



Our Insights.  
Your Story.

Property market chart pack  
May 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 April 2019



**10.2 million**  
Number of dwellings



**\$1.82 trillion**  
Outstanding mortgage debt



**50.5%**  
Household wealth held in housing



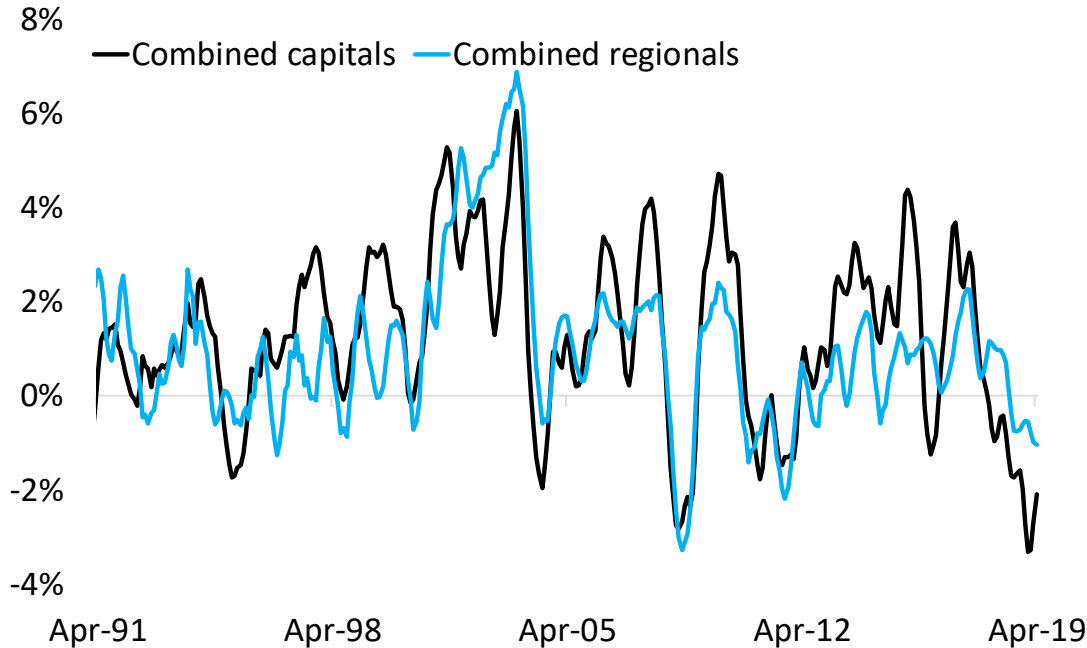
**429,956**  
Total sales p.a.



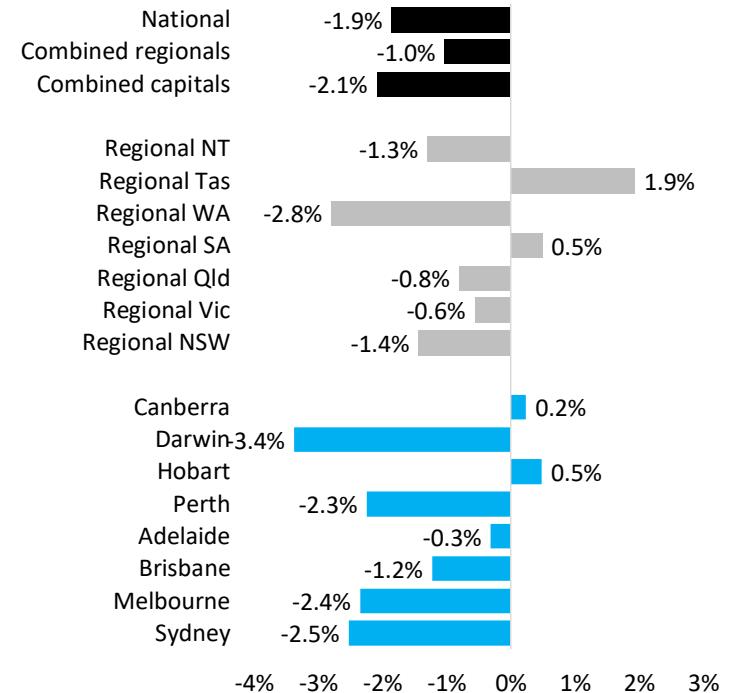
**\$233.3 billion**  
Gross value of sales p.a.

# The quarterly rate of decline has eased with declines turning at a level similar to the 2008 downturn

Quarterly change in dwelling values



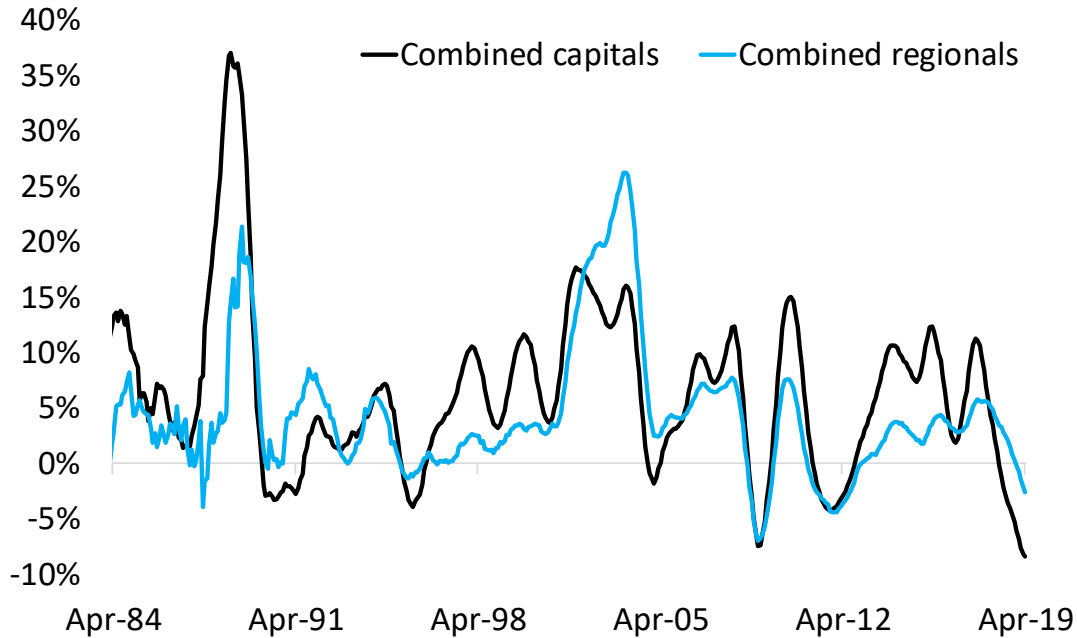
Quarterly change in dwelling values to Apr-19



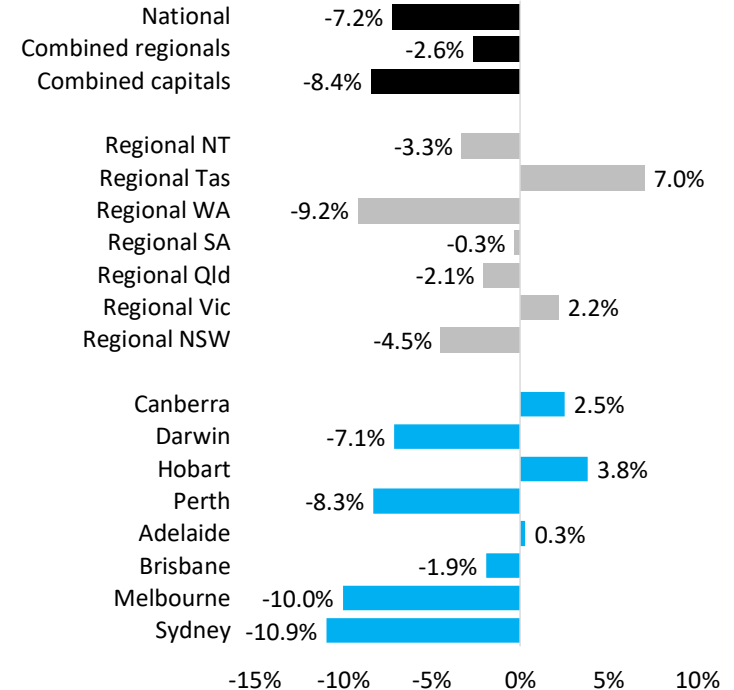
Source: CoreLogic

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

## Annual change in dwelling values



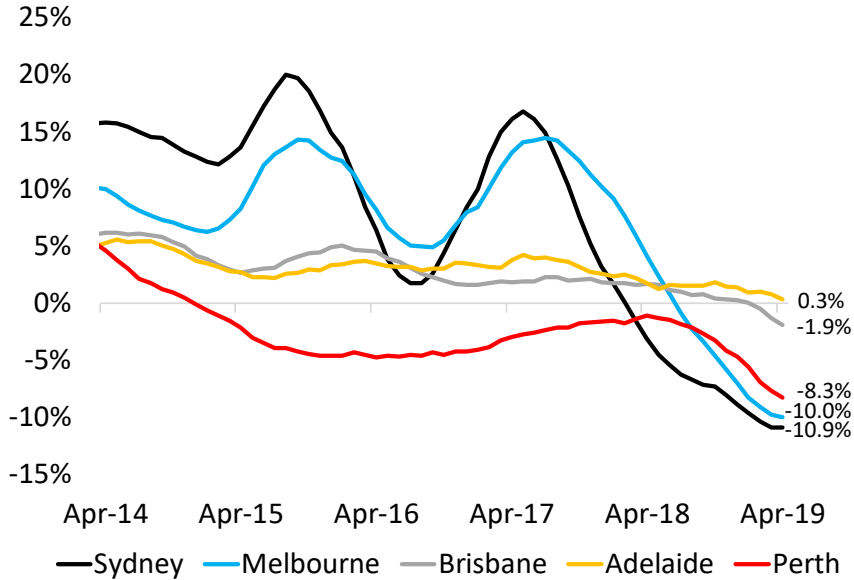
## Annual change in dwelling values to Apr-19



