



# Housing Market and Economic Update

August 2016



# Housing overview

# Residential real estate underpins Australia's wealth and has reached \$6.6 trillion



As at the end of July 2016



**Number of dwellings**  
**9.7 million**



**Outstanding mortgage debt**  
**\$1.6 trillion**



**Household wealth held in housing**  
**51.6%**



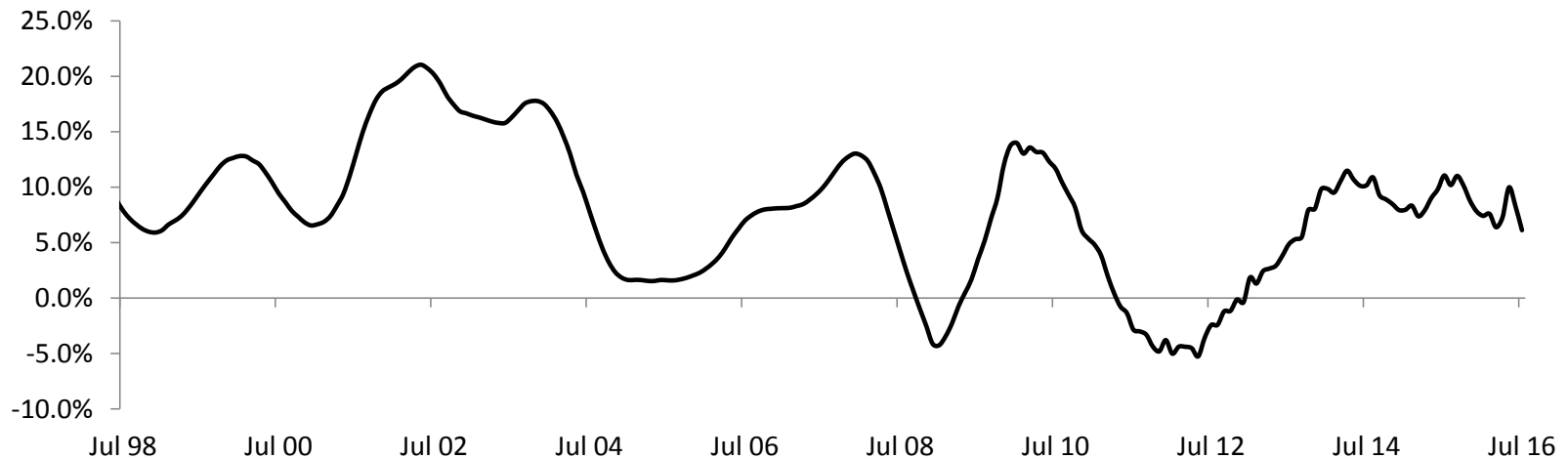
**Total sales p.a.**  
**456,284**



**Gross value of sales p.a.**  
**\$281.1 billion**

# The annual rate of capital gain has slowed to its lowest level since September 2013

Rolling annual change in dwelling values, combined capital cities



## Median Prices



\$602,000



\$500,000

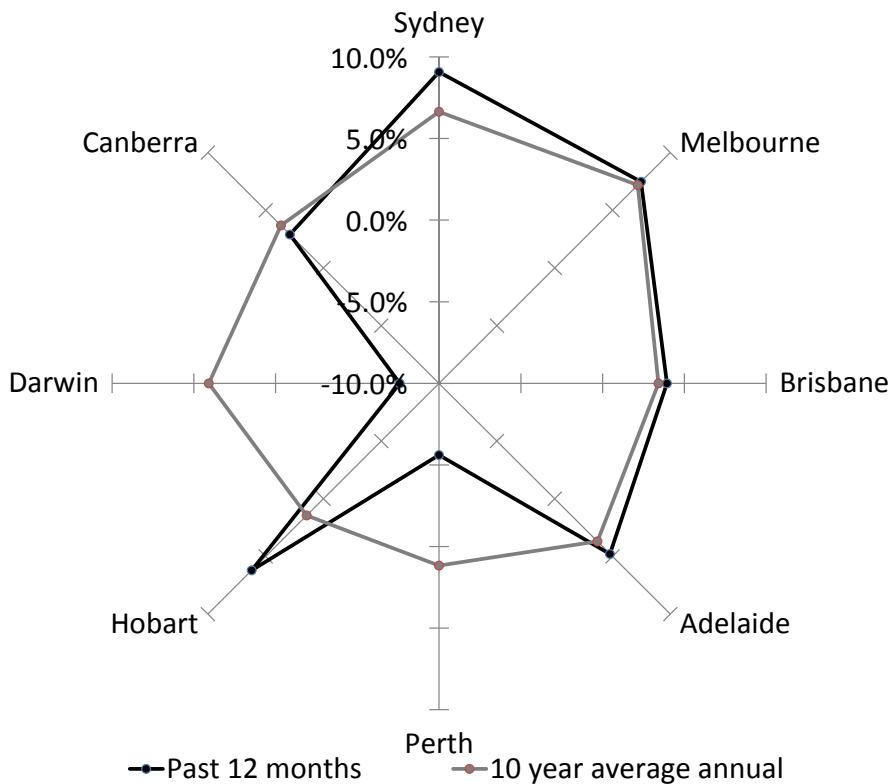
## Capital Gain

	Houses	Units	Dwellings
Past 12 months	6.1%	6.0%	6.1%
Annual over five years	6.0%	4.6%	5.8%
Annual over ten years	5.6%	5.1%	5.5%

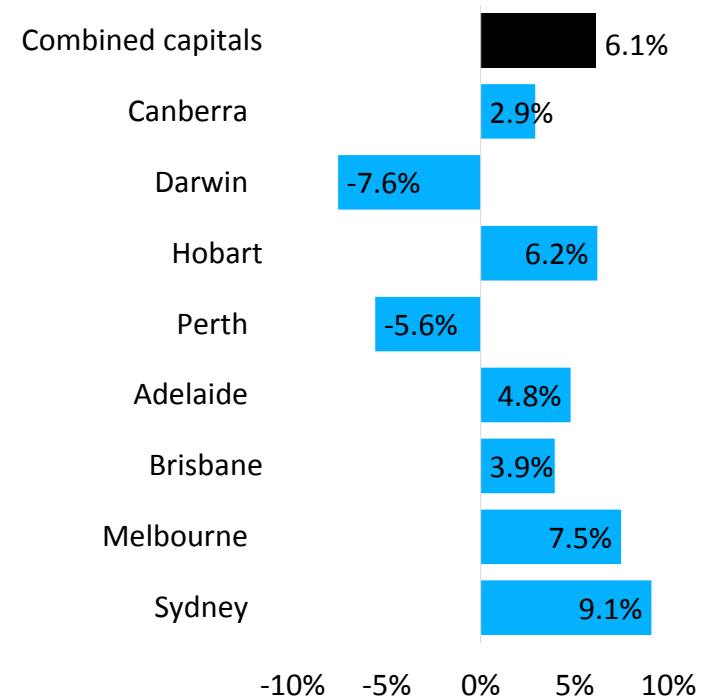
*CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit [www.corelogic.com.au/indices](http://www.corelogic.com.au/indices)*

