



Housing market update






National

January 2018



The value of Australian housing sits at \$7.5 trillion

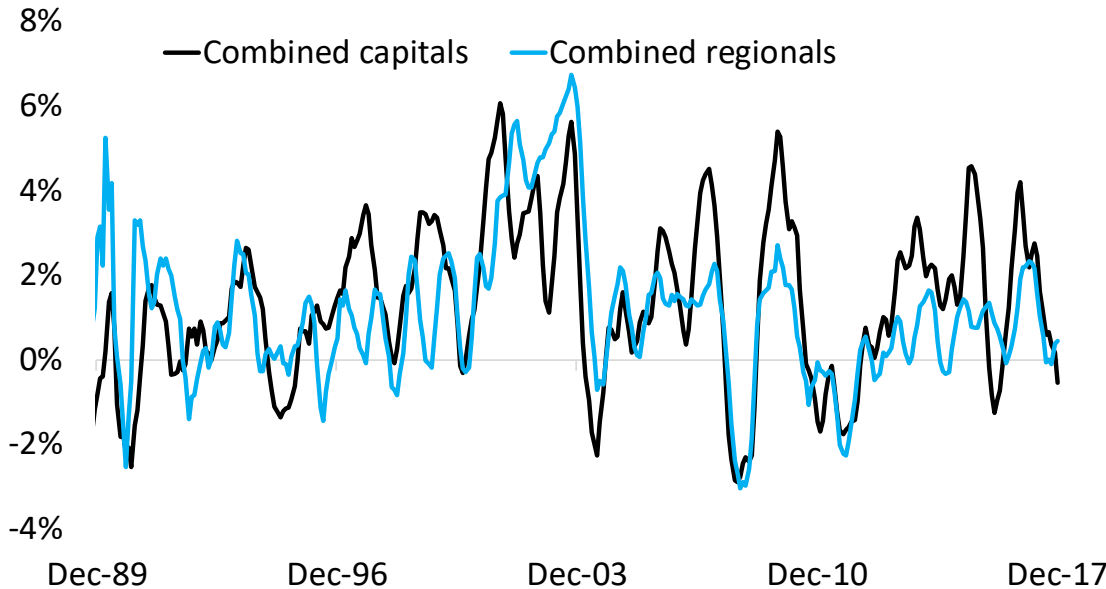


- 
Number of dwellings
9.9 million
- 
Outstanding mortgage debt
\$1.71 trillion
- 
Household wealth held in housing
52.2%
- 
Total sales p.a.
471,917
- 
Gross value of sales p.a.
\$298.3 billion

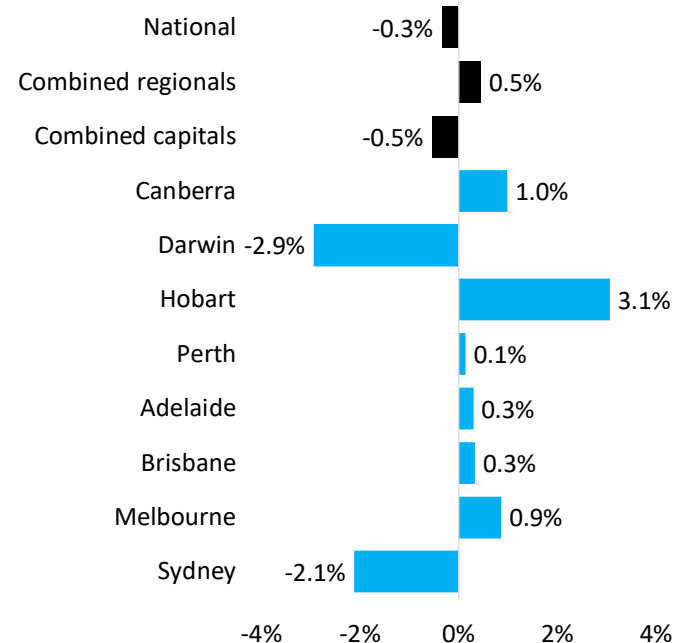
Capital city dwelling values posted their first quarterly fall since April 2016 while regional values edged higher over the Dec-17 quarter



Quarterly change in dwelling values

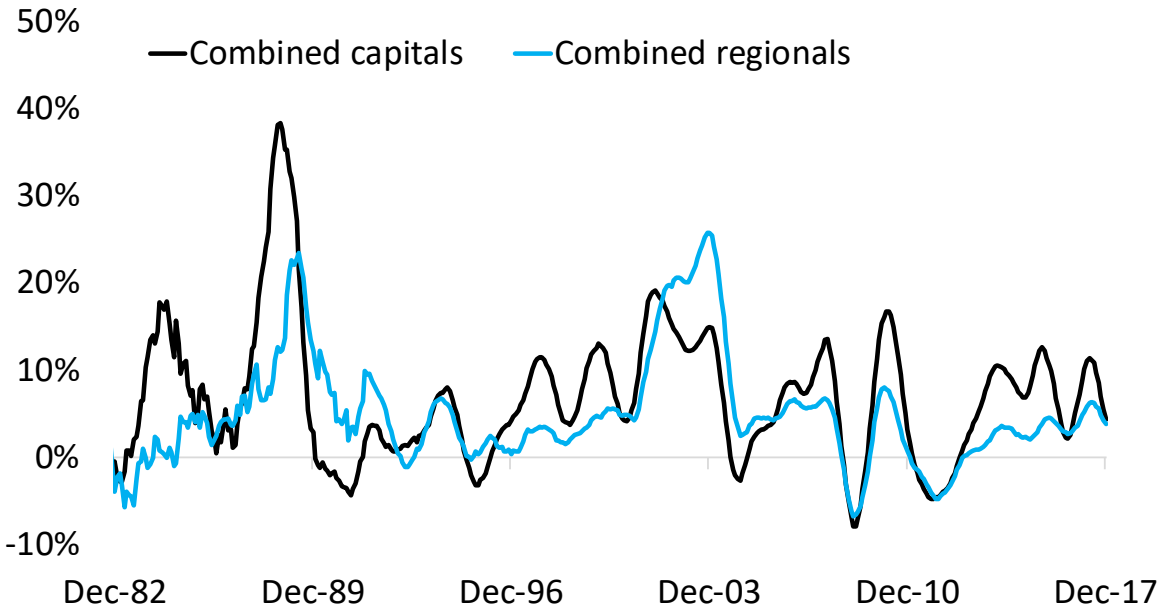


Quarterly change in dwelling values to Dec-17

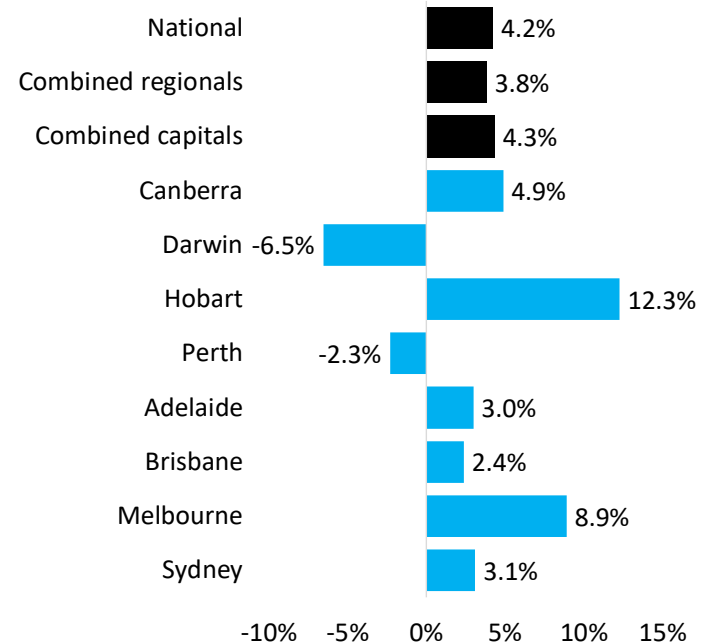


Only Sydney, Adelaide and Canberra recorded a lower annual value change in 2017 than in 2016

