



Monthly Chart Pack

Our Insights. Your Story.

May 2020



Residential Real Estate Underpins Australia's Wealth



RESIDENTIAL REAL ESTATE

\$7.2 Trillion



AUSTRALIAN SUPERANNUATION

\$3.0 Trillion



AUSTRALIAN LISTED STOCKS

\$2.0 Trillion



COMMERCIAL REAL ESTATE

\$1.0 Trillion

Data as at April 2020



10.4 million
Number of dwellings

\$1.83 trillion
Outstanding mortgage debt

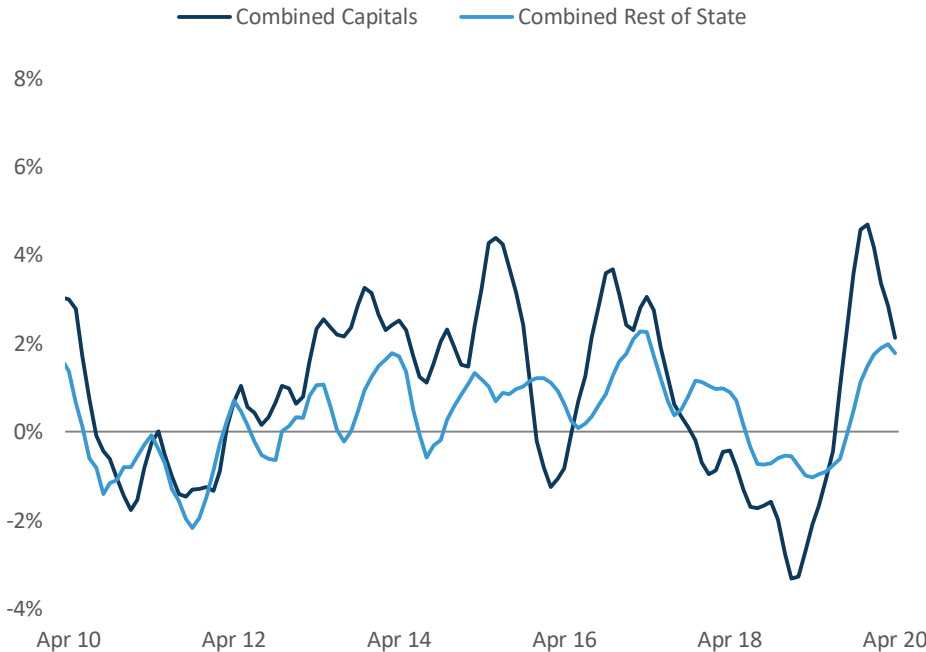
52.4%
Household wealth held in housing

421,977
Total sales p.a.

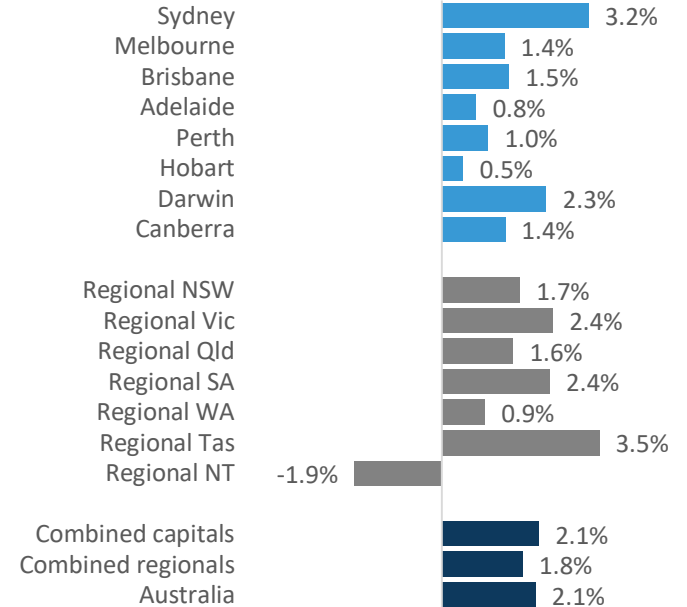
\$278.3 billion
Gross value of sales p.a.

Growth in national dwelling values slipped to 2.1% in the 3 months to April, down from a recent peak of 4.0% at the December 2019 quarter

Quarterly change in dwelling values

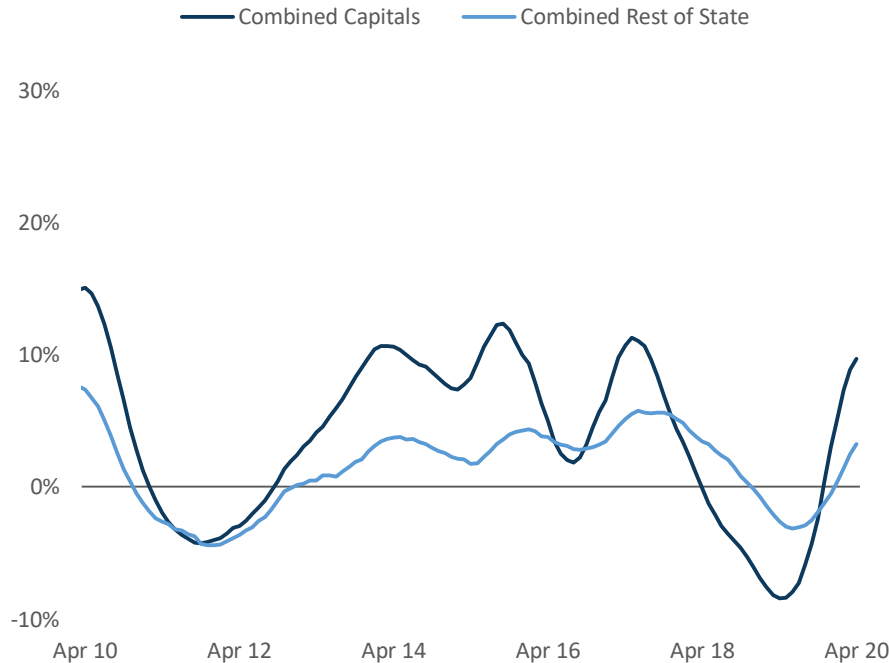


Quarterly change – April-20

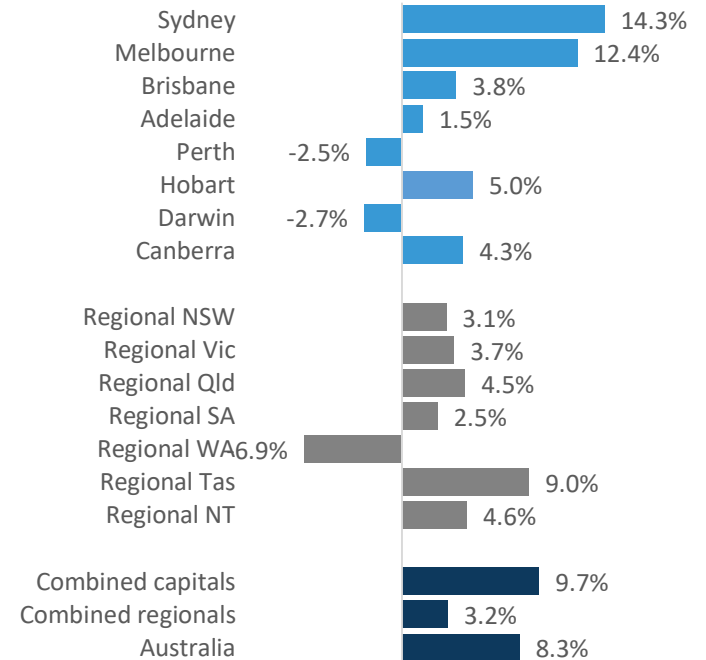


Annual growth rates understate the recent slowdown in momentum, but point to an improving market before the onset of COVID-19

