



Our Insights.
Your Story.

Property market chart pack
March 2019



Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate
\$6.2 Trillion
 -  Australian Superannuation
\$2.7 Trillion
 -  Australian Listed Stocks
\$1.8 Trillion
 -  Commercial Real Estate
\$970 Billion
- As at the end of February 2019



10.1 million
Number of dwellings



\$1.81 trillion
Outstanding mortgage debt



50.7%
Household wealth held in housing



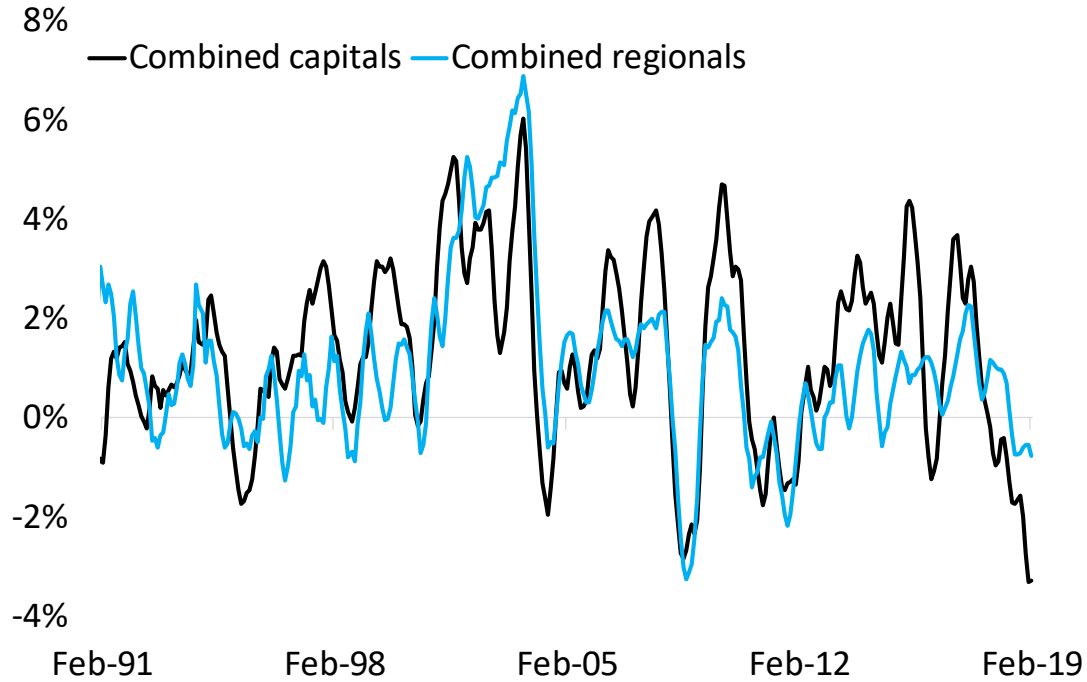
441,211
Total sales p.a.



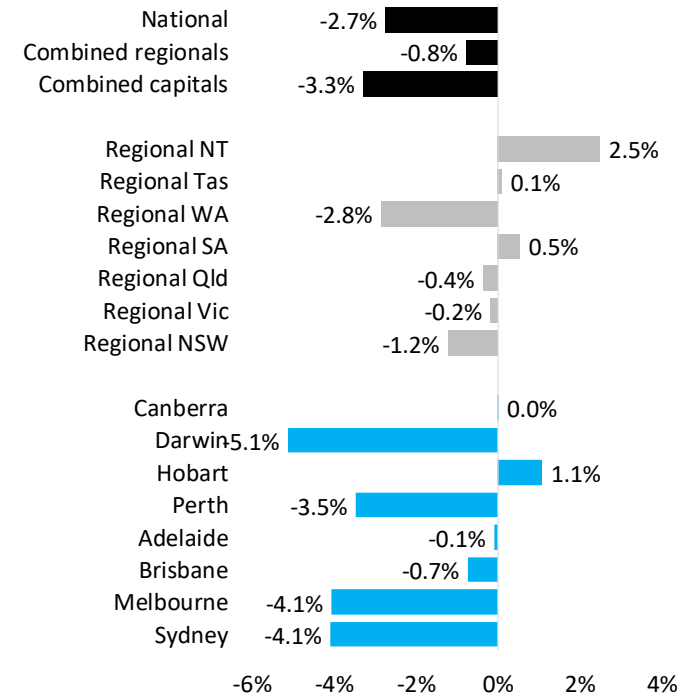
\$278.6 billion
Gross value of sales p.a.

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

Quarterly change in dwelling values



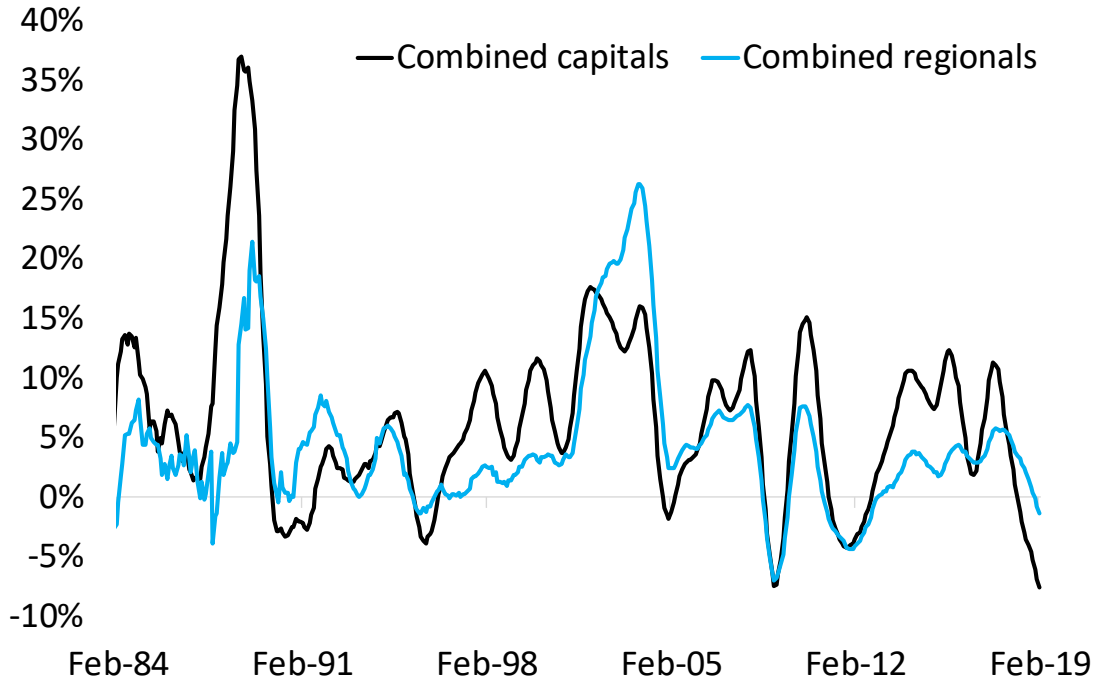
Quarterly change in dwelling values to Feb-19



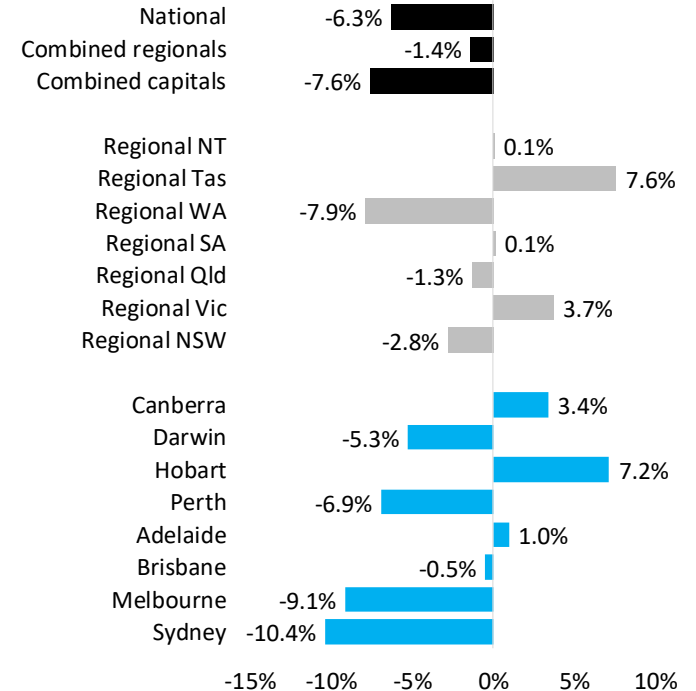
Source: CoreLogic

The annual rate of decline in values has increased with the largest falls in Sydney and Melbourne

Quarterly change in dwelling values



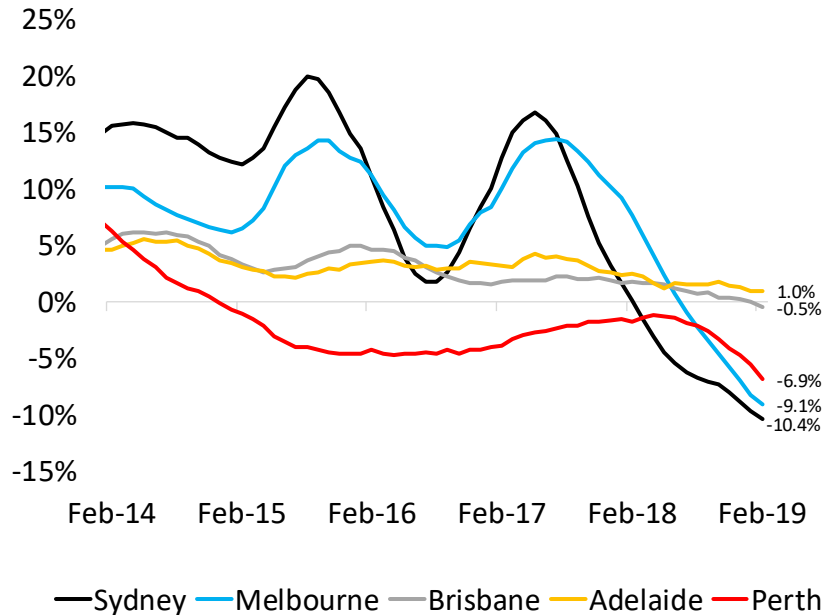
Quarterly change in dwelling values to Feb-19



