

## CAPITAL VALUES SOAR

Sydney vales continue to rise, with monthly capital growth for both houses and apartments recorded at more than triple the rate experienced in other capital cities, while Sydney once again achieved the highest annual rental growth in the country.

### Key facts August 2015

**Capital growth** for houses in the last month was up 3.4% (up 20.4% year-on-year); while apartments witnessed monthly growth of 3.2% (up 15.4% year-on-year)

**Sales volume** was down 0.7% for houses and down 2.9% for apartments year-on-year to June

Annual **rental growth** was recorded at 12.4% for houses and 6.7% for apartments over the year to June

Gross **rental yields** currently average 3.59% for houses and 4.46% for apartments

- The cash rate remained stable at 2.00% in August after falling 25 basis points in May, to an all-time historic low.
- Greater Sydney experienced 1.8% population growth in the twelve months to June 2014; led by Cobbitty (18.5%), Parklea (9.4%) and Homebush Bay (8.3%). Population growth is set to continue for the Sydney metropolitan area, with an annual 1.7% growth projected out to 2021.
- Unemployment as at June 2015 stands at 4.9% for the metropolitan region (SA4), trending lower than the 5.1% recorded in June 2014.
- Building approvals in the three months to June totalled 4,148 houses and 6,044 apartments approved in the Sydney metropolitan area. This is trending 38.6% higher for houses and 9.9% higher for apartment approvals compared to the same period in 2014.
- Sales transacted in the twelve months to June tallied 47,480 houses (down 0.7% on previous year) and 44,818 apartments (down 2.9% on prior year).
- House values continued to gain pace, rising 3.4% in the month of June (total 20.4% over the last year) to a median of \$993,500. Apartments followed suit increasing 3.2% over the month (total 15.4% over the year) to record a median of \$656,000.
- Over the year to June, rental growth was recorded at 12.4% for houses and 6.7% for apartments. Weekly median rents are currently achieving \$680 for houses and \$560 for apartments.
- Total vacancy was last recorded at 2.1% in June 2015; with 2.6% for the inner ring (0-10km), 1.9% for the middle ring (10-25km) and 1.7% for the outer ring (25km+).
- In June 2015, gross rental yields across the metropolitan area compressed 24bps (to 3.59%) for houses and 35bps (to 4.46%) for apartments compared to the previous year.

FIGURE 1  
**Sydney Capital Value Growth**  
12-month rolling

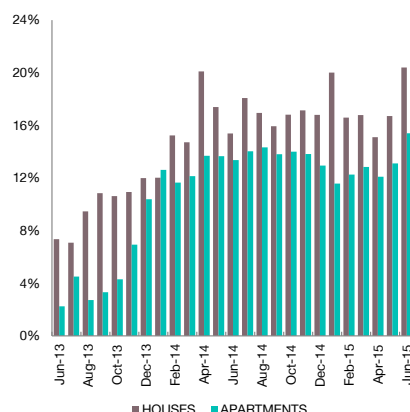
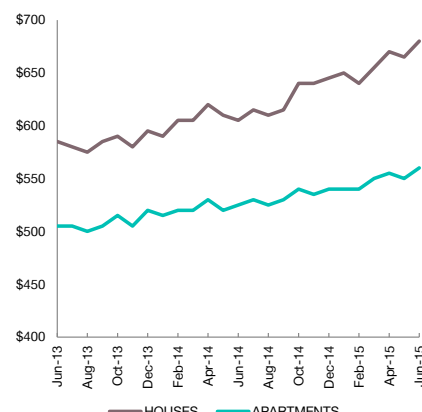


FIGURE 2  
**Sydney Rents**  
Median, weekly



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### Knight Frank House Price Index, Sydney Mainstream

	KF House Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jun-14	246	15.4%	7.1%	3.8%	0.2%
Jul-14	250	18.1%	10.5%	2.2%	1.7%
Aug-14	254	16.9%	8.4%	3.5%	1.5%
Sep-14	256	15.9%	8.0%	4.1%	0.8%
Oct-14	261	16.8%	6.6%	4.3%	1.9%
Nov-14	264	17.1%	7.5%	3.9%	1.1%
Dec-14	268	16.8%	9.1%	4.8%	1.7%
Jan-15	271	20.0%	8.6%	4.1%	1.2%
Feb-15	273	16.6%	7.6%	3.6%	0.6%
Mar-15	276	16.8%	8.1%	3.2%	1.3%
Apr-15	281	15.1%	8.0%	3.7%	1.8%
May-15	286	16.7%	8.5%	4.8%	1.6%
Jun-15	296	20.4%	10.3%	6.9%	3.4%

Source: Knight Frank Research, Residex

### Knight Frank Apartment Price Index, Sydney Mainstream

	KF Apartment Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jun-14	232	13.4%	5.9%	3.5%	1.2%
Jul-14	237	14.0%	5.9%	3.7%	2.3%
Aug-14	238	14.3%	6.6%	3.6%	0.2%
Sep-14	239	13.8%	6.6%	3.0%	0.5%
Oct-14	243	14.0%	6.1%	2.2%	1.5%
Nov-14	244	13.8%	6.2%	2.5%	0.4%
Dec-14	248	12.9%	6.7%	3.6%	1.6%
Jan-15	250	11.6%	5.3%	3.0%	1.0%
Feb-15	250	12.3%	5.3%	2.8%	0.2%
Mar-15	253	12.8%	5.9%	2.2%	1.1%
Apr-15	257	12.1%	5.7%	2.6%	1.4%
May-15	259	13.1%	6.4%	3.6%	1.1%
Jun-15	268	15.4%	8.2%	5.8%	3.2%

Source: Knight Frank Research, Residex

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