

Letter to the Editor (Australian Financial Review)

To whom it may concern,

I am curious to understand why Chris Joye has to immediately resort to making personal attacks against David Koch and myself to promote his argument. No matter whether Chris is right or wrong about the findings of the RP Data-Rismark Daily Home Value Index , 'name-calling' in what is normally a respected national newspaper, should not be accepted or tolerated by the editorial department of the Australian Financial Review.

Am I a "misanthrope", which is someone who has a disdain for human nature, all because I have disagreed with the construction and findings of the daily home value index?

Chris's attempts to contort my disagreement with the findings and construction of the index , to some type of permanent negative bias against the housing market is a deceitful act. At all times throughout my career at Australian Property Monitors and with SQM Research I have only provided an objective assessment of the market, not least of which in September last year where on Seven's Sunrise, we called a market recovery for 2013. That's why people like David Koch, and many others tend to rely on our data and our opinion.

As for the argument itself, annualising numbers as what Chris did in his column when one has the full set of data for the year, which clearly records a flat housing market in 2012 is also a deceptive practice.

SQM's argument was never about what may happen to real estate prices in the later half of 2012. It was about the questionable construction of this daily index and the false readings it occasionally publishes, which was clear for all to see, particularly in the first half of 2012. Chris of course also failed to acknowledge that the daily index recorded very modest rises in dwelling prices for the December 2012 quarter while other index providers recorded strong gains.

My argument that this daily price index is not a reliable index, particularly when attempting to read more short term moves in the housing market, still very much holds. Is it any wonder that despite grand pronouncements, the ASX still has not launched derivative products around this index? I think not.

Louis Christopher

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