



# Housing market update

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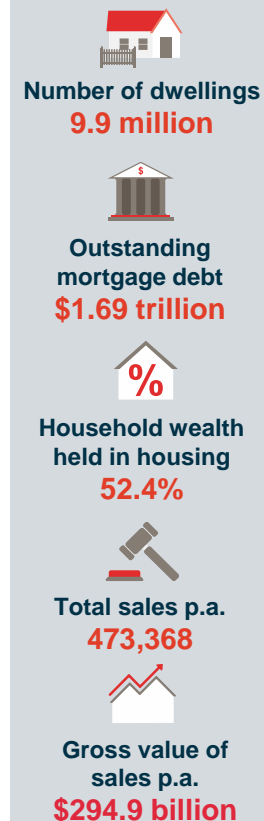
## National

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October 2017

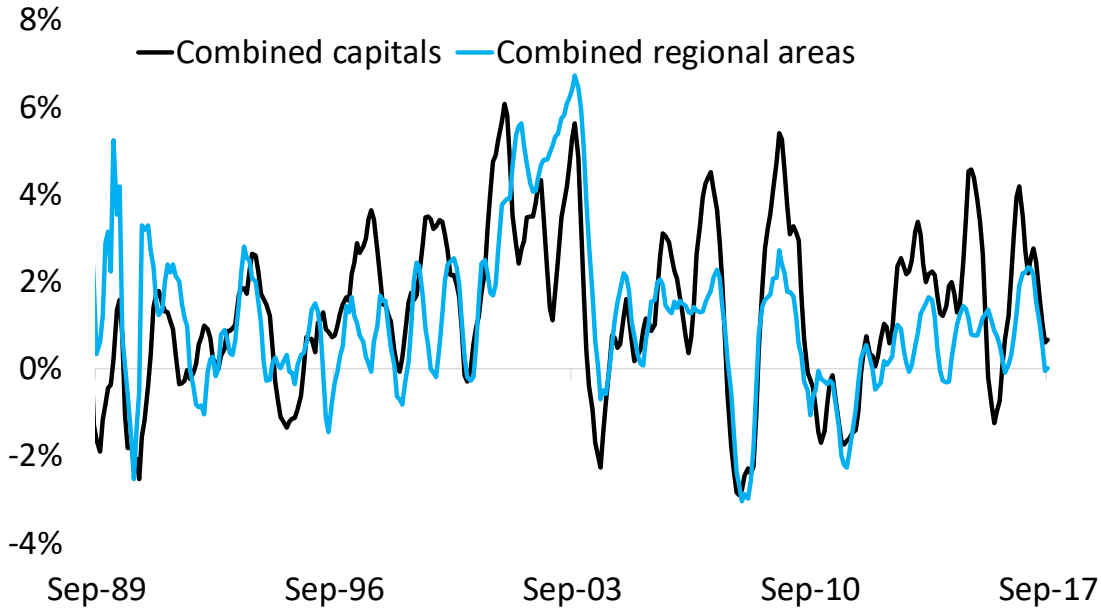


# The value of Australian housing sits at \$7.3 trillion

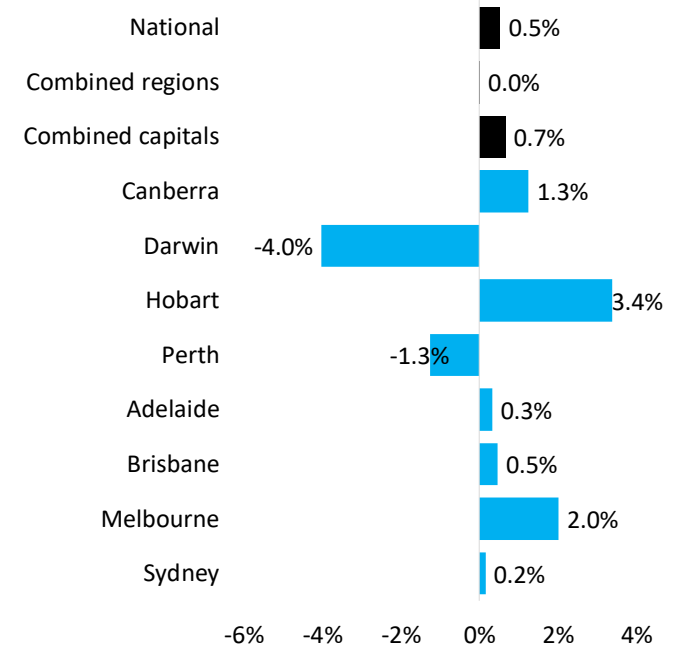


# Quarterly data highlights that the heat has come out of the housing market recently

### Quarterly change in dwelling values

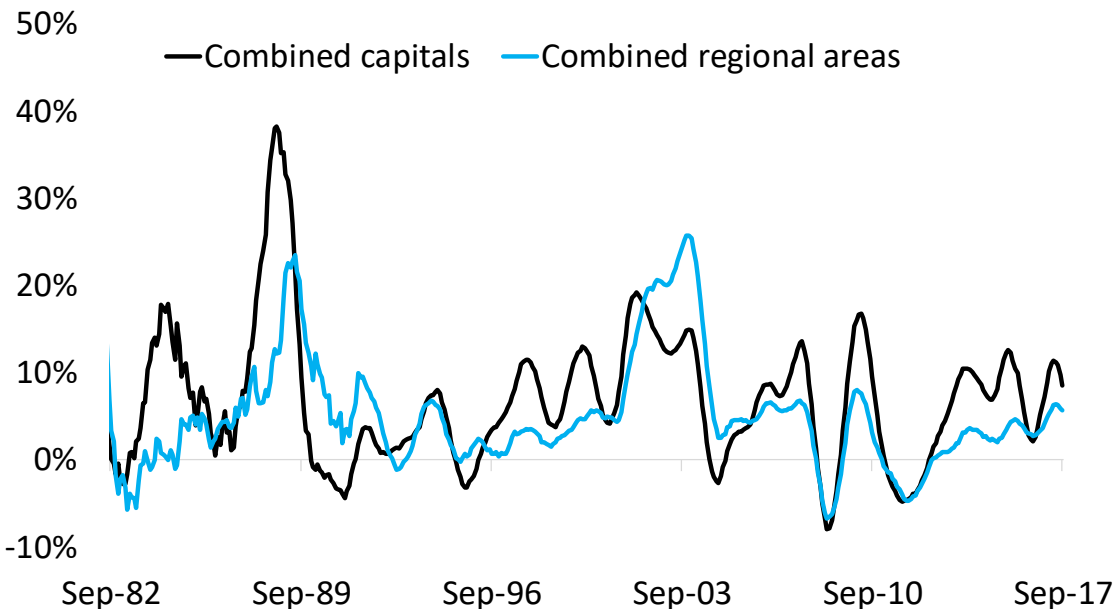


### Quarterly change in dwelling values to Sep-17

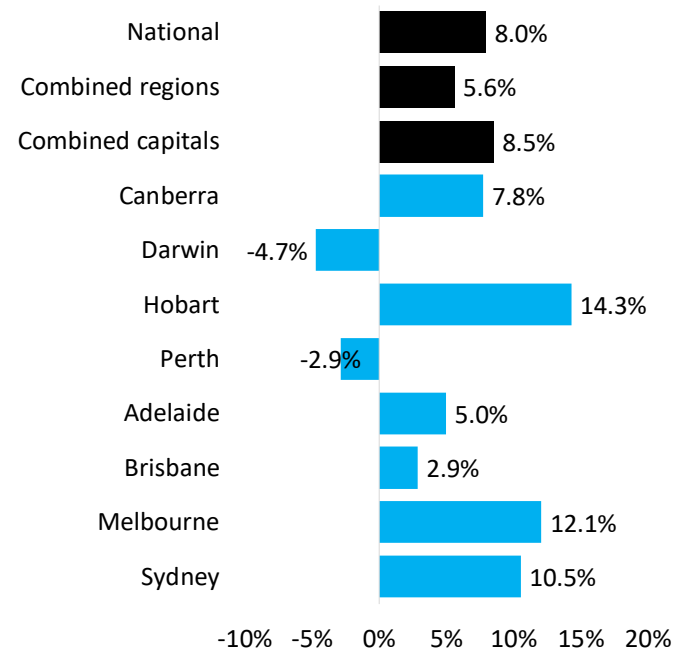


# Dwelling values continue to rise at a double-digit annual rate in Sydney and Melbourne while growth remains highest in Hobart

