



Our Insights. Your Story.

Property market chart pack – October 2019

Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate
\$6.6 Trillion
 -  Australian Superannuation
\$2.9 Trillion
 -  Australian Listed Stocks
\$2.0 Trillion
 -  Commercial Real Estate
\$993 Billion
- As at the end of October 2019**



10.4 million
Number of dwellings



\$1.80 trillion
Outstanding mortgage debt



51.5%
Household wealth held in housing



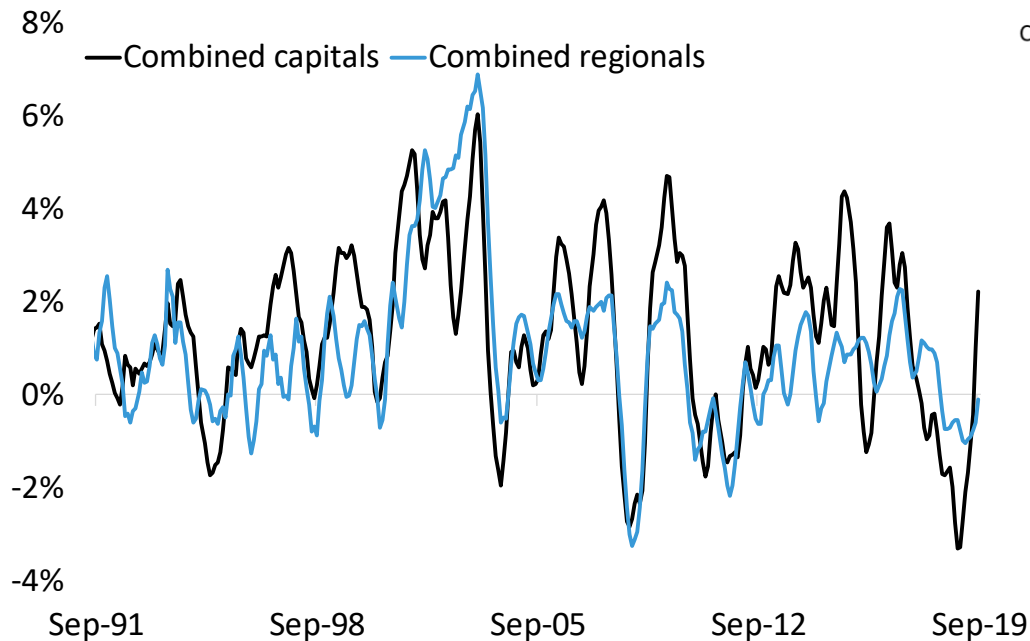
375,245
Total sales p.a.



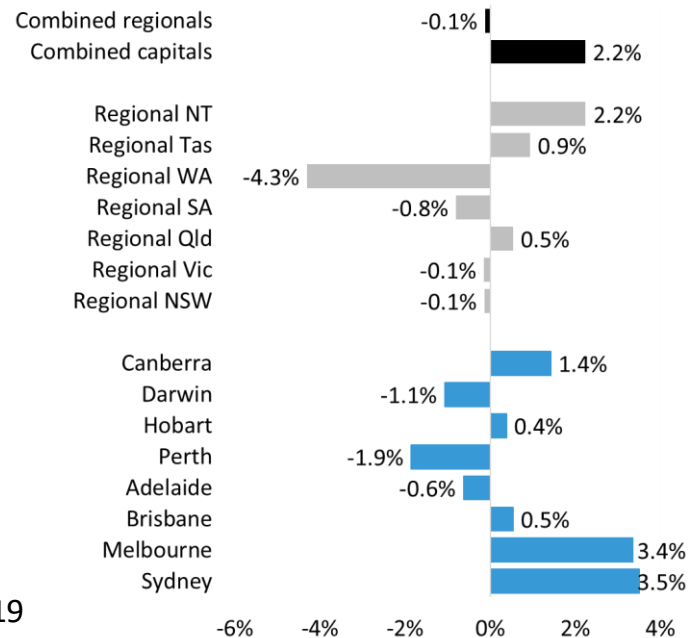
\$247.7 billion
Gross value of sales p.a.

National dwelling values posted a 1.7% lift over the three months ending September, the highest quarterly rate of capital gain since Jun-17

Quarterly change in dwelling values

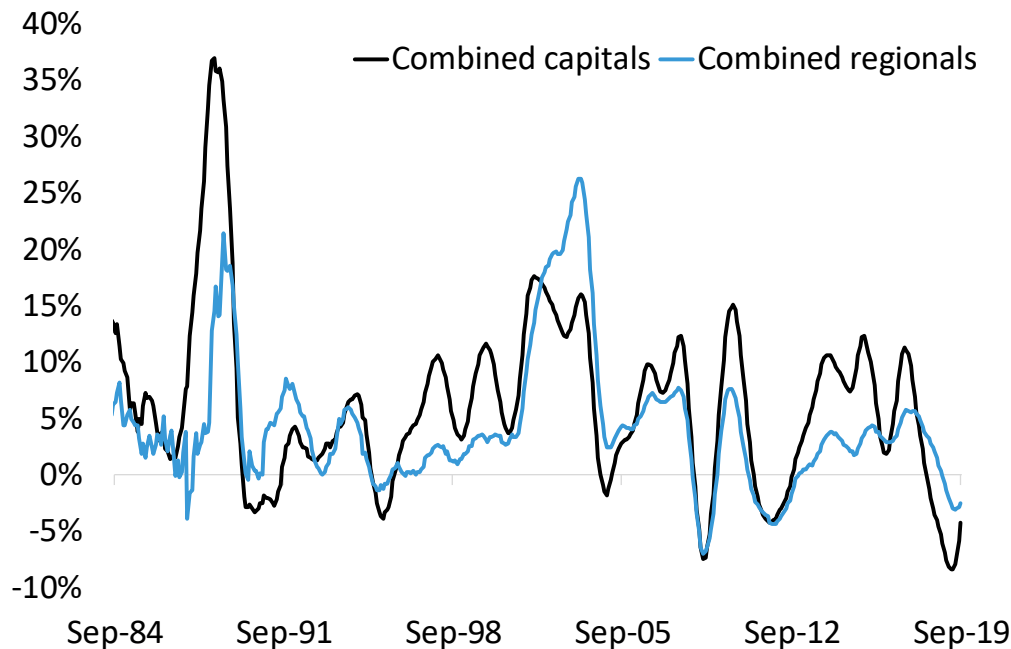


Quarterly change in dwelling values to Sept-19

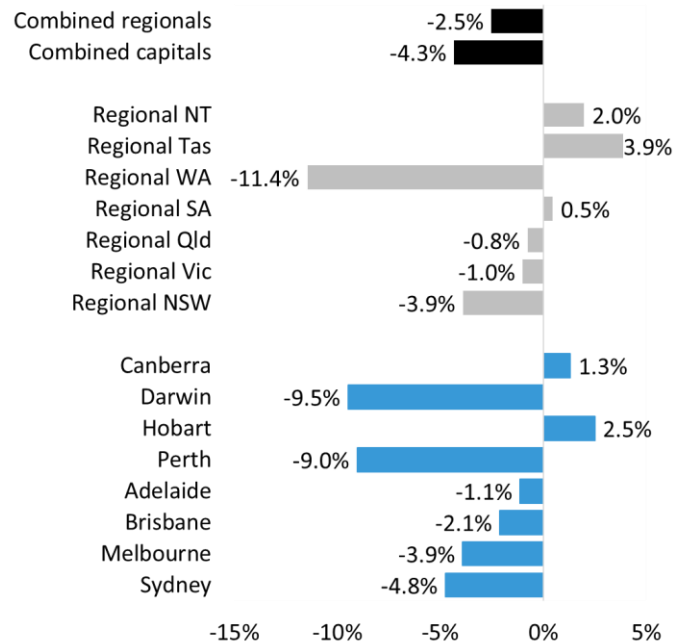


The annual rate of decline in housing values has moved through a trough as housing market conditions improve

Annual change in dwelling values

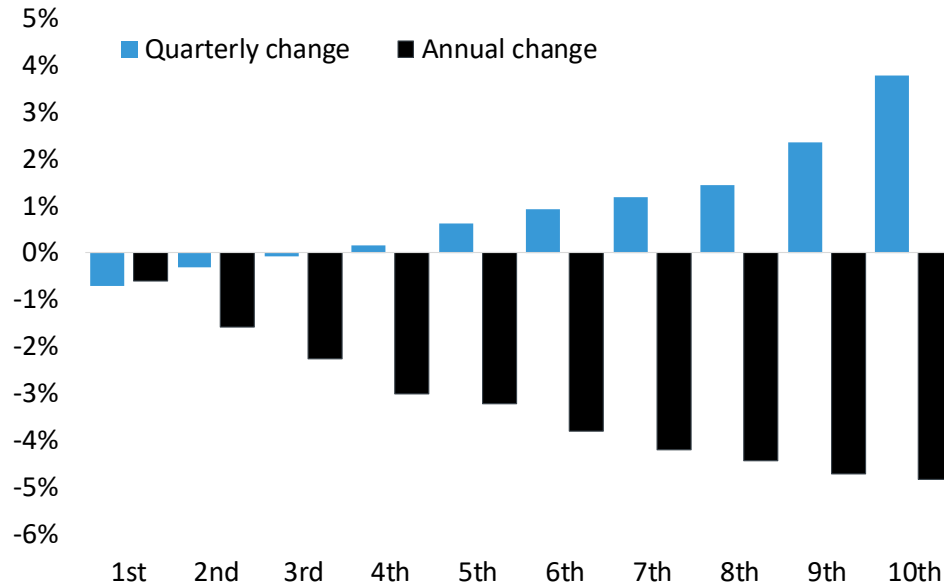


Annual change in dwelling values to Sept-19

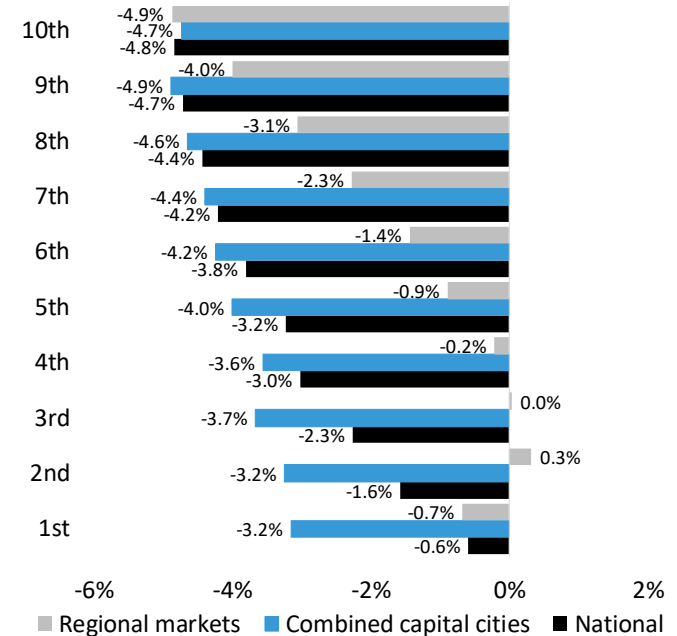


The most expensive dwellings have recorded the largest decline over the past twelve months, but are also recording the most rapid recovery

