



Our Insights.
Your Story.

Property market chart pack
July 2019



Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate
\$6.1 Trillion
 -  Australian Superannuation
\$2.8 Trillion
 -  Australian Listed Stocks
\$2.0 Trillion
 -  Commercial Real Estate
\$988 Billion
- As at the end of June 2019



10.3 million
Number of dwellings



\$1.83 trillion
Outstanding mortgage debt



49.3%
Household wealth held in housing



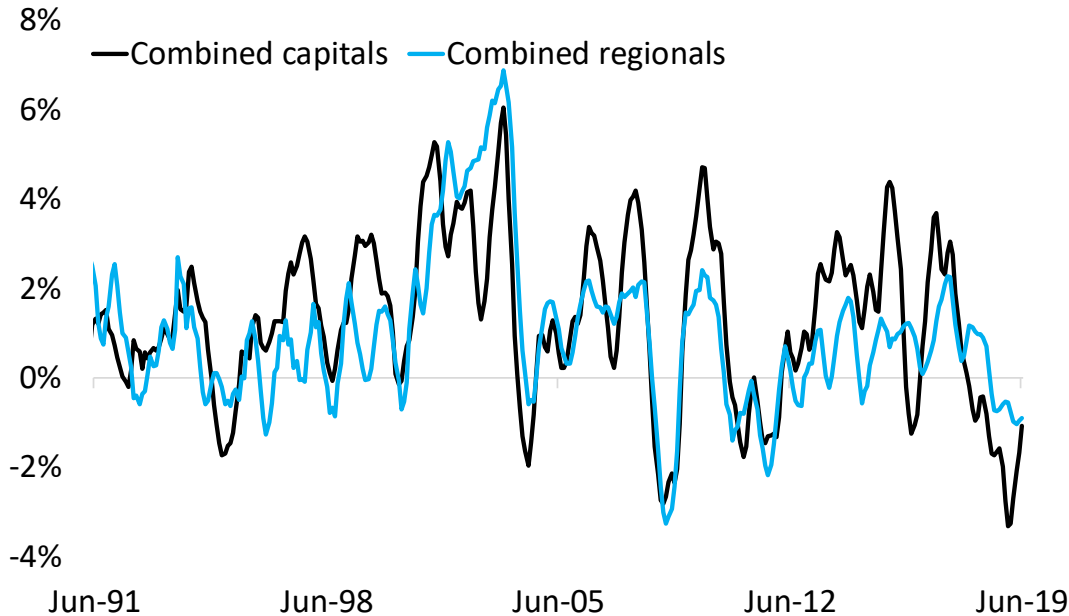
412,154
Total sales p.a.



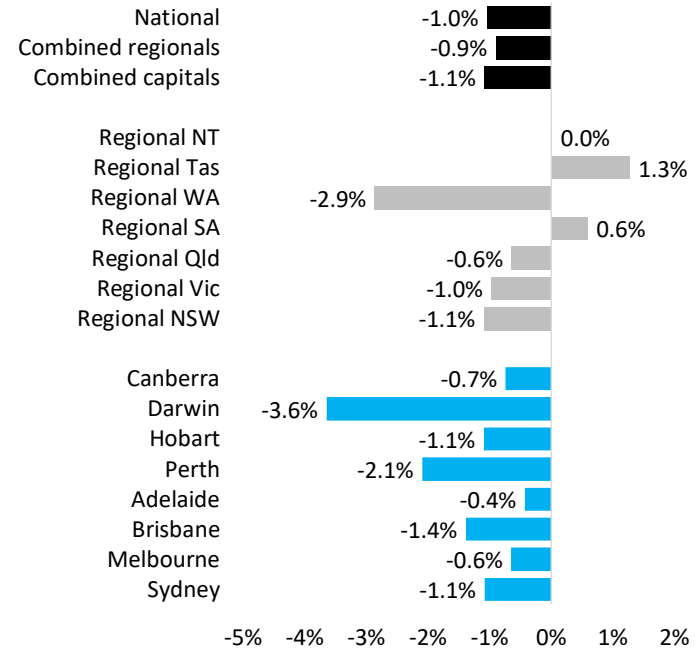
\$258.3 billion
Gross value of sales p.a.

Over the June 2019 quarter the rate of value decline has slowed however, all capital cities have recorded value falls

Quarterly change in dwelling values



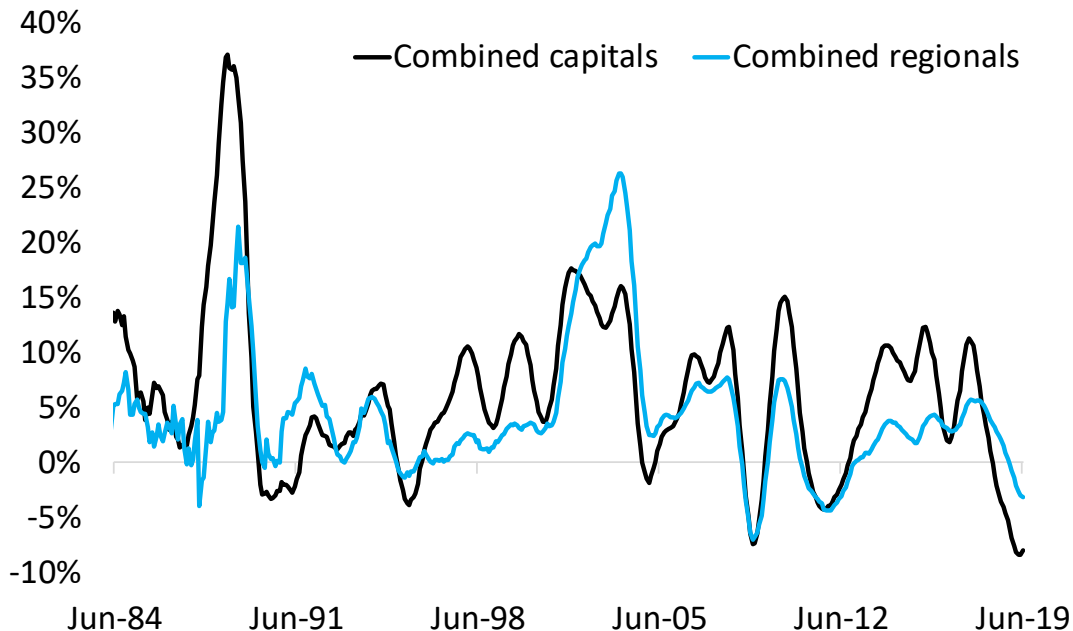
Quarterly change in dwelling values to June-19



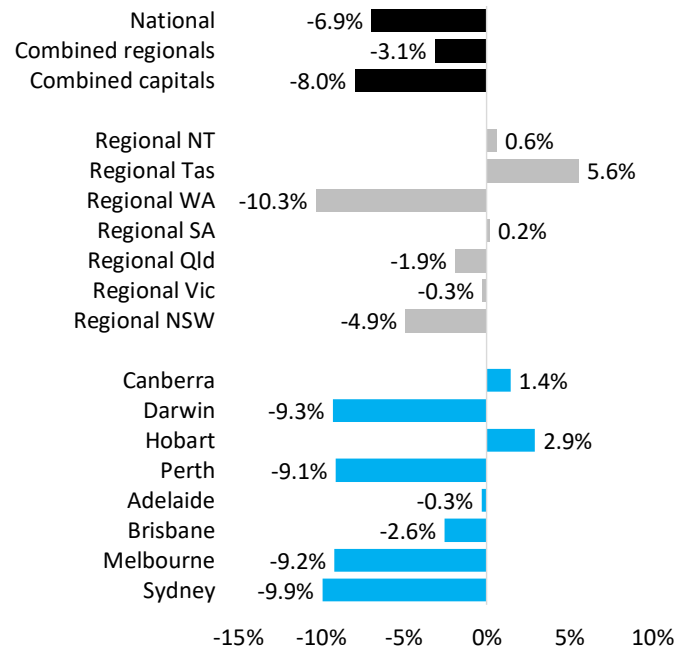
Source: CoreLogic

The annual rate of decline in combined capital city values has started to ease

Annual change in dwelling values



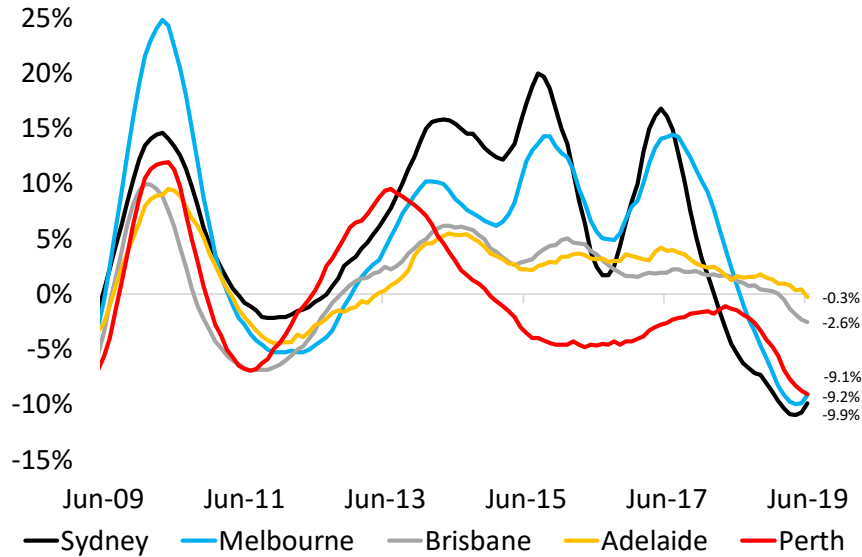
Annual change in dwelling values to Jun-19



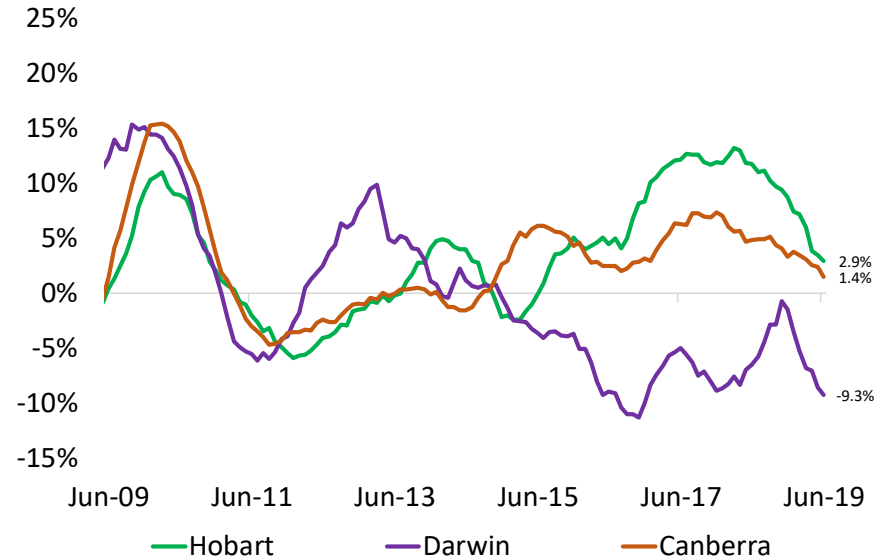
Source: CoreLogic

The annual change in dwelling values highlights broad-based weakening in housing market conditions with early signs of an improvement in Sydney and Melbourne

