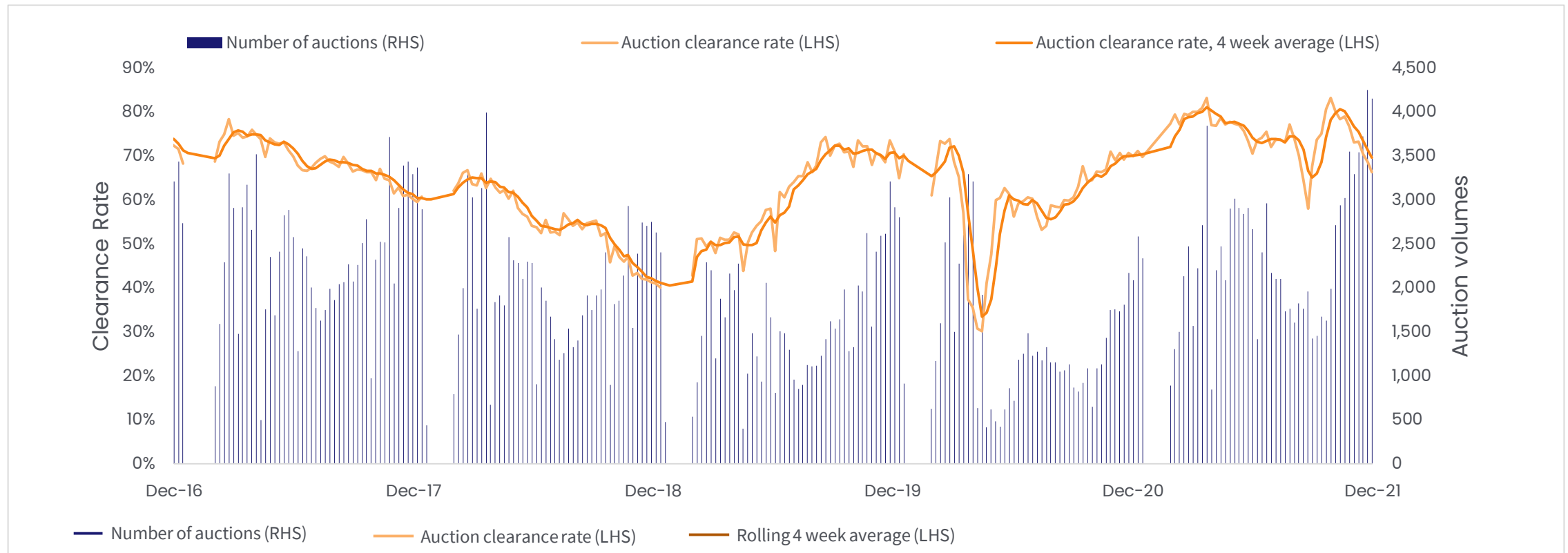


Data is for the four weeks ending 05 Dec

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate continued to trend lower through November. In the four weeks to December 5th, the clearance rate averaged 69.6%, as weekly volumes reached record high counts.

