

December 2022

Monthly Housing Chart Pack

Unlocking smarter property
decisions



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$9.4 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.

535,356

GROSS VALUE OF SALES P.A.

\$484.3 Billion

Australian dwelling values

Overview

3 MONTHS

-3.5%

National home values fell -3.5% in the three months to November, a smaller decline than in the three months to October.

12 MONTHS

-3.2%

Dwelling values in Australia are -3.2% lower over the past 12 months, marking the largest annual decline in national home values since September 2019.

CAPITAL CITIES

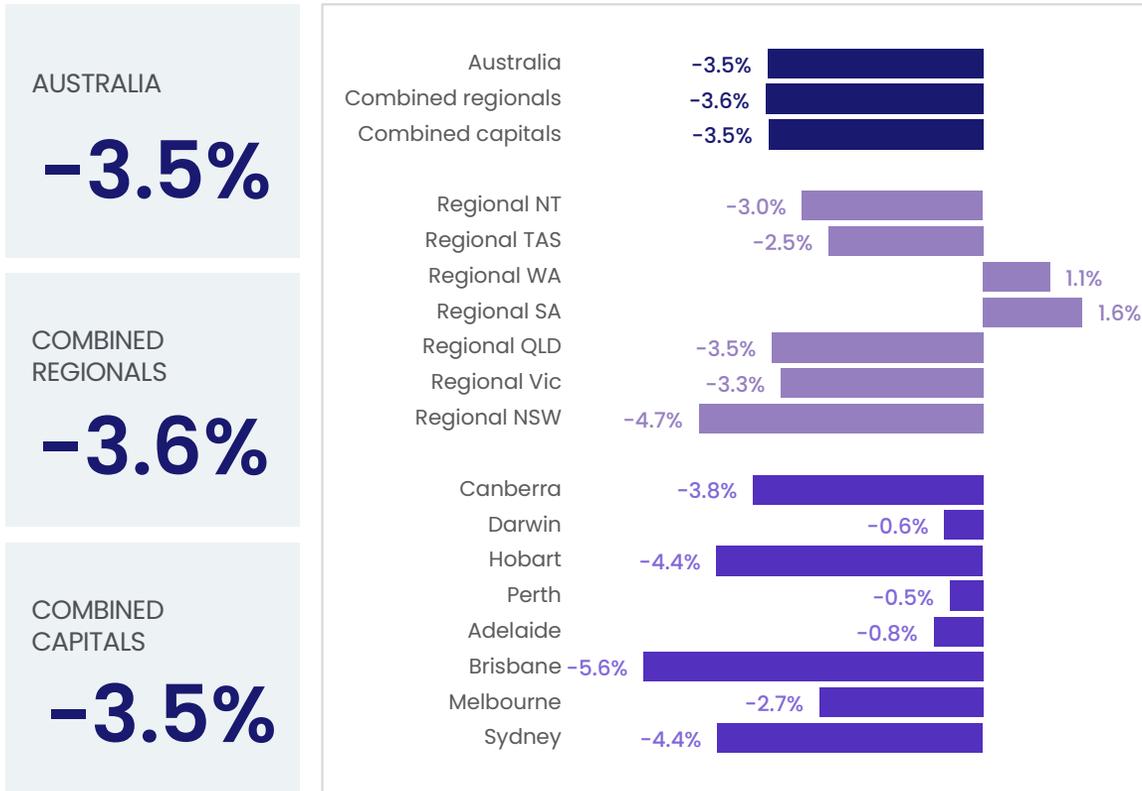
The monthly pace of decline continued to slow through November

November marked the 7th consecutive month of decline in the national home value index. However, the monthly *pace* of decline has been slowing since September.

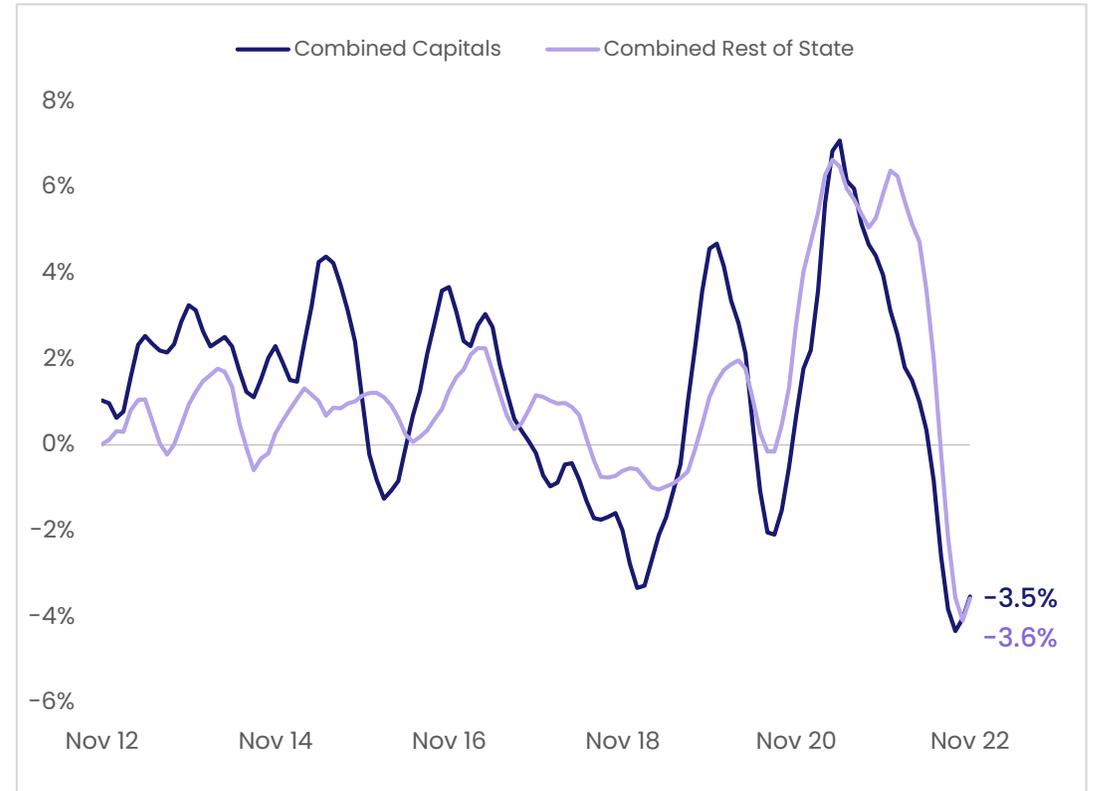
AUSTRALIAN DWELLING VALUES

3 month changes

Change in dwelling values, three months to November 2022



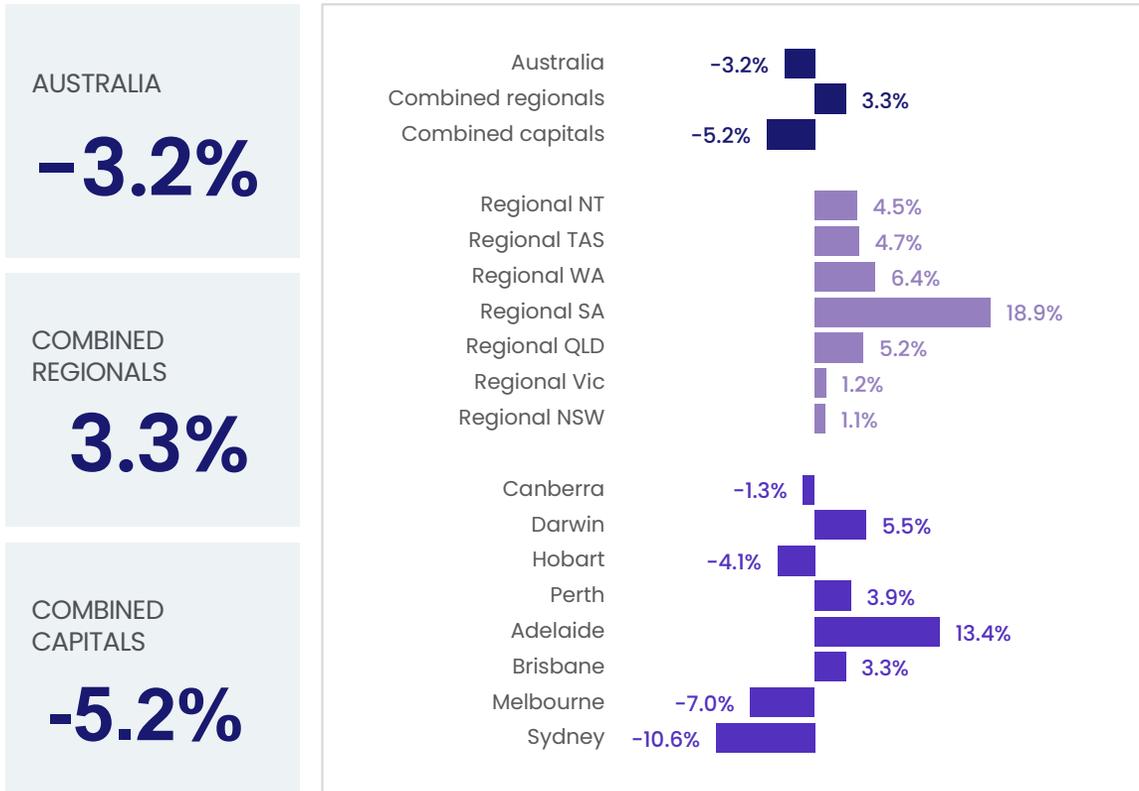
Rolling quarterly change in dwelling values



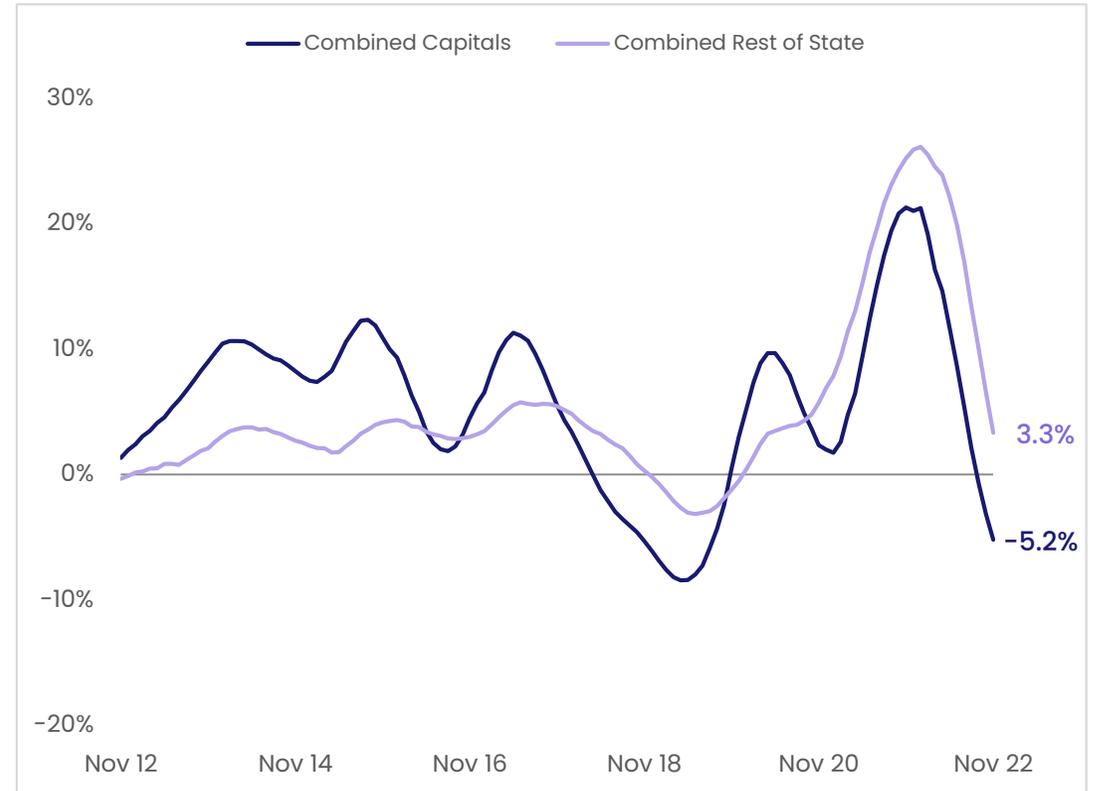
AUSTRALIAN DWELLING VALUES

12 month changes

Change in dwelling values, twelve months to November 2022



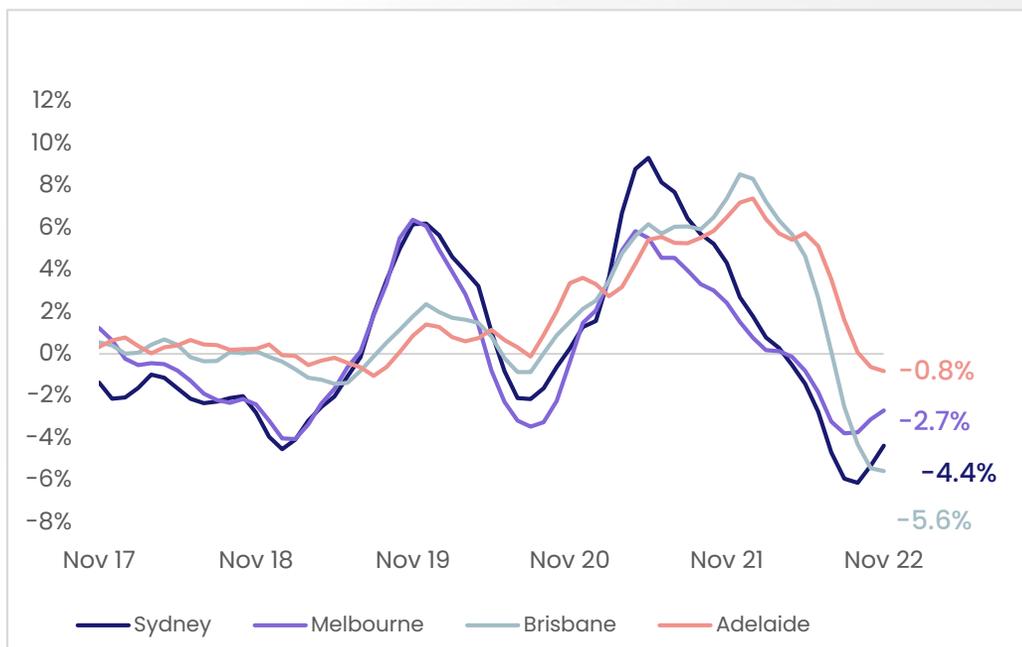
Rolling annual change in dwelling values



