



Housing market trends

Our Insights. Your Story.

March 2021



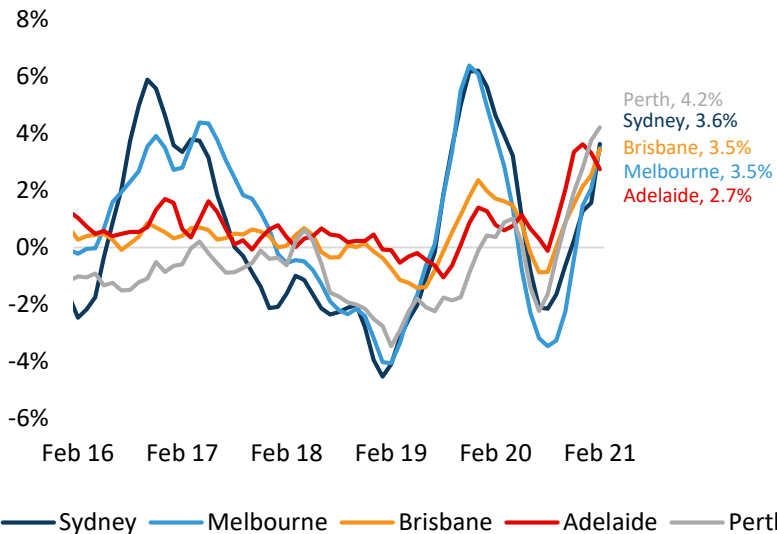
After recording only minor falls through the worst of the COVID period to-date, housing values have been on a solid and broad-based upswing.



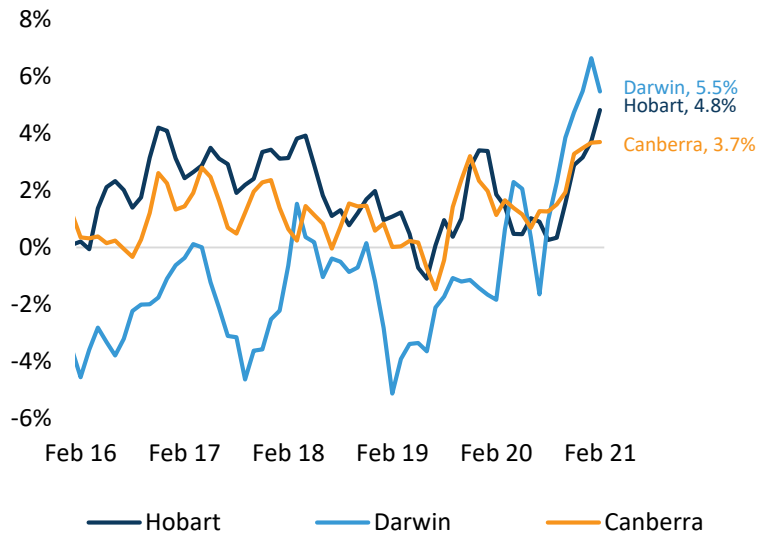
A synchronised upswing in housing values

Housing values are rising across every capital city and broad 'rest of state' region nationally

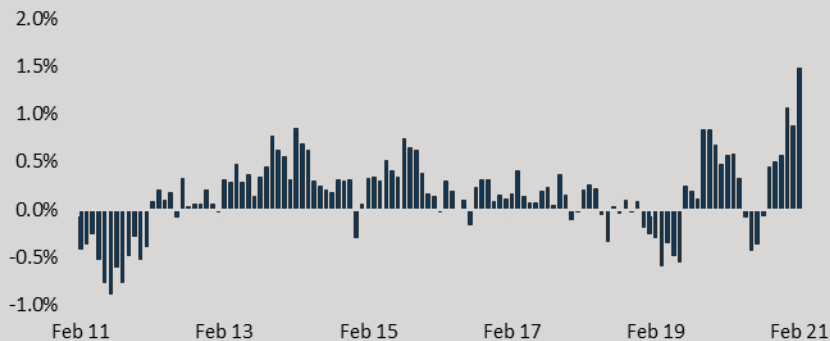
Rolling quarterly change in values, Dwellings



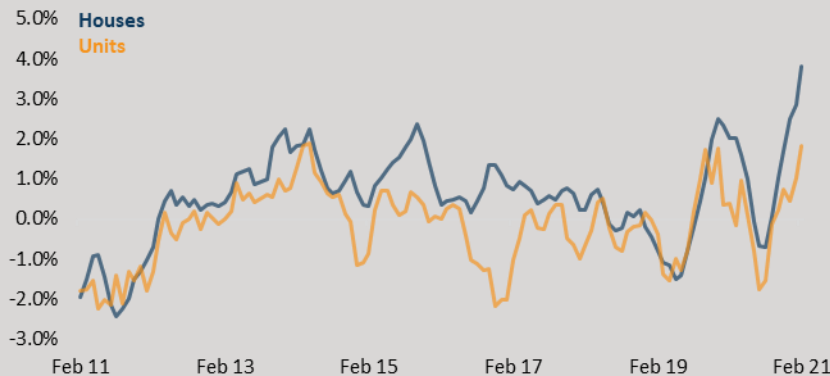
Rolling quarterly change in values, Dwellings



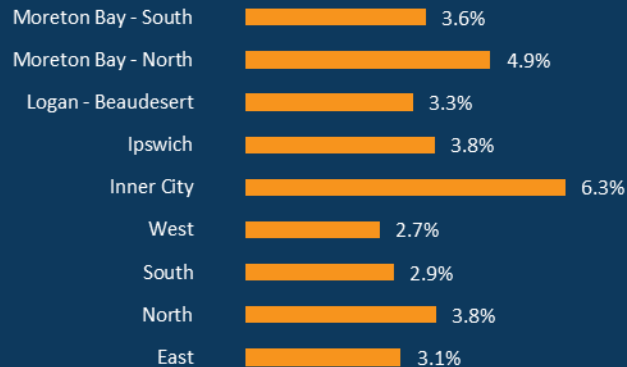
Month-on-month change in dwelling values, Brisbane



