Pain and Gain Report

Australia | Released May 2022

Data to December 2021

Contents

Introduction

This edition of the Pain and Gain report analyses approximately 133,000 resales of property that occurred over the course of the December 2021 quarter. Over the quarter, CoreLogic estimates 93.8% of resales made a nominal gain, up from 92.4% in the previous quarter. This marks six consecutive quarters of increases in the rate of profitability, starting from the September quarter of 2020, when Australia's housing market began an extraordinary uplift in value. Of the gains observed from resales, gains totaled $38 billion in the December quarter.

Through the December quarter, many trends in resales remained consistent. Houses saw a higher instance of profitability than units, at 96.2% and 88.6% respectively. Investors had a lower incidence of profitability (91.4%) than owner-occupier sellers (96.7%). As noted in previous quarters, hold periods between investor and owner-occupier sellers were quite similar, with the lower instance of profit-making sales among investors likely being more a feature of the type of stock purchased, where investors accounted for over half of unit resales in the quarter (57.4%).

Regional Australia had a higher instance of profitability than the combined capital city market through the quarter. Regional Australia saw nominal gains for 94.0% of resales, compared with 93.7% of capital cities.

Across the capital cities, Sydney had the highest median dollar value gain from profit-making resales across the capital cities, at $536,500. Hobart was the capital city with the highest incidence of profit making sales in the quarter, at 98.3%, followed closely by Canberra (98.2%). Hobart has held the title of most profitable capital city (by portion of gains from resale) for 14 consecutive quarters.

In contrast to Hobart, Darwin maintains the title of the *least* profitable city, with the rate of loss-making sales through the December quarter sitting at 26.9%. While this seems high relative to other capital markets, the rate of loss-making sales across the city has almost halved from a year ago (48.5%).

The rate of profit-making sales in the Australian housing market is broadly correlated with capital growth performance. As such, future expectations for profit-making sales are mixed, as there have been more divergent trends in capital growth. In Sydney and Melbourne, where unit values started to slip in the March 2022 quarter, it is expected that future analysis of profitability may see a decline in the instance of nominal gains in these markets. However, the March 2022 quarter has also seen an increase in growth rates across Perth and Darwin; markets which are already showing vast increases in the rate of profit-making sales. This could increase the incidence of nominal gains through early 2022, though it is worth noting these markets remain aggressively cyclical depending on performance of the resources sector and capital investment on major infrastructure projects.

MEDIAN RETURNS

MEDIAN GAIN

$319,000

MEDIAN LOSSES

$34,000

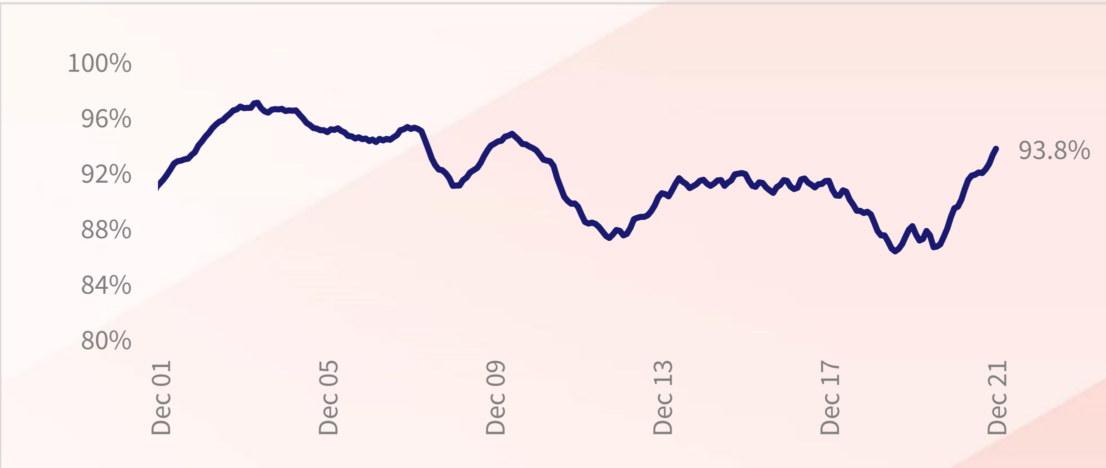
National Overview

CoreLogic has analysed approximately 133,000 resales through the December 2021 quarter. Through this period, it estimated that 93.8% of resales made a nominal profit from the previous sale. This is up from 92.4% in the previous quarter, and marks the sixth consecutive quarter that the rate of profitability in Australian resales has increased.

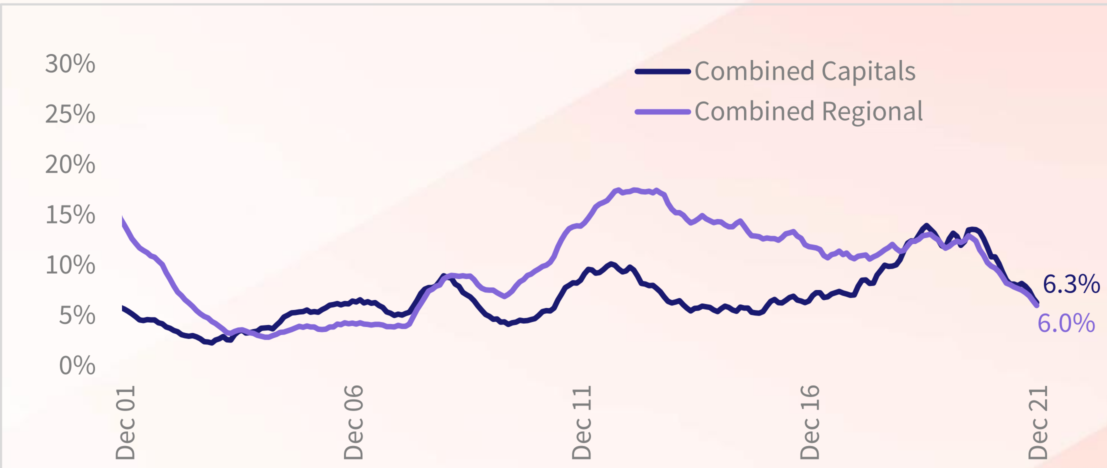
Despite the very high instance of profitability in Australian real estate, it is not at a record high. The highest rate of profit making sales was 97.2% over the three months to April 2004. This rate of profitability occurred off the back of Australia's longest housing market upswing on record, which was almost uninterrupted from September 1995 to January 2004, and saw housing values nationally increase 109.7%.

The total volume of nominal profits from residential real estate analysed in Australia was $38 billion over the December 2021 quarter. This was up around 28% from the previous quarter, when an estimated $29.7 billion was gained from resales.

Portion of profit-making sales, national - rolling quarter



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



NATIONAL OVERVIEW

The increase in the volume of profit coincided with the relaxation of strict lockdown restrictions in Sydney and Melbourne through the December quarter, and a strong quarterly rebound in the number of transactions. At $38 billion in nominal gains, the December 2021 quarter is the most profitable for resales on record.
This profitability has been realised by Australian home sellers amid low interest rates, which contributed to a cumulative rise of 24.9% in Australian dwelling values between September 2020 and December 2021.

Despite a slowdown in the quarterly rate of capital growth since May last year, Australian home values continued to increase. This has driven the rate of profitability higher and higher in recent months, with many dwelling markets sitting at record-high values.

The total volume of nominal losses in the quarter was around $355 million, down from $394 million in the previous quarter.

The median hold period on all resales was 9.1 years through the quarter, with the median difference between the initial and resale value sitting at $300,000 in the period. Nationally, the median profit on resales was $319,000 in the three months to December, while median losses were $34,000.

Across the combined capital cities and 'rest of state' regions of Australia, 13 out of 15 saw an increase in the rate of profitability. The portion of profit-making sales ranged from 99.2% in regional Victoria, to 73.1% in Darwin. While Darwin had the highest portion of loss-making sales in the December quarter (26.9%), it was also the most improved from the September quarter. The rate of loss-making sales across Darwin fell 7.4 percentage points through that period.

Interestingly, the portion of loss-making sales across Darwin has trended down from a spike in the September quarter.

Perth also saw a notable drop in the rate of loss-making sales in the December quarter, falling 3.3 percentage points to 16.9%. Across Perth, the median hold period of profit-making sales was 8.3 years, suggesting typical purchase dates of late 2013. As of March 2022, Perth dwelling values remained -0.2% below the previous record high

The only regions that saw a slight deterioration in the rate of loss-making sales were Sydney and regional Tasmania. The rate of sales making a nominal loss ticked up 10 basis points between the September and December quarters of 2021, to 4.3% in Sydney. In regional Tasmania, the rate of loss-making sales rose from 1.6% in September 2021, to 2.3% in the December quarter.

Hobart remained the most profitable of the capital cities, marking the 14th consecutive quarter that Hobart led rates of profit making sales. In the December quarter, only 1.7% of resales made a nominal loss, down from 1.9% in the September quarter. Given growth in Hobart dwelling values rose a further 2.7% through to March 2022, the Hobart dwelling market could showcase even higher rates of profitability in March resales.

