

A review of mainstream residential markets across major Australian cities and regional areas



Australian Residential Review

Q2 2022

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AUSTRALIAN RESIDENTIAL MARKET

How have the mainstream residential markets of Australia's major cities and regional areas performed?

Australia's residential market

Australia's mainstream residential price performance has been heavily led by smaller cities and regional areas in 2022. Solid price growth has been coupled with the reduction in the number of days properties have been listed on the market before transacting and sustained upward trajectory in the growth of sales turnover.

The main factors continuing to drive smaller cities and regional residential markets include the relocation of digital nomads to more affordable locations, investors returning to the market seeking a higher rental yield than they could achieve in the larger capital cities and holiday homes purchased to incorporate retirement plans in the coming years.

Australia's best performing cities for annual price growth in the first quarter of 2022 (Brisbane, Hobart and

Adelaide) still had a \$200,000 buffer between their city and the Australia median value, attracting first time buyers and investors from across the country.

These three top ranked cities also saw elevated population growth in 2021 against the Australian average. This most impacted the rental space, given many people moving to a new area tend to rent before making a purchase.

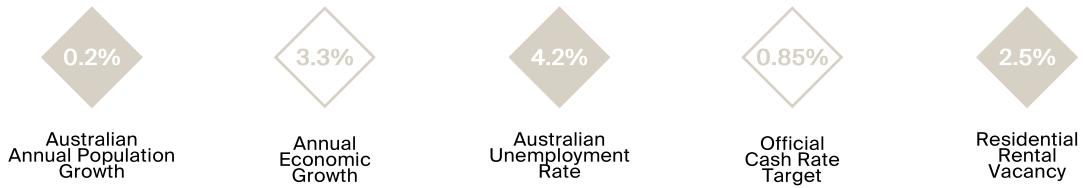
In these cities as a result, residential rental vacancy was recorded well below the 2.5% Australian average, ranging from 0.4% to 0.9% at the end of the March 2022 quarter. At the same time, the rise in weekly rents overtook the Australian annual average of 8% recording rental growth of between 8.5% and 12.8%.

This comes at a time when we're encouraging the return of overseas

migration to compensate for extreme employment shortages across many industries. As this group slowly returns, it's likely to place further pressure on the local rental market.

With further upward adjustments to the official cash rate and higher costs of living in the coming months, it's likely sentiment will be dampened across the Australian residential market with all markets expected to record subdued or a downward pressure on property prices over the next 18 months.

Although the severity and length of this downturn could be minimised given the current chronic undersupply of rental homes and the modest volume of new supply in the construction pipeline. This has been amplified by inflated construction costs, skills shortages, developer and builder funding impacting the delivery of new homes.



Key Drivers

Australia’s total population grew by 0.2% in the year to June 2021. The major cities of Australia saw annual population change of –0.1% in June 2021, while inner regional areas of Australia grew by 1.1% and outer regional areas rose by 0.2%. Australia’s economy grew by 3.3% in the year to March 2022, while the unemployment rate was 4.2% (ABS).

The official cash rate target was increased 50 bps to 0.85% on 7 June 2022. According to the Reserve Bank of Australia, inflation was higher than earlier expected influenced by global factors, but domestic factors are playing a role too, with capacity constraints in some sectors and the tight labour market contributing to the upward pressure on prices. The floods

earlier this year have also affected some prices. The RBA expects to take further steps in the process of normalising monetary conditions in Australia over the months ahead.

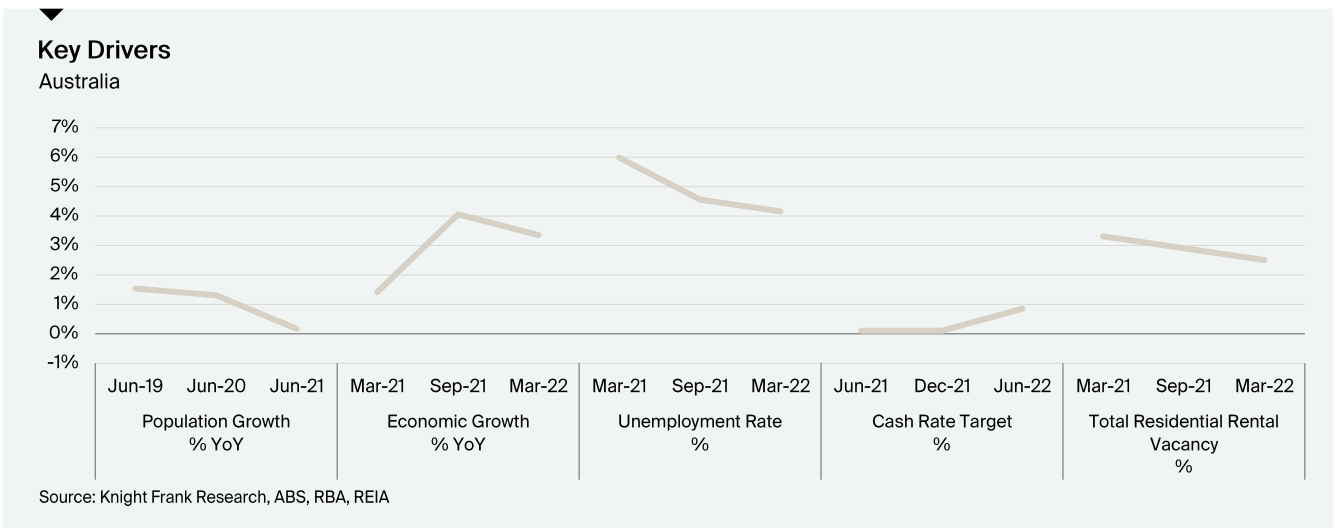
In the March 2022 quarter, average mortgage lending rates to owner occupiers rose by 163 bps to 3.77% for a 3-year fixed term loan and remained steady at 4.52% for a standard variable loan. For investors, a 3-year fixed term increased by 139 bps to 3.95% and a standard variable loan remained stable at 5.10%.

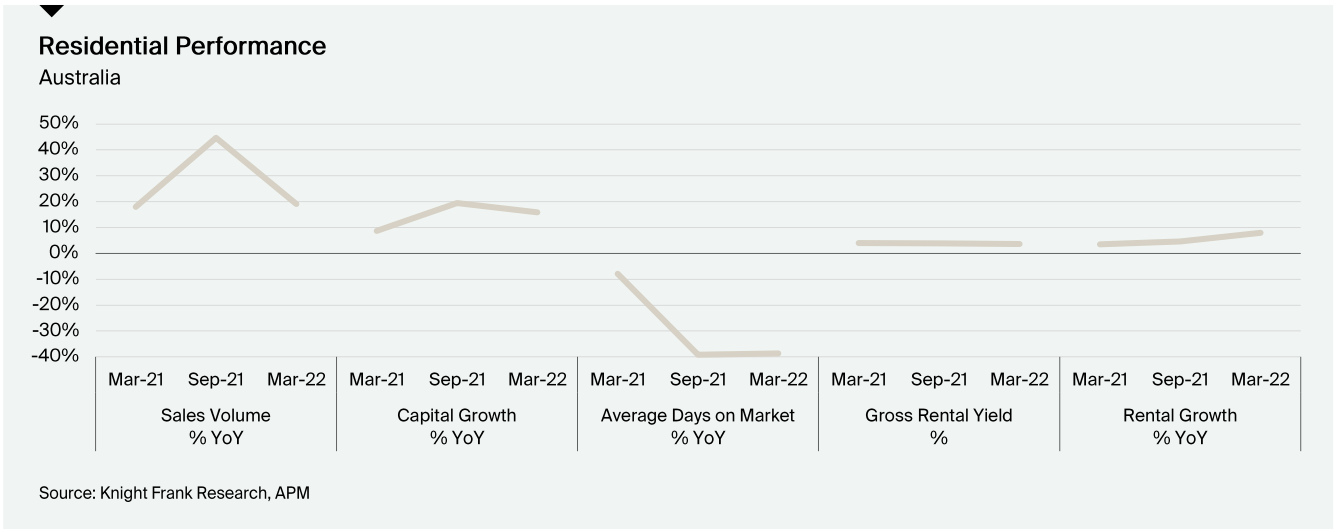
New household loan commitments across Australia were up 6.0% in the March 2022 quarter, lower than 1.2% growth recorded the previous quarter. The number of lending commitments to owner occupier first home buyers in

Australia grew by 24.6% in March 2022, compared to 17.1% a year earlier. This first home buyer group represented 18.8% of all Australian owner occupier loans in March 2022 (ABS).

Building approvals in the March 2022 quarter fell by 8.6% across Australia, compared to a fall of 14.7% a quarter ago. In this time, 28,687 houses and 16,726 apartments were approved. This was trending 9.9% lower for houses and 6.4% lower for apartment approvals compared to the quarter earlier (ABS).

The weighted average total residential rental vacancy for Australian capital cities was recorded at 2.5% in March 2022, compressing by 30 bps over the past quarter (REIA). Generally, a balanced rental market between supply and demand is considered to be 3.0%.





