Peasy

How To Interpret An RP Data Report

A Guide On How To Determine The True Value Of A Property Before You Make An Offer

HOW TO INTERPRET AN RP DATA REPORT?

Before you buy a house, it's important to determine the true value of the property in the current market. The RP Data Report by Core Logic is an invaluable step in helping you evaluate this. It gives you leverage to negotiate a fair price based on valid, comparable facts.

What This Guide Gives You.

This guide aims to help you generate, interpret and examine an RP Data Report.

This guide covers in detail what each of the section in the RP Data Report means and how it can affect the value of the property you are looking at.

We have included the things to consider and what to beware of when comparing similar properties. We also have a list of key questions worth asking, as well as a space to write your answers/notes.

Lastly, we explained how certain factors - such as demographics and market trends - affect the value of a property.

Surely, this guide aims to help you determine not just the right property for your needs, but also the right price to negotiate for!

How To Use This Guide?

To use this guide, simply follow the step-by-step instructions provided in the next pages.

We have included an example of an RP Data Report - complete with a screenshot and detailed explanation of each section - to use as a reference when looking at your own RP Data Report.

Compare the example we have included in this guide to your own RP Data Report. It is best to look at it side-by-side so that you can understand the different scenarios we point out and how it affects and translates into your own RP Data Report.

RP Data Report is an important tool - especially if you use it right and maximise all of its features.

Let's get right into it!

How to interpret an RP Data Report

After you have entered the address of the property you are interested in buying and chose similar properties that sold most recent to the one you are buying, you should have a report that looks like this:

Your Property

1 2/32 Dellview Street Tamarama NSW 2026

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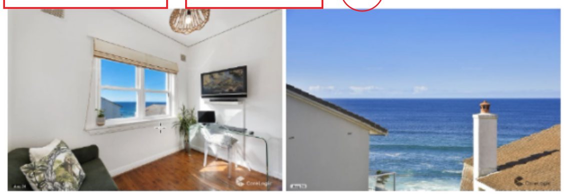
- - 3



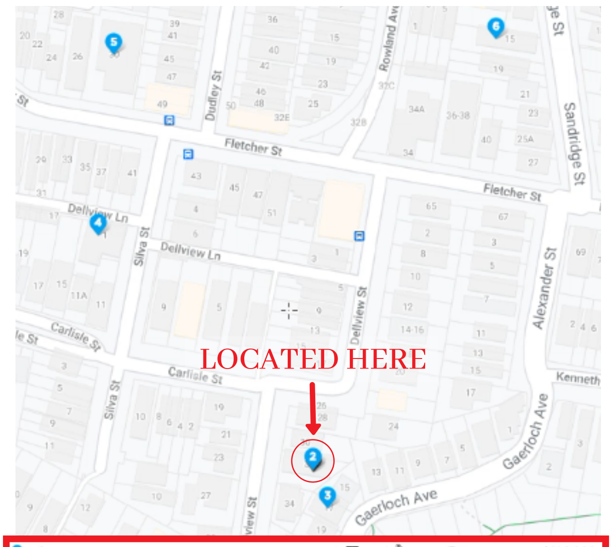
4 **Your Property History**

1 Sep, 2020	-	Listed for sale at Buyers Guide $790,000
23 May, 2000	-	Sold for $317,000
24 Apr, 1986	-	Sold for $62,500

1. This is the property address.
2. Here you can see the details of the property – note the amount of bedrooms, bathrooms and car spots for a direct comparison.
3. The size of the land and the internal area of the house/unit.
4. Property history shows previous sale and listing values. This is important to note when working out the value.
5. Look at the map for Comparable Sales – the property you are looking at is highlighted in black and comparative properties in your area are in blue.

   Where they are on the map is extremely important as that can have a bearing on the price
6. In the example we have used a property which was listed for $790,000 for 1 bedroom, 1 bathroom and no car spots. Note how this compares to similar properties (even in the same building in this example). Unless there are extenuating circumstances, the property appears to be "underquoted" – see page 20 of the guide for more info on under/overquoting.

