



# Pain and Gain

September Quarter, 2014

A quarterly assessment of realised gross profit and loss based on dwelling re-sales over the September Quarter of 2014

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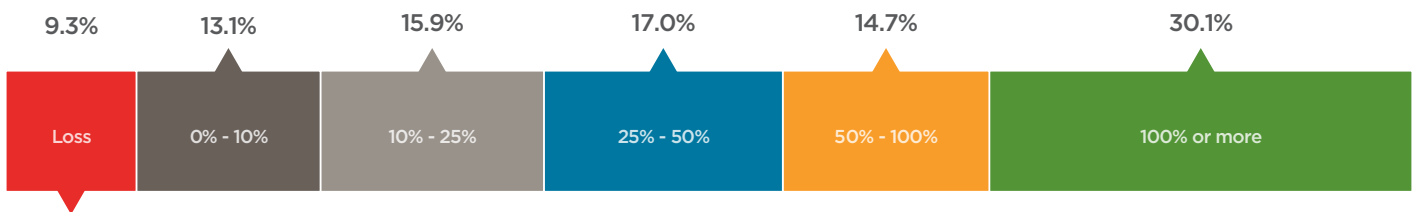


# Headline results: September quarter 2014

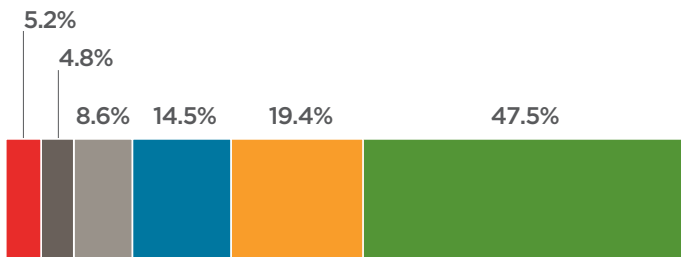
Over the September 2014 quarter, 9.3% of all home resales recorded a gross loss compared to their previous purchase price. The figure increased slightly from 9.0% over the June 2014 quarter, but was much lower than the 11.0% recorded over the September 2013 quarter. The total value of these loss-making resales over the quarter was \$383 million and the average loss was \$62,246.

The data shows that the vast majority of resales (90.7%) recorded a gross profit over the quarter with 30.1% selling for more than double their original purchase price. The gross profit across all profit-making resales was \$13.5 billion and the average gross profit across these resales was \$223,870.

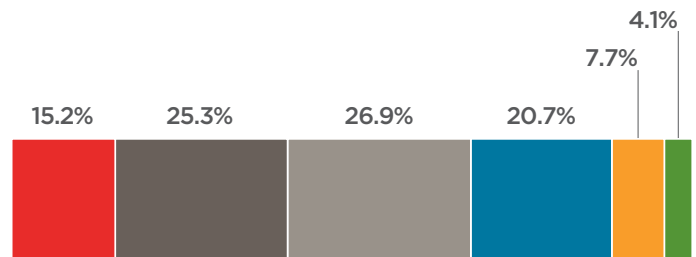
Pain/Gain results for house and unit re-sales over September quarter 2014



Homes purchased pre-Jan 2008



Homes purchased post-Jan 2008



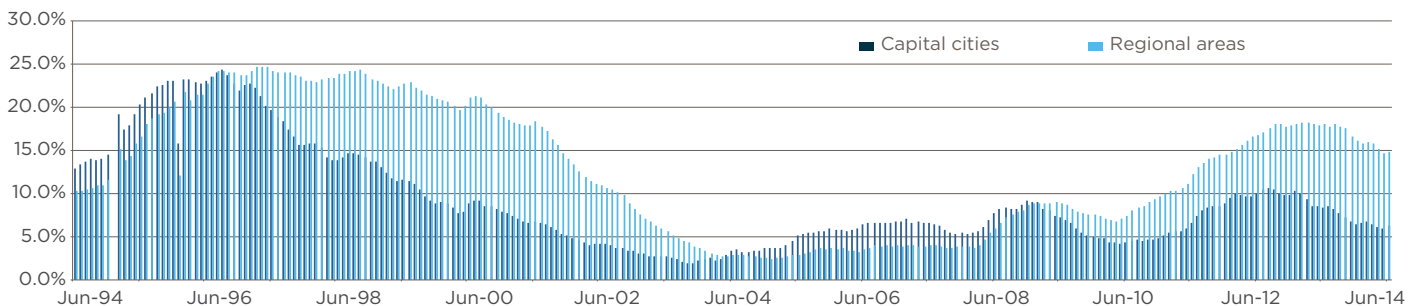
The likelihood of making a gross profit or loss is quite different based on the length of time a property has been owned. As a stark example, those homes that were previously purchased prior to January 1st, 2008 (ie pre-GFC) and were subsequently sold during the September quarter of 2014, only 5.2% of resales were made at a gross loss. For those homes that were purchased on or after January 1st, 2008 the propensity to make a loss on the resale climbs substantially. Of those homes that resold over the September 2014 quarter, 15.2% recorded a gross loss relative to the previous purchase price.

To further illustrate this point, for those resales that incurred a gross loss over the September quarter, their average length of ownership was just 5.7 years. Properties that recorded a gross profit were held for an average of 9.9 years, while those homes that resold for more than double the previous purchase price were owned for an average of 16.8 years.

# The proportion of loss-making resales has peaked and is slowly trending lower

Across the nation, 9.3% of all home resales over the three months to September 2014 recorded a gross loss. The proportion of loss-making resales is up from 9.0% the previous quarter but down from 11.0% a year ago. The proportion of loss-making resales nationally is trending lower after peaking at 13.0% in early 2013.

At a combined capital city level, the proportion of loss making resales has consistently been lower than the national average since early 2009. Over the three months to September 2014, 6.3% of all capital city resales recorded a gross loss compared to a much higher 15.4% across the combined regional markets. Across the capital cities, loss-making resales were steady over the quarter and down from 7.8% a year ago. Across regional markets, the proportion of loss-making resales has increased from 14.9% last quarter but is lower than the 17.7% a year ago.