Annual change in dwelling values

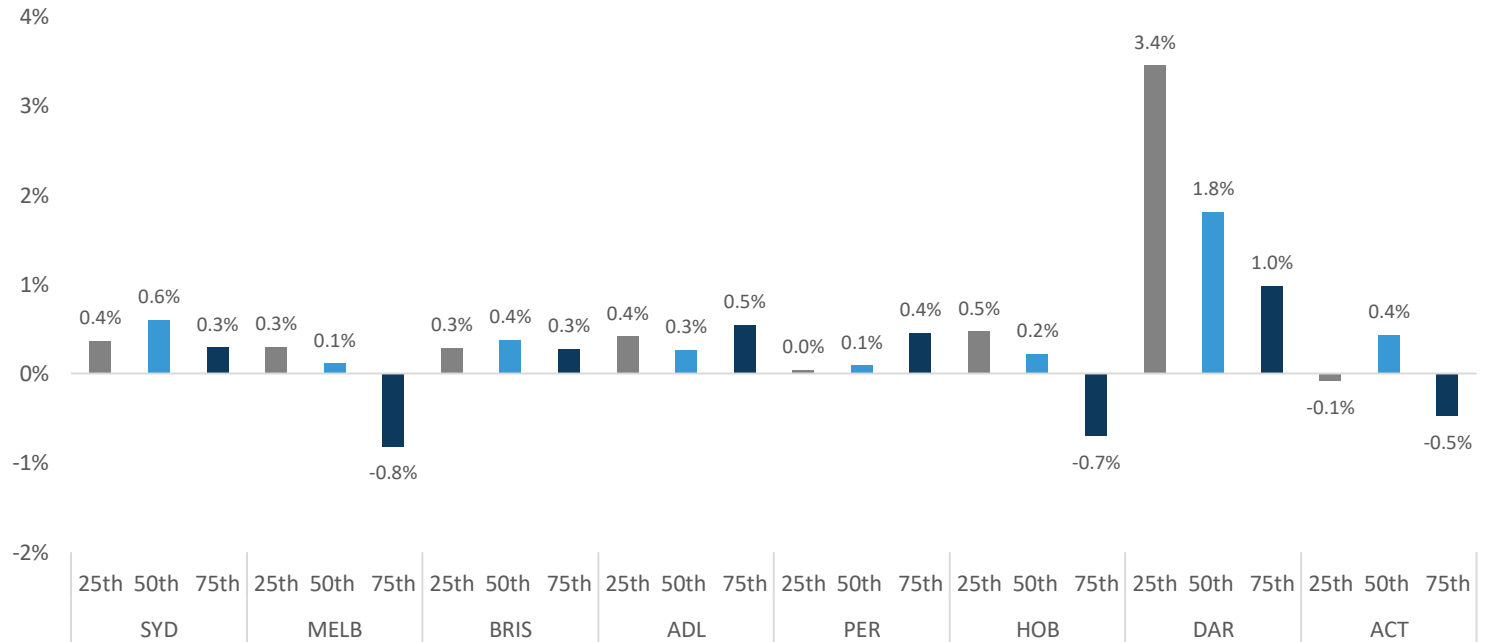


Annual change – April-20



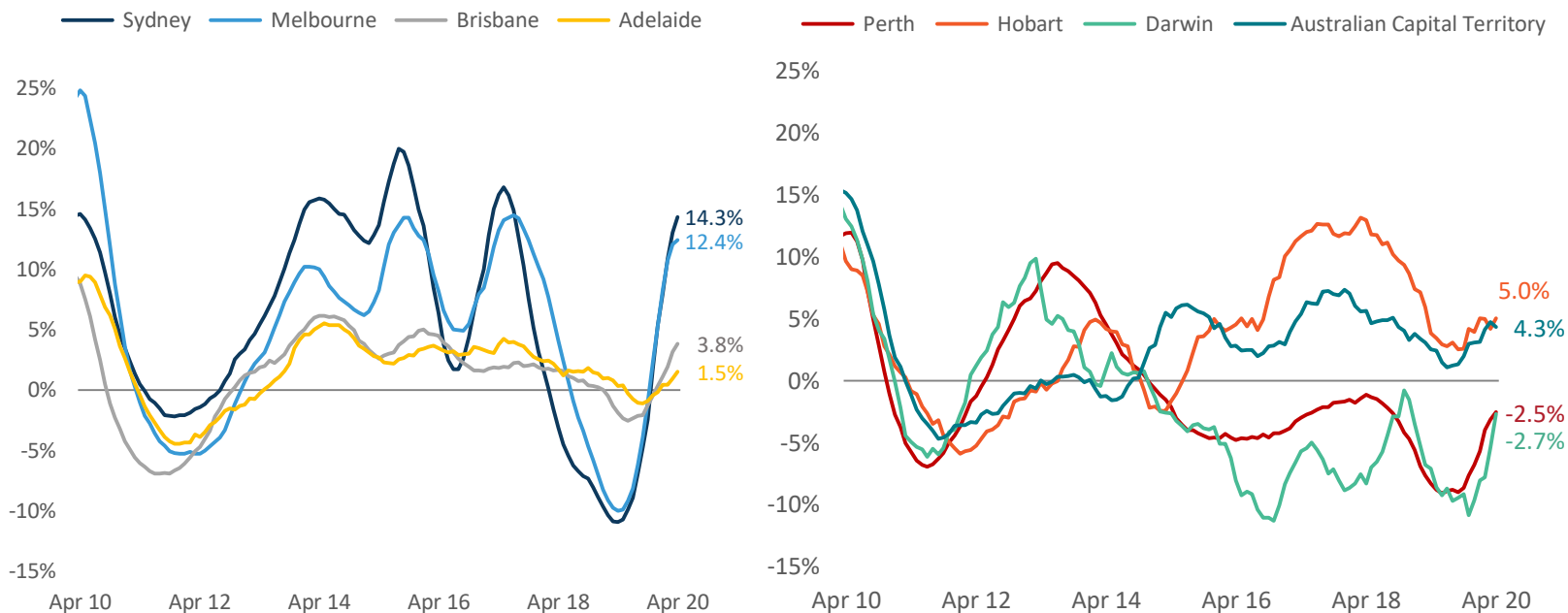
Looking at the *monthly* change in different value tiers of the market, it is clear that the high end of the Melbourne market has begun leading the downturn

Monthly dwelling value growth by quartile, Greater Capital City Region– April 2020



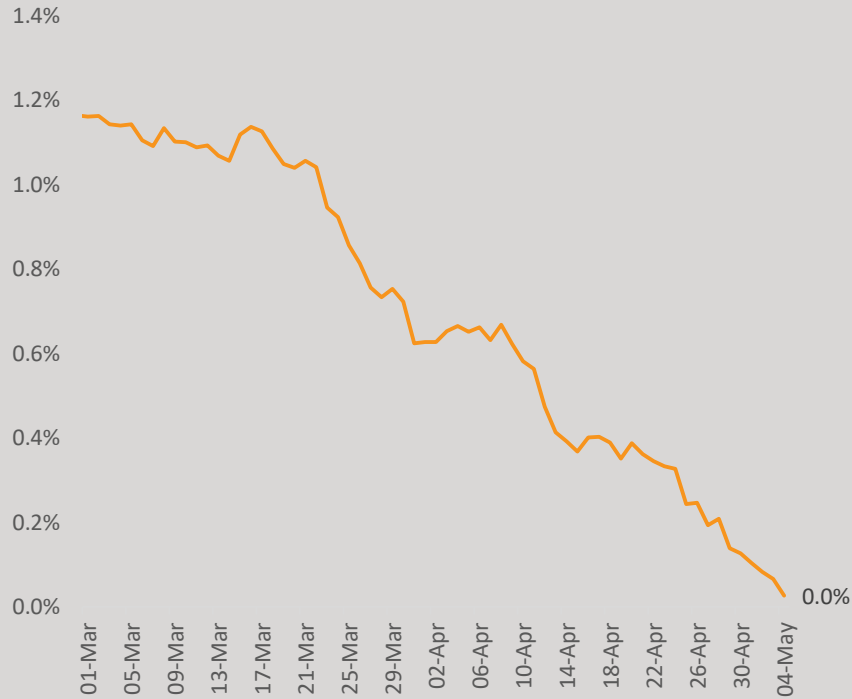
Each of the capital city markets were well into an upswing before the onset of COVID-19, with the exception of Hobart, which was starting to lose momentum after a long upswing

Annual change in dwelling values



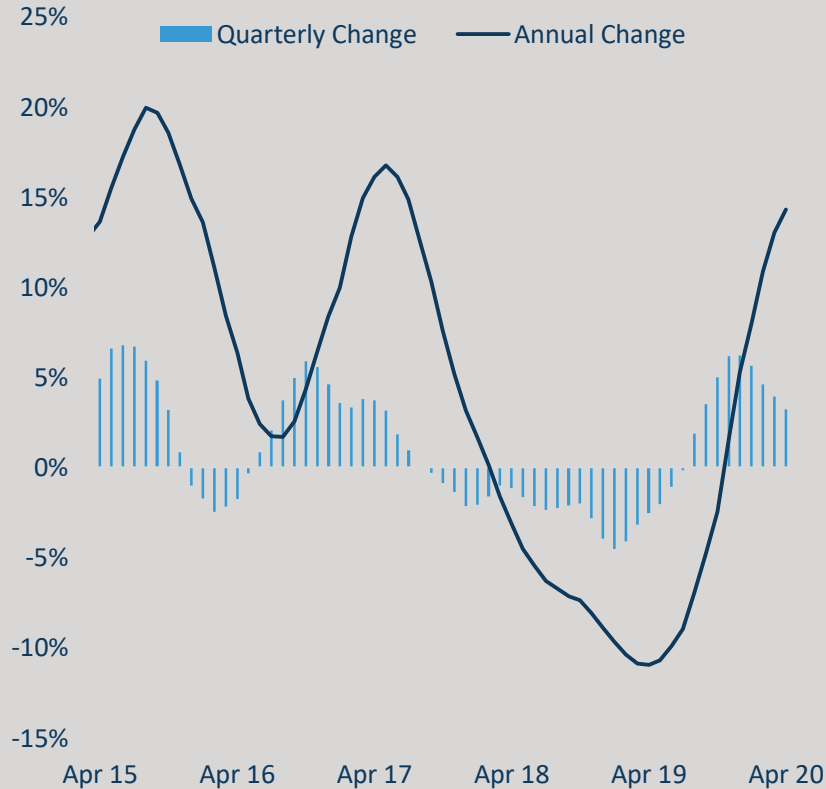


Rolling 28-day change in daily home value index, combined capitals



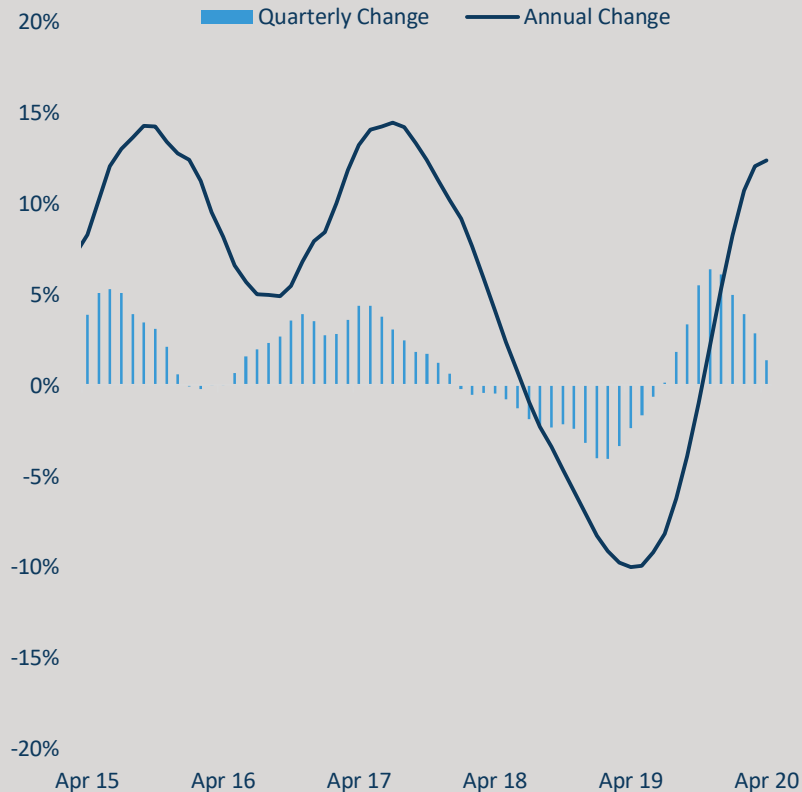
The CoreLogic *daily* home value index showed a change of pace halfway through March. Data to early May shows the combined capital cities market at the cusp of value declines.

Quarterly and annual change in dwelling values - Sydney



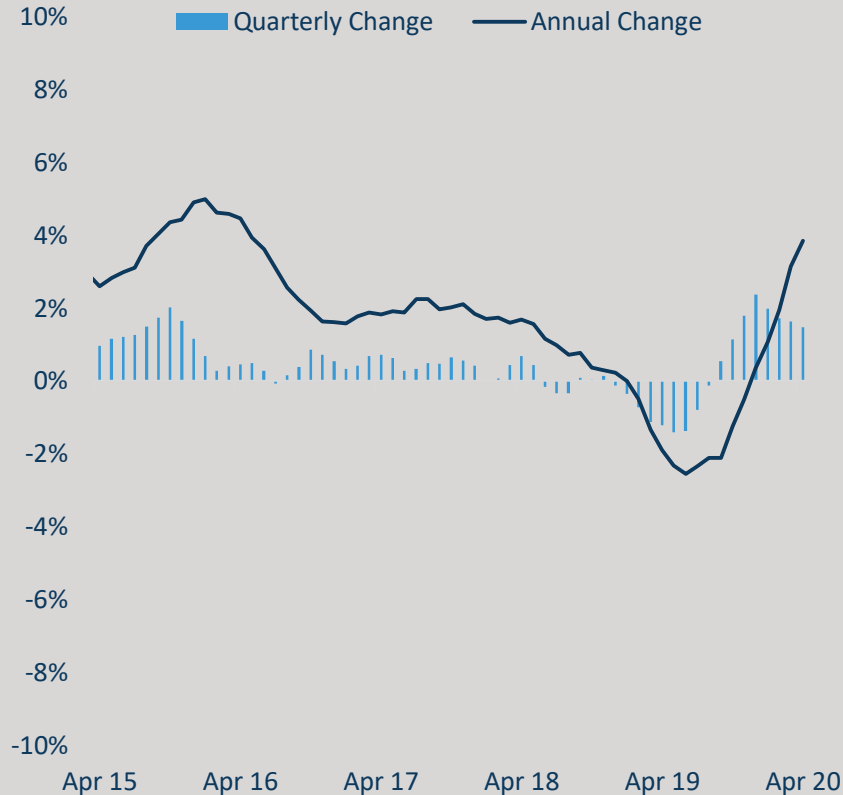
- Sydney dwelling values increased by **0.4% in April**
- Dwelling values increased **3.2% in the quarter**
- Sydney dwelling values are up by **14.3% in the past year**
- Sydney dwelling values are **-2.3% below the record high, which was in July 2017**

