

Commonwealth Bank-CoreLogic RP Data Home Buyers Index (HBI) October 2014

Released November 2014

Market conditions were balanced at a national level across July-September 2014

At a national level housing market conditions were relatively balanced between buyers and sellers. However, across different geographic locations housing market conditions varied.

Index scores are based on the ratio of homes available for sale compared with the number of mortgage commitments adjusted for market share. 1 – Extreme buyer’s market, 2 – Buyer’s market, 3 – Balanced market, 4 – Seller’s market, 5 – Extreme seller’s market

The Commonwealth Bank-CoreLogic RP Data Home Buyers Index provides an indication of how well market conditions are suited to buyers or sellers. The Index is based on the ratio of properties advertised for sale compared with the number of housing loans which are being committed to by customers of Australia’s largest mortgage lender, Commonwealth Bank. Where the number of properties being advertised for sale outweighs the number of mortgage commitments (adjusted for market share), the market is considered to be in favour of the buyer; effective supply is outweighing demand. Where new home loans are outweighing the number of homes being advertised for sale, market conditions generally favour the seller.

At a national level, the ratio of buyers to effective supply across the Australian real estate market has shifted slightly in favour of sellers over the past three months, resulting in a housing market which is balanced between buyers and sellers. Total advertised stock levels are in line with the number of home loans funded, suggesting that current market conditions, at least at a national level, are balanced.

Following the July-Sept 2014 quarter, the October 2014 results were quite different; in Queensland, Tasmania, and Northern Territory market conditions were skewed towards the buyer. Every other state and territory showed relatively balanced conditions, with Victoria the only seller’s market.

Conditions across the capital cities were typically more balanced or in favour of sellers, reflecting very different conditions in metropolitan versus regional housing markets. The results also reflected the higher levels of buyer demand compared with stock levels which were occurring in the Sydney and Melbourne markets where overall conditions favour sellers. It’s no coincidence that these two cities have also been the strongest capital growth performers over the past year.

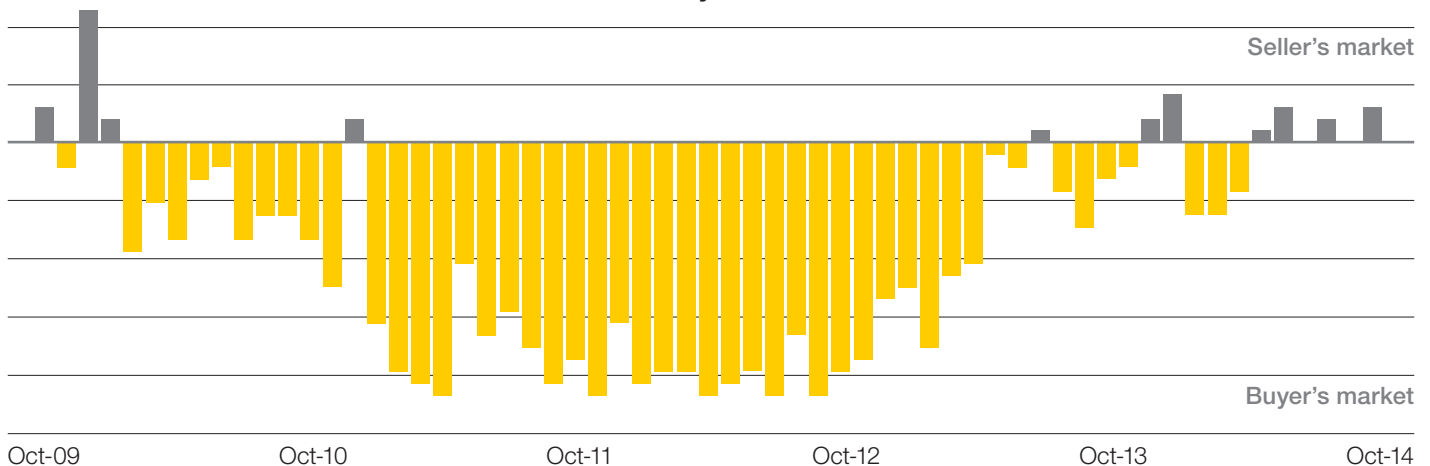
HBI by state – Oct 2014

State	HBI Score Oct-13	HBI Score Jul-14	HBI Score Oct-14	Comments
NSW	3	3	3	Balanced market
VIC	3	3	4	Seller’s market
QLD	2	2	2	Buyer’s market
SA	2	3	3	Balanced market
WA	3	2	3	Balanced market
TAS	1	1	1	Extreme buyer’s market
NT	3	2	2	Buyer’s market
ACT	3	3	3	Balanced market
National	2	3	3	Balanced market