Performance and Outlook for Australian Residential Market

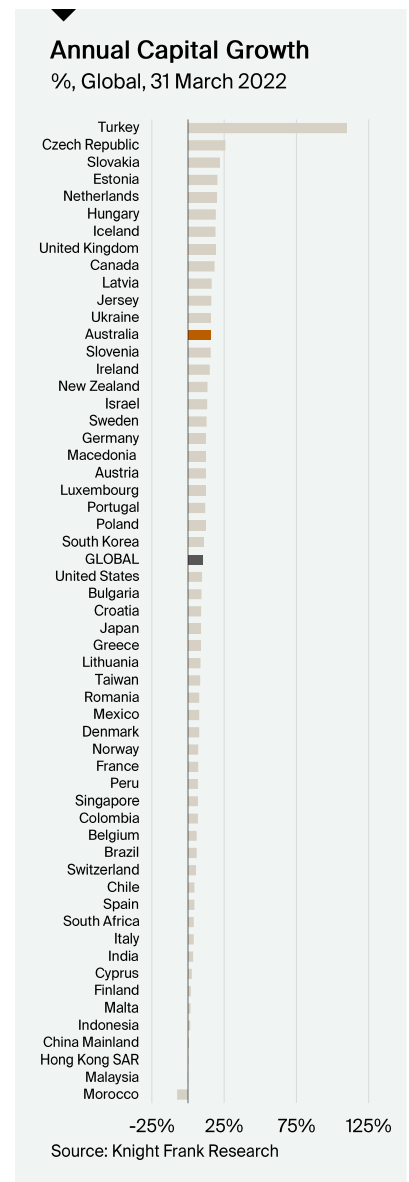
Across Australia, mainstream sales volume trended down 33.1% in the March 2022 quarter to total 114,555 residential homes (houses and apartments), as annual sales volume is still 19.1% higher than a year ago.

The average days on market for an Australian home was 69 days in the March 2022 quarter. This was 68 days one quarter ago.

Residential property values across Australia rose 15.8% in the year to March 2022, increasing 0.4% in the last quarter to stand at a median value of \$951,000 (APM).

Australia ranked 13th globally with this residential price growth from 56 countries and territories in the Knight Frank [Global House Price Index](#). This performance saw Australia outstrip the global average of 10.2% over the same time.

Across the Australian capital cities, Brisbane residential prices performed the strongest over this time with 28.4% annual growth, ranking 10th from 150 global cities in the [Knight Frank Global Residential Cities index](#). Hobart in position 12 and Adelaide in position 14 ranked next best, with annual growth of 26.0% and 25.1%, respectively. Overall, Australia had representation of six capital cities in the top 50 cities.



AUSTRALIAN CITIES MAINSTREAM RESIDENTIAL PRICE PERFORMANCE	GLOBAL RANK 31 March 2022 (Rank one year ago)	ANNUAL GROWTH RATE 31 March 2022 (Rate one year ago)
BRISBANE	10 (89)	28.4% (5.0%)
HOBART	12 (23)	26.0% (13.8%)
ADELAIDE	14 (44)	25.1% (9.8%)
DARWIN	23 (41)	19.9% (10.8%)
CANBERRA	26 (17)	18.4% (15.7%)
SYDNEY	31 (55)	16.1% (8.6%)
MELBOURNE	66 (70)	9.2% (6.4%)
PERTH	121 (51)	3.5% (8.9%)
AUSTRALIA	13 (18)	15.8% (8.3%)

Source: Knight Frank Research, Global House Price Index, Global Residential Cities Index

**MAJOR CITIES
RESIDENTIAL**
31 March 2022

	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
POPULATION GROWTH YoY ^	-0.1%	-1.2%	0.8%	1.3%	0.8%	0.1%	-0.2%	0.1%	-0.2%	0.2%
ECONOMIC GROWTH YoY *	3.2%	4.1%	5.7%	5.7%	5.9%	7.5%	7.4%	5.2%	5.0%	3.3%
UNEMPLOYMENT RATE	4.0%	4.4%	4.2%	4.8%	3.7%	4.9%	4.8%	3.7%	4.1%	4.2%
NEW LOAN COMMITMENTS YoY *	42%	43%	44%	44%	30%	30%	16%	31%	43%	40%
FIRST HOME BUYERS O/O share *	16%	21%	17%	17%	27%	15%	15%	21%	17%	19%
BUILDING APPROVALS YoY *	16%	10%	10%	27%	-6%	1%	-1%	-2%	-39%	7%
SALES VOLUME Annual	105,544	98,959	69,521	22,653	50,798	30,269	4,227	11,512	2,127	593,821
SALES VOLUME YoY	13%	33%	30%	12%	22%	32%	-6%	-9%	52%	19%
AVE. DAYS ON MARKET	54	62	42	42	63	73	31	50	106	69
AUCTION CLEARANCE RATE ^	64.0%	66.9%	68.3%	-	50.0%	75.4%	0.0% *	72.9%	-	66.8%
MEDIAN VALUE	\$1,253,000	\$929,500	\$741,000	\$777,500	\$562,500	\$657,500	\$731,000	\$941,000	\$548,000	\$951,000
CAPITAL GROWTH YoY	16.1%	9.2%	28.4%	25.6%	3.5%	25.1%	26.0%	18.4%	19.9%	15.8%
CAPITAL GROWTH Global Rank	55	70	89	-	51	44	23	17	41	13
CAPITAL GROWTH 2022 Forecast	-2%	-3%	6%	7%	1%	5%	3%	0%	-3%	1%
CAPITAL GROWTH 2023 Forecast	-6%	-7%	2%	3%	-2%	2%	1%	-2%	-4%	-3%
GROSS RENTAL YIELD	2.88%	3.25%	4.45%	5.03%	5.36%	4.62%	4.43%	4.39%	6.02%	3.60%
MEDIAN WEEKLY RENT	\$555	\$430	\$485	\$625	\$460	\$445	\$510	\$645	\$570	\$475
RENTAL GROWTH YoY	7.8%	3.6%	12.8%	22.5%	10.8%	9.9%	8.5%	14.2%	11.8%	8.0%
TOTAL RENTAL VACANCY RATE	2.3%	5.2%	0.9%	0.4%	1.1%	0.4%	0.9%	0.5%	1.6%	2.5%

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

Note: ^ Latest data at time of publishing, * Data is state/territory level

With current global and local economic challenges likely to ramp up over the coming year, Knight Frank Research forecasts Australian mainstream residential values to overall grow by 1% by the end of 2022.

The better performing capital cities for price growth in 2022 are expected to still be in smaller cities, like Brisbane (6%), Adelaide (5%) and Hobart (3%) with increased interstate migration,

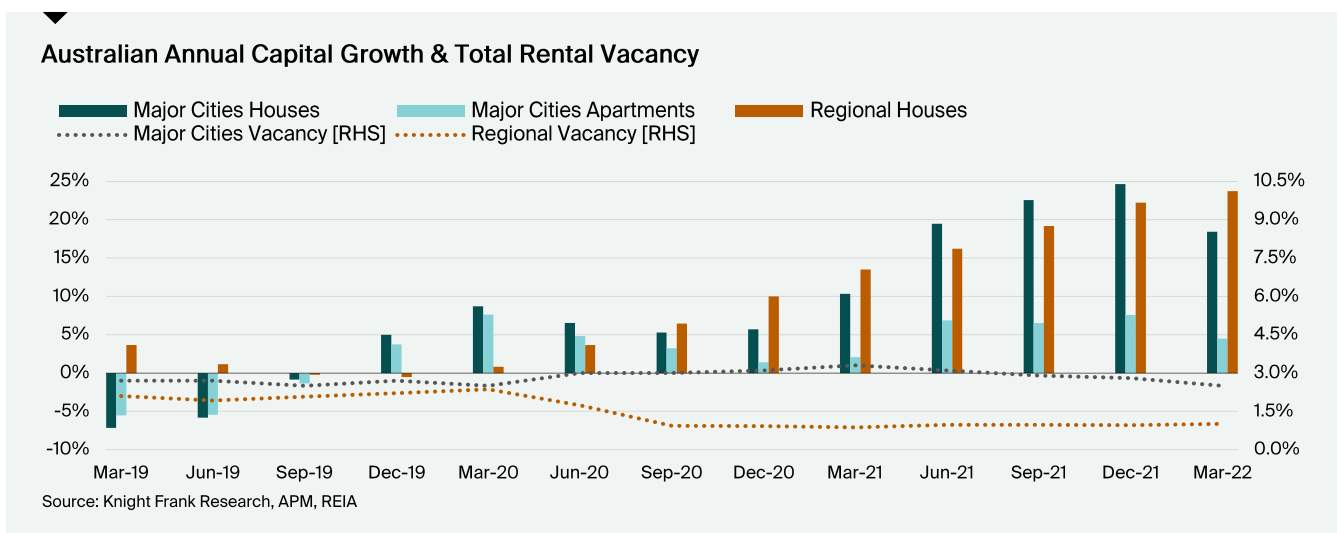
relative value and returning investors to the market being the leading drivers. As a result, these three cities are expected to record modest positive price growth in 2023.

