

July 2022

# Monthly Housing Chart Pack

Unlocking smarter property  
decisions



# Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

**\$9.95 Trillion**



AUSTRALIAN SUPERANNUATION

**\$3.4 Trillion**



AUSTRALIAN LISTED STOCKS

**\$2.6 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.

**584,917**

GROSS VALUE OF SALES P.A.

**\$521.2 Billion**

Source: CoreLogic, RBA, APRA, ASX

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# Australian dwelling values

## Overview

3 MONTHS

↓ **-0.2%**

National home values fell by -0.2% in the three months to June, the first quarterly decline since October 2020.

12 MONTHS

↑ **11.2%**

Dwelling values in Australia are 11.2% higher over the past 12 months, down from a cyclical peak of 22.4% recorded in the 12 months to January 2022.

CAPITAL CITIES

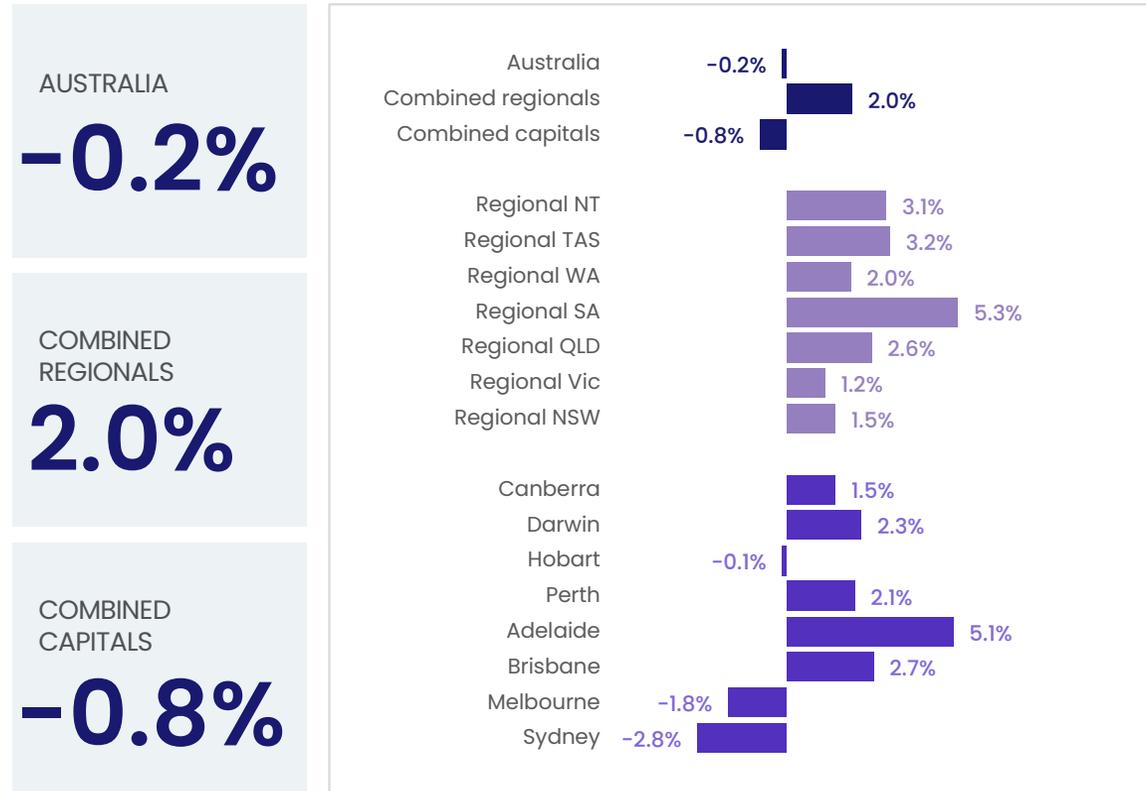
**Diverse conditions, but every capital has moved through a peak rate of growth**

Growth over the June quarter ranged from 5.1% in Adelaide to -2.8% in Sydney.

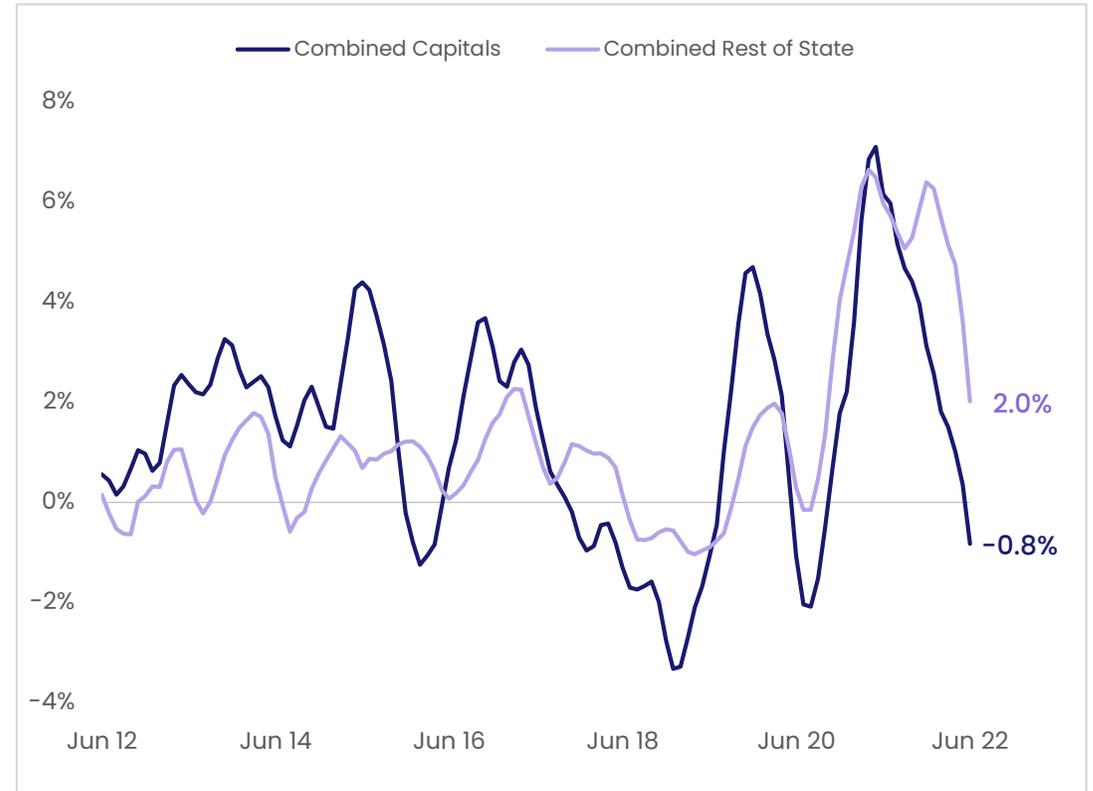
## AUSTRALIAN DWELLING VALUES

# 3 month changes

Change in dwelling values, three months to June 2022



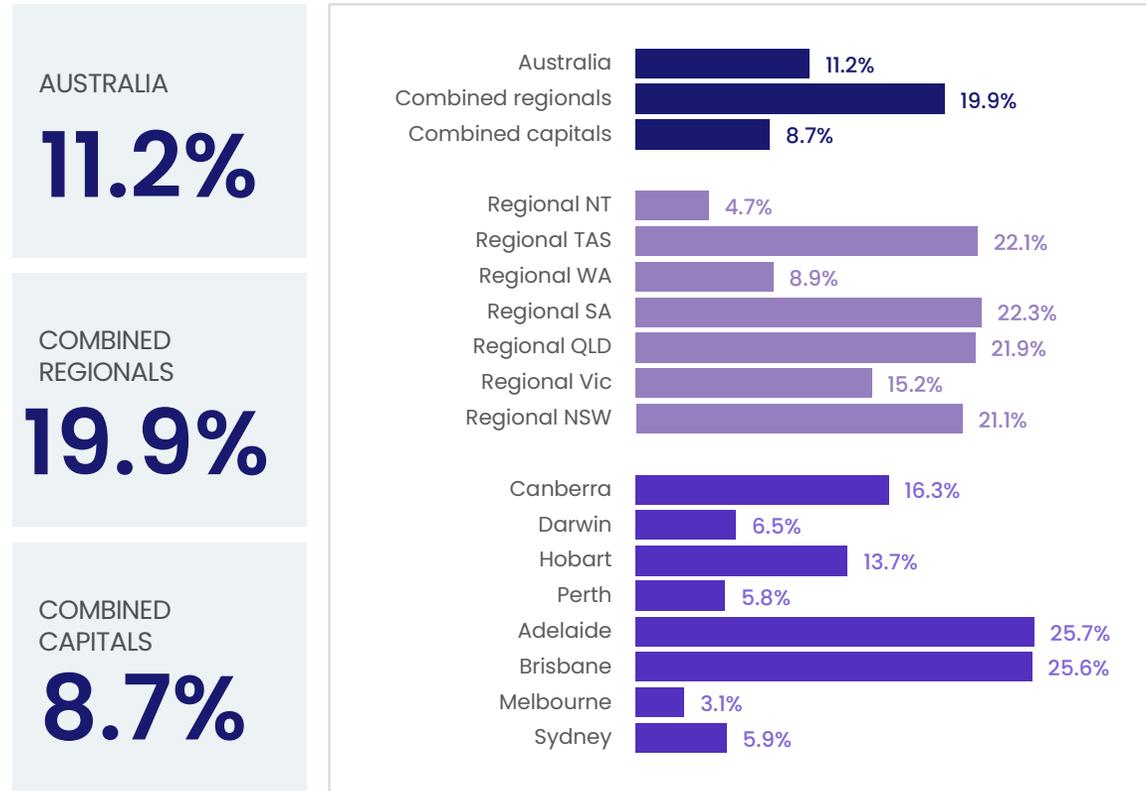
Rolling quarterly change in dwelling values



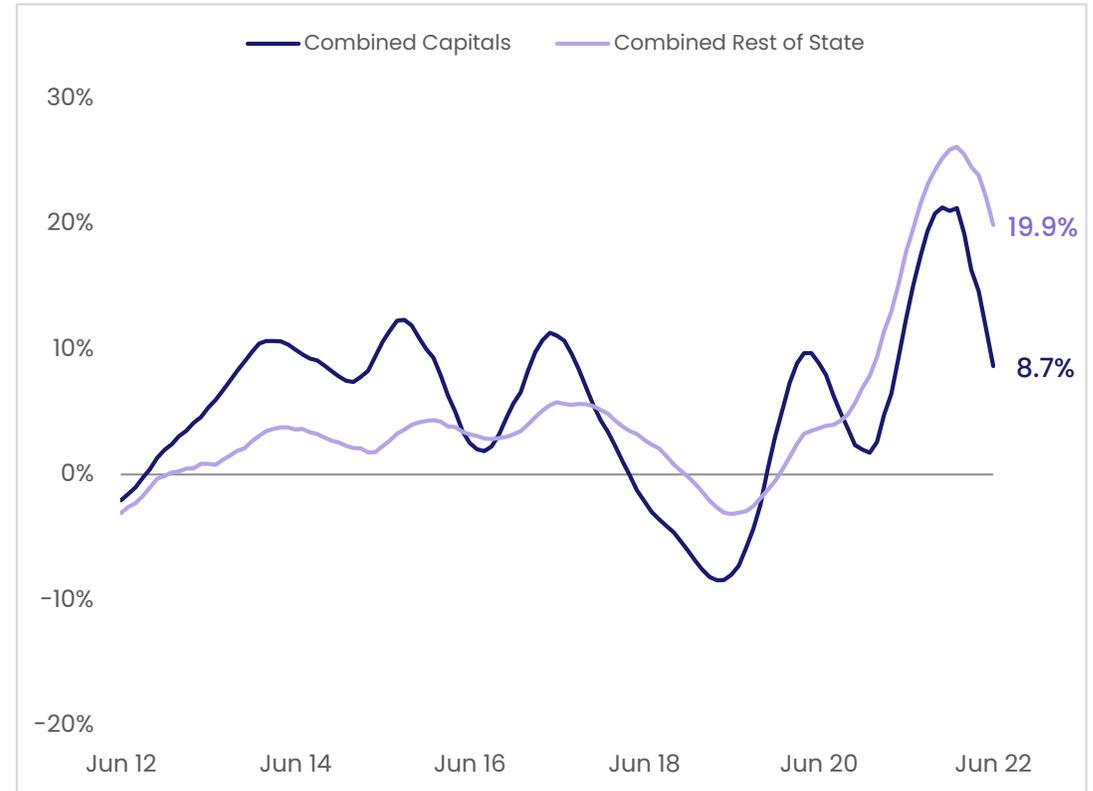
AUSTRALIAN DWELLING VALUES

# 12 month changes

Change in dwelling values, twelve months to June 2022



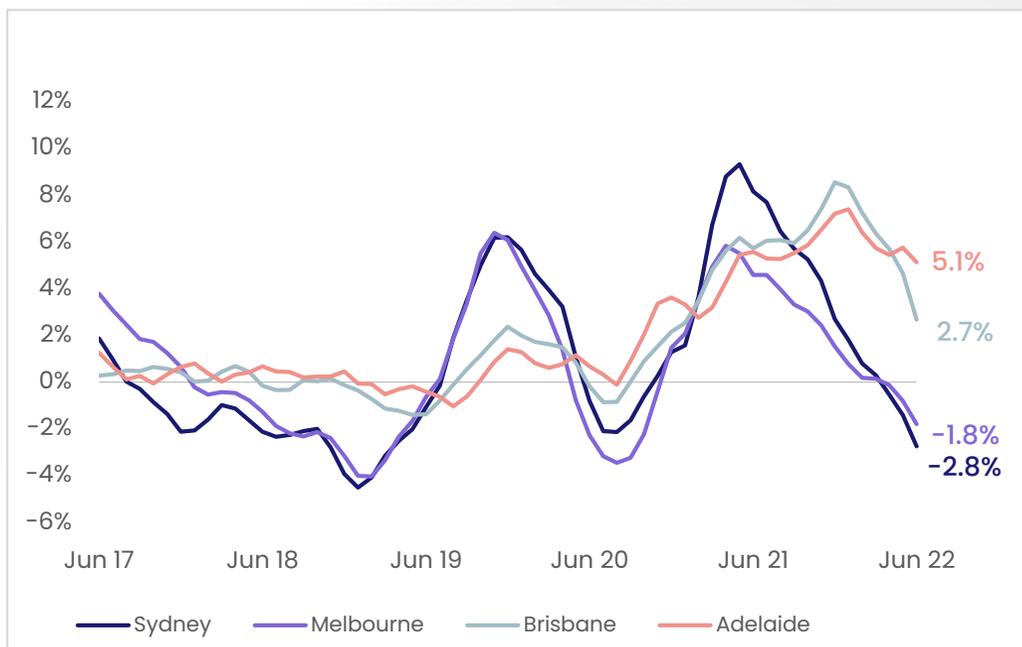
Rolling annual change in dwelling values



