

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

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Selling conditions favoured buyers nationwide in August 2014

At a national level housing market conditions slightly favoured buyers however, across different geographic locations housing market conditions were markedly different.

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 eased slightly in favour of buyers over the past quarter, resulting in a housing market which is slightly in favour of buyers. Total advertised stock levels are slightly higher than the number of home loans funded, suggesting that buyers have a slightly stronger negotiating position than sellers in the current market.

As at August 2014 across each state the results were quite different; in Queensland, Western Australia, Tasmania, and Northern Territory market conditions were skewed towards the buyer. Each other state and territory was showing relatively balanced conditions.

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 and Melbourne markets where overall conditions favour the seller rather than buyer. It’s no coincidence that these two cities have also been the strongest capital growth performers over the past year.

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

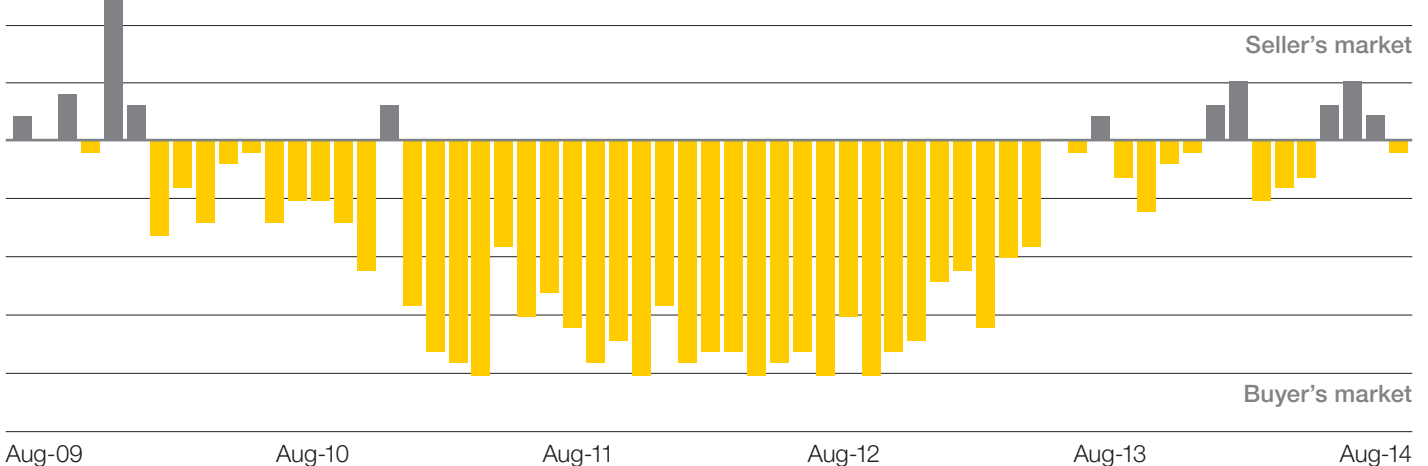
HBI by state – Aug 2014

State	HBI Score Aug-13	HBI Score May-14	HBI Score Aug-14	Comments
NSW	3	3	3	Balanced market
VIC	3	3	3	Balanced market
QLD	2	2	1	Extreme buyer’s market
SA	3	3	3	Balanced market
WA	3	2	2	Buyer’s market
TAS	1	1	1	Extreme buyer’s market
NT	3	3	2	Buyer’s market
ACT	3	3	3	Balanced market
National	2	3	2	Buyer’s market

HBI by capital city – Aug 2014

City	HBI Score Aug-13	HBI Score May-14	HBI Score Aug-14	Comments
Sydney	4	4	4	Seller’s market
Melbourne	4	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	2	2	2	Buyer’s market
Darwin	3	3	2	Buyer’s market
Canberra	3	3	3	Balanced market

National Home Buyers Index over time



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Across the capital cities

Sydney (Seller's market)

Market conditions in Sydney remained favourable to seller's over the quarter however, conditions became even more favourable for buyers throughout the three month period. Homes which are appropriately priced are selling quickly and often above list price, buyers have much less negotiating power than they do elsewhere across the country.

Melbourne (Seller's market)

Melbourne's housing market conditions have shifted 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 and are virtually unchanged over the quarter although overall the city remains a market for buyers rather than sellers. 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 buyers. 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 (Buyer's market)

Conditions across the Darwin housing market have shifted in favour of the buyer over the past year and quarter and now favour buyers. This means that currently, buyers enjoy greater power when negotiating a home sale.

