

*A review of key residential indicators across major Australian cities and regional areas*



# Australian Residential Review

Q1 2021

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# AUSTRALIAN RESIDENTIAL MARKET

*Australia's annual house price growth recovery has remained solid following the pandemic disruption, although trending lower than the global average, where house prices are rising at their fastest rate in almost three years.*

The low interest rate environment is continuing to draw more investors in 2021. This comes after several years of owner-occupiers dominating the residential market — a consequence of the move towards a more responsible lending environment.

This has resulted in many first home buyers, once again, being priced out of the major cities given this has coincided with a solid house price recovery following the pandemic disruption.

For investors, rental growth has started to return to suburbs with minimal new supply recorded in recent years.

The diminishing pipeline of new projects over the coming years is likely to keep vacancy at bay. This is likely to also offset the unexpected fall in population growth given the temporary pause in overseas migration.

Rental growth is strongest across the greater cities of Perth, Darwin and Adelaide for both houses and apartments, with vacancy trending below 1.3%. These cities also offer a compelling relative price point against the bigger cities.

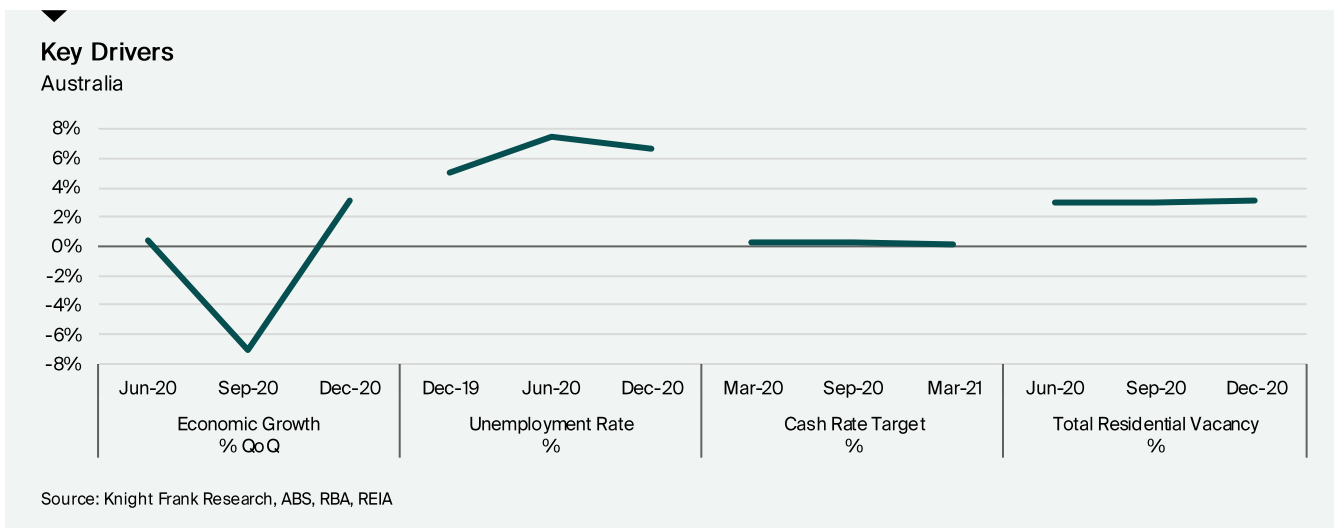
As the pandemic challenged the way we work, rest and play, regional towns highlighted their place on the map.

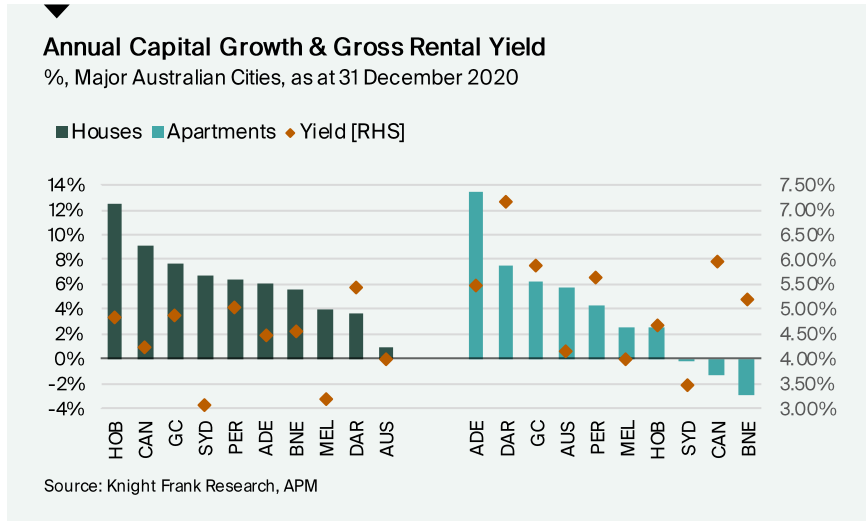
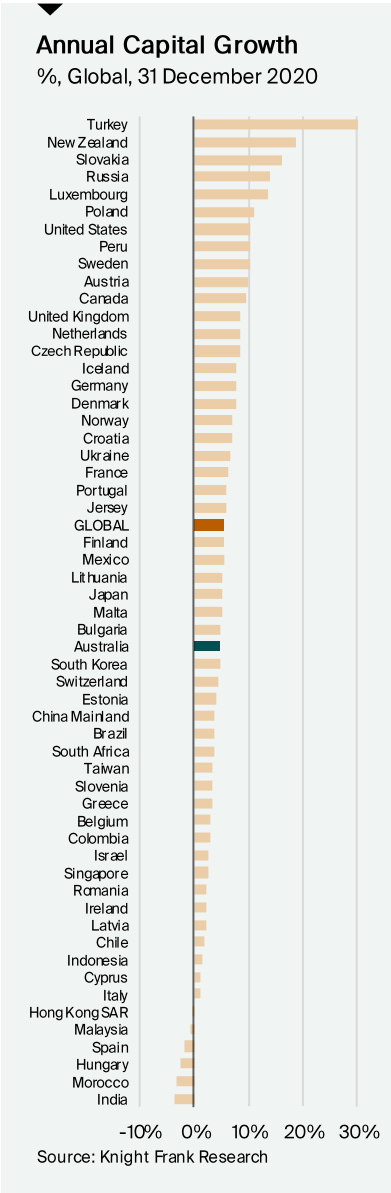
Those relocating or buying a second home pushed major regional areas to record 9.6% house price growth in 2020, compared to the Australian average 5.8%.

### Key Drivers

Australia's **economy** contracted by 1.1% in the year ending December 2020, with the **unemployment** rate at 6.6% in December 2020 (ABS).

The official **cash rate** target was 0.10% as at March 2021. In the December 2020 quarter, average **mortgage lending rates** to owner occupiers fell by 90 bps to 2.20% for a 3-year fixed term loan and was down 28 bps to 4.52% for a





standard variable loan. By comparison, for investors, a 3-year fixed term fell by 83 bps to 2.65% and a standard variable loan was down by 28 bps to 5.10% (RBA).

#### Residential

New household **loan commitments** were up 15.8% in Q4 2020 across Australia; while residential building approvals were up 13.8% when compared to Q3 2020 (ABS).

