

More Australian sellers making a profit from property

By Victoria Crow /news.com.au /February 26, 2013 12:46PM

NEARLY half the people in Australia who sold properties at the end of last year made at least 50 per cent profit on their initial purchase price.

And almost a third of those sellers doubled their initial investment.

But your chances of making a fortune in property depend on how long you hold onto your place, and where in the country it is, with 12 per cent of people selling at a loss in the December quarter.

RP Data senior research analyst Cameron Kusher said the figures "overwhelmingly" show that property is a solid long-term investment.

"What it shows is the long-term nature of investing in property," he said. "If you're buying and selling over a short time frame, you run the risk of selling at a loss."

But despite positive figures overall, it's a vastly different picture around the country.

Perth and Sydney were the major winners in the capital cities, with the proportion of buyers who doubled their purchase price reaching 43 per cent and 26 per cent respectively.

Demand for homes is also strong in Canberra and Darwin, where just 5 per cent of homes sold at a loss.

In contrast, one in five Brisbane property owners lost money on their home, with the figure rising to 30-40 per cent in tourism markets like the Gold Coast, Sunshine Coast and far-North Queensland.

"The places where you've seen the greatest amount of loss are typically coastal areas that were very popular for sea-changers in lead up to GFC," Mr Kusher said.

"The mining and resource sectors areas are where you're finding lowest instance of people selling at a loss."

In Western Australia's Pilbara region, nearly 98 per cent of buyers made a profit on their home.

The figures come as research from SQM shows vendors across the country have been lifting their asking prices during January and February, with a 0.4 per cent increase on the asking price of units and a 1.5 per cent increase for houses.

Sellers in Perth, Darwin, Sydney and Adelaide were the most confident about increasing their asking prices, while vendors in Melbourne and Brisbane were more reluctant.

<http://www.couriermail.com.au/realestate/investing/fat-profits-return-to-property/story-fndboir2-1226586030172>