

January 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.6 Trillion



AUSTRALIAN SUPERANNUATION

\$3.4 Trillion



AUSTRALIAN LISTED STOCKS

\$2.9 Trillion



COMMERCIAL REAL ESTATE

\$1.1 Trillion

NUMBER OF DWELLINGS

10.7 Million

OUTSTANDING MORTGAGE DEBT

\$2.0 Trillion

HOUSEHOLD WEALTH HELD IN HOUSING

55.6%

TOTAL SALES P.A.

653,009

GROSS VALUE OF SALES P.A.

\$494.6 Billion

Australian dwelling values

Overview

3 MONTHS

↑ **3.9%**

National home values rose 3.9% in the three months to December, which has eased from a 4.8% increase in the three months to September.

12 MONTHS

↑ **22.1%**

Dwelling values in Australia are 22.1% higher over the past 12 months, which has come off a cyclical high of 22.2% in the 12 months to November.

CAPITAL CITIES

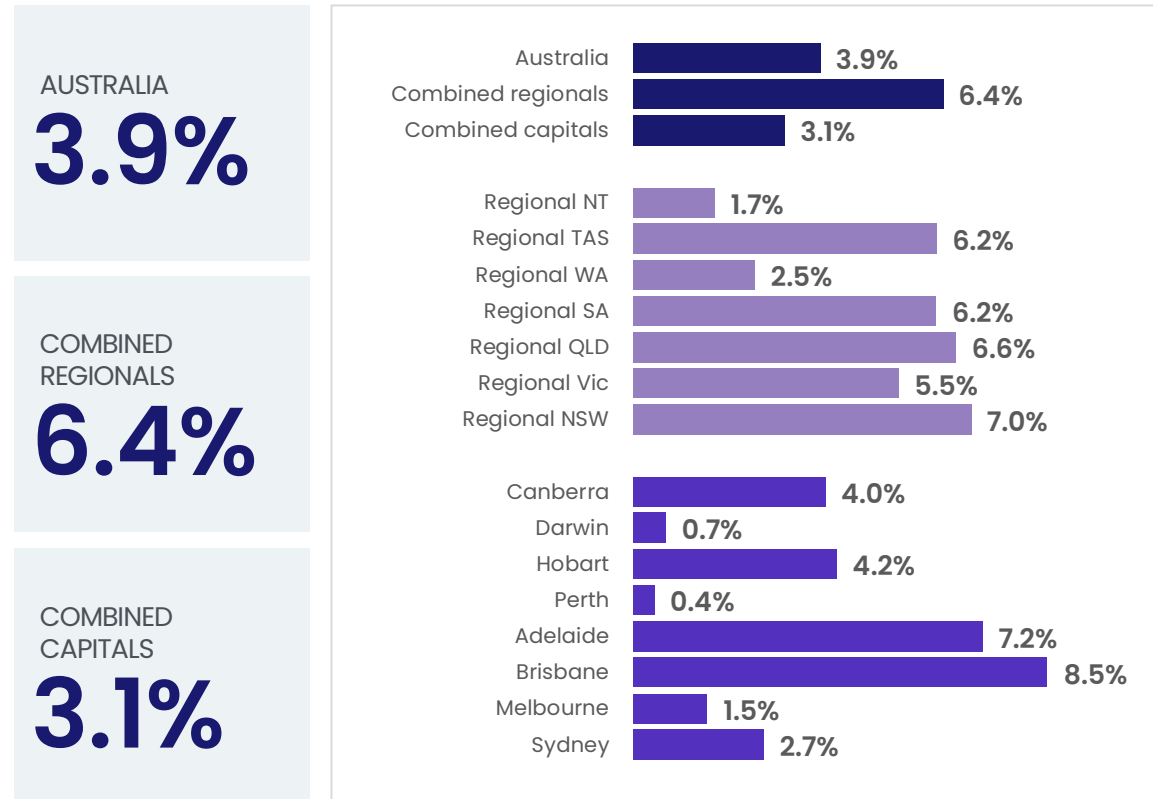
Lower value segments now leading growth

In the three months to December, capital city homes saw the top 25% of values rise 2.6%, compared to 3.7% across the lowest 25% of values.

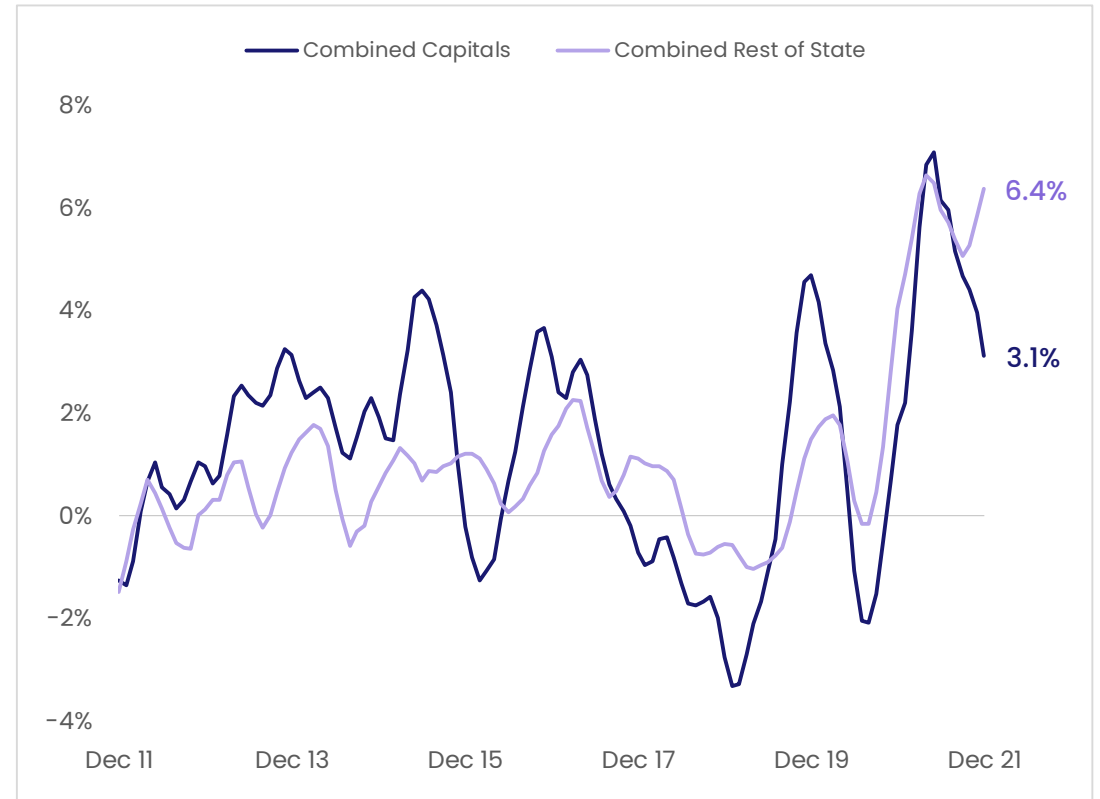
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to December 2021



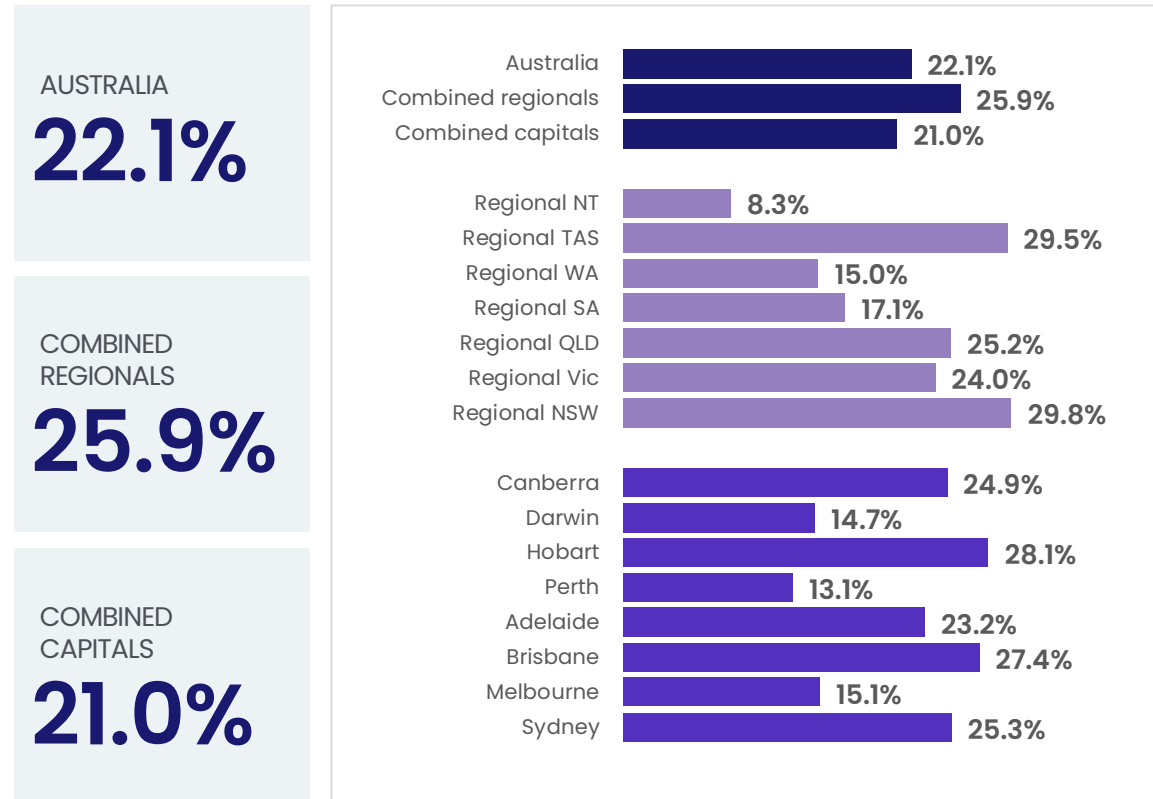
Rolling quarterly change in dwelling values



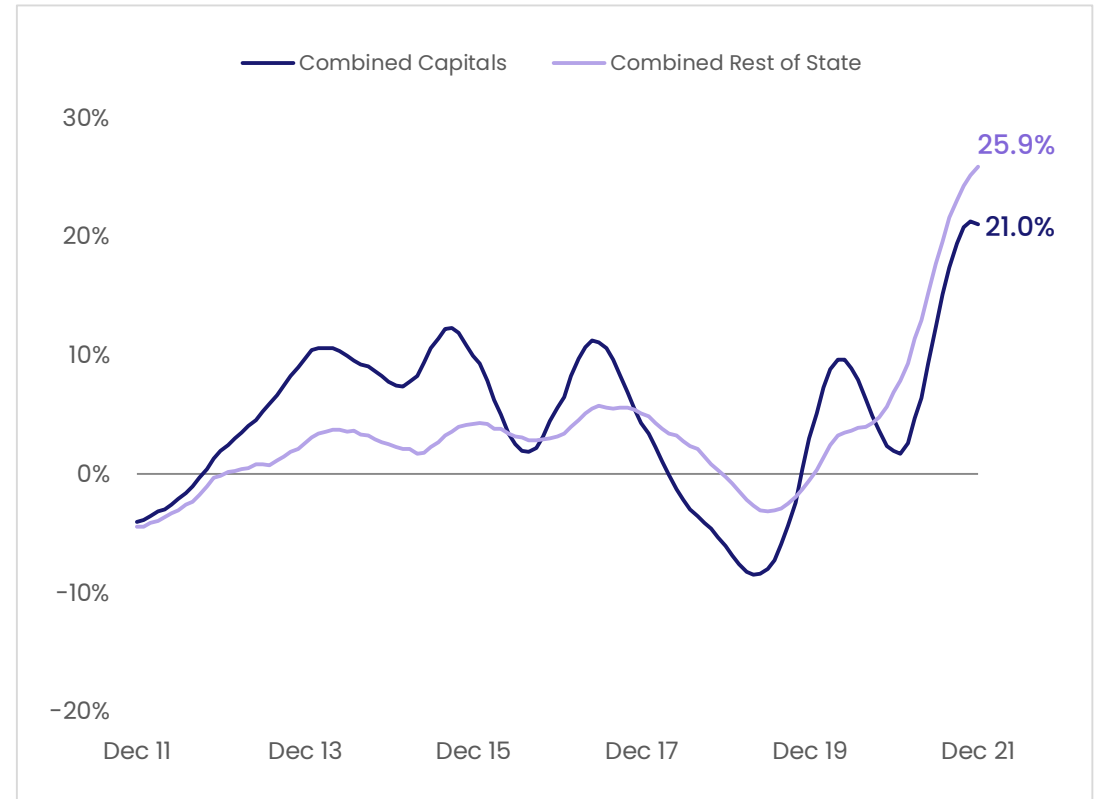
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to December 2021



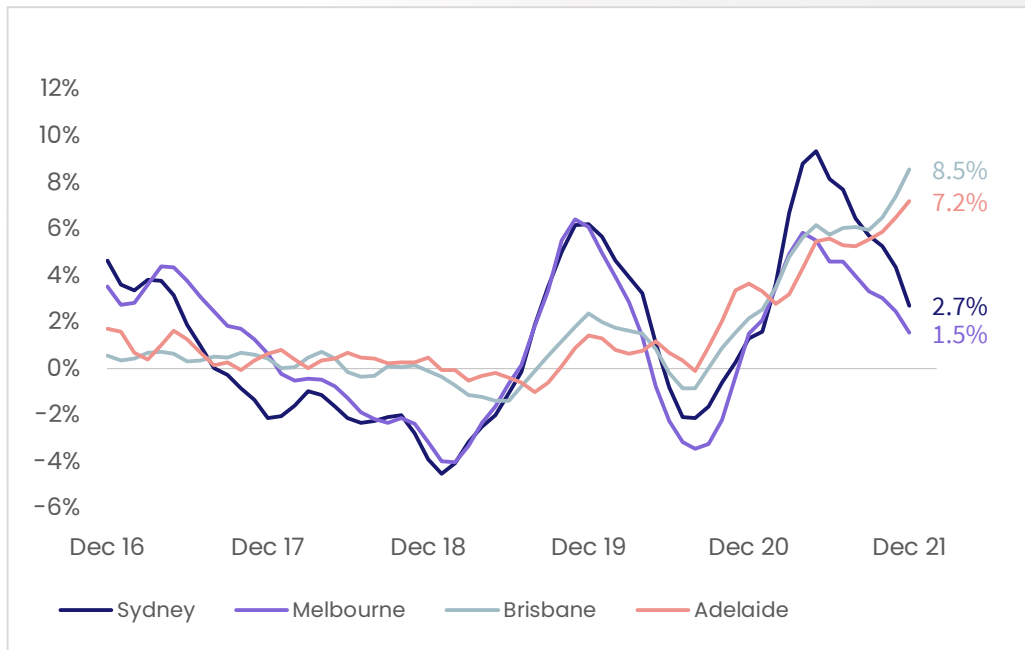
Rolling annual change in dwelling values