Quarterly and annual change in dwelling values - Melbourne



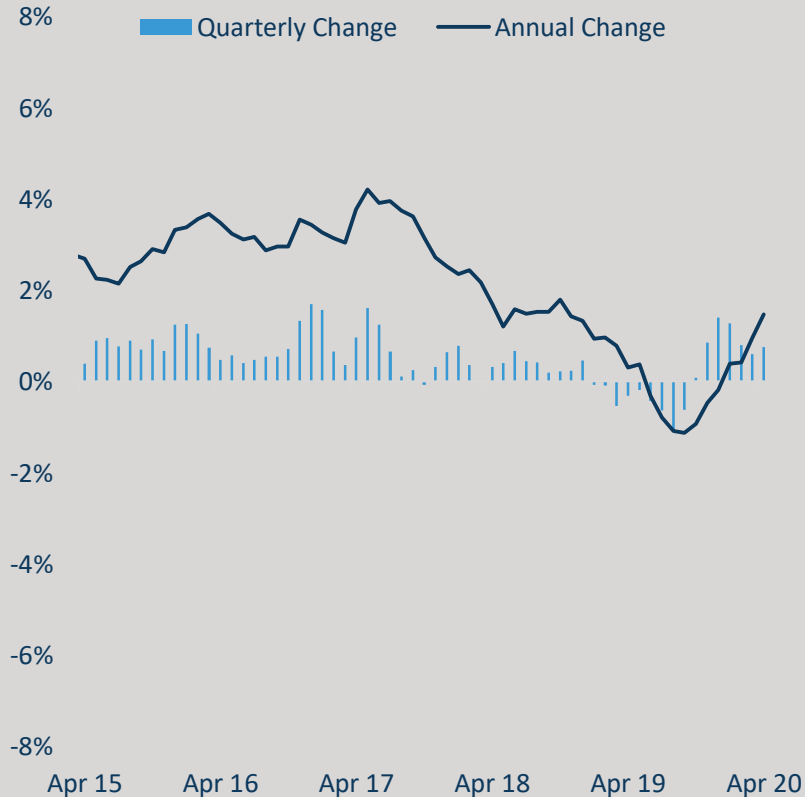
- Melbourne dwelling values decreased by **-0.3%** in **April**
- Dwelling values increased **1.4%** in the **quarter**
- Melbourne dwelling values are up by **12.4%** in the past **year**
- Melbourne dwelling are **-0.3%** from the record high, which was in **March 2020**

Quarterly and annual change in dwelling values - Brisbane



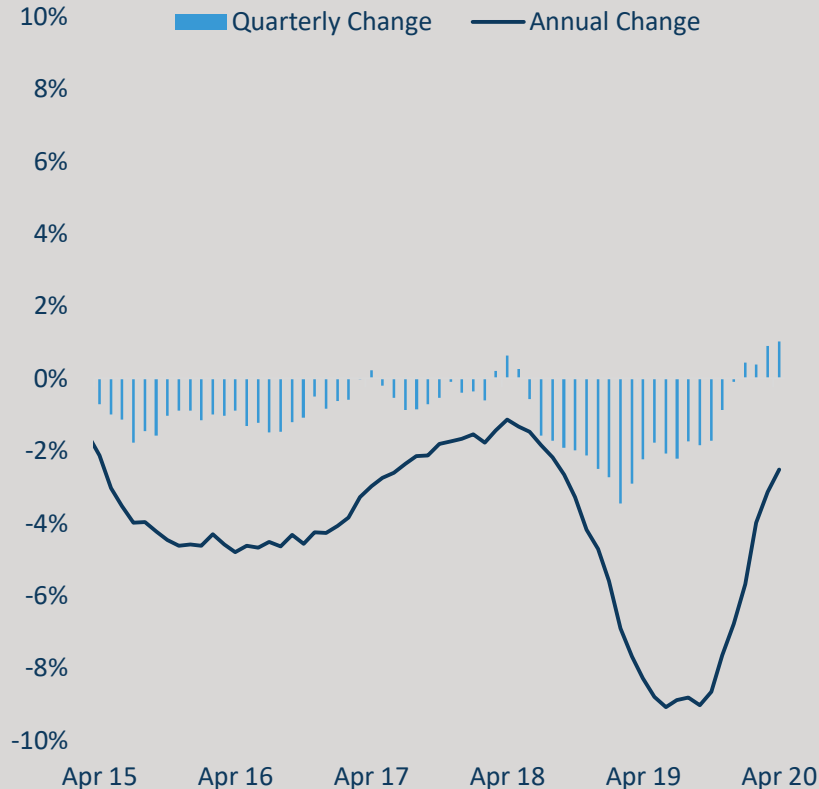
- Brisbane dwelling values increased by **0.3% in April**
- Dwelling values increased **1.5% in the quarter**
- Brisbane dwelling values are up by **3.8% in the past year**
- Brisbane dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Adelaide



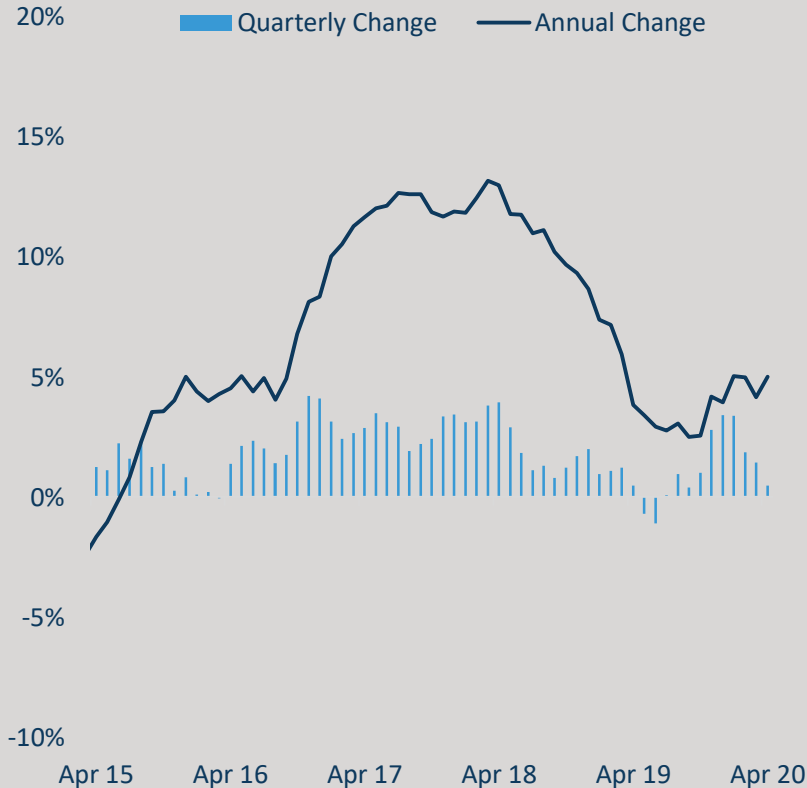
- Adelaide dwelling values increased by 0.4% in **April**
- Dwelling values increased 0.8% in the **quarter**
- Adelaide dwelling values were up by 1.5% in the past **year**
- Adelaide dwelling values are currently at a record high

Quarterly and annual change in dwelling values - Perth



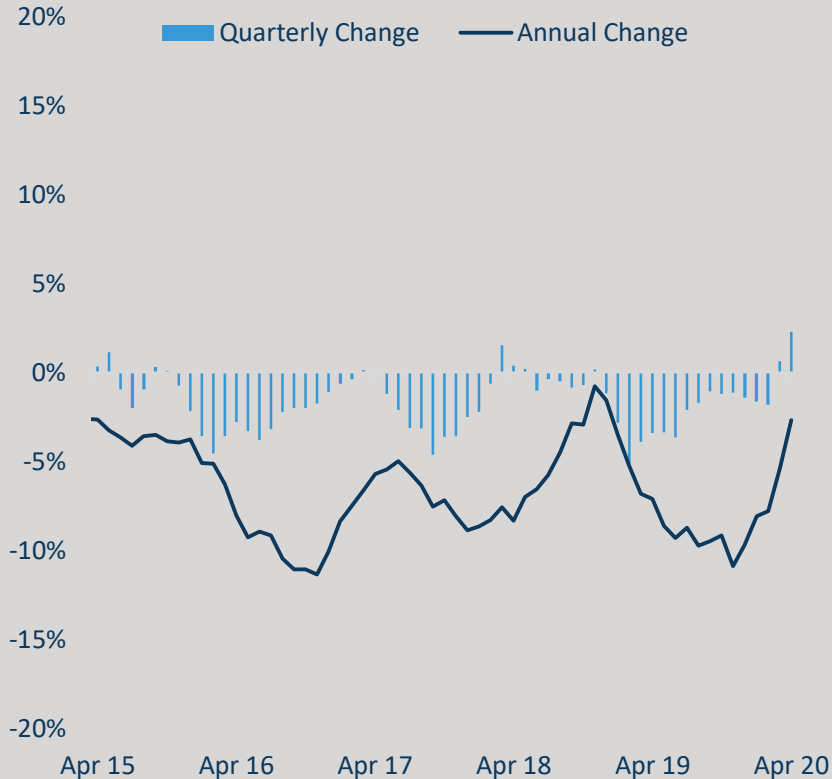
- Perth dwelling values were up 0.2% in **April**
- Dwelling values increased 1.0% in the **quarter**
- Perth dwelling values are down by -2.5% in the past **year**
- Perth dwelling values are now -20.5% below the record high, which was in June 2014

Quarterly and annual change in dwelling values - Hobart



- Hobart dwelling values decreased **-0.1% in April**
- Dwelling values increased **0.5% in the quarter**
- Hobart dwelling values are up by **5.0% in the past year**
- Hobart dwelling values are currently **-0.3% below the record high, which was in February 2020**

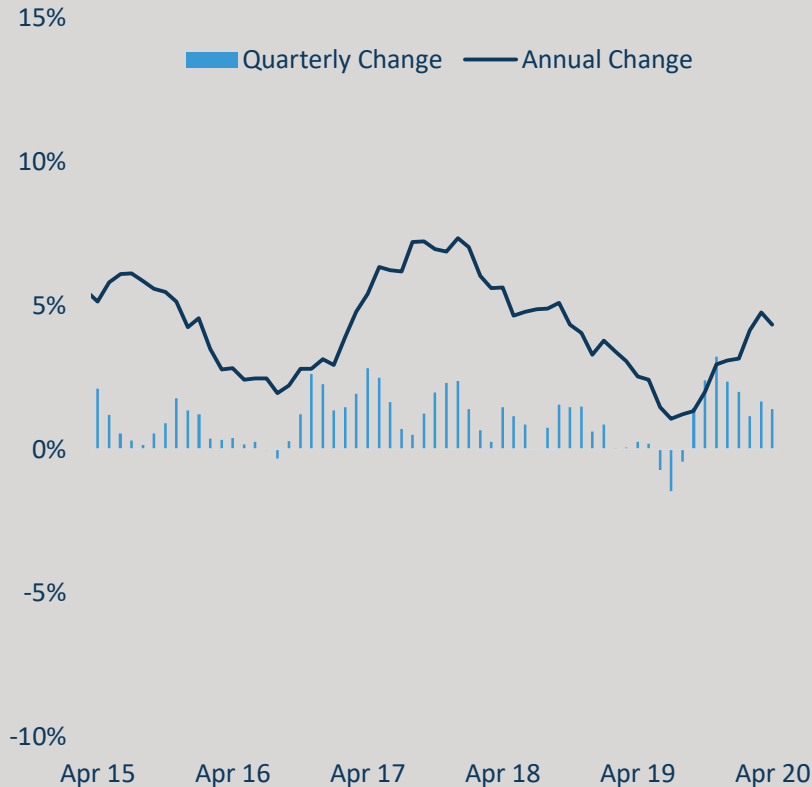
Quarterly and annual change in dwelling values - Darwin



- Darwin dwelling values increased 1.7% in **April**
- Dwelling values increased 2.3% in the **quarter**
- Darwin dwelling values are down by -2.7% in the past **year**
- Darwin dwelling values are -30.2% below the record high, which was in May 2014