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

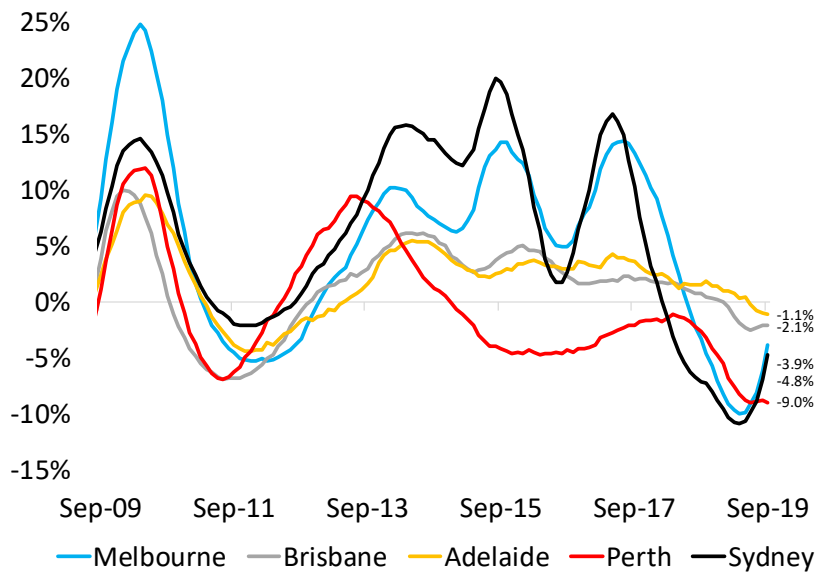


Annual change in dwelling values by decile, Sept-19

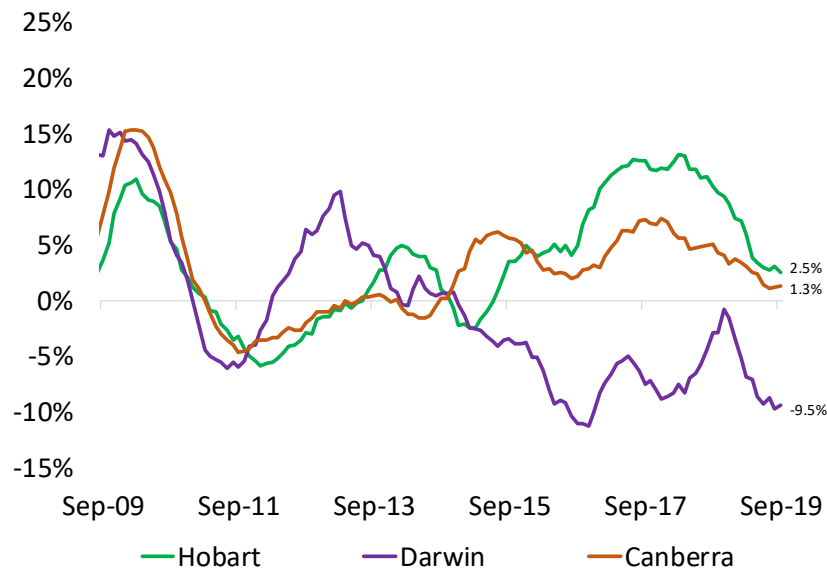


Although values are still broadly trending lower on an annual basis, the annual rate of decline has levelled or started to ease across most cities

