

Melbourne unit owners lose out

Robert Harley

The housing boom has delivered massive upside to some sellers but left others, those selling inner-city apartments in Melbourne, or regional homes, or properties in Perth, with losses.

Across the country more than 90 per cent of all houses and apartments sold in the latest quarter sold for more than the previous purchase price, CoreLogic says in its *Pain and Gain Property Report*.

In fact 31 per cent of all those who sold in the March quarter more than doubled their money.

But there were losers. In inner-city Melbourne, 19 per cent of all apartment sales were below the previous purchase price, which is the highest level of loss recorded by CoreLogic in the city since 2005.

The Sydney inner-city apartment market is holding up, with less than 2 per cent of units selling for less than the purchase price.

But in inner-city Brisbane, 11 per cent of sales were at a loss and the figures were higher in inner-city Canberra (21 per cent), Perth (24 per cent) and Darwin (26 per cent).

In regional Australia, which includes many coastal areas and mining towns, 11 per cent of homes, and 19 per cent of apartments, were sold for less than the seller had paid.

CoreLogic senior research analyst Cameron Kusher said the number of loss-making sales was falling in regional areas linked to tourism and lifestyle.

"On the other hand, housing markets linked to the resources sector are generally seeing an elevated level of loss-making resales," he said.

The housing boom, which has been strongest in Sydney and Melbourne, has also had a varied impact on the level of gross profit or loss in the cities.

Selling short

Proportion of loss-making sales* (%)



Proportion of total resales at a loss* (%)

Region	Houses	Units
Sydney	2.20	1.90
Melbourne	2.40	11.70
Brisbane	5.30	14.10
Adelaide	8.90	10.10
Perth	14.80	23.20
ACT	2.20	21.80
Capital city	5.80	9.40
Regional	11.20	19.20

* As at March quarter



SOURCE: CORELOGIC

In Sydney just 1.9 per cent of apartments ... were sold at a loss in the quarter.

(The CoreLogic numbers do not allow for the costs of purchase, finance and sale, and under-estimate the level of owners suffering a loss. Nor do they show the magnifying effects of gearing on both profit and loss.)

In Sydney only 2.2 per cent of houses, and just 1.9 per cent of apartments, were sold at a loss in the quarter. In Melbourne the level of losses on houses was similar but a substantial 11.7 per

cent were sold at a price below the previous purchase price.

The other capitals had higher loss figures. In Perth, where prices are falling in the wake of the resources downturn, 14 per cent of homes, and 23 per cent of apartments, were sold below the previous purchase price.

The losses on apartments were also higher than those on houses. Nationally 12 per cent of apartments sold below the previous purchaser price compared with 7 per cent of homes.

CoreLogic's Home Value Index for June, which is due out on Friday, is expected to show an easing in house price growth, but with solid rises in Sydney and Melbourne of around 1 per cent for the month.