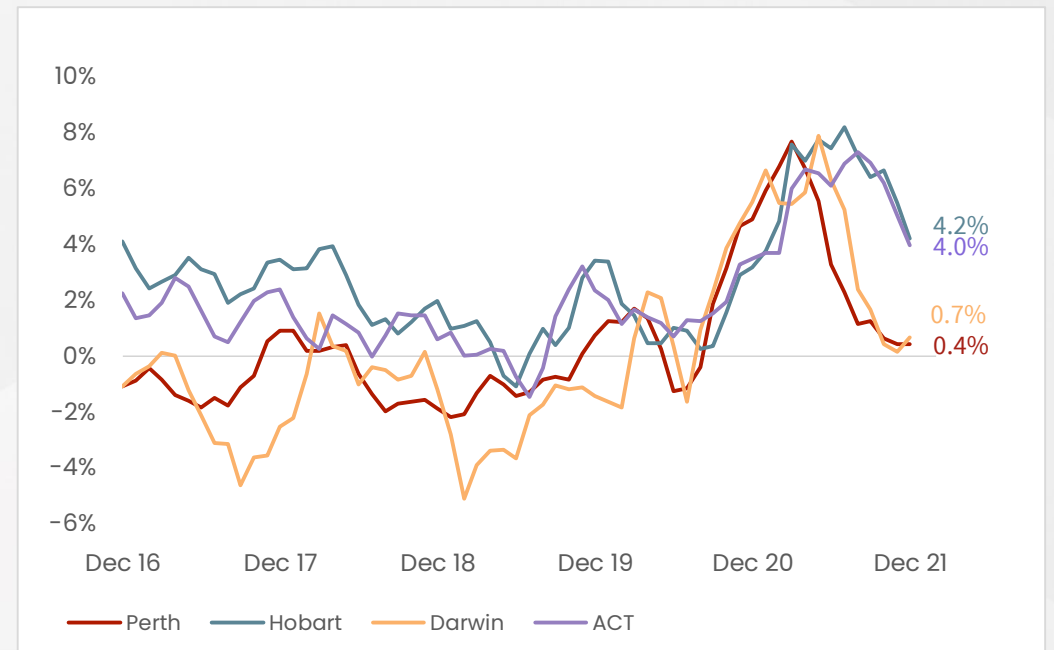
AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings

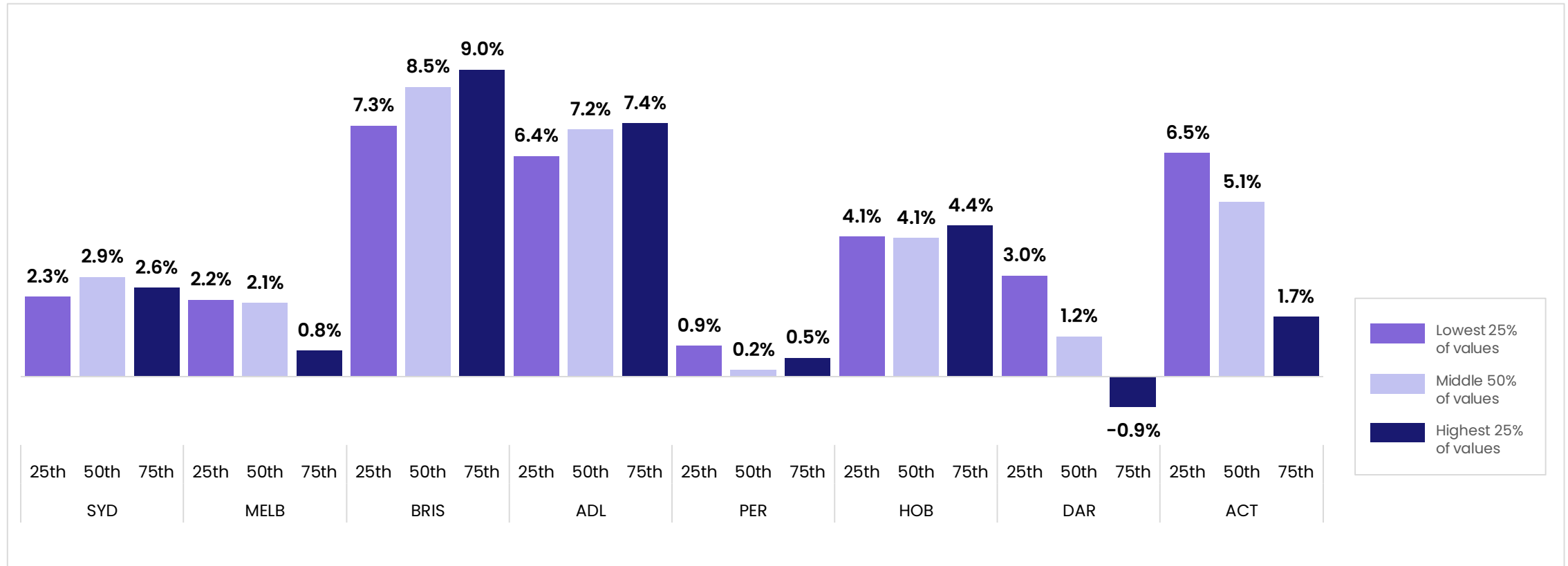


Rolling quarterly change in values, dwellings



Capital cities

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



Housing cycles

Capital cities

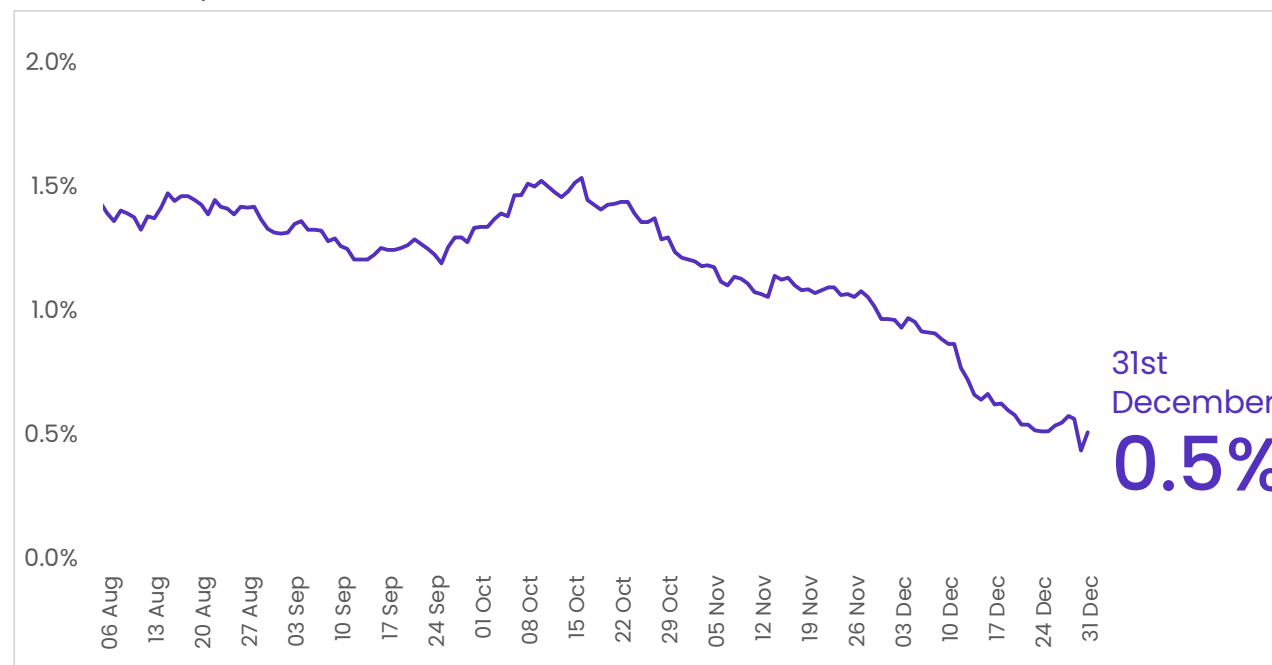


Rolling 28-day growth rate in CoreLogic Daily Home Value index

The 28-day change in the hedonic home value index trended down further through to the end of December.

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 **December** Sydney dwelling values rose by

0.3%

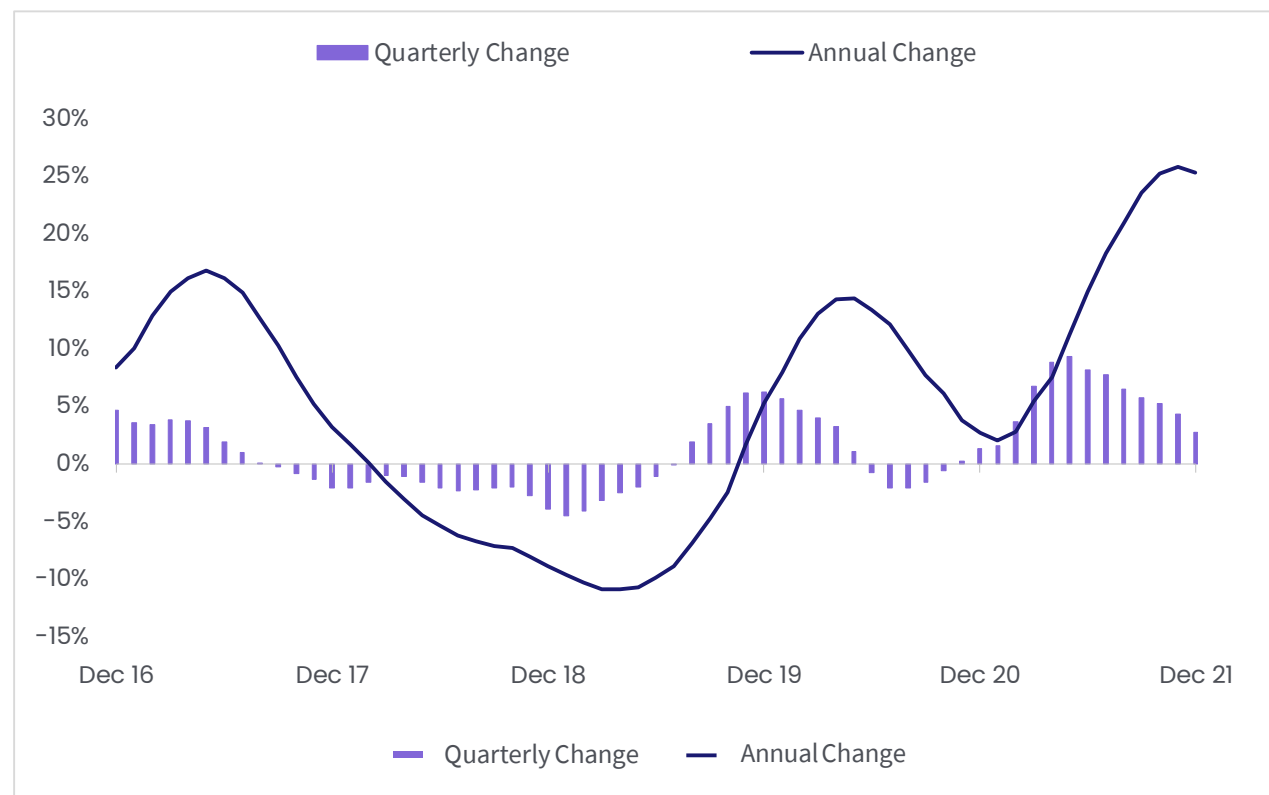
Over the **quarter** dwelling values increased by

2.7%

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

25.3%

Sydney dwelling values are currently at a record high



HOUSING CYCLES

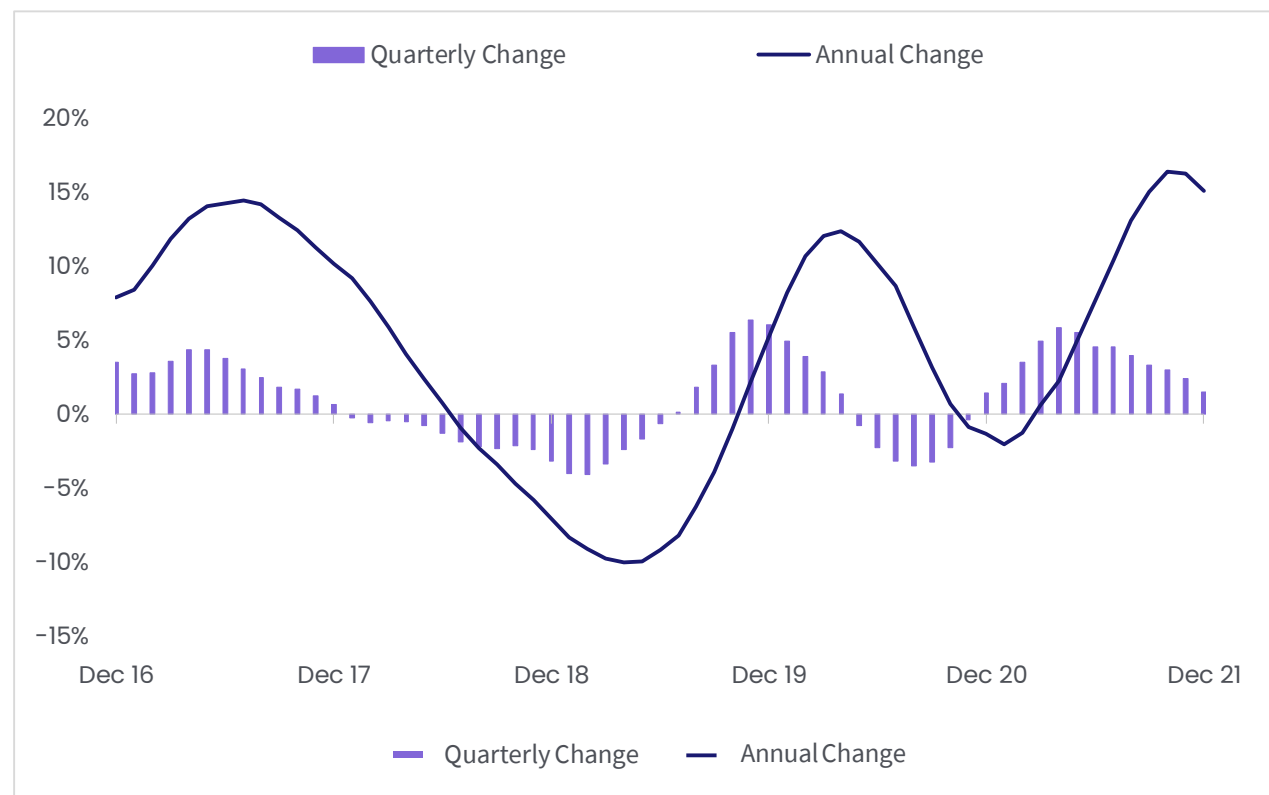
Melbourne

In **December** Melbourne dwelling values fell by **-0.1%**

Over the **quarter** dwelling values increased by **1.5%**

Over the **past year** dwelling values increased by **15.1%**

Melbourne dwelling values are currently -0.1% below the record high, reached in November 2021