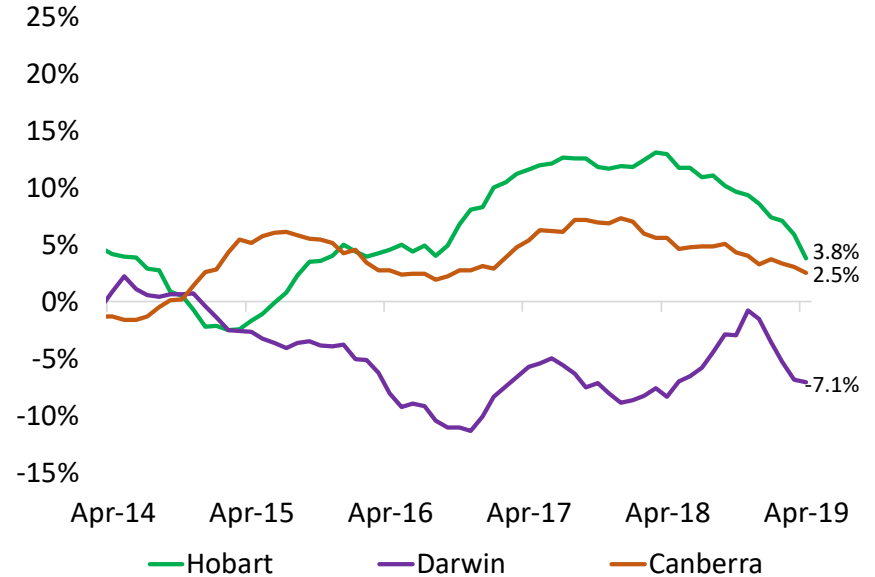
Source: CoreLogic

# At a national level, premium dwelling values continue to record larger value falls relative to more affordable housing

Annual change in dwelling values



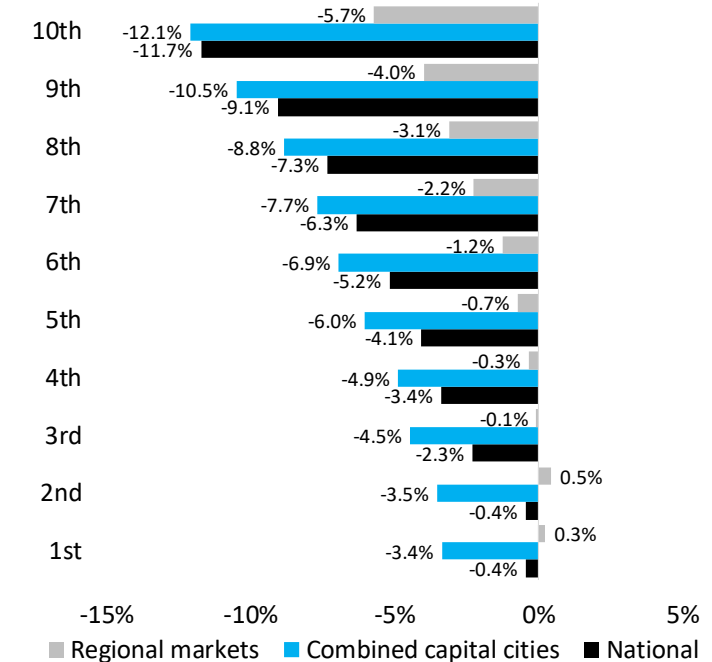
Annual change in dwelling values



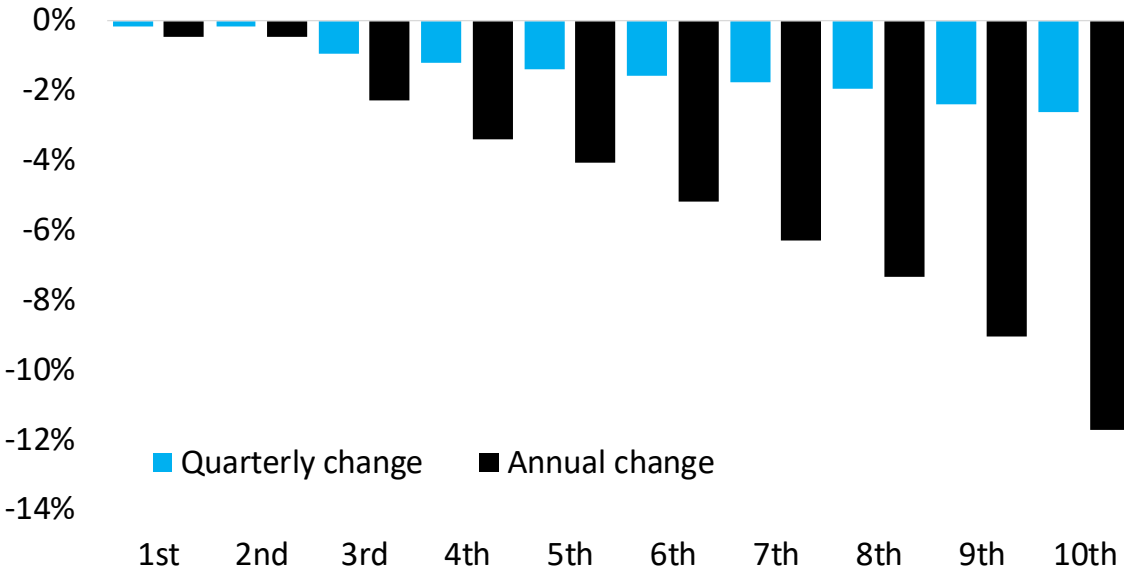
Source: CoreLogic

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

Annual change in dwelling values by decile, Apr-19

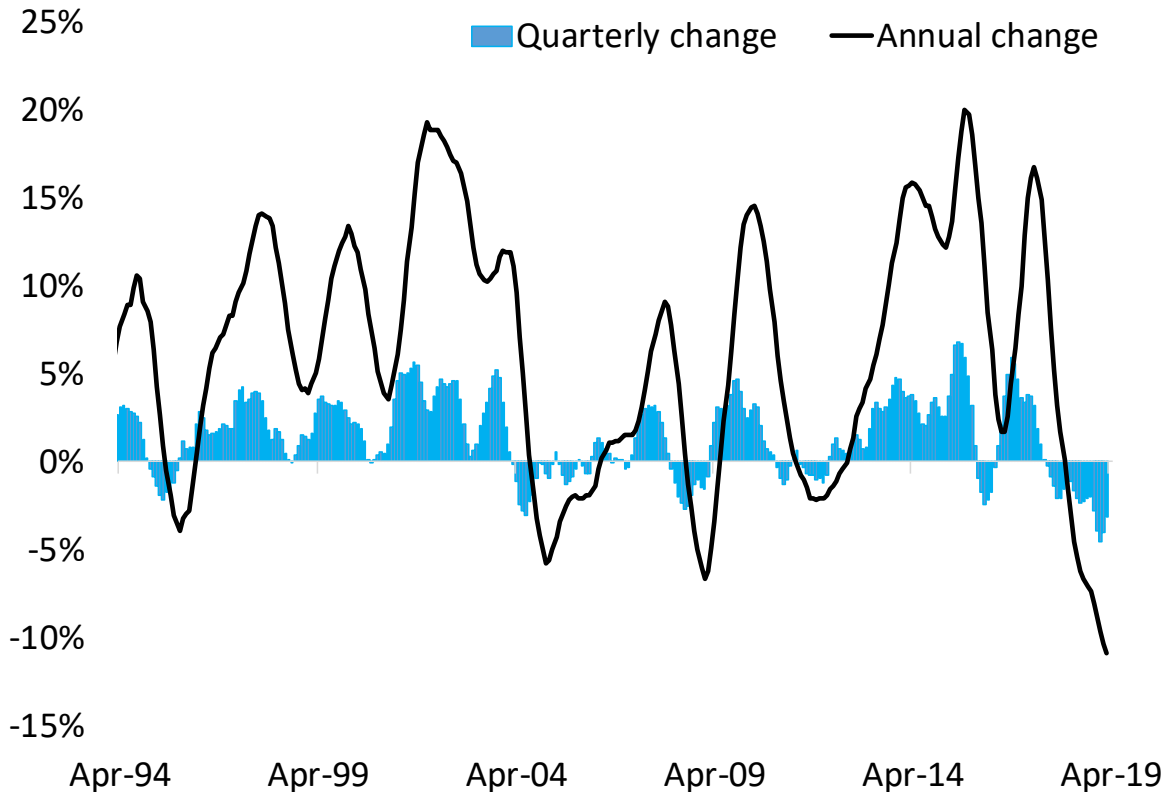


Quarterly and annual change in dwelling values by deciles, National as at April 2019



Source: CoreLogic

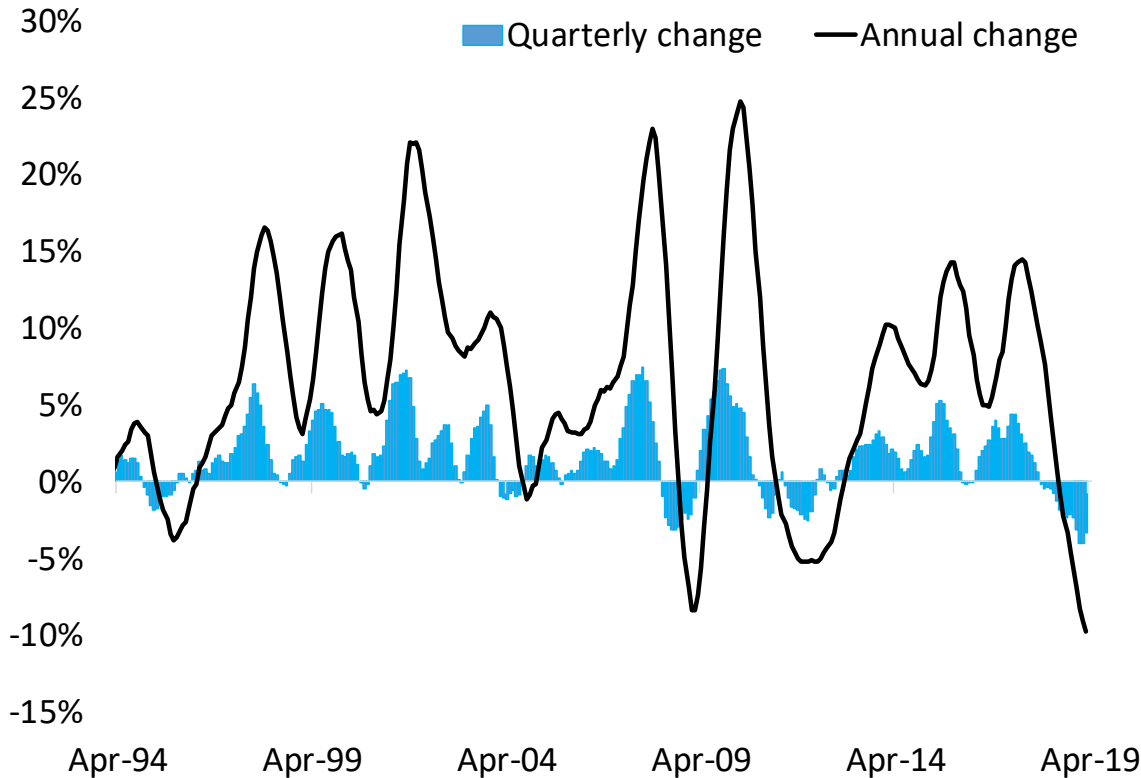
## Quarterly and annual change in dwelling values - Sydney



Sydney dwelling values have fallen by **-2.5%** over the three months to April 2019 and they are **-10.9%** lower over the past year. Sydney dwelling values are now **-13.9%** lower than their July 2017 peak.