Canberra (Seller's market)

Canberra's housing market conditions have remained balanced both over the past year and past quarter. The amount of supply is in relative equilibrium with demand currently.

Top 10 best seller's markets, national

Rank	Region	State	HBI Indicator
1	Sydney	NSW	Seller's market
2	Melbourne	VIC	Seller's market
3	Loddon	VIC	Balanced market
4	Adelaide	SA	Balanced market
5	Ovens-Murray	VIC	Balanced market
6	Central Highlands	VIC	Balanced market
7	Canberra	ACT	Balanced market
8	Mallee	VIC	Balanced market
8	Barwon	VIC	Balanced market
10	Perth	WA	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 the only two markets which are currently showing seller's market conditions. The best sellers' market list includes five capital cities with each of the non-capital city regions listed located in Victoria.

Top 10 best buyer's markets, national

Rank	Region	State	HBI Indicator
1	Wide Bay-Burnett	QLD	Extreme buyer's market
2	Southern	TAS	Extreme buyer's market
3	Pilbara	WA	Extreme buyer's market
4	Upper Great South	WA	Extreme buyer's market
5	Mackay	QLD	Extreme buyer's market
6	South West	QLD	Extreme buyer's market
7	Far West	NSW	Extreme buyer's market
8	Mersey-Lyell	TAS	Extreme buyer's market
9	Central	WA	Extreme buyer's market
10	Central West	QLD	Extreme buyer's market

Queensland, Western Australia and Tasmania are currently the best markets for buyers nationally and this is reflected by these three states dominating the list of buyer's markets nationally. There are no capital cities listed as best buyer's markets and most are coastal / lifestyle markets or those linked to the resources sector. All of those areas listed are seeing a heightened level of homes 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	Aug-13	May-14	Aug-14	HBI Indicator
Blacktown	5	5	5	Extreme seller's market
Canterbury-Bankstown	3	4	3	Balanced market
Central Northern Sydney	4	4	4	Seller's market
Central Western Sydney	3	5	4	Seller's market
Eastern Suburbs	4	5	5	Extreme seller's market
Fairfield-Liverpool	4	5	4	Seller's market
Gosford-Wyong	2	3	3	Balanced market
Inner Sydney	4	5	5	Extreme seller's market
Inner Western Sydney	3	4	4	Seller's market
Lower Northern Sydney	4	4	4	Seller's market
Northern Beaches	3	4	4	Seller's market
Outer South Western Sydney	4	5	4	Seller's market
Outer Western Sydney	3	4	3	Balanced market
St George-Sutherland	3	4	4	Seller's market

Sydney is currently experiencing strong selling conditions for residential property and this is reflected when you look at individual areas. Blacktown, Eastern Suburbs and Inner Sydney are all showing 'Extreme seller's market' conditions. Canterbury-Bankstown, Gosford-Wyong and Outer Western Sydney are the weakest Sydney market showing 'Balanced market' conditions. All other regions of the city are showing conditions which are more favourable for sellers than buyers.

HBI for Melbourne regions

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

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

Overall Melbourne's housing market conditions are more in favour of the seller than the buyer. Mornington Peninsula Shire is the only region of the city where conditions favour the buyer over the seller. Five 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	Aug-13	May-14	Aug-14	HBI Indicator
Beaudesert Shire Part A	1	2	2	Buyer's market
Caboolture Shire	1	2	1	Extreme buyer's market
Inner Brisbane	2	2	2	Buyer's market
Ipswich City	1	2	2	Buyer's market
Logan City	2	2	2	Buyer's market
Northwest Inner Brisbane	3	3	3	Balanced market
Northwest Outer Brisbane	1	3	3	Balanced market
Pine Rivers Shire	2	3	3	Balanced market
Redcliffe City	1	1	2	Buyer's market
Redland Shire	1	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 many 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 the Caboolture region. A handful of regions have seen conditions improve for sellers over the past year.

HBI for Adelaide regions

Region	Aug-13	May-14	Aug-14	HBI Indicator
Eastern Adelaide	3	3	3	Balanced market
Northern Adelaide	3	3	3	Balanced market
Southern Adelaide	3	3	4	Seller's market
Western Adelaide	2	3	3	Balanced market

The Adelaide market was showing balanced conditions across all regions of the city except for Southern Adelaide. Over the past year, conditions have remained stable across each region of the city where conditions have improved for sellers.

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HBI for Perth regions

Region	Aug-13	May-13	Aug-14	HBI Indicator
Central Metropolitan	2	2	2	Buyer's 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. Central Metropolitan is the only region where selling conditions favour the buyer. The other four regions of the city have seen conditions remain balanced throughout the past year.

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