Australian home values rose a further 2.4% through the March quarter of 2022, which may see increased profitability observed in the coming months. However, it is worth noting that Australia's housing market may be nearing a peak value, with more divergent performance emerging across markets. Higher average mortgage rates, rising advertised stock levels and affordability constraints are already seeing values slip across Sydney and Melbourne, where dwelling values declined -0.2% and -0.1% through March respectively.

The impact of interest rate tightening may also affect profitability at the margin for more recent buyers. In the April Financial Stability Review, modelling from the RBA suggested a 200 basis point increase in the cash rate from current levels could lead to a 15% decline in real house prices over a two year period. A 15% decline in the current median dwelling value across Australia would take prices close to May 2021 levels, and those having purchased around that time may see an increased chance of making a nominal loss through to 2024. However, resales within three-year periods make up a relatively small portion of resales observed (around 10%), and resale events also tend to decline in a falling market.

Portion of loss-making sales, capital cities versus regional – QoQ change

	Portion of loss making sales Dec 2021	Portion of loss making sales Sep 2021	Change (percentage point)
Sydney	4.3%	4.2%	0.1%
Rest of NSW	2.0%	2.3%	-0.3%
Melbourne	3.9%	4.1%	-0.2%
Rest of Vic.	0.8%	1.0%	-0.2%
Brisbane	6.5%	9.0%	-2.5%
Rest of Qld	8.8%	10.8%	-2.0%
Adelaide	2.8%	3.4%	-0.5%
Rest of SA	8.8%	10.2%	-1.4%
Perth	16.9%	20.2%	-3.3%
Rest of WA	20.5%	22.8%	-2.3%
Hobart	1.7%	1.9%	-0.2%
Rest of Tas.	2.3%	1.6%	0.6%
Darwin	26.9%	34.3%	-7.4%
Rest of NT	19.2%	19.7%	-0.5%
ACT	1.8%	3.8%	-2.0%

Houses vs Units

Through the December 2021 quarter, the rate of profit making sales was 96.2% across Australian houses, and 88.6% across units. While units were around 34% more likely to see a loss-making sale than houses, the instance of loss-making sales is falling faster in the unit segment over time. The rate of loss-making unit sales fell 2.3 percentage points in the quarter from 13.6%, compared to a decline of 1.1 percentage points from 5.0%.

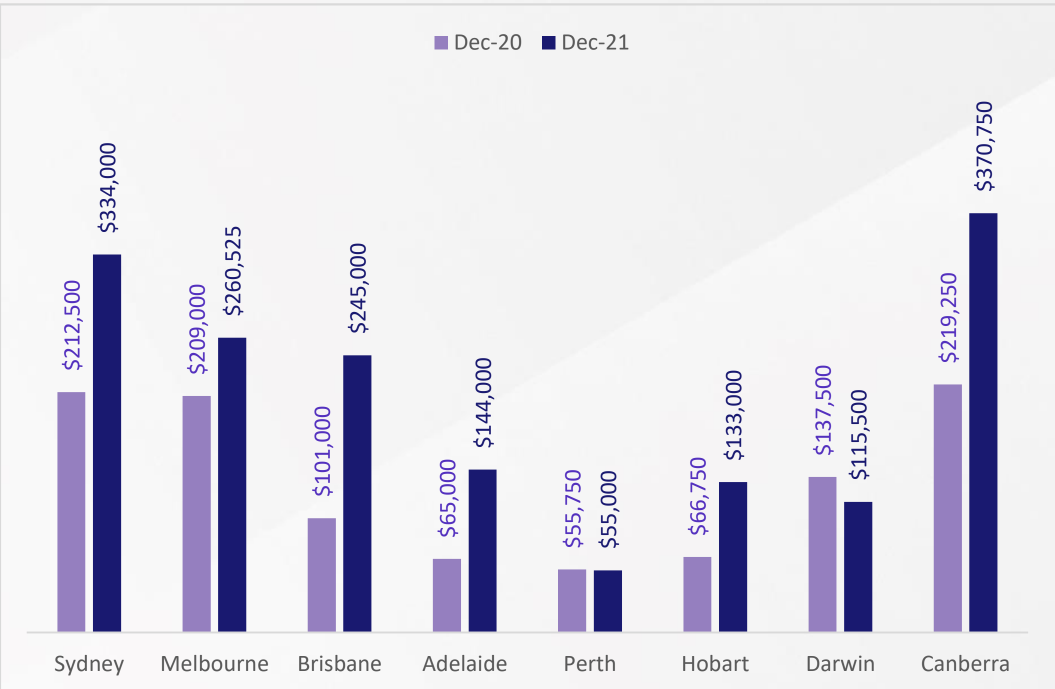
House sellers have historically seen a premium on nominal gains compared to those reselling units. Through the December 2021 quarter, the median gain from house resales nationally was $375,500, higher than the median gain from units nationally (which was around $180,000). The difference in nominal gains between houses and units across Australia has become particularly large through the current housing market upswing. In the year to December 2021, national house values increased 24.5%, compared with a 14.2% lift in national unit values. The chart below shows the difference between median house and unit profits by capital city, from the December 2020 quarter to the December 2021 quarter.

Unit sellers also made larger losses at the median level, at $38,000 in the quarter, compared to median losses of $29,000 across houses. These better profit and loss outcomes in the house segment may largely be due to the popularity of houses over units long term. Through the current upswing, houses have been particularly desirable as a lower density housing option, and have been in high demand from owner-occupier buyers who have dominated the current upswing.

Typical hold periods for profit-making units nationally were 8.2 years, compared to 9.6 years across houses. Loss-making unit sales had a median hold period of 7.8 years, compared to 9.5 years across loss-making house sales.

How much more do house sellers make than unit sellers?

Difference between median nominal gains - houses vs units, Dec 20 quarter verses Dec 21



CoreLogic

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

REGION	HOUSES		UNITS	
	Pain	Gain	Pain	Gain
Sydney	1.3%	98.7%	7.1%	92.9%
Rest of NSW	2.1%	97.9%	1.9%	98.1%
Melbourne	0.4%	99.6%	9.8%	90.2%
Rest of Vic.	0.8%	99.2%	0.6%	99.4%
Brisbane	1.1%	98.9%	17.8%	82.2%
Rest of Qld	7.7%	92.3%	11.3%	88.7%
Adelaide	1.4%	98.6%	7.0%	93.0%
Rest of SA	8.5%	91.5%	14.1%	85.9%
Perth	10.5%	89.5%	38.1%	61.9%
Rest of WA	18.2%	81.8%	41.2%	58.8%
Hobart	1.9%	98.1%	1.3%	98.7%
Rest of Tas.	2.3%	97.7%	1.7%	98.3%
Darwin	19.5%	80.5%	40.9%	59.1%
Rest of NT	12.0%	88.0%	37.2%	62.8%
Australian Capital Territory	0.8%	99.2%	3.3%	96.7%
National	3.8%	96.2%	11.4%	88.6%
Cap city	2.7%	97.3%	12.4%	87.6%
Regional	5.3%	94.7%	8.5%	91.5%

The table above summarises the portion of loss and profit-making house sales across the greater capital city and regional markets. The lowest incidence of profit-making sales was across units in regional WA, where only 58.8% of resales made a nominal gain in the quarter. Although this is low compared to other capital city and regional markets, this figure has risen substantially from a recent low of 34% in the three months to April 2020.

Across the house and unit markets, Melbourne houses actually saw the highest incidence of profit-making sales, at 99.6%. This was steady on the previous quarter. As the Melbourne market showed declines in dwelling values through the months of January and March 2022, the city may see greater instances of loss-making sales going forward.

Investor vs Owner Occupiers

Previous reports have seen owner-occupied resales generally sustaining a higher level of profitability than investor resales. The December 2021 quarter was no exception, with 96.7% of owner-occupied sales making a nominal gain, compared with 91.4% of investors.

Owner-occupiers showed a slightly longer hold period than investors at 9.2 years, compared with 8.9 years in the investor segment. As well as a slightly higher instance of profitability at the national level, owner-occupiers also generally saw higher median gains from resale. The median profit on owner-occupied resales was $355,000, compared with the median increase of $239,000 among investor resales.

As noted in previous quarters, the discrepancy in these outcomes may be because investor purchases skew towards units, which tend to have lower capital gains than detached houses. Investors accounted for 57.4% of unit resales that occurred in the quarter, despite only accounting for 29.0% of resales overall.

Both investors and owner-occupiers saw an increase in the rate of profit-making sales achieved through the December quarter. The increase across owner-occupiers was 1.2 percentage points over the quarter, while profitability among investor resales increased 1.7 percentage points.

Investor demand for residential real estate appears to have increased through to the end of 2021, as ABS data indicated a 7.9% lift in the volume of secured loans to investors in the December quarter. This may have contributed to an increase in growth and profitability among investment resales toward the end of the year.

The most profitable investment market of the greater capital city and rest of state regions was in regional Tasmania, where 100% of investment resales made a nominal gain. Investor sales in the region had a typical hold period of 7.8 years, and the median gain from profit-making investor resales was $237,000. For owner-occupied resales, the most profitable market in the December quarter was regional Victoria, where 99.6% of properties sold for a nominal gain.

At the other end of the spectrum, Darwin resales among investors and owner-occupiers saw the lowest portion of profit-making sales. Investment sales returned a nominal gain 66.9% of the time across the city, while owner-occupied gains occurred for 81.5% of resales. This is in spite of investment resales in Darwin having a relatively long hold period of 12.5 years.

