

June 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.97 Trillion



AUSTRALIAN SUPERANNUATION

\$3.4 Trillion



AUSTRALIAN LISTED STOCKS

\$2.8 Trillion



COMMERCIAL REAL ESTATE

\$1.2 Trillion

NUMBER OF DWELLINGS

10.8 Million

OUTSTANDING MORTGAGE DEBT

\$2.1 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

56.6%

TOTAL SALES P.A.

586,602

GROSS VALUE OF SALES P.A.

\$516.1 Billion

Australian dwelling values

Overview

3 MONTHS

↑ **1.1%**

National home values rose 1.1% in the three months to May, the lowest quarterly growth rate since November 2020.

12 MONTHS

↑ **14.1%**

Dwelling values in Australia are 14.1% higher over the past 12 months, down from a cyclical peak of 22.4% recorded in the 12 months to January 2022.

CAPITAL CITIES

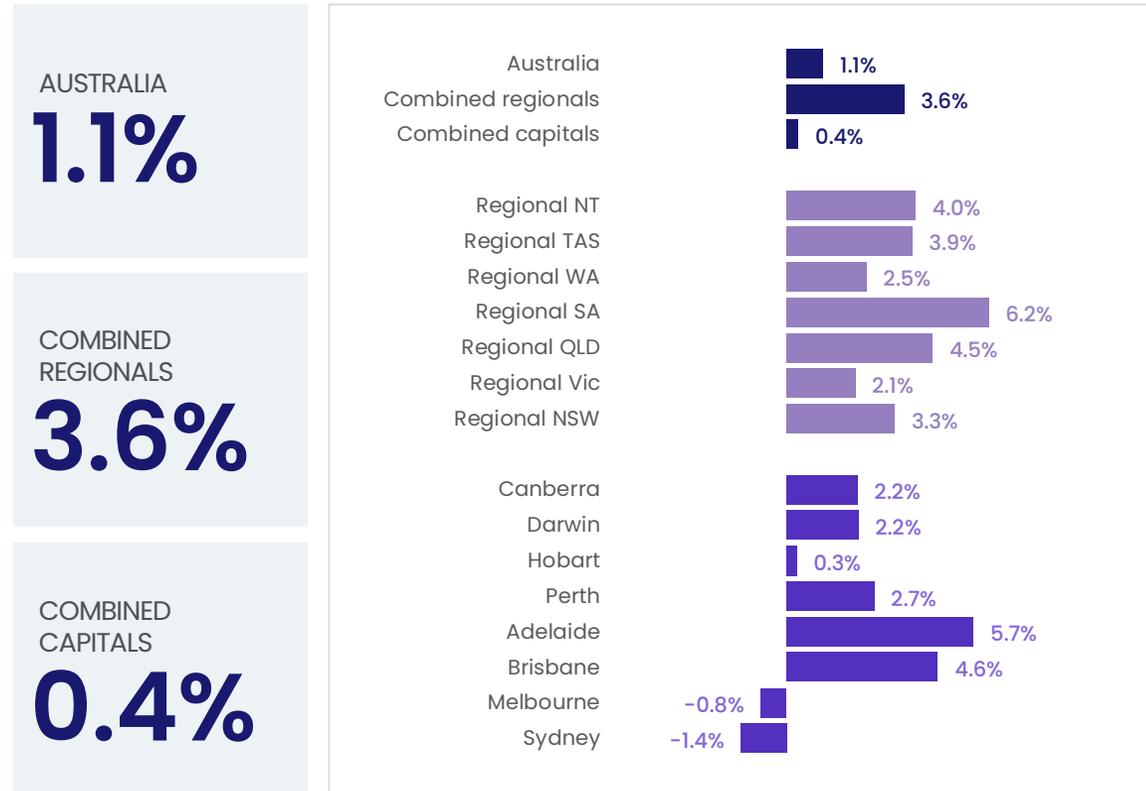
Lower value segments continue to lead growth

In the three months to May, capital city homes saw upper quartile values fall -1.4%, compared to a rise of 3.4% across the lowest quartile of values.

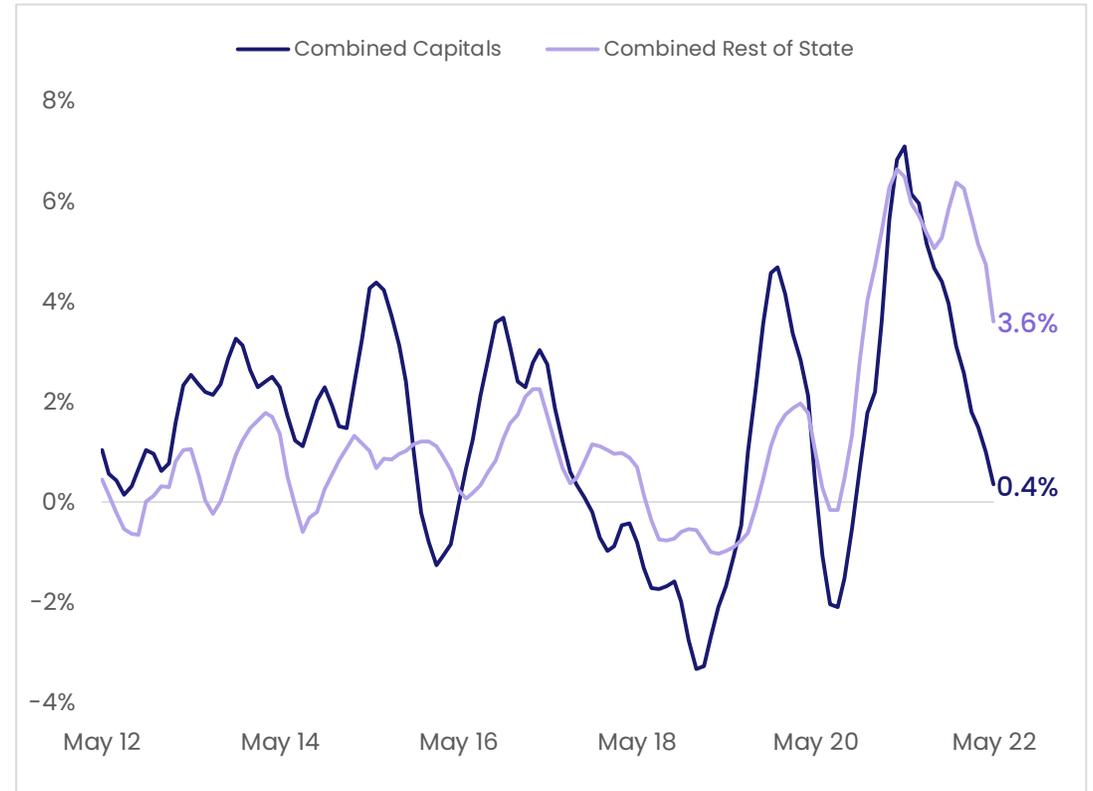
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to May 2022



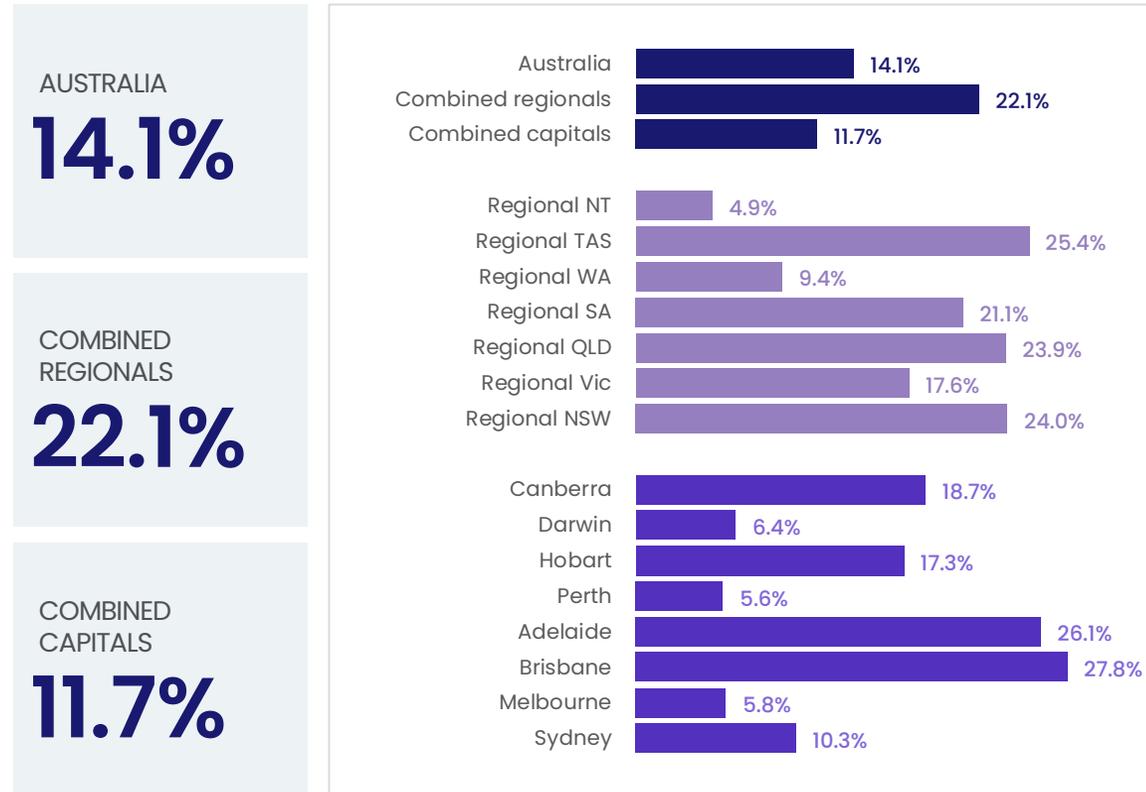
Rolling quarterly change in dwelling values



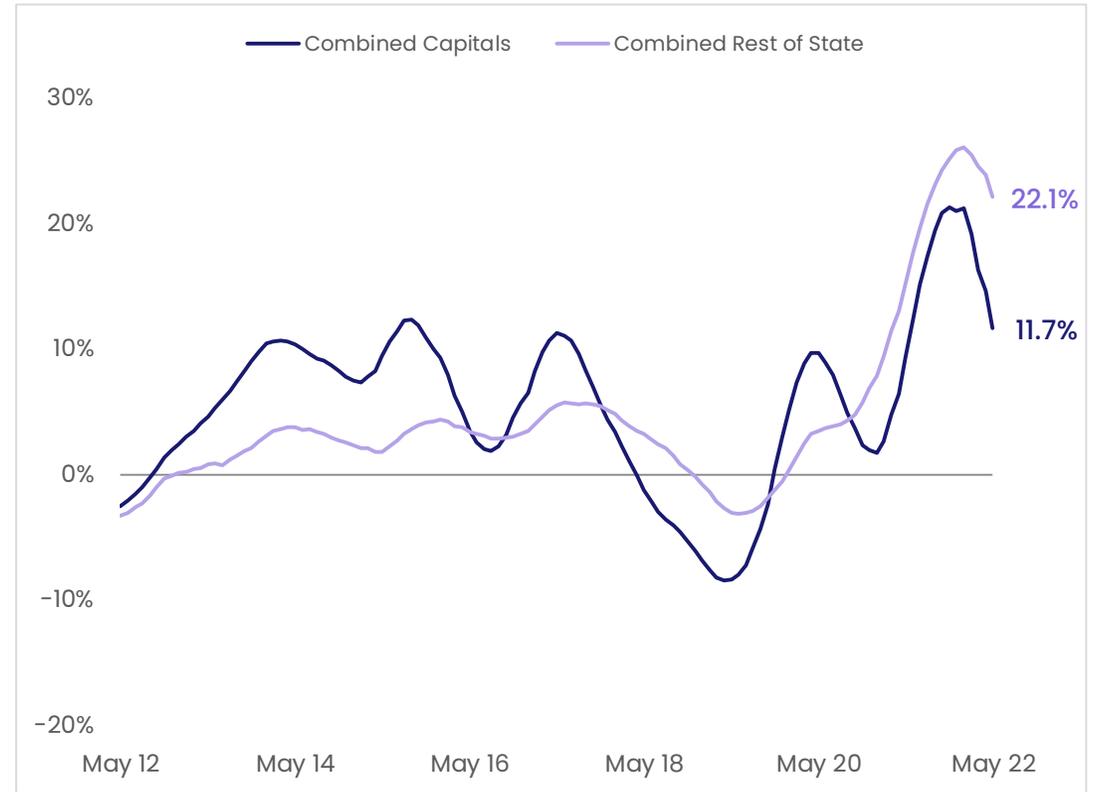
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to May 2022



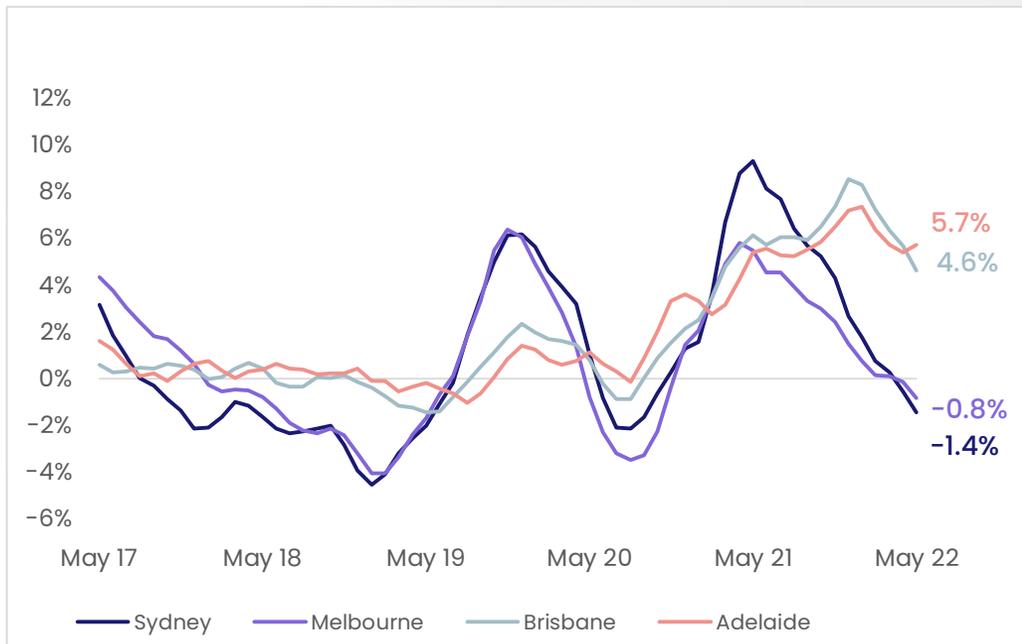
Rolling annual change in dwelling values