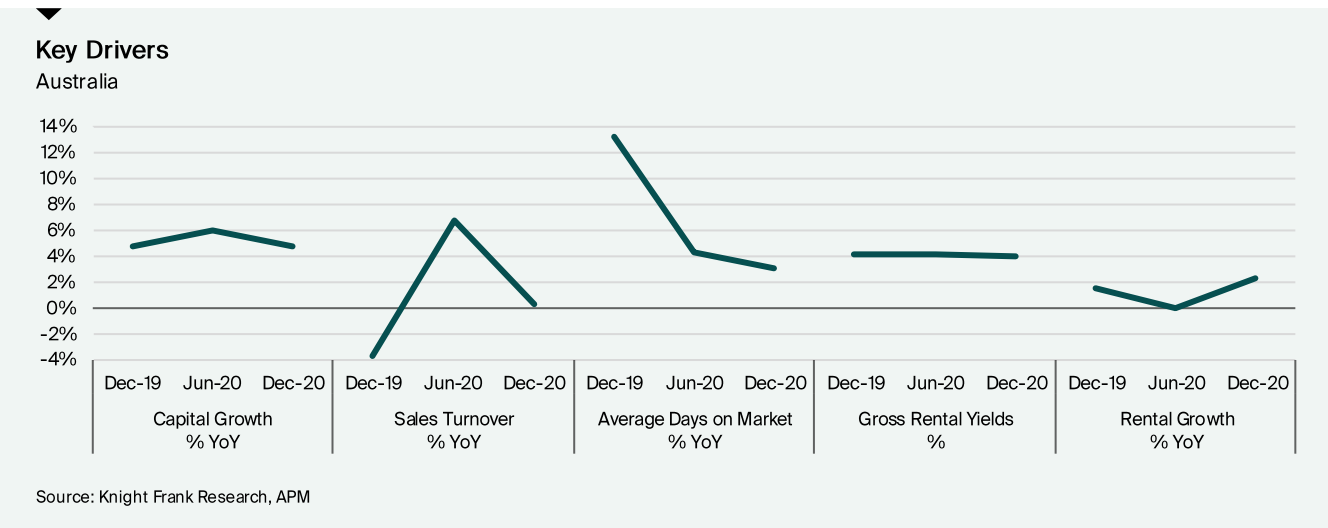
The weighted average total **residential vacancy** for Australian capital cities was last recorded at 3.1% in December 2020, increasing 10 bps over the past

quarter (REIA).

Australia's **global ranking for residential price growth** was 30th in the Knight Frank **Global House Price Index** in Q4 2020, from 56 countries and territories. Australia recorded annual residential price growth of 4.8%, below the global average of 5.6%.

#### Houses

**Median house values** across Australia rose 5.8% in the year ending December 2020 (up 4.1% in the last quarter) to \$853,000. There were 87,409 house **sales** across Australia in the December 2020 quarter, rising 3.1% on the



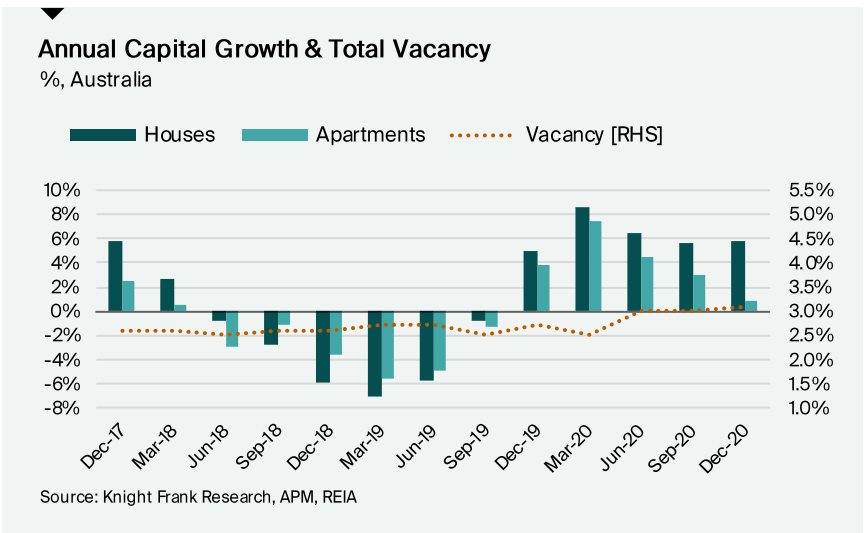
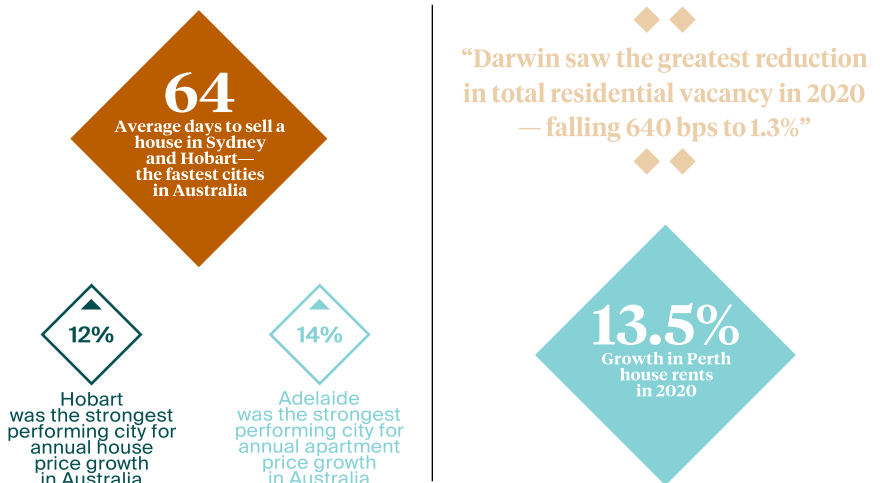
previous quarter. The **average days on market** for an Australian house stood at 117 days in the December 2020 quarter. One quarter ago, this was 138 days.

Gross rental **yields** rose 6 bps in the fourth quarter of 2020 with Australian houses averaging 4.15%. Median house **rents** across Australia rose 2.3% in Q4 2020 to stand at \$440 per week (APM).

**Apartments**

**Median apartment values** across Australia rose 0.9% in the year ending December 2020 (up 1.3% in the last quarter) to \$574,000. Across Australia, there were 25,009 apartment **sales** in the December 2020 quarter, rising 0.1% on the previous quarter. The **average days on market** for an Australian apartment was 120 days in the December 2020 quarter. This was 130 days one quarter ago.

In the fourth quarter of 2020, gross rental **yields** fell 1 bps with Australian apartments averaging 3.99%. Across Australia, median apartment **rents** fell 4.7% in Q4 2020, to stand at \$410 per week (APM).