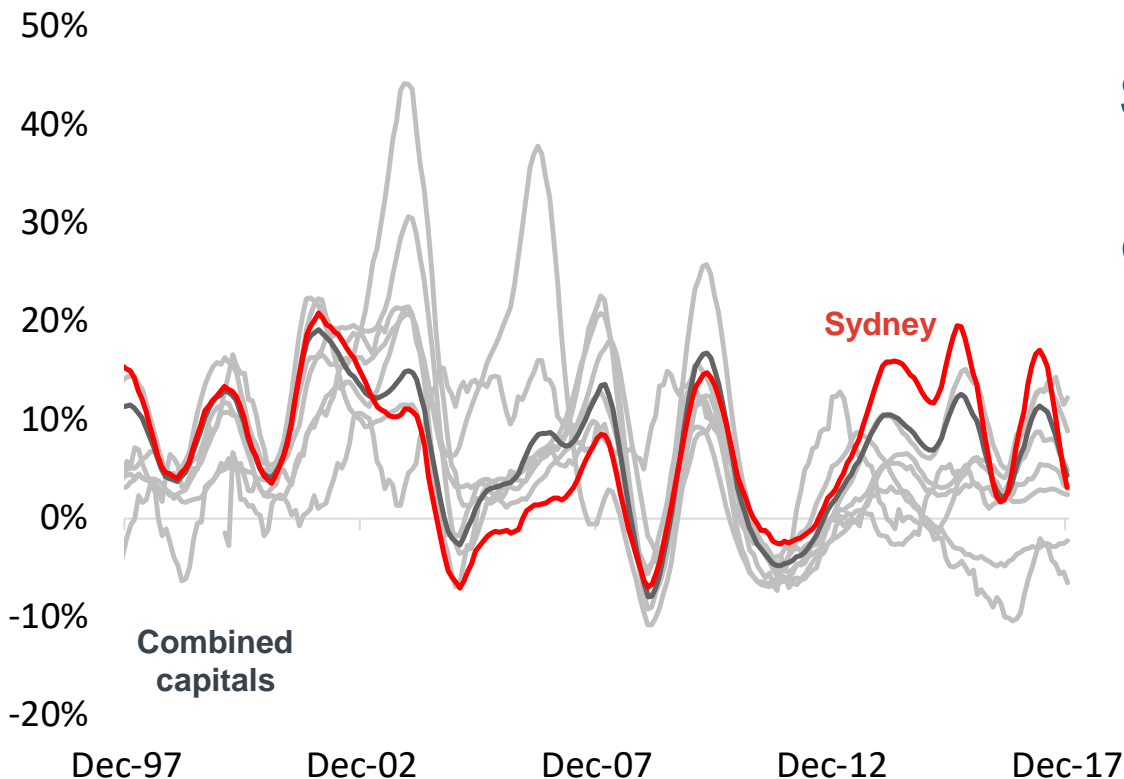
Annual change in dwelling values



Annual change in dwelling values to Dec-17

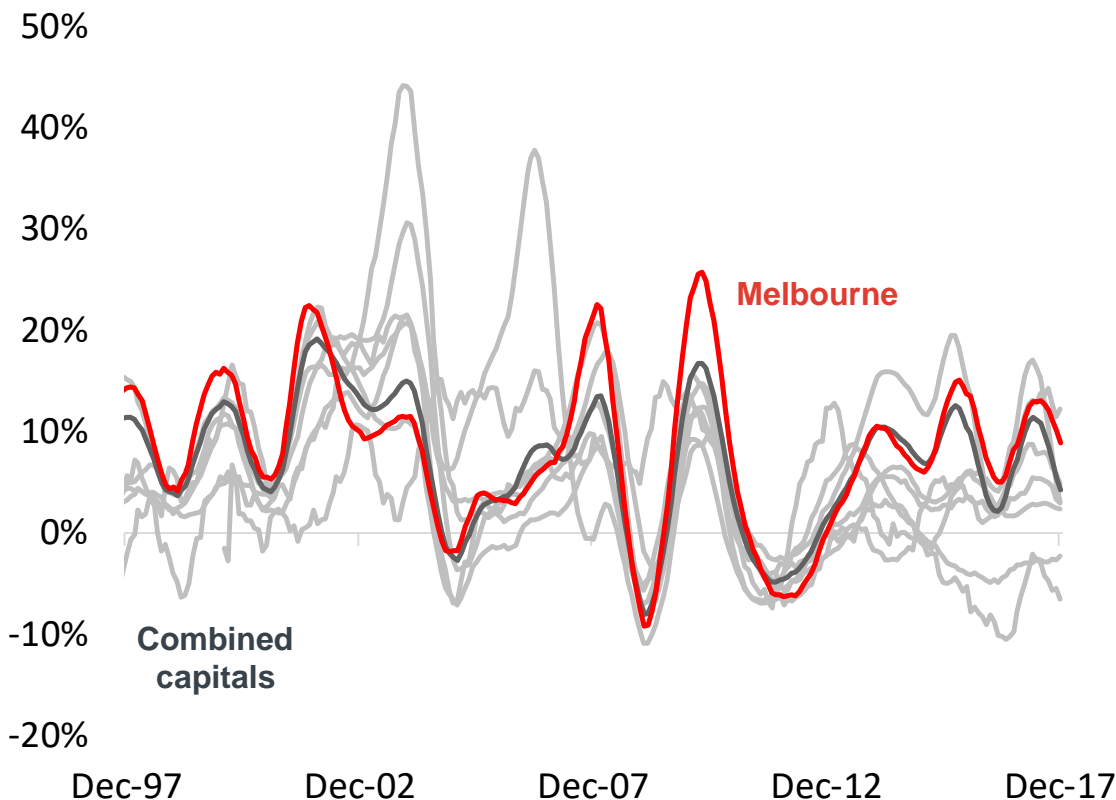


Annual change in dwelling values



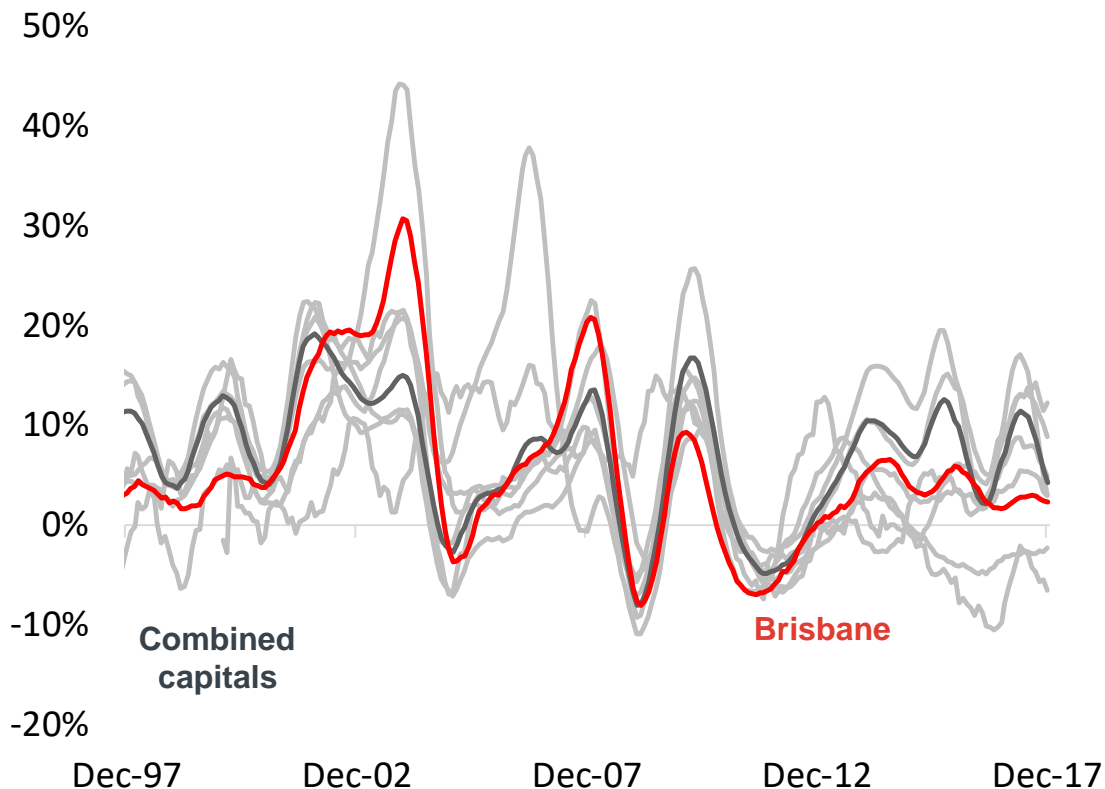
Sydney dwelling values have fallen by -2.1% over the final quarter of 2017 however, they are 3.1% higher over the past year. Over the last 12 months, house values are 2.1% higher and unit values are up 5.4%.