By the end of 2023, the overall Australian residential property market could experience price declines of 3%, but 2024 is likely to trend back towards positive territory given the chronic undersupply of new properties being

built across the country.

From an investment perspective, gross rental yields compressed 19 bps in the first quarter of 2022, as Australian residential property averaged 3.60%.

Across Australia, residential rents increased by 3.3% in the March 2022 quarter, rising 8.0% annually, to stand at \$475 per week (APM). This is heavily driven by the total 2.5% rental vacancy.



APARTMENTS AUSTRALIAN CITIES



Performance of Australian Major Cities Apartments

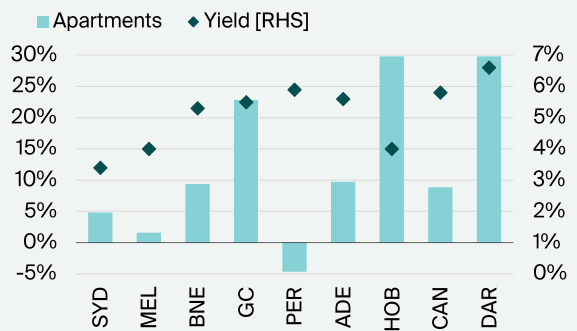
Across Australia, sales volume trended down 32.7% in the March 2022 quarter to count 28,101 apartments, whilst annual sales volume is still 21.9% higher than a year ago. The average days on market for an Australian apartment was 78 days in the March 2022 quarter. This was 77 days one quarter ago.

Median apartment values across Australia rose 4.5% in the year to March 2022, although falling 1% in the last quarter to stand at a median value of \$617,000.

In the first quarter of 2022, gross rental yields compressed 2 bps with Australian apartments averaging 3.86%. Across Australia, apartment rents increased by 4.8% in the March 2022 quarter, rising 7.3% annually, to \$440 per week (APM).

Annual Capital Growth & Gross Rental Yield

% , Major Cities, 31 March 2022



Source: Knight Frank Research, APM

MAJOR CITIES APARTMENTS 31 March 2022

	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME Annual	43,776	26,762	20,699	10,662	5,172	6,057	624	5,901	1,048	150,135
SALES VOLUME YoY	18%	29%	35%	18%	21%	42%	-13%	-9%	89%	22%
Ave. Days On Market	69	88	62	52	84	92	28	51	136	78
MEDIAN VALUE	\$796,500	\$579,000	\$437,000	\$565,000	\$358,500	\$377,000	\$572,500	\$565,000	\$385,500	\$617,000
CAPITAL GROWTH YoY	4.8%	1.6%	9.4%	22.8%	-4.7%	9.8%	29.8%	8.9%	29.8%	4.5%
GROSS RENTAL YIELD	3.40%	4.00%	5.30%	5.50%	5.90%	5.60%	4.00%	5.80%	6.60%	3.86%
MEDIAN WEEKLY RENT	\$500	\$390	\$430	\$525	\$400	\$380	\$450	\$540	\$500	\$440
RENTAL GROWTH YoY	6.4%	4.0%	7.5%	16.7%	9.6%	8.6%	7.1%	8.0%	16.3%	7.3%

Source: Knight Frank Research, APM

HOUSES AUSTRALIAN CITIES



Performance of Australian Major Cities Houses

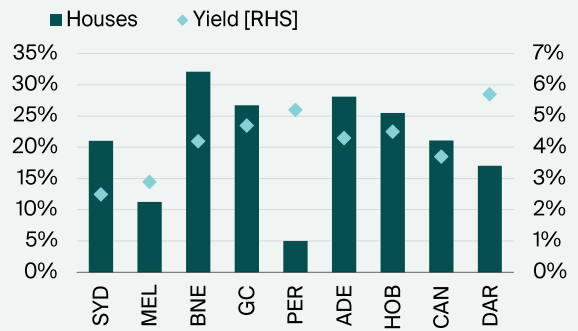
Sales volume across Australian major cities trended down 33.2% in the March 2022 quarter to total 86,454 houses, whilst annual sales volume is 18.2% higher than a year ago. The average days on market for Australian houses was 66 days in the March 2022 quarter. This was 65 days a quarter ago.

Across Australian major cities, median house values rose 18.4% in the year to March 2022, and by 0.7% in the last quarter to \$1,069,500.

Gross rental yields compressed 26 bps with Australian houses across the major cities averaging 3.51%. Median apartment rents increased 3.2% in the March 2022 quarter, up 8.9% annually, to stand at \$490 per week (APM).

Annual Capital Growth & Gross Rental Yield

%, Major Cities, 31 March 2022



Source: Knight Frank Research, APM

MAJOR CITIES HOUSES 31 March 2022

	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME Annual	61,768	72,197	48,822	11,991	45,626	24,212	3,603	5,611	1,079	443,686
SALES VOLUME YoY	10%	34%	28%	7%	22%	30%	-5%	-9%	27%	18%
Ave. DAYS ON MARKET	43	50	36	35	57	67	31	49	90	66
MEDIAN VALUE	\$1,591,000	\$1,092,000	\$831,500	\$925,000	\$622,000	\$750,000	\$758,000	\$1,125,000	\$635,500	\$1,069,500
CAPITAL GROWTH YoY	21.0%	11.3%	32.1%	26.7%	5.0%	28.1%	25.5%	21.1%	17.0%	18.4%
GROSS RENTAL YIELD	2.50%	2.90%	4.20%	4.70%	5.20%	4.30%	4.50%	3.70%	5.70%	3.51%
MEDIAN WEEKLY RENT	\$600	\$450	\$500	\$695	\$480	\$465	\$520	\$700	\$0	\$490
RENTAL GROWTH YoY	9.1%	4.7%	13.6%	26.4%	11.6%	9.4%	8.3%	16.7%	10.9%	8.9%

Source: Knight Frank Research, APM

HOUSES REGIONAL AUSTRALIA



Regional Queensland saw the highest annual growth in sales volume for houses across regional Australia



Regional Tasmania recorded the lowest number of average days on market for houses sold in regional Australia



Regional Tasmania had the strongest performing annual house price growth in regional Australia



Regional South Australia held the highest average gross rental yield for houses across regional Australia



Regional Western Australia saw the strongest performing annual rental house growth in regional Australia



Average total residential rental vacancy across major areas of regional Australia.

Performance of Australian Regional Houses

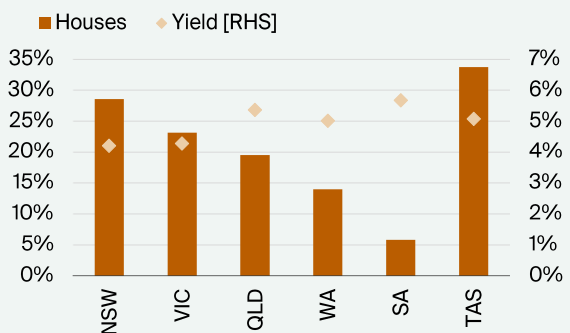
In the year to March 2022, the volume of house sales across regional Australia was 140,200, trending 23.0% higher than a year ago. The average days on market for a regional house was 78 days in the March 2022 quarter. This was 92 days one quarter ago.

Values across regional houses rose 23.7% in the year to March 2022, rising 5.2% in the last quarter to \$685,500.

In the first quarter of 2022, gross rental yields compressed 4 bps for regional houses to average 4.71%. Across regional houses, apartment rents remained grew by 3.3% in the March 2022 quarter, rising 13.1% over the past year, to stand at \$475 per week.

Annual Capital Growth & Gross Rental Yield

%, Regional Areas, 31 March 2022



Source: Knight Frank Research

REGIONAL HOUSES 31 March 2022

	NSW	VIC	QLD	WA	SA	TAS	AUS	AUSTRALIA RESIDENTIAL 31 March 2022
SALES VOLUME Annual	39,000	26,313	65,366	4,889	2,815	1,817	140,200	593,821
SALES VOLUME YoY	7%	14%	40%	32%	16%	2%	23%	19%
AVE. DAYS ON MARKET	50	50	118	117	119	35	78	69
MEDIAN VALUE	\$857,500	\$655,000	\$585,000	\$489,500	\$429,000	\$491,500	\$685,500	\$951,000
CAPITAL GROWTH YoY	28.6%	23.1%	19.5%	14.0%	5.8%	33.7%	23.7%	15.8%
GROSS RENTAL YIELD	4.21%	4.28%	5.36%	5.01%	5.68%	5.07%	4.71%	3.60%
MEDIAN WEEKLY RENT	\$545	\$420	\$455	\$370	\$425	\$395	\$475	\$475
RENTAL GROWTH YoY	12.4%	9.1%	13.8%	19.4%	9.0%	16.2%	13.1%	8.0%

Source: Knight Frank Research

GREATER SYDNEY

Greater Sydney Key Drivers

Population in Greater Sydney was estimated at 5.4 million persons in June 2021, with annual population change of -0.1%. The projected population growth to 2041, is higher, at 1.6% per annum (ABS).

