

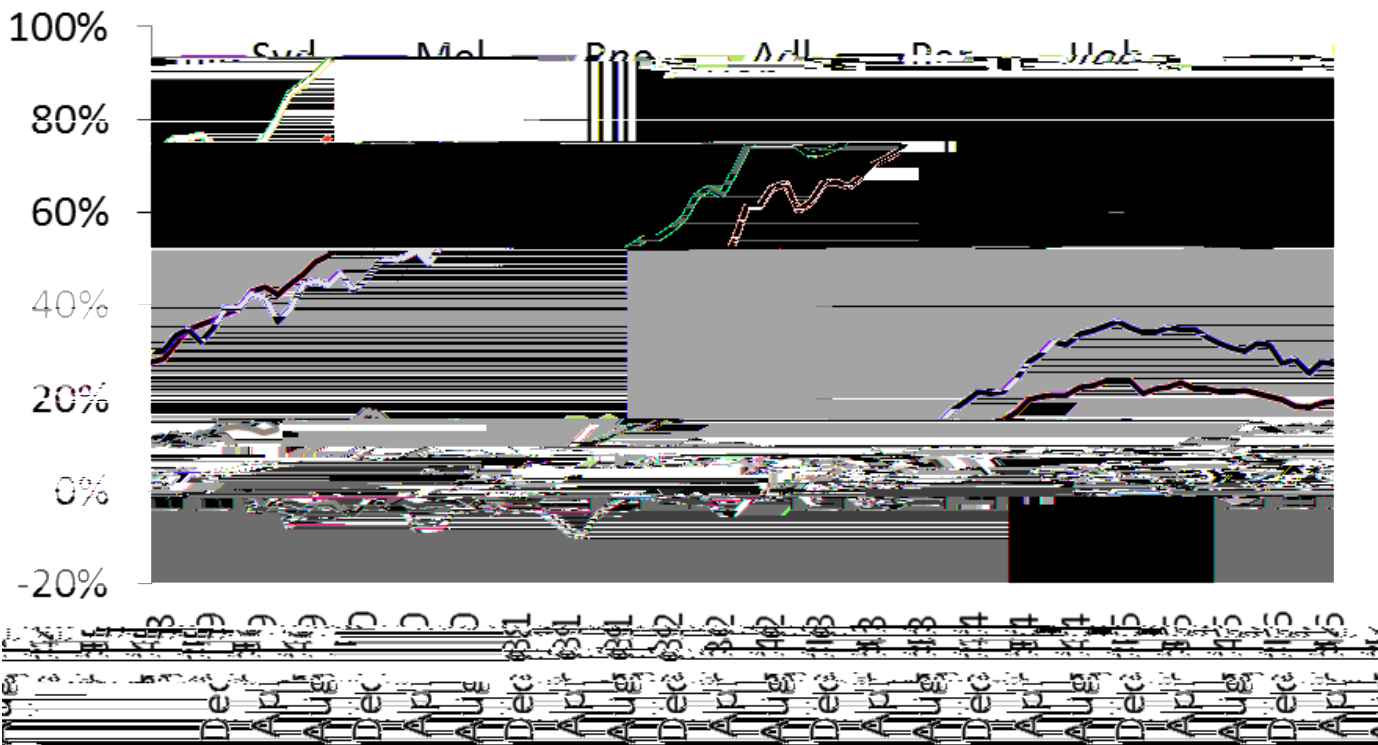
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The Outlook for Sydney Dwelling Values:
Affordability, Supply Levels and Rental Markets

September 2016

Two cycles of growth post -GFC which has seen substantial capital gains in Sydney and Melbourne