Annual change in dwelling values



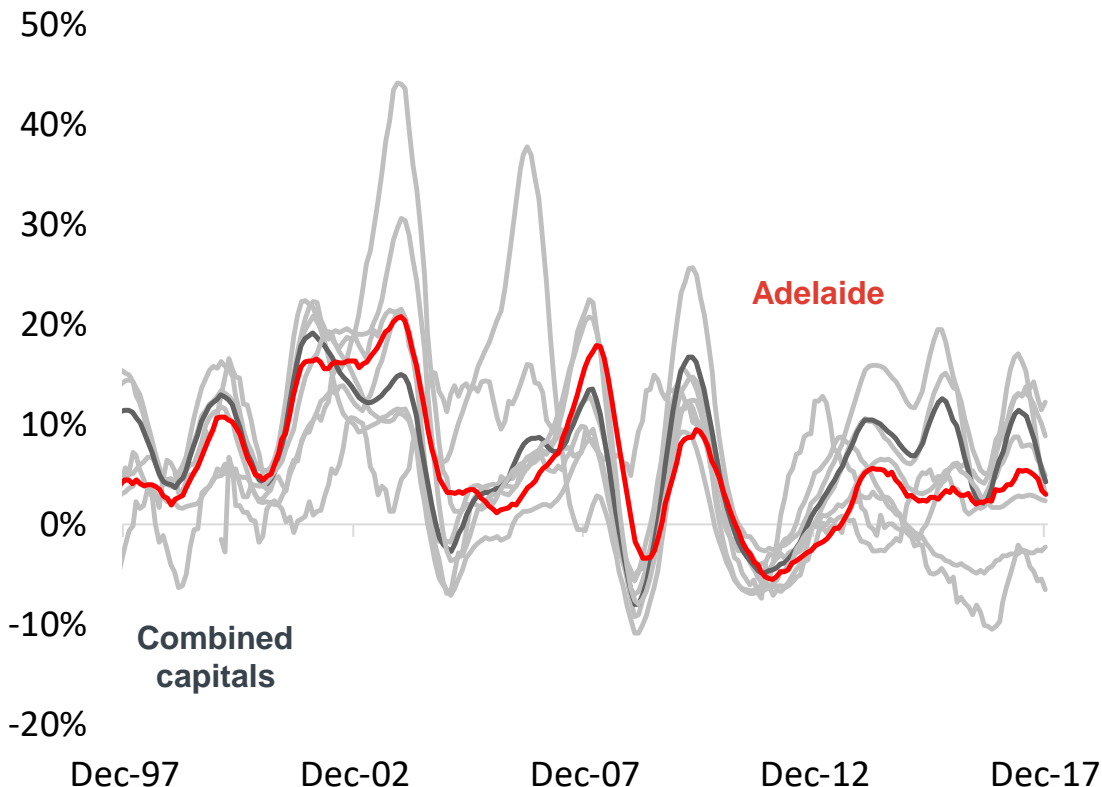
Dwelling values have increased by **0.9%** over the three months to December 2017 in Melbourne. Over the past year dwelling values are **8.9%** higher with house values rising **9.1%** and unit values **8.4%** higher.

Annual change in dwelling values



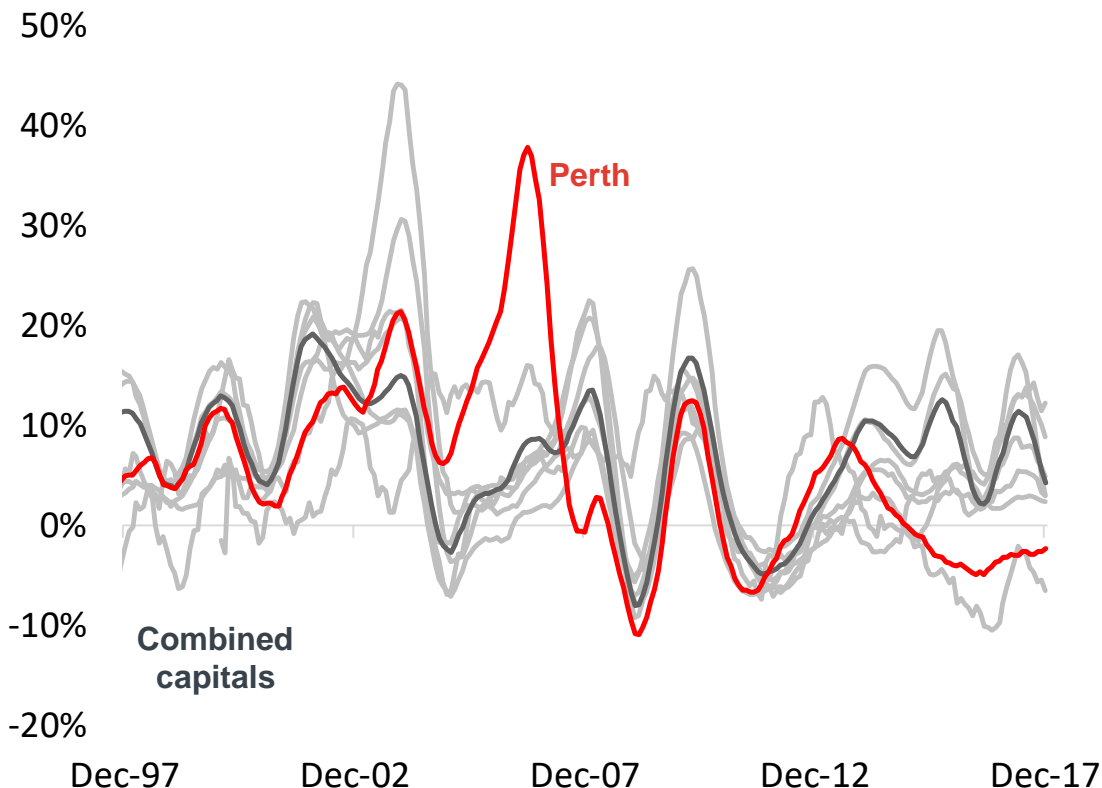
Brisbane home values increased by 0.3% over the three months to December 2017 and are 2.4% higher over the past year. House values have increased by 3.1% over the past year while unit values have fallen by -1.2%.

Annual change in dwelling values



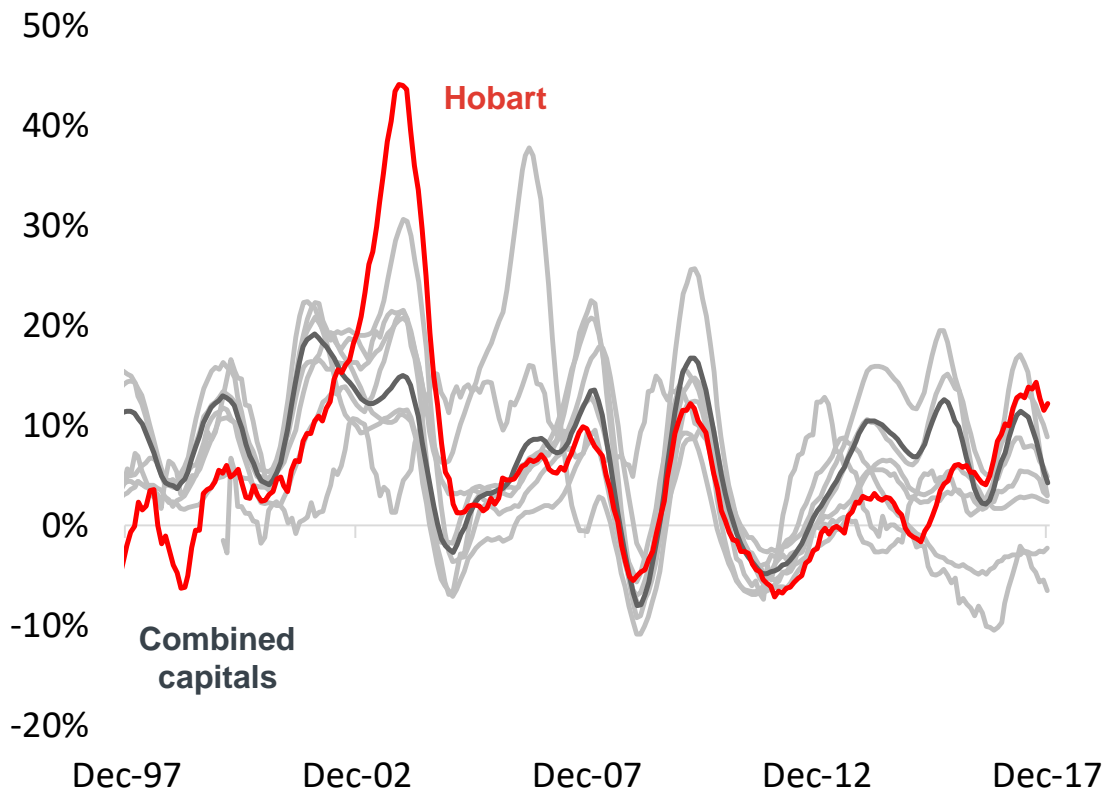
Dwelling values in Adelaide increased by **0.3%** over the fourth quarter of 2017 and are **3.0%** higher over the past year. Over the year, house values have increased by **3.3%** and unit values have increased by **0.5%**.

