28 JULY 2022

CORELOGIC PROPERTY PULSE

Vendors hibernate ahead of a spring listings spike

By Tim Lawless, Research Director, CoreLogic Australia

As household balance sheets become more thinly stretched due to rising interest rates and high prices for essential goods such as fuel and food, there is a renewed level of focus on how mortgagors (ie home owners with mortgage debt) are traversing the changing environment. Policy makers and lenders will be watchful for any signs of distress across the housing sector. One of the first signals of mortgagor distress could be an out of cycle rise in the number of homes being added to the market.

So far the trend in new listings across Australia has generally followed 'normal' seasonal patterns, with no evidence of panicked selling or a rise in distressed stock coming on the market. The flow of new listings is generally in line with last year and showing little divergence from the pre-COVID average at the macro level.

Nationally, the flow of new listings added to the market has been reducing since late March, when 46,603 houses and units were newly listed over the four-week period ending March 20th. Since that time the four-week count of new listings has trended lower, with CoreLogic recording 37,476 'fresh' listings over the most recent four-week period ending July 17th; 19.6% lower than the March 20th high and 1.4% fewer properties relative to the same time a year ago, but 1.5% above the pre-COVID average (which includes the ten-year period prior to 2020).

Importantly, the impact of COVID related restrictions can influence year-on-year comparisons, especially in cities like Melbourne and Sydney where more frequent outbreaks occurred. It's why the pre-COVID average is also a useful benchmark.

While the flow of fresh stock added to the market has trended lower, the total count of listings has held relatively firm, reducing from a recent peak of 149,327 over the four weeks ending March 20th to the most recent count of 144,222 (a reduction of 3.4%).

The relatively steady number of total listings amidst a sharper reduction in fresh listings highlights a **slower rate of absorption** across the market. Through the June quarter, the number of home sales was estimated to be 15.9% lower than a year ago, reflecting less buyer demand. The slower rate of absorption is likely to worsen as rapidly rising interest rates and low confidence dampens buyer activity further, suggesting even as new listings trend lower through winter, total advertised supply is likely to rise through the second half of the year.

While the national trends provide a macro context, the trend in listings is remarkably diverse across the capital cities and regional markets of Australia.

Regions where housing values have been trending lower, including Sydney and Melbourne, are showing a more obvious reduction in new listings, but these are also the two capital cities where total advertised stock is now trending at levels above the pre-COVID average.

Conversely, stronger markets like Adelaide and Perth are seeing a relatively steady trend in new listings, but overall stock levels remain well below average with no evidence that advertised supply is starting to rise.

Figure 1 – National **new** listings trend

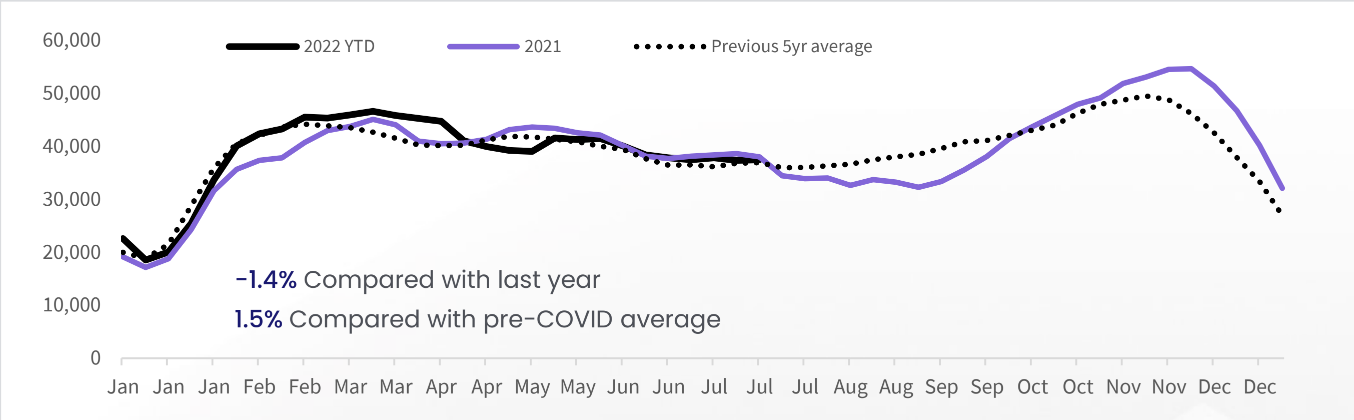
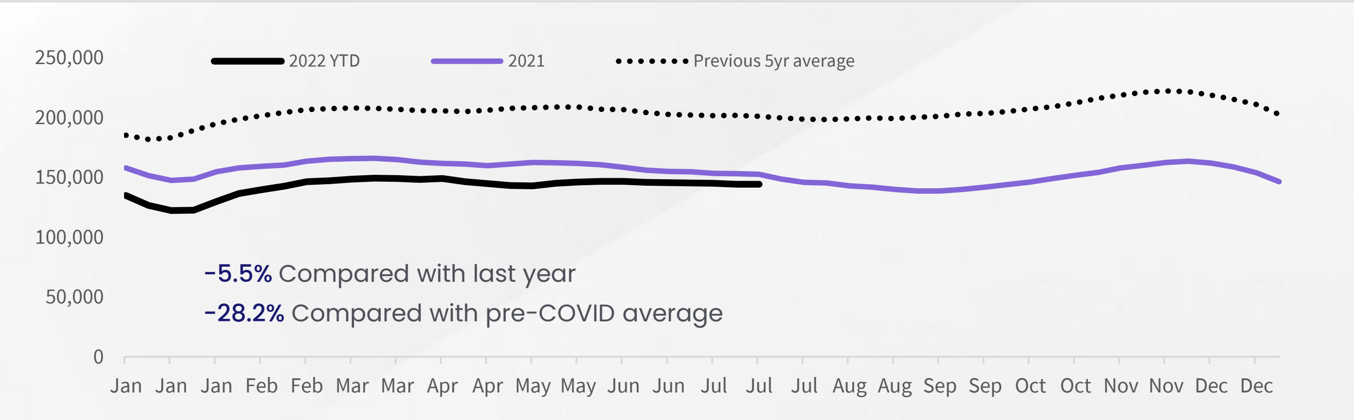


