

RESIDENTIAL RESEARCH



AUSTRALIAN RESIDENTIAL REVIEW

Q1 2020



A REVIEW OF KEY RESIDENTIAL INDICATORS ACROSS MAJOR AUSTRALIAN CITIES

KEY FINDINGS

Economic growth was recorded at 1.7% annual growth in September 2019. **Unemployment** across Australia was 5.1% in December 2019. The official **cash rate** target was set at 0.75% on 4 February 2020. **New household loan commitments** were up 6.7% in Q4 2019 and residential **building approvals** was up 0.1% in Q4 2019; when compared to Q3 2019.

Australian median **house values** were up 5.5% in the year ending December 2019 (rising 4.2% in the last quarter) to \$809,500. **Apartment values** were up 4.5% over the year ending December 2019 (rising 3.4% in the last quarter) to \$565,000.

In the year ending December 2019, the volume of **house sales** across Australia fell 8.3% to 288,027; whilst 88,181 **apartment sales** were recorded (down by 9.1%).

Gross rental yields rose 4 bps in the December 2019 quarter with Australian houses averaging 4.12%; whilst Australian apartments increased 2 bps, to 4.42%.

Australian **house rents** rose 1.2% to \$420 per week in the year ending December 2019; whilst **apartment rents** rose 2.4% to \$430 per week.

The weighted average **total residential vacancy** for Australian capital cities was last recorded at 2.5% in September 2019; falling 10 bps over the past year.



MICHELLE CIESIELSKI
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AUSTRALIAN RESIDENTIAL

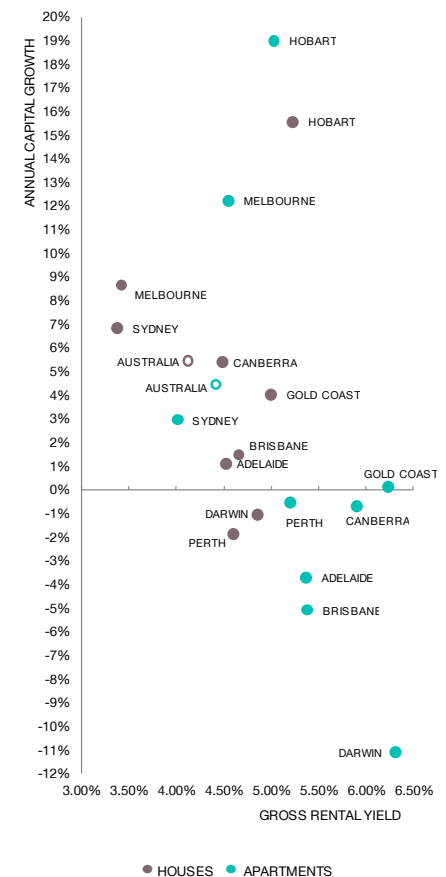
Across the greater Australian cities, Hobart continued to experience the highest annual capital growth in 2019. Apartments saw growth of 19% while houses grew by a further 15.6%. Over recent years, Tasmania's capital city has lured not only tree-changers from the mainland attracted to the lifestyle but has grown its university student base by more than 60% over the past three years. As a result, Hobart also saw the highest growth in rents in 2019 of all the greater cities, recording a rise of 9.5% in the weekly rent for houses and 7.9% for apartments. Although this may slow to a more sustainable pace, given a 30 bps rise in the vacancy rate in late 2019.

Greater Melbourne has remained resilient in recovery mode following the relaxing of buyer lending restrictions, with apartment capital values in the last quarter of 2019 growing by 5.6% and houses by 5.0% — to record total 2019 growth of 12.2% and 8.7% respectively. Greater Melbourne upholding the strongest annual population growth of all Australian capital cities, supported this performance.

In Q4 2019, Sydney wasn't too far behind Melbourne for capital growth with houses rising 5.7% and apartments by 4.3%. Although some pockets of oversupply in the middle and outer ring suburbs have elevated vacancy above 3%. This has meant rents fell 2.8% for houses, and 3.8% for apartments throughout 2019.

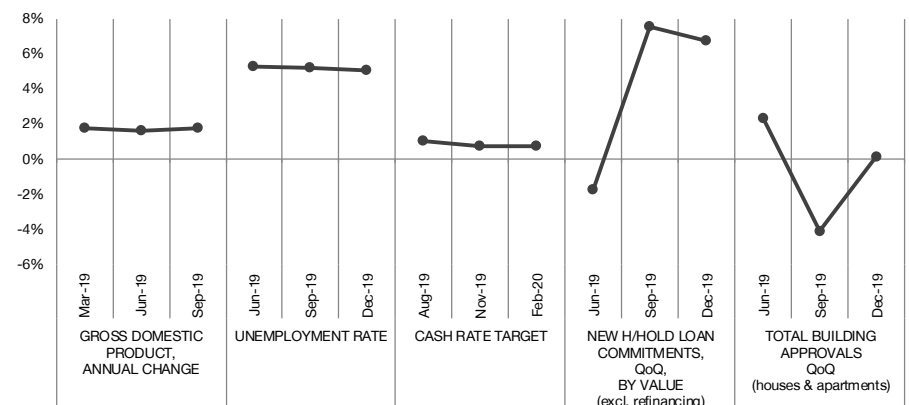
FIGURE 2
Annual Capital Growth & Gross Rental Yield

Greater Capital Cities, Gold Coast LGA & Australia (excl. Greater Darwin), as at 31 December 2019



Source: Knight Frank Research, APM

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

SYDNEY

Population in Greater Sydney was estimated at 5.2 million persons in June 2018, with annual **population growth** of 1.8%. The **population projection** is forecast at 1.6% per annum until 2041.

