



# Housing Market and Economic Update

March 2017



# Housing overview

# Residential real estate underpins Australia's wealth and has reached a portfolio value of \$6.9 trillion

-  Residential Real Estate  
**\$6.9 Trillion**
-  Australian Superannuation  
**\$2.2 Trillion**
-  Australian Listed Stocks  
**\$1.7 Trillion**
-  Commercial Real Estate  
**\$0.922 Trillion**



As at the end of February 2017



Number of dwellings  
**9.7 million**



Outstanding mortgage debt  
**\$1.64 trillion**



Household wealth held in housing  
**51.6%**



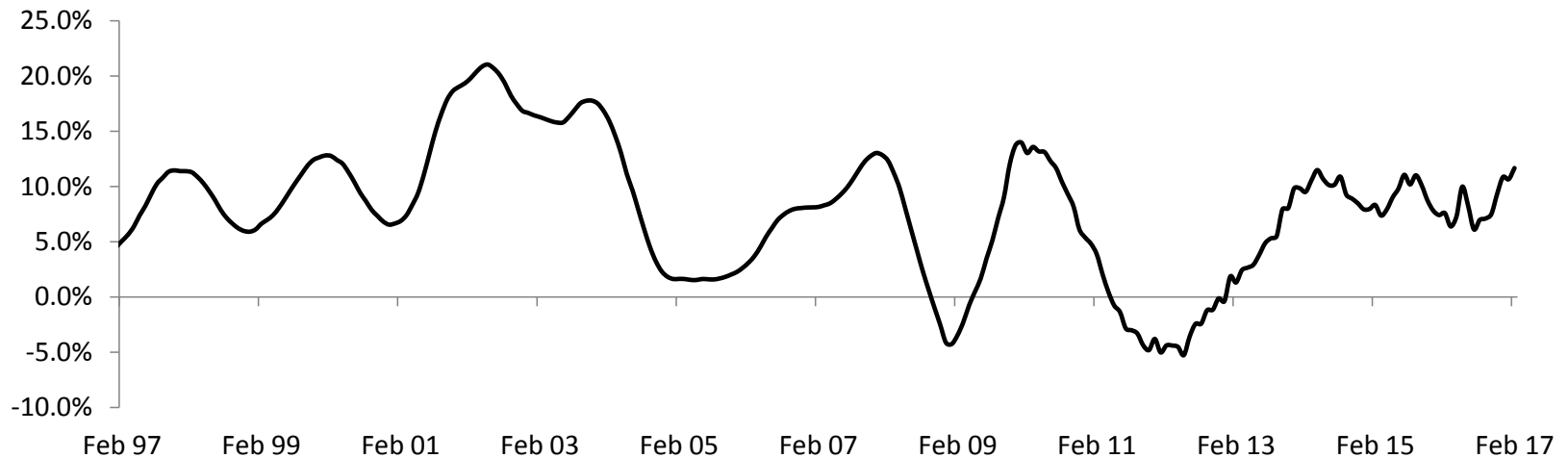
Total sales p.a.  
**456,840**



Gross value of sales p.a.  
**\$267.3 billion**

# Capital city dwelling values have increased at their fastest annual pace since June 2010

Rolling annual change in dwelling values, combined capital cities



## Median Prices



\$600,000



\$495,000

## Capital Gain

Past 12 months

Annual over five years

Annual over ten years

Houses

12.0%

8.0%

6.0%

Units

9.2%

6.4%

5.5%

Dwellings

11.7%

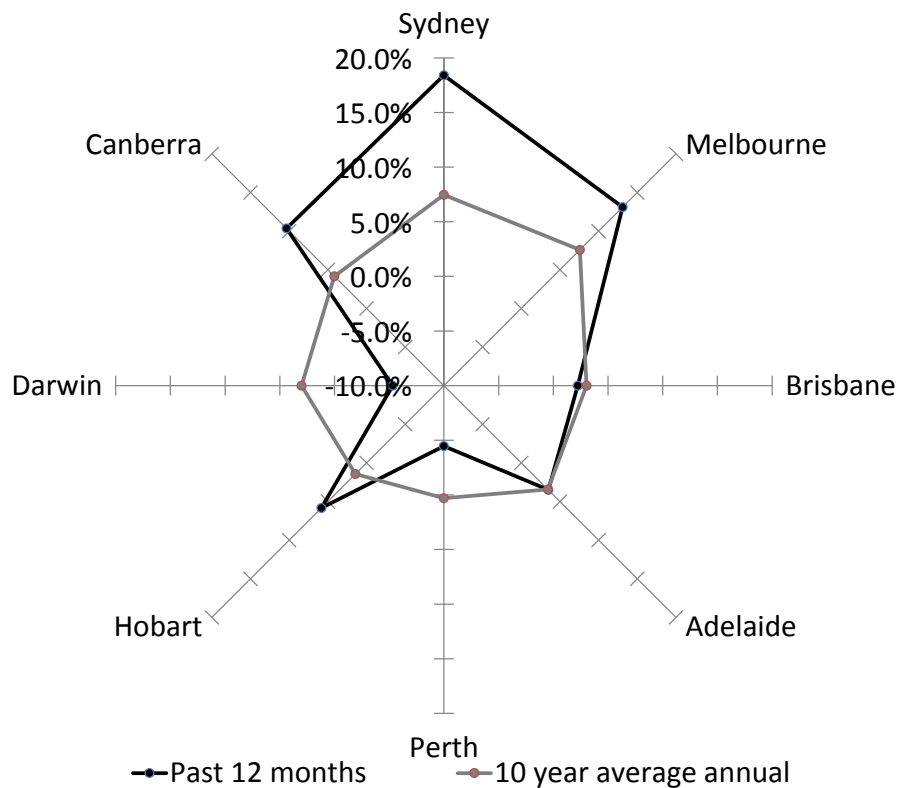
7.8%

6.0%

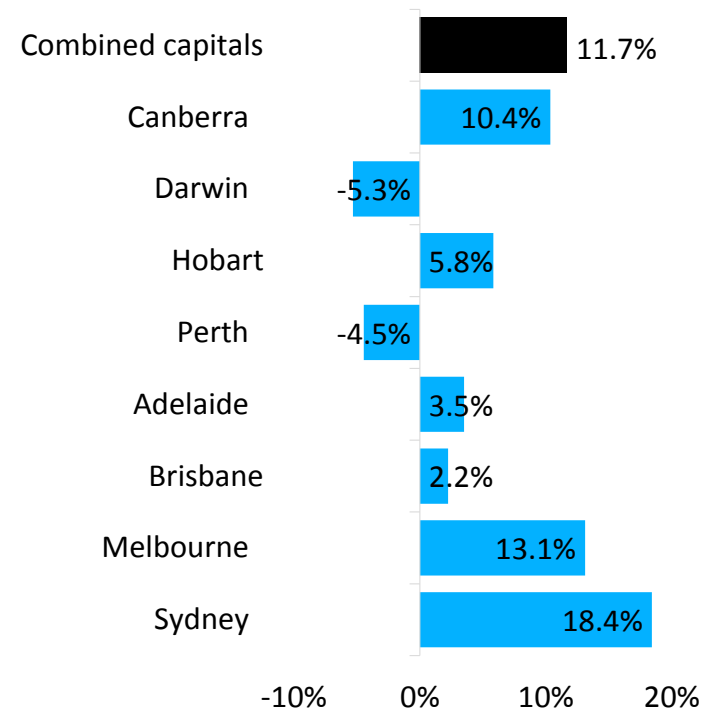
*CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit [www.corelogic.com.au/indices](http://www.corelogic.com.au/indices)*

# The value declines in Perth and Darwin are resulting in a significant underperformance in value change compared to the past decade

