

# Spring 2015 Buyer's Guide

Essential reference for home  
buyers and investors

Released October 2015



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Australia's housing market is worth an estimated \$6.1 trillion.



## It's our largest asset class.

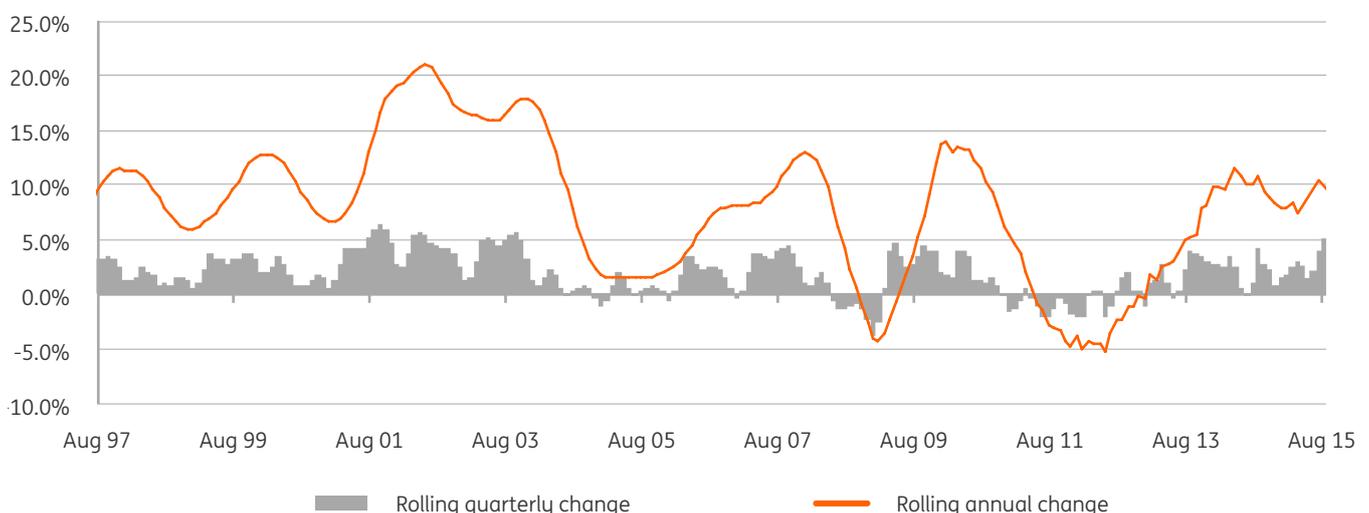
That's more than three times the value of Australia's combined superannuation funds, just over three and a half times the overall market capitalisation of stocks traded on the Australian Securities Exchange (ASX) and nearly four times greater than the nation's economic output over the past year. With real estate such a valuable and popular asset class, it's no wonder that conversation often turns to the residential property market and its performance.

Based on the CoreLogic RP Data Home Value Index, real estate values across Australia's combined capital cities have risen by 30.8 per cent over the growth phase to date, with the cycle of growth broadly commencing at the end of May 2012.

Over the past twelve months alone, dwelling values are 10.2 per cent higher across the combined capitals of Australia.

There is a great deal of diversity across Australia's housing markets, from regional markets where mining and resources are a key driver of market conditions, to rural markets reliant on agriculture, coastal markets that are dependent on lifestyle and tourism factors and of course the capital cities and major regional cities that act as primary business hubs and service centres. The rate of capital gain, market activity and rental returns vary substantially from region to region.

Rolling annual and quarterly change in capital city home values, combined



# There's been a 10.2% increase in capital city dwelling values over the past year.



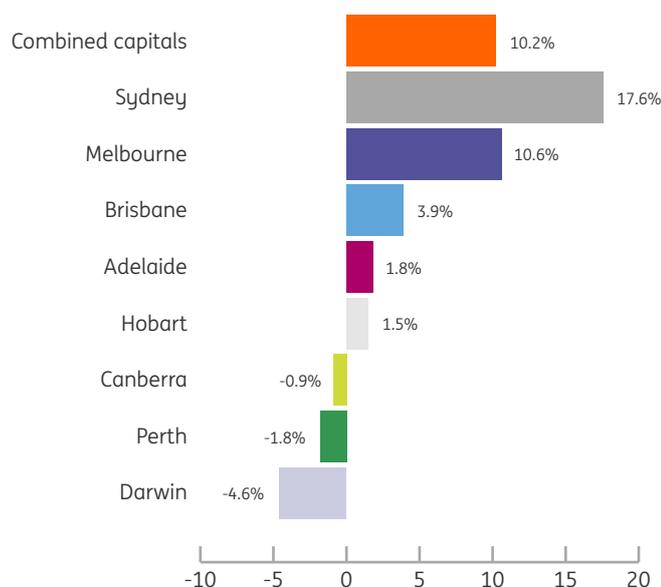
Focusing on the capital city markets, the diversity of performance can be seen in the below graph which tracks the change in dwelling values over the past twelve months to the end of August 2015. Capital gains have been strongest in Australia's largest capital city, Sydney, where the typical home is now worth 17.6 per cent more than what it was a year ago. Sydney's housing market is being driven by a surge in investment demand together with a relatively weak long term cycle of growth, strong population growth and robust economic conditions across the state.