Cumulative capital gains since January 2009



Strong annual capital gains in Sydney and



9,000

8,000

7,000

6,000

5,000

4,000

3,000

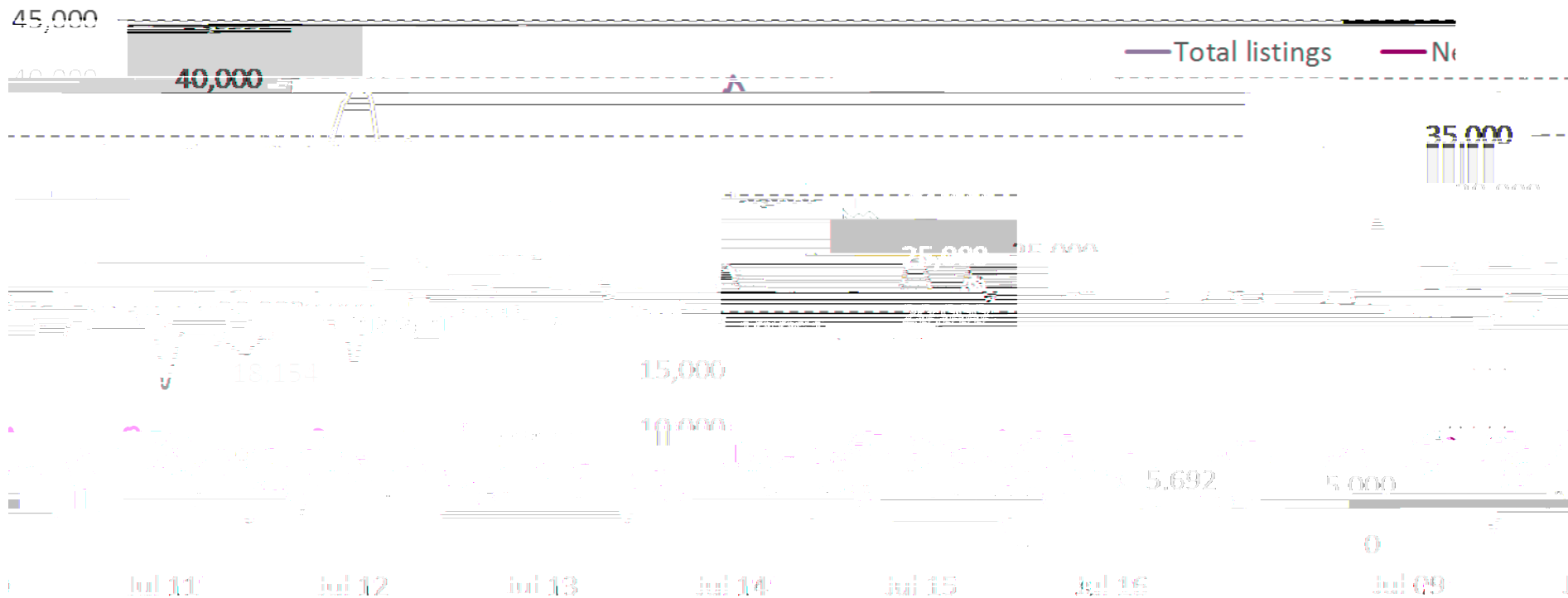
— House sales

— Unit sales

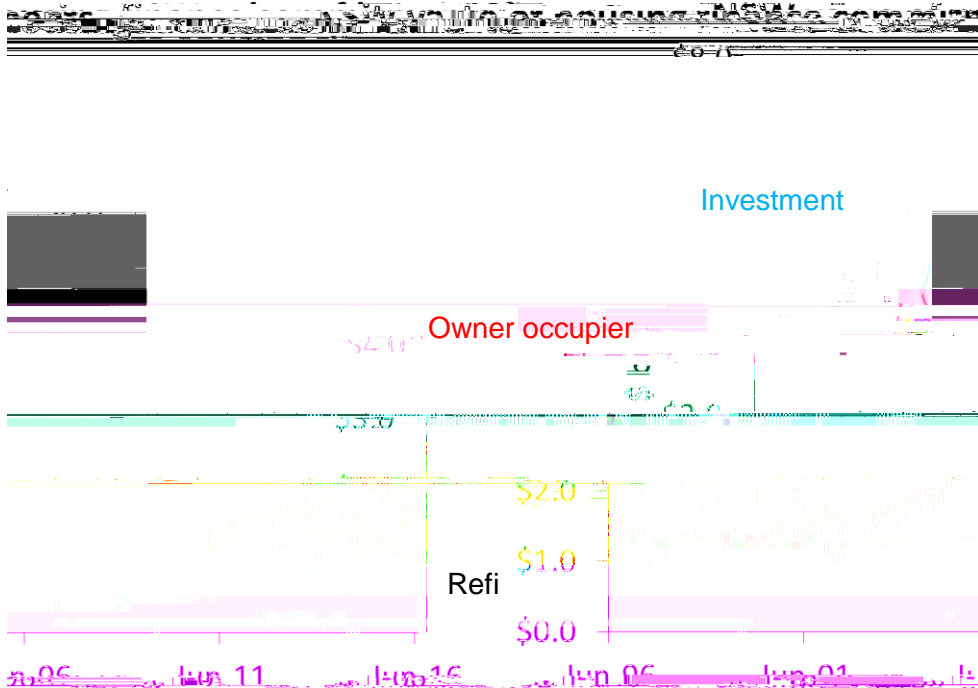


Low advertised stock levels can partly explain the fall away in transaction numbers across Sydney

Number of properties advertised for sale, Sydney (rolling 28 day count)



A sharp decline in investment lending has added WR WKH VORZGRZQ LQ WUDQVDF recent data shows a strong rebound in investment lending



