



Our Insights.  
Your Story.

Property market chart pack  
April 2019



# Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate  
**\$6.3 Trillion**
  -  Australian Superannuation  
**\$2.7 Trillion**
  -  Australian Listed Stocks  
**\$1.9 Trillion**
  -  Commercial Real Estate  
**\$970 Billion**
- As at the end of March 2019



**10.2 million**  
Number of dwellings



**\$1.81 trillion**  
Outstanding mortgage debt



**50.5%**  
Household wealth held in housing



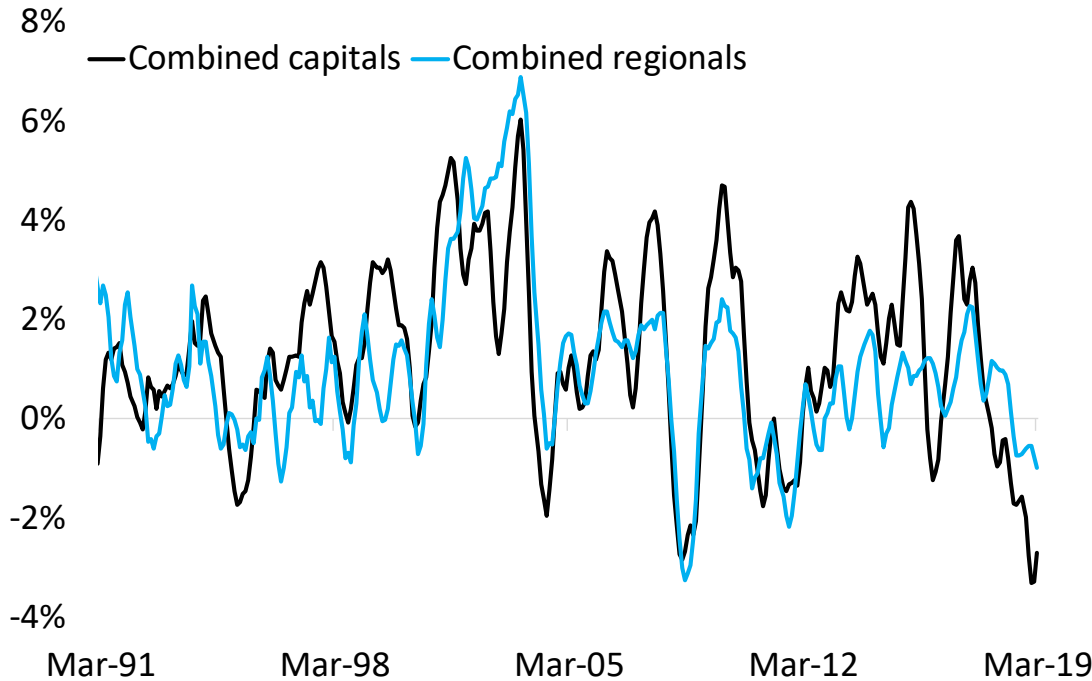
**446,631**  
Total sales p.a.



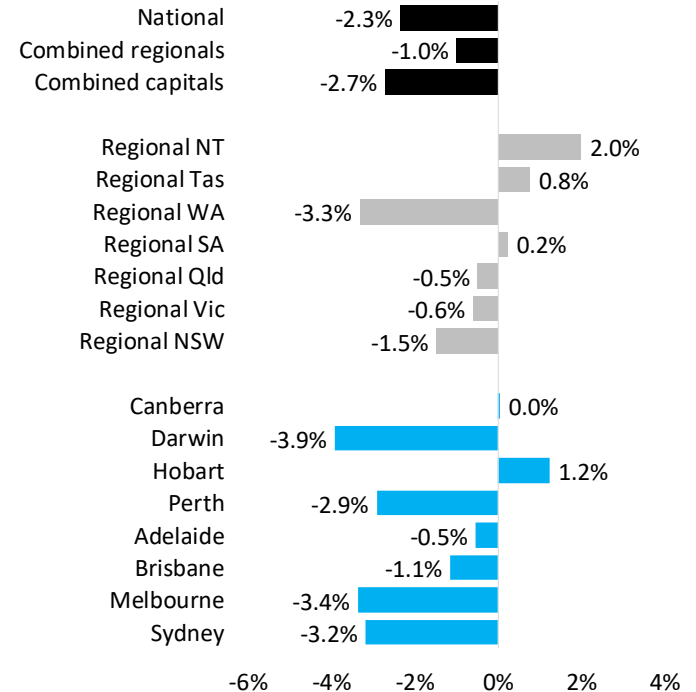
**\$267.8 billion**  
Gross value of sales p.a.

# The quarterly rate of decline has eased with declines similar to those in the 2008 downturn

Quarterly change in dwelling values



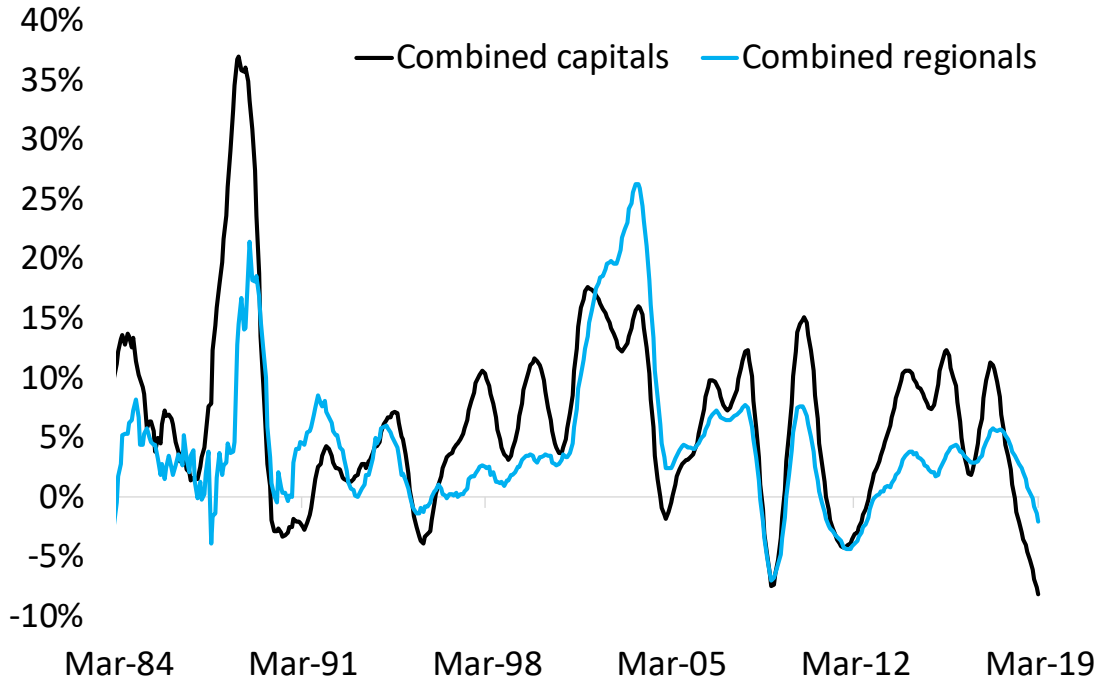
Quarterly change in dwelling values to Mar-19



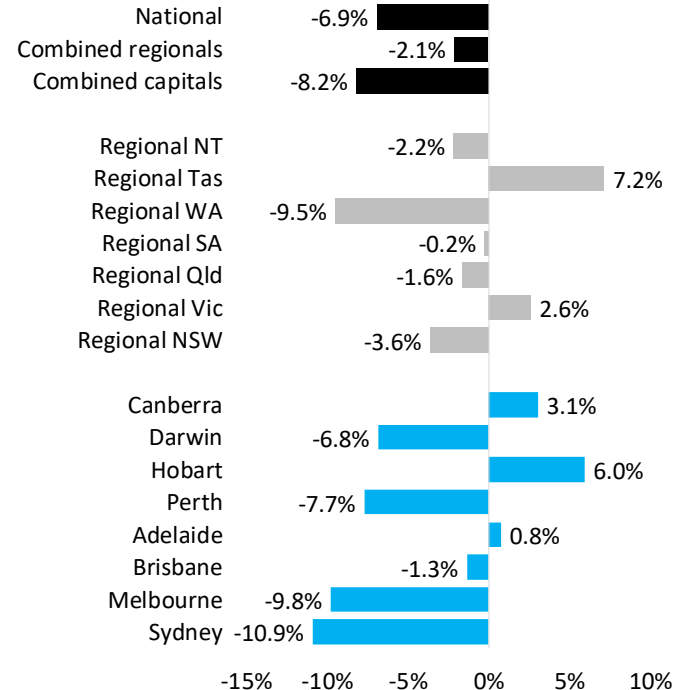
Source: CoreLogic

# The annual rate of decline in values has increased and is now deeper than during the GFC

Quarterly change in dwelling values



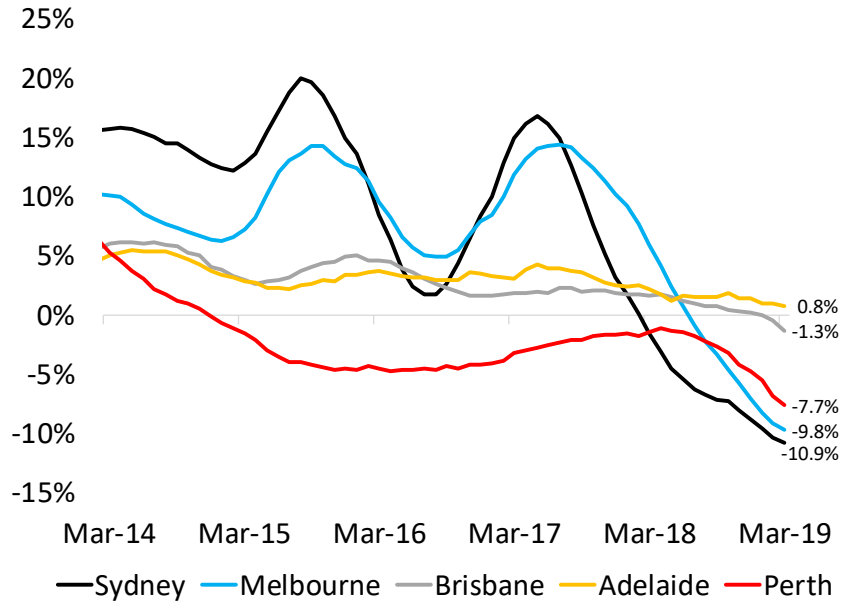
Quarterly change in dwelling values to Mar-19