Figure 2 – National **total** listings trend



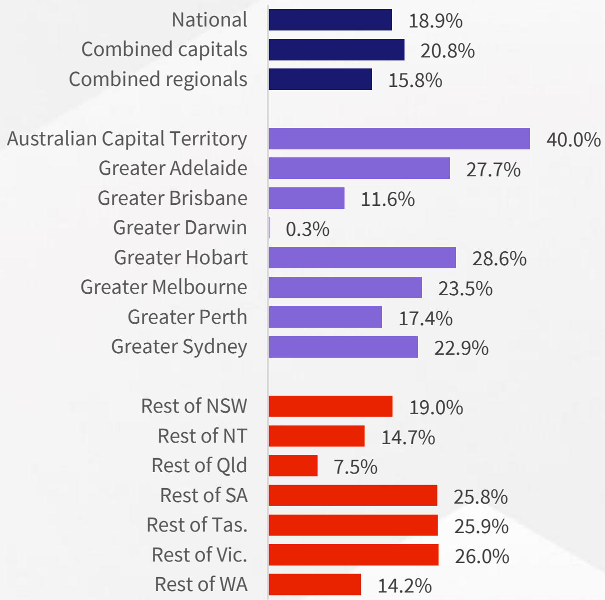
Seasonal trends

The flow of listings is highly seasonal, with the winter months typically seeing new listings trending lower before ramping up swiftly in spring. Nationally, the number of new listings has typically fallen by 9.2% between autumn and winter (based on the pre-COVID average) before surging 18.9% between winter and spring.

The seasonality of the flow of new listings between winter and spring is most obvious across the 'colder' states. ACT listings surge by an average of 40% between winter and spring, while Hobart, Adelaide, Melbourne and Sydney also see more than a 20% difference between the winter and spring seasons.

However in 'hotter' regions the trend is less obvious. Darwin is the prime example, with hardly any difference in the average flow of new listings, but new listings drop on average by 35% leading into the wet summer months, with autumn being the most active period for new listings.

Figure 3 – Percentage change in average number of new listings between winter and spring (based on the pre-COVID average)



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Nationally, new listings have risen by an average of 18.9% between winter and spring, with the **peak listing month being October**, followed closely by November. The seasonal rise in new listings through spring and early summer is likely to test the market this year.

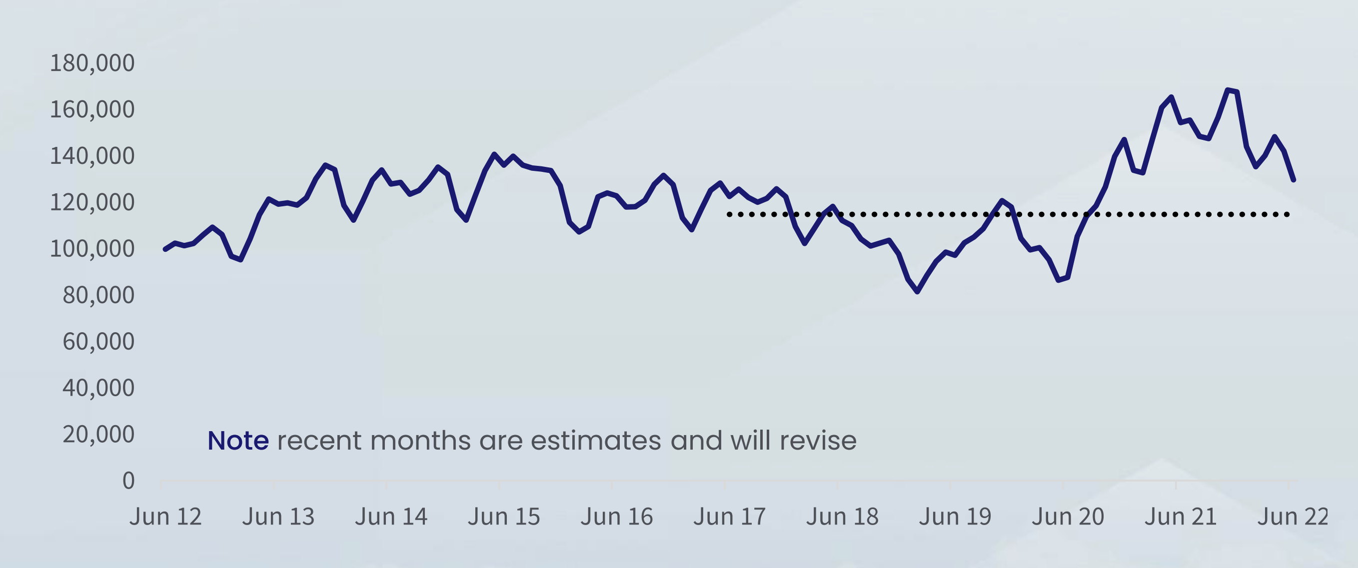
With housing demand already trending lower, as demonstrated by fewer home sales across some regions, it's likely overall advertised supply levels will rise more substantially through the final quarter of the year and into 2023.

