

November 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.5 Trillion



AUSTRALIAN SUPERANNUATION

\$3.3 Trillion



AUSTRALIAN LISTED STOCKS

\$2.7 Trillion



COMMERCIAL REAL ESTATE

\$1.3 Trillion

NUMBER OF DWELLINGS

10.8 Million

OUTSTANDING MORTGAGE DEBT

\$2.1 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

57.8%

TOTAL SALES P.A.

551,981

GROSS VALUE OF SALES P.A.

\$492.4 Billion

Australian dwelling values

Overview

3 MONTHS

-4.1%

National home values fell -4.1% in the three months to October, which was steady on the three month decline to September.

12 MONTHS

-0.9%

Dwelling values in Australia are -0.9% lower over the past 12 months, marking the first annual decline in national home values since October 2019.

CAPITAL CITIES

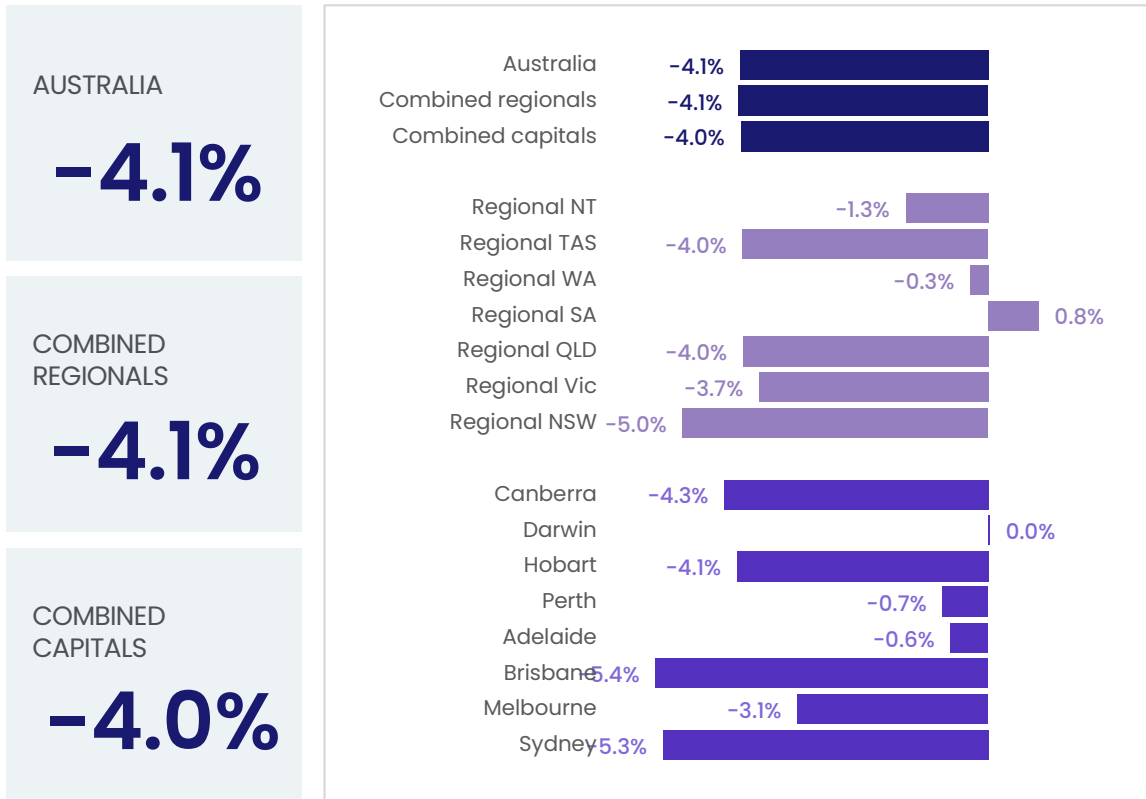
The monthly pace of decline slowed through October

While the housing market downswing has become more broad-based, the monthly rate of decline slowed to -1.2%, from -1.4% through September.

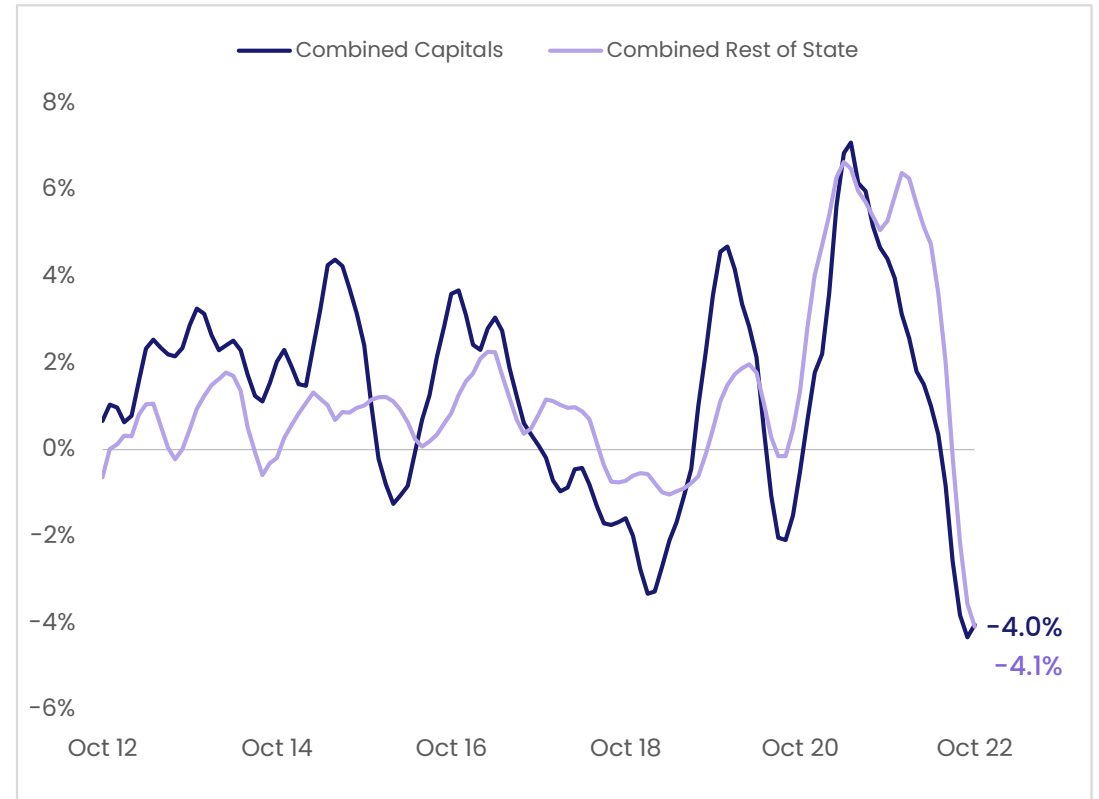
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to October 2022



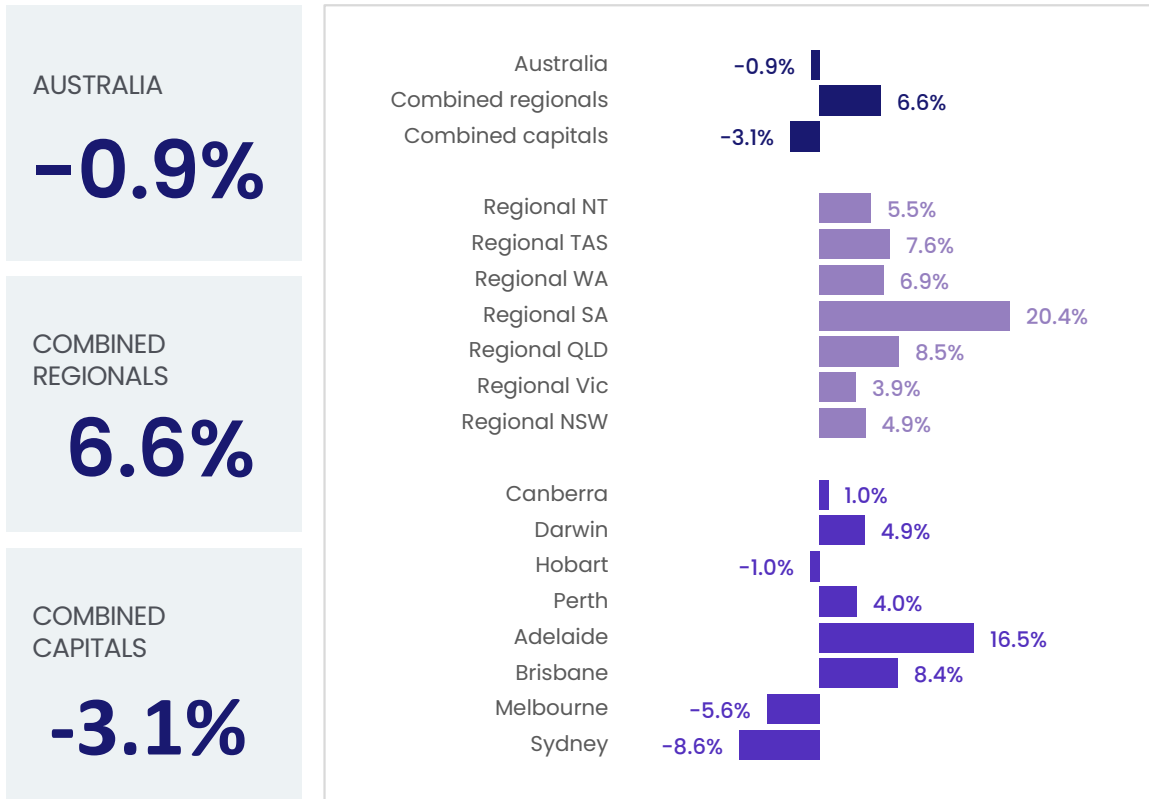
Rolling quarterly change in dwelling values



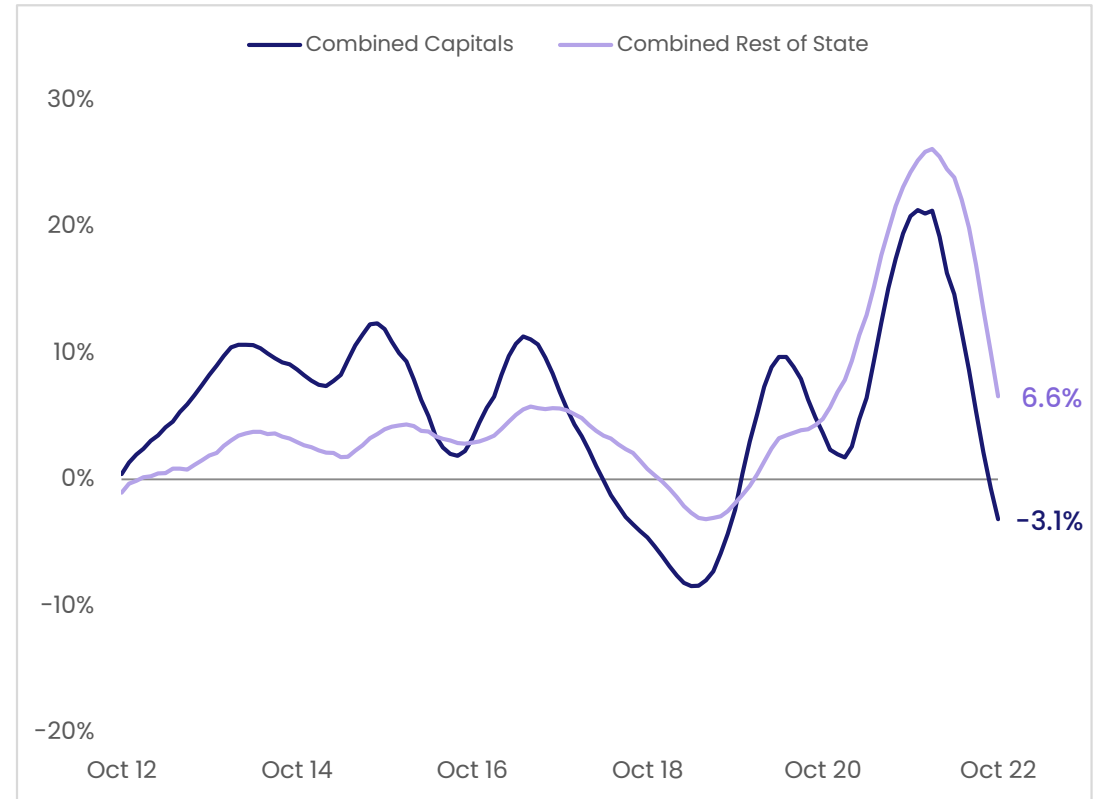
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to October 2022



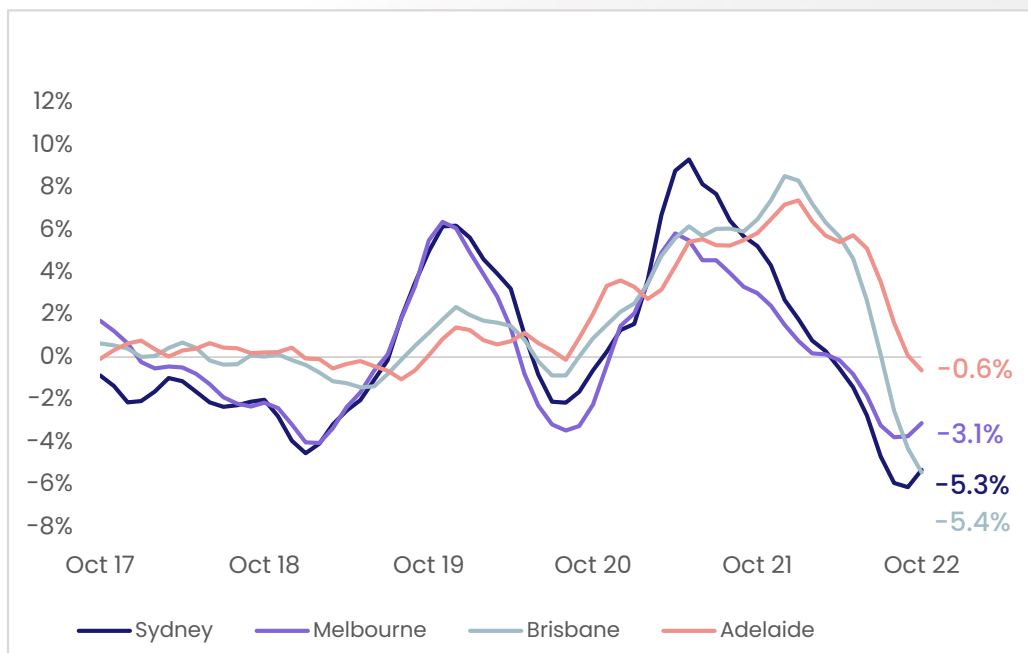
Rolling annual change in dwelling values



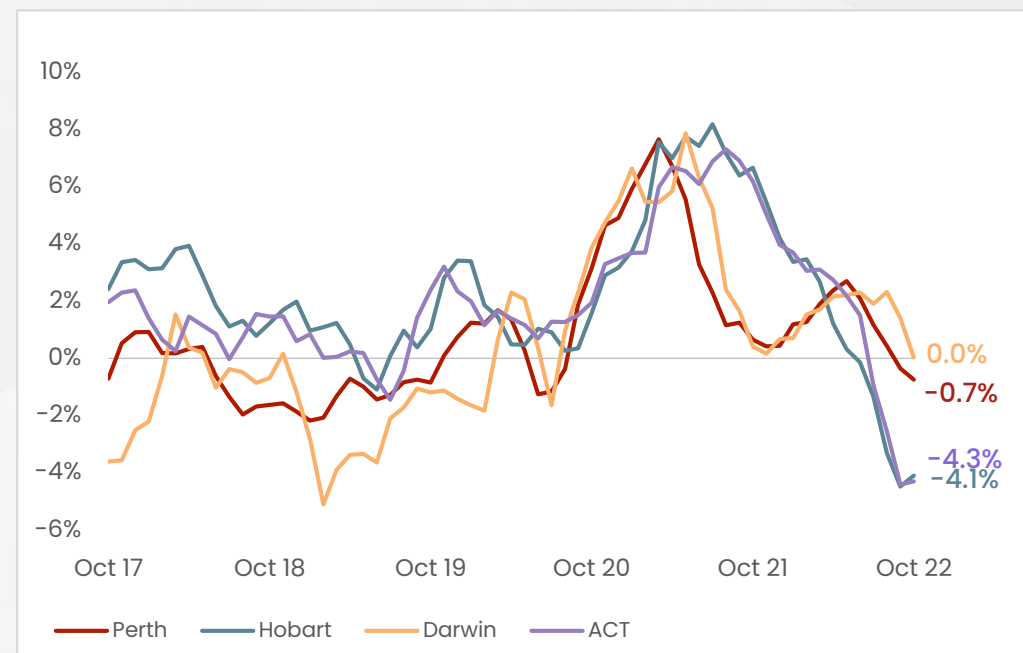
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