At the other end of the spectrum are the cities where values have softened over the past year. In stark contrast to Sydney's housing market, dwelling values are down by 4.6 per cent in Darwin 1.8 per cent in Perth and 0.9 per cent in Canberra over the past twelve months.

In regional markets we have seen a slowdown in those areas closely associated with the mining sector. Mining towns have provided some spectacular capital gains for home owners over the past decade, however these areas are now showing their inherent volatility with a downturn in both dwelling values and rents as the resources related infrastructure boom winds down and commodity prices soften.

In contrast to the resources sector, lifestyle markets around the country appear to be moving out of a long correction phase. The lower Australian dollar is enticing overseas and domestic tourists back which in turn should support jobs growth in hospitality, retail and support roles in markets associated with holiday makers. Housing demand for lifestyle properties and holiday homes is also on the rise which is likely to fuel a further recovery across Australia's lifestyle housing markets. These markets have seen very little growth in values since the financial crisis with the weak world economic conditions and high Australian dollar stifling demand in many of these regions.

Annual change in capital city home values



With lower turnover in NSW, and less demand in WA and NT, house and unit sales are levelling.



There were 492,680 house and unit sales across Australia over the past year. That's slightly lower (1.4%) than the same period last year.

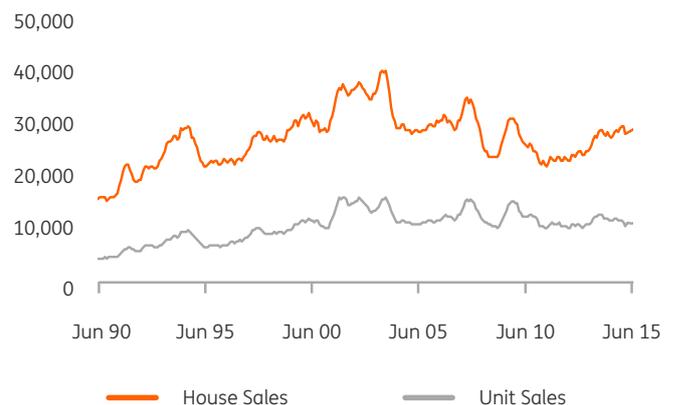
The slip in transaction numbers over the year can be attributed to slower transaction numbers across the unit market while house sales are relatively flat over the year. It's important to note that the transaction numbers outlined below include settled sales only and may see some revision as off the plan sales settle down the track.

The slowdown in transaction activity across New South Wales (-5.1 per cent) can likely be attributed to a shortage of supply rather than a slowdown in buyer demand, while buyer demand is clearly trending lower in Western Australia (-12.4 per cent) and the Northern Territory (-7.4 per cent).

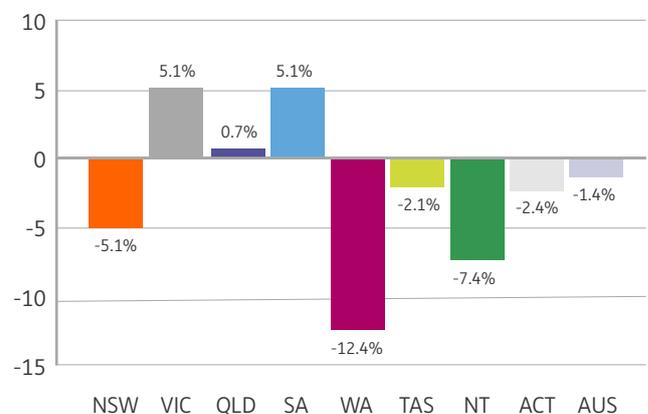
The most significant rise in buyer demand was in Victoria and South Australia where year-on-year transactions are 5.1 per cent higher, while transaction numbers in Queensland were also slightly higher over the year (+0.7%).

While transaction numbers are slightly lower than a year ago on a national basis, listing numbers have started to move higher. CoreLogic RP Data estimates the total number of homes advertised for sale is currently 0.5 per cent higher than a year ago across the capital cities but 1.3 per cent lower nationally. The cities where market conditions have softened

