



# Housing market update

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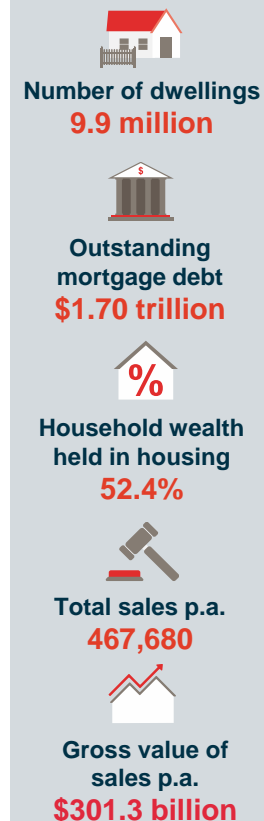
## National

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November 2017

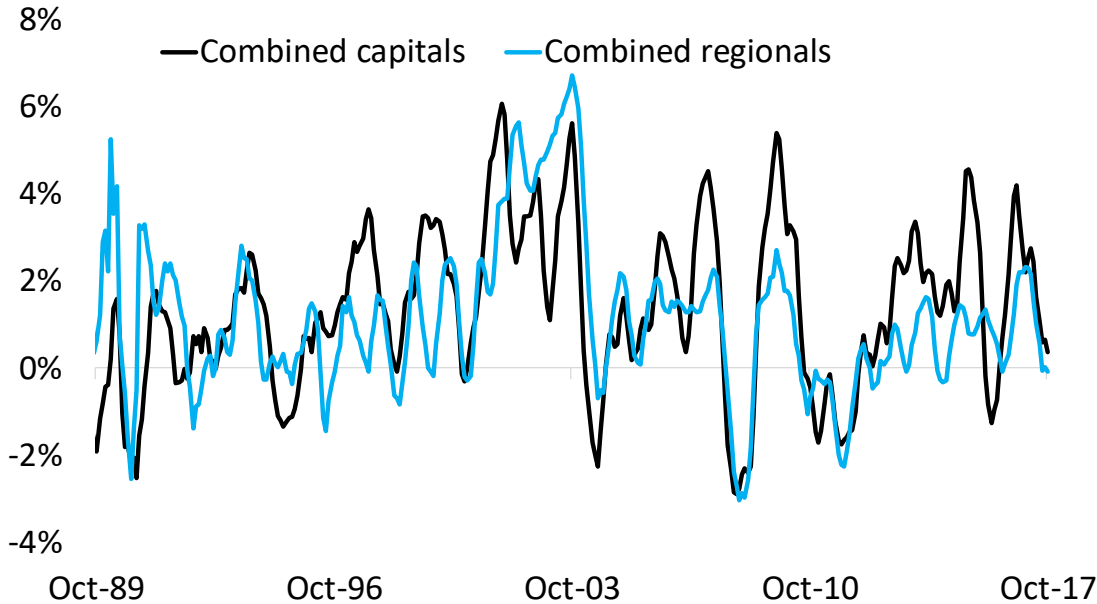


# The value of Australian housing sits at \$7.4 trillion

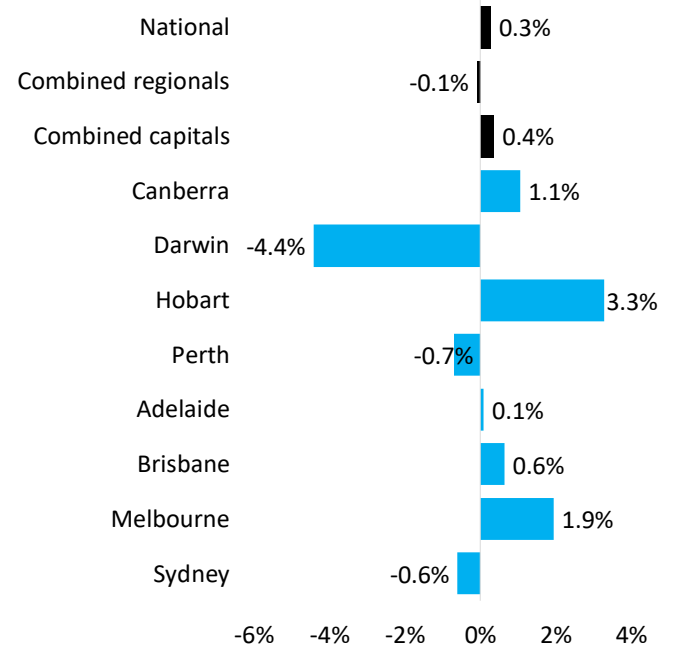


# Quarterly data highlights that the heat continues to come out of the housing market

Quarterly change in dwelling values



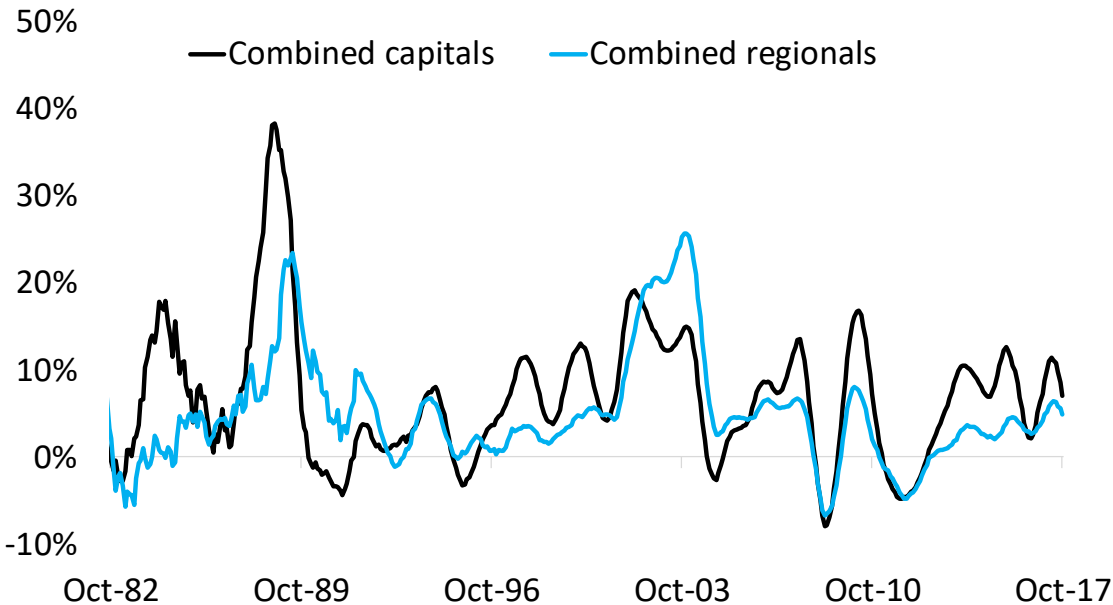
Quarterly change in dwelling values to Oct-17



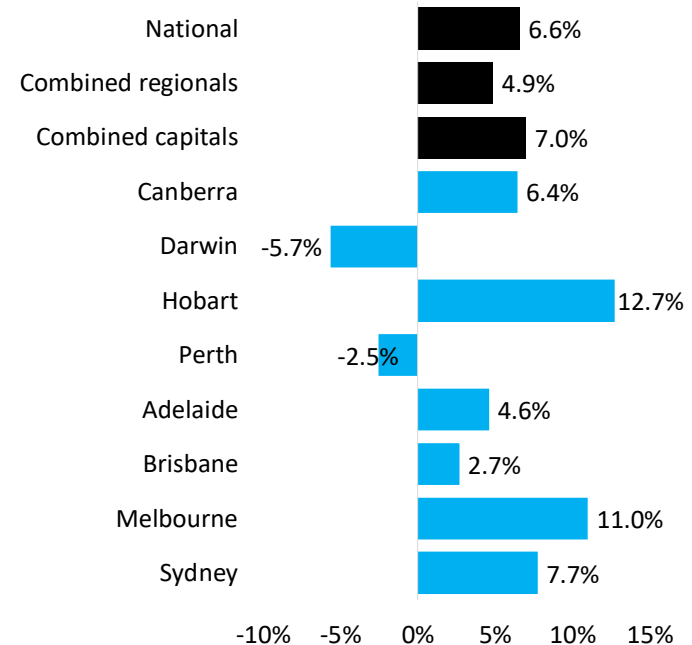
# Only Hobart and Melbourne have recorded double-digit annual value growth with growth slowing over recent months in most cities



