Commonwealth Bank-RP Data Home Buyers Index (HBI) April 2014.

Buyers still hold the upper hand at the negotiation table nationally despite strong market conditions in Sydney and Melbourne

Although the national results show that buyers are slightly more empowered than sellers, conditions vary significantly from region to region.

The Commonwealth Bank–RP Data Home Buyers Index provides an indication of how well market conditions are suited to buyers or sellers. The Index is based on the ratio of properties advertised for sale compared with the number of housing loans which are being committed to by customers of Australia's largest mortgage lender, Commonwealth Bank. Where the number of properties being advertised for sale outweighs the number of mortgage commitments (adjusted for market share), the market is considered to be in favour of the buyer; effective supply is outweighing demand. Where new home loans are outweighing the number of homes being advertised for sale, market conditions generally favour the seller.

At a national level, the ratio of buyers to effective supply across the Australian real estate market has been relatively unchanged over the past quarter, although a slight easing in conditions has seen the market shift from a balanced market in December 2013 to a buyers' market in March 2014. Total advertised stock levels are greater than the number of home loans funded, suggesting that buyers were enjoying a slight upper hand in negotiations.

As of March 2014, the results across each state were quite different; in Queensland, Tasmania and the Northern Territory market conditions remained skewed towards the buyer. Each other state and territory was showing either relatively balanced conditions or more favourable conditions for sellers.

Conditions across the capital cities were typically more balanced or in favour of the seller, reflecting very different conditions in metropolitan versus regional housing markets. The results also reflected the higher levels of buyer demand compared with stock levels which were occurring in the Sydney, Melbourne and Canberra markets where overall conditions favour the seller rather than buyer.

Index scores are based on the ratio of homes available for sale compared with the number of mortgage commitments adjusted for market share. 1 – Extreme buyer's market, 2 – Buyer's market, 3 – Balanced market, 4 – Seller's market, 5 – Extreme seller's market

HBI by State – Mar 2014

State	HBI Score Mar-13	HBI Score Dec-13	HBI Score Mar-14	Comments
NSW	2	3	3	Balanced market
VIC	2	3	3	Balanced market
QLD	1	2	2	Buyer's market
SA	2	3	3	Balanced market
WA	2	2	3	Balanced market
TAS	1	1	1	Extreme buyer's market
NT	3	3	2	Buyer's market
ACT	3	3	4	Seller's market
National	2	3	2	Buyer's market

HBI by capital city – Mar 2014

City	HBI Score Mar-13	HBI Score Dec-13	HBI Score Mar-14	Comments
Sydney	3	4	4	Seller's market
Melbourne	3	4	4	Seller's market
Brisbane	2	2	2	Buyer's market
Adelaide	3	3	3	Balanced market
Perth	3	3	3	Balanced market
Hobart	1	2	2	Buyer's market
Darwin	4	3	3	Balanced market
Canberra	3	3	4	Seller's market

National Home Buyers Index over time
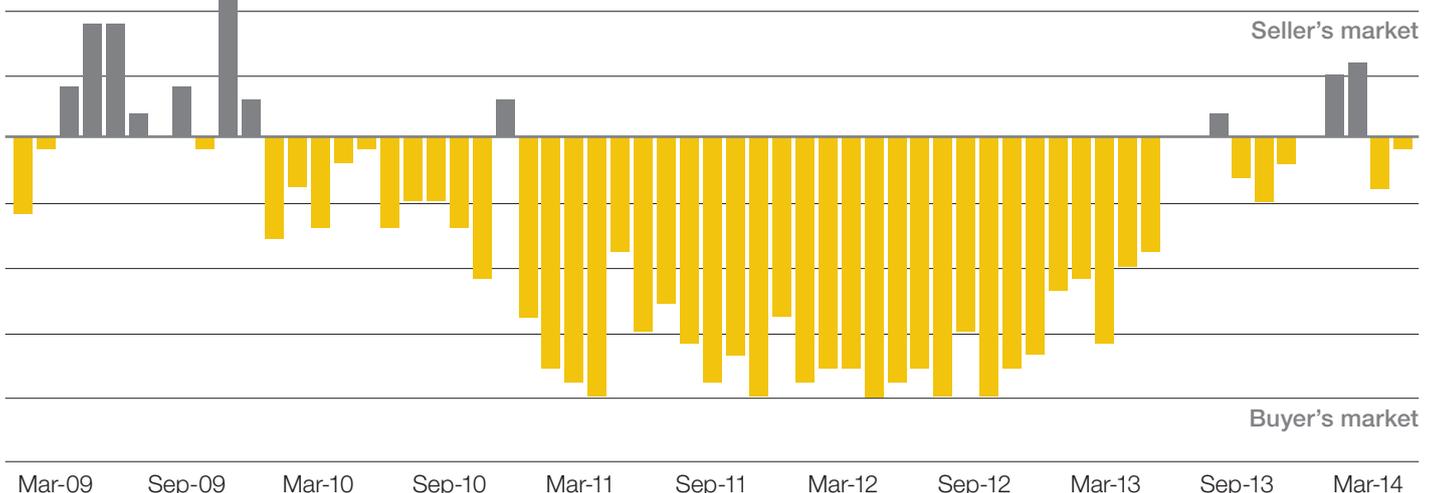
Across the capital cities

Sydney (Seller's market)
Market conditions in Sydney were virtually unchanged over the quarter, continuing to favour the seller over the buyer. Homes which are appropriately priced are selling quickly and often above list price. Buyers now have much less negotiating power than they did a year ago.

