Pain and Gain Report

Australia | Released January 2022

Data to September 2021

Contents

Australia
Quarter 1, 2022

Introduction

This edition of the quarterly Pain and Gain report analyses resales of property through the September 2021 quarter. Based on approximately 99,000 resale observations, 92.4% of dwelling transactions made a nominal gain in the September quarter, up from 91.9% in the three months to June, and 87.5% in the September 2020 quarter.

The median nominal gain made on resales through the September quarter nationally was $270,000, while median losses were at $37,000. Resales had a typical hold period of 8.8 years, which was steady on the previous quarter. The combined value of profit made from dwelling resales in the quarter was $27.3 billion, while losses totaled $368 million.

The September quarter was marked by COVID-induced lockdowns across Sydney, Melbourne and Canberra. Despite the resurgence of COVID-19 cases, and re-implementation of social distancing restrictions, the real estate market once again showed an increase in the rate of profit-making sales. However, there were fewer sales in these cities through the September quarter than in the June quarter. This was the result of social distancing restrictions, particularly the inability to physically inspect property across Melbourne, weighing on transaction activity.

The impacts of the pandemic may also have contributed to the persistent trend of regional property markets sustaining a higher level of profit-making sales. The gap in the rate of profit-making sales widened between the combined capital city and regional market through the September quarter, where the portion of properties making a nominal gain from resale were 91.9% and 93.1% respectively. However, this was not a reflection of profitability declining across the capital cities, but regional Australia seeing a faster increase in the rate of profit-making sales. Of the SA4 markets analysed across Australia, the regional Victorian market of Bendigo had the highest portion of profit-making sales, at 99.8%.

House resales continued to have a higher chance of nominal gain (at 95.0% of resales) than units (86.5%). However, the gap between house and unit profitability is narrowing, as affordability constraints limit growth in the detached house market and gradually deflect demand towards higher density housing options.

Owner-occupiers sustained a higher rate of profit-making sales nationally (95.5%) than investors (89.7%), but conditions varied across the capital cities, with 100% of investment resales achieving a profit across Hobart in the September 2021 quarter.

With dwelling values showing further increases nationally through the December 2021 quarter, the portion of profit-making sales is expected to continue rising in the coming quarters. However, CoreLogic has also flagged accumulating headwinds for property market performance in the coming months, in the form of higher supply of advertised stock, normalising interest rates, affordability constraints and the possibility of tighter lending restrictions. A downswing in Australian housing market values would ultimately impact the profitability of resales, particularly for recent purchasers

MEDIAN RETURNS

MEDIAN GAIN

$270,000

MEDIAN LOSSES

$37,000

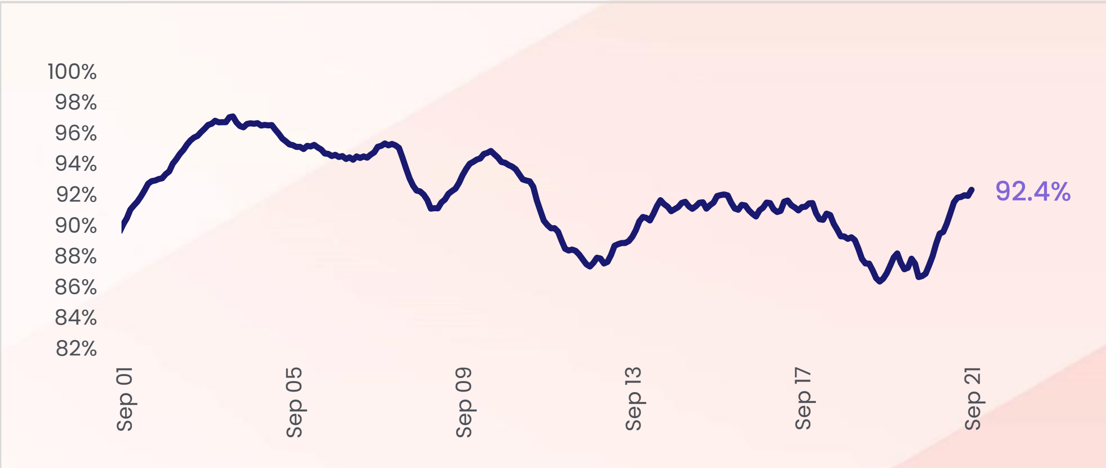
National Overview

Through the September quarter of 2021, CoreLogic analysed around 99,000 resale events across Australia. Of these resales, 92.4% made a nominal gain in between sales. This is up from a revised 91.9% of resales in the June quarter, and marks the fifth consecutive quarter that the rate of profit-making sales increased.

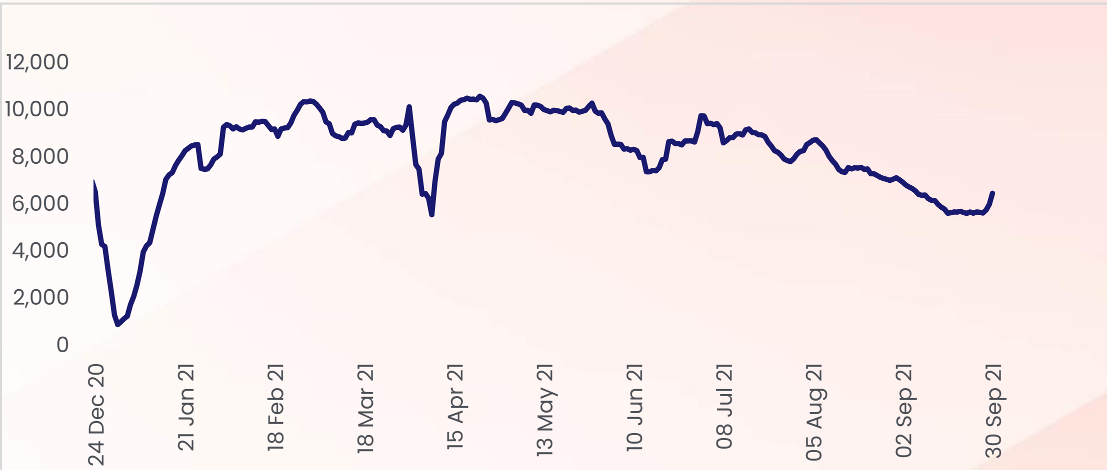
At 92.4%, the portion of profit-making sales was at its highest level since May 2011, when the portion of resales making a nominal gain was 92.6%. In 2011, sellers were benefiting from a price boom off the back of significant cash rate reductions following the Global Financial Crisis. Similarly, the continued increase in profitability through to September 2021 coincides with a 20.3% uplift in national dwelling values over the year to September, with record low mortgage rates supporting demand.

Another interesting feature of the profitability of sales through the September quarter is that this period marked renewed 'lockdowns' across many parts of Australia. Sydney entered strict social distancing restrictions between June 26th and October 11th, while extended restrictions across Melbourne were in place between August 6th and October 22nd. As with previous lockdown periods, there did not appear to be an impact on the rate of profitability from resales. Lockdowns did contribute to an overall decline in sale and resale *volumes* in some cities, but the proportion of loss-making sales continued to trend lower despite the temporary impact to economic activity. Profitability of residential real estate continued to be buoyed by low interest rates, and a fall in advertised stock through the period.

Portion of profit-making sales, national - rolling quarter



Total resales - 7 day rolling count, Australia



However, as discussed in the previous quarter's report, the rate at which profitability increases quarter to quarter has been softening. The portion of profit-making sales through the September quarter was 50 basis points higher on the previous quarter, whereas the June quarter had seen a 100 basis point jump from the three months to March.

This is in line with the trend in capital growth, where the rate of increase in property values has been slowing since April 2021. As such, it is expected that the December quarter results may show a slightly higher level of profitability in sales, as dwelling values continued to rise through to the end of 2021, but the increase may be softer than the 50 basis point rise in profit-making sales observed through the September 2021 quarter.

The combined value of profit from resales in the September quarter totalled $27.3 billion, while resale losses totalled $368 million in the same period. Both the combined profit and loss values from resales in the September quarter was lower than in the three months to June, which may in part be due to the decline in sales volumes across more expensive dwelling markets over the period. However, there was a steeper fall in combined losses (of 14.0%), compared with a 6.4% decline in total profit. This speaks to the overall increase in the incidence of profitability of residential real estate between quarters.

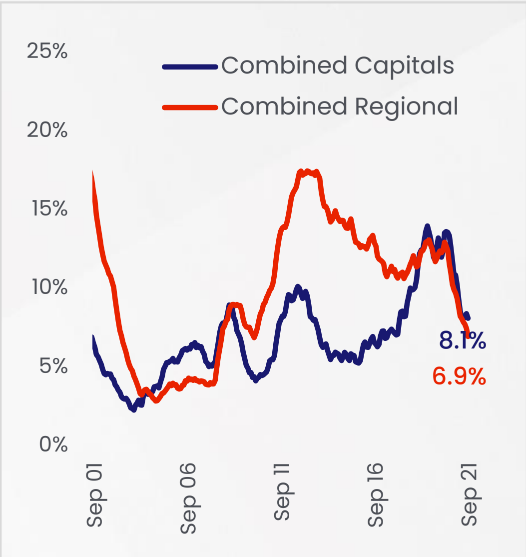
Portion of sales that were loss-making, over a 7-day rolling count, Australia

CoreLogic

Typical hold periods on all resales averaged 8.8 years through the quarter, with the median difference between the initial and resale value sitting at $248,000 in the period. Nationally, the median profit on resales was $270,000 in the three months to September, while median losses were $37,000.

