PRD nationwide RESEARCH

AUSTRALIA ECONOMIC AND PROPERTY REPORT

SECOND HALF OF 2014

BUDGET BURSTS CONFIDENCE BUBBLE?

PRDnationwide

PRDnationwide is an acknowledged real estate industry leader. We've been in the business of selling and managing properties since 1976 and have a network of over 100 franchise offices spanning nationally and internationally (and still counting).

PRDnationwide Research is home to the latest and most in-depth property knowledge in Australia and beyond, establishing us as the leading property and real estate-related research provider. Through a series of research products we provide a wide range of direct and indirect stakeholders with the most up to date data and analysis, monetary and fiscal policy movements, local government initiatives; and relevant residential, commercial, and infrastructure project developments.

We contribute to innovative research and topical discussions relevant to local, regional, and national interests through a series of reports, conference papers, and regular media commentary; in collaboration with multiple stakeholders – academics, organisations, communities, and government departments.

YOUR HOME OF PROPERTY KNOWLEDGE

ASTI WELCOME MESSAGE

A key ingredient for the property market, or any market for that matter, is confidence. Fear, coupled with uncertainty, results in the average person to tread carefully, especially when it comes to dipping into their savings and/or increasing their spending.

This edition of the Australia Economic and Property Report is thus focused on the immediate impact of the Federal Budget; approximately two months post its introduction to the society. How has the business world reacted? And more importantly, consumers? What has become of their level of confidence in the economy and the market? Is there a multiplier effect on the property market, and if so to what extent? Is there short term pains and long term gains?

We decipher the above questions through a series of key graphs, coupled with commentary and of course our simple traffic light indicators. In contrast with our first half of 2014 Australia Economic and Property Report, these traffic lights are more often than not flashing orange; thus indicating a change in confidence.

The main message is clear: budget burst bubble in the short term. Long term expectation however is that of improved equilibrium in home affordability and consumer confidence.

Yours in research,

Dr Diaswati Mardiasmo
National Research Manager
PRDnationwide

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OVERVIEW

A multiplier effect of the introduced 2014 Federal Budget can be seen in all macroeconomic conditions and property indicators. Inflation rate sits at the high end of the Reserve Bank's 2.0-3.0% target band, recording 3.0% for all groups and 2.8% when volatile items are excluded. Unemployment levels have reported an increase, albeit within the 5.9% 'comfortable band' of the Federal Government. The labour market has a degree of spare capacity and according to the Reserve Bank of Australia it will be a while before unemployment declines consistently.

The Australian dollar has gained strength, suggesting improvement in the purchasing power parity and is reflected in an increase in business confidence. Despite the downwards trend in consumer sentiment, a softening of 0.2% in house price for all eight capital city aggregate brings a ray of hope for the second half of 2014. Consumer confidence is forecasted to return to positive levels as we welcome 2015.

It is imperative that a comparison of average growth in median property prices is performed; particularly in the twelve months timeframe of prior and post budget announcements. The timing of this analysis provides an immediate response from the property sector, particularly house market. Most metropolitan areas (with the exception of South Australia and ACT) have experienced an unexpected soft decline over the past six months. The same pattern is evident at a regional level, with the exception of Queensland, Western Australia, and Tasmania. Our national average growth in capital cities remains strong, though not to the level expected and promoted by the media.

Surprisingly, rental vacancy has shown a considerable amount of softening, suggesting positivity for those with investment properties. That said, when coupled with the decreasing trend in consumer's sentiment on whether or not this is a good time to buy a dwelling (according to the time to buy index ending June 2014) and the sharp increase in residential building works completed, a provoking thought emerges: is the Australian property market slowly becoming oversupplied? Are we transforming into a society of renters as opposed to home owners? We all remember the Reserve Bank's Research Paper Discussion released July 2014, controversially concluding that the average home buyer would be financially better off renting. Coincidentally, despite still being higher than its comparative June 2013 figure, housing finance commitments have seen a decrease of $1 billion within the space of one month ($30billion in May 2014 and $29billion in June 2014).

The immediate aftermath of the 2014 Federal Budget on the property market is evidently, and chorused by many, painful. However the Reserve Bank has kept interest rates at a steady 2.5% to accommodate for the above indicators, allowing Australian society to preserve a level of confidence in affordability. This is reflected through a steady pattern in the home affordability index and the expectation of an increase once the economy's automatic stabilisers kick in.

Stop press: It is recognised that at the time of printing 1 October 2013 the Australian Dollar (AUD) is recorded at 1AUD = 0.87 USD

Despite the downwards trend in consumer sentiment, a softening of 0.2% in house price for all eight capital city aggregate will return consumer confidence to positive levels as we welcome 2015.

- Key Facts September 2014:
- **Consumer Price Index: 3.0%**
- **Standard Variable Home Loan Rate: 5.95%**
- **Unemployment Rate: 6.1%**
- **Average Australia Fuel Price: $1.44/L**

PROPERTY GROWTH

Metropolitan areas are experiencing an unexpected soft decline in median price growth.

Average growth in house median prices within Australia's metropolitan areas have taken an unexpected dip within the last six months, with South Australia and the Australian Capital Territory to be the only states reporting positive growth. This is found to be surprising considering the speculation of a heated market in capital cities such as Brisbane, Sydney and Melbourne; however this is in line with a 0.2% softening in the house price index for Australia's eight capital city aggregate in June 2014 quarter.

Regional Australia property growth proves to be a mixed bag, with most states reaching a peak in 2/2013 and recording similar growth between 1/2013 and 1/2014. The exception includes Queensland, Western Australia and Tasmania; all of which have experienced a significant activity in their regional markets.

Due to the sharp increase in supply and steady national demand, the softening of median price growth will ease the issue of home affordability; a rising concern for all but in particular first home buyers.

