

November 2021

# Monthly Chart Pack

Unlocking smarter property  
decisions



# Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

**\$9.3 Trillion**



AUSTRALIAN SUPERANNUATION

**\$3.3 Trillion**



AUSTRALIAN LISTED STOCKS

**\$2.8 Trillion**



COMMERCIAL REAL ESTATE

**\$1.0 Trillion**

NUMBER OF DWELLINGS

**10.7 Million**

OUTSTANDING MORTGAGE DEBT

**\$2.0 Trillion**

HOUSEHOLD WEALTH HELD IN HOUSING

**55.4%**

TOTAL SALES P.A.

**614,241**

GROSS VALUE OF SALES P.A.

**\$448.7 Billion**

Source: CoreLogic, RBA, APRA, ASX

2 © 2021 CoreLogic, Inc. All Rights Reserved.

# Australian dwelling values

## Overview

### 3 MONTHS

↑ **4.6%**

National home values rose 4.6% in the three months to October, which has eased from a 5.9% increase in the three months to July

### 12 MONTHS

↑ **21.6%**

Dwelling values in Australia are 21.6% higher over the past 12 months, which is the highest annual appreciation since June 1989.

### CAPITAL CITIES

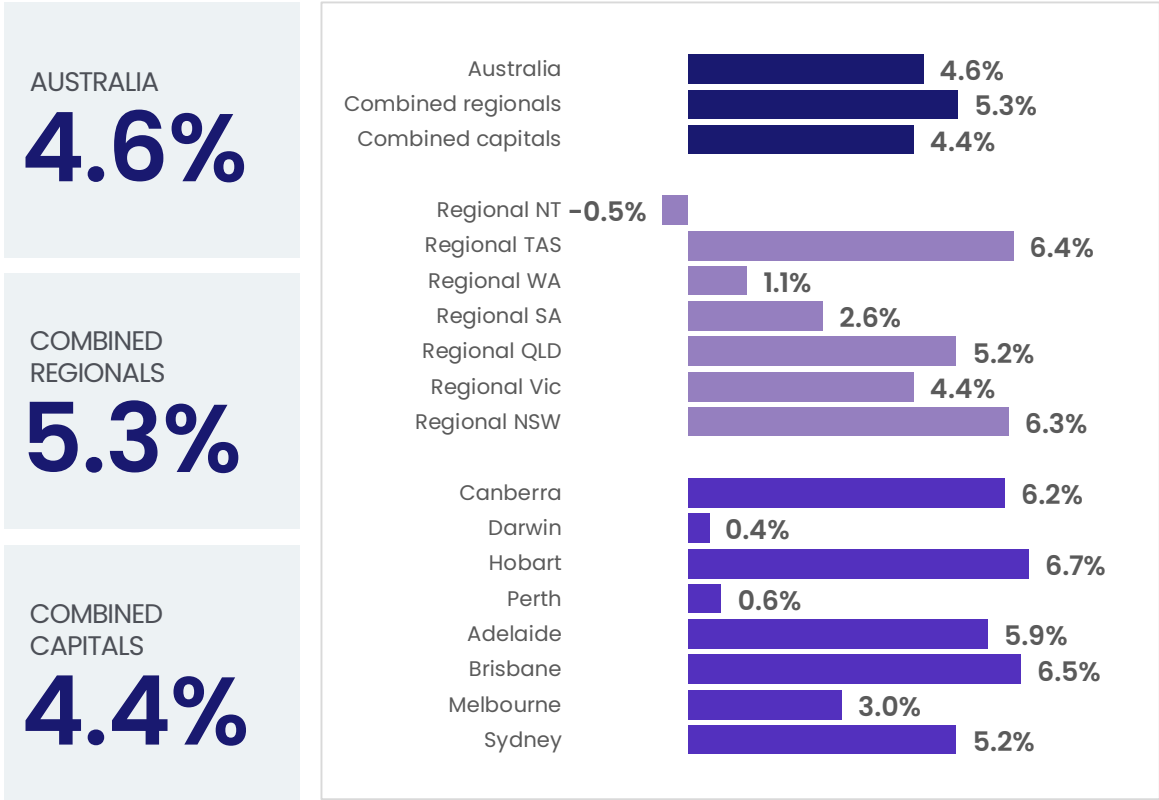
**High end of the market leading growth**

In the three months to October, the top 25% of values across the capital cities rose 5.2%, compared to 2.8% across the lowest 25% of values.

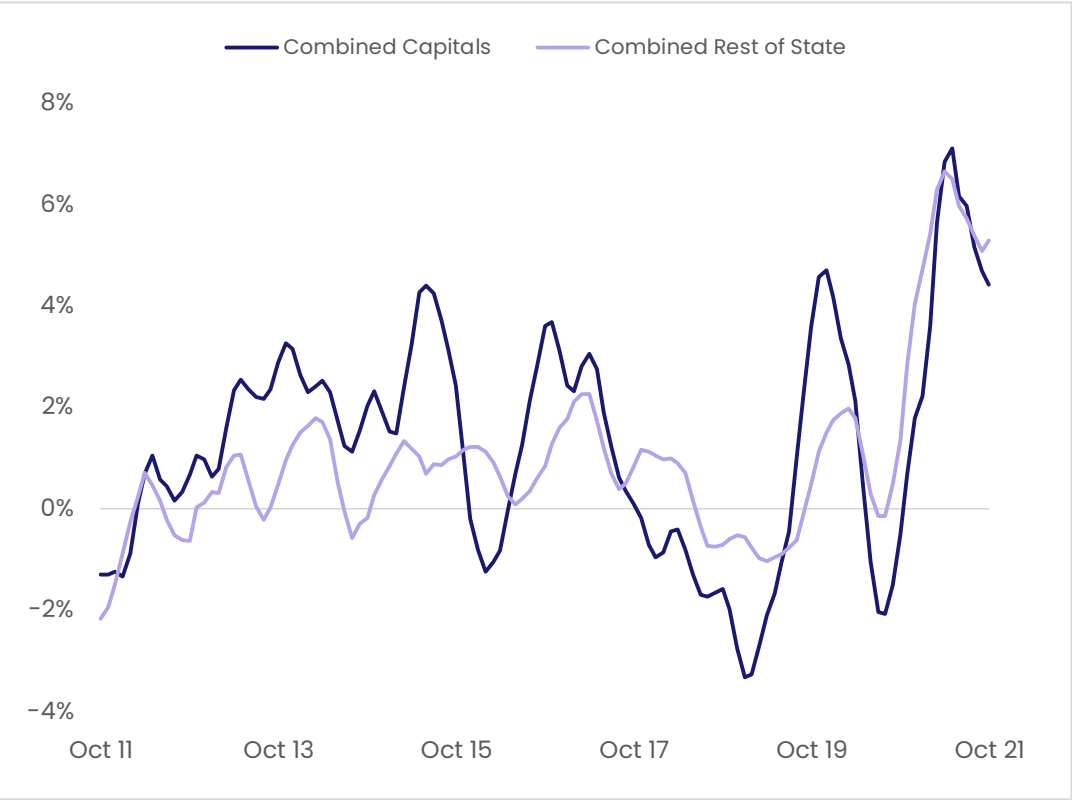
AUSTRALIAN DWELLING VALUES

# 3 month changes

Change in dwelling values, three months to October 2021



Rolling quarterly change in dwelling values



## AUSTRALIAN DWELLING VALUES

# 12 month changes

Change in dwelling values, twelve months to October 2021

AUSTRALIA

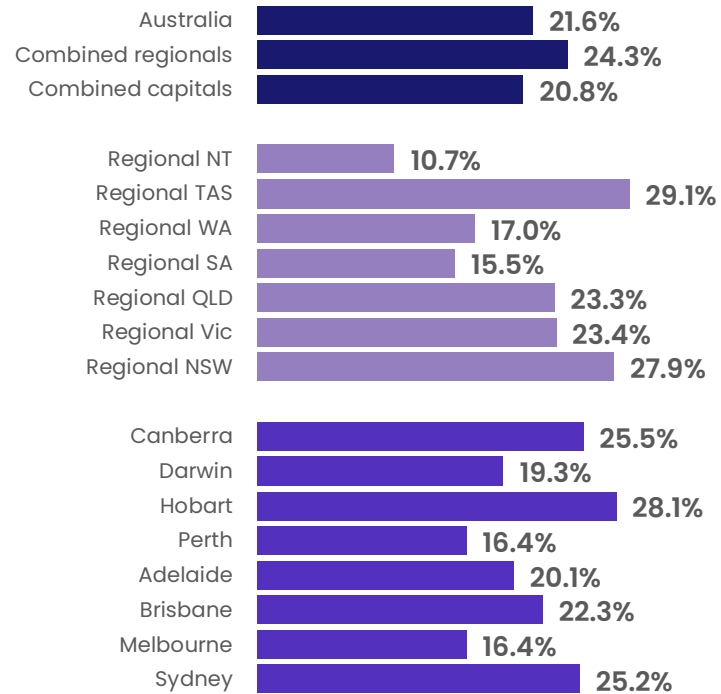
**21.6%**

COMBINED  
REGIONALS

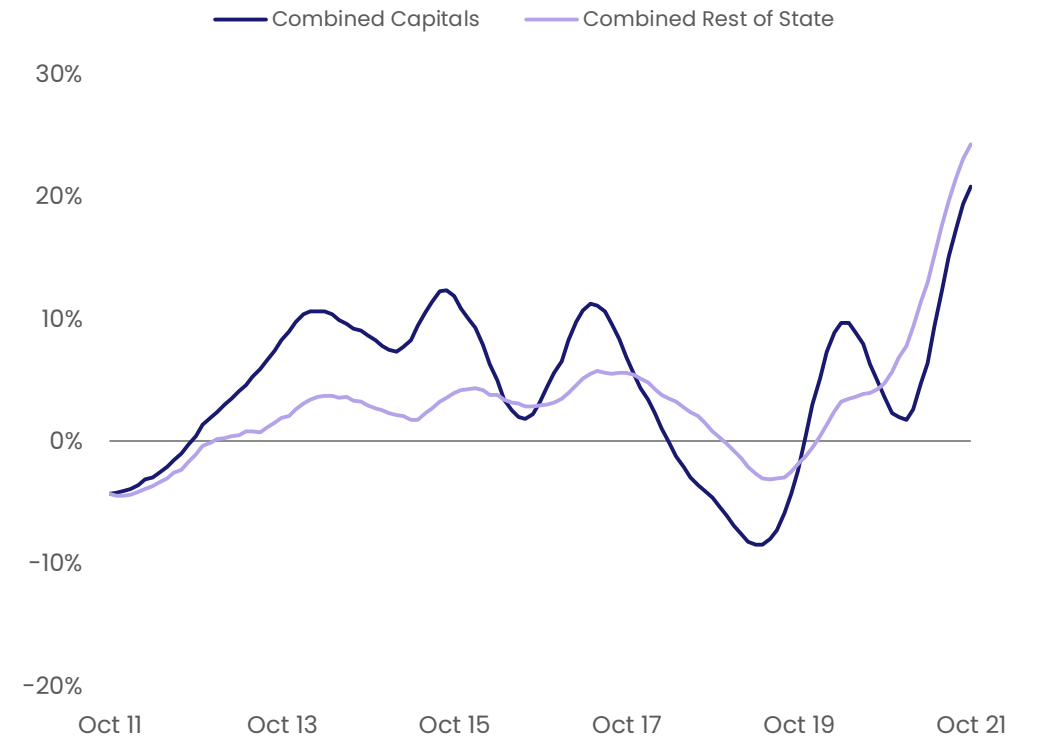
**24.3%**

COMBINED  
CAPITALS

**20.8%**



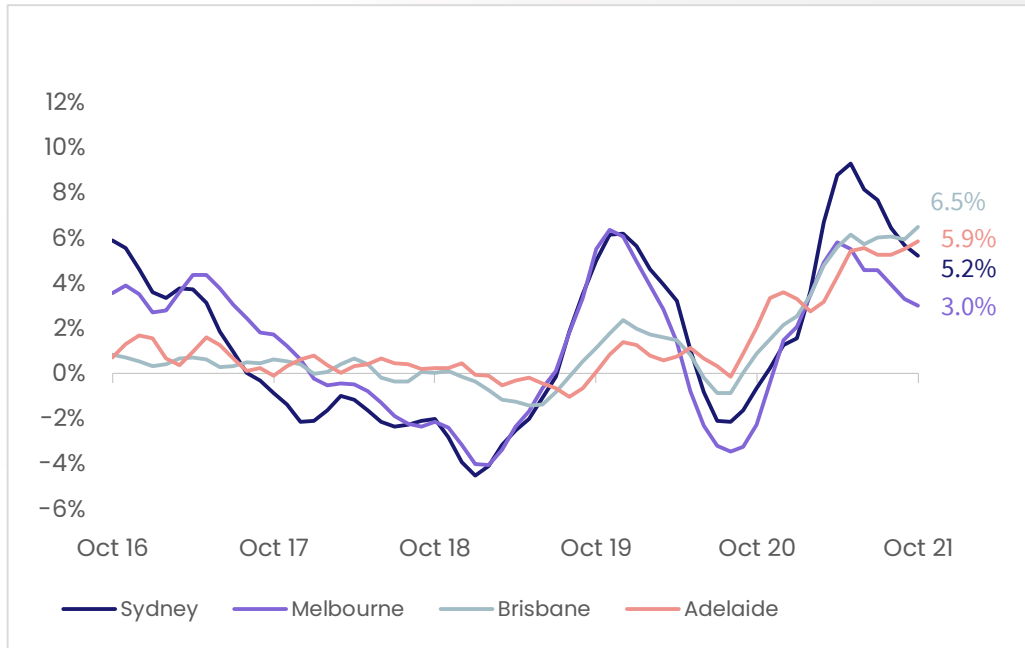
Rolling annual change in dwelling values



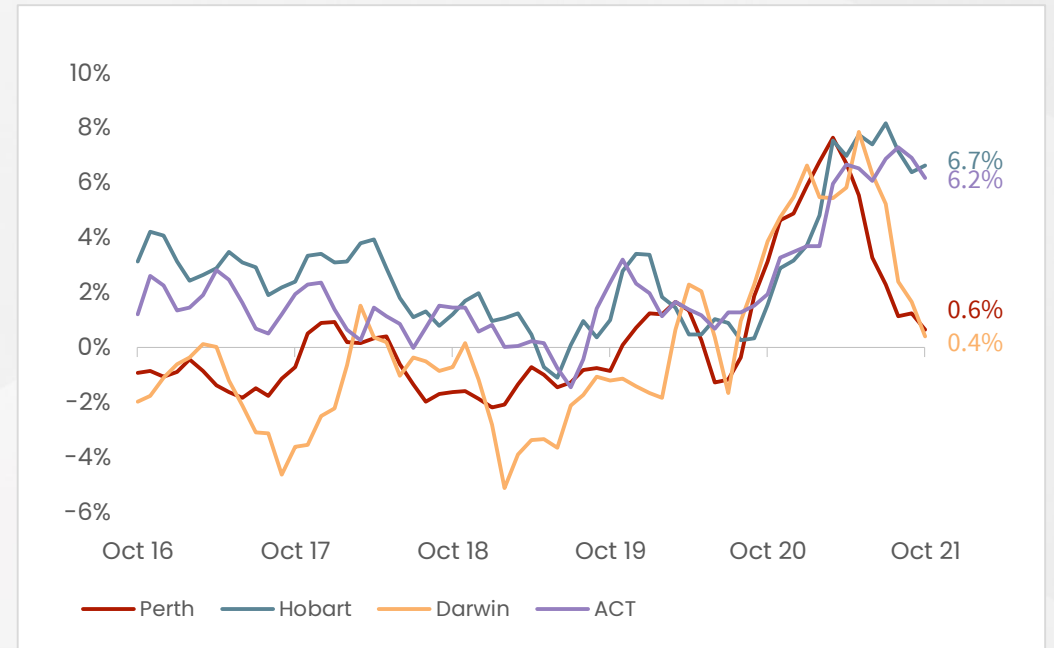
## AUSTRALIAN DWELLING VALUES

# Capital cities

Rolling quarterly change in values, dwellings

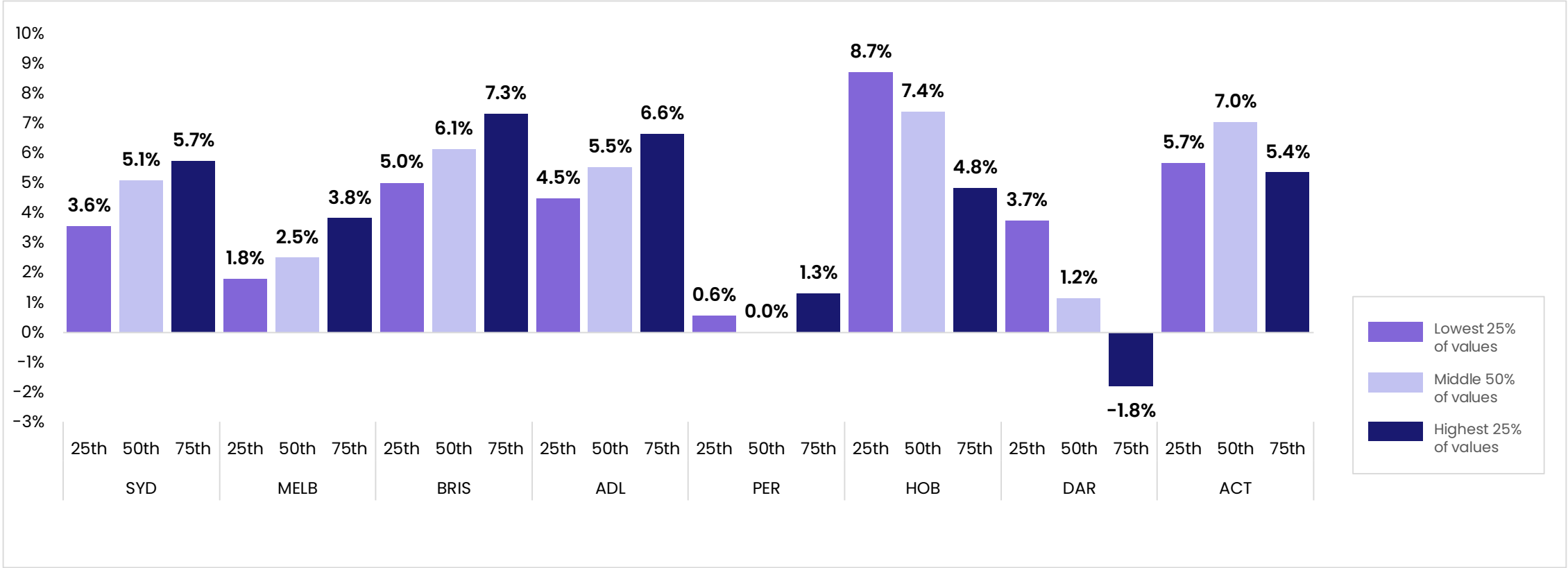


Rolling quarterly change in values, dwellings



# Capital cities

Growth in stratified hedonic dwellings index (3 months to October)