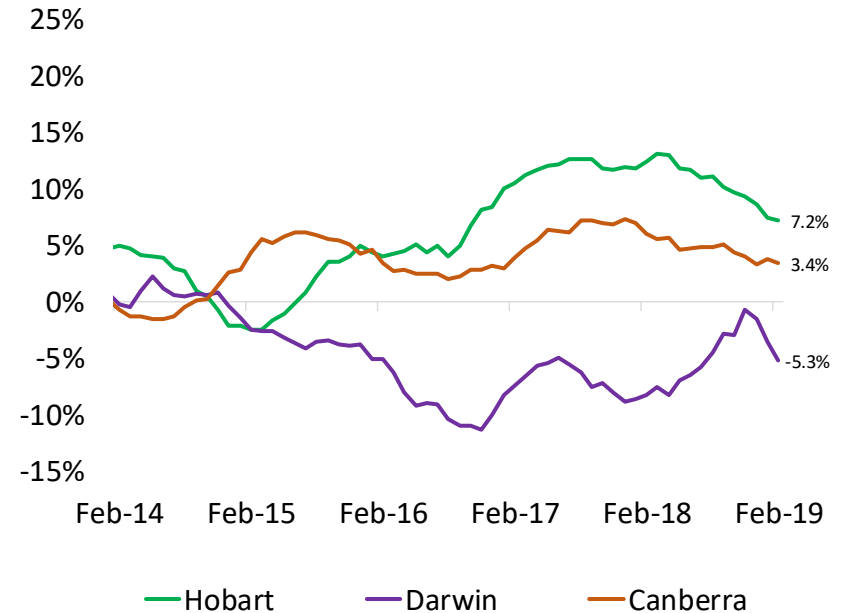
Source: CoreLogic

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

Annual change in dwelling values



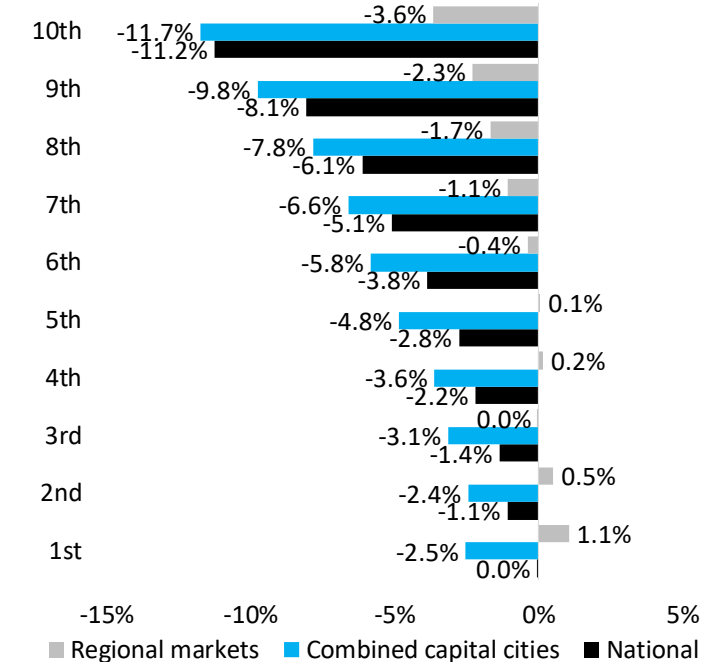
Annual change in dwelling values



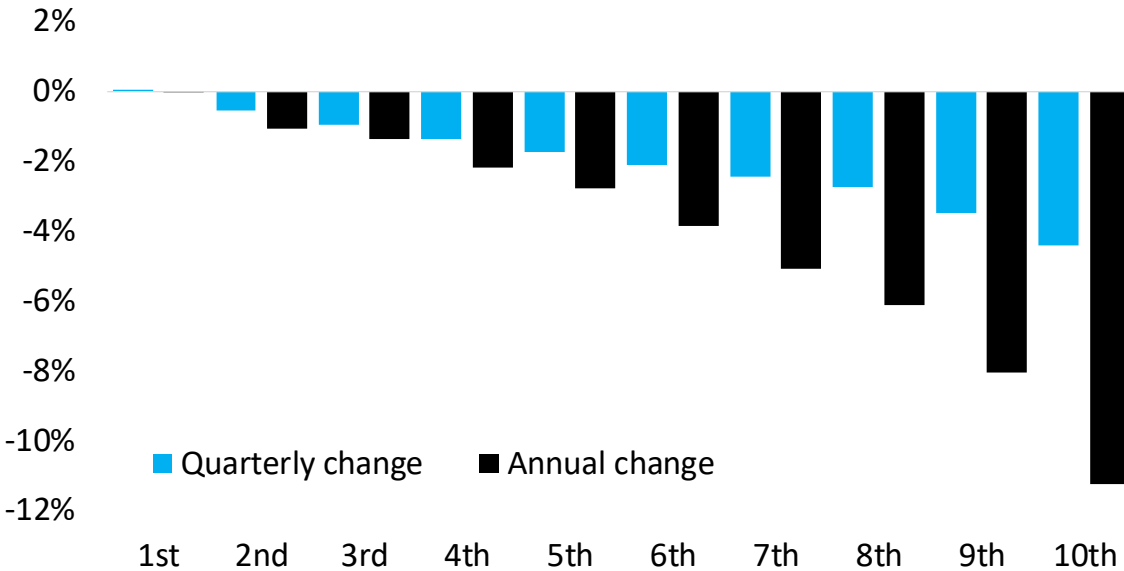
Source: CoreLogic

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

Annual change in dwelling values by decile, Feb-19

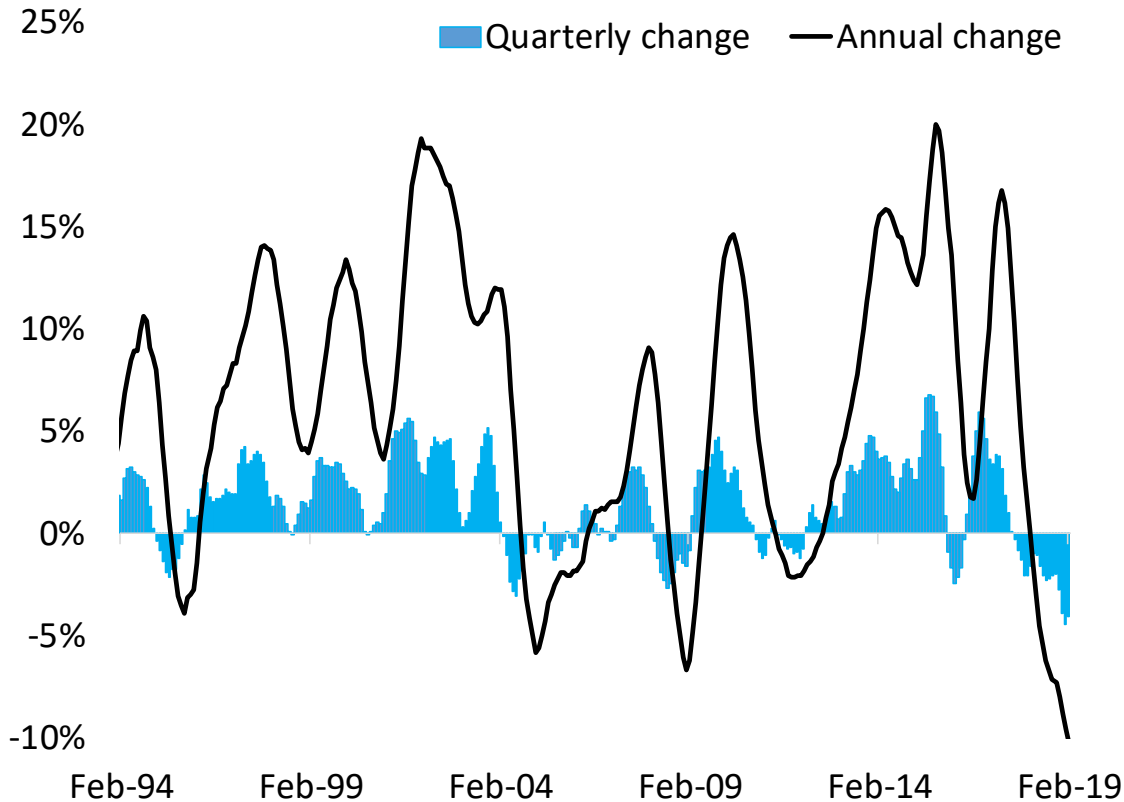


Quarterly and annual change in dwelling values by deciles, National as at February 2019



Source: CoreLogic

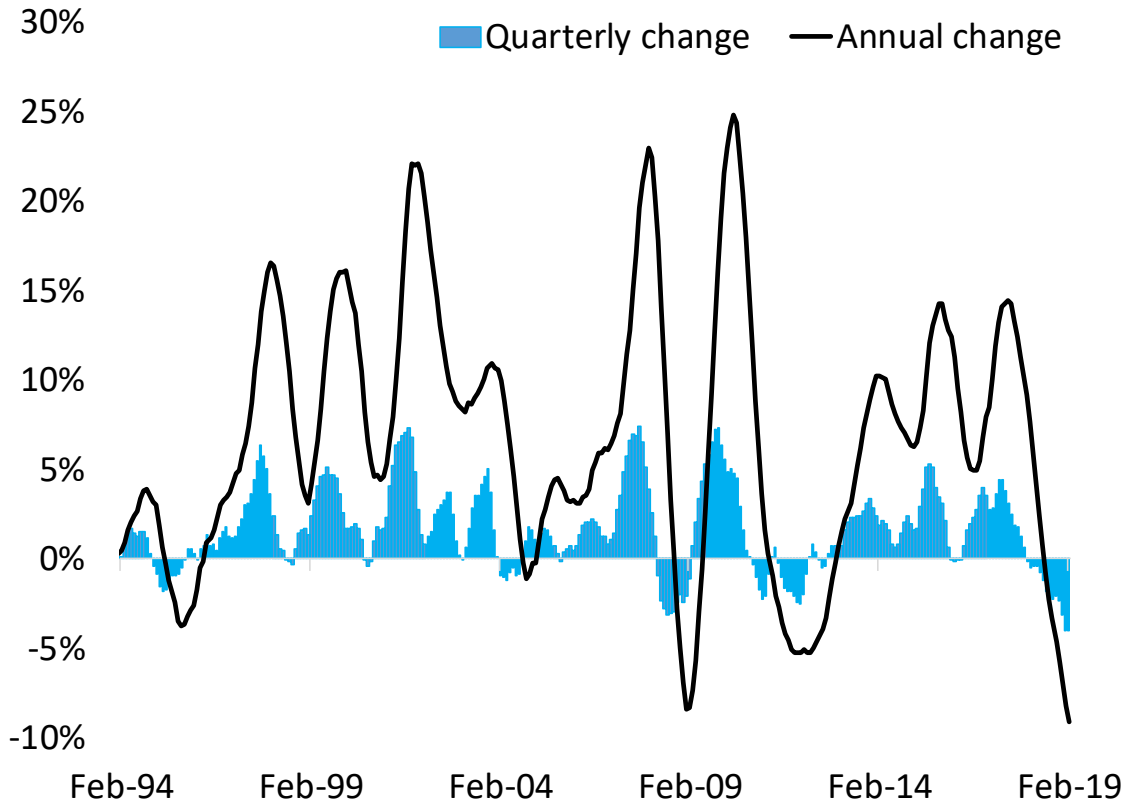
Quarterly and annual change in dwelling values - Sydney



Sydney dwelling values have fallen by **-4.1%** over the 3 months to February 2019 and they are **-10.4%** lower over the past year. Sydney dwelling values are now **-13.2%** lower than their July 2017 peak.