Weekly clearance rates, combined capital cities

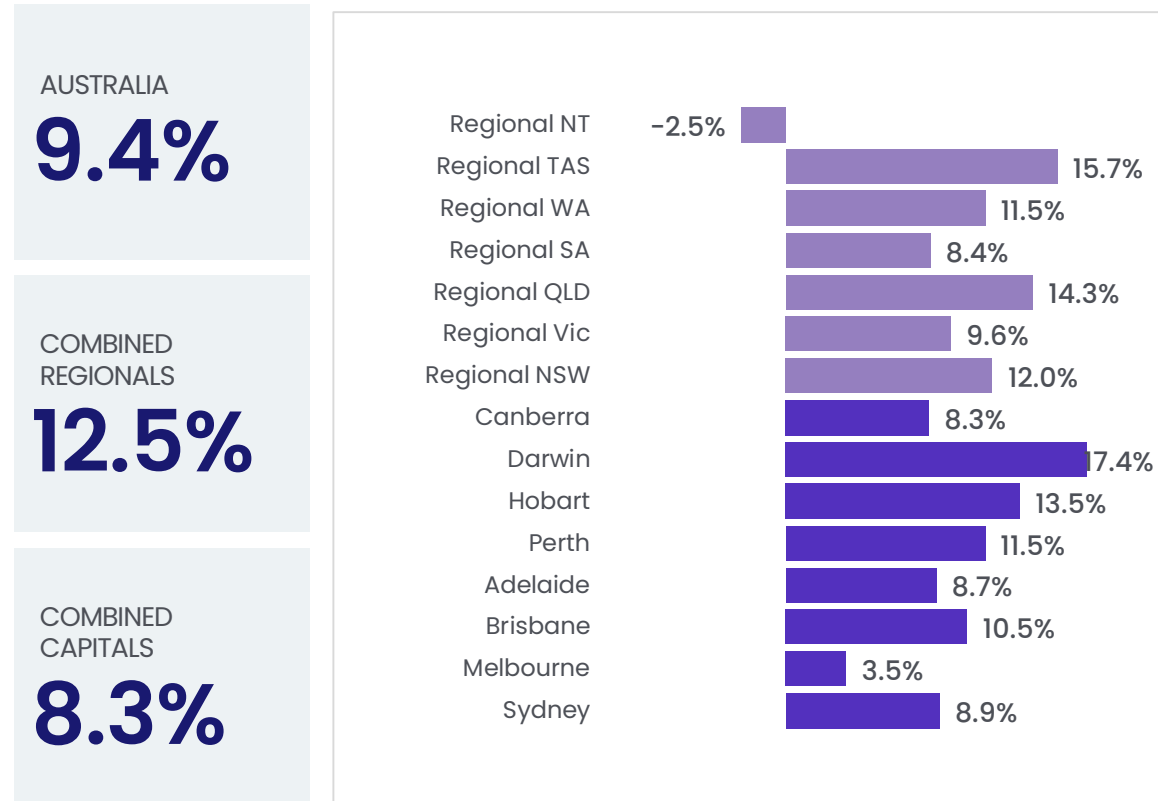


Rental market

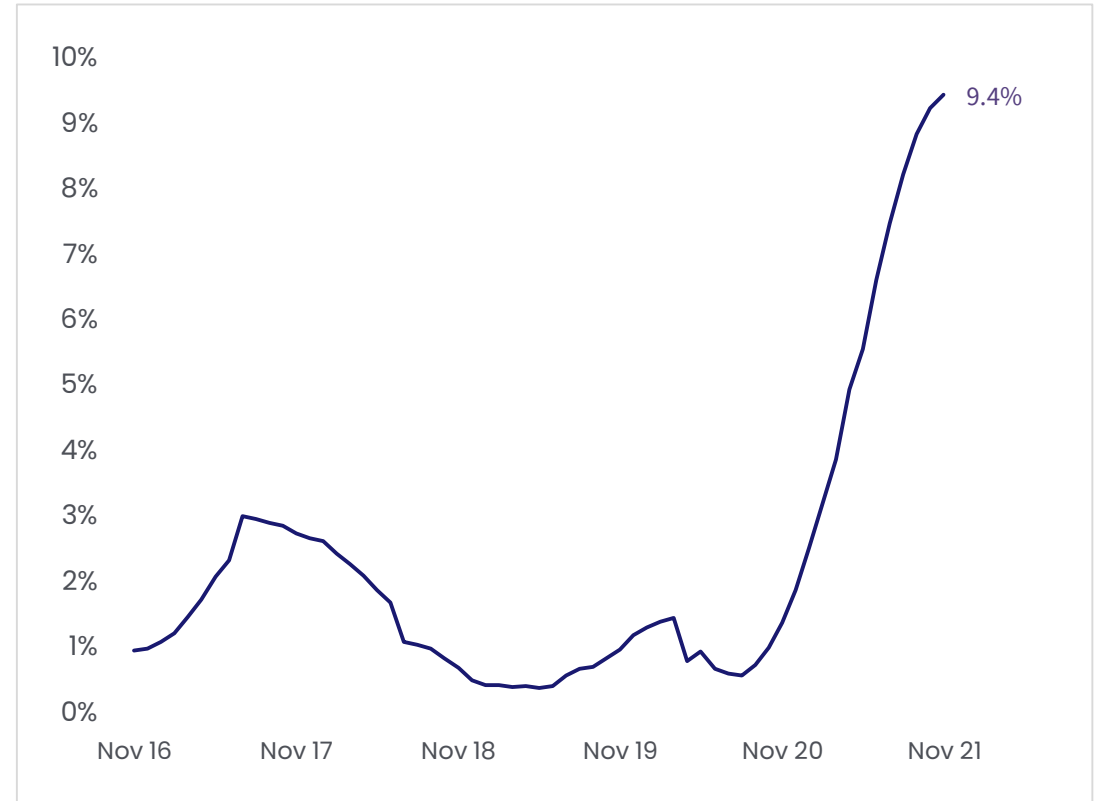
RENTAL RATES

In the year to November, Australian rent values increased 9.4%, which is the strongest annual appreciation in rents since January 2008.

Annual change in rental rates to November 2021



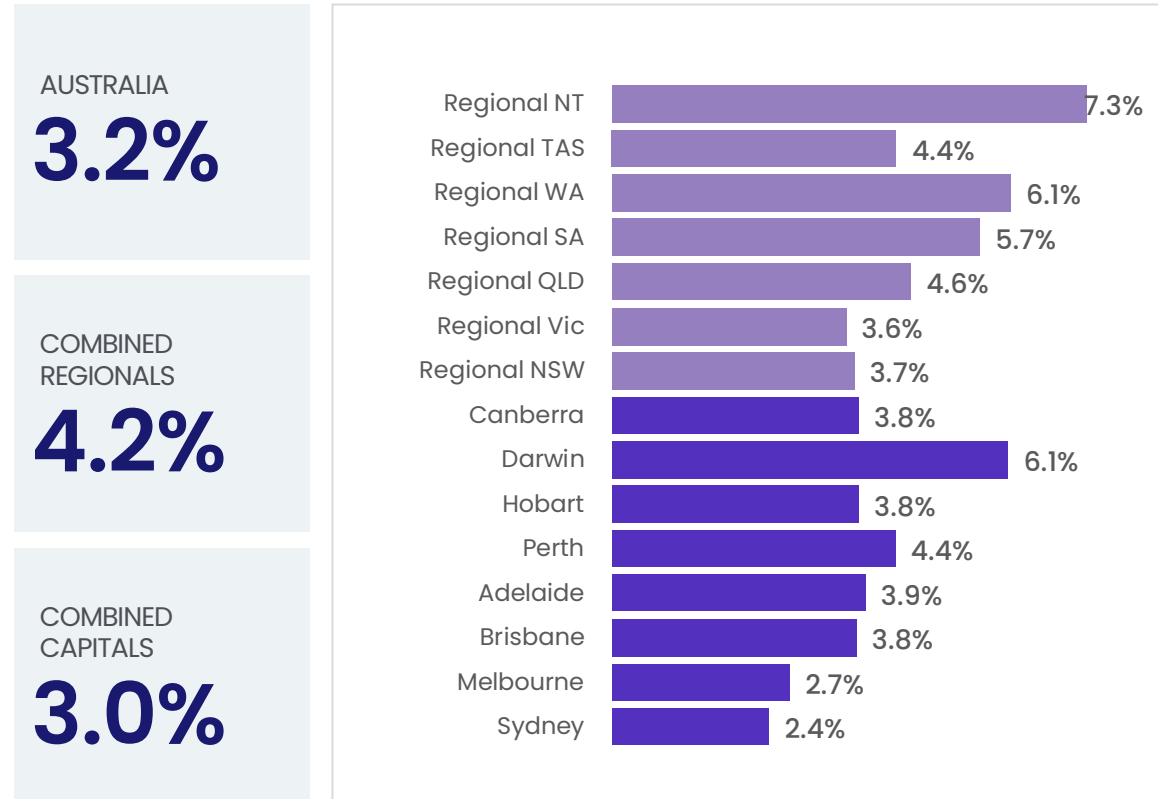
Annual change in rental rates - National