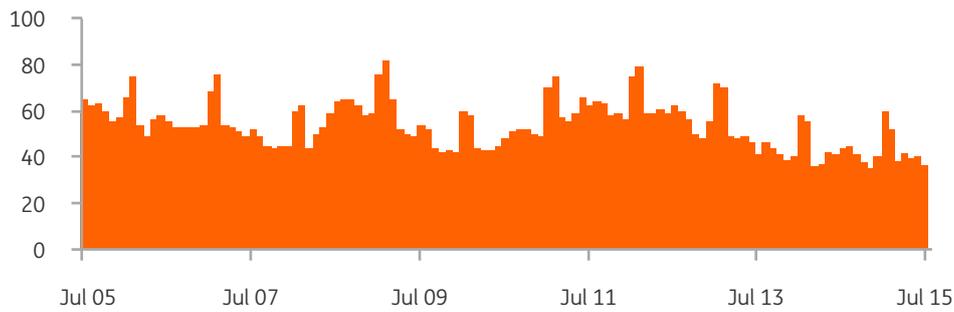
National house and unit sales



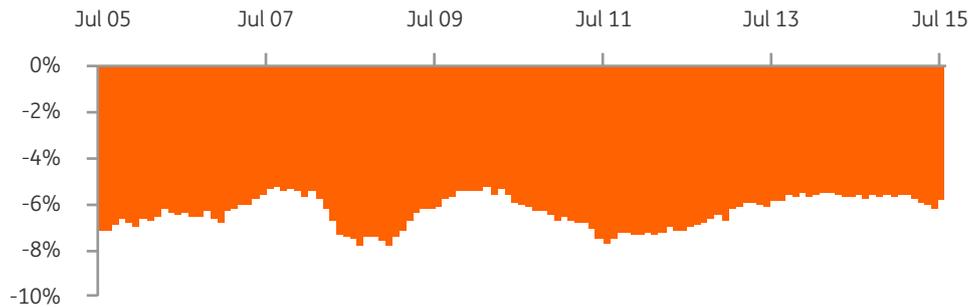
Year on year comparison (Jan 2014-Jan 2015)



Average selling time, in days, across all capital cities



Average vendor discount, combined capital cities

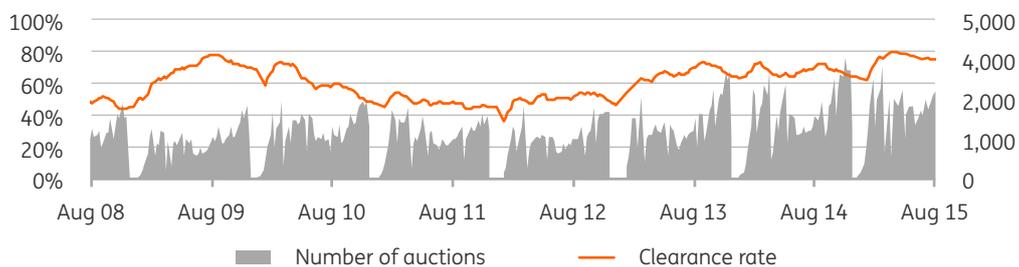


(Perth and Darwin) are showing a rising trend in advertised stock levels while all other capital cities are still recording listing numbers that are lower than a year ago.

With demand remaining relatively high across most markets and supply levels still tight, the average time it takes to sell a home has remained close to record low levels. Across the capital cities it is taking an average of 37 days to sell a property and vendors are discounting their asking prices by just 5.8 per cent on average, which is also close to record lows.

The strong market conditions are also evidenced by auction clearance rates which were tracking around the high 70 per cent market through winter.

Auction clearance rate, across all capital cities



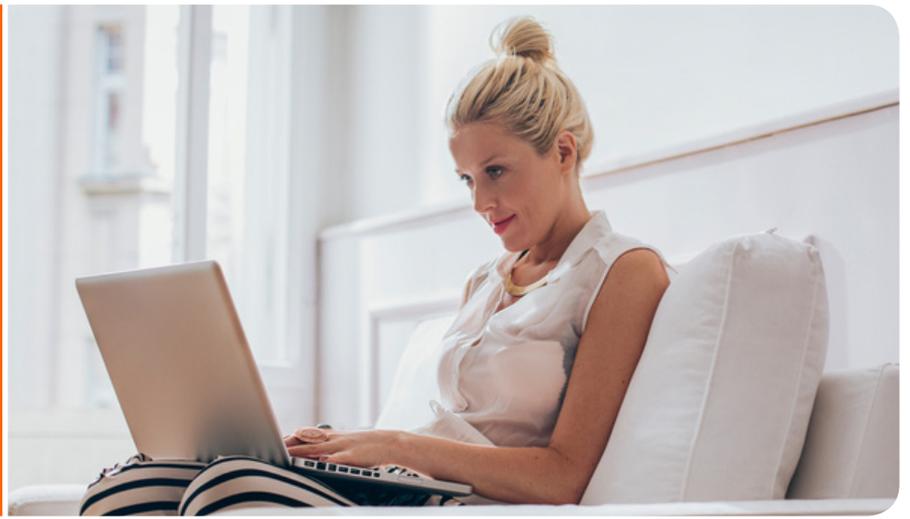
↓ -1.4%

Decrease in number of home sales over past year

↑ +0.5%

Increase in number of capital city homes advertised for sale over past year

# Questions and Answers



## ? What's a median value?

CoreLogic RP Data estimates the value of virtually every residential property each week (and each day for our daily index!). The median value is simply the median, or middle estimated value of houses or units within the specified region. Before calculating the median value we filter out value estimates that we aren't confident about and haven't reported a median statistic where there were fewer than fifty valid valuation estimates within the suburb and ten sales over the year. A median value measure tends to provide a much more reliable and stable reading about the typical value of a house or unit within a region compared with a median sale price which is based on only those homes that have sold within the specified region over a given period.

