



CoreLogic®

Housing Market and Economic Update

July 2017



Housing overview



Residential real estate underpins Australia's wealth

Portfolio value of housing has reached \$7.1 trillion

-  Residential Real Estate
\$7.1 Trillion
-  Australian Superannuation
\$2.3 Trillion
-  Australian Listed Stocks
\$1.8 Trillion
-  Commercial Real Estate
\$0.951 Trillion



As at the end of June 2017



Number of dwellings
9.9 million



Outstanding mortgage debt
\$1.66 trillion



Household wealth held in housing
52.4%



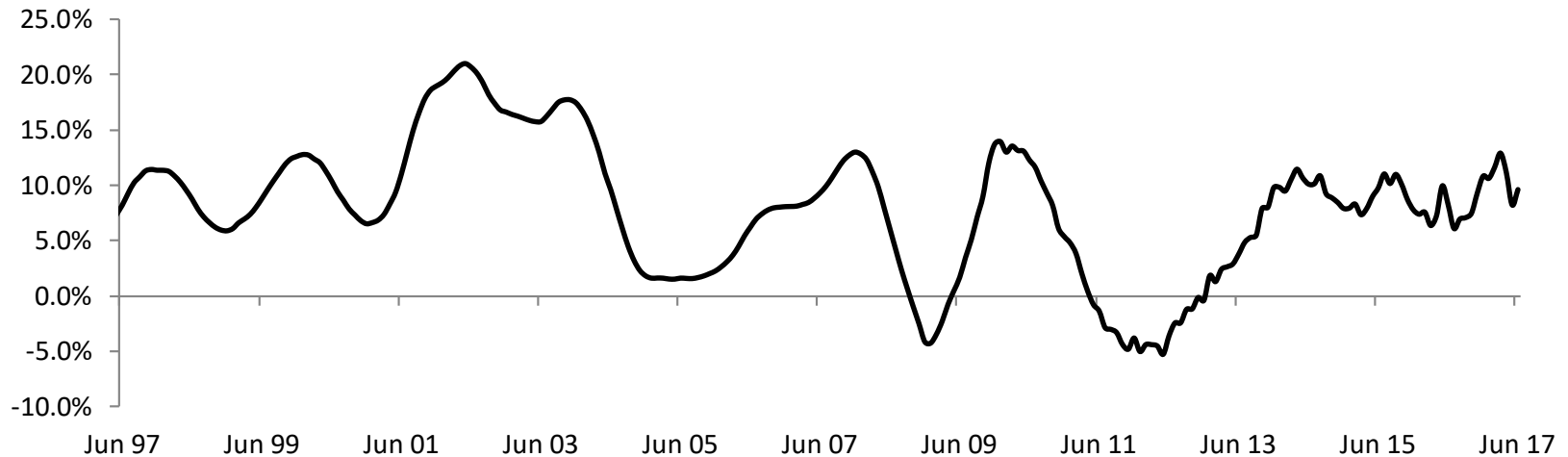
Total sales p.a.
482,674



Gross value of sales p.a.
\$286.4 billion

Annual value growth has slowed from its recent peak

Rolling annual change in dwelling values, combined capital cities



Median Prices



\$670,000



\$560,000

Capital Gain

Past 12 months

Houses

10.3%

Units

5.1%

Dwellings

9.6%

Annual over five years

8.9%

6.1%

8.5%

Annual over ten years

5.8%

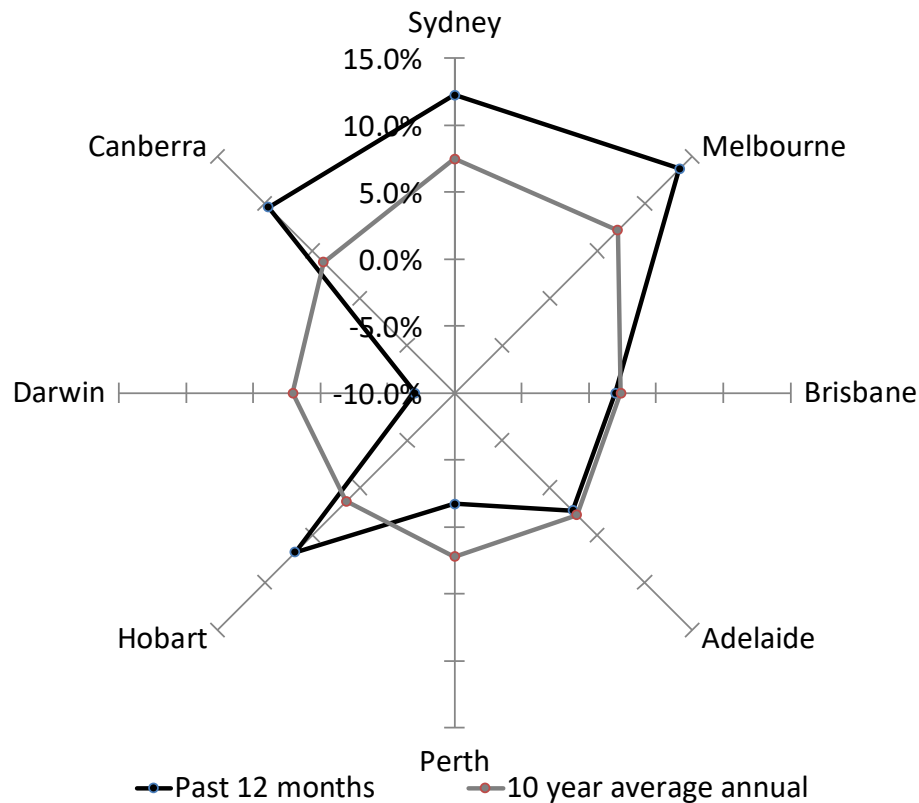
5.1%

5.7%

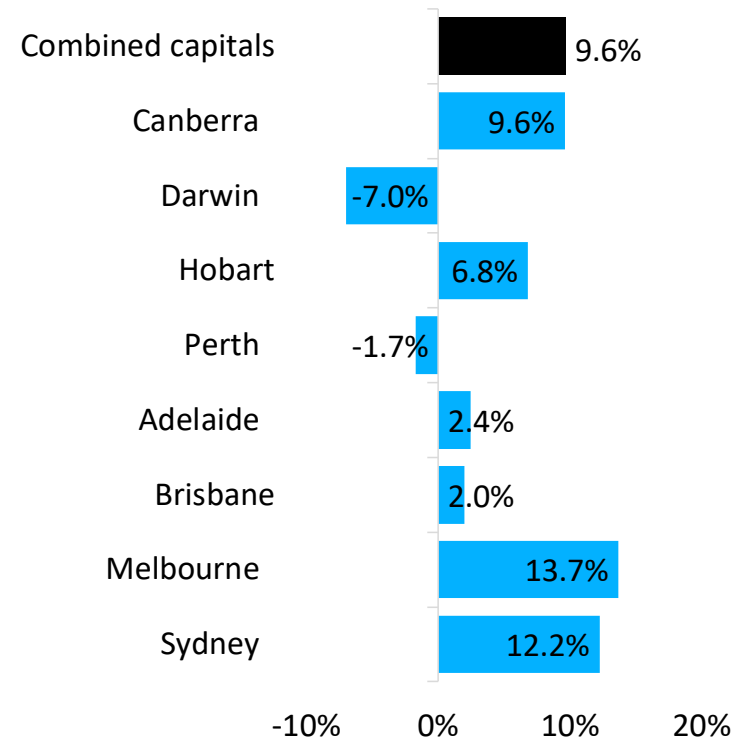
CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit www.corelogic.com.au/indices

Sydney and Melbourne have continued to see the strongest annual growth in values

Capital gain: Average over 10 years v past 12 months to June 2017

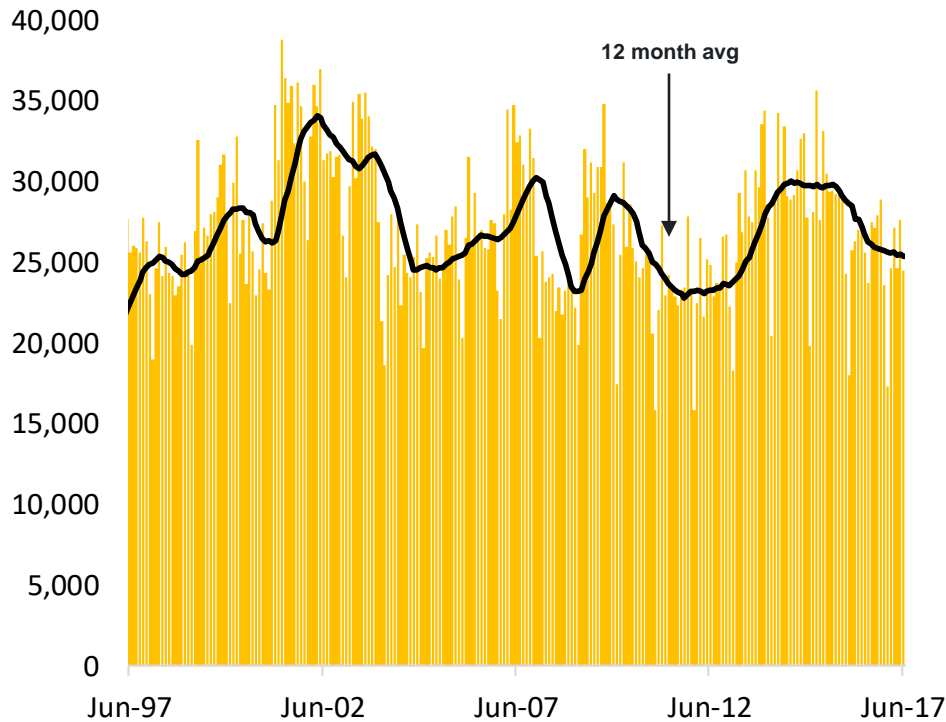


Annual change in capital city dwelling values, June 2017

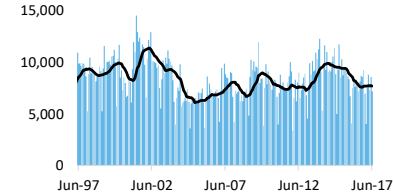


Turnover: dwelling sales are down around 5% year on year however, in most cities turnover has stabilised