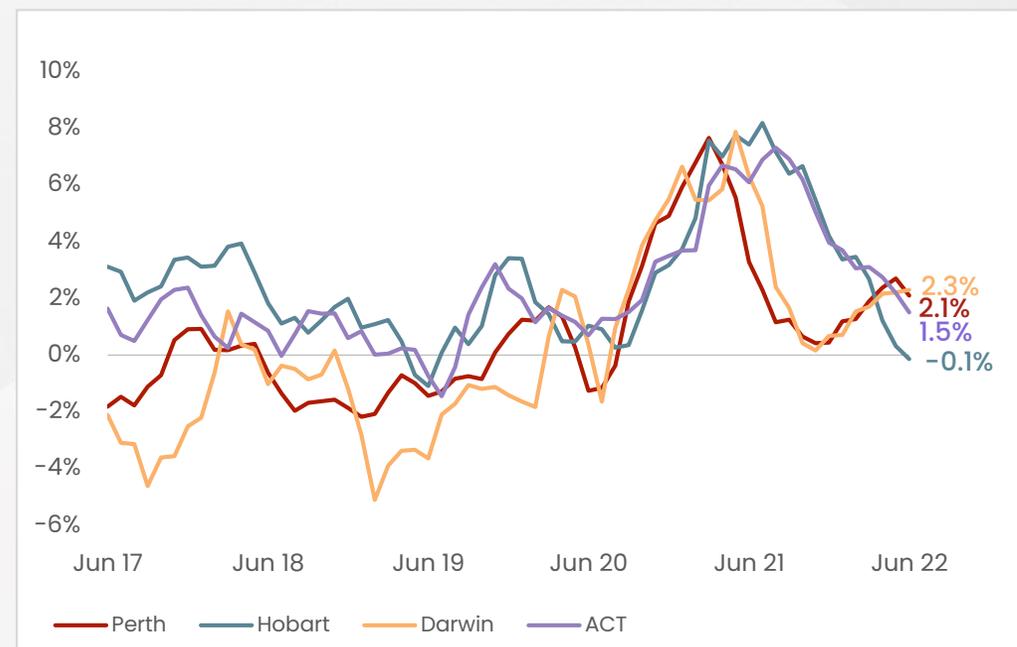
## AUSTRALIAN DWELLING VALUES

# Capital cities

Rolling quarterly change in values, dwellings



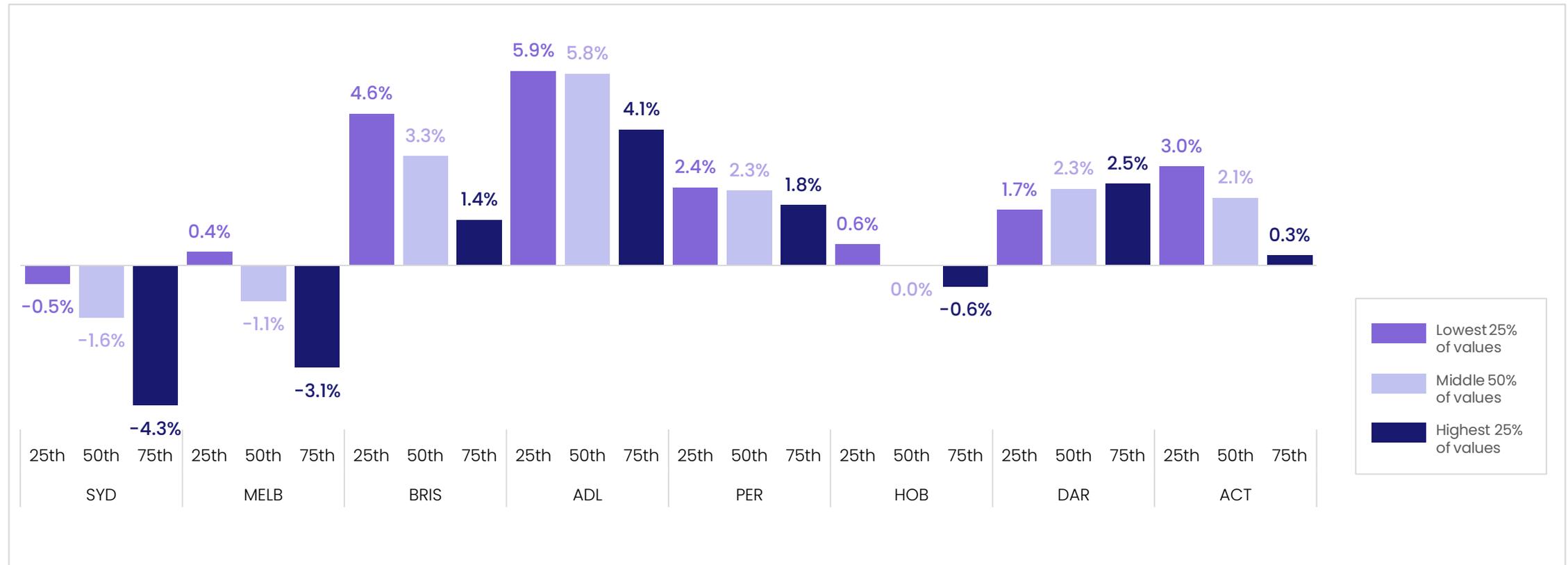
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

# Capital cities

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



# Housing cycles

Capital cities

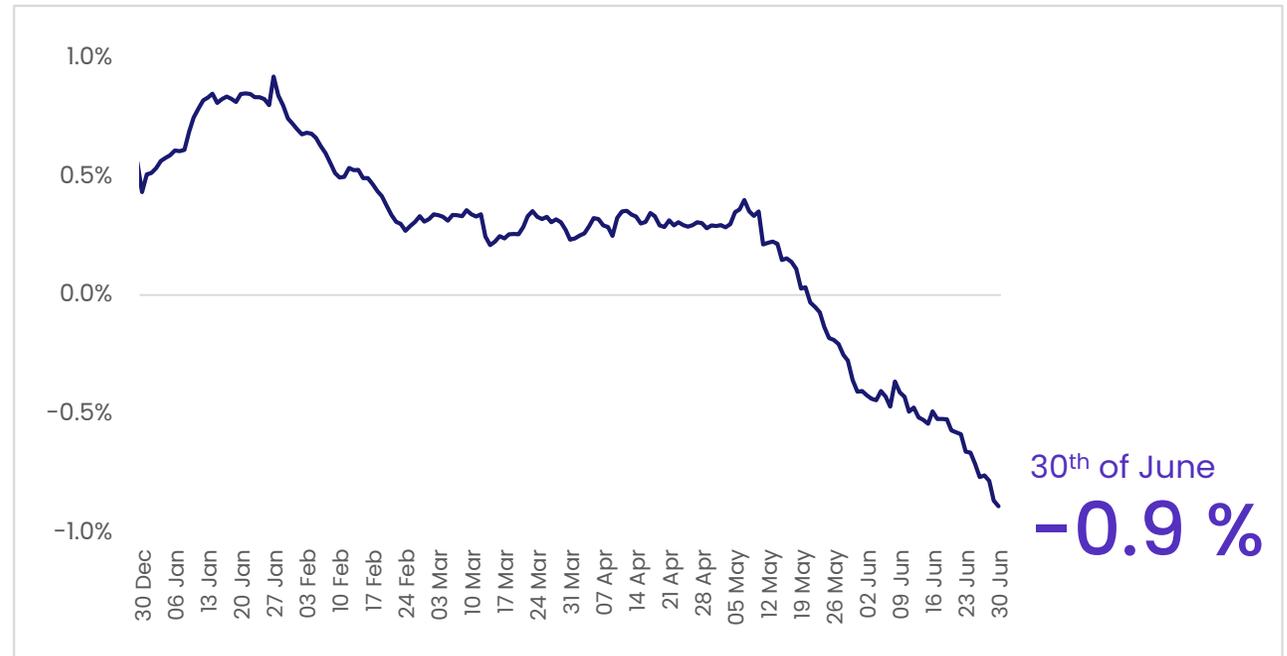


# Rolling 28-day growth rate in CoreLogic Daily Home Value index

The rolling 28-day change in the combined capitals home value index sank to -0.9% through the 28 days ending June 30.

The rolling four week change in capital city values has been in negative territory since mid-May with the rate of decline accelerating through June.

Combined capital cities



## HOUSING CYCLES

# Sydney

In **June** Sydney dwelling values declined

**-1.6%**

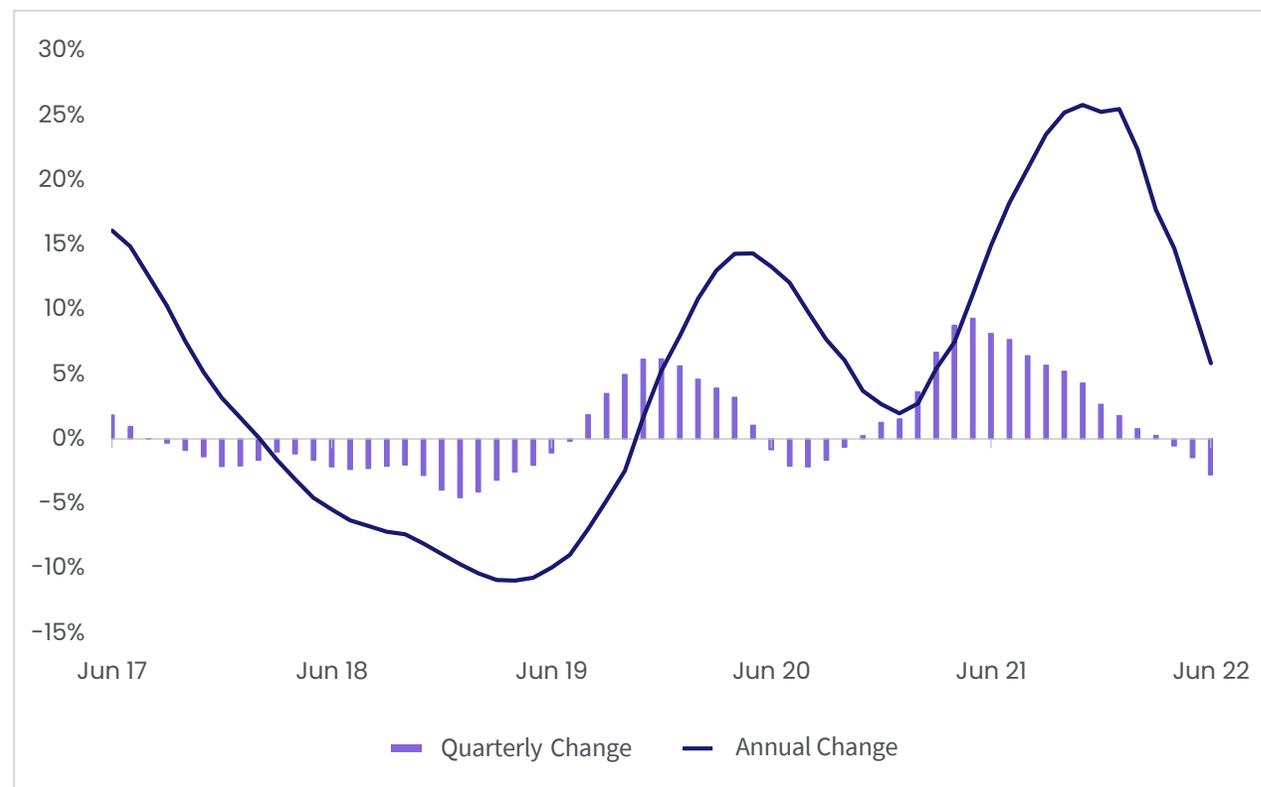
Over the **quarter** dwelling values decreased by

**-2.8%**

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

**5.9%**

Sydney dwelling values are now -3.1% below the record high recorded in January 2022.



## HOUSING CYCLES

# Melbourne

In **June** Melbourne dwelling values were unchanged

**-1.1%**

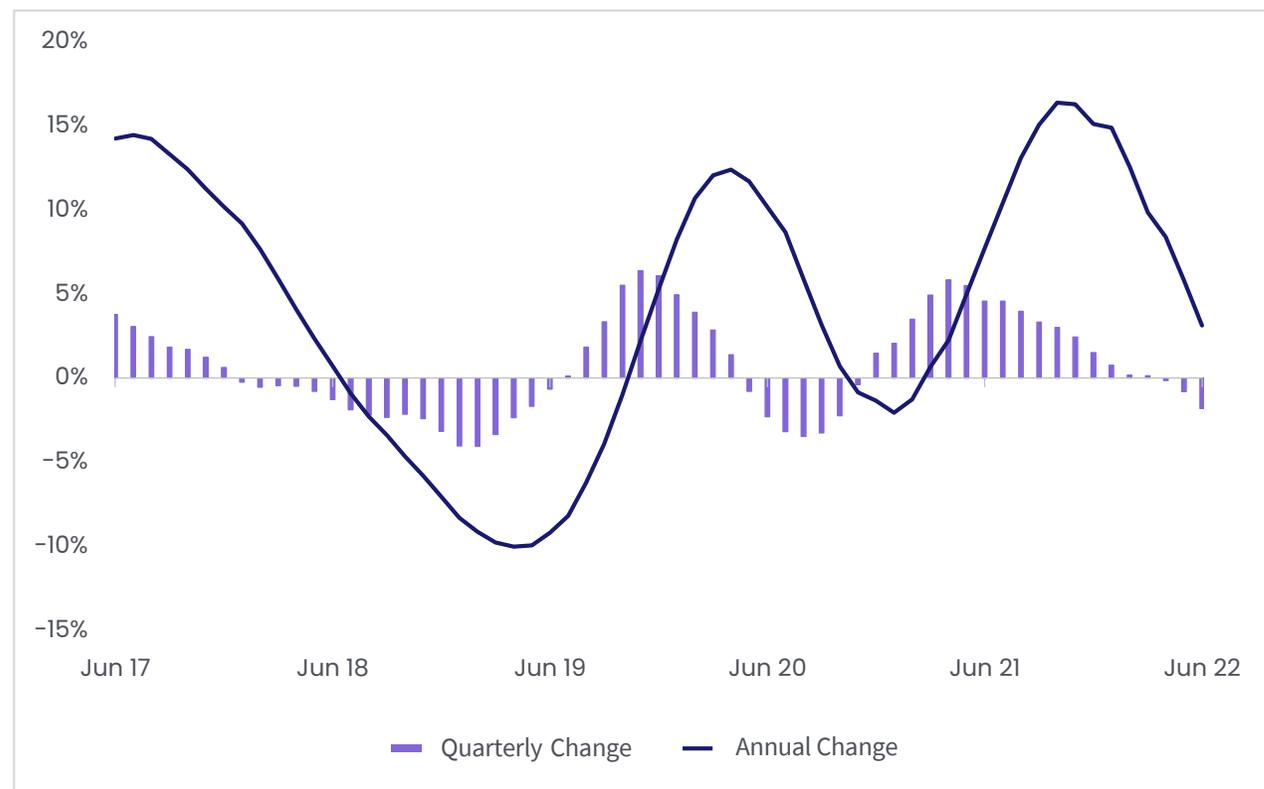
Over the **quarter** dwelling values decreased by

**-1.8%**

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

**3.1%**

Melbourne dwelling values are now -1.9% below the record high recorded in February 2022.