New South Wales (NSW) economic growth was estimated at 3.2% in 2021 with a forecast of 4.6% in 2022 (Oxford Economics). Greater Sydney unemployment stood at 4.0% as at March 2022, trending 8 bps lower than the quarter before (ABS).

New household loan commitments in NSW were up 4.3% in the March 2022 quarter, higher than a 0.5% fall recorded the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in NSW grew 36.5% in March 2022, compared to rising 37.7% a year earlier. This first home buyer group represented 15.8% of all NSW owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 3,731 houses and 4,654 apartments in Greater Sydney. This was trending 13.5% lower for houses but 0.3% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 2.3% in Greater Sydney as at March 2022; recording 2.6% in the Inner Suburbs (0-10km from the CBD), 2.7% in the Middle Suburbs (10-25km) and 1.7% in the Outer Suburbs (25km+) (REINSW).

The auction clearance rate for the week ending 12 June 2022 was 54.3% from 541 scheduled auctions. This was similar to the week prior, at 53.3% but from 912 scheduled auctions, although lower than the comparable week a year earlier when 75.6% (out of 1,164 auctions) were sold (CoreLogic).

Greater Sydney Houses

Sales volume trended down 37.2% in the March 2022 quarter to be 11,070 houses, whilst annual sales volume is still 9.7% higher than a year ago. The average days on market for a house stood at 43 days in the March 2022 quarter. One quarter ago, this was 31 days. Over the year to March 2022, capital growth increased 21.0% for houses, up 0.2% over the past quarter to a median value of \$1,591,000.

Gross rental yields for houses trended down 10 bps to 2.50% over the first quarter of 2022. Rents remained stable

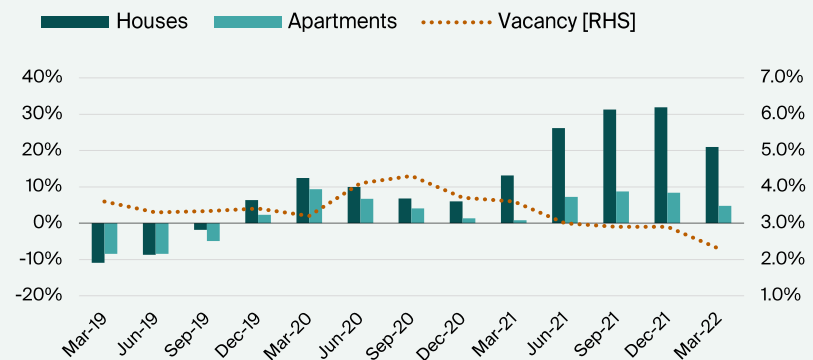
for houses over the March 2022 quarter, but rose 9.1% over the past year, to stand at a weekly median rent of \$600 (APM).

Greater Sydney Apartments

In the March 2022 quarter, sales volume trended down by 35.1% to 7,680 apartments, whilst annual sales volume trended 17.5% higher. Average days on market for an apartment was 69 days in the March 2022 quarter. This was 62 days one quarter ago. Capital growth for apartments grew 4.8% over the year to March 2022, but was down 1.2% in the last quarter to a median value of \$796,500.

Gross rental yields for apartments trended up 1 bp to 3.40% over the March 2022 quarter. Over the same time, rents rose 2.0% for apartments, and 6.4% over the past year, where median rents stood at \$500 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Sydney



Source: Knight Frank Research, APM, REINSW

REGIONAL NEW SOUTH WALES

Regional New South Wales

Key Drivers

The inner regional areas of NSW saw annual population growth of 1.1% in June 2021, while outer regional NSW grew by 0.3%. Across the state of NSW, by comparison, there was 0.3% population growth recorded in this time (ABS).

Total residential vacancy averaged 1.1% across regional NSW as at March 2022. This was 14 bps higher on the previous quarter, and 21 bps above one year ago.

Regional New South Wales

Houses

The annual volume of sales tallied to 39,000 houses in regional NSW, up 7.4% as at March 2022.

The average days on market for a house stood at 50 days in the March 2022 quarter. One quarter ago, this average

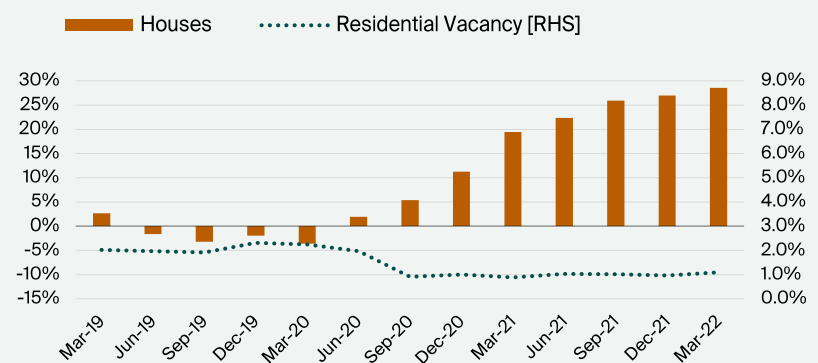
was 62 days.

Over the year to March 2022, in the major regional areas of Australia, capital growth rose by 28.6% for houses, rising 6.8% in the past quarter to a median value of \$857,500.

Gross rental yields for houses trended down 5 bps to 4.21% over the first quarter of 2022.

Rents increased 3.8% for houses over this time, and 12.4% annually, to stand at a weekly median rent of \$545.

Annual Capital Growth & Total Rental Vacancy
%, Regional NSW



Source: Knight Frank Research

GREATER MELBOURNE

Greater Melbourne Key Drivers

Population in Greater Melbourne was estimated at 5.1 million persons in June 2021, with annual population change of -1.2%. The projected population growth to 2041, is higher, at 1.9% per annum (ABS).

Victorian economic growth was estimated at 4.1% in 2021 with a forecast of 4.0% in 2022 (Oxford Economics). Greater Melbourne unemployment stood at 4.4% as at March 2022, trending 6 bps below the quarter before (ABS).

New household loan commitments in Victoria increased 10.4% in the March 2022 quarter, compared to 0.5% recorded for the previous quarter (ABS). The number of lending commitments to owner occupier first home buyers in Victoria rose by 16.8% in March 2022, lower than the 12.2% increase a year earlier. This first home buyer group represented 21.1% of all Victorian owner occupier loans in March 2022 (ABS).

Building approvals in the March 2022 quarter totalled 5,767 houses and 6,242 apartments in Greater Melbourne. This was trending down 16.6% for houses but was slightly up 0.3% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 5.2% in Greater Melbourne as at March 2022; with 6.2% in the Inner Suburbs (0-10km from the CBD), 7.1% in the Middle Suburbs (10-20km) and 1.6% in the Outer Suburbs (20km+) (REIV).

The auction clearance rate for the week ending 12 June 2022 was 52.4% from 450 scheduled auctions. This was below the prior week, at 58.8% from 1,245 scheduled auctions, and lower than the comparable week a year earlier when 64.0% (out of 1,081 auctions) were sold (CoreLogic).

Greater Melbourne Houses

In the March 2022 quarter, sales volume trended down by 42.5% to 13,640 houses, whilst annual sales volume trended 34.2% higher. The average days on market for a house stood at 50 days in the March 2022 quarter. One quarter ago, this was 38 days. Over the year to March 2022, capital growth increased 11.3% for houses, although this was down 0.7% over the past quarter to a median value of \$1,092,000.

Gross rental yields for houses compressed 2 bps to 2.90% in the first

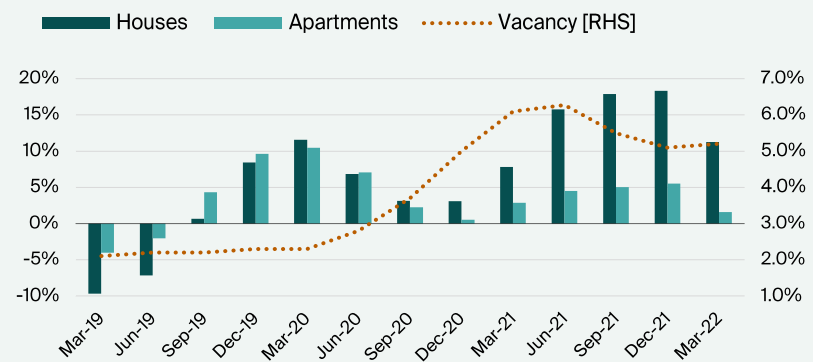
quarter of 2022. Rents increased 1.1% for houses in the March 2022 quarter, rising 4.7% over the past year, to a weekly median rent of \$450 (APM).

