

April 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.9 Trillion



AUSTRALIAN SUPERANNUATION

\$3.5 Trillion



AUSTRALIAN LISTED STOCKS

\$3.0 Trillion



COMMERCIAL REAL ESTATE

\$1.2 Trillion

NUMBER OF DWELLINGS

10.8 Million

OUTSTANDING MORTGAGE DEBT

\$2.0 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

56.6%

TOTAL SALES P.A.

603,006

GROSS VALUE OF SALES P.A.

\$515.4 Billion

Australian dwelling values

Overview

3 MONTHS

↑ **2.4%**

National home values rose 2.4% in the March quarter, easing from a peak rate of 7.0% in the three months to May 2021.

12 MONTHS

↑ **18.2%**

Dwelling values in Australia are 18.2% higher over the past 12 months, which is the first time the annual rate of growth has slipped below 20% since August 2021.

CAPITAL CITIES

Lower value segments continue to lead growth

In the three months to March, capital city homes saw upper quartile values rise 0.5%, compared to 3.3% across the lowest quartile of values.

AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to March 2022

AUSTRALIA

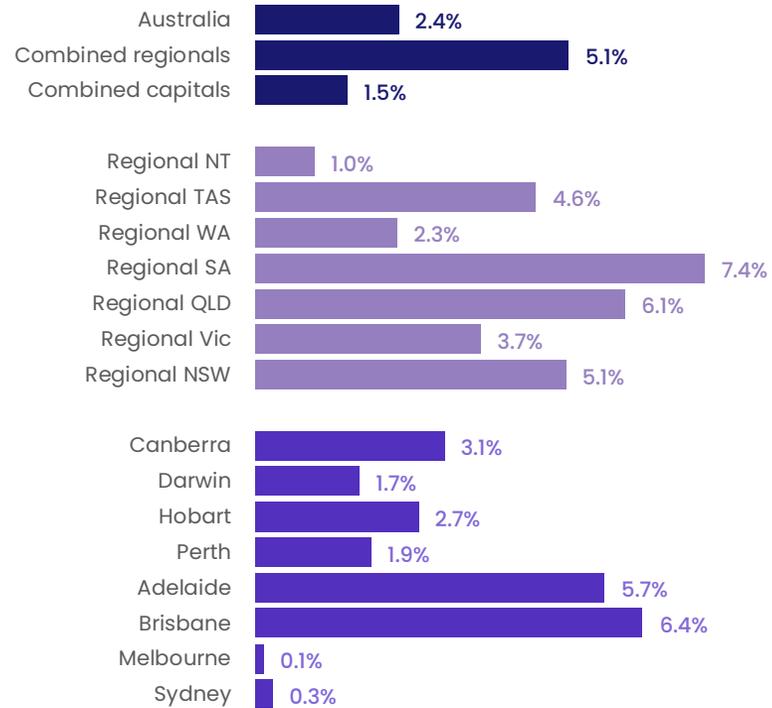
2.4%

COMBINED REGIONALS

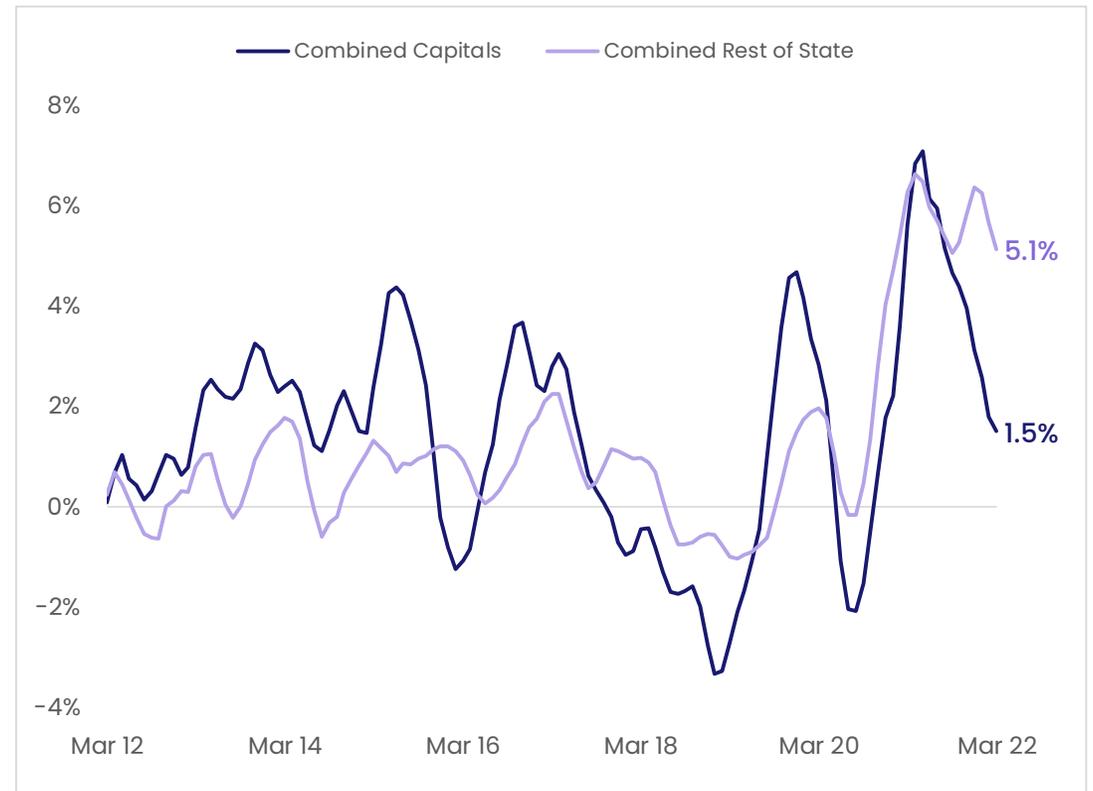
5.1%

COMBINED CAPITALS

1.5%



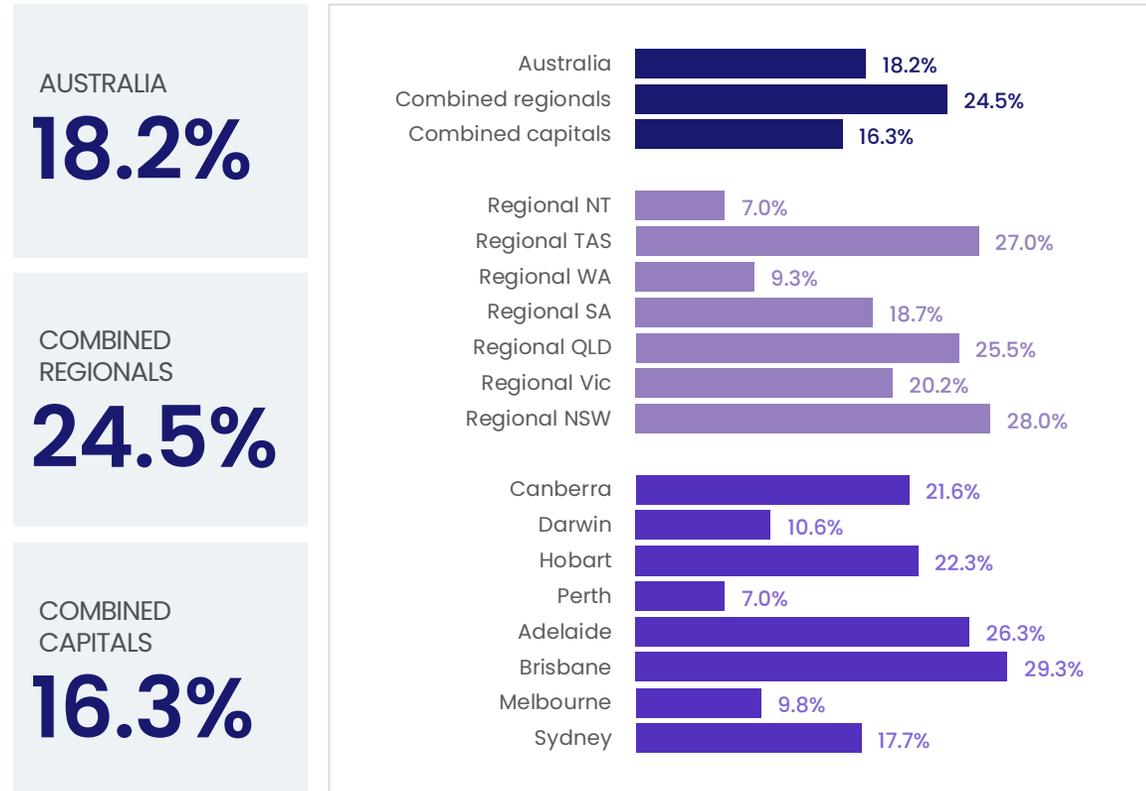
Rolling quarterly change in dwelling values



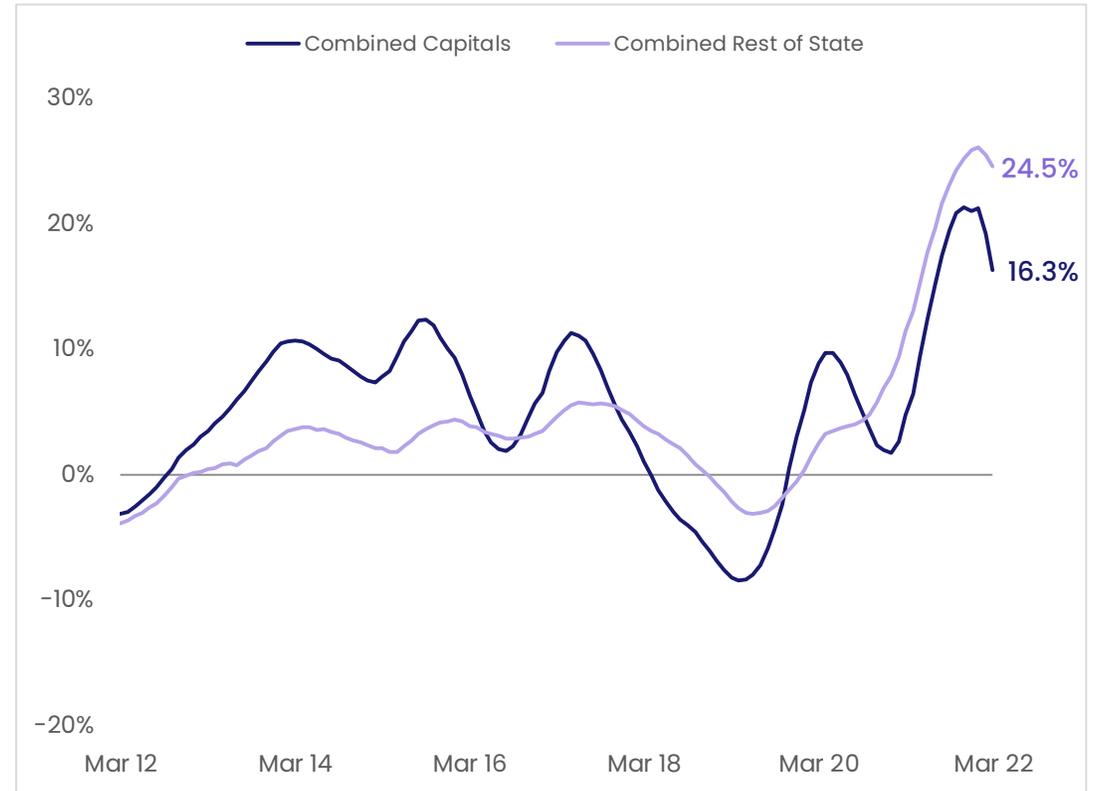
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to March 2022



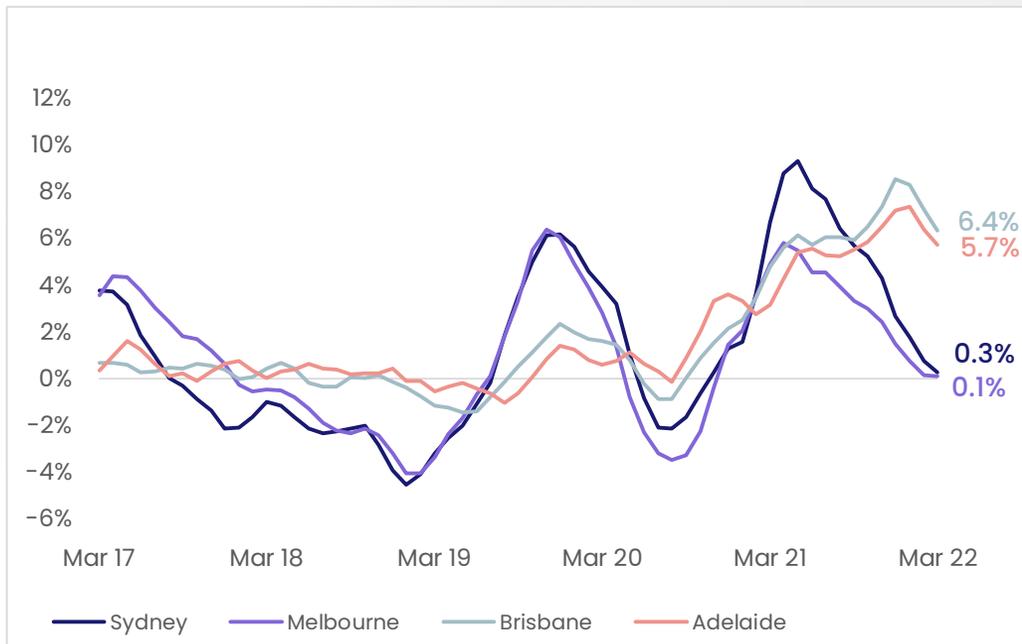
Rolling annual change in dwelling values



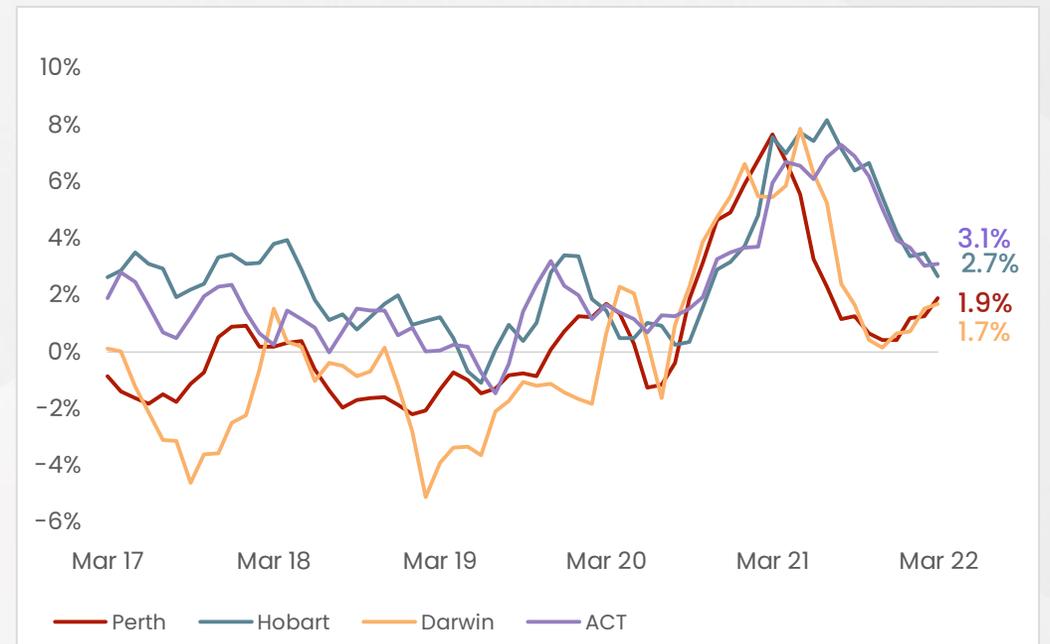
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



