

March Quarter 2016 Market Report

Neutral Bay | 2089



McGrath

IMPORTANT INFORMATION

UPDATED INFORMATION

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Date compiled 11 April 2016.

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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.

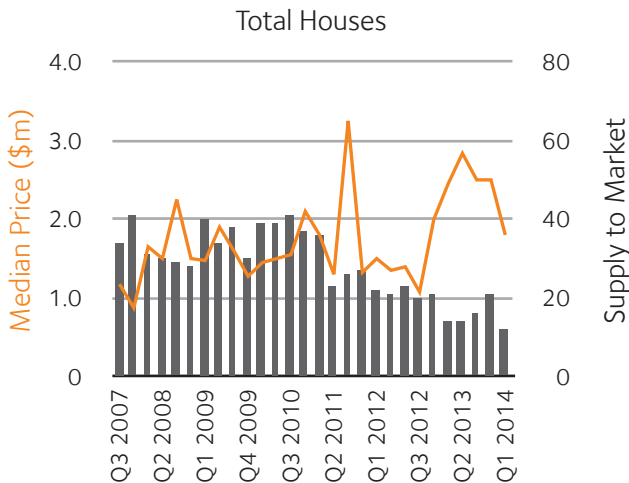
STEP 3: The graph shows the median listing price trends and property on the market historically (supply).

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

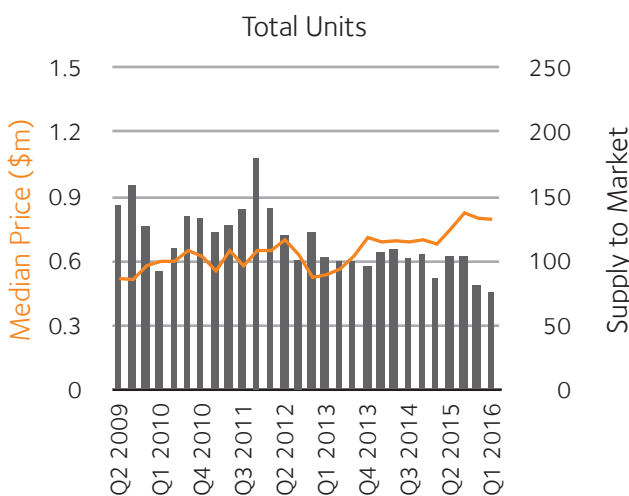
STEP 5: The bottom table next to the graph shows what the current supply trend is for the market. Less supply when demand is good typically places upward pressure on prices.

TOTAL MARKET	HOUSES	UNITS
PROPERTIES IN SUBURB	1,208	3,217
MARCH QUARTER SALES*	6	48
TURNOVER	0.50%	1.49%

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.



Source: Ashton Rowe Investments, RP Data and Price Finder



Source: Ashton Rowe Investments, RP Data and Price Finder

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.

QUARTILE	SOLD PRICES
UPPER	\$4,065,125
MEDIAN	\$3,330,250
LOWER	\$2,595,375

SNR = Statistically Not Reliable

Supply to market decreased 43% taking it 57% below the 7 year average.

QUARTILE	SOLD PRICES
UPPER	\$1,152,500
MEDIAN	\$827,500
LOWER	\$588,875

SNR = Statistically Not Reliable

Supply to market decreased 6% taking it 34% below the 7 year average.

MARKET HEALTH

AUCTIONS	HOUSES	UNITS
	MARCH QUARTER	MARCH QUARTER
CLEARANCE RATE	73%	86%
DAYS ON MARKET	525	25
% OF SUPPLY	33%	37%

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
9 YEO ST, NEUTRAL BAY	3	1	\$4,800,000
34 RAYMOND RD, NEUTRAL BAY	3	2	\$1,860,500

Source: Ashton Rowe Investments, RP Data and Home price guide
* Excludes undisclosed sales, Quarter to March 2016

% 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.