Annual change in dwelling values



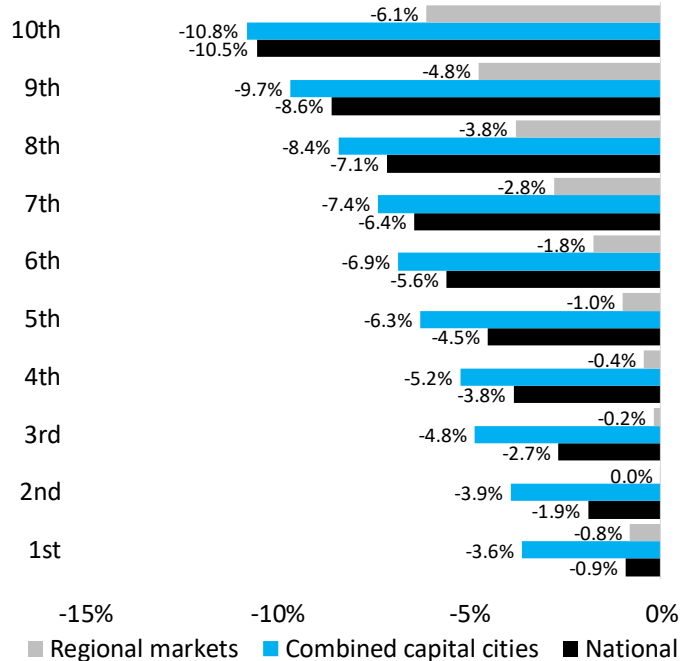
Annual change in dwelling values



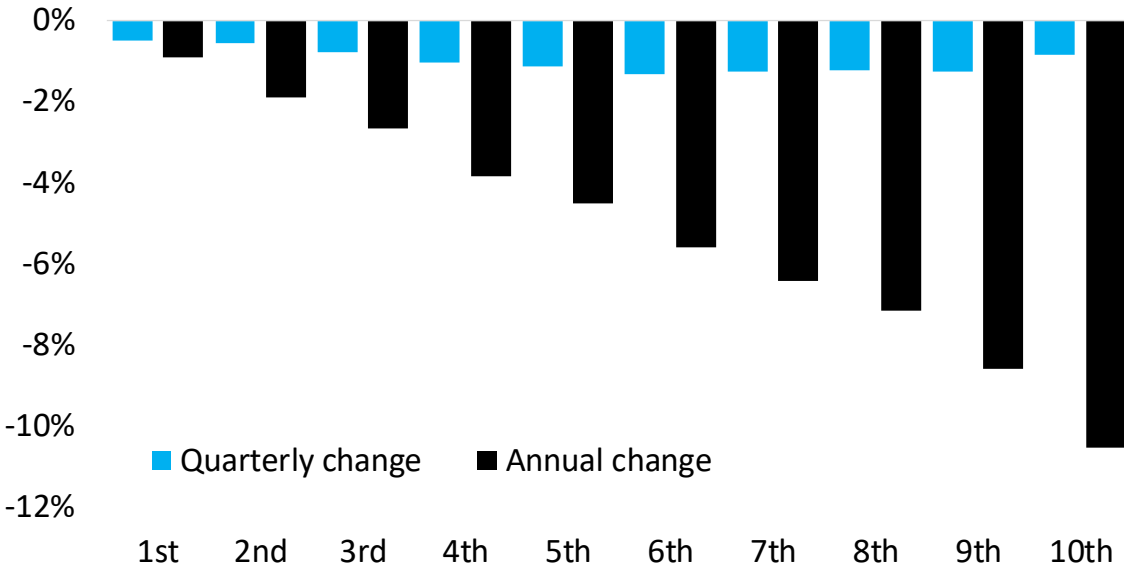
Source: CoreLogic

Premium dwelling values have recorded the largest annual falls however, their rate of decline has slowed markedly over the quarter

Annual change in dwelling values by decile, Jun-19

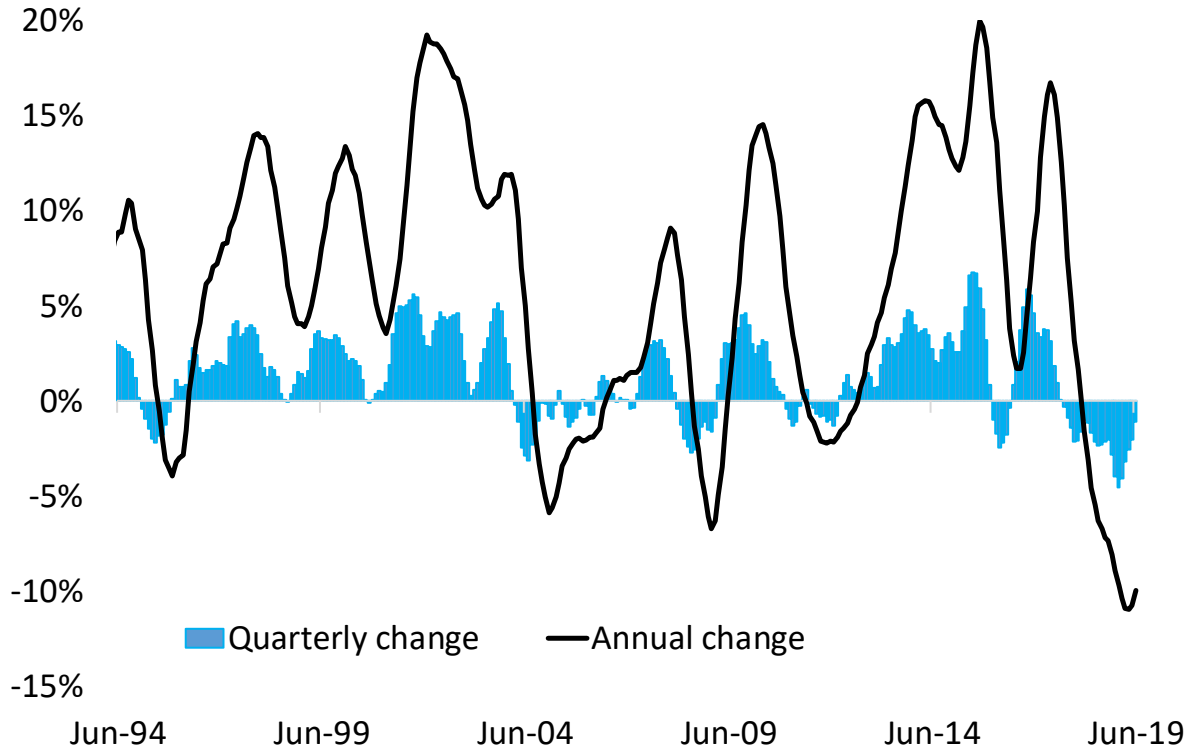


Quarterly and annual change in dwelling values by deciles, National as at Jun 2019