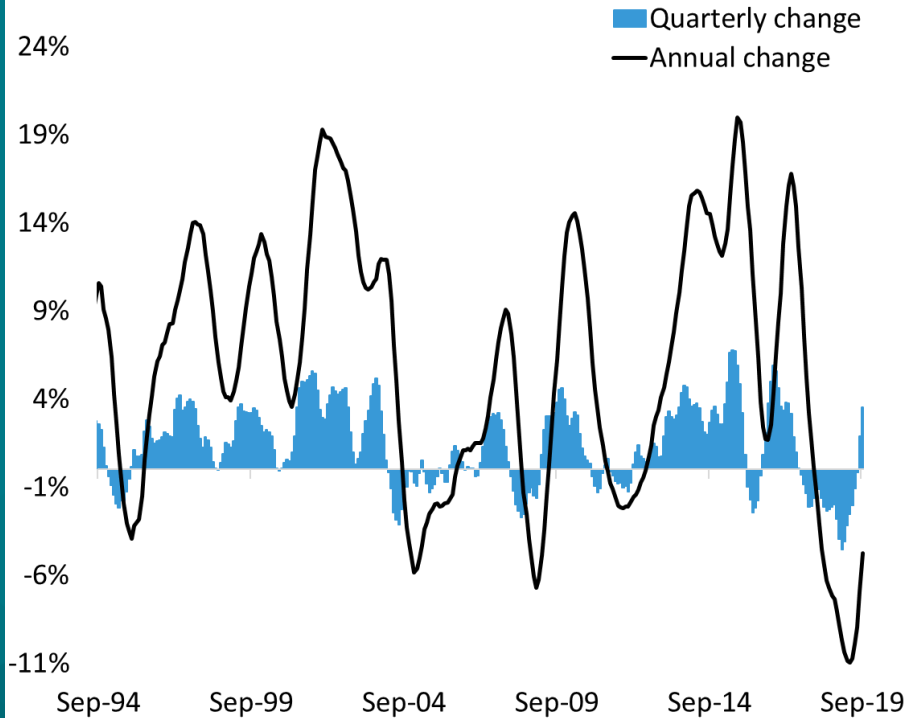
Annual change in dwelling values



Annual change in dwelling values

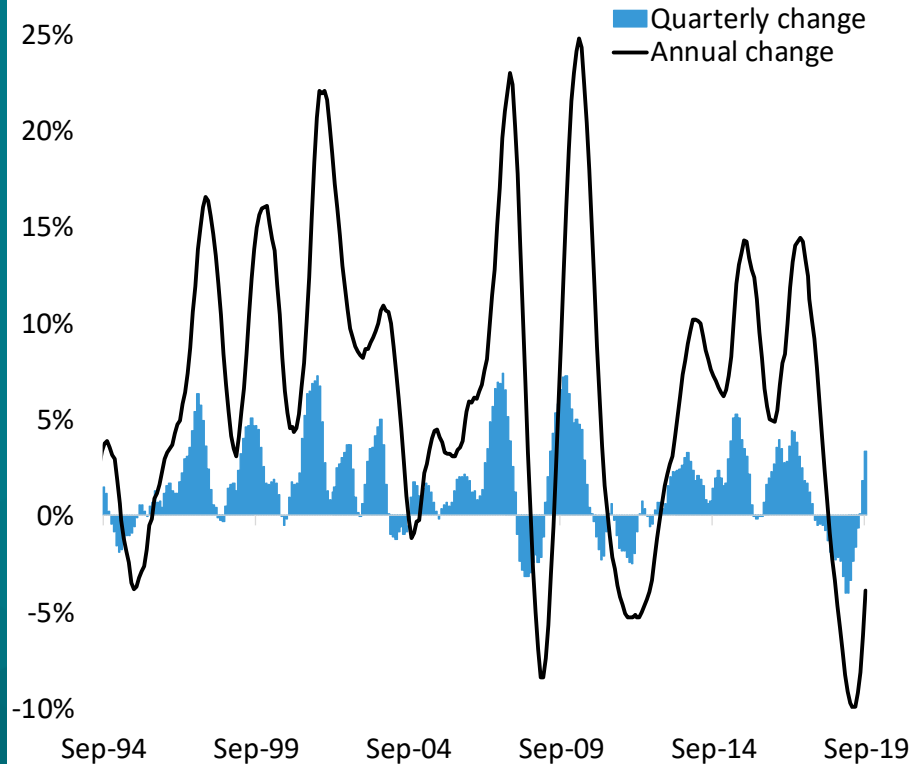


Quarterly and annual change in dwelling values - Sydney



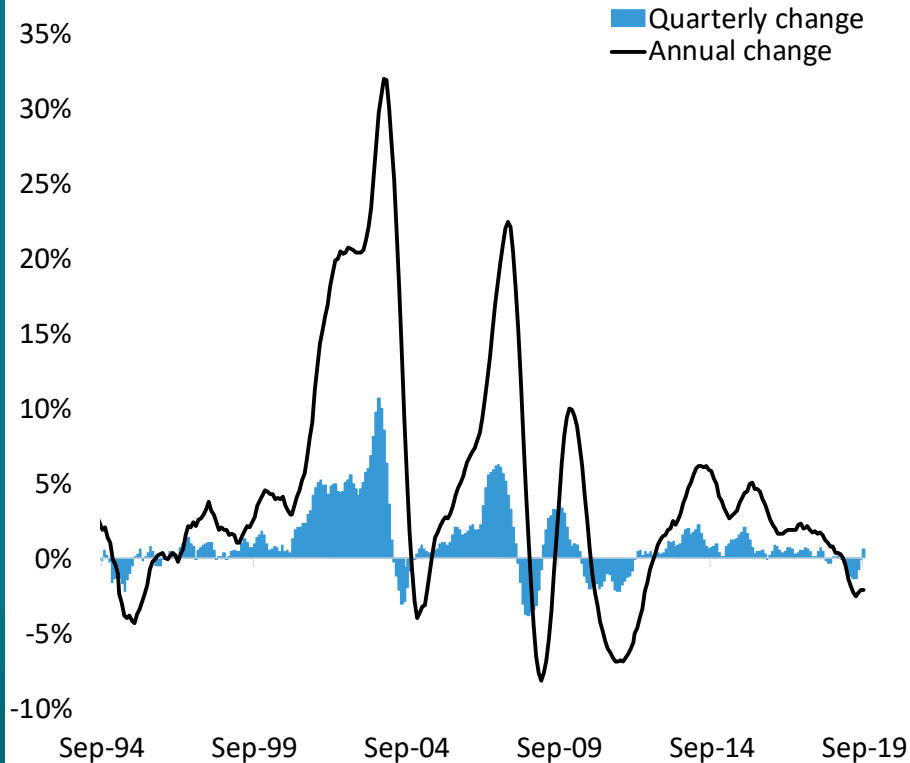
Sydney dwelling values increased by 1.7% in September and by 3.5% over the three months to September 2019. Sydney dwelling values have fallen by -4.8% over the past year and they are currently -11.9% lower than their July 2017 peak.

Quarterly and annual change in dwelling values - Melbourne



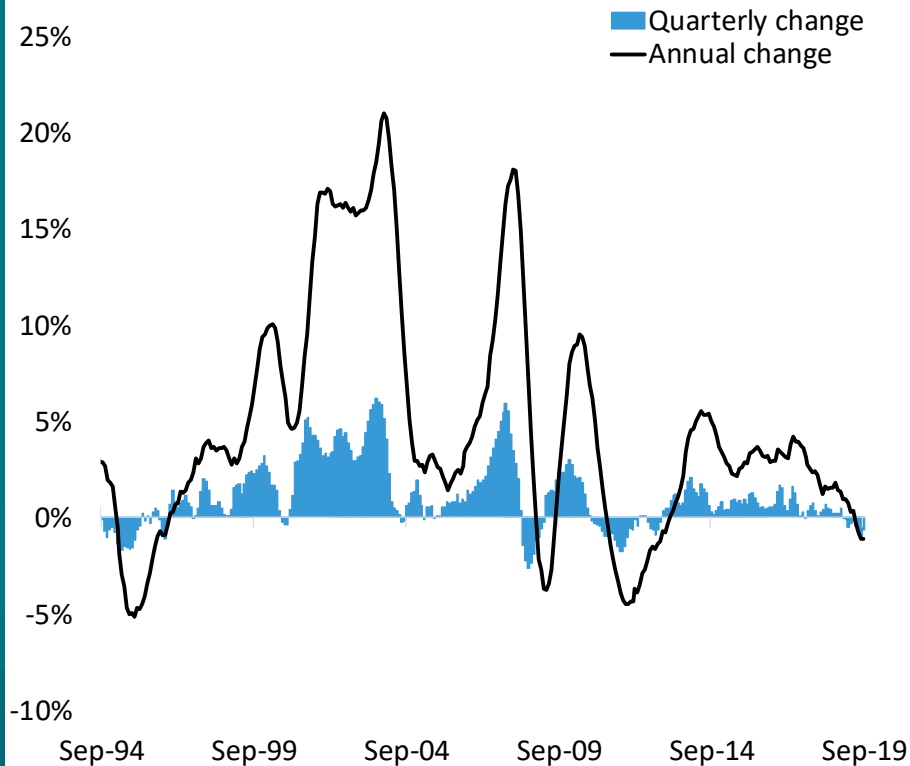
Melbourne dwelling values increased by 1.7% in September and by 3.4% over the three months to September 2019. Melbourne dwelling values have fallen by -3.9% over the past year and they are currently -7.9% lower than their November 2017 peak.

Quarterly and annual change in dwelling values - Brisbane



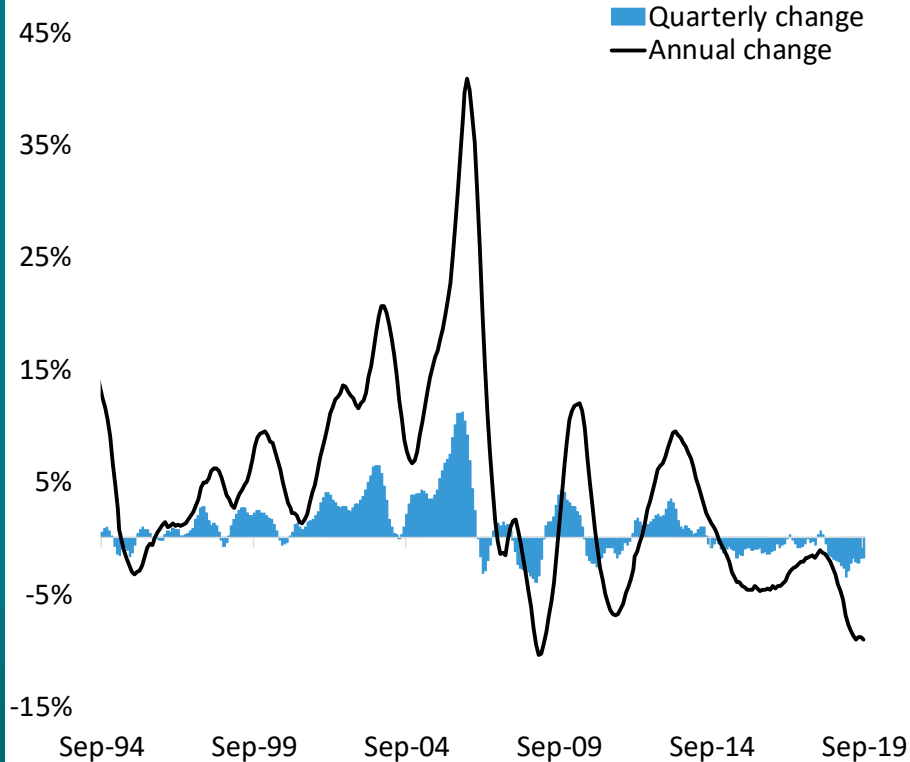
Brisbane dwelling values increased by 0.1% in September, and they were 0.5% higher over the three months to September 2019. Brisbane dwelling values have fallen by -2.1% over the past year and they are currently -2.4% lower than their April 2018 peak.

Quarterly and annual change in dwelling values - Adelaide



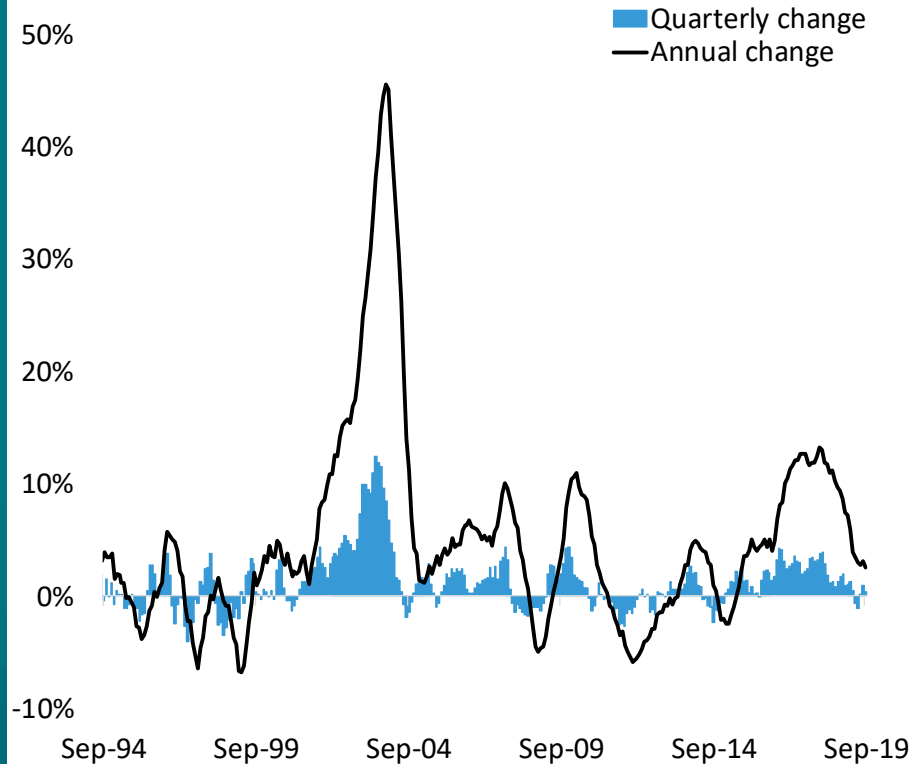
Adelaide dwelling values held firm in September and they were -0.6% lower over the three months to September 2019. Adelaide dwelling values have fallen by -1.1% over the past year and they are currently -1.6% lower than their December 2018 peak.