## ? What is the vendor discount?

Monitoring property advertisements is a core part of CoreLogic RP Data's business. We gather listings data from online and print media, match the listings against our property ownership database, de-duplicate the listings and count them for our stock on market measurements. Apart from tracking the advertising history of any home that has been listed for sale, a useful bi-product of this data is to work out what the difference is between the original asking price on a property compared with the ultimate selling price (ie. the contract price). The vendor discount is simply this difference expressed as a percentage. For example, if a house was originally advertised for sale at \$500,000 and eventually it sold for \$480,000, the vendor discount would be 4 per cent. Note that we don't calculate a vendor discount figure if there is fewer than ten observations of a listing and sale pair over the period and auction sales are excluded from the calculation.

## ? What about time on market?

Our time on market statistics are calculated in a similar way to the vendor discount. Time on market, or the median selling time of a house or unit, provides an indication about how long a property takes to sell within the specified region. A faster selling time implies a fairly hot market while a longer days on market figure would normally indicate sedate market conditions. Note that we don't calculate a time on market figure if there is fewer than ten observations of a listing and sale pair over the period and auction sales are excluded from the calculation.

## What is the median asking rent?

This figure provides an indication about the typical weekly rents being offered within the region. Asking rents are derived from rental listings. Where there are fewer than ten observed rental advertisements over the period, a rental statistic has not been calculated.

## What's the gross rental yield?

The gross rental yield is calculated by dividing the annualised advertised rental price of a property by its estimated value. The yield is 'gross' as it does not take into account any expenses associated with the rental income such as the commission to the property manager, interest costs on the mortgage or maintenance on the property. A net yield can be calculated on individual properties by subtracting any costs from the annualised rental estimate on the property then dividing the net rent by the total purchase price.