# Housing cycles

Capital cities



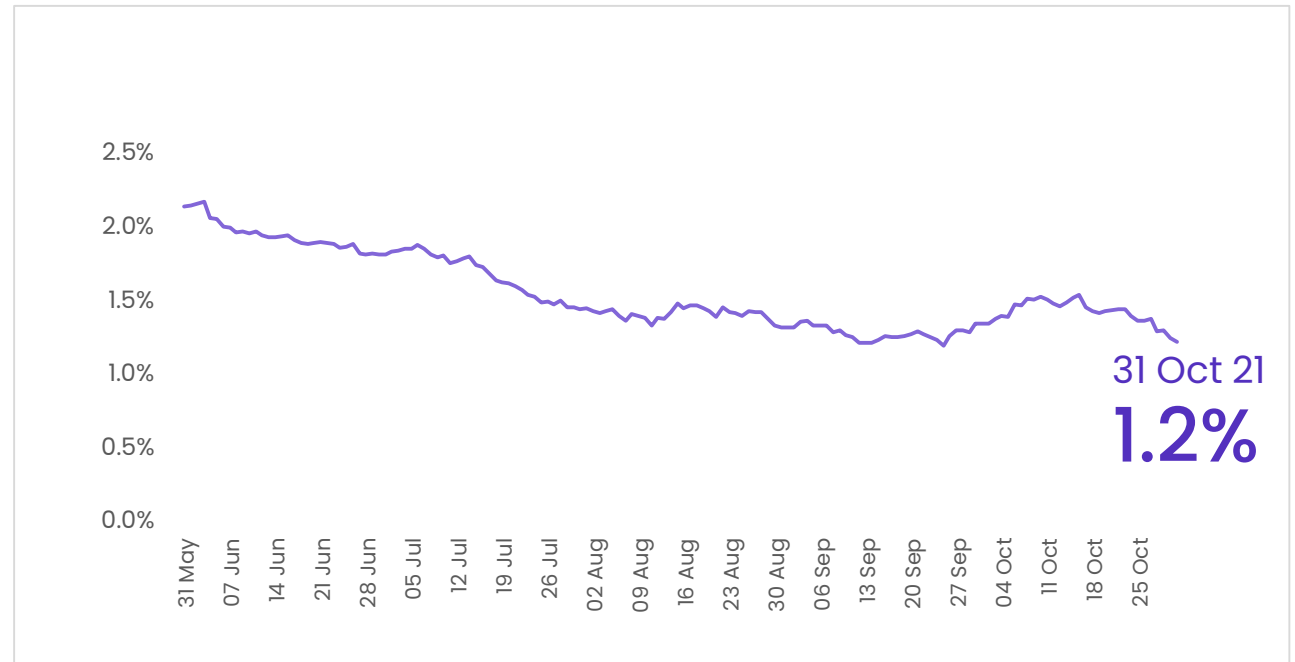


# Rolling 28-day growth rate in CoreLogic Home Value index

The 28-day change in the hedonic home value index trended down through the second half of October, having stabilised a little through September and the first half of October.

Through October, higher levels of newly advertised stock, affordability constraints and announced changes to lending conditions may have contributed to an easing in the growth rate.

Combined capital cities



## HOUSING CYCLES

# Sydney

In **October** Sydney dwelling values rose by

**1.5%**

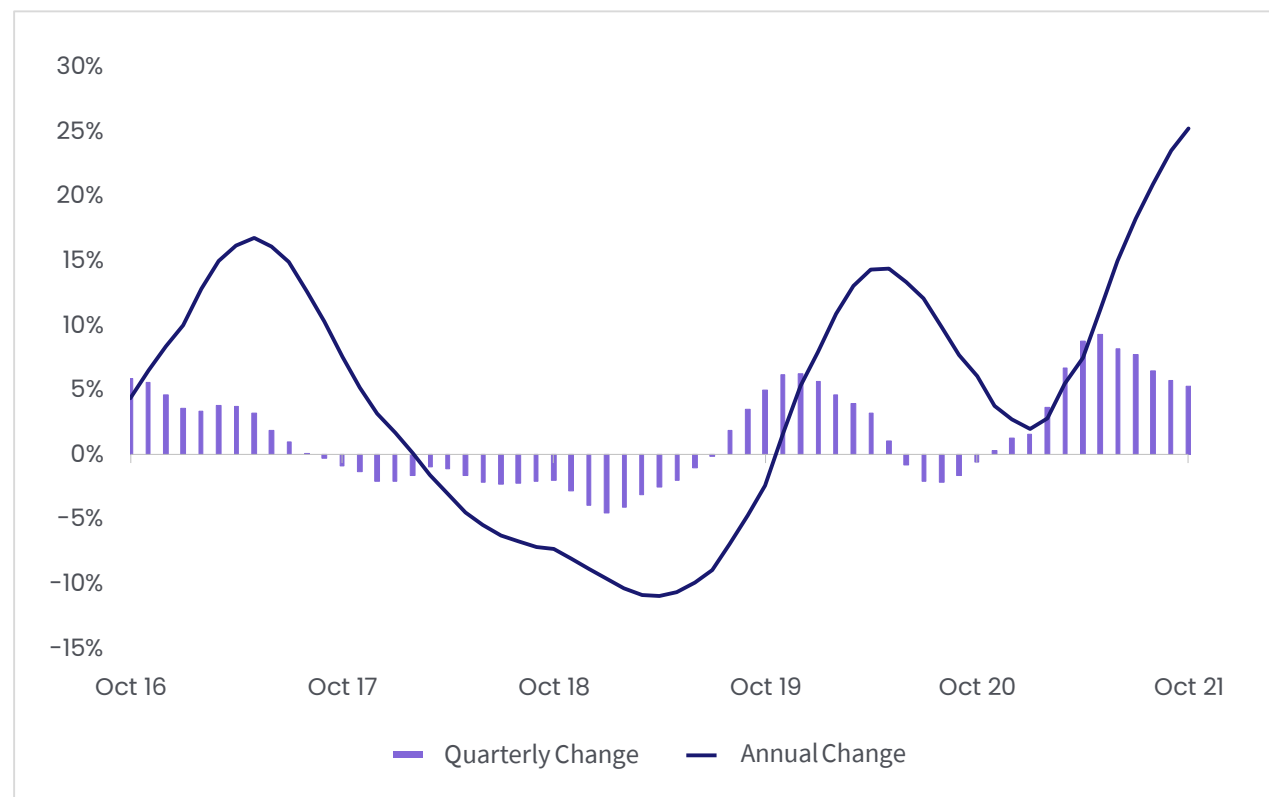
In the **quarter** dwelling values increased by

**5.2%**

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

**25.2%**

Sydney dwelling values are currently at a record high



## HOUSING CYCLES

# Melbourne

In **October** Melbourne dwelling values rose by

**1.0%**

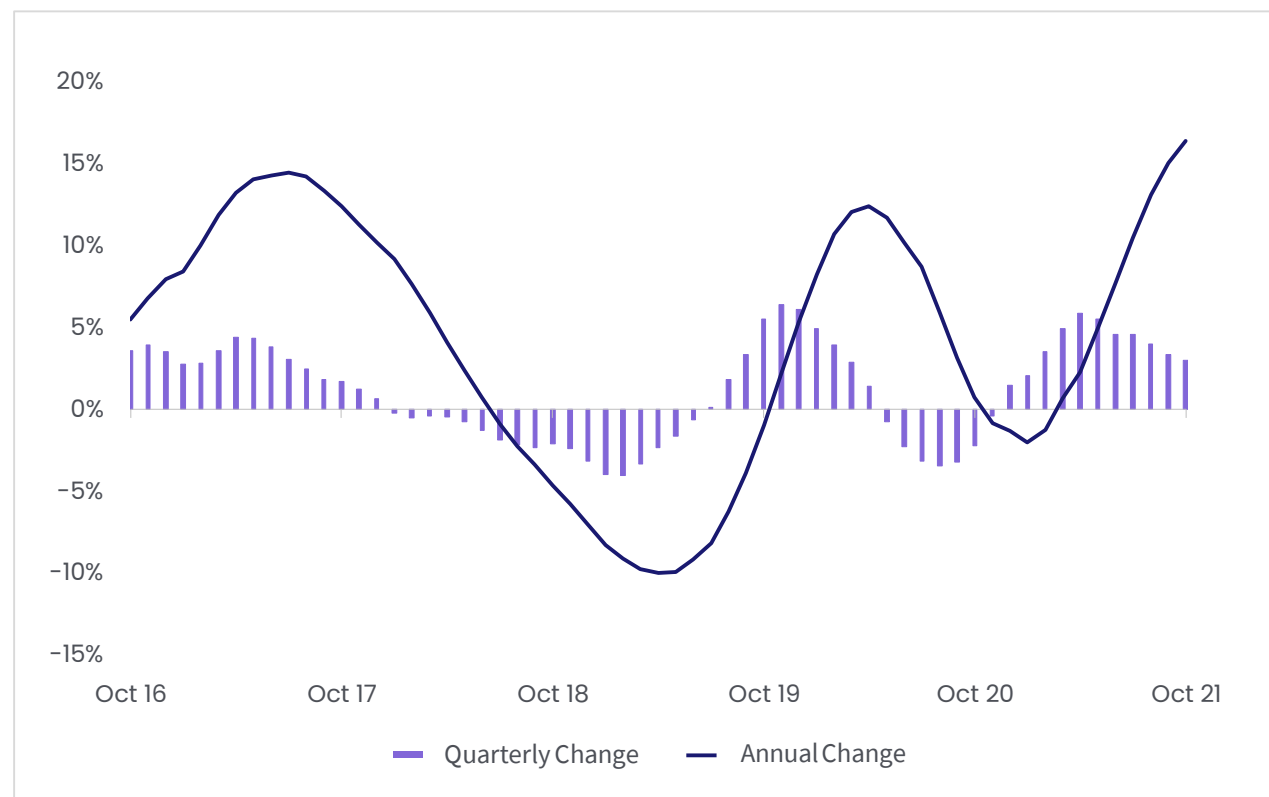
In the **quarter** dwelling values increased by

**3.0%**

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

**16.4%**

Melbourne dwelling values are currently at a record high



## HOUSING CYCLES

# Brisbane

In **October** Brisbane dwelling values rose by

**2.5%**

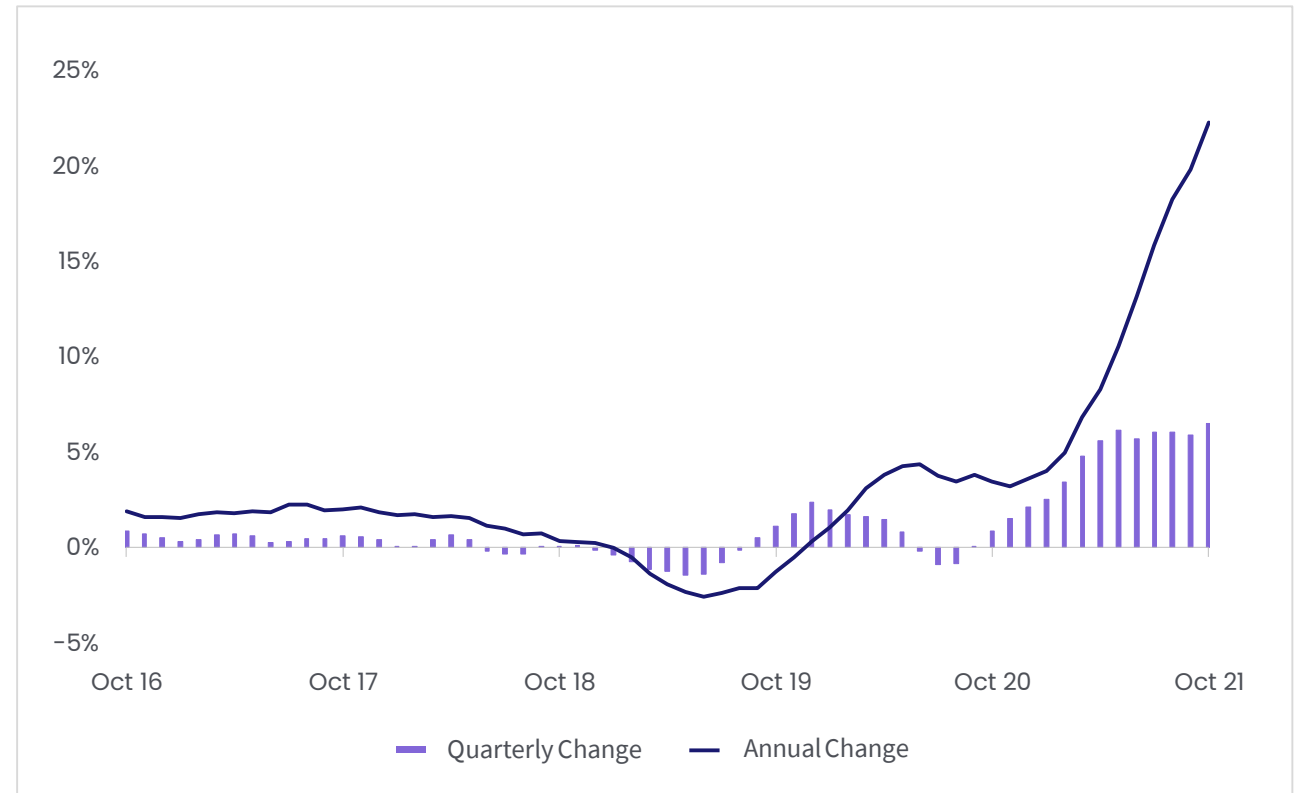
In the **quarter** dwelling values increased by

