



Monthly Chart Pack

Our Insights. Your Story.

June 2020



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$7.2 Trillion



AUSTRALIAN SUPERANNUATION

\$2.7 Trillion



AUSTRALIAN LISTED STOCKS

\$2.0 Trillion



COMMERCIAL REAL ESTATE

\$1.0 Trillion

Data as at June 2020



10.4 million
Number of dwellings

\$1.83 trillion
Outstanding mortgage debt

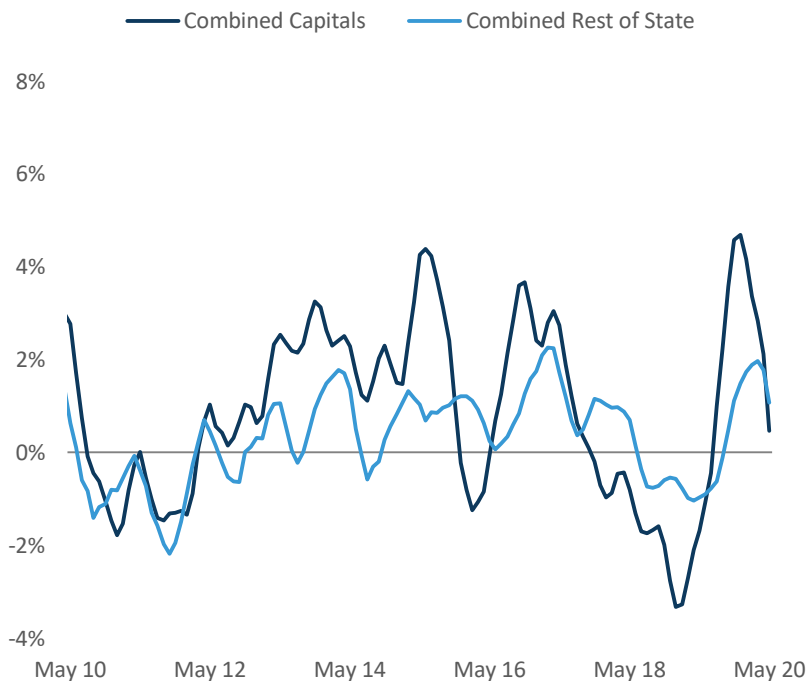
52.4%
Household wealth held in housing

423,007
Total sales p.a.

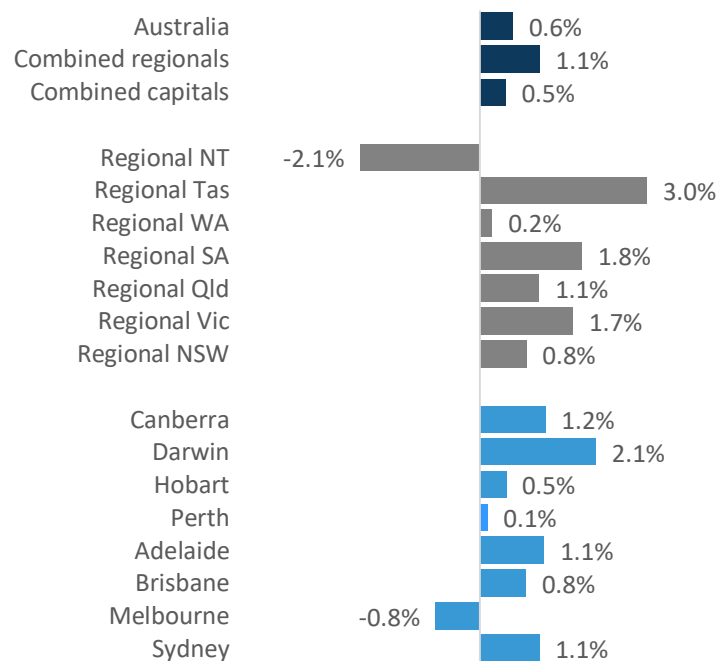
\$279.6 billion
Gross value of sales p.a.

Quarterly growth in national dwelling values slipped to just 0.6% in the 3 months to May, as dwelling prices saw the first month-on-month decline since June 2019

Quarterly change in dwelling values

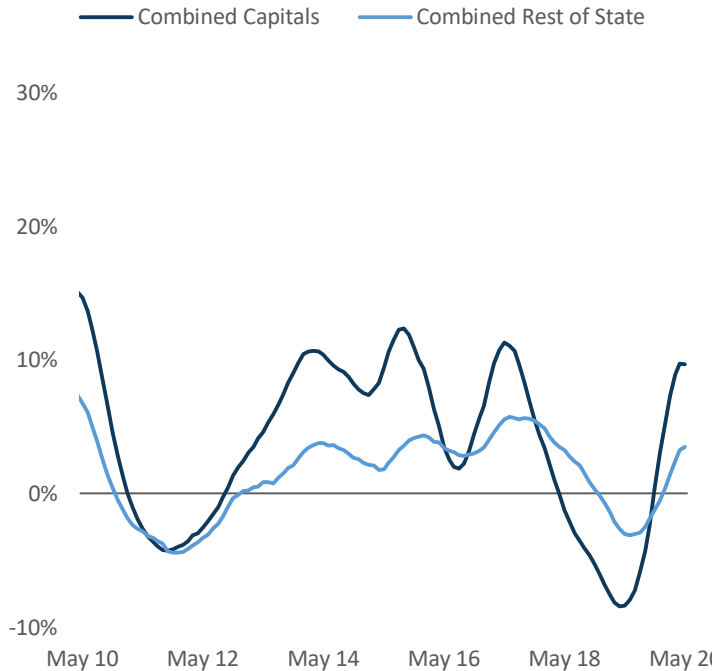


Quarterly change – May-20

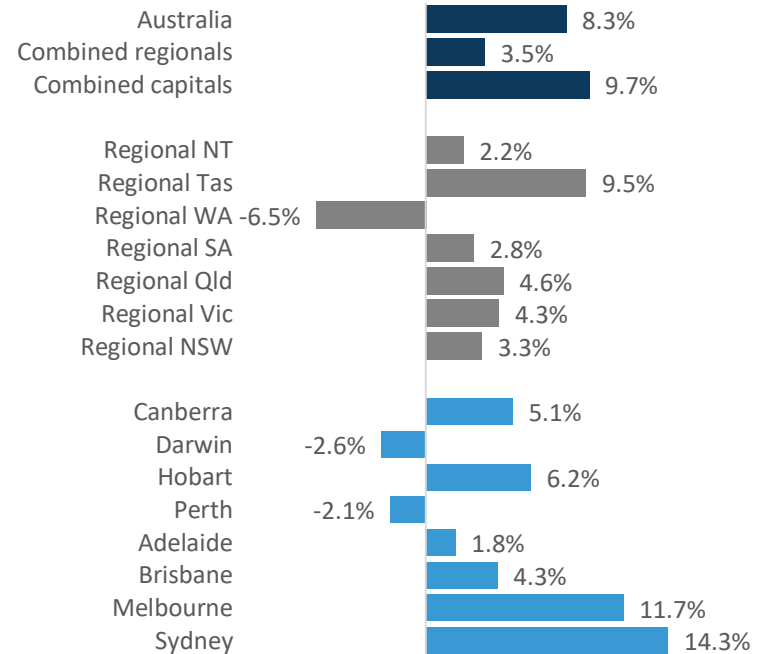


Annual growth rates understate the recent slowdown in momentum, but point to an improving market before the onset of COVID-19