Greater Melbourne Apartments

Sales volume trended down 36.2% in the March 2022 quarter to be 5,317 apartments, whilst annual sales volume was still 29.1% higher than a year ago. The average days on market for an apartment was 88 days in the March 2022 quarter. This was 75 days one quarter ago. Capital growth for apartments rose 1.6% over the year to March 2022, but was down 2.2% in the last quarter to a median value of \$579,000.

Gross rental yields for apartments rose 6 bps to 4.00% in the March 2022 quarter. Over the same time rents rose 4.0% for apartments, and 4.0% over the past year, where median rents stood at \$390 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Melbourne



Source: Knight Frank Research, APM, REIV

REGIONAL VICTORIA

Regional Victoria

Key Drivers

Victoria's inner regional areas saw annual population growth of 1.6% in June 2021, while outer regional Victoria growth contracted by 0.1%. By comparison, across all of Victoria, there was -0.7% population change recorded in this time (ABS).

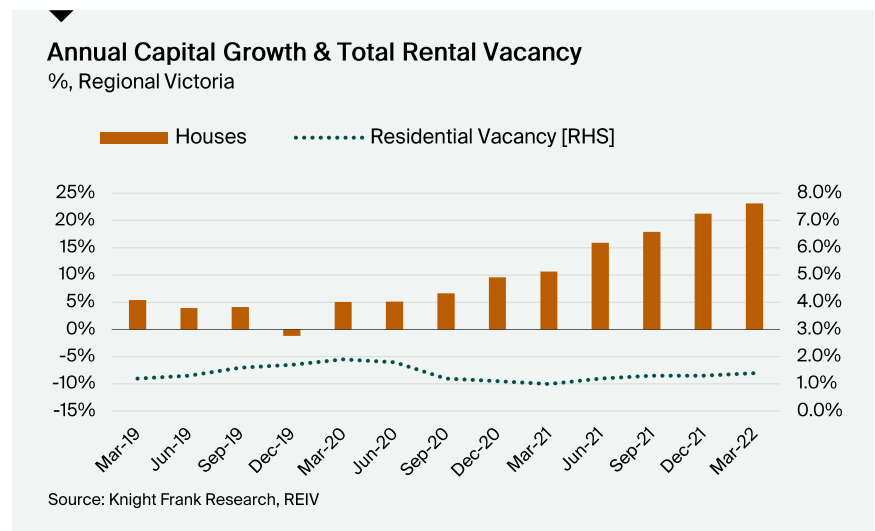
Total residential vacancy in regional Victoria averaged 1.4% as at March 2022. This was 10 bps higher than the previous quarter, and 40 bps higher than recorded a year ago (REIV).

Regional Victoria

Houses

In regional Victoria, the annual volume of sales tallied 26,313 houses, up 13.9% in the year to March 2022.

The average days on market for a house stood at 50 days in the March 2022 quarter. One quarter ago, this was 59 days.



In the major regional areas of Victoria, capital growth increased 23.1% for houses over the year to March 2022, up 4.8% over the past quarter to stand at a median value of \$655,000.

Gross rental yields for houses trended

down 7 bps to 4.28% over the first quarter of 2022.

Rents rose by 1.2% for houses over the March 2022 quarter, rising by 9.1% annually, to stand at a weekly median rent of \$420.

GREATER BRISBANE

Greater Brisbane Key Drivers

Population in Greater Brisbane was estimated at 2.6 million persons in June 2021, with annual population growth of 0.8%. The projected population growth to 2041, is higher, at 1.7% per annum (ABS).

Queensland economic growth was estimated at 5.7% in 2021 with a forecast of 5.4% in 2022 (Oxford Economics). Greater Brisbane unemployment stood at 4.2% as at March 2022, trending 16 bps higher than the quarter earlier (ABS).

New household loan commitments in Queensland were down slightly by 0.1% in the March 2022 quarter, higher than the 8.4% growth recorded in the previous quarter (ABS). The number of lending commitments to owner occupier first home buyers in Queensland grew by 23.9% in March 2022, compared to rising by 12.9% a year earlier. This first home buyer group represented 16.8% of all Queensland owner occupier loans in March 2022 (ABS).

Building approvals in the quarter to March 2022 totalled 3,745 houses and 1,422 apartments in Greater Brisbane. This was trending down 13.1% for houses and 13.1% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Greater Brisbane as at March 2022; recording 1.5% in the Inner Suburbs (0-5km from the CBD), 0.9% in the Middle Suburbs (5-20km) and 0.6% in

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

The auction clearance rate for the week ending 12 June 2022 was 48.1% from 162 scheduled auctions. This was lower than the week prior, being 56.4% from 134 scheduled auctions, also below the comparable week a year earlier when 65.8% (out of 152 auctions) were sold (CoreLogic).

Greater Brisbane Houses

Sales volume trended down 37.0% in the March 2022 quarter to be 8,584 houses, whilst annual sales volume is still 28.1% higher than a year ago. The average days on market for a house stood at 36 days in the March 2022 quarter. One quarter ago, this was 38 days. Over the year ending March 2022, capital growth increased 32.1% for houses, rising 3.2% in the past quarter to a median value of \$831,500.

Gross rental yields for houses rose by 3 bps to 4.20% in the first quarter of

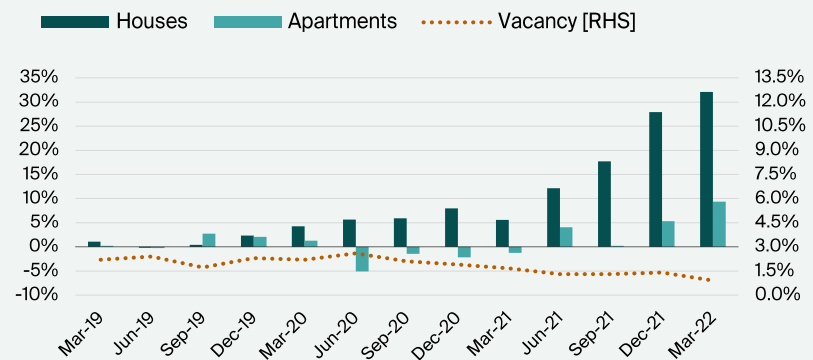
2022. Rents rose 4.2% for houses over the quarter to March 2022, and 13.6% over the past year, to stand at a weekly median rent of \$500 (APM).

Greater Brisbane Apartments

In the March 2022 quarter, sales volume trended down by 30.2% to 9,513 apartments, whilst annual sales volume trended 34.6% higher. Average days on market for an apartment was 62 days in the March 2022 quarter. This was 69 days one quarter ago. Capital growth for apartments grew by 9.4% over the year to March 2022, rising by 3.1% in the last quarter to a median value of \$437,000.

Gross rental yields for apartments trended up 14 bps to 5.30% over the March 2022 quarter. Rents increased 2.4% for apartments over the quarter to March 2022, and 7.5% over the past year, with the median rent standing at \$430 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Brisbane



Source: Knight Frank Research, APM, REIQ

GOLD COAST LGA

Gold Coast LGA Key Drivers

Population in the Gold Coast LGA was estimated at 643,500 persons in June 2021, with annual population growth of 1.3%. The projected population growth to 2041, is higher, at 2.1% per annum (ABS).

Queensland economic growth was estimated at 5.7% in 2021 with a forecast of 5.4% in 2022 (Oxford Economics).

Gold Coast LGA unemployment stood at 4.8% as at December 2021, trending 60 bps lower than the quarter earlier (ABS).

New household loan commitments in Queensland were down by 0.1% in the March 2022 quarter, lower than the 8.4% recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Queensland rose by 23.9% in March 2022, compared to rising by 12.9% a year earlier. This first home buyer group represented 16.8% of all Queensland owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 348 houses and 802 apartments in the Gold Coast LGA. This was trending down 12.8% for houses and 17.1% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.4% in the Gold Coast LGA as at March

2022. This was 20 bps below last quarter which was the same as recorded a year ago (REIQ).

Gold Coast LGA Houses

The annual volume of sales tallied 11,991 houses, increasing 7.4% as at March 2022. The average days on market for a house stood at 35 days in the March 2022 quarter. A quarter ago, this was 40 days.

In the year to March 2022, capital growth increased 26.7% for houses and was up 6.3% over the past quarter to a median value of \$925,000.

Gross rental yields for houses trended 10 bps higher, to 4.70%, in the first quarter of 2022.

Rents increased 6.9% for houses over the quarter to March 2022, rising annually by 26.4%, to stand at a weekly

median rent of \$695 (APM).

