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The 15 kilometre question.

Every recovery calculation in this series assumes the security property can be sold to a real buyer, at a real price, within about ninety days. Whether that assumption holds depends on how many buyers a local market actually has, and buyer depth can be measured from published data. This paper sets out the three measurements Oxford applies to every region before lending in it, with Sydney sales volumes currently running 17 per cent below a year earlier, and publishes the criteria so investors can check our loans against them.

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SUMMARY

Paper 04's stress test assumes a defaulted property sells within a nine month workout, with the marketing campaign itself inside roughly ninety days. That assumption is carrying the whole structure, so it should be tested region by region rather than taken on trust. The good news is that the evidence is public: property markets publish their own liquidity statistics every month.

MEASUREMENT	WHAT IT TELLS YOU	WHERE IT COMES FROM
Turnover	Sales in the past year as a share of all dwellings in the region. This counts the buyers who actually showed up.	Cotality sales records against ABS dwelling stock, by SA3 region
Days on market	The median time a property takes to sell. This is the direct test of the ninety day window.	Cotality listings data, monthly
Depth under stress	What happens to clearance rates and unsold stock when conditions soften, as they are now.	Published auction results and total listings, monthly

PLAIN ENGLISH · SA3, THE MAP UNIT

The ABS divides Australia into statistical regions. An SA3 covers roughly 30,000 to 130,000 people, about the size of a council area or a familiar chunk of a city. Greater Sydney contains around 45 of them. Measuring at SA3 level is fine grained enough to matter and coarse enough that the data stays reliable.

A region must pass all three tests, on current data, before Oxford lends against property in it. Section 02 explains how the tests become a published map, and Section 03 covers the 1990 episode that the framework is built to respect.

> **What this paper does not claim:** that any suburb is immune to illiquidity. In 1990 there were postcodes where nothing sold at any price for months; the paper includes them.

90	3	-17%	~45
DAYS, THE SALE WINDOW BEING TESTED	TESTS A REGION MUST PASS	SYDNEY SALES VOLUMES, YEAR ON YEAR	SA3 REGIONS ACROSS GREATER SYDNEY

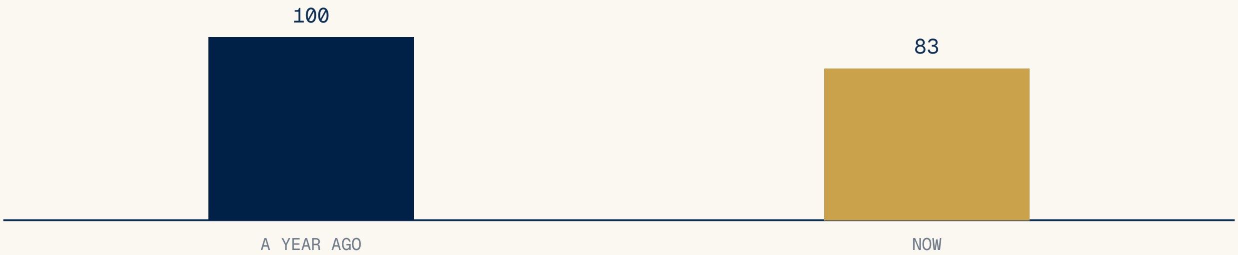
SECTION 01

Buyer depth, with expensive examples.

Prestige and liquidity are different properties of a suburb, and lenders care about the second one. Some of Sydney's most admired addresses transact a handful of times a year, through long private campaigns, at prices reached by negotiation between a small number of qualified buyers. Plenty of middle ring regions, meanwhile, turn over their housing stock steadily every month of every year. For a lender who may one day need a sale inside ninety days, the second market is the safer collateral, whatever the postcodes suggest socially.

PROFILE, ILLUSTRATIVE ONLY	HIGH TURNOVER MIDDLE RING REGION	PRESTIGE ENCLAVE
Turnover, sales as % of stock per year	Consistently high	Low, a thin trickle
Median days on market	Well inside the 90 day window	Often beyond it, campaigns run long
Behaviour in soft years	Volumes dip, sales continue	Sellers withdraw, the market can go quiet
Suitability as forced sale collateral	Strong	Weak, whatever the price tag

Illustrative profiles to show what the three measurements distinguish. The published map scores real regions with real data.