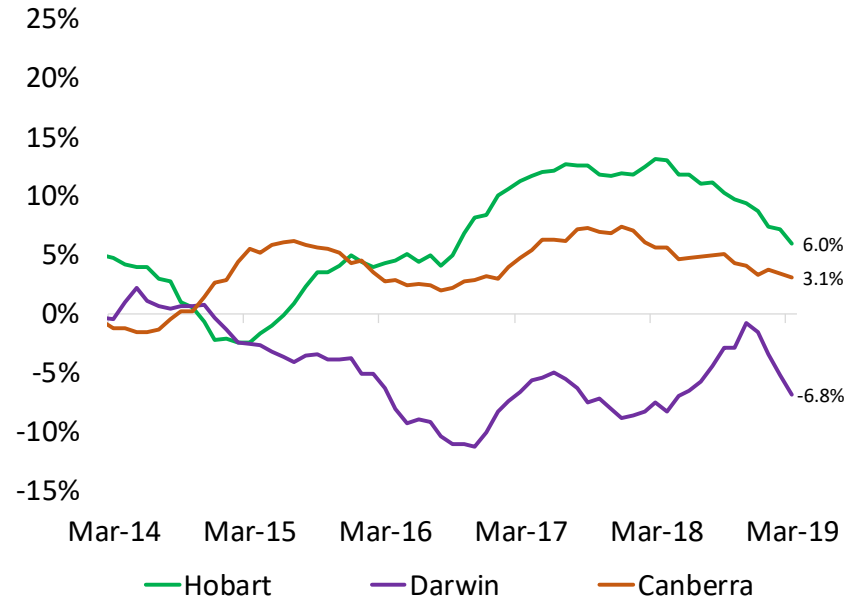
Source: CoreLogic

# Although not all capital cities are recording value declines, the annual rate of change is slowing across the board

Annual change in dwelling values



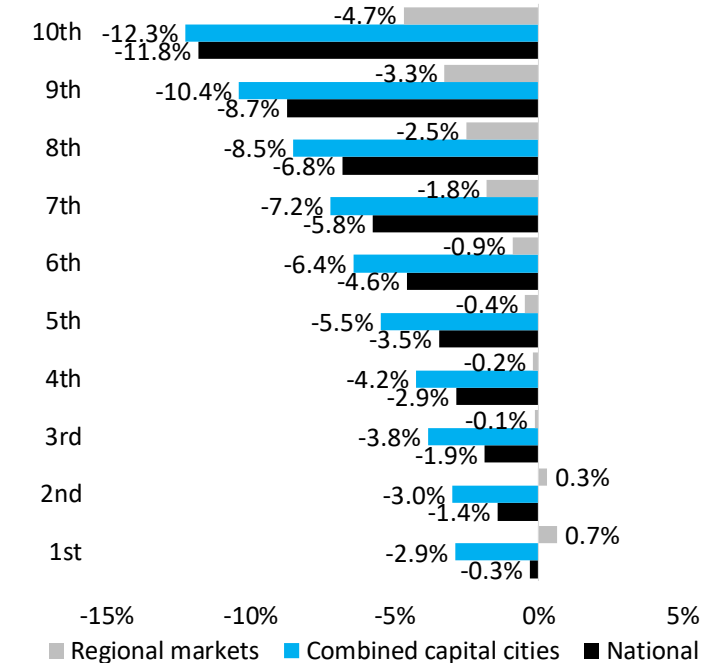
Annual change in dwelling values



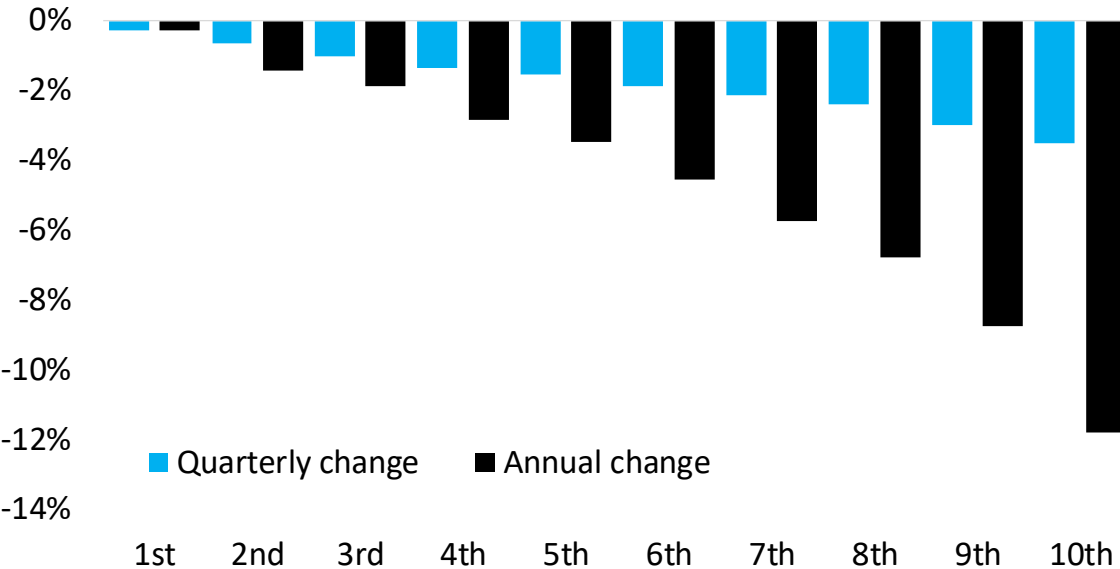
Source: CoreLogic

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

Annual change in dwelling values by decile, Mar-19

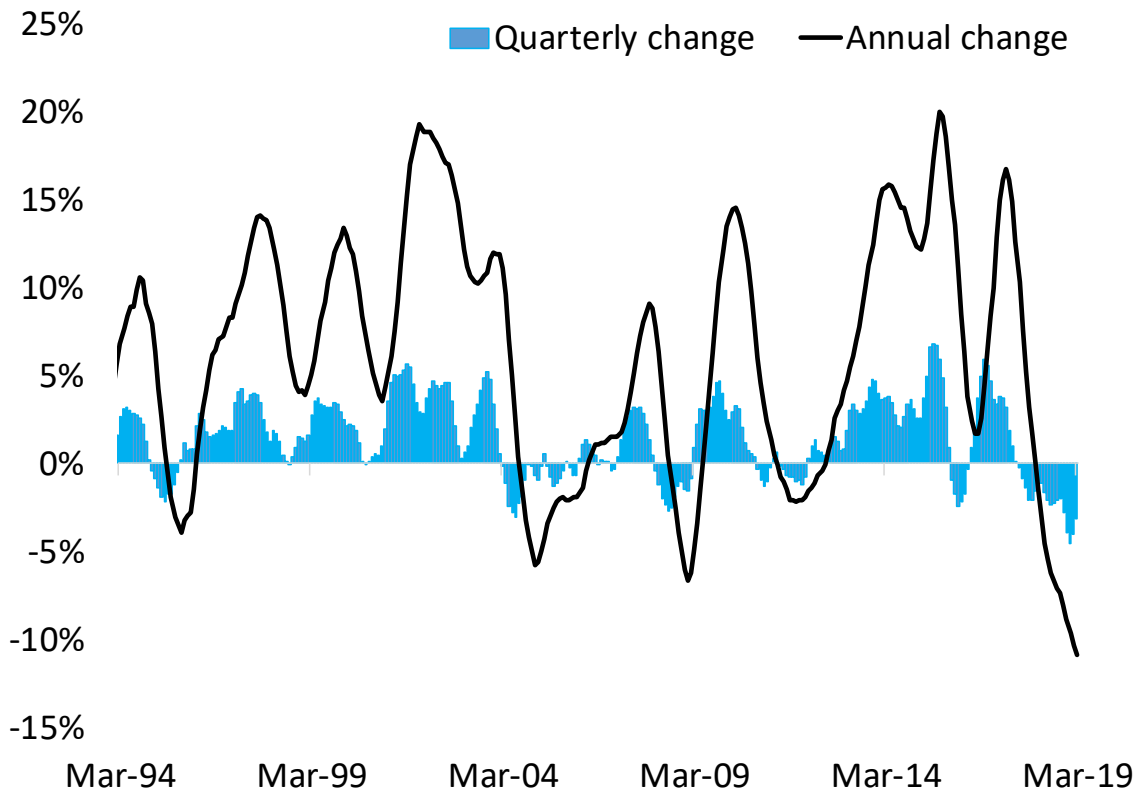


Quarterly and annual change in dwelling values by deciles, National as at March 2019



Source: CoreLogic

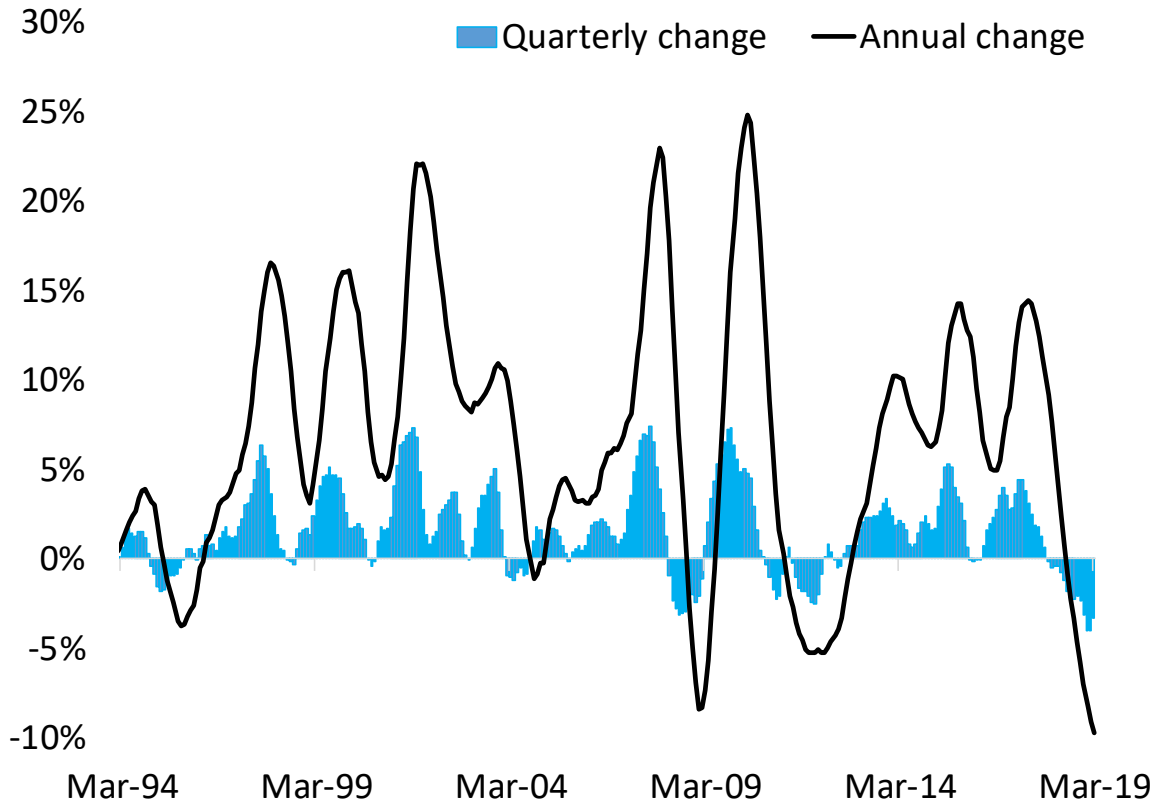
## Quarterly and annual change in dwelling values - Sydney



Sydney dwelling values have fallen by **-3.2%** over the first quarter of 2019 and they are **-10.9%** lower over the past year. Sydney dwelling values are now **-13.9%** lower than their July 2017 peak.