Profitability remained higher across the combined regional dwelling market, a trend which has been fairly consistent since the start of 2019. The gap between profitability in the regions and capital cities widened through the September quarter. The portion of profit-making sales across the capital cities increased 10 basis points to 91.9% in the three months to September, while the rate of profit-making sales in regional Australia increased 90 basis points in the quarter, to 93.1%.

Portion of loss-making sales, capital cities versus regional - rolling three months



The fact that profitability in the regions rose more sharply through the quarter partly reflects trends in capital growth. The quarterly growth rate of capital city dwellings eased from 6.2% in the three months to June, to 4.7% in the September quarter; a fall in growth rates of 150 basis points. At the same time, regional markets outperformed in the September quarter with a 5.1% growth rate, and the rate of growth declined by a smaller 90 basis points from the June quarter. Momentum in capital growth across regional Australia continued in the three months to December, where values rose another 6.4%, against a 3.1% rise in capital city dwelling values, implying this trend towards a higher proportion of profit-making resales across the regional areas of Australia is ongoing.

The divergence in capital growth and profitability between regions and capital cities may be resultant from a surge in demand for regional property amid ongoing COVID-19 restrictions. This was observed at the end of 2020, when eased restrictions across Melbourne led to a strong surge in intrastate migration, and relatively high growth across regional Victorian dwelling values.

Additionally, regional property values remain relatively affordable compared with capital city markets, and stock levels across the regions have been low, exacerbating the impact of demand surges on price. For this reason, it may be expected that the gap between profitability in regions and the capital cities is expected to widen further in the coming quarters, even as both markets see a very high incidence of profit-making sales.

Across the greater capital cities and 'rest of state' markets, the September quarter saw an increase in profitability across 11 of 15 dwelling markets. The rate of loss-making sales increased marginally across regional Victoria and Hobart, which were still among the three most profitable resale markets in the country (alongside regional Tasmania). However, regional NT and Darwin had a more substantial increase in the portion of loss-making sales. Darwin, which also had the highest rate of loss-making sales at 34.1%, saw this rate increase 1.4 percentage points in the quarter.

While this seems like a poor reflection of performance across the Darwin property market in particular, it is worth noting this deterioration of profitability in the September quarter follows a long period of improvement in dwelling values and profitability. The 5-year average rate of loss-making sales across Darwin is a comparatively high 39.7%, with loss making sales peaking at 52.2% in the three months to October 2020. Over the September quarter, loss-making sales across the Darwin market had a median hold period of over 9 years, putting the initial purchase point close to the peak dwelling market value in 2014. Furthermore, more than half of the loss-making resales in Darwin were investor sales (53.5%), suggesting recent price gains may have been the prompt for owners to exit the Darwin market following a long downturn in value between May 2014 and February 2020.

The greatest increase in the rate of profit-making sales was in regional WA. Regional WA saw 77.5% of resales make a nominal gain through the September quarter. While this was the second-lowest of the capital cities and regions (behind Darwin), the rate of profit-making sales increased from 74.2% in the three months to June.

Overall, the Australian property market showed increased profitability through the September quarter, which reflects strong capital growth performance. However, this also means that future instances of profitability will also gradually be affected by capital growth conditions.

In the January 2022 CoreLogic Home Value Index report, it was noted that rates of dwelling value increase have generally been slowing at a high level since April, with Melbourne seeing a slight decline in property values through the month of December 2021. Many of the factors contributing to high capital growth through the current upswing are now losing some steam. Average mortgage rates are bottoming out, advertised stock levels are on the rise, and many of the fiscal support programs for households and home ownership that were introduced at the onset of COVID-19 have now ended. Additionally, increasing affordability constraints are likely to deter buyers, which will also reduce price pressures in the coming quarters. With the Australian property market moving further toward a downswing phase in the cycle, this will have implications for rates of profitability in 2022.

	Portion of loss making sales Sep 2021	Portion of loss making sales Jun 2021	Change (percentage point)
Sydney	4.3%	5.0%	-0.7%
Rest of NSW	2.4%	2.9%	-0.5%
Melbourne	4.3%	5.0%	-0.7%
Rest of Vic.	1.2%	1.1%	0.1%
Brisbane	9.1%	9.9%	-0.8%
Rest of Qld	10.5%	12.3%	-1.8%
Adelaide	3.8%	4.8%	-0.9%
Rest of SA	10.4%	11.8%	-1.4%
Perth	20.1%	21.3%	-1.2%
Rest of WA	22.5%	25.8%	-3.3%
Hobart	2.0%	1.8%	0.2%
Rest of Tas.	1.5%	2.5%	-1.0%
Darwin	34.1%	32.7%	1.4%
Rest of NT	19.9%	19.4%	0.5%
ACT	3.5%	3.9%	-0.4%

Houses vs Units

At the national level, the portion of profit-making sales increased across both houses and units. House resales maintained a higher level of profitability than unit sales through the September quarter. While units accounted for 26.9% of total resales through the period, units represented 59.2% of loss making resales. However, the rate of profitability increased more rapidly in the unit segment.

Through the quarter, the rate of profit-making house sales increased four basis points on the June quarter, to 95.0%. Meanwhile, the portion of unit resales that made a nominal gain increased 130 basis points, to 86.5%. This meant that unit sales were still almost 3 times more likely to see a loss on resale than houses, but the instance of profitability is improving more rapidly across the segment.

In addition to having a higher incidence of profitability at the national level, houses also returned a greater median nominal gain. Through the September quarter, the median gain on profit-making house sales was $315,000, which was almost twice the size of the median profit on unit resales ($159,300). Typical hold periods on profit-making house sales were 9.2 years, compared with 8.1 years on profit-making unit resales. Units also had a larger typical decline on loss-making resales at $40,000, compared to $32,000 across houses. While this may be a reflection on poorer price performance across the unit segment in Australia over time, trends vary widely across different markets. In Hobart, 99.5% of unit resales through the September quarter made a profit, which was higher than the 97.5% result in houses. Hobart was the only region where the rate of profit-making unit sales was higher than in the house segment.

There was also very little difference between the rate of profitability in regional NSW for houses and units, which was 97.7% and 97.1% respectively.

Portion of loss making sales, houses versus units - national, rolling three months

Proportion of total resales at a loss/gain, houses vs. units, September 2021 quarter

REGION	HOUSES		UNITS	
	Pain	Gain	Pain	Gain
Sydney	1.4%	98.6%	7.1%	92.9%
Rest of NSW	2.3%	97.7%	2.9%	97.1%
Melbourne	0.5%	99.5%	10.9%	89.1%
Rest of Vic.	0.9%	99.1%	2.6%	97.4%
Brisbane	1.7%	98.3%	24.6%	75.4%
Rest of Qld	9.2%	90.8%	13.0%	87.0%
Adelaide	1.9%	98.1%	8.8%	91.2%
Rest of SA	10.4%	89.6%	11.2%	88.8%
Perth	14.2%	85.8%	38.4%	61.6%
Rest of WA	21.5%	78.5%	31.2%	68.8%
Hobart	2.5%	97.5%	0.5%	99.5%
Rest of Tas.	1.1%	98.9%	3.9%	96.1%
Darwin	22.8%	77.2%	55.8%	44.2%
Rest of NT	14.8%	85.2%	33.9%	66.1%
Australian Capital Territory	1.5%	98.5%	6.1%	93.9%
National	5.0%	95.0%	13.5%	86.5%
Cap city	4.0%	96.0%	15.1%	84.9%
Regional	6.2%	93.8%	9.7%	90.3%

The lowest incidence of profit-making unit sales was across Darwin, where over half of unit resales made a nominal loss (55.8%). This is in stark contrast to the house segment, where 22.8% of Darwin houses resold for a nominal loss. Perth, Brisbane and the ACT also saw a relatively large divide between profitability in houses and units.

Of the loss-making unit sales across Australia, almost one third were concentrated in the five local government areas of Brisbane, Melbourne, Perth, the Gold Coast and Moreton Bay. These LGA regions accounted for around one fifth of all unit resales observed. With the exception of the Melbourne local government area, each of these council regions had seen dwelling values below previous record highs as of the September 2021 quarter, which has contributed to a relatively high volume of loss-making sales.

The previous edition of this report outlined some of the key factors that have weighed on unit profitability relative to houses over the past few years, particularly in cities like Brisbane and Melbourne. These factors include high levels of unit stock being developed relative to detached houses, and negative demand shocks to the investor market, where demand for units tends to be more concentrated. However, in the past year some of these dynamics have shifted slightly. ABS data shows unit construction activity has remained subdued through 2021 when compared with the house segment. Between 2016 and 2020, Australia saw around 1.2 house completions for every unit completion nationally, which increased to 1.4 houses for each unit over the first two quarters of 2021. The boom in house construction activity, which has been in part a response to owner-occupied incentives such as HomeBuilder, may ease the growth and profitability of houses in the next few years as they are completed.

Furthermore, investment activity has seen a steady rise in the Australian housing market since bottoming out in April 2020. ABS housing finance data shows housing finance secured for the purchase of investment property increased for 12 consecutive months to October 2021, placing housing finance for investment property purchases 62.1% higher than in the previous 12 month period. The ‘return’ of investors to the Australian housing market is likely to support profitability in the unit segment, where investors may have a preference for unit properties.