Quarterly and annual change in dwelling values - ACT

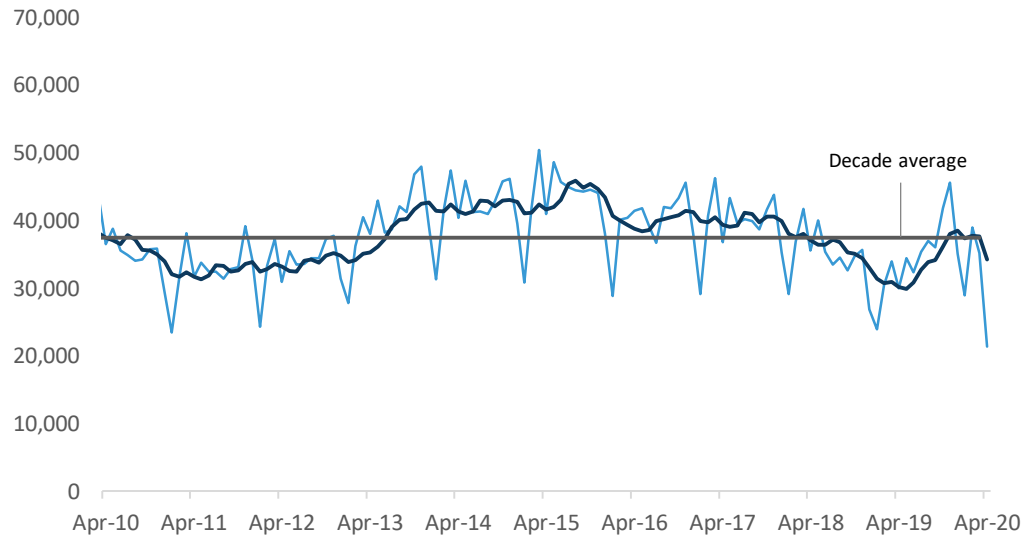


- ACT dwelling values were steady with a 0.0% growth rate in **April**
- Dwelling values were up 1.4% in the **quarter**
- ACT dwelling values were up by 4.3% in the past **year**
- The ACT dwelling market is **currently at a record high**

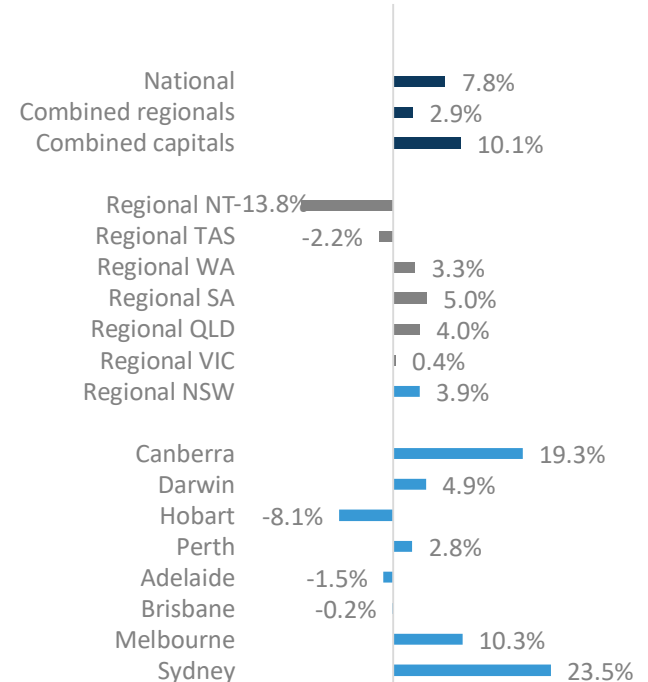


CoreLogic estimates that settled sales fell by about 40% over the month of April, dragging down the annual change in sales

Monthly sales with six month moving average, National



Annual change in settled sales

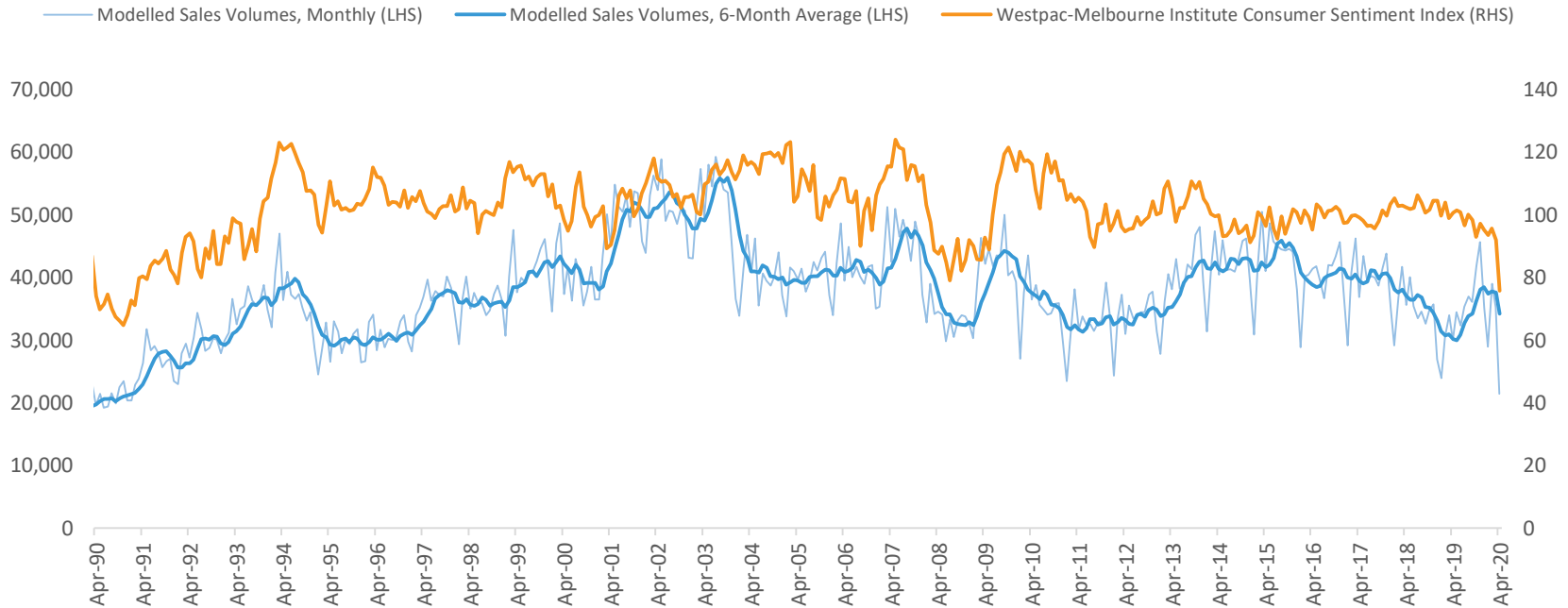


Note: recent months are modelled estimates, and are therefore subject to revision

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Sales volumes are declining significantly as consumer confidence reaches its lowest levels since the early 90's recession

Monthly sales volumes and Westpac-MI consumer sentiment index



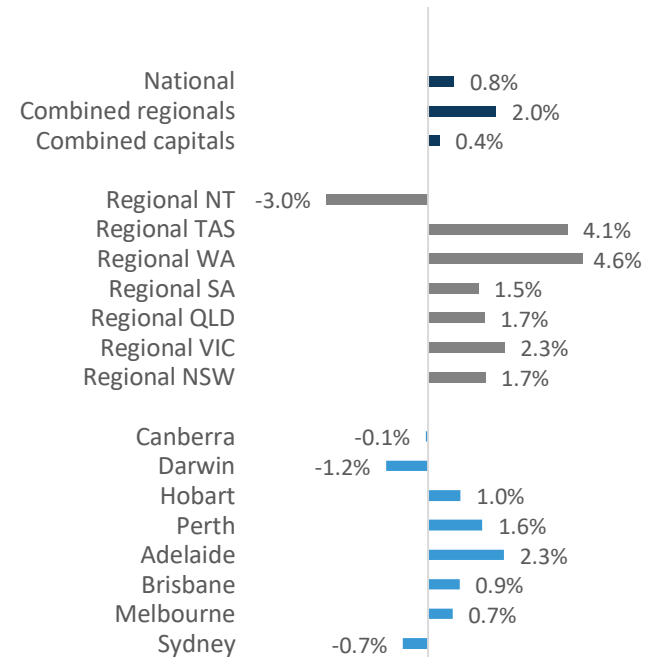
Note: recent months on sales volume are modelled estimates, and are therefore subject to revision

COVID-19 has interrupted the recovery in an already weak rental market. Annual growth in rents almost halved in April to 0.8%.

Annual change in rental rates - National

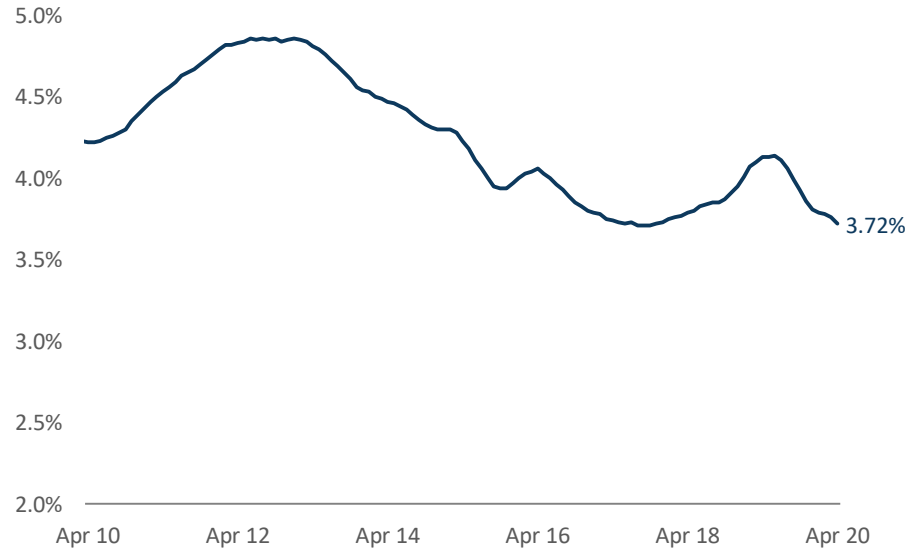


Annual change in rental rates

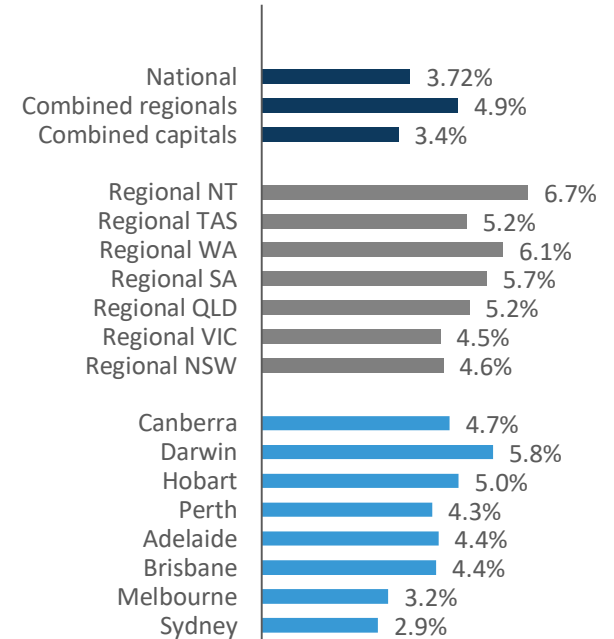


Nationally, gross rental yields fell a further 2 basis points over April, to 3.72%. As declines in rent outpace value declines, yields are likely to compress further.