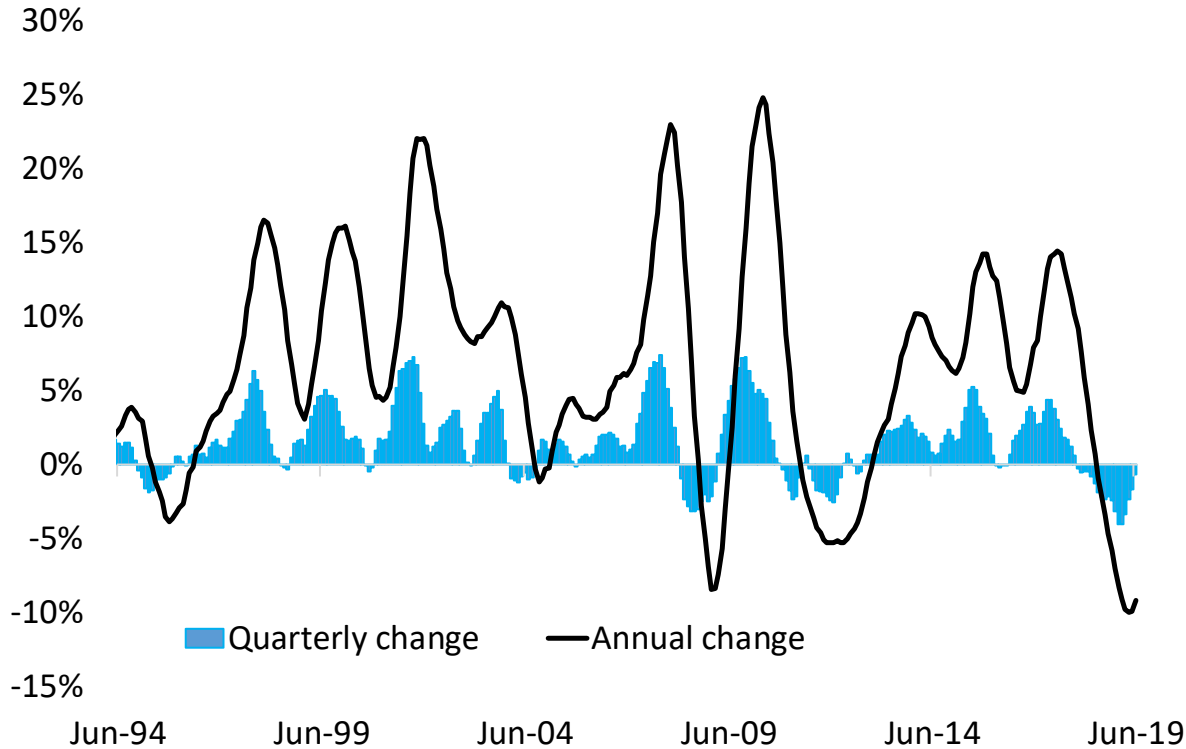
Source: CoreLogic

Quarterly and annual change in dwelling values - Sydney



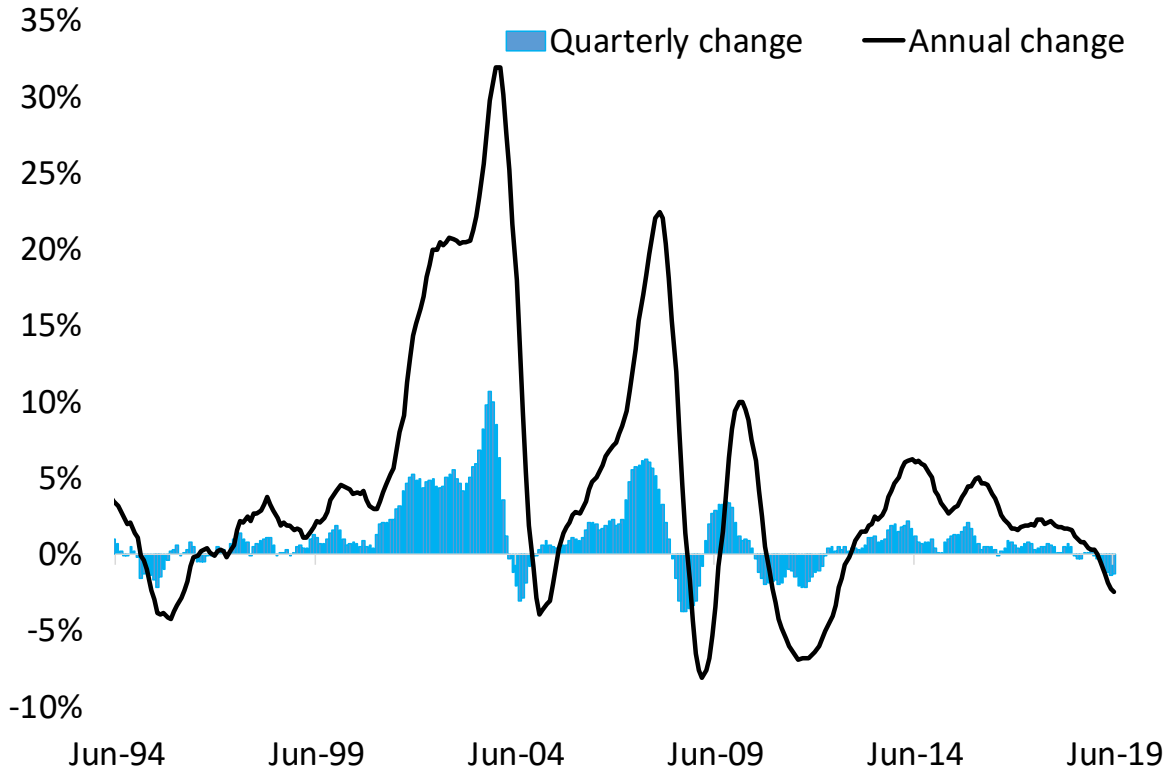
Sydney dwelling values have fallen by **-1.1%** over the three months to June 2019 and they are **-9.9%** lower over the past year. Sydney dwelling values are now **-14.9%** lower than their July 2017 peak.

Quarterly and annual change in dwelling values - Melbourne



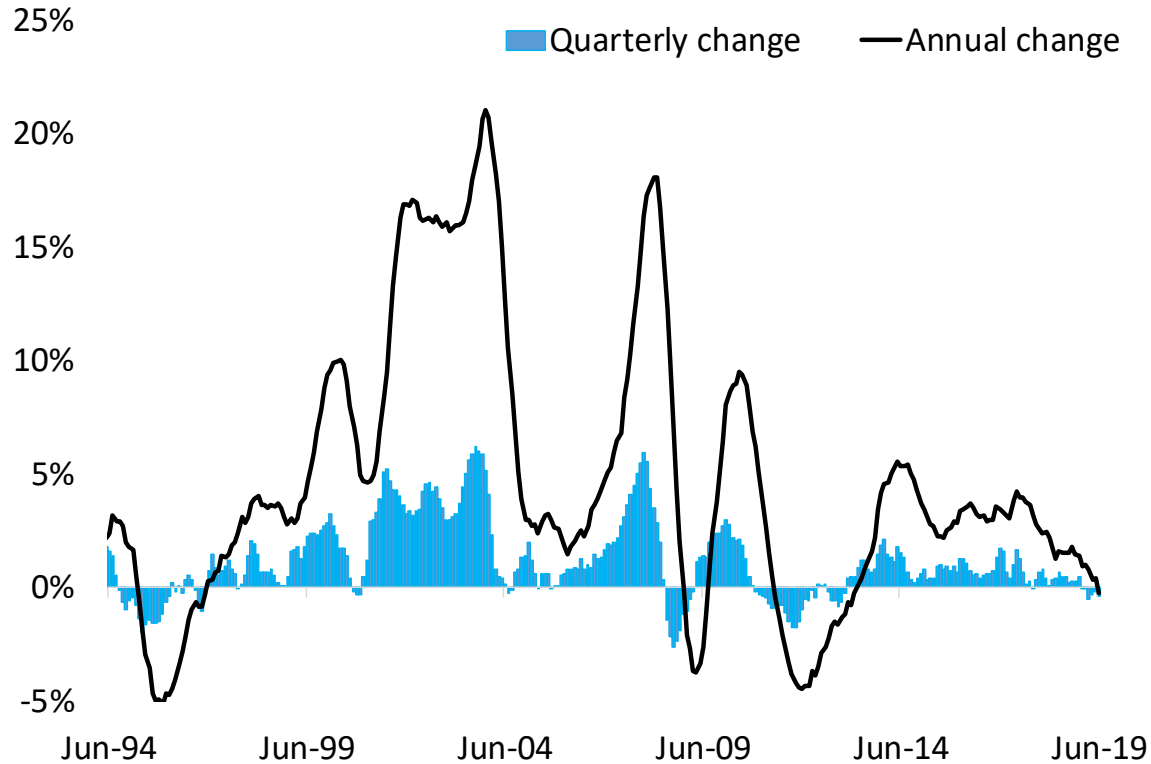
Dwelling values in Melbourne have fallen by **-0.6%** over the 3 months to June 2019 and they are **-9.2%** lower over the past year. Values in Melbourne are currently **-10.9%** lower than their November 2017 peak.

Quarterly and annual change in dwelling values - Brisbane



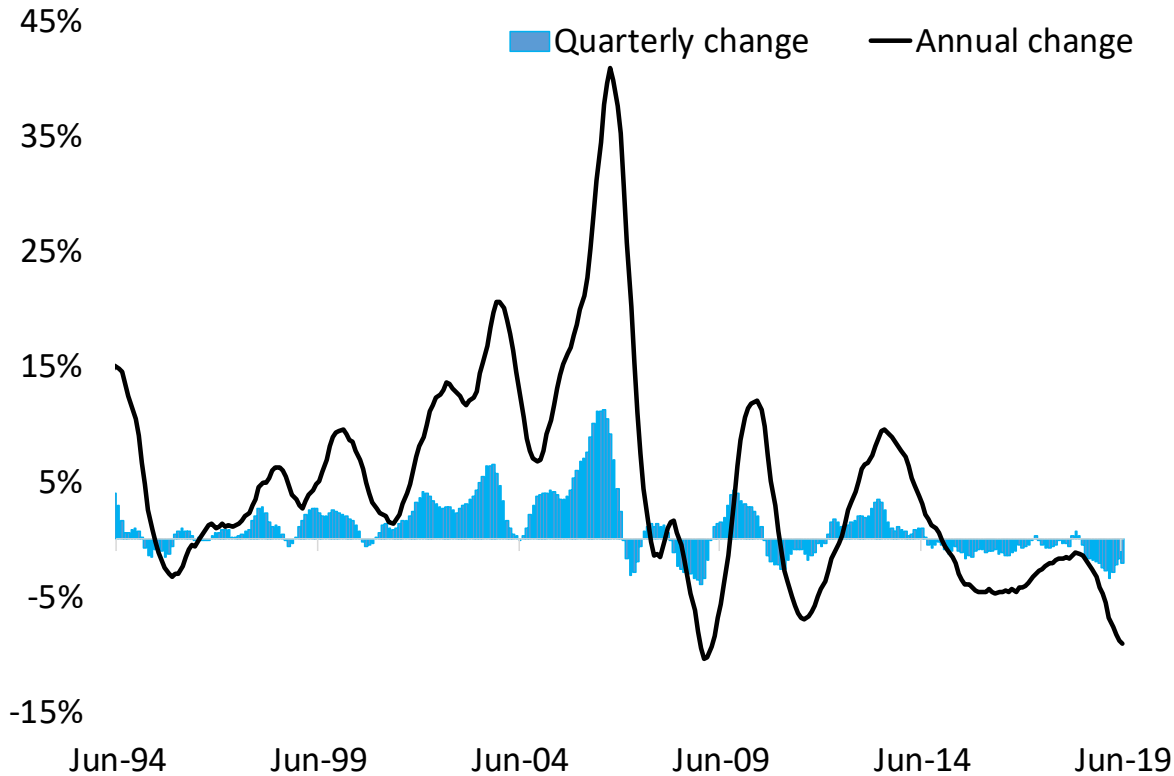
Brisbane home values fell **-1.4%** over the three months to June 2019 and they were **-2.6%** lower than a year ago. Brisbane dwelling values have now fallen by **-2.9%** since their peak in April 2018.

Quarterly and annual change in dwelling values - Adelaide



Dwelling values in Adelaide fell by **-0.4%** over the three months to June 2019 and they are **-0.3%** lower over the past year. Adelaide dwelling values peaked in December 2018 and have since fallen by **-1.0%**.