AUSTRALIAN DWELLING VALUES

Capital cities

Rolling quarterly change in values, dwellings



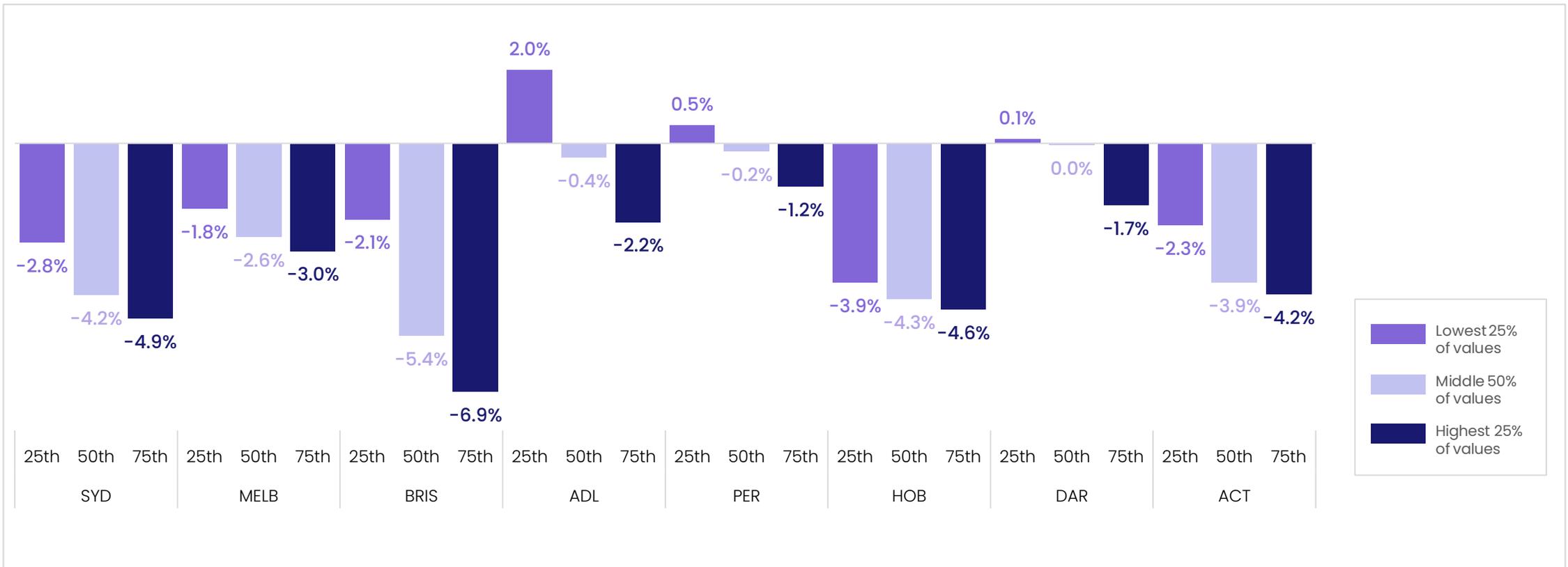
Rolling quarterly change in values, dwellings



AUSTRALIAN DWELLING VALUES

Capital cities

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



Housing cycles

Capital cities

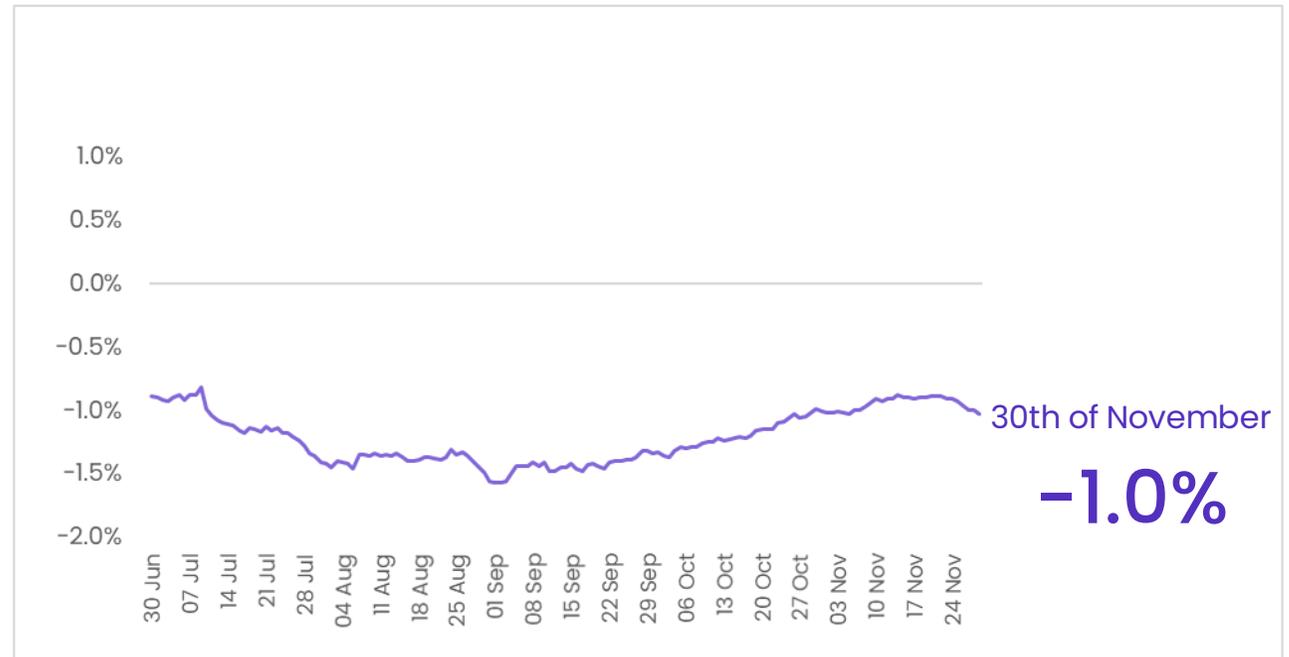


Rolling 28-day growth rate in CoreLogic Daily Home Value index

The rolling 28-day change in the combined capitals home value index was -1.0% through the 28 days ending November 30th.

Towards the end of the month, the rolling 28-day growth rate showed a slight deterioration from -0.9%, to -1.0%.

Combined capital cities



HOUSING CYCLES

Sydney

In November Sydney dwelling values declined

-1.3%

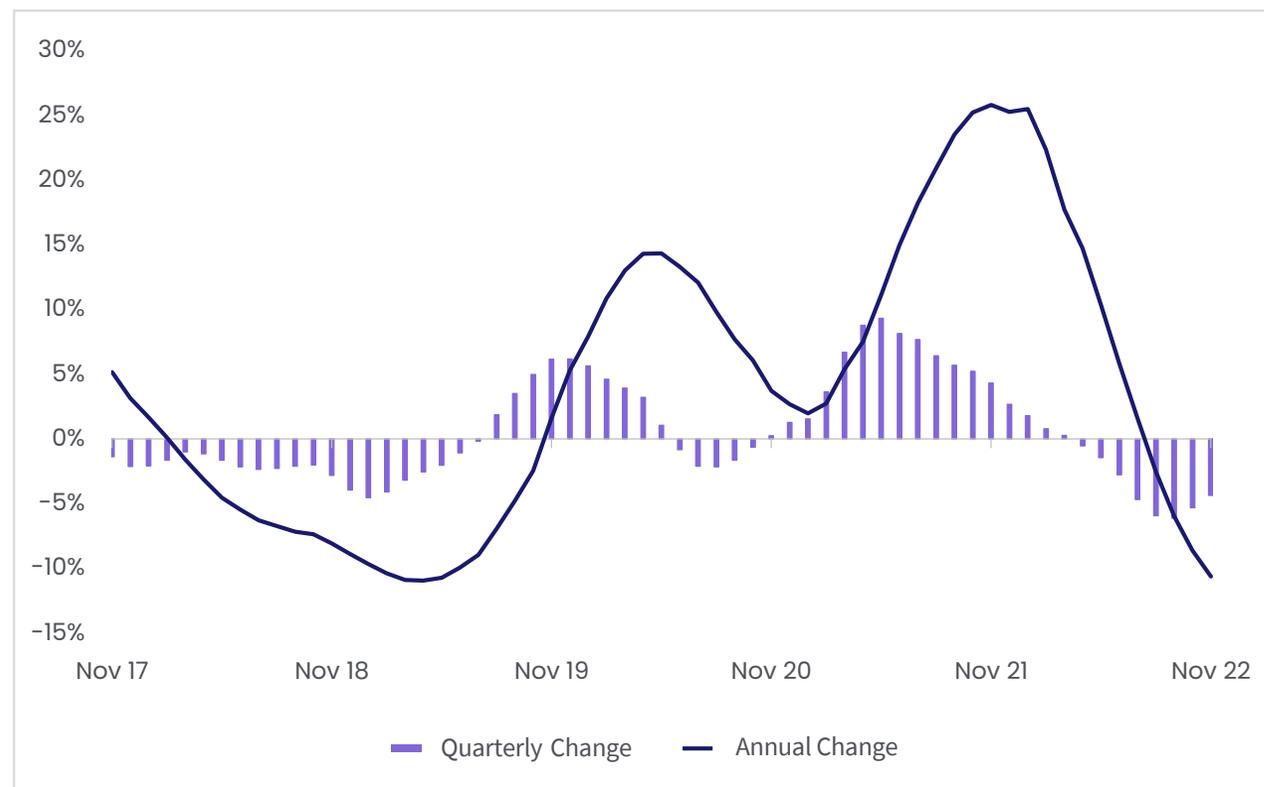
Over the quarter dwelling values decreased by

-4.4%

Over the past year dwelling values decreased by

-10.6%

Sydney dwelling values are now -11.4% below the record high, which was in January 2022.



HOUSING CYCLES

Melbourne

In November Melbourne dwelling values declined

-0.8%

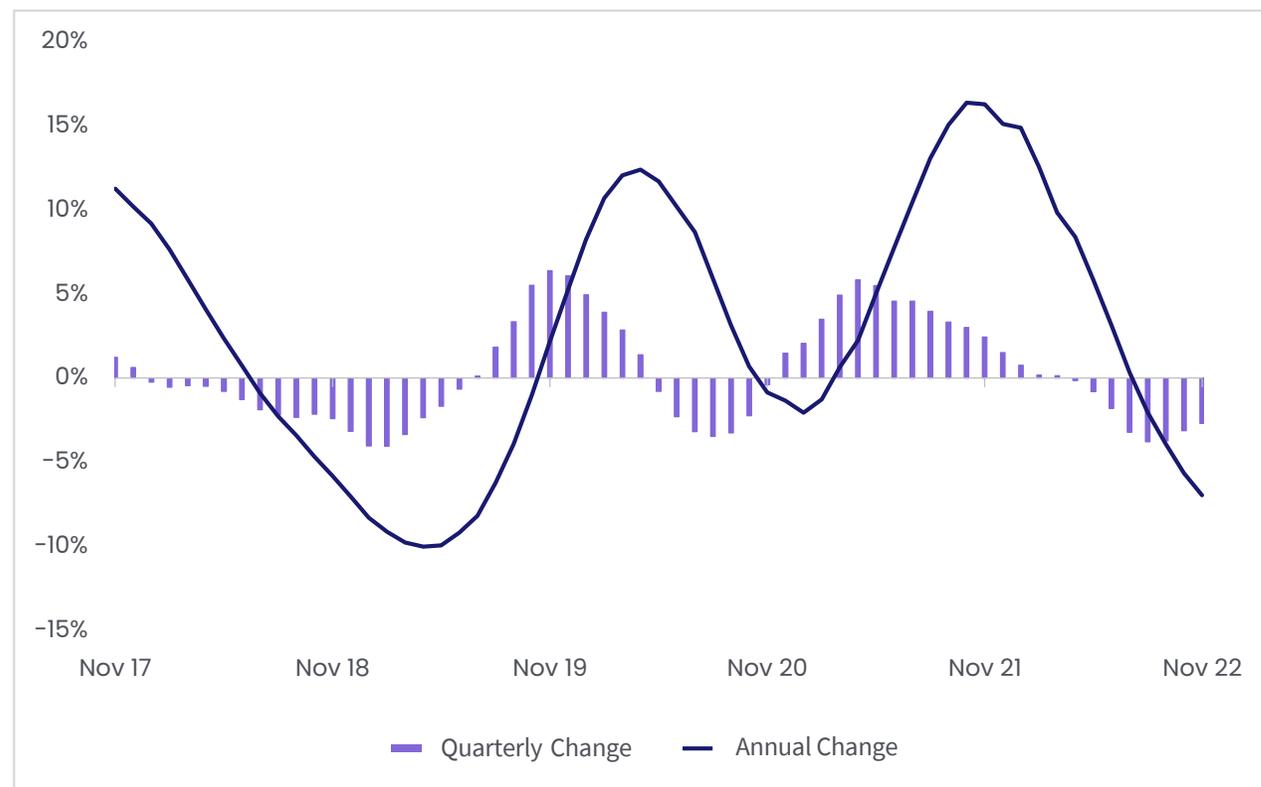
Over the quarter dwelling values decreased by

-2.7%

Over the past year dwelling values decreased by

-7.0%

Melbourne dwelling values are now -7.1% below the record high, which was in February 2022.



HOUSING CYCLES

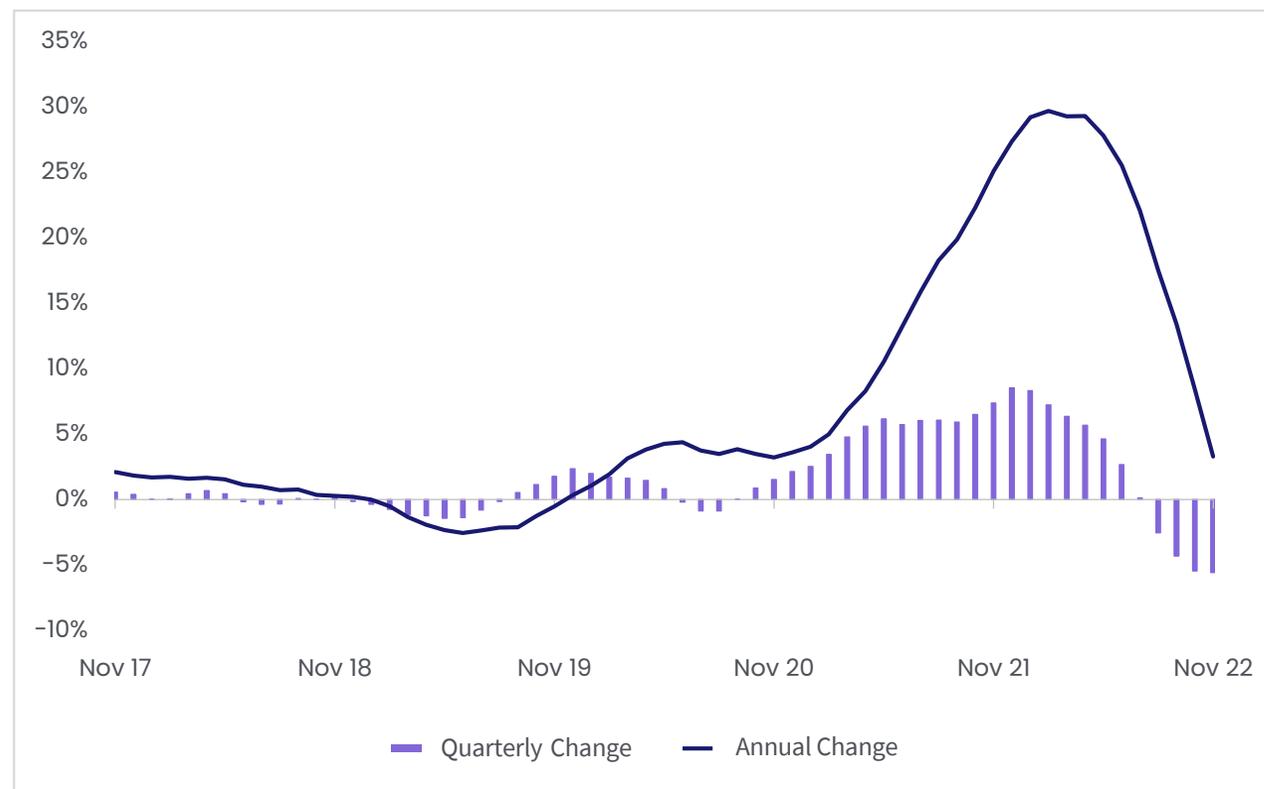
Brisbane

In November Brisbane dwelling values declined **-2.0%**

Over the quarter dwelling values decreased by **-5.6%**

Over the past year dwelling values increased by **3.3%**

Brisbane dwelling values are now -8.1% below the record high, which was in June 2022.