Source: CoreLogic

## Quarterly and annual change in dwelling values - Melbourne

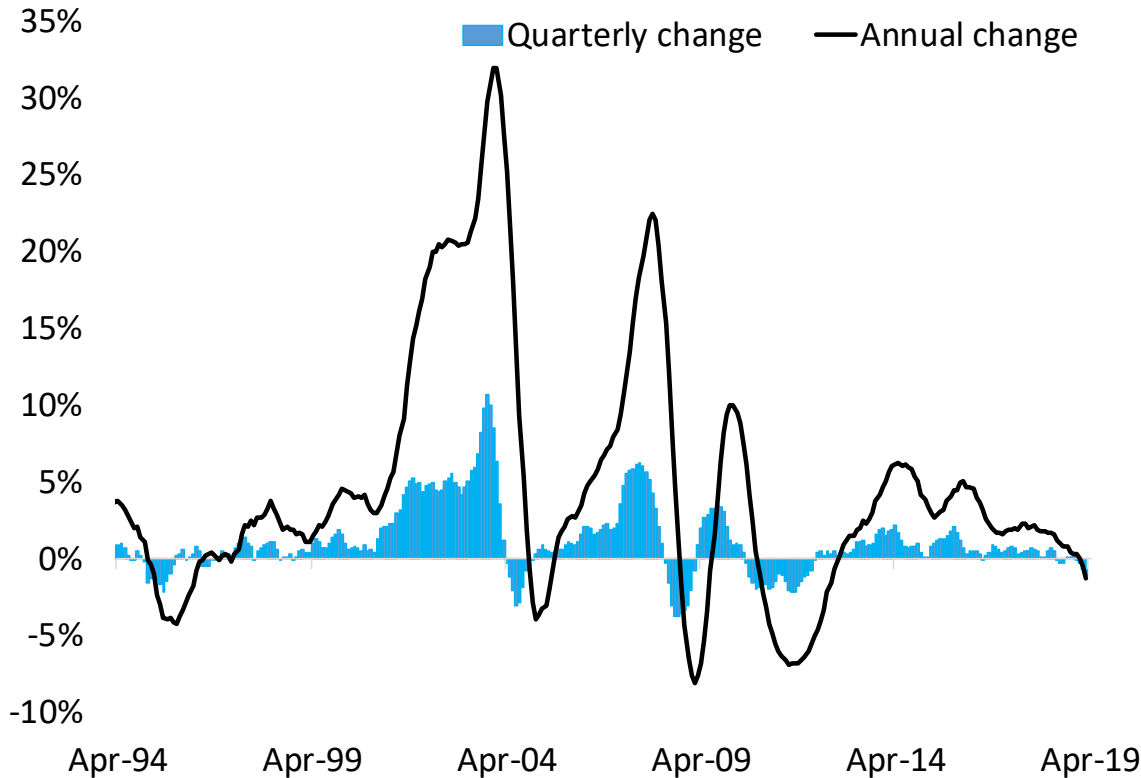


Dwelling values in Melbourne have fallen by **-2.4%** over the 3 months to April 2019 and they are **-10.0%** lower over the past year. Values in Melbourne have now fallen by **-10.9%** since they peaked in November 2017.

Source: CoreLogic

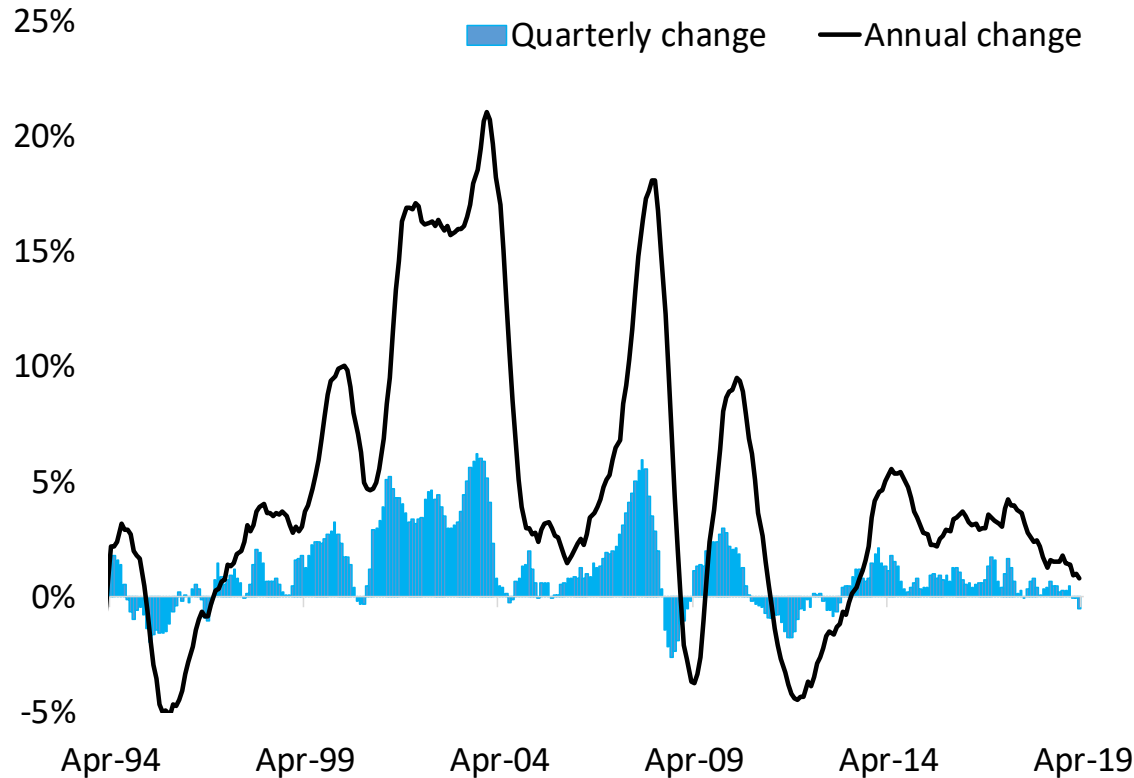


## Quarterly and annual change in dwelling values - Brisbane



Brisbane home values fell **-1.2%** over the three months to April 2019 and they were **-1.9%** lower than their peak a year ago. Brisbane house values are **-1.8%** lower over the year and unit values are down **-2.4%**.

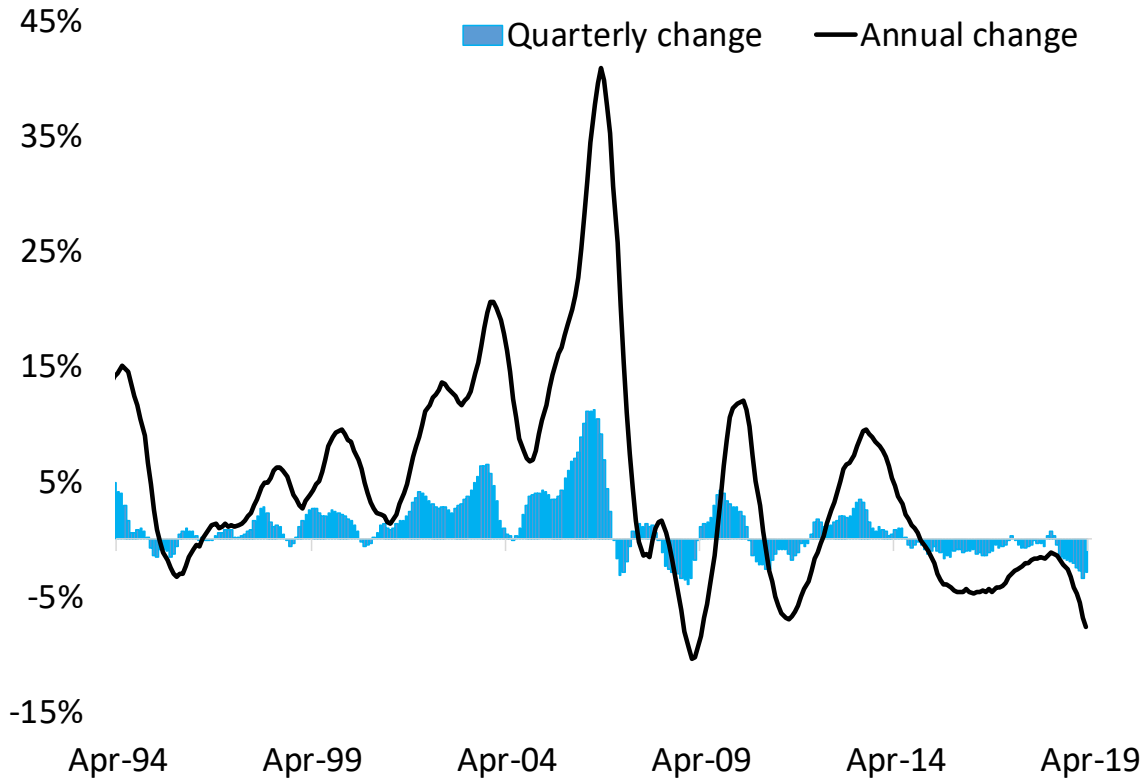
## Quarterly and annual change in dwelling values - Adelaide



Dwelling values in Adelaide fell by **-0.3%** over the three months to April 2019 however, they are **0.3%** higher over the past year. Adelaide dwelling values peaked in December 2018 and have since fallen by **-0.7%**.