Annual change in dwelling values

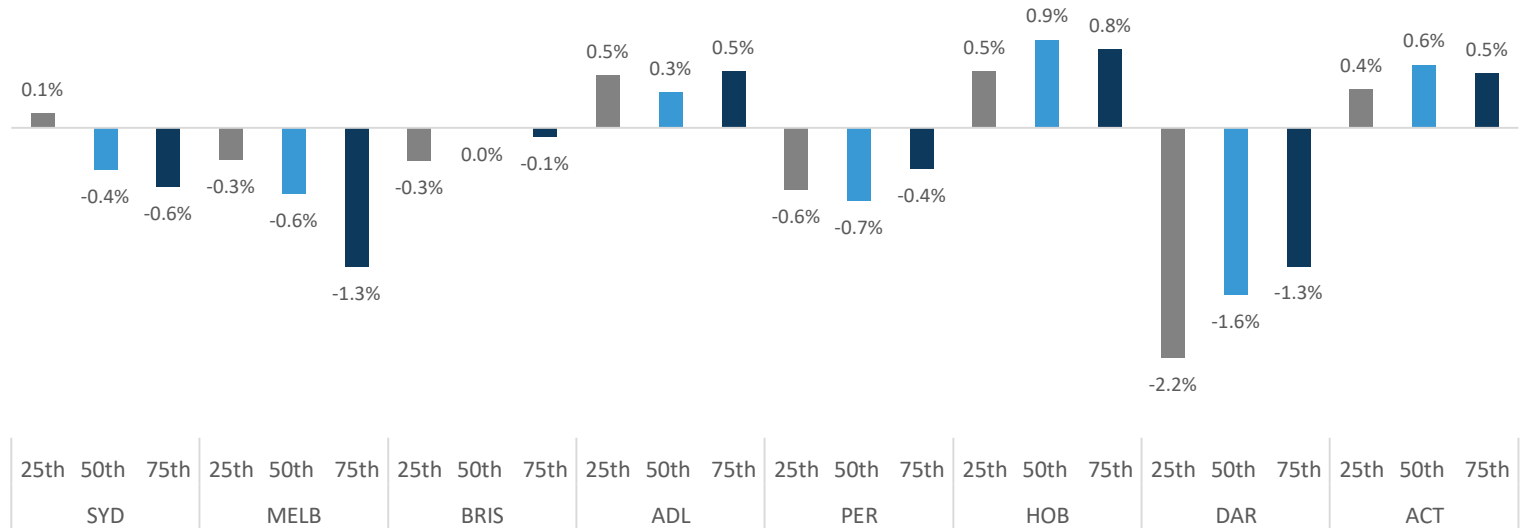


Annual change – May-20



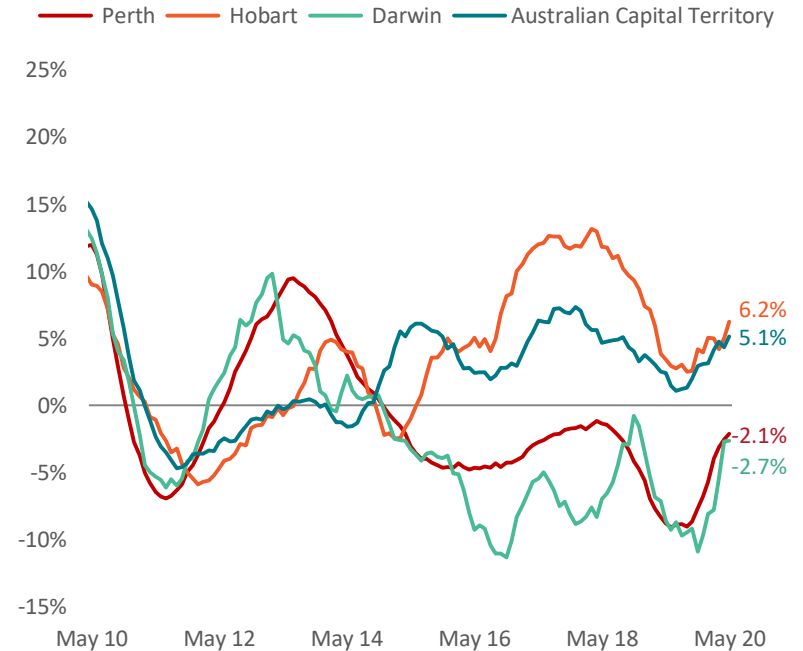
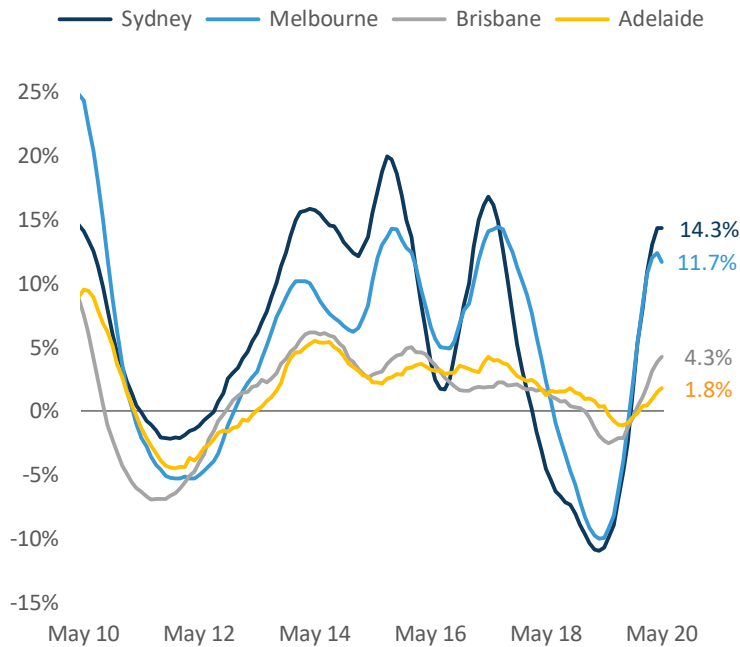
Month-on-month results over May show that declines in Sydney and Melbourne market were led by the upper quartile of values

Monthly dwelling value growth by quartile, Greater Capital City Regions – May 2020

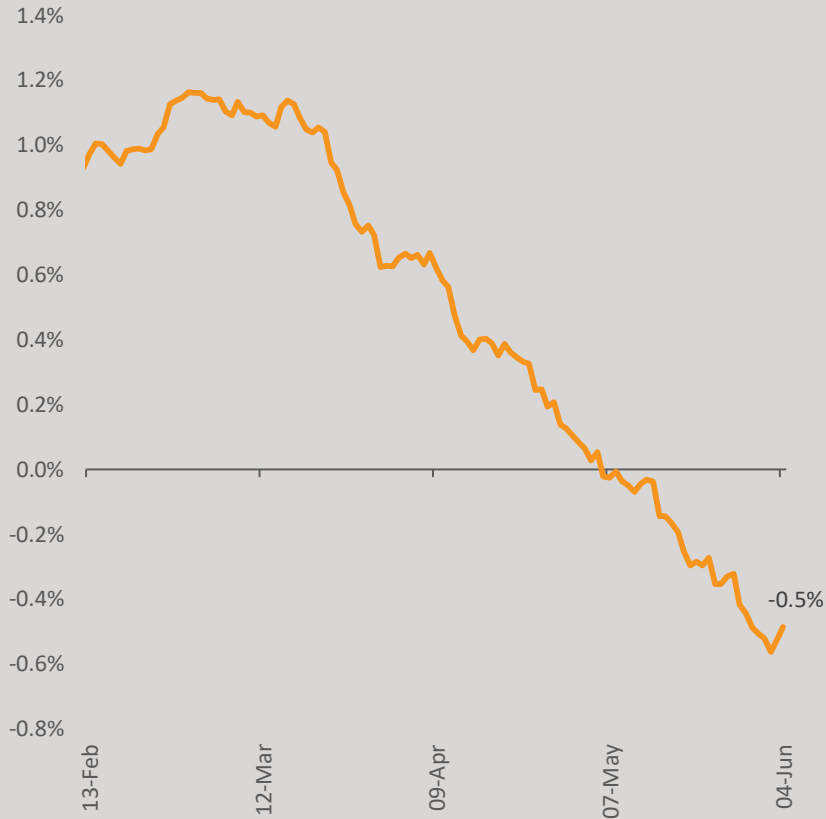


The annual uplift in dwelling market values at May 2020 was high across Sydney, Melbourne, Hobart and the ACT

Annual change in dwelling values

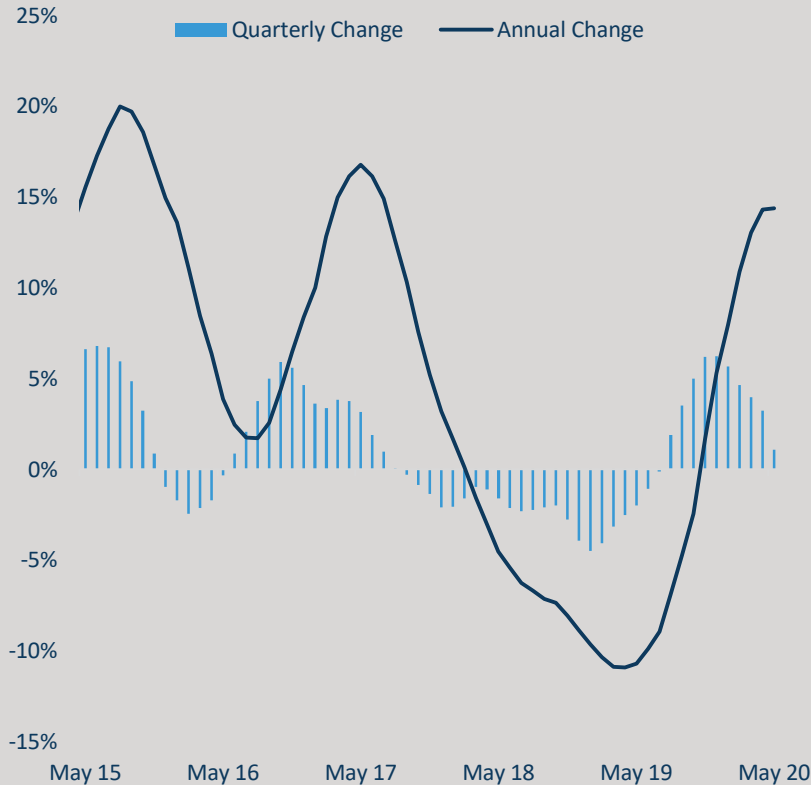


Rolling 28-day change in daily home value index, combined capitals



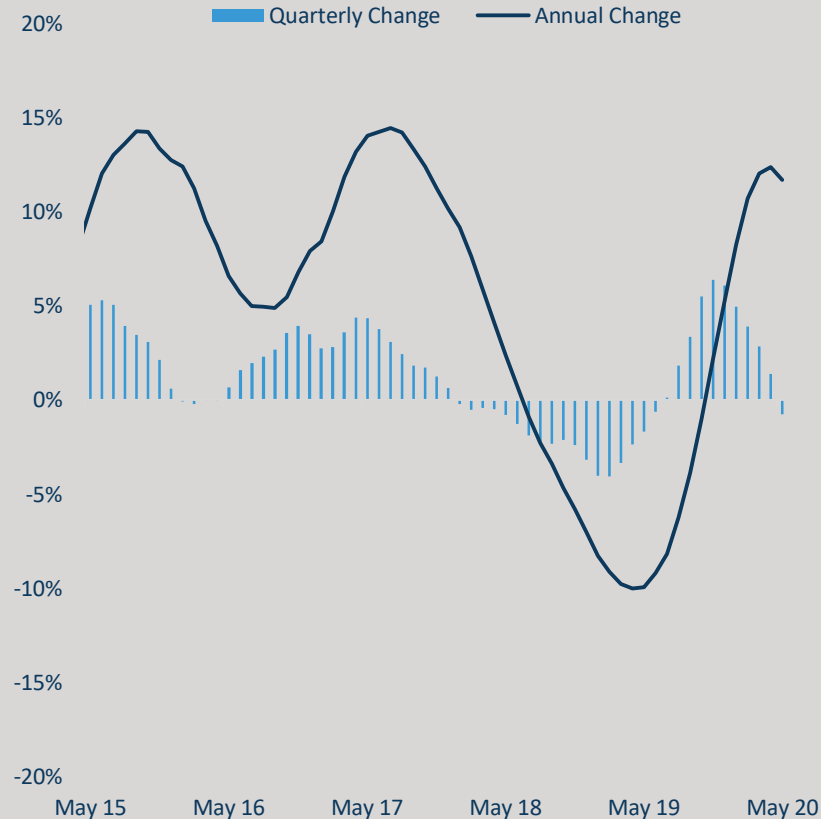
The CoreLogic *daily* home value index showed a change of pace halfway through March. Data to June 4th shows the combined capital cities declined by half a percent in the past 28 days

Quarterly and annual change in dwelling values - Sydney



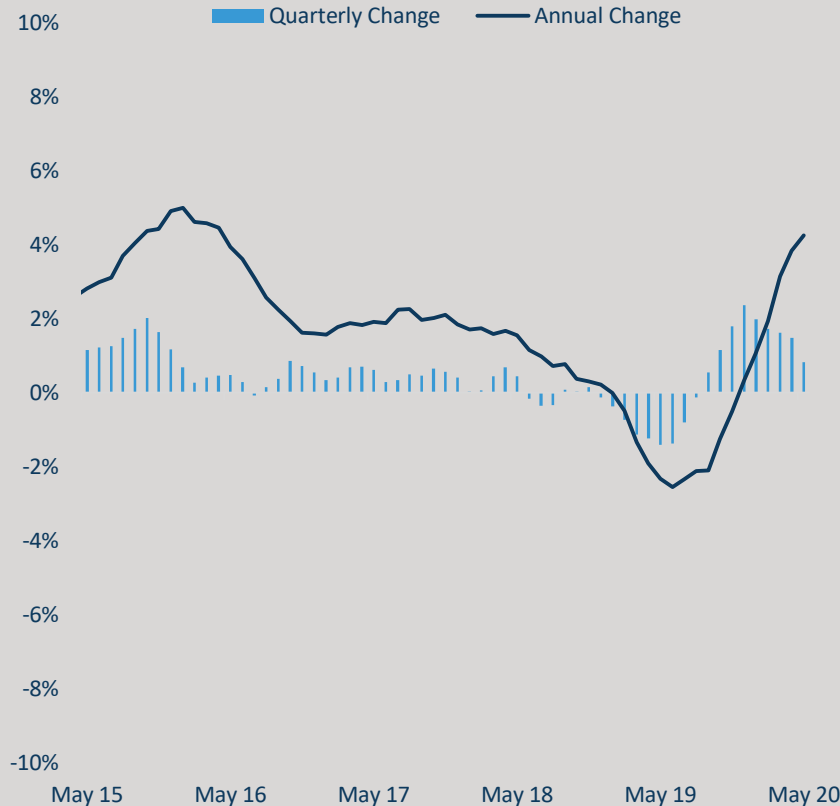
- Sydney dwelling values fell by -0.4% in **May**
- Dwelling values increased 1.1% in the **quarter**
- Sydney dwelling values are up by 14.3% in the past **year**
- Sydney dwelling values are -2.7% below the record high, which was in July 2017