# Values continue to fall in Perth and Darwin on an annual basis whilst rising across the remaining capital cities

Capital gain: Average over 10 years v past 12 months

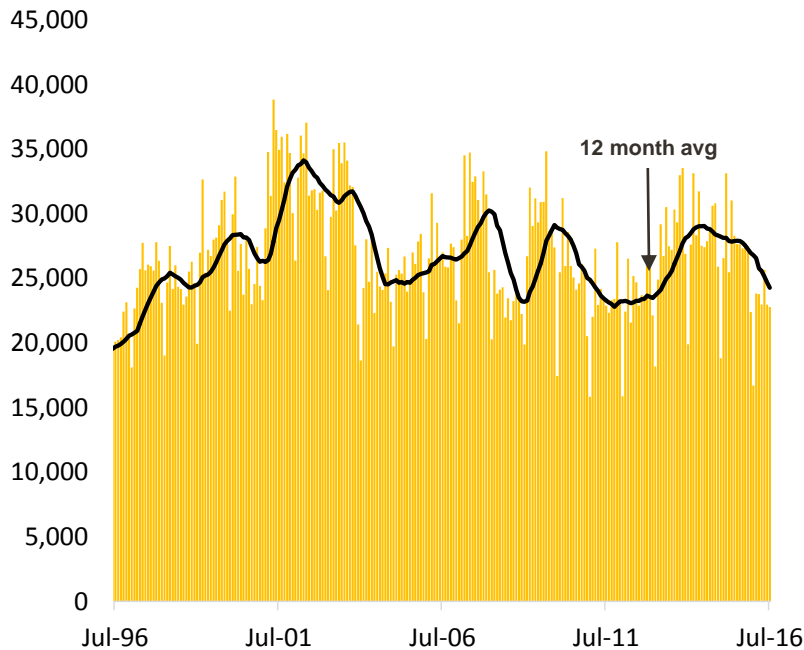


Change in capital city dwelling values, 12 months to Jul 2016

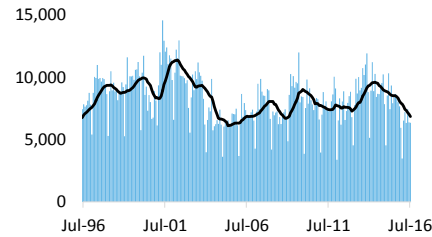


# Turnover: capital city transaction numbers have continued to trend lower

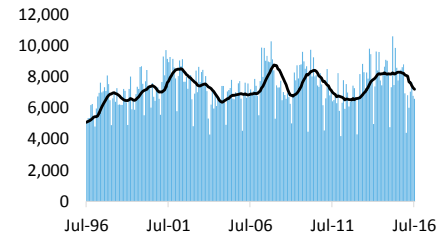
## Combined capitals



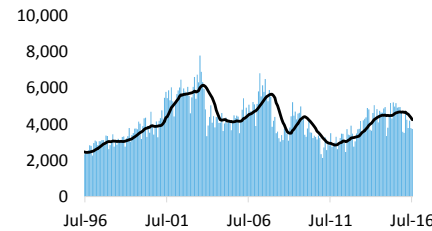
## Sydney



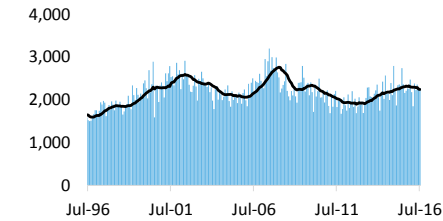
## Melbourne



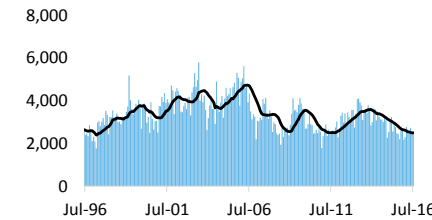
## Brisbane



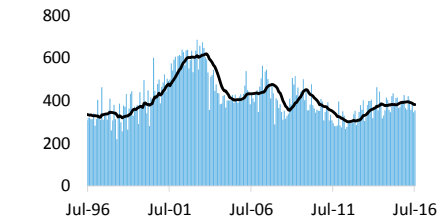
## Adelaide



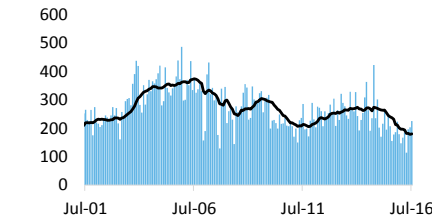
## Perth



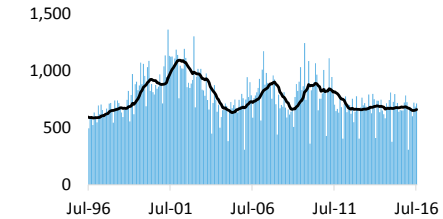
## Hobart



## Darwin

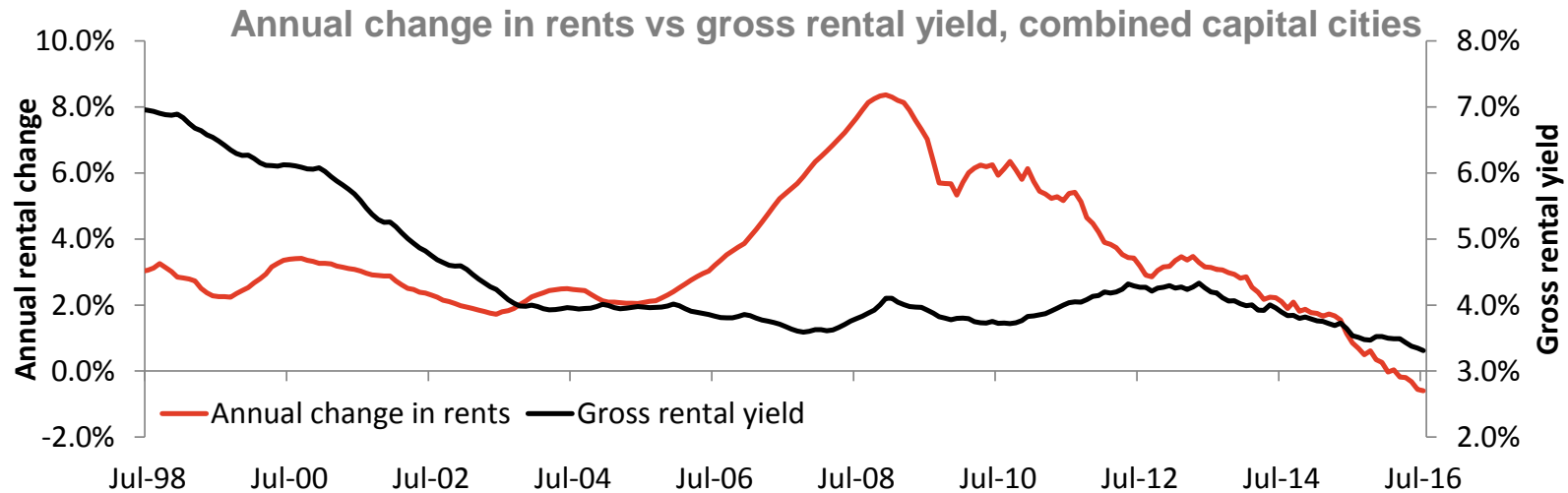


## Canberra

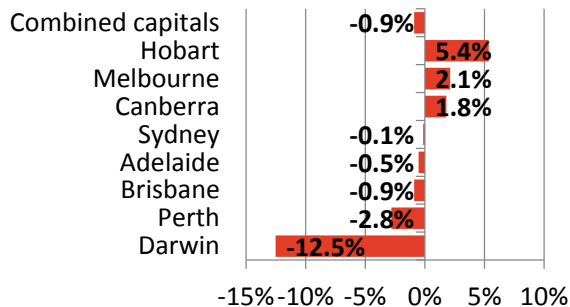


Note up-to-date sales volumes are forecasts due to delayed collection of recent sales. Off-the-plan sales are input at contract date but only following settlement, given this unit sales volumes in particular are probably understated over recent years.

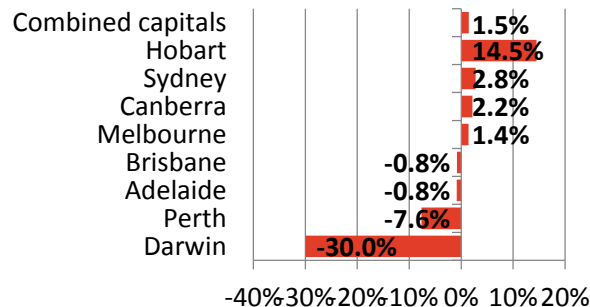
# The decline in capital city rents is accelerating, with asking rents down 0.6% over 12 months



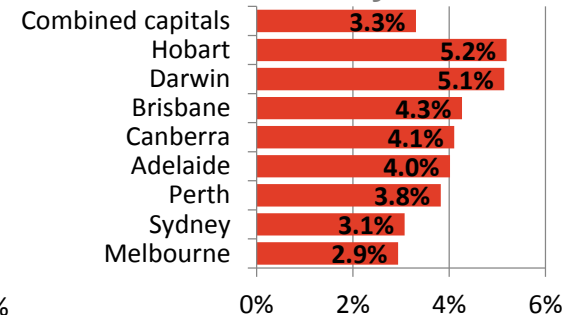
## Annual change in house rents



## Annual change in unit rents



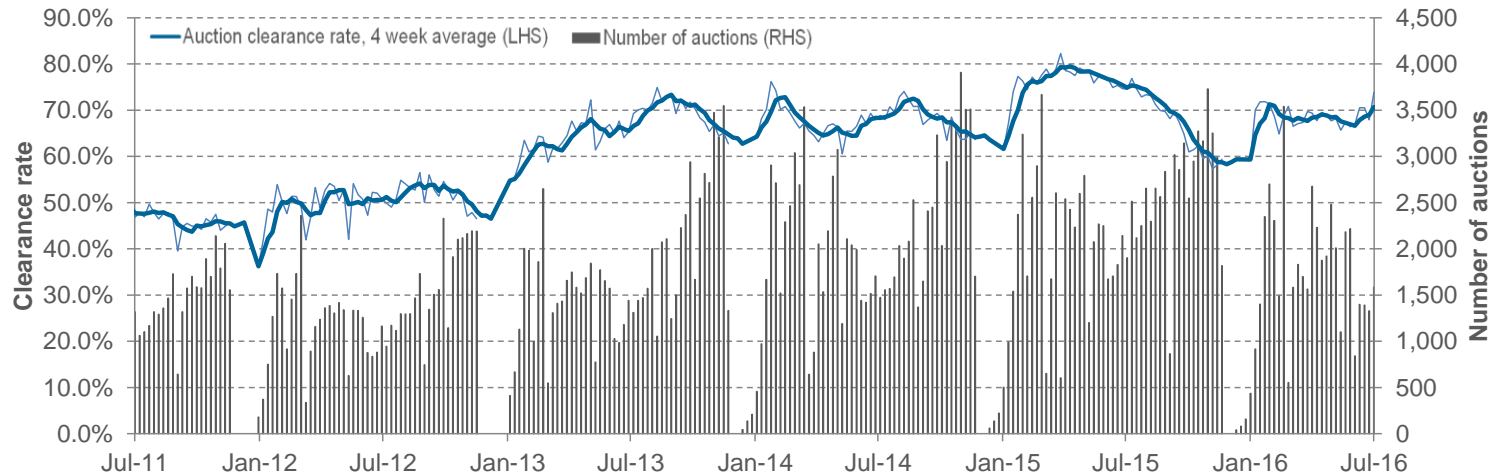
## Gross rental yields



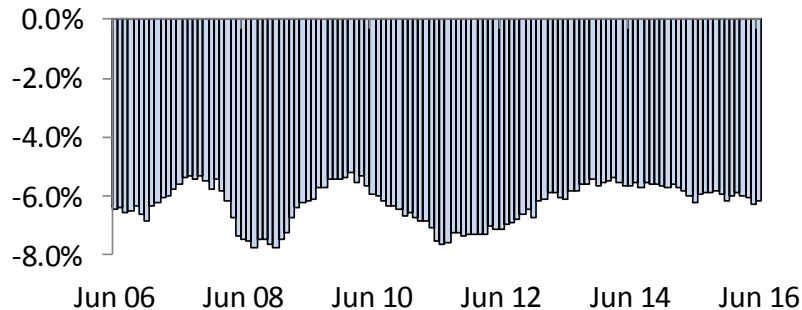
CoreLogic's suite of rental statistics are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally.

