

▶ Macro housing market indicators

Residential real estate absolutely underpins Australia's wealth position

Residential Real Estate

\$5.5 Trillion

Australian Superannuation

\$1.8 Trillion (SMSF \$543.4 Billion)

Australian Listed Stocks

\$1.6 Trillion

Commercial Real Estate

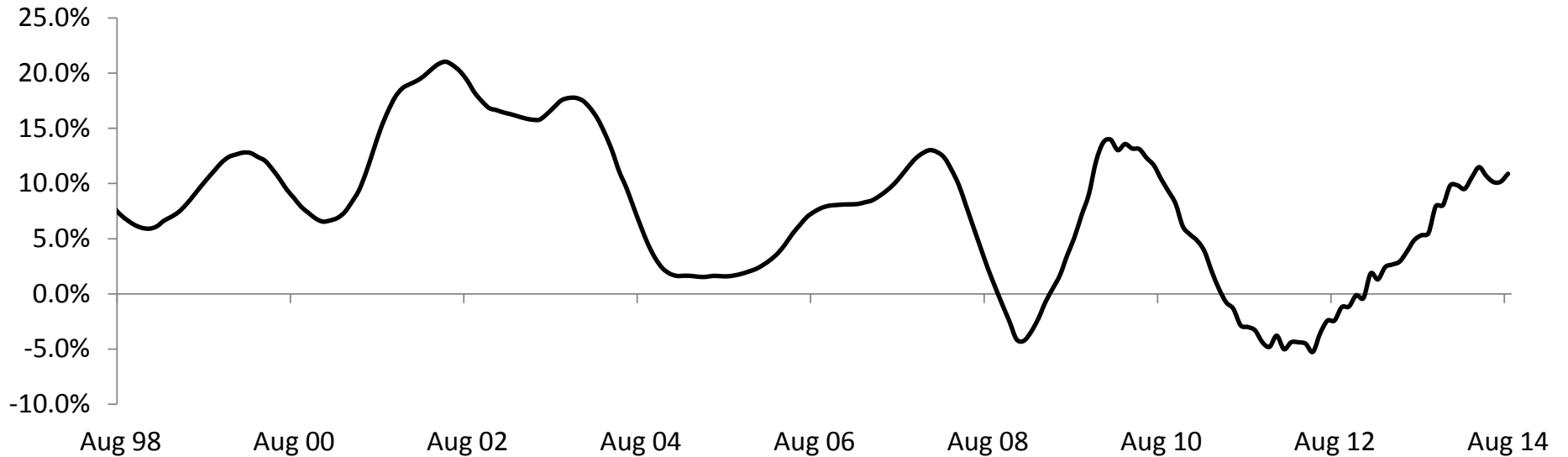
\$0.7 Trillion



As at end of August 2014

Capital gain: Home values up 11.2% over past year with the rate of growth accelerating once again

Rolling annual dwelling values, combined capital cities



Median Prices



\$548,000



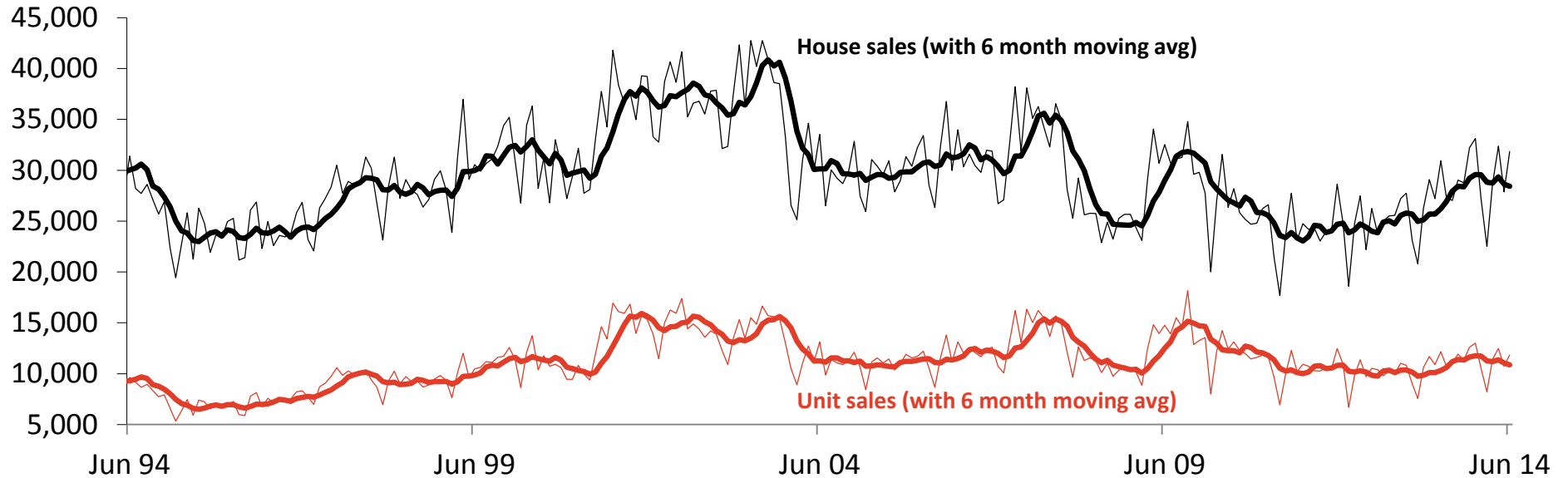
\$467,500

Capital Gain

	Houses	Units	Dwellings
Past 12 months	11.2%	9.0%	10.9%
Annual over five years	4.1%	3.6%	4.1%
Annual over ten years	4.8%	4.2%	4.7%

Turnover: buyer demand appears to be levelling, but transaction numbers are 10.8% higher than a year ago

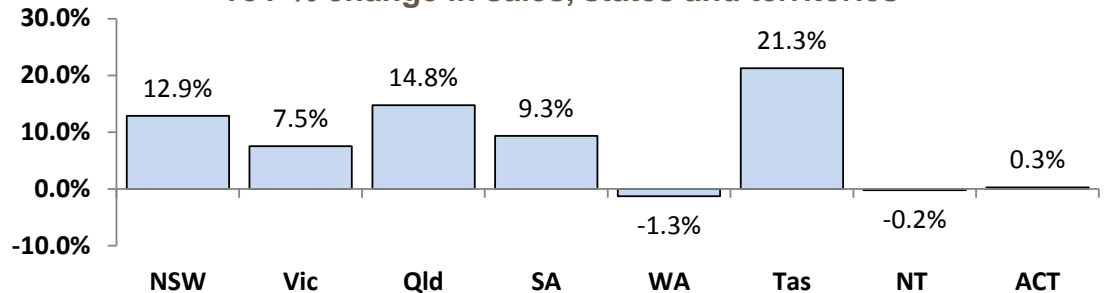
Monthly house and unit sales, national



Annual Sales

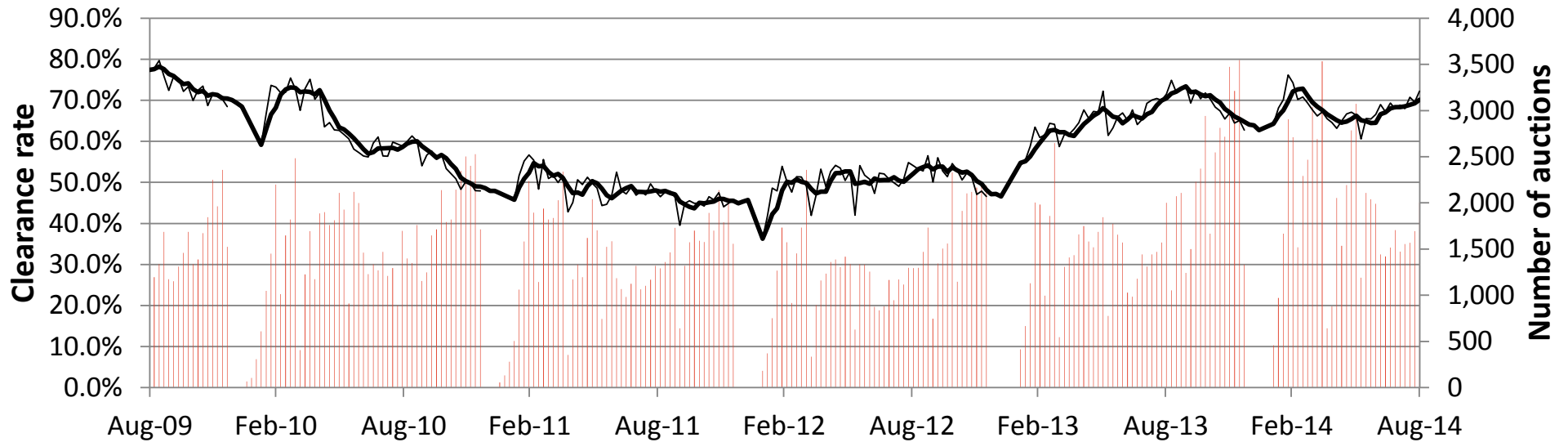
	Year to June 2014	Year to June 2013	% change
Houses	347,943	312,202	11.4%
Units	135,824	124,265	9.3%
Dwellings	483,767	436,467	10.8%