Quarterly and annual change in dwelling values - Melbourne



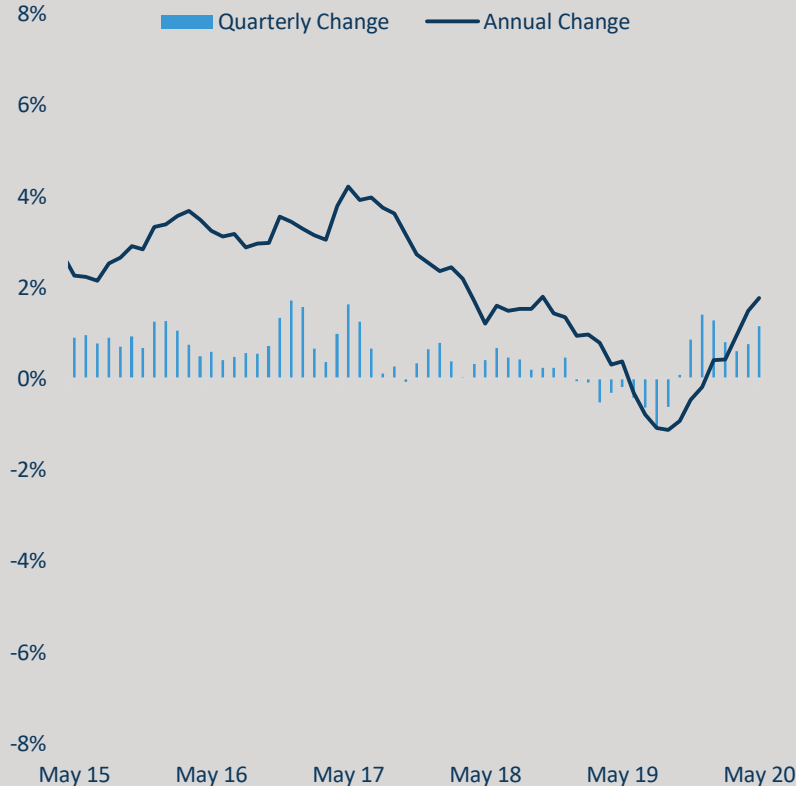
- Melbourne dwelling values fell by **-0.9% in May**
- Dwelling values fell **-0.8% in the quarter**
- Melbourne dwelling values are up by **11.7% in the past year**
- Melbourne dwelling values are **-1.2%** from the record high, which was in **March 2020**

Quarterly and annual change in dwelling values - Brisbane



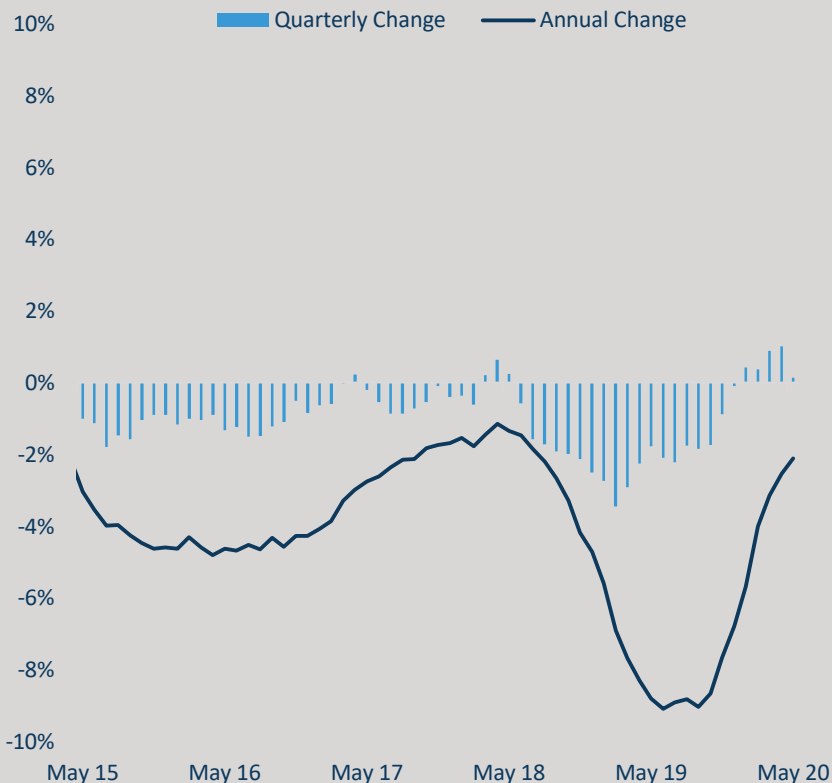
- Brisbane dwelling values fell by -0.1% in **May**
- Dwelling values increased 0.8% in the **quarter**
- Brisbane dwelling values are up by 4.3% in the past **year**
- Brisbane dwelling values are -0.1% below the record high, which was in April 2020

Quarterly and annual change in dwelling values - Adelaide



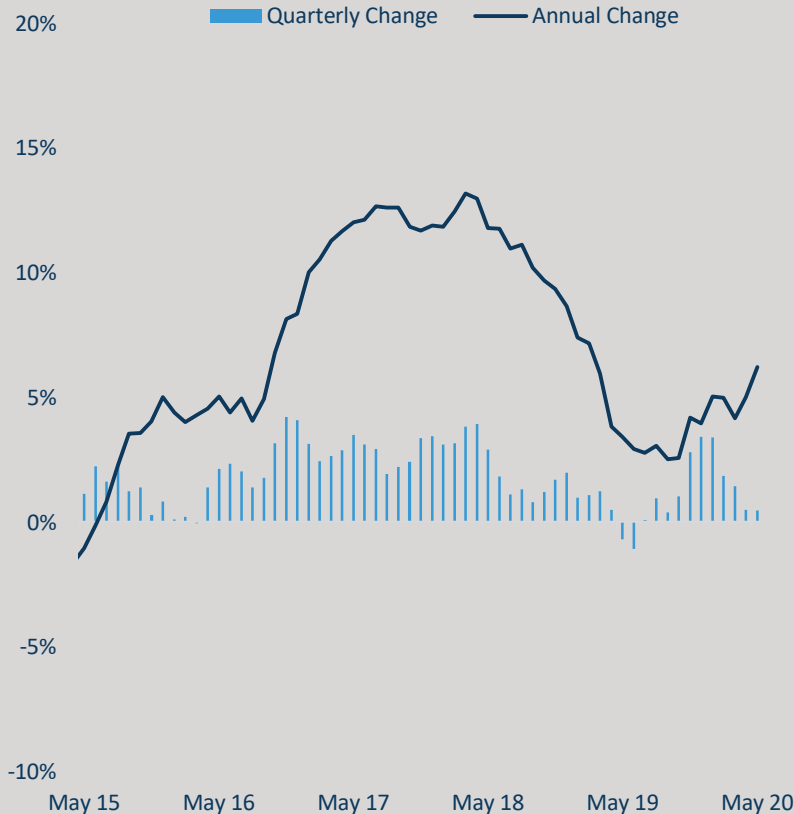
- Adelaide dwelling values increased 0.4% in **May**
- Dwelling values increased 1.1% in the **quarter**
- Adelaide dwelling values were up by 1.8% in the past **year**
- Adelaide dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Perth



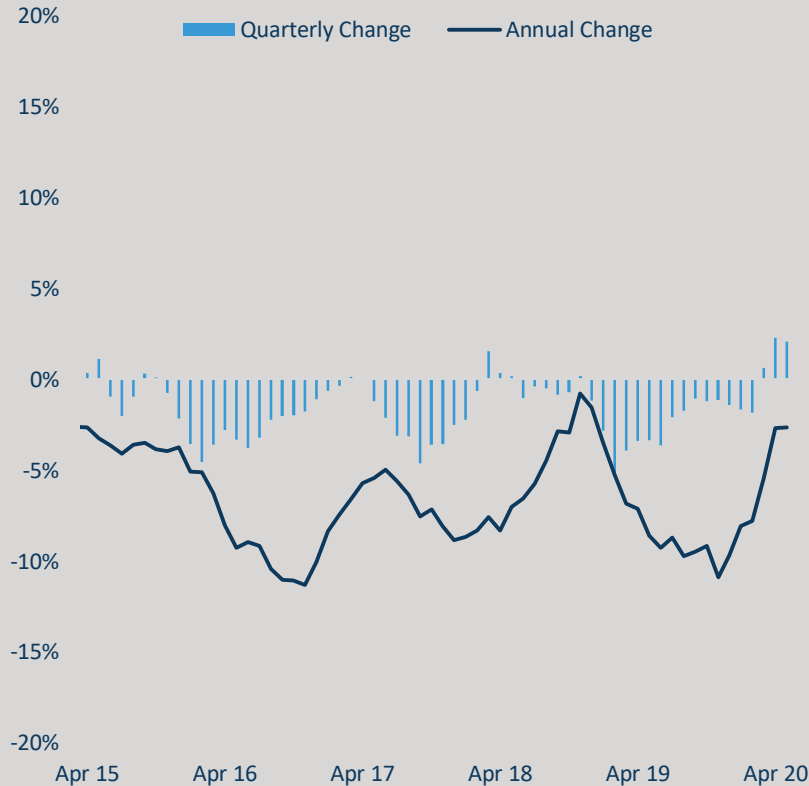
- Perth dwelling values were down **-0.6% in May**
- Dwelling values increased **0.1% in the quarter**
- Perth dwelling values are down by **-2.1% in the past year**
- Perth dwelling values are now **-20.9%** below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



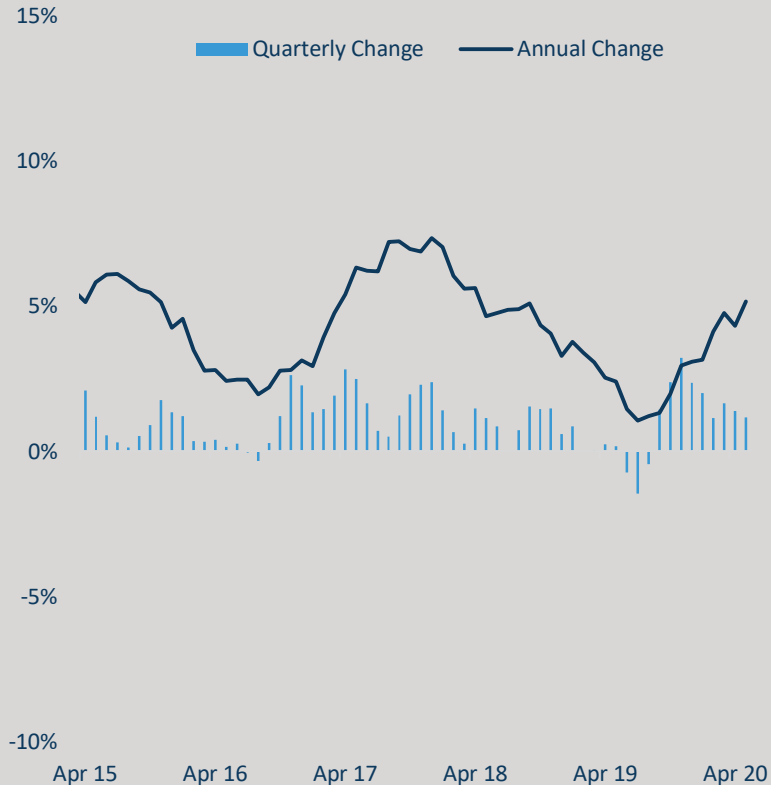
- Hobart dwelling values increased **0.8% in May**
- Dwelling values increased **0.5% in the quarter**
- Hobart dwelling values are up by **6.2% in the past year**
- Hobart dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values fell by -1.6% in **May**
- Dwelling values increased 2.1% in the **quarter**
- Darwin dwelling values are down by -2.6% in the past **year**
- Darwin dwelling values are -31.3% below the record high, which was in May 2014