New South Wales (NSW) **economic growth** was 3.9% in 2019 with a forecast of 3.1% in 2023. Greater Sydney **unemployment** stood at 4.3% as at December 2019, trending 25 bps higher than a year earlier.

New household loan commitments in NSW fell by 14.7% in the year ending December 2019; up slightly from -14.8% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in NSW fell 2.7% in the month of December 2019, compared to -16.9% a year earlier. This first home buyer group represented 19.7% of all NSW owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 14,330 houses and 20,749 apartments in Greater Sydney. This was trending 21.8% lower for houses and 28.5% lower for apartment approvals compared to a year earlier.

Market Trends in Greater Sydney

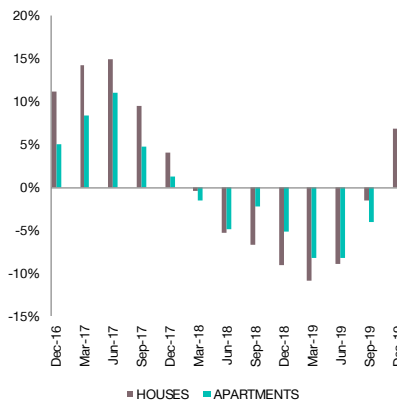
Over the year ending December 2019, **capital growth** increased 6.8% for houses; up 5.7% over the past quarter to a **median value** of \$1,142,000. Apartment values rose 3.0% over the past year, up 4.3% in the last quarter to a median of \$735,500.

The **volume of sales** tallied 42,869 houses (up 4.5%) and 27,038 apartments (down 1.6%) in the year ending December 2019.

The **average days on market** for houses stood at 76 days in the December 2019 quarter. For apartments, this was 86 days. A year earlier, this comparable period was recorded at 68 days and 70 days, respectively.

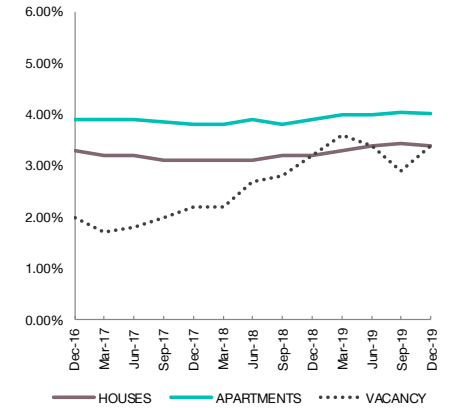
The **auction clearance rate** for the week ending 9 February 2019 was 77.6%

FIGURE 3
Capital Growth, Greater Sydney
% annual



Source: Knight Frank Research, APM

FIGURE 4
Gross Rental Yield & Total Vacancy
Greater Sydney
%



Source: Knight Frank Research, APM, REINSW

from 447 scheduled auctions. This was higher than the week prior, at 72.9% from 158 scheduled auctions, and higher than the comparable week a year earlier when 51.1% (out of 322 auctions) were sold.

Gross rental yields were down 5 bps to 3.38% for houses, and were down 4 bps to 4.01% for apartments over the December 2019 quarter.

Rents fell 2.8% for houses over the year ending December 2019, and fell 3.8% for apartments. Weekly median rents stood at \$525 for houses and \$510 for apartments.

Total vacancy was 3.4% in Greater Sydney, as at December 2019; recording 3.4% in the Inner Suburbs (0-10km from the CBD), 3.4% in the Middle Suburbs (10-25km) and 3.4% in the Outer Suburbs (25km+).

TABLE 1
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Sydney	Houses	1,142,000	5.7	6.8	42,869	76	3.38	525
Sydney	Apartments	735,500	4.3	3.0	27,038	86	4.01	510

Source: Knight Frank Research, APM, CoreLogic, ABS, REINSW, Oxford Economics

MELBOURNE

Population in Greater Melbourne was estimated at 5.0 million persons in June 2018, with annual **population growth** of 2.5%. The **population projection** is forecast at 1.9% per annum until 2041.

Victoria **economic growth** was 5.9% in 2019 with forecast of 3.3% in 2023. Greater Melbourne **unemployment** stood at 5.0% as at December 2019, trending 104 bps higher than a year earlier.

New household loan commitments in Victoria fell by 10.8% in the year ending December 2019; down from -7.4% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in Victoria rose 11.4% in the month of December 2019, compared to -15.8% a year earlier. This first home buyer group represented 25.9% of all Victorian owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 23,902 houses and 21,591 apartments in Greater Melbourne. This was trending 14.5% lower for houses and 20.0% lower for apartment approvals compared to a year earlier.

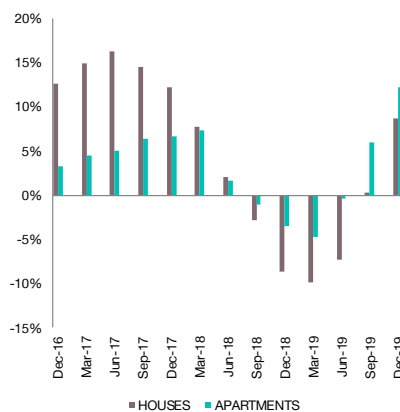
Market Trends in Greater Melbourne

Over the year ending December 2019, **capital growth** increased 8.7% for houses; and rose 5.0% over the past quarter to a **median value** of \$902,000. Apartment values increased 12.2% over the year, and rose 5.6% in the past quarter to a median of \$549,500.

The **volume of sales** tallied 48,825 houses (down 12.9%) and 17,392 apartments (down 1.9%) in the year ending December 2019.

