

## Commonwealth Bank-CoreLogic Home Buyers Index (HBI) January 2015

Released March 2015

### Selling conditions were balanced in January 2015

**At a national level housing market conditions were relatively balanced between buyers and sellers. Across different geographic locations housing market conditions were markedly different.**

The Commonwealth Bank-CoreLogic Home Buyers Index provides an indication of how well market conditions are suited to buyers or sellers. The Index is based on the ratio of properties advertised for sale compared with the number of housing loans which are being committed to by customers of Australia's largest mortgage lender, Commonwealth Bank. Where the number of properties being advertised for sale outweighs the number of mortgage commitments (adjusted for market share), the market is considered to be in favour of the buyer; effective supply is outweighing demand. Where new home loans are outweighing the number of homes being advertised for sale, market conditions generally favour the seller.

At a national level, the ratio of buyers to effective supply across the Australian real estate market has shifted slightly in favour of sellers over the quarter, resulting in a housing market which is balanced between buyers and sellers. Total advertised stock levels are in line with the number of home loans funded, suggesting that current market conditions, at least at a national level, are balanced.

As at January 2015 across each state the results were quite different; in Queensland, Western Australia, Tasmania, and Northern Territory market conditions were skewed towards the buyer. Every other state and territory was showing relatively balanced conditions.

Conditions across the capital cities were more varied than they were across the states, reflecting very different conditions in metropolitan versus regional housing markets. The results also reflected the higher levels of buyer demand compared with stock levels which were occurring in the Sydney and Melbourne markets where overall conditions favour the seller rather than buyer. It's no coincidence that these two cities have also been the strongest capital growth performers over the past year.

Index scores are based on the ratio of homes available for sale compared with the number of mortgage commitments adjusted for market share. 1 – Extreme buyer's market, 2 – Buyer's market, 3 – Balanced market, 4 – Seller's market, 5 – Extreme seller's market

#### HBI by state – Jan 2015

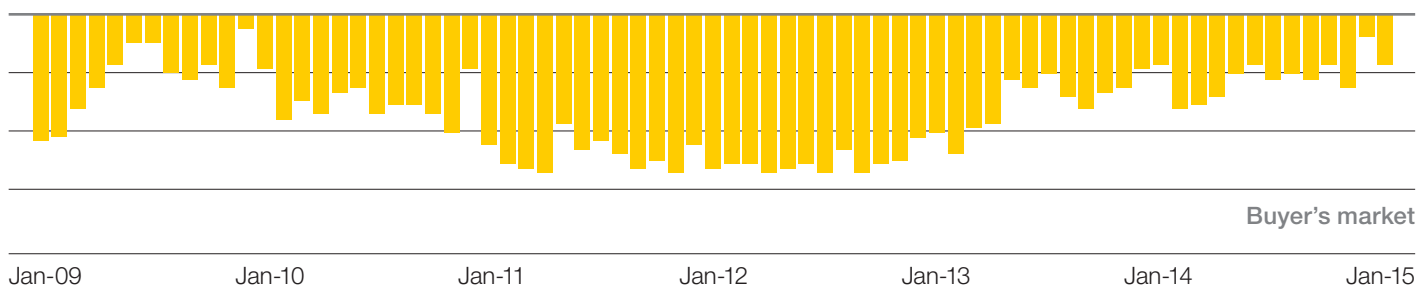
State	HBI Score Jan-14	HBI Score Oct-14	HBI Score Jan-15	Comments
NSW	3	3	3	Balanced market
VIC	3	3	3	Balanced market
QLD	2	2	2	Buyer's market
SA	3	3	3	Balanced market
WA	3	3	2	Buyer's market
TAS	1	1	1	Extreme buyer's market
NT	3	2	2	Buyer's market
National	3	3	3	Balanced market

#### HBI by capital city – Jan 2015

City	HBI Score Jan-14	HBI Score Oct-14	HBI Score Jan-15	Comments
Sydney	5	4	5	Extreme seller's market
Melbourne	4	4	4	Seller's market
Brisbane	2	2	2	Buyer's market
Adelaide	3	3	3	Balanced market
Perth	3	3	3	Balanced market
Hobart	2	2	2	Buyer's market
Darwin	3	2	2	Buyer's market

#### National Home Buyers Index over time

Seller's market



Buyer's market

Jan-09

Jan-10

Jan-11

Jan-12

Jan-13

Jan-14

Jan-15

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## Across the capital cities

### Sydney (Extreme seller's market)

Market conditions in Sydney remained favourable to sellers over the three months to January, however, conditions became even more favourable for buyers throughout the three month period. Homes which are appropriately priced are selling quickly and often above list price and buyers have much less negotiating power.