Quarterly and annual change in dwelling values - ACT

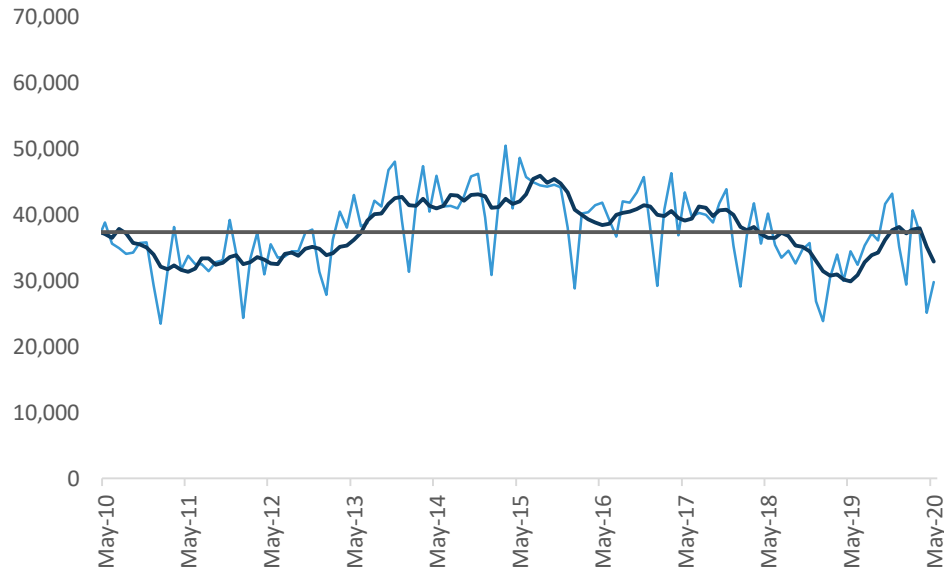


- ACT dwelling values increased 0.5% in **May**
- Dwelling values were up 1.2% in the **quarter**
- ACT dwelling values were up by 5.1% in the past **year**
- The ACT dwelling market is **currently at a record high**

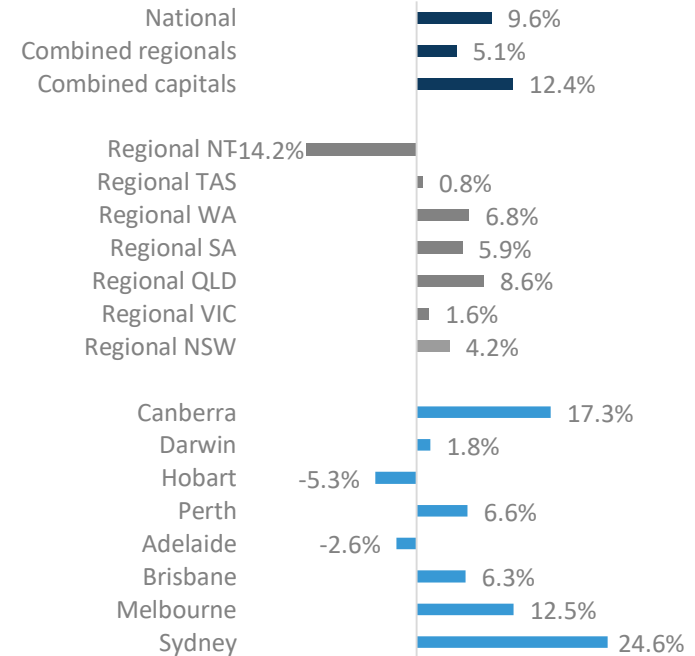


CoreLogic estimates that settled sales bounced back remarkably over May, increasing 18.5% over the month after a revised -32.6% fall in April.

Monthly sales with six month moving average, National



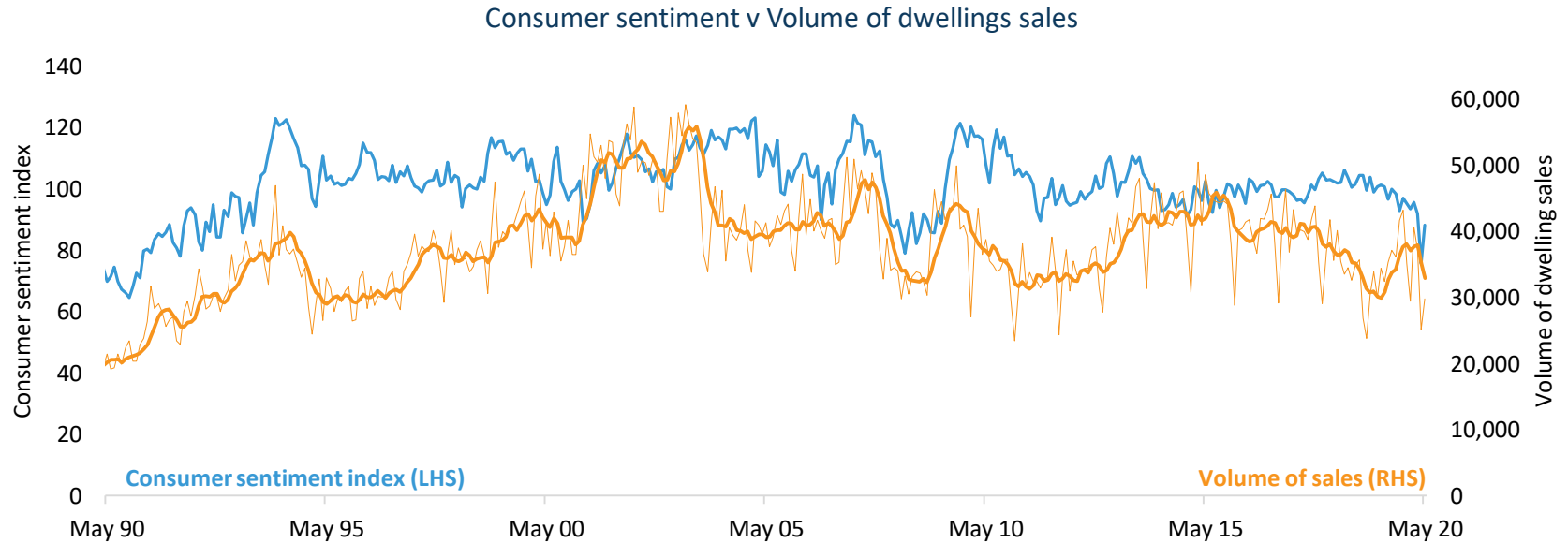
Annual change in settled sales



Note: recent months are modelled estimates, and are therefore subject to revision

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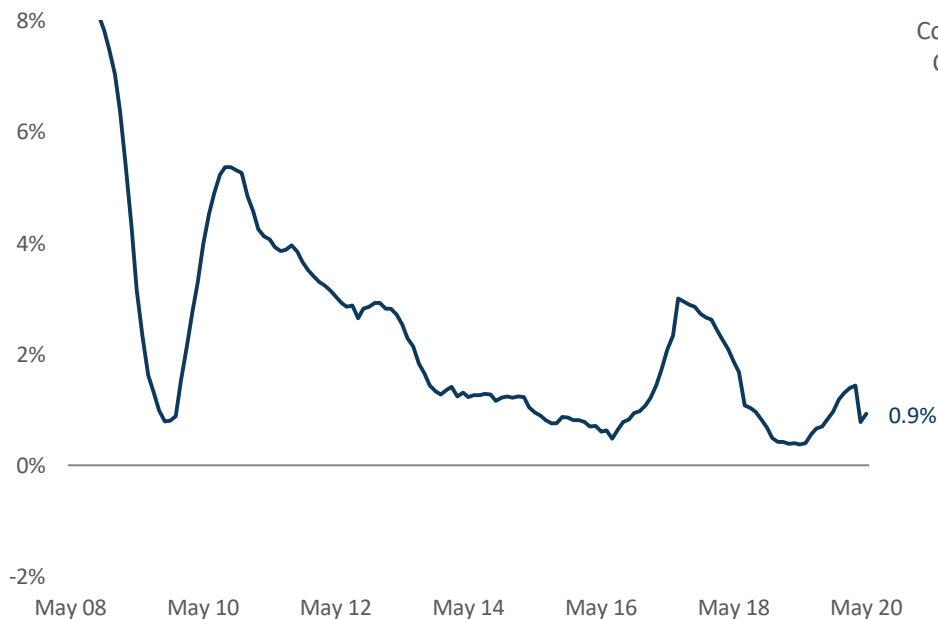
Housing market activity is closely aligned with consumer sentiment. Although consumer confidence readings remain well below average, spirits showed a strong lift in May.



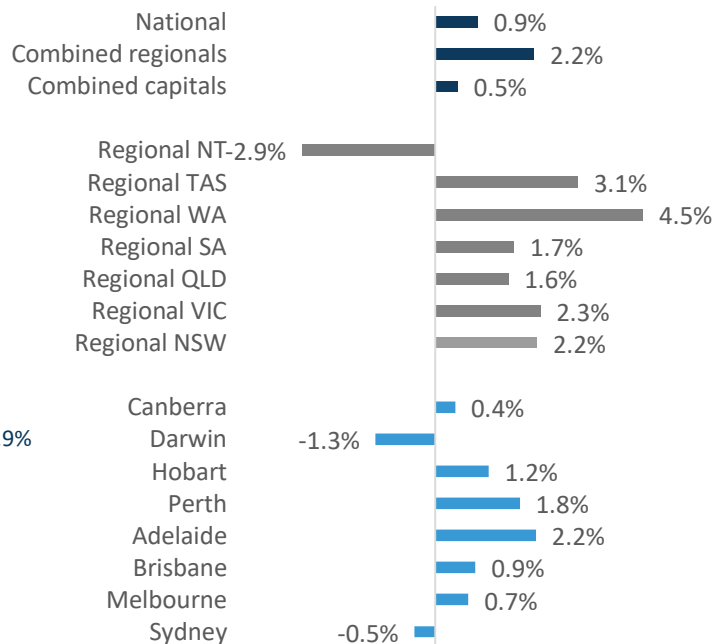
Note: recent months of sales volumes are modelled estimates, and are subject to revision

Annual growth in rents recovered slightly in the year to May. However, rent values are still -0.2% lower than the recent peak in March 2020.

