

End of Month – RP Data – Rismark National Residential Property Value Index Release

Released 30 May 2008

Market softens creating strong buying opportunities

The RP Data/Rismark International end of month indices report released today confirmed that capital growth in the key markets of Sydney and Melbourne has flattened considerably during 2008.

According to Rismark International's Head of Research, Dr Mathew Hardman, we are now seeing a higher level of volatility enter the housing market from quarter to quarter. "Overall, we are entering a period of higher volatility across all asset classes: stocks, property, interest rates, metals."

He said the recent fluctuations in the capital growth rates, (where growth rates move from positive to negative and back again) indicates the likelihood of large falls in the market has decreased. However this is conditional on a stable interest rate environment which is likely to result in a static rate of growth.

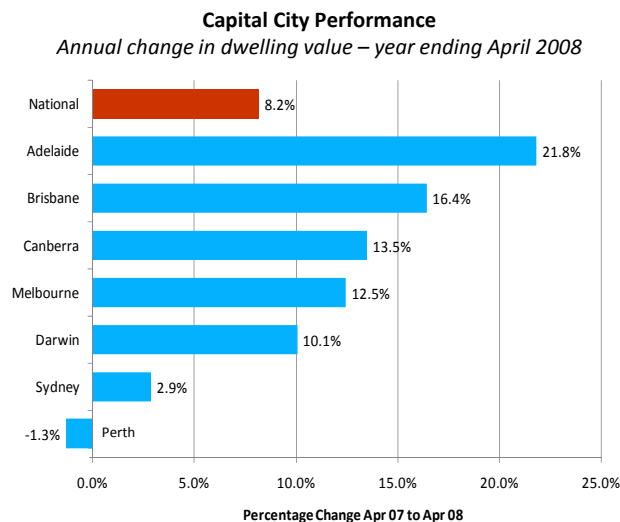
Commenting on the Outer Sydney markets which have been hardest hit with price falls, Dr Hardman said, "Areas in the West and South West of Sydney have fallen 20% since 2003, but the decline has been consistent over a significant period, as distinct from flat periods punctuated by abrupt falls. The recent return of volatility indicates this pattern may be coming to an end."

RP Data's Research Director, Tim Lawless, is confident that the supply side imbalance in the national housing market will see further property value increases over the next five years. "We expect low levels of housing supply to continue placing upwards pressure on housing prices over the long term. However in the short to medium term, demand side constraints are acting to slow the market. Most importantly, the current high inflationary environment is causing a high degree of uncertainty in the market which translates to low buyer and investor confidence."

"Cashed up buyers now have a large amount of leverage as a result of current market conditions especially now that properties are taking longer to sell and there are fewer buyers," Mr Lawless said. "The best immediate opportunities can be found in Adelaide, Brisbane and Darwin, not to mention many of Queensland's regional areas."

The figures released today in the RP Data/Rismark International end of month Property Value Indices Report show that during the first four months of 2008 Australian property values have shown a minor decrease of 0.03 per cent. The median value of an Australian dwelling is now \$461,384, which is 8.2 percent higher than April last year.

"Compared to Australian shares, the property market still appears to provide a sound diversification option. By comparison the ASX/S&P 200 index has fallen by 11.7% during the first four months of 2008," Dr Hardman said.



Around the Nation

Adelaide continues to lead the nation in terms of capital growth with house and unit values increasing by 21.04 percent and 25.28 percent respectively. Despite the ongoing gains in property values, Adelaide houses still provide the most affordable price tag of any mainland capital city. The median value of a house in Adelaide is now \$421,478, approximately \$73,000 higher than the same period last year. Strong price growth is still apparent across all regions of Adelaide; however the mortgage belt regions of the outer northern and southern suburbs are now showing comparatively lower rates of growth than the more affluent inner and coastal suburbs.

Brisbane is also continuing to show solid growth in property values with overall growth of around 3 percent for houses and units during the first four months of 2008. The value gap between Brisbane and Melbourne is becoming wider as growth in the Melbourne market has slowed considerably. At the start of 2007 house values in the two cities were virtually on par, however the stronger value growth in the Brisbane market has seen Brisbane house values now 5 percent or \$24,000 higher than Melbourne's.

Canberra has provided a solid return over the last year with an increase in property values of 13.5 percent over the year. The first quarter of 2008 has seen value growth flatten with Canberra dwelling values decreasing by half a percentage point. Price falls in some outer regions are being balanced by value improvements within the inner suburbs. This trend is leading to increasingly volatile statistics in the Canberra marketplace.

Melbourne's overall growth rate has slowed considerably during 2008 with the first four months recording a fall in property values of 0.16 percent. A further disparity in the performance of Melbourne regions is emerging with the more affluent inner areas such as Moreland and Boroondara returning growth between 2 and 4 percent. At the other end of the spectrum is Hume City where values have fallen by 5 percent during 2008.

Darwin continues to record a solid performance with a 10 percent gain in dwelling values over the twelve months to April '08. The Darwin market has continued to record an impressive rate of growth during the first four months of 2008 with values increasing by 4 to 5 percent. Despite such strong growth in dwelling values, Darwin continues to record the highest gross rental yields in the nation. Rental houses are returning an average gross rental yield of 5.7 percent while units are returning an average gross rental yield of 6.2 percent.

Sydney value growth is flattening across the board, even in the traditional growth hotspots of the inner city and metro-coastal regions. Six to twelve months ago we were seeing steady growth of 2 to 4 percent in the Eastern Suburbs, North Shore and Northern Beaches. 2008 has been more volatile, with a month of growth followed by a month of decline; virtually a flat market. The exception to the rule seems to be the St George –Sutherland region where value growth has been much steadier. The best performing market during 2008 has been units in South Western Sydney where buyers are opting for units and town homes instead of more expensive houses.

