

RESIDENTIAL RESEARCH



AUSTRALIAN RESIDENTIAL REVIEW

DECEMBER 2016



MARKET ACTIVITY REPORT FOR AUSTRALIAN CAPITAL CITIES & REGIONAL CENTRES

KEY FINDINGS

The official **cash rate** target remained at 1.50% on 6 December 2016. **Gross Domestic Product** was recorded at 1.8% annual growth to September 2016.

Unemployment across Australia remained steady at 5.6%, in the quarter ending October 2016.

Australian **house values** rose 1.6% in the month of October 2016 (3.7% annual growth) to a median of \$534,000; while **apartment values** were down 0.8% over the month (2.2% annual growth) to a median of \$488,000.

In the year to October 2016, the volume of **house sales** was up 0.3% to 337,020, while 171,702 **apartment sales** were recorded (up by 4.6%).

Gross rental yields for Australian houses averaged 4.36% in October 2016, while Australian apartments achieved 4.55%.

Australian weekly median **house rents** were \$430 in October 2016, whilst **apartment rents** were \$425 per week, both remaining steady.

A weighted average **total vacancy** for Australian residential property was last recorded at 2.9% in June 2016; remaining steady in the last quarter.



MICHELLE CIESIELSKI
Knight Frank Residential Research

AUSTRALIAN RESIDENTIAL

Despite the official cash rate target remaining unchanged at the historic level of 1.50% in December 2016, in the past month, the four major banks have lifted mortgage interest rates citing the ongoing uncertainty in the global economy and international funding costs.

In the meantime, the regulatory measures introduced by the Australian Prudential Regulatory Authority (APRA) continues to influence tightened housing lending practices for both local and foreign purchasers. In the year ending October 2016, total housing finance (excluding refinancing), was down 4.4% to tally \$300.0 billion as shown in Figure 1.

Concerns for settlement risk continue to plague apartments sold off-the-plan (OTP) in the higher-density residential market. Although some projects may take longer to settle than experienced a year earlier, the overall Australian market, with strong population growth and low borrowing costs, has thus far absorbed discrepancies in sales upon settlement.

From the time capital outflow restrictions were imposed by the Chinese Government, and local banks limited the number of low document loans available, OTP sales to foreign buyers have collectively added another layer of uncertainty for settlement risk.

On 26 November 2016, the Federal

Government announced changes to the foreign investment framework to now allow foreign buyers to purchase an OTP dwelling when another foreign buyer has failed to reach settlement – effective immediately.

Under the current Foreign Investment Review Board (FIRB) regulations, non-permanent residents are forbidden to purchase established dwellings for owner occupation or investment.

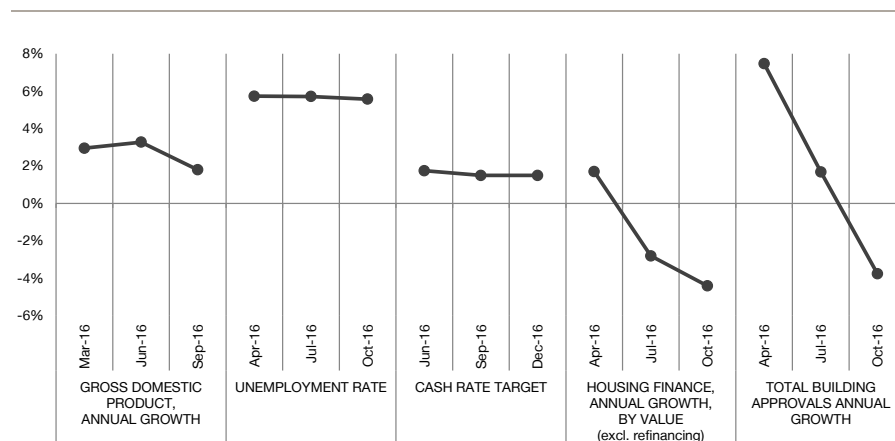
With the new changes, an apartment or house that has just been built, or is still under construction (and for which the title has never changed hands) is now not considered an established dwelling; so it reverts to its previous status as a new dwelling.