Regional Western Australia has taken over from Regional Queensland as the region with the highest proportion of loss-making resales. Over the quarter, Regional Western Australia recorded 22.5% of all resales at a loss, followed by 22.0% in Regional Queensland. The weakness in these two regions is reflective of the historical underperformance of coastal markets, however these regions are now showing an improvement in buyer demand and dwelling values. More recently the data highlights the growing weakness in markets linked to the mining and resources sector where values are generally falling.

Sydney, which has also been the strongest market for capital growth, has recorded the lowest proportion of loss-making resales at just 2.6% over the September 2014 quarter. Other regions with a low proportion of loss-making resales were: Perth (6.0%), Melbourne (6.5%) and Regional Victoria and Adelaide (both 9.0%).

Looking at loss-making resales over time you can see some different trends emerging. Loss-making resales are trending lower in Sydney, Melbourne, Brisbane, Adelaide and Hobart, while they are trending higher in Perth, Darwin and Canberra. These trends are reflective of overall market conditions where values are still trending higher in most cities but conditions appear to be slowing quite rapidly in Perth, Darwin and Canberra.

Region	Loss	0% to 10% Profit	10% to 25% Profit	25% to 50% Profit	50% to 100% Profit	100% or more Profit
Sydney	2.6%	3.9%	13.1%	27.0%	23.9%	29.5%
Regional NSW	9.9%	15.3%	19.9%	15.8%	10.3%	28.6%
Melbourne	6.5%	11.4%	13.4%	15.9%	17.1%	35.7%
Regional Vic	9.5%	15.2%	18.4%	17.3%	10.9%	28.6%
Brisbane	11.0%	18.0%	17.1%	14.1%	11.6%	28.1%
Regional Qld	22.0%	19.7%	15.4%	10.9%	9.3%	22.8%
Adelaide	9.5%	19.8%	16.8%	14.6%	11.4%	27.8%
Regional SA	16.2%	18.0%	15.4%	12.7%	10.9%	26.8%
Perth	6.0%	13.7%	21.0%	12.2%	10.0%	37.0%
Regional WA	22.5%	14.3%	9.3%	6.3%	10.1%	37.4%
Hobart	15.8%	22.0%	14.2%	10.2%	6.9%	30.9%
Regional Tas	19.7%	23.1%	12.5%	8.7%	6.3%	29.7%
Darwin	9.6%	13.5%	12.1%	14.0%	19.3%	31.4%
Regional NT	9.8%	15.2%	8.9%	16.1%	21.4%	28.6%
Australian Capital Territory	12.2%	16.9%	17.0%	15.3%	12.8%	25.7%



# Properties held for a short period are much more susceptible to loss

Across resales of homes throughout the September 2014 quarter, those homes that were held for only a short period of time proved to be much more susceptible to loss. Although home values have increased over the past year, 12.1% of owners who purchased and resold in the same year recorded a gross loss (resales in less than a year accounted for just 1.5% of all resales over the year). Homes resold after being held for between 3 and 5 years were the most likely to record a gross loss (18.7%) followed by those sold between 5 and 7 years (16.7%). The data also reiterates the long-term nature of housing investment as well as relatively weaker growth in values over the past decade. Of those homes resold between 10 and 15 years from the previous purchase only 48.6% sold for double their original purchase price with the proportion rising to 95.2% for homes sold after 15 years of ownership.

## Proportion of resales profit by length of ownership, September quarter 2014

Length of ownership	Loss	0% to 10% Profit	10% to 25% Profit	25% to 50% Profit	50% to 100% Profit	100% or more Profit
Less than a year	12.1%	48.3%	21.6%	10.2%	4.6%	3.3%
1 year to 3 years	10.3%	29.3%	32.3%	19.6%	4.8%	3.8%
3 years to 5 years	18.7%	25.6%	26.2%	19.8%	5.6%	4.1%
5 years to 7 years	16.7%	18.5%	23.3%	23.8%	13.4%	4.4%
7 years to 10 years	9.7%	9.7%	18.0%	27.8%	25.2%	9.6%
10 years to 15 years	2.9%	2.4%	5.0%	12.8%	28.3%	48.6%
15 years or more	0.3%	0.1%	0.4%	0.6%	3.4%	95.2%

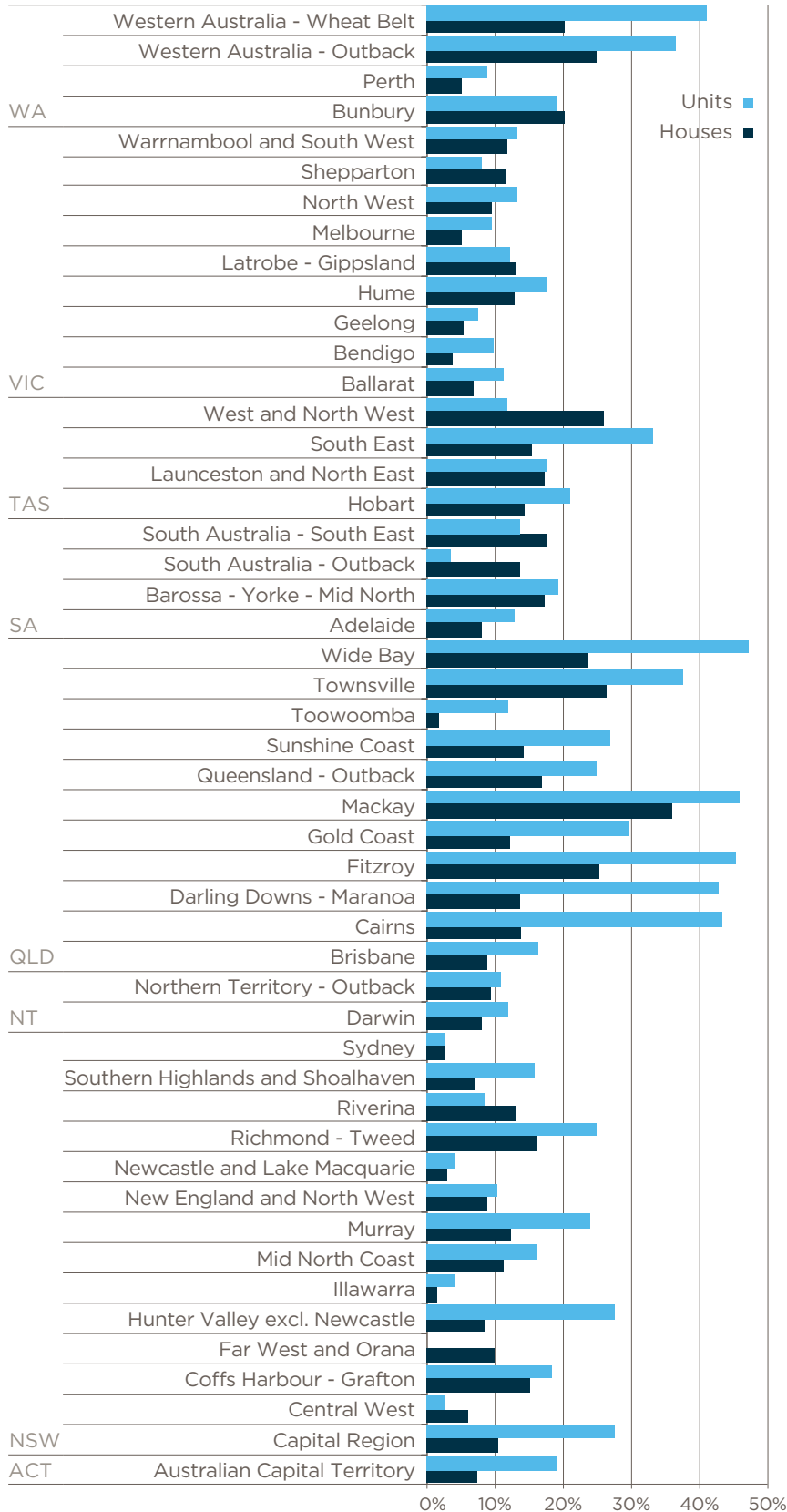
Looking across the regions of the country there is a divergence in the proportion of total resales that were at a loss and how long these homes have been owned for. In Sydney and Perth, homes previously purchased and sold over the past year were most likely to record a gross loss. In Melbourne, Adelaide, Hobart, Darwin and Canberra homes previously purchased between 2009 and 2011 were the most likely to record a gross loss. In Brisbane, homes purchased between 2007 and 2009 were more regularly sold at a loss over the past quarter. Once again, the long-term nature of housing investment is evident with very few homes recording a gross loss on sale once they have been owned for more than 10 years.