**6.5%**

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

**22.3%**

Brisbane dwelling values are currently at a record high





## HOUSING CYCLES

# Adelaide

In **October** Adelaide dwelling values rose by

**2.0%**

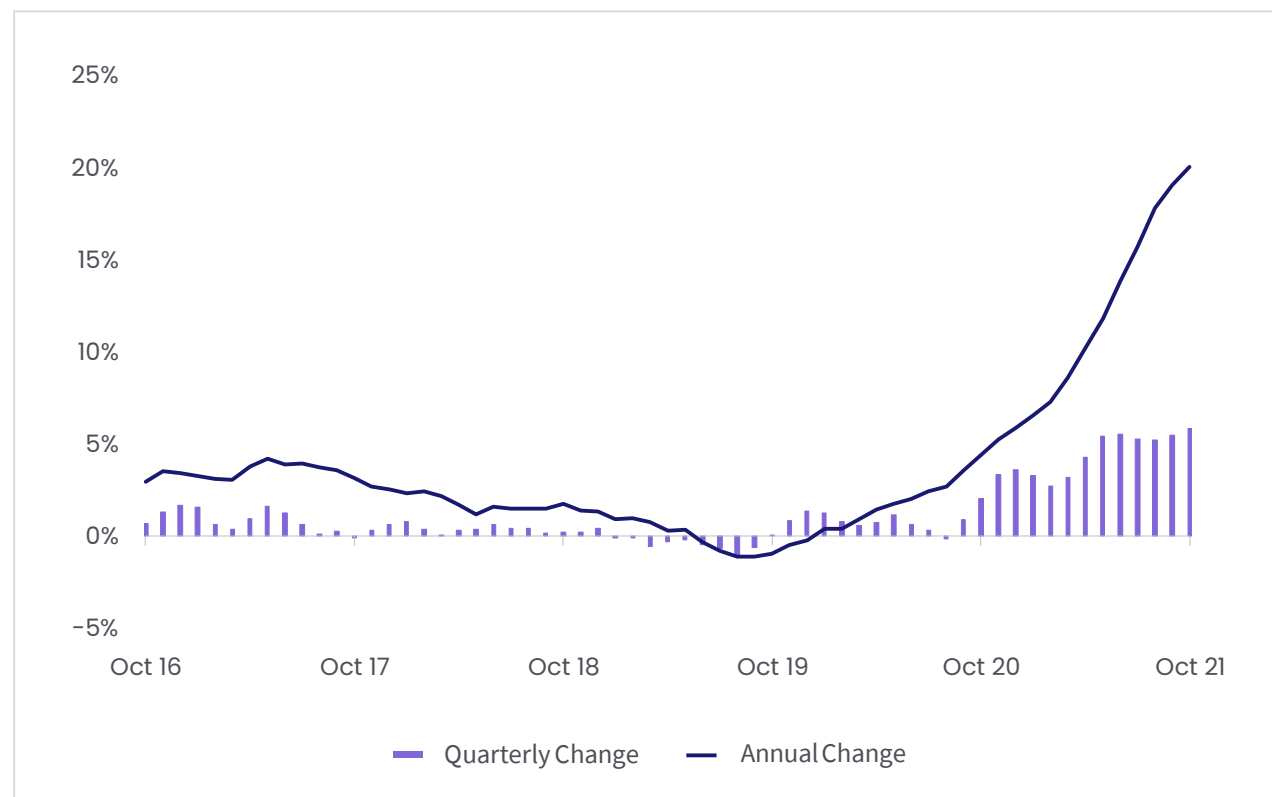
In the **quarter** dwelling values increased by

**5.9%**

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

**20.1%**

Adelaide dwelling values are currently at a record high



## HOUSING CYCLES

# Perth

In **October** Perth dwelling values fell by

**-0.1%**

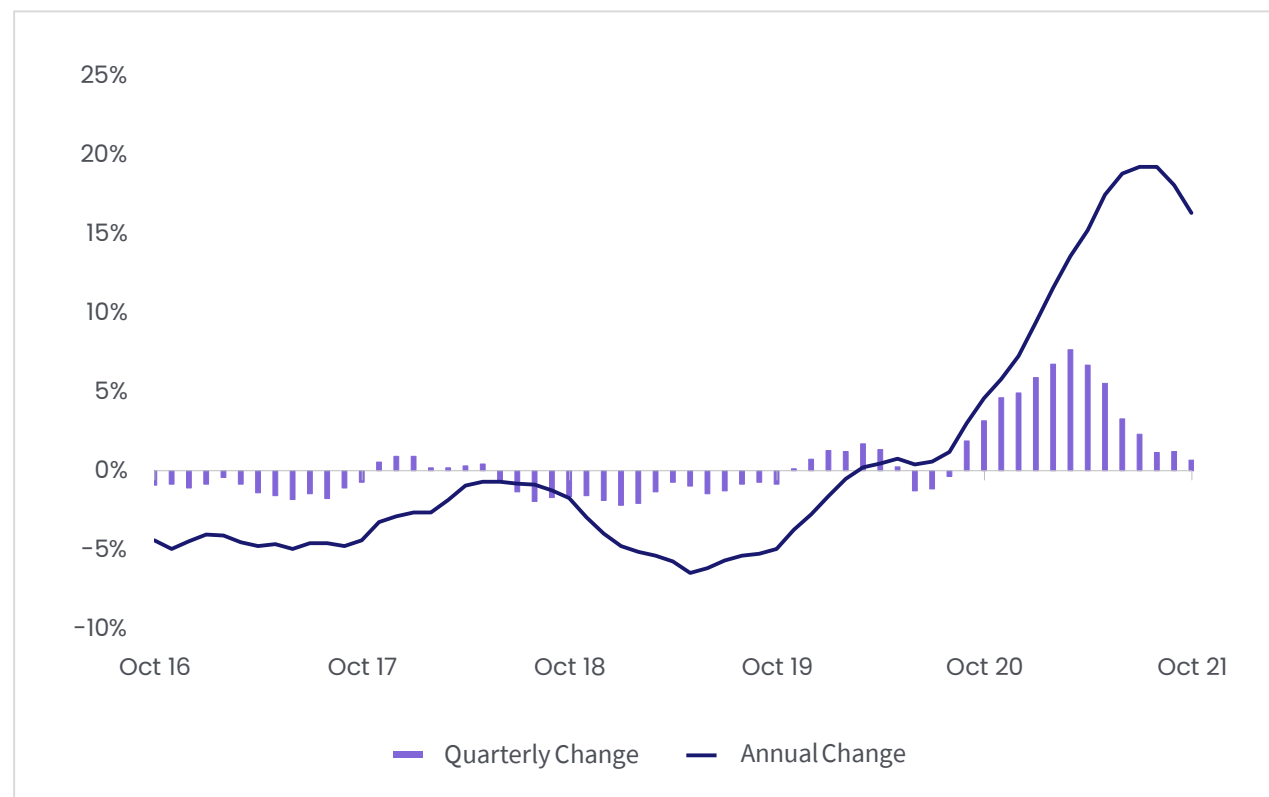
In the **quarter** dwelling values increased by

**0.6%**

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

**16.4%**

Perth dwelling values are now -2.6% below the record high, which was in June 2014



## HOUSING CYCLES

# Hobart

In **October** Hobart dwelling values rose by

**2.0%**

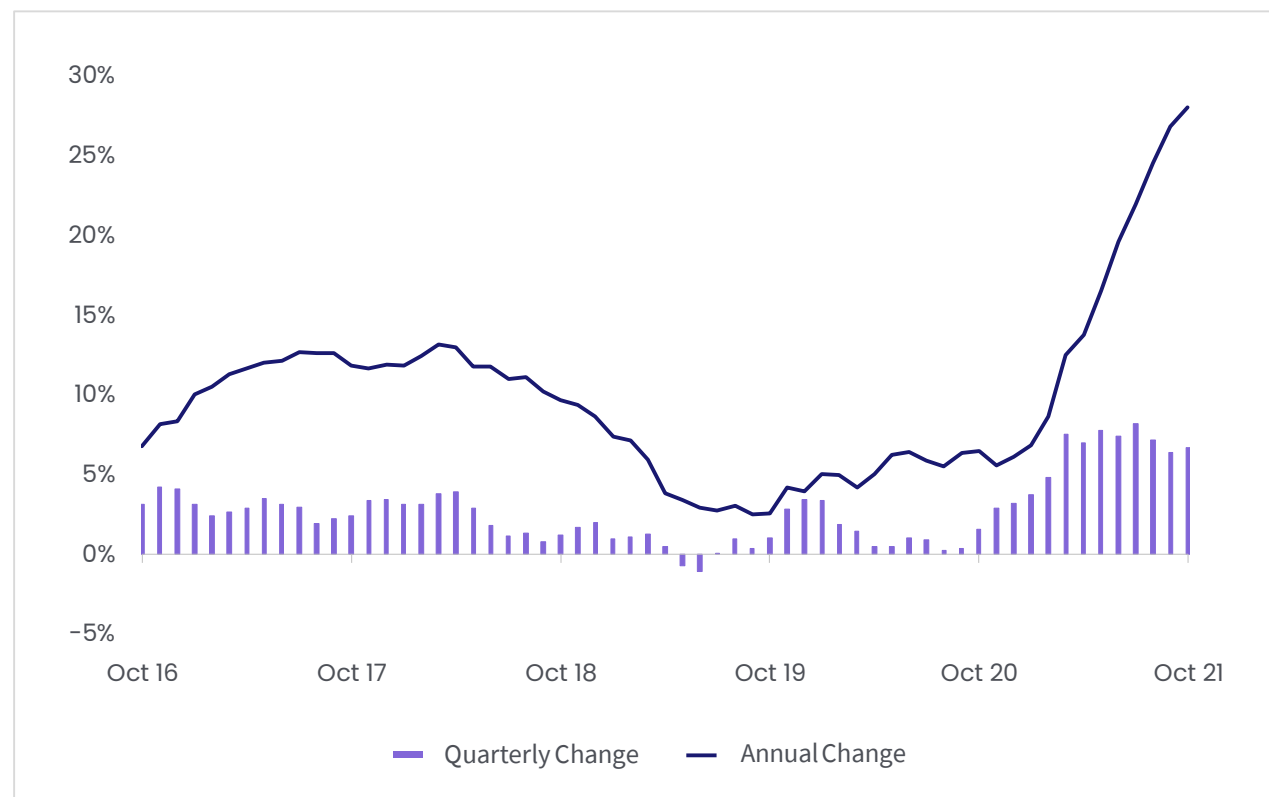
In the **quarter** dwelling values increased by

**6.7%**

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

**28.1%**

Hobart dwelling values are currently at a record high



## HOUSING CYCLES

# Darwin

In **October** Darwin dwelling values rose by

**0.4%**

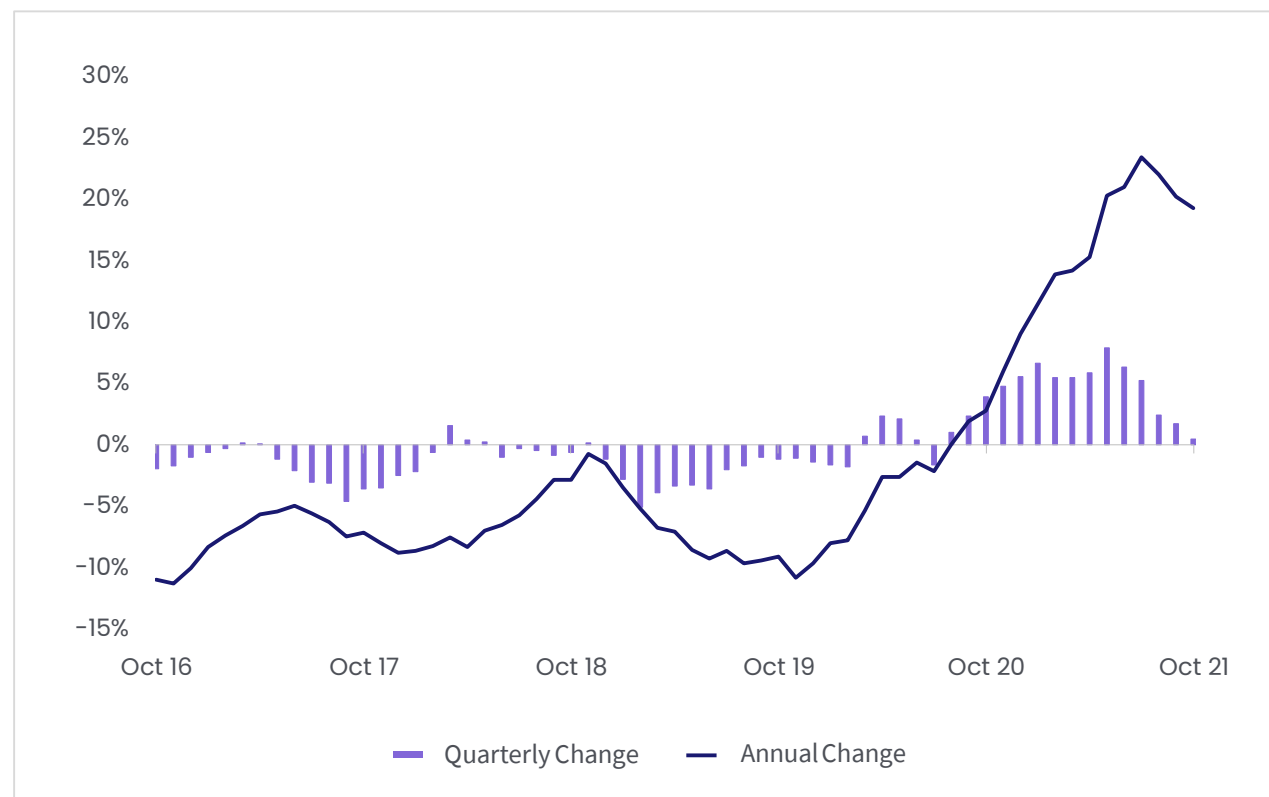
In the **quarter** dwelling values increased by

**0.4%**

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

**19.3%**

Darwin dwelling values are -15.0% below the record high, which was in May 2014





## HOUSING CYCLES

# Canberra

In **October** Canberra dwelling values rose by

**1.9%**

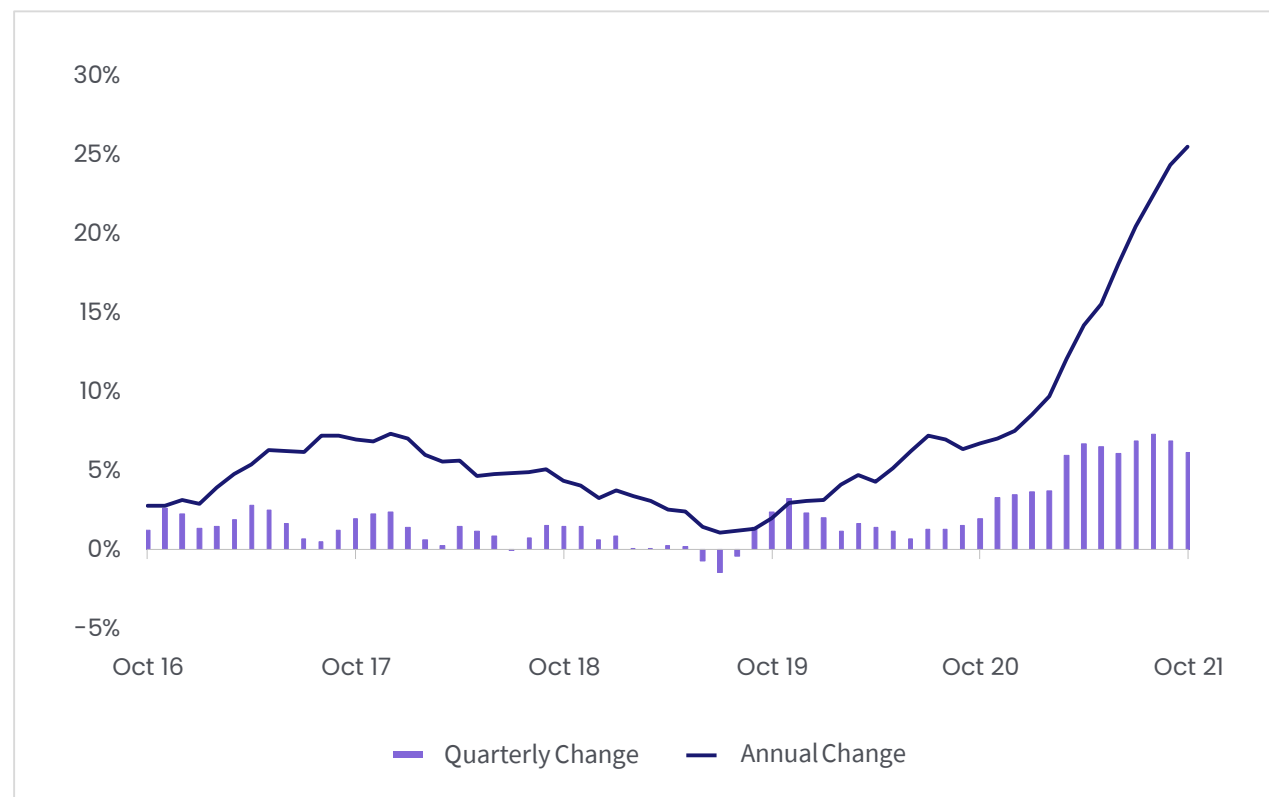
In the **quarter** dwelling values increased by