HOUSING CYCLES

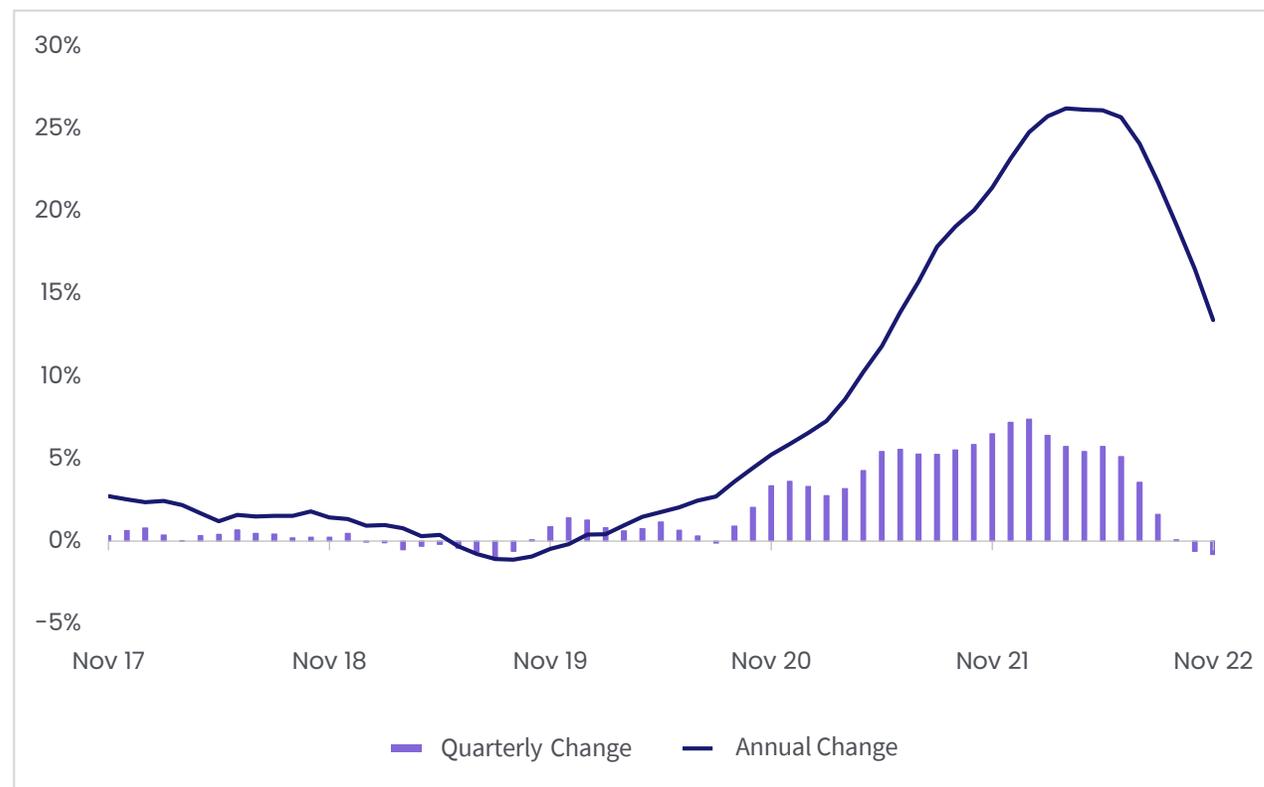
Adelaide

In November Adelaide dwelling values declined **-0.3%**

Over the quarter dwelling values decreased by **-0.8%**

Over the past year dwelling values increased by **13.4%**

Adelaide dwelling values are now -0.9% below the record high, which was in July 2022.



HOUSING CYCLES

Perth

In November Perth dwelling values were unchanged

0.0%

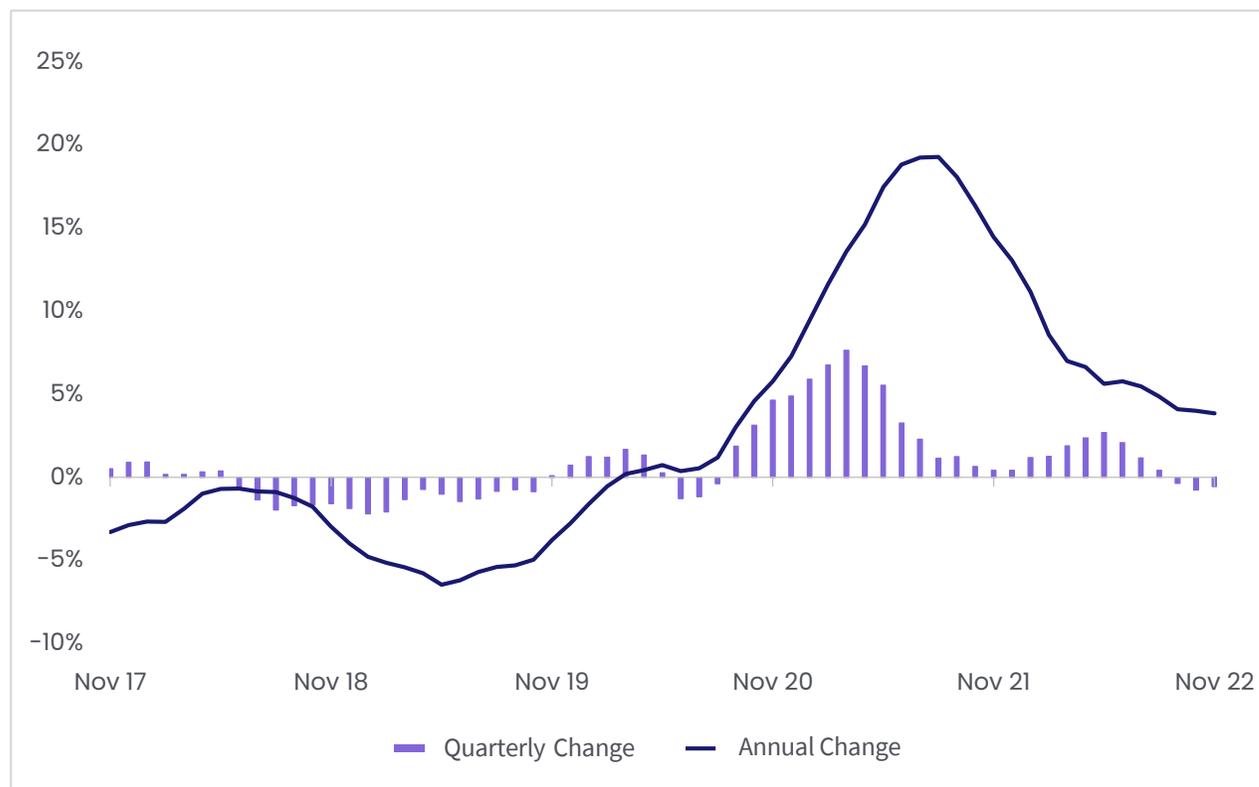
Over the quarter dwelling values decreased by

-0.5%

Over the past year dwelling values increased by

3.9%

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



HOUSING CYCLES

Hobart

In November Hobart dwelling values declined

-2.0%

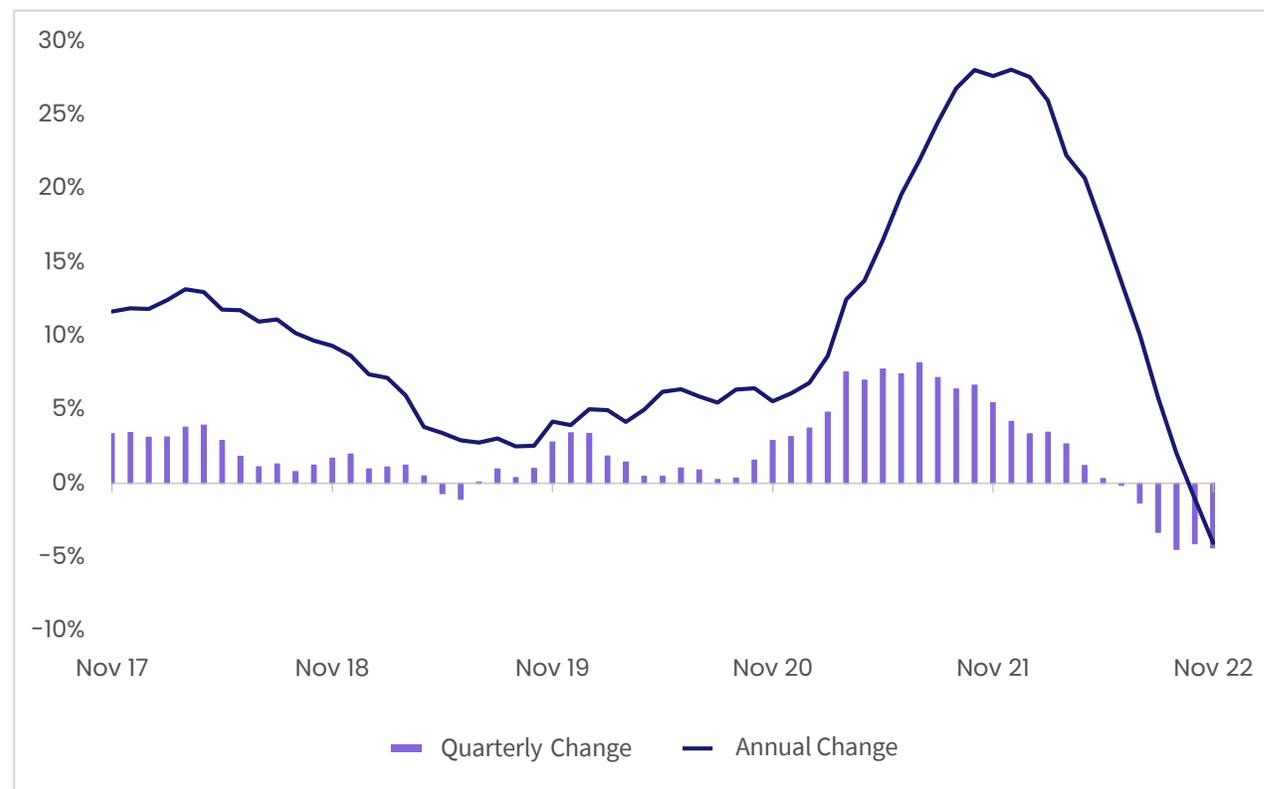
Over the quarter dwelling values decreased by

-4.4%

Over the past year dwelling values decreased by

-4.1%

Hobart dwelling values are now -7.6% below the record high, which was in May 2022



HOUSING CYCLES

Darwin

In November Darwin dwelling values rose by

0.2%

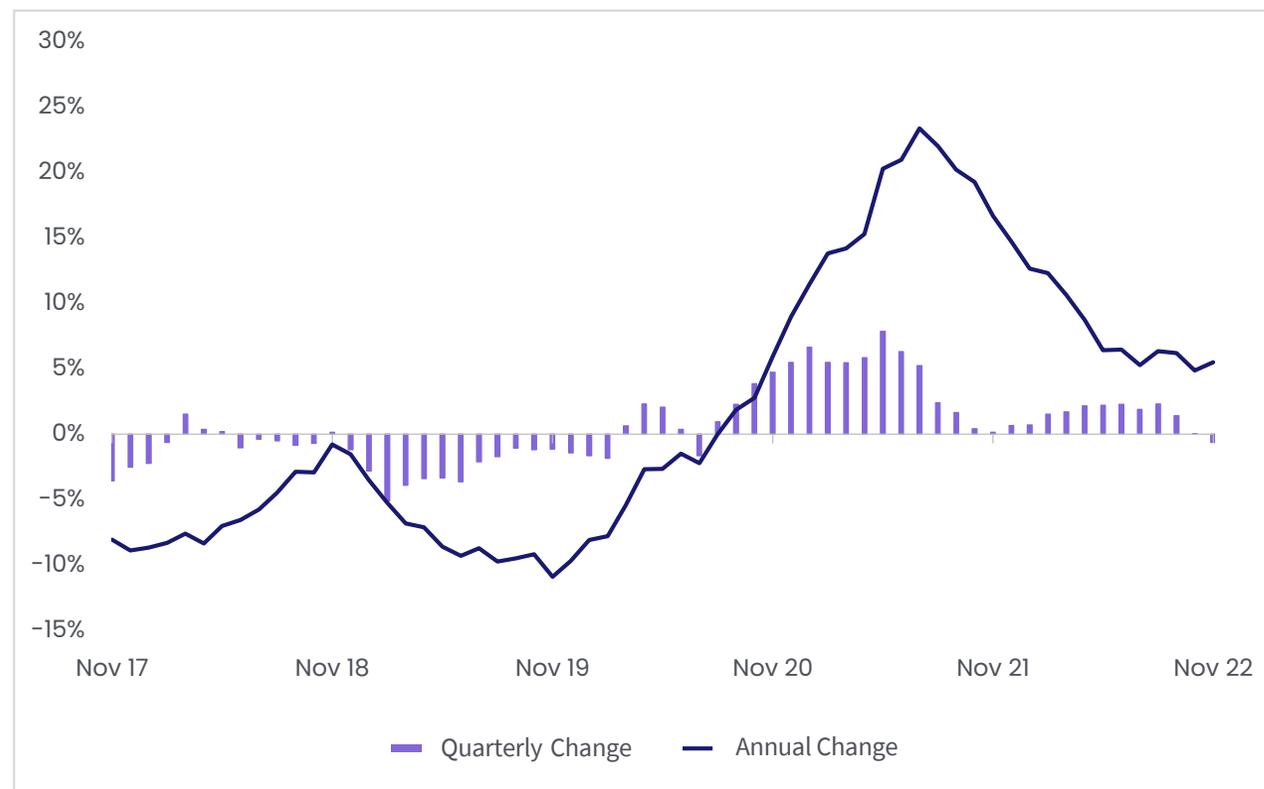
Over the quarter dwelling values decreased by

-0.6%

Over the past year dwelling values increased by

5.5%

Darwin dwelling values are now -10.6% below the record high, which was in May 2014.



HOUSING CYCLES

Canberra

In November, Canberra dwelling values declined by

-1.2%

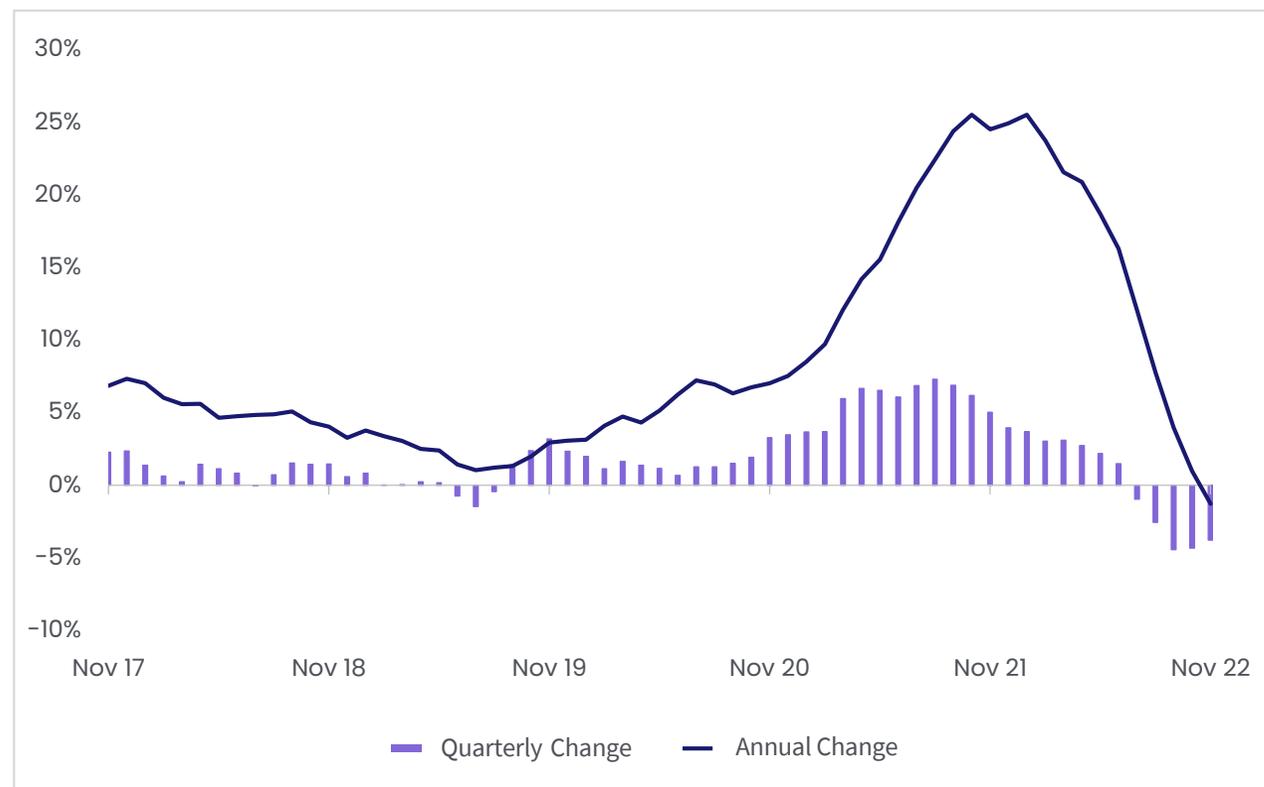
Over the quarter dwelling values decreased by

-3.8%

Over the past year dwelling values decreased by

-1.3%

Canberra dwelling values are now -6.5% below the record high, which was in June 2022.