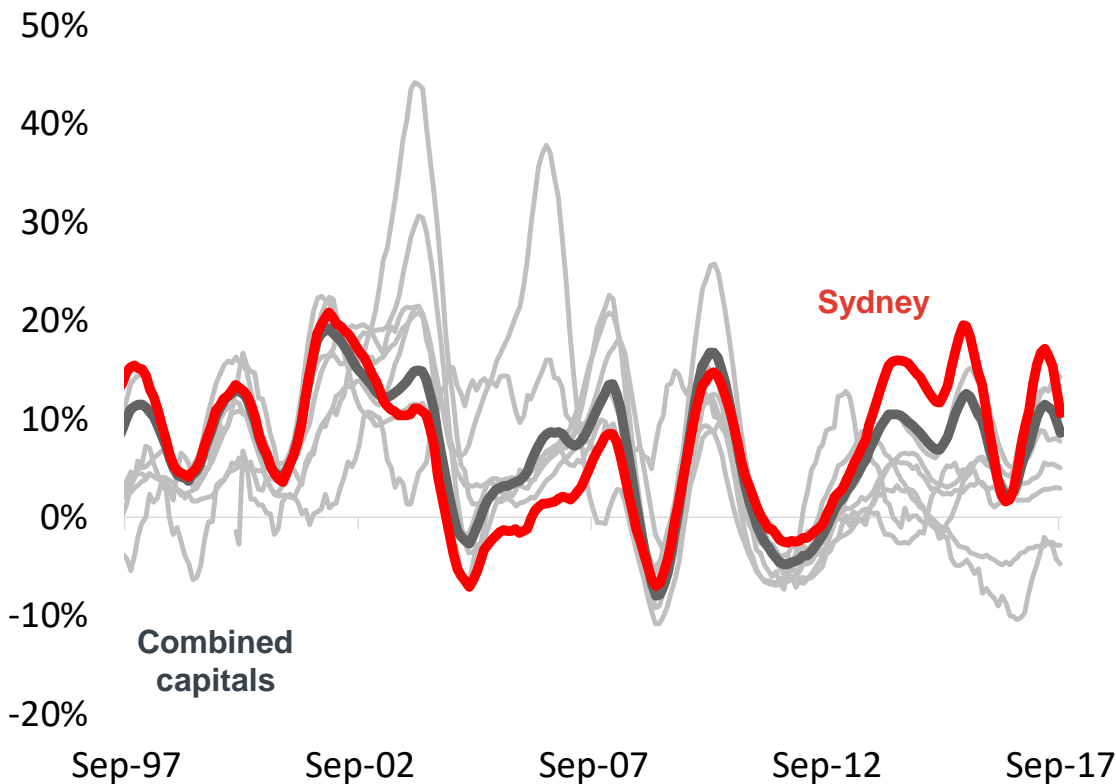
Annual change in dwelling values



Annual change in dwelling values to Sep-17

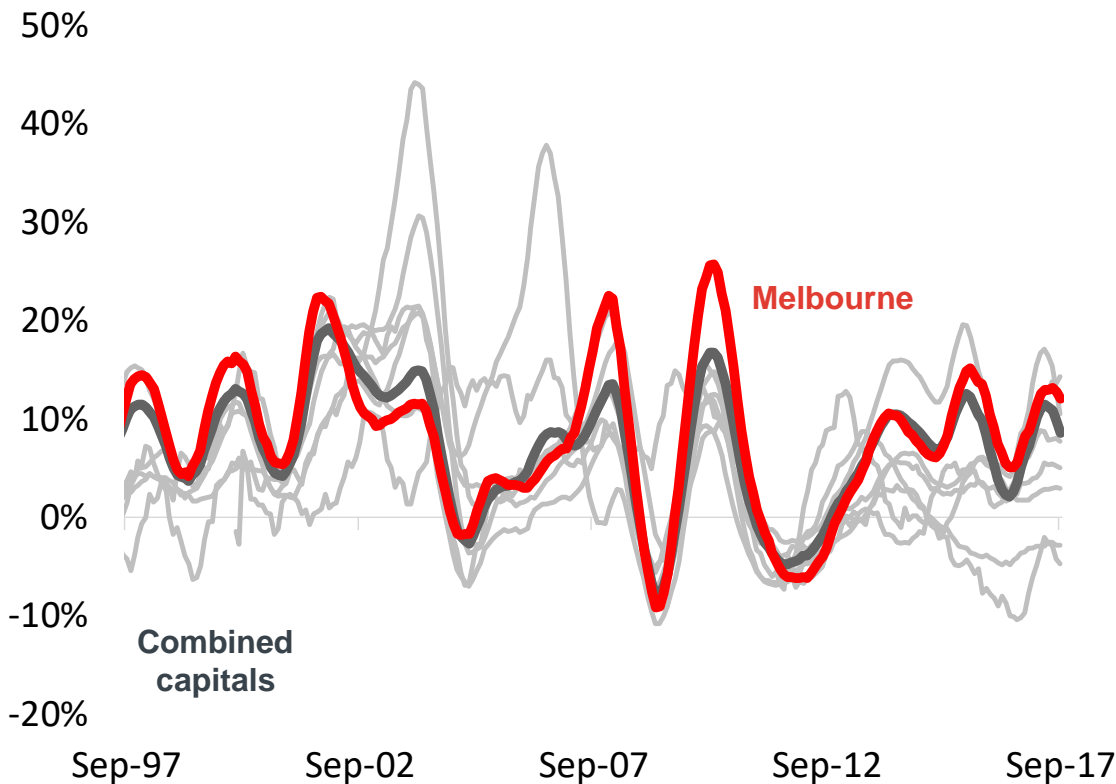


## Annual change in dwelling values



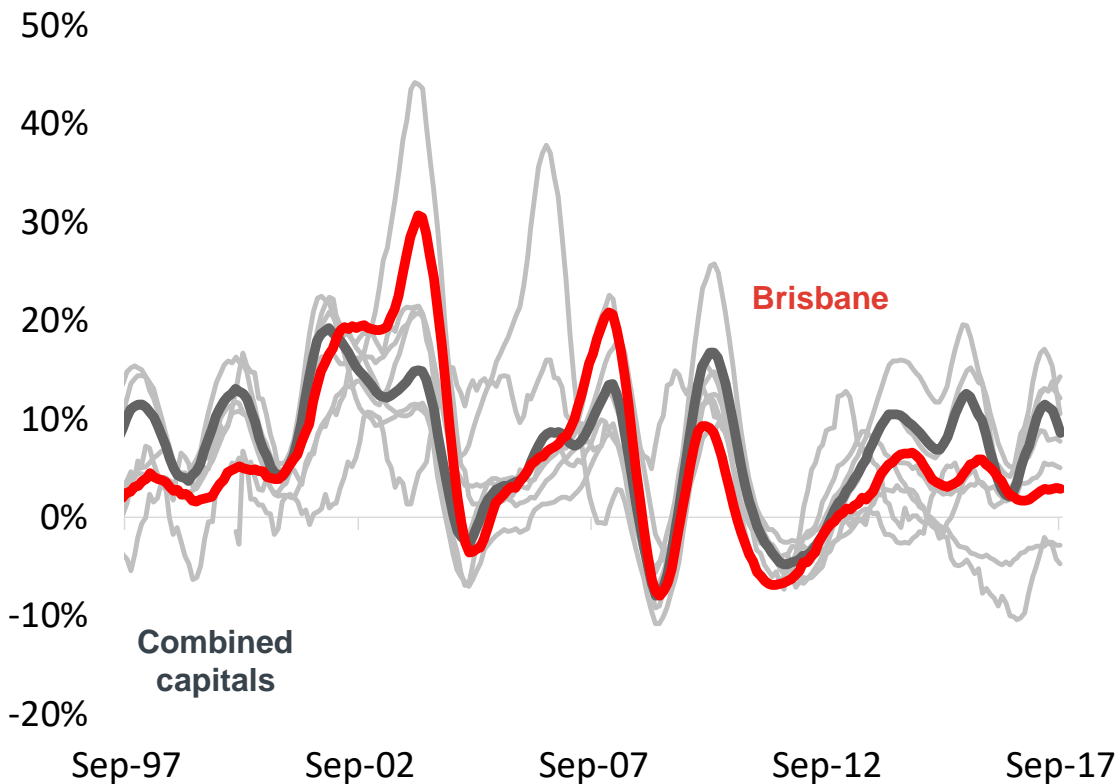
After dwelling values surged almost **72%** higher over the past five years, Sydney dwelling values have increased by **0.2%** over the three months to September 2017 and are **10.5%** higher over the past year.