**6.2%**

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

**25.5%**

Canberra dwelling values are currently at a record high



# Sales and listings

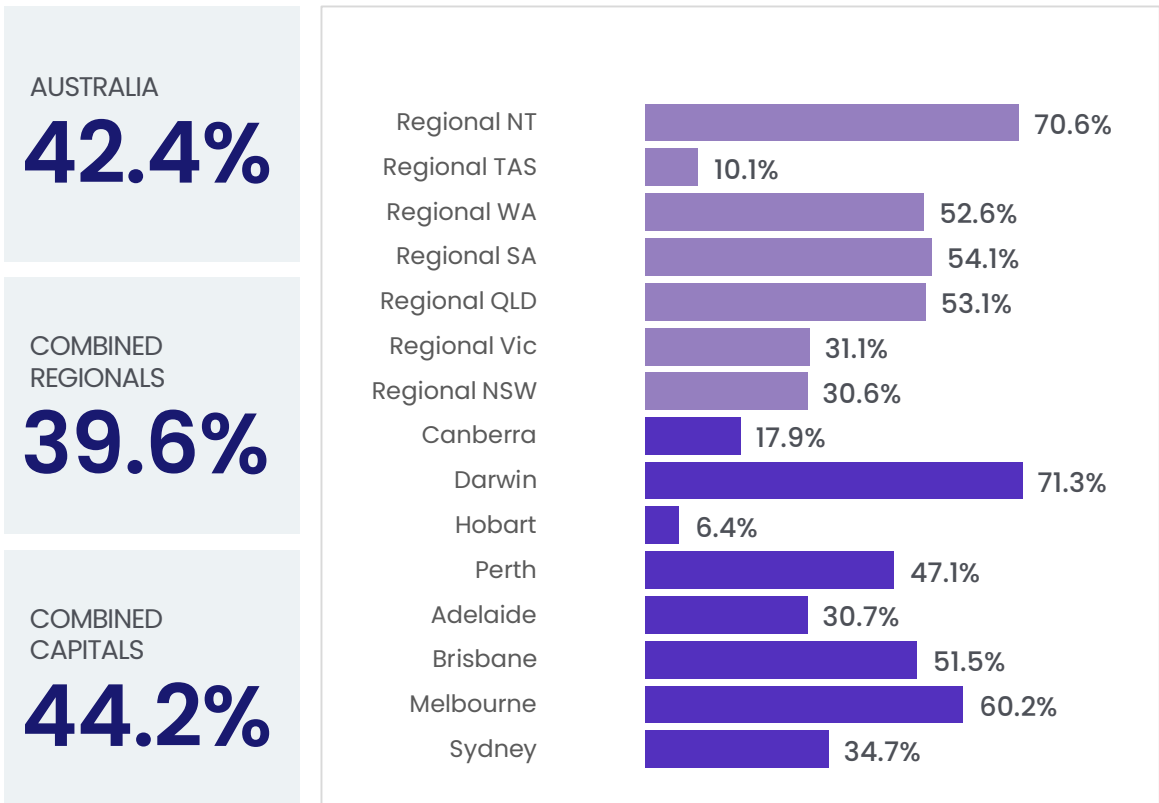




NATIONAL SALES

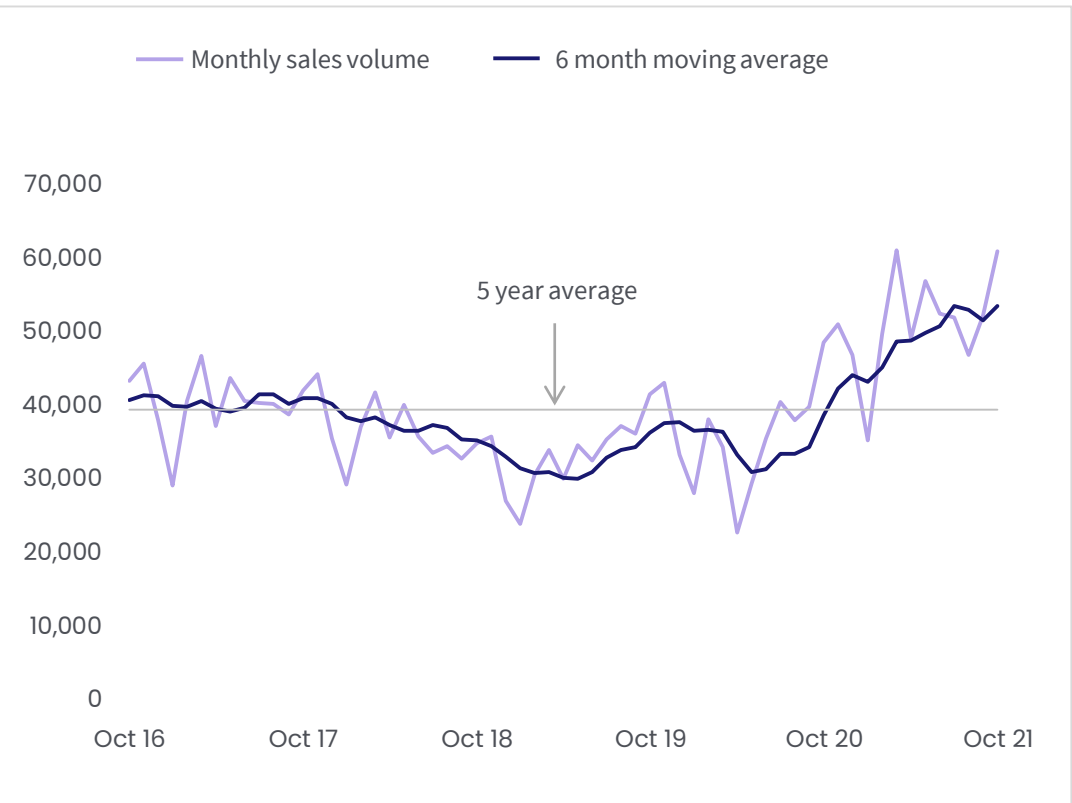
Sales volumes rose 42.4% in the 12 months to October, and transaction volumes through the *month* of October were estimated to be 54.8% above the five year average, at 60,948.

Change in sales volumes, twelve months to October 2021



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

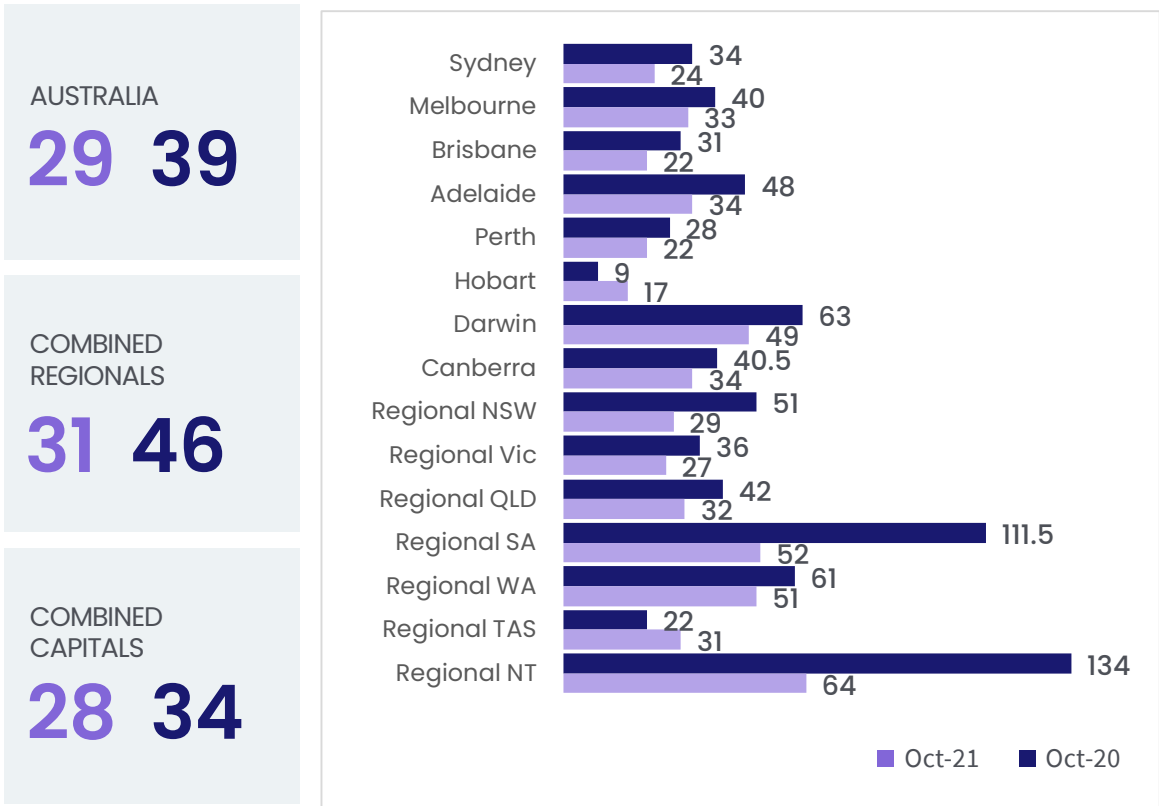
Monthly sales with six month moving average, National



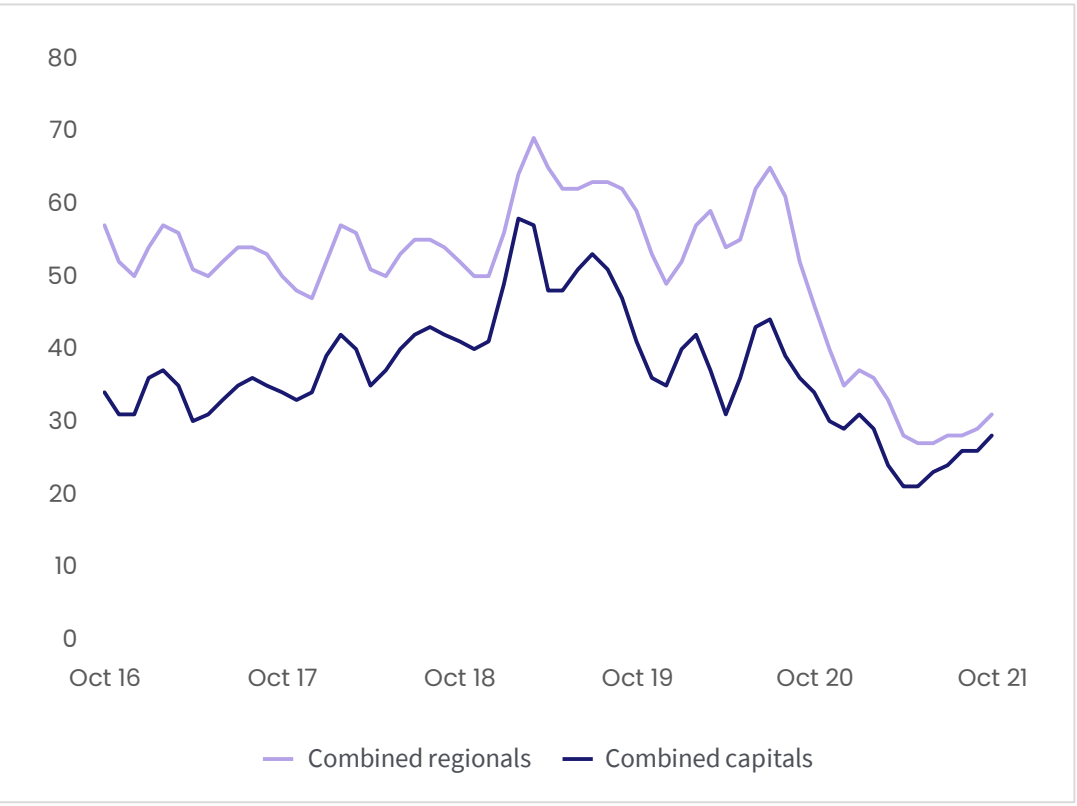
MEDIAN DAYS ON MARKET

In the 3 months to October, Australian properties typically took **29 days to sell**, compared with 39 days over the same period of 2020

Median days on market – three months to October 2021



Median days on market

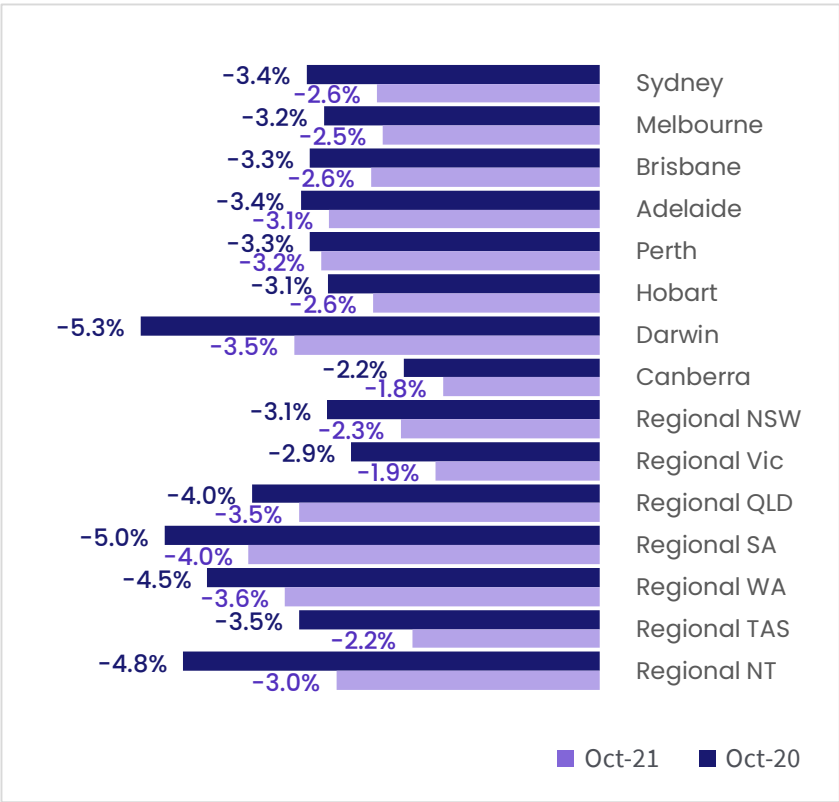




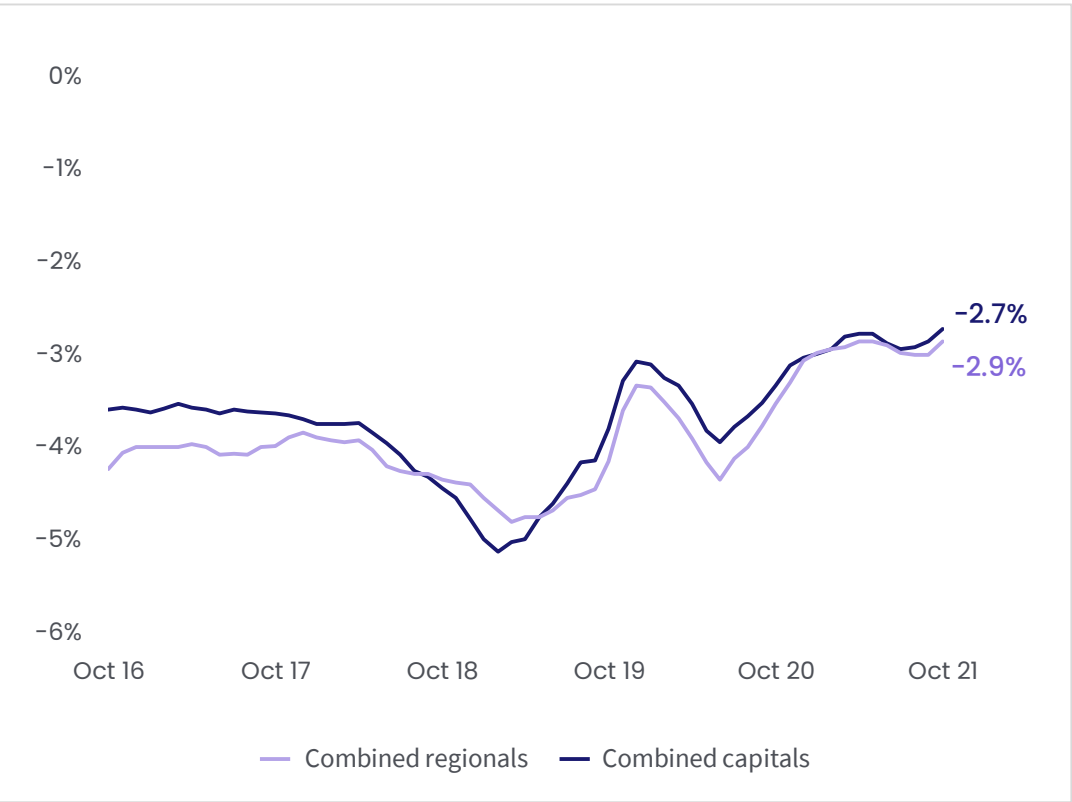
VENDOR DISCOUNT

Vendor discounting remains extremely tight nationally, at **-2.9%** in the three months to October, compared with **-3.6%** in the same period of 2020