<b>HOUSES</b> 31 December 2020	<b>SYD</b>	<b>MEL</b>	<b>BNE</b>	<b>PER</b>	<b>GC</b>	<b>ADE</b>	<b>CAN</b>	<b>HOB</b>	<b>DAR</b>
Median Value	\$1,211,500	\$936,000	\$616,500	\$563,000	\$695,000	\$574,500	\$855,500	\$564,000	\$534,000
Capital Growth - Annual	6.7%	3.9%	5.6%	6.3%	7.8%	6.1%	9.1%	12.4%	3.6%
Sales Volume - Annual	47,965	41,561	29,856	30,281	9,265	18,366	5,231	3,215	766
Sales Turnover - Annual	7.5%	-19.4%	-2.4%	8.4%	6.2%	3.5%	-1.8%	-17.1%	27.9%
Ave. Days on Market	64	72	85	114	105	100	77	64	225
Gross Rental Yield	3.06%	3.18%	4.58%	5.06%	4.90%	4.50%	4.24%	4.85%	5.45%
Median Weekly Rent	\$550	\$440	\$425	\$420	\$530	\$410	\$600	\$460	\$550
Rental Growth - Annual	4.8%	2.3%	3.7%	13.5%	1.9%	5.1%	3.4%	0.0%	11.1%

Source: Knight Frank Research, APM

<b>APARTMENTS</b> 31 December 2020	<b>SYD</b>	<b>MEL</b>	<b>BNE</b>	<b>PER</b>	<b>GC</b>	<b>ADE</b>	<b>CAN</b>	<b>HOB</b>	<b>DAR</b>
Median Value	\$730,000	\$569,500	\$395,000	\$347,500	\$448,000	\$350,000	\$485,500	\$432,500	\$285,500
Capital Growth - Annual	-0.3%	2.5%	-3.0%	4.4%	6.2%	13.5%	-1.3%	2.5%	7.5%
Sales Volume - Annual	29,777	16,485	10,910	3,220	6,884	4,207	4,372	583	489
Sales Turnover - Annual	1.1%	-21.0%	-8.3%	10.7%	4.5%	1.0%	-13.1%	-18.6%	7.9%
Ave. Days on Market	80	88	127	125	143	145	100	65	380
Gross Rental Yield	3.48%	4.00%	5.22%	5.65%	5.90%	5.51%	5.96%	4.69%	7.20%
Median Weekly Rent	\$470	\$388	\$400	\$350	\$435	\$340	\$495	\$400	\$420
Rental Growth - Annual	-7.8%	-7.6%	3.9%	12.9%	1.2%	7.9%	3.1%	-2.4%	7.7%

Source: Knight Frank Research, APM

# SYDNEY

## Key Drivers

**Population** in Greater Sydney was estimated at 5.3 million persons in June 2019, with annual **population growth** of 1.6%. The **projected population growth** to 2041 is also 1.6% per annum (ABS).

New South Wales (NSW) **economic growth** was estimated at -2.4% in 2020 with a forecast of 2.3% in 2024 (Oxford Economics). Greater Sydney **unemployment** stood at 6.7% as at December 2020, trending 14 bps lower than the quarter before (ABS).

New household **loan commitments** in NSW were up by 17.2% in the December 2020 quarter; higher than 16.7% recorded the previous quarter (ABS). The number of lending commitments to owner occupier **first home buyers** in NSW grew by 10.0% in the month of December 2020, compared to -5.0% a year earlier. This first home buyer group represented 24.4% of all NSW owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 4,159 houses and 6,035 apartments in Greater Sydney. This was trending 1.5% lower for houses but 64.4% higher for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 3.3% in Greater Sydney as at December 2020; recording 4.4% in the Inner Suburbs (0-10km from the CBD), 4.7% in the Middle Suburbs (10-25km) and 1.8% in the Outer Suburbs (25km+) (REINSW).

The **auction clearance rate** for the week ending 28 February 2021 was 85.3% from 844 scheduled **auctions**. This was higher than the week prior, at 83.4% from 768 scheduled auctions, and higher than the comparable week a year earlier when 76.6% (out of 1,087 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 6.7% for houses; up 4.8% over the past quarter to a **median value** of \$1,211,500. The quarterly **volume of sales** tallied 14,265 houses, up 3.0% as at December 2020. The **average days on market** for a house stood at 64 days in the December 2020 quarter. One quarter ago, this was 73 days.

**Gross rental yields** for houses trended up 4 bps to 3.06% over the fourth quarter of 2020. **Rents** rose 1.9% for

houses over the quarter ending December 2020, to stand at a weekly median rent of \$550 (APM).

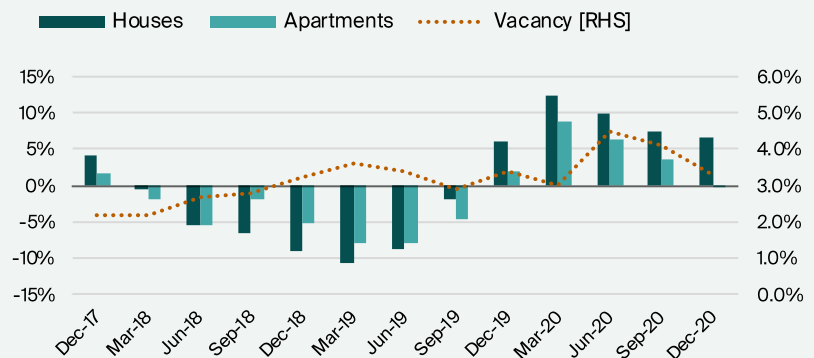
## Apartments

**Capital growth** for apartments fell 0.3% over the past year ending December 2020, but up 0.2% in the last quarter to a **median value** of \$730,000.

The **volume of sales** over the quarter tallied 8,073 apartments as at December 2020, up 0.3%. **Average days on market** for an apartment was 80 days in the December 2020 quarter. This was also 80 days one quarter ago.

**Gross rental yields** for apartments trended down 5 bps to 3.48% over the December 2020 quarter. Over the same time, **rents** fell 5.1% for apartments where median rents stood at \$470 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Greater Sydney



Source: Knight Frank Research, APM, REINSW

# MELBOURNE

## Key Drivers

**Population** in Greater Melbourne was estimated at 5.1 million persons in June 2019, with annual **population growth** of 2.3%. The **projected population growth** to 2041, is lower, at 1.9% per annum (ABS).

Victorian **economic growth** was estimated at -6.1% in 2020 with a forecast of 3.2% in 2024 (Oxford Economics). Greater Melbourne **unemployment** stood at 6.8% as at December 2020, trending 18 bps lower than the quarter before (ABS).

New household **loan commitments** in Victoria were up by 5.1% in the December 2020 quarter; higher than 3.9% recorded the previous quarter (ABS). The number of lending commitments to owner occupier **first home buyers** in Victoria grew by 25.3% in the month of December 2020, compared to 9.2% a year earlier. This first home buyer group represented 31.8% of all Victorian owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 7,121 houses and 3,664 apartments in Greater Melbourne. This was trending down 4.1% for houses and down 35.7% for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 5.4% in Greater Melbourne as at December 2020; with 7.1% in the Inner Suburbs (0-10km from the CBD), 5.6% in the Middle Suburbs (10-20km) and 2.0% in the Outer Suburbs (20km+) (REIV).

The **auction clearance rate** for the week ending 28 February 21 was 76.4% from 1,299 scheduled **auctions**. This was slightly lower than the week prior, at 77.4% from 1,095 scheduled auctions, but higher than the comparable week a year earlier when 74.8% (out of 1,612 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 3.9% for houses; up 5.3% over the past quarter to a **median value** of \$936,000. The quarterly **volume of sales** tallied 13,378 houses, up 86.7% as at December 2020. The **average days on market** for a house stood at 72 days in the December 2020 quarter. One quarter ago, this was 78 days.

**Gross rental yields** for houses remained steady at 3.18% over the

fourth quarter of 2020. **Rents** remained stable for houses over the quarter ending December 2020, to stand at a weekly median rent of \$440 (APM).

