



# Property Outlook

Australian Property Market Report - January 2019

*The realestate.com.au Property Outlook report brings you the latest data and insights relating to demand and median price for residential dwellings across Australia.*



**Downturn less  
pronounced  
than first  
thought**



Nerida Conisbee  
Chief Economist at realestate.com.au

Nerida is one of Australia's leading property experts. She provides regular market commentary to a wide range of Australian media outlets across digital, print, television and radio. She also contributes content for REA Group's websites including realestate.com.au and realcommercial.com.au.

# Table of contents

Median Price .....	4
NSW .....	5
VIC .....	8
QLD .....	10
SA .....	12
TAS .....	14
NT .....	16
ACT .....	17
WA .....	18
Methodology .....	20

## Downturn far less pronounced than first thought, but the worst is not over...

We are now well and truly in the midst of a housing downturn. While conditions remain highly variable across Australia, only four capital cities saw price increases in 2018 with the rest recording declines. Across regional Australia, conditions are even more variable.

The realestate.com.au House Price Index is showing that declines are far less severe than what many other commentators are saying. There is no doubt we are seeing price declines in Melbourne and Sydney, but they are not as pronounced as first thought; and we are certainly not seeing the worst conditions in 30 years. In most other capital cities, prices are either stabilising or seeing moderate growth.

The capital cities continuing to record growth are Hobart, Canberra, Adelaide and Brisbane (in order of price growth). For regional areas, it is Victoria that is doing particularly well with Ballarat seeing the strongest regional price growth in Australia. While declines are not as bad as widely reported, it does look like the worst is still to come in Melbourne and Sydney. For at least the first half of the year prices will fall and from there, it will depend on the outcome of two major events which could dramatically change the direction of the market.

### Top 10 most in demand suburbs in Australia



All dwellings

- |                          |                           |
|--------------------------|---------------------------|
| 1. Middle Park, Vic      | 6. South Hobart, Tas      |
| 2. Battery Point, Tas    | 7. Belair, SA             |
| 3. Aldgate, SA           | 8. East Geelong, Vic      |
| 4. Crafrers West, SA     | 9. Killarney Heights, NSW |
| 5. Collaroy Plateau, NSW | 10. Red Hill, Vic         |

**The outcome of the Financial Services Royal Commission** – at this stage, it is looking like restrictions on home loans will not be a big focus of the final report. Banks reacted very quickly to restrict home lending as soon as the commission was announced and as a result, it is unlikely it will get any tougher for home buyers looking to borrow.

As a further indication that it is unlikely to get any more restrictive, at the end of 2018, APRA removed the cap on interest only loans. This was seen as one of the riskier types of lending given the jump in repayments once the interest only period was over.

**Result of the Federal Election and subsequent change to negative gearing and capital gains tax concessions** – it is now looking likely we will see a change of Government sometime in the first half of 2019. While a more stable Government is good news for property, it is the potential changes to negative gearing and capital gains concessions that could continue to lead to price falls.

It defies common sense that the changes won't hit house prices or rental rates and this assertion has been backed by modelling from both sides of Government, as well as independent consultants.

