

# McGRATH MARKET REPORT

Naremburn | 2065



**McGrath**

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# IMPORTANT INFORMATION

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## UPDATED INFORMATION

Information may be subject to change from time to time and updated information can be obtained at any time by contacting Ashton Rowe at [info@ashtonrowe.com.au](mailto:info@ashtonrowe.com.au).

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Date compiled 14 January 2016.

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It is particularly important that you consider the risk factors that could affect the financial performance of the property. You should carefully consider these factors in light of your particular needs, objectives and financial circumstances (including financial and taxation issues) and seek professional advice from your own professional advisors.

# MARKET OVERVIEW

ASHTON ROWE IS ONE OF AUSTRALIA'S LEADING PROPERTY RESEARCH AND INVESTMENT FIRMS, SPECIALISING IN RESIDENTIAL PROPERTY.

**GUIDE:**  
Read these snippets to interpret the report.

**STEP 1:** Choose your property market (houses or units).

**STEP 2:** The top table shows how many properties are changing hands.

**STEP 3:** The graph shows the median listing price trends and property on the market historically (supply).

**STEP 4:** The table next to the graph shows the price groups of properties actually sold in the last quarter.

**STEP 5:** The bottom table next to the graph shows what the current supply trend is for the market. Less supply when demand is good typically places upward pressure on prices.

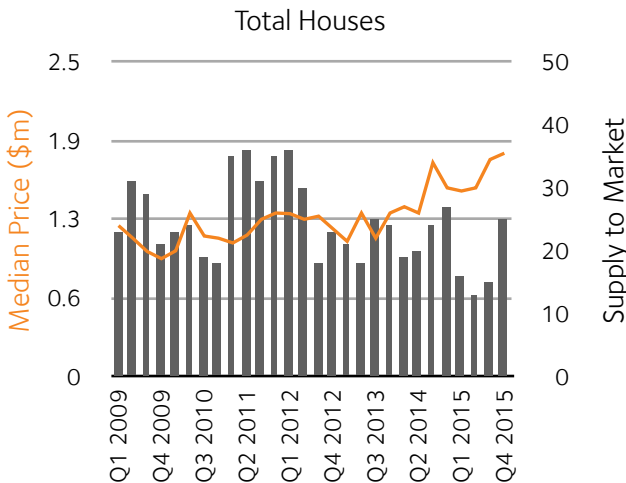
TOTAL MARKET	HOUSES	UNITS
PROPERTIES IN SUBURB	1,199	1,766
DECEMBER QUARTER SALES*	19	13
TURNOVER	1.58%	0.74%

Source: Australian Bureau of Statistics, Census 2011 and local council dwelling approvals  
\* 5% margin for error in this figure due to market information being withheld.

**LEARNING:**  
Turnover is the number of quarterly sales divided by total properties in that market.

**Median price** is the middle price of all properties after they have been arranged from smallest to highest. It best represents trends and buying patterns NOT capital growth.

**Quartiles** divide recent sales into four equal groups. 25% of sales are more than the upper quartile. 50% of sales are more than the median and 75% are more than the lower quartile. Finally, 50% of sales are between the upper and lower quartiles. Properties that are priced above the upper quartile are typically more volatile than those priced close to the median.