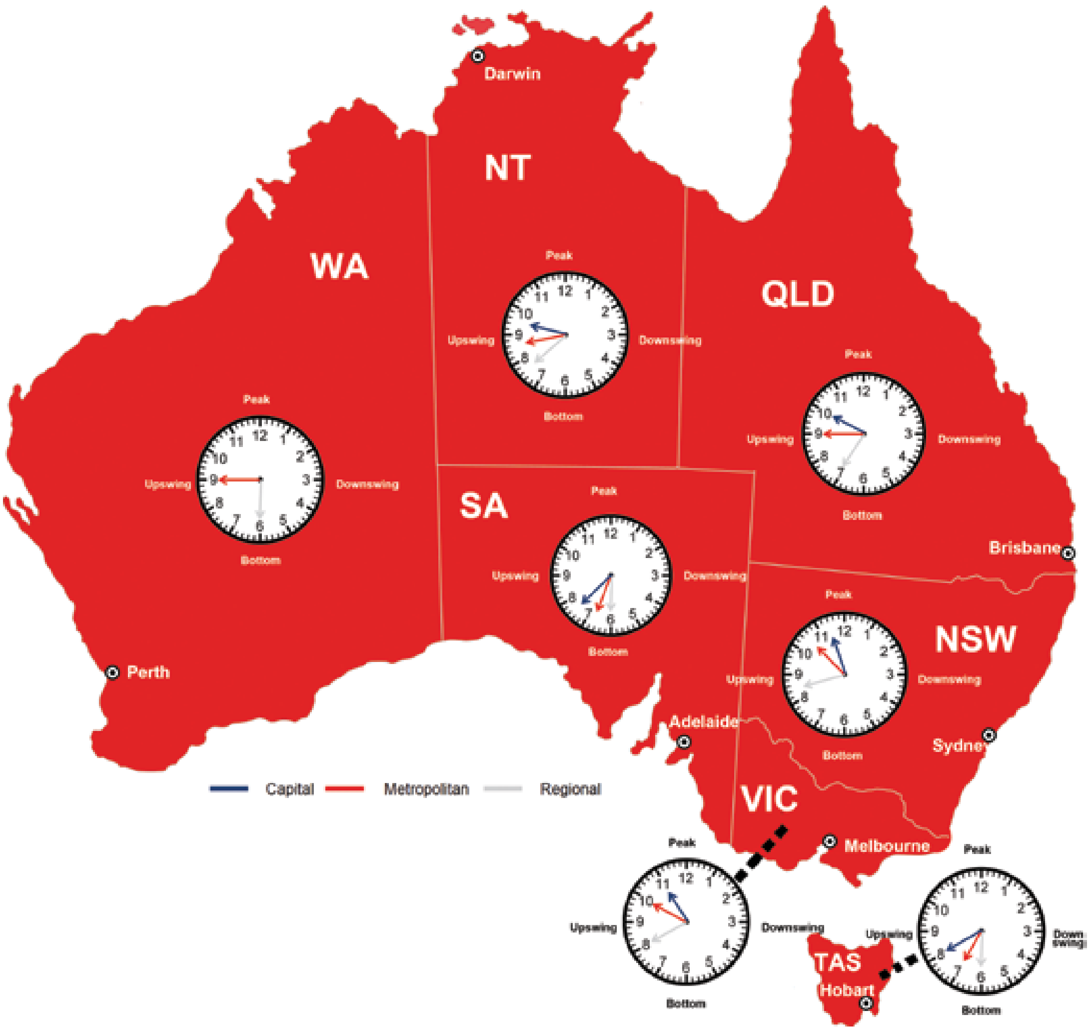
AVERAGE GROWTH IN MEDIAN HOUSE PRICE

	Capital City					Metro					Regional				
	1 2013	2 2013	1 2014	2 2014	3 2014	1 2013	2 2013	1 2014	2 2014	3 2014	1 2013	2 2013	1 2014	2 2014	3 2014
NSW	9.9%	12.0%	11.6%	-2.1%	1.7%	5.9%	7.7%	6.3%	-1.3%	-0.7%	2.8%	8.6%	2.4%	0.6%	-0.9%
QLD	1.0%	4.7%	3.2%	1.3%	0.9%	1.3%	0.3%	2.5%	0.2%	0.0%	2.2%	-2.9%	-0.9%	8.8%	-0.5%
VIC	3.6%	5.1%	-2.9%	-3.4%	1.6%	2.3%	8.2%	0.2%	-0.8%	1.2%	2.5%	3.6%	0.1%	-1.0%	1.6%
WA	5.3%	-0.3%	5.5%	-5.0%	2.1%	8.5%	2.1%	1.2%	-2.8%	1.4%	11.7%	-3.1%	29.0%	-0.9%	1.9%
TAS	-2.6%	6.7%	-4.4%	-0.9%	-1.1%	1.8%	2.2%	0.2%	-1.5%	1.5%	0.9%	-4.8%	5.4%	-3.2%	0.7%
NT	0.7%	7.1%	-1.3%	1.1%	-0.7%	1.1%	4.8%	0.2%	-0.2%	0.3%	-5.3%	22.0%	-22.7%	7.9%	-9.5%
SA	-4.4%	-9.8%	13.7%	-9.7%	0.7%	1.7%	-0.4%	4.4%	-1.0%	1.2%	4.5%	1.0%	-0.3%	-3.7%	2.2%
ACT						0.9%	1.1%	1.7%	1.1%	0.8%					

Average growth in house median prices in Australia's metropolitan areas have taken an unexpected dip within the last six months.

PROPERTY GROWTH

AUSTRALIA PROPERTY GROWTH MAP



MEDIAN HOUSE PRICE – CAPITAL CITY

	Capital City				
	1 2013	2 2013	1 2014	2 2014	3 2014
NSW	$940,000	$1,052,500	$1,175,000	$1,150,000	$1,170,000
QLD	$530,000	$555,000	$572,500	$580,000	$585,500
VIC	$585,500	$719,950	$699,000	$675,000	$685,500
WA	$950,000	$947,500	$1,000,000	$950,000	$970,000
TAS	$450,000	$480,000	$459,000	$455,000	$450,000
NT	$594,000	$636,000	$628,000	$635,000	$630,500
SA	$858,125	$773,750	$880,000	$795,000	$800,500

MEDIAN HOUSE PRICE – METRO

	Metropolitan				
	1 2013	2 2013	1 2014	2 2014	3 2014
NSW	$917,075	$987,528	$1,049,362	$1,049,362	$1,028,500
QLD	$399,000	$400,000	$410,000	$411,000	$411,000
VIC	$604,557	$654,007	$655,069	$650,000	$657,500
WA	$861,741	$879,759	$890,009	$865,500	$877,500
TAS	$323,625	$330,750	$331,417	$326,500	$331,500
NT	$510,650	$535,100	$536,400	$535,500	$537,000
SA	$505,664	$503,503	$525,834	$520,500	$527,000
ACT	$535,000	$541,000	$550,000	$556,000	$560,500

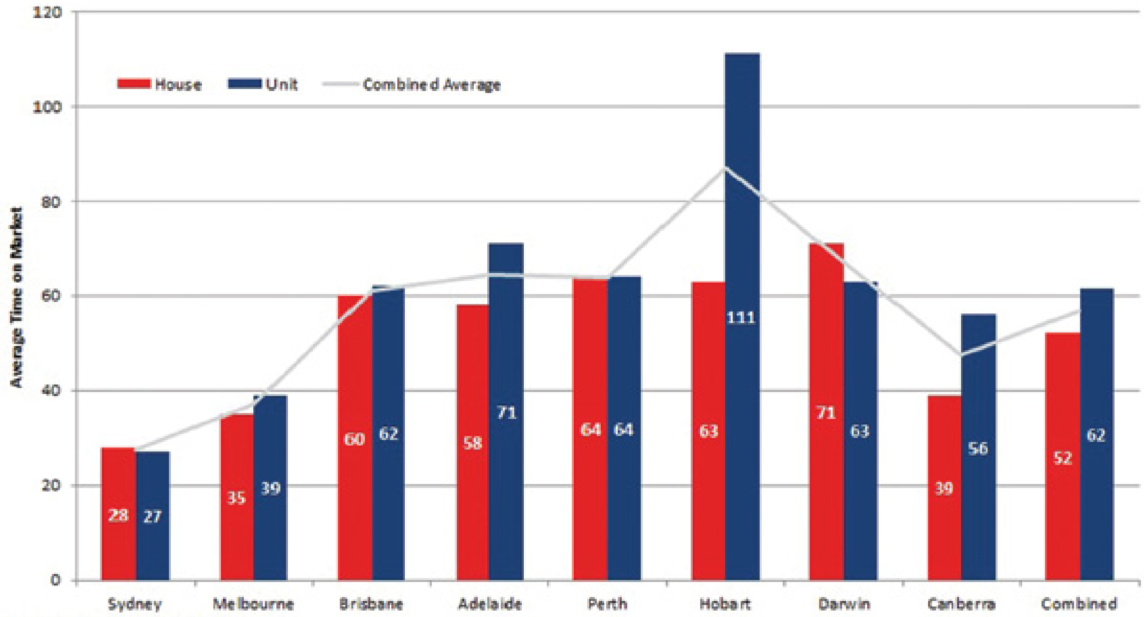
MEDIAN HOUSE PRICE – REGIONAL

	Regional				
	1 2013	2 2013	1 2014	2 2014	3 2014
NSW	$264,775	$275, 197	$273,239	$275,000	$272,500
QLD	$270, 125	$273,500	$267,500	$291,000	$289,500
VIC	$253,700	$263,305	$262,823	$260,250	$264,500
WA	$275,650	$254,362	$272,449	$270,000	$275,000
TAS	$222,000	$209,643	$217,424	$210,500	$212,000
NT	$268,750	$411,333	$287,250	$310,000	$280,500
SA	$229,628	$230,564	$229,137	$220,750	$225,500