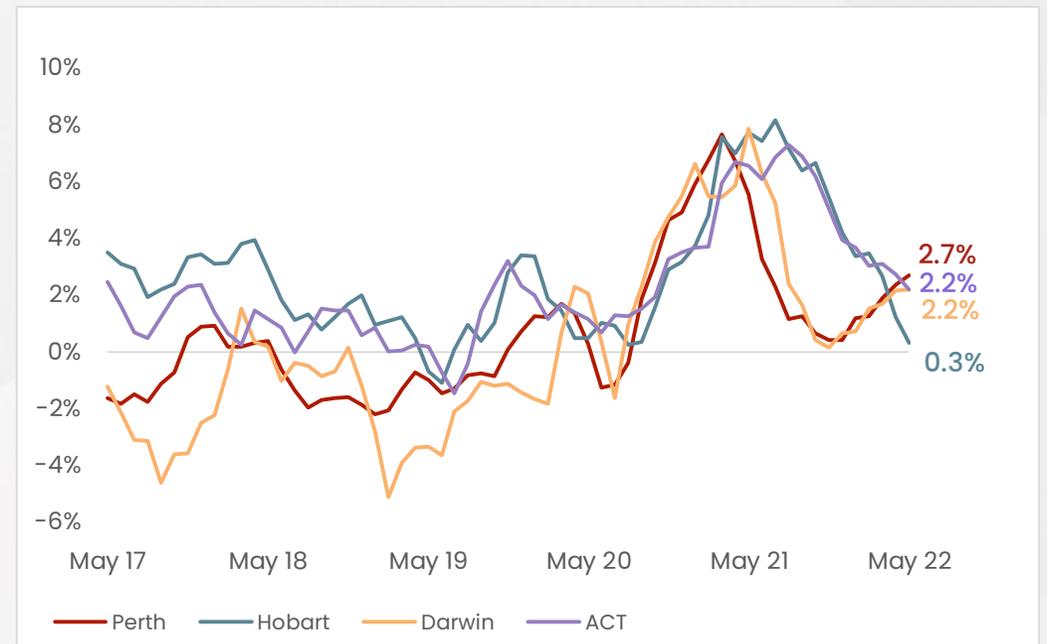
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



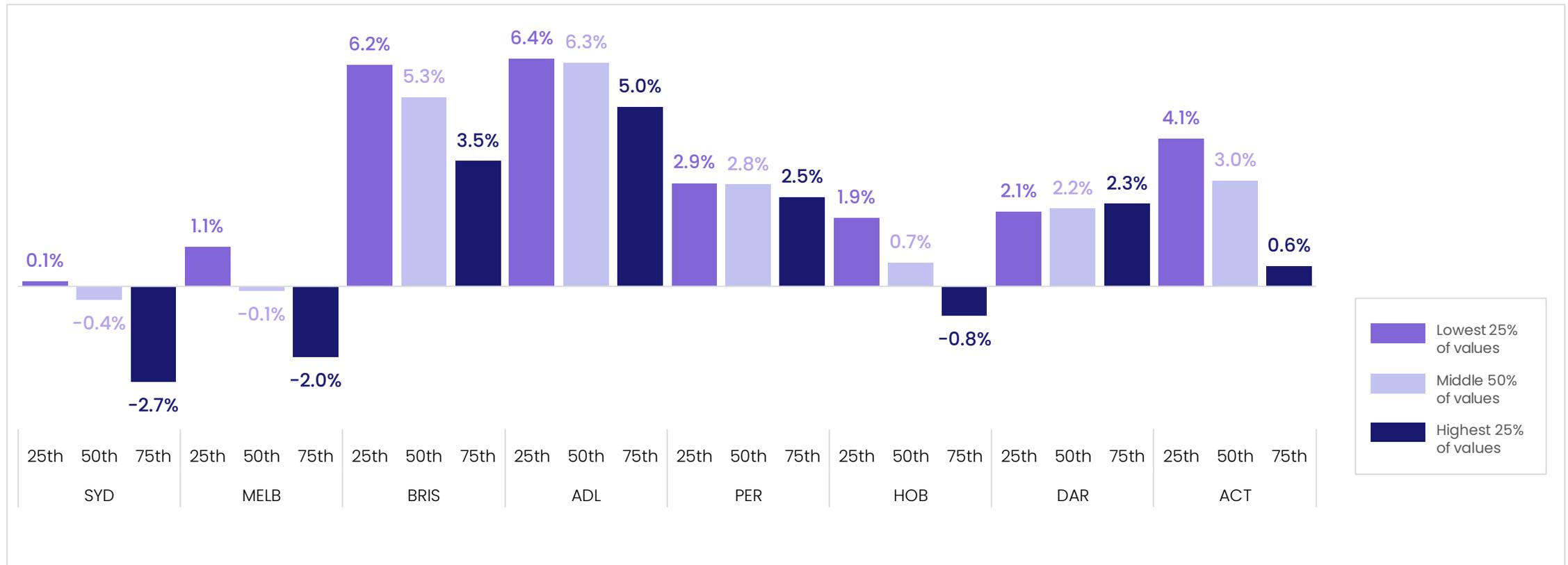
Rolling quarterly change in values, dwellings



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 -0.4% through May.

Multiple factors including higher interest rates, lower consumer sentiment and tighter lending conditions may continue to put downward pressure on the home value index through June.

Combined capital cities



HOUSING CYCLES

Sydney

In **May** Sydney dwelling values declined

-1.0%

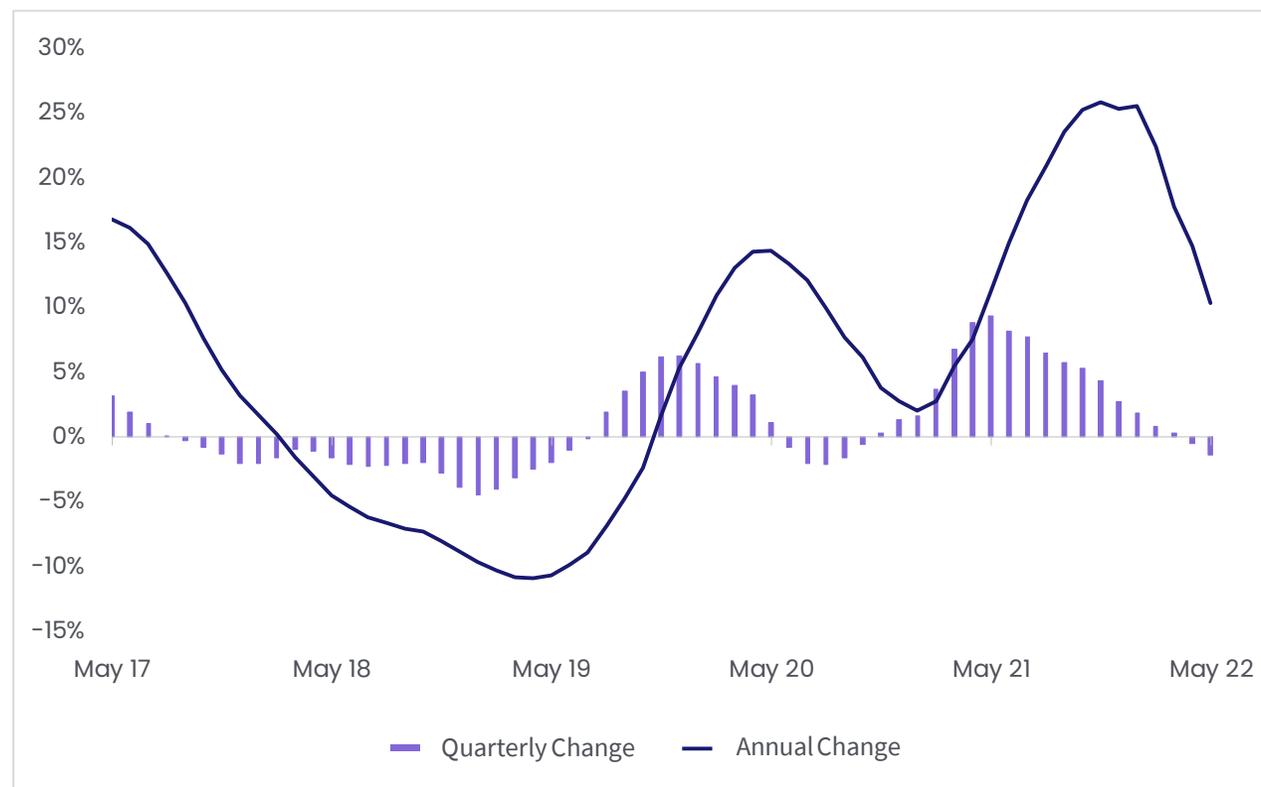
Over the **quarter** dwelling values decreased by

-1.4%

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

10.3%

Sydney dwelling values are now -1.5% below the previous record high recorded in January 2022.



HOUSING CYCLES

Melbourne

In **May** Melbourne dwelling values were unchanged

-0.7%

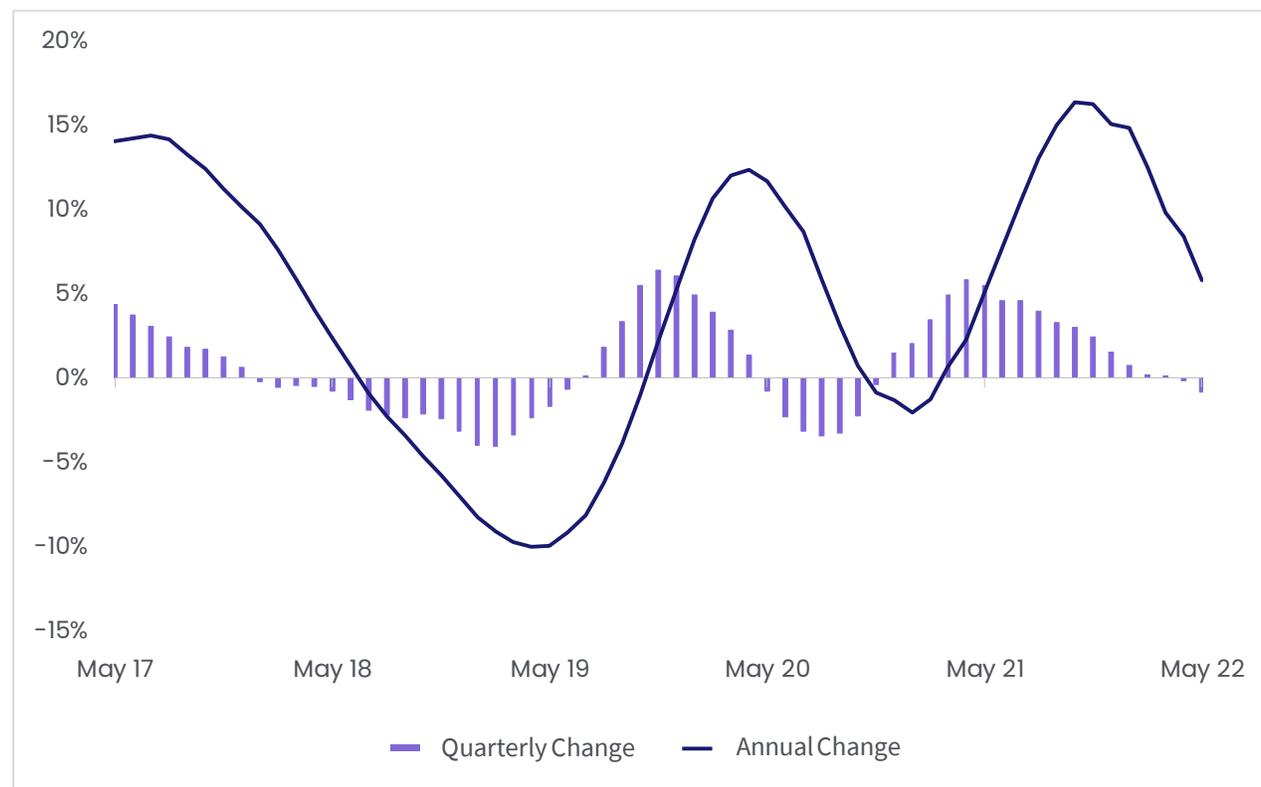
Over the **quarter** dwelling values decreased by

-0.8%

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

5.8%

Melbourne dwelling values are now -0.8% below the record high recorded in February 2022.



HOUSING CYCLES

Brisbane

In **May** Brisbane dwelling values rose by

0.8%

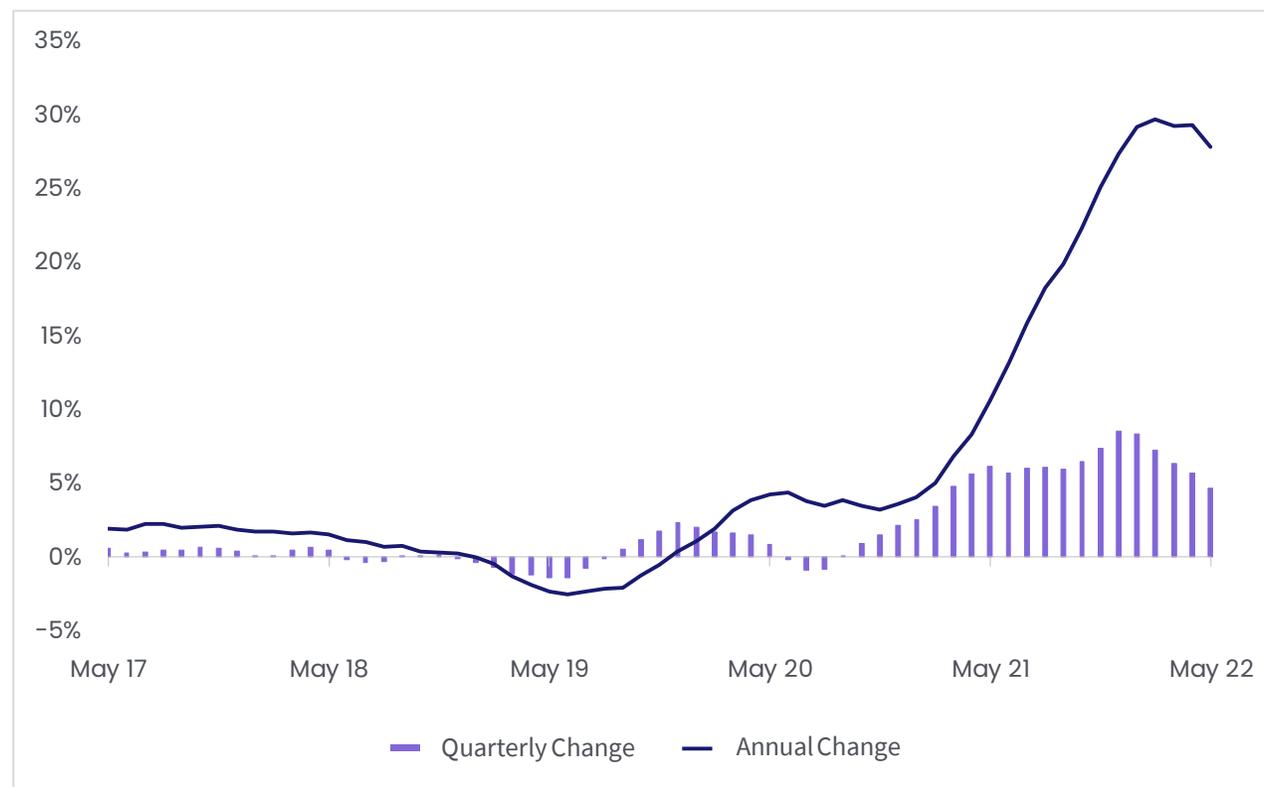
Over the **quarter** dwelling values increased by

4.6%

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

27.8%

Brisbane dwelling values are currently at a record high.