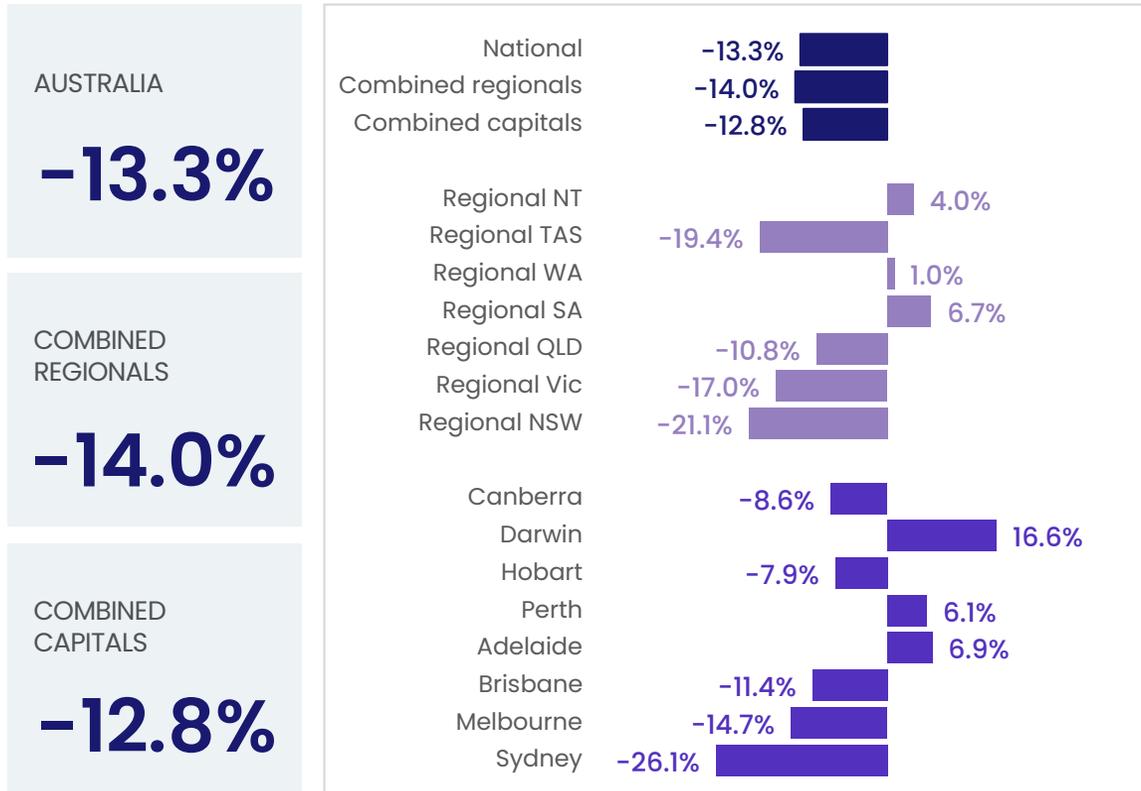
Sales and listings



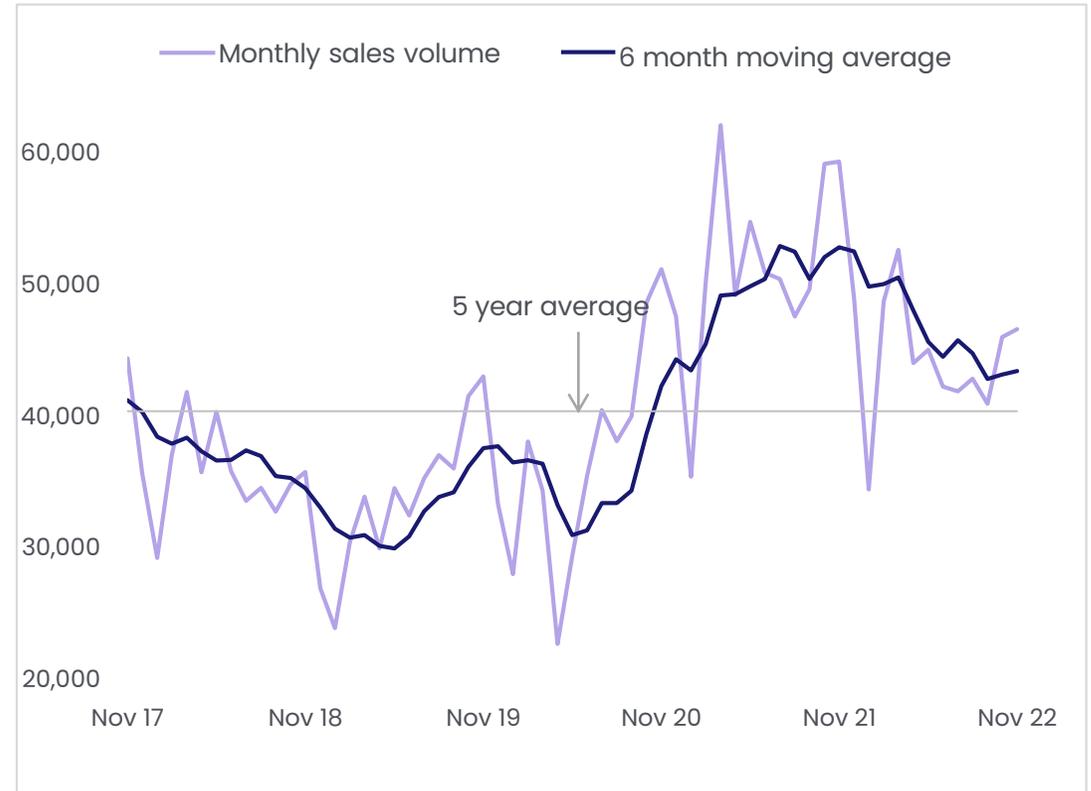
NATIONAL SALES

Sales volumes are trending lower as buyer demand slows. CoreLogic estimates that in the 12 months to November, there were 535,356 sales nationally, down -13.3% compared to the previous year. Sales estimates are still 10.8% above the decade average annual sales volume.

Change in sales volumes, twelve months to November 2022



Monthly sales with six month moving average, National

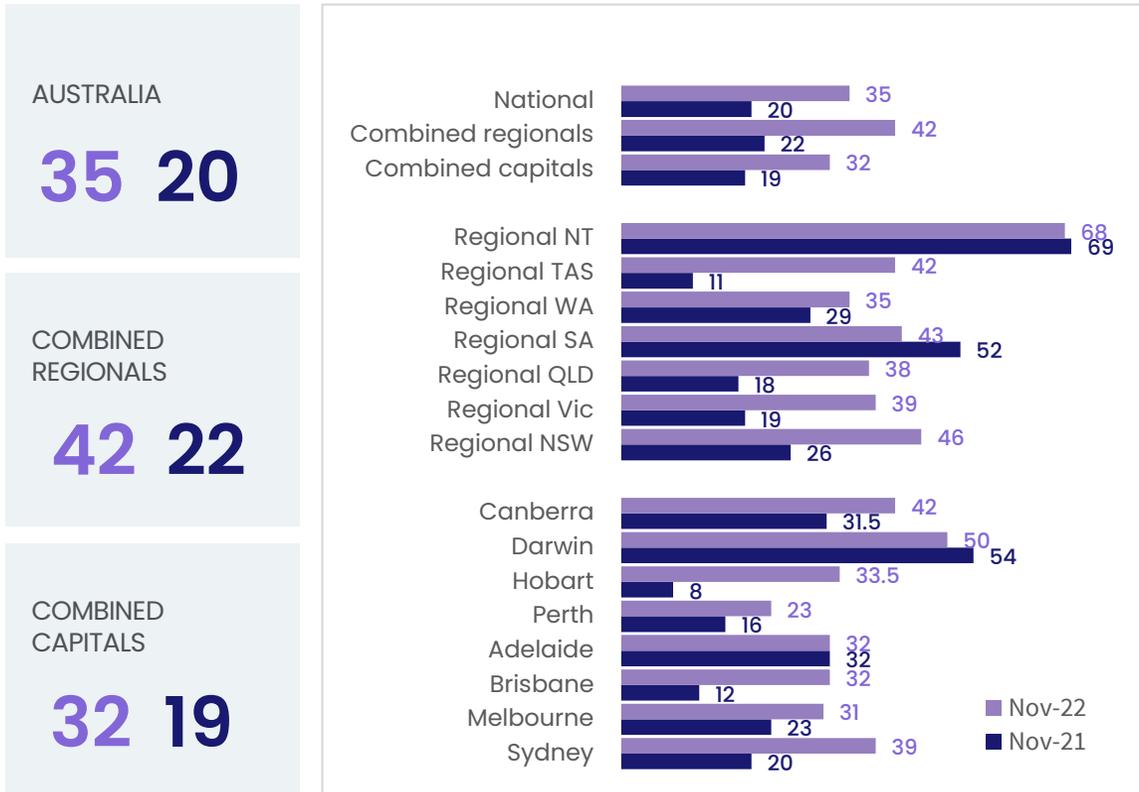


Note: recent months of sales volumes are modelled estimates, and are subject to revision

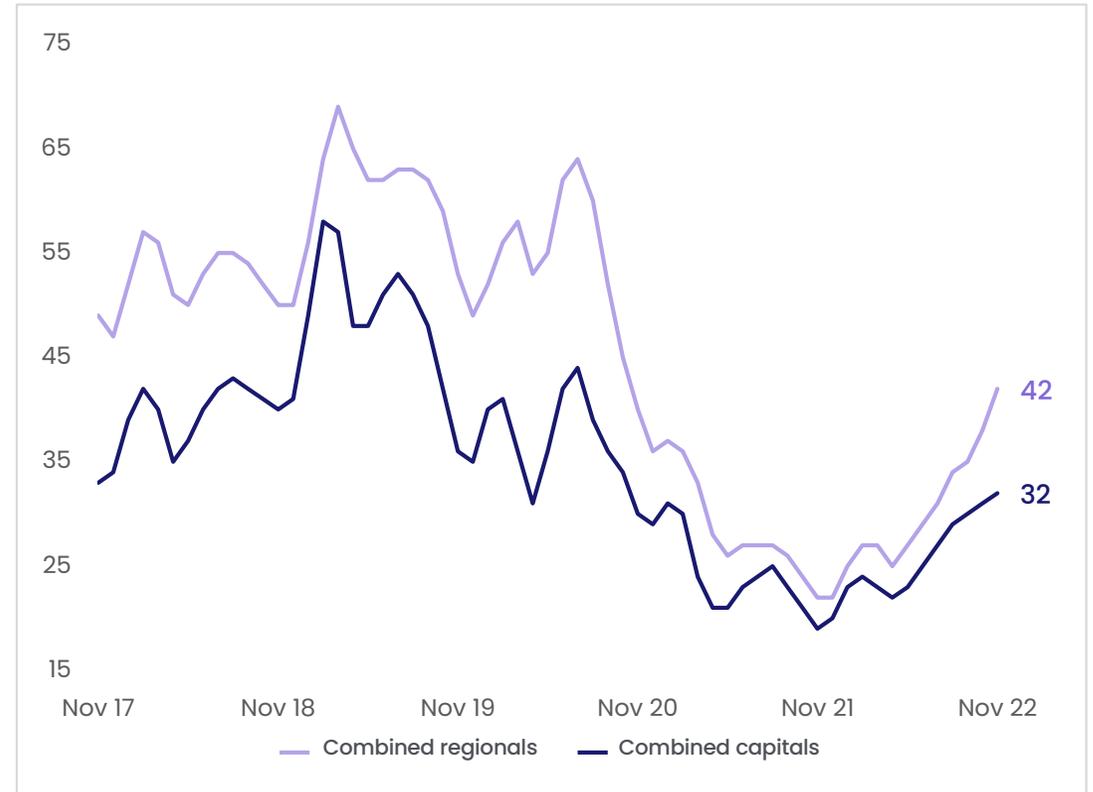
MEDIAN DAYS ON MARKET

At the national level, properties are taking longer to sell. In the three months to November, the median days on market was 35, up from a low of 20 days in the same period of 2021.