### Melbourne (Seller's market)

Melbourne's housing market conditions have shifted further in favour of sellers both over the past year and most recent three month period. Well priced properties are seeing a high level of demand, plenty of offers and are selling rapidly.

### Brisbane (Buyer's market)

Selling conditions across Brisbane have weakened marginally over the past year and the past three months although overall the city remains a market that is in favour of buyers rather than sellers. Buyers still hold greater power when it comes to negotiating the purchase of a home with most sellers having to reduce their initial list price in order to achieve a sale.

### Adelaide (Balanced market)

Adelaide is showing balanced market conditions between buyers and sellers as it has consistently done so over the past year. When negotiating on the sale of a home currently in Adelaide there was a fairly equal level of power between both parties.

### Perth (Balanced market)

The Perth housing market has remained a balanced market over the past year. Stock levels and housing demand is in relative equilibrium with neither side of the sales process having significant power in negotiations over the other.

### Hobart (Buyer's market)

Hobart's index is virtually unchanged over the past year continuing to show conditions which are more favourable for buyers rather than sellers. Effective supply continues to outweigh effective demand, which results in a stronger negotiation position for buyers.

### Darwin (Buyer's market)

Conditions across the Darwin housing market have deteriorated over the past year and now show buyer's market conditions. This means that there is more stock available for sale than there are active buyers.

## Top 10 best sellers' markets, national

Rank	Region	State	HBI Indicator
1	Sydney	NSW	Extreme seller's market
2	Melbourne	VIC	Seller's market
3	Central Highlands	VIC	Balanced market
4	Adelaide	SA	Balanced market
5	Loddon	VIC	Balanced market
6	Ovens-Murray	VIC	Balanced market
7	Barwon	VIC	Balanced market
8	Perth	WA	Balanced market
8	Illawarra	NSW	Balanced market
10	Mallee	VIC	Balanced market

Predominately regions within Victoria are showing the best overall selling conditions and this is reflected in the adjacent data. Australia's two largest capital cities (Sydney and Melbourne) are two of the strongest markets for selling a residential property. The best sellers' markets list includes four capital cities with each of the non-capital city regions listed located in Victoria except for Illawarra.

## Top 10 best buyers' markets, national

Rank	Region	State	HBI Indicator
1	Mersey-Lyell	TAS	Extreme buyer's market
2	Wide Bay-Burnett	QLD	Extreme buyer's market
3	South West	QLD	Extreme buyer's market
4	Mackay	QLD	Extreme buyer's market
5	West Moreton	QLD	Extreme buyer's market
6	Southern	TAS	Extreme buyer's market
7	Lower Great Southern	WA	Extreme buyer's market
8	Far West	NSW	Extreme buyer's market
9	Richmond-Tweed	NSW	Extreme buyer's market
10	Northern	QLD	Extreme buyer's market

Queensland dominates the list for the best markets for buyers nationally. There are no capital cities listed as best buyers' markets and most are coastal / lifestyle markets or those linked to the resources sector. All of those areas listed are seeing a heightened level of homes available for sale relative to current demand.

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## HBI for Sydney regions

Region	Jan-14	Oct-14	Jan-15	HBI Indicator
Blacktown	5	5	5	Extreme seller's market
Canterbury-Bankstown	5	4	4	Seller's market
Central Northern Sydney	5	4	4	Seller's market
Central Western Sydney	5	5	5	Extreme seller's market
Eastern Suburbs	5	4	5	Extreme seller's market
Fairfield-Liverpool	4	5	5	Extreme seller's market
Gosford-Wyong	3	3	3	Balanced market
Inner Sydney	5	5	5	Extreme seller's market
Inner Western Sydney	5	4	4	Seller's market
Lower Northern Sydney	5	4	4	Seller's market
Northern Beaches	4	4	5	Extreme seller's market
Outer South Western Sydney	5	5	5	Extreme seller's market
Outer Western Sydney	4	4	5	Extreme seller's market
St George-Sutherland	5	4	4	Seller's market

Sydney is currently experiencing strong selling conditions for residential property and this is reflected when you look at individual areas. Blacktown, Central Western Sydney, Eastern Suburbs, Fairfield-Liverpool, Inner Sydney, Northern Beaches, Outer South Western Sydney and Outer Western Sydney are all showing 'Extreme seller's market' conditions. All other regions except for Gosford-Wyong are showing conditions which are more favourable for sellers as opposed to buyers.