Gross rental yields - National

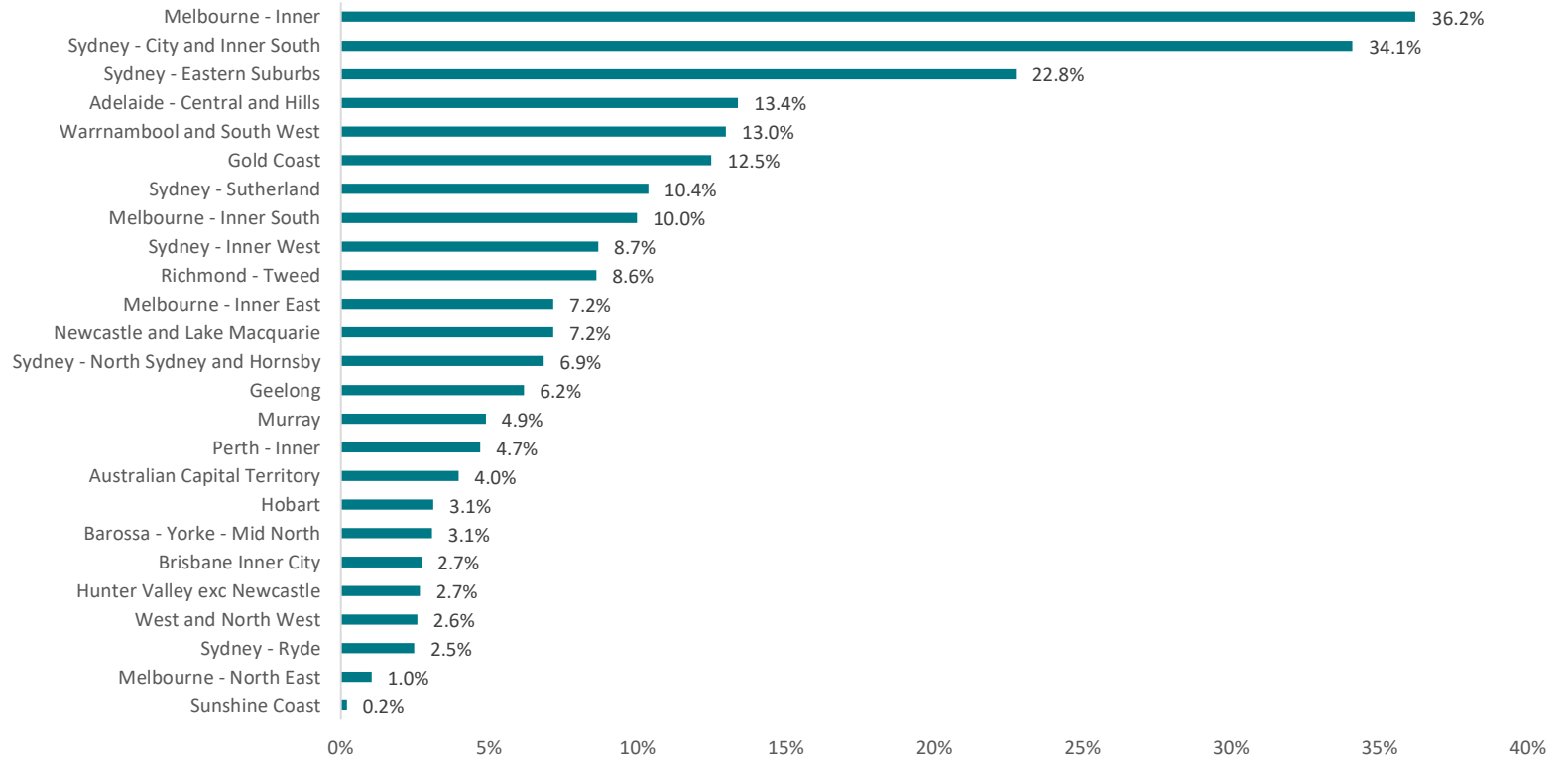


Gross rental yields as at April-20



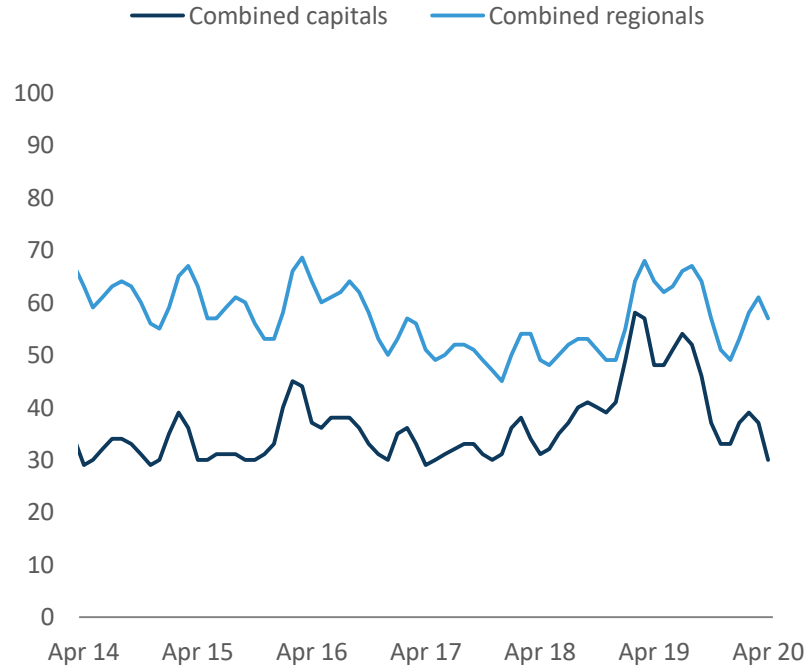
Already some rental markets have seen a significant uplift in rent listings off the back of falling demand, and increased supply, amid COVID-19

Change in total rental listings of select SA4 regions - 22nd of March to 26th April



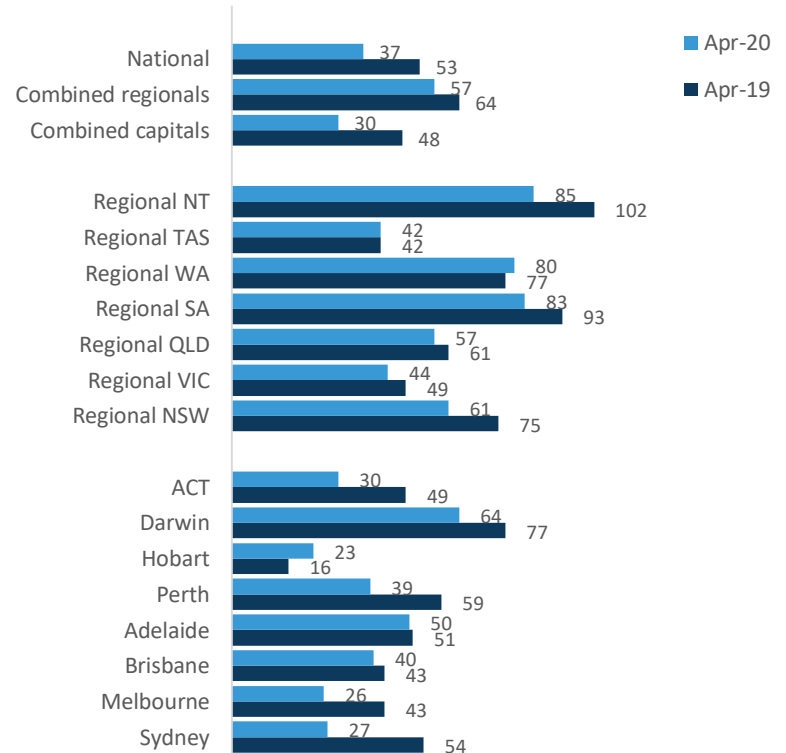
Days on market was lower over the year to April 2020, though this may steady as housing demand eases

Median days on market



These charts show the median days on market over 3 month rolling periods.

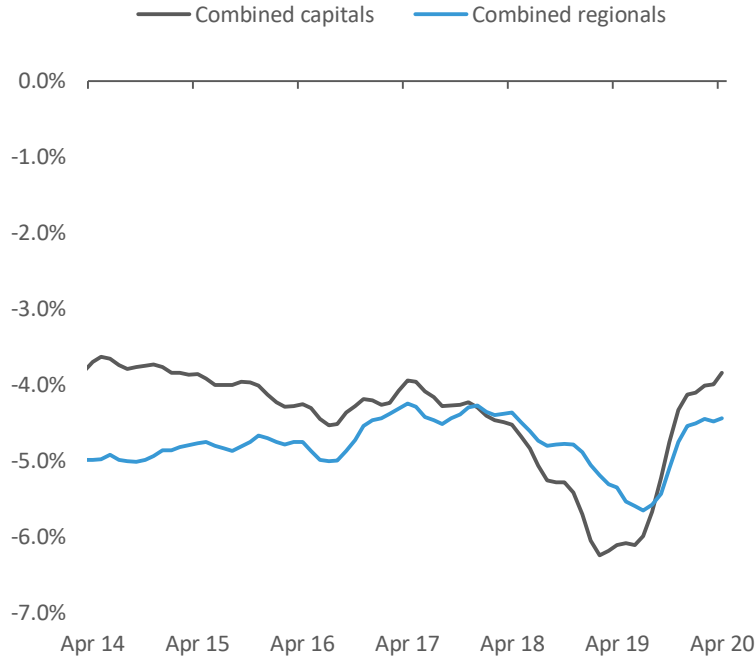
Median days on market April 2019 v April 2020





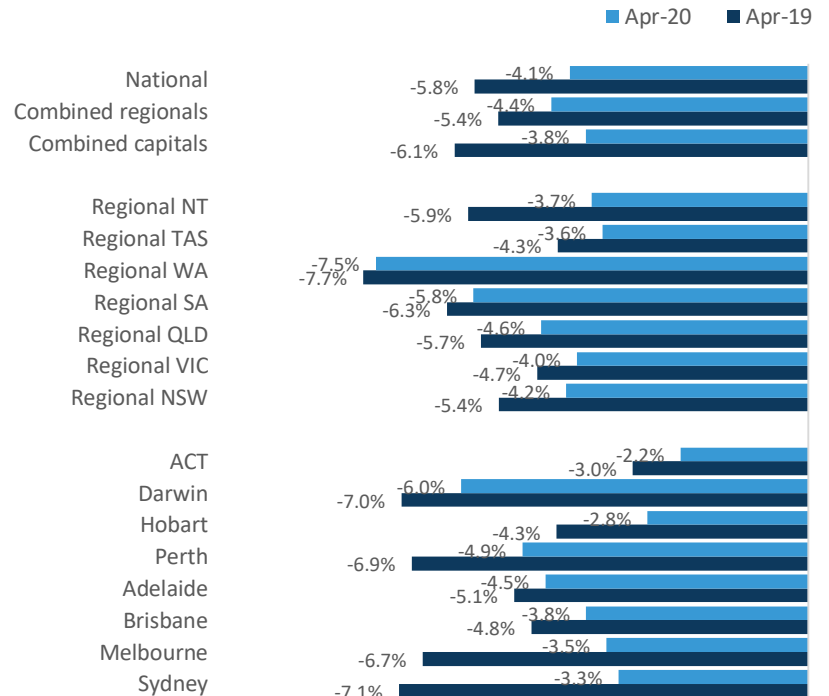
By April, all markets saw an annual decline in vendor discounting. But as the market turns, vendor discounts are likely to become larger

