



Our Insights.  
Your Story.

Property market chart pack  
June 2019



# Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate  
**\$6.3 Trillion**
  -  Australian Superannuation  
**\$2.8 Trillion**
  -  Australian Listed Stocks  
**\$1.9 Trillion**
  -  Commercial Real Estate  
**\$980 Billion**
- As at the end of May 2019



**10.2 million**  
Number of dwellings



**\$1.82 trillion**  
Outstanding mortgage debt



**50.5%**  
Household wealth held in housing



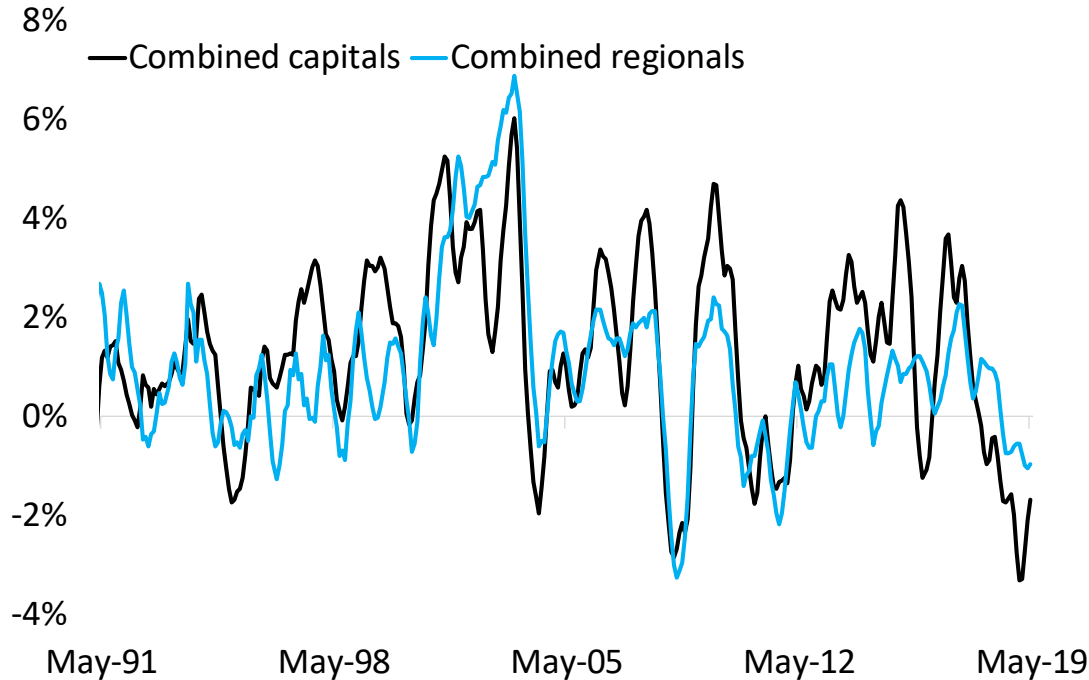
**418,496**  
Total sales p.a.



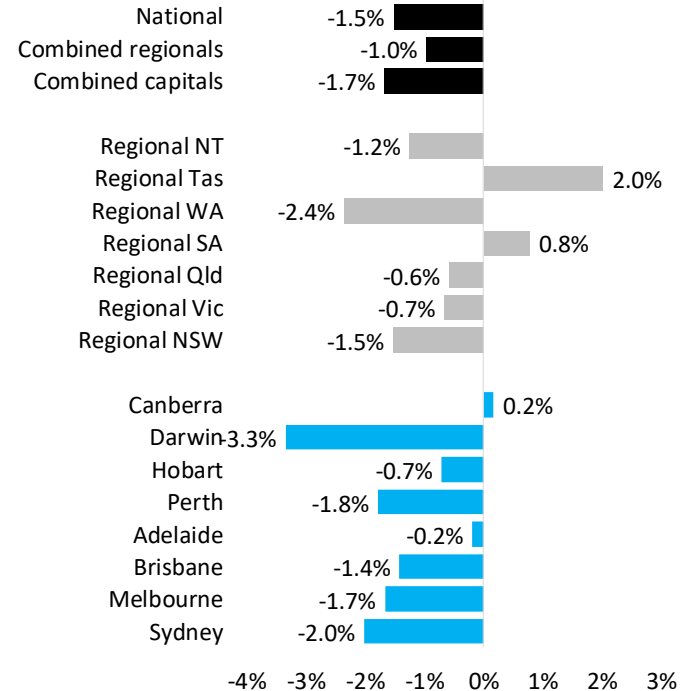
**\$253.7 billion**  
Gross value of sales p.a.

# The quarterly rate of decline has lost momentum over recent months

Quarterly change in dwelling values



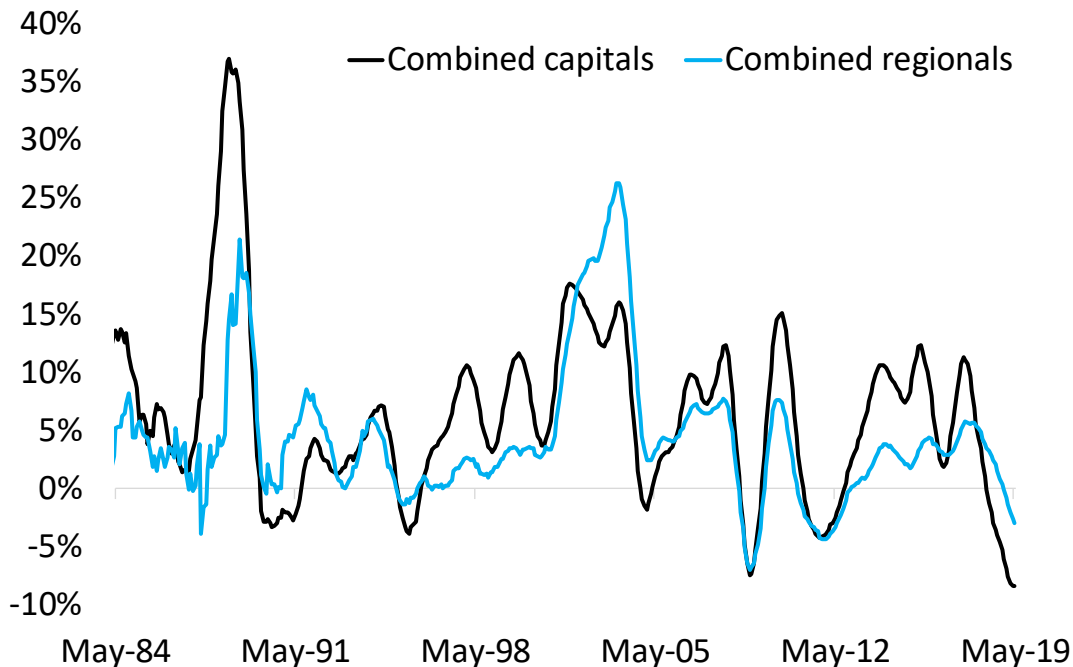
Quarterly change in dwelling values to May-19



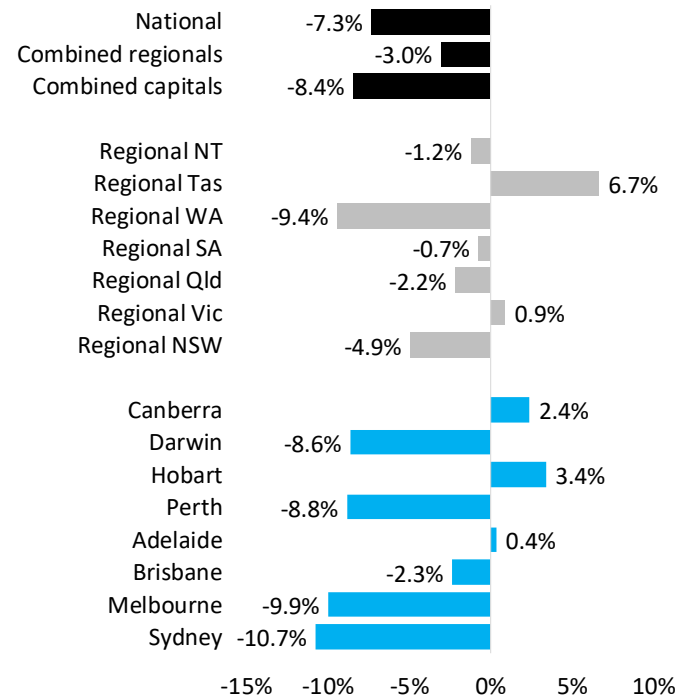
Source: CoreLogic

# The annual rate of decline in combined capital city values has increased and remains deeper than during the GFC

## Annual change in dwelling values



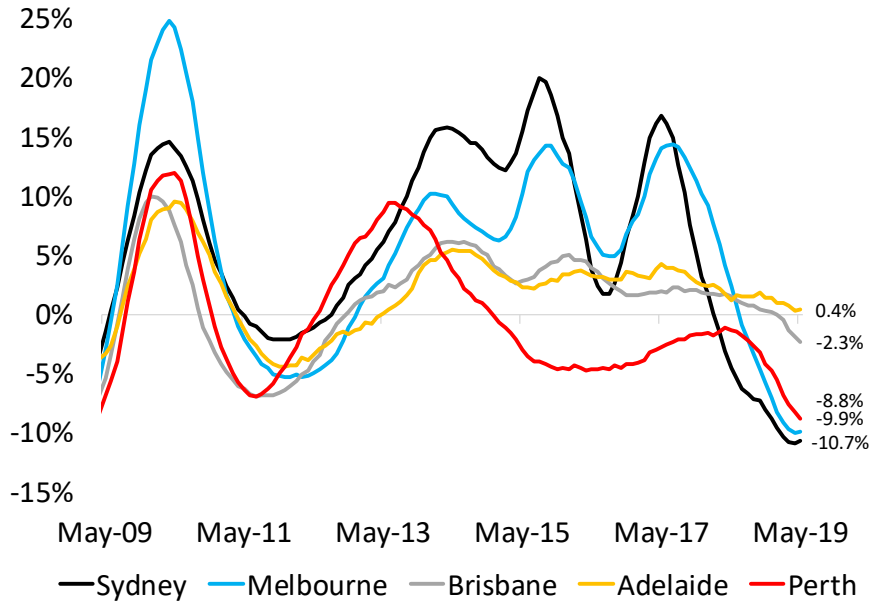
## Annual change in dwelling values to May-19