Finally, affordability constraints may weigh on the profitability of houses in the coming months, especially for recent home buyers. Through the month of December, a 0.1% decline in the Melbourne property market was led by the detached house segment, and other capital city markets, such as Canberra, have seen a slowdown in house value growth while unit momentum has risen. This may be a response to high house prices, as demand cannot keep up with vendor expectations. This may be supporting a pivot of demand toward the unit sector across the ACT.

In the coming quarters, profitability of both houses and units is expected to continue rising in the short term, though the gap in the rate of profit-making sales between houses and units may narrow

Investor vs Owner Occupiers

In the September 2021 quarter, owner-occupiers achieved a nominal gain on 95.5% of resales, up from up from 93.9% in the previous quarter. Meanwhile, investors saw gains on a lower 89.7% of resales, but this did rise from 87.7% in the three months to June. While investors only accounted for 28.5% of resales through the September quarter, they accounted for 47.8% of loss-making sales. Owner occupiers accounted for 71.5% of resales through the quarter, but only 52.2% of loss-making resales.

Alongside owner occupier's lower incidence of loss-making resales, they also garnered a higher median return on profit-making sales. Owner occupiers saw a median profit on resales of $300,000 through the September quarter, compared to a median profit of $205,000 from investor resales. Investors also had a slightly more exaggerated median loss value, at $40,000, relative to a median losses of $35,000 for owner occupied loss-making resales in the quarter.

Despite the high level figures showing a consistent trend of owner-occupier sales being more profitable over time, resale outcomes varied for both owner occupiers and investors across different parts of Australia. Across Hobart dwellings, investors made a nominal gain on 100% of resales through the September quarter, which was even marginally higher than the portion of profitable owner occupier resales (which was 99.1% through the period).

The other regions in which investors had a higher incidence of profitability than owner occupiers were across regional NSW and regional SA. There was less than half-a-percent different in the rate of profit-making sales for owner occupiers and investors, as well as a high incidence of profit across both markets. Investors generally saw a higher incidence of profit across regional Australian dwelling resales through the quarter (82.4%), compared with the combined capital city markets (88.5%).

The highest incidence of loss-making sales for both investor and owner occupier resales was across Darwin through the quarter, though the rate of loss-making investor resales (at 45.0%) was significantly higher than the rate for owner occupiers (27.8%).

Interestingly, hold periods do not appear to be much of a factor playing into the difference of profit and loss for the different owner segments. Loss-making investor sales had a median hold period of 8.4 years, compared to 8.3 years for owner occupiers. Similarly, profit-making resales were typically held for 8.9 years by owner occupiers, compared with 8.8 years across the investment segment.

The difference is therefore more likely to be compositional; investors were more active in the unit segment, accounting for 58.1% of total unit resales in the quarter, and units seem to have been far less profitable than houses over time. As noted last quarter, houses typically have inherently higher value than units, and in the past decade have seen a higher annualised growth rate at the national level (at 6.0%) when compared to units (4.0%).

Through the December quarter, property values continued to rise across each of the capital city and rest of state dwelling markets, suggesting that even highly concentrated investment markets may see an increase in profitability. However, it has also been noted that the current upswing may see a shift over the course of the next two years given the likelihood of an increase in the cash rate, tighter lending conditions and affordability pressures. This may prompt more investors to exit markets, even where they have not fully recovered value, in order to minimise potential further losses, such as in more cyclical markets across WA and the NT.

INVESTOR VS OWNER OCCUPIERS

Proportion of total resales at a loss/gain, owner occupiers vs investors, September 2021 quarter

REGION	PAIN		GAIN	
	Owner Occupied	Investor	Owner Occupied	Investor
Sydney	2.7%	6.0%	97.3%	94.0%
Regional NSW	2.0%	1.7%	98.0%	98.3%
Melbourne	1.0%	9.4%	99.0%	90.6%
Regional Vic	0.2%	0.6%	99.8%	99.4%
Brisbane	4.2%	13.4%	95.8%	86.6%
Regional Qld	6.8%	11.7%	93.2%	88.3%
Adelaide	1.5%	5.4%	98.5%	94.6%
Regional SA	7.1%	6.9%	92.9%	93.1%
Perth	13.7%	29.7%	86.3%	70.3%
Regional WA	18.0%	25.5%	82.0%	74.5%
Hobart	0.9%	0.0%	99.1%	100.0%
Regional Tas	0.8%	2.2%	99.2%	97.8%
Darwin	27.8%	45.0%	72.2%	55.0%
Regional NT	14.6%	28.1%	85.4%	71.9%
Australian Capital Territory	1.2%	5.9%	98.8%	94.1%
National	4.5%	10.3%	95.5%	89.7%
Cap city	4.3%	11.5%	95.7%	88.5%
Regional	4.6%	7.6%	95.4%	92.4%

Hold Periods

Through the September 2021 quarter, the median hold period of resales across Australia was 8.8 years. This puts the median initial purchase price date at around December 2012 for properties that sold in the September 2021 quarter, and over this period national dwelling values have increased 62.4%.

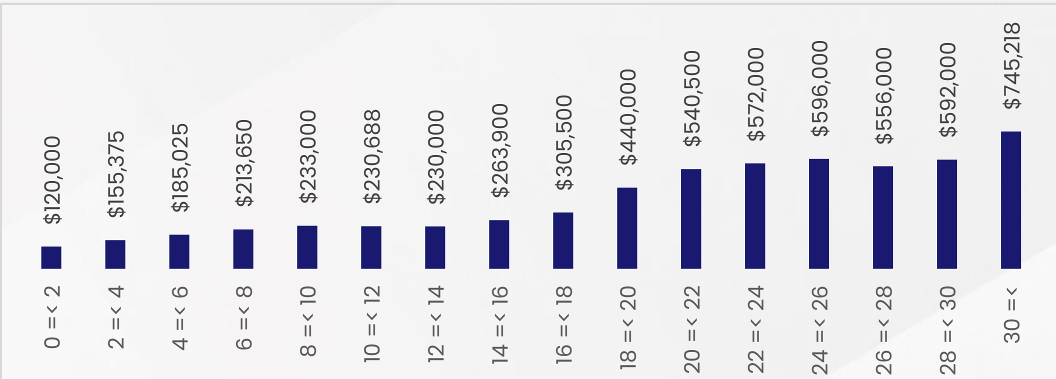
There was a median hold period of 9.2 years across profit-making house sales, and 8.1 years across profit-making unit sales. Median hold periods for loss-making sales were slightly lower across houses (9.0 years) and units (7.8 years) at the national level.

The lowest median hold periods associated with profit-making sales was across regional Tasmanian units (6.5 years), regional Tasmanian houses (7.3 years) and regional NSW units (7.3 years). These are also markets that have been associated with some of the highest capital growth rates through the current upswing, with values up 22.2% across regional NSW units in the year to September, while regional Tasmanian dwelling values increased 27.2% in the same period.

For loss-making sales, the highest median hold period was across regional WA units, at 12.7 years. The unit market across WA outside of Perth sustained a prolonged downturn between 2012 and 2020, alongside a fall in commodities and mining investment.

Though values rose by around 23% in the current upswing between August 2020 and September 2021, unit values across regional WA were still almost 46% below the record high value, which was seen in 2008. While sellers have experienced a high incidence of nominal loss in this segment (at 68.8%) following a long hold period, the median nominal loss was far lower than the national average, at $15,000. Furthermore, a significant portion of loss making unit sales in the region were of investment properties (46.0%), where losses may be used to offset future capital gains.

Median nominal return from resales by hold period – September 2021 quarter



Number of sales by hold period (years) – September 2021 quarter

At the national level, the current upswing has shown high levels of nominal gain, even across relatively short hold periods. The charts below show the median return on all resales through the September quarter by hold period, as well as the volume of resales by hold period.

Properties held for more than 30 years had the highest median return, with a median nominal gain of just over $745,000. However, the highest nominal gains per year were acquired by those on the other end of the spectrum, who have held property for 2 years or less. This is resultant from Australian dwellings experiencing one of the most rapid periods of upswing on record. The highest volume of sales was associated with hold periods of four to six years, which is consistent on the June quarter results.

The December quarter results are likely to show a higher volume of resales overall, as social distancing restrictions around real estate transactions eased from late September. With increasing expectations the market is set to peak in value over the course of the next two years, there may also be an increase in more opportunistic resales of property, particularly where sellers are looking to maximise capital growth from investments, or in purchasing their next home to live in.

Median hold period of profit and loss making sales, September 2021 quarter

REGION	PAIN		GAIN	
	Houses	Units	Houses	Units
Sydney	6.5	5.2	9.1	8.2
Regional NSW	7.8	8.7	8.7	7.3
Melbourne	4.1	6.8	9.1	8.2
Regional Vic	4.8	8.4	8.1	7.8
Brisbane	6.9	7.3	8.6	7.8
Regional Qld	10.9	12.2	8.4	6.8
Adelaide	3.8	8.8	9.6	9.1
Regional SA	11.0	11.9	11.1	10.2
Perth	7.8	8.3	10.5	11.0
Regional WA	11.2	12.7	10.2	9.1
Hobart	5.7	-	8.2	8.5
Regional Tas	9.3	-	7.3	6.5
Darwin	8.2	9.3	10.6	12.9
Regional NT	8.2	10.2	11.2	12.5
Australian Capital Territory	6.5	10.6	9.8	9.5
National	9.0	7.8	9.2	8.1
Cap city	7.7	7.2	9.4	8.3
Regional	10.6	11.8	9.0	7.5

Resource Based Markets

The September quarter marked another period of improvement for profitability across major resource-based markets. Across the six major resource markets analysed, the total incidence of loss-making sales fell from 32.5% in the June 2021 quarter, to 29.2% in the three months to September. This was largely driven by the Central Queensland market, where there were 148 fewer loss-making sales through the September quarter. At 29.2%, the portion of loss-making sales across the mining regions was still high relative to other parts of the country, but was the lowest proportion of loss-making sales seen across the combined regions since the three months to April 2015.

