

National Media Release

RP Data-Rismark June Hedonic Home Value Index Results

Released: Tuesday, July 1, 2014

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Australia's capital city dwelling values ends 2013-2014 financial year 10.1 per cent higher

The June RP Data Rismark Hedonic Home Value Index finished the financial year only slightly into double digit growth figures, with capital city dwelling values moving 1.4% higher for the month after posting a 1.9% decline in May.

Capital city dwelling values have shown a 1.4 per cent capital gain over the month of June 2014, with all cities apart from Adelaide and Darwin recording a rise in dwelling values. According to RP Data research director Tim Lawless, the strong result has partially reversed last month's 1.9 per cent fall and provides a -0.2 per cent decline in dwelling values over the June quarter.

Over the 2013-2014 financial year the top performing cities for capital gains have been Sydney and Melbourne where dwelling values are up 15.4 per cent and 9.4 per cent respectively across each city. The Brisbane housing market, where conditions have generally remained relatively sedate, is now gathering some pace with dwelling values moving 7.0 per cent higher over the past twelve months, the third strongest result of any capital city. On the other hand, the index results show that the softest performances over the past year have been recorded in Hobart (2.5 per cent), Canberra (2.9 per cent) and Adelaide (2.9 per cent).

Over the current growth cycle, capital city dwelling values are up 15.5 per cent, with Sydney recording the most significant capital gain at 23.1 per cent growth since the end of May 2012. Adelaide's housing market recorded the least significant capital gain over the cycle to date, with dwelling values rising by 5.6 per cent.

According to RP Data's Tim Lawless, the recent volatility in the month-to-month Index reading is likely to be a seasonal factor. "The last time we saw a negative quarterly movement in our combined capital city index was May last year. The recent reduction in capital gains is likely a correction from the strong market conditions reported over the first quarter of the year."

"Looking through the monthly movements, the trend in performance is much more important. It shows that the quarterly rate of growth peaked across the Australian housing market in August last year at 4.0 per cent. Since that time the rate of capital gain has generally trended towards a more sustainable level. The slowdown in dwelling value appreciation will be a welcome relief to policy makers and those seeking to buy into the housing market," Mr Lawless said.

Index results as at June 30, 2014

Region	Change in dwelling values			Total gross returns	Median dwelling price
	Month	Qtr	YOY		
Sydney	1.7%	1.0%	15.4%	20.2%	\$690,000
Melbourne	1.8%	-2.4%	9.4%	13.3%	\$560,000
Brisbane	1.3%	0.7%	7.0%	12.2%	\$455,000
Adelaide	-0.7%	-0.4%	2.9%	7.4%	\$400,000
Perth	1.2%	0.6%	5.2%	9.9%	\$515,200
Hobart	0.0%	-0.5%	2.5%	8.0%	\$328,250
Darwin	-3.0%	-1.0%	5.7%	12.3%	\$535,000
Canberra	0.5%	-0.5%	2.9%	7.6%	\$525,000
Combined capitals	1.4%	-0.2%	10.1%	14.7%	\$545,000
Rest of state*	0.3%	-0.4%	3.9%		\$350,000

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

Highlights over the three months to June 2014

Best performing capital city: Sydney +1.0 per cent

Weakest performing capital city: Melbourne, -2.4 per cent

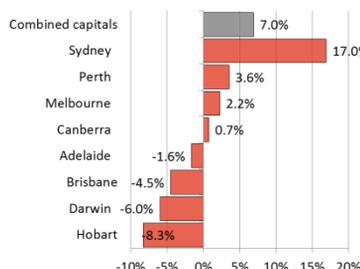
Highest rental yields: Darwin houses with gross rental yield of 6.1 per cent and **Darwin Units** at 5.9 per cent

Lowest rental yields: Melbourne houses with gross rental yield of 3.4 per cent and **Melbourne units** at 4.3 per cent

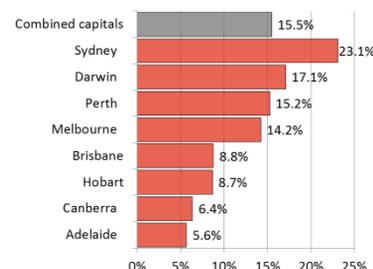
Most expensive city: Sydney with a median dwelling price of \$690,000

Most affordable city: Hobart with a median dwelling price of \$328,250

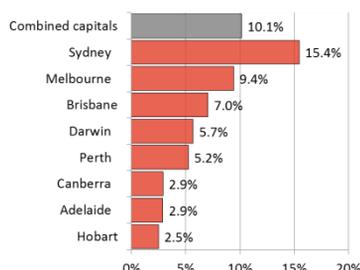
Change in dwelling values from previous market peak