HOUSING CYCLES

Brisbane

In **December** Brisbane dwelling values rose by

2.9%

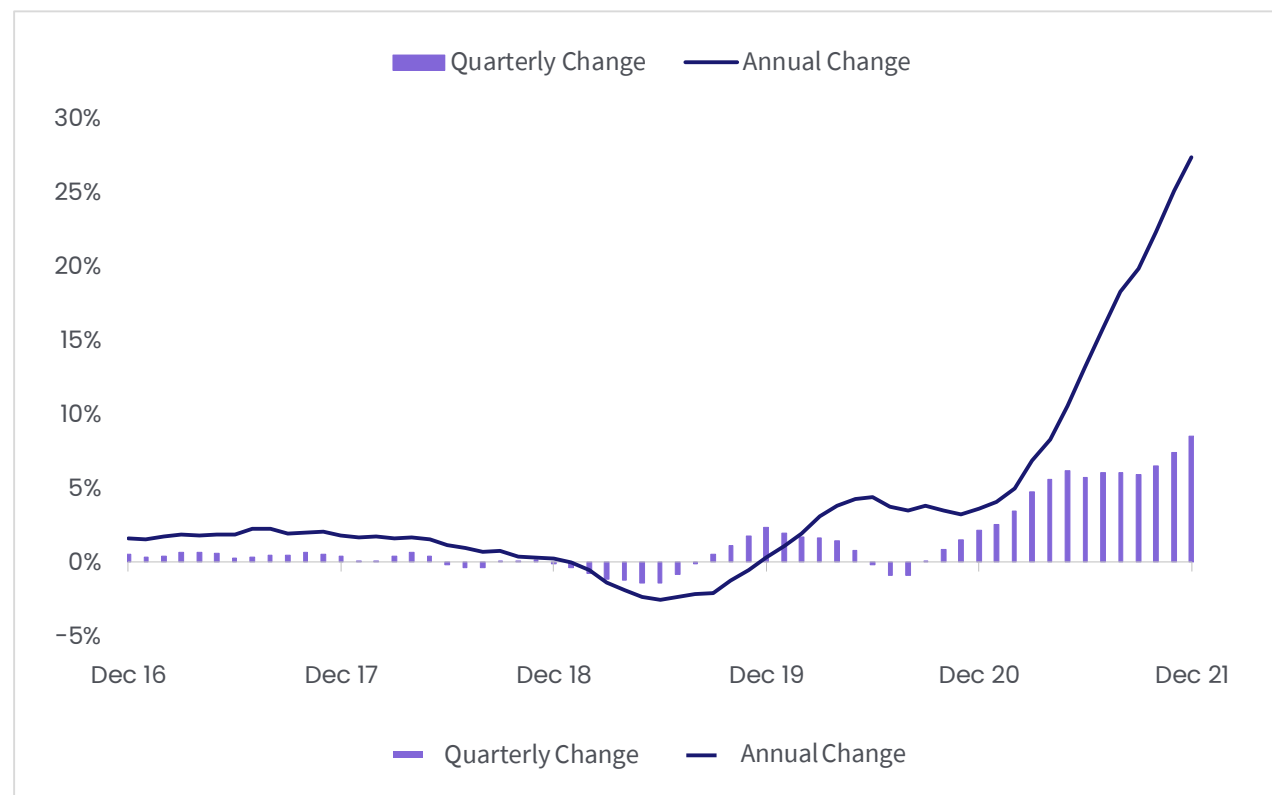
Over the **quarter** dwelling values increased by

8.5%

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

27.4%

Brisbane dwelling values are currently at a record high



HOUSING CYCLES

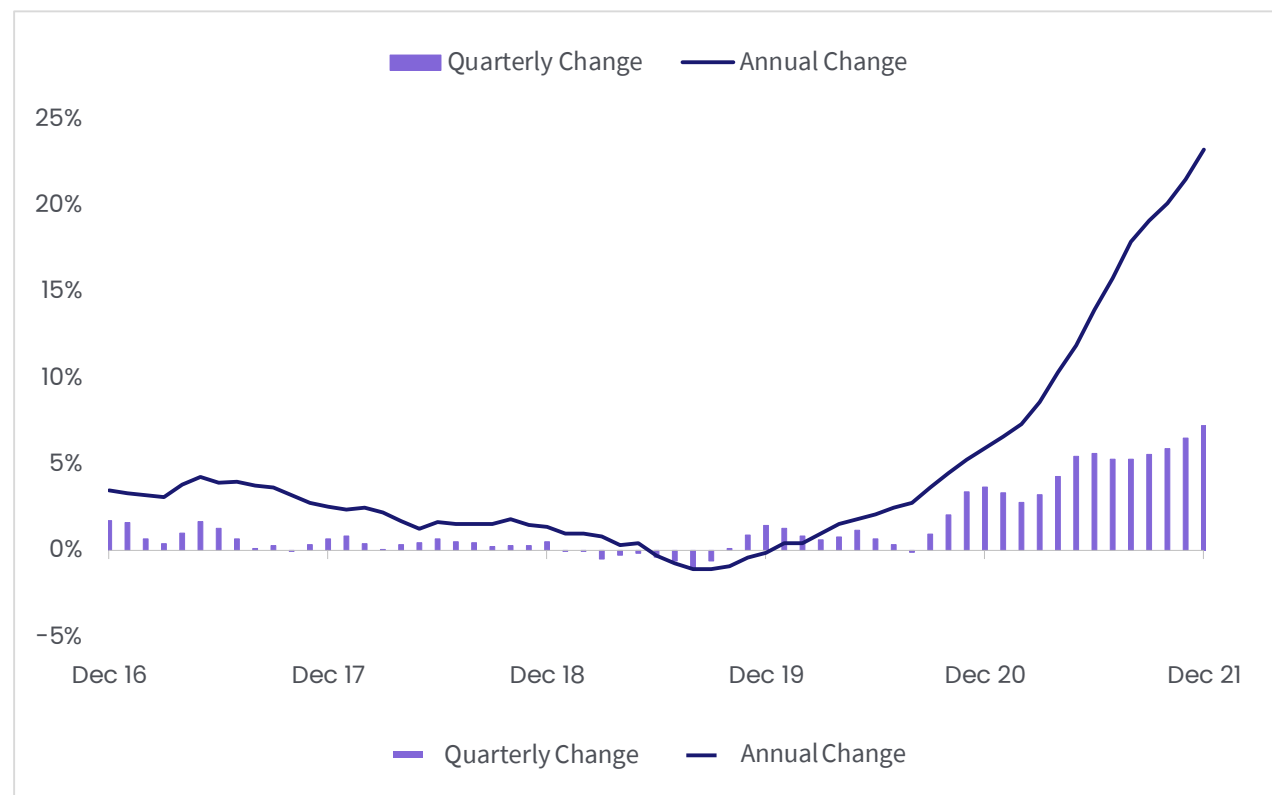
Adelaide

In **December** Adelaide dwelling values rose by **2.6%**

Over the **quarter** dwelling values increased by **7.2%**

Over the **past year** dwelling values increased by **23.2%**

Adelaide dwelling values are currently at a record high



HOUSING CYCLES

Perth

In **December** Perth dwelling values rose by

0.4%

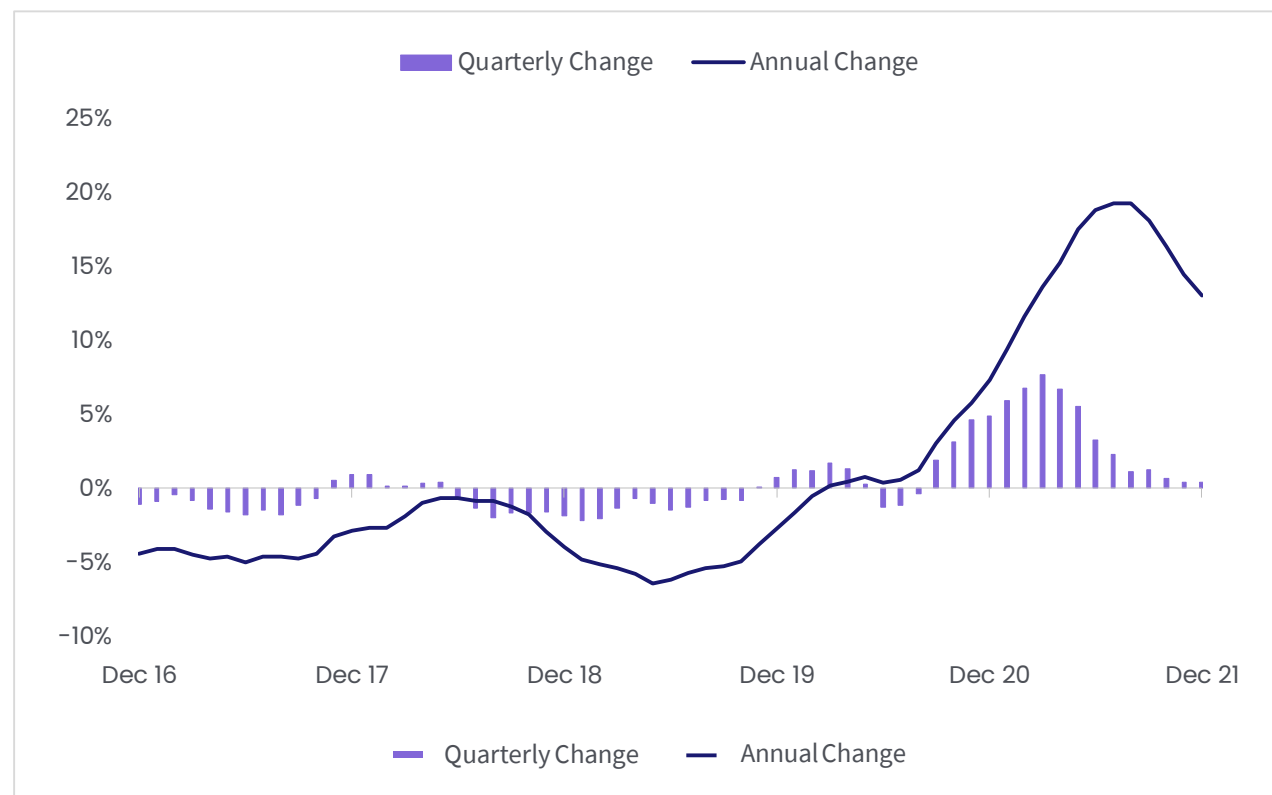
Over the **quarter** dwelling values increased by

0.4%

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

13.1%

Perth dwelling values are now -2.0% below the record high, which was in June 2014



HOUSING CYCLES

Hobart

In **December** Hobart dwelling values rose by

1.0%

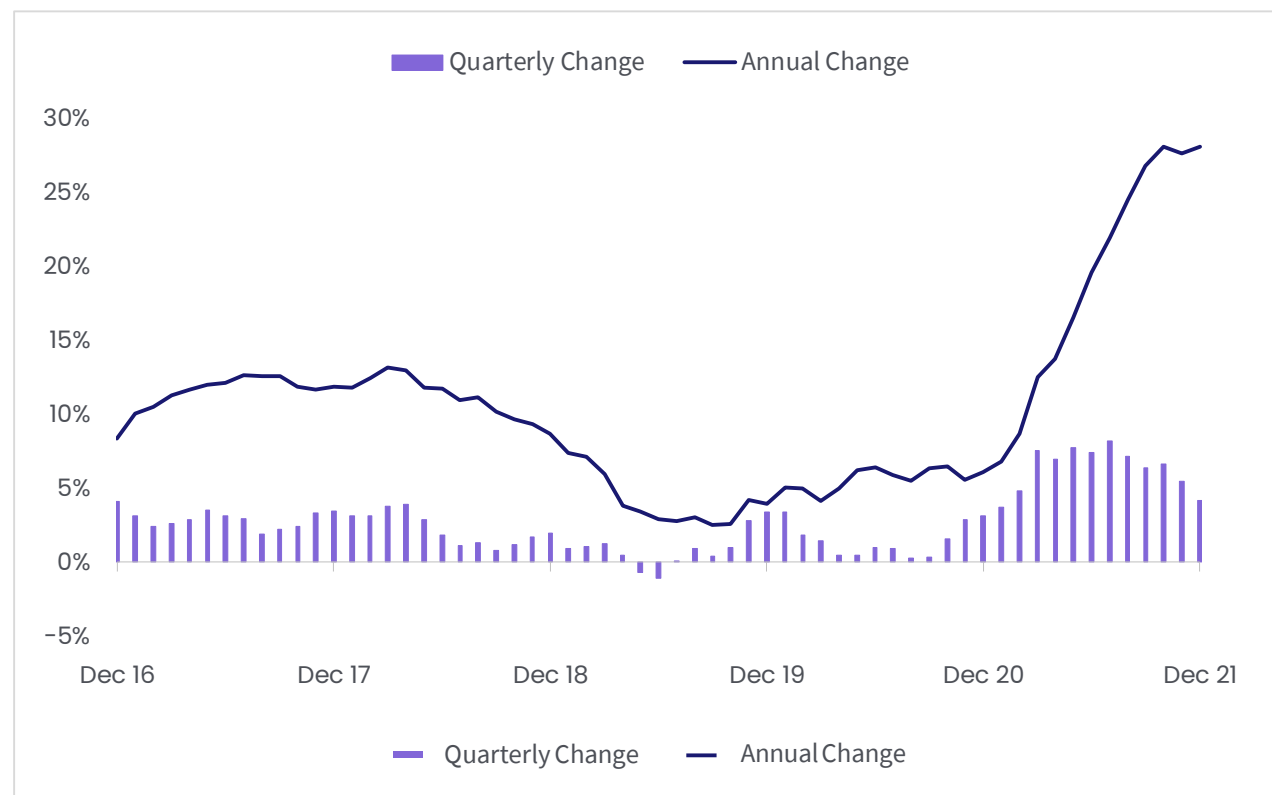
Over the **quarter** dwelling values increased by

4.2%

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

28.1%

Hobart dwelling values are currently at a record high



HOUSING CYCLES

Darwin

In **December** Darwin dwelling values fell by

0.6%

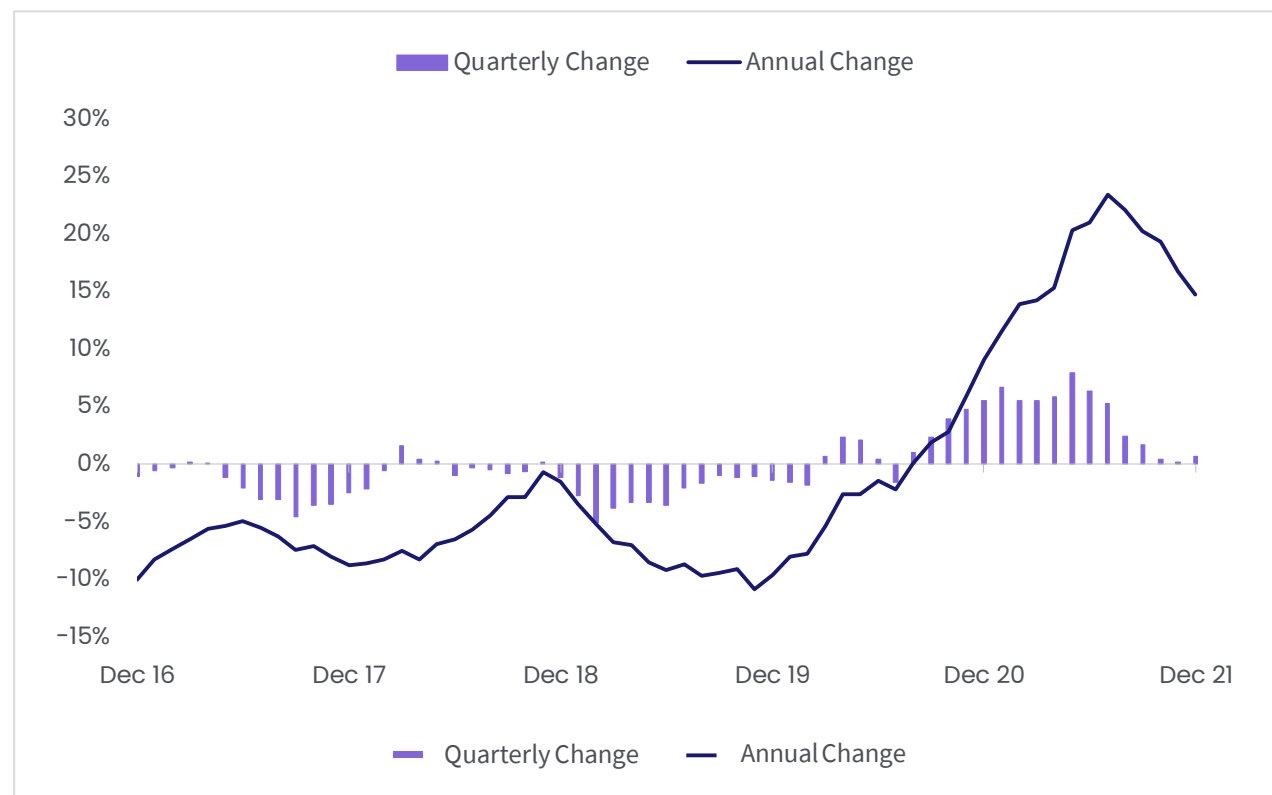
Over the **quarter** dwelling values increased by