The improvement across profitability in mining markets of Australia has coincided with a broad-based increase in property values in a low interest rate environment. In addition to low interest rates expanding the available credit for housing, increased economic output has led to a sharp increase in commodity prices and mining investment activity (over the 2021 calendar year, RBA data suggests non-rural commodity prices increased 27.9% in AUD terms).

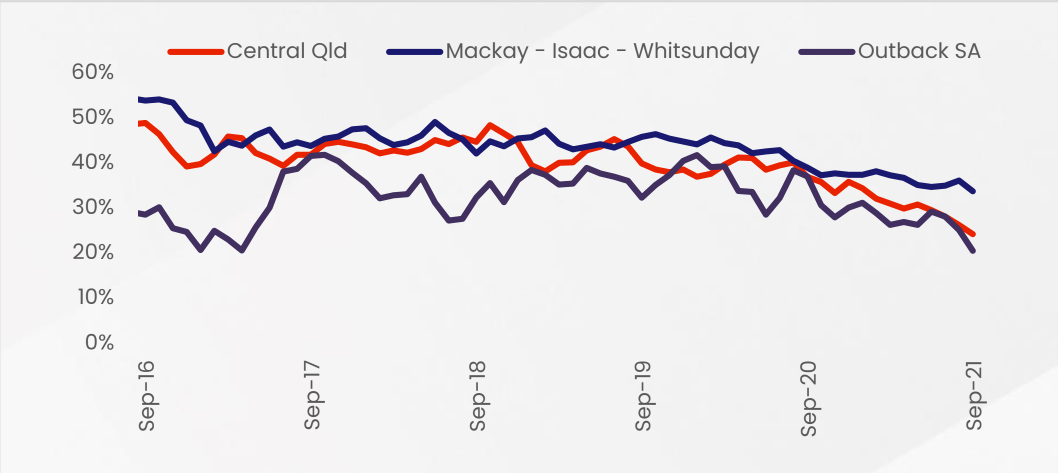
Additionally, factors related to the pandemic exacerbated demand for housing in resource-based markets over the course of the year. These factors included restrictions on interstate travel, which in some instances converted 'FIFO' working arrangements to resident workforces, and the increased desirability of regional markets through the pandemic, which may have attracted residents who are not in the resources sector.

Across the six resources markets analysed, the most dramatic drop in the rate of loss-making sales proportionally was across Outback South Australia. For resales made through the September 2021 quarter, the portion of loss-making sales was 20.5%, down from 29.3% in the previous quarter.

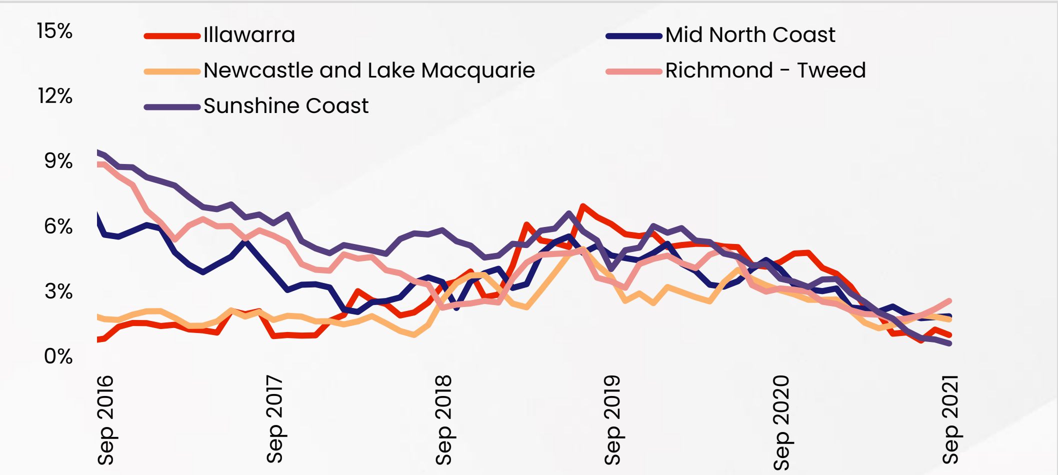
As the market that typically has the lowest volume of sales and resales, part of the steep drop in the rate of loss-making sales across the South Australian Outback region may be at least in part to volatility. But the rate of loss-making sales has trended lower in line with the national house price upswing in 2020, and an upward trend in employment levels across the region since early 2021 may also have supported higher values across the region. Outback SA saw dwelling values increase 9.4% in the year to September 2021. The region recorded the lowest portion of loss making sales of the resource markets analysed. Further increases in dwelling values though the December quarter of 2021 will likely see a continued downward trend in the portion of loss-making sales.

The only market to see an increase in the portion of loss-making sales was across the Outback (North) WA market. The portion of loss making sales was 24.1% through the September quarter, up half-a-percent on the previous quarter. Despite the mild increase in the rate of loss-making sales, the Outback North of WA has actually seen the largest reduction in the rate of loss-making sales from its peak. The portion of loss-making sales has more than halved from a peak of 56.5%, which was over the three months to February 2018. Between February 2018 and September 2021, dwelling values across the region have risen 34.8%. However, month-on-month growth rates appear to have been slowing since around mid-2021. It is expected that while profitability across northern outback WA will gradually continue increasing, the pace of increase may slow in the coming quarters.