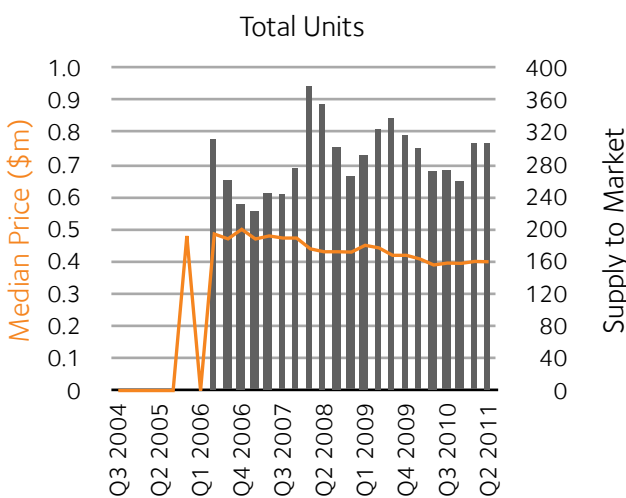


Source: Ashton Rowe Investments, RP Data and Price Finder

QUARTILE	SOLD PRICES
UPPER	\$1,950,000
MEDIAN	\$1,800,000
LOWER	\$1,540,000

SNR = Statistically Not Reliable

Supply to market increased 67% taking it 3% above the 7 year average.



Source: Ashton Rowe Investments, RP Data and Price Finder

QUARTILE	SOLD PRICES
UPPER	\$1,101,250
MEDIAN	\$880,350
LOWER	\$751,375

SNR = Statistically Not Reliable

Supply to market decreased 20% taking it 40% below the 7 year average.

# MARKET HEALTH

AUCTIONS	HOUSES	UNITS
	DECEMBER QUARTER	DECEMBER QUARTER
CLEARANCE RATE	87%	75%
DAYS ON MARKET	28	28
% OF SUPPLY	72%	58%

Source: Ashton Rowe Investments, RP Data and Home price guide  
SNR - Statistically Not Reliable

**LEARNING:**  
**Auction Clearance Rate** is the percentage of houses sold under the hammer or prior to auction. This figure excludes property passed in at auction.

## HOUSES: HIGHEST SALES PRICES IN QUARTER\*

ADDRESS	BEDS	BATH	PRICE
27 SLADE ST, NAREMBURN	3	2	\$2,637,000
13 FRANCIS ST, NAREMBURN	3	1	\$2,250,000
266 WILLOUGHBY RD, NAREMBURN	5	2	\$2,200,000
24 BONGALONG ST, NAREMBURN	3	2	\$2,176,000
9 DAWSON ST, NAREMBURN	4	1	\$2,160,000

Source: Ashton Rowe Investments, RP Data and Home price guide  
\* Excludes undisclosed sales, Quarter to December 2015

**% of Supply** is the percentage of property on the market being sold using the auction method and lets you know the relevance of the auction clearance rate. During a period of high demand the number of auctions typically increase.

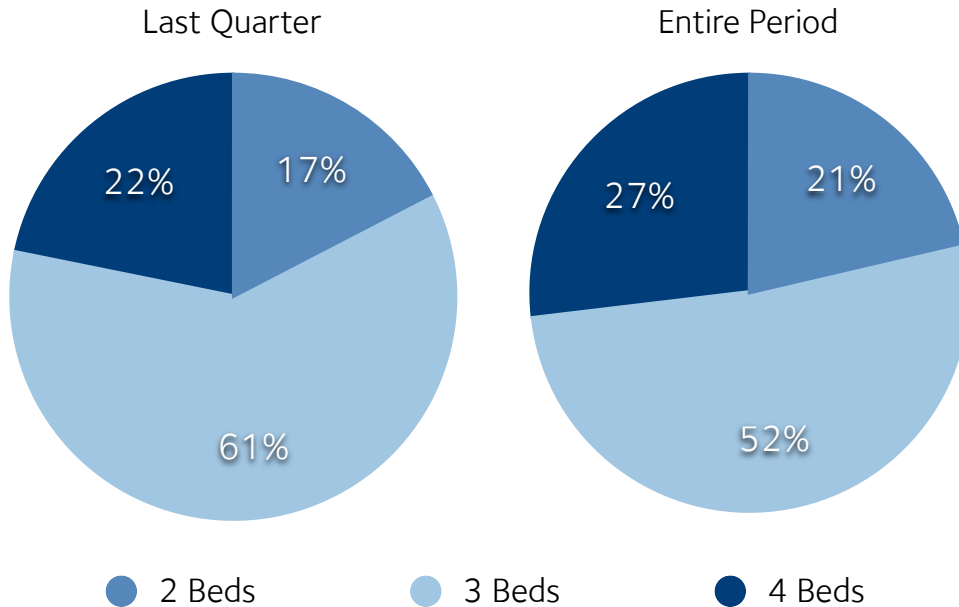
## UNITS: HIGHEST SALES PRICES IN QUARTER\*