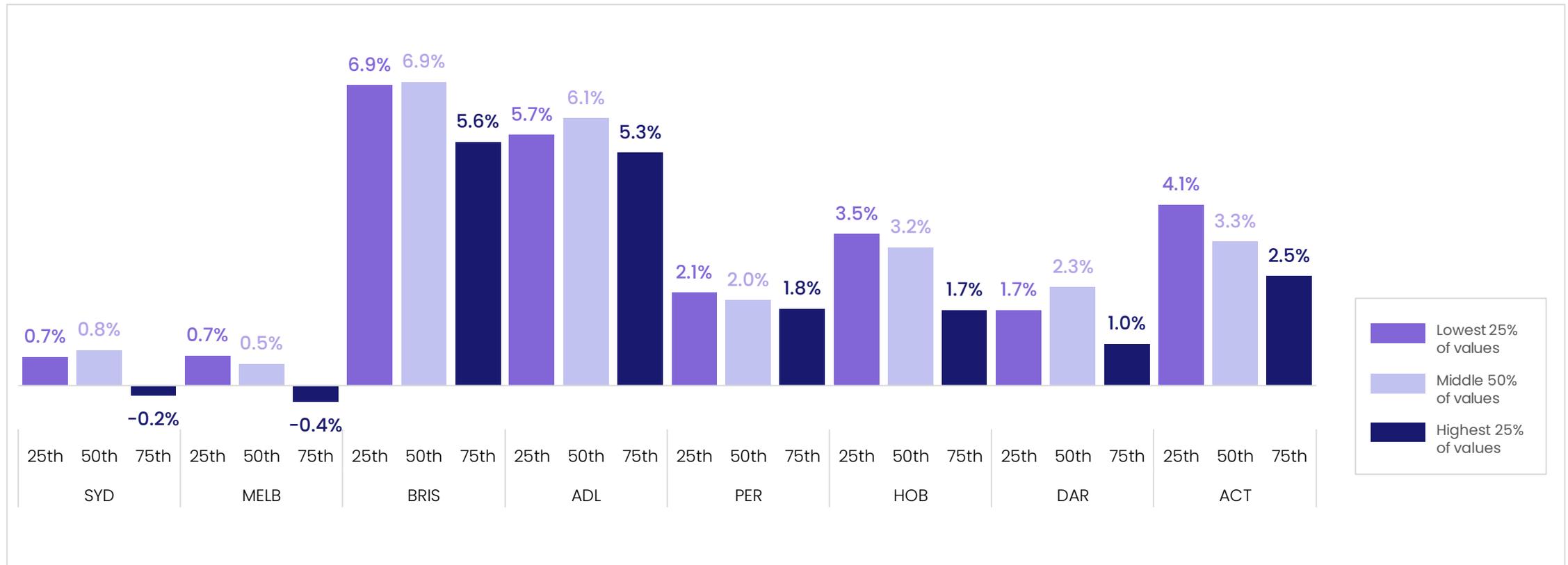
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

Capital cities

Quarterly growth in stratified hedonic dwellings index (3 months to March)



Housing cycles

Capital cities

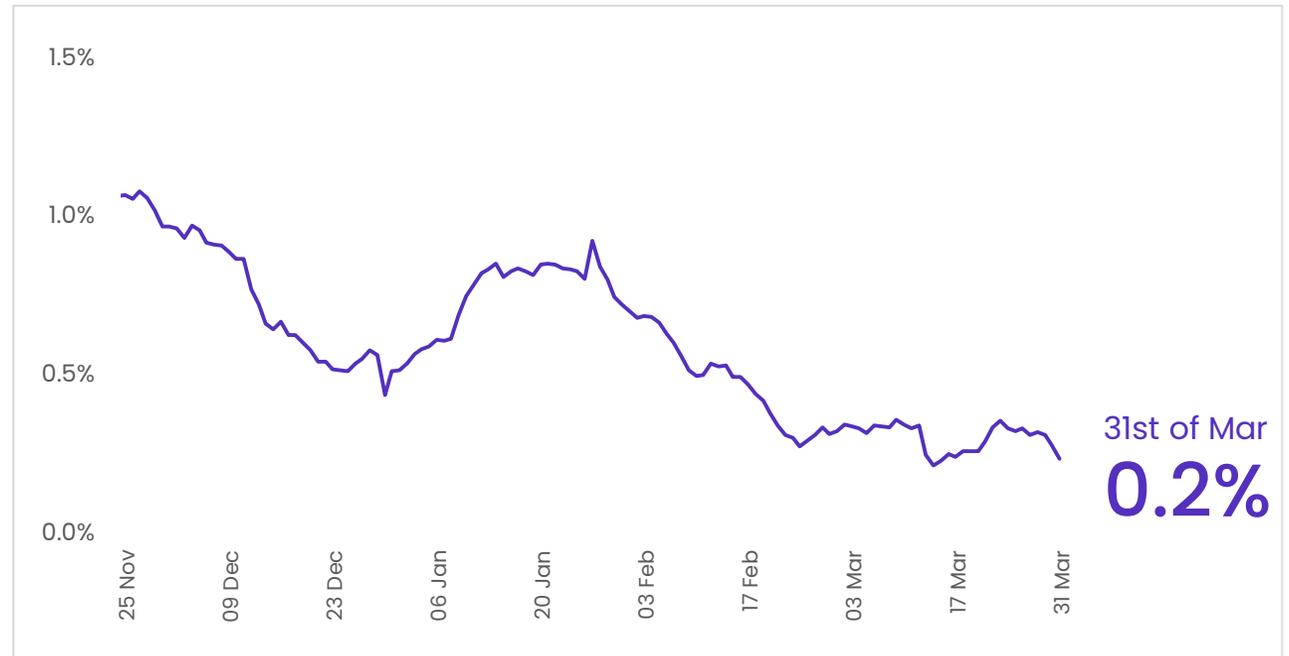


Rolling 28-day growth rate in CoreLogic Daily Home Value index

The rolling 28-day growth rate in the combined capitals home value index slowed through March.

Home values rose just 0.2% in the 28 days to the end of March, with demand slowing amid tighter lending conditions and affordability constraints, while supply levels trended higher in Sydney and Melbourne.

Combined capital cities



HOUSING CYCLES

Sydney

In **March** Sydney dwelling values declined

-0.2%

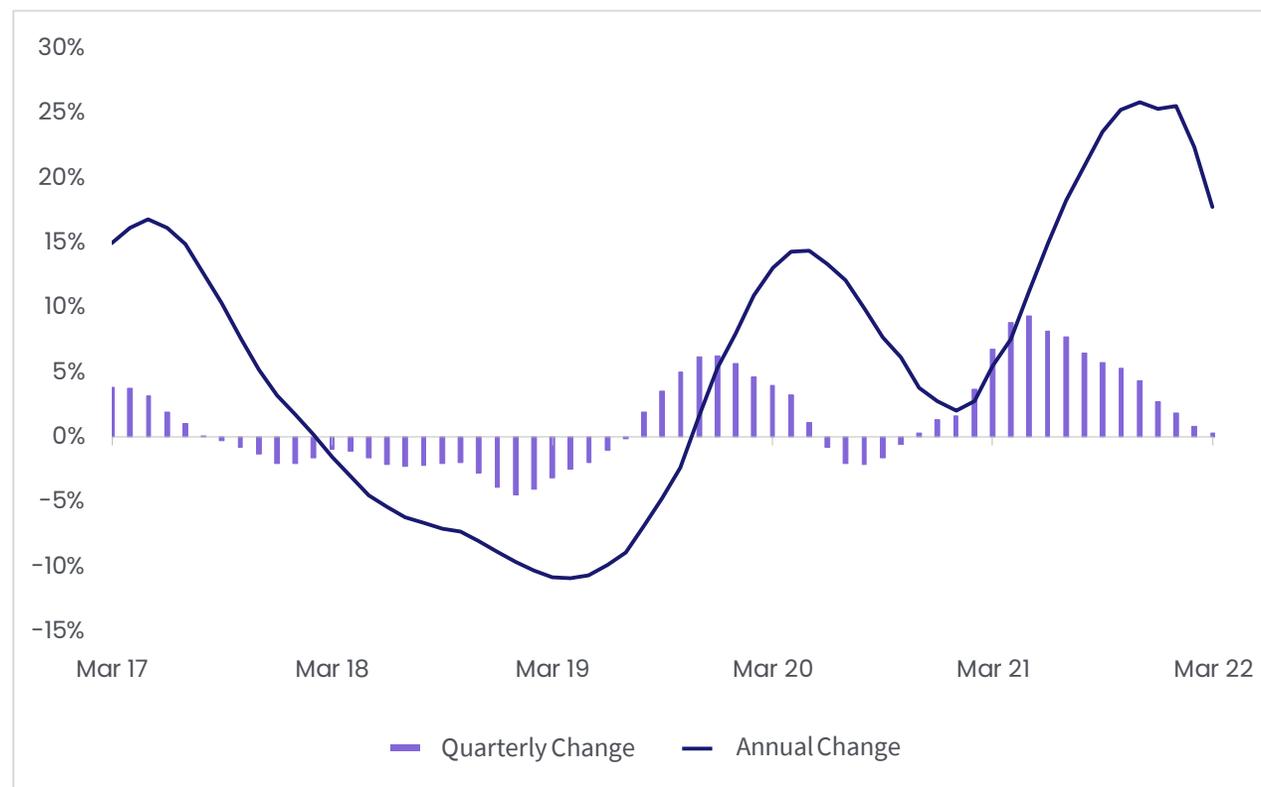
Over the **quarter** dwelling values increased by

0.3%

Over the **past year** dwelling values increased by

17.7%

Sydney dwelling values are now -0.3% below the previous record high recorded in January 2022.



HOUSING CYCLES

Melbourne

In **March** Melbourne dwelling values declined

-0.1%

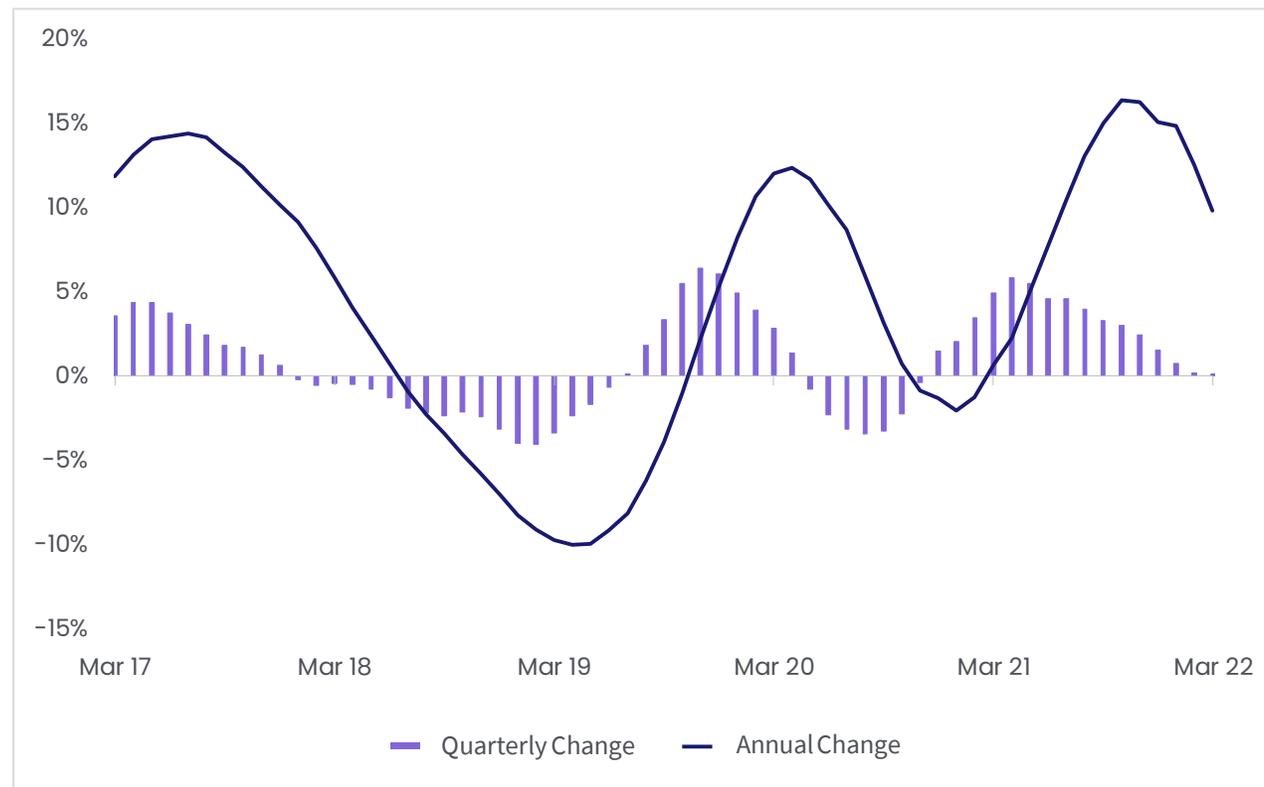
Over the **quarter** dwelling values increased by

0.1%

Over the **past year** dwelling values increased by

9.8%

Melbourne dwelling values are currently -0.1% below the record high recorded in February 2022.