5 **Comparable Map: Sales**



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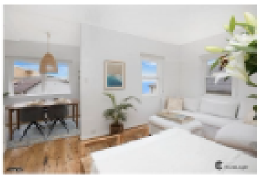
1	1/32 Dellview Street Tamarama NSW 2026	1	1	-	$980,000
2	4/32 Dellview Street Tamarama NSW 2026	1	1	1	$960,000
3	8/17 Gaerloch Avenue Tamarama NSW 2026	2	1	1	$1,200,000
4	4/1 Silva Street Tamarama NSW 2026	1	1	-	$972,500
5	13/28-30 Fletcher Street Bondi NSW 2026	1	1	1	-
6	4/15 Sandridge Street Bondi NSW 2026	1	1	1	$855,000

Reason: The Agent will usually list the price lower so as to attract more people to the property and create more hype and excitement, so people will pay over the list price.

Comparable Sales



1/32 Dellview Street Tamarama NSW 2026

1 | 1 | - | 525m² | -

Sold Date 15-Aug-20 First Listing -
DOM - Last Listing -
Distance -

Sold Price RS $980,000

Year Built -

7

This shows the price this comparable sale sold for which gives an indication as to what the property you're looking at might be worth.

8 Other info on the comparable sale that's important;

- Number of bedrooms, bathrooms & parking – Is this the same as your property? If not, how important is that extra bathroom or carspot in the area, and how does this affect the value?

Answer:

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- Land and house/unit size – Is this smaller or larger than your property? How does this affect the sale prices of the other comparable sales which might be smaller or larger?

Answer:

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- Sold Date – Was this sold in a similar market? Has the market subdued since this sale, or did things heat up?

Answer:

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- DOM – how many days did this take to sell? Was this listed well and sold quickly, or was it overpriced?

Answer:

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- First Listing and Last Listing price – Did the agent get the original asking price, or was it discounted? Or, did the agent underquote?

Answer:

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- A crucial piece of information that's missing on these reports is the condition of the property. Check out the listing for the comparable sale to see how the condition was of the property that was sold. Was it renovated? Did it have essential repairs required? Any other mitigating evidence?

Answer:

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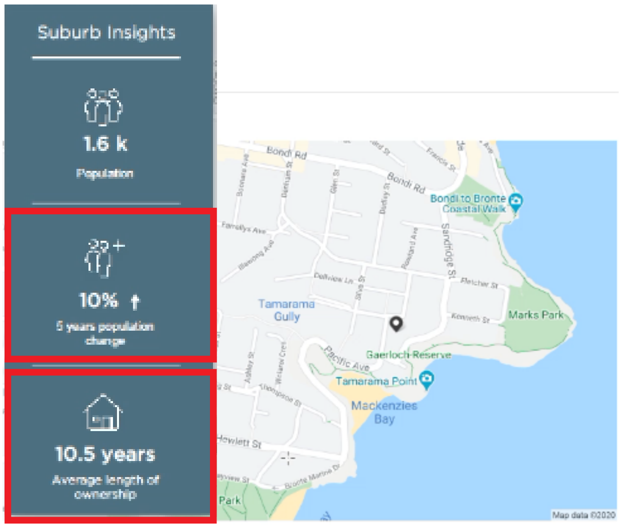
Note: It's important to look at the Comparable Sales instead of the Comparable Listings. The Listing Price does not give you the actual market price or what is was actually sold for.

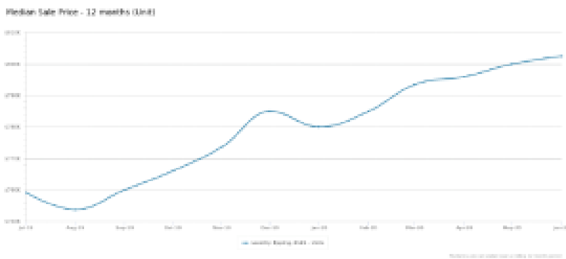
Demographics

9 Demographics: If there is a population increase, it could mean that demand in the area is increasing which means greater upward pressure on property prices.