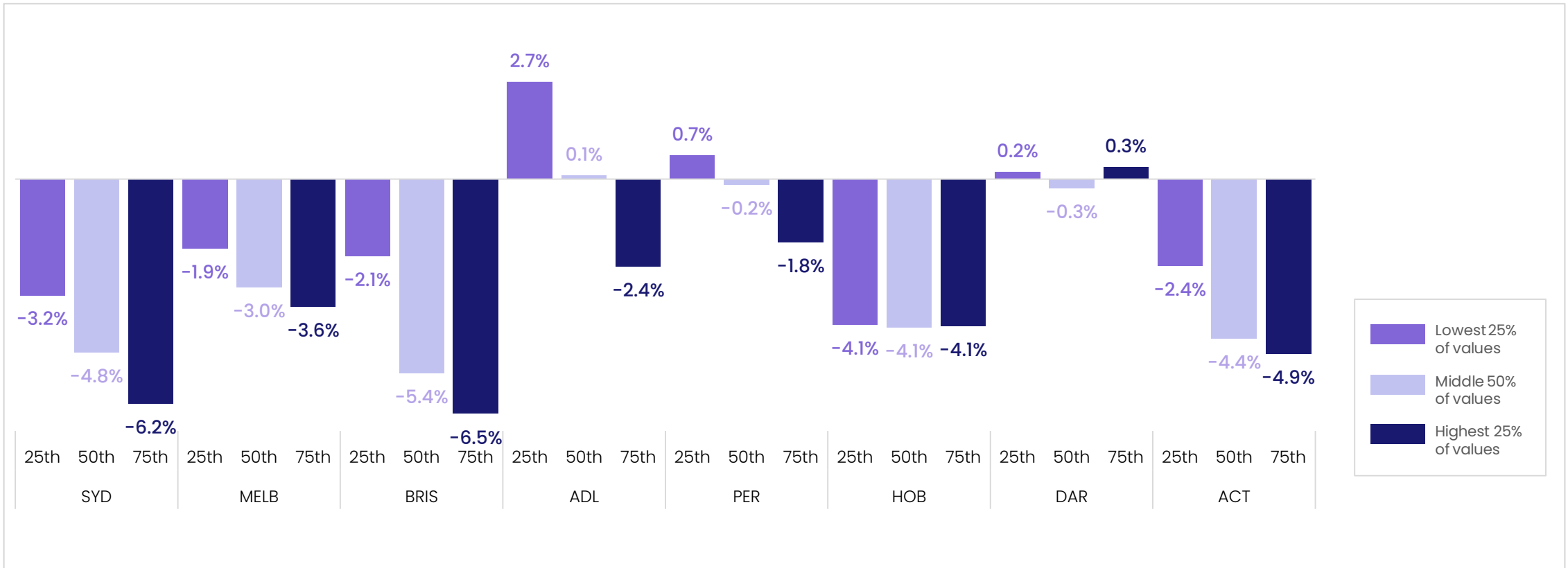
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

Capital cities

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



Housing cycles

Capital cities

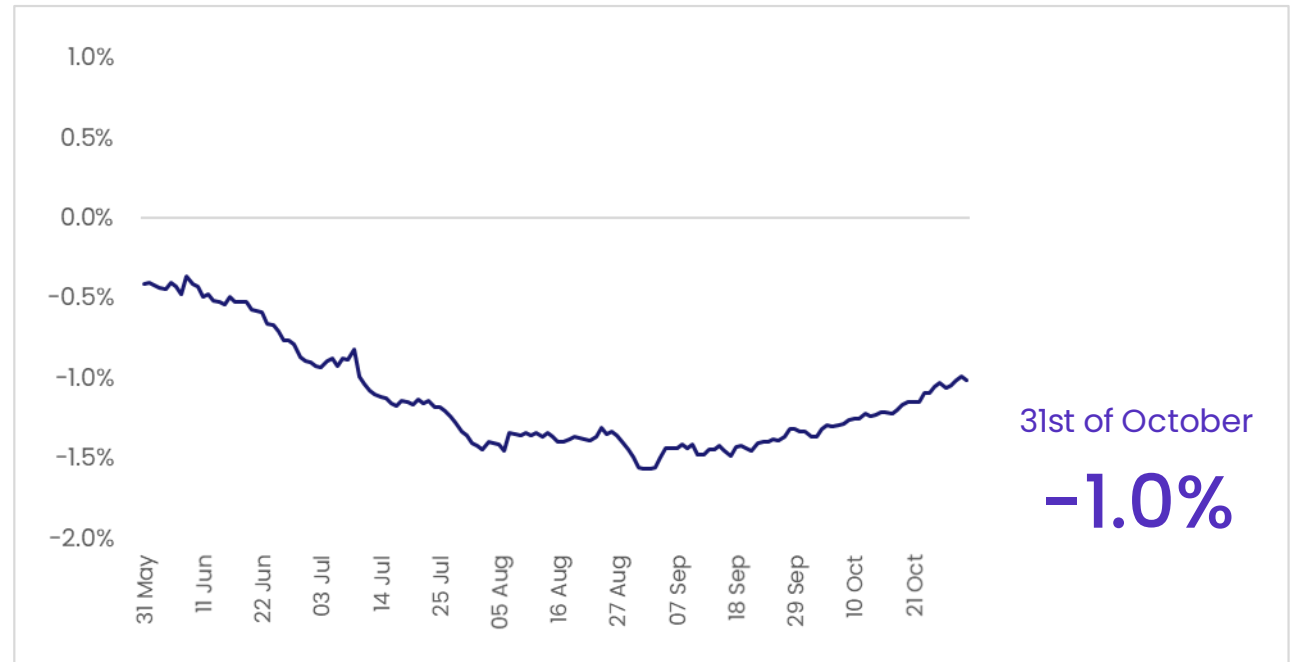


Rolling 28-day growth rate in CoreLogic Daily Home Value index

The rolling 28-day change in the combined capitals home value index fell a further -1.0% through the 28 days ending October 31st.

However, the pace of decline slowed, having hit a recent low of -1.6% in early September.

Combined capital cities



HOUSING CYCLES

Sydney

In October Sydney dwelling values declined

-1.3%

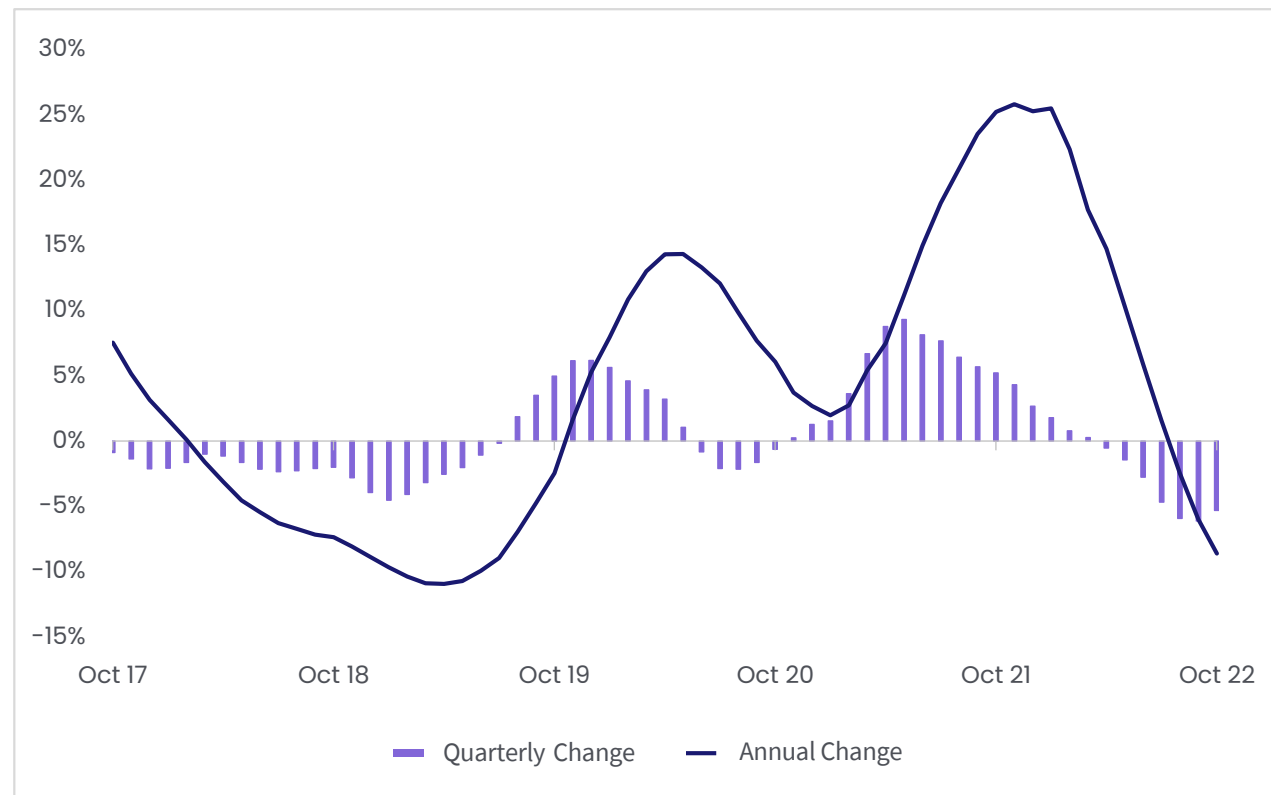
Over the quarter dwelling values decreased by

-5.3%

Over the past year dwelling values decreased by

-8.6%

Sydney dwelling values are now -10.2% below the record high, which was in January 2022.



HOUSING CYCLES

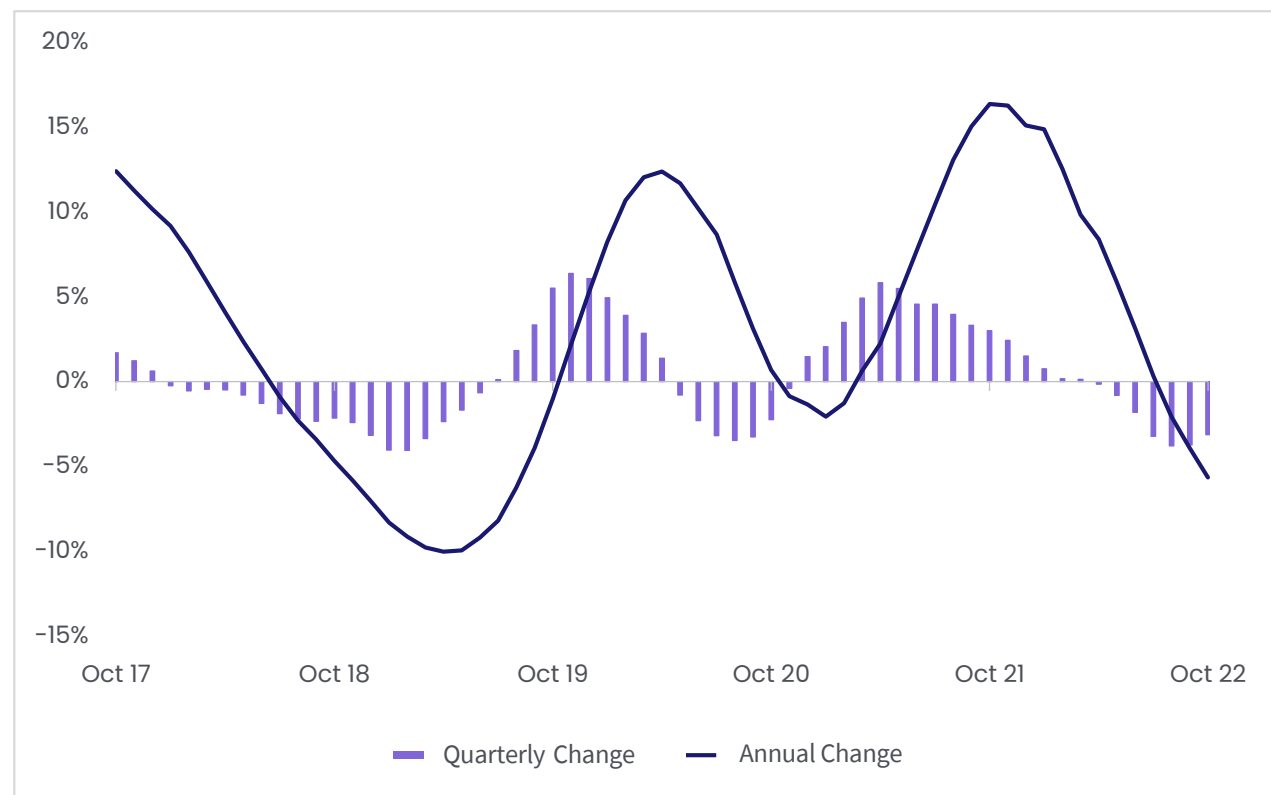
Melbourne

In October Melbourne dwelling values declined **-0.8%**

Over the quarter dwelling values decreased by **-3.1%**

Over the past year dwelling values decreased by **-5.6%**

Melbourne dwelling values are now -6.4% below the record high, which was in February 2022.



HOUSING CYCLES

Brisbane

In October Brisbane dwelling values declined

-2.0%

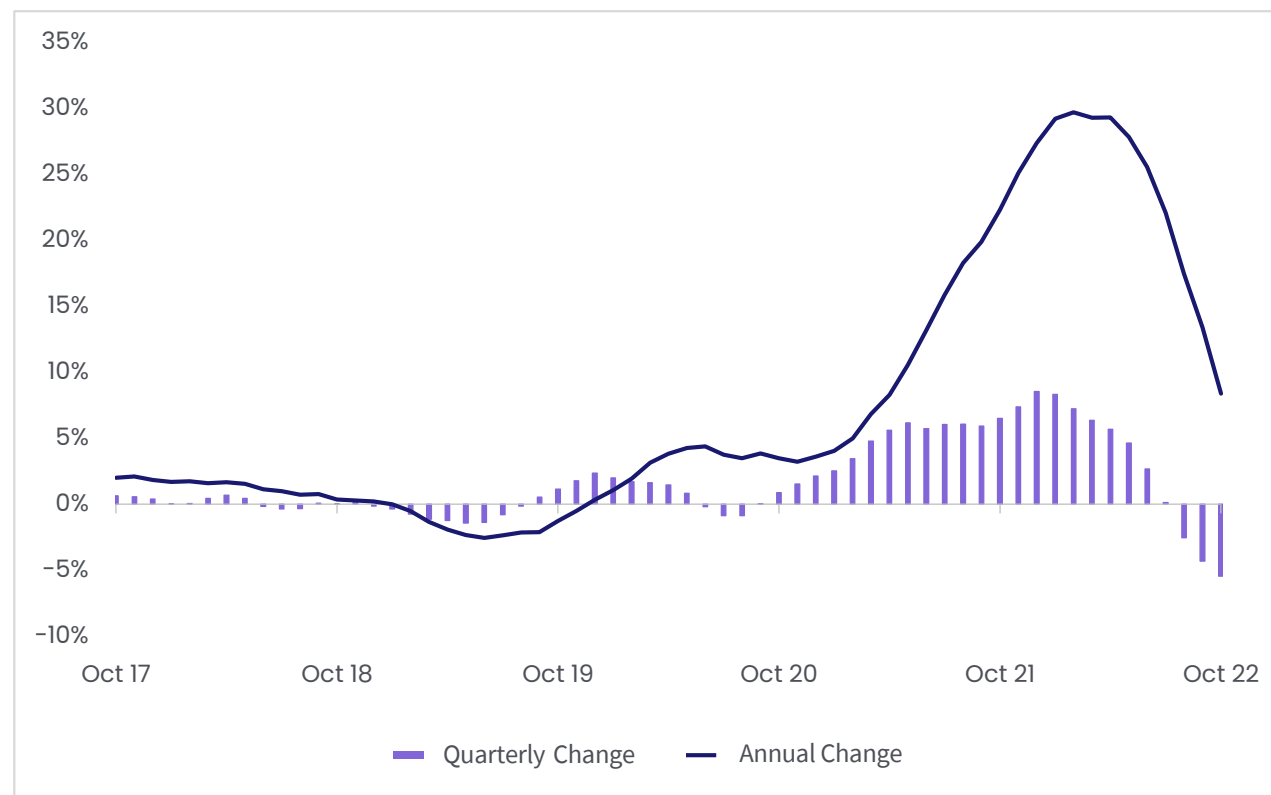
Over the quarter dwelling values decreased by

-5.4%

Over the past year dwelling values increased by

8.4%

Brisbane dwelling values are now -6.2% below the record high, which was in June 2022.



