

# CoreLogic RP Data Property Pulse

Monday 31 August, 2015

## The proportion of sales below \$400,000 keeps falling

With home values rising across most capital cities, the proportion of home sales below \$400,000 continues to trend lower making it harder for price-sensitive buyers to purchase into capital city markets.

Over the 12 months to July 2015, combined capital city home values have increased by 11.1%. Most capital cities also have median prices which are now above \$400,000 resulting in fewer more affordable properties available for sale.

37.4% of all home sales nationally were at less than \$400,000 compared to 52.0% between \$400,000 and \$1 million and 10.6% over \$1 million over the 12 months to June 2015. Sales below \$400,000 were at a record low over the past year and sales above \$1 million were at a record high. Focusing just on capital cities, 25.1% of home sales were under \$400,000, 60.1% were between \$400,000 and \$1 million and 14.8% were in excess of \$1 million.

Twenty years ago, 95.2% of all capital city houses and 96.7% of units sold for less than \$400,000. Meanwhile, only 0.4% of all houses and 0.3% of all units sold transacted for more than \$1 million.

Ten years ago, the proportion of sales under \$400,000 had fallen sharply relative to 10 years earlier. At this time, 66.2% of houses and 73.8% of units had sold over the year for less than \$400,000. In comparison, 4.0% of houses and 2.3% of units across the capital cities sold for more than \$1 million.

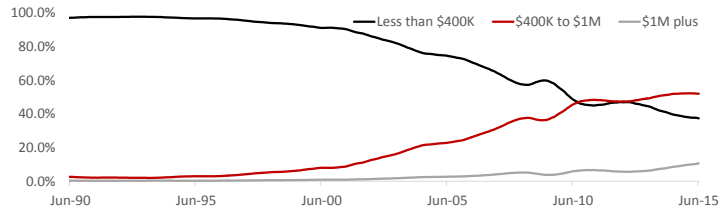
Five years ago, around a third of all capital city house sales (34.1%) and 46.4% of units sold for less than \$400,000. At the same time, 10.1% of capital city houses and 3.8% of units sold for more than \$1 million.

Over the past year, Canberra (7.4%) and Sydney (7.8%) have recorded the lowest proportion of house sales under \$400,000 over the year. Hobart (61.2%) was the only city to have more than half of all house sales over \$1 million. The unit market offers more opportunity to purchase below \$400,000 however, each of Sydney (16.3%), Melbourne (35.9%), Perth (38.5%), Darwin (29.7%) and Canberra (43.3%) recorded a majority of unit sales above this price point.

There was a record high proportion of houses and units sold for more than \$1 million over the past 12 months. In Sydney, more than a third of all houses (36.8%) sold for more than \$1 million. Melbourne had the second highest proportion of sales over \$1 million (17.7%). Although Melbourne had a record high proportion of houses sold over \$1 million it was less than half the proportion of sales in excess of \$1 million recorded in Sydney. For units, Sydney had the highest proportion of sales over \$1 million (11.6%) and was the only capital city in which more than 10% of unit sales were in excess of \$1 million. In fact, Sydney had a higher proportion of unit sales over \$1 million than each of Brisbane, Adelaide, Hobart, Darwin and Canberra had for houses.

Although we anticipate that the rate of capital growth will slow over the coming year we still expect values to generally rise. As a result we would expect a further decline in the proportion of homes selling below \$400,000.

### % of annual capital city home sales by price point over time



### % of sales by price point – year to June 1995

City	HOUSES			UNITS		
	<\$400K	\$400K to \$1M	\$1M+	<\$400K	\$400K to \$1M	\$1M+
Sydney	90.1%	8.9%	1.0%	94.2%	5.3%	0.6%
Melbourne	96.2%	3.5%	0.3%	97.3%	2.5%	0.3%
Brisbane	98.4%	1.6%	0.1%	97.7%	2.0%	0.3%
Adelaide	99.0%	1.0%	0.0%	99.7%	0.2%	0.0%
Perth	97.9%	2.0%	0.1%	98.7%	1.2%	0.1%
Hobart	99.4%	0.6%	0.0%	99.8%	0.2%	0.0%
Darwin	na	na	na	na	na	na
Canberra	97.8%	2.2%	0.0%	99.2%	0.6%	0.2%
Combined capitals	95.2%	4.4%	0.4%	96.7%	3.0%	0.3%

### % of sales by price point – year to June 2005

City	HOUSES			UNITS		
	<\$400K	\$400K to \$1M	\$1M+	<\$400K	\$400K to \$1M	\$1M+
Sydney	33.0%	55.8%	11.3%	54.9%	40.8%	4.3%
Melbourne	69.2%	27.6%	3.2%	80.0%	18.4%	1.6%
Brisbane	73.6%	24.9%	1.5%	82.3%	15.9%	1.8%
Adelaide	83.1%	16.1%	0.8%	90.7%	8.5%	0.8%
Perth	80.1%	18.3%	1.7%	86.6%	12.6%	0.8%
Hobart	86.2%	13.4%	0.4%	91.0%	8.2%	0.7%
Darwin	90.4%	9.3%	0.3%	95.0%	5.0%	0.0%
Canberra	61.5%	37.3%	1.2%	84.5%	14.9%	0.6%
Combined capitals	66.2%	29.9%	4.0%	73.8%	23.9%	2.3%

### % of sales by price point – year to June 2010

City	HOUSES			UNITS		
	<\$400K	\$400K to \$1M	\$1M+	<\$400K	\$400K to \$1M	\$1M+
Sydney	27.8%	54.5%	17.7%	39.8%	55.3%	4.9%
Melbourne	35.8%	53.7%	10.5%	44.5%	52.0%	3.5%
Brisbane	33.1%	62.7%	4.2%	56.3%	40.8%	2.9%
Adelaide	53.8%	43.3%	2.9%	71.8%	26.6%	1.5%
Perth	31.2%	60.3%	8.6%	47.4%	48.8%	3.8%
Hobart	64.7%	33.8%	1.5%	83.8%	14.9%	1.3%
Darwin	22.0%	75.4%	2.6%	53.5%	45.6%	1.0%
Canberra	18.5%	77.0%	4.4%	52.1%	46.6%	1.3%
Combined capitals	34.1%	55.8%	10.1%	46.4%	49.8%	3.8%

### % of sales by price point – year to June 2015

City	HOUSES			UNITS		
	<\$400K	\$400K to \$1M	\$1M+	<\$400K	\$400K to \$1M	\$1M+
Sydney	7.8%	55.5%	36.8%	16.3%	72.0%	11.6%
Melbourne	23.8%	58.5%	17.7%	35.9%	58.7%	5.4%
Brisbane	30.4%	63.6%	6.0%	51.7%	45.9%	2.5%
Adelaide	44.7%	51.0%	4.3%	66.5%	31.6%	1.9%
Perth	15.5%	73.5%	10.9%	38.5%	57.5%	4.1%
Hobart	61.2%	37.3%	1.5%	83.3%	15.4%	1.3%
Darwin	16.7%	77.8%	5.5%	29.7%	67.4%	3.0%
Canberra	7.4%	86.1%	6.6%	43.4%	55.0%	1.6%
Combined capitals	21.4%	60.3%	18.3%	33.5%	59.6%	6.9%

Source: CoreLogic