## Proportion of resales at a loss by length of ownership, September quarter 2014

Region	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years to 7 years	7 years to 10 years	10 years to 15 years	15 years or more
Sydney	5.6%	2.3%	3.8%	2.4%	3.8%	2.8%	0.4%
Rest of NSW	13.0%	10.1%	17.3%	16.4%	13.3%	5.8%	0.5%
Melbourne	14.5%	13.2%	20.9%	5.7%	3.0%	1.8%	0.0%
Rest of Vic	10.6%	20.2%	19.9%	11.2%	9.5%	2.5%	0.4%
Brisbane	21.1%	10.1%	26.9%	27.4%	6.4%	0.9%	0.0%
Rest of Qld	14.3%	17.2%	38.4%	47.6%	26.0%	6.5%	0.9%
Adelaide	7.9%	12.3%	29.6%	14.8%	3.1%	1.2%	0.2%
Rest of SA	0.0%	15.9%	30.1%	37.2%	18.0%	2.0%	0.0%
Perth	19.6%	5.4%	9.4%	10.1%	8.0%	0.6%	0.0%
Rest of WA	21.4%	24.6%	38.2%	55.6%	22.3%	2.2%	0.7%
Hobart	20.0%	11.9%	50.0%	28.6%	9.0%	0.8%	3.2%
Rest of Tas	11.8%	16.7%	44.1%	41.4%	24.7%	3.4%	0.9%
Darwin	12.5%	21.1%	24.5%	1.7%	3.8%	3.3%	0.0%
Rest of NT	0.0%	35.3%	13.6%	0.0%	6.3%	0.0%	0.0%
Australian Capital Territory	0.0%	31.7%	44.3%	8.3%	2.4%	0.8%	0.0%

# Unit dwellings within lifestyle markets are generally showing the largest proportion of loss-making re-sales

Proportion of loss-making re-sales September Quarter 2014 non-capital city SA4 regions and GCCSA regions, houses and units



From a regional perspective the largest proportion of loss-making resales were located in the following regions:

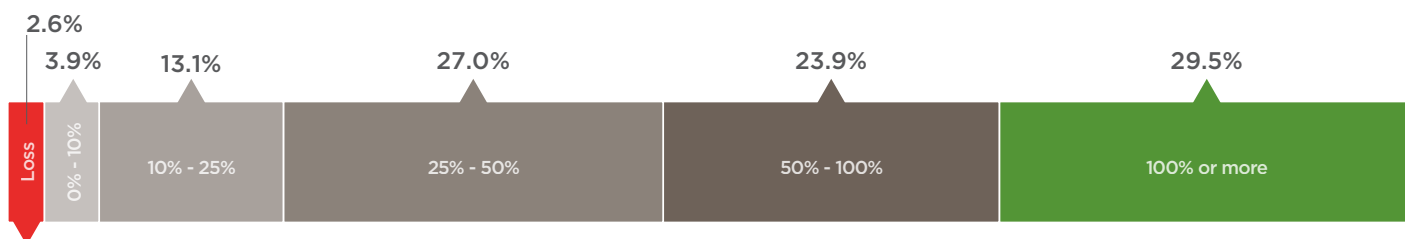
- ▶ Mackay (Qld) (37.8%)
- ▶ Townsville (Qld) (28.4%)
- ▶ Fitzroy (Qld) (27.0%)
- ▶ Wide Bay (Qld) (25.9%)
- ▶ Outback (WA) (25.7%)
- ▶ Cairns (Qld) (25.1%)
- ▶ West and North West (Tas) (24.4%)
- ▶ Gold Coast (Qld) (22.5%)
- ▶ Wheat Belt (WA) (21.5%)
- ▶ Bunbury (WA) (20.2%)

The lowest proportion of loss-making resales were recorded in the following regions:

