

National Media Release

CoreLogic RP Data Hedonic Home Value Index, September 2015 Results

Released: Thursday, October 1, 2015

Start to Spring provides timely test for national housing market conditions

The capital city housing market performance was diverse over the first month of Spring, with Sydney value growth flattening and dwelling values down across three of the capital cities according to the September CoreLogic RP Data Home Value Index results out today.

CoreLogic RP Data head of research Tim Lawless reported that the first month of Spring provided mixed results across the capital city housing markets with the headline results showing a 0.9 per cent rise in capital city dwelling values over the month, and a 4.0 per cent increase over the September quarter.

Across the capital cities, the month-on-month results ranged from a 2.4 per cent rise in Melbourne dwelling values, through to a 1.9 per cent fall in values across the Hobart market. Australia's largest and most expensive capital city housing market, Sydney, posted a month-on-month gain of just 0.1 per cent in September.

During the September quarter, half of Australia's capital cities posted a decline in dwelling values with Hobart down 2.0 per cent over the three months. Adelaide values slipped by 1.6 per cent, Perth by 0.7 per cent, and Canberra values were down 0.4 per cent. The most substantial capital gains over the quarter were achieved in Melbourne where dwelling values were up by 7.4 per cent, followed by Sydney (+4.6 per cent), Brisbane (+1.9 per cent) and Darwin where values were up by 0.4 per cent.

According to Mr Lawless, the flat growth rate in Sydney comes after dwelling values increased by 16.7 per cent over the past twelve months and are 49.6 per cent higher over the growth cycle to date.

"The slower month-on-month reading across the Sydney market comes at a time when auction clearance rates have slipped to the low 70 per cent range from week-to-week and the number of advertised properties has risen. Vendors are still enjoying strong selling conditions, but it looks like buyers are slowly regaining some leverage in what has been a very hot market."

"While half of Australia's capital cities have seen values rise over the past quarter and year, the other half did not fare as well," Mr Lawless said.

In Darwin, dwelling values fell by 3.9 per cent over the twelve months to the end of September, while in Perth, values were 0.9 per cent lower over the year. Adelaide home values dropped by 0.3 per cent, and Hobart values are 0.2 per cent lower.

"Weakening labour markets, slower population growth and less demand for housing is placing downwards pressure on prices to differing degrees across these markets," Mr Lawless said.

Looking at which sector of the housing market is driving the highest capital gains, across the combined capital cities it has been the most expensive quartile of the market where growth has been the most substantial.

Across the combined capitals, the top quartile of dwellings based on value has recorded growth of 12.3 per cent over the past twelve months, while the most affordable end of the market has recorded a lower growth rate of 8.5 per cent.

Mr Lawless said, "This trend holds true across Sydney and Melbourne, however in Brisbane, Adelaide and Perth it is actually the most affordable end of the housing market that has recorded the best results."

Index results as at September 30, 2015

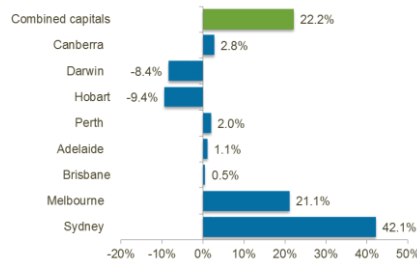
Region	Change in dwelling values			Total gross returns	Median dwelling price
	Month	Qtr	YOY		
Sydney	0.1%	4.6%	16.7%	21.0%	\$785,000
Melbourne	2.4%	7.4%	14.2%	18.0%	\$580,000
Brisbane	1.4%	1.9%	4.6%	9.5%	\$460,000
Adelaide	-1.2%	-1.6%	-0.3%	4.0%	\$405,000
Perth	0.5%	-0.7%	-0.9%	3.2%	\$492,200
Hobart	-1.9%	-2.0%	-0.2%	5.2%	\$305,500
Darwin	-0.3%	0.4%	-3.9%	1.8%	\$542,500
Canberra	1.0%	-0.4%	0.6%	4.9%	\$551,000
Combined capitals	0.9%	4.0%	11.0%	15.2%	\$580,000
Rest of State*	0.6%	0.2%	2.8%		\$360,000

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

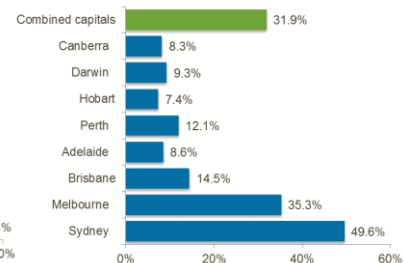
Highlights over the three months to September 2015

- **Best performing capital city: Melbourne** +7.4 per cent
- **Weakest performing capital city: Hobart** -2.0 per cent
- **Highest rental yields: Darwin houses** with gross rental yield of 5.4 per cent and **Darwin Units** at 5.8 per cent
- **Lowest rental yields: Melbourne houses** with gross rental yield of 2.9 per cent and **Melbourne & Sydney units** at 4.1 per cent
- **Most expensive city: Sydney** with a median dwelling price of \$785,000
- **Most affordable city: Hobart** with a median dwelling price of \$303,500