Stop Press: Median price for Q3 2014 reflects sales up to and inclusive of 22 September 2014

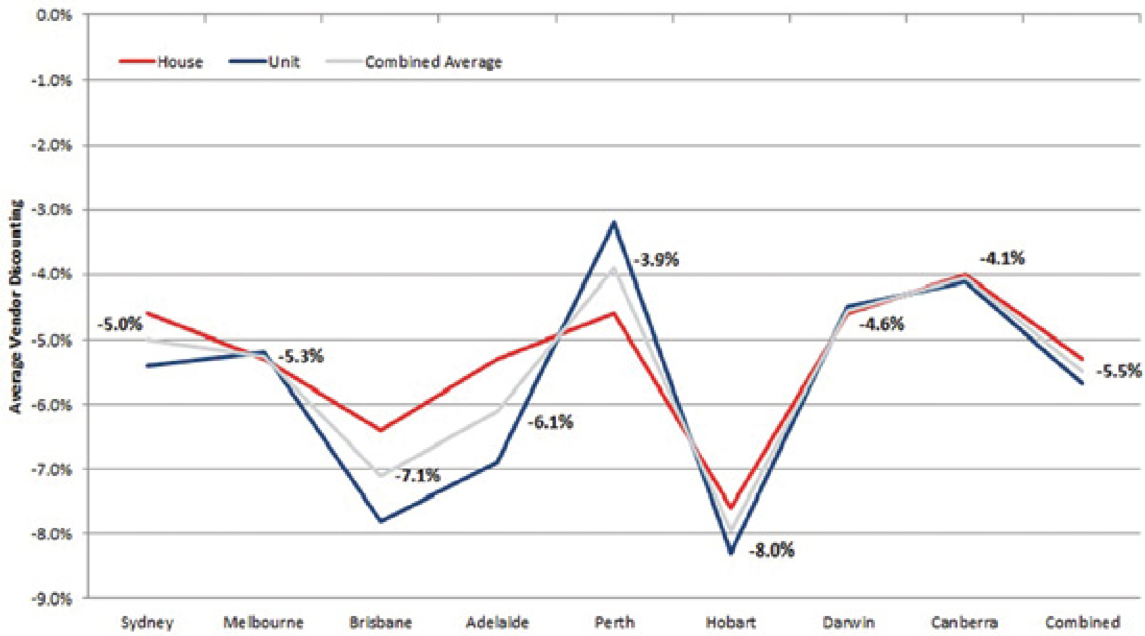
PROPERTY GROWTH

AVERAGE TIME ON THE MARKET



Prepared by PRDnationwide Research
Source: RP Data-Rismark, last updated June 2014

AVERAGE VENDOR DISCOUNTING



Prepared by PRDnationwide Research
Source: RP Data-Rismark, last updated June 2014

2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Median prices will continue to grow nationally, with property growth at an attainable rate.
- Average time on the market in capital cities are expected to continue to decline.
- Average vendor discount suggests there is still a discrepancy between expected sale price and final sale. price, though the gap is closing and suggests a more sophisticated market.

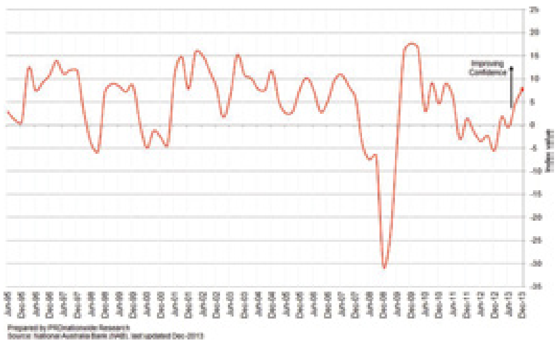
CONFIDENCE

Business confidence and consumer sentiment continues to soar.

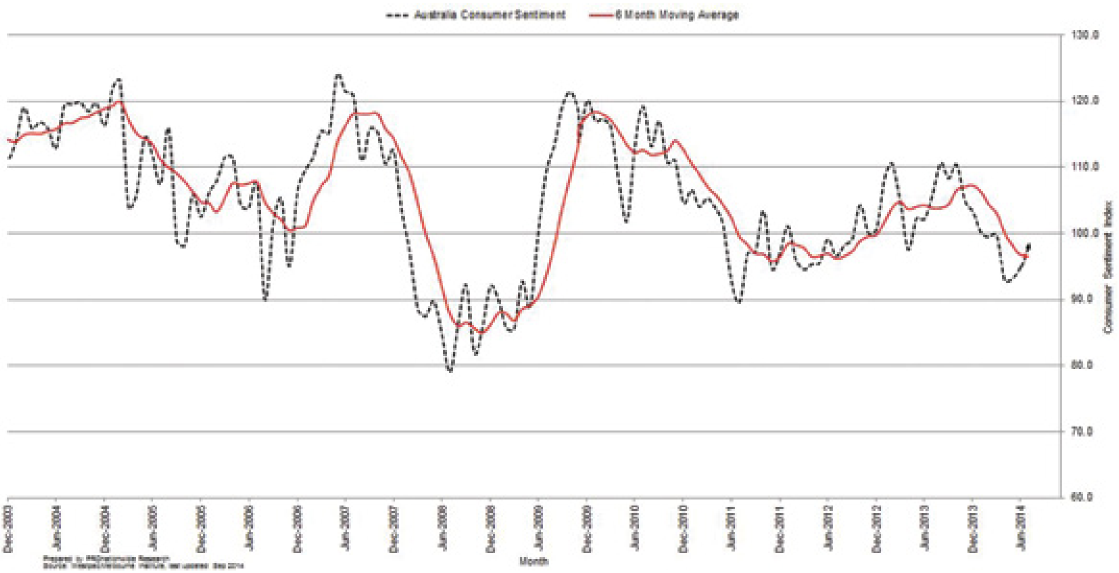
Australian business confidence has continued to surge in mid-2014 recording a recovery index score of 8.0 points. This equates to an 8.5 point increase from June 2013. Interestingly the business confidence index dipped to a reading of 5.0 points in March 2014, prior to the release of the 2014 Federal Budget. This is the largest bi-annual increase in confidence since the period ending December 2009 – reflecting immediate aftermath of the Global Financial Crisis. This suggests that potential changes due the introduction of the Federal Budget, are welcomed by Australian Businesses.

Australian consumer confidence witnessed a declining trend since December 2013, with the Federal Budget making a direct impression of negative 6.8 points. Consumer confidence in April 2014 sat at 99.7 points, yet May 2014 sees it corrected to 92.9 points – the lowest by far since December 2013. That said, consumer and household confidence has since embarked on a recovery trend, with the latest figures in August 2014 sitting at 98.5 points; close to what is considered to be positive levels.

BUSINESS CONFIDENCE



CONSUMER SENTIMENT



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Long term outlook remains positive however over the next twelve to eighteen months there is potential stagnation.
- Consumer and household confidence to continue on the recovery trend towards healthy and positive levels.
- Improving business conditions and incentives in most Australian states will see business confidence grow exponentially.

