

August 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.8 Trillion



AUSTRALIAN SUPERANNUATION

\$3.4 Trillion



AUSTRALIAN LISTED STOCKS

\$2.7 Trillion



COMMERCIAL REAL ESTATE

\$1.2 Trillion

NUMBER OF DWELLINGS

10.8 Million

OUTSTANDING MORTGAGE DEBT

\$2.1 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

57.3%

TOTAL SALES P.A.

581,138

GROSS VALUE OF SALES P.A.

\$511.8 Billion

Australian dwelling values

Overview

3 MONTHS

-2.0%

National home values fell by -2.0% in the three months to July, which accelerated from a -0.2% fall in the June quarter.

12 MONTHS

8.0%

Dwelling values in Australia are 8.0% higher over the past 12 months, down from a cyclical peak of 22.4% recorded in the 12 months to January 2022.

CAPITAL CITIES

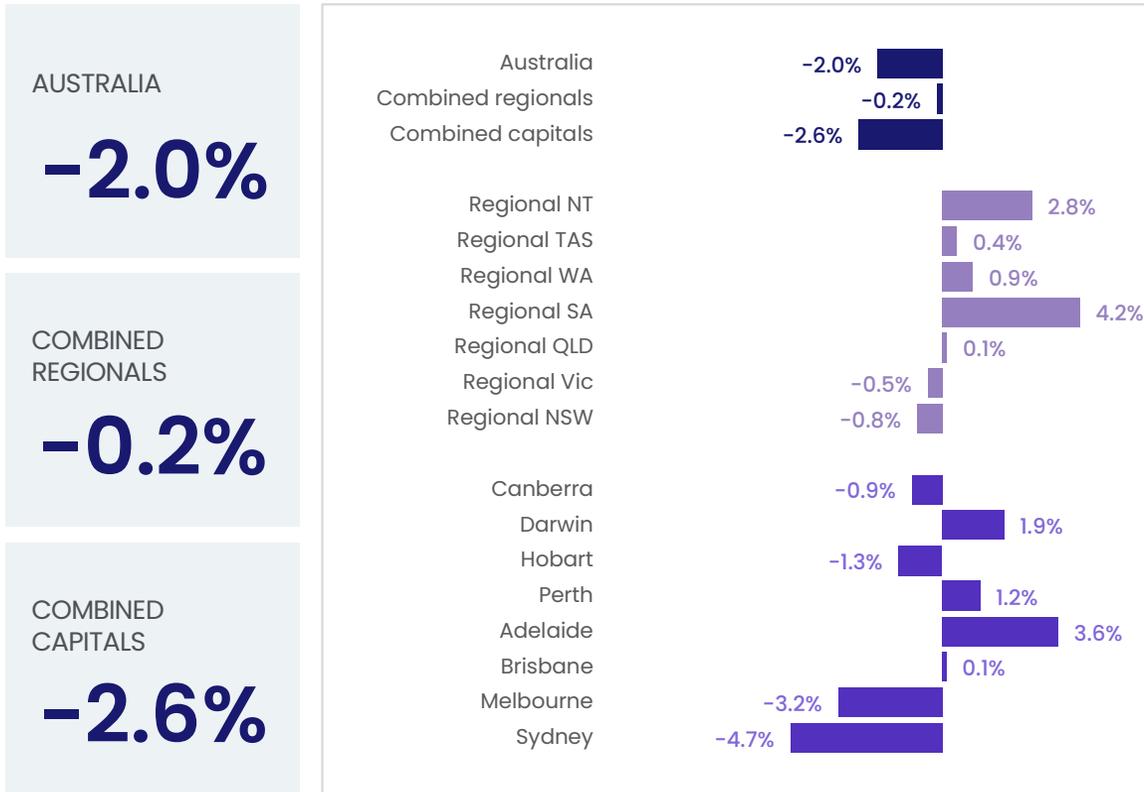
Most capital city markets are now in decline

Through the month of July, five of the eight capital cities saw a decline in dwelling values, while growth rates slowed in the remaining three cities.

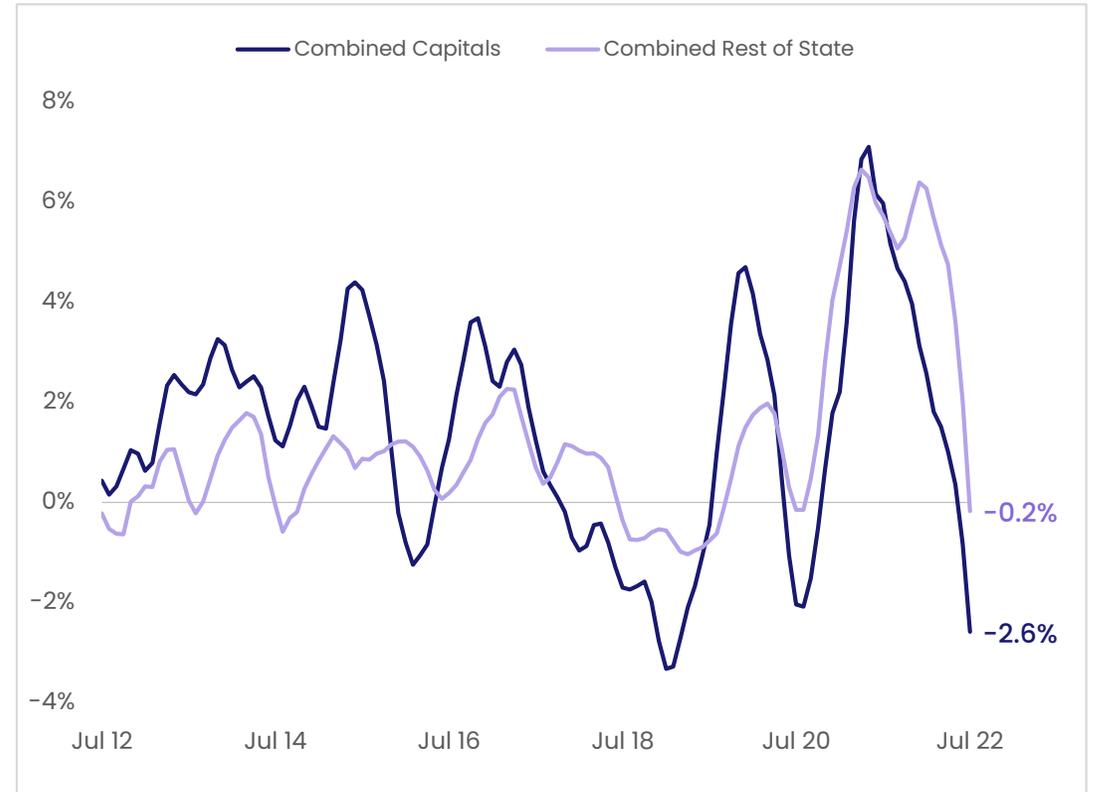
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to July 2022



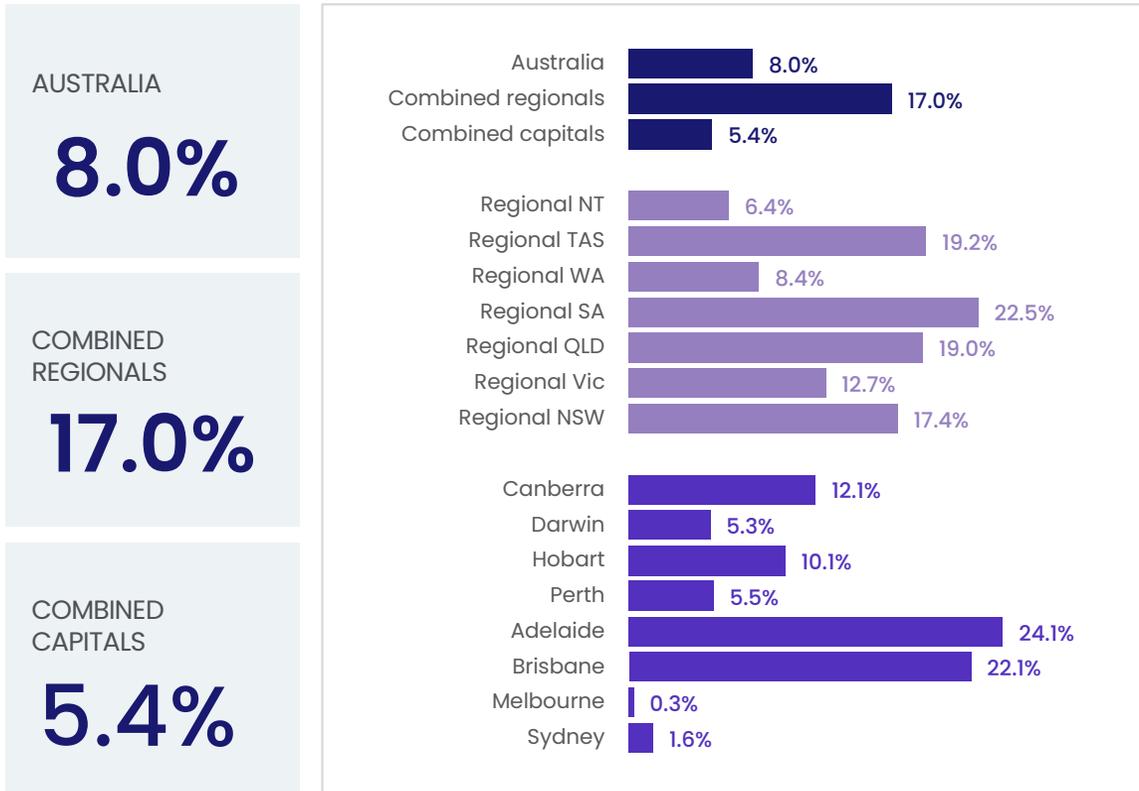
Rolling quarterly change in dwelling values



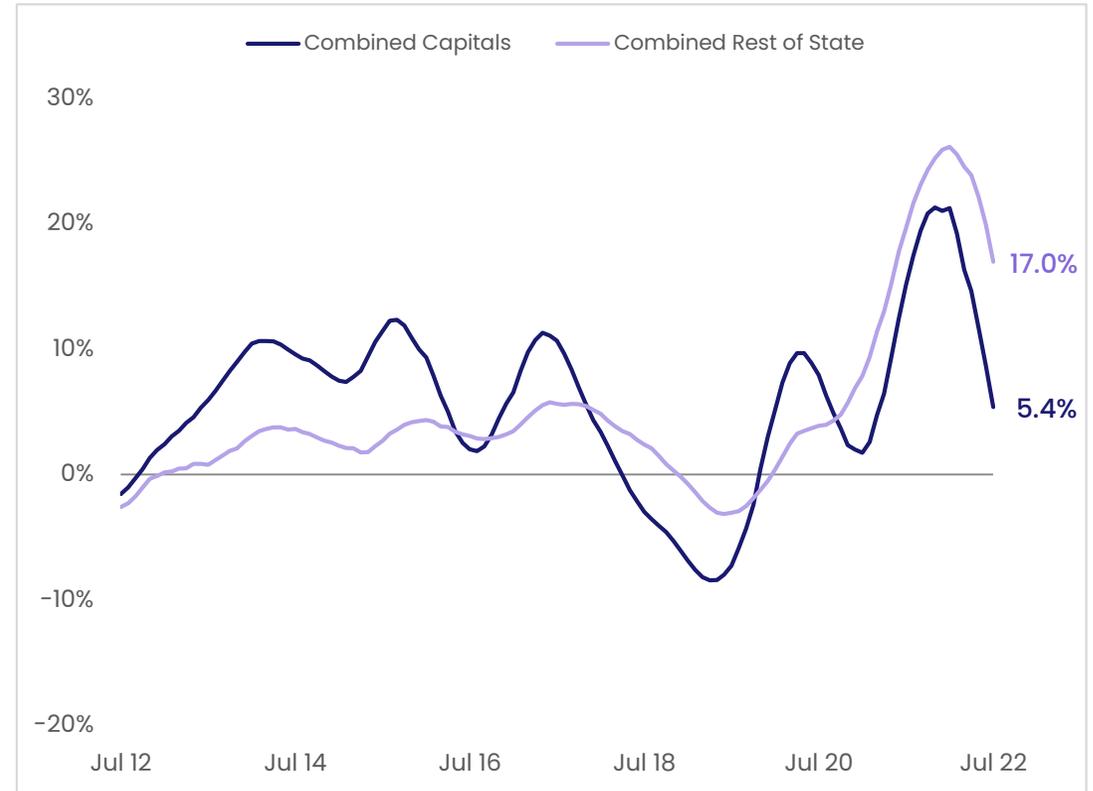
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to July 2022



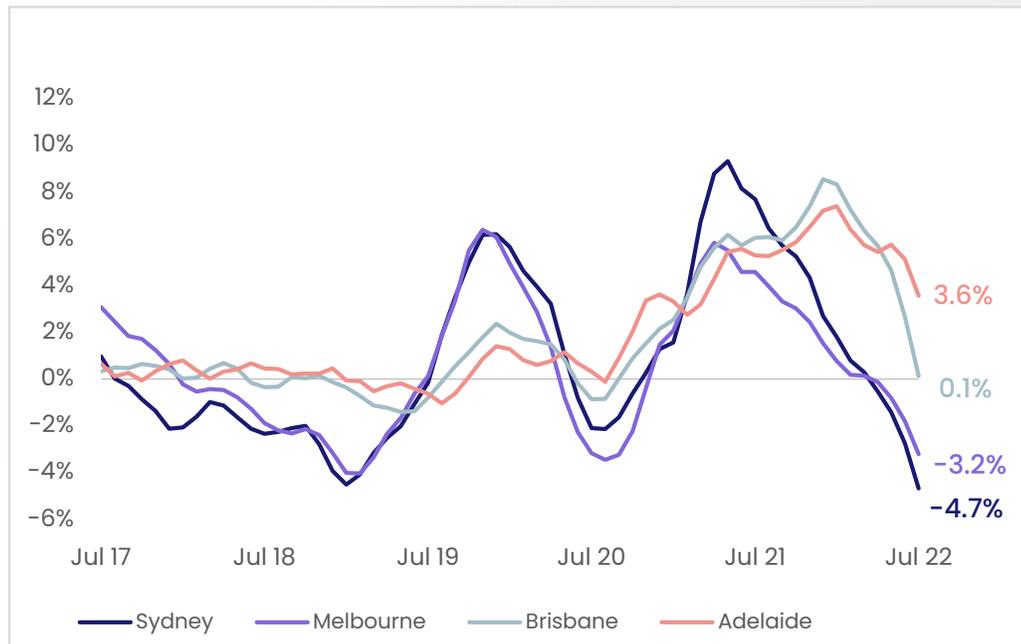
Rolling annual change in dwelling values