# Vendor metrics: auction clearance rates are strong but private treaty measures are softening

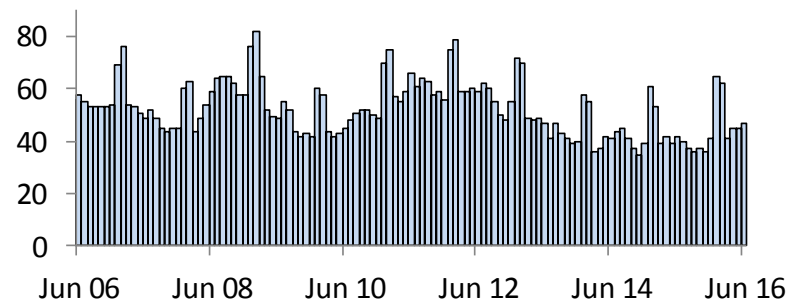
## Combined capital city auction clearance rates and volumes



## Avg vendor discount, combined capitals



## Avg time on market, combined capitals

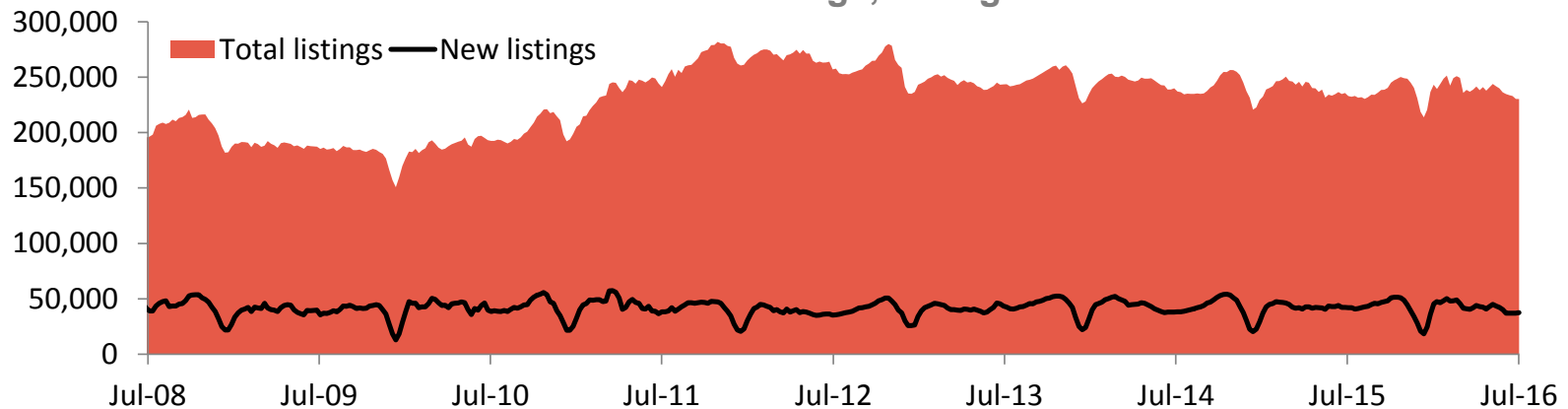


CoreLogic's suite of vendor metrics are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. Note that we typically see a seasonal peak in average time on market each year in January and February.



# Listings: stock levels higher than last year despite fewer new listings being added to the market

National number of new and total listings, rolling 4 weeks to 31/07/2016



## State and territory property listings

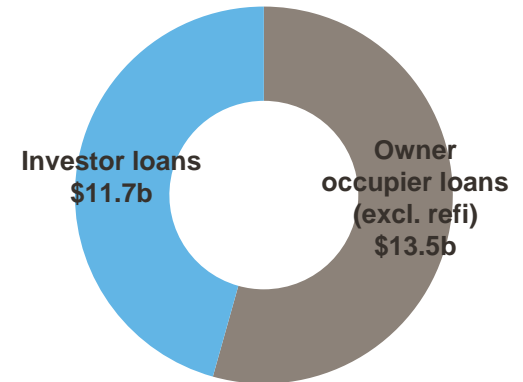
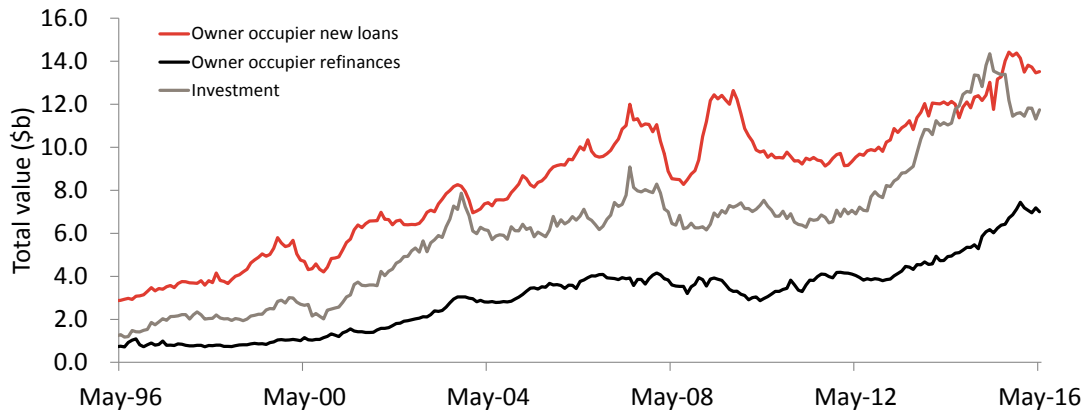
State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	9,837	-19.3%	44,735	-15.1%
Vic	9,437	-13.3%	51,899	-0.9%
Qld	9,272	-5.1%	66,163	4.5%
SA	2,402	-11.6%	17,842	8.6%
WA	4,877	0.8%	38,075	12.0%
Tas	850	7.2%	7,668	-24.9%
NT	224	-15.5%	2,189	5.7%
ACT	512	2.2%	1,739	-12.1%
<b>National</b>	<b>37,411</b>	<b>-10.9%</b>	<b>230,310</b>	<b>-1.2%</b>

## Capital city property listings

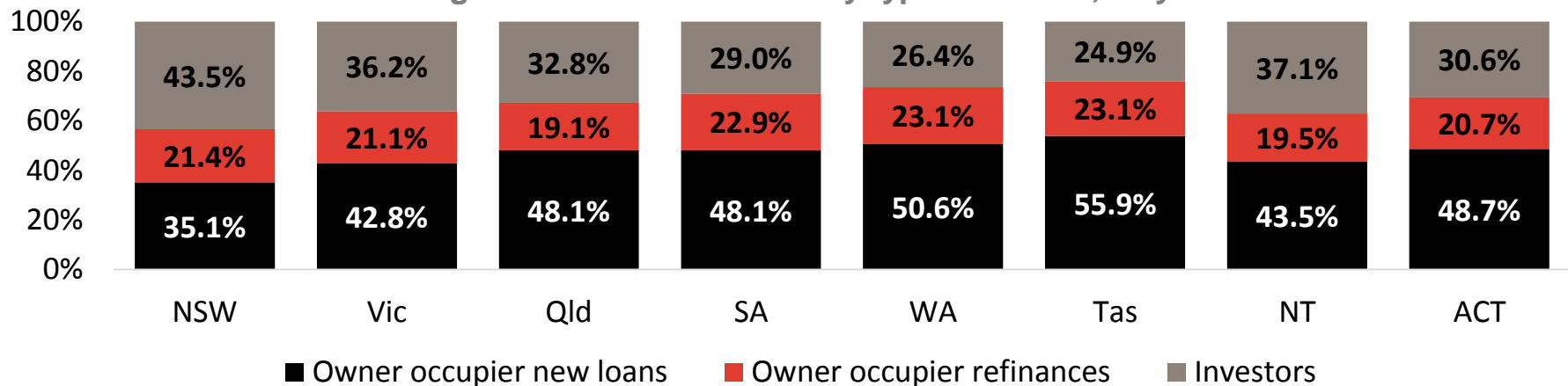
Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	5,692	-26.9%	18,861	3.9%
Melbourne	6,789	-15.9%	26,951	-0.5%
Brisbane	3,977	-5.3%	19,270	7.4%
Adelaide	1,722	-11.1%	7,886	7.3%
Perth	3,627	4.7%	22,644	15.1%
Hobart	351	11.8%	1,790	-33.2%
Darwin	163	-25.6%	1,624	3.2%
Canberra	477	-2.3%	1,670	-13.0%
<b>Combined capitals</b>	<b>22,798</b>	<b>-13.9%</b>	<b>100,696</b>	<b>4.5%</b>