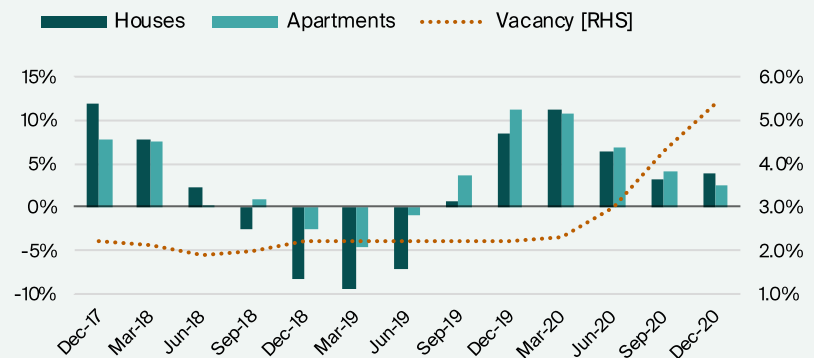
## Apartments

**Capital growth** for apartments rose 2.5% over the past year ending December 2020, and up 4.4% in the last quarter to a **median value** of \$569,500. The **volume of sales** over the quarter tallied 4,640 apartments as at December 2020, up 71.3%. **Average days on market** for an apartment was 88 days in the December 2020 quarter. This was 83 days one quarter ago.

**Gross rental yields** for apartments trended down 12 bps to 4.00% over the December 2020 quarter. Over the same time **rents** fell 3.0% for apartments where median rents stood at \$388 per week (APM).

## Annual Capital Growth & Total Vacancy

%, Greater Melbourne



Source: Knight Frank Research, APM, REIV

# BRISBANE

## Key Drivers

**Population** in Greater Brisbane was estimated at 2.5 million persons in June 2019, with annual **population growth** of 2.1%. The **projected population growth** to 2041, is lower, at 1.7% per annum (ABS).

Queensland **economic growth** was estimated at -2.1% in 2020 with a forecast of 2.8% in 2024 (Oxford Economics). Greater Brisbane **unemployment** stood at 7.8% as at December 2020, trending 80 bps higher than the quarter earlier (ABS).

New household **loan commitments** in Queensland were up by 21.7% in the December 2020 quarter; down from 40.2% recorded the previous quarter (ABS). The number of lending commitments to owner occupier **first home buyers** in Queensland grew by 5.6% in the month of December 2020, compared to 0.1% a year earlier. This first home buyer group represented 28.7% of all Queensland owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 4,206 houses and 1,573 apartments in Greater Brisbane. This was trending up 32.8% for houses but 24.6% lower for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 1.3% in Greater Brisbane as at December 2020; recording 3.3% in the Inner Suburbs (0-5km from the CBD), 1.6% in the Middle Suburbs (5-20km) and 0.9% in

the Outer Suburbs (20km+) (REIQ).

The **auction clearance rate** for the week ending 28 February 2021 was 74.1% from 116 scheduled **auctions**. This was slightly lower the week prior, at 74.2% from 89 scheduled auctions, but higher than the comparable week a year earlier when 60.5% (out of 136 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 5.6% for houses; rising 0.8% over the past quarter to a **median value** of \$616,500. The quarterly **volume of sales** tallied 7,365 houses, down 18.2% as at December 2020. The **average days on market** for a house stood at 85 days in the December 2020 quarter. One quarter ago, this stood at 101 days.

**Gross rental yields** for houses decreased by 9 bps to 4.58% over the

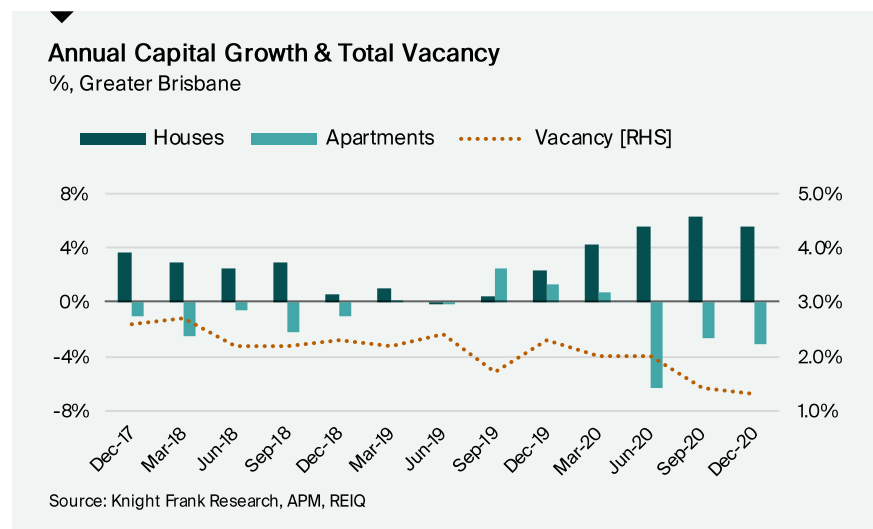
fourth quarter of 2020. **Rents** rose 2.4% for houses over the quarter ending December 2020, to stand at a weekly median rent of \$425 (APM).

## Apartments

**Capital growth** for apartments fell 3.0% over the past year ending December 2020, and fell 1.1% in the last quarter to a **median value** of \$395,000.

The **volume of sales** over the quarter tallied 2,404 apartments as at December 2020, down 22.7%. **Average days on market** for an apartment was 127 days in the December 2020 quarter. This was 143 days one quarter ago.

**Gross rental yields** for apartments trended down 5 bps to 5.22% over the December 2020 quarter. Over the same time, **rents** rose 1.3% for apartments where median rents stood at \$400 per week (APM).



# PERTH

## Key Drivers

**Population** in Greater Perth was estimated at 2.1 million persons in June 2019, with annual **population growth** of 1.3%. The **projected population growth** to 2041, is higher, at 1.6% per annum (ABS).

Western Australia (WA) **economic growth** was estimated at -0.3% in 2020 with a forecast of 3.9% in 2024 (Oxford Economics).

Greater Perth **unemployment** stood at 6.7% as at December 2020, trending 60 bps lower than the quarter earlier (ABS).

New household **loan commitments** in WA were up by 36.2% in the December 2020 quarter; but lower than 55.5% recorded the previous quarter (ABS). The number of lending commitments to owner occupier **first home buyers** in WA grew by 11.2% in the month of December 2020, compared to -2.6% a year earlier. This first home buyer group represented 38.6% of all WA owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 5,064 houses and 1,041 apartments in Greater Perth. This was trending 61.1% higher for houses and 81.7% higher for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 0.8% in Greater Perth as at December 2020. This was 10 bps lower than a quarter ago at 0.9%, and down 160 bps from

2.4% recorded a year earlier (REIWA).

The **auction clearance rate** for the week ending 28 February 2021 was 50% from 12 scheduled **auctions**. This was lower than the week prior, at 55% from 21 scheduled auctions, but higher than the comparable week a year earlier when 29.4% (out of 18 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 6.3% for houses; rising by 3.0% over the past quarter to a **median value** of \$563,000. The quarterly **volume of sales** tallied 7,568 houses, down 17.5% as at December 2020. The **average days on market** for a house stood at 114 days in the December 2020 quarter. One quarter ago, this was 143 days.

**Gross rental yields** for houses trended

up 17 bps to 5.06% over the fourth quarter of 2020. **Rents** rose 6.3% for houses over the quarter ending December 2020, to stand at a weekly median rent of \$420 (APM).