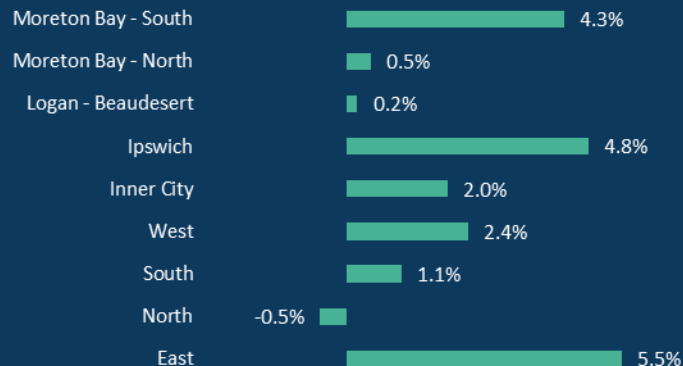
Rolling 3 month change in values, Brisbane



Brisbane SA4 regions, Change in dwelling values past 3 months (Houses)



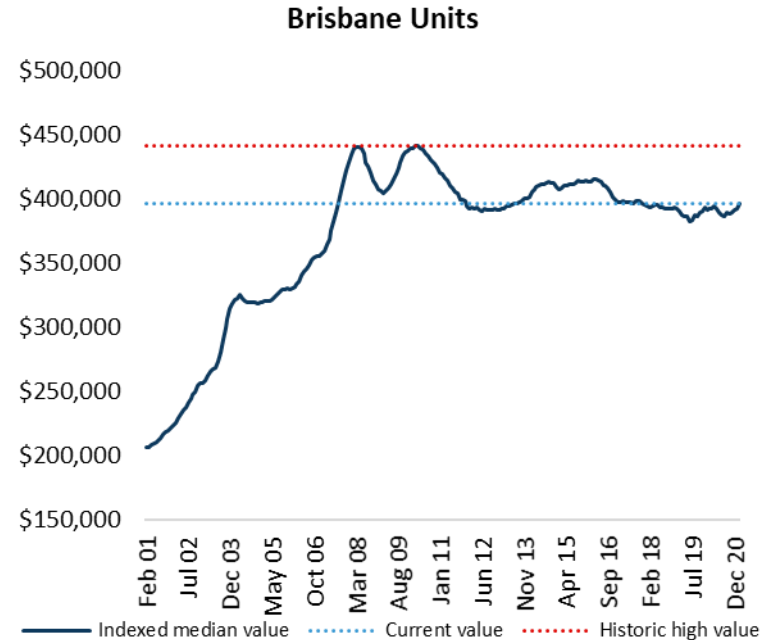
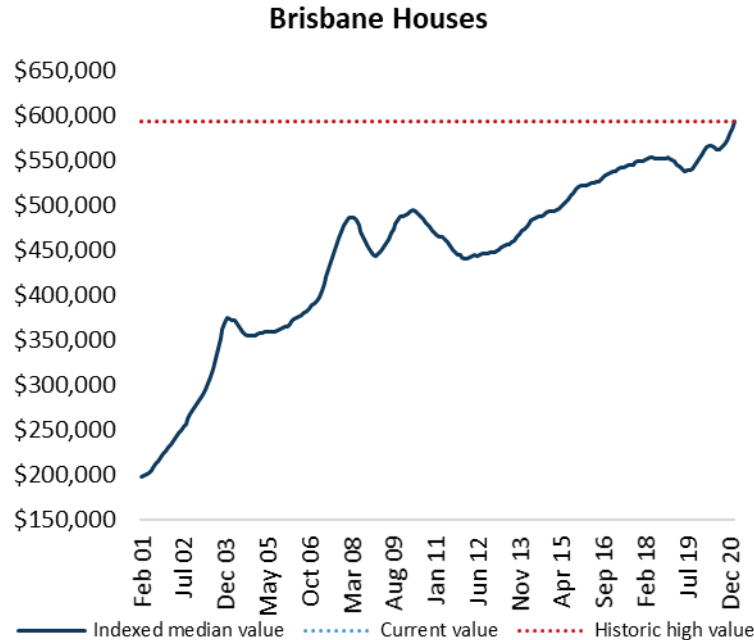
Brisbane SA4 regions, Change in dwelling values past 3 months (Units)



Brisbane house values are well into record highs, while Brisbane unit values remain 10.3% below their 2010 peak

With Brisbane unit values roughly on par with 2007 levels, arguably there are some good buying opportunities.

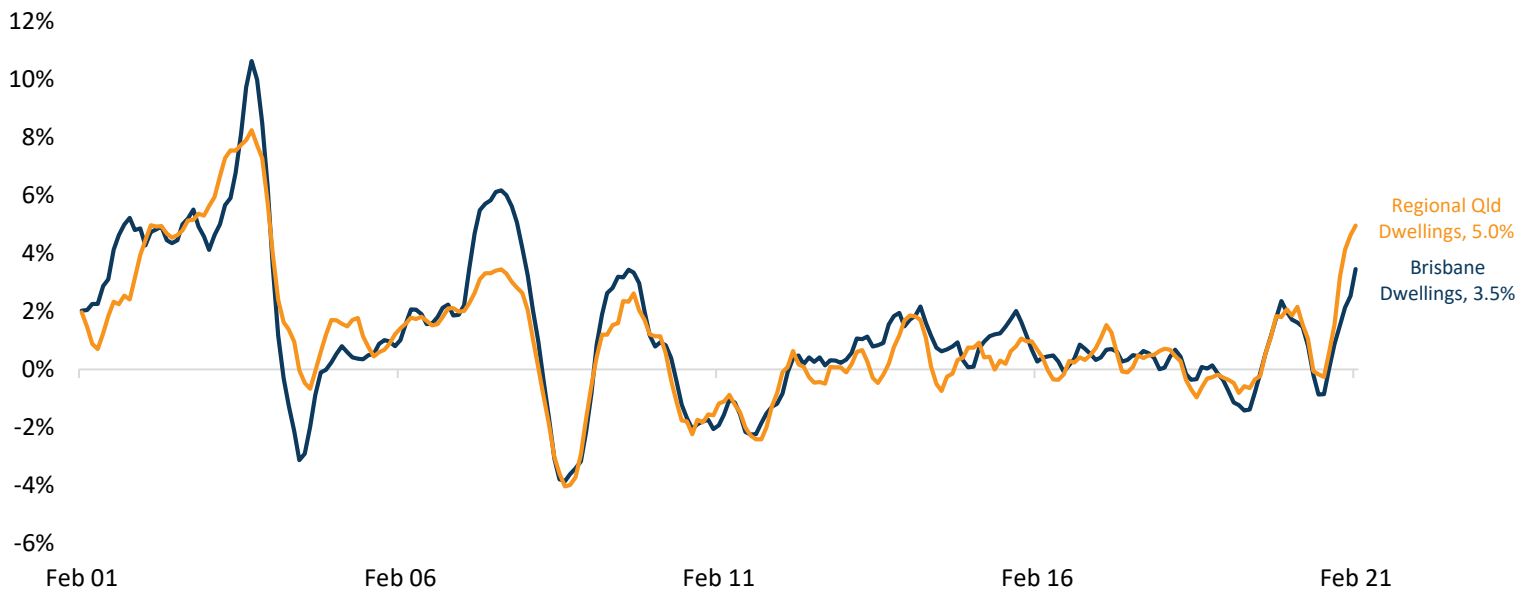
Rolling quarterly change in dwelling values – Brisbane v Regional Qld