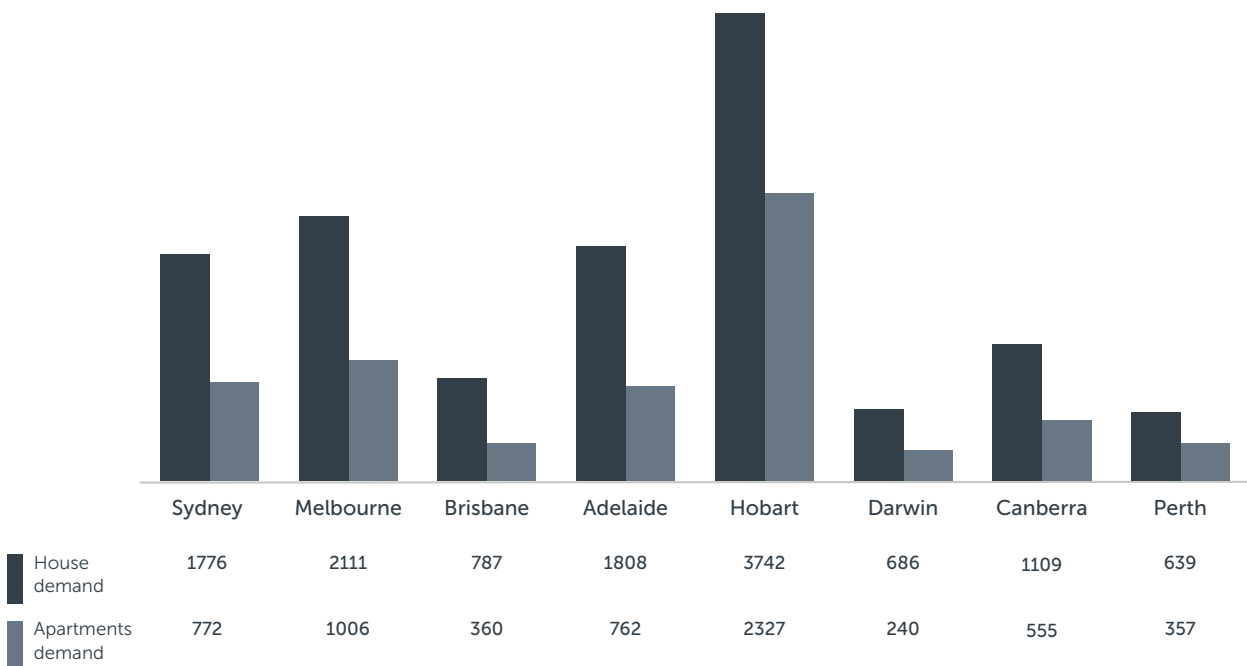
For house prices, best case, lending restrictions are eased up and there are only minimal changes to negative gearing. If this happens, we will see flatter conditions in the second half of the year. Worst case, finance becomes even more restrictive and negative gearing changes outlined by the ALP kick in. A continual fall is then likely for Melbourne, Sydney and potentially the rest of Australia.

## Median price



## Demand by city

Property views per listing





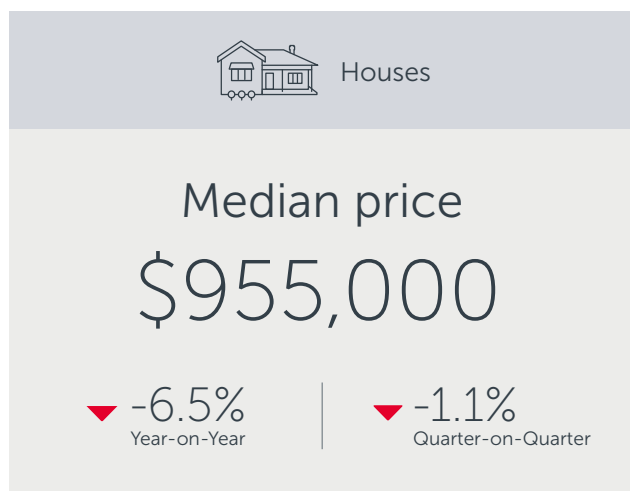
## Market is tough but regional doing well

Sydney has been hit hardest by tougher lending conditions and uncertainty around investor incentives. Prices have now fallen 6.7% from the peak and there is the potential for another 5% fall in the first half of the year. From there, it will depend on the final outcome of the Royal Commission and what happens to investor incentives if we see a change in Government. While Sydney continues to hold the mantle of having the highest priced suburbs in the country, many are seeing the biggest drops in Australia.



Right now, it appears that it is middle priced suburbs that are suffering the most. Expensive suburbs are holding up ok – Manly and Paddington are now seeing some of the highest views per listing in NSW and are also clocking moderate price growth. Cheaper suburbs are also doing ok. While they remain relatively low in terms of demand (views per listing), many are seeing fairly decent price growth. Kingswood and Richmond, both popular with first home buyers, are both on the rise.

While conditions are tough, it does need to be put into perspective. Prices across Sydney have almost doubled in 10 years with some suburbs, such as Watsons Bay and St Leonards, having doubled in just three years.



This extreme level of price growth was unsustainable and particularly problematic for first home buyers. The declines in prices are not bad news for everyone.

Many regional areas are doing well. The Hemsworth/Pataky (plus a lot of other celebrities) impact on the Byron Bay market has led to the Richmond-Tweed region having the highest price growth in NSW, and the fourth strongest in Australia. With Byron Bay's median price now at \$1.75 million and higher than most of Sydney, demand has spread north and south of the town and inwards through the hinterland. Brunswick Heads has a \$1.45 million median and is now more expensive than some Sydney beachside suburbs. Other regions that did well over the year include Coffs Harbour-Grafton and Hunter Valley.