Quarterly and annual change in dwelling values - Perth



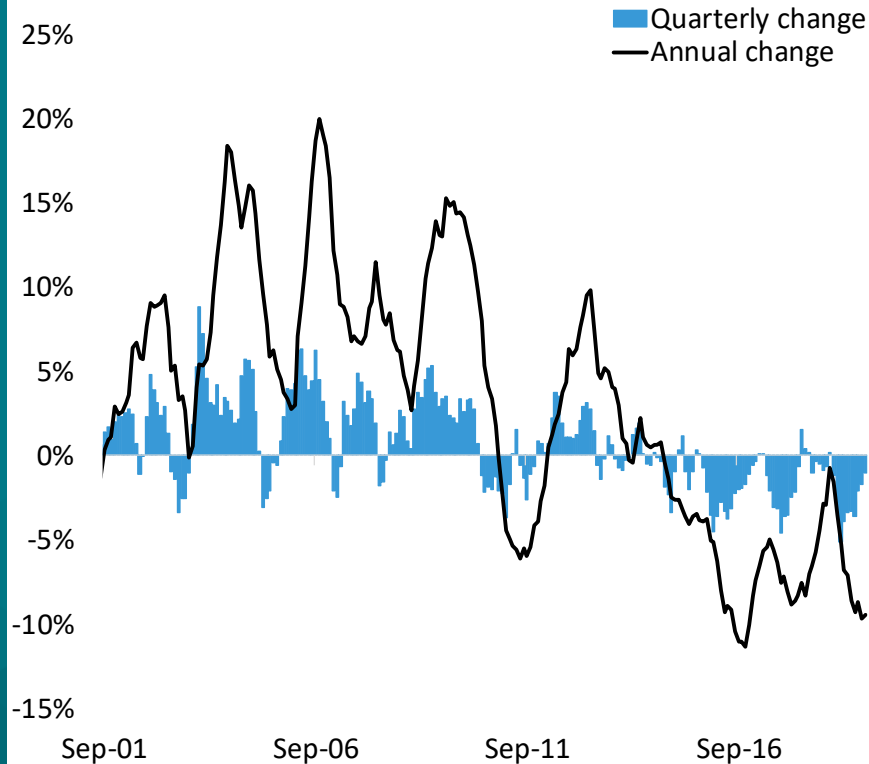
Perth dwelling values fell by -0.8% in September and they were -1.9% lower over the three months to September 2019. Perth dwelling values have fallen by -9.0% over the past year and they are currently -21.3% lower than their June 2014 peak.

Quarterly and annual change in dwelling values - Hobart



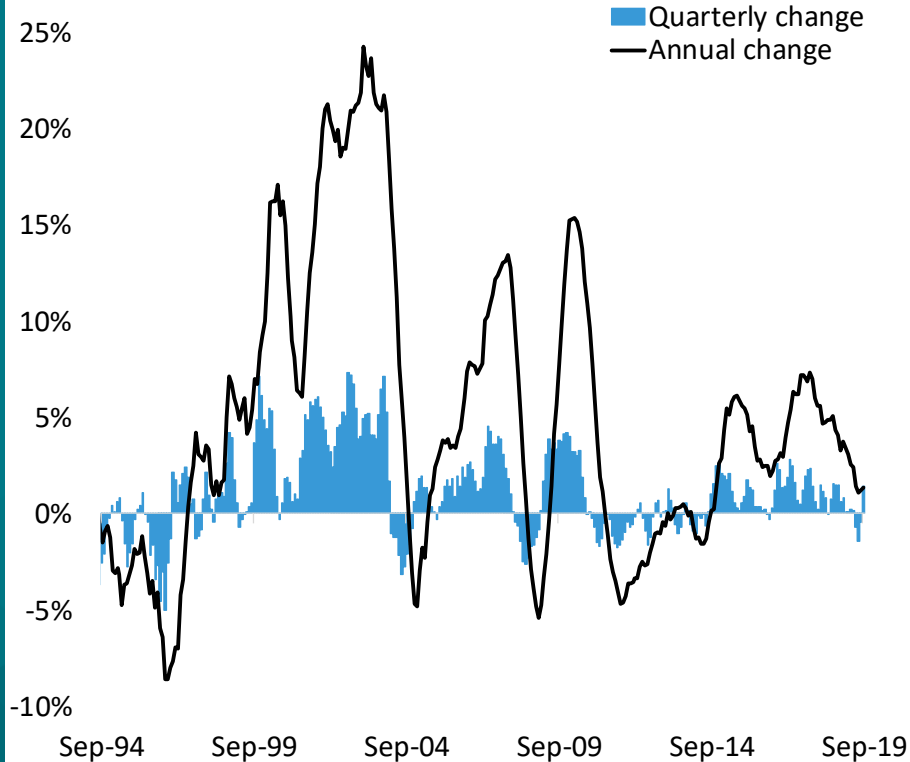
Hobart dwelling values fell by -0.4% in September and they were 0.4% higher over the three months to September 2019. Hobart dwelling values have increased by 2.5% over the past year and they are currently -0.7% lower than their March 2019 peak.

Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by -0.2% in September and they were -1.1% lower over the three months to September 2019. Darwin dwelling values have fallen by -9.5% over the past year and they are currently -30.8% lower than their May 2014 peak.

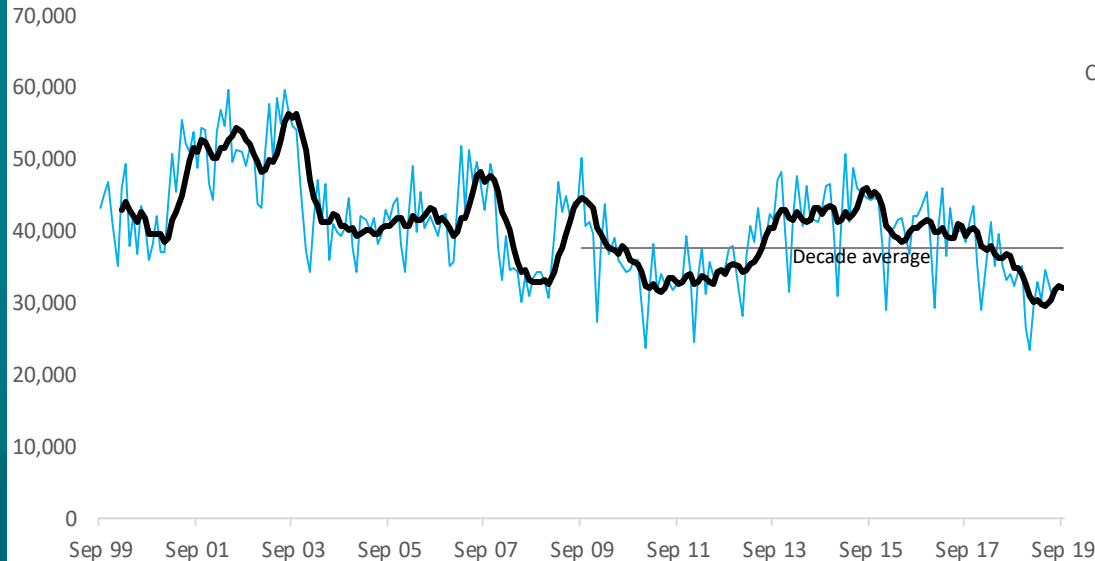
Quarterly and annual change in dwelling values - Canberra



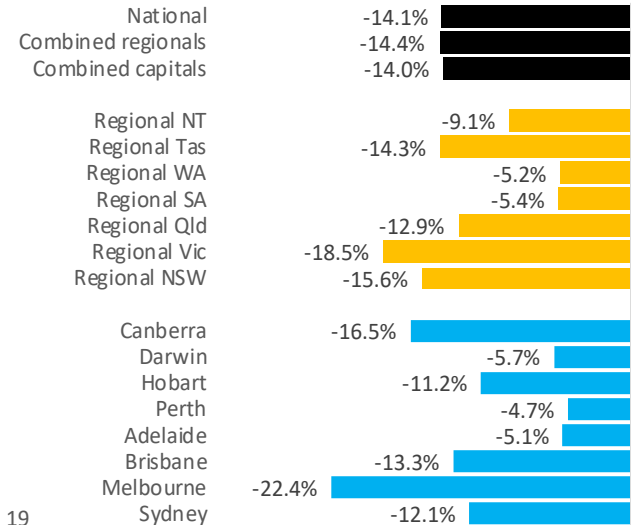
Canberra dwelling values increased by 1.0% in September, and they were 1.4% higher over the three months to September 2019. Canberra dwelling values have increased by 1.3% over the past year and they are 0.3% higher than the previous April 19 peak in value.

While the number of settled sales is much lower than a year ago, the recent trend is showing a pick-up in buyer activity