Capital gain: Average over 10 years v past 12 months

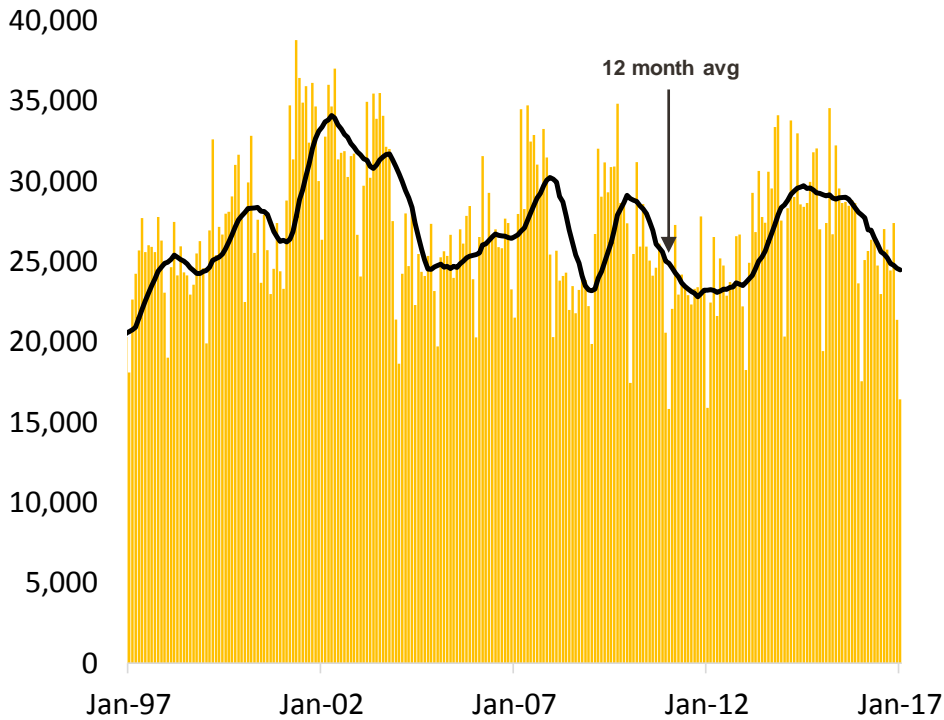


Annual change in capital city dwelling values

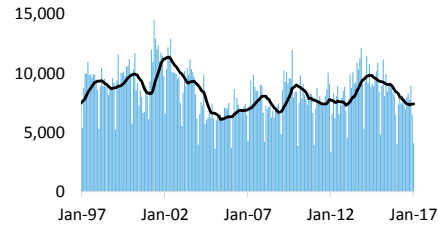


# Turnover: settled sales have stabilised recently across a number of capital cities

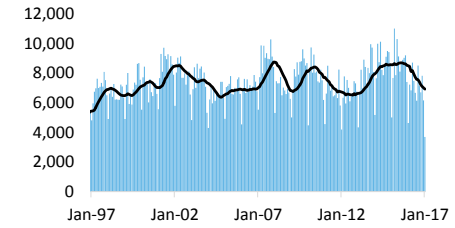
## Combined capitals



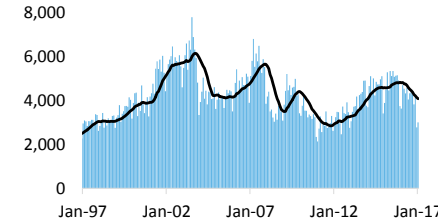
## Sydney



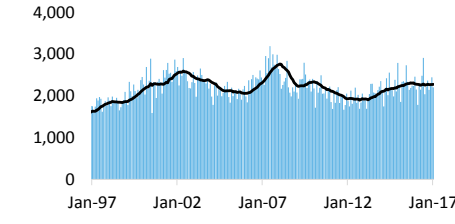
## Melbourne



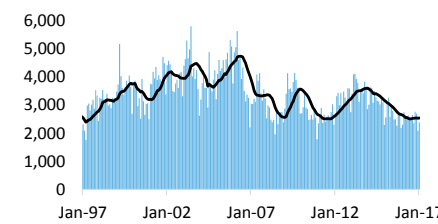
## Brisbane



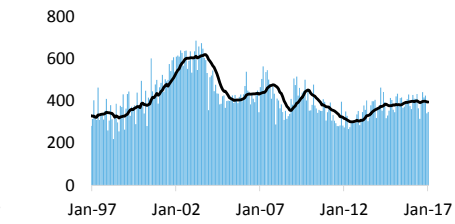
## Adelaide



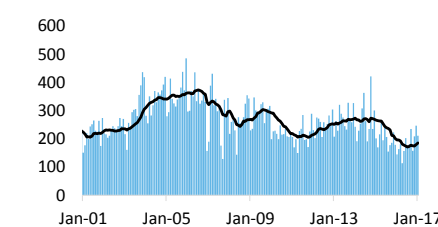
## Perth



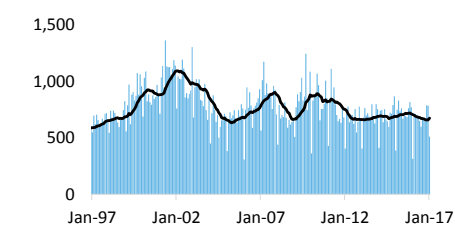
## Hobart



## Darwin



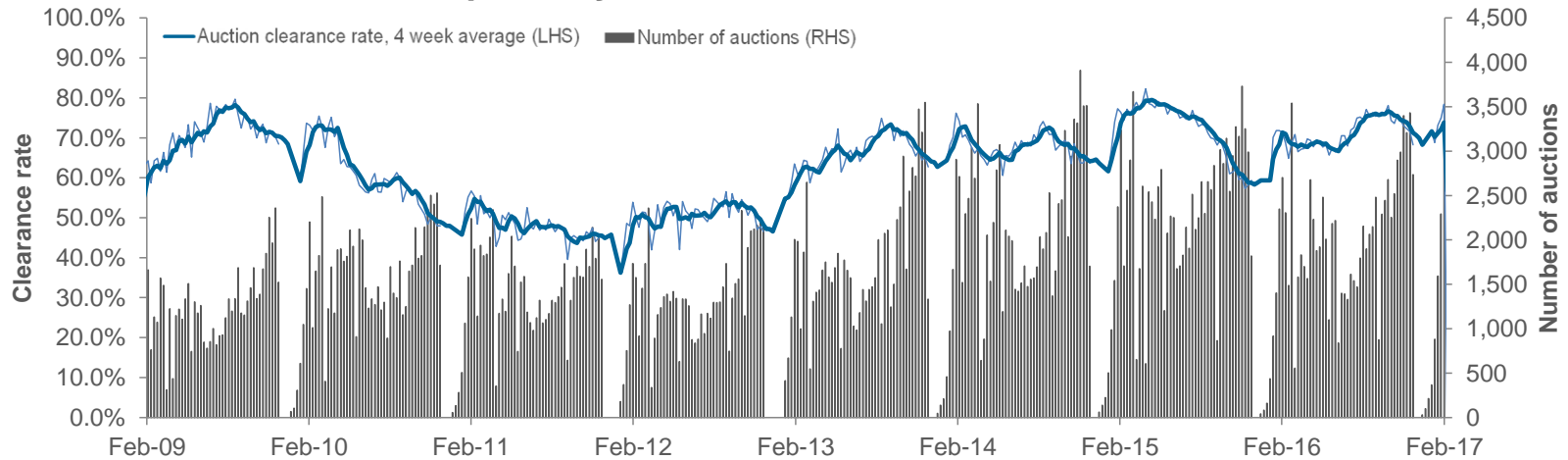
## Canberra



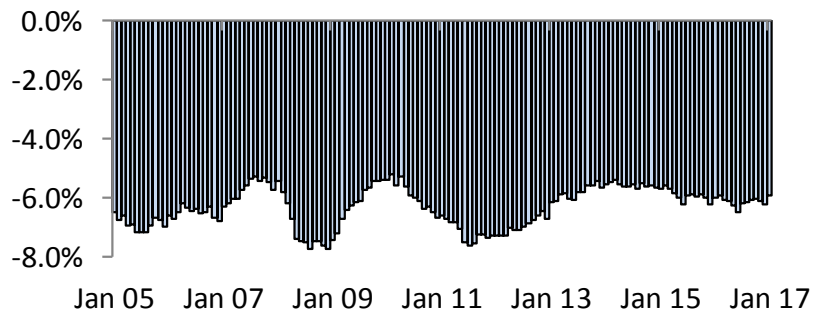
Note up-to-date sales are estimates based on settled dwelling sales and will revise higher as off the plan sales move through to settlement.

# Vendor metrics: the auction market has started the year with high clearance rates

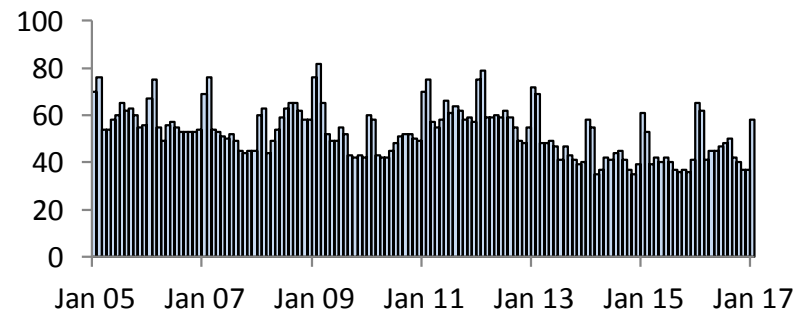
## Combined capital city auction clearance rates and volumes



## Avg vendor discount, combined capitals



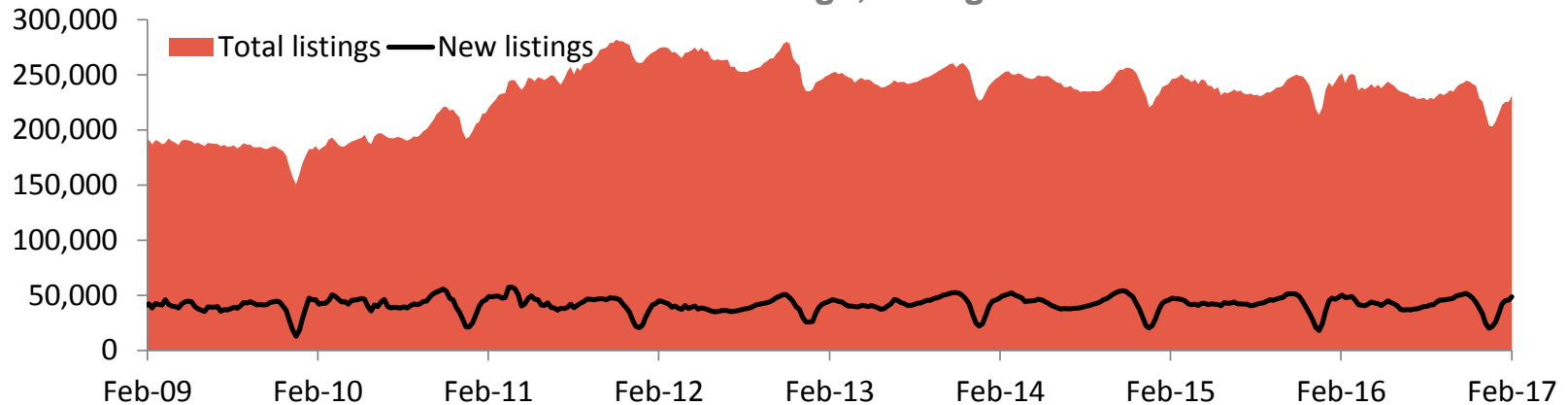
## Avg time on market, combined capitals



*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.*

# New and total residential property advertisements are lower than they were a year ago

National number of new and total listings, rolling 4 weeks to 26/02/2017



## State and territory property listings

State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	13,405	-1.9%	46,370	-21.5%
Vic	12,801	-3.9%	53,007	-7.3%
Qld	10,829	-2.8%	64,795	0.1%
SA	3,226	-6.3%	18,557	0.2%
WA	5,993	-6.0%	36,618	-1.5%
Tas	1,285	5.2%	7,539	-27.0%
NT	238	-23.5%	2,092	-2.9%
ACT	960	35.2%	2,250	-5.5%
<b>National</b>	<b>48,737</b>	<b>-2.9%</b>	<b>231,228</b>	<b>-8.1%</b>