## HOUSING CYCLES

# Brisbane

In **June** Brisbane dwelling values rose by

**0.1%**

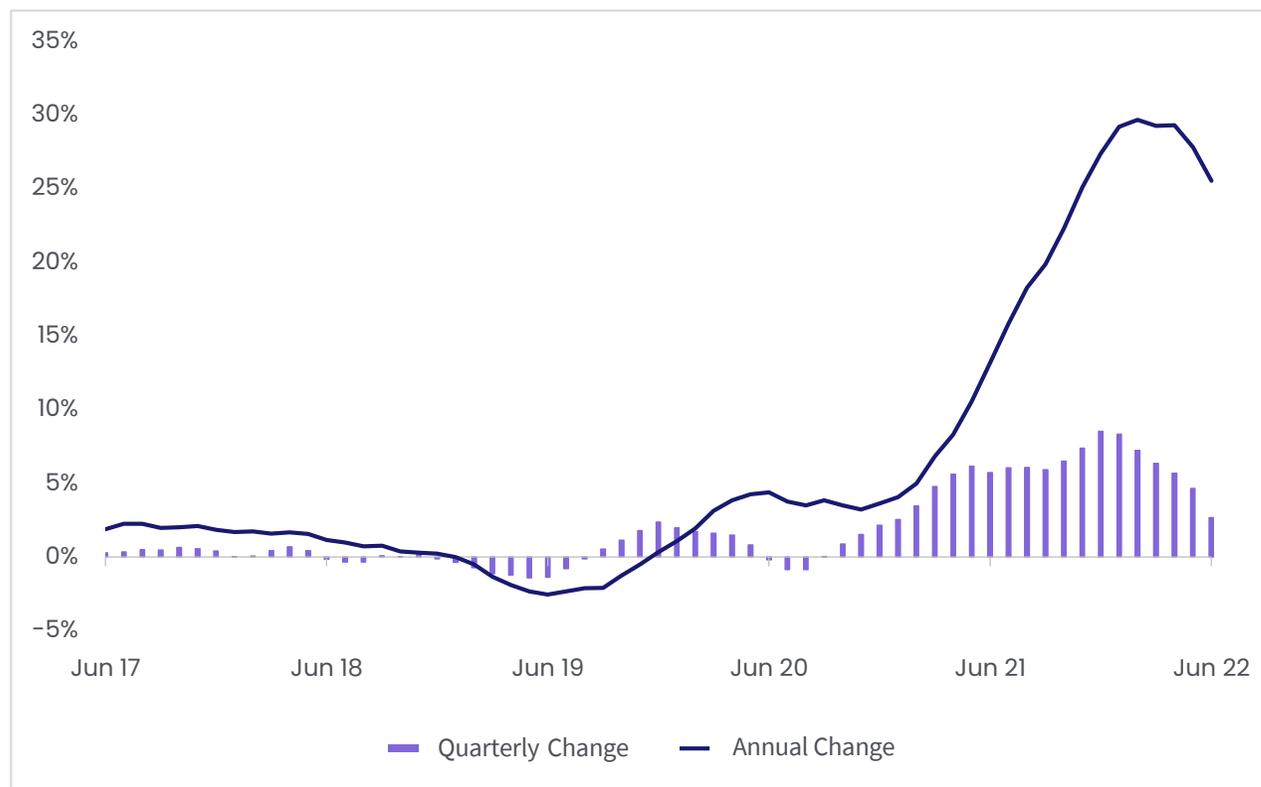
Over the **quarter** dwelling values increased by

**2.7%**

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

**25.6%**

Brisbane dwelling values are currently at a record high.



## HOUSING CYCLES

# Adelaide

In **June** Adelaide dwelling values rose by

**1.3%**

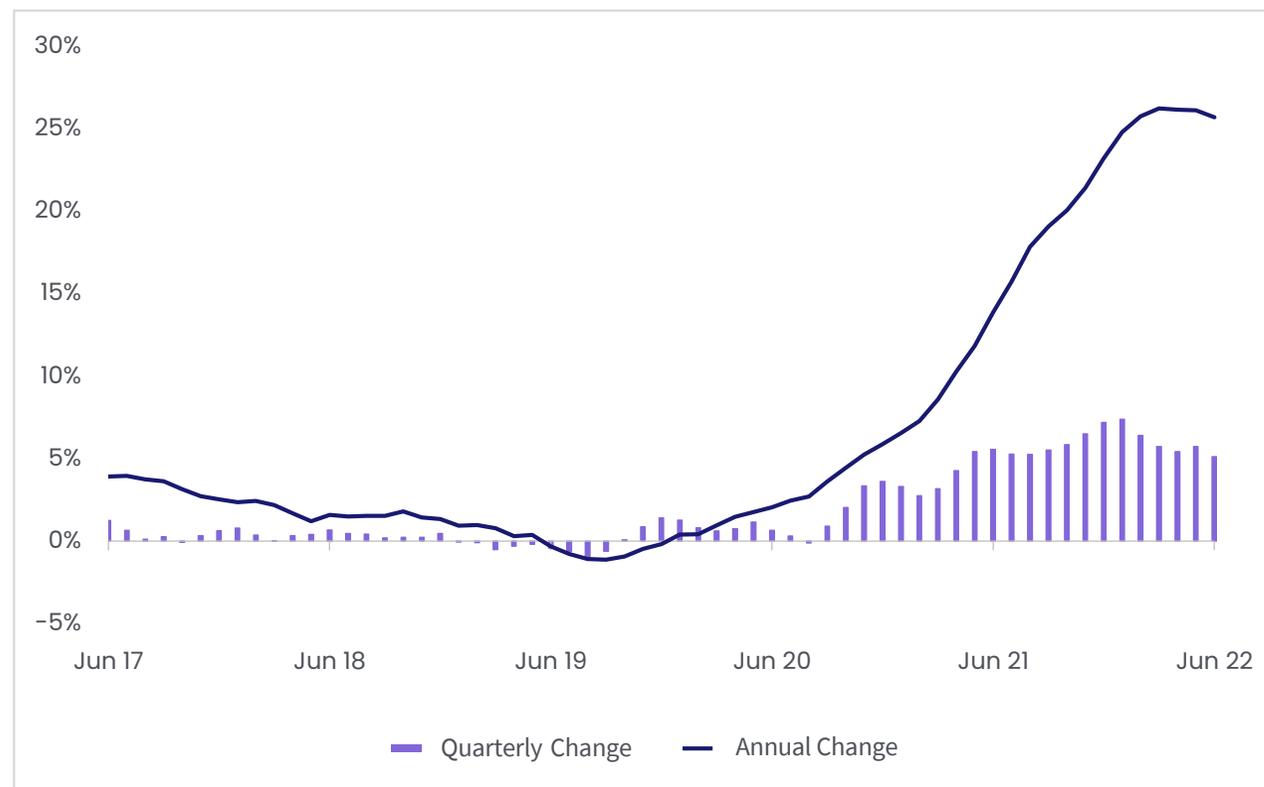
Over the **quarter** dwelling values increased by

**5.1%**

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

**25.7%**

Adelaide dwelling values are currently at a record high.



## HOUSING CYCLES

# Perth

In **June** Perth dwelling values rose by

**0.4%**

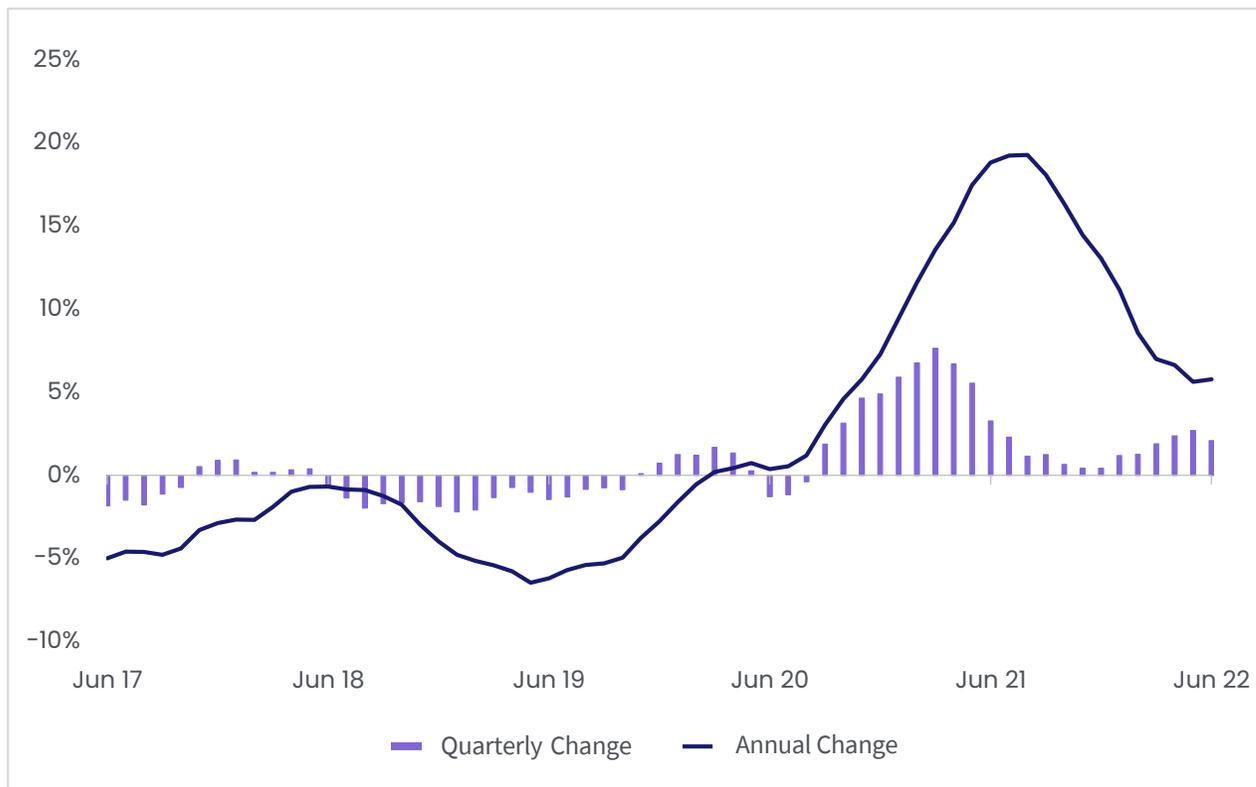
Over the **quarter** dwelling values increased by

**2.1%**

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

**5.8%**

Perth dwelling values are currently at a record high.



## HOUSING CYCLES

# Hobart

In **June** Hobart dwelling values declined by

**-0.2%**

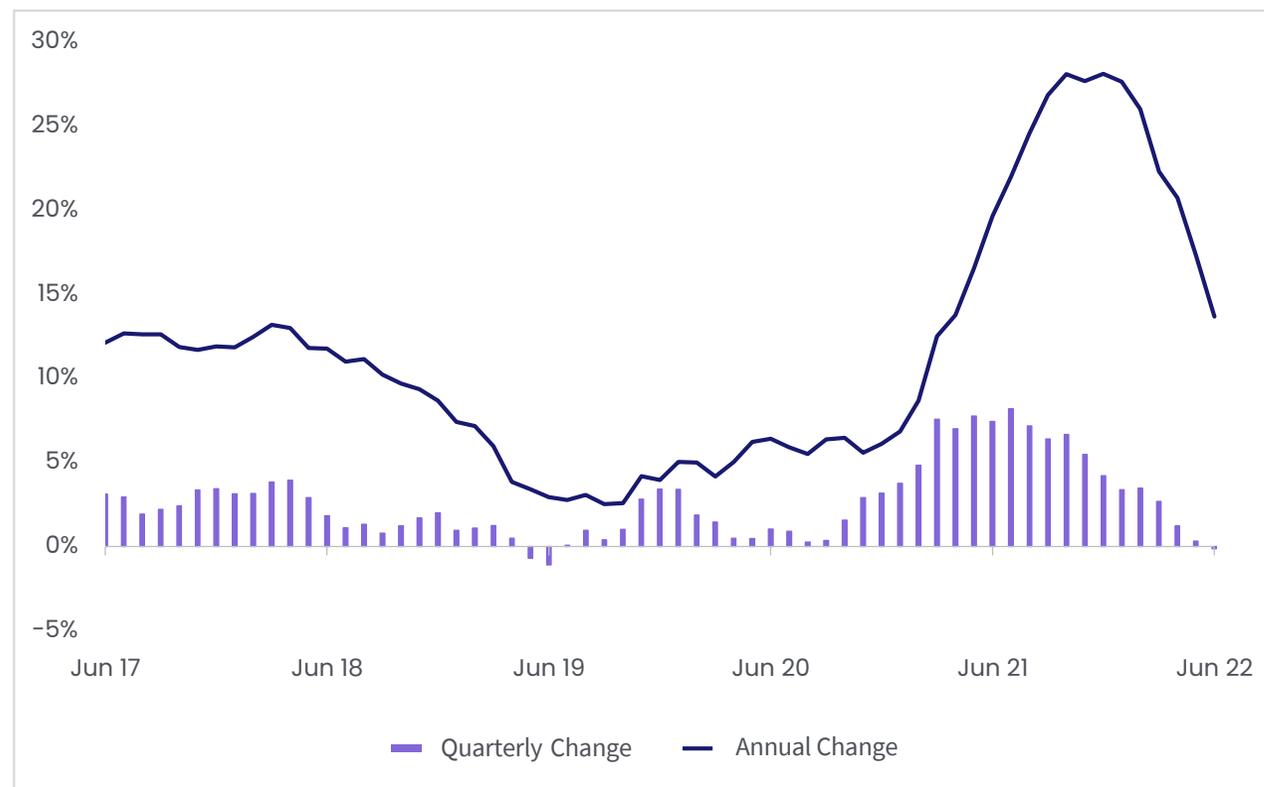
Over the **quarter** dwelling values increased by

**-0.1%**

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

**13.7%**

Hobart dwelling values are currently at a record high.