Higher levels of advertised supply implies more choice for buyers but also more competition for vendors. Ultimately, higher inventory levels would likely add further dampening pressure on housing values as homes take longer to sell, motivating vendors to discount their pricing expectations by a larger amount.

We can already see this scenario playing out in lower clearance rates, higher time on market and larger rates of vendor discounting, although there is a significant level of variability from region to region depending on the balance between buyers and sellers.

Median days on market in Sydney increased to 33 days through the June quarter (from 23 days a year ago) and Melbourne median days on market has increased from 27 days a year ago to 30 days through the June quarter. At the other end of the spectrum, Perth homes are selling in an average of just 18 days, equal to the median days on market last year.

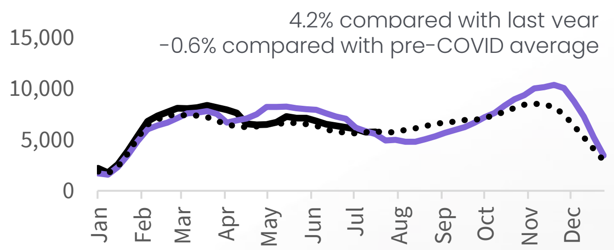
Figure 4 – Rolling three months volume of sales, National



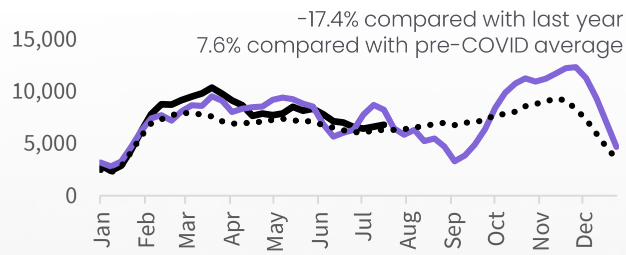
New listings – rolling four-week trend to July 17th