## Capital city property listings

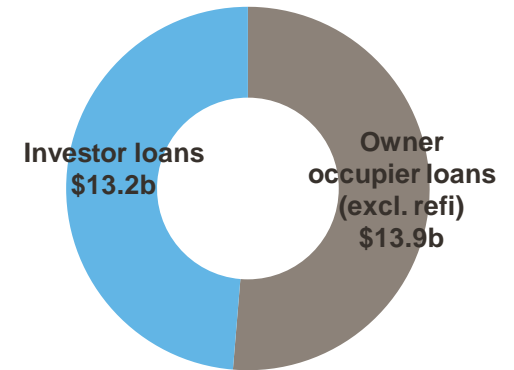
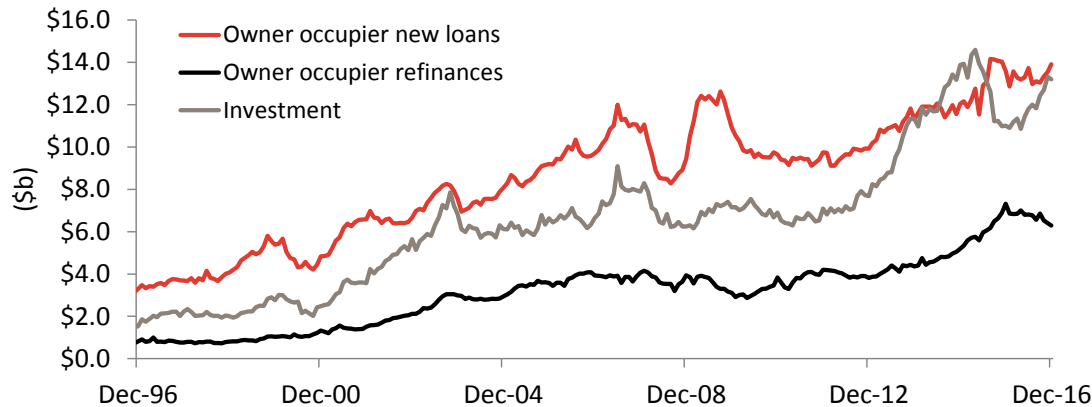
Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	8,157	-2.7%	21,027	-11.3%
Melbourne	9,286	-2.5%	28,486	-5.1%
Brisbane	4,823	0.7%	19,755	6.6%
Adelaide	2,293	-4.9%	8,320	-0.7%
Perth	4,397	-4.2%	22,252	2.4%
Hobart	509	8.1%	1,715	-35.0%
Darwin	178	-28.5%	1,532	-4.3%
Canberra	941	34.0%	2,180	-6.2%
<b>Combined capitals</b>	<b>30,584</b>	<b>-1.7%</b>	<b>105,267</b>	<b>-3.4%</b>

Note that figures represent the number of residential properties captured as being advertised for sale. This count is based on individual campaigns that have been matched to a CoreLogic property record, and therefore represents a unique property count.