## Quarterly and annual change in dwelling values - Melbourne

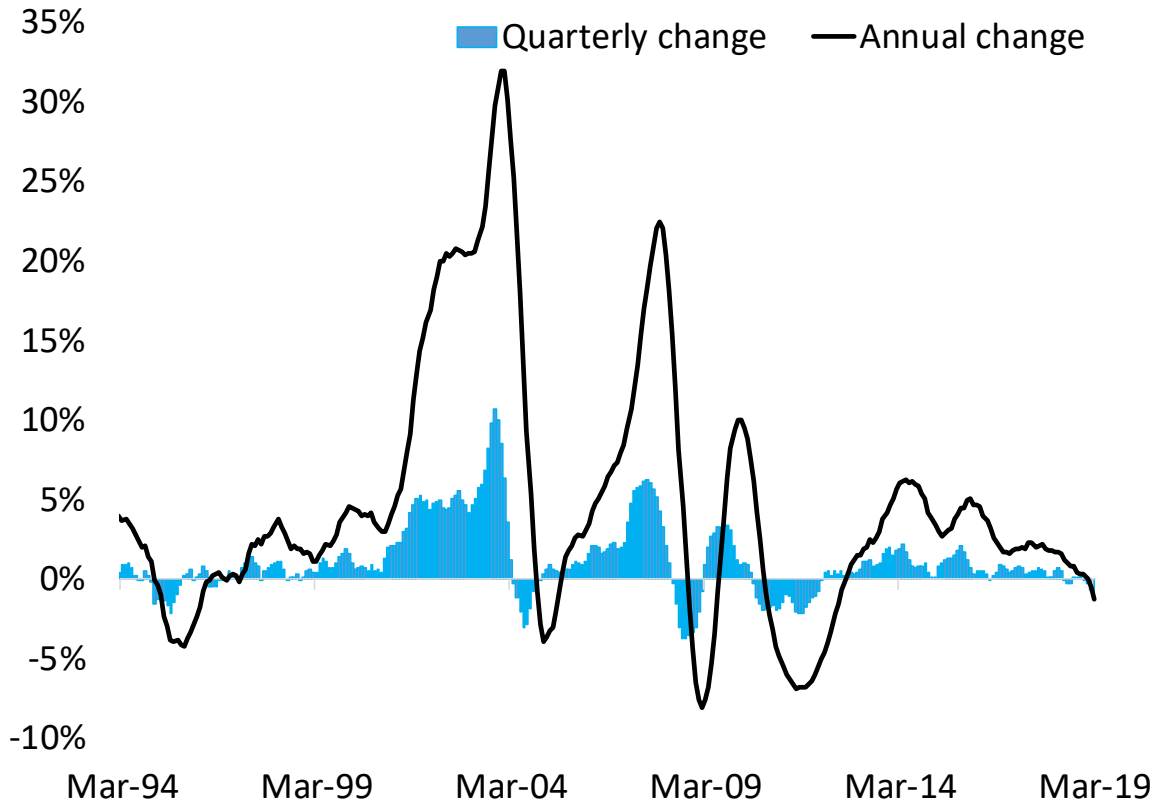


Dwelling values in Melbourne have fallen by **-3.4%** over the 3 months to March 2019 and they are **-9.8%** lower over the past year. Values in Melbourne have now fallen by **-10.3%** since they peaked in November 2017.

Source: CoreLogic



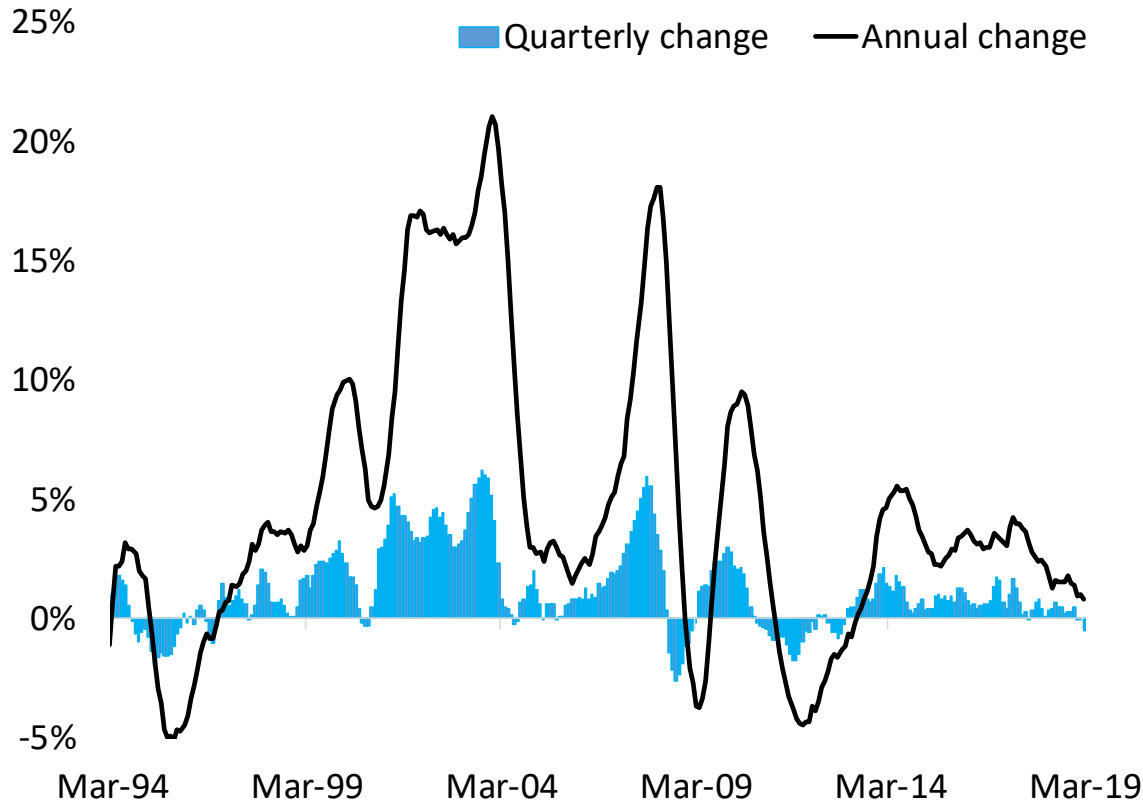
## Quarterly and annual change in dwelling values - Brisbane



Brisbane home values fell **-0.7%** over the three months to February 2019 and they were **-0.5%** lower over the past year. Brisbane dwelling values are now **-1.0%** lower than their April 2018 peak.

Source: CoreLogic

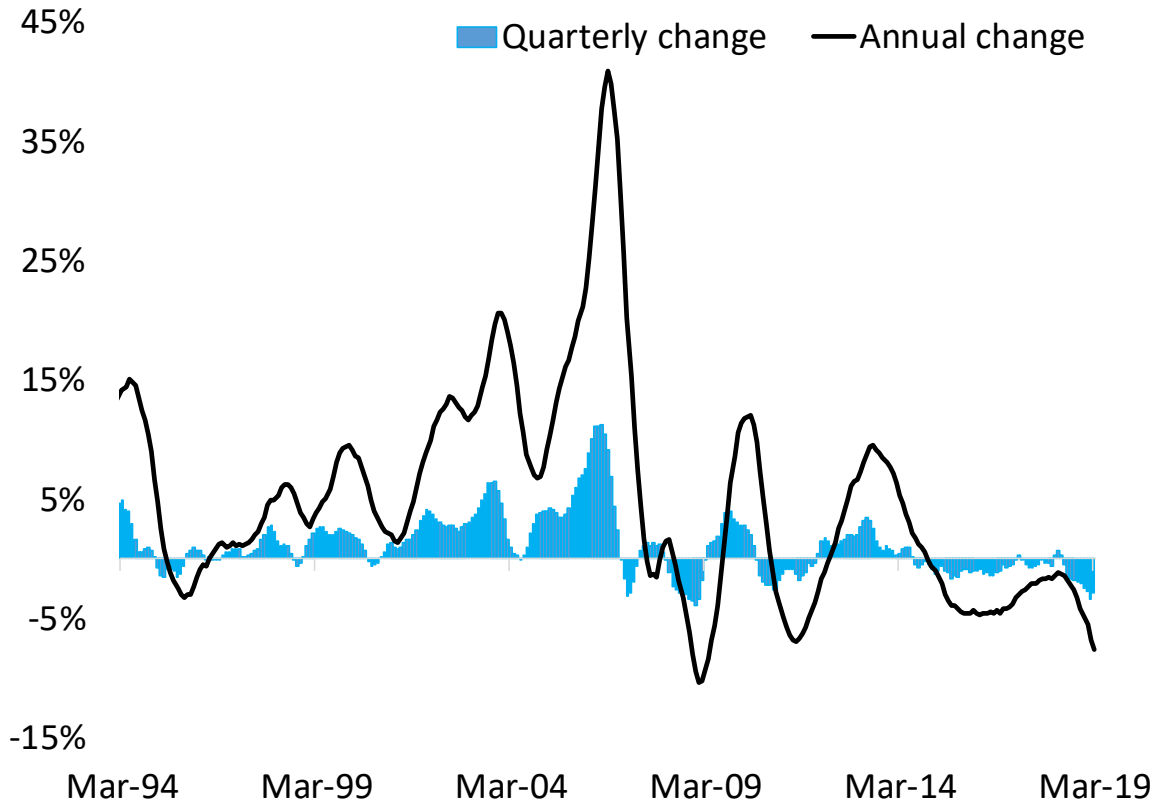
## Quarterly and annual change in dwelling values - Adelaide



Dwelling values in Adelaide fell by **-0.5%** over the three months to March 2019 however, they are **0.8%** higher over the past year. Adelaide house values were **0.7%** higher over the past year while unit values were **1.2%** higher.