HOUSING CYCLES

Adelaide

In October Adelaide dwelling values declined

-0.3%

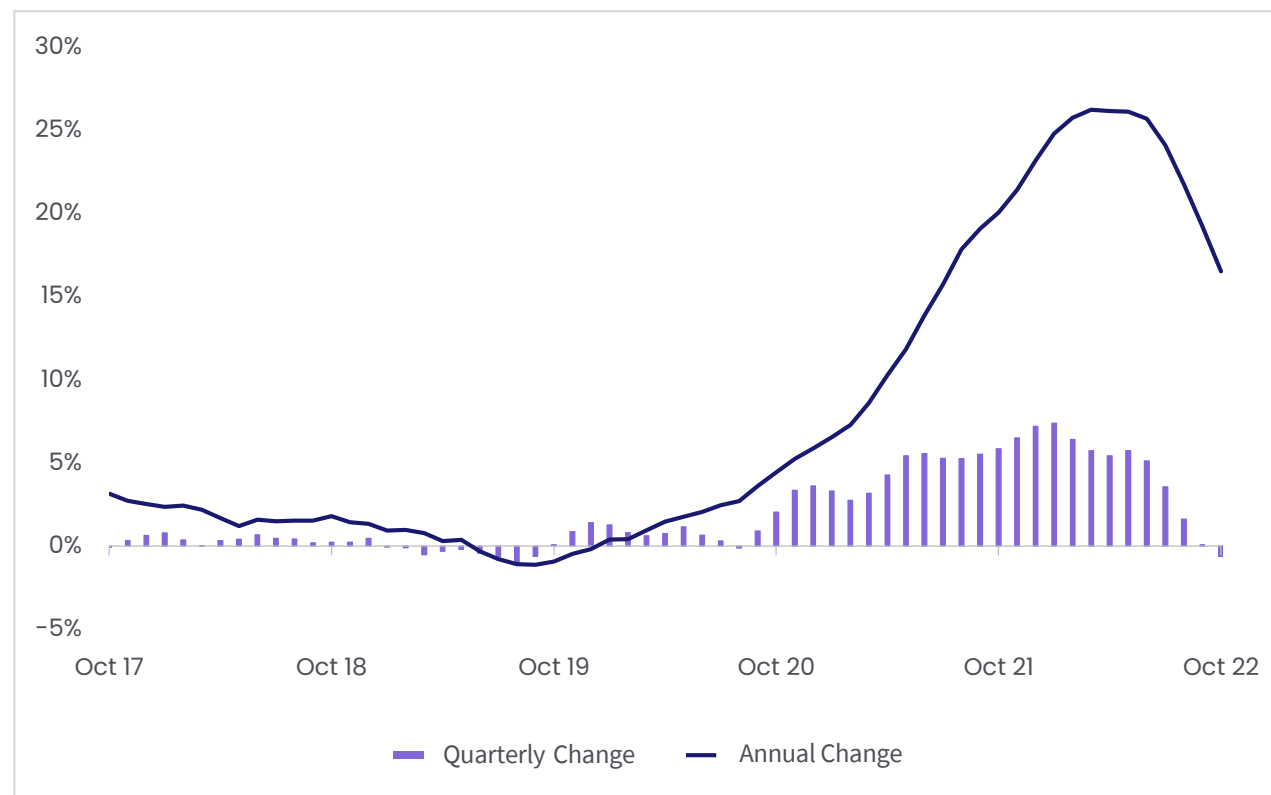
Over the quarter dwelling values decreased by

-0.6%

Over the past year dwelling values increased by

16.5%

Adelaide dwelling values are now -0.6% below the record high, which was in July 2022.



HOUSING CYCLES

Perth

In October Perth dwelling values declined

-0.2%

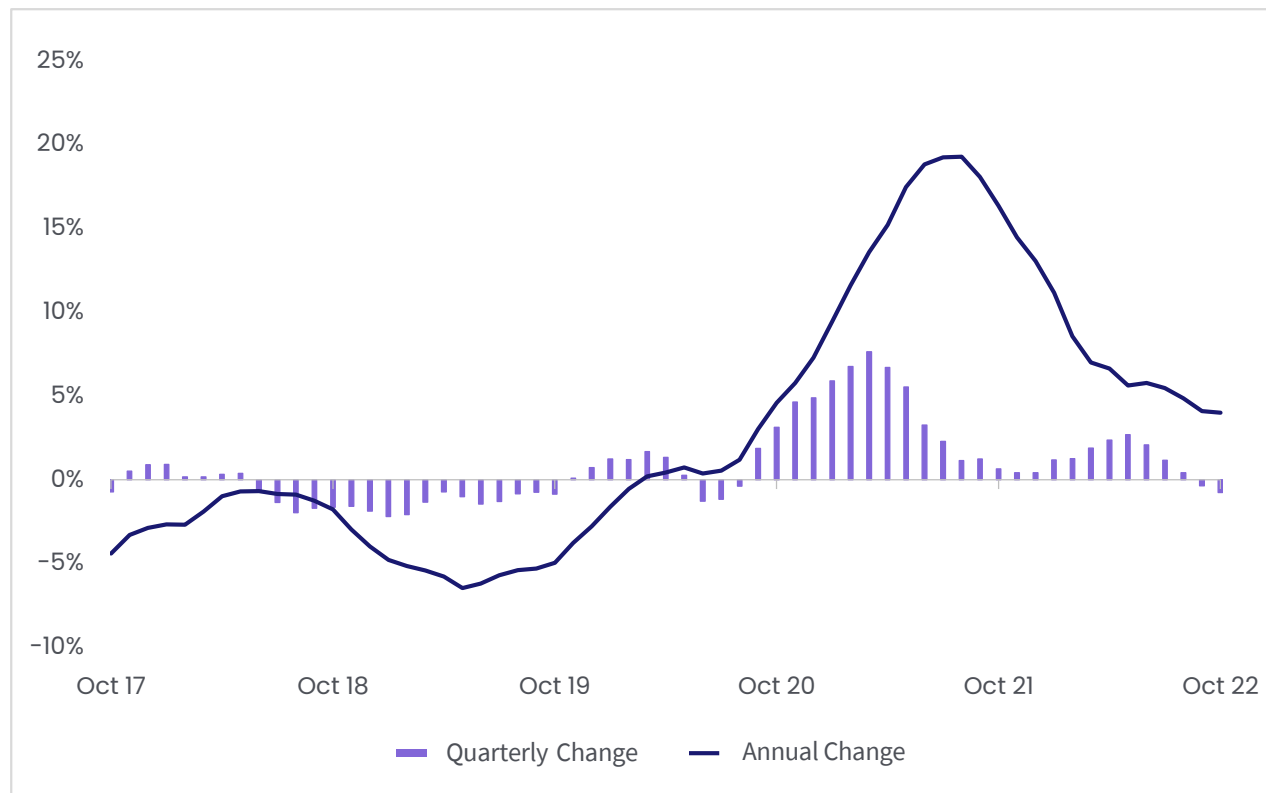
Over the quarter dwelling values decreased by

-0.7%

Over the past year dwelling values increased by

4.0%

Perth dwelling values are now -0.7% below the record high, which was in July 2022



HOUSING CYCLES

Hobart

In October Hobart dwelling values declined

-1.1%

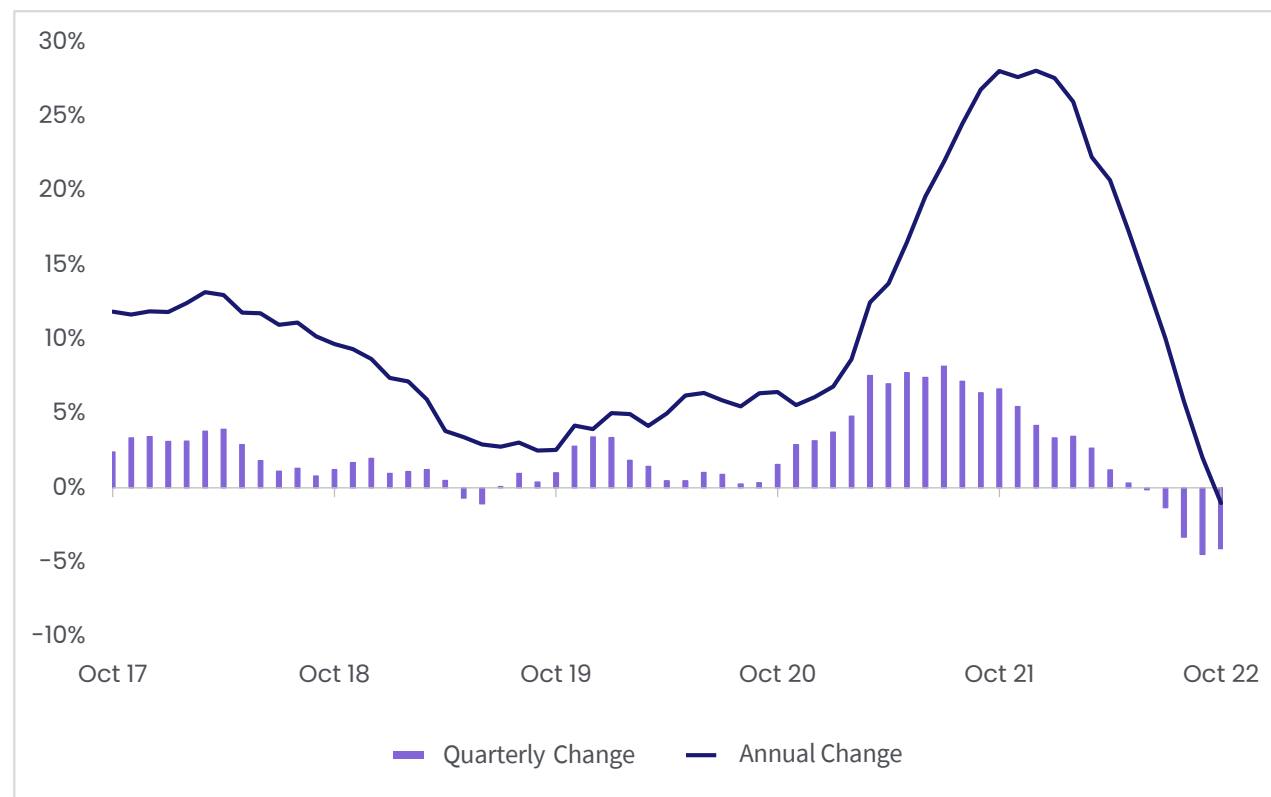
Over the quarter dwelling values decreased by

-4.1%

Over the past year dwelling values decreased by

-1.0%

Hobart dwelling values are now -5.7% below the record high, which was in May 2022



HOUSING CYCLES

Darwin

In October Darwin dwelling values declined

-0.8%

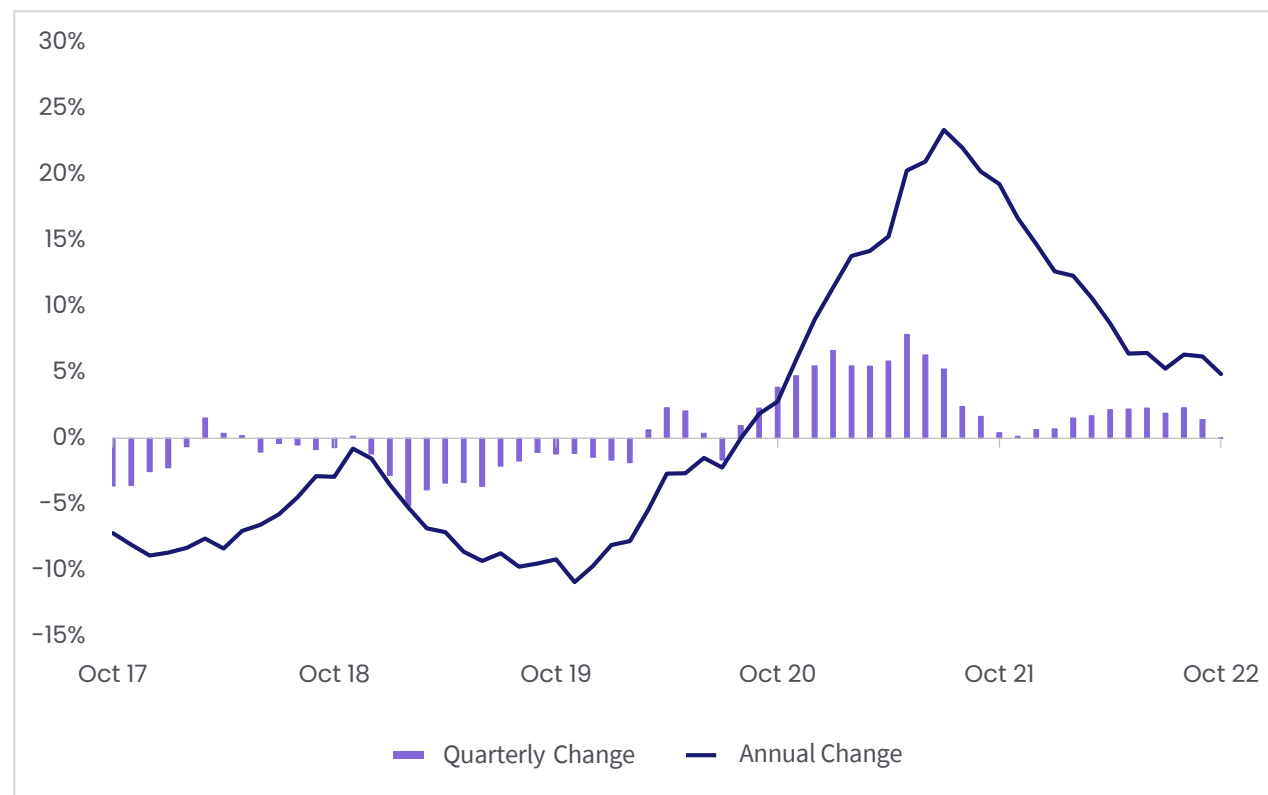
Over the quarter dwelling values held steady

0.0%

Over the past year dwelling values increased by

4.9%

Darwin dwelling values are now -10.8% below the record high, which was in May 2014.