One of the interesting dynamics in the Australian market through the beginning of 2022 has been a re-acceleration in growth of rent values and a steadying of gross rental yields. Monthly growth in national rents picked up to 1.0% over the month of March, up from 0.8% in the previous month, and this re-acceleration trend in rental growth rates has been evident in each of the capital cities (except for Darwin, where rents declined through the March quarter). Rental markets in smaller capital cities and regions are extremely tight, and even relatively large rental markets that saw a negative shock at the onset of COVID-19 are now recovering. At the same time, overseas arrivals (who are largely renters) have begun returning to Australian shores.

This may have contributed to a situation where growth in rents is outpacing capital growth, stabilising gross rental yields. This may help to drive more demand and profitability into investment-grade stock over the coming months.

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

REGION	PAIN		GAIN	
	Owner Occupied	Investor	Owner Occupied	Investor
Sydney	2.0%	5.8%	98.0%	94.2%
Regional NSW	1.1%	1.4%	98.9%	98.6%
Melbourne	1.1%	8.4%	98.9%	91.6%
Regional Vic	0.4%	0.3%	99.6%	99.7%
Brisbane	2.9%	9.8%	97.1%	90.2%
Regional Qld	5.8%	9.4%	94.2%	90.6%
Adelaide	1.0%	4.5%	99.0%	95.5%
Regional SA	6.0%	8.3%	94.0%	91.7%
Perth	8.6%	25.7%	91.4%	74.3%
Regional WA	14.1%	21.1%	85.9%	78.9%
Hobart	1.1%	1.1%	98.9%	98.9%
Regional Tas	1.0%	0.0%	99.0%	100.0%
Darwin	18.5%	33.1%	81.5%	66.9%
Regional NT	14.2%	27.3%	85.8%	72.7%
Australian Capital Territory	0.6%	4.2%	99.4%	95.8%
National	3.3%	8.6%	96.7%	91.4%
Cap city	2.9%	9.6%	97.1%	90.4%
Regional	3.8%	6.2%	96.2%	93.8%

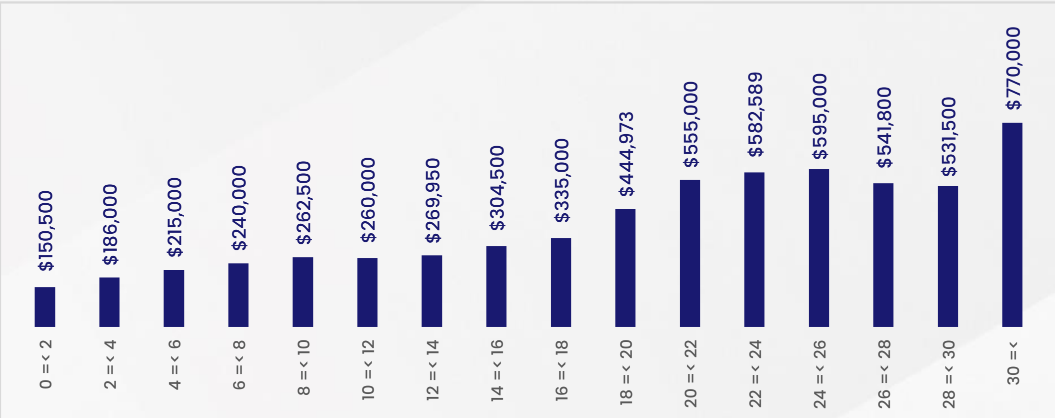
Hold Periods

At the national level, the median hold period of resales through the December quarter was 9.1 years. The initial purchase date of the median resale through the quarter was in October of 2012. Since this time, Australian dwelling values have increased 69.5% through to the December quarter, or the equivalent of around $296,000 in the median dwelling value across Australia. Given that much of the current housing market upswing has been dominated by owner-occupier, non-first homebuyers, these gains from resale explain where much of the purchasing power for housing has originated.

The median hold period for profit-making sales was 9.2 years through the quarter, which is slightly longer than the median hold period for loss-making sales (8.5 years). The median loss-making resale had an initial purchase date of May 2013. For some markets, such as inner-city Brisbane or Melbourne unit markets, the late 2010s were characterised by a combination of high unit supply, and shocks to investor housing demand, which may have contributed to loss-making sales since that time. While only a very small portion of resales made a nominal loss, this suggests that long hold periods are not always enough to secure high levels of capital growth. Supply factors, local market conditions and the quality of property will be important factors.

In the latest market upswing, many properties have seen substantial gains, even over a short period of time. The below charts show the median return from all resales by hold period (both profit and loss-making). Analysis of resales in the December quarter reveals even sales within 2 years of the initial purchase date have seen median nominal gains of $150,000. Of the resales observed, those made within 2 years of the initial purchase date also had the highest gains per year.

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



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

The highest gains from resale were from properties held for over 30 years, with a median nominal gain of $770,000. Outside of this, the highest median gain came from properties held between 24 and 26 years, or for purchases made between 1996 and 1998. This period was just off the back of a downswing in property values through the mid-1990s, where property values would have been near a trough.

Of the capital cities and rest of state territories, the lowest median hold period for profit-making sales were across units in regional Tasmania, which was 6.5 years. Tasmanian dwellings have seen an extraordinary transformation over the past five years to March 2022, with total value increases in the state of 76.3%; the highest of any state or territory. The strength of this market is also reflected in relatively low levels of loss-making resales.

For loss-making resales, the highest hold period was associated with units across Queensland, outside of Brisbane. Loss-making unit resales had a median hold period of 13 years, followed by units across regional WA (12.6 years). Loss making unit resales across these broad regions were fairly low in volume, accounting for just over 1% of total resales analysed in the quarter. Despite 2021 marking a fairly broad-based upswing in housing values, there are pockets of regional Queensland and WA where property values remain well below peaks seen in the 2000's or early 2010's.

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

REGION	PAIN		GAIN	
	Houses	Units	Houses	Units
Sydney	6.8	5.1	9.6	8.5
Regional NSW	8.0	10.2	8.6	7.5
Melbourne	4.1	7.1	9.6	8.0
Regional Vic	6.8	-	8.3	7.9
Brisbane	6.9	7.9	9.6	8.1
Regional Qld	11.0	13.0	9.1	7.6
Adelaide	4.1	9.4	10.1	8.7
Regional SA	11.7	9.7	10.8	12.4
Perth	8.0	8.6	10.4	11.6
Regional WA	11.7	12.6	9.8	8.4
Hobart	4.7	-	8.1	9.2
Regional Tas	7.4	-	8.2	6.5
Darwin	8.7	9.4	9.2	14.3
Regional NT	10.8	8.6	8.1	8.4
Australian Capital Territory	-	10.4	10.1	8.9
National	9.5	7.8	9.6	8.2
Cap city	7.9	7.3	10.0	8.4
Regional	10.9	12.6	9.0	7.6

Resource Based Markets

Across the six major resource-based markets analysed through the December quarter, the total portion of loss-making resales was 24.5%. This is down from 29.5% in the September 2021 quarter, and in fact marks the eighth consecutive quarter in which loss-making resales have fallen.

The peak of loss-making resales across the combined resource markets was in the December quarter of 2018, at 46.0%. Between the end of 2018 and the end of 2021, the select SA4 markets analysed saw average dwelling value increases of 21.6%, ranging from increases of 14.0% in Townsville to 29.4% in Outback (North) Western Australia. The trend in dwelling market performance across these territories seems to be a result of the convergence of ultra-low interest rates through the pandemic with a longer-term correcting of mining markets (which had broadly seen a drop in demand in investment since the early 2010s). Across each of the markets analysed, advertised stock levels are lower than the average of the past decade, and rental values have increased substantially since March 2020.

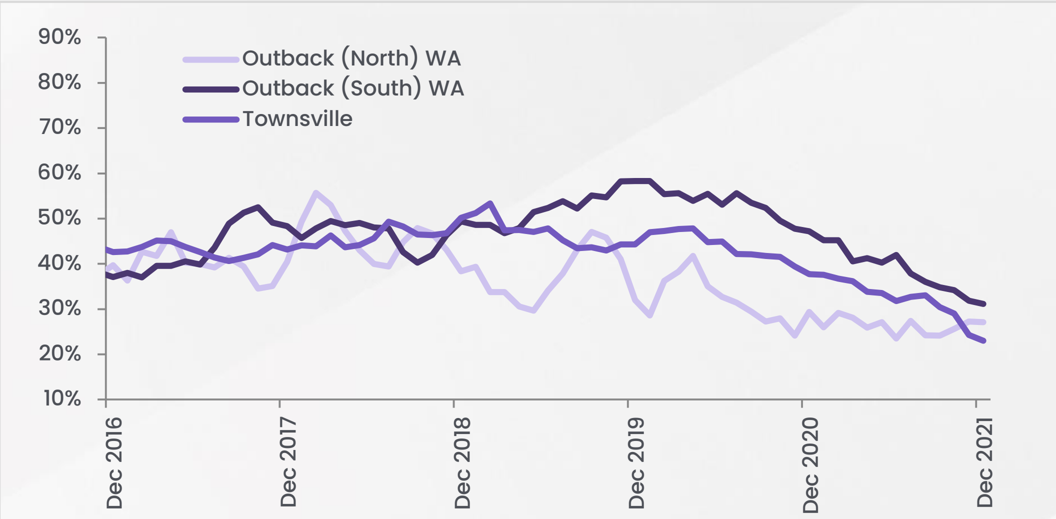
Through the December quarter, the largest decline in loss-making resales was in the Mackay-Isaac-Whitsunday region. The rate of loss-making sales fell 9.1 percentage points to 24.8%. As well as a major coal mining region, this market also offers coastal living opportunities, which may have exacerbated demand over the past two years.