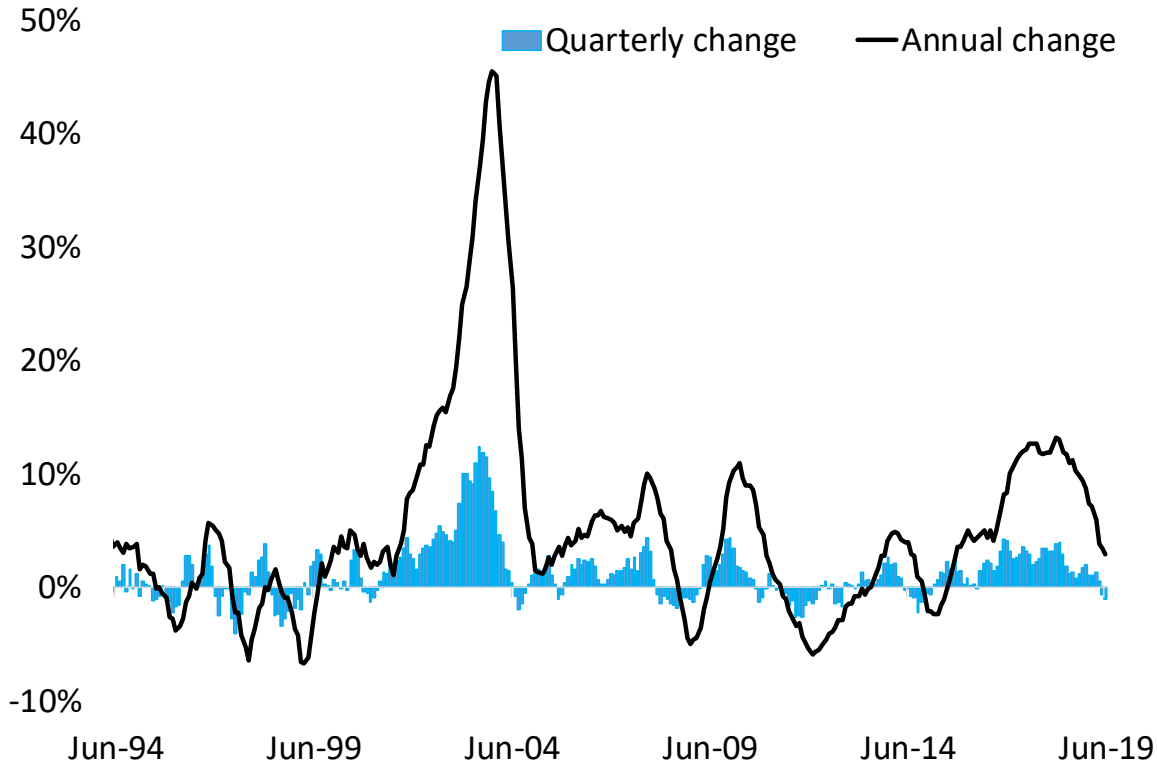
Quarterly and annual change in dwelling values - Perth



Perth dwelling values fell by **-2.1%** over the three months to June 2019 and they are **-9.1%** lower over the past year. Dwelling values in Perth are now **-19.8%** lower than they were at their peak in June 2014.

Source: CoreLogic

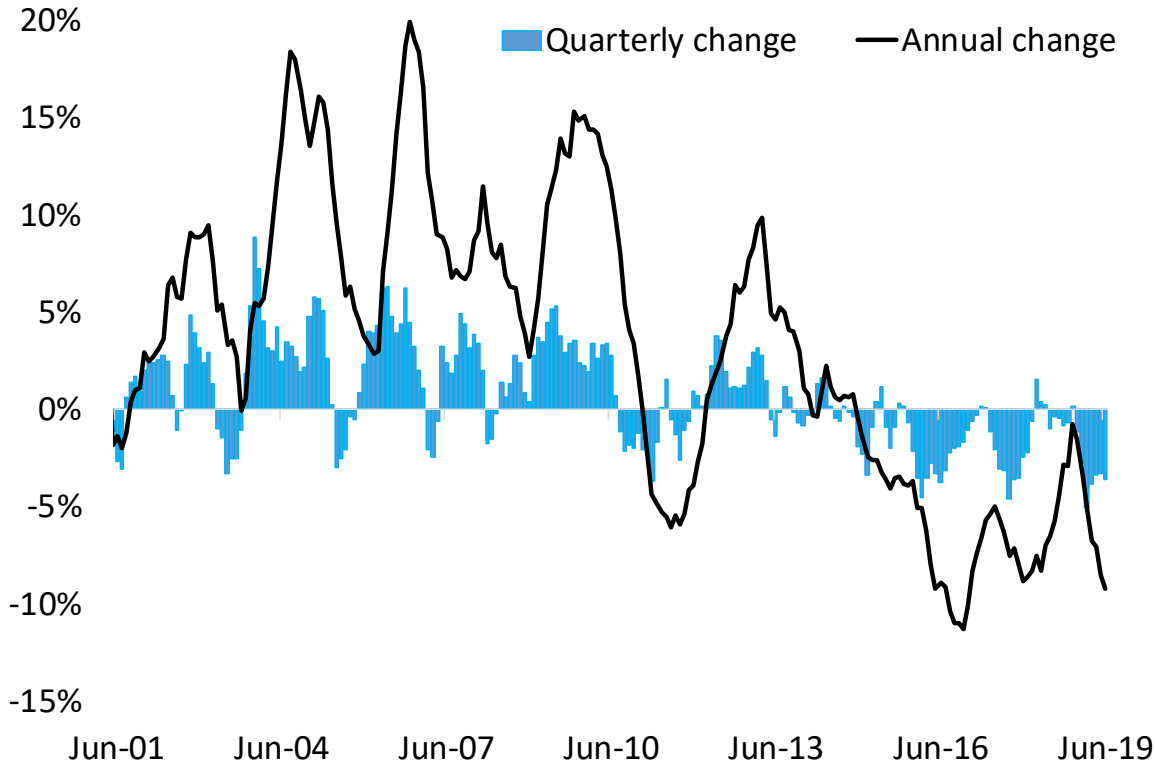
Quarterly and annual change in dwelling values - Hobart



Dwelling values in Hobart fell **-1.1%** over the 3 months to June 2019 however, they are **2.9%** higher over the past year. Hobart dwelling values have now fallen by **-1.1%** since their peak in March 2019.

Source: CoreLogic

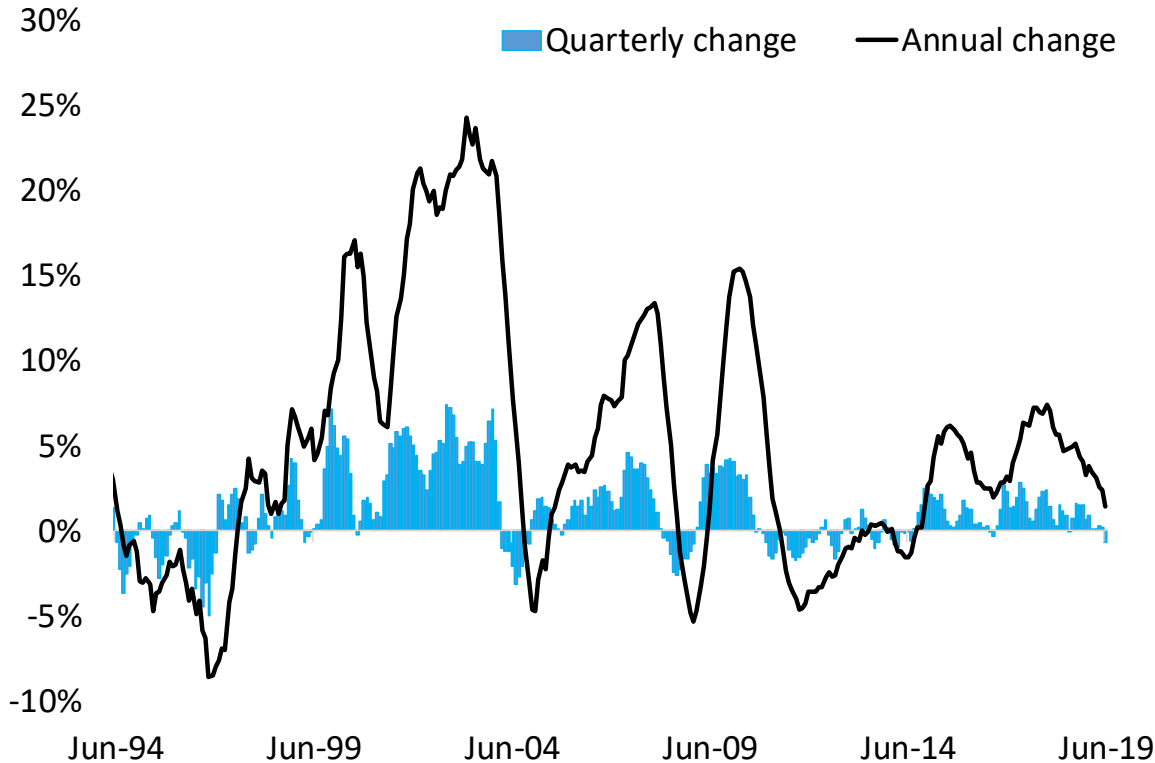
Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by **-3.6%** over the three months to June 2019 and they are **-9.3%** lower over the past year. Dwelling values in Darwin are currently **-30.1%** lower than their historic peak.

Source: CoreLogic

Quarterly and annual change in dwelling values - Canberra

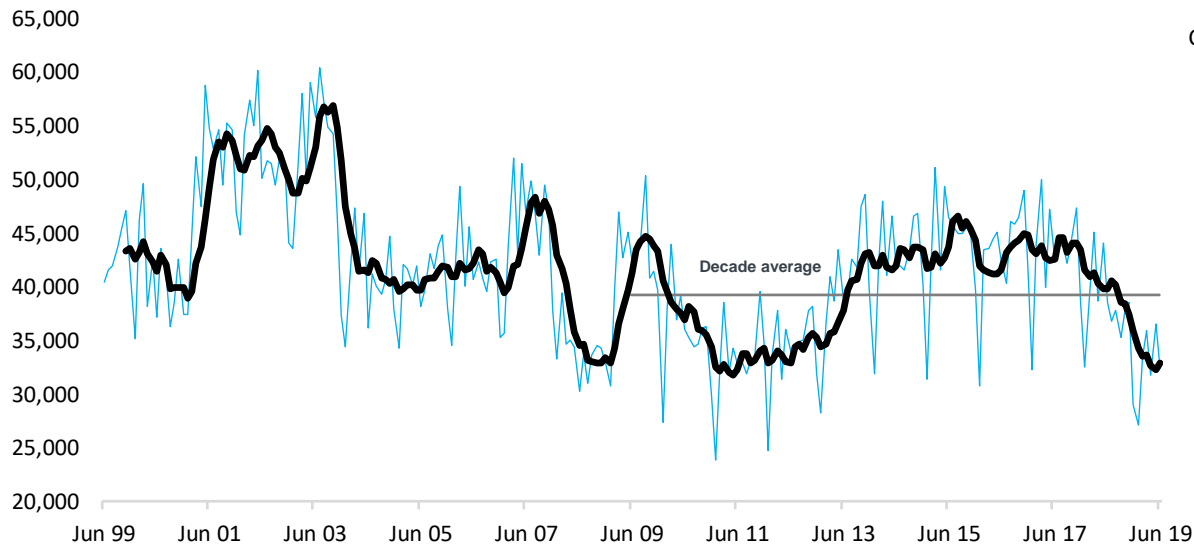


Dwelling values in Canberra fell **-0.7%** over the three months to June 2019 however, they are **1.4%** higher over the past year. Dwelling values have now fallen by **-1.1%** from their peak in April 2019.

