CoreLogic

Hedonic Home Value Index

EMBARGOED: 0:01am, Monday 1 July 2024

Australian homeowners gain $59K wealth boost from rising housing values in FY24

Australian dwelling values increased a further 0.7% in June, taking growth to 8.0% across FY2023-24. This is the equivalent of a $59,000 increase to the median dwelling value in Australia, which is now $794,000.

The annual rise was in stark contrast to the FY2022-23 when CoreLogic's national index was down -2.0%. In that year, annual growth was weighed down by a -7.5% drop in values in the nine months following May 2022, when the cash rate target started to rise.

Despite the strong annual gain, the trend growth rate has eased since the highs of mid-2023 when the quarterly rate of change peaked at 3.3%. The most recent June quarter saw dwelling values rise by 1.8% which is roughly in line with the March quarter (1.9%) and December quarter last year (1.8%).

CoreLogic's research director Tim Lawless said the national index has found a groove, rising between 0.5% to 0.8% month on month since February. "The persistent growth comes despite an array of downside risks including high rates, cost of living pressures, affordability challenges and tight credit policy. The housing market resilience comes back to tight supply levels which are keeping upwards pressure on values."

Beneath the national headline numbers the market is running at different speeds, but most regions are trending higher in value. Melbourne and regional Victoria were the exceptions, with values down -0.2% and -0.3% respectively over the month. Hobart has also shown weaker conditions, although values were relatively flat in June (+0.1%). Hobart joined Melbourne and regional Victoria recording a subtle decline in values over the June quarter (-0.3%) to be slightly lower over the financial year (-0.1%). Regional Victoria was the only other broad region to record a fall in values over the year, down half a percent.

Strong conditions have remained a feature of the mid-sized capitals, especially Perth where values surged another 2.0% in June to be 23.6% higher over the year. Adelaide values increased 1.7% in June to be 15.4% higher over the financial year and Brisbane values were 1.2% higher over the month and 15.8% higher over the year.

Regional markets have shown a similar trend to the capitals, with Regional WA leading the pace of capital gains with a 1.5% rise in June and 16.6% increase over the financial year. Regional SA and Regional Qld have also recorded strong growth conditions while regional Victorian dwelling values fell by half a percent over the year and regional Tasmania recorded a mild 0.7% rise.

The growth trends are reflected in advertised stock levels, with the strongest markets continuing to show a severe shortage of homes available for sale. Over the four weeks ending June, the number of homes advertised for sale in Perth were 23% lower than at same time last year and 47% lower than the previous five year average. Adelaide (-43%) and Brisbane (-34%) are also recording real estate listings that are significantly below average for this time of year.

On the other hand, Melbourne listings have risen to be 14% above the five year average and Hobart listings have been elevated for several years, tracking 46% above average.

Demand side factors have also been influential, especially with interstate migration rates tracking well above average in WA, Queensland and previously SA.

Strong housing demand, despite downside factors, is also evident in the estimated volume of home sales. Nationally, the annual number of homes sold was 8.6% higher than a year ago and 4.8% above the previous five year average. The largest jump in annual sales relative to the historic five-year average has been in Perth, where the number of homes sold last year was 29% above average levels.

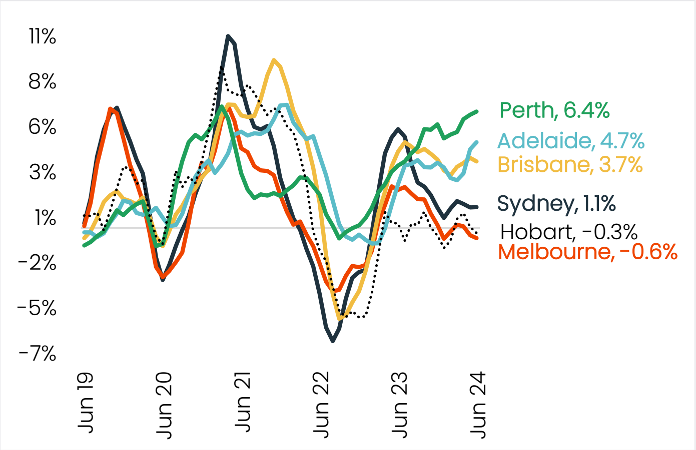
Index results as at 30 June, 2024

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.5%	1.1%	6.3%	9.6%	$1,170,152
Melbourne	-0.2%	-0.6%	1.3%	4.9%	$783,205
Brisbane	1.2%	3.7%	15.8%	20.5%	$859,240
Adelaide	1.7%	4.7%	15.4%	20.0%	$767,974
Perth	2.0%	6.4%	23.6%	29.5%	$757,399
Hobart	0.1%	-0.3%	-0.1%	4.0%	$645,850
Darwin	0.0%	1.0%	2.4%	9.0%	$504,687
Canberra	0.3%	0.8%	2.2%	6.4%	$870,071
Combined capitals	**0.7%**	**1.8%**	**8.3%**	**12.3%**	**$878,414**
Combined regional	**0.6%**	**1.9%**	**7.0%**	**11.8%**	**$627,872**
National	**0.7%**	**1.8%**	**8.0%**	**12.2%**	**$793,883**