## Top 10 most in demand suburbs in Sydney



### Houses

- |               |                     |
|---------------|---------------------|
| 1. Freshwater | 6. Surry Hills      |
| 2. Paddington | 7. Fairlight        |
| 3. Dee Why    | 8. Winston Hills    |
| 4. Cammeray   | 9. Collaroy Plateau |
| 5. Manly      | 10. Newtown         |



### Apartments

- |                    |                |
|--------------------|----------------|
| 1. Fairlight       | 6. Neutral Bay |
| 2. McMahon's Point | 7. Paddington  |
| 3. Kirribilli      | 8. Artarmon    |
| 4. Wollstonecraft  | 9. Mosman      |
| 5. Queenscliff     | 10. Manly      |

## Sydney metro regions

Regions	Median Price			Demand Property views per listing
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Baulkham Hills & Hawkesbury	\$1,175,000	▼ -4.0%	▼ -1.8%	964
Blacktown	\$700,000	▼ -6.7%	▼ -1.6%	877
City & Inner South	\$975,000	▼ -7.0%	▼ -1.1%	1184
Eastern Suburbs	\$1,562,500	▼ -4.3%	▼ -0.2%	2186
Inner South West	\$840,000	▼ -6.7%	▼ -1.1%	1166
Inner West	\$1,100,000	▼ -5.5%	▼ -0.7%	1447
North Sydney & Hornsby	\$1,300,000	▼ -5.9%	▼ -0.8%	1918
Northern Beaches	\$1,410,000	▼ -6.1%	▼ -0.3%	2650
Outer South West	\$650,000	▼ -4.8%	▼ -0.8%	947
Outer West & Blue Mountains	\$650,000	▼ -4.0%	▼ -0.4%	1021
Parramatta	\$743,000	▼ -8.0%	▼ -0.8%	888
Ryde	\$1,260,000	▼ -5.9%	▼ -0.6%	1198
South West	\$735,000	▼ -4.8%	▲ 0.4%	586
Sutherland	\$1,030,000	▼ -8.9%	▼ -1.1%	1778

## NSW regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Capital Region	\$445,000	▲ 1.4%	▲ 0.4%	431
Central Coast	\$625,000	▼ -3.1%	▼ -0.7%	1345
Central West	\$360,000	▲ 1.0%	▲ 0.7%	430
Coffs Harbour - Grafton	\$450,000	▲ 1.9%	▲ 0.6%	649
Hunter Valley	\$440,000	▲ 2.5%	▲ 0.1%	567
Illawarra	\$680,500	▼ -3.8%	▼ -1.0%	1326
Mid-North Coast	\$449,000	▼ -0.5%	▼ -0.2%	496
New England & North West	\$305,000	▼ -0.9%	▲ 0.4%	187
Newcastle & Lake Macquarie	\$580,000	▼ -0.6%	▲ 0.1%	1287
Richmond - Tweed	\$540,000	▲ 2.9%	■ 0.0%	918
Southern Highlands & Shoalhaven	\$610,000	▼ -1.9%	▼ -0.8%	779



# Melbourne

VIC

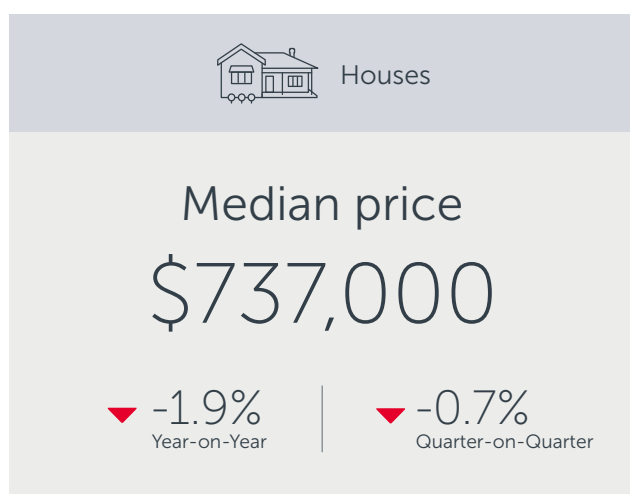
## The downturn won't be as bad as first thought

Melbourne's performance is certainly a lot stronger than Sydney and while the city has been hit by the same finance restrictions, it does seem to be supported by jobs growth. It will take some time to get a clear read on what is happening with jobs, but the demand from renters in the city suggests that jobs are being created and people are continuing to move to Melbourne. Ultimately, this is underpinning housing demand which is stemming the price falls – now down 2.5% from peak and 1.5% over the past 12 months.