Despite the broadly positive trend across resource based markets, the Outback SA region and Outback (North) WA regions did see increases in the rate of loss-making sales through the December quarter relative to the previous quarter. This is most likely due to the low volume of resales being observed across these areas, making up only around 12% of total resales observed across the six markets. The chart of loss making resales over time shows these regions so tend to show more volatility in the rate of loss-making sales from quarter to quarter, but that the rate is broadly trending lower over time.

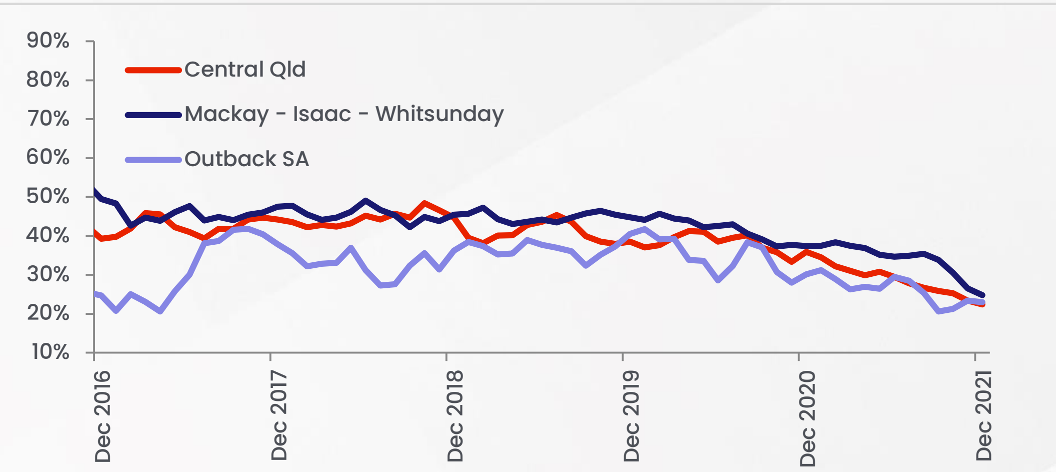
Recent developments both domestically and globally point to some potential upside for Australian resource-based economies, and by extension, local dwelling markets. Domestically, the relaxation of interstate travel may see more migration to Western Australia, South Australia and Queensland for work opportunities amid stable conditions in mining investment. Commodity prices have surged in response to concerns of supply of oil and gas from eastern Europe, which may also support greater production and export of some Australian commodities.

However, tight labour market conditions and added costs of transportation of commodities may limit the overall gains for Australian commodity producers. Furthermore, the energy resources sector still faces a longer term challenge from 'transitional risks', as institutions look to reduce investment in coal mining and coal-powered energy projects. These longer-term challenges may eventually reduce overall housing demand for some resource-based dwelling markets in Australia.

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

Over the December 2021 quarter, CoreLogic analysed resales in 9 major coastal regional markets, and 9 major non-coastal regions at the SA4 level. Each of these markets are considered to offer 'tree change' or 'sea change' lifestyles, which are characterised as high amenity locations that are popular with retirees, local tourists and those looking for a change in lifestyle outside of major cities. Both tree change and sea change markets have seen relatively high rates of capital growth since the onset of COVID-19, as remote work trends and a lack of migration to cities places additional demand pressure on desirable, affordable housing markets.

However, it is worth noting that in recent months, the rate of growth in popular regional markets has started to ease. This is likely off the back of affordability constraints being reached across the regions, where typical dwelling values are now at, or close to, $1 million across the Southern Highlands and Shoalhaven (with a median of $1,017,815), the Sunshine Coast ($992,908) and Illawarra ($974,762).

Coastal regions

Of the coastal regions analysed, the highest levels of profitability were across Geelong and the Sunshine Coast (which each saw 99.5% of resales achieve a nominal gain), followed by Newcastle (where the rate of profit-making sales was 99.2% in the quarter).

The lowest rate of profit-making sales was across Bunbury, where 87.1% of resales made a nominal gain. While this is a relatively low rate of profit-making sales compared with other coastal regions, Bunbury has the fastest *growing* rate of profitability. The rate of profit-making sales was up 4 percentage points in the quarter and 19.5 percentage points in the year. This follows a 15.1% increase in dwelling values in the 2021 calendar year.

Like other markets of Western Australia, 2021 saw a rapid increase in dwelling values across Bunbury, amid a longer-term correction coinciding with record-low interest rates. Through the March quarter of 2022, Bunbury dwelling values increased a further 3.1%, taking values to just -4.6% below the record high value in June of 2007. This is likely to prompt more vendor activity, to take advantage of strong market conditions following a relatively long period of subdued capital growth for the region, and in addition, the rate of resales making a profit is also likely to increase.

Of the 9 major coastal markets that were analysed in the quarter, only two saw an increase in the rate of loss-making sales. These were the Illawarra region, where the rate of loss-making sales increased half a percentage point in the quarter to 1.4%, and the Mid North Coast, where loss-making sales were up 1 percentage point to 2.6%. While there was a slight uptick in loss-making sales as a percentage, the actual volume of loss-making sales remains low overall.

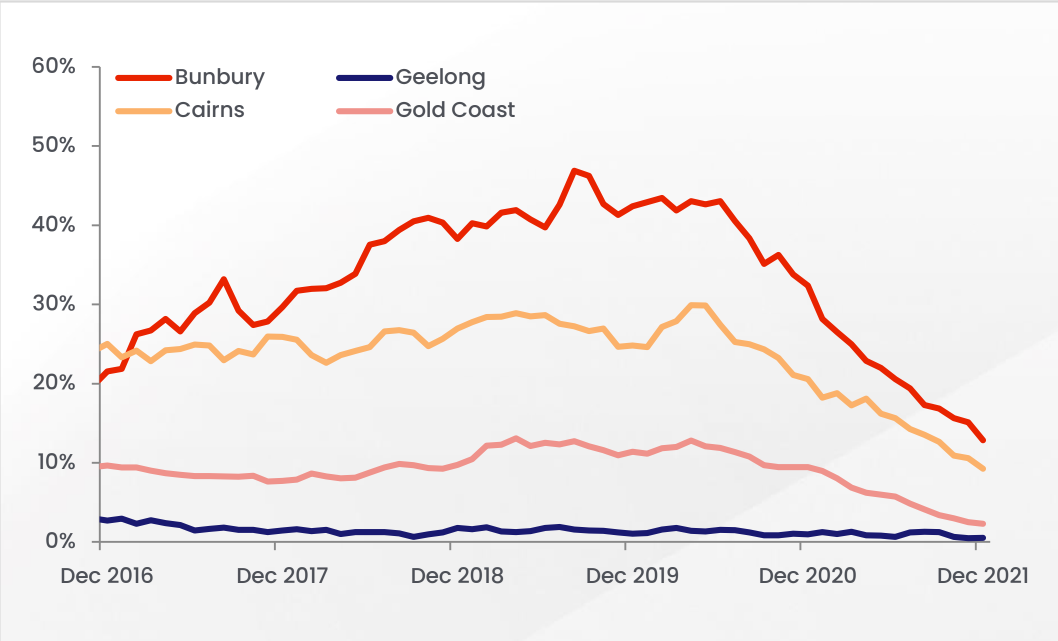
Major Non-Coastal regions

Non-Coastal regional markets have seen a broadly positive trend when it comes to profitability of resales in the past 18 months. However, some regional markets are seeing the rate of loss-making resales come off record low values. For example, Bendigo and Ballarat saw rates of loss-making resales bottom out at 0.2% in the September quarter, only to tick up to 0.7% across Bendigo in the three months to December 2021, and 0.8% in Ballarat.