ADDRESS	BEDS	BATH	PRICE
10/51 GARLAND RD, NAREMBURN	4	2	\$1,780,000
1/134 NORTHCOTE ST, NAREMBURN	2	1	\$1,315,000
1P/202 WILLOUGHBY RD, NAREMBURN	2	2	\$1,300,000
46/2A PALMER ST, NAREMBURN	3	2	\$1,035,000
10/15A HERBERT ST, NAREMBURN	2	2	\$955,000

Source: Ashton Rowe Investments, RP Data and Home price guide  
\* Excludes undisclosed sales, Quarter to December 2015

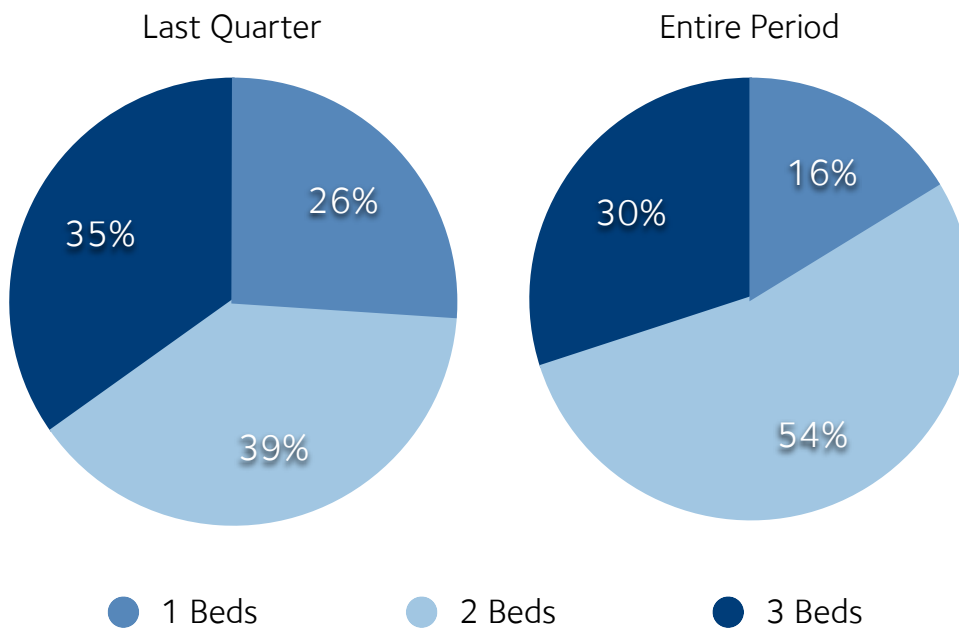
# MARKET COMPOSITION

## WHICH TYPE OF HOUSES ARE SELLING



Source: Ashton Rowe Investments, RP Data and Price Finder  
 Note: Segments under 5% are not labelled. Entire Period includes the last 7 years to the current quarter.