## Annual change in dwelling values



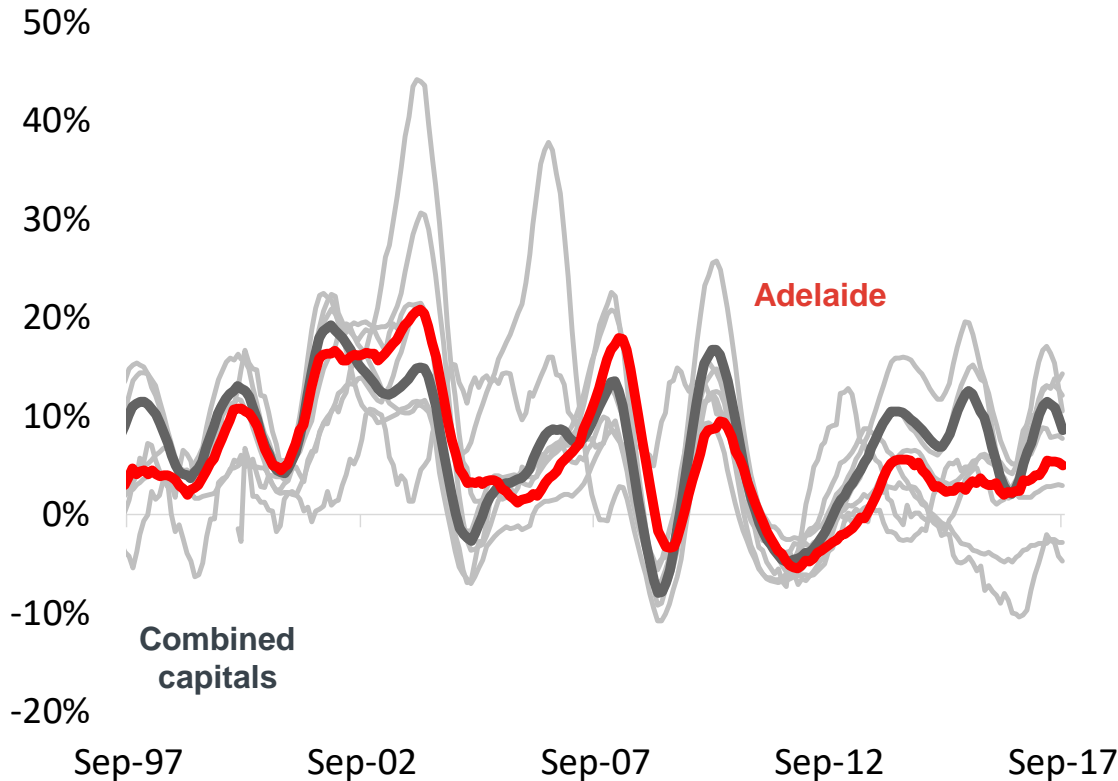
Dwelling values have increased by almost **57%** over the past five years in Melbourne and values have increased by a further **2.0%** over the three months to September 2017 and are **12.1%** higher over the past year.

Annual change in dwelling values



**Brisbane home values increased by 0.5% over the three months to September 2017 and are 2.9% higher over the past year. House values have increased by 4.0% over the past year while unit values have fallen by -2.6%.**

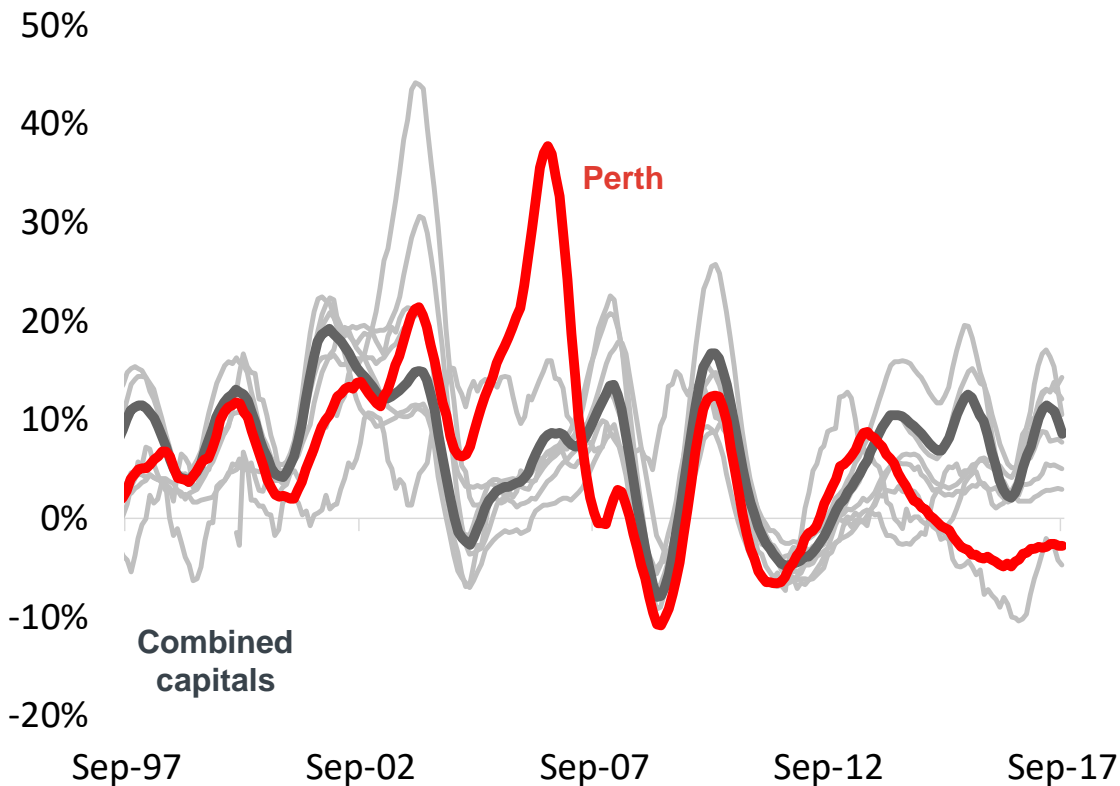
## Annual change in dwelling values



Dwelling values in Adelaide increased by **0.3%** over the three months to September 2017 and are **5.0%** higher over the past year. Over the year, house values have increased by **5.5%** and unit values have increased by **1.3%**.