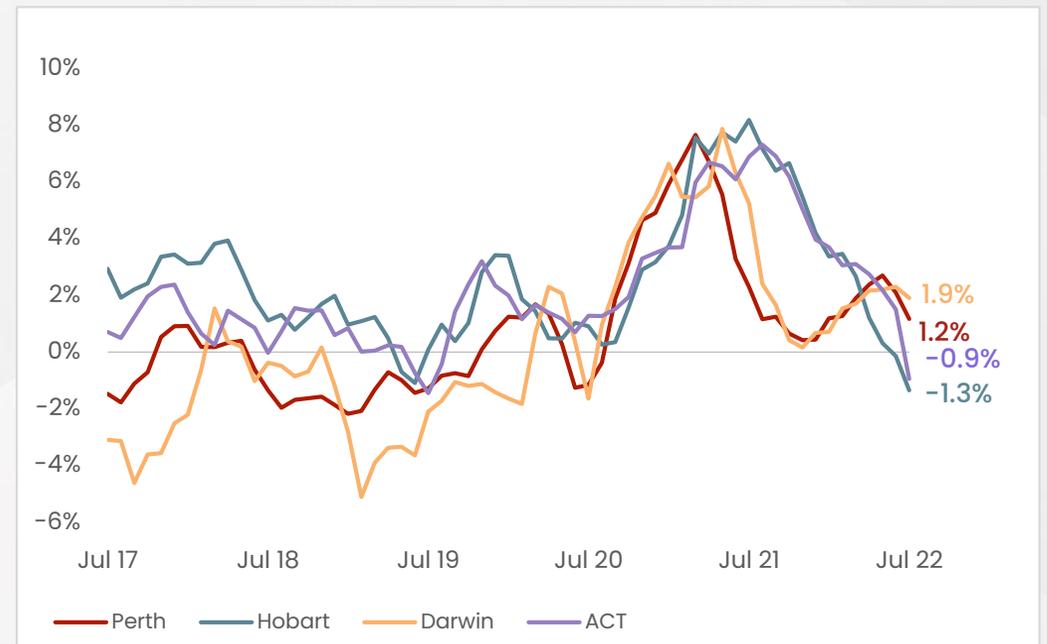
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



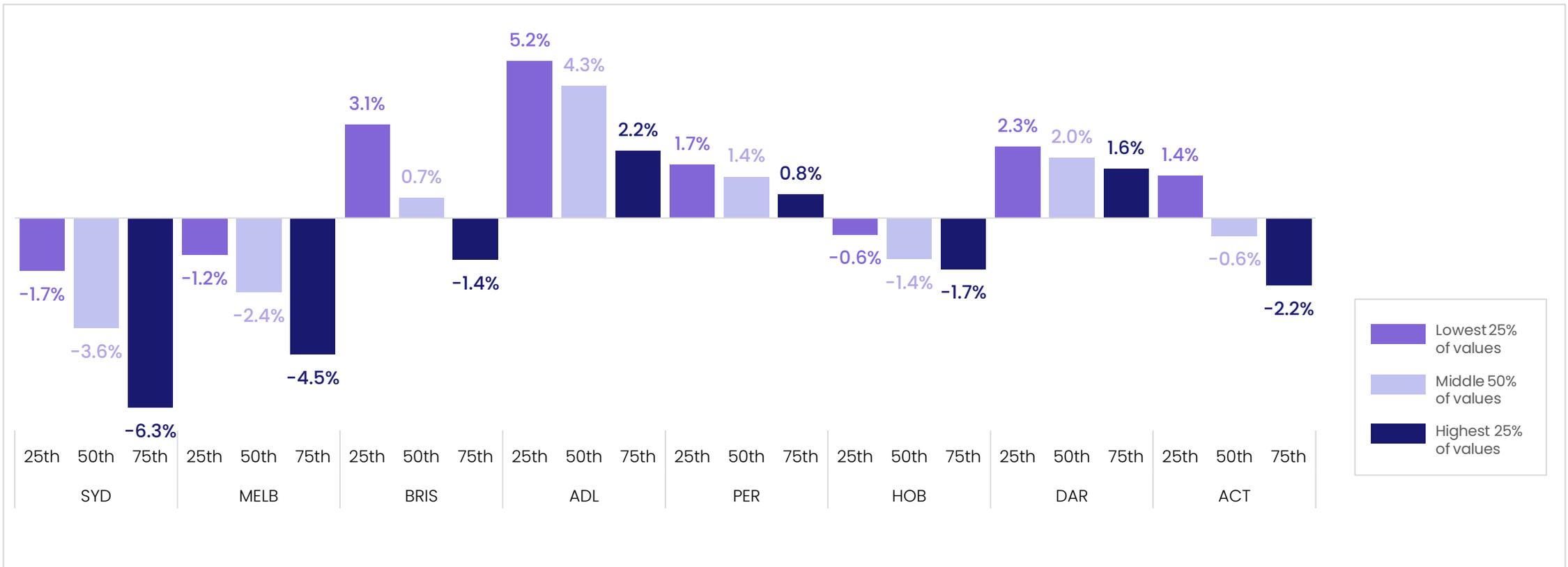
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

Capital cities

Quarterly change in stratified hedonic dwellings index (3 months to July)



Housing cycles

Capital cities



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

The rolling 28-day change in the combined capitals home value index was -1.4% at the 31st of July.

The change in home values had been slowing since March 2021 amid affordability constraints and tighter lending conditions. However, since the tightening in the RBA cash rate setting, the pace of easing in market values has accelerated.

Combined capital cities



HOUSING CYCLES

Sydney

In July Sydney dwelling values declined

-2.2%

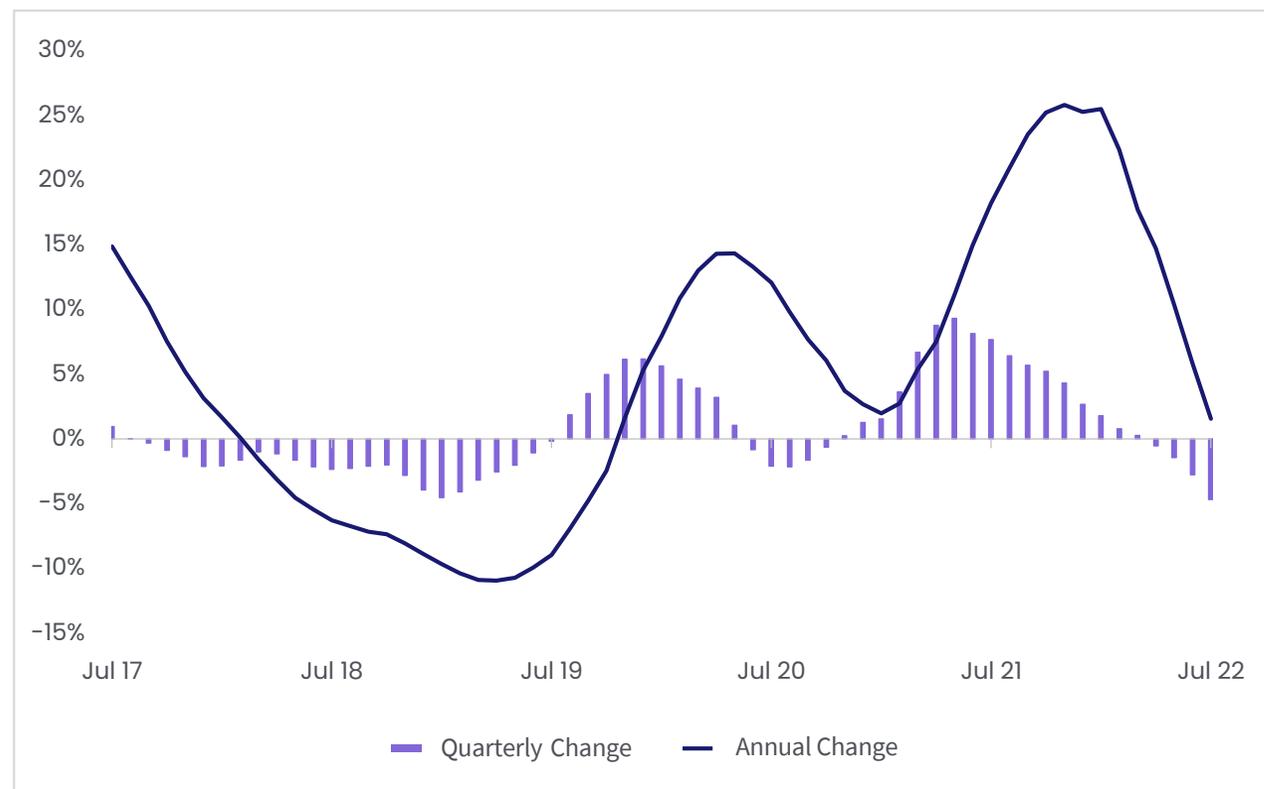
Over the quarter dwelling values decreased by

-4.7%

Over the past year dwelling values increased by

1.6%

Sydney dwelling values are now -5.2% below the record high which was in January 2022.



HOUSING CYCLES

Melbourne

In July Melbourne dwelling values declined

-1.5%

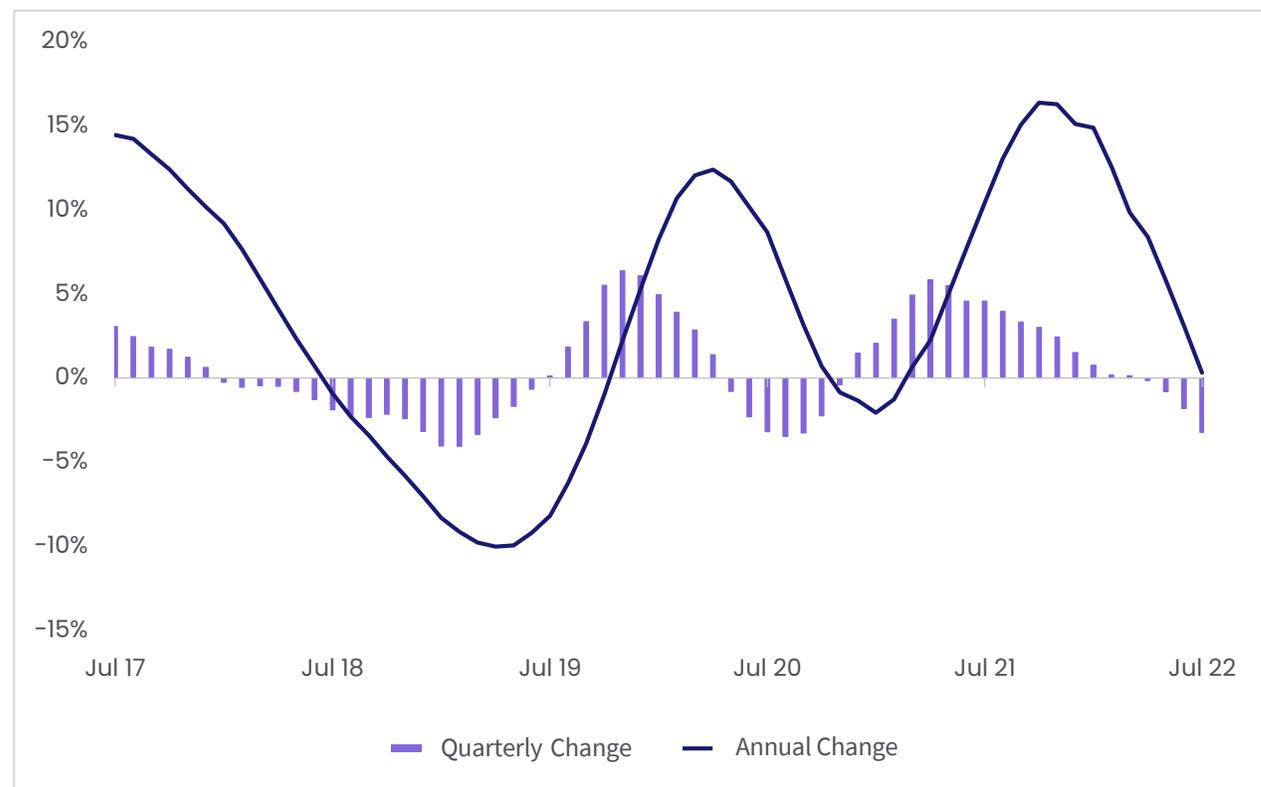
Over the quarter dwelling values decreased by

-3.2%

Over the past year dwelling values increased by

0.3%

Melbourne dwelling values are now -3.4% below the record high which was in February 2022.



HOUSING CYCLES

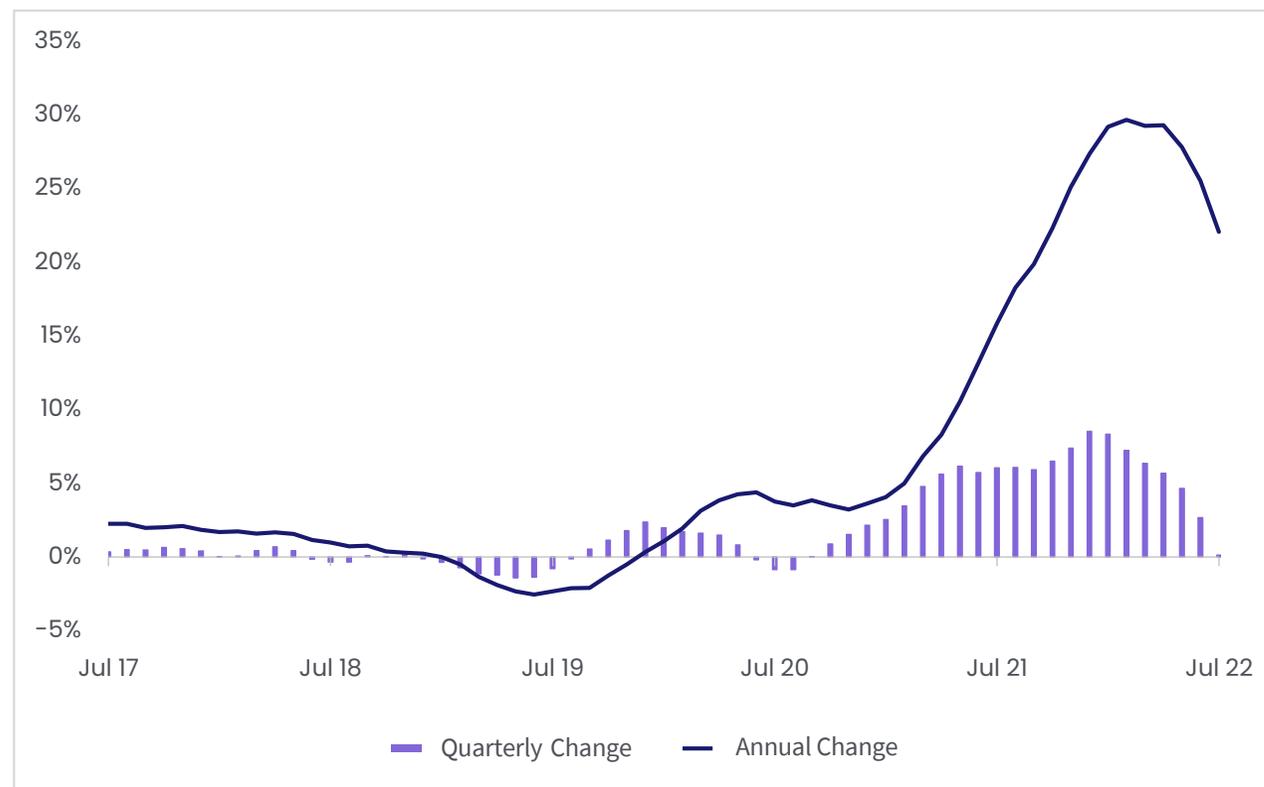
Brisbane

In July Brisbane dwelling values declined **-0.8%**

Over the quarter dwelling values increased by **0.1%**

Over the past year dwelling values increased by **22.1%**

Brisbane dwelling values are now -0.8% below the record high which was in June 2022.



