

# HOME HUNTER REPORT



Shows you suburbs where housing prices are set to fall or rise.



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# Home Hunter Report

## Your Home Hunter Report

It is my pleasure to present you with this report on Australian housing purchase opportunities in your chosen area and price range. I trust that this report will support you in making the best possible selection of your next property, whether this is to achieve passive growth, renovation, development, or your new home.

## Housing sub-market selected in this report

The following housing sub-markets have been selected in this report as a result of your preferences or following your discussions with our consultants.

**Location: Melbourne Inner north-western suburbs**  
**Houses or Units: Houses**  
**Price range: Not specified**

I wish you every success in achieving your property goals now and into the future.

John Lindeman  
Chief Property Consultant

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## Introduction

This report provides price change predictions for up to twenty suburbs in your preferred asking price range and locality for houses or units.

Capital growth is the staple of property as an asset, yet the demand dynamics of the housing market are often misinterpreted or misunderstood. The housing market behaves according to the laws of supply and demand in every city, region or suburb. If the number of intending buyers exceeds the number of properties for sale, prices will rise. On the other hand, if there are more properties listed for sale than there are intending buyers, prices will fall.

Naturally, buyers have choices - they can look elsewhere if prices are too high or have risen too much in any suburb, so you need to know not just how the supply and demand relationships are playing out between suburbs right now, but you need an eye into the future to see how the housing markets in each suburb are forecast to change.

The *Housing market analysis* provides you with a snapshot of current median asking prices, sales and listings data, potential buyer and intending seller trends and a statistically generated short term capital growth prediction for each suburb.

## How to read your Home Hunter Report

Our analysis in this report compares the numbers of intending buyers and potential sellers in each suburb and shows you the type of housing market this is creating as well as the type of housing market the suburb is predicted to become in the next one to three years based on current trends.

BARGAIN MARKETS		BUYER MARKETS		SELLER MARKETS	
		PRICES FALLING	PRICES RISING		
STRESSED	BUYER	NEUTRAL	SELLER	BOOM	

The types of housing market in each suburb are identified as follows:

Stressed:	Many potential sellers and few intending buyers (Prices will continue to fall)
Buyer:	More potential sellers than intending buyers (Prices are falling)
Neutral:	Equal numbers of potential sellers and intending buyers (Little or no price growth)
Seller:	Fewer potential sellers than intending buyers (Prices are rising)
Boom:	Few potential sellers and many intending buyers (Prices will continue to rise)

These types of housing markets identify suburbs where you can find bargain priced properties, or select those where prices are at their lowest and also those areas where prices are about to rise. In addition they also indicate suburbs where rising prices will continue, where they are likely to boom or where rising prices are about to come to an end.

## Housing market analysis

This summary gives you a snapshot of the housing market in each suburb together with the state of the current housing market and its predicted one to three year future.

Suburb or town	Post Code	Median of listed stock asking prices	Total listings	Sales in the last year	Listings compared to monthly sales	Current housing market	Housing market prediction
Alphington	3078	\$ 990,000	29	45	8	seller	buyer
Thornbury	3071	\$ 730,000	78	158	6	buyer	buyer
Northcott	3070	\$ 830,000	124	235	6	seller	buyer
Preston	3072	\$ 620,000	121	290	6	buyer	seller
Fairfield	3078	\$ 870,000	30	53	7	seller	buyer
Ivanhoe	3079	\$ 1,060,000	31	91	4	seller	neutral
Ivanhoe East	3079	\$ 1,310,000	10	50	2	seller	stressed
Heidelberg West	3081	\$ 450,000	31	31	12	neutral	stressed
Heidelberg Heights	3081	\$ 550,000	30	31	12	neutral	stressed
Eaglemont	3084	\$ 1,440,000	14	27	6	seller	stressed
Ashburton	3147	\$ 990,000	52	82	8	seller	buyer
Brunswick	3056	\$ 670,000	84	229	6	buyer	boom
Brunswick East	3056	\$ 720,000	26	63	5	seller	neutral
Brunswick West	3055	\$ 725,000	27	85	4	seller	buyer
Burnley	3121	\$ 800,000	6	13	6	seller	buyer

## How to read the housing market analysis

### *Median of listed stock asking prices*

This is the current median of property prices listed for sale in a suburb, which is the price that a prospective purchaser would be asked to pay for an average house or unit. This is usually higher or lower than the median sale price for the same suburb. The suburb's median sale price is likely to be slightly lower to the median asking price in **stressed** or **buyer** market suburbs due to vendor discounting and would be higher in **seller** or **boom** market suburbs due to competition between intending buyers (usually at auction). This is why we use the median asking price, as it enables you to make an adjustment to the likely sale price depending on the type of housing market prevailing in the suburb.

### *Total listings*

This figure shows you the number of listings (properties for sale) currently on the market. The number of listings continually changes as properties come onto and are taken off the market or are sold and while a comparatively high number of listings is generally good for buyers, care must be taken that you are not buying into a **stressed** housing market, as prices may continue to fall for some time. The number of sales is also highly relevant to the type of market you are buying into, as is the proportion of sales to listings, and how this is changing.

### ***Sales in the last year***

While listings come and go and properties can be on the market for quite lengthy times, each property is usually sold only once. The number of sales when compared to the number of listings tells you more about the state of the market than either figure can do on its own.