HBI by capital city – Oct 2014

City	HBI Score Oct-13	HBI Score Jul-14	HBI Score Oct-14	Comments
Sydney	4	4	4	Seller’s market
Melbourne	3	4	4	Seller’s market
Brisbane	2	2	2	Buyer’s market
Adelaide	3	4	3	Balanced market
Perth	3	3	3	Balanced market
Hobart	1	2	2	Buyer’s market
Darwin	3	2	3	Balanced market
Canberra	3	3	3	Balanced market

National Home Buyers Index over time



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Across the capital cities

Sydney (Seller's market)

Market conditions in Sydney remained favourable to sellers. Homes which are appropriately priced are selling quickly and often above list price, buyers have much less negotiating power than they do elsewhere across the country.

Melbourne (Seller's market)

Melbourne's housing market conditions have shifted further in favour of sellers both over the past year and most recent three month period. Well priced properties are seeing a high level of demand, plenty of offers and are selling rapidly.

Brisbane (Buyer's market)

Selling conditions across Brisbane have improved marginally over the past year and are virtually unchanged over the quarter. Although overall the city remains a market for buyers rather than sellers. Buyers still hold greater power when it comes to negotiating the purchase of a home with most sellers having to reduce their initial list price in order to achieve a sale.

Adelaide (Balanced market)

Adelaide is showing balanced market conditions between buyers and sellers. When negotiating on the sale of a home in Adelaide there is a fairly equal level of power between both parties.

Perth (Balanced market)

The Perth housing market has remained a balanced market over the past year. Stock levels and housing demand is in relative equilibrium with neither side having significant power in negotiations over the other.

Hobart (Buyer's market)

Hobart's index has remained largely unchanged over the past year continuing to show conditions which are more favourable for buyers rather than sellers. Effective supply continues to outweigh effective demand, which results in a stronger negotiation position for buyers.

Darwin (Balanced market)

Conditions across the Darwin housing market have shifted in favour of the seller over the past three months and now show balanced conditions. This means that well priced stock available for sale should see greater demand from buyers.

Canberra (Balanced market)

Canberra's housing market conditions have remained balanced both over the past year and past three months. The amount of supply is in relative equilibrium with demand currently.

Top 10 best seller's markets, national

Rank	Region	State	HBI Indicator
1	Central Highlands	VIC	Extreme seller's market
2	Sydney	NSW	Seller's market
3	Melbourne	VIC	Seller's market
4	Loddon	VIC	Seller's market
5	Ovens-Murray	VIC	Seller's market
6	Canberra	ACT	Balanced market
7	Adelaide	SA	Balanced market
8	Barwon	VIC	Balanced market
8	Perth	WA	Balanced market
10	Mallee	VIC	Balanced market

Predominately regions within Victoria are showing the best overall selling conditions and this is reflected in the adjacent data. Australia's two largest capital cities (Sydney and Melbourne) are two of the strongest markets for selling a residential property. The best seller's market list includes five capital cities with each of the non-capital city regions listed located in Victoria.

Top 10 best buyer's markets, national

Rank	Region	State	HBI Indicator
1	Eyre	SA	Extreme buyer's market
2	Wide Bay-Burnett	QLD	Extreme buyer's market
3	Lower Great Southern	WA	Extreme buyer's market
4	Central West	QLD	Extreme buyer's market
5	Far West	NSW	Extreme buyer's market
6	Mackay	QLD	Extreme buyer's market
7	South West	QLD	Extreme buyer's market
8	Mersey-Lyell	TAS	Extreme buyer's market
9	Southern	TAS	Extreme buyer's market
10	Murray	NSW	Extreme buyer's market

Queensland dominates the list for the best markets for buyers nationally. There are no capital cities listed as best buyer's markets and most are coastal / lifestyle markets or those linked to the resources sector. All of those areas listed are seeing a heightened level of homes available for sale relative to current demand.

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HBI for Sydney regions

Region	Oct-13	Jul-14	Oct-14	HBI Indicator
Blacktown	5	5	5	Extreme seller's market
Canterbury-Bankstown	3	4	4	Seller's market
Central Northern Sydney	4	4	4	Seller's market
Central Western Sydney	4	4	5	Extreme seller's market
Eastern Suburbs	4	4	4	Seller's market
Fairfield-Liverpool	4	4	5	Extreme seller's market
Gosford-Wyong	2	3	3	Balanced market
Inner Sydney	4	5	5	Extreme seller's market
Inner Western Sydney	4	4	4	Seller's market
Lower Northern Sydney	4	5	4	Seller's market
Northern Beaches	3	4	4	Seller's market
Outer South Western Sydney	4	5	5	Extreme seller's market
Outer Western Sydney	3	4	4	Seller's market
St George-Sutherland	3	4	4	Seller's market

Sydney is currently experiencing strong selling conditions for residential property and this is reflected when you look at individual areas. Blacktown, Central Western Sydney, Fairfield-Liverpool, Inner Sydney and Outer South Western Sydney are all showing 'extreme seller's market' conditions. All other regions except for Gosford-Wyong are showing conditions which are more favourable for sellers than buyers.