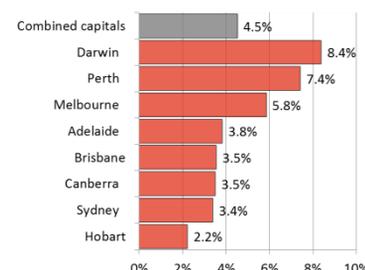
Change in dwelling values from market trough



Change in dwelling values over past twelve months



Annual change in dwelling values over past 10 years



National Media Release (Cont'd)

From a total returns perspective, Sydney once again stood out as having provided the most outstanding performance. Combining the capital gain with the gross rental yield over the year has provided Sydney home owners with a total return of 20.2 per cent over the financial year. Melbourne, Darwin and Brisbane have also recorded a total gross return in excess of 12 per cent over the year.

Across the different price segments of the housing market, the broad middle-priced sector of the market is now showing the highest rate of annual change. Dwelling values at the most affordable end of the capital city housing markets have moved 8.8 per cent higher over the past year compared with a 10.3 per cent capital gain across the most expensive suburbs and a 10.6 per cent increase across the broad middle fifty per cent of the capital city market.

Looking at rental markets, gross rental returns are currently recorded at 3.9 per cent for capital city houses and 4.6 per cent for capital city units. The yield environment is lowest across Melbourne where gross yields are averaging just 3.4 per cent for a typical house and 4.3 per cent for units. Darwin continues to show the highest gross rental yields at 6.1 per cent for houses and 5.9 per cent for units.

Mr Lawless said, "With interest rates remaining low for the foreseeable future, it is doubtful that housing values will start to slide, at least not at a macro level. What is more likely is that natural affordability constraints will start to dent buyer demand, as will the low rental yield scenario's that are very much evident across the largest capital cities of Melbourne and Sydney."

Other indicators such as clearance rates are holding relatively firm which, according to Mr Lawless, further reinforces the notion that the housing market isn't set to show a market correction.

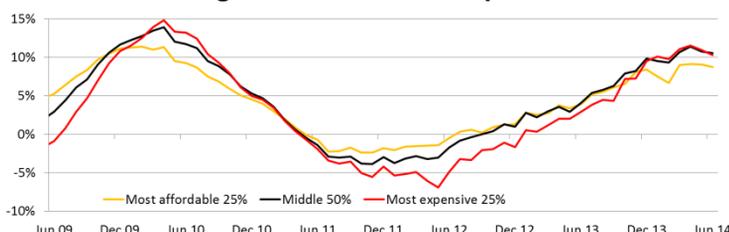
Over the month of June, clearance rates strengthened and are generally around the high 60 per cent mark across the capital cities week on week. Average selling and vendor discounting rates also levelled out at relatively strong readings, and listing numbers remain relatively tight.

"Activity across RP Data valuation platforms has also held firm at relatively high levels suggesting mortgage demand isn't dropping off just yet," Mr Lawless said.

Media enquiries contact:

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Rolling annual change in dwelling values across broad value segments, combined capital cities



Gross rental yields

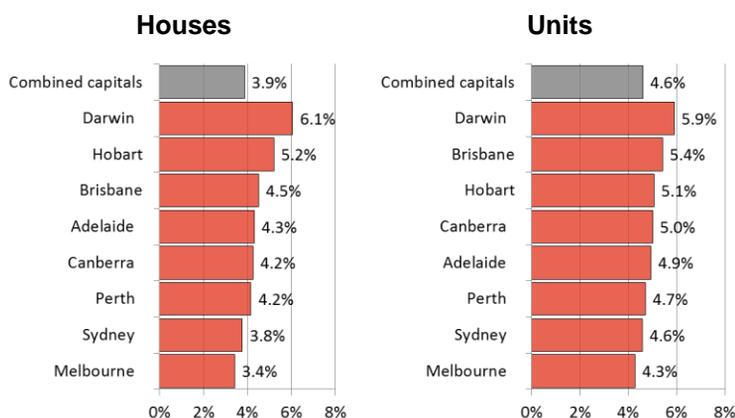


Table 1: RP Data-Rismark Daily Home Value Index Results (Actual Results)