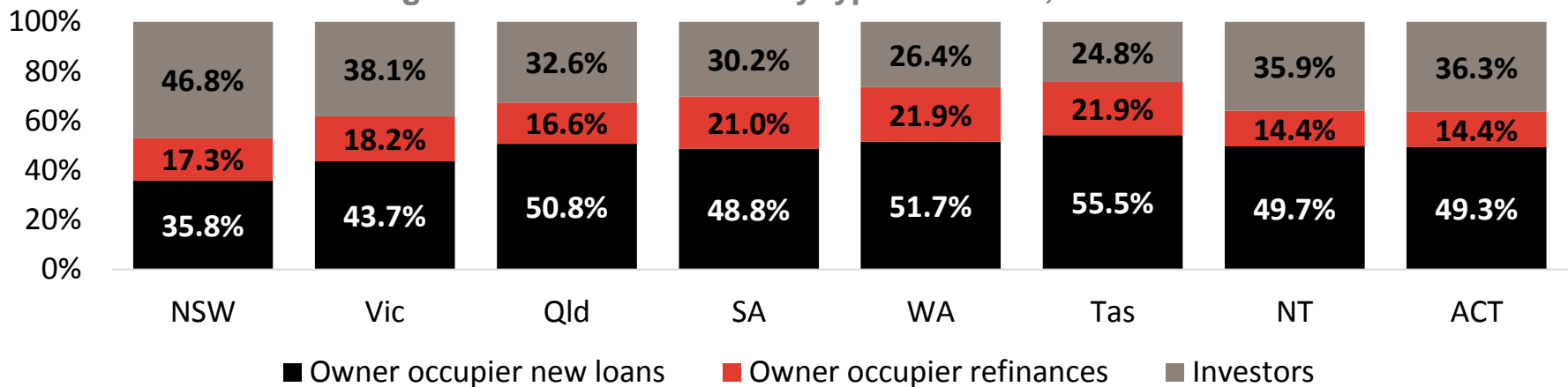


# Housing finance commitments to investors have accelerated over the second half of 2016

Value of housing finance commitments – monthly, national

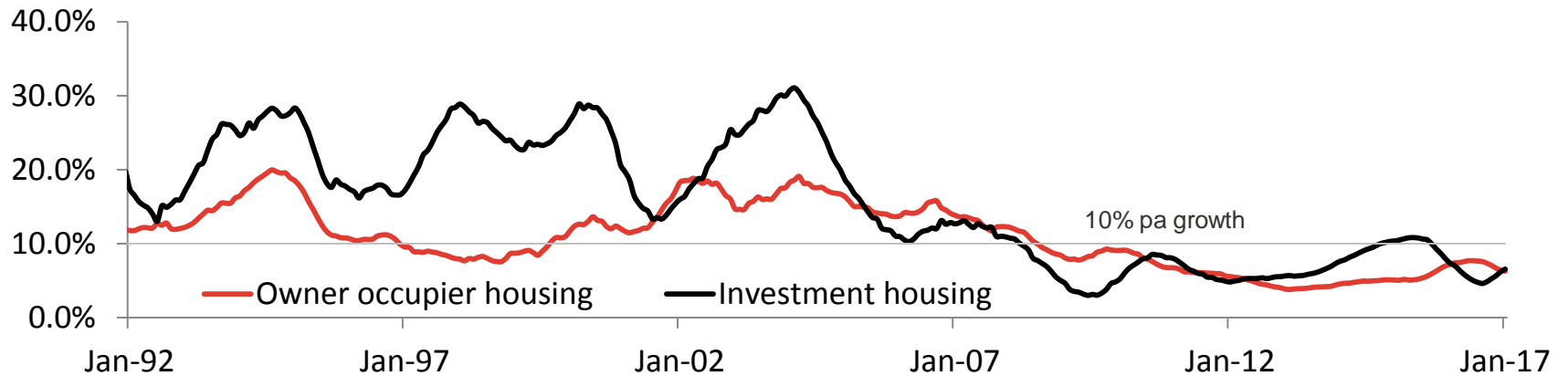


Housing finance commitments by type and state, December 2016

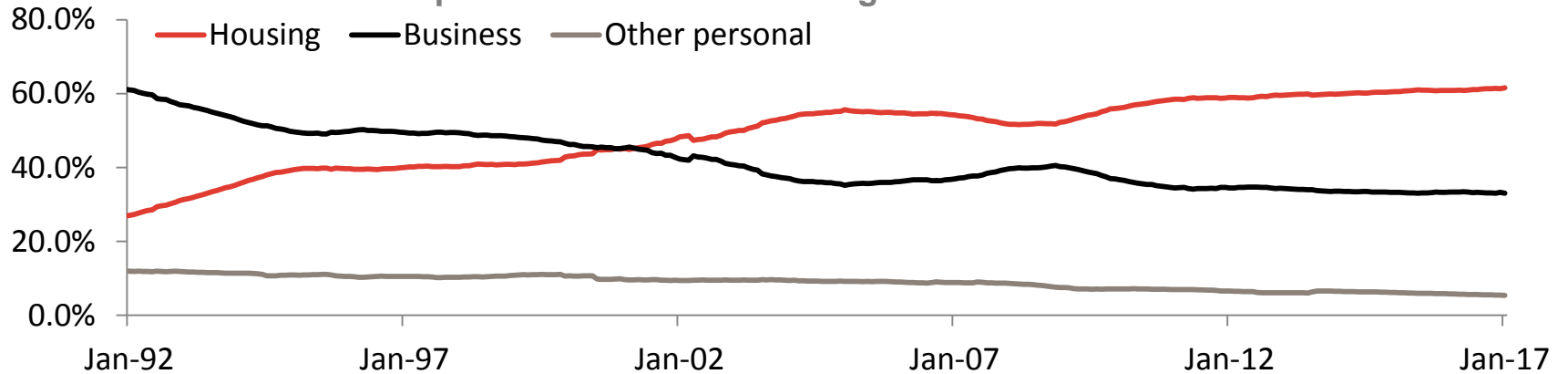


# Investor credit growth slowed in January but is still accelerating on an annual basis

Annual change in total housing credit, owner occupiers vs investors

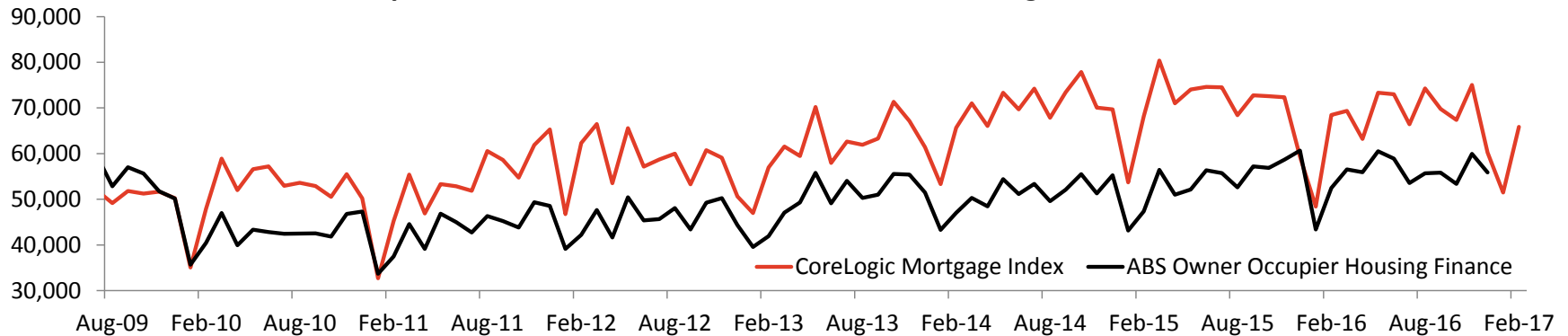


Proportion of total outstanding credit to ADIs

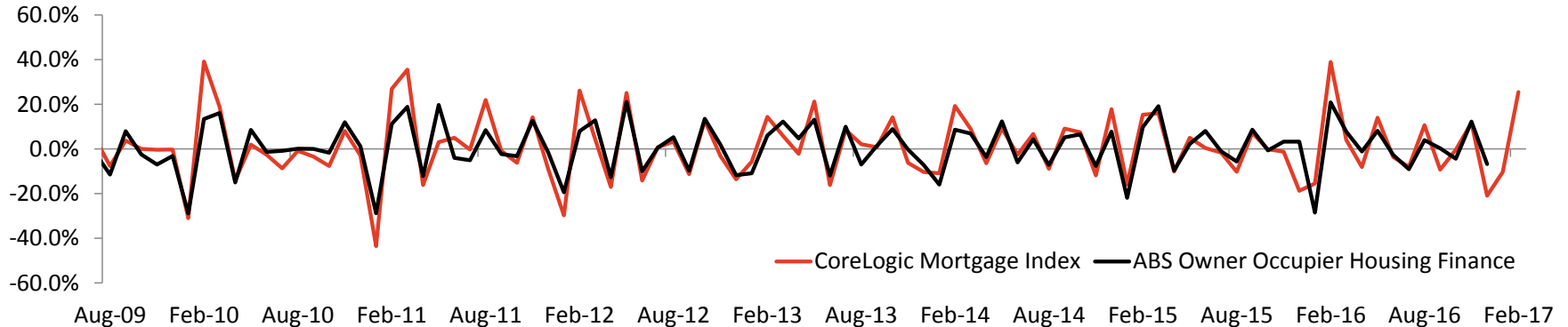


# Mortgage demand rebounded significantly in February 2017

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

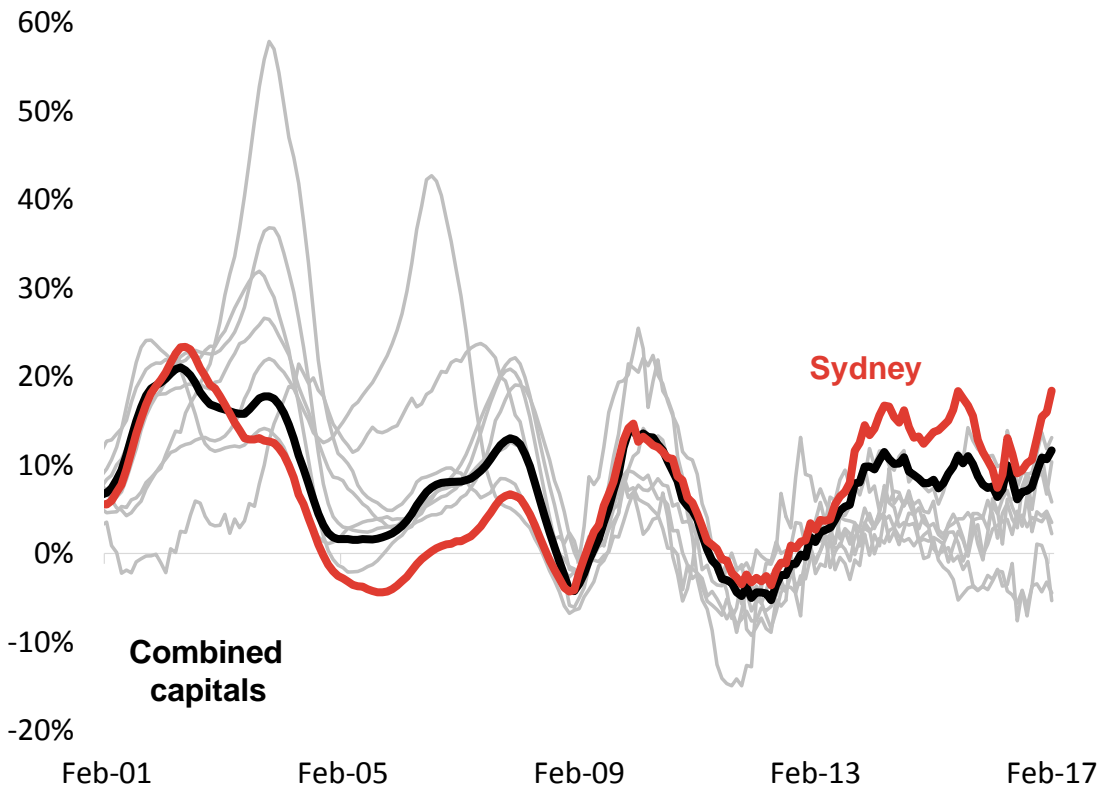


CoreLogic's Mortgage Index measures valuation activity across RP Data platforms, which more than 90% of ADI valuation requests nationally use, providing an almost real time indicator for how much mortgage activity is taking place. For more information, contact RP Data via email: [ask@corelogic.com.au](mailto:ask@corelogic.com.au)



# Capital city housing market indicators

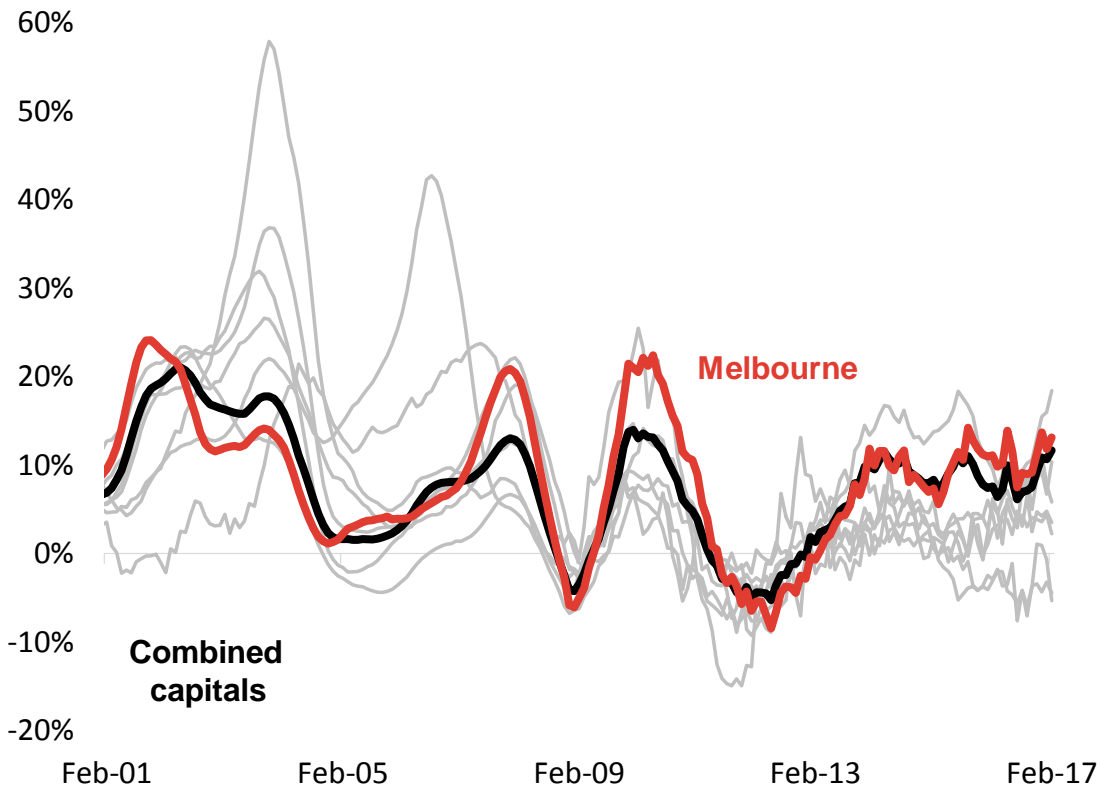
Annual change in dwelling values



Sydney dwelling values rose by **4.5%** over the 3 months to February 2017 to be **18.4%** higher over the past year. Dwelling values have increased at their fastest annual rate since they rose by **18.7%** in December 2002

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)