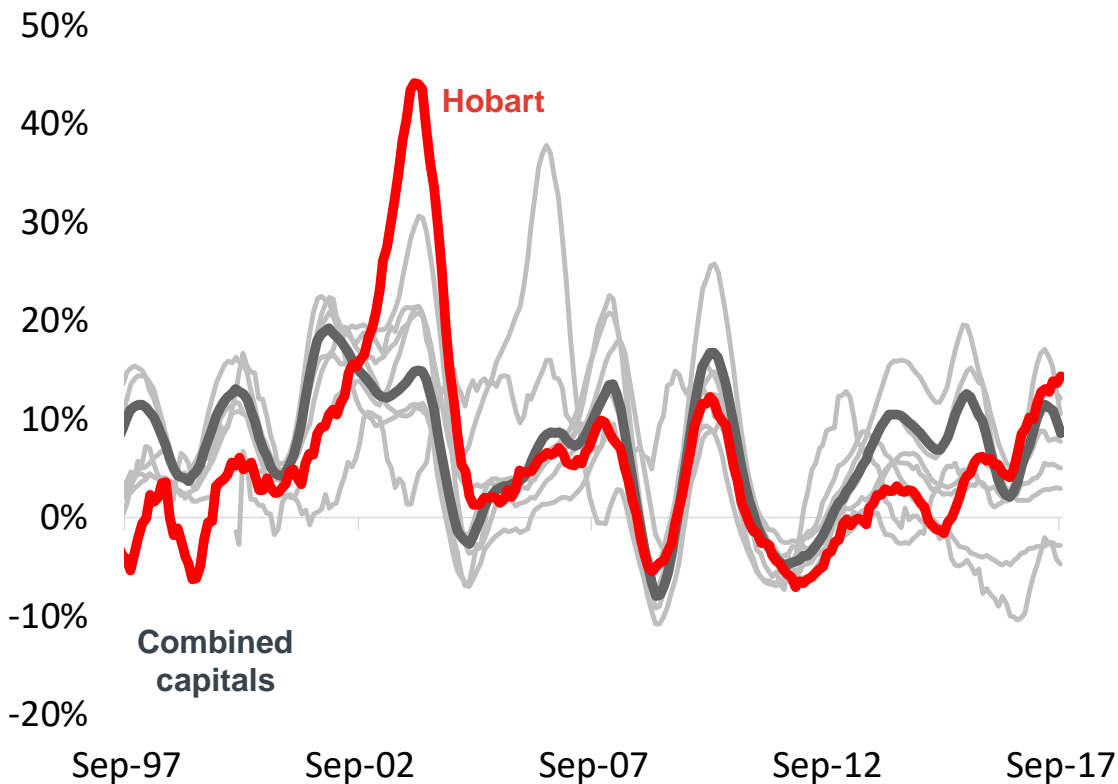


Annual change in dwelling values



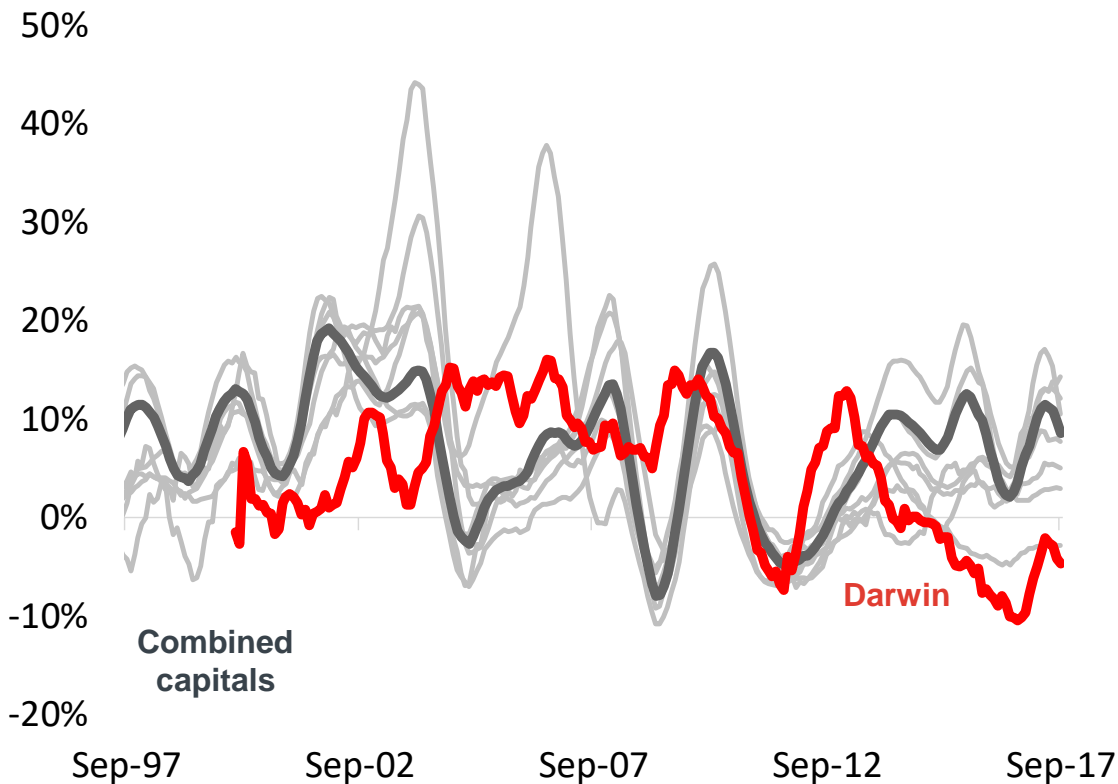
Perth dwelling values fell **-1.3%** over the three months to September 2017 and are **-2.9%** lower over the past year. House values have fallen by **-2.9%** over the past 12 months and unit values have fallen by **-2.7%**.

## Annual change in dwelling values



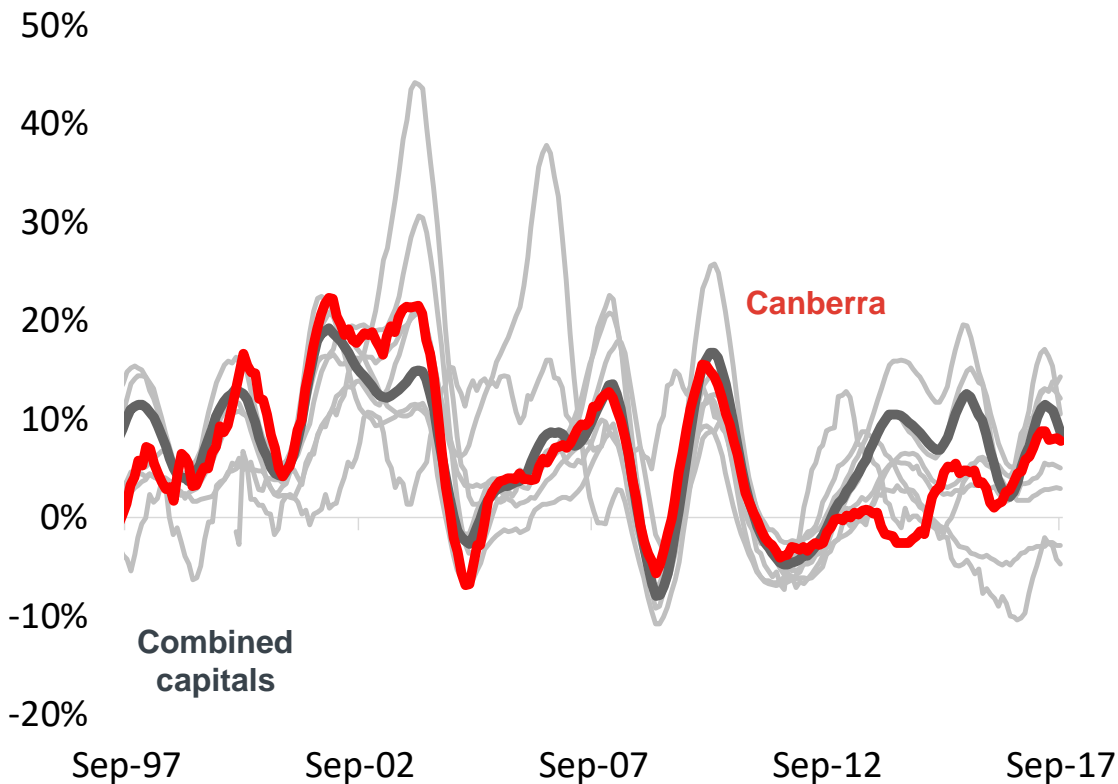
Dwelling values in Hobart rose **3.4%** over the three months to September 2017 and are **14.3%** higher over the past year. Despite the current fast rate of value growth, dwelling values are only **27.3%** higher over the past decade.

Annual change in dwelling values



**Darwin dwelling values fell by **-4.0%** over the three months to August 2017 and are **-4.7%** lower over the past year. At the end of August, dwelling values in Darwin were **-19.1%** lower than their historic peak.**

