

National Media Release

CoreLogic RP Data March Hedonic Home Value Index Results

Released: Wednesday, April 1, 2015

Sydney dwelling values catch second wind off back of lower mortgage rates

Sydney dwelling values surged 3% higher in March while the remaining capital cities showed a relatively flat month for capital gains.

Home values across the combined capital cities increased by 1.4 per cent in March 2015 according to the CoreLogic RP Data Home Value Index, driven by an exceptionally strong Sydney result where dwelling values were 3.0 per cent higher over the month. The latest indices reading shows capital city dwelling values moved 3.0 per cent higher over the first quarter of the year. CoreLogic RP Data head of research Tim Lawless said, "although value growth has started 2015 on a strong note, the annual rate of growth has moderated back to 7.4 per cent, which is the slowest annual growth rate since September 2013."

Sydney remains the standout capital growth performer, with values rising by 3.0 per cent over the month, 5.8 per cent over the quarter and 13.9 per cent over the year. With stronger housing market conditions over the first three months of the year, annual home value growth across the Sydney market has rebounded after slowing to 12.4 per cent in December 2014. Sydney is the only housing market where dwelling value growth remains in double digits, with the next strongest performer, Melbourne, showing a much lower rate of annual capital gain at just 5.6 per cent.

Each of the remaining capital cities have recorded an annual rate of growth which is less than three per cent, with values having declined across Perth, Darwin and Hobart over the year.

Since home values began their current growth phase in June 2012, dwelling values across the combined capital cities have increased by 24.3 per cent. "Most of this growth is emanating from Sydney," Mr Lawless said.

"Over the current growth phase, Sydney dwelling values have increased by 38.8 per cent with Melbourne second strongest at 23.6 per cent. On the other hand, total dwelling value growth over the current cycle has been less than 10 per cent in Adelaide, Hobart and Canberra.

"Combined capital city home values have increased by 3.0 per cent over the first quarter of 2015. While that rate of growth is strong it is important to note that it is lower than the 3.5 per cent increase in home values over the first quarter of 2014," he said.

Based on the March results, Sydney's growth trend appears to have disengaged from the rest of the capital city housing markets in terms of demand and subsequently in terms of value growth. The 5.8 per cent growth in Sydney dwelling values over the first quarter is the strongest quarterly growth rate since home values increased by 6.2 per cent over the three months to April 2009. The strength of the Sydney housing market currently is further highlighted by the fact that since the Reserve Bank cut official interest rates to 2.25 per cent at the beginning of February, auction clearance rates have been above 80 per cent each week.

Index results as at March 31, 2015

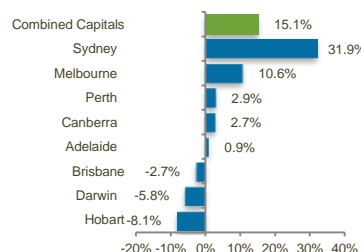
Region	Change in dwelling values			Total gross returns	Median dwelling price
	Month	Qtr	YOY		
Sydney	3.0%	5.8%	13.9%	18.3%	\$690,000
Melbourne	0.6%	3.5%	5.6%	9.2%	\$518,000
Brisbane	-0.3%	-0.5%	2.7%	7.5%	\$445,200
Adelaide	0.1%	-0.9%	2.2%	6.6%	\$405,000
Perth	0.0%	-2.7%	-0.1%	4.2%	\$513,000
Hobart	0.2%	0.9%	-0.3%	5.1%	\$310,000
Darwin	0.9%	0.4%	-0.8%	5.3%	\$540,000
Canberra	1.9%	4.1%	1.5%	5.9%	\$530,000
Combined capitals	1.4%	3.0%	7.4%	11.6%	\$530,000
Rest of State*	0.3%	0.5%	1.9%		\$369,000

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

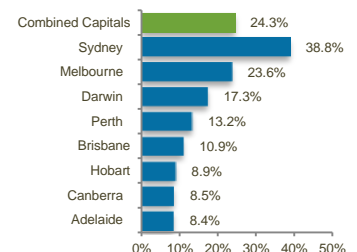
Highlights over the three months to March 2015

- **Best performing capital city: Sydney +5.8 per cent**
- **Weakest performing capital city: Perth -2.7 per cent**
- **Highest rental yields: Darwin houses with gross rental yield of 5.7 per cent and Darwin Units at 5.9 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 \$690,000**
- **Most affordable city: Hobart with a median dwelling price of \$310,000**