- ▶ Illawarra (NSW) (2.2%)
- ▶ Sydney (NSW) (2.6%)
- ▶ Newcastle and Lake Macquarie (NSW) (3.1%)
- ▶ Toowoomba (Qld) (3.2%)
- ▶ Bendigo (Vic) (4.6%)
- ▶ Geelong (Vic) (5.6%)
- ▶ Central West (NSW) (5.9%)
- ▶ Melbourne (Vic) (6.6%)
- ▶ Ballarat (Vic) (7.4%)
- ▶ Southern Highlands and Shoalhaven (NSW) (8.0%)

# Pain & Gain: Sydney council regions

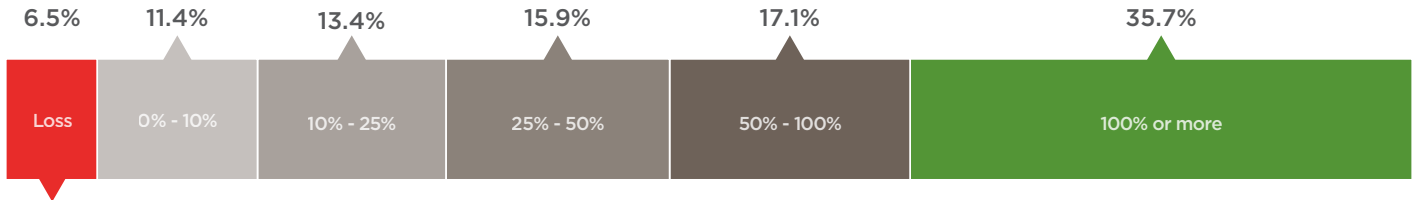
Over the September 2014 quarter, just 2.6% of resales across Sydney were at a price lower than the previous purchase price, down from 4.9% a year ago. The Ashfield, Burwood and Hunters Hill Council areas all recorded no resales at a loss over the quarter. The Wyong (6.4%), Botany Bay (6.3%) and Gosford (5.9%) Council areas each recorded the greatest proportion of loss-making resales throughout Sydney.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Ashfield	0.0%				100.0%	9.6	\$334,500	\$34,315,958
Auburn	4.0%	8.4	-\$83,500	-\$1,892,477	96.0%	8.3	\$173,750	\$72,631,783
Bankstown	2.3%	8.2	-\$155,750	-\$1,860,499	97.7%	8.8	\$236,250	\$123,600,274
Blacktown	1.1%	7.3	-\$92,500	-\$1,065,284	98.9%	9.2	\$195,000	\$245,306,225
Blue Mountains	3.8%	5.4	-\$59,000	-\$991,600	96.2%	9.8	\$138,000	\$54,117,315
Botany Bay	6.3%	9.5	-\$252,000	-\$1,510,833	93.7%	9.7	\$248,500	\$25,728,000
Burwood	0.0%				100.0%	9.9	\$285,000	\$28,611,600
Camden	1.8%	6.3	-\$107,500	-\$625,100	98.2%	9.6	\$144,275	\$62,590,879
Campbelltown	1.6%	7.4	-\$57,500	-\$1,781,632	98.4%	9.8	\$147,000	\$114,684,516
Canada Bay	2.5%	7.2	-\$152,500	-\$1,269,000	97.5%	9.3	\$264,340	\$138,615,212
Canterbury	2.0%	5.8	-\$65,000	-\$919,200	98.0%	10.1	\$273,000	\$167,799,536
Fairfield	3.6%	10.0	-\$112,000	-\$1,838,497	96.4%	10.9	\$225,000	\$112,725,730
Gosford	5.9%	7.6	-\$43,500	-\$4,451,316	94.1%	9.8	\$133,325	\$140,891,982
Hawkesbury	2.9%	6.8	-\$138,755	-\$1,478,509	97.1%	10.1	\$161,250	\$61,078,290
Holroyd	1.8%	3.7	-\$185,000	-\$1,352,000	98.2%	9.4	\$195,000	\$110,658,676
Hornsby	2.5%	6.8	-\$99,500	-\$1,866,300	97.5%	10.9	\$330,000	\$181,878,324
Hunters Hill	0.0%				100.0%	7.7	\$465,000	\$13,088,999
Hurstville	2.4%	7.9	-\$98,750	-\$702,776	97.6%	8.9	\$279,000	\$88,008,210
Kogarah	2.7%	8.6	-\$82,000	-\$312,000	97.3%	8.7	\$285,000	\$56,398,750
Ku-ring-gai	2.0%	5.7	-\$138,650	-\$1,997,300	98.0%	9.9	\$447,000	\$226,314,519
Lane Cove	3.1%	10.2	-\$98,500	-\$592,000	96.9%	10.2	\$298,500	\$60,113,126
Leichhardt	1.7%	3.7	-\$431,667	-\$1,228,333	98.3%	8.4	\$406,500	\$84,771,055
Liverpool	1.9%	9.1	-\$57,500	-\$732,500	98.1%	9.6	\$184,170	\$123,212,987
Manly	1.0%	7.2	-\$178,750	-\$357,500	99.0%	10.1	\$384,000	\$106,500,026
Marrickville	1.9%	6.8	-\$213,750	-\$695,000	98.1%	10.8	\$348,000	\$91,421,971
Mosman	3.4%	4.5	-\$90,000	-\$240,000	96.6%	9.2	\$315,000	\$38,027,412
North Sydney	2.6%	5.8	-\$166,614	-\$2,658,127	97.4%	10.9	\$321,000	\$129,119,342
Parramatta	2.4%	6.1	-\$104,000	-\$2,112,667	97.6%	9.5	\$209,750	\$170,416,943
Penrith	2.0%	7.7	-\$83,000	-\$1,293,450	98.0%	10.4	\$165,500	\$159,218,489
Pittwater	4.7%	5.7	-\$112,500	-\$2,083,160	95.3%	9.9	\$250,000	\$79,427,356
Randwick	0.8%	8.0	-\$94,000	-\$463,500	99.2%	10.5	\$327,000	\$177,557,785
Rockdale	2.0%	6.0	-\$104,500	-\$749,000	98.0%	8.7	\$253,000	\$97,391,466
Ryde	2.6%	8.1	-\$90,500	-\$1,099,200	97.4%	9.6	\$314,500	\$164,028,492
Strathfield	1.9%	10.1	-\$65,500	-\$505,500	98.1%	7.3	\$198,000	\$47,797,805
Sutherland Shire	1.8%	5.4	-\$188,750	-\$2,889,703	98.2%	10.7	\$250,000	\$248,989,968
Sydney	2.6%	8.2	-\$80,000	-\$3,838,983	97.4%	8.9	\$257,282	\$293,314,244
The Hills Shire	1.9%	5.2	-\$290,000	-\$3,559,488	98.1%	11.1	\$415,000	\$294,237,114
Warringah	1.9%	7.3	-\$127,000	-\$1,185,500	98.1%	9.5	\$271,250	\$187,326,725
Waverley	2.6%	5.0	-\$197,000	-\$1,203,000	97.4%	9.1	\$362,500	\$87,265,923
Willoughby	0.7%	6.8	-\$211,000	-\$422,000	99.3%	9.7	\$351,000	\$144,910,285
Wollondilly	3.0%	4.2	-\$69,850	-\$284,700	97.0%	9.1	\$110,000	\$24,942,974
Woolahra	2.9%	7.1	-\$75,000	-\$2,962,500	97.1%	10.0	\$396,500	\$120,002,533
Wyong	6.4%	7.3	-\$36,250	-\$3,561,050	93.6%	9.5	\$100,000	\$109,678,985