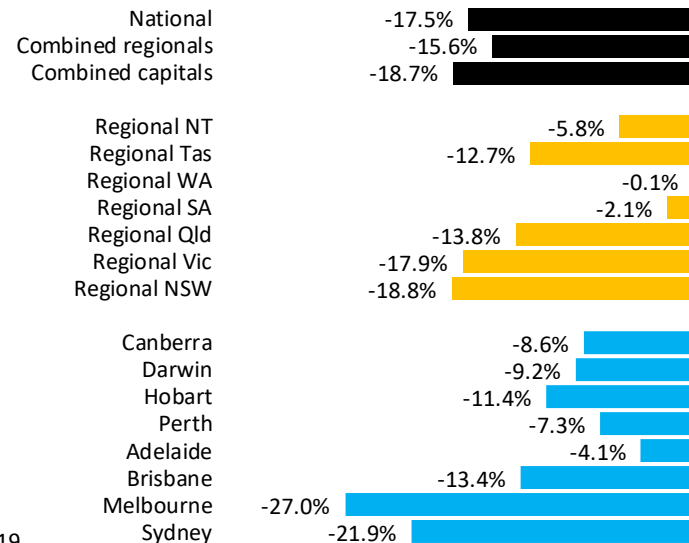
Source: CoreLogic

Transaction numbers remain lower than a year ago however, over recent months it appears market activity has steadied

Monthly sales with six month moving average, National



Year on year change in settled sales

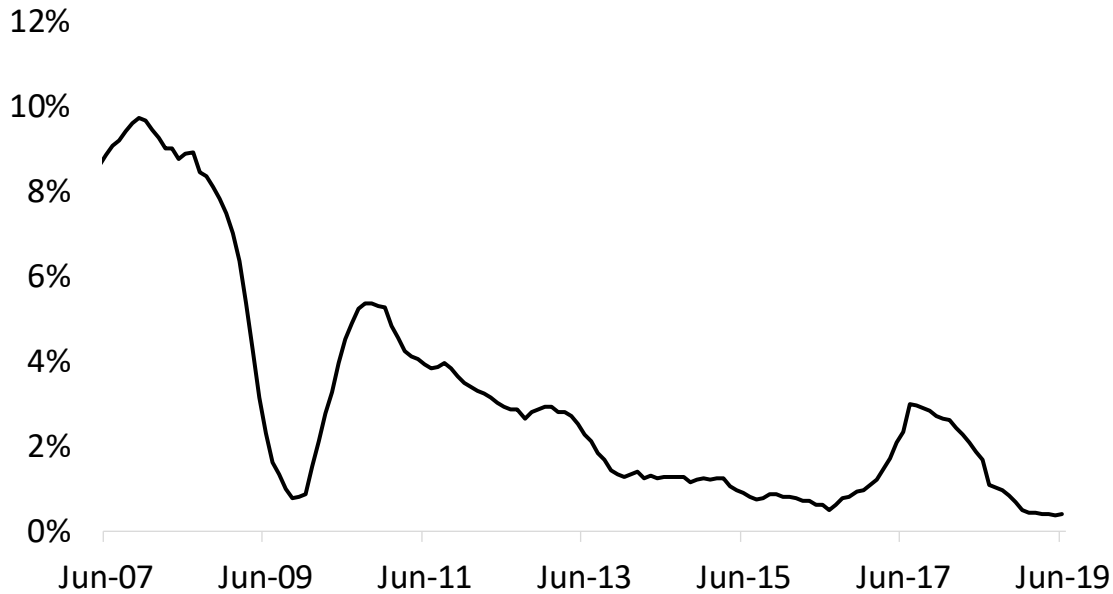


Note the sales volumes are modelled based on historic levels of revision however, they are still subject to revision. Furthermore, sales volumes do not account for off-the-plan purchases which upon completion are counted as sales at their contract date.

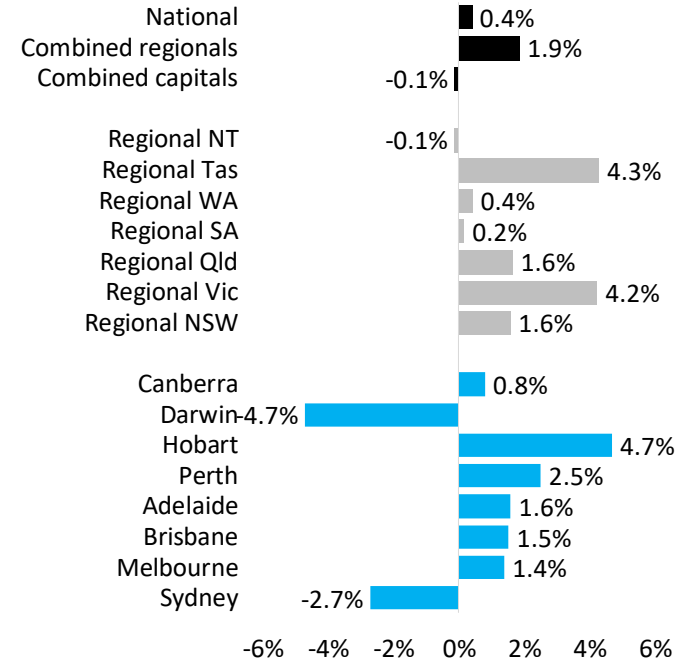
Source: CoreLogic

Annual rental growth has steadied at record low growth, largely due to the declines in Sydney moderating

Annual change in dwelling rents, National



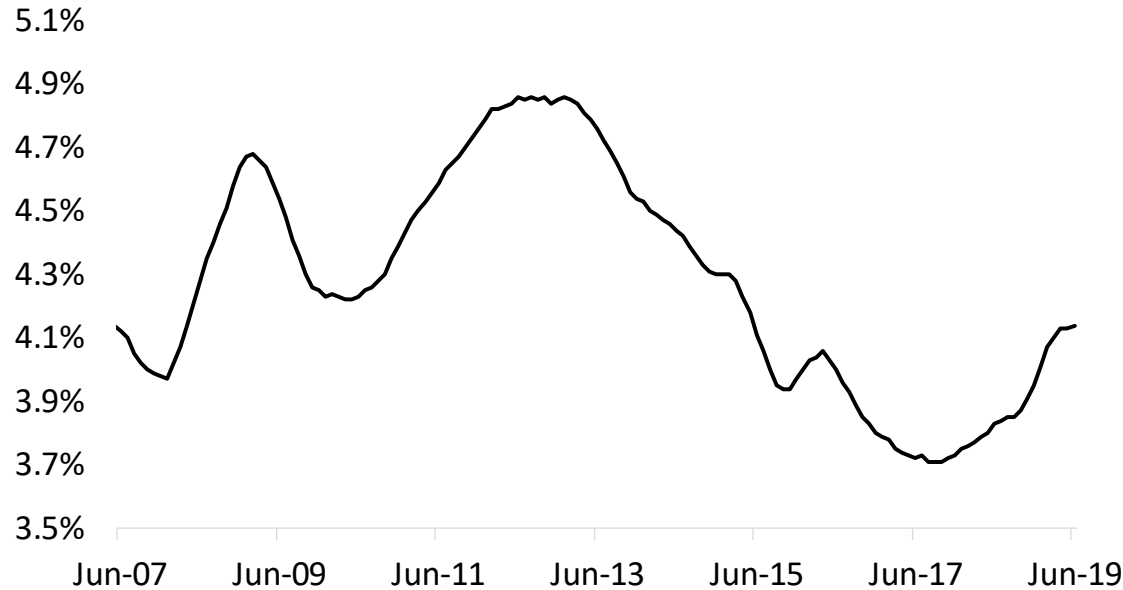
Annual change in dwelling rents to Jun-19



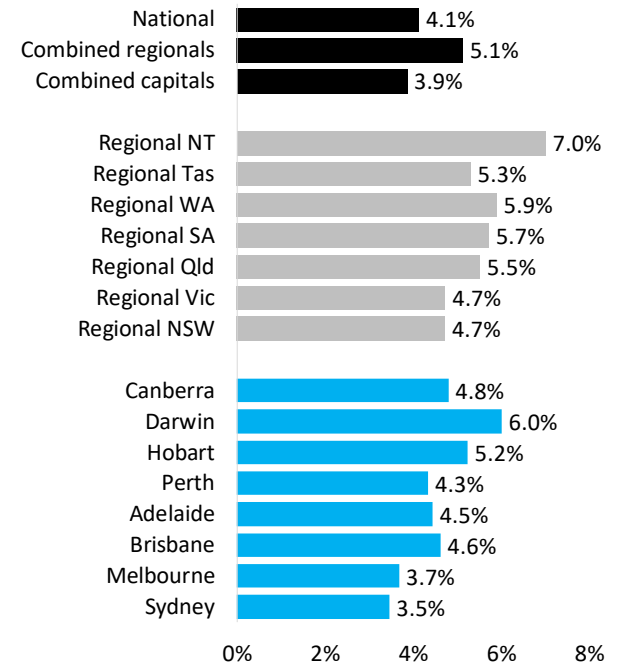
Source: CoreLogic

With rental growth typically stronger than value growth, gross rental yields continue to rise from their recent historic lows