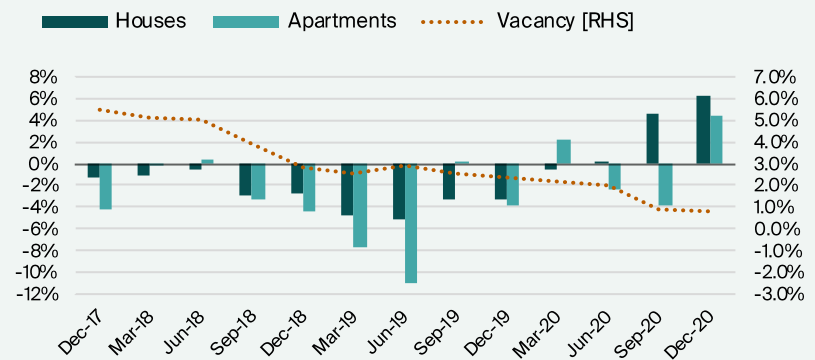
## Apartments

**Capital growth** for apartments grew 4.4% over the past year ending December 2020; rising 2.3% in the last quarter to a **median value** of \$347,500. The **volume of sales** over the quarter tallied 844 apartments as at December 2020, down 10.4%. **Average days on market** for an apartment was 125 days in the December 2020 quarter. This was 148 days one quarter ago.

**Gross rental yields** for apartments trended upwards 13 bps to 5.65% over the December 2020 quarter. Over the same time, **rents** increased by 2.9% for apartments where median rents stood at \$350 per week (APM).

## Annual Capital Growth & Total Vacancy

%, Greater Perth



Source: Knight Frank Research, APM, REIWA



# GOLD COAST

## Key Drivers

**Population** in the Gold Coast LGA was estimated at 620,500 persons in June 2019, with annual **population growth** of 2.3%. The **projected population growth** to 2041, is lower, at 2.1% per annum (ABS).

Queensland **economic growth** was estimated at -2.1% in 2020 with a forecast of 2.8% in 2024 (Oxford Economics). Gold Coast LGA **unemployment** stood at 6.4% as at September 2020, trending 60 bps higher than the quarter earlier (ABS).

New household **loan commitments** in Queensland were up by 21.7% in the December 2020 quarter; down from 40.2% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Queensland grew by 5.6% in the month of December 2020, compared to 0.1% a year earlier. This first home buyer group represented 28.7% of all Queensland owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 457 houses and 808 apartments in the Gold Coast LGA. This was trending up 14.8% for houses and 201.5% higher for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 0.9% in the Gold Coast LGA as at December 2020. This was 70 bps lower than one quarter ago and also down 90 bps from

1.8% recorded a year earlier (REIQ).

## Houses

Over the year ending December 2020, **capital growth** increased 7.8% for houses; and increased 4.5% over the past quarter to a **median value** of \$695,000.

The annual **volume of sales** tallied 9,265 houses, increasing 6.2% as at December 2020.

The **average days on market** for a house stood at 105 days in the December 2020 quarter. One quarter ago, this was also 105 days.

**Gross rental yields** trended up 2 bps for houses to 4.90% over the fourth quarter of 2020.

**Rents** increased 1.9% for houses over the quarter ending December 2020, to

stand at a weekly median rent of \$530 (APM).

## Apartments

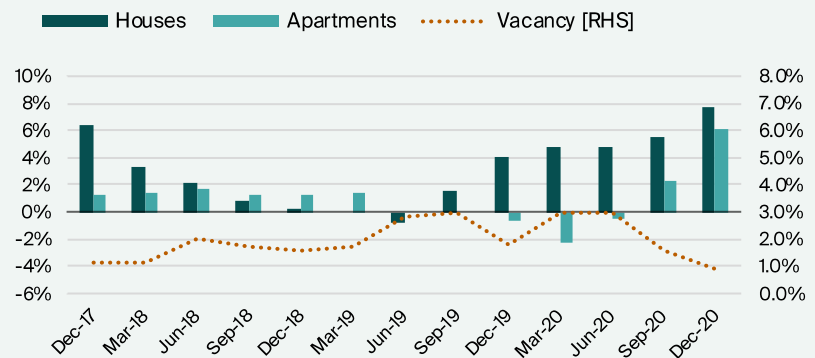
**Capital growth** for apartments rose 6.2% over the past year ending December 2020, and also up 3.0% in the last quarter to a **median value** of \$448,000.

The **volume of sales** over the year tallied 6,884 apartments as at December 2020, up 4.5%. **Average days on market** for an apartment was 143 days in the December 2020 quarter. This was 147 days one quarter ago.

**Gross rental yields** for apartments increased 9 bps to 5.90% over the December 2020 quarter.

Over the same time, **rents** increased 2.4% for apartments where median rents stood at \$435 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Gold Coast LGA



Source: Knight Frank Research, APM, REIQ

# ADELAIDE

## Key Drivers

**Population** in Greater Adelaide was estimated at 1.4 million persons in June 2019, with annual **population growth** of 1.0%. The **projected population growth** to 2041, is lower at 0.8% per annum (ABS).

South Australian (SA) **economic growth** was estimated at -2.6% in 2020 with a forecast of 2.2% in 2024 (Oxford Economics). Greater Adelaide **unemployment** stood at 6.5% as at December 2020, trending 41 bps lower than the quarter earlier (ABS).

New household **loan commitments** in SA were up by 11.8% in the December 2020 quarter; lower than 26.6% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in SA grew by 6.0% in the month of December 2020, compared to 6.8% a year earlier. This first home buyer group represented 24.6% of all SA owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 2,136 houses and 595 apartments in Greater Adelaide. This was trending 19.2% higher for houses and 46.6% higher for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 0.8% in Greater Adelaide as at December 2020. This was 10 bps lower than a quarter ago, and down 20 bps from 1.0% recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 28 February 2021 was 80.4% from 92 scheduled **auctions**. This was lower than the week prior, at 83.3% from 73 scheduled auctions, but higher than the comparable week a year earlier when 56.4% (out of 85 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 6.1% for houses and 2.1% over the past quarter to a **median value** of \$574,500. The quarterly **volume of sales** tallied 5,730 houses, up 30% as at December 2020. The **average days on market** for a house stood at 100 days in the December 2020 quarter. One quarter ago, this was 123 days.

**Gross rental yields** for houses trended lower by 6 bps to 4.50% over the fourth quarter of 2020. **Rents** increased 1.2%

for houses over the quarter ending December 2020, to stand at a weekly median rent of \$410 (APM).

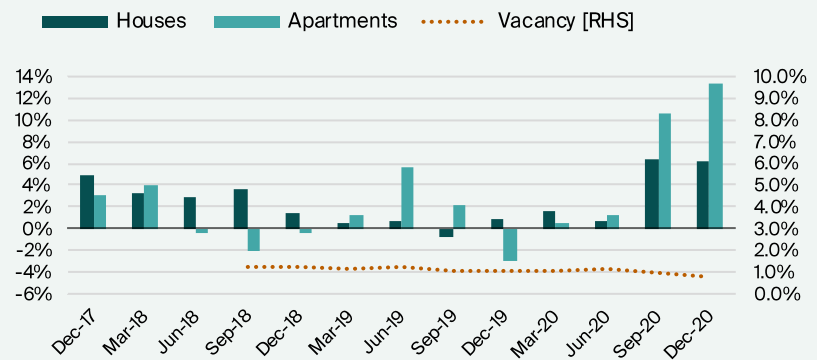
## Apartments

**Capital growth** for apartments rose 13.5% over the past year ending December 2020, but remained steady in the last quarter at a **median value** of \$350,000.

The **volume of sales** over the quarter tallied 1,104 apartments as December 2020, down 14.1%. **Average days on market** for an apartment was 145 days in the December 2020. This was 157 days one quarter ago.

**Gross rental yields** for apartments trended up 10 bps to 5.51% over the December 2020 quarter. Over the same time, **rents** remained the same for apartments where median rents stood at \$340 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Greater Adelaide



Source: Knight Frank Research, APM, REIA

# H O B A R T

## Key Drivers

**Population** in Greater Hobart was estimated at 236,250 persons in June 2019, with annual **population growth** of 1.5%. The **projected population growth** to 2041, is lower, at 0.9% per annum (ABS).