Source: CoreLogic

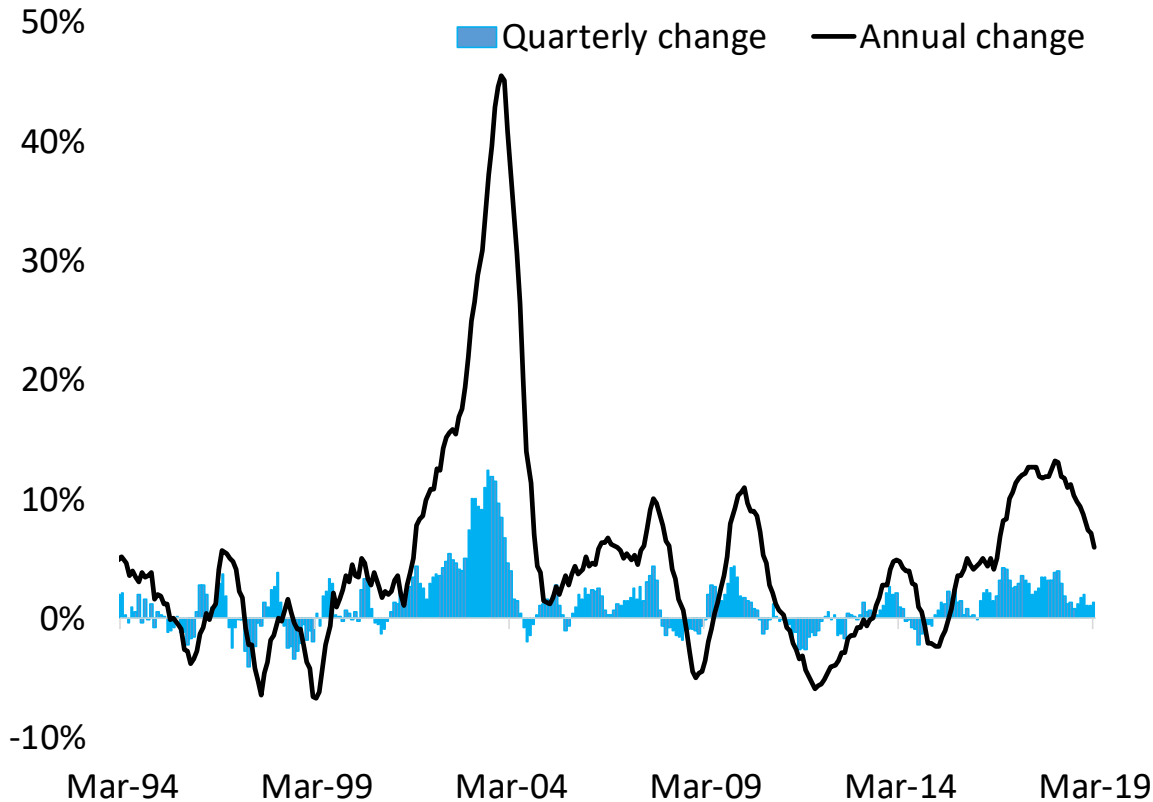
## Quarterly and annual change in dwelling values - Perth



Perth dwelling values fell by **-2.9%** over the three months to March 2019 and they are **-7.7%** lower over the past year. Dwelling values in Perth are now **-18.1%** lower than they were at their peak in June 2014.

Source: CoreLogic

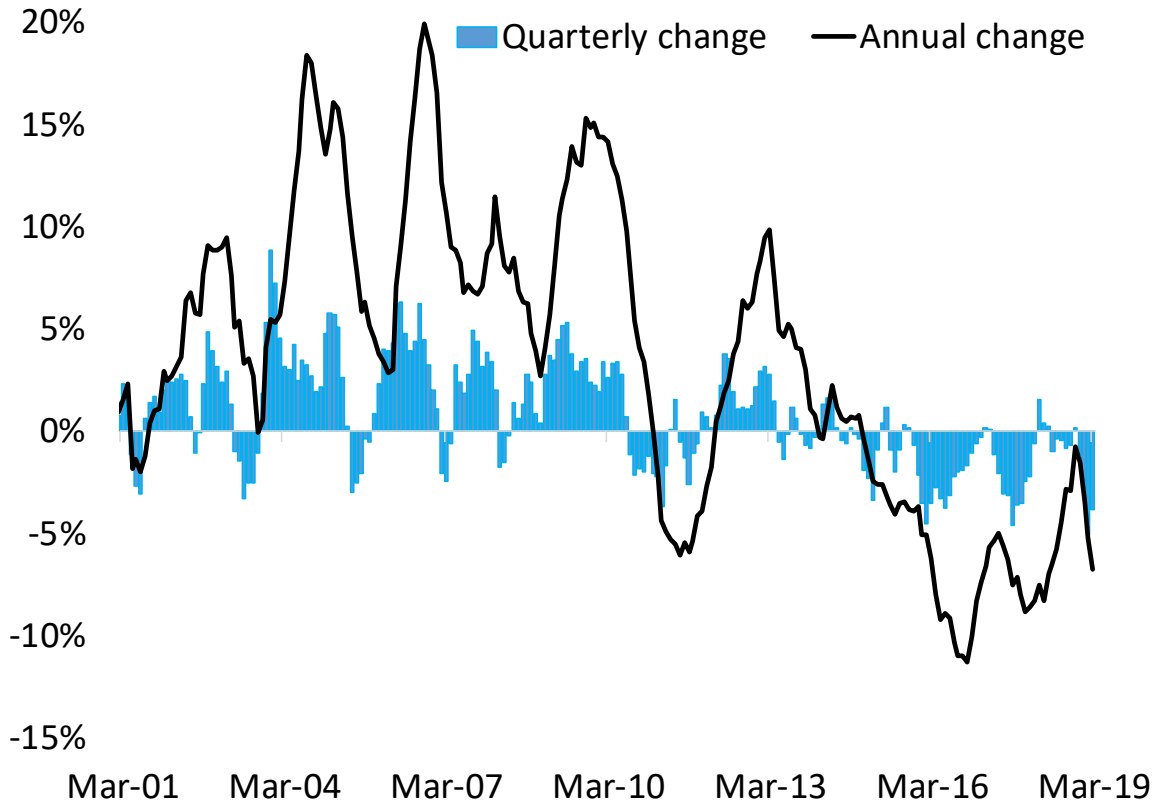
## Quarterly and annual change in dwelling values - Hobart



Dwelling values in Hobart rose **1.2%** over the 3 months to March 2019 and are **6.0%** higher over the past year. Over the past 12 months, house values have increased **5.7%** and unit values are **6.9%** higher.

Source: CoreLogic

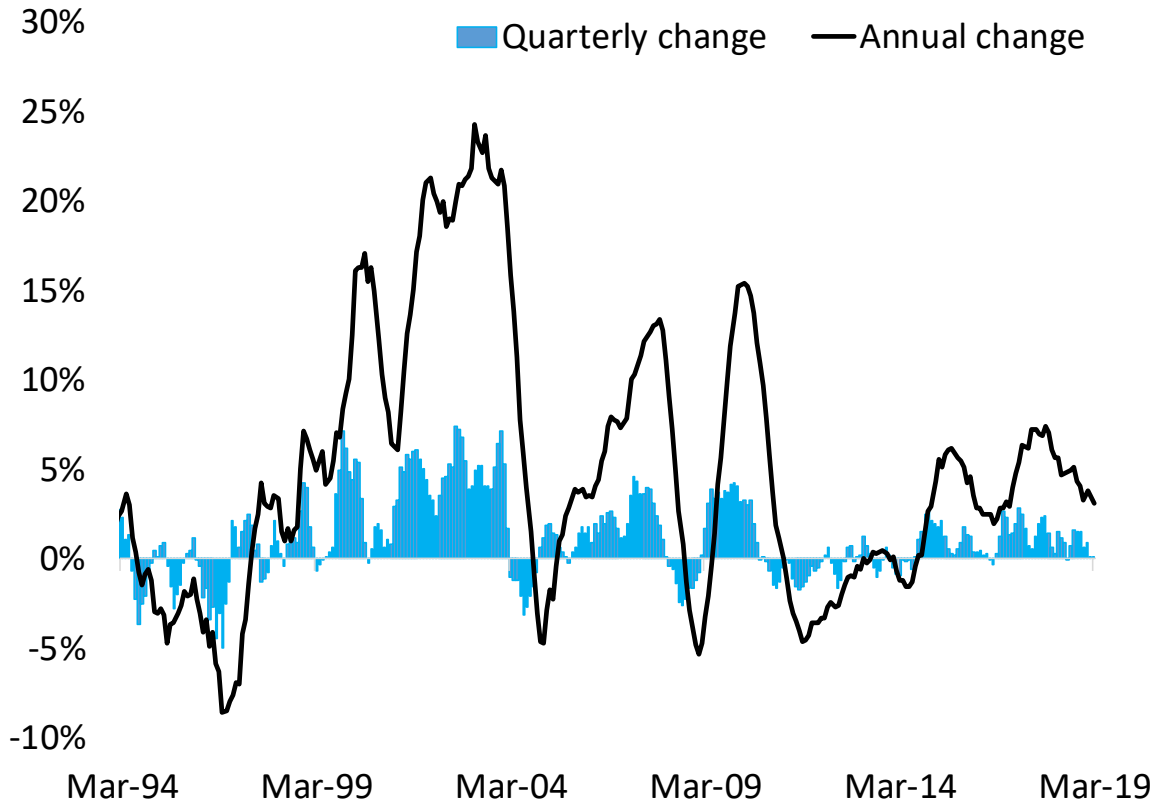
## Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by **-3.9%** over the three months to March 2019 and they are **-6.8%** lower over the past year. Dwelling values in Darwin are currently **-27.5%** lower than their historic peak.

Source: CoreLogic

## Quarterly and annual change in dwelling values - Canberra

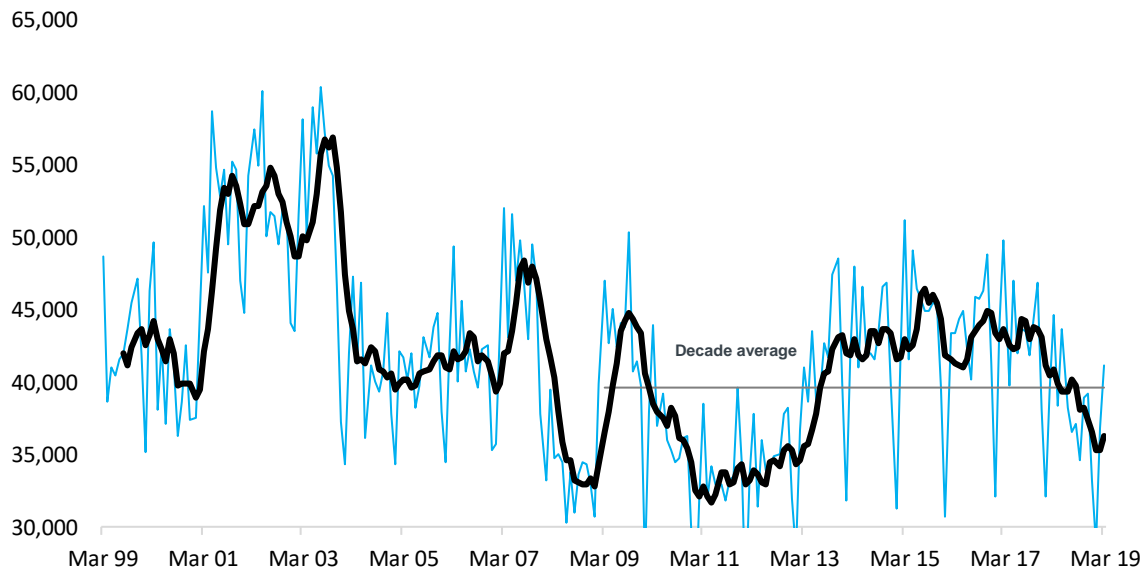


Dwelling values in Canberra were **unchanged** over the three months to March 2019 and they are **3.1%** higher over the past year. House values have increased by **3.9%** over the year while unit values rose **0.2%**.