HOUSING CYCLES

Adelaide

In **May** Adelaide dwelling values rose by

1.8%

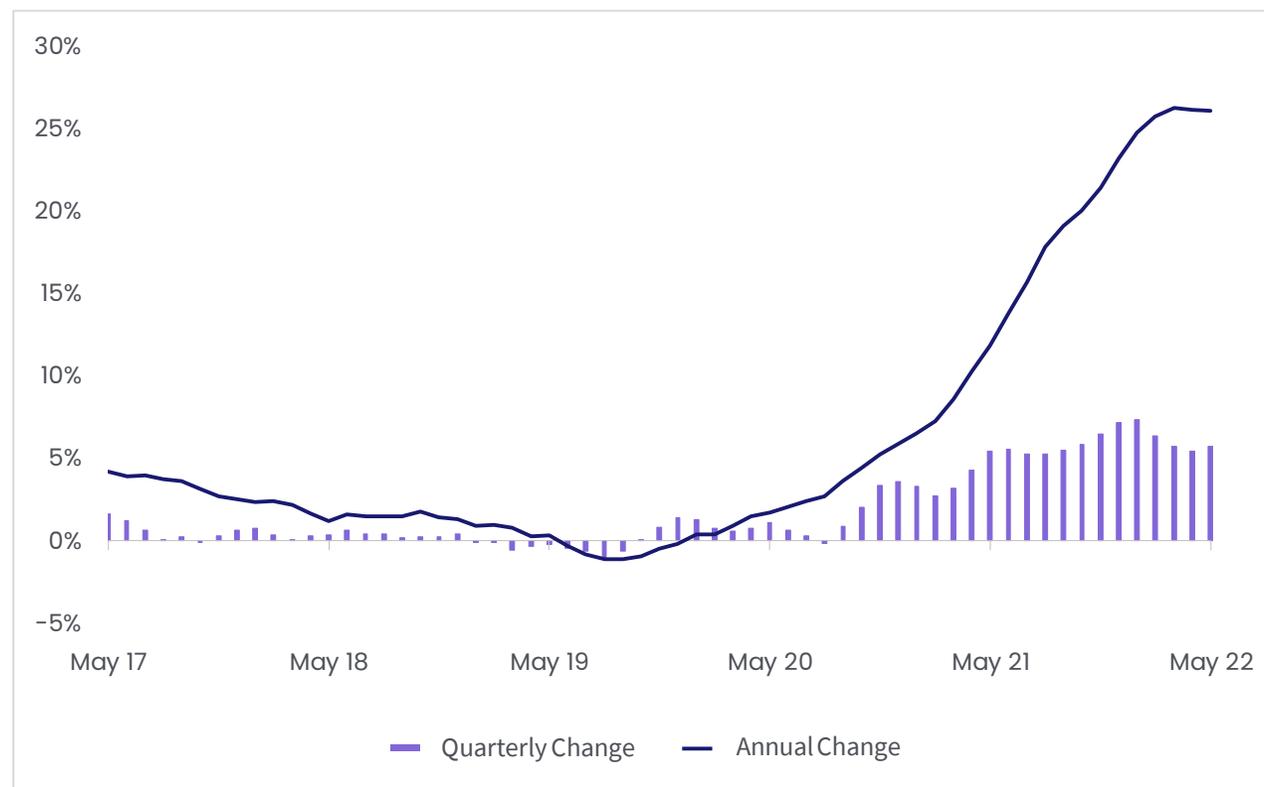
Over the **quarter** dwelling values increased by

5.7%

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

26.1%

Adelaide dwelling values are currently at a record high.



HOUSING CYCLES

Perth

In **May** Perth dwelling values rose by

0.6%

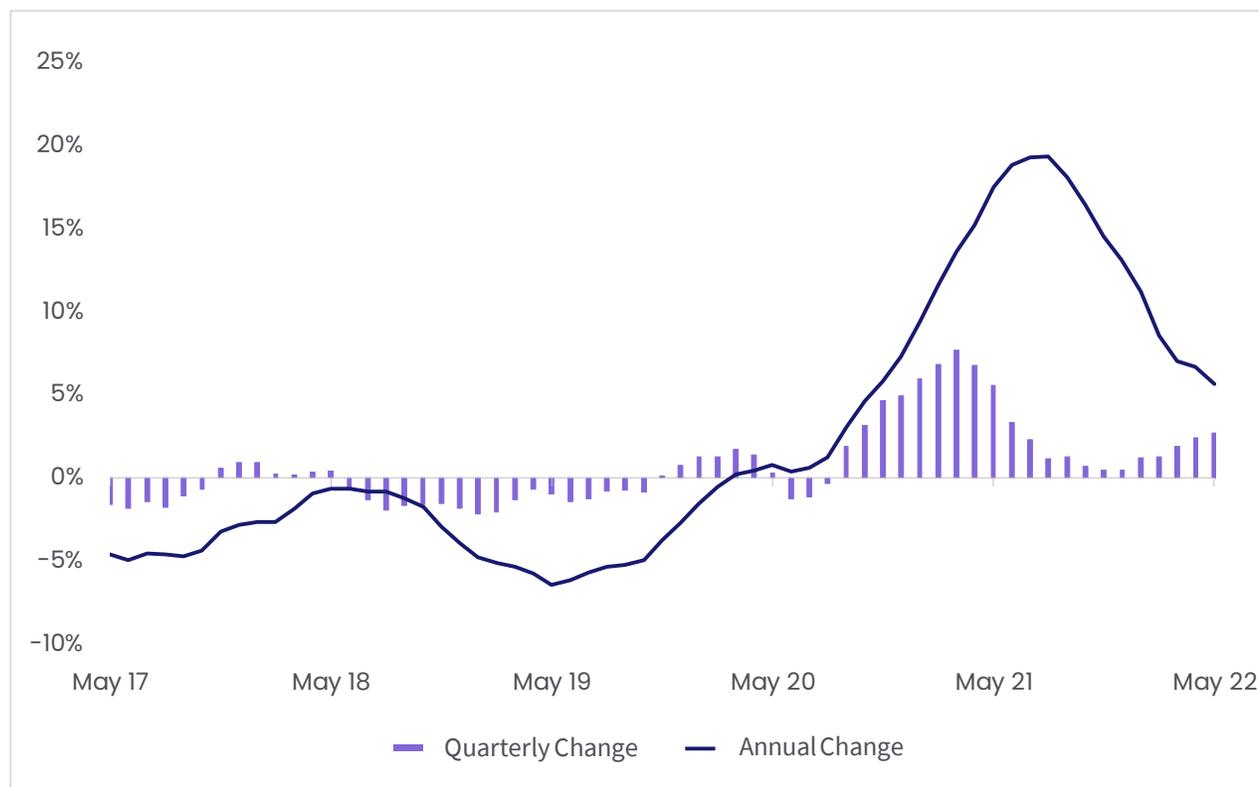
Over the **quarter** dwelling values increased by

2.7%

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

5.6%

Perth dwelling values are currently at a record high.



HOUSING CYCLES

Hobart

In **May** Hobart dwelling values declined by

0.3%

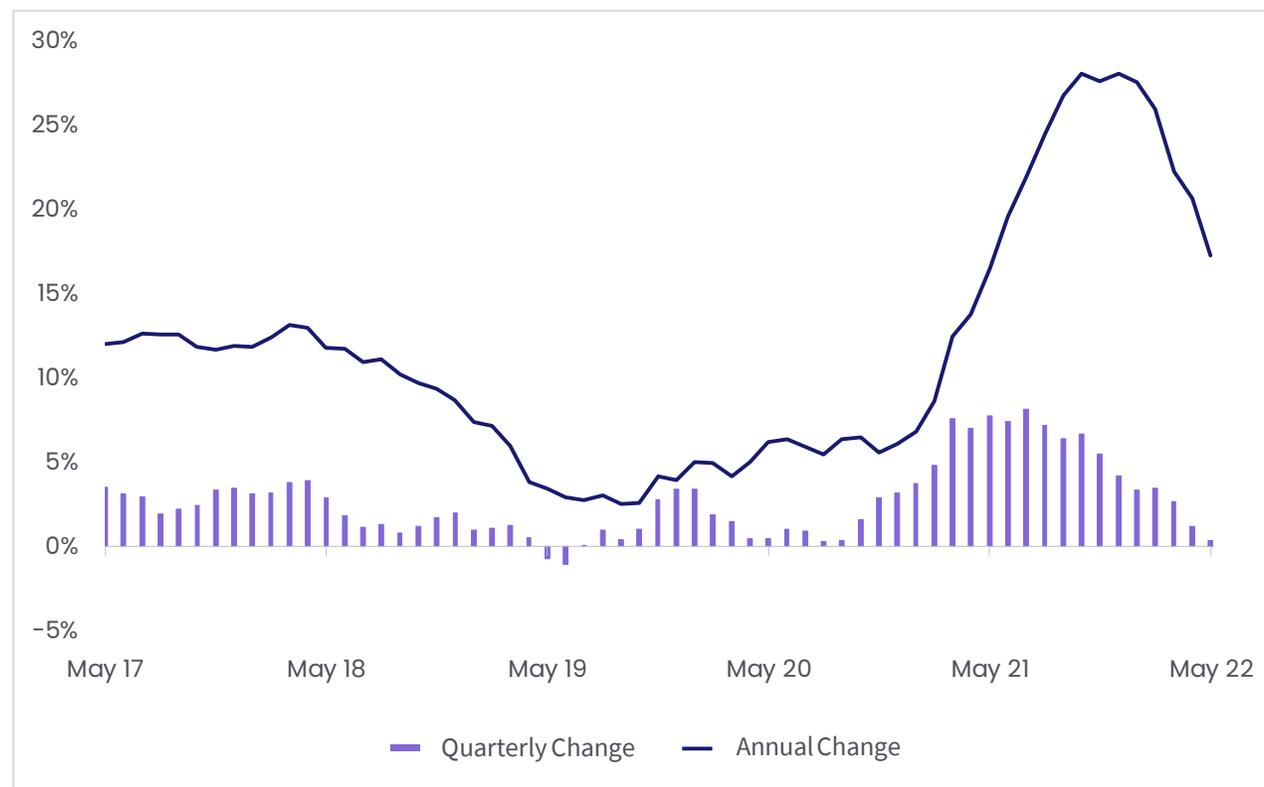
Over the **quarter** dwelling values increased by

0.3%

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

17.3%

Hobart dwelling values are currently at a record high.



HOUSING CYCLES

Darwin

In **May** Darwin dwelling values fell by

0.5%

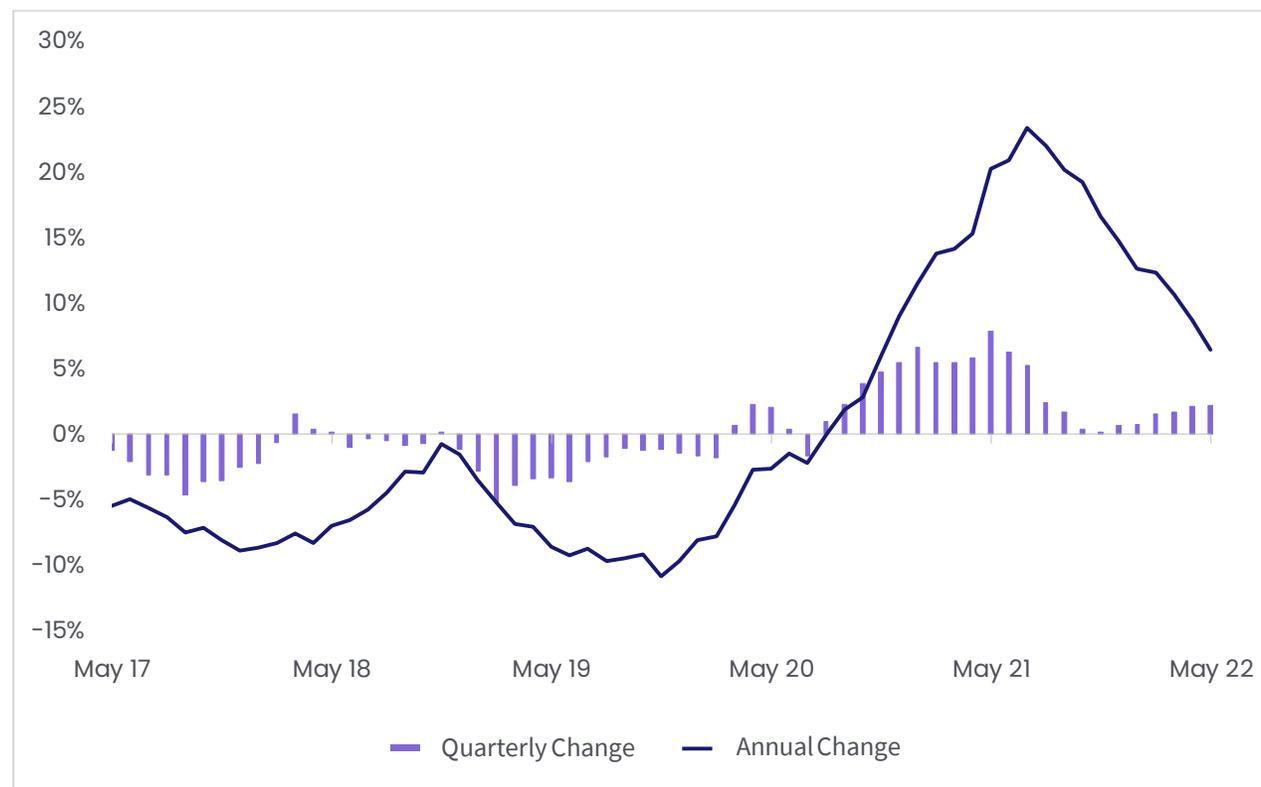
Over the **quarter** dwelling values increased by

2.2%

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

6.4%

Darwin dwelling values are -12.1% below the record high recorded in May 2014.