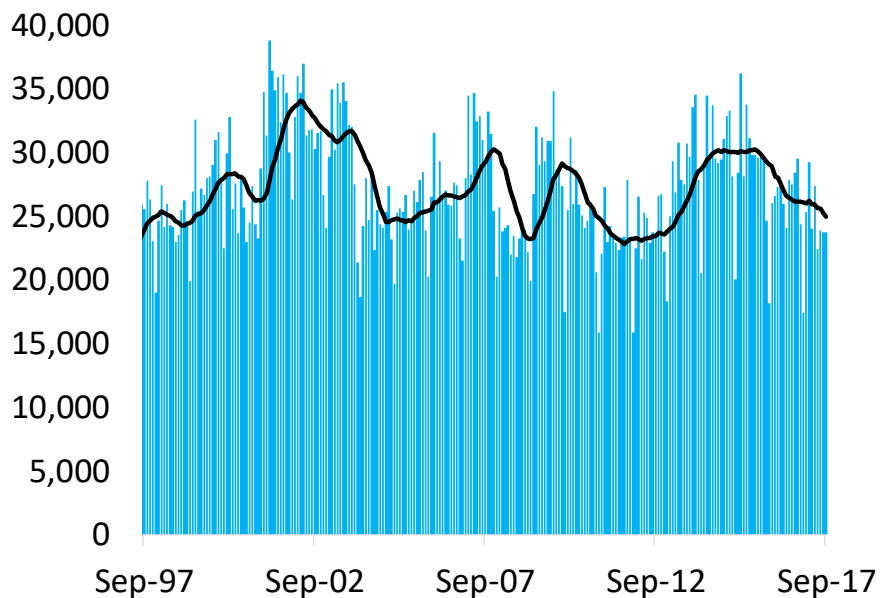
## Annual change in dwelling values



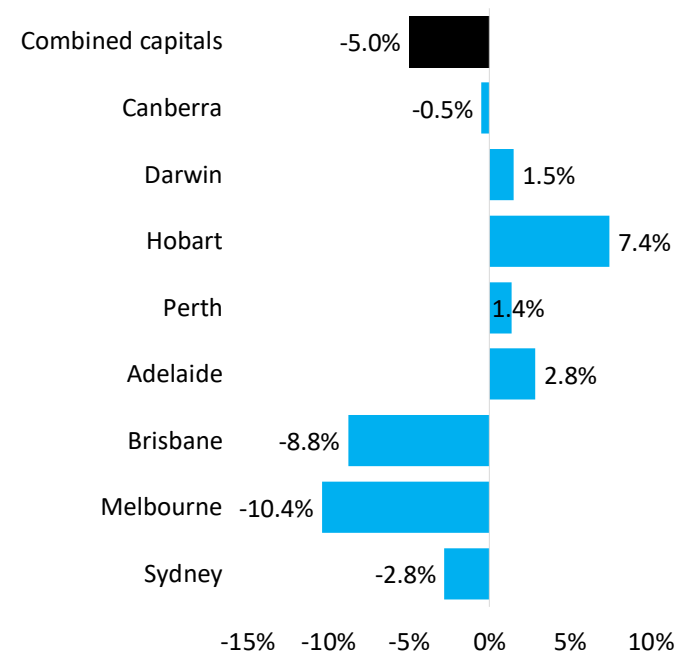
Dwelling values in Canberra increased **1.3%** over the three months to September 2017 and are **7.8%** higher over the past year. House values have increased by **9.3%** over the year while unit values are **3.2%** higher.

# Transaction numbers have drifted lower, with larger falls in Melbourne and Brisbane

Number of settled sales, combined capitals



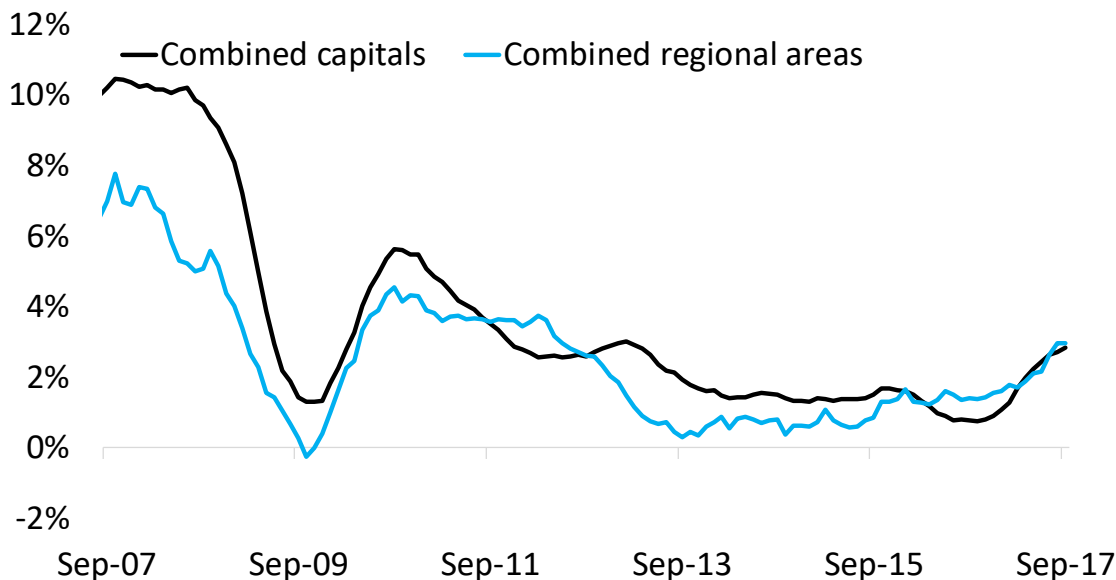
Year on year change in annual sales



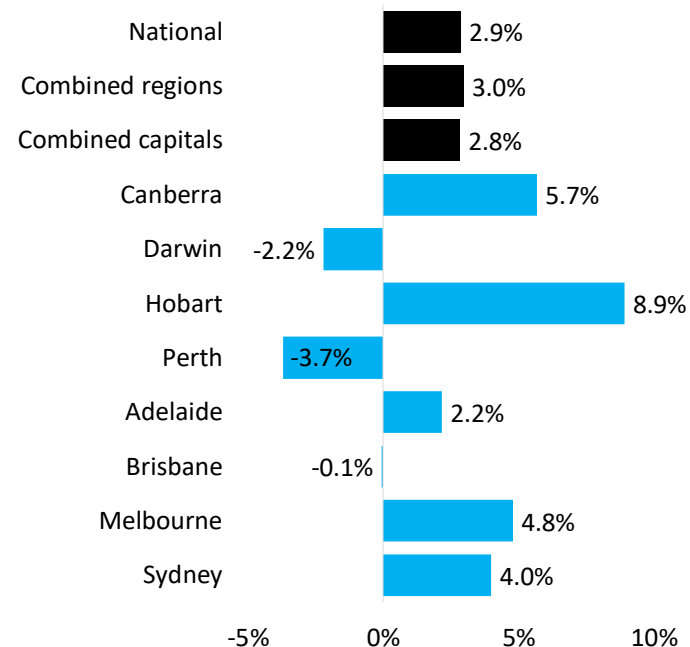
# The annual rate of rental growth continues to accelerate across both capital city and regional housing markets