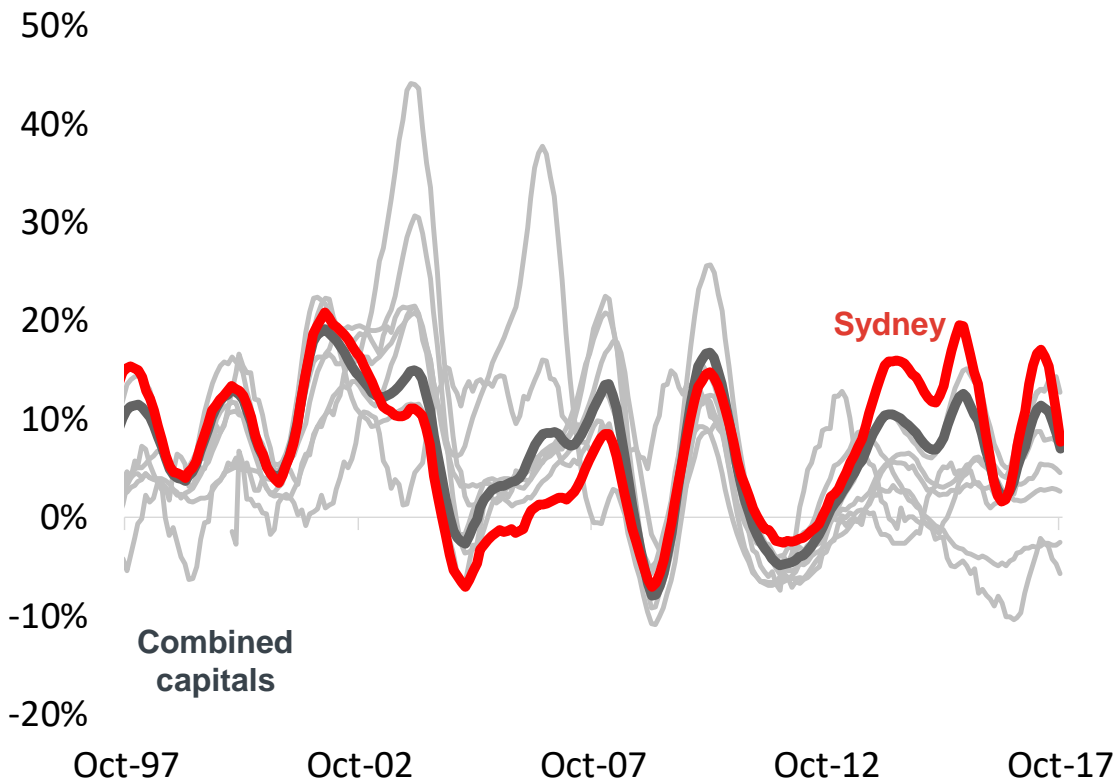
Annual change in dwelling values



Annual change in dwelling values to Oct-17

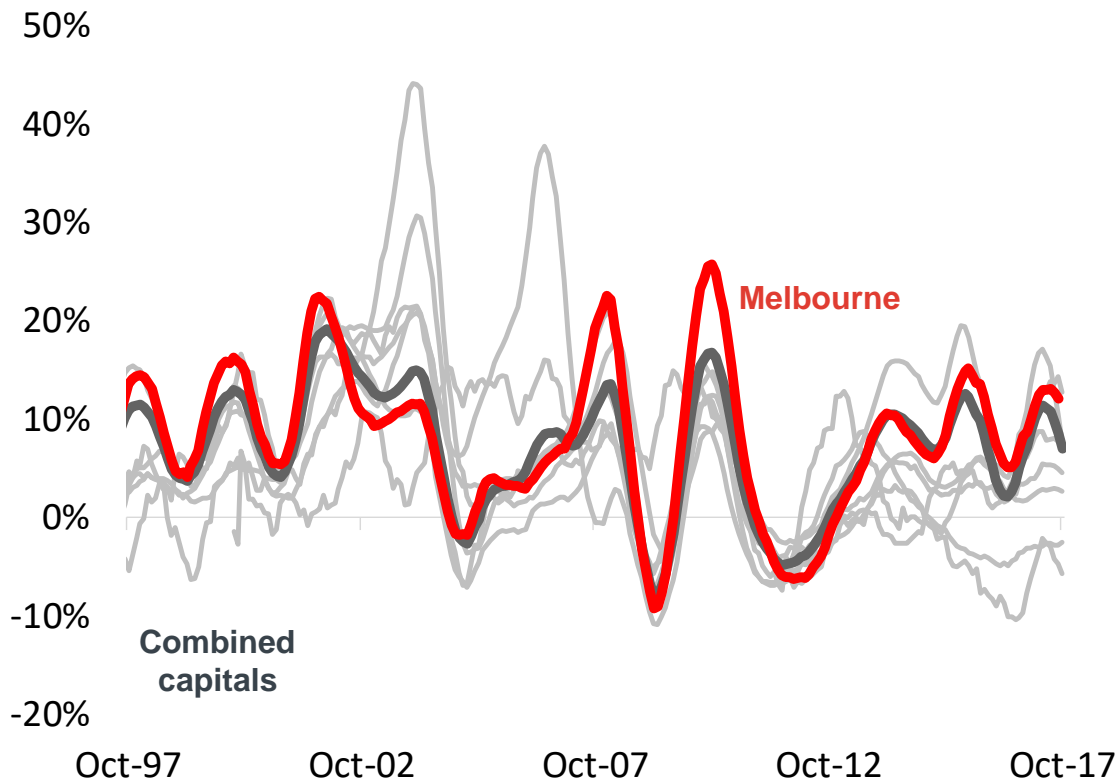


## Annual change in dwelling values



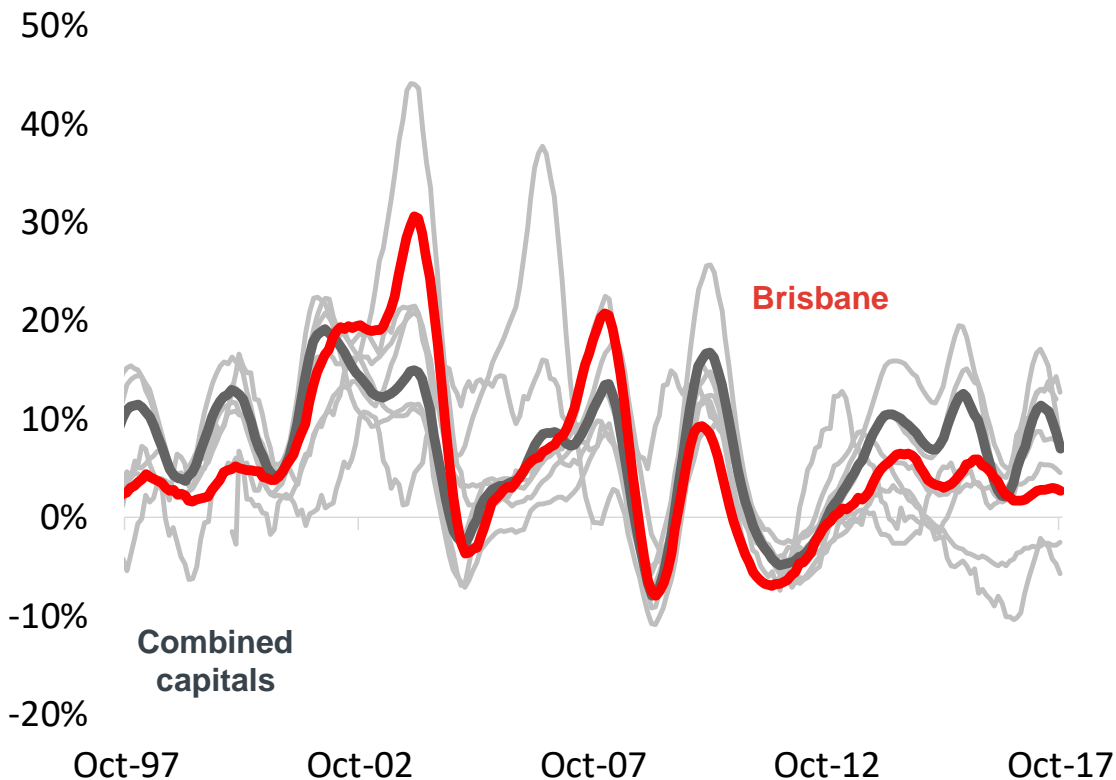
After dwelling values surged almost **70%** higher over the past five years, Sydney dwelling values have fallen by **-0.6%** over the three months to October 2017 however, they are **7.7%** higher over the past year.