Source: CoreLogic

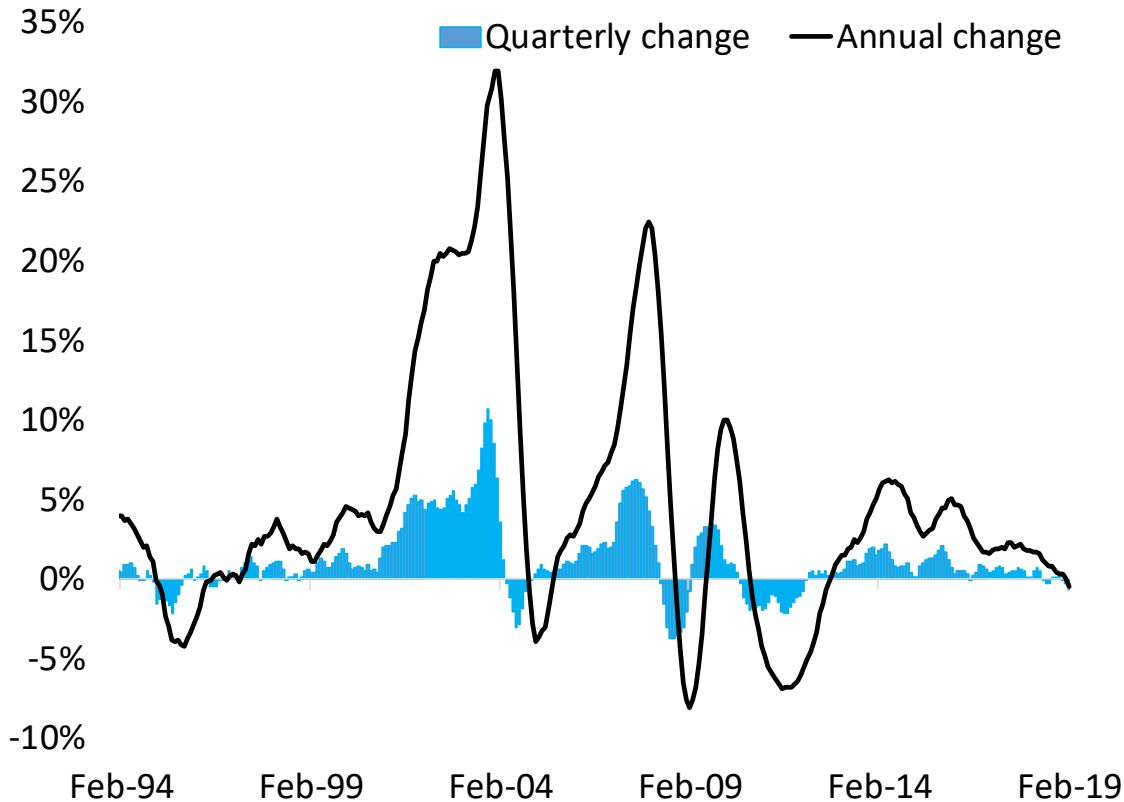
Quarterly and annual change in dwelling values - Melbourne



Dwelling values in Melbourne have fallen by **-4.1%** over the 3 months to February 2019 and they are **-9.1%** lower over the past year. Values in Melbourne have now fallen by **-9.6%** since they peaked in November 2017.

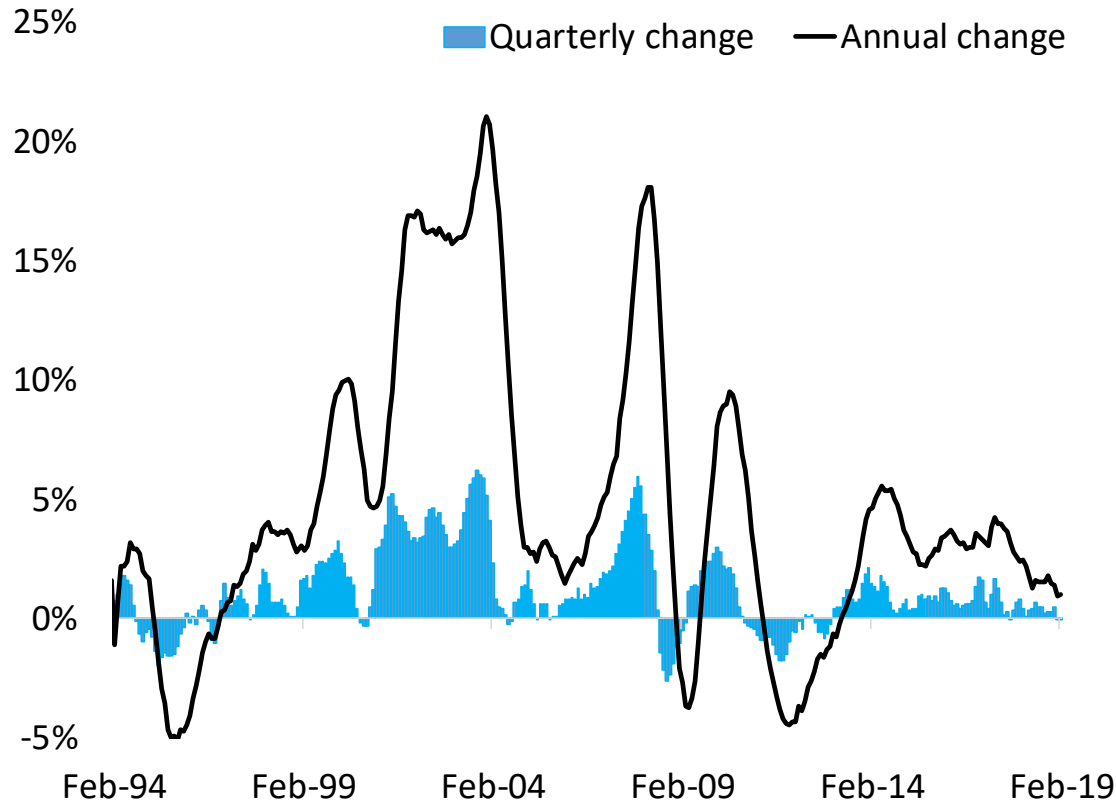
Source: CoreLogic

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.

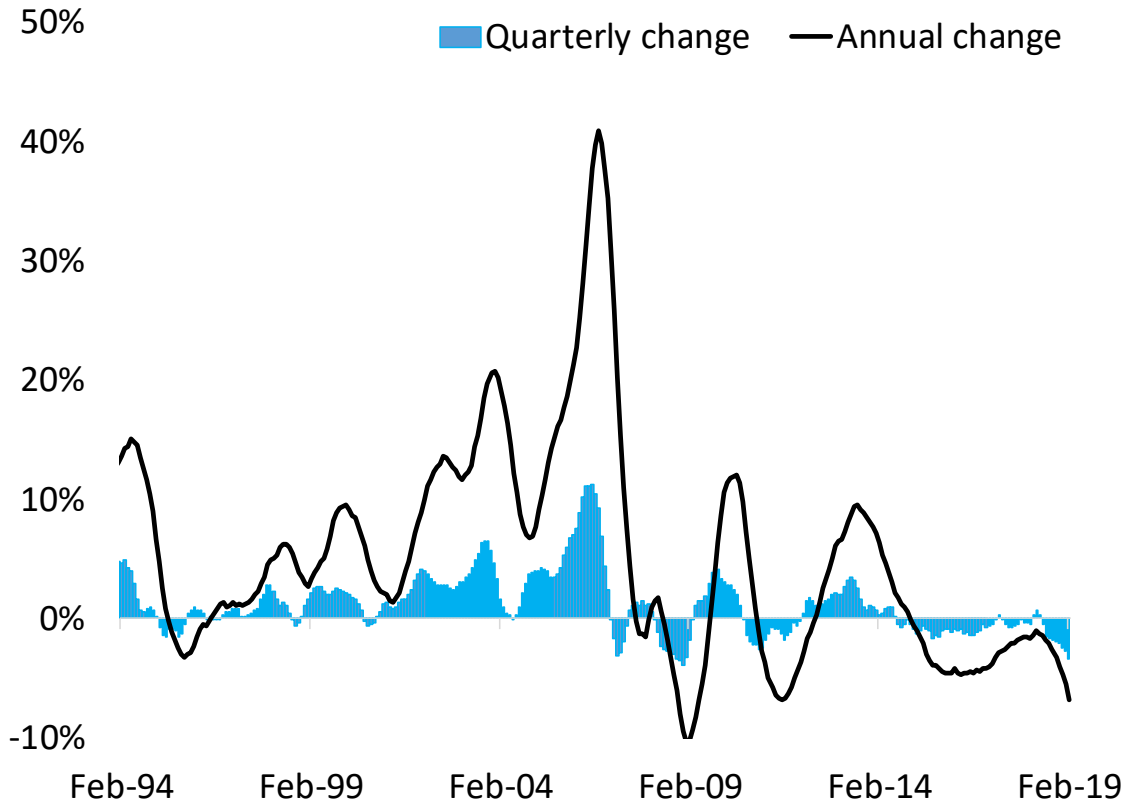
Quarterly and annual change in dwelling values - Adelaide



Dwelling values in Adelaide fell by **-0.1%** over the three months to February 2019 however, they are **1.0%** higher over the past year. Adelaide house values were **0.9%** higher over the past year while unit values were **1.4%** higher.