0.7%

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

14.7%

Darwin dwelling values are -14.8% below the record high, which was in May 2014



HOUSING CYCLES

Canberra

In **December** Canberra dwelling values rose by

0.9%

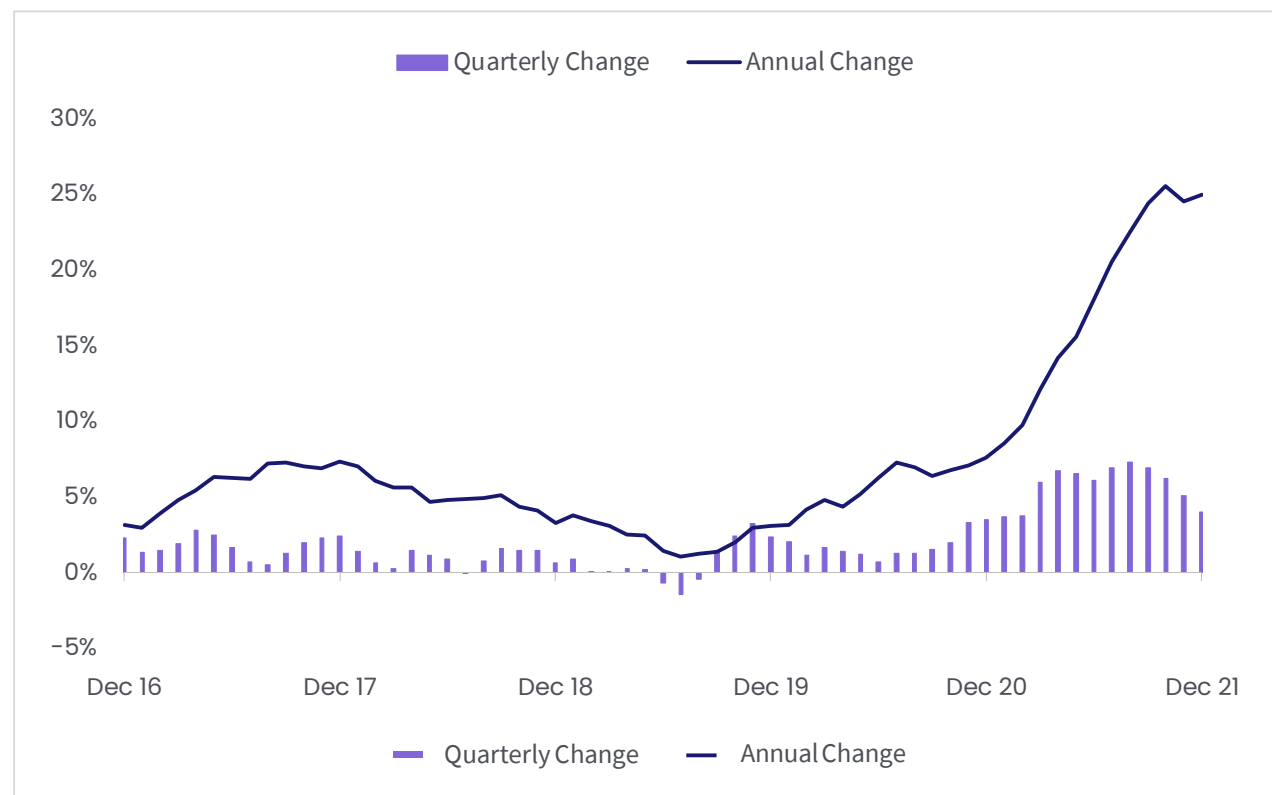
Over the **quarter** dwelling values increased by

4.0%

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

24.9%

Canberra dwelling values are currently at a record high

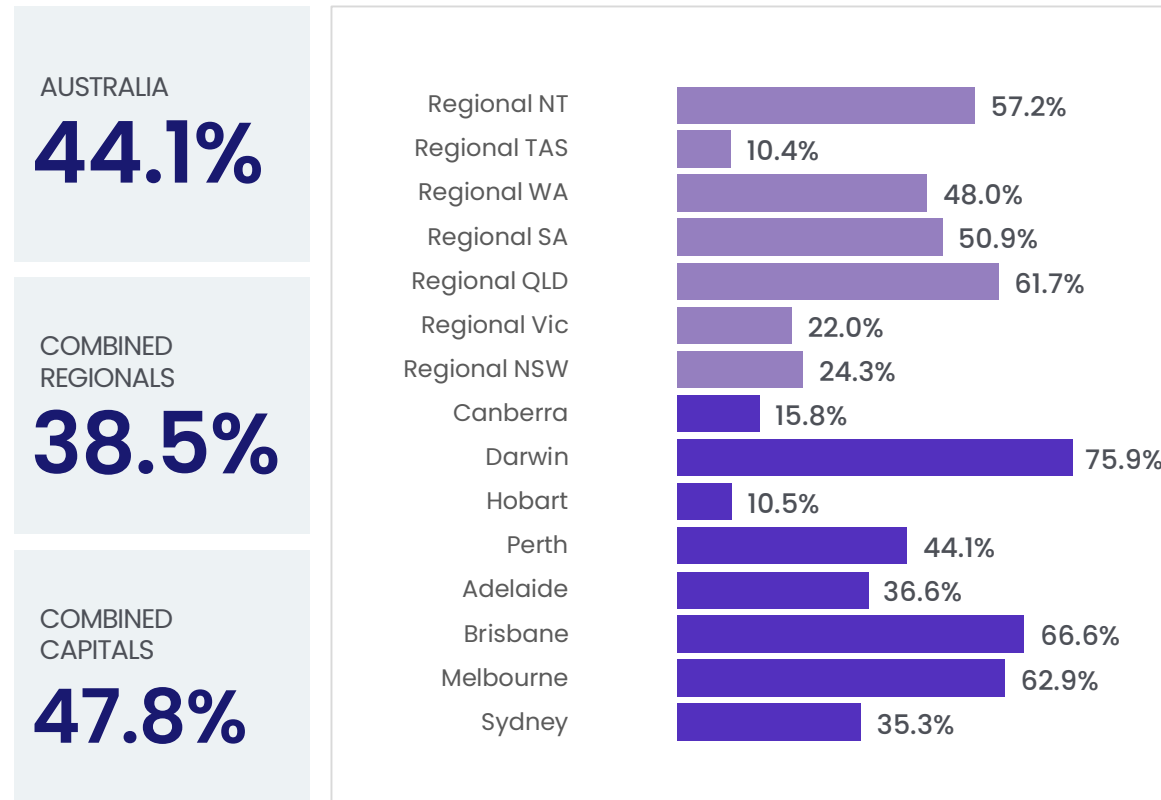


Sales and listings

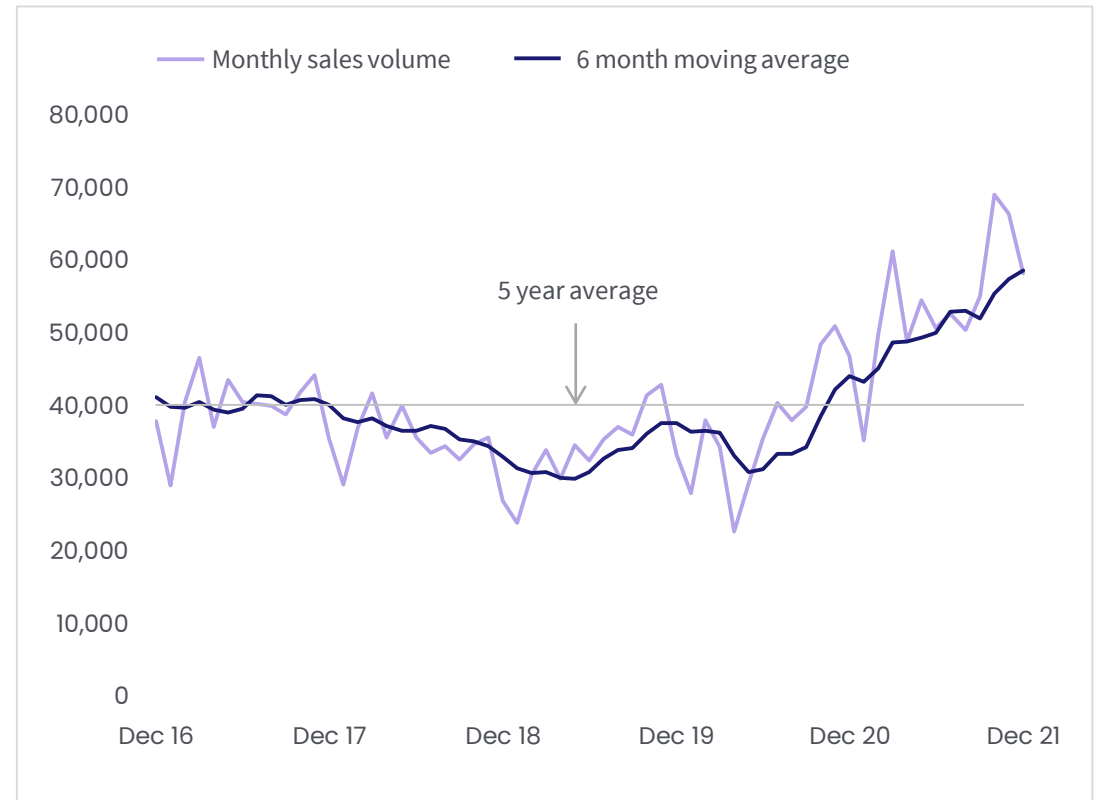
NATIONAL SALES

Sales volumes rose 44.1% in the 12 months to December, and transaction volumes through the *month* of December were estimated to be 44.8% above the five year monthly average, at 58,252.

Change in sales volumes, twelve months to December 2021



Monthly sales with six month moving average, National

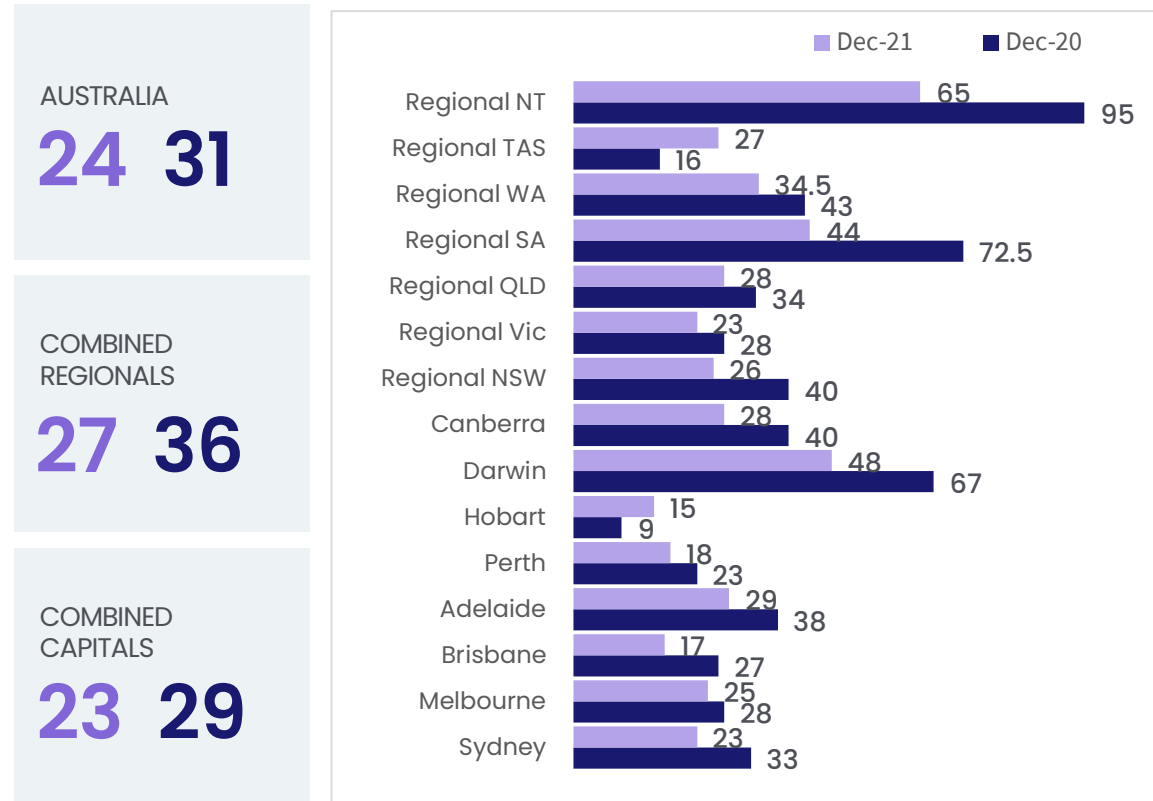


Note: recent months of sales volumes are modelled estimates, and are subject to revision

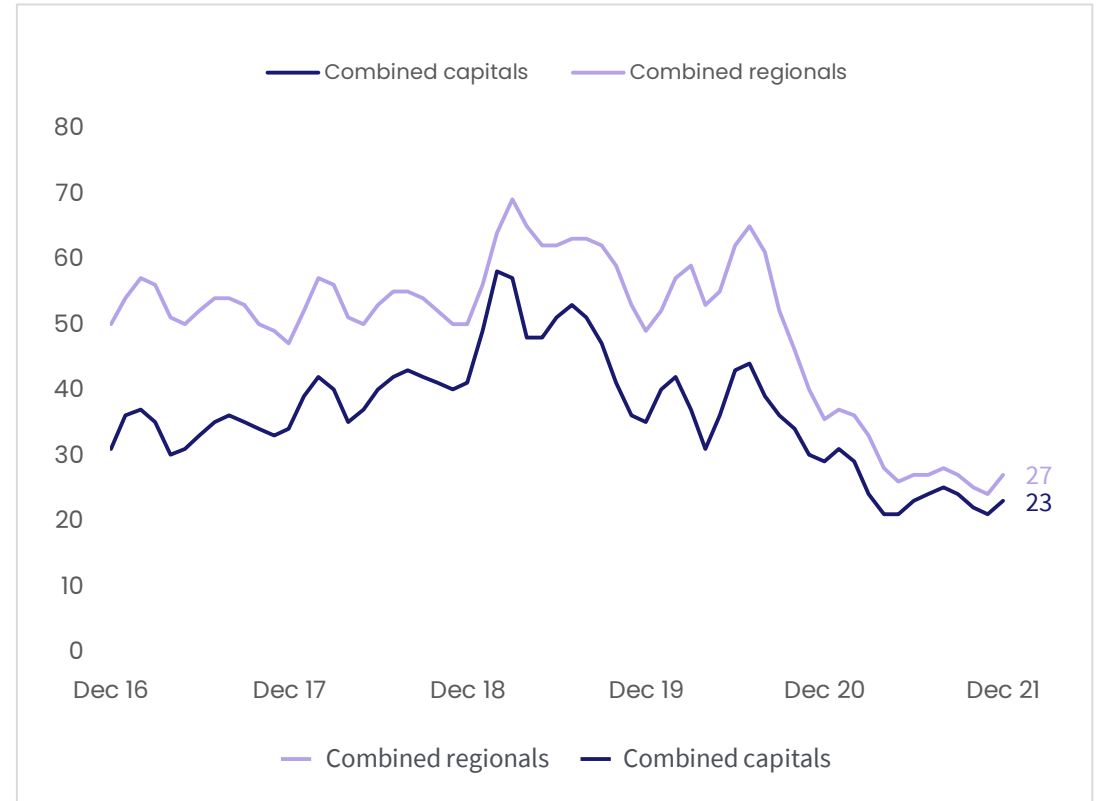
MEDIAN DAYS ON MARKET

Through the second half of 2021, the number of days a property took to sell started to stabilise. In the three months to December, the median time on market for Australian properties was 24 days, up from a recent low of 22 days in the three months to November.