# Investor participation holding firm while owner occupier lending trends lower

Value of housing finance commitments – monthly, national

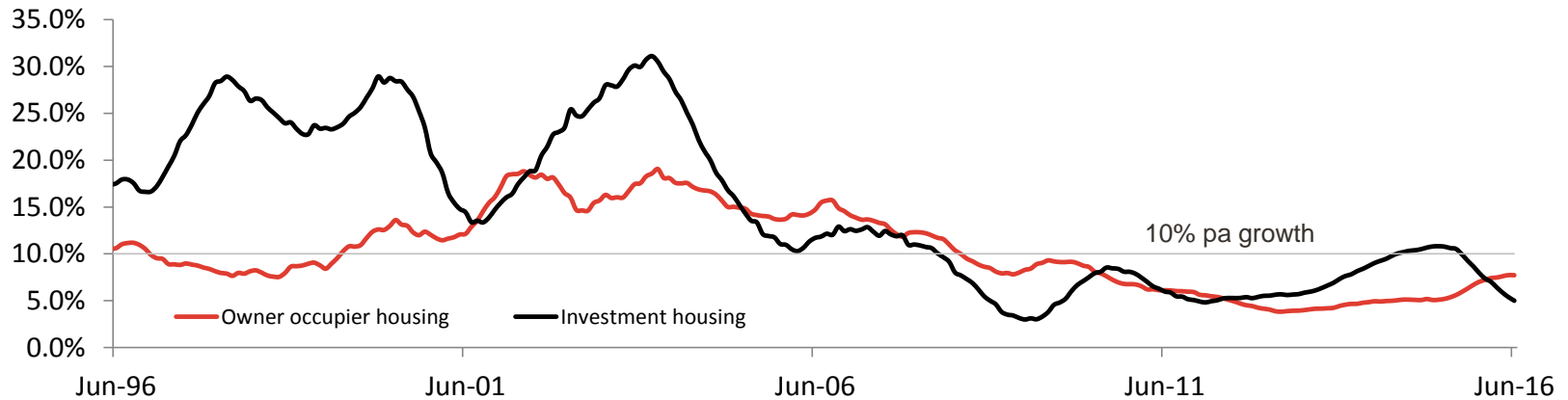


Housing finance commitments by type and state, May 2016

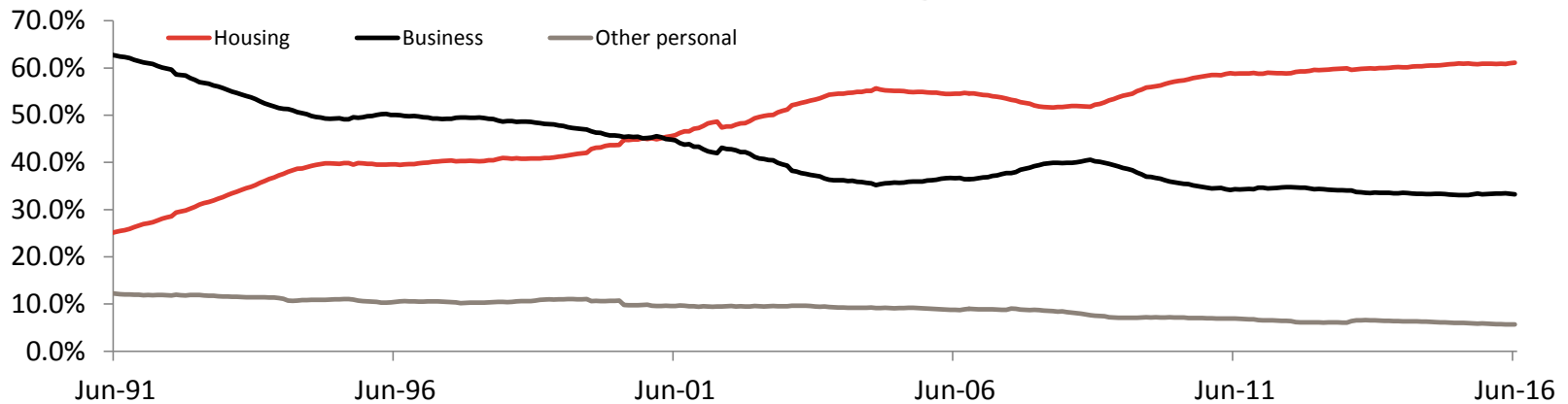


# The annual pace of investment credit growth is the slowest its been since March 2012

Annual change in total housing credit, owner occupiers vs investors

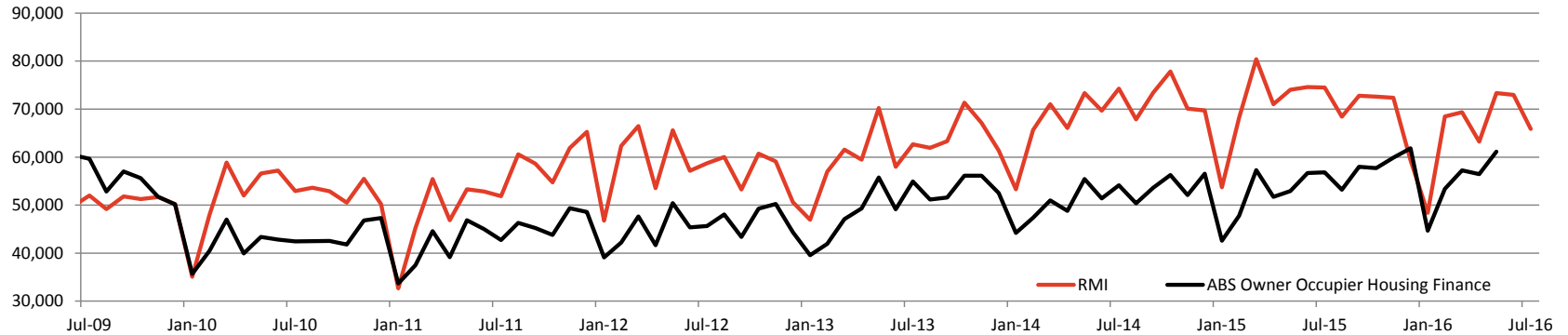


Proportion of total outstanding credit to ADIs

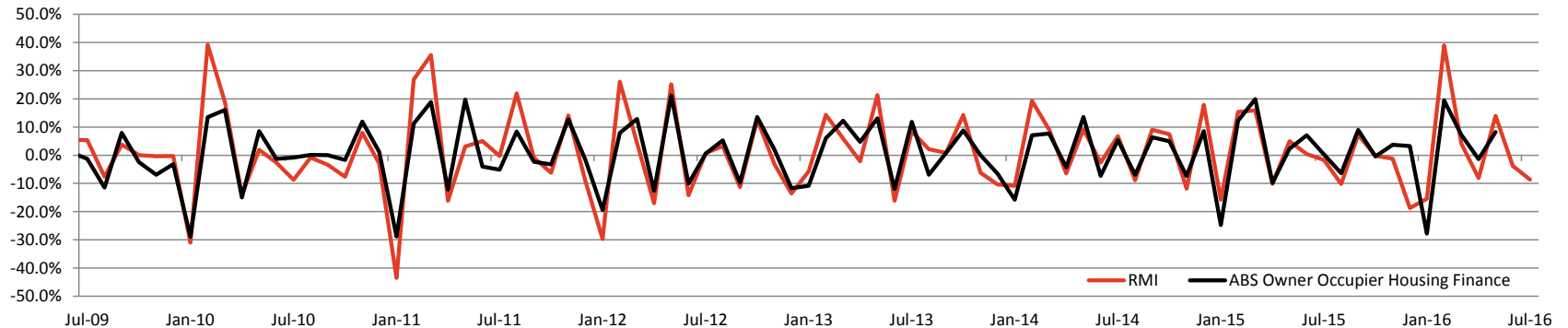


# CoreLogic's Mortgage Index indicates a further softening in mortgage demand in July 2016

## Number of platform events v Number of owner occ housing finance commitments



## Monthly % change in platform events v Number of owner occ housing finance commitments

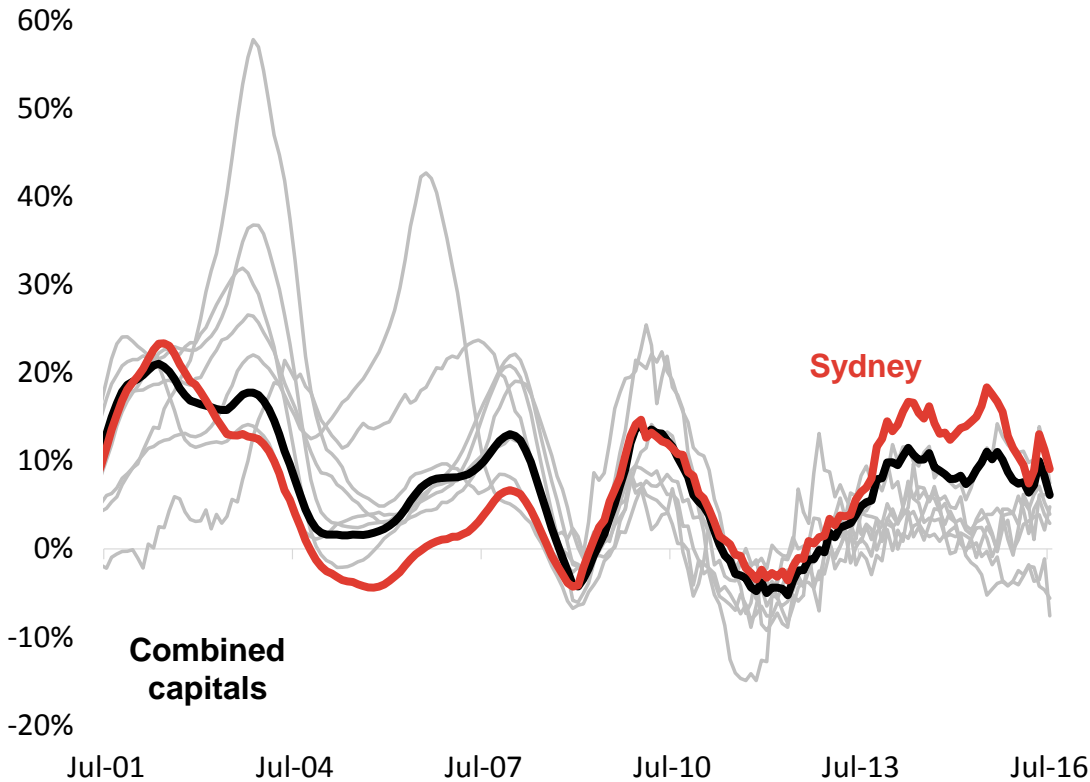


CoreLogic's Mortgage Index measures valuation activity across RP Data platforms, which more than 90% of ADI valuation requests nationally use, providing an almost real time indicator for how much mortgage activity is taking place. For more information, contact RP Data via email: [ask@corelogic.com.au](mailto:ask@corelogic.com.au)



# Capital city housing market indicators

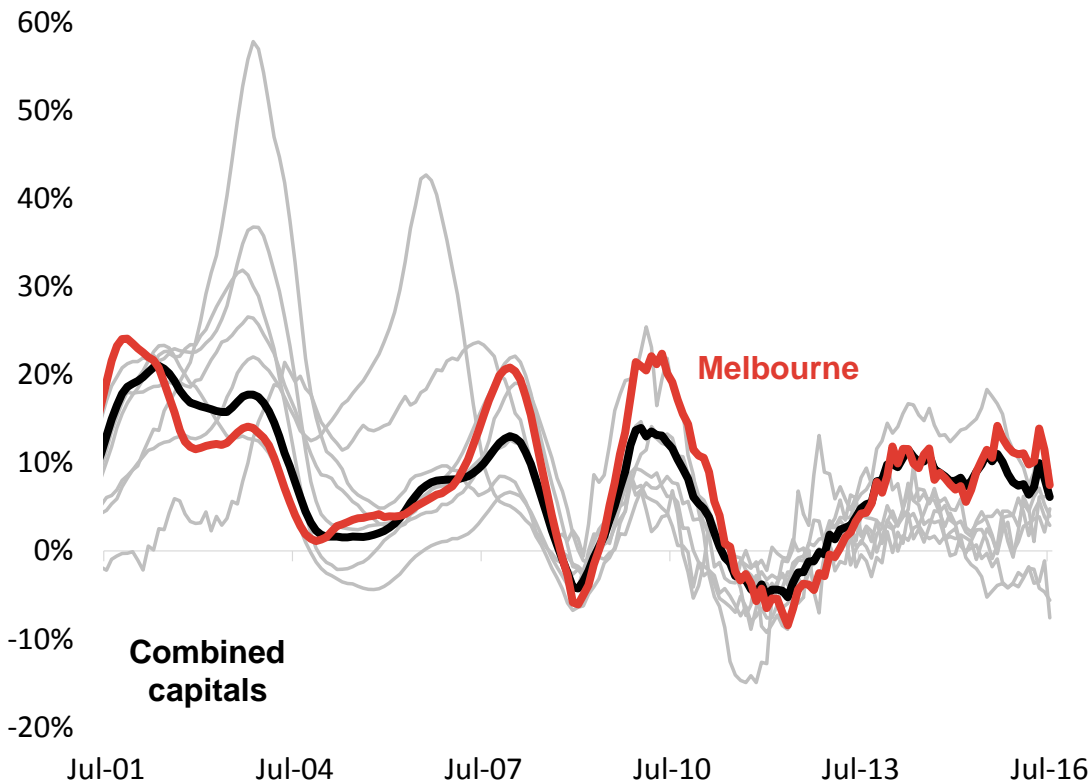
Annual change in dwelling values



Sydney home values have increased by **+5.6%** over the past three months and are **+9.1%** higher over the past year. The annual rate of value growth has slowed from a peak of **+18.4%** in July 2015

CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit [www.corelogic.com.au/indices](http://www.corelogic.com.au/indices)

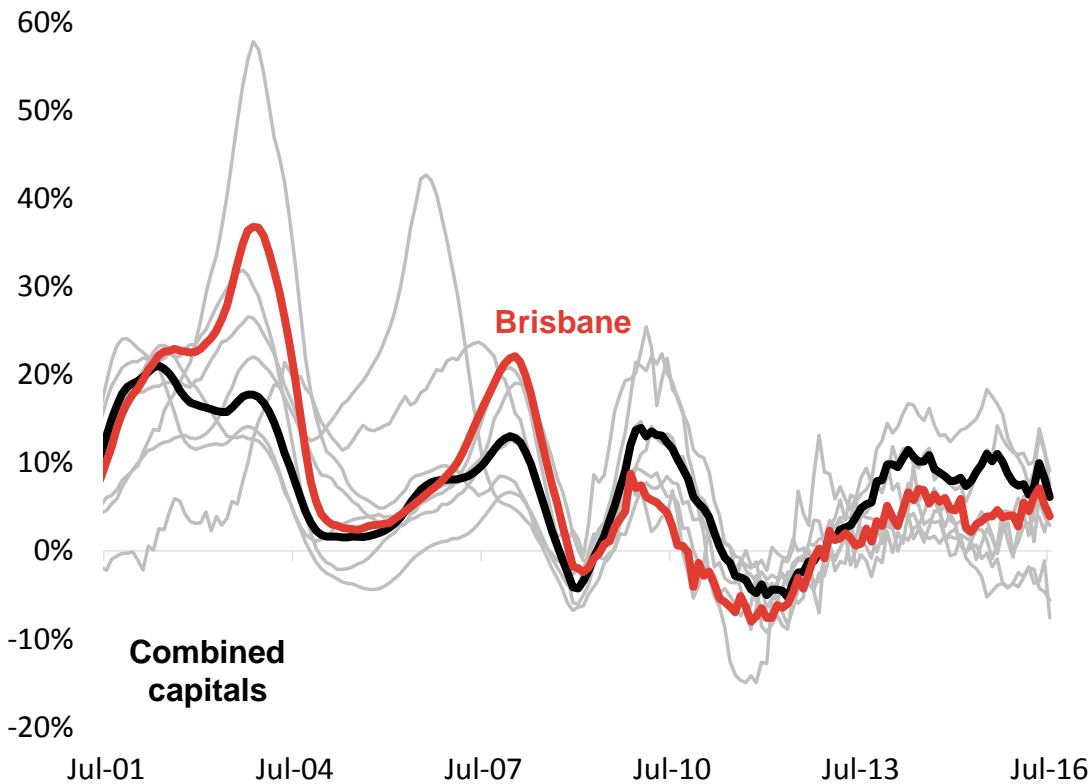
Annual change in dwelling values



Melbourne home values have increased by **+3.5%** over the past three months and are **+7.5%** higher over the past year. The annual rate of value growth has slowed from a peak of **+14.2%** in September 2015

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Annual change in dwelling values

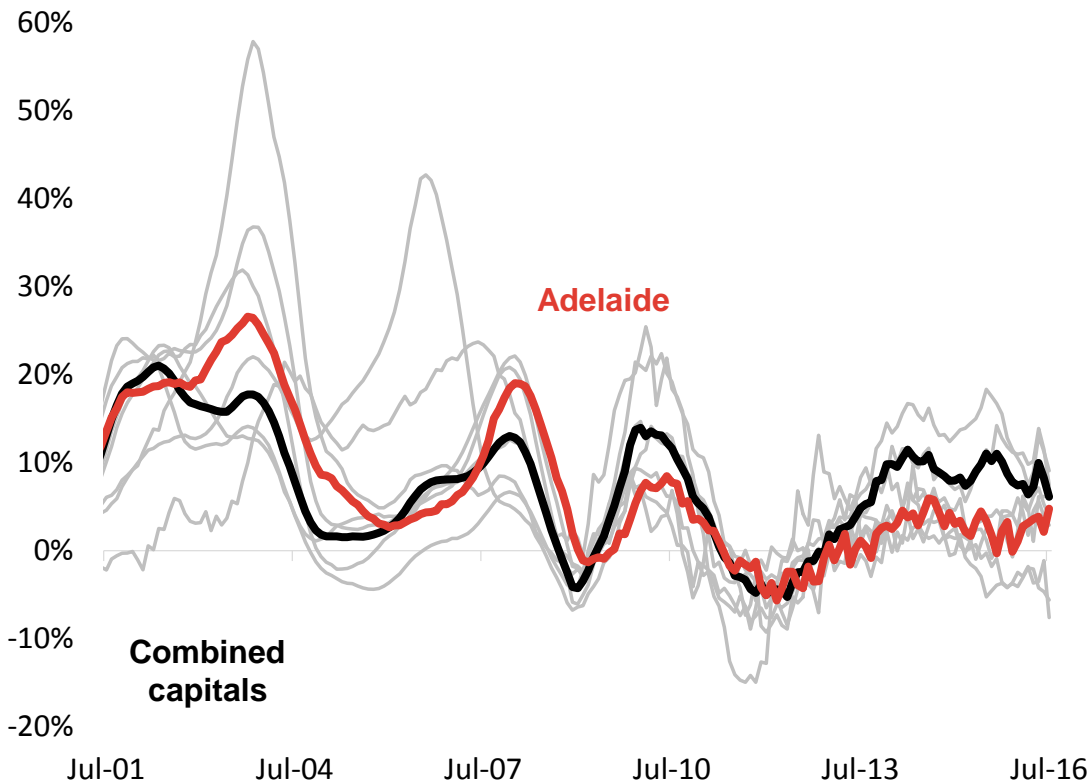


Brisbane home values have fallen by **-0.9%** over the past three months and are **+3.9%** higher over the past year. Over the past five years, Brisbane home values have increased by a total of **+12.9%**

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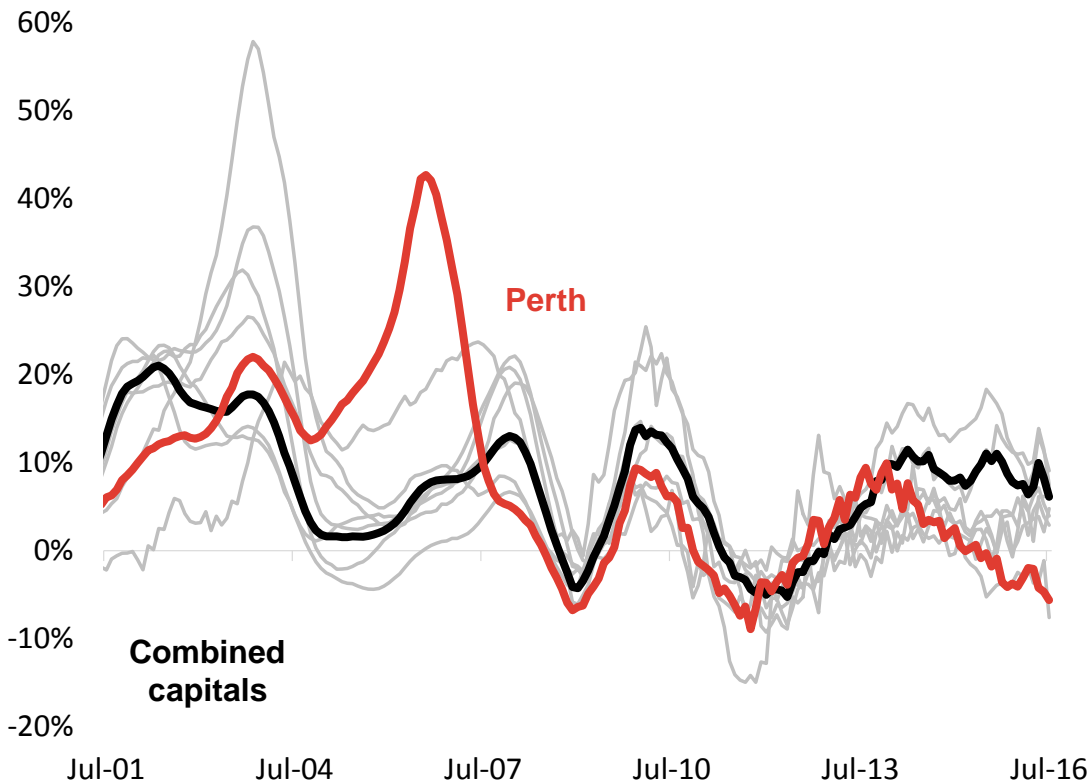
Annual change in dwelling values



Adelaide home values have increased by **+0.2%** over the past three months and are **+4.8%** higher over the past year. Values have increased by just **+9.9%** over the past five years.

