



Our Insights.
Your Story.

Property market chart pack
July 2018



Residential Real Estate Underpins Australia's Wealth

-  Residential Real Estate
\$7.6 Trillion
 -  Australian Superannuation
\$2.6 Trillion
 -  Australian Listed Stocks
\$1.8 Trillion
 -  Commercial Real Estate
\$0.995 Trillion
- As at the end of June 2018



10.0 million
Number of dwellings



\$1.76 trillion
Outstanding mortgage debt



52.2%
Household wealth held in housing



459,964
Total sales p.a.

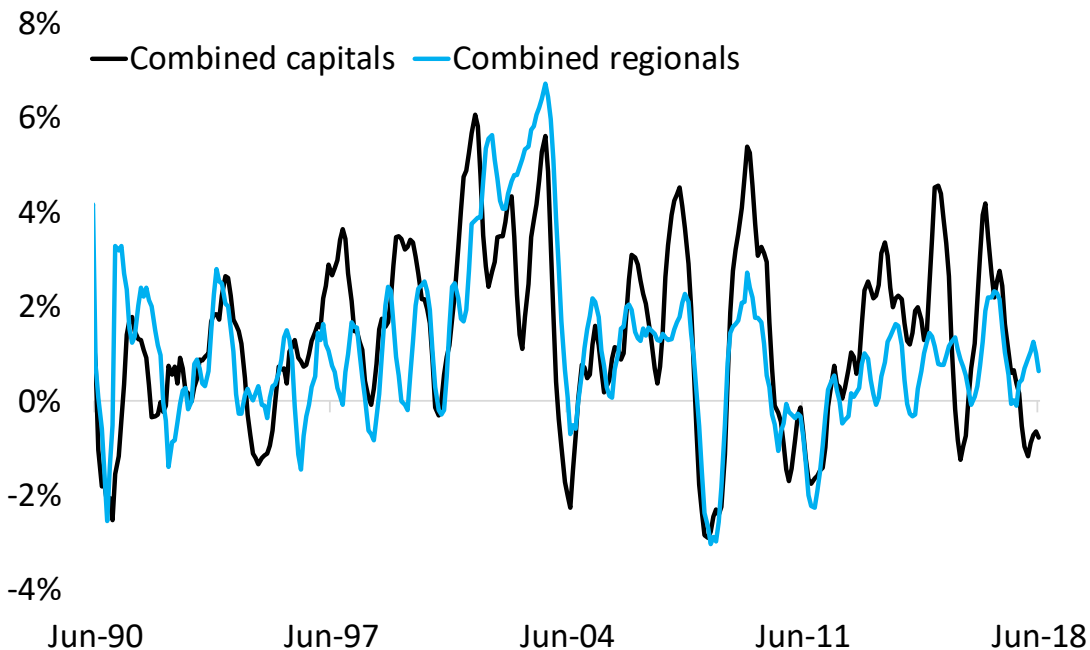


\$293.6 billion
Gross value of sales p.a.

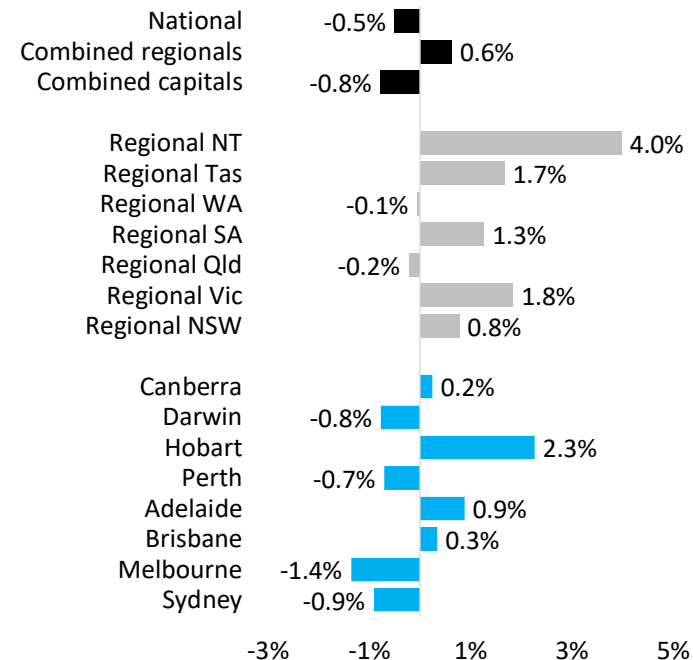
Source: CoreLogic, APRA, RBA, ASX

Capital city dwelling values have continued to fall over the past three months while regional values continue to climb

Quarterly change in dwelling values



Quarterly change in dwelling values to Jun-18

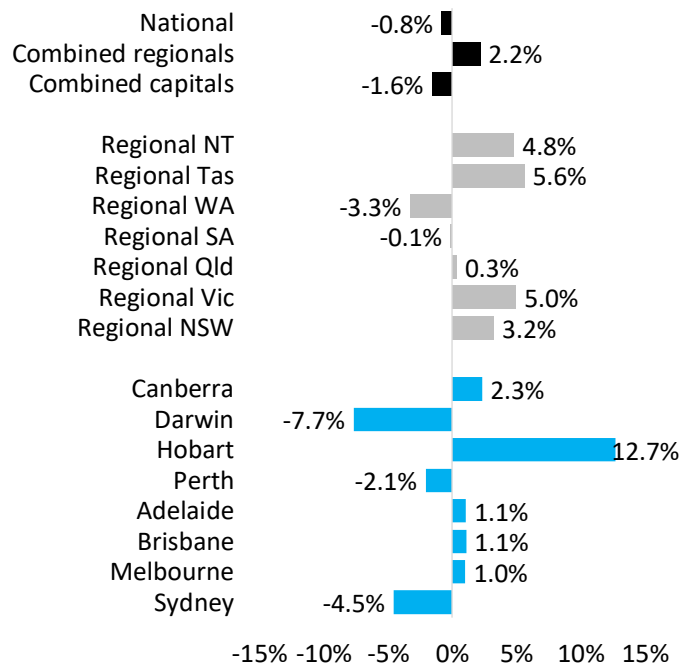
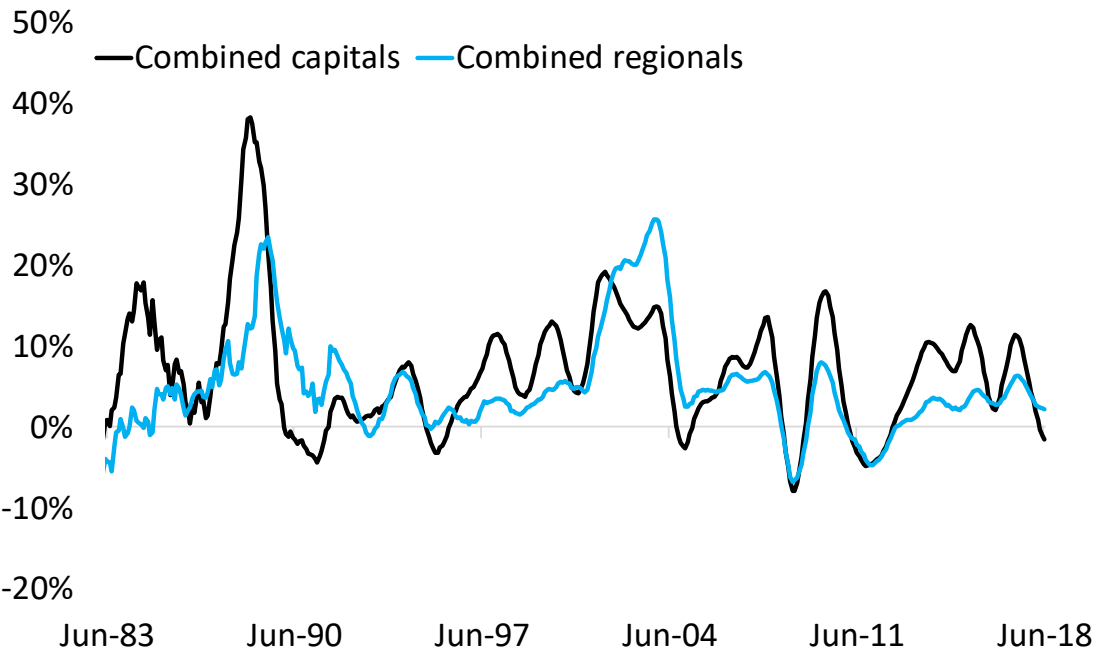


Source: CoreLogic

Values have fallen over the past 12 months across the combined capital cities while the rate of growth continues to slow across regional markets

Annual change in dwelling values

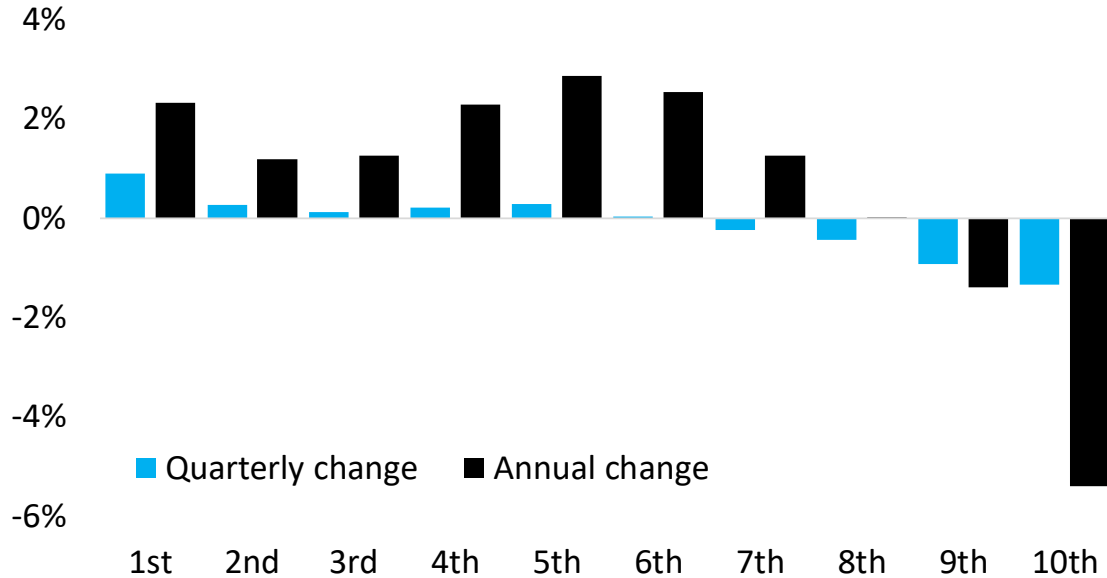
Annual change in dwelling values to Jun-18