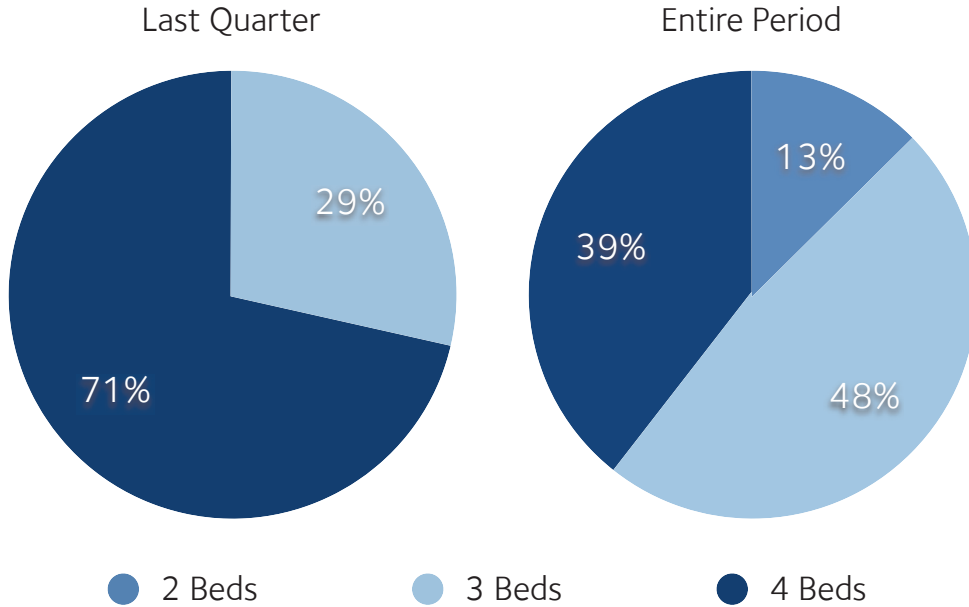
UNITS: HIGHEST SALES PRICES IN QUARTER*

ADDRESS	BEDS	BATH	PRICE
1/182 KURRABA RD, NEUTRAL BAY	4	3	\$2,725,000
4/125 KURRABA RD, NEUTRAL BAY	3	2	\$2,560,000
3/20 THRUPP ST, NEUTRAL BAY	3	2	\$2,120,000
6/87 BENT ST, NEUTRAL BAY	3	2	\$1,875,000
15/17 SHELLCOVE RD, NEUTRAL BAY	2	1	\$1,850,000

Source: Ashton Rowe Investments, RP Data and Home price guide
* Excludes undisclosed sales, Quarter to March 2016