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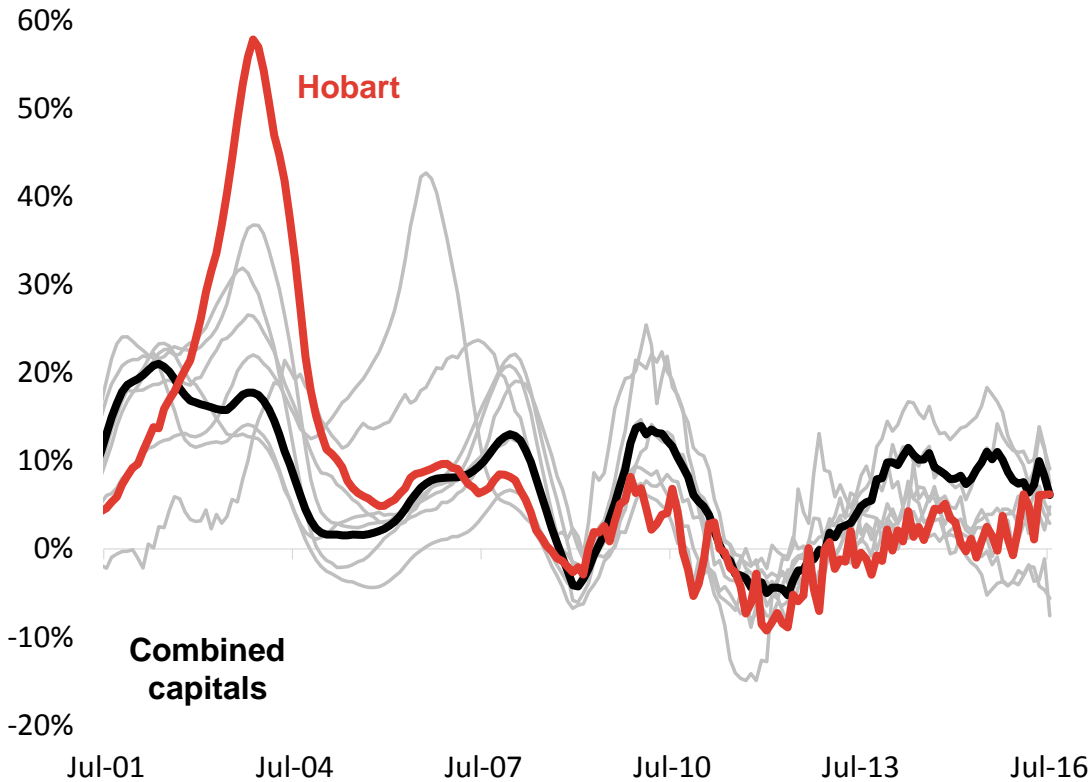
Annual change in dwelling values



Perth home values have fallen by **-4.3%** over the past three months and are **-5.6%** lower over the past year. Values have fallen by **-8.3%** from their peak in December 2014.

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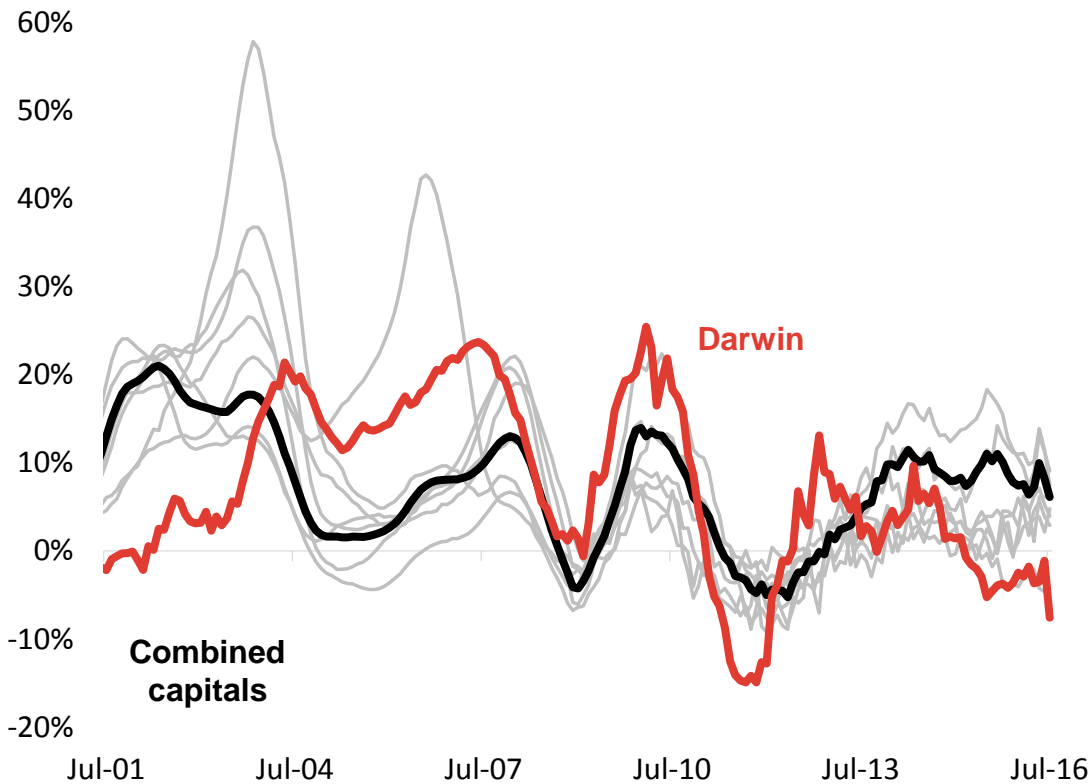
Annual change in dwelling values



Hobart home values have increased by **+5.2%** over the past three months and are **+6.2%** higher over the past year. Values have increased by just **+15.5%** over the past 10 years.

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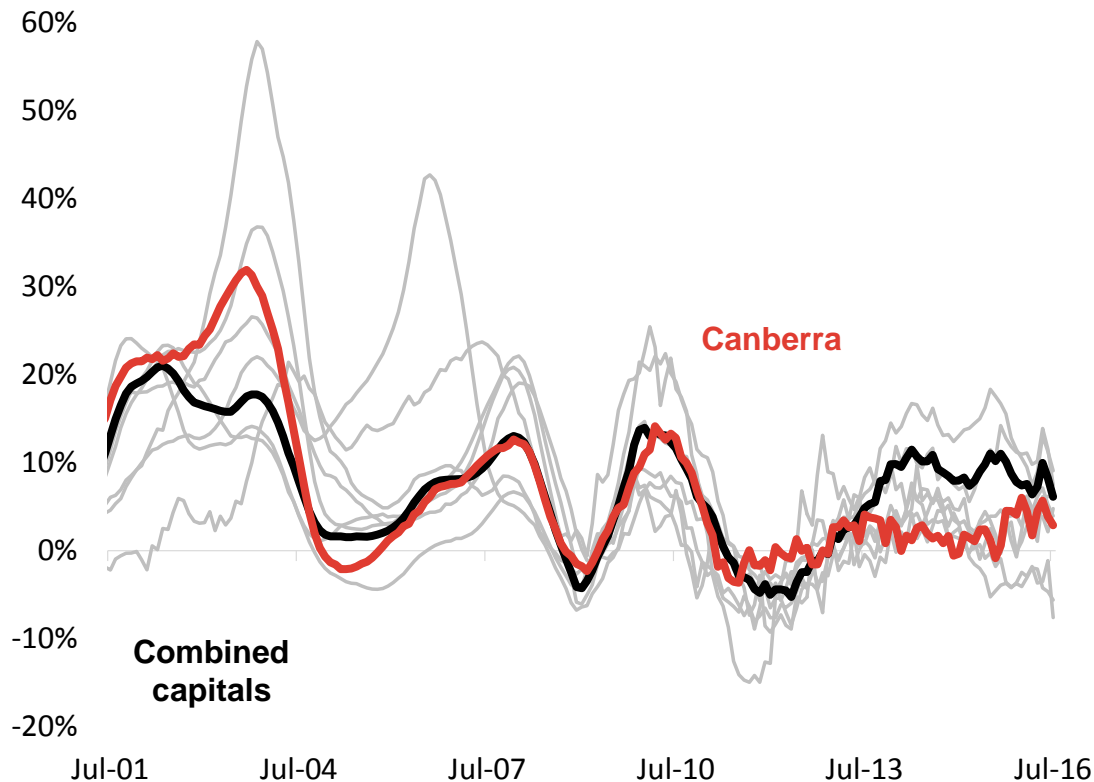
Annual change in dwelling values



Darwin home values have fallen by **-7.0%** over the past three months and are **-7.6%** lower over the past year. Values are currently **-12.7%** lower than their recent peak in May 2014.

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Annual change in dwelling values



Canberra home values have increased by **+0.7%** over the past three months and are **+2.9%** higher over the past year. Values have increased by just **+10.5%** over the past five years.

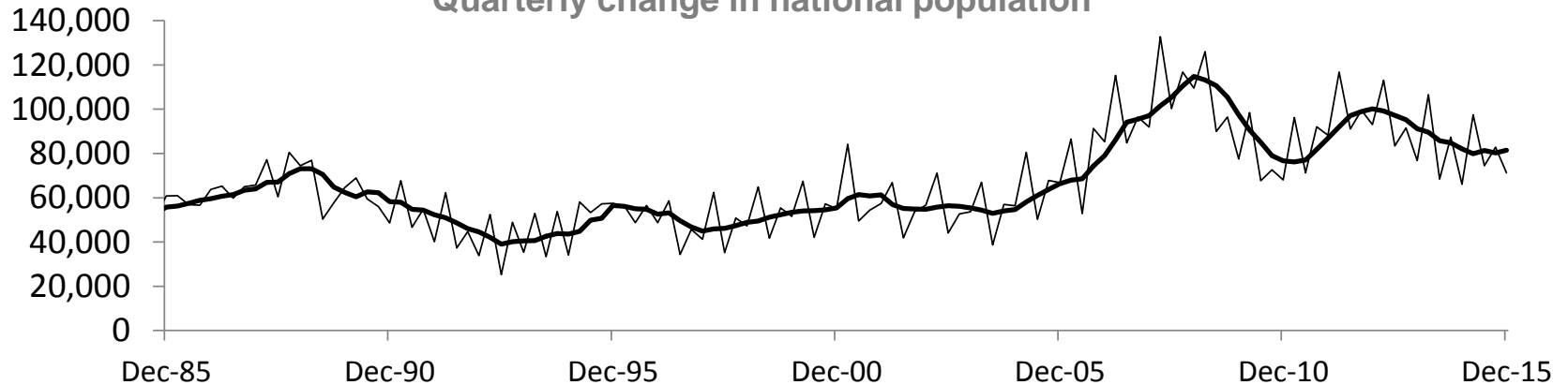
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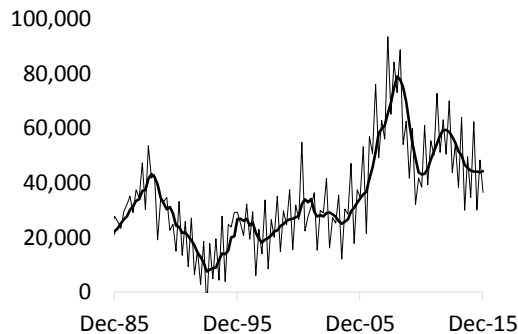
# Macroeconomic and demographic indicators

