REAL ESTATE STATISTICS

The Ultimate Metrics Cheat Sheet

Analysing Property Market Potential and Opportunities

In the ever-evolving world of real estate, success hinges on data-driven decisions rather than guesswork. Whether you're an investor seeking long-term capital growth or a homebuyer searching for your dream property, understanding real estate market analysis is key.

This guide breaks down the essential real estate market analysis metrics that every investor and homebuyer should investigate. By learning to interpret these metrics, you can unlock powerful insights that will guide your investment strategy, reduce risks, and maximize returns.

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Introduction to Property Statistics

Diving into the world of property investment can feel overwhelming, especially when you're faced with an extensive list of metrics to track and analyze. But remember, success doesn't come from mastering everything at once—it comes from taking that first step. Start small by focusing on a few key statistics relevant to your strategy. As you gain experience, you can expand your understanding and use more advanced metrics to refine your decisions. This chart is designed to help you navigate the data with clarity and confidence, no matter where you are on your property investment journey.

How To Use This Cheat Sheet

This guide is tailored to help you approach real estate metrics with purpose and focus. Whether you're flipping properties, developing projects, or building a buy-and-hold portfolio, tracking the right statistics is essential for success.

Step 1: Start Simple

Begin by identifying the metrics that align most closely with your strategy. If you're just starting, focus on a small set of statistics that provide immediate value. (for examples, see the follow page.)

Step 2: Grow and Build

As you become more familiar with these metrics, incorporate additional data points to get a fuller picture of the market. This approach allows you to grow your knowledge gradually while making informed decisions.

Step 3: Stay Consistent

Consistency is key when it comes to tracking metrics. Regular reviews will keep you on top of your investments and market trends. Here's a suggested frequency based on your strategy:

- Renovation & Flip: Review metrics monthly or even weekly during active project phases.
- Development: Check key metrics monthly or quarterly, depending on project timelines.
- Buy & Hold: Review quarterly or annually, but aim for no longer than 12 months between updates.

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Frequency as a Guide

The frequency recommendations in this chart are a guide, not a rule. Use them as a baseline to track your investments and adapt based on the intensity of your strategy. For active strategies like renovation & flip or development, more frequent reviews are essential to stay aligned with fast-moving market changes. For long-term strategies like buy and hold, quarterly or annual reviews provide a stable rhythm to monitor your portfolio's health and opportunities for optimization.

What's Included in This Guide

1. How Metrics Work Together: No single metric tells the complete story.
2. Targeted Strategy Charts: Smaller charts focusing on the metrics most relevant to that outcome.
3. Ultimate Metrics Chart: A comprehensive table with all metrics, organized by their frequency of review.

By following this guide, you'll have the tools to analyze your property investments confidently, track your progress, and make data-driven decisions that align with your goals.

How Metrics Work Together

To gain a comprehensive understanding of the property market, it's essential to combine multiple metrics that provide complementary insights. For example, while population growth may indicate rising demand, analysing it alongside vacancy rates can reveal the actual rental market health. This holistic approach allows investors to paint a clearer picture of market dynamics, enhancing their ability to make strategic decisions tailored to their specific investment goals. By recognizing the interplay between various metrics, investors can uncover hidden opportunities and mitigate risks more effectively.

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Focused Statistical Analysis

If you are strategically looking for a particular outcome in your property, then these focused metrics and indicators will help with your research and assessment for the right area/suburb. Its also a good idea to combine Indicators ie. Market Entry + Reno & Flip, or Risk Assessment + Development. I have a set of metrics that are my baseline to review no matter what, then I review others periodically.

Growth Analysis	Cash Flow Analysis	Risk Assessment
Population Growth	Rental Yield	Economic Diversity
Infrastructure Investment	Vacancy Rates	Vacancy Rate
Employment Rate	Employment Rate	Days on Market
Building Approvals	Price-to-Rent Ratio	Vendor Discount Rate
Price Growth History	Interest Rates	Unemployment Rate

Market Entry Timing	Location Selection	Property Type Selection
Days on Market Trends	Infrastructure Investment	Demographic Trends
Vendor Discount Rates	Population Growth	Price by Bedroom Type
Auction Clearance Rates	Employment Diversity	Rental Demand
Stock on Market	Rental Yield	First Home Buyer Activity
Consumer Confidence	Capital Growth History	Local Planning Changes