HOUSING CYCLES

Canberra

In **May** Canberra dwelling values rose by

-0.1%

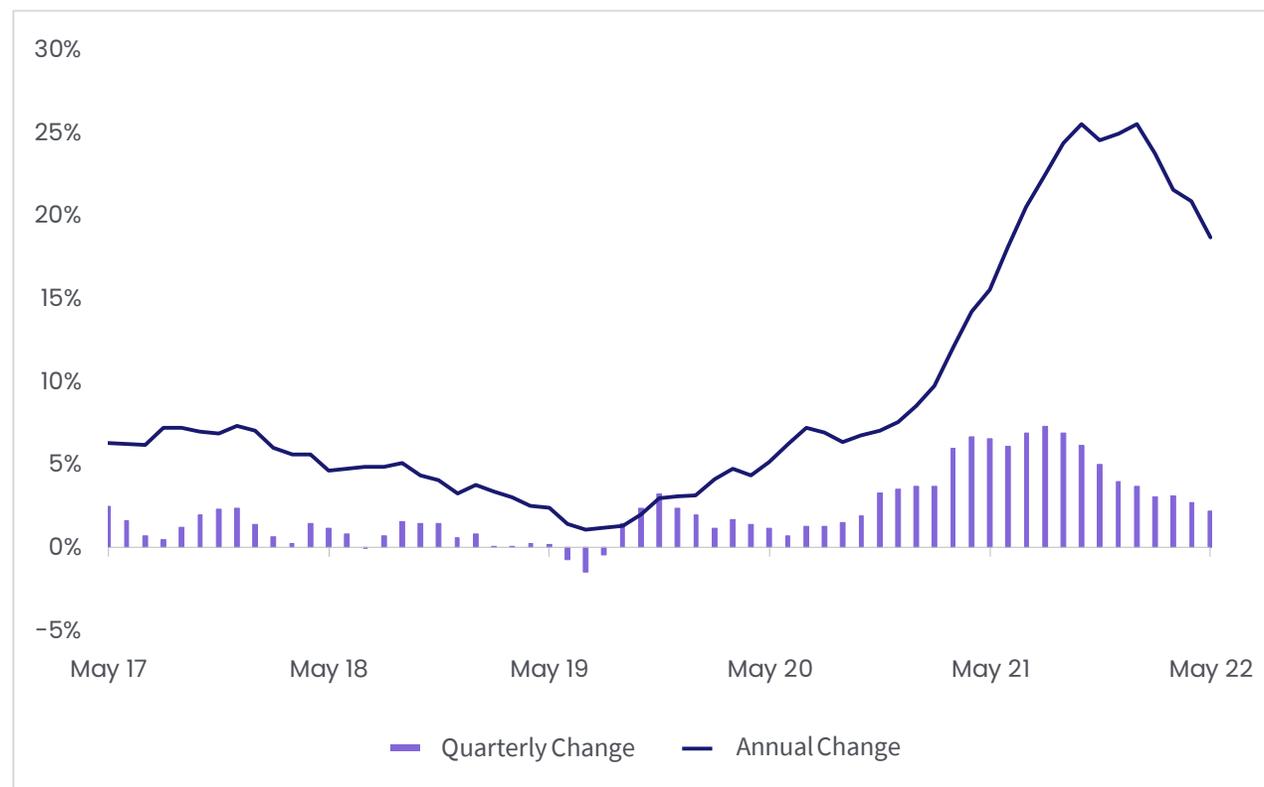
Over the **quarter** dwelling values increased by

2.2%

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

18.7%

Canberra dwelling values are currently -0.1% below the record high recorded in April 2022.



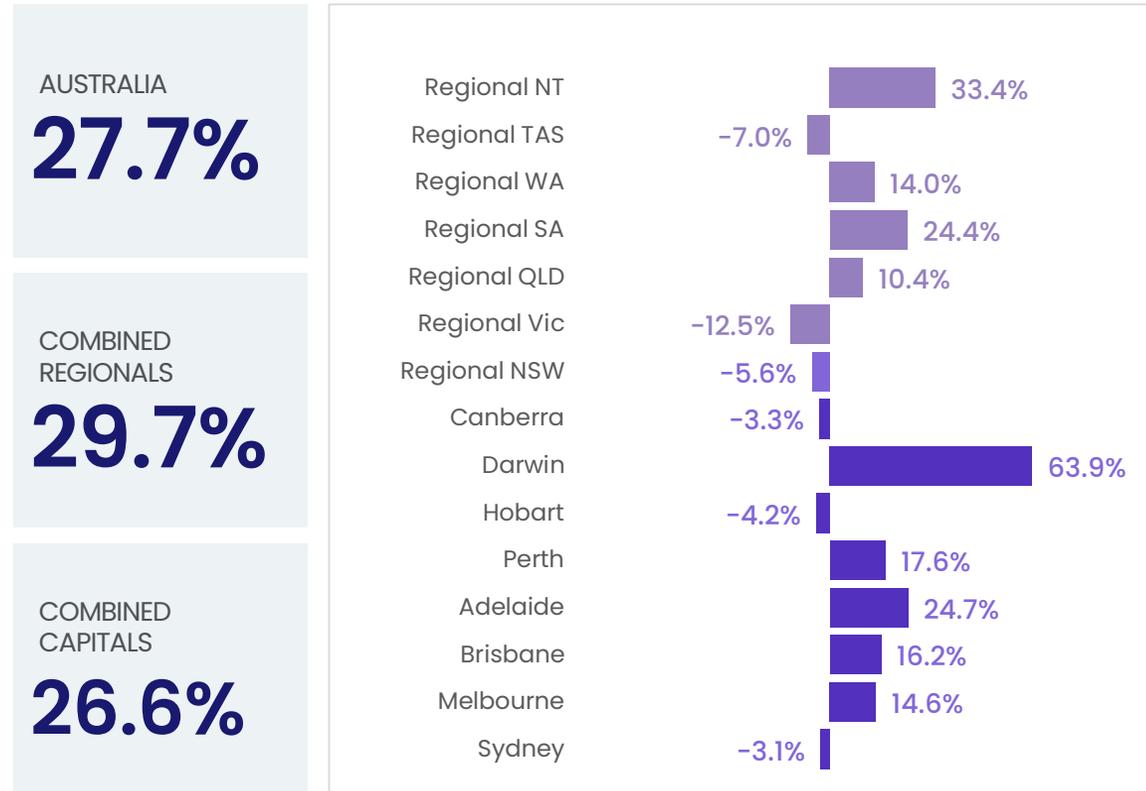
Sales and listings



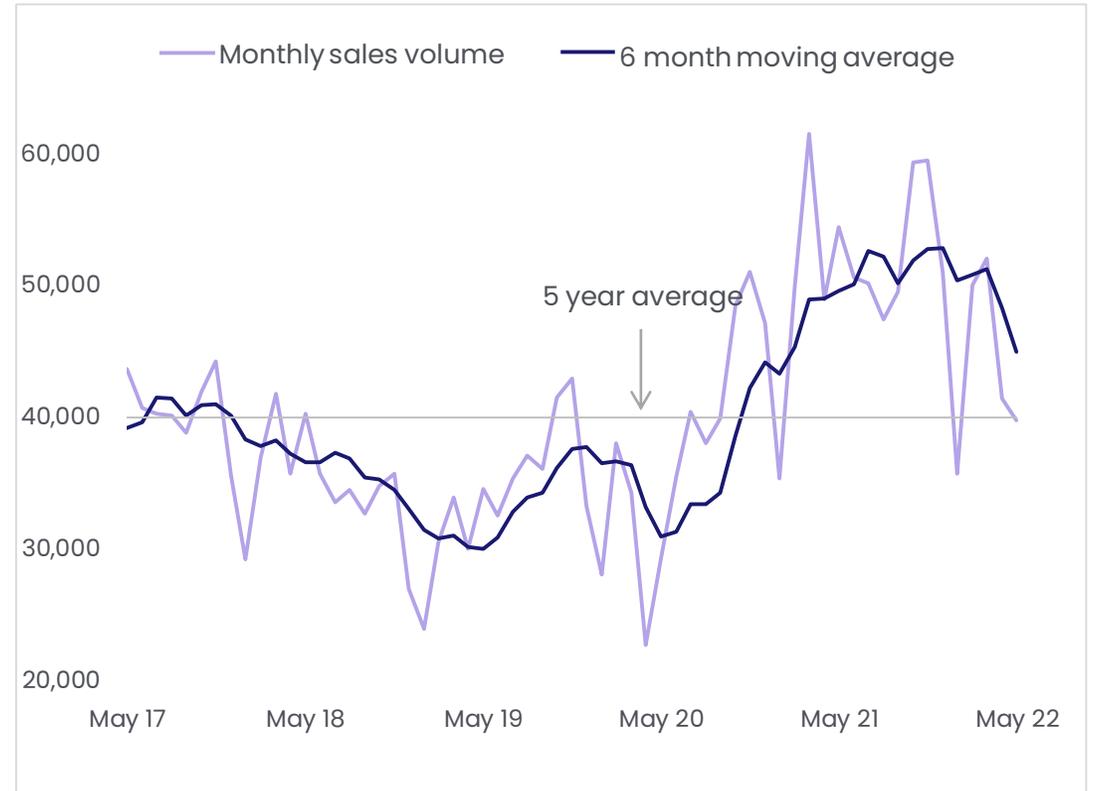
NATIONAL SALES

Sales volumes are starting to ease from recent highs. CoreLogic estimates that in the 12 months to May, there were 586,602 sales nationally, up 6.5% compared to the previous year. However, initial sales estimates over May were -26.9% lower than the same month of the previous year.

Change in sales volumes, twelve months to May 2022



Monthly sales with six month moving average, National

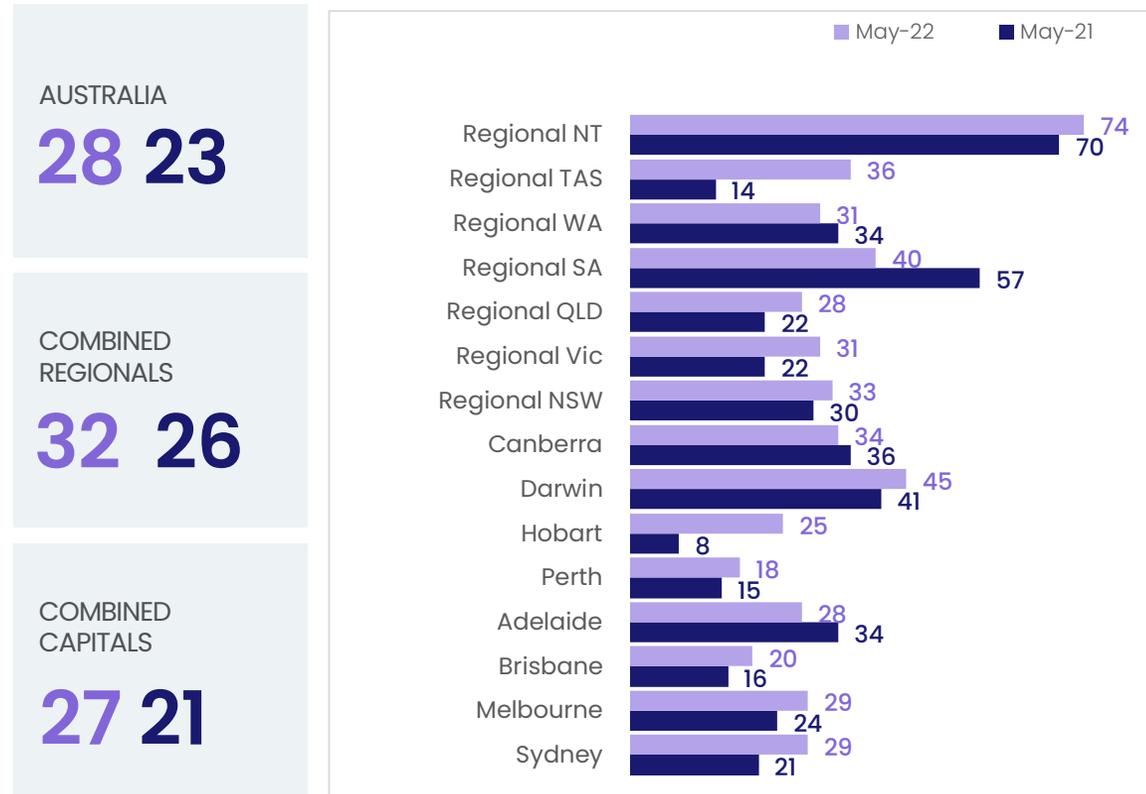


Note: recent months of sales volumes are modelled estimates, and are subject to revision

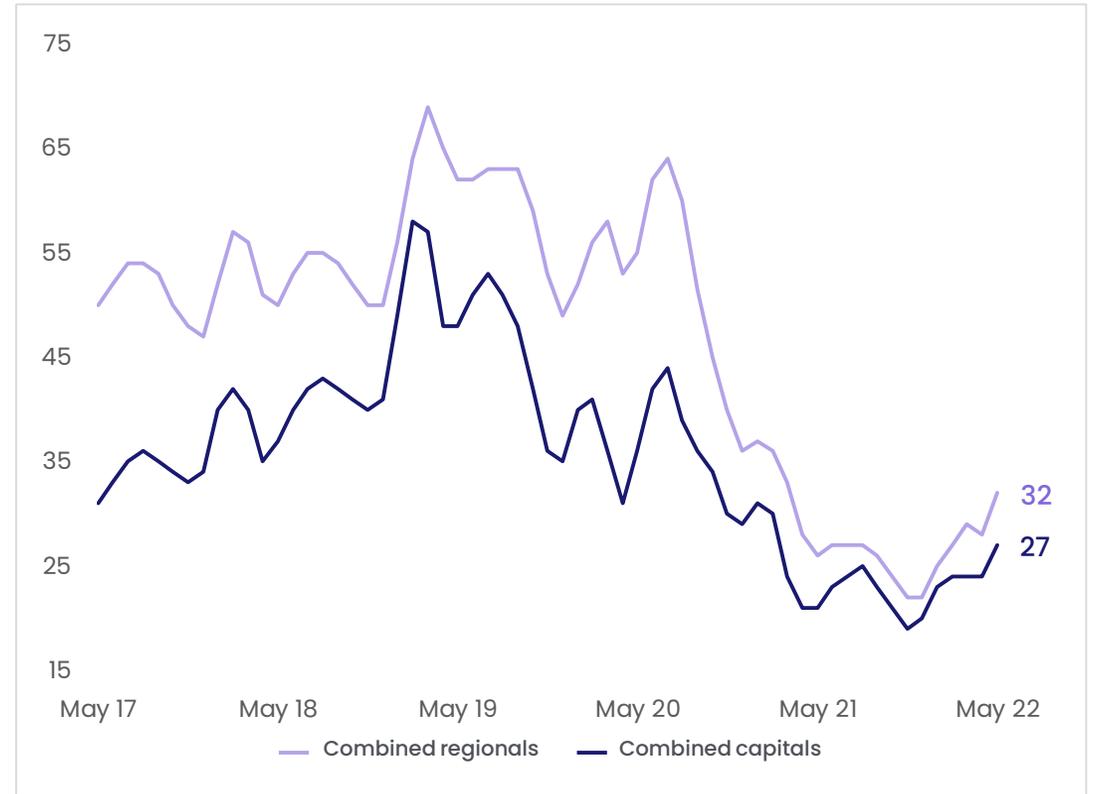
MEDIAN DAYS ON MARKET

At the national level, properties are taking longer to sell. In the three months to May, the median days on market was recorded at 28, up from a recent low of 20 days in the three months to November.