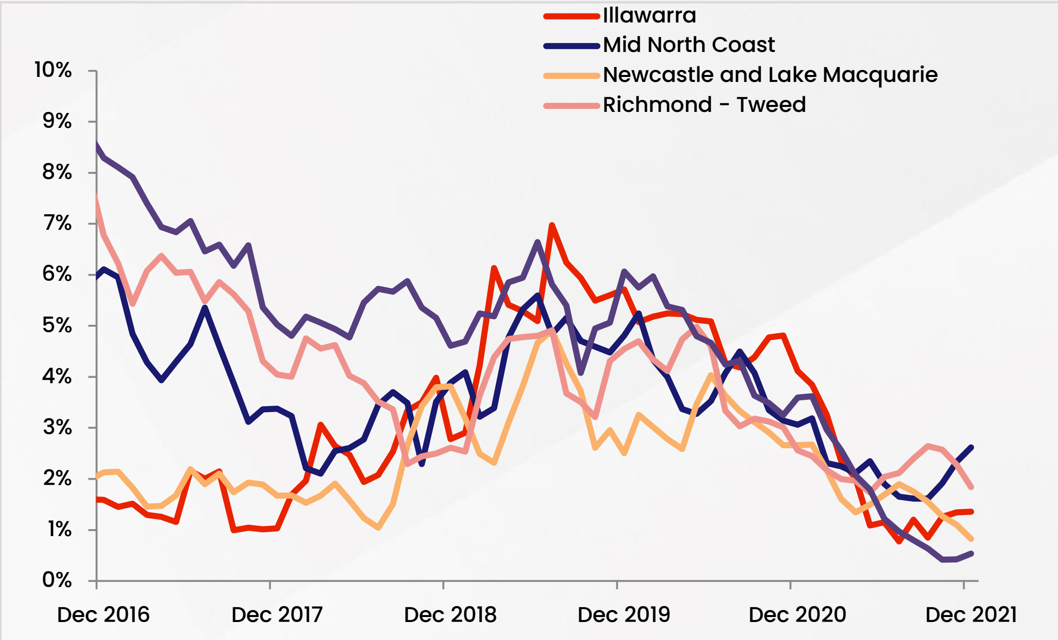
It is difficult to reconcile a higher rate of loss-making sales, when both markets saw continued dwelling value increases over the period. However, this may be a result of higher vendor activity among strong selling conditions. More broadly, the perception that market conditions may soon peak with higher cash rate expectations could see more vendors try to sell, whether or not they actually make a nominal gain.

Of the SA4 markets across Australia, the dwelling market with the lowest incidence of loss-making sales in the quarter was Geelong, with just 0.41% of sales making a nominal loss. Hume (0.43%), Geelong (0.5%), and the Latrobe - Gippsland region (0.7%), followed this. While the Mornington Peninsula is counted in the Greater Melbourne statistical region, it offers many dwellings with a pleasant coastal or bushland setting.

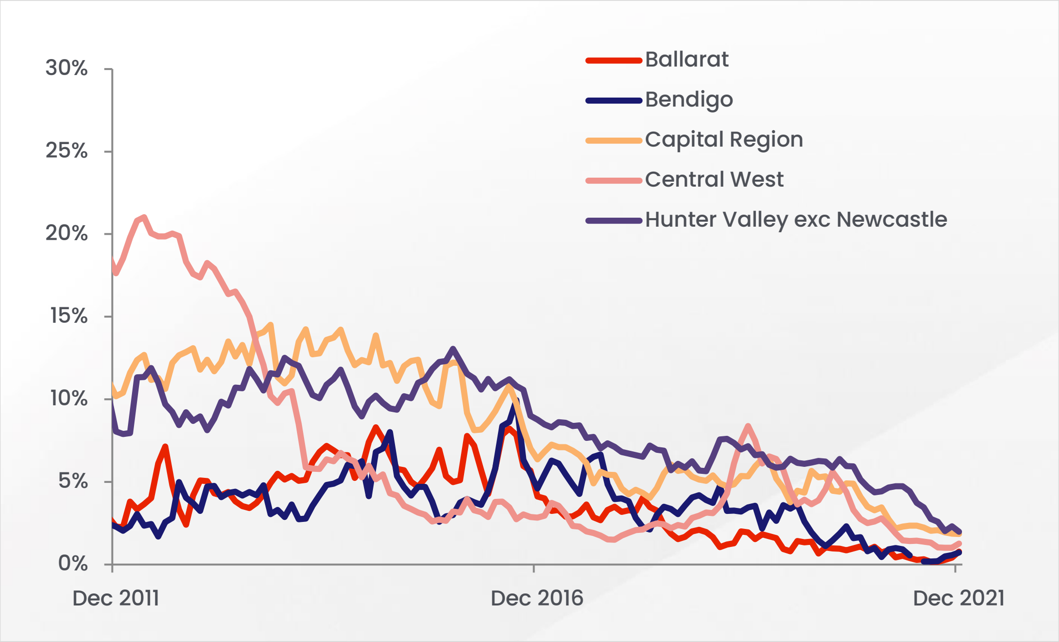
Rate of loss-making sales, select SA4 markets - rolling quarter



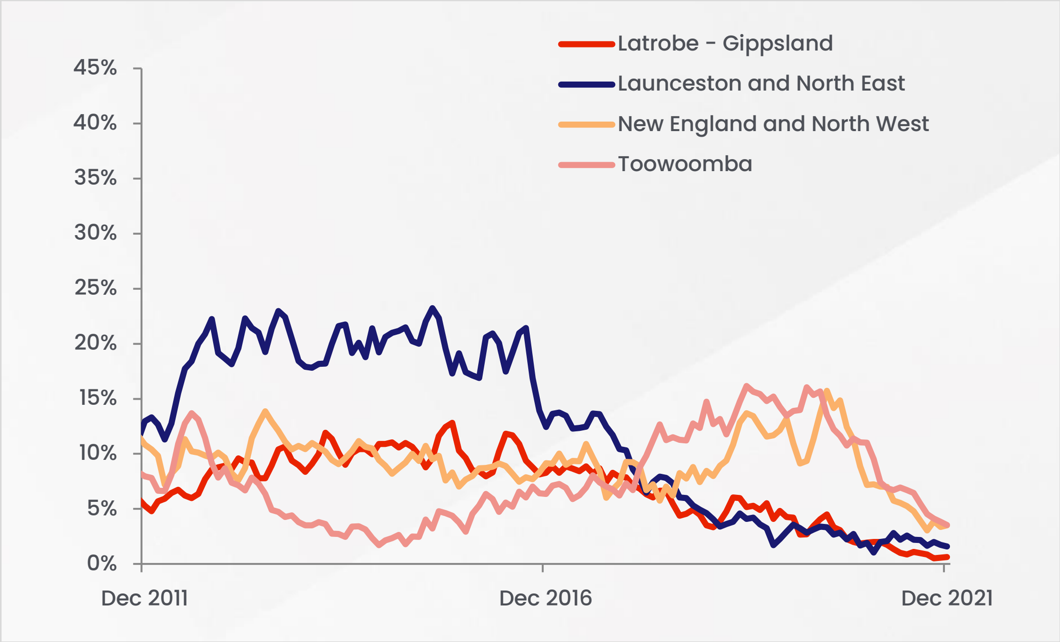
Rate of loss-making sales, select SA4 markets - rolling quarter



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



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



PAIN AND GAIN

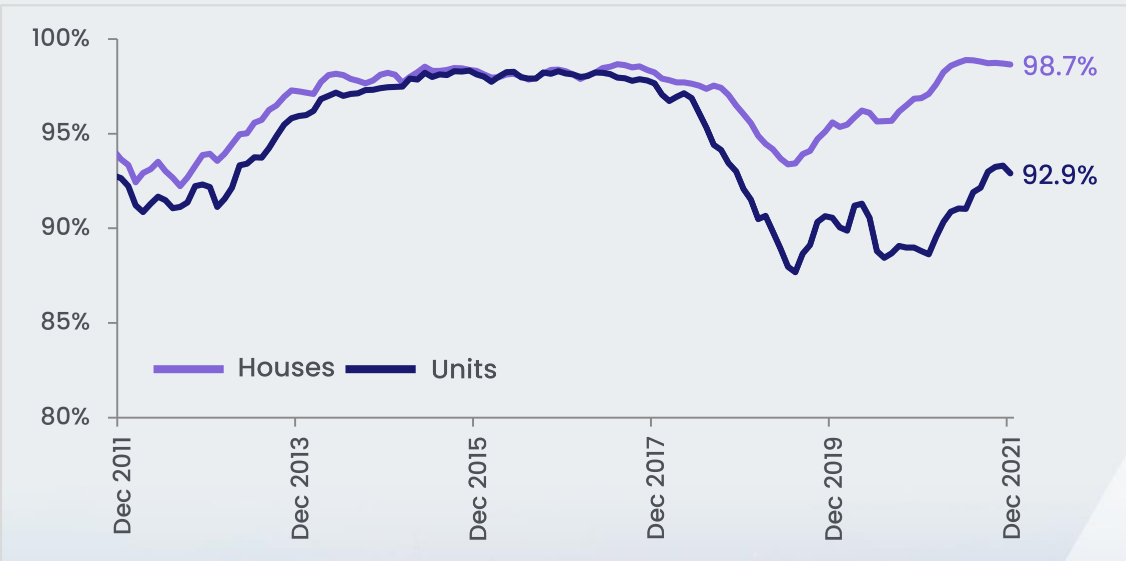
Sydney

Through the December 2021 quarter, 95.7% of Sydney resales made a nominal gain. The median gain from Sydney resales in the quarter was $536,500. The rate of profit-making sales saw a decline of 10 basis points from the rate of profitability in the September quarter, though the rate of profit-making resales is up from 93.3% in December 2020. The decline in profitability came from the unit segment, where the rate of resales that made a nominal gain nudged lower from 93.0% in the September quarter, to 92.9%.