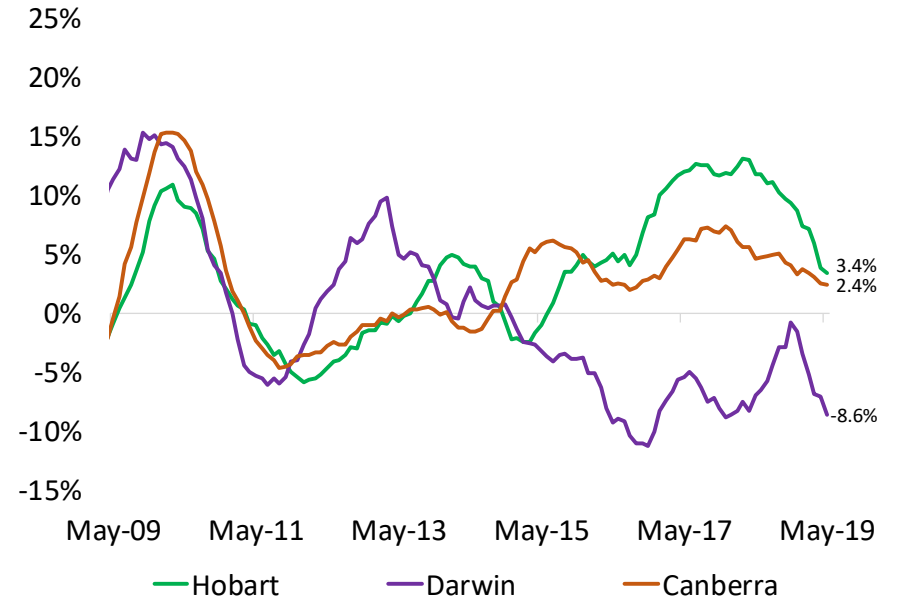
Source: CoreLogic

# The annual change in dwelling values highlights broad-based weakening in housing market conditions

Annual change in dwelling values



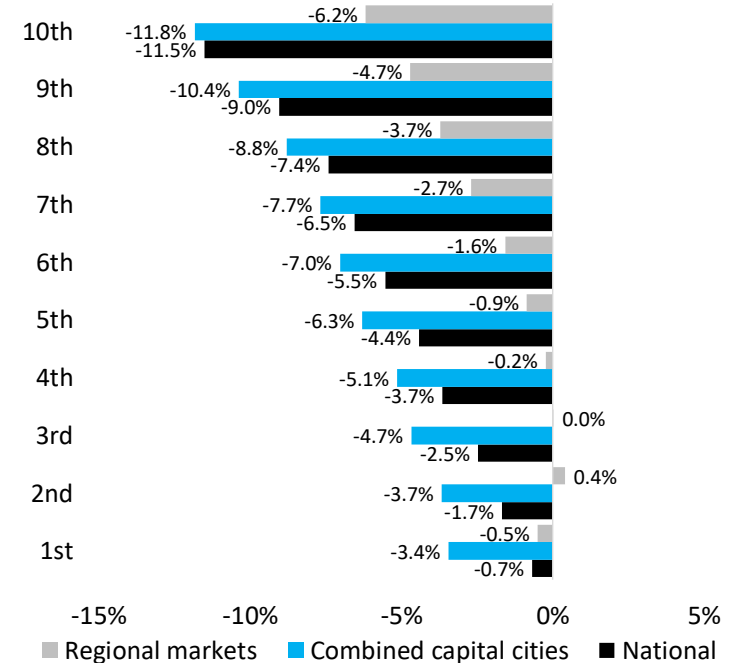
Annual change in dwelling values



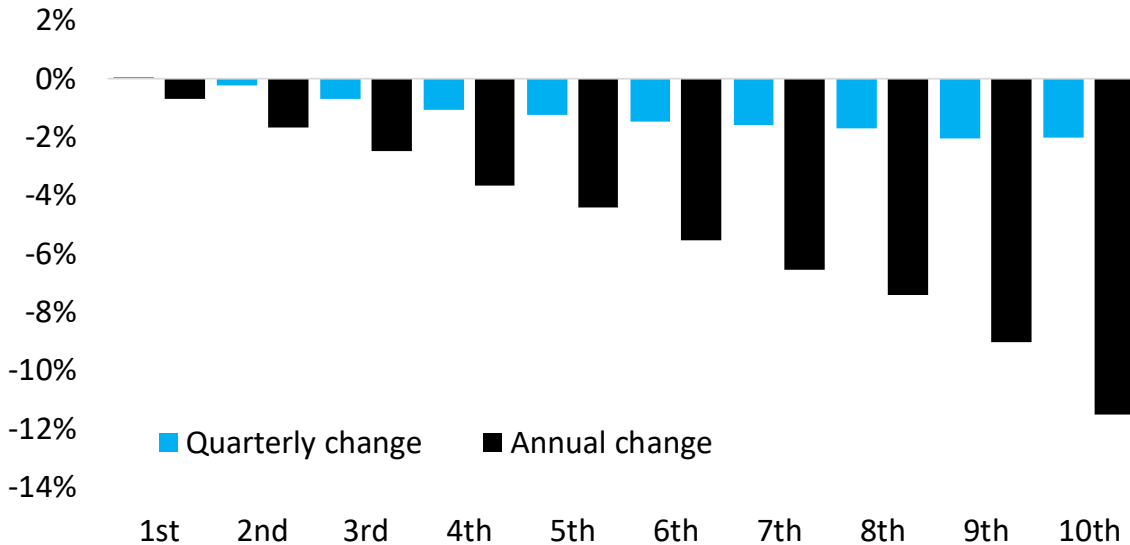
Source: CoreLogic

# Premium dwelling values continue to record much larger value falls than those of more affordable housing

## Annual change in dwelling values by decile, May-19

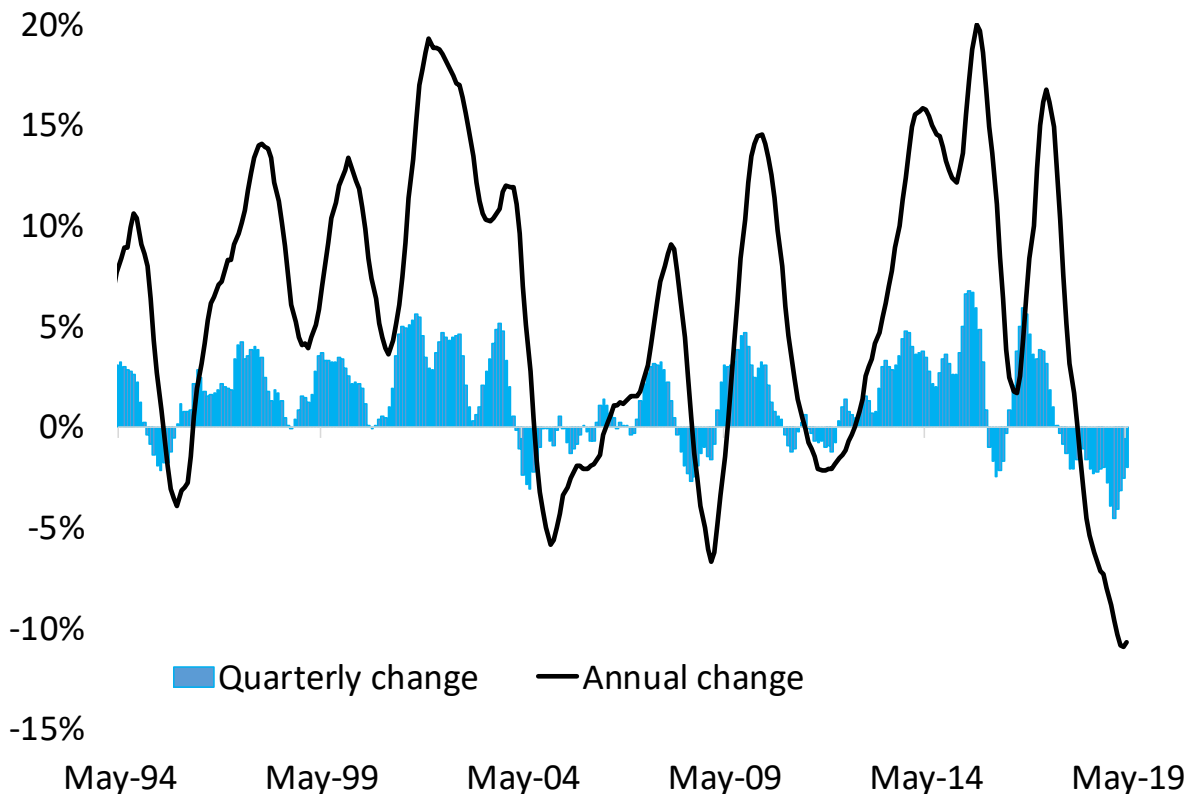


## Quarterly and annual change in dwelling values by deciles, National as at May 2019



Source: CoreLogic

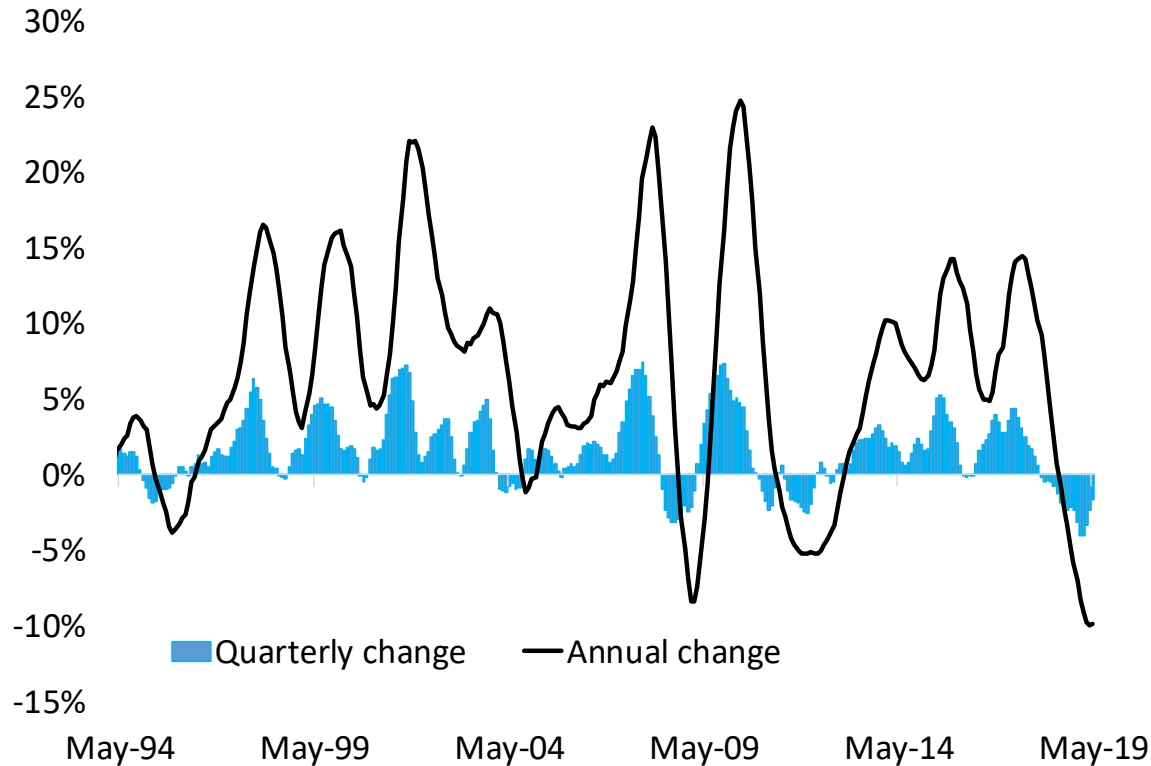
## Quarterly and annual change in dwelling values - Sydney



Sydney dwelling values have fallen by **-2.0%** over the three months to May 2019 and they are **-10.7%** lower over the past year. Sydney dwelling values are now **-14.9%** lower than their July 2017 peak.