Foreign buyers must still apply and gain approval from the FIRB prior to purchasing a property in Australia.

This change will give developers more flexibility to find a replacement purchaser and remove an element of uncertainty at the tail-end of a project.

In the year ending October 2016, Australian house values saw growth of 3.7%, whilst over the same time, Australian apartment values grew 2.2%. Despite these more sustainable levels of growth, the housing affordability issue remains at the forefront of the Federal

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

Government agenda, together with, NSW and Victorian Governments.

Taking a snapshot of capital growth of key regional centres across Australia, for the year ending Q3 2016, the housing markets of the Blue Mountains (NSW), at 8.9%, and Mornington & surrounds (Vic), at 7.9%, topped the rankings.

Similarly, the two regions adjoin the Greater Sydney and Greater Melbourne boundaries and have become attractive with purchasers priced-out of the metropolitan areas.

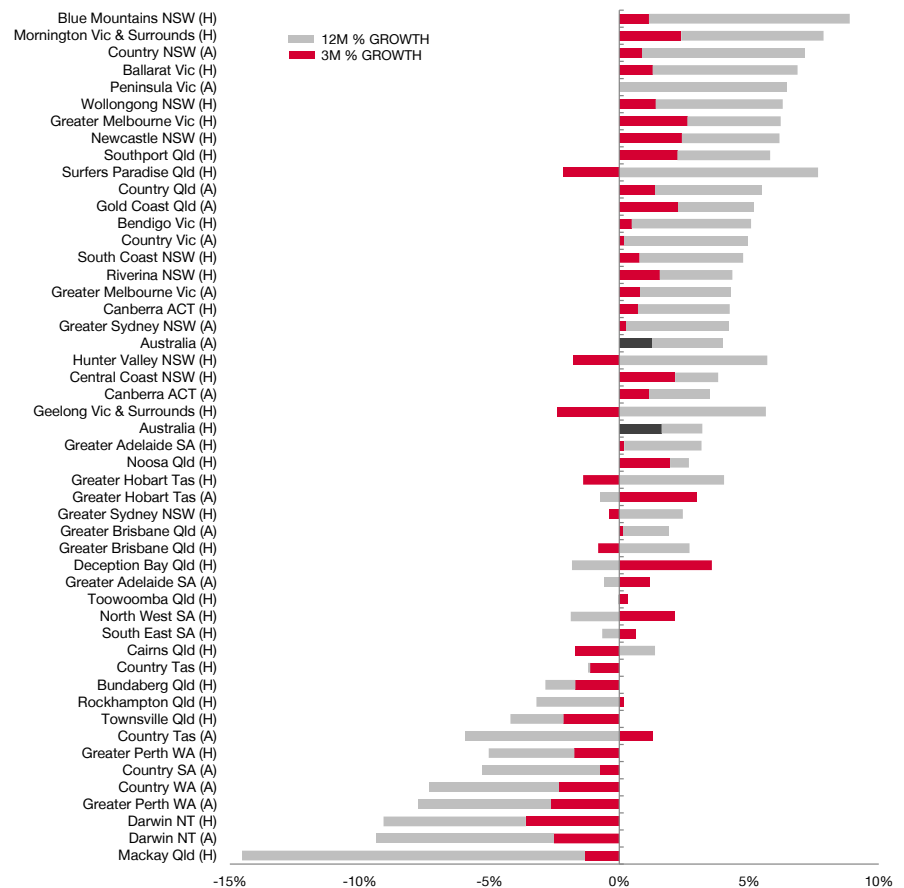
Strong quarterly capital growth was recorded in Q3 2016 for houses in Deception Bay (Qld), at 3.6%, and Greater Melbourne (Vic), at 2.6%. In the apartment market, over the same time, the largest growth was in Greater Hobart (Tas), at 3.0%, and on the Gold Coast (Qld) at 2.3%.