HOUSING CYCLES

Canberra

In July Canberra dwelling values declined

-1.0%

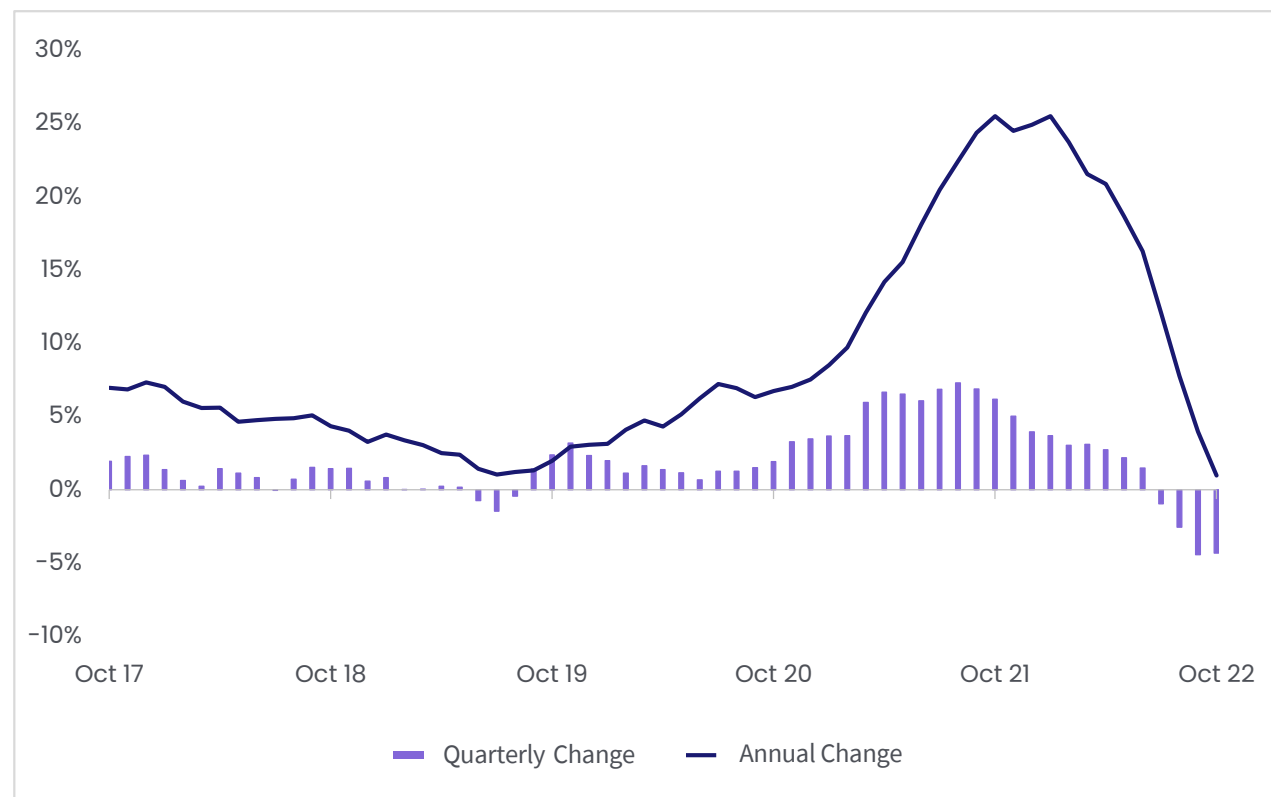
Over the quarter dwelling values decreased by

-4.3%

Over the past year dwelling values increased by

1.0%

Canberra dwelling values are now -5.4% below the record high, which was in June 2022.

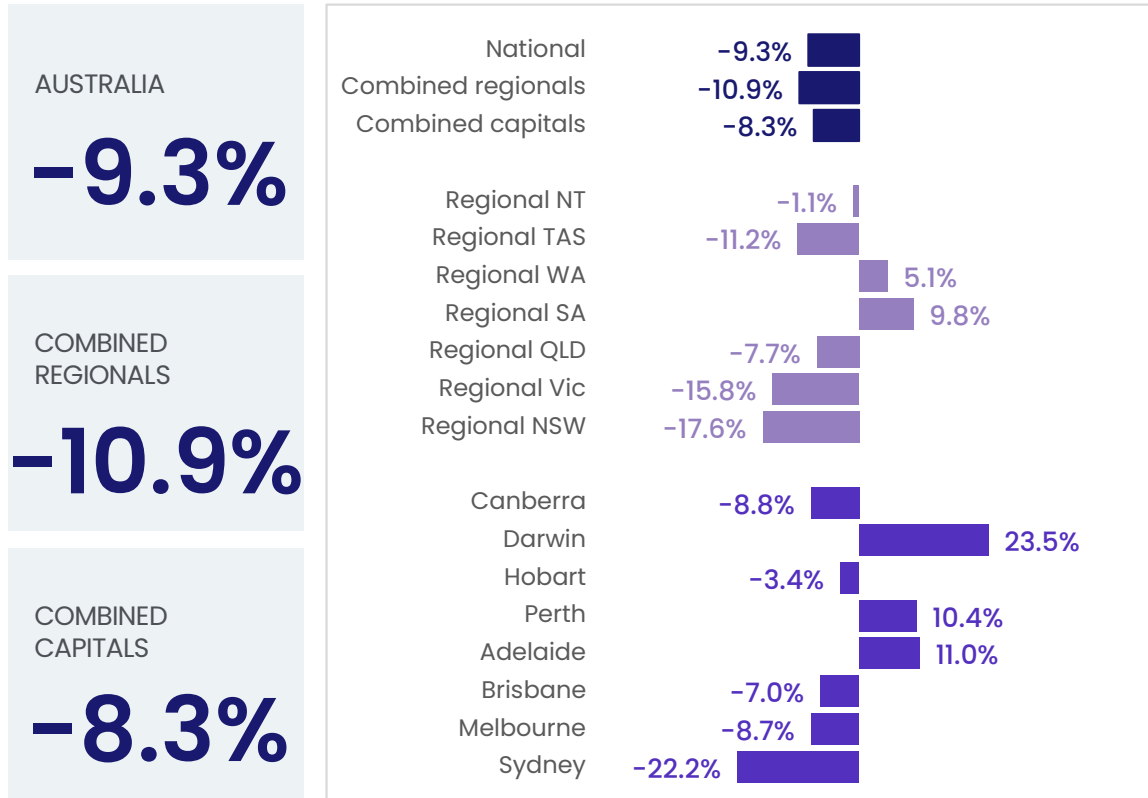


Sales and listings

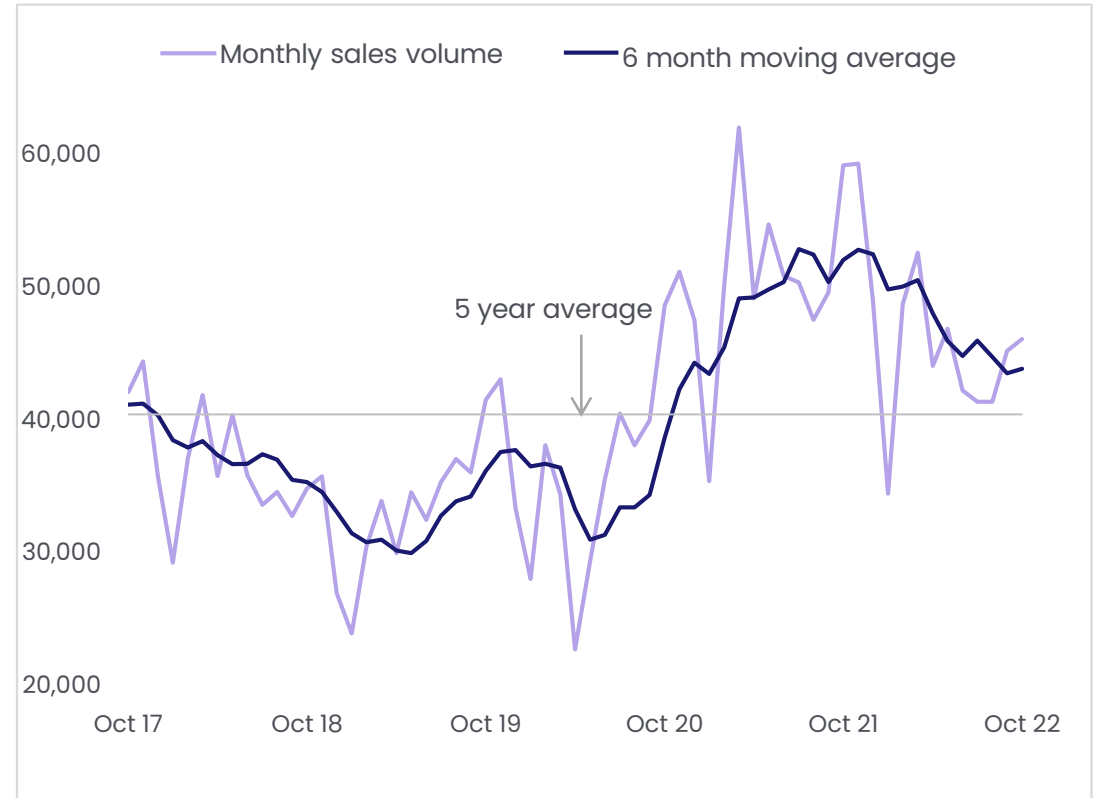
NATIONAL SALES

Sales volumes are trending lower as buyer demand slows. CoreLogic estimates that in the 12 months to October, there were 551,981 sales nationally, down -9.3% compared to the previous year. Sales estimates over the year to date were -13.0% lower than in the same period of 2021.

Change in sales volumes, twelve months to October 2022



Monthly sales with six month moving average, National

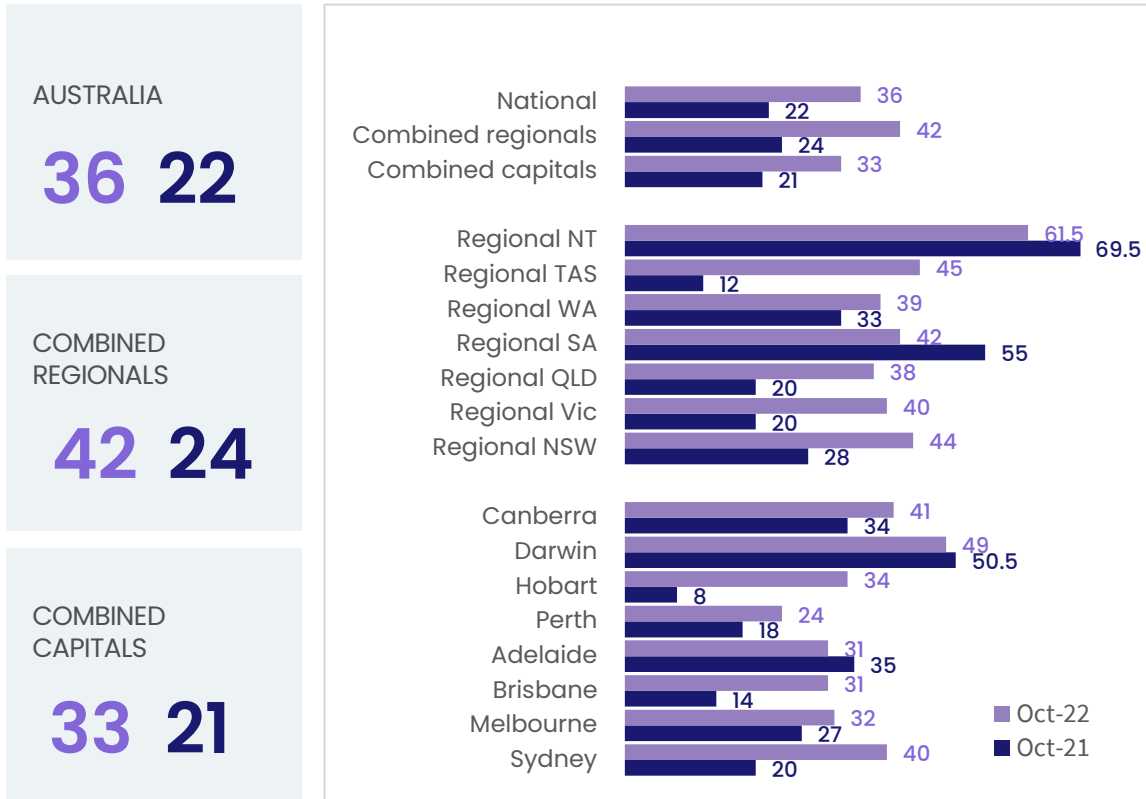


Note: recent months of sales volumes are modelled estimates, and are subject to revision

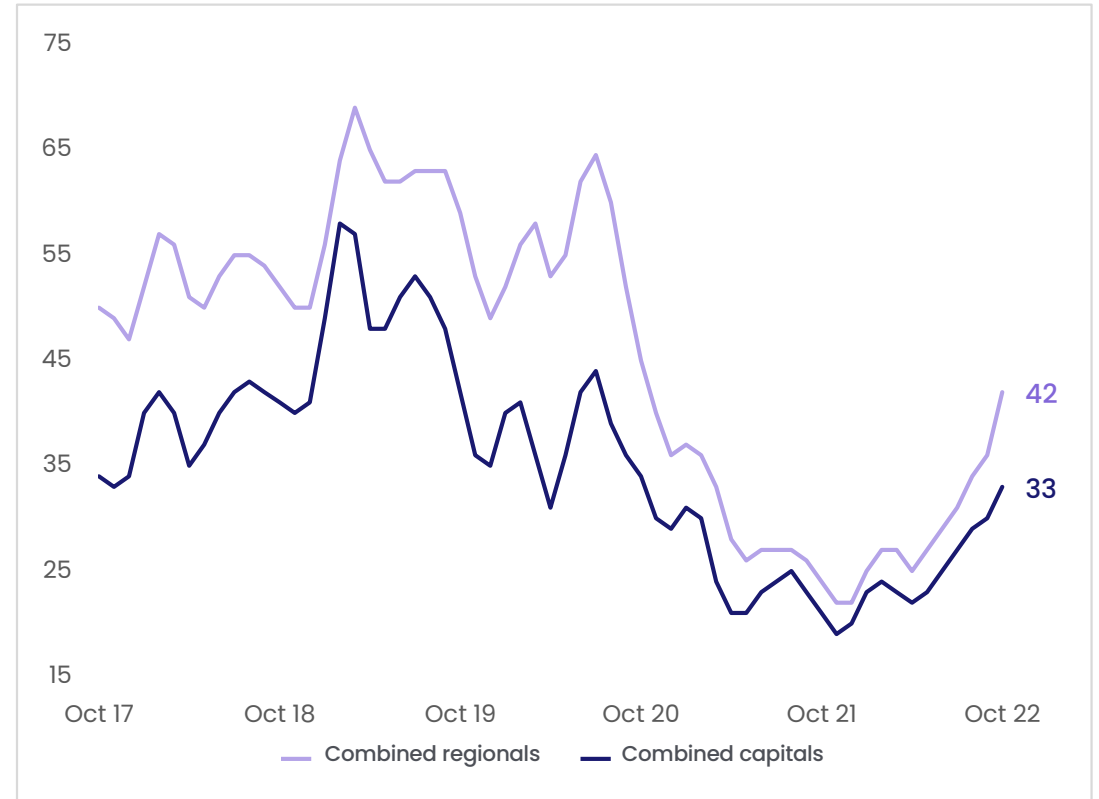
MEDIAN DAYS ON MARKET

At the national level, properties are taking longer to sell. In the three months to October, the median days on market was 36, up from a low of 20 days over the three months to November 2021.

