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Sydney and Melbourne lead Australian home values higher

The RP Data CoreLogic Home Value Index registered a 1.0% capital gain across the combined capital cities over the month of October, however the annual rate of growth has continued to trend lower.

According to the RP Data CoreLogic Home Value Index, dwelling values across Australia's capital cities increased by 1.0 per cent over the month of October. The data highlights that despite a slowdown in growth in September, values continued to rise, increasing by 2.2 per cent over the past three months. Although combined capital city home values were up by 1.0 per cent over the month, only Sydney (1.3%), Melbourne (1.9%) and Brisbane (0.6%) actually recorded value rises over the month.

Dwelling values rose by 2.2 per cent over the three months to October 2014 however, only half of the capital cities actually recorded an increase in values. According to Mr Lawless this result highlights weaker housing market conditions outside of Australia's largest cities.

According to Mr Lawless, Sydney, Melbourne, Brisbane and Adelaide (which happen to be four of the five largest capital cities), were the only capital cities to record an increase in home values over the past three months. Sydney continues as a standout with home values increasing at a rate of more than 1 per cent a month, up 3.9 per cent over the past three months. He said that Perth and Canberra have clearly moved through the peak of their growth cycles.

The greatest value falls over the last three months were recorded in Hobart (-2.8%) and Canberra (-2.4%).

"Looking at the increase in home values over the 12 months to October, it is clear that the rate of capital growth is continuing to moderate. Despite the annual rate of value growth slowing, all capital cities have still recorded an increase in home values over the past year. Home values across the combined capital cities have increased by 8.9 per cent over the twelve months ending October '14, which has slowed from a peak of 11.5 per cent in April of this year," Mr Lawless said

Sydney, and to a lesser degree Melbourne, continued to be the main drivers of the increase in home values. Over the past year, Sydney home values were 13.1 per cent higher, while Melbourne values were up 8.9 per cent. Brisbane was the third best performing capital city for value growth over the year with values up 5.6 per cent followed by Darwin where values rose by 5.0 per cent. Elsewhere, value growth was more subdued with increases of 3.4 per cent in Perth, 4.3 per cent in Adelaide, 4.4 per cent in Hobart and 0.9 per cent in Canberra.

Index results as at October 31, 2014

Region	Change in dwelling values			Total gross returns	Median dwelling price
	Month	Qtr	YOY		
Sydney	1.3%	3.9%	13.1%	17.6%	\$680,000
Melbourne	1.9%	1.9%	8.9%	12.7%	\$555,000
Brisbane	0.6%	1.3%	5.6%	10.6%	\$442,000
Adelaide	-1.1%	2.1%	4.3%	8.9%	\$395,000
Perth	-0.1%	-0.2%	3.4%	7.9%	\$525,000
Hobart	-2.4%	-2.8%	4.4%	10.1%	\$315,000
Darwin	-0.4%	-1.7%	5.0%	11.5%	\$550,000
Canberra	-2.3%	-2.4%	0.9%	5.3%	\$510,000
Combined capitals	1.0%	2.2%	8.9%	13.3%	\$545,000
Rest of state*	0.6%	0.5%	2.9%		\$358,000

* Rest of state change in values are for houses only to end of August

Highlights over the three months to October 2014

Best performing capital city: Sydney +3.9 per cent

Weakest performing capital city: Hobart, -2.8 per cent

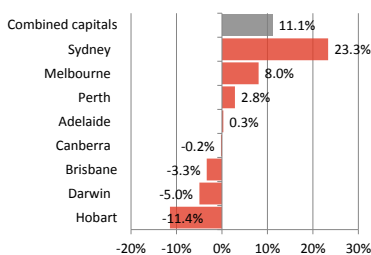
Highest rental yields: Darwin houses with gross rental yield of 5.9 per cent and **Darwin Units** at 6.0 per cent

Lowest rental yields: Melbourne houses with gross rental yield of 3.2 per cent and **Melbourne units** at 4.1 per cent

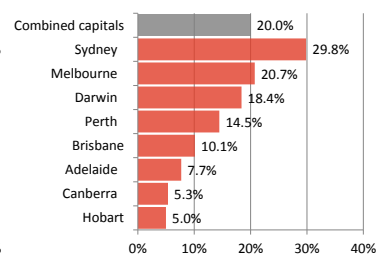
Most expensive city: Sydney with a median dwelling price of \$680,000

Most affordable city: Hobart with a median dwelling price of \$315,000

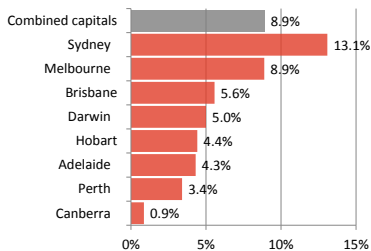
Change in dwelling values from previous market peak



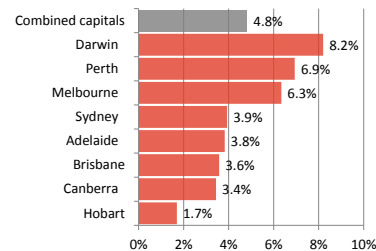
Change in dwelling values from market trough



Change in dwelling values over past twelve months



Annual change in dwelling values over past 10 years



National Media Release (Cont'd)

Mr Lawless said, "Despite the fact that the annual increase in home values is slowing, other indicators remain strong."