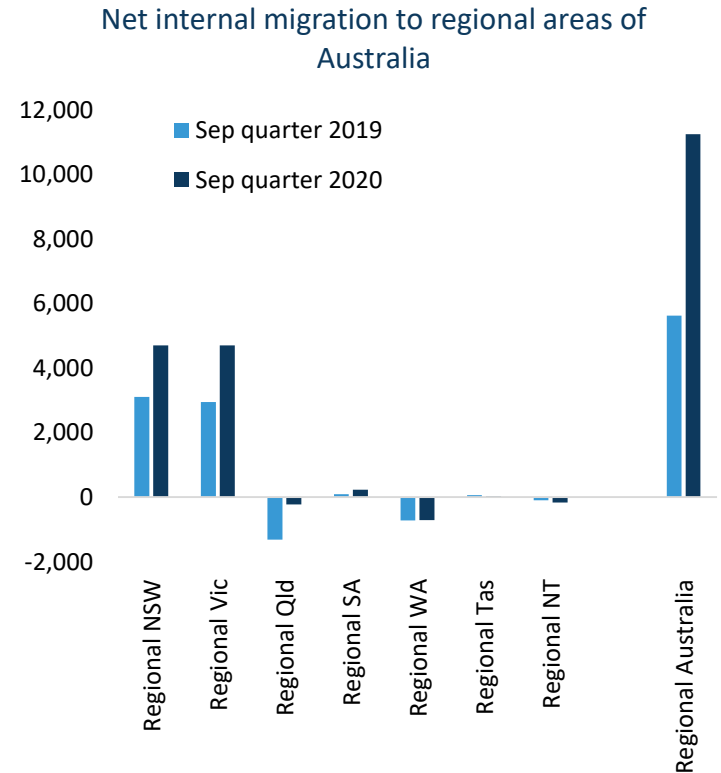
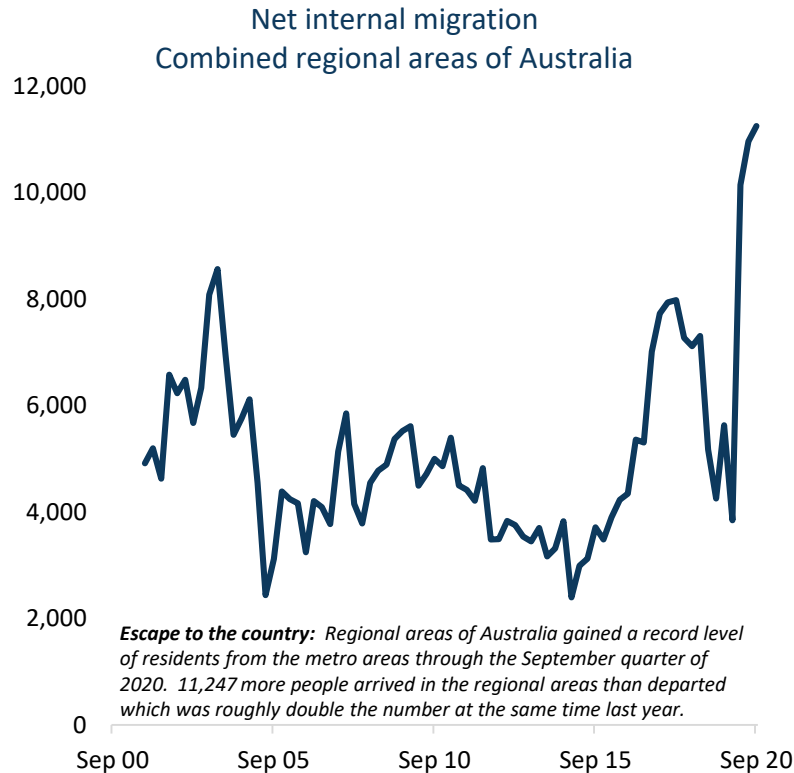
Escape to the country

The major regional centres are outperforming their capital city counterparts through COVID

Rolling quarterly change in dwelling values – Brisbane v Regional Qld

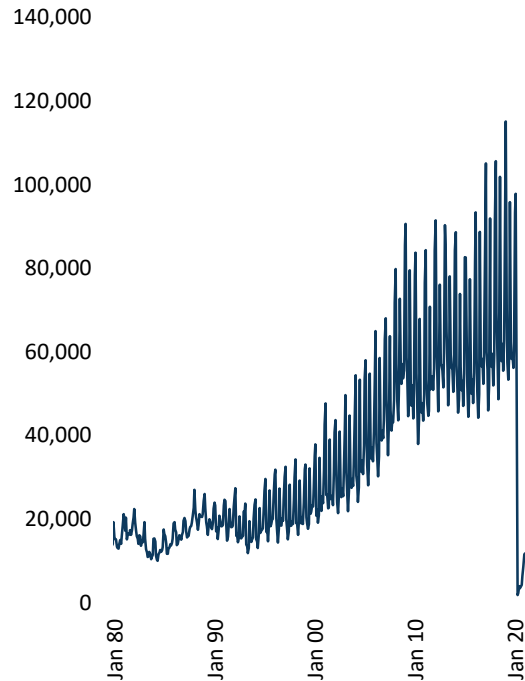


The regional shift is most apparent in Victorian and New South Wales

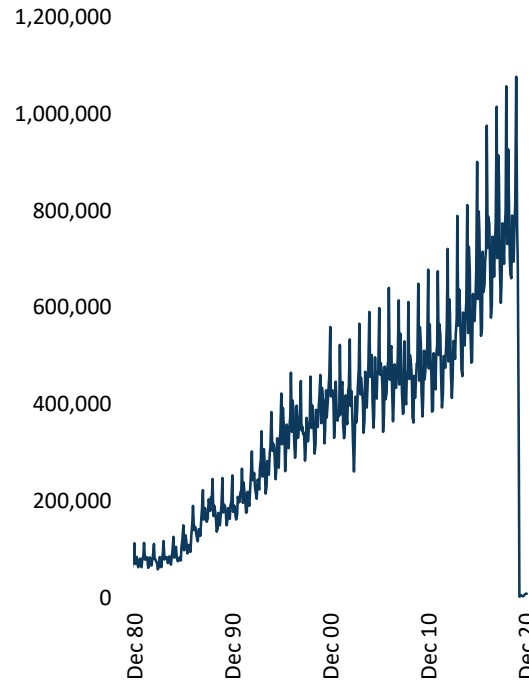


Demand from overseas migration has essentially stalled which impacts Melbourne and Sydney substantially more than other regions