Monthly sales with six month moving average, National

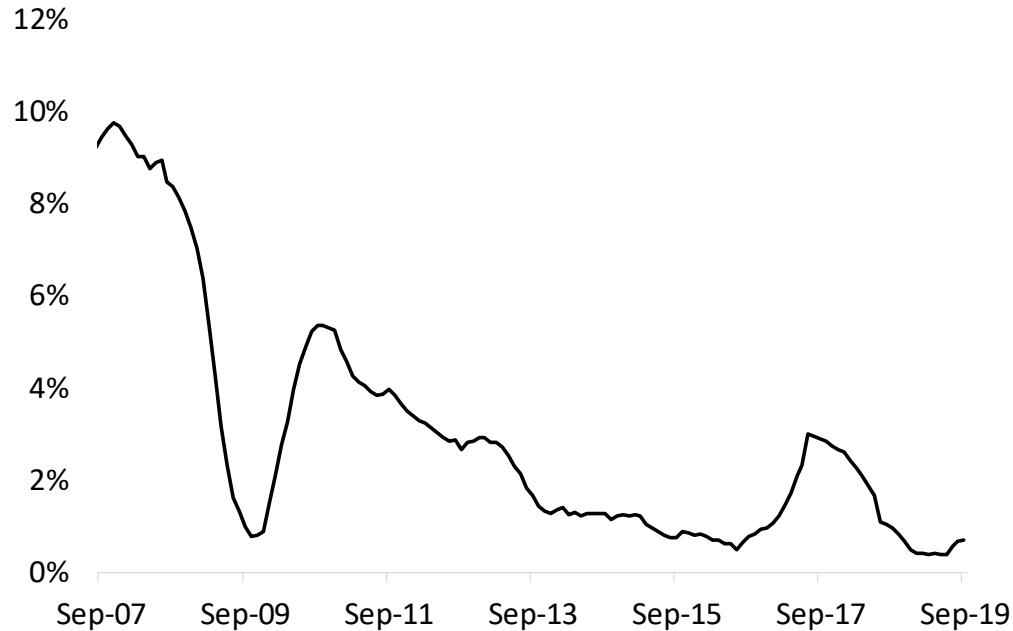


Year on year change in settled sales

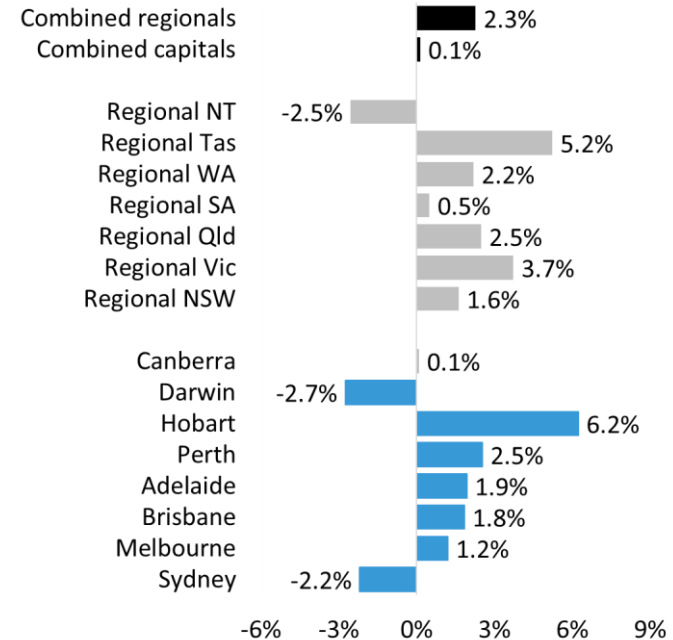


National rental rates fell for the third consecutive month in September however, the annual rate of rental growth still trending slightly higher

Annual change in rental rates - National

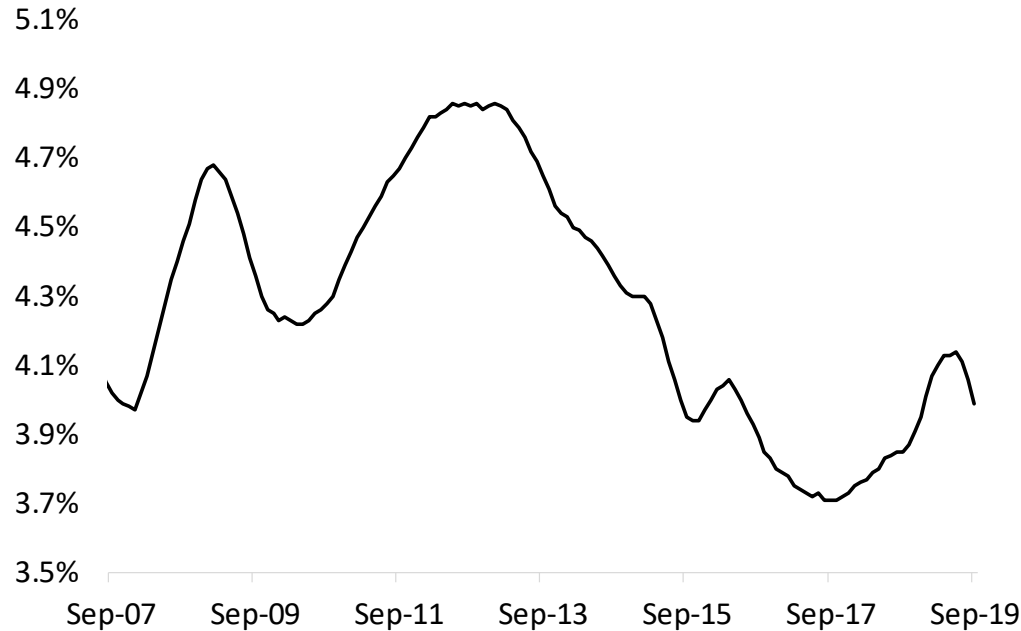


Annual change in rental rates to Sept-19

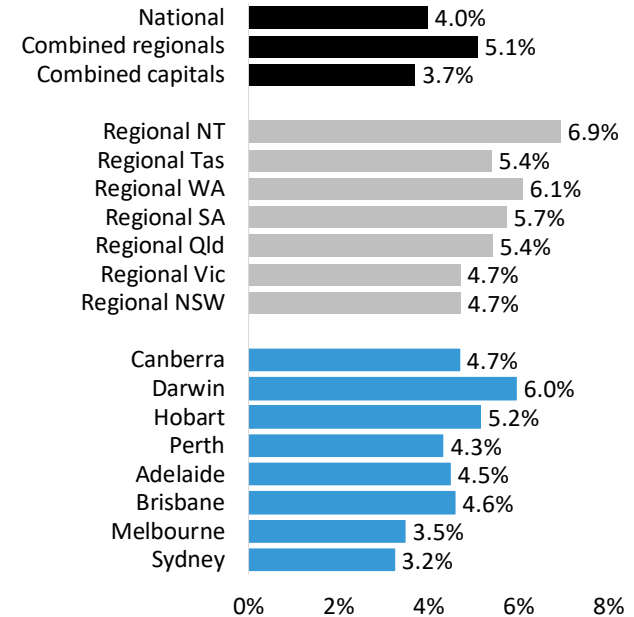


With dwelling values now trending higher and rents generally soft, rental yields are once again trending lower

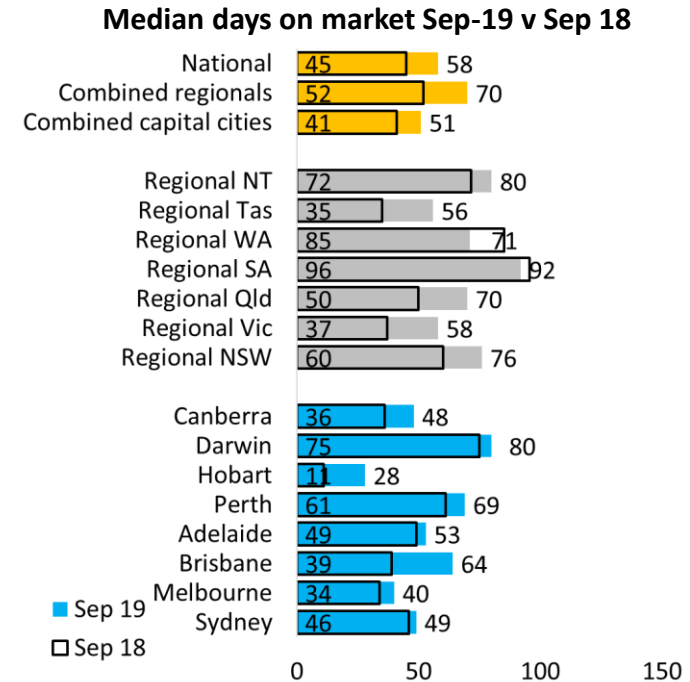
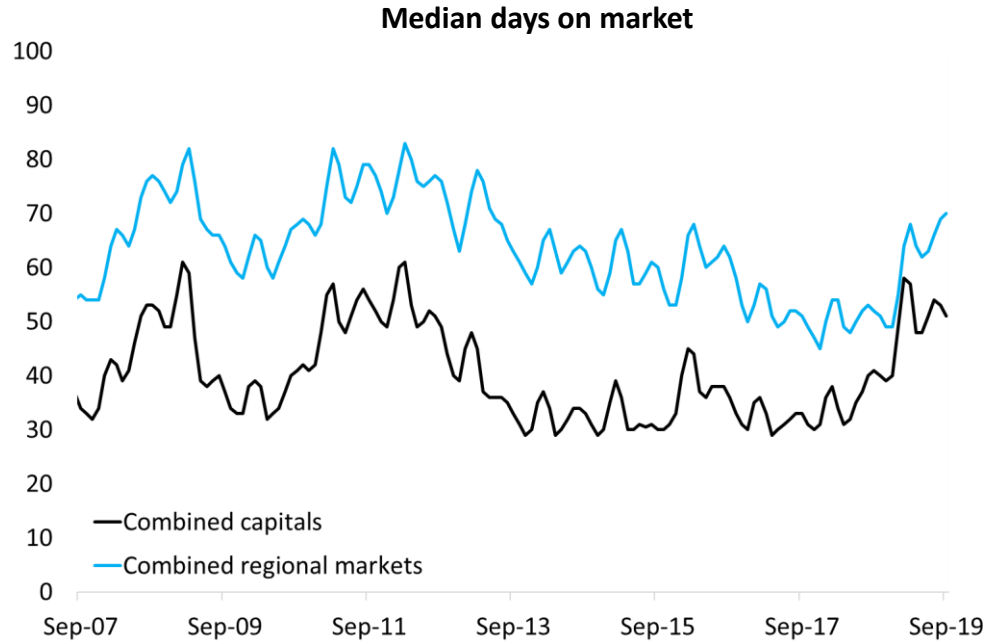
Gross rental yields - National



