



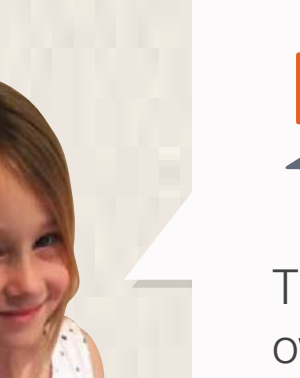
SIGNS A SUBURB'S PRICES ARE SET TO SOAR OR HIT THE FLOOR

Capital growth builds wealth, so buying before prices increase is important. The 8 signs below indicate demand exceeds supply for properties in a suburb and therefore price increases are imminent.

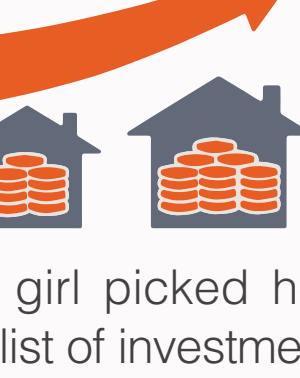
- 1 The number of days on market properties take to sell are falling.
- 2 Vendors/Sellers are less inclined to drop (discount) advertised prices.
- 3 More properties are selling at auction.
- 4 The number of vacant rental properties is dropping.
- 5 An area is popular with both renters and owner-occupiers.
- 6 Rental yields for property is rising.
- 7 There are fewer properties for sale than 3-6 months ago.
- 8 The number of searches per property in each suburb on the property portals is increasing.

MOST PROPERTY INVESTORS GET IT WRONG

According to the ATO:



66% of investors record an annual loss against rental income



72% of investors own only one property

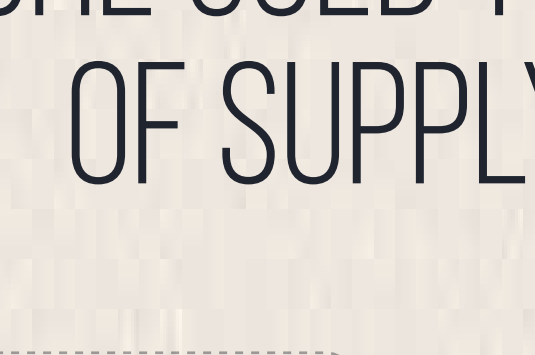


ONLY 0.9% of investors own 6+ properties needed to retire well

Some investors get it right!

There are 8 sure signs a suburb's prices will "soar or floor" based on supply and demand.

They're so powerful even a six-year old girl's suburb picks smashed the market average (and beat the experts too).



This little girl picked her own shortlist of investment hotspots in 2014, that two years later had grown in value on average 40.97% for houses and 32.82% for units.

For the same period, a panel of property magazine experts averaged 33.30% for houses and 15.30% for units.



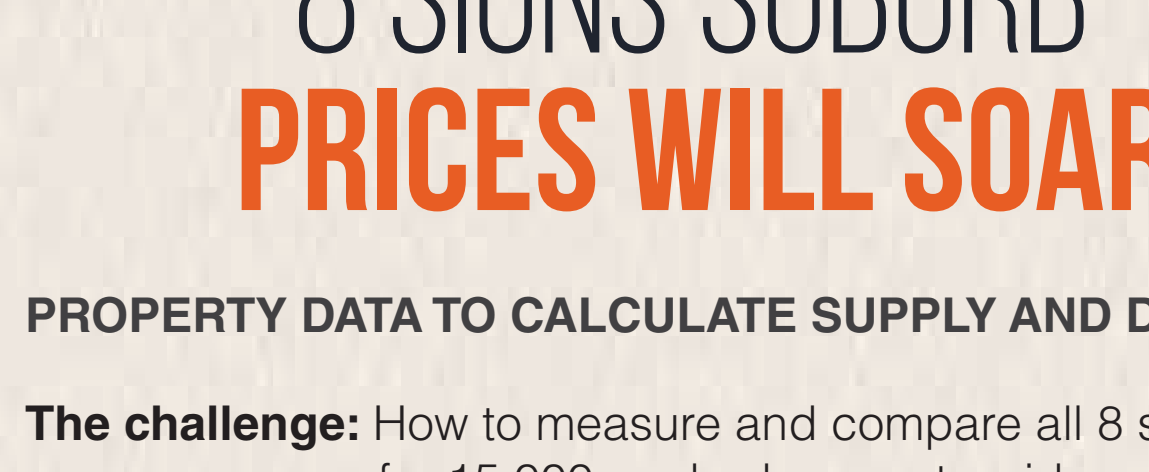
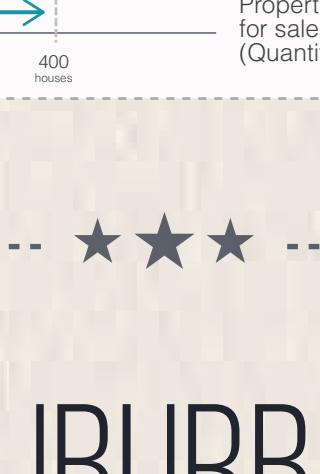
The Australian market average growth for the two years was 12.33%.