Source: CoreLogic

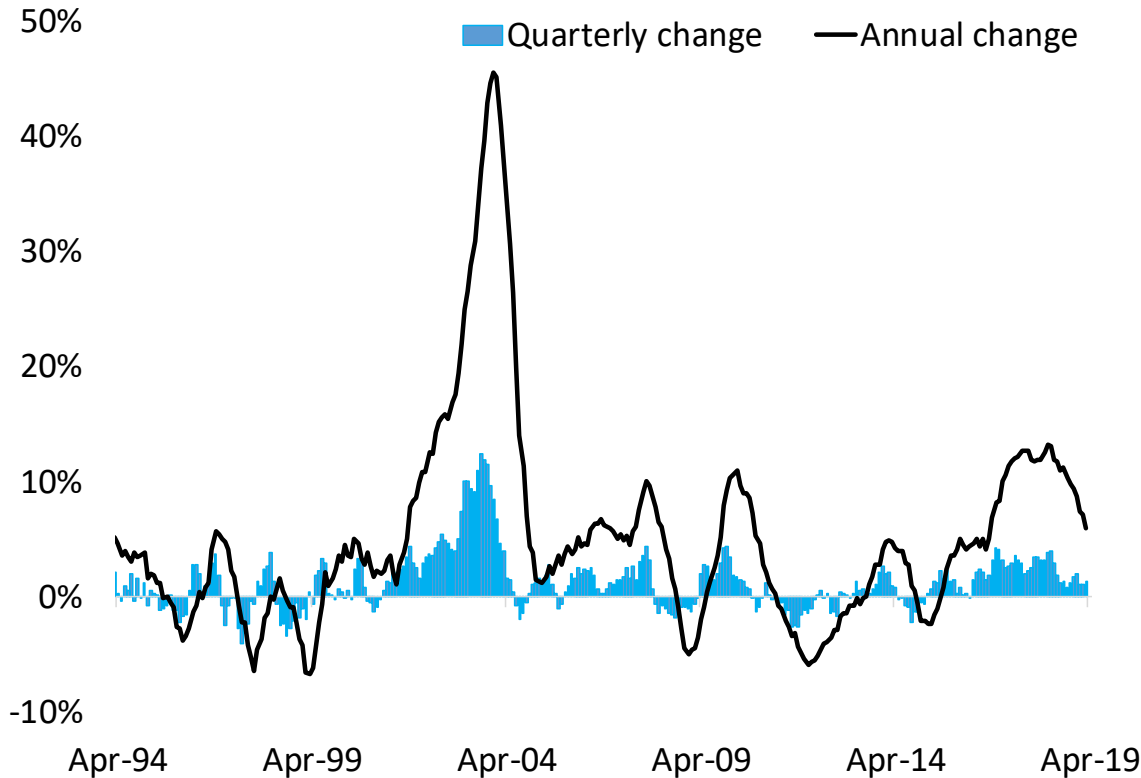
## Quarterly and annual change in dwelling values - Perth



Perth dwelling values fell by **-2.3%** over the three months to April 2019 and they are **-8.3%** lower over the past year. Dwelling values in Perth are now **-18.4%** lower than they were at their peak in June 2014.

Source: CoreLogic

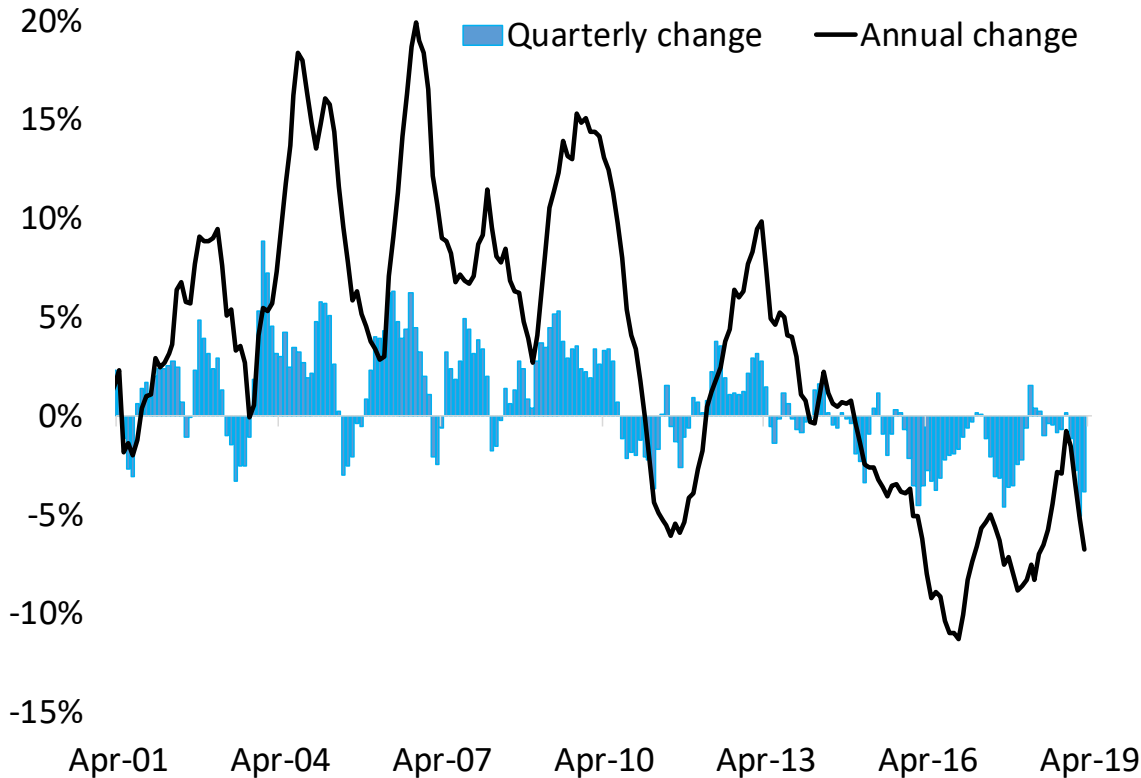
## Quarterly and annual change in dwelling values - Hobart



Dwelling values in Hobart rose **0.5%** over the 3 months to April 2019 and are **3.8%** higher over the past year. Over the past 12 months, house values have increased **3.5%** and unit values are **5.4%** higher.

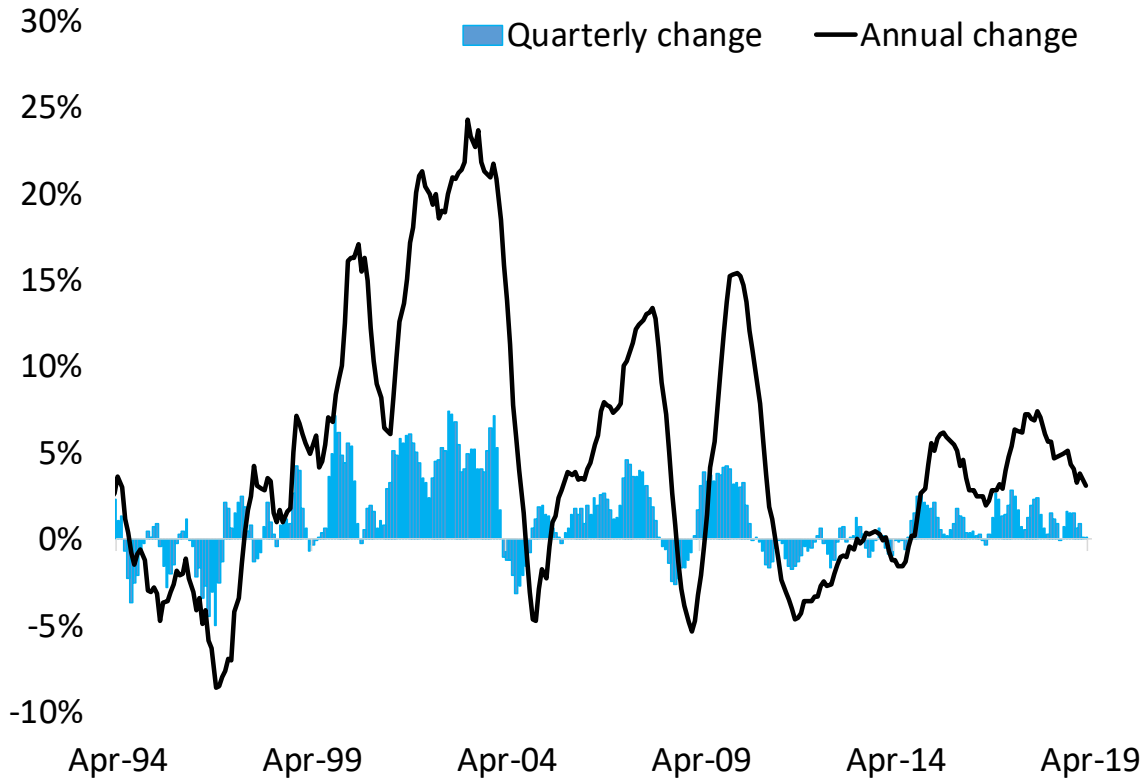
Source: CoreLogic

## Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by **-3.4%** over the three months to April 2019 and they are **-7.1%** lower over the past year. Dwelling values in Darwin are currently **-28.3%** lower than their historic peak.

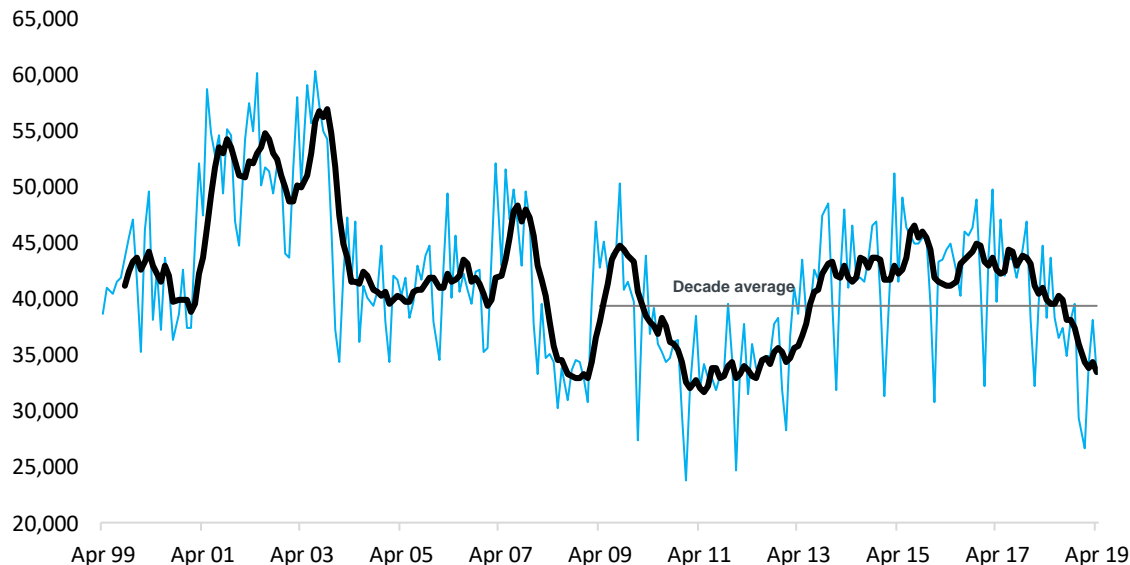
## Quarterly and annual change in dwelling values - Canberra



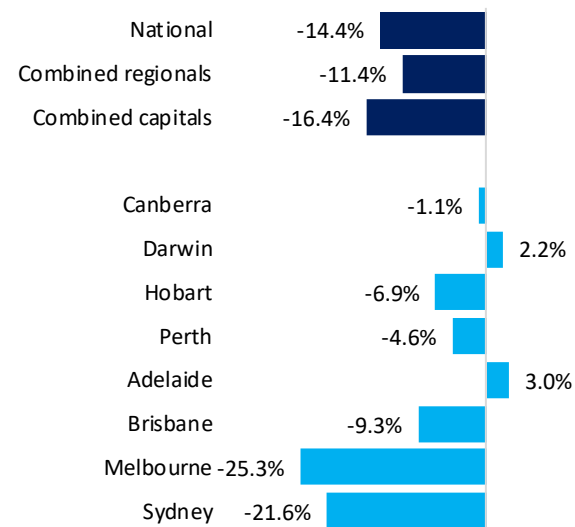
Dwelling values in Canberra increased **0.2%** over the three months to April 2019 and they are **2.5%** higher over the past year. House values have increased by **3.5%** over the year while unit values fell **-0.8%**.