Investors as a % of all new mortgage commitments

70.0% ■ May-15 ■ Jun-16



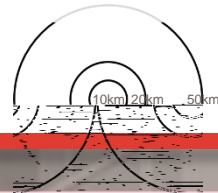


Buying a detached house in Sydney is becoming out of reach for many segments of the market

Median house values

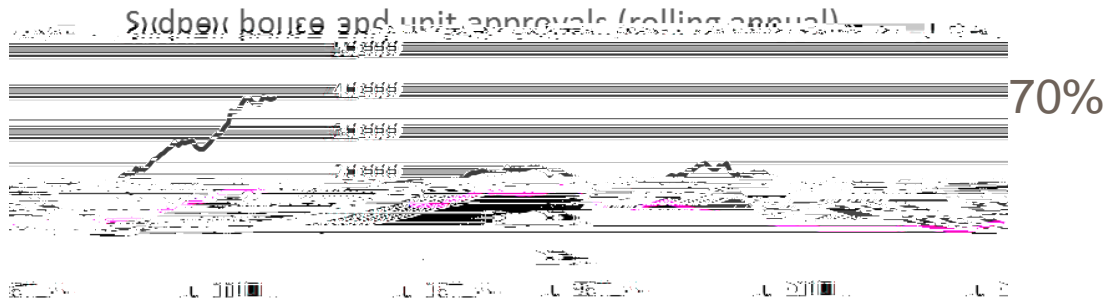


Median unit values

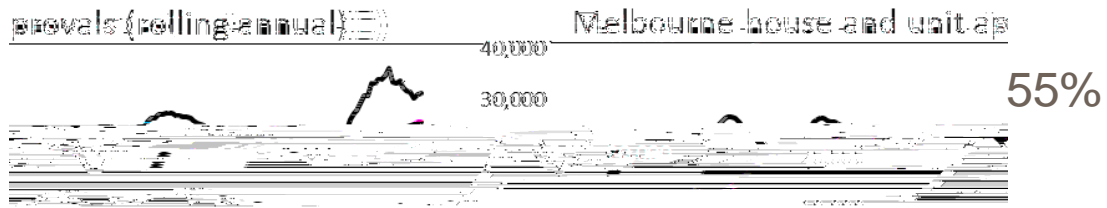


Source: CoreLogic, ANU





Unit approvals remains a large proportion of the growing supply pipeline



64%

32%



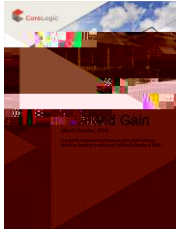
House approvals

Unit approvals



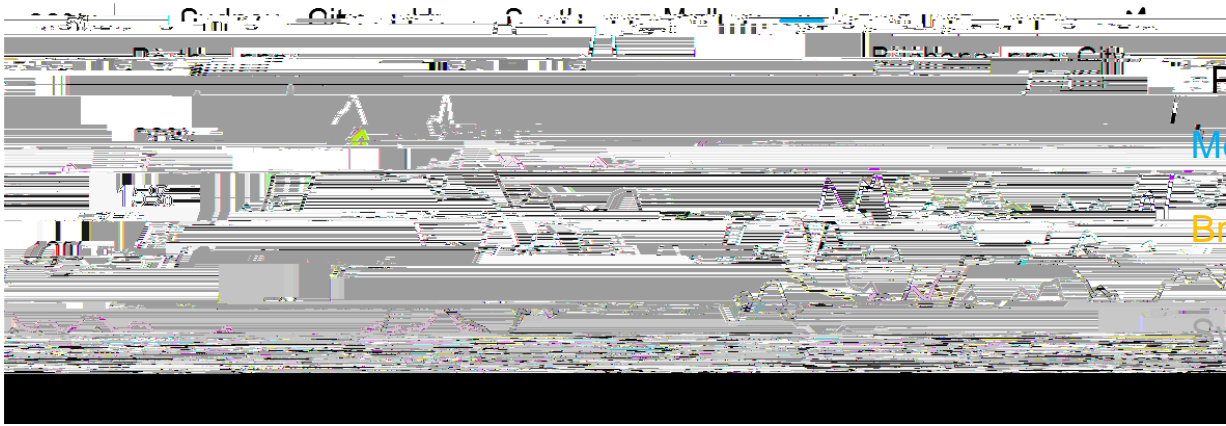
**A significant number of units are set to settle
across Sydney over the next two years...**





Loss making resales are rising across the Melbourne and Brisbane inner city unit markets, but remain low across Sydney