SHE USED THE ANCIENT LAW OF SUPPLY AND DEMAND

If there are more properties for sale than demand for them, prices will go down.

If there is more demand than there are properties for sale, prices will go up.



PROBLEM
There are 30,000 micro property markets... that's units and houses in 15,000+ suburbs: how do investors target suburbs where demand is much greater than the number of properties for sale?

8 SIGNS SUBURB PRICES WILL SOAR

PROPERTY DATA TO CALCULATE SUPPLY AND DEMAND

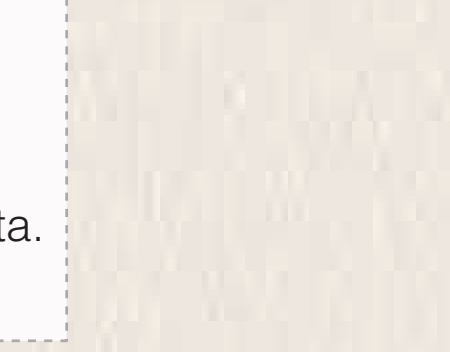
The challenge: How to measure and compare all 8 signs for 15,000+ suburbs countrywide.

Fortunately, there are 8 respected property statistics available from multiple online sources that when analysed in combination can be used to calculate the ratio of demand to supply.

STATISTIC	WHAT IT MEANS	BALANCED MARKET
Auction Clearance Rate	The percentage of auctioned properties that actually sell. The lower this figure the higher the demand.	60% - 70% depending on State
Days on Market	The number of days properties have been listed on the property portals. The lower this figure, the higher the demand.	85 - 100 days
Stock on Market Percentage	The number of properties for sale as a percentage of all properties in a suburb. The lower this figure, the lower the supply for property or the higher the demand, or both.	2% - 3%
Vendor Discount	The percentage difference between the listing price and the actual sale price. The higher the demand relative to supply, the less a seller has to discount.	5% - 7%
Gross Rental Yield	The percentage of rental income to property value. The higher this figure, the more demand there is from renters, and soon investors, as a result.	4%
Vacancy Rate	The percentage of properties for rent that are vacant. The lower this figure, the fewer properties for rent and the greater the demand.	3%
Online Search Interest	The number of searches per property online. The higher this figure, the greater the demand compared to supply.	300 searches
Proportion of Renters	The ratio of renters to owner-occupiers. The lower this figure, the less supply of property for rent. Owner-occupiers take better care of their property which can positively influence prices.	35% - 40%

BENCHMARKING THE STATISTICS

Each statistic provides a measure of the ratio of demand to supply depending on how it compares to its typical balanced market benchmark.



EXAMPLE



The 8 supply and demand property stats can be found at various public sources including:



THE PROBLEM: How to find, collate, analyse and compare millions of data points for houses and units in 15,000 suburbs.

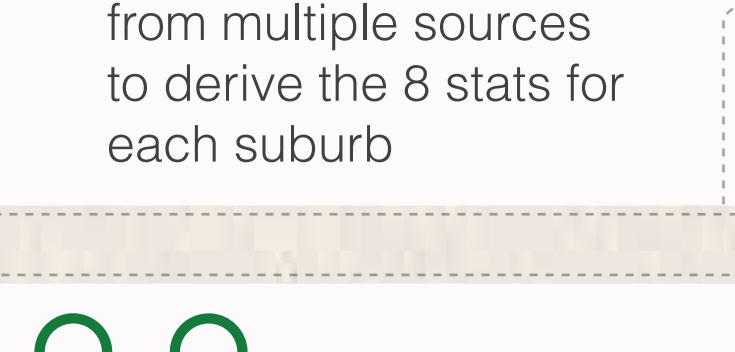
CHALLENGES

- Knowing what data is available.
- Knowing where to find the data.
- Trusting data quality.
- Knowing how to interpret the data.