Median vendor discount



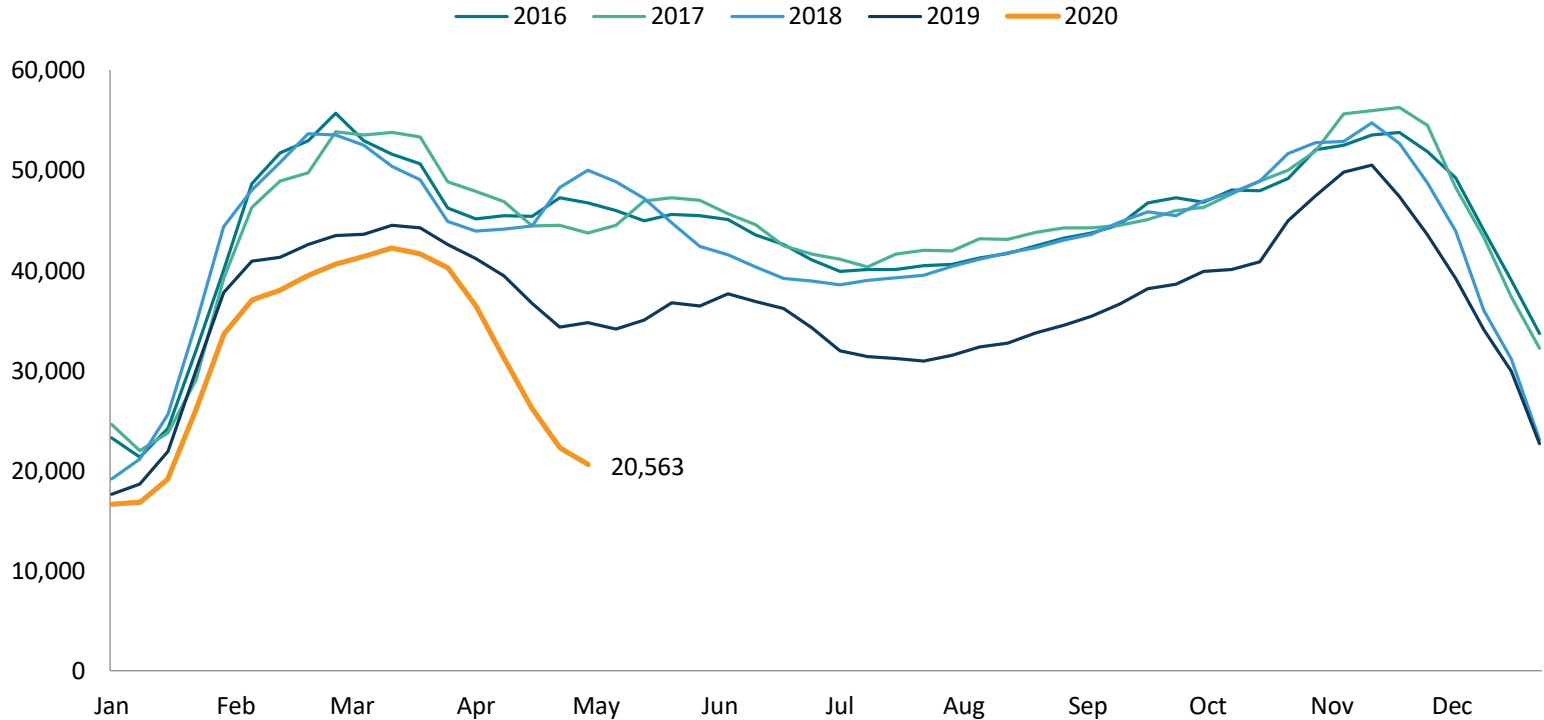
These charts show median vendor discounting over 3 month rolling periods.

Median vendor discount April 2019 v April 2020



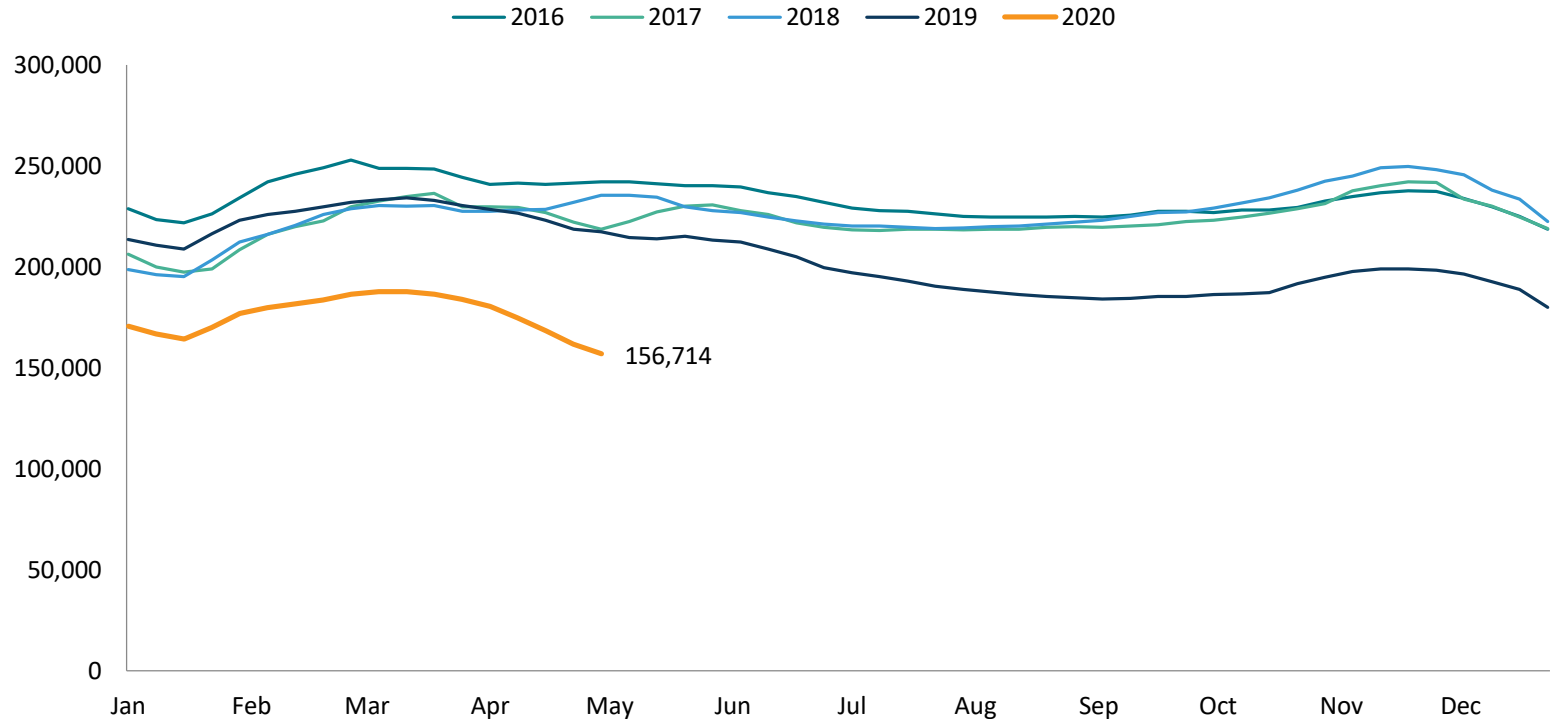
At the 28 days ending 3rd of May, new listings had fallen to levels lower than the lead up to last Christmas

New Listings, rolling 28-day count, combined capital cities



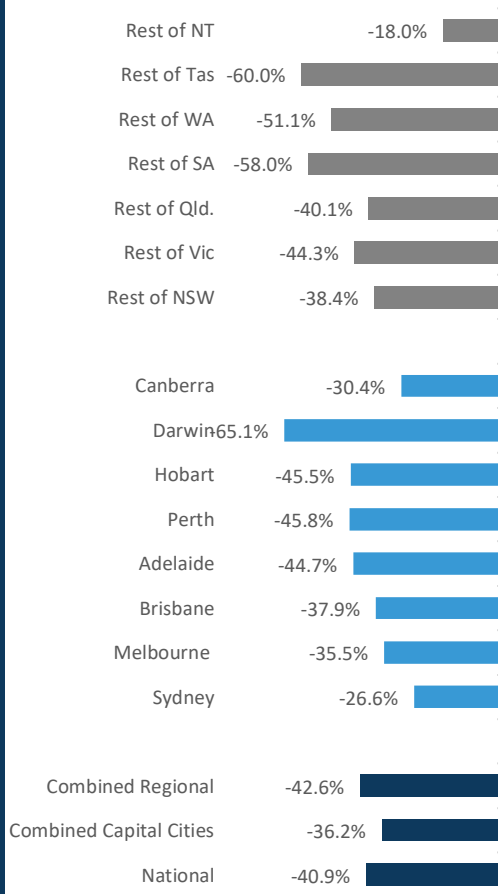
Total listings are also at the lowest level in years. This may explain why values have shown relative stability.

New Listings, rolling 28-day count, combined capital cities

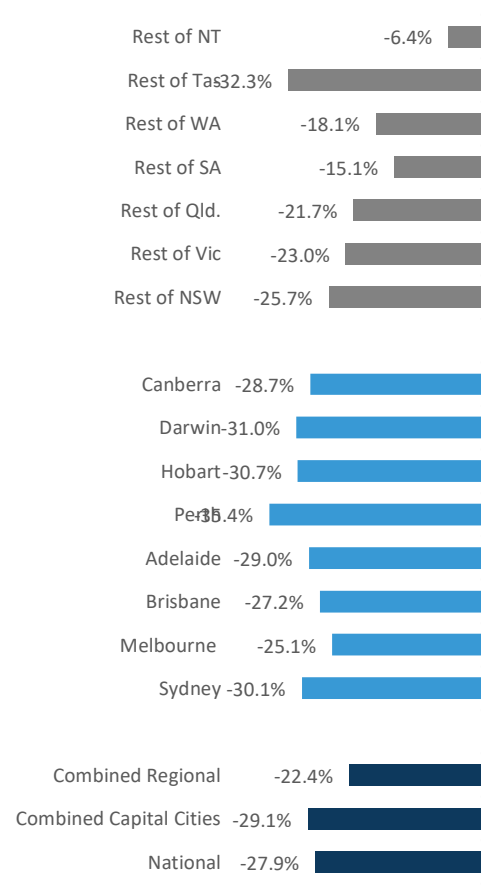


Greater capital city and rest of state regions have seen an average annual decline in total listings of -25.3%

