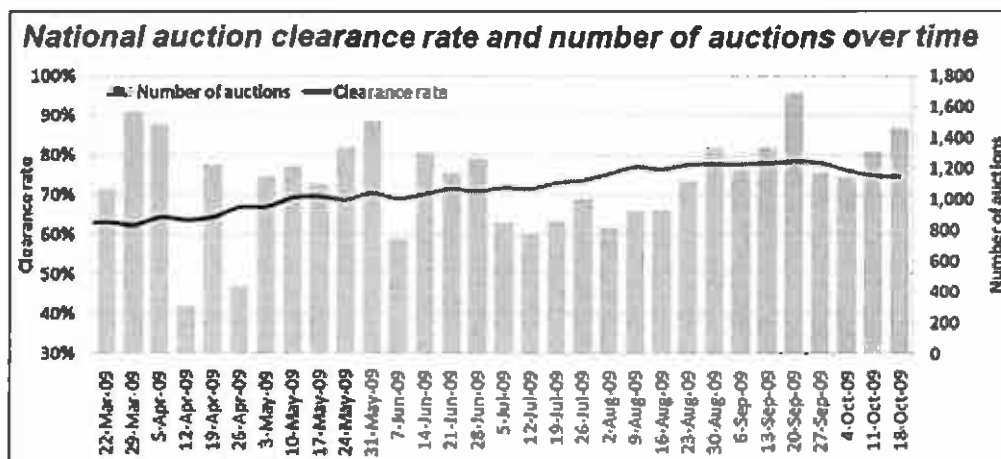


Auctions on the rise

Around Australia, property auctions have enjoyed very buoyant conditions with more than 70 percent of auctions selling under the hammer week on week for the last 15 weeks running.

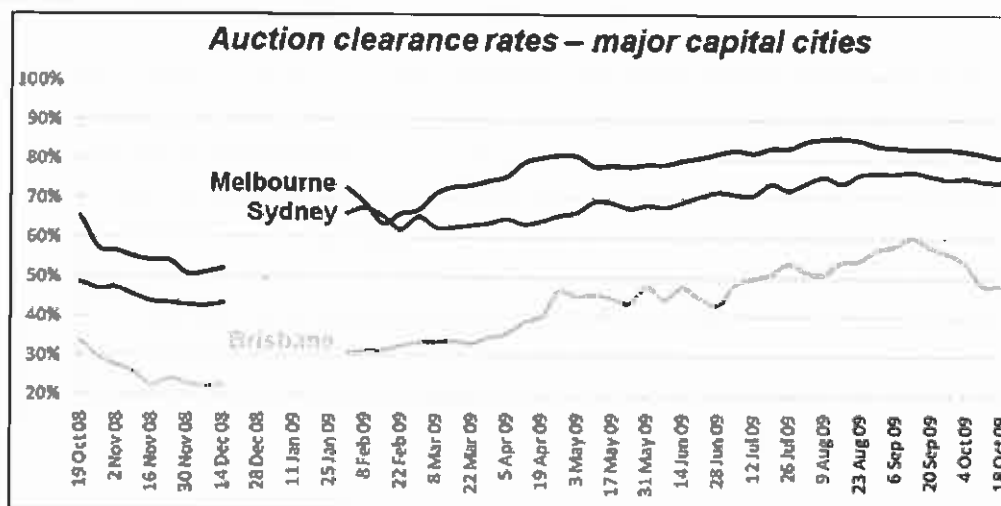
The number of auctions held across Australia has increased consistently since the first week of August when just 817 auctions were held. The last week of September and first week of October saw a slight reduction in auction volumes due to Grand Finals season, however the number of auctions scheduled for this weekend is set to be one of the largest, with 1,670 auctions scheduled.

As auction volumes have ramped up, so too have auction clearance rates. The national weighted average has been above 70 percent for the last 15 weeks.



Auction clearance rates are often used as a timely barometer of real estate market sentiment. When clearance rates are high we can assume that there is a healthy level of optimism amongst buyers and that vendor expectations about the value of their property is aligned with buyer expectations. On the flipside, when clearance rates are low we can generally infer that home buyers are more cautious and vendor expectations may not be aligned with market conditions.

Clearance rates have more relativity to some markets than others. Arguably, they are most relevant to the Melbourne and Sydney market where 85 percent of the nation's auctions are held each week. In Brisbane, auctions account for just over 7 percent of all auctions nationally, followed by Adelaide at 4 percent, Canberra at 2.7 percent and Perth at 1.6 percent. Tasmania and the Northern Territory account for less than one percent of the overall auction market.



RP Data calculates clearance rates based on the ratio of 'cleared' auctions to those auctions that did not 'clear'. Cleared auctions are counted as those that sell at auction, before the auction or within two days after the auction. Uncleared auctions are those that are either passed in or received a vendor bid only or those that were withdrawn from sale in the week prior to the auction. We collect our auction results directly from the real estate community via our in-house call centre and from our subscribing real estate agents who submit their information directly. Each week RP Data collects, on average, 85 percent of auction results before publishing our results on Thursday morning every week.