HOUSING CYCLES

Brisbane

In **March** Brisbane dwelling values rose by

2.0%

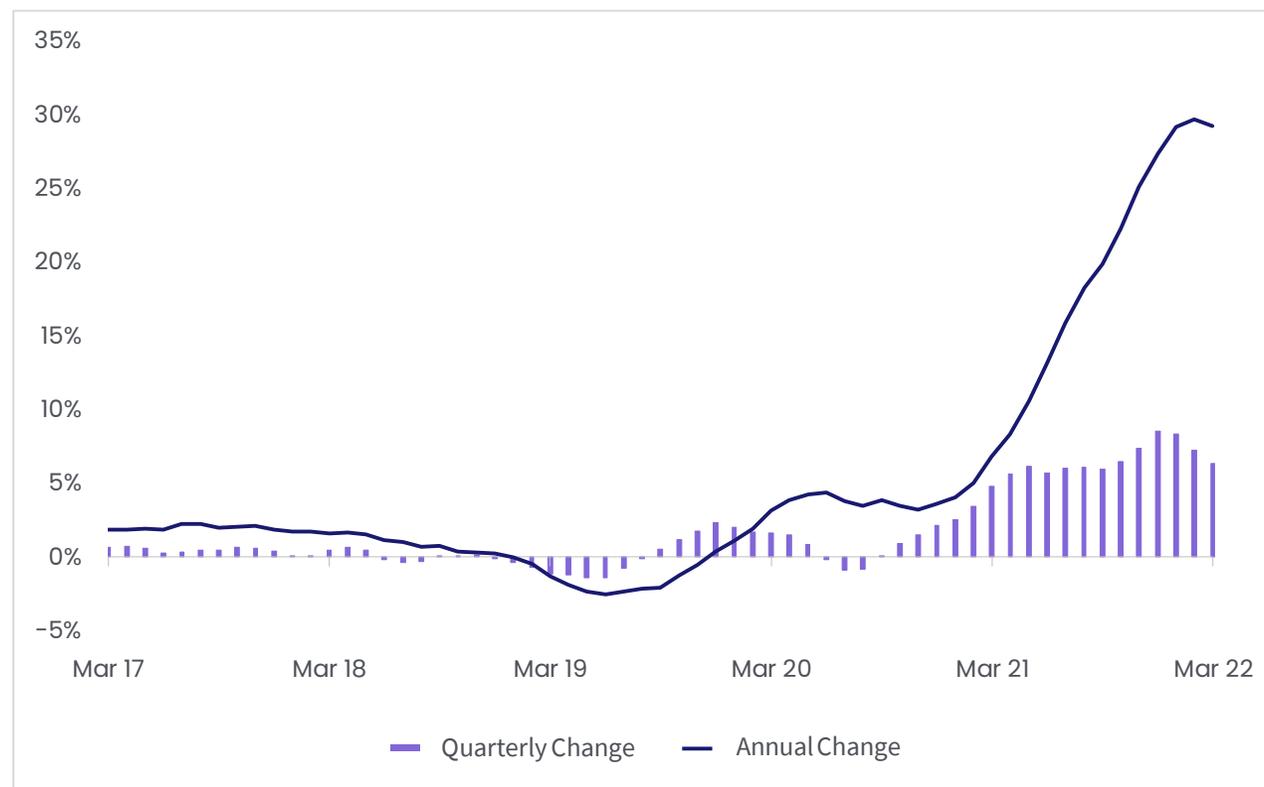
Over the **quarter** dwelling values increased by

6.4%

Over the **past year** dwelling values increased by

29.3%

Brisbane dwelling values are currently at a record high.



HOUSING CYCLES

Adelaide

In **March** Adelaide dwelling values rose by

1.9%

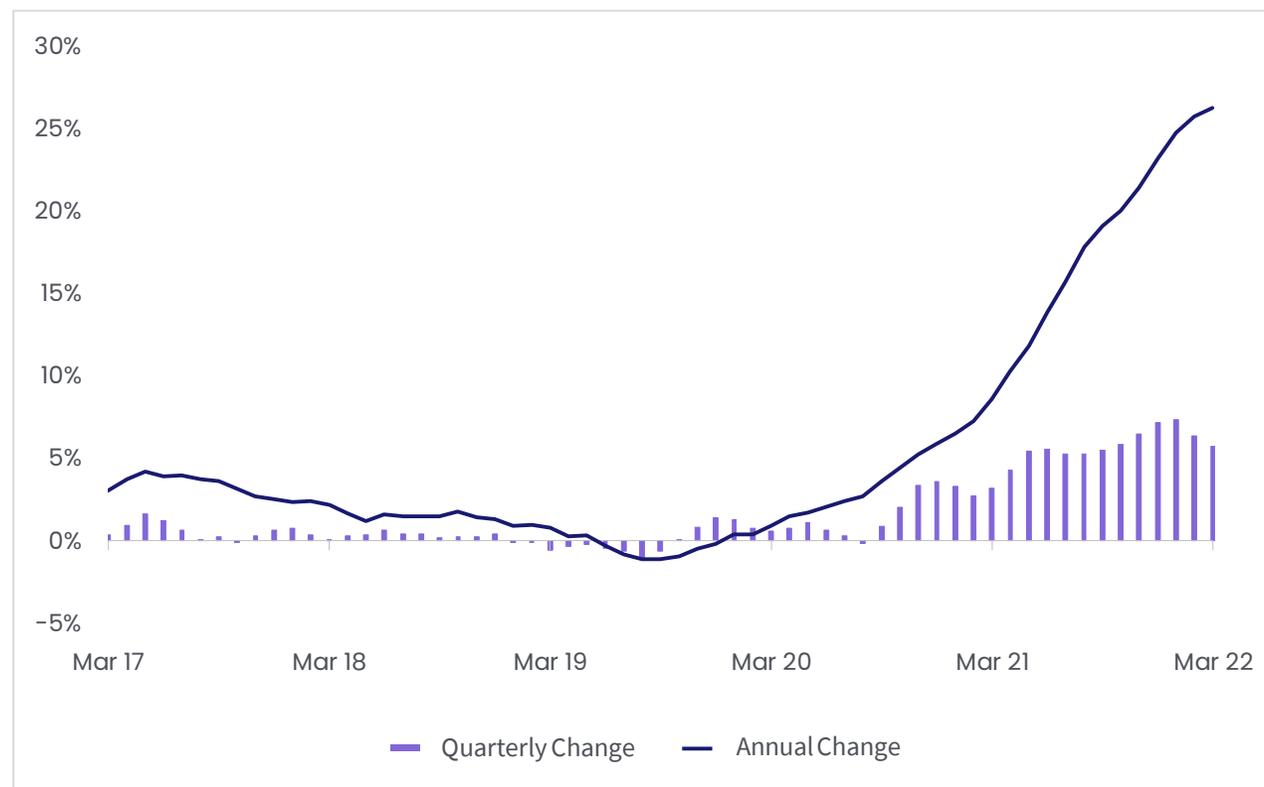
Over the **quarter** dwelling values increased by

5.7%

Over the **past year** dwelling values increased by

26.3%

Adelaide dwelling values are currently at a record high.



HOUSING CYCLES

Perth

In **March** Perth dwelling values rose by

1.0%

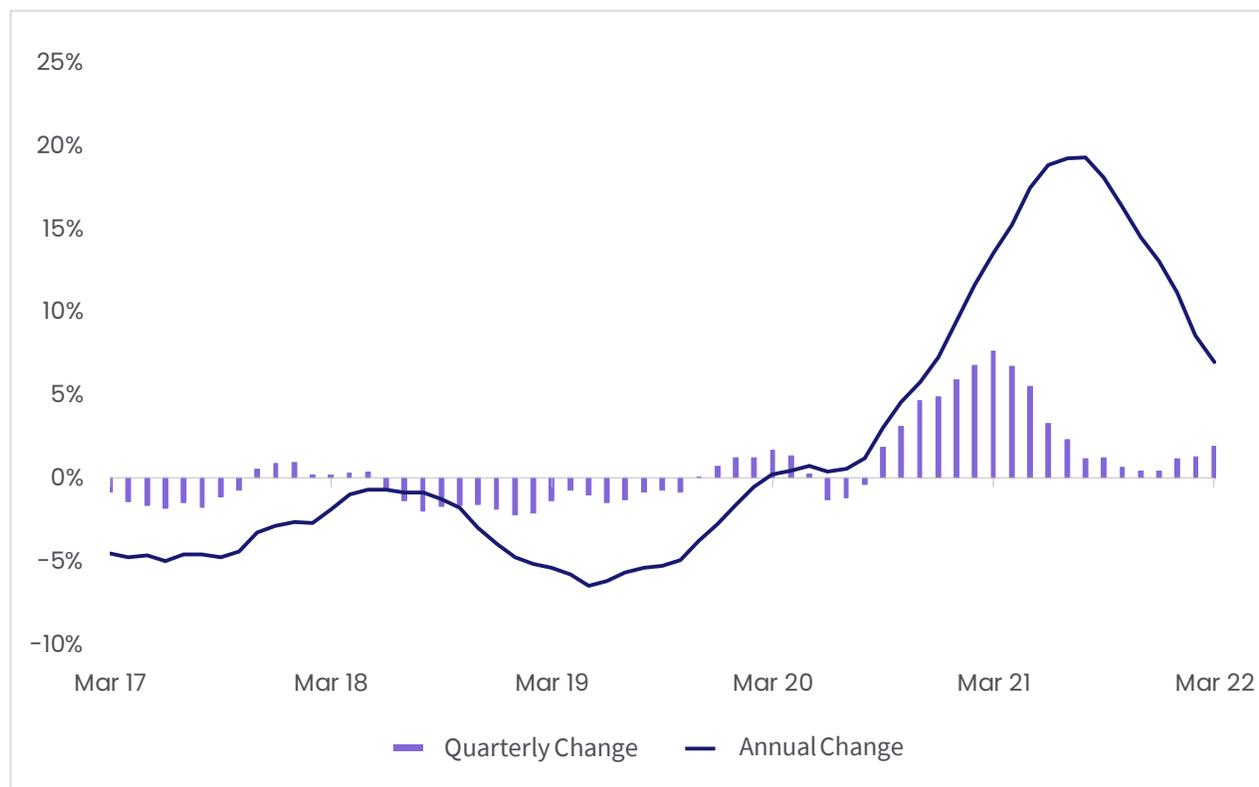
Over the **quarter** dwelling values increased by

1.9%

Over the **past year** dwelling values increased by

7.0%

Perth dwelling values are now -0.2% below the record high recorded in June 2014.



HOUSING CYCLES

Hobart

In **March** Hobart dwelling values rose by

0.3%

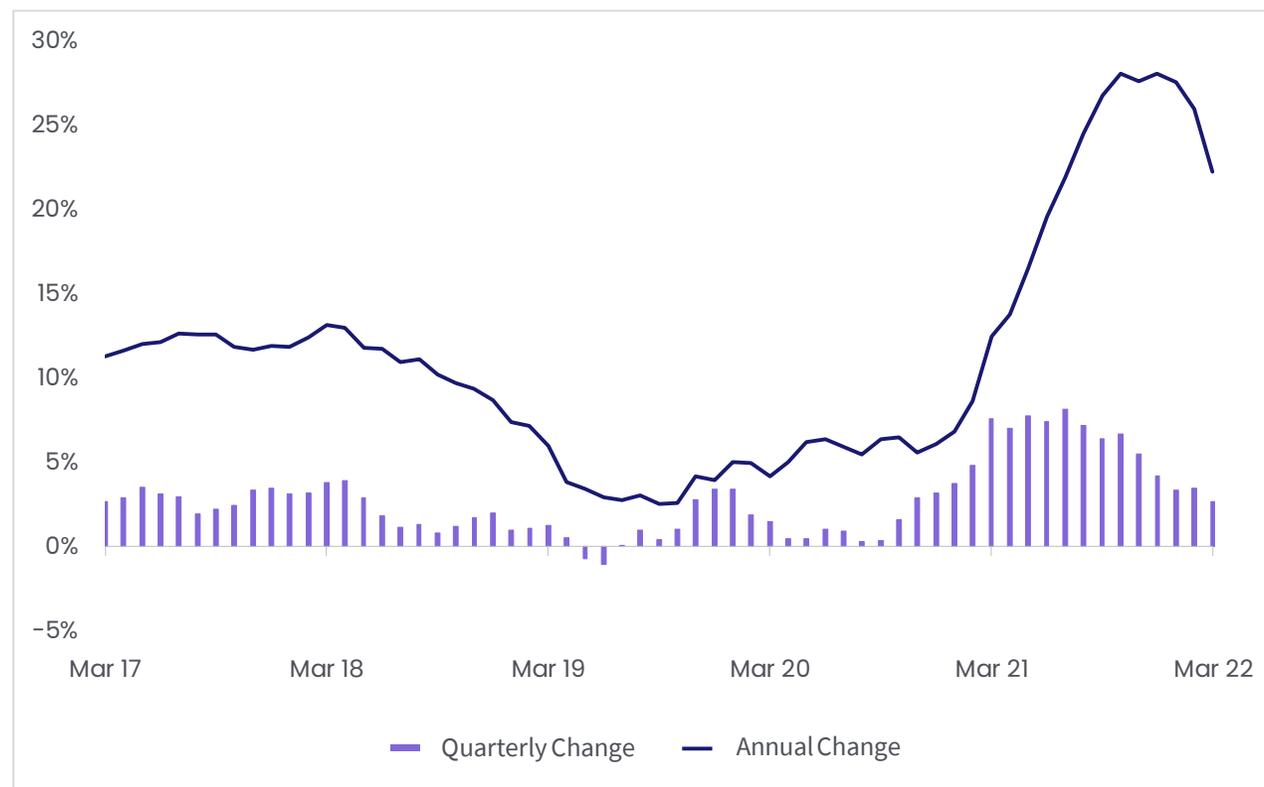
Over the **quarter** dwelling values increased by

2.7%

Over the **past year** dwelling values increased by

22.3%

Hobart dwelling values are currently at a record high.