YoY % change in sales, states and territories

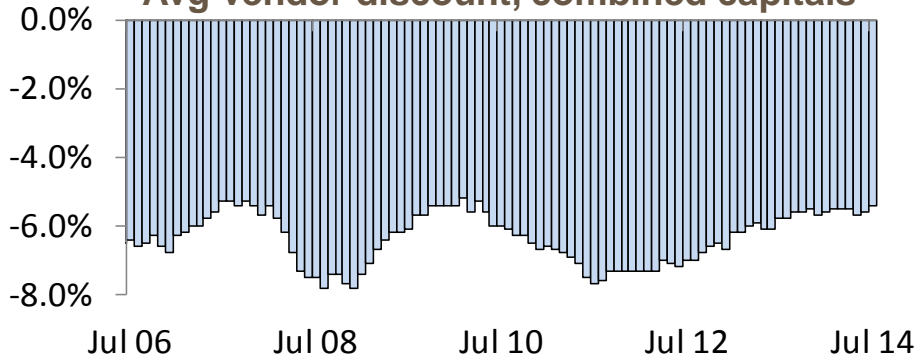


Vendor metrics: clearance rates sitting at around 70% while selling time and discounting rates have levelled

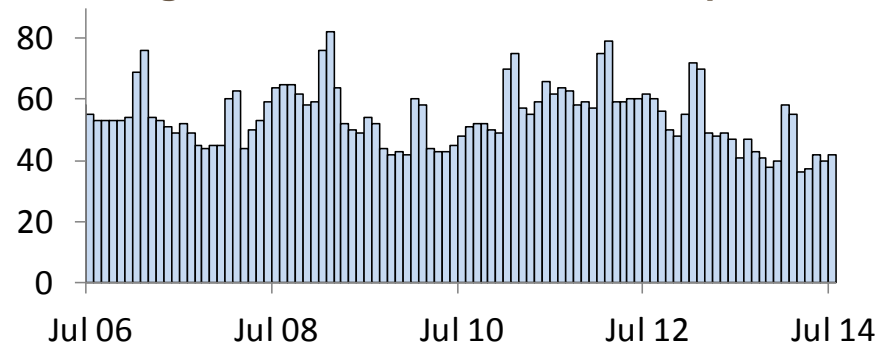
Weighted average clearance rate and number of auctions, combined capitals



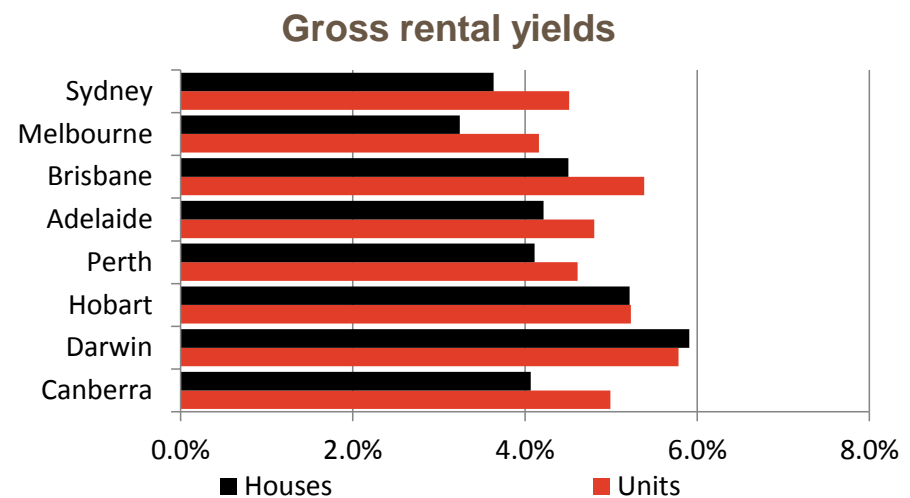
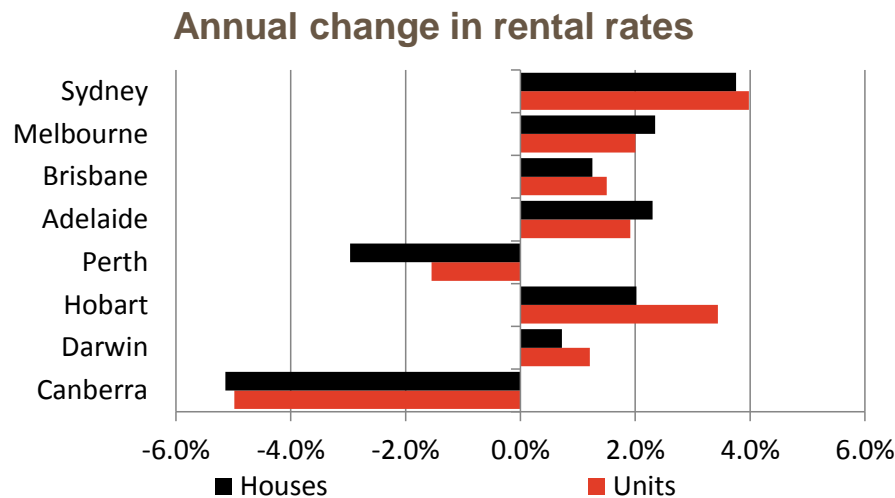
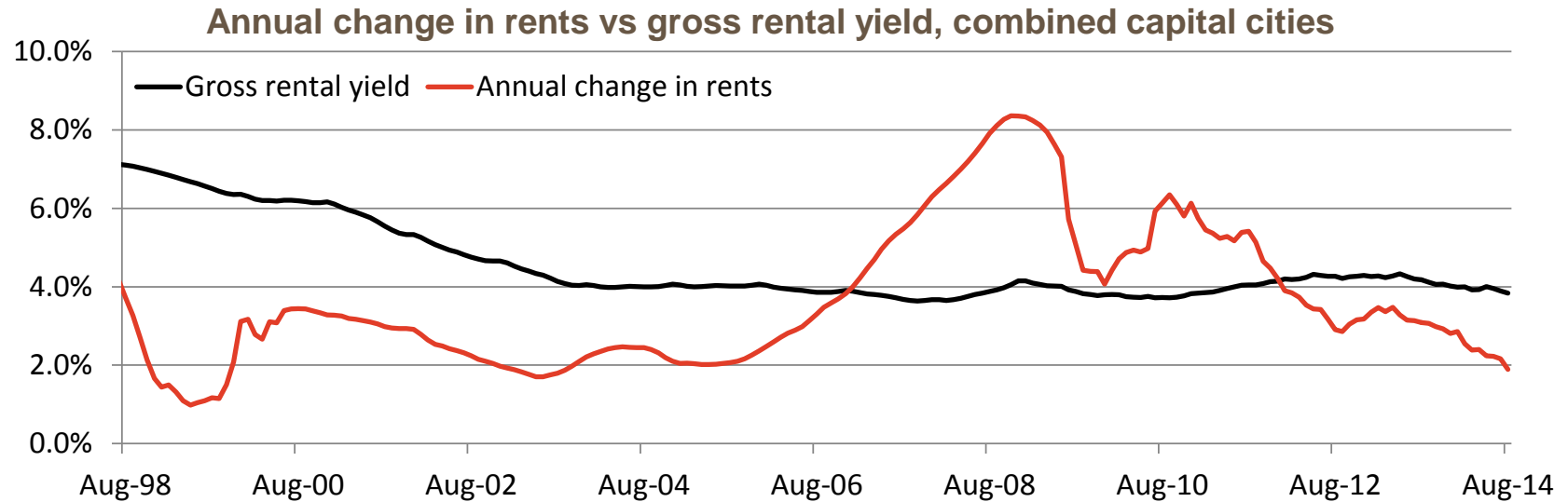
Avg vendor discount, combined capitals



Avg time on market, combined capitals

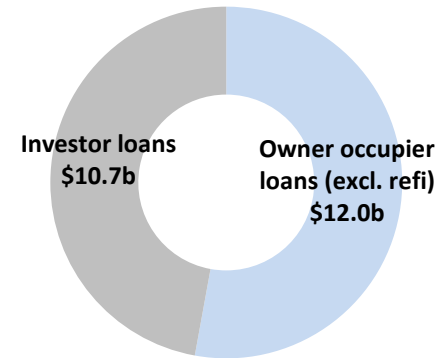
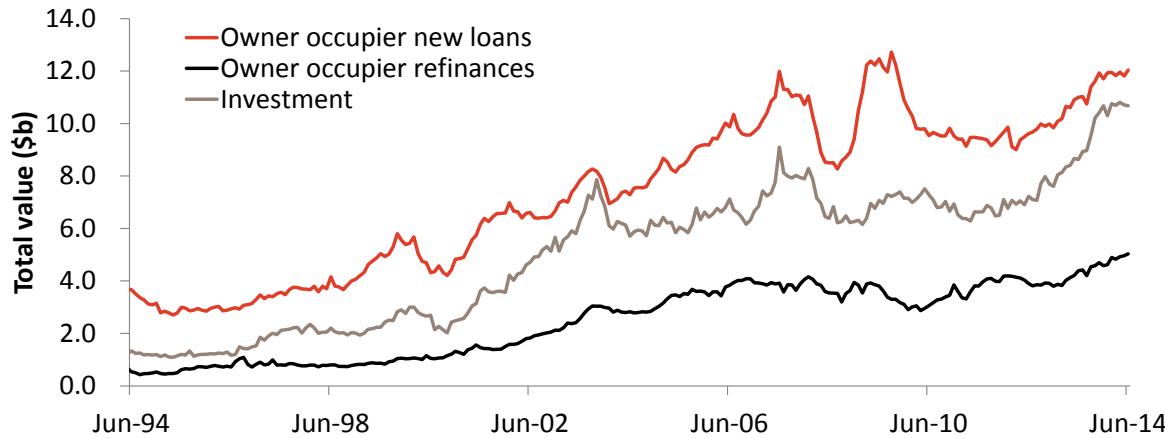


Rental markets are relatively soft while values rise...