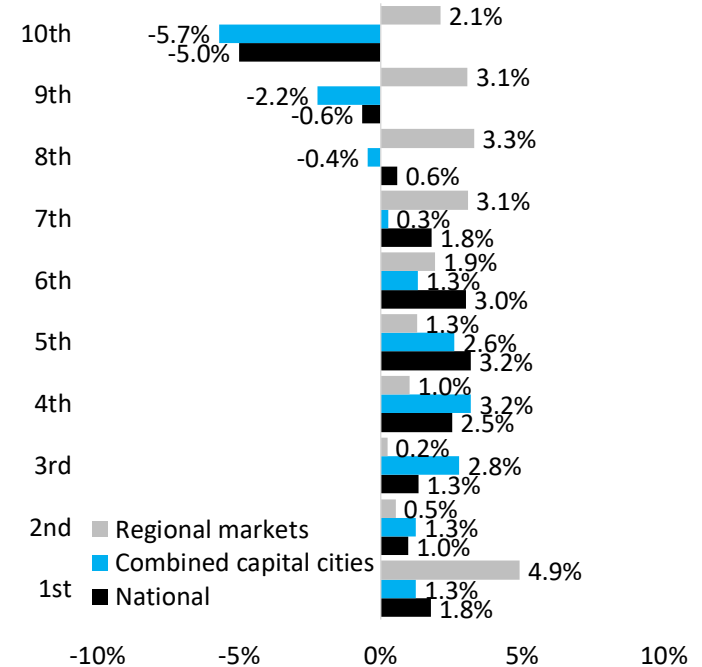
Source: CoreLogic

Premium dwelling values are showing declines while the more affordable properties are continuing to see value increases

Quarterly and annual change in dwelling values by deciles, National as at June 2018

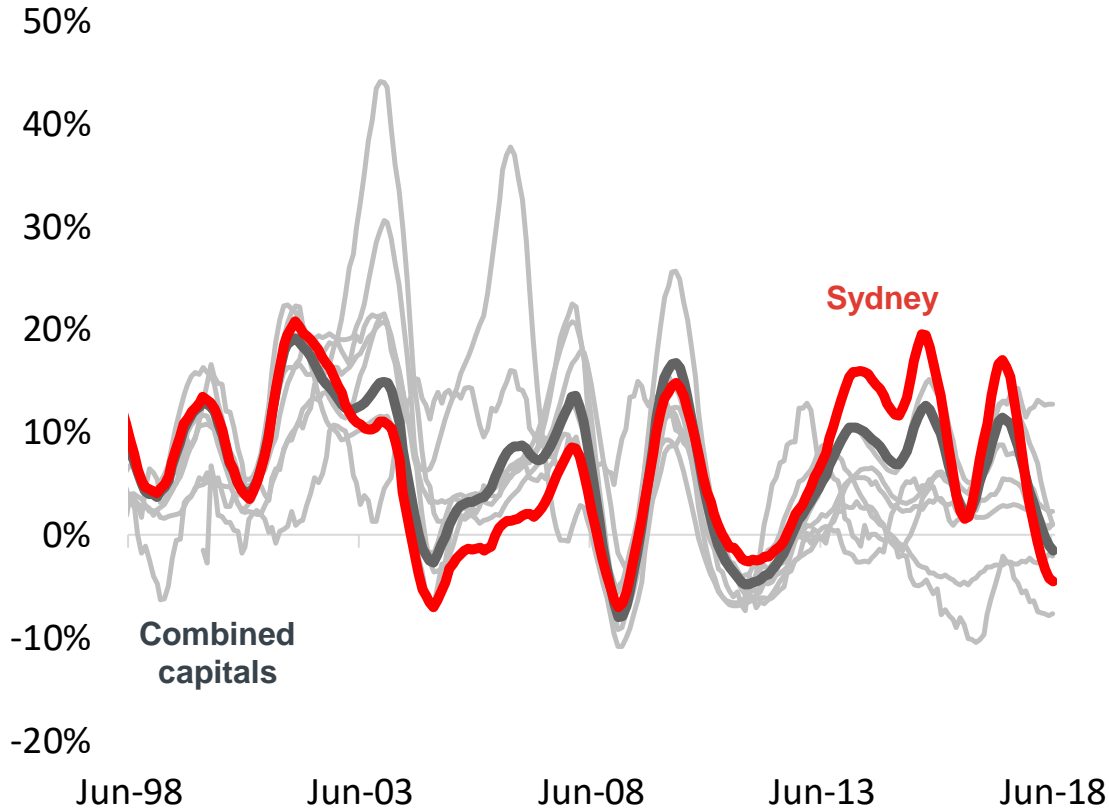


Annual change in dwelling values by decile, Jun-18



Source: CoreLogic

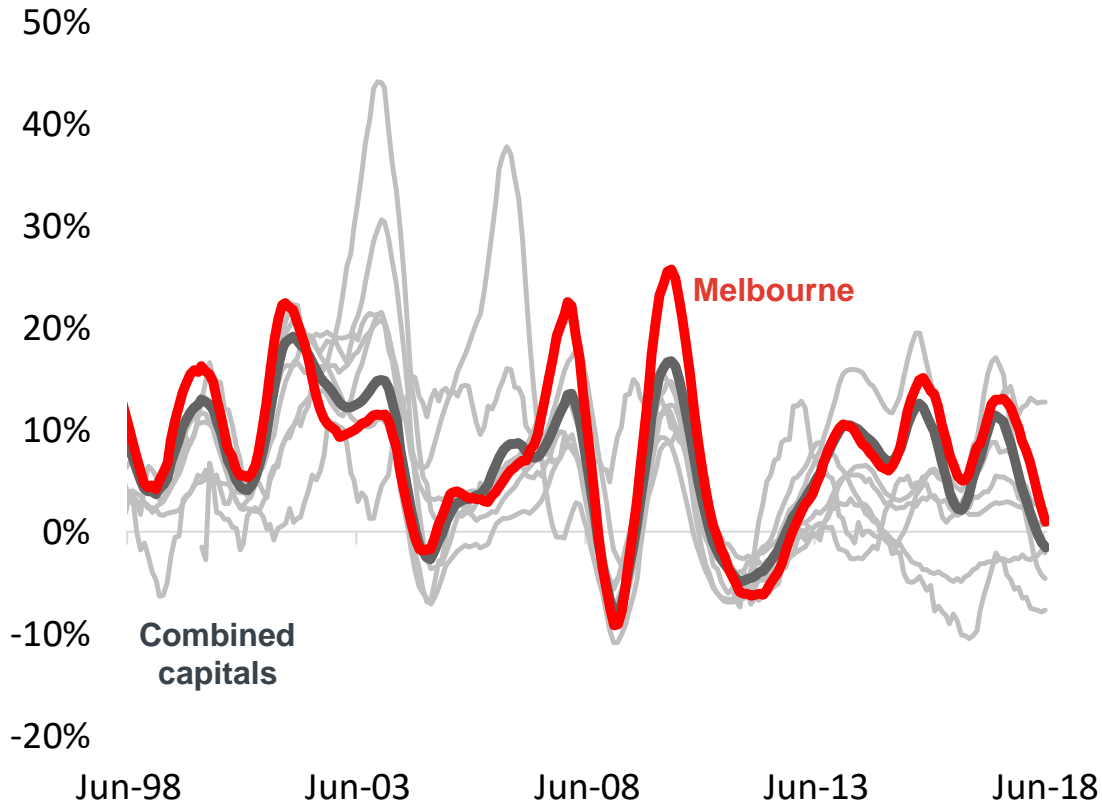
Annual change in dwelling values



Sydney dwelling values have fallen by **-0.9%** over the second quarter of 2018 and they are **-4.5%** lower over the past year. Dwelling values across Sydney are now **-4.8%** lower than their July 2017 peak