## HOUSING CYCLES

# Darwin

In **June** Darwin dwelling values fell by

**0.9%**

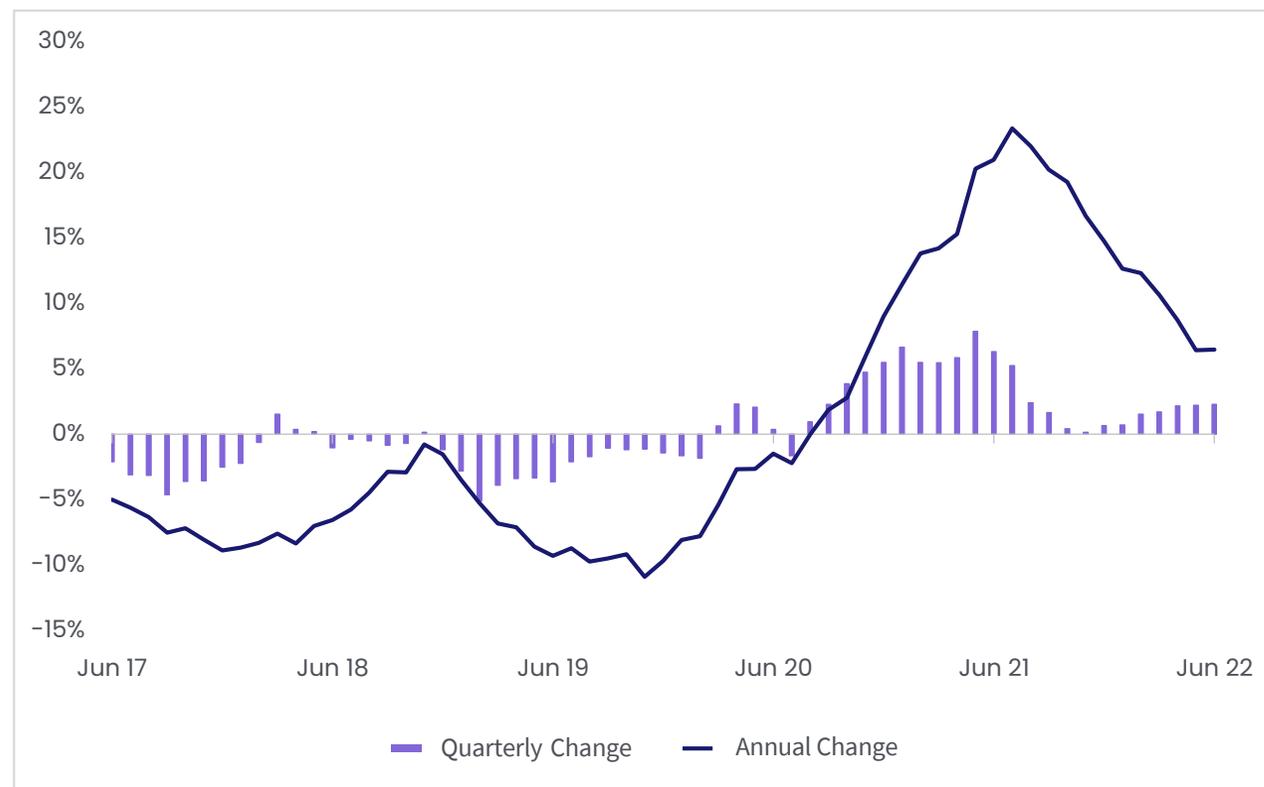
Over the **quarter** dwelling values increased by

**2.3%**

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

**6.5%**

Darwin dwelling values are now -11.3% below the record high recorded in May 2014.



## HOUSING CYCLES

# Canberra

In **May** Canberra dwelling values rose by

**0.3%**

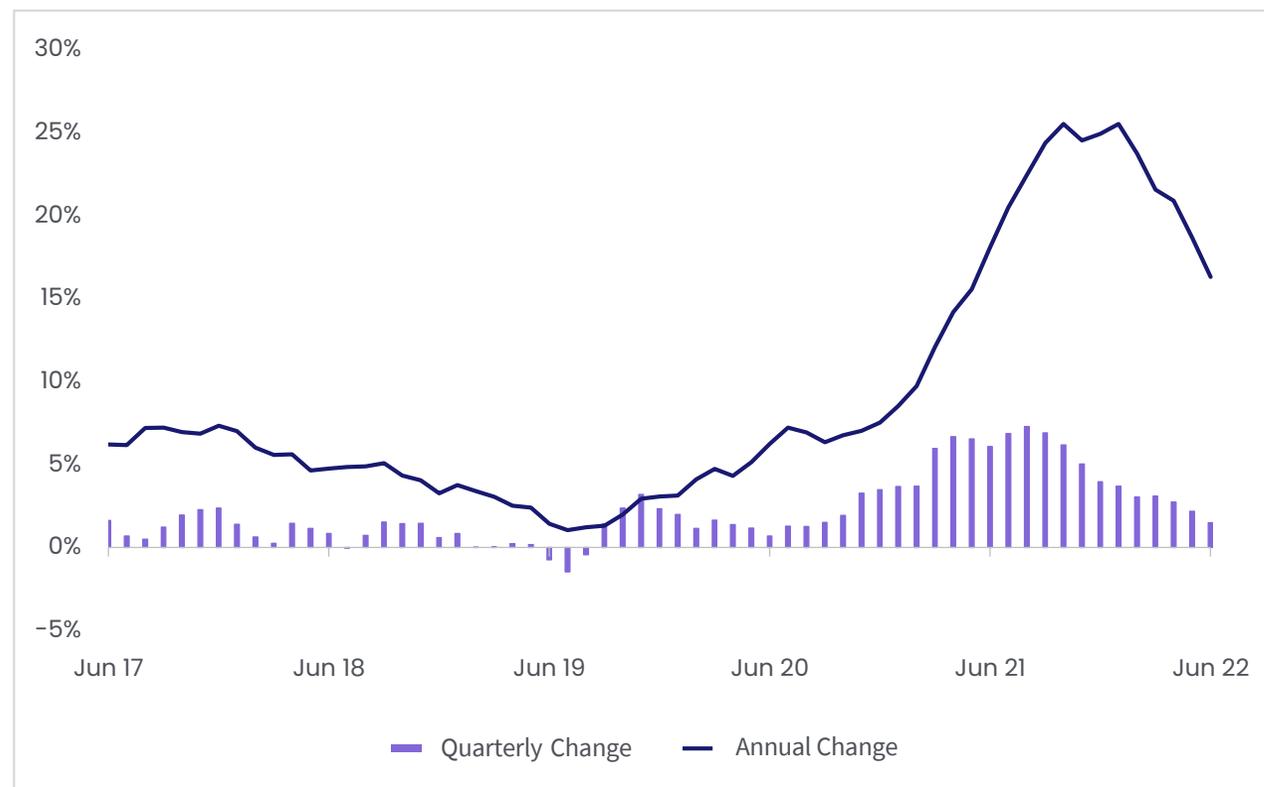
Over the **quarter** dwelling values increased by

**1.5%**

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

**16.3%**

Canberra dwelling values are currently at a record high.

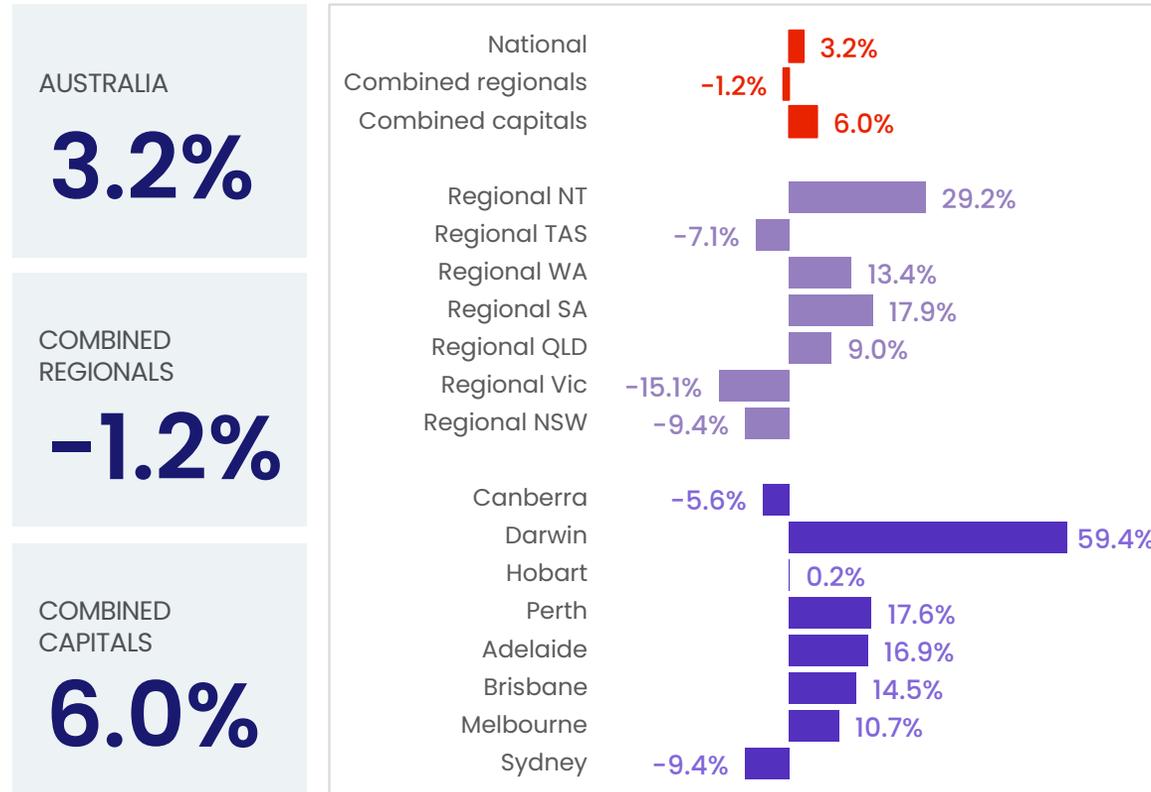


# Sales and listings

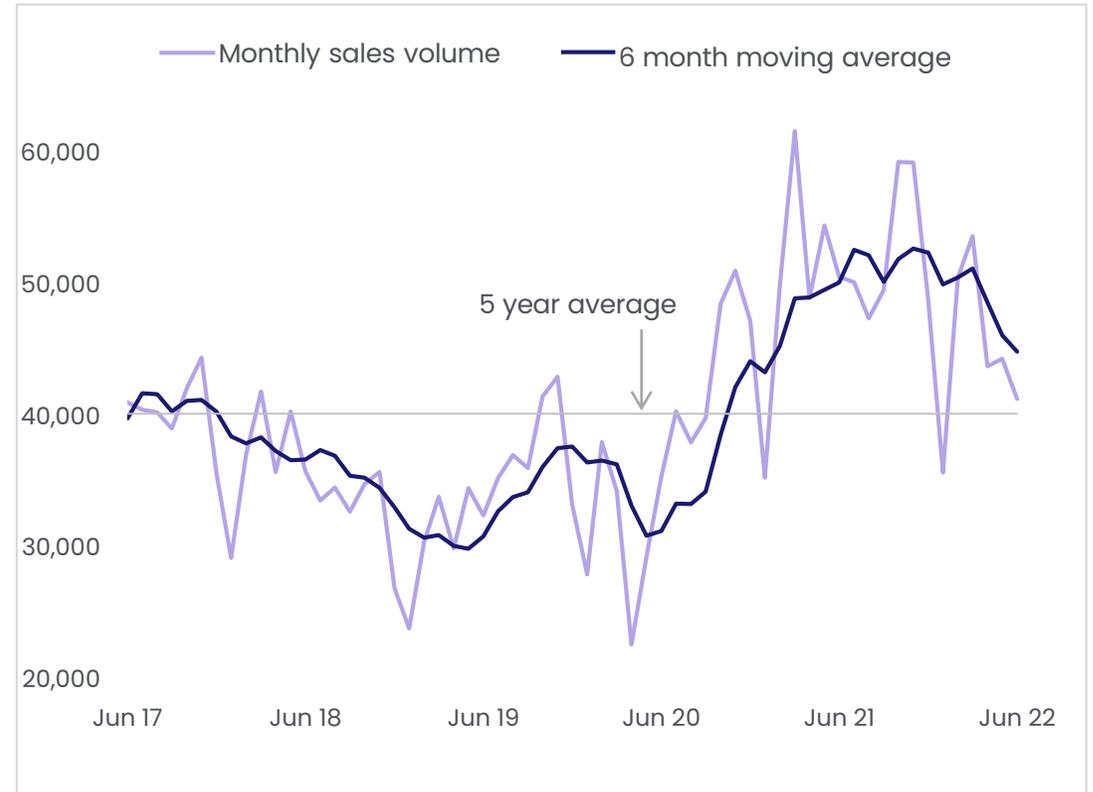
## NATIONAL SALES

Sales volumes are starting to ease from recent highs. CoreLogic estimates that in the 12 months to June, there were 584,917 sales nationally, up 3.2% compared to the previous year. While up annually, initial sales estimates over the June quarter were -15.9% lower than the same quarter of the previous year.

Change in sales volumes, twelve months to June 2022



Monthly sales with six month moving average, National



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

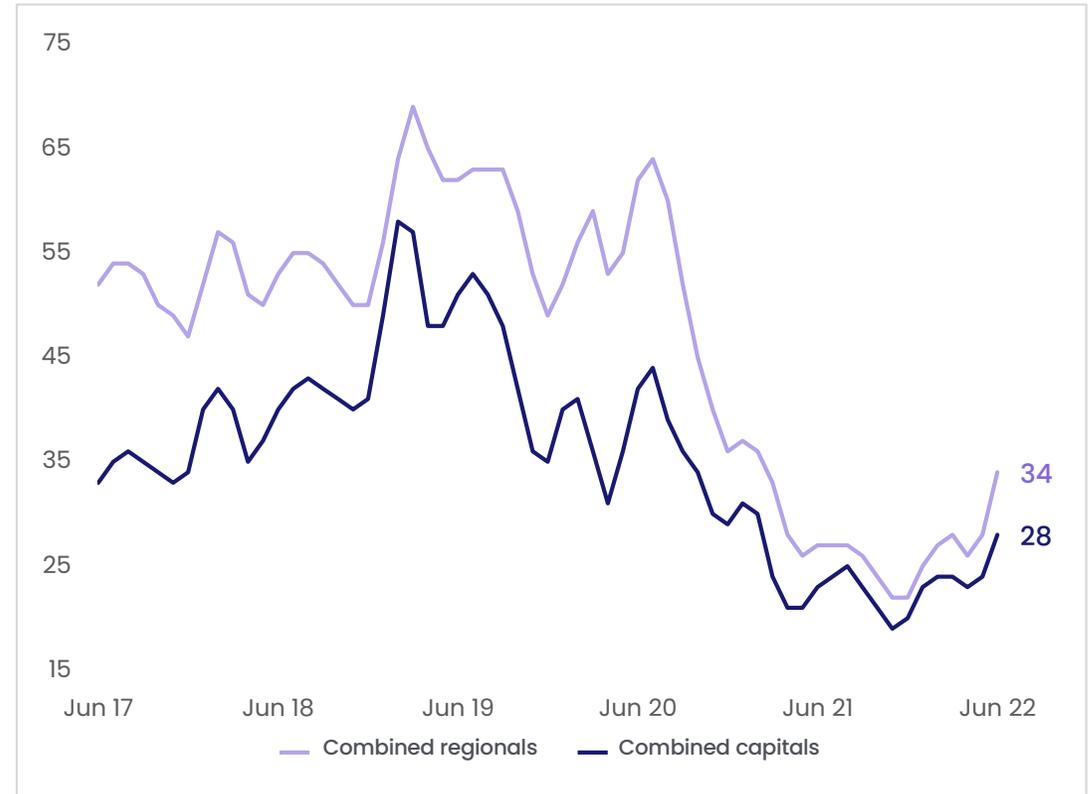
## MEDIAN DAYS ON MARKET

At the national level, properties are taking longer to sell. In the three months to June, the median days on market was 30, up from a recent low of 20 days over the three months to November.