2022 YTD 2021 Previous 5yr average

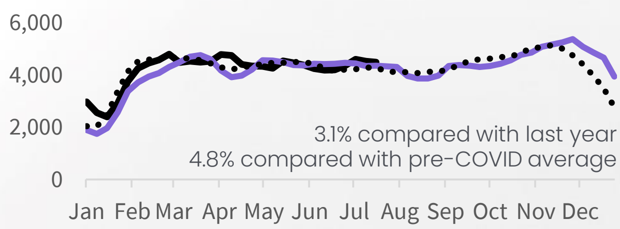
Sydney new listings trend



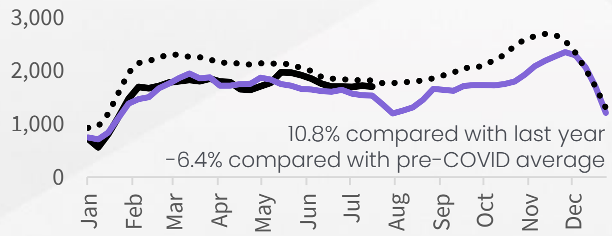
Melbourne new listings trend



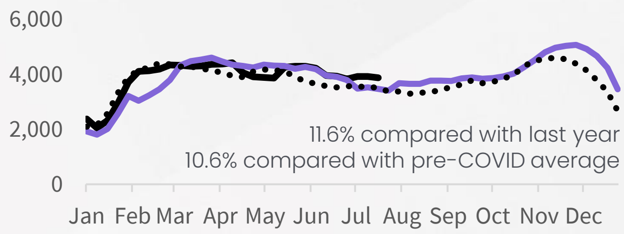
Brisbane new listings trend



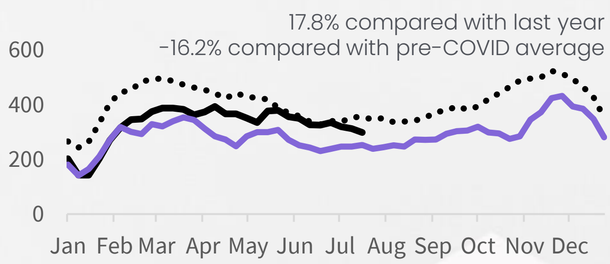
Adelaide new listings trend



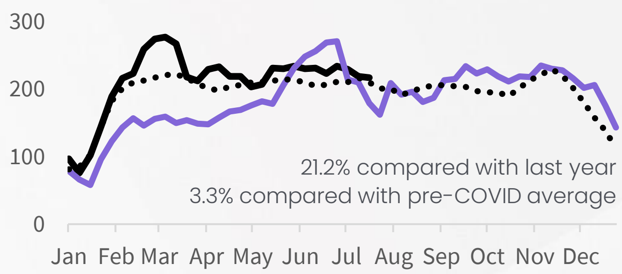
Perth new listings trend



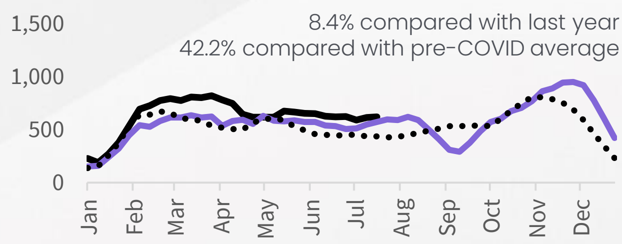
Hobart new listings trend



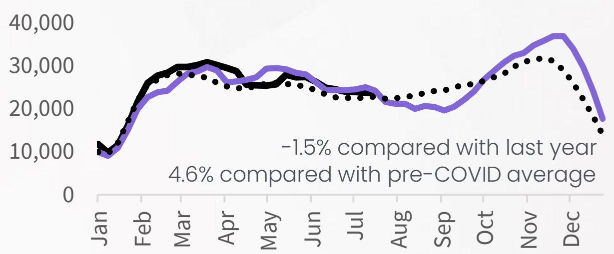
Darwin new listings trend



ACT new listings trend



Combined capitals



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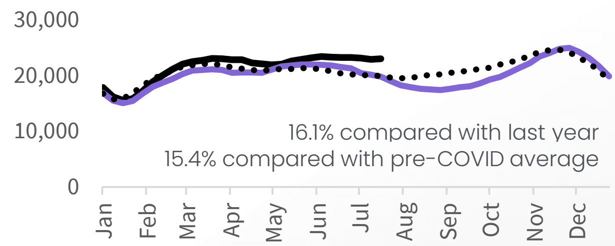
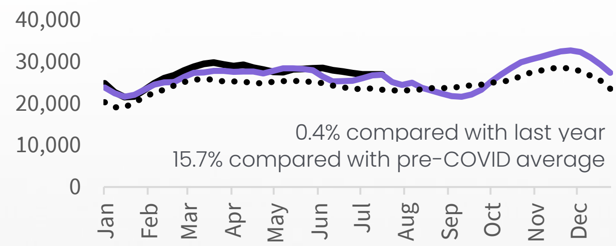
Total listings – rolling four-week trend to July 17th

