



RESIDENTIAL MOBILITY AND CAPITAL ACCUMULATION

**AN ASSESSMENT OF THE MAGNITUDE OF
CAPITAL GAINS DERIVED BY HOUSEHOLDS FROM
RESIDENTIAL MOBILITY WITHIN ADELAIDE AND
SOUTH AUSTRALIA**

by

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ABSTRACT

The thesis aims to assess the nature of any relationship between the level of capital gains realised by owner-occupied households and their residential mobility within the South Australian real estate market. The data derive from sales records produced by the South Australian Department of Environment and Natural Resources, and are used to pursue three principal goals:

- To analyse the residential mobility process, and its dominant characteristics, in the Adelaide region as well as investigate the process of upgrading through mobility.
- To investigate the levels of household capital accumulation realised by residential mobility.
- To examine the capital accumulation performance of the housing stock in the Adelaide housing market.

The data represent mobility and accumulation events that have occurred between 1968 and 1991. The thesis addresses the issue of accumulation beyond the superficial consideration of nominal values, and therefore all sales values used are adjusted to 1989/90 values to enable calculation of real levels of capital gain. The major finding of the thesis is that more than a third of owners have made a loss from owner-occupancy, and that the proportion of capital losers is greater for home unit owners than house owners. Moreover, for individual dwellings, the proportion of losses generated for their owners approaches 40 percent. Further, the accumulation performance of individual households and individual dwellings is subject to considerable variability. Therefore, for mobile households, there is an element of luck associated with their prospects of deriving a capital gain from ownership.