

**TOP 50 CITIES PROPERTY TRACKER REPORT**

November 2020

**Introduction**

The Top 50 Cities Property Tracker Report measures the Demand to Support Ratio (DSR) across Australia’s 50 biggest population centres. We achieve this by firstly selecting the fifty largest population centres using Australian Bureau of Statistics (ABS) Significant Urban Area data. We then score the demand to supply ratio out of 100 each month to establish a monthly DSR reading.

**What does the DSR look for?**

The higher the DSR score, the higher the reading of demand versus existing levels of supply. This indicates the market is in a level of imbalance, which increases the probability of capital growth for the housing stock within that market.

When looking at the DSR at an aggregate city level, you are getting a macro reading of demand or interest in the housing stock compared to the level of supply within the city. This report presents an historical reading of the DSR score going back the past three years and is updated monthly following the end of each month.

**What are the graphs showing me?**

The **Market Tracker Graph** – This graph shows the aggregate DSR score-line, combining all the suburbs within the city over an historical period of three years up until the last month data reading. Underneath that score-line you can see the scores that represent each range: Danger/Caution/Maybe/Good/Excellent.

A score line moving higher over time, indicates increased levels of demand for that particular city. A score-line moving lower, indicates decreased levels of demand.

The **Market Spread Graph** – This graph shows the percentage of suburbs within each area that fall within each grade/range (Danger/Caution/Maybe/Good/Excellent) over an historical period of three years up until the last month data reading.

If the graph is trending towards green, this is indication of a lot of suburbs within that city that are scoring within the good to excellent ranges, which, should be putting upward pressure on property prices at that time or in the not-too-distant future.

If the graph is trending towards amber or red shaded areas, this is indication that a lot of suburbs within that city are scoring within the Maybe/Caution or Danger ranges, which, should be putting downward pressure on property prices at that time or in the not-too-distant future.

 Auction clearance rates  Vacancy rates

 Average number of days it takes to sell a property  Average yield

 The proportion of renters to owner occupiers  Percentage of stock on market

 Average percentage discount between the  Number of people searching for property vs.

original asking price and eventual sale price number of properties available

**Definitions of Variables and Metrics**

[**Days on market**](https://dsrdata.com.au/stats/dom)

The DOM or Days on Market, is a count of the number of days a property will typically spend advertised for sale before eventually selling. A property is considered on the market as soon as the real estate agent lists the property for sale. They will usually do this by advertising on one of the property search portals like www.realestate.com.au. Once the property has sold, the agent will remove the listing from the property search website. That time of advertising represents the DOM.

[**Discount**](https://dsrdata.com.au/stats/discount)

The vendor discount (shortened to just discount) is the difference between the original asking price of a property for sale and the eventual sale price. For example, if a vendor has their property listed for sale at $400,000 and then the buyer eventually pays $380,000 for the property, then the vendor discount was $20,000. The discount is usually expressed as a percentage of the original asking price. Using the example above the vendor discount would be 5%. That is, $20,000 divided by $400,000 equals 5%. This example is for only one property sale. If all property sales in a suburb were monitored, we could get an average figure for the vendor discount.

[**Auction Clearance Rate**](https://dsrdata.com.au/stats/acr)

The ACR, or Auction Clearance Rate, is the number of properties that sell as a percentage of those that go to auction. Not every property that is placed on the market via auction sells. Some auctioned properties are passed in. This means that the seller was unwilling to part with their property for the amount offered by the highest bidder. Or perhaps there were no bidders. Properties for auction can also be withdrawn. This may be from a lack of interest from potential buyers.

Properties can also be sold prior to auction. A buyer may not want to risk losing the property to another bidder on the day. So, they may make an offer to the vendor prior to the auction date. Similarly, the seller may not want to risk poor bidding at the auction. So, when presented with a decent offer prior to the auction, they may accept it.

There are also occasions when the property is sold soon after the auction. Perhaps bidders weren't prepared to go that little bit extra until after they slept on it. Or perhaps the seller reviewed the highest bid and decided to accept it days later.

The ACR is expressed as a percentage. For example, if there were 5 properties for sale via auction and 4 sold and the 5th was passed in, then the ACR would be 80%. That is 4 ÷ 5 x 100.

ACR figures are often provided for entire cities like Brisbane, Sydney, Melbourne, etc. And they are usually a count of auctions held over either a month or a week. DSRdata.com.au provides ACR data at the suburb level and even broken down by houses or units.

[**Renters**](https://dsrdata.com.au/stats/renters)

The proportion of renters is often shortened to just renters. It is the percentage of tenants living in a market compared to all dwellers in that market.

Of all the people that dwell in a suburb, we can try to categorise them into two groups: those who are renting the home they live in and those who own the home they live in.

So, if the suburb has a population of 1,000 and 600 people are owner-occupiers while 400 are tenants, the proportion of renters would be 40%.