Annual change in dwelling values



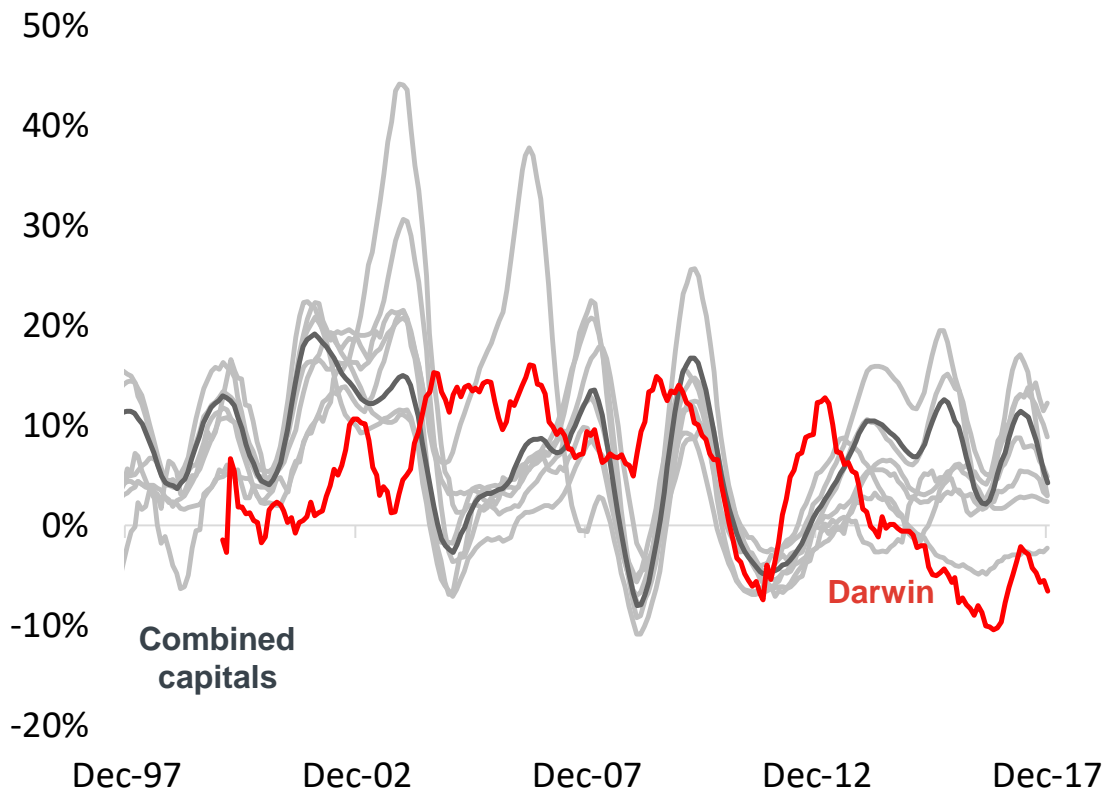
Perth dwelling values increased by **0.1%** over the three months to December 2017 however, they are **-2.3%** lower over the past year. In 2017 house values have fallen by **-2.6%** and unit values have fallen by **-0.9%**.

Annual change in dwelling values



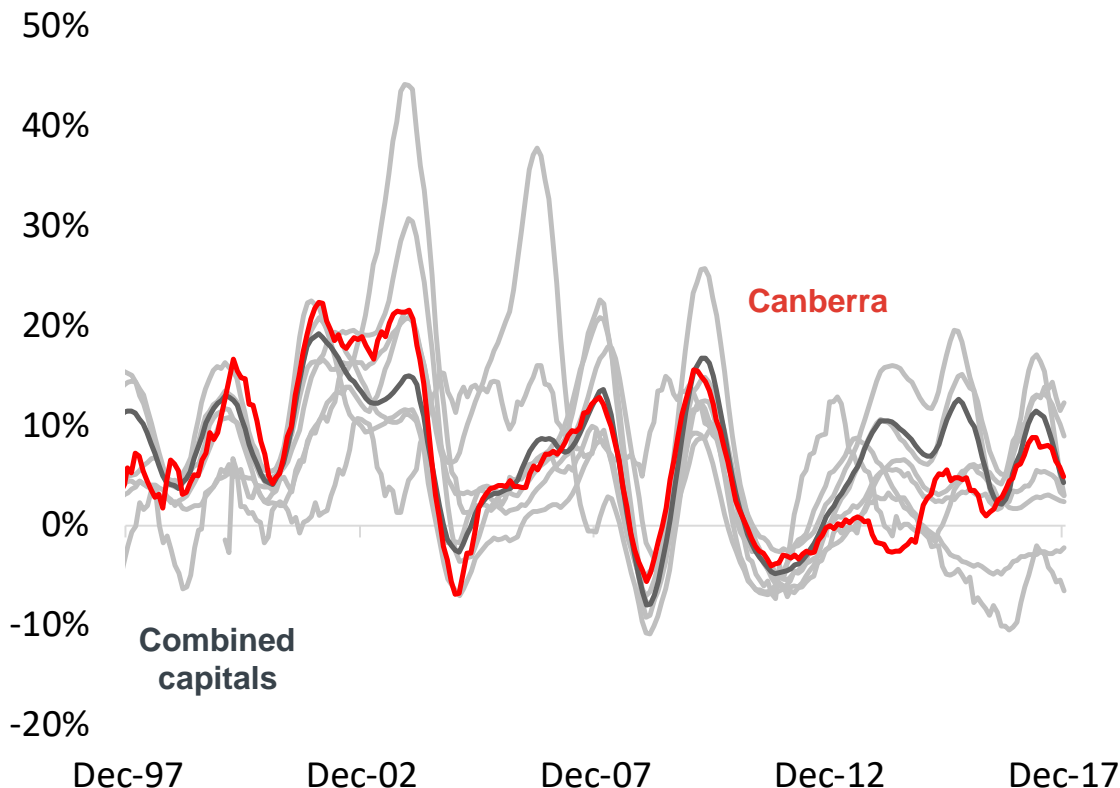
Dwelling values in Hobart rose **3.1%** over the three months to December 2017 and are **12.3%** higher over the past year. House values have increased by **12.9%** over the past 12 months and unit values have increased by **9.1%**.