# 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

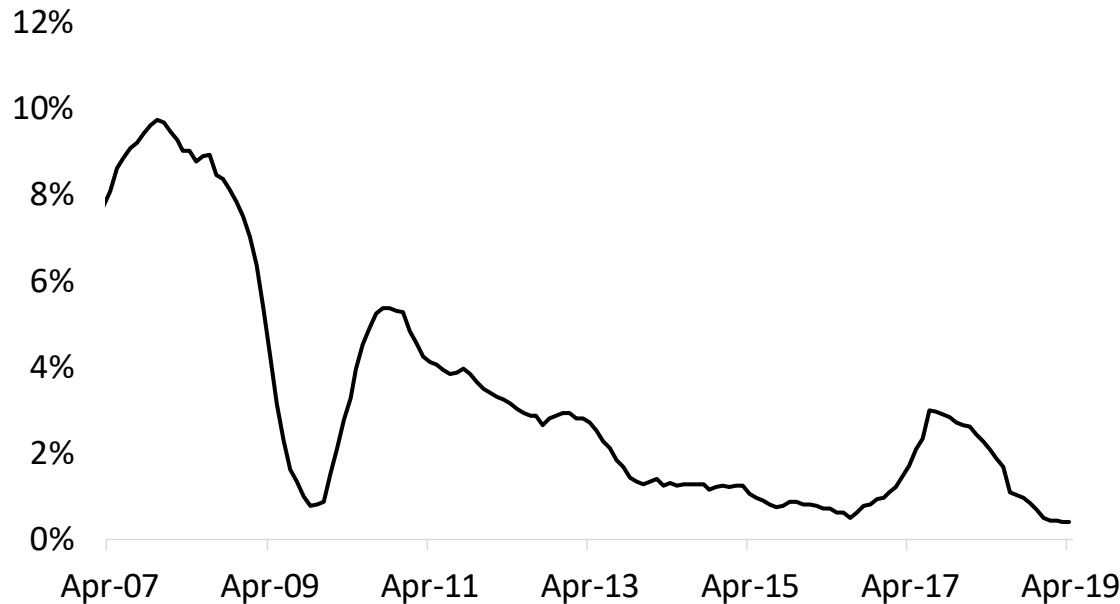


Note the sales volumes are modelled based on historic levels of revision however, they are still subject to revision. Furthermore, sales volumes do not account for off-the-plan purchases which upon completion are counted as sales at their contract date.

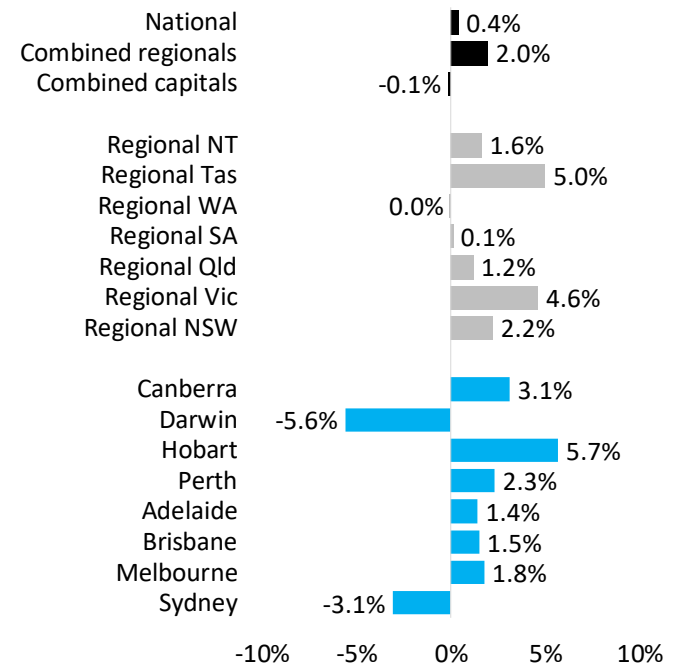
Source: CoreLogic

# 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 Apr-19

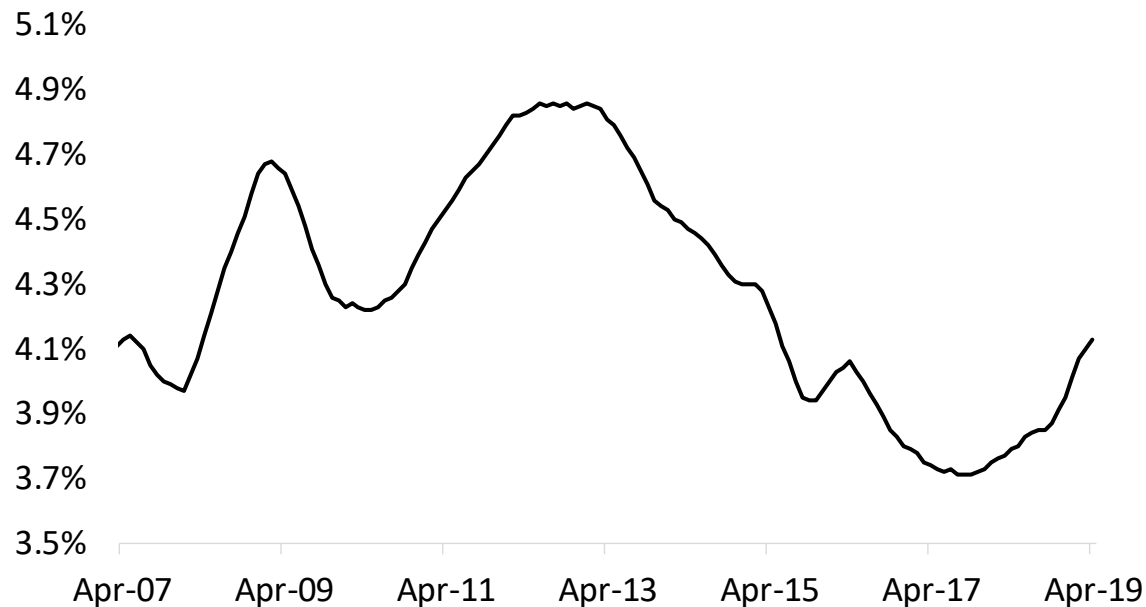


Source: CoreLogic

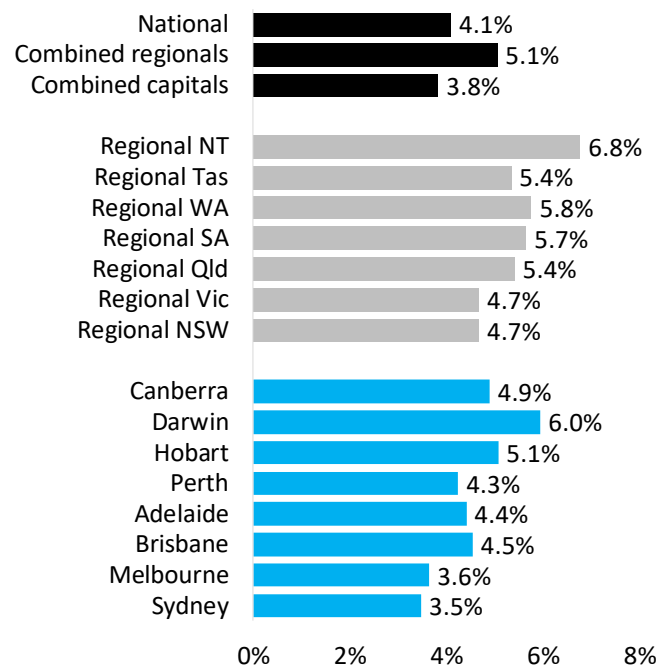


With rental growth typically stronger than value growth, gross rental yields are rising fairly rapidly from their recent historic lows