Rate of loss-making sales, select resource SA4 markets - rolling quarter

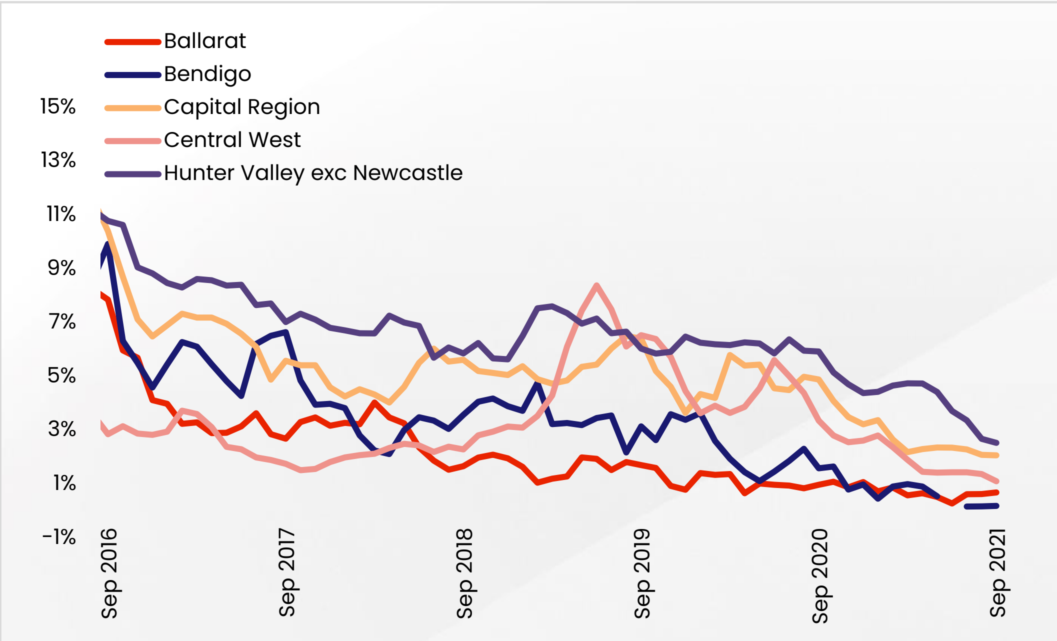


Rate of loss-making sales, select coastal SA4 markets - rolling quarter

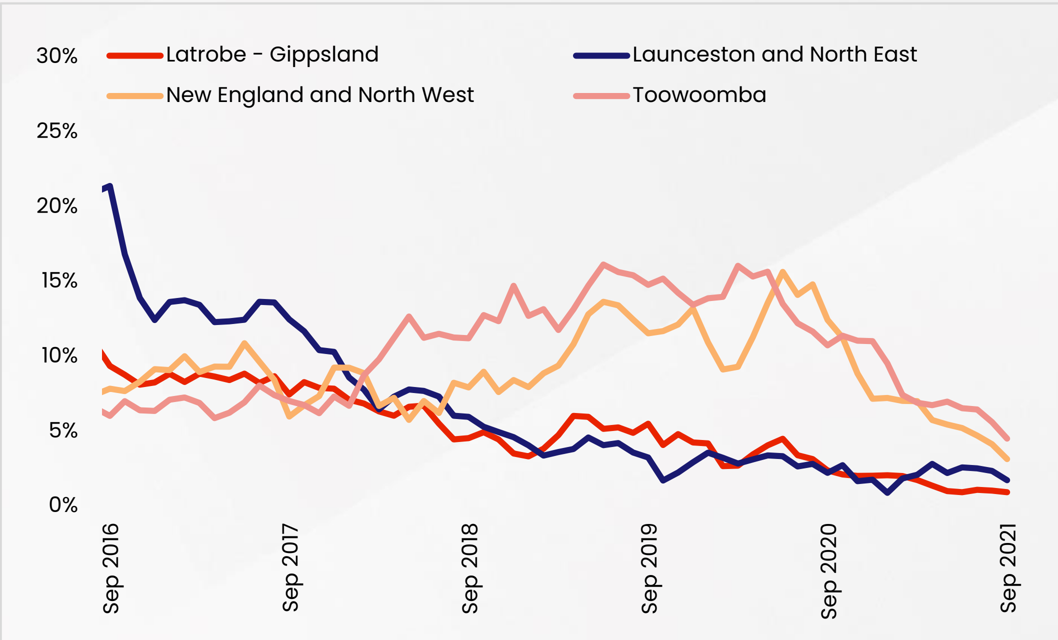


Sea Change and Tree Change Destinations

Rate of loss-making sales, select tree change SA4 markets - rolling quarter



Rate of loss-making sales, select tree change SA4 markets - rolling quarter



PAIN AND GAIN

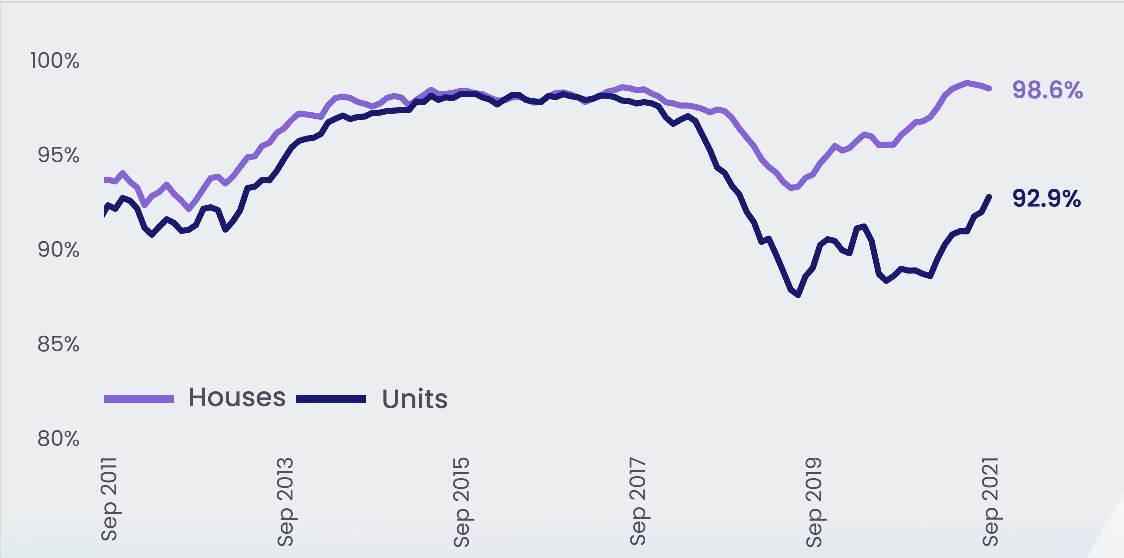
Sydney

Across Sydney, the portion of profit-making sales rose to 95.7% in the September quarter, up from 95.0% in the June quarter. This sits just above the decade average of 95.5%. Interestingly, there was a 20 basis fall in the portion of profit-making sales in the house segment, while unit profitability rose 180 basis points in the same period. However, the proportional increase in loss-making house sales across Sydney was marginal, and not concentrated to any particular region of Sydney.

However, loss-making unit sales through the September quarter were more concentrated in the LGA regions of Parramatta and Sydney, where around 28% of loss-making unit sales occurred.

Despite some pockets of weakness, Sydney dwelling values rose 5.7% through the September quarter, contributing to the incidence of profit-making sales sitting above 95%. High profitability is likely to be maintained in the December quarter, where dwelling values rose a further 2.7%. However, Sydney is seeing a relatively rapid slowdown in growth rates, which may see a turn in dwelling value growth, and profitability, over the next few years.

Portion of profit making sales, rolling quarter



CoreLogic

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Blacktown (C)	3.2%	4.5	-$ 28,000	-$1,747,490	96.8%	7.9	$ 357,500	$480,889,808
Blue Mountains (C)	1.0%			-$310,000	99.0%	9.7	$ 470,000	$150,984,955
Botany Bay (C)	11.5%	5.2	-$ 58,000	-$1,302,500	88.5%	7.4	$ 293,000	$59,262,354
Burwood (A)	7.9%			-$312,000	92.1%	6.0	$ 135,500	$23,711,503
Camden (A)	1.4%			-$613,000	98.6%	7.3	$ 431,500	$131,340,118
Campbelltown (C) (NSW)	1.8%	4.1	-$ 32,500	-$523,500	98.2%	8.1	$ 335,000	$199,024,052
Canada Bay (A)	5.1%	5.8	-$ 32,240	-$840,240	94.9%	8.5	$ 311,750	$108,522,520
Canterbury-Bankstown (A)	6.9%	4.7	-$ 35,000	-$3,000,500	93.1%	8.9	$ 405,000	$387,728,212
Central Coast (C) (NSW)	1.1%	7.0	-$ 57,000	-$1,410,039	98.9%	7.9	$ 430,000	$821,759,899
Cumberland (A)	8.6%	5.3	-$ 37,500	-$2,002,000	91.4%	9.9	$ 312,000	$195,915,576
Fairfield (C)	6.4%	7.2	-$ 87,500	-$1,852,083	93.6%	9.3	$ 313,250	$118,811,213
Georges River (A)	5.3%	5.1	-$ 48,000	-$1,003,000	94.7%	9.7	$ 357,000	$156,164,169
Hawkesbury (C)	1.3%			-$240,000	98.7%	9.2	$ 405,000	$108,809,215
Hornsby (A)	4.5%	5.8	-$ 34,000	-$761,333	95.5%	9.4	$ 520,000	$211,490,010
Hunters Hill (A)					100.0%	7.0	$ 420,000	$7,077,500
Inner West (A)	3.1%	5.9	-$ 50,000	-$1,039,000	96.9%	9.9	$ 499,500	$283,147,982
Ku-ring-gai (A)	7.8%	4.6	-$ 70,000	-$1,107,463	92.2%	7.8	$ 349,750	$73,657,416
Lane Cove (A)	6.1%			-$335,000	93.9%	7.4	$ 240,000	$44,964,616
Liverpool (C)	6.1%	4.8	-$ 40,000	-$2,011,050	93.9%	8.9	$ 397,950	$217,880,686
Mosman (A)	1.8%			-$85,000	98.2%	8.1	$ 423,500	$24,008,888
North Sydney (A)	2.8%			-$295,500	97.2%	8.9	$ 470,000	$142,957,991
Northern Beaches (A)	0.8%			-$431,500	99.2%	7.7	$ 566,775	$366,332,267
Parramatta (C)	13.7%	5.9	-$ 45,000	-$6,240,724	86.3%	9.3	$ 250,000	$259,007,745
Penrith (C)	3.4%	5.4	-$ 33,500	-$1,466,750	96.6%	8.0	$ 332,000	$294,819,828
Randwick (C)	2.0%			-$739,885	98.0%	9.0	$ 442,000	$149,184,455
Rockdale (C)	3.7%	4.7	-$ 31,000	-$551,100	96.3%	8.8	$ 292,500	$112,224,130
Ryde (C)	10.4%	5.4	-$ 40,250	-$1,868,000	89.6%	7.9	$ 265,000	$110,426,750
Strathfield (A)	22.3%	5.0	-$ 30,000	-$1,213,500	77.7%	7.9	$ 176,000	$20,537,050
Sutherland Shire (A)	1.5%	5.0	-$ 25,000	-$390,000	98.5%	8.8	$ 524,000	$458,477,819
Sydney (C)	4.3%	5.2	-$ 33,500	-$1,959,925	95.7%	9.2	$ 338,000	$366,057,003
The Hills Shire (A)	2.9%	5.7	-$ 39,000	-$861,400	97.1%	8.0	$ 715,000	$306,986,662
Waverley (A)	0.6%			-$65,000	99.4%	7.9	$ 520,000	$102,594,115
Willoughby (C)	3.7%			-$557,875	96.3%	8.5	$ 495,000	$62,562,334
Wollondilly (A)	1.2%			-$270,000	98.8%	7.6	$ 405,000	$75,717,215
Woollahra (A)	1.0%			-$40,000	99.0%	9.3	$ 590,000	$61,379,000