Source: CoreLogic

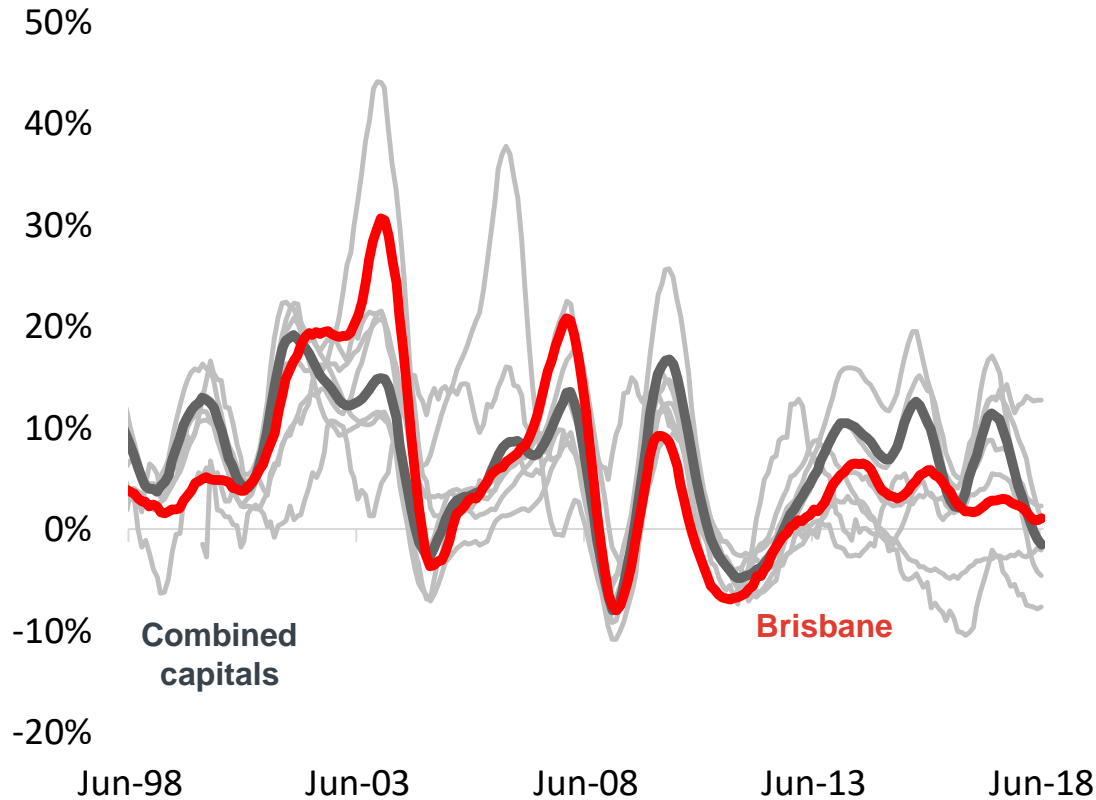
Annual change in dwelling values



Dwelling values have fallen by **-1.4%** over the three months to June 2018 in Melbourne. Over the past year, dwelling values are **1.0%** higher although they are now **-2.0%** lower than they were at their peak in November 2017.

Source: CoreLogic

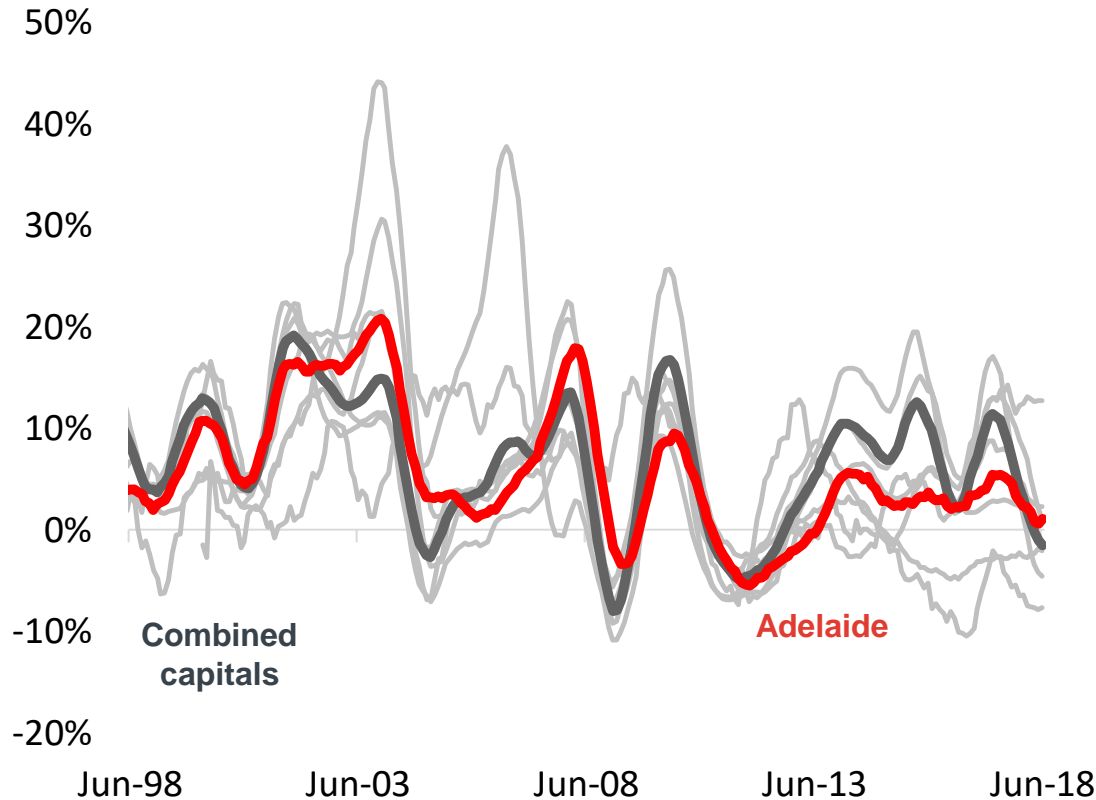
Annual change in dwelling values



Brisbane home values increased by **0.2%** over the three months to June 2018 and they were **1.1%** higher over the past year. Over the past year, house values have increased by **1.2%** while unit values have increased **0.7%**.

Source: CoreLogic

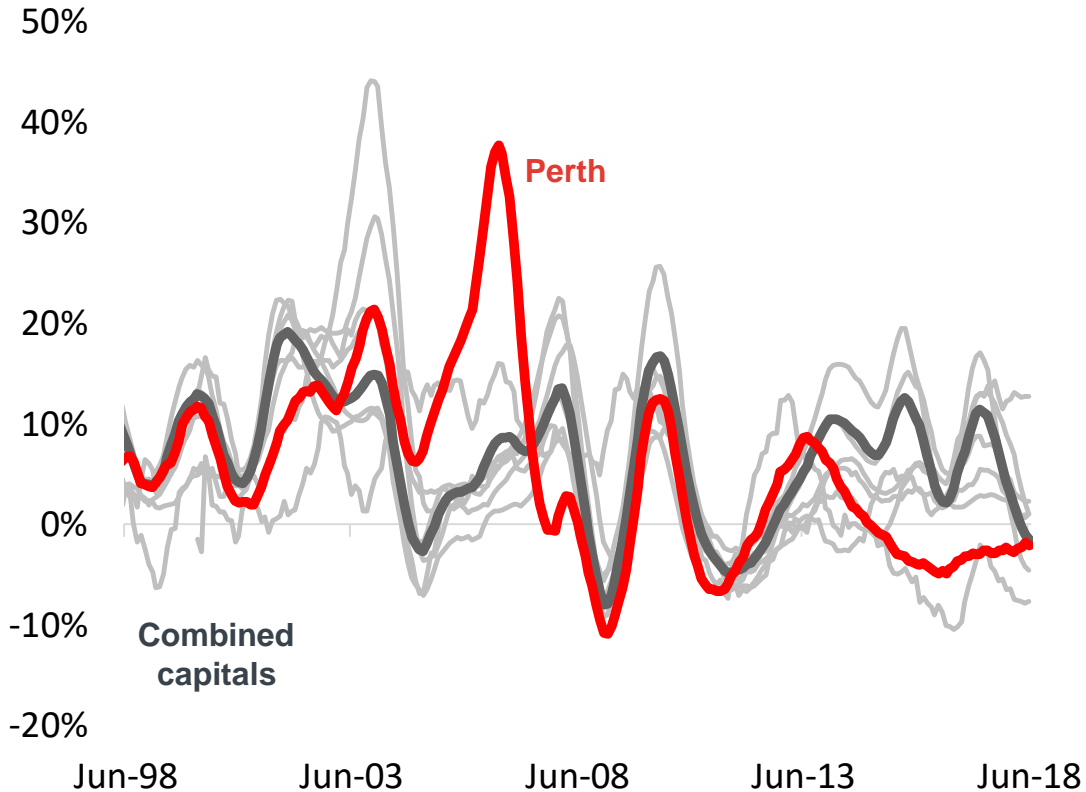
Annual change in dwelling values



Dwelling values in Adelaide increased by **0.9%** over the three months to June 2018 and they are **1.1%** higher over the past year. Adelaide house values were **1.2%** higher over the past year while unit values were **0.3%** higher.