## HBI for Melbourne regions

Region	Jan-14	Oct-14	Jan-15	HBI Indicator
Boroondara City	4	3	4	Seller's market
Eastern Middle Melbourne	4	4	3	Balanced market
Eastern Outer Melbourne	5	4	5	Extreme seller's market
Frankston City	3	4	3	Balanced market
Greater Dandenong City	3	4	3	Balanced market
Hume City	4	5	5	Extreme seller's market
Inner Melbourne	3	3	3	Balanced market
Melton-Wyndham	4	5	4	Seller's market
Moreland City	4	4	4	Seller's market
Mornington Peninsula Shire	2	3	2	Buyer's market
Northern Middle Melbourne	5	4	4	Seller's market
Northern Outer Melbourne	5	5	5	Extreme seller's market
South Eastern Outer Melbourne	4	5	5	Extreme seller's market
Southern Melbourne	4	4	4	Seller's market
Western Melbourne	3	4	3	Balanced market
Yarra Ranges Shire Part A	4	4	4	Seller's market

Overall Melbourne's housing market conditions are more in favour of the seller than the buyer. Eastern Middle Melbourne, Frankston City, Greater Dandenong City, Inner Melbourne and Western Melbourne are showing balanced conditions. In all other regions conditions favour sellers over buyers with the Mornington Peninsula Shire the one exception with better buying conditions than selling. The best Melbourne markets for sellers are currently: Eastern Outer Melbourne, Hume City, Northern Outer Melbourne and South Eastern Outer Melbourne.

## HBI for Brisbane regions

Region	Jan-14	Oct-14	Jan-15	HBI Indicator
Beaudesert Shire Part A	2	2	2	Buyer's market
Caboolture Shire	1	1	2	Buyer's market
Inner Brisbane	2	3	2	Buyer's market
Ipswich City	2	2	2	Buyer's market
Logan City	2	2	2	Buyer's market
Northwest Inner Brisbane	3	2	2	Buyer's market
Northwest Outer Brisbane	3	3	3	Balanced market
Pine Rivers Shire	2	3	3	Balanced market
Redcliffe City	2	1	2	Buyer's market
Redland Shire	2	2	2	Buyer's market
Southeast Inner Brisbane	3	3	3	Balanced market
Southeast Outer Brisbane	3	3	3	Balanced market

The Brisbane housing market is broadly showing conditions which are in favour of the buyer. This is reflected across the regions of the city with many showing 'Buyer's market' conditions. Balanced market conditions are more prevalent within the areas more centrally located to the Brisbane CBD. There's been very little movement in market conditions across the Brisbane regions over the past year.

## HBI for Adelaide regions

Region	Jan-14	Oct-14	Jan-15	HBI Indicator
Eastern Adelaide	3	4	3	Balanced market
Northern Adelaide	3	3	3	Balanced market
Southern Adelaide	3	3	3	Balanced market
Western Adelaide	3	3	3	Balanced market

The Adelaide market was showing balanced conditions across all regions in January 2015. Over the past year, conditions have remained stable across each region of the city except Eastern Adelaide where they rose in favour of sellers throughout the year.

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## HBI for Perth regions

Region	Jan-14	Oct-14	Jan-15	HBI Indicator
Central Metropolitan	3	3	2	Buyer's market
East Metropolitan	3	3	3	Balanced market
North Metropolitan	4	3	3	Balanced market
South East Metropolitan	3	3	3	Balanced market
South West Metropolitan	3	3	3	Balanced market

Housing conditions have remained balanced between buyers and sellers across Perth over the past year. This reflected across each individual region of the city except Central Metropolitan where conditions are in favour of the buyer.

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