Melbourne

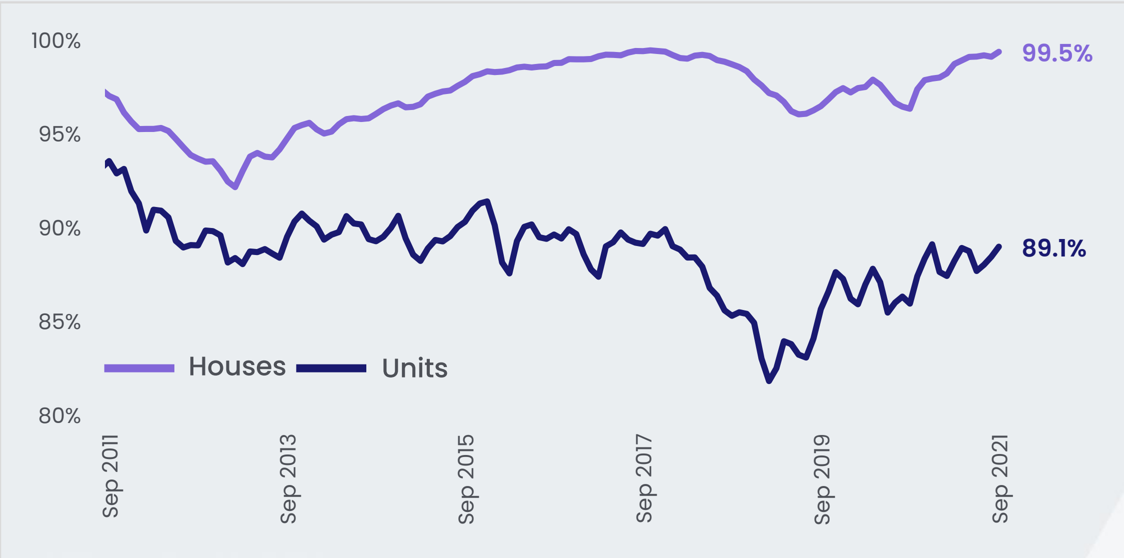
The portion of profit-making house sales rose to 99.5% of house sales in the September quarter, up from 99.2% through June. In the unit segment, a lower 89.1% of resales were profitable, but this marked a larger increase from the previous quarter of 130 basis points.

Many loss making unit sales across the city were concentrated in the Melbourne council region, which accounted for 28.6% of loss-making unit sales in the quarter. This weighed on performance across the region, where just 34% of resales made a profit in the quarter.

However, of the 33 council regions analysed across Melbourne in the quarter, 28 saw over 90% of resales make a nominal gain, including 100% of sales across Moorabool and Melton. These more peripheral markets of Melbourne may be experiencing a spill-over in demand, as more expensive house markets closer to the city move out of reach for buyers.

The Melbourne property market has shown some weakness in recent months, with houses leading a fall in values through the month of December, which could affect levels of profitability for more recent buyers in the coming months.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Banyule (C)	1.1%			-$207,500	98.9%	11.5	$ 523,500	$149,314,615
Bayside (C)	6.7%	4.5	-$ 27,500	-$567,188	93.3%	9.0	$ 532,500	$94,073,519
Boroondara (C)	10.7%	5.5	-$ 42,500	-$1,218,000	89.3%	9.4	$ 377,499	$94,237,989
Brimbank (C)	1.4%			-$198,100	98.6%	9.9	$ 309,500	$119,057,602
Cardinia (S)	0.6%			-$156,000	99.4%	7.2	$ 251,000	$98,278,281
Casey (C)	0.5%			-$237,200	99.5%	7.5	$ 305,000	$285,396,579
Darebin (C)	2.3%			-$705,747	97.7%	9.0	$ 365,000	$166,068,329
Frankston (C)	2.0%	6.1	-$ 32,500	-$572,171	98.0%	8.2	$ 338,000	$224,434,621
Glen Eira (C)	5.1%	6.2	-$ 35,000	-$896,660	94.9%	8.7	$ 381,000	$133,156,978
Greater Dandenong (C)	2.6%			-$449,500	97.4%	9.8	$ 286,500	$118,519,352
Hobsons Bay (C)	1.8%			-$88,000	98.2%	10.3	$ 375,000	$97,936,493
Hume (C)	1.1%			-$550,000	98.9%	7.0	$ 250,000	$136,833,675
Kingston (C) (Vic.)	3.9%	5.9	-$ 24,260	-$867,692	96.1%	9.5	$ 422,000	$216,878,021
Knox (C)	1.2%			-$92,600	98.8%	9.8	$ 422,500	$190,423,844
Macedon Ranges (S)	1.0%			-$40,000	99.0%	9.2	$ 382,000	$41,917,829
Manningham (C)	5.6%	6.6	-$ 39,000	-$751,900	94.4%	9.5	$ 579,000	$165,634,616
Maribyrnong (C)	6.3%	9.6	-$ 25,000	-$519,906	93.7%	8.4	$ 313,500	$99,334,895
Maroondah (C)	1.2%			-$131,800	98.8%	9.4	$ 404,000	$157,047,531
Melbourne (C)	34.0%	7.4	-$ 69,500	-$9,472,119	66.0%	11.2	$ 166,000	$62,937,667
Melton (C)					100.0%	6.4	$ 198,000	$88,603,319
Monash (C)	4.7%	6.0	-$ 38,888	-$1,076,940	95.3%	11.1	$ 529,500	$234,330,117
Moonee Valley (C)	6.3%	5.5	-$ 51,000	-$1,010,500	93.7%	9.1	$ 397,500	$128,382,500
Moorabool (S)					100.0%	6.1	$ 229,500	$17,919,249
Moreland (C)	5.7%	6.4	-$ 32,000	-$1,598,995	94.3%	7.8	$ 305,000	$202,080,267
Mornington Peninsula (S)	0.3%			-$283,609	99.7%	8.5	$ 495,500	$377,126,901
Nillumbik (S)	0.8%			-$8,000	99.2%	13.3	$ 661,944	$87,245,537
Port Phillip (C)	11.3%	7.7	-$ 32,500	-$2,197,175	88.7%	10.3	$ 223,500	$116,504,905
Stonnington (C)	16.7%	7.8	-$ 61,500	-$2,507,020	83.3%	10.0	$ 242,500	$82,687,727
Whitehorse (C)	4.0%	6.4	-$ 26,000	-$441,604	96.0%	9.8	$ 531,800	$197,731,221
Whittlesea (C)	1.6%			-$301,500	98.4%	7.6	$ 274,000	$136,300,125
Wyndham (C)	2.2%	5.3	-$ 50,000	-$1,196,299	97.8%	6.8	$ 220,000	$162,660,660
Yarra (C)	12.0%	7.1	-$ 25,000	-$1,566,147	88.0%	8.8	$ 300,000	$103,332,405
Yarra Ranges (S)	0.6%			-$125,250	99.4%	11.5	$ 440,000	$168,010,738

PAIN AND GAIN

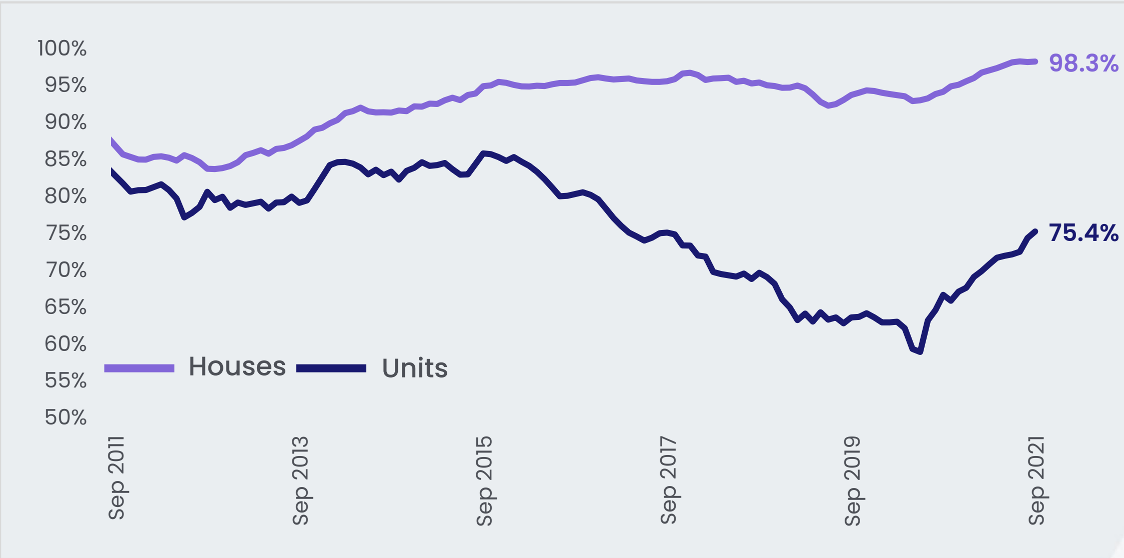
Brisbane

Profit-making sales across Brisbane increased 80 basis points to 90.9% through the September 2021 quarter. However, profit from resales across Brisbane varied significantly between houses and units. 98.3% of houses sold at a nominal gain in the quarter, compared to 75.4% across the unit segment.

However, the rate of profit making unit sales has increased rapidly, from 72.3% in the June quarter, and 66.8% in the past year. This is a reflection of the steady recovery trend seen across Brisbane unit values, which had seen 11 consecutive months of value increase since November 2020, through to September 2021. Brisbane unit values increased a further 4.1% through the December quarter, with the rate of profit-making sales expected to lift in the coming months.