Source: CoreLogic

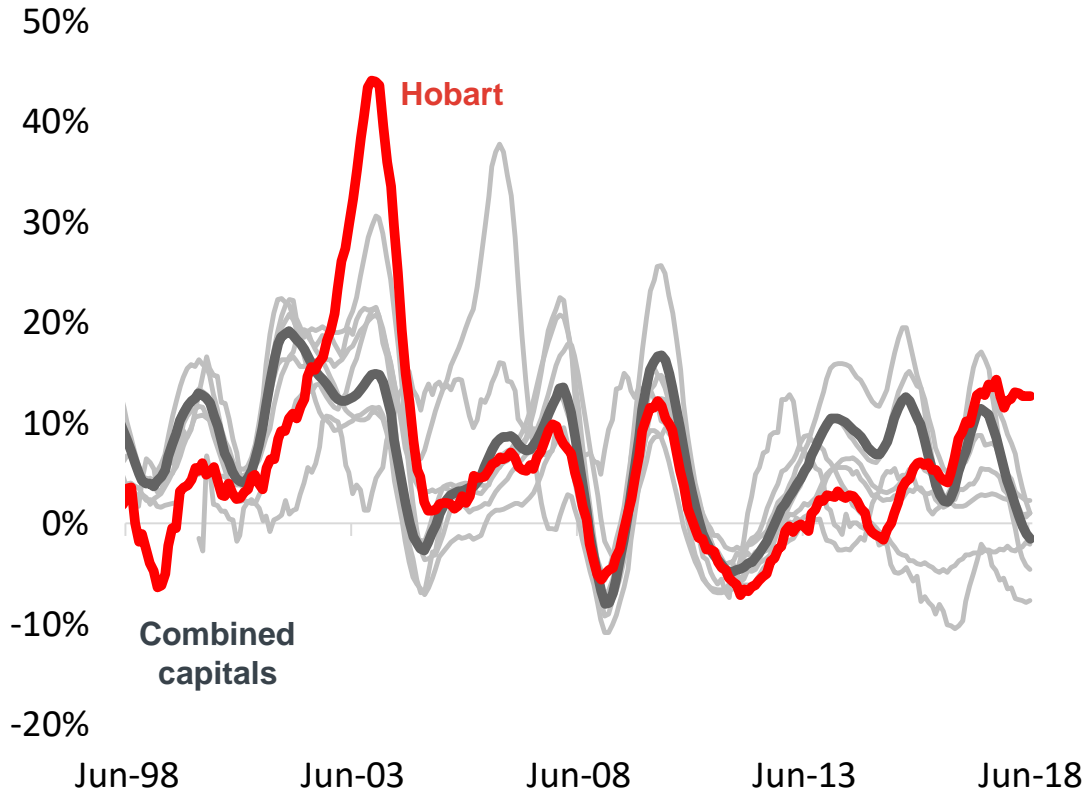
Annual change in dwelling values



Perth dwelling values fell by **-0.7%** over the three months to June 2018 and they are **-2.1%** lower over the past year. Dwelling values in Perth are now **-11.4%** lower than they were at their peak in June 2014.

Source: CoreLogic

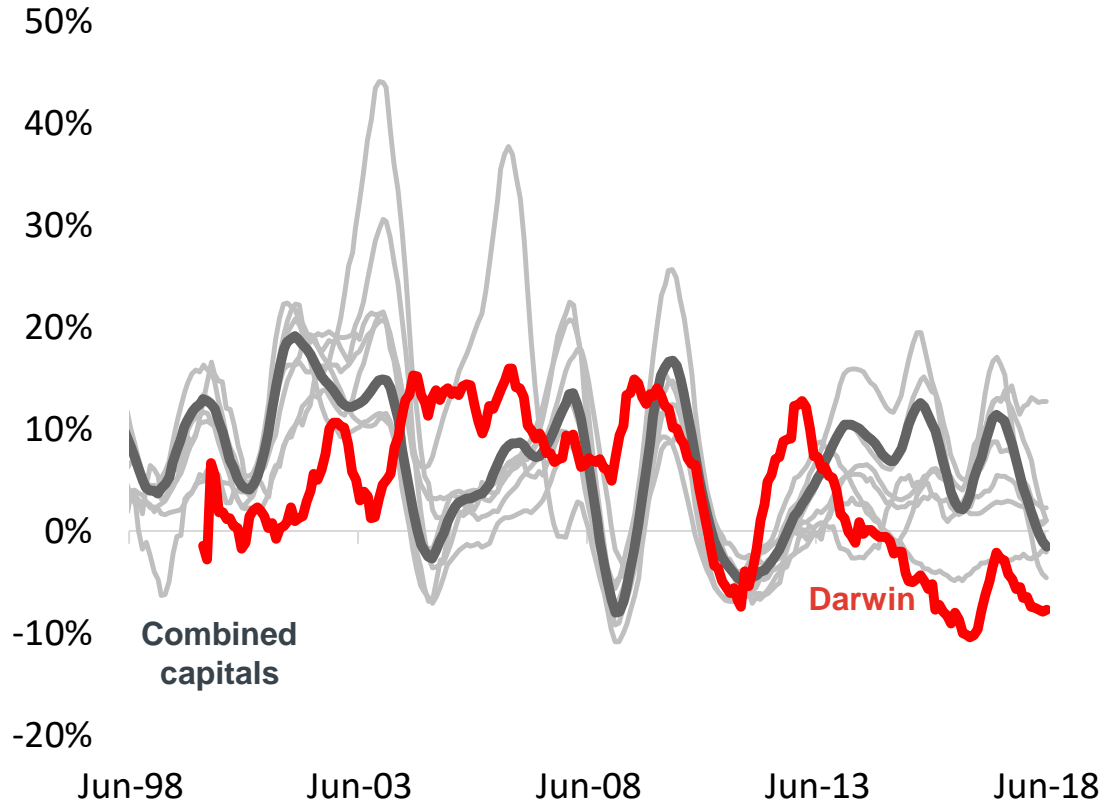
Annual change in dwelling values



Dwelling values in Hobart rose **2.3%** over the second quarter of 2018 and are **12.7%** higher over the past year. House values have increased by **13.8%** over the past 12 months and unit values have increased by **7.2%**.

Source: CoreLogic

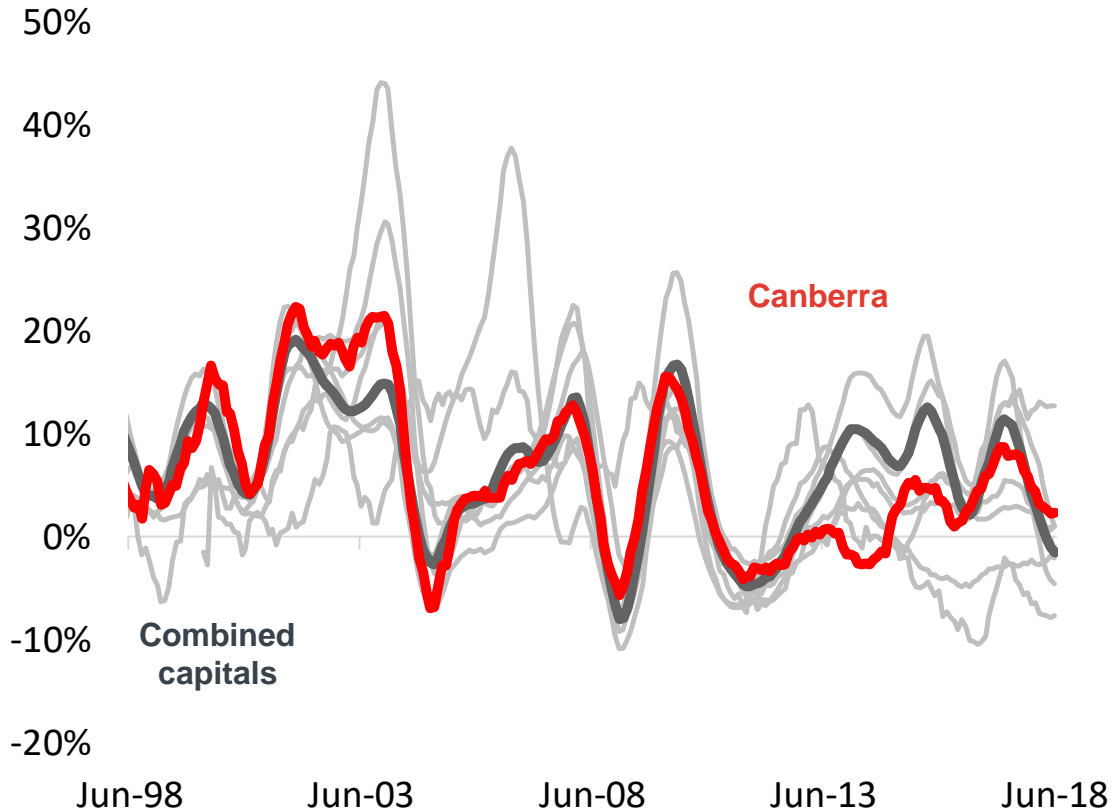
Annual change in dwelling values



Darwin dwelling values fell by **-0.8%** over the three months to June 2018 and they are **-7.7%** lower over the past year. Dwelling values in Darwin are currently **-22.2%** lower than their historic peak.

Source: CoreLogic

Annual change in dwelling values

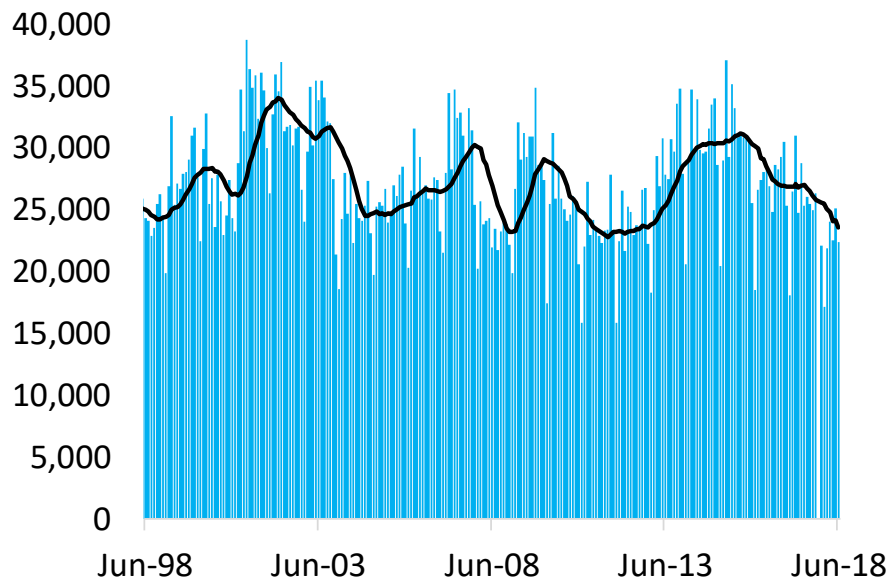


Dwelling values in Canberra increased by **0.2%** over the three months to June 2018 and they are **2.3%** higher over the past year. House values have increased by **3.3%** over the year while unit values are **-0.8%** lower.