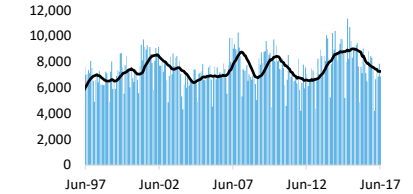
Combined capitals



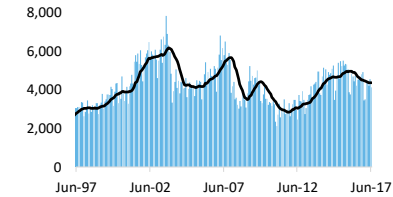
Sydney



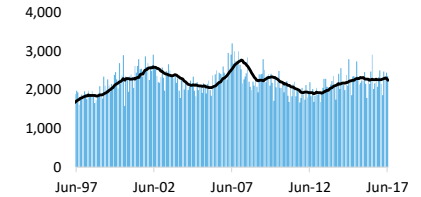
Melbourne



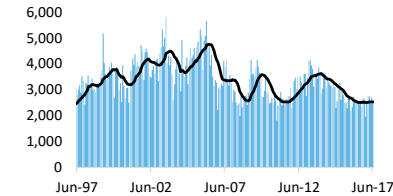
Brisbane



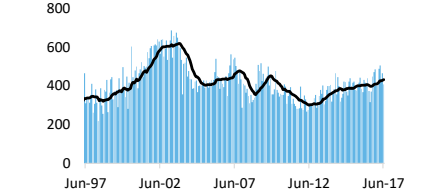
Adelaide



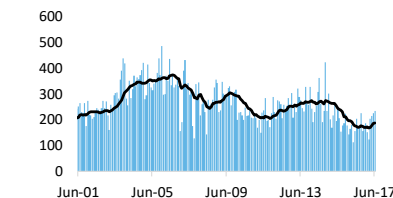
Perth



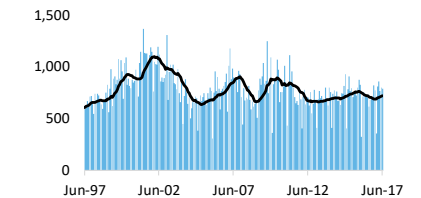
Hobart



Darwin



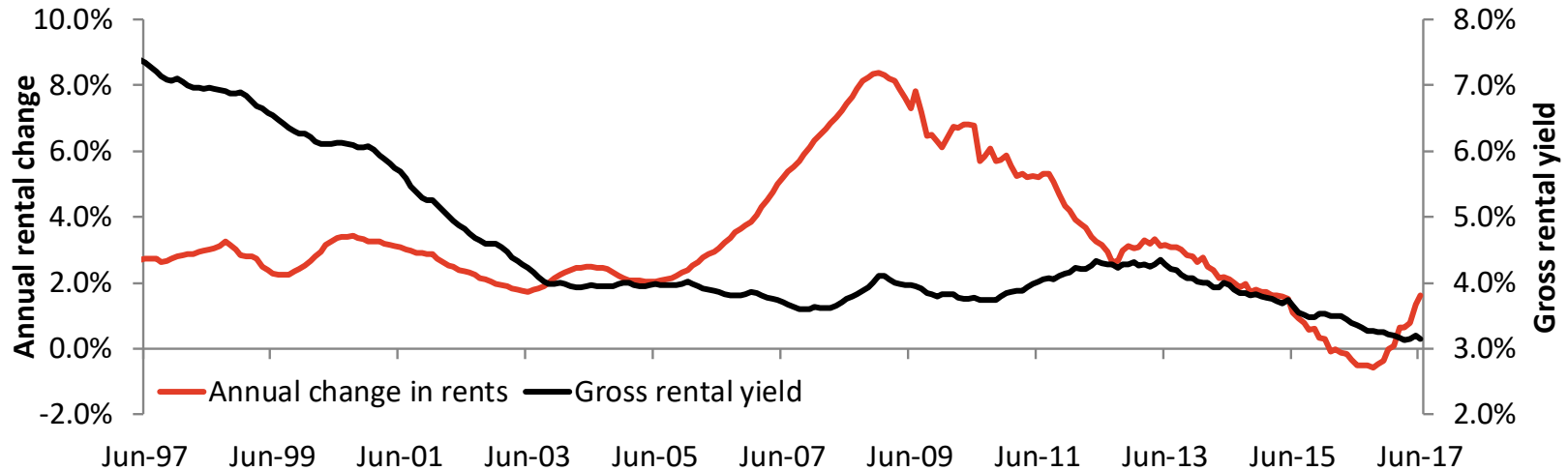
Canberra



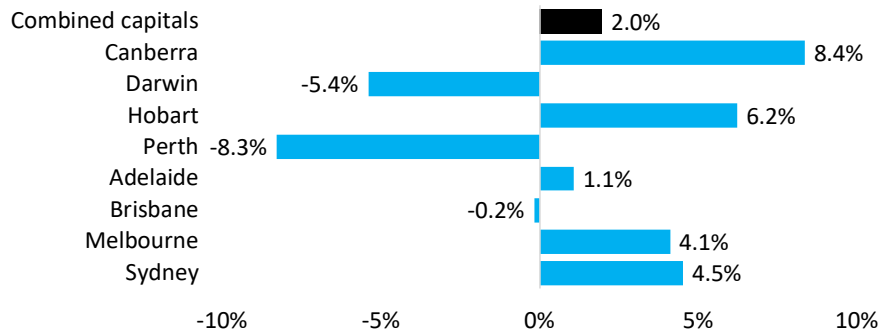
Note up-to-date sales are estimates based on settled dwelling sales and will revise higher as off the plan sales move through to settlement.

Some strength has returned to the rental market in Sydney, Melbourne, Hobart and Canberra

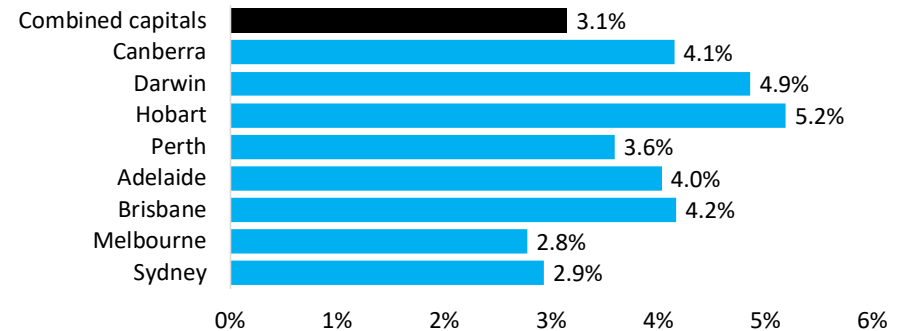
Annual change in combined capital city rents vs gross rental yields



Annual change in weekly rents

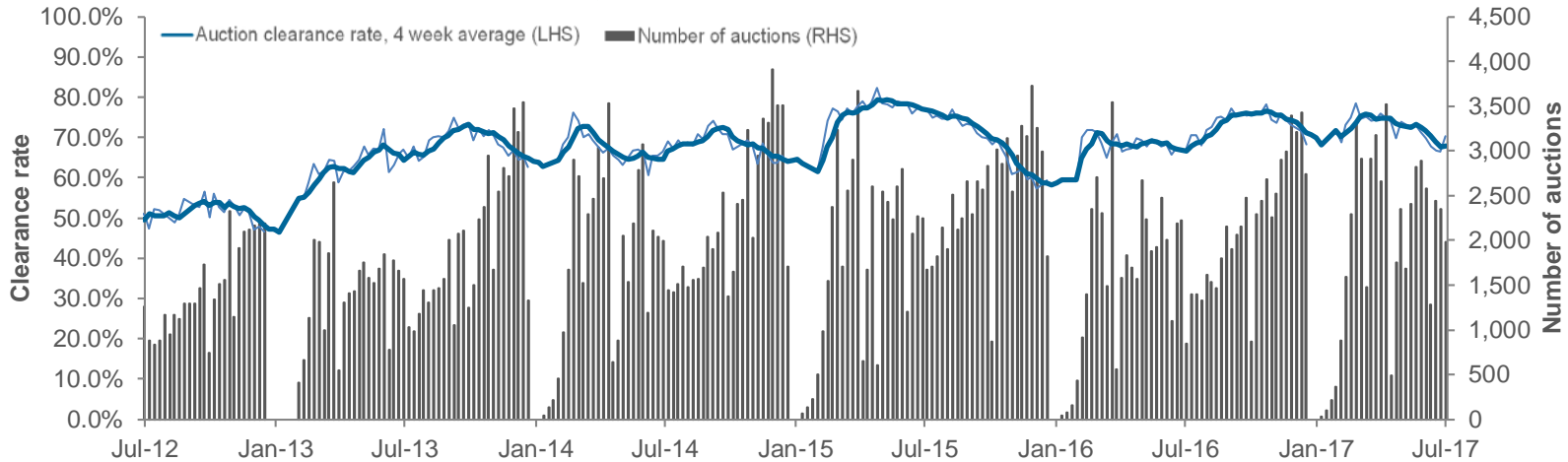


Current gross rental yields

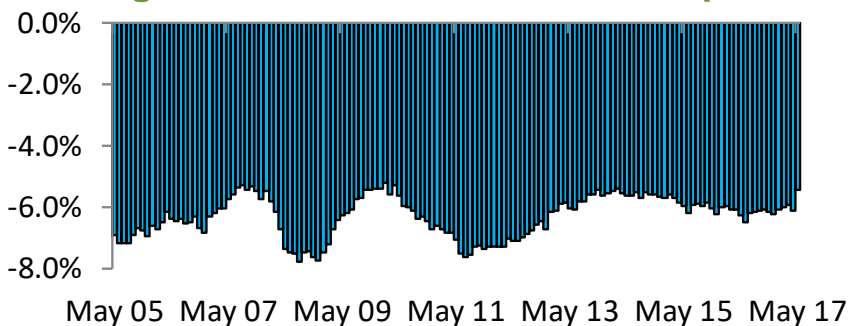


Vendor metrics: discounting levels and auction clearance rates reduce while days on market edges slightly higher

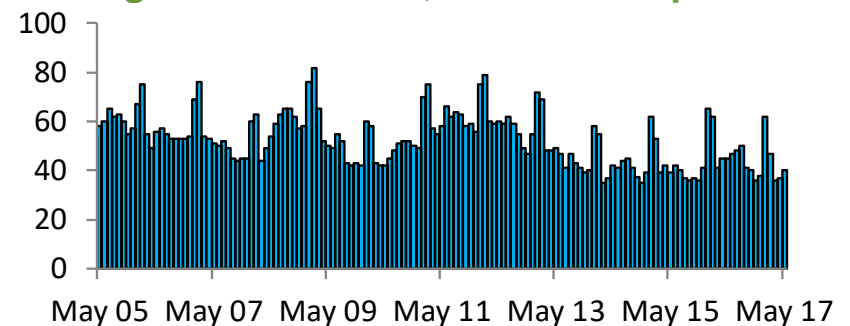
Combined capital city auction clearance rates and volumes