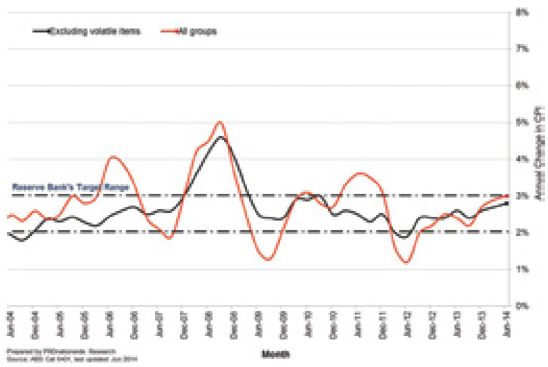
MACROECONOMIC CLIMATE

Low interest rates continue to support the property market and overall economy.

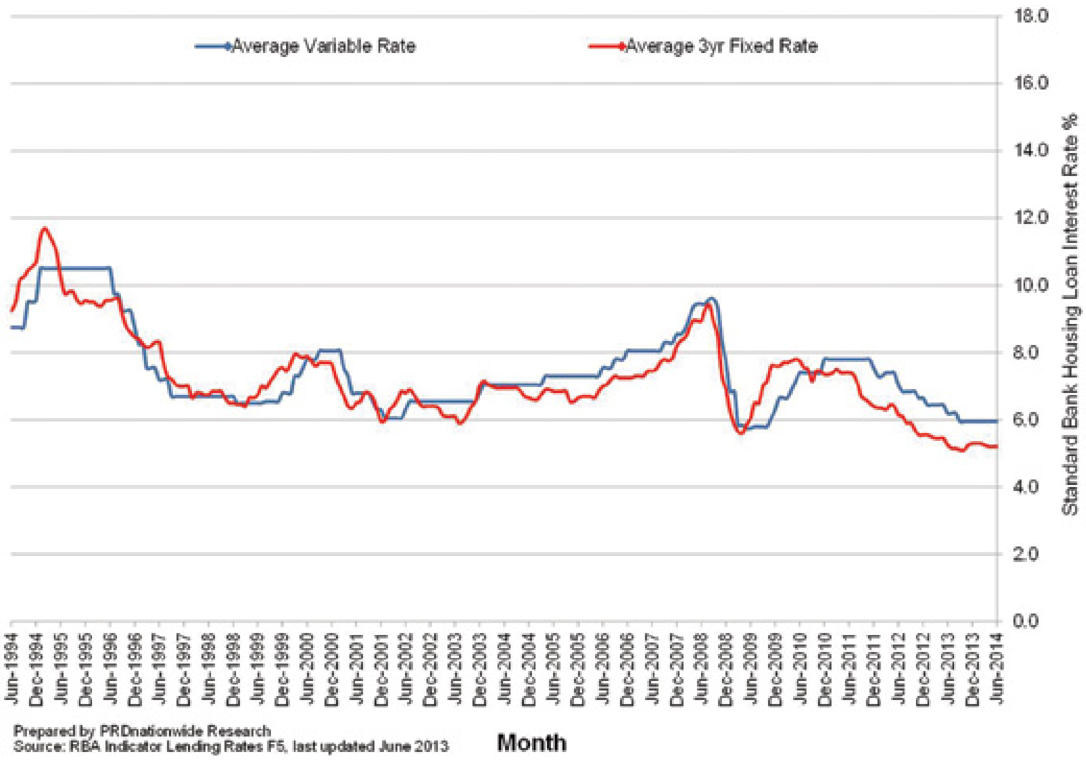
The Reserve Bank of Australia has now left the cash rate unchanged at 2.5% since September 2013. Borrowers have been achieving lower home lending rates over recent months due to competition between lenders. Dwelling values continue to increase with continuing demand for property, however a strong expansion in housing construction is now under way.

Inflation has recently edged higher towards 3.0%, although the Reserve Bank has indicated that this is due to adjustments in other macroeconomic variables rather than an overheating economy. Unemployment is not expected to consistently decline in the short term, however, there has been gradual improvement in business conditions and household sentiment. The Reserve Bank has indicated that given current economic conditions the most prudent course is a period of stability in interest rates.

INFLATION



HOUSING LOAN INTEREST RATE



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

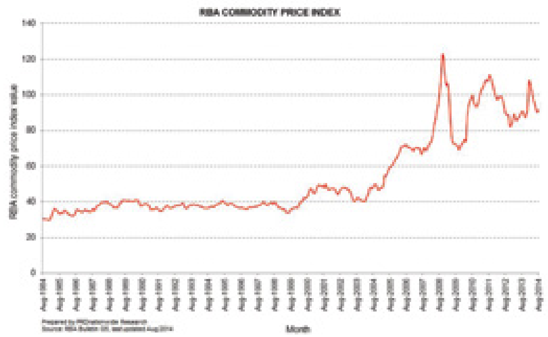
- Inflation expected to remain stable within 2-3% target range.
- Reserve Bank Australia content to keep cash rate unchanged. Major lending institutions also to keep home. lending rates at low levels as competition for borrowers remains strong.
- Low interest rate environment to maintain housing affordability, fostering further growth in property market and housing construction activity.

FOREIGN EXCHANGE AND COMMODITY MARKET

A rise in the value of the exchange rate and/or commodity index contributes to the robustness of the Australian economy.

The Australian Dollar Exchange rate Index increased by 0.4 points from July 2014 to register an index value of 71.9 points in August 2014. Commodity price index increased marginally by 4.8% in the June 2014 quarter and 0.8% in August 2014.

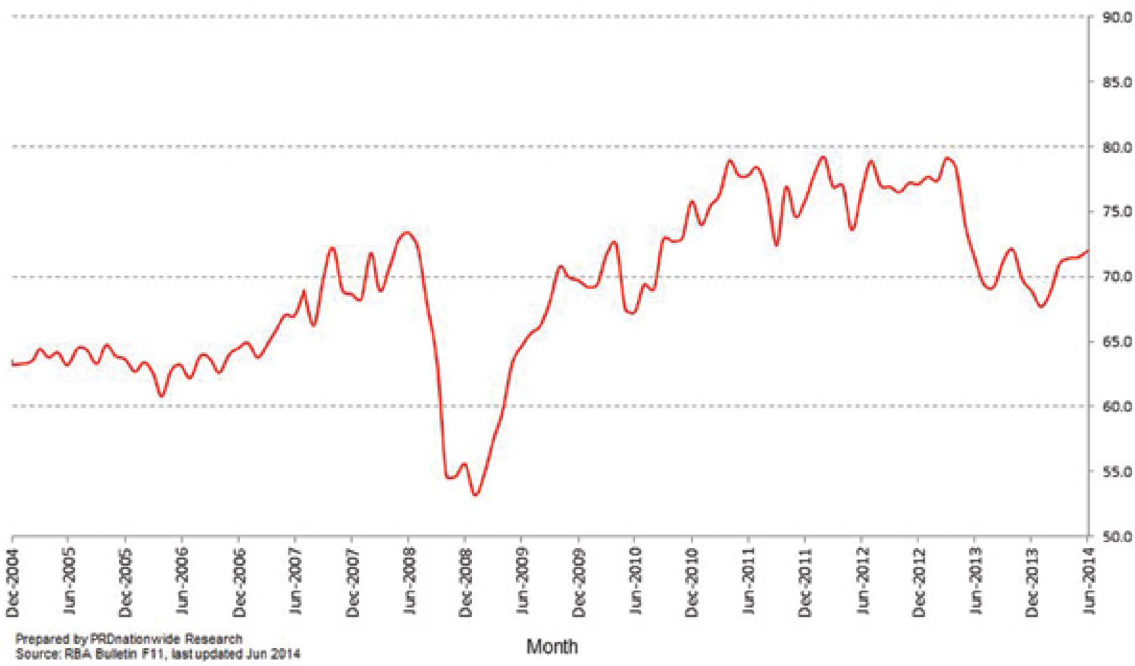
RBA COMMODITY PRICE INDEX



TRADE WEIGHTED EXCHANGE RATE INDEX

	Japan	USA	EU	NZ	UK	Malaysia	Hong Kong	China	Singapore
	Yen	Dollar	Euro	Dollar	Pound	Ringgit	Dollar	Renimbi	Dollar
	JPY	USD	EUR	NZD	GBP	MYR	HKD	CNY	SGD
Aug-2013	87.8400	0.9	0.6756	1.15	0.5766	2.94	6.9385	5.4761	1.14
Aug-2014	97.0700	0.9	0.7096	1.12	0.5638	2.95	7.2455	5.7437	1.17
% Change	10.5%	4.5%	5.0%	-2.8%	-2.2%	0.2%	4.4%	4.9%	2.4%

EXCHANGE RATES



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- A rise in exchange rate will increase the competitiveness of Australia compared to its trading partners, improving our purchasing power parity.
- For the housing market, a rising exchange rate has the potential of reducing foreign investor participation.
- Higher commodity prices have the potential to change consumer spending patterns, creating a multiplier effect in consumer's ability to save for home deposits. This can impact what is perceived to be 'affordable' and 'reasonable' property prices.