Median days on market – three months to May 2022



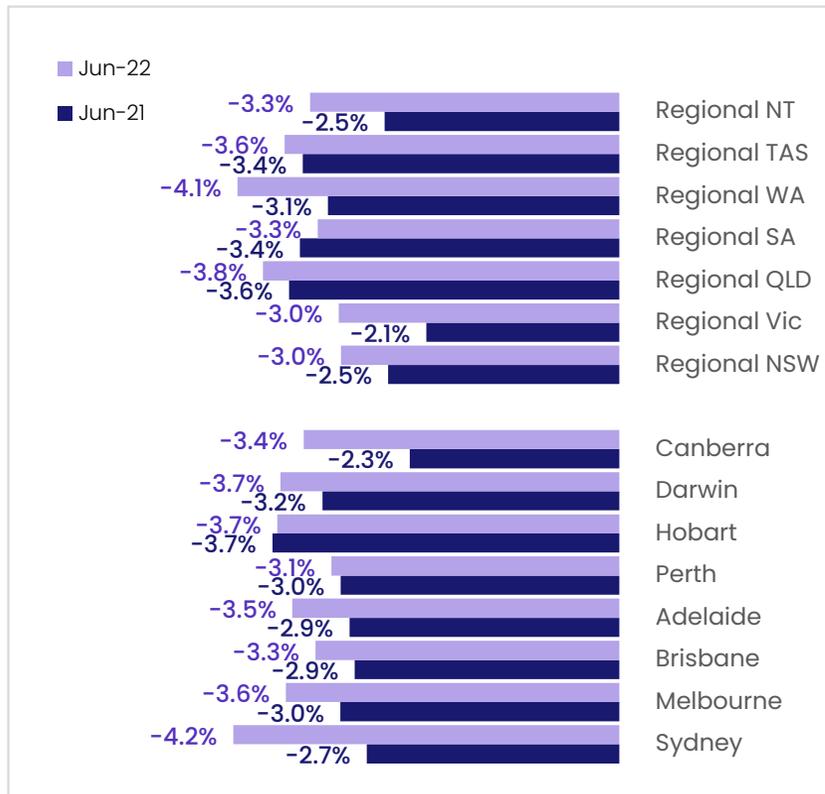
Median days on market



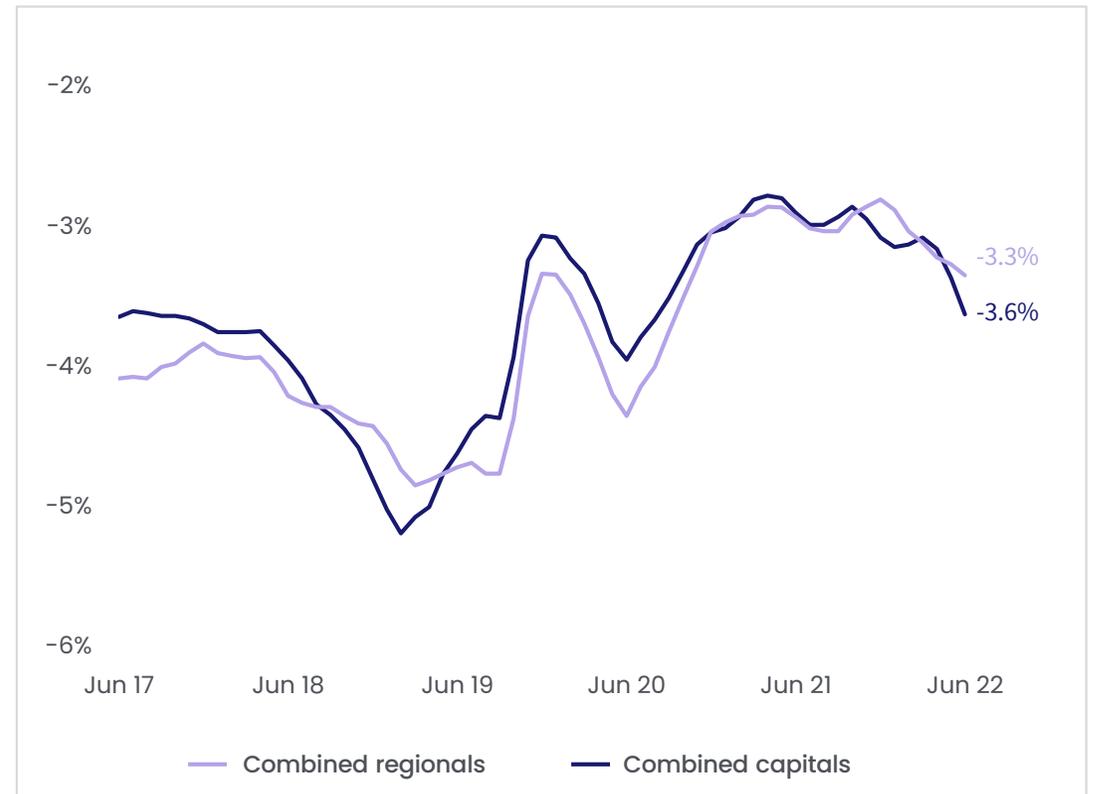
## VENDOR DISCOUNT

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 June, the median vendor discount at the national level was -3.5%.

Median vendor discount – three months to May 2022



Median vendor discount



## LISTINGS

In the four weeks to July 4, there were 37,708 newly advertised dwellings listed for sale nationally. While the volume of new listings has steadied, the flow of new listings is now 7.5% higher than the five-year average for the equivalent period.

Number of new listings, National Dwellings

New listings over the 4 weeks ending July 3

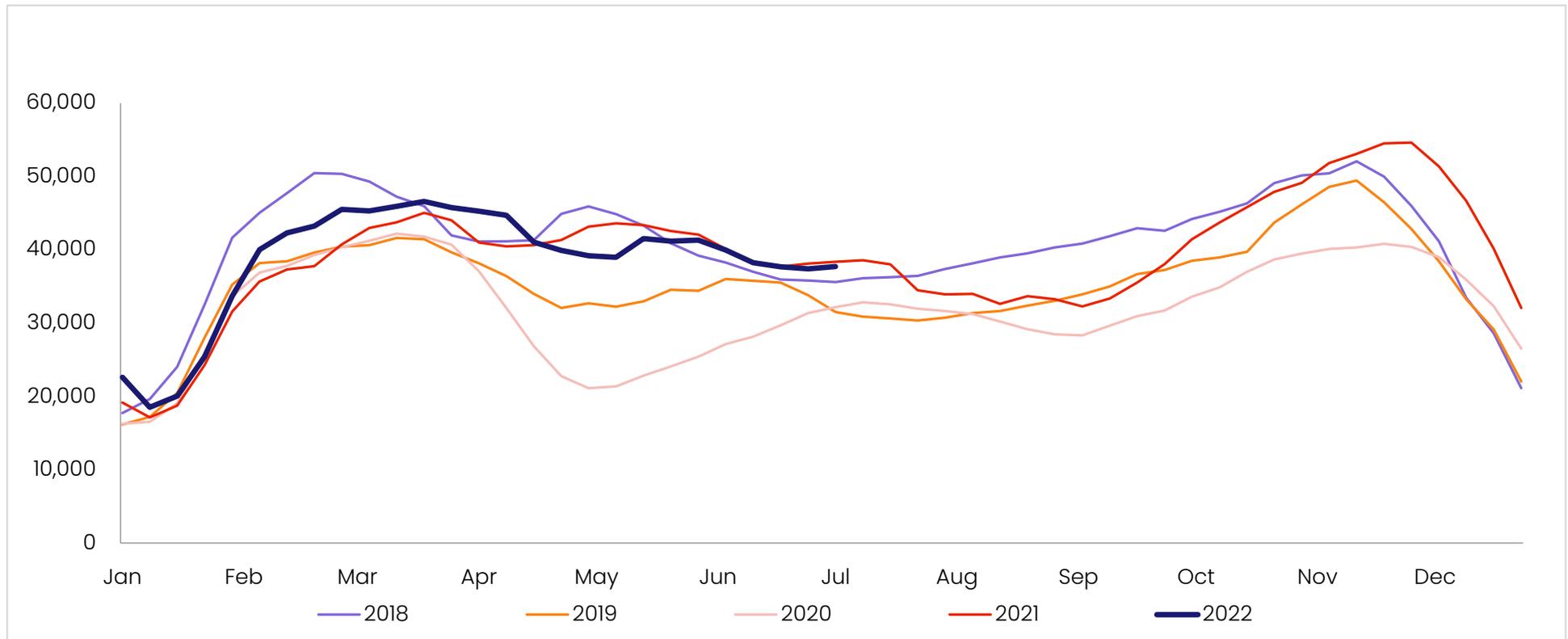
**37,708**

Compared to same time last year

**-1.7%**

Compared to 5-year average

**7.5%**



## 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 -26.2% below the five-year average.

Number of total listings, National Dwellings

Total listings over the 4 weeks ending July 3

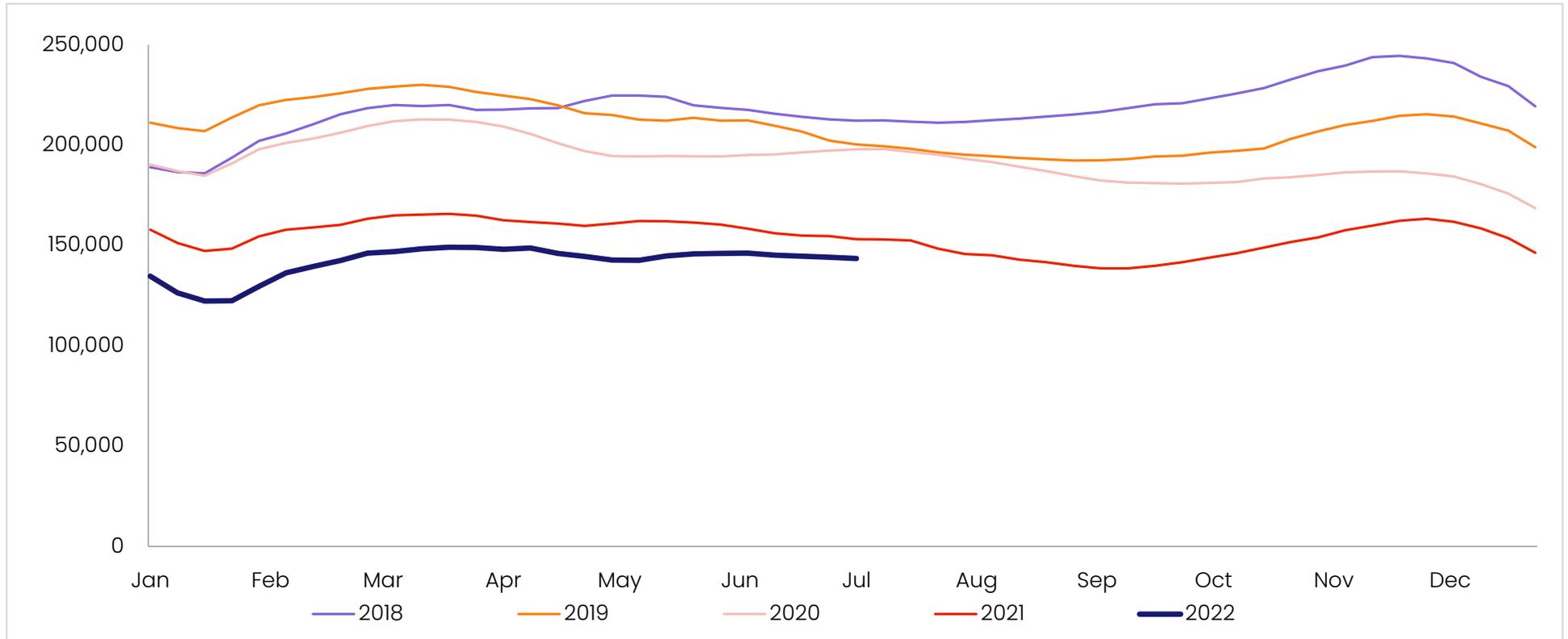
**143,502**

Compared to same time last year

**-6.3%**

Compared to 5-year average

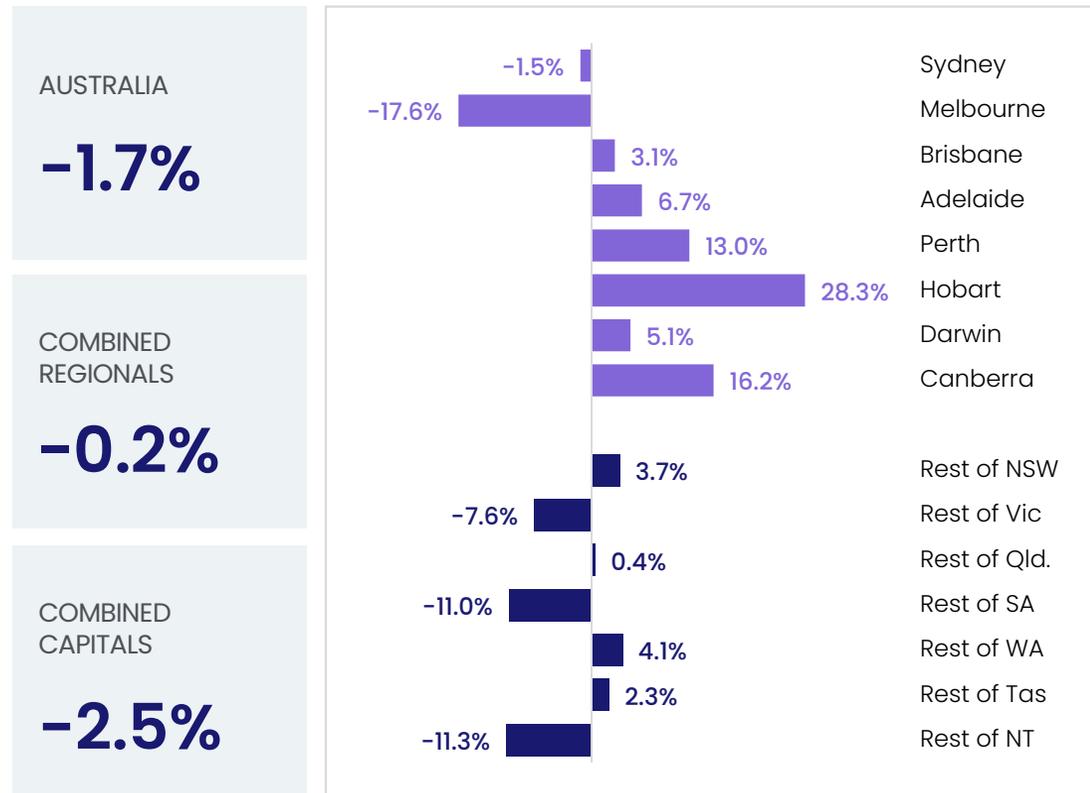
**-26.2%**



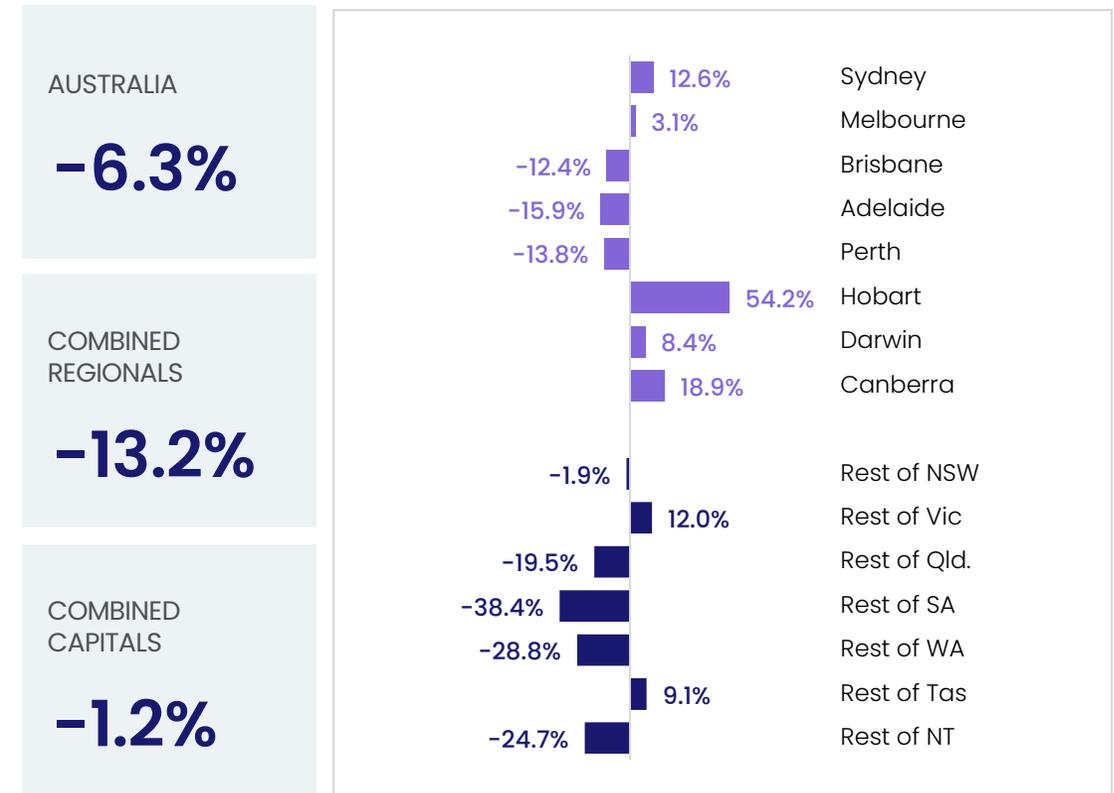
## LISTINGS

Total advertised stock levels remain particularly low in regional Australia. However, stock levels are now normalising across most of the capital cities. Total listings volumes across Brisbane, Adelaide and Perth are still low.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