Median days on market – three months to November 2022



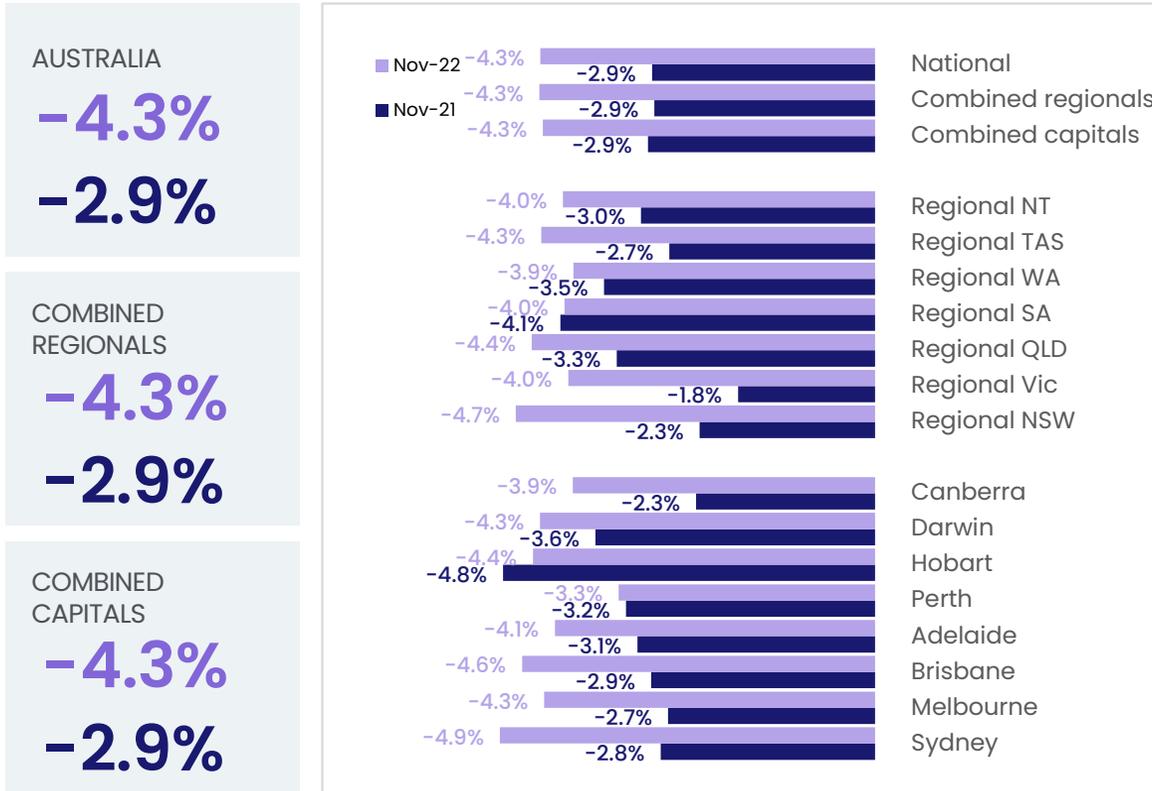
Median days on market



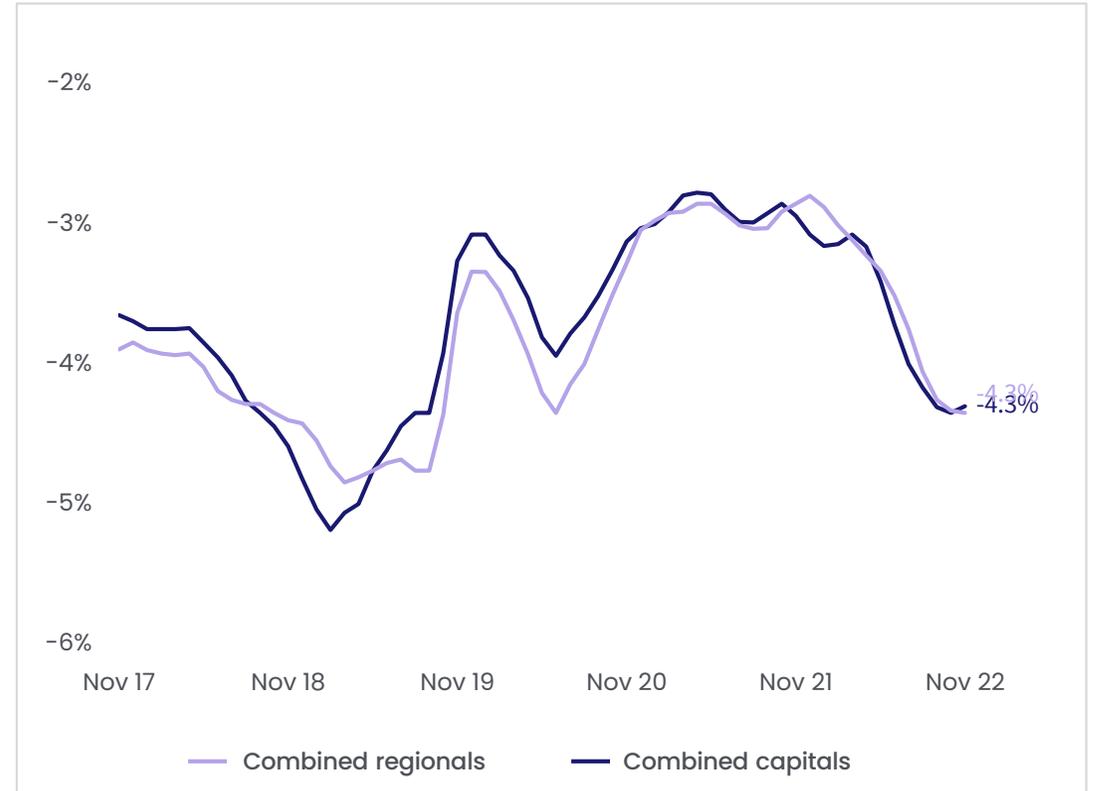
VENDOR DISCOUNT

Similarly, vendor discounting has also expanded from -2.9% in the three months to November last year. In the three months to November 2022, the median vendor discount at the national level was -4.3%.

Median vendor discount – three months to November 2022



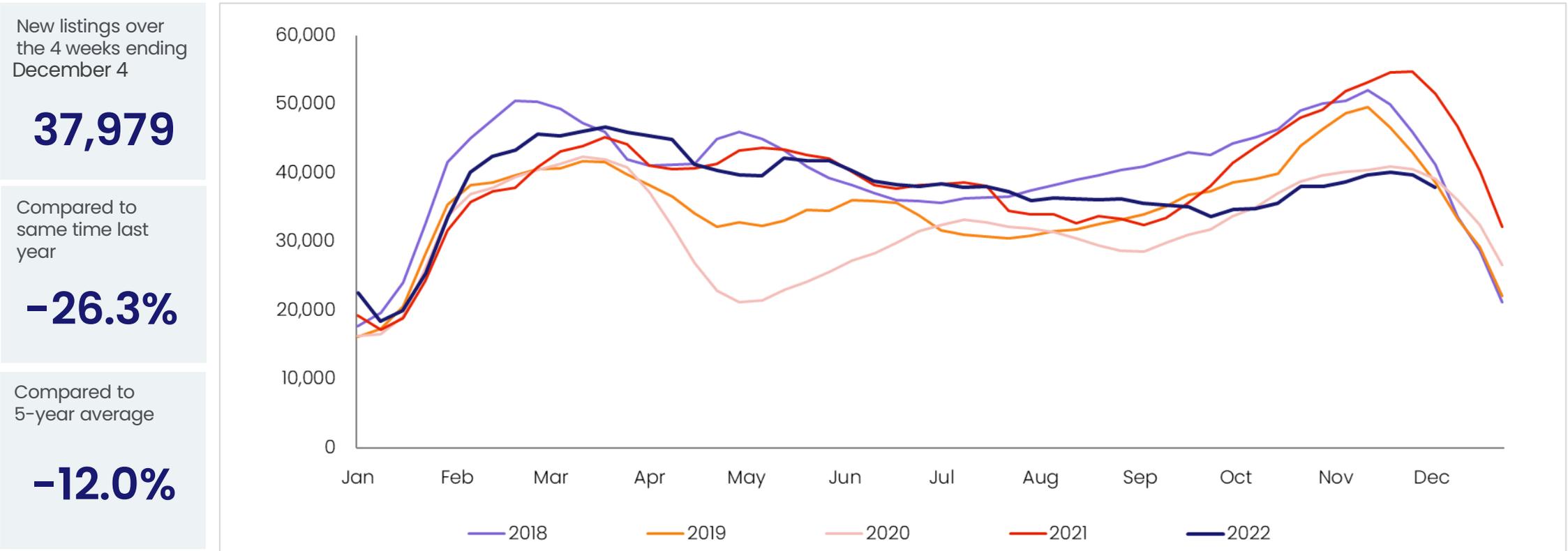
Median vendor discount



LISTINGS

In the four weeks to December 4, new listings volumes remained low. At 37,979, the new listings trend is moving through a modest seasonal uplift. New listings volumes were -12.0% lower than the previous five year average.

Number of new listings, National Dwellings



LISTINGS

At the national level, total listings were fairly steady through to the start of December. 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 December 4

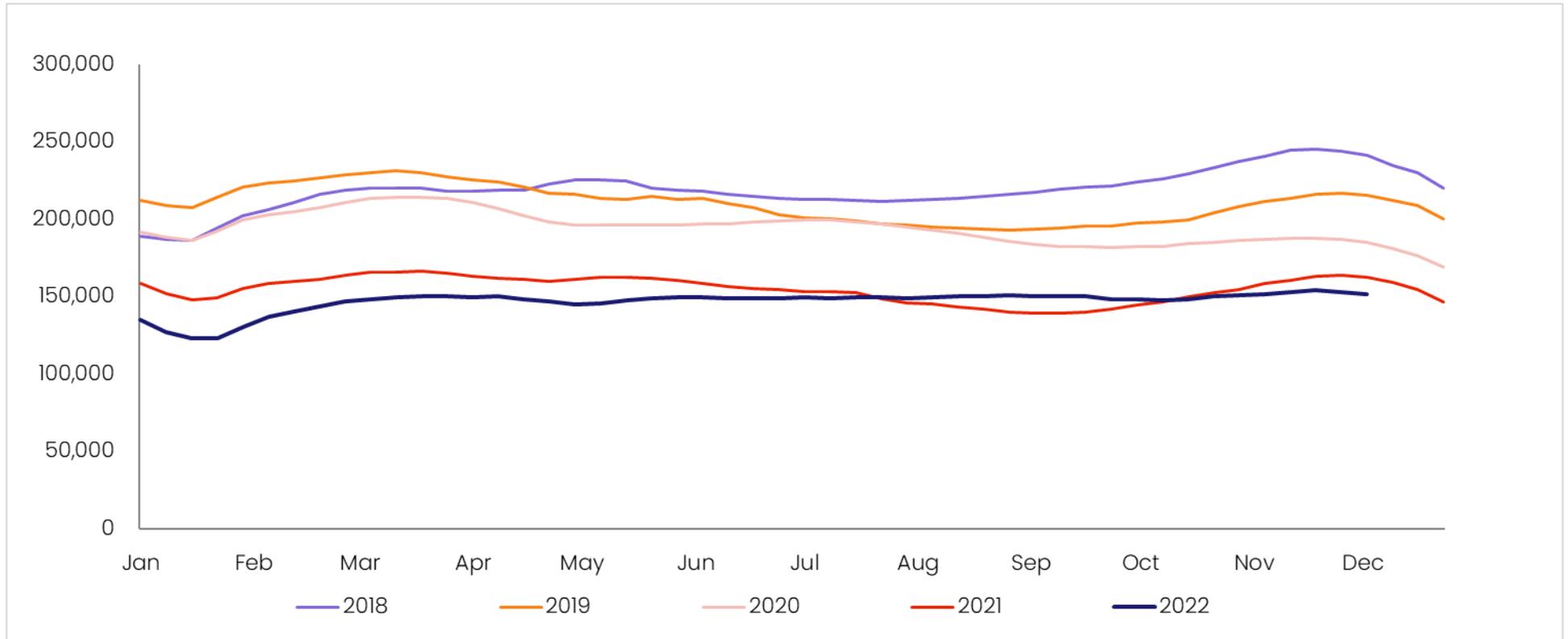
151,577

Compared to same time last year

-6.7%

Compared to 5-year average

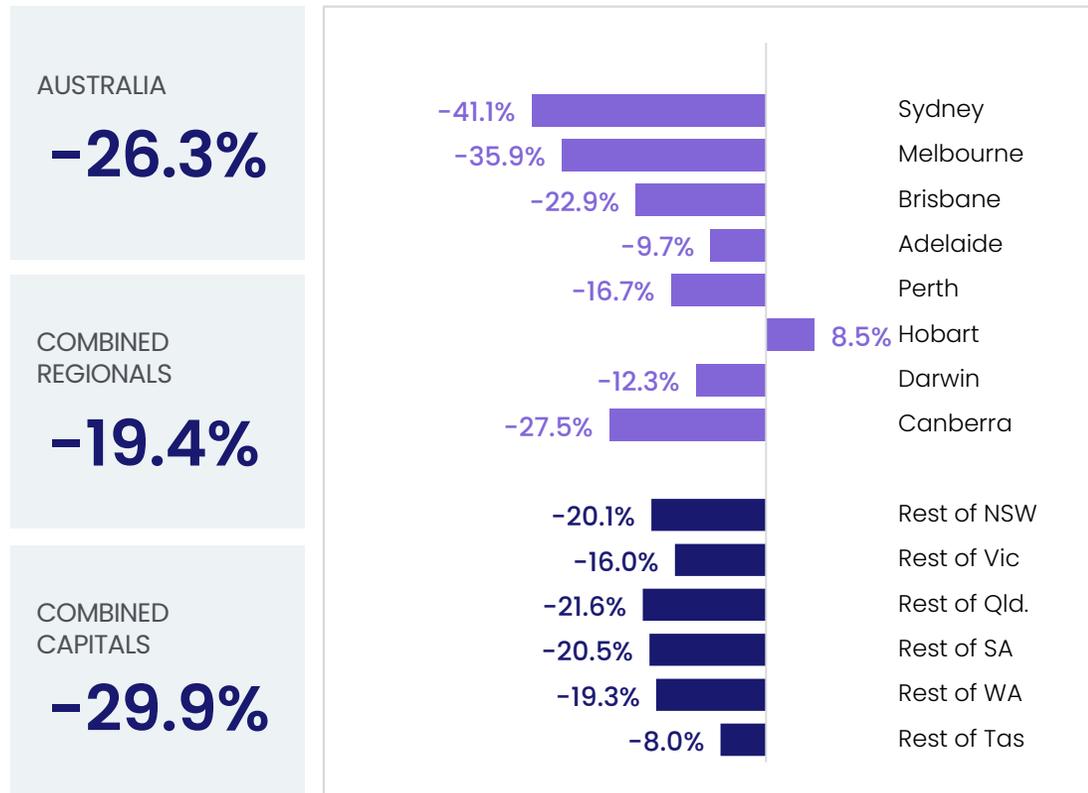
-26.3%



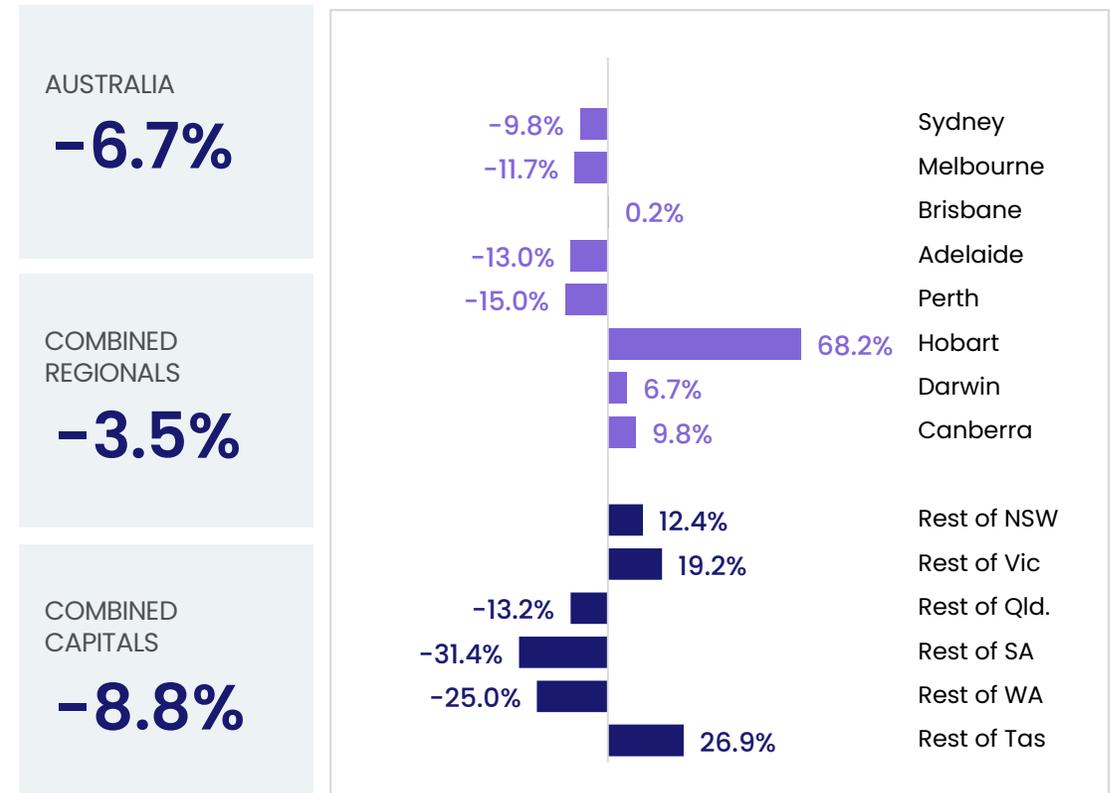
LISTINGS

Total advertised stock levels are once again relatively low across Australia, though stock is rising in Hobart, off a very low base. During the upswing, national stock levels were low as a result of strong absorption from sales. As housing values decline, advertised stock levels have reduced due to lower vendor activity.

