

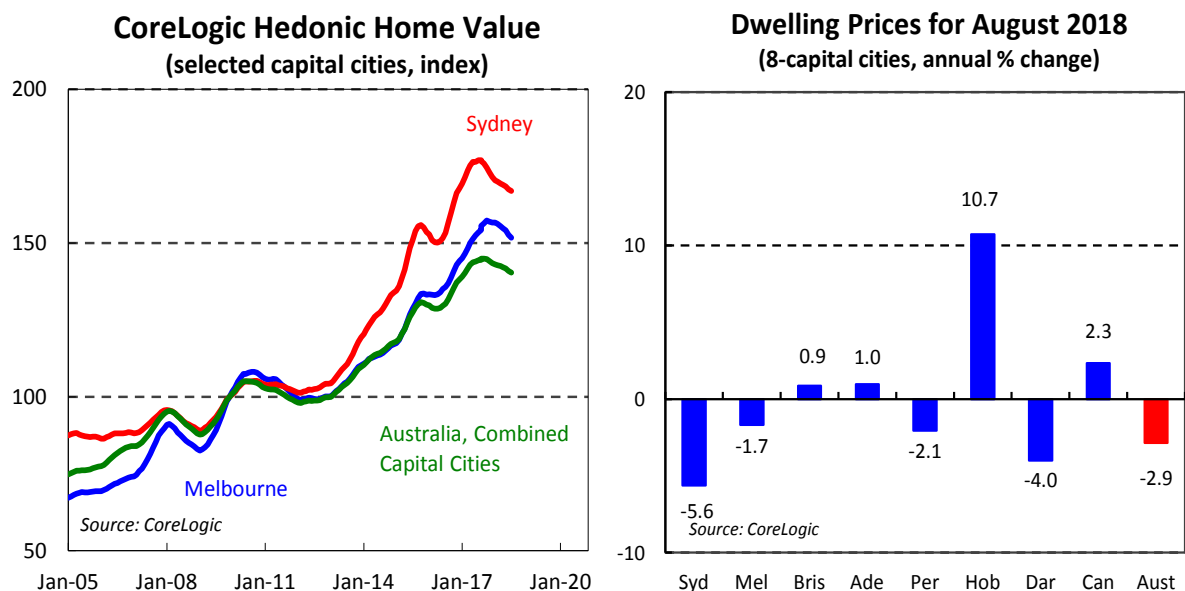
Data Snapshot

Monday, 3 September 2018



Dwelling Prices Decline Continues

- National dwelling prices continued to decline in August. The CoreLogic eight-capital city combined dwelling price index fell 0.4% in the month, the eleventh consecutive monthly decline. There are still mixed results across capital cities.
- It took the annual decline in capital city dwelling prices to 2.9% in August, from a decline of 2.4% in July. The annual pace of dwelling price growth has now been in decline for five consecutive months.
- The tightening in lending conditions weighing on demand for housing, as are the regulatory measures of recent years. High levels of household debt and slow wages growth have also dampened demand for housing.
- We expect the weakness in dwelling prices to continue, as suggested by lower auction clearance rates and softer lending. However, demand for housing will be supported by solid fundamentals, including strong population growth and the healthy labour market.



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regulatory measures of recent years. High levels of household debt and slow wages growth have also dampened demand for housing.

In August, the fall in dwelling prices was led by the Melbourne and Perth markets. Over the past year, the decline in dwelling prices has been led by Sydney. Sydney dwelling prices fell 0.3% in August, and are now down 5.6% from their peak in July 2017, with the decline taking Sydney dwelling prices back to the level last seen in December 2016. Melbourne dwelling prices are now 3.5% below their November 2017 peak and equivalent to the level of mid-2017.

On an annual basis, Hobart continued to lead the way with the strongest growth in dwelling prices (10.7%). Dwelling prices in the ACT (2.3%), Adelaide (1.0%) and Brisbane (0.9%) continued to increase at a modest pace. In annual terms, the decline in dwelling prices was led by Sydney (-5.6%), followed by Darwin (-4.0%), Perth (-2.1%) and Melbourne (-1.7%).

Outside of the capital cities, combined regional dwelling prices declined in August (-0.2%), for the second consecutive month. The annual pace of combined regional dwelling prices growth held at an increase of 1.6% in August.

Outlook

Today's data indicates dwelling prices continued to decline in August. There are still mixed results across capital cities. We expect the weakness in dwelling prices to continue, as suggested by lower auction clearance rates and softer lending. However, demand for housing will be supported by solid fundamentals, including strong population growth and the healthy labour market.

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The Detail

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