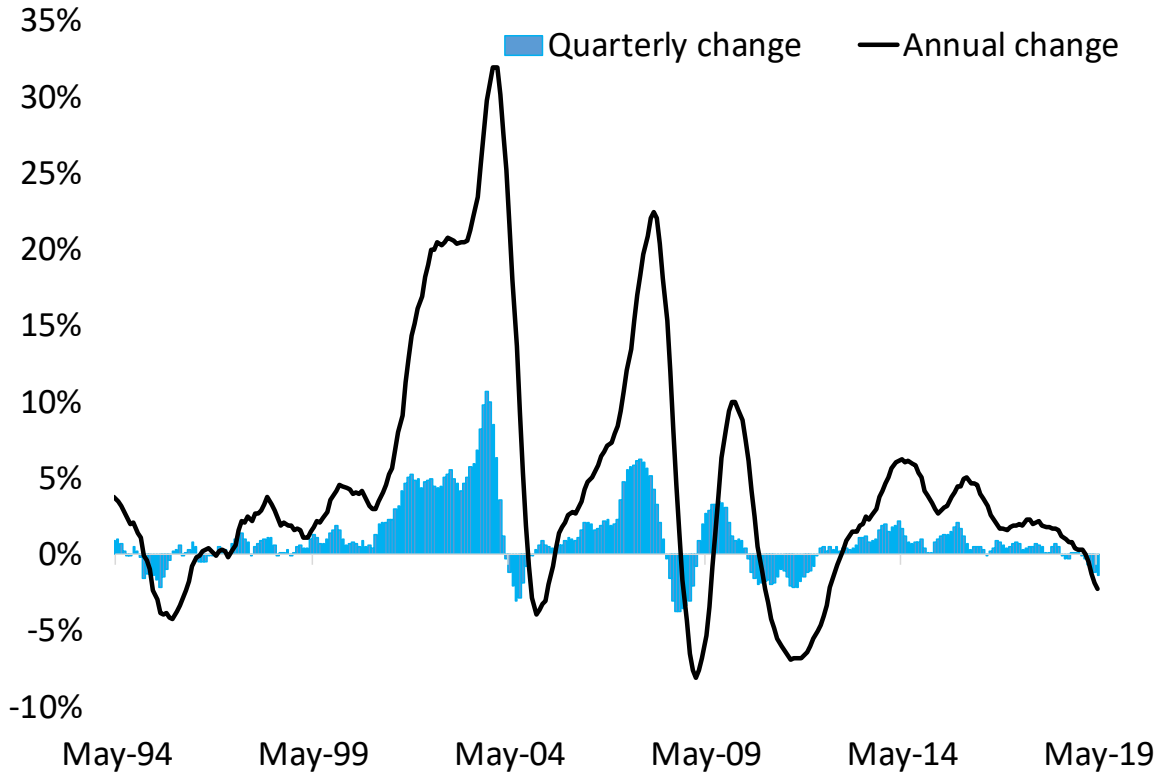
## Quarterly and annual change in dwelling values - Melbourne



Dwelling values in Melbourne have fallen by **-1.7%** over the 3 months to May 2019 and they are **-9.9%** lower over the past year. Values in Melbourne have now fallen by **-11.1%** since they peaked in November 2017.

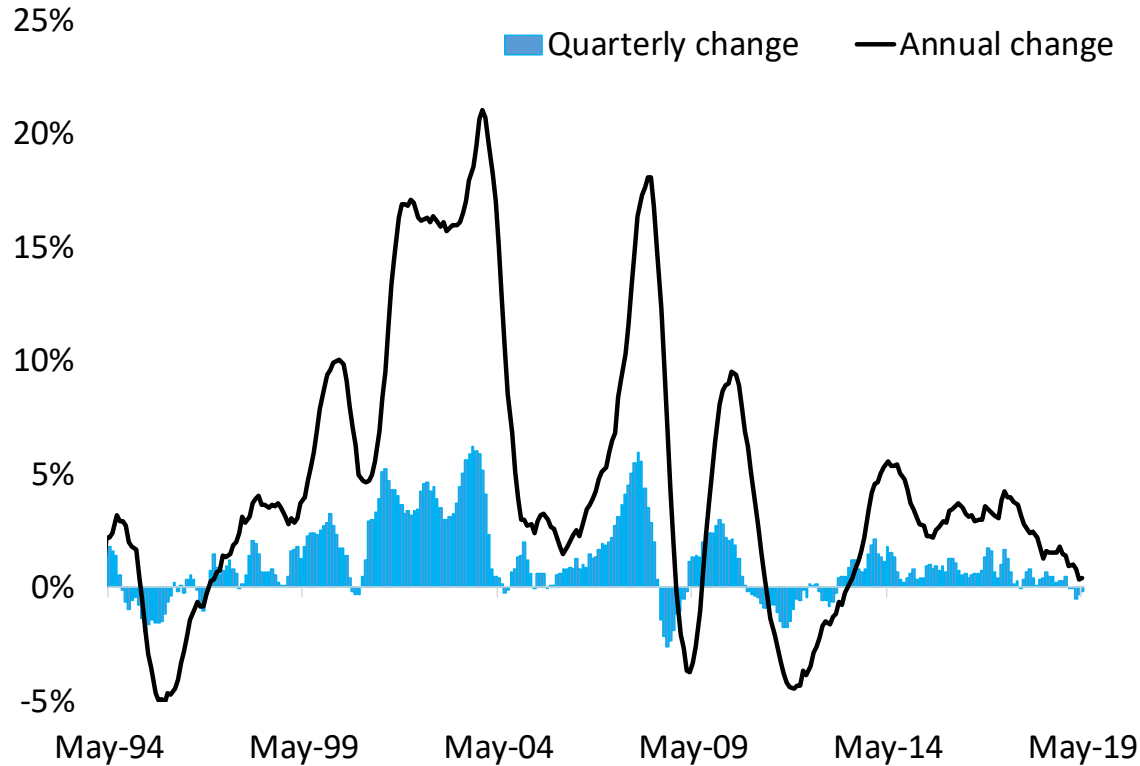


## Quarterly and annual change in dwelling values - Brisbane



Brisbane home values fell **-1.4%** over the three months to May 2019 and they were **-2.3%** lower than a year ago. Brisbane dwelling values have now fallen by **-2.4%** since their peak in April 2018.

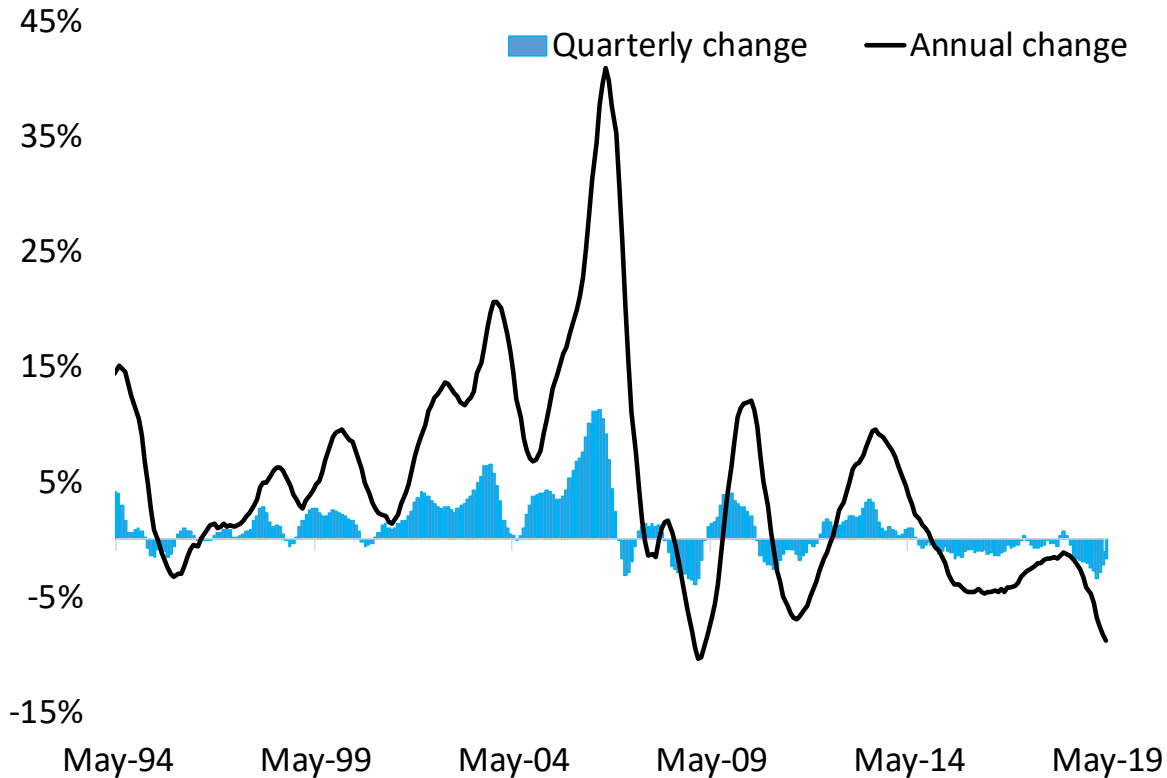
## Quarterly and annual change in dwelling values - Adelaide



Dwelling values in Adelaide fell by **-0.2%** over the three months to May 2019 however, they are **0.4%** higher over the past year. Adelaide dwelling values peaked in December 2018 and have since fallen by **-0.5%**.

Source: CoreLogic

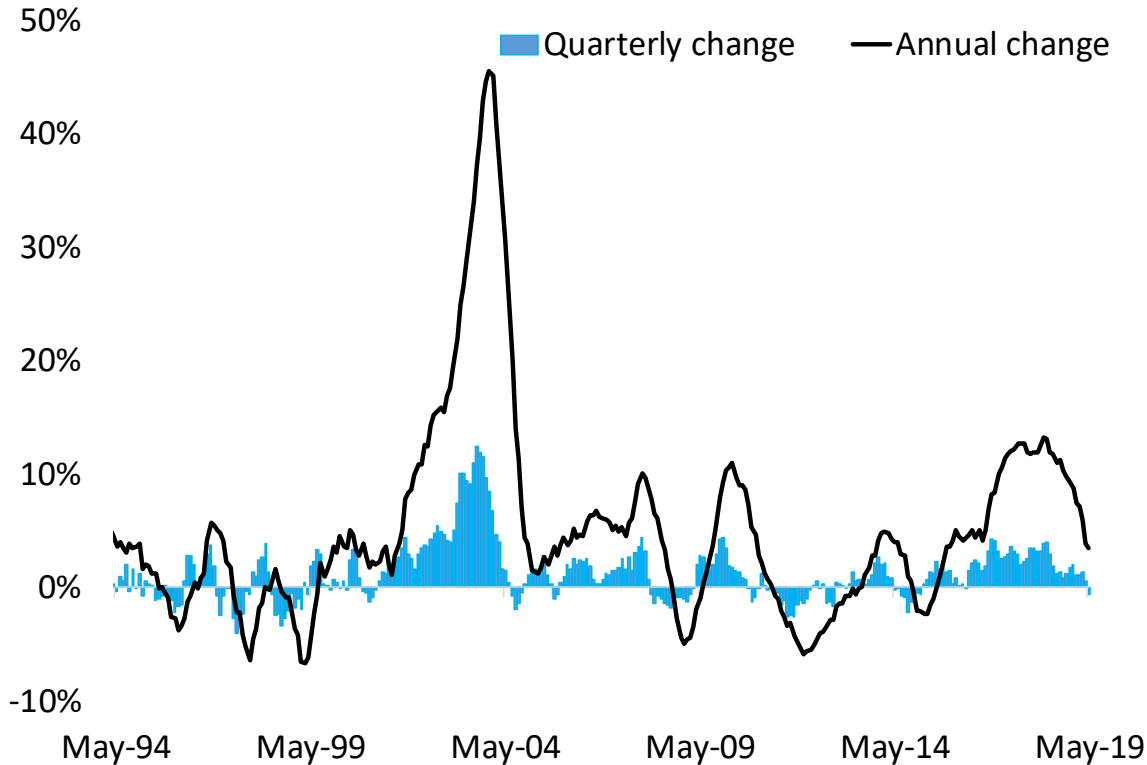
## Quarterly and annual change in dwelling values - Perth



Perth dwelling values fell by **-1.8%** over the three months to May 2019 and they are **-8.8%** lower over the past year. Dwelling values in Perth are now **-19.2%** lower than they were at their peak in June 2014.