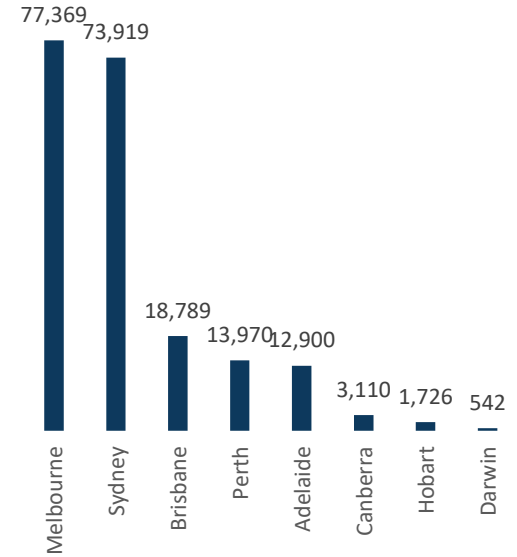
Permanent and long-term arrivals



Short-term visitor arrivals



Net overseas migration by capital city 2018/19



Top 30: Highest capital gain *(sorted by 12 month change in dwelling values to end of Feb 2021)*



SA3	GCCSA	3 months	12 months	10yrs annual	Median value
Richmond Valley - Coastal	Rest of NSW	12.0%	20.6%	5.0%	\$917,994
Grampians	Rest of Vic.	8.9%	17.5%	4.6%	\$233,228
South Coast	Rest of NSW	7.0%	17.4%	3.9%	\$572,860
Noosa	Rest of Qld	5.6%	16.9%	3.7%	\$939,222
Coolangatta	Rest of Qld	6.7%	16.6%	4.3%	\$783,332
Devonport	Rest of Tas.	7.3%	15.3%	2.4%	\$339,199
Pittwater	Greater Sydney	7.5%	15.0%	6.4%	\$2,030,172
Gympie - Cooloola	Rest of Qld	5.8%	14.9%	1.8%	\$385,113
Lake Macquarie - East	Rest of NSW	5.3%	14.5%	5.3%	\$641,516
Orange	Rest of NSW	5.8%	14.5%	3.0%	\$444,034
Taree - Gloucester	Rest of NSW	6.4%	13.9%	3.2%	\$410,187
Shoalhaven	Rest of NSW	6.7%	13.7%	5.3%	\$630,534
Clarence Valley	Rest of NSW	7.2%	13.3%	2.7%	\$439,246
Dubbo	Rest of NSW	3.7%	13.0%	2.8%	\$308,129
Dapto - Port Kembla	Rest of NSW	5.1%	12.9%	5.8%	\$604,392
Nerang	Rest of Qld	7.9%	12.7%	3.4%	\$599,063
Southern Highlands	Rest of NSW	5.1%	12.7%	4.3%	\$876,099
Richmond Valley - Hinterland	Rest of NSW	6.1%	12.6%	2.9%	\$394,342
Burnie - Ulverstone	Rest of Tas.	5.9%	12.3%	2.5%	\$310,935
Wyong	Greater Sydney	5.8%	12.2%	5.3%	\$621,845
Mornington Peninsula	Greater Melbourne	10.2%	12.1%	4.9%	\$868,181
Capalaba	Greater Brisbane	3.5%	11.9%	2.9%	\$593,420
Gippsland - South West	Rest of Vic.	9.1%	11.9%	3.9%	\$547,184
Latrobe Valley	Rest of Vic.	5.5%	11.8%	2.6%	\$276,423
Launceston	Rest of Tas.	4.6%	11.7%	3.3%	\$380,823
Nambour	Rest of Qld	5.0%	11.7%	3.0%	\$576,447
Fleurieu - Kangaroo Island	Rest of SA	7.8%	11.6%	1.2%	\$425,337
Queanbeyan	Rest of NSW	6.0%	11.5%	2.0%	\$596,004
Blue Mountains	Greater Sydney	5.2%	11.4%	6.2%	\$708,512
Sunshine Coast Hinterland	Rest of Qld	6.5%	11.4%	3.0%	\$652,760

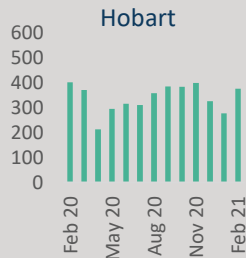
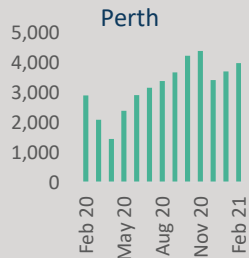
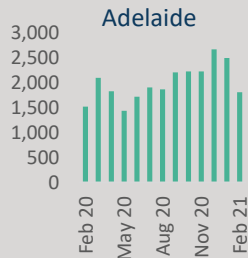
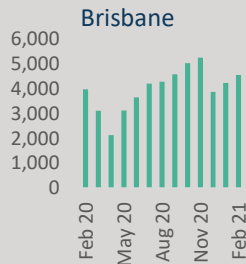
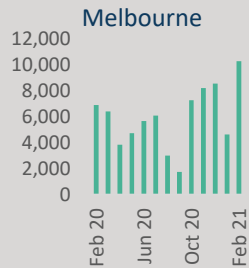
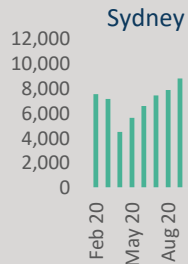
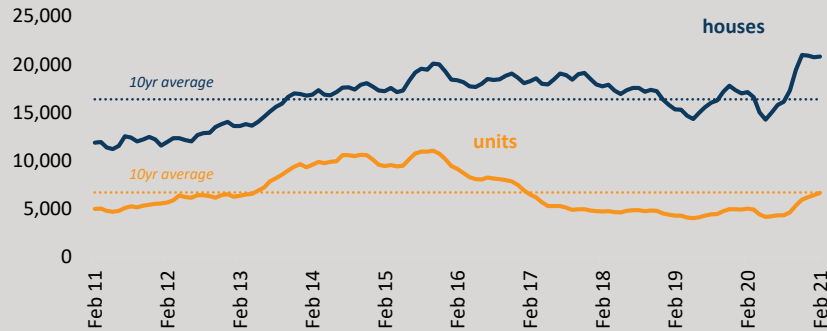
A sellers market

Advertised supply levels remain around historic lows across most regions of Australia.