Warning!

- Never rely on one statistic.
- Never rely on one statistic from only one source.
- Always assess the statistics in combination.
- Always track the trends in the statistics over time.

Bad data from unreliable sources can be very misleading and result in a bad investment decision.



As a result, most property investors:

- Find research overwhelming.
- Act on biased 'expert' advice.
- Get stuck with 'analysis paralysis'.
- Buy on emotion.
- Buy the wrong property.
- Buy in the wrong location.
- Pay too much.
- Buy at the wrong time in property cycle.
- Don't sell at the right time.
- Do nothing at all.

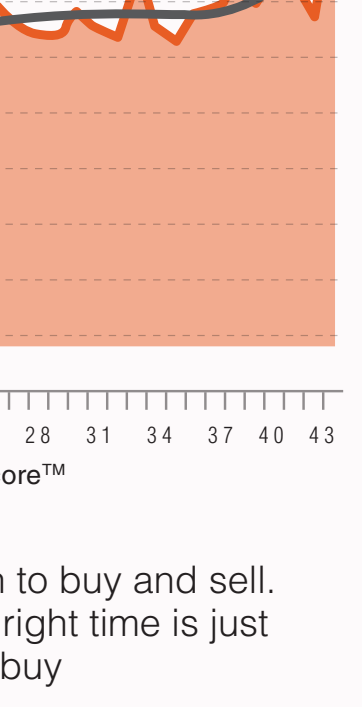
THERE IS A MUCH SMARTER AND EASIER WAY

Find your own property hotspots in minutes. Even a 6-year-old girl can do it.

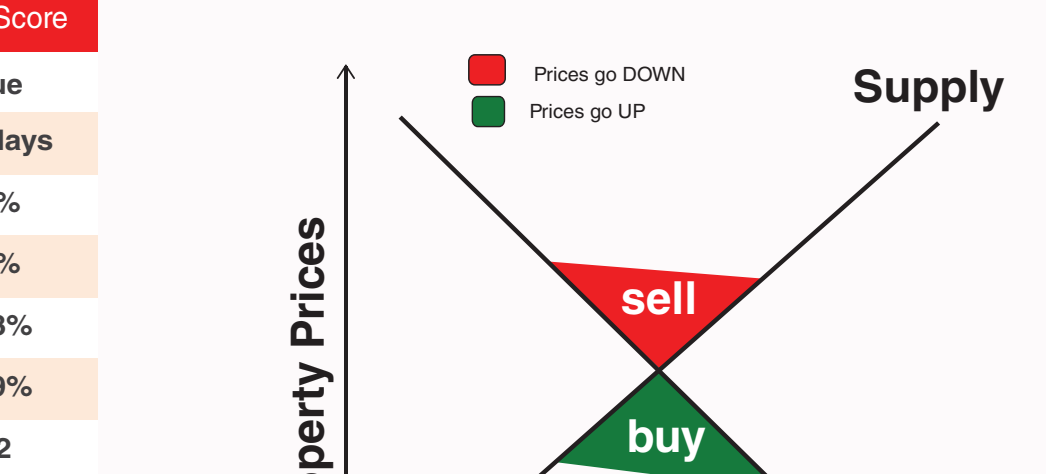


- (1) Go to Boomtown at boomapp.com.au

“Boomtown provides a handy way to identify the country's hottest suburbs without spending countless hours searching, sorting and analysing vast amounts of property information. It measures the gap in supply and demand for units and houses in an area. The higher the DSR BoomScore, the better the chances of imminent capital growth.”
Your Investment Property Magazine



- (2) Boomtown 'grabs' more than 4 million data points for all suburbs from multiple sources to derive the 8 stats for each suburb