## Annual change in dwelling values



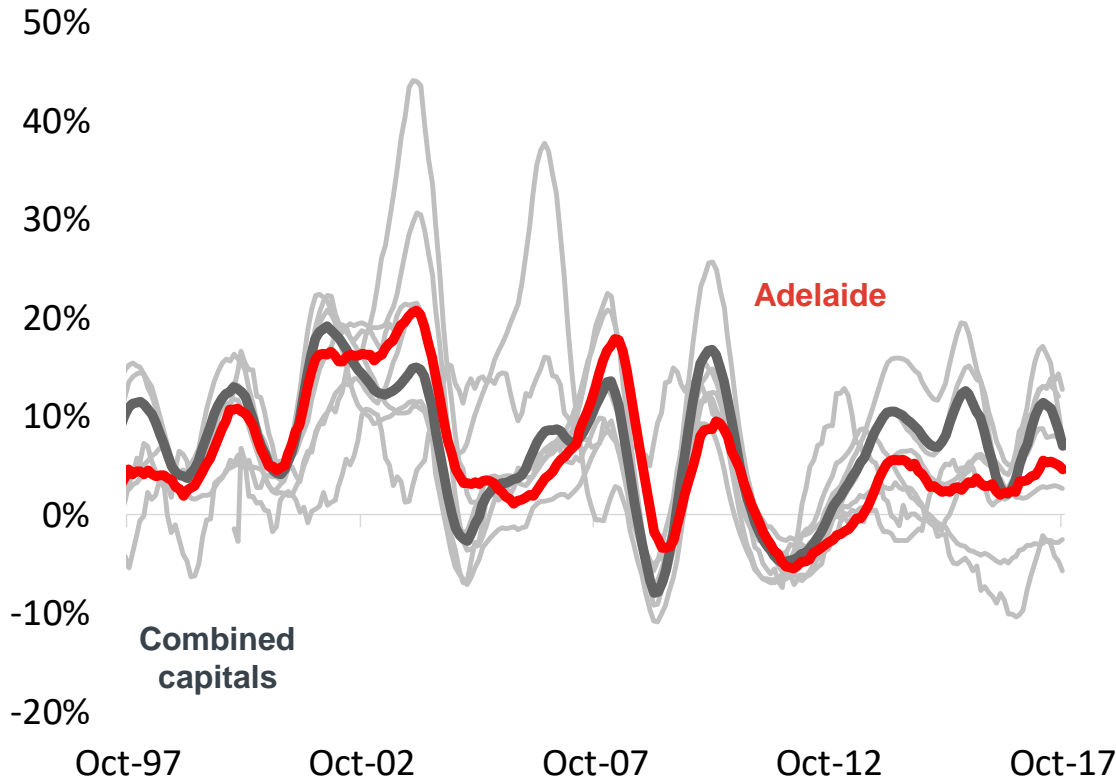
Dwelling values have increased by almost **57%** over the past five years in Melbourne and values have increased by a further **1.9%** over the three months to October 2017 and are **11.0%** higher over the past year.

## Annual change in dwelling values



**Brisbane home values increased by 0.6% over the three months to October 2017 and are 2.7% higher over the past year. House values have increased by 3.5% over the past year while unit values have fallen by -1.5%.**

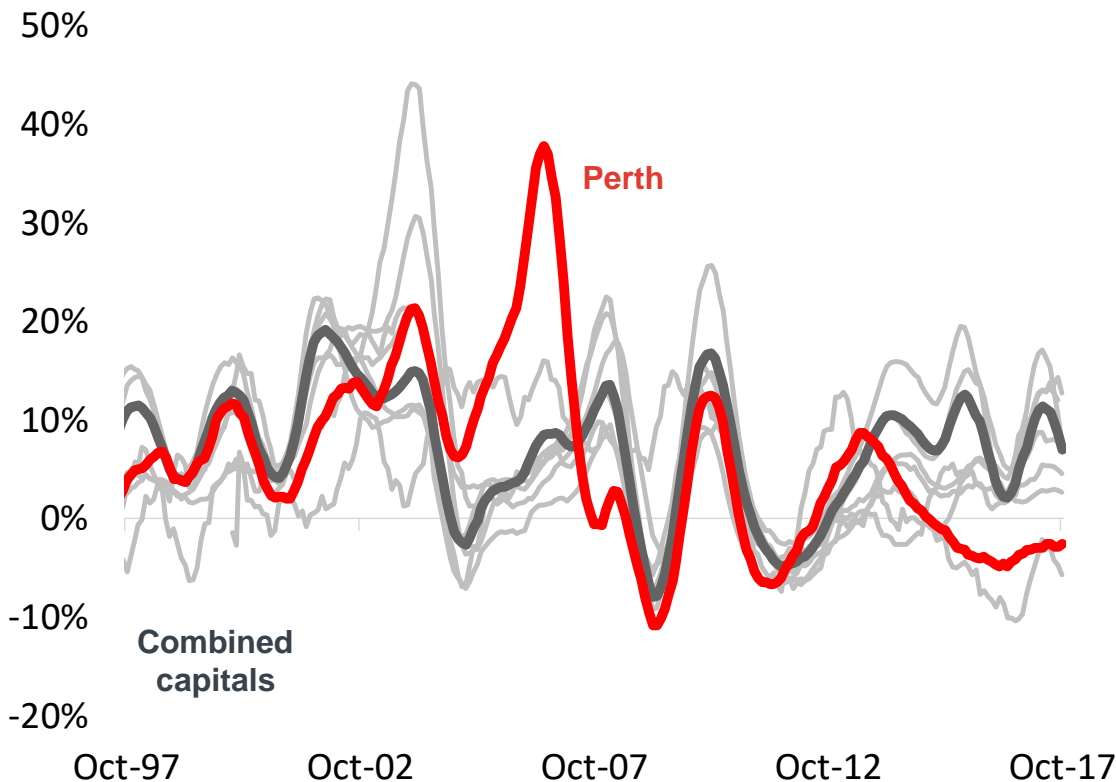
## Annual change in dwelling values



Dwelling values in Adelaide increased by **0.1%** over the three months to October 2017 and are **4.6%** higher over the past year. Over the year, house values have increased by **5.0%** and unit values have increased by **1.6%**.