Avg vendor discount, combined capitals



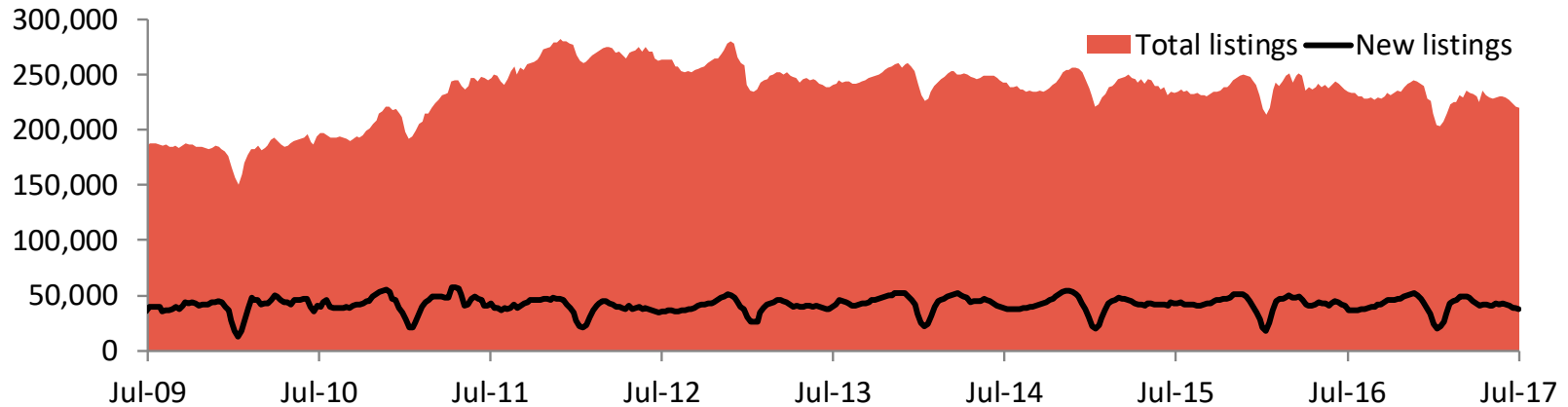
Avg time on market, combined capitals



CoreLogic's suite of vendor metrics are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. Note that we typically see a seasonal peak in average time on market each year in January and February.

Nationally new stock levels are higher than they were a year ago while the total volume of stock for sale remains lower

National number of new and total listings, rolling 4 weeks to 02/07/2017



State and territory property listings

State	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
NSW	10,377	10.8%	44,742	-1.5%
Vic	9,689	7.3%	48,639	-7.4%
Qld	9,285	-5.6%	63,968	-5.5%
SA	2,424	-4.0%	17,902	-1.6%
WA	4,536	-6.0%	34,599	-11.7%
Tas	871	9.8%	6,374	-19.3%
NT	216	10.2%	2,206	1.0%
ACT	504	8.2%	1,890	9.2%
National	37,902	2.3%	220,320	-6.2%

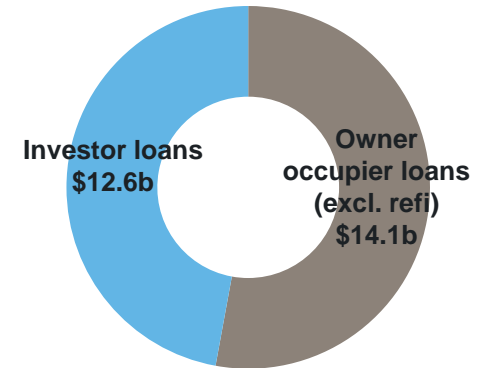
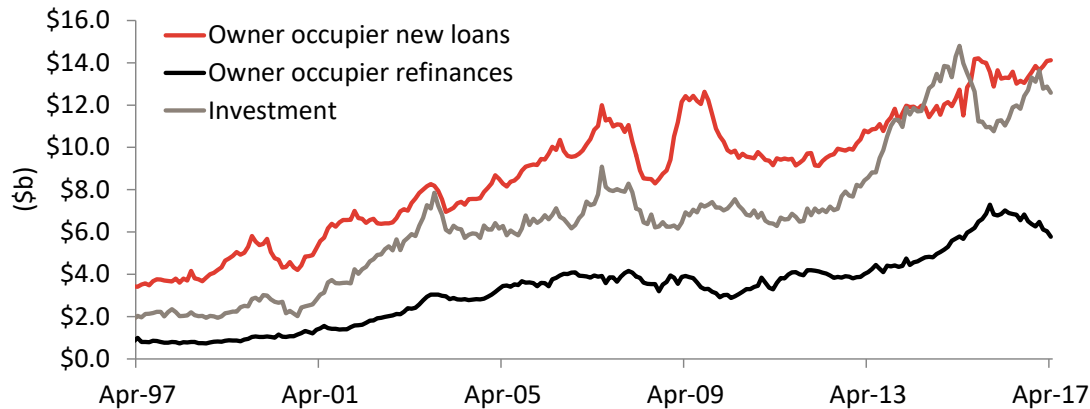
Capital city property listings

Capital city	No of new listings	12 mth change (%)	No of total listings	12 mth change (%)
Sydney	6,132	18.2%	21,271	11.1%
Melbourne	6,926	12.1%	26,780	-0.8%
Brisbane	3,984	0.4%	19,780	-0.3%
Adelaide	1,724	-0.6%	8,195	1.5%
Perth	3,284	-7.3%	20,959	-9.8%
Hobart	333	19.4%	1,285	-30.1%
Darwin	158	-3.7%	1,620	-1.0%
Canberra	489	8.7%	1,805	7.3%
Combined capitals	23,030	7.1%	101,695	-0.7%

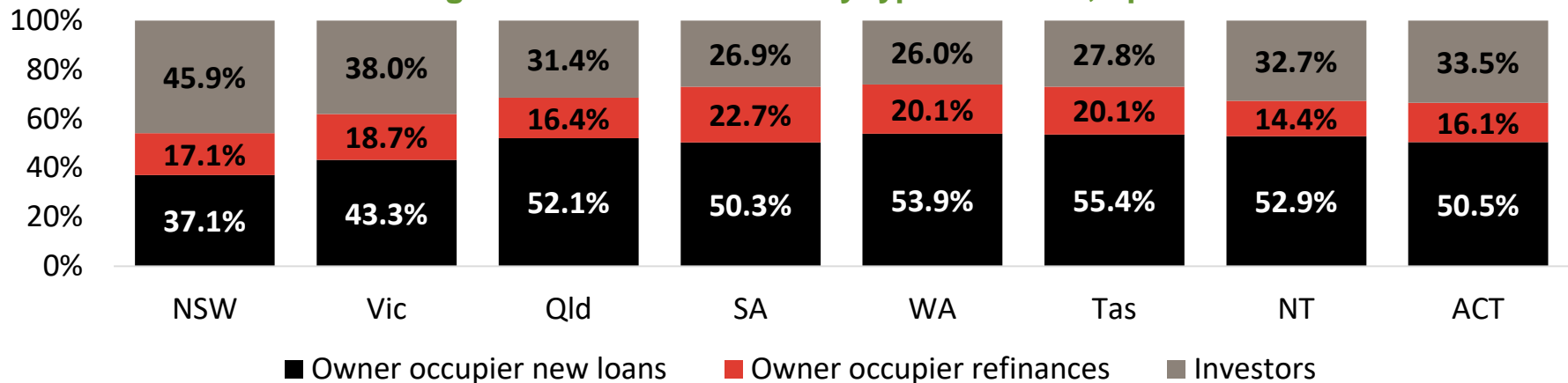
Note that figures represent the number of residential properties captured as being advertised for sale. This count is based on individual campaigns that have been matched to a CoreLogic property record, and therefore represents a unique property count.

Investor and owner occupier refinancing continues to slow while new lending to owner occupiers has continued to lift

Value of housing finance commitments – monthly, national

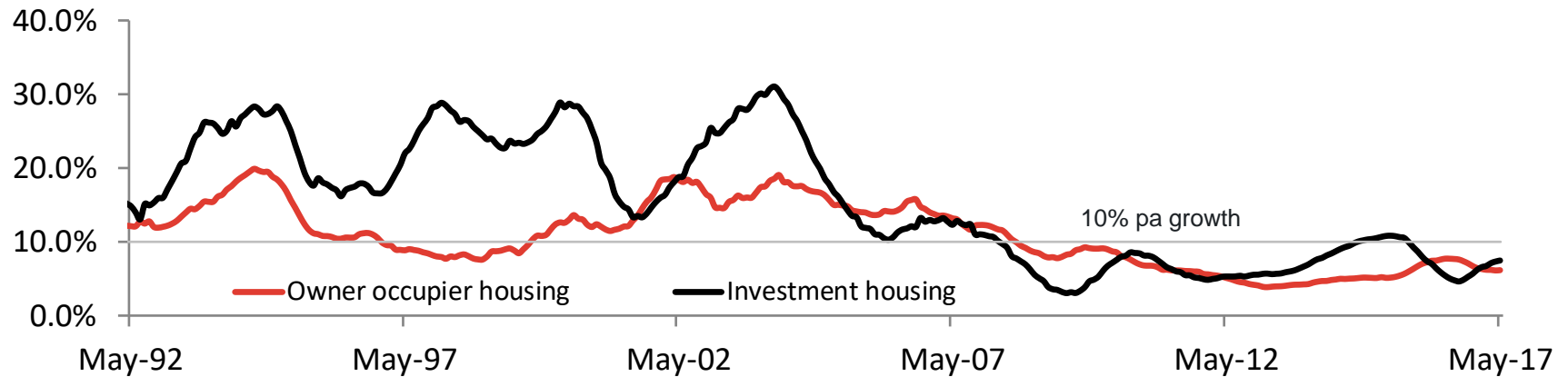


Housing finance commitments by type and state, April 2017

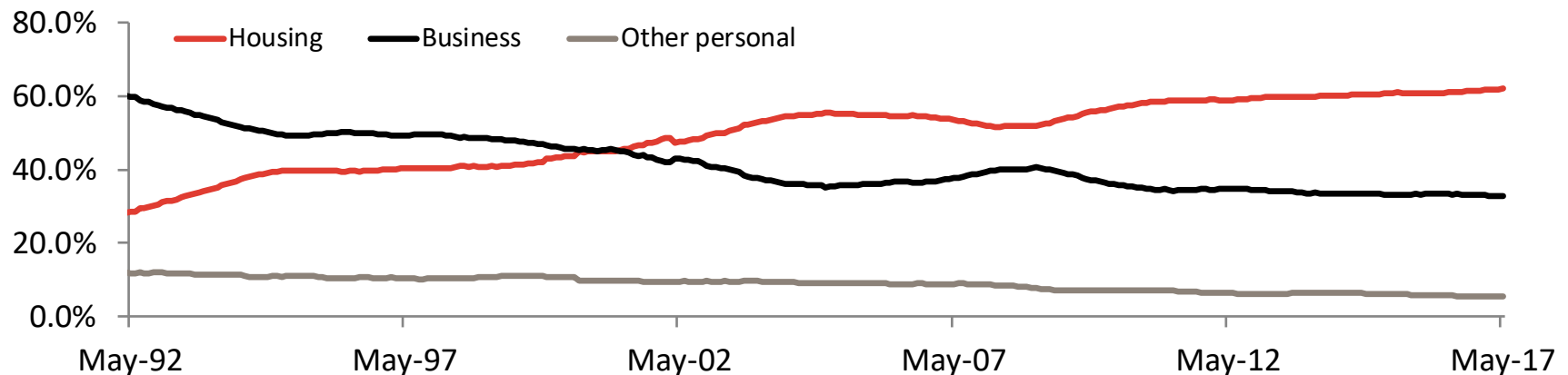


Monthly data shows investor credit growth slowing while owner occupier credit growth is accelerating