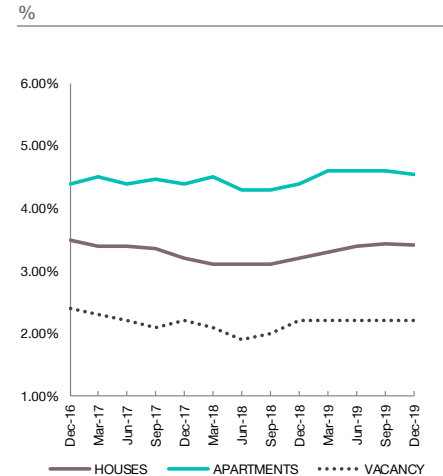
The **average days on market** for houses stood at 65 days in the December 2019 quarter. For apartments, this was 88 days. A year earlier, this comparable period was recorded at 50 days and 72 days, respectively.

FIGURE 5
Capital Growth, Greater Melbourne
% annual



Source: Knight Frank Research, APM

FIGURE 6
Gross Rental Yield & Total Vacancy Greater Melbourne
%



Source: Knight Frank Research, APM, REIV

The **auction clearance rate** for the week ending 9 February 2019 was 68.5% from 416 scheduled auctions. This was higher than the week prior, at 65.8% from 211 scheduled auctions, and higher than the comparable week a year earlier when 52.4% (out of 350 auctions) were sold.

Gross rental yields were down 2 bps to 3.42% for houses and down 5 bps to 4.55% for apartments over the December 2019 quarter.

Rents for houses decreased 2.3% but increased 2.4% for apartments over the year ending December 2019. Weekly median rents stood at \$430 for houses and \$420 for apartments.

Total vacancy was 2.2% in Greater Melbourne, as at December 2019; recording 1.9% in the Inner Suburbs (0-10km from the CBD), 3.3% in the Middle Suburbs (10-25km) and 1.9% in the Outer Suburbs (25km+).

TABLE 2
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Melbourne	Houses	902,000	5.0	8.7	48,825	65	3.42	430
Melbourne	Apartments	549,500	5.6	12.2	17,392	88	4.55	420

Source: Knight Frank Research, APM, CoreLogic, ABS, REIV, Oxford Economics

BRISBANE

Population in Greater Brisbane was estimated at 2.5 million persons in June 2018, with annual **population growth** of 2.1%. The **population projection** is forecast at 1.7% per annum until 2041.

Queensland **economic growth** was 2.7% in 2019 with forecast of 3.7% in 2023. Greater Brisbane **unemployment** stood at 5.2% as at December 2019, trending 67 bps lower than a year earlier.

New household loan commitments in Queensland fell by 10.0% in the year ending December 2019; slightly down from -9.9% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in Queensland rose 0.9% in the month of December 2019, compared to -22.3% a year earlier. This first home buyer group represented 22.0% of all Queensland owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 11,309 houses and 5,207 apartments in Greater Brisbane. This was trending down 16.9% for houses and 45.3% lower for apartment approvals compared to a year earlier.

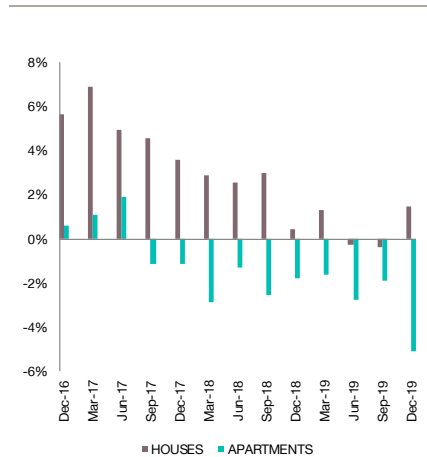
Market Trends in Greater Brisbane

Over the year ending December 2019, **capital growth** increased 1.5% for houses; and fell 1.3% over the past quarter to a **median value** of \$577,500. Apartment values fell 5.1% over the year, decreasing 3.4% in the past quarter to a median of \$377,500.

The **volume of sales** tallied 28,184 houses (down 15.5%) and 9,666 apartments (down 25.1%) in the year ending December 2019.

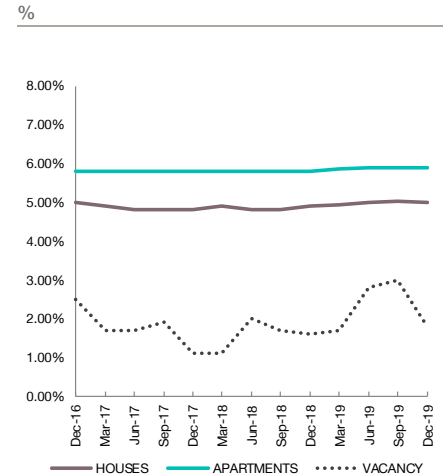
The **average days on market** for houses stood at 88 days in the December 2019 quarter. For apartments, this was 154 days. A year earlier, this comparable period was recorded at 75 days and 126 days, respectively.

FIGURE 7
Capital Growth, Greater Brisbane
% annual



Source: Knight Frank Research, APM

FIGURE 8
Gross Rental Yield & Total Vacancy
Greater Brisbane
%



Source: Knight Frank Research, APM, REIQ

The **auction clearance rate** for the week ending 2 February was 42.7% from 115 scheduled auctions. This was higher than the week prior, at 36.6% from 52 scheduled auctions, and higher than the comparable week a year earlier when 37.1% (out of 90 auctions) were sold.

Gross rental yields were down 1 bps to 4.66% for houses, and down 2 bps to 5.38% for apartments over the December 2019 quarter.

Rents remained steady for houses but increased 1.3% for apartments over the year ending December 2019. Weekly median rents stood at \$410 for houses and \$385 for apartments.

Total vacancy was 2.3% in the Brisbane LGA as at December 2019; recording 3.9% in the Inner Suburbs (0-5km from the CBD), 1.7% in the Middle Suburbs (5-20km) and 1.9% in the Outer Suburbs (20km+).