Annual change in rental rates - National

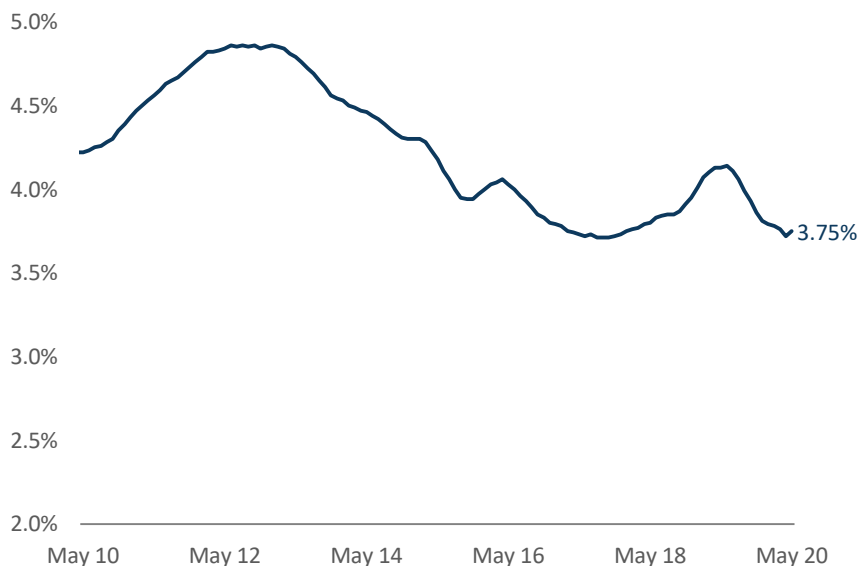


Annual change in rental rates

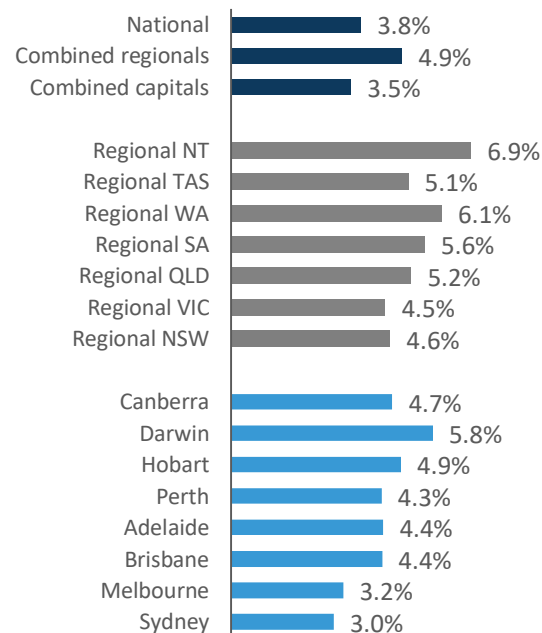


Between a mild recovery in rents and dwelling value falls, national rent yields increased 3 basis points over May. This also breaks a continued trend of record low yields across Sydney

Gross rental yields - National

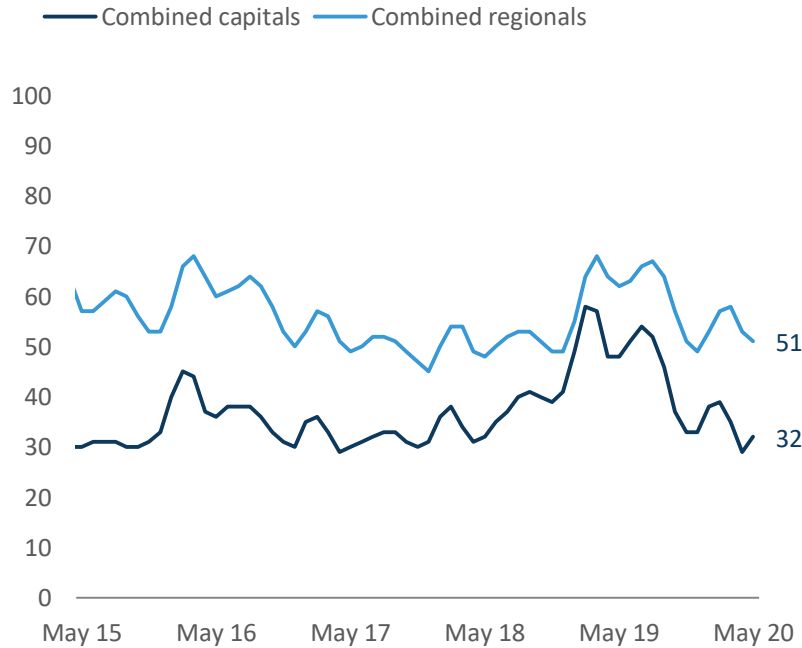


Gross rental yields as at May-20



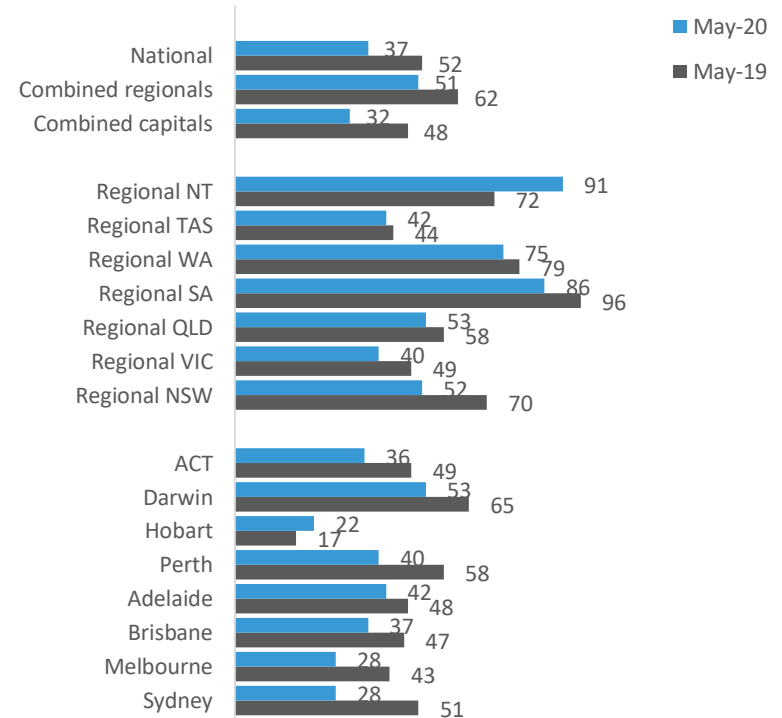
Days on market has increased in the 3 months to May across the capital cities, which may be a function of weaker market conditions amid COVID-19

Median days on market



These charts show the median days on market over 3 month rolling periods.

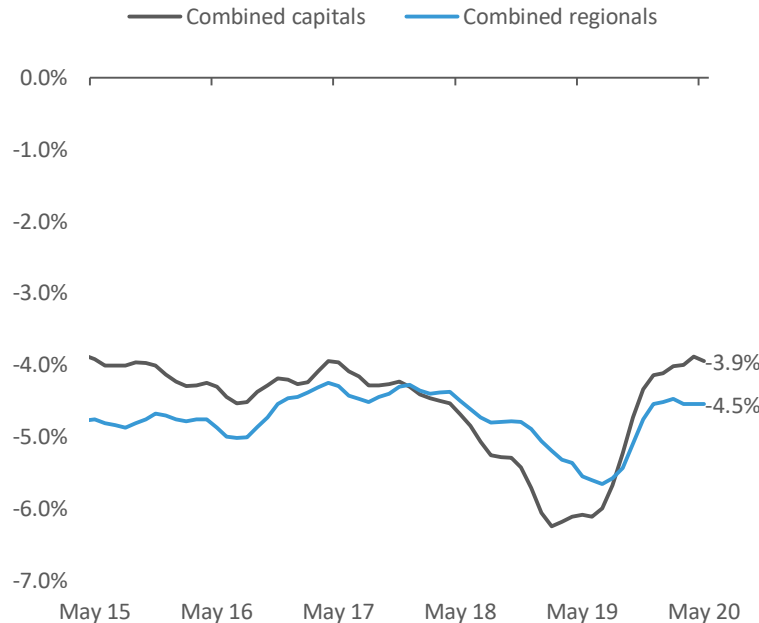
Median days on market May 2019 v May 2020





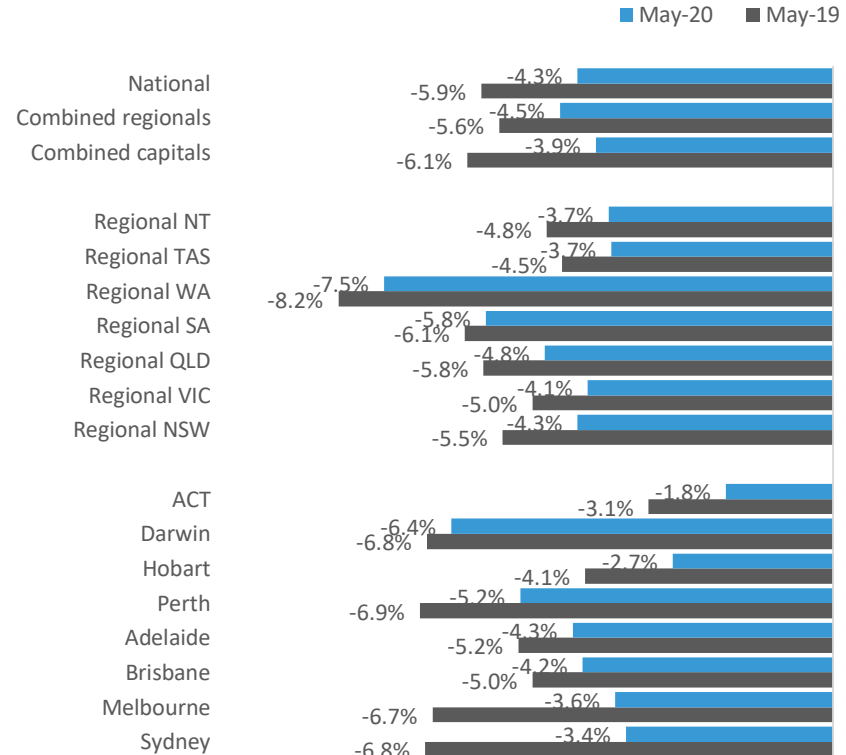
Vendor discounting across the capitals also deepened in the 3 months to May, reflecting value falls over the month