The other sign that Melbourne is holding up a lot better is that we are seeing a number of Melbourne suburbs with very high views per listings. Middle Park and Red Hill are even making the national list, a position usually reserved for suburbs in strong performing markets. This popularity is flowing through to price growth with both suburbs seeing double digit growth over the past 12 months.

On a regional level, the popularity of the west is evident with the area seeing the strongest growth – prices are up 1.8% over the past 12 months. Although this is partly driven by new supply suburbs like Truganina and Melton, established suburbs like Footscray and Yarraville are also seeing good increases.



While Melbourne is holding up a lot better, it will be hit by similar forces to the rest of Australia in early 2019 and it is likely we will continue to see a fall. Potentially another 3% for the first half of the year. Like Sydney, the direction after the election will depend on what happens to finance restrictions, as well as negative gearing.

Melbourne might be seeing a slight price decline, but regional Victoria is booming. Regional cities within close proximity to Melbourne are doing particularly well, driven, it seems, by first home buyers and young families. Ballarat, Geelong and Latrobe Gippsland are currently the strongest regional areas in Australia. East Geelong made it onto the list of most popular suburbs on realestate.com.au for 2018.



## Top 10 most in demand suburbs in Melbourne



### Houses

- |                  |                     |
|------------------|---------------------|
| 1. Albert Park   | 6. Richmond         |
| 2. Hawthorn      | 7. Northcote        |
| 3. Toorak        | 8. St Kilda         |
| 4. South Yarra   | 9. Kensington       |
| 5. Fitzroy North | 10. South Melbourne |



### Apartments

- |                |                   |
|----------------|-------------------|
| 1. Parkdale    | 6. Ashwood        |
| 2. Montmorency | 7. Coburg North   |
| 3. Middle Park | 8. Port Melbourne |
| 4. Mickleham   | 9. Oakleigh East  |
| 5. Black Rock  | 10. Elwood        |

## Melbourne metro regions

Regions	Median Price			Demand Property views per listing
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Inner	\$671,000	▼ -1.3%	▲ 0.4%	1486
Inner East	\$1,130,000	▼ -8.5%	▼ -1.5%	1550
Inner South	\$975,000	▼ -5.3%	▼ -0.7%	1909
North East	\$668,000	▼ -0.9%	▼ -0.3%	1328
North West	\$599,000	▲ 0.1%	▲ 0.2%	1103
Outer East	\$735,000	▼ -3.3%	▼ -0.7%	2412
South East	\$625,000	▲ 0.3%	▼ -0.2%	1082
West	\$572,750	▲ 1.6%	▲ 0.1%	923
Mornington Peninsula	\$657,000	▼ -1.8%	▼ -0.2%	2086

## VIC regions

Regions	Median Price			Demand Property views per listing
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Ballarat	\$350,000	▲ 6.4%	▲ 1.2%	974
Bendigo	\$363,000	▲ 2.4%	▲ 1.2%	628
Geelong	\$538,500	▲ 5.6%	▲ 0.3%	1574
Latrobe Gippsland	\$325,000	▲ 4.5%	▲ 2.0%	421



# Brisbane

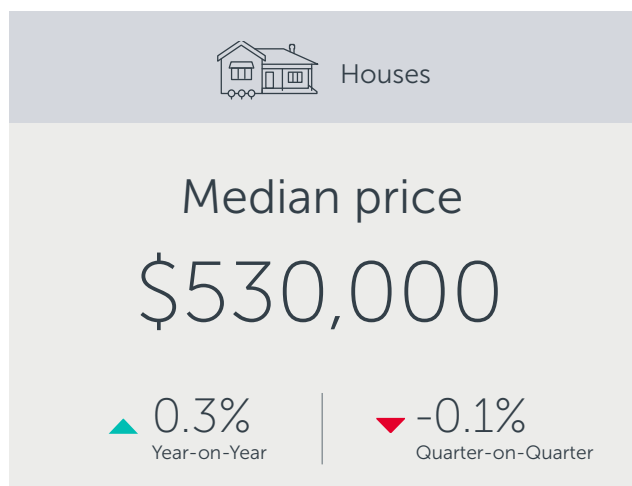
## Brisbane is defying all the odds

Brisbane is up against it – it is still dealing with a hangover of too many new apartments and is under the same national issues of finance and changes to investor incentives. Despite these challenges, the market is holding up and seeing stable prices.