Annual change in total housing credit, owner occupiers vs investors

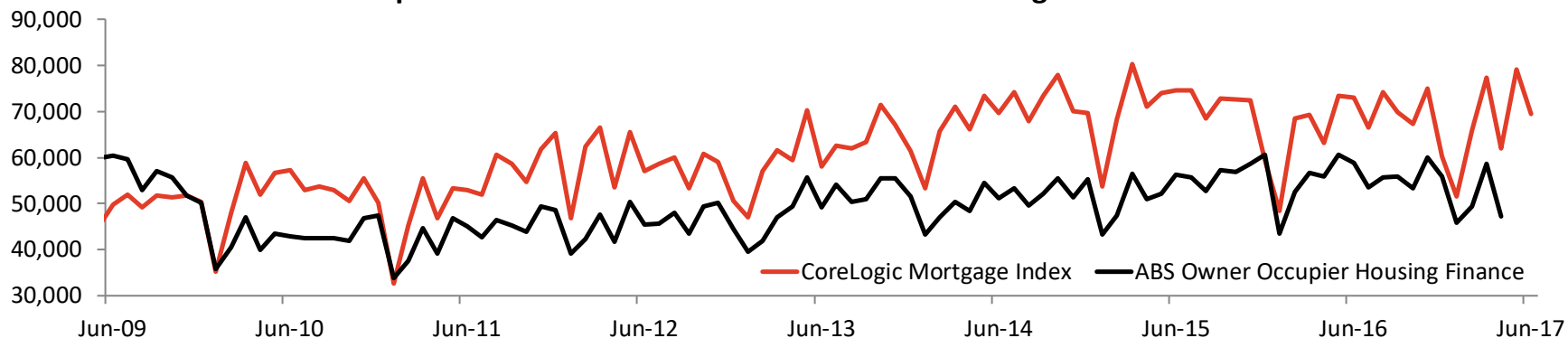


Proportion of total outstanding credit to ADIs

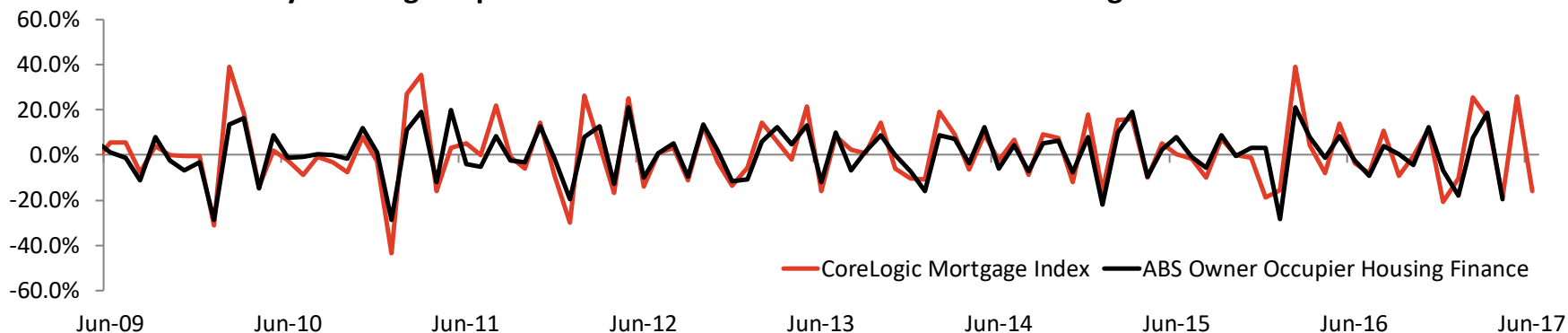


Mortgage demand eased in June but remains at quite high levels

Number of platform events v Number of owner occ housing finance commitments



Monthly % change in platform events v Number of owner occ housing finance commitments

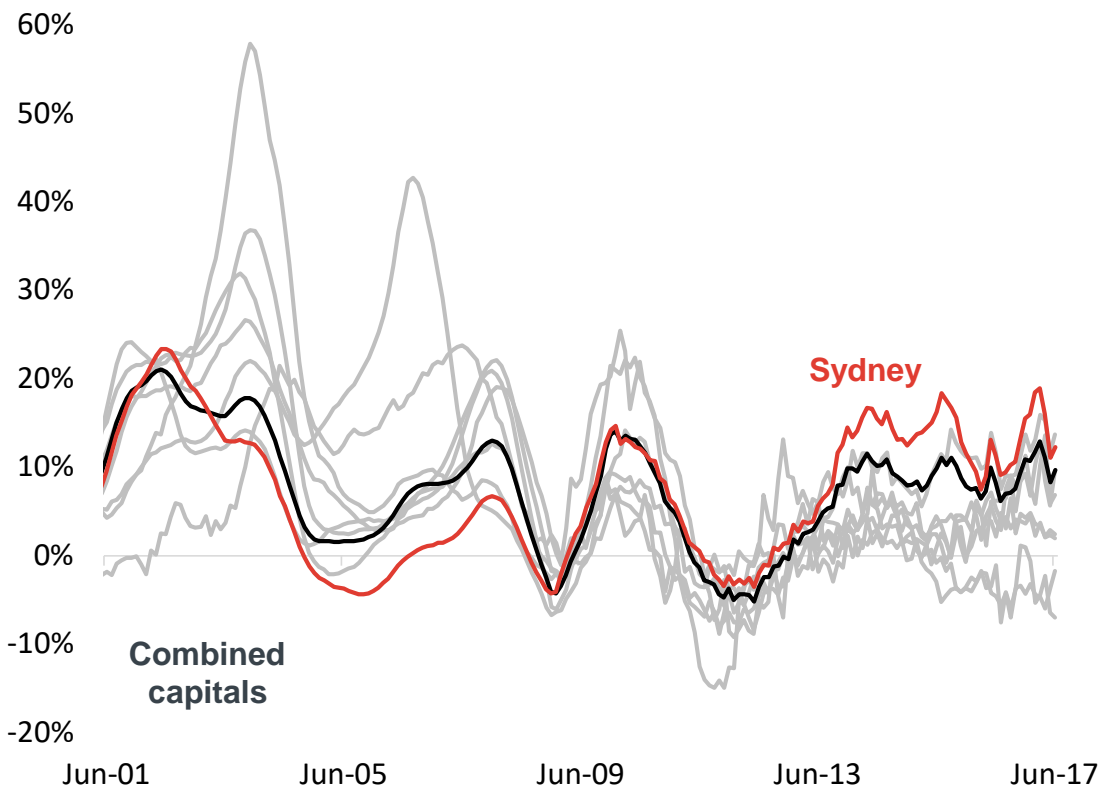


CoreLogic's Mortgage Index measures valuation activity across RP Data platforms, which more than 90% of ADI valuation requests nationally use, providing an almost real time indicator for how much mortgage activity is taking place. For more information, contact RP Data via email: ask@corelogic.com.au

Capital city housing market indicators



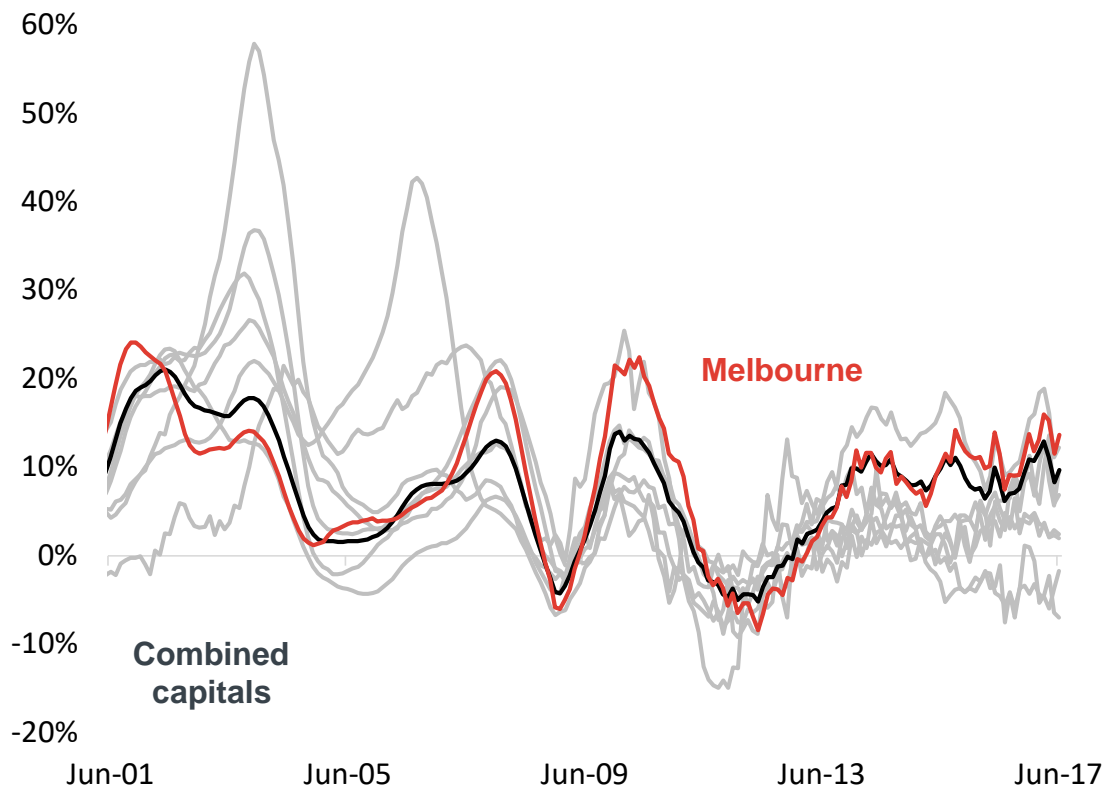
Annual change in dwelling values



After dwelling values surged more than **75%** higher over the past five years, Sydney dwelling values have increased by **0.8%** over the three months to June 2017 and are **12.2%** higher over the past year.