Median days on market – three months to December 2021



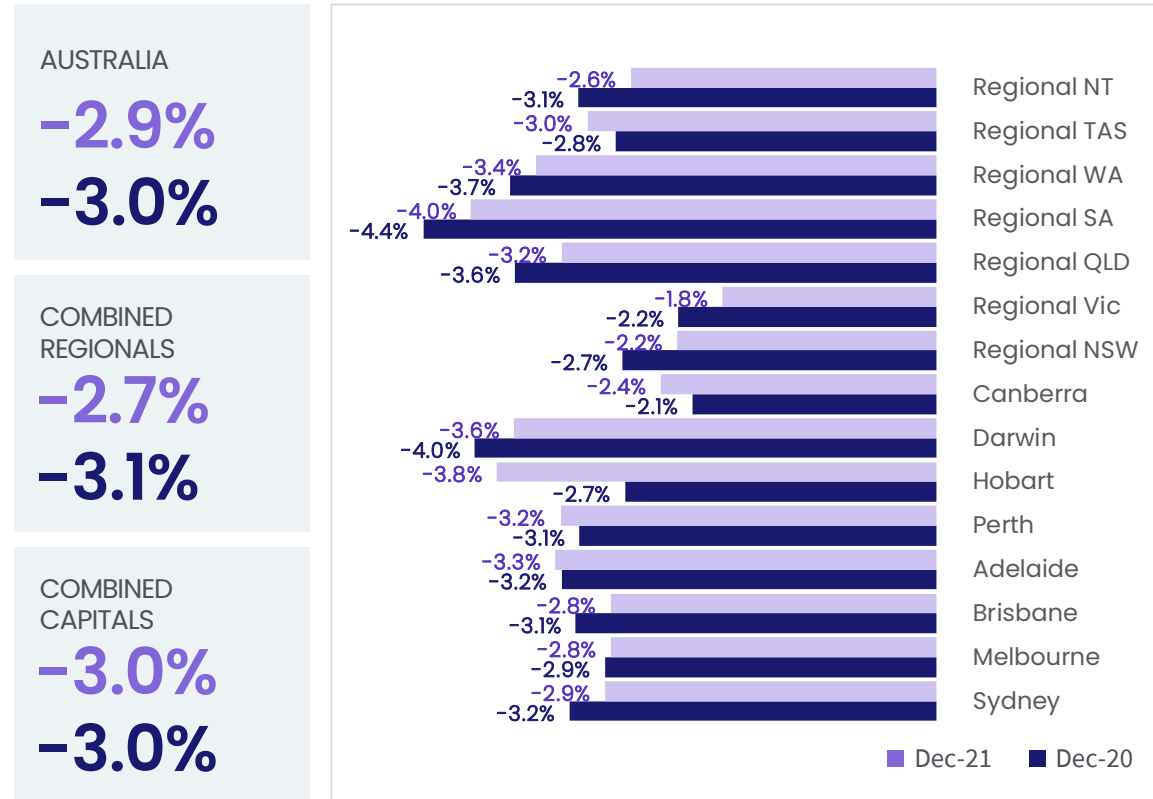
Median days on market



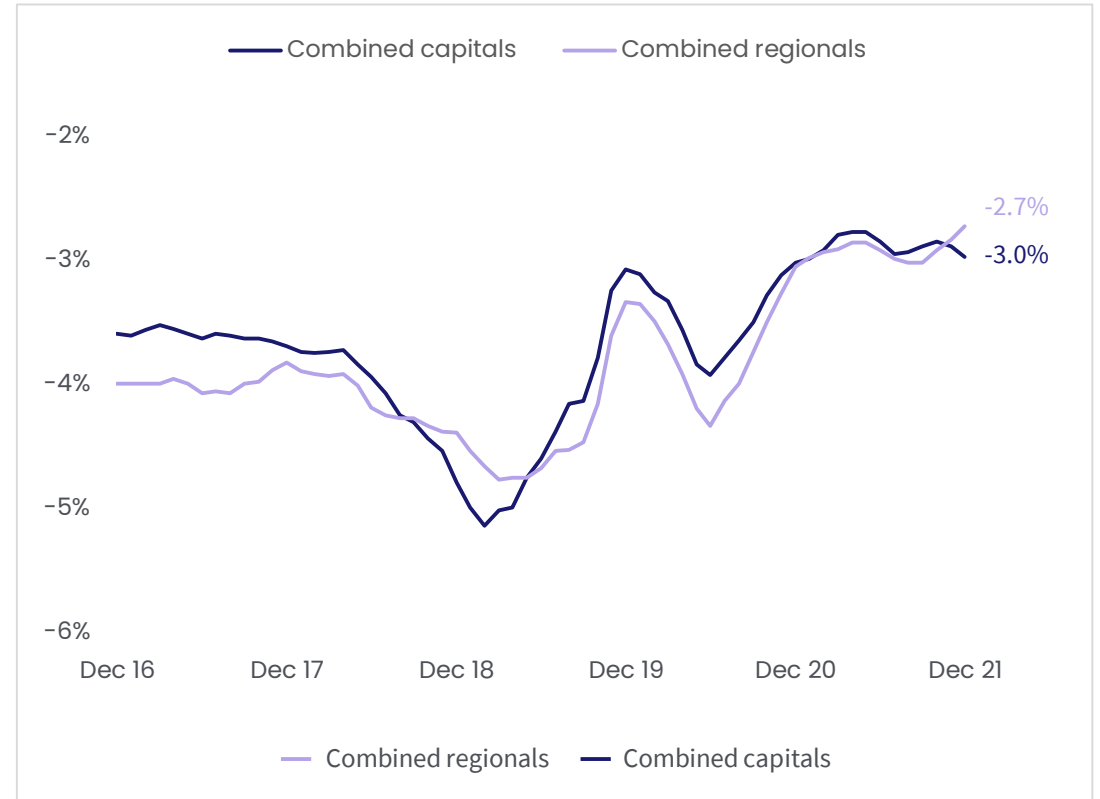
VENDOR DISCOUNT

Across the combined capitals, vendor discounting has dropped slightly from a recent high of -2.8% in the three months to May, to -3.0% over the three months to December.

Median days on market – three months to December 2021



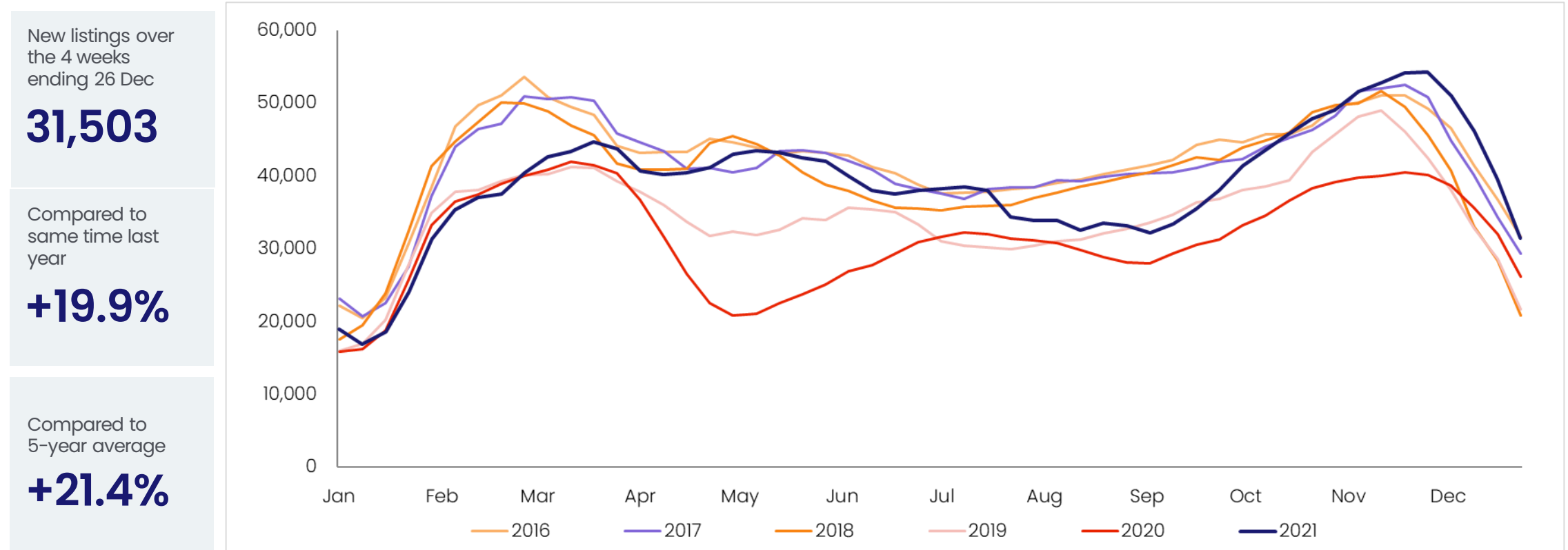
Median vendor discount



LISTINGS

For the four weeks ending 26th of December, new listings added to market reached 31,503. This is the highest level in five years for the equivalent period.

Number of new listings, National Dwellings



LISTINGS

Total listings remained low due to a strong absorption from sales. Total listings were -24.7% below the 5-year average in the four weeks to December 26th.

Number of total listings, National Dwellings

Active listings
over the 4 weeks
ending 26 Dec

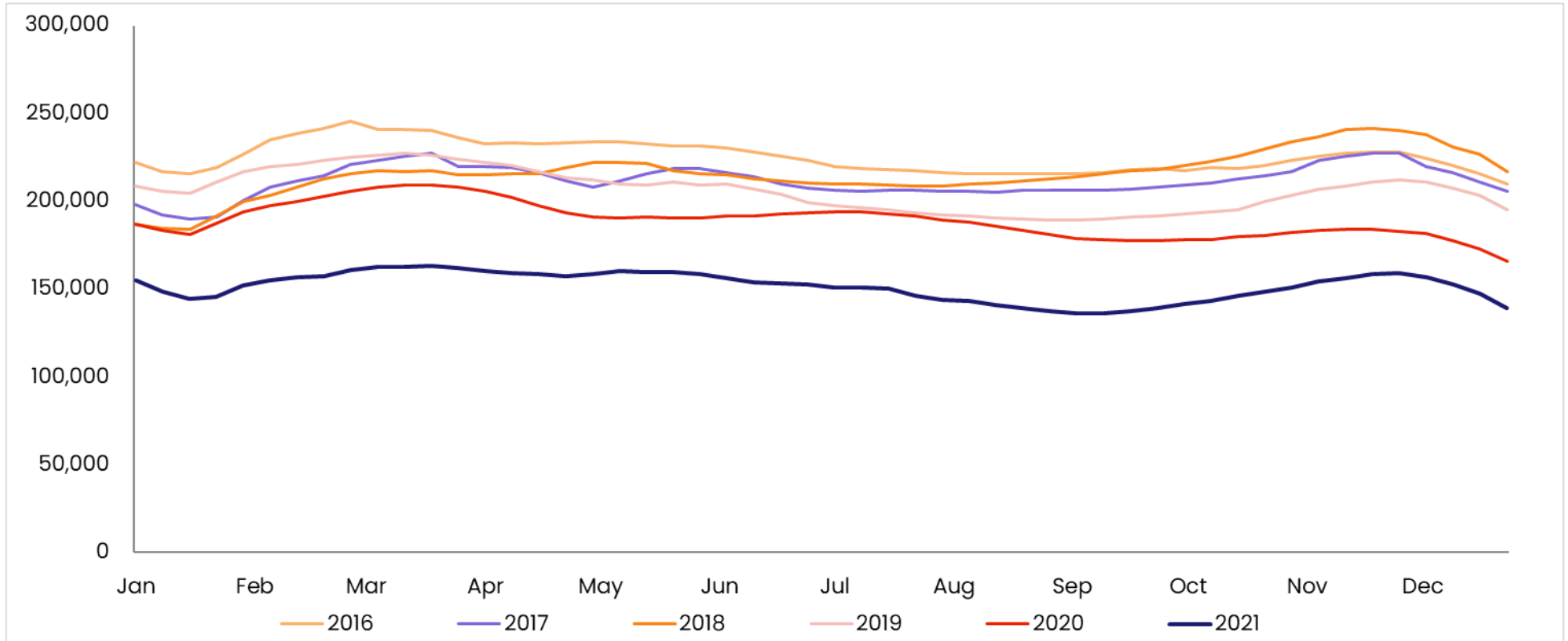
138,927

Compared to
same time last
year

-16.2%

Compared to
5-year average

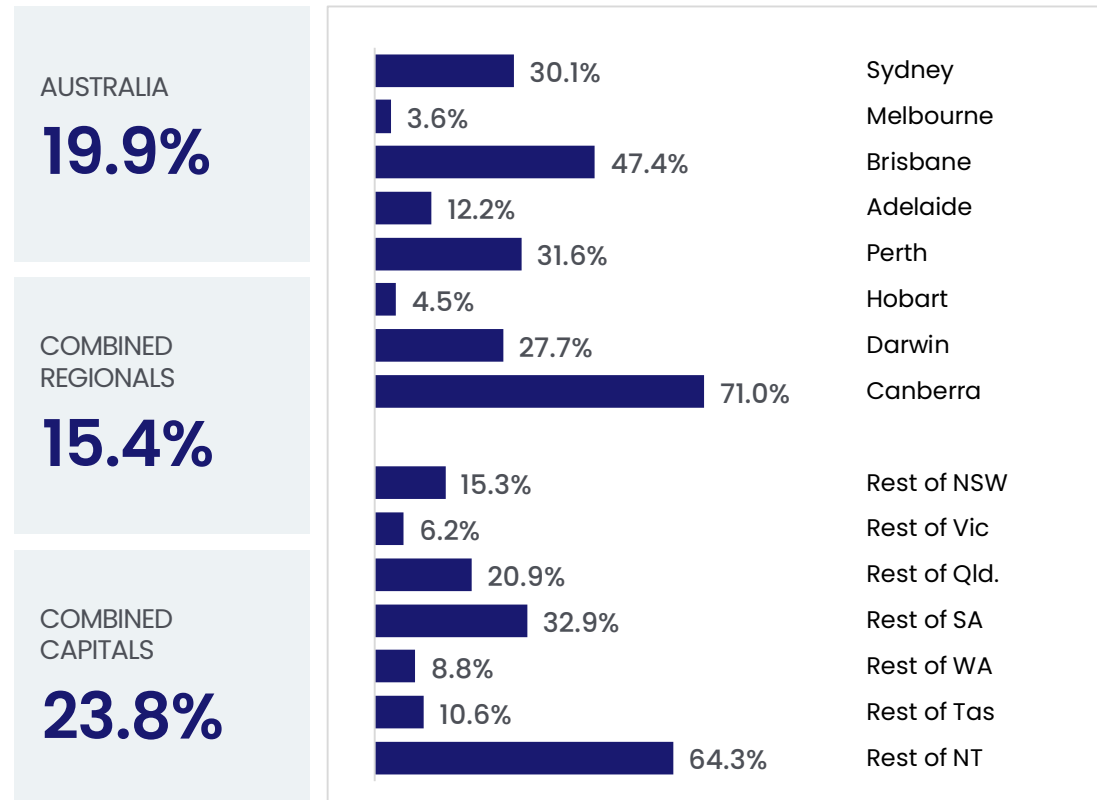
-24.7%



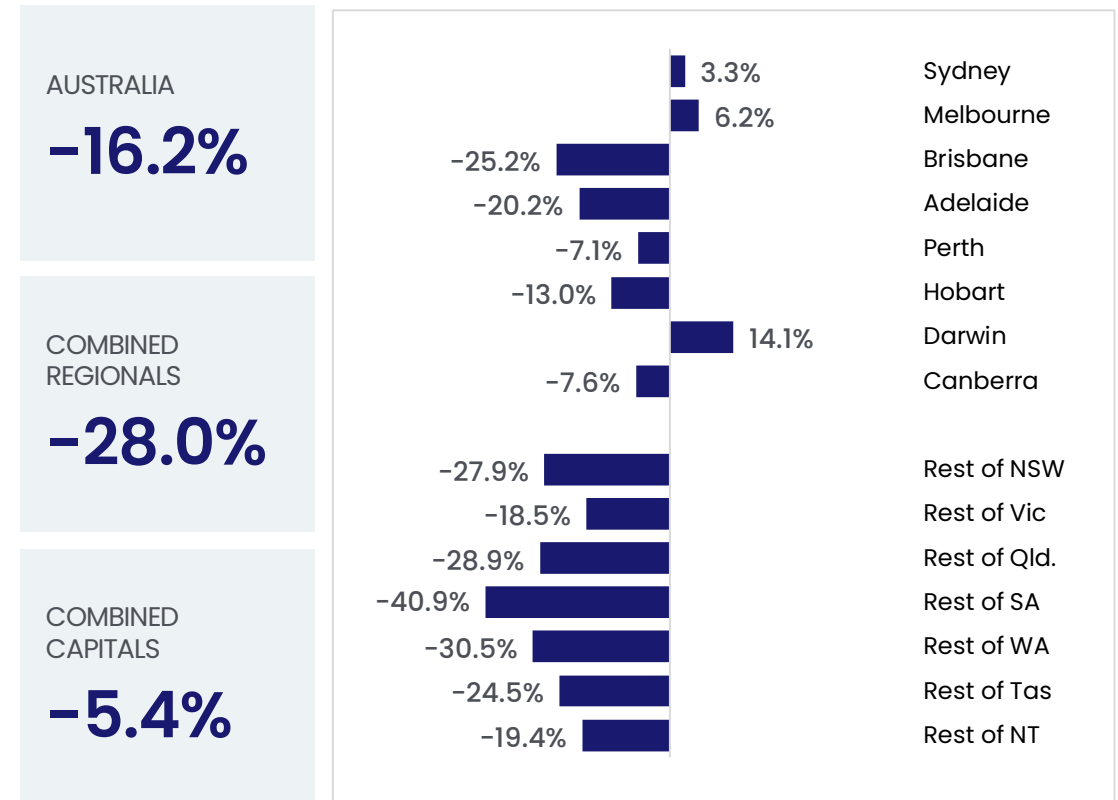
LISTINGS

Total advertised stock levels are particularly low in regional Australia relative to the end of 2020, compared with the combined capital city markets.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

