

## NATIONAL PROPERTY VALUES INDICES

(RP Data-Rismark International)

Released 31 December 2008

### Strategically located affordable properties likely to be the best performers during 2009.

Released today, the RP Data-Rismark Property Values Indices for houses and units reveals that the Australian property market continued to show real resilience to the global credit crisis and slowing economic growth.

Looking into 2009, the report suggests the greatest growth will come from the affordable segments.

RP Data National Research Director Tim Lawless said recent improvements in market conditions have coincided with the affordability improvements brought about by the decision by the

Reserve Bank of Australia (RBA) to cut official interest rates by 1.25 per cent in September and October collectively. This was further complemented by the Government's announcement that first home buyer incentives would be increased.

"The interest rate cut in November and then again in December will also provide further support to the market with mortgage rates now falling by 30 per cent to reach around 6.7 per cent," Mr Lawless said.

Based on the findings in the latest RP Data-Rismark National Property Value Indices, in the 12 months to end October 2008, Australian property values had only declined by -1.2 per cent. This is despite mortgage rates peaking at 9.6 per cent in August and the benchmark share market measure, the S&P/ASX 200 Index, falling by around 40.5 per cent over the same period.

According to Chris Joye, Managing Director of Rismark International, the worst period for Australian property values was in the second quarter of 2008 when prices fell by -1.9 per cent.

"This is when the RBA's rate hikes took effect and consumer sentiment plunged. In the third quarter of 2008, Australian property values fell slightly by -0.7 per cent. The latest October and November sales data suggests that house prices in the final quarter for 2008 will be broadly stable," he said.

Other indicators are also pointing towards an improving property market. Indicative of this it the recently released Westpac-Melbourne Institute 'Time to Buy a Dwelling Index' shows confidence in residential market conditions increased by 39.4 per cent in December from its September levels which were 21.2 per cent up on the June level.

Mr Joye said, "Assuming most of these rate cuts are passed on by the banks, variable rate borrowers should see their interest rates drop to around 5 to 5.6 per cent respectively - this will provide further dramatic improvements to affordability."

In 2009, Mr Lawless believes the affordable segments of the property market will offer the best opportunities for capital growth.

"This will be somewhat of a turnaround for the property market where over the last four years; it has been the affluent properties which have generally provided the best capital growth."

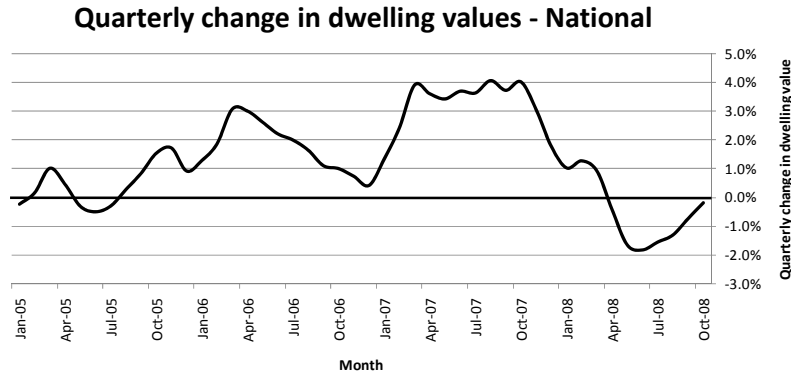
"Market activity is already showing signs of increasing at the lower end of the pricing scale," he said.

The latest housing finance data from the ABS shows that first home buyers now represent 22 per cent of all market transactions in the residential property sector. This is expected to increase during the first quarter of 2009.

Looking ahead into 2009, Mr Lawless is encouraging buyers to target 'strategically affordable' properties - these are homes with a reasonable price tag that are well serviced by public transport, arterial roads and the necessary amenities such as shopping, schools and health care facilities.

**[Important Note: Due to the intervention of the Christmas public holiday period the November RP Data-Rismark Index results use only a very small sample and are not at this juncture considered to be reliable. Full index results for both November and December will be released at the end of January.]**

Ends. <detailed tables on following page>



## 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)							
October-08	509.727	423.362	423.537	395.155	477.650	400.839	446.005	455.500
October YOY	-2.65%	-0.07%	0.17%	6.92%	-5.57%	8.19%	-3.19%	-1.20%
October YTD	-1.85%	-0.89%	-2.20%	3.13%	-5.31%	5.58%	-2.97%	-1.68%
October QTR	0.51%	-0.11%	-0.68%	0.18%	-2.45%	3.73%	0.33%	-0.20%

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							
October -08	564.124	448.347	448.756	410.416	484.580	440.877	477.641	482.706
October YOY	-3.00%	-0.50%	0.28%	6.10%	-5.79%	8.41%	-3.25%	-1.44%
October YTD	-2.38%	-1.13%	-2.15%	1.43%	-5.68%	5.15%	-2.88%	-2.11%
October QTR	0.40%	-0.38%	-0.57%	-0.35%	-1.88%	2.55%	0.52%	-0.31%

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							
October -08	420.242	358.092	324.998	345.159	452.212	316.680	350.345	388.039
October YOY	-1.86%	1.38%	-0.44%	10.25%	-4.69%	7.55%	-2.92%	-0.43%
October YTD	-0.64%	-0.10%	-2.45%	10.37%	-3.84%	6.88%	-3.33%	-0.32%
October QTR	0.77%	0.78%	-1.25%	2.33%	-4.64%	7.35%	-0.44%	0.14%

Table 4

RP Data-Rismark Hedonic Index Results Houses and Units Rental Yields								
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Darwin	Canberra	National
	Quarter Results							
Houses								
October QTR Rental Yield	4.58%	4.22%	4.53%	4.17%	4.06%	6.50%	5.29%	4.43%
Units								
October QTR Rental Yield	5.75%	4.79%	5.21%	4.85%	4.65%	6.97%	5.89%	5.36%

## Background

The RP Data-Rismark Index results are reported by the RBA in its Statement on Monetary Policy and have recently been selected by the ASX as the basis for the ASX's new residential property derivatives market, which is set to be launched in Q2 2009. Moody's and SIRCA have both independently concluded that the RP Data-Rismark Index results are the most accurate measures of house price change in Australia.\*

The RP Data-Rismark Hedonic Indices benefit from exclusive access to the most comprehensive property database in Australia 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>

\* Note that the ABS House Price Index is a **quarterly** measure of house price changes. The RP Data-Rismark Hedonic Index is a **monthly** measure and so cannot be compared directly with the ABS estimates. However, when the RP Data-Rismark Index is converted to a quarterly measure the ABS Index estimates track it closely.

### Media enquiries contact:

Mitch Koper  
National Communications Manager  
RP Data Limited  
Mobile: 0417 771 778  
[mitch.koper@rpdata.com](mailto:mitch.koper@rpdata.com)

Christopher Joye  
Managing Director  
Rismark International  
Mobile: 0414 980 264

### 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 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](http://www.rpdata.com).

### Rismark International

Rismark is a global real estate investment business that specialises in quantitative research, funding, and securitisation. Rismark is a private company owned by management and a number of leading financial services companies. Rismark has executed exclusive strategic agreements with organisations such as Adelaide Bank, PMI Mortgage Insurance, GFI Group (NASDAQ: GFIG), Wizard Home Loans, RP Data Limited, and others. Rismark's management team has extensive experience in quantitative residential real estate research and is augmented by a Global Research Advisory Board comprising of eminent academics from Sydney University, Melbourne University, and Yale. For more information visit [www.rismark.com.au](http://www.rismark.com.au) or [www.efm.info](http://www.efm.info).