Melbourne (Seller's market)
Melbourne's housing market conditions have shifted slightly further in favour of sellers both over the past year and quarter. Well priced properties are seeing a high level of demand, plenty of offers and are selling rapidly.

Brisbane (Buyer's market)
Selling conditions across Brisbane have improved marginally over the past year however, there has been no change between December 2013 and March 2014. Buyers still hold greater power when it comes to negotiating the purchase of a home with most sellers having to reduce their initial list price in order to achieve a sale.

Adelaide (Balanced market)
Adelaide is showing balanced market conditions between buyers and sellers as it has consistently done so over the past year. When negotiating on the sale of a home currently in Adelaide there was a fairly equal level of power between both parties.

Perth (Balanced market)
The Perth housing market has remained a balanced market over the past year however, it is slowly shifting towards being more in favour of sellers. Stock levels and housing demand is in relative equilibrium with neither side of the sales process having significant power in negotiations over the other.

Hobart (Buyer's market)
Hobart's index is virtually unchanged over the past year continuing to show conditions which are more favourable for buyers rather than sellers. Effective supply continues to outweigh effective demand, which results in a stronger negotiation position for buyers.

Darwin (Balanced market)
Conditions across the Darwin housing market have softened over the past year, shifting from a sellers' market to a balanced market. This means that currently, neither the buyer nor seller holds substantial power when negotiating a home sale.

Canberra (Seller's market)
Canberra's housing market conditions have shifted from being balanced a year and a quarter ago to being in favour of the seller currently. The amount of supply is lower than the level of demand meaning that well priced properties are likely to sell quite quickly.

Top 10 best seller's markets, national

Rank	Region	State	HBI Indicator
1	Central Highlands	VIC	Seller's market
2	Sydney	NSW	Seller's market
3	Melbourne	VIC	Seller's market
4	Canberra	ACT	Seller's market
5	Loddon	VIC	Balanced market
6	Ovens-Murray	VIC	Balanced market
7	Adelaide	SA	Balanced market
8	Perth	WA	Balanced market
9	Mallee	VIC	Balanced market
10	Barwon	VIC	Balanced market

Predominately regions within Victoria are showing the best overall selling conditions and this is reflected in the adjacent data. Australia's two largest capital cities (Sydney and Melbourne) are two of the best markets for sellers currently. The best sellers market list includes five capital cities with most of the best regional sellers markets located nearby to the capital city regions. Sydney, Adelaide, Perth and Canberra are the only regions listed which are outside of Victoria.

Top 10 best buyer's markets, national

Rank	Region	State	HBI Indicator
1	Wide Bay-Burnett	QLD	Extreme buyer's market
2	Mersey-Lyell	TAS	Extreme buyer's market
3	Far West	NSW	Extreme buyer's market
4	West Moreton	QLD	Extreme buyer's market
5	Central	WA	Extreme buyer's market
6	Southern	TAS	Extreme buyer's market
7	Richmond-Tweed	NSW	Extreme buyer's market
8	Northern	SA	Extreme buyer's market
9	South East	SA	Extreme buyer's market
10	Northern	TAS	Extreme buyer's market

Queensland, Tasmania and the Northern Territory are currently the best markets for buyers nationally however a number of regional markets across other states and territories are prominent amongst the list of best buyer's markets. Half of the best buyer's markets listed are within Queensland and Tasmania. There are no capital cities listed as best buyer's markets and most are coastal / lifestyle markets. All of those areas listed are seeing an oversupply of properties available for sale relative to current demand.

Note: Regions are based on Statistical Subdivision boundaries. Ranking is based on the underlying HBI Index values.

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HBI for Sydney regions

Region	Mar-13	Dec-13	Mar-14	HBI Indicator
Blacktown	4	5	5	Extreme seller's market
Canterbury-Bankstown	3	4	4	Seller's market
Central Northern Sydney	3	4	4	Seller's market
Central Western Sydney	3	4	4	Seller's market
Eastern Suburbs	3	4	4	Seller's market
Fairfield-Liverpool	4	4	4	Seller's market
Gosford-Wyong	2	3	3	Balanced market
Inner Sydney	4	5	4	Seller's market
Inner Western Sydney	3	4	4	Seller's market
Lower Northern Sydney	3	4	4	Seller's market
Northern Beaches	3	4	4	Seller's market
Outer South Western Sydney	4	4	4	Seller's market
Outer Western Sydney	3	4	4	Seller's market
St George-Sutherland	3	4	3	Balanced market

Sydney is currently experiencing quite strong selling conditions for residential property and this is reflected when you look at individual areas. Blacktown is the only region showing 'Extreme seller's market' conditions and the weakest markets (Gosford-Wyong and St George-Sutherland) are showing balanced conditions. Each other region of the city is showing conditions which are more favourable for sellers than buyers.