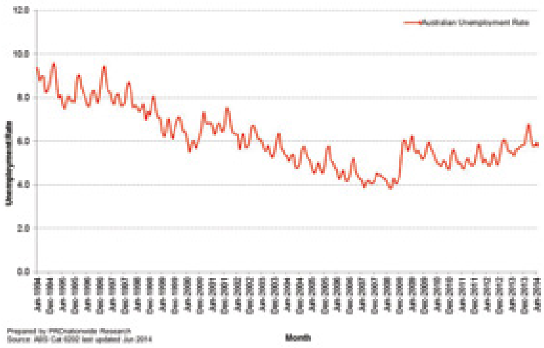
LABOUR MARKET

Economic and political instability plagues unemployment.

June 2014 saw an annual increase of 7.3% in the unemployment rate which is now sitting at 5.9%. This provides further evidence that the unemployment rate has been on a pattern of a slight rise recently which is expected to continue in the short term. Current reasons for the rise include a recovering Australian economy and a dramatic Federal Budget.

Meanwhile, the construction sector has been powering ahead thanks to a renewed interest in the property market which has come from the recent growth in property values and increased demand. June 2014 saw monthly value of residential work done totalling $12.2million, representing a strong annual increase of 14%. Less established states Queensland and South Australia continue to record the highest growth rates recording an annual rise of 20.4% and 14.2% respectively.

UNEMPLOYMENT RATE



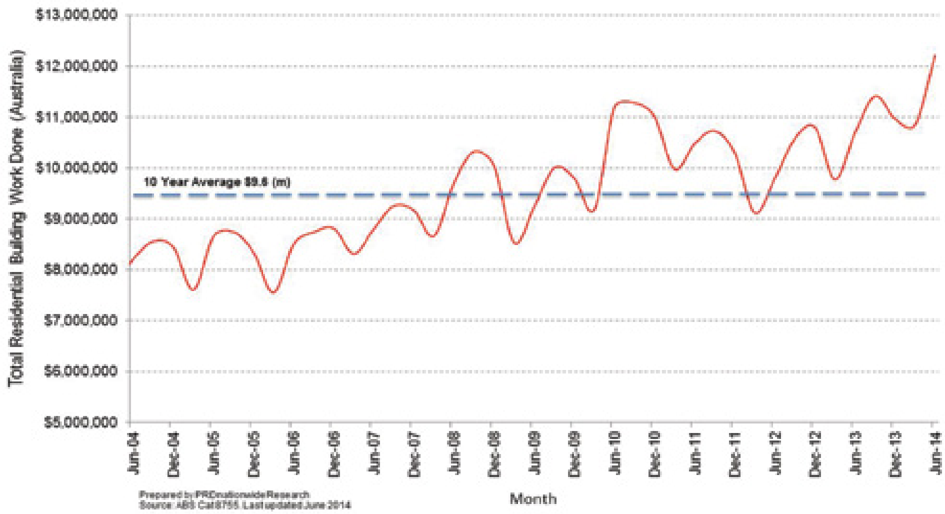
2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Unemployment rate continues on the path of slight rises until the economy is fully recovered.
- Over the next 6-12 months growth in the unemployment rate could lead to a decrease in Australia's overall economic wellbeing.
- After the economy has fully recovered and enters a growth phase, unemployment should radically improve.

CONSTRUCTION MARKET

Continual growth across all states suggests a strengthening sector.

CHANGE IN THE QUARTERLY VALUE OF RESIDENTIAL CONSTRUCTION



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Residential construction is growing due to a strong 12 months in the property market; this is a good indication that the construction sector is growing.
- The less established markets of South Australia and Queensland continue to record the biggest increases suggesting these are the fastest developing states.
- The ten year average value for all residential works has increased by 3.0% over the past six months, further supporting perceived strength.

HOUSE FINANCE

Lenders are committing finance for the purchase of housing at a higher level; increasing numbers of investors and owner occupiers entering the market

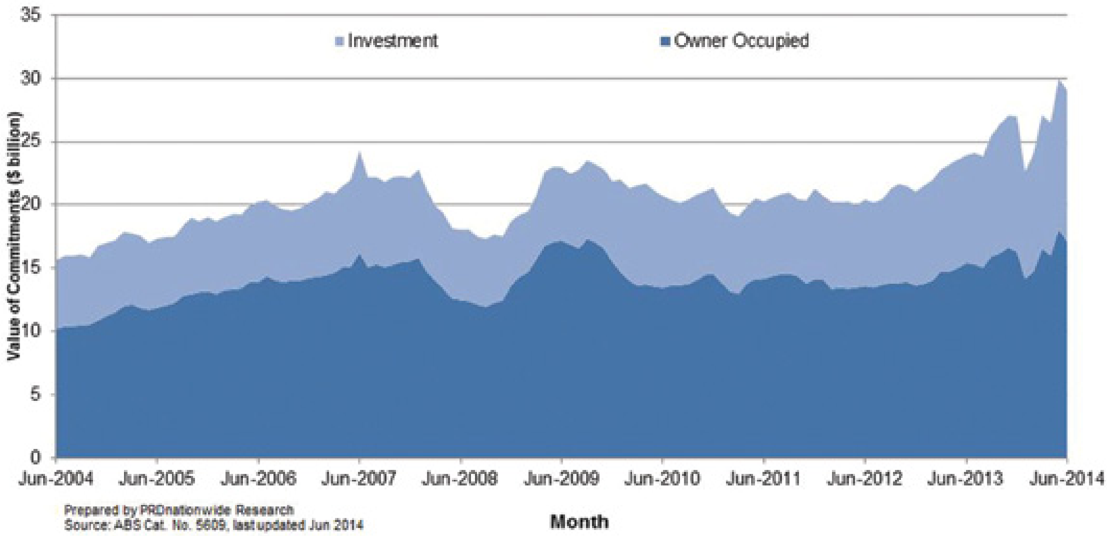
In June 2014, the gross spending on housing finance stood at $29billion. In the quarter prior, total spending has improved by almost $2billion equating to 7.0% increase.

Compared to the previous year, investor spending increased by $4billion (up 40%); which is above the ten year long term average of $6.7billion. In six months to June 2014, investment financial commitments improved by $3.4billion. Owner occupier expenditure increased by $1.7billion.

The investor finance market now amounts to 41% of the mortgage market; indicating an increase of 5.0% in 12 months.

In a twelve month period ending June 2014, the purchase of new dwellings shows an increase by 2.0% whilst purchase of established dwelling improved of 8.0%.