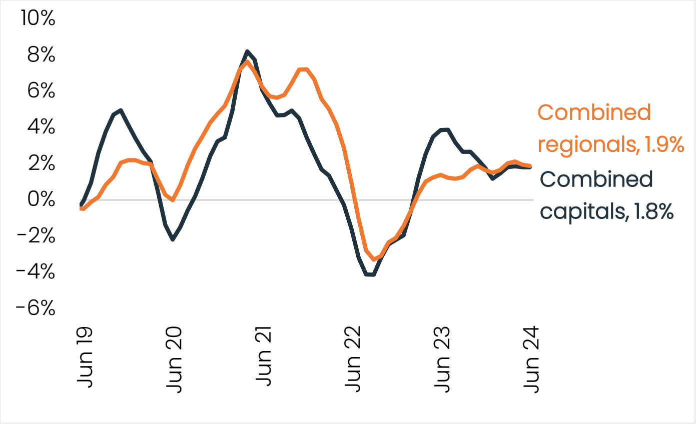
CoreLogic Home Value Index
Released 01 July 2024

Media enquiries: media@corelogic.com

Rolling three-month change in dwelling values
State capitals



Rolling three-month change in dwelling values
Combined capitals v Combined regionals

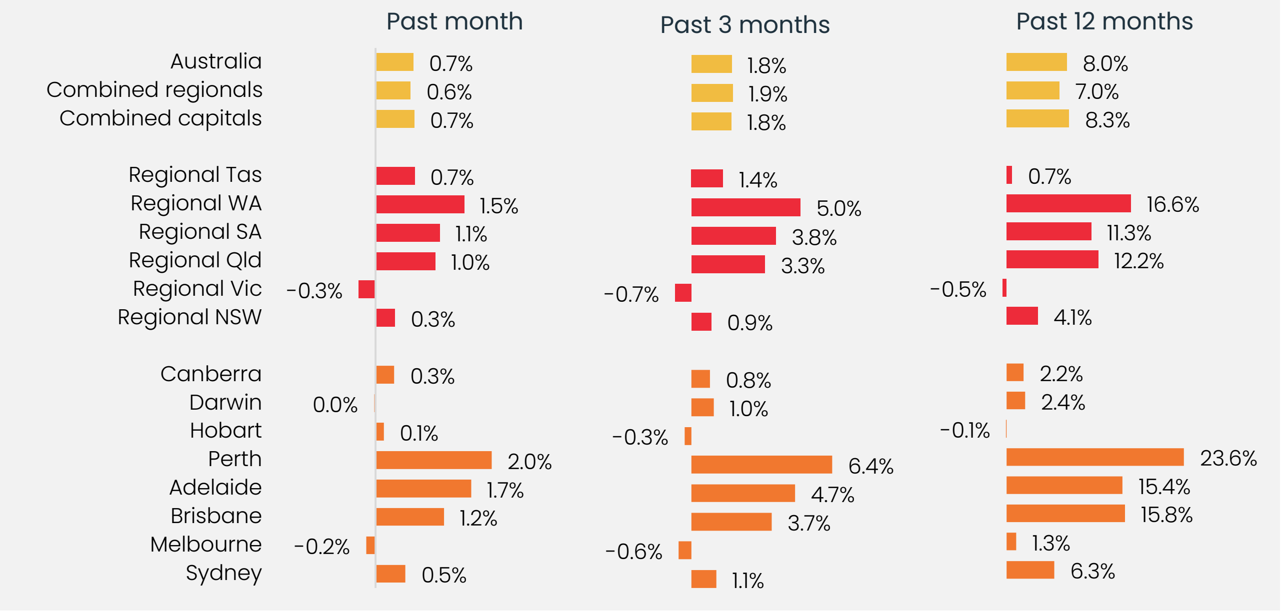


Summary of housing values since the onset of COVID in March 20220 and relative to peak levels