Inner City is doing the best with prices up 2.2%. Usually a small price rise like this wouldn't be much to get excited about, but when compared to some of our toughest markets in Sydney and Melbourne, it is looking almost boom like.

Gold Coast has recovered from its brief post Commonwealth Games slump and is now seeing prices increase again. Some suburbs in this area are doing particularly well, with Main Beach up almost 30% over the past 12 months, while Currumbin is up over 13%.



A large volume of search activity on realestate.com.au coming from Sydney suggests that these price increases may be driven in part by Sydney money but also by the Gold Coast's developing economy and relatively low levels of new development.

While we were seeing some emerging signs of positive conditions in regional Queensland, it does look like any recovery in house prices is stop, start. Areas in South-East Queensland are doing relatively well and seeing some moderate increases, but beyond that, conditions are flat.

## Top 10 most in demand suburbs in Brisbane



### Houses

- |                  |                   |
|------------------|-------------------|
| 1. Paddington    | 6. Windsor        |
| 2. Coorparoo     | 7. Grange         |
| 3. Wilston       | 8. Toowong        |
| 4. Indooroopilly | 9. Newmarket      |
| 5. Red Hill      | 10. Highgate Hill |



### Apartments

- |                 |                 |
|-----------------|-----------------|
| 1. Red Hill     | 6. Gordon Park  |
| 2. Camp Hill    | 7. Ashgrove     |
| 3. Holland Park | 8. Wilston      |
| 4. New Farm     | 9. Wishart      |
| 5. Paddington   | 10. Norman Park |

## Brisbane metro regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
North	\$535,000	▲ 0.1%	▲ 0.2%	1205
South	\$620,000	▼ -1.8%	▼ -0.5%	1210
West	\$640,000	▼ -0.2%	▼ -0.6%	1449
Inner City	\$640,000	▲ 2.0%	▼ -0.4%	1140

## QLD regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Cairns	\$341,000	▲ 0.6%	▲ 0.6%	277
Darling Downs - Maranoa	\$250,000	▼ -13.6%	▼ -1.8%	101
Gold Coast	\$537,500	▲ 0.9%	▲ 0.3%	940
Ipswich	\$360,000	▼ -1.0%	▼ -0.4%	455
Logan - Beaudesert	\$400,000	▼ -1.7%	▼ -0.8%	455
Moreton Bay North	\$412,000	▲ 2.4%	▲ 0.8%	566
Moreton Bay South	\$480,000	▲ 1.1%	▲ 0.2%	948
Sunshine Coast	\$570,000	▲ 1.4%	■ 0.0%	1061
Toowoomba	\$363,000	▼ -1.3%	▲ 0.2%	455
Townsville	\$300,000	▼ -4.1%	▼ -0.7%	245



# Adelaide

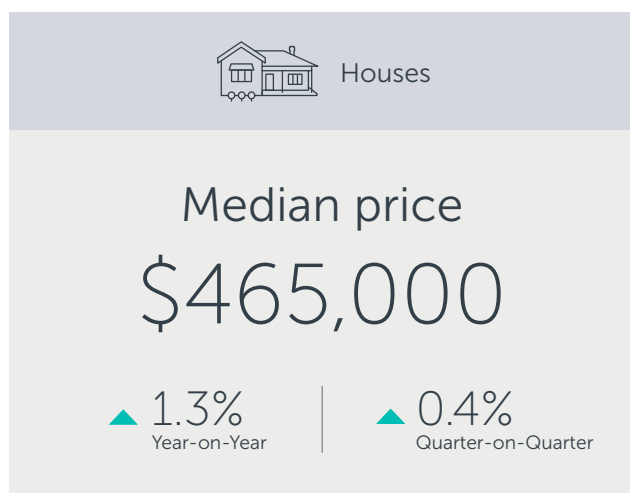
## Slow and steady could win this race

One of only four capital cities to experience price growth over the past 12 months, Adelaide is defying the odds. The city's median has hit the highest level recorded and there is no region experiencing price declines. There are now also three suburbs featuring in the most in demand in Australia – Crafrers West, Aldgate and Belair – all of them in the Adelaide Hills.



For the first time, Adelaide now has its first \$2 million suburb – Medindie – and the suburb also saw the fastest price growth in Australia in 2018. Unley Park should hit the same milestone in the next couple of months. Adelaide now has 23 suburbs with medians over \$1 million and almost all of them saw double digit price growth over the past 12 months.