CoreLogic's suite of hedonic indices are available across broad housing types and across geographical areas including statistical divisions, statistical subdivisions and postcodes nationally. For further information on our hedonic method, please visit www.corelogic.com.au/indices

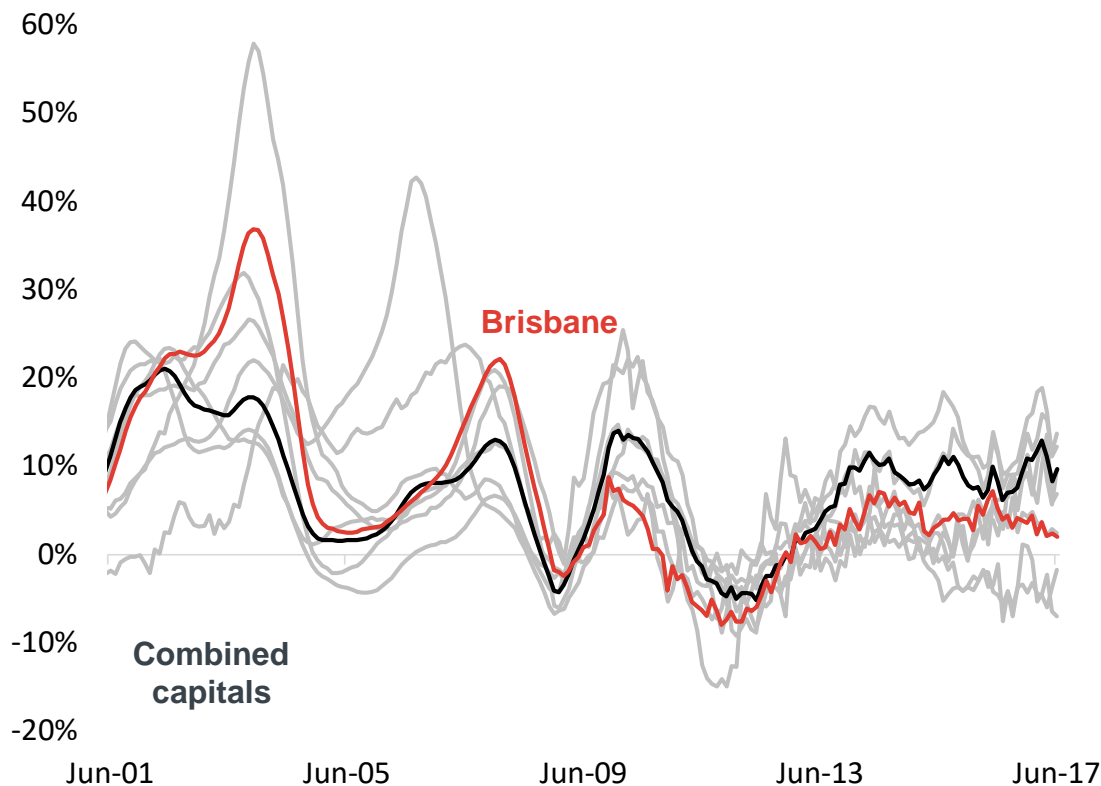
Annual change in dwelling values



Melbourne home values increased by 1.5% over the three months to June 2017 and are 13.7% higher over the past year. Melbourne dwelling values have recorded the greatest annual growth of all capital cities over the past year.

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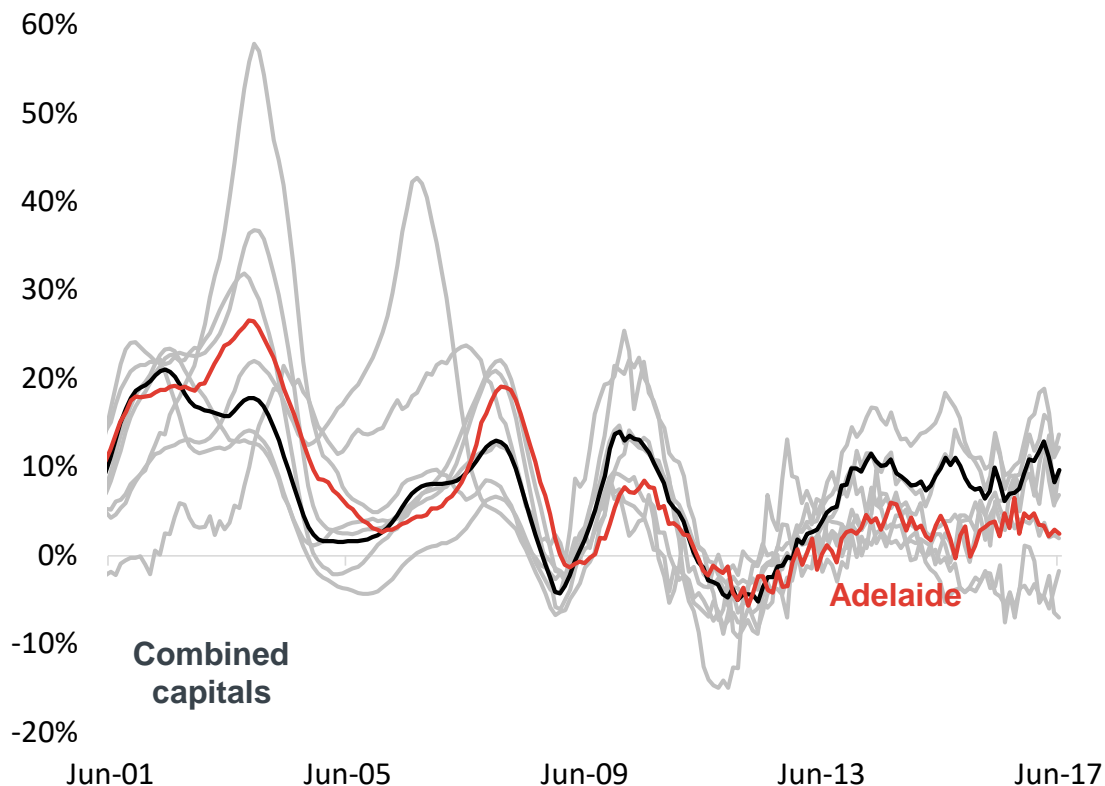
Annual change in dwelling values



Brisbane home values rose by 0.5% over the three months to June 2017 and are 2.0% higher over the past year. Brisbane home values have increased by just 16.9% since the end of 2008.

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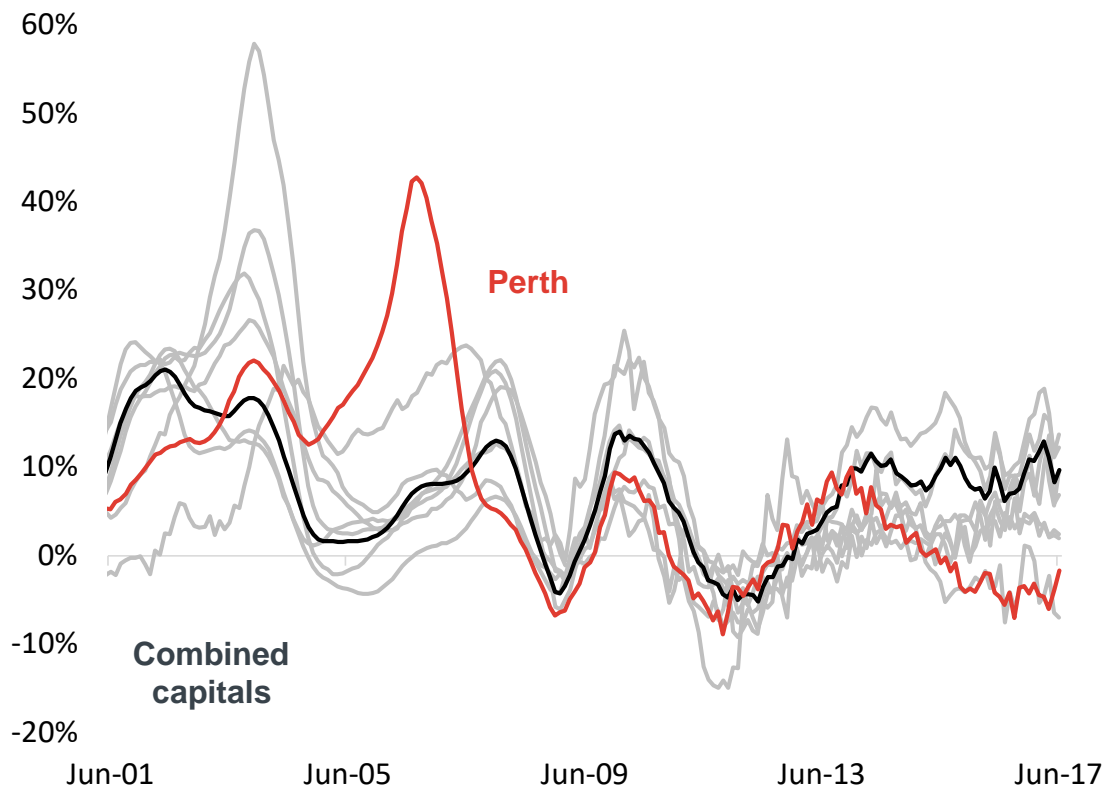
Annual change in dwelling values



Adelaide home values fell by **-0.2%** over the three months to June 2017 however, values increased by **2.4%** over the past year. Values have increased by a cumulative **17.6%** since the end of 2008.