HBI for Melbourne regions

Region	Mar-13	Dec-13	Mar-14	HBI Indicator
Boroondara City	3	3	3	Balanced market
Eastern Middle Melbourne	3	3	4	Seller's market
Eastern Outer Melbourne	3	4	5	Extreme seller's market
Frankston City	3	3	3	Balanced market
Greater Dandenong City	3	4	4	Seller's market
Hume City	3	5	5	Extreme seller's market
Inner Melbourne	3	3	3	Balanced market
Melton-Wyndham	3	4	4	Seller's market
Moreland City	3	4	3	Balanced market
Mornington Peninsula Shire	2	2	2	Buyer's market
Northern Middle Melbourne	3	3	4	Seller's market
Northern Outer Melbourne	4	5	5	Extreme seller's market
South Eastern Outer Melbourne	3	4	5	Extreme seller's market
Southern Melbourne	3	3	3	Balanced market
Western Melbourne	3	4	4	Seller's market
Yarra Ranges Shire Part A	3	4	4	Seller's market

Overall Melbourne's housing market conditions are more in favour of the seller than the buyer. The Mornington Peninsula Shire is the only region of the city where conditions favour the buyer. Four of the regions are showing 'Extreme seller's market' conditions with most of the others showing 'Seller's market' conditions. Across most of the regions, conditions have moved further in favour of the seller over the past year.

HBI for Brisbane regions

Region	Mar-13	Dec-13	Mar-14	HBI Indicator
Beaudesert Shire Part A	1	2	2	Buyer's market
Caboolture Shire	1	1	1	Extreme buyer's market
Inner Brisbane	2	2	2	Buyer's market
Ipswich City	1	2	2	Buyer's market
Logan City	1	2	2	Buyer's market
Northwest Inner Brisbane	3	2	3	Balanced market
Northwest Outer Brisbane	2	3	3	Balanced market
Pine Rivers Shire	2	3	2	Buyer's market
Redcliffe City	1	2	1	Extreme buyer's market
Redland Shire	2	2	2	Buyer's market
Southeast Inner Brisbane	3	3	3	Balanced market
Southeast Outer Brisbane	3	3	3	Balanced market

The Brisbane housing market is broadly showing conditions which are in favour of the buyer. This is reflected across the regions of the city, with most also showing 'Buyer's market' conditions. Balanced market conditions are more prevalent within the areas more centrally located to the Brisbane CBD and 'Extreme buyer's market' conditions are currently recorded in Caboolture Shire and Redland Shire. A handful of regions have seen conditions improve for sellers over the past year.

HBI for Adelaide regions

Region	Mar-13	Dec-13	Mar-14	HBI Indicator
Eastern Adelaide	2	3	3	Balanced market
Northern Adelaide	3	3	3	Balanced market
Southern Adelaide	3	3	3	Balanced market
Western Adelaide	2	3	3	Balanced market

The Adelaide market was showing balanced conditions across all regions of the city. Over the past year, there has been a shift to a greater level of seller empowerment across Eastern Adelaide and Western Adelaide.

Note: Regions are based on Statistical Subdivision boundaries. Ranking is based on the underlying HBI Index values.

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HBI for Perth regions

Region	Mar-13	Dec-13	Mar-14	HBI Indicator	Comments
Central Metropolitan	2	2	3	Balanced market	
East Metropolitan	3	3	3	Balanced market	
North Metropolitan	3	3	3	Balanced market	
South East Metropolitan	3	3	3	Balanced market	
South West Metropolitan	3	3	3	Balanced market	

Housing conditions have remained balanced between buyers and sellers across Perth over the past year. Each region of the city currently has a 'Balanced market' and a year ago conditions were similar in all regions except Central Metropolitan which was at that time a 'Buyer's market'.

About RP Data

RP Data is 100% owned by CoreLogic; a US/NYSE listed company, and is a leading property information, analytics and services provider in Australia and New Zealand. The company's combined data offering is derived from public, contributory and proprietary sources and includes over half a billion decision points spanning decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information. The markets served by RP Data include consumers, investors, real estate and mortgage, finance, banking, insurance, developers, financial planners and government. RP Data delivers value to clients through unique data, analytics, and workflow technology, advisory and managed services. Clients rely on RP Data to help identify and manage growth opportunities, improve performance and mitigate risk. RP Data employs over 330 people at over 10 locations in Australia and New Zealand. For more information call **1300 734 318** or visit **www.rpdata.com**