Median vendor discount



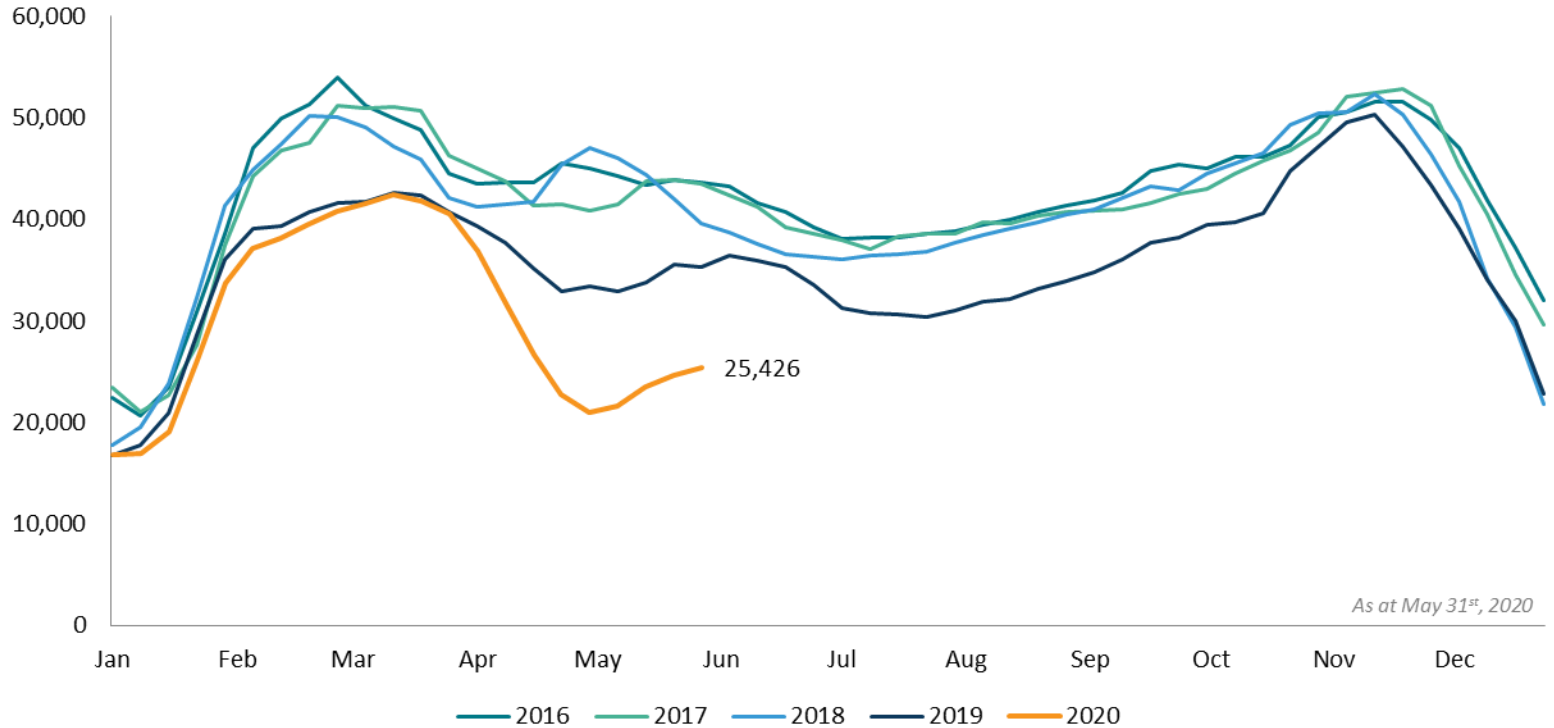
These charts show median vendor discounting over 3 month rolling periods.

Median vendor discount May 2019 v May 2020



At the 28 days ending 31st of May, new listings had trended up from the beginning of the month

New Listings, rolling 28-day count, national

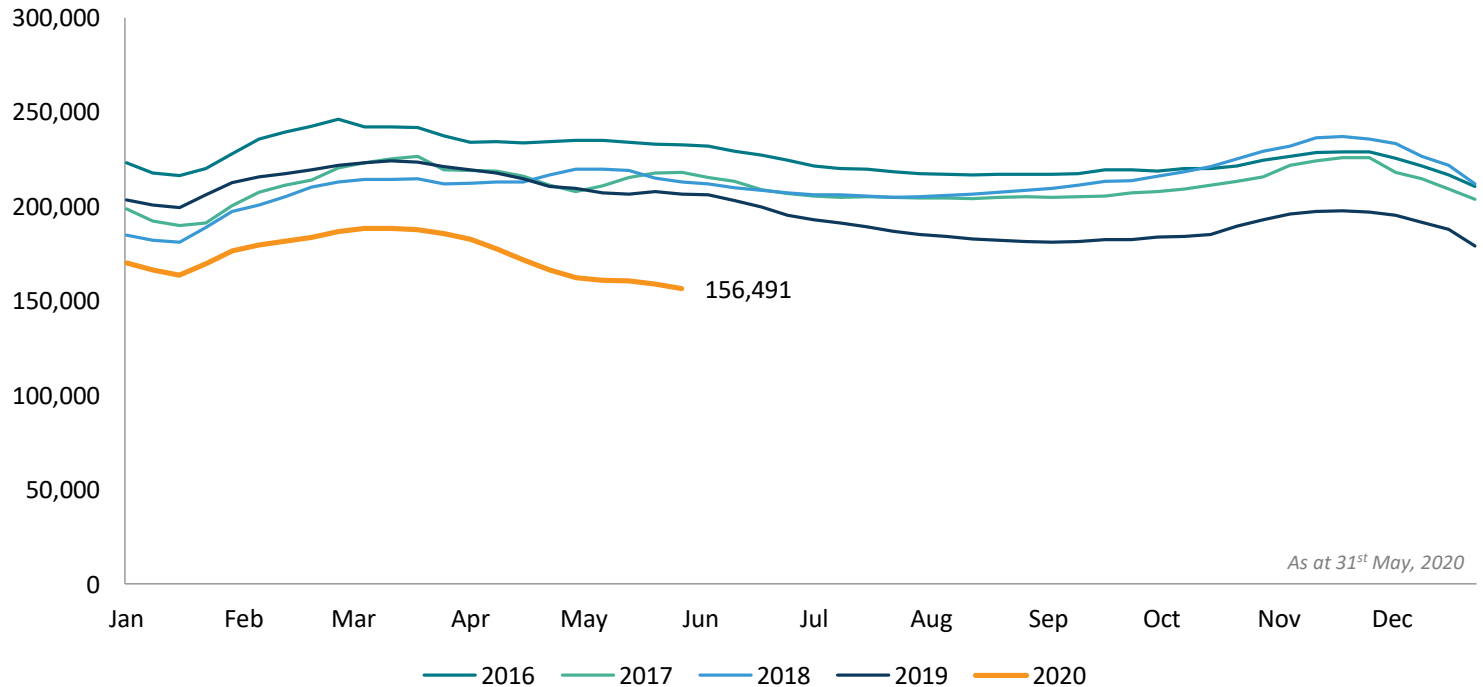


As at May 31st, 2020



However, there has been strong absorption of new listings by buyers, meaning total listings have continued to trend down

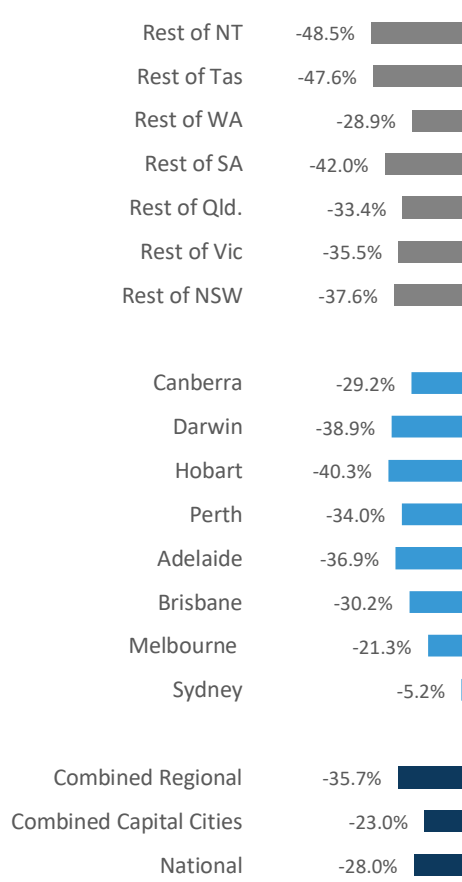
Total listings, rolling 28-day count, national



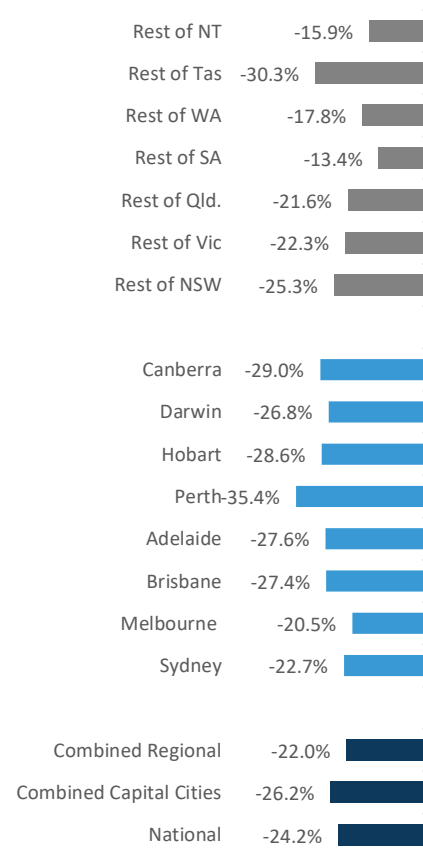
As at 31st May, 2020

The combined capital city markets have seen a year-on-year decline in total listings of 26.2%, while the combined regional areas are down 22.0% on the same time last year