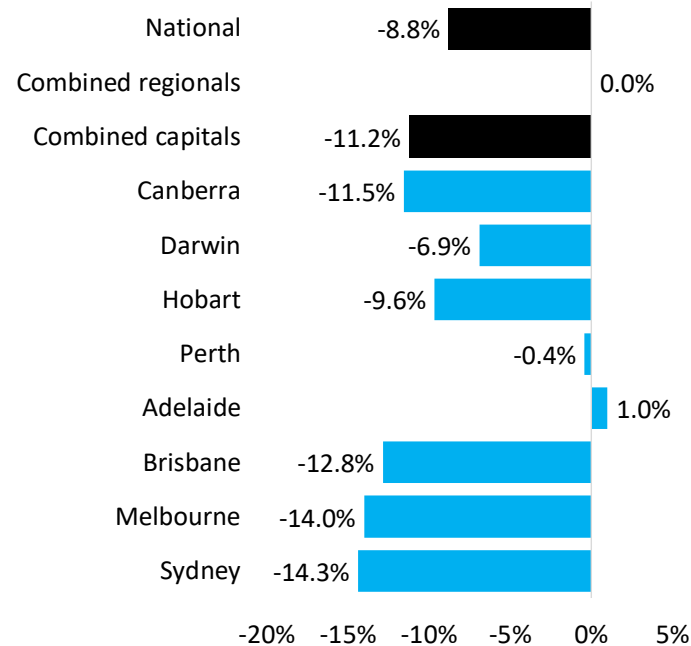
Source: CoreLogic

Transaction numbers remain lower than a year ago due to fewer settled sales in most capital cities with Adelaide the exception

Number of settled sales, combined capitals



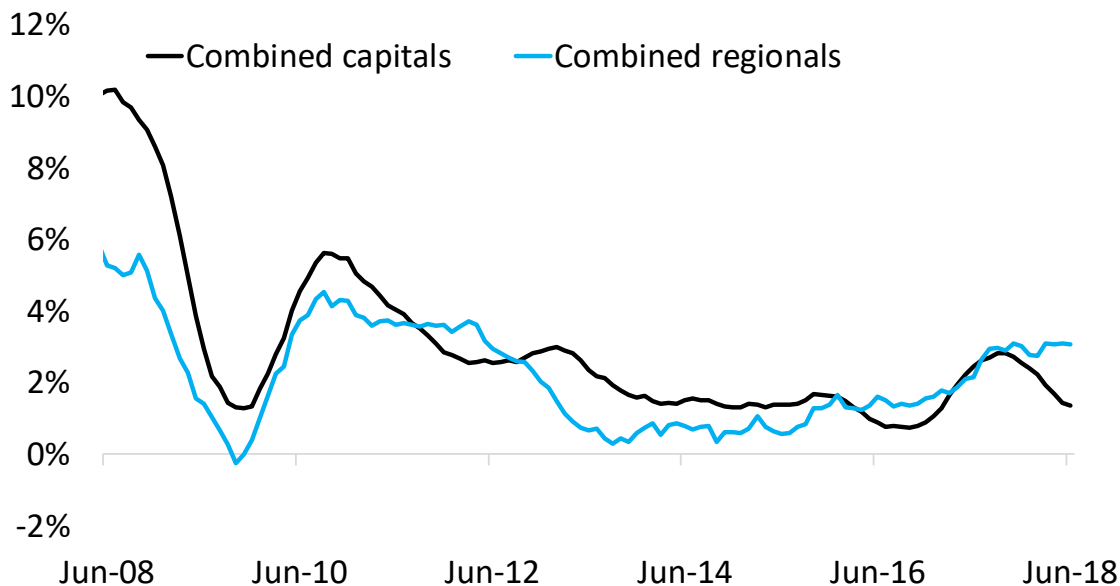
Year on year change in annual sales



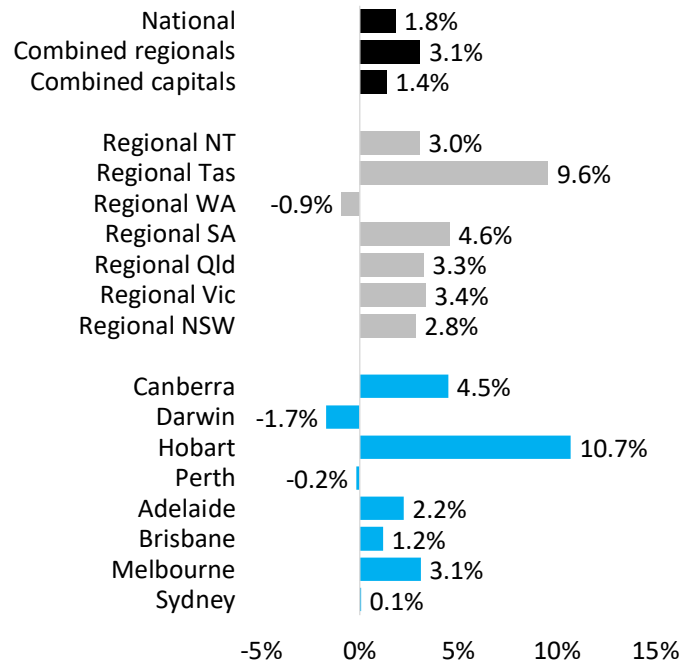
Source: CoreLogic

Annual rental growth continues to slow across the combined capital cities while rental growth is holding firm around 3% pa in regional markets

Annual change in dwelling rents

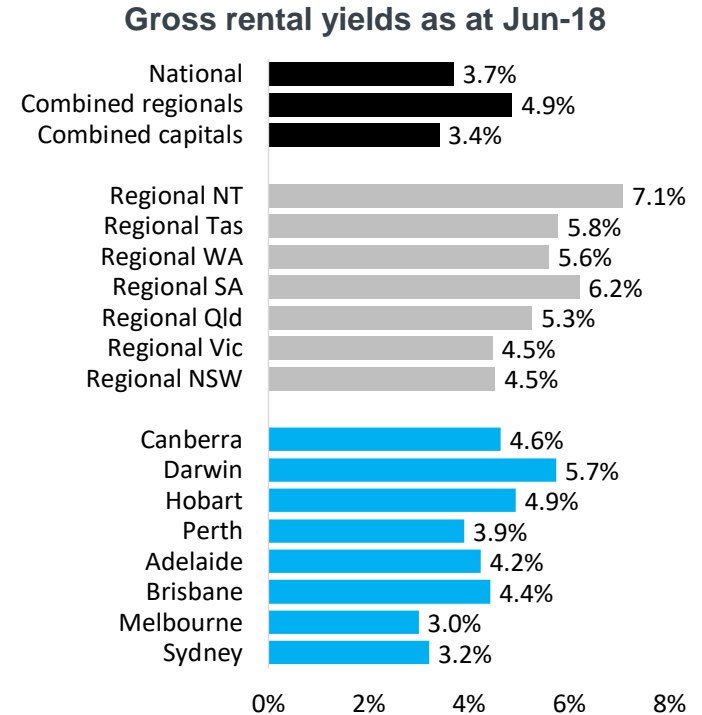
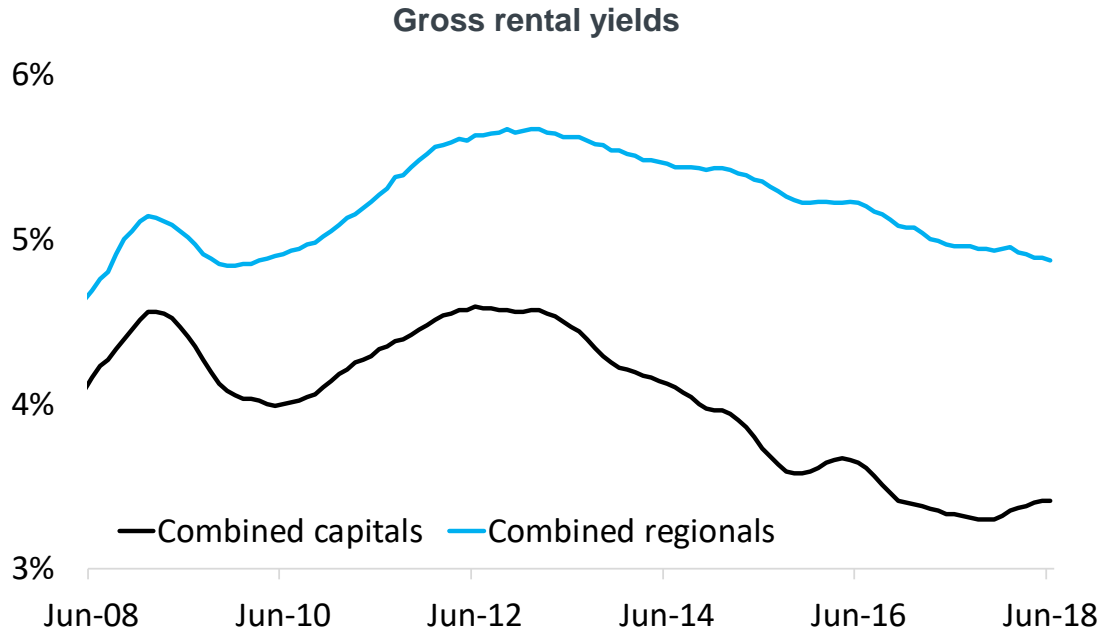