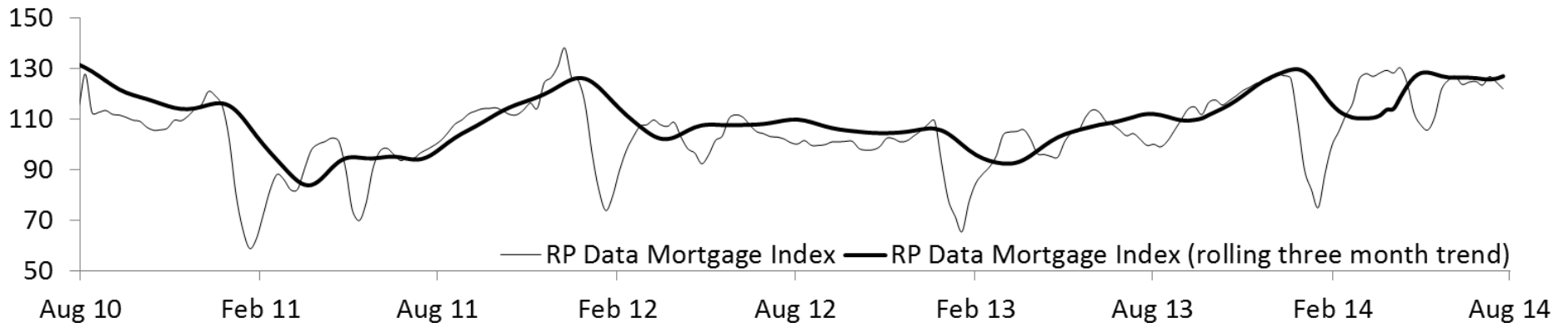


Mortgage demand: The value of housing finance commitments to both owner occupiers and investors has recently levelled

Value of housing finance commitments, monthly, national



RP Data Mortgage Index, national

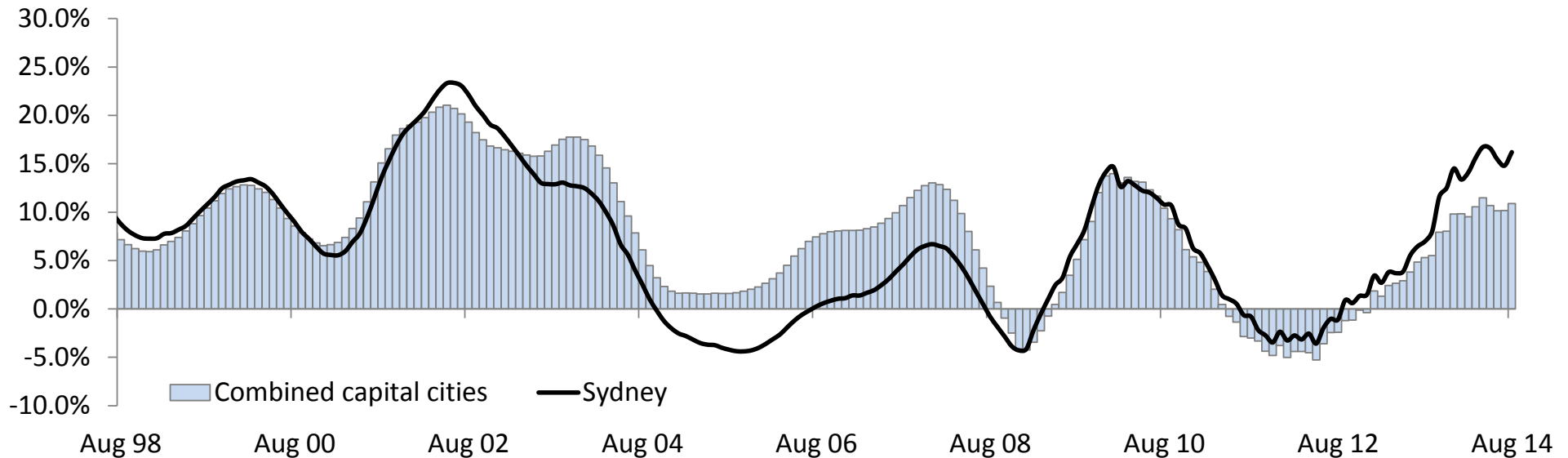


RP Data's Listings Index measures real estate agent activity across RP Data platforms, which more than 70% of real estate agents nationally use, providing an almost real time indicator for how many homes are being prepared for sale. For more information, contact RP Data via email: ask@rpdata.com

▶ Capital city housing market indicators

Sydney: housing market continues to show the highest capital gain trend across the capital cities

Rolling annual change in Sydney dwelling values v. combined capitals benchmark



Median Prices



\$740,000

\$565,000

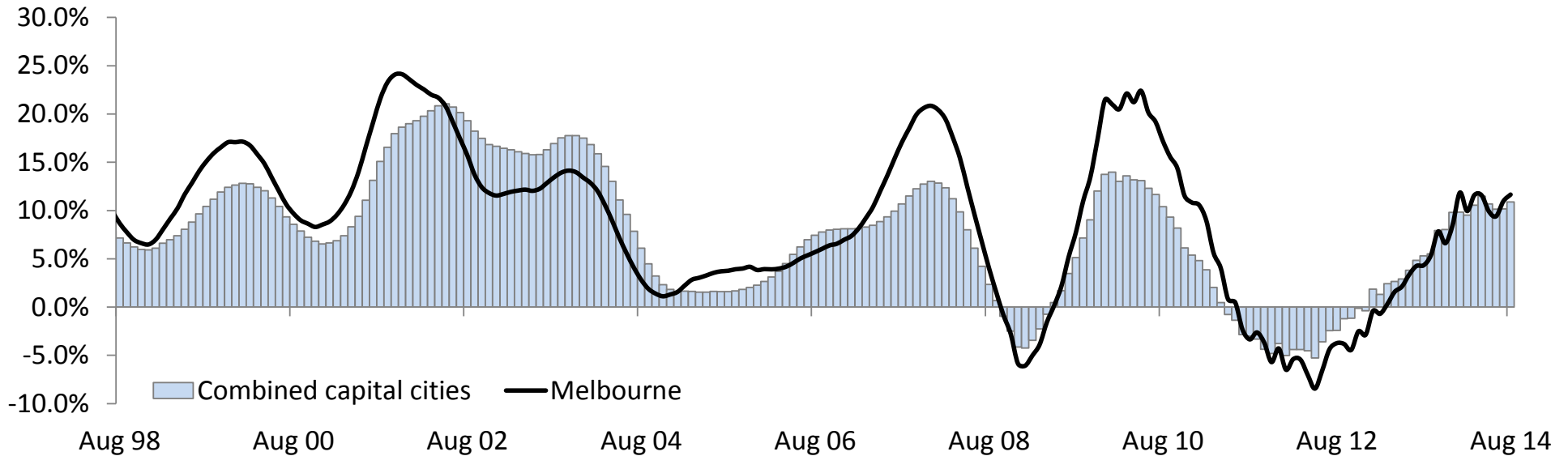
Capital Gain

	Houses	Units	Dwellings
Past 12 months	17.2%	12.1%	16.2%
Annual over five years	6.4%	5.2%	6.2%
Annual over ten years	3.7%	3.7%	3.7%

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Melbourne: strong long term cycle with a weaker performance across the apartments market

Rolling annual change in Melbourne dwelling values v. combined capitals benchmark



Median Prices



\$570,000



\$460,000

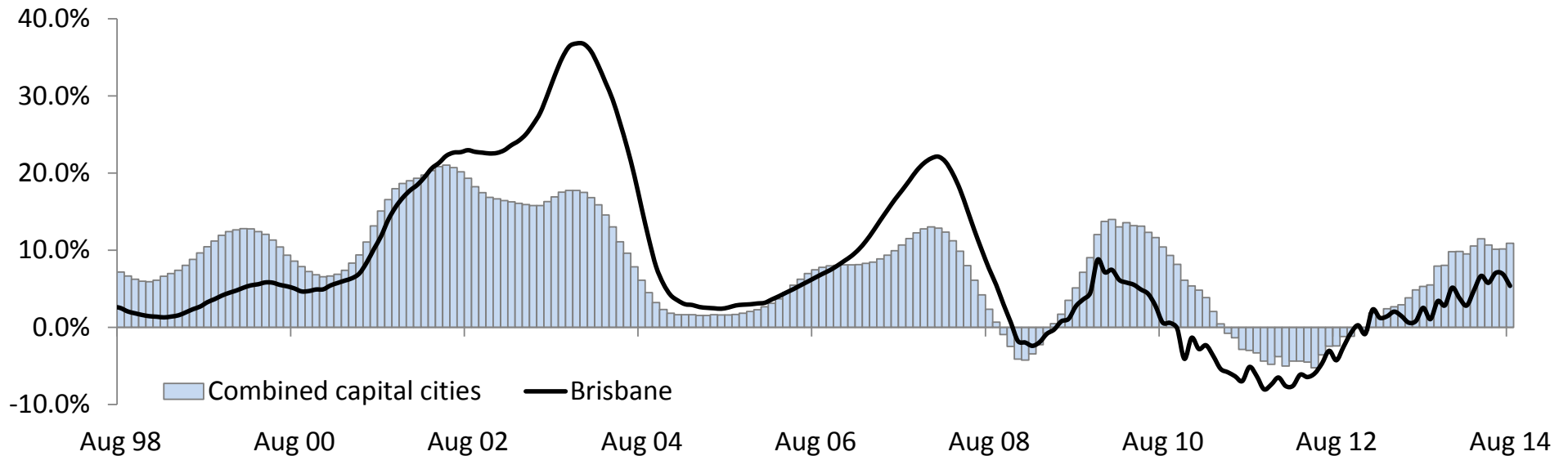
Capital Gain

	Houses	Units	Dwellings
Past 12 months	12.4%	6.2%	11.7%
Annual over five years	5.1%	3.3%	4.9%
Annual over ten years	6.4%	5.1%	6.2%