With buyer activity up substantially, the imbalance between demand and supply is creating some urgency, supporting upwards pressure on prices.



Rolling six month number of dwelling sales Brisbane houses v units



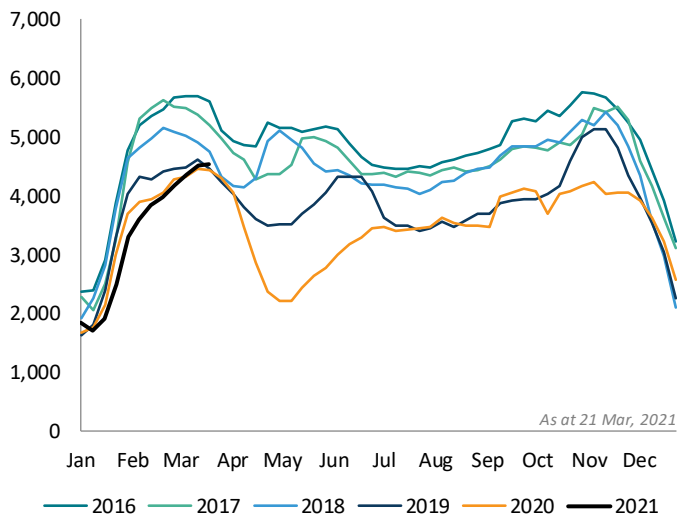
Sales activity has recovered sharply from the COVID related weakness in early 2020.

Brisbane's six month trend in house sales is tracking 26.9% above the decade average.

Unit sales are also rising, but the six month trend remains -1.2% below the decade average.

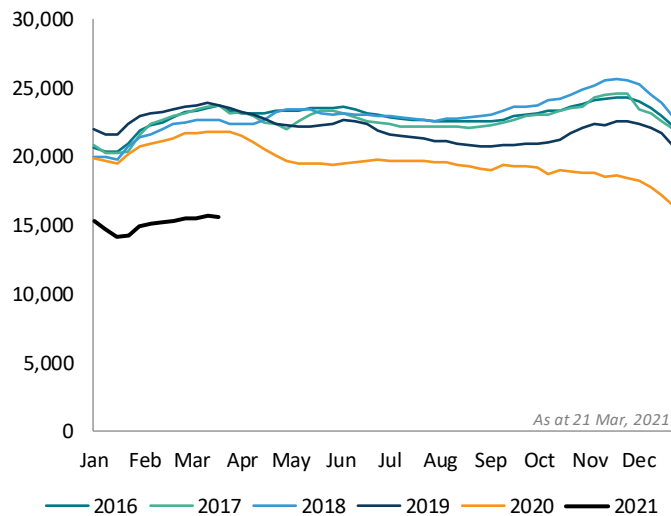
Advertised stock levels remain low due to a combination of low ‘fresh’ listings being added to market while rising buyer activity lifts the rate of absorption.

Number of new listings, Brisbane Dwellings



4,538
 % change same time last year 2.1%
 % change five year average -3.0%

Number of total listings, Brisbane Dwellings

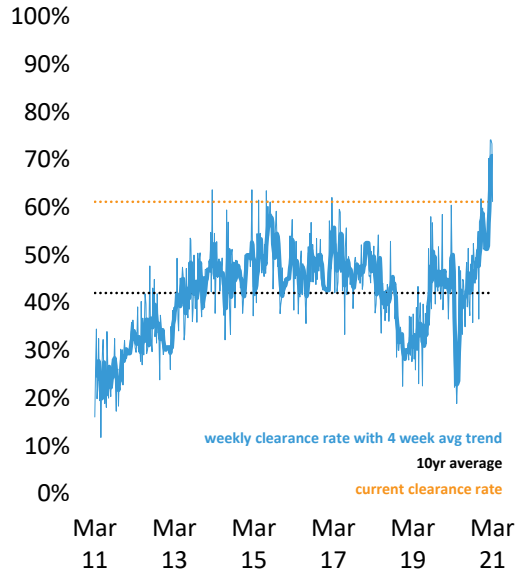


15,603
 % change same time last year -28.6%
 % change five year average -27.5%

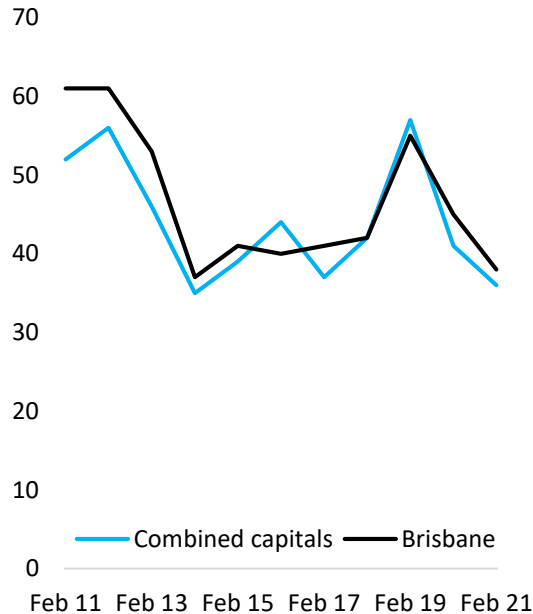
Source: CoreLogic – based on rolling four week count of unique total listings. Includes houses and units. A new listing is defined as a property that hasn't previously been advertised over the past 72 days. Total listings are defined as the sum of 'new' listings and re-listings.