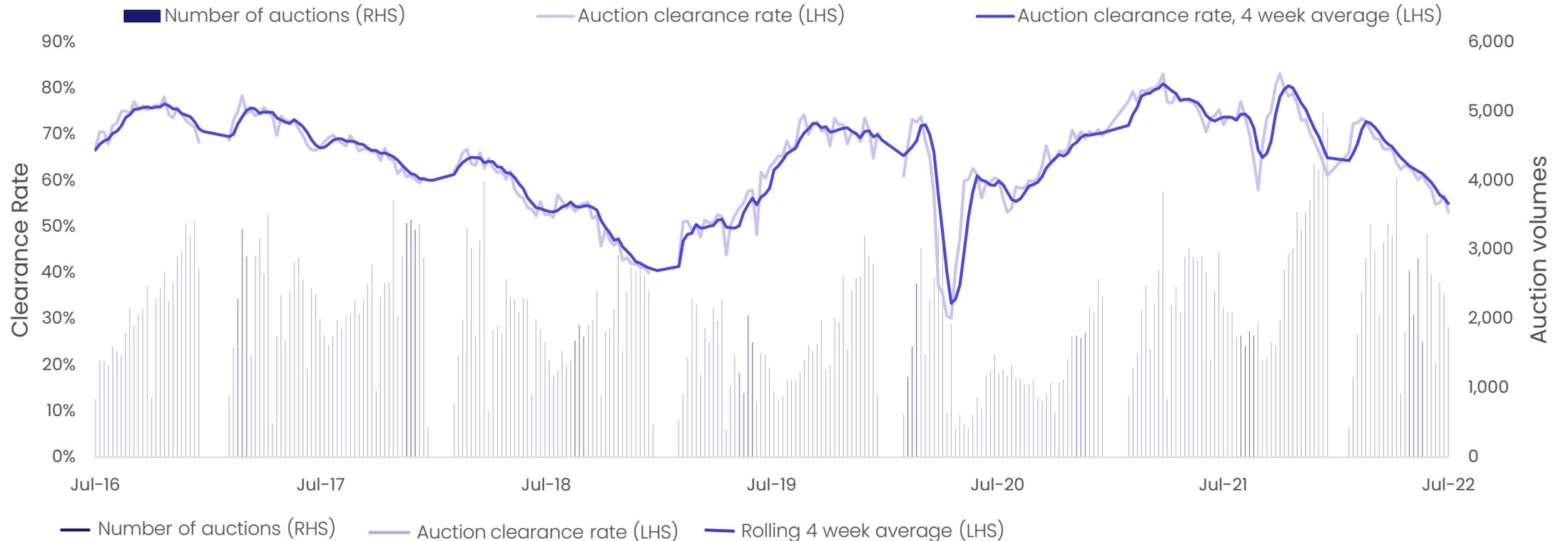


Data is for the four weeks ending 01 May

## WEEKLY CLEARANCE RATES

The combined capital cities clearance rate continued to trend lower through June, averaging 55.6% in the five weeks to July 3<sup>rd</sup>. This is down from 73.1% in the equivalent period of 2021.

Weekly clearance rates, combined capital cities

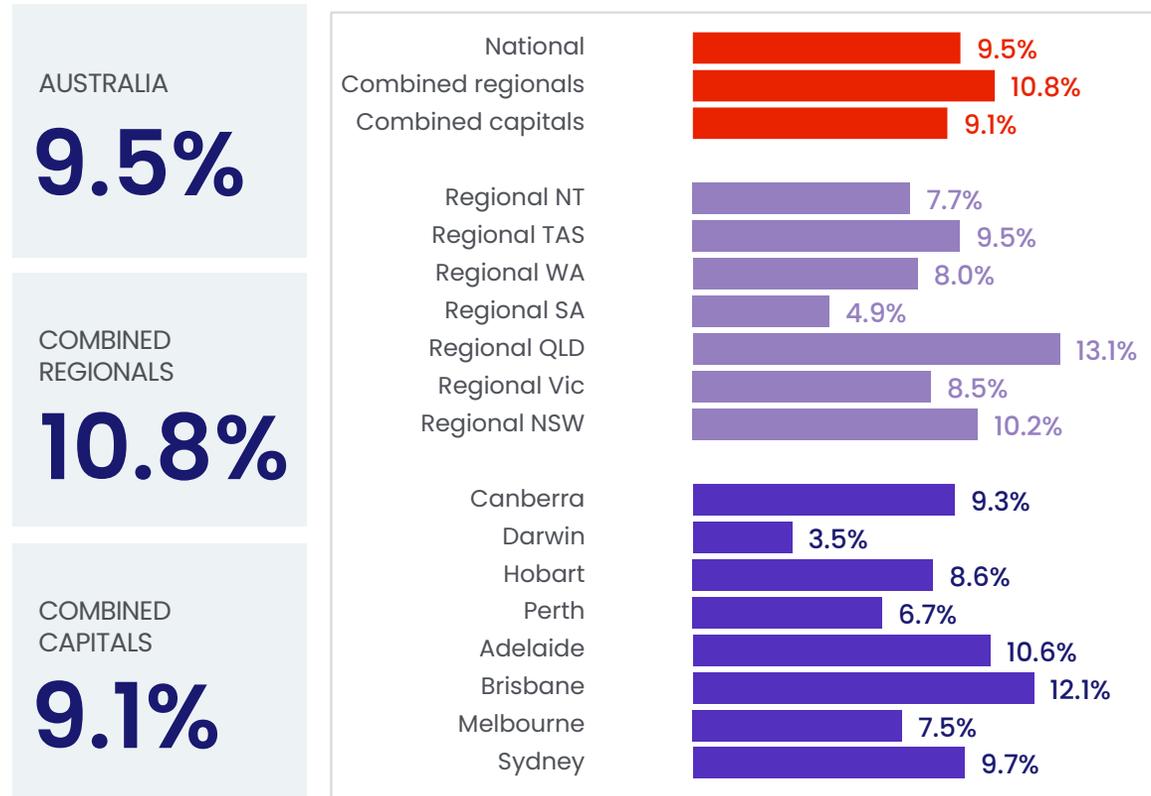


# Rental market

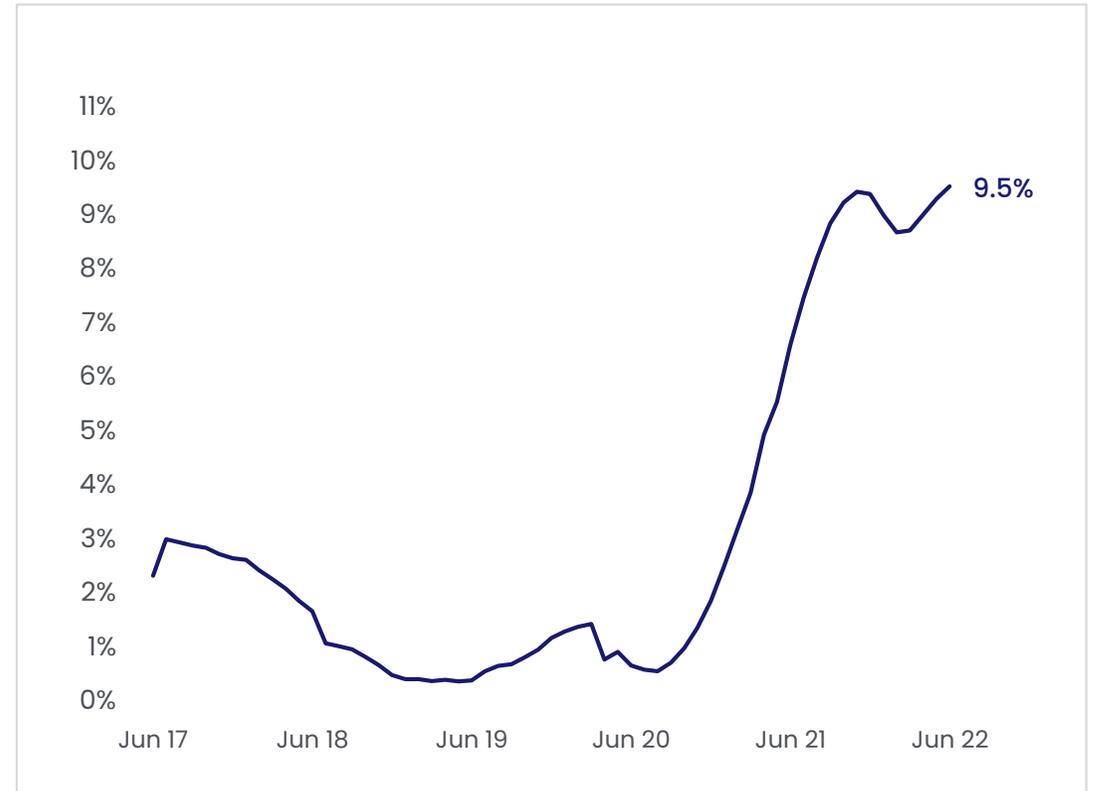
## RENTAL RATES

Unlike changes in dwelling purchase values, rental value growth remains high across Australian dwellings. Rent values increased a further 0.9% in June, taking rents 9.5% higher over the year.

Annual change in rental rates to June 2022



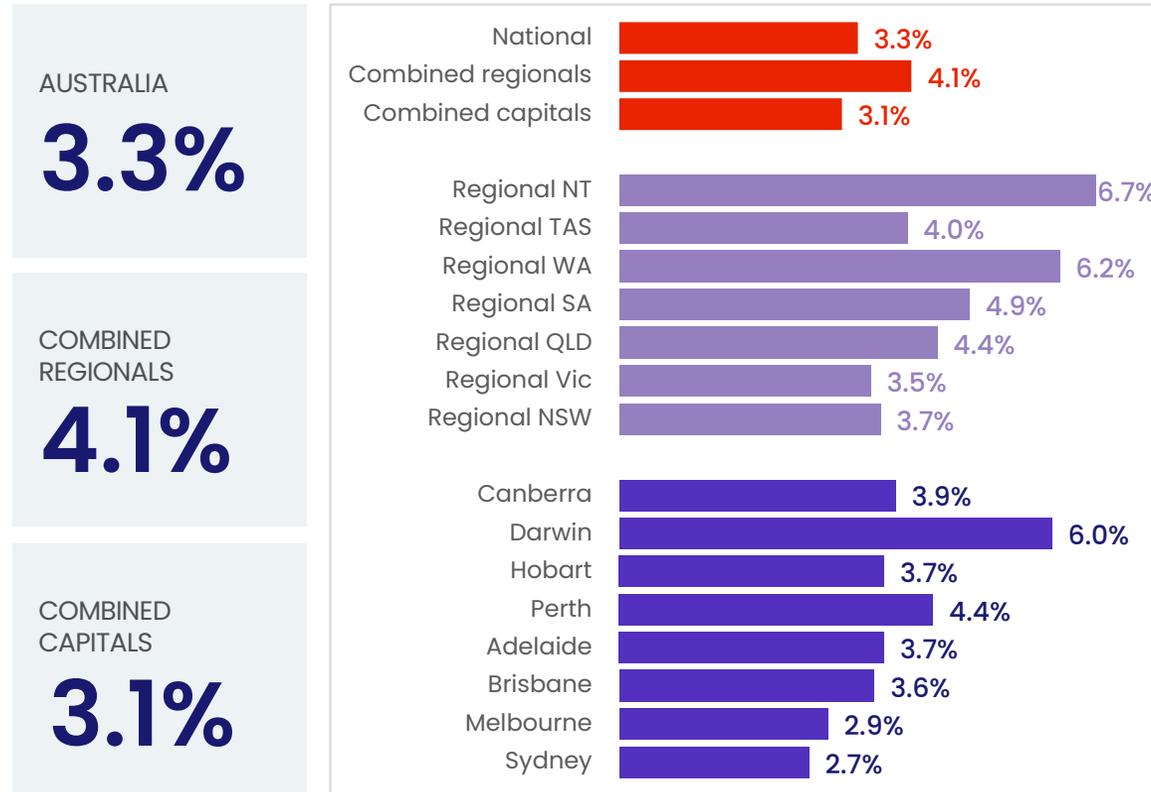
Annual change in rental rates - National



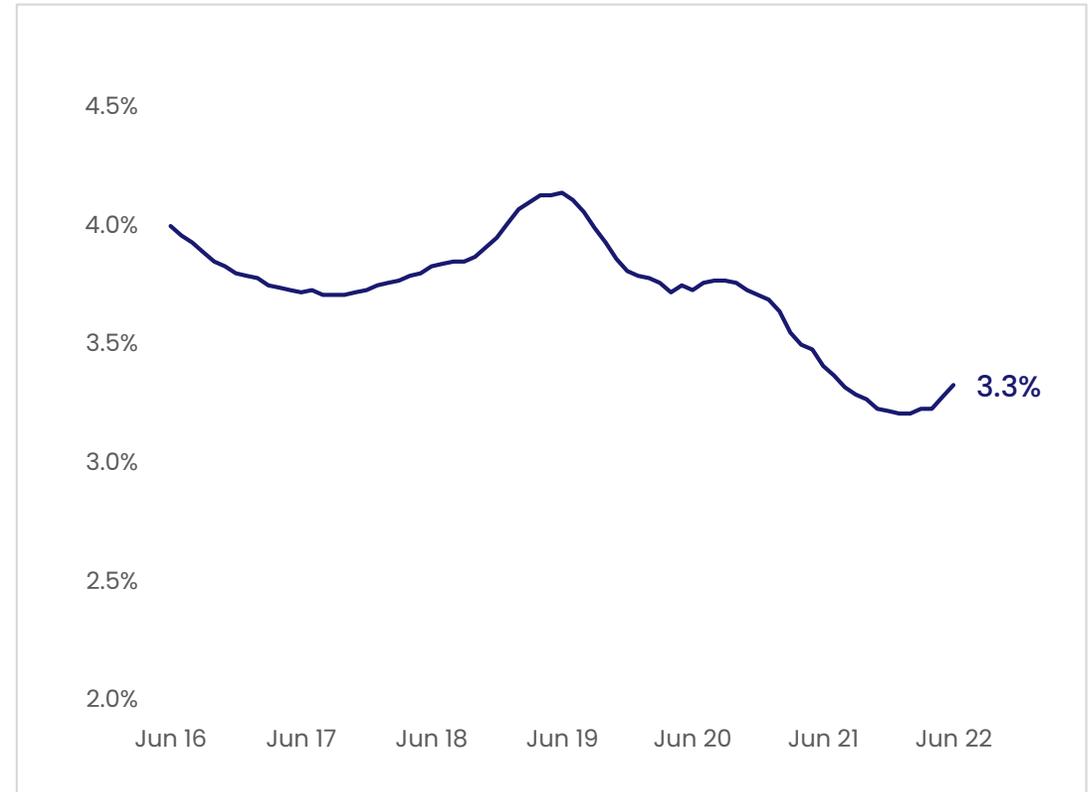
## RENTAL YIELDS

Through June, Australian gross rent yields rose to 3.33%, up from a recent low of 3.21% in January this year. Since the end of 2021, gross rent yields in Sydney have lifted 23 basis points, and 18 basis points in Melbourne.