[**Vacancy rate**](https://dsrdata.com.au/stats/vacancy)

The vacancy rate is a measure of how many rental properties in a location are currently without a tenant. Two figures are needed to determine a basic vacancy rate:

1. The number of rental properties
2. The number of these that are vacant

If there are 200 rental properties in a suburb and 4 of them are vacant, then the vacancy rate is 2% (200 ÷ 4 = 0.02 x 100 = 2%).

[**Yield**](https://dsrdata.com.au/stats/yield)

The yield is a measure of how much rental income a property earns in one year calculated as a percentage of the property's value.

There are 2 kinds of yields you'll hear about: gross yield and net yield. The gross yield is most often quoted and is easily calculated. For example, if the rent charged to live in a property is $300 per week and the value of the property is $400,000 then the gross yield will be $300 x 52 weeks ÷ 400000 x 100 = 3.9%. The net yield is much more important but not nearly as easy to calculate and therefore less often quoted.

[**Percentage Stock on Market**](https://dsrdata.com.au/stats/som_perc)

The SOM% is the percentage of stock on market. For example, if there are 1,000 properties in a suburb and 10 of them are currently listed for sale, then the SOM% is 1%.

[**Online Search Interest (OSI)**](https://dsrdata.com.au/stats/osi)

The OSI stands for Online Search Interest. The OSI is a ratio of the number of people searching online for property versus the number of properties available for sale.

For example, if there are 10 properties listed for sale in a suburb and there have been 200 people searching for property in that suburb, then the OSI is 20.

[**Statistical Reliability**](https://dsrdata.com.au/stats/sr)

The SR stands for Statistical Reliability. The SR is a score out of 100 for the statistical reliability of the DSR. The higher the SR, the more reliable the data that was used to score the property market with a DSR figure.

A dangerous LocationScore is typified by disinterested buyers. “For Sale” signs gather dust. There is very little interest from would-be buyers in such over-supplied market. Some sellers are desperate to make a sale, but few do. Buyers can negotiate ruthlessly and still get what they want. Bargains can be found but expect negative capital growth in the immediate future

A cautionary LocationScore is typified by few and hesitant buyers. Sellers are keen to offer them incentives. There is some interest from buyers but there are few of them and they can afford to be choosey. Sellers are happy if they get an ordinary offer and are often prepared to accept inconvenient terms just to get a sale. Prices will probably remain flat if they do not actually drop.

A “maybe” LocationScore is typified by supply and demand in balance or not far off it. Buyers can afford to ignore sellers who are not negotiable. Sellers will have to wait to get the price they want but are in no panic. Buyers are unlikely to get away with low-ball offers.

A good LocationScore is typically called a seller's market. Buyers will need to move quickly. There is strong demand from buyers yet not enough properties to give them time to be choosey. Sellers do not have long to wait before they receive a healthy offer. Prices are being driven upward. Expect good capital growth in the immediate future.

An excellent LocationScore is typified with desperate buyers, while sellers lick their lips. Properties are highly desired by buyers but there are very few available. Buyers have to act fast and make strong offers to get their foot in the door. The few sellers are receiving many strong offers. The imbalance of demand and supply will drive prices in the suburb higher at a fast rate.

**Sydney**

**Melbourne**

**Brisbane**

**Adelaide**

**Perth**

**Hobart**

**Darwin**

**Canberra - Queanbeyan**

**Gold Coast - Tweed Heads**

**Newcastle - Maitland**

**Sunshine Coast**

**Central Coast**

**Wollongong**

**Geelong**

**Townsville**

**Cairns**

**Toowoomba**

**Ballarat**

**Albury - Wodonga**

**Bendigo**

**Launceston**

**Mackay**

**Rockhampton**

**Bunbury**

**Bundaberg**

**Coffs Harbour**

**Hervey Bay**

**Wagga Wagga**

**Port Macquarie**

**Gladstone - Tannum Sands**

**Mildura - Wentworth**

**Busselton**

**Shepparton - Mooroopna**

**Melton**

**Orange**

**Traralgon - Morwell**

**Tamworth**

**Geraldton**

**Bowral - Mittagong**

**Victor Harbor - Goolwa**

**Dubbo**

**Nelson Bay**

**Albany**

**Bathurst**

**Nowra - Bomaderry**

**Warrnambool**

**Warragul - Drouin**

**Devonport**

**Kalgoorlie - Boulder**

**Maryborough**

**Report Disclaimer:**

*This information is based on macro level data and is a general overview only. This does not constitute property, financial or investment advice.*

*When it comes to selecting a suburb, a property within that suburb and negotiating on price, you need to consider many more factors and variables before making any such purchasing decision. We recommend you undertake further extensive due diligence.*

*You cannot rely on this report to make any such property buying or investment property purchase decision.*
*We highly recommend you seek professional advice from a licensed and/or qualified professional in their respective fields of knowledge, before making any financial or investment decision.*