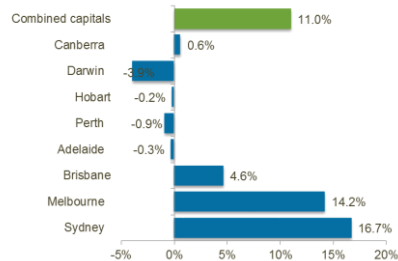
Change in dwelling values from previous market peak



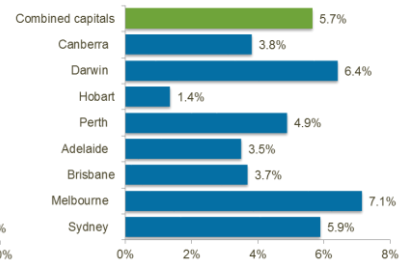
Change in dwelling values from market trough



Change in dwelling values over past twelve months



Annual change in dwelling values over past 10 years



National Media Release cont'd

CoreLogic RP Data Hedonic Home Value Index Results

CoreLogic RP Data's analysis of houses versus apartments reveals some substantial differences in market performances across the capital cities. At a capital city level over the quarter, the results don't show a great deal of difference with house values up 4.0 per cent and unit values rising by a slightly lower 3.9 per cent.

Over the year, Mr Lawless noted a stronger result for detached housing compared with apartments. Capital city house values are up 11.6 per cent over the past twelve months compared with a 7.3 per cent rise in unit values.

The Melbourne market shows the most material difference between product types with house values up 15.6 per cent over the past year compared with a 3.7 per cent rise in unit values. Similarly, in Sydney, house values are 17.6 per cent higher and unit values have risen by a lower annual rate of 12.6 per cent.

The only capital city where apartments have outperformed detached houses over the past twelve months has been in Hobart where apartments comprise only around one fifth of dwelling sales. Across the combined capitals cities, the majority of dwelling approvals have been for units as opposed to houses which is potentially limiting the pace of capital gains across this segment of the market.

Turning the focus to rental markets and rental yields, the trend towards lower gross rental yields has continued over the September quarter, with weekly rents slipping 0.8 per cent lower for houses across the combined capital cities and remaining flat for units.

While dwelling values continued to rise over the September quarter, at least across the combined capitals, rental rates slipped lower for houses and remained steady for units which has pushed gross rental yields even lower. A point of interest noted by Mr Lawless is that gross rental yields are at a record low across Sydney, Melbourne and Canberra.

The lowest gross rental yields can be found in Melbourne where the typical house is now providing a gross return of just 2.9 per cent, and units are providing a gross return of 4.1 per cent. Similarly, in Sydney, gross yields are also at a record low with houses providing a gross return of 3.1 per cent and units yielding 4.1 per cent.

Mr Lawless said, "We're also seeing relatively weak rental conditions across the other capital cities, however capital gains haven't been high enough to push gross rental yields substantially lower.

"With the first month of Spring behind us, it is clear that housing market conditions are being tested, particularly in Sydney.

"The number of auctions held over the month of September was 31 per cent higher compared with September 2014 and new listing numbers are ramping up at a faster rate than last year as well.

"The fact that clearance rates have held above 70 per cent in Sydney and Melbourne in the face of substantially higher auction numbers suggests that selling conditions remain strong despite the softer growth figure in Sydney over the month," Mr Lawless said.

While clearance rates and auction volumes provide a very timely view of the market, Mr Lawless highlights that it's important to remember auctions represent less than 25 per cent of all capital city sales.

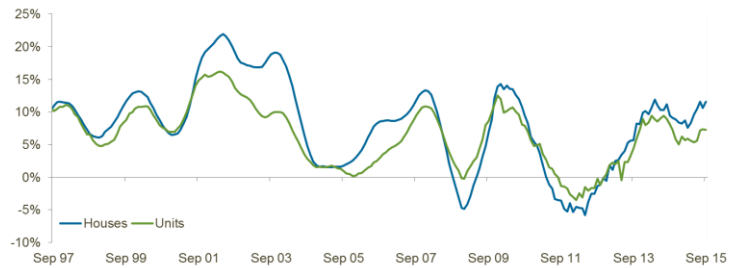
Sydney, Melbourne and Canberra are by far the largest auction markets, where, over the year to date, auctions have comprised approximately 35 per cent of all sales. Importantly, the majority of listings and sales aren't by auction. Private treaty metrics such as average selling time and the rate of vendor discounting are also showing relatively resilient results with Sydney dwellings selling in just 26 days on average and Melbourne dwellings selling in an average of 32 days. The longest selling times can be found in Darwin, Perth and Hobart where the typical dwelling is taking 73, 67 and 65 days to sell.