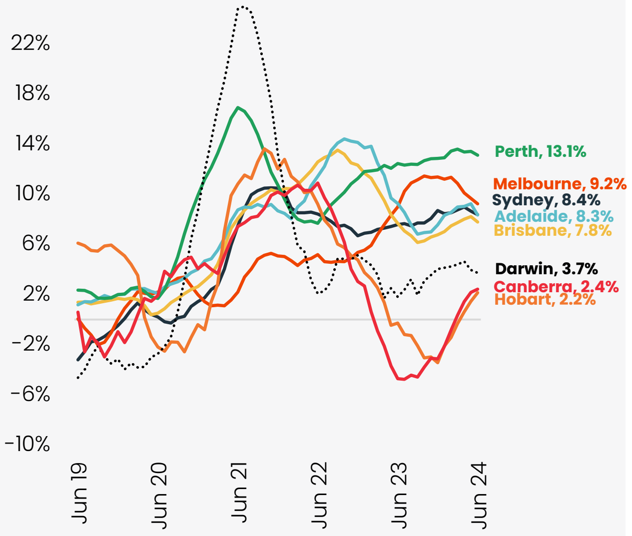
	Onset of COVID to June 2024 %	Onset of COVID to June 2024 $	Change from series peak to May 2024	Series Peak date
Sydney	28.2%	$257,733	<at peak>	Jun 24
Melbourne	11.2%	$78,931	-3.9%	Mar 22
Brisbane	61.5%	$327,148	<at peak>	Jun 24
Adelaide	63.9%	$299,550	<at peak>	Jun 24
Perth	66.6%	$302,759	<at peak>	Jun 24
Hobart	28.1%	$141,576	-11.7%	Mar 22
Darwin	25.7%	$103,142	-5.7%	May 14
Canberra	32.2%	$211,991	-5.4%	May 22
Regional NSW	48.7%	$239,870	-3.2%	May 22
Regional Vic	33.2%	$140,774	-6.7%	May 22
Regional Qld	62.4%	$247,183	<at peak>	Jun 24
Regional SA	62.9%	$164,428	<at peak>	Jun 24
Regional WA	64.5%	$201,730	<at peak>	Jun 24
Regional Tas	46.6%	$163,931	-3.6%	May 22
Combined capitals	32.6%	$216,116	<at peak>	Jun 24
Combined regional	52.1%	$215,190	<at peak>	Jun 24
National	36.8%	$213,393	<at peak>	Jun 24

Onset of COVID calculated from March 2020

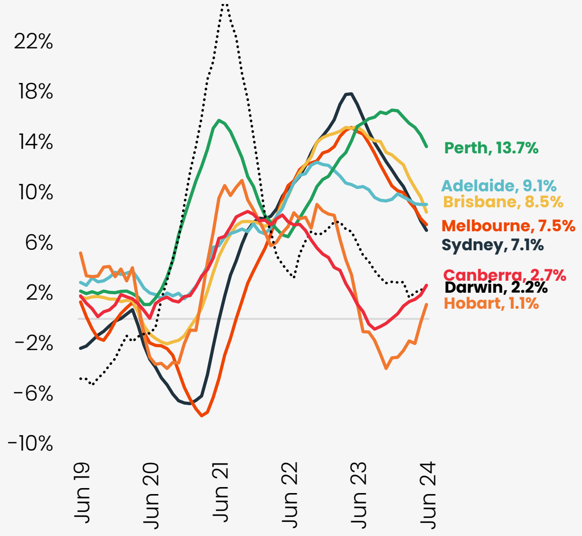
Change in dwelling values to end of June 2024



Annual change in rents, Houses



Annual change in rents, Units



Rental growth is easing but remains well above average with CoreLogic's national rental index recording a monthly rise of 0.4% (lowest since September last year) and an annual rise of 8.2% (lowest since November last year).

The slowdown in rental growth is most evident across the unit sector of Australia's three largest capitals. Sydney's unit market has recorded the largest drop in annual rental growth over the past financial year, reducing by 10 percentage points to 7.1%. The annual change in Melbourne unit rents has eased from 14.9% to 7.5% in the period, and growth in Brisbane unit rents has dropped by 6.8 percentage points to 8.5%.

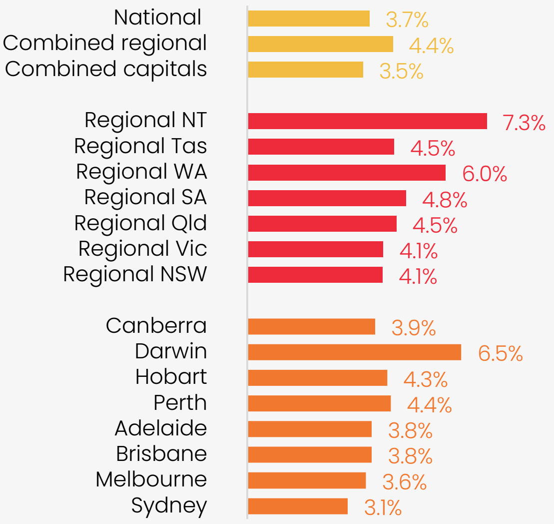
These cities also have the most exposure to overseas migration, which has slowed sharply since moving through record highs last year. With net overseas migration continuing to normalise we could see a further easing in rent growth, especially across inner city unit markets. There is also likely to be seasonal factors at play, as rental demand from students tends to peak in the first quarter of the year.