New listings, change from equivalent period last year



Total listings, change from equivalent period last year

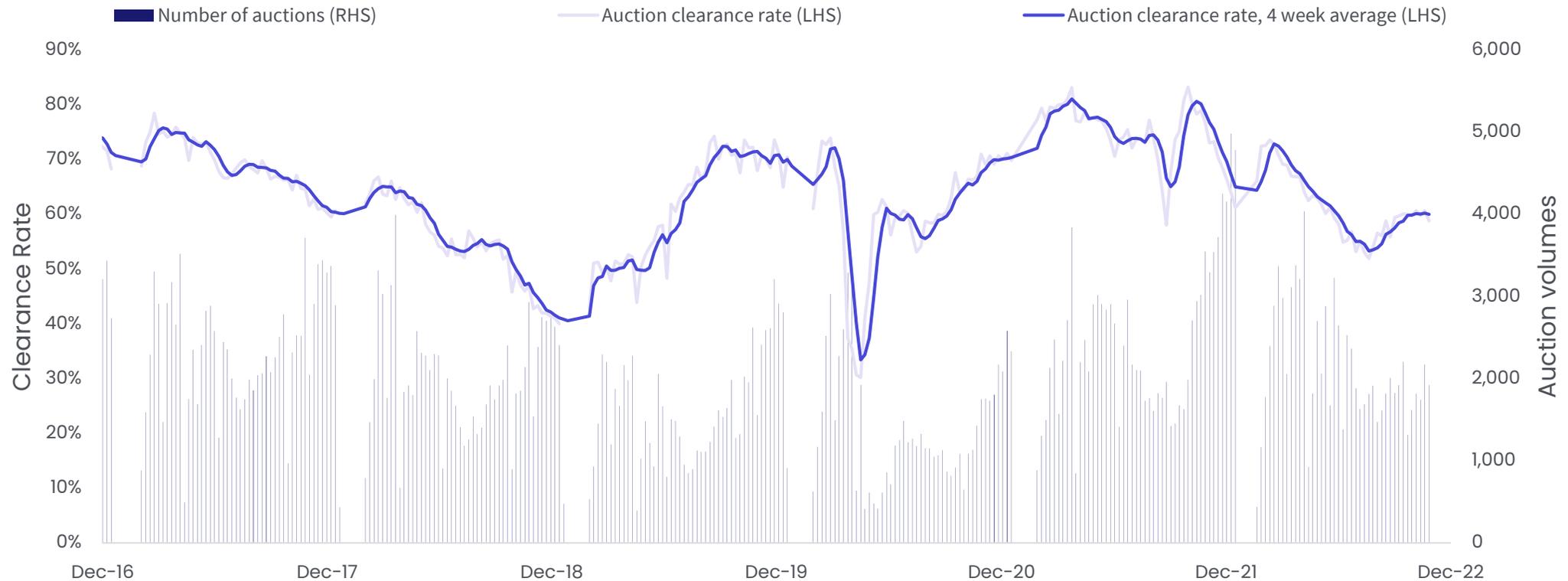


Data is for the four weeks ending 4 December

WEEKLY CLEARANCE RATES

The combined capital cities clearance rate shifted slightly lower over the four weeks to December 4th, averaging 58.0%. This is down from an average of 59.5% in the previous four week period.

Weekly clearance rates, combined capital cities



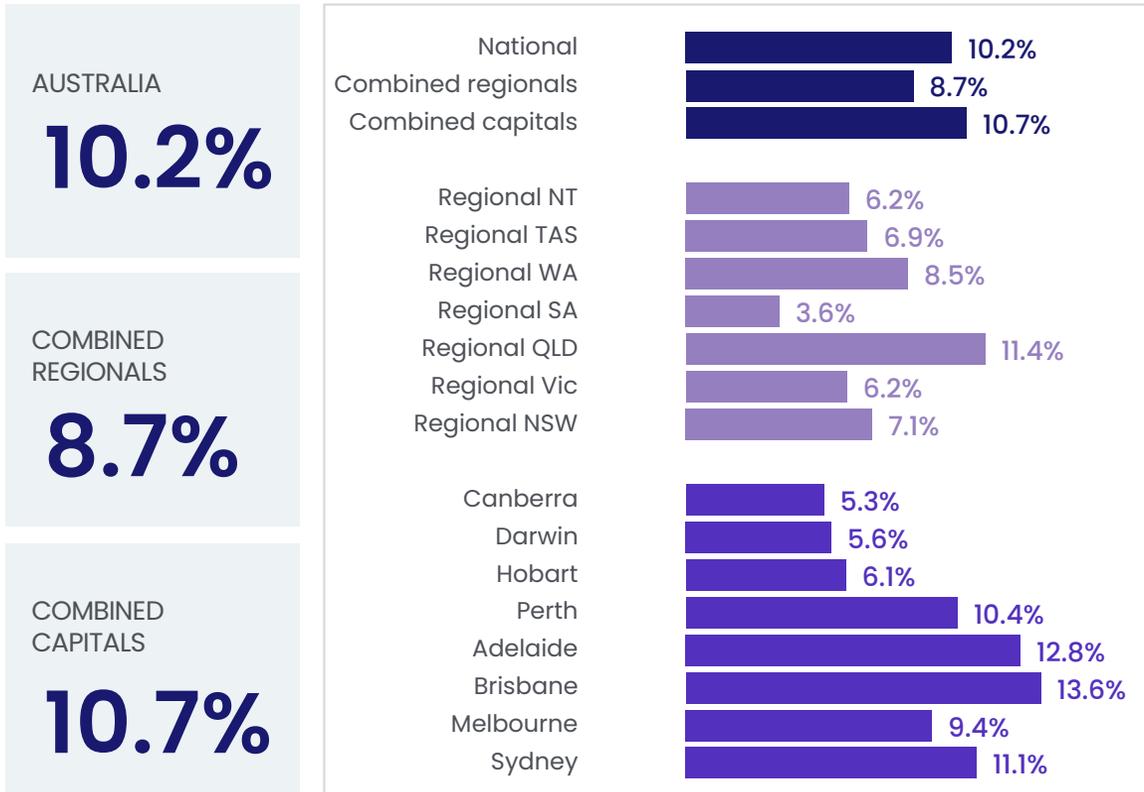
Rental market



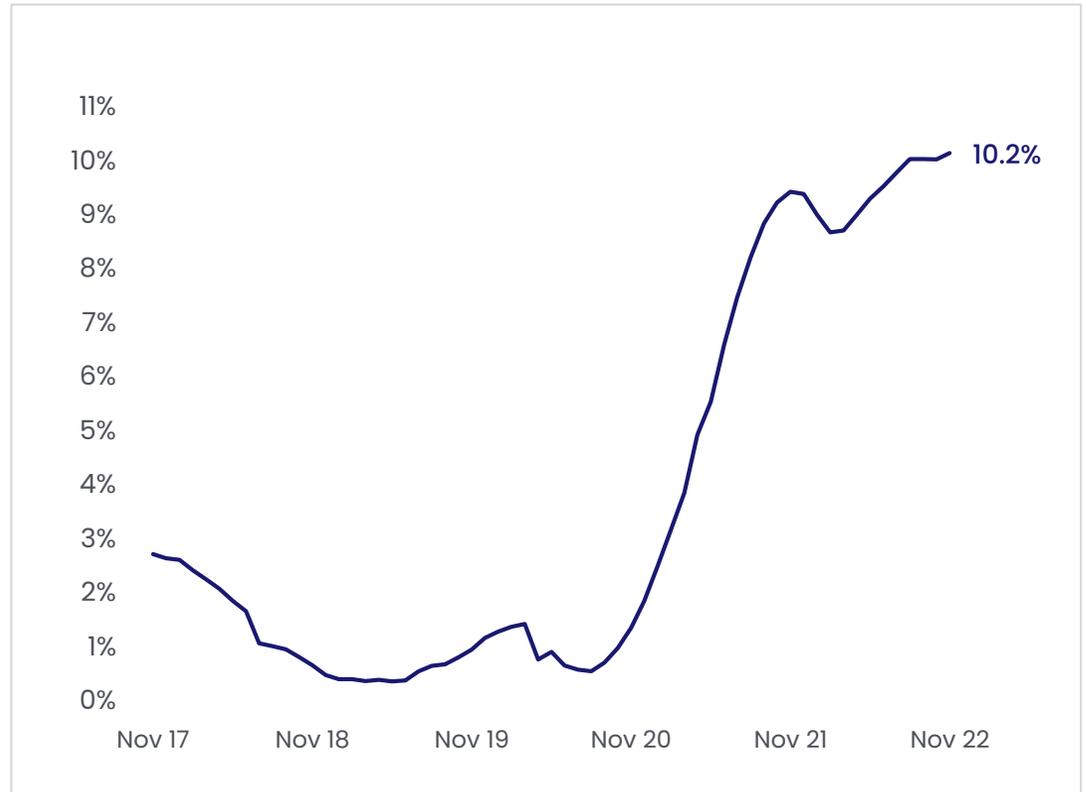
RENTAL RATES

Annual growth in rent values has re-accelerated. Annual growth in Australian rent values was 10.2% in the 12 months to November, a record high. This has partially been driven by growth in unit rents across Sydney, Melbourne and Brisbane, where rents have increased around 14-15% annually.

Annual change in rental rates to November 2022



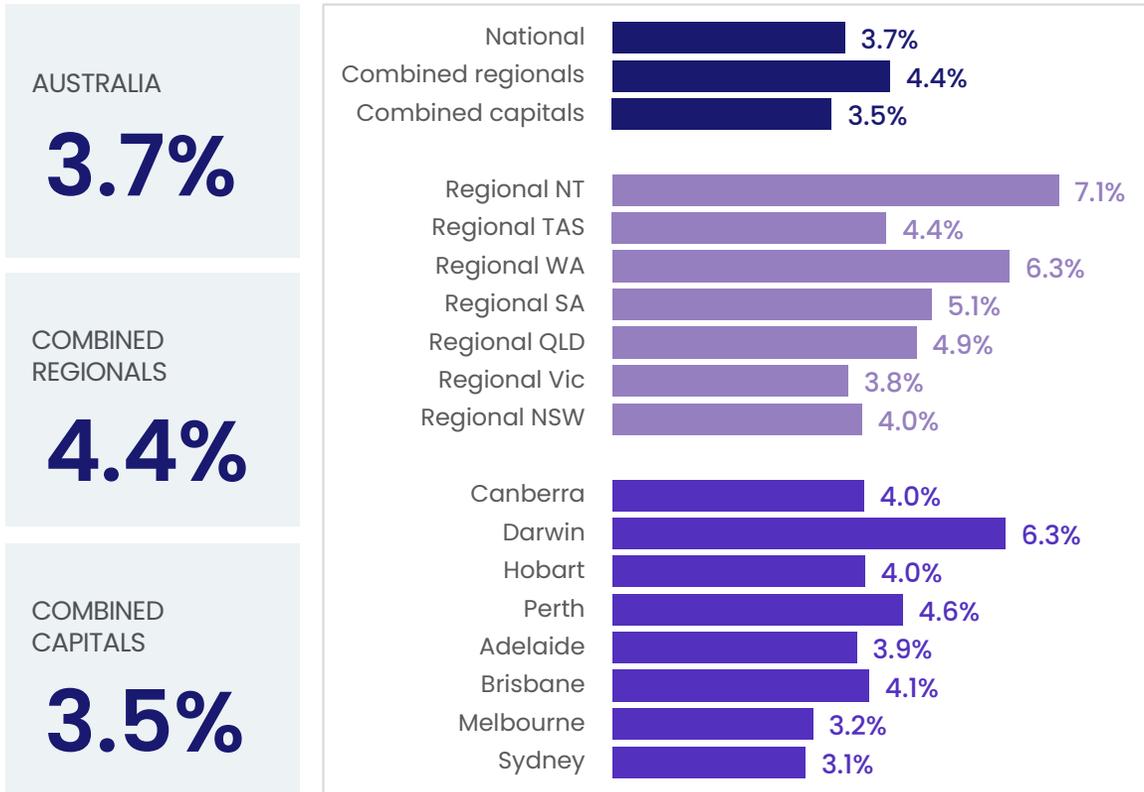
Annual change in rental rates - National



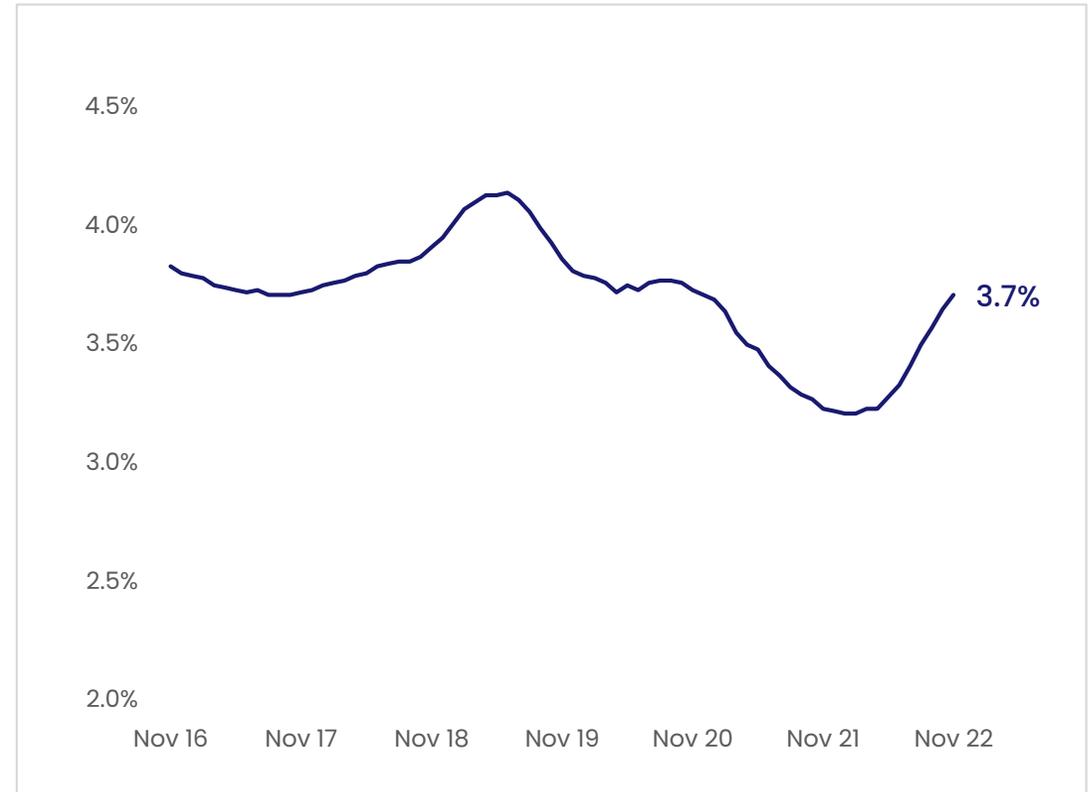
RENTAL YIELDS

Through October, Australian gross rent yields rose to 3.71%, up from a recent low of 3.21% in January this year. Since the end of 2021, gross rent yields in Sydney have lifted 66 basis points, and 46 basis points in Melbourne.