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Brisbane: market has underperformed the combined capitals average since 2008 but is gathering some momentum

Rolling annual change in Brisbane dwelling values v. combined capitals benchmark



Median Prices



\$475,000

Capital Gain

Houses Units Dwellings

Past 12 months 5.3% 5.6% 5.4%

Annual over five years -0.3% -0.2% -0.3%

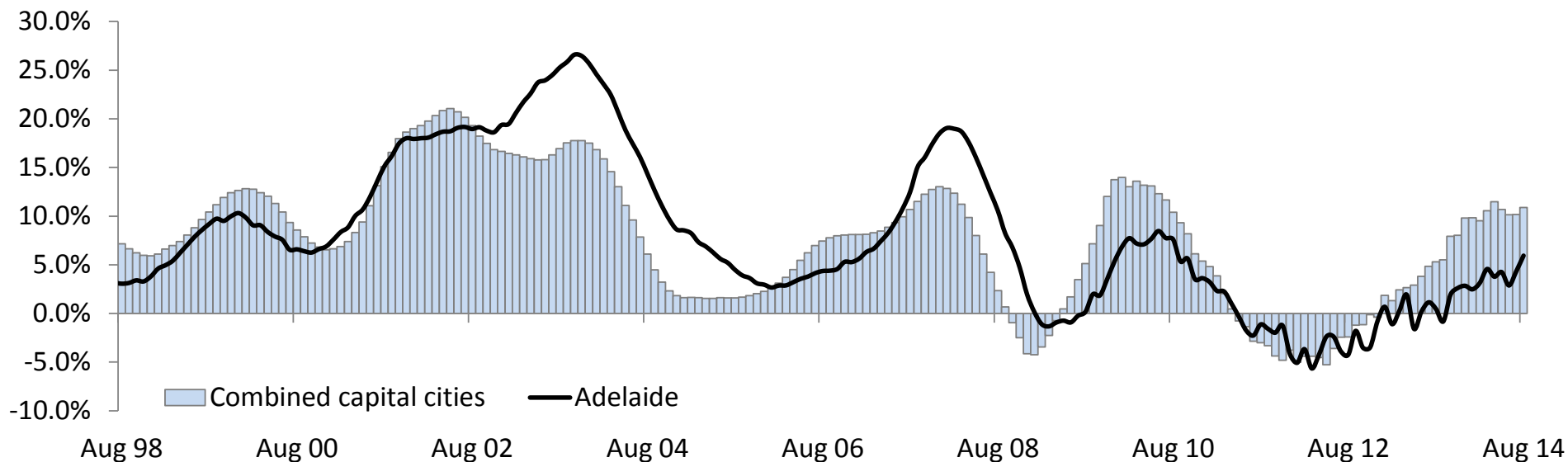
Annual over ten years 3.4% 4.0% 3.4%

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Source: RP Data

Adelaide: dwelling values are rising, but market has remained relatively soft since 2008

Rolling annual change in Adelaide dwelling values v. combined capitals benchmark



Median Prices



\$410,000



\$335,000

Capital Gain

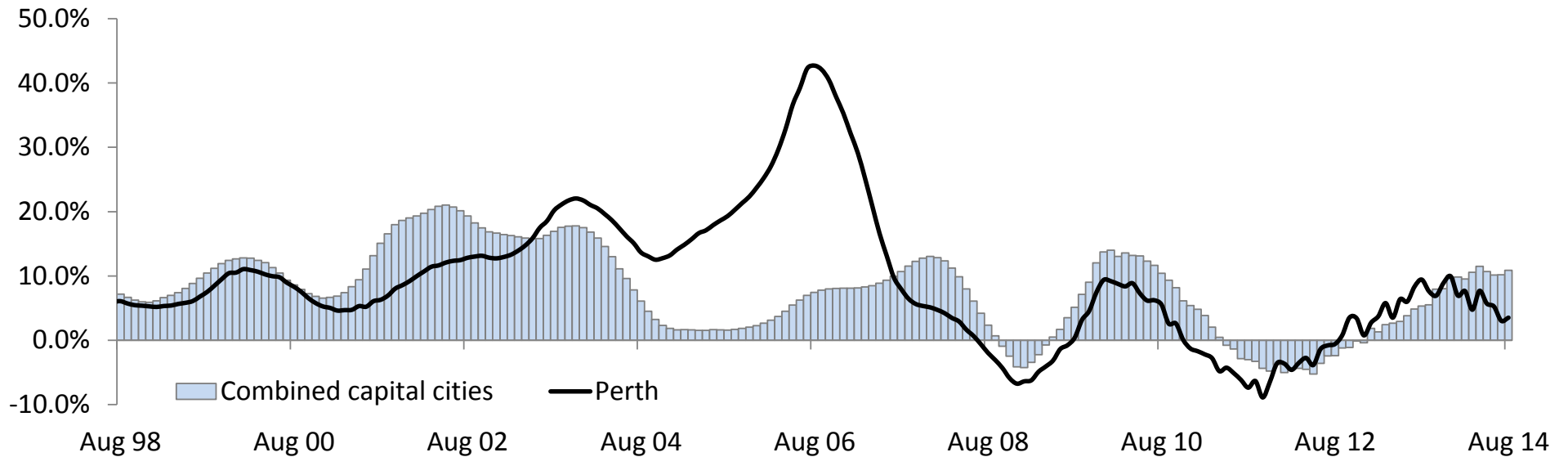
	Houses	Units	Dwellings
Past 12 months	6.4%	0.7%	5.9%
Annual over five years	1.8%	-0.3%	1.6%
Annual over ten years	4.0%	3.7%	4.0%

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Source: RP Data

Perth: housing market conditions have continued to ease across Perth

Rolling annual change in Perth dwelling values v. combined capitals benchmark



Median Prices



\$530,000

\$440,000

Capital Gain

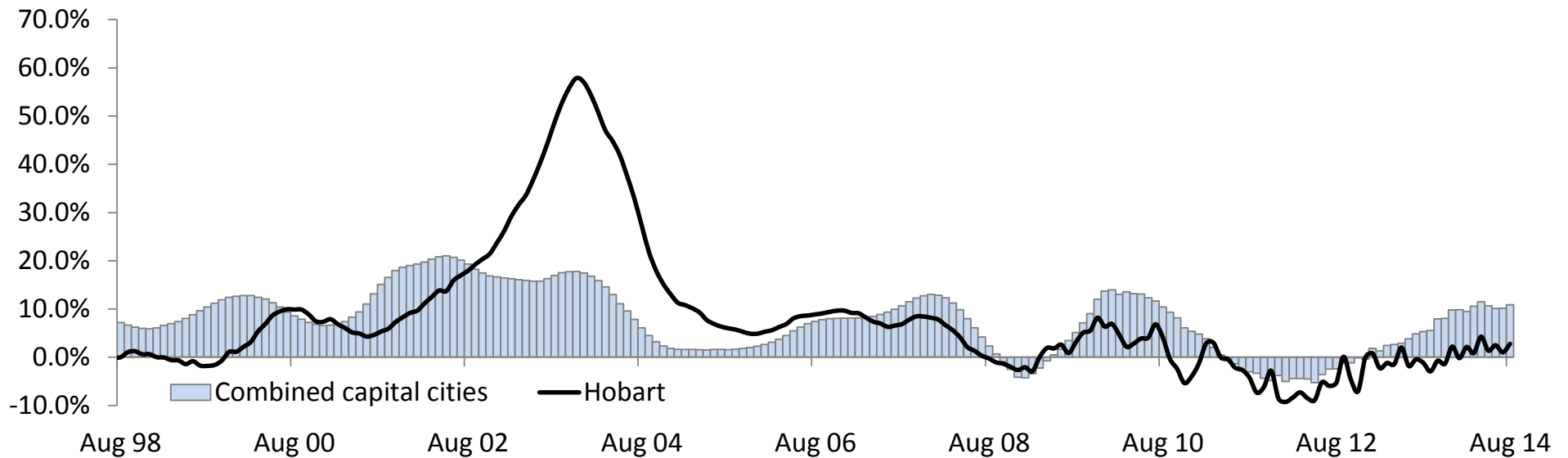
	Houses	Units	Dwellings
Past 12 months	3.2%	7.2%	3.5%
Annual over five years	2.0%	1.6%	1.9%
Annual over ten years	7.1%	6.9%	7.1%

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Source: RP Data

Hobart: housing market has underperformed the capital city benchmark, but conditions are slowly improving

Rolling annual change in Hobart dwelling values v. combined capitals benchmark



Median Prices



\$319,000



\$275,000

Capital Gain

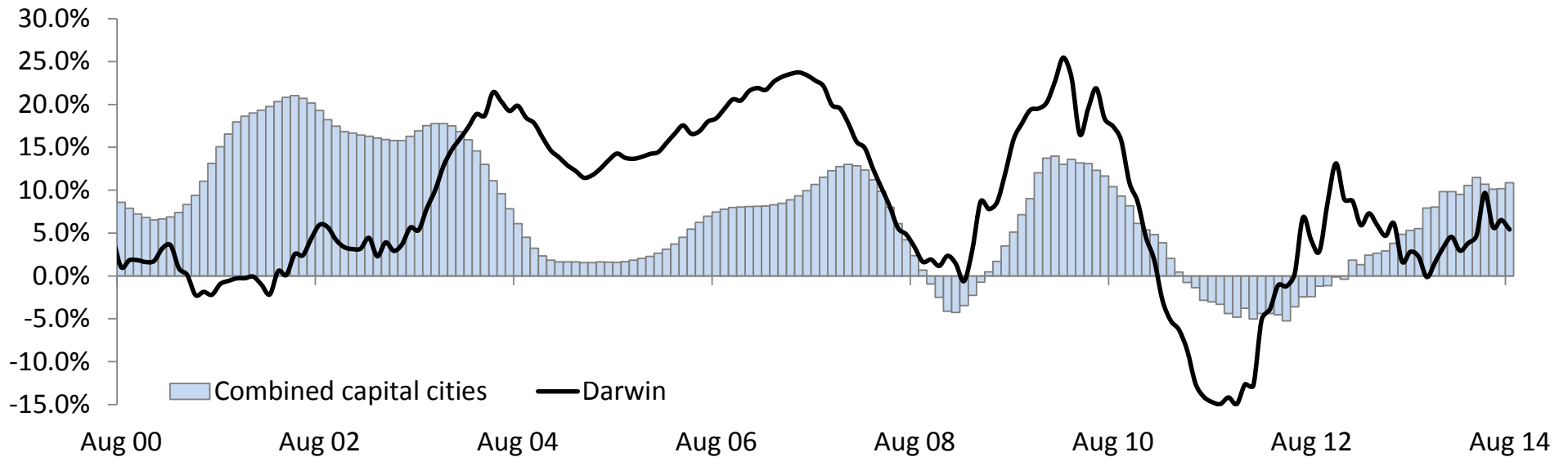
	Houses	Units	Dwellings
Past 12 months	3.0%	1.1%	2.8%
Annual over five years	-0.8%	-1.0%	-0.8%
Annual over ten years	1.9%	2.7%	2.0%

