

## ***MEDIAN PRICES... MISLEADING IN THE HINTERLAND***

From time to time you will hear about changes in the property values and median price in your suburb.

Take care not to confuse median sale prices and average sale prices, the two numbers can vary enormously! Averaging adds up property prices in a list and divides by the number of properties. The median price is the figure in the middle of a range of properties arranged from lowest to highest.

So, if you have 11 properties, the median price would be the price of the 6th property from lowest to highest. There will be five properties below it in value and five properties above it in value.

Median and average prices can be quite similar if the prices form an even range from high to low. However, if the list of 11 properties has eight low priced and only three high priced properties, the median value will look low compared to the average value. Conversely, with three low priced and eight high price properties, the median value will be higher than the average value.

Median prices in city suburbs with lots of sales of similar type properties are usually quite accurate and useful. The Hinterland is very different with far less sales and selling prices ranging from \$400,000 to \$4million!

While median prices can assist as broad indicators and allow comparisons between cities, looking at recent comparable property sales in specific areas will always give the clearest understanding of the property market in your suburb.

You are most welcome to give our agency a call to see how your property compares in the current market. We look forward to assisting you with any real estate matters.



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