TABLE 3
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Brisbane	Houses	577,500	1.3	1.5	28,184	88	4.66	410
Brisbane	Apartments	377,500	-3.4	-5.1	9,666	154	5.38	385

Source: Knight Frank Research, APM, CoreLogic, ABS, REIQ, Oxford Economics

PERTH

Population in Greater Perth was estimated at 2.1 million persons in June 2018, with annual **population growth** of 1.1%. The **population projection** is forecast at 1.6% per annum until 2041.

Western Australia (WA) **economic growth** was -1.2% in 2019 with forecast of 3.9% in 2023. Greater Perth **unemployment** stood at 5.2% as at December 2019, trending 136 bps lower than a year ago.

New household loan commitments in WA fell by 10.6% in the year ending December 2019; down from -14.0% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in WA fell 0.6% in the month of December 2019, compared to -22.2% a year earlier. This first home buyer group represented 32.8% of all WA owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 9,619 houses and 3,412 apartments in Greater Perth. This was trending down 8.9% for houses but 13.0% higher for apartment approvals compared to a year earlier.

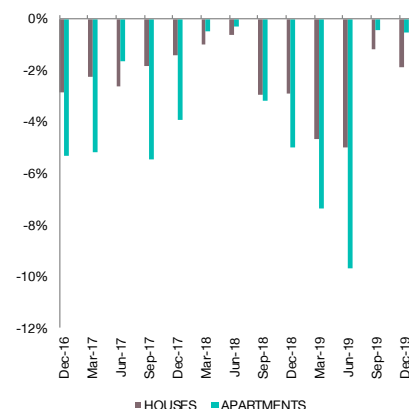
Market Trends in Greater Perth

Over the year ending December 2019, **capital growth** decreased 1.9% for houses but rose 0.7% over the past quarter to a **median value** of \$537,000. Over this year, apartment values decreased 0.5%, and fell 2.1% in the past quarter to a median of \$342,500.

The **volume of sales** tallied 26,543 houses (down 4.3%) and 2,674 apartments (down 19.0%) in the year ending December 2019.

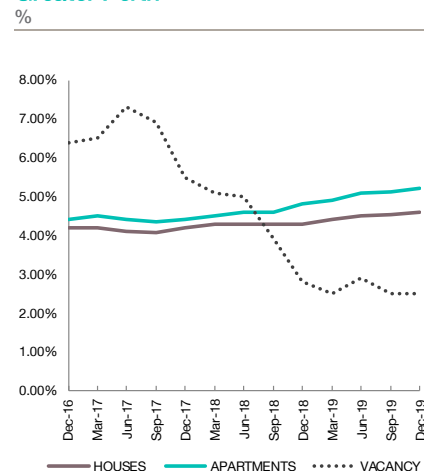
The **average days on market** for houses stood at 140 days in the December 2019 quarter. For apartments, this was 141 days. A year earlier, this comparable period was recorded at 127 days and 137 days, respectively.

FIGURE 9
Capital Growth, Greater Perth
% annual



Source: Knight Frank Research, APM

FIGURE 10
Gross Rental Yield & Total Vacancy
Greater Perth
%



Source: Knight Frank Research, APM, REIWA

The **auction clearance rate** for the week ending 2 February 2019 was 36.0% from 35 scheduled auctions. This was lower than the week prior, at 38.9% from 21 scheduled auctions, and lower than the comparable week a year earlier when 48.1% (out of 36 auctions) were sold.

Gross rental yields were up 6 bps to 4.60% for houses, and rose 7 bps to 5.20% for apartments over the December 2019 quarter.

Rents increased for houses 2.8% and rose 3.3% for apartments over the year ending December 2019. Weekly median rents stood at \$370 for houses and \$310 for apartments.

Total vacancy was 2.4% in Greater Perth as at December 2019; falling 40 bps from 2.8% recorded one year earlier.

TABLE 4
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Perth	Houses	537,000	0.7	-1.9	26,543	140	4.60	370
Perth	Apartments	342,500	-2.1	-0.5	2,674	141	5.20	310

Source: Knight Frank Research, APM, CoreLogic, ABS, REIWA, Oxford Economics

GOLD COAST

Population in the Gold Coast LGA was estimated at 606,750 persons in June 2018, with annual **population growth** of 2.6%. The **population projection** is forecast at 2.1% per annum until 2041.

Queensland **economic growth** was 2.7% in 2019 with forecast of 3.7% in 2023. Gold Coast LGA **unemployment** stood at 5.8% as at September 2019, trending 150 bps higher than a year earlier.

New household loan commitments in Queensland fell by 10.0% in the year ending December 2019; slightly down from -9.9% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in Queensland rose 0.9% in the month of December 2019, compared to -22.3% a year earlier. This first home buyer group represented 22.0% of all Queensland owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 2,064 houses and 2,511 apartments in the Gold Coast LGA.

Market Trends in Gold Coast LGA

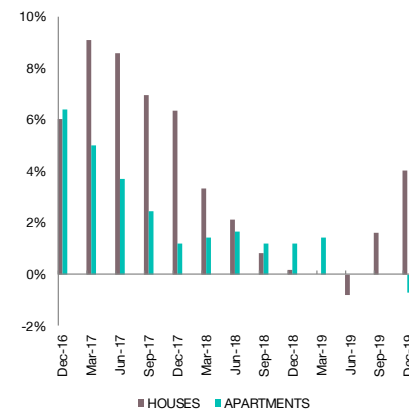
Over the year ending December 2019, **capital values** increased 4.0% for houses, rising 2.4% over the past quarter to a **median value** of \$645,000.

Apartment values fell 0.7% over 2019, also decreasing 0.7% in the past quarter to a median of \$422,000.