Source: CoreLogic

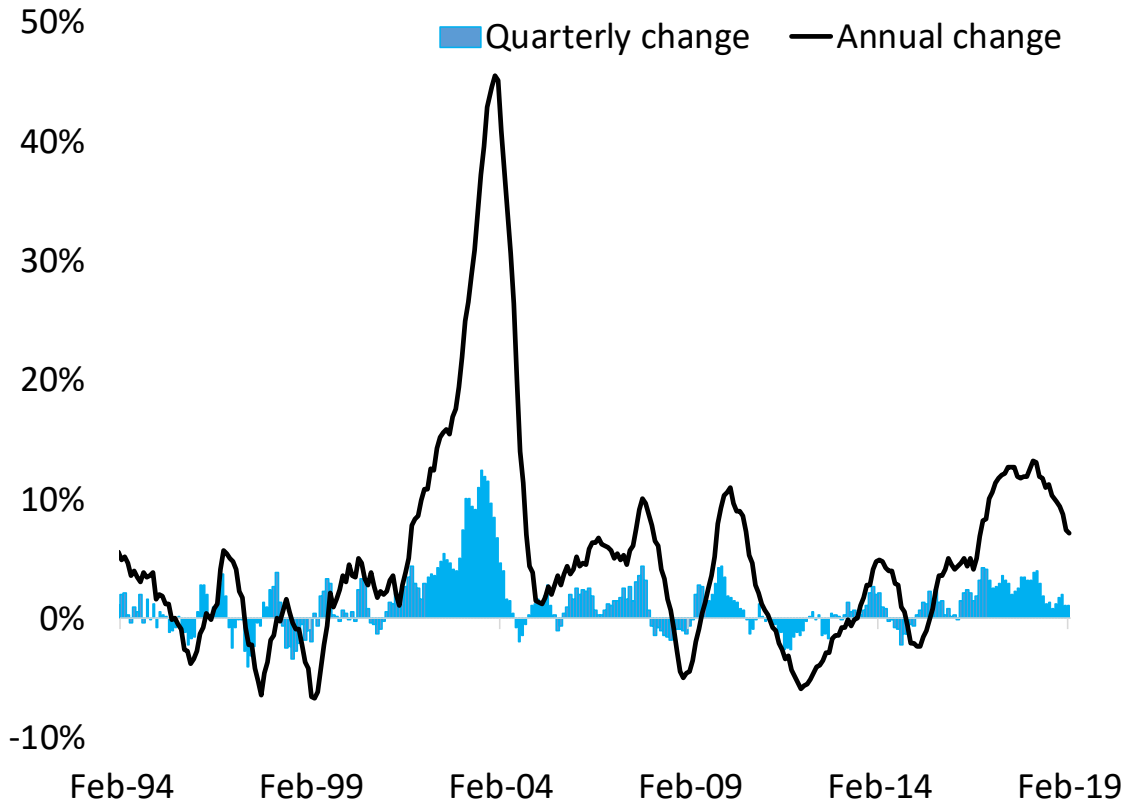
Quarterly and annual change in dwelling values - Perth



Perth dwelling values fell by **-3.5%** over the three months to February 2019 and they are **-6.9%** lower over the past year. Dwelling values in Perth are now **-17.8%** lower than they were at their peak in June 2014.

Source: CoreLogic

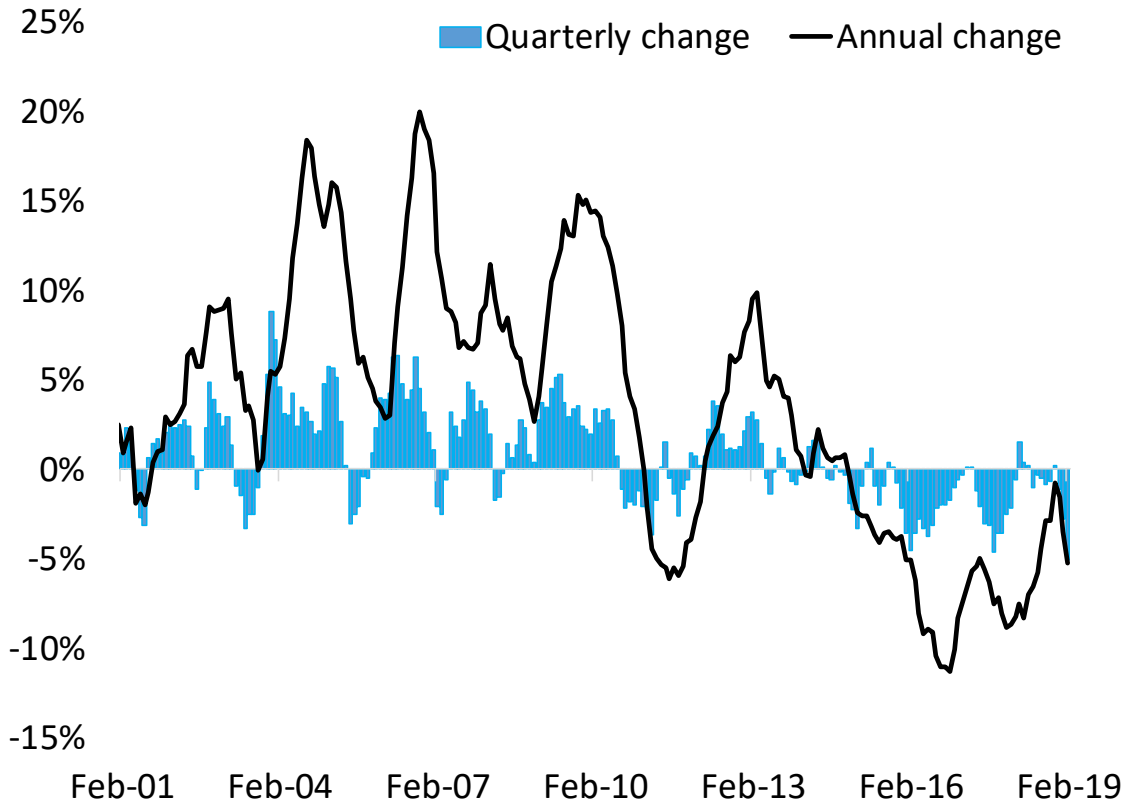
Quarterly and annual change in dwelling values - Hobart



Dwelling values in Hobart rose **1.1%** over the 3 months to February 2019 and are **7.2%** higher over the past year. Over the past 12 months, house values have increased **6.8%** and unit values are **8.8%** higher.

Source: CoreLogic

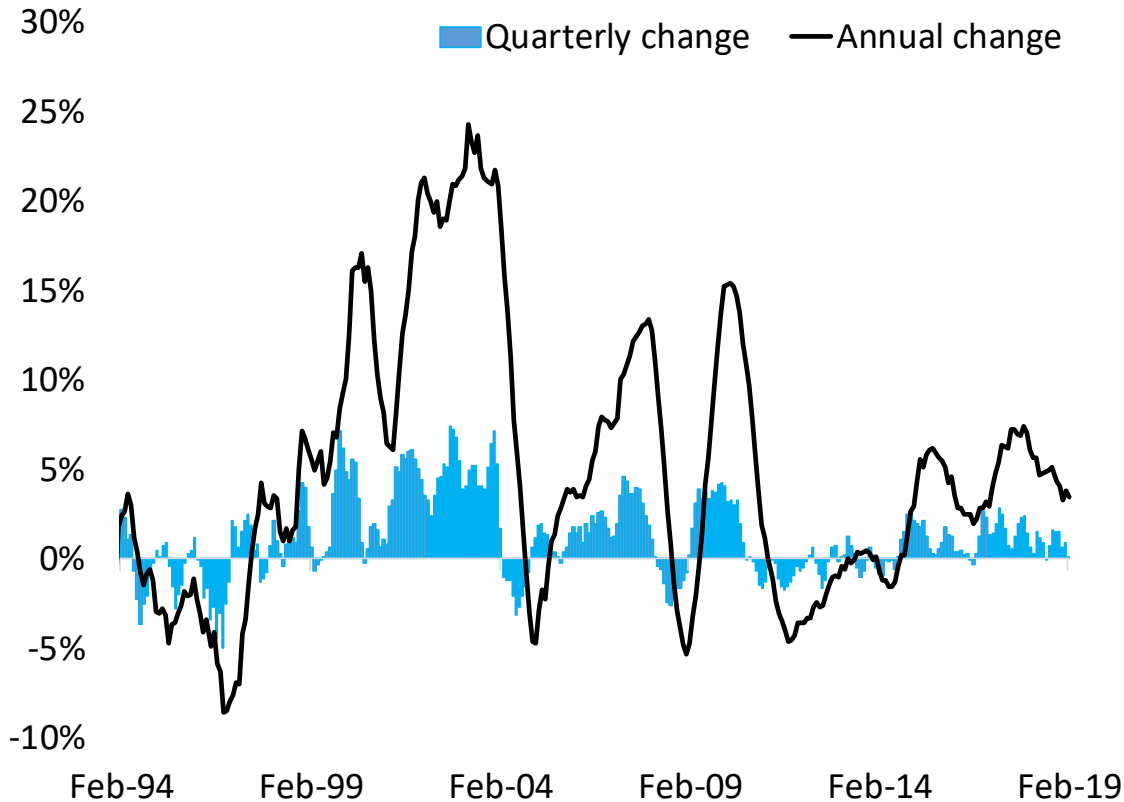
Quarterly and annual change in dwelling values - Darwin



Darwin dwelling values fell by **-5.1%** over the three months to February 2019 and they are **-5.3%** lower over the past year. Dwelling values in Darwin are currently **-27.0%** lower than their historic peak.

Source: CoreLogic

Quarterly and annual change in dwelling values - Canberra

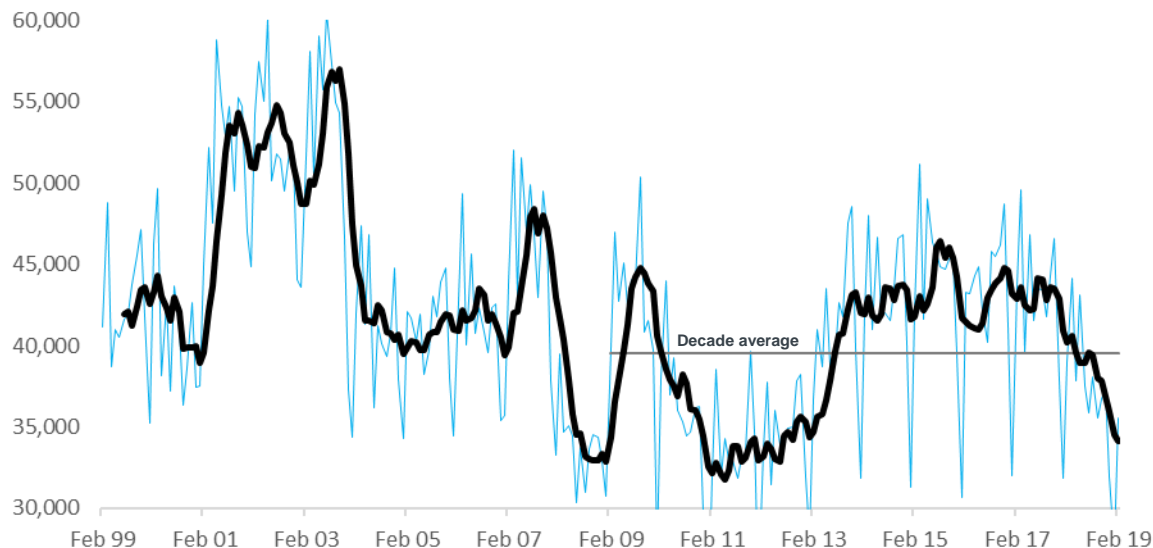


Dwelling values in Canberra were **unchanged** over the three months to February 2019 and they are **3.4%** higher over the past year. House values have increased by **4.1%** over the year while unit values rose **1.1%**.