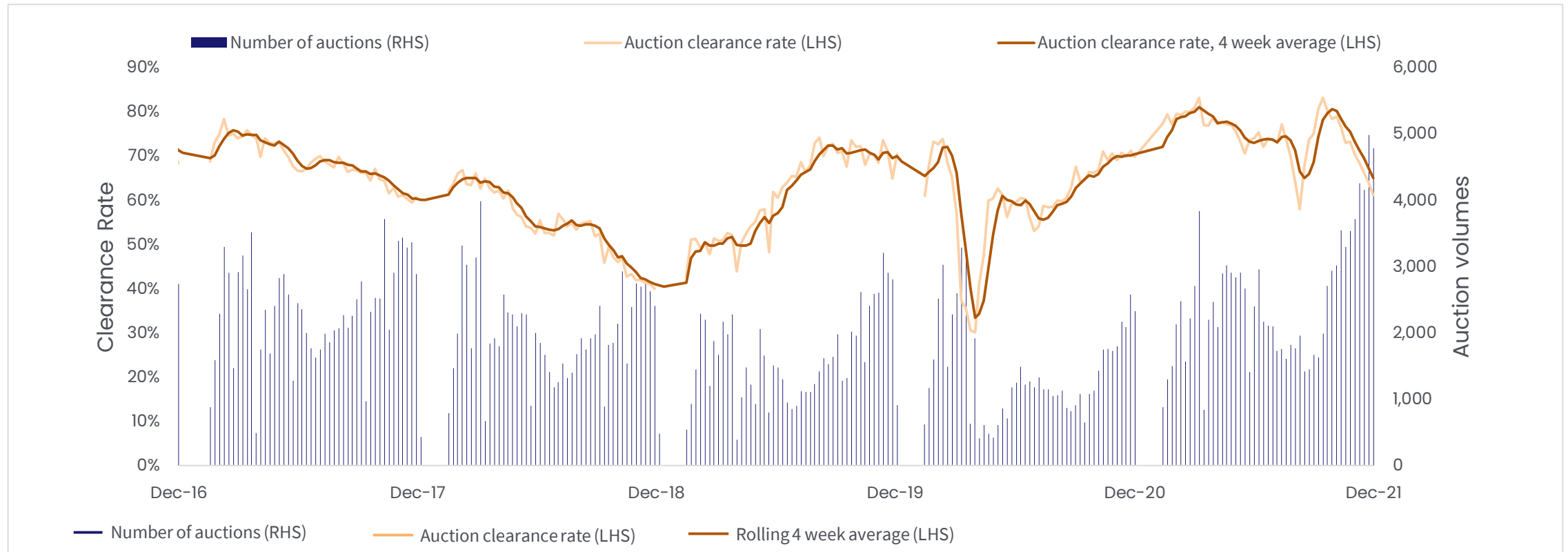


Data is for the four weeks ending 26 Dec

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate continued to trend lower through December. In the four weeks to December 19th, the clearance rate averaged 65.0%, as weekly volumes reached record high counts.

Weekly clearance rates, combined capital cities

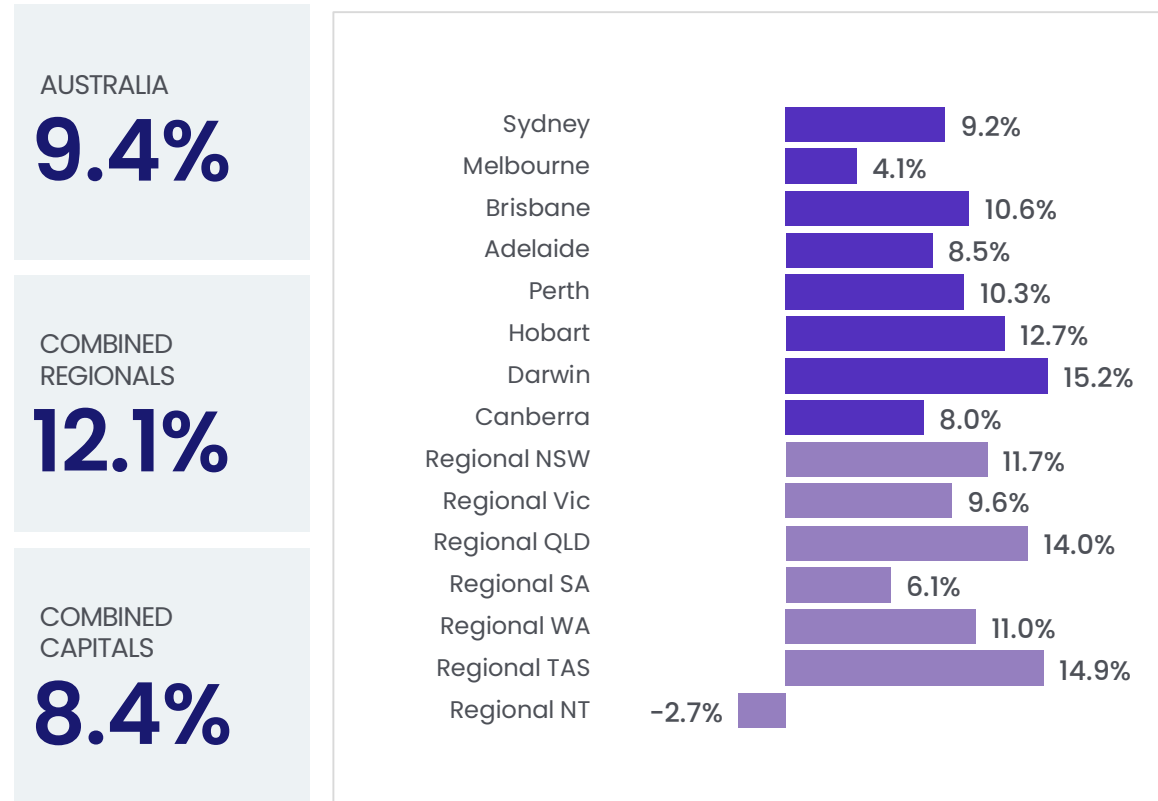


Rental market

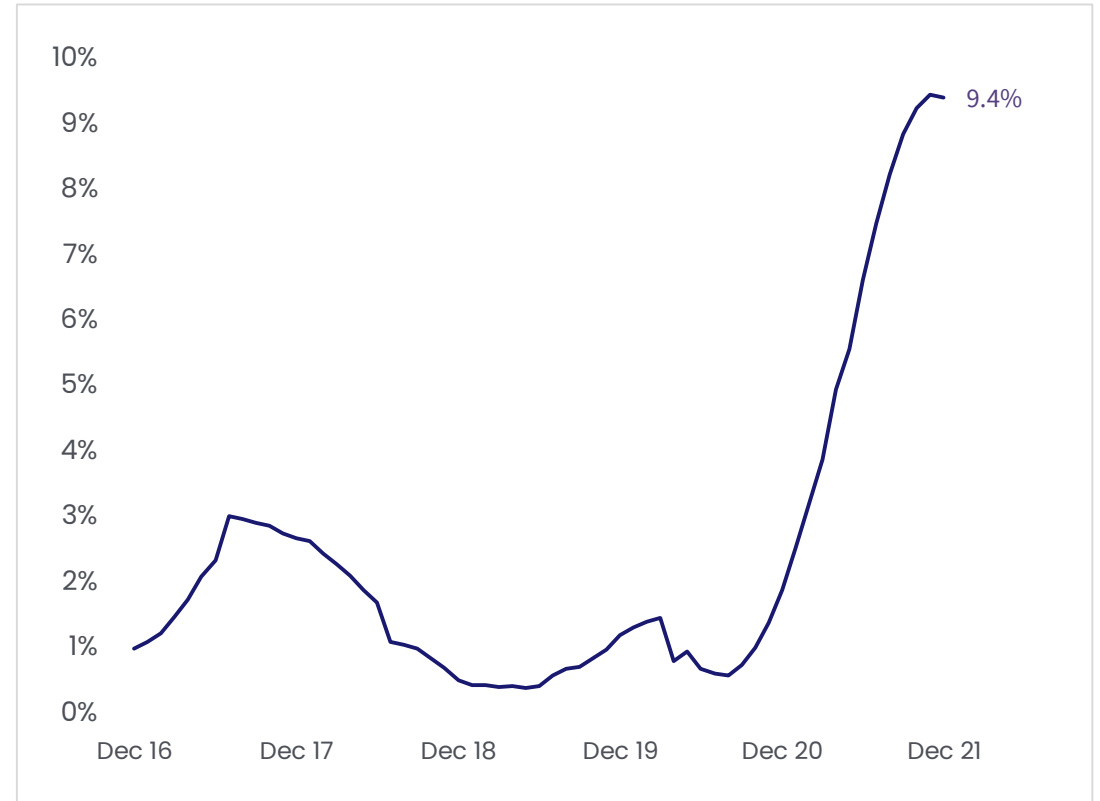
RENTAL RATES

In the year to December, Australian rent values increased 9.4%, led by a 12.1% increase in regional rent values.

Annual change in rental rates to December 2021



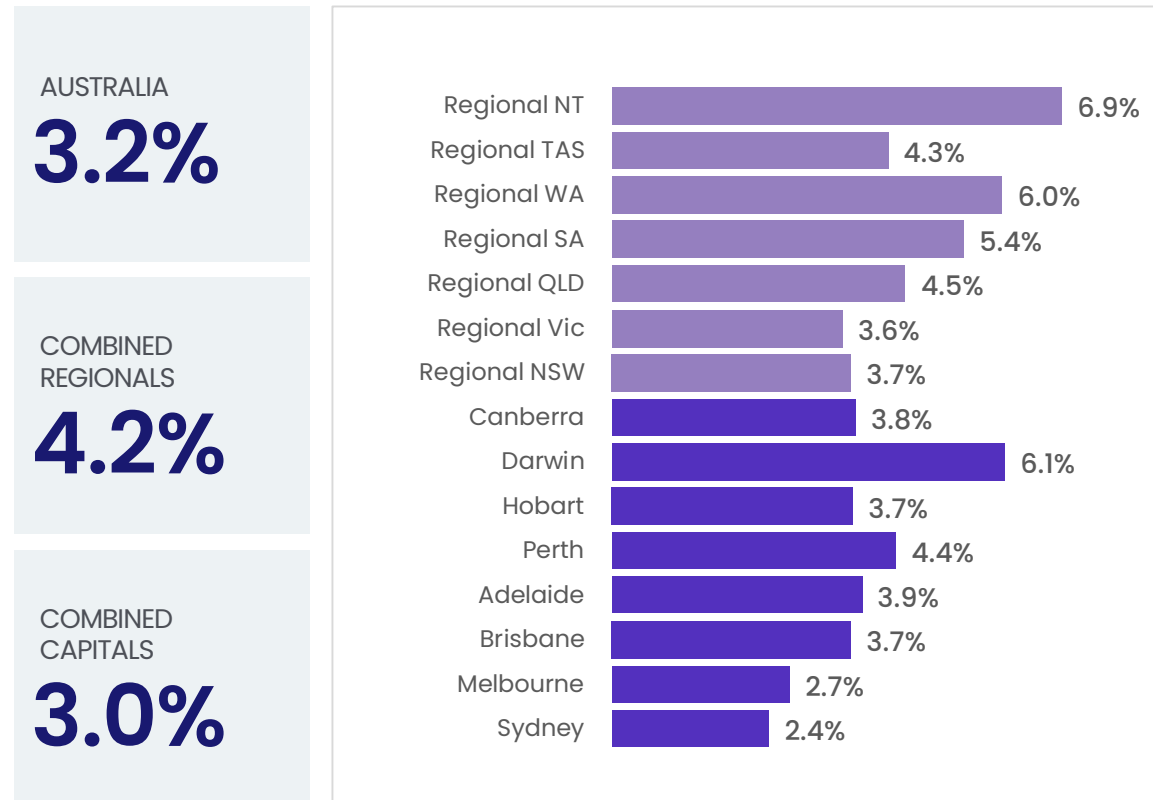
Annual change in rental rates - National



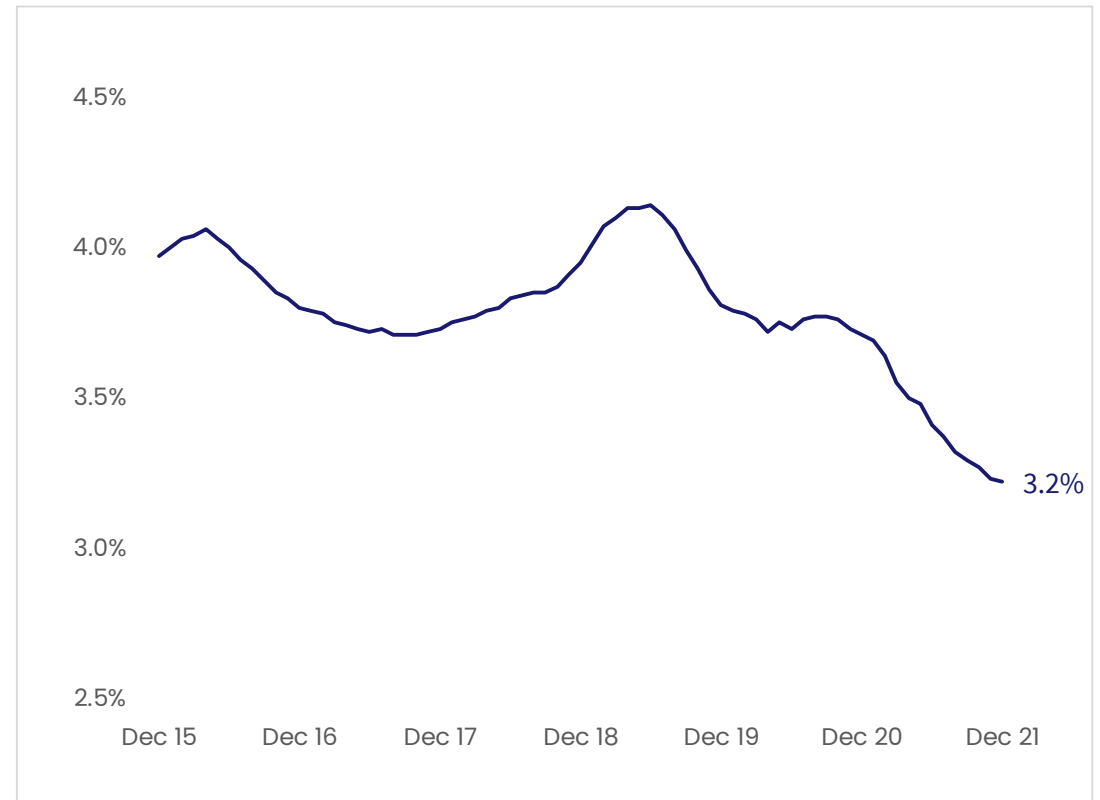
RENTAL YIELDS

Gross rent yields continued to trend lower through December, reaching a new record low of 3.22% nationally. Gross rent yields are at record lows across most of the capital city dwelling markets with the exception of Perth and Darwin.