Gross rental yields, National



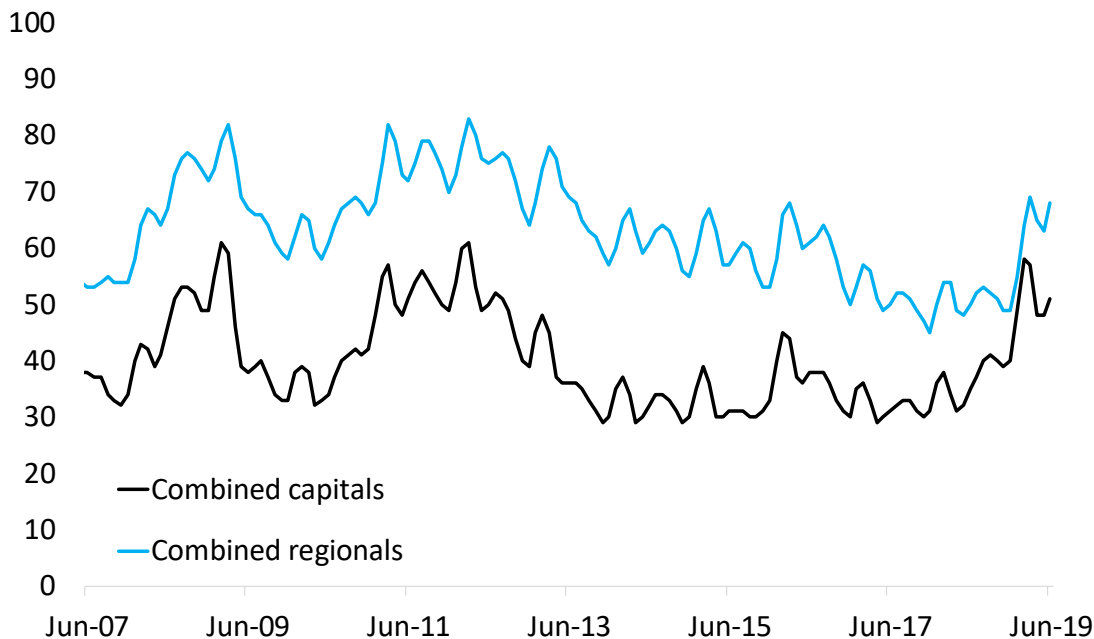
Gross rental yields as at Jun-19



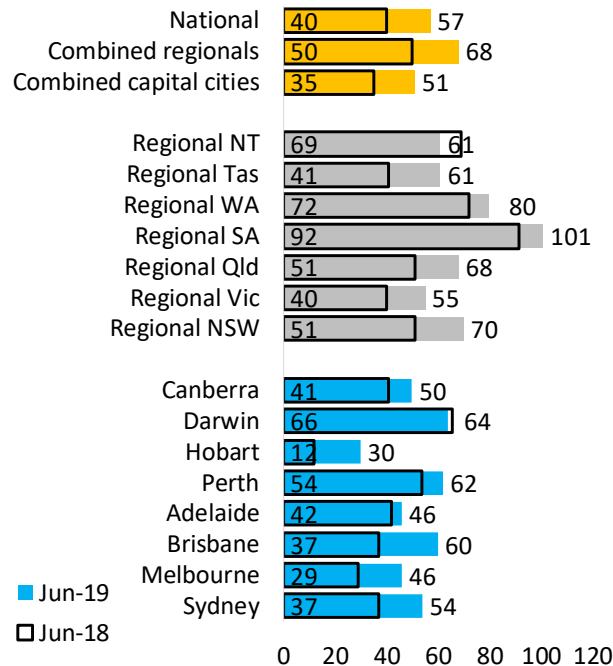
Source: CoreLogic

Despite some recent reductions, properties are taking longer to sell than they have over recent years

Median days on market



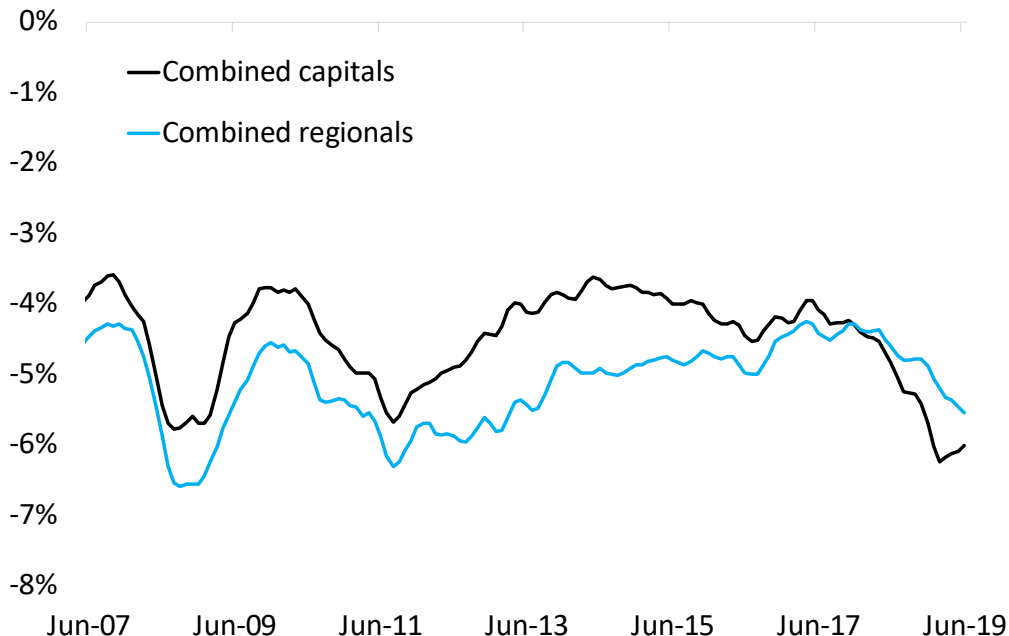
Median days on market Jun-18 vs Jun-19



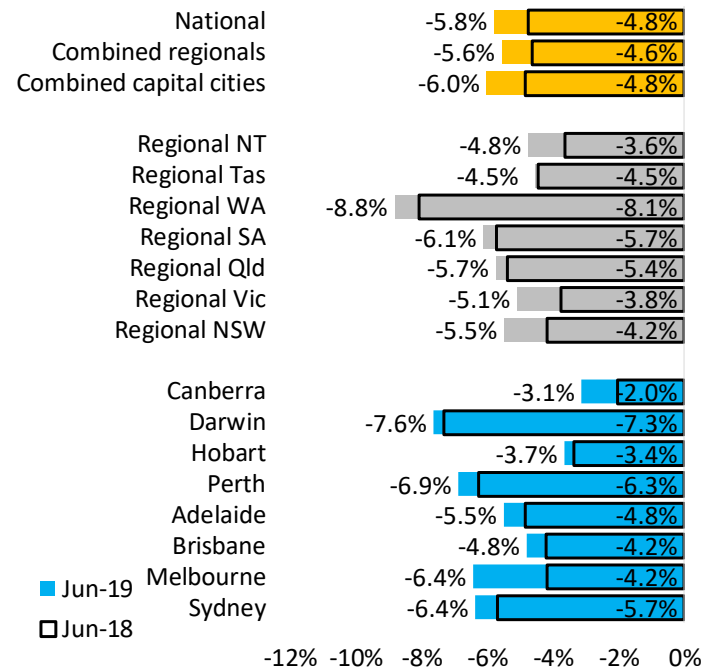
Source: CoreLogic

Tougher selling conditions with fewer buyers have meant legitimate sellers have had to offer larger price reductions

Median vendor discount



Median vendor discount Jun-18 vs Jun-19



Source: CoreLogic

While fewer newly listed properties are coming up for sale currently, total listings generally remain slightly higher than they were a year ago and elevated compared to recent years

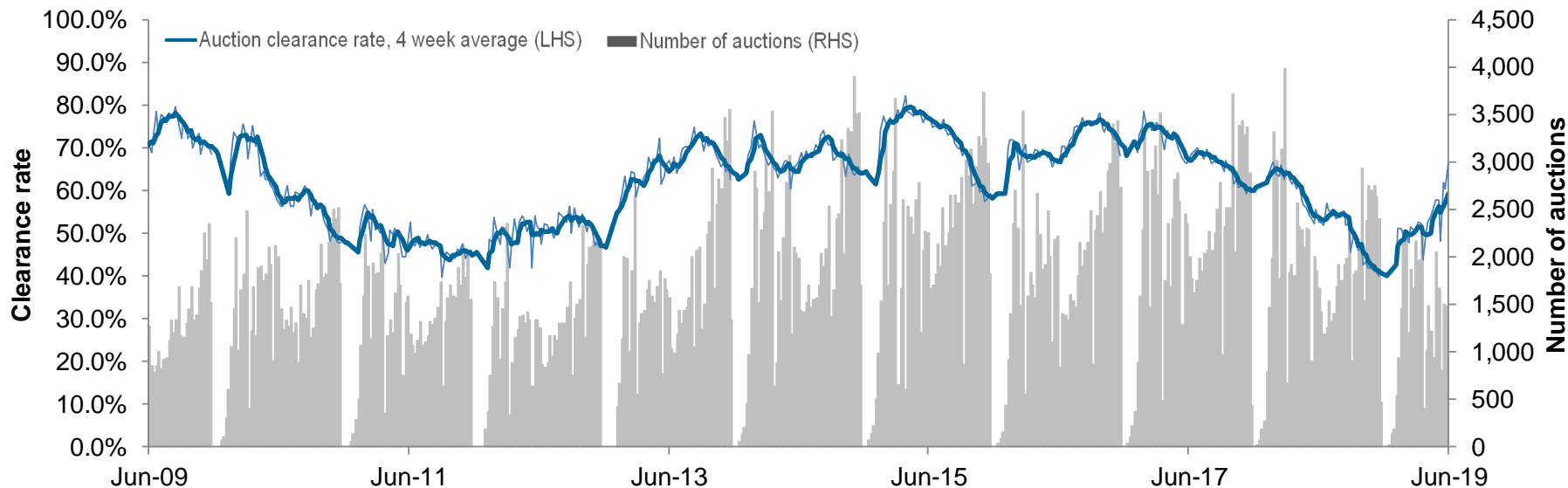
Number of new and total properties advertised for sale, 28 days to 30 June 2019

Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)	State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	3,866	-29.5%	24,253	-6.4%	NSW	7,160	-25.0%	48,674	1.2%
Melbourne	4,392	-31.9%	31,101	5.8%	Vic	6,563	-27.6%	47,470	4.1%
Brisbane	3,275	-12.4%	20,885	6.1%	Qld	7,602	-12.2%	62,949	1.7%
Adelaide	1,585	-6.0%	8,441	9.0%	SA	2,187	-7.1%	17,063	3.1%
Perth	2,475	-19.0%	19,694	-4.0%	WA	3,443	-17.0%	32,183	-4.2%
Hobart	301	-4.1%	1,182	27.4%	Tas	777	-2.5%	4,624	0.0%
Darwin	150	-1.3%	1,442	2.1%	NT	198	-3.4%	2,072	3.8%
Canberra	424	-13.5%	2,155	21.3%	ACT	432	-14.3%	2,247	21.1%
Combined capitals	16,468	-22.9%	109,154	1.7%	National	28,362	-19.6%	217,282	1.4%

Source: CoreLogic

Auction clearance rates have been stronger relative to late 2018 and have increased further since the federal election although auction volumes remain relatively low

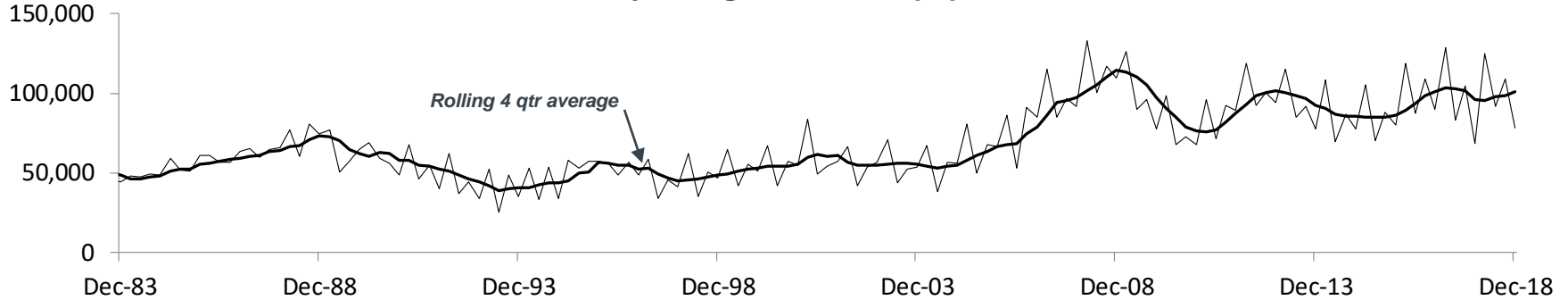
Weekly clearance rate, combined capital cities