Annual change in dwelling rents

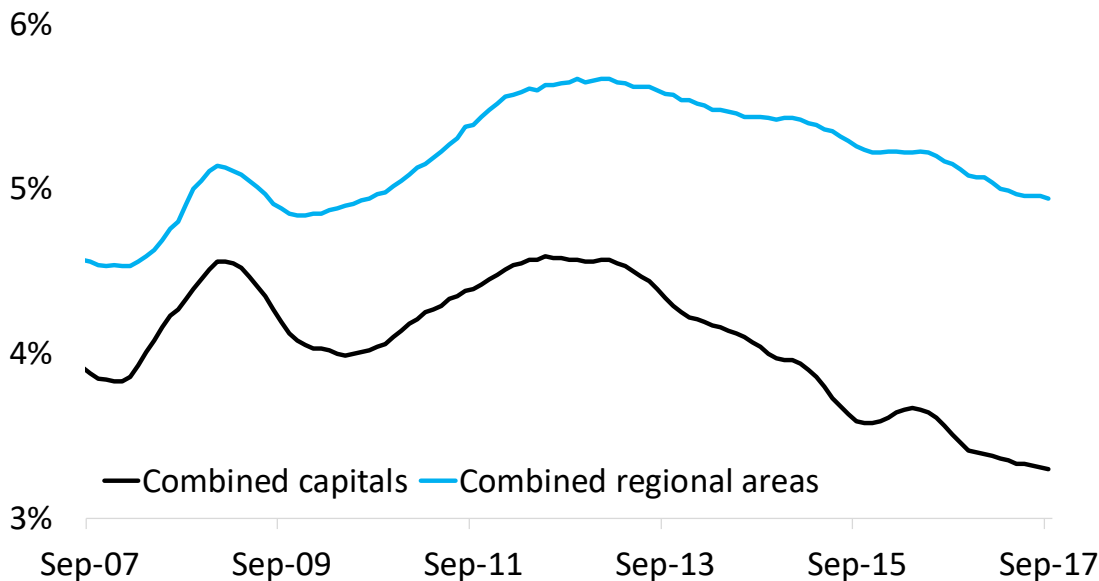


Annual change in dwelling rents to Sep-17

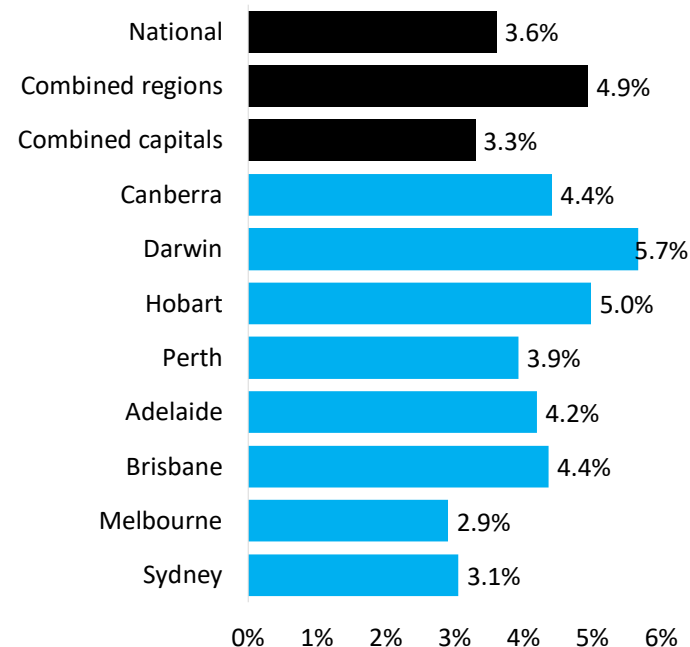


# Gross rental yields have trended lower over recent years as value growth has outpaced rental growth

### Gross rental yields



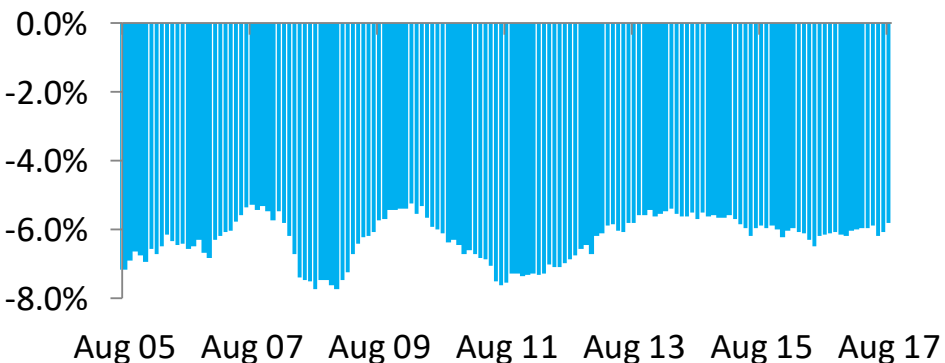
### Gross rental yields as at Sep-17



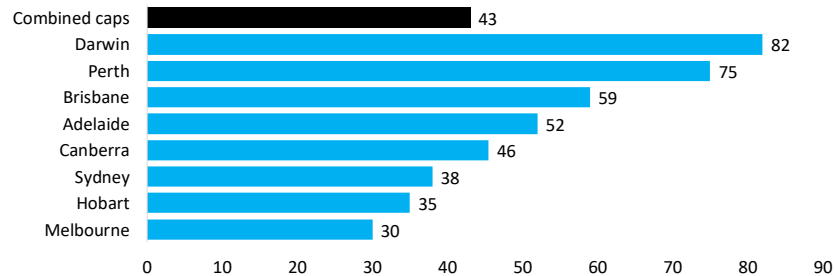
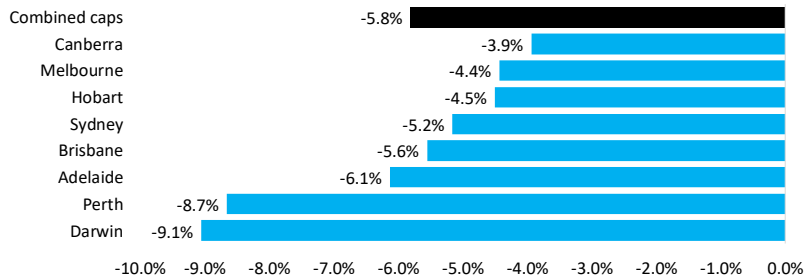
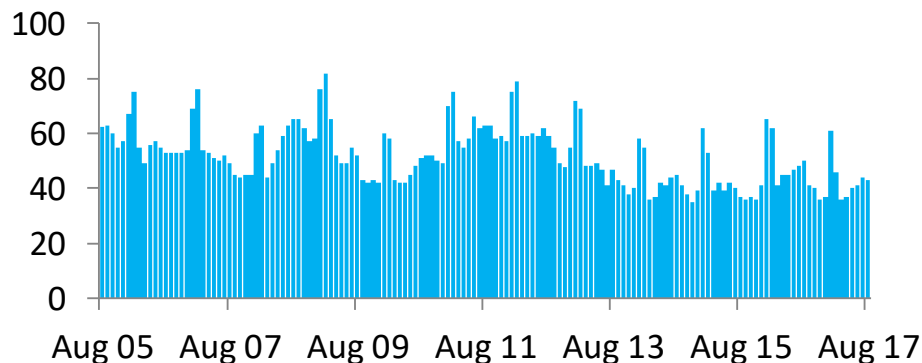
# Although homes are still selling rapidly, the days on market figure for Sydney and Melbourne has risen over recent months



Average rate of vendor discounting, Combined capitals



Average days on market, Combined capitals





# Newly advertised listing numbers are lower than they were a year ago and so too are total listings



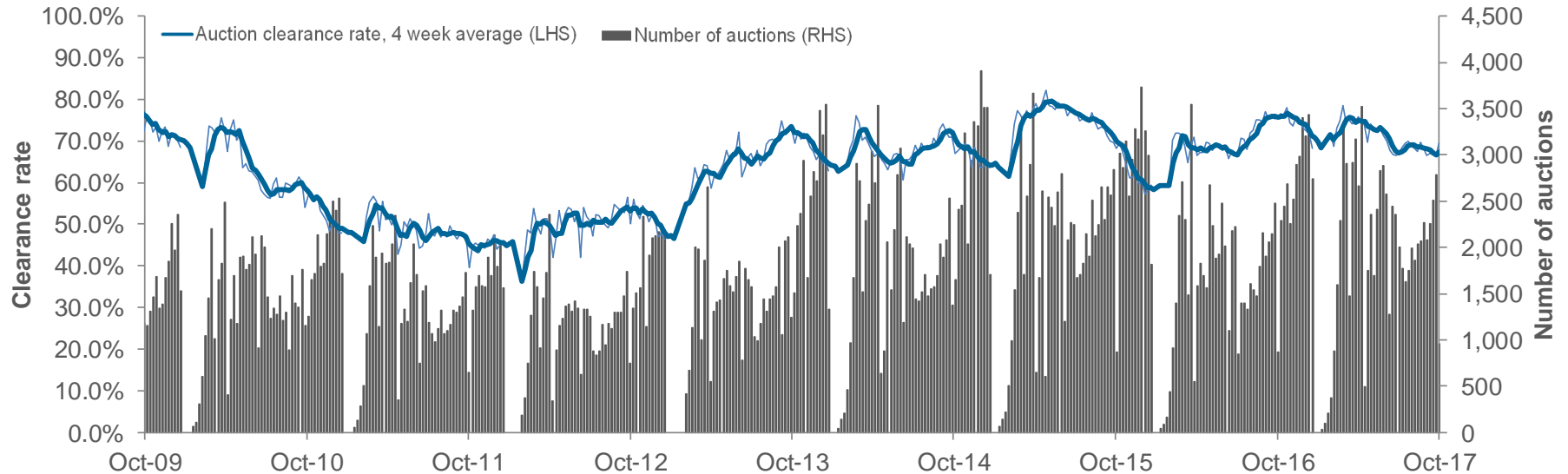
Number of new and total properties advertised for sale, 28 days to 1 October 2017

Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	7,344	1.3%	23,357	16.2%
Melbourne	7,755	-7.2%	28,242	-2.0%
Brisbane	4,256	-8.5%	19,985	3.9%
Adelaide	2,094	6.3%	8,176	6.4%
Perth	3,590	-10.8%	19,689	-13.3%
Hobart	351	-9.3%	1,124	-35.5%
Darwin	160	-10.1%	1,593	-2.9%
Canberra	565	10.6%	1,831	1.2%
<b>Combined capitals</b>	<b>26,115</b>	<b>-4.5%</b>	<b>103,998</b>	<b>0.2%</b>

State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	12,210	-3.8%	46,382	1.5%
Vic	10,597	-11.2%	48,080	-10.0%
Qld	9,728	-9.0%	63,608	-2.5%
SA	2,917	1.5%	17,636	0.3%
WA	4,916	-11.3%	32,936	-13.3%
Tas	942	-16.9%	5,695	-25.4%
NT	225	-3.8%	2,209	0.8%
ACT	583	9.8%	1,892	0.3%
<b>National</b>	<b>42,118</b>	<b>-7.7%</b>	<b>218,438</b>	<b>-5.7%</b>