Knight Frank's Global House Price Index recorded global growth at 5.3% for the mainstream housing market in Q3 2016. Australia ranked in 31st position with annual growth of 4.1% in the year ending June 2016 (being the latest available Government data for the survey) as shown in Figure 3. Australia has dropped from 6th position globally in Q3 2015; when annual growth was recorded at 9.8%.

FIGURE 2

Capital Growth, Australian Key Regional Centres, Houses & Apartments

Ranked by 12-month % change (Q3 2015-Q3 2016), with 3-month % change (Q2 2016-Q3 2016) highlighted in red

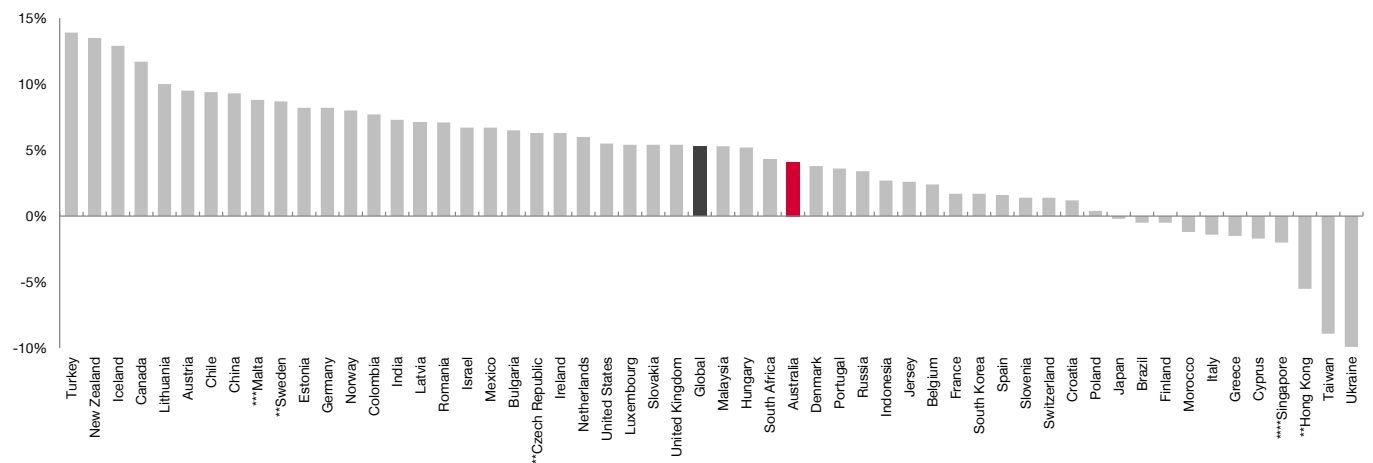


Source: Knight Frank Research, Residex

FIGURE 3

Knight Frank Global House Price Index

Ranked by 12-month % change (Q3 2015-Q3 2016)



Provisional *Asking prices ****Island-wide price index for non-landed private properties. Data for Australia, Austria, Belgium, Bulgaria, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Finland, India, Israel, Italy, Lithuania, Luxembourg, Malaysia, Malta, Morocco, New Zealand, Romania and Slovenia is to Q2 2016; Data for Hungary to Q1 2016; Data for Chile to Q3 2015

Knight Frank's Global House Price Index tracks the performance of over 50 mainstream national housing markets around the world using official data from Central Banks or National Statistic Offices in each country.

Source: Knight Frank Research

SYDNEY

Gross State Product in New South Wales was recorded at \$531,323 million in the year to June 2016; 3.4% greater than the prior year.

Unemployment as at October 2016 stood at 4.2% for Greater Sydney, trending 30 bps lower than the 4.5% recorded in October 2015.

Population in Greater Sydney was estimated at 4.9 million persons in 2015. Greater Sydney experienced **population growth** of 1.7% in the year to June 2015.