Annual change in dwelling rents to Jun-18



Source: CoreLogic

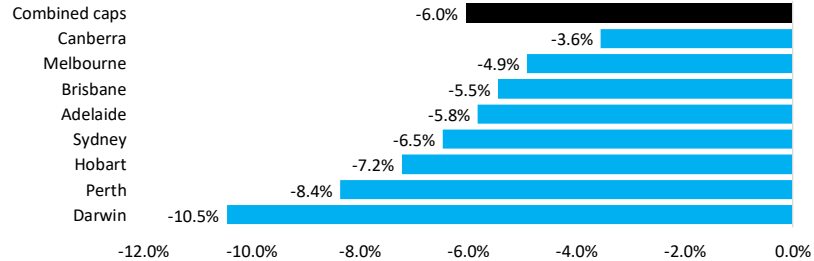
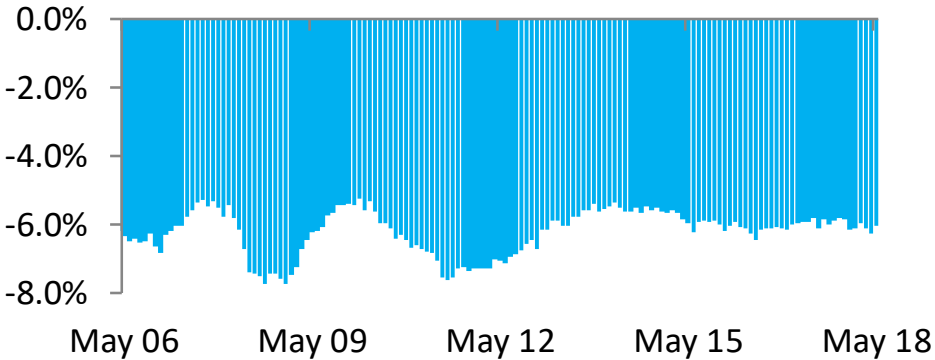
With capital city dwelling values falling as rents continue to rise, gross rental yields have started to increase



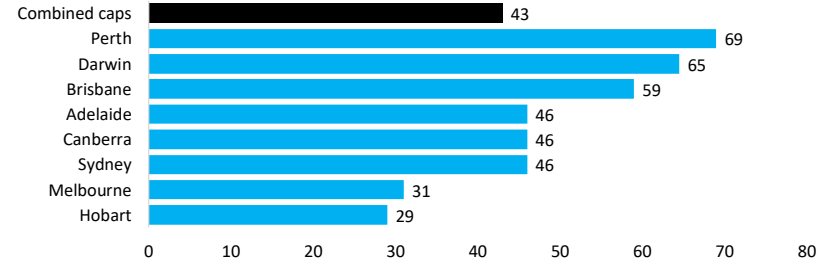
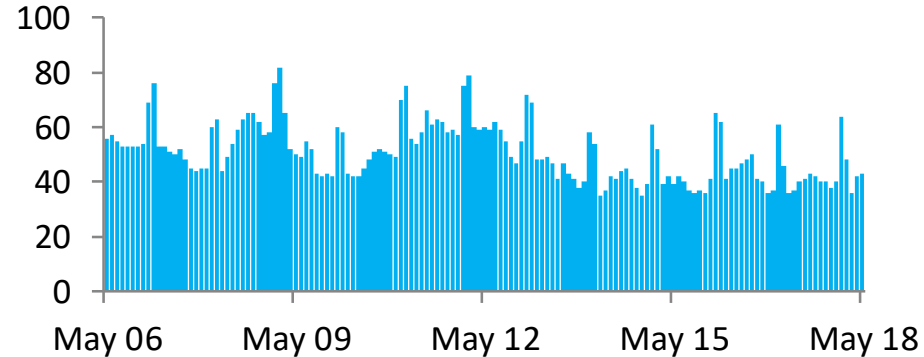
Source: CoreLogic

Homes are typically taking longer to sell with larger discounts compared to a year ago

Average rate of vendor discounting, Combined capitals



Average days on market, Combined capitals



Source: CoreLogic

Far fewer new properties are being advertised for sale than a year ago however, in the capital cities, a slower rate of sale means total listings are up on last year

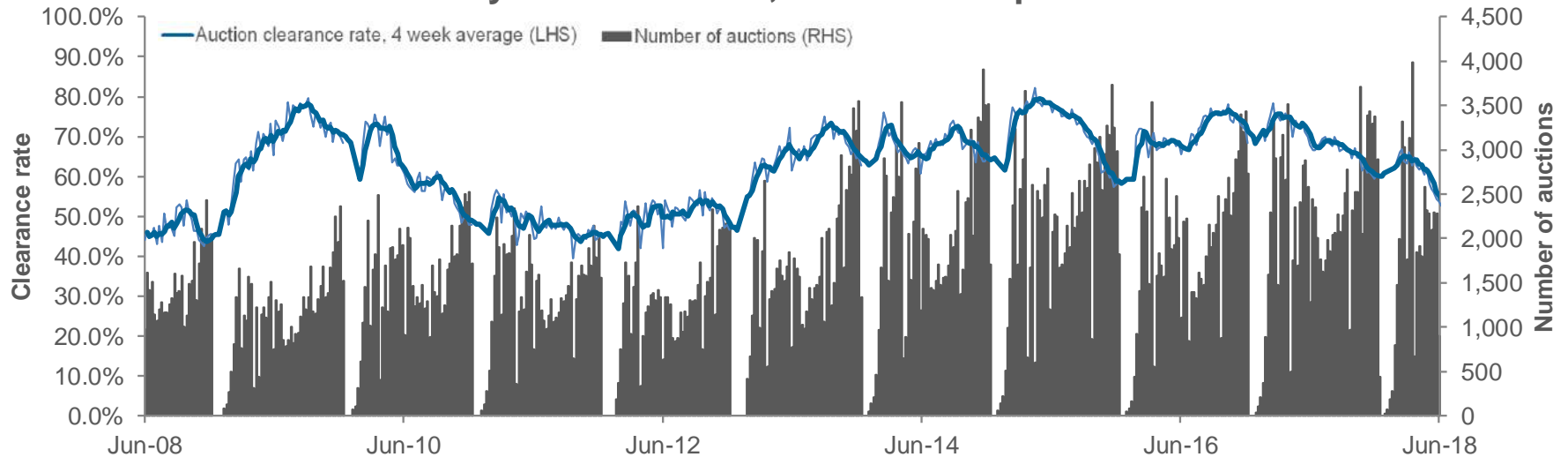
Number of new and total properties advertised for sale, 28 days to 1 July 2018

Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)	State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	5,480	-10.6%	25,903	21.8%	NSW	9,548	-8.0%	48,079	7.5%
Melbourne	6,447	-6.9%	29,398	9.8%	Vic	9,067	-6.4%	45,611	-6.2%
Brisbane	3,740	-6.1%	19,676	-0.5%	Qld	8,662	-6.7%	61,914	-3.2%
Adelaide	1,686	-2.2%	7,747	-5.5%	SA	2,353	-2.9%	16,552	-7.5%
Perth	3,056	-6.9%	20,507	-2.2%	WA	4,150	-8.5%	33,604	-2.9%
Hobart	314	-5.7%	928	-27.8%	Tas	797	-8.5%	4,624	-27.5%
Darwin	152	-3.8%	1,412	-12.8%	NT	205	-5.1%	1,997	-9.5%
Canberra	490	0.2%	1,776	-1.6%	ACT	504	0.0%	1,855	-1.9%
Combined capitals	21,365	-7.2%	107,347	5.6%	National	35,286	-6.9%	214,236	-2.8%

Source: CoreLogic

Auction clearance rates have continued to trend lower and are now much lower than they were 12 months ago

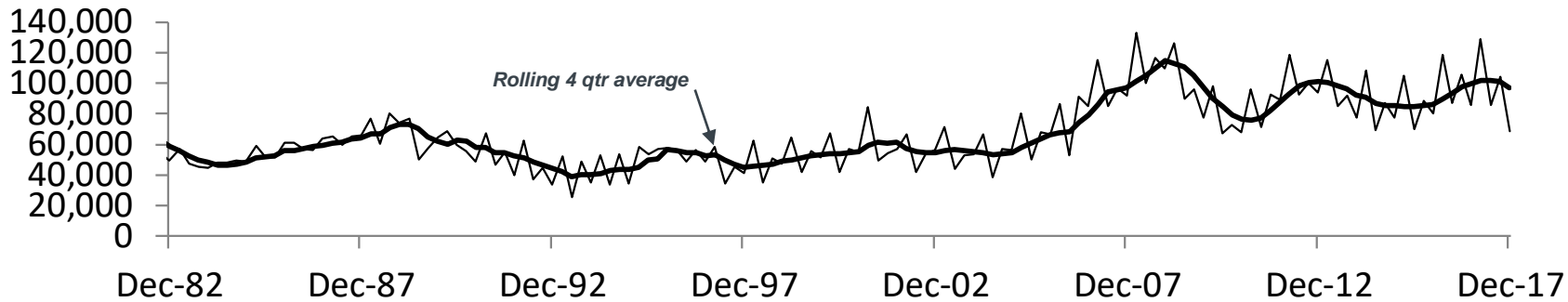
Weekly clearance rate, combined capital cities



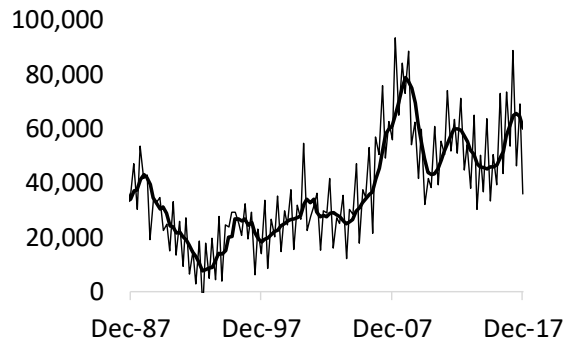
Source: CoreLogic

Housing demand: overseas migration pulls back but population growth remains quite strong