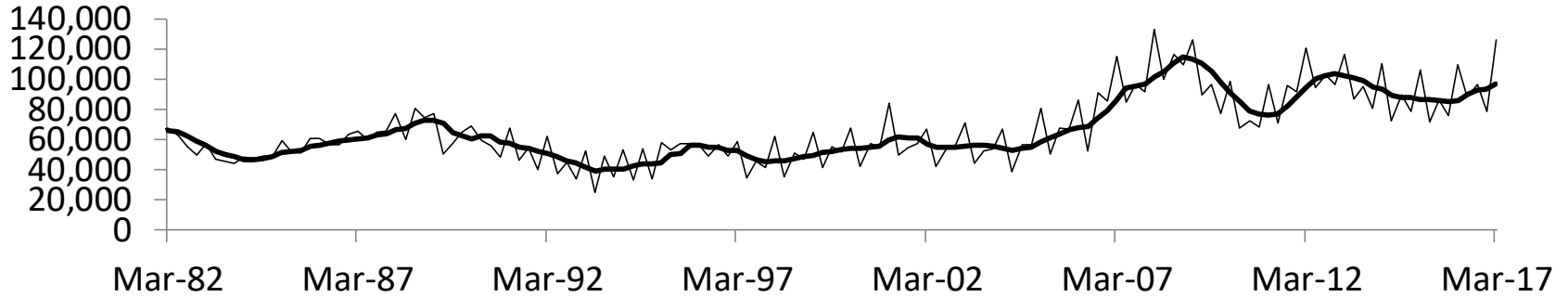
# Auction clearance rates have eased since early in 2017 while volumes have been relatively high

Combined capital city auction clearance rates and volumes

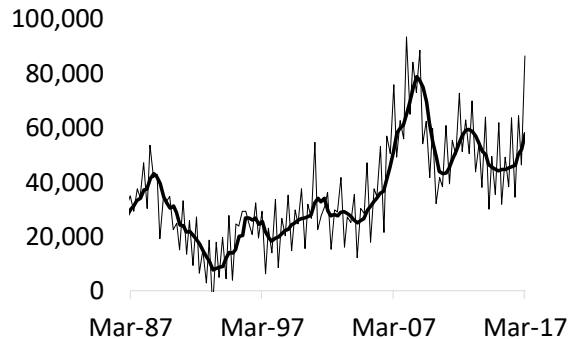


# Housing demand: overseas migration is trending much higher

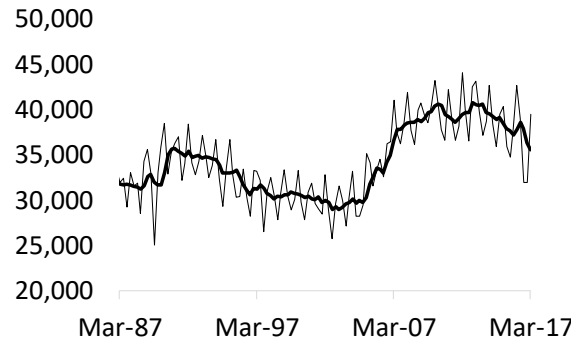
### Quarterly change in national population



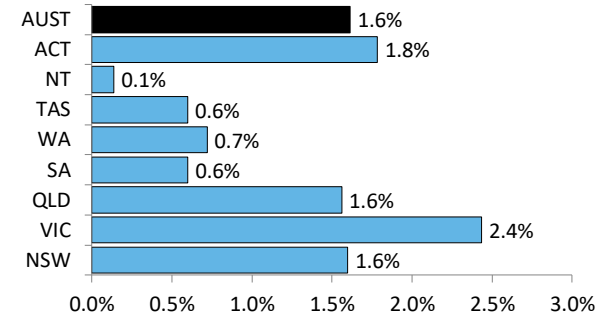
### Net overseas migration



### Natural increase

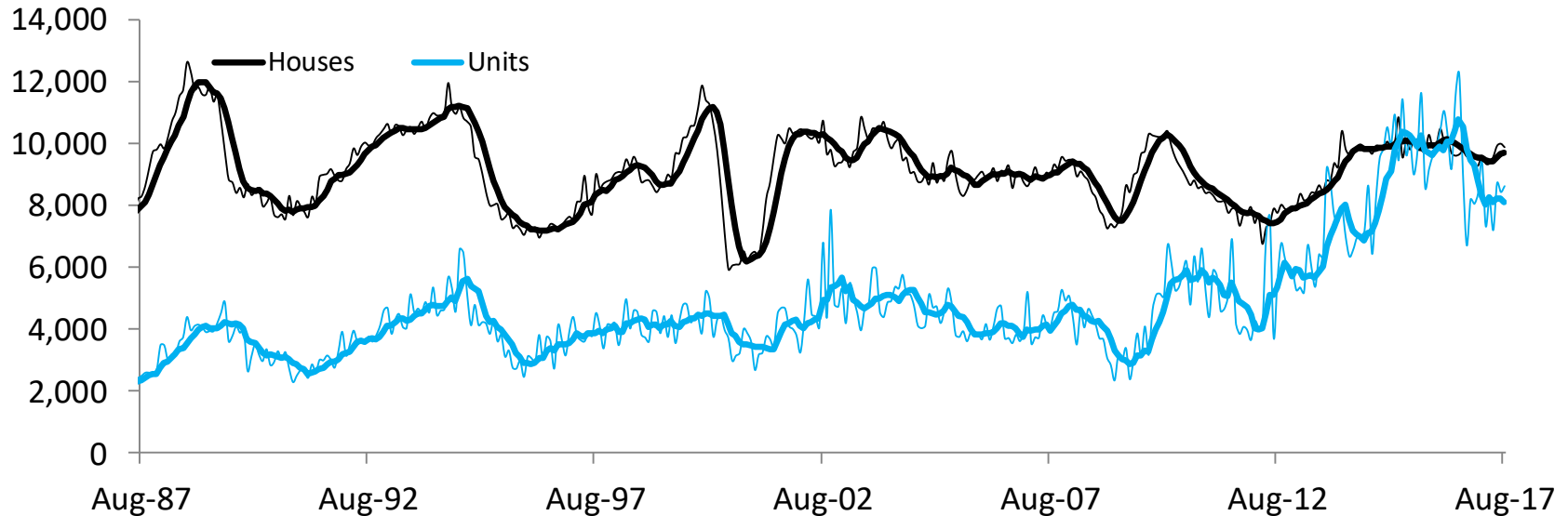


### Annual change in population



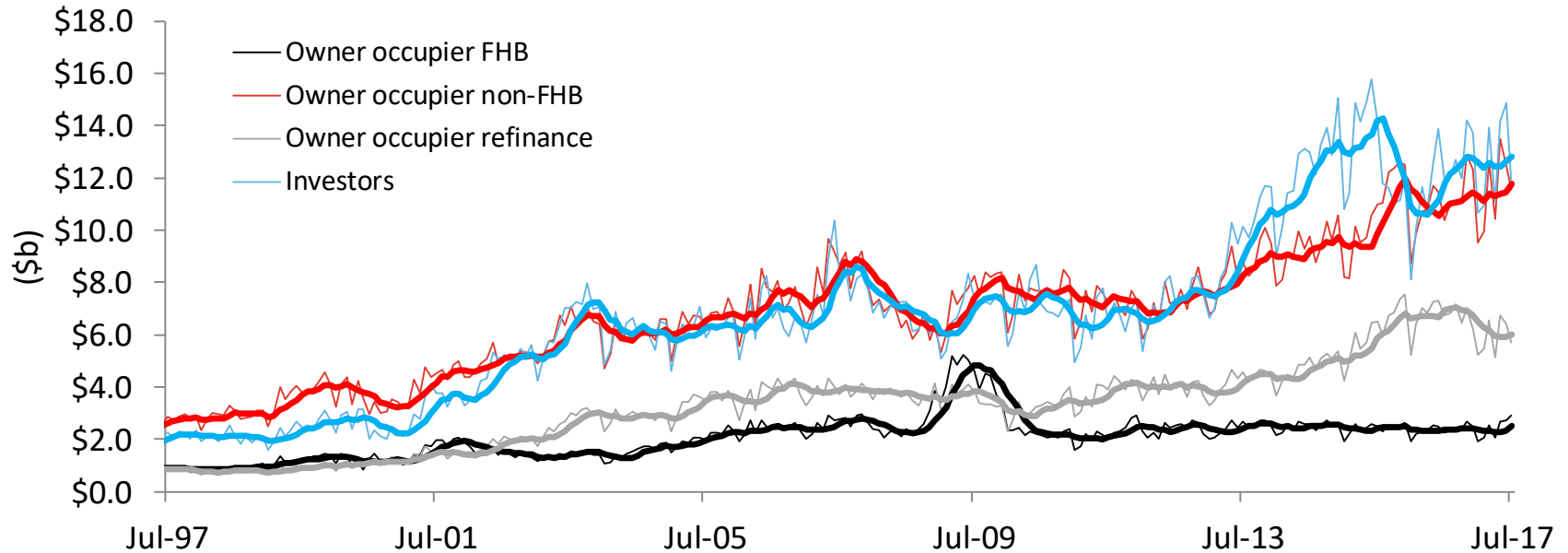
# Unit approvals are well below their recent peak levels but have stabilized over recent months