HOUSING CYCLES

Darwin

In **March** Darwin dwelling values fell by

0.8%

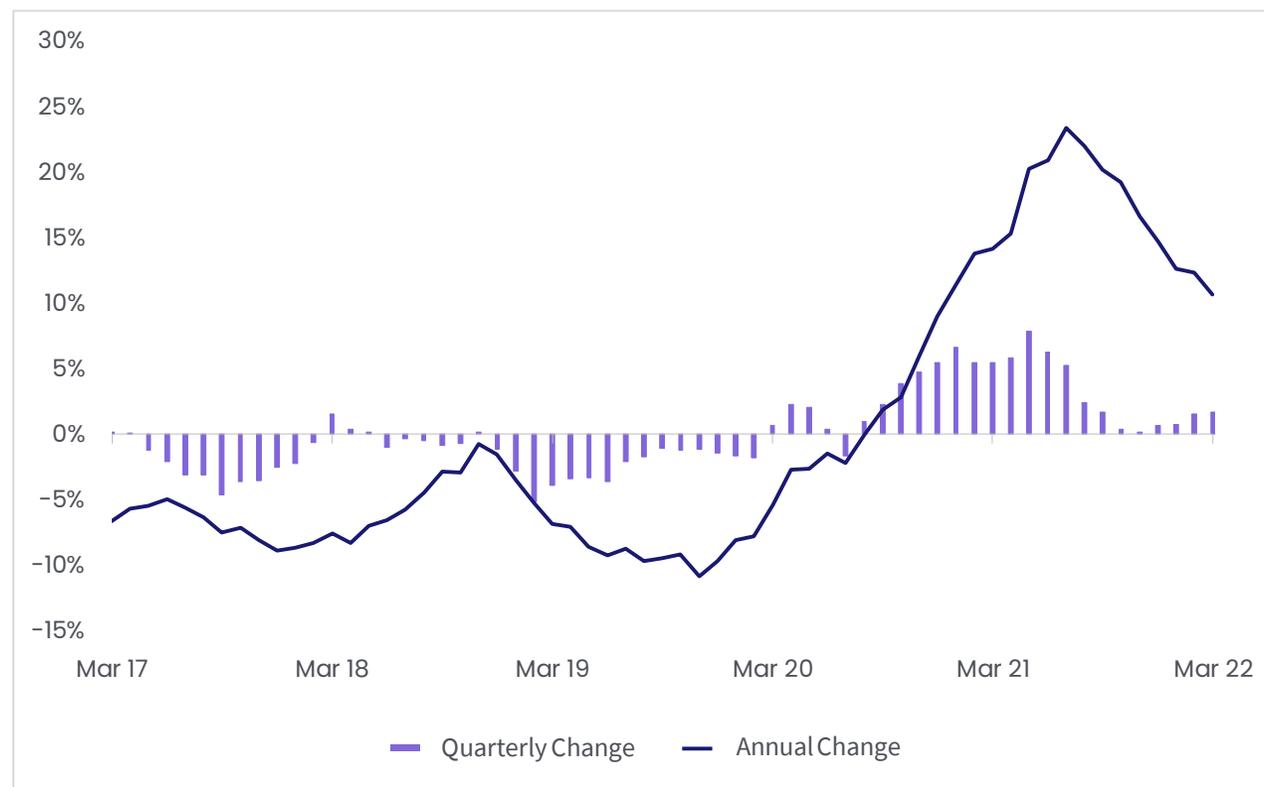
Over the **quarter** dwelling values increased by

1.7%

Over the **past year** dwelling values increased by

10.6%

Darwin dwelling values are -13.3% below the record high recorded in May 2014.



HOUSING CYCLES

Canberra

In **March** Canberra dwelling values rose by

1.0%

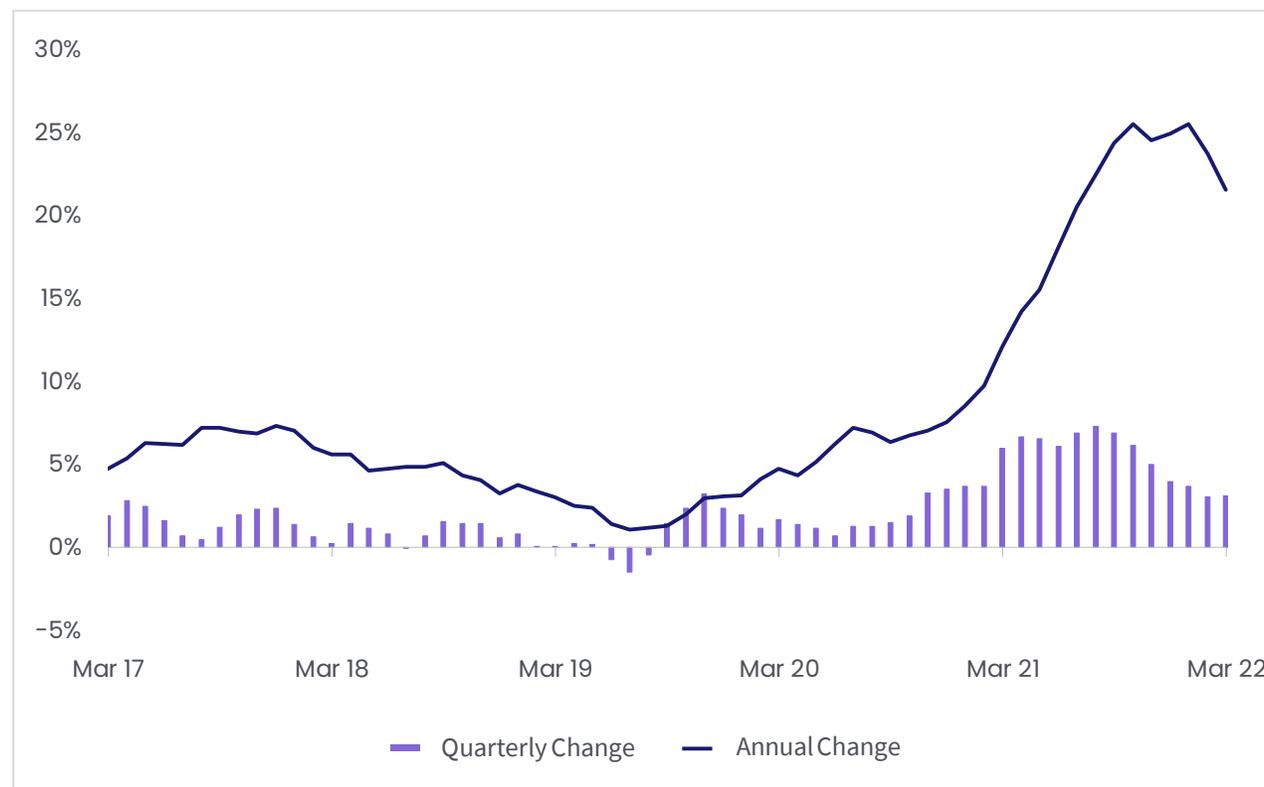
Over the **quarter** dwelling values increased by

3.1%

Over the **past year** dwelling values increased by

21.6%

Canberra dwelling values are currently at a record high.

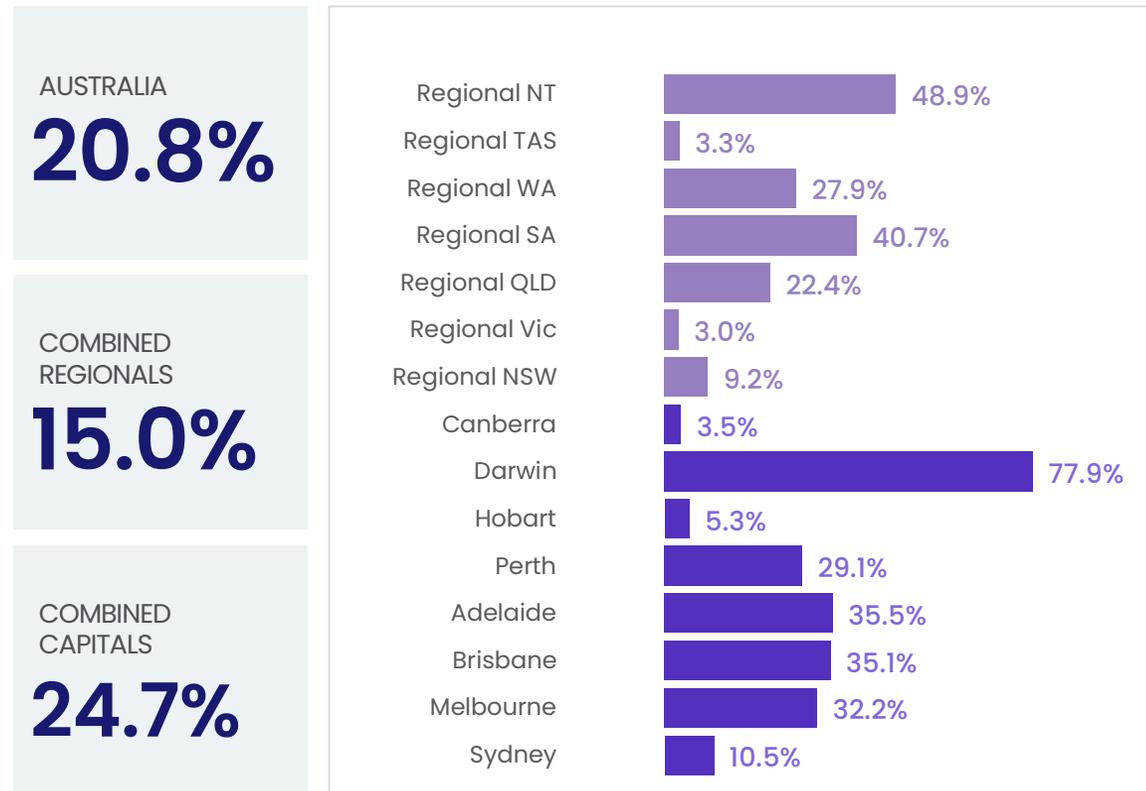


Sales and listings

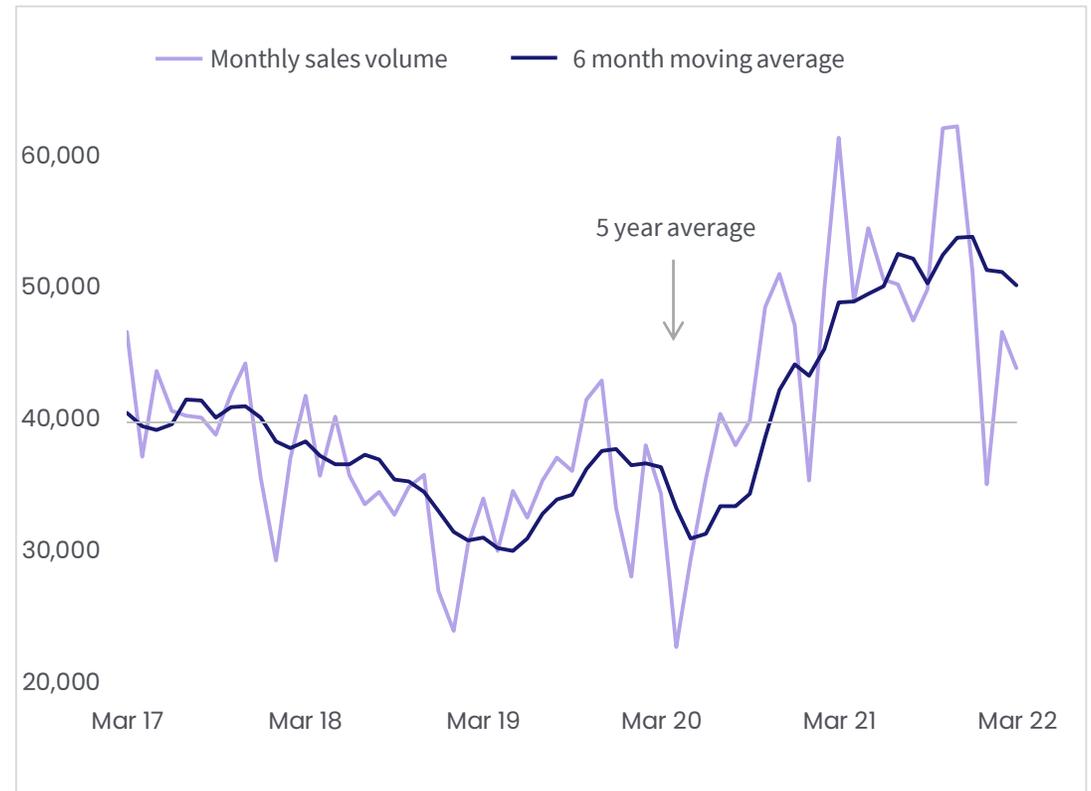
NATIONAL SALES

Sales volumes rose 20.8% in the 12 months to March, to an estimated 603,006. Sales volumes were an estimated 125,609 through the March quarter, which is 12.2% higher than the previous 5-year average for Q1.

Change in sales volumes, twelve months to March 2022



Monthly sales with six month moving average, National

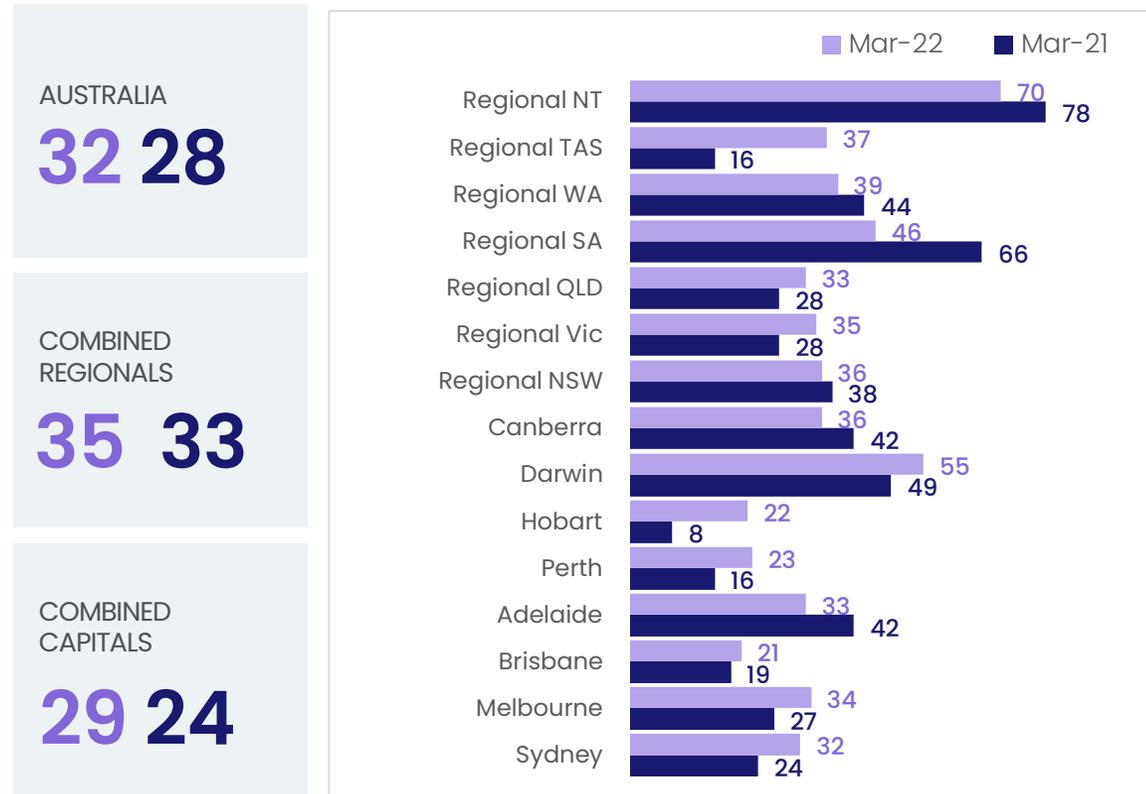


Note: recent months of sales volumes are modelled estimates, and are subject to revision