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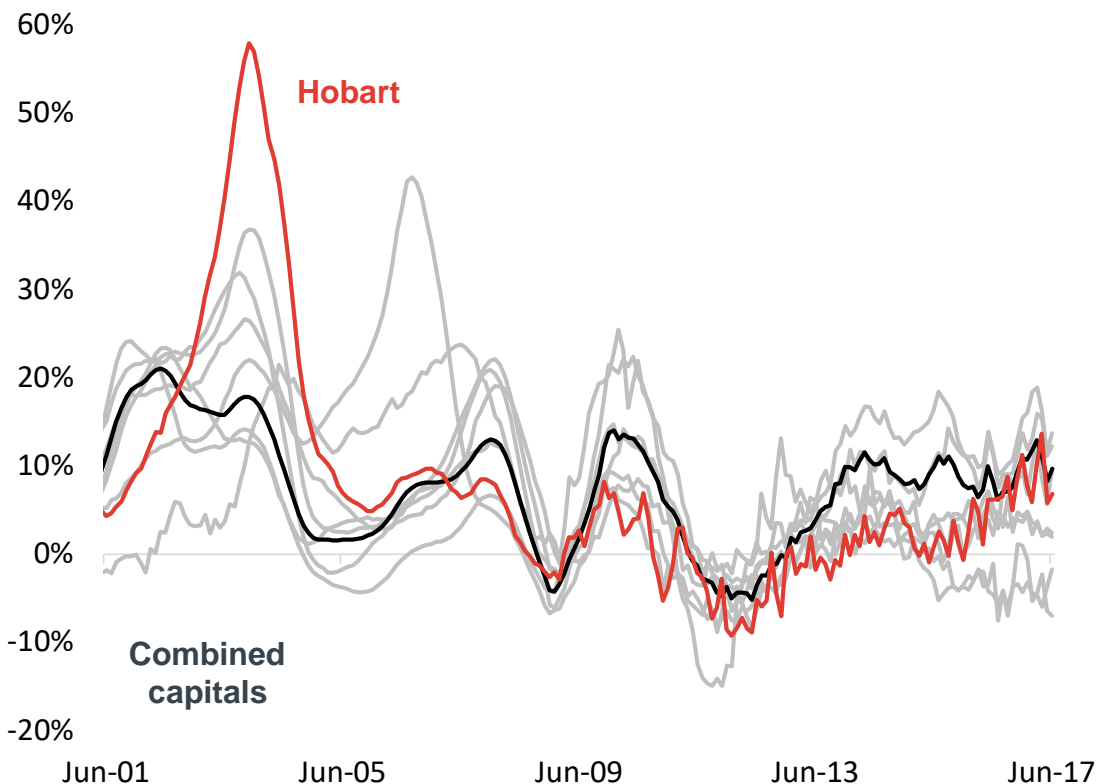
Annual change in dwelling values



Perth home values increased by **0.1%** over the three months to June 2017 however, they are **-1.7%** lower over the past year. Home values across the city have declined by **-9.0%** from their end of month peak in December 2014.

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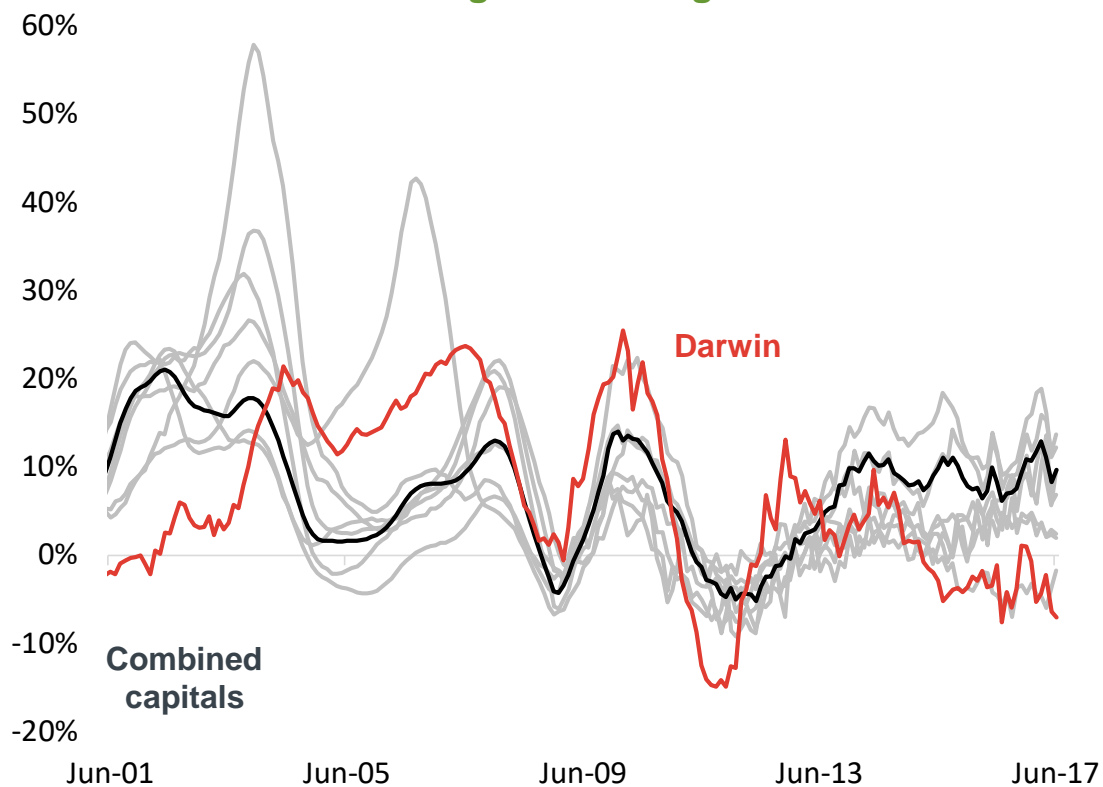
Annual change in dwelling values



Hobart home values have fallen by -1.3% over the three months to June 2017 however, they are 6.8% higher over the past year. Hobart home values have increased by just 15.5% over the past decade.

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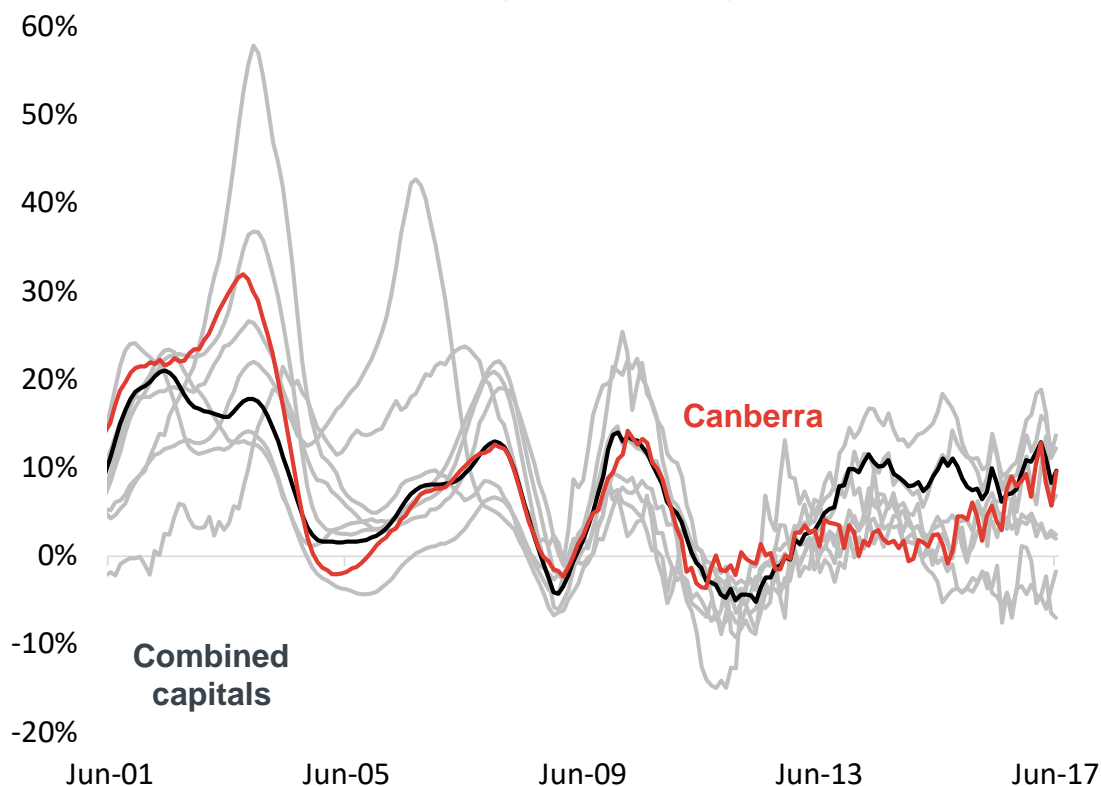
Annual change in dwelling values



Darwin home values have fallen by **-5.2% over the three months to June 2017 and they are **-7.0%** lower over the past year. Values across the city are currently **-16.1%** lower than their end of month peak in August 2010.**

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Annual change in dwelling values



Canberra home values have fallen by -0.4% over the three months to June 2017 although they are 9.6% higher over the past year. Since the end of 2008, Canberra home values have increased by a total of 39.1%.

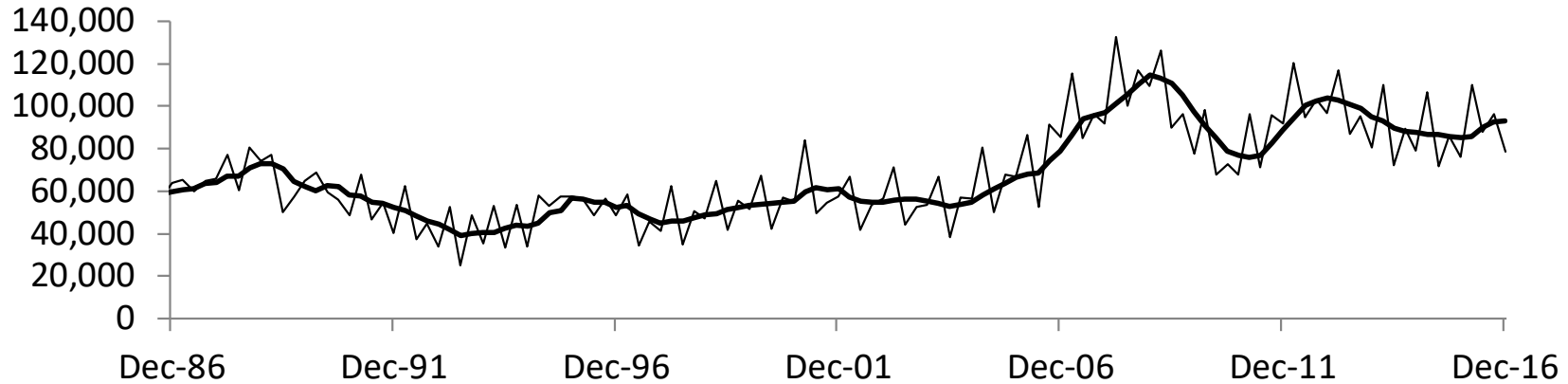
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Macroeconomic and demographic indicators