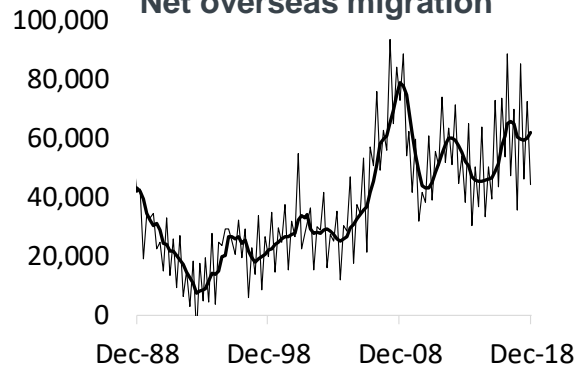
Source: CoreLogic

Housing demand: migration to Australia remains high, however the quarterly change in population growth has dipped a little

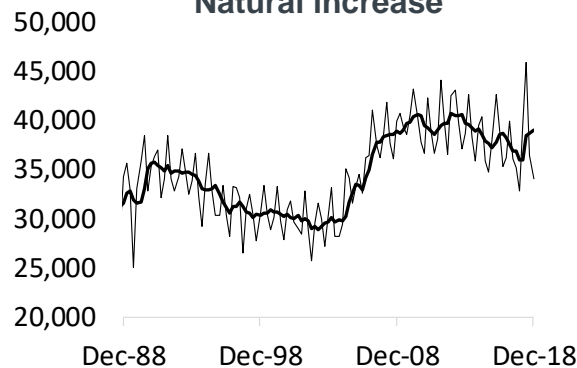
Quarterly change in national population



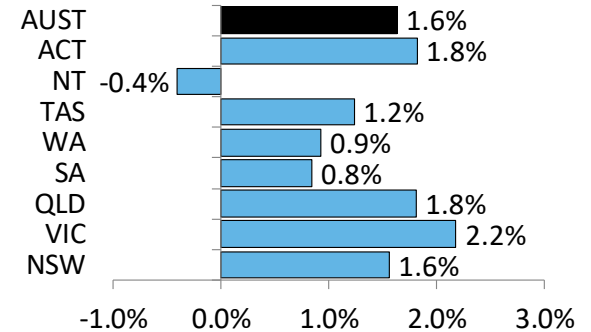
Net overseas migration



Natural increase



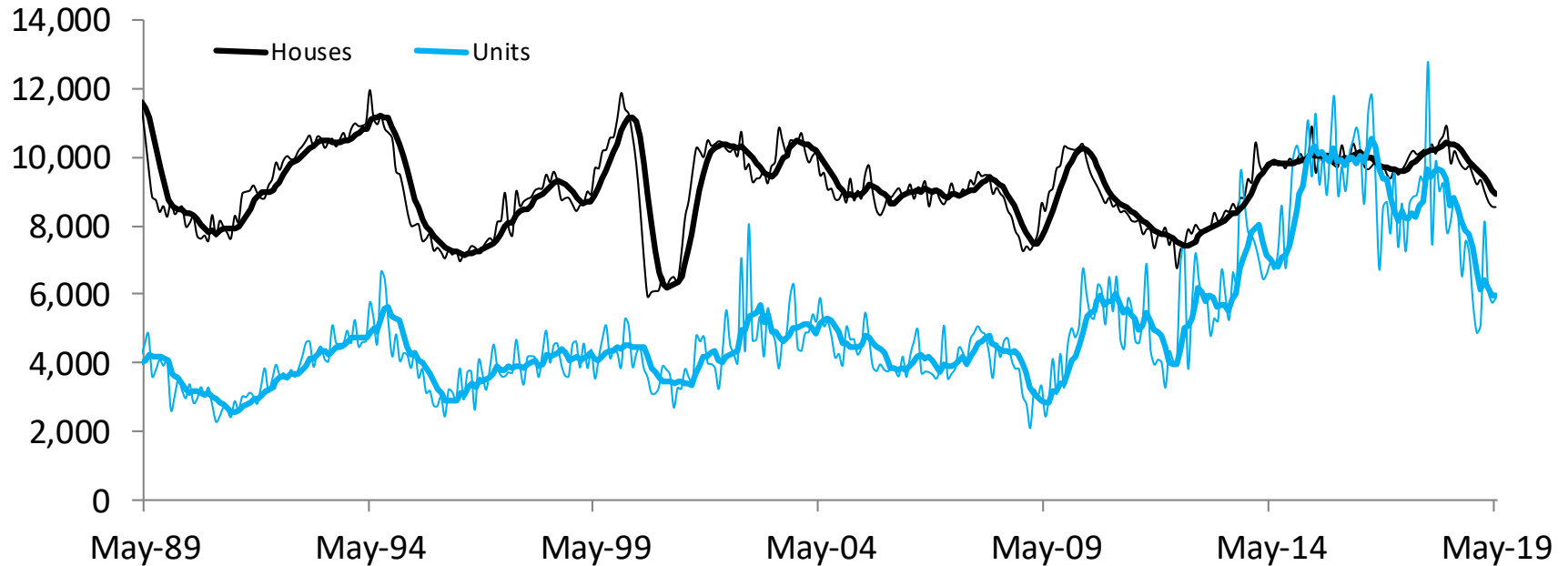
Annual change in population



Source: CoreLogic, ABS

Both house and unit approvals continue to trend lower, with larger falls in approved unit supply

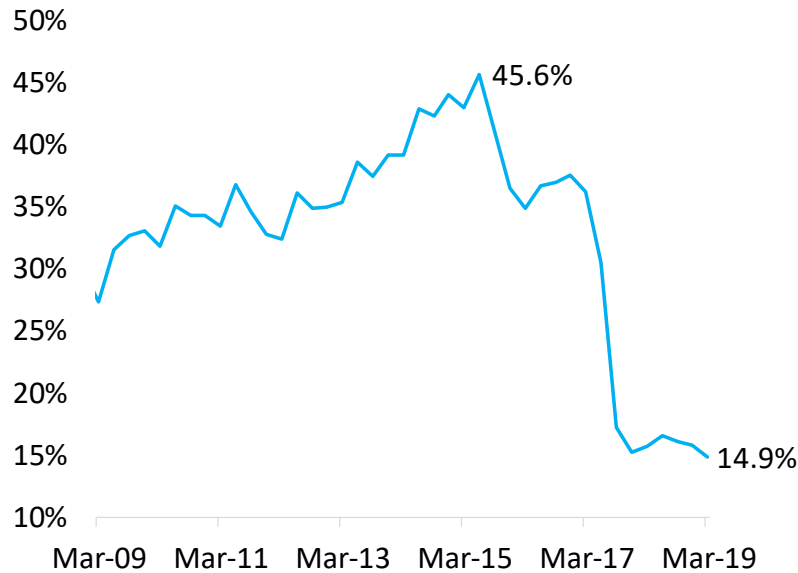
Number of dwellings approved for construction, National



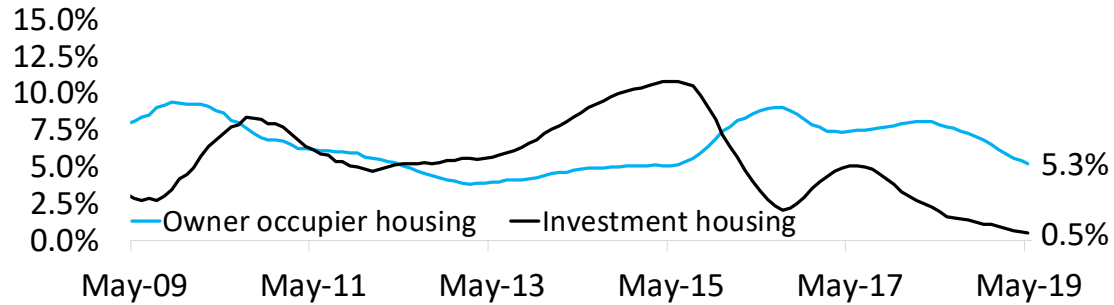
Source: CoreLogic, ABS

Housing credit is expanding at an historically slow pace, due in large to much tighter credit conditions

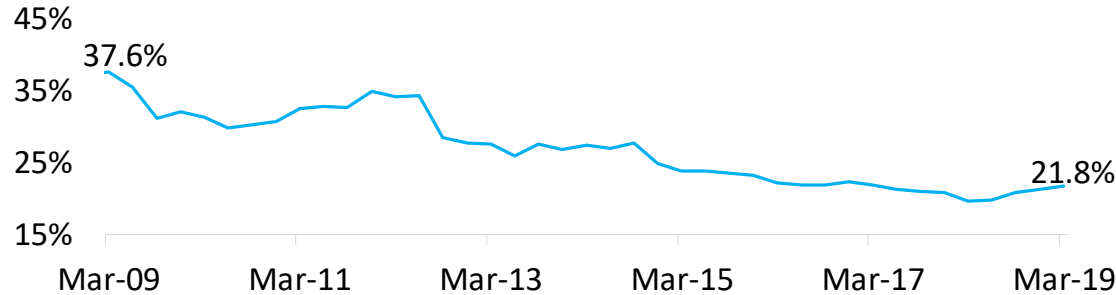
% of mortgages originated on interest-only terms