Buy and Hold Strategy	Development Strategy	Reno & Flip Strategy
Rental Yield	Average/Median Sales Price	Days on Market
Vacancy Rates	Price by Bedroom Type	Stock on Market
Population Growth	Capital Growth History	Vendor Discount Rate
Infrastructure Investment	Building Approval Rates	Auction Clearance Rates
Capital Growth History	Population Growth	Price by Bedroom Type
Employment Rate	Local Planning Regulations	Average/Median Sales Price
Home Ownership Proportion	Demographic Trends	Local Sales History
Demographic Trends	Economic Diversity	Home Ownership Proportion

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Metric Name	What It Measures	Why Its Important	Applicable Strategies	Ideal Measurement Frequency	Ideal Measurement
Days on Market (DOM)	Average time properties stay unsold	Indicates market momentum and demand; shorter = strong market.	All	Weekly/ Monthly	Hot Market: 30 days or less Balanced Market: 30-60 days Slow Market: 90+ days
Auction Clearance Rates (ACR)	Percentage of properties sold at auction	Indicates market strength and buyer confidence.	All	Weekly	70%+ indicates strong buyer demand and confidence. Below 50% may suggest fewer buyers and weaker market conditions. 50-60% reasonable buyer competition and conditions for negotiation.
Number of Sales and Price per Bedroom	Sales volume and pricing trends for properties of different sizes	Important for property type selection and understanding buyer preferences.	Development Reno & Flip	Monthly	Depends on suburb demographics. Price growth trends should align with larger properties (4+ bedrooms) if the market is healthy.
Average/ Median Sales Price	Typical selling prices in the market	Helps assess affordability and market value trends.	ALL	Monthly	A steady increase in median prices over the years indicates healthy growth.
Stock On Market (SOM)	Total number of properties currently for sale	Helps measure market supply and can indicate oversupply or undersupply.	All	Monthly	1-3% suggests a balanced supply-demand situation. Below 1% may indicate high demand and low supply, 3%+ suggests oversupply, giving buyers more options and better negotiating power.
Vacancy Rate (VR)	Percentage of vacant rental properties	Reflects rental market health; high = potential oversupply.	Buy & Hold	Monthly	Below 3% (suggests a tight rental market)
Vendor Discount Rates (VDR)	Difference between listing price and sale price	Reflects market strength; larger discounts may signal buyer's market conditions.	All	Monthly	Less than 10% (Smaller discounts indicate a stronger market where sellers are getting close to their asking price.)
Absorption Rate (AR)	Rate at which available properties are sold	Indicates supply-demand balance; a high rate suggests a seller's market.	All	Monthly	Above 20% absorption rate- properties are selling quickly, indicating high demand. Below 10% absorption rate may indicate oversupply or lower demand
DSR Score	Demand-to-supply ratio	Helps investors gauge market balance, higher scores indicate strong demand relative to supply.	All	Monthly	50 Or above indicates above average inflationary levels

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Metric Name	What It Measures	Why Its Important	Applicable Strategies	Measurement Frequency	Ideal Measurement
Unemployment Rate	Percentage of unemployed individuals in the labour force	Important for economic stability, which affects market demand and affordability.	ALL	Monthly	Below 5% suggests economic stability, which supports property demand. 5-6% may indicate some economic challenges, but not overly problematic. Above 6% can signal economic instability, which can negatively affect the housing market.
Building Approval Rates	Number of approved building projects	Indicates future supply and potential for market saturation or undersupply.	ALL	Monthly	Increasing approval rates, especially in high-demand areas suggests future supply of housing, look for oversupply issues. Stable approvals, with small fluctuations depending on economic conditions lean towards balanced housing supply. Decreasing approval rates may suggest potential housing shortages in the future.
First Home Buyer Activity	Percentage of first-time buyers in the market	Helps gauge market accessibility and future demand from new buyers.	Reno & Flip Development	Monthly	20-30% of market activity (Higher percentages could indicate market accessibility and future demand from first-time buyers, though too high may indicate affordability challenges.
Days on Market Trend	Trend of days on market over time	Shows shifting market momentum and whether conditions are tightening or softening.	Reno & Flip	Monthly or Quarterly	Stable or decreasing trend in Days on Market. A rising trend may indicate slower market conditions.
Renovation/ Development Activity	Rate of renovation and development permits issued	Indicator of gentrification and potential for capital growth.	Reno & Flip Development	Monthly or quarterly	High levels of renovation or new developments Significant activity indicates potential for capital growth, gentrification, and improving community infrastructure.
Vacancy Rate	Percentage of vacant rental properties	Reflects rental market health; high = potential oversupply.	Buy & Hold	Monthly	Below 3% (suggests a tight rental market)
Price-to-Rent Ratio	Ratio of property prices to rental income	Helps assess affordability and buy vs. rent decisions.	Buy & Hold	Quarterly	Below 20 (indicates better rental income relative to property price)