## WHICH TYPE OF UNITS ARE SELLING



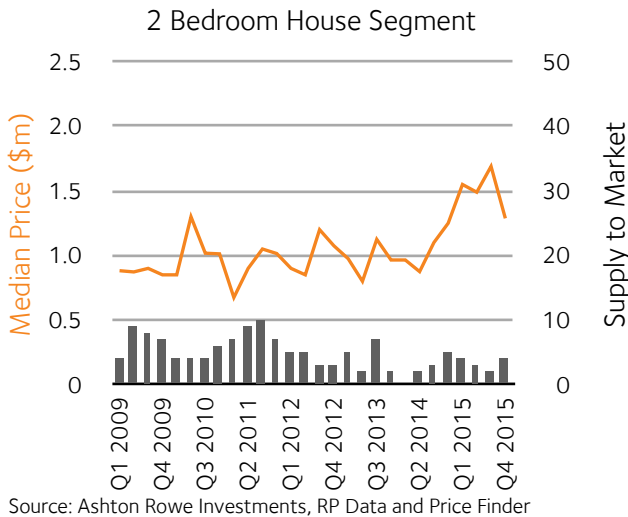
Source: Ashton Rowe Investments, RP Data and Price Finder  
 Note: Segments under 5% are not labelled. Entire Period includes the last 7 years to the current quarter.

# BUYING PATTERNS

**NOTE:**  
Properties in the house market are divided into segments based on the number of bedrooms.

To interpret this page correctly please view instructions in the 'Market Overview' section.

**TIP:**  
When buying to renovate, aim to purchase in the lowest quartile when supply to market is above the long term average.

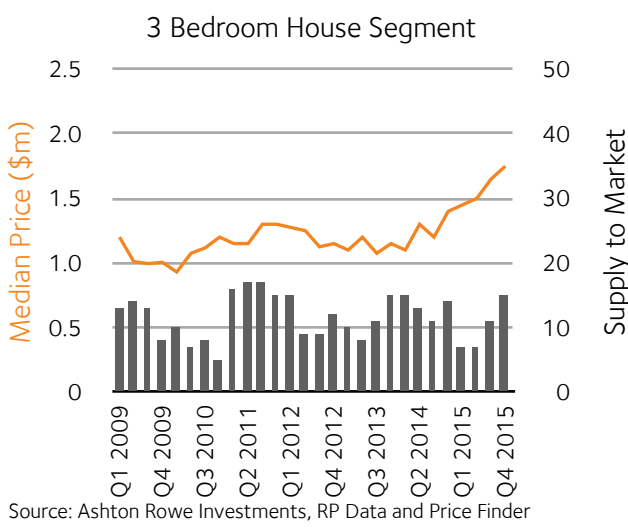


QUARTILE	SOLD PRICES
UPPER	SNR
MEDIAN	SNR
LOWER	SNR

SNR = Statistically Not Reliable

Supply to market increased 100% taking it 19% below the 7 year average.

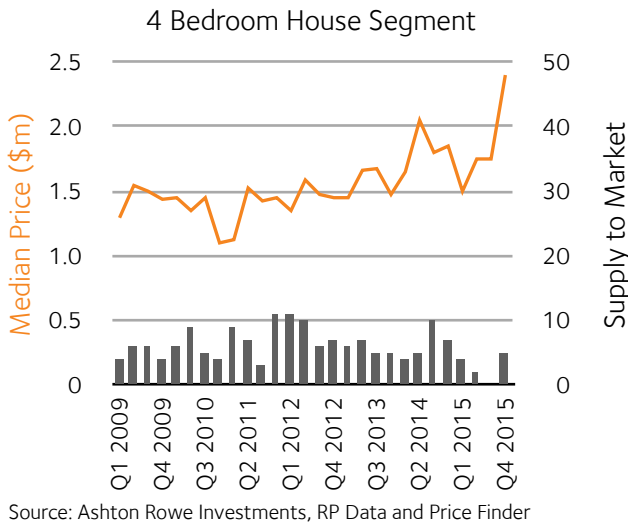
**LEARNING:**  
Statistically Not Reliable is usually a result of not enough sales occurring to produce meaningful analysis.



QUARTILE	SOLD PRICES
UPPER	\$1,885,000
MEDIAN	\$1,800,000
LOWER	\$1,580,000

SNR = Statistically Not Reliable

Supply to market increased 36% taking it 29% above the 7 year average.