10 Length of Ownership is important as it shows how tightly held an area is. The less people sell, generally the higher the demand. It could also show what the livability is like in the area you're looking at. It's not an exact science though!



11 Recent Market Trends



PERIOD	PROPERTIES SOLD	MEDIAN PRICE	GROWTH	DAYS ON MARKET	LISTINGS	ASKING RENT
Jun 2020	20	$802,500	0.3% ▲	36	107	$527
May 2020	15	$800,000	0.5% ▲	33	106	$530
Apr 2020	10	$796,000	0.3% ▲	36	95	$530
Mar 2020	32	$793,500	1.1% ▲	36	119	$540
Feb 2020	36	$785,000	0.6% ▲	43	121	$547
Jan 2020	18	$780,000	-0.6% ▼	44	98	$540
Dec 2019	36	$785,000	1.5% ▲	44	97	$540
Nov 2019	45	$773,656	1.0% ▲	44	116	$540
Oct 2019	56	$766,000	0.8% ▲	46	116	$540
Sep 2019	56	$760,000	0.8% ▲	53	103	$540
Aug 2019	62	$753,750	-0.7% ▼	50	105	$540
Jul 2019	59	$759,128	0.5% ▲	53	110	$540

11 Recent market trends can give you an indication of how the market has been tracking recently. A downward trend could give you the opportunity to negotiate with a lower offer, although a rising market may mean you'll have to put in a strong bid!

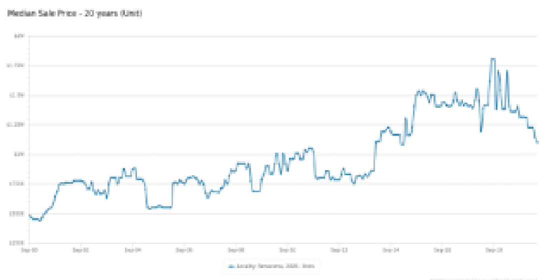
Also have a look at the days on market and how they compare to the long-term market trends. If properties are selling quicker, this could be a sign of a rising market and good opportunities!

Finally, notice how many listings and sales there are. If listings and sales are drying up then this can also place upward pressure on prices.

12 Long term market trends will give you data on how the market has performed over time. Have a look at the sale price of the property when it sold last and what the median price was at the time. This can give some indication on what the property may be worth now.

Keep in mind though, this doesn't take into consideration any renovations the property may have undergone!