Annual change in dwelling values



Darwin dwelling values fell by **-2.9% over the three months to December 2017 and are **-6.5%** lower over the past year. At the end of December 2017, dwelling values in Darwin were **-21.5%** lower than their historic peak.**

Annual change in dwelling values

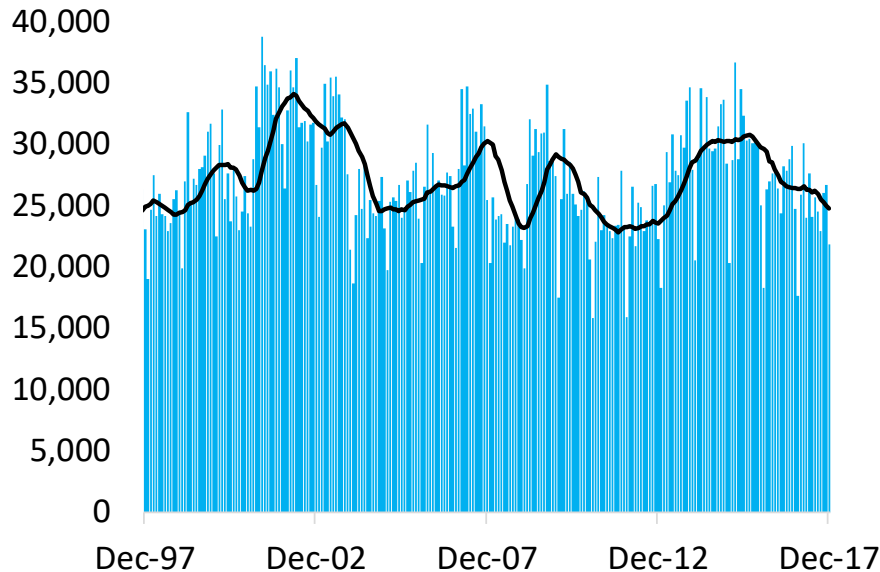


Dwelling values in Canberra increased **1.0%** over the final quarter of 2017 and they are **4.9%** higher over the past year. House values have increased by **5.8%** over the year while unit values are **2.1%** higher.

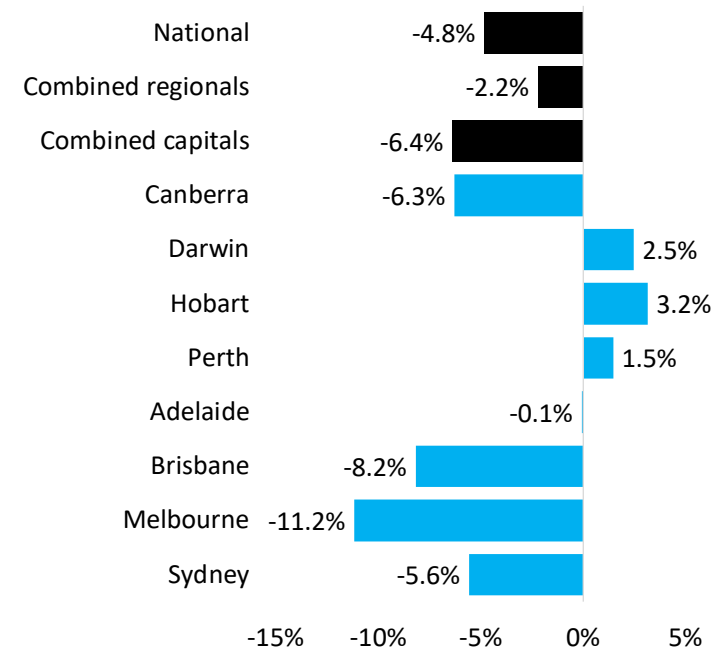
Transaction numbers remain lower than a year ago due to fewer settled sales in the largest capital cities



Number of settled sales, combined capitals



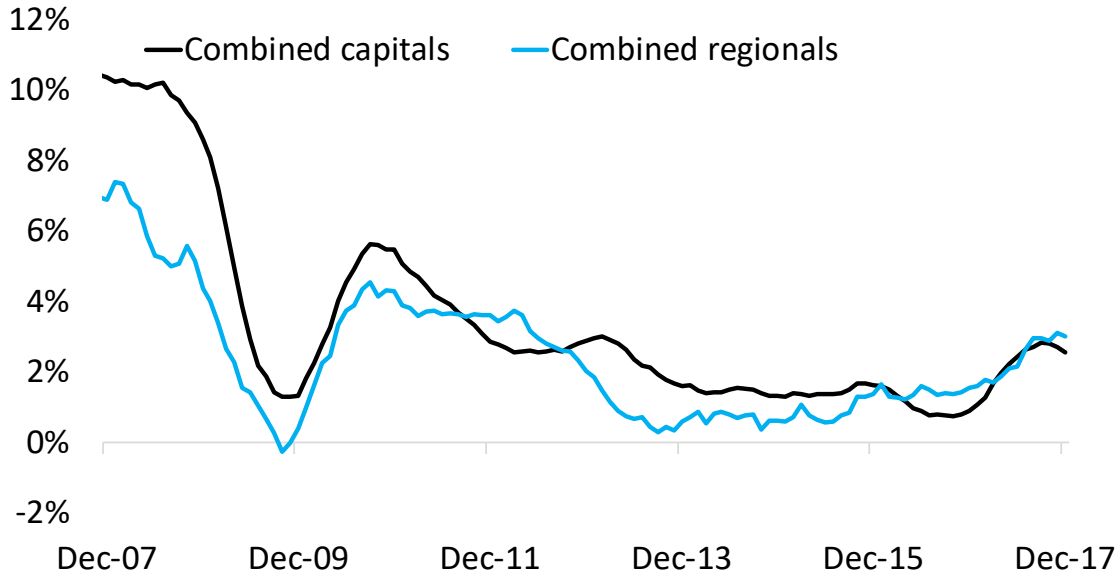
Year on year change in annual sales



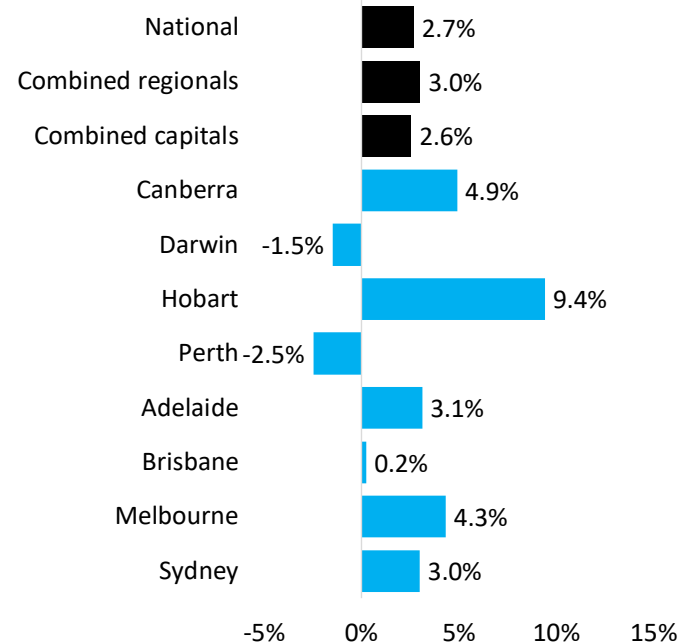
The annual rate of rental growth is higher than a year ago in most capital cities however, it has started to slow recently