Gross rental yields as at Sept-19

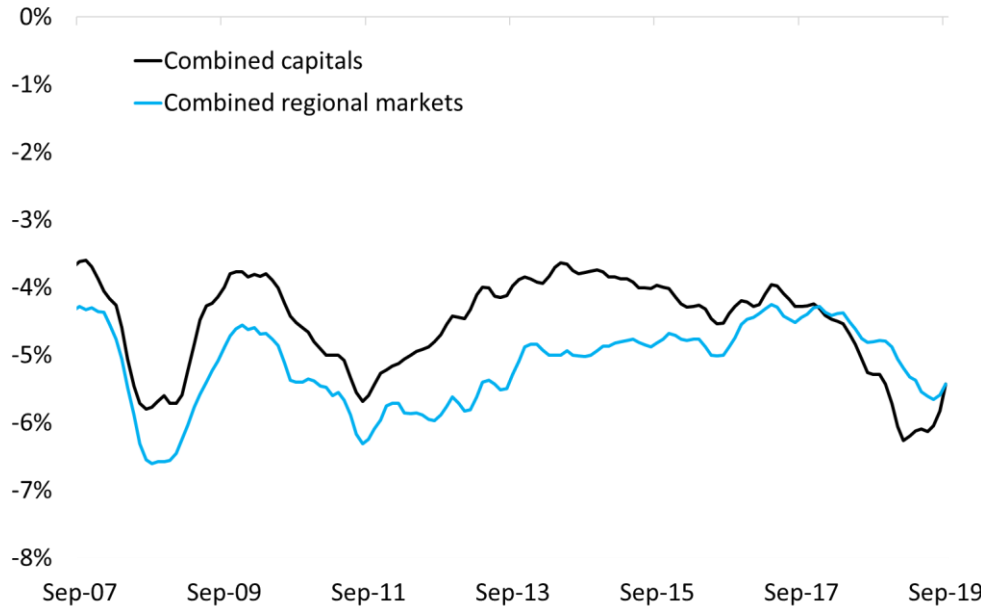


The median selling time has peaked across the combined capitals as market conditions improve, but was still trending higher across the regional markets over the September quarter

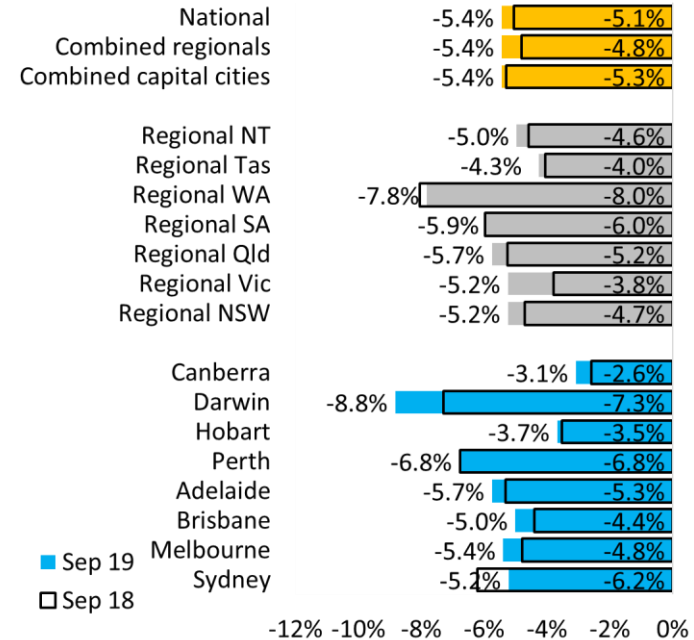


Vendor discounting rates are starting to ease as buyers lose some leverage

Median vendor discount



Median vendor discount Sep-19 v Sep-18

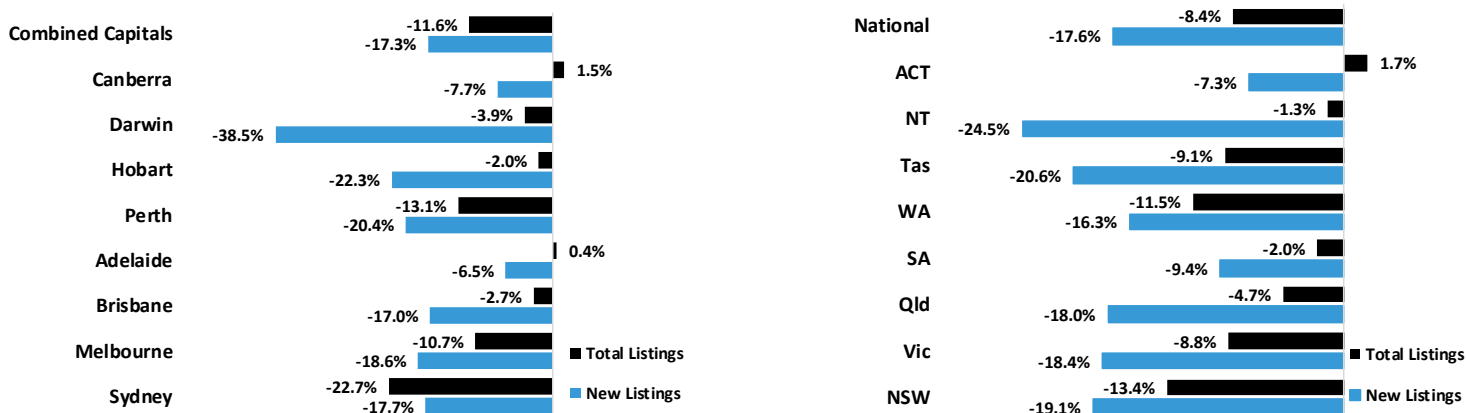


The volume of stock for sale remains lower than it was a year ago with new stock being listed for sale almost 20% lower nationally

Number of new and total properties advertised for sale, 28 days to 29 September 2019

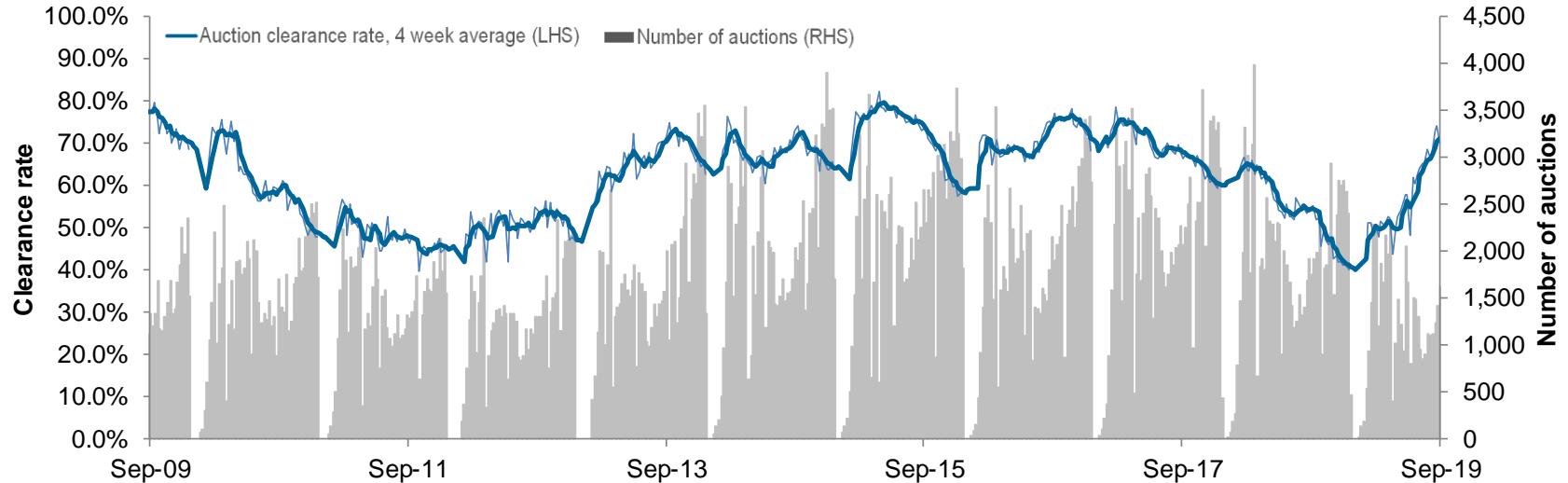
Capital city	No of new listings	No of total listings	State	No of new listings	No of total listings
Sydney	5,668	22,048	NSW	9,503	44,811
Melbourne	6,123	29,425	Vic	8,709	44,903
Brisbane	3,617	19,602	Qld	8,369	59,560
Adelaide	1,744	7,810	SA	2,486	16,276
Perth	2,582	17,237	WA	3,768	28,994
Hobart	306	1,002	Tas	788	4,087
Darwin	112	1,396	NT	182	2,043
Canberra	614	2,129	ACT	639	2,229
Combined Capitals	20,766	100,649	National	34,444	202,903

12 month change: new and total properties advertised for sale



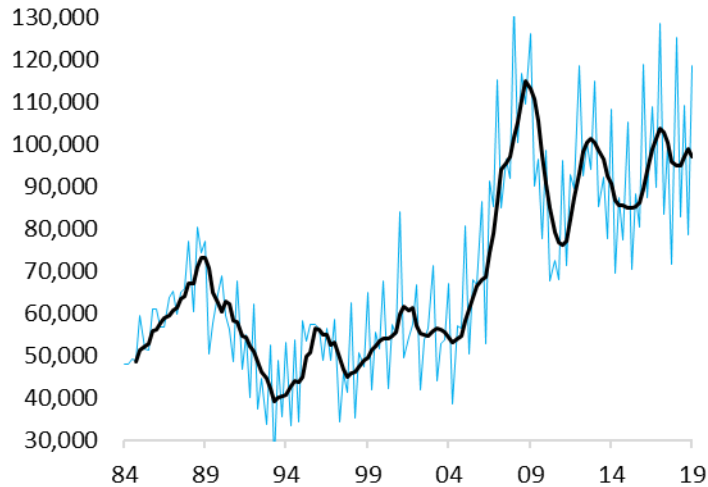
The second half of 2019 has seen clearance rates improve significantly, however the number of auctions being held remains low relative to recent years