2022 YTD · 2021 · Previous 5yr average

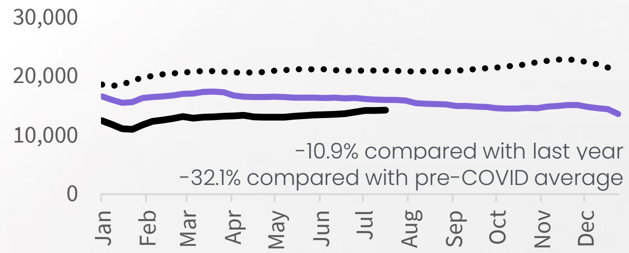
Sydney total listings trend



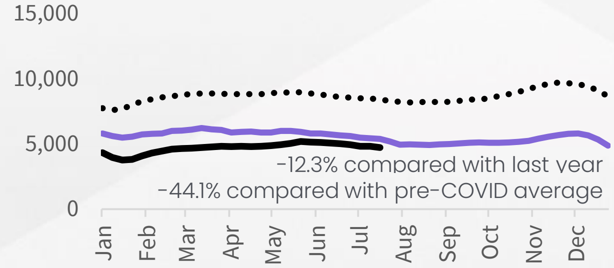
Melbourne total listings trend



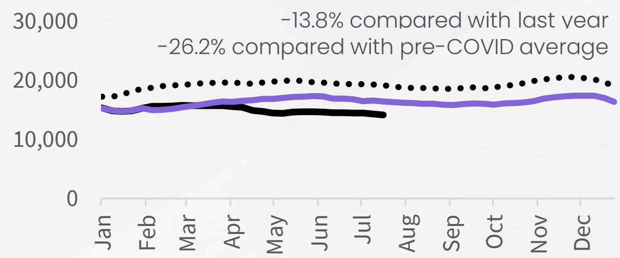
Brisbane total listings trend



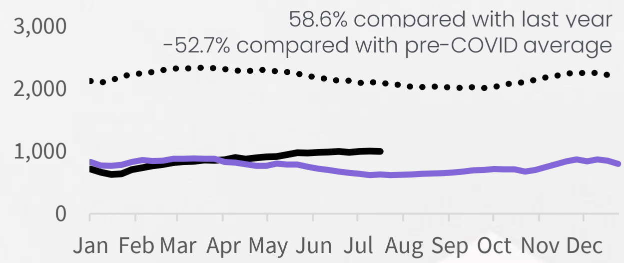
Adelaide total listings trend



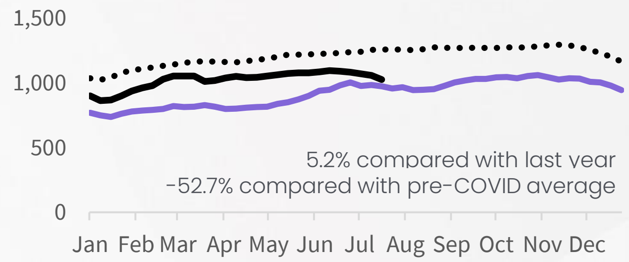
Perth total listings trend



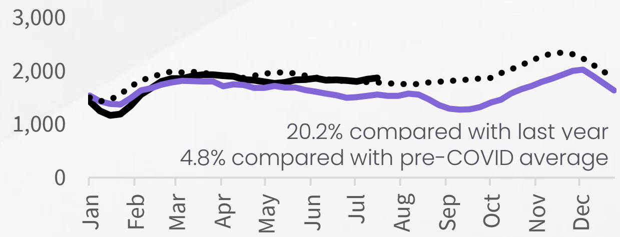
Hobart total listings trend



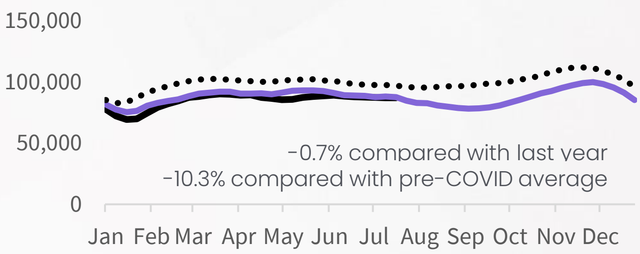
Darwin total listings trend



ACT total listings trend



Combined capitals



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Where is advertised supply the highest and lowest relative to pre-COVID average levels?

National top and bottom 20

SA3 Region	SA4 Region	GCCSA	Number of listings, June 2022	Change on pre-COVID average	Change on last year
Botany	Sydney - City and Inner South	Greater Sydney	588	102.5%	34.9%
Brunswick - Coburg	Melbourne - Inner	Greater Melbourne	1,282	86.3%	29.2%
Stonnington - East	Melbourne - Inner South	Greater Melbourne	546	80.0%	11.4%
Ryde - Hunters Hill	Sydney - Ryde	Greater Sydney	1,652	73.8%	10.0%
Strathfield - Burwood - Ashfield	Sydney - Inner West	Greater Sydney	1,862	70.9%	25.8%
Essendon	Melbourne - Inner	Greater Melbourne	1,068	70.4%	13.9%
Sydney Inner City	Sydney - City and Inner South	Greater Sydney	3,082	67.8%	11.9%
Darebin - South	Melbourne - Inner	Greater Melbourne	604	67.2%	41.1%
Stonnington - West	Melbourne - Inner	Greater Melbourne	1,408	66.5%	8.6%
Maribyrnong	Melbourne - West	Greater Melbourne	1,476	58.2%	8.4%
Whitehorse - West	Melbourne - Inner East	Greater Melbourne	1,426	58.0%	0.8%
Yarra	Melbourne - Inner	Greater Melbourne	1,158	57.0%	6.0%
Pennant Hills - Epping	Sydney - Ryde	Greater Sydney	528	54.4%	23.4%
Parramatta	Sydney - Parramatta	Greater Sydney	1,894	54.0%	13.8%
Moreland - North	Melbourne - North West	Greater Melbourne	1,108	53.5%	12.1%
Kogarah - Rockdale	Sydney - Inner South West	Greater Sydney	1,530	52.0%	25.6%
Darebin - North	Melbourne - North East	Greater Melbourne	1,146	51.0%	-4.3%
Glen Eira	Melbourne - Inner South	Greater Melbourne	1,550	49.5%	4.4%
Blacktown - North	Sydney - Blacktown	Greater Sydney	1,300	49.1%	-17.3%
Auburn	Sydney - Parramatta	Greater Sydney	1,204	47.1%	16.0%
Great Lakes	Mid North Coast	Rest of NSW	492	-64.3%	8.4%
Kempsey - Nambucca	Mid North Coast	Rest of NSW	504	-65.2%	-4.9%
West Coast	West and North West	Rest of Tas.	386	-65.2%	-9.8%
Ipswich Hinterland	Ipswich	Greater Brisbane	774	-65.9%	-27.7%
Sorell - Dodges Ferry	Hobart	Greater Hobart	220	-66.8%	18.3%
Colac - Corangamite	Warrnambool and South West	Rest of Vic.	334	-67.4%	-6.2%
Griffith - Murrumbidgee (West)	Riverina	Rest of NSW	236	-68.0%	-23.9%
North East	Launceston and North East	Rest of Tas.	526	-68.3%	2.7%
Granite Belt	Darling Downs - Maranoa	Rest of Qld	496	-68.7%	-58.3%
Murray and Mallee	South Australia - South East	Rest of SA	586	-68.7%	-44.7%
Meander Valley - West Tamar	Launceston and North East	Rest of Tas.	254	-68.9%	4.1%
Devonport	West and North West	Rest of Tas.	510	-69.6%	2.0%
South East Coast	South East	Rest of Tas.	168	-69.7%	12.0%
Limestone Coast	South Australia - South East	Rest of SA	672	-70.0%	-26.2%
Brighton	Hobart	Greater Hobart	124	-70.1%	34.8%
Fleurieu - Kangaroo Island	South Australia - South East	Rest of SA	542	-70.6%	-24.5%
Burnie - Ulverstone	West and North West	Rest of Tas.	462	-70.7%	-10.8%
Tumut - Tumbarumba	Riverina	Rest of NSW	124	-71.5%	17.0%
Yorke Peninsula	Barossa - Yorke - Mid North	Rest of SA	402	-73.9%	-55.5%
Central Highlands (Tas.)	South East	Rest of Tas.	120	-74.0%	3.4%