Annual change in dwelling rents

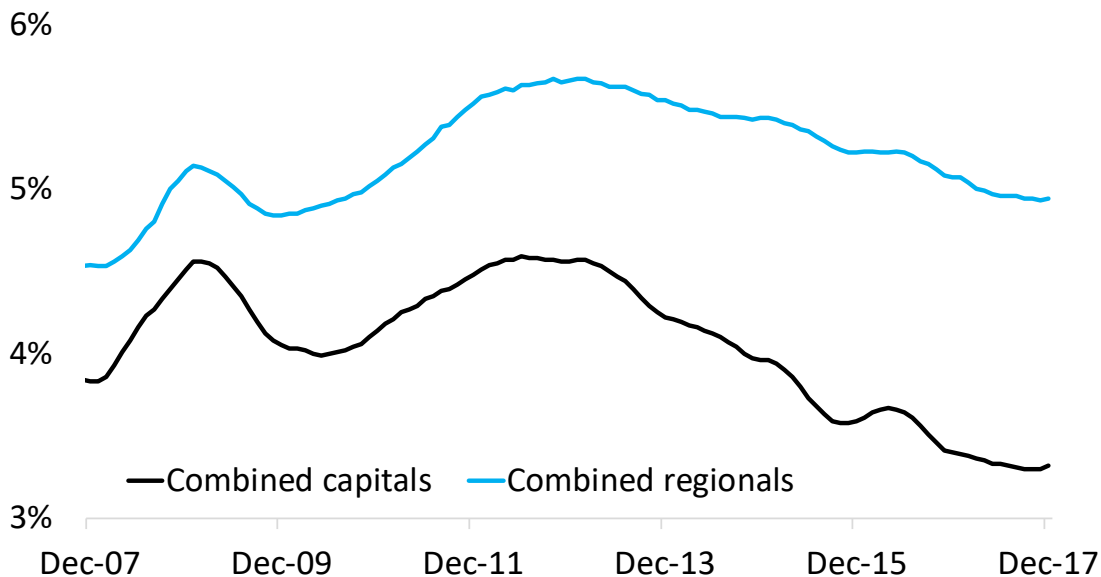


Annual change in dwelling rents to Dec-17

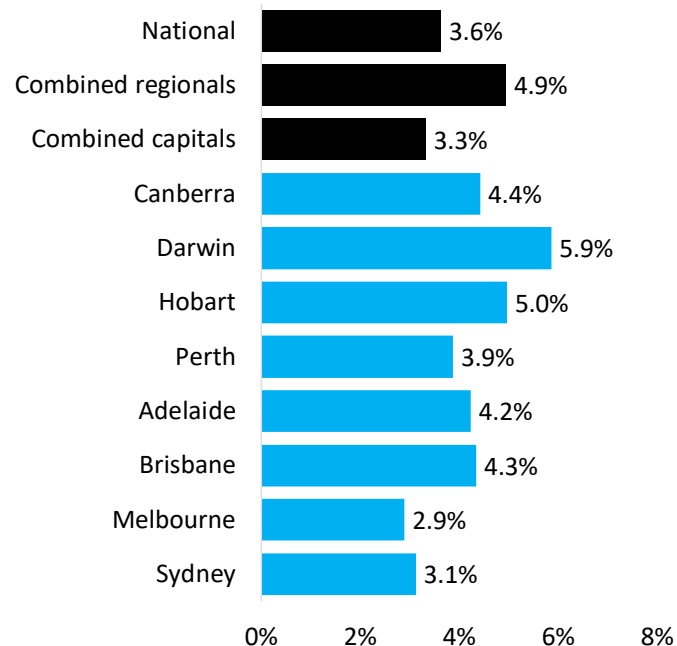


Gross rental yields are starting to trend higher as rental growth outpaces value growth in many cities

Gross rental yields



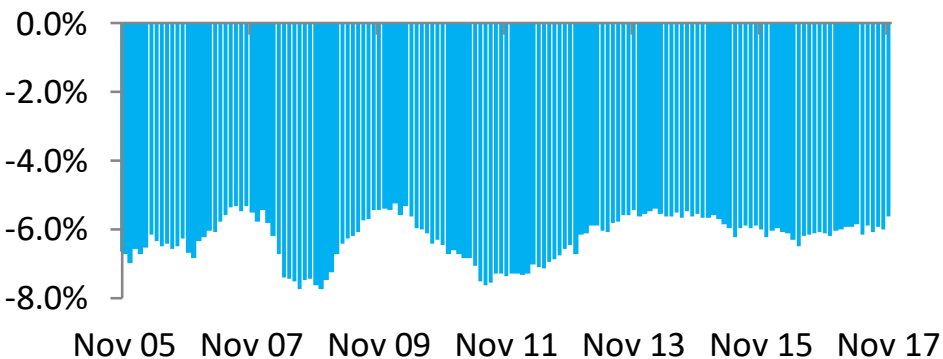
Gross rental yields as at Dec-17



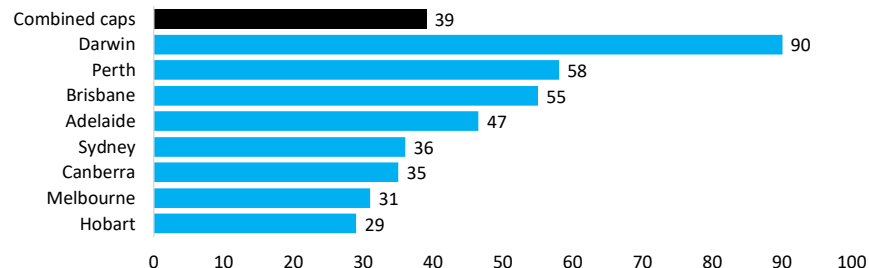
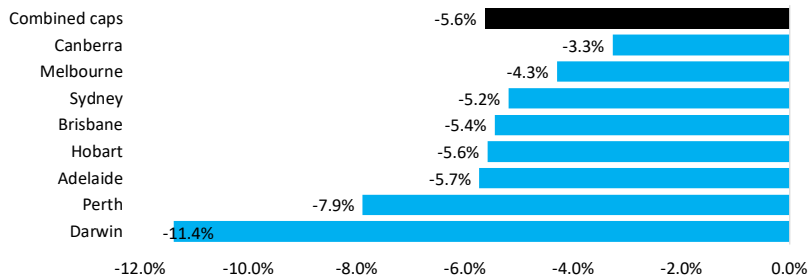
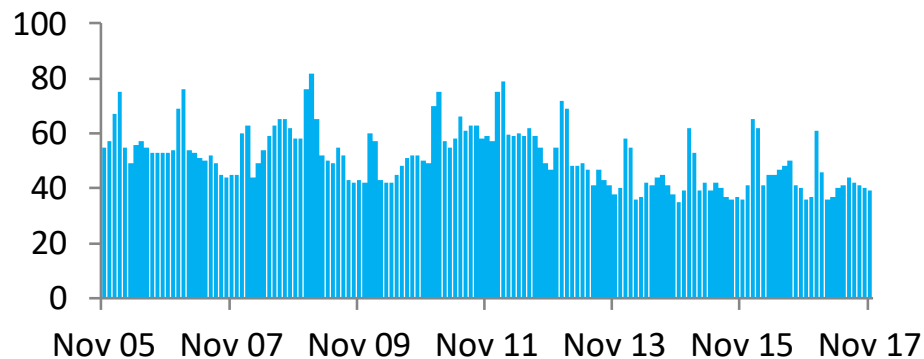
Although homes are still selling rapidly, the days on market figure for Sydney and Melbourne has risen over recent months



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 31 December 2017

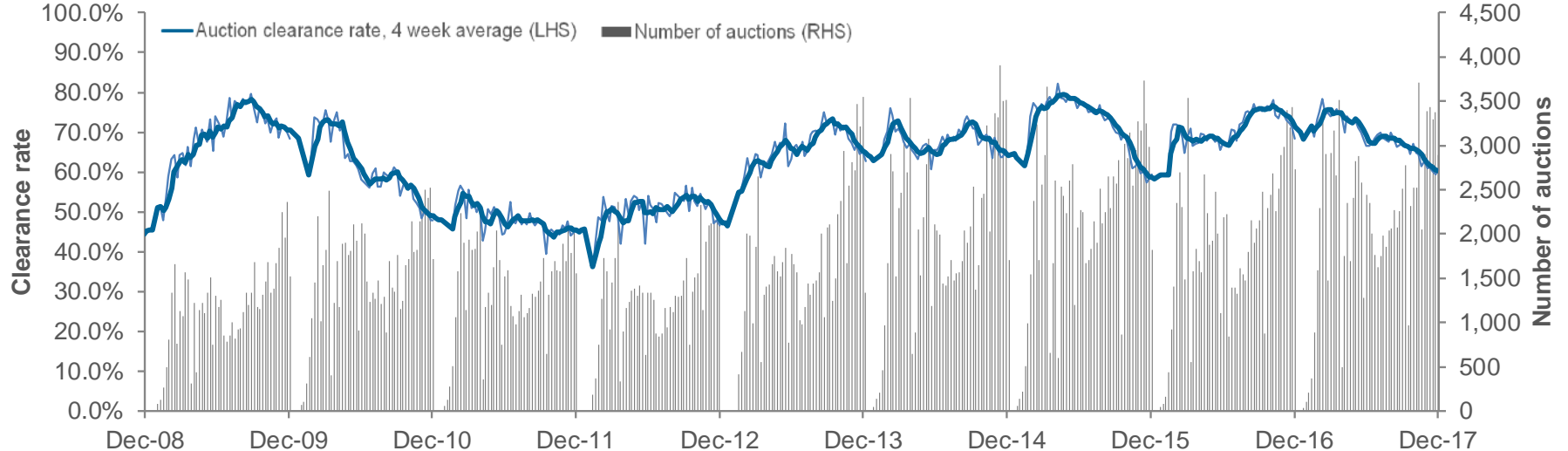
Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	2,001	-7.1%	19,953	26.5%
Melbourne	2,656	-9.2%	25,152	4.2%
Brisbane	2,158	-1.6%	18,263	-1.7%
Adelaide	986	-4.2%	7,615	3.9%
Perth	2,021	-5.6%	18,866	-6.4%
Hobart	277	-13.4%	1,011	-40.3%
Darwin	74	19.4%	1,444	-1.0%
Canberra	200	-2.9%	1,675	4.6%
Combined capitals	10,373	-6.0%	93,979	3.6%