Median days on market – three months to October 2022



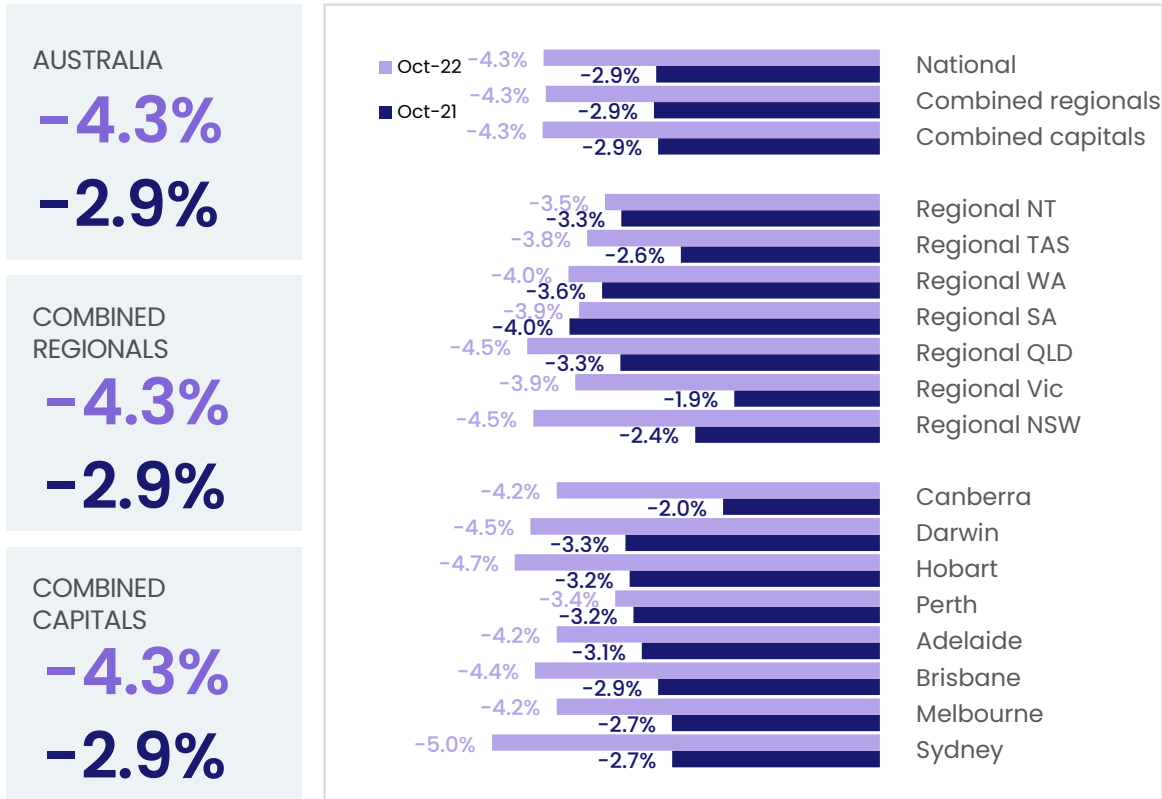
Median days on market



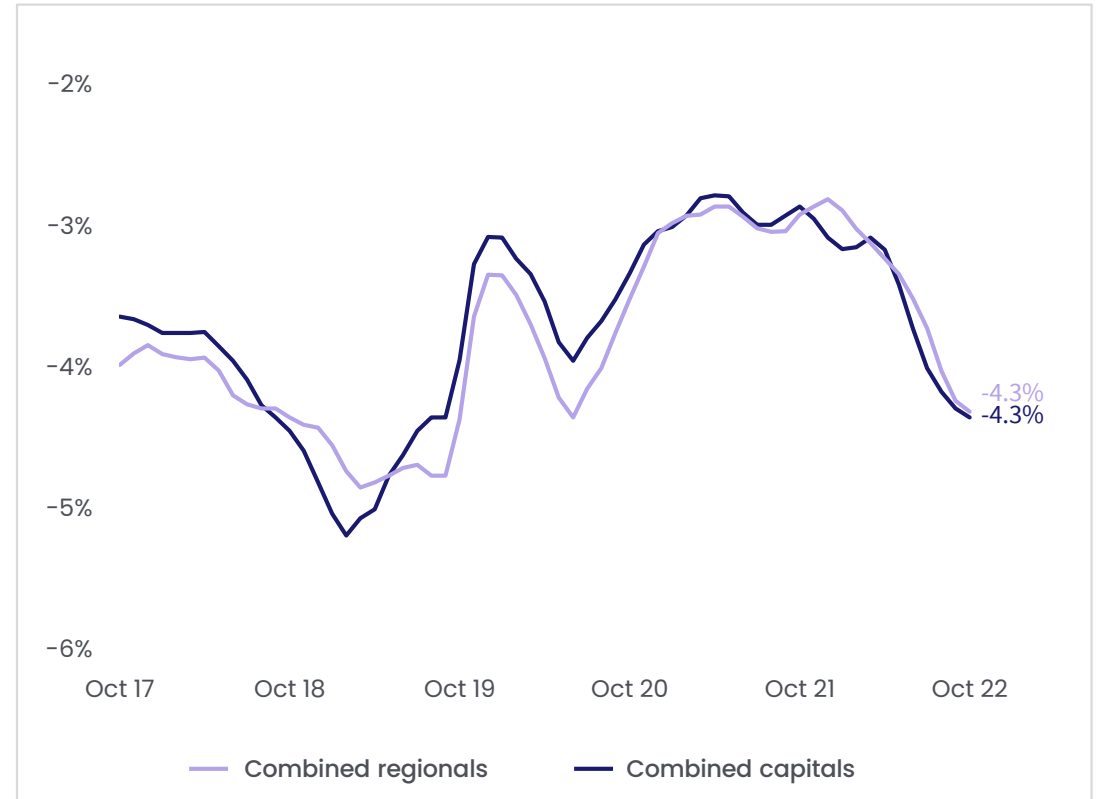
VENDOR DISCOUNT

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 October, the median vendor discount at the national level was -4.3%.

Median vendor discount – three months to October 2022



Median vendor discount



LISTINGS

In the four weeks to November 6, new listings volumes trended higher. At 38,438 newly advertised properties added for sale, the new listings trend is showing a slight seasonal uplift. However, new listings volumes remain low relative to previous years.

Number of new listings, National Dwellings

New listings over
the 4 weeks ending
November 6

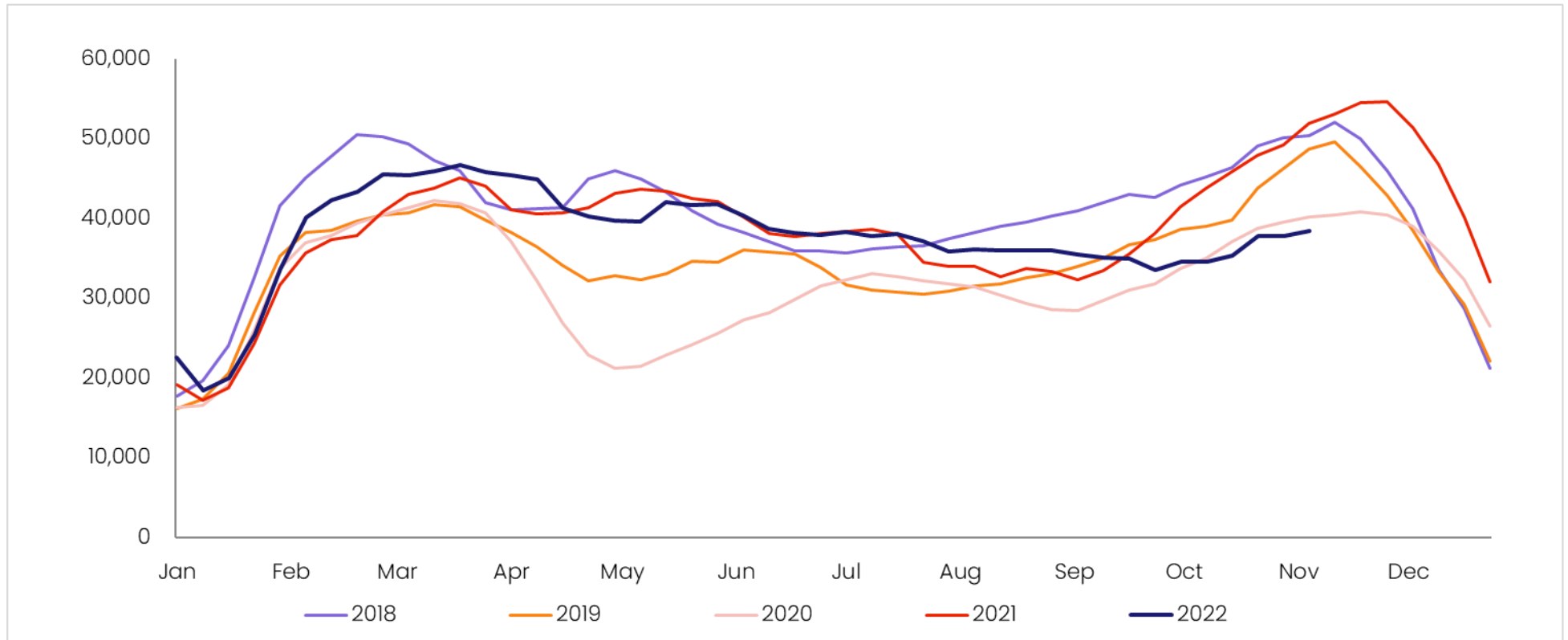
38,438

Compared to
same time last
year

-25.9%

Compared to
5-year average

-21.0%



LISTINGS

At the national level, total listings were fairly steady through October. Advertised stock levels remain low compared to previous years, in part due to the subdued flow of new listings.

Number of total listings, National Dwellings

Total listings over the 4 weeks ending November 6

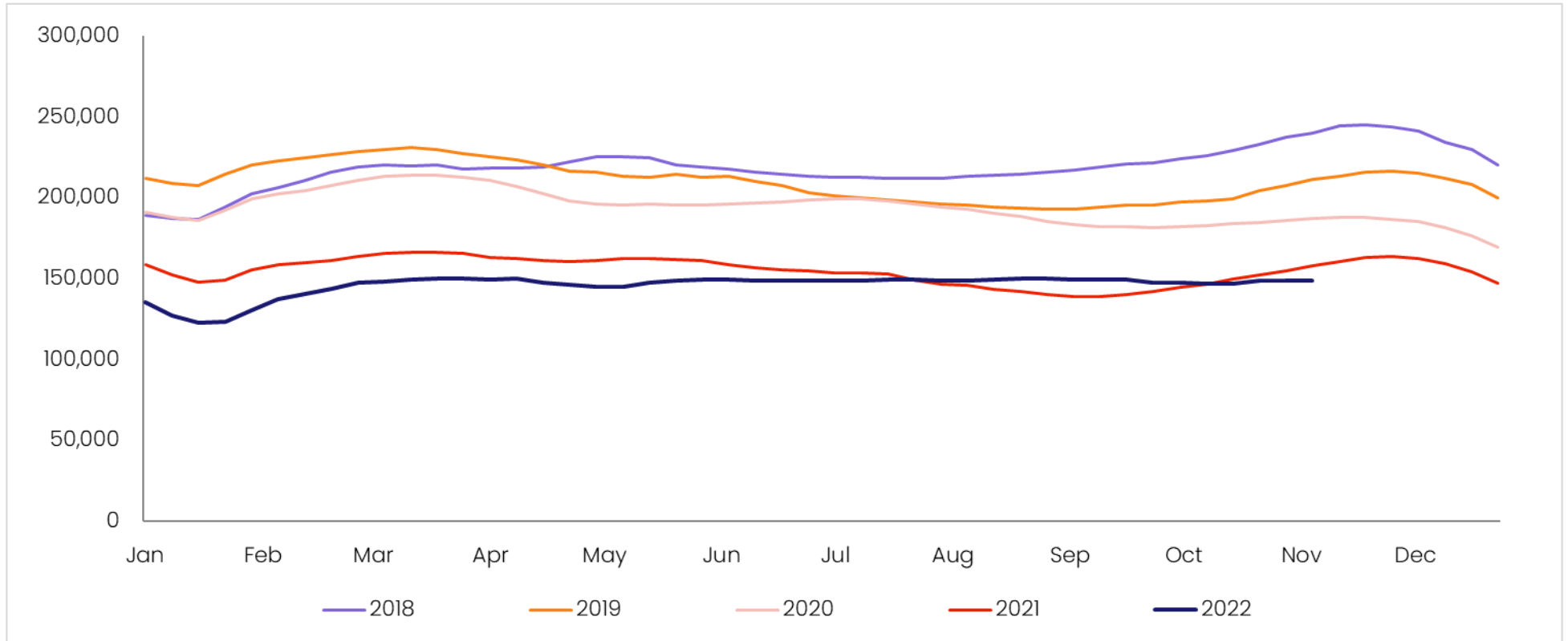
149,016

Compared to same time last year

-5.9%

Compared to 5-year average

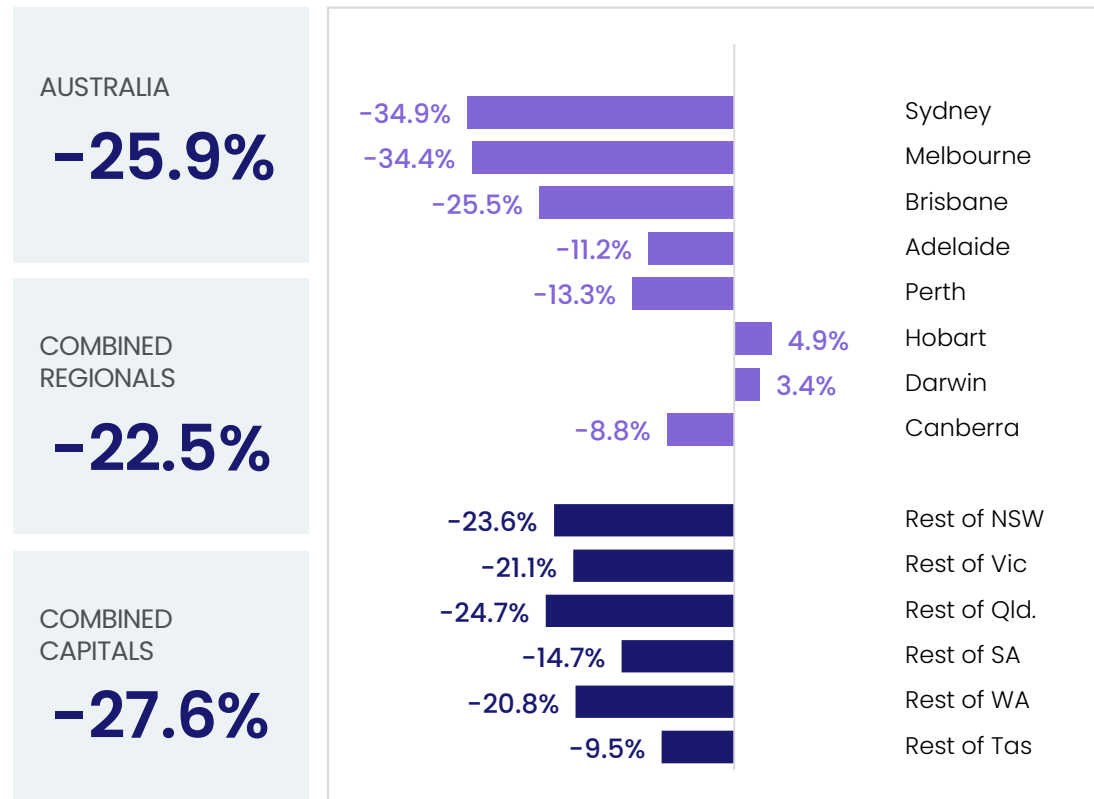
-27.2%



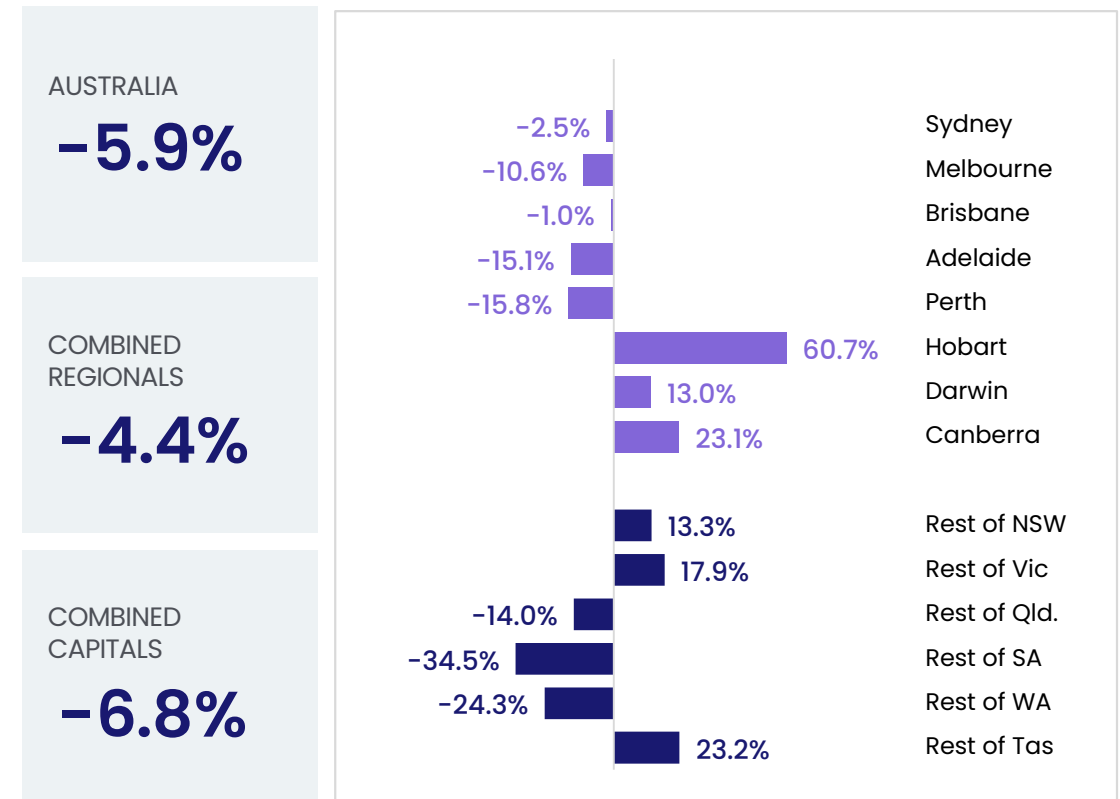
LISTINGS

Total advertised stock levels are once again relatively low across Australia, though stock is rising in some of the smaller capital cities. During the upswing, stock levels were low as a result of strong absorption from sales. As housing values decline, advertised stock levels are reduced due to lower vendor activity.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