Where is advertised supply the highest and lowest relative to pre-COVID average levels?

Capital city tables

SA3 Region	SA4 Region	GCCSA	Number of listings, June 2022	Change on pre-COVID average	Change on last year
Botany	Sydney - City and Inner South	Greater Sydney	588	102.5%	34.9%
Ryde - Hunters Hill	Sydney - Ryde	Greater Sydney	1,652	73.8%	10.0%
Strathfield - Burwood - Ashfield	Sydney - Inner West	Greater Sydney	1,862	70.9%	25.8%
Sydney Inner City	Sydney - City and Inner South	Greater Sydney	3,082	67.8%	11.9%
Pennant Hills - Epping	Sydney - Ryde	Greater Sydney	528	54.4%	23.4%
Camden	Sydney - Outer South West	Greater Sydney	518	-23.1%	11.2%
Wyong	Central Coast	Greater Sydney	1,968	-23.1%	9.8%
Blue Mountains	Sydney - Outer West and Blue Mountains	Greater Sydney	700	-38.8%	11.5%
Dural - Wisemans Ferry	Sydney - Baulkham Hills and Hawkesbury	Greater Sydney	200	-41.3%	-18.0%
Hawkesbury	Sydney - Baulkham Hills and Hawkesbury	Greater Sydney	214	-47.5%	-5.3%
Brunswick - Coburg	Melbourne - Inner	Greater Melbourne	1,282	86.3%	29.2%
Stonnington - East	Melbourne - Inner South	Greater Melbourne	546	80.0%	11.4%
Essendon	Melbourne - Inner	Greater Melbourne	1,068	70.4%	13.9%
Darebin - South	Melbourne - Inner	Greater Melbourne	604	67.2%	41.1%
Stonnington - West	Melbourne - Inner	Greater Melbourne	1,408	66.5%	8.6%
Sunbury	Melbourne - North West	Greater Melbourne	426	-14.4%	12.1%
Frankston	Mornington Peninsula	Greater Melbourne	1,284	-19.5%	7.9%
Yarra Ranges	Melbourne - Outer East	Greater Melbourne	1,110	-24.7%	31.5%
Macedon Ranges	Melbourne - North West	Greater Melbourne	328	-29.3%	24.2%
Mornington Peninsula	Mornington Peninsula	Greater Melbourne	1,960	-36.8%	20.0%
Nundah	Brisbane - North	Greater Brisbane	548	-1.6%	5.0%
Brisbane Inner	Brisbane Inner City	Greater Brisbane	1,416	-5.8%	-24.0%
Chermside	Brisbane - North	Greater Brisbane	856	-14.5%	5.4%
North Lakes	Moreton Bay - South	Greater Brisbane	988	-16.7%	-8.5%
Carindale	Brisbane - South	Greater Brisbane	496	-18.8%	-12.7%
Centenary	Brisbane - West	Greater Brisbane	218	-51.0%	-8.4%
Cleveland - Stradbroke	Brisbane - East	Greater Brisbane	1,506	-53.8%	-24.0%
Caboolture Hinterland	Moreton Bay - North	Greater Brisbane	194	-59.0%	-19.2%
Beaudesert	Logan - Beaudesert	Greater Brisbane	216	-59.9%	-39.3%
Ipswich Hinterland	Ipswich	Greater Brisbane	774	-65.9%	-27.7%
Adelaide City	Adelaide - Central and Hills	Greater Adelaide	538	-14.7%	-21.6%
Prospect - Walkerville	Adelaide - Central and Hills	Greater Adelaide	252	-23.1%	0.8%
Norwood - Payneham - St Peters	Adelaide - Central and Hills	Greater Adelaide	274	-29.2%	-17.5%
Unley	Adelaide - Central and Hills	Greater Adelaide	246	-30.8%	-17.4%
West Torrens	Adelaide - West	Greater Adelaide	450	-35.3%	-22.1%
Holdfast Bay	Adelaide - South	Greater Adelaide	304	-48.6%	5.6%
Tea Tree Gully	Adelaide - North	Greater Adelaide	502	-51.2%	-14.9%
Onkaparinga	Adelaide - South	Greater Adelaide	1,106	-51.5%	-7.5%
Gawler - Two Wells	Adelaide - North	Greater Adelaide	318	-51.8%	-24.6%
Adelaide Hills	Adelaide - Central and Hills	Greater Adelaide	446	-59.4%	-18.9%