The **volume of sales** tallied 8,726 houses (falling by 2.3%) and 6,585 apartments (down 15.7%) in the year ending December 2019.

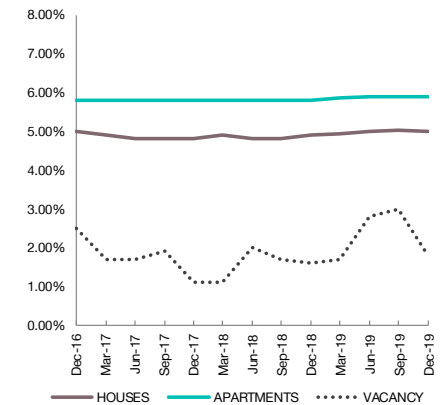
The **average days on market** for houses stood at 105 days in the December 2019 quarter. For apartments, this was 145 days.

FIGURE 11
Capital Growth, Gold Coast LGA
% annual



Source: Knight Frank Research, APM

FIGURE 12
Gross Rental Yield & Total Vacancy
Gold Coast LGA
%



Source: Knight Frank Research, APM, REIQ

A year earlier, this comparable period was recorded at 91 days and 115 days, respectively.

Gross rental yields fell 2 bps to 5.00% for houses, and fell 1 bps to 5.90% for apartments over the December 2019 quarter.

Rents increased for houses 4.0% and rose 1.2% for apartments over the year ending December 2019.

At this time, weekly median rents stood at \$520 for houses and \$430 for apartments.

Total vacancy was 1.8% in the Gold Coast LGA, as at December 2019. This rose 20 bps from 1.6% recorded one year earlier.

TABLE 5
Key Residential Indicators, 31 December 2019

LGA	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Gold Coast	Houses	645,000	2.4	4.0	8,726	105	5.00	520
Gold Coast	Apartments	422,000	-0.7	-0.7	6,585	145	5.90	430

Source: Knight Frank Research, National Institute of Economic and Industry Research (NIEIR), APM, ABS, Dept of Jobs and Small Business, REIQ, Oxford Economics

ADELAIDE

Population in Greater Adelaide was estimated at 1.3 million persons in June 2018, with annual **population growth** of 0.8%. The **population projection** is forecast at 0.8% per annum until 2041.

South Australian (SA) **economic growth** was 3.9% in 2019 with forecast of 2.8% in 2023. Greater Adelaide **unemployment** stood at 6.1% as at December 2019, trending 17 bps higher than a year earlier.

New household loan commitments in SA fell by 5.1% in the year ending December 2019; after also recording -5.1% the previous year.

The number of lending commitments to owner occupier **first home buyers** in SA rose 8.0% in the month of December 2019, compared to -15.8% a year earlier. This first home buyer group represented 18.2% of all SA owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 6,607 houses and 3,289 apartments in Greater Adelaide. This was trending 3.1% higher for houses but down 12.3% for apartment approvals compared to a year earlier.

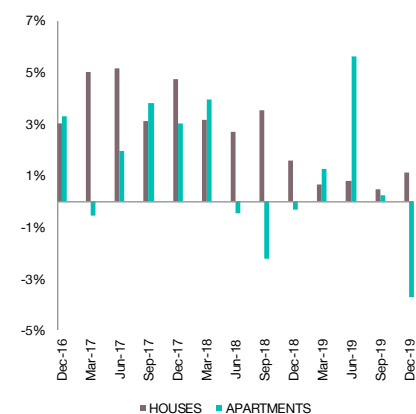
Market Trends in Greater Adelaide

Over the year ending December 2019, **capital growth** increased 1.1% for houses; rising 1.3% over the past quarter to a **median value** of \$543,000. Apartments decreased 3.7% over the year, and fell 1.4% in the past quarter to a median of \$306,500.

The **volume of sales** tallied 18,392 houses (down 1.4%) and 4,224 apartments (up 9.2%) in the year ending December.

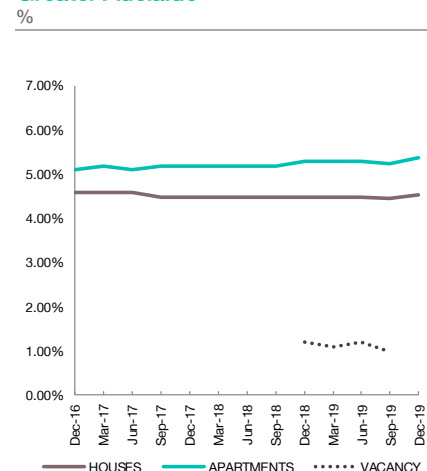
The **average days on market** for houses stood at 98 days in the December 2019 quarter. For apartments, this was 150 days. A year earlier, this comparable period was recorded at 91 days and 118 days, respectively.

FIGURE 13
Capital Growth, Greater Adelaide
% annual



Source: Knight Frank Research, APM

FIGURE 14
Gross Rental Yield & Total Vacancy
Greater Adelaide
%



Source: Knight Frank Research, APM

The **auction clearance rate** for the week ending 2 February 2019 was 53.8% from 77 scheduled auctions. This was slightly higher than the week prior, at 52.9% from 105 scheduled auctions, and higher than the comparable week a year earlier when 46.9% (out of 79 auctions) were sold.

Gross rental yields increased 7 bps to 4.53% for houses and rose 11 bps to 5.37% for apartments over the December 2019 quarter.

Rents increased 2.6% for houses and 1.6% for apartments over the year ending December 2019. Weekly median rents stood at \$390 for houses and \$315 for apartments.

Total vacancy was 1.0% in Greater Adelaide as at September 2019; falling 20 bps from 1.2% recorded one year earlier.