SYDNEY SALES VOLUMES, INDEXED, YEAR ON YEAR: DOWN ABOUT 17%. SOURCE 1.

FIGURE 1. THE CURRENT ENVIRONMENT. FEWER SALES MEANS FEWER PROVEN BUYERS EVERYWHERE, AND THE THREE TESTS TIGHTEN AUTOMATICALLY BECAUSE THEY RUN ON CURRENT DATA.

SECTION 02

From three tests to a published map.

TEST 1	TEST 2	TEST 3
TURNOVER	DAYS ON MARKET	DEPTH UNDER STRESS
Trailing 12 month sales as a share of dwelling stock.	Median selling time, checked against the	Clearance rates and unsold stock in soft conditions.
Counts the region's real, demonstrated buyers.	90 day window that Paper 04 relies on.	Average years flatter; soft years inform.

A REGION PASSES ALL THREE ON CURRENT DATA, OR OXFORD DOES NOT LEND THERE.

FIGURE 2. THE THREE TESTS. EACH IS A PUBLISHED NUMBER, RE-MEASURED MONTHLY ALONGSIDE THE SYDNEY MORTGAGE MONITOR.

MAP TIER	MEANING	LENDING CONSEQUENCE
PASSES	All three tests met on current data	Eligible for lending at standard terms
WATCH	Passes on trend, thins under stress	Case by case, with lower LVR or additional conditions
DOES NOT PASS	Fails one or more tests	No lending, at any price or LVR

The map and the full SA3 table, showing every region's three readings for the month, are published beside this paper and regenerated monthly from the same Cotality, ABS and auction data that feed the Sydney Mortgage Monitor. The published edition of this paper appends that table with the code included. Publishing the criteria makes them checkable: an investor holding our loan list can look up any security's region on the map for its month, and raise any exception through the disclosure table in Paper 06. The 15 kilometres in the title records where this framework began, as an instinct about staying close to the CBD. The tests replaced the instinct with arithmetic, and the arithmetic is the rule. Our initial lending concentration is Greater Sydney; where the fund's mandate takes it further, the same three tests apply, on the same published data, wherever the security sits.

SECTION 03

1990, kept in the model.

In the downturn that followed the late 1980s boom, with lending rates near 17 per cent, parts of Sydney recorded months in which no sales settled at all. A days on market statistic has no value to report when nothing sells, and that silence is the most important data point in this paper. Liquidity in property is usually low and occasionally absent, and a framework that only contemplates low is incomplete.

WHAT 1990 ESTABLISHED	HOW THE FRAMEWORK ANSWERS IT
Whole postcodes can stop transacting for months	Test 3 scores regions on their soft year behaviour, and regions with a history of going quiet score poorly in exactly those conditions.
Illiquidity arrives fastest where buyer depth was thinnest	Tests 1 and 2 keep the book out of thin markets before the downturn, which is the only time the choice is available.
Sometimes the sale simply takes longer than any plan	Paper 04's arithmetic charges nine months of arrears and costs, and the loan's protection in a true freeze is the 35 points of borrower equity and the absence of investor redemption terms that would force a sale into an empty market.

The honest limit of the framework belongs in its own sentence: the three tests reduce the chance of holding security in a market that freezes, and no measurement can reduce that chance to zero. What the tests can do is prove, monthly and in public, that the book is being kept where the buyers demonstrably are, and that the ninety day assumption underneath every recovery number in this series is being checked against live data rather than asserted once and retired.

SOURCES

Sources and method.

1. Cotality (formerly CoreLogic) hedonic index and transaction records, Sydney: sales volumes about 17 per cent below a year earlier, per our house view of August 2026; SA3 level turnover and days on market series.
2. ABS dwelling stock estimates by SA3 under the Australian Statistical Geography Standard; published auction clearance series for Greater Sydney.
3. Contemporaneous reporting and practitioner records of the 1989 to 1991 downturn.

Method notes.

Turnover is trailing twelve month settled sales divided by estimated dwelling stock. Days on market is the median for sold listings. Depth under stress combines auction clearance rates and the change in total stock on market over the trailing year. Numeric thresholds for each test are published alongside the map rather than fixed in this text, so that any recalibration is visible. The profiles in Section 01's table are illustrative and unnamed; the published map scores actual SA3 regions with the month's data, appended to the published edition with code included. Figures may not sum exactly due to rounding.

Disclosure.

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