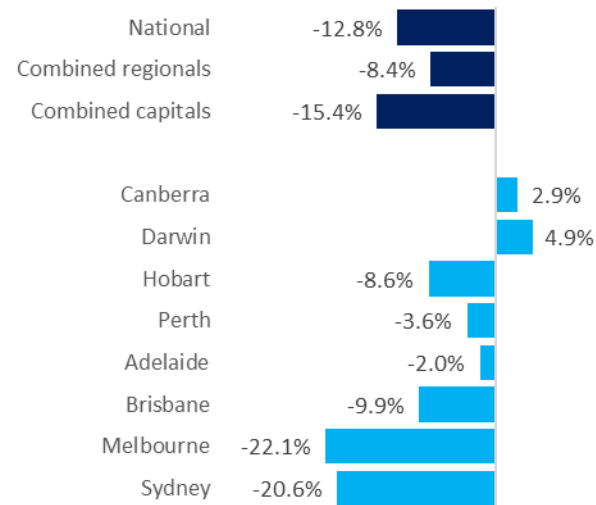
Source: CoreLogic

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

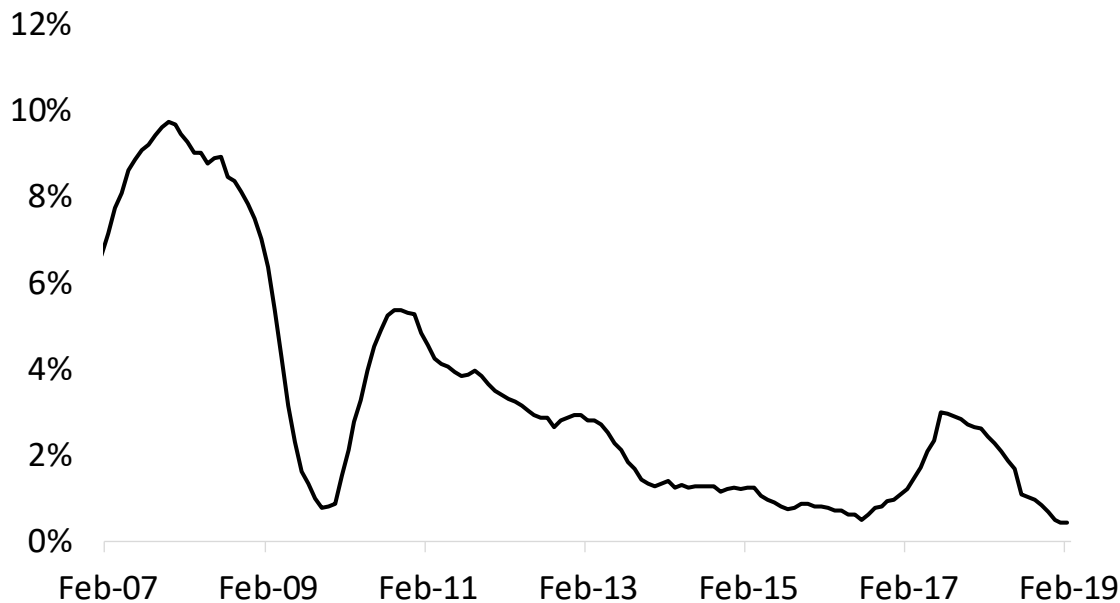


Note the sales volumes are modelled based on historic levels of revision however, they are still subject to revision. Furthermore, sales volumes do not account for off-the-plan purchases which upon completion are counted as sales at their contract date.

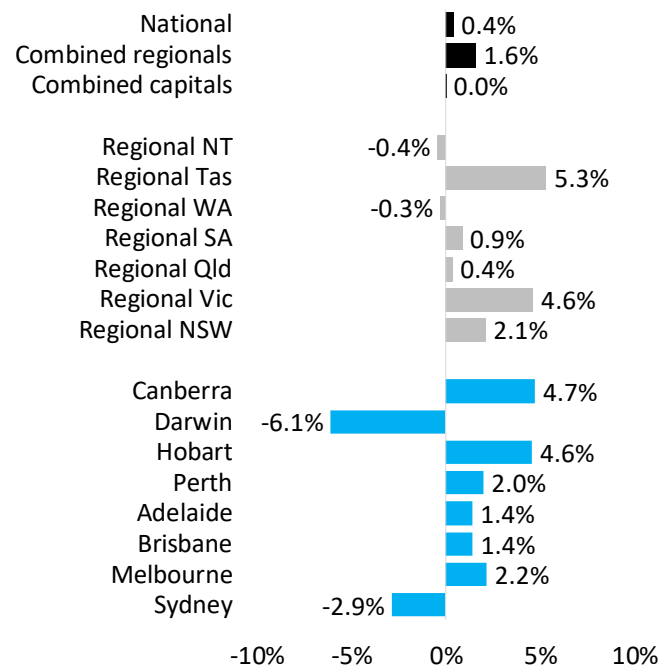
Source: CoreLogic

Rental growth is slowing rapidly largely due to falls in Sydney and slowing in Melbourne

Annual change in dwelling rents, National



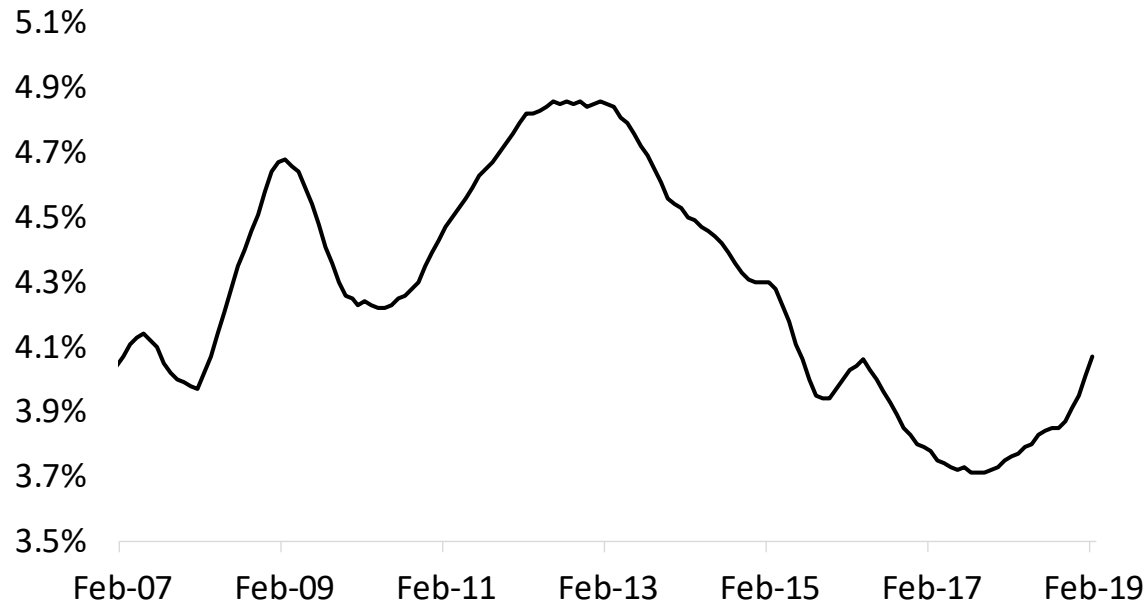
Annual change in dwelling rents to Feb-19



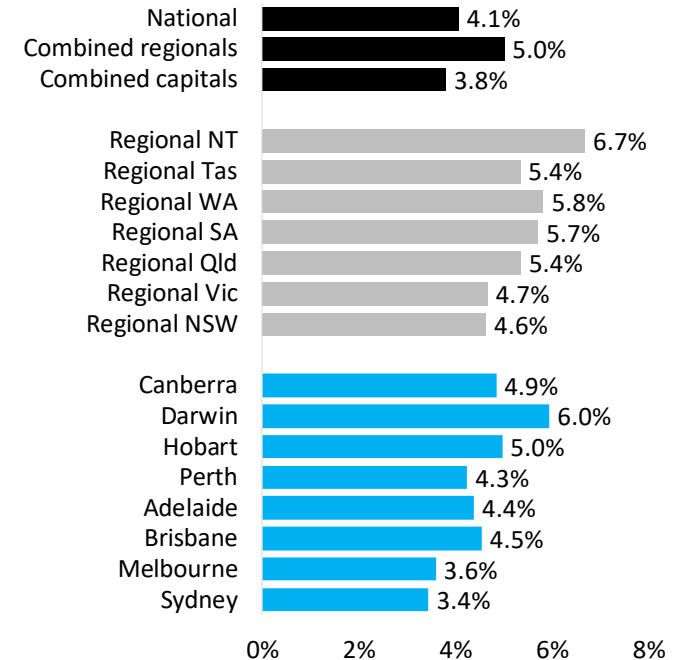
Source: CoreLogic

With dwelling values falling as rents continue to rise, gross rental yields are rising fairly quickly increase from historic low levels