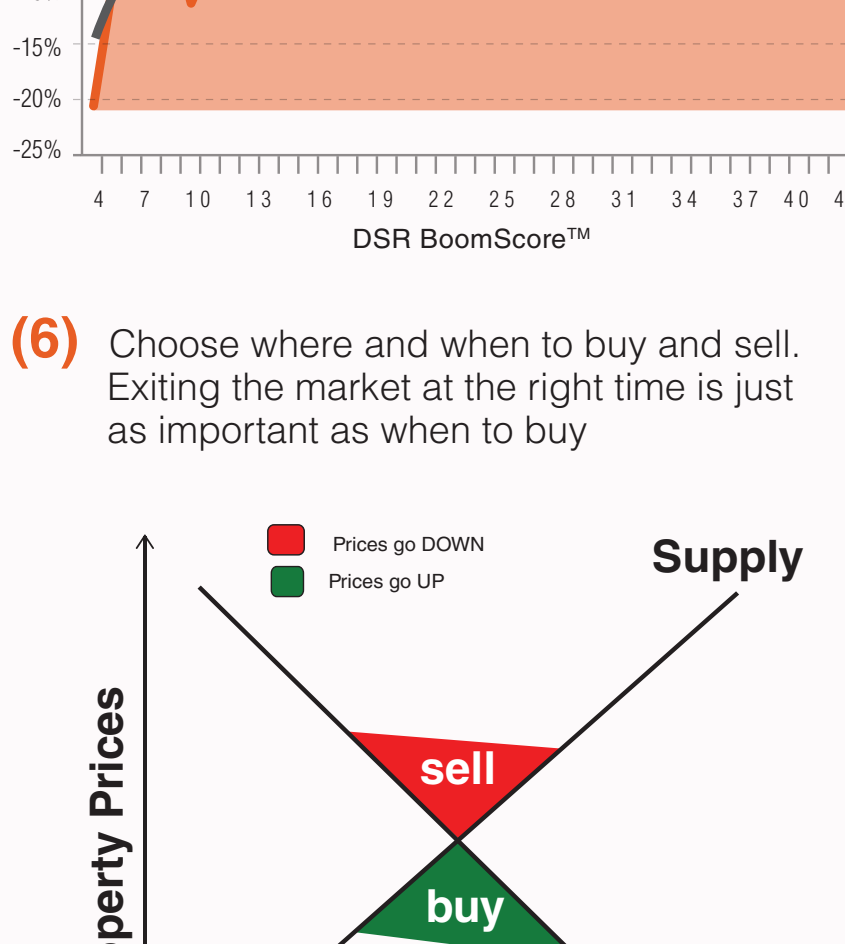


- (3) Boomtown's algorithm calculates the ratio of demand to supply for houses and units based on how each suburb compares on the 8 property statistics above

- (4) Pick suburbs with high DSR BoomScore™

SUBURB A	HIGH DSR BoomScore
Statistics	Balanced Benchmark Value
Days on Market	92 69 days
Vendor Discounting	6% 6%
Auction Clearance Rate	65% 63%
Rental Yield	4.5% 5.40%
Stock on Market	3% 0.83%
Online Search Interest	26 34.7
Vacancy Rate	3% 1.50%
Proportion Renters	37.5% 44

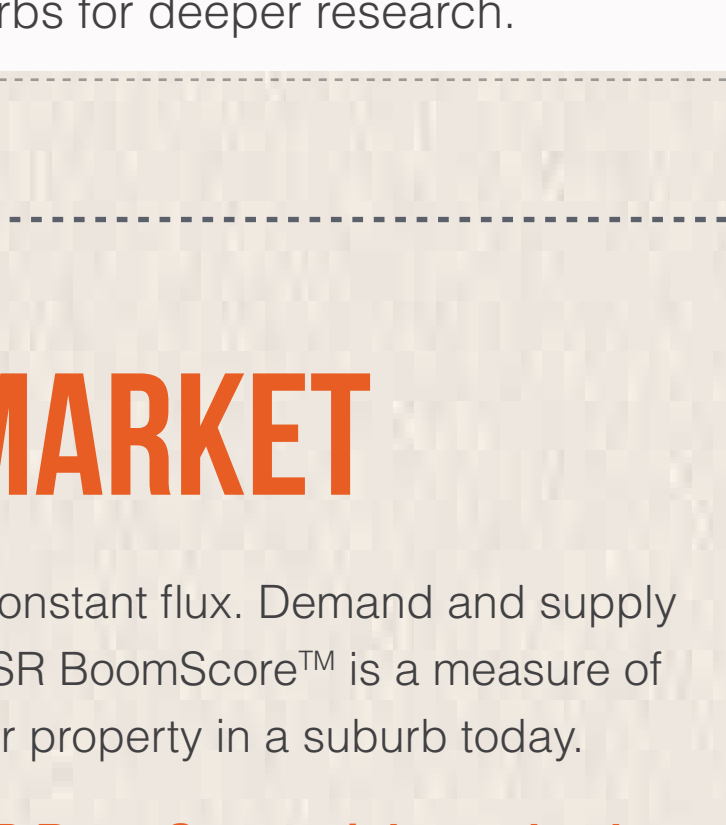
We can also see there is strong correlation between the DSR BoomScore and subsequent capital growth.