TABLE 6
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Adelaide	Houses	543,000	1.3	1.1	18,392	98	4.53	390
Adelaide	Apartments	306,500	-1.4	-3.7	4,224	150	5.37	315

Source: Knight Frank Research, APM, CoreLogic, ABS, Oxford Economics

CANBERRA

Population in the Australian Capital Territory (ACT) was estimated at 421,000 persons in June 2018, with annual **population growth** of 2.2%. The **population projection** is forecast at 1.5% per annum until 2041.

ACT **economic growth** was 3.7% in 2019 with forecast of 3.0% in 2023. ACT **unemployment** stood at 2.8% as at December 2019, trending 94 bps lower than a year earlier.

New household loan commitments in the ACT fell by 10.8% in the year ending December 2019; down from -2.1% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in the ACT rose 9.9% in the month of December 2019, compared to -32.2% a year earlier. This first home buyer group represented 24.3% of all ACT owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 1,203 houses and 3,605 apartments in the ACT. This was trending down 12.3% for houses, and 37.7% lower for apartment approvals compared to a year earlier.

Market Trends in Canberra

Over the year ending December 2019, **capital growth** increased 5.4% for houses; rising 7.3% over the past quarter to a **median value** of \$788,500. Apartment values rose 0.1% over the year, rising 4.0% in the past quarter to a median of \$455,500.

The **volume of sales** tallied 5,064 houses (down 2.1%) and 3,879 apartments (down 16.1%) in the year ending December 2019.

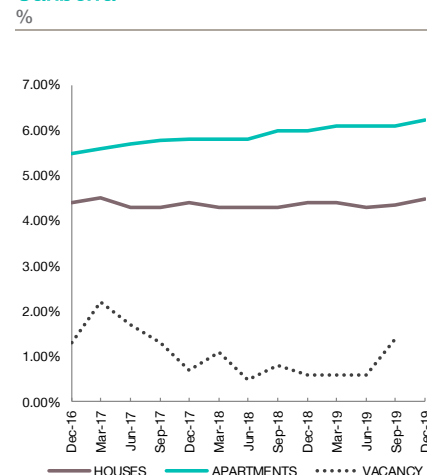
The **average days on market** for houses stood at 73 days in the December 2019 quarter. For apartments, this was 102 days. A year earlier, this comparable period was recorded at 46 days and 76 days, respectively.

FIGURE 15
Capital Growth, Canberra
% annual



Source: Knight Frank Research, APM

FIGURE 16
Gross Rental Yield & Total Vacancy
Canberra
%



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 2 February 2019 was 75.0% from 70 scheduled auctions. This was higher than the week prior, at 59.3% from 71 scheduled auctions, and higher than the comparable week a year earlier when 55.3% (out of 44 auctions) were sold.

Gross rental yields increased 13 bps to 4.49% for houses, and rose 15 bps to 6.24% for apartments over the December 2019 quarter.

Rents increased 3.6% for houses and rose 3.2% for apartments over the year ending December 2019. Weekly median rents stood at \$580 for houses and \$480 for apartments.

Total vacancy was 1.2% in Canberra as at September 2019; rising 60 bps from 0.6% recorded one year earlier.

TABLE 7
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Canberra	Houses	788,500	7.3	5.4	5,064	73	4.49	580
Canberra	Apartments	455,500	4.0	0.1	3,879	102	6.24	480

Source: Knight Frank Research, APM, CoreLogic, ABS, REIA, Oxford Economics

HOBART

Population in Greater Hobart was estimated at 232,500 persons in June 2018, with annual **population growth** of 1.5%. The **population projection** is forecast at 0.9% per annum until 2041.

Tasmanian **economic growth** was 3.6% in 2019. Greater Hobart **unemployment** stood at 5.4% as at December 2019, trending 127 bps lower than a year earlier.

New household loan commitments in Tasmania fell by 2.3% in the year ending December 2019, this was down from 6.3% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in Tasmania fell 21.2% in the month of December 2019, compared to -20.3% a year earlier. This first home buyer group represented 16.9% of all Tasmanian owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 1,313 houses and 306 apartments in Greater Hobart. This was trending 7.5% lower for houses and 111.0% higher for apartment approvals compared to a year earlier.

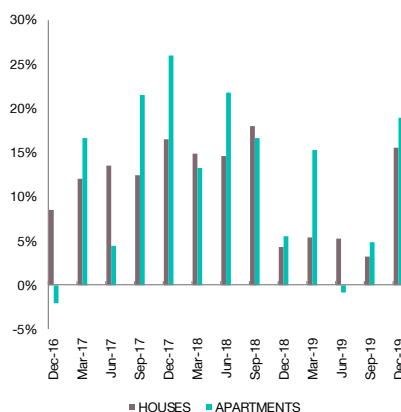
Market Trends in Greater Hobart

Over the year ending December 2019, **capital growth** increased 15.6% for houses; rising 8.5% over the past quarter to a **median value** of \$530,500. Apartment values rose 19.0% over the year, increasing 15.2% in the past quarter, to a median of \$441,000.

The **volume of sales** tallied 3,585 houses (down 10.1%) and 653 apartments (down 10.1%) in the year ending December 2019.

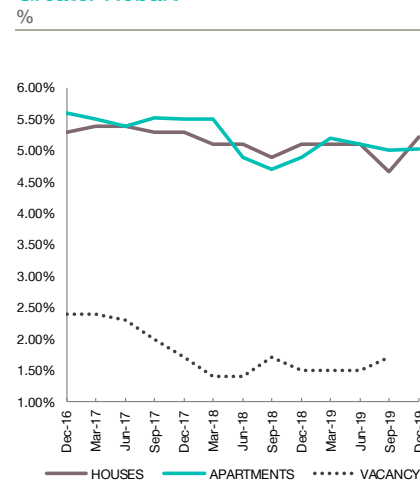
The **average days on market** for houses stood at 55 days in the December 2019 quarter. For apartments, this was 60 days. A year earlier, this comparable period was recorded at 33 days and 31 days, respectively.