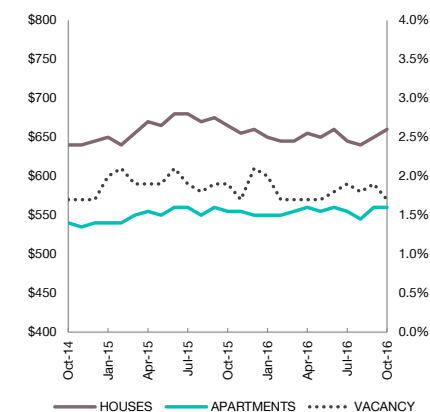
Market Trends

- The value of housing finance commitments in New South Wales in the three months to October 2016 fell by 10.9% on the previous year, to \$21.1 billion.
- Building approvals in the three months to October totalled 4,634 houses and 10,811 apartments in Greater Sydney. This is trending 2.9% higher for houses and 22.7% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 79.6% out of 1,082 scheduled auctions in Greater Sydney. This is lower than the week prior, at 81.4% from 1089 scheduled auctions, but higher than the comparable week a year earlier, when 61.0% (out of 1,200 auctions) were sold.
- Sales transacted in the year to October tallied 47,934 houses (up

FIGURE 5

Median Rents & Total Vacancy Greater Sydney

Weekly Rents & Monthly Vacancy



Source: Knight Frank Research, Residex, REINSW

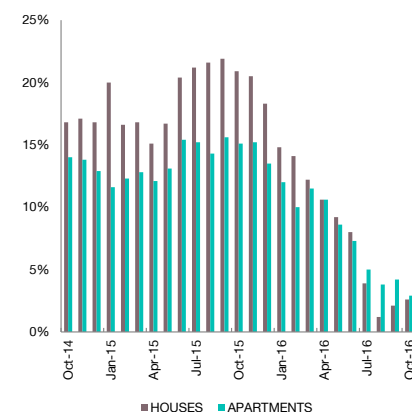
2.4% on previous year) and 46,254 apartments (down 1.8% on prior year).

- House values increased 1.6% in the month of October (rising 2.6% over the last year) to a median of \$1,086,000. Apartment values fell 0.1% over the same month (rising 2.9% over the year) to record a median of \$704,500.
- Over the year to October, rental growth fell 0.8% for houses and rose 0.9% for apartments. Weekly median rents are currently achieving \$660 for houses and \$560 for apartments.
- Greater Sydney total vacancy was last recorded at 1.7% in October with 1.9% for the inner ring (0-10km), 1.5% for the middle ring (10-25km) and 1.8% for the outer ring (25km+).
- In October, gross rental yields across Greater Sydney compressed 11 bps (to 3.16%) for houses and 7 bps (to 4.16%) for apartments compared to the previous year.

FIGURE 4

Capital Growth, Greater Sydney

12-month rolling



Source: Knight Frank Research, Residex

TABLE 1

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a.)
Sydney	Houses	1,086,000	1.6	2.7	2.6	47,934	660	3.16
Sydney	Apartments	704,500	-0.1	0.1	2.9	46,254	560	4.16

Source: Knight Frank Research, Residex, CoreLogic, ABS, REINSW

MELBOURNE

Gross State Product in Victoria was recorded at \$373,624 million in the year to June 2016; 3.5% greater than the prior year.

Unemployment as at October 2016 stood at 5.9% for Greater Melbourne, trending 50 bps higher than the 5.4% recorded in October 2015.

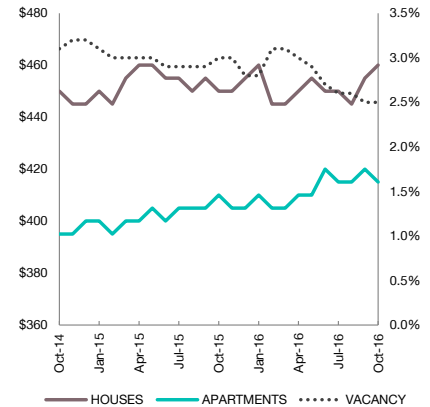
Population in Greater Melbourne was estimated at 4.5 million persons in 2015. Greater Melbourne experienced **population growth** of 2.1% in the year to June 2015.