With such tight supply and strong demand, selling conditions have swung in favour of vendors

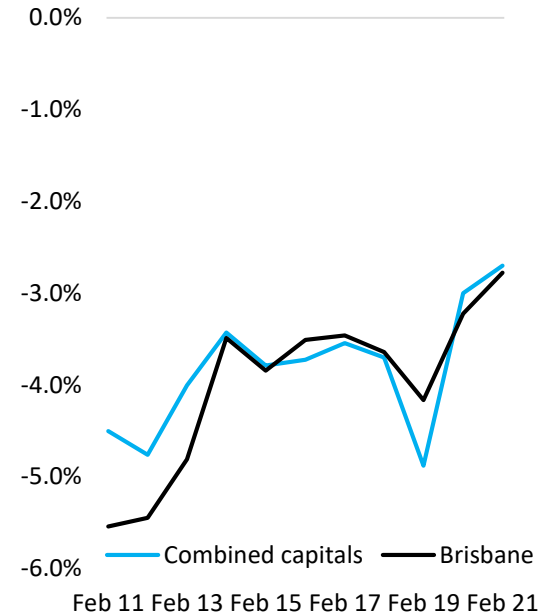
Auction clearance rate, Brisbane



Median days on market, Brisbane



Median vendor discount



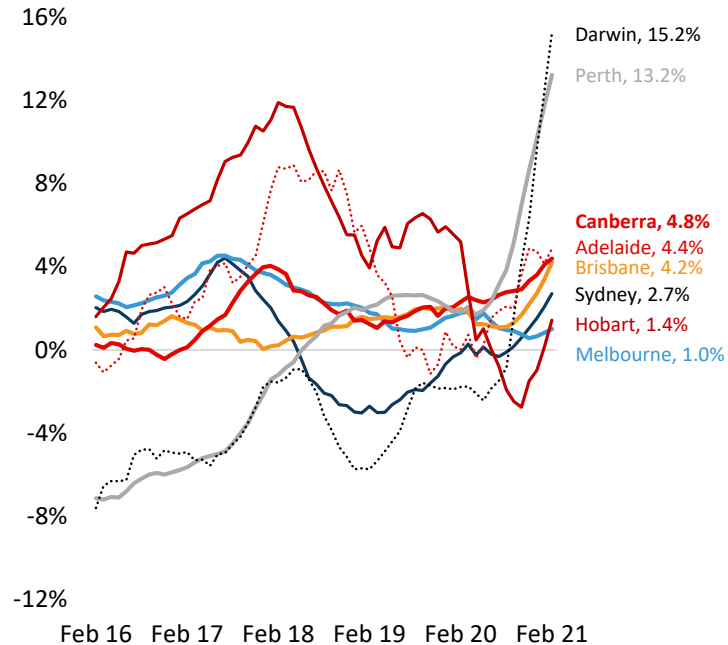
Rental markets are diverging both geographically and across the housing types.



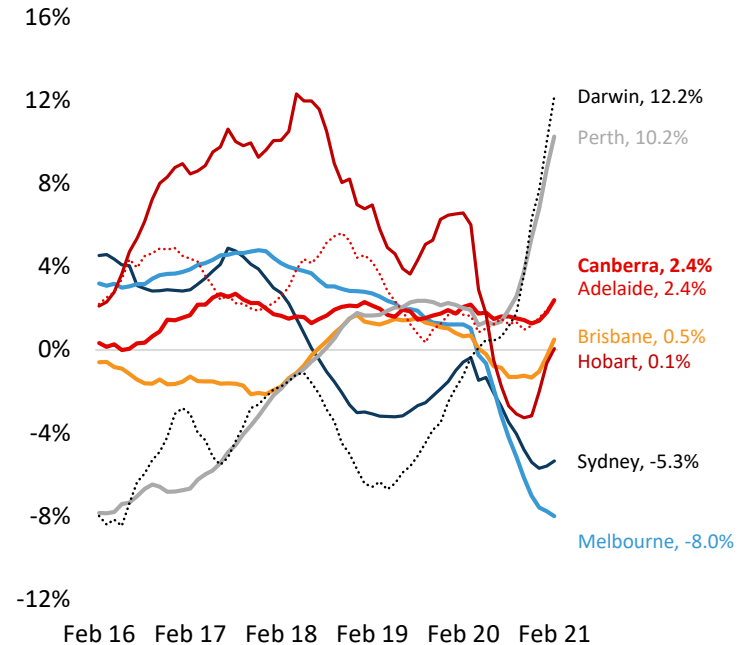
Rental conditions are stronger outside of Melbourne and Sydney, and also for detached housing rather than units.