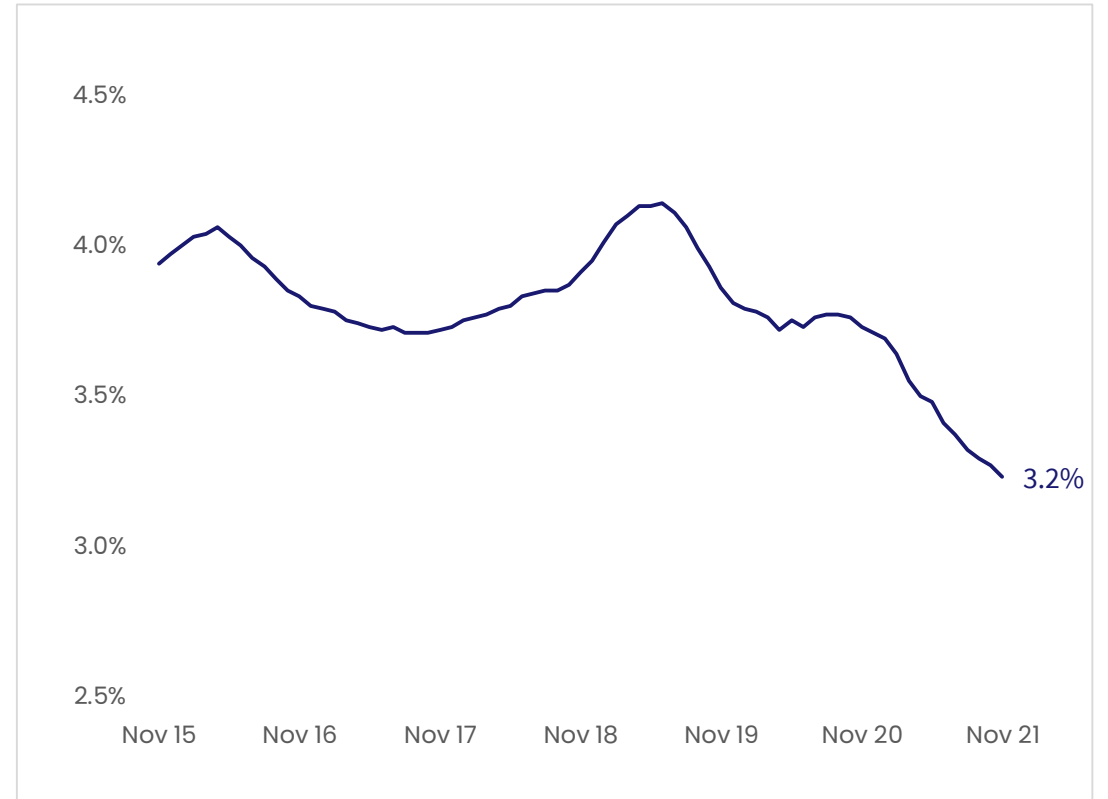
RENTAL YIELDS

Gross rent yields continued to trend lower through November, reaching a new record low of 3.23% nationally. Gross rent yields are at record lows across most of the capital city dwelling markets with the exception of Hobart, Perth and Darwin.

Gross rental yields, November 2021



Gross rental yields



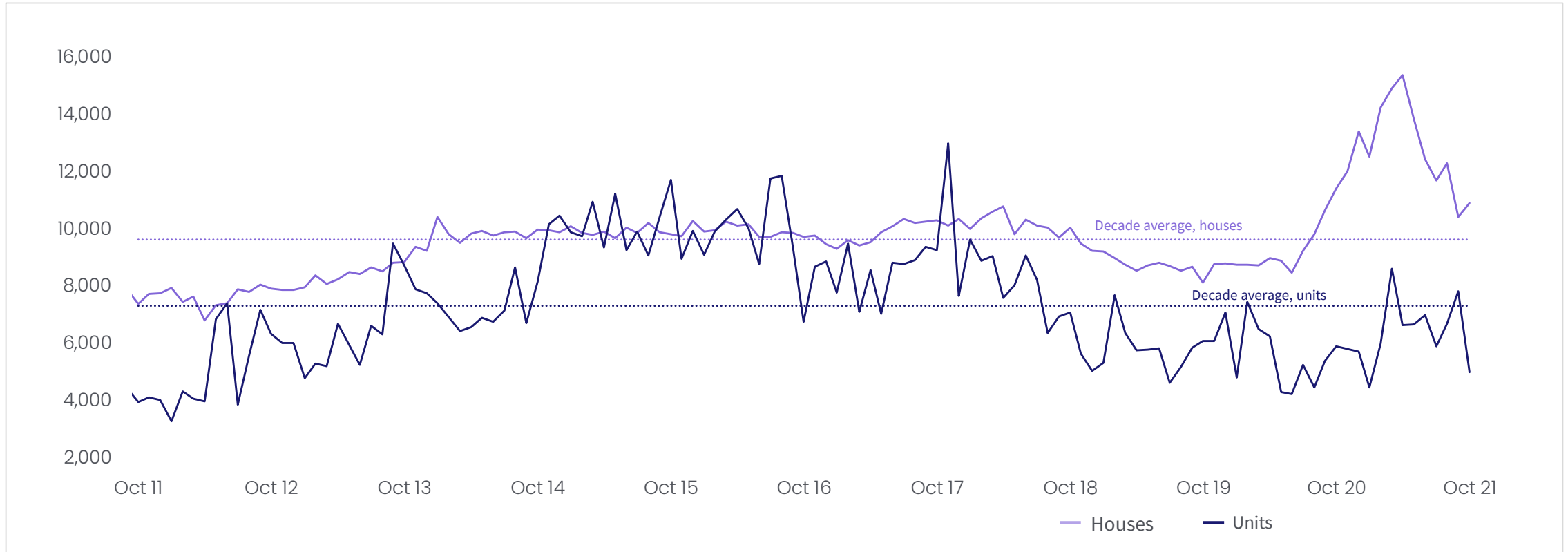
Dwelling approvals & housing credit



DWELLING APPROVALS

Dwelling approvals fell -12.9% through the month of October, having trended down since April 2021 as HomeBuilder grants came to an end. The monthly decline was driven by a -36.1% fall in unit approvals, while detached house approvals saw a 4.5% uplift.