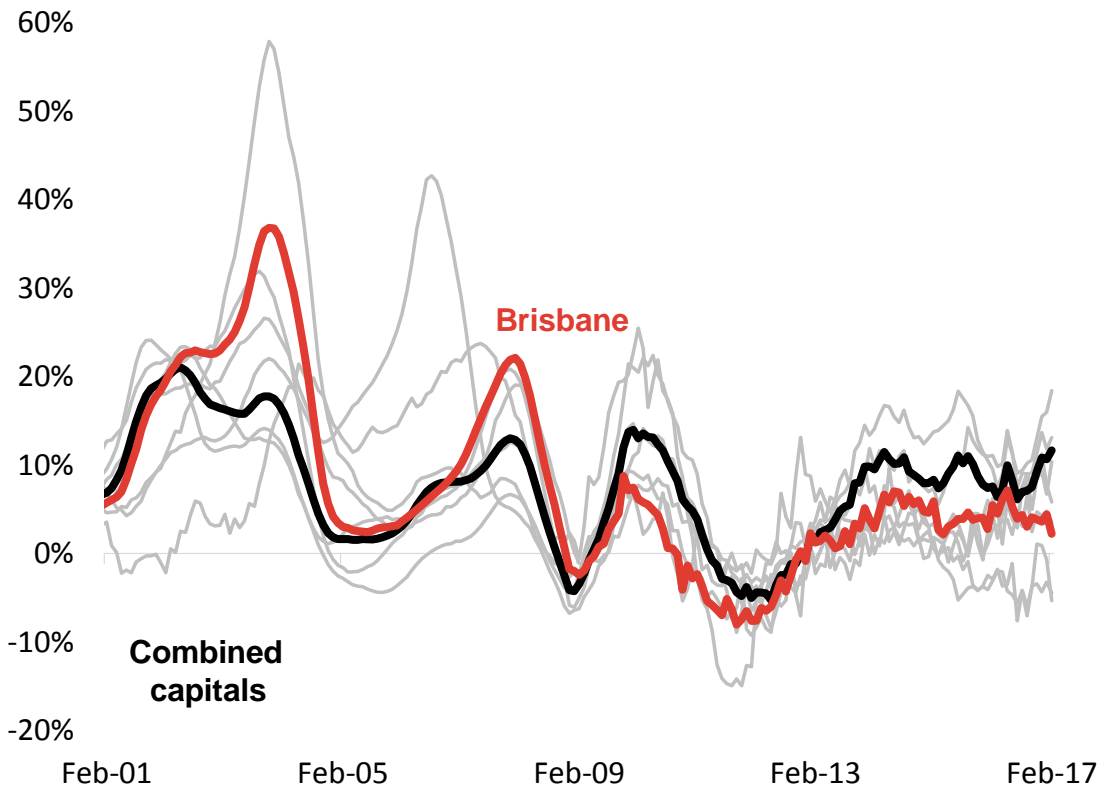
Annual change in dwelling values



Melbourne home values increased by **5.5%** over the three months to February 2017 and are **13.1%** higher over the past year. Melbourne dwelling values are now increasing at their fastest annual rate since they rose by **14.2%** in September 2015

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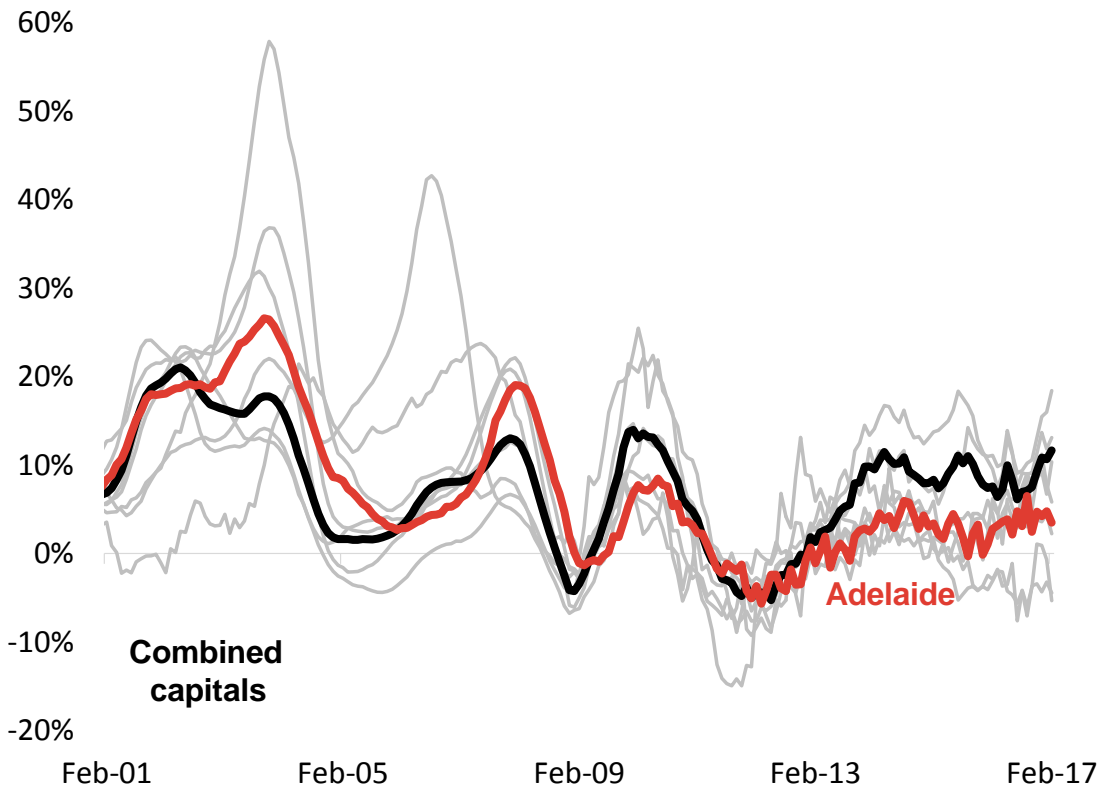
Annual change in dwelling values



Brisbane home values have increased by **0.4%** over the three months to February 2017 and are **2.2%** higher over the past year. Brisbane home values have increased by a total of **16.1%** since the end of 2008

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Annual change in dwelling values

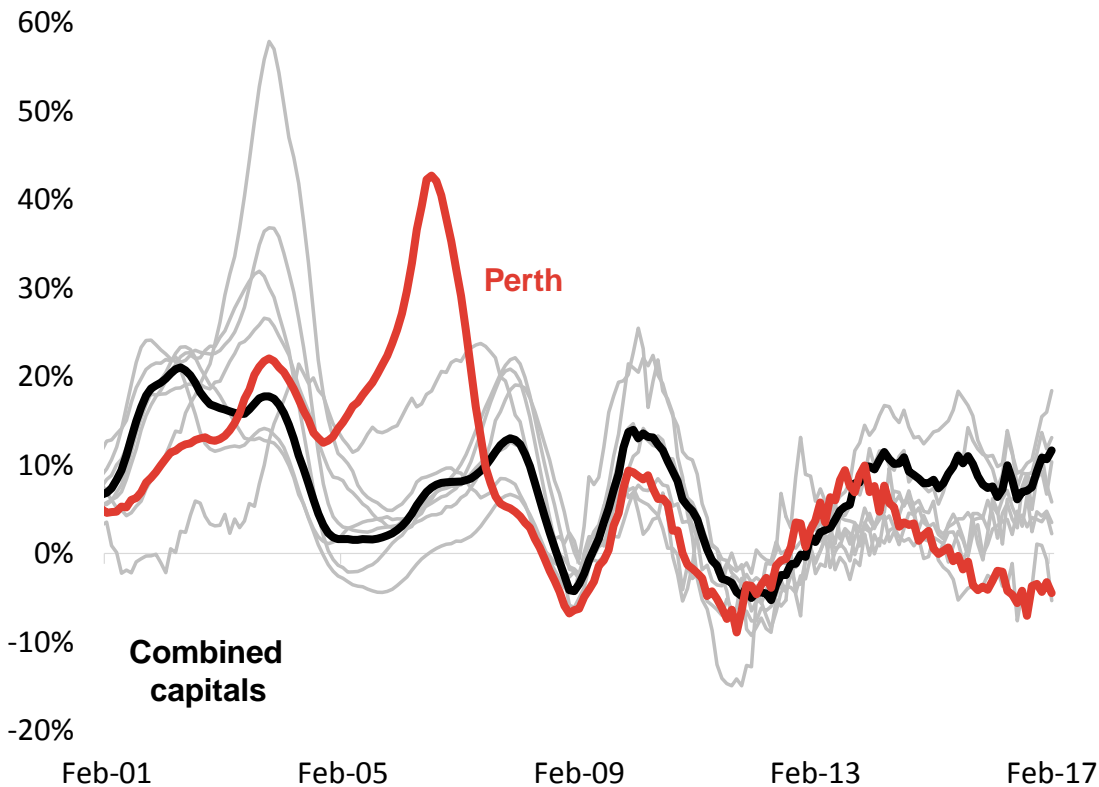


Adelaide home values fell by **-0.9%** over the three months to February 2017, taking values **3.5%** higher over the past year. Values have increased by a cumulative **17.3%** since the end of **2008**

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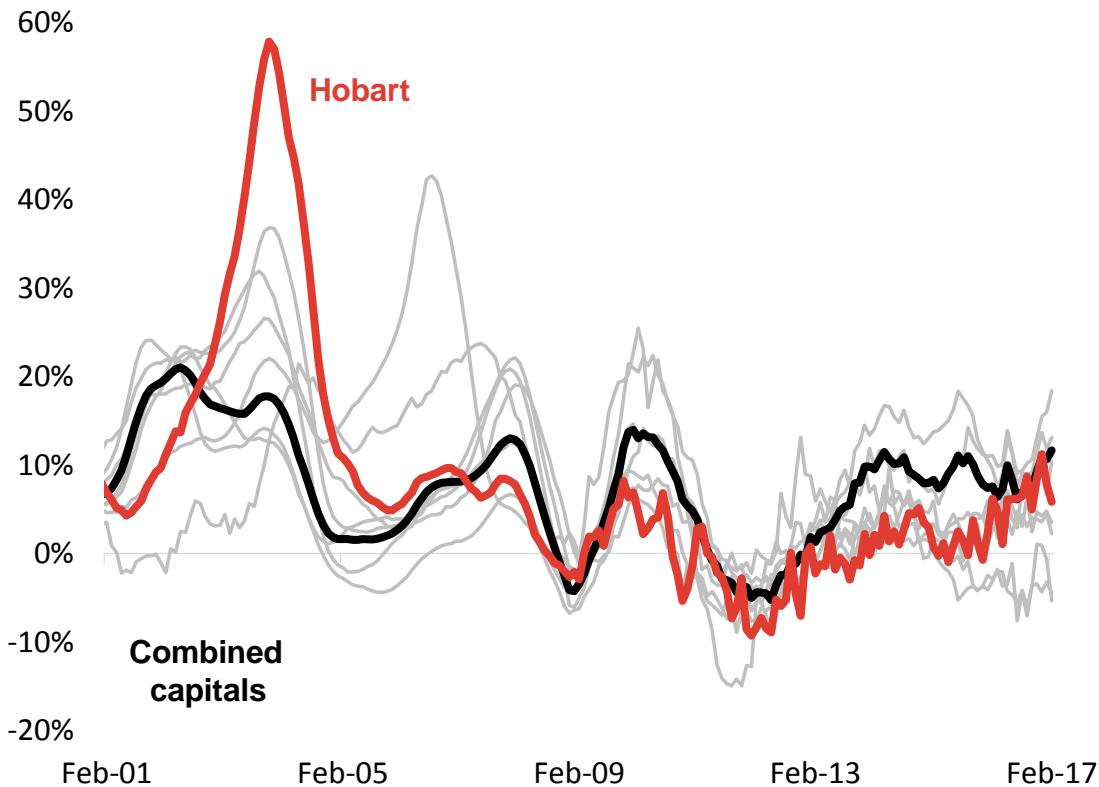
Annual change in dwelling values



Perth home values fell by **-0.9%** over the three months to February 2017 and they are **-4.5%** lower over the past year. Home values across the city have increased by just **6.0%** since the end of 2008.