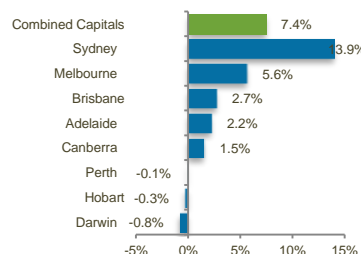
Change in dwelling values from previous market peak



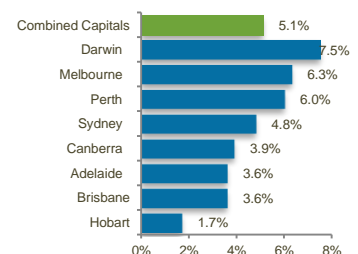
Change in dwelling values from market trough



Change in dwelling values over past twelve months



Annual change in dwelling values over past 10 years



National Media Release Cont.

Melbourne has also seen a fairly strong first quarter with home values rising 3.5 per cent. Similar to Sydney, auction clearance rates have recorded a noticeable improvement since the February interest rate cut.

While dwelling values continue to rise across most cities, weekly rents are failing to keep pace. Across the combined capital cities dwelling rents have risen by just 1.7 per cent over the past year which is a stark contrast to the 7.4 per cent capital gain in dwelling values over the same period. Sydney is showing the highest increase in weekly rents over the year at 3.3 per cent, while Perth has shown the most substantial correction, with weekly rents down 4.1 per cent over the past twelve months. The fact that dwelling values are moving higher at a much faster pace than rents is causing gross rental yields to consistently compress across each of the capital cities.

Since mid-2013, the average gross rental yield across Australia's combined capital cities has reduced from 4.3 per cent down to 3.6 per cent. Gross rental yields are now approaching record lows in both Melbourne and Sydney at 3.3 per cent and 3.6 per cent respectively.

Mr Lawless said the latest housing market data is likely to present a further challenge for the Reserve Bank when they deliberate interest rate settings next week.

"Despite the headwinds of softer labour markets, very low rental yields, increased oversight on lending conditions and heightened economic uncertainty, historically low mortgage rates appear to be adding further stimulus to the housing market, albeit that stimulus is largely being felt in Sydney.

"Since the previous rate cut we have seen auction clearance rates surge higher and activity across CoreLogic mortgage platforms has moved to new record levels."

"Clearly the vast majority of growth in dwelling values can be attributed to a very strong Sydney market that is largely fuelled by investment demand. The interest from investors is understandable, with housing currently offering up strong capital gains.

"With the growth curve in Sydney now well advanced and rental yields approaching historically low levels, prospective investors may be wise to use some caution when considering their investment options."

"Although household income growth is minimal, Sydney's housing market continues to reach new record highs, with values increasing over the past 35 months. It does pose the question of how much longer the growth can persist.

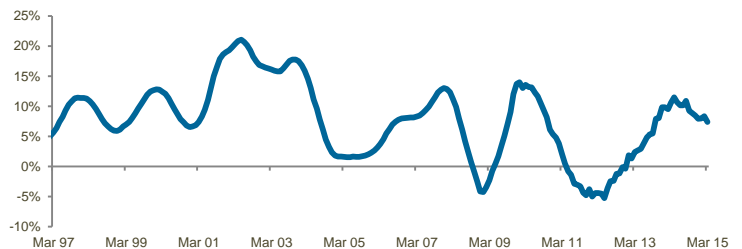
"When the Sydney housing market starts to lose momentum, there is some risk that recent investors could be left holding a very expensive but low yielding asset with a lower than expected rate of capital gain over the coming years. From there it will be interesting to see if they bide their time in the housing market or exit to other asset classes with a stronger return profile," Mr Lawless said.

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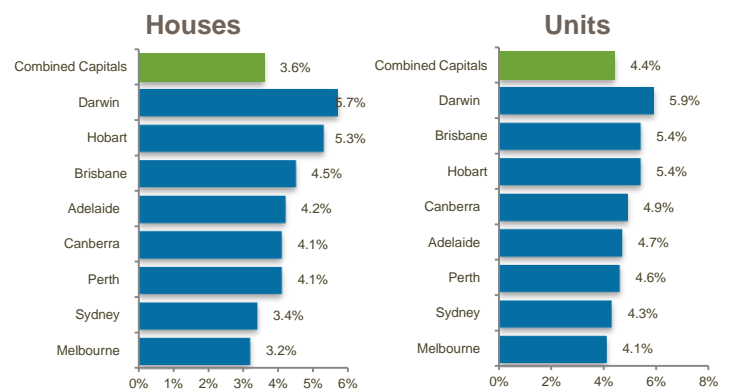
About CoreLogic RP Data