New listings, change from equivalent period last year

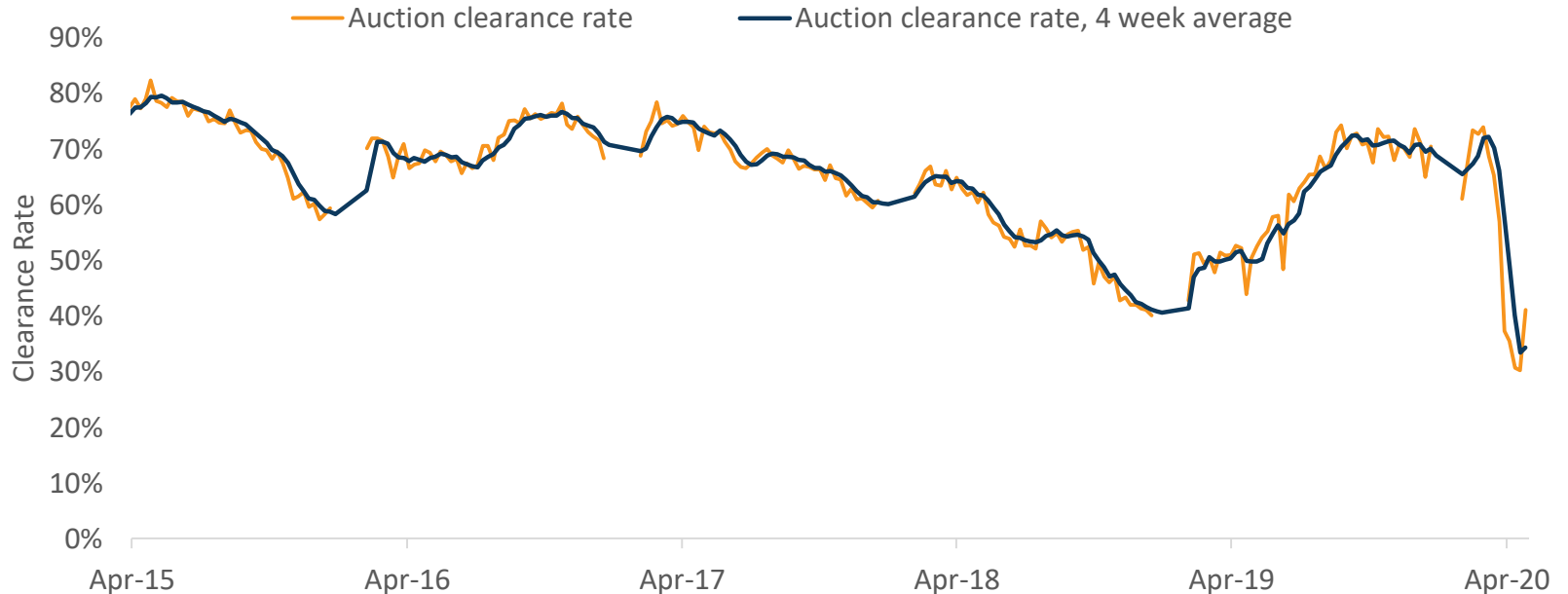


Total listings, change from equivalent period last year



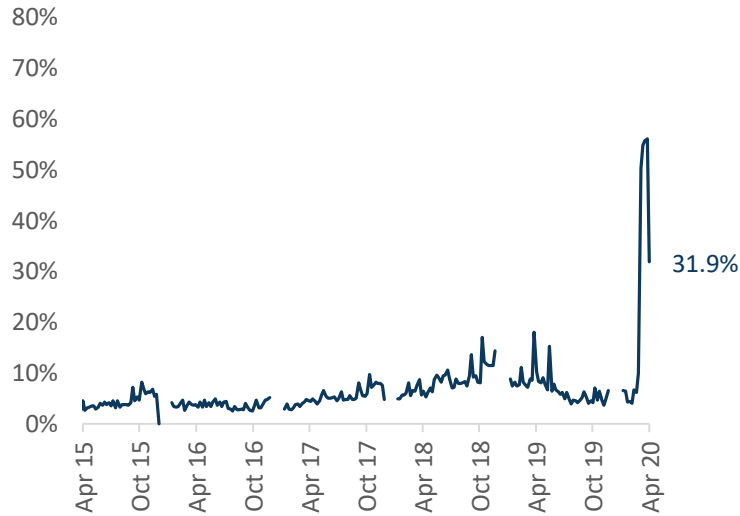
Clearance rates have been skewed lower by a surge in withdrawn auctions

Weekly clearance rates, combined capital cities



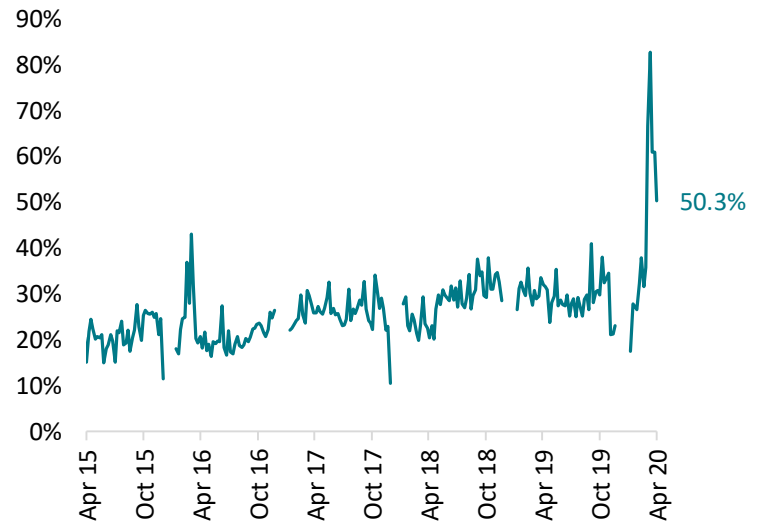
However, recent data shows fewer auctions are being scheduled. This has lowered the withdrawal rate and lifted the clearance rate from recent lows

% of auctions withdrawn*



* As a % of all auction results

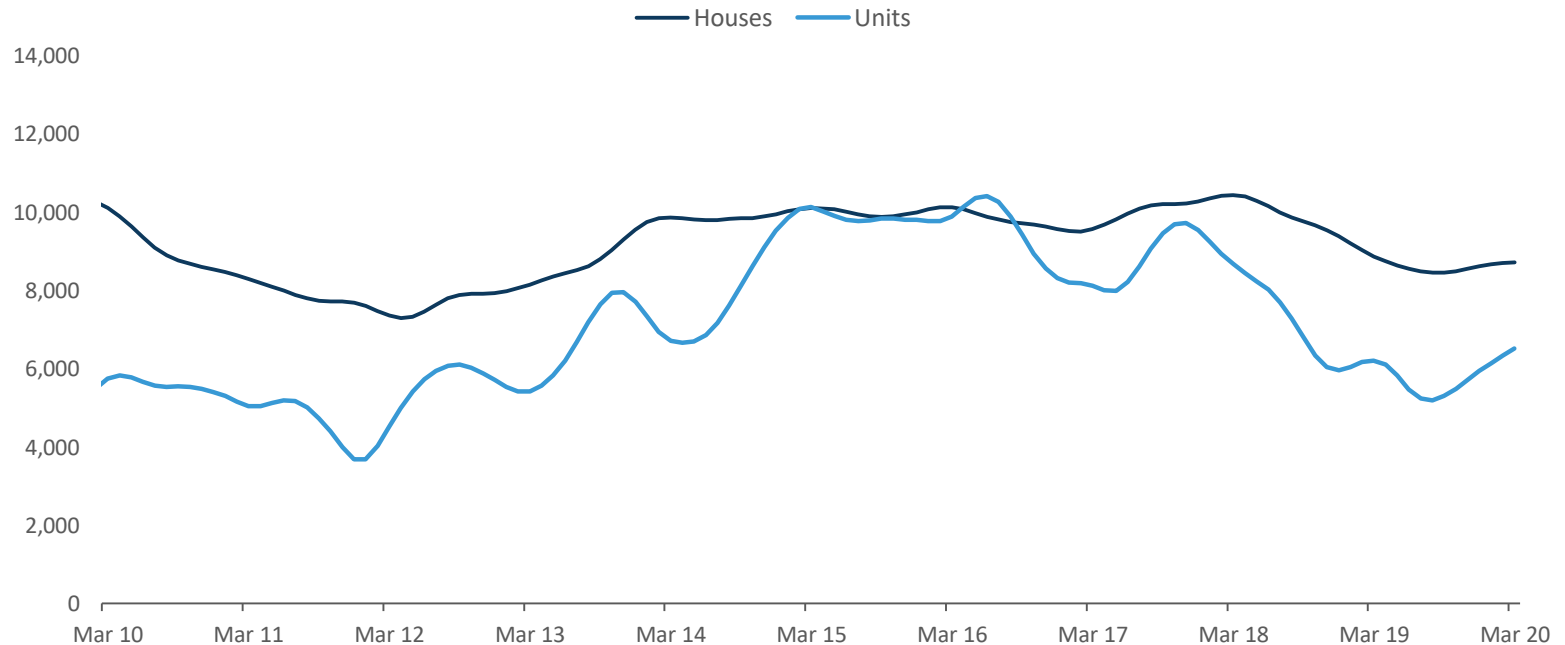
% of successful auctions sold prior*



* As a % of all 'sold' auction results

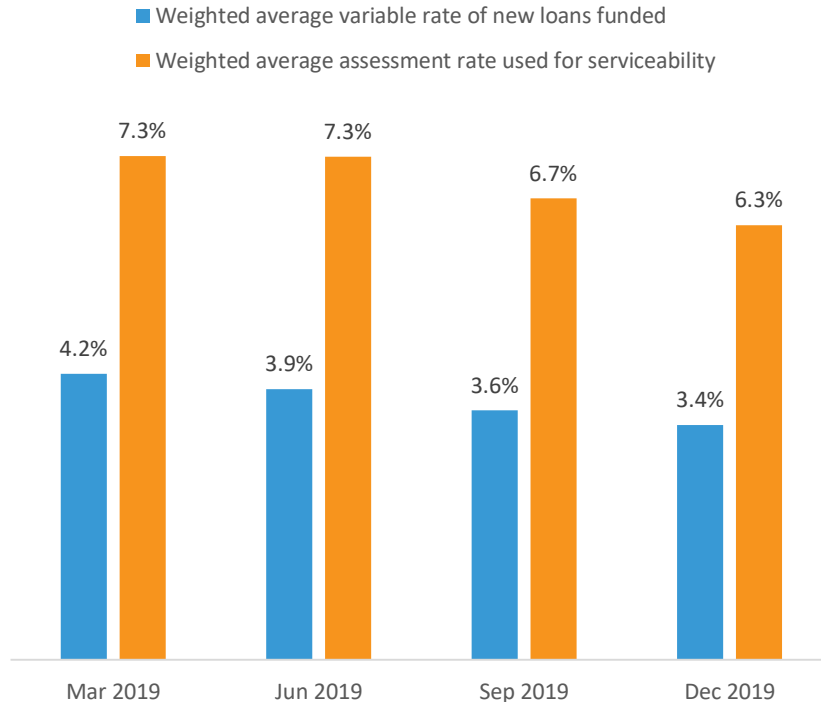
Trend data indicates that dwelling approvals were starting to rise, following declines from the end of 2017

Monthly number of dwellings approved for construction, National (trend data)

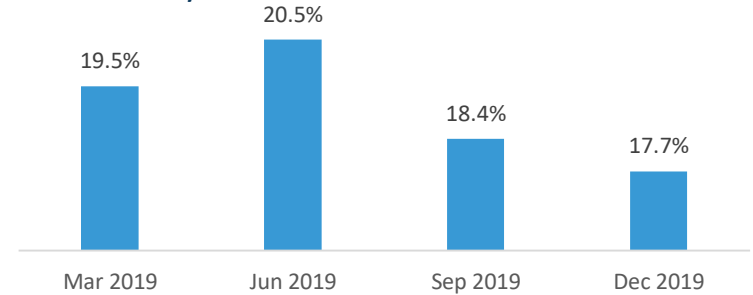


In the lead-up to COVID-19, aspects of lending conditions eased slightly, but the financial system remains strong

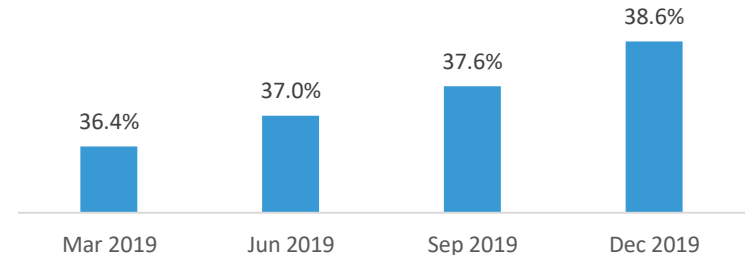
Interest rates for new loans funded



Portion of new loans funded on interest-only terms



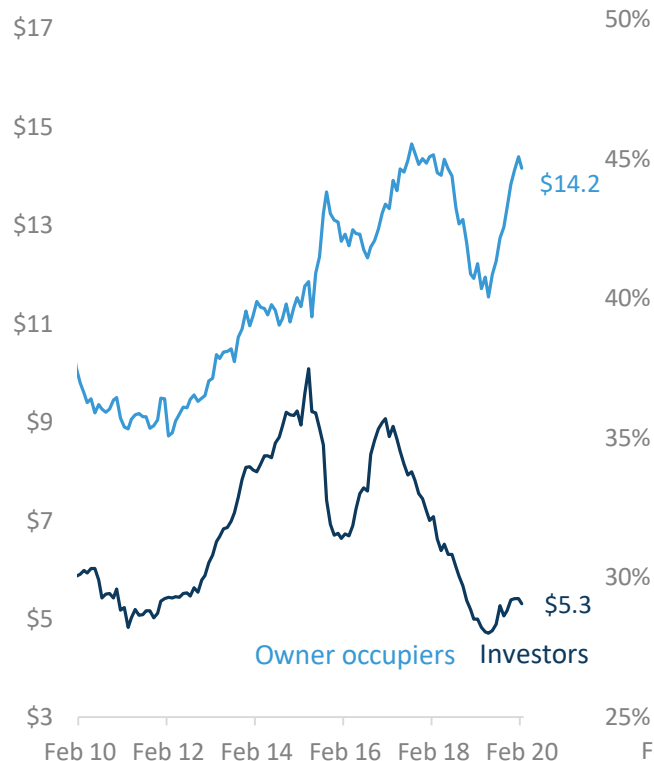
Portion of new loans funded with an LVR 80% ≤