HOUSING CYCLES

Adelaide

In July Adelaide dwelling values rose by

0.4%

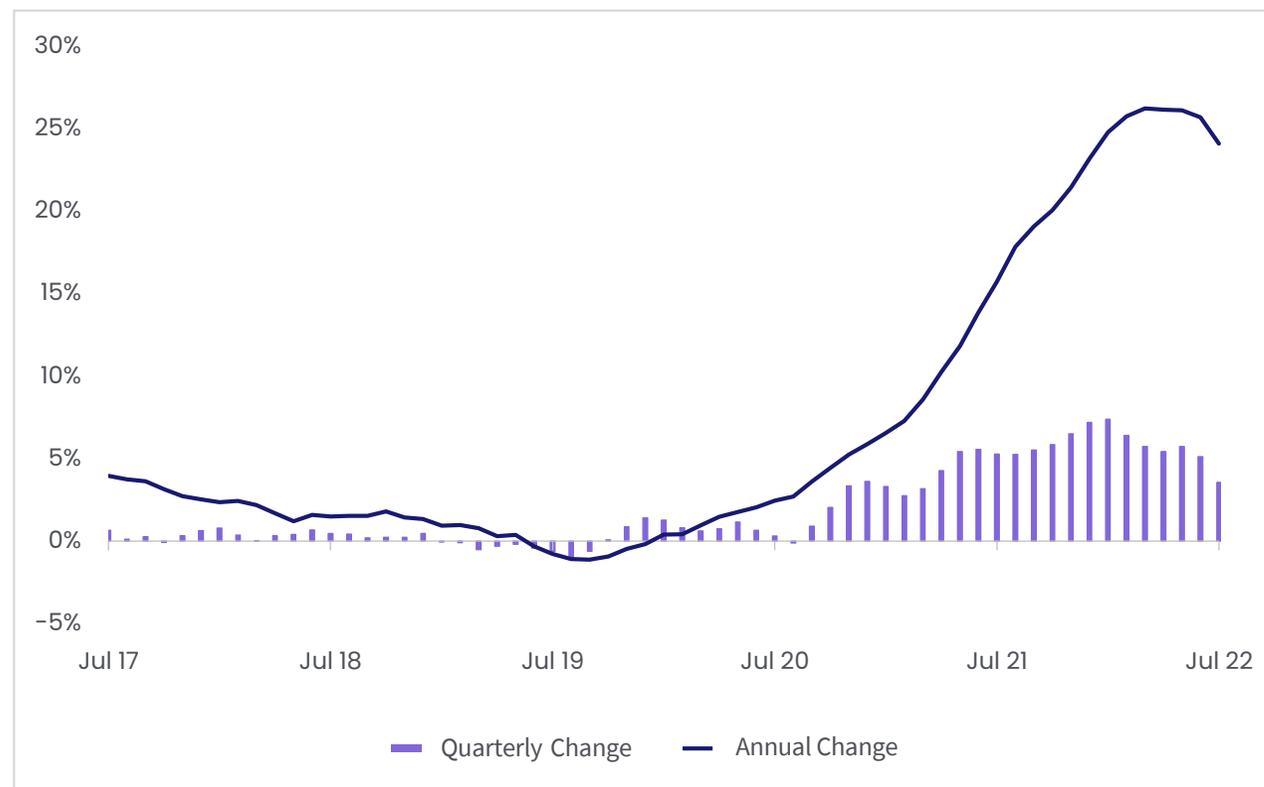
Over the quarter dwelling values increased by

3.6%

Over the past year dwelling values increased by

24.1%

Adelaide dwelling values are currently at a record high.



HOUSING CYCLES

Perth

In July Perth dwelling values rose by

0.2%

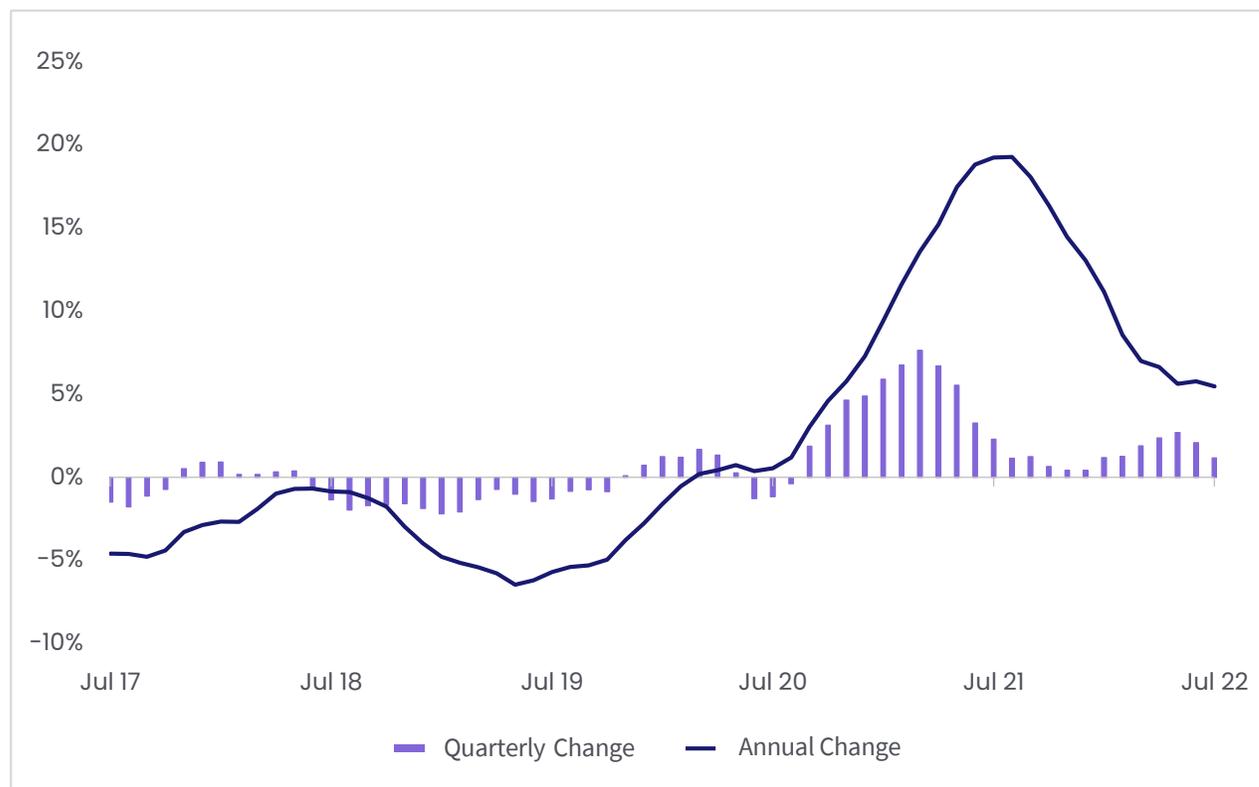
Over the quarter dwelling values increased by

1.2%

Over the past year dwelling values increased by

5.5%

Perth dwelling values are currently at a record high.



HOUSING CYCLES

Hobart

In July Hobart dwelling values declined

-1.5%

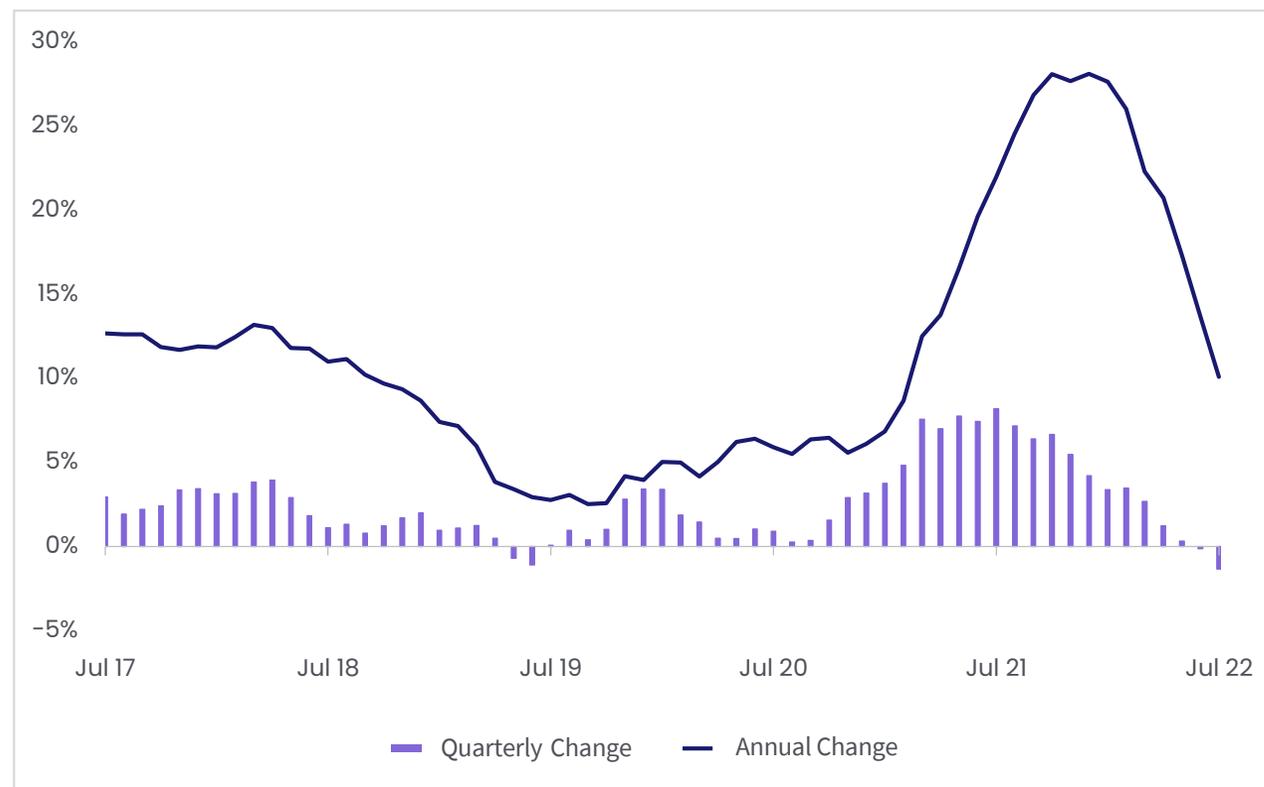
Over the quarter dwelling values decreased by

-1.3%

Over the past year dwelling values increased by

10.1%

Hobart dwelling values are now -1.7% below the record high which was in May 2022.



HOUSING CYCLES

Darwin

In July Darwin dwelling values rose by

0.5%

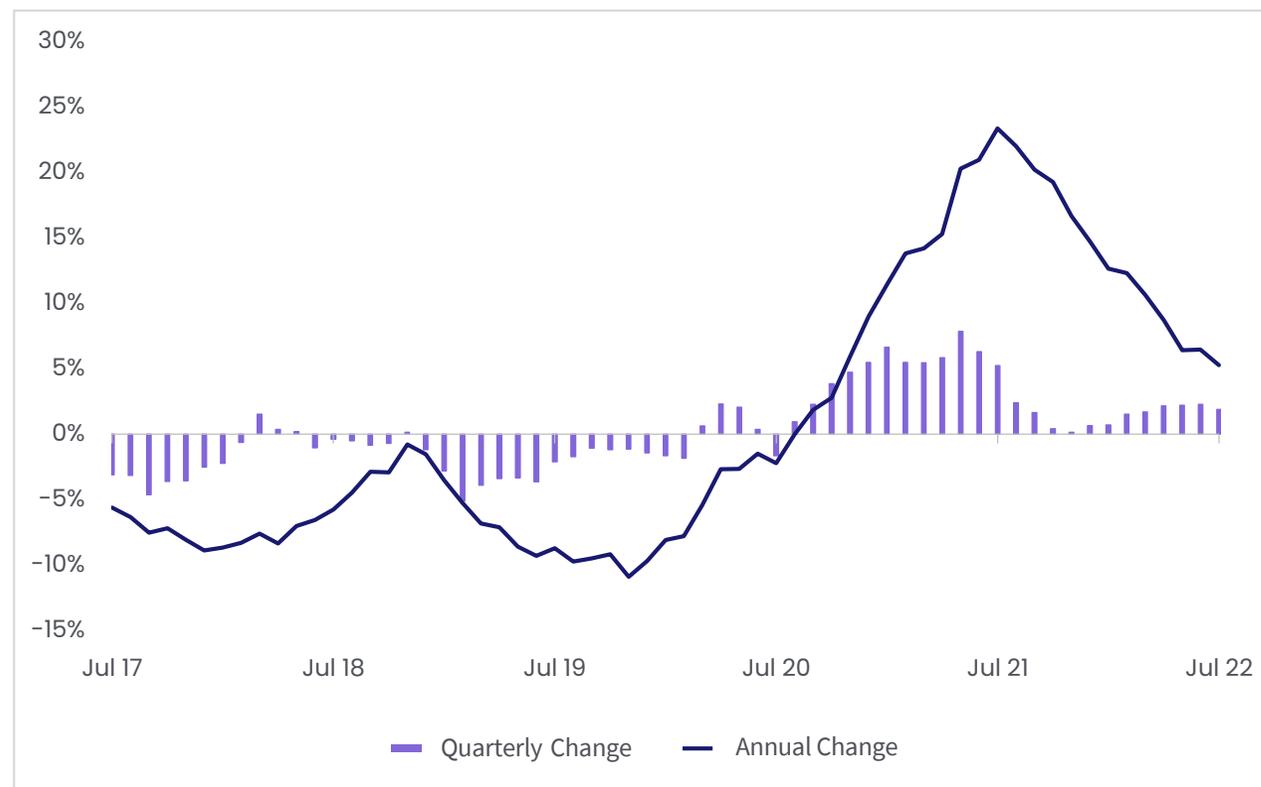
Over the quarter dwelling values increased by

1.9%

Over the past year dwelling values increased by

5.3%

Darwin dwelling values are now -10.9% below the record high which was in May 2014.



HOUSING CYCLES

Canberra

In July Canberra dwelling values declined

-1.1%

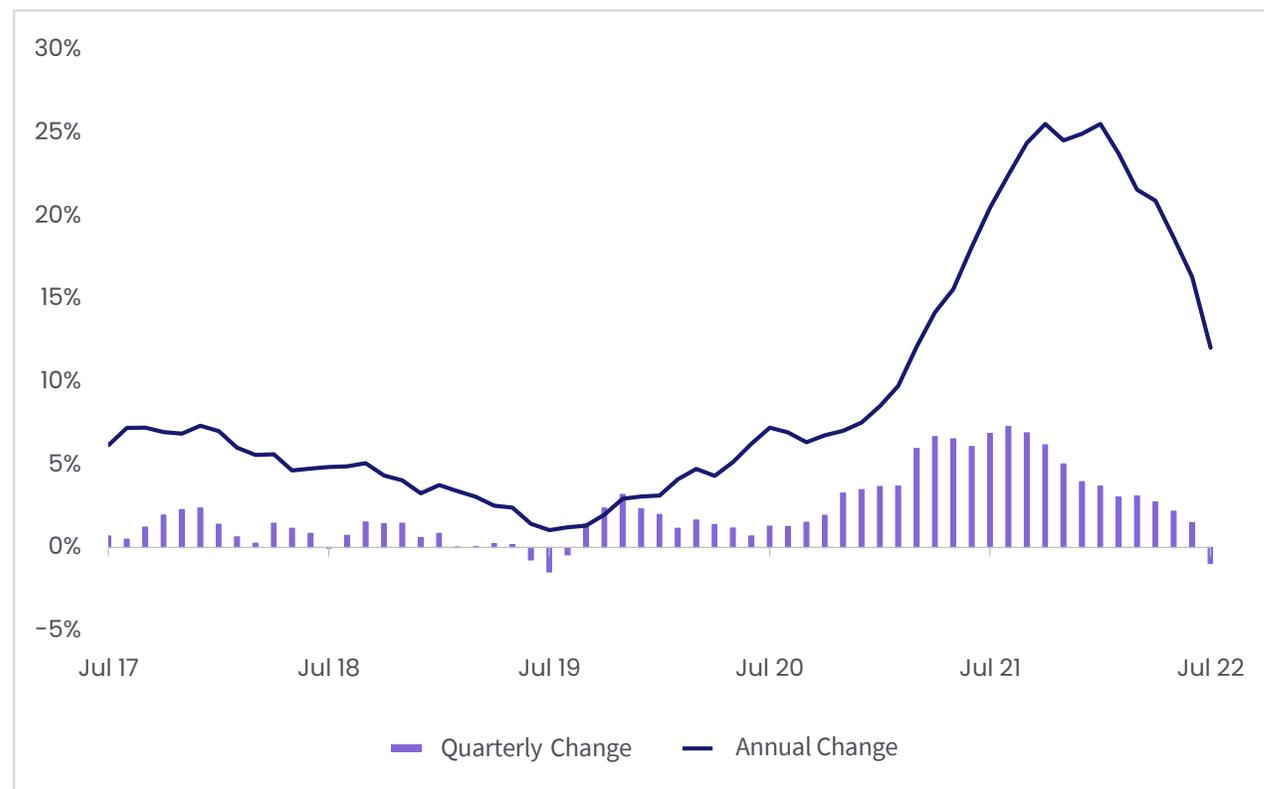
Over the quarter dwelling values increased by

-0.9%

Over the past year dwelling values increased by

12.1%

Canberra dwelling values are now -1.1% below the record high which was in June 2022.