- (5) Ignore suburbs with a very low DSR BoomScore™

SUBURB B	LOW DSR BoomScore
Statistics	Balanced Benchmark Value
Days on Market	92 348 days
Vendor Discounting	6% 20%
Auction Clearance Rate	65% 30%
Rental Yield	4.5% 4.18%
Stock on Market	3% 5.19%
Online Search Interest	26 4.2
Vacancy Rate	3% 5.18%
Proportion Renters	37.5% 53

- (6) Choose where and when to buy and sell. Exiting the market at the right time is just as important as when to buy



Disclaimer: Never rely solely on the data or BoomScore as a basis to buy or sell. Use the BoomScore to shortlist suburbs for deeper research.

TIMING THE MARKET

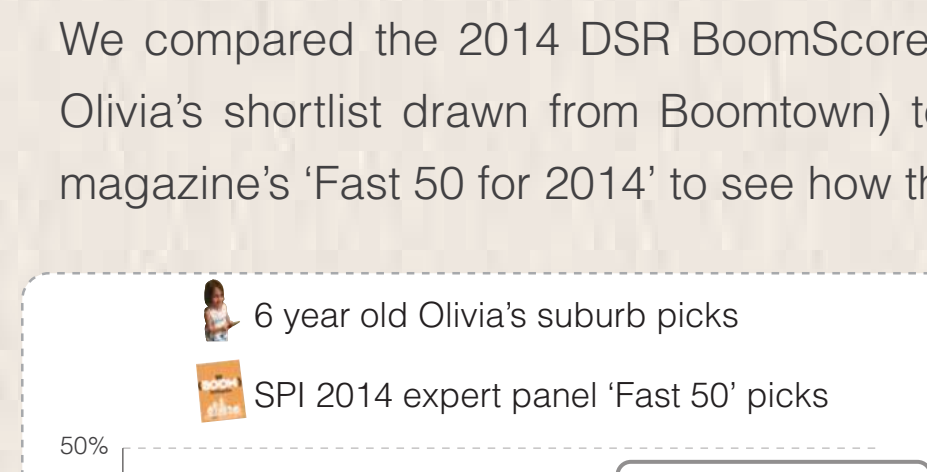
Property markets are in a constant flux. Demand and supply changes over time. The DSR BoomScore™ is a measure of supply and demand for property in a suburb today.

Two suburbs with the same DSR BoomScore might not be the same.

Suburb A has a DSR BoomScore™ of 39 today. That's high demand with low supply. Its DSR BoomScore was 22 six months ago.

Suburb B has a DSR BoomScore™ of 39 today. That's high demand with low supply too. Its DSR BoomScore was 43 six months ago.

From this trend in the DSR BoomScore™ we can see SUBURB A is probably a better bet if the trend continues.



Suburb A Score 39
The underlying 8 property stats are improving over time as indicated by the summary score



Suburb B Score 39
The underlying 8 property stats are declining as indicated by the summary score

DOES THE DSR BOOMSORE™ WORK?

We compared the 2014 DSR BoomScore™ Top 50 suburbs (little Olivia's shortlist drawn from Boomtown) to a high profile property magazine's 'Fast 50 for 2014' to see how they fared two years later.



- From January 2014 – January 2016, the national average capital growth was a very solid 12.33%.
- Here's how the magazine's Top 50 experts' predictions fared:
 - Mag Top 50 Units - 15.30% growth
 - Mag Top 50 Houses - 33.30% growth
- And here is how little Olivia's Boomtown predictions did:
 - Boomtown Top 50 Units - 32.82% growth
 - Boomtown Top 50 Houses - 40.97% growth

We compared the 2010-2013 growth of another property magazine's Top 100 to the BoomScore Top 100 for the same period. The market average according to Residex during this period was -1.7%. The magazine panel experts' Top 100 suburbs grew on average by 7.3% and the BoomScore Top 100 grew by 11.85%.