The city is seeing a big boost in premium prices but also in some of the cheapest suburbs. Gawler West saw a jump of 35% over 2018, hitting a high of just over \$300,000. One of the city's cheapest suburbs, Elizabeth, saw prices rise by over 7%.



What's driving this recovery? It is partly investor led with high volumes of searches on realestate.com.au coming out of Melbourne and Sydney. Jobs growth and greater confidence are also factors – a new Space Agency, submarine construction and a range of other positive announcements for the state are all driving population and housing demand.

## Top 10 most in demand suburbs in Adelaide



### Houses

- |             |                  |
|-------------|------------------|
| 1. Stirling | 6. Unley         |
| 2. Parkside | 7. Unley Park    |
| 3. Aldgate  | 8. Norwood       |
| 4. Goodwood | 9. Hawthorndene  |
| 5. Belair   | 10. Crafers West |



### Apartments

- |                   |                       |
|-------------------|-----------------------|
| 1. Semaphore      | 6. Brompton           |
| 2. Glenelg South  | 7. Kensington Gardens |
| 3. West Beach     | 8. Glenelg East       |
| 4. North Adelaide | 9. Black Forest       |
| 5. Grange         | 10. Unley             |

## Adelaide metro regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Central & Hills	\$595,000	▲ 0.4%	▲ 0.4%	1564
North	\$350,000	▲ 0.9%	▲ 0.2%	855
South	\$440,000	▲ 1.4%	▲ 0.2%	1495
West	\$495,000	▲ 1.2%	▲ 0.4%	1363



## When will the boom conditions end?

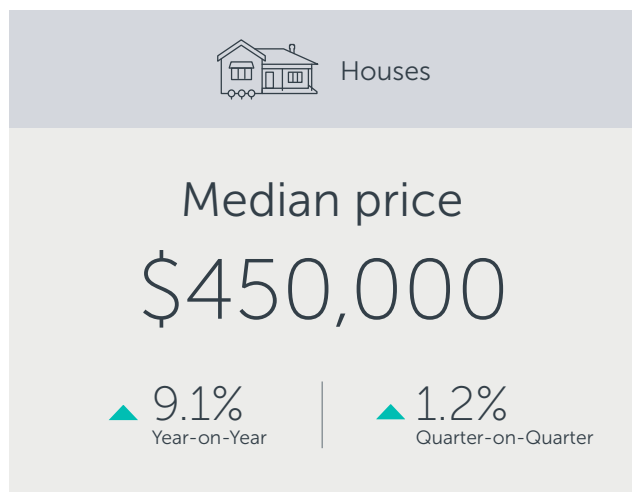
When will this market start to slow? The city didn't quite hit double digit price growth for the past year, but it wasn't far off. While we saw some concerning signs around rental demand starting to emerge, it doesn't seem to have dented buyer activity.

Two of the most in demand suburbs in Australia are in Hobart (Battery Point and South Hobart) and the suburb that is moving quickest up the most popular list is Carlton.



2017's quickest moving suburb, Margate, saw price growth of over 18% in 2018, double that for Hobart which suggests that Carlton will outperform the market. Hobart is set to continue to see price growth in 2019.

Last year, Hobart saw its first \$1 million suburb with Battery Point hitting \$1.34 million. This suburb was also the second most in demand suburb in Australia suggesting that this price growth will continue. Sandy Bay, the top pick for Victorians looking outside their state, has the potential to hit the \$1 million mark this year.



## Top 10 most in demand suburbs in Hobart



### Houses

- |                |                 |
|----------------|-----------------|
| 1. Lindisfarne | 6. Howrah       |
| 2. Sandy Bay   | 7. Acton Park   |
| 3. Bellerive   | 8. Lenah Valley |
| 4. Lauderdale  | 9. Tranmere     |
| 5. New Town    | 10. Moonah      |



### Apartments

- |                |                |
|----------------|----------------|
| 1. Sandy Bay   | 6. Glenorchy   |
| 2. Hobart      | 7. Claremont   |
| 3. West Hobart | 8. New Norfolk |
| 4. Kingston    | 9. Snug        |
| 5. Bellerive   | 10. Dynnyrne   |

## TAS regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
Launceston & North East	\$305,000	▲ 3.1%	▼ -0.3%	Property views per listing 904



NT

# Darwin

## Premium property holding up well

Darwin's long-term price slump continues, showing almost exactly the same decline in prices as Perth. Like Perth, any recovery in Darwin is stop start and has been completely derailed by the Royal Commission. Any improvements to financing will be positive for this market.