Median days on market – three months to October 2021



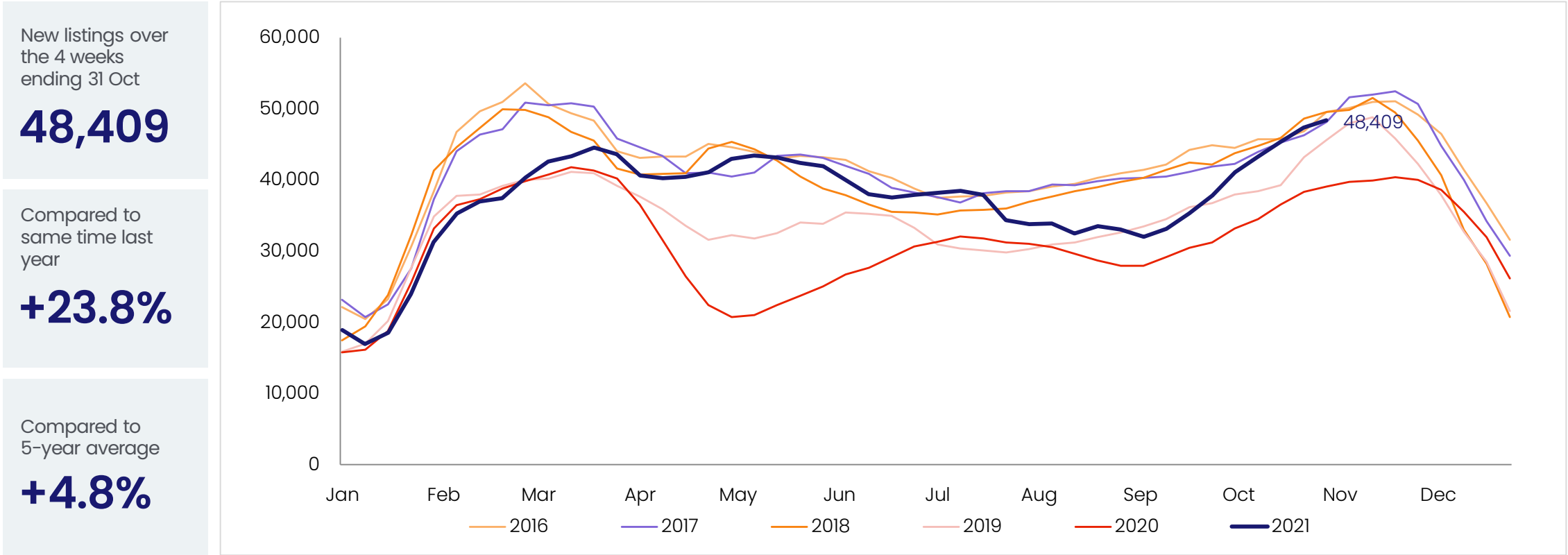
Median vendor discount



LISTINGS

New listings have trended higher through October, as social distancing restrictions continued to ease and the spring selling season sees a seasonal uplift.

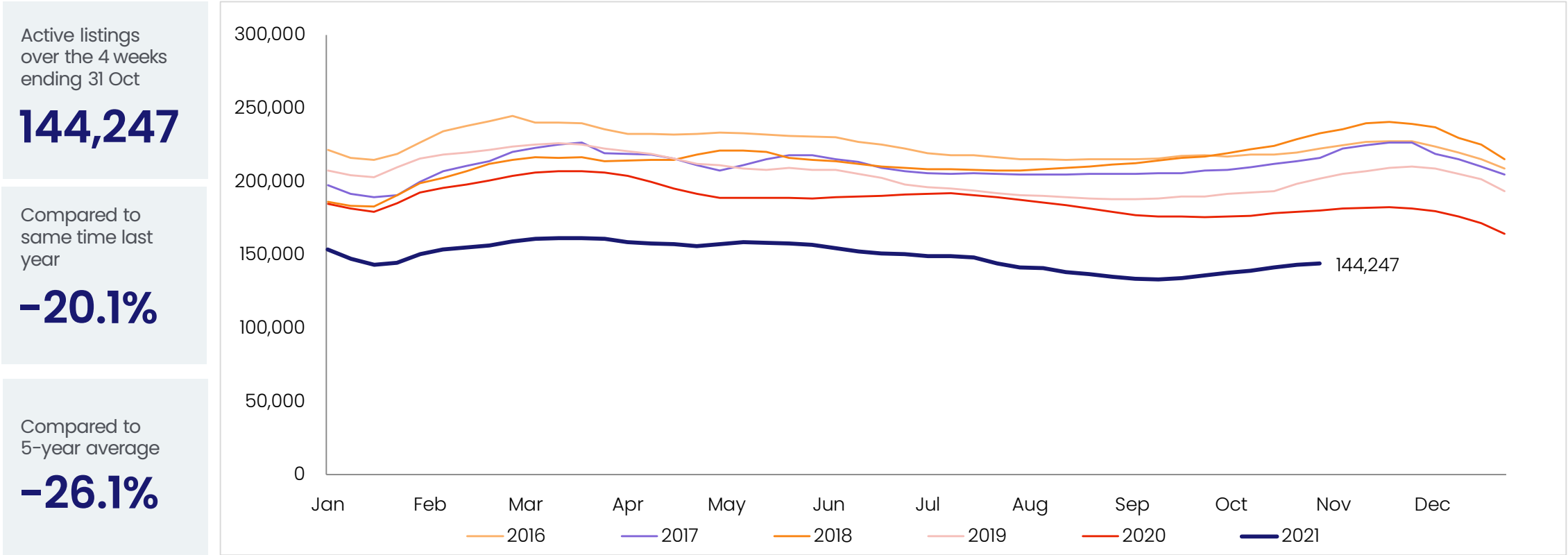
Number of new listings, National Dwellings



LISTINGS

However, total listings remained -26.1% below the 5-year average due to strong absorption from sales.

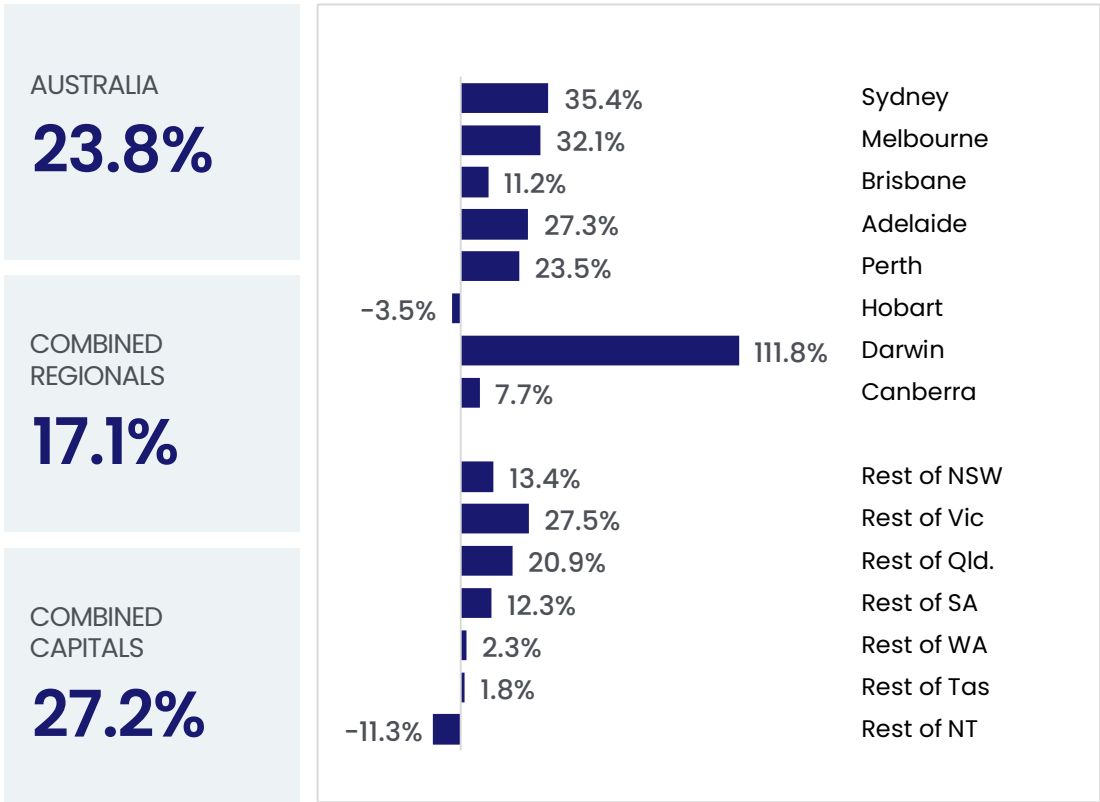
Number of total listings, National Dwellings



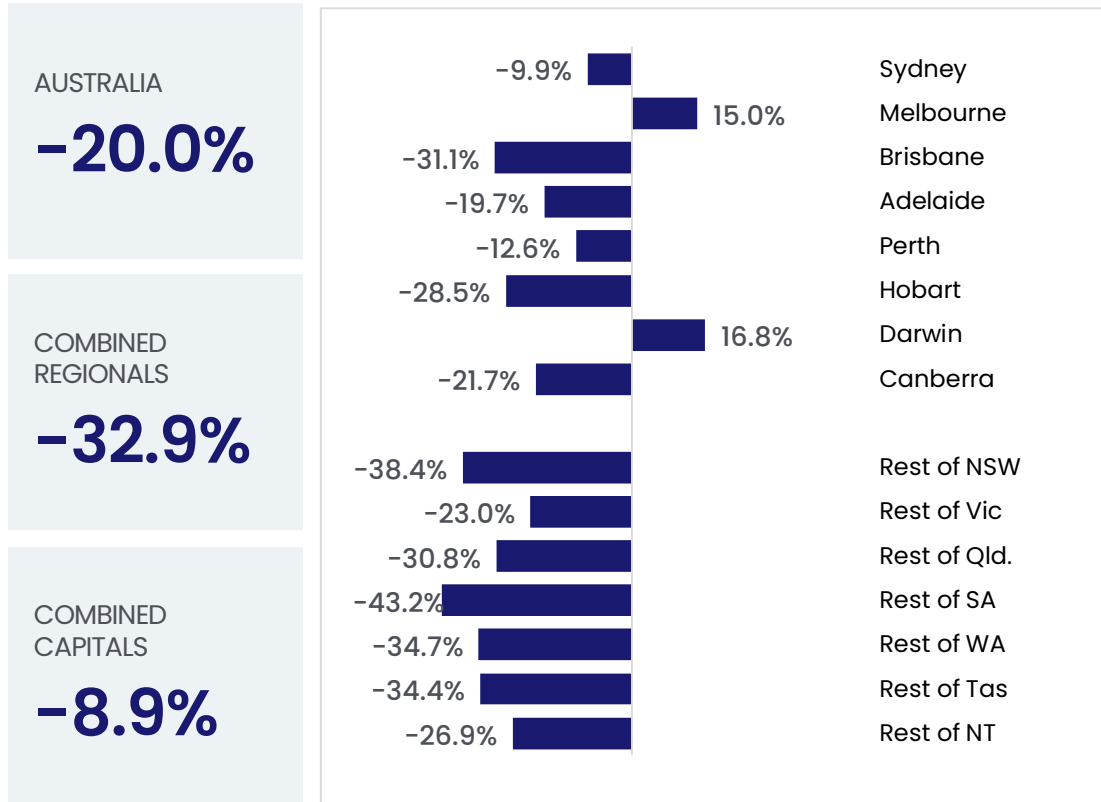
LISTINGS

Total advertised stock remains lower than the equivalent period of 2020 across most regions, with the exception of Melbourne and Darwin.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year



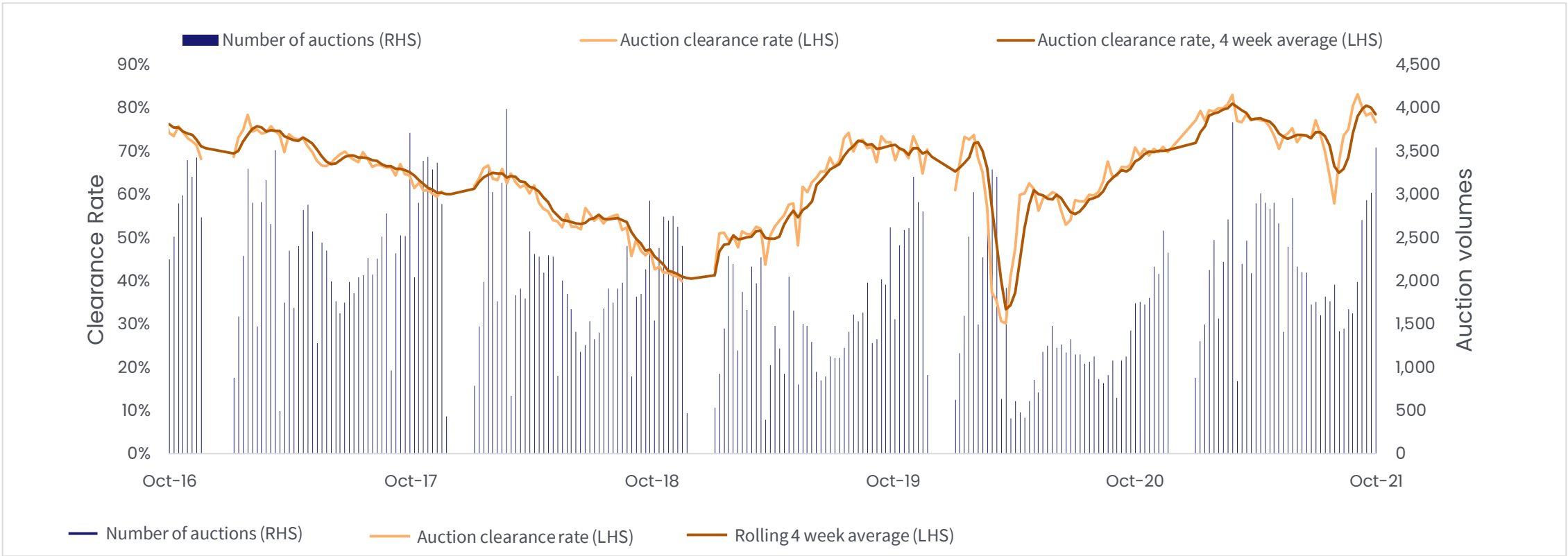
Data is for the four weeks ending 31 Oct



WEEKLY CLEARANCE RATES

The combined capital cities clearance rate saw a recent peak of 83.2% in early October, but has since trended down against higher volumes. Auction volumes have surged since the easing of COVID-related restrictions.