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

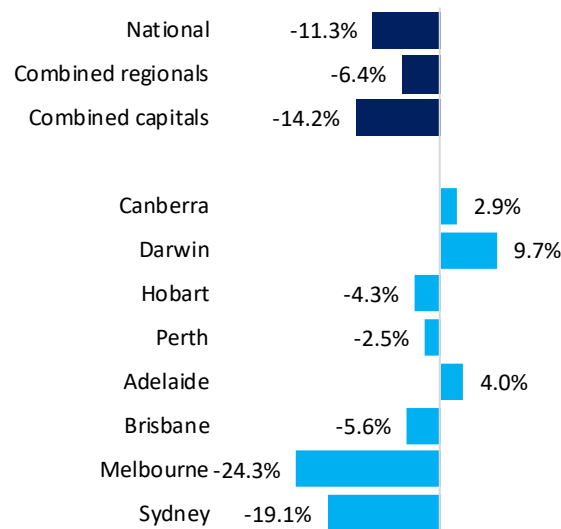
Monthly sales with six month moving average, National



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

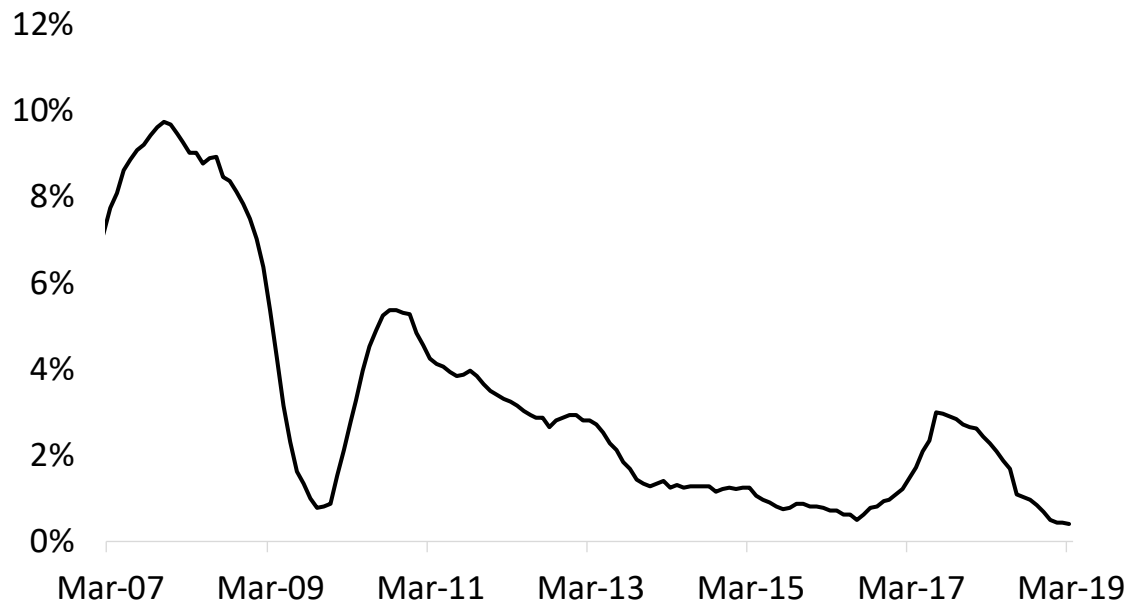
Year on year change in settled sales



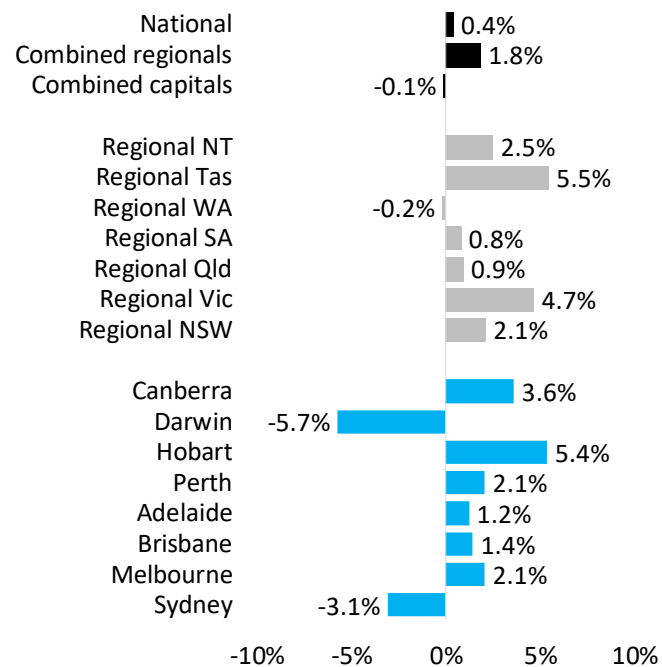


# Rental growth continues to slow, largely due to falls in Sydney and slowing rental growth elsewhere

## Annual change in dwelling rents, National



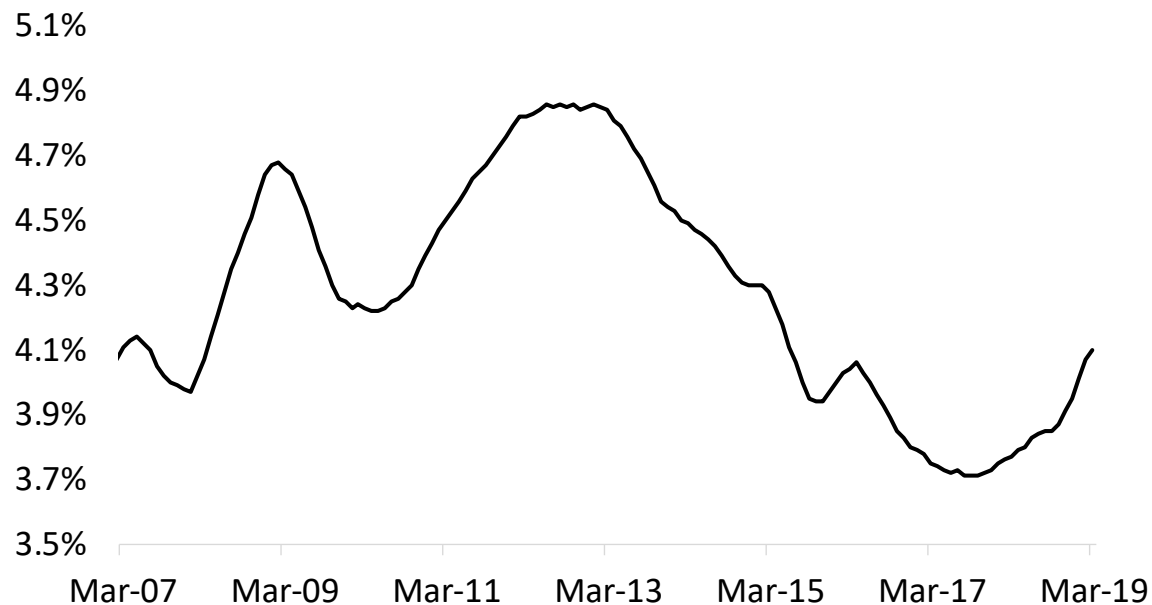
## Annual change in dwelling rents to Mar-19