# Housing demand: population growth has continued to slow due to fewer overseas migrants

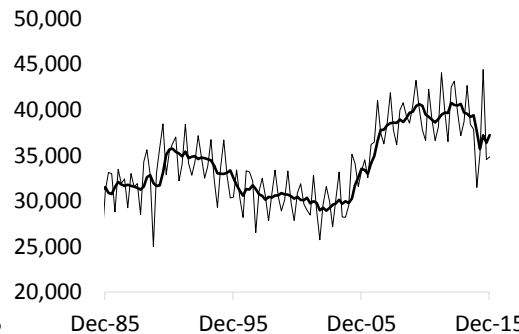
Quarterly change in national population



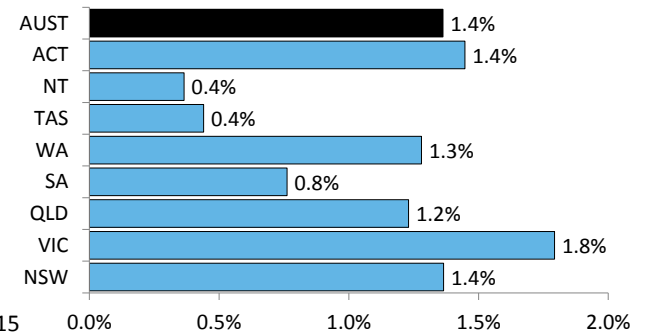
Net overseas migration



Natural increase

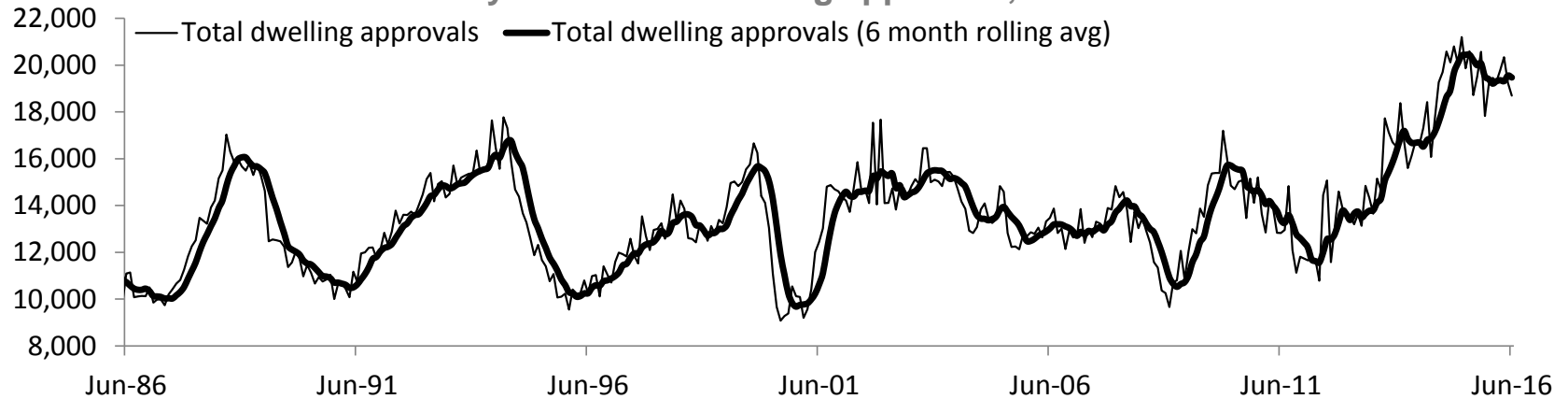


Annual change in population

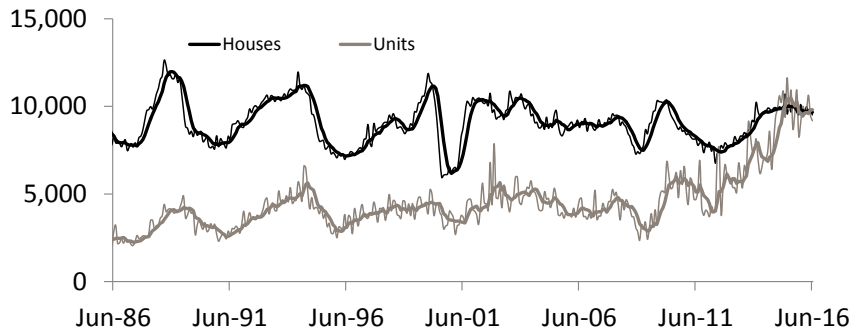


# Housing supply: approvals fell in June 2016 and are lower over the past year

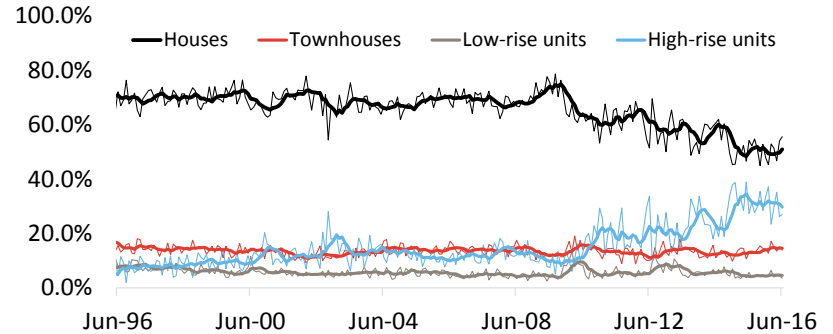
Monthly number of dwelling approvals, national