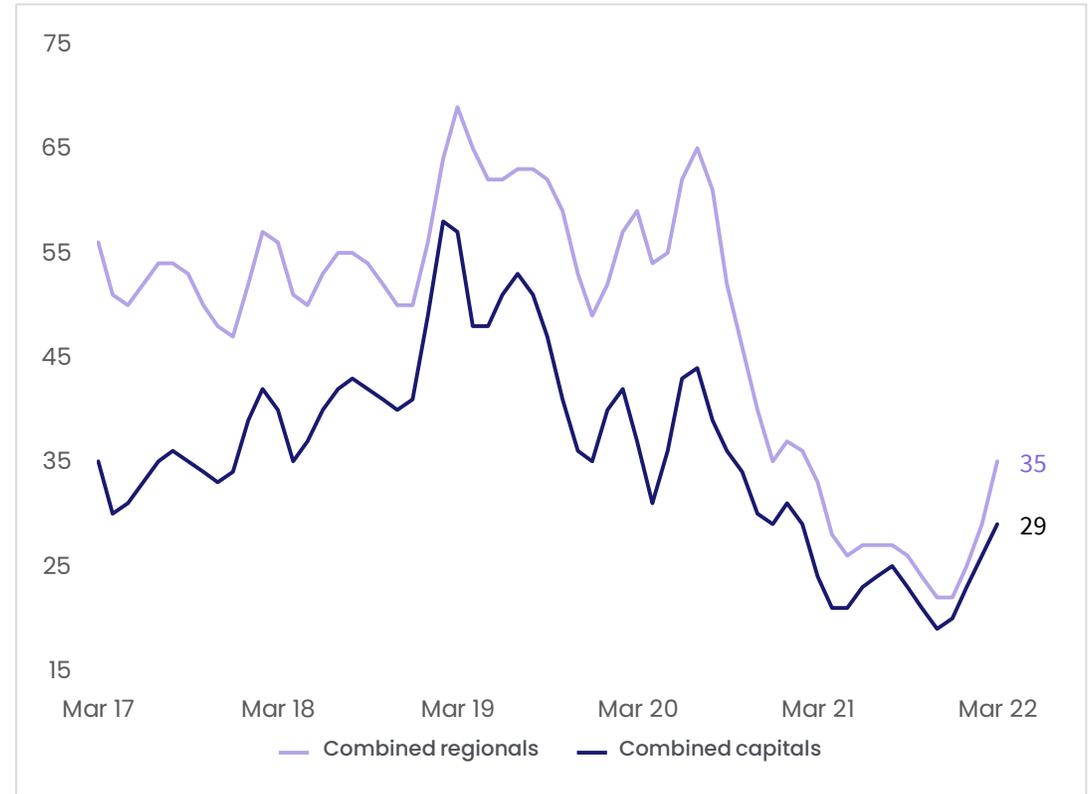
MEDIAN DAYS ON MARKET

At the national level, properties are taking slightly longer to sell. In the three months to March, the median days on market was recorded at 32, up from a recent low of 21 days in the three months to December.

Median days on market – three months to March 2022



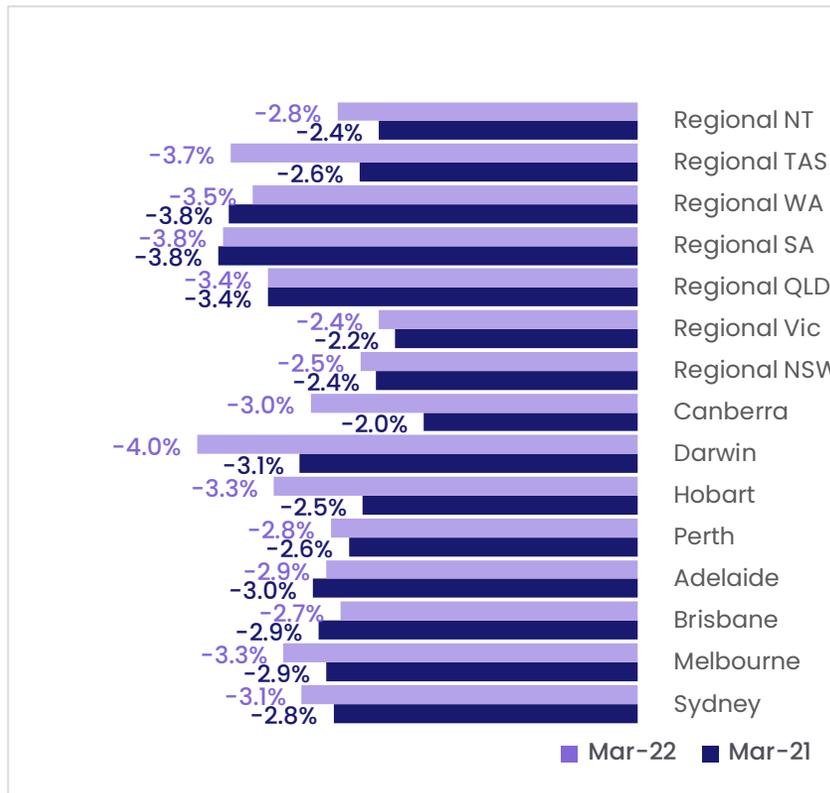
Median days on market



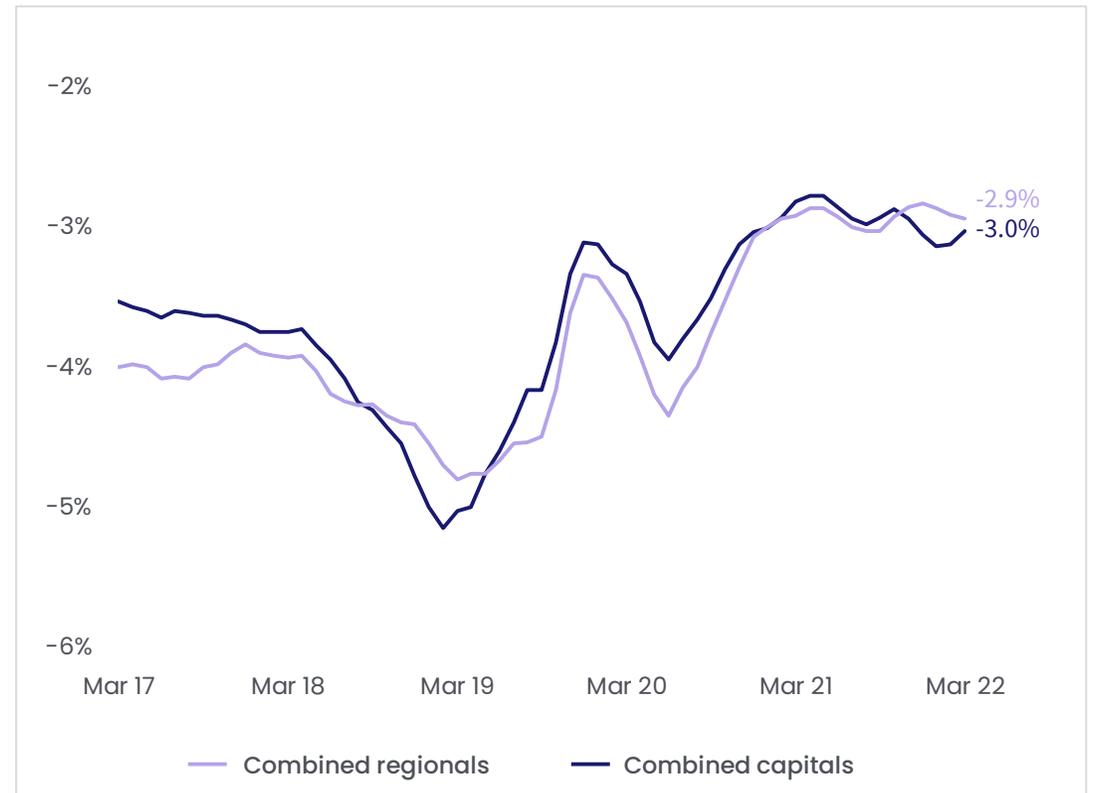
VENDOR DISCOUNT

Discounting levels are still close to record lows, reflecting strong selling conditions. Vendor discounting has deepened slightly across the combined capital city market in recent months, from 2.8% in May 2021.

Median vendor discount – three months to March 2022



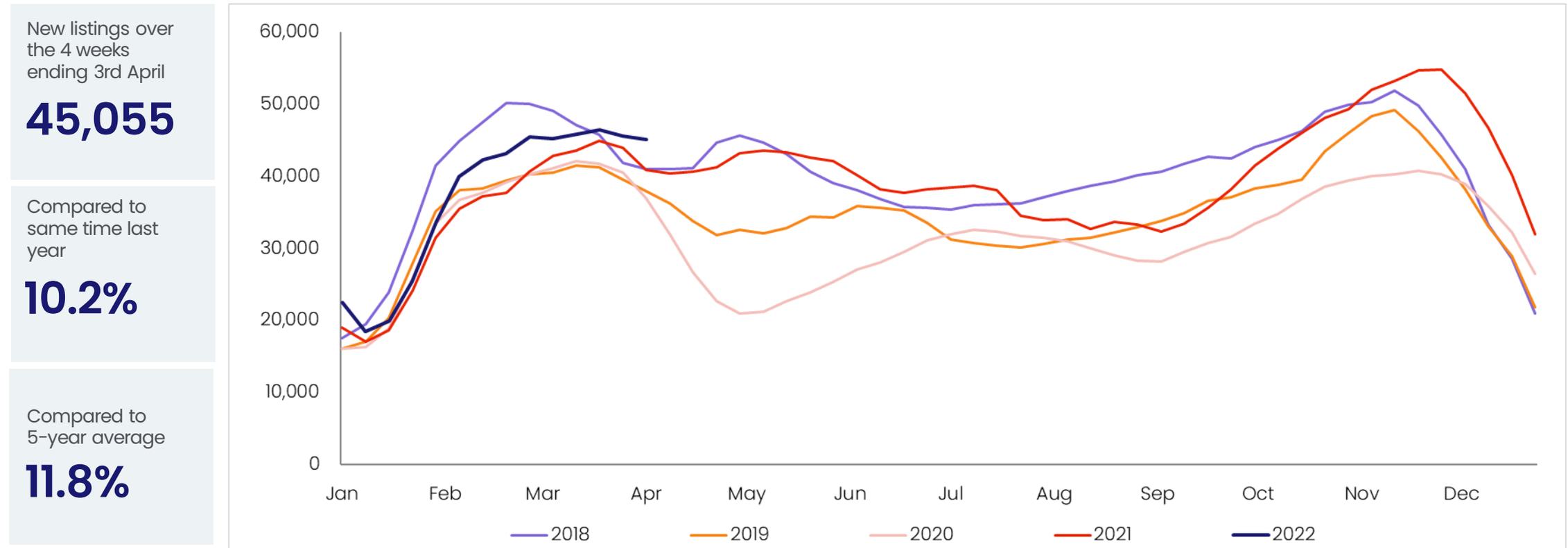
Median vendor discount



LISTINGS

More advertised stock is being added to the market than usual. At the national level, the four weeks to April 3rd saw new listings trend 10.2% higher than the equivalent period of 2021.

Number of new listings, National Dwellings



LISTINGS

At the national level, total listings remain well below the average for this time of the year, as high sales volumes have helped absorb advertised stock. Despite this, total stock levels are showing a very gradual upward trend.

Number of total listings, National Dwellings

Total listings over the 4 weeks ending 3rd April

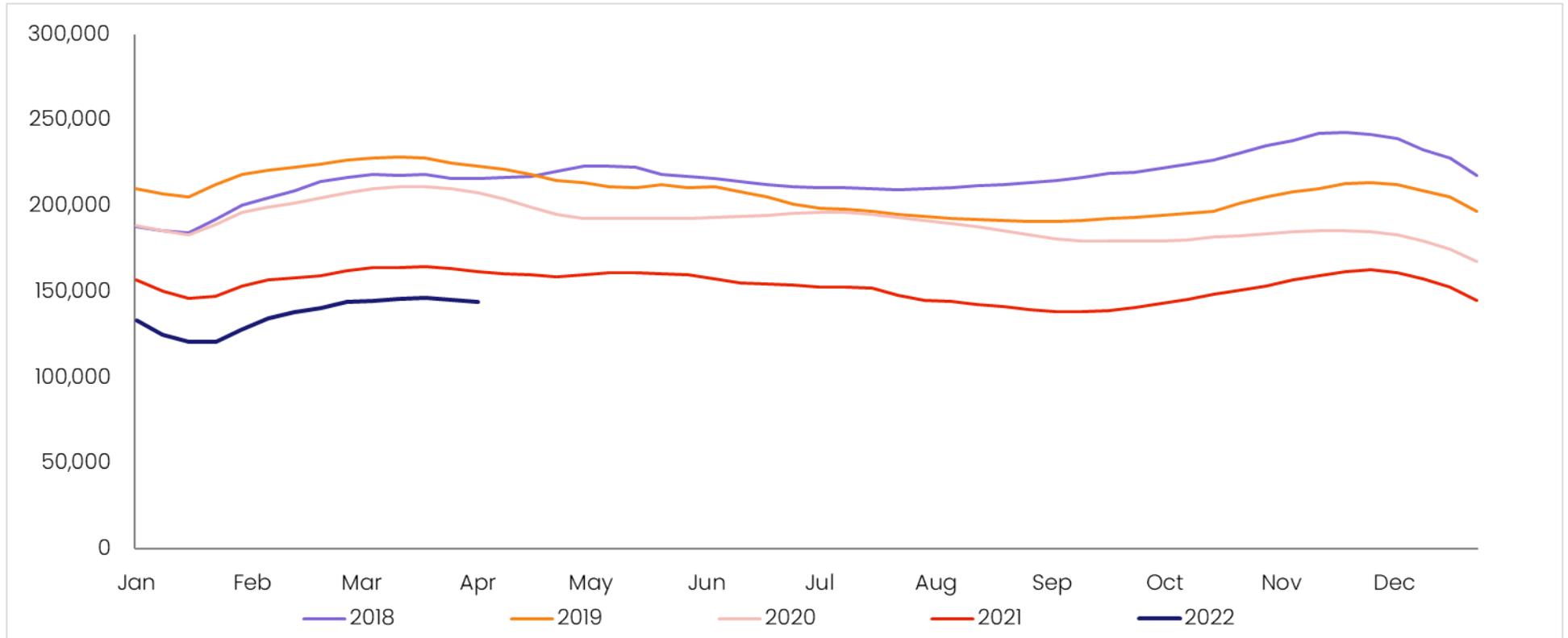
143,800

Compared to same time last year

-11.0%

Compared to 5-year average

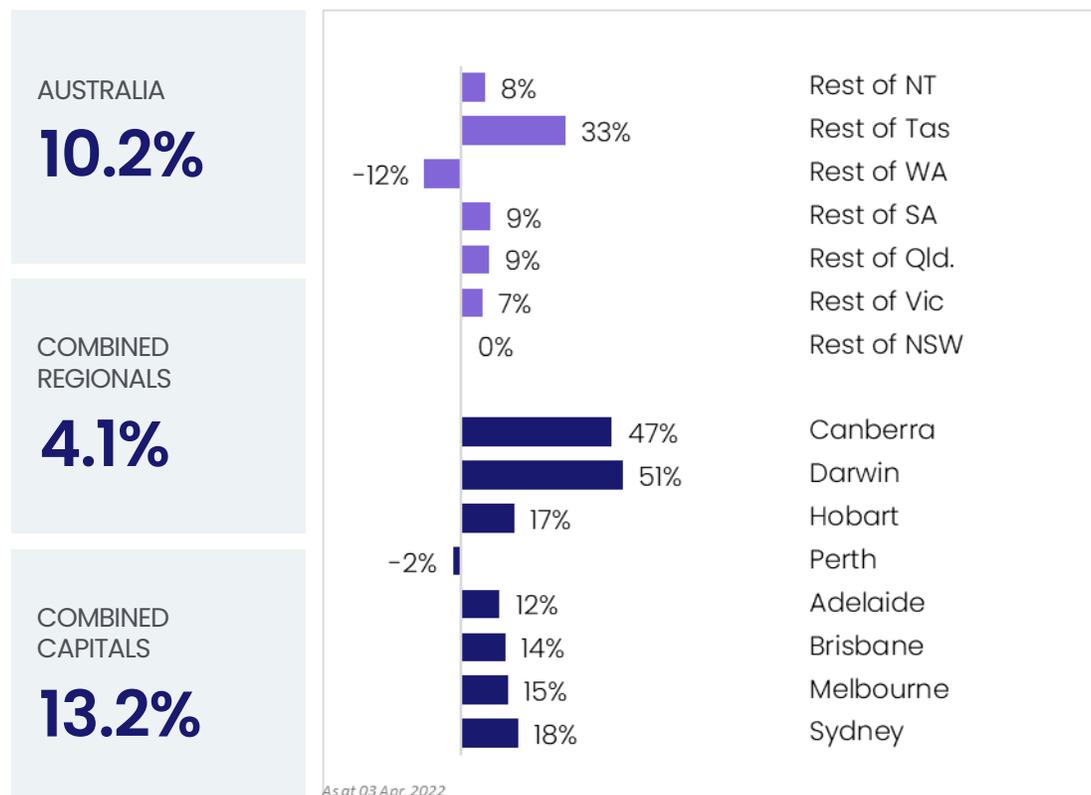
-30.1%



LISTINGS

Total advertised stock levels remain particularly low in regional Australia, while combined capital cities are seeing listings levels catch up to the equivalent period of 2021.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