HOUSING FINANCE COMMITMENTS



Compared to the previous year, investor spending increased by $4billion (up 40%); which is above the ten year long term average of $6.7billion.

2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Investment expenditure outperforms owner occupier expenditure and this trend will be sustained as we approach 2015.
- Sustainable levels of housing finance commitments is expected to meet the increasing housing needs of the population.
- Support for increased home ownership could be viewed as a strategy to bridge the gap between the haves and the have-nots.

DWELLING MARKET

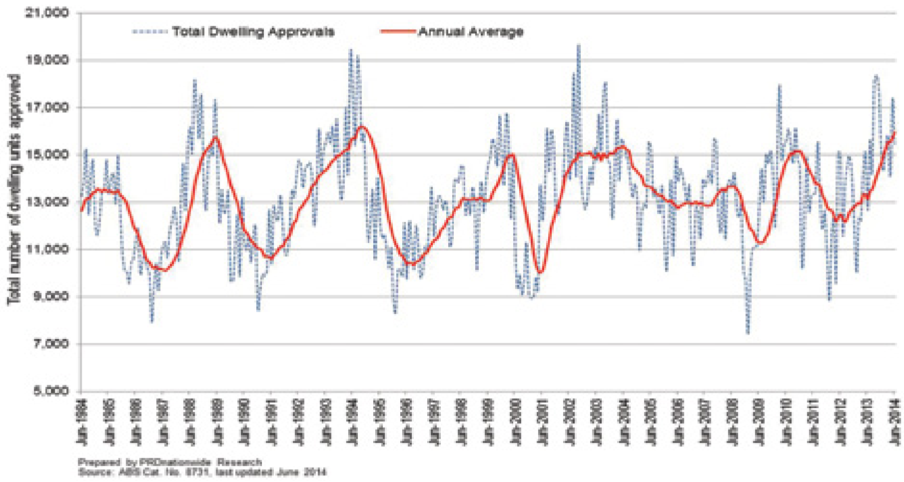
Increases in supply and decreases in affordability result in a shift towards a sellers' market.

Dwelling approvals have been growing strongly since 2012 as the property market continues on its path of recovery. Over the 12 months, to June 2014, annual average monthly approvals jumped 21.6% and are now at 15,967 dwelling units which is the highest number in 20 years. Caution must be taken moving forward as oversupply is beginning to become a possibility.

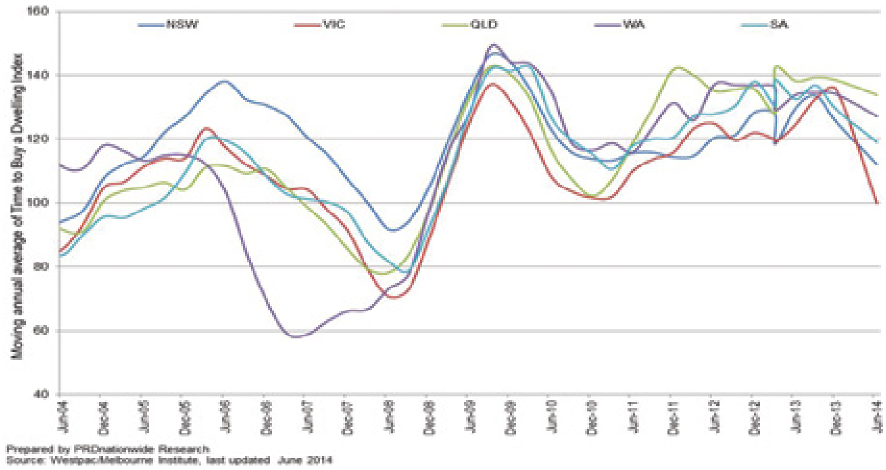
The average days on the market for the month of June 2014 has seen figures rise from record lows and is now sitting at 52 days for houses and 62 days for units. Of all capital cities Sydney still continues to hold the lowest days on market for both houses and units sitting at 28 and 27 days respectively. Vendor discounting is at record lows across most states and is currently at an average of -5.3% for houses and -5.7% for units. This reflects the recovery trend in consumer and household confidence.

Not surprisingly over the past 12 months the Time to Buy a Dwelling Index has indicated a decrease at an average of 10.1% across the five states. This is due to the recent rises in dwelling values, a shift to a sellers' market and a cloudy immediate short term economic outlook. Victoria has decreased the most by 19.8%, suggesting the local market has reached a peak. In contrast, Queensland decreased at a lower rate of 3.1% and thus retains attractiveness for investors.

DWELLING APPROVALS



TIME TO BUY A DWELLING INDEX



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

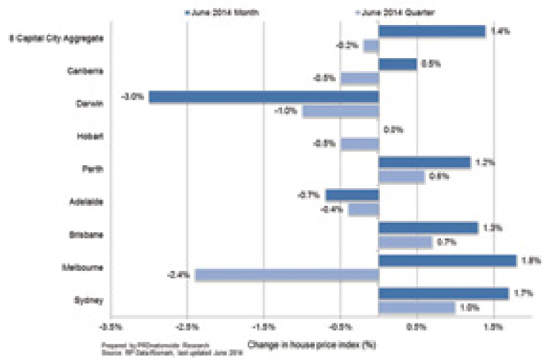
- Annual average monthly dwelling approvals are reaching 20 year peaks which indicates improved sentiment and potential oversupply.
- Days on market has returned to sustainable levels, sitting at a combined average of 57 days. Average vendor discounting sits at a low -5.5% suggesting a closing gap between buyer-seller market.
- Time to Buy a Dwelling Index shows that the market has continued its shift to a sellers' market.

DWELLING PRICES

Dwelling values stabilising after a buoyant 2013.

The RP Data-Rismark Combined Capital Cities Index provides indication that the national property market is adjusting after astounding growth in 2013. Throughout the June quarter the eight capital city aggregate recorded values dropping by -0.2%. On a positive note, monthly dwelling values increased by 1.4% in June 2014. Sydney continues to be the standout performer while Perth and Brisbane also provided positive results on both a quarterly and monthly level. Melbourne recorded the biggest quarterly drop, falling 2.4% while Darwin's monthly values dipped the most at 3.0%.

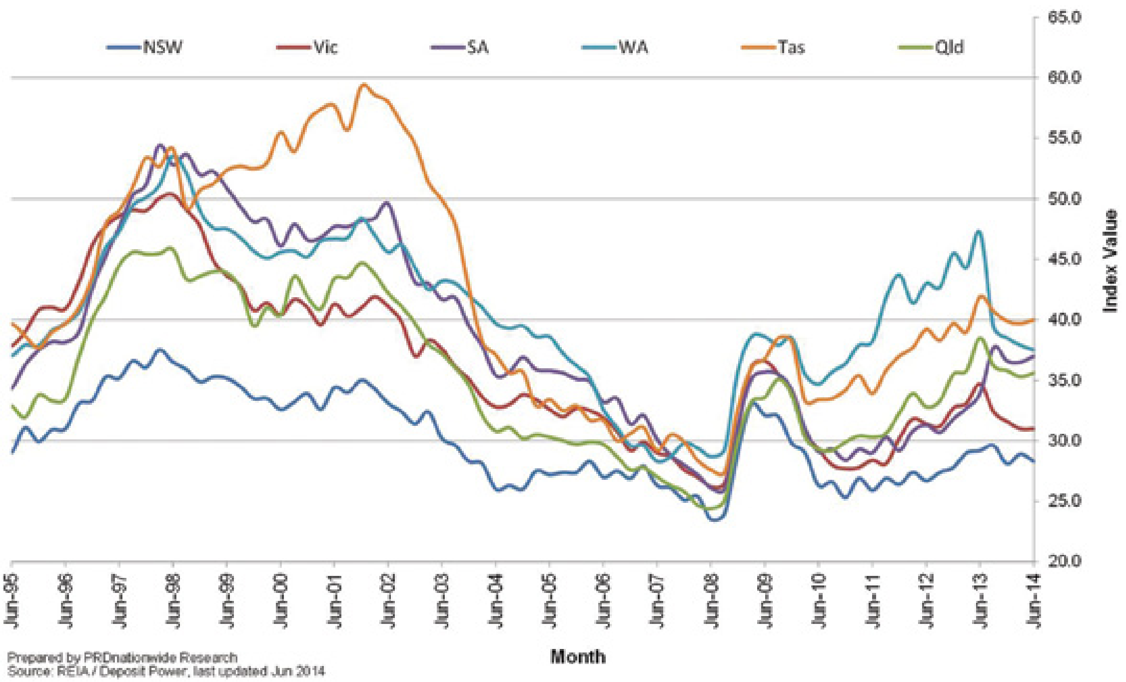
RP DATA – RISMARK DWELLING HOME VALUE INDEX CHANGE BY CAPITAL CITY



HOME AFFORDABILITY

Affordability generally stable over 2014, despite increasing property prices.