Gold Coast LGA Apartments

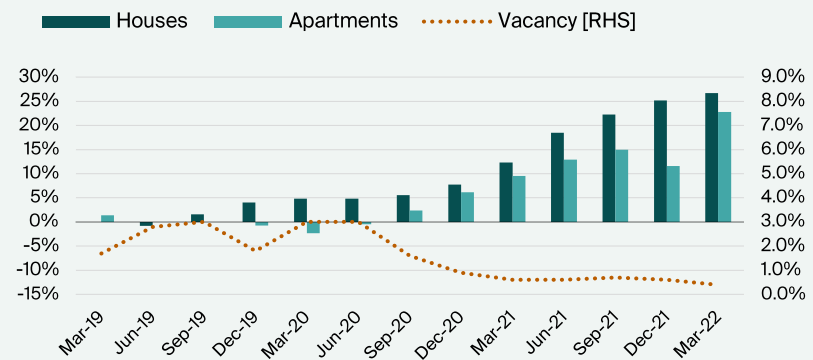
The volume of sales over the year tallied 10,662 apartments as at March 2022, up 17.7%. Average days on market for an apartment was 52 days in the March 2022 quarter. This was 65 days one quarter ago.

Capital growth for apartments rose 22.8% over the year to March 2022, with 13.0% growth in last quarter, to a median value of \$565,000.

Gross rental yields for apartments fell by 10 bps to 5.50% over the March 2022 quarter.

Over the same time, rents increased 5.0% for apartments, and 16.7% annually, where median rents stood at \$525 per week (APM).

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



Source: Knight Frank Research, APM, REIQ

REGIONAL QUEENSLAND

Regional Queensland

Key Drivers

The inner regional areas of Queensland saw annual population growth of 1.2% in June 2021, as outer regional Queensland expanded by 0.4%. By comparison, there was 0.9% population growth recorded over this time in the state of Queensland (ABS).

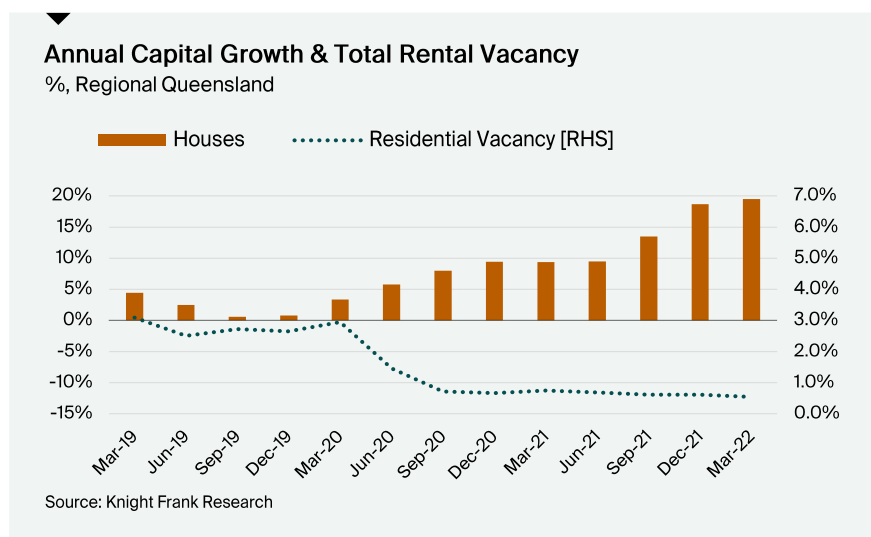
Total residential vacancy averaged 0.5% across regional Queensland as at March 2022. This was 7 bps lower than last quarter, and also recorded one year ago.

Regional Queensland

Houses

The annual volume of sales tallied 65,366 houses in regional Queensland, increasing by 40.0% as at March 2022.

The average days on market for a house stood at 118 days in the March 2022 quarter. One quarter ago, this was



136 days.

Over the year to March 2022, in the major regional areas of Queensland, capital growth increased 19.5% for houses, up 3.5% in the past quarter to a median value of \$585,000.

Gross rental yields for houses trended down 3 bps to 5.36% in the first quarter of 2022.

Rents rose 3.4% for houses at this time, rising 13.8% annually, to stand at a median rent of \$455 a week.

GREATER PERTH

Greater Perth Key Drivers

Population in Greater Perth was estimated at 2.1 million persons in June 2021, with annual population growth of 0.8%. The projected population growth to 2041, is higher, at 1.6% per annum (ABS).

Western Australia (WA) economic growth was estimated at 5.9% in 2021 with a forecast of 1.4% in 2022 (Oxford Economics).

Greater Perth unemployment stood at 3.7% as at March 2022, trending 55 bps higher than the quarter before (ABS).

New household loan commitments in WA increased 5.7% in the March 2022 quarter, higher than the 1.3% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in WA grew by 23.2% in March 2022, compared to 9.4% a year earlier. This first home buyer group represented 26.8% of all WA owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 2,842 houses and 85 apartments in Greater Perth. This was trending lower by 20.7% for houses and 76.3% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 1.1% in Greater Perth as at March 2022. This was 40 bps above last quarter, and 20 bps higher than recorded a year ago (REIWA).

The auction clearance rate for the week ending 12 June 2022 was 31.6% from 19 scheduled auctions. This was lower than the week prior, at 42.9% from 14 scheduled auctions, but higher than the comparable week a year earlier when 60% (out of 15 auctions) were sold (CoreLogic).

Greater Perth Houses

In the March 2022 quarter, sales volume trended down by 34.9% to 9,440 houses, whilst annual sales volume trended 22.1% higher. The average days on market for a house stood at 57 days in the March 2022 quarter. One quarter ago, this was 60 days. In the year to March 2022, capital growth increased 5.0% for houses, rising 1.5% in the past quarter to a median value of \$622,000.

Gross rental yields for houses remained steady at 5.20% over the first

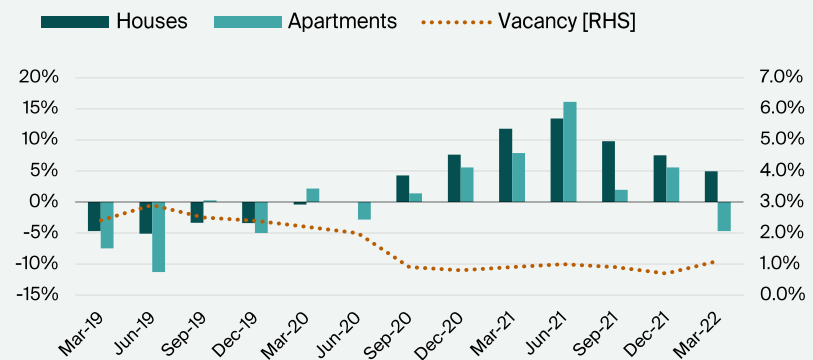
quarter of 2022. Rents increased 4.3% for houses in the March 2022 quarter, and 11.6% annually, to stand at a weekly median rent of \$480 (APM).

Greater Perth Apartments

Sales volume trended down 18.6% in the March 2022 quarter to be 1,189 apartments, whilst annual sales volume was still 21.2% higher than a year ago. Average days on market for an apartment was 84 days in the March 2022 quarter. This was 75 days one quarter ago. Capital growth for apartments fell by 4.7% over the year to March 2022, also falling 3.1% in the last quarter to a median value of \$358,500.

Gross rental yields for apartments trended up 14 bps to 5.90% over the March 2022 quarter. At the same time, rents for apartments rose by 2.6%, and 9.6% annually, where the median rent stood at \$400 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Perth



Source: Knight Frank Research, APM, REIWA

REGIONAL WESTERN AUSTRALIA

Regional Western Australia

Key Drivers

Western Australia's inner regional areas saw annual population growth of 1.1% in June 2021, while growth in outer regional WA remained fell 0.2%.

By comparison, across Western Australia, there was 0.7% population growth recorded in this time (ABS).

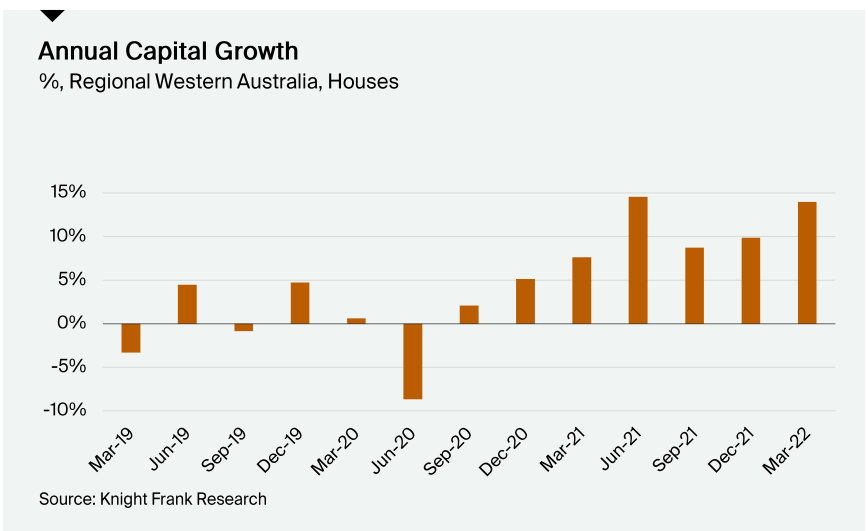
Regional Western Australia

Houses

The annual volume of sales tallied 4,889 houses, up 32.3% in March 2022.

The average days on market for a house stood at 117 days in the March 2022 quarter. A quarter ago, this average was 148 days.