Monthly house v unit approvals, National

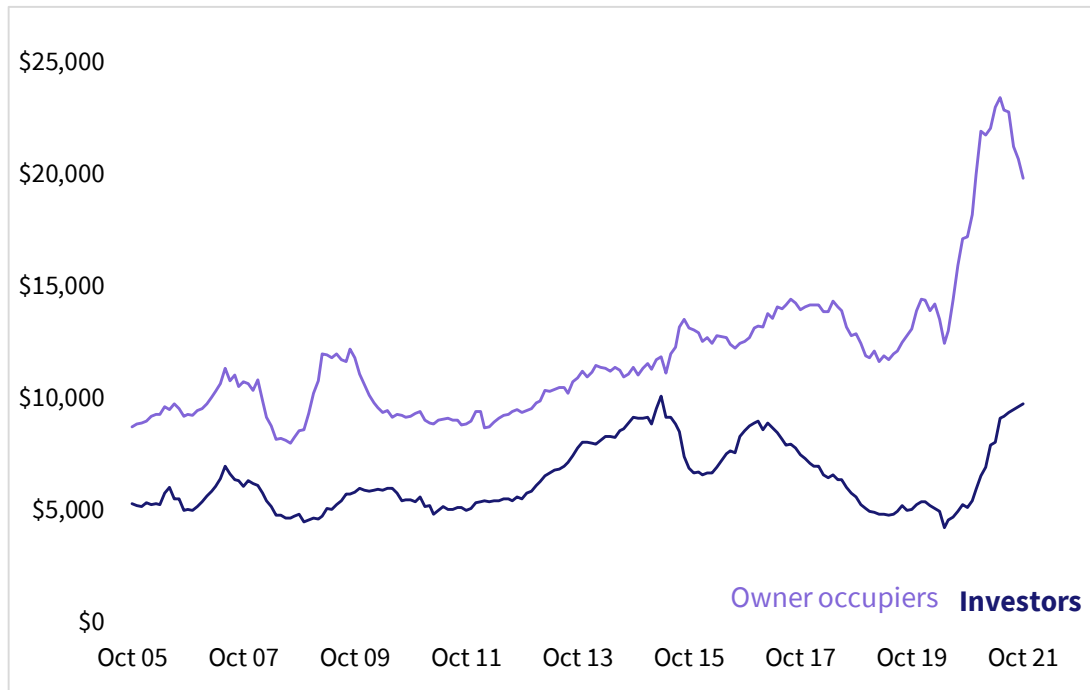


Source: ABS

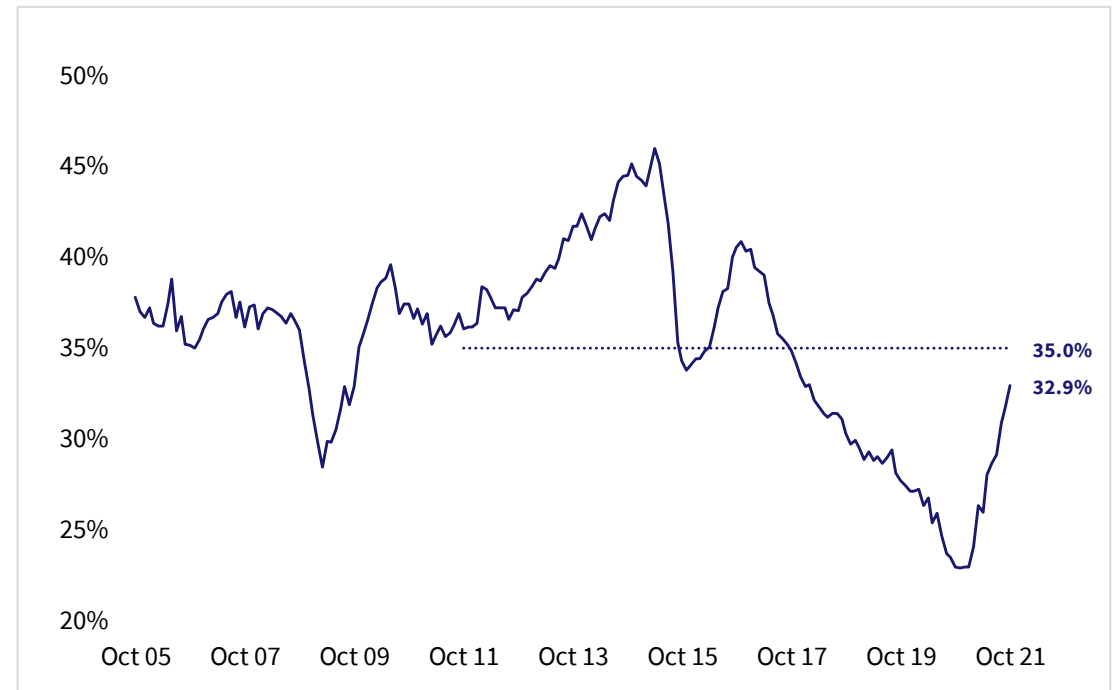
FINANCE & LENDING

Total housing finance secured for the purchase of property fell for the third consecutive month in October, by -2.5%. Total lending has fallen -9.2% since it peaked in May 2021. New owner occupier lending fell -4.1% over the month, while investor lending was 1.1% higher through October.

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



Portion of new lending for investment housing (excluding refinance)