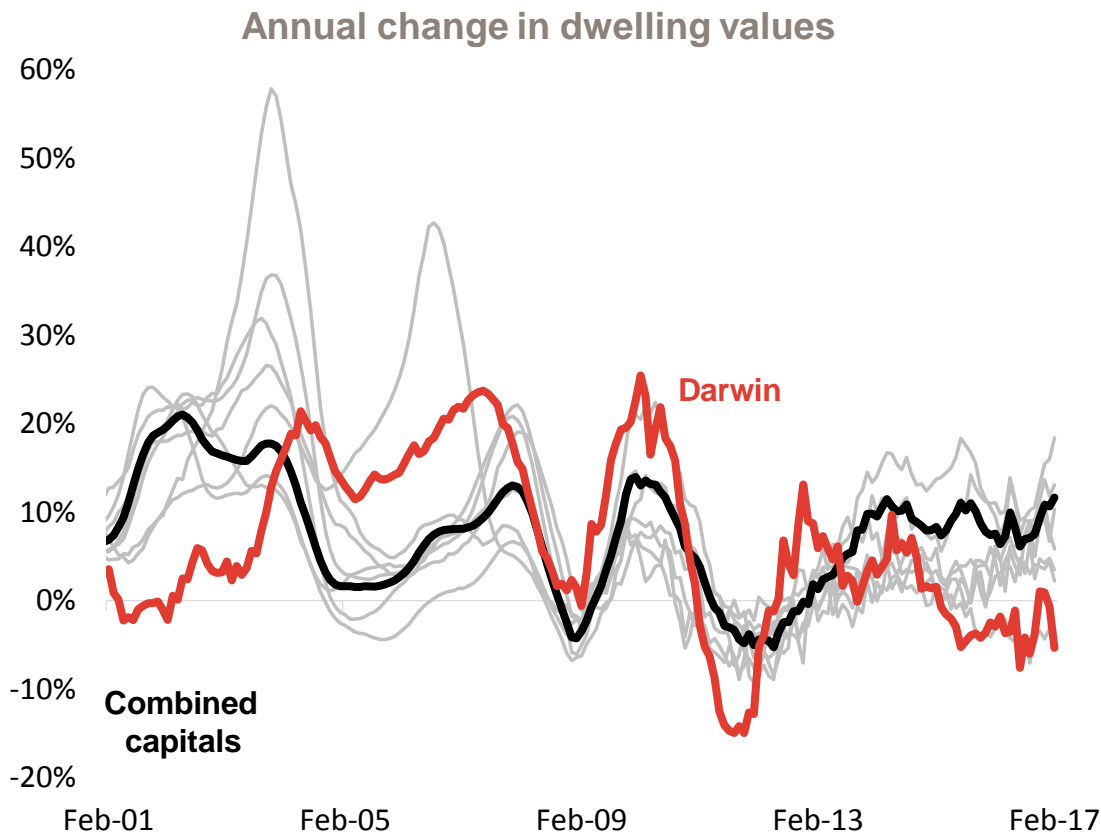
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## Annual change in dwelling values



Hobart home values have increased by **5.8%** over the three months to February 2017 and are **5.8%** higher over the past year. Hobart home values have increased by a total of **11.6%** since the end of 2008

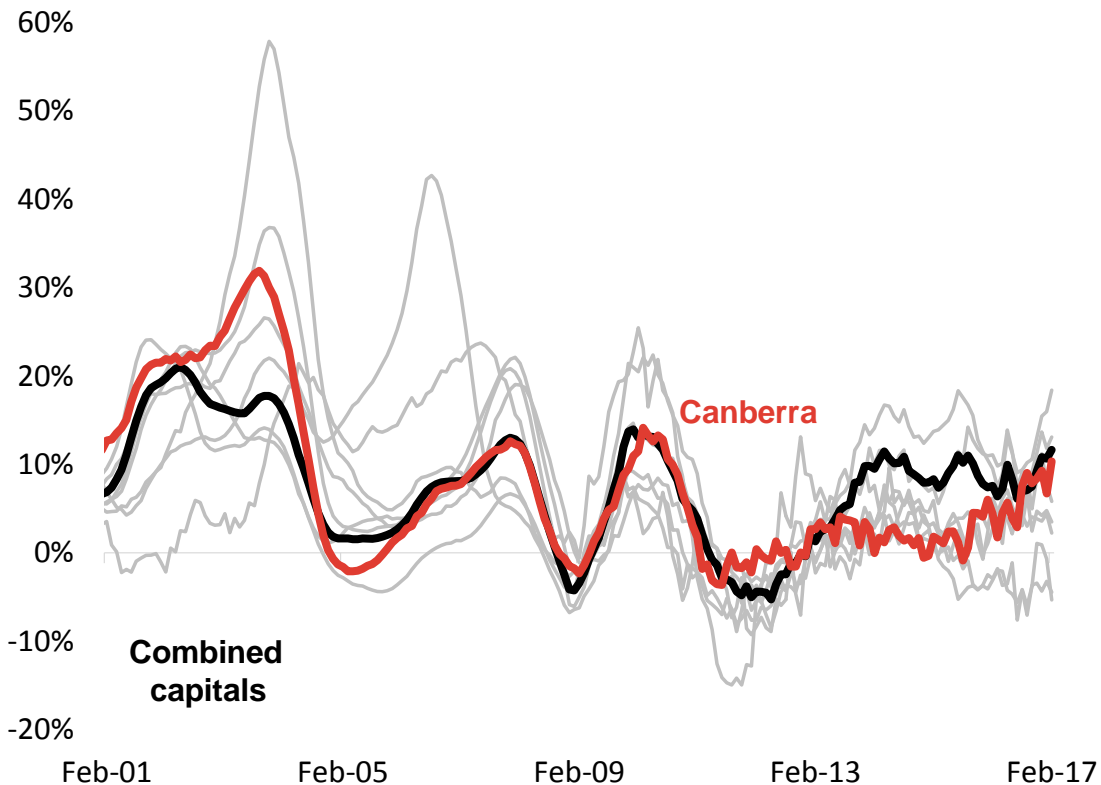
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Darwin home values have fallen by **-6.0%** over the three months to February 2017 and they are **-5.3%** lower over the past year. Values across the city have increased by just **14.9%** since the end of 2008

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Annual change in dwelling values



Canberra home values have increased by **3.3%** over the three months to February 2017 and are **10.4%** over the past year. Since the end of 2008, Canberra home values have increased by a total of **37.7%**.

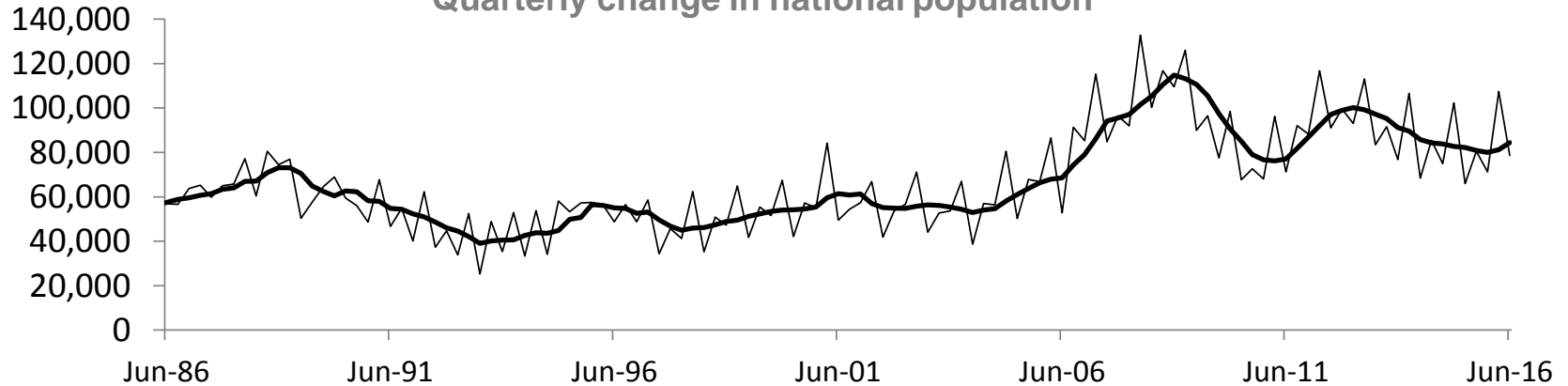
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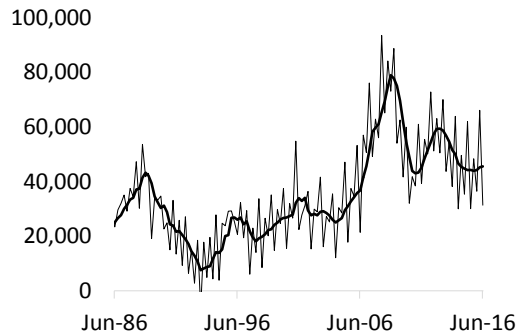
# Macroeconomic and demographic indicators