# Pain & Gain: Melbourne council regions

6.5% of Melbourne resales over the September 2014 quarter were at a price lower than the previous purchase price, down from 7.4% a year earlier and lower than the 6.6% the previous quarter. Both the Moorabool and Murrindindi council areas recorded no resales at a loss over the quarter while loss-making resales were also rare in Knox. The regions with the highest proportion of loss-making resales were Melbourne (17.2%), Maribyrnong (13.2%) and Hume (11.8%).

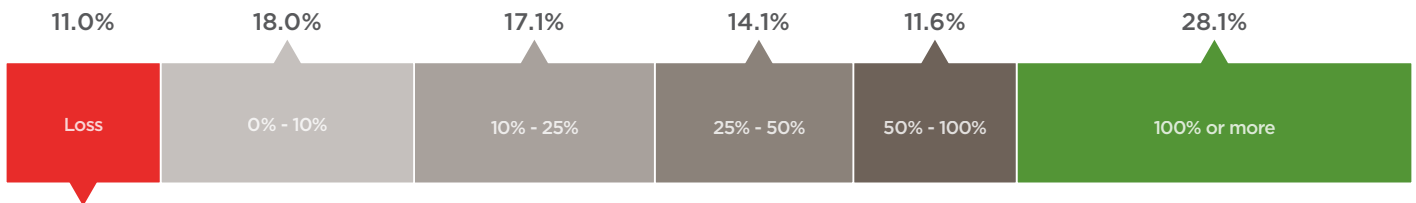


Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Banyule	4.9%	4.2	-\$60,000	-\$2,238,000	95.1%	12.8	\$255,575	\$102,539,463
Bayside	5.8%	4.7	-\$64,000	-\$1,417,300	94.2%	12.9	\$462,500	\$132,206,379
Boroondara	5.4%	5.5	-\$42,500	-\$1,906,500	94.6%	12.8	\$488,000	\$232,118,171
Brimbank	6.8%	3.6	-\$25,000	-\$1,647,396	93.2%	9.9	\$130,000	\$66,065,846
Cardinia	5.4%	4.3	-\$16,500	-\$269,500	94.6%	8.0	\$73,500	\$21,117,305
Casey	3.4%	3.6	-\$15,000	-\$861,198	96.6%	10.1	\$125,000	\$83,025,381
Darebin	7.3%	4.4	-\$31,000	-\$2,006,488	92.7%	11.3	\$240,000	\$94,469,283
Frankston	5.5%	4.0	-\$17,000	-\$1,034,671	94.5%	9.9	\$120,000	\$67,216,978
Glen Eira	3.6%	4.6	-\$30,200	-\$1,487,148	96.4%	13.4	\$323,500	\$167,306,909
Greater Dandenong	6.2%	3.5	-\$11,250	-\$670,018	93.8%	11.5	\$167,500	\$57,969,457
Hobsons Bay	5.9%	5.3	-\$10,000	-\$612,500	94.1%	10.1	\$210,500	\$45,691,083
Hume	11.8%	4.0	-\$15,000	-\$1,202,584	88.2%	9.9	\$105,000	\$36,126,831
Kingston	4.5%	4.8	-\$65,000	-\$1,707,998	95.5%	11.6	\$220,000	\$119,688,926
Knox	1.4%	4.5	-\$35,000	-\$254,675	98.6%	11.9	\$257,950	\$95,868,775
Macedon Ranges	5.3%	3.5	-\$11,250	-\$22,500	94.7%	9.5	\$161,250	\$6,579,000
Manningham	4.0%	4.6	-\$41,600	-\$1,415,200	96.0%	11.5	\$370,600	\$125,327,881
Maribyrnong	13.2%	4.7	-\$25,500	-\$1,240,910	86.8%	9.3	\$199,499	\$53,081,274
Maroondah	4.9%	3.6	-\$50,625	-\$1,809,800	95.1%	11.1	\$220,500	\$67,934,949
Melbourne	17.2%	6.1	-\$32,750	-\$4,823,527	82.8%	9.5	\$126,750	\$74,975,190
Melton	10.7%	3.4	-\$14,500	-\$1,286,748	89.3%	8.0	\$73,000	\$27,029,213
Mitchell	5.0%	2.0	-\$250,000	-\$250,000	95.0%	10.1	\$70,000	\$2,548,500
Monash	2.6%	4.7	-\$30,000	-\$605,250	97.4%	12.4	\$410,500	\$196,753,235
Moonee Valley	9.8%	5.0	-\$67,999	-\$1,925,187	90.2%	12.9	\$286,000	\$83,796,487
Moorabool	0.0%				100.0%	8.6	\$80,000	\$4,476,872
Moreland	8.1%	4.0	-\$30,000	-\$1,861,834	91.9%	11.9	\$255,000	\$110,711,374
Mornington Peninsula	5.3%	4.8	-\$40,000	-\$2,484,715	94.7%	10.2	\$150,751	\$129,785,928
Murrindindi	0.0%				100.0%	9.9	\$82,000	\$735,500
Nillumbik	4.7%	3.9	-\$29,900	-\$398,900	95.3%	10.9	\$235,000	\$38,803,430
Port Phillip	4.3%	5.7	-\$24,000	-\$739,125	95.7%	10.3	\$207,000	\$101,541,026
Stonnington	10.1%	6.2	-\$70,000	-\$2,800,157	89.9%	12.1	\$302,001	\$110,644,715
Whitehorse	3.6%	3.9	-\$85,000	-\$2,448,340	96.4%	13.2	\$395,000	\$180,406,317
Whittlesea	10.8%	3.8	-\$23,750	-\$803,950	89.2%	11.2	\$123,000	\$29,873,028
Wyndham	10.4%	3.7	-\$11,750	-\$1,027,358	89.6%	8.2	\$82,500	\$35,996,784
Yarra	6.3%	4.9	-\$45,000	-\$2,462,235	93.7%	11.0	\$322,500	\$98,500,933
Yarra Ranges	5.6%	3.7	-\$47,000	-\$1,314,461	94.4%	10.2	\$147,750	\$60,060,357