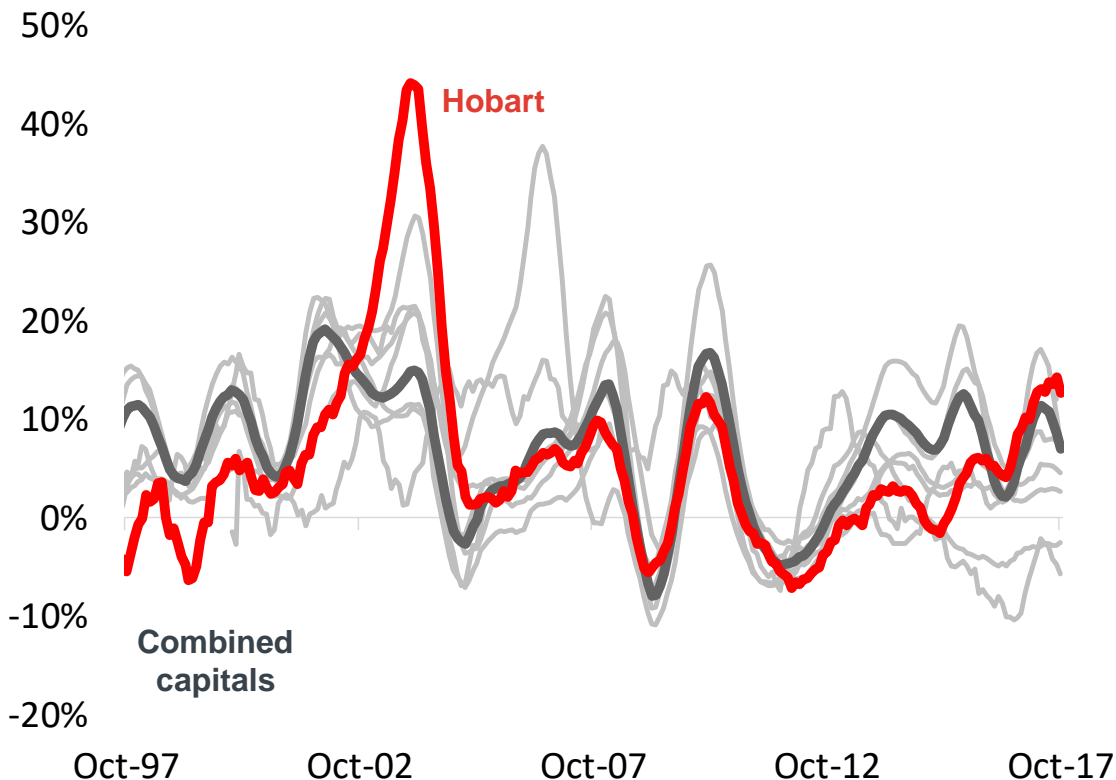


## Annual change in dwelling values



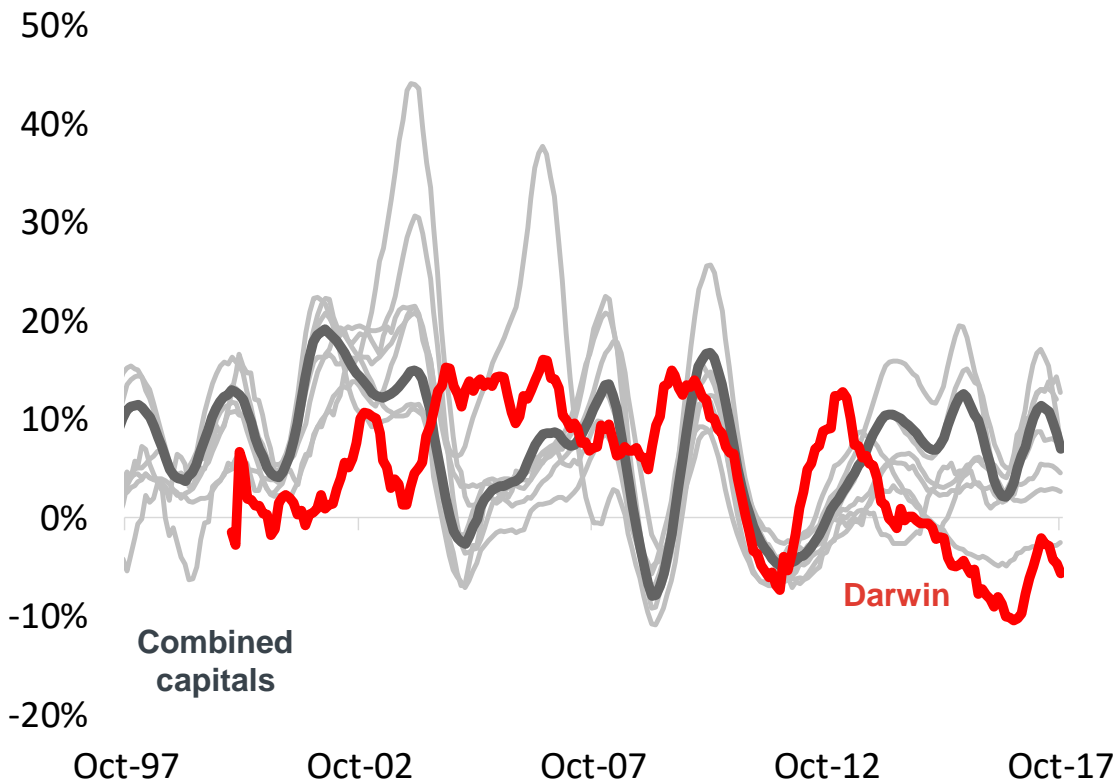
Perth dwelling values fell **-0.7%** over the three months to October 2017 and are **-2.5%** lower over the past year. House values have fallen by **-2.9%** over the past 12 months and unit values have fallen by **-1.2%**.

## Annual change in dwelling values



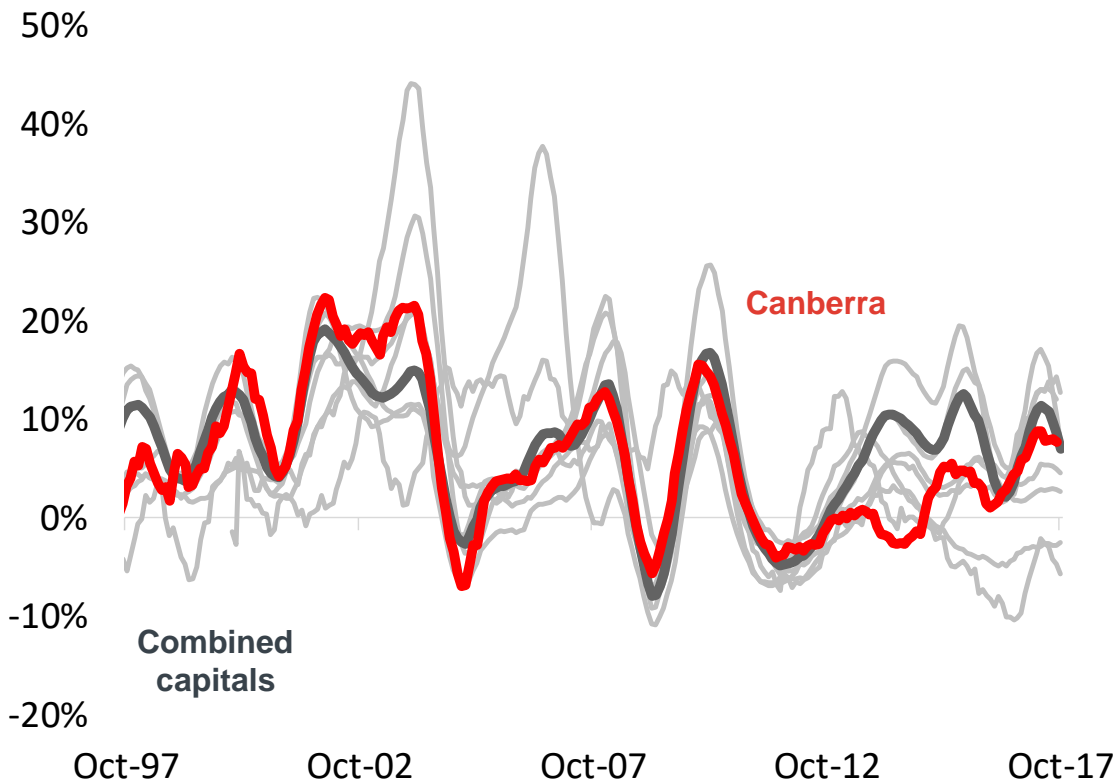
Dwelling values in Hobart rose **3.3%** over the three months to October 2017 and are **12.7%** higher over the past year. House values have increased by **13.4%** over the past 12 months and unit values have increased by **9.2%**.

Annual change in dwelling values



**Darwin dwelling values fell by **-4.4%** over the three months to August 2017 and are **-5.7%** lower over the past year. At the end of October 2017, dwelling values in Darwin were **-20.4%** lower than their historic peak.**