Source: CoreLogic

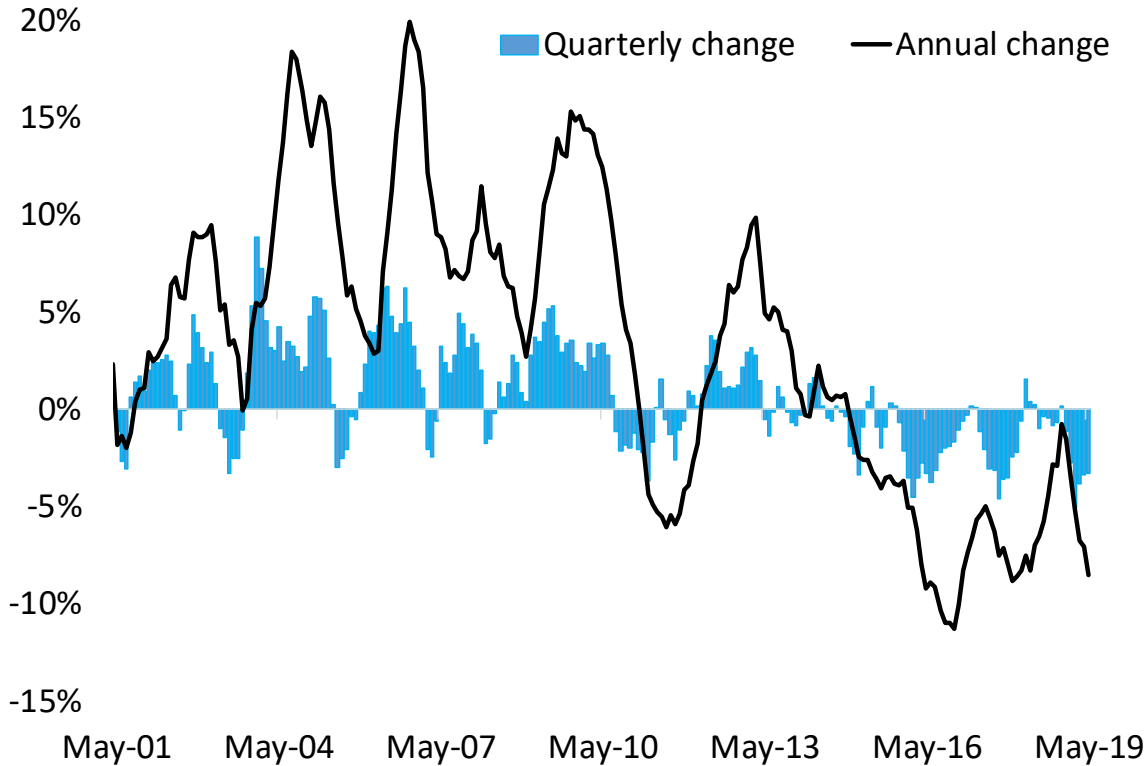
## Quarterly and annual change in dwelling values - Hobart



Dwelling values in Hobart fell **-0.7%** over the 3 months to May 2019 however, they are **3.4%** higher over the past year. Hobart dwelling values have now fallen by **-1.3%** since their peak in March 2019.

Source: CoreLogic

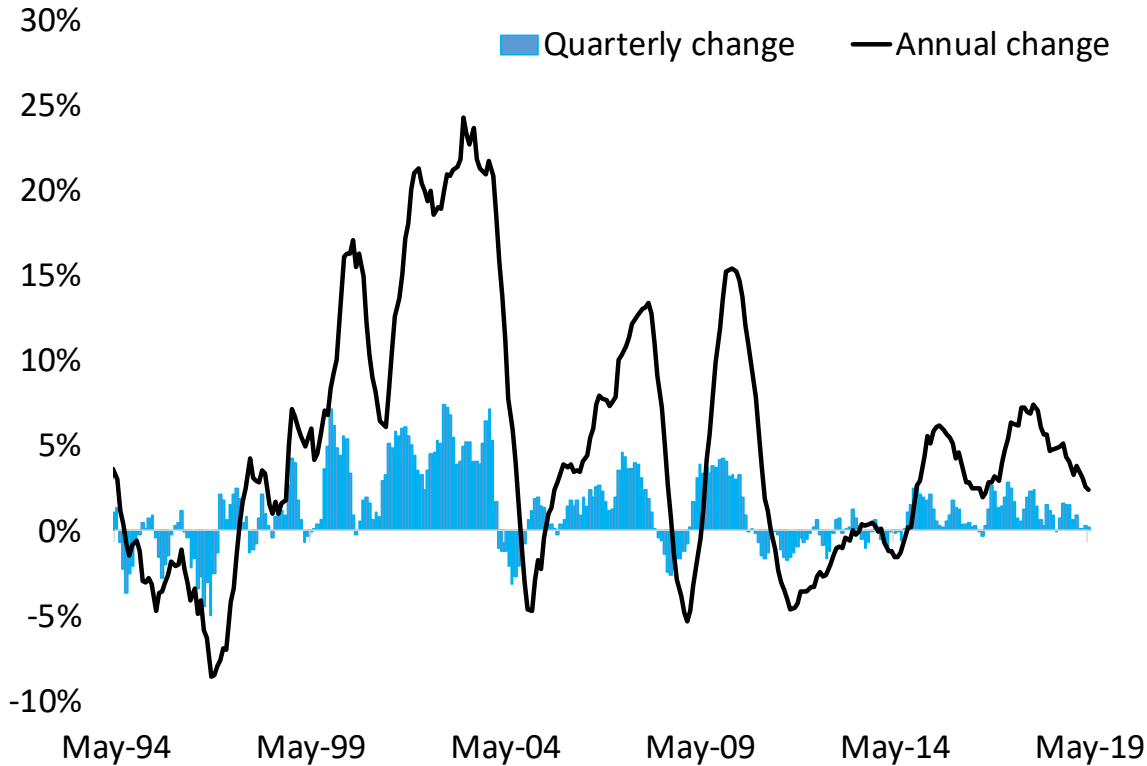
## Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by **-3.3%** over the three months to May 2019 and they are **-8.6%** lower over the past year. Dwelling values in Darwin are currently **-29.5%** lower than their historic peak.

Source: CoreLogic

## Quarterly and annual change in dwelling values - Canberra

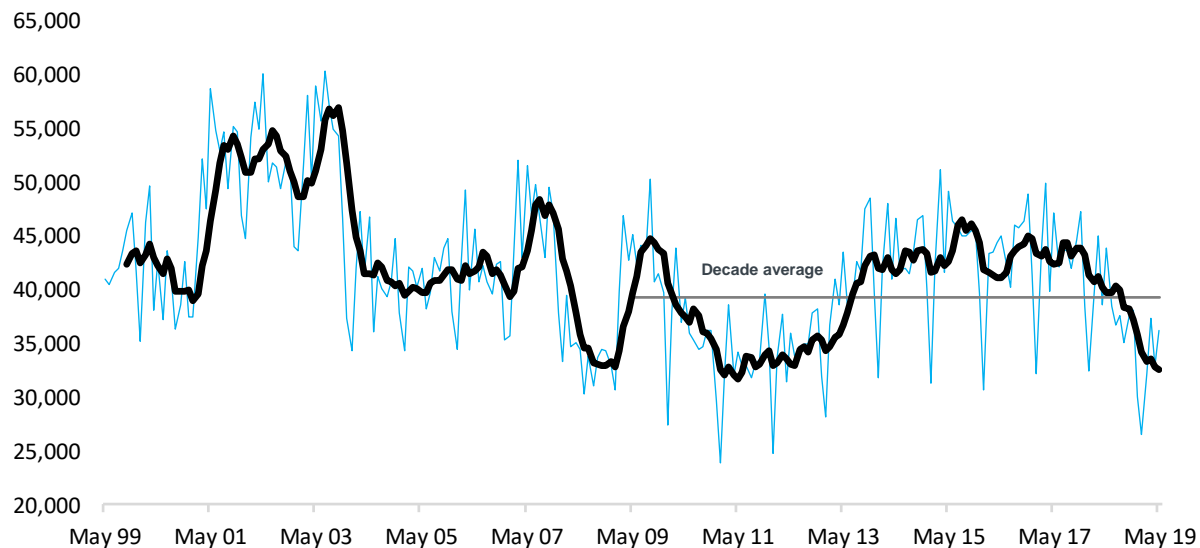


Dwelling values in Canberra increased **0.2%** over the three months to May 2019 and they are **2.4%** higher over the past year. House values have increased by **3.4%** over the year while unit values fell **-1.1%**.