HOME LOAN AFFORDABILITY INDEX



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Dwelling prices rose an average of 2.5% for the quarter ending June 2014.
- Sydney showed the biggest increase in prices. Canberra was the only city to record a decline.
- Increasing property prices will potentially chip away at home affordability, however interest rate stability and new housing construction should help lessen this effect.

RENTAL MARKET

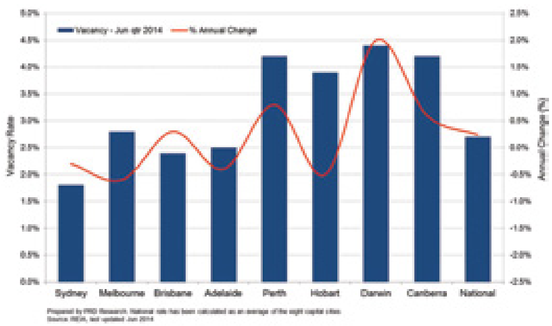
Mixed fortunes for Australia's rental markets, influenced by local economic conditions.

Looking at median rent prices, it is no surprise to see Sydney recording strong annual growth of 7.1% for houses and 5.3% for units; after having also recorded the lowest vacancy rate of the capital cities. On the other hand, Perth and Canberra both recorded falls in their median rent prices due to a mining downturn and public service cutbacks in each individual state. Despite softening conditions, Darwin remains the most expensive capital city in which to rent a three bedroom house at $663 per week.

The weighted average vacancy rate for all capital cities stood at 2.6% for the June quarter 2014, representing a marginal increase of 0.1% over the year. An industry benchmark vacancy rate is considered to be a value of 3.0% for residential property.

The capitals of Sydney, Melbourne, Brisbane and Adelaide all recorded vacancy rates below 3.0% over the June quarter 2014. Brisbane, undergoing a wave of new apartment supply, was the only one of these cities to record an annual increase. Conversely Perth, Hobart, Darwin and Canberra all recorded vacancy rates at or above 3.9%, with almost all of these cities' rental markets weakening during the June quarter 2014.

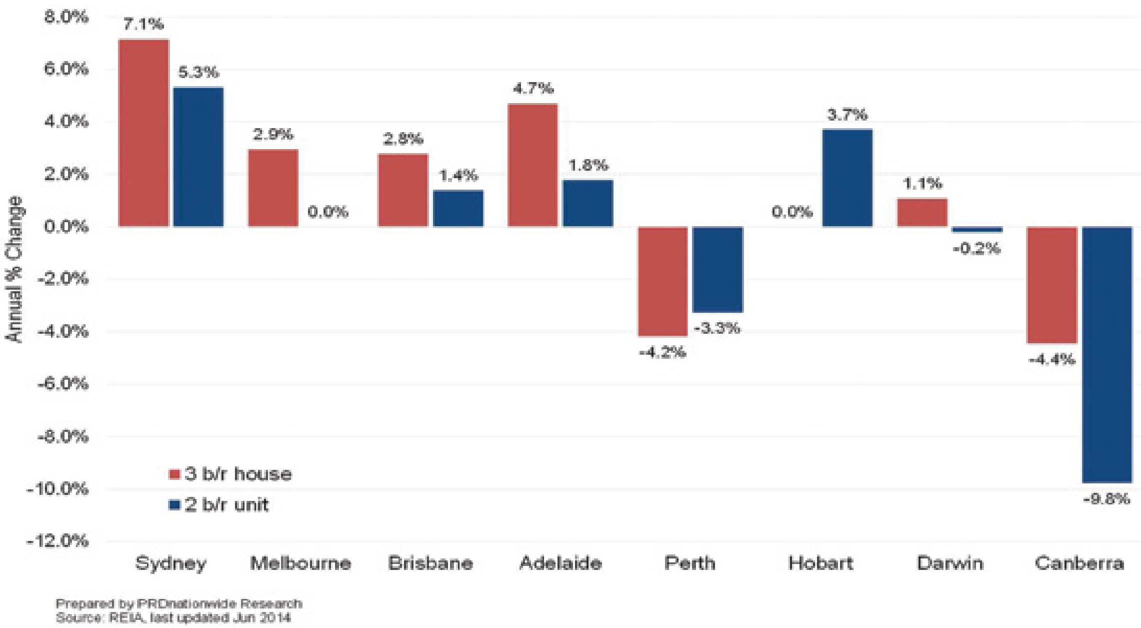
QUARTERLY VACANCY RATE



ANNUAL CHANGE TO MEDIAN RENT PRICES

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
3 b/r House	$450	$350	$370	$335	$460	$330	$663	$430
3 b/r Unit	$495	$360	$365	$285	$445	$280	$484	$393

MEDIAN RENTAL% CHANGE



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Continued population growth to keep rental demand strong in most capital cities.
- Improving dwelling construction and investor market continue to increase rental supply.
- Weaker rental markets in some capitals representative of short-term structural changes, however conditions to improve once local economies adjust.

DEMOGRAPHICS

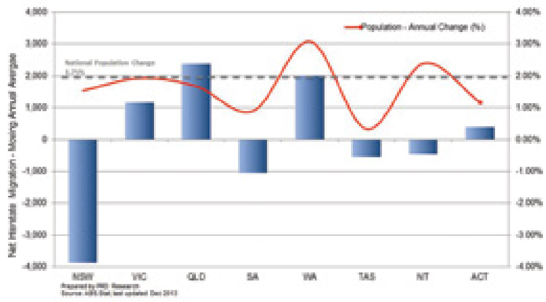
Increase in population may translate into an increase in demand for property, leading to potentially higher capital growth.

The natural increase of Australian population rose by 1.3% in 12 months, ending December 2013. The rate has increased the most in South Australia, up 4.4% from the previous year followed by New South Wales at 3% and Western Australia at 2.4%. Queensland, Victoria, Tasmania and the Northern Territory all experienced a decline in their rate of natural birth increase.