National dwelling approvals, houses v units

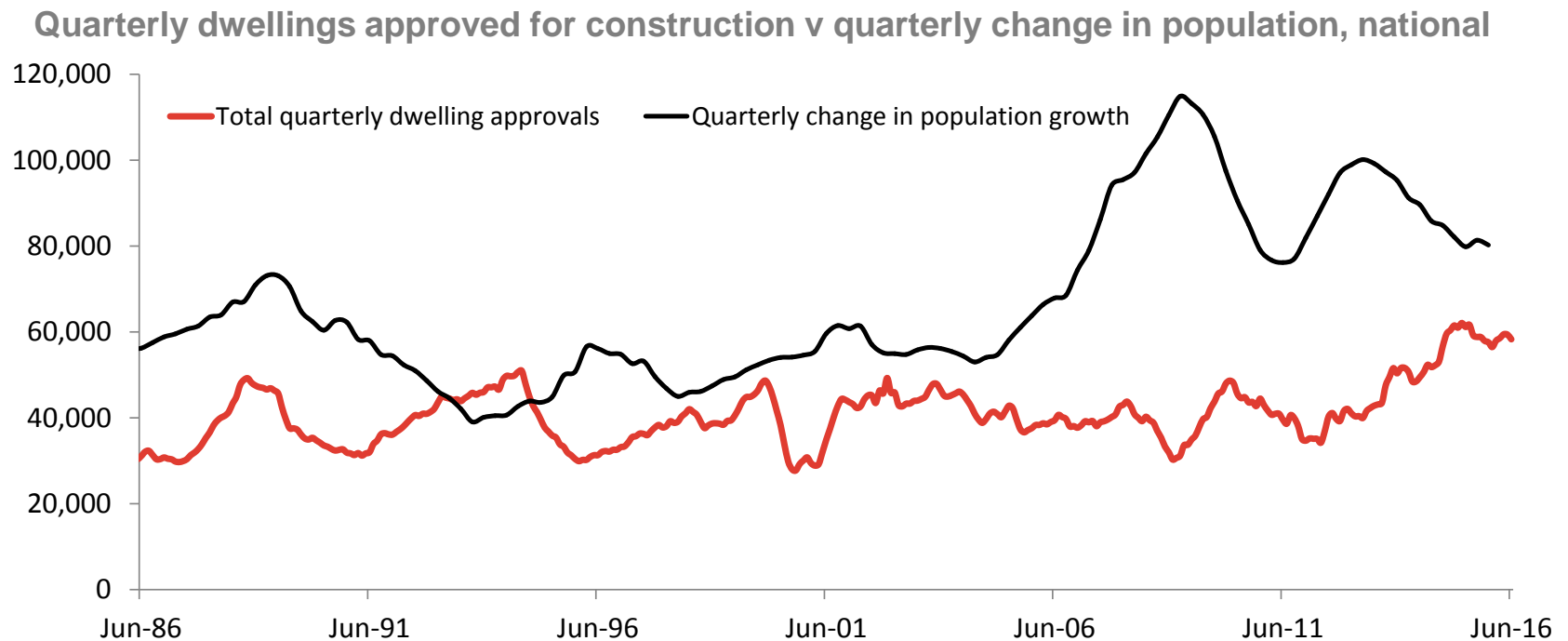


Monthly % of total dwelling approvals



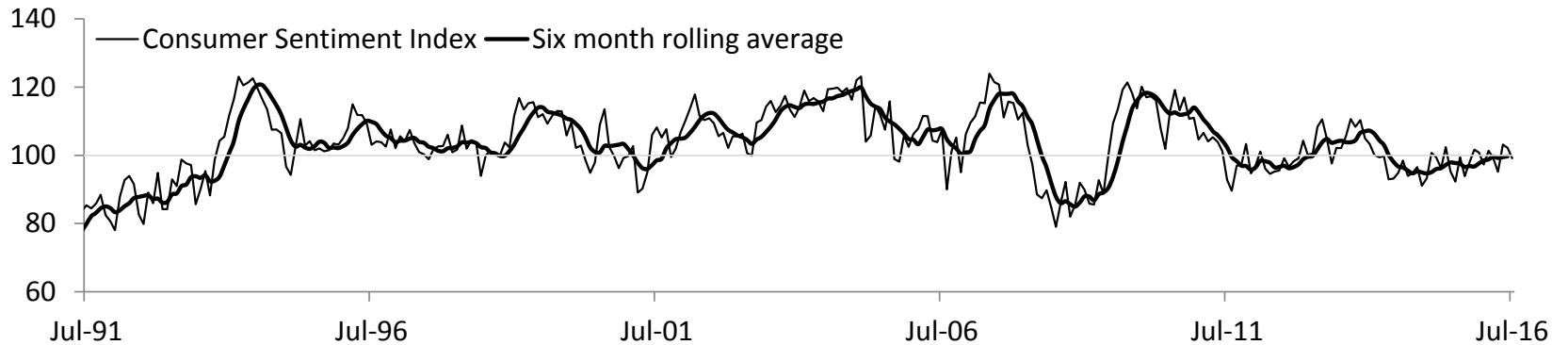


# Housing supply: the gap between housing demand and supply continues to narrow

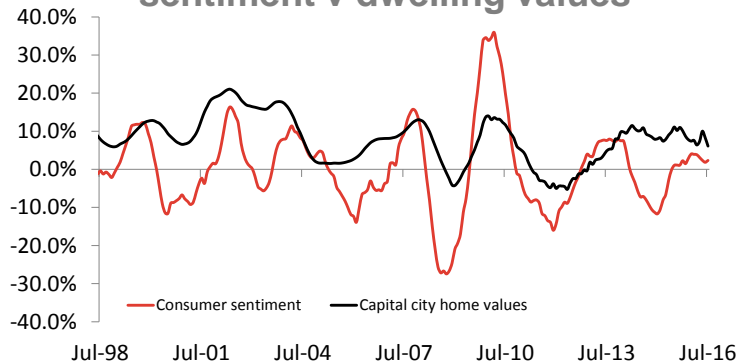


# Consumer sentiment remains close to a neutral setting in July

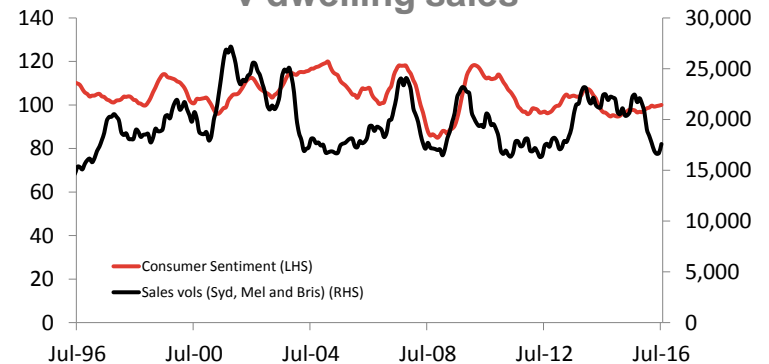
## Consumer sentiment index



## Annual change in consumer sentiment v dwelling values

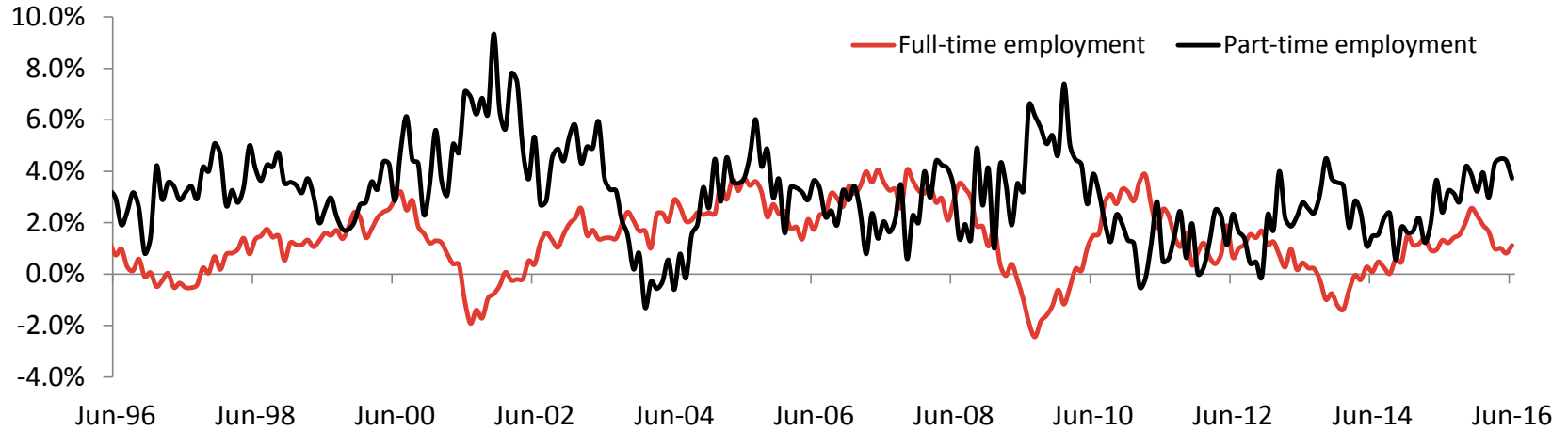


## Consumer sentiment v dwelling sales



# Labour force: unemployment rate increases slightly to 5.8% in June 2016

## Annual change in employment, full time v part time



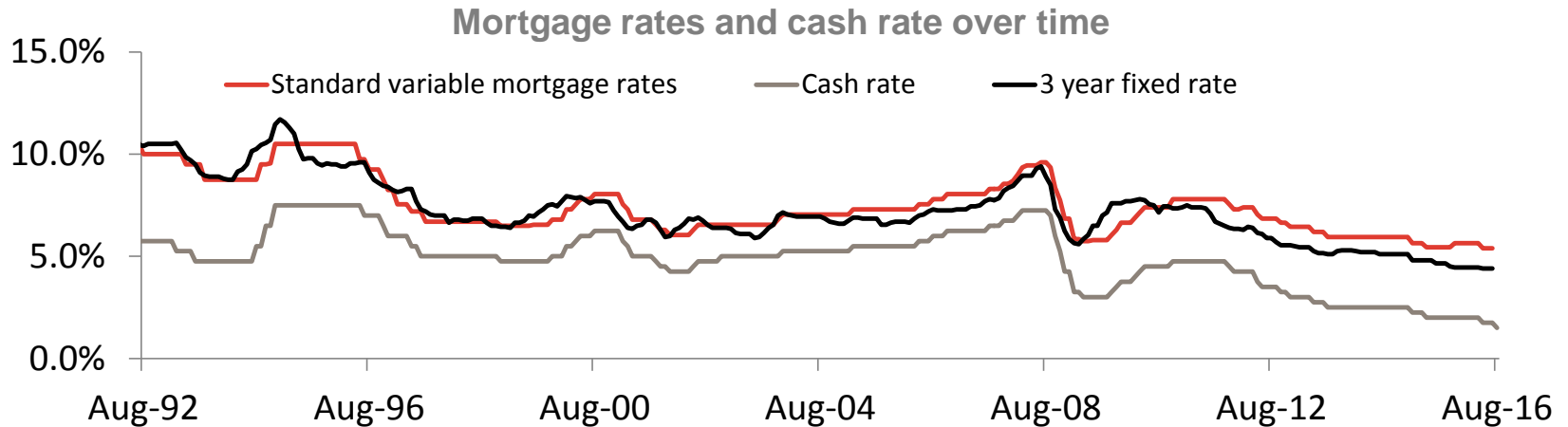
## National unemployment rate



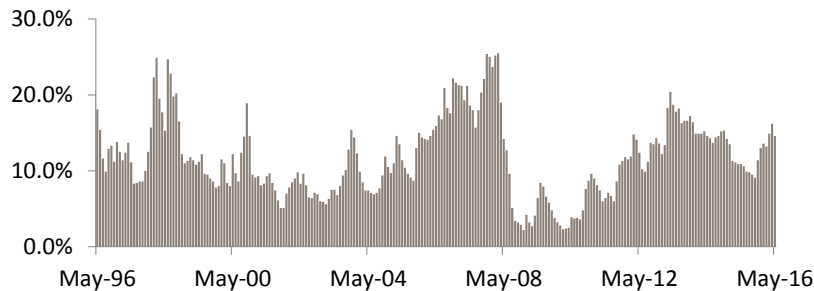
## National participation rate



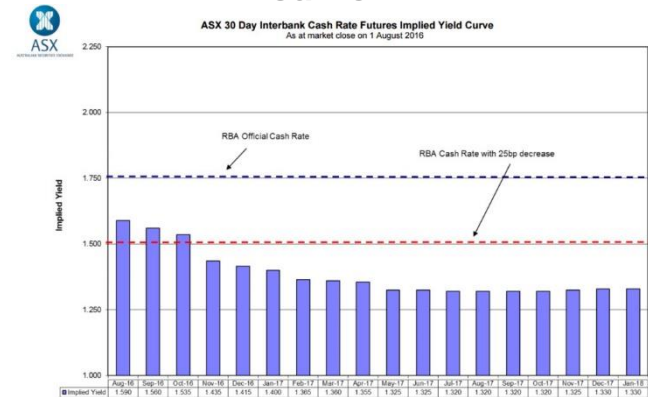
# Mortgage rates: Official interest rates were cut in August to a record low 1.5%



## % of owner occupier loan commitments on fixed rate



## ASX cash rate futures implied yield curve



# About Us

CoreLogic Australia is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world. CoreLogic provides property information, analytics and services across Australia, New Zealand and Asia, and recently expanded its service offering through the purchase of project activity and building cost information provider Cordell. With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 500 million decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information.

With over 20,000 customers and 150,000 end users, CoreLogic is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, building services, insurance, developers, wealth management and government. CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic employs over 650 people across Australia and in New Zealand. For more information call 1300 734 318 or visit [www.corelogic.com.au](http://www.corelogic.com.au)

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.

**Call us on 1300 734 318 or email us at [ask@corelogic.com.au](mailto:ask@corelogic.com.au) or visit us at [www.corelogic.com.au](http://www.corelogic.com.au)**

# 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 RP Data Indices:** The suite of CoreLogic RP Data Indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value indices. The CoreLogic RP Data 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 RP Data 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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