Another factor contributing to slower rental growth across the unit sector is likely to be affordability. National unit rents are up 22% over the past two years compared with a 16% rise in house rents over the same period. CoreLogic affordability metrics to March showed the median income household would need to dedicate 32.2% of their gross annual income to rental payments, the highest portion on record.

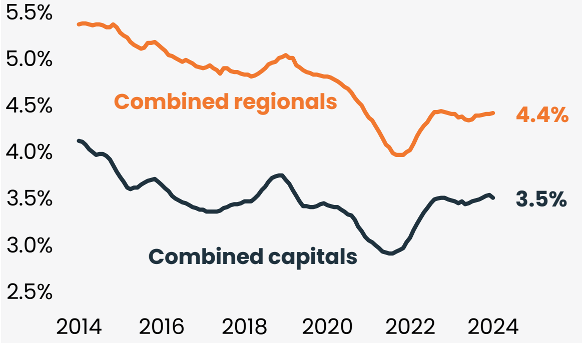
Despite the slowdown in rental growth across some markets, rents are still rising at an above average pace across most regions and housing types. Nationally, the decade average rate of annual rental growth prior to the pandemic was just 2.0%.

Gross rental yields have stabilised, holding around 3.5% across the capitals since early 2023 and regional yields holding around 4.4%.

Gross rental yields, dwellings



Gross rental yields, dwellings



An undersupply of housing remains the primary factor keeping upwards pressure on home values despite a growing element of downside risk.

"We can loosely categorise housing supply into advertised listings, which provide a measure of available supply, newly built homes and rental supply. We could also add social housing to the list. Each of these components remain insufficient to varying degrees, to cater for housing demand which is why we are seeing values persistently rising at a time when interest rates and inflationary pressures are high, sentiment is deeply pessimistic and credit policy is tight," Mr Lawless said.

Most cities are now seeing more new listings coming to market as vendors become more active. Nationally, the flow of freshly advertised stock was tracking 12% higher than a year ago and 4% above the previous five year average. However, most of these homes are being purchased as fast as they are added to the market, with total advertised supply levels nearly 18% below the previous five year average.

"The rise in new listings could be a signal that more homeowners are motivated or needing to sell. It is clear that savings accrued through the pandemic are being drawn down for some households due to the combination of a high cost of living and elevated debt levels running up against interest rates that look set to remain higher for longer," Mr Lawless said.

Despite what is likely to be an increased level of financial hardship among households, the latest data from APRA for the March quarter shows mortgage arrears are rising but contained. The combined arrears rate (loans 30-89 days past due plus non-performing loans) reached 1.6% in the first quarter of the year, but slightly lower than arrears at the onset of COVID (1.8%).

With inflation remaining high and the risk of another rate hike or a longer period before interest rates come down, its likely mortgage stress and arrears will rise further. The risk of financial stress is amplified by a combination of high household debt levels and loosening labour market conditions.

Given the strong and broad based rates of capital gain over the past four years, most homeowners who need to sell should be able to clear their mortgage debt. CoreLogic's latest Pain & Gain report highlighted the vast majority of vendors are selling their homes for a gross profit on resale, with only 5.7% of homes selling at a gross loss, the lowest portion in fourteen years. Similarly, the RBA's latest Financial Stability Review estimated only around 1% of home loans had a debt level higher than the asset value.

Although the risks facing the housing sector are growing, we are still expecting home values to rise, at least into the near term. A material rise in new dwelling supply is likely to be a long time coming, considering approvals are holding well below average and barriers to construction, including compressed profit margins and scarce labour supply, remain significant.

Until supply and demand rebalance there is likely to be further upwards pressure on home values.