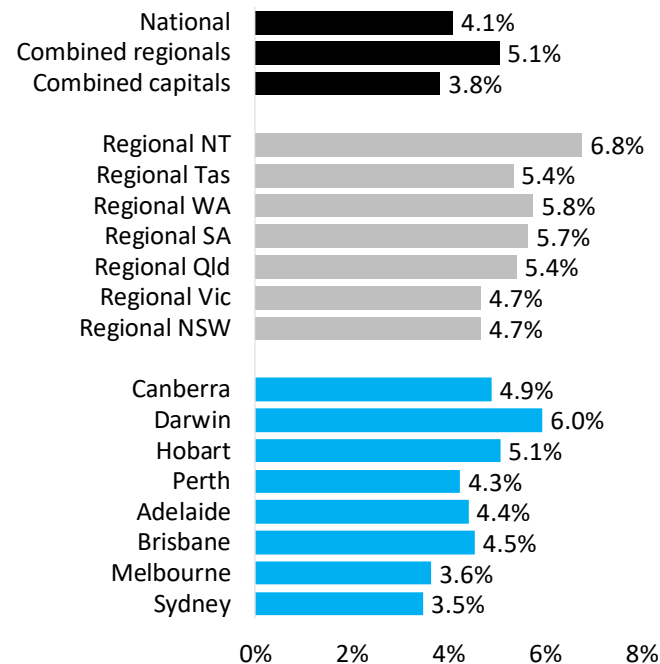
Source: CoreLogic

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

### Gross rental yields, National



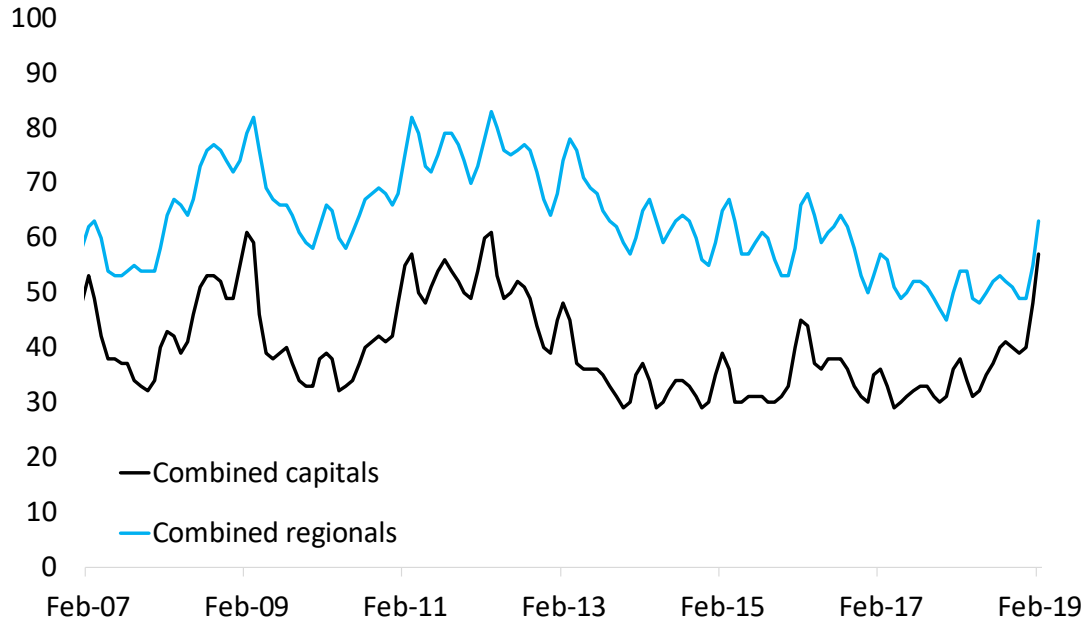
### Gross rental yields as at Mar-19



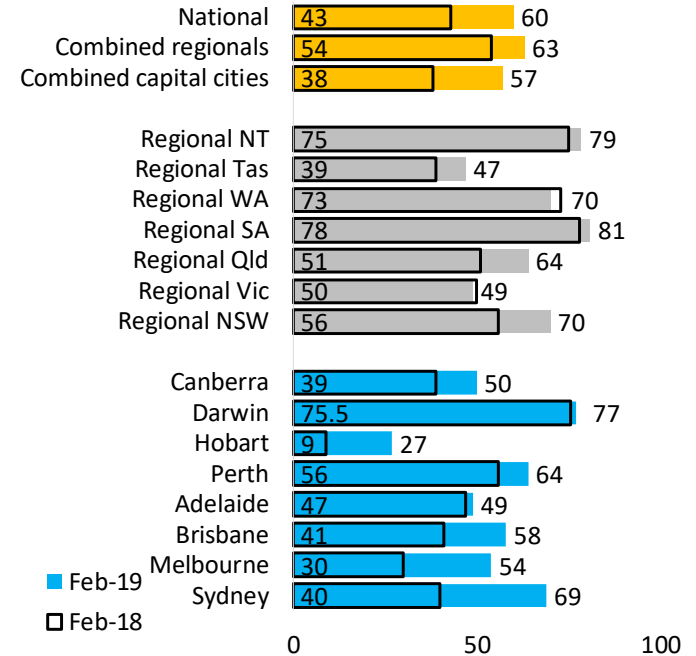
Source: CoreLogic

# The time it takes to sell a property is increasing as transaction volumes fall with fewer active buyers in the market

## Median days on market



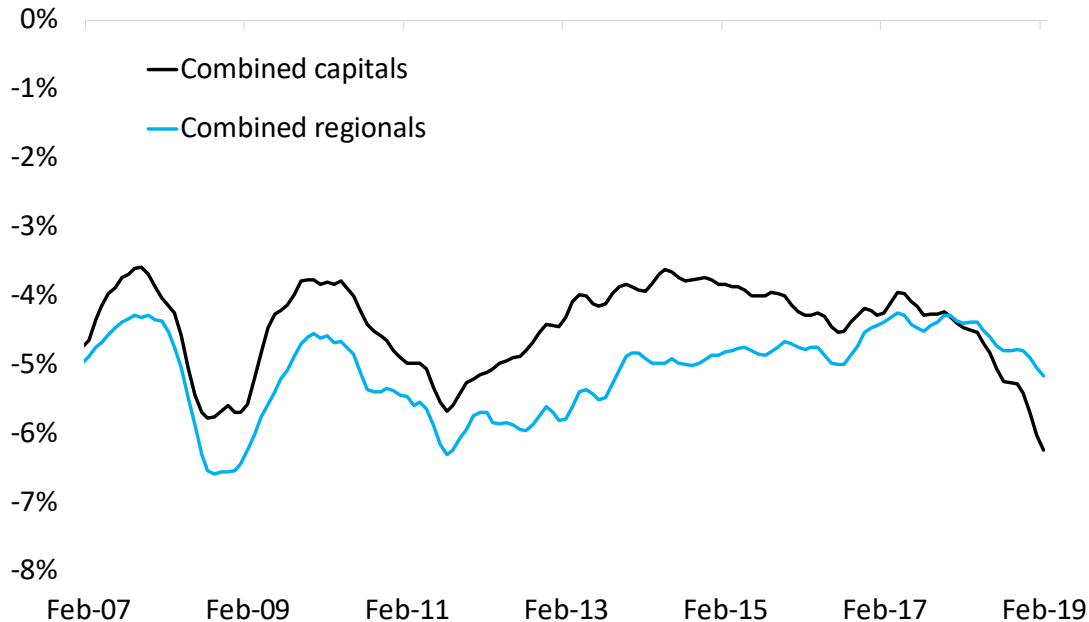
## Median days on market Feb-18 vs Feb-19



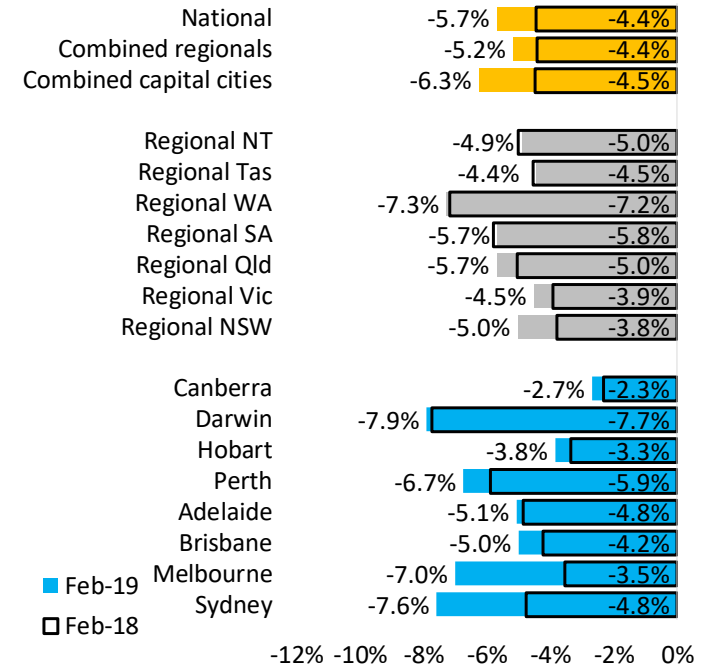
Source: CoreLogic

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

## Median vendor discount



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



Source: CoreLogic

While fewer newly listed properties are coming up for sale currently, total listings are generally higher than they were a year ago

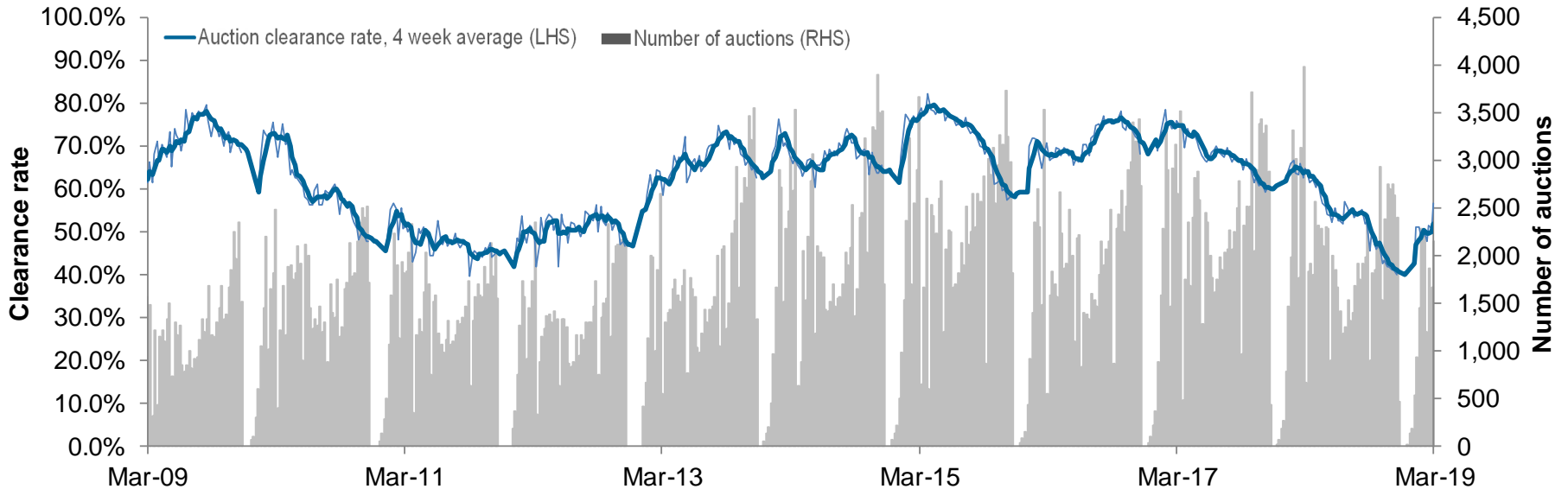
### Number of new and total properties advertised for sale, 28 days to 31 March 2019

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	6,085	-10.0%	28,482	7.1%	NSW	10,602	-9.5%	54,186	9.2%
Melbourne	6,941	-4.6%	35,842	19.7%	Vic	9,866	-6.2%	53,288	10.0%
Brisbane	3,775	-2.5%	21,263	8.9%	Qld	8,690	-8.3%	63,752	2.6%
Adelaide	2,114	8.9%	8,745	6.9%	SA	2,803	1.0%	17,578	0.9%
Perth	3,522	-7.0%	21,291	0.0%	WA	4,831	-8.0%	34,698	-1.0%
Hobart	428	0.5%	1,310	22.8%	Tas	1,019	-3.0%	4,992	-6.7%
Darwin	150	13.6%	1,416	0.6%	NT	205	12.0%	2,016	2.5%
Canberra	666	21.1%	2,481	23.4%	ACT	680	21.9%	2,587	23.9%
<b>Combined capitals</b>	<b>23,681</b>	<b>-4.3%</b>	<b>120,830</b>	<b>9.8%</b>	<b>National</b>	<b>38,696</b>	<b>-6.8%</b>	<b>233,097</b>	<b>5.0%</b>