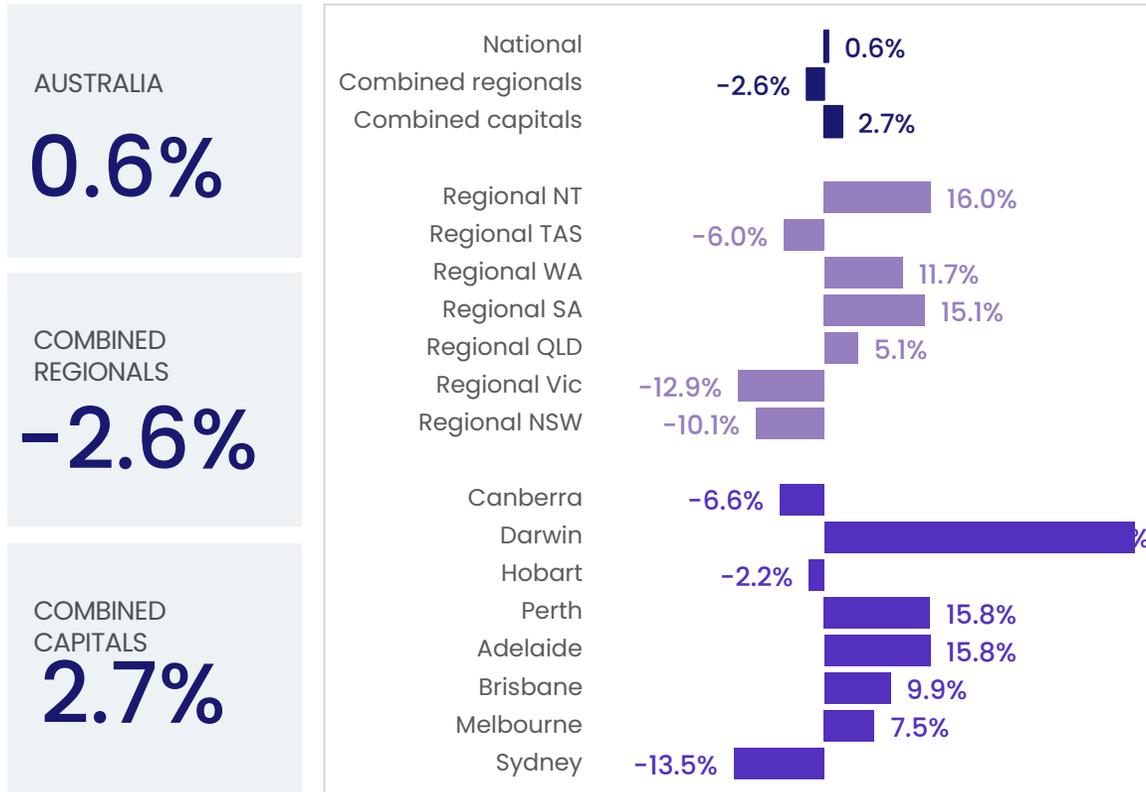


Sales and listings

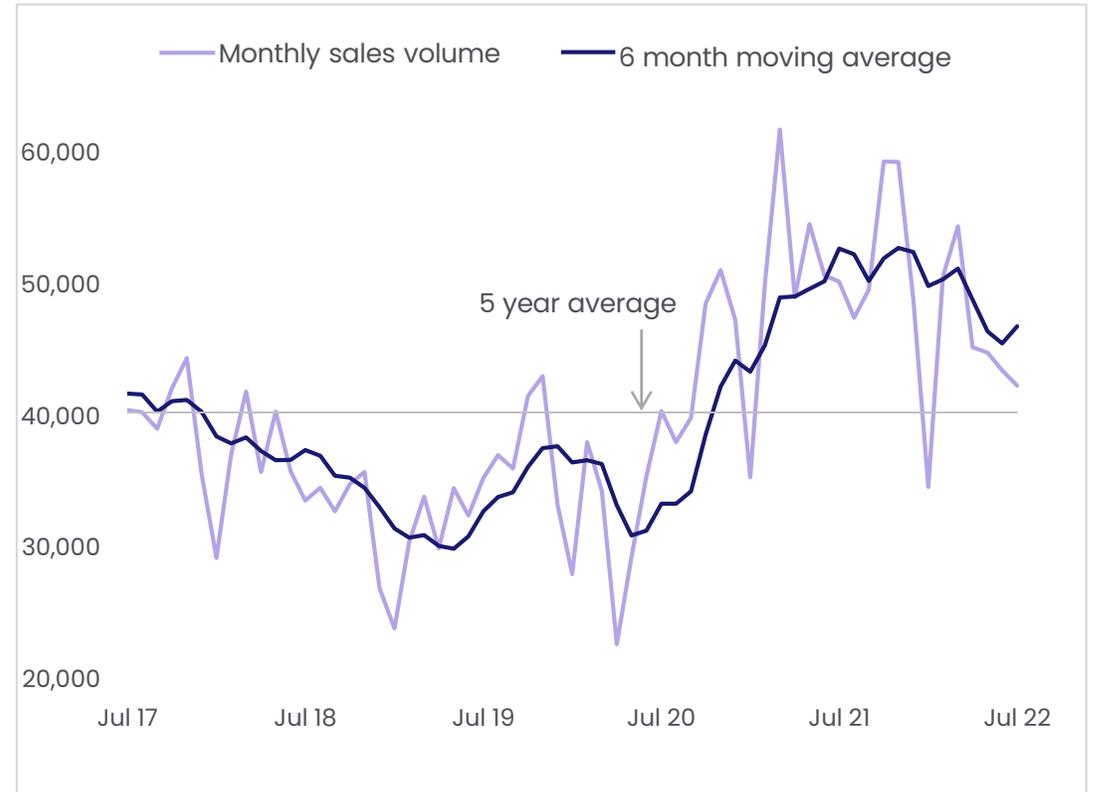
NATIONAL SALES

Sales volumes are starting to ease from recent highs. CoreLogic estimates that in the 12 months to July, there were 581,138 sales nationally. This was relatively steady compared to the previous year. While up annually, initial sales estimates over the three months to July were -16.0% lower than the same quarter of the previous year.

Change in sales volumes, twelve months to July 2022



Monthly sales with six month moving average, National

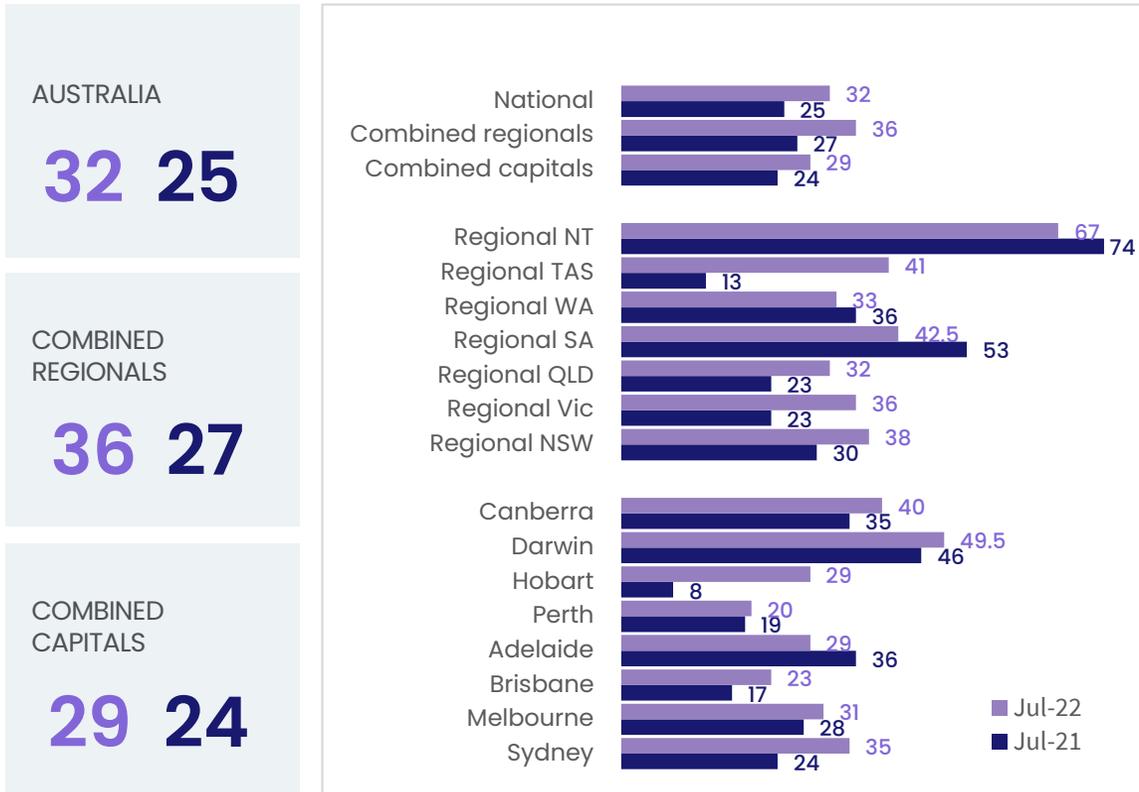


Note: recent months of sales volumes are modelled estimates, and are subject to revision

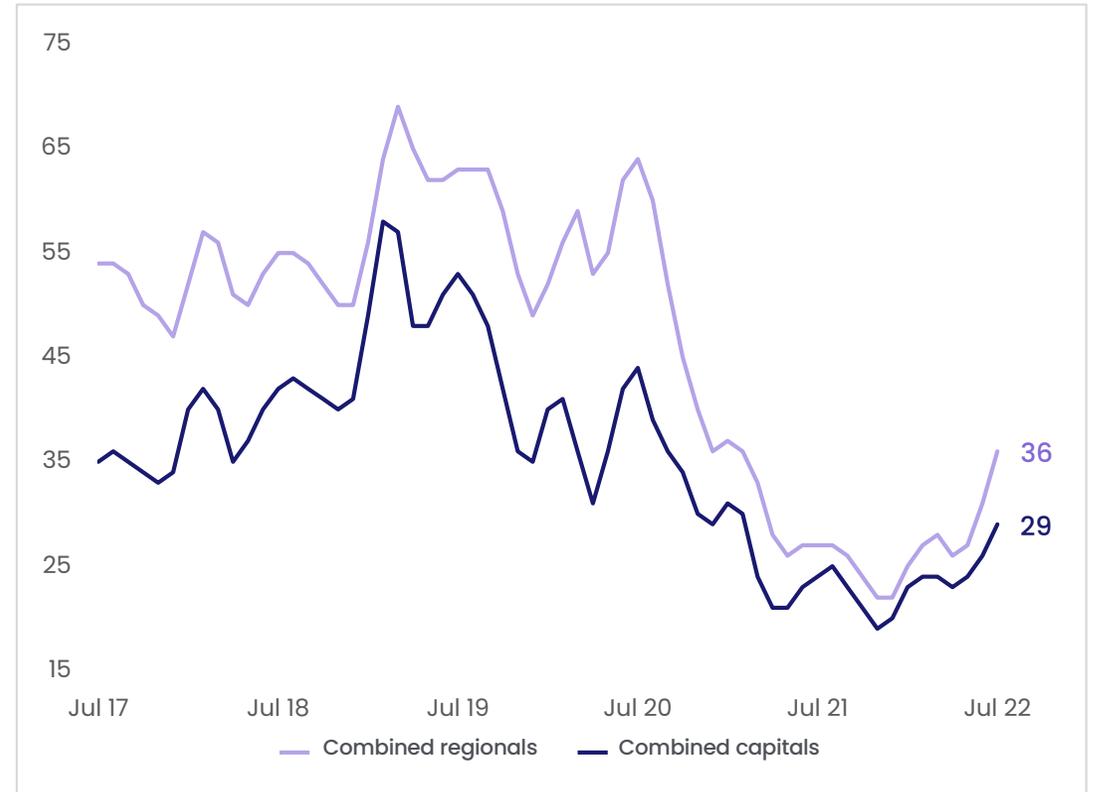
MEDIAN DAYS ON MARKET

At the national level, properties are taking longer to sell. In the three months to July, the median days on market was 32, up from a recent low of 20 days over the three months to November.