For example, if the numbers of listings and buyers are both falling, or both are rising, it is the ratio between them that matters, as shown in ***Listings compared to monthly sales***.

### ***Listings compared to monthly sales***

This shows you the number of current listings (intending sellers) compared to the average monthly total of annual sales. This statistic performs two extremely useful functions.

Firstly, it shows you how quickly or slowly properties are selling in a suburb. The lower the number, the quicker that properties are selling, so that a number of 2 or 3 indicates that properties are being sold almost as soon as they come on the market. Price bargaining is unlikely to be successful in such suburbs. The higher the number, the more likely that bargaining is possible, and a number of 10 or more indicates that properties are selling more slowly with price discounting occurring. A number of 30 or higher indicates there is a large surplus of properties on the market and few potential buyers. In such suburbs, substantial price discounting is occurring, with stressed sellers, vendors frequently relisting and properties being taken off the market unsold.

Secondly, the number in this column has been designed to show you what the average time on market would be if properties were listed and then left on the market until sold. It is the theoretical, rather than the actual average time on market for listed properties in the suburb – so that 2 or 3 indicate a very short average time on market of two or three months to sell a property. When the number is higher than 9 the theoretical and actual times on market start to diverge, because when actual time on market reaches this point, vendors get fed up waiting and often relist with another agent, or take properties off the market altogether. Vendors are turning the market into a ***buyer*** or even a ***stressed*** market with such actions.

### ***Current housing market and Housing market prediction***

These two columns should be used together, as they show you the type of housing market created by the numbers of intending buyers and potential sellers in each suburb as well as the type of housing market the suburb is predicted to become in the next one to three years based on current trends.

The key to successful buying is to choose the best location at the right time. Although bargains can easily be found in ***stressed*** housing market suburbs, prices may still be falling for some time and so the bargain turns out to be an illusion. Price falls may be just beginning or ending in ***buyer*** market suburbs, and the ***Housing market prediction*** tells you which way the suburb is moving. Buyers with cosmetic renovations or passive short term growth in mind should purchase in a suburb with a ***neutral*** type of market which is about to become a ***seller*** or ***boom*** market, to maximise their passive capital growth potential.

The key to successful selling is to pick the right time. This is when the ***Current housing market*** and the ***Housing market prediction*** columns show you that the suburb is about to turn from a ***seller*** or ***boom*** market to a ***neutral*** or ***buyer*** market and well before it becomes a ***stressed*** market.

## Be well informed

The actions of buyers, sellers, renters and investors in a suburb play a large part in determining the level of supply and demand in any suburb or town, and the purpose of the analysis provided in this report is to show you what the relationship is and how it is changing. There are other dynamics that can impact on both prices and rents in any market, and you need to take into account as much information as you can gather about possible changes to the population, household composition, the local economy and the supply of dwellings in the suburbs you are interested in.

## Our prediction methodology

To provide the information in this report to you, Property Power Partners uses our own patented Property Power Database which is a continuously updated residential property market research resource employing a highly effective deductive demand trend methodology, specifically invented by John Lindeman to forecast short term house and unit price and rent movements down to suburb level. The results in this report are intended to give you accurate and crucial information on the best investment areas based on your own preferred types of property, asking price range, preferred location, and desired returns.

The Property Power Database collates and analyses the changing relationships between asking prices, sales, listings and rents in combination with population, demographic, finance, economic and climatic information at suburb level to measure and interpret the intending behaviour of buyers, sellers and investors in housing markets and to predict how these will affect housing prices and rents in the short term. Suburbs and towns in these areas are ranked according to local housing demand and supply indicators which forecast their likely performance trends for both rent and price movements.

## How we source our data

Population, demographic, household, housing, finance, economic, climatic and resource related data that we analyse is adapted and aggregated to suburb level from information provided to the general public by the Housing Industry Association, Australian Bureau of Statistics, Bureau of Meteorology, Australian Bureau of Agricultural and Resource Economics and from main media housing related publications. In this report, we gratefully acknowledge the following sources:

### ***Urban Development Institute of Australia***

State of the Land Report, Urban Development Institute of Australia 2011

### ***Housing Industry Association of Australia***

Housing Forecasts, HIA Economics Group July 2011

### ***Australian Government***

Sustainable Australia, Sustainable Communities, Department of SEWP&C 2011

Our Cities our Future, Department of Infrastructure and Transport 2011

State of Supply Report, National Housing Supply Council 2011

Rainfall and Temperature Deficiencies and Anomalies, Bureau of Meteorology 2011



## *Australian Bureau of Statistics*

Housing Finance Australia 5609.0 Released monthly  
Australian Demographic Statistics 3101.0 Released quarterly  
Dwelling Unit Commencements Australia 8750.0 Released monthly

Data calculating current asking rents, rental yields, asking prices, sales and listings is adapted and aggregated to suburb level from property listing sites on the internet.

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## Feedback and more information

We value your feedback on this report, and you are welcome to discuss any aspect of it with us. Please email [johnl@propertypowerpartners.com.au](mailto:johnl@propertypowerpartners.com.au) or phone us on 02 9568 1653.

For more information about Property Power Partners, and to view some interesting articles and vids about the housing market, visit [www.understandproperty.com.au](http://www.understandproperty.com.au)

Wishing you successful investing,

John Lindeman  
Chief Property Consultant  
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