

# Area Selection Traffic Light System Checklist

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## Step 1: Price Trends

Question: Are prices rising, flat, or falling in the last 12 months?

- ☐ Rising prices → Is the rate of growth **steady or accelerating**?  
☒ **Green Light:** Market likely in early growth phase
  - ☐ Rising prices → Is the rate of growth **decelerating**?  
☒ **Amber Light:** Market could be nearing the end of its growth phase
  - ☐ Flat prices  
☒ **Amber Light:** Proceed with caution, investigate further
  - ☐ Falling prices  
☒ **Red Light:** Do not proceed
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## Step 2: Sales Activity

Question: Are properties selling faster or slower than 12 months ago?

- ☐ Time on market is decreasing AND vendor discounts are reducing  
☒ **Green Light:** Demand outpacing supply
  - ☐ Only one of these is improving  
☒ **Amber Light:** Could be bottom of the market — investigate further
  - ☐ Time on market is increasing AND vendor discounts are growing  
☒ **Red Light:** Market is weakening
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## Step 3: Population Growth

Question: Is population growth stronger than new construction?

- ☐ Population growing AND limited residential land  
☒ **Green Light:** Long-term demand is strong
- ☐ Flat population AND no new construction  
☒ **Amber Light:** Could still work if landlocked and undersupplied
- ☐ Flat or falling population AND lots of construction  
☒ **Red Light:** High risk of oversupply




## Step 4: Owner-Occupier Rate

Question: Are 50% or more of local residents owner-occupiers?

- ☐ 60%+ owner-occupiers  
 **Green Light:** Stable, community-driven suburb
  - ☐ 50–60% owner-occupiers  
 **Amber Light:** Might be okay — investigate
  - ☐ Less than 50% owner-occupiers  
 **Red Light:** Risk of tenant-driven volatility
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## Step 5: Rental Demand (Vacancy Rate)

Question: Is the vacancy rate below 3%?

- ☐ ≤2.5% vacancy  
 **Green Light:** Strong tenant demand, faster leasing
  - ☐ 2.6–3.0% vacancy  
 **Amber Light:** Balanced, but watch closely
  - ☐ >3.0% vacancy  
 **Red Light:** Risk of long vacancy periods
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## Step 6: Infrastructure Investment

Question: Is there real, meaningful infrastructure coming?

- ☐ Includes long-term job creation, connectivity & livability  
 **Green Light:** Multiple growth drivers
- ☐ Includes only one or two elements (e.g. road or school)  
 **Amber Light:** May have impact — investigate
- ☐ Short-term or speculative infrastructure only  
 **Red Light:** Unreliable for long-term growth

## Step 7: Economic Strength & Diversity

Question: Is the local economy growing and diverse?

- ☐ GRP **rising** AND 3+ major industries  
☒ **Green Light:** Resilient, future-ready economy
  - ☐ GRP **stable** AND 2 solid industries  
☐ **Amber Light:** Could be okay, but monitor risk
  - ☐ One **dominant** industry or declining GRP  
☒ **Red Light:** High exposure risk
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## Step 8: New Supply (Zoning & Construction)

Question: Is supply under control or exploding?

- ☐ Tightly held, landlocked, or hard to build  
☒ **Green Light:** Low risk of oversupply
- ☐ Moderate construction that matches population growth  
☐ **Amber Light:** Monitor future development
- ☐ High-density zoning or overdevelopment  
☒ **Red Light:** Prices and rents likely to fall