Median days on market – three months to May 2022



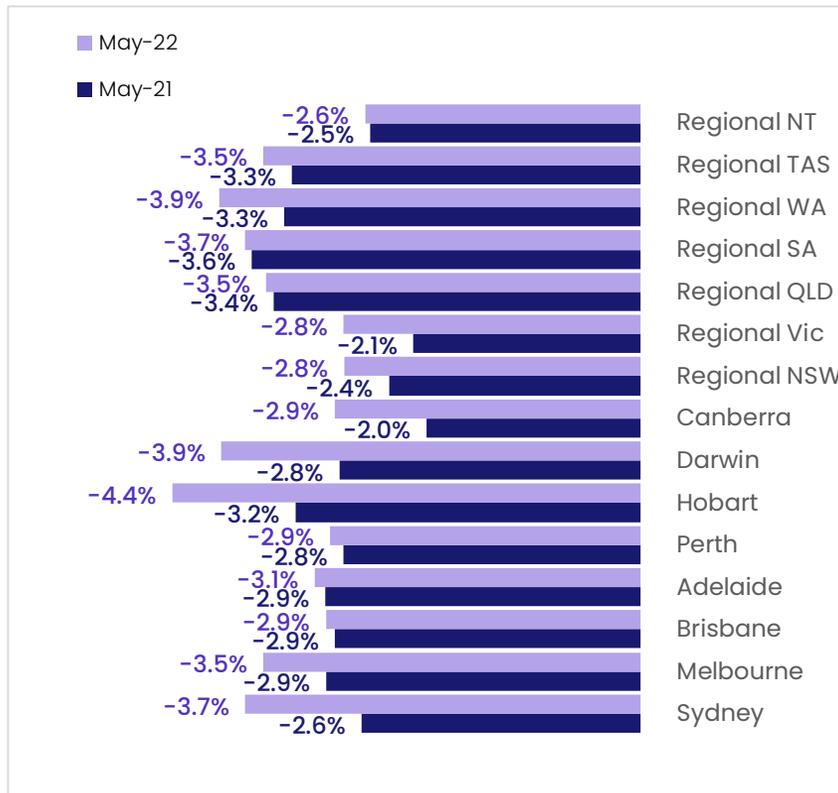
Median days on market



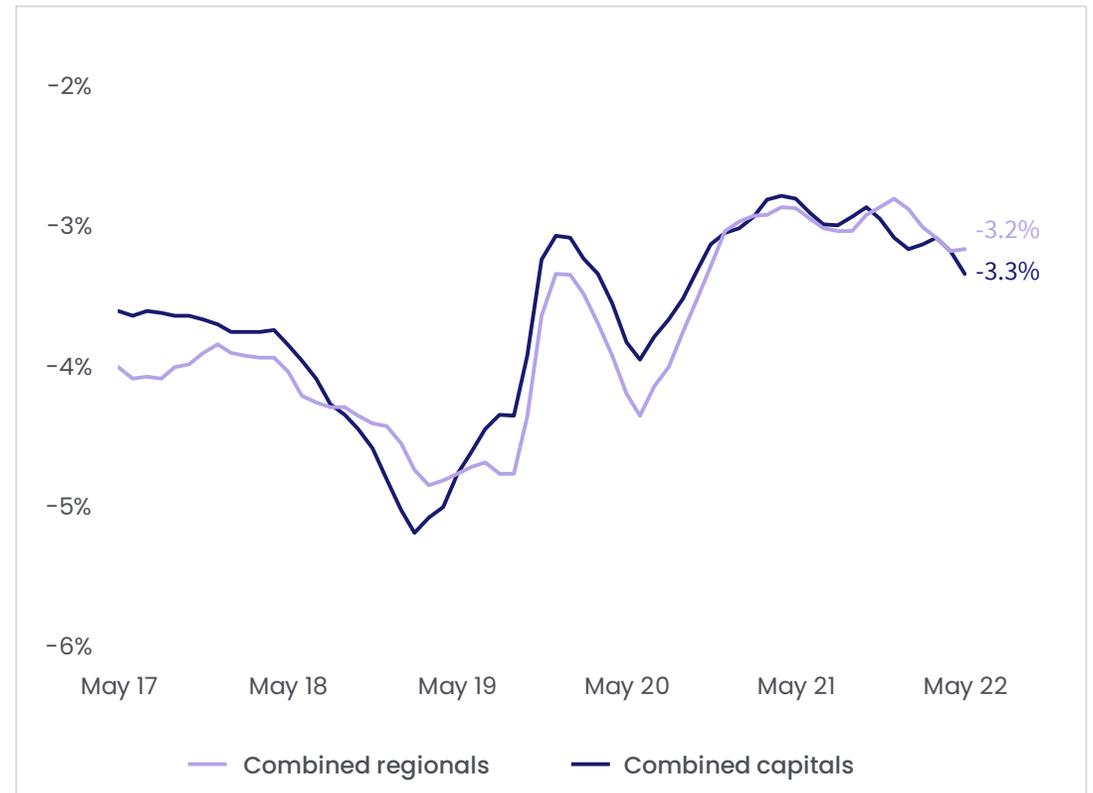
VENDOR DISCOUNT

Similarly, vendor discounting has also increased from the recent low of 2.9% recorded in the three months to November last year. In the three months to May, the median vendor discount at the national level was 3.3%.

Median vendor discount – three months to May 2022



Median vendor discount



LISTINGS

In the four weeks to June 6, there were 39,858 dwellings listed for sale nationally. While new listings volumes have steadied, they are higher than the five year average for the equivalent period.

Number of new listings, National Dwellings

New listings over the 4 weeks ending 29 May

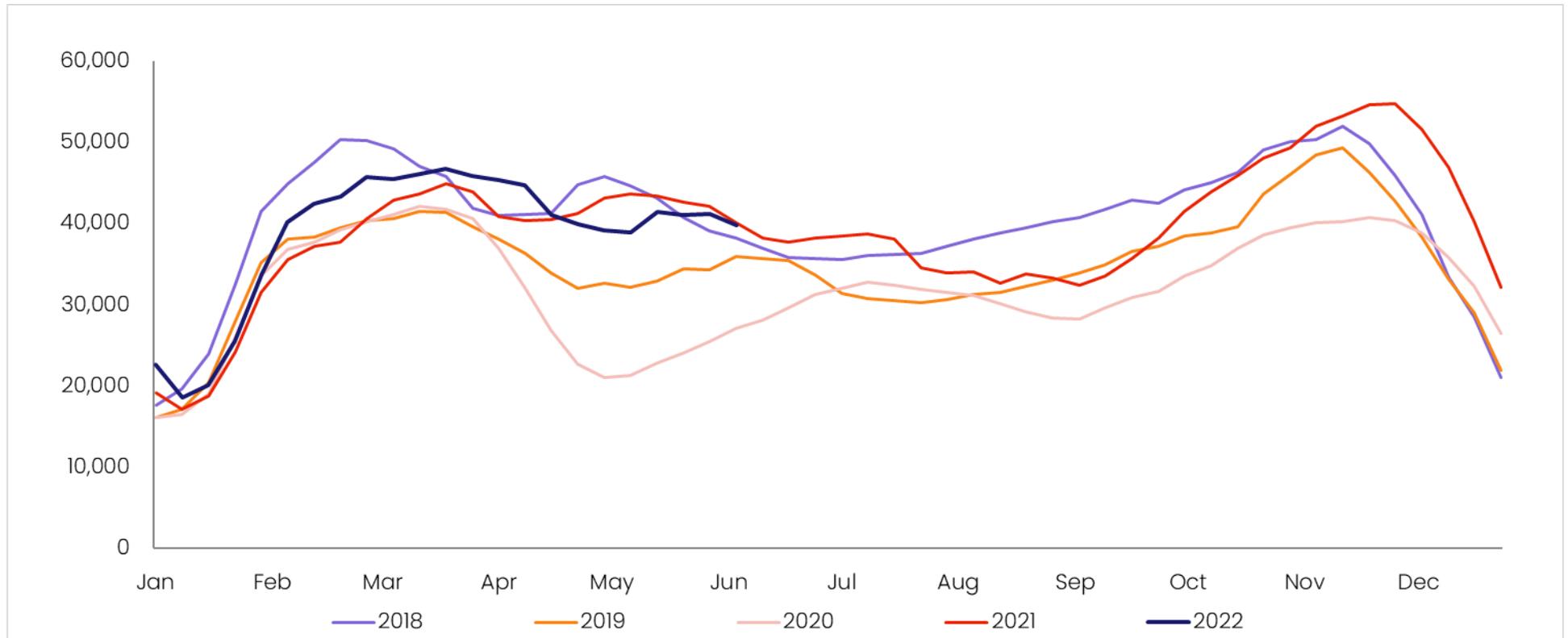
39,858

Compared to same time last year

-0.9%

Compared to 5-year average

8.5%



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 -27.7% below the five-year average.

Number of total listings, National Dwellings

Total listings over
the 4 weeks ending
29 May

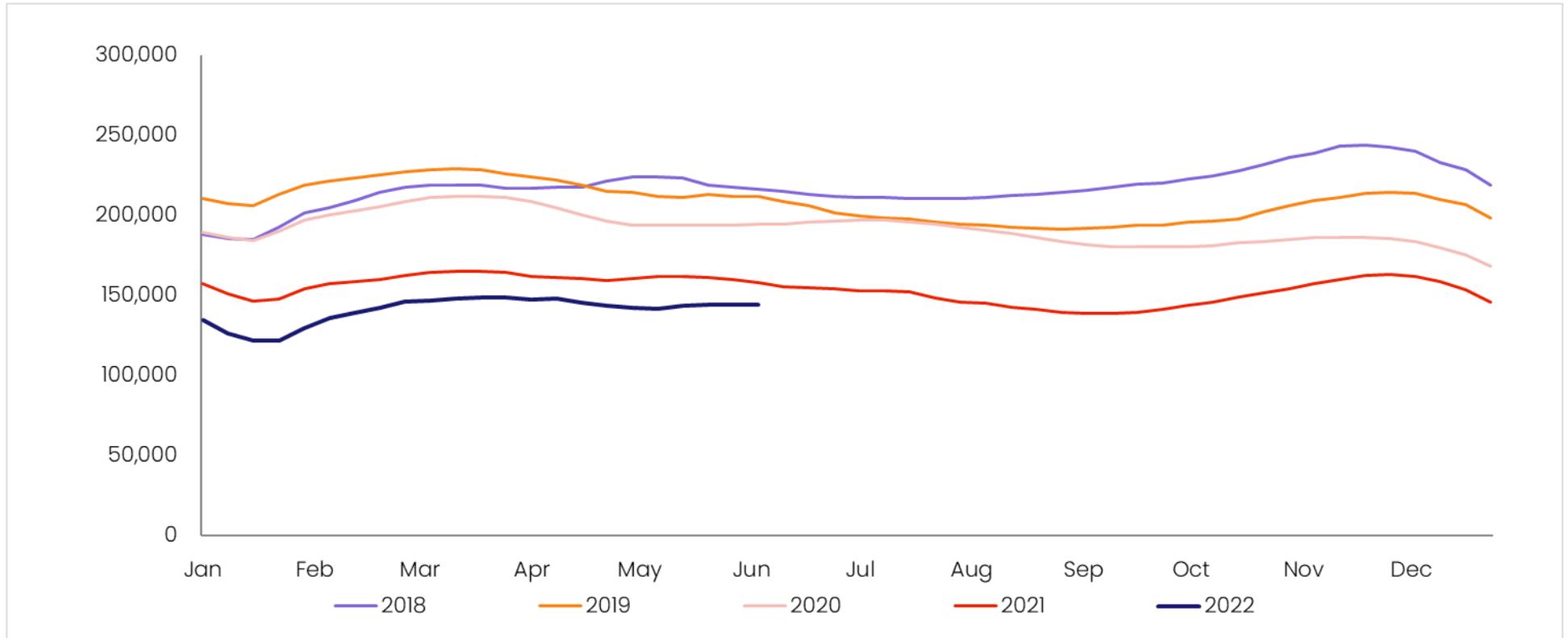
144,329

Compared to
same time last
year

-8.7%

Compared to
5-year average

-27.7%



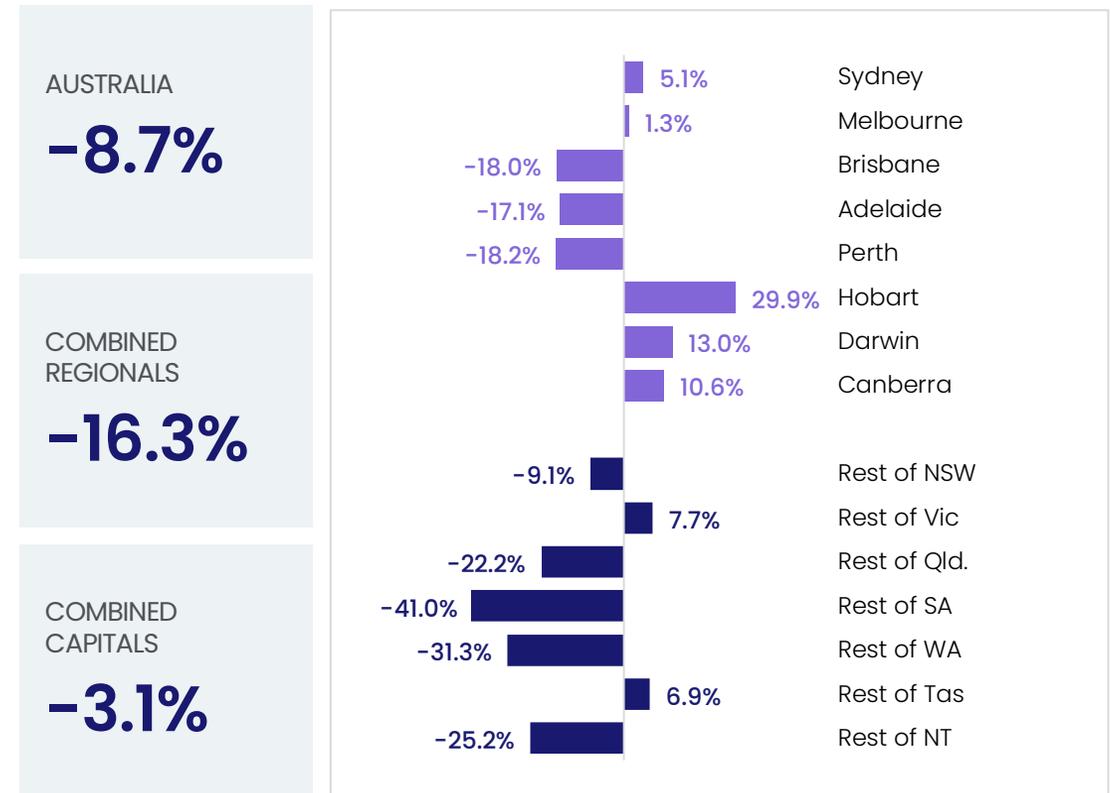
LISTINGS

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

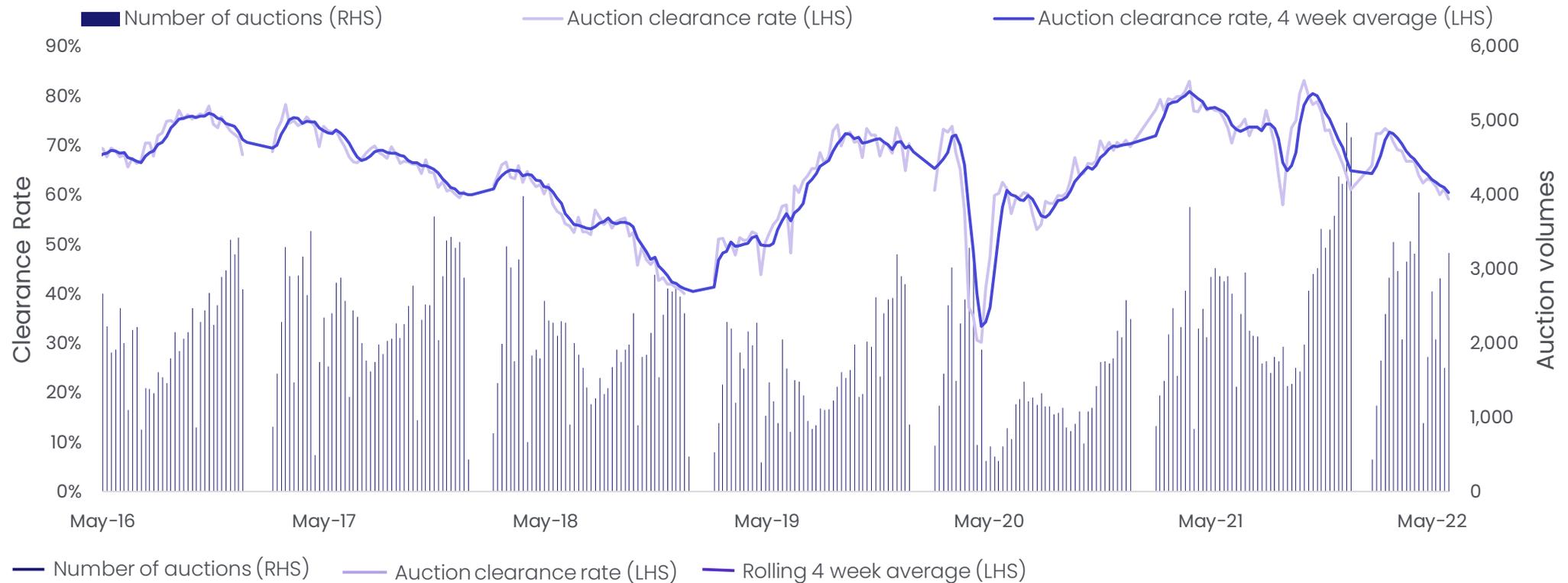


Data is for the four weeks ending 01 May

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate continued to trend lower through May, averaging 60.6% in the four weeks to May 29th. This is down from 75.8% in the equivalent period of 2021.