State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	5,531	-8.8%	41,811	4.5%
Vic	4,861	-13.7%	43,898	-9.4%
Qld	6,020	-0.9%	59,466	-5.9%
SA	1,735	-4.5%	17,054	-2.2%
WA	3,268	-6.7%	32,237	-6.1%
Tas	794	-16.9%	5,457	-26.9%
NT	110	25.0%	1,983	-1.2%
ACT	205	-3.3%	1,748	5.2%
National	22,524	-7.5%	203,654	-5.1%

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

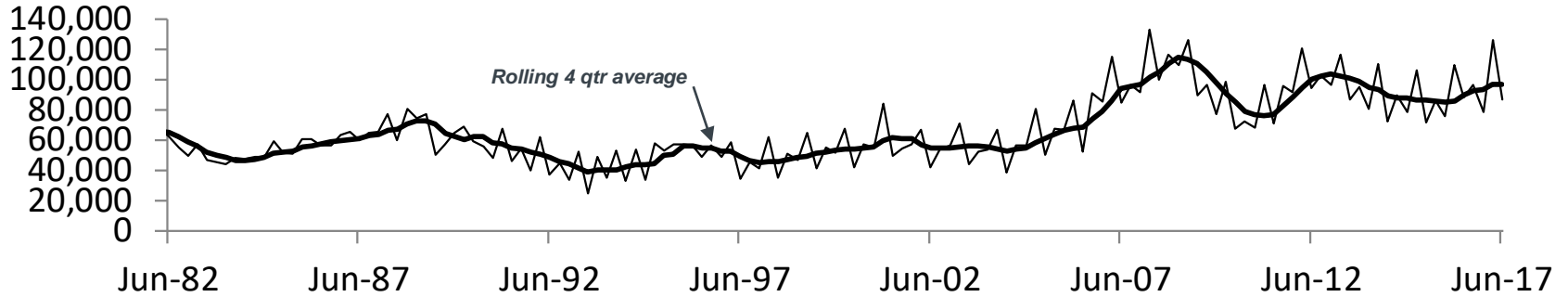


Combined capital city auction clearance rates and volumes

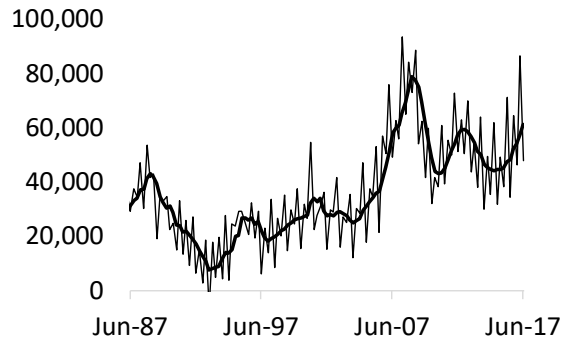


Housing demand: overseas migration continues to trend much higher

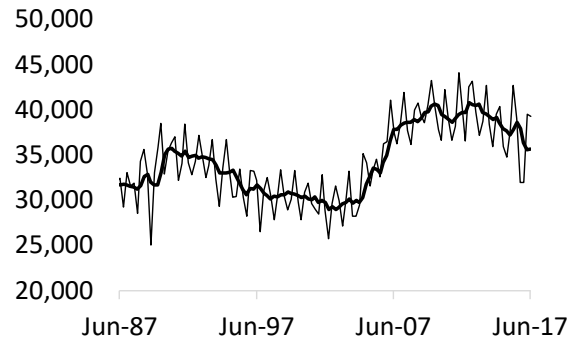
Quarterly change in national population



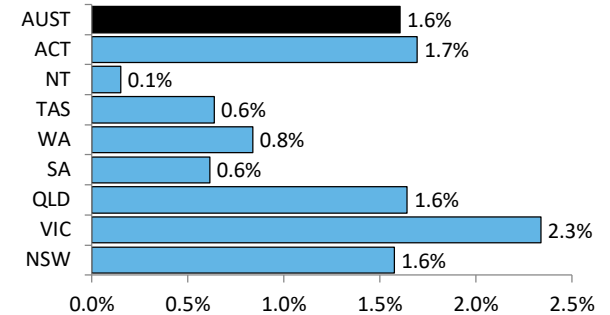
Net overseas migration



Natural increase

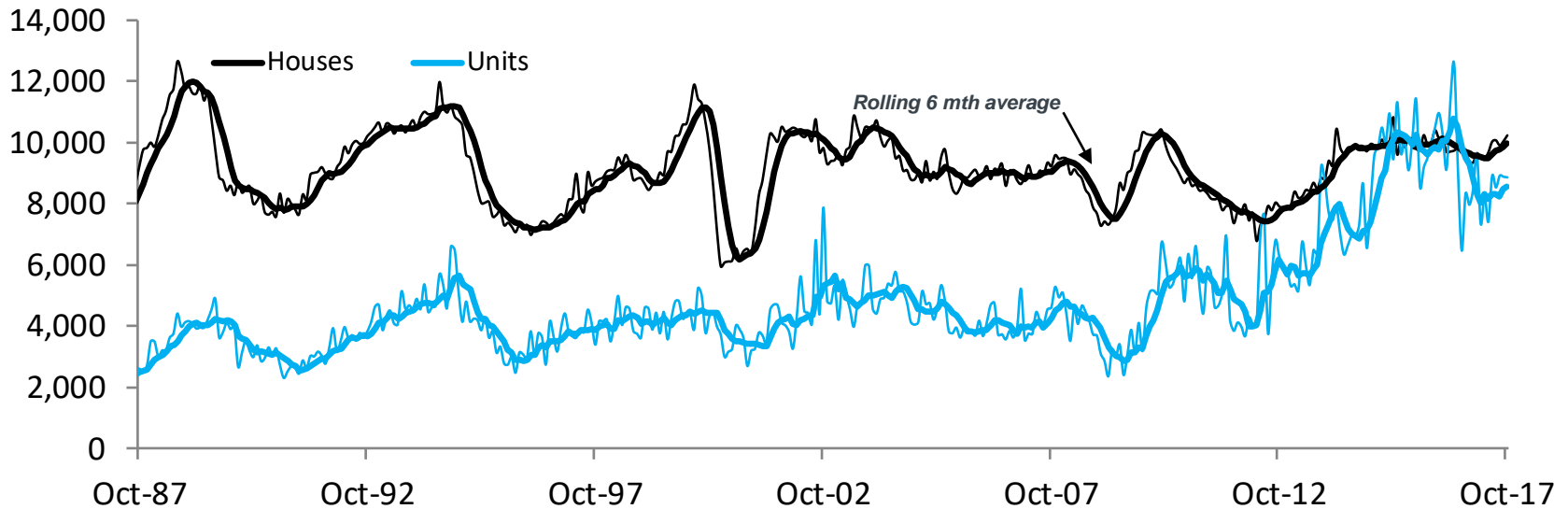


Annual change in population



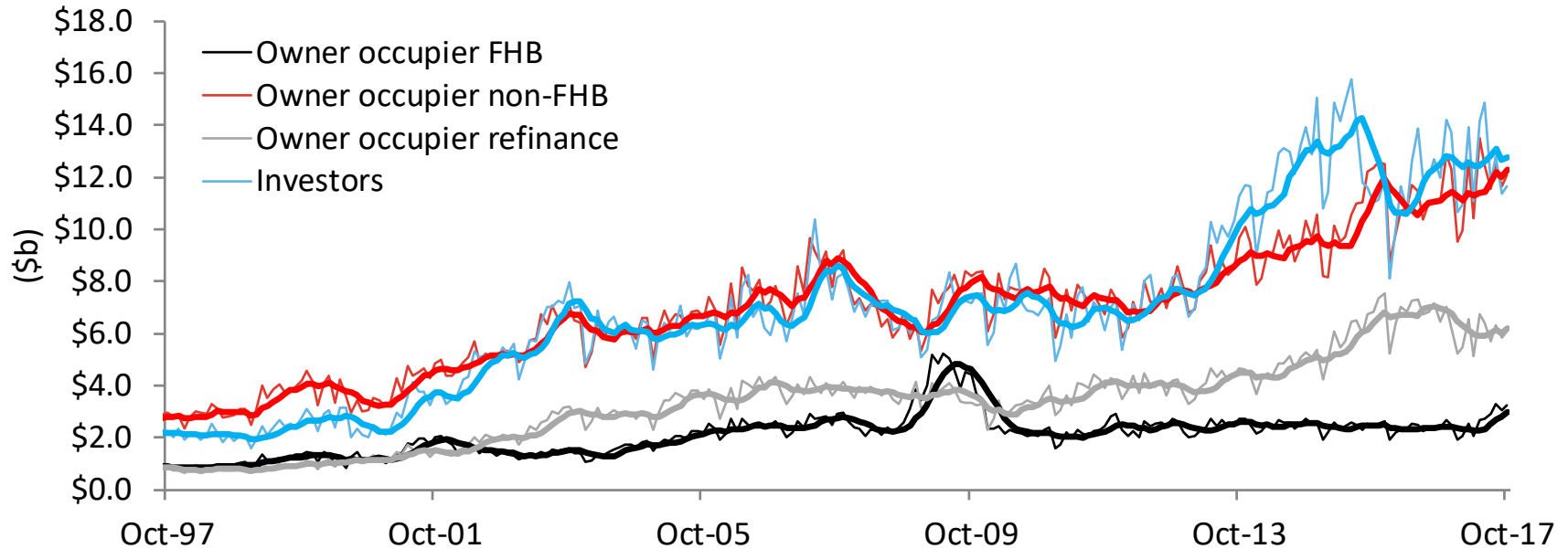
Although dwelling approvals are down from their record high levels they have increased each of the past three months

Number of dwellings approved for construction, National



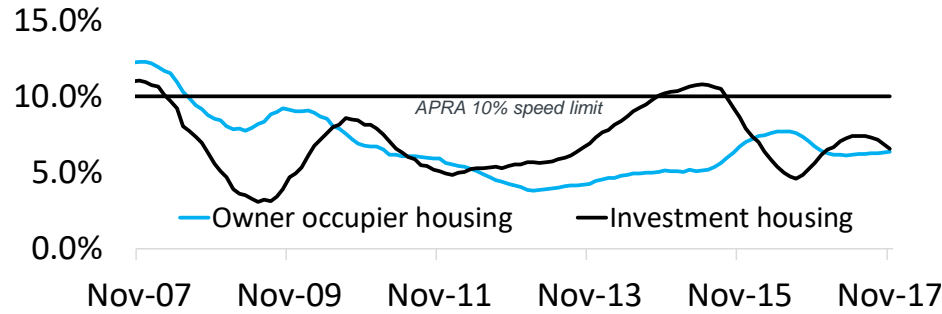
Demand for finance from first home buyers has grown significantly over recent months, largely due to stamp duty concessions in NSW and Vic

Value of housing finance commitments by borrower type

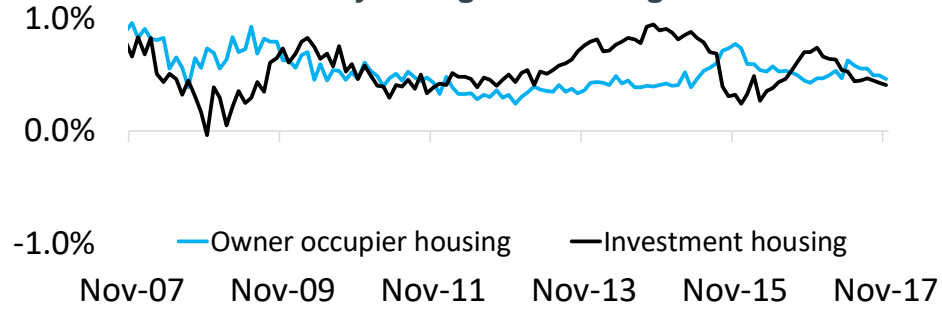