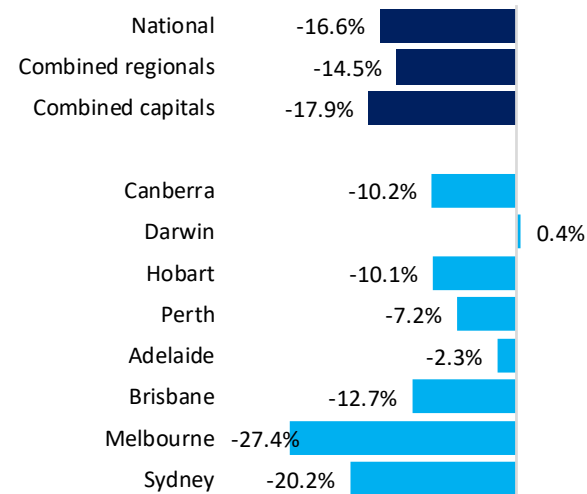
Source: CoreLogic

# Transaction numbers remain lower than a year ago and well below the decade average due to significant falls in settled transactions across Australia's two largest cities

## Monthly sales with six month moving average, National



## Year on year change in settled sales



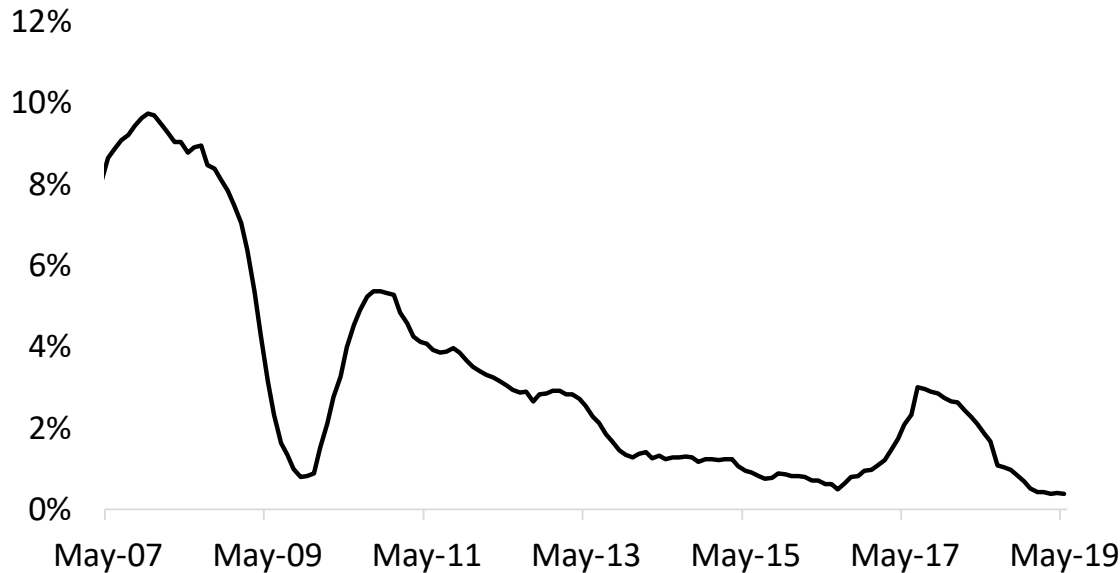
Note the sales volumes are modelled based on historic levels of revision however, they are still subject to revision. Furthermore, sales volumes do not account for off-the-plan purchases which upon completion are counted as sales at their contract date.

Source: CoreLogic

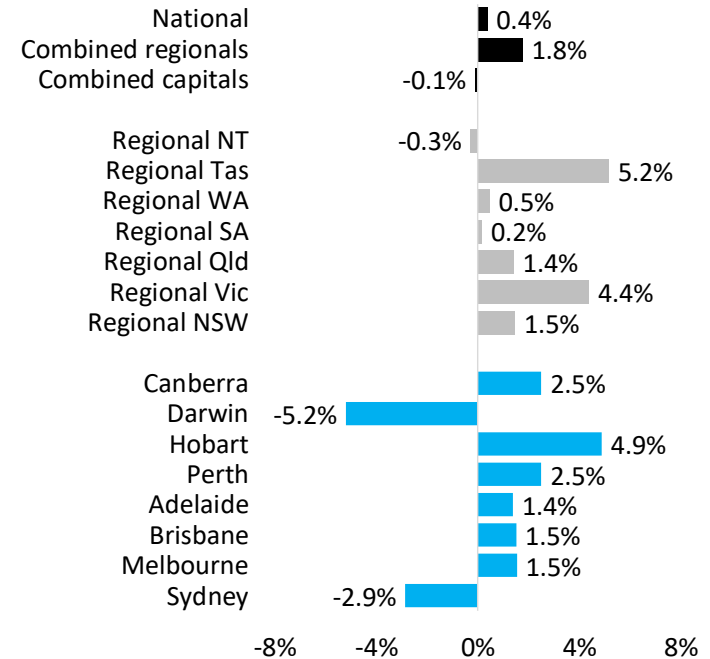


# Rental growth continues to slow, largely due to falls in Sydney and slowing rental growth elsewhere

Annual change in dwelling rents, National



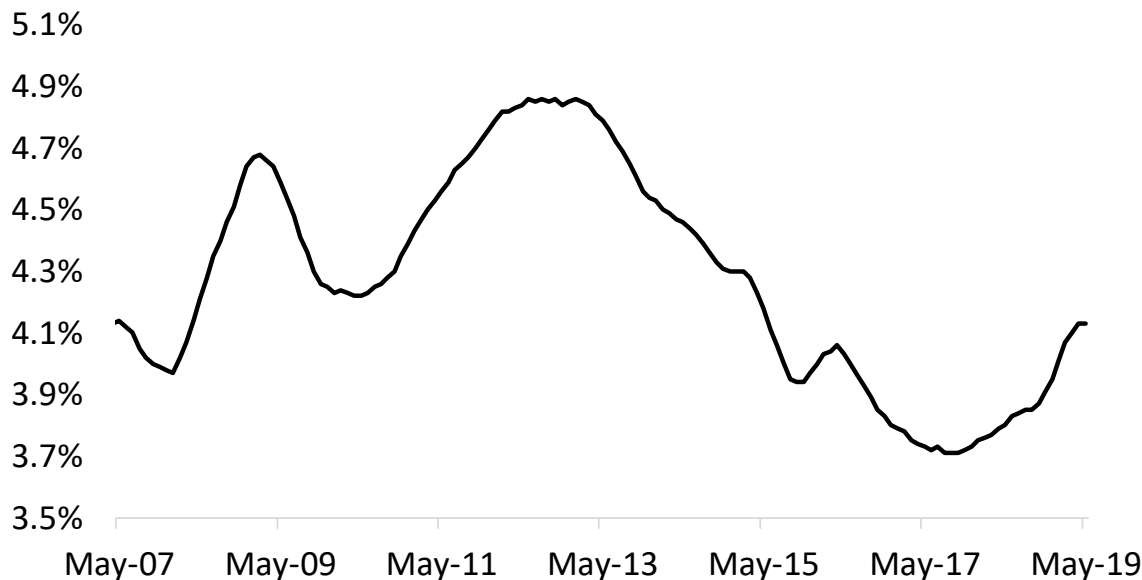
Annual change in dwelling rents to May-19



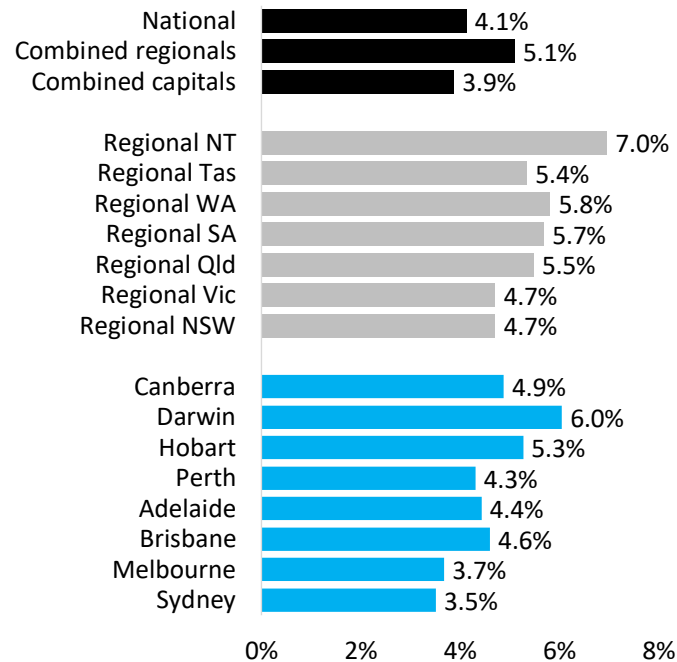
Source: CoreLogic

With rental growth typically stronger than value growth, gross rental yields are rising fairly rapidly from their recent historic lows

Gross rental yields, National



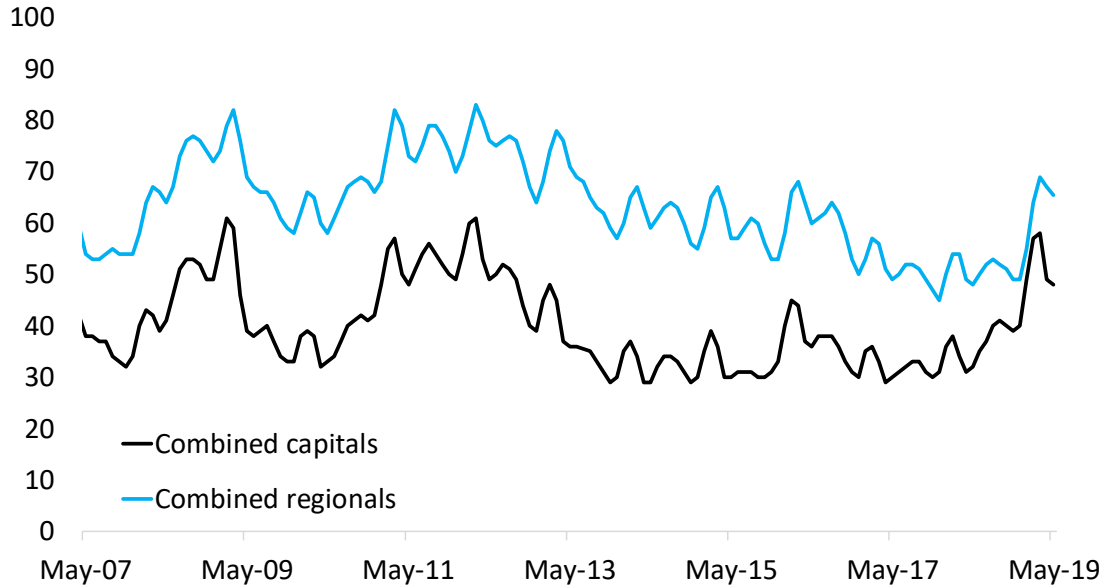
Gross rental yields as at May-19



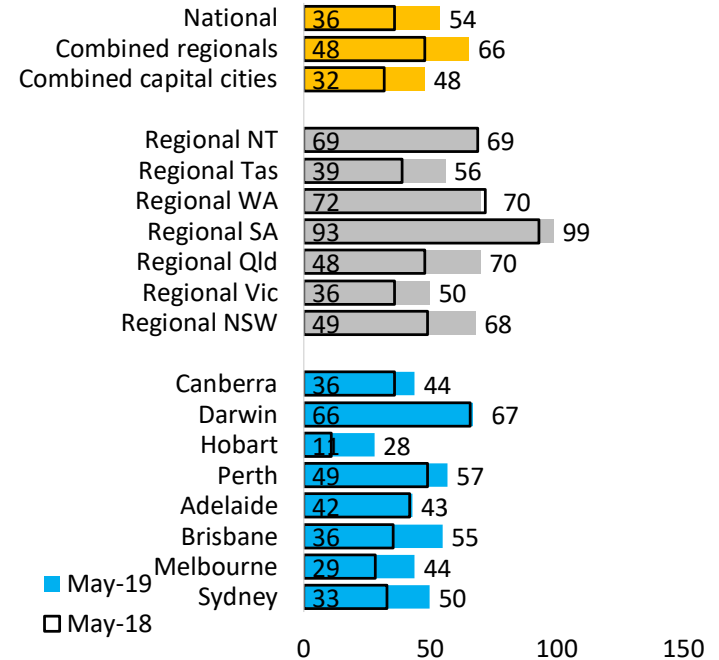
Source: CoreLogic

# The time it takes to sell a property has trended lower over the past two months as stock on market has begun to moderate