12 Long Term Market Trends



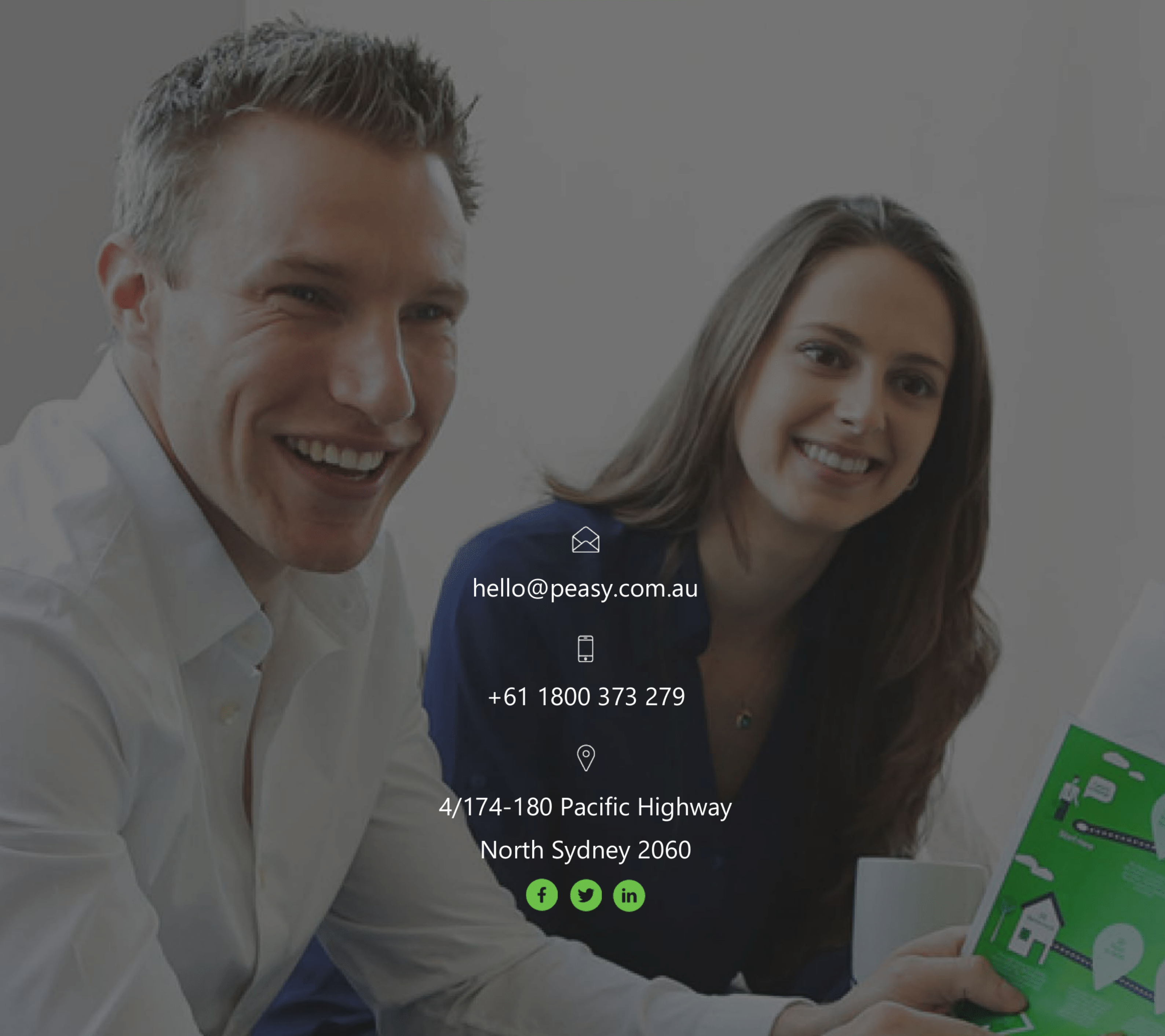
PERIOD	PROPERTIES SOLD	MEDIAN PRICE	GROWTH	DAYS ON MARKET	LISTINGS	ASKING RENT
2020	16	$1,100,000	-19.1% ▼	-	23	$892
2019	18	$1,360,000	-3.9% ▼	38	21	$900
2018	28	$1,415,000	0.4% ▲	-	26	$890
2017	29	$1,410,000	-6.2% ▼	33	24	$950
2016	24	$1,502,500	29.5% ▲	-	19	$800
2015	27	$1,160,000	-2.3% ▼	-	21	$725
2014	32	$1,187,500	47.1% ▲	-	27	$750
2013	21	$807,500	3.2% ▲	-	25	$775
2012	28	$782,500	-24.4% ▼	-	29	$720
2011	26	$1,035,000	12.8% ▲	-	26	$750
2010	22	$917,500	33.9% ▲	-	30	$687
2009	17	$685,000	-9.0% ▼	-	29	$575
2008	38	$752,500	-2.9% ▼	-	35	$580
2007	26	$775,000	1.2% ▲	24	30	$550
2006	24	$765,500	42.4% ▲	48	28	$510

Write your notes here:

We're people, people. And our people are people, people

Our focus is about opening more doors for our customers through great relationships with lenders and customers alike.

Get in touch >



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