FIGURE 17
Capital Growth, Greater Hobart
% annual



Source: Knight Frank Research, APM

FIGURE 18
Gross Rental Yield & Total Vacancy Greater Hobart
%



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 2 February 2019 was 0% from 4 scheduled auctions. This was the same the week prior and the comparable week a year earlier, when 0% (out of 7 auctions) were sold.

Gross rental yields increased 56 bps to 5.23% for houses, and rose 2 bps to 5.03% for apartments over the December 2019.

Rents increased 9.5% for houses and 7.9% for apartments over the year ending December 2019. Weekly median rents stood at \$460 for houses and \$410 for apartments.

Total vacancy was 1.8% in Greater Hobart as at September 2019; increasing 30 bps from 1.5% recorded one year earlier.

TABLE 8
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Hobart	Houses	530,500	8.5	15.6	3,585	55	5.23	460
Hobart	Apartments	441,000	15.2	19.0	653	60	5.03	410

Source: Knight Frank Research, APM, CoreLogic, ABS, REIA

DARWIN

Population in Greater Darwin was estimated at 148,500 persons in June 2018, with annual **population growth** of -0.2%. The **population projection** is forecast at 1.8% per annum until 2041.

Northern Territory (NT) **economic growth** was -1.5% in 2019. **Unemployment** stood at 4.7% as at December 2019, trending 30 bps higher than a year earlier.

New household loan commitments in the NT fell by 13.8% in the year ending December 2019, up from the -14.1% recorded for the previous year.

The number of lending commitments to owner occupier **first home buyers** in NT fell 6.8% in the month of December 2019, compared to -20.2% a year earlier. This first home buyer group represented 28.2% of all NT owner occupier loans in December 2019.

Building approvals in the year ending December 2019 totalled 319 houses and 43 apartments in Greater Darwin. This was trending 29.4% lower for houses and up 38.7% for apartment approvals compared to a year earlier.

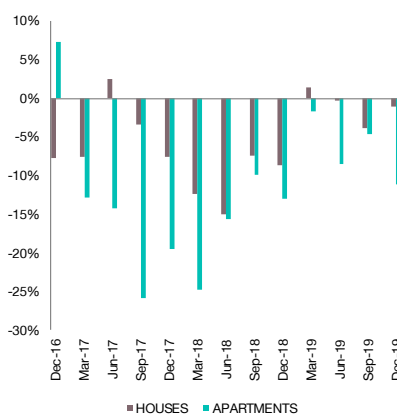
Market Trends in Greater Darwin

Over the year ending December 2019, **capital growth** decreased 1.1% for houses; falling 3.0% in the past quarter to a **median value** of \$509,500. Apartment values fell 11.1% over the year, falling 5.4% in the past quarter to a median of \$286,000.

The **volume of sales** tallied 613 houses (down 5.4%) and 464 apartments (up 14.3%) in the year ending December 2019.

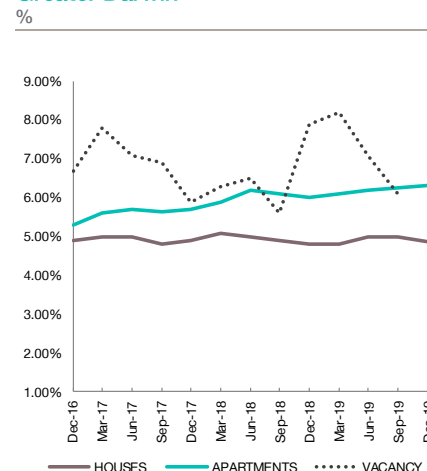
The **average days on market** for houses stood at 178 days in the December 2019 quarter. For apartments, this was 268 days. A year earlier, this comparable period was recorded at 138 days and 283 days, respectively.

FIGURE 19
Capital Growth, Greater Darwin
% annual



Source: Knight Frank Research, APM

FIGURE 20
Gross Rental Yield & Total Vacancy
Greater Darwin
%



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 2 February 2019 was 67.0% from 12 scheduled auctions. This was lower than the week prior, at 100% (from 1 scheduled auctions) but higher than the comparable week a year earlier when 0% (out of 2 auctions) were sold.

Gross rental yields fell 14 bps to 4.86% for houses, but rose 4 bps to 6.31% for apartments over the December 2019 quarter.

Rents decreased 1.0% for houses and fell 2.5% for apartments over the year ending December 2019. Weekly median rents stood at \$495 for houses and \$390 for apartments.

Total vacancy was 5.9% in Greater Darwin as at September 2019; decreasing 200 bps from 7.9% recorded one year earlier.

TABLE 9
Key Residential Indicators, 31 December 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Darwin	Houses	509,500	-3.0	-1.1	613	178	4.86	495
Darwin	Apartments	286,000	-5.4	-11.1	464	268	6.31	390