The highest rate of loss-making resales across Sydney through the quarter were in the Parramatta LGA, with the highest count of loss-making resales being units in the suburbs of Parramatta and Wentworth Point. 98.6% of loss-making resales in the Parramatta LGA were units, and CoreLogic estimates that around 82% of these loss-making sales were investor owned. Through the March 2022 quarter, CoreLogic observed a -0.6% decline in Sydney units, which may start to see a slip in profit-making resales over the course of the year. However, declines in Sydney property values are coming off extraordinary gains, and the overall rate of profitability in the Sydney market through the December quarter remained above the long run average of 95.5%.

The highest rate of profit-making resales across Sydney was in the Hunters Hill LGA, where 100% of resales made a nominal gain, and the median gain from resale was $460,000.

Portion of profit making sales, rolling quarter



CoreLogic

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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)	3.8%	5.2	-$ 17,500	-$1,860,716	96.2%	8.6	$416,000	$631,166,354
Blue Mountains (C)	1.5%			-$330,850	98.5%	10.7	$545,000	$232,426,465
Botany Bay (C)	11.1%	4.6	-$ 60,000	-$1,396,643	88.9%	6.7	$231,000	$60,510,172
Burwood (A)	8.0%			-$286,000	92.0%	10.6	$325,000	$41,872,000
Camden (A)	1.2%			-$484,000	98.8%	6.9	$450,500	$200,344,345
Campbelltown (C) (NSW)	3.4%	5.6	-$ 29,000	-$1,414,250	96.6%	8.0	$331,000	$251,032,242
Canada Bay (A)	2.8%			-$409,500	97.2%	9.3	$346,450	$122,027,558
Canterbury-Bankstown (A)	4.3%	5.0	-$ 30,000	-$2,266,009	95.7%	9.7	$431,000	$559,662,358
Central Coast (C) (NSW)	1.3%	5.5	-$ 103,813	-$2,293,323	98.7%	8.5	$488,000	$931,860,595
Cumberland (A)	8.5%	4.6	-$ 27,000	-$2,584,064	91.5%	9.5	$310,000	$266,062,376
Fairfield (C)	2.9%	6.8	-$ 59,000	-$948,997	97.1%	10.5	$423,000	$210,926,940
Georges River (A)	5.1%	5.1	-$ 64,500	-$1,520,400	94.9%	10.1	$380,000	$190,944,194
Hawkesbury (C)	0.8%			-$195,000	99.2%	10.1	$505,000	$141,105,261
Hornsby (A)	3.4%	5.3	-$ 35,000	-$814,222	96.6%	9.2	$640,000	$287,885,421
Hunters Hill (A)					100.0%	8.8	$460,000	$10,271,500
Inner West (A)	2.7%	5.6	-$ 29,500	-$886,867	97.3%	9.4	$556,000	$368,707,928
Ku-ring-gai (A)	1.1%			-$137,000	98.9%	7.6	$243,000	$67,538,532
Lane Cove (A)	3.8%			-$646,889	96.2%	7.6	$245,000	$61,835,154
Liverpool (C)	5.9%	4.9	-$ 30,000	-$1,899,900	94.1%	9.6	$425,000	$289,717,274
Mosman (A)	3.0%			-$142,500	97.0%	9.2	$570,000	$36,552,702
North Sydney (A)	2.4%			-$373,000	97.6%	10.3	$493,000	$182,381,663
Northern Beaches (A)	1.2%			-$820,252	98.8%	7.8	$567,000	$373,304,181
Parramatta (C)	13.3%	6.2	-$ 35,000	-$6,429,160	86.7%	8.9	$275,000	$359,051,859
Penrith (C)	3.8%	5.4	-$ 30,000	-$2,385,244	96.2%	8.1	$375,000	$361,633,554
Randwick (C)	1.5%			-$158,000	98.5%	11.3	$544,500	$200,339,777
Rockdale (C)	5.4%	4.7	-$ 27,000	-$781,400	94.6%	9.1	$335,000	$162,748,452
Ryde (C)	11.6%	6.3	-$ 54,500	-$2,807,462	88.4%	8.5	$270,000	$128,929,635
Strathfield (A)	13.1%	4.7	-$ 15,000	-$725,000	86.9%	9.6	$210,000	$44,148,800
Sutherland Shire (A)	1.8%	8.5	-$ 62,500	-$1,045,263	98.2%	8.6	$515,000	$483,804,931
Sydney (C)	5.6%	5.6	-$ 62,500	-$4,512,410	94.4%	9.7	$349,500	$443,567,880
The Hills Shire (A)	2.9%	4.4	-$ 17,000	-$403,396	97.1%	7.7	$740,000	$337,888,195
Waverley (A)	2.6%			-$480,600	97.4%	9.7	$580,000	$117,704,863
Willoughby (C)	3.5%			-$422,600	96.5%	10.1	$420,000	$63,967,661
Wollondilly (A)	3.5%			-$918,000	96.5%	7.3	$515,000	$89,796,476
Woollahra (A)	1.8%			-$125,000	98.2%	8.5	$570,000	$66,354,355

Melbourne

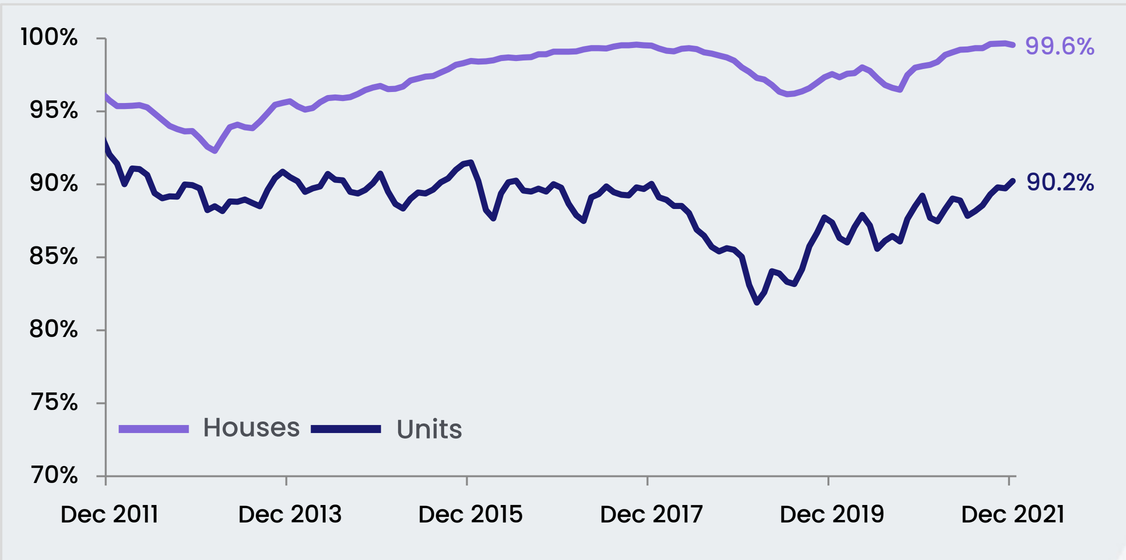
Across Melbourne, 96.1% of resales in the December quarter made a nominal gain, with median nominal gains of $433,000. The rate of profit-making sales was higher than in the previous quarter (95.9%), and higher than the December quarter of the previous year (95.2%). Profit-making sales accounted for 99.6% of house resales, and 90.2% of unit resales in the quarter. Melbourne house resales actually had the highest rate of profitability across the greater capital city house markets, despite Hobart having the highest rate of profit-making sales overall.

This means that the vast majority of loss-making sales in the quarter (around 93%) were units. Loss-making unit sales were concentrated in the LGA markets of Melbourne, Port Phillip and Stonnington. The LGA Melbourne market also had the greatest typical loss from resales in the quarter, at $60,000.

Through the March quarter, growth in Melbourne dwelling values slowed to just 0.1%, including a