Tasmanian **economic growth** was estimated at -1.2% in 2020 with a forecast of 2.0% in 2024 (Oxford Economics). Greater Hobart **unemployment** stood at 6.1% as at December 2020, trending 45 bps higher than the quarter ago (ABS).

New household **loan commitments** in Tasmania were up by 10.5% in the December 2020 quarter; lower than 32.4% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Tasmania grew by 4.2% in the month of December 2020, compared to -18.0% a year earlier. This first home buyer group represented 21.4% of all Tasmania owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 377 houses and less than 25 apartments in Greater Hobart. This was trending 4.6% lower for houses and remained stable for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 2.0% in Greater Hobart as at December 2020. This was down 20 bps from 2.2% one quarter ago but up 30 bps from 1.7%

recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 28 February 2021 was 0% from 1 scheduled **auction**. This was similar to the week prior at 0% from 0 scheduled auctions, and the same than the comparable week a year earlier when 0% (out of 5 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 12.4% for houses; up 6.1% over the past quarter to a **median value** of \$564,000.

The quarterly **volume of sales** tallied 772 houses, down 6.3% as at December 2020. The **average days on market** for a house stood at 64 days in the December 2020 quarter. One quarter ago, this was 65 days. **Gross rental yields** for houses trended up 19 bps to 4.85% over the fourth quarter of 2020.

**Rents** increased 2.2% for houses over the quarter ending December 2020, to stand at a weekly median rent of \$460 (APM).

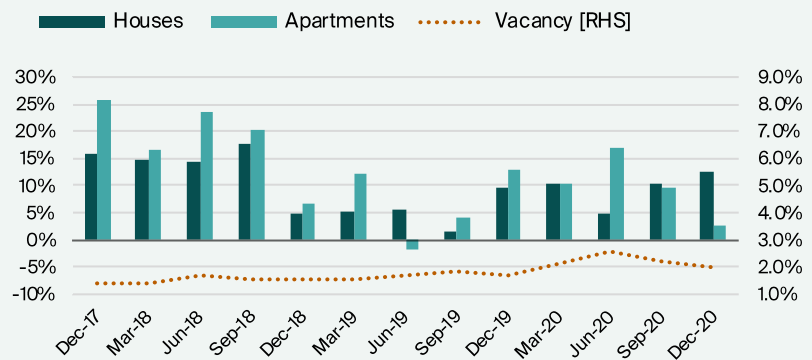
## Apartments

**Capital growth** for apartments increased 2.5% over the past year ending December 2020, and rose 1.0% in the last quarter to a **median value** of \$432,500.

The **volume of sales** over the quarter tallied 128 apartments as at December 2020, down 29.7%. **Average days on market** for an apartment was 65 days in the December 2020 quarter. This was 46 days one quarter ago.

**Gross rental yields** for apartments trended up 34 bps to 4.69% over the December 2020 quarter. Over the same time, **rents** remained stable for apartments where median rents stood at \$400 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Greater Hobart



Source: Knight Frank Research, APM, REIA

# CANBERRA

## Key Drivers

**Population** in Canberra was estimated at 426,750 persons in June 2019, with annual **population growth** of 1.4%. The **projected population growth** to 2041, is higher, at 1.5% per annum (ABS).

The Australian Capital Territory (ACT) **economic growth** remained stable in 2020 with a forecast of 2.3% in 2024 (Oxford Economics). Canberra **unemployment** stood at 3.6% as at December 2020, trending 21 bps lower than the quarter earlier (ABS).

New household **loan commitments** in the ACT were up by 7.9% in the December 2020 quarter; lower than 28.7% recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in the ACT rose by 23.7% in the month of December 2020, compared to 6.5% a year earlier. This first home buyer group represented 27.3% of all ACT owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 357 houses and 1,066 apartments in Canberra. This was trending higher by 19.4% for houses and by 21.1% higher for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 1.0% in Canberra as at December 2020. This was up 10 bps from one quarter ago, but 30 bps lower from 1.3% one year

earlier (REIA).

The **auction clearance rate** for the week ending 28 February 2021 was 75.2% from 109 scheduled **auctions**. This was lower than the week prior, at 81.7% from 82 scheduled auctions, but higher than the comparable week a year earlier when 69.5% (out of 83 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** increased 9.1% for houses; up 6.4% over the past quarter to a **median value** of \$855,500.

The quarterly **volume of sales** tallied 1,271 houses, down 18.1% as at December 2020. The **average days on market** for a house stood at 77 days in the December 2020 quarter. One quarter ago, this was also 70 days. **Gross rental yields** for houses remained stable to 4.24% over the

fourth quarter of 2020. **Rents** increased 3.4% for houses over the quarter ending December 2020, to stand at a weekly median rent of \$600 (APM).

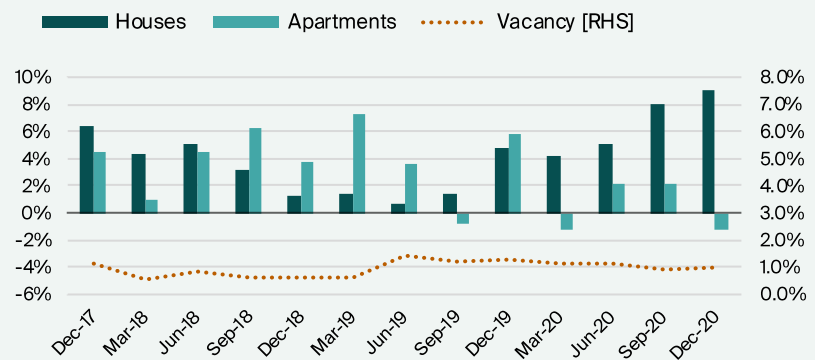
## Apartments

**Capital growth** for apartments fell 1.3% over the past year ending December 2020, but up 3.0% in the last quarter to a **median value** of \$485,500.

The **volume of sales** over the quarter tallied 785 apartments as at December 2020, down 40.0%. **Average days on market** for an apartment was 100 days in the December 2020 quarter. This was 119 days one quarter ago.

**Gross rental yields** for apartments trended up 4 bps to 5.96% over the December 2020 quarter. Over the same time, **rents** rose 3.1% for apartments where median rents stood at \$495 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Canberra



Source: Knight Frank Research, APM, REIA

# DARWIN

## Key Drivers

**Population** in Greater Darwin was estimated at 147,250 persons in June 2019, with annual **population growth** of -0.9%. The **projected population growth** to 2041, is higher, at 1.8% per annum (ABS).

The Northern Territory (NT) **economic growth** was estimated at 2.6% in 2020 with a forecast of 3.7% in 2024 (Oxford Economics). Greater Darwin **unemployment** stood at 4.9% as at December 2020, trending 18 bps lower than the quarter earlier (ABS).

New household **loan commitments** in the NT were up by 25.3% in the December 2020 quarter; lower than 33.9% growth recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in the NT fell by 41.8% in the month of December 2020, compared to -5.4% a year earlier. This first home buyer group represented 31.4% of all NT owner occupier loans in December 2020 (ABS).

**Building approvals** in the quarter ending December 2020 totalled 150 houses and less than 25 apartments in Greater Darwin. This was trending 76.5% higher for houses and remained stable for apartment approvals compared to the quarter earlier (ABS).