## Median days on market



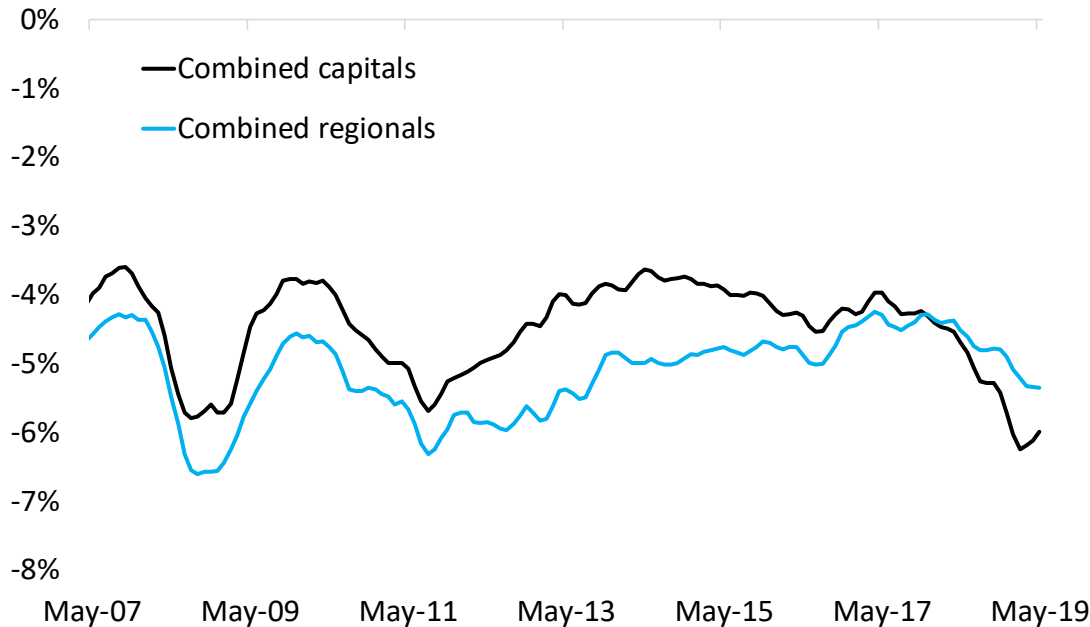
## Median days on market May-18 vs May-19



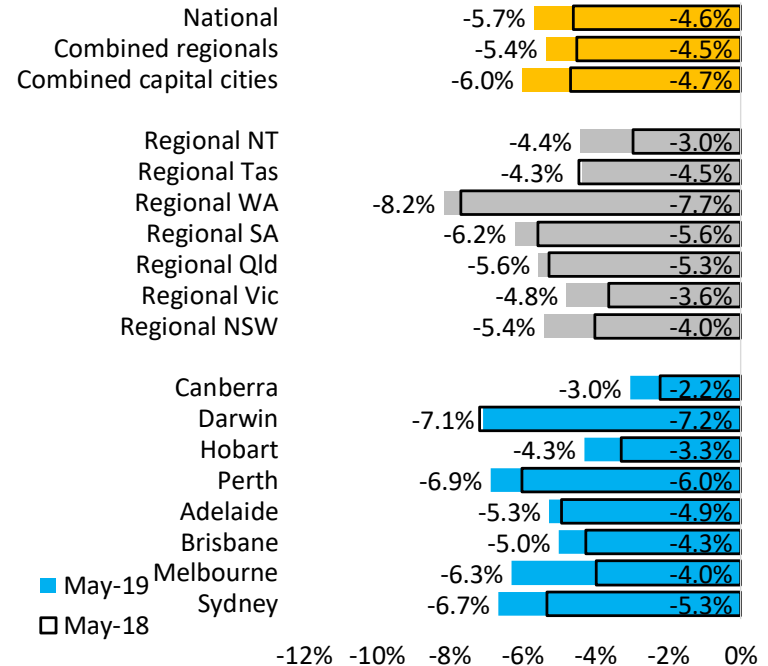
Source: CoreLogic

# As the housing market weakens, vendors are having to offer larger discounts in order to secure a sale

## Median vendor discount



## Median vendor discount May-18 vs May-19



Source: CoreLogic

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

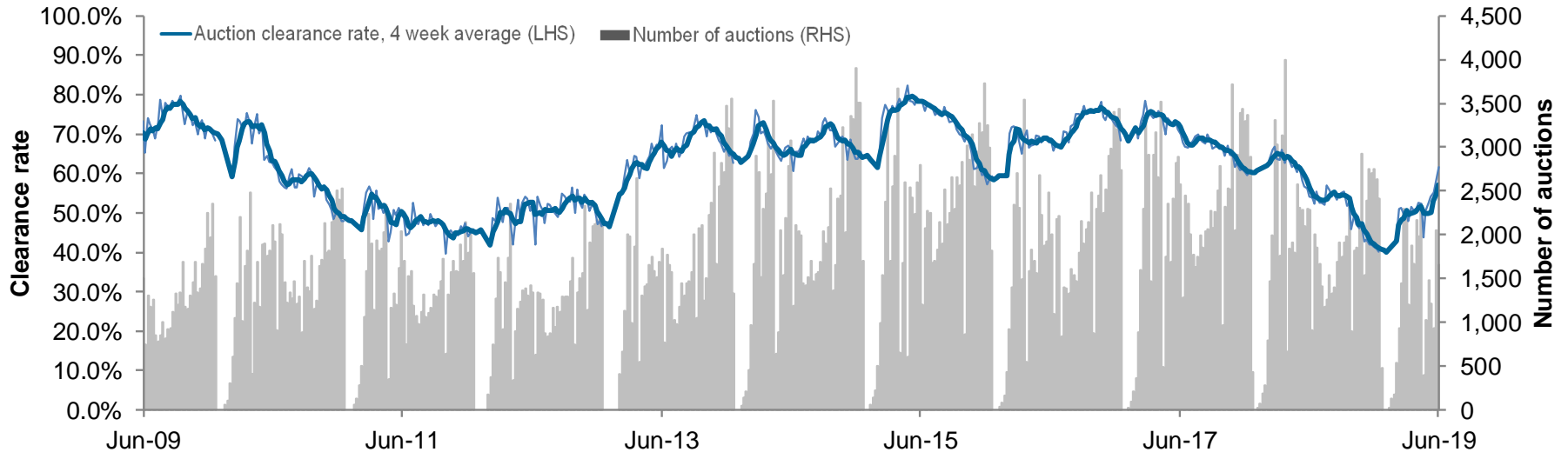
### Number of new and total properties advertised for sale, 28 days to 2 June 2019

| 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                   | 4,776              | -25.5%            | 26,757               | -0.2%             | NSW             | 8,763              | -20.8%            | 52,693               | 5.7%              |
| Melbourne                | 5,455              | -24.6%            | 33,903               | 9.9%              | Vic             | 7,977              | -21.2%            | 51,101               | 6.3%              |
| Brisbane                 | 3,516              | -9.2%             | 21,167               | 7.1%              | Qld             | 8,100              | -9.2%             | 63,384               | 1.6%              |
| Adelaide                 | 1,826              | 3.3%              | 8,808                | 7.8%              | SA              | 2,505              | 2.2%              | 17,585               | 2.2%              |
| Perth                    | 2,928              | -17.2%            | 20,612               | -3.2%             | WA              | 4,016              | -17.9%            | 33,385               | -4.2%             |
| Hobart                   | 363                | 9.7%              | 1,272                | 24.3%             | Tas             | 852                | -13.1%            | 4,886                | -4.2%             |
| Darwin                   | 149                | 4.9%              | 1,436                | 2.1%              | NT              | 211                | 7.7%              | 2,074                | 3.6%              |
| Canberra                 | 471                | -18.1%            | 2,319                | 16.5%             | ACT             | 481                | -18.2%            | 2,418                | 17.2%             |
| <b>Combined capitals</b> | <b>19,484</b>      | <b>-18.4%</b>     | <b>116,274</b>       | <b>4.5%</b>       | <b>National</b> | <b>32,905</b>      | <b>-16.1%</b>     | <b>227,526</b>       | <b>2.7%</b>       |

Source: CoreLogic

# Auction clearance rates have been stronger relative to late 2018 and have increased further since the Federal election

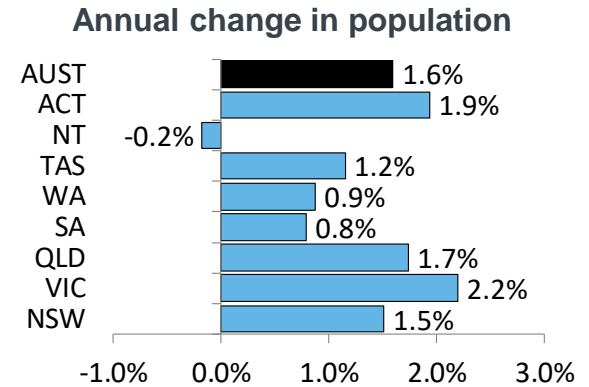
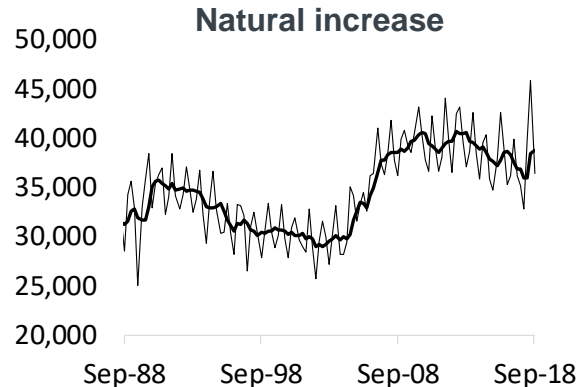
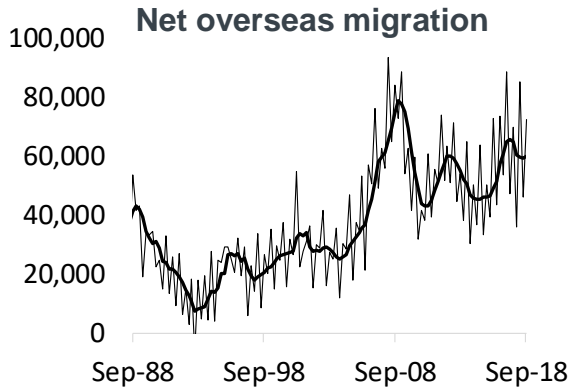
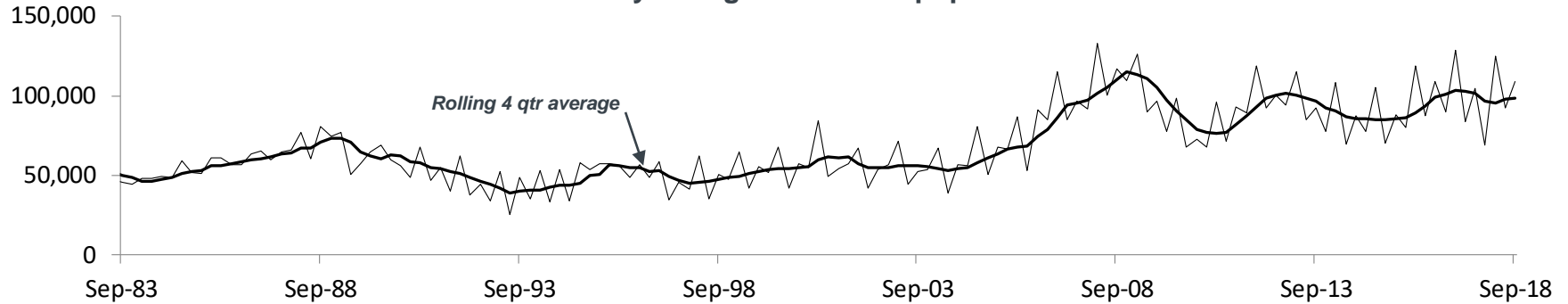
## Weekly clearance rate, combined capital cities