# NSW: State Summary

Spring 2015 Buyer's Guide

## New South Wales, Council regions

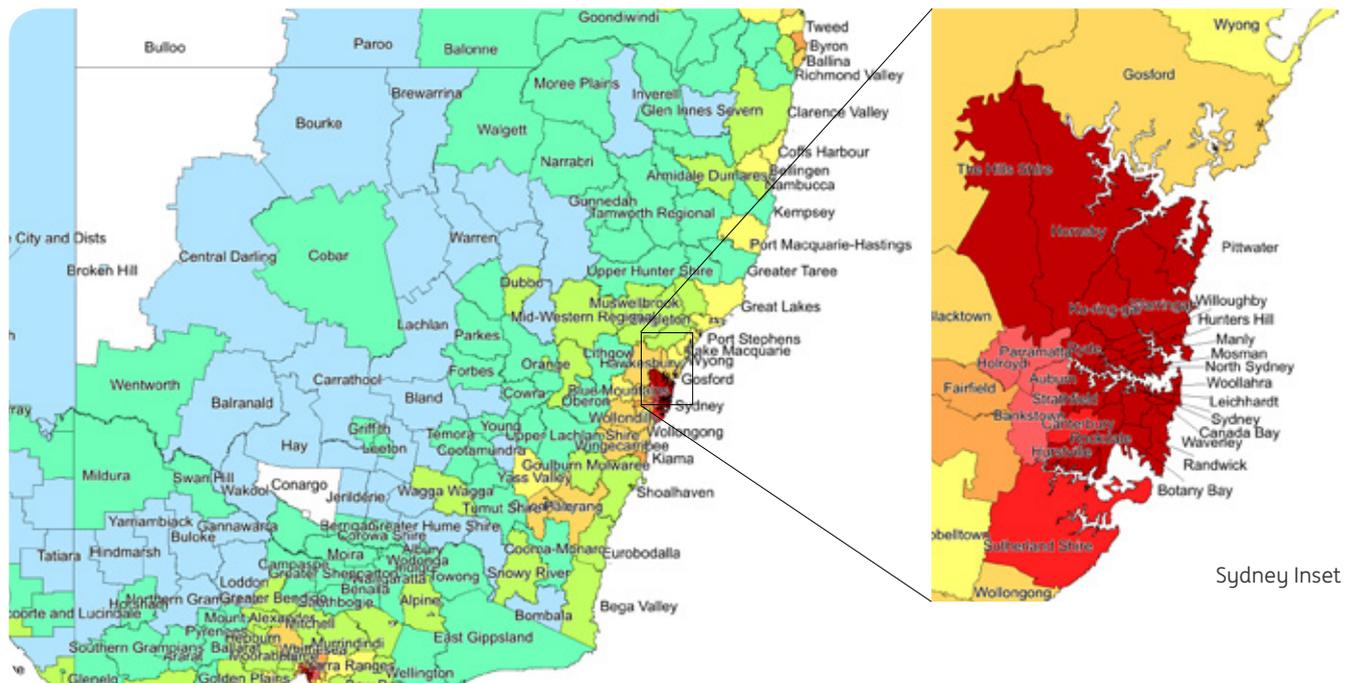
# Houses

## NSW's 20 top-selling council regions

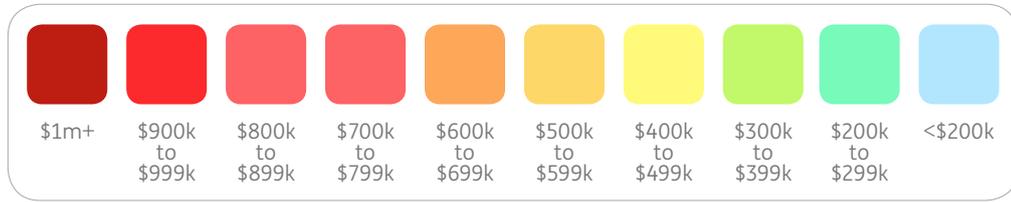
Council Region	No. Sales (past 12 mths)	Median Value	Vendor Discount	Days on Market	Median Asking Rent	Gross Rental Yield
Blacktown	4,596	\$579,540	-2.3%	14	\$430	4.4%
Wyong	3,847	\$420,480	-3.5%	30	\$380	5.3%
Lake Macquarie	3,450	\$452,524	-3.9%	46	\$390	4.9%
Gosford	3,365	\$543,772	-3.4%	25	\$450	4.8%
Penrith	3,098	\$520,930	-2.8%	13	\$420	4.6%
Shoalhaven	2,800	\$394,866	-4.3%	74	\$360	5.5%
The Hills Shire	2,687	\$1,058,794	-3.1%	20	\$643	3.6%
Campbelltown	2,686	\$479,002	-3.0%	13	\$420	4.9%
Newcastle	2,659	\$475,598	-3.8%	34	\$400	4.7%
Wollongong	2,577	\$544,434	-3.1%	28	\$435	5.0%
Sutherland Shire	2,365	\$932,181	-3.3%	26	\$650	3.9%
Liverpool	2,299	\$637,044	-3.8%	24	\$480	4.4%
Bankstown	2,214	\$753,441	-3.2%	28	\$520	3.9%
Ku-ring-gai	1,928	\$1,580,949	-3.8%	31	\$979	3.6%
Blue Mountains	1,734	\$486,492	-3.4%	35	\$410	5.0%
Camden	1,723	\$583,442	-2.5%	14	\$480	4.9%
Hornsby	1,607	\$1,018,981	-3.1%	20	\$650	3.6%
Fairfield	1,561	\$649,732	-4.4%	42	\$450	4.0%
Parramatta	1,545	\$859,819	-2.9%	25	\$505	3.4%
Port Macquarie-Hastings	1,515	\$433,377	-2.8%	55	\$400	5.2%

# Houses

Median house value by council region



Sydney Inset



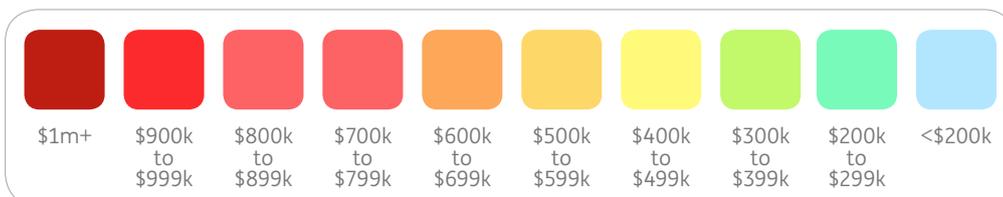
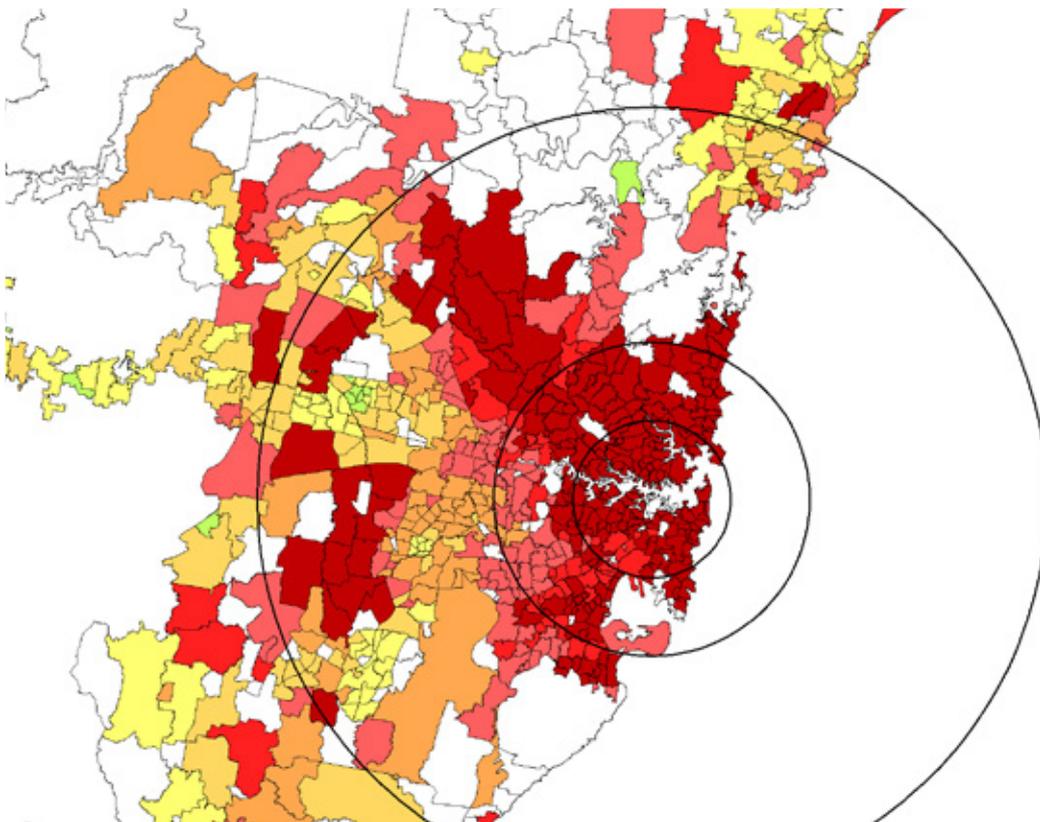
## Houses