Gross rental yields, December 2021



Gross rental yields

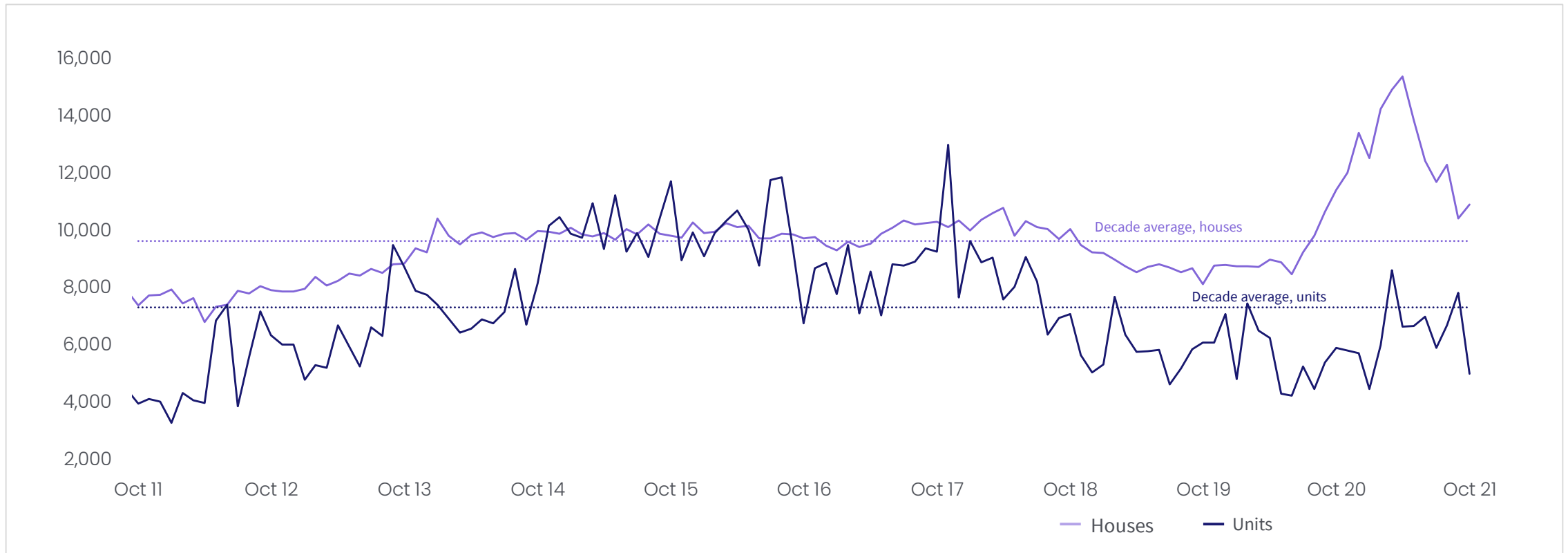


Dwelling approvals & housing credit

DWELLING APPROVALS

Dwelling approvals fell -12.9% through the month of October, having trended down since April 2021 as HomeBuilder grants came to an end. The monthly decline was driven by a -36.1% fall in unit approvals, while detached house approvals saw a 4.5% uplift.

Monthly house v unit approvals, National

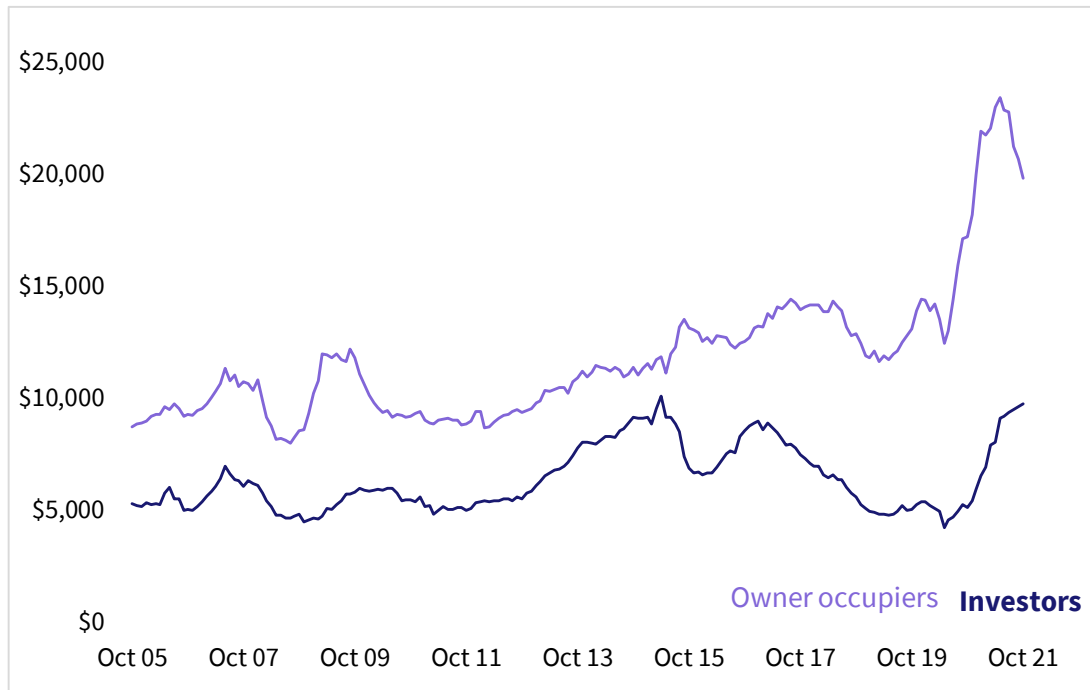


Source: ABS

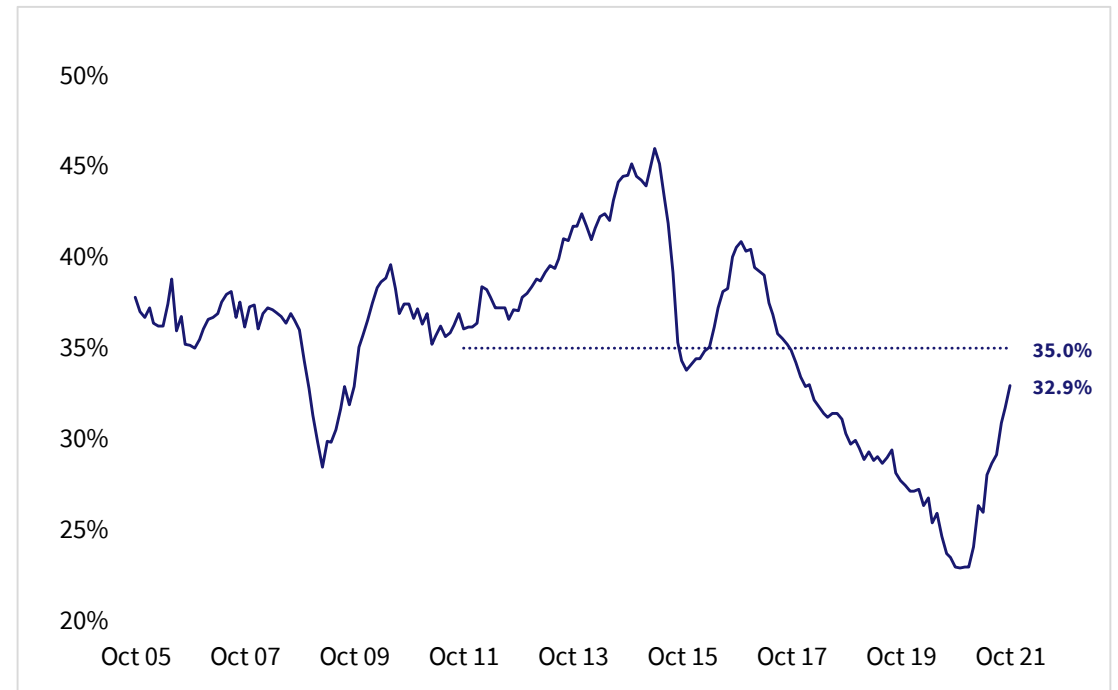
FINANCE & LENDING

Total housing finance secured for the purchase of property fell for the third consecutive month in October, by -2.5%. Total lending has fallen -9.2% since it peaked in May 2021. New owner occupier lending fell -4.1% over the month, while investor lending was 1.1% higher through October.

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



Portion of new lending for investment housing (excluding refinance)

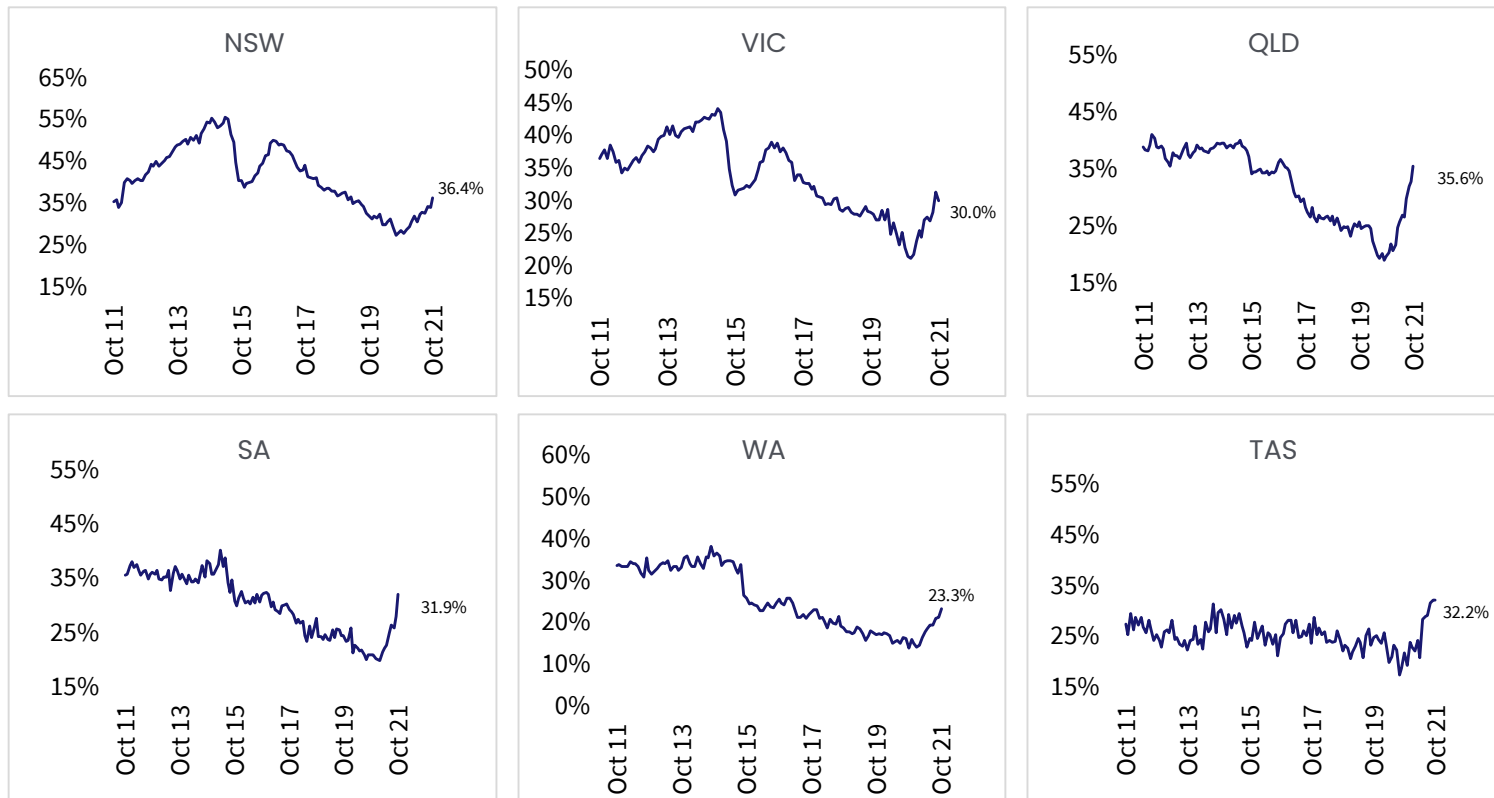


Source: ABS

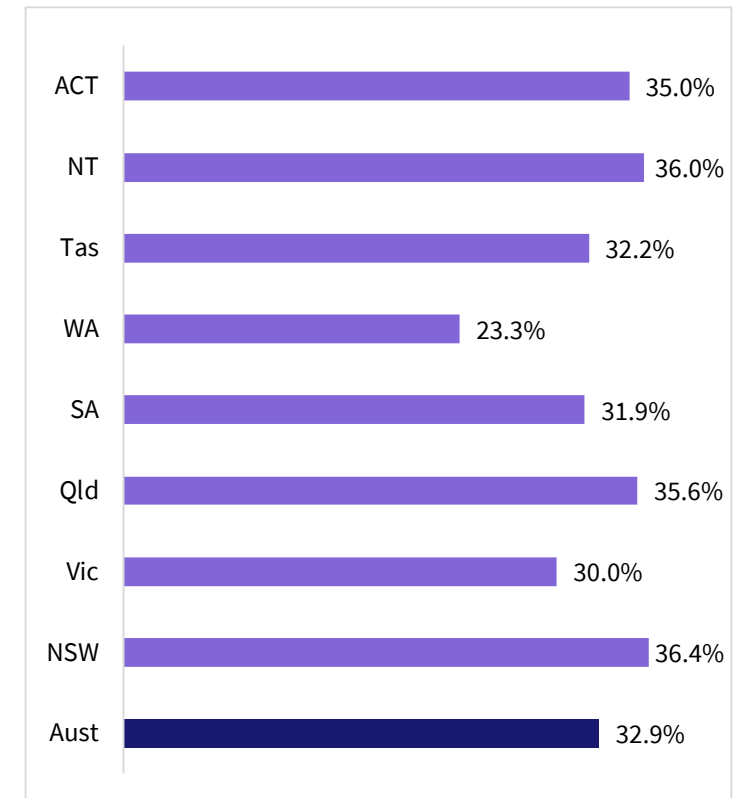
INVESTORS & LENDING

Nationally, investor finance comprised 32.9% of new mortgage lending through the month of October. Across the states, the largest increase in investor participation was seen in South Australia, where investor finance jumped to 31.9% of total lending, up from 28.0% the previous month.