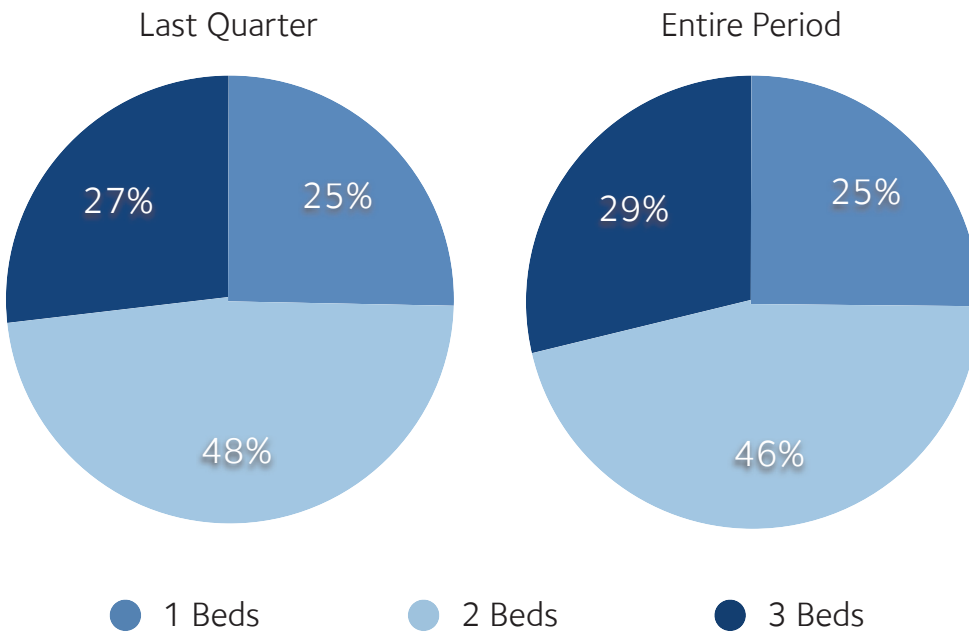
MARKET COMPOSITION

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



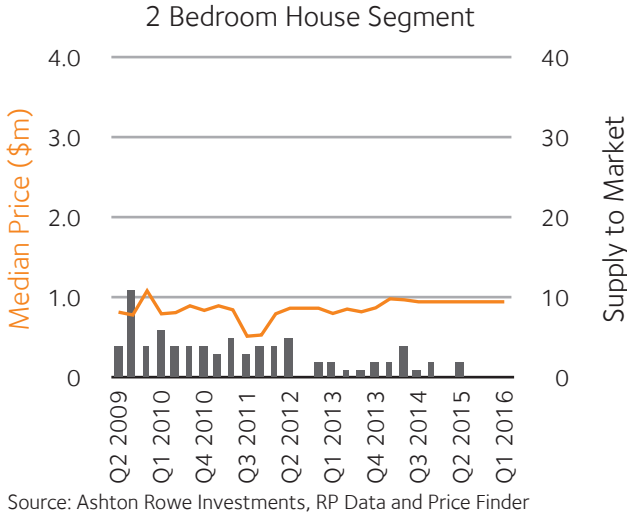
Source: Ashton Rowe Investments, RP Data and Price Finder
 Note: Segments under 5% are not labelled. Entire Period includes the last 7 years to the current quarter.

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.

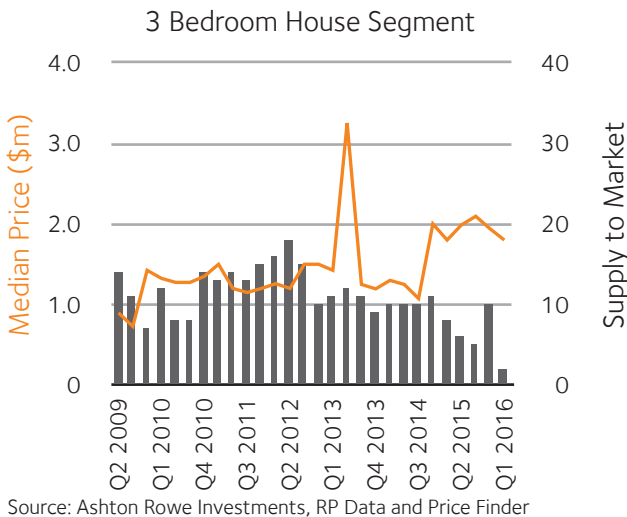


QUARTILE	SOLD PRICES
UPPER	SNR
MEDIAN	SNR
LOWER	SNR

SNR = Statistically Not Reliable

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

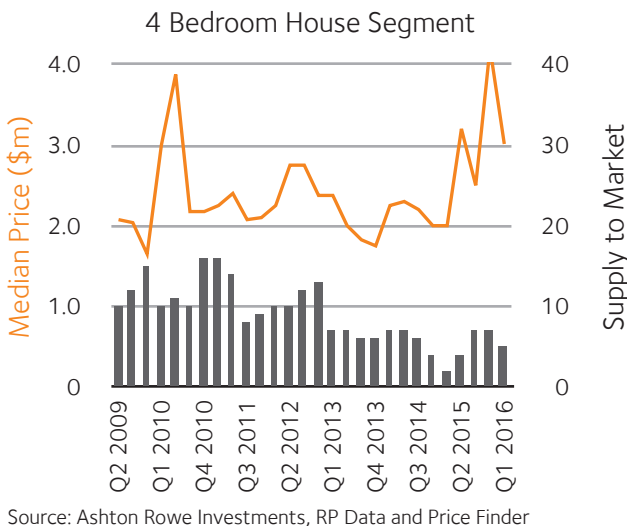
Supply to market remained low taking it significantly below the 7 year average.



