



NUCLEUS WEALTH **EMPOWER**



**AILEEN
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HOUSE PRICE FUNDAMENTALS

Agenda

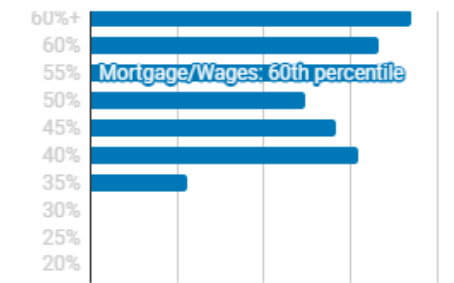
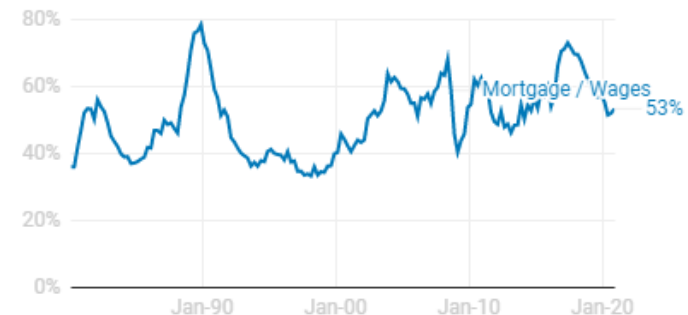
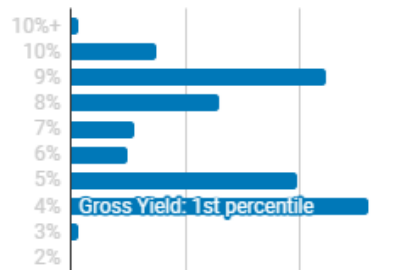
- Property market fundamentals
- What's a bubble? What's a boom?
- What's cheap money?

Property Market Fundamentals

Two ways to value residential property:

1. As an investment class.
 - a. Valuation based on:
 - i. Gross yield, or
 - ii. Discounted cash flows (sometimes referred to as DCF)
 - b. As an investment class funded by debt.
2. As a dwelling in which people live. Valuation based on:
 - a. Mortgage payments vs income
 - b. Mortgage payments vs rent

Sydney Residential Property Valuations



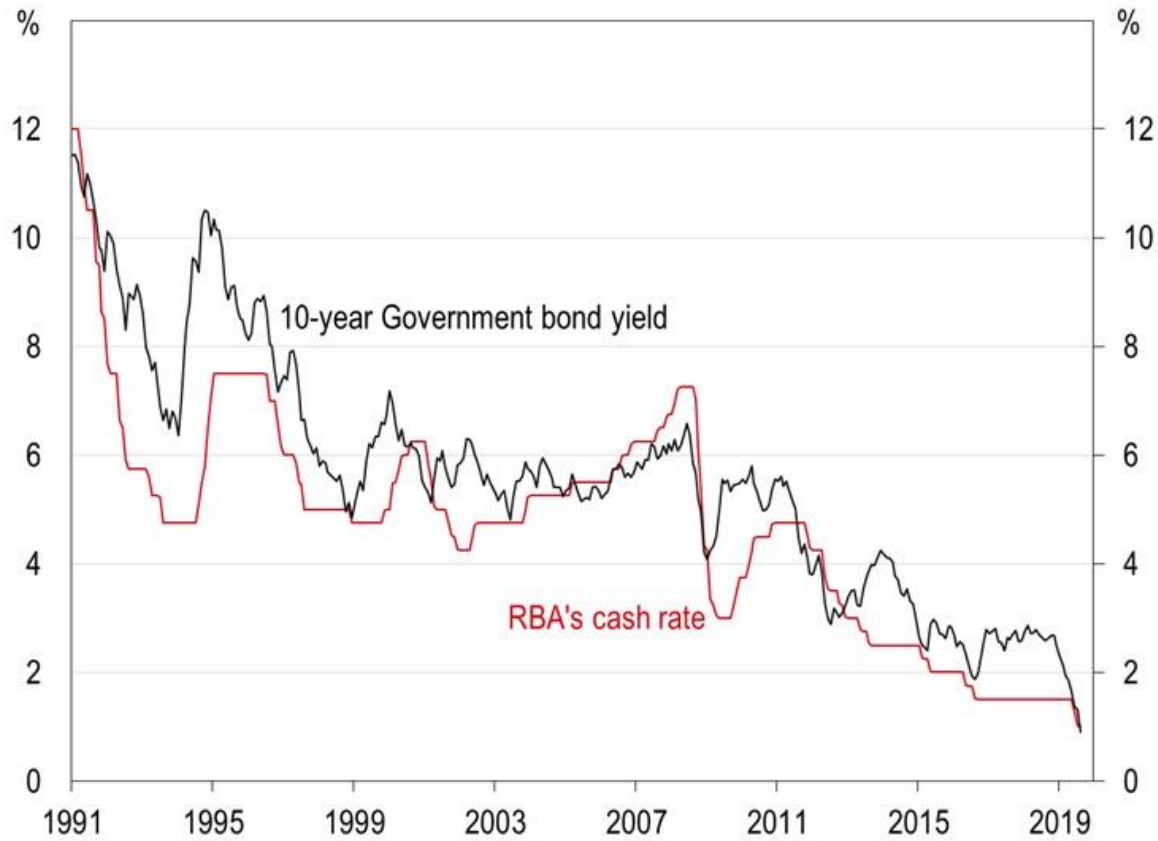
Source: Nucleus Wealth, ABS, RBA, Domain, Rismark, SQM

What's a bubble? What's a boom?



What is cheap money?

Australian Interest Rates



10-year Government Bond Yields