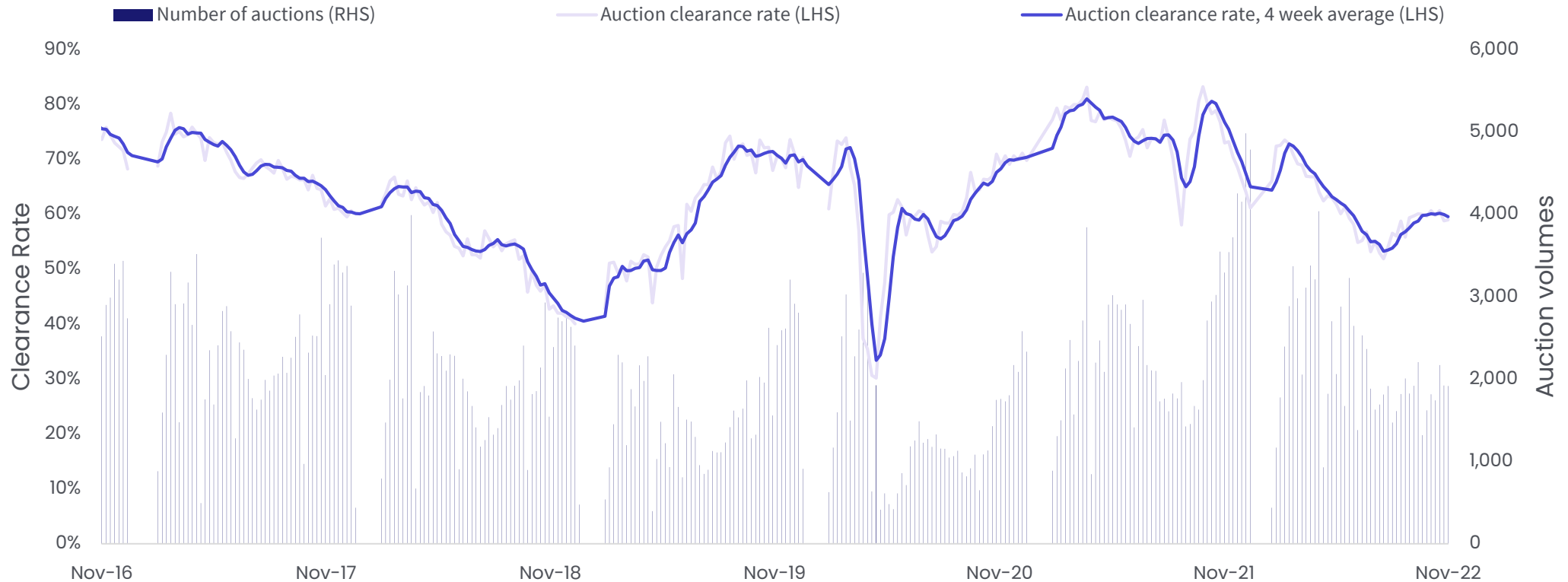


Data is for the four weeks ending 6 November

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate steadied through October, averaging 59.5% in the four weeks ending November 6th. This is down from 78.5% in the equivalent period of 2021.

Weekly clearance rates, combined capital cities



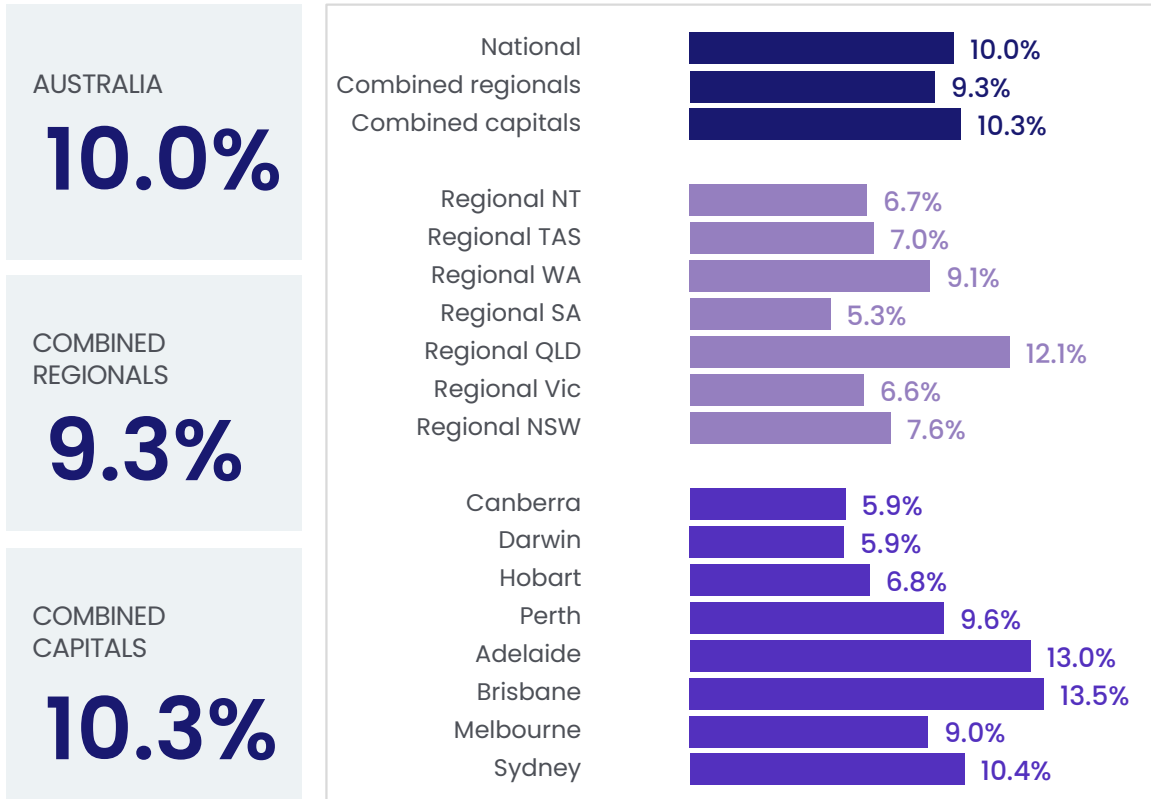
Rental market



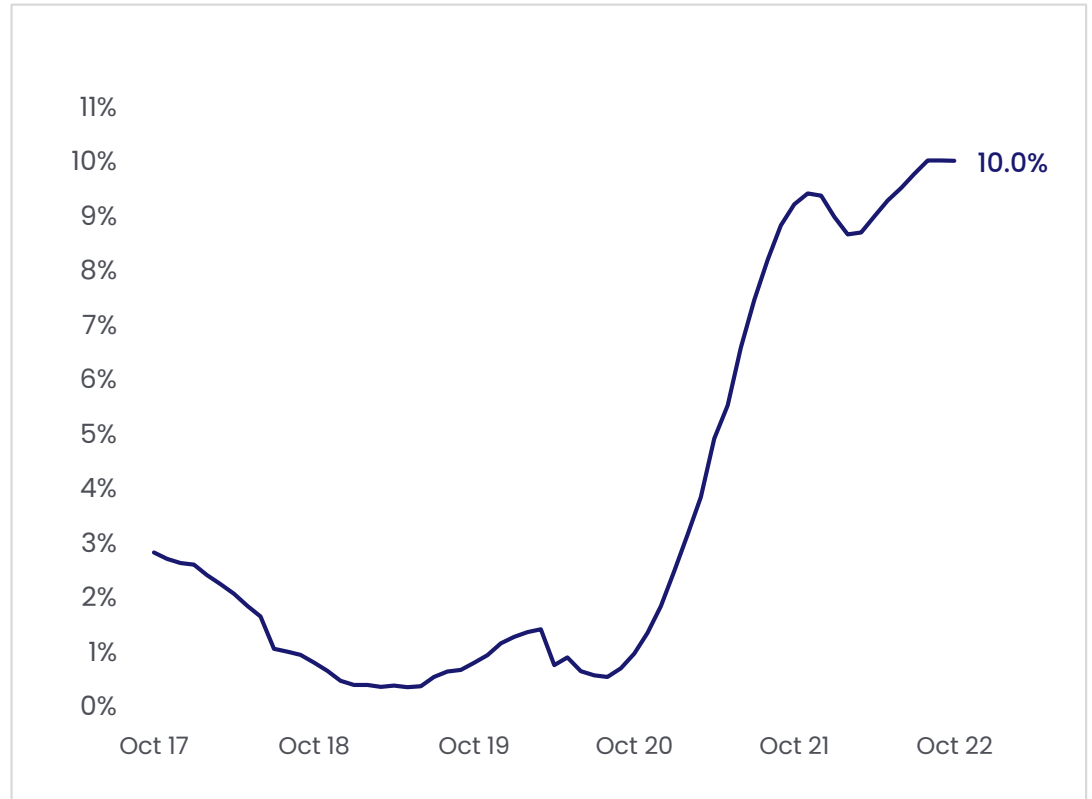
RENTAL RATES

Rental value growth remains high across Australian dwellings, but the annual growth in house rents has shown signs of moderating. Unit rent values have seen increased momentum, rising 12.4% in the past 12 months. Across all dwellings, this resulted in an annual rental growth rate of 10.0%.

Annual change in rental rates to October 2022



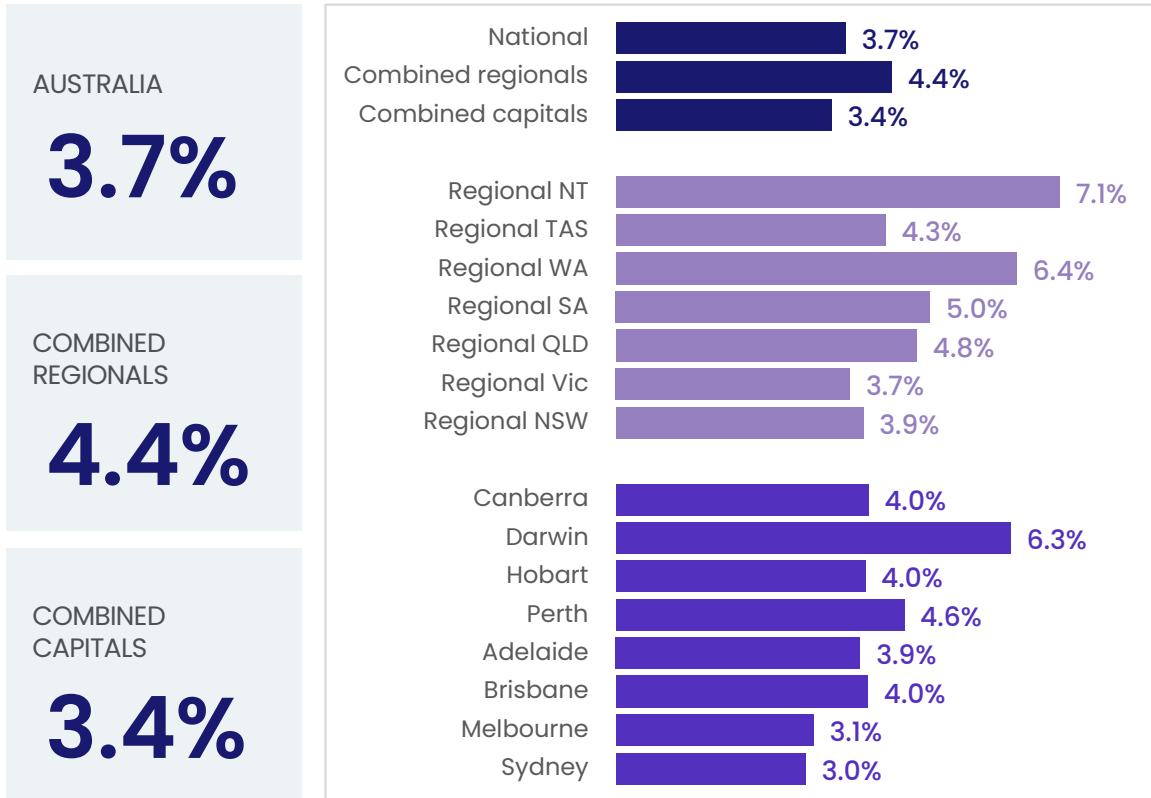
Annual change in rental rates - National



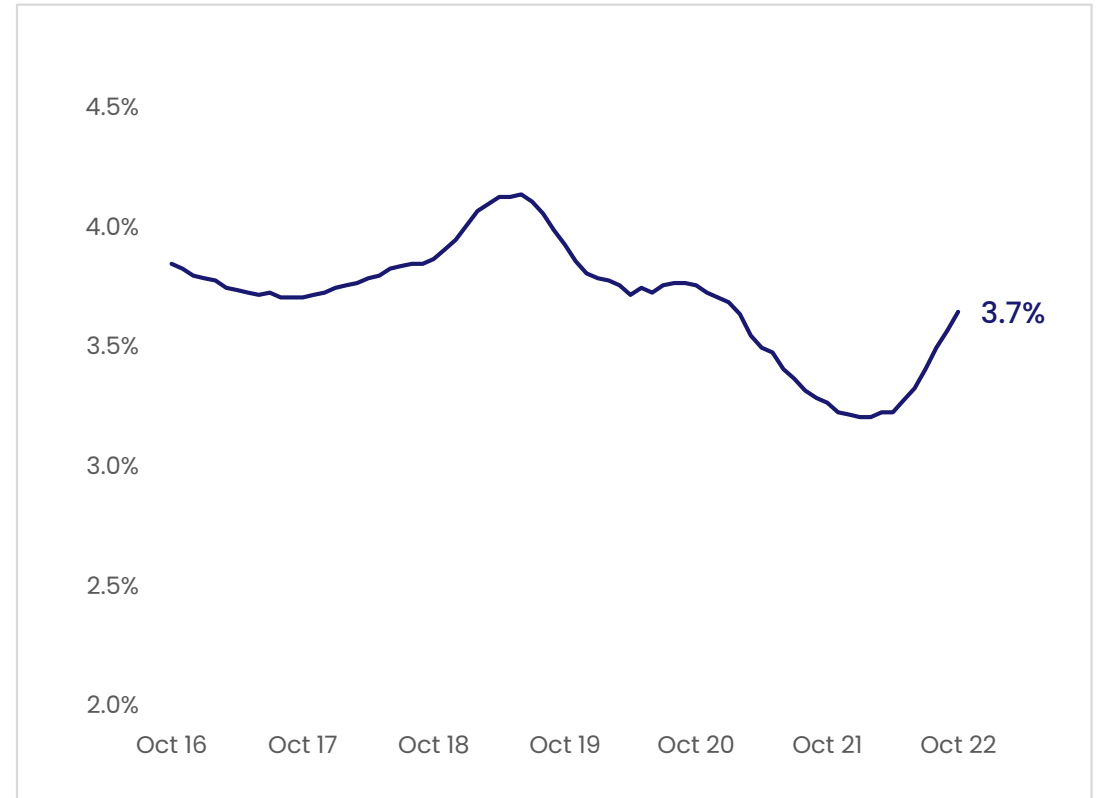
RENTAL YIELDS

Through October, Australian gross rent yields rose to 3.7%, up from a recent low of 3.21% in January this year. Since the end of 2021, gross rent yields in Sydney have lifted 59 basis points, and 40 basis points in Melbourne.