# Housing demand: Victoria is leading the way in terms of the rate of population growth

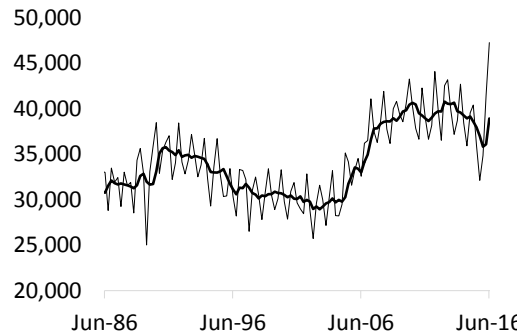
Quarterly change in national population



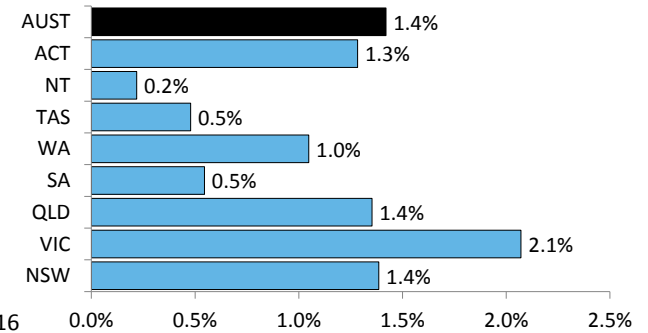
Net overseas migration



Natural increase

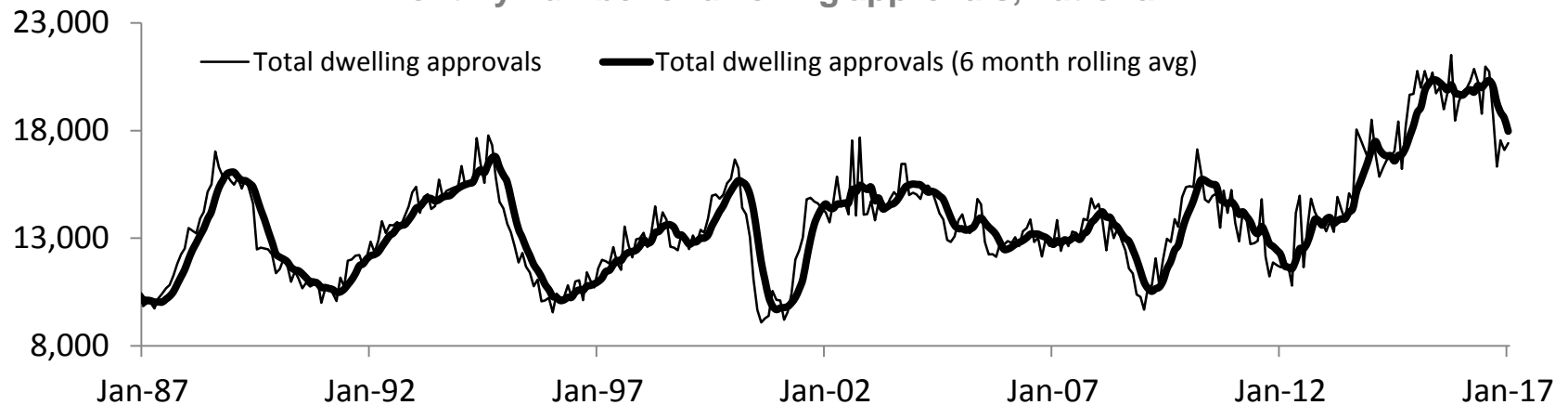


Annual change in population

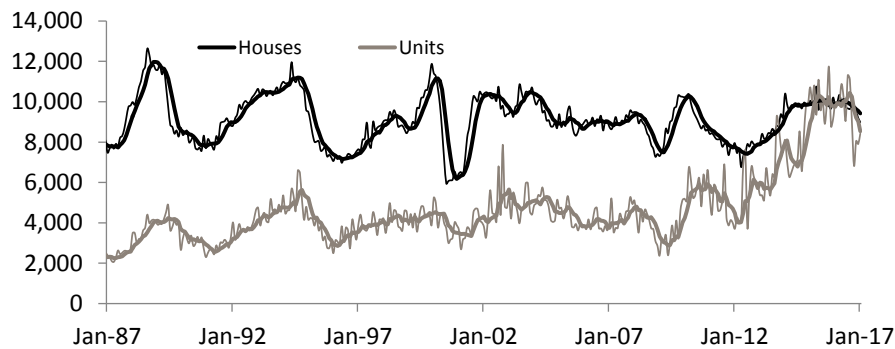


# Housing supply: Dwelling approvals rise in January but remain much lower than their peak

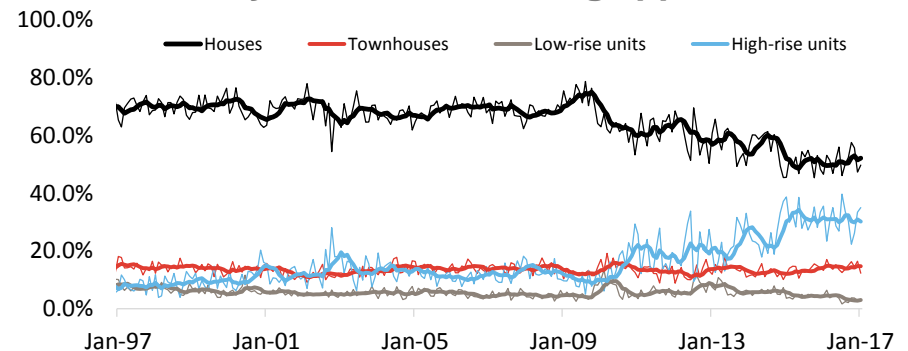
Monthly number of dwelling approvals, national



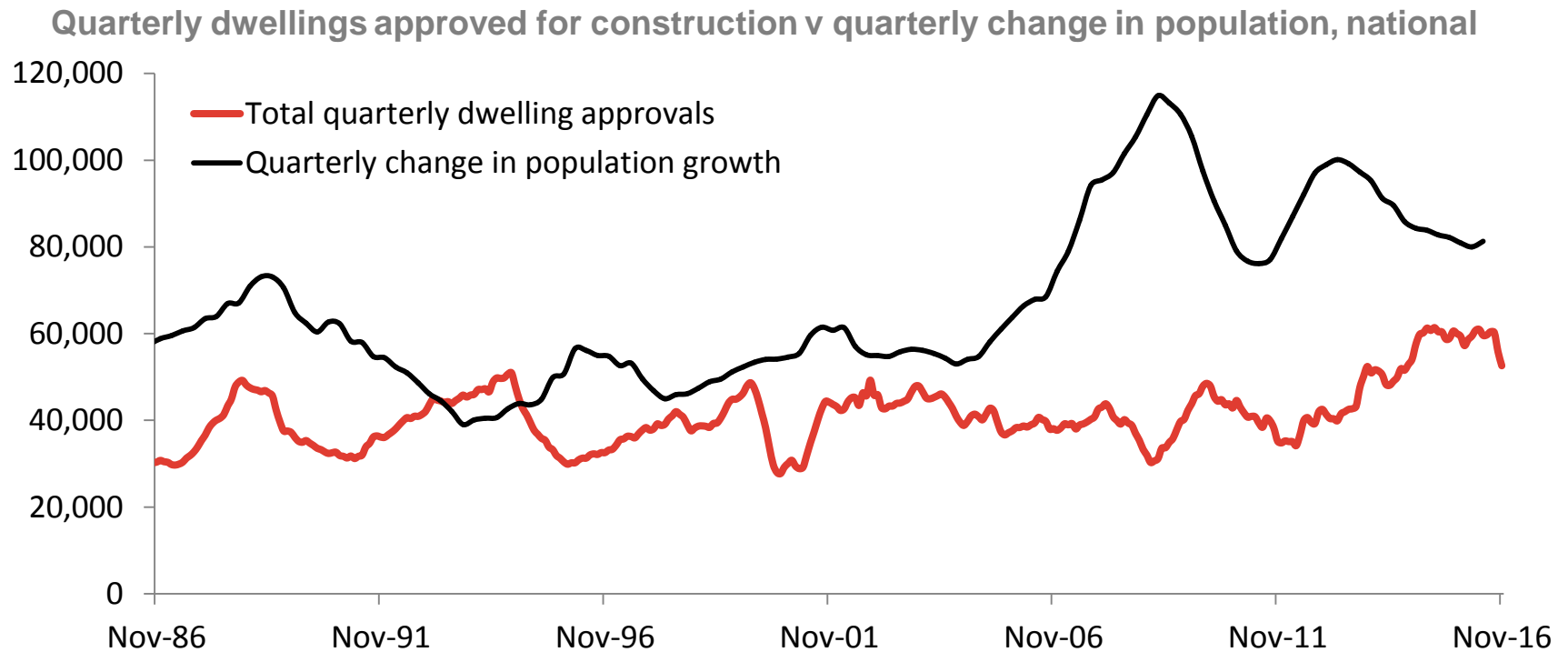
National dwelling approvals, houses v units