Gross rental yields, National



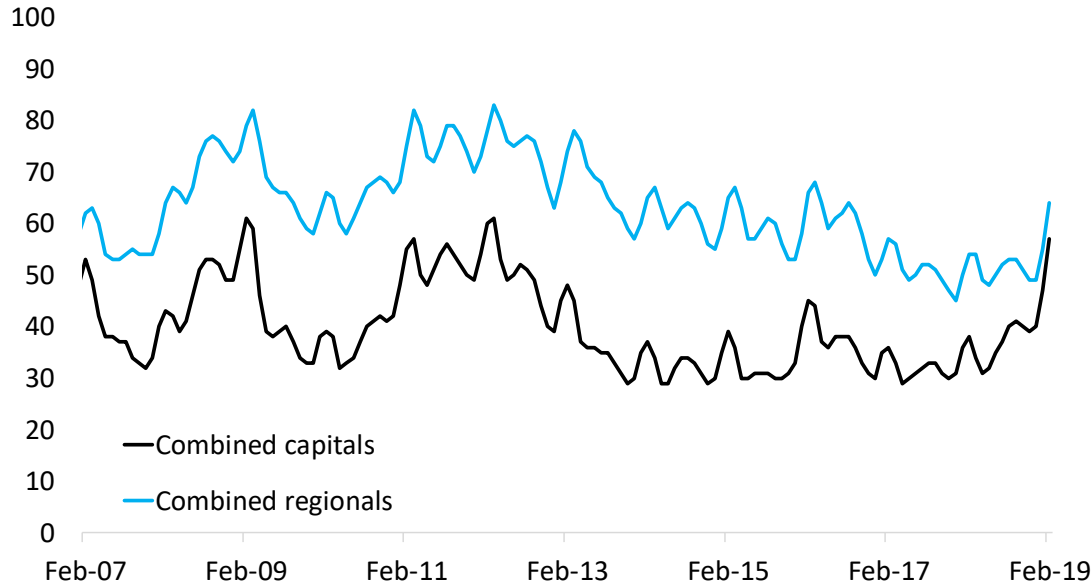
Gross rental yields as at Feb-19



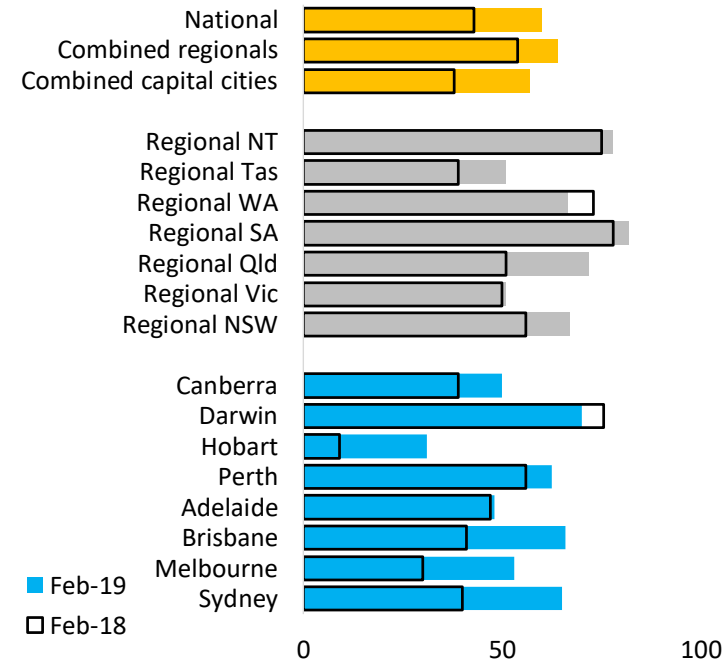
Source: CoreLogic

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



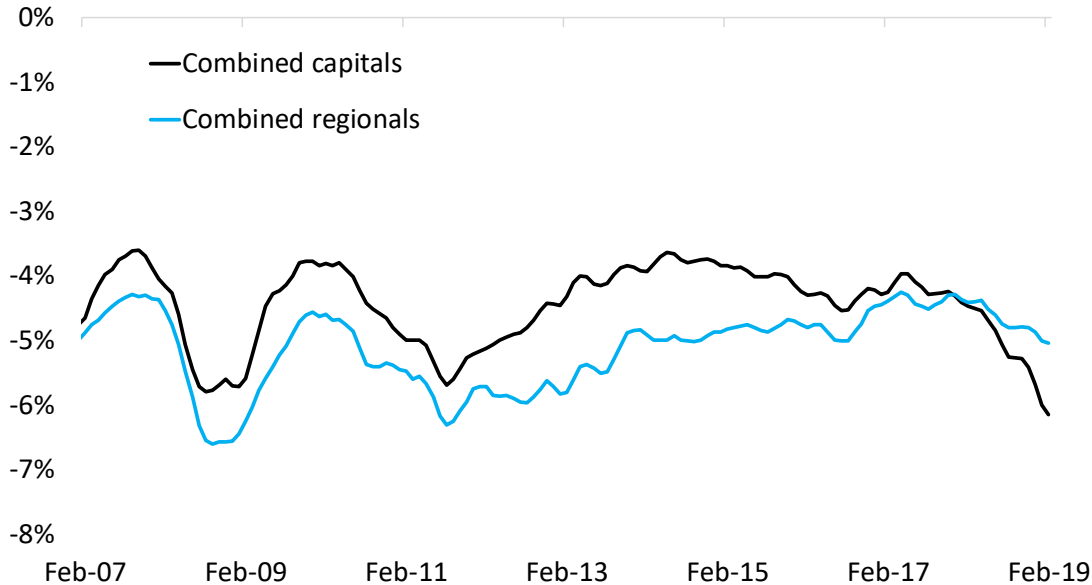
Median days on market Feb-18 vs Feb-19



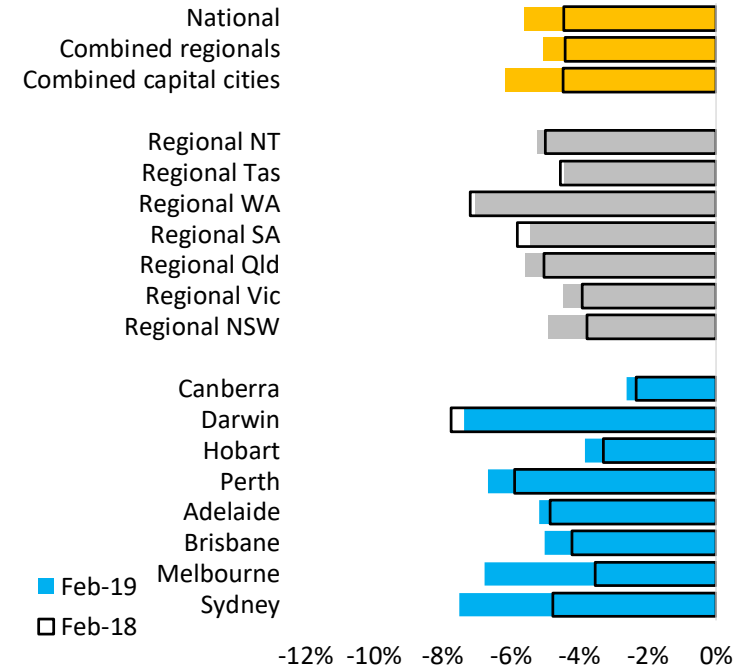
Source: CoreLogic

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

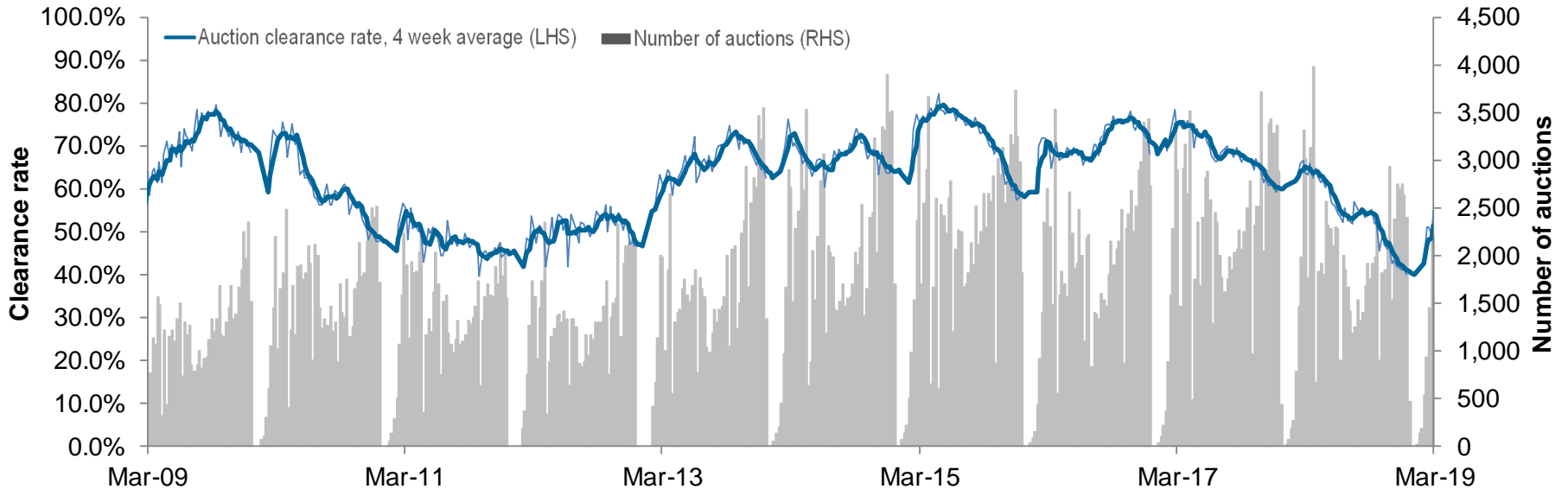
Number of new and total properties advertised for sale, 28 days to 3 March 2019

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	6,418	-25.3%	28,703	7.7%	NSW	10,941	-21.1%	54,288	8.1%
Melbourne	7,247	-22.9%	35,742	16.5%	Vic	10,157	-20.4%	53,048	6.1%
Brisbane	4,032	-11.3%	20,671	3.6%	Qld	8,937	-15.9%	62,491	-1.2%
Adelaide	2,140	-0.3%	8,519	-0.3%	SA	2,945	0.0%	17,486	-3.3%
Perth	3,679	-18.6%	21,087	-4.2%	WA	5,004	-19.6%	34,402	-4.4%
Hobart	433	6.1%	1,279	18.1%	Tas	1,046	-3.9%	5,025	-10.4%
Darwin	178	3.5%	1,416	-5.2%	NT	239	-0.4%	2,025	-3.0%
Canberra	747	-4.7%	2,467	9.1%	ACT	765	-5.0%	2,583	9.6%
Combined capitals	24,874	-18.6%	119,884	6.4%	National	40,034	-17.6%	231,348	1.7%

Source: CoreLogic

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

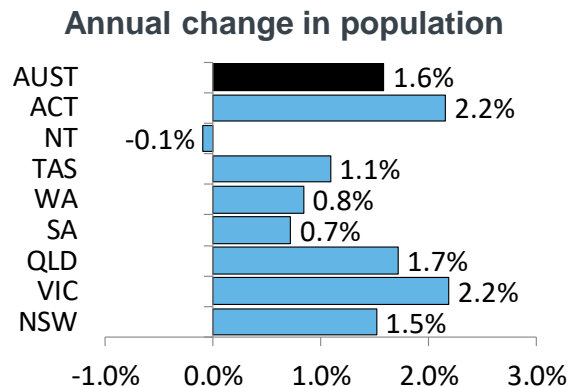
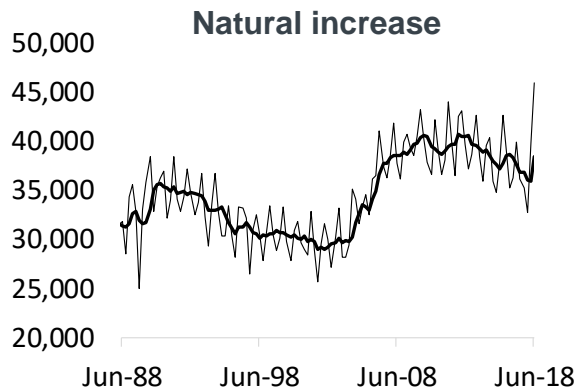
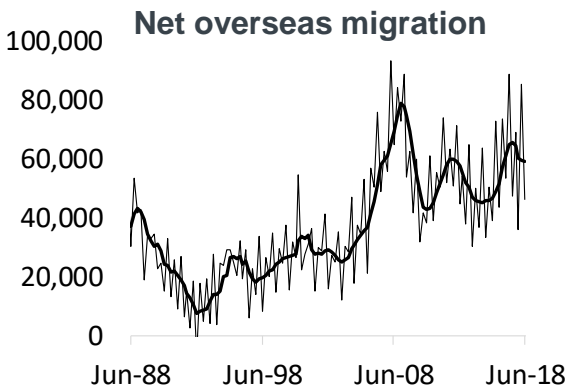
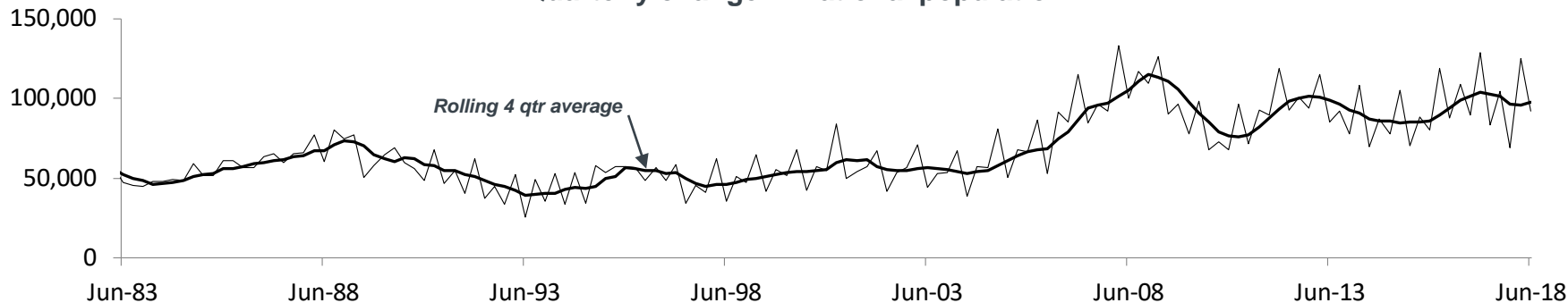
Weekly clearance rate, combined capital cities



