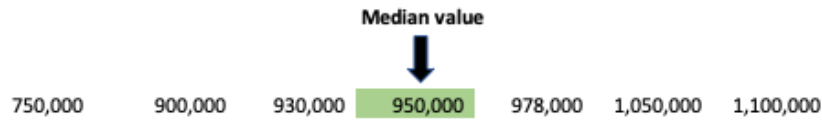


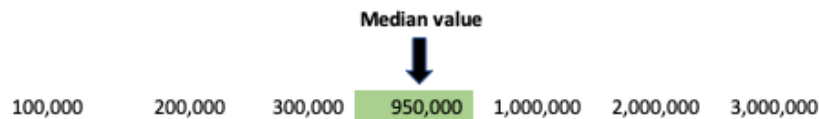
## How useful is “THE MIGHTY MEDIAN” as a measure of property values?

In Australian real estate circles the median must be one of the most talked about, published and researched property metrics. As we know, it’s the middle value in a range of numbers.

To recap, in this example 950,000 is the median value in the range 750,000 to 1,100,000



In this example 950,000 is *also* the median value in the range 100,000 to 3,000,000. Yes, extreme numbers in the range, which reminds us the values above and below the median can be any value – they have no impact.



Apply this to the real estate market and it *could* be very mis-leading to use the median value as the only measure of property values in a location, or a point in time, without understanding the distribution of sold prices above and below the median. This provokes another question - what then are some of the characteristics of properties at each price point plus/minus the median?

Recent analysis for a client, by Vanguard Analytics, plotted the distribution of sold prices relative to the median over a ten-year time frame for the SA3 area Chatswood – Lane Cove, which is on the North Shore of Sydney NSW. Here’s the results:

### Chart 1

Blue line = percentage of sold prices between 0 to + 10% of the median.

Red line = long term average at 12% on the plus side.

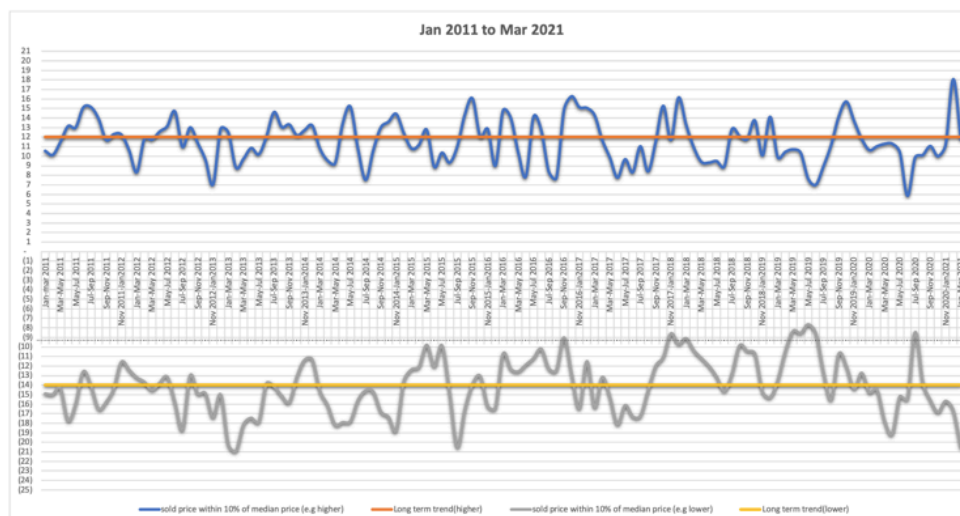
Grey line = percentage of sold prices between 0 to - 10% of the median.

Yellow line = long term average at 14% on the minus side.

Simplistically about 74% of sold prices are not within 10% of the median price.

### Percentage of sold prices within 10% plus/minus of median price

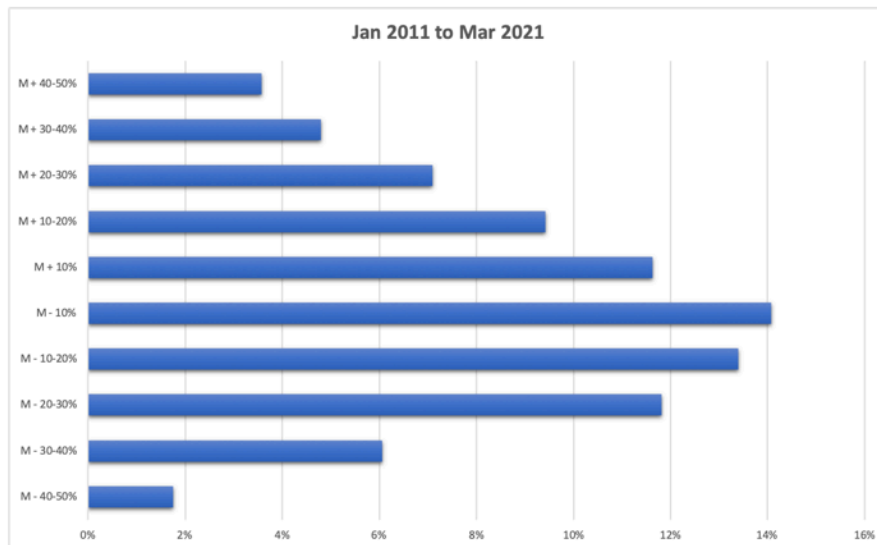
Vanguard  
Analytics



## Chart 2

Percentage distribution of all sold prices relative to median price

Vanguard  
Analytics



## What next?

If you have an interest in:

- a location
- property type e.g. houses or units
- understanding the distribution of prices relative to the median
- the characteristics of properties at different price points

then, email your request to [nick@vanguardanalytics.com](mailto:nick@vanguardanalytics.com) with all the details and we will be in touch to discuss your complimentary report.

Nick Cluney  
Director, Vanguard Analytics  
Licence No 20265056  
Phone +61 427 514 499 Australia  
Phone +65 8754 8236 Singapore