Source: CoreLogic

# Auction markets have been stronger in early 2019 on much lower volumes than over the previous year

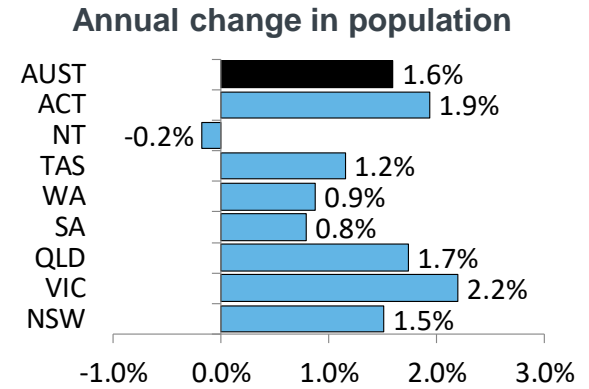
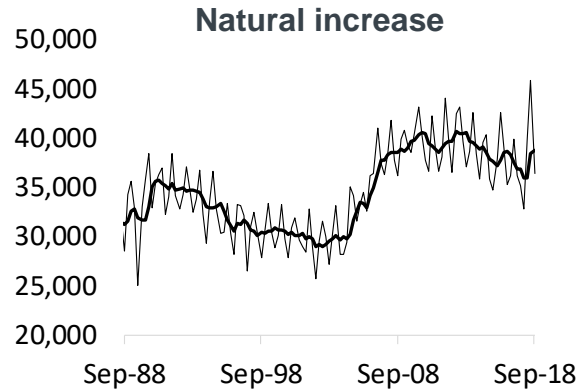
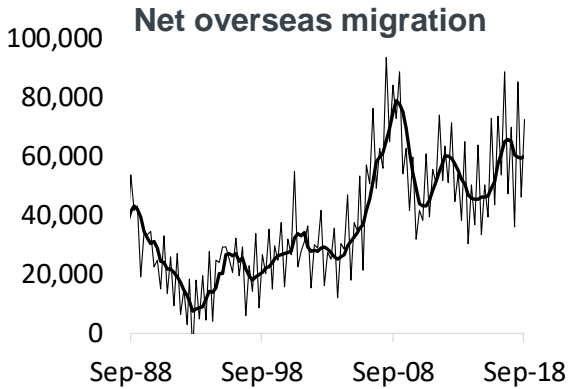
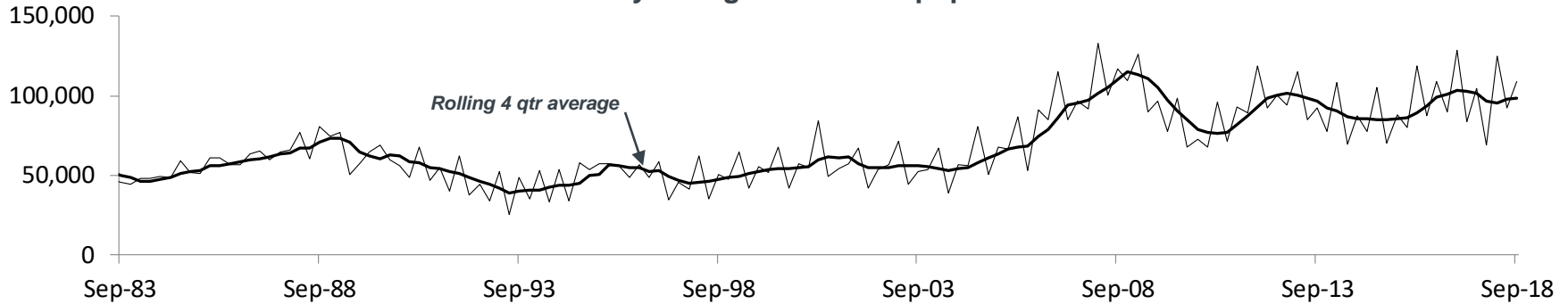
## Weekly clearance rate, combined capital cities



Source: CoreLogic

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

## Quarterly change in national population

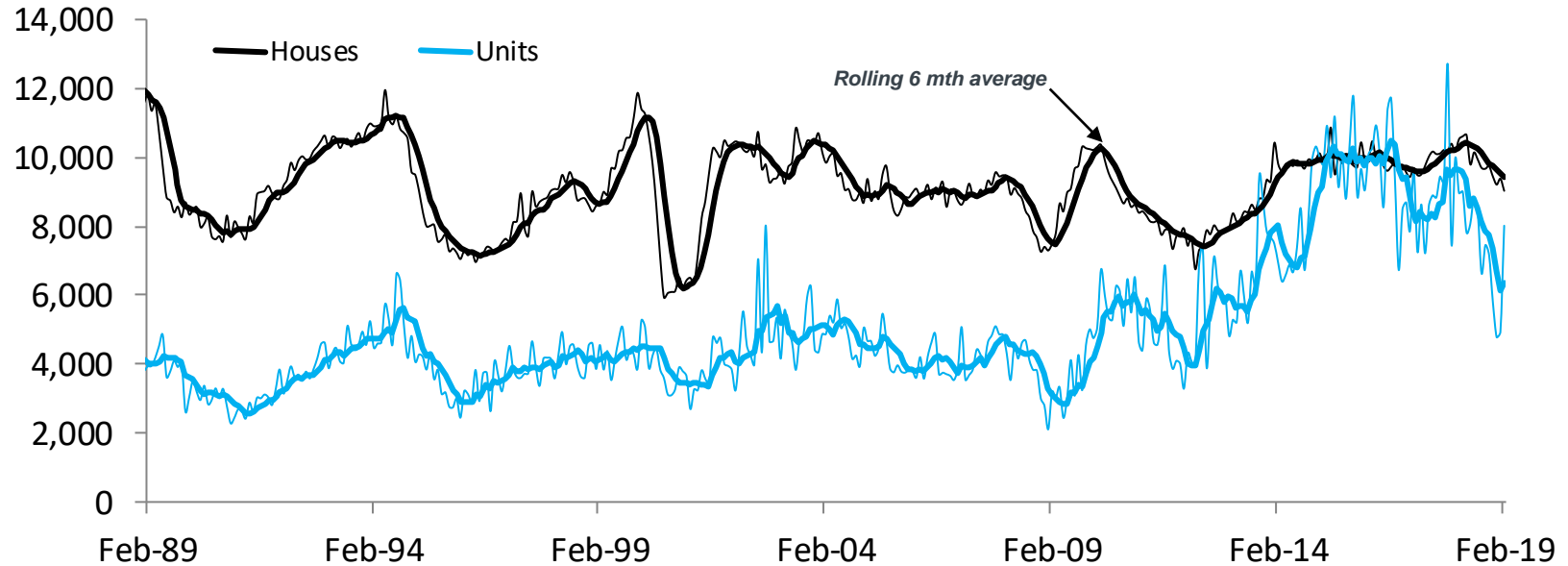


Source: CoreLogic, ABS



# Unit approvals surged in February however, both house and unit approvals continue to trend lower

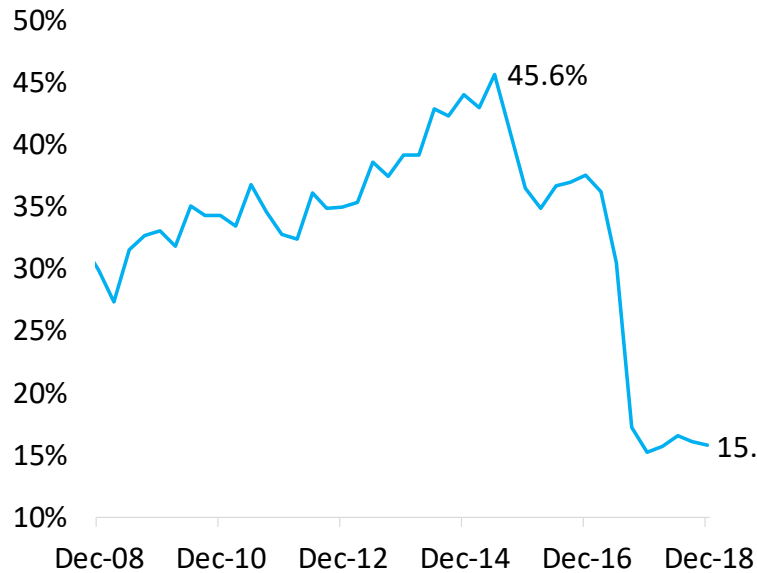
## Number of dwellings approved for construction, National



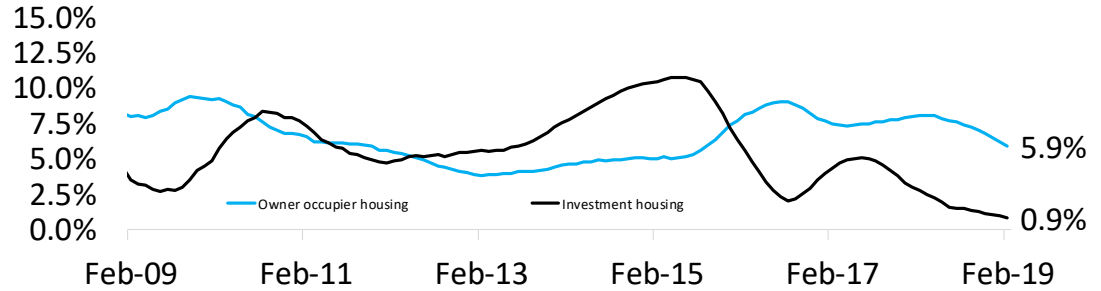
Source: CoreLogic, ABS

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

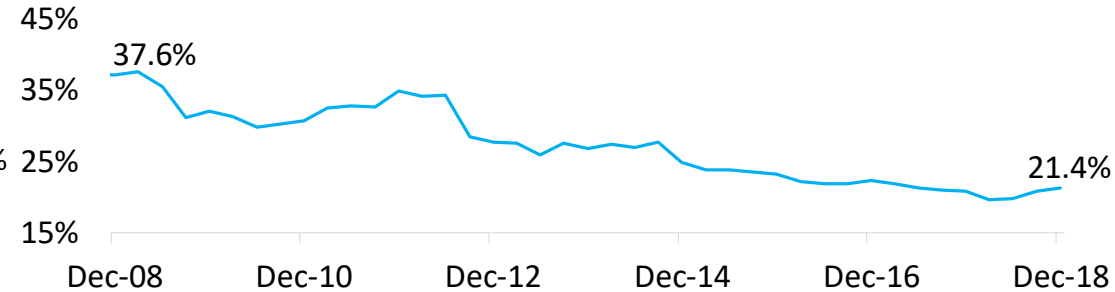
% of mortgages originated on interest-only terms