Source: Knight Frank Research, APM, CoreLogic, ABS, REIA

REGIONAL AUSTRALIA

FIGURE 21

Capital Growth, Houses, Capital Cities & Key Regional Areas

% annual, 31 December 2019

STRATHBOGIE, VIC	15.6%	SOMERSET, QLD	5.3%	EDWARD RIVER, NSW	1.0%
HOBART, TAS	15.6%	MOYNE, VIC	5.2%	LITHGOW, NSW	0.9%
INVERELL, NSW	15.5%	BASS COAST, VIC	5.2%	MANSFIELD, VIC	0.9%
BANANA, QLD	14.6%	GOONDIWINDI, QLD	5.1%	GYMPIE, QLD	0.0%
ISAAC, QLD	13.8%	SINGLETON, NSW	5.1%	BATHURST REGIONAL, NSW	0.0%
GREATER SHEPPARTON, VIC	12.9%	BELLINGEN, NSW	5.0%	ARARAT, VIC	-0.1%
TABLELANDS, QLD	12.5%	MILDURA, VIC	5.0%	SOUTH BURNETT, QLD	-0.1%
SWAN HILL, VIC	12.0%	GOULBURN MULWAREE, NSW	4.7%	DARWIN, NT	-0.8%
DOUGLAS, QLD	10.9%	COOK, QLD	4.6%	BAW BAW, VIC	-1.1%
CASSOWARY COAST, QLD	10.7%	MAITLAND, NSW	4.6%	BUNDABERG, QLD	-1.1%
ALPINE, VIC	10.7%	UPPER HUNTER, NSW	4.6%	SCENIC RIM, QLD	-1.1%
ALBURY, NSW	10.5%	BALLINA, NSW	4.4%	TWEED, NSW	-1.1%
CORANGAMITE, VIC	10.5%	NAMBUCCA, NSW	4.3%	GANNAWARRA, VIC	-1.4%
WARRNAMBOOL, VIC	10.1%	SURF COAST, VIC	4.3%	NOOSA, QLD	-1.4%
COLAC OTWAY, VIC	9.9%	GOLD COAST, QLD	4.0%	RICHMOND VALLEY, NSW	-1.4%
GLENELG, VIC	9.6%	GUNNDAH, NSW	3.8%	MUSWELLBROOK, NSW	-1.5%
BROKEN HILL, NSW	9.1%	SOUTHERN DOWNS, QLD	3.6%	FRASER COAST, QLD	-1.6%
WESTERN DOWNS, QLD	8.9%	ORANGE, NSW	3.6%	REDLAND, QLD	-1.6%
MURRAY RIVER, NSW	8.9%	HORSHAM, VIC	3.6%	WINGECARRIBEE, NSW	-1.6%
MELBOURNE, VIC	8.7%	FEDERATION, NSW	2.7%	PERTH, WA	-1.9%
GRIFFITH, NSW	8.6%	WODONGA, VIC	2.7%	KIAMA, NSW	-1.9%
BEGA VALLEY, NSW	8.5%	LIVINGSTONE, QLD	2.6%	MITCHELL, VIC	-2.0%
INDIGO, VIC	7.7%	MOUNT ALEXANDER, VIC	2.5%	LEETON, NSW	-2.1%
BALLARAT, VIC	7.7%	CENTRAL GOLDFIELDS, VIC	2.5%	SHOALHAVEN, NSW	-2.2%
COOTAMUNDRA-GUNDAGAI REGIONAL, NSW	7.6%	CAIRNS, QLD	2.4%	LISMORE, NSW	-2.2%
EUROBODALLA, NSW	7.6%	PORT STEPHENS, NSW	2.3%	SOUTHERN GRAMPPIANS, VIC	-2.5%
CLARENCE VALLEY, NSW	7.5%	MURRINDINDI, VIC	2.3%	WHITSUNDAY, QLD	-2.5%
QUEANBEYAN-PALERANG REGIONAL, NSW	7.5%	LOGAN, QLD	2.3%	ARMIDALE REGIONAL, NSW	-2.6%
MARANOVA, QLD	7.3%	ROCKHAMPTON, QLD	2.2%	TOOWOOMBA, QLD	-2.7%
YASS VALLEY, NSW	6.9%	SOUTH GIPPSLAND, VIC	2.0%	WANGARATTA, VIC	-2.8%
SYDNEY, NSW	6.8%	LAKE MACQUARIE, NSW	1.9%	FORBES, NSW	-3.0%
WELLINGTON, VIC	6.8%	PARKES, NSW	1.9%	NEWCASTLE, NSW	-3.1%
LATROBE, VIC	6.8%	GREATER GEELONG, VIC	1.9%	CAMPASPE, VIC	-3.2%
CENTRAL HIGHLANDS, QLD	6.7%	EAST GIPPSLAND, VIC	1.8%	WOLLONGONG, NSW	-3.3%
MOORABOOL, VIC	6.7%	BYRON, NSW	1.7%	TAMWORTH REGIONAL, NSW	-3.4%
MOIRA, VIC	6.7%	BRISBANE, QLD	1.5%	HINCHINBROOK, QLD	-3.5%
IPSWICH, QLD	6.2%	COFFS HARBOUR, NSW	1.5%	DUBBO REGIONAL, NSW	-4.2%
MACEDON RANGES, VIC	6.2%	PORT MACQUARIE-HASTINGS, NSW	1.5%	COWRA, NSW	-4.3%
LAUNCESTON, TAS (LGA)	6.1%	SNOWY MONARO REGIONAL, NSW	1.4%	MAREEBA, QLD	-5.4%
HEPBURN, VIC	5.9%	GOLDEN PLAINS, VIC	1.4%	SHELLHARBOUR, NSW	-5.8%
GLADSTONE, QLD	5.8%	NORTHERN GRAMPPIANS, VIC	1.2%	BURDEKIN, QLD	-5.9%
MACKAY, QLD	5.8%	SUNSHINE COAST, QLD	1.2%	NORTH BURNETT, QLD	-6.6%
LOCKYER VALLEY, QLD	5.7%	MORETON BAY, QLD	1.1%	MOUNT ISA, QLD	-11.2%
GREATER BENDIGO, VIC	5.7%	ADELAIDE, SA	1.1%	CHARTERS TOWERS, QLD	-13.2%
CANBERRA, ACT	5.4%	CESSNOCK, NSW	1.0%	LONGREACH, QLD	-14.4%

Source: Knight Frank Research, APM

Note: Unless stated, all references to dollars or \$ refer to Australian dollars (AUD).

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