# Pain & Gain: Brisbane council regions

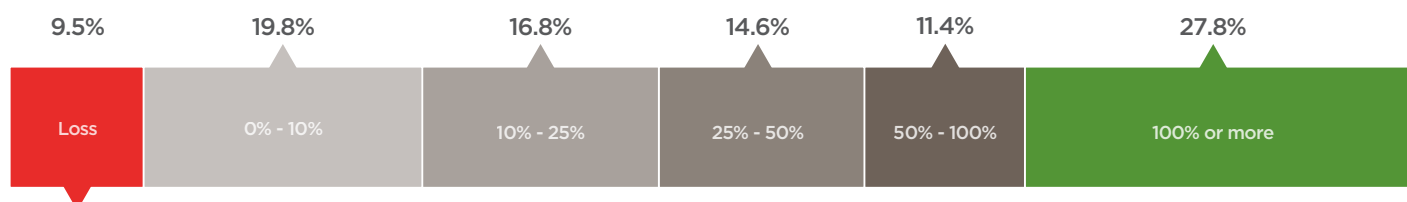
Across Brisbane, the proportion of loss-making resales has trended slightly higher over recent months, up to 11.0% over the September 2014 quarter from 10.9% the previous quarter but down from 14.8% a year ago. The Brisbane Council area has a significantly lower proportion of loss-making sales compared to all other regions at 6.6%. The council areas with the highest proportion of loss-making resales were Ipswich (23.1%), Somerset (20.8%) and Scenic Rim (19.4%).



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Brisbane	6.6%	5.2	-\$24,750	-\$11,455,477	93.4%	10.4	\$160,000	\$823,334,891
Ipswich	23.1%	5.4	-\$25,000	-\$3,619,338	76.9%	10.4	\$73,000	\$38,422,244
Lockyer Valley	14.7%	5.1	-\$42,500	-\$216,500	85.3%	8.4	\$80,000	\$2,991,500
Logan	15.5%	5.1	-\$20,000	-\$4,955,161	84.5%	10.5	\$84,000	\$96,742,959
Moreton Bay	16.7%	5.6	-\$20,000	-\$7,093,351	83.3%	8.9	\$79,900	\$121,732,026
Redland	11.0%	5.1	-\$20,000	-\$1,506,050	89.0%	10.7	\$112,000	\$67,195,298
Scenic Rim	19.4%	4.3	-\$21,000	-\$568,750	80.6%	10.4	\$80,000	\$3,394,754
Somerset	20.8%	4.9	-\$10,000	-\$135,500	79.2%	8.8	\$86,250	\$5,056,100

# Pain & Gain: Adelaide council regions

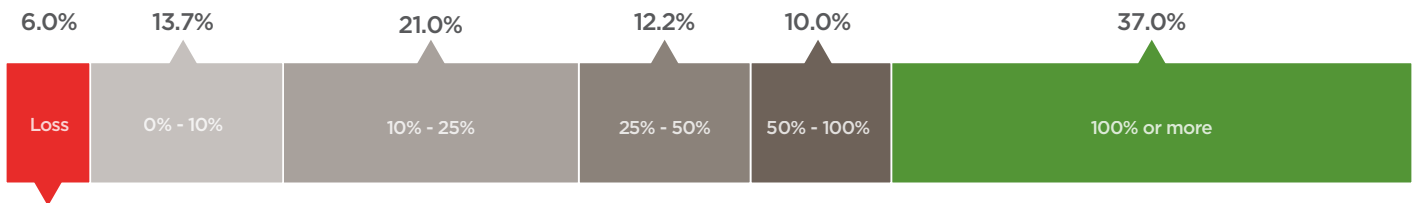
Over the September 2014 quarter, 9.5% of Adelaide resales were at a gross loss, which was the lowest proportion since the 12 months to November 2011. The proportion of loss-making resales is down from 13.8% a year ago. The Mallala (0.0%), Unley (3.0%) and Adelaide Hills (4.2%) council areas recorded the lowest proportion of loss-making resales. Meanwhile, the Light (33.3%), Playford (17.2%) and Adelaide (14.8%) council areas recorded the highest.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Adelaide	14.8%	5.9	-\$30,000	-\$821,600	85.2%	8.9	\$129,500	\$9,150,332
Adelaide Hills	4.2%	4.0	-\$15,000	-\$55,000	95.8%	9.2	\$150,000	\$12,180,050
Burnside	8.5%	5.5	-\$50,000	-\$686,667	91.5%	9.7	\$216,000	\$34,040,690
Campbelltown	9.8%	5.3	-\$22,500	-\$627,085	90.2%	8.8	\$115,000	\$15,735,528
Charles Sturt	8.8%	4.2	-\$18,500	-\$1,060,855	91.2%	9.2	\$119,000	\$38,023,913
Gawler	7.4%	4.8	-\$35,000	-\$248,000	92.6%	9.2	\$54,000	\$4,589,700
Holdfast Bay	9.8%	5.5	-\$30,900	-\$569,300	90.2%	9.1	\$121,000	\$17,718,130
Light	33.3%	0.9	-\$100,000	-\$100,000	66.7%	8.1	\$103,500	\$207,000
Mallala	0.0%				100.0%	7.8	\$20,000	\$88,000
Marion	8.6%	4.1	-\$32,500	-\$1,839,962	91.4%	8.5	\$109,000	\$37,909,306
Mitcham	7.1%	5.6	-\$36,000	-\$843,750	92.9%	9.5	\$141,000	\$29,342,518
Mount Barker	10.7%	5.7	-\$35,000	-\$489,999	89.3%	7.4	\$65,000	\$7,737,496
Norwood Payneham St Peters	12.2%	4.7	-\$23,500	-\$662,000	87.8%	7.8	\$119,000	\$13,973,544
Onkaparinga	7.7%	4.7	-\$9,500	-\$734,100	92.3%	9.0	\$85,000	\$47,000,539
Playford	17.2%	4.5	-\$15,250	-\$966,400	82.8%	9.5	\$54,250	\$12,283,186
Port Adelaide Enfield	13.2%	4.7	-\$22,000	-\$2,653,850	86.8%	9.0	\$104,889	\$41,484,469
Prospect	9.8%	3.9	-\$30,000	-\$137,000	90.2%	8.4	\$154,500	\$7,779,801
Salisbury	11.6%	4.5	-\$16,000	-\$1,581,470	88.4%	8.6	\$69,000	\$28,141,056
Tea Tree Gully	6.1%	5.1	-\$19,500	-\$304,000	93.9%	9.2	\$112,500	\$29,903,215
Unley	3.0%	4.0	-\$60,000	-\$259,000	97.0%	9.3	\$173,950	\$20,952,677
Walkerville	9.1%	3.0	-\$27,500	-\$27,500	90.9%	11.8	\$304,500	\$3,386,500
West Torrens	7.0%	5.6	-\$33,000	-\$571,040	93.0%	9.5	\$121,500	\$22,658,333