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Metric Name	What It Measures	Why Its Important	Applicable Strategies	Measurement Frequency	Ideal Measurement
Rental Yield and average rents	Income as a percentage of property value	Critical for cash flow analysis and income assessment.	Buy & Hold	Quarterly	5-8% gross yield (varies by location; regional areas often have higher yields)
Affordability Index	Relationship between household income and house prices	Helps assess market sustainability and growth potential.		Quarterly or annually	Ideal ratio between 3.0 and 4.5-This indicates affordability (a ratio above 4.5 suggesting homes are becoming unaffordable for the average person.)
Ripple Effect Indicator	Price growth in neighbouring suburbs	Helps identify emerging growth areas by tracking spillover effects from high-demand suburbs	ALL	Quarterly	Strong price growth in surrounding suburbs (Prices in adjacent suburbs or areas near high-demand locations should show similar growth trends, indicating market expansion.)
Infrastructure Investment	Government/private investment in infrastructure	A major driver of property value growth, affecting demand and liveability.	Development Buy & Hold	Quarterly	A higher percentage of GDP of an area dedicated to infrastructure suggests a commitment to growth and development.
Rental Price Growth Rate	Change in rental prices over time	Indicates rental market strength, important for projecting future cash flow.	Buy and Hold	quarterly	Ideally 3-5% annually (A consistent increase in rental prices can signal a growing demand for rental properties.)
Annual House Sales	Number of houses sold in a year	Indicates market activity and demand trends.	Development Reno & Flip	Monthly/ annually	A consistent or increasing number of sales, indicating a healthy turnover and demand in the market. A dramatic drop could signal market stagnation.
Capital Growth	Increase in property value over time	Long-term appreciation potential for wealth-building.	Buy & Hold, Development	Annually	5-7% annually over the long term (depends on the market cycle)
Home Ownership Proportion	Percentage of owner-occupied homes in a market	Important for understanding market dynamics, stability, and long-term investment potential.	All	Annually	60-70% (Higher homeownership rates can indicate a stable community with long-term investment potential. Extremely low homeownership rates may suggest high rental dependency or volatility.

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Metric Name	What It Measures	Why Its Important	Applicable Strategies	Measurement Frequency	Ideal Measurement
Population Growth	Rate of population increase in a region	Critical for long-term demand, rental yields, and capital growth potential.	Buy & Hold Development	Annually	1.5%+ annually indicates strong demand for housing and long-term investment potential in an area. Moderate Growth of 1.0%-1.5% annually-still healthy, but lower demand potential. Below 1% annually may signal slower demand and lower property value increases.
Demographic Trends	Changes in age distribution, household formation	Key for identifying evolving demand patterns and housing needs.	ALL	Annually	Positive growth in young families, empty nesters, or high-income earners, Trends in these areas indicate areas that are likely to see higher demand for properties, both for rent and ownership.)
Local Economic Diversity Score	Economic dependence on multiple industries	Important for risk assessment; higher diversity can signal greater market stability.	Buy & Hold Development	Annually	Higher diversity. Regions with a mix of industries have more stable economies. A score above 60/100 can signal resilience and fewer risks tied to one industry.

Stay Connected!

Thank you for diving into the Real Estate Statistics - The Ultimate Metrics Chart. I hope you've found this resource valuable for navigating property investment metrics and making informed decisions.
If you'd like more insights tailored to your unique goals, have feedback about this guide, or think there are additional statistics that would be helpful to include, I'd love to hear from you!

📩 Contact me at www.usulproperty.com or email peta@usulproperty.com.au

💡 Let's chat about:

- Strategies for analyzing your local market.
- Customizing metrics to align with your investment goals.
- Exploring additional property data that can enhance your success.

Stay tuned for more free resources and updates, and let's make data-driven property investment work for you!

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