Number of dwellings approved for construction, National



# Mortgage demand is largely coming from owner occupiers upgrading and downgrading and investors

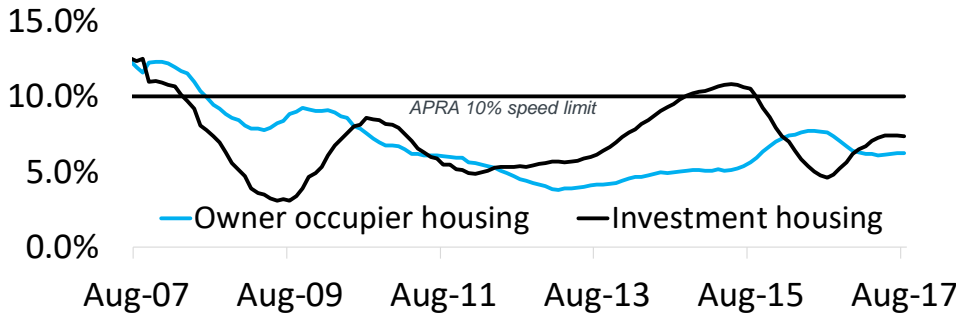
Value of housing finance commitments by borrower type



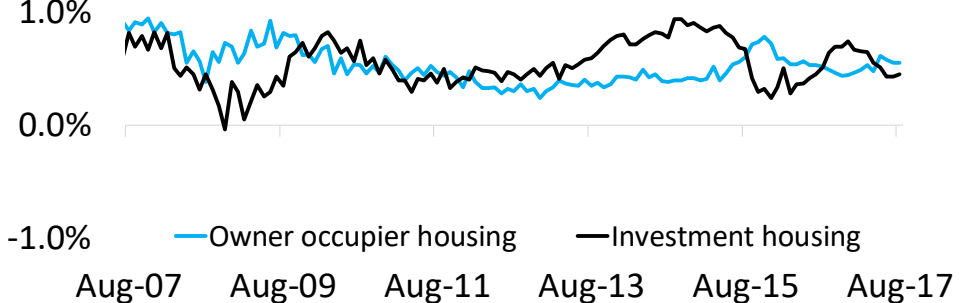
# Regulatory changes and higher mortgage rates, have impacted on investment demand, but investor credit is starting to expand again



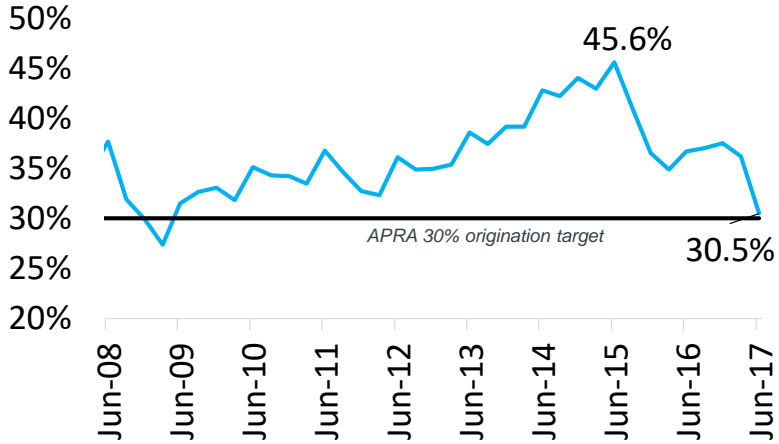
Annual change in housing credit



Monthly change in housing credit



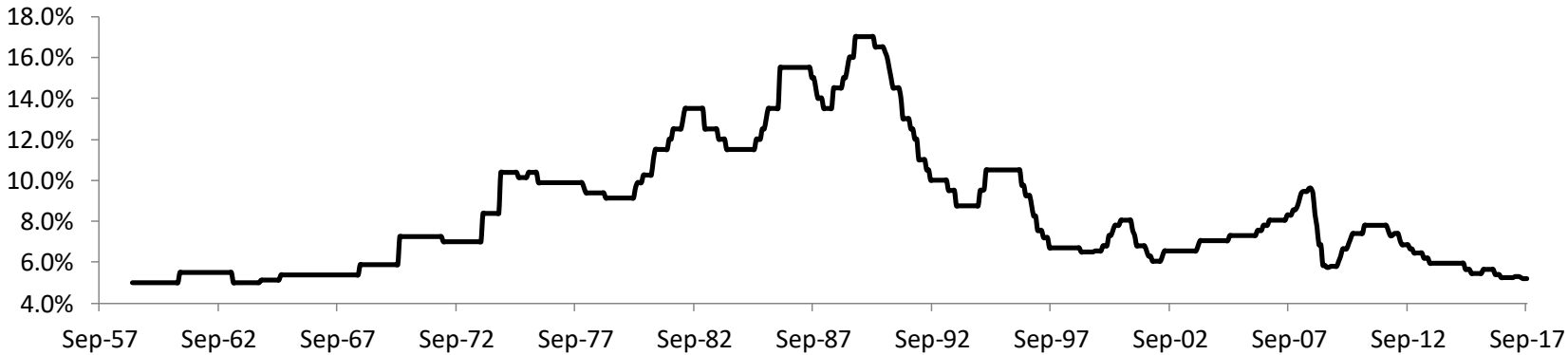
% of mortgages originated on interest only terms



# Mortgage rates remain around historic lows for owner occupiers but have edged higher for investors



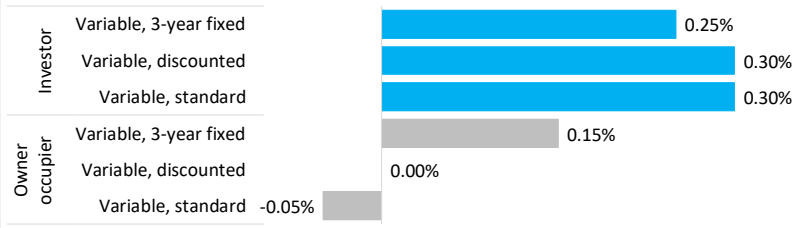
Standard variable mortgage rates over time



Avg mortgage rate by product type, Sep 2017



Change in avg mortgage rate since low point, Sep 2017



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# Granular Data and Analytics



**Market Scorecard:** Monitor and measure market share and performance of real estate agents at an individual office or a Franchise brand level across Australia. Identify the competing brands and independents at a suburb, postcode, user defined territory and State level. Easily locate growth opportunities and market hotspots, and view the performance of the established offices in these new areas of interest.

**Market Trends:** Detailed housing market indicators down to the suburb level, with data in time series or snapshot and segmented across houses, units and land. The Market Trends data includes key housing market metrics such as median prices, median values, transaction volumes, rental statistics, vendor metrics such as average selling time and vendor discounting rates.

**CoreLogic Indices:** The suite of CoreLogic Indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value indices. The CoreLogic Hedonic index has been specifically designed to track the value of a portfolio of properties over time and is relied upon by Australian regulators and industry as the most up to date and accurate measurement of housing market performance.

**Economist Pack:** A suite of indices and indicators designed specifically for Australian economic commentators who require the most up to date and detailed view of housing market conditions. The economist pack includes the CoreLogic Hedonic indices for capital cities and 'rest of state' indices, the stratified hedonic index, hedonic total return index, auction clearance rates and median prices.

**Investor Concentration Report:** Understanding ownership concentrations is an important part of assessing risk. Areas with high investor concentrations are typically allocated higher risk ratings due to the over-representation of a particular segment of the market. Through a series of rules and logic, CoreLogic RP Data has flagged the likely ownership type of every residential property nationally as either owner occupied, investor owned or government owned.

**Mortgage Market Trend Report:** CoreLogic RP Data is in a unique position to monitor mortgage related housing market activity. Transaction volumes, dwelling values and mortgage related valuation events all comprise our Mortgage market trend report which provides an invaluable tool for mortgage industry benchmarking and strategy.

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