

# Housing Turnover Steadies

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Settled sales data indicates that although transactions are lower over the year across the combined capital cities the number of sales is beginning to stabilise.

Property transactions are an important component of the housing market, particularly for participants such as real estate agents and mortgage brokers that rely on turnover for their commission. Furthermore, transactions are an important source of stamp duty revenue for state governments.

It is important to note the way in which property transactions are recorded. All data is based on settled sales which means off-the-plan sales are counted once the property settles. Upon settlement, which can be several years after the contract date, off-the-plan sales are recorded at their contract date which means recent years of sales will be subject to revision.

At a national level, the six month average trend shows that the number of dwelling sales is starting to trend slightly higher. What is most noticeable is that settled sales peaked all the way back in July 2003, a time at which the population was around 4.7 million lower than it is currently. While the national population has increased by almost 4.7 million persons between June 2003 and December 2016 there has clearly not been a commensurate lift in transactions. This is likely due to a number of reasons including: the impost of stamp duty which discourages transactions, higher prices which lead to greater commission on sales and no real incentives for people to downsize homes when their children leave or they reach retirement.

## PERTH

Settled sales are substantially lower than their peak and annual sales have fallen by a further -1.1% over the past year however, monthly data points to a recent stabilisation in transaction activity.