Weekly clearance rates, combined capital cities

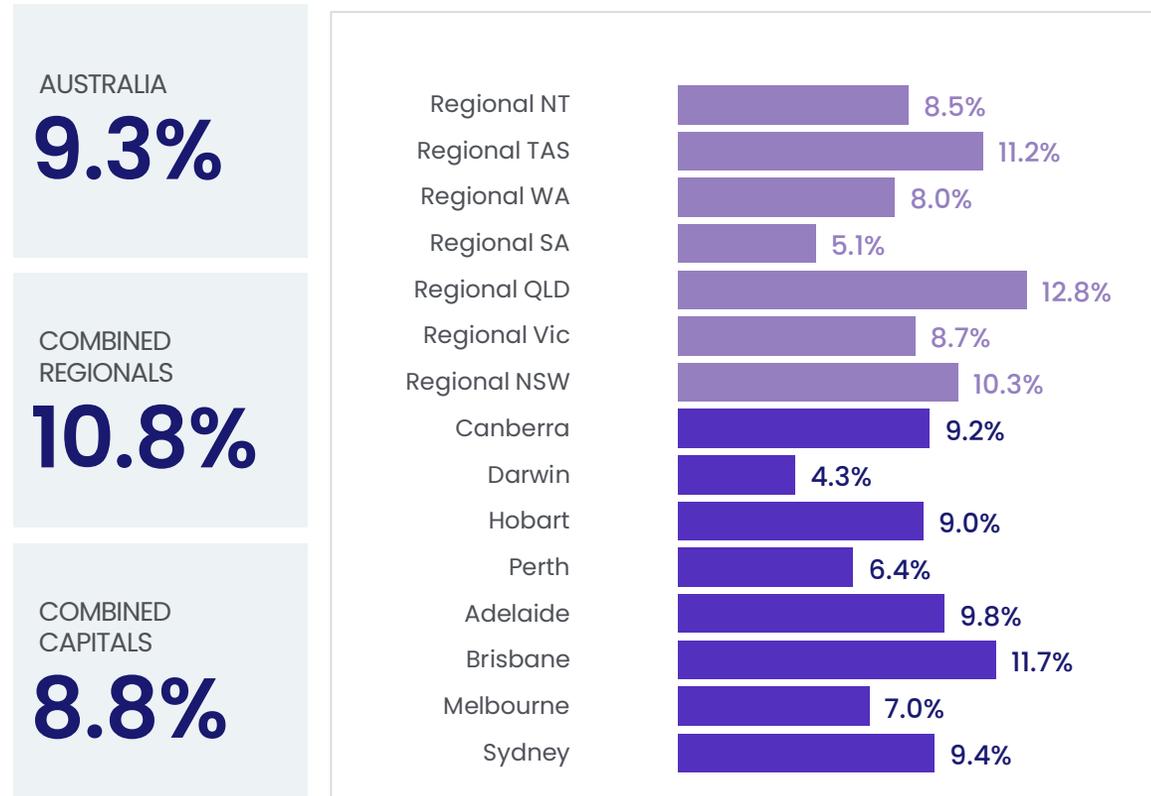


Rental market

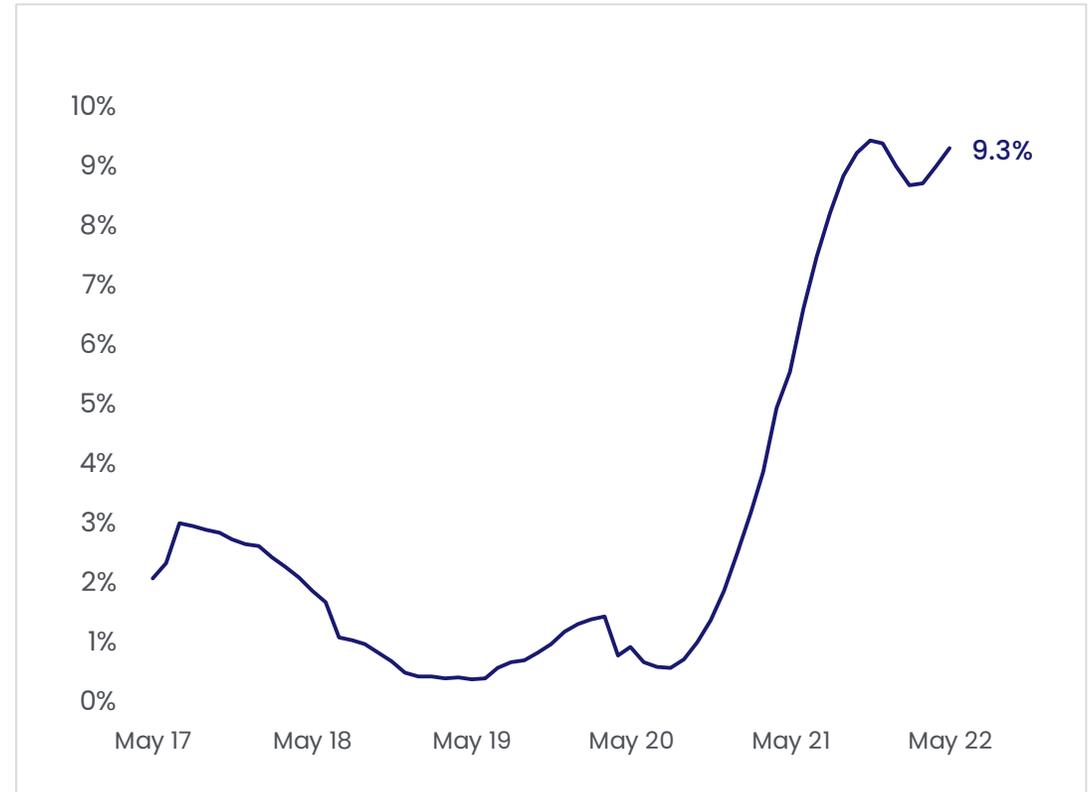
RENTAL RATES

Unlike changes in dwelling purchase values, rental value growth remains high across Australian dwellings. Rent values increased a further 1.0% in May, taking rents 9.3% higher over the year.

Annual change in rental rates to May 2022



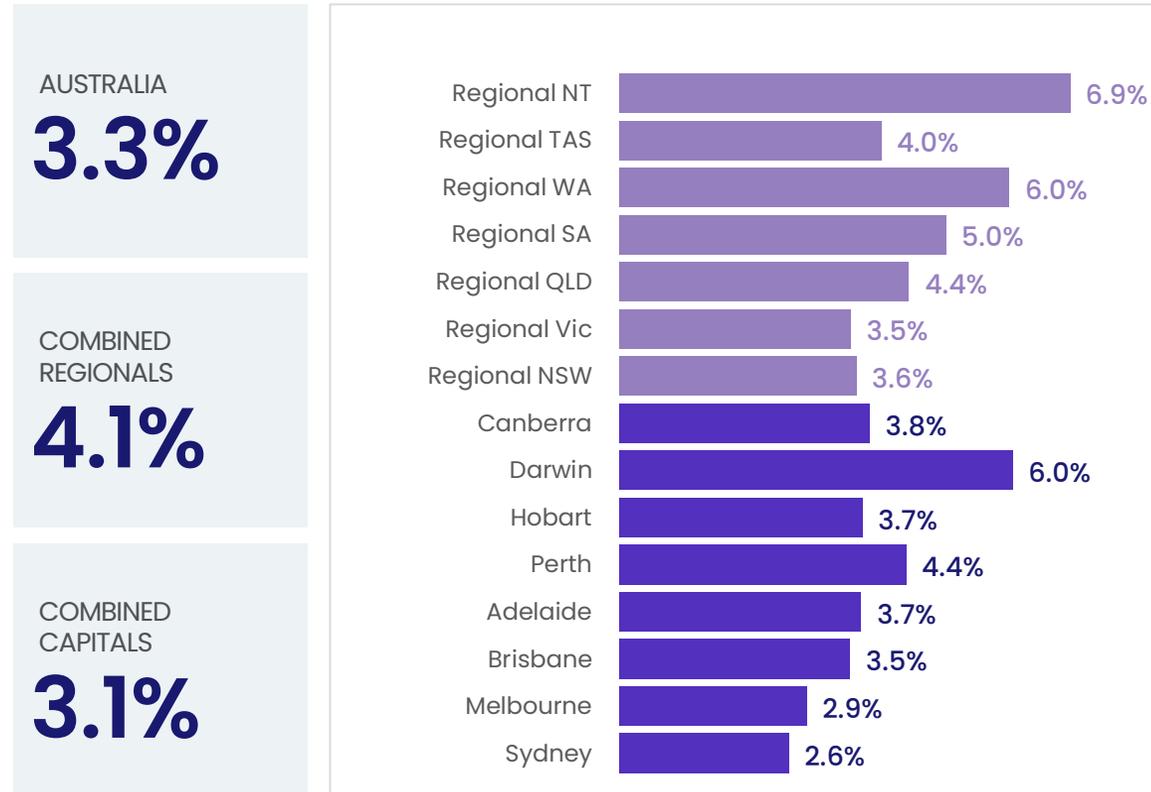
Annual change in rental rates - National



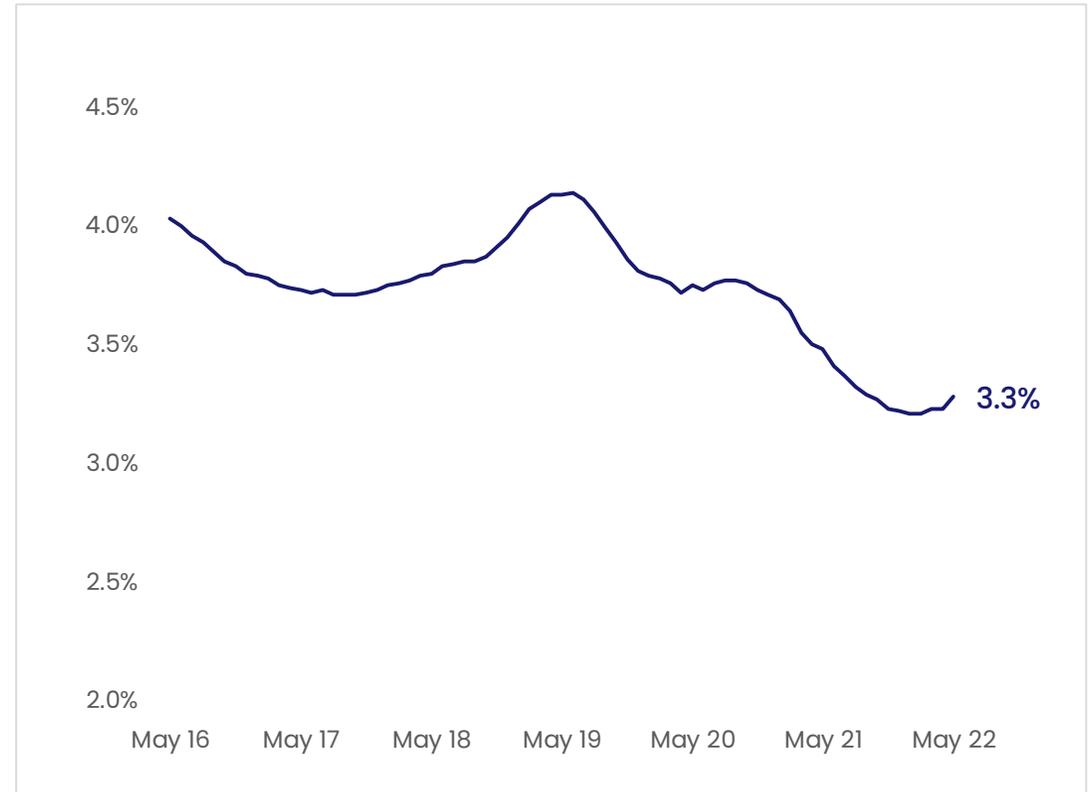
RENTAL YIELDS

Through May, Australian gross rent yields rose to 3.3%, up from a recent low of 3.21% through January this year. Since the end of 2021, gross rent yields in Sydney have lifted 17 basis points, and 12 basis points in Melbourne.