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Source: RP Data

Darwin: the highest long term capital gain of any capital city

Rolling annual change in Darwin dwelling values v. combined capitals benchmark



Median Prices

	\$550,000
	\$460,000

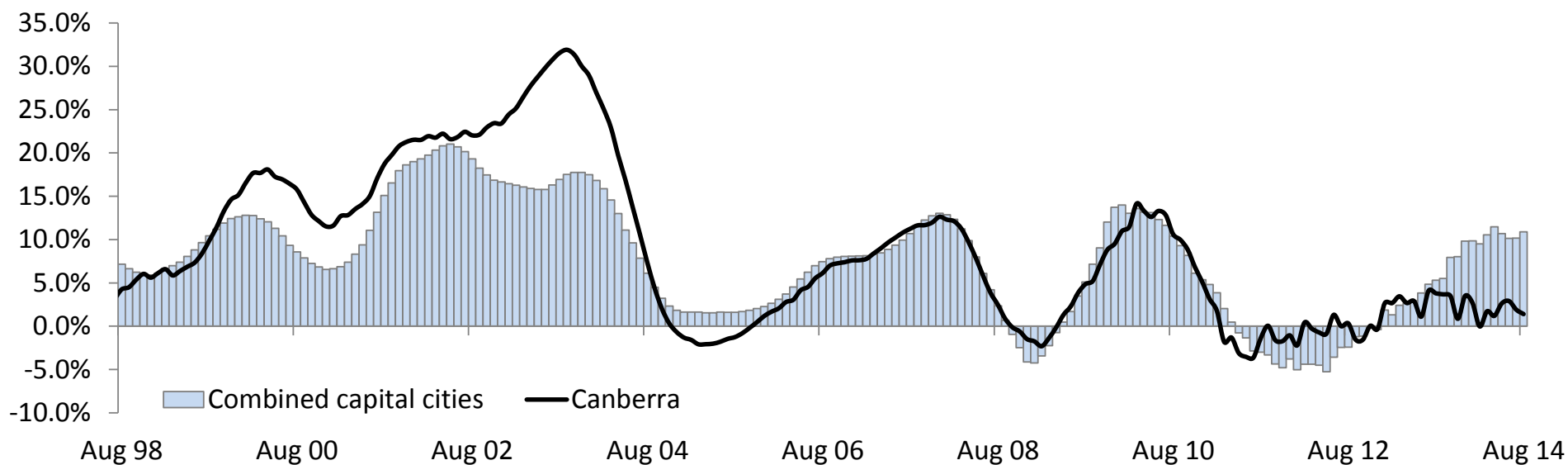
Capital Gain

	Houses	Units	Dwellings
Past 12 months	4.3%	10.3%	5.4%
Annual over five years	2.2%	3.9%	2.5%
Annual over ten years	8.4%	8.9%	8.5%

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Canberra: growth has been sedate since 2010

Rolling annual change in Canberra dwelling values v. combined capitals benchmark



Median Prices



\$565,000



\$420,000

Capital Gain

	Houses	Units	Dwellings
Past 12 months	1.4%	1.8%	1.4%
Annual over five years	3.0%	1.1%	2.9%
Annual over ten years	3.8%	2.9%	3.7%

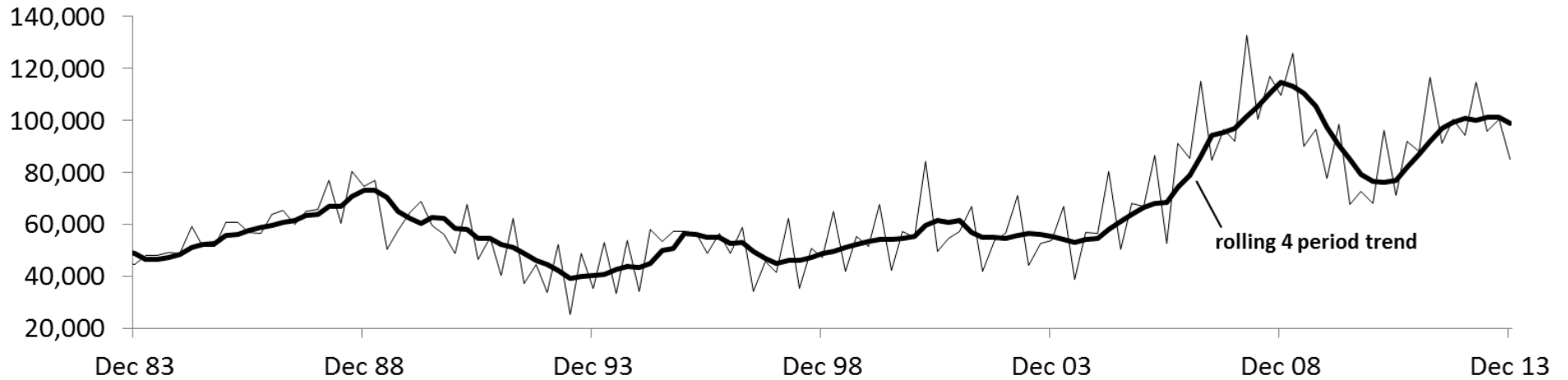
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Source: RP Data

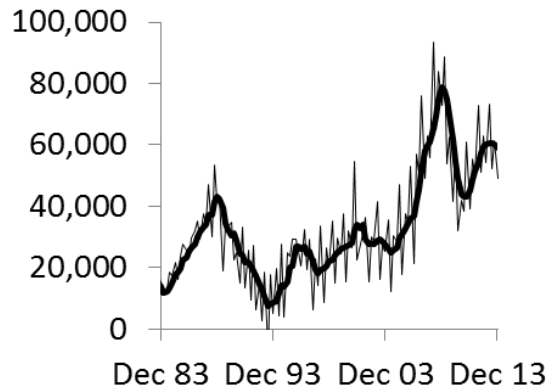
▶ Macro economic and demographic indicators