Auction clearance rates continued to hover around the 70 per cent mark week-to-week while volumes across RP Data real estate agent and valuation platforms remained strong which is indicative of heightened levels of industry and mortgage market activity. The number of new properties listed for sale continues to rise as are total listing numbers. However, Mr Lawless said that the fairly rapid rate of sale is resulting in a slower increase in total listings than new listings.

Conditions across capital city rental markets remained subdued, with weekly rents rising by only 1.8% over the past twelve months; the lowest annual change in capital city rents since the year ending August 2003.

According to Mr Lawless, the consistent over performance of dwellings values compared with dwelling rents has been compressing yields.

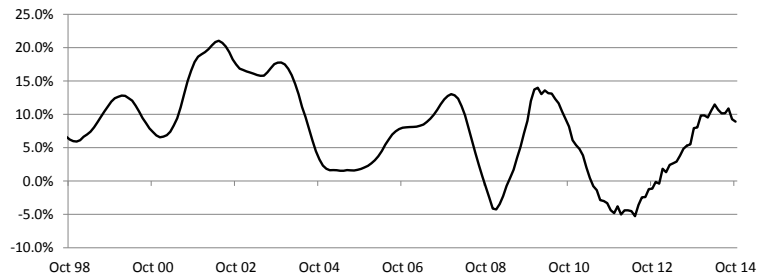
"With rents being substantially outpaced by dwelling values, the rental yield scenario is slimmest in Melbourne where the typical house is achieving a gross yield of just 3.3% while Sydney's average yields aren't a great deal higher at 3.7%.

"Darwin and Hobart are showing a much healthier yield profile with the typical dwelling providing a gross yield of 5.4% and 5.9% respectively, "Mr Lawless said.

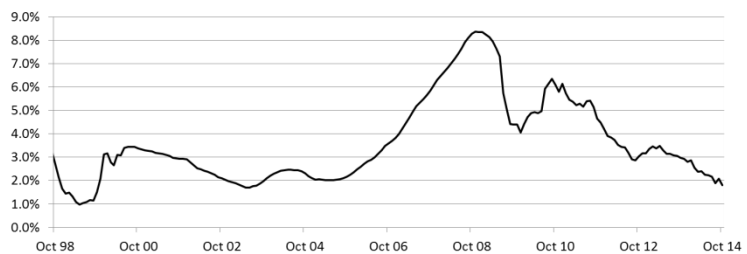
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Rolling annual change in capital city dwelling values



Rolling annual change in capital city rents



Gross rental yields

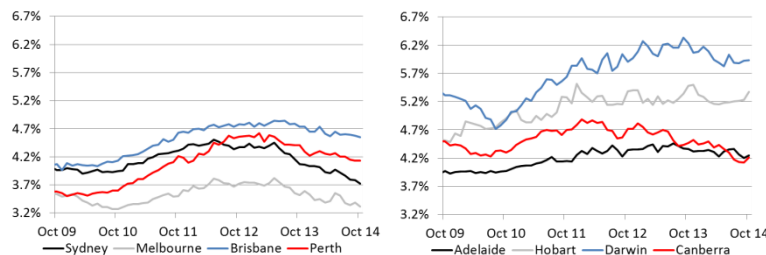


Table 1: RP Data CoreLogic Daily Home Value Index Results (Actual Results)