Gross rental yields, June 2022



Gross rental yields



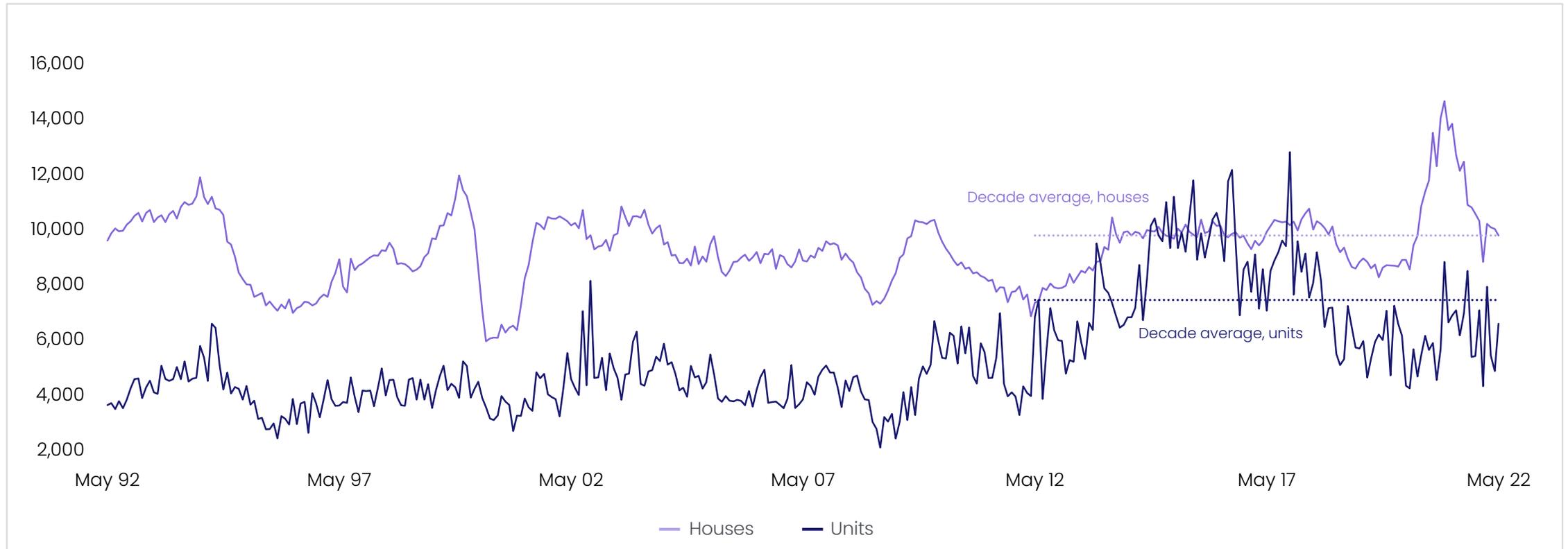
# Dwelling approvals & housing credit



## DWELLING APPROVALS

Through May, 16,390 dwelling were approved, up 9.9% from the month prior. The increase was largely driven by a 35.1% increase in unit approvals, while house approvals fell 2.4%. Despite this, unit approvals remain below the decade average (7,457), while house approvals remain above the decade average of 9,773.

Monthly house v unit approvals, National

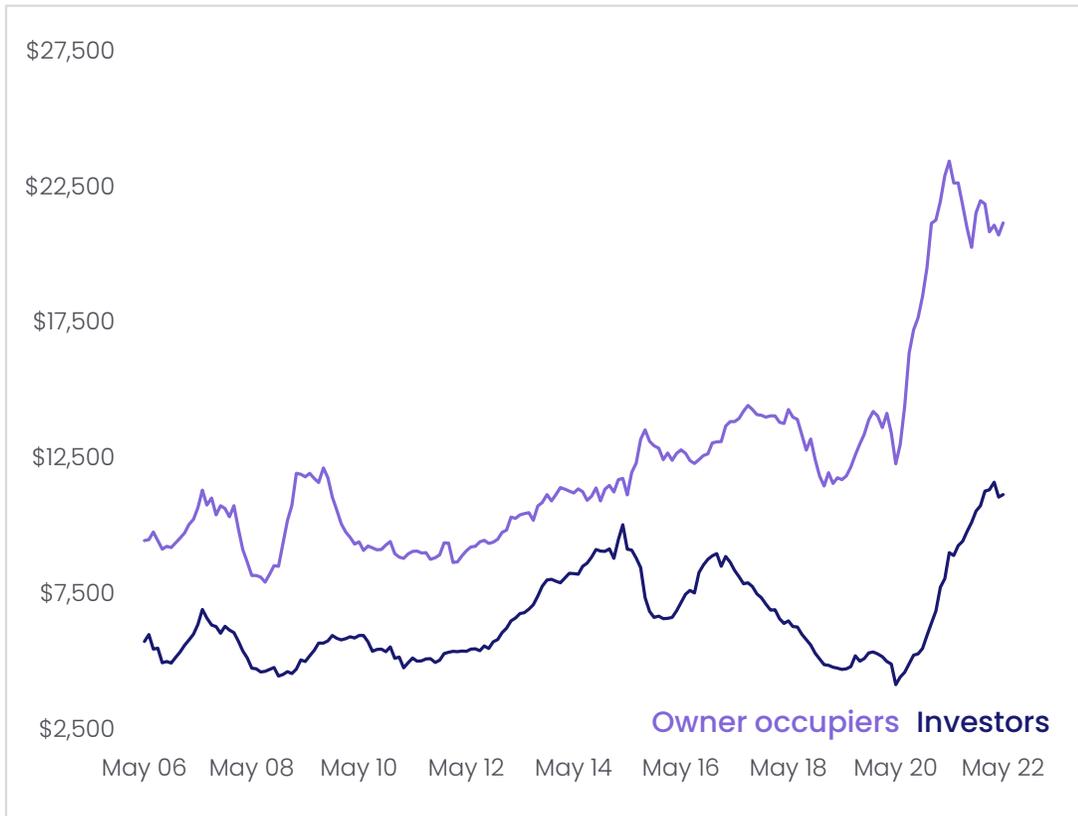


Source: ABS

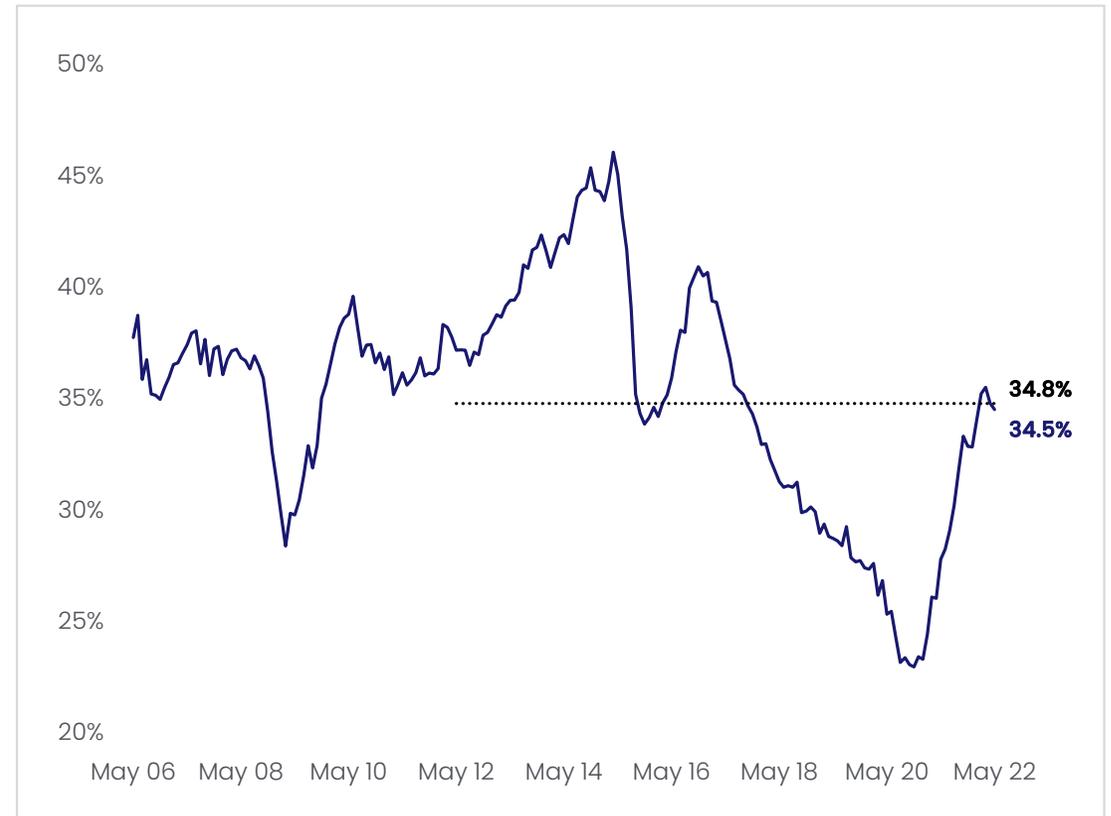
## FINANCE & LENDING

Lending for property purchases rose 1.7% over the month of May. This was largely led by a 2.1% increase (or \$455 million) in owner occupier lending, while investor lending was up 0.9% (\$99 million).

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



Portion of new lending for investment housing (excluding refinance)

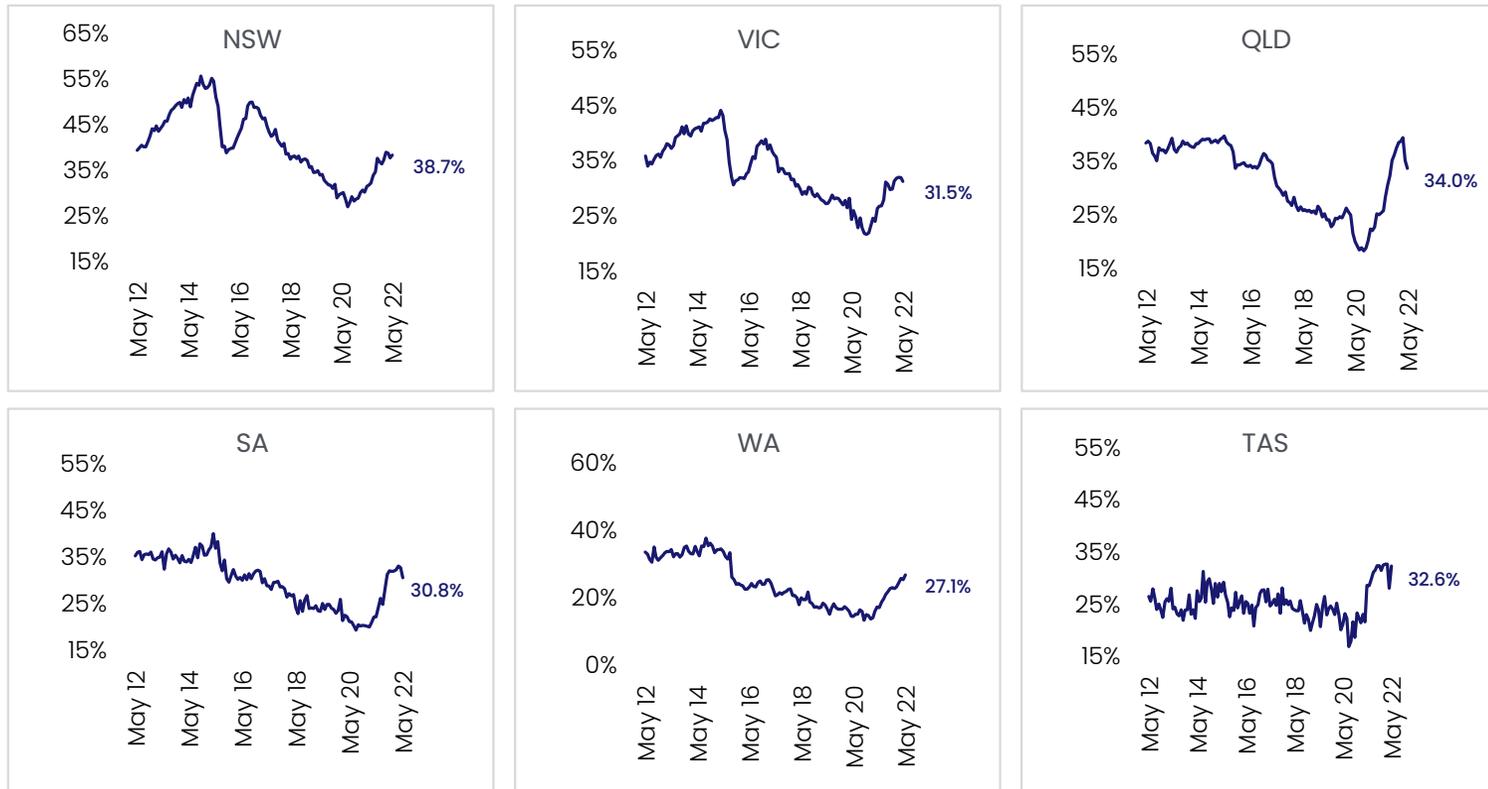


Source: ABS

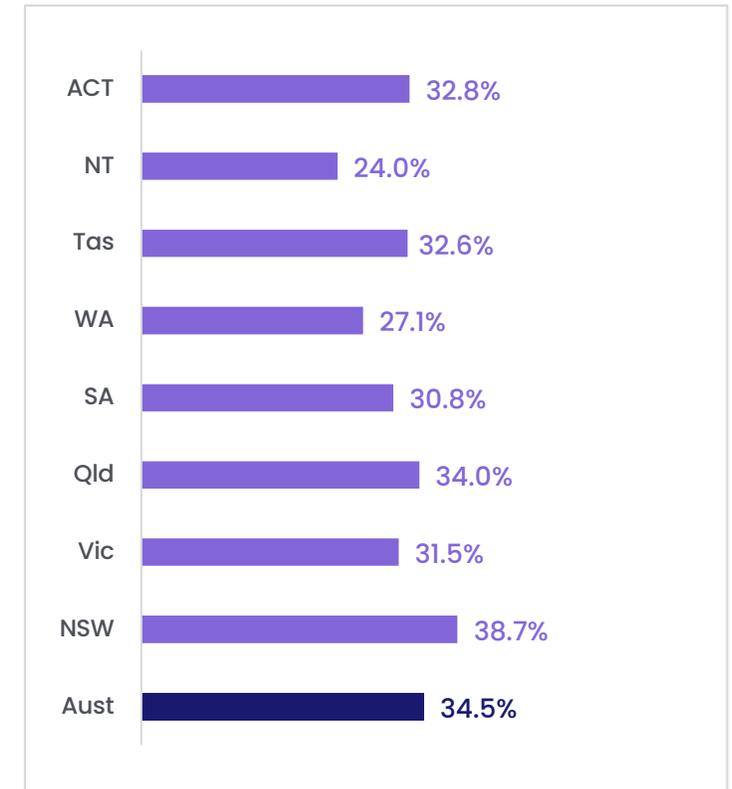
## INVESTORS & LENDING

Nationally, investor finance comprised 35.5% of new mortgage lending through the month of May. This is above 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 (May '22)