New listings, change from equivalent period last year

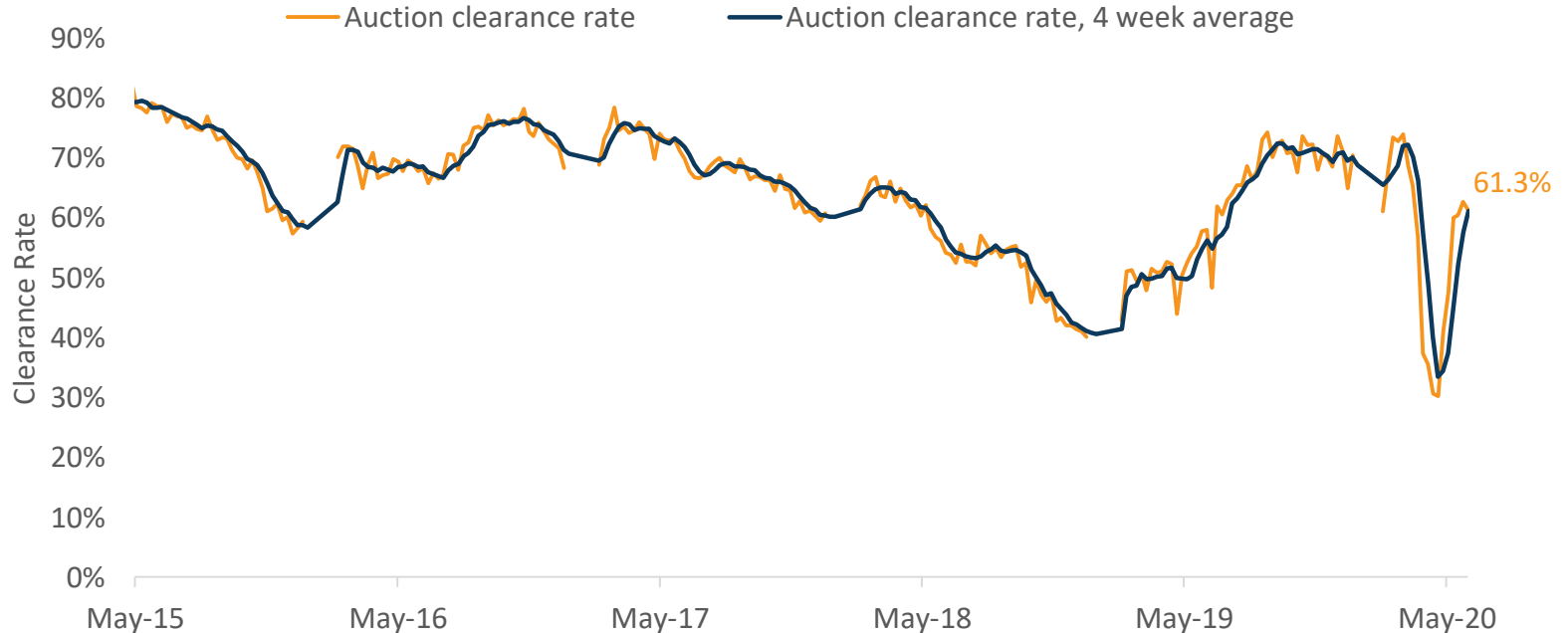


Total listings, change from equivalent period last year



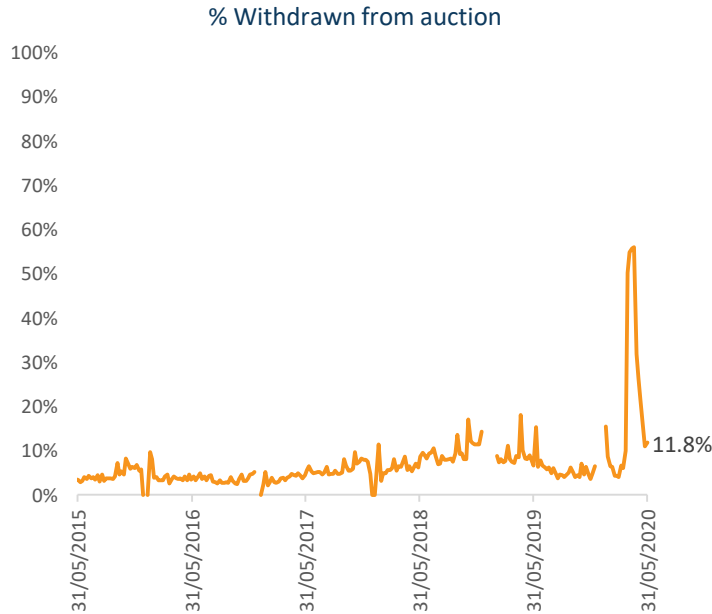
Clearance rates have partially recovered as restrictions on on-site auctions have been lifted

Weekly clearance rates, combined capital cities

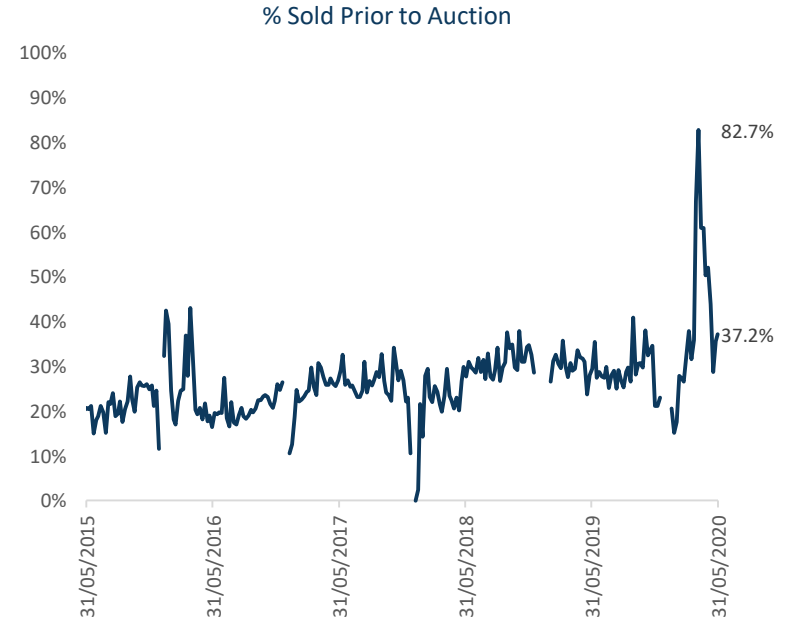


Over May, fewer auctions were withdrawn and more vendors tested the market under normal auction conditions (rather than selling prior to the auction event)

Auction outcomes, combined capital cities



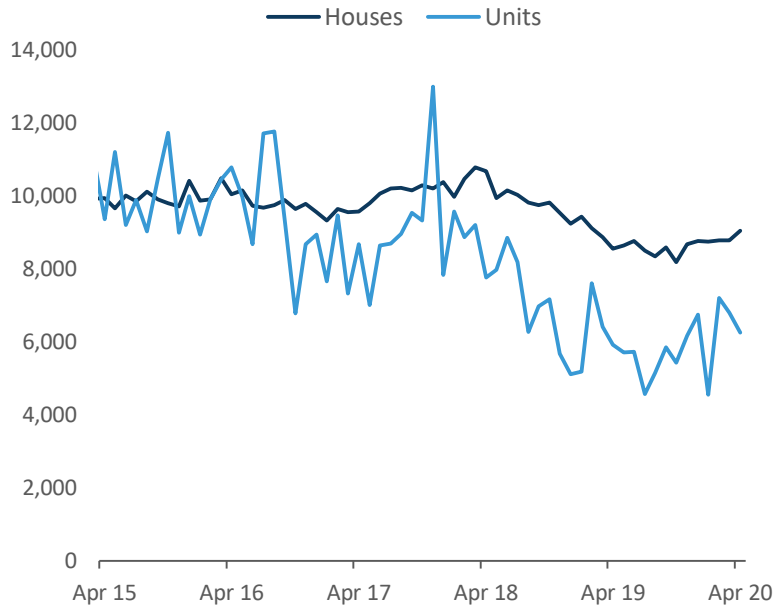
* As a % of all auction results



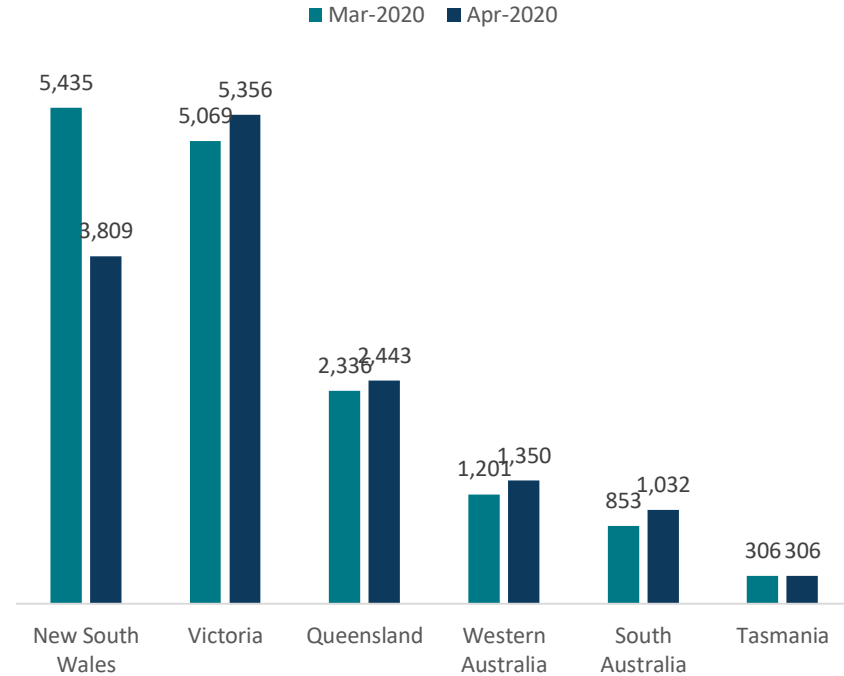
* As a % of all 'sold' auction results

Dwelling approvals, which are generally led by price signals, declined 1.8% in April in seasonally adjusted terms

Monthly number of dwellings approved for construction, National (Seasonally adjusted data)



Monthly dwelling approvals by state, seasonally adjusted





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



Portion of new lending for investment housing (excluding refinance)

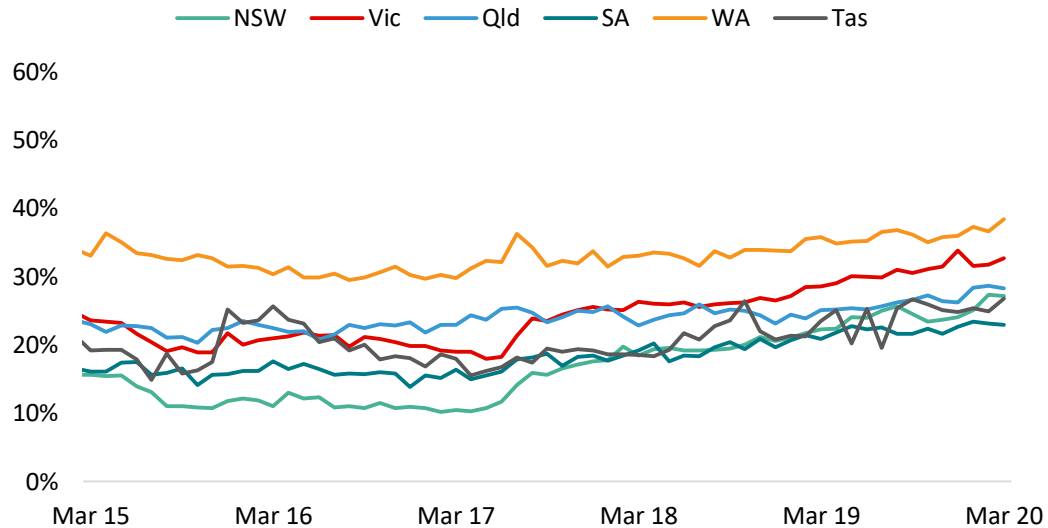


New home lending among investors fell -2.5% over March, as the portion of finance for investors continued to trend to a record low.

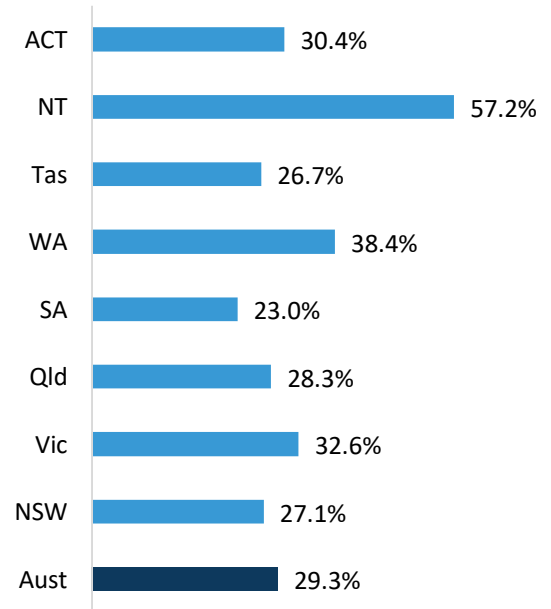
Owner occupier lending rose 1.2% in March, which included a 2.5% lift in lending values to first home buyers.