Annual change in credit, owner occupier v investor

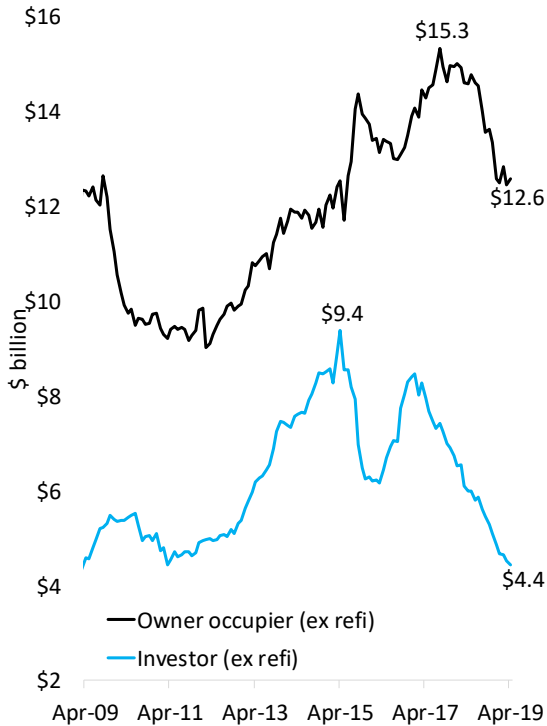


% of mortgages settled with an LVR 80%+

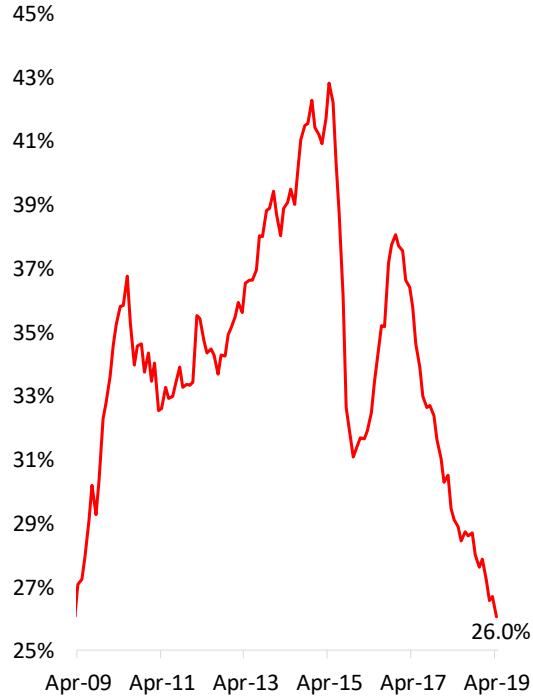


Source: CoreLogic, APRA, RBA

Monthly value of new housing finance commitments, National



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



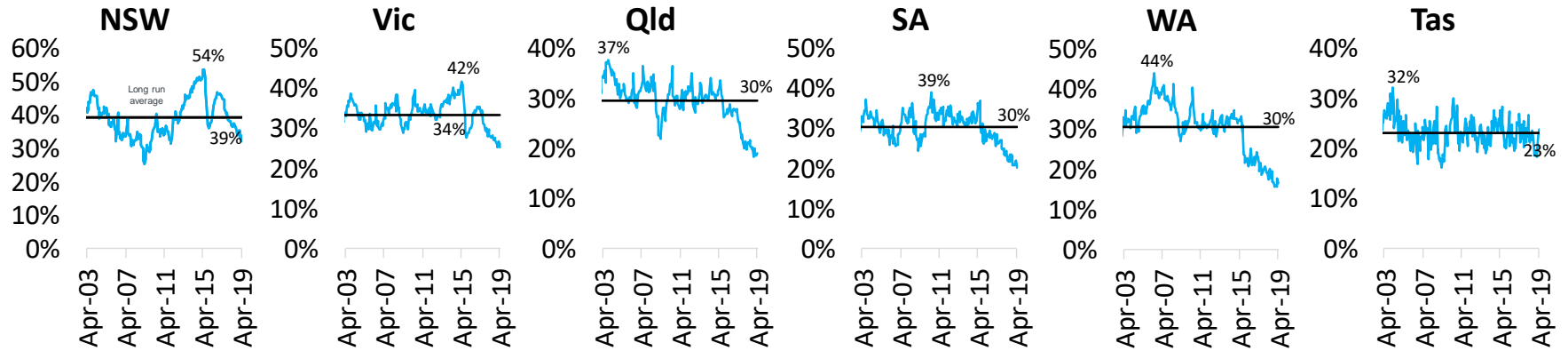
The slowdown in credit growth is mostly due to a sharp reduction in investment lending; down 26% over the past year and almost 53% lower relative to the 2015 peak.

More recently, owner occupier lending has dived sharply, down 14% over the past 12 months.

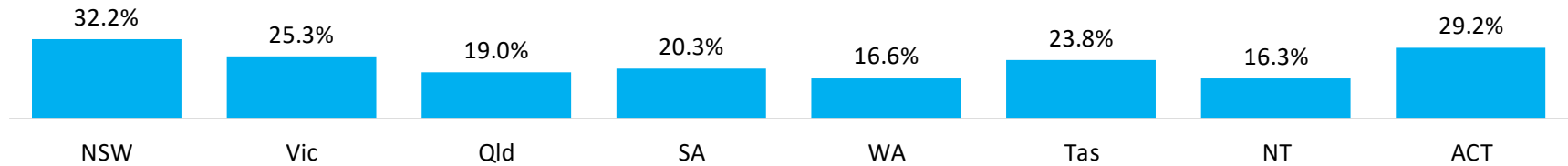
Source: CoreLogic, ABS

Investor activity has faded over the past couple of years in each state and territory

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



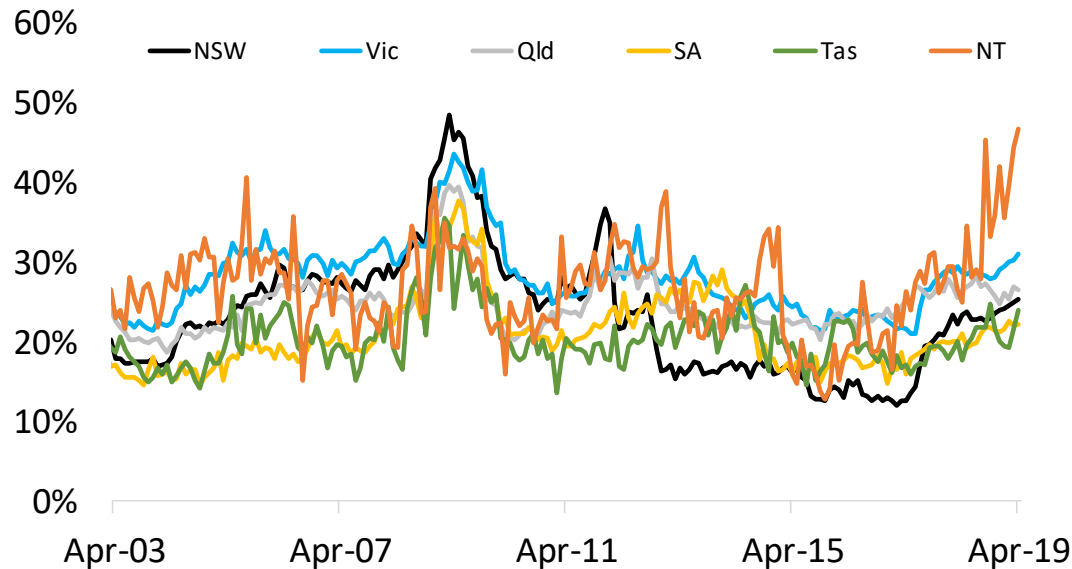
Investors as a % of total value of lending (excluding refinances) as at April 2019



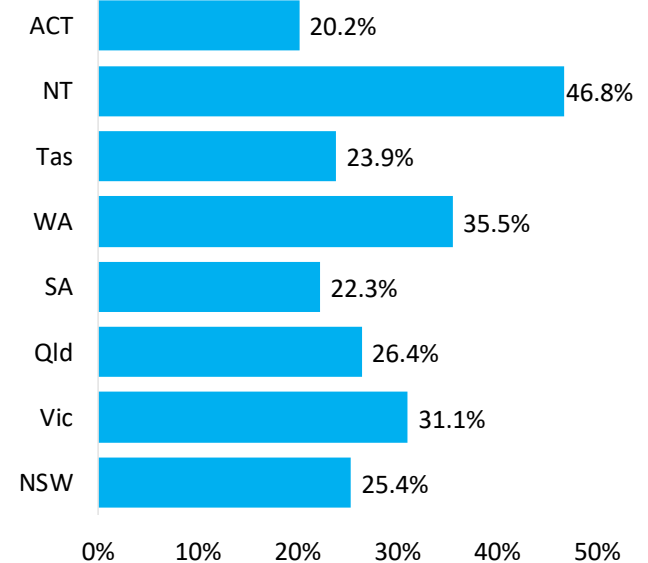
Source: CoreLogic, ABS

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

First home buyers as a % of all owner occupier housing finance commitments (excluding refi)



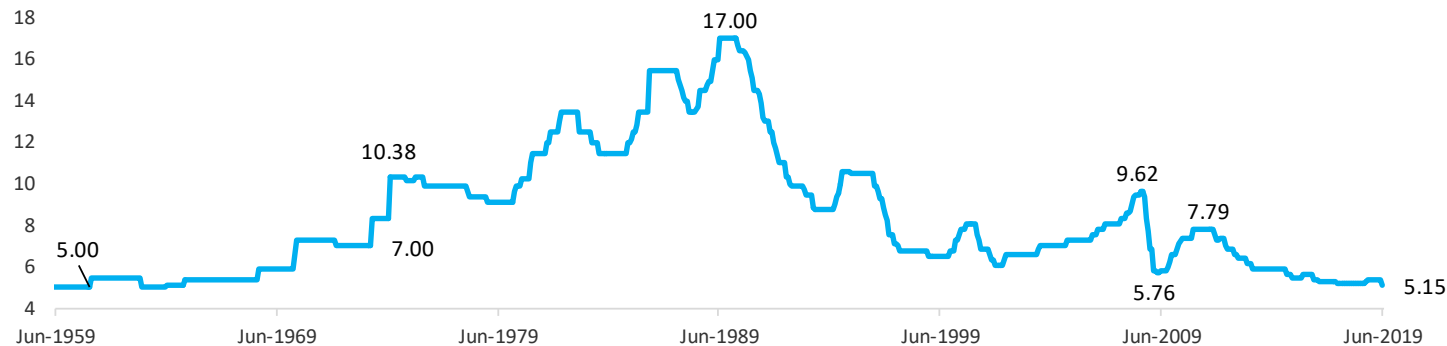
First home buyers as a % of all owner occupier housing finance commitments (exc refi), Apr 19



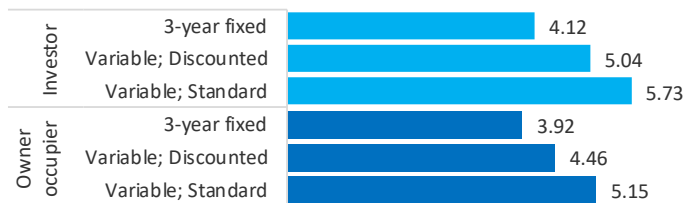
Source: CoreLogic, ABS

Following the 25 basis point cut to interest rates they sit at their lowest levels since the early 1960s

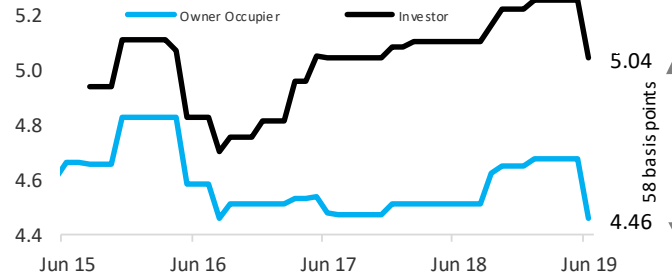
Standard variable mortgage rates over time



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



Investor mortgage rate premium



Source: CoreLogic, RBA

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