Median days on market – three months to July 2022



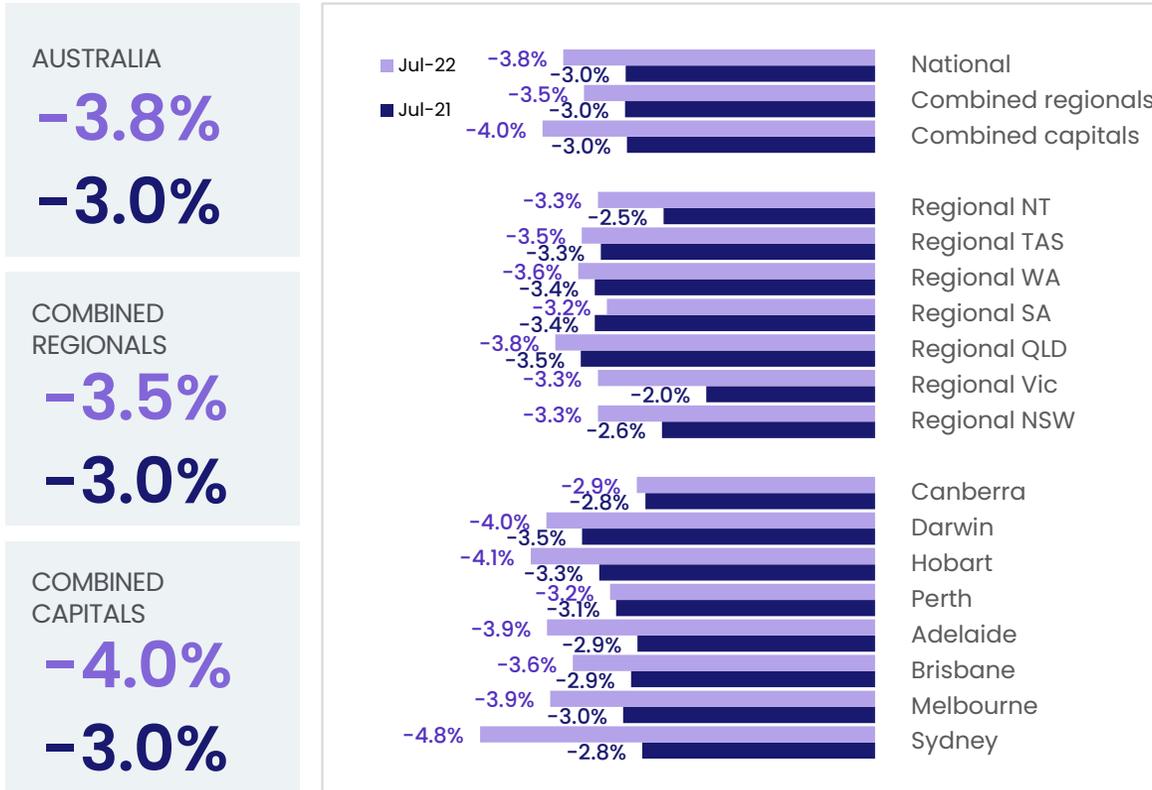
Median days on market



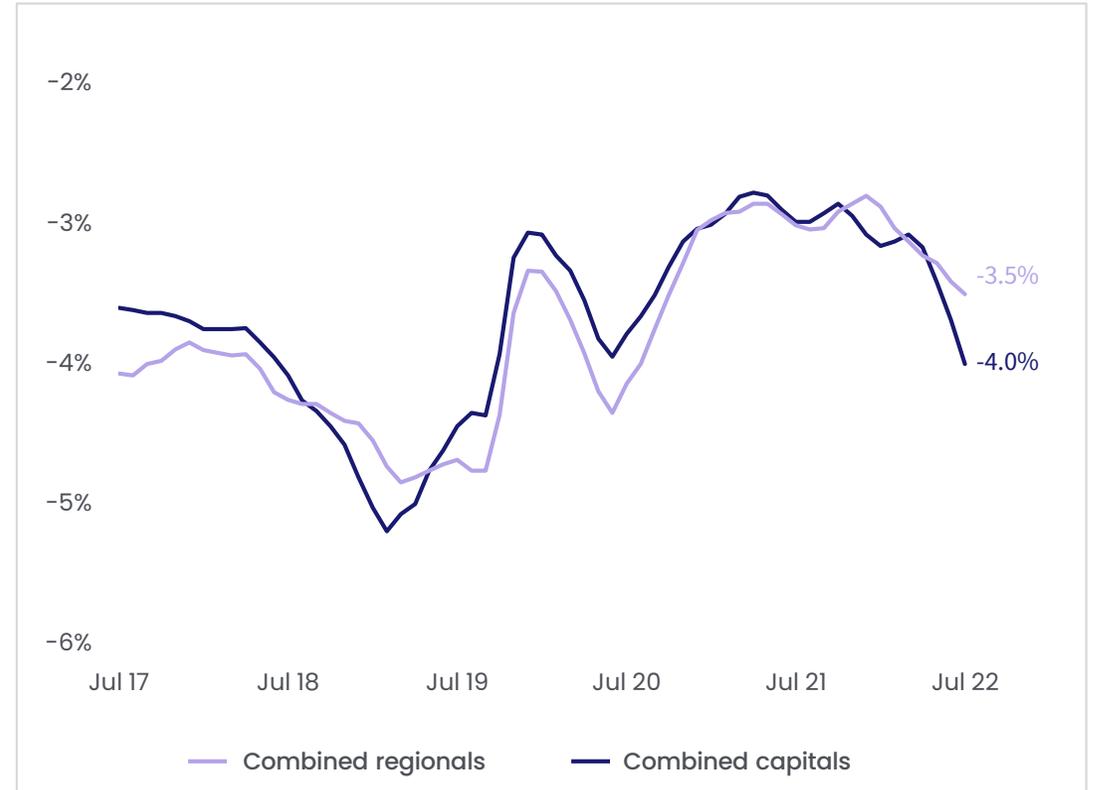
VENDOR DISCOUNT

Similarly, vendor discounting has also increased from the recent low of -2.8% recorded in the three months to April last year. In the three months to July, the median vendor discount at the national level was -3.8%.

Median vendor discount – three months to July 2022



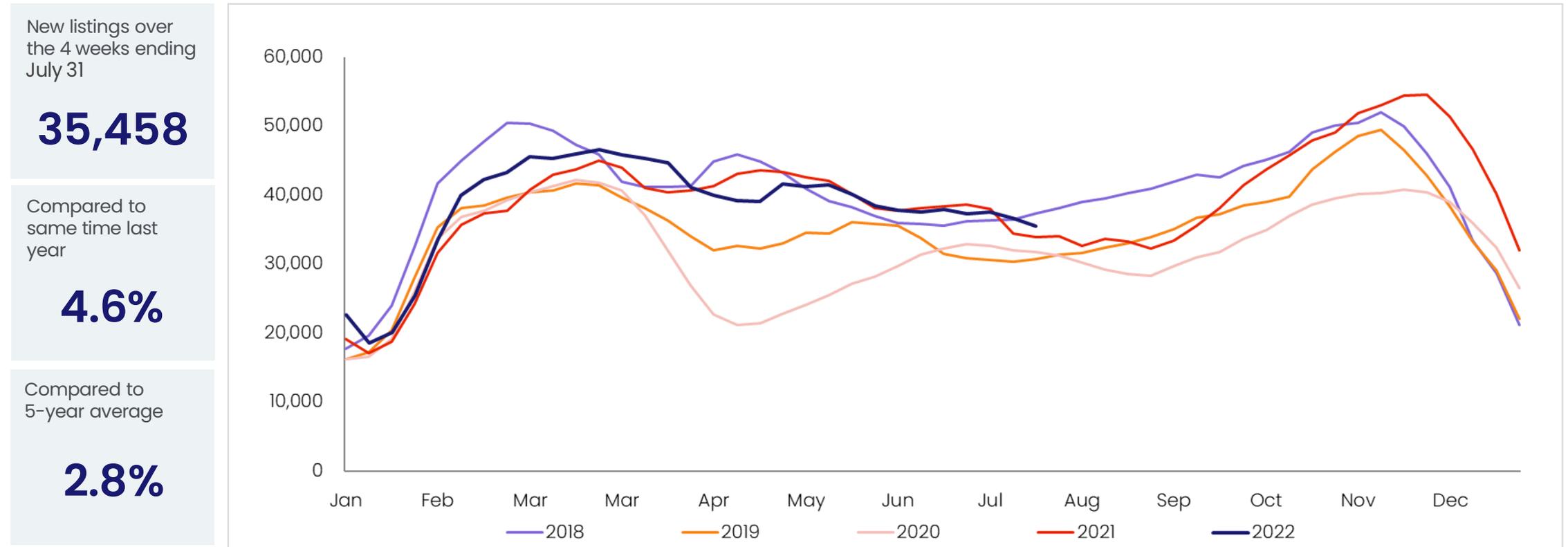
Median vendor discount



LISTINGS

In the four weeks to July 31, there were 35,458 newly advertised dwellings listed for sale nationally. In recent weeks, the flow of new listings has seen a seasonal slowdown, but is still higher than the five year average for this time of year.

Number of new listings, National Dwellings



Data is for the four weeks ending 31 July

LISTINGS

At the national level, total listings are gradually rising, but remain well below the average for this time of the year. Total stock levels remain -24.8% below the five-year average.

Number of total listings, National Dwellings

Total listings over the 4 weeks ending July 31

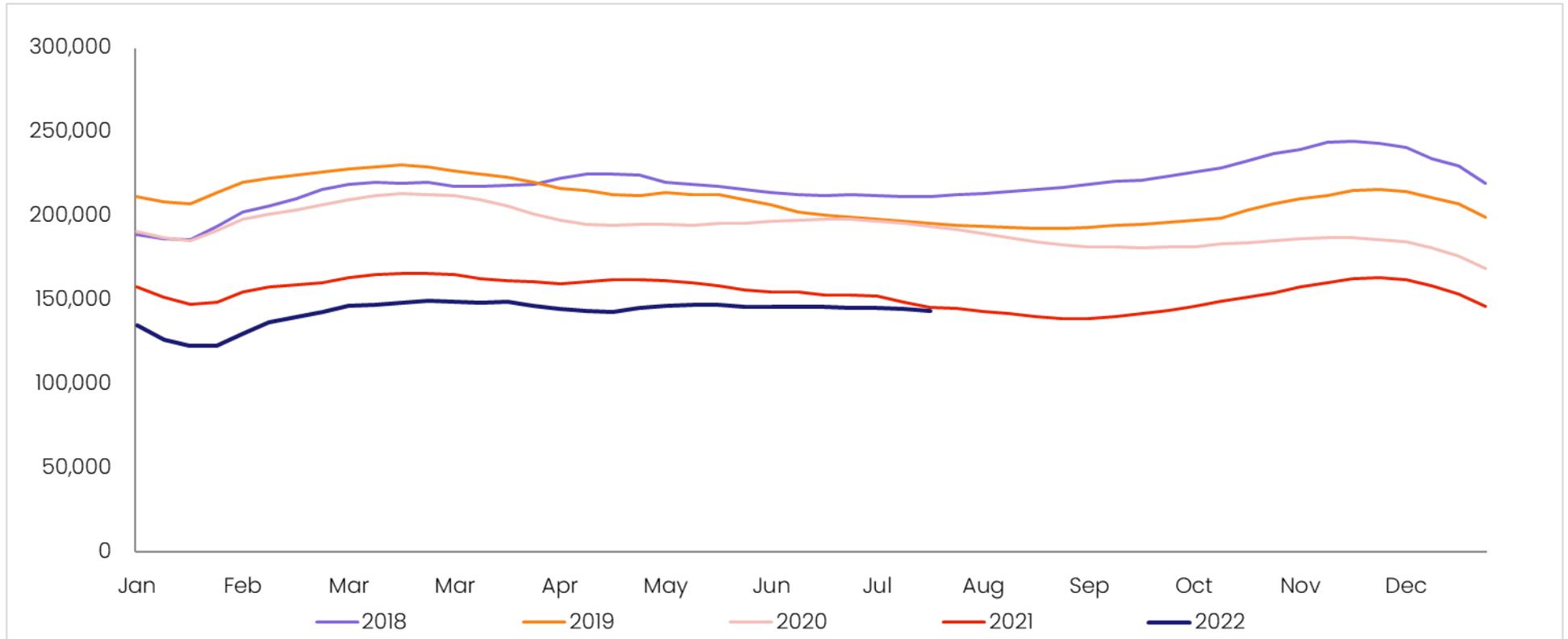
143,568

Compared to same time last year

-1.6%

Compared to 5-year average

-24.8%

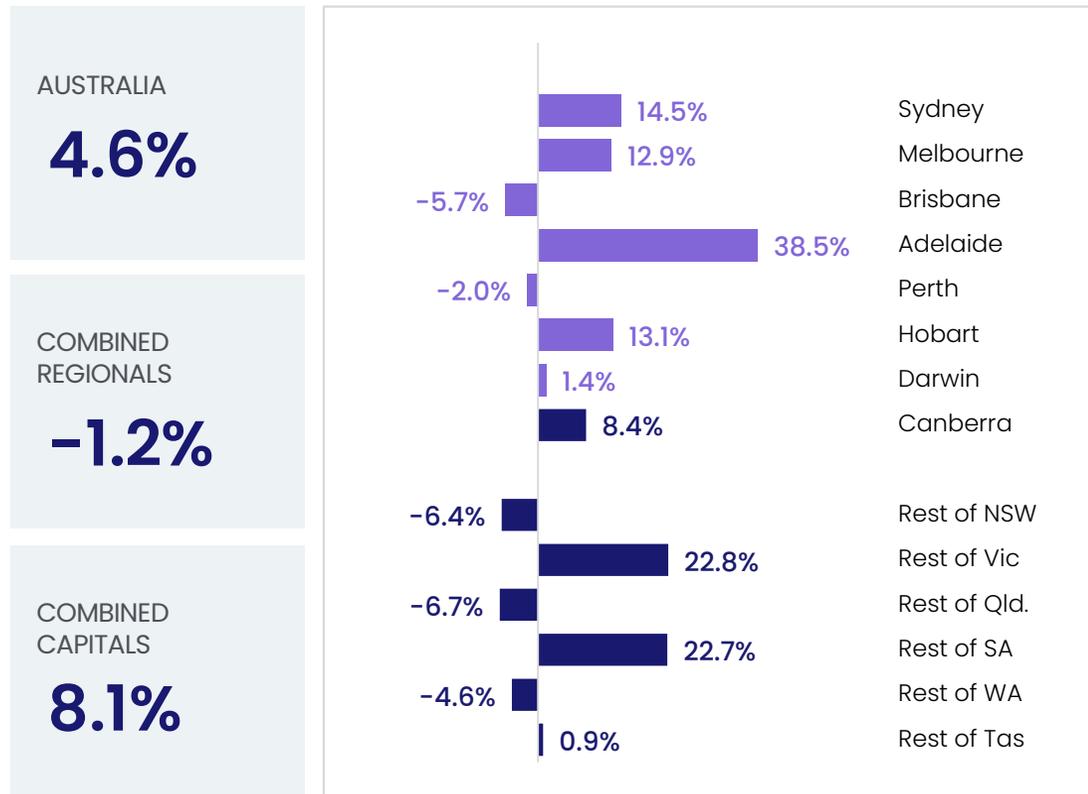


Data is for the four weeks ending 31 July

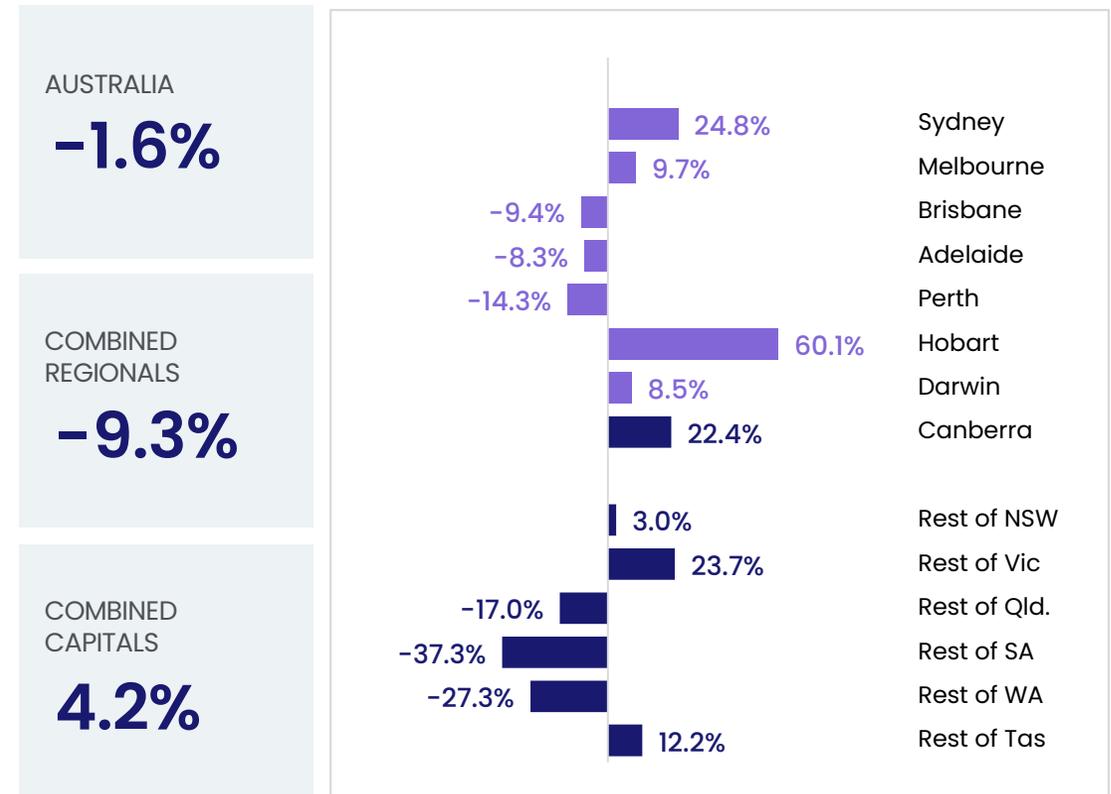
LISTINGS

Total advertised stock levels are now 4.2% higher across the capital cities than they were this time last year, as properties take longer to sell. However, total stock is slower to accumulate in regional Australia, with both new and total listings counts lower than a year ago.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