CoreLogic RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world. CoreLogic RP Data provides property information, analytics and services across Australia and New Zealand and is currently developing and 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, CoreLogic 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. CoreLogic RP Data delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic RP Data employs over 480 people at nine locations across Australia and in New Zealand. For more information call 1300 734 318 or visit www.corelogic.com.au

Rolling annual change in capital city dwelling values



Gross rental yields, houses and units



CoreLogic RP Data Home Value Index tables

Capital Growth to 31 March 2015	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1A: All Dwellings											
Month	3.0%	0.6%	-0.3%	0.1%	0.0%	1.3%	0.2%	0.9%	1.9%	-0.3%	1.4%
Quarter	5.8%	3.5%	0.1%	-0.9%	-2.7%	3.0%	0.9%	0.4%	4.1%	-0.5%	3.0%
Year-to-Date	5.8%	3.5%	0.1%	-0.9%	-2.7%	3.0%	0.9%	0.4%	4.1%	-0.5%	3.0%
Year-on-Year	13.9%	5.6%	3.0%	2.2%	-0.1%	7.5%	-0.3%	-0.8%	1.5%	2.7%	7.4%
Total Return Year-on-Year	18.3%	9.2%	7.8%	6.6%	4.2%	11.8%	5.1%	5.3%	5.9%	7.5%	11.6%
Median price* based on settled sales over quarter	\$690,000	\$518,000	\$449,500	\$405,000	\$513,000	\$530,000	\$310,000	\$540,000	\$530,000	\$445,200	\$530,000
Table 1B: Houses											
Month	3.1%	0.5%	-0.4%	0.0%	0.0%	1.3%	0.4%	1.5%	1.9%	-0.5%	1.3%
Quarter	6.2%	3.4%	-0.1%	-1.3%	-2.9%	2.9%	0.7%	1.2%	4.2%	-0.8%	2.9%
Year-to-Date	6.2%	3.4%	-0.1%	-1.3%	-2.9%	2.9%	0.7%	1.2%	4.2%	-0.8%	2.9%
Year-on-Year	14.9%	6.0%	3.2%	2.1%	0.2%	7.8%	0.3%	-1.5%	1.6%	2.6%	7.6%
Total Return Year-on-Year	19.1%	9.5%	7.9%	6.5%	4.4%	11.9%	5.7%	4.5%	5.9%	7.3%	11.7%
Median price* based on settled sales over quarter	\$781,600	\$560,000	\$490,000	\$427,200	\$530,000	\$560,000	\$340,000	\$580,000	\$590,000	\$476,000	\$559,000
Table 1C: Units											
Month	2.2%	1.5%	0.8%	2.0%	0.1%	1.8%	-1.8%	-1.7%	1.3%	1.8%	1.8%
Quarter	4.2%	3.8%	0.9%	3.8%	-0.8%	3.5%	2.6%	-2.9%	3.7%	2.1%	3.6%
Year-to-Date	4.2%	3.8%	0.9%	3.8%	-0.8%	3.5%	2.6%	-2.9%	3.7%	2.1%	3.6%
Year-on-Year	9.7%	2.4%	1.2%	2.6%	-2.8%	5.8%	-5.7%	2.7%	0.2%	3.0%	5.9%
Total Return Year-on-Year	14.7%	6.7%	6.8%	7.7%	1.9%	10.7%	-0.5%	8.9%	5.3%	8.8%	10.8%
Median price* based on settled sales over quarter	\$600,000	\$445,000	\$370,000	\$340,000	\$435,000	\$460,000	\$260,200	\$470,000	\$412,500	\$380,000	\$470,000
Table 1D: Rental Yield Results											
Houses	3.4%	3.2%	4.5%	4.2%	4.1%	3.6%	5.3%	5.7%	4.1%	4.5%	3.6%
Units	4.3%	4.1%	5.4%	4.7%	4.6%	4.4%	5.4%	5.9%	4.9%	5.4%	4.4%

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 CoreLogic RP Data 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 CoreLogic RP Data 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 CoreLogic RP Data '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 CoreLogic RP Data 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. CoreLogic 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.corelogic.com.au

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

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

The CoreLogic RP Data 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. CoreLogic owns and maintains Australia's largest property related database in Australia 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 attributes data collected from a variety of sources. For detailed methodological information please visit www.corelogic.com.au.