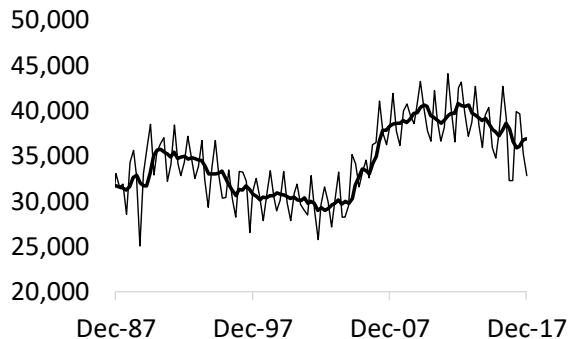
Quarterly change in national population



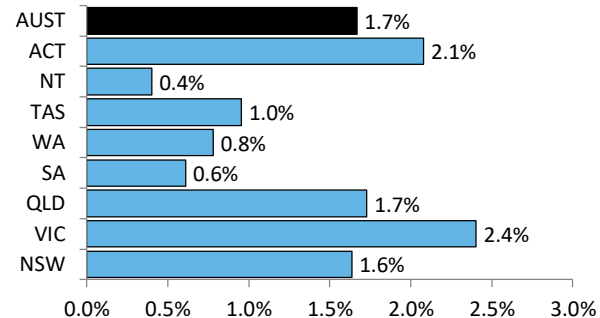
Net overseas migration



Natural increase



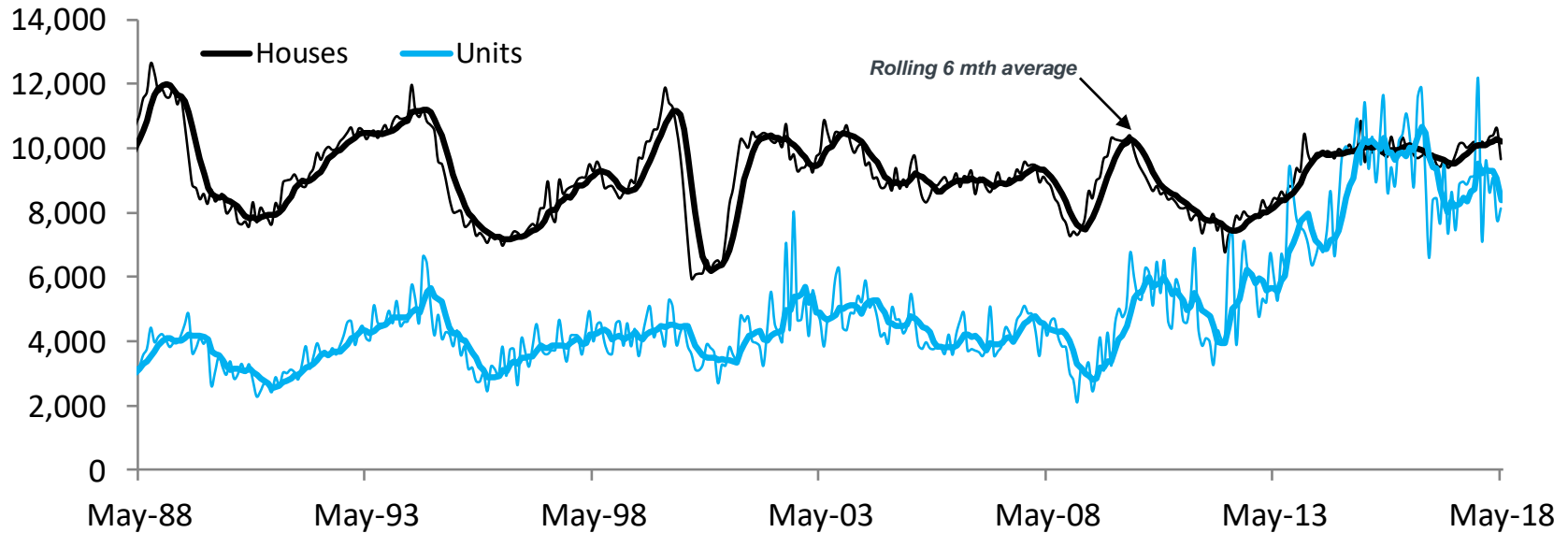
Annual change in population



Source: CoreLogic, ABS

Although dwelling approvals are down from their record high levels they remain well above long-term average levels

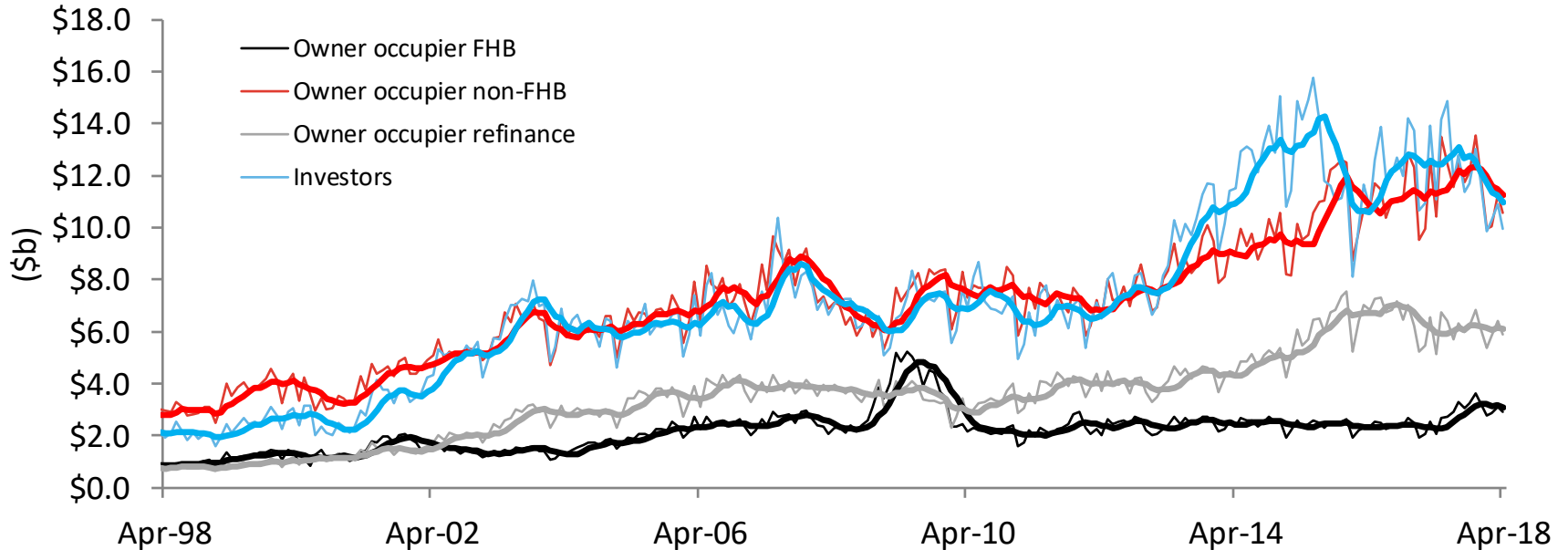
Number of dwellings approved for construction, National



Source: CoreLogic, ABS

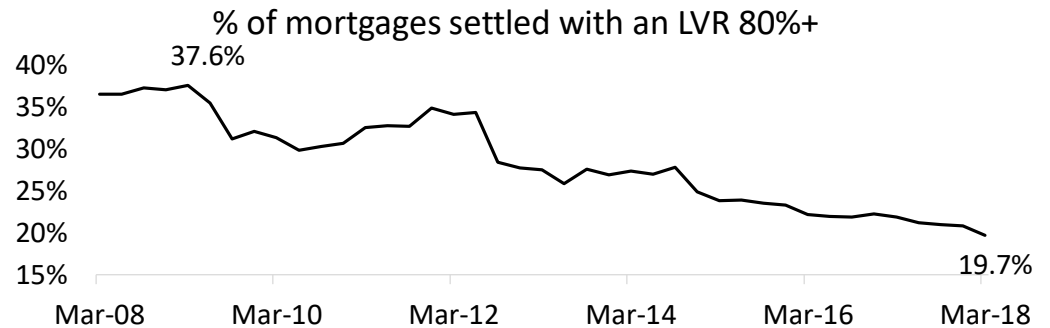
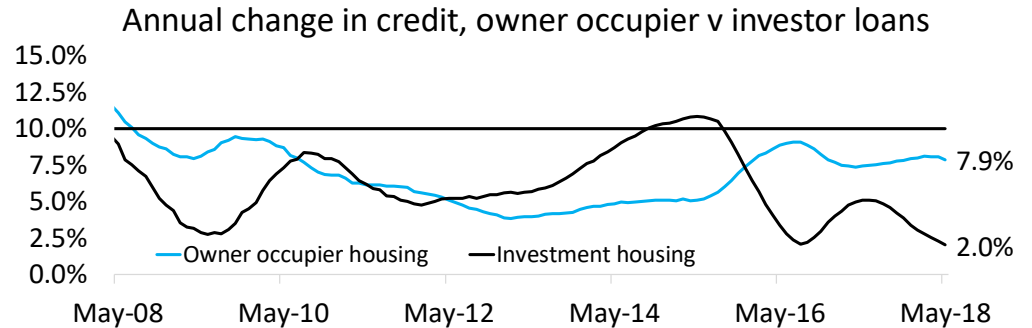
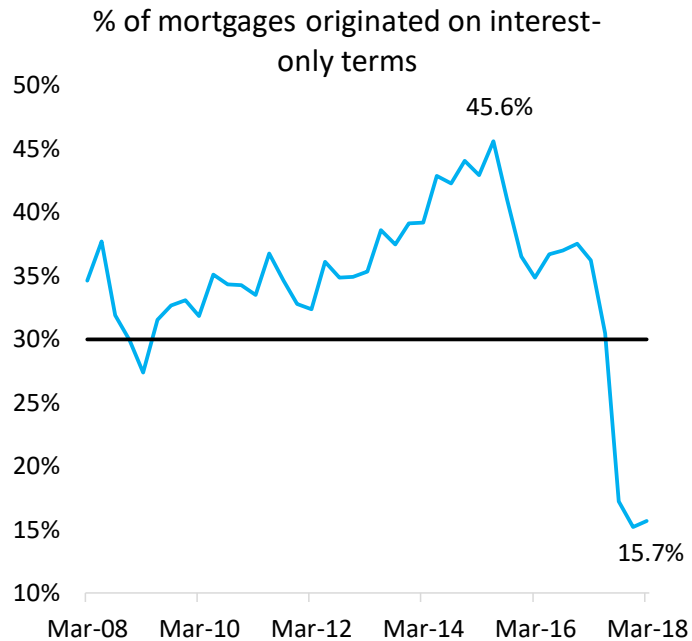
Mortgage demand is trending lower, largely due to declines in demand from investors and owner occupier non-FHBs