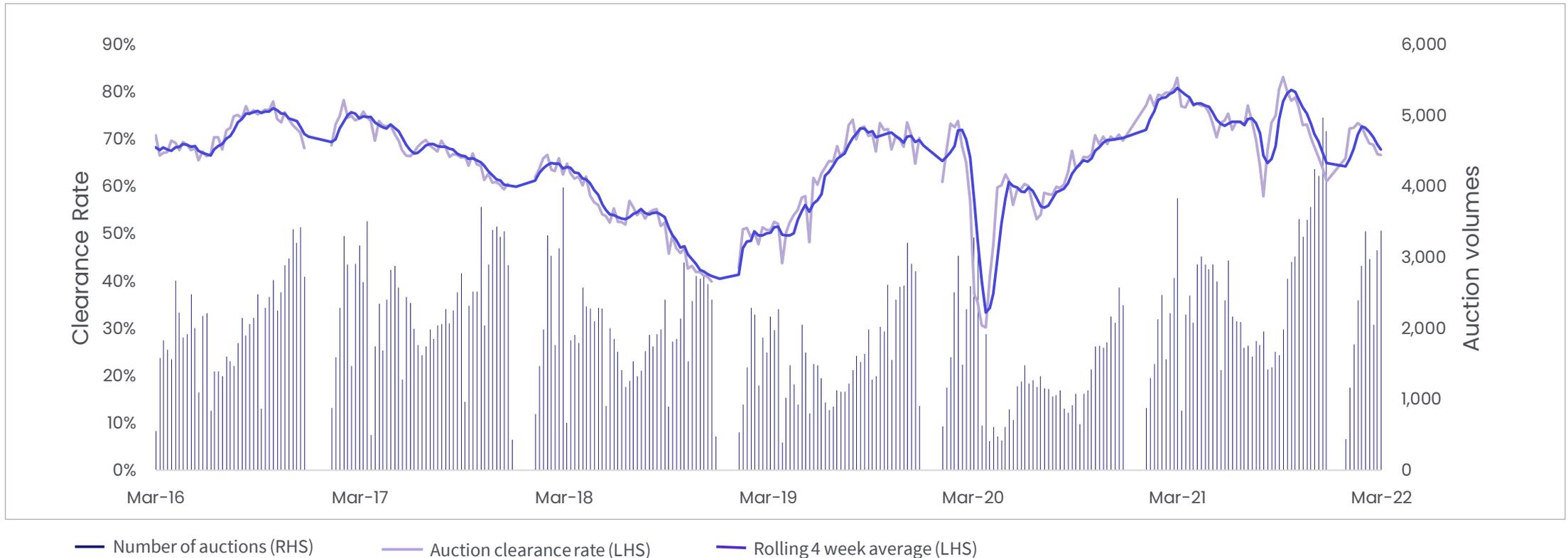


Data is for the four weeks ending March 6

WEEKLY CLEARANCE RATES

Clearance rates averaged 68.0% in the four weeks to March 27th, down from 81.0% in the equivalent period of 2021. Clearance rates are expected to trend lower amid softer housing value growth.

Weekly clearance rates, combined capital cities

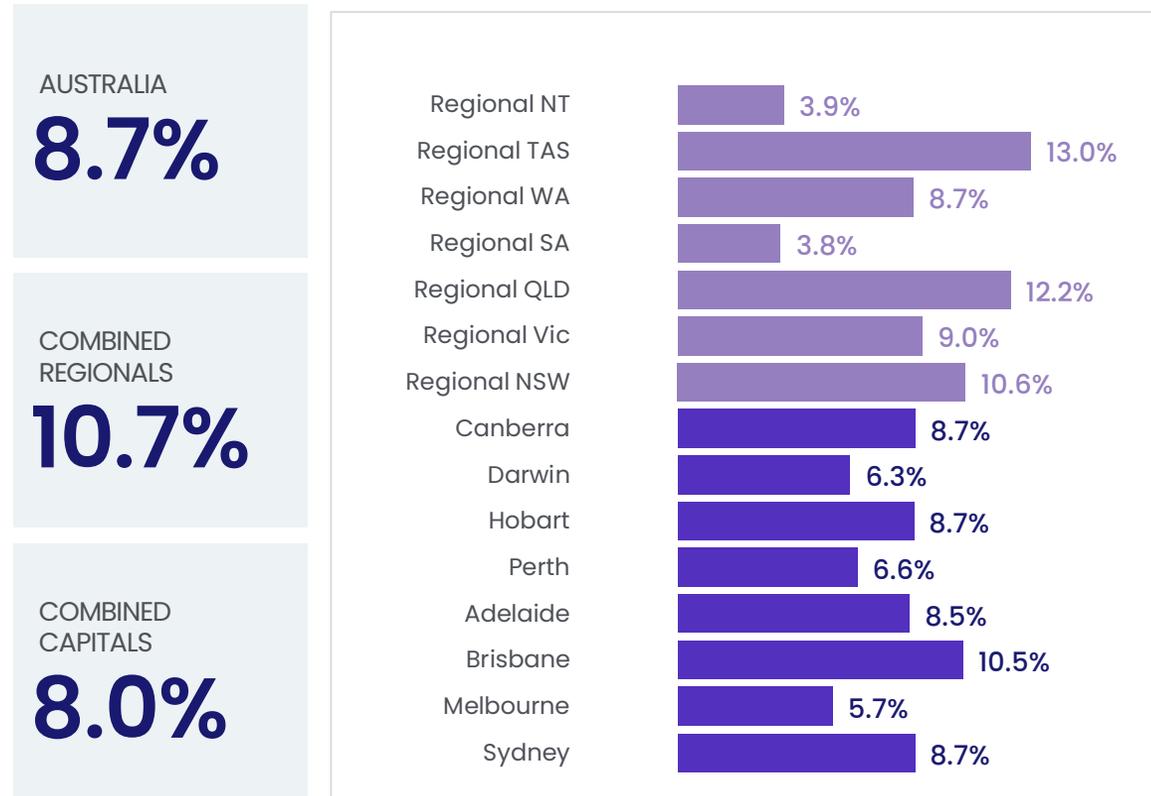


Rental market

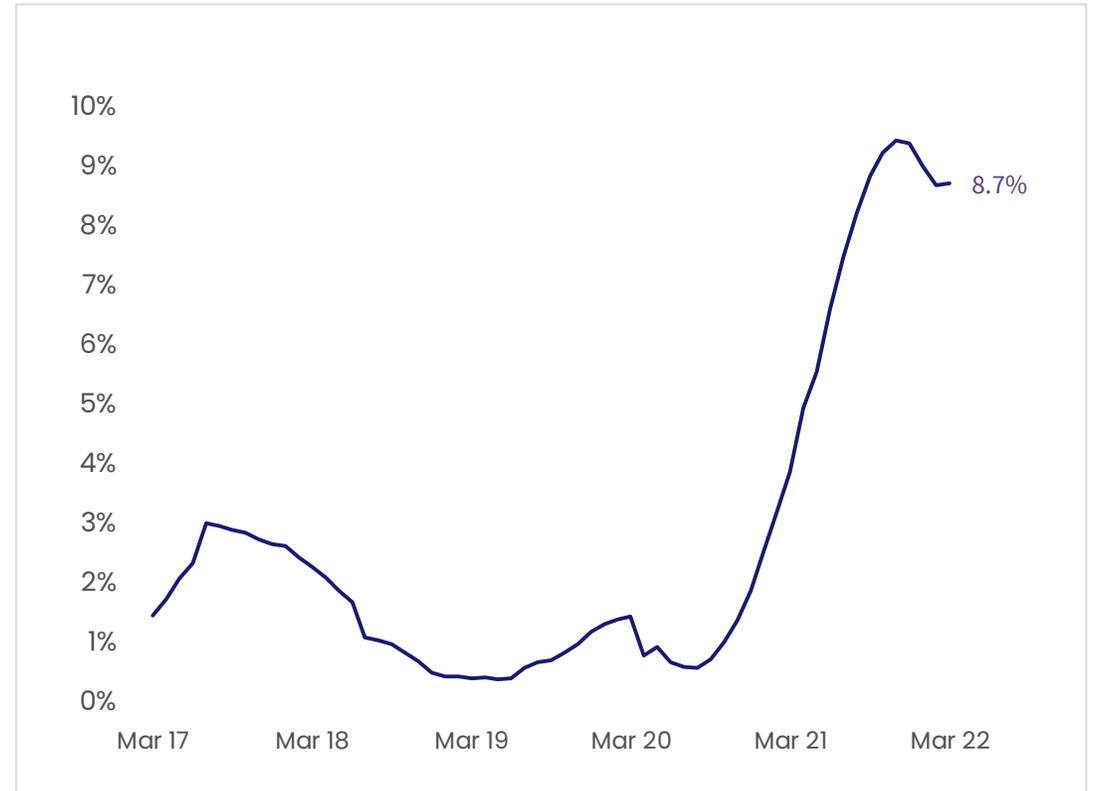
RENTAL RATES

In the year to March, Australian rent values increased 8.7%, down from a recent cyclical high of 9.4% in the 12 months to November. However, annual growth rates have stabilized over March as monthly momentum picked up to a growth of 1.0%.

Annual change in rental rates to March 2022



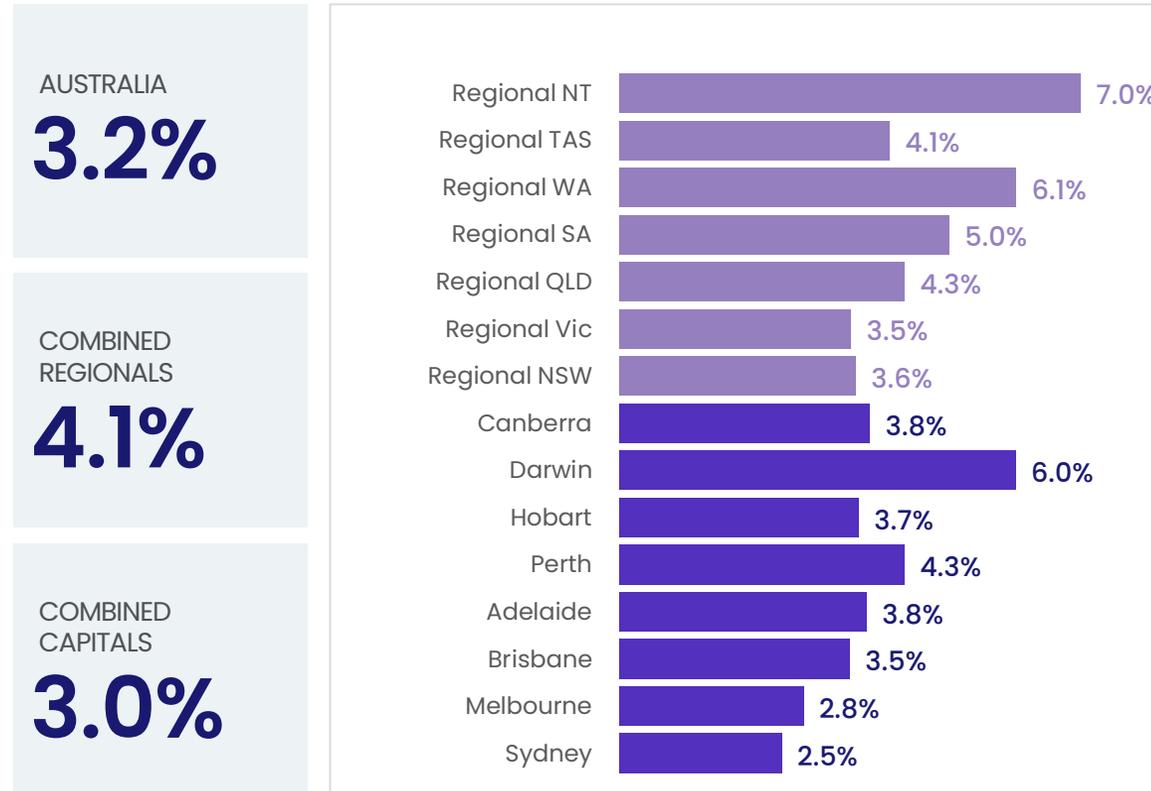
Annual change in rental rates - National