The highest rate of loss-making sales in Brisbane was across the Brisbane Council, where 11.2% of resales saw a loss. The median loss across Brisbane Council was around $36,000. 66.5% of these were investor owned units. The highest rate of profit-making sales was in the Somerset LGA, where 97.6% of resales made a nominal gain.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Brisbane (C)	11.2%	6.9	-$ 35,990	-$30,360,777	88.8%	8.9	$ 258,000	$1,811,870,152
Ipswich (C)	6.9%	11.5	-$ 24,500	-$2,459,543	93.1%	7.6	$ 112,000	$153,188,066
Lockyer Valley (R)	2.8%			-$105,000	97.2%	6.8	$ 105,500	$20,940,596
Logan (C)	8.5%	8.9	-$ 31,950	-$4,760,907	91.5%	8.5	$ 152,000	$285,010,250
Moreton Bay (R)	8.0%	9.3	-$ 34,250	-$5,964,257	92.0%	7.0	$ 194,000	$447,132,995
Redland (C)	2.4%	7.5	-$ 20,000	-$625,250	97.6%	8.6	$ 235,000	$235,131,738
Scenic Rim (R)	4.0%			-$227,000	96.0%	10.0	$ 236,000	$48,879,236
Somerset (R)	5.9%			-$611,000	94.1%	7.4	$ 127,500	$16,187,700

Adelaide

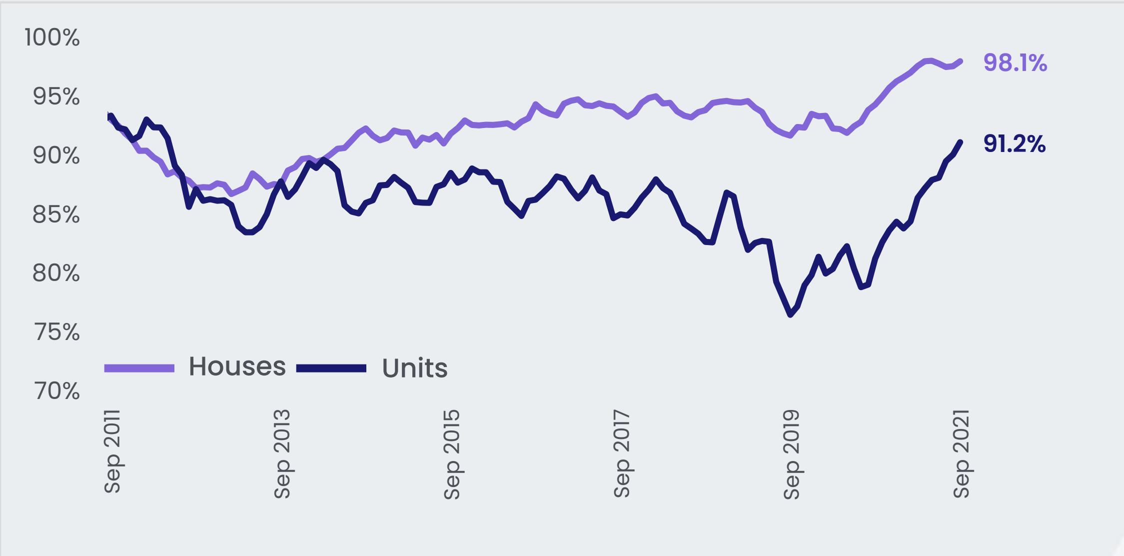
Adelaide has seen a significant reduction in the portion of loss-making resales over the past year, from 10.4% at September 2020, to just 3.8% in the three months to September 2021. Adelaide had the third highest rate of profit-making sales across the capital cities through the quarter (at 96.2%), behind Hobart (98.2%) and Canberra (96.5%).

The most profitable LGA regions by proportion of profit-making across Adelaide over the quarter were Adelaide Hills and Mount Barker, where every resale made a nominal gain.

The highest portion of loss-making sales was in the City of Adelaide local government area, around 90% of which were investor-owned unit sales.

At December 2021, quarterly capital growth rates across Adelaide have been among the strongest of the capital cities. Low stock levels, more favourable migration trends and strong economic recovery trends have kept momentum in this market. As such, Adelaide is likely to see an increase in the rate of profit-making sales in the coming quarters.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Adelaide (C)	21.7%	8.5	-$ 34,000	-$1,890,713	78.3%	8.9	$ 121,000	$30,443,667
Adelaide Hills (DC)					100.0%	9.4	$ 336,000	$34,926,718
Burnside (C)	0.5%			-$7,000	99.5%	8.2	$ 260,000	$66,382,007
Campbelltown (C) (SA)	6.5%	3.7	-$ 41,000	-$859,500	93.5%	7.5	$ 184,000	$45,919,787
Charles Sturt (C)	5.1%	3.4	-$ 56,000	-$1,520,207	94.9%	8.8	$ 190,000	$91,423,499
Gawler (T)	2.7%			-$61,950	97.3%	9.2	$ 80,000	$12,327,248
Holdfast Bay (C)	5.4%			-$879,900	94.6%	9.8	$ 145,000	$36,604,512
Mallala (DC)	9.7%			-$133,000	90.3%	12.3	$ 115,000	$3,950,650
Marion (C)	2.0%			-$569,500	98.0%	8.4	$ 180,000	$80,187,665
Mitcham (C)	2.2%			-$565,000	97.8%	10.3	$ 295,000	$86,242,816
Mount Barker (DC)					100.0%	9.0	$ 145,650	$25,375,850
Norwood Payneham St Peters (C)	3.5%			-$104,000	96.5%	9.5	$ 205,000	$43,471,300
Onkaparinga (C)	0.7%			-$110,765	99.3%	10.4	$ 165,500	$117,368,288
Playford (C)	3.8%	8.5	-$ 20,000	-$434,567	96.2%	10.1	$ 75,000	$39,219,955
Port Adelaide Enfield (C)	4.0%	10.1	-$ 53,000	-$1,355,502	96.0%	9.3	$ 150,000	$88,094,274
Prospect (C)	3.1%			-$48,000	96.9%	10.5	$ 279,500	$23,158,747
Salisbury (C)	4.2%	8.4	-$ 12,450	-$367,750	95.8%	9.5	$ 118,600	$67,532,967
Tea Tree Gully (C)	2.3%			-$266,300	97.7%	9.8	$ 167,750	$57,940,069
Unley (C)	2.1%			-$31,800	97.9%	10.6	$ 280,000	$52,987,073
Walkerville (M)	8.6%			-$186,000	91.4%	9.0	$ 333,500	$14,789,050
West Torrens (C)	4.5%	6.1	-$ 15,750	-$474,100	95.5%	10.9	$ 191,000	$53,551,815

PAIN AND GAIN

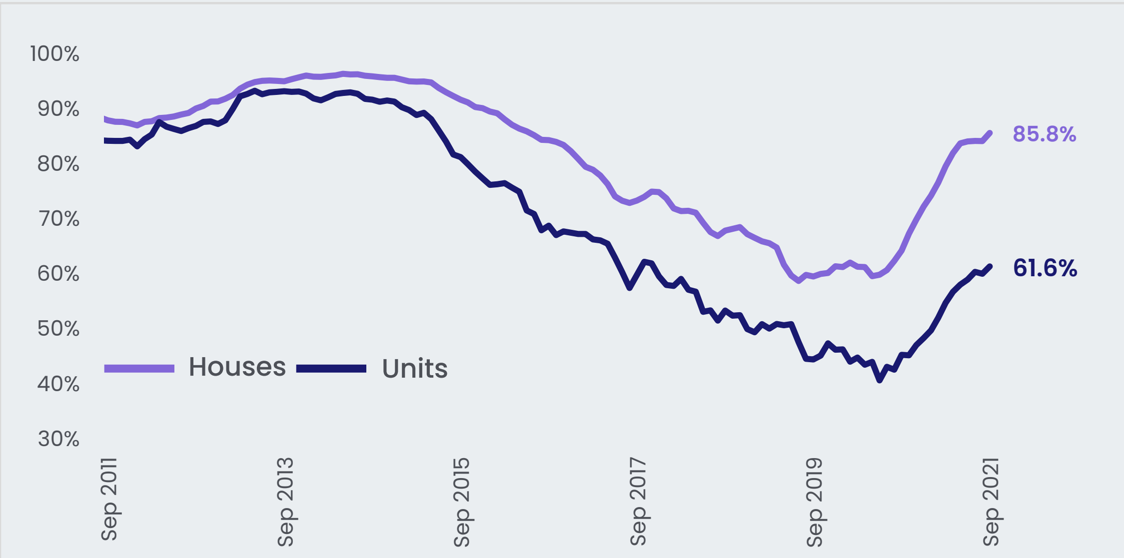
Perth

Perth has seen an increase in the rate of profit-making sales across both the house and unit segment through the September 2021 quarter. Profit-making sales represented 85.8% of house resales in the quarter, up from 84.3% in the three months to June, while profit-making unit sales increased from 59.2% to 61.6% across the unit segment.

The highest rate of profit-making sales across Perth LGA regions were in Peppermint Grove (100%), followed by Joondalup (93.0%) and Nedlands (90.9%).