While prices continue to fall, premium property is holding up ok. Fannie Bay is Darwin's most expensive suburb and continues to see very high views per listing and double digit price growth. Parap, a slightly cheaper suburb than Fannie Bay saw over 7% growth.



All dwellings

Median price

\$440,000

▼ -3.6%  
Year-on-Year

▼ -0.7%  
Quarter-on-Quarter



Houses

Median price

\$488,000

▼ -1.9%  
Year-on-Year

▼ -1.8%  
Quarter-on-Quarter



Apartments

Median price

\$364,000

▼ -6.1%  
Year-on-Year

▲ 1.2%  
Quarter-on-Quarter

## Top 10 most in demand suburbs in Darwin



Houses

- |               |                |
|---------------|----------------|
| 1. Nightcliff | 6. Jingili     |
| 2. Fannie Bay | 7. Tiwi        |
| 3. Ludmilla   | 8. Rapid Creek |
| 4. Leanyer    | 9. Wulagi      |
| 5. Alawa      | 10. Larrakeya  |



Apartments

- |                |                  |
|----------------|------------------|
| 1. Fannie Bay  | 6. Karama        |
| 2. Bayview     | 7. Driver        |
| 3. Stuart Park | 8. Woolner       |
| 4. Rapid Creek | 9. Coconut Grove |
| 5. Leanyer     | 10. Parap        |



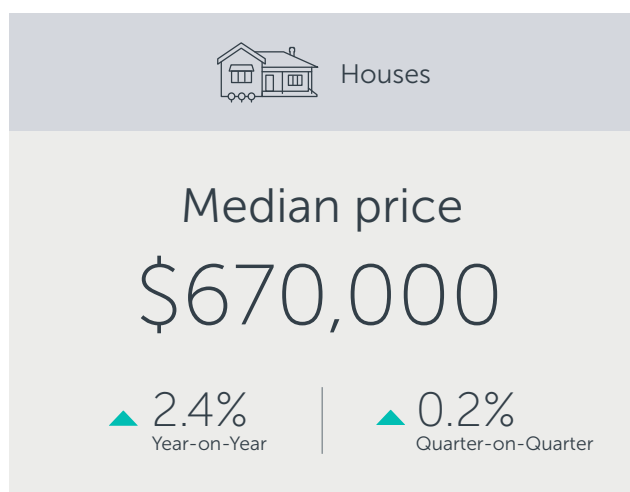


## A new Government + more jobs = good news

It is the second strongest market in Australia and set to benefit from a change of Government. This is partly because Labor Governments tend to employ more staff but also because the need for consultants in the early stages of a new Government is generally high. With more jobs comes more people and this will drive both buyer and renter demand. Price growth over the past 12 months is 1.35% and even though Canberra is under the same national pressures, it seems unlikely these relatively flat conditions will turn negative in the first half of the year.



The most popular suburbs on realestate.com.au continue to show a north side focus. Kaleen is currently seeing the highest views per listing in Canberra and is also outperforming the majority of the city with price growth of more than 8%.



## Top 10 most in demand suburbs in Canberra

Houses	
1. Kaleen	6. Flynn
2. Evatt	7. Narrabundah
3. Macgregor	8. Garran
4. O'Connor	9. Yarralumla
5. Wanniasa	10. Curtin

Apartments	
1. Ngunnawal	6. Pearce
2. Garran	7. Harrison
3. Watson	8. Franklin
4. Narrabundah	9. Lawson
5. O'Connor	10. Red Hill



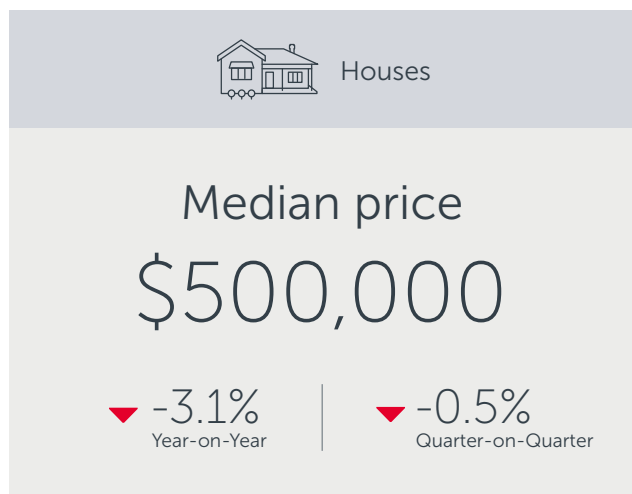
## Recovery derailed by the Royal Commission

The stop start nature of Perth's recovery appears to have stalled and we are now continuing to see price falls. At a regional level, the price declines are pretty random however the north-east is struggling the most. While the Melbourne and Sydney house price boom was brought to an end with the announcement of the Royal Commission, this has completely stalled Perth's recovery which was starting to gain pace in 2017. If access to finance improves this year, it will be a positive for house price growth in the city.