HBI for Melbourne regions

Region	Oct-13	Jul-14	Oct-14	HBI Indicator
Boroondara City	3	4	3	Balanced market
Eastern Middle Melbourne	3	4	4	Seller's market
Eastern Outer Melbourne	4	5	5	Extreme seller's market
Frankston City	3	3	4	Seller's market
Greater Dandenong City	3	3	4	Seller's market
Hume City	3	4	5	Extreme seller's market
Inner Melbourne	3	3	3	Balanced market
Melton-Wyndham	3	4	5	Extreme seller's market
Moreland City	3	4	4	Seller's market
Mornington Peninsula Shire	2	3	3	Balanced market
Northern Middle Melbourne	4	4	5	Extreme seller's market
Northern Outer Melbourne	5	5	5	Extreme seller's market
South Eastern Outer Melbourne	4	5	5	Extreme seller's market
Southern Melbourne	3	4	4	Seller's market
Western Melbourne	3	4	4	Seller's market
Yarra Ranges Shire Part A	3	4	5	Extreme seller's market

Overall Melbourne's housing market conditions are more in favour of sellers than buyers. Mornington Peninsula Shire, Boroondara City and Inner Melbourne are showing balanced conditions while in all other regions conditions favour sellers over buyers. Seven of the regions are showing 'extreme seller's market' conditions with most of the remaining showing 'seller's market' conditions. Across most of the regions, conditions have moved further in favour of the seller over the past year.

HBI for Brisbane regions

Region	Oct-13	Jul-14	Oct-14	HBI Indicator
Beaudesert Shire Part A	2	3	2	Buyer's market
Caboolture Shire	1	1	1	Extreme buyer's market
Inner Brisbane	2	2	3	Balanced market
Ipswich City	2	2	2	Buyer's market
Logan City	2	2	2	Buyer's market
Northwest Inner Brisbane	2	3	2	Buyer's market
Northwest Outer Brisbane	2	3	3	Balanced market
Pine Rivers Shire	3	3	3	Balanced market
Redcliffe City	1	1	1	Extreme buyer's market
Redland Shire	1	2	2	Buyer's market
Southeast Inner Brisbane	3	3	3	Balanced market
Southeast Outer Brisbane	2	3	3	Balanced market

The Brisbane housing market is broadly showing conditions which are in favour of buyers. This is reflected across the regions of the city with many showing 'buyer's market' conditions. Balanced market conditions are more prevalent within the areas more centrally located to the Brisbane CBD and 'extreme buyer's market' conditions are currently recorded in the Caboolture and Redcliffe City regions. A handful of regions have seen conditions improve for sellers over the past year.

HBI for Adelaide regions

Region	Oct-13	Jul-14	Oct-14	HBI Indicator
Eastern Adelaide	3	4	4	Seller's market
Northern Adelaide	3	4	3	Balanced market
Southern Adelaide	3	3	3	Balanced market
Western Adelaide	3	3	3	Balanced market

The Adelaide market is showing balanced conditions across all regions of the city except for Eastern Adelaide. Over the past year, conditions have remained stable across each region of the city except Eastern Adelaide.

Note: Regions are based on Statistical Subdivision boundaries. Ranking is based on the underlying HBI Index values.

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HBI for Perth regions

Region	Oct-13	Jul-13	Oct-14	HBI Indicator
Central Metropolitan	2	2	3	Balanced market
East Metropolitan	3	3	3	Balanced market
North Metropolitan	3	3	3	Balanced market
South East Metropolitan	3	3	3	Balanced market
South West Metropolitan	3	3	3	Balanced market

Housing conditions have remained balanced between buyers and sellers across Perth over the past year. This reflected across each individual region of the city, except Central Metropolitan Perth where conditions have slightly improved for sellers over the past year.

About CoreLogic RP Data

CoreLogic RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest data and analytics company in the world. CoreLogic RP Data provides property information, analytics and services across Australia and New Zealand and is currently developing and growing partnerships throughout Asia.

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. CoreLogic RP Data delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic RP Data employs over 480 people at nine locations across Australia and in New Zealand. For more information call **1300 734 318** or visit **www.corelogic.com.au**

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