Gross rental yields, National



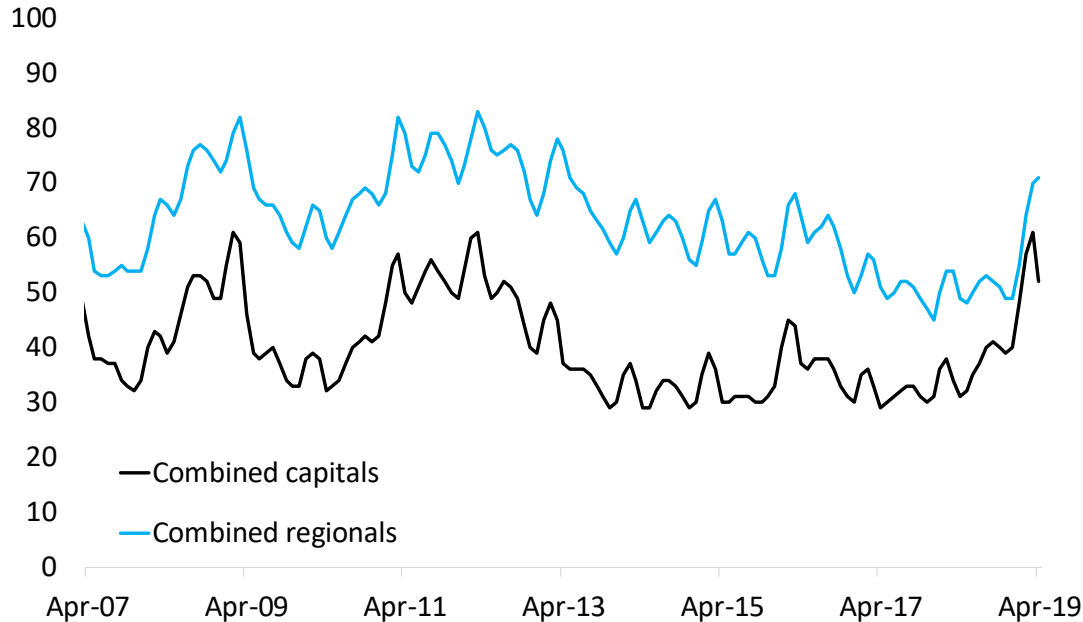
Gross rental yields as at Apr-19



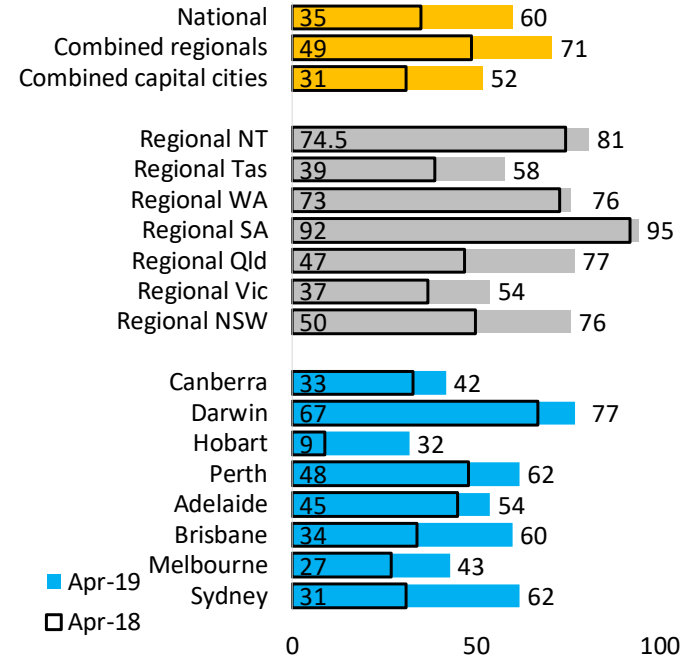
Source: CoreLogic

# The time it takes to sell a property has risen as transaction volumes have fallen with fewer active buyers in the market

## Median days on market



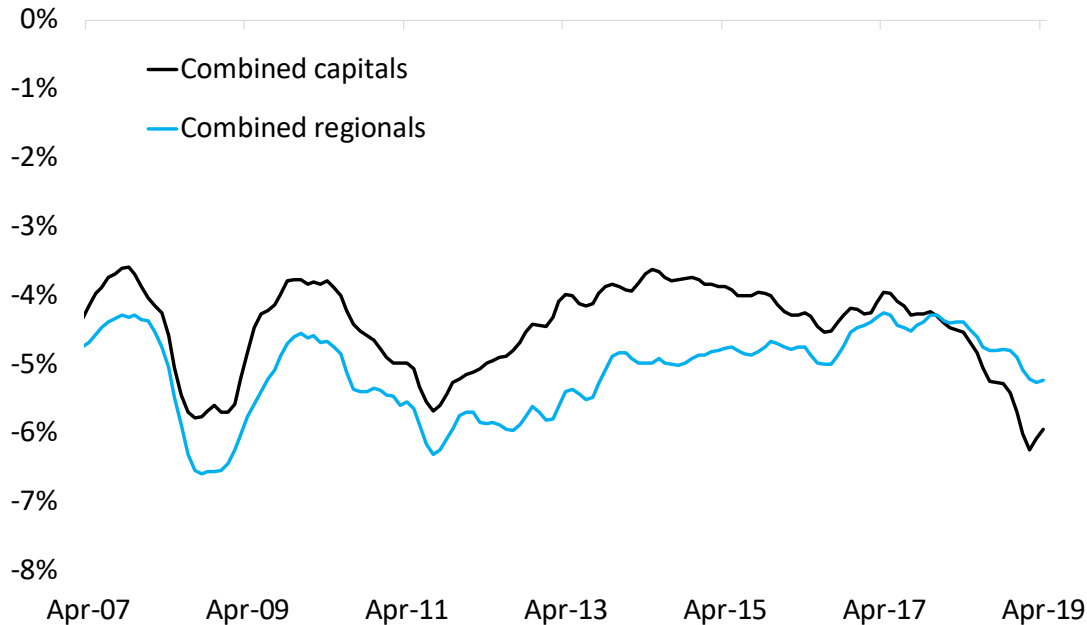
## Median days on market Apr-18 vs Apr-19



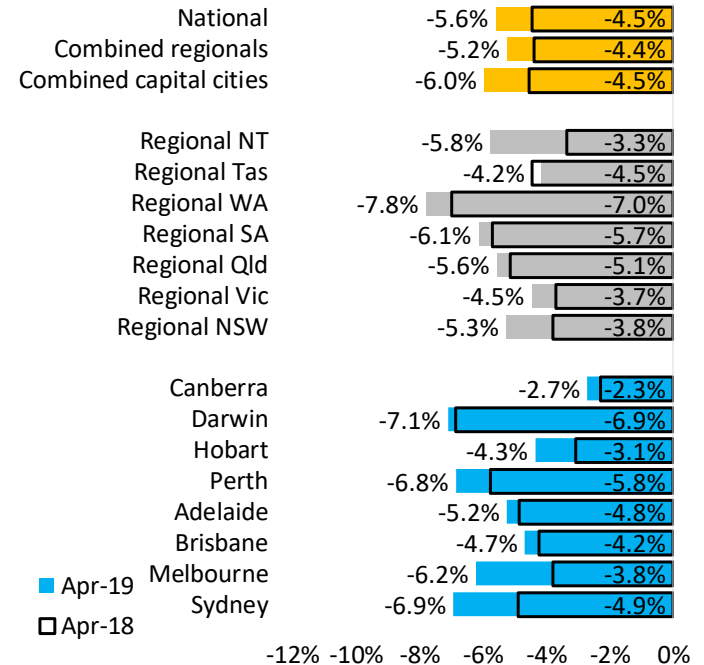
Source: CoreLogic

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

## Median vendor discount



## Median vendor discount Apr-18 vs Apr-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

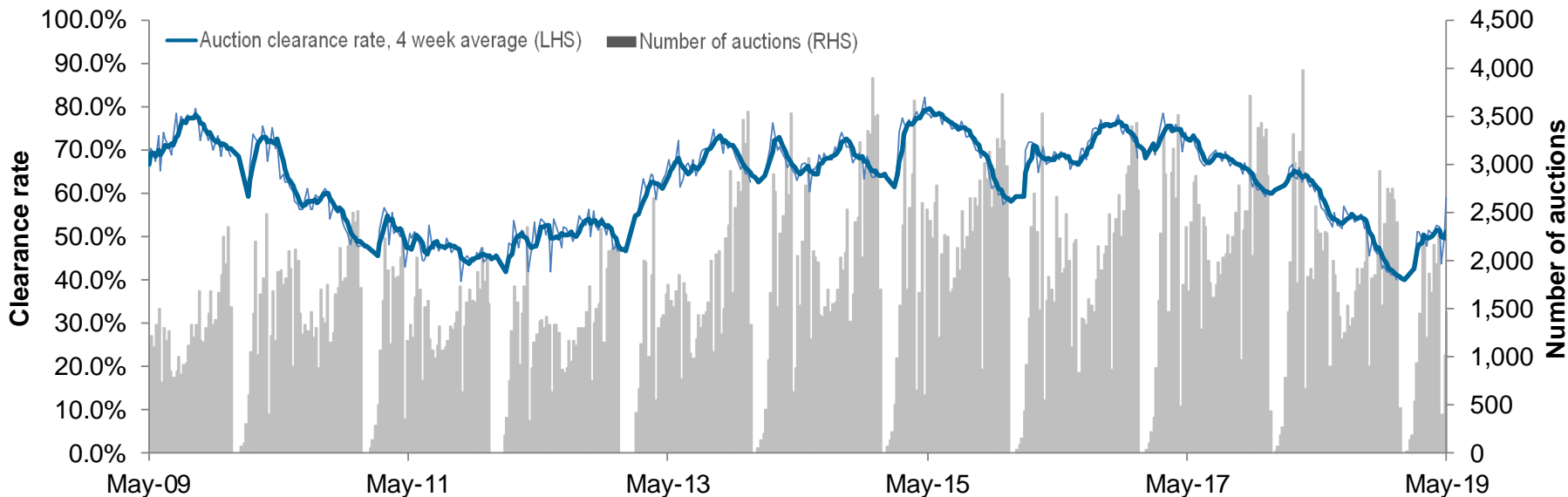
### Number of new and total properties advertised for sale, 28 days to 5 May 2019

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	4,610	-33.6%	26,788	-0.3%	NSW	8,566	-26.3%	52,376	4.8%
Melbourne	5,579	-34.1%	34,418	10.4%	Vic	8,127	-28.3%	51,734	5.4%
Brisbane	3,226	-23.5%	20,815	5.6%	Qld	7,679	-20.0%	62,908	1.0%
Adelaide	1,734	-15.0%	8,645	3.2%	SA	2,419	-12.0%	17,408	-1.1%
Perth	2,818	-24.1%	20,692	-2.5%	WA	3,919	-22.5%	33,653	-3.4%
Hobart	308	-21.6%	1,242	15.4%	Tas	870	-16.9%	4,914	-6.6%
Darwin	128	-11.1%	1,413	-0.8%	NT	192	-5.9%	2,030	0.6%
Canberra	545	-17.0%	2,423	21.9%	ACT	558	-17.2%	2,529	22.2%
<b>Combined capitals</b>	<b>18,948</b>	<b>-28.7%</b>	<b>116,437</b>	<b>4.1%</b>	<b>National</b>	<b>32,330</b>	<b>-23.6%</b>	<b>227,552</b>	<b>2.0%</b>

Source: CoreLogic

Auction clearance rates have been stronger relative to late 2018, albeit on much lower volumes than over the previous year