CoreLogic Home Value Index tables

	Capitals								Rest of state regions							Aggregate indices		
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Regional NSW	Regional Vic	Regional Qld	Regional SA	Regional WA	Regional Tas	Regional NT	Combined capitals	Combined regional	National
All Dwellings																		
Month	0.5%	-0.2%	1.2%	1.7%	2.0%	0.1%	0.0%	0.3%	0.3%	-0.3%	1.0%	1.1%	1.5%	0.7%	na	0.7%	0.6%	0.7%
Quarter	1.1%	-0.6%	3.7%	4.7%	6.4%	-0.3%	1.0%	0.8%	0.9%	-0.7%	3.3%	3.8%	5.0%	1.4%	na	1.8%	1.9%	1.8%
YTD	2.6%	-0.4%	7.1%	7.5%	12.0%	0.2%	1.6%	1.2%	2.2%	-0.8%	6.8%	6.9%	9.3%	2.5%	na	3.7%	3.9%	3.7%
Annual	6.3%	1.3%	15.8%	15.4%	23.6%	-0.1%	2.4%	2.2%	4.1%	-0.5%	12.2%	11.3%	16.6%	0.7%	na	8.3%	7.0%	8.0%
Total return	9.6%	4.9%	20.5%	20.0%	29.5%	4.0%	9.0%	6.4%	8.2%	3.7%	17.7%	18.2%	23.9%	5.3%	n a	12.3%	11.8%	12.2%
Gross yield	3.1%	3.6%	3.8%	3.8%	4.4%	4.3%	6.5%	3.9%	4.1%	4.1%	4.5%	4.8%	6.0%	4.5%	na	3.5%	4.4%	3.7%
Median value	$1,170,152	$783,205	$859,240	$767,974	$757,399	$645,850	$504,687	$870,071	$732,864	$564,816	$643,202	$425,934	$514,642	$515,652	na	$878,414	$627,872	$793,883
Houses																		
Month	0.5%	-0.3%	1.1%	1.6%	2.0%	-0.2%	0.6%	0.5%	0.3%	-0.3%	1.1%	1.2%	1.6%	0.7%	-0.5%	0.6%	0.6%	0.6%
Quarter	1.1%	-0.9%	3.3%	4.6%	6.4%	-0.7%	2.8%	1.2%	0.9%	-0.8%	3.5%	4.0%	5.0%	1.8%	2.0%	1.9%	1.9%	1.9%
YTD	2.8%	-0.6%	6.5%	7.1%	11.8%	-0.1%	3.3%	1.7%	2.2%	-0.8%	7.0%	7.1%	9.5%	2.2%	1.9%	3.9%	3.9%	3.9%
Annual	6.8%	1.2%	15.2%	15.1%	23.7%	-0.3%	3.1%	3.2%	4.0%	-0.4%	12.3%	11.4%	16.9%	0.2%	-2.9%	9.0%	6.8%	8.4%
Total return	9.7%	4.4%	19.5%	19.4%	29.3%	3.6%	9.0%	7.2%	7.9%	3.6%	17.9%	18.2%	24.1%	4.8%	3.9%	12.7%	11.5%	12.5%
Gross yield	2.7%	3.1%	3.5%	3.6%	4.2%	4.2%	6.0%	3.6%	4.1%	4.1%	4.4%	4.8%	5.9%	4.4%	7.1%	3.2%	4.4%	3.5%
Median value	$1,466,475	$948,879	$953,028	$824,669	$791,926	$691,339	$589,166	$986,414	$763,364	$596,580	$644,987	$437,854	$532,116	$537,285	$442,837	$992,473	$644,604	$860,454
Units																		
Month	0.7%	0.2%	1.8%	1.9%	2.2%	1.5%	-1.4%	-0.3%	0.3%	-0.4%	0.9%	-0.2%	0.8%	0.6%	na	0.8%	0.5%	0.7%
Quarter	1.1%	0.3%	5.6%	5.9%	6.8%	1.4%	-2.5%	-0.5%	1.0%	-0.5%	2.9%	1.8%	4.0%	-1.5%	na	1.7%	1.9%	1.7%
YTD	2.2%	-0.1%	10.3%	10.0%	13.7%	1.5%	-1.6%	-0.8%	2.6%	-0.4%	6.1%	2.5%	5.3%	5.0%	na	2.9%	4.3%	3.1%
Annual	5.0%	1.5%	18.8%	18.0%	22.9%	0.8%	1.3%	-1.1%	4.7%	-1.2%	11.8%	9.4%	10.2%	5.5%	na	6.2%	7.9%	6.5%
Total return	9.3%	6.2%	25.0%	23.8%	30.5%	5.7%	8.8%	3.9%	9.4%	4.5%	17.2%	18.9%	19.4%	10.6%	na	11.0%	13.3%	11.4%
Gross yield	4.0%	4.7%	4.8%	4.8%	5.9%	4.6%	7.5%	5.1%	4.4%	4.8%	4.9%	5.7%	8.3%	5.0%	na	4.5%	4.8%	4.5%
Median value	$855,468	$610,102	$622,567	$530,514	$530,744	$532,172	$363,748	$587,051	$590,376	$402,974	$638,006	$299,479	$330,616	$390,734	na	$670,541	$548,757	$649,464

SA3 Leagues tables: Top 10 Capital city regions with highest 12-month value growth