Media inquiries contact: CoreLogic national communications manager – 07 3114 9879 or media@corelogic.com.au

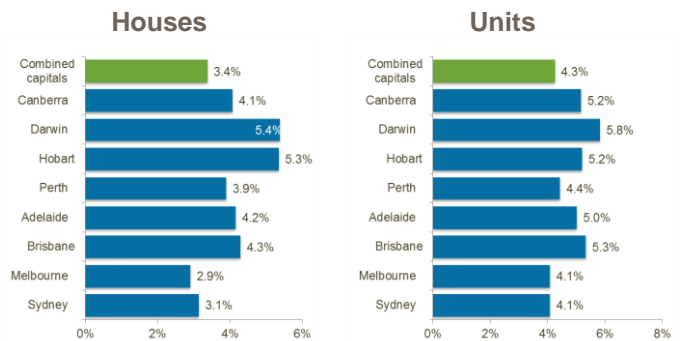
About CoreLogic RP Data

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 house and unit values



Gross rental yields, houses and units



National Media Release cont'd

CoreLogic RP Data Home Value Index tables

Capital Growth to 30 September 2015	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1A: All Dwellings											
Month	0.1%	2.4%	0.8%	-1.2%	0.5%	0.8%	-1.9%	-0.3%	1.0%	1.4%	0.9%
Quarter	4.6%	7.4%	1.6%	-1.6%	-0.7%	4.1%	-2.0%	0.4%	-0.4%	1.9%	4.0%
Year-to-Date	14.1%	13.3%	3.0%	-0.7%	-3.6%	9.4%	-0.5%	-2.3%	4.2%	2.8%	9.3%
Year-on-Year	16.7%	14.2%	4.9%	-0.3%	-0.9%	11.3%	-0.2%	-3.9%	0.6%	4.6%	11.0%
Total Return Year-on-Year	21.0%	18.0%	9.8%	4.0%	3.2%	15.5%	5.2%	1.8%	4.9%	9.5%	15.2%
Median price* based on settled sales over quarter	\$785,000	\$580,000	\$464,000	\$405,000	\$492,200	\$580,000	\$305,500	\$542,500	\$551,000	\$460,000	\$580,000
Table 1B: Houses											
Month	-0.2%	2.6%	1.0%	-0.8%	0.4%	0.9%	-2.8%	1.5%	1.4%	1.5%	0.9%
Quarter	4.3%	7.9%	1.7%	-1.4%	-0.8%	4.1%	-2.3%	4.0%	-0.4%	2.0%	4.0%
Year-to-Date	14.6%	14.3%	3.1%	-0.4%	-3.7%	9.7%	-1.4%	-0.6%	4.7%	2.9%	9.6%
Year-on-Year	17.6%	15.6%	5.2%	0.3%	-0.7%	11.9%	-0.6%	-3.1%	1.1%	4.9%	11.6%
Total Return Year-on-Year	21.7%	19.3%	10.1%	4.6%	3.4%	16.0%	4.8%	2.7%	5.4%	9.7%	15.7%
Median price* based on settled sales over quarter	\$920,000	\$635,000	\$511,000	\$431,500	\$510,000	\$615,000	\$315,000	\$595,000	\$608,500	\$494,000	\$613,000
Table 1C: Units											
Month	1.1%	0.9%	-0.3%	-5.8%	1.3%	0.6%	6.7%	-7.9%	-4.6%	0.0%	0.6%
Quarter	5.6%	3.9%	0.6%	-3.9%	0.5%	4.0%	1.2%	-13.3%	-0.5%	0.6%	3.9%
Year-to-Date	11.7%	5.3%	2.5%	-3.9%	-2.1%	7.7%	8.6%	-9.5%	-2.1%	1.8%	7.5%
Year-on-Year	12.6%	3.7%	1.9%	-6.9%	-4.0%	7.4%	3.7%	-7.4%	-6.2%	2.1%	7.3%
Total Return Year-on-Year	17.6%	8.1%	7.5%	-2.3%	0.5%	12.3%	9.5%	-1.9%	-1.4%	7.7%	12.2%
Median price* based on settled sales over quarter	\$660,000	\$480,000	\$375,000	\$340,000	\$414,000	\$510,000	\$290,000	\$475,000	\$402,500	\$390,000	\$515,000
Table 1D: Rental Yield Results											
Houses	3.1%	2.9%	4.4%	4.2%	3.9%	3.4%	5.3%	5.4%	4.1%	4.3%	3.4%
Units	4.1%	4.1%	5.4%	5.0%	4.4%	4.3%	5.2%	5.8%	5.2%	5.3%	4.3%

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>

Media enquiries contact: Mitch Koper, CoreLogic RP Data national communications manager – 07 3114 9879 or media@corelogic.com.au

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.