Over March, first home buyer participation as a portion of owner-occupiers was at its highest since January 2012

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

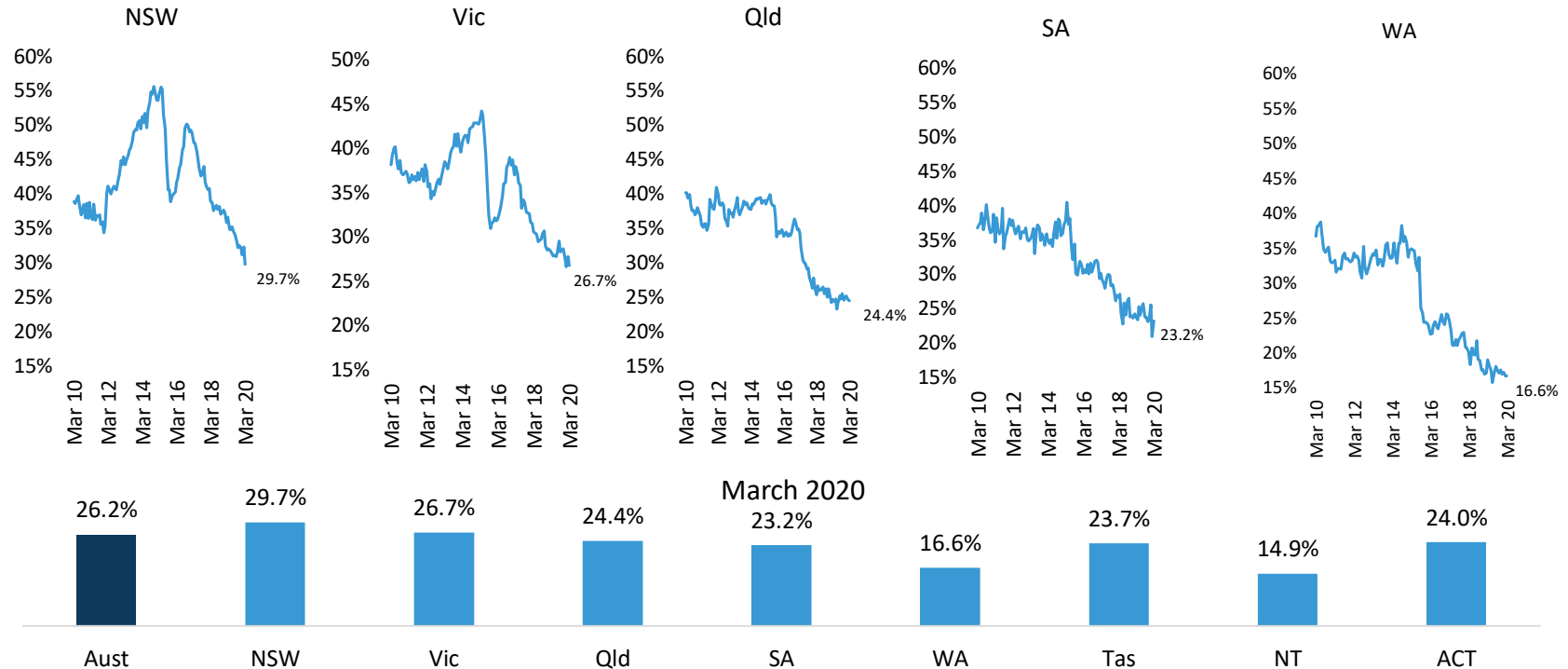


March 2020



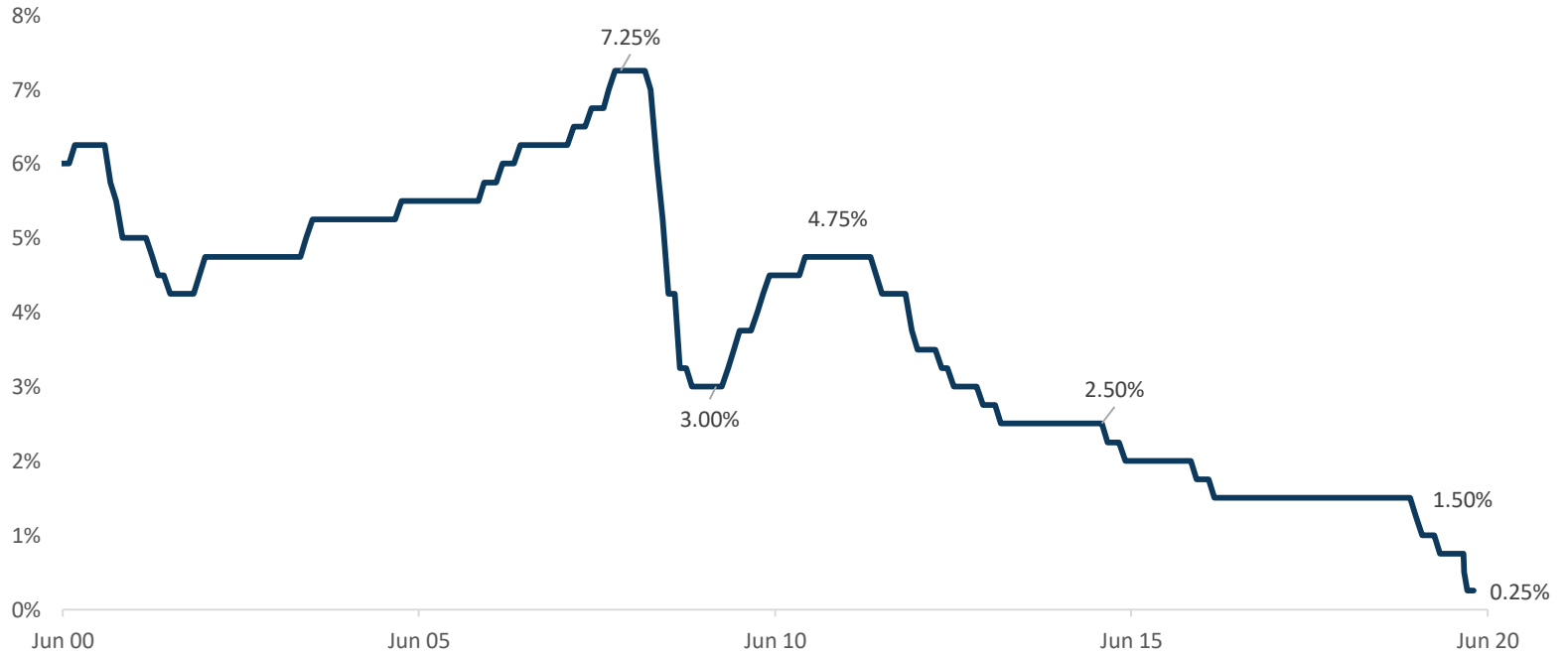
Over March, investor participation declined in every state except South Australia, and the ACT

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



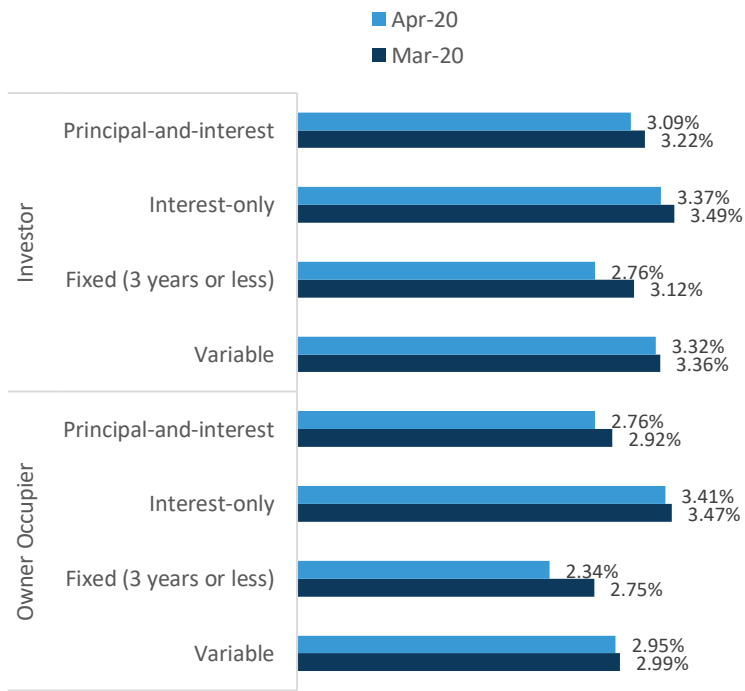
The cash rate target was held at the effective lower bound through June, with increases in the cash rate unlikely for years to come

RBA Cash Rate

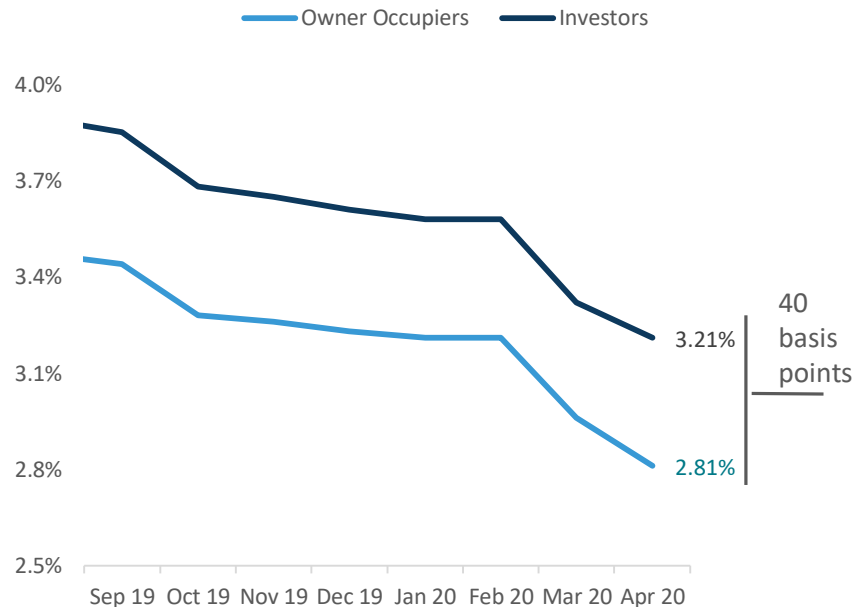


Average fixed loan investor rates for new lending fell a remarkable 36 basis points from March to April

Average mortgage rate by product type



Investor premium based on monthly average of new loans



Note: Data reported in the rate by product and borrower tables are based on the new RBA 'Housing Lending Rates' publication, based on Economic and Financial Statistics (EFS) collection. Data is based on typical rates of new lending.



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