

CoreLogic Property Pulse

Released Thursday 19 July 2018

Decade value change review

The CoreLogic Property Pulse this week delivers analysis on the significant change in house and unit values during the past decade markets throughout each of Australia's largest sub-state regions (best known as SA4).

Research analyst Cameron Kusher found that over the 10 years to June 2018, national dwelling values have increased by a cumulative 43.9% with the combined capital cities recording an increase of 52.6% and the combined regional markets recording growth of 16.6%.

Houses values increased by 46.9% nationally over the past decade with combined capital city values growing at a faster pace (56.2%) than the combined regional markets (20.0%) Of the 88 regions SA4 national regions, 73 areas recorded an increase in dwelling values over the past decade with the remaining 15 recording falls. No SA4 regions of NSW, Vic, Tas, NT or ACT have recorded a decline in values over the past decade. Meanwhile, a majority of the WA SA4 regions have recorded declines in values over the past decade.

The region to record the greatest increase in house values over the past decade was the South West region of Sydney where values increased 112.9% over the period. An additional five SA4 regions have seen house values double over the past decade, they were: Parramatta in Sydney (107.4%), Inner South West of Sydney (106.6%), Outer South West of Sydney (103.3%), South East of Melbourne (102.7%) and the West region of Melbourne (102.3%).

The regions of the country in where house values recorded the largest decline over the past decade were:

- Outback (North) in WA (-38.3%)
- Outback (South) in WA (-34.0%)
- Mackay-Isaac-Whitsunday in Qld (-27.3%)
- Central Queensland (-26.8%)
- Townsville (-23.6%).

Only 3 capital city SA4 regions, all of which are in Perth, have recorded house value falls over the past decade.

Mr Kusher said, "Value growth in NSW and Vic has been substantially stronger than growth elsewhere. In fact, the regions of NSW (Riverina) and Vic (North West) that recorded the weakest conditions over the decade have seen value growth well in excess of the best performing WA region (Perth-North West)."

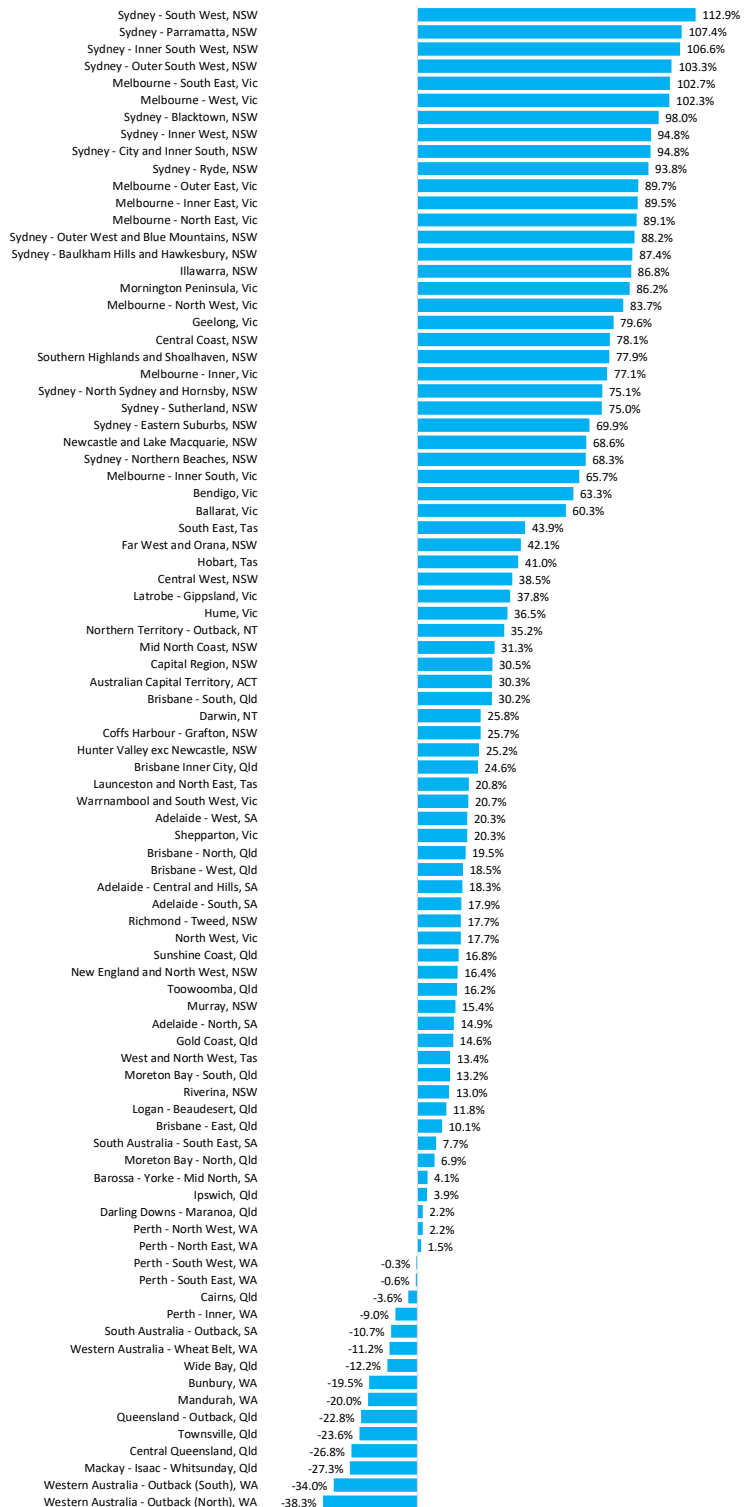
Outside of NSW and Vic, the regions with the strongest value growth across the remaining states and territories over the decade were: Brisbane-South (30.2%), Adelaide-West (20.3%), Perth-North West (2.2%), South East in Tas (43.9%), Outback in NT (35.2%) and ACT (30.3%).