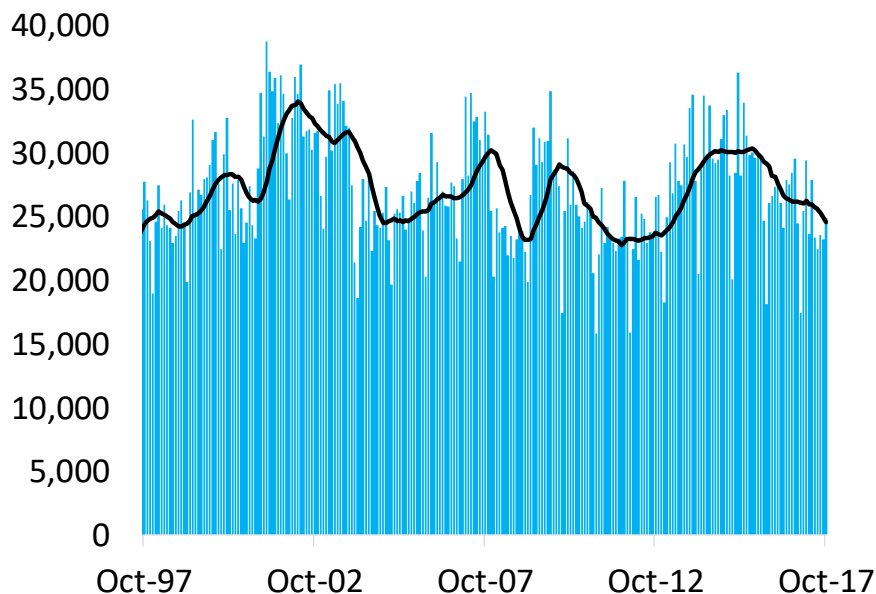
## Annual change in dwelling values



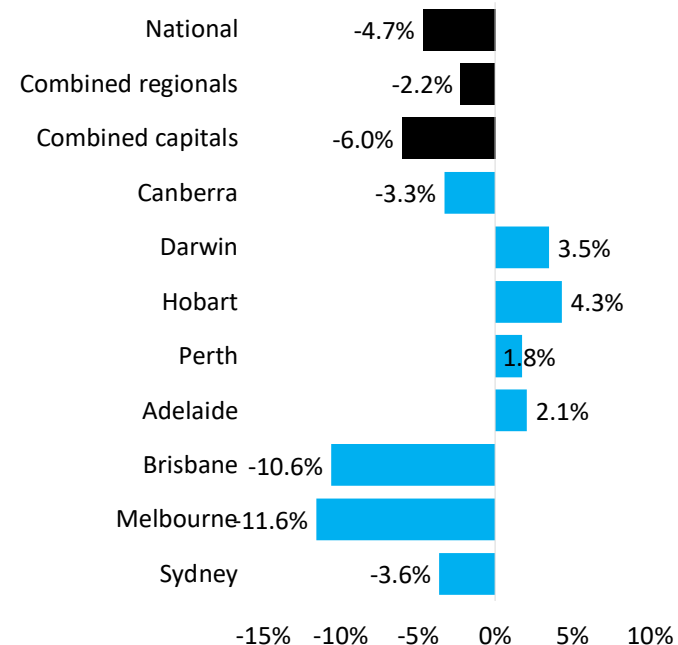
Dwelling values in Canberra increased **1.1%** over the three months to October 2017 and are **6.4%** higher over the past year. House values have increased by **7.7%** over the year while unit values are **2.7%** higher.