Gross rental yields, May 2022



Gross rental yields

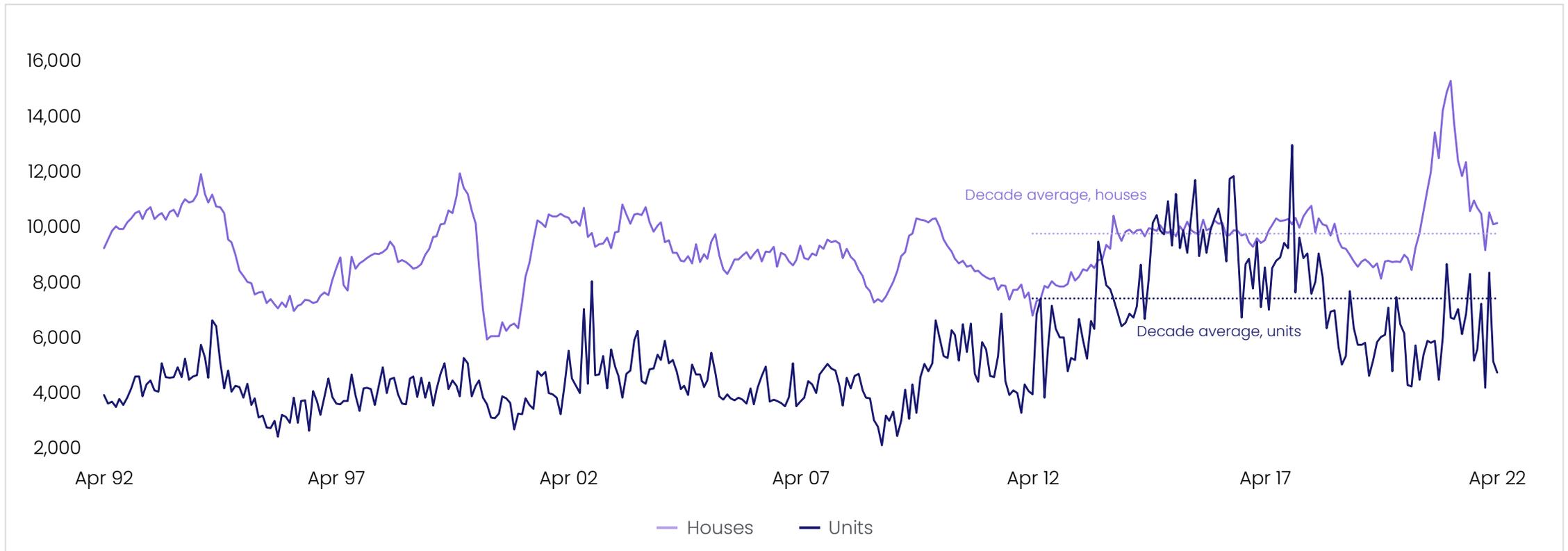


Dwelling approvals & housing credit

DWELLING APPROVALS

Through April, dwelling approvals declined for a second consecutive month, down -2.4%. The decline was driven by a -7.9% drop in unit approvals. However, detached house approvals were 10,154 through April, remaining above the decade average of 9,777.

Monthly house v unit approvals, National

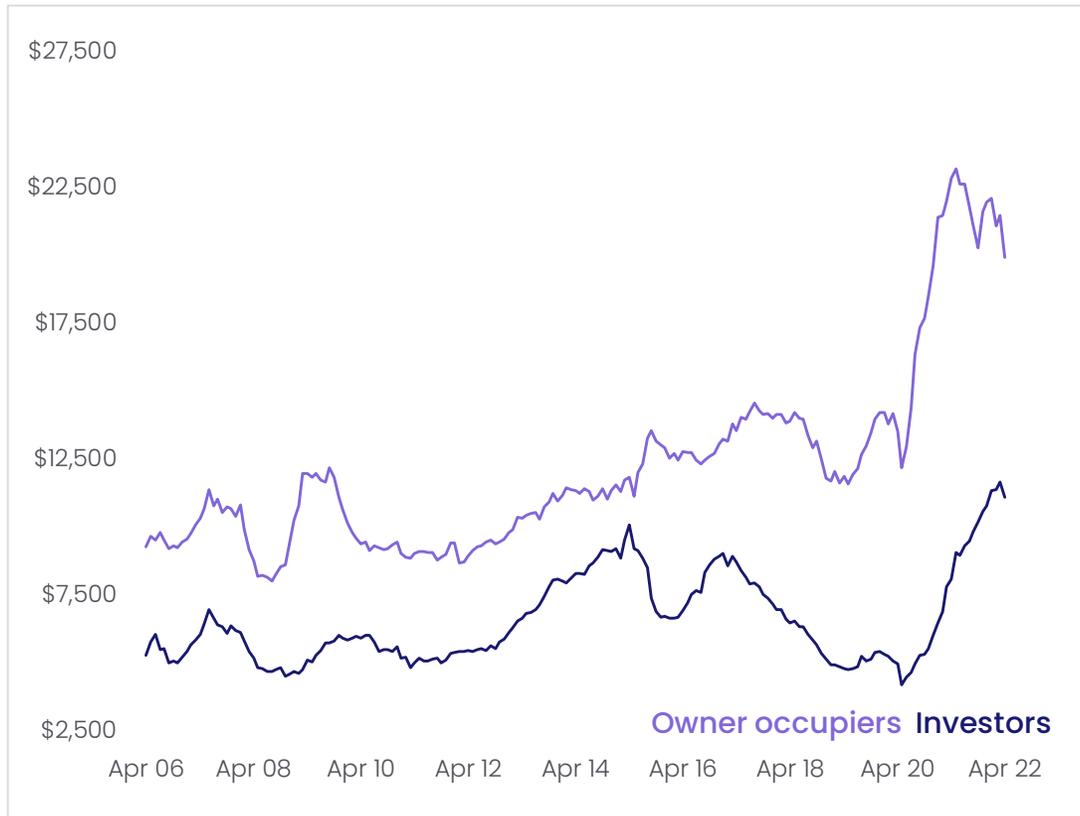


Source: ABS

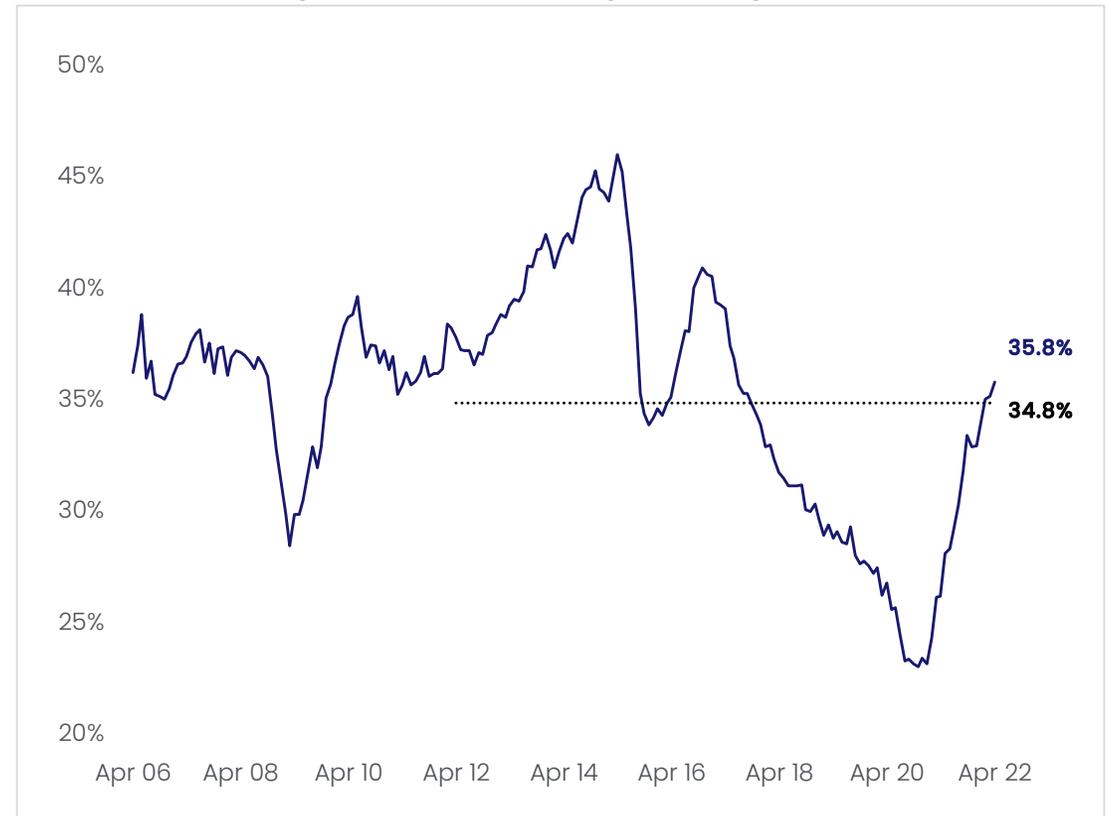
FINANCE & LENDING

Lending for property purchases fell -6.4% in over the month of April. Owner occupier lending fell -7.4% (or \$1.6 billion), while investor lending was down -4.8% (\$557 million).

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



Portion of new lending for investment housing (excluding refinance)

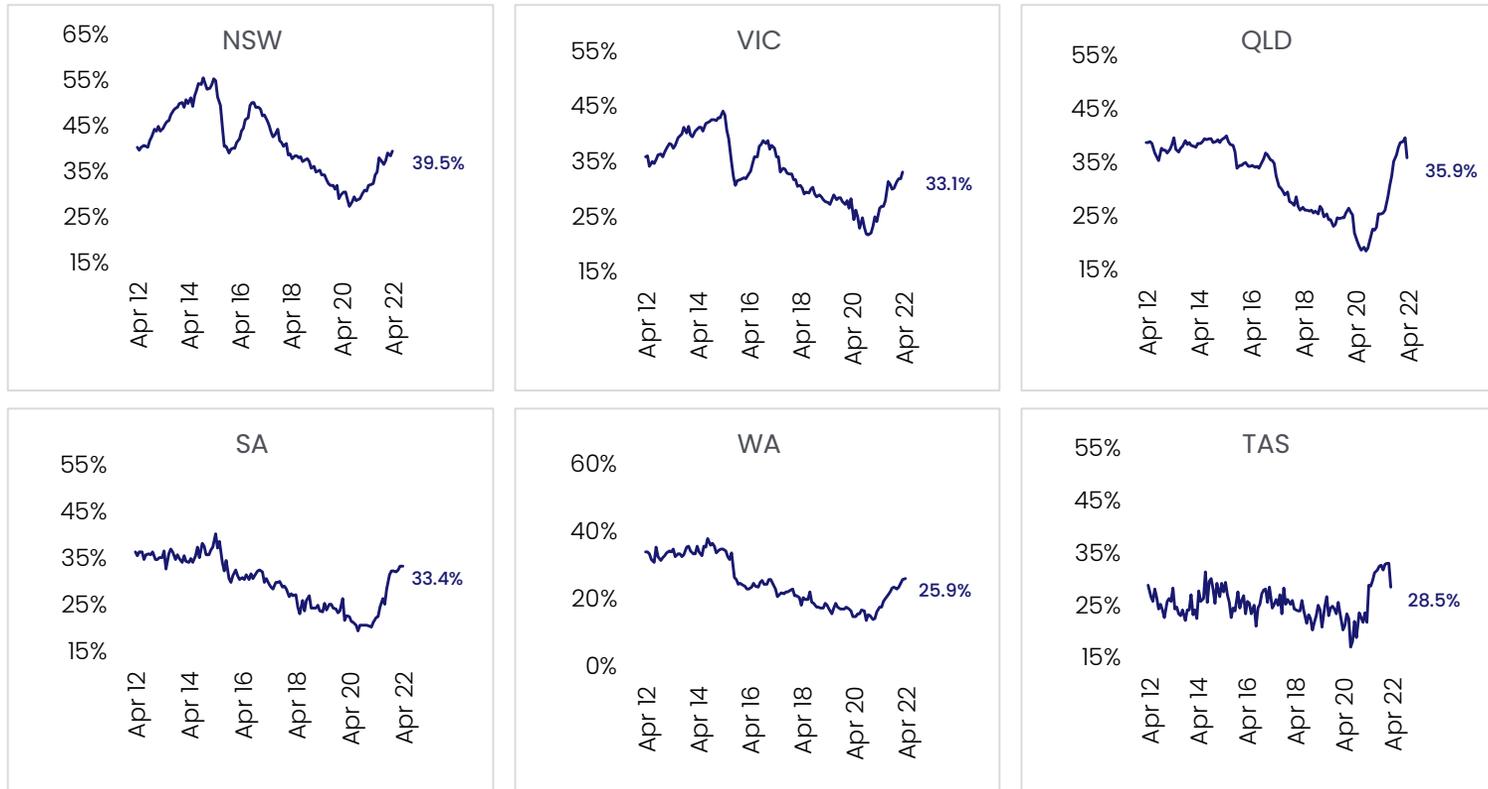


Source: ABS

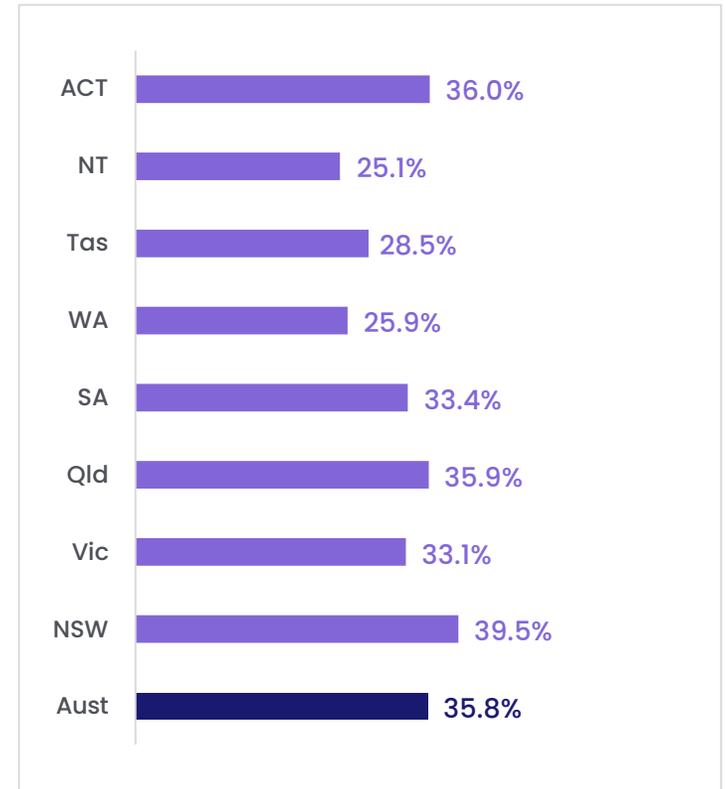
INVESTORS & LENDING

Nationally, investor finance comprised 35.8% of new mortgage lending through the month of April. This is above the decade average of 34.8%, and was largely driven by a faster fall in owner-occupier financing.