Source: CoreLogic

Housing demand: migration to Australia remains high, however the trend in population growth is slowing

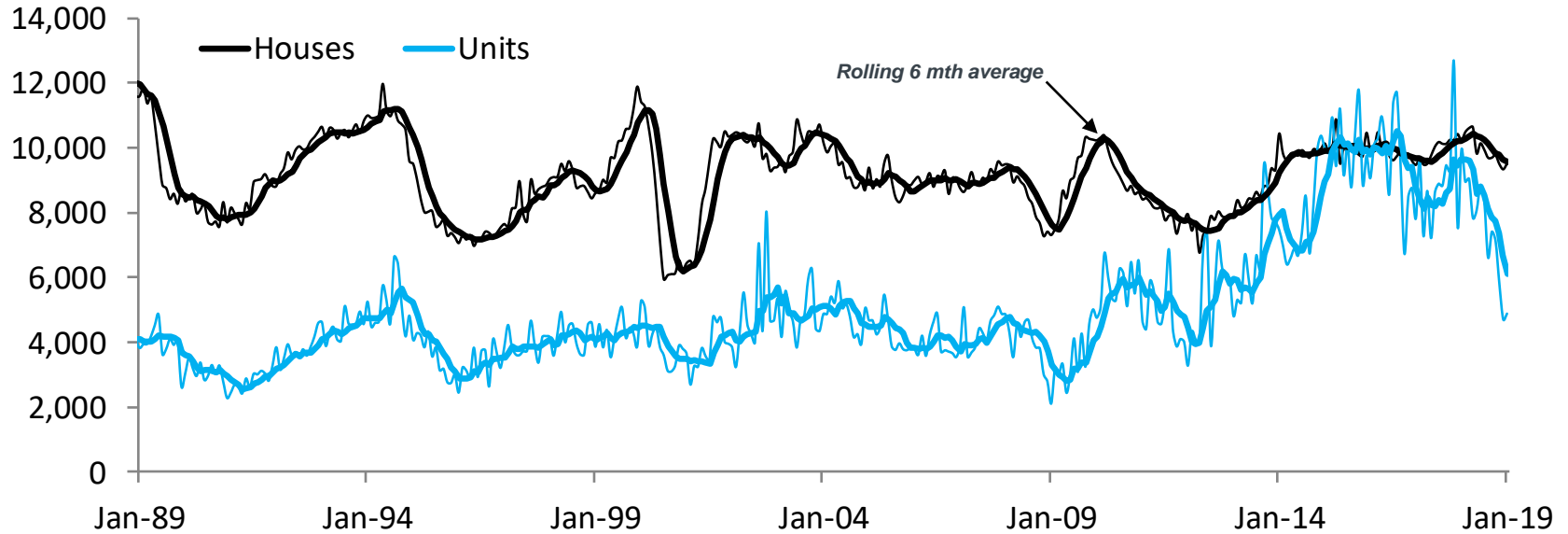
Quarterly change in national population



Source: CoreLogic, ABS

Both house and unit approvals are trending lower despite a slight increase in approvals in January 2019

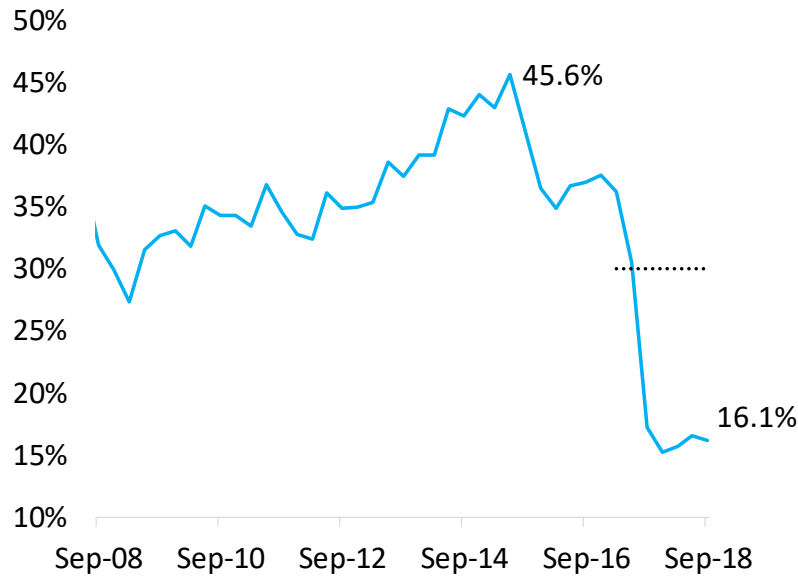
Number of dwellings approved for construction, National



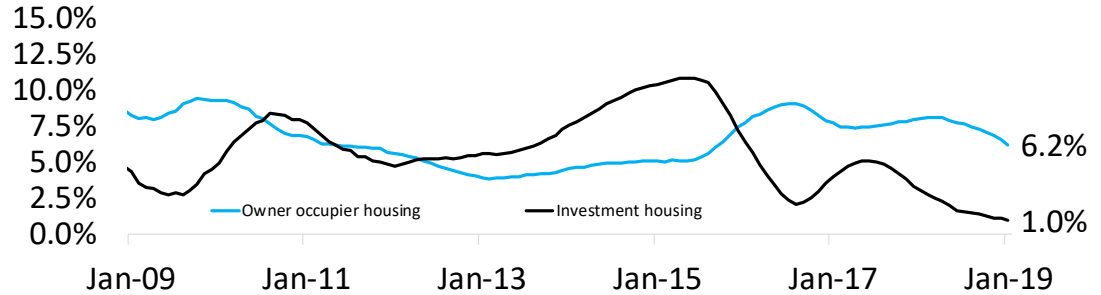
Source: CoreLogic, ABS

While previous housing cycles have generally been dictated by changes in interest rates, the current slowdown has been heavily influenced by changes in credit availability

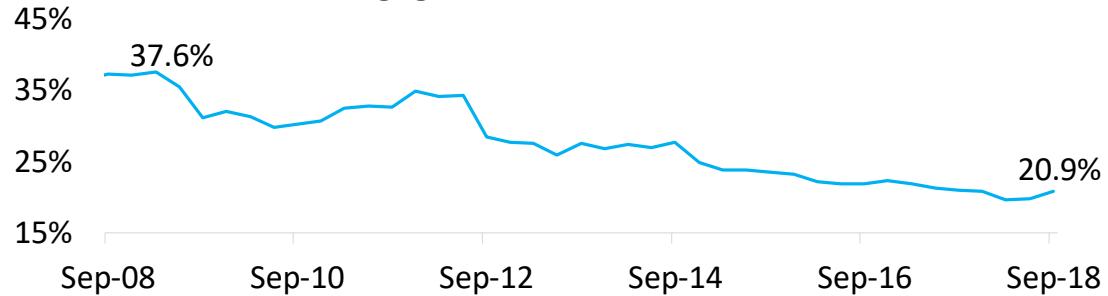
% of mortgages originated on interest-only terms