In the major WA regional areas, capital growth increased 14.0% for houses over



the year to March 2022, up 3.6% in the past quarter to a median value of \$489,500.

Gross rental yields for houses trended down 1 bp to 5.01% over the first

quarter of 2022.

Rents increased by 5.7% for houses in the March 2022 quarter, rising by 19.4% annually, to stand at a weekly median rent of \$370.

GREATER ADELAIDE

Greater Adelaide Key Drivers

Population in Greater Adelaide was estimated at 1.4 million persons in June 2021, with annual population growth of 0.1%. The projected population growth to 2041, is higher at 0.8% per annum (ABS).

South Australian (SA) economic growth was estimated at 7.5% in 2021 with a forecast of 2.9% in 2022 (Oxford Economics).

Greater Adelaide unemployment stood at 4.9% as at March 2022, trending 81 bps higher than the quarter earlier (ABS).

New household loan commitments in SA was steady in the March 2022 quarter, lower than 8.4% recorded the previous quarter (ABS). The number of lending commitments to owner occupier first home buyers in SA rose by 15.3% in March 2022, compared to 9.4% a year earlier. This first home buyer group represented 15.1% of all SA owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 1,681 houses and 560 apartments in Greater Adelaide. This was trending lower by 15.6% for houses and by 15.2% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.4% in Greater Adelaide as at March 2022. This was 10 bps lower on last quarter at 0.5%, and down 30 bps from 0.7% recorded a year ago (REIA).

The auction clearance rate for the week ending 12 June 2022 was 76.4% from 141 scheduled auctions. This was higher than the week prior, at 72.7% from 212 scheduled auctions, and higher than the comparable week a year earlier when 74.8% (out of 151 auctions) were sold (CoreLogic).

Greater Adelaide Houses

Sales volume trended up 5.0% in the March 2022 quarter to be 6,331 houses, whilst annual sales volume is 30.1% higher than a year ago. The average days on market for a house stood at 67 days in the March 2022 quarter. One quarter ago, this was also 67 days. Over the year to March 2022, capital growth increased 28.1% for houses and 3.0% in the past quarter to a median value of \$750,000.

Gross rental yields for houses trended higher by 3 bps to 4.30% over the first quarter of 2022. Rents increased 3.3%

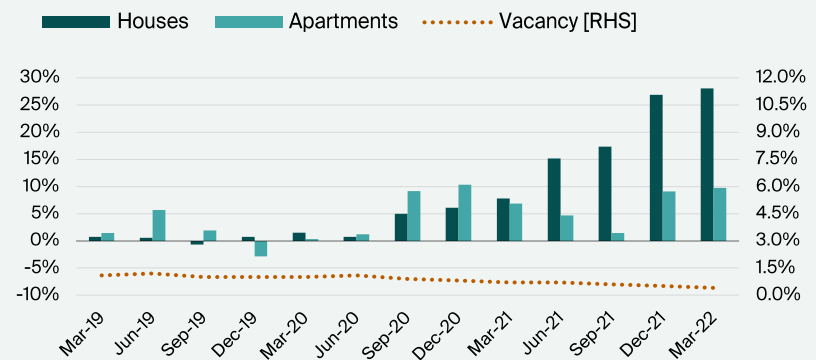
for houses in the quarter to March 2022, growing by 9.4% annually, to stand at a weekly median rent of \$465 (APM).

Greater Adelaide Apartments

In the March 2022 quarter, sales volume trended down by 8.4% to 1,507 apartments, whilst annual sales volume trended 41.7% higher. Average days on market for an apartment was 92 days in the March 2022 quarter. This was 100 days one quarter ago. Capital growth for apartments rose 9.8% over the year to March 2022, increasing 1.3% in the past quarter to a median value of \$377,000.

Gross rental yields for apartments rose 20 bps to 5.60% in the March 2022 quarter. Over the same time, rents grew by 5.6% for apartments and by 8.6% annually, where the median rent stood at \$380 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Adelaide



Source: Knight Frank Research, APM, REIA

REGIONAL SOUTH AUSTRALIA

Regional South Australia

Key Drivers

The inner regional areas of SA saw annual population growth of 1.3% in June 2021, as outer regional SA contracted by 0.2%. In all of SA, by comparison, there was 0.2% population growth recorded in this time (ABS).

Regional South Australia

Houses

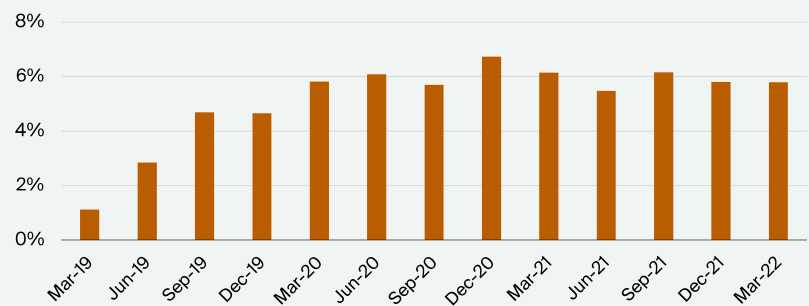
The annual volume of sales tallied 2,815 houses, increasing 16.2% in the year to March 2022.

The average days on market for a house stood at 119 days in the March 2022 quarter. One quarter ago, this average was 137 days.

Over the year to March 2022 in the major regional areas of SA, capital growth increased 5.8% for houses, up

Annual Capital Growth

%, Regional South Australia, Houses



Source: Knight Frank Research

2.4% over the past quarter to a median value of \$429,000.

Gross rental yields for houses trended up 21 bps to 5.68% over the first quarter

of 2022.

Rents increased 1.2% for houses over the March 2022 quarter, rising 9.0%, to a median rent of \$425 per week.

GREATER HOBART

Greater Hobart Key Drivers

Population in Greater Hobart was estimated at 238,500 persons in June 2021, with annual population change of -0.2%. The projected population growth to 2041, is higher, at 0.9% per annum (ABS).

Tasmanian economic growth was estimated at 7.4% in 2021 with a forecast of -0.2% in 2022 (Oxford Economics).

Greater Hobart unemployment stood at 4.8% as at March 2022, trending 110 bps higher than a quarter ago (ABS).

New household loan commitments in Tasmania decreased by 2.4% in the March 2022 quarter, lower than the 4.4% growth recorded the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Tasmania rose by 10.0% in March 2022, compared to 4.1% growth a year earlier. This first home buyer group represented 14.8% of all Tasmania owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 292 houses in Greater Hobart. This was trending 2.7% lower for house approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Greater Hobart as at March 2022. This remained unchanged on last quarter but was 80 bps lower from 1.7% recorded a year ago (REIA).

The auction clearance rate for the week ending 12 June 2022 was 0% from no scheduled auctions in Tasmania. This was same the week prior at 0% from no scheduled auctions, and the comparable week a year earlier when 0% (from 3 auctions) was sold (CoreLogic).

Greater Hobart Houses

In the March 2022 quarter, sales volume trended down by 23.7% to 719 houses, whilst annual sales volume trended 5.0% lower. The average days on market for a house stood at 31 days in the March 2022 quarter. A quarter ago, this was 17 days. Over the year ending March 2022, capital growth increased 25.5% for houses and was up 4.3% over the past quarter to a median value of \$758,000.

Gross rental yields for houses trended up 35 bps to 4.50% over the first quarter of 2022. Rents rose by 4.0% for

houses over the quarter to March 2022, rising 8.3% annually, to stand at a weekly median rent of \$520 (APM).

Greater Hobart Apartments

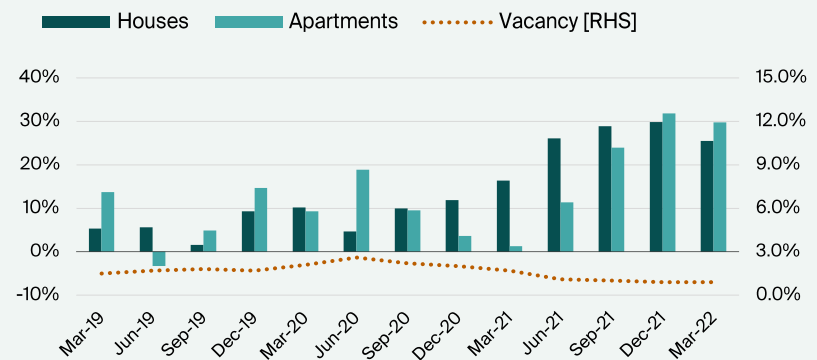
Sales volume trended down 28.7% in the March 2022 quarter to be 124 apartments, whilst annual sales volume was 13.1% lower than a year ago. Average days on market for an apartment was 28 days in the March 2022 quarter. This was 23 days one quarter ago.

Capital growth for apartments grew 29.8% over the year to March 2022, although fell by 2.3% in the last quarter to a median value of \$572,500.