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



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

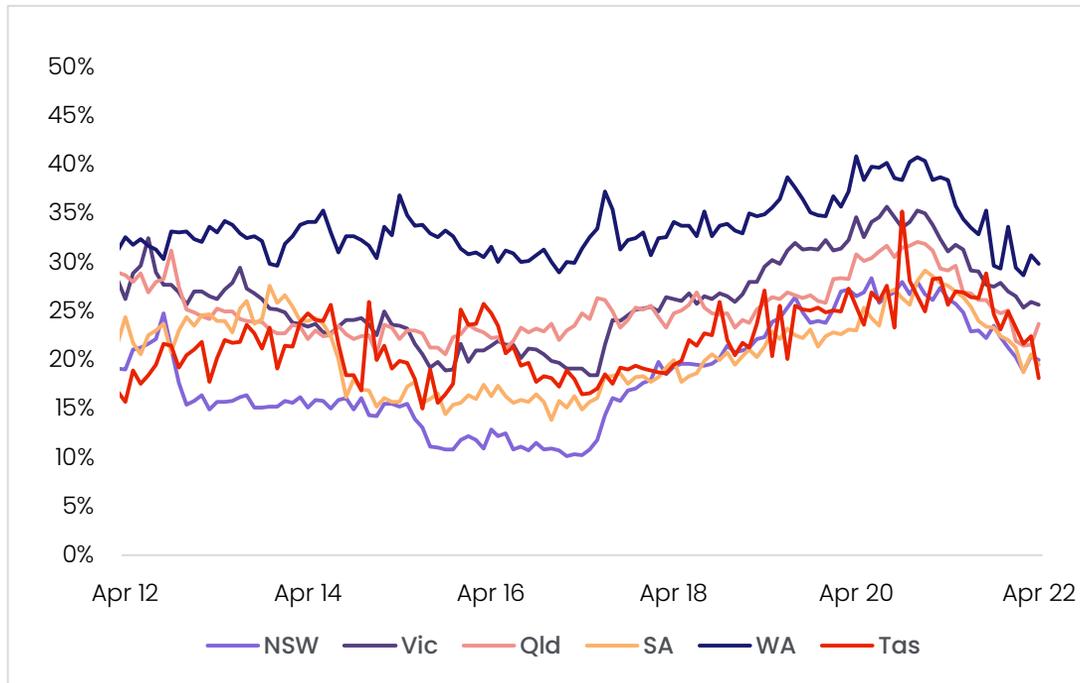


Source: ABS

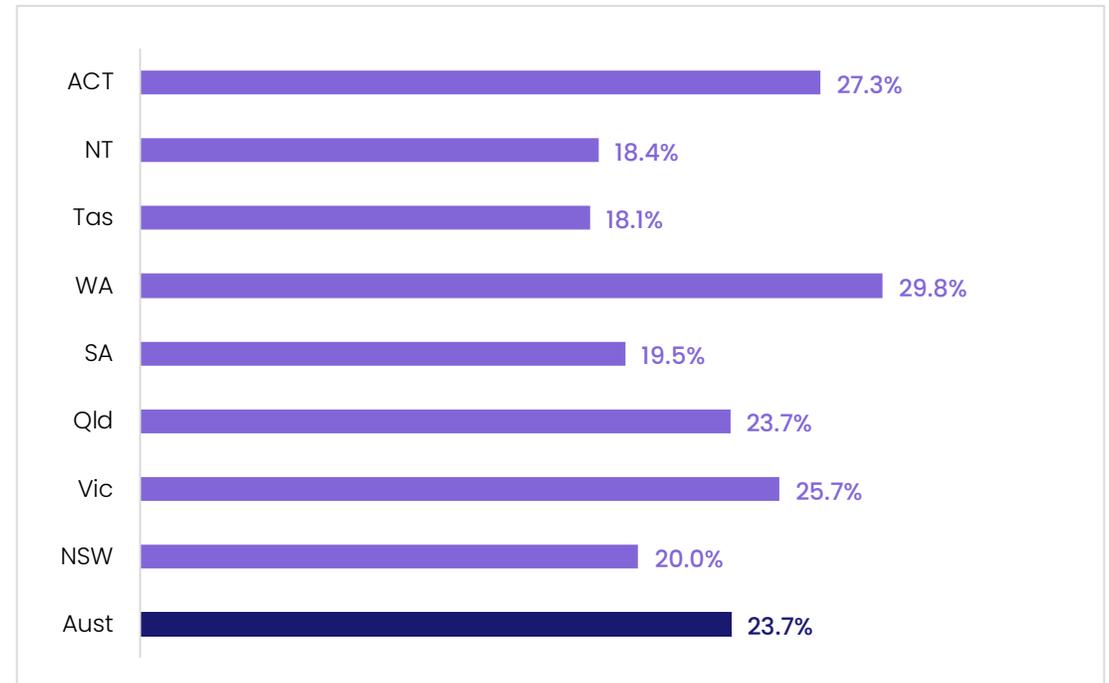
FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance increased marginally, from 23.5% in March, to 23.7% in April. However, first homebuyer finance overall declined \$315 million, or -6.2%, through April.

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



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



Source: ABS

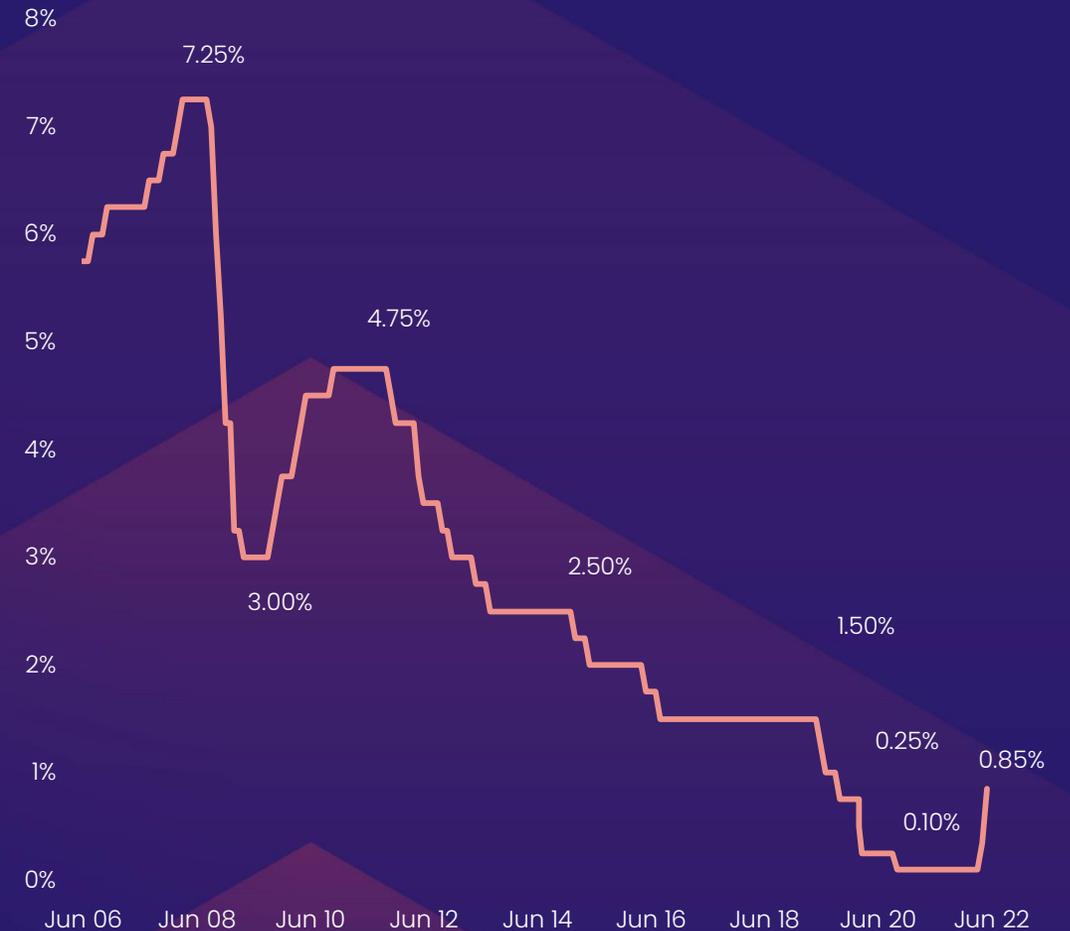
MORTGAGE RATES

The RBA lifted rates to 0.85% through June

Statement highlights

- Inflation in Australia is higher than earlier expected, due to COVID-related supply chain disruptions, the war in Ukraine, and domestic factors including floods;
- The RBA anticipates inflation could go higher in 2022, before declining back towards the 2-3 percentage point range next year;
- Economic conditions in Australia are resilient, though household spending will be an uncertainty amid higher costs of living;
- The RBA said it would “take further steps” to normalise monetary policy in the months ahead, and would do what is necessary to get inflation back to target.

RBA Cash Rate



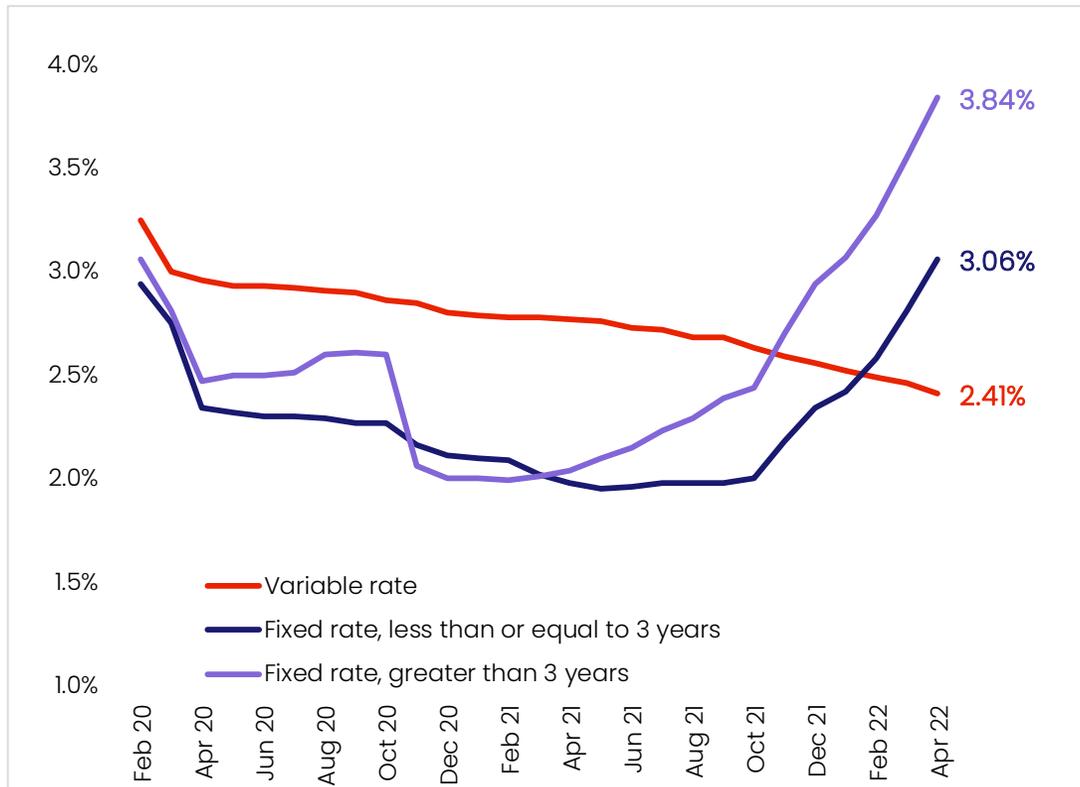
Source: RBA

HOUSING CREDIT

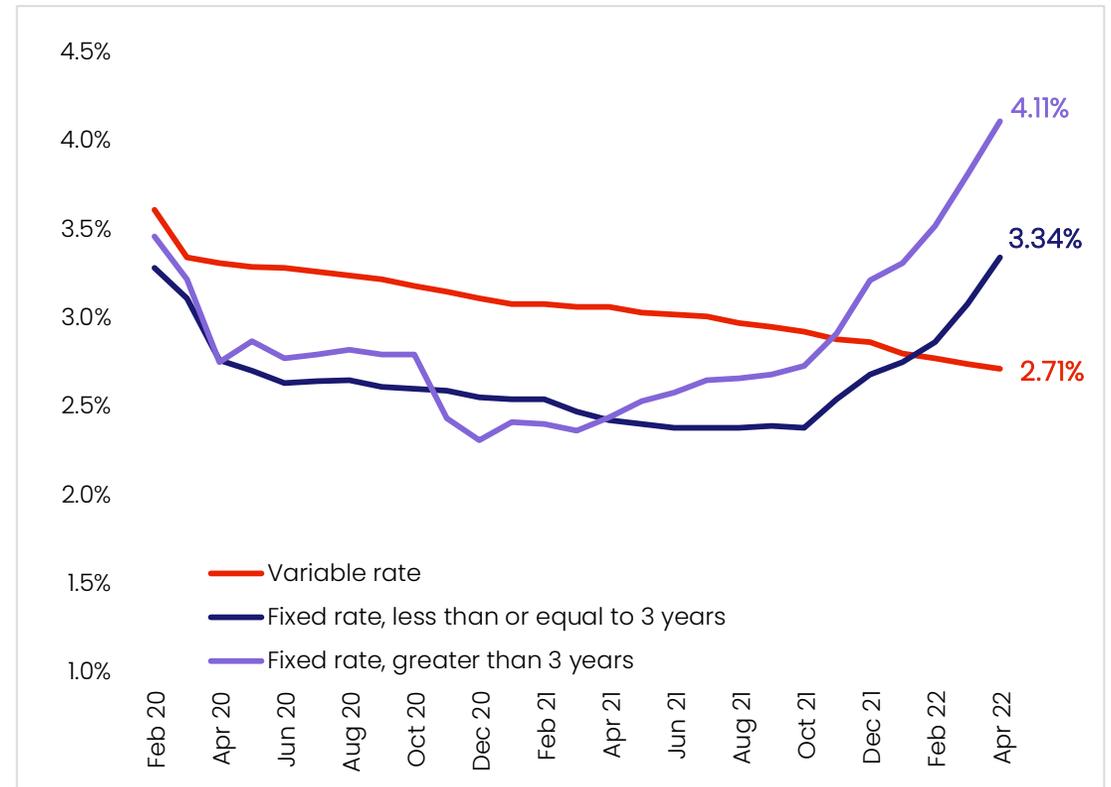
Average long-term fixed rates have now increased to 4.1% for the investor segment, and 3.8% for new owner-occupiers. Through April, average variable rates continued to trend lower for both buyer types.

Average borrowing costs by borrower and loan type

Owner occupiers



Investors

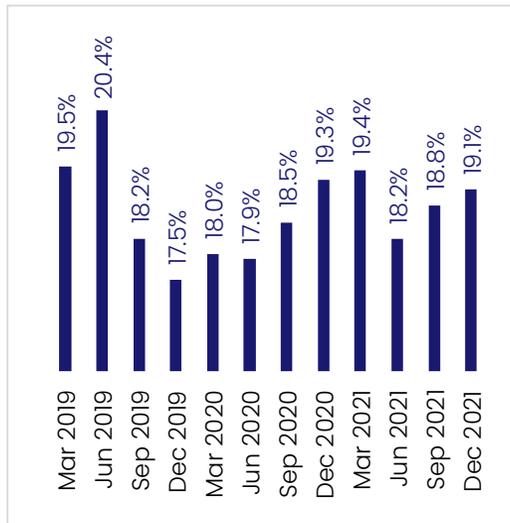


Source: RBA

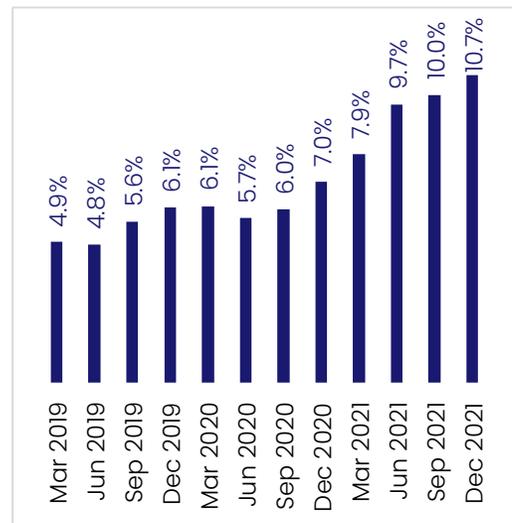
Debt to income ratios of six or more rose to 24.4% of new mortgage lending in the December quarter, a small increase from the previous quarter.

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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