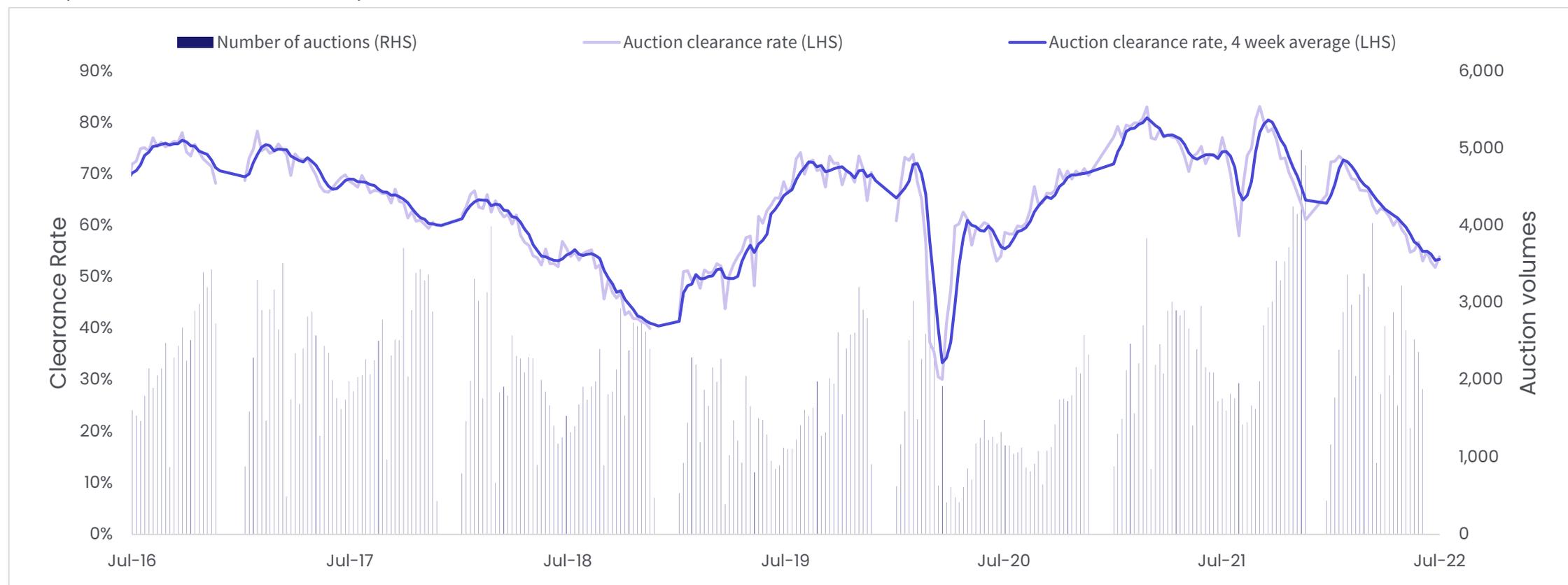


Data is for the four weeks ending 31 July

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate continued to trend lower through July, averaging 53.5% in the four weeks to July 31st. This is down from 74.4% in the equivalent period of 2021.

Weekly clearance rates, combined capital cities



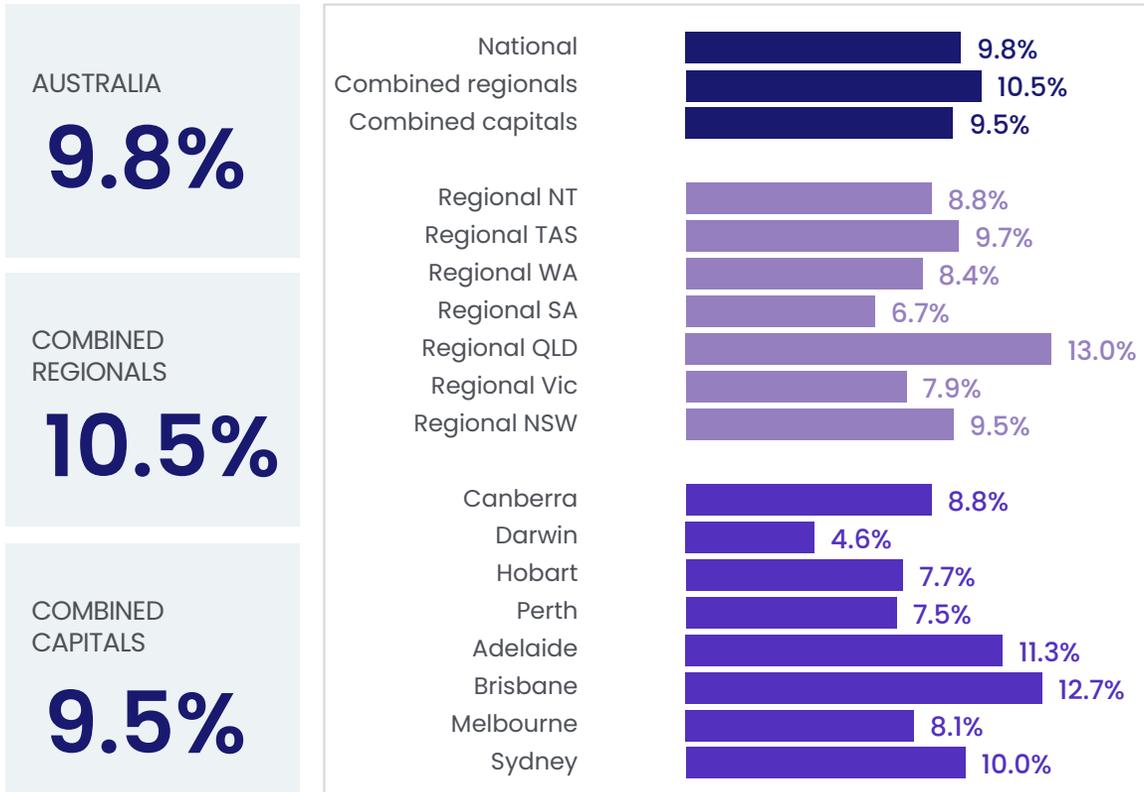
Rental market



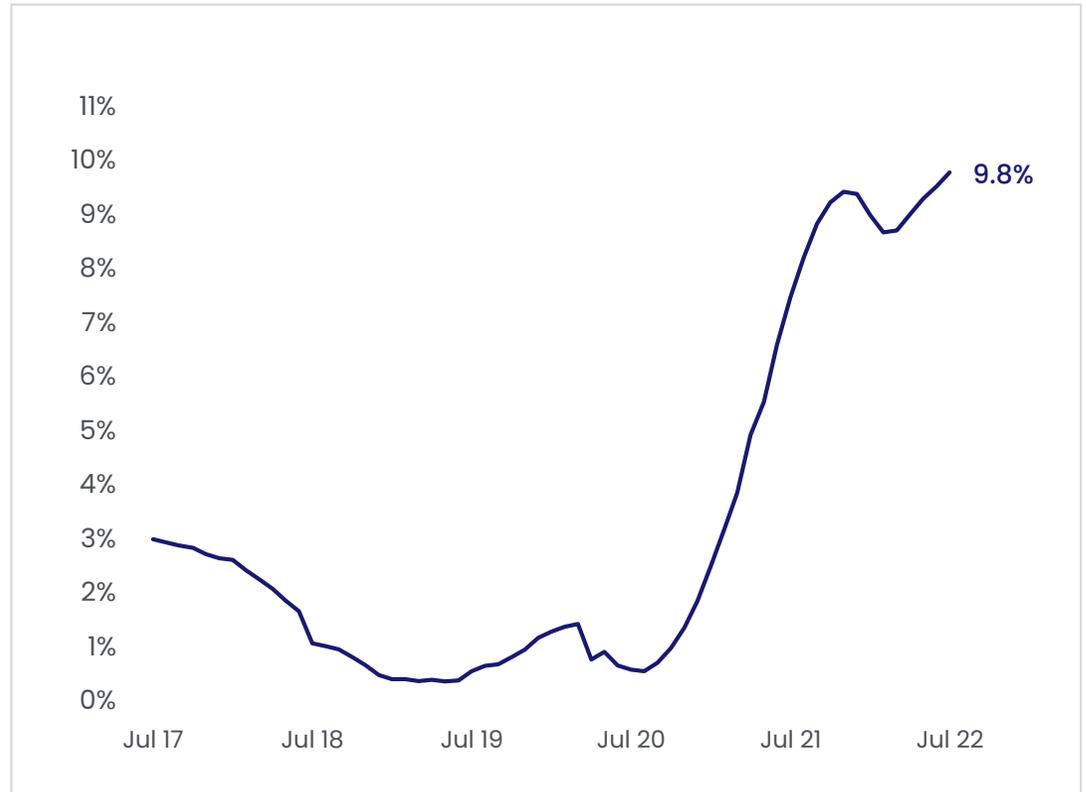
RENTAL RATES

Rent values continued to climb 0.9% in the month of July, marking the sixth consecutive month that growth in rent values has been higher than growth in home values. Australian rents are now 9.8% higher over the year to July.

Annual change in rental rates to July 2022



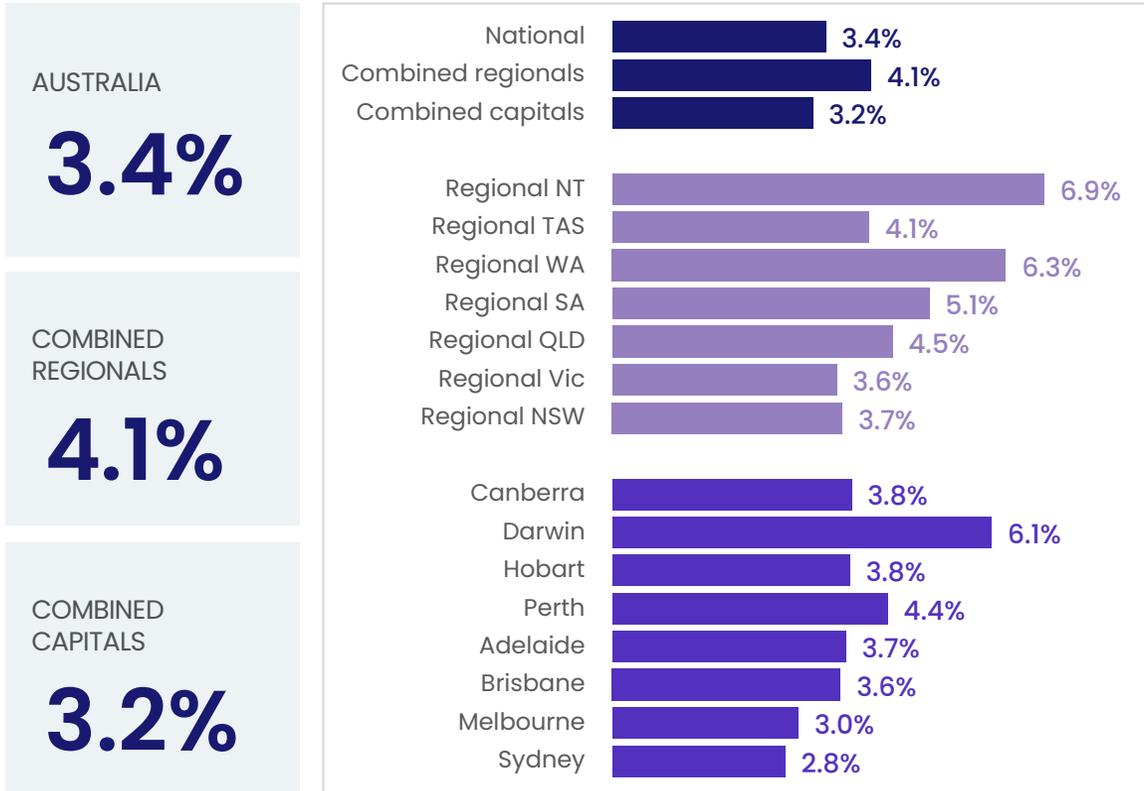
Annual change in rental rates - National



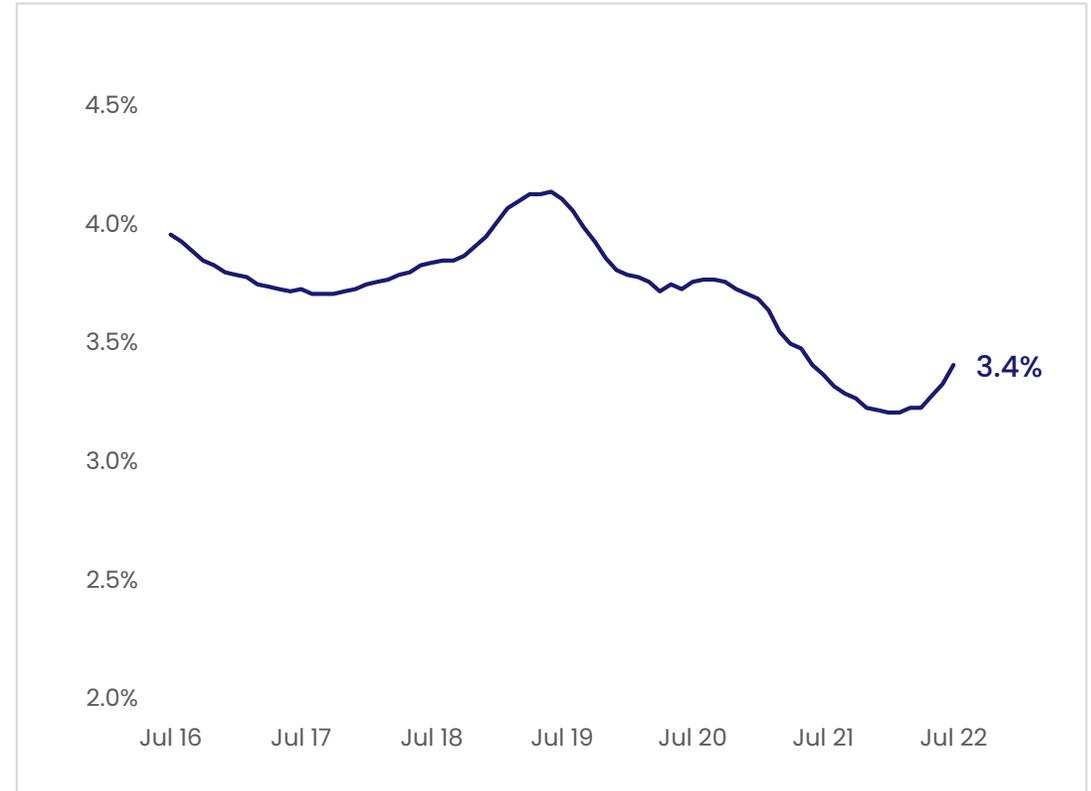
RENTAL YIELDS

Through July, Australian gross rent yields rose to 3.41%, up from a recent low of 3.21% in January this year. Since the end of 2021, gross rent yields in Sydney have lifted 34 basis points, and 23 basis points in Melbourne.