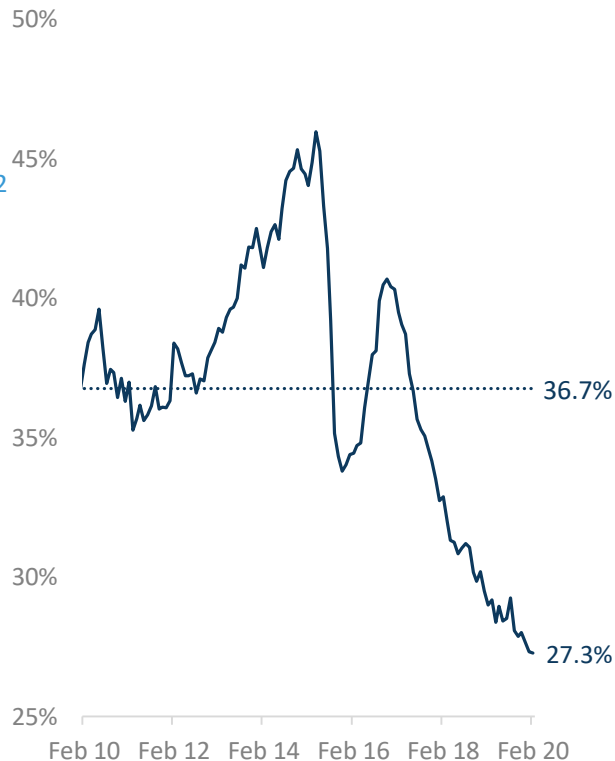
Note: a further back-series is currently unavailable due to a change in APRA's data source



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



Portion of new lending for investment housing (excluding refinance)

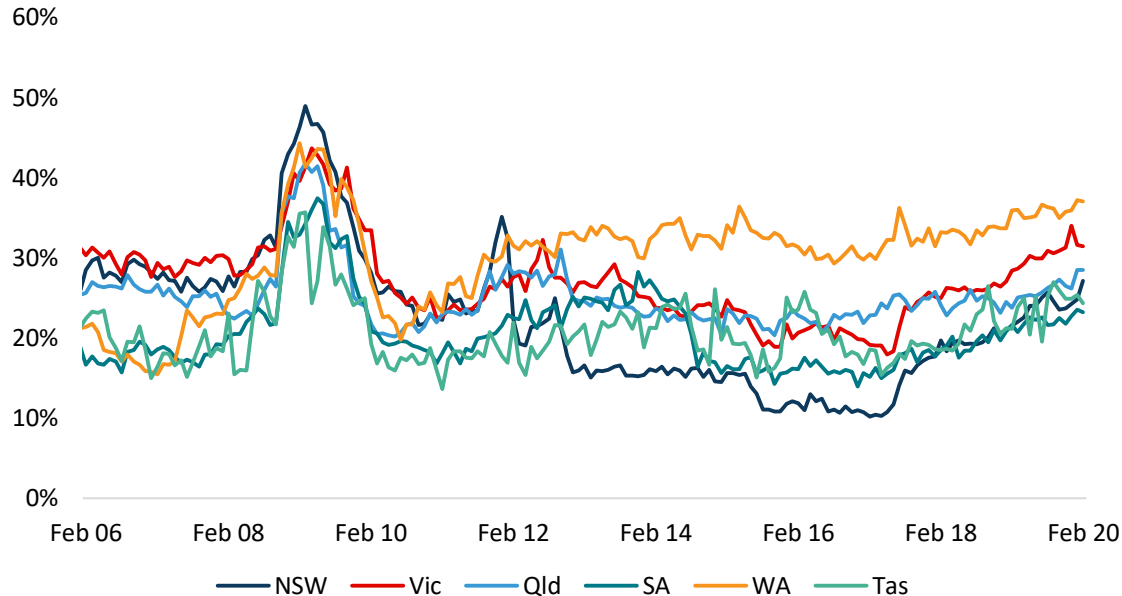


New home lending fell 1.7% in February 2020.

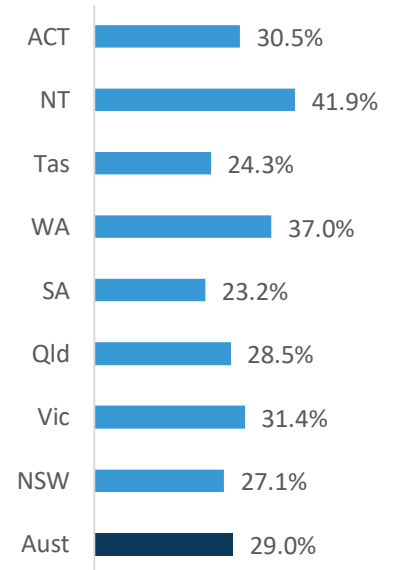
The relatively low portion of investor participation provides some insulation for housing from a retreat of investors as a result of the current downswing.

Before the onset of COVID-19, first home buyer participation as a portion of owner-occupiers was at its highest since January 2012

First home buyers as a portion of owner-occupier finance commitments (values)

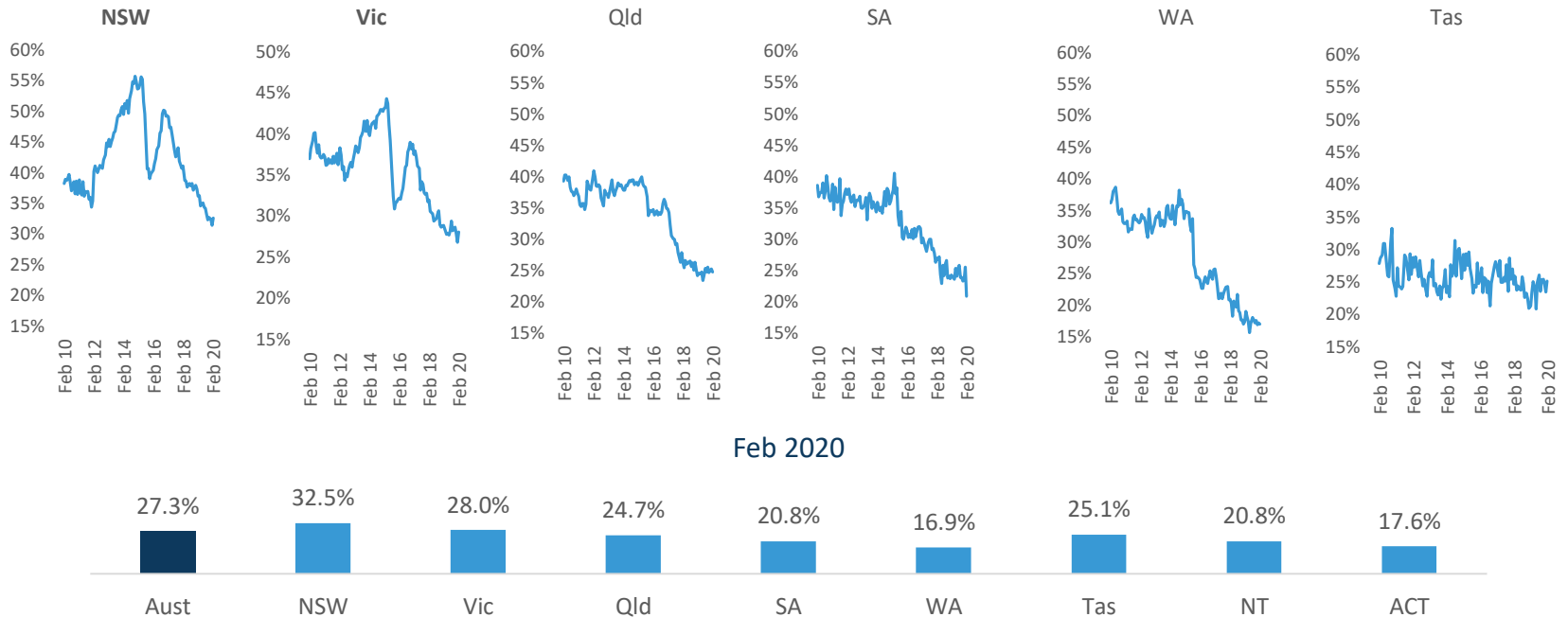


Feb 2020



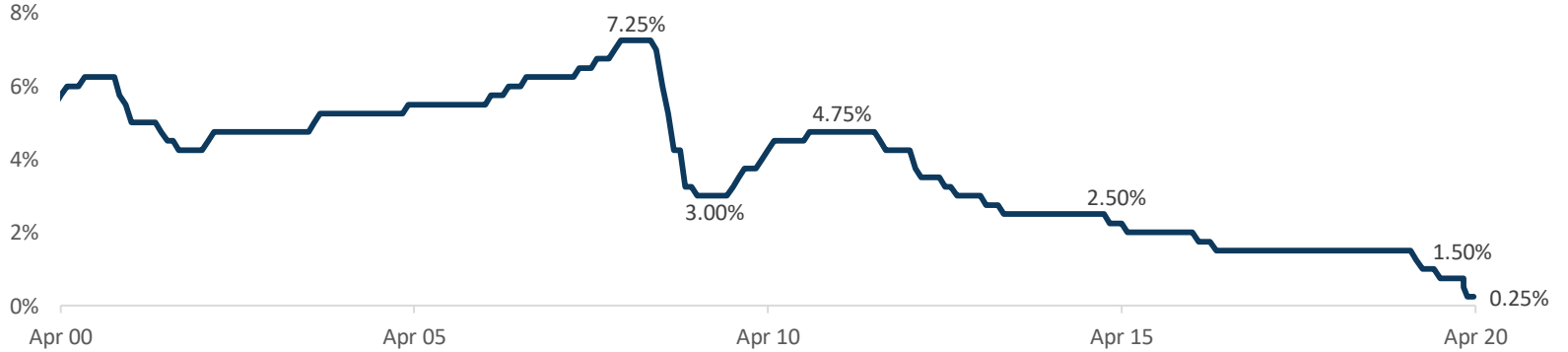
Over February, investor participation continued to decline in most states and territories

Investors as a portion of total value of lending (excluding refinancing)

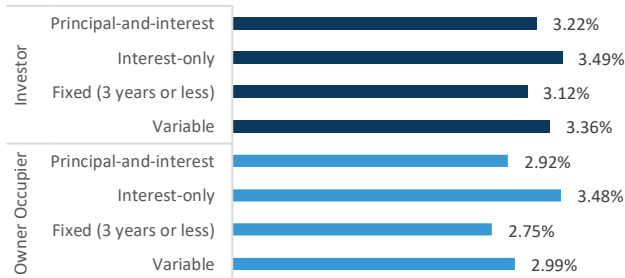


Average owner occupier mortgage rates came down 25 basis points over the month of March, while average investor rates fell 26 basis points

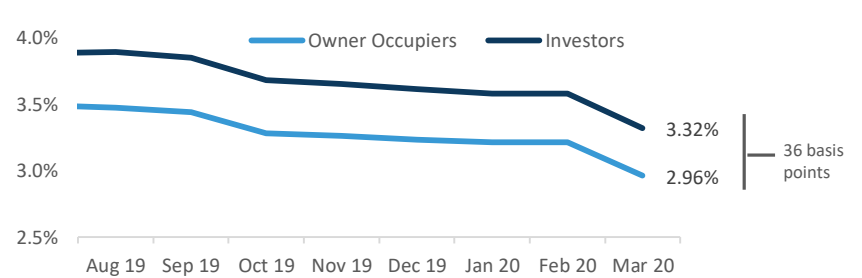
RBA Cash Rate



Avg Mortgage rate type by product, March 2020



Investor premium based on monthly average of new loans



Note: Data reported in the rate by product and borrower tables are based on the new RBA 'Housing Lending Rates' publication, based on Economic and Financial Statistics (EFS) collection.



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