### Top 10 most affordable and most expensive suburbs

Suburb	Council Region	No. Sales (past 12 mths)	Median Value	Vendor Discount	Days on Market	Median Asking Rent	Gross Rental Yield
POINT PIPER	Woollahra	18	\$5,423,839	-15.9%	118		
CENTENNIAL PARK	Randwick	19	\$5,144,274				
BELLEVUE HILL	Woollahra	95	\$3,808,610	-8.4%	51	\$1,675	3.3%
VAUCLUSE	Woollahra	144	\$3,804,835	-7.3%	97	\$1,750	3.0%
TAMARAMA	Waverley	17	\$3,605,372			\$2,650	3.2%
WHALE BEACH	Pittwater	16	\$3,511,258	-7.8%	135		
DOVER HEIGHTS	Waverley	59	\$3,178,818	-6.3%	58	\$1,825	3.4%
LONGUEVILLE	Lane Cove	45	\$2,958,843	-3.3%	79	\$1,500	3.0%
DOUBLE BAY	Woollahra	45	\$2,958,543	-5.0%	49	\$1,600	3.4%
WATSONS BAY	Woollahra	12	\$2,783,092			\$1,700	4.0%
WILLMOT	Blacktown	46	\$370,174	-1.2%	13	\$320	5.0%
CHARMHAVEN	Wyong	66	\$366,030	-3.5%	42	\$368	5.3%
BUDGEWOI	Wyong	99	\$363,969	-3.3%	31	\$345	5.5%
WATANOBBI	Wyong	77	\$362,026	-2.2%	28	\$370	5.8%
HALEKULANI	Wyong	48	\$361,929	-2.6%	22	\$340	5.4%
WARRAGAMBA	Wollondilly	30	\$359,825	-1.7%	11	\$355	5.6%
BAR POINT	Gosford	13	\$357,213				
CANTON BEACH	Wyong	24	\$357,132	-1.4%	26	\$350	5.2%
GOROKAN	Wyong	230	\$346,542	-3.0%	22	\$360	5.6%
SAN REMO	Wyong	136	\$328,672	-3.1%	34	\$340	5.7%