QUARTILE	SOLD PRICES
UPPER	SNR
MEDIAN	SNR
LOWER	SNR

SNR = Statistically Not Reliable

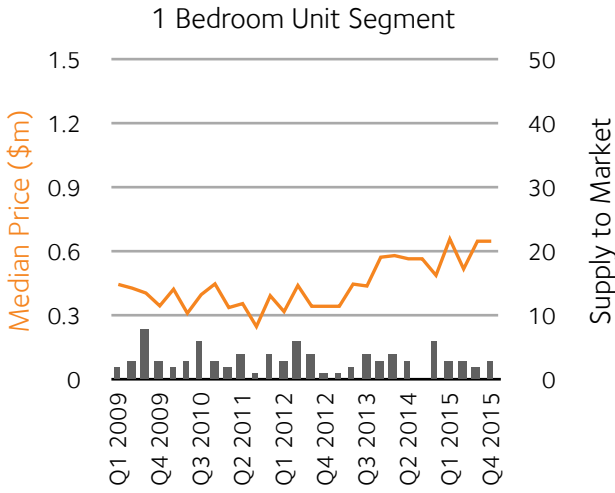
Supply to market increased substantially taking it 20% below the 7 year average.

# BUYING PATTERNS

**NOTE:**  
Properties in the house market are divided into segments based on the number of bedrooms.

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**TIP:**  
When buying to renovate, aim to purchase in the lowest quartile when supply to market is above the long term average.

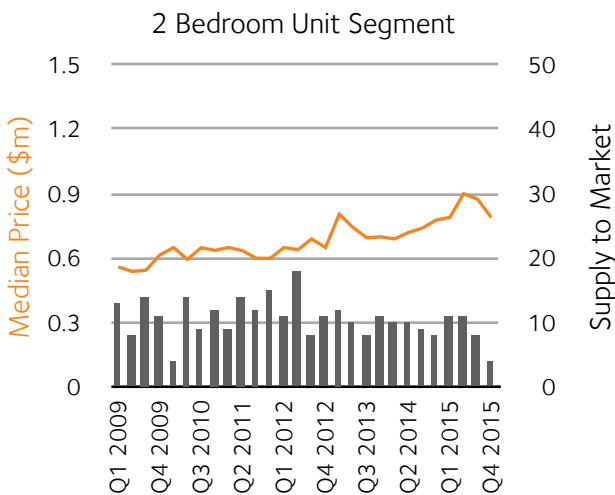


Source: Ashton Rowe Investments, RP Data and Price Finder

QUARTILE	SOLD PRICES
UPPER	\$734,125
MEDIAN	\$622,750
LOWER	\$492,500

SNR = Statistically Not Reliable

Supply to market increased 50% taking it 9% below the 7 year average.

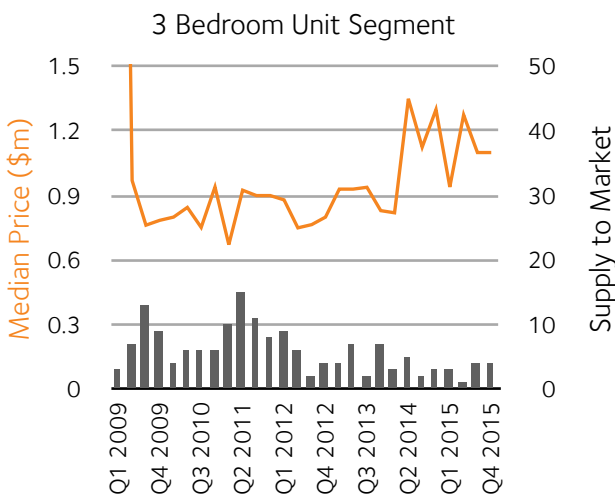


Source: Ashton Rowe Investments, RP Data and Price Finder

QUARTILE	SOLD PRICES
UPPER	\$955,000
MEDIAN	\$925,000
LOWER	\$835,700

SNR = Statistically Not Reliable

Supply to market decreased 50% taking it 62% below the 7 year average.