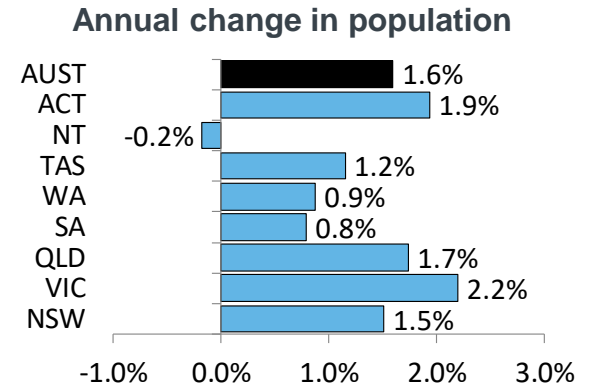
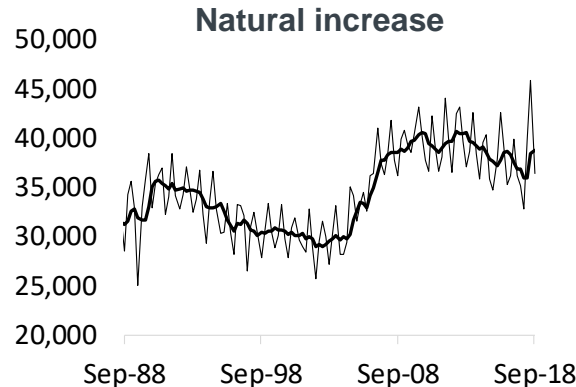
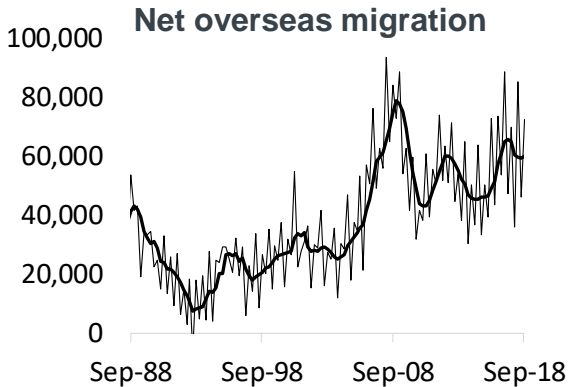
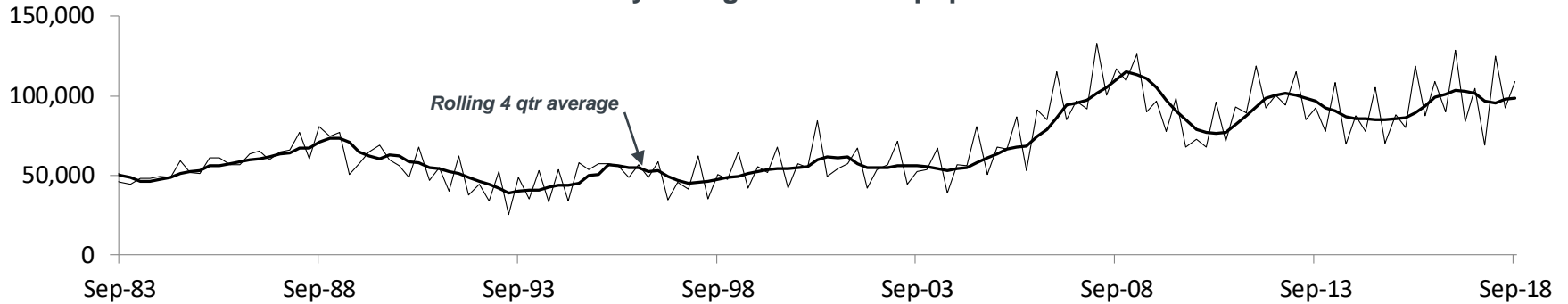
**Weekly clearance rate, combined capital cities**



Source: CoreLogic

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

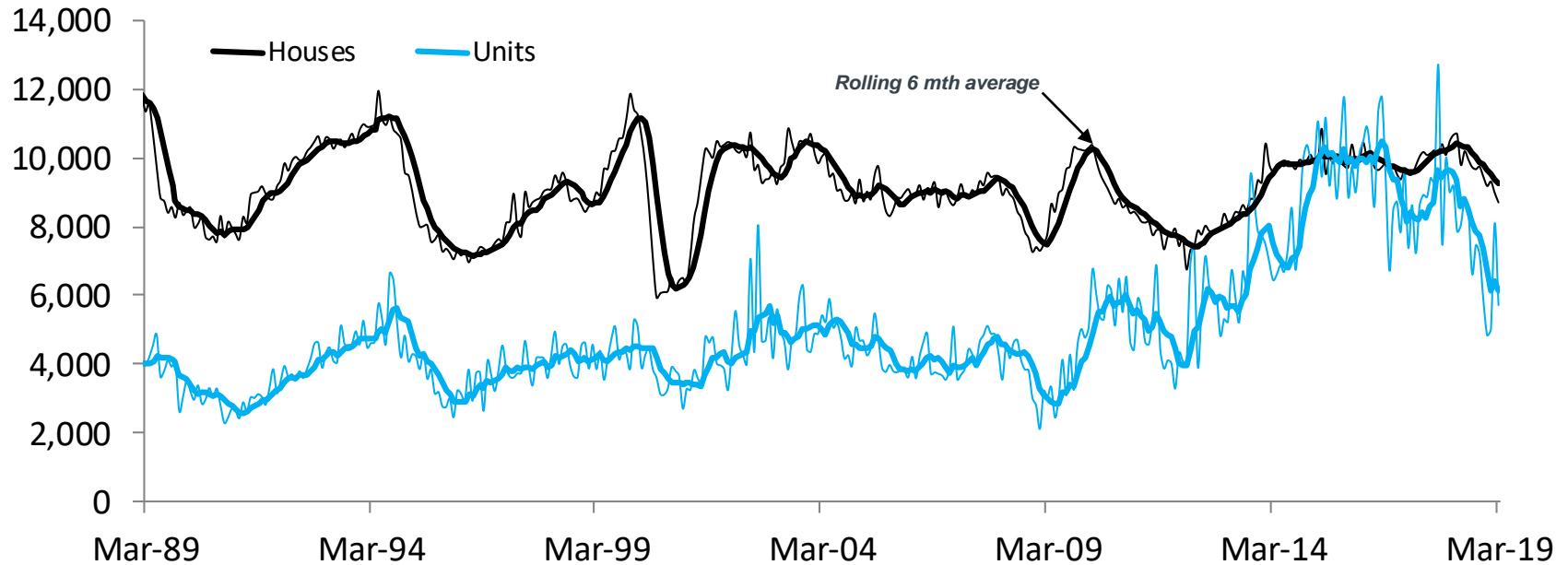
Quarterly change in national population



Source: CoreLogic, ABS

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

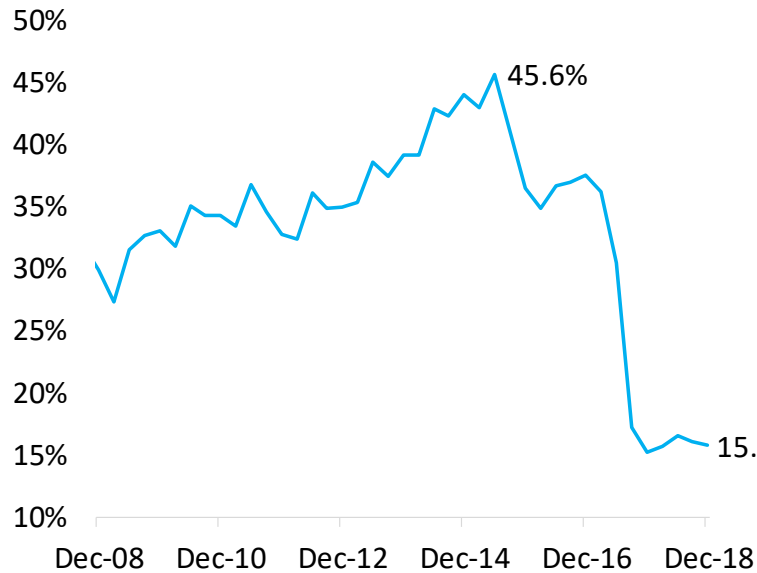
## Number of dwellings approved for construction, National



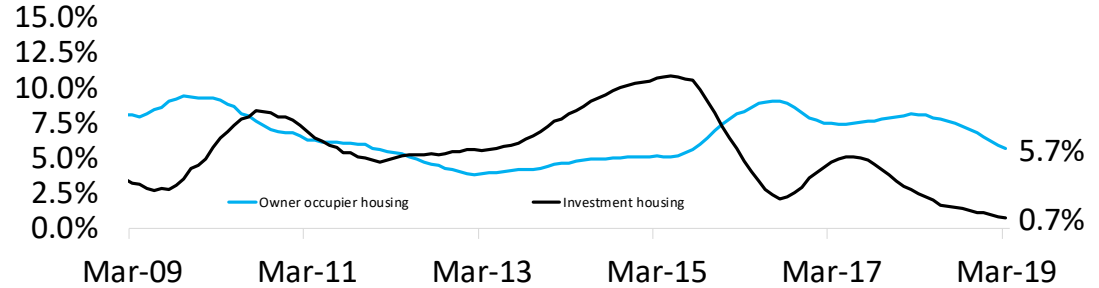
Source: CoreLogic, ABS

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

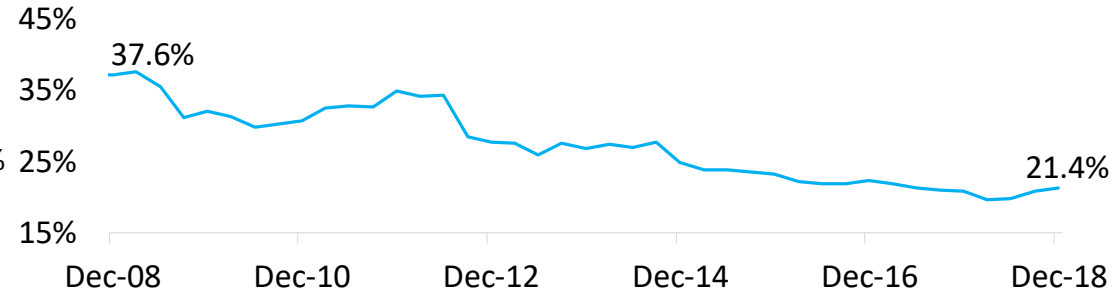
% of mortgages originated on interest-only terms