Annual change in credit, owner occupier v investor

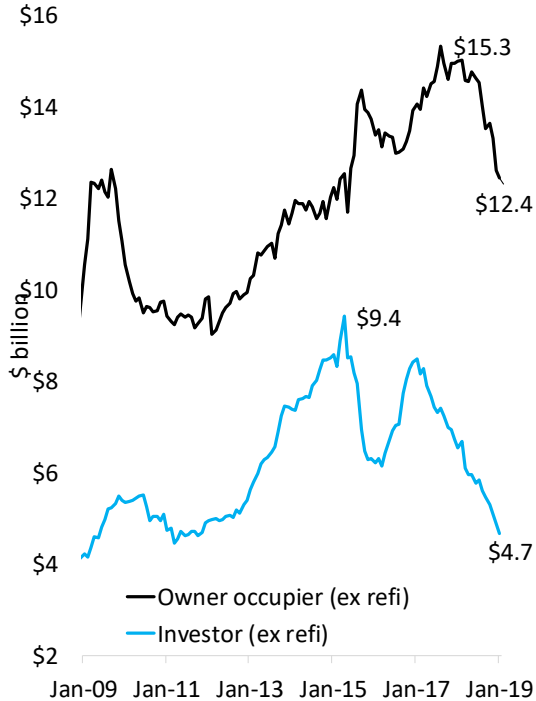


% of mortgages settled with an LVR 80%+

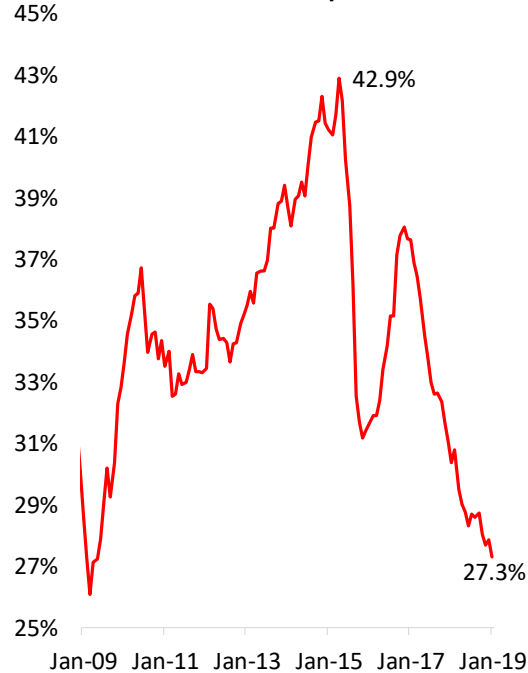


Source: CoreLogic, APRA, RBA

Monthly value of new housing finance commitments, National



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



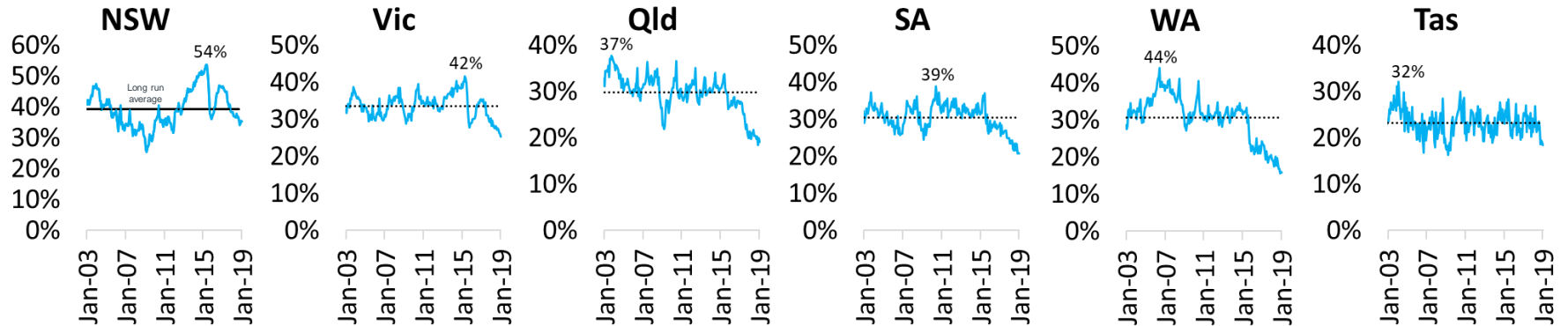
The slowdown in credit growth is mostly due to a sharp reduction in investment lending; down 29% over the past year and 50% lower relative to the 2015 peak.

More recently, owner occupier lending has dived sharply, down 17% over the past 12 months.

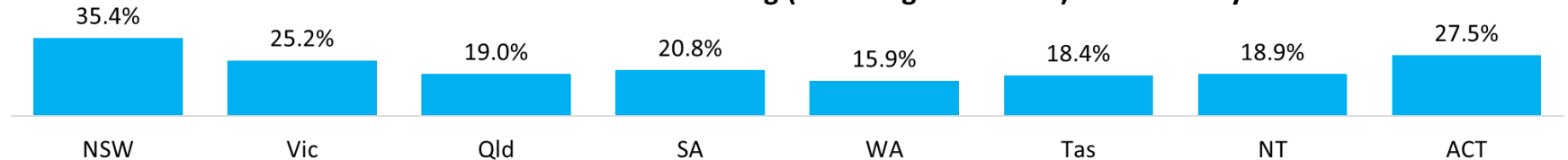
Source: CoreLogic, ABS

# 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)



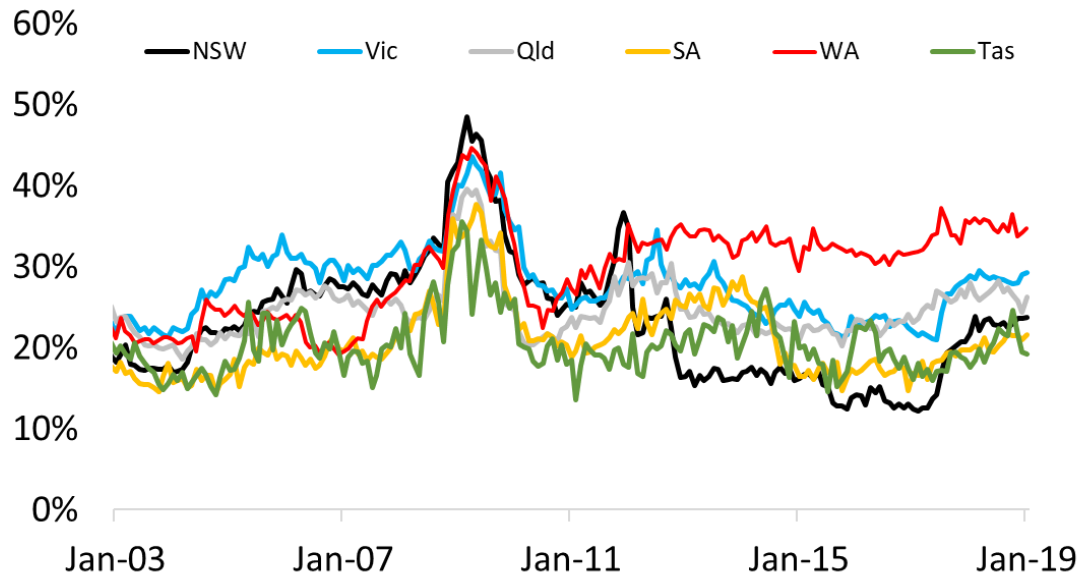
Investors as a % of total value of lending (excluding refinances) as at January 2019



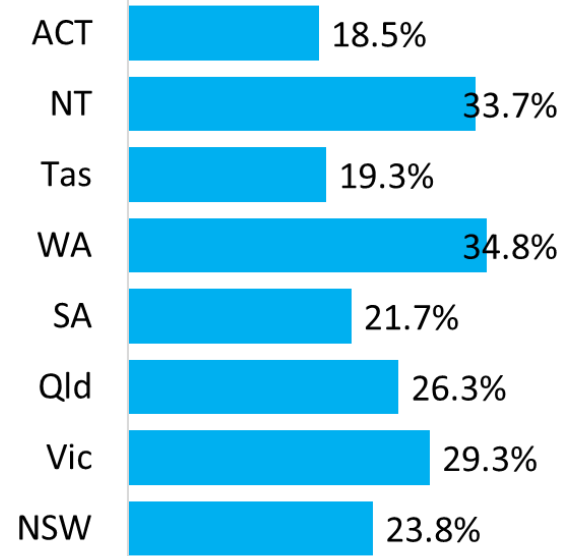
Source: CoreLogic, ABS

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)



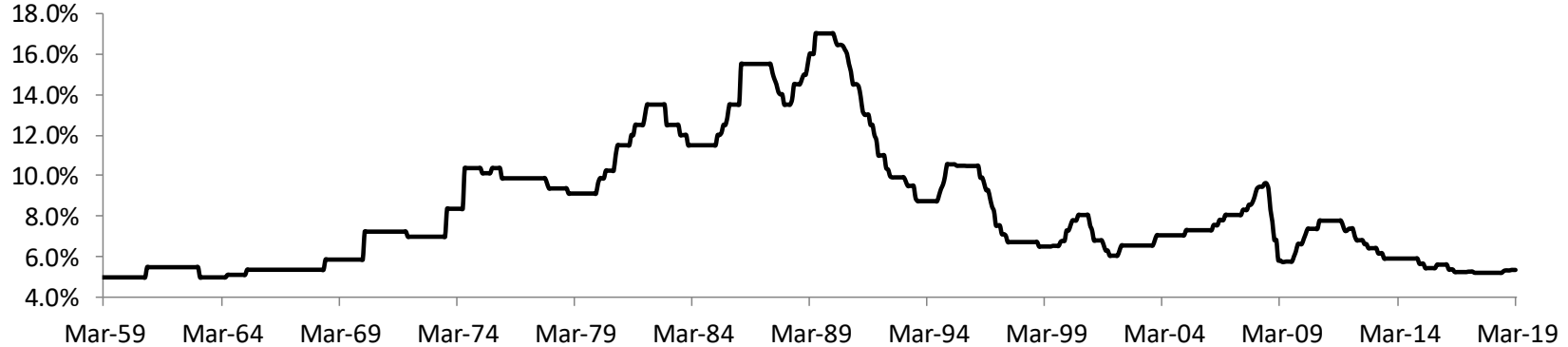
First home buyers as a % of all owner occupier housing finance commitments (exc refi), Jan 19



Source: CoreLogic, ABS

# Official interest rates remain on hold however, the market expects a cut is more likely than an increase

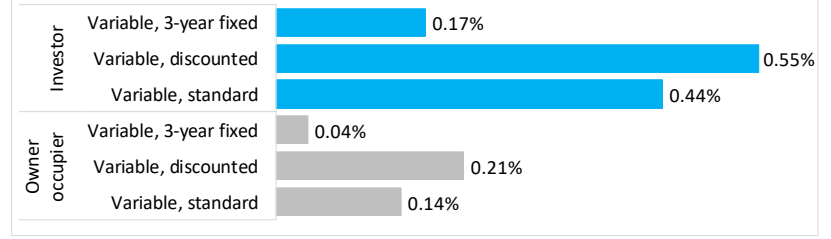
## Standard variable mortgage rates over time



### Avg mortgage rate by product type, Mar 2019



### Change in avg mortgage rate since low point, Mar 2019



Source: CoreLogic, RBA

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