# Pain & Gain: Perth council regions

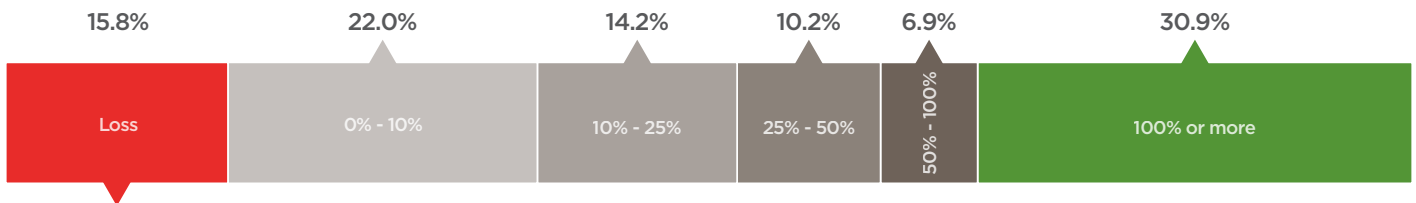
6.0% of resold homes across Perth in the September 2014 quarter were sold for less than the previous purchased price compared to 5.1% the previous quarter and 4.9% a year ago. The Bassendean and Peppermint Grove council areas had no sales at a loss over the quarter, while Canning had just 0.7% of all sales at a loss. The highest proportion of loss-making resales occurred in the Mandurah (20.1%), Murray (17.6%) and East Fremantle (17.4%) council areas.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Armadale	7.0%	5.6	-\$34,000	-\$1,143,984	93.0%	8.1	\$132,500	\$48,829,777
Bassendean	0.0%				100.0%	8.7	\$220,000	\$13,710,000
Bayswater	2.3%	5.6	-\$173,000	-\$798,000	97.7%	9.3	\$192,000	\$48,822,760
Belmont	3.4%	6.1	-\$50,000	-\$350,000	96.6%	8.8	\$180,000	\$32,951,750
Cambridge	2.4%	4.6	-\$83,000	-\$166,000	97.6%	8.9	\$175,000	\$26,258,400
Canning	0.7%	1.5	-\$125,500	-\$251,000	99.3%	8.5	\$185,000	\$74,508,046
Claremont	11.8%	6.5	-\$315,750	-\$1,192,500	88.2%	8.8	\$318,000	\$9,885,000
Cockburn	4.3%	6.2	-\$54,181	-\$1,547,362	95.7%	8.4	\$155,000	\$69,906,533
Cottesloe	9.1%	7.0	-\$310,000	-\$310,000	90.9%	10.2	\$186,250	\$2,752,000
East Fremantle	17.4%	3.7	-\$96,000	-\$452,000	82.6%	12.4	\$424,000	\$8,319,000
Fremantle	7.4%	4.7	-\$185,000	-\$1,615,900	92.6%	8.2	\$198,500	\$21,481,864
Gosnells	2.1%	5.2	-\$82,000	-\$651,000	97.9%	8.5	\$150,000	\$62,811,786
Joondalup	4.3%	4.7	-\$50,500	-\$2,208,834	95.7%	9.8	\$250,000	\$144,222,316
Kalamunda	2.6%	5.0	-\$145,000	-\$533,000	97.4%	8.5	\$175,000	\$40,945,099
Kwinana	4.3%	6.1	-\$27,500	-\$264,000	95.7%	8.1	\$103,000	\$18,888,350
Mandurah	20.1%	6.7	-\$50,000	-\$7,073,158	79.9%	9.9	\$150,000	\$52,601,463
Melville	3.4%	5.6	-\$74,500	-\$1,164,306	96.6%	9.2	\$280,000	\$90,243,389
Mosman Park	5.3%	5.2	-\$67,500	-\$135,000	94.7%	8.6	\$152,500	\$8,940,000
Mundaring	4.4%	4.9	-\$40,000	-\$682,350	95.6%	9.6	\$225,000	\$32,129,240
Murray	17.6%	6.3	-\$50,000	-\$1,160,000	82.4%	8.9	\$198,500	\$8,709,054
Nedlands	6.0%	3.1	-\$40,000	-\$125,100	94.0%	10.7	\$540,000	\$27,017,500
Peppermint Grove	0.0%				100.0%	10.5	\$472,500	\$945,000
Perth	16.0%	4.9	-\$40,000	-\$2,243,143	84.0%	7.6	\$88,500	\$22,859,013
Rockingham	7.4%	6.4	-\$15,500	-\$1,920,774	92.6%	8.2	\$118,000	\$70,265,826
Serpentine-Jarrahdale	6.2%	4.2	-\$65,250	-\$301,500	93.8%	7.1	\$120,000	\$12,372,950
South Perth	5.5%	5.8	-\$47,000	-\$373,500	94.5%	9.7	\$250,750	\$47,753,550
Stirling	4.3%	4.6	-\$50,000	-\$3,610,753	95.7%	9.0	\$185,000	\$181,140,289
Subiaco	7.4%	9.2	-\$60,000	-\$489,700	92.6%	10.4	\$297,000	\$21,495,367
Swan	5.1%	4.9	-\$90,000	-\$3,357,900	94.9%	8.3	\$161,000	\$81,505,600
Victoria Park	4.3%	5.2	-\$80,000	-\$810,000	95.7%	8.7	\$145,000	\$28,372,500
Vincent	4.4%	5.2	-\$20,000	-\$160,000	95.6%	8.6	\$290,500	\$21,379,687
Wanneroo	6.2%	5.4	-\$50,000	-\$3,190,514	93.8%	7.3	\$137,500	\$105,106,300