Gross rental yields for apartments trended up 2 bps to 4.00% in the March 2022 quarter. Over the same time, rents grew by 4.7% for apartments, and 7.1% annually, where median rents stood at \$450 per week (APM).

Annual Capital Growth & Total Rental Vacancy

%, Greater Hobart



Source: Knight Frank Research, APM, REIA

REGIONAL TASMANIA

Regional Tasmania

Key Drivers

The inner regional areas of Tasmania saw annual population change of -0.1% in June 2021, as the population in outer regional Tasmania expanded by 0.7%. As a comparison, there was 0.1% population growth recorded over this time across Tasmania (ABS).

Regional Tasmania

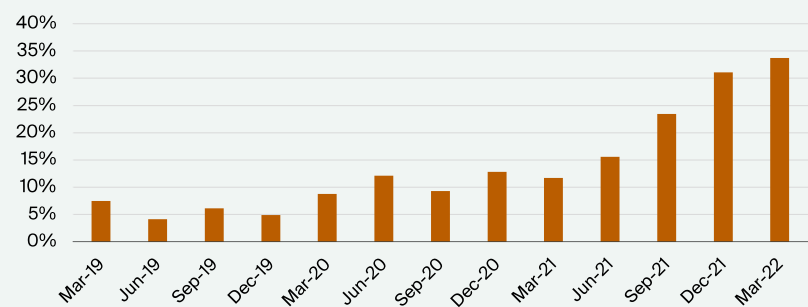
Houses

The annual volume of sales tallied to 1,817 houses, increasing by 2.4% in the year to March 2022.

The average days on market for a house stood at 35 days in the March 2022 quarter. A quarter ago, this was an average of 41 days.

Across the major regional areas of Tasmania, capital growth increased

Annual Capital Growth
%, Regional Tasmania, Houses



Source: Knight Frank Research

33.7% for houses over the year to March 2022, up 6.4% in the past quarter to a median value of \$491,500.

Gross rental yields for houses trended down 23 bps to 5.07% over the first

quarter of 2022.

Rents rose by 2.6% for houses over the March 2022 quarter, rising by 16.2% annually, to a weekly median rent of \$395.

CANBERRA

Canberra Key Drivers

Population in Canberra was estimated at 431,500 persons in June 2021, with annual population growth of 0.1%. The projected population growth to 2041, is higher, at 1.5% per annum (ABS).

The Australian Capital Territory (ACT) economic growth was estimated at 5.2% in 2021 with a forecast of 0.9% in 2022 (Oxford Economics).

Canberra unemployment stood at 3.7% as at March 2022, trending 54 bps lower than the quarter earlier (ABS).

New household loan commitments in the ACT rose 20.5% in the March 2022 quarter, higher than the fall of 13.0% recorded in the previous year (ABS).

The number of lending commitments to owner occupier first home buyers in the ACT grew by 79.5% in March 2022, compared to 37.0% growth a year earlier. This first home buyer group represented 20.9% of all ACT owner occupier loans in March 2022 (ABS).

Building approvals in the quarter ending March 2022 totalled 365 houses and 1,126 apartments in Canberra. This was trending lower by 30.7% for houses and by 17.8% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.5% in Canberra as at March 2022. This was down 40 bps on last quarter, which was similar to a year ago (REIA).

The auction clearance rate for the week ending 12 June 2022 was 53.0% from 66

scheduled auctions. This was lower than the week prior, at 66.1% from 127 scheduled auctions, and higher than the comparable week a year earlier when 83.3% (out of 102 auctions) were sold (CoreLogic).

Canberra Houses

Sales volume trended down 47.7% in the March 2022 quarter to be 917 houses, whilst annual sales volume was 9.2% lower than a year ago. The average days on market for a house stood at 49 days in the March 2022 quarter. One quarter ago, this was 26 days.

In 2021, capital growth increased 21.1% for houses, but was down 0.8% over the past quarter to a median value of \$1,125,000.

Gross rental yields for houses remained steady at 3.70% over the first quarter of

2022. Rents grew 3.7% for houses over this time, and 16.7% annually, to stand at a weekly median rent of \$700 (APM).

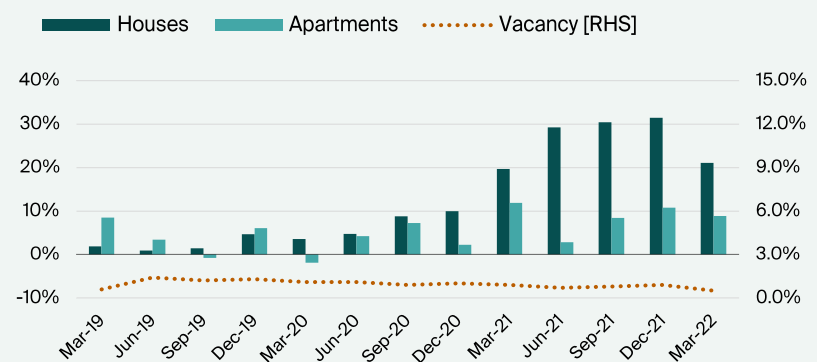
Canberra Apartments

In the March 2022 quarter, sales volume trended down by 61.4% to 669 apartments, whilst annual sales volume trended 9.0% lower. Average days on market for an apartment was 51 days in the March 2022 quarter. This was 59 days one quarter ago.

Capital growth for apartments increased by 8.9% over the year to March 2022, rising 0.6% in the last quarter to a median value of \$565,000.

Gross rental yields for apartments trended up 7 bps to 5.80% in the March 2022 quarter. Over the same time, apartment rents increased 1.9%, rising 8.0% annually, where the median rent stood at \$540 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Canberra



Source: Knight Frank Research, APM, REIA

GREATER DARWIN

Greater Darwin Key Drivers

Population in Greater Darwin was estimated at 147,000 persons in June 2021, with annual population change of -0.2%. The projected population growth to 2041, is higher, at 1.8% per annum (ABS).

The Northern Territory (NT) economic growth was estimated at 5.0% in 2021 with a forecast of 5.9% in 2022 (Oxford Economics).

Greater Darwin unemployment stood at 4.1% as at March 2022, trending 37 bps higher than the quarter earlier (ABS).

New household loan commitments in the NT were down 5.3% in the March 2022 quarter, and 1.8% lower than recorded for the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in the NT rose by 30.4% in March 2022, compared to 3.1% a year earlier. This first home buyer group represented 16.7% of all NT owner occupier loans in March 2022 (ABS).

Building approvals in the quarter to March 2022 totalled 93 houses in Greater Darwin. This was trending 69.1% lower for house approvals compared to the quarter earlier (ABS).

Total residential vacancy was 1.6% in Greater Darwin as at March 2022. This was down 110 bps on last quarter, and down 20 bps from 1.8% recorded a year ago (REIA).

Greater Darwin Houses

In the March 2022 quarter, sales volume trended up by 5.0% to 295 houses, whilst annual sales volume trended 27.1% higher.

The average days on market for a house stood at 90 days in the March 2022 quarter. One quarter ago, this was 118 days.

Over the year to March 2022, capital growth rose by 17.0% for houses, although fell by 1.8% over the past quarter to a median value of \$635,500.

Gross rental yields for houses increased 53 bps to 5.70% over the first quarter of 2022.

Rents rose 1.7% for houses over the quarter to March 2022, rising 10.9% annually, to stand at a weekly median rent of \$610 (APM).

Greater Darwin Apartments

Sales volume trended down 13.0% in the March 2022 quarter to be 261 apartments, whilst annual sales volume was 89.2% higher than a year ago.

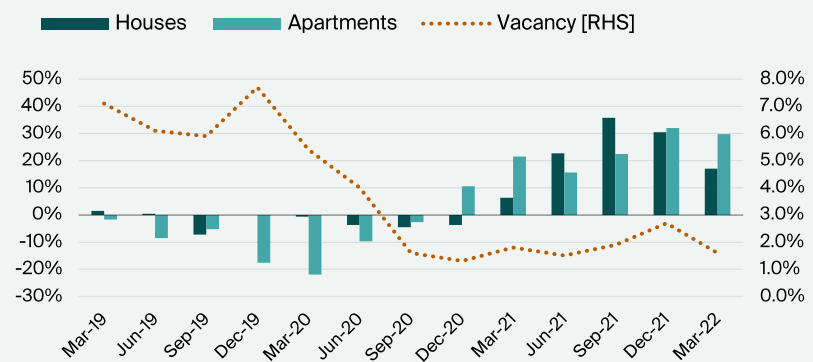
Average days on market for an apartment was 136 days in the March 2022 quarter. This was 170 days one quarter ago.

Capital growth for apartments rose 29.8% over the year to March 2022, falling 0.5% in the last quarter to a median value of \$385,500.

Gross rental yields for apartments trended down 23 bps to 6.60% over the March 2022 quarter.

At the same time, rents rose 4.2% for apartments, and 16.3% annually, with median rents at \$500 per week (APM).

Annual Capital Growth & Total Rental Vacancy
%, Greater Darwin



Source: Knight Frank Research, APM, REIA

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.



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