Gross rental yields, November 2022



Gross rental yields



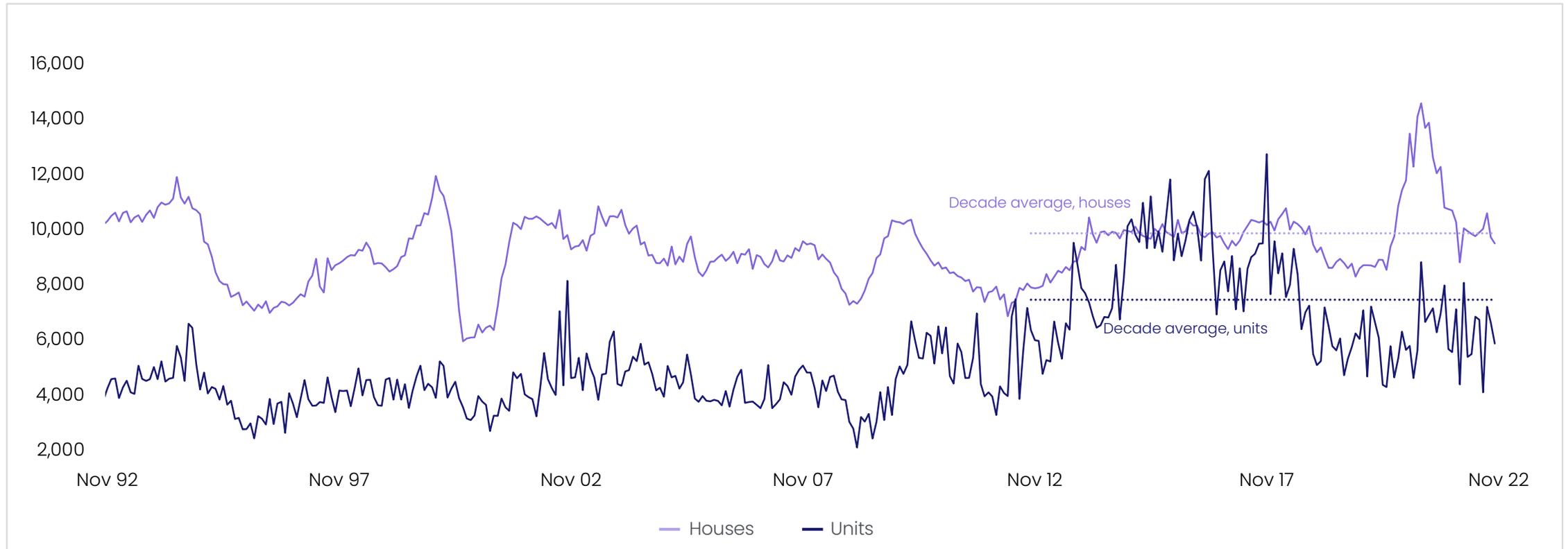
Dwelling approvals & housing credit



DWELLING APPROVALS

Dwelling approvals declined -6.0% in October, led by a -11.3% drop in new unit approvals. House approvals also fell -2.4% in the month, below the decade average of 9,876, to 9,502.

Monthly house v unit approvals, National

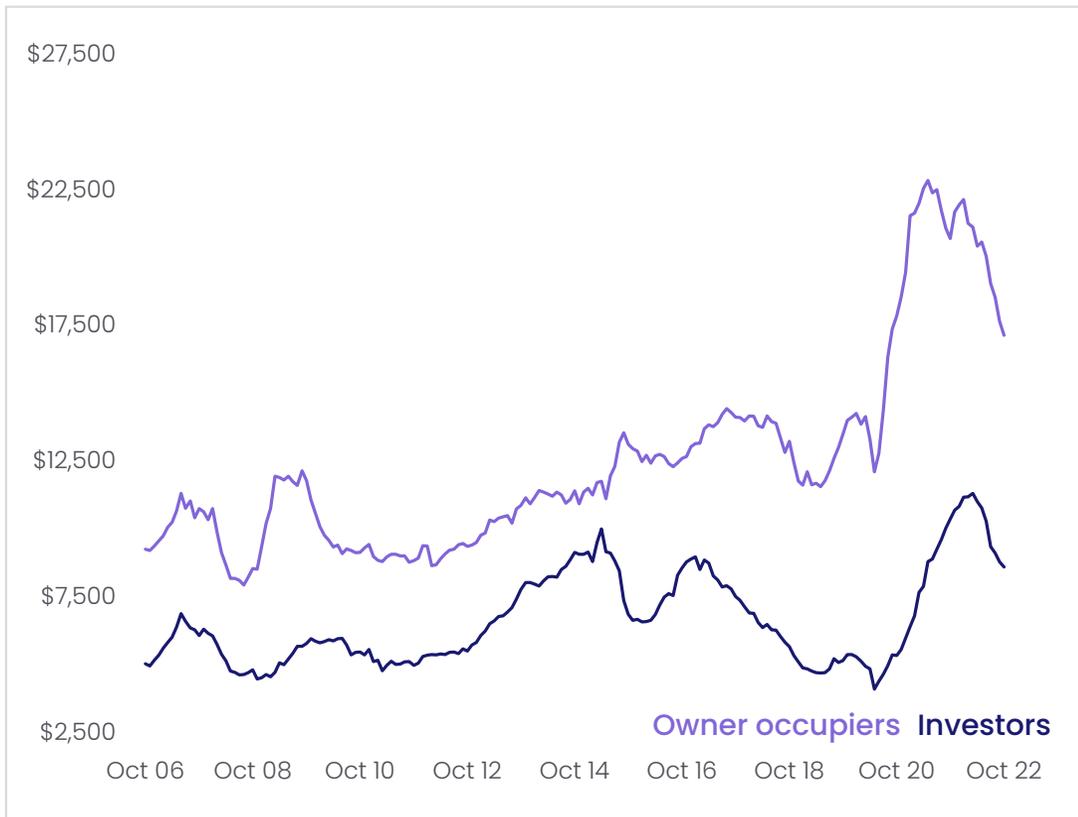


Source: ABS

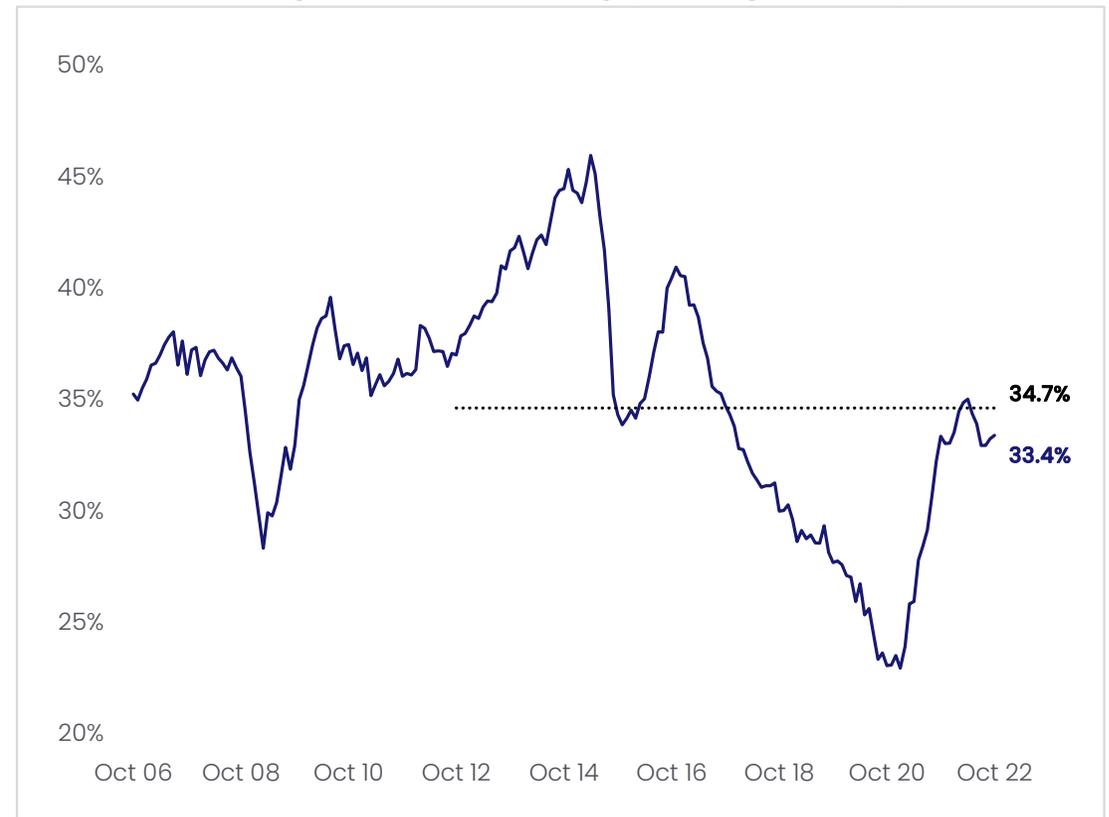
FINANCE & LENDING

Housing finance secured totaled \$25.8 billion in October. The value of secured housing finance fell -2.7% in the month, taking new housing lending -17.1% lower over the year. Investor finance fell -2.2% in the month, compared with a -2.9% fall in owner occupied lending.

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



Portion of new lending for investment housing (excluding refinance)

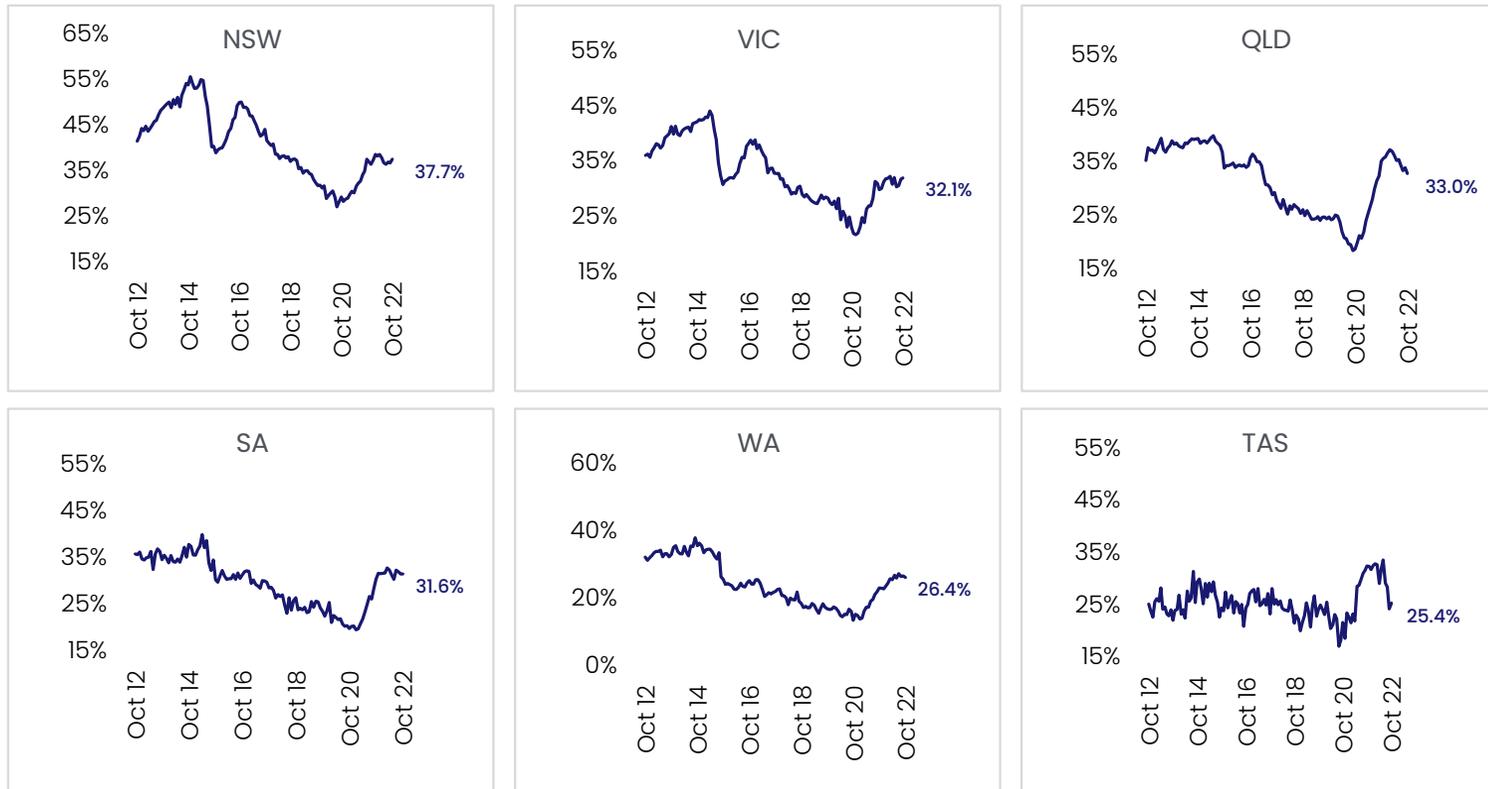


Source: ABS

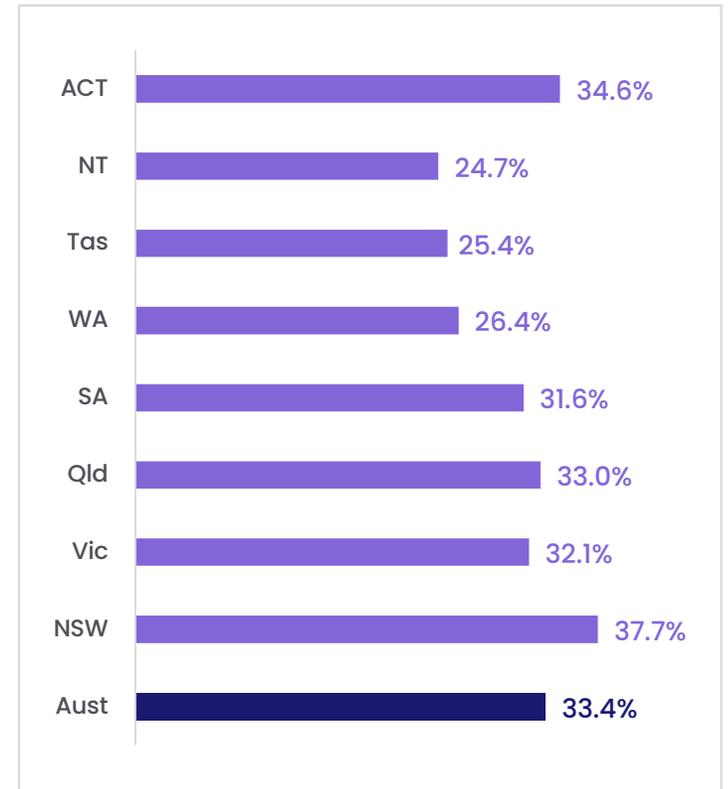
INVESTORS & LENDING

Nationally, investor finance comprised 33.4% of new mortgage lending through the month of October. This is below the decade average of 34.7%. October marked the second 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 (October '22)