% of loss making resales, key inner city unit markets



Perth inner: 24.6%

Melbourne inner: 19.1%

Brisbane inner: 11.1%

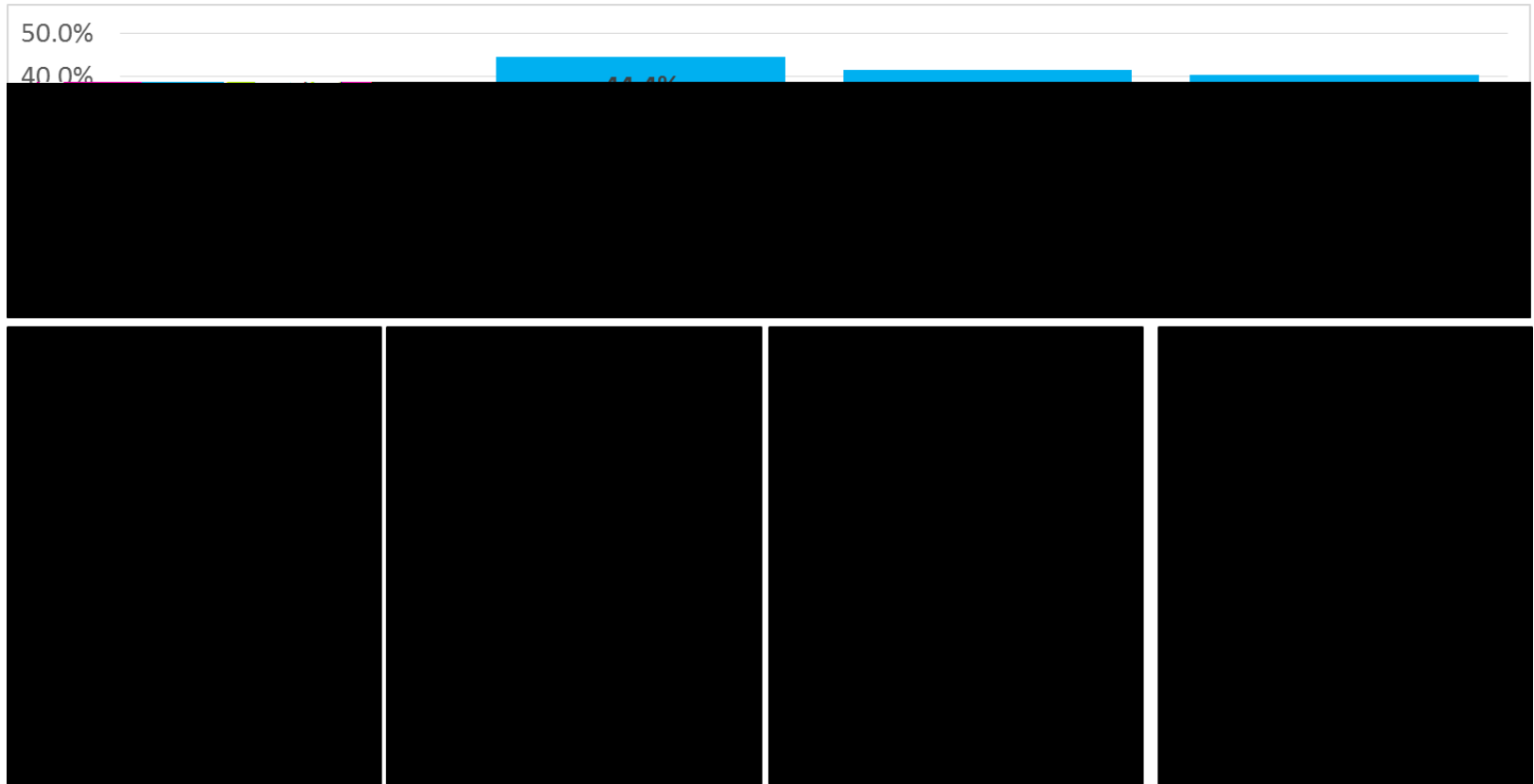
Sydney City and inner South: 1.6%



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unit settlements are coming in under contract value

Proportion of 'off the plan' valuations where the valuation is lower than the contract price, June 2016



Sydney rental growth was flat over the past 12 months, pushing gross rental yields to new record lows

Annual change weekly dwelling rents



About Us

CoreLogic Australia is a wholly owned subsidiary of CoreLogic



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 volume, rental statistics, vendor metrics such as average selling time and vendor discounting rates.

CoreLogic RP Data Indices: The suite of CoreLogic RP Data Indices range from simple market measurements such as median prices through to repeat sales indices and our flagship hedonic home value index. The CoreLogic RP Data 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 RP Data Hedonic indices for capital cities and regional areas, 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 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: CoreLogic RP Data is in a unique position to monitor mortgage related housing market