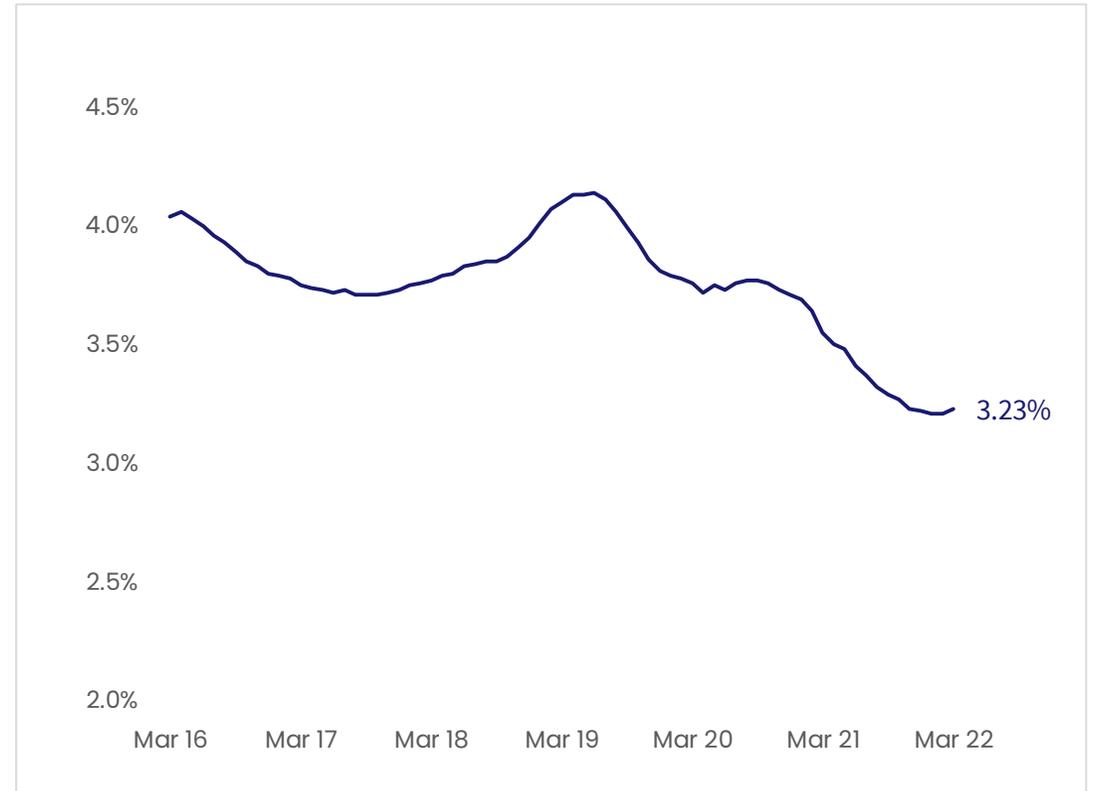
RENTAL YIELDS

Through March, growth in Australian rent values (1.0%) outpaced property values (0.7%). This led to the first increase in gross rent yields nationally since August 2020.

Gross rental yields, March 2022



Gross rental yields

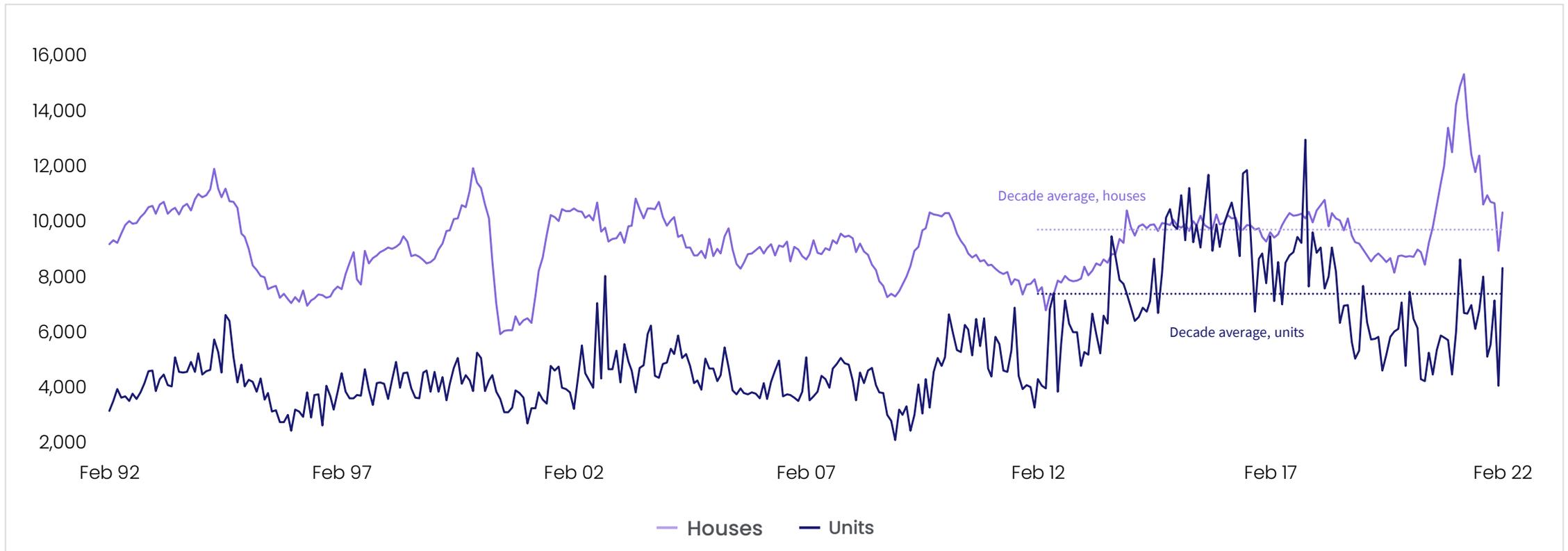


Dwelling approvals & housing credit

DWELLING APPROVALS

Dwelling approvals showed a strong bounce-back through February, driven by a large increase in unit approvals. The gap between house and unit approvals through February 2022 reached its lowest level since February 2020.

Monthly house v unit approvals, National

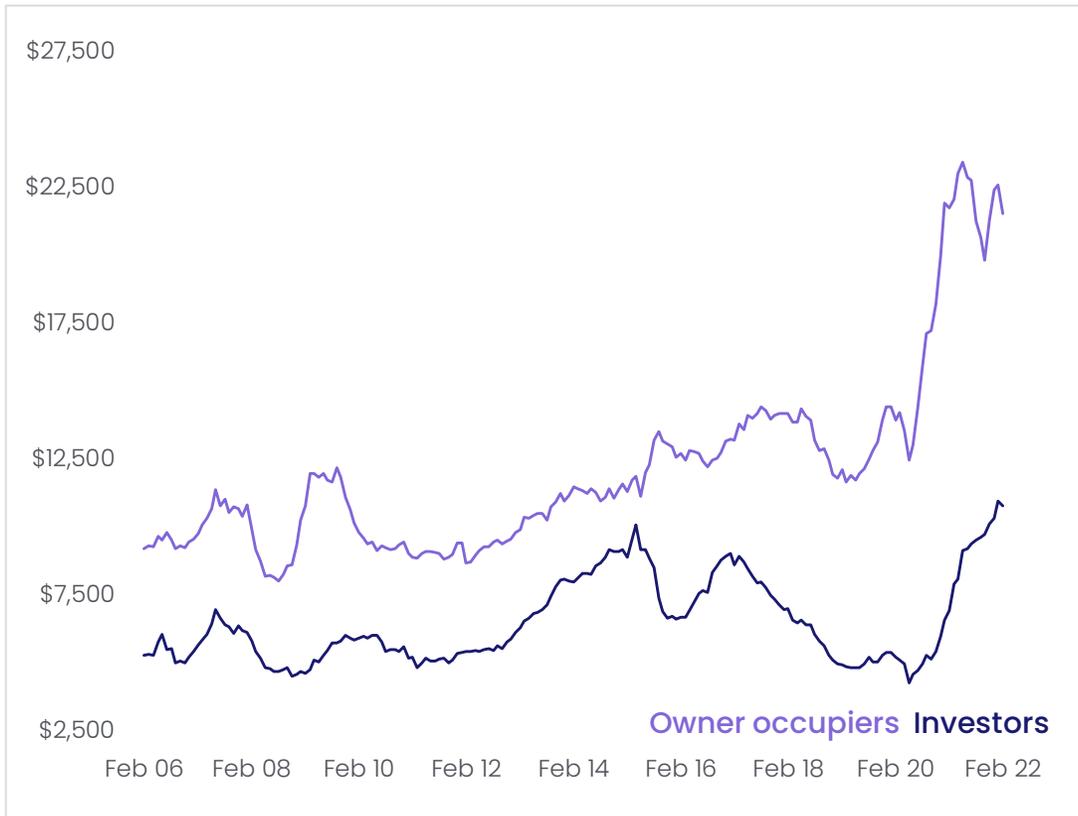


Source: ABS

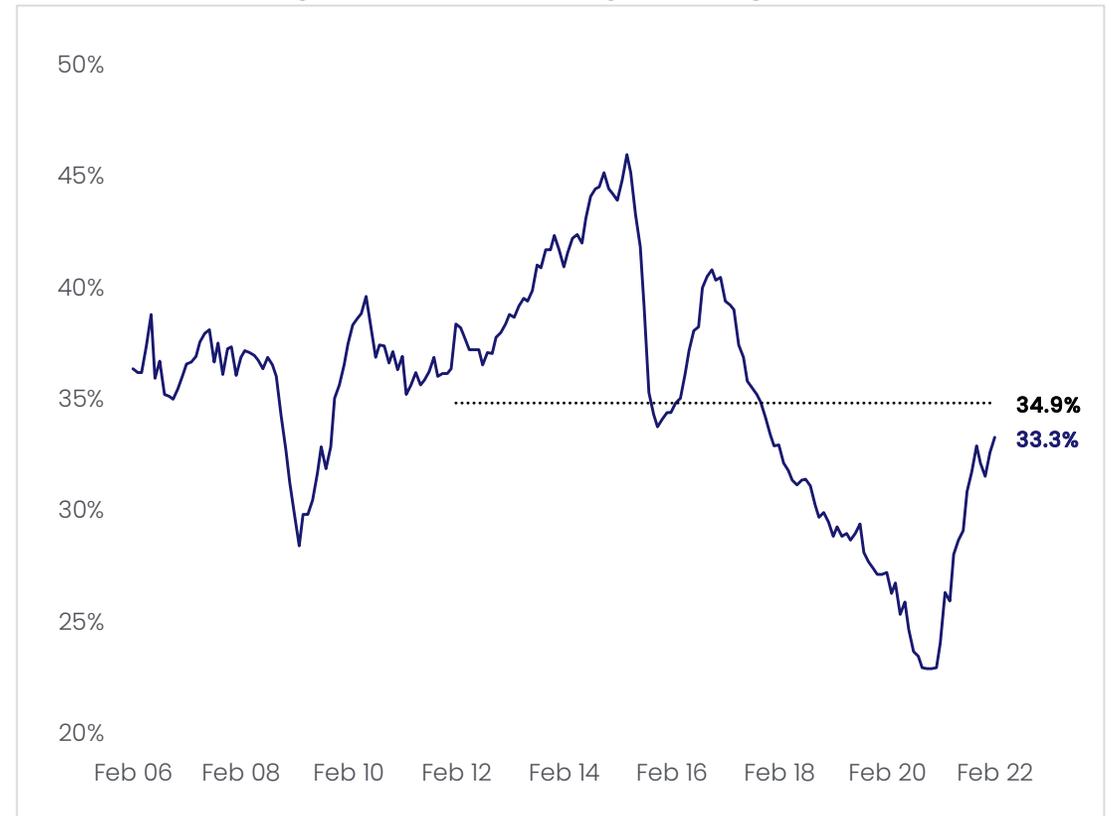
FINANCE & LENDING

Lending for property purchases declined -3.7% in the month of February with lending to first home buyers falling -9.7% and lending for investment purchases declining -1.8%.

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



Portion of new lending for investment housing (excluding refinance)

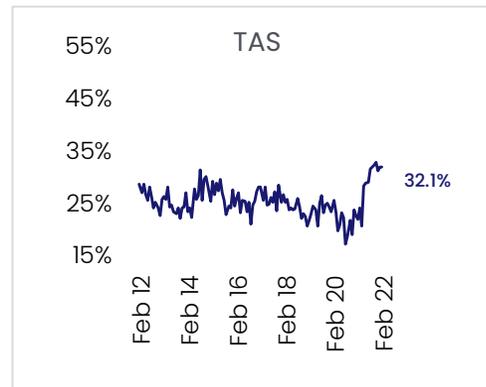
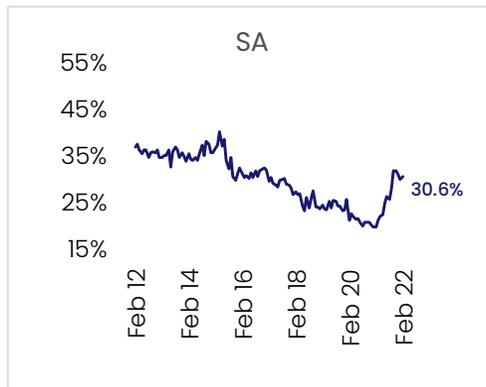
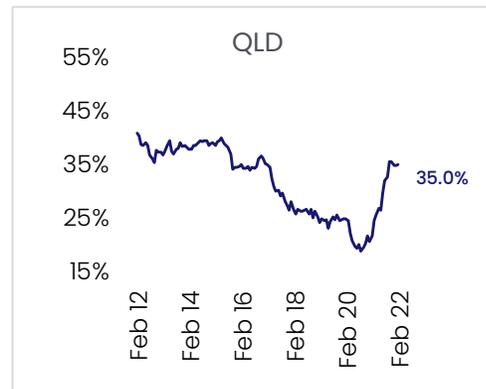
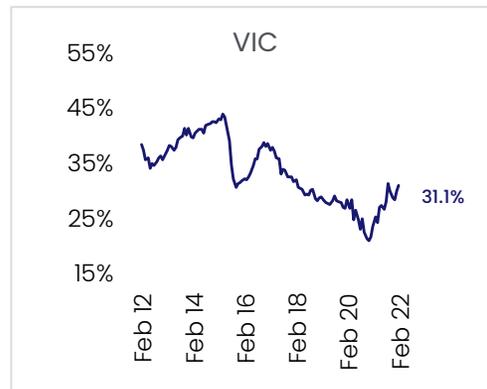


Source: ABS

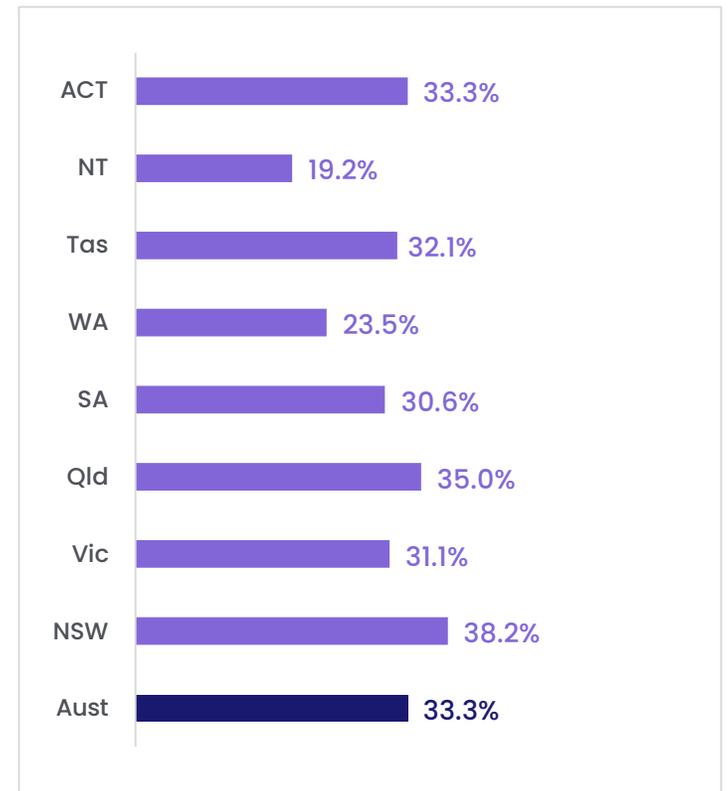
INVESTORS & LENDING

Nationally, investor finance comprised 33.3% of new mortgage lending through the month of February, up from 32.6% through January 2022. This occurred as owner-occupier borrowing slowed faster than investor lending through the month.