Gross rental yields, July 2022



Gross rental yields

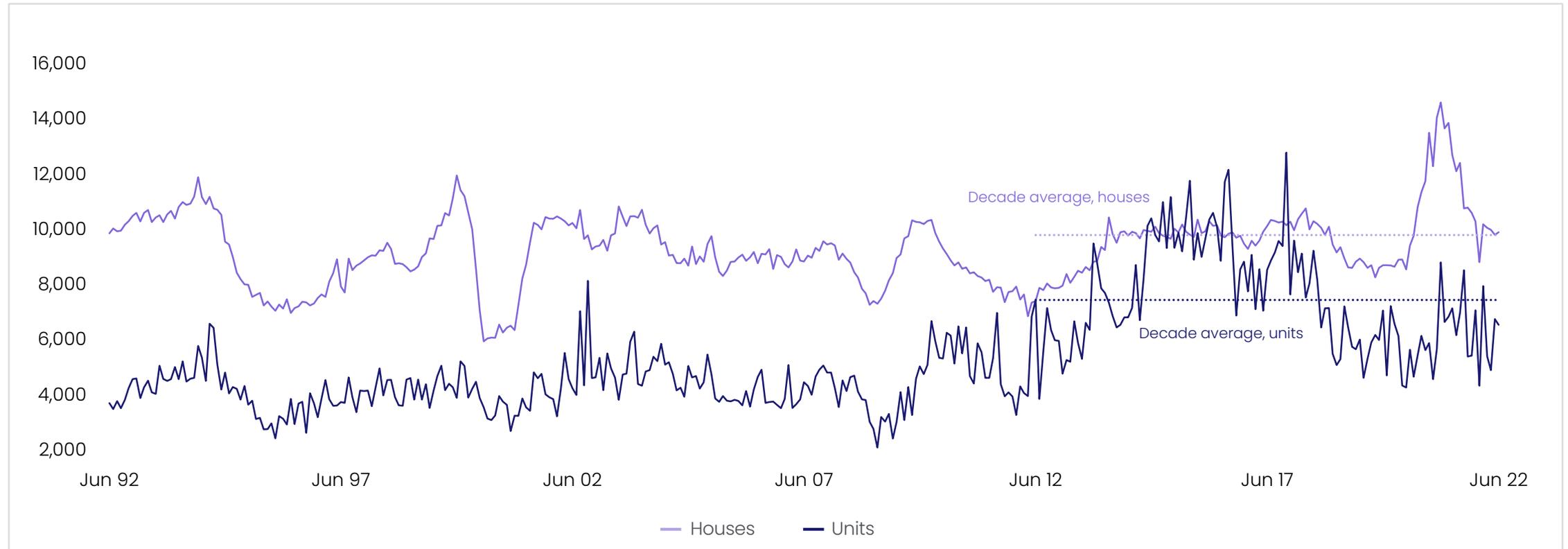


Dwelling approvals & housing credit

DWELLING APPROVALS

Over June, the total number of new dwellings approved was 16,462. This was down just -0.7% from the previous month, but is sitting -4.7% below the decade average due to relatively low unit approvals.

Monthly house v unit approvals, National

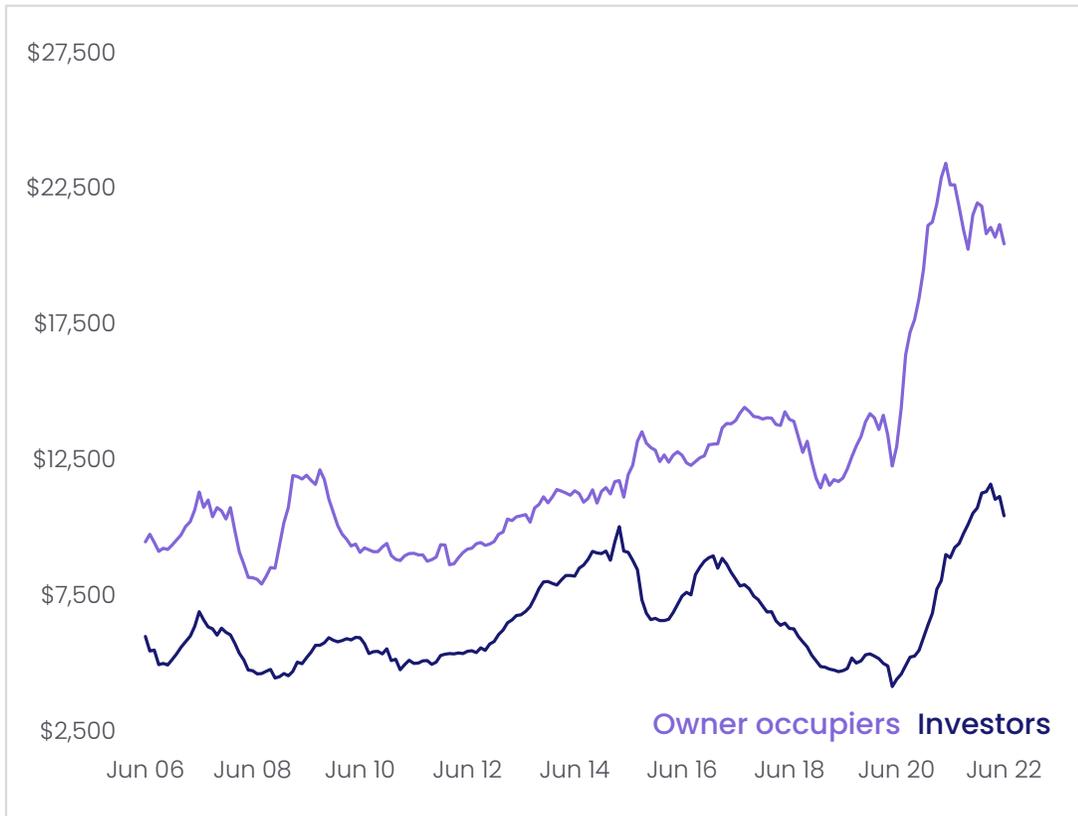


Source: ABS

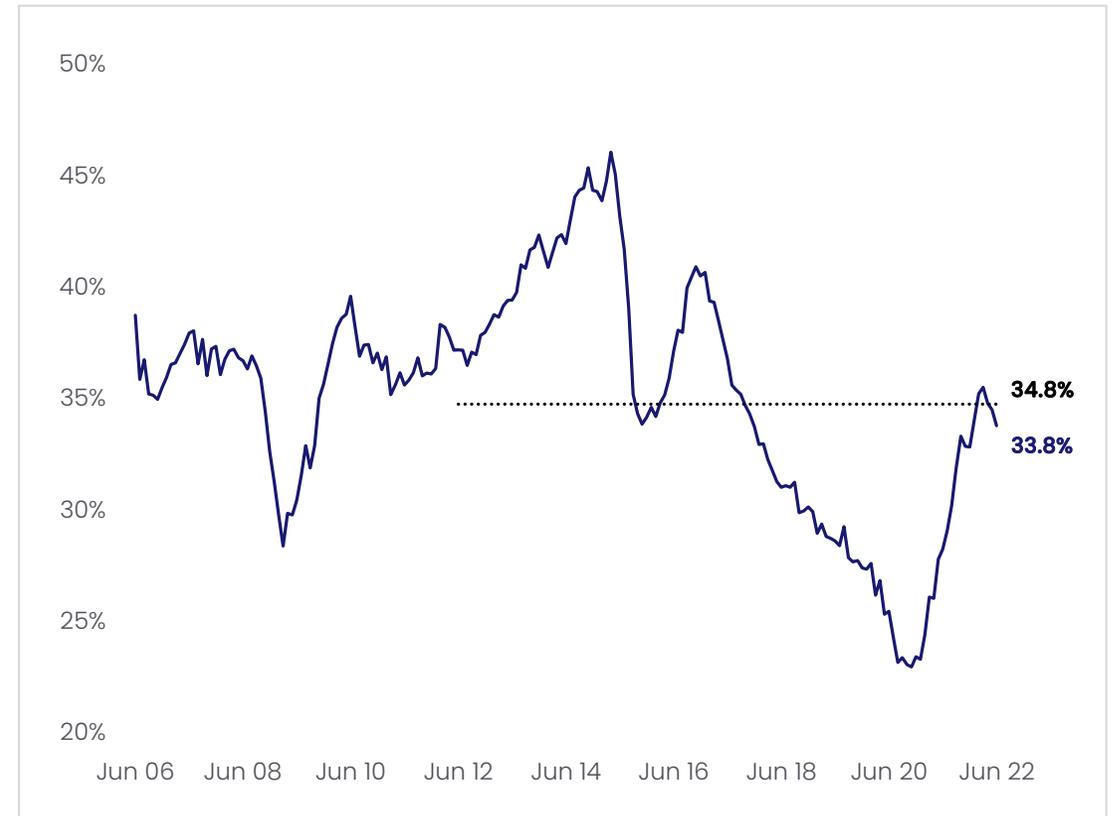
FINANCE & LENDING

Lending for property purchases fell -4.4% over the month of June. Each borrower segment saw a decline in value, with investor lending falling by -6.3%, and owner occupier lending down -3.3%. First homebuyer lending declined -10.0% in the month.

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



Portion of new lending for investment housing (excluding refinance)

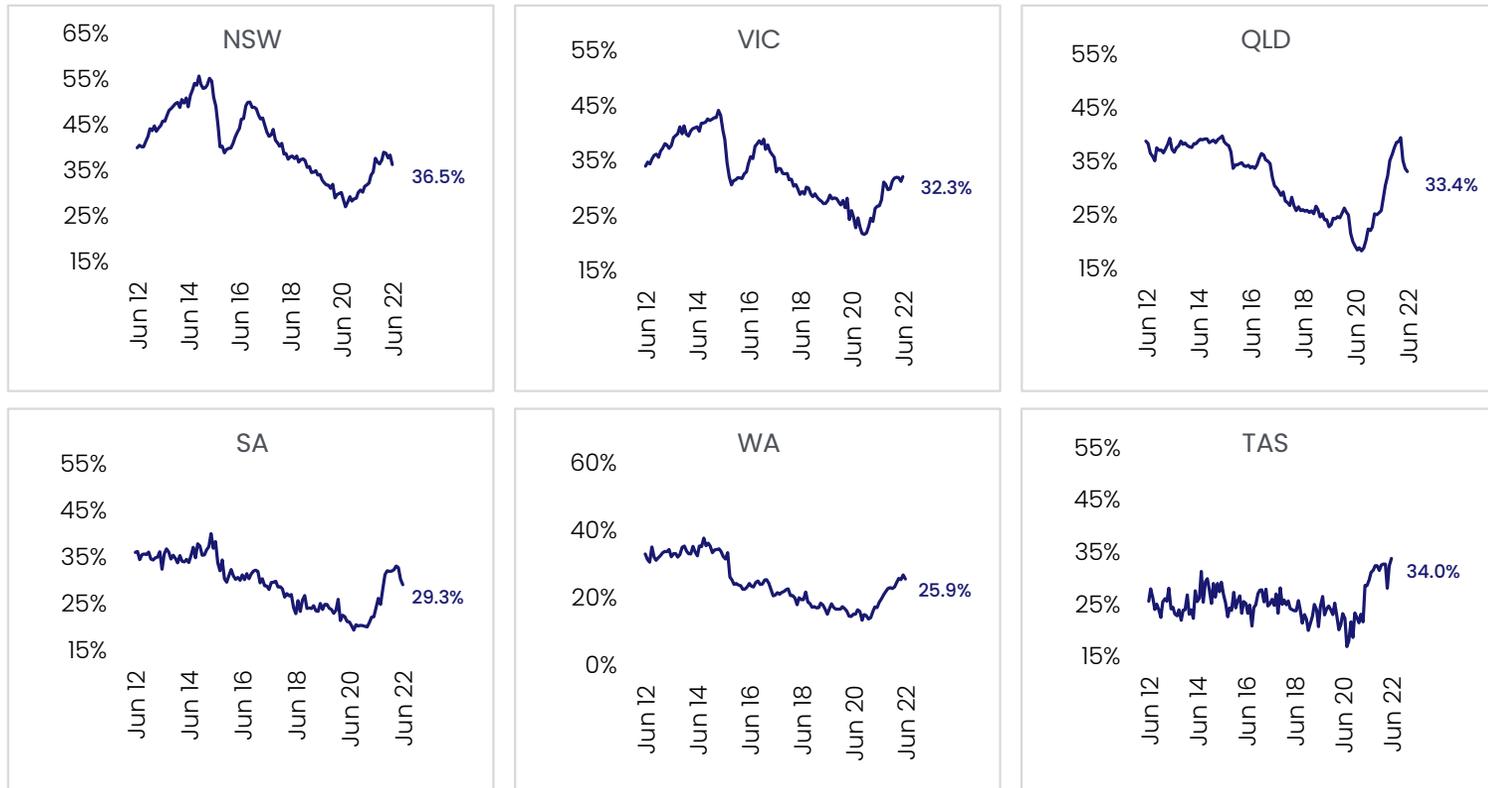


Source: ABS

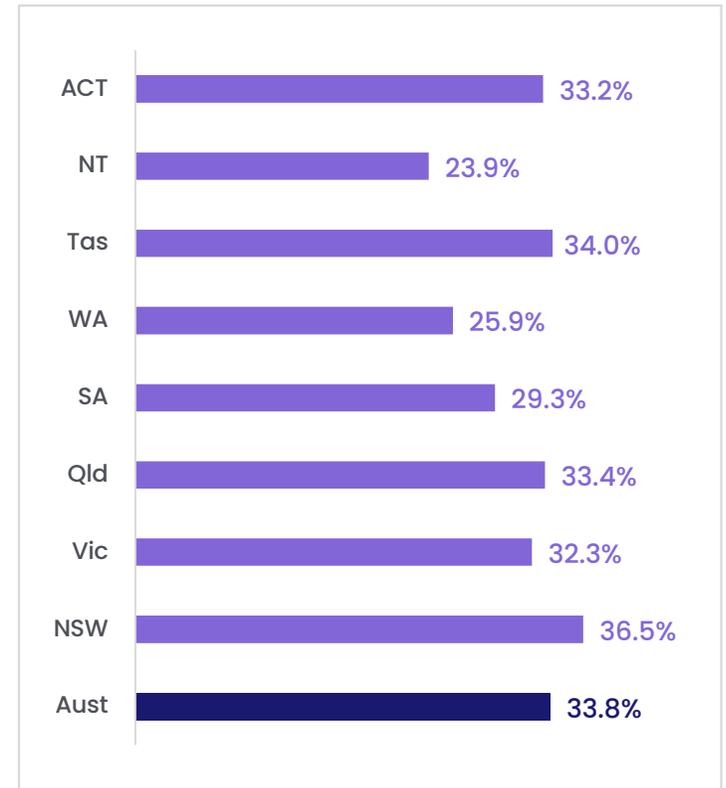
INVESTORS & LENDING

Nationally, investor finance comprised 33.8% of new mortgage lending through the month of June, dipping below the decade average of 34.8%.