Gross rental yields, October 2022



Gross rental yields

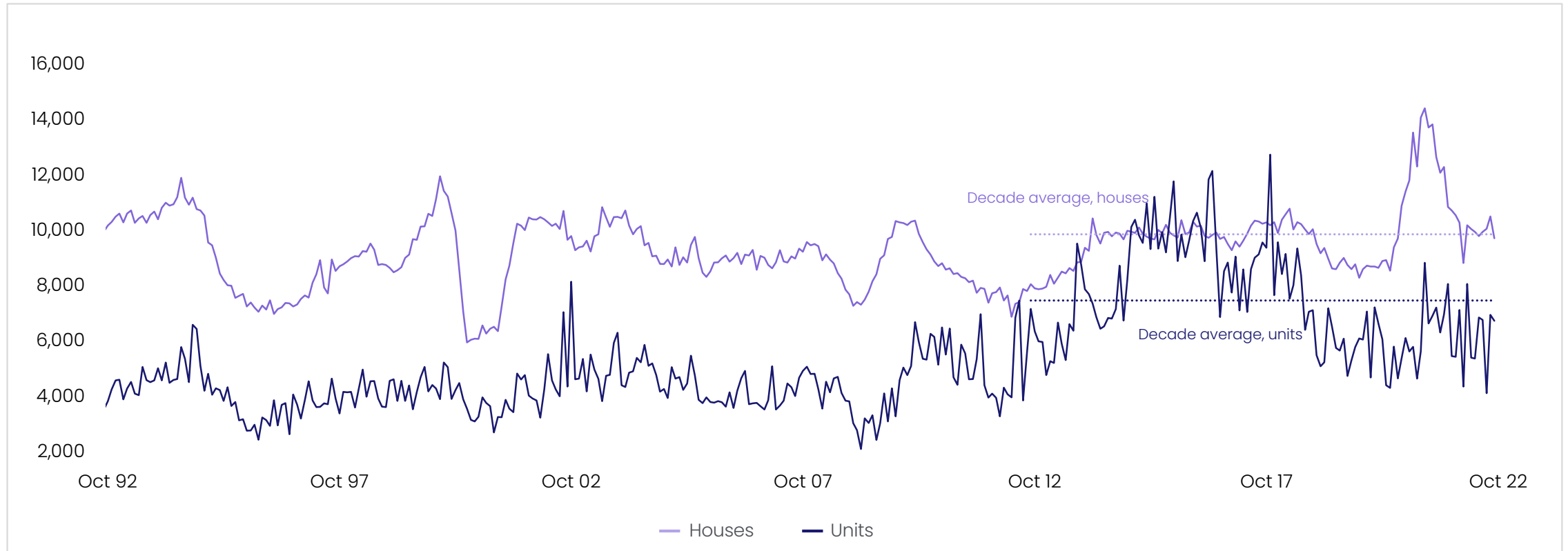


Dwelling approvals & housing credit

DWELLING APPROVALS

Dwelling approvals declined -5.8% in October, led by a -7.5% drop in new house approvals. Unit approvals also declined by a smaller 3.1%. Over the past six months, unit approvals averaged 6,135 per month, which is below the decade average of 7,471.

Monthly house v unit approvals, National

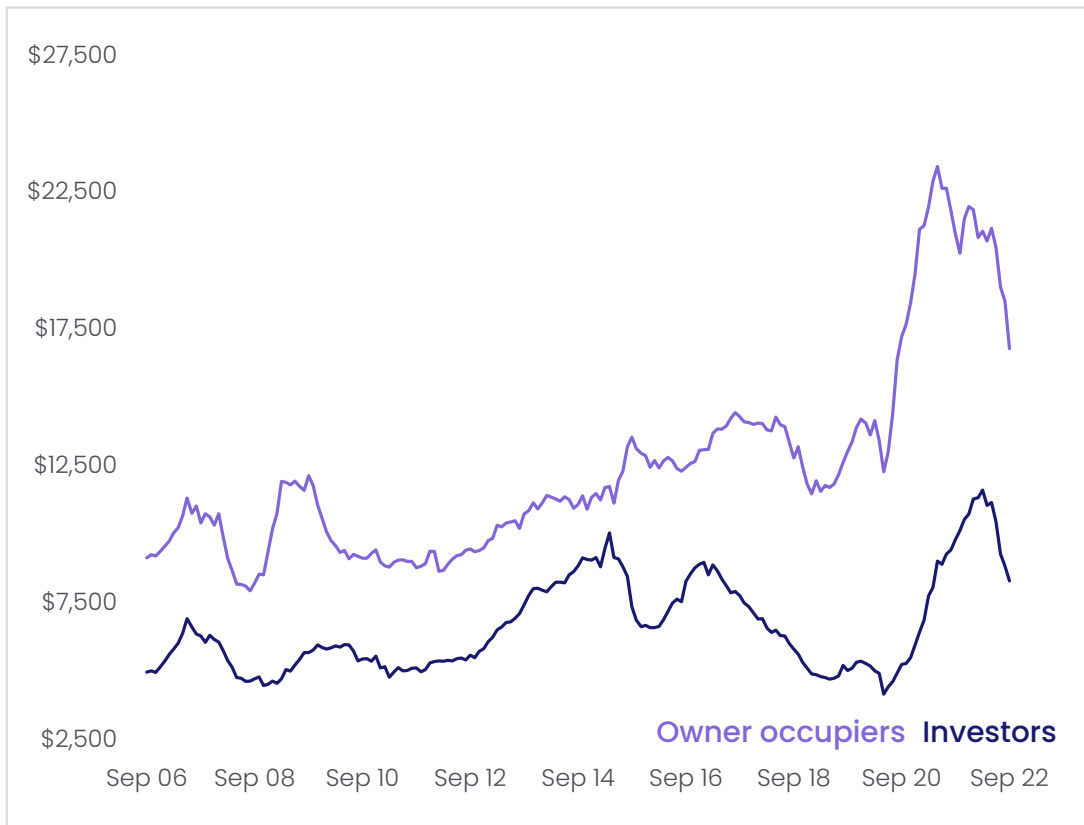


Source: ABS

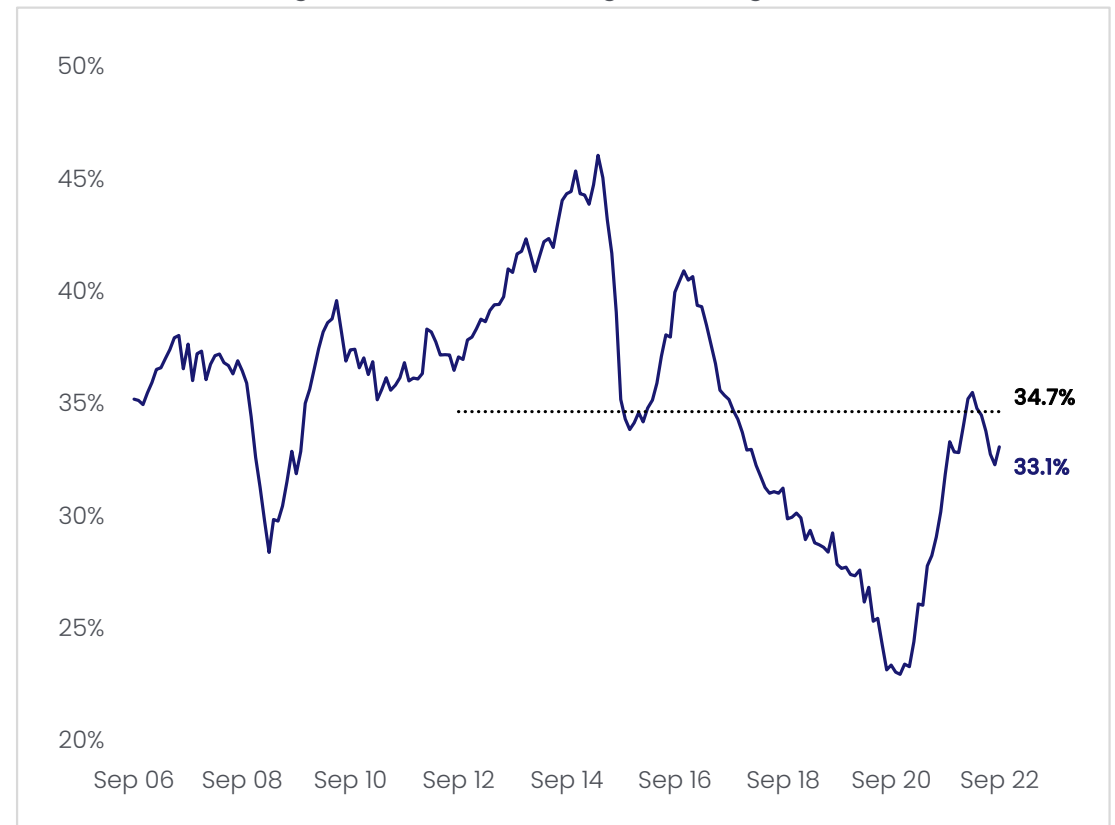
FINANCE & LENDING

Housing finance secured totaled \$25.1 billion in September. The value of secured housing finance fell -8.2% in the month, taking new housing finance -22.4% lower than a recent peak in May. Investor finance fell -6.0%, compared with a -9.3% fall in owner occupied lending in September.

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



Portion of new lending for investment housing (excluding refinance)

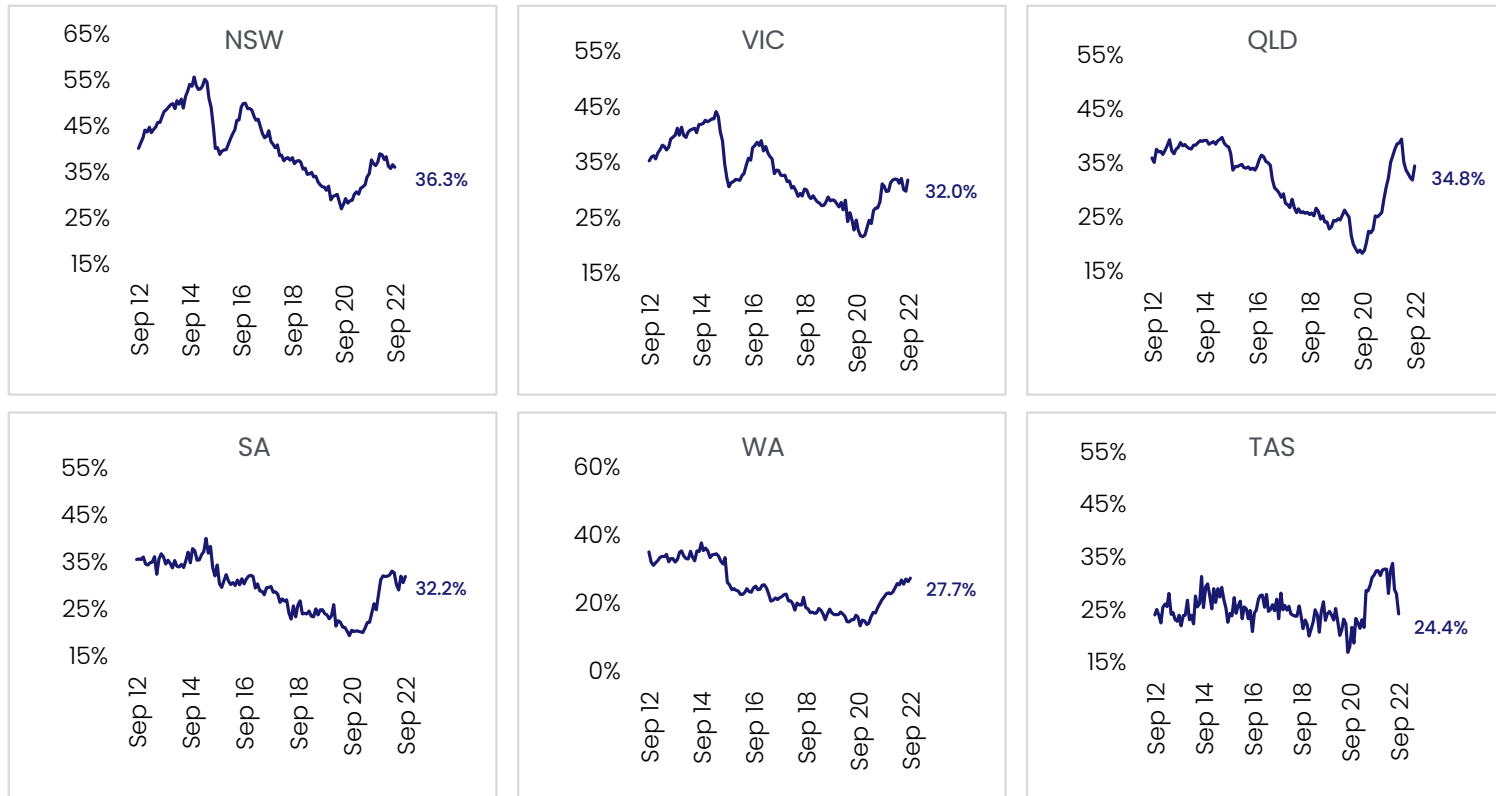


Source: ABS

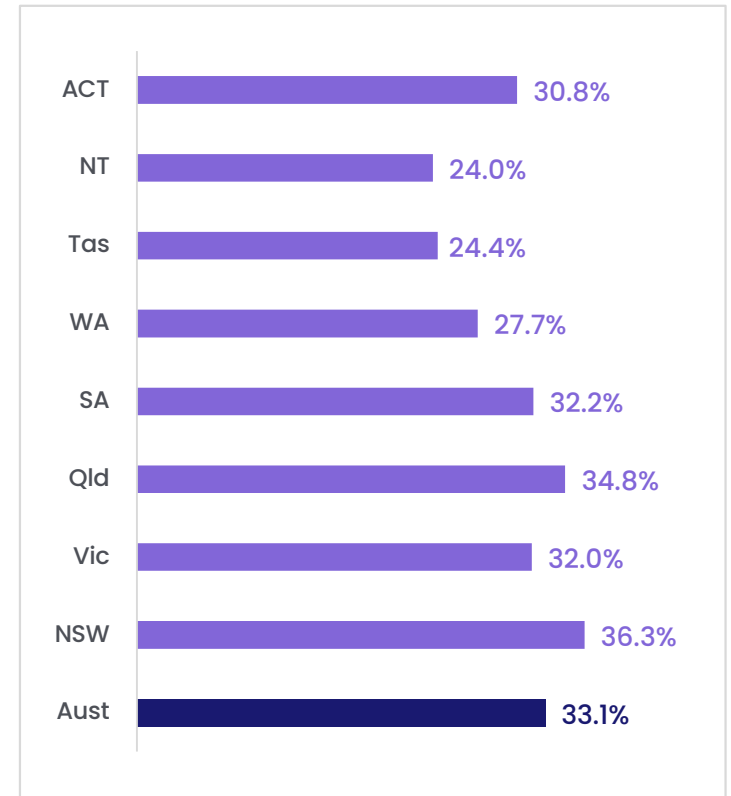
INVESTORS & LENDING

Nationally, investor finance comprised 33.1% of new mortgage lending through the month of September. This is below the decade average of 34.7%. September marked the first month since May in which owner-occupier lending declined faster than investment lending.