Source: CoreLogic

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

Quarterly change in national population

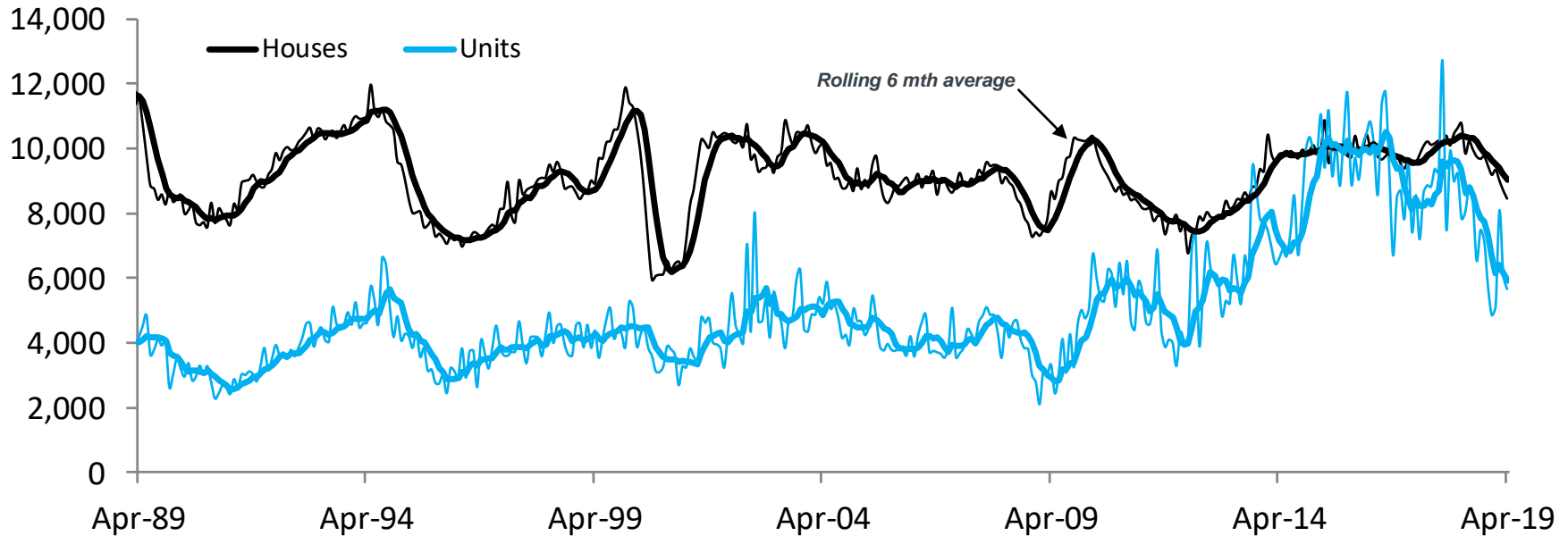


Source: CoreLogic, ABS



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

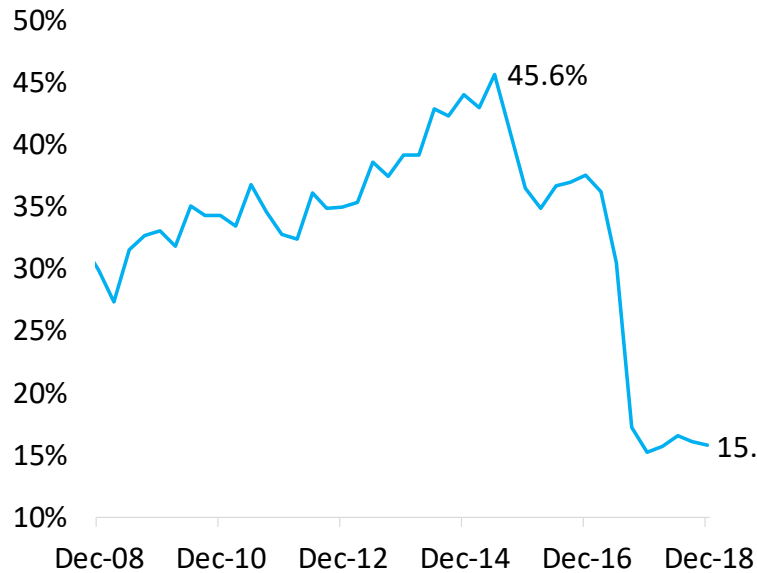
## Number of dwellings approved for construction, National



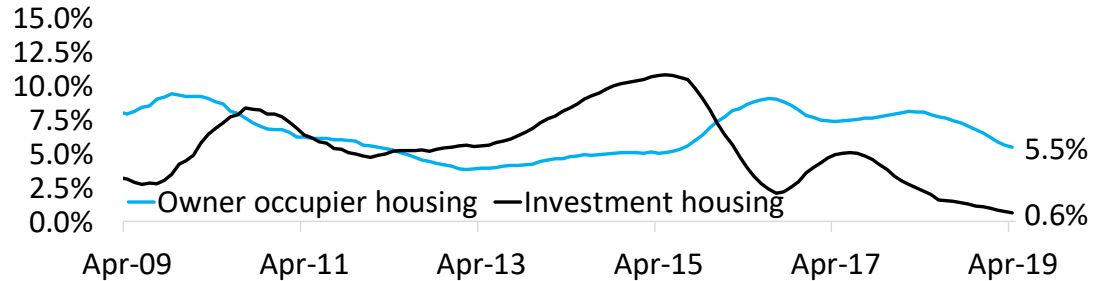
Source: CoreLogic, ABS

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

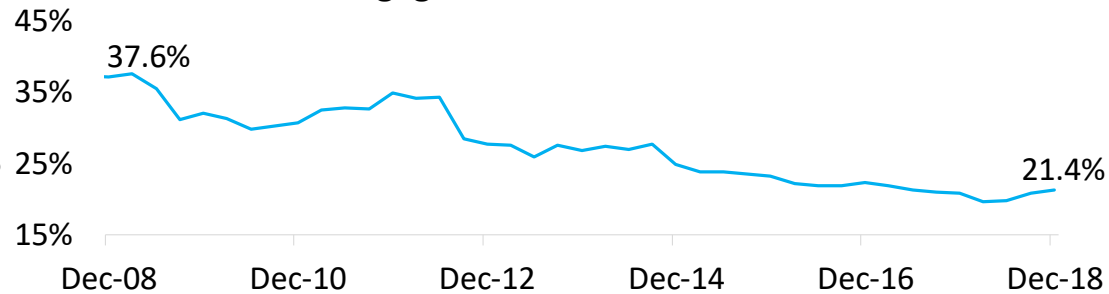
% of mortgages originated on interest-only terms



Annual change in credit, owner occupier v investor

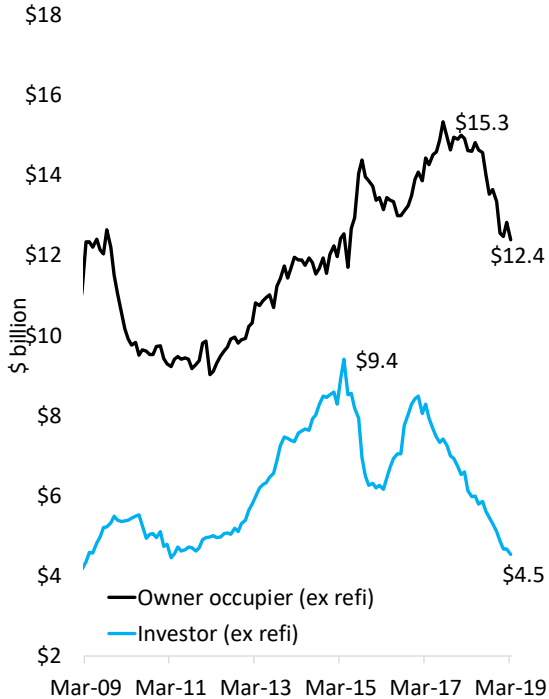


% of mortgages settled with an LVR 80%+

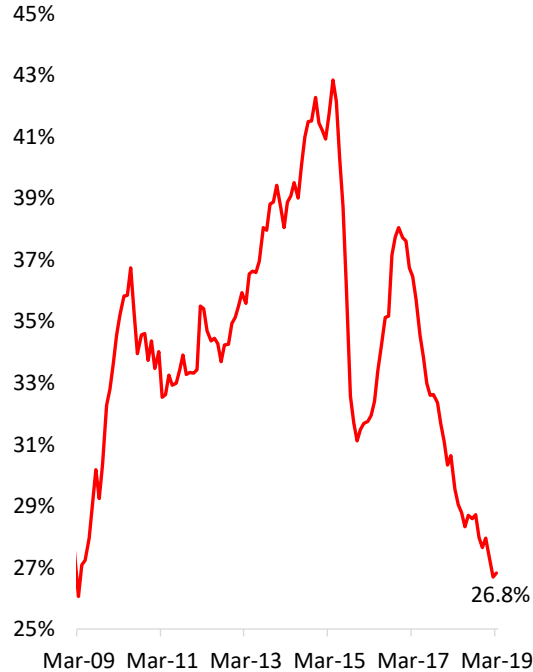


Source: CoreLogic, APRA, RBA

Monthly value of new housing finance commitments, National



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



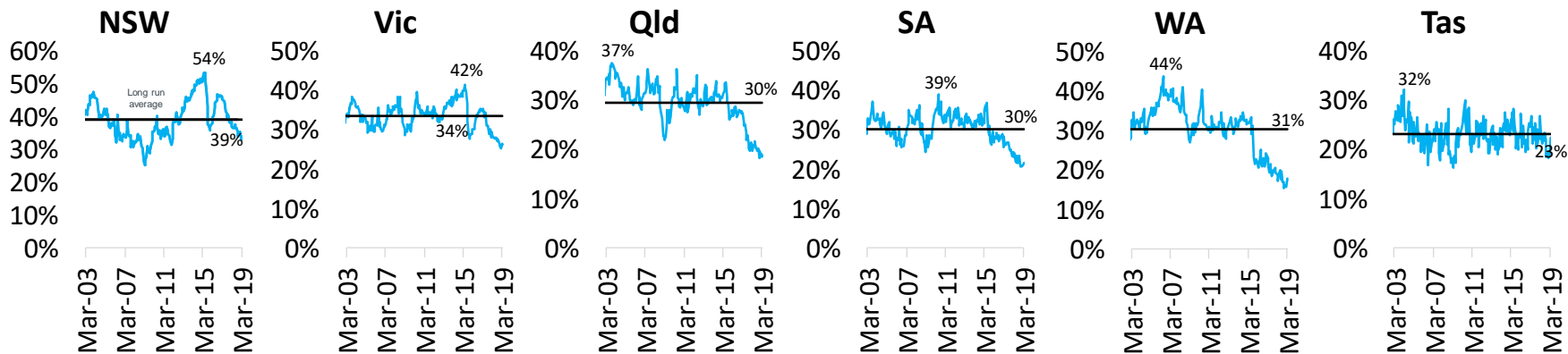
The slowdown in credit growth is mostly due to a sharp reduction in investment lending; down 26% over the past year and almost 52% lower relative to the 2015 peak.