QUARTILE	SOLD PRICES
UPPER	\$4,065,125
MEDIAN	\$3,330,250
LOWER	\$2,595,375

SNR = Statistically Not Reliable

Supply to market decreased 80% taking it 82% below the 7 year average.



QUARTILE	SOLD PRICES
UPPER	SNR
MEDIAN	SNR
LOWER	SNR

SNR = Statistically Not Reliable

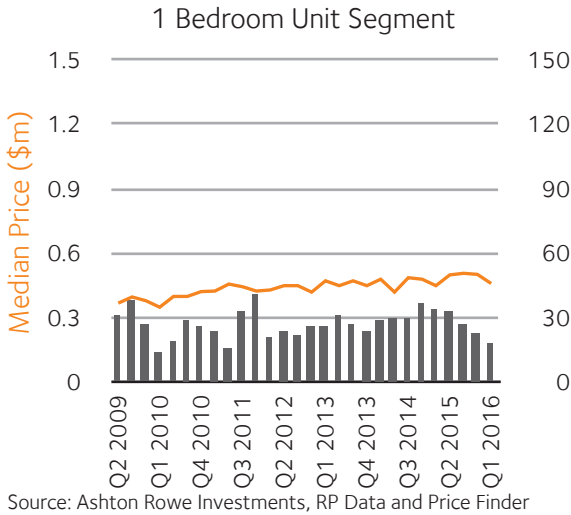
Supply to market decreased 29% taking it 44% below the 7 year average.

BUYING PATTERNS

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

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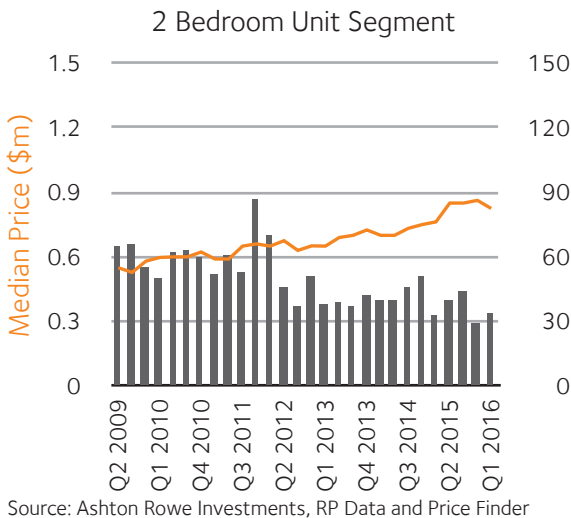
TIP:
When buying to renovate, aim to purchase in the lowest quartile when supply to market is above the long term average.



QUARTILE	SOLD PRICES
UPPER	\$696,500
MEDIAN	\$574,000
LOWER	\$452,500

SNR = Statistically Not Reliable

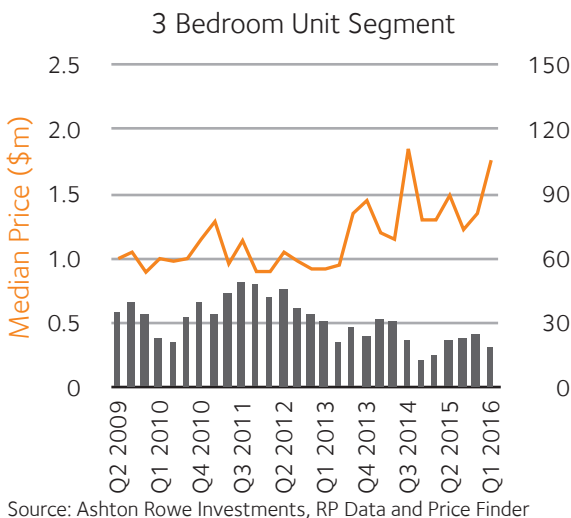
Supply to market decreased 21% taking it 34% below the 7 year average.