Rank	SA3 Name	SA4 Name	Median Value	Annual change
Greater Sydney				
1	Mount Druitt	Blacktown	$859,939	13.96%
2	Fairfield	South West	$1,090,811	13.89%
3	Canterbury	Inner South West	$1,127,625	13.45%
4	Merrylands - Guildford	Parramatta	$1,111,493	11.54%
5	Bankstown	Inner South West	$1,299,878	10.66%
6	Eastern Suburbs - South	Eastern Suburbs	$1,561,580	10.46%
7	Blacktown	Blacktown	$1,037,577	10.44%
8	Liverpool	South West	$1,035,615	10.10%
9	Campbelltown (NSW)	Outer South West	$890,831	10.07%
10	St Marys	Outer West and Blue Mountains	$949,599	9.39%
Greater Melbourne				
1	Moreland - North	North West	$746,488	4.71%
2	Kingston	Inner South	$1,045,116	4.47%
3	Darebin - North	North East	$742,866	4.44%
4	Casey - South	South East	$755,408	4.01%
5	Dandenong	South East	$742,059	3.93%
6	Nillumbik - Kinglake	North East	$1,137,788	3.75%
7	Yarra	Inner	$828,829	3.38%
8	Essendon	Inner	$793,448	3.35%
9	Keilor	North West	$945,601	3.27%
10	Tullamarine - Broadmeadows	North West	$672,398	3.24%
Greater Brisbane				
1	Springwood - Kingston	Logan - Beaudesert	$710,569	25.55%
2	Loganlea - Carbrook	Logan - Beaudesert	$758,838	21.51%
3	Forest Lake - Oxley	Ipswich	$730,280	21.48%
4	Rocklea - Acacia Ridge	South	$997,104	19.50%
5	Beenleigh	Logan - Beaudesert	$674,757	19.33%
6	Browns Plains	Logan - Beaudesert	$720,000	19.19%
7	Chermside	North	$1,062,795	19.10%
8	Ipswich Inner	Ipswich	$629,380	19.00%
9	Holland Park - Yeronga	South	$951,815	18.44%
10	Nathan	South	$1,136,291	18.23%
Greater Adelaide				
1	Playford	North	$530,991	19.94%
2	Salisbury	North	$634,317	19.04%
3	Burnside	Central and Hills	$1,526,969	18.97%
4	Campbelltown (SA)	Central and Hills	$934,870	17.84%
5	Gawler - Two Wells	North	$631,901	17.80%
6	Unley	Central and Hills	$1,319,347	17.50%
7	Charles Sturt	West	$885,496	16.12%
8	Port Adelaide - West	West	$747,559	15.94%
9	Holdfast Bay	South	$997,697	15.84%
10	Port Adelaide - East	North	$776,739	15.59%

Rank	SA3 Name	SA4 Name	Median Value	Annual change
Greater Perth				
1	Kwinana	South West	$618,925	33.19%
2	Armadale	South East	$678,832	32.26%
3	Gosnells	South East	$677,844	30.36%
4	Rockingham	South West	$698,767	28.36%
5	Mandurah	Mandurah	$671,834	27.82%
6	Canning	South East	$847,807	27.75%
7	Cockburn	South West	$814,853	27.60%
8	Swan	North East	$684,616	27.21%
9	Wanneroo	North West	$719,832	26.95%
10	Serpentine - Jarrahdale	South East	$700,548	26.00%
Greater Hobart				
1	Sorell - Dodges Ferry	Hobart	$615,973	2.78%
2	Hobart - South and West	Hobart	$776,639	2.38%
3	Brighton	Hobart	$531,794	0.48%
4	Hobart Inner	Hobart	$830,373	0.40%
5	Hobart - North West	Hobart	$533,354	-0.37%
6	Hobart - North East	Hobart	$680,875	-2.15%
Greater Darwin				
1	Litchfield	Darwin	$672,003	3.21%
2	Darwin Suburbs	Darwin	$496,082	2.93%
3	Palmerston	Darwin	$481,504	2.20%
4	Darwin City	Darwin	$473,620	1.76%
ACT				
1	Weston Creek	ACT	$937,740	5.24%
2	Tuggeranong	ACT	$842,848	3.79%
3	South Canberra	ACT	$920,384	2.77%
4	North Canberra	ACT	$888,922	2.60%
5	Belconnen	ACT	$835,173	2.03%
6	Molonglo	ACT	$846,083	1.86%
7	Woden Valley	ACT	$1,033,194	0.47%
8	Gungahlin	ACT	$915,496	0.03%

Data source: CoreLogic

About the data
Median values refer to the middle of valuations observed in the region
Growth rates are based on changes in the CoreLogic Home Value index, which take into account value changes across the market
Only metrics with a minimum of 20 sales observations and a low standard error on the median valuation have been included

What is an SA3 region?
SA3's provide an insight into the housing performance across the sub-regions of each capital city and regional area of the country.