Capital Growth to 30 June 2014	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1A: All Dwellings											
Month	1.7%	1.8%	1.3%	-0.7%	1.2%	1.4%	0.0%	-3.0%	0.5%	1.3%	1.4%
Quarter	1.0%	-2.4%	0.8%	-0.4%	0.6%	-0.2%	-0.5%	-1.0%	-0.5%	0.7%	-0.2%
Year-to-Date	5.5%	2.9%	2.7%	0.8%	-0.1%	3.4%	4.2%	1.9%	1.5%	2.3%	3.3%
Year-on-Year	15.4%	9.4%	6.7%	2.9%	5.2%	10.3%	2.5%	5.7%	2.9%	7.0%	10.1%
Total Return Year-on-Year	20.2%	13.3%	11.9%	7.4%	9.9%	14.8%	8.0%	12.3%	7.6%	12.2%	14.7%
Median price* based on settled sales over quarter	\$690,000	\$560,000	\$452,500	\$400,000	\$515,200	\$545,000	\$328,250	\$535,000	\$525,000	\$455,000	\$545,000

Capital Growth to 30 June 2014	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1B: Houses											
Month	1.2%	1.7%	1.6%	-0.7%	1.1%	1.2%	-0.3%	-3.3%	0.6%	1.4%	1.1%
Quarter	0.9%	-2.4%	0.8%	-0.2%	0.7%	-0.2%	-0.3%	-2.3%	-0.5%	0.6%	-0.3%
Year-to-Date	5.7%	3.3%	3.0%	0.8%	-0.3%	3.5%	3.4%	1.1%	1.5%	2.3%	3.3%
Year-on-Year	16.2%	9.9%	7.3%	3.1%	5.0%	10.5%	2.1%	5.4%	2.8%	7.2%	10.3%
Total Return Year-on-Year	20.8%	13.7%	12.5%	7.6%	9.6%	15.0%	7.6%	12.0%	7.6%	12.3%	14.7%
Median price* based on settled sales over quarter	\$800,000	\$620,000	\$490,000	\$420,000	\$532,000	\$581,000	\$343,000	\$570,000	\$561,000	\$480,000	\$580,000

Capital Growth to 30 June 2014	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1C: Units											
Month	3.9%	2.7%	-0.8%	-0.4%	3.2%	2.8%	2.5%	-1.7%	-0.6%	0.7%	3.0%
Quarter	1.6%	-2.4%	0.8%	-3.2%	-0.7%	0.1%	-2.5%	5.2%	-0.3%	1.4%	0.2%
Year-to-Date	4.6%	0.0%	0.8%	0.4%	3.2%	2.7%	12.3%	5.1%	2.2%	1.7%	2.9%
Year-on-Year	12.2%	5.7%	1.3%	0.7%	8.9%	8.6%	6.8%	6.7%	3.7%	5.4%	9.1%
Total Return Year-on-Year	17.6%	10.3%	7.0%	5.7%	14.3%	13.8%	12.5%	13.5%	9.3%	11.4%	14.3%
Median price* based on settled sales over quarter	\$586,000	\$468,000	\$370,000	\$345,000	\$440,000	\$480,000	\$267,000	\$445,000	\$419,925	\$385,000	\$482,000

Capital Growth to 30 June 2014	Sydney	Melbourne	Brisbane - Gold Coast	Adelaide	Perth	Australia 5 Capitals (ASX)	Hobart	Darwin	Canberra	Brisbane	Australia 8 Capitals
Table 1D: Rental Yield Results											
Houses	3.8%	3.4%	4.5%	4.3%	4.2%	3.9%	5.2%	6.1%	4.2%	4.5%	3.9%
Units	4.6%	4.3%	5.4%	4.9%	4.7%	4.6%	5.1%	5.9%	5.0%	5.4%	4.6%

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-Rismark 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-Rismark 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-Rismark '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-Rismark 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-Rismark Indices, please go to <http://www.rpdata.com>

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

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About RP Data

RP Data is 100% owned by CoreLogic; a US/NYSE listed company, and is a leading property information, analytics and services provider in Australia and New Zealand. The company's combined data offering is derived from public, contributory and proprietary sources and includes over half a million decision points spanning decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information. The markets served by RP Data include consumers, investors, real estate and mortgage, finance, banking, insurance, developers, financial planners and government. RP Data delivers value to clients through unique data, analytics, and workflow technology, advisory and managed services. Clients rely on RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. RP Data employs over 480 people at over 7 locations in Australia and New Zealand. For more information call 1300 734 318 or visit www.rpdata.com

About Rismark International

Rismark International ("Rismark") is a funds management and quantitative research business. It is dedicated to the development of intellectual property required to facilitate the creation of financial markets over the residential real estate asset class. Rismark also has a long history of advising Australian and overseas governments on the development of innovative economic policies as they relate to housing and financial markets. As a by-product of its quantitative research activities, Rismark has developed the technology and intellectual property underlying the market-leading RP Data-Rismark hedonic property price indices and related automated property valuation models (AVMs), amongst other things. For more information visit www.rismark.com.au.