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

Number of settled sales, combined capitals

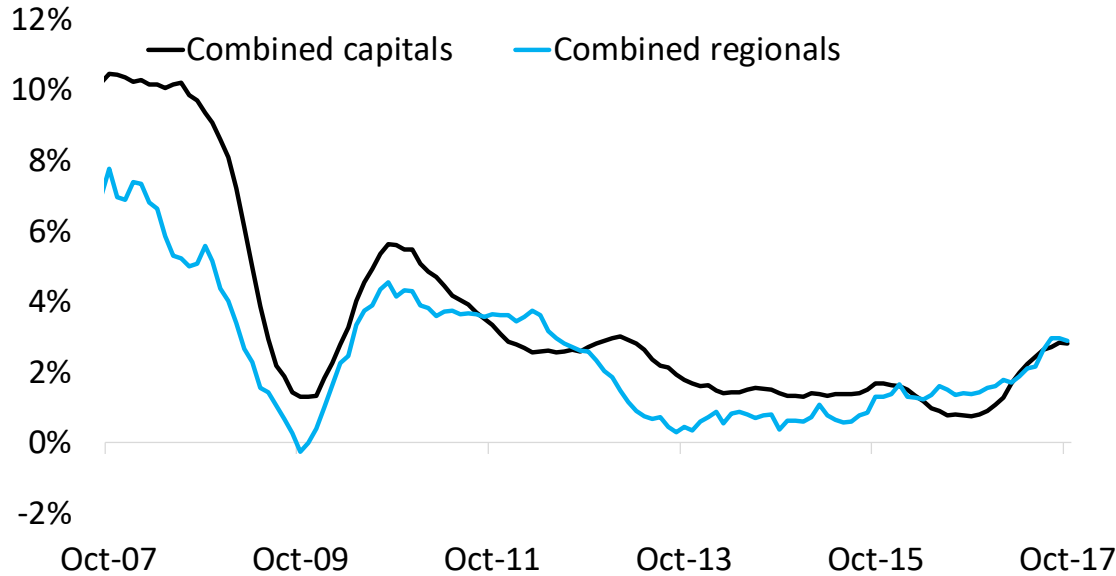


Year on year change in annual sales

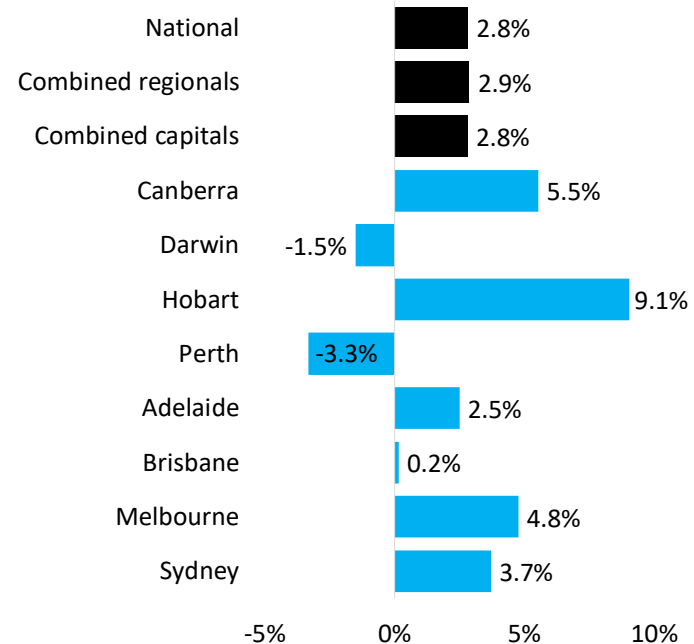


# The annual rate of rental growth has accelerated across some capital city and regional markets over the past year

Annual change in dwelling rents

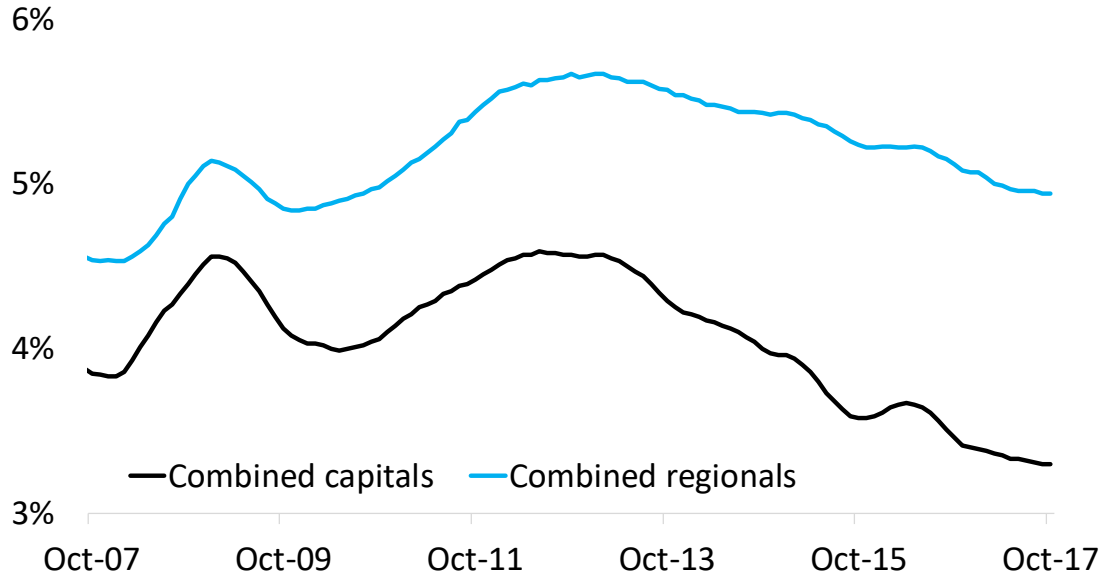


Annual change in dwelling rents to Oct-17

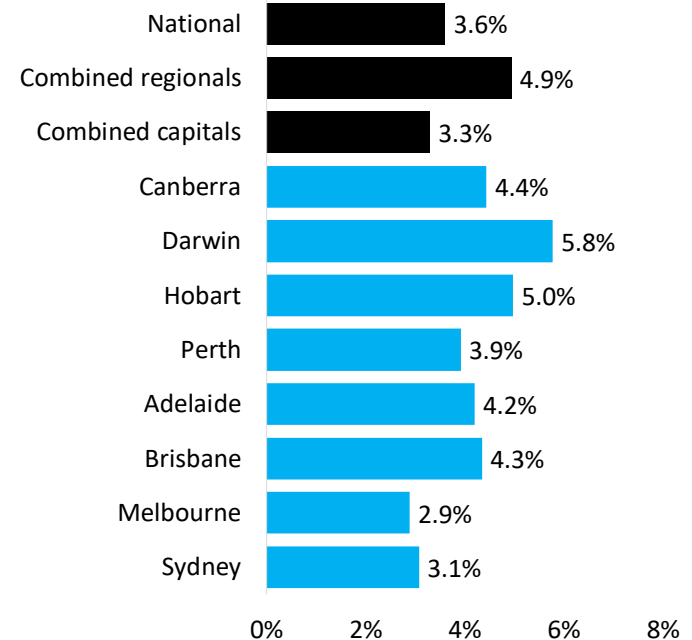


# Gross rental yields continue to trend lower as value growth outpaces rental growth

### Gross rental yields



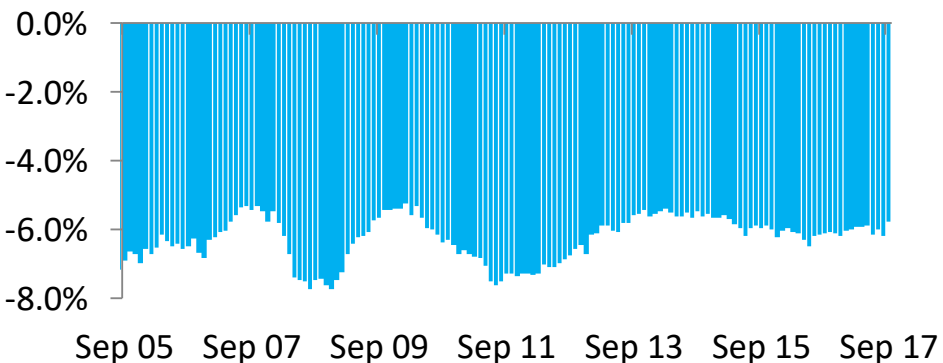
### Gross rental yields as at Oct-17



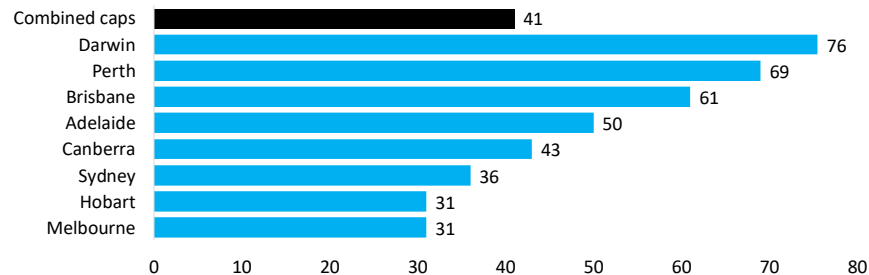
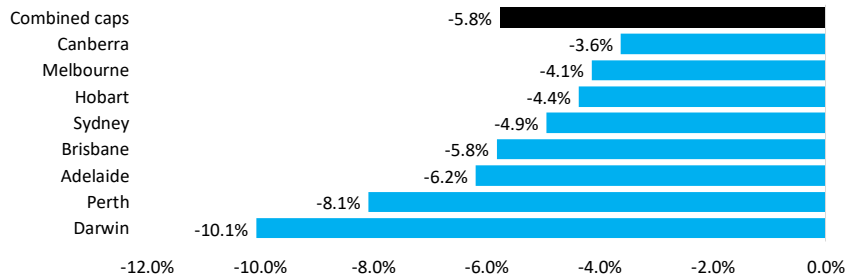
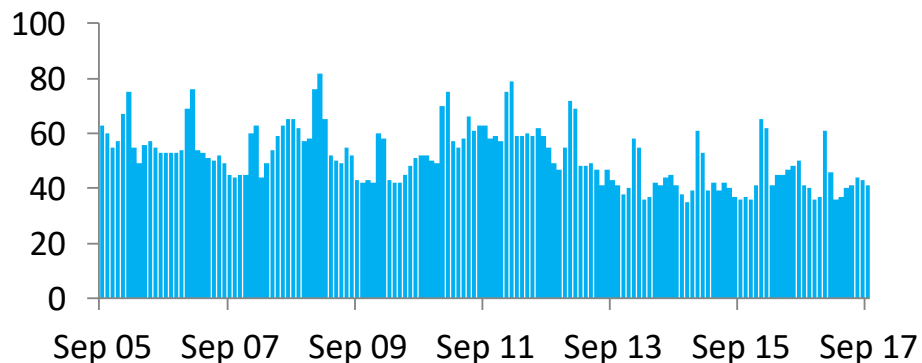
# Although homes are still selling rapidly, the days on market figure for Sydney and Melbourne has risen over recent months



Average rate of vendor discounting, Combined capitals



Average days on market, Combined capitals





# Nationally there are fewer properties advertised for sale than a year ago but across individual capital cities the trends vary substantially

Number of new and total properties advertised for sale, 28 days to 29 October 2017

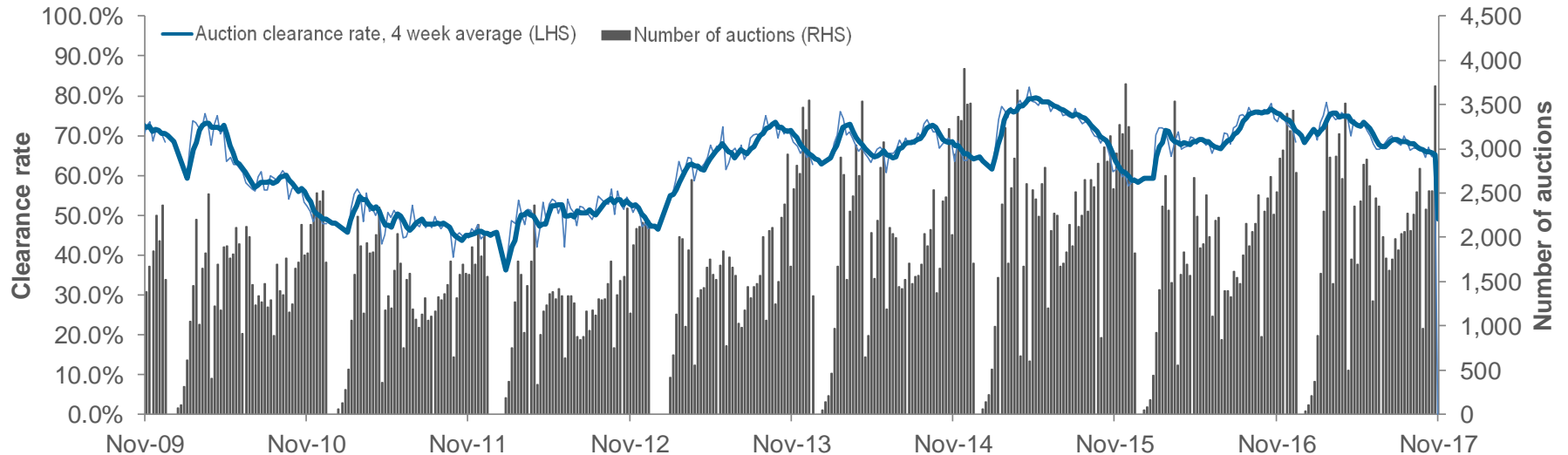
Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	8,620	4.3%	25,625	19.5%
Melbourne	9,631	1.0%	30,570	-1.7%
Brisbane	4,528	-10.5%	20,611	2.5%
Adelaide	2,427	3.2%	8,794	8.0%
Perth	4,224	-9.2%	20,309	-14.3%
Hobart	425	-5.8%	1,157	-33.6%
Darwin	146	-13.6%	1,581	-1.9%
Canberra	1,005	27.9%	2,262	14.4%
<b>Combined capitals</b>	<b>31,006</b>	<b>-0.8%</b>	<b>110,909</b>	<b>1.0%</b>