Annual change in rents

Houses



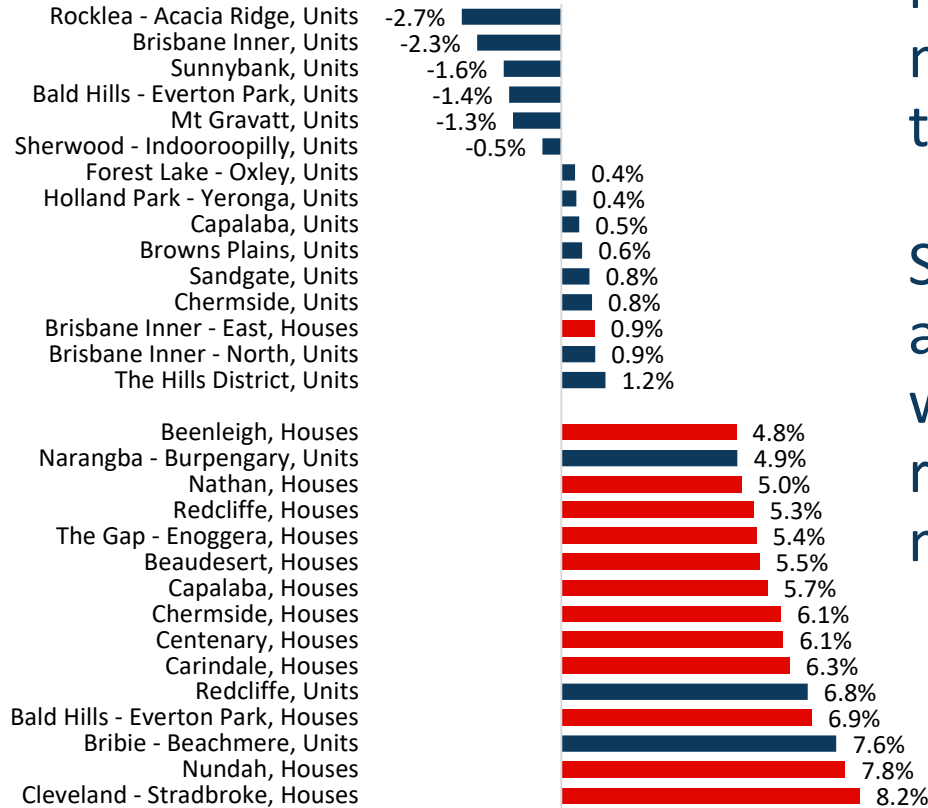
Units





Top 15 and bottom 15 performing rental markets

12 month change in rents, Brisbane SA3 sub-regions



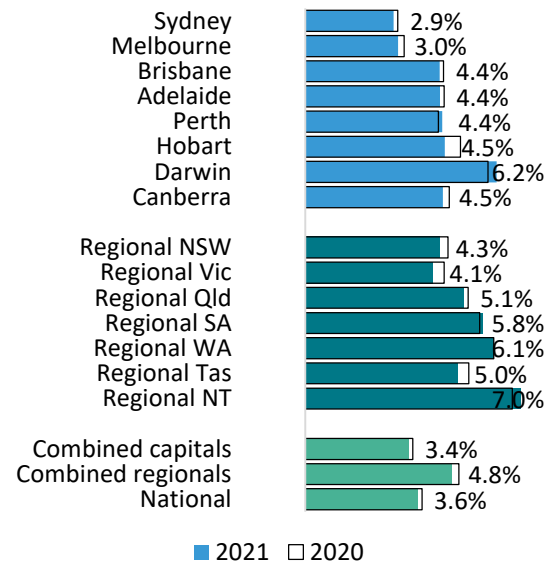
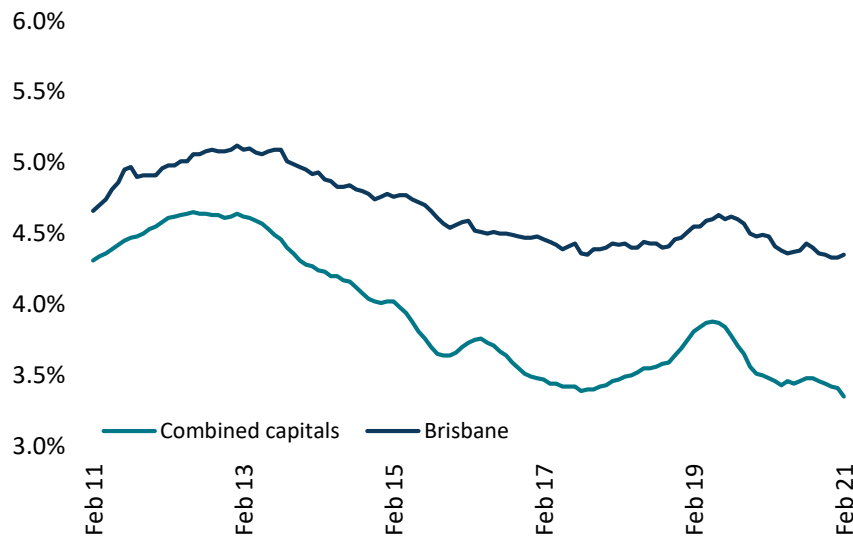
Even the weakest rental markets haven't recorded a material drop in rents over the past twelve months.

Stronger rental conditions are generally concentrated within the middle-to-outer ring detached housing markets.

Brisbane rental yields are substantially higher relative to the larger cities

With housing values generally outperforming rents, yields are trending lower. But with mortgage rates so low, there are likely to be more opportunities for positive cash flow investments.

Gross rental yields

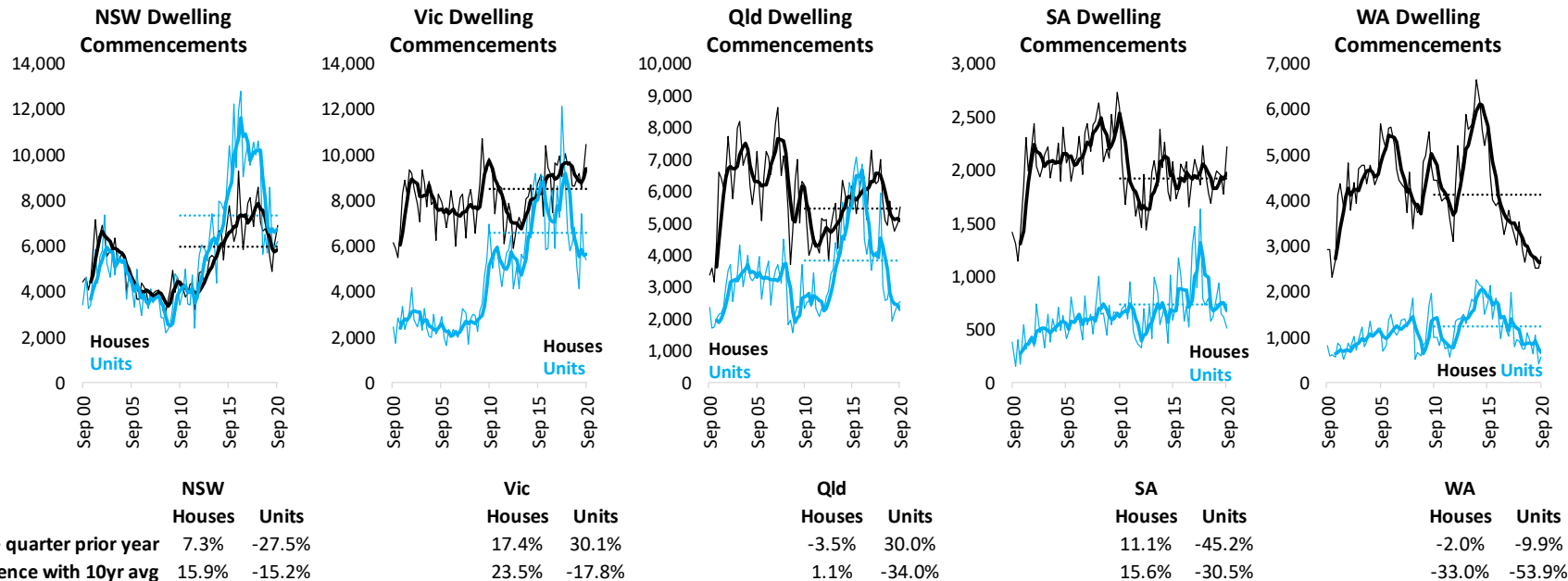


Brisbane's unit supply is back to below average levels

A surge in unit construction activity which peaked in 2016 has contributed to the weaker unit market locally. With a wind-down in new projects and a ramp-up in population growth, the supply over-hang has largely been absorbed.