**Total residential vacancy** was 1.3% in Greater Darwin as at December 2020. This was down 30 bps from 1.6% one quarter ago, and down 640 bps from

7.7% recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 28 February 2021 was 0% from 0 scheduled **auctions**. This was lower than the week prior, at 50% from 2 scheduled auctions, and lower than the comparable week a year earlier when 60% (out of 5 auctions) were sold (CoreLogic).

## Houses

Over the year ending December 2020, **capital growth** rose by 3.6% for houses; up 2.3% over the past quarter to a **median value** of \$534,000.

The quarterly **volume of sales** tallied 293 houses, up 68.4% as at December 2020. The **average days on market** for a house stood at 225 days in the December 2020 quarter. One quarter ago, this was 193 days. **Gross rental yields** for houses trended up 38 bps to 5.45% over the fourth quarter of 2020.

**Rents** rose 12.2% for houses over the quarter ending December 2020, to stand at a weekly median rent of \$550 (APM).

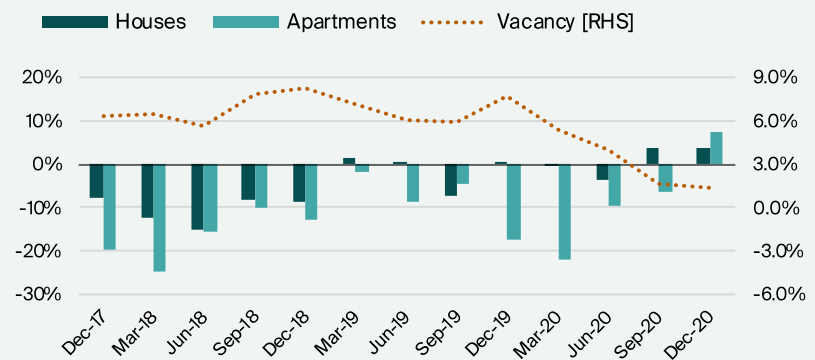
## Apartments

**Capital growth** for apartments rose by 7.5% over the past year ending December 2020, also up 0.6% in the last quarter to a **median value** of \$285,500.

The **volume of sales** over the quarter tallied 170 apartments as at December 2020, up 40.5%. **Average days on market** for an apartment was 380 days in the December 2020 quarter. This was 321 days one quarter ago.

**Gross rental yields** for apartments trended up 21 bps to 7.20% over the December 2020 quarter. Over the same time, **rents** rose 7.7% for apartments with median rents at \$420 per week (APM).

**Annual Capital Growth & Total Vacancy**  
%, Greater Darwin



Source: Knight Frank Research, APM, REIA

# MAJOR REGIONAL AREAS

## Regional Australia

Across Australia, total residential vacancy was 3.1% as at December 2020. This increased 10 bps from one quarter ago, and was up 40 bps from 2.7% recorded a year ago (REIA).

In the major regional areas of Australia (LGAs with more than 10,000 dwellings), capital growth for houses rose by a collective 9.6% over the year ending December 2020 to \$505,500; compared to the Australian average of 5.8% and median value of \$853,000.

In the past quarter, capital growth increased by 3.3% for houses in regional Australia, compared to the Australian average of 4.1%.

## Regional New South Wales

Over the year ending December 2020, capital growth rose by 11.7% for houses in regional New South Wales; and 3.8% over the past quarter to a median value of \$601,500.

## Regional Victoria

Capital growth for houses in regional Victoria rose by 12.0% over the past year ending December 2020, and was also up 4.2% in the last quarter to a median value of \$499,000.

## Regional Queensland

Regional Queensland saw capital growth for houses rise by 6.3% in the year ending December 2020; with 2.0% being in the past quarter to a median value of \$446,500.

## Regional Western Australia

Median values for houses in regional

Western Australia stood at \$405,000 in December 2020, rising by 4.3% over the past year. The last quarter alone recorded 4.7% growth.

## Regional South Australia

In the year ending December 2020, capital growth rose 7.2% for houses in regional South Australia and 2.2% in the past quarter to a median value of \$427,000.

## Regional Tasmania

Median values for houses in regional Tasmania stood at \$350,500 in December 2020, rising by 10.2% over the past year. The last quarter alone recorded 3.5% growth.



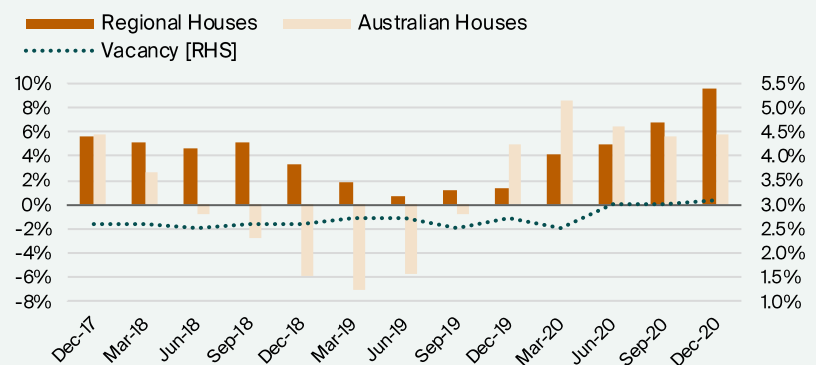
Victoria was the strongest performing state for regional annual house price growth in Australia



Byron LGA (NSW) was the strongest performing LGA for regional annual house price growth in Australia

“Over the past year, major regional areas of Australia recorded annual capital growth of 9.6% — compared to the Australian average of 5.8%”

Annual Capital Growth & Total Vacancy  
%, Major Regional Areas & Australia, Houses