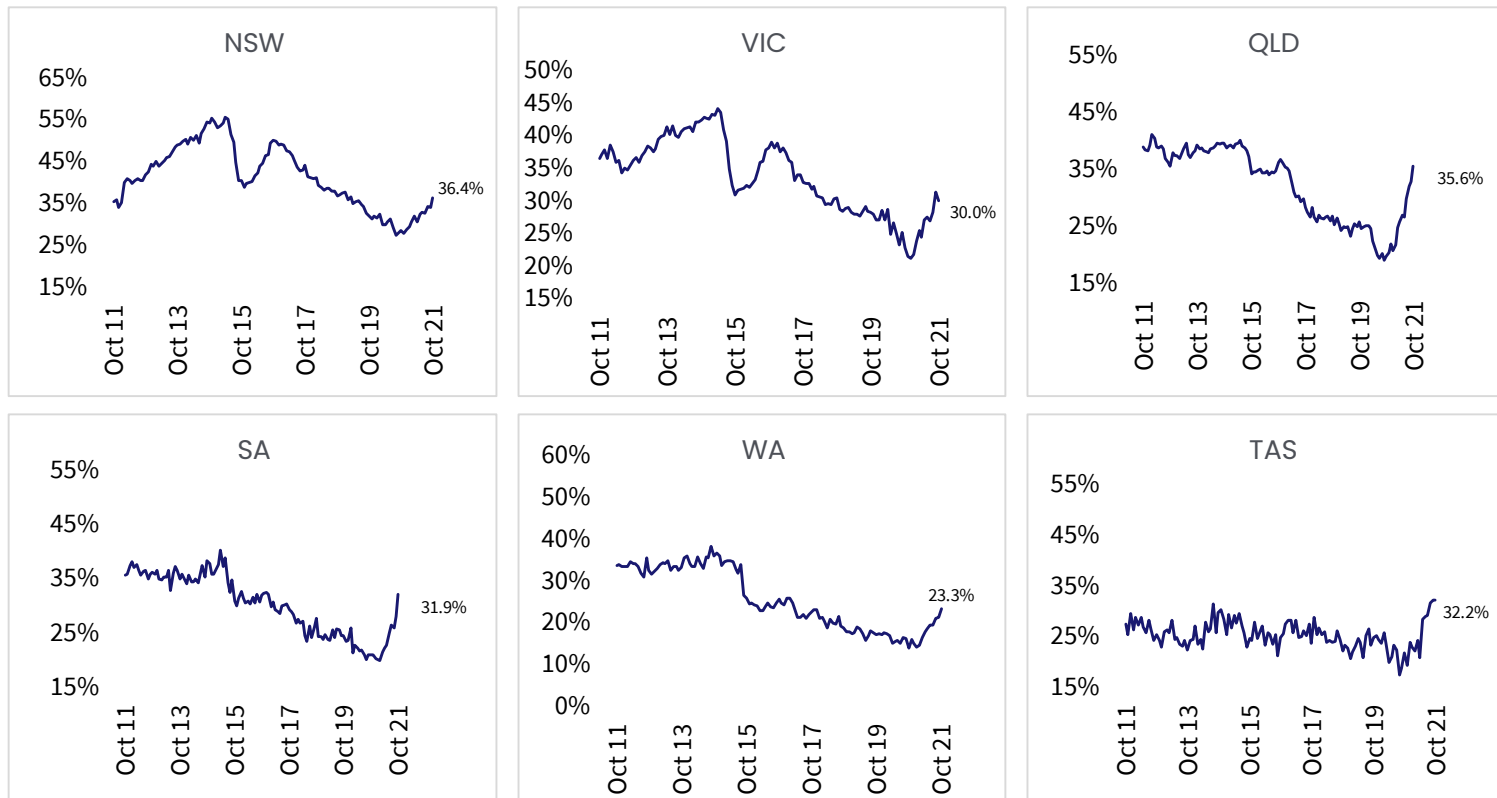


Source: ABS

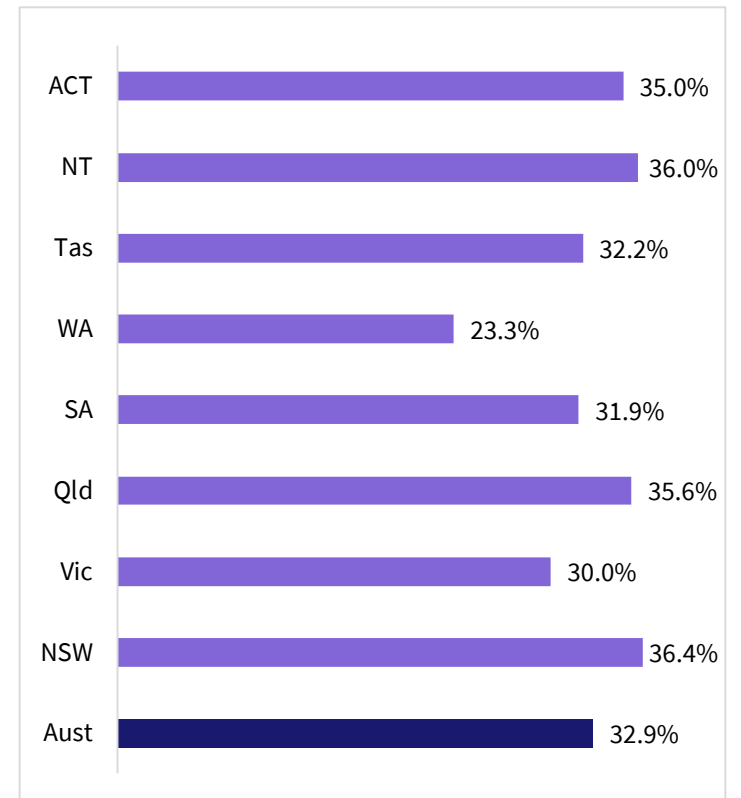
INVESTORS & LENDING

Nationally, investor finance comprised 32.9% of new mortgage lending through the month of October. Across the states, the largest increase in investor participation was seen in South Australia, where investor finance jumped to 31.9% of total lending, up from 28.0% the previous month.