Weekly clearance rates, combined capital cities

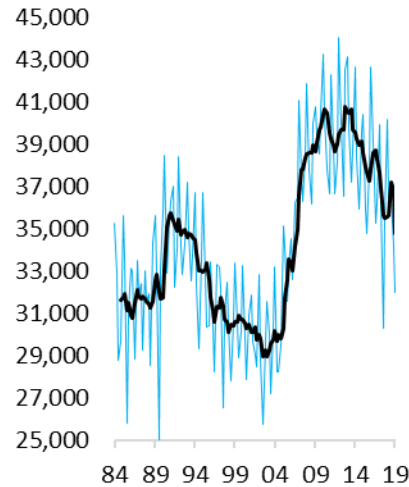


Housing demand: High migration rates are continuing to push the national population higher, with growth of 1.6% over the 12 months ending March 2019

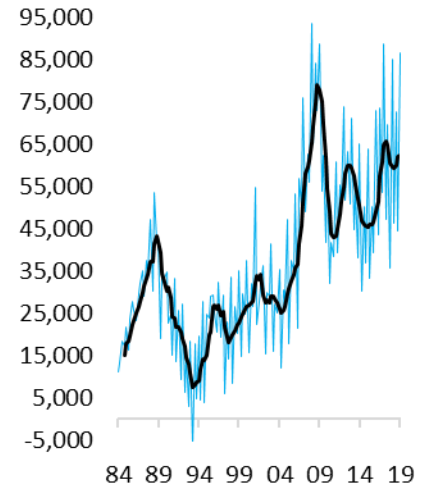
Quarterly change in population, Aus



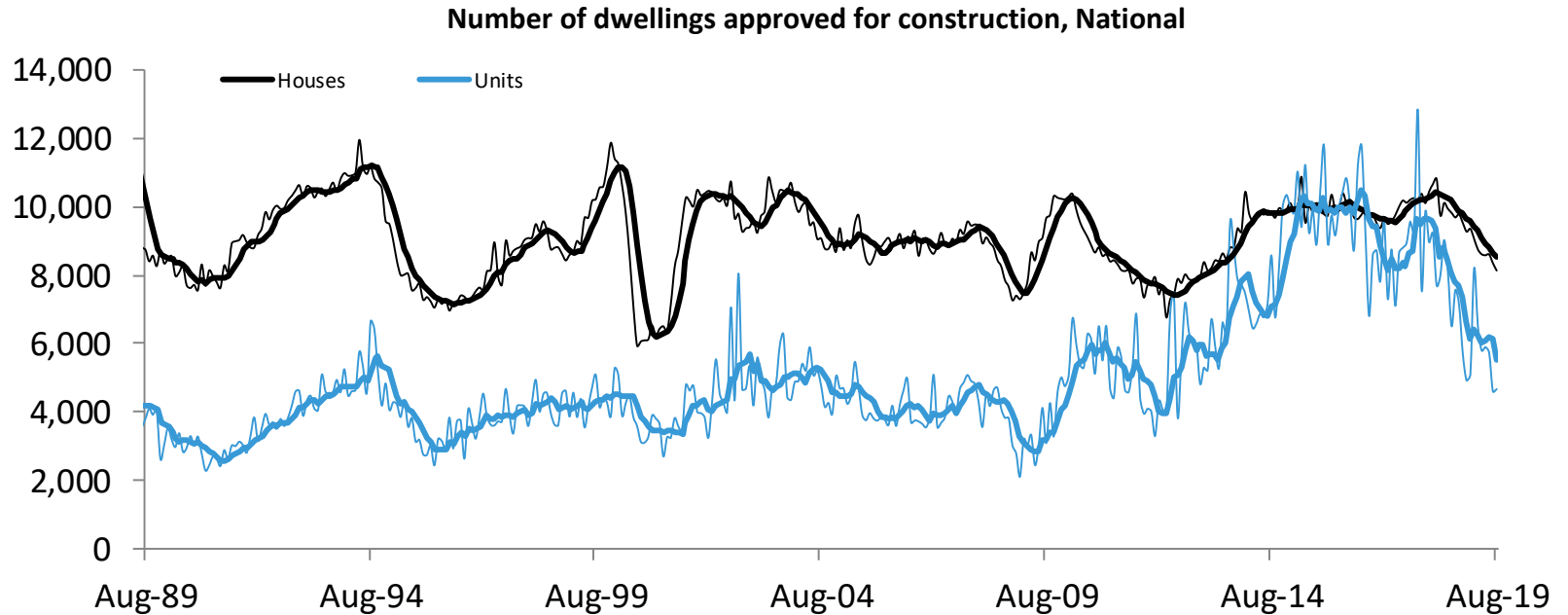
Natural increase, Aus



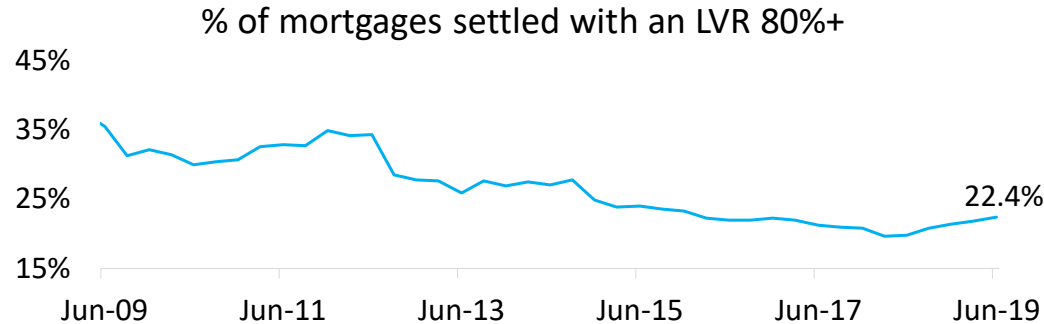
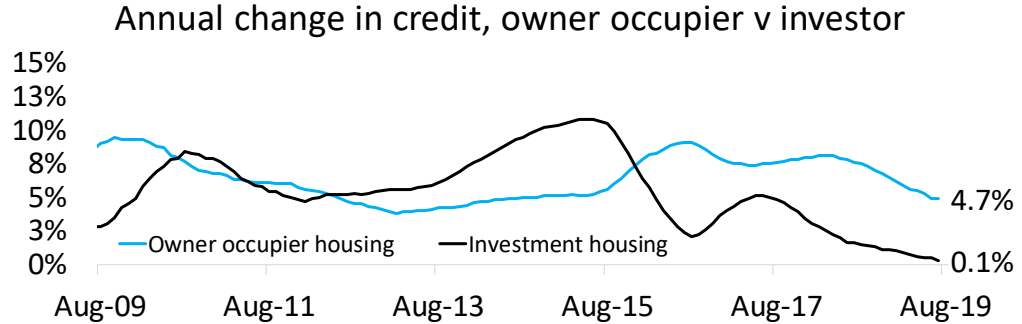
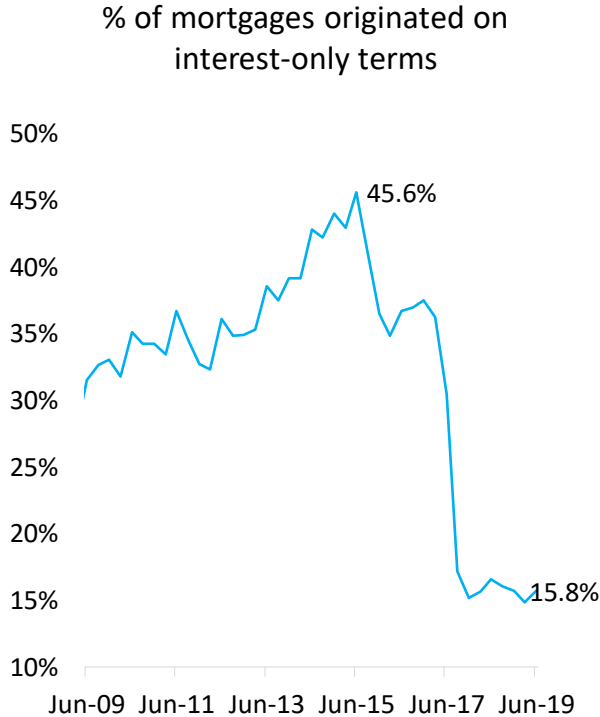
Overseas migration, Aus

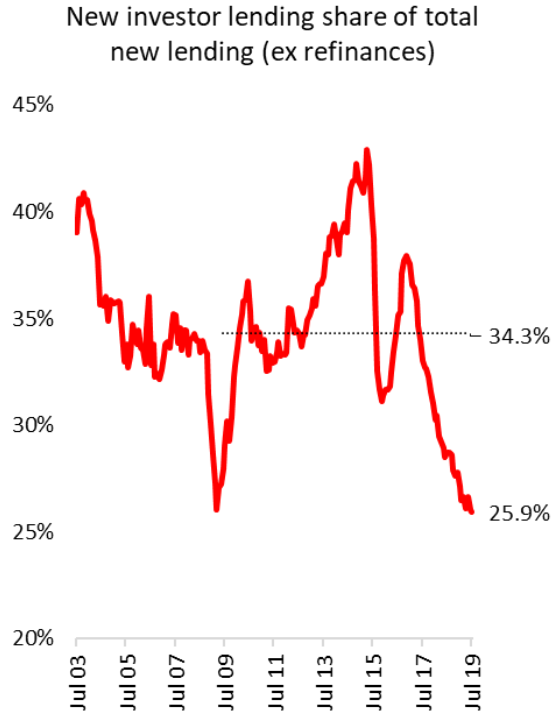
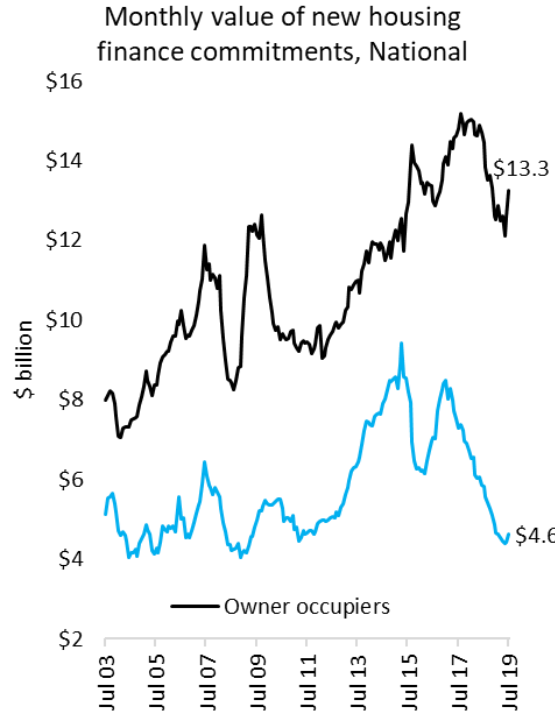