Market Trends

- The value of housing finance commitments in Victoria in the three months to October 2016 fell by 5.1% on the previous year, to \$16.2 billion.
- Building approvals in the three months to October totalled 7,057 houses and 6,920 apartments in Greater Melbourne. This is trending 3.8% higher for houses but 26.0% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 79.4% out of 1,303 scheduled auctions in Greater Melbourne. This is higher than the week prior, at 76.8% from 1,329 scheduled auctions, and higher than the comparable week the year earlier, when 69.5% (out of 1,548 scheduled auctions) were sold.
- Sales transacted in the year to October tallied 57,394 houses (up 12.9% on previous year) and 41,019 apartments (up 2.0% on the prior

FIGURE 7

Median Rents & Total Vacancy Greater Melbourne Weekly Rents & Monthly Vacancy



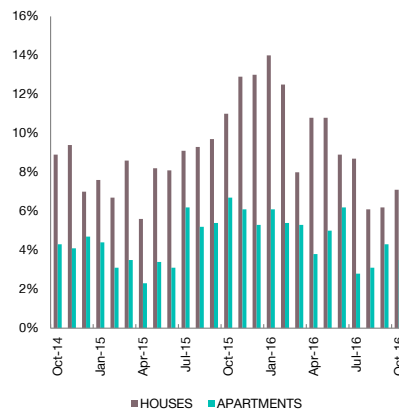
Source: Knight Frank Research, Residex, REIV

year).

- House values increased 2.5% in the month of October (growth of 7.1% over the last year) to a median of \$781,500, while apartment values rose 0.7% over the month (growth of 3.5% over the year) to record a median of \$514,000.
- Over the year to October, rental growth grew 2.2% for houses and 1.2% for apartments. Weekly median rents are currently achieving \$460 for houses and \$415 for apartments.
- Six-month average total vacancy trend was recorded at 2.5% in October for Greater Melbourne; with 2.3% in the inner ring (0-10km), 2.9% in the middle ring (10-20km) and 2.2% in the outer ring (20km+).
- In October, gross rental yields across Greater Melbourne compressed 15 bps (to 3.07%) for houses and 5 bps (to 4.24%) for apartments compared to prior year.

FIGURE 6

Capital Growth, Greater Melbourne 12-month rolling



Source: Knight Frank Research, Residex

TABLE 2

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a.)
Melbourne	Houses	781,500	2.5	5.3	7.1	57,394	460	3.07
Melbourne	Apartments	514,000	0.7	3.0	3.5	41,019	415	4.24

Source: Knight Frank Research, Residex, CoreLogic, ABS, REIV

BRISBANE

Gross State Product in Queensland was recorded at \$314,569 million in the year to June 2016; 1.5% greater than the prior year.

Unemployment as at October 2016 stood at 4.8% for Greater Brisbane, trending 100 bps lower than the 5.8% recorded in October 2015.

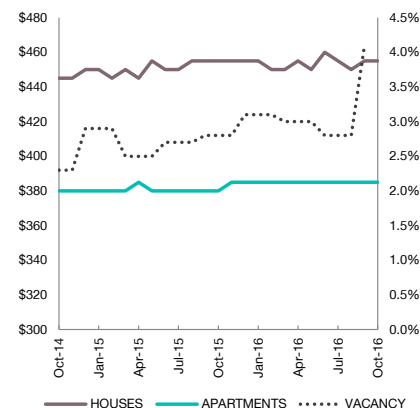
Population in Greater Brisbane was estimated at 2.3 million persons in 2015. Greater Brisbane experienced **population growth** of 1.6% in the year to June 2015.

Market Trends

- The value of housing finance commitments in Queensland in the three months to October 2016 grew by 5.9% on the previous year, to \$10.4 billion.
- Building approvals in