Weekly clearance rates, combined capital cities



# Rental market

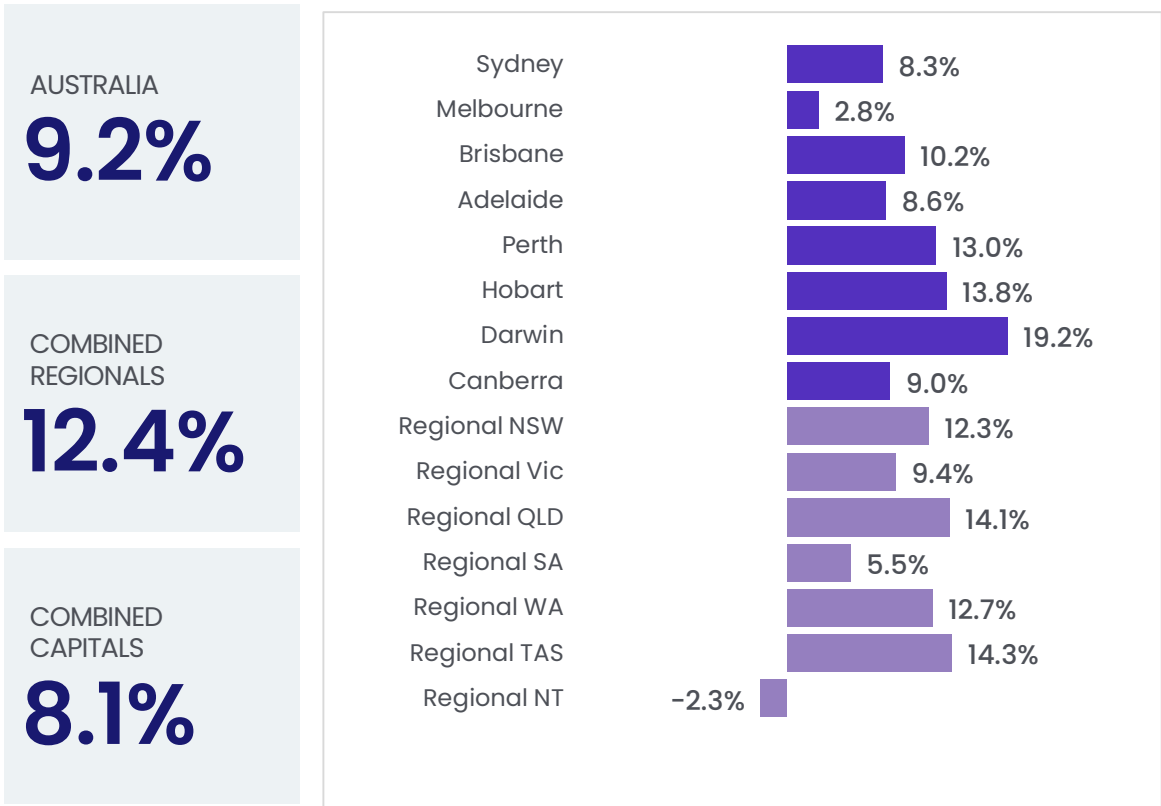




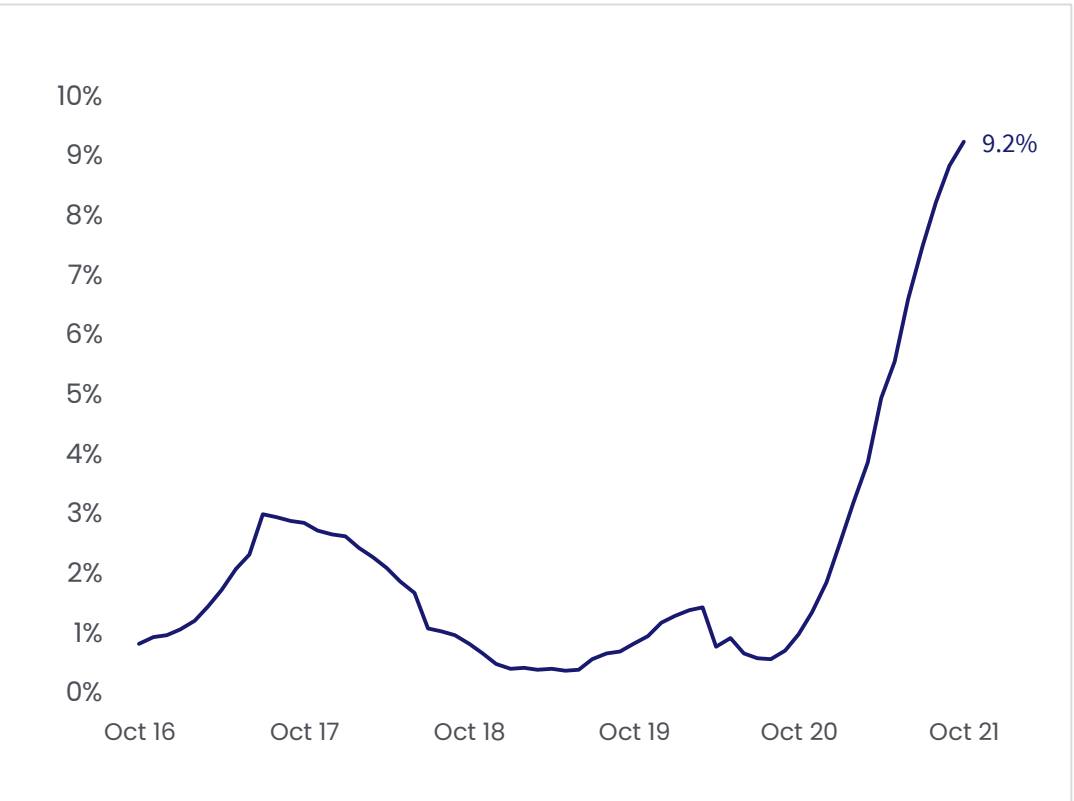
RENTAL RATES

In the year to October, Australian rent values increased 9.2%, which is the strongest annual appreciation in rents since February 2008

Annual change in rental rates to October 2021



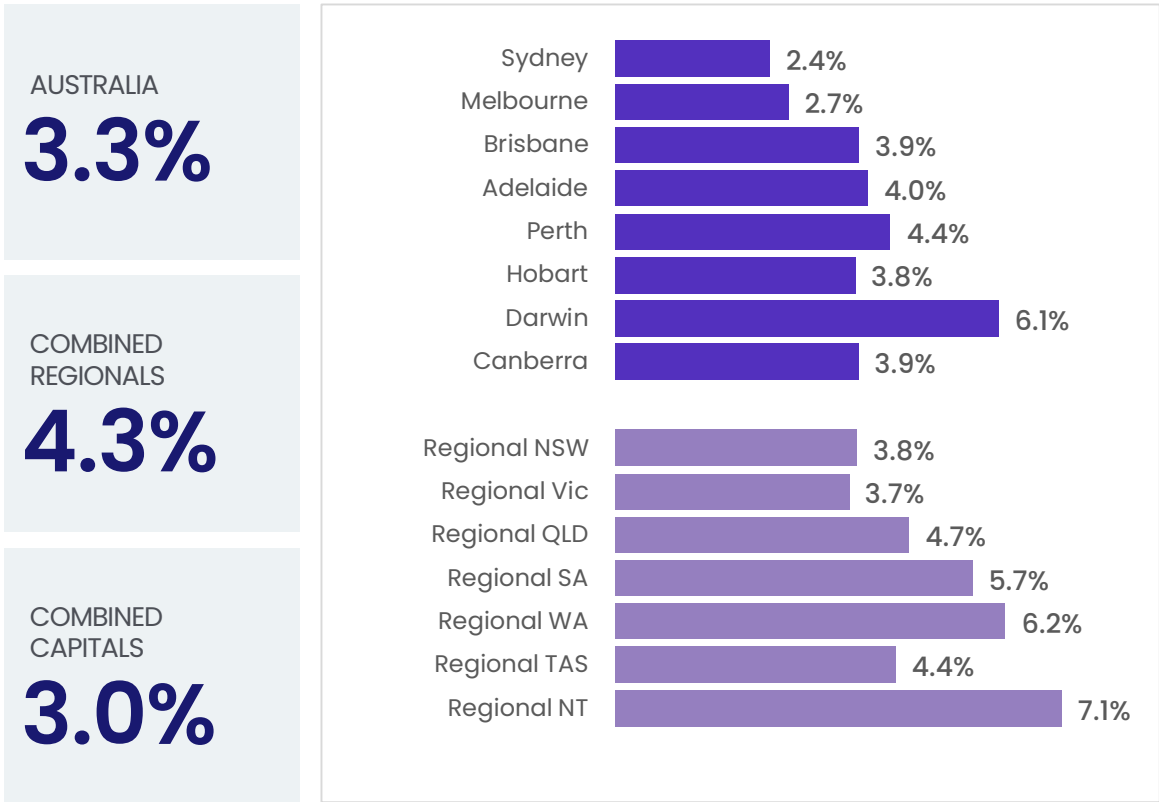
Annual change in rental rates – National



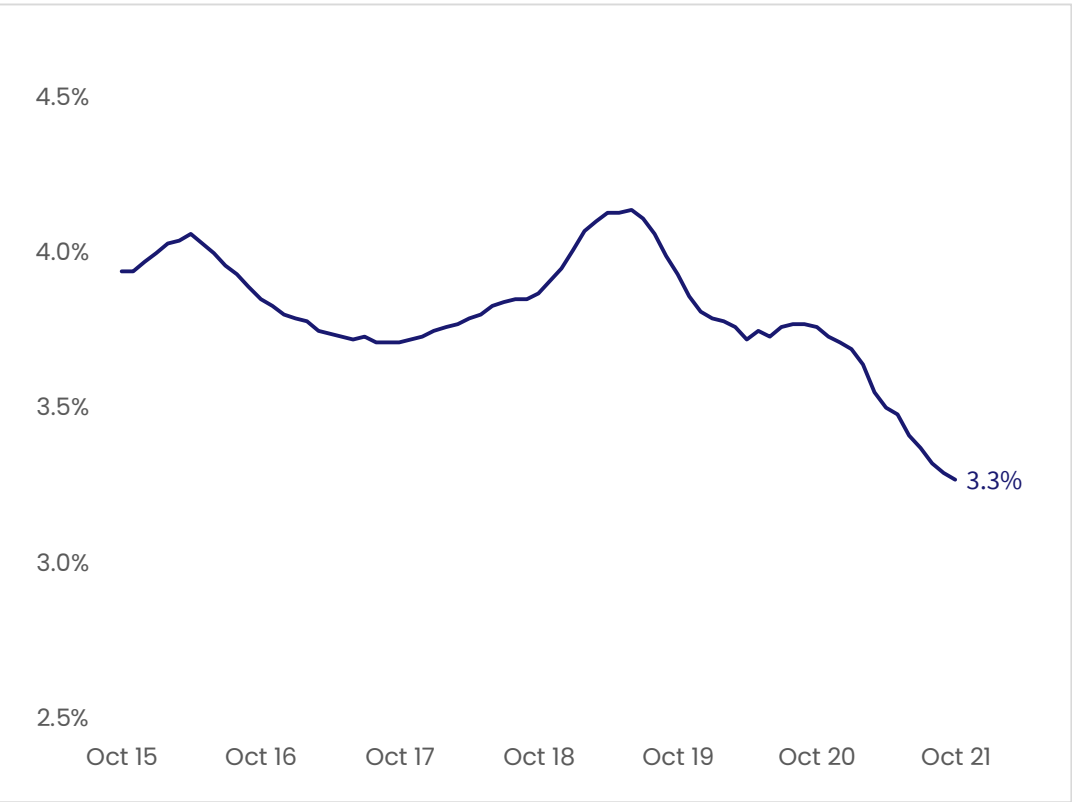
RENTAL YIELDS

Gross rent yields continued to trend lower through October, reaching a fresh record low of 3.27% nationally

Gross rental yields, October 2021



Gross rental yields





# Dwelling approvals & housing credit

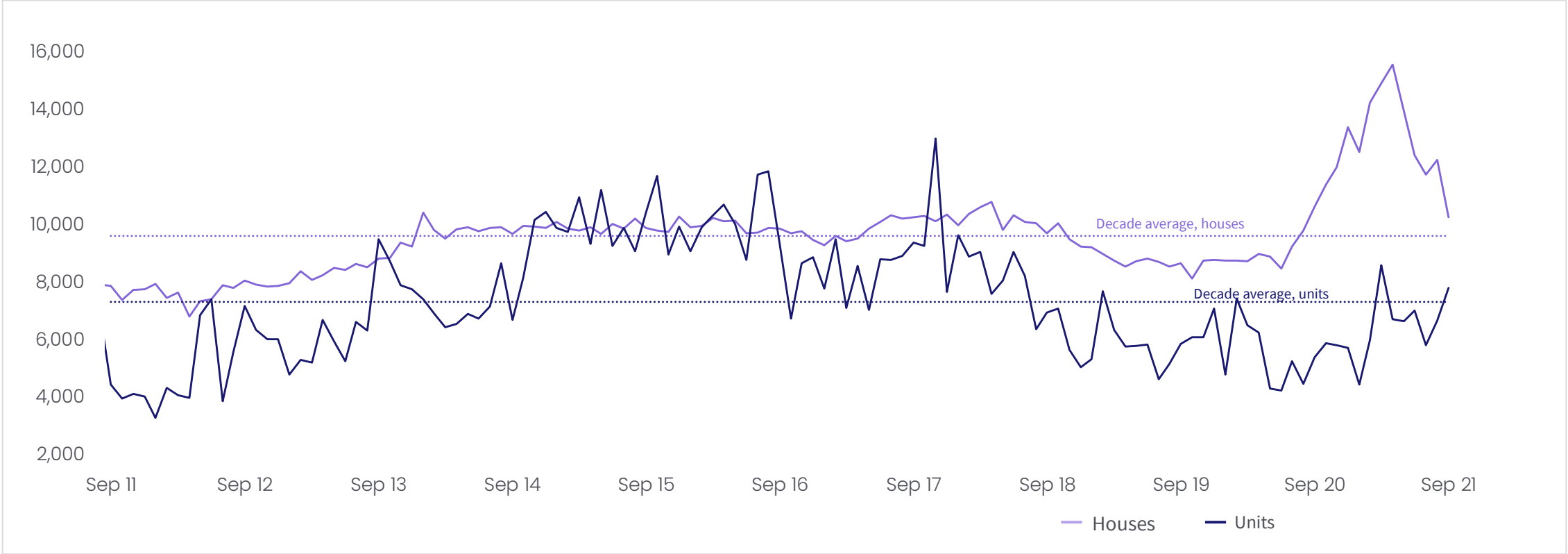




DWELLING APPROVALS

While house approvals surged under Homebuilder and an increase in first home buyer participation through 2020, dwelling approval dynamics are shifting with demand in 2021. Unit approvals rose 17.4% in September, against a -16.1% decline in house approvals.

Monthly house v unit approvals, National

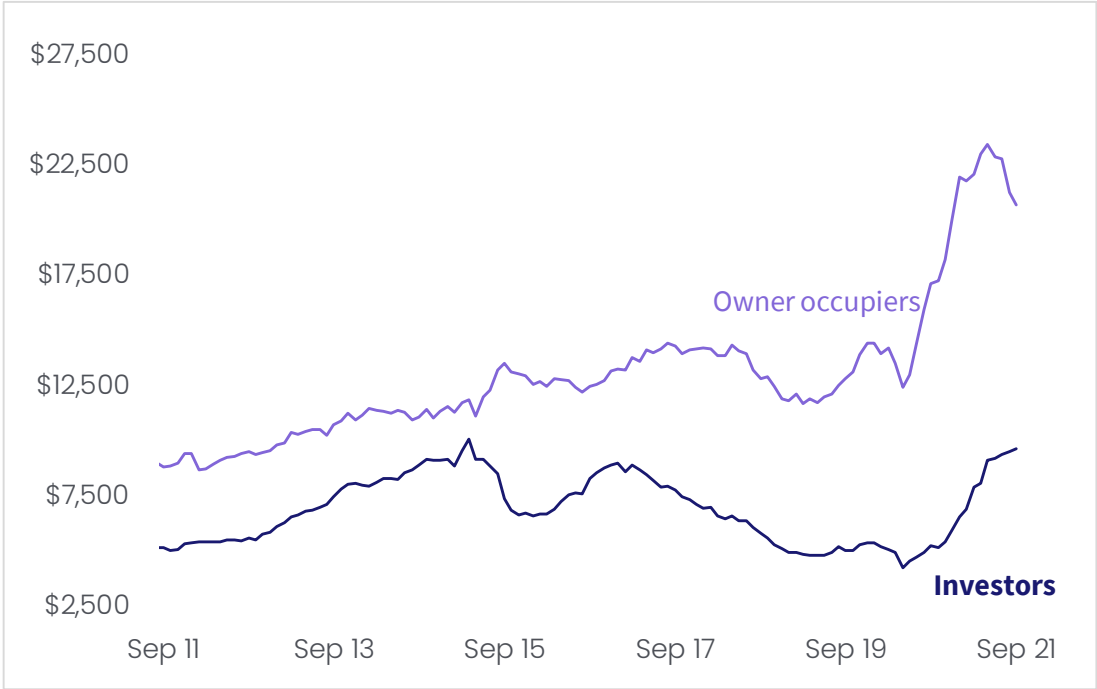


FINANCE & LENDING

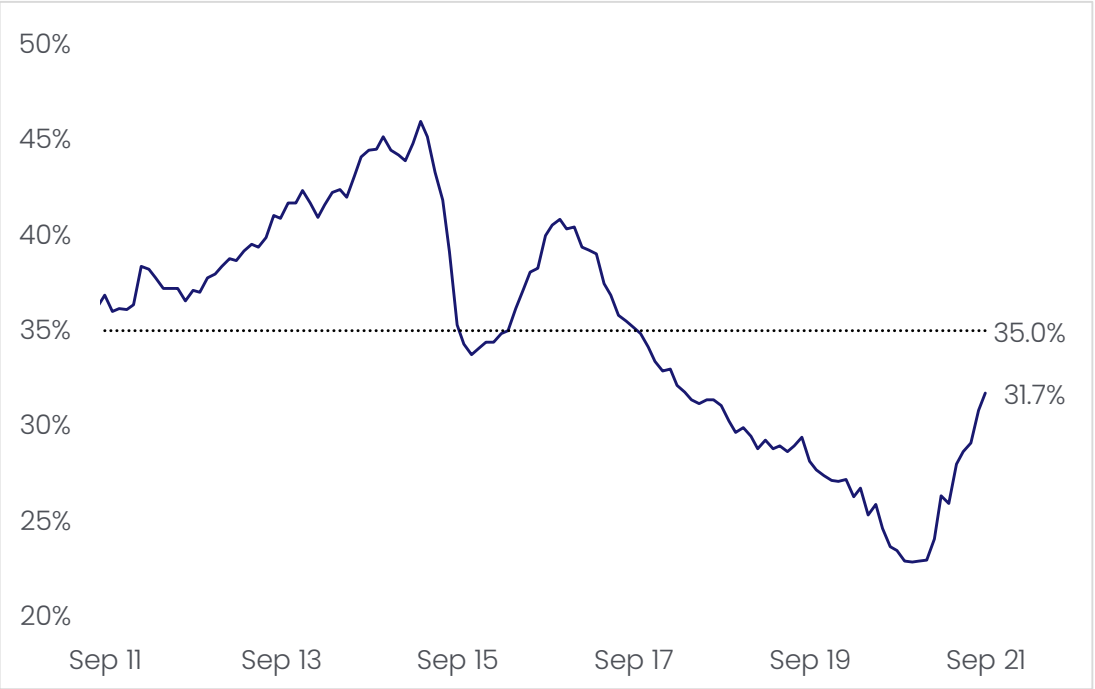
Through September, the combined value of lending for the purchase of housing fell -1.4%, taking total housing finance -5.4% lower through the three months to September.