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



Investors as a % of housing finance commitments by state

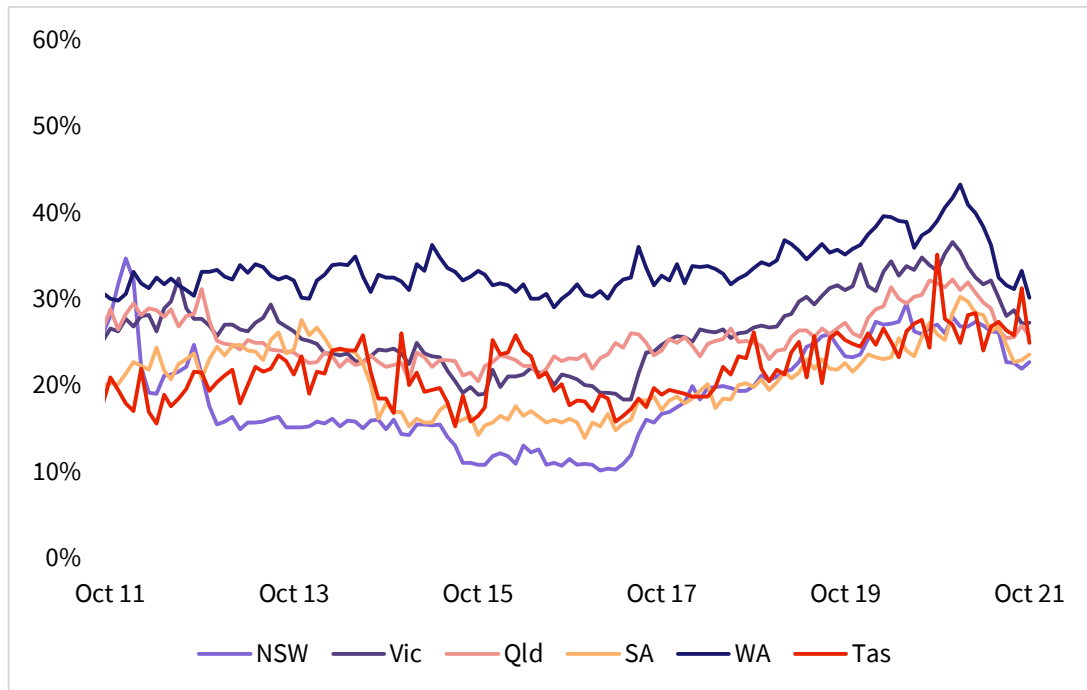


Source: ABS

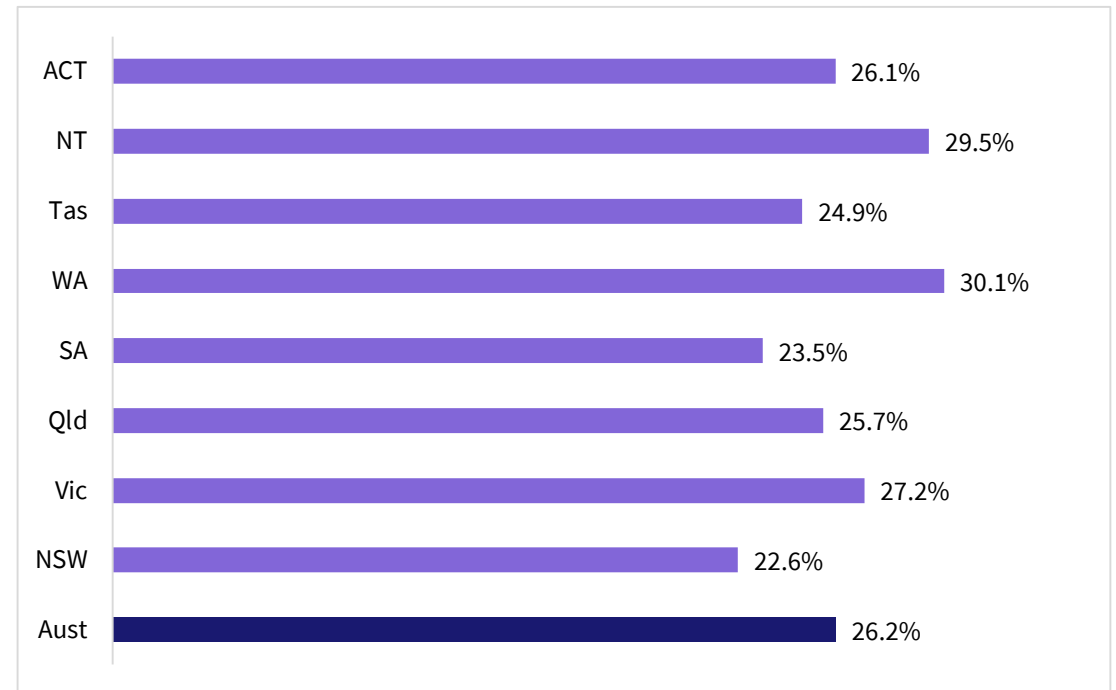
FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance has fallen from a recent peak of 32.5% in December 2020, to 26.2% as of October 2021. First home buyer participation is lowest across NSW, at 22.6%, down from 27.9% in December last year.

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



First home buyers as a % of owner occupier housing finance commitments (October '21)



Source: ABS

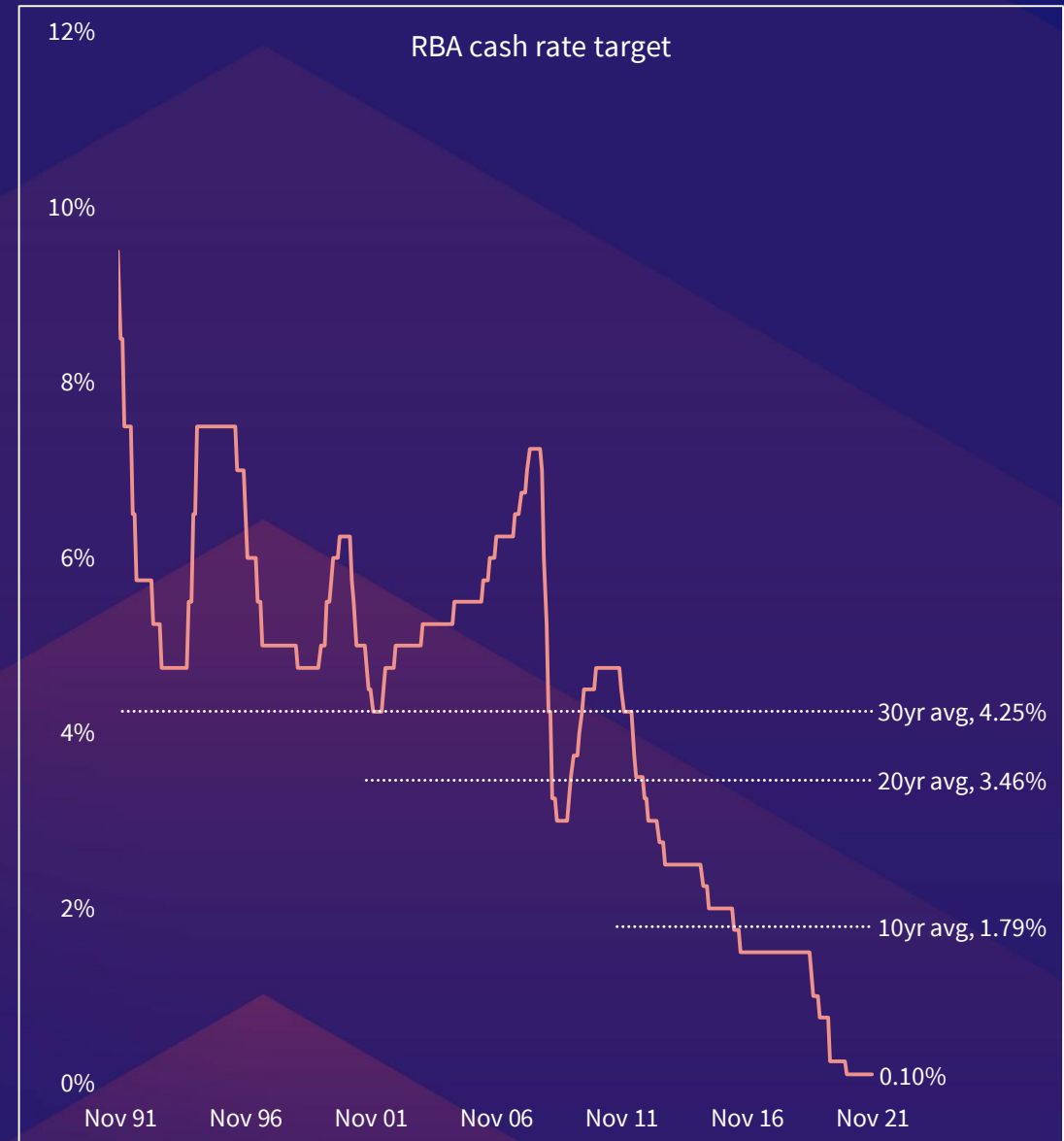
MORTGAGE RATES

The RBA held rates at 0.1% through December

Statement highlights

- ▶ The cash rate target was held at 0.1%, and the interest rate on Exchange Settlement balances was maintained at 0.0%.
- ▶ Government bond purchases were kept at \$4 billion per week, to be maintained until February 2022, and further reviewed then.
- ▶ The RBA reiterated a central forecast of inflation reaching 2.5% in 2023, and suggested that conditions for a cash rate rise are likely to “take some time”.
- ▶ The RBA acknowledged strong rises in house prices over the year, but pointed out that growth rates had slowed in recent months. It was emphasized that while interest rates are historically low, sound lending conditions should be maintained with appropriate buffers for borrowers.