Regulatory changes and higher mortgage rates, have impacted on investment demand and interest-only demand has shrunk significantly

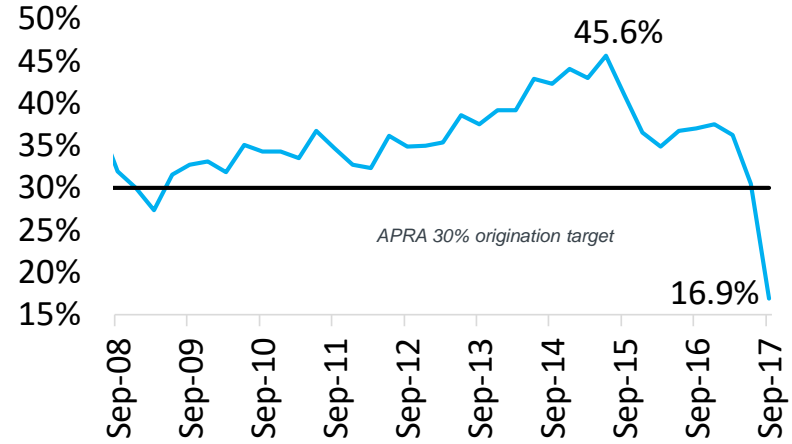
Annual change in housing credit



Monthly change in housing credit



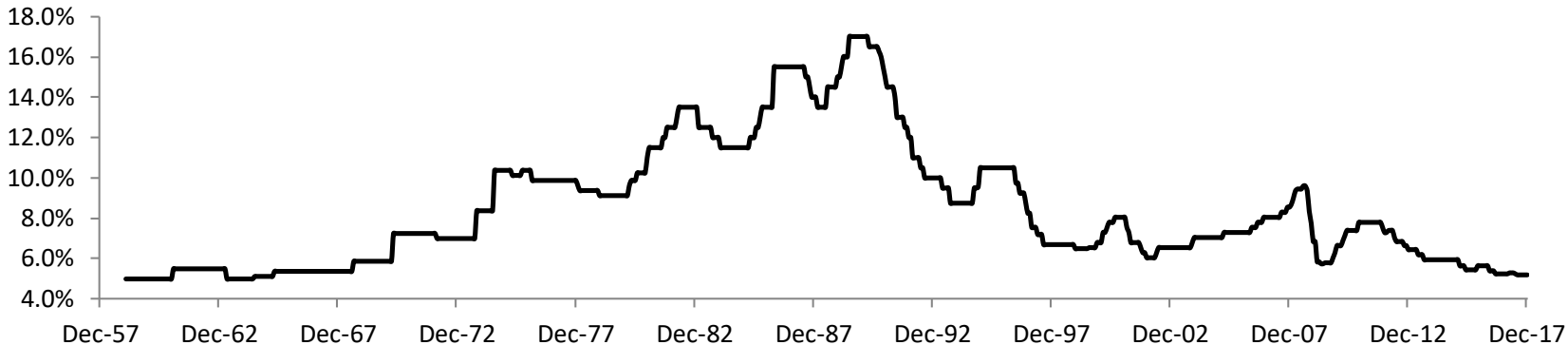
% of mortgages originated on interest only terms



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



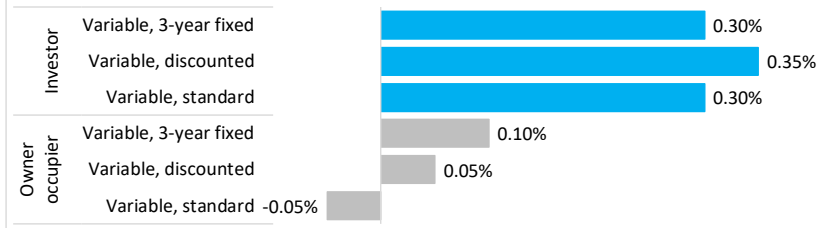
Standard variable mortgage rates over time



Avg mortgage rate by product type, Dec 2017



Change in avg mortgage rate since low point, Dec 2017



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CoreLogic produces an advanced suite of housing market analytics that provides key insights for understanding housing market conditions at a granular geographic level. Granular data is often used for portfolio analysis and benchmarking, risk assessments and understanding development feasibility and market sizing. It gives industry professionals valuable modules which provide essential analytics and insights for decision making and strategy formation within the residential property asset class. We can tailor reports to suit your business requirements.

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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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