Approved housing supply has been trending lower since late 2017, roughly in line with the peak in housing values



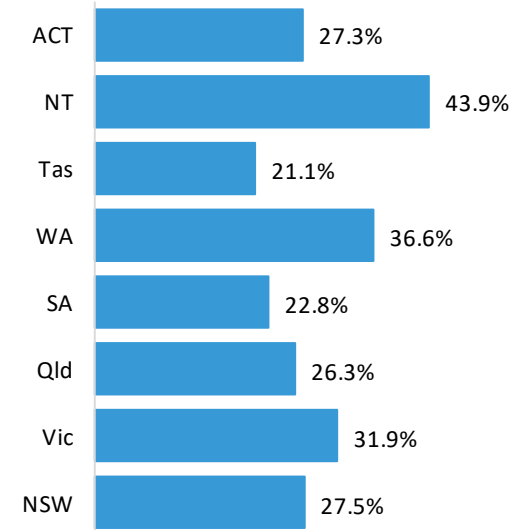
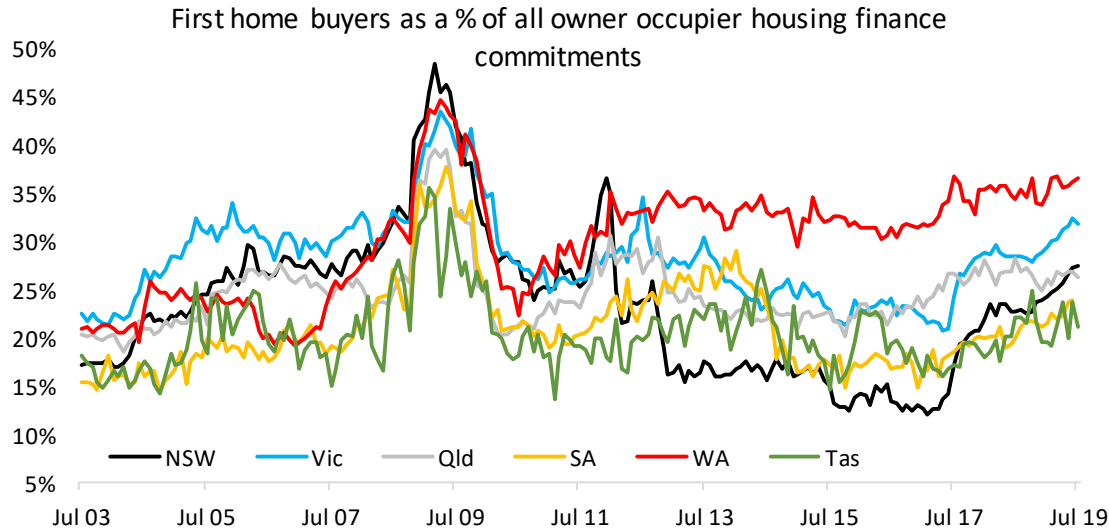
Housing credit is expanding at an historically slow pace with investment credit growth falling in July and August





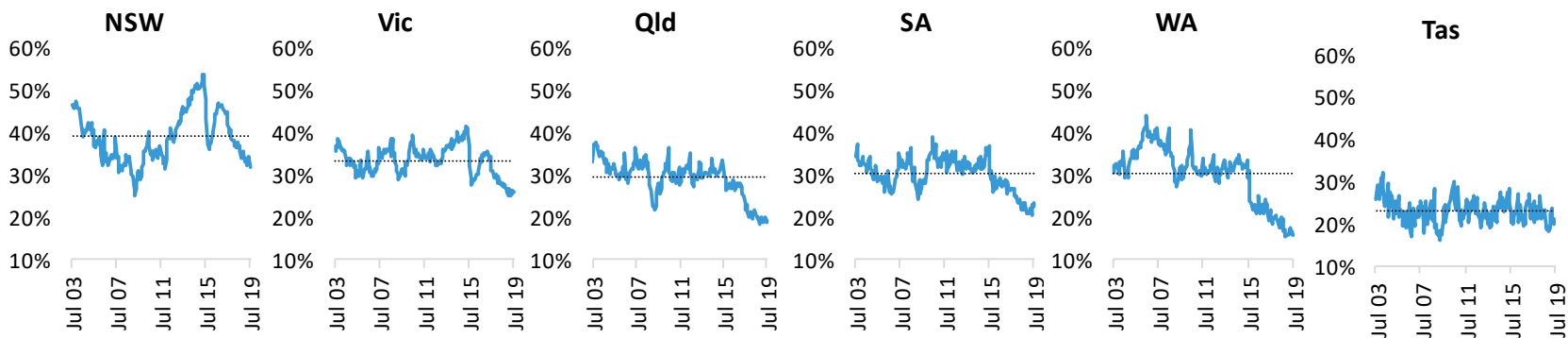
The value of lending to both investors and owner occupiers saw a significant increase in July, with the value of owner occupier loans up 5.3% and investor loans up 4.7%, however investors still comprise a lower than average share of mortgage demand

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

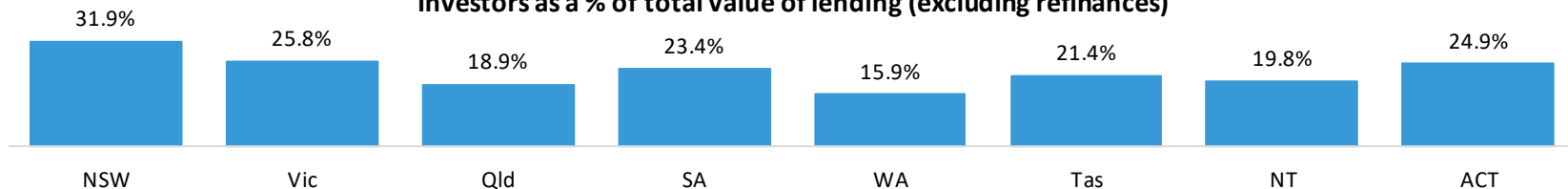


Investor activity has faded over the past couple of years in each state and territory and is yet to show a rebound

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

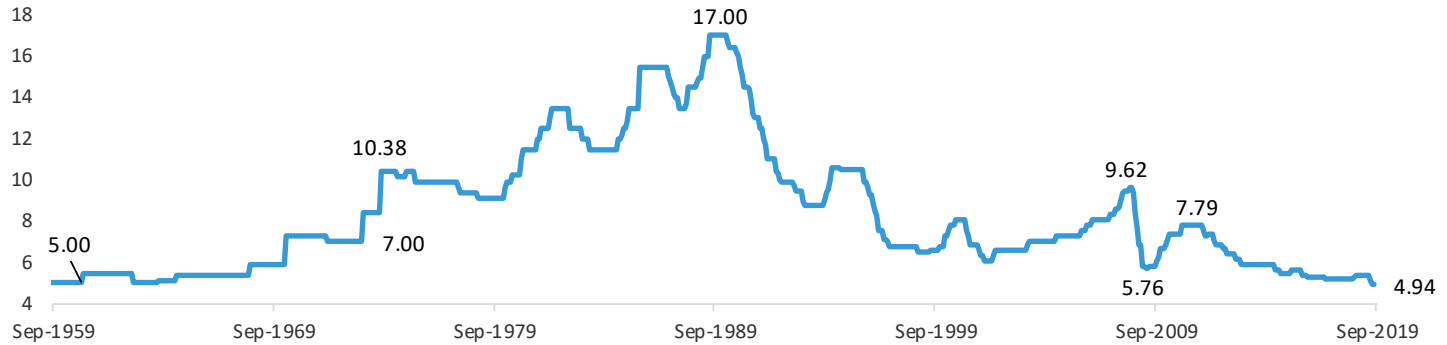


Investors as a % of total value of lending (excluding refinances)

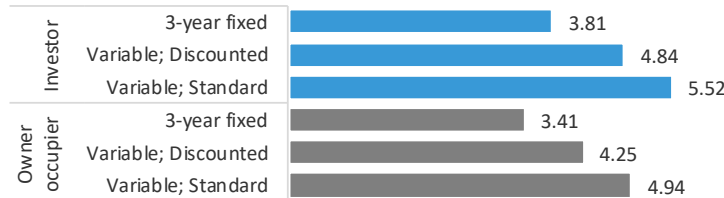


With the cash rate falling by 75 basis points between June and October 2019, mortgage rates are tracking at the lowest level since the 1950's

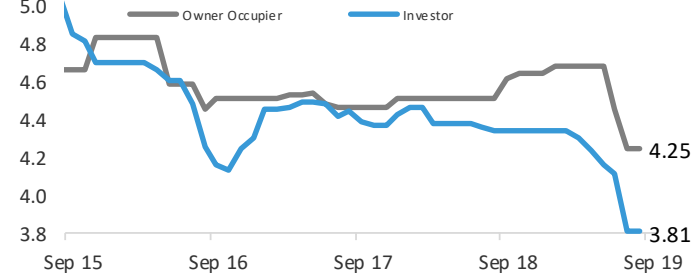
Standard variable mortgage rates over time



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



Investor mortgage rate premium





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