Source: RBA

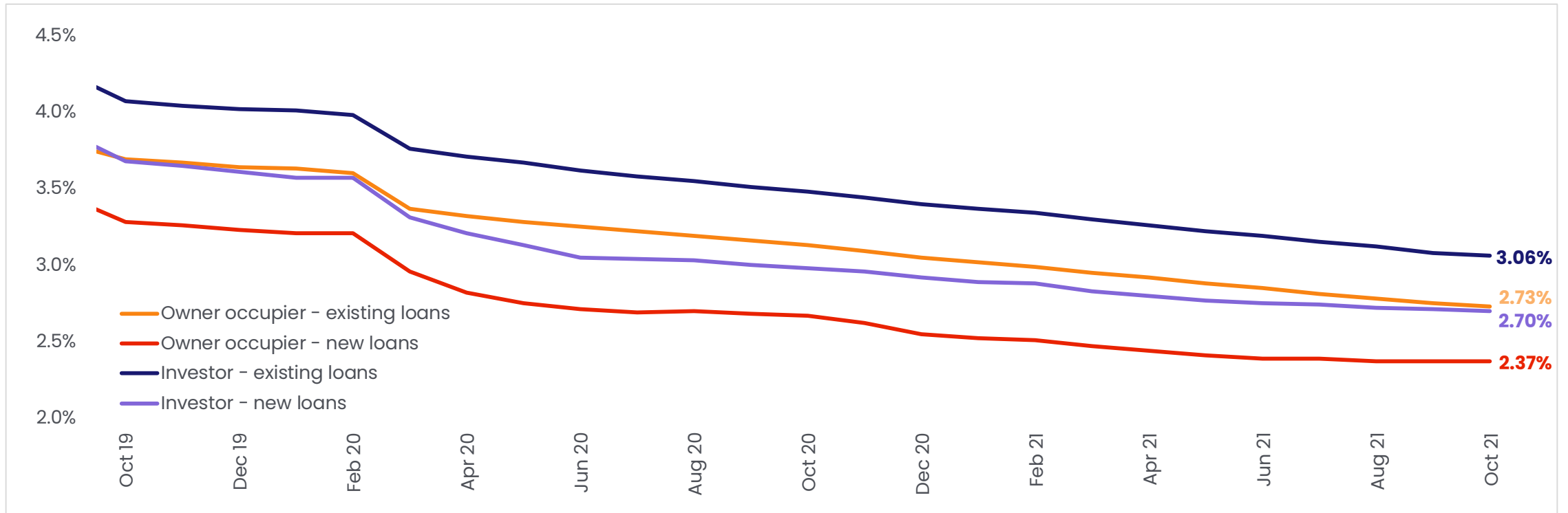


MORTGAGE RATES

Record low mortgage rates

Average new housing lending rates for owner occupiers have held at 2.37% for the three months to October, suggesting new rates for owner occupiers may be bottoming out.