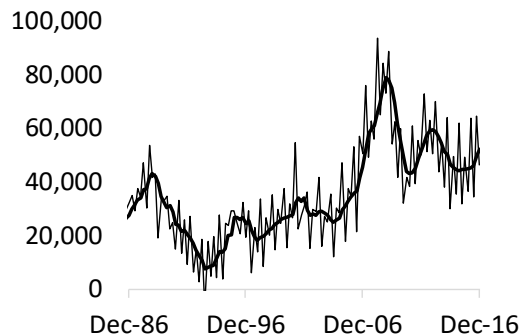


Housing demand: Victoria's rate of population growth is going from strength-to-strength

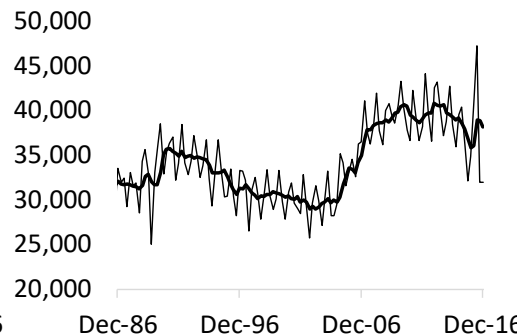
Quarterly change in national population



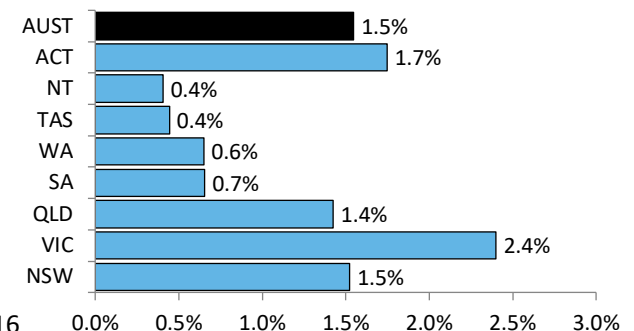
Net overseas migration



Natural increase

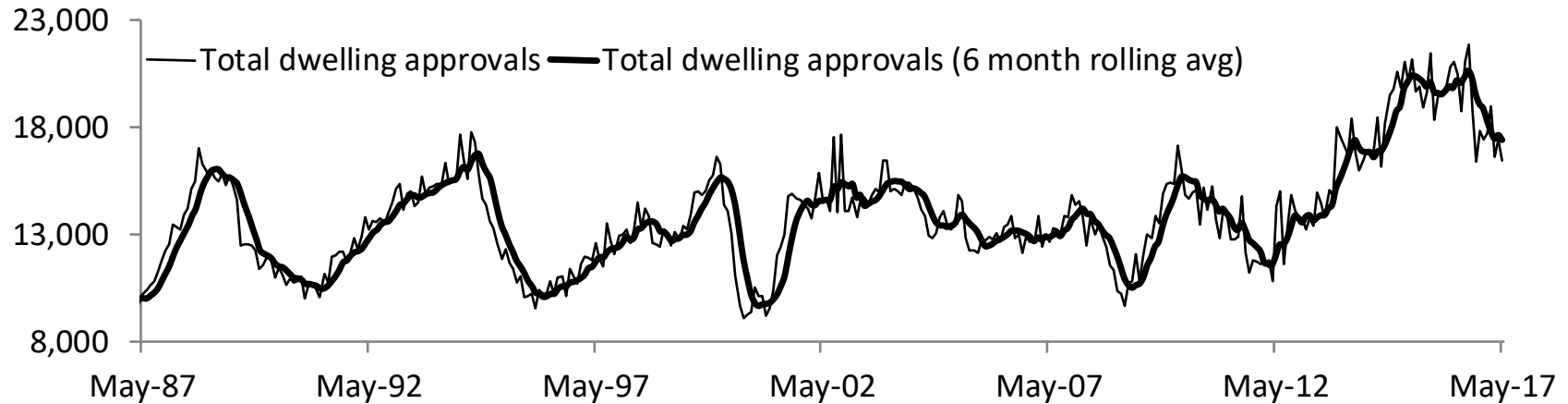


Annual change in population

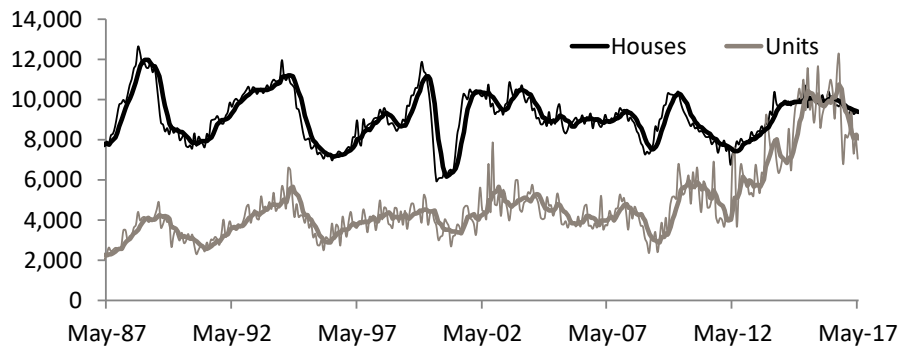


Housing supply: Dwelling approvals fell in May on the back of a big decline in unit approvals

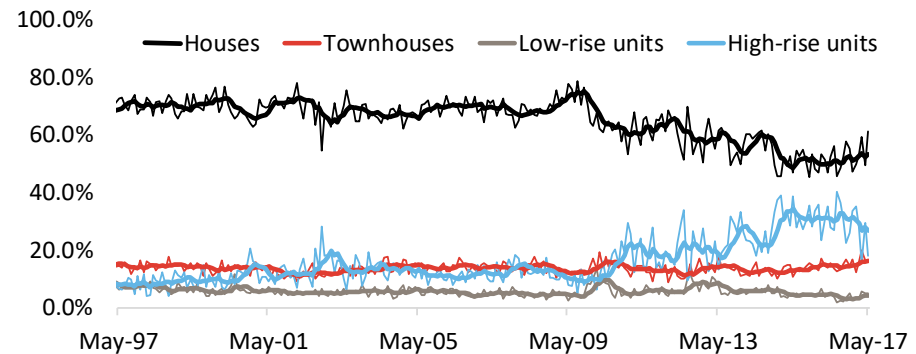
Monthly number of dwelling approvals, national



National dwelling approvals, houses v units

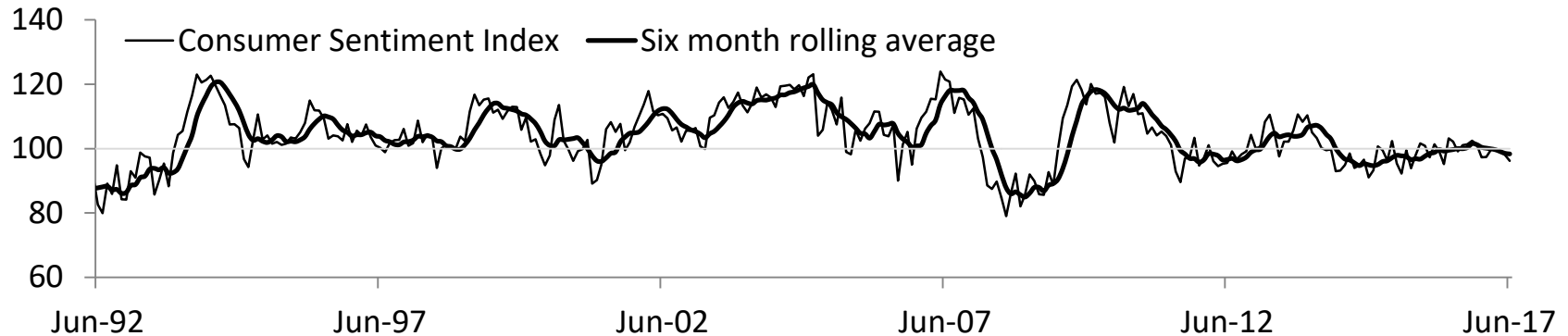


Monthly % of total dwelling approvals

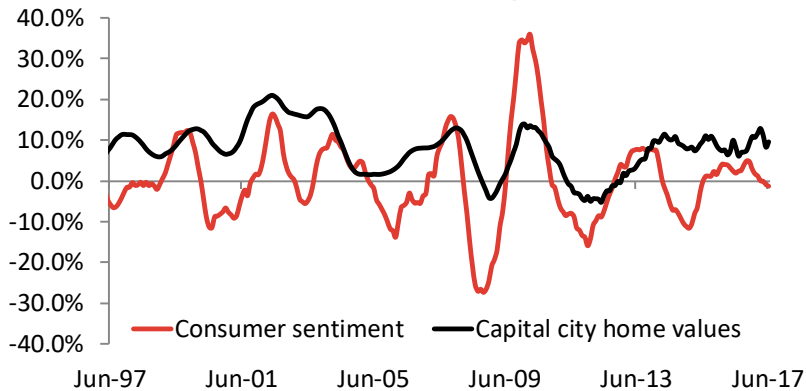


Consumer pessimism has slightly outweighed optimism for each of the past seven months