While Perth maintained the second-highest rate of loss-making sales across the capital cities, the increase in the rate of profit-making sales was the highest of the capital city markets, and reflects an ongoing recovery trend in property values across the city.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Armadale (C)	25.8%	8.4	-$ 25,500	-$3,126,100	74.2%	9.7	$ 86,500	$32,254,091
Bassendean (T)	19.2%	8.2	-$ 25,500	-$574,855	80.8%	9.2	$ 90,000	$10,514,462
Bayswater (C)	20.8%	8.0	-$ 50,000	-$3,510,204	79.2%	11.6	$ 113,000	$44,933,630
Belmont (C)	37.4%	7.7	-$ 45,625	-$5,302,551	62.6%	12.4	$ 93,500	$22,123,243
Cambridge (T)	19.0%	7.2	-$ 60,000	-$923,650	81.0%	10.8	$ 233,500	$23,320,747
Canning (C)	18.6%	7.4	-$ 30,000	-$2,415,500	81.4%	12.3	$ 145,000	$56,122,139
Claremont (T)	26.7%	8.4	-$ 52,041	-$656,326	73.3%	11.3	$ 395,000	$12,955,823
Cockburn (C)	21.8%	7.2	-$ 35,500	-$4,582,760	78.2%	10.1	$ 96,500	$60,008,075
Cottesloe (T)	30.0%			-$85,500	70.0%			$4,146,000
East Fremantle (T)	25.0%			-$310,000	75.0%	10.0	$ 261,000	$7,765,500
Fremantle (C)	16.9%	7.3	-$ 50,000	-$1,588,000	83.1%	7.7	$ 168,000	$33,829,273
Gosnells (C)	22.0%	7.8	-$ 25,000	-$3,528,000	78.0%	11.8	$ 77,500	$40,606,936
Joondalup (C)	7.0%	7.0	-$ 43,750	-$2,475,121	93.0%	12.2	$ 167,000	$146,842,351
Kalamunda (S)	7.6%	7.2	-$ 18,500	-$503,826	92.4%	10.5	$ 115,000	$40,379,717
Kwinana (C)	26.3%	7.8	-$ 23,000	-$1,544,349	73.7%	9.4	$ 63,000	$15,979,489
Mandurah (C)	20.7%	11.4	-$ 40,000	-$6,214,200	79.3%	8.4	$ 70,000	$49,328,629
Melville (C)	9.5%	7.4	-$ 21,060	-$1,257,232	90.5%	11.7	$ 215,500	$110,427,427
Mosman Park (T)	27.8%	11.0	-$ 36,000	-$696,500	72.2%	11.3	$ 252,000	$7,808,500
Mundaring (S)	5.8%			-$454,000	94.2%	12.1	$ 162,500	$33,720,550
Murray (S)	24.3%	11.7	-$ 25,000	-$753,000	75.7%	7.6	$ 80,000	$8,759,332
Nedlands (C)	9.1%			-$218,000	90.9%	9.8	$ 292,236	$10,125,721
Peppermint Grove (S)					100.0%			$788,450
Perth (C)	47.6%	9.4	-$ 73,000	-$7,232,764	52.4%	11.0	$ 73,250	$12,923,060
Rockingham (C)	18.8%	8.1	-$ 20,000	-$4,126,668	81.2%	10.6	$ 65,000	$62,335,015
Serpentine-Jarrahdale (S)	16.4%			-$546,500	83.6%	8.6	$ 98,000	$11,503,500
South Perth (C)	17.1%	9.1	-$ 35,000	-$1,863,778	82.9%	12.4	$ 190,000	$44,087,435
Stirling (C)	25.3%	8.0	-$ 31,500	-$11,444,748	74.7%	10.4	$ 115,500	$153,735,571
Subiaco (C)	24.7%	8.4	-$ 70,000	-$1,681,145	75.3%	11.3	$ 166,000	$20,508,509
Swan (C)	22.4%	7.9	-$ 40,000	-$6,245,682	77.6%	10.7	$ 83,000	$51,066,001
Victoria Park (T)	17.7%	8.5	-$ 50,000	-$1,876,600	82.3%	11.7	$ 115,000	$27,005,330
Vincent (C)	23.6%	8.6	-$ 46,000	-$3,024,750	76.4%	9.3	$ 156,000	$44,407,099
Wanneroo (C)	16.4%	7.7	-$ 27,750	-$5,263,109	83.6%	9.5	$ 65,000	$71,168,170

PAIN AND GAIN

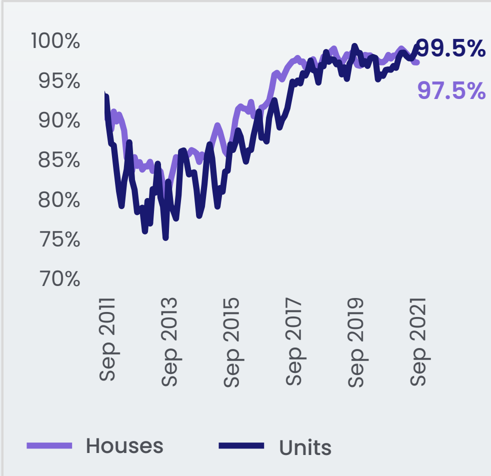
Hobart

Hobart had the highest rate of profit-making sales across the capital city markets through the September quarter, at 98.0%. This marks the 15th consecutive quarter for which Hobart has presented the highest rate of resales making a nominal gain.

This is unsurprising given the strong, sustained growth across the Hobart market, with the five year annualised growth rate to September 2021 sitting at 11.4%. However, the rate of profit-making sales fell 20 basis points, and trended lower from a recent peak of 99.1% in the March 2021 quarter.

Hobart was the only city which saw a higher incidence of loss-making sales in the house segment (2.5%) than unit sales (0.5%). This was also the lowest differential between the house and unit segment.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Brighton	3.9%			-$114,000	96.1%	8.3	$245,000	$12,961,495
Clarence	1.9%			-$242,000	98.1%	7.8	$356,949	$60,525,179
Derwent Valley					100.0%	7.5	$240,000	$12,055,300
Glenorchy	1.2%			-$194,000	98.8%	8.2	$291,000	$51,387,774
Hobart	2.0%			-$412,112	98.0%	10.0	$508,300	$83,643,049
Kingborough	2.3%			-$375,000	97.7%	7.8	$384,000	$36,824,943
Sorell	3.2%			-$197,000	96.8%	9.5	$305,000	$21,043,277

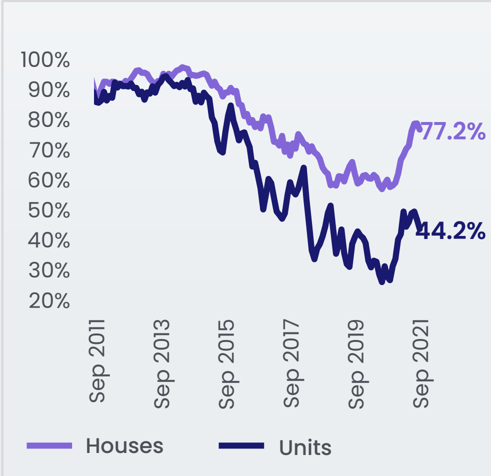
Darwin

Darwin had the lowest rate of profit-making sales across the capital city markets through the September 2021 quarter, at 65.9%. Alongside Hobart, Darwin was the only city to see a slight decline in the proportion of profit-making sales through the quarter, down from 67.3% in the three months to June.

The city also had the largest difference between profitability across house and unit sales, with 77.2% of Darwin houses making a nominal gain from resales in the quarter, compared to just 44.2% of unit sales.

Through the December quarter, property the pace of growth in Darwin property values slowed to 0.7%. As capital growth trends weaken across the city, the rate of profit-making sales may stabilize around current levels.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
Darwin	36.0%	9.2	-$ 60,000	-$10,212,249	64.0%	11.3	$ 128,251	$51,316,426
Litchfield	21.2%	6.9	-$ 69,500	-$1,112,836	78.8%	12.0	$ 232,000	$14,504,800
Palmerston	33.9%	8.5	-$ 53,750	-$4,131,836	66.1%	10.6	$ 239,950	$28,391,296

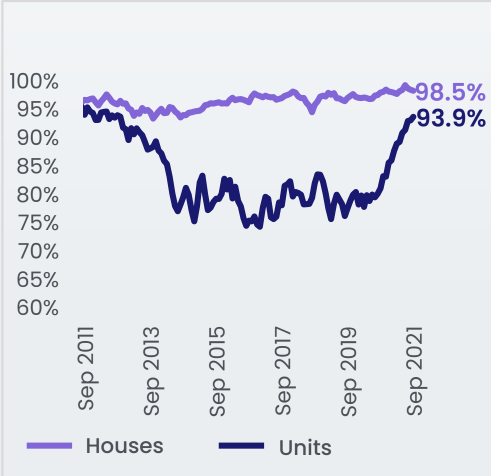
PAIN AND GAIN

ACT

Canberra had the second-highest rate of profit-making sales across the capital city markets, at 96.5%. This increased from 96.1% in the June quarter, and 92.1% in the three months to September 2020.

Interestingly, much of the increase in profit-making resales has come from the unit segment, where the incidence of profit-making sales increased 12.6 percentage points over the year. This coincides with momentum in growth in unit values, which increased 4.6% over the September quarter, and a further 6.3% in the final three months of 2021. Unit value increases are expected to continue driving an increase in the rate of profit-making resales in the coming months.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, SEP-21 QTR				GROSS PROFIT-MAKING SALES, SEP-21 QTR			
	% of all sales	Median hold period	Median loss	Total value of loss	% of all sales	Median hold period	Median profit	Total value of profit
ACT	3.5%	10.5	-$ 26,900	-$2,611,500	96.5%	9.7	$ 315,000	$534,998,091

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