Housing demand: population growth starts to ease on lower overseas migration

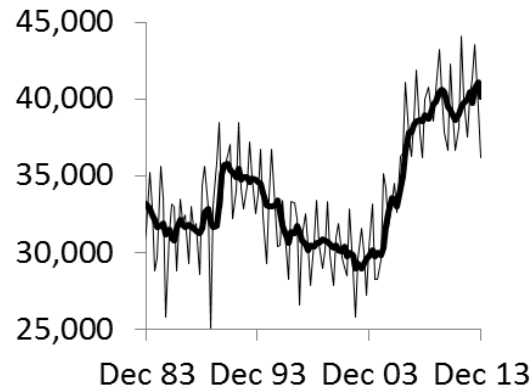
Quarterly change in national population



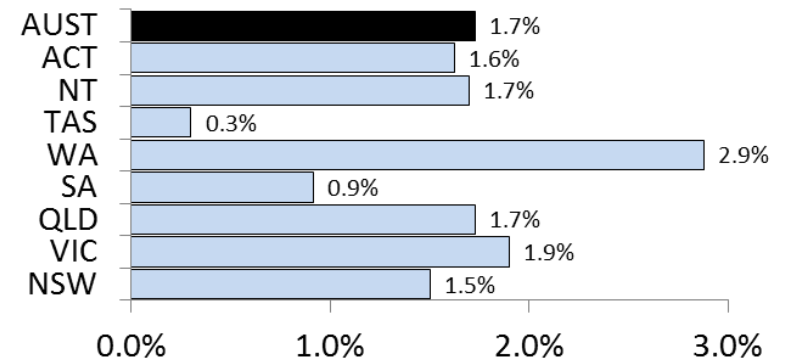
Net overseas migration



Natural increase

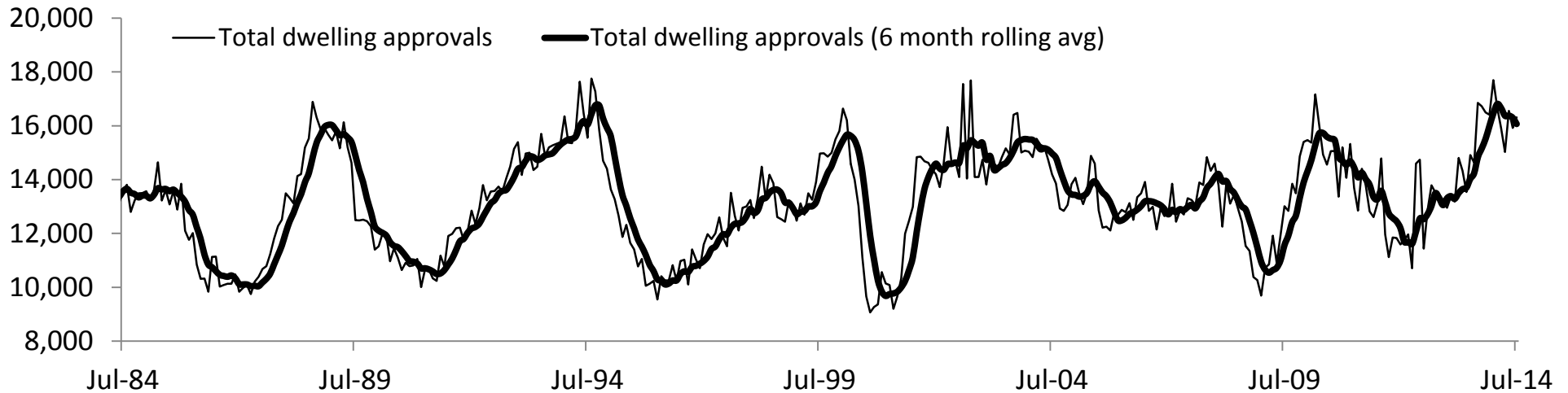


Annual change in population

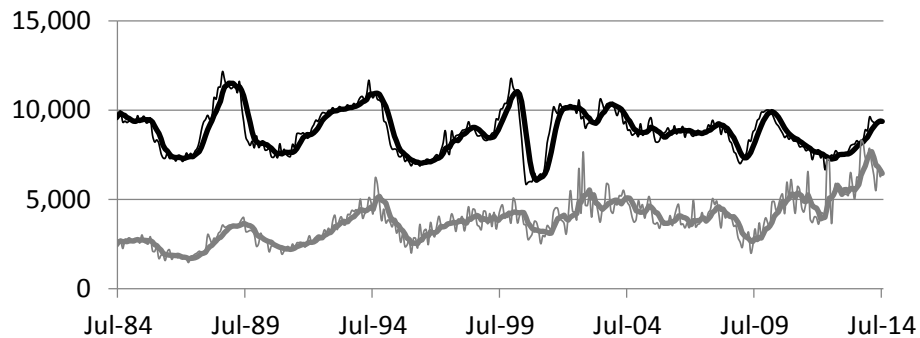


Housing supply: dwelling approvals have recently peaked after a solid ramp-up

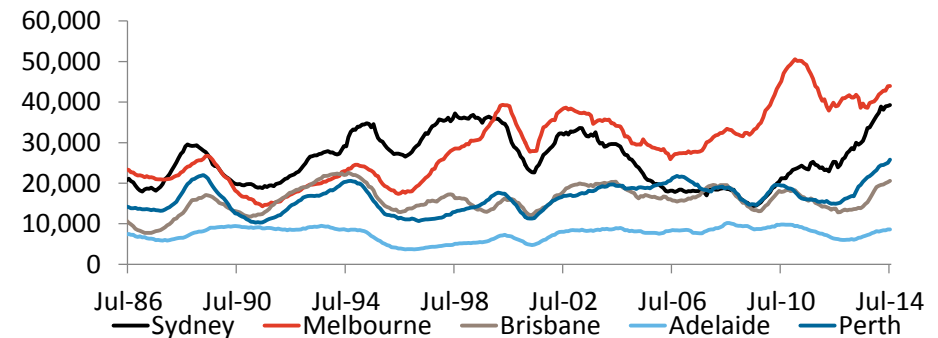
Monthly number of dwelling approvals, national



National dwelling approvals, houses v units

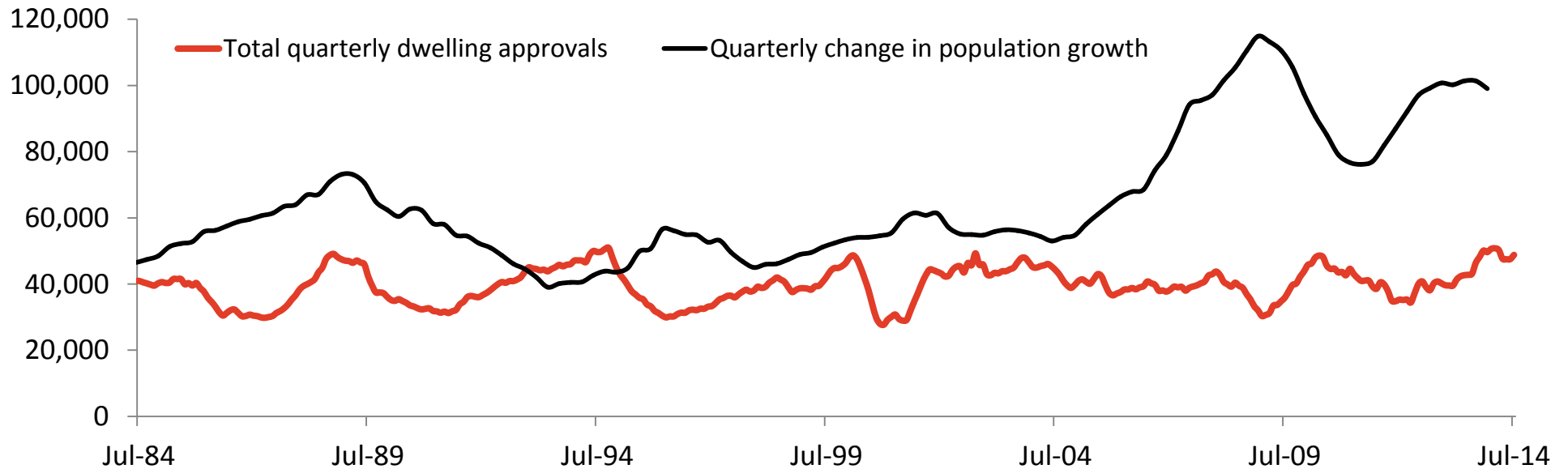


Annual dwelling approvals by major capital



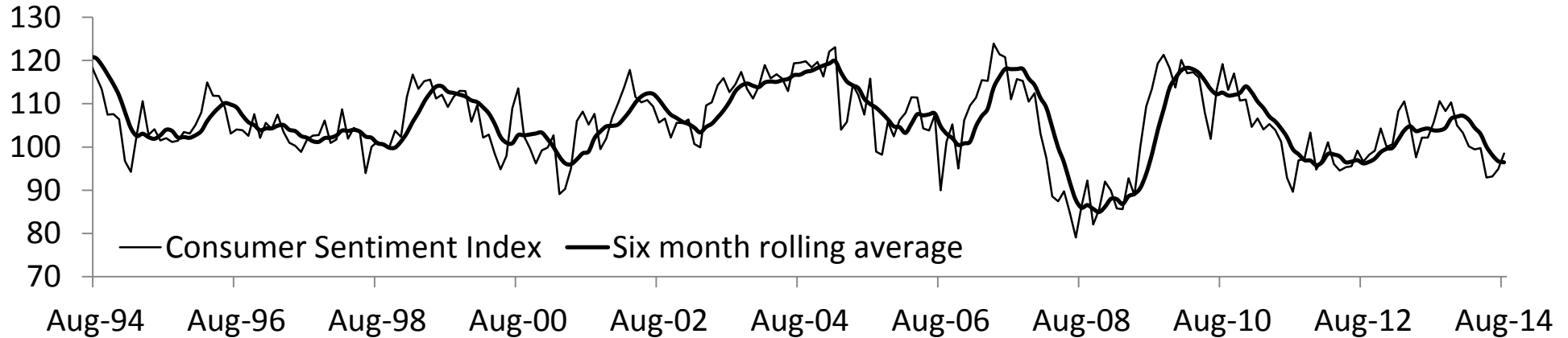
Demand v Supply: housing approvals have been outpaced by population growth since 2004

Quarterly dwellings approved for construction v quarterly change in population, national

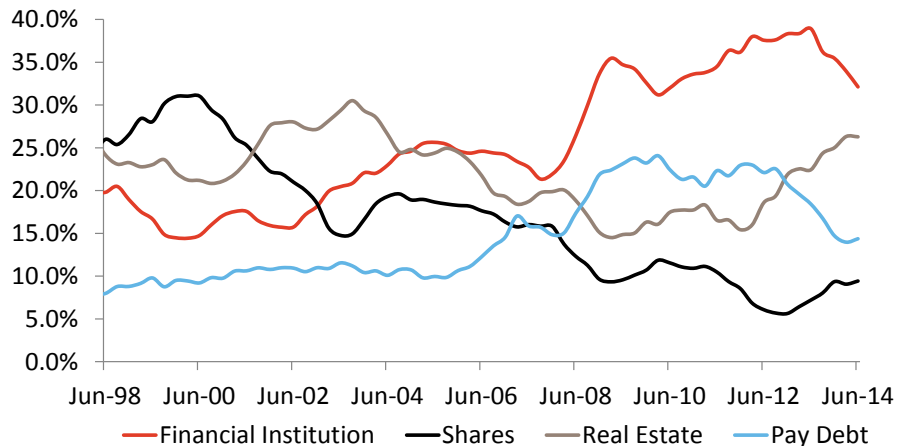


Consumer sentiment: slowly moving higher after the post-budget slump in confidence