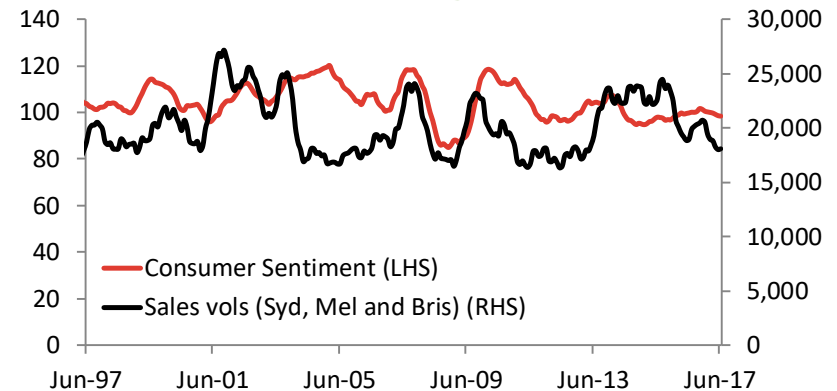
Consumer sentiment index



Annual change in consumer sentiment v dwelling values

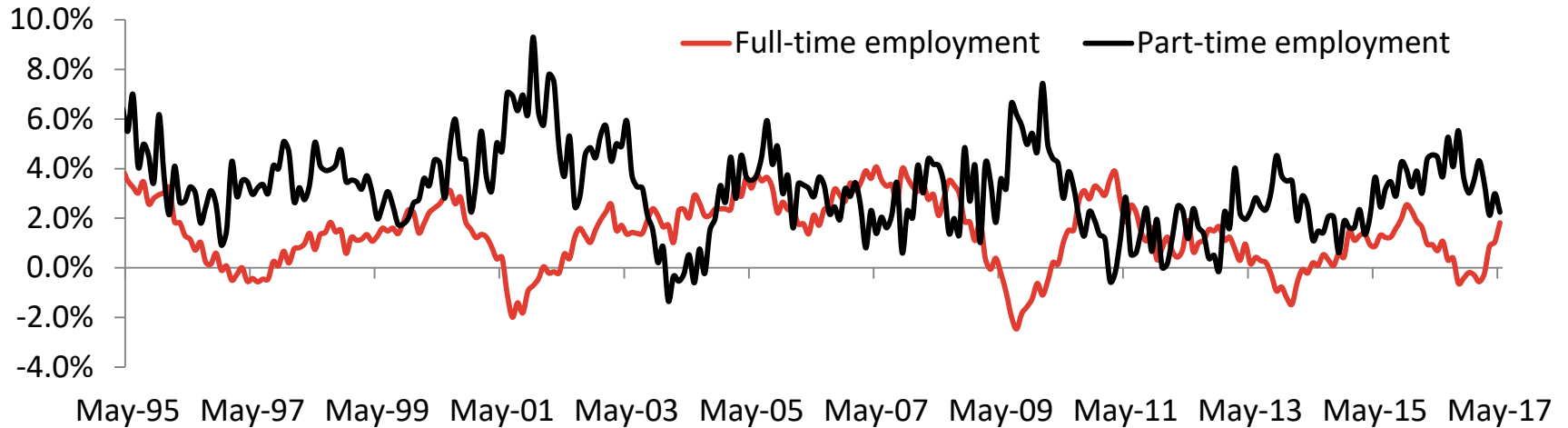


Consumer sentiment v dwelling sales

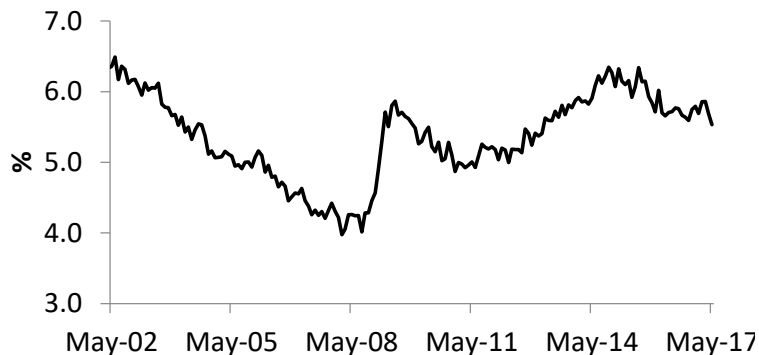


Labour force: the unemployment rate has fallen to its lowest level since Feb-13

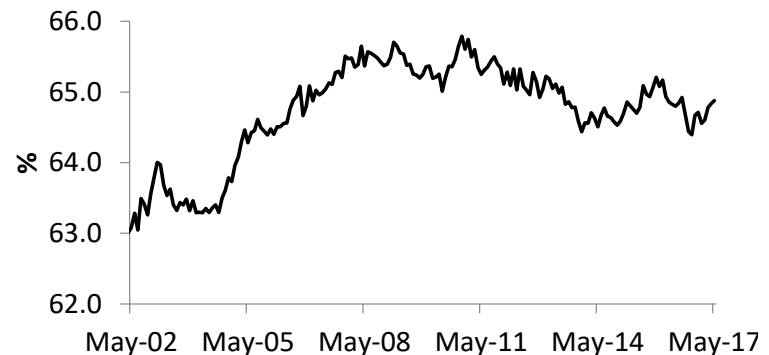
Annual change in employment, full time v part time



National unemployment rate

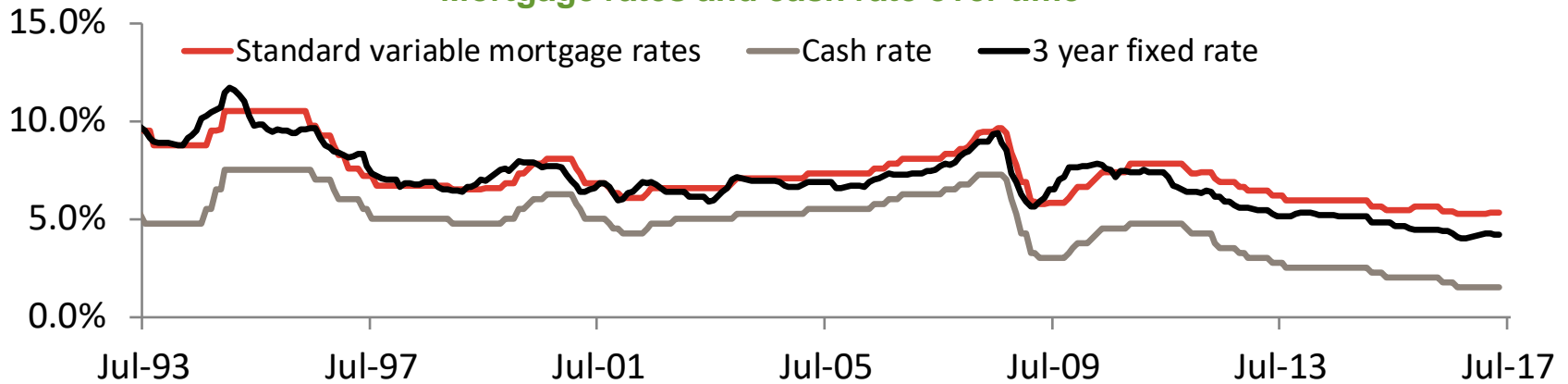


National participation rate

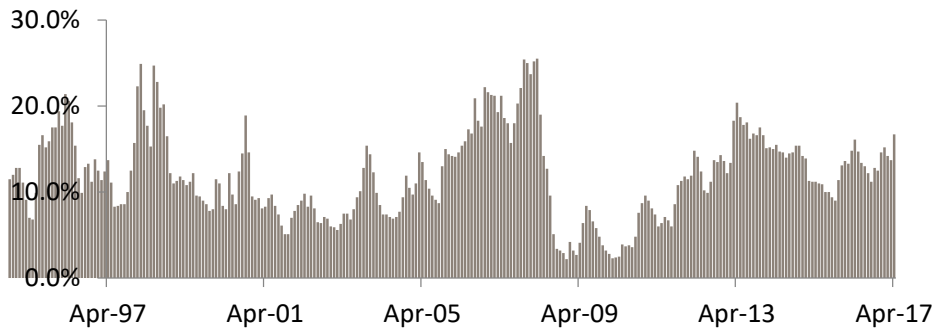


Mortgage rates: while the cash rate remains on hold, lenders are adjusting rates

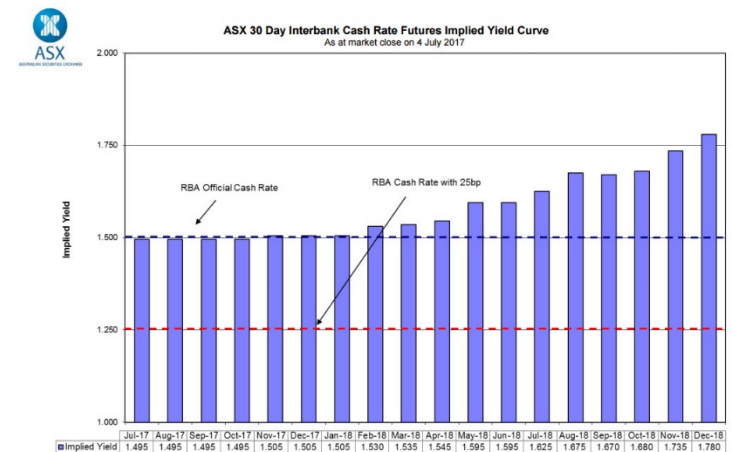
Mortgage rates and cash rate over time



% of owner occupier loan commitments on fixed rate



ASX cash rate futures implied yield curve



About Us

CoreLogic Australia is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world. CoreLogic provides property information, analytics and services across Australia, New Zealand and Asia, and recently expanded its service offering through the purchase of project activity and building cost information provider Cordell. 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.

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CoreLogic produces an advanced suite of housing market analytics that provides key insights for understanding housing market conditions at a granular geographic level. Granular data is often used for portfolio analysis and benchmarking, risk assessments and understanding development feasibility and market sizing. It gives industry professionals valuable modules which provide essential analytics and insights for decision making and strategy formation within the residential property asset class. We can tailor reports to suit your business requirements.

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Granular Data and Analytics

Market Scorecard: Monitor and measure market share and performance of real estate agents at an individual office or a Franchise brand level across Australia. Identify the competing brands and independents at a suburb, postcode, user defined territory and State level. Easily locate growth opportunities and market hotspots, and view the performance of the established offices in these new areas of interest.

Market Trends: Detailed housing market indicators down to the suburb level, with data in time series or snapshot and segmented across houses, units and land. The Market Trends data includes key housing market metrics such as median prices, median values, transaction volumes, rental statistics, vendor metrics such as average selling time and vendor discounting rates.

CoreLogic Indices: The suite of CoreLogic Indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value indices. The CoreLogic Hedonic index has been specifically designed to track the value of a portfolio of properties over time and is relied upon by Australian regulators and industry as the most up to date and accurate measurement of housing market performance.

Economist Pack: A suite of indices and indicators designed specifically for Australian economic commentators who require the most up to date and detailed view of housing market conditions. The economist pack includes the CoreLogic Hedonic indices for capital cities and 'rest of state' indices, the stratified hedonic index, hedonic total return index, auction clearance rates and median prices.

Investor Concentration Report: Understanding ownership concentrations is an important part of assessing risk. Areas with high investor concentrations are typically allocated higher risk ratings due to the over-representation of a particular segment of the market. Through a series of rules and logic, CoreLogic has flagged the likely ownership type of every residential property nationally as either owner occupied, investor owned or government owned.

Mortgage Market Trend Report: CoreLogic is in a unique position to monitor mortgage related housing market activity. Transaction volumes, dwelling values and mortgage related valuation events all comprise our Mortgage market trend report which provides an invaluable tool for mortgage industry benchmarking and strategy.

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