The monthly decline in secured finance was driven by a -2.7% decline in owner occupier finance, while investor finance rose 1.4% in the month.

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



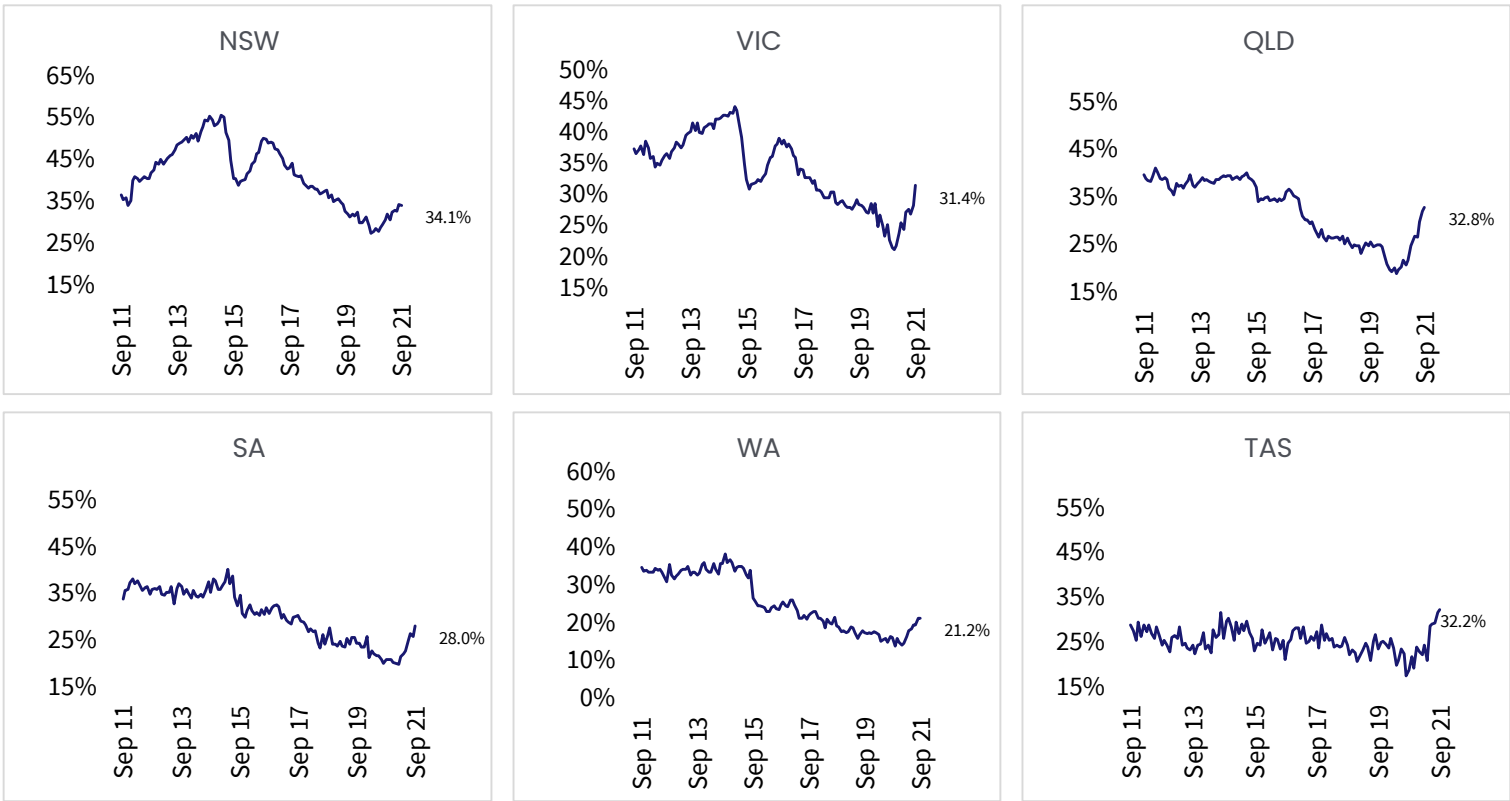
Portion of new lending for investment housing (excluding refinance)



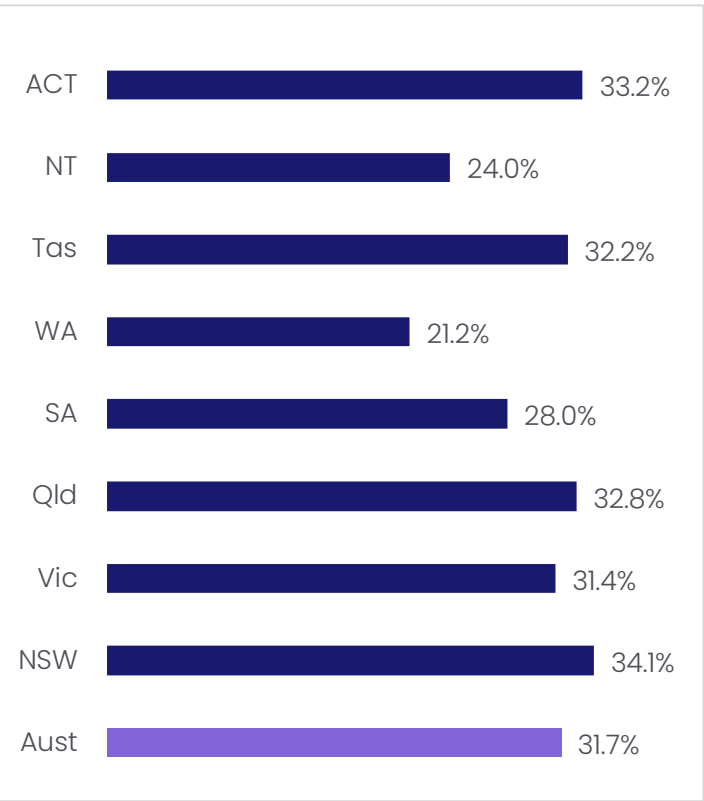
INVESTORS & LENDING

Most states and territories have seen a proportional uplift in investor finance over the month, though there was a slight decline in NSW and the NT

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



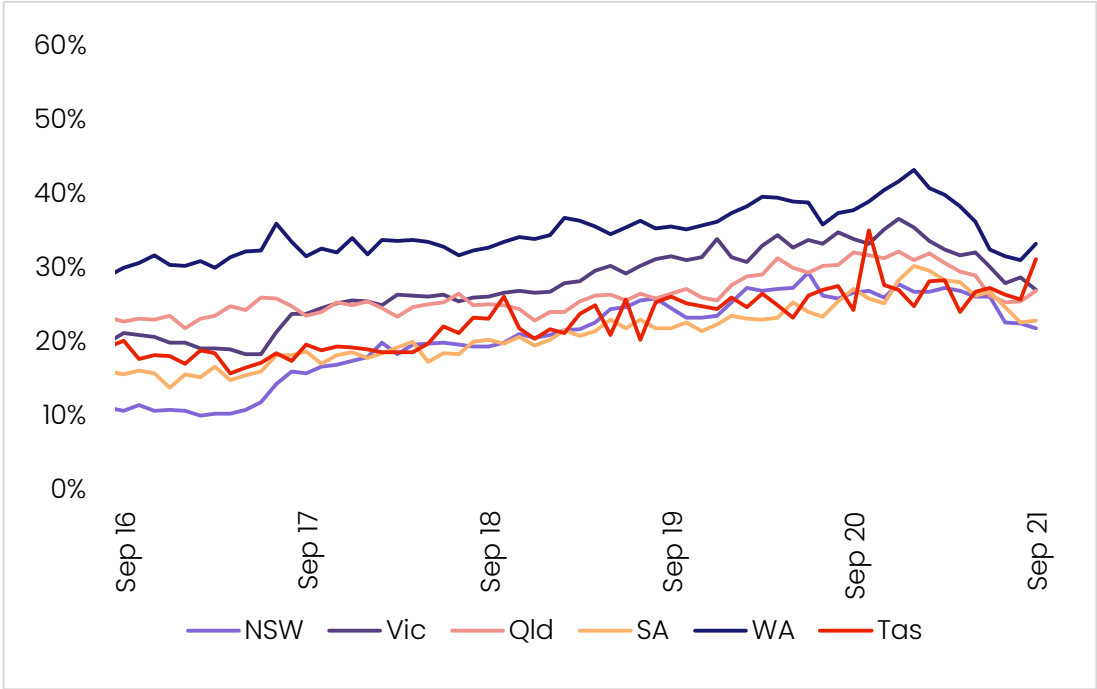
Investors as a % of housing finance commitments by state



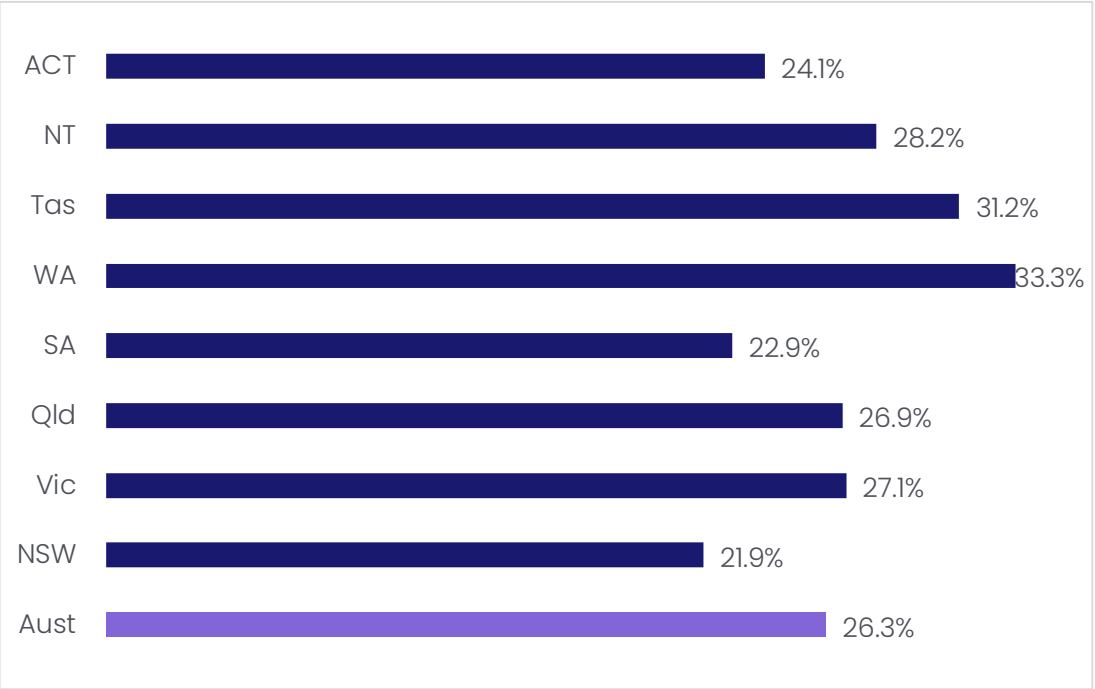
FIRST HOME BUYERS

First home buyer finance as a portion of total housing finance across Australia has increased slightly over the past three months, climbing to 26.3% of lending in September. This compares with a recent low of 25.6% in July.

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



First home buyers as a % of owner occupier housing finance commitments (September '21)

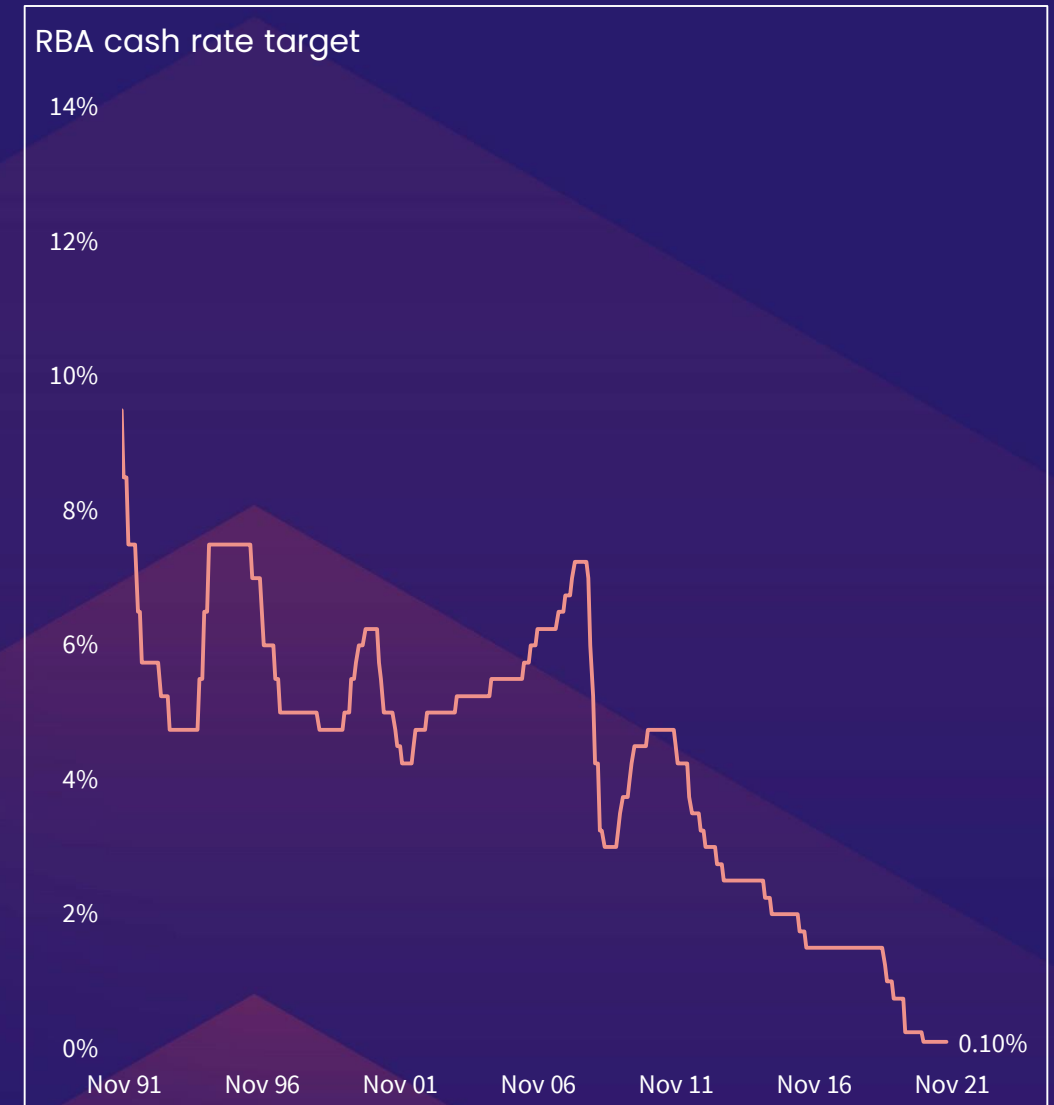


## MORTGAGE RATES

# The RBA held rates at 0.1% through November

## Statement highlights

- ▶ The cash rate target was held at 0.1%, and the interest rate on Exchange Settlement balances was maintained at 0.0%.
- ▶ Government bond purchases were kept at \$4 billion per week, to be maintained until February 2022, and further reviewed then.
- ▶ The RBA have abandoned a yield curve target of 10 basis points on the April 2024 bond. This was off the back of reduced efficacy of the tool, following a strong inflation result for the September quarter and high expectations that rates would lift sooner than 2024.
- ▶ The RBA flagged that an increase to the cash rate may still not occur until 2024, but it is now possible that an increase to the target could occur before this. It was stated the latest data and forecasts did not warrant an increase in the cash rate through 2022.