Source: Knight Frank Research, APM, REIA

AUSTRALIAN RESIDENTIAL REVIEW Q1 2021

<b>REGIONAL HOUSES</b> 31 December 2020	<b>MEDIAN VALUE</b> \$	<b>ANNUAL GROWTH</b> %	<b>QTR GROWTH</b> %
Ballarat LGA, Vic	\$445,000	15.6%	4.7%
Bass Coast LGA, Vic	\$590,000	19.8%	5.4%
Baw Baw LGA, Vic	\$490,000	8.9%	2.1%
Campaspe LGA, Vic	\$350,000	2.9%	0.6%
Colac Otway LGA, Vic	\$410,000	9.5%	6.5%
East Gippsland LGA, Vic	\$378,000	16.8%	5.0%
Greater Bendigo LGA, Vic	\$435,000	20.8%	7.4%
Greater Geelong LGA, Vic	\$601,000	10.3%	3.6%
Greater Shepparton LGA, Vic	\$340,000	17.2%	3.0%
Hepburn LGA, Vic	\$587,500	16.3%	3.5%
Hume LGA, Vic	\$600,000	6.2%	2.6%
Latrobe LGA, Vic	\$303,500	10.0%	-0.5%
Macedon Ranges LGA, Vic	\$792,000	16.5%	6.7%
Melton LGA, Vic	\$565,000	8.2%	3.7%
Mildura LGA, Vic	\$336,990	10.5%	2.9%
Mitchell LGA, Vic	\$516,000	14.7%	6.4%
Moira LGA, Vic	\$345,000	11.3%	7.1%
Moorabool LGA, Vic	\$585,000	6.4%	1.0%
South Gippsland LGA, Vic	\$419,000	18.5%	10.3%
Surf Coast LGA, Vic	\$980,000	17.6%	8.9%
Wangaratta LGA, Vic	\$381,000	11.2%	4.4%
Warrnambool LGA, Vic	\$416,750	17.9%	5.8%
Wellington LGA, Vic	\$315,000	5.0%	0.5%
Wodonga LGA, Vic	\$372,750	7.1%	1.7%
Bundaberg LGA, Qld	\$310,000	6.9%	3.3%
Cairns LGA, Qld	\$435,000	2.4%	1.2%
Cassowary Coast LGA, Qld	\$275,000	-11.3%	8.5%
Central Highlands LGA, Qld	\$304,000	6.7%	-0.7%
Fraser Coast LGA, Qld	\$350,000	8.8%	3.5%
Gladstone LGA, Qld	\$335,000	14.5%	6.3%
Gympie LGA, Qld	\$368,000	9.9%	5.1%
Ipswich LGA, Qld	\$433,500	4.6%	0.0%
Isaac LGA, Qld	\$275,000	20.9%	1.9%
Livingstone LGA, Qld	\$430,000	7.5%	2.4%
Lockyer Valley LGA, Qld	\$375,000	1.4%	0.0%
Mackay LGA, Qld	\$385,000	5.5%	1.3%
Moreton Bay LGA, Qld	\$495,000	3.1%	0.0%
Noosa LGA, Qld	\$860,000	21.1%	3.6%
Redland LGA, Qld	\$543,500	0.5%	0.0%
Rockhampton LGA, Qld	\$290,750	8.8%	2.0%
Scenic Rim LGA, Qld	\$493,000	4.9%	0.0%
Somerset LGA, Qld	\$355,000	-1.4%	0.0%
South Burnett LGA, Qld	\$245,000	2.5%	-2.0%
Southern Downs LGA, Qld	\$300,000	5.3%	0.5%
Sunshine Coast LGA, Qld	\$690,000	11.7%	5.3%
Tablelands LGA, Qld	\$340,000	-4.1%	0.0%
Toowoomba LGA, Qld	\$384,500	4.1%	2.0%
Townsville LGA, Qld	\$342,500	5.4%	0.7%
Western Downs LGA, Qld	\$258,500	5.5%	3.4%
Whitsunday LGA, Qld	\$399,500	6.5%	1.1%
Adelaide Hills LGA, SA	\$655,000	4.3%	1.9%
Alexandrina LGA, SA	\$415,000	12.2%	2.5%
Barossa LGA, SA	\$390,500	8.5%	4.1%
Mount Barker LGA, SA	\$454,500	5.7%	1.0%
Mount Gambier LGA, SA	\$305,000	8.9%	3.4%
Whyalla LGA, SA	\$265,000	6.0%	1.1%

Source: Knight Frank Research, APM

<b>REGIONAL HOUSES</b> 31 December 2020	<b>MEDIAN VALUE</b> \$	<b>ANNUAL GROWTH</b> %	<b>QTR GROWTH</b> %
Albury LGA, NSW	\$399,000	14.0%	12.8%
Armidale Regional LGA, NSW	\$371,000	3.1%	3.2%
Ballina LGA, NSW	\$750,000	24.0%	8.7%
Bathurst Regional LGA, NSW	\$466,500	4.8%	3.7%
Bega Valley LGA, NSW	\$595,000	15.5%	8.2%
Byron LGA, NSW	\$1,150,000	27.4%	-0.9%
Cessnock LGA, NSW	\$422,500	7.4%	1.8%
Clarence Valley LGA, NSW	\$440,000	17.3%	0.3%
Coffs Harbour LGA, NSW	\$585,000	14.9%	4.5%
Dubbo Regional LGA, NSW	\$367,500	0.7%	-2.3%
Eurobodalla LGA, NSW	\$590,000	17.1%	6.3%
Goulburn Mulwaree LGA, NSW	\$450,000	8.4%	0.7%
Griffith LGA, NSW	\$400,000	8.1%	-4.8%
Hawkesbury LGA, NSW	\$725,000	7.0%	4.0%
Kempsey LGA, NSW	\$415,000	12.2%	9.2%
Kiama LGA, NSW	\$1,020,000	22.9%	5.3%
Lake Macquarie LGA, NSW	\$645,000	10.7%	2.8%
Lismore LGA, NSW	\$450,000	15.4%	4.4%
Maitland LGA, NSW	\$540,000	12.5%	3.8%
Mid-Coast LGA, NSW	\$495,000	8.8%	3.9%
Mid-Western Regional LGA, NSW	\$470,000	8.0%	4.4%
Newcastle LGA, NSW	\$671,500	10.1%	4.9%
Orange LGA, NSW	\$495,000	15.4%	5.5%
Port Macquarie-Hastings LGA, NSW	\$579,000	9.2%	2.5%
Port Stephens LGA, NSW	\$635,000	7.6%	2.4%
Queanbeyan-Palerang Reg. LGA, NSW	\$680,000	6.3%	1.5%
Richmond Valley LGA, NSW	\$345,000	13.1%	3.4%
Shellharbour LGA, NSW	\$655,000	5.6%	0.8%
Shoalhaven LGA, NSW	\$645,000	17.3%	4.0%
Snowy Monaro Regional LGA, NSW	\$388,000	1.4%	5.6%
Tamworth Regional LGA, NSW	\$372,500	4.9%	4.9%
Tweed LGA, NSW	\$680,000	8.8%	2.6%
Wagga Wagga LGA, NSW	\$405,000	9.5%	3.8%
Wingecarribee LGA, NSW	\$865,000	11.6%	2.1%
Wollongong LGA, NSW	\$775,000	10.7%	4.7%
Albany LGA, WA	\$400,000	3.9%	6.7%
Bunbury LGA, WA	\$333,750	3.6%	4.3%
Busselton LGA, WA	\$515,000	0.6%	3.0%
Greater Geraldton LGA, WA	\$323,750	2.8%	2.5%
Harvey LGA, WA	\$385,000	13.2%	4.3%
Kalgoorlie-Boulder LGA, WA	\$331,000	3.4%	2.6%
Mandurah LGA, WA	\$395,000	3.9%	3.9%
Mundaring LGA, WA	\$550,000	7.8%	10.0%
Devonport LGA, Tas	\$302,869	7.5%	0.9%
Launceston LGA, Tas	\$369,098	11.1%	4.4%
Greater Sydney, NSW	\$1,211,500	6.7%	4.8%
Greater Melbourne, Vic	\$936,000	3.9%	5.3%
Greater Brisbane, Qld	\$616,500	5.6%	0.8%
Greater Perth, WA	\$563,000	6.3%	3.0%
Gold Coast LGA, Qld	\$695,000	7.8%	4.5%
Greater Adelaide, SA	\$574,500	6.1%	2.1%
Hobart, Tas	\$564,000	12.4%	6.1%
Canberra, ACT	\$855,500	9.1%	6.4%
Darwin, NT	\$534,000	3.6%	2.3%
Australia	\$853,000	5.8%	4.1%

Source: Knight Frank Research, APM

## DATA DIGEST

Major regional areas are considered to be a Local Government Area (LGA) outside the greater city, with more than 10,000 dwellings, at the time of the Census 2016.  
Currency reference to dollars or \$ refers to Australian dollars (AUD), unless stated.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



### Research

Michelle Ciesielski  
+61 2 9036 6659  
michelle.ciesielski@au.knightfrank.com



### Residential

Shayne Harris  
+61 2 9036 6713  
shayne.harris@au.knightfrank.com



### Valuations

Alistair Carpenter  
+61 2 9036 6662  
al.carpenter@au.knightfrank.com



### Franchise Partnerships

Scott Timbrell  
+61 2 9761 1823  
scott.timbrell@au.knightfrank.com



### Private Office

Sarah Harding  
+61 2 9036 6752  
sarah.harding@au.knightfrank.com



### Media Enquiries

Philippa Giles  
+61 2 9036 6627  
philippa.giles@au.knightfrank.com

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