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



Investors as a % of housing finance commitments by state (February '22)

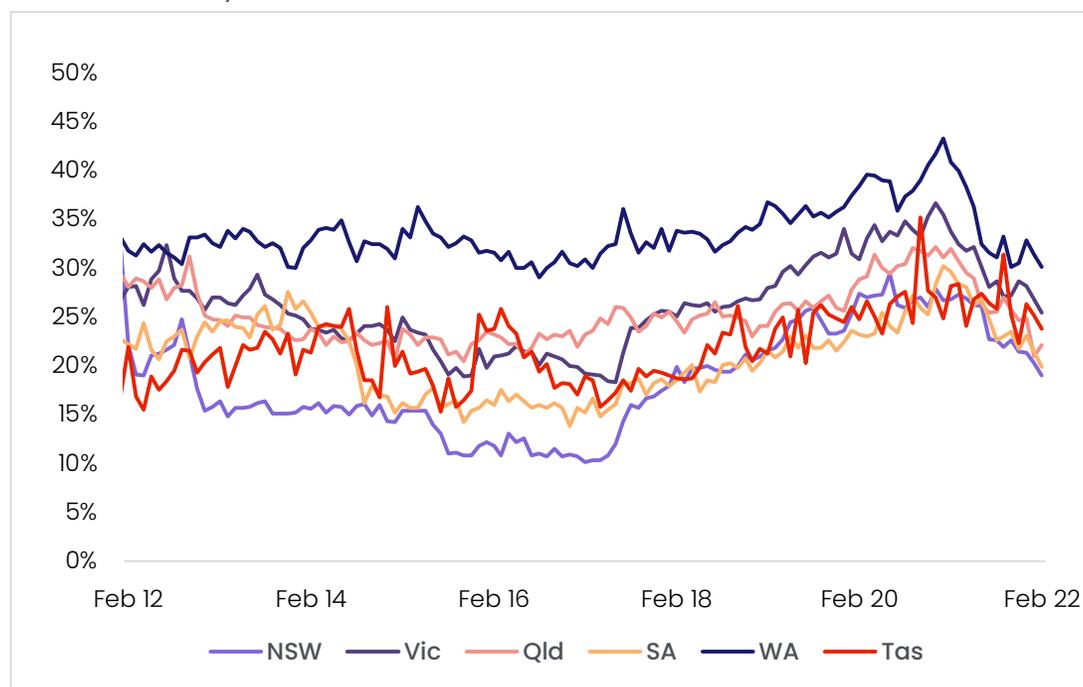


Source: ABS

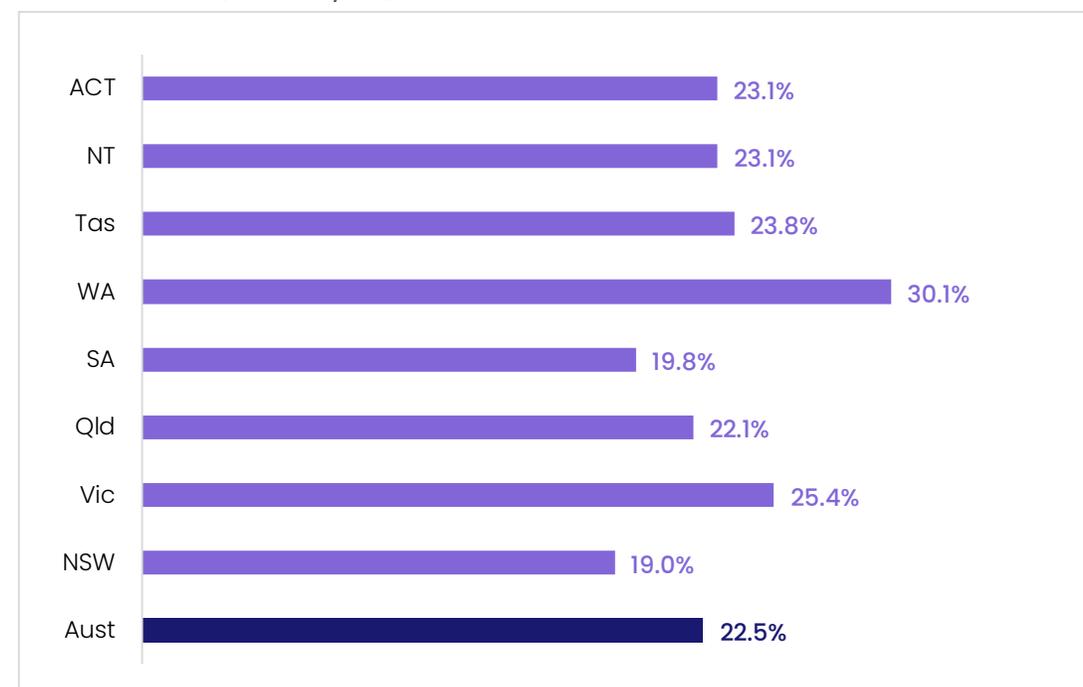
FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance has fallen from a recent peak of 32.5% in December 2020, to 22.5% as of January 2022. First home buyer participation is lowest across NSW, at 19.0%, down from 26.8% in February last year.

First home buyers as a % of owner occupier housing finance commitments by state



First home buyers as a % of owner occupier housing finance commitments (February '22)



Source: ABS

MORTGAGE RATES

The RBA held rates at 0.1% through April

Statement highlights

- ▶ The RBA noted Australian spending is picking up following an 'Omicron setback';
- ▶ A further pick-up in aggregate wages growth and broader measures of labour costs is expected amid a forecast decline in the unemployment rate to under 4%;
- ▶ On housing, the RBA noted a recent easing in some housing markets, but remarked that lending standards must be maintained amid the record-low interest rate environment;
- ▶ The Board noted data releases over the coming months, including inflation and wages price growth, will be key for assessing future rate decision.

RBA Cash Rate



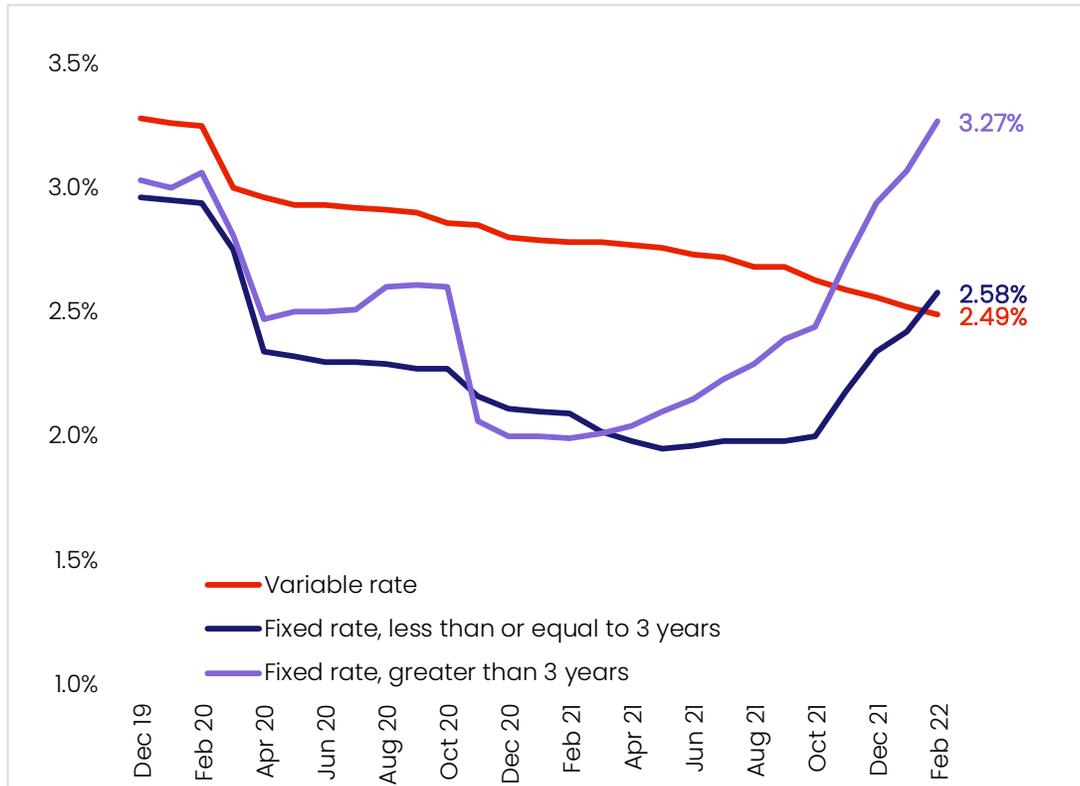
Source: RBA

HOUSING CREDIT

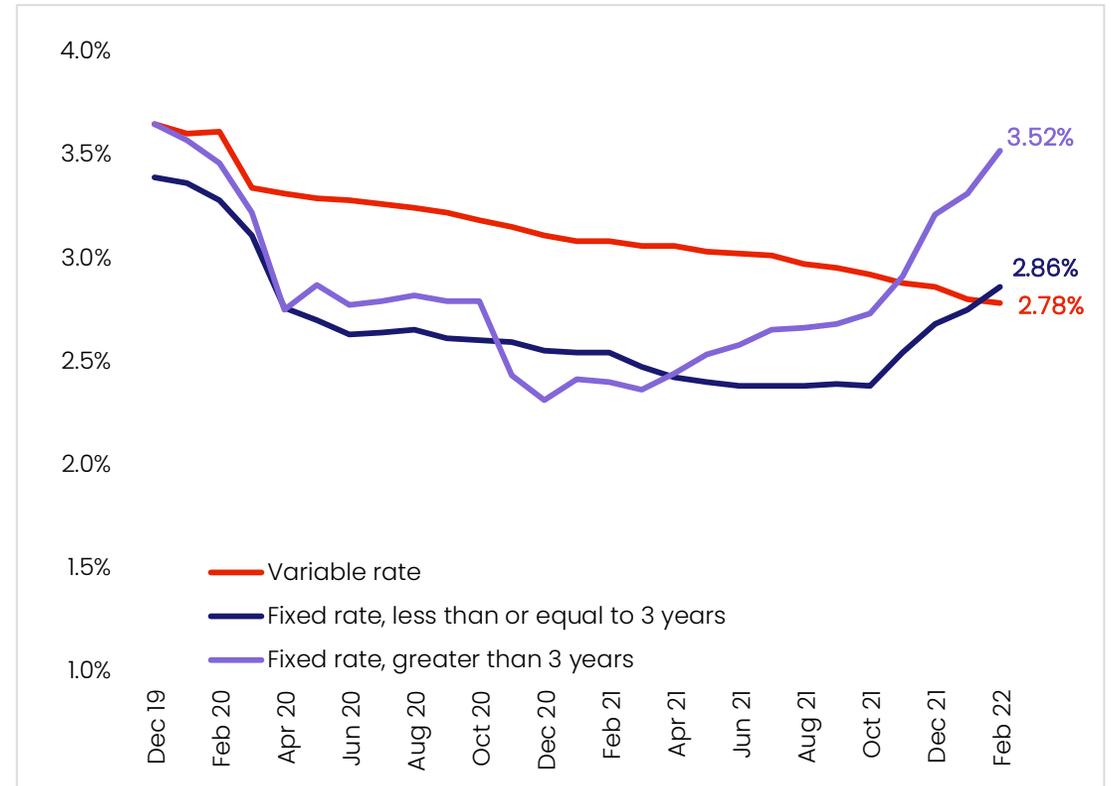
Low mortgage rates continue to incentivise home buying activity, but fixed rates have been rising. Long term fixed rates are now higher than the pre-pandemic levels.

Average borrowing costs by borrower and loan type

Owner occupiers



Investors

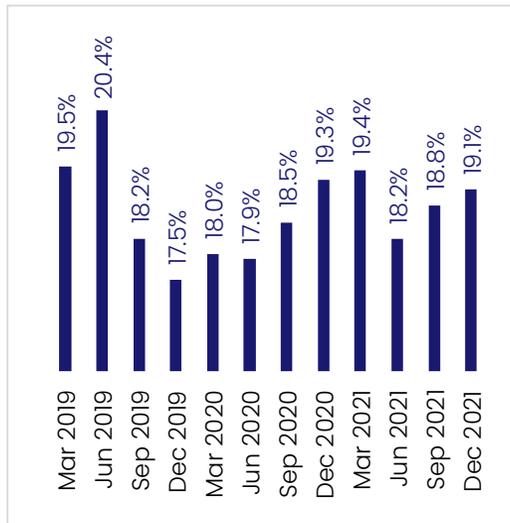


Source: RBA

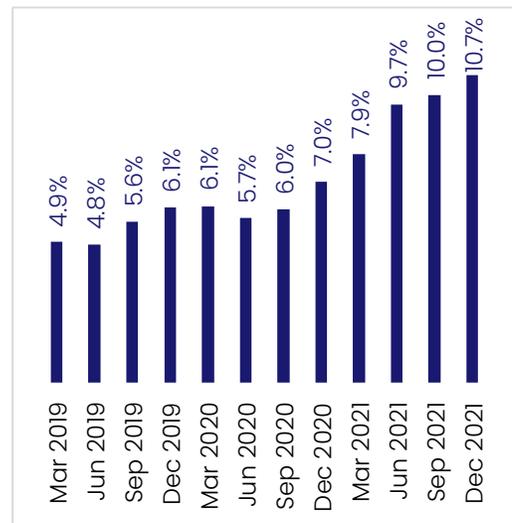
Debt to income ratios of six or more rose to 24.4% of new mortgage lending in the December quarter, a small increase from the previous quarter.

Regulators and policy makers are closely monitoring lending standards. The December quarter data captures the period following the increase to the serviceability assessment buffer for new home loan borrowers, which was enacted 1st November.

% of loans on interest only terms



% of loans originated with a loan to income ratio >=6x



% of loans originated with a debt to income ratio >=6x



% of loans originated with an LVR >=90%



■ Investors
■ Owner occupiers

Source: APRA

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