Perth remains as the only capital city to experience a decline during the twelve month period to April 2008, with dwelling values falling by 1.33 percent. The median value of a Perth house is now slightly less than \$500,000. The inner city unit market appears to be the safest haven in this declining market. Perth units values have decreased by 1.35 percent over the first four months of 2008, however the inner areas of Perth have defied the slow down.

Ends. Contact Mitch Koper for additional information on 041 777 1778.

Tables

Index results for all dwellings, houses and units

Table 1

RP Data-Rismark Hedonic Index Results Houses and Units								
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Darwin	Canberra	National
	Median Value (\$'000's)							
Apr 08*	509.013	425.028	448.047	400.570	485.665	378.248	480.884	461.384
Mar 08	517.564	428.817	437.490	400.359	492.020	387.308	464.009	464.128
	YoY %							
Apr 08 YOY*	2.88%	12.46%	16.43%	21.84%	-1.33%	10.06%	13.50%	8.17%
Apr 08 YTD*	-1.43%	-0.16%	3.37%	4.74%	-2.99%	2.24%	3.09%	-0.03%
	QoQ %							
Mar 08 YOY	5.15%	15.25%	15.99%	23.56%	-0.32%	13.12%	11.12%	9.86%
Mar 08 QTR	0.23%	0.73%	0.93%	4.69%	-1.72%	4.69%	-0.53%	0.56%

Table 2

RP Data-Rismark Hedonic Index Results All Houses								
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Darwin	Canberra	National
	Median Value (\$000's) & Days on Market							
Apr 08*	566.873	450.305	474.116	421.478	495.448	424.809	519.835	491.627
Mar 08	575.476	453.664	461.354	419.355	502.943	429.988	490.502	493.034
Apr QTR Days on Market*	42	23	33	55	35	53	48	
	YoY %							
Apr 08 YOY*	2.82%	12.33%	16.12%	21.04%	-2.12%	10.66%	16.70%	8.28%
Apr 08 YTD*	-1.19%	-0.18%	3.41%	3.99%	-3.39%	3.90%	4.99%	0.10%
	QoQ %							
Mar 08 YOY	4.88%	15.07%	15.44%	22.79%	-0.61%	13.80%	11.53%	9.79%
Mar 08 QTR	0.31%	0.57%	0.63%	3.46%	-1.93%	5.16%	-0.94%	0.38%

Table 3

RP Data-Rismark Hedonic Index Results All Units								
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Darwin	Canberra	National
	Median Value (\$000's) & Days on Market							
Apr 08*	413.829	358.997	346.184	332.072	449.754	280.378	363.104	386.390
Mar 08	422.295	363.909	344.247	338.124	451.924	297.595	383.900	392.452
Apr QTR Days on Market*	33	28	16	48	41	48	44	
	YoY %							
Apr 08 YOY*	3.01%	12.90%	18.12%	25.28%	2.00%	8.18%	1.47%	7.84%
Apr 08 YTD*	-1.97%	-0.08%	3.14%	8.02%	-1.35%	-2.69%	-4.39%	-0.42%
	QoQ %							
Mar 08 YOY	5.75%	15.84%	18.99%	26.77%	0.91%	11.09%	9.54%	10.09%
Mar 08 QTR	0.04%	1.29%	2.56%	9.99%	-0.87%	3.28%	1.08%	1.14%

Table 4

RP Data-Rismark Hedonic Index Results Houses and Units Rental Yields								
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Darwin	Canberra	National
	Quarter Results							
Houses Mar 08 QTR	4.30%	4.22%	4.25%	3.97%	3.55%	5.72%	5.13%	4.22%
Units Mar 08 QTR	5.26%	4.57%	4.76%	4.45%	4.08%	6.15%	5.79%	4.93%

* The results are "indicative" only, since they rely on a smaller sample of property sales data and do not reflect the MORE comprehensive sales database used to publish the "final" figures.

Background

The RP Data-Rismark Hedonic Indices benefit from exclusive access to the most comprehensive property database in Australian and NZ, which is owned by RP Data Limited (ASX: RPX). RP Data spends over \$9 million annually collecting new property information and has amassed a database comprising over 103 million property data records covering around 98% of all homes. Over 70% of Australian real estate agents subscribe to RP Data's property information services.

In a recent independent review of the RP Data-Rismark Indices, the credit rating agency Moody's concluded *"The suite of indexes calculated by RP Data-Rismark represents a significant improvement in the quality of housing price statistics available in Australia."* Moody's further commented, *"These data are more sophisticated, detailed and have better coverage than that used in the construction of existing housing price indexes in Australia. The high quality of the data makes it possible to implement hedonic indexes, which up to this point had proved difficult to construct in Australia due to data constraints."*

For more information on the RP Data-Rismark Indices, please go to <http://www.rpdata.com/indices>

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RP Data

Established in 1991, ASX-listed RP Data (ASX: RPX) is the largest supplier of commercial and residential property information services throughout Australia and New Zealand and is the first and only provider of only provider of hedonic based Property Indices and AVM's. Subscription clients to RP Data's property information service include over 8,500 real estate agents, valuers, property developers, financial institutions and government departments. RP Data is also the largest supplier of property reports to Australians with over 600,000 property reports issued each year. With an annual investment of more than \$5 million in databases, RP Data has more than 88 million property data records covering 12 million properties in Australia and New Zealand including ownership records; 12 million property attribute records; 3.6 million property features records; 16 million property sales records; 12 million property maps; 22 million property photos; and 10 million "on the market" property listing records. For more information visit www.rpdata.com.

Rismark International

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