Where is advertised supply the highest and lowest relative to pre-COVID average levels?

Capital city tables

SA3 Region	SA4 Region	GCCSA	Number of listings, June 2022	Change on pre-COVID average	Change on last year
Perth City	Perth - Inner	Greater Perth	2,550	5.2%	-2.9%
Belmont - Victoria Park	Perth - South East	Greater Perth	1,324	1.0%	-15.8%
Canning	Perth - South East	Greater Perth	1,118	-6.1%	-13.2%
Stirling	Perth - North West	Greater Perth	2,850	-9.4%	-9.9%
Fremantle	Perth - South West	Greater Perth	634	-12.0%	-20.9%
Mundaring	Perth - North East	Greater Perth	514	-40.1%	-17.4%
Kwinana	Perth - South West	Greater Perth	556	-41.0%	-35.8%
Rockingham	Perth - South West	Greater Perth	2,058	-41.3%	-21.5%
Serpentine - Jarrahdale	Perth - South East	Greater Perth	362	-41.7%	-29.0%
Mandurah	Mandurah	Greater Perth	2,150	-48.6%	-20.8%
Hobart Inner	Hobart	Greater Hobart	424	-36.4%	39.5%
Hobart - South and West	Hobart	Greater Hobart	294	-46.5%	61.5%
Hobart - North West	Hobart	Greater Hobart	522	-51.1%	56.3%
Hobart - North East	Hobart	Greater Hobart	424	-53.4%	52.5%
Sorell - Dodges Ferry	Hobart	Greater Hobart	220	-66.8%	18.3%
Brighton	Hobart	Greater Hobart	124	-70.1%	34.8%
Palmerston	Darwin	Greater Darwin	644	-8.3%	8.4%
Darwin Suburbs	Darwin	Greater Darwin	626	-10.9%	13.4%
Darwin City	Darwin	Greater Darwin	672	-16.1%	5.0%
Litchfield	Darwin	Greater Darwin	186	-35.8%	-13.1%
North Canberra	Australian Capital Territory	ACT	618	15.3%	14.1%
Woden Valley	Australian Capital Territory	ACT	336	20.0%	5.3%
Gungahlin	Australian Capital Territory	ACT	802	25.3%	1.8%
Belconnen	Australian Capital Territory	ACT	730	16.2%	0.1%
South Canberra	Australian Capital Territory	ACT	380	-9.1%	-5.7%
Molonglo	Australian Capital Territory	ACT	178	14.1%	-5.9%
Tuggeranong	Australian Capital Territory	ACT	512	49.7%	-18.6%
Weston Creek	Australian Capital Territory	ACT	120	0.0%	-30.3%

Where is advertised supply the highest and lowest relative to pre-COVID average levels?