Annual change in credit, owner occupier v investor



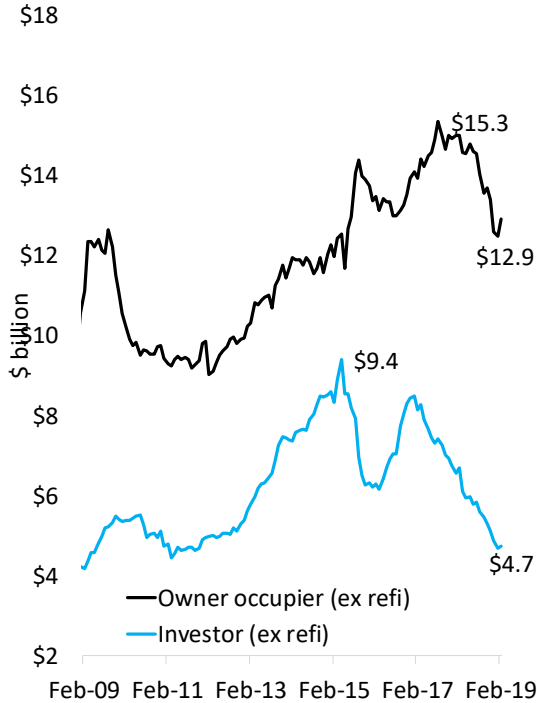
% of mortgages settled with an LVR 80%+



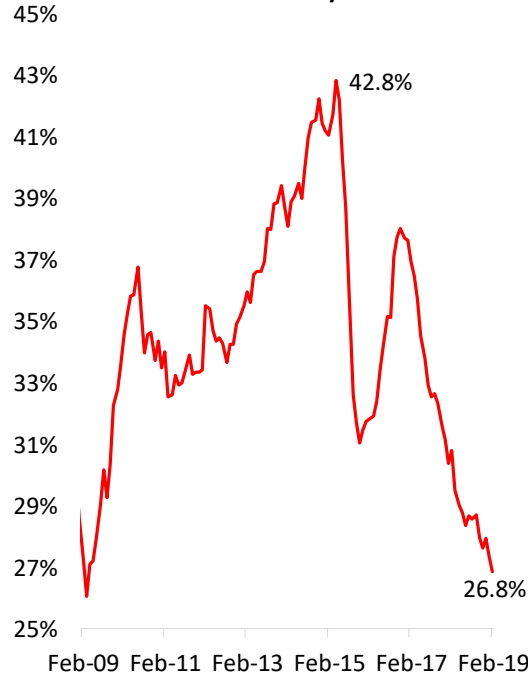
Source: CoreLogic, APRA, RBA



Monthly value of new housing finance commitments, National



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



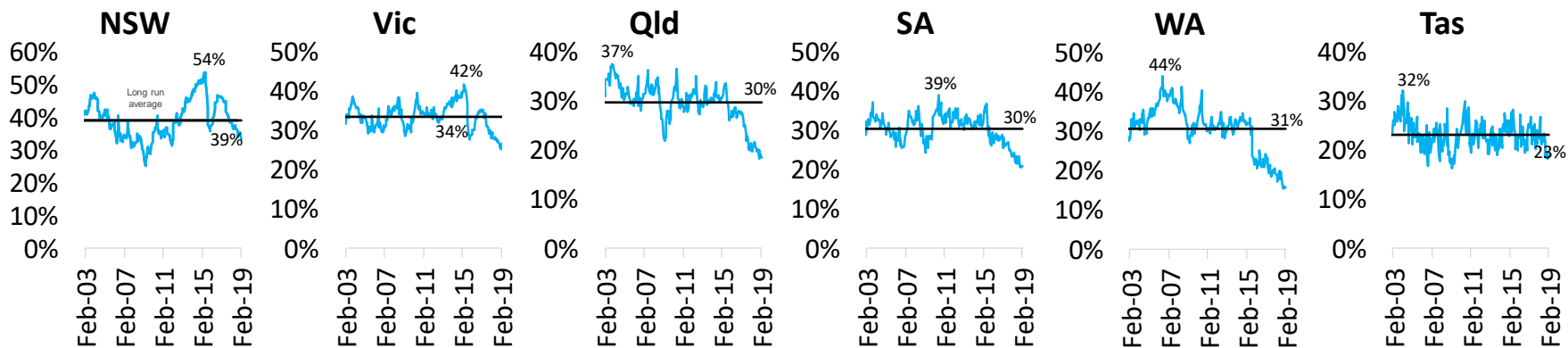
The slowdown in credit growth is mostly due to a sharp reduction in investment lending; down 29% over the past year and almost 50% lower relative to the 2015 peak.

More recently, owner occupier lending has dived sharply, down 16% over the past 12 months.

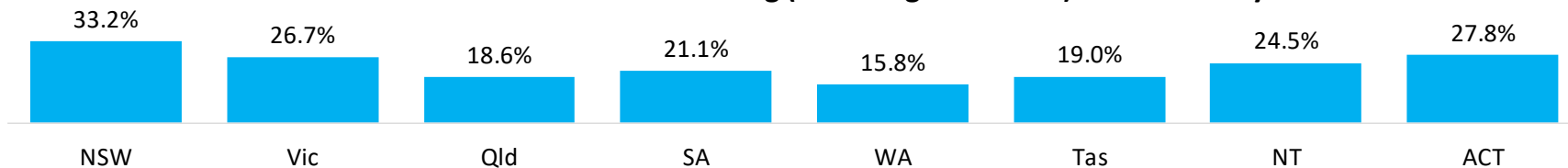
Source: CoreLogic, ABS

# 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)



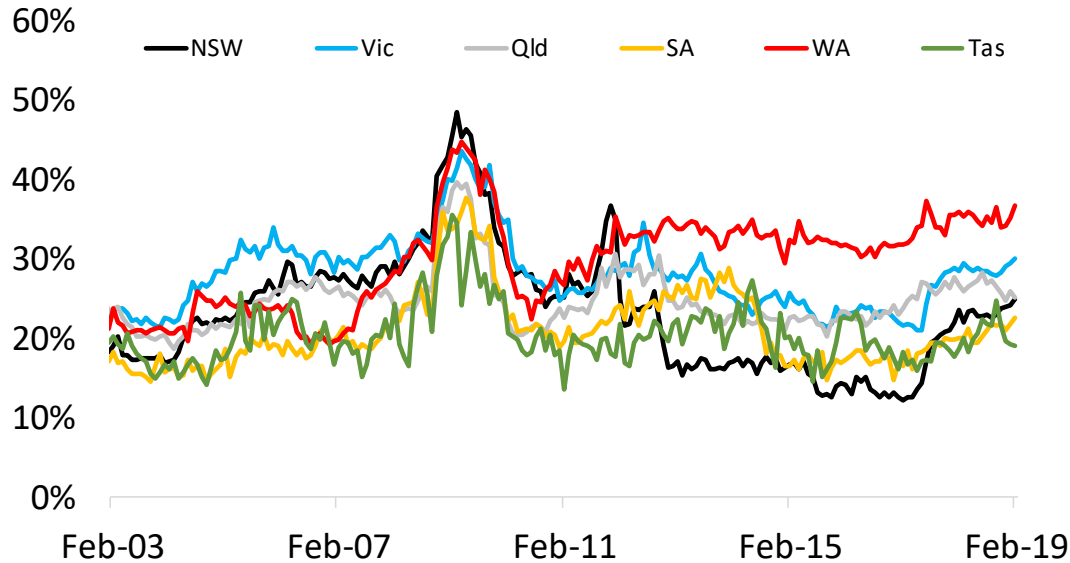
Investors as a % of total value of lending (excluding refinances) as at February 2019



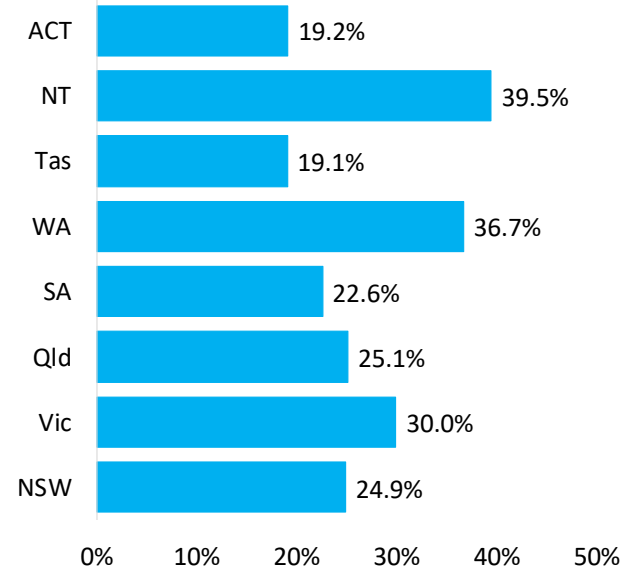
Source: CoreLogic, ABS

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)



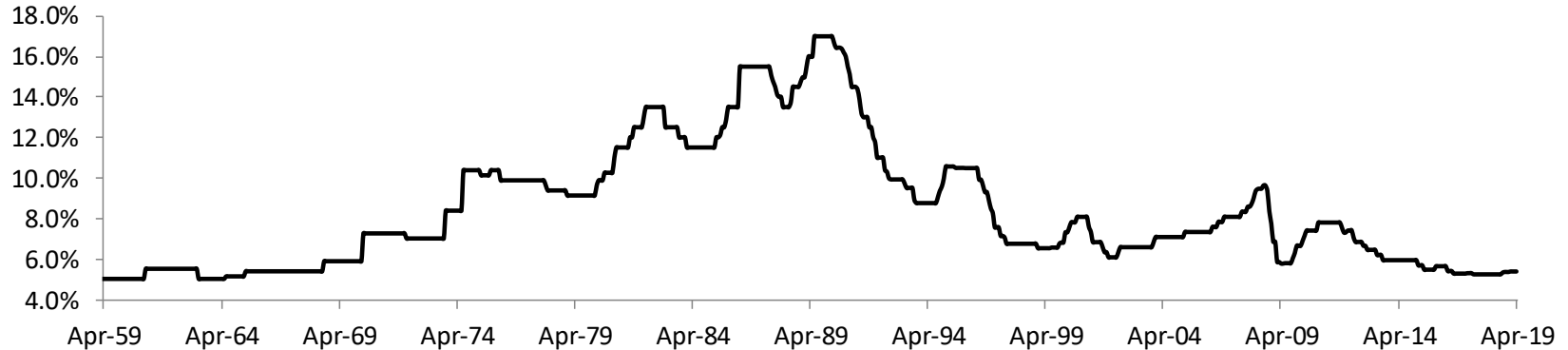
First home buyers as a % of all owner occupier housing finance commitments (exc refi), Feb 19



Source: CoreLogic, ABS

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

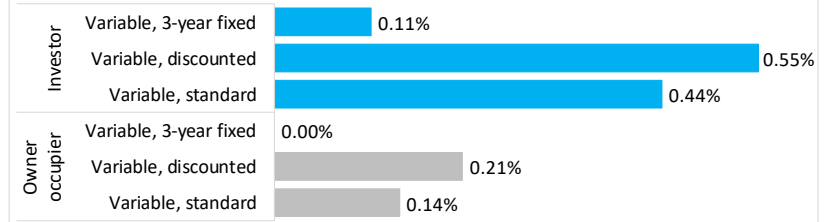
## Standard variable mortgage rates for owner occupiers over time



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



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



Source: CoreLogic, RBA

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