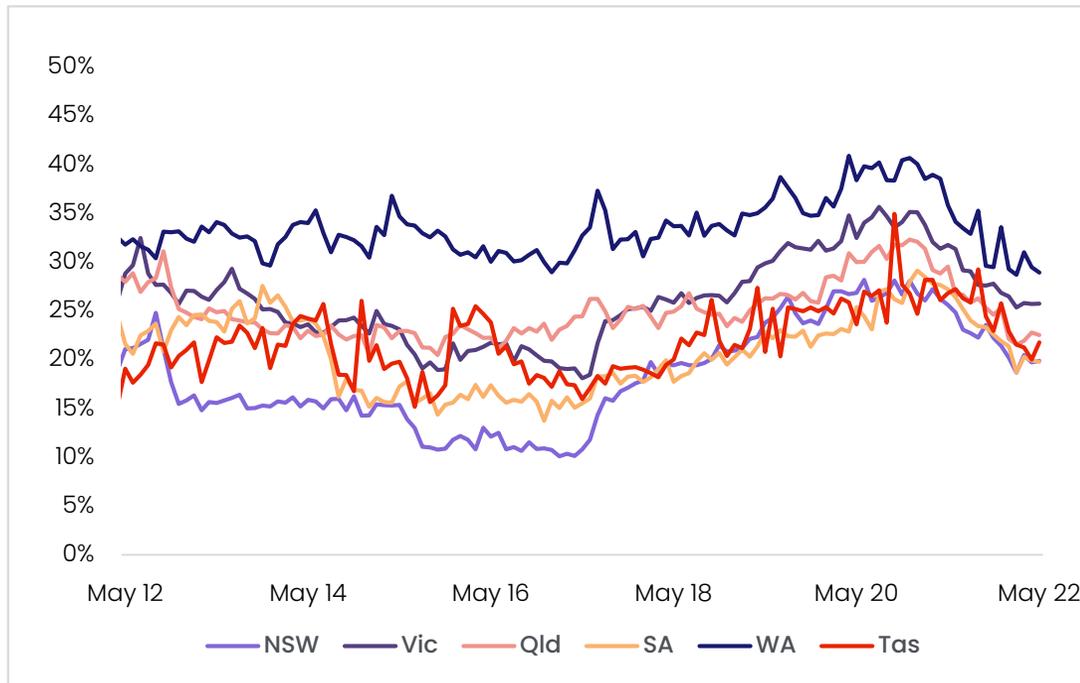


Source: ABS

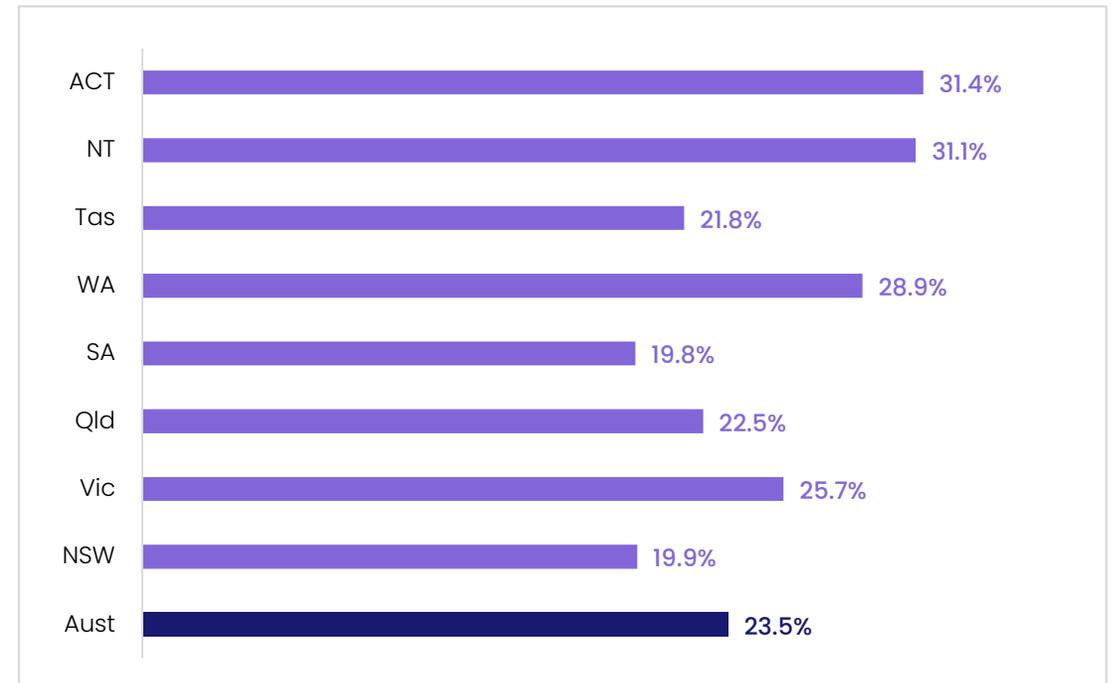
## FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance rose marginally, from 23.3% in April, to 23.5% in May. First homebuyer finance overall increased by \$162 million, or 5.4%, through May.

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



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



Source: ABS

## MORTGAGE RATES

# The RBA lifted rates to 1.35% in July

## Statement highlights

- The RBA lifted the cash rate a further 50 basis points in July, taking the cumulative hike since May to 125 basis points.
- Global inflation remains high, boosted by supply chain disruptions, war in Ukraine and strong demand. The RBA expects it will be 'some time yet' before inflation returns to target in most countries.
- Global factors account for much of Australia's inflation, but domestic factors are also playing a role, including recent floods.
- The RBA expects inflation to peak later this year before declining to within the 2-3% target range in 2023.
- The household sector remains a key source of uncertainty, especially spending amidst high prices and higher interest rates.

RBA Cash Rate



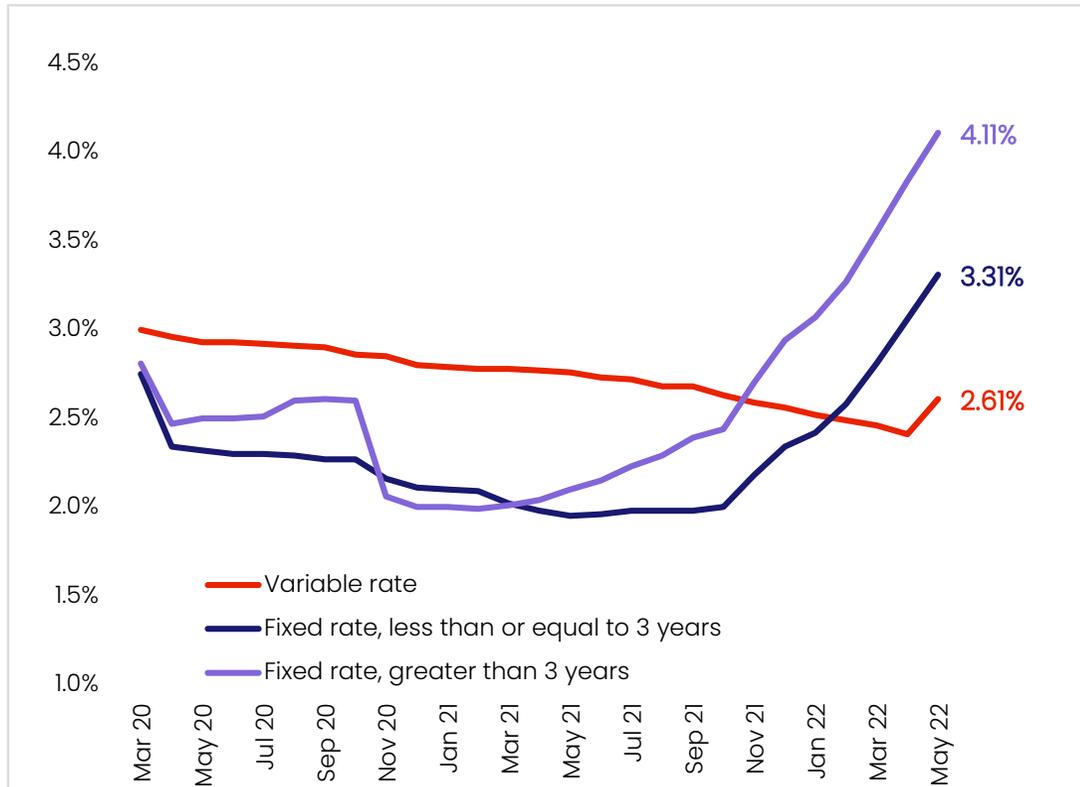
Source: RBA

## HOUSING CREDIT

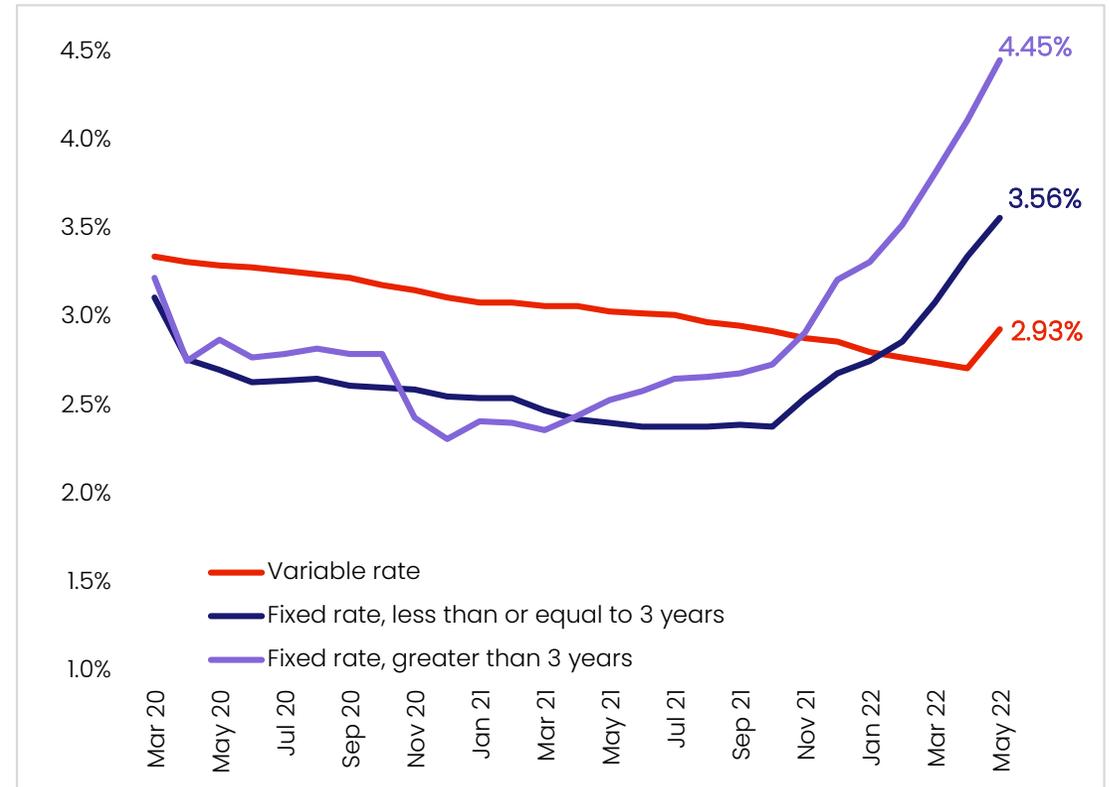
Average long-term fixed rates have now increased to 4.5% for the investor segment, and 4.1% for new owner-occupiers. Through May, average variable rates trended higher in response to the higher cash rate.

Average borrowing costs by borrower and loan type

### Owner occupiers



### Investors



Source: RBA

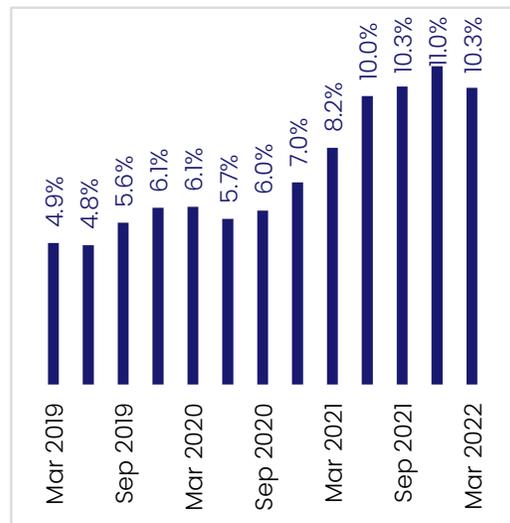
# Mortgage originations for 'riskier' types of lending trended lower through the March quarter of 2022

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.

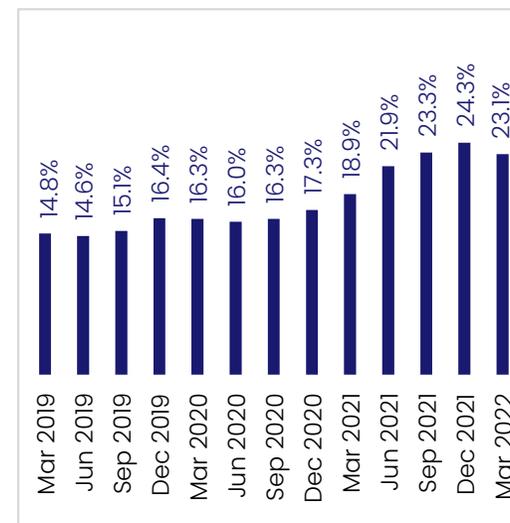
% of loans on interest only terms



% 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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