-0.2% fall in Melbourne unit values. This may see some limit to the rate of profit-making sales over the course of the year, as profitability is impacted by a higher interest rate environment.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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)	1.8%	5.5	-$55,500	-$669,565	98.2%	10.5	$495,000	$303,960,882
Bayside (C)	2.9%			-$246,609	97.1%	8.1	$506,750	$152,585,046
Boroondara (C)	10.3%	7.8	-$35,000	-$2,638,132	89.7%	9.6	$428,250	$217,023,893
Brimbank (C)	0.9%			-$354,500	99.1%	9.5	$335,250	$237,003,030
Cardinia (S)	0.2%			-$190,000	99.8%	7.0	$299,500	$149,973,525
Casey (C)	0.2%			-$237,500	99.8%	8.2	$355,000	$478,744,447
Darebin (C)	2.2%	5.4	-$20,000	-$566,750	97.8%	9.6	$371,499	$277,986,541
Frankston (C)	0.5%			-$271,000	99.5%	8.3	$387,193	$330,554,753
Glen Eira (C)	5.0%	6.6	-$37,750	-$1,479,577	95.0%	9.0	$405,000	$268,966,926
Greater Dandenong (C)	1.6%			-$298,500	98.4%	8.9	$307,500	$197,346,756
Hobsons Bay (C)	0.5%			-$240,000	99.5%	8.5	$378,000	$178,932,791
Hume (C)	0.9%			-$197,500	99.1%	8.0	$275,000	$240,841,705
Kingston (C) (Vic.)	2.5%	5.9	-$22,500	-$748,500	97.5%	8.5	$450,000	$394,977,617
Knox (C)	0.5%			-$29,500	99.5%	10.8	$499,200	$357,833,249
Macedon Ranges (S)	0.6%			-$81,000	99.4%	8.6	$469,000	$84,096,776
Manningham (C)	4.3%	6.4	-$40,500	-$964,437	95.7%	8.9	$568,500	$278,800,530
Maribyrnong (C)	5.1%	7.8	-$20,748	-$792,495	94.9%	9.0	$367,000	$208,407,417
Maroondah (C)	0.9%			-$278,500	99.1%	10.3	$452,100	$347,809,484
Melbourne (C)	32.3%	7.5	-$60,000	-$13,800,749	67.7%	11.2	$167,500	$136,055,075
Melton (C)	0.2%			-$10,000	99.8%	7.1	$242,000	$159,515,873
Monash (C)	3.7%	6.2	-$26,000	-$991,776	96.3%	11.3	$574,650	$415,435,362
Moonee Valley (C)	6.2%	6.5	-$57,500	-$2,289,605	93.8%	9.8	$430,000	$246,774,816
Moorabool (S)					100.0%	8.6	$301,000	$36,809,740
Moreland (C)	5.0%	6.4	-$37,495	-$2,012,424	95.0%	8.2	$334,000	$377,545,739
Mornington Peninsula (S)	0.4%			-$146,500	99.6%	8.9	$595,000	$603,658,728
Nillumbik (S)					100.0%	12.2	$665,000	$175,188,379
Port Phillip (C)	9.8%	8.0	-$37,500	-$3,500,324	90.2%	9.9	$212,500	$221,533,399
Stonnington (C)	13.6%	7.4	-$47,250	-$3,579,782	86.4%	9.1	$335,000	$199,799,551
Whitehorse (C)	5.1%	7.5	-$40,500	-$1,703,040	94.9%	11.1	$555,000	$424,721,199
Whittlesea (C)	0.8%			-$309,500	99.2%	7.8	$287,000	$253,833,935
Wyndham (C)	1.3%	3.7	-$22,000	-$673,900	98.7%	6.7	$248,100	$292,169,613
Yarra (C)	10.7%	7.5	-$35,501	-$2,856,925	89.3%	9.6	$442,500	$233,720,319
Yarra Ranges (S)	0.6%			-$60,000	99.4%	9.7	$449,000	$334,775,684

PAIN AND GAIN

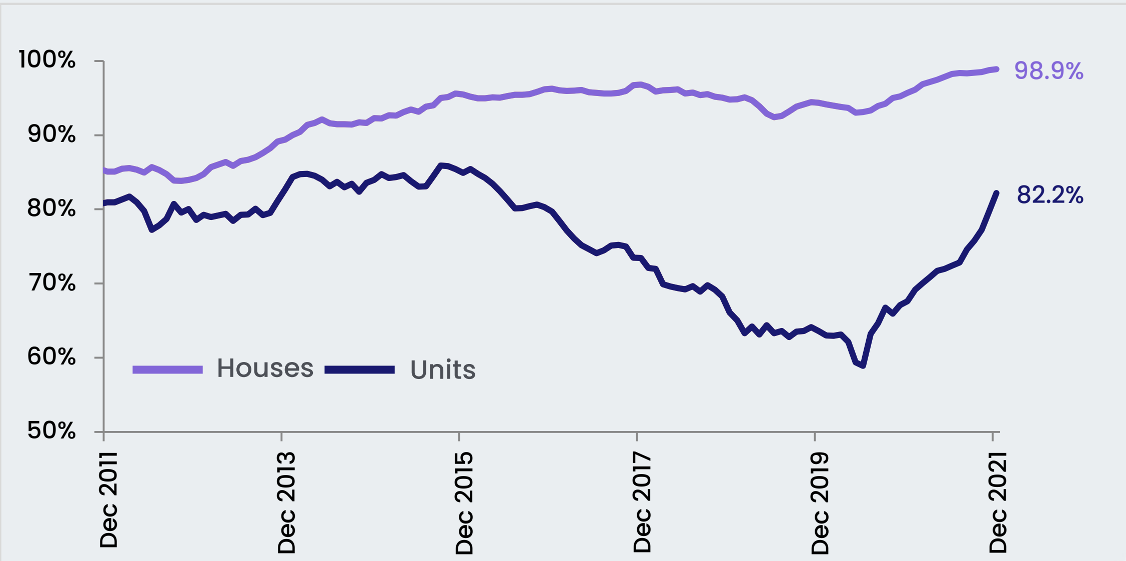
Brisbane

The rate of profit-making sales across Brisbane rose through the December quarter to 93.5%, up from 91.0% in the September quarter, and 88.1% in the December quarter of 2020. This was comprised of nominal gains across 98.9% of house resales, and 82.2% of units. Of the capital cities, Brisbane recorded a relatively wide gap between the portion of profit-making sales across houses and units, however unit profitability has growth rapidly. In the past quarter, the portion of profit-making unit sales has increased 6.4 percentage points, and increased 14.5 percentage points year on year. This coincides with a 12.7% increase in unit values across Brisbane through the 2021 calendar year.

Loss-making unit sales across Brisbane were most concentrated in the Brisbane LGA market, which accounted for more than half of loss-making dwelling sales across the Greater Brisbane market.

Profit-making sales across Brisbane returned median gains of $298,000 in the quarter. Despite having the highest instance of loss-making sales, the highest median gains from resale were realised across the Brisbane City Council area at $313,000.

Portion of profit making sales, rolling quarter



CoreLogic

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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)	8.4%	7.4	-$31,000	-$24,607,060	91.6%	9.6	$313,000	$2,517,445,776
Ipswich (C)	5.2%	8.5	-$30,000	-$2,603,945	94.8%	8.1	$160,000	$228,353,259
Lockyer Valley (R)	1.0%			-$35,000	99.0%	8.0	$150,000	$38,719,300
Logan (C)	6.2%	9.7	-$20,950	-$3,888,207	93.8%	9.6	$222,000	$473,248,266
Moreton Bay (R)	4.4%	9.2	-$20,700	-$2,690,350	95.6%	7.8	$258,000	$672,518,353
Redland (C)	1.4%	11.8	-$35,000	-$718,900	98.6%	8.4	$287,500	$306,903,427
Scenic Rim (R)	2.4%			-$108,500	97.6%	8.4	$254,001	$66,100,589
Somerset (R)	7.8%	9.2	-$34,000	-$396,250	92.2%	9.4	$180,000	$29,689,820

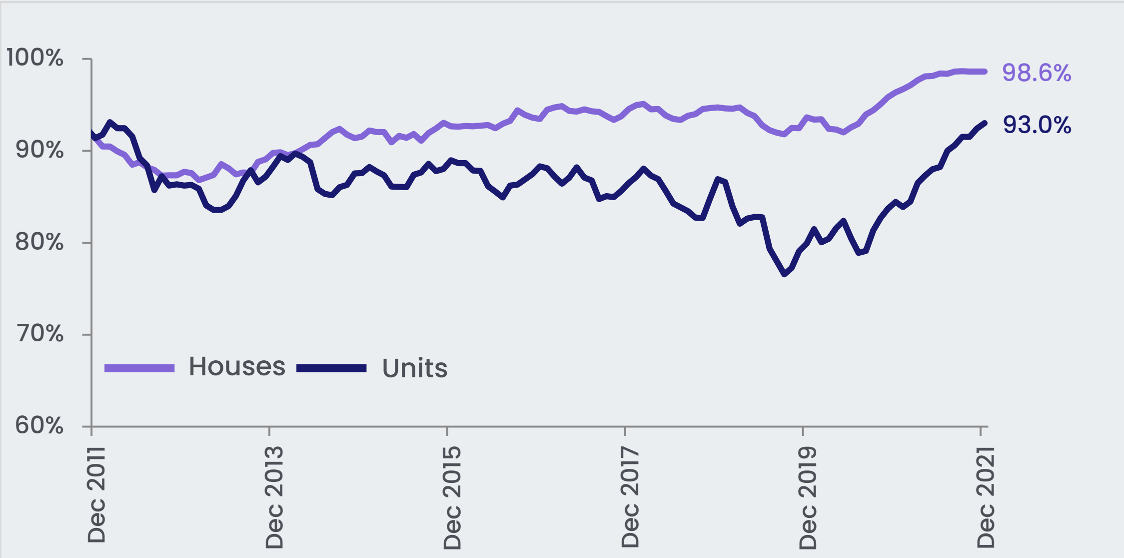
PAIN AND GAIN

Adelaide

Through the December quarter of 2021, 97.2% of resales across Adelaide dwellings made a nominal gain. This included 98.6% of house resales, and 93.0% of unit resales. The median profit over the quarter was $222,000 across Adelaide, which extended from median gains of $105,000 across the Playford LGA, to $490,000 across Burnside.