SA3 regions are part of the Australian Statistical Geography Standard (ASGS) updated and maintained by the Australia Bureau of Statistics. SA3s are often the functional areas of regional towns and cities with a population in excess of 20,000 or clusters of related suburbs around urban commercial and transport hubs within the major urban areas.

Media enquiries: media@corelogic.com

SA3 Leagues tables: Top 10 Non-capital city regions with highest 12-month value growth

Rank	SA3 Name	SA4 Name	Median Value	Annual change
		Regional NSW		
1	Richmond Valley - Hinterland	Richmond - Tweed	$515,523	12.72%
2	Upper Hunter	Hunter Valley exc Newcastle	$479,549	10.31%
3	Tweed Valley	Richmond - Tweed	$984,404	9.26%
4	Tumut - Tumbarumba	Riverina	$400,717	8.91%
5	Kiama - Shellharbour	Illawarra	$948,820	8.65%
6	Dapto - Port Kembla	Illawarra	$831,248	8.63%
7	Bathurst	Central West	$614,308	7.93%
8	Lake Macquarie - East	Newcastle and Lake Macquarie	$914,568	6.89%
9	Wollongong	Illawarra	$1,098,003	6.85%
10	Young - Yass	Capital Region	$613,102	5.83%
		Regional VIC		
1	Campaspe	Shepparton	$475,023	12.60%
2	Loddon - Elmore	Bendigo	$378,315	7.20%
3	Shepparton	Shepparton	$466,414	6.52%
4	Upper Goulburn Valley	Hume	$574,820	5.51%
5	Heathcote - Castlemaine - Kyneton	Bendigo	$756,335	2.80%
6	Wodonga - Alpine	Hume	$573,489	2.56%
7	Grampians	North West	$326,447	2.56%
8	Latrobe Valley	Latrobe - Gippsland	$406,142	2.30%
9	Mildura	North West	$403,962	1.24%
10	Bendigo	Bendigo	$552,370	1.23%
		Regional QLD		
1	Townsville	Townsville	$471,942	20.11%
2	Charters Towers - Ayr - Ingham	Townsville	$261,436	17.55%
3	Rockhampton	Central Queensland	$502,774	16.84%
4	Mudgeeraba - Tallebudgera	Gold Coast	$1,362,423	16.19%
5	Granite Belt	Darling Downs - Maranoa	$454,434	16.15%
6	Gladstone	Central Queensland	$468,559	16.14%
7	Buderim	Sunshine Coast	$1,110,111	15.96%
8	Southport	Gold Coast	$895,461	15.58%
9	Broadbeach - Burleigh	Gold Coast	$1,233,233	14.39%
10	Robina	Gold Coast	$1,015,064	14.34%
		Regional SA		
1	Barossa	Barossa - Yorke - Mid North	$620,735	18.49%
2	Yorke Peninsula	Barossa - Yorke - Mid North	$449,687	17.07%
3	Fleurieu - Kangaroo Island	South East	$675,497	11.21%
4	Limestone Coast	South East	$410,458	8.72%
5	Murray and Mallee	South East	$389,130	7.54%
6	Eyre Peninsula and South West	Outback	$317,171	5.76%

Rank	SA3 Name	SA4 Name	Median Value	Annual change
		Regional WA		
1	Bunbury	Bunbury	$582,121	23.84%
2	Augusta - Margaret River - Busselton	Bunbury	$863,049	21.58%
3	Mid West	Outback (South)	$402,526	20.14%
4	Manjimup	Bunbury	$483,891	15.36%
5	Gascoyne	Outback (South)	$393,822	15.33%
6	Wheat Belt - North	Wheat Belt	$388,405	14.93%
7	Albany	Wheat Belt	$526,992	11.92%
8	Goldfields	Outback (South)	$328,227	9.17%
9	West Pilbara	Outback (North)	$541,404	7.03%
10	Kimberley	Outback (North)	$468,352	2.30%
		Regional TAS		
1	Burnie - Ulverstone	West and North West	$451,119	3.05%
2	Launceston	Launceston and North East	$545,927	3.04%
3	Devonport	West and North West	$496,016	0.84%
4	North East	Launceston and North East	$502,358	-1.20%
5	Central Highlands (Tas.)	South East	$437,544	-1.62%
6	Meander Valley - West Tamar	Launceston and North East	$542,538	-2.36%
7	South East Coast	South East	$639,994	-2.61%
6	Meander Valley - West Tamar	Launceston and North East	$542,538	-2.36%

Data source: CoreLogic

About the data
Median values refer to the middle of valuations observed in the region
Growth rates are based on changes in the CoreLogic Home Value index, which take into account value changes across the market
Only metrics with a minimum of 20 sales observations and a low standard error on the median valuation have been included

What is an SA3 region?
SA3's provide an insight into the housing performance across the sub-regions of each capital city and regional area of the country.