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



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

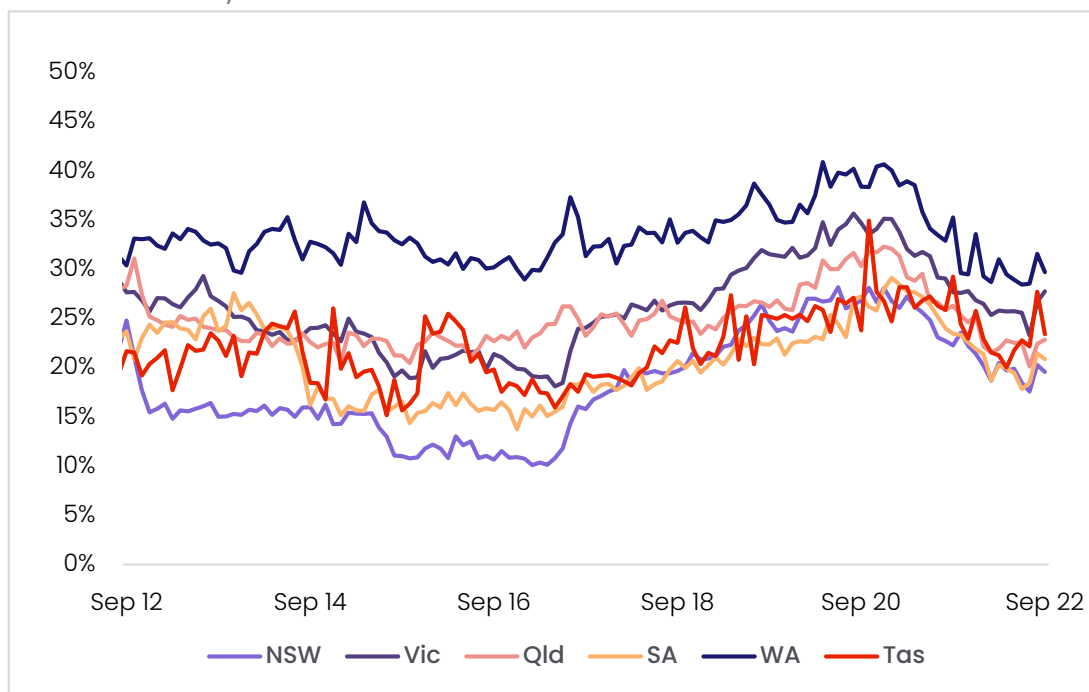


Source: ABS

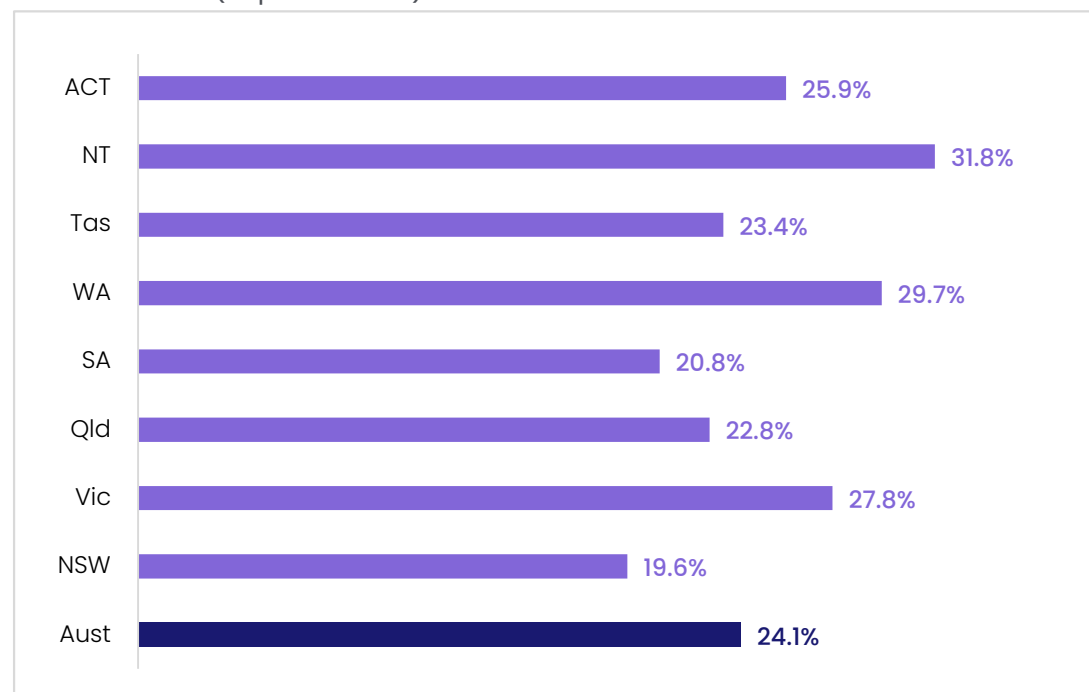
FIRST HOME BUYERS

First home buyer finance fell -6.8% through September. This was smaller than the rate of decline in owner occupier finance overall, pushing the portion of first home buyer finance higher. First home buyer finance rose to 24.1% of new owner occupier lending through the month.

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 '22)



Source: ABS

MORTGAGE RATES

The RBA lifted rates to 2.85% in November

Statement highlights

- The Board has increased the underlying cash rate target a further 25 basis points through November.
- Inflation in Australia remains too high, with global factors and strong domestic demand sustaining inflationary pressures.
- Inflation is expected to peak at around 8% this year, before declining in 2023 due to the ongoing resolution of supply-side pressures, slowing growth in demand and easing commodity values.
- The labour force is still very tight, however employment growth has started to slow in recent months.
- The Board reiterated further increases in the cash rate ahead, as it remains 'resolute' in returning inflation to target.

RBA Cash Rate



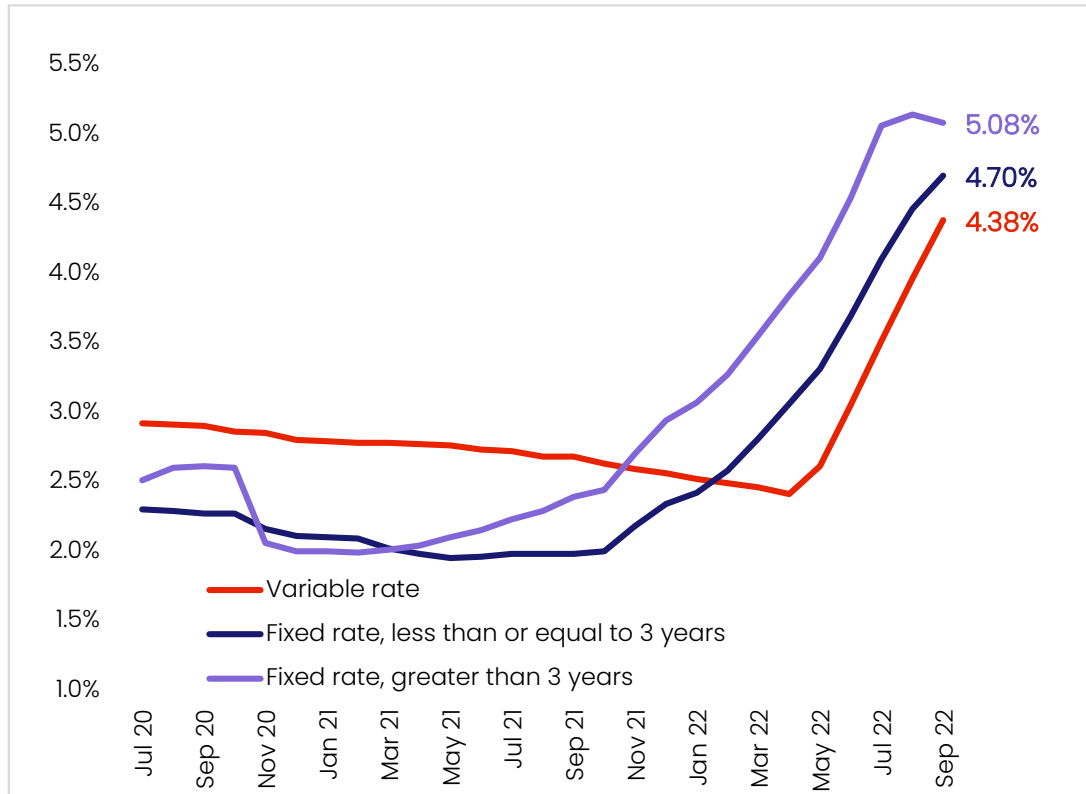
Source: RBA

HOUSING CREDIT

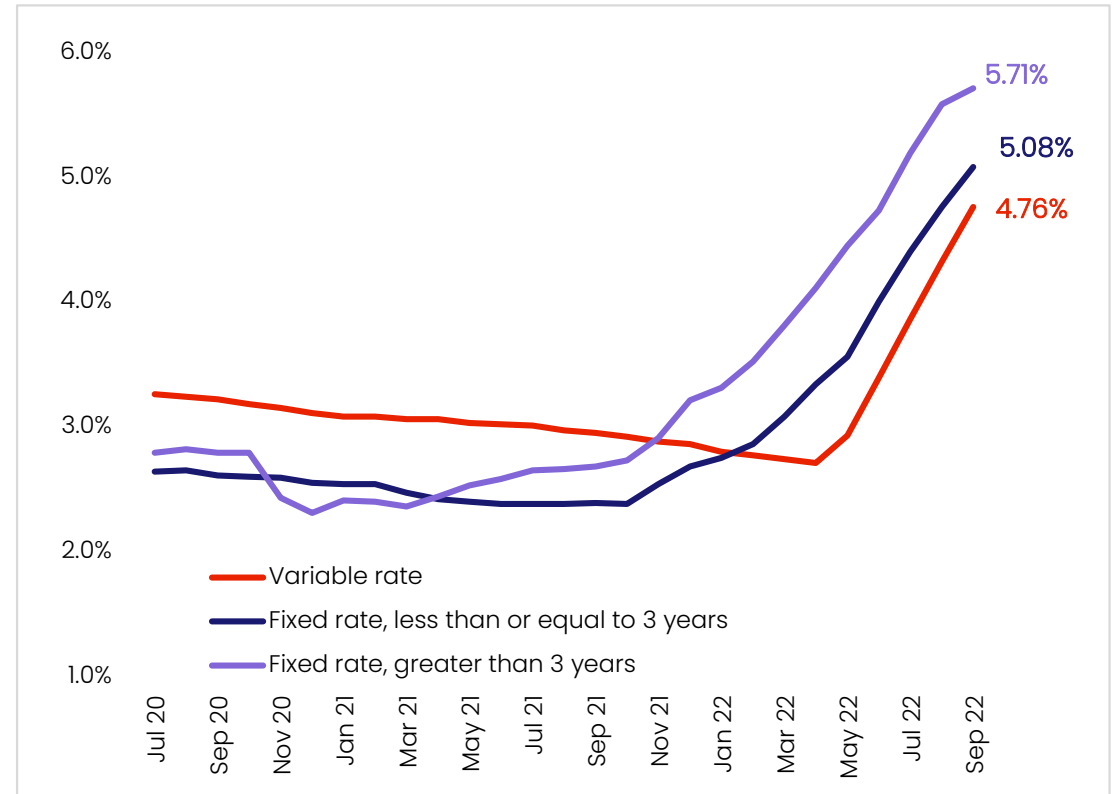
Through September, average new fixed rates remained elevated on variable rates. However, the average long term fixed rate for new owner occupier loans declined for the first time since November 2020.

Average borrowing costs by borrower and loan type

Owner occupiers



Investors

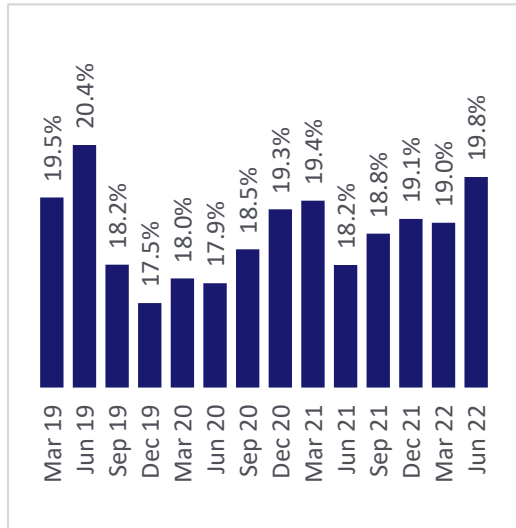


Source: RBA

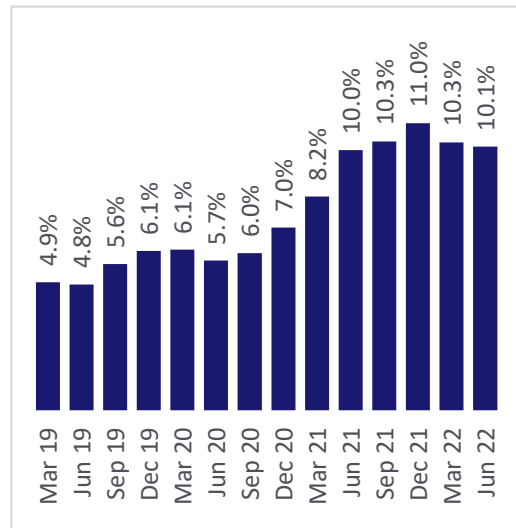
Mortgage originations for 'riskier' types of lending trended lower through the June quarter of 2022

APRA data shows the amount of potentially risky mortgage lending has generally trended lower through the June quarter of 2022, with the exception of the portion of lending on interest only terms.

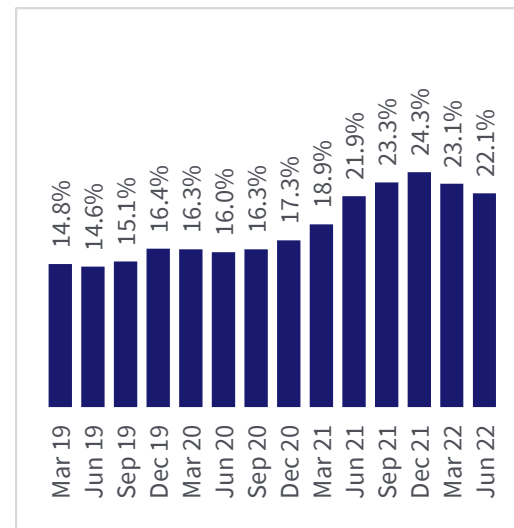
% of loans on interest only terms



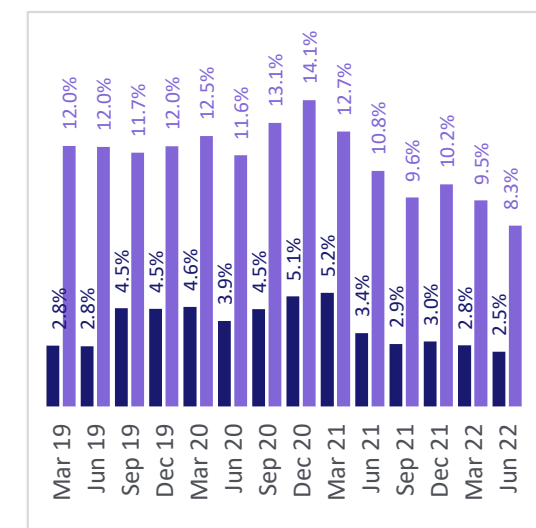
% of loans originated with a loan to income ratio >=6x



% 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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