# Houses

Median house value by suburb



## New South Wales, Council regions

# Units

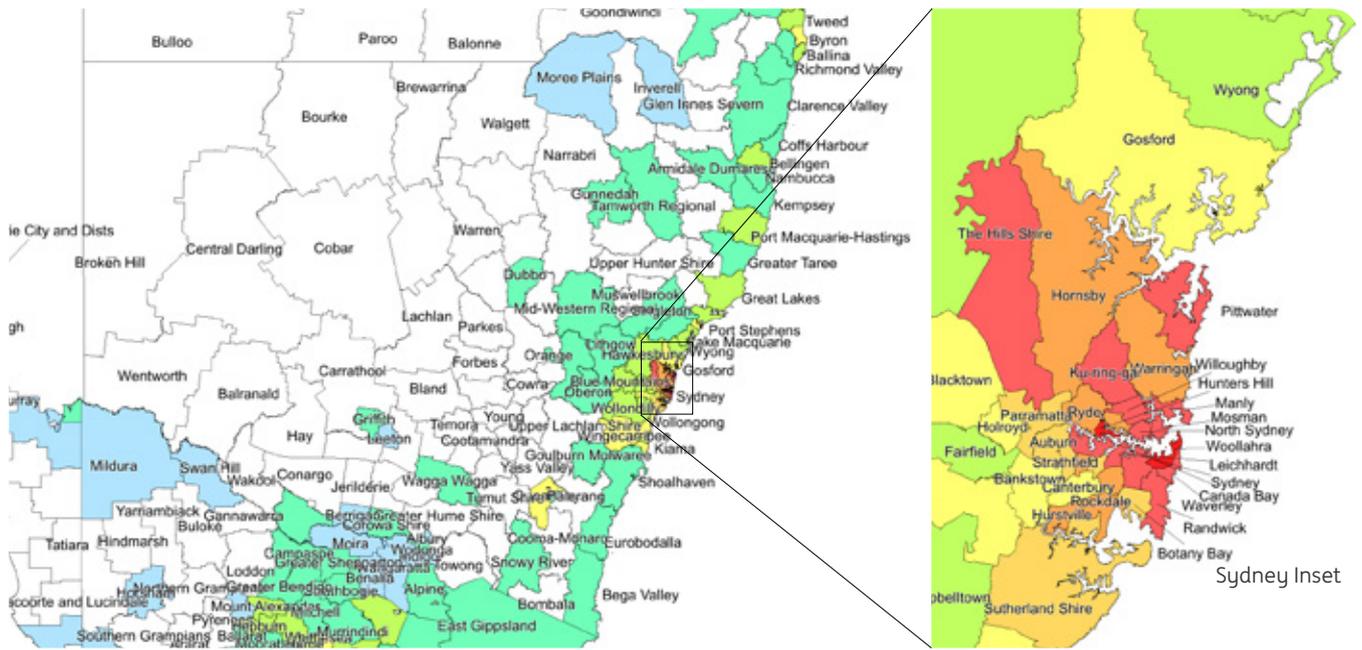
## Sydney's 20 top-selling council regions

Council Region	No. Sales (past 12 mths)	Median Value	Vendor Discount	Days on Market	Median Asking Rent	Gross Rental Yield
Sydney	4,187	\$723,070	-3.4%	28	\$580	4.9%
Parramatta	1,843	\$524,101	-2.4%	16	\$440	4.9%
Sutherland Shire	1,821	\$599,532	-2.5%	16	\$450	4.5%
North Sydney	1,497	\$825,340	-3.5%	23	\$595	4.3%
Randwick	1,403	\$727,117	-2.8%	27	\$580	4.5%
Wollongong	1,249	\$406,032	-2.5%	29	\$370	5.4%
Warringah	1,200	\$635,956	-2.2%	15	\$525	4.8%
Ryde	1,166	\$643,250	-2.1%	17	\$460	4.3%
Gosford	1,143	\$411,682	-2.4%	27	\$380	5.4%
Canada Bay	1,133	\$775,204	-2.0%	31	\$580	4.3%
Canterbury	1,123	\$483,712	-3.6%	24	\$385	4.8%
Rockdale	1,065	\$614,329	-2.2%	26	\$500	4.6%
Holroyd	1,022	\$472,336	-2.4%	17	\$420	5.1%
Auburn	977	\$543,529	-2.9%	29	\$480	5.0%
Tweed	949	\$329,569	-3.8%	62	\$350	5.9%
Blacktown	939	\$427,795	-2.0%	15	\$390	5.3%
Bankstown	936	\$496,638	-3.0%	23	\$420	5.1%
Woollahra	862	\$911,055	-4.0%	27	\$650	4.5%
Penrith	861	\$385,731	-2.0%	14	\$350	5.4%
Willoughby	820	\$778,742	-1.7%	20	\$580	4.4%