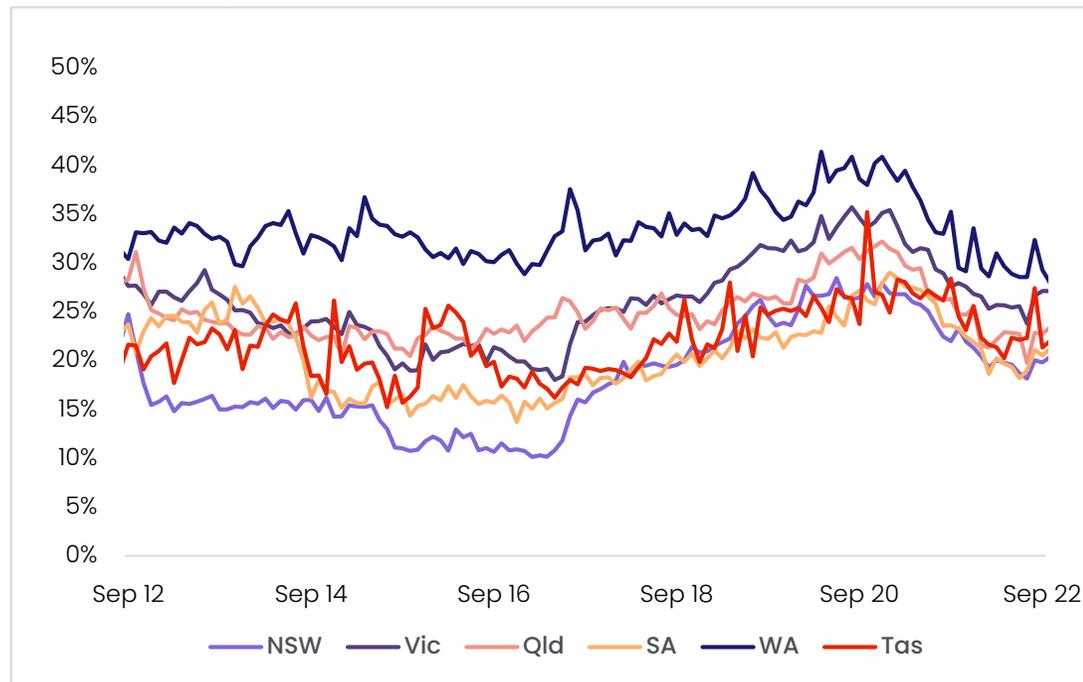


Source: ABS

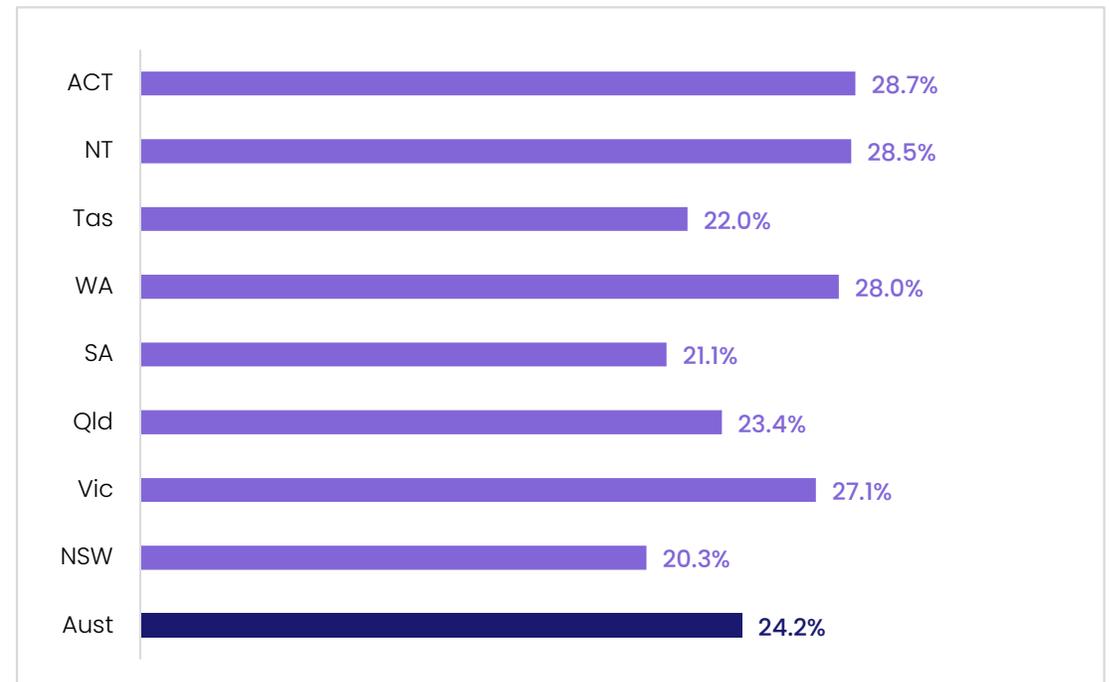
FIRST HOME BUYERS

The value of first home buyer finance fell -1.6% through October. This was smaller than the rate of decline in owner occupier finance overall, pushing the portion of first home buyer finance higher as a share of owner occupied lending nationally.

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 '22)



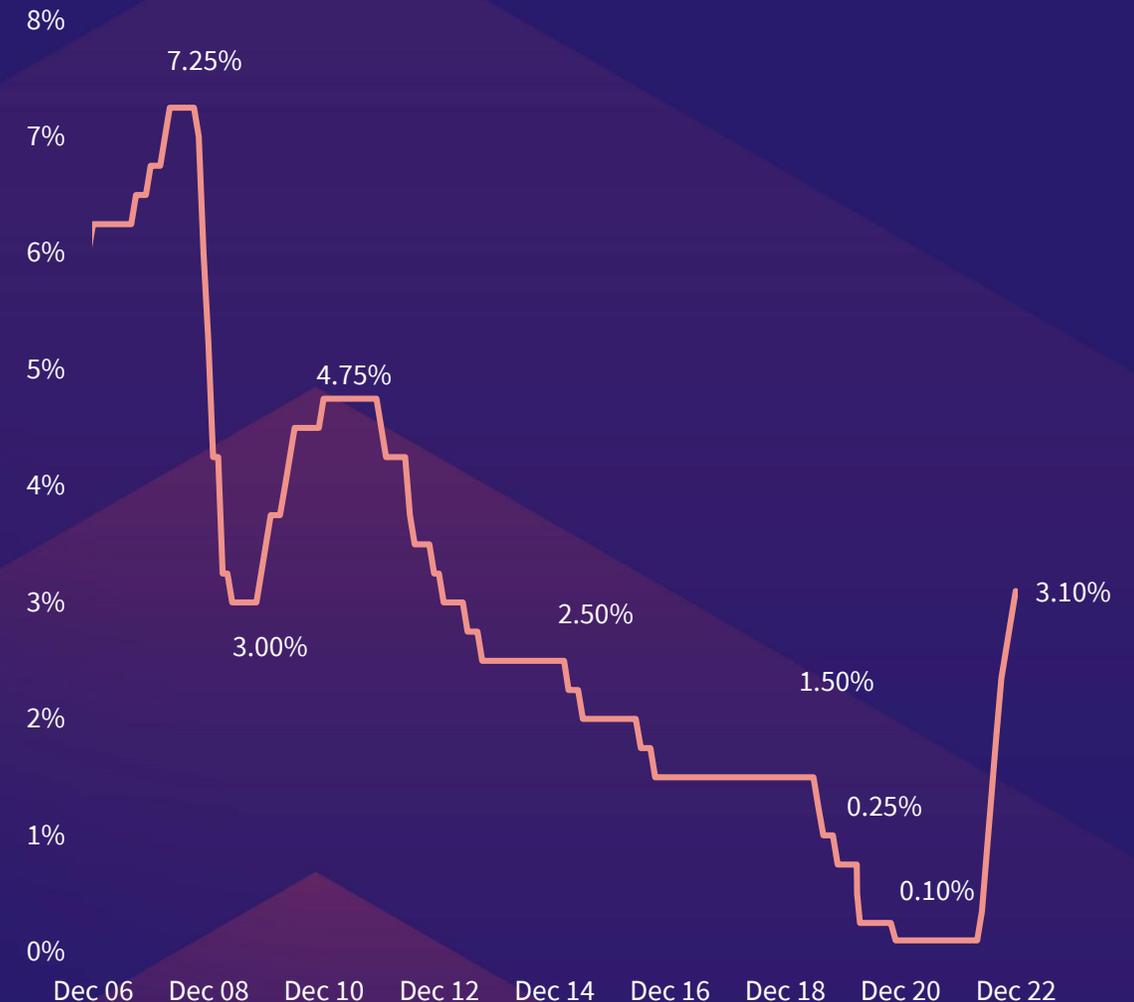
Source: ABS

The RBA lifted the cash rate to 3.1% in December

Statement highlights

- The Board has increased the underlying cash rate target a further 25 basis points through December.
- Inflation in Australia remains too high, with 6.9% growth in CPI to October.
- 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, with the unemployment rate falling to 3.4% in October, the lowest level since 1974.
- The Board expects further increases in the cash rate ahead, as it remains 'resolute' in returning inflation to target.

RBA Cash Rate



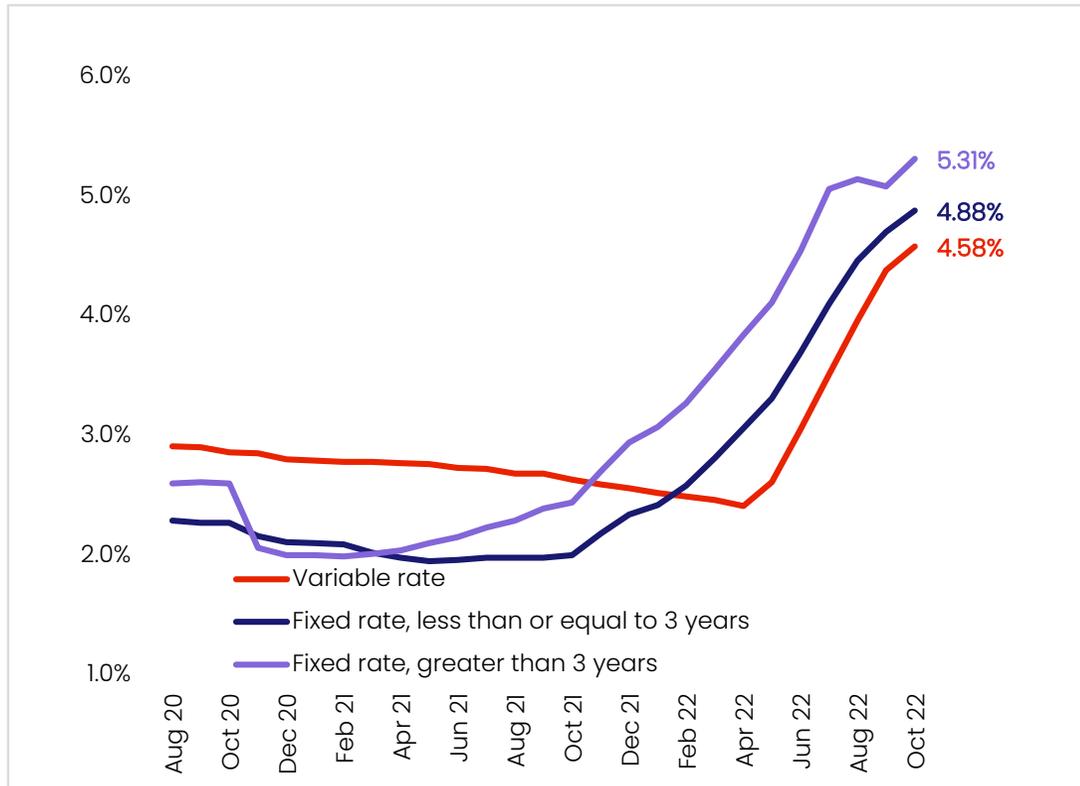
Source: RBA

HOUSING CREDIT

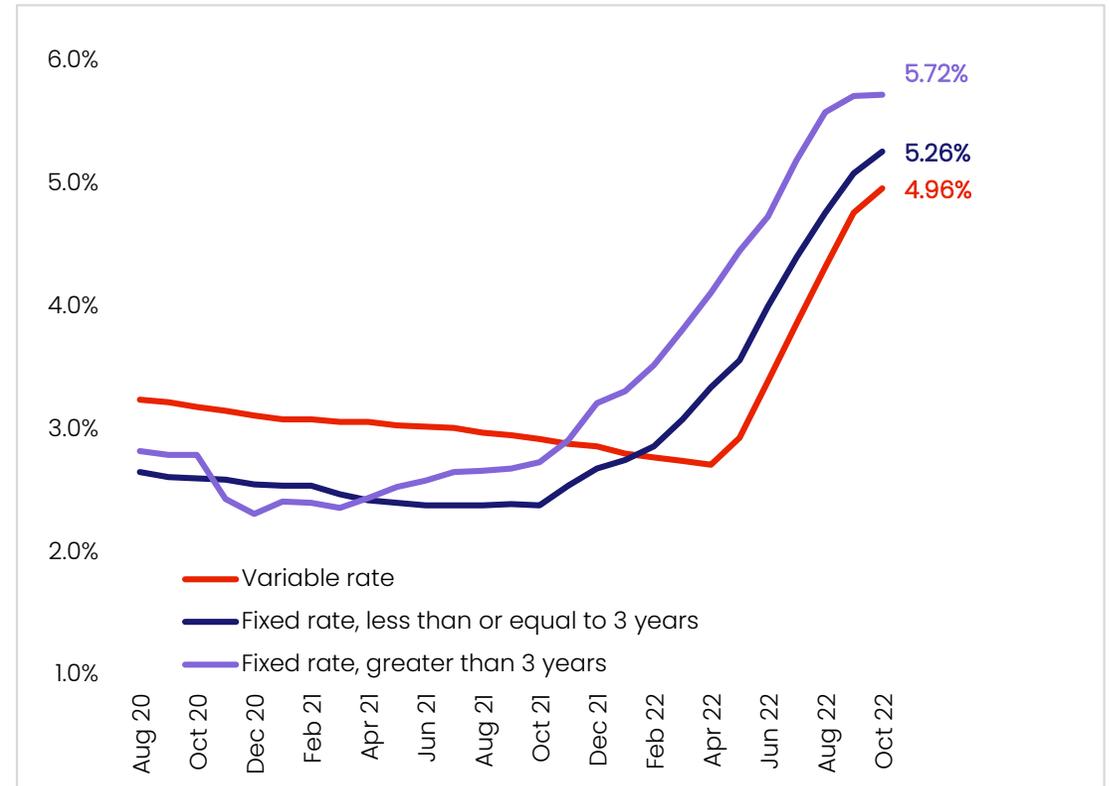
Through October, average new fixed rates remained elevated on variable rates for owner occupiers and investors. Average new variable rates for owner occupier loans have increased 217 basis points since a low in April 2022.

Average borrowing costs by borrower and loan type

Owner occupiers



Investors



Source: RBA

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

The portion of loans originated with a debt-to-income ratio of six or more fell to 17.1% (down from 23.3% in the September 2021 quarter), and loan to income ratios of six or more dropped to 7.1% in the quarter.

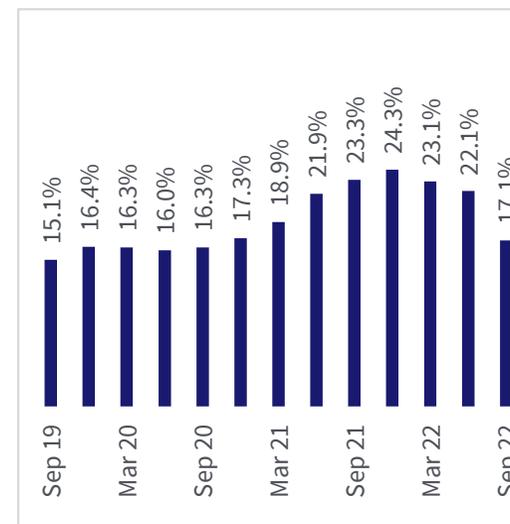
% of loans on interest only terms



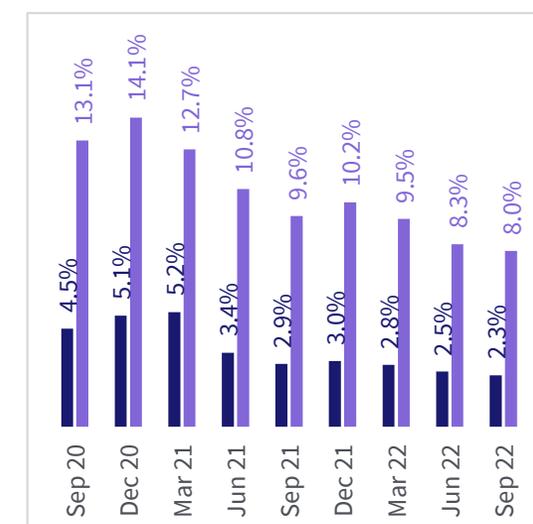
% of loans originated with a loan to income ratio >=6x



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



% of loans originated with an LVR >=90%



■ Owner occupiers
■ Investors

Source: APRA

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