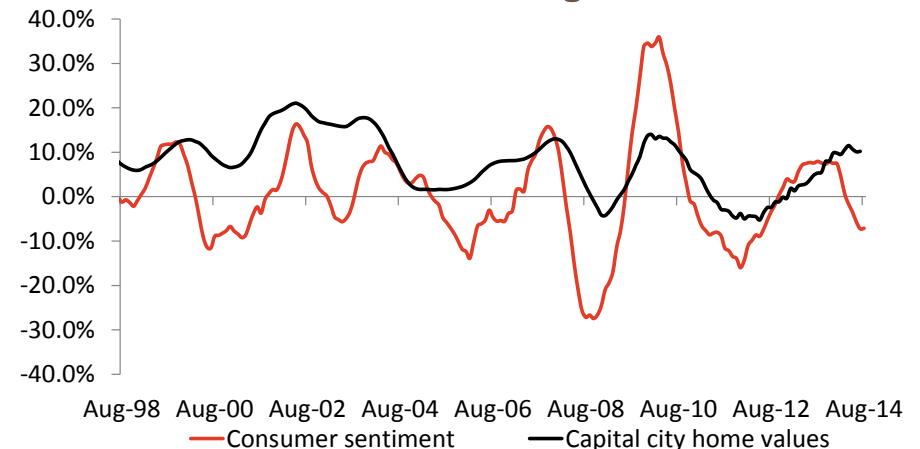
Consumer sentiment index



Wisest place for savings

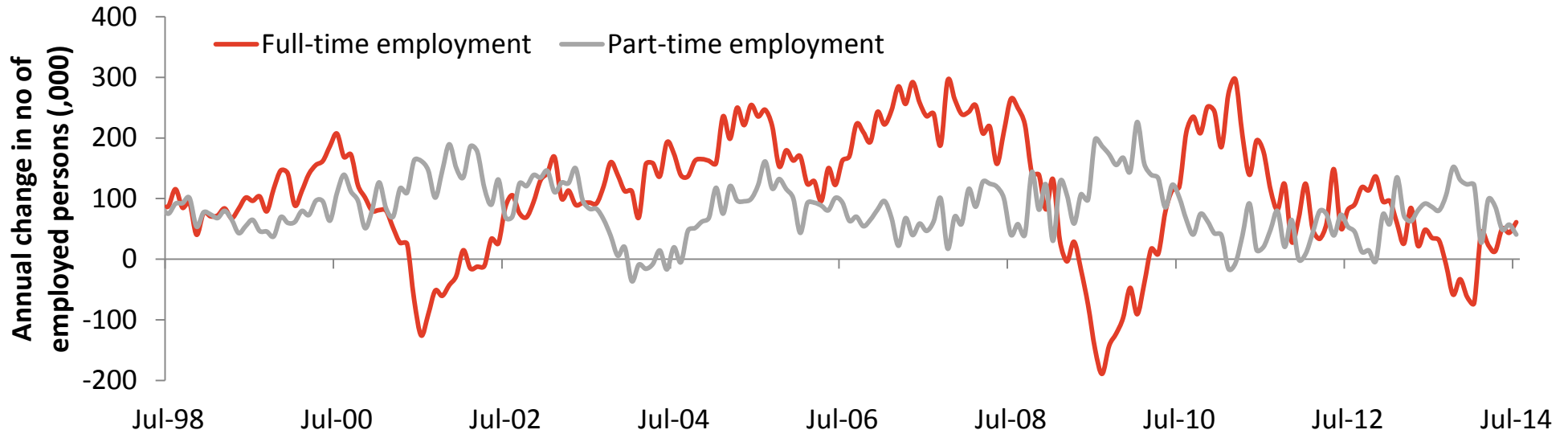


Annual change in consumer sentiment v dwelling values



Labour force: full time jobs growth has recently improved while unemployment drifts higher

Annual jobs growth, full time v part time



National unemployment rate

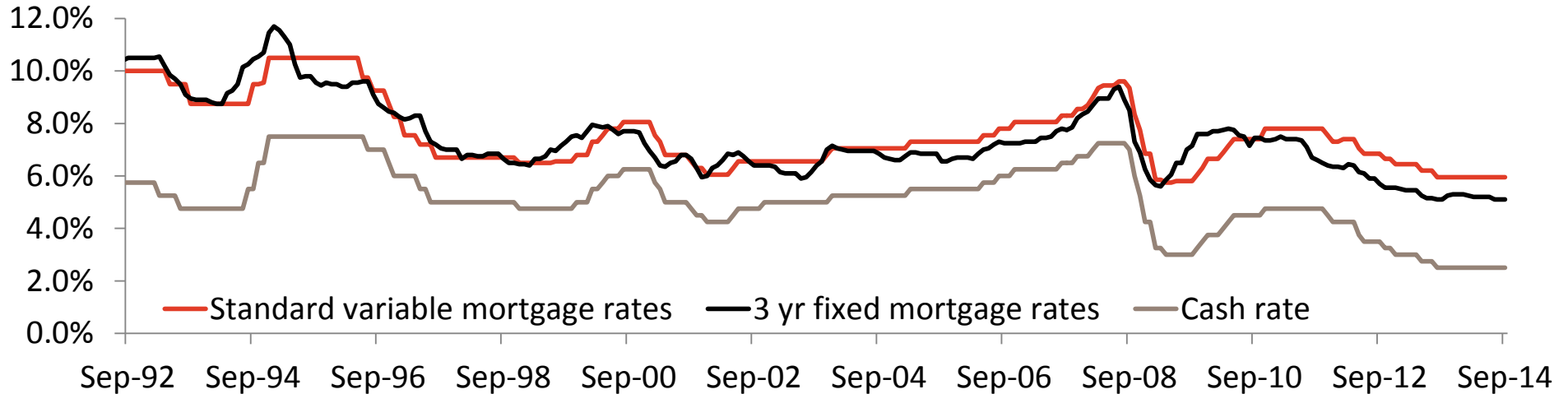


National participation rate

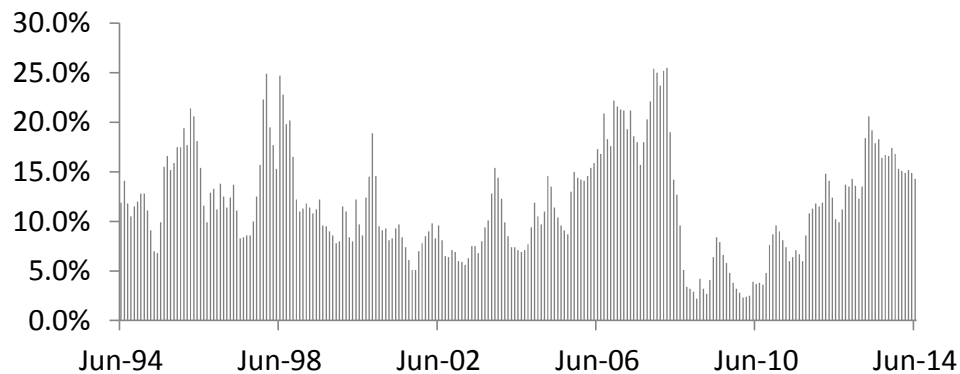


Mortgage rates: Mortgage rates continue to hold steady and are expected to remain on hold for the foreseeable future

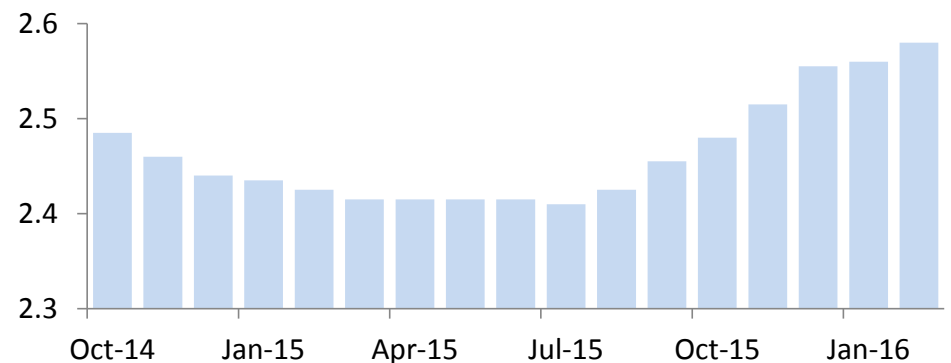
Mortgage rates and cash rate over time



% of owner occupier loan commitments on fixed rate



ASX cash rate futures implied yield curve



▶ Credit demand

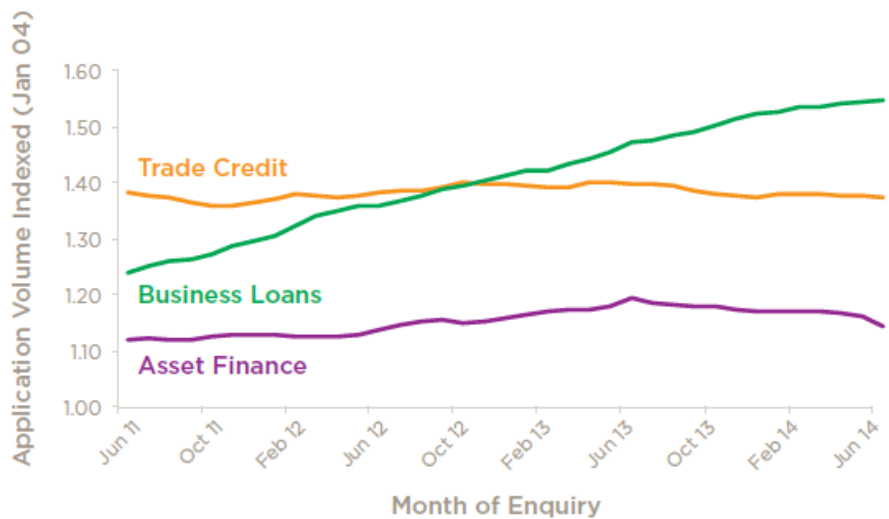
Veda's Quarterly Business Credit Demand Index