While falls are apparent at an aggregate level, on a suburb level, things are quite different. Peppermint Grove, one of Australia's most expensive suburbs, is still recording increases and West Perth saw prices rise by almost 27%.

The most in demand suburbs continue to show a mix of beachside (Cottesloe and City Beach), as well as inner West suburbs (Shenton Park). With conditions continuing to be tough in Perth, the flight to quality continues.



## Top 10 most in demand suburbs in Perth



### Houses

- |                 |                      |
|-----------------|----------------------|
| 1. Shenton Park | 6. Mount Hawthorn    |
| 2. Floreat      | 7. Cottesloe         |
| 3. Dalkeith     | 8. West Leederville  |
| 4. Subiaco      | 9. City Beach        |
| 5. Nedlands     | 10. Peppermint Grove |



### Apartments

- |                   |                   |
|-------------------|-------------------|
| 1. Shenton Park   | 6. Joodanna       |
| 2. Nedlands       | 7. Leederville    |
| 3. Doubleview     | 8. Scarborough    |
| 4. Cottesloe      | 9. East Fremantle |
| 5. Mount Hawthorn | 10. Crawley       |

## Perth metro regions

Regions	Median Price			Demand
	JAN 2019 median price	Year-on-Year % change	Quarter-on-Quarter % change	
North East	\$437,750	▼ -4.1%	▼ -1.0%	389
North West	\$500,000	▼ -3.6%	▼ -0.4%	530
South East	\$446,000	▼ -2.3%	▼ -0.1%	425
South West	\$480,000	▼ -2.1%	▲ 0.4%	407

# Methodology

## Property Demand

Demand for property provides data and insights relating to demand for residential dwellings across Australia, at a national, capital city, local government area level, statistical area level 4 and by suburb according to property views data on realestate.com.au. It calculates the number of property views in the past 6 months against the average number of property listings.

## Median Price

Median sale price is the price of a property that falls in the middle of the total number of properties sold over the preceding 12 month period for '1 year' trends & calendar year for '10 years' trends. Data supplied by Hometrack Australia Pty Ltd.

The median sales information is current as at the publication date only. The median sales information is based on Third Party Content (within the meaning of our website terms of use). realestate.com.au Pty Ltd does not make any warranty as to the accuracy, completeness or reliability of the information or accept any liability arising in any way from any omissions or errors. The information should not be regarded as advice or relied upon by you or any other person and we recommend that you seek professional advice before making any property decisions.

## realestate.com.au House Price Index

realestate.com.au produce 10 years of monthly indices for the Australian housing market at varying geographies (SA4 and SUA) and for differing property types (houses, units and overall). The method used in realestate.com.au's price indices is a hybrid of hedonic regression and repeat sales regression.

In Hedonic regression, a function is created to estimate the value of different components of any given property. These include the time of sale, geographic location, and physical characteristics of the property such as number of bedrooms, and the property type. The primary advantages of this method are that it can handle the heterogeneous nature of housing by evaluating elements of a property piece by piece. Also, as it does not require matched pairs of properties, unlike repeat sales regression, hedonic methods can utilise all available data thus making it a far more efficient method for indexation.

Missing Imputation technique is used for missing property attributes. This allows an inclusion of more properties being used in the hedonic regression.

Repeat sale regression, the more popular method, considers the change in value over a certain period of properties which have been sold more than once. The two sales form an exact matched pair. The advantage of this method is that it only requires the price, sale date, and address of a property in order to calculate the index, all of which are easily obtainable.

The hybrid method used by realestate.com.au allows for the use of repeat sales regression without the need for an exact matched pair. This is achieved by relaxing the requirement that the property characteristics need to be the same. This means that two properties in the same SA1 region, of the same type, can be matched as if they were an exact match pair. The discrepancy in the property characteristics is accounted for by the inclusion of a hedonic term which scales the index.