Value of housing finance commitments by borrower type



Source: CoreLogic, ABS

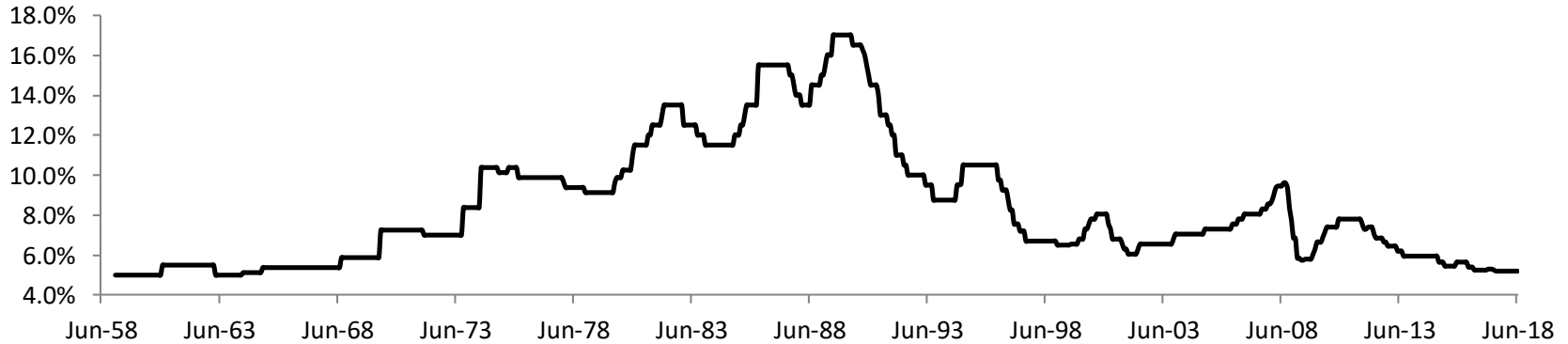
While previous housing cycles have generally been dictated by changes in interest rates, the current slowdown has been heavily influenced by changes in credit availability



Source: CoreLogic, APRA, RBA

Mortgage rates remain around historic lows for owner occupiers but have edged higher for investors as the cash rate has remained on hold

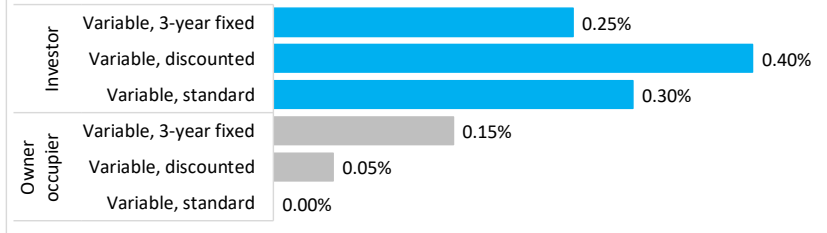
Standard variable mortgage rates over time



Avg mortgage rate by product type, Jun 2018



Change in avg mortgage rate since low point, Jun 2018



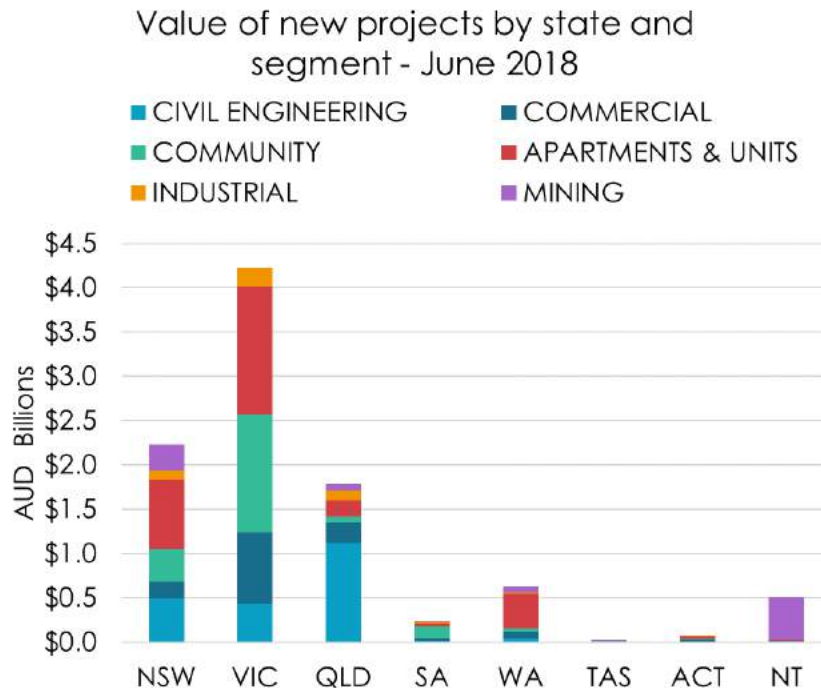
Source: CoreLogic, RBA

Commercial Market Update

July 2018

Over June, there were 1,243 new projects captured across Australia, at a combined value of \$9.7 billion

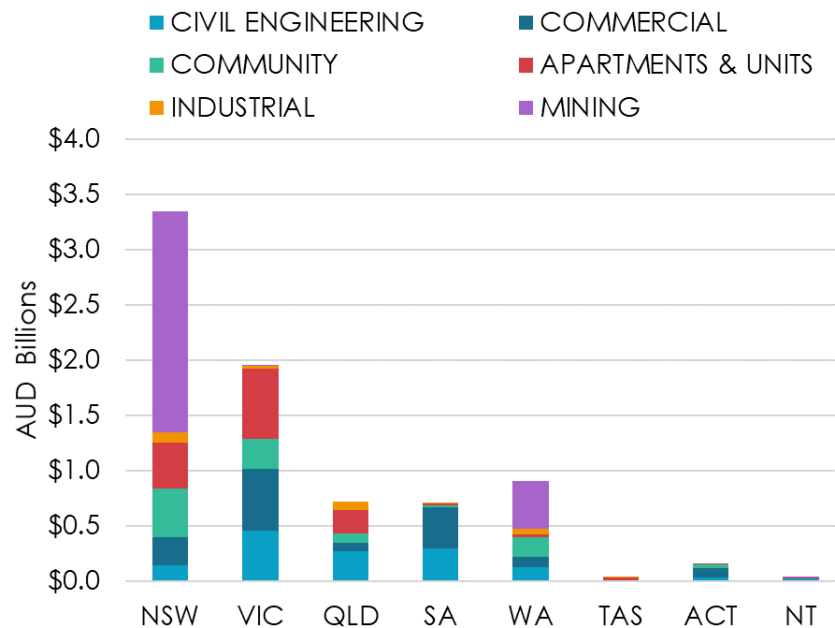
- **Number** of new projects captured by Cordell:
 - The number of new projects fell 5% over the June quarter, to 4,800
 - The number of new projects in the year to June fell 10%, to 21,606
- **Value** of new projects captured by Cordell:
 - The value of new projects rose 3% in the June quarter, to \$44.6 billion
 - The value of new projects rose 8% in the year to June, to \$182.3 billion



Over June, there were 1,009 projects commencing across Australia, at a combined value of \$7.9 billion

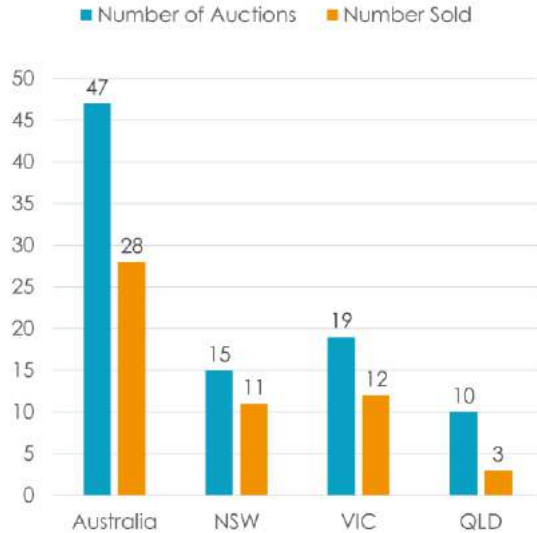
- **Number** of commencing projects captured by Cordell:
 - The number of commencing projects rose 57% over the June quarter, to 3,054
 - The number of commencing projects in the year to June rose 2%, to 10,058
- **Value** of commencing projects captured by Cordell:
 - The value of commencing projects rose 59% in the June quarter, to \$25.1 billion
 - The value of commencing projects rose 17% in the year to June, to \$66.1 billion

Value of projects moving into construction by state and segment - June 2018



CoreLogic preliminary results suggest an average commercial auction clearance rate of 59% over June

Commercial Auction Summary - June 2018



Share of Commercial Auction Sale by Type, Australia Wide – May 2018



Industrial

50%



Retail

15%



Hotel & Leisure

4%



Office

23%



Medical & Misc.

8%

Commercial Auction Clearance Rate



Weeks with under 12 auction events have been excluded from the analysis

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