State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	13,707	-0.1%	49,004	3.8%
Vic	13,213	-0.6%	50,775	-10.2%
Qld	9,943	-8.4%	64,020	-3.3%
SA	3,270	1.9%	18,240	0.7%
WA	5,733	-7.0%	33,705	-13.7%
Tas	1,103	-4.9%	5,746	-23.3%
NT	205	-9.3%	2,179	0.3%
ACT	1,028	28.7%	2,338	14.0%
<b>National</b>	<b>48,202</b>	<b>-2.5%</b>	<b>226,007</b>	<b>-5.3%</b>

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

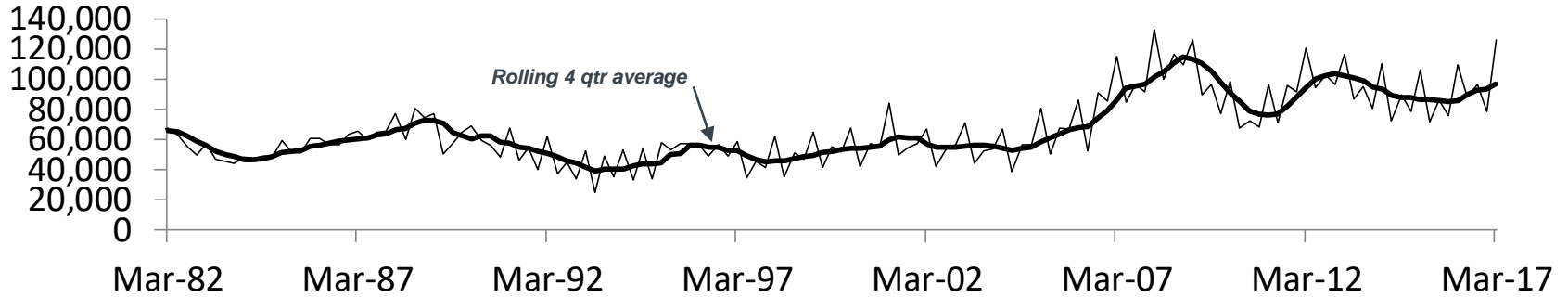


Combined capital city auction clearance rates and volumes

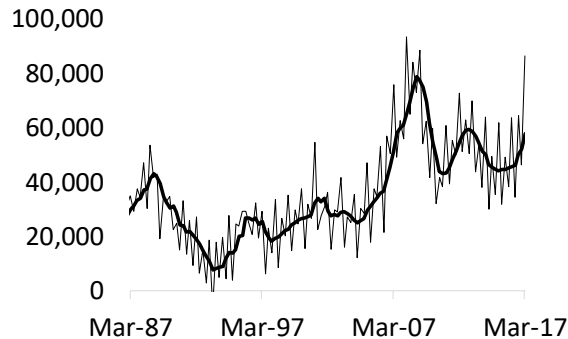


# Housing demand: overseas migration is trending much higher

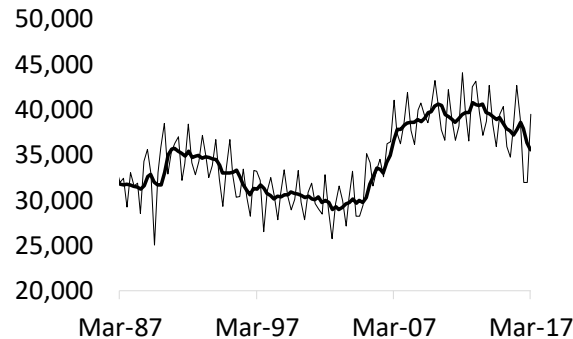
### Quarterly change in national population



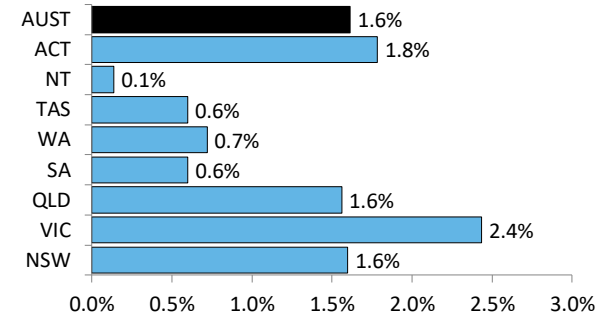
### Net overseas migration



### Natural increase

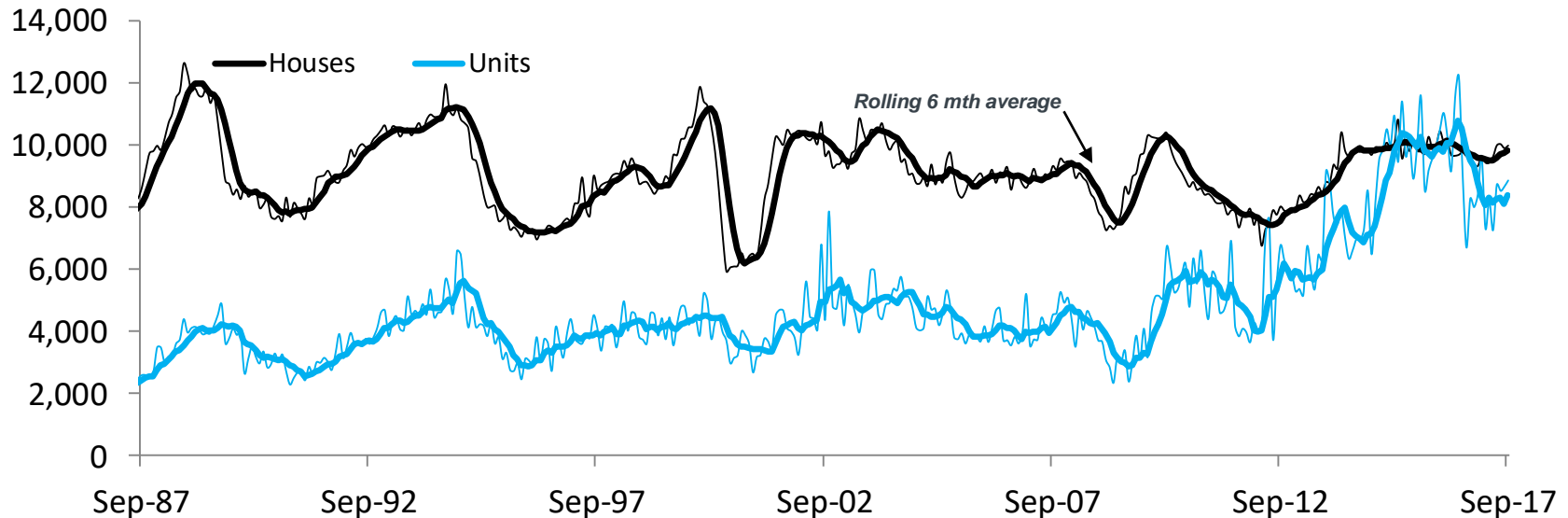


### Annual change in population



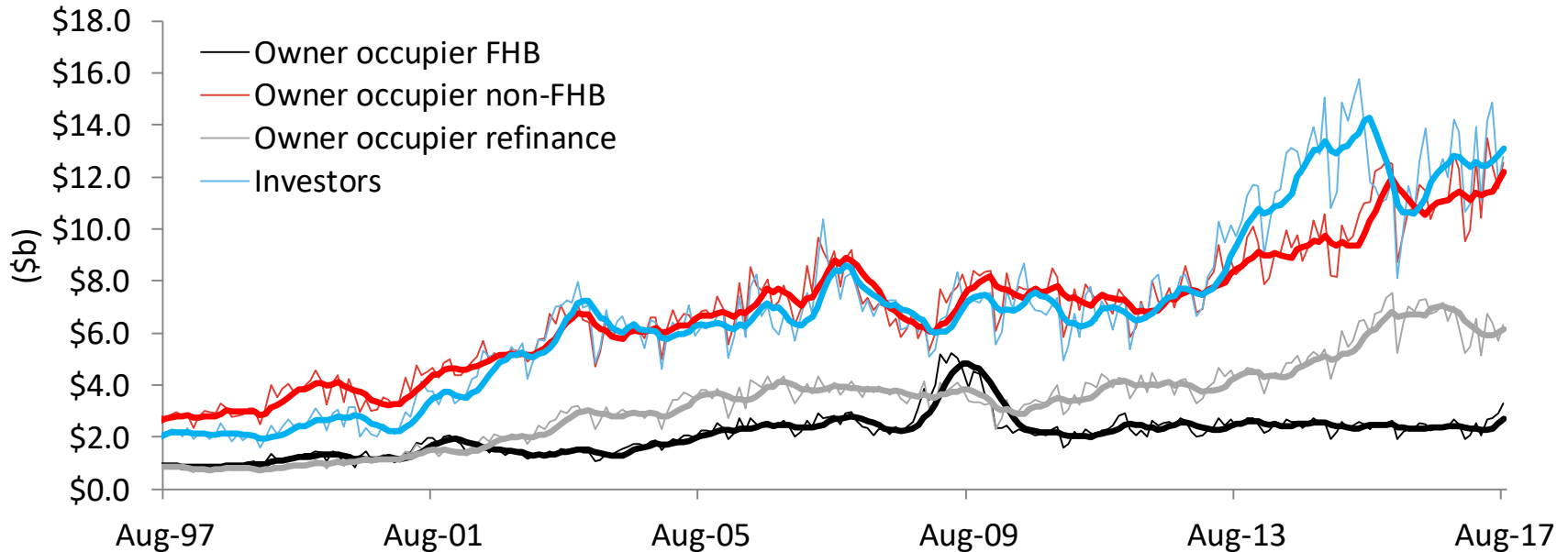
# Dwelling approvals increased to their highest level since February 2017 in September on the back of rebounding unit approvals