More recently, owner occupier lending has dived sharply, down 15% over the past 12 months.

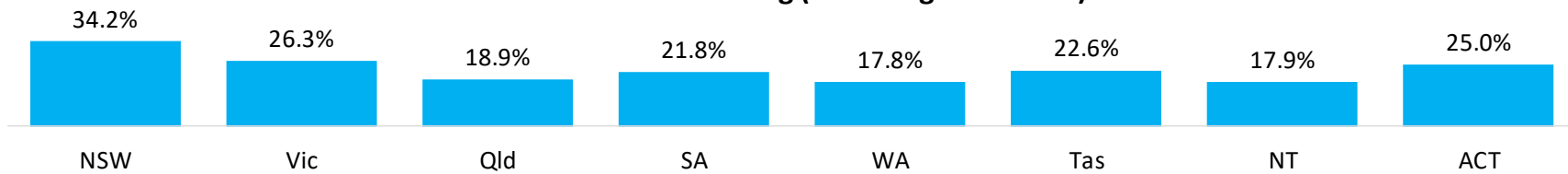
Source: CoreLogic, ABS

# 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)



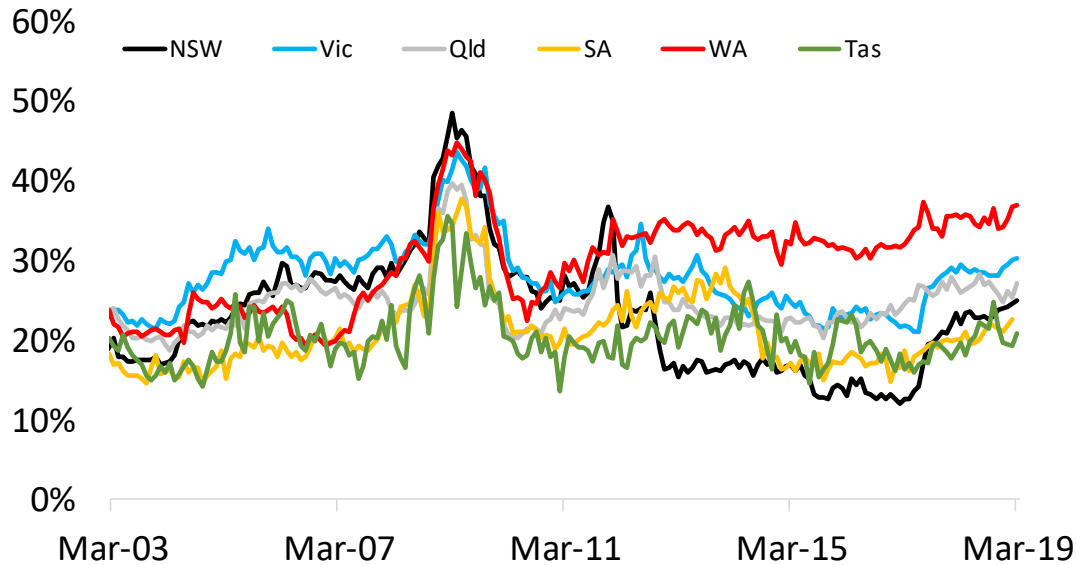
Investors as a % of total value of lending (excluding refinances) as at March 2019



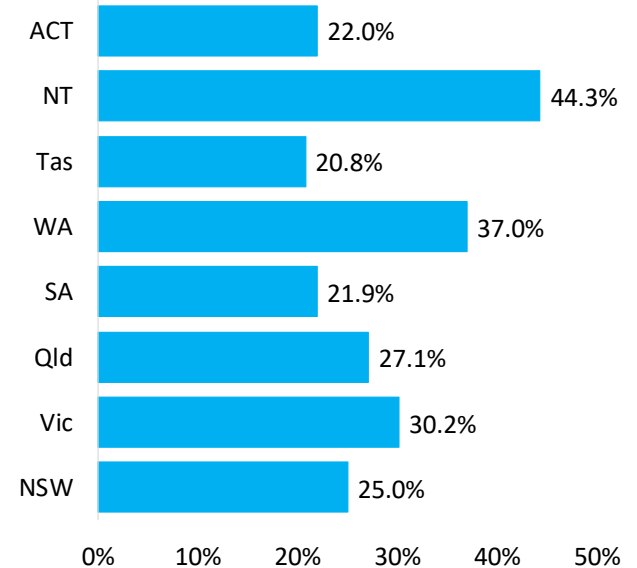
Source: CoreLogic, ABS

First home buyers have been a key source of housing demand recently 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)



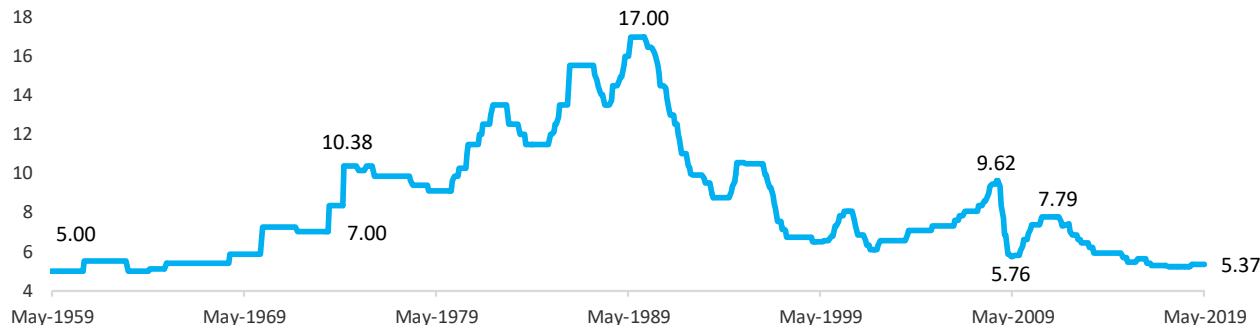
First home buyers as a % of all owner occupier housing finance commitments (exc refi), Mar 19



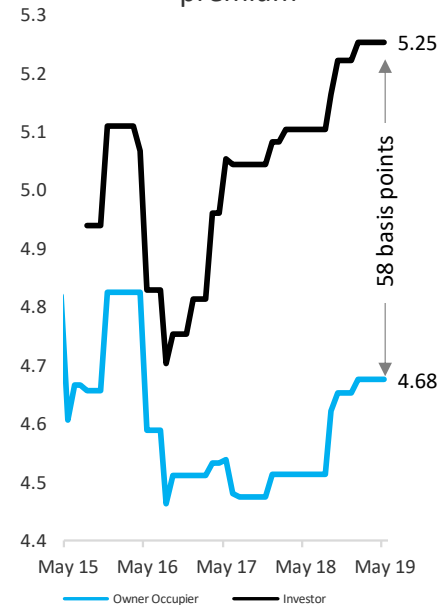
Source: CoreLogic, ABS

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

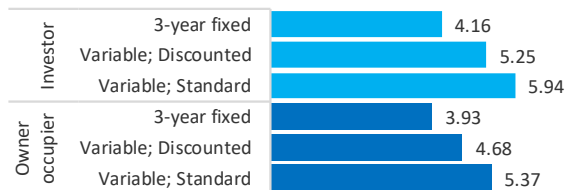
### Standard variable mortgage rates over time



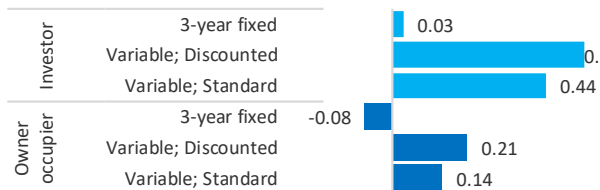
### Investor mortgage rate premium



### Avg mortgage rate by product type, May 2019 (%)



### Basis point change in avg rate since recent trough to May 2019



Source: CoreLogic, RBA (based on discounted variable rates)

# Disclaimer

**In compiling this publication, RP Data Pty Ltd trading as CoreLogic has relied upon information supplied by a number of external sources. CoreLogic does not warrant its accuracy or completeness and to the full extent allowed by law excludes liability in contract, tort or otherwise, for any loss or damage sustained by subscribers, or by any other person or body corporate arising from or in connection with the supply or use of the whole or any part of the information in this publication through any cause whatsoever and limits any liability it may have to the amount paid to CoreLogic for the supply of such information.**

## Queensland Data

Based on or contains data provided by the State of Queensland (Department of Natural Resources and Mines) 2019. In consideration of the State permitting use of this data you acknowledge and agree that the State gives no warranty in relation to the data (including accuracy, reliability, completeness, currency or suitability) and accepts no liability (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used in breach of the privacy laws.

## South Australian Data

This information is based on data supplied by the South Australian Government and is published by permission. The South Australian Government does not accept any responsibility for the accuracy or completeness of the published information or suitability for any purpose of the published information or the underlying data.

## New South Wales Data

Contains property sales information provided under licence from the Land and Property Information ("LPI"). CoreLogic is authorised as a Property Sales Information provider by the LPI.

## Victorian Data

The State of Victoria owns the copyright in the Property Sales Data which constitutes the basis of this report and reproduction of that data in any way without the consent of the State of Victoria will constitute a breach of the Copyright Act 1968 (Cth). The State of Victoria does not warrant the accuracy or completeness of the information contained in this report and any person using or relying upon such information does so on the basis that the State of Victoria accepts no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information supplied.

## Western Australian Data

Based on information provided by and with the permission of the Western Australian Land Information Authority (2019) trading as Landgate.

## Australian Capital Territory Data

The Territory Data is the property of the Australian Capital Territory. No part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be directed to: Director, Customer Services ACT Planning and Land Authority GPO Box 1908 Canberra ACT 2601.

## Tasmanian Data

This product incorporates data that is copyright owned by the Crown in Right of Tasmania. The data has been used in the product with the permission of the Crown in Right of Tasmania. The Crown in Right of Tasmania and its employees and agents:

- a) give no warranty regarding the data's accuracy, completeness, currency or suitability for any particular purpose; and
- b) do not accept liability howsoever arising, including but not limited to negligence for any loss resulting from the use of or reliance upon the data.

Base data from the LIST © State of Tasmania <http://www.thelist.tas.gov.au>



# Get in Touch

## CALL US

Support, training, sales or account

1300 734 318

ValEx

1300 660 051

## CUSTOMER SUPPORT OFFICE HOURS

Mon - Fri

7am - 7pm AEST

7am - 8:30pm AEDT

Sat

8:30am - 12:30pm AEST

Sun

Closed