SA3 regions are part of the Australian Statistical Geography Standard (ASGS) updated and maintained by the Australia Bureau of Statistics. SA3s are often the functional areas of regional towns and cities with a population in excess of 20,000 or clusters of related suburbs around urban commercial and transport hubs within the major urban areas.

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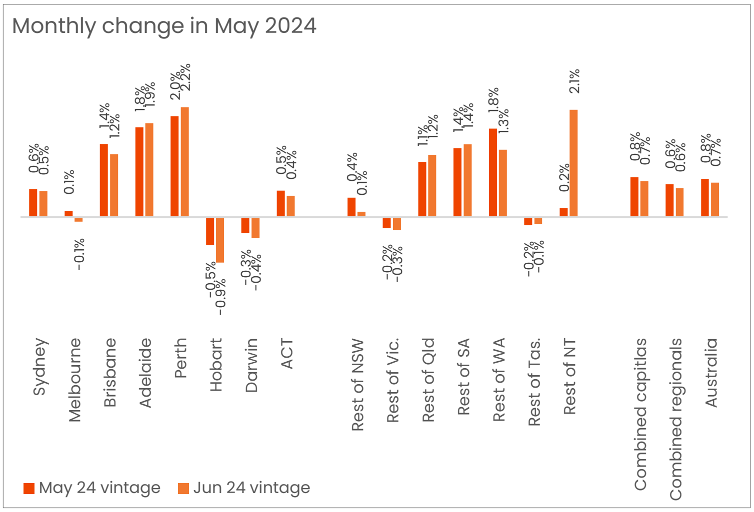
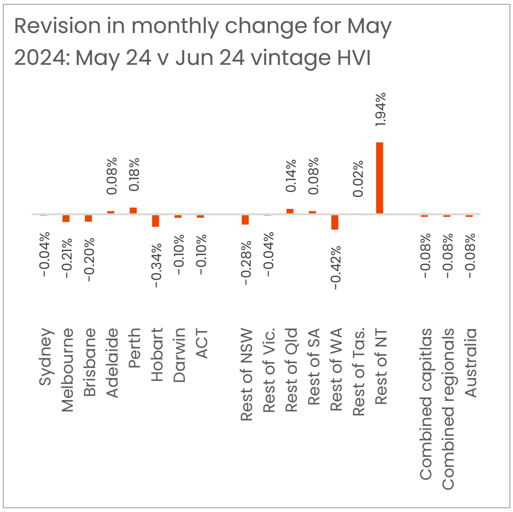
Prior month level of revision





Disclaimers

CoreLogic is the largest independent provider of property information, analytics and property-related risk management services in Australia and New Zealand.

Methodology

The CoreLogic Hedonic Home Value Index (HVI) is calculated using a hedonic regression methodology that addresses the issue of compositional bias associated with median price and other measures. In simple terms, the index is calculated using recent sales data combined with information about the attributes of individual properties such as the number of bedrooms and bathrooms, land area and geographical context of the dwelling. By separating each property into its various formational and locational attributes, observed sales values for each property can be distinguished between those attributed to the property's attributes and those resulting from changes in the underlying residential property market. Additionally, by understanding the value associated with each attribute of a given property, this methodology can be used to estimate the value of dwellings with known characteristics for which there is no recent sales price by observing the characteristics and sales prices of other dwellings which have recently transacted. It then follows that changes in the market value of the entire residential property stock can be accurately tracked through time. The detailed methodological information can be found at:

www.corelogic.com.au/research/rp-data-corelogic-home-value-index-methodology/

CoreLogic is able to produce a consistently accurate and robust Hedonic Index due to its extensive property related database, which includes transaction data for every home sale within every state and territory. CoreLogic augments this data with recent sales advice from real estate industry professionals, listings information and attribute data collected from a variety of sources.

* The median value is the middle estimated value of all residential properties derived through the hedonic regression methodology that underlies the CoreLogic Hedonic Home Value Index.

Important method note

From October 2, 2023, the Hedonic Home Value Index (HVI) has undergone some changes:

- **A new weighting method** was added to the model. While the model has always adjusted for recency of sales via a time fraction attribute, the addition of a time weighting within the regression places more importance on recent sales, helping to identify turning points in the market earlier.
- **The HVI is now a revisionary model**, with a 12-month rolling window of revised results released on the first working day of each month from October 2nd 2023. The daily HVI, which is available at the CoreLogic web site, will also revise on a monthly basis, with a refresh of the 12 month history available for download on the first working day of the month.
- **The geographical boundaries for the HVI have been updated** to the latest available from the ABS, the ASGS 2021.

The methodology white paper provides a detailed explanation of the index calculation process and method.

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