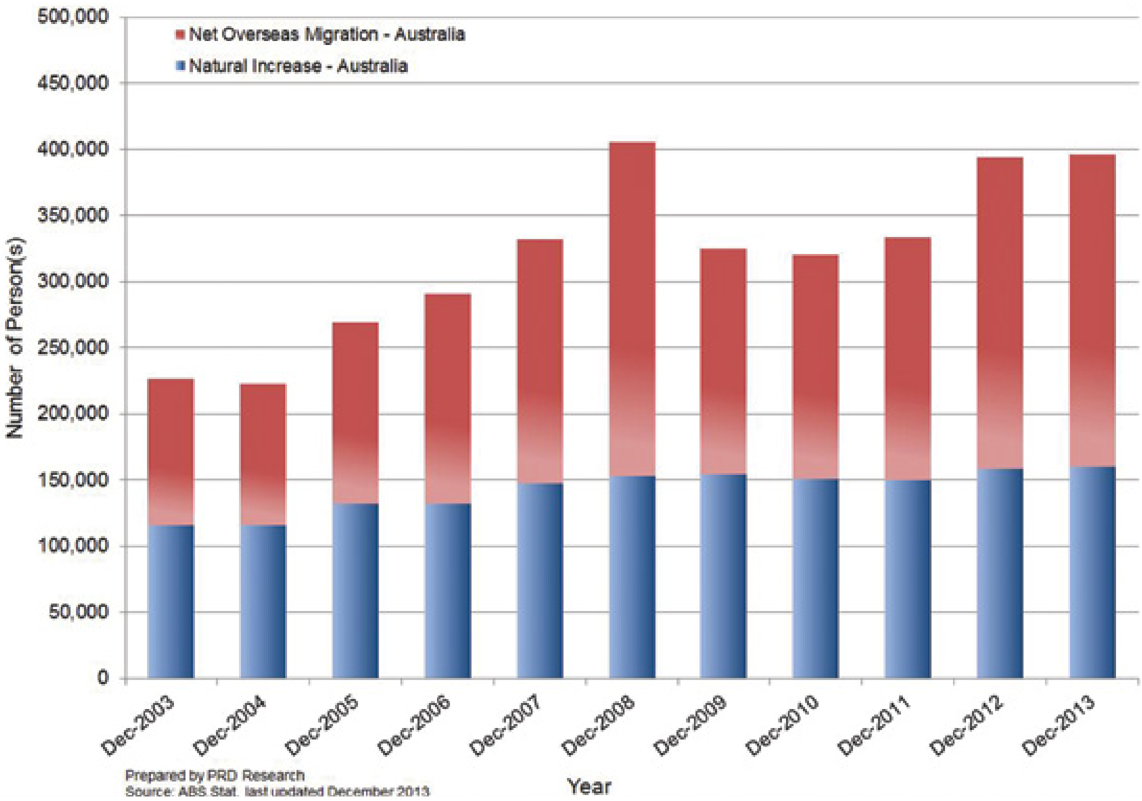
New South Wales, up by 15.6% and Victoria, up by 9.1%; have been the targeted destinations by overseas migrants with a total of 14,829 additional residents recorded 12 months to December 2013. Interestingly, New South Wales, Southern Australia, Tasmania and Northern Territory continue to register Net interstate migration outflow. Victoria is on the lead in Net interstate Migration with 90% growth.

According to the Australian Bureau of Statistics, in the 12 month period ending December 2013, the national net overseas migration figure recorded a 2.2% decrease over the previous year.

POPULATION GROWTH AND NET INTERSTATE MIGRATION



COMPONENTS OF POPULATION GROWTH



2014 – 2015 FORECAST: WHAT DOES THIS MEAN FOR YOU?

- Victoria has experienced an increase in interstate migration which creates a room for property growth in the region.
- An immigration policy that seeks to limit net overseas migration will reduce population growth and could affect demand for property.
- Population growth can increase demand for property if there are suitable conditions in the macro economy and the environment.

GLOSSARY

BUSINESS CONFIDENCE GRAPH

The Business Confidence Index indicates expectations of business conditions for the upcoming quarter. The Index is based on a survey of approximately 900 small to large businesses in the non-farm sectors and is conducted by the National Australia Bank (NAB).

AUSTRALIAN CONSUMER SENTIMENT GRAPH

The Consumer Sentiment Index indicates short-run changes to consumer willingness to purchase goods in the forthcoming quarter. Based on a monthly survey of 1,200 Australian households conducted by the Melbourne Institute and Westpac; it represents current and future perspectives of the broad economic climate and household financial state.

INFLATION GRAPH

Inflation is measured as a change in the Consumer Price Index (CPI), calculated by the Australian Bureau of Statistics, as the price of a weighted 'basket' of goods and services which account for a high proportion of expenditure by metropolitan households. The Reserve Bank of Australia (RBA) aims to constrain inflation in a long-run target range of 2-3%. The underlying inflation figure (as measured by the RBA) removes volatile items such as fruit and fuel.

HOUSING LOAN INTEREST RATE GRAPH

The Housing Loan interest Rate is the average rate of interest being offered by housing lenders. It is higher than the RBA's target cash rate due to lending costs and profit margins.

NATIONAL RESIDENTIAL CONSTRUCTION GRAPH

This data provides an early indication of trends in building and engineering construction activity. The data are estimates based on a response rate of approximately 85% of the value of both building and engineering work done during the quarter.

HOUSING FINANCE COMMITMENTS GRAPH

Housing Finance Commitments track the volume of finance commitments made by significant lenders to individuals for the purchase of housing.

This graph tracks the value of loans approved for both owner occupiers and investors.

UNEMPLOYMENT RATE GRAPH

Unemployment is calculated as the proportion of people in the labour force that were unemployed and actively seeking work during the survey period.

The labour force is defined as the number of people aged between 16 and 55 who were either employed or actively looking for work during the survey period.

This graph tracks the unemployment rate on a monthly and moving annual average basis over the last 30 years.

RBA COMMODITY PRICE INDEX GRAPH

The Reserve Bank's Commodity Price Index provides an indicator of primary commodity price movements. High commodity prices are one of the primary drivers behind Australia's robust economy, influencing real estate prices, demand for housing and rental accommodation; particularly in Western Australia, Northern Territory, Northern Queensland and as of late, South Australia.

DWELLING APPROVALS GRAPH

Dwelling Approvals indicate the number of new dwellings that have been approved for: construction of new buildings; alterations and additions to existing buildings; approved non-structural renovation and refurbishment work; and approved installation of integral building fixtures.

A moving yearly average is used to filter out seasonal fluctuations in the number of dwellings commenced.

TIME TO BUY A DWELLING INDEX GRAPH

The Time to Buy a Dwelling Index indicates short-run changes in consumer sentiment regarding whether it is a good time to buy a dwelling. It is a component of the Melbourne Institute's Consumer Sentiment Index which is undertaken monthly.

RP DATA – RISMARK DWELLING HOME VALUE INDEX GRAPH

The Rismark Dwelling Home Value Index graph measures an annual & monthly change in dwelling values of the capital cities.

HOME LOAN AFFORDABILITY INDEX GRAPH

The Home Loan Affordability Index measures average loan repayments against median wages and tracks these values over time.

QUARTERLY VACANCY RATES GRAPH

An industry benchmark for vacancy rates is considered to be 3.0%. Vacancy rates lower than 3.0% indicate strong demand for rental accommodation, whilst rates higher than 3.0% reflect an oversupply of rental accommodation.

POPULATION GROWTH GRAPH

Population change tracks the change in population across the states and territories of Australia. Population growth is seen as the key driver of demand for housing.

NET INTERSTATE MIGRATION GRAPH

Net interstate migration tracks the net population change in each state attributable to interstate migration.

Net interstate Migration figures fluctuate with the seasons, so a moving yearly average is shown to filter out these changes.

ABOUT PRDnationwide RESEARCH

PRDnationwide's Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia.

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sounds decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients and stakeholders.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections and strategic research collaborations. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, government policy and initiatives, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative and qualitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the best considered.

Our experts are highly sought after consultants for corporate, communities, and government bodies; and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients and stakeholders.

OUR SERVICES

PRDnationwide provides a full range of property research services across all sectors and markets within Australia.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis
- Competitive project activity analysis
- Economic indicators
- Social science research, including empirical data collection methods

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