April – June 2014

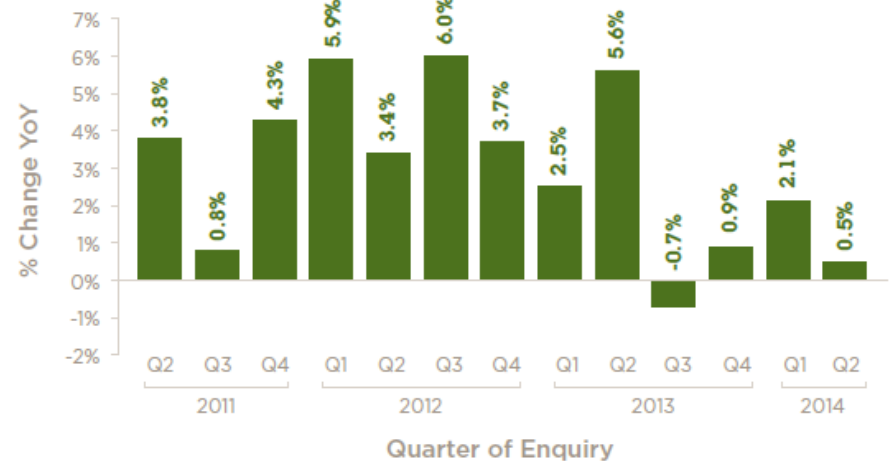
Moderate Rise in Business Credit Demand, following spike in Q4 2013

Commercial Credit Demand Index by Type

12 month rolling average



Commercial Credit Demand Index Quarterly YoY%



*Veda recomputes the entire index over its lifetime every quarter so there will be a slight adjustment to the above historical figures.

Veda's Quarterly Business Credit Demand Index

April – June 2014

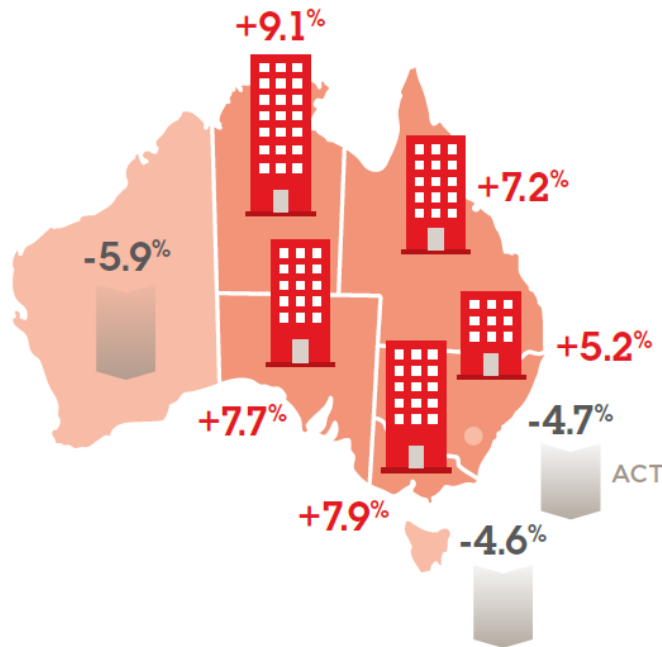
Business loan applications

Despite an easing nationally of **business loan applications** to

+4.9%



stronger growth was seen in the eastern states.



Within business loans

The strength recorded earlier in the year for **commercial mortgage applications** eased

+3.3%



and applications for **lending proposals**

+13.6%



and **overdrafts** lifted strongly.

+31.2%

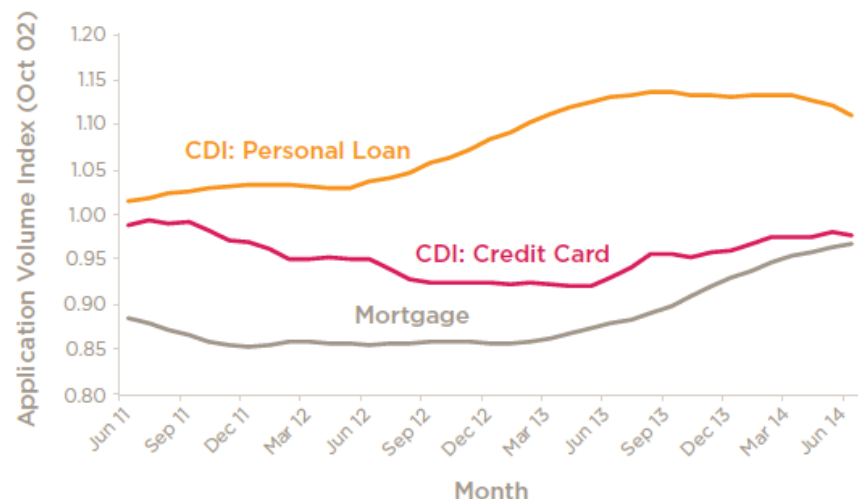


Veda's Quarterly Consumer Credit Demand Index

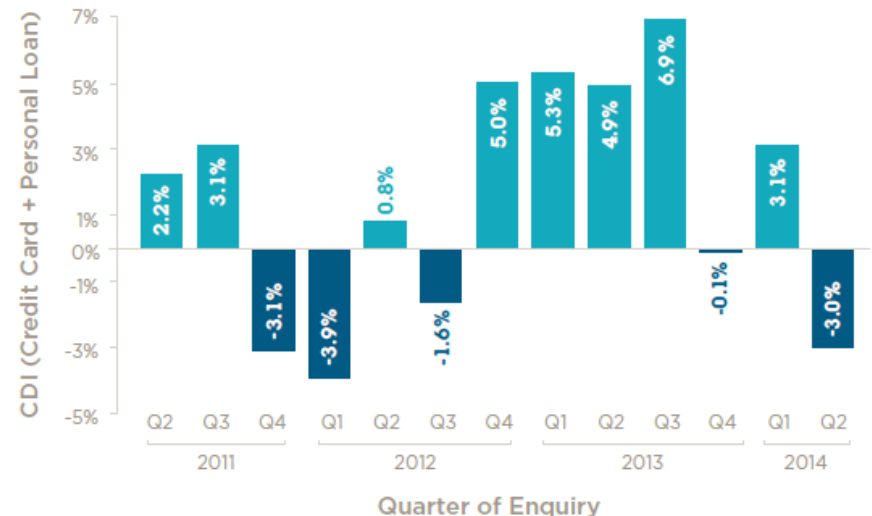
April – June 2014

Credit Demand trends show a mixed picture
Mortgage Demand continues to grow in eastern states

CONSUMER CREDIT APPLICATIONS 12 month rolling average



CONSUMER CREDIT DEMAND INDEX QUARTERLY YOY%



*Veda recomputes the entire index over its lifetime every quarter so there will be a slight adjustment to the above historical figures.

Veda's Quarterly Consumer Mortgage Demand Index

April – June 2014

MORTGAGE DEMAND

Mortgage demand was **solid** during the **June 2014 quarter**, easing to



according to Veda mortgage application data.

Mortgage applications are not part of the Consumer Credit Demand Index, but are a good lead indicator of future activity in home buyer demand and housing turnover.

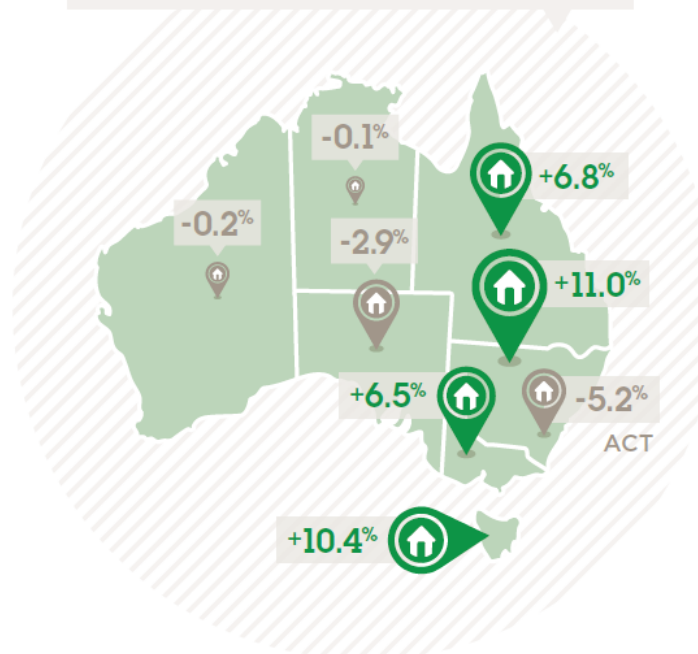
Historically, movements in Veda mortgage demand have tended to lead movements in house prices by around six to nine months.



After substantive growth that peaked around the new calendar year, **mortgage demand continues to grow in the eastern states**, but has come off the highs reached late last year.



All states saw an easing in the growth rate of mortgage demand in the June quarter.



Interested in detailed housing & mortgage market statistics?

RP Data 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.

Please call us on 1300 734 318 for more information or email us at ask@rpdata.com for more information.

Report	Description
Market Scorecard	Monitor and measure performance of an individual office or a Franchise brand month on month through a detailed view of the Real Estate Listing and Sales market share across Australia. With the ability to gather market share statistics within your active market this product is designed to identify the competing brands and independents at a suburb, postcode, user defined territory and State level. Easily locate growth opportunities and market hotspots allowing you to 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 delivered monthly. RP Data's Market Trends data is segmented across houses and units. 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.
RP Data –Rismark Indices	The suite of RP Data-Rismark indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value indices. The RP Data-Rismark 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 RP Data-Rismark 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, RP Data has flagged the likely ownership type of every residential property nationally as either owner occupied, investor owned or government owned.
Mortgage Market Trend Report	RP Data 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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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 nine locations across Australia and in New Zealand. For more information call 1300 734 318 or visit www.rpdata.com

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