# New South Wales, Council regions

## Units

Median unit value by council region



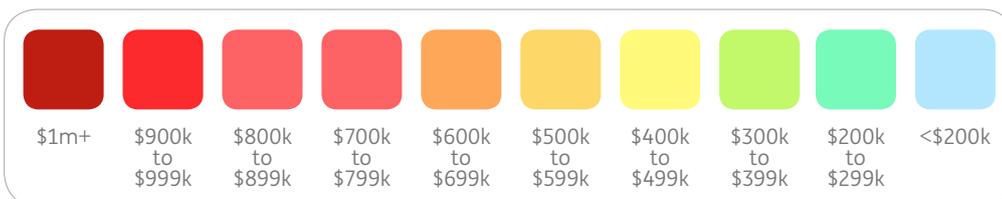
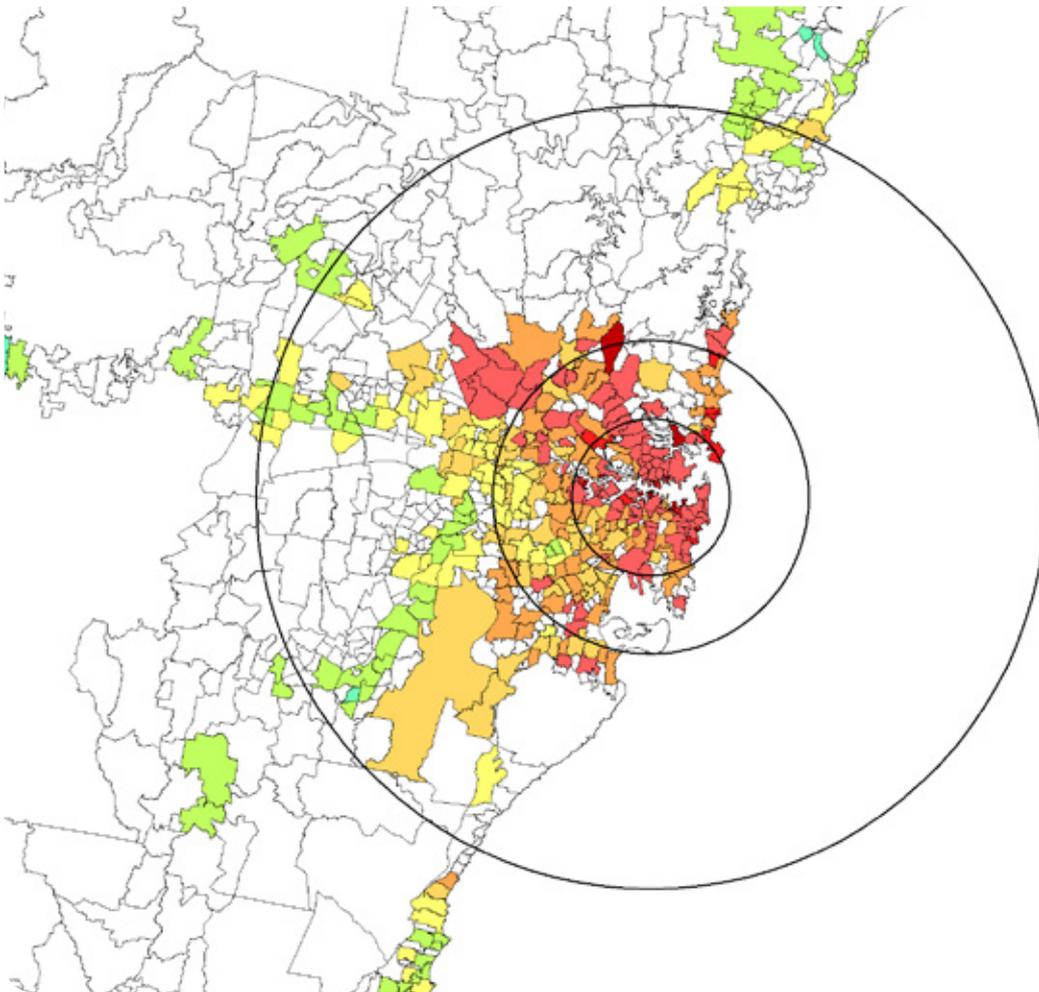
## Units

### Top 10 most affordable and most expensive suburbs

Suburb	Council Region	No. Sales (past 12 mths)	Median Value	Vendor Discount	Days on Market	Median Asking Rent	Gross Rental Yield
DAWES POINT	Sydney	12	\$2,904,015			\$2,100	3.6%
POINT PIPER	Woollahra	23	\$1,973,781			\$1,095	3.8%
DARLING POINT	Woollahra	93	\$1,599,458	-0.6%	35	\$878	4.1%
CABARITA	Canada Bay	16	\$1,396,627				
MILLERS POINT	Sydney	42	\$1,218,217	-1.1%	36	\$1,000	4.2%
TAMARAMA	Waverley	20	\$1,142,955			\$800	4.2%
MILSONS POINT	North Sydney	65	\$1,142,931	-5.7%	37	\$700	4.3%
CREMORNE POINT	North Sydney	49	\$1,113,851	-5.3%	26	\$738	4.0%
HUNTLEYS COVE	Hunters Hill	21	\$1,105,366			\$750	4.1%
SEAFORTH	Manly	21	\$1,104,172			\$800	4.8%
CARRAMAR	Fairfield	44	\$307,523	-6.3%	29	\$310	5.7%
OURIMBAH	Wyong	18	\$306,600	-3.1%	9	\$350	6.2%
LAKE HAVEN	Wyong	16	\$304,152			\$350	5.8%
TAHMOOR	Wollondilly	14	\$300,841			\$370	5.9%
AMBARVALE	Campbelltown	25	\$298,530	-5.4%	13	\$318	5.9%
KATOOMBA	Blue Mountains	27	\$288,715	-2.5%	56	\$340	6.1%
TOUKLEY	Wyong	39	\$280,375	-1.4%	23	\$300	5.7%
WYONG	Wyong	26	\$274,889	-2.4%	25	\$313	6.2%
GOROKAN	Wyong	45	\$255,952	-1.7%	28	\$290	6.1%
BERKELEY VALE	Wyong	30	\$249,807	-1.0%	28	\$280	6.5%

# Units

Median unit value by suburb



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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, 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.

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