The current upswing in housing values has seen record quarterly growth rates in Adelaide dwelling values. Over the March quarter of 2022, Adelaide dwelling values continued to rise. Values across the city increased 6.0% in the detached house segment and 4.2% across units. This is likely to see a boost in profitability across the city 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, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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)	19.2%	6.7	-$45,000	-$1,795,964	80.8%	9.0	$105,000	$25,967,645
Adelaide Hills (DC)	0.8%			-$15,000	99.2%	9.9	$333,000	$52,566,072
Burnside (C)	0.5%			-$3,000	99.5%	9.7	$490,500	$108,070,328
Campbelltown (C) (SA)	1.7%			-$325,000	98.3%	8.5	$202,675	$51,080,918
Charles Sturt (C)	2.4%	6.3	-$20,000	-$567,300	97.6%	8.7	$212,500	$128,993,218
Gawler (T)	4.9%			-$358,500	95.1%	9.7	$120,000	$20,796,022
Holdfast Bay (C)	1.2%			-$65,600	98.8%	10.4	$220,000	$54,512,980
Mallala (DC)	3.7%			-$42,000	96.3%	8.7	$117,500	$4,134,501
Marion (C)	2.0%			-$786,888	98.0%	9.4	$218,750	$93,833,241
Mitcham (C)	1.7%			-$51,000	98.3%	9.3	$373,000	$98,381,694
Mount Barker (DC)	2.1%			-$348,500	97.9%	9.5	$175,000	$30,769,654
Norwood Payneham St Peters (C)	2.4%			-$89,450	97.6%	8.9	$244,500	$50,339,048
Onkaparinga (C)	1.4%	6.3	-$77,000	-$853,252	98.6%	10.4	$203,500	$162,015,105
Playford (C)	2.1%			-$461,909	97.9%	10.6	$105,000	$56,961,320
Port Adelaide Enfield (C)	2.3%	9.4	-$74,800	-$895,550	97.7%	9.2	$205,000	$116,898,260
Prospect (C)	3.4%			-$150,000	96.6%	9.1	$232,000	$28,408,705
Salisbury (C)	4.2%	10.6	-$20,000	-$872,950	95.8%	10.6	$150,000	$84,803,214
Tea Tree Gully (C)	1.2%			-$325,000	98.8%	9.6	$220,000	$98,445,869
Unley (C)	0.7%			-$7,500	99.3%	9.6	$341,112	$58,927,991
Walkerville (M)	16.7%			-$235,500	83.3%	7.3	$218,478	$7,154,167
West Torrens (C)	4.9%	9.9	-$14,500	-$302,973	95.1%	8.3	$191,000	$57,783,514

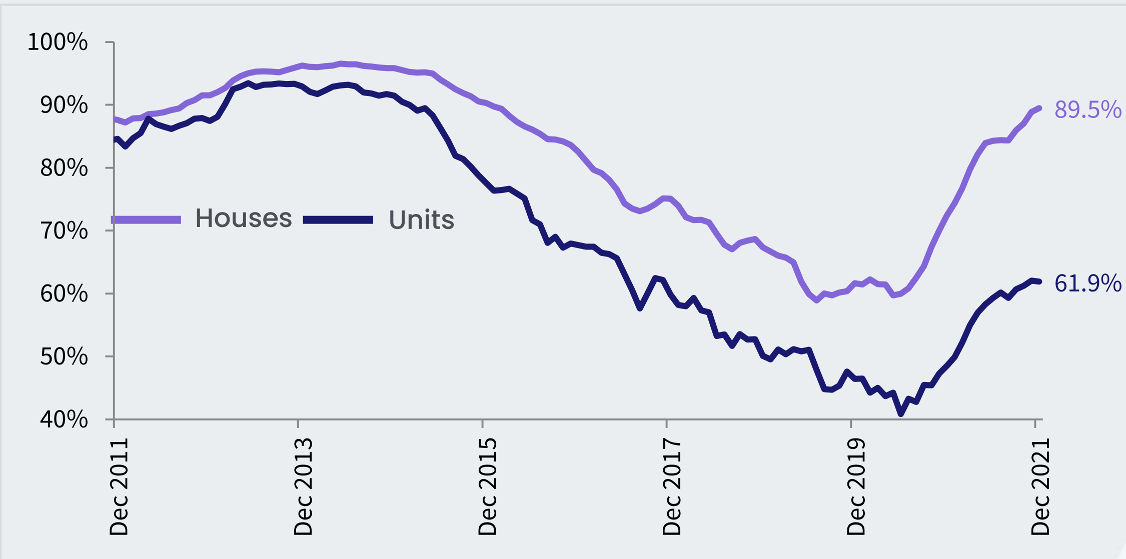
Perth

As with many resource-based markets across the country, Greater Perth dwellings had a relatively high rate of loss-making sales (16.9%), but it has also reduced markedly from the same quarter of 2020.

Perth had the largest gap in rates of profit-making sales across houses and units, where houses made nominal gains on 89.5% of resales in the quarter, compared with 61.9% of unit resales. Perth houses have also seen faster increases in the rate of profit-making sales, with the rate up 17.1 percentage points compared to the December 2020 quarter, while the increase in the rate of profit-making sales for units was 13.4 percentage points in the same period. Overall, the rate of profit-making sales climbed 15.9 percentage points across the Perth dwelling market over the year.

Interestingly, while dwelling value growth across Sydney and Melbourne looks to be slipping, the first quarter of 2022 saw a resurgence in the growth rate across Perth, with values increasing 1.9% through the March 2022 quarter. This may further reduce the incidence of loss-making resales in the coming months.

Portion of profit making sales, rolling quarter



CoreLogic

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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

Hobart

Hobart had the highest rate of profit-making sales of the capital cities through the December 2021 quarter, at 98.3%. Hobart has had the highest rate of profitability from resale for 14 consecutive quarters, or since September of 2018. Hobart also saw the third-highest median gain from resales of the capital cities, at $395,000. This was behind Sydney ($536,500) and Melbourne ($433,000).

The transformation of the Hobart housing market has in part come from a thriving international and domestic tourism sector through the 2010s. Though this has been disrupted through COVID, dwelling values continued to increase an extraordinary 34.0% between March 2020 and December 2021. Through the March quarter of 2022, Hobart dwelling values continued to increase a further 2.7% in value. Hobart dwellings now have significant affordability constraints, which has led to a spill over in housing demand to parts of regional Tasmania, but may also see this market reach a peak in the rate of profitability from resales through the course of 2022.

Portion of profit making sales, rolling quarter

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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	4.6%			-$106,500	95.4%	6.3	$250,500	$17,033,776
Clarence	0.5%			-$44,000	99.5%	8.6	$400,000	$80,888,254
Derwent Valley	2.2%			-$125,000	97.8%	7.6	$250,000	$13,669,575
Glenorchy					100.0%	8.4	$325,000	$61,037,794
Hobart	4.4%			-$524,500	95.6%	9.4	$515,000	$83,520,674
Kingborough					100.0%	8.4	$431,000	$58,223,999
Sorell	3.2%			-$83,563	96.8%	9.4	$355,000	$24,331,781

Darwin

In contrast to Hobart, Darwin has the lowest rate of profit-making sales through the December 2021 quarter, at 73.1%. However, this is a vast improvement on the rate of profit-making sales in the equivalent quarter of the previous year, when just 51.5% of resales made a nominal gain. The swift rise in profit-making sales across the city coincided with value increases of 14.7% in dwelling values over the 2021 calendar year. Darwin dwelling values rose a further 1.7% through the March 2022 quarter, including a 1.9% life in house values and a 1.3% rise in units. This is likely to improve the rate of profitable sales across Darwin observed through the start of the year.

Similar to Perth, there was a notable gap between the rate of profit-making sales across houses in the December quarter, which was 80.5%, compared with just 59.1% across units. Of the loss-making unit sales in Darwin, around 81% were investor-owned. The median re-sale value of these units was $438,750, with median losses from resale of $60,000 and median hold period of 9.5 years.

Portion of profit making sales, rolling quarter

Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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

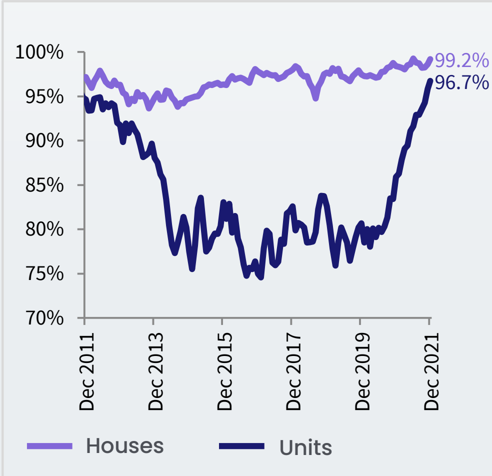
PAIN AND GAIN

ACT

The ACT had the second-highest rate of profit-making sales of the greater capital city markets, at 98.2% through the December quarter. This was 10 basis points lower than the rate of profit-making sales across Hobart.

Another feature of profit-making sales across the ACT is the parity in profitability across houses and units. While houses still had a higher rate of profit-making sales in the December quarter (99.2%), units also had a relatively high rate of profitability at 96.7%. This is a unique period for the ACT unit market, where the rate of profit-making unit sales increased from 85.9% in the December 2020 quarter. Of the profit-making sales across the ACT in the December 2021 quarter, the median gains from resale were $358,750.

Portion of profit making sales, rolling quarter



Summary of profit and loss making sales by LGA region

	GROSS LOSS-MAKING SALES, DEC-21 QTR				GROSS PROFIT-MAKING SALES, DEC-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	1.8%	9.9	-$38,000	-$2,165,300	98.2%	9.6	$375,000	$845,608,004

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