Annual change in credit, owner occupier v investor

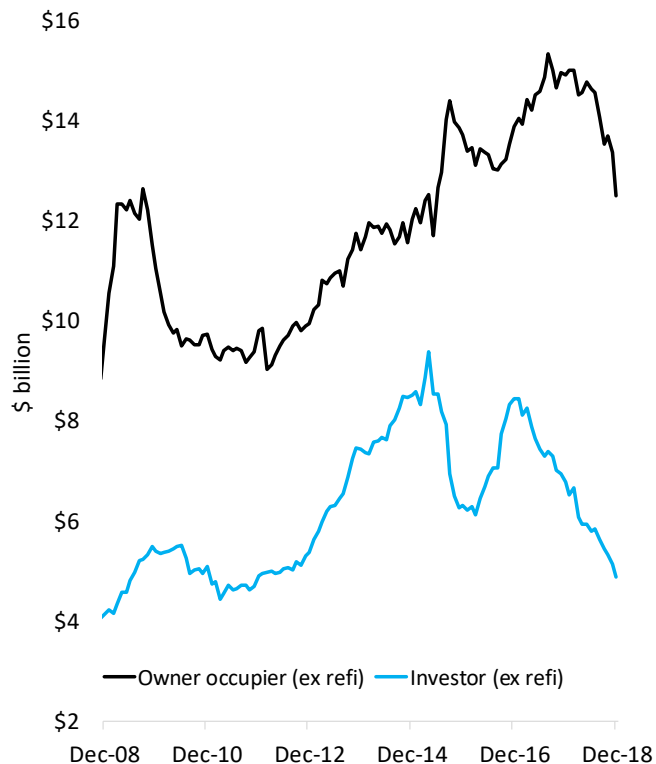


% of mortgages settled with an LVR 80%+

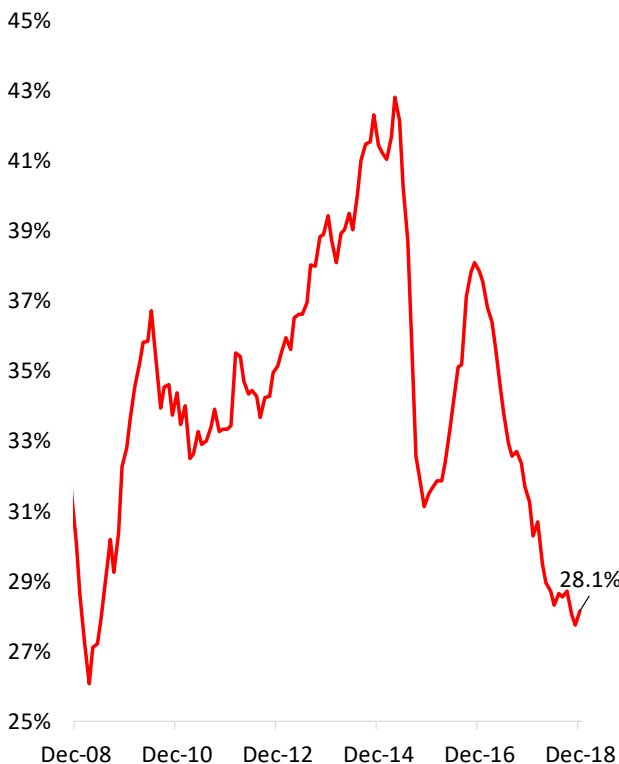


Source: CoreLogic, APRA, RBA

Monthly value of new housing finance commitments, National

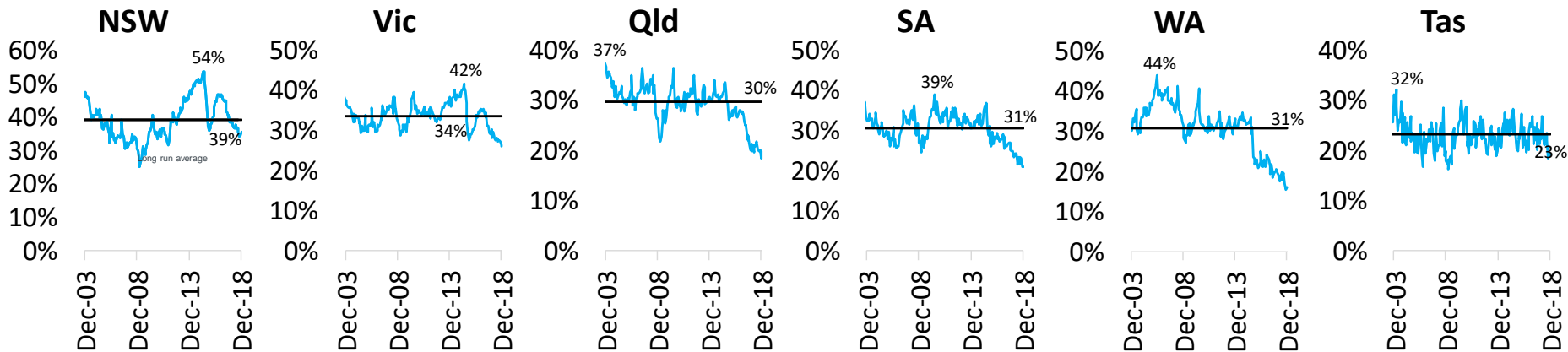


New investor lending share of total new lending (ex refinances)

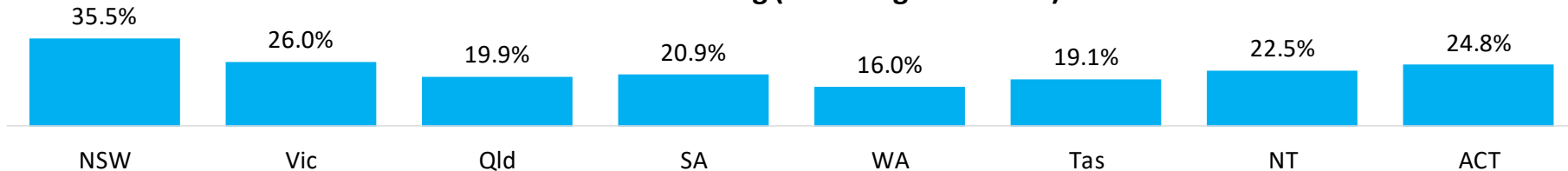


The slowdown in credit growth is mostly due to a sharp reduction in investment lending; down 21.8% over the past year and 40.4% lower relative to the 2015 peak

NSW and Vic have been the drivers of investor demand and it is falling sharply in each of those states



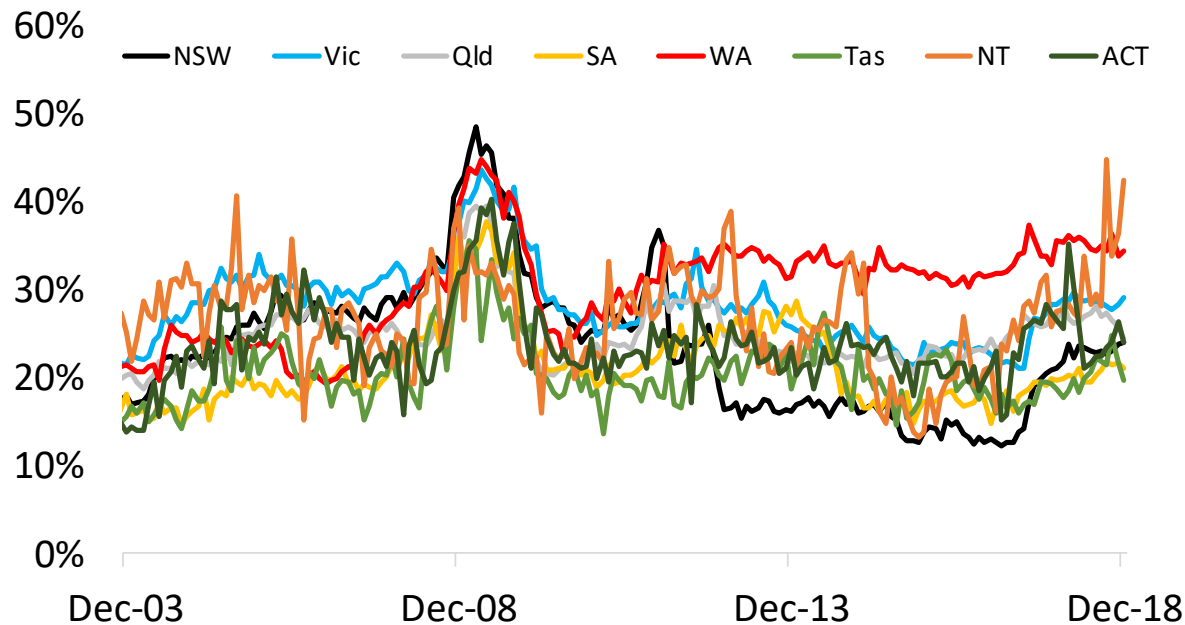
Investors as a % of total value of lending (excluding refinances) as at December 2018



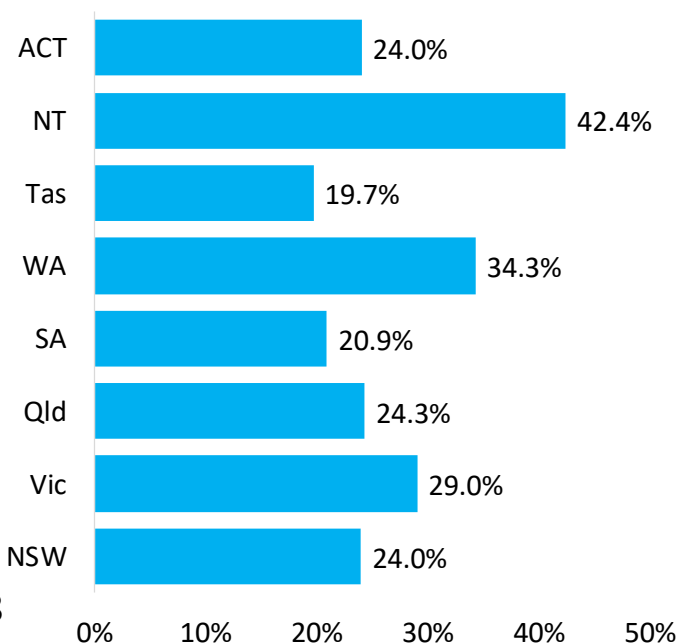
Source: CoreLogic, ABS

First home buyer demand has increased over the past year on the back of incentives, less competition from investors and improving affordability

First home buyers as a % of all new owner occupier housing finance commitments



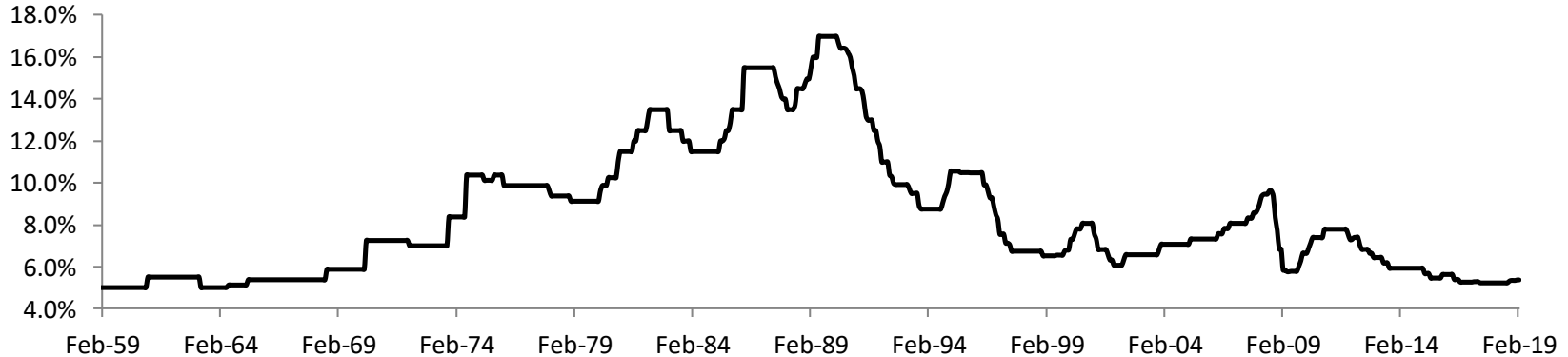
First home buyers as a % of all owner occupier housing finance commitments, December 18



Source: CoreLogic, ABS

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

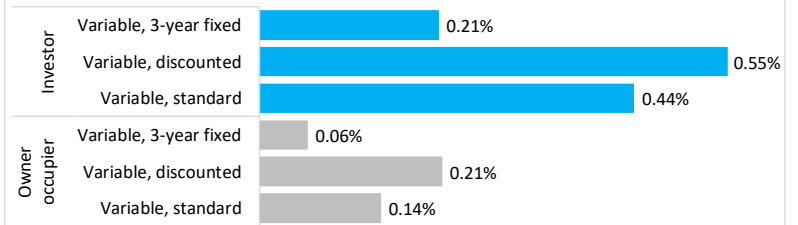
Standard variable mortgage rates over time



Avg mortgage rate by product type, Feb 2019



Change in avg mortgage rate since low point, Feb 2019



Source: CoreLogic, RBA

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