Monthly % of total dwelling approvals

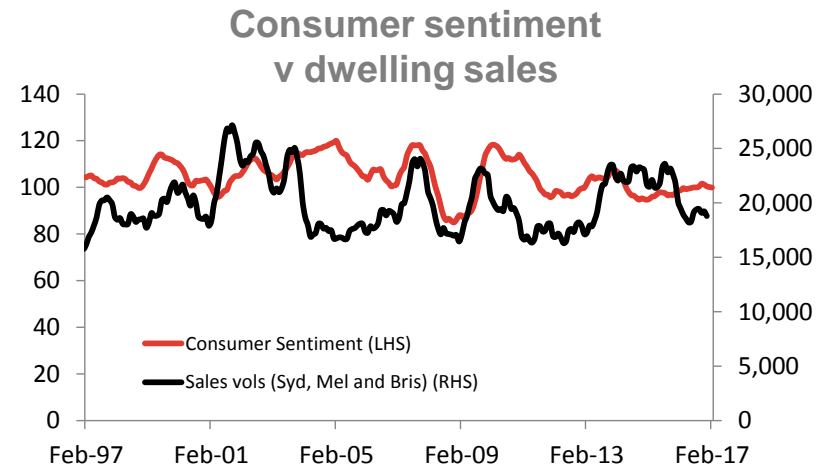
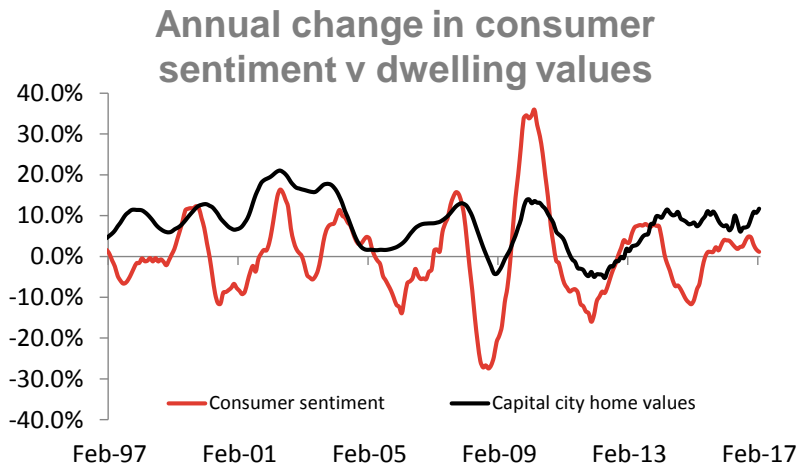
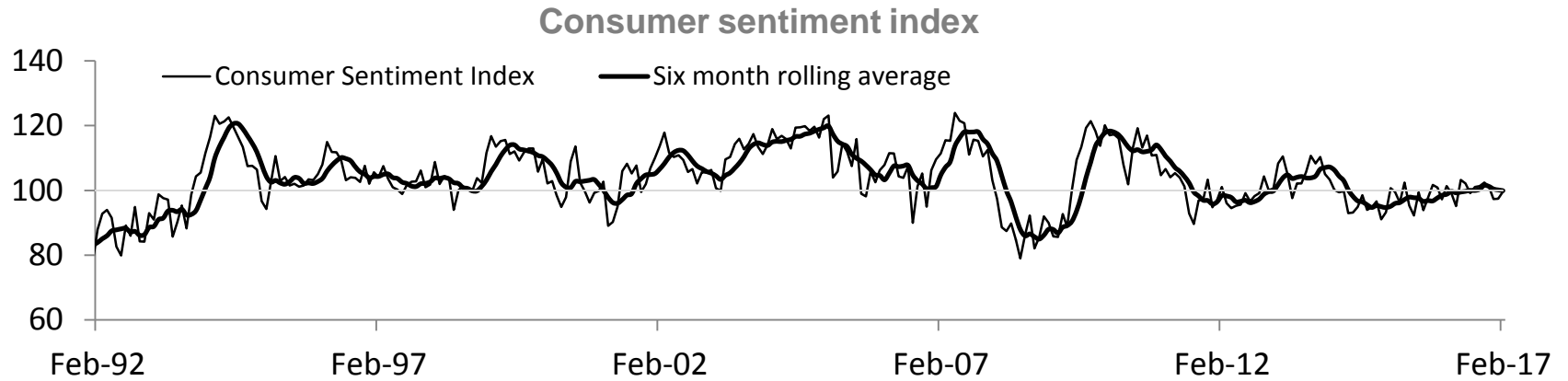


# Housing supply: the gap between housing demand and supply has narrowed substantially over recent years



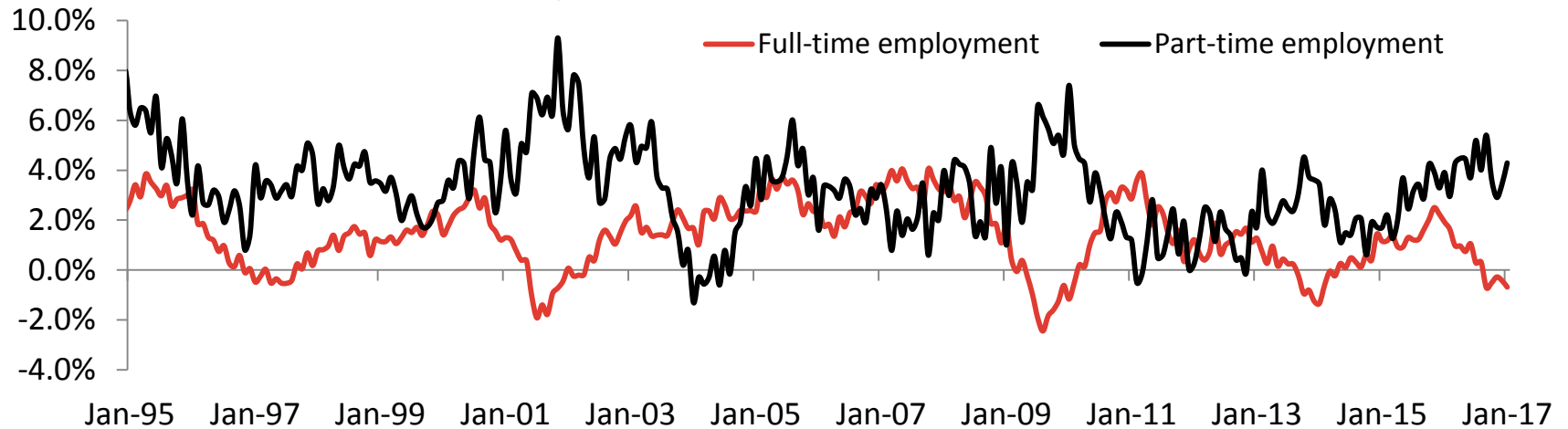


# Consumer sentiment remains slightly more pessimistic than optimistic

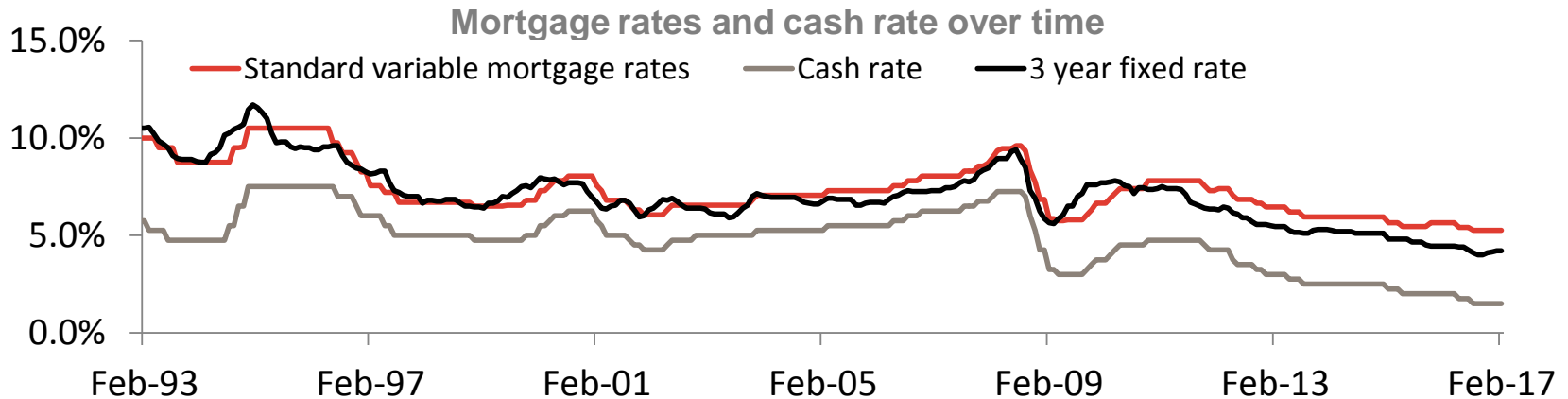


# Labour force: the economy has continued to shed full-time jobs over the past year

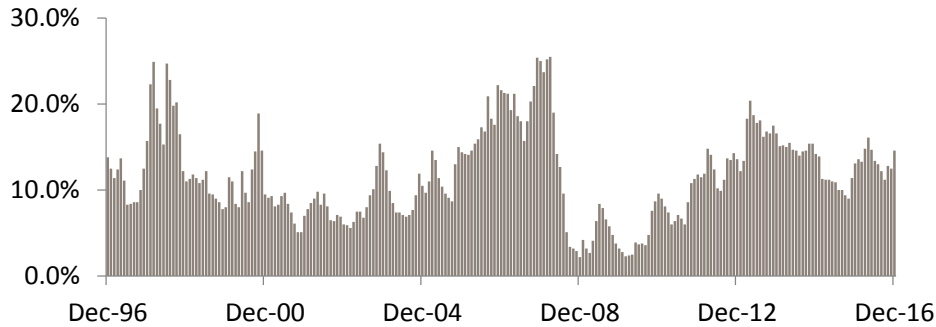
## Annual change in employment, full time v part time



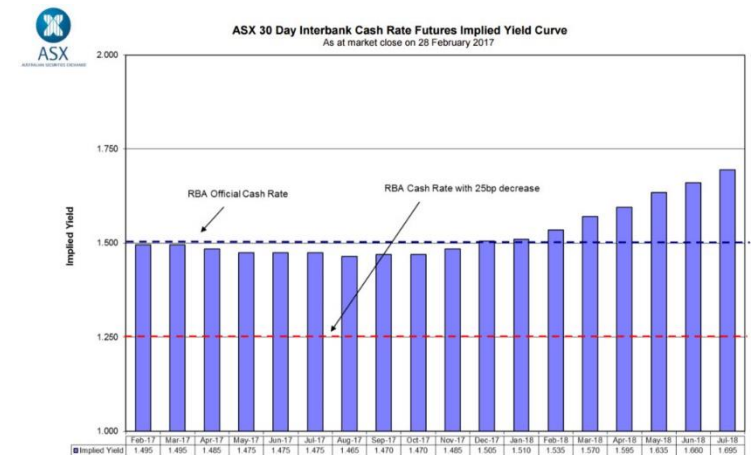
# Mortgage rates: while the cash rate remains on hold, fixed rate mortgage rates have increased



## % 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.

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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 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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