QUARTILE	SOLD PRICES
UPPER	\$1,018,750
MEDIAN	\$900,000
LOWER	\$796,875

SNR = Statistically Not Reliable

Supply to market increased 17% taking it 32% below the 7 year average.



QUARTILE	SOLD PRICES
UPPER	\$2,058,750
MEDIAN	\$1,707,500
LOWER	\$1,322,500

SNR = Statistically Not Reliable

Supply to market decreased 24% taking it 39% below the 7 year average.

CAPITAL GROWTH

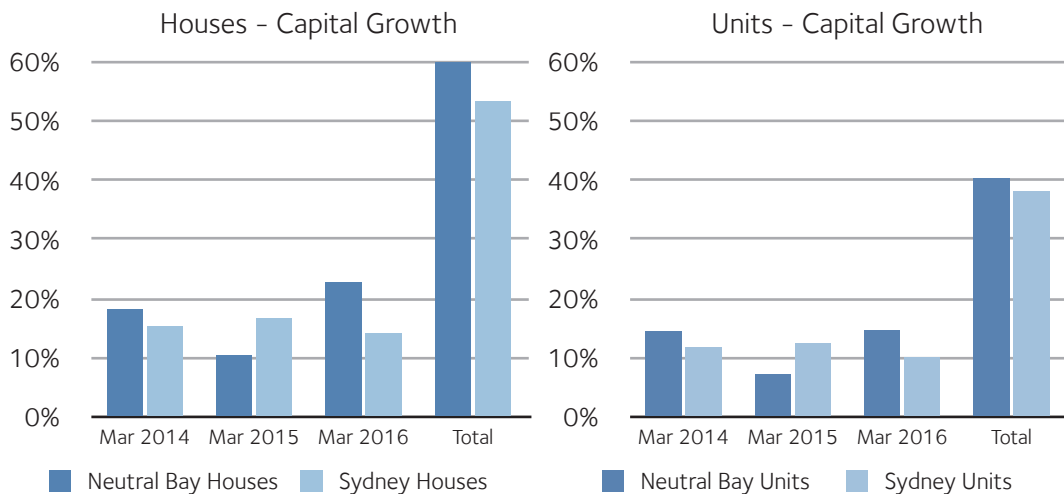
STEP 1:
Choose your
property market.

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*	6.1%	5.7%
3 YEAR AVERAGE*	16.9%	11.9%
12 MONTHS**	22.6%	14.5%

Source: Ashton Rowe Investments and Residex - Suburb Report March 2016
*Annualised capital growth **Capital growth over the last 12 months



Source: Ashton Rowe Investments and Residex Suburb Report March 2016
*Rolling 12 month periods to quarter end

The Neutral Bay residential market has outperformed the Sydney metropolitan market by an average of 1.6% each year over the last three years for houses and by 0.6% 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

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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Our team from top left: Piers van Hamburg, Nigel Mukhi, Derek Farmer, Annika Bongiorno, Donovan Murphy, Michael Rava, Trevor Richardson, Aaron Bongiorno, Adrian Rae, Alex Myers, Heather McCartney, Jon Snead, Nicholas Boot, Peter Shiplee, Gareth Richards, Michael Coombs, Claudia Portale, Adrian Bridges, Adam Ross, Jacqui Rowland-Smith, Anthony Godson, John Welch, Priscilla Schonell and Scott Thornton.