Number of dwellings approved for construction, National



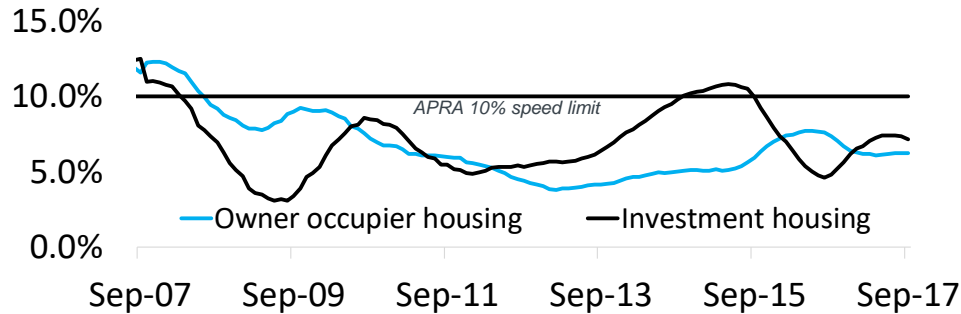
# There has been a fairly significant upswing in lending to first home buyers over the past few months

Value of housing finance commitments by borrower type

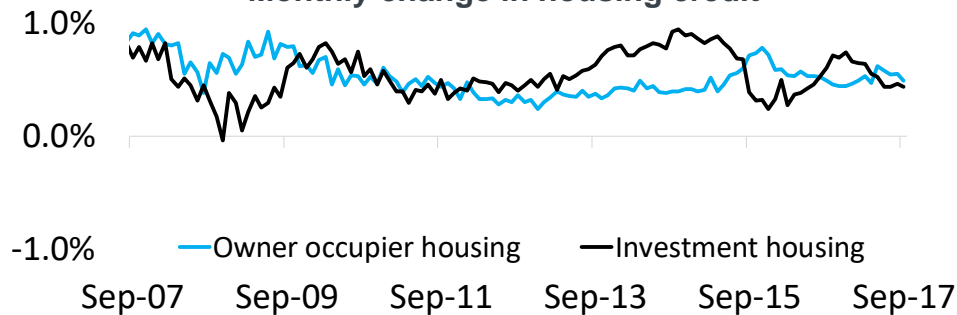


# Regulatory changes and higher mortgage rates, have impacted on investment demand and owner occupier demand is also slowing

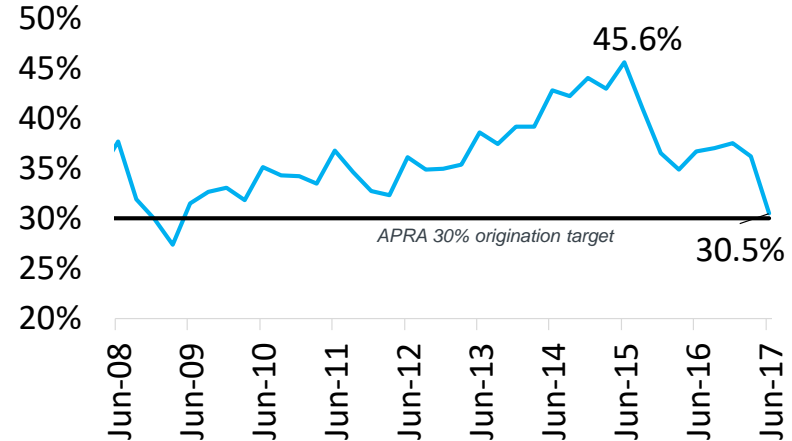
Annual change in housing credit



Monthly change in housing credit



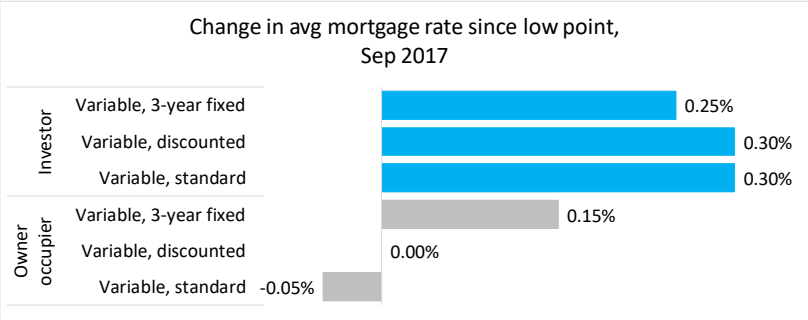
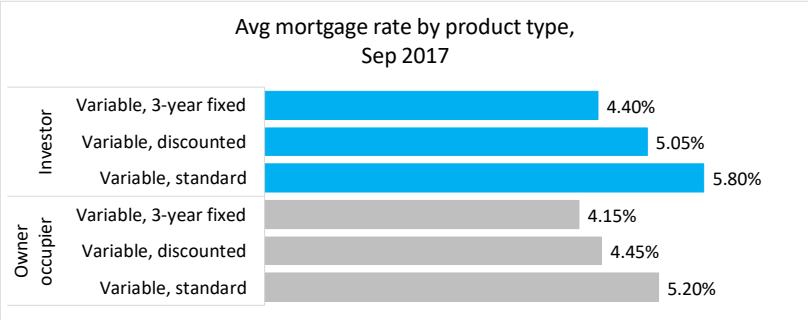
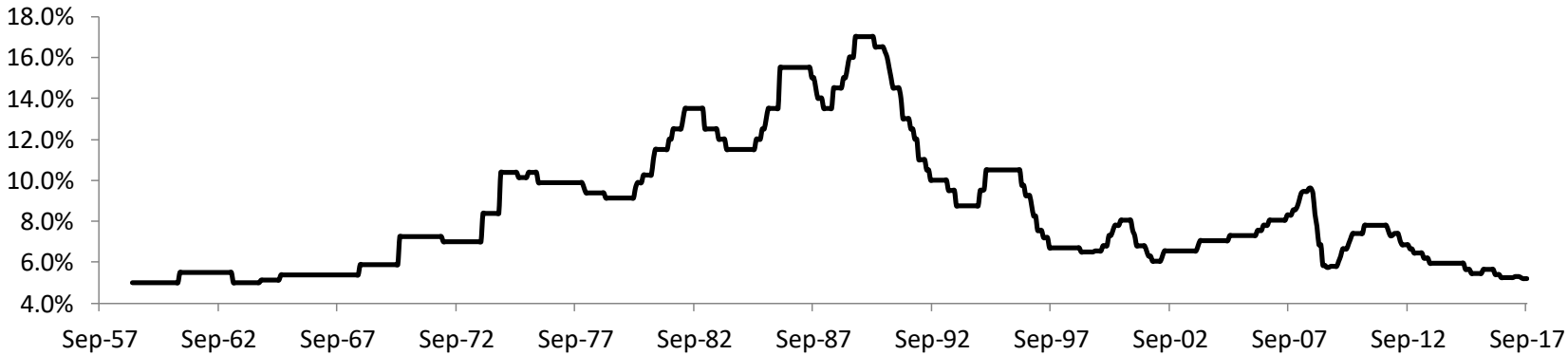
% of mortgages originated on interest only terms



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



Standard variable mortgage rates over time



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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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