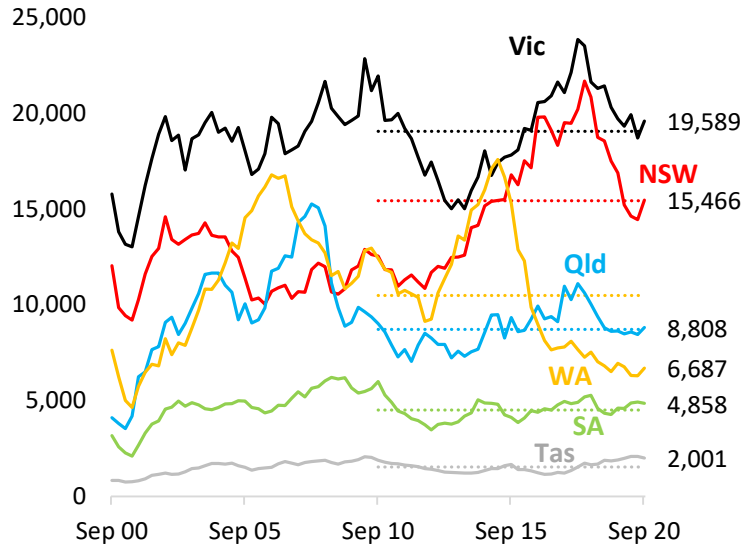


With the downwards trend in the approved pipeline of unit projects, building activity data shows unit commencements have fallen sharply over recent years (from unprecedented highs) to be well below average across most of the major states.

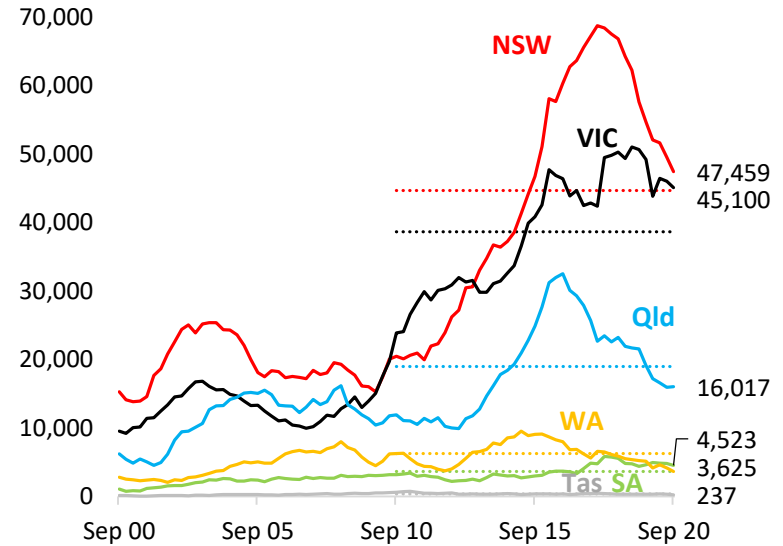


The number of units that remain under construction at the end of September was trending lower, however supply pending completion across NSW and Vic remains elevated.

Number of houses under construction, major states

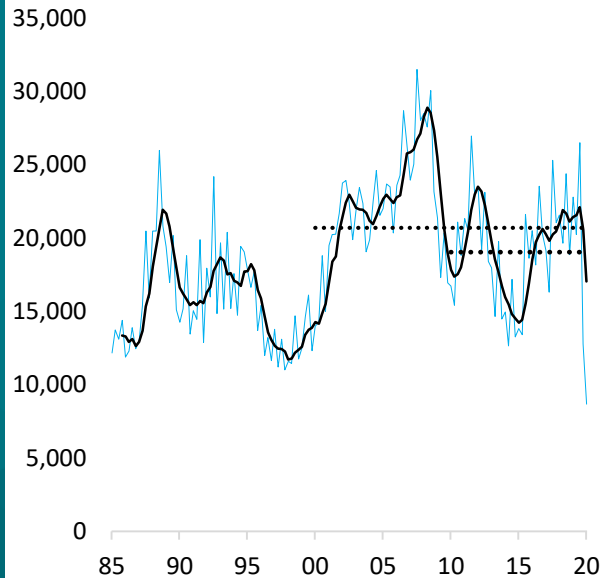


Number of units under construction, major states

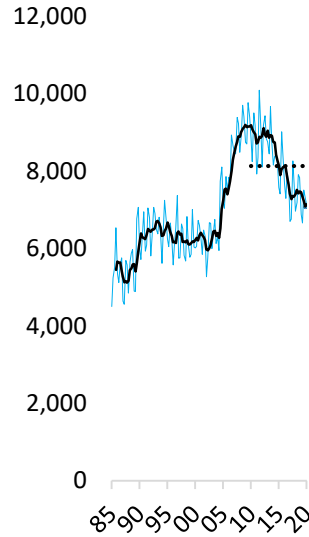


Demand: Population growth slumped in response to closed borders, but interstate migration is national leading and trending higher

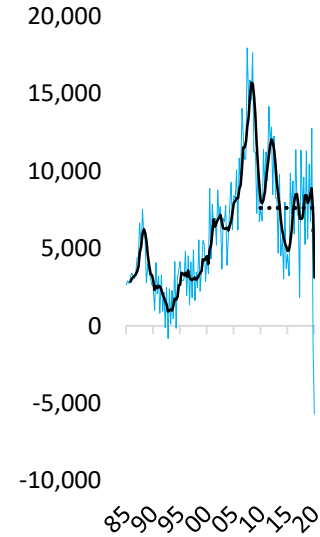
Quarterly change in population, Qld



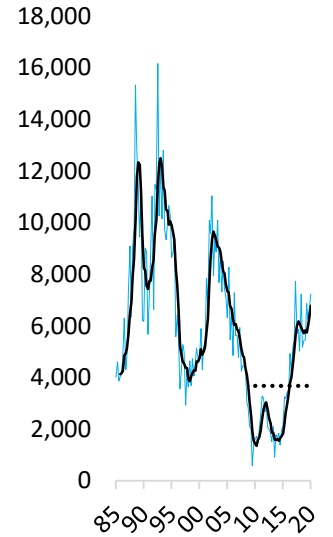
Natural increase, Qld



Overseas migration, Qld



Interstate migration, Qld



Headwinds v tailwinds

Phase-out of fiscal support
Overseas migration to remain low
Labour market slack
Low income growth
Potential for credit tightening

Low interest rates
Economic recovery beating forecasts
Interstate migration
Liquidity
Vaccine





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