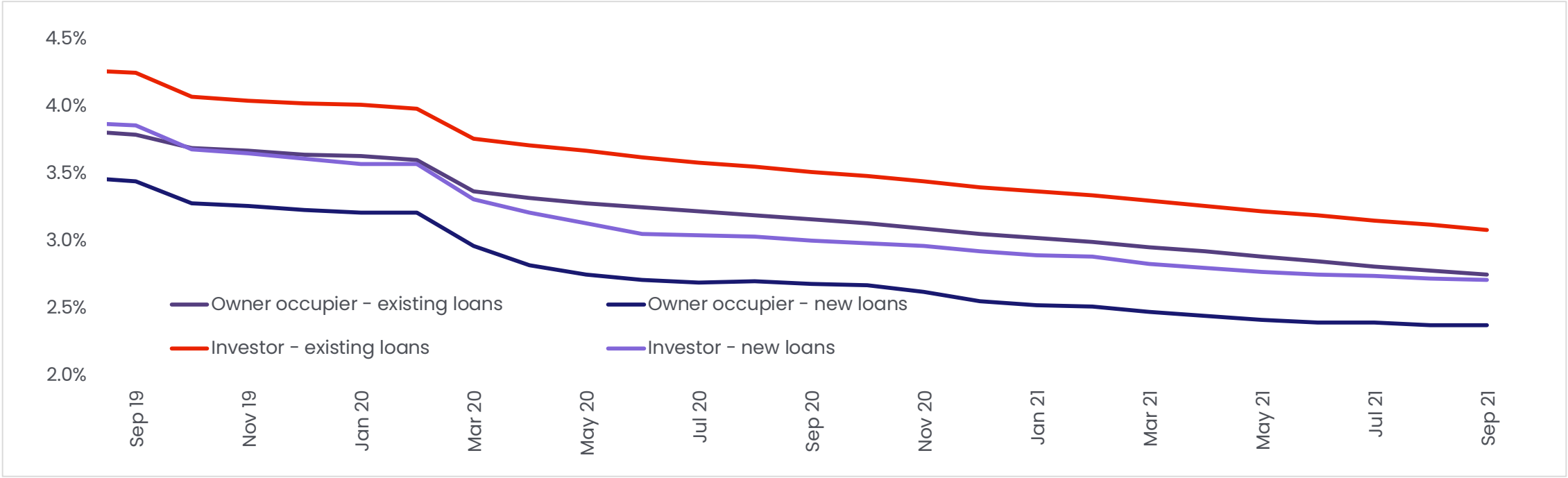


MORTGAGE RATES

# Record low mortgage rates

Average new housing lending rates have declined 112 basis points for owner-occupiers since mid-2019, but held steady for new owner occupier borrowers through September, at 2.37%. Average investor rates declined 1 basis point through September, to 2.71%.

Average borrowing costs by borrower and loan type, since 2019

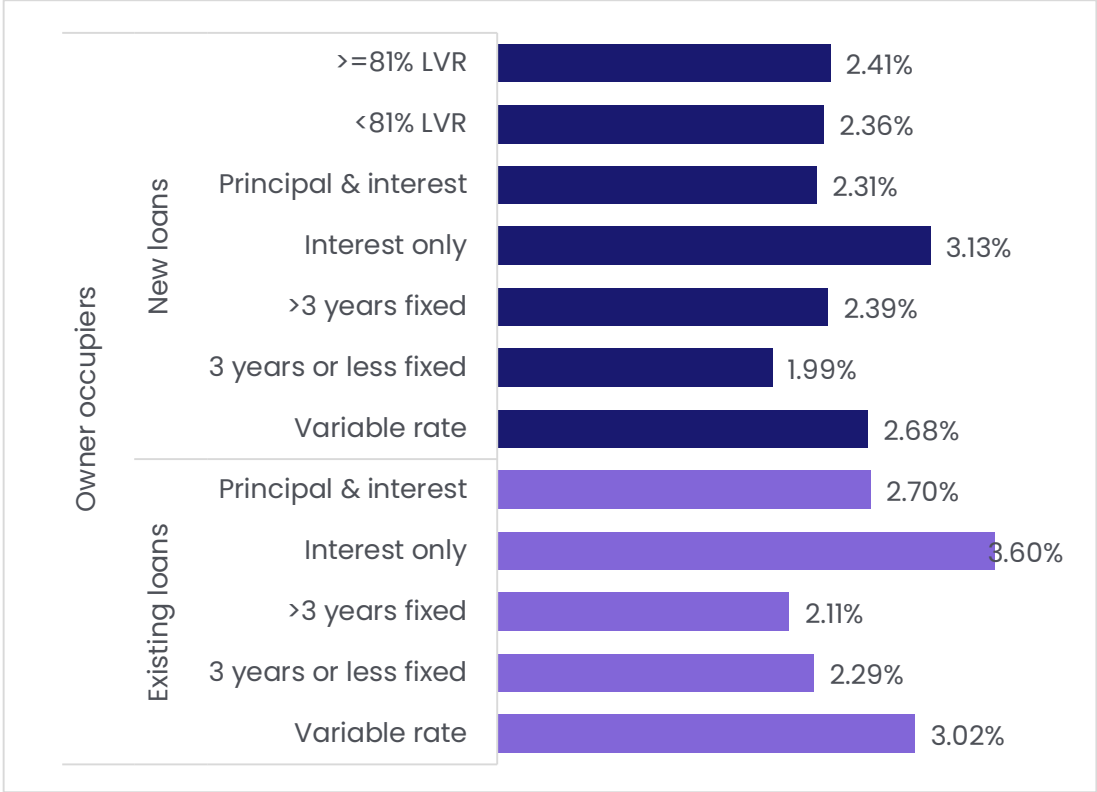


MORTGAGE RATES

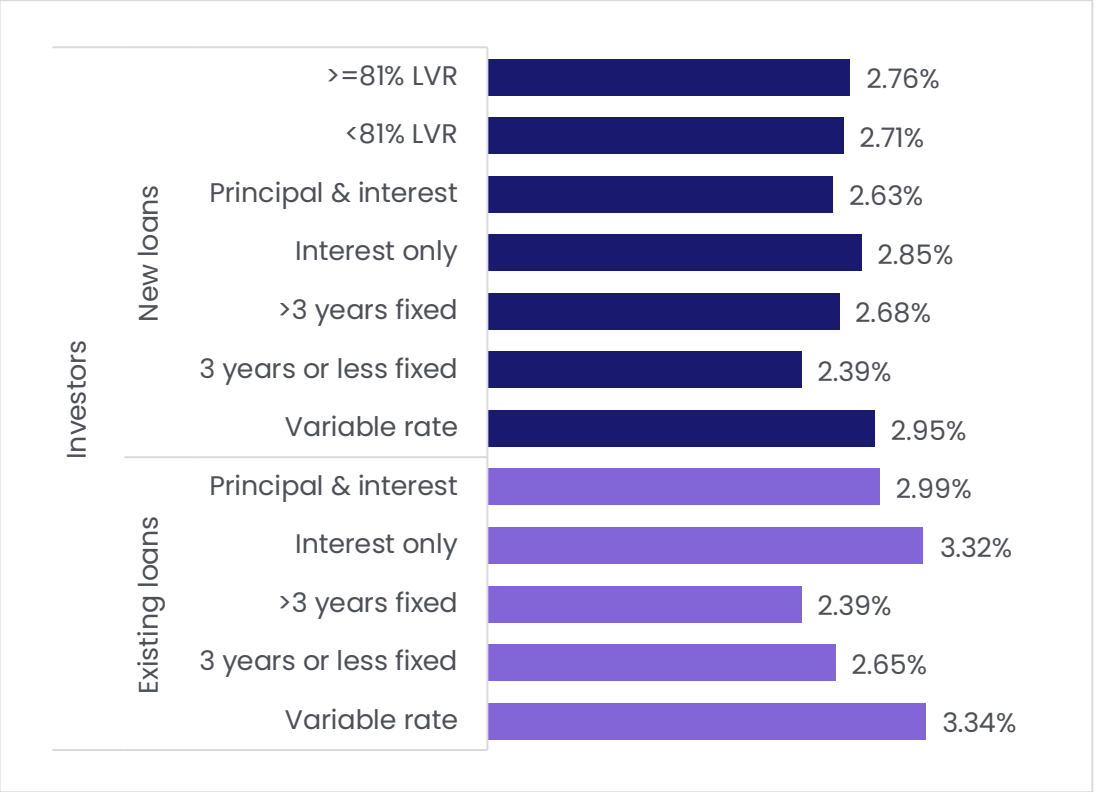
# Record low mortgage rates

Average borrowing costs by borrower and loan type, as at September 21

Owner occupiers



Investors

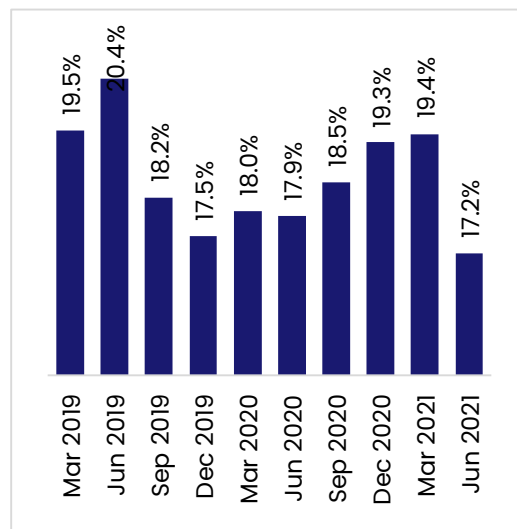


## MORTGAGE RATES

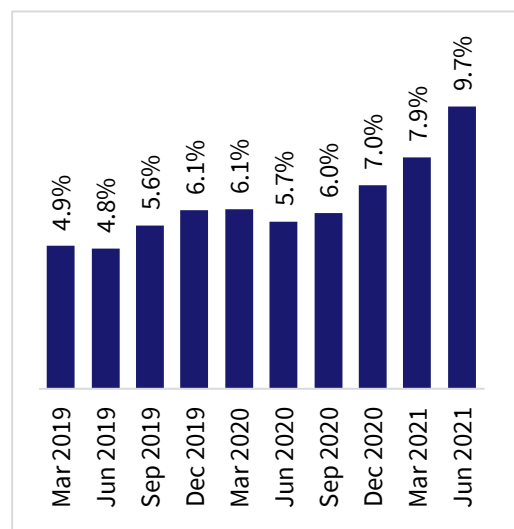
# Debt to income ratios of six or more jumped to 21.9% of new mortgage lending in the June quarter

Regulators and policy makers are closely monitoring lending standards. More recently the banking regulator APRA has increased the serviceability assessment rate buffer from 2.5 percentage points to 3.0 percentage points.

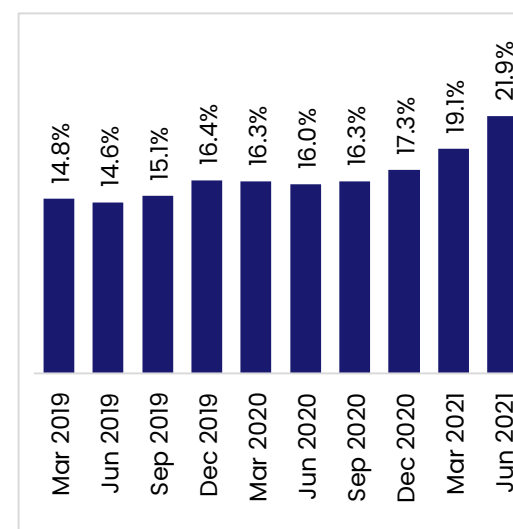
% of loans on interest only terms



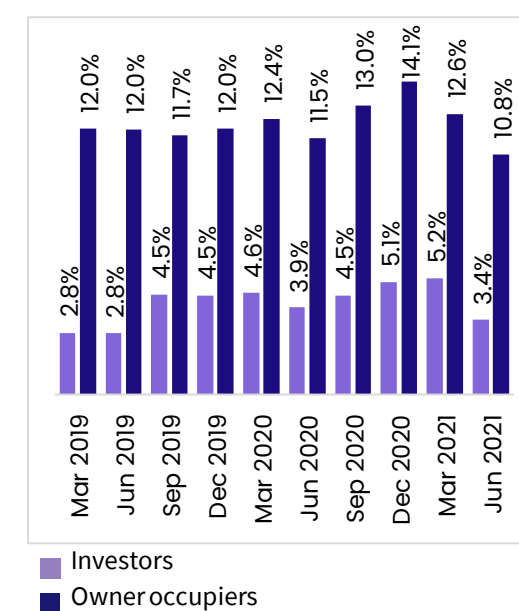
% of loans originated with a loan to income ratio  $\geq 6x$



% of loans originated with a debt to income ratio  $\geq 6x$



% of loans originated with an LVR  $\geq 90\%$



## Disclaimers

In compiling this publication, RP Data Pty Ltd trading as CoreLogic has relied upon information supplied by a number of external sources. CoreLogic does not warrant its accuracy or completeness and to the full extent allowed by law excludes liability in contract, tort or otherwise, for any loss or damage sustained by subscribers, or by any other person or body corporate arising from or in connection with the supply or use of the whole or any part of the information in this publication through any cause whatsoever and limits any liability it may have to the amount paid to CoreLogic for the supply of such information.

### Queensland Data

Based on or contains data provided by the State of Queensland (Department of Natural Resources and Mines) 2021. In consideration of the State permitting use of this data you acknowledge and agree that the State gives no warranty in relation to the data (including accuracy, reliability, completeness, currency or suitability) and accepts no liability (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used in breach of the privacy laws.

### South Australian Data

This information is based on data supplied by the South Australian Government and is published by permission. The South Australian Government does not accept any responsibility for the accuracy or completeness of the published information or suitability for any purpose of the published information or the underlying data.

### New South Wales Data

Contains property sales information provided under licence from the Land and Property Information ("LPI"). CoreLogic is authorised as a Property Sales Information provider by the LPI.

### Victorian Data

The State of Victoria owns the copyright in the Property Sales Data which constitutes the basis of this report and reproduction of that data in any way without the consent of the State of Victoria will constitute a breach of the Copyright Act 1968 (Cth). The State of Victoria does not warrant the accuracy or completeness of the information contained in this report and any person using or relying upon such information does so on the basis that the State of Victoria accepts no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information supplied.

### Western Australian Data

Based on information provided by and with the permission of the Western Australian Land Information Authority (2021) trading as Landgate.

### Australian Capital Territory Data

The Territory Data is the property of the Australian Capital Territory. No part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be directed to: Director, Customer Services ACT Planning and Land Authority GPO Box 1908 Canberra ACT 2601.

### Tasmanian Data

This product incorporates data that is copyright owned by the Crown in Right of Tasmania. The data has been used in the product with the permission of the Crown in Right of Tasmania. The Crown in Right of Tasmania and its employees and agents:

- a) give no warranty regarding the data's accuracy, completeness, currency or suitability for any particular purpose; and
- b) do not accept liability howsoever arising, including but not limited to negligence for any loss resulting from the use of or reliance upon the data.

Base data from the LIST © State of Tasmania <http://www.thelist.tas.gov.au>

© 2021 CoreLogic No unauthorized use or disclosure. All rights reserved.

CORELOGIC and the CoreLogic logo are New Zealand and Australian trademarks of CoreLogic, Inc. and/or its subsidiaries.



# Get in Touch

## CALL US

Support, training, sales or account **1300 734 318**

ValEx **1300 660 051**

## CUSTOMER SUPPORT OFFICE HOURS

Mon – Fri 7am - 7pm AEST  
7am - 8:30pm AEDT

Sat 8:30am - 12:30pm AEST

Sun Closed