Average borrowing costs by borrower and loan type, since 2019



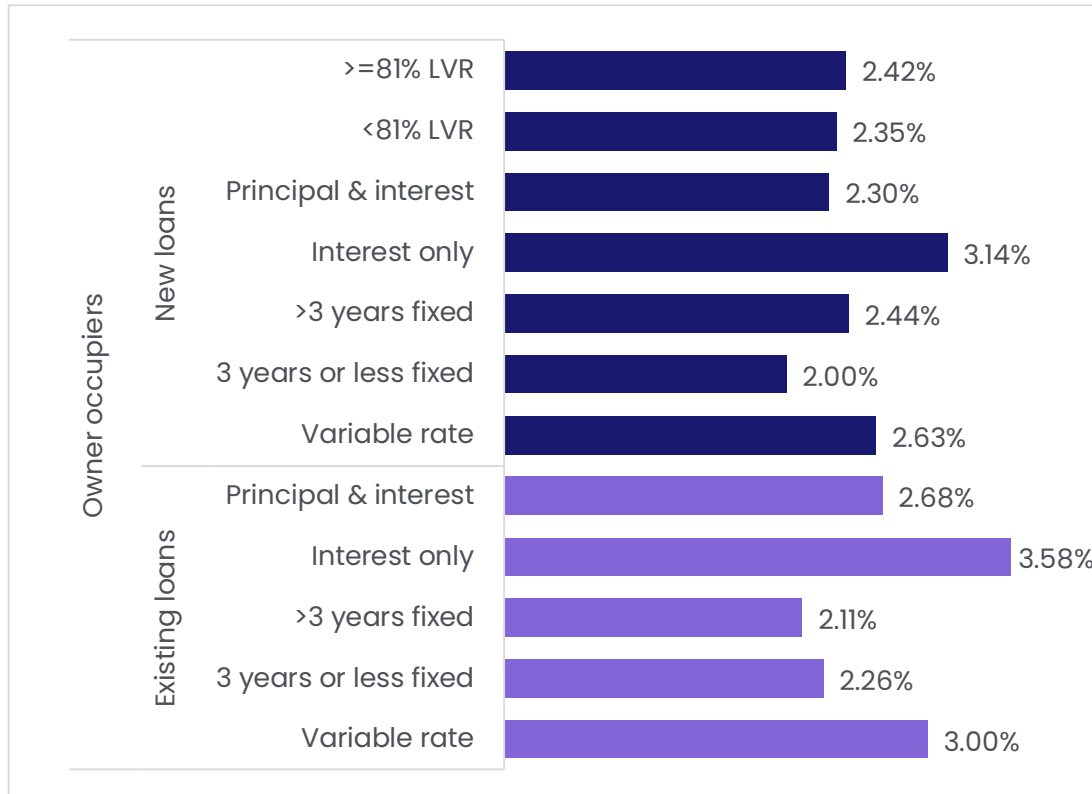
Source: RBA

MORTGAGE RATES

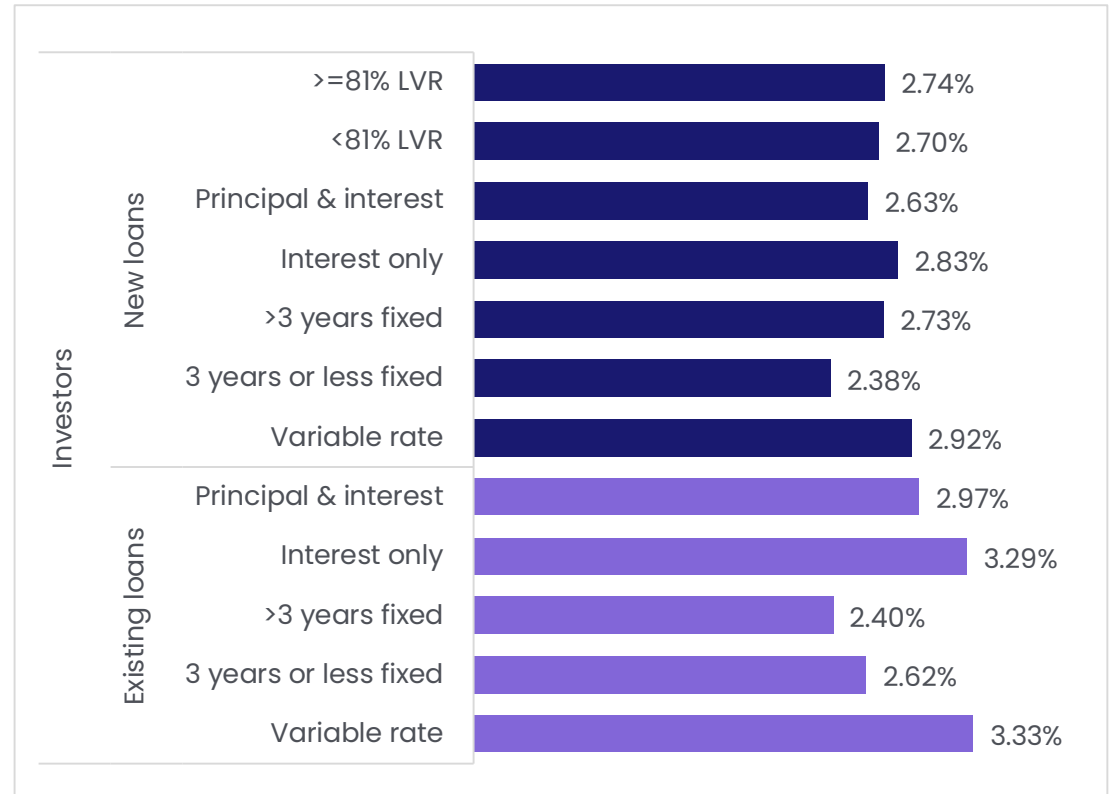
Record low mortgage rates

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

Owner occupiers



Investors



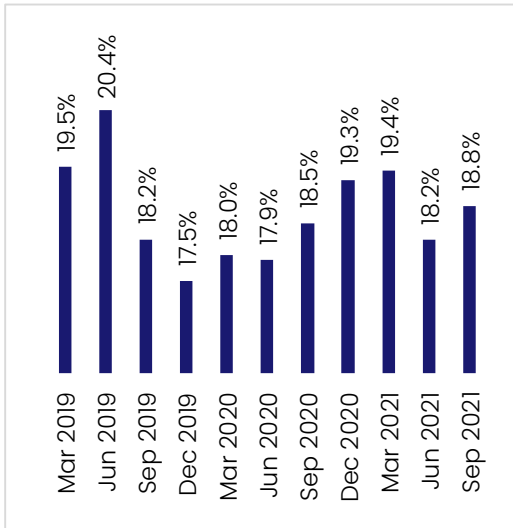
Source: RBA

MORTGAGE RATES

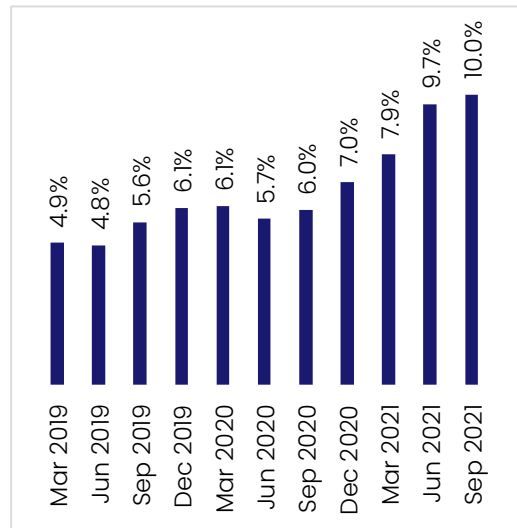
Debt to income ratios of six or more jumped to 23.8% of new mortgage lending in the September quarter

Regulators and policy makers are closely monitoring lending standards. The September quarter data captures the period just before APRA increased the serviceability assessment buffer for new home loan borrowers, which was enacted 1st November.

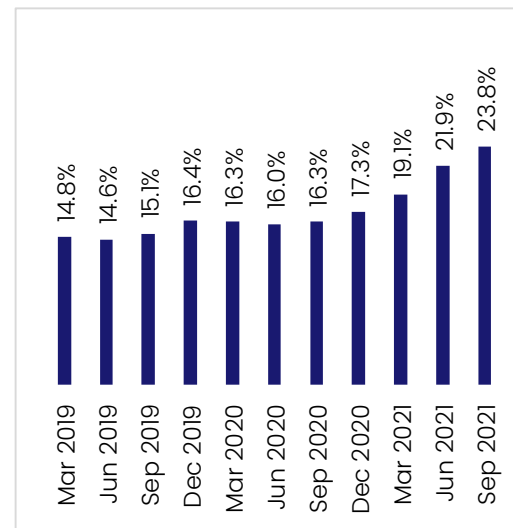
% of loans on interest only terms



% of loans originated with a loan to income ratio >=6x



% of loans originated with a debt to income ratio >=6x



% of loans originated with an LVR >=90%



Investors
Owner occupiers

Source: APRA

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