## Pain & Gain: Hobart council regions

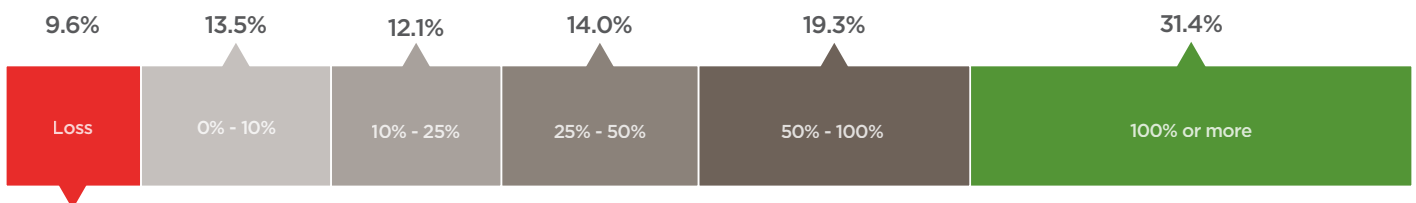
Hobart's ongoing weak housing fundamentals sees it having the highest proportion of loss-making re-sales of all capital cities (15.8%) over the September 2014 quarter. The proportion of loss-making re-sales is higher than in June 2014 (14.5%) but lower than a year ago (18.8%). Brighton (27.9%), Derwent Valley (28.6%) and Sorrell (22.2%) council areas had the highest proportion of loss-making resales over the quarter. The proportion of loss-making resales was much lower in Hobart (9.2%), Clarence (14.2%) and Kingborough (16.5%) council areas.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Brighton	27.9%	4.6	-\$27,500	-\$373,500	72.1%	8.3	\$34,000	\$2,492,000
Clarence	14.2%	6.7	-\$27,250	-\$773,251	85.8%	10.6	\$85,000	\$16,386,491
Derwent Valley	28.6%	4.8	-\$31,000	-\$132,000	71.4%	9.9	\$31,938	\$553,205
Glenorchy	17.0%	6.0	-\$10,675	-\$237,500	83.0%	11.1	\$80,000	\$8,698,395
Hobart	9.2%	5.0	-\$28,000	-\$426,400	90.8%	9.5	\$77,500	\$15,191,316
Kingborough	16.5%	4.8	-\$24,500	-\$717,400	83.5%	9.9	\$125,750	\$11,935,880
Sorell	22.2%	4.6	-\$17,000	-\$161,100	77.8%	9.0	\$59,500	\$2,482,750

## Pain & Gain: Darwin council regions

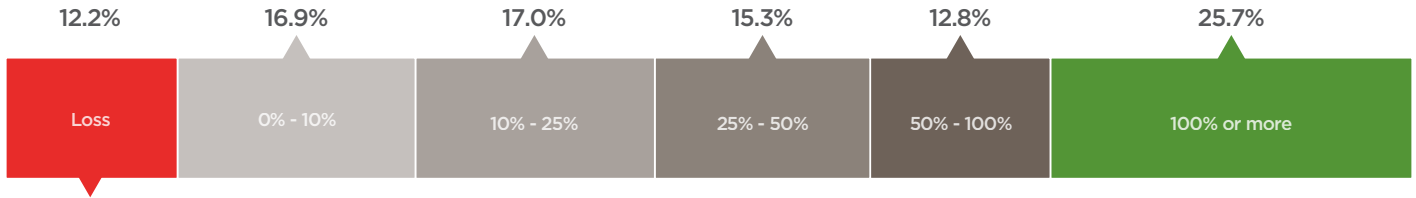
Across Darwin over the three months to September 2014, 9.6% of homes resold at a loss compared to a higher 10.3% a year earlier. The proportion of loss-making resales has recently been lower and is trending higher. The relatively less developed Litchfield region had the lowest proportion of loss-making resales over the quarter at 4.8% compared to 9.9% in Darwin and 10.2% in Palmerston.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Darwin	9.9%	4.6	-\$90,561	-\$3,895,893	90.1%	7.5	\$196,250	\$44,038,006
Litchfield	4.8%	3.6	-\$1,000	-\$1,000	95.2%	7.4	\$298,500	\$5,903,130
Palmerston	10.2%	3.4	-\$106,700	-\$1,481,446	89.8%	6.0	\$149,000	\$21,258,404

# Pain & Gain: Canberra council regions

Over the three months to September 2014, 12.2% of Canberra homes re-sold at a loss compared to 11.7% over the previous quarter and 8.4% a year ago.



Region	Gross Loss-Making Sales, September Quarter 2014				Gross Profit Making Sales, September Quarter 2014			
	% of all sales	Average hold period	Median loss	Total value of loss	% of all sales	Average hold period	Median profit	Total value of profit
Unincorporated ACT	12.1%	4.0	-\$18,260	-\$4,205,340	87.9%	9.8	\$144,000	\$152,564,947



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CoreLogic RP Data is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest data and analytics company in the world with revenues of \$1.3Bn USD from 50,000 business and government customers and over 1 million end users. CoreLogic RP Data provides property information, analytics and services across Australia and New Zealand and is currently developing and growing partnerships throughout Asia.

With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 500 million decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information. With over 11,000 customers and 120,000 end users, CoreLogic RP Data is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, insurance, developers, wealth management and government.

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