Capital Growth to 31 October 2014	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1A: All Dwellings											
Month	1.3%	1.9%	0.6%	-1.1%	-0.1%	1.1%	-2.4%	-0.4%	-2.3%	0.6%	1.0%
Quarter	3.9%	1.9%	1.3%	2.1%	-0.2%	2.4%	-2.8%	-1.7%	-2.4%	1.3%	2.2%
Year-to-Date	11.3%	8.8%	3.7%	2.7%	-0.7%	7.5%	0.7%	3.0%	0.6%	3.5%	7.3%
Year-on-Year	13.1%	8.9%	5.6%	4.3%	3.4%	9.1%	4.4%	5.0%	0.9%	5.6%	8.9%
Total Return Year-on-Year	17.6%	12.7%	10.6%	8.9%	7.9%	13.5%	10.1%	11.5%	5.3%	10.6%	13.3%
Median price* based on settled sales over quarter	\$680,000	\$555,000	\$440,000	\$395,000	\$525,000	\$541,000	\$315,000	\$550,000	\$510,000	\$442,000	\$545,000
Table 1B: Houses											
Month	1.6%	2.1%	0.7%	-1.1%	0.1%	1.2%	-2.1%	-0.3%	-2.4%	0.5%	1.1%
Quarter	4.5%	1.8%	1.5%	2.0%	0.0%	2.5%	-2.7%	-1.0%	-2.7%	1.5%	2.3%
Year-to-Date	12.1%	9.5%	4.0%	2.5%	-0.9%	7.8%	0.3%	3.1%	0.5%	3.6%	7.6%
Year-on-Year	13.9%	9.2%	5.9%	4.5%	3.5%	9.4%	4.8%	5.5%	0.8%	5.7%	9.1%
Total Return Year-on-Year	18.3%	12.9%	10.9%	9.1%	8.0%	13.6%	10.4%	12.0%	5.2%	10.6%	13.4%
Median price* based on settled sales over quarter	\$792,000	\$615,000	\$478,000	\$415,000	\$540,000	\$572,500	\$330,000	\$570,000	\$566,000	\$470,000	\$571,000
Table 1C: Units											
Month	0.0%	0.5%	0.3%	-0.6%	-2.3%	0.0%	-5.8%	-0.7%	-1.2%	1.6%	0.0%
Quarter	1.7%	2.2%	0.0%	3.1%	-3.0%	1.4%	-3.8%	-4.7%	1.0%	-0.4%	1.3%
Year-to-Date	7.4%	3.1%	1.2%	5.1%	1.5%	5.1%	4.5%	2.6%	2.0%	2.6%	5.3%
Year-on-Year	9.6%	6.2%	3.1%	2.2%	1.7%	7.2%	0.9%	3.0%	1.3%	4.5%	7.3%
Total Return Year-on-Year	14.7%	10.8%	8.8%	7.2%	6.6%	12.3%	6.3%	9.4%	6.6%	10.3%	12.3%
Median price* based on settled sales over quarter	\$590,000	\$472,000	\$362,500	\$333,000	\$450,000	\$480,000	\$250,000	\$536,200	\$398,500	\$380,000	\$490,000
Table 1D: Rental Yield Results											
Houses	3.6%	3.2%	4.5%	4.2%	4.1%	3.7%	5.4%	5.9%	4.2%	4.5%	3.7%
Units	4.5%	4.1%	5.4%	4.7%	4.7%	4.5%	5.4%	6.0%	4.9%	5.4%	4.5%

The indices in grey shading have been designed for trading environments in partnership with the Australian Securities Exchange (www.asx.com.au). Indices under blue shading (Hobart, Darwin, Canberra, Brisbane and the 8 capital city aggregate) are calculated under the same methodology however are not currently planned to be part of the trading environment.

*The median price is the middle price of all settled sales over the three months to the end of the final month. Median prices are provided as an indicator of what price a typical home sold for over the most recent quarter. The median price has no direct relationship with the RP Data CoreLogic Hedonic Index value. The change in the Index value over time reflects the underlying capital growth rates generated by residential property in the relevant region.

The RP Data CoreLogic Hedonic Index growth rates are not ordinarily influenced by capital expenditure on homes, compositional changes in the types of properties being transacted, or variations in the type and quality of new homes manufactured over time. The RP Data CoreLogic 'index values' are not, therefore, the same as the 'median price' sold during a given period. See the methodology below for further details.

Methodology: The RP Data CoreLogic Hedonic Home Value Index 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 comprising the index into its various formational and locational attributes, differing observed sales values for each property can be separated into those associated with varying attributes and those resulting from changes in the underlying residential property market. Also, 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 stock of residential property comprising an index can be accurately tracked through time. RP Data owns and maintains Australia's largest property related database in Australia which includes transaction data for every home sale within every state and territory. RP Data augments this data with recent sales advice from real estate industry professionals, listings information and attribute data collected from a variety of sources. For detailed methodological information please visit www.rpdata.com

For more information on the RP Data CoreLogic Indices, please go to <http://www.rpdata.com>

Media enquiries contact:

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Introduction to the RP Data CoreLogic Daily Hedonic Home Value Index methodology:

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About RP Data

RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider. Regionally RP Data is part of CoreLogic Asia which is a leading property information, analytics and services provider in Australia and New Zealand with growing partnerships throughout Asia.

With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 500 million decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information. With over 11,000 customers and 120,000 end users, RP Data is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, insurance, developers, wealth management and government. RP Data delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic Asia employs over 500 people at ten locations across Australia and in New Zealand. For more information call 1300 734 318 or visit www.rpdata.com