Illawarra in NSW recorded the greatest increase in house values of all regional markets over the past decade with values increasing 86.8%. Illawarra recorded the 15th highest rate of house value growth over the past decade nationally.

The remaining regional markets that recorded relatively large increases in house values were:

- Geelong (79.6%)
- Southern Highlands Shoalhaven in NSW (77.9%)
- Newcastle and Lake Macquarie (68.6%)
- Bendigo in Vic (63.3%)

Change in house values over the decade to June 2018 across SA4 regions



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Looking at unit values, nationally throughout the past decade, units increased by 34.2% which is lower than the 46.9% increase in house values. Unit value growth in the combined capital cities (42.0%) and combined regional housing markets (0.4%) was similarly lower than that for houses (56.2% and 20.0% respectively).

Of the 88 SA4 regions across the country, 53 have recorded an increase in unit values over the past decade with the remaining 35 recording a fall.

The South West region of Sydney recorded the greatest increase in house values of all SA4 regions (112.9%) and it has also recorded the greatest increase in unit values (98.0%). While seven regions of the country have recorded a doubling of house values over the past decade, not one region has seen unit values double over the same period. Only the Outer South West region of Sydney (81.0%) and Sydney's Eastern Suburbs (78.2%), along with Sydney's South West have recorded decade unit value growth of more than 75%. By comparison, over the past decade, 24 regions of the country have recorded house value growth in excess of 75%.

Unit values have recorded the largest declines over the past decade in:

- Outback (North) WA (-73.3%)
- Outback (South) WA (-65.7%)
- Darling Downs-Maranoa in Qld (-52.9%)
- Central Queensland (-45.8%)
- Townsville (-45.6%)

For the regions where unit values dropped, 15 were capital city regions with the remaining 20 located in regional areas of the country. The capital city unit markets that recorded the greatest unit value falls were: Darwin (-26.0%), Ipswich in Qld (-23.5%), Logan-Beaudesert in Qld (-22.1%), Moreton Bay-South (-20.5%) and Perth-Inner (-19.5%).

Outside of NSW, the regions of each state and territory to record the greatest increase in unit values over the past decade were: Melbourne-Outer East (63.1%), Outback region of Qld (28.7%), South East region of SA (41.0%), Wheat Belt region of WA (54.9%), South East region of Tas (63.3%), Outback region of NT (28.7%) and ACT (11.6%).

Outside of the capital cities, the regional markets that have recorded the greatest increase in unit values over the past decade were: South East in Tas (63.3%), Illawarra in NSW (60.2%), Far West and Orana in NSW (55.7%), Wheat Belt in WA (54.9%) and Bendigo in Vic (46.2%).

According to Mr Kusher, the growth in house and unit values over the past decade has been characterised as very much slanted to strong growth in Sydney and Melbourne and weaker conditions elsewhere.

He said, "While the last 10 years is not predictive of the future, dwelling values are already falling in Sydney and Melbourne and regional markets are currently outperforming capital cities."

"With housing in a downturn in Sydney and Melbourne and affordability stretched, at this point it seems unlikely the returns of the past decade will be replicated over the next 10 years."

Change in unit values over the decade to June 2018 across SA4 regions