Capital city tables

SA3 Region	SA4 Region	GCCSA	Number of listings, June 2022	Change on pre-COVID average	Change on last year
Wollongong	Illawarra	Rest of NSW	1,204	7.9%	29.2%
Kiama - Shellharbour	Illawarra	Rest of NSW	992	-2.7%	40.1%
Newcastle	Newcastle and Lake Macquarie	Rest of NSW	1,560	-15.2%	6.3%
Dapto - Port Kembla	Illawarra	Rest of NSW	526	-18.1%	11.4%
Lake Macquarie - East	Newcastle and Lake Macquarie	Rest of NSW	1,090	-21.4%	17.0%
Upper Murray exc. Albury	Murray	Rest of NSW	502	-63.8%	-26.8%
Great Lakes	Mid North Coast	Rest of NSW	492	-64.3%	8.4%
Kempsey - Nambucca	Mid North Coast	Rest of NSW	504	-65.2%	-4.9%
Griffith - Murrumbidgee (West)	Riverina	Rest of NSW	236	-68.0%	-23.9%
Tumut - Tumbarumba	Riverina	Rest of NSW	124	-71.5%	17.0%
Geelong	Geelong	Rest of Vic.	2,068	-8.9%	11.5%
Ballarat	Ballarat	Rest of Vic.	1,526	-14.4%	37.2%
Baw Baw	Latrobe - Gippsland	Rest of Vic.	834	-20.8%	28.7%
Barwon - West	Geelong	Rest of Vic.	186	-23.1%	60.3%
Bendigo	Bendigo	Rest of Vic.	1,172	-28.1%	22.3%
Wangaratta - Benalla	Hume	Rest of Vic.	374	-57.3%	-7.9%
Loddon - Elmore	Bendigo	Rest of Vic.	92	-57.6%	-8.0%
Wellington	Latrobe - Gippsland	Rest of Vic.	650	-59.5%	-11.0%
Glenelg - Southern Grampians	Warrnambool and South West	Rest of Vic.	504	-62.3%	-0.8%
Colac - Corangamite	Warrnambool and South West	Rest of Vic.	334	-67.4%	-6.2%
Outback - North	Queensland - Outback	Rest of Qld	754	5.3%	-5.8%
Central Highlands (Qld)	Central Queensland	Rest of Qld	888	0.2%	-10.1%
Far North	Queensland - Outback	Rest of Qld	380	-7.0%	-28.8%
Gladstone	Central Queensland	Rest of Qld	1,822	-18.9%	-5.3%
Outback - South	Queensland - Outback	Rest of Qld	546	-19.4%	-31.6%
Maryborough	Wide Bay	Rest of Qld	962	-58.8%	-25.1%
Gympie - Cooloola	Wide Bay	Rest of Qld	922	-60.5%	-22.9%
Tablelands (East) - Kuranda	Cairns	Rest of Qld	648	-60.9%	-44.5%
Burnett	Wide Bay	Rest of Qld	1,096	-61.5%	-54.5%
Granite Belt	Darling Downs - Maranoa	Rest of Qld	496	-68.7%	-58.3%
Outback - North and East	South Australia - Outback	Rest of SA	722	-6.2%	-31.1%
Eyre Peninsula and South West	South Australia - Outback	Rest of SA	908	-52.3%	-44.0%
Lower North	Barossa - Yorke - Mid North	Rest of SA	256	-60.7%	-35.0%
Barossa	Barossa - Yorke - Mid North	Rest of SA	258	-61.4%	-21.3%
Mid North	Barossa - Yorke - Mid North	Rest of SA	440	-62.8%	-48.5%
Murray and Mallee	South Australia - South East	Rest of SA	586	-68.7%	-44.7%
Limestone Coast	South Australia - South East	Rest of SA	672	-70.0%	-26.2%
Fleurieu - Kangaroo Island	South Australia - South East	Rest of SA	542	-70.6%	-24.5%
Yorke Peninsula	Barossa - Yorke - Mid North	Rest of SA	402	-73.9%	-55.5%
Kimberley	Western Australia - Outback (North)	Rest of WA	692	-7.3%	32.1%
East Pilbara	Western Australia - Outback (North)	Rest of WA	448	-12.3%	0.4%
West Pilbara	Western Australia - Outback (North)	Rest of WA	332	-15.2%	-24.5%
Gascoyne	Western Australia - Outback (South)	Rest of WA	240	-22.9%	-14.9%
Goldfields	Western Australia - Outback (South)	Rest of WA	808	-30.9%	-21.4%
Bunbury	Bunbury	Rest of WA	2,138	-47.0%	-31.3%
Albany	Western Australia - Wheat Belt	Rest of WA	1,098	-53.6%	-34.3%
Esperance	Western Australia - Outback (South)	Rest of WA	330	-55.6%	-51.6%
Manjimup	Bunbury	Rest of WA	446	-58.4%	-50.2%
Augusta - Margaret River - Busselton	Bunbury	Rest of WA	958	-59.7%	-34.6%

Where is advertised supply the highest and lowest relative to pre-COVID average levels?

Capital city tables

SA3 Region	SA4 Region	GCCSA	Number of listings, June 2022	Change on pre-COVID average	Change on last year
Launceston	Launceston and North East	Rest of Tas.	774	-58.0%	36.3%
Huon - Bruny Island	South East	Rest of Tas.	300	-62.7%	31.6%
West Coast	West and North West	Rest of Tas.	386	-65.2%	-9.8%
North East	Launceston and North East	Rest of Tas.	526	-68.3%	2.7%
Meander Valley - West Tamar	Launceston and North East	Rest of Tas.	254	-68.9%	4.1%
Devonport	West and North West	Rest of Tas.	510	-69.6%	2.0%
South East Coast	South East	Rest of Tas.	168	-69.7%	12.0%
Burnie - Ulverstone	West and North West	Rest of Tas.	462	-70.7%	-10.8%
Central Highlands (Tas.)	South East	Rest of Tas.	120	-74.0%	3.4%