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



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

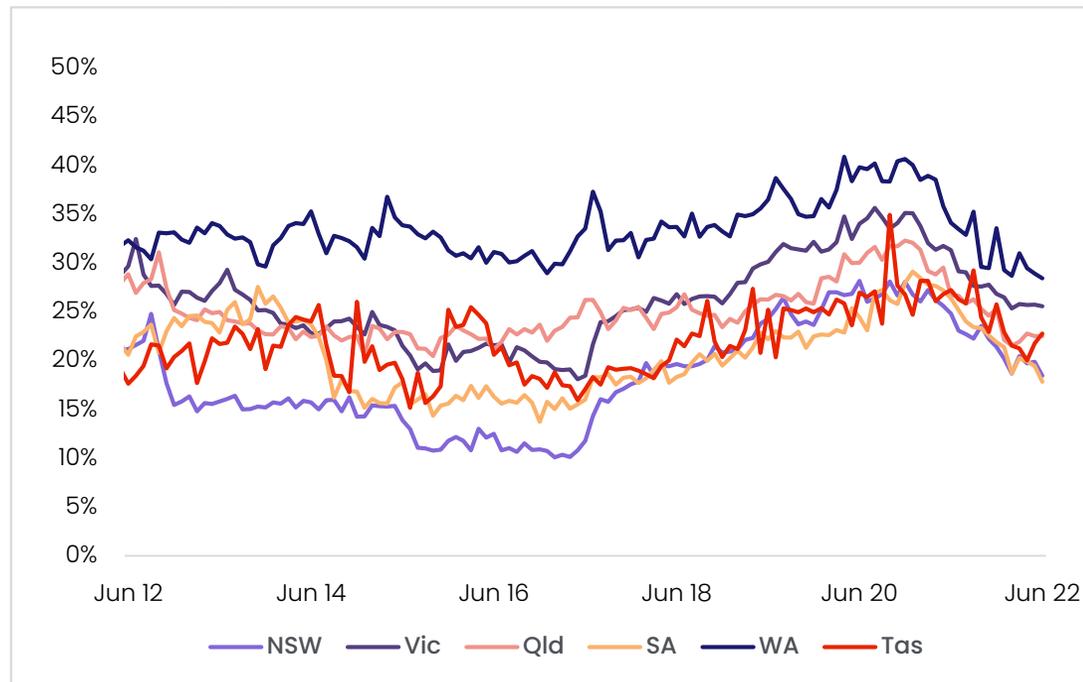


Source: ABS

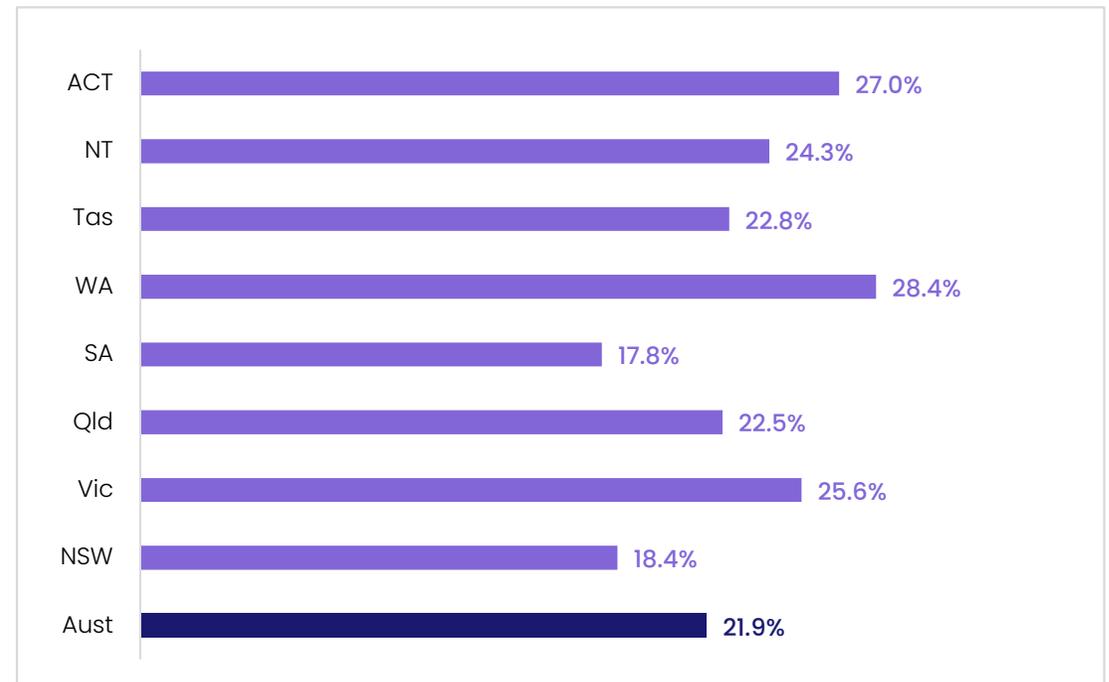
FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance declined, from 23.5% in May, to 21.9% in June. First homebuyer finance overall fell by \$496 million in June.

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



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



Source: ABS

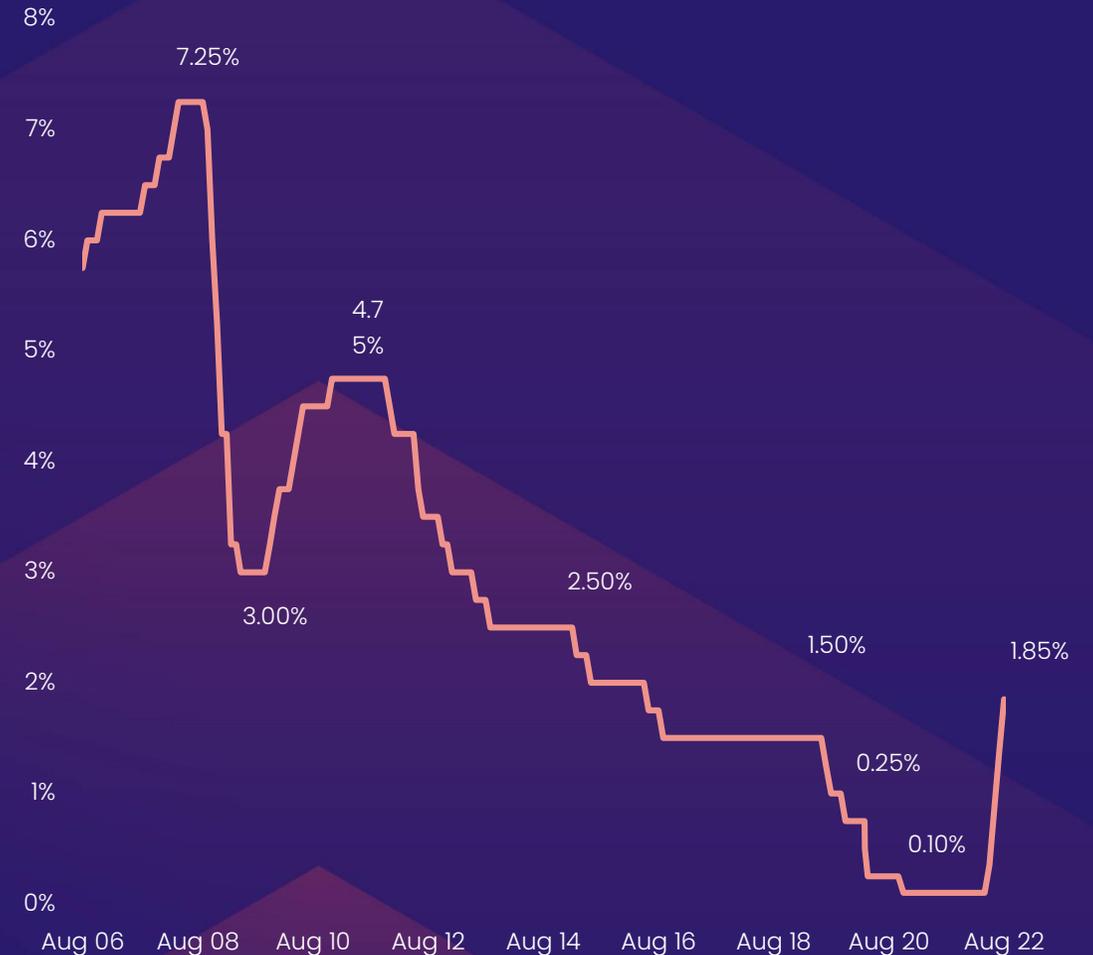
MORTGAGE RATES

The RBA lifted rates to 1.85% in August

Statement highlights

- The RBA lifted the cash rate a further 50 basis points in August, taking the cumulative hike since May to 175 basis points.
- Underlying inflation through June, at 4.9%, remains well above the Board's 2-3% target. However, inflation is expected to decline later this year, before declining back toward the target range.
- GDP growth is expected to slow in the coming years. The RBA central forecast for GDP growth is 3.25% in 2022, followed by 1.75% in 2023 and 2024.
- The Board expects to be doing more to normalize monetary policy in the months ahead, but will be guided by the outlook for inflation and the labour market.

RBA Cash Rate



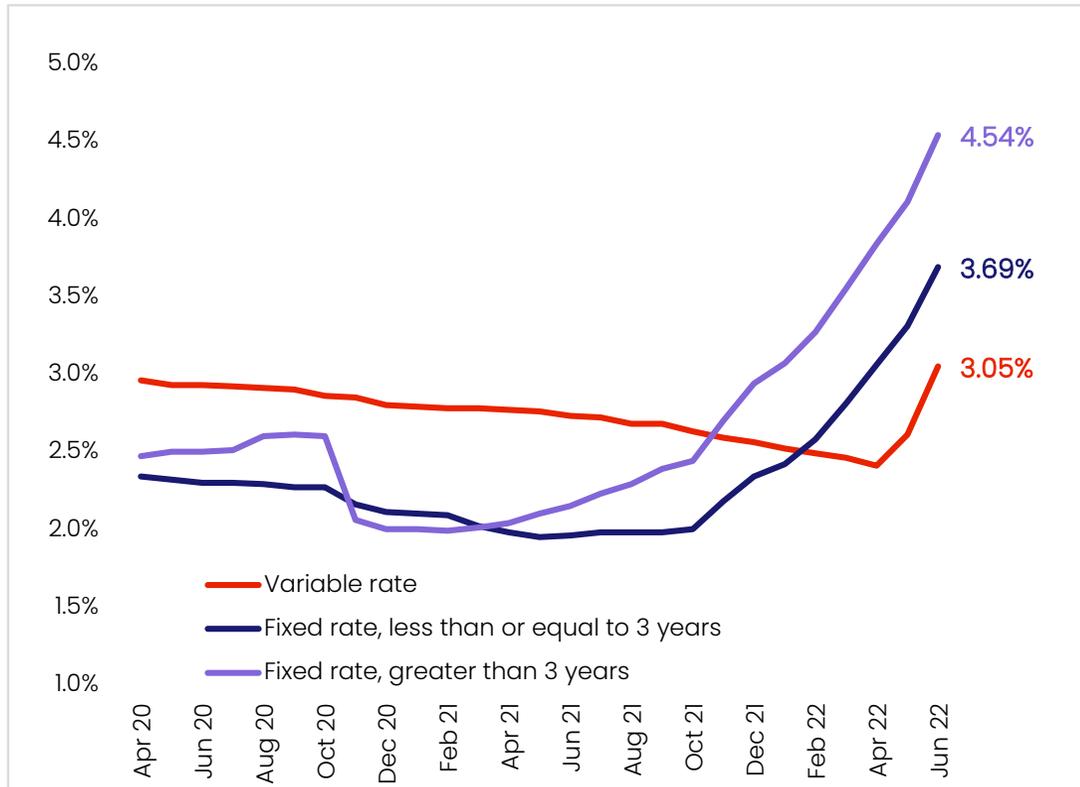
Source: RBA

HOUSING CREDIT

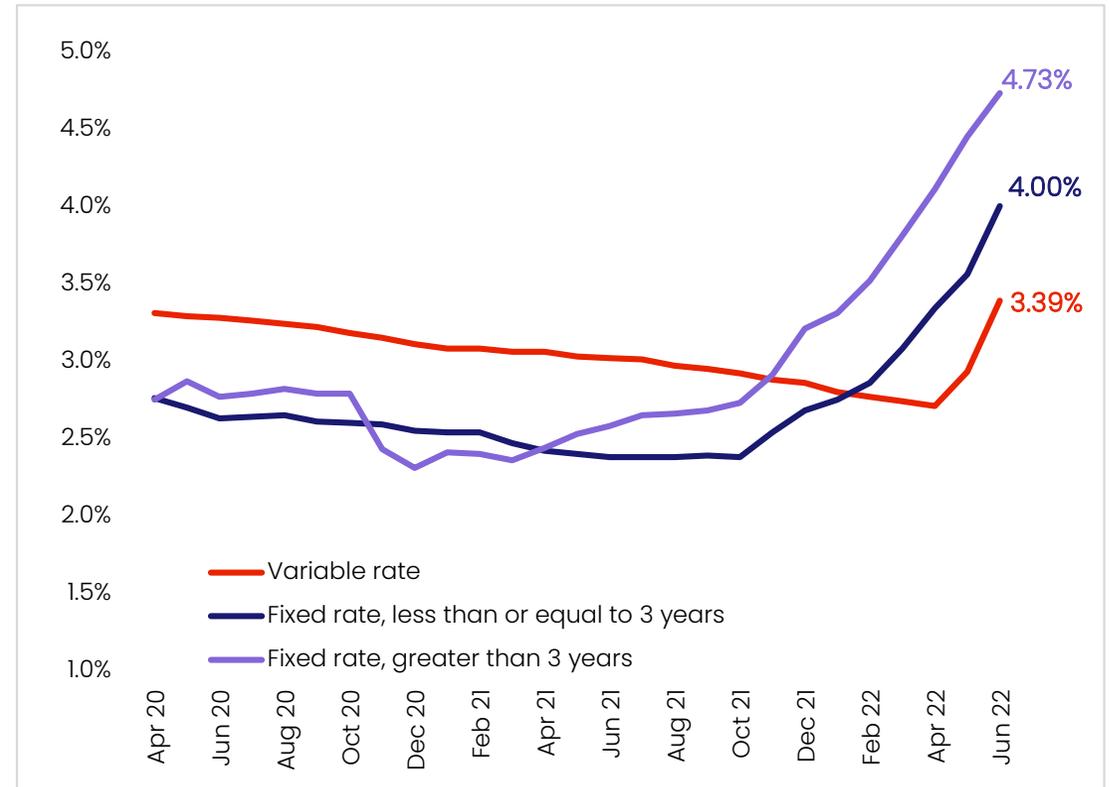
In June, the average long-term fixed rate was 4.54% for new owner occupier loans, and 4.73% for new investor loans. Average new variable rates were 149 basis points lower than long-term fixed rates for new owner occupier borrowers through June.

Average borrowing costs by borrower and loan type

Owner occupiers



Investors



Source: RBA

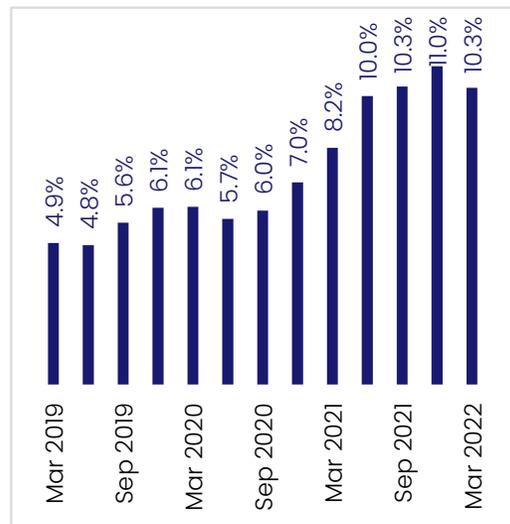
Mortgage originations for 'riskier' types of lending trended lower through the March quarter of 2022

Regulators and policy makers are closely monitoring lending standards. The March quarter data shows lenders are becoming more cautious in their approach to higher debt-to-income ratio lending and high LVR lending.

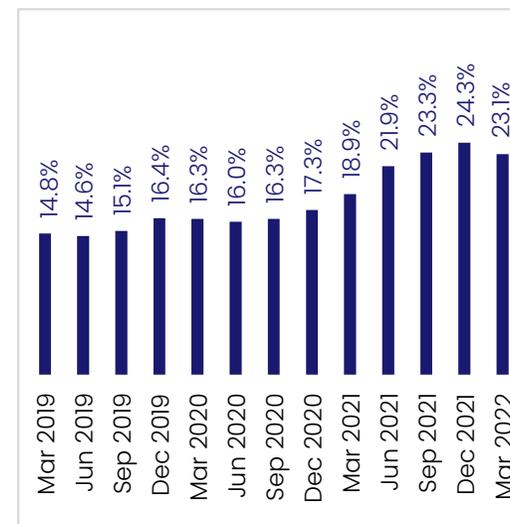
% of loans on interest only terms



% 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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