Source: Ashton Rowe Investments, RP Data and Price Finder

QUARTILE	SOLD PRICES
UPPER	SNR
MEDIAN	SNR
LOWER	SNR

SNR = Statistically Not Reliable

Supply to market stayed the same taking it 32% below the 7 year average.

# CAPITAL GROWTH

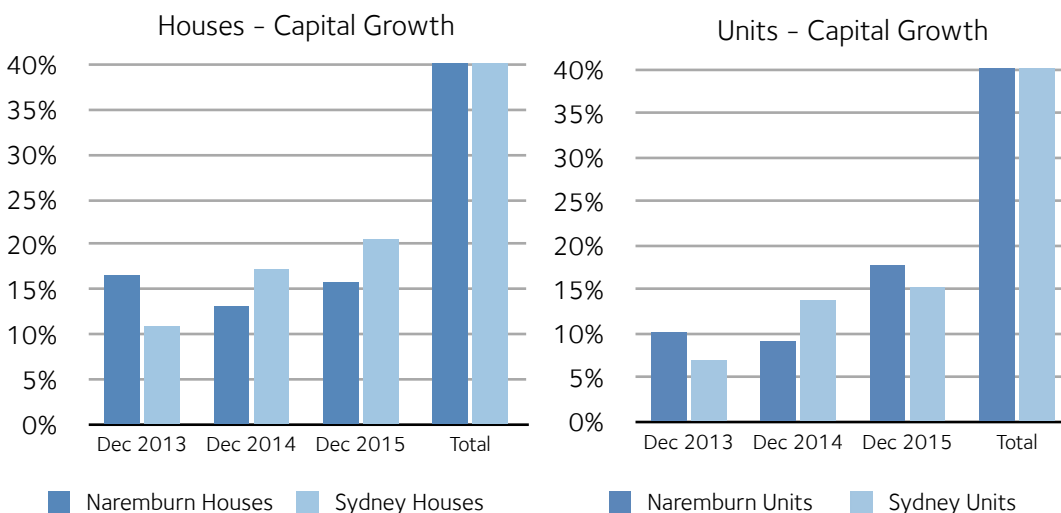
STEP 1:  
Choose your property market.

STEP 2:  
View the top table to see the medium to long term capital growth of the suburb.

STEP 3:  
View the graph to see how the suburb has performed against the wider Sydney region.

SUBURB GROWTH	HOUSES	UNITS
10 YEAR AVERAGE*	7.9%	6.7%
3 YEAR AVERAGE*	15.2%	12.3%
12 MONTHS**	15.8%	17.8%

Source: Ashton Rowe Investments and Residex - Suburb Report December 2015  
\*Annualised capital growth \*\*Capital growth over the last 12 months



Source: Ashton Rowe Investments and Residex Suburb Report December 2015  
\*Rolling 12 month periods to quarter end

The Naremburn residential market has underperformed the Sydney metropolitan market by an average of 1.0% each year over the last three years for houses and outperformed by 0.3% per year for units.

**Capital Growth Calculation:** In short, the calculation methodology takes “sale pairs” for every property that has at least two sales recorded. These individual property growth rates are then combined into a complete growth rate for the chosen suburb. The development of this methodology won an international actuarial award in 1992. More recently, a paper issued by the Reserve Bank of Australia (Australian House Prices: A Comparison of Hedonic and Repeat-sales Measures, James Hansen, 2006) confirmed this methodology to be superior to those based on simple movements in median price. For more visit [www.ashtonrowe.com.au](http://www.ashtonrowe.com.au)

Source: Ashton Rowe Investments and Residex

**LEARNING:** Previously, the only way to measure a suburb’s capital growth was to compare the median sale price of properties sold in one period with the median sale price of properties sold in the next period. This however is plagued with problems. To explain, if in one quarter there were many property sales at the lower end of the market and in the next quarter, there were more sales at the high end, this would show a large increase in median price, but would not reflect actual capital growth. Therefore, median price best represents buying patterns.





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