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



Investors as a % of housing finance commitments by state

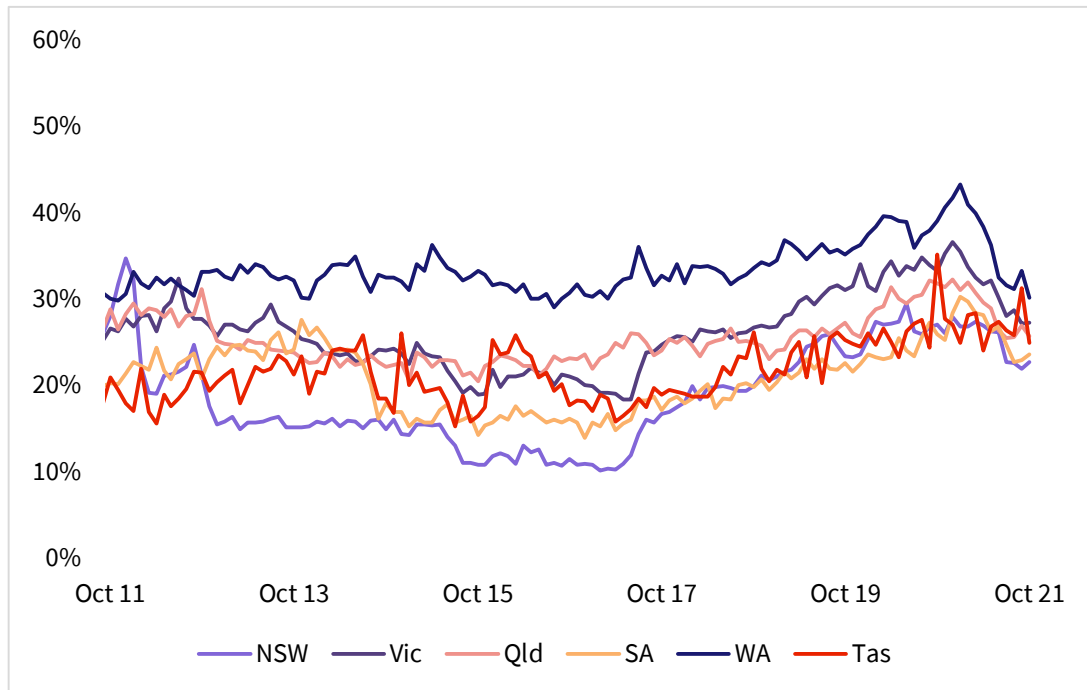


Source: ABS

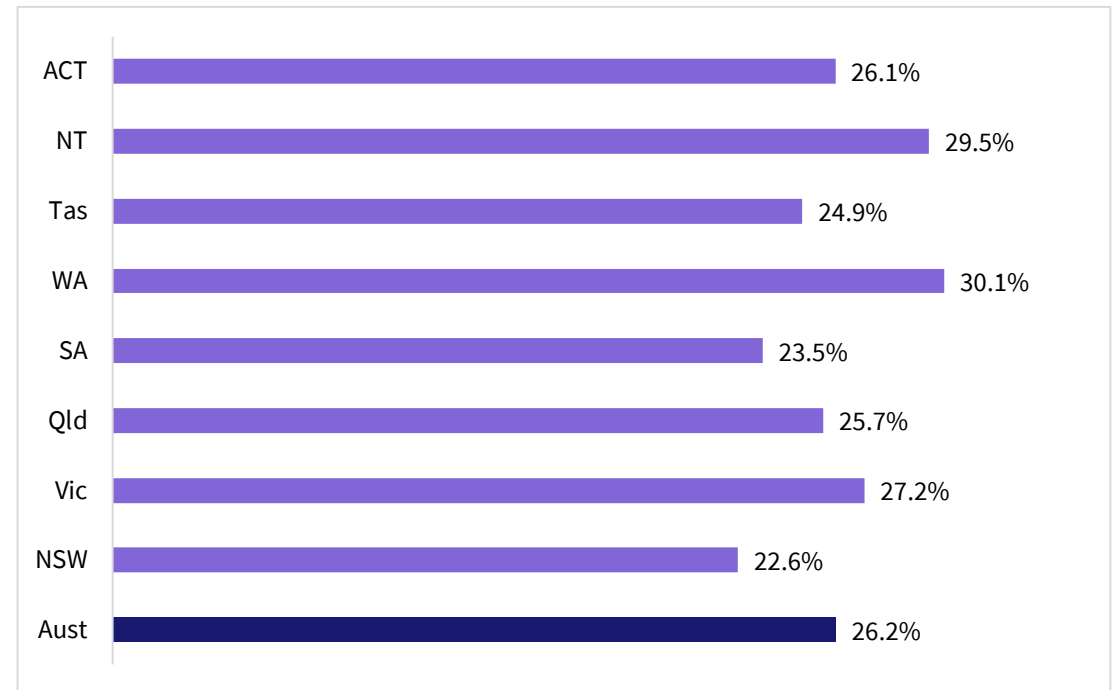
FIRST HOME BUYERS

Nationally, first home buyer finance as a portion of total owner occupier finance has fallen from a recent peak of 32.5% in December 2020, to 26.2% as of October 2021. First home buyer participation is lowest across NSW, at 22.6%, down from 27.9% in December last year.

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



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



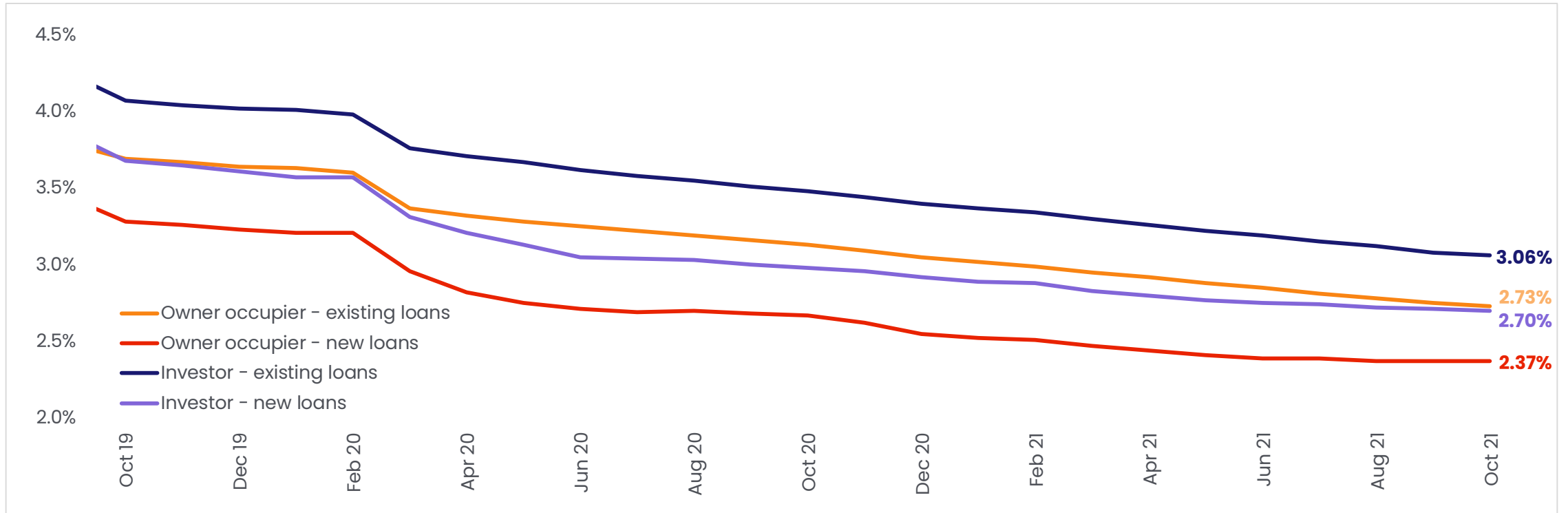
Source: ABS

MORTGAGE RATES

Record low mortgage rates

Average new housing lending rates for owner occupiers have held at 2.37% for the three months to October, suggesting new rates for owner occupiers may be bottoming out.

Average borrowing costs by borrower and loan type, since 2019



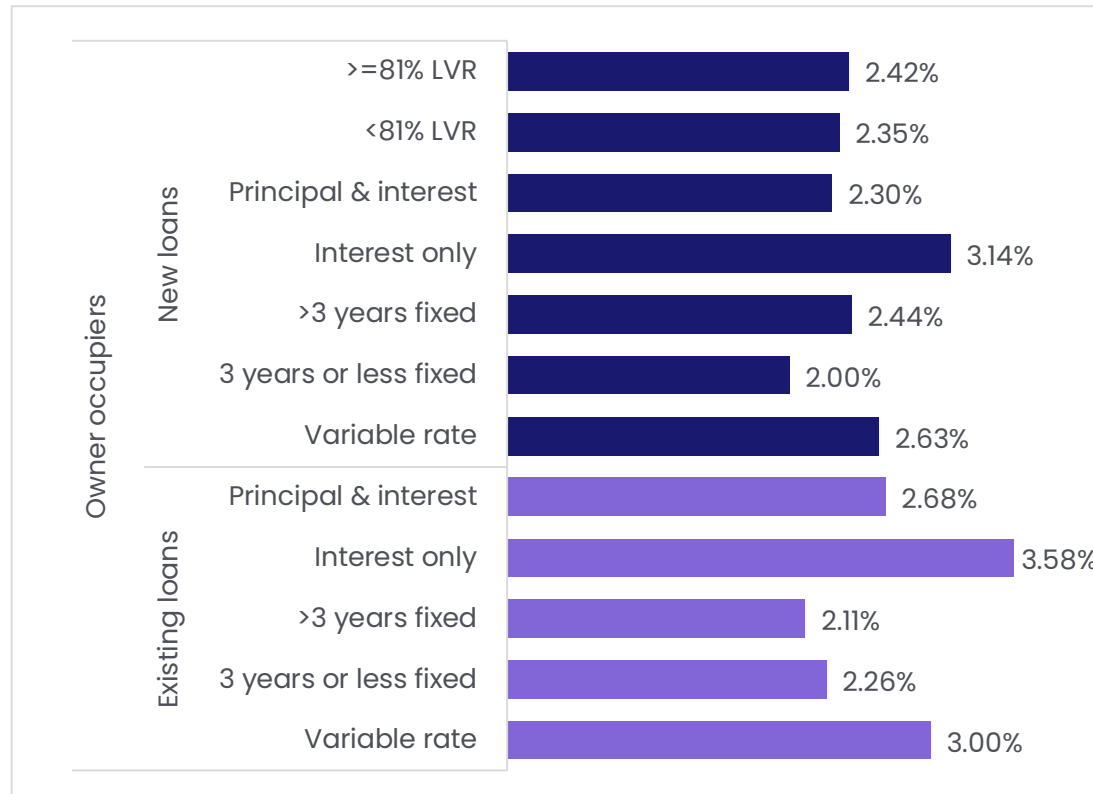
Source: RBA

MORTGAGE RATES

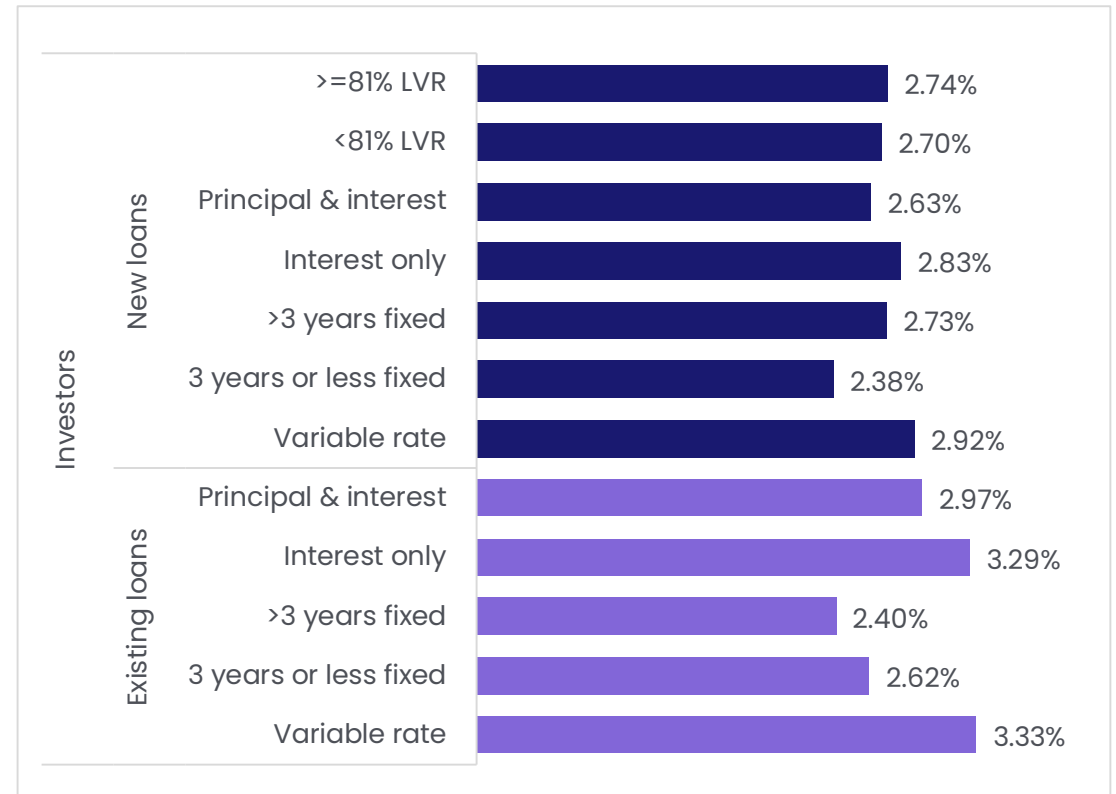
Record low mortgage rates

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

Owner occupiers



Investors



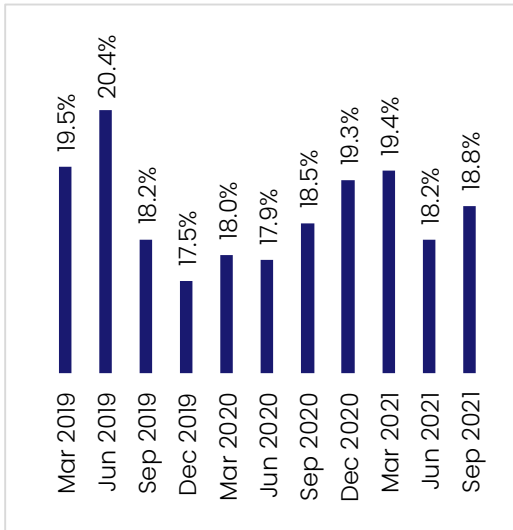
Source: RBA

MORTGAGE RATES

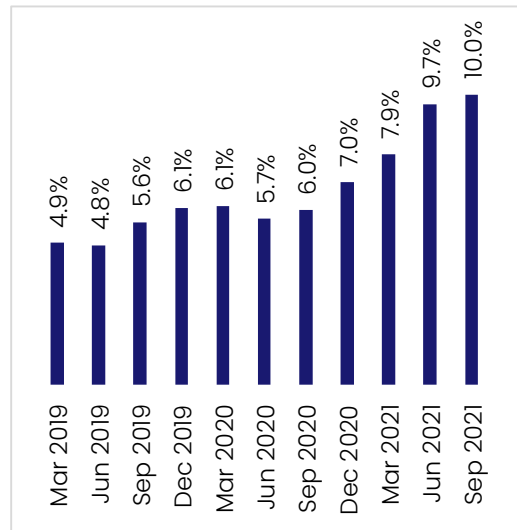
Debt to income ratios of six or more jumped to 23.8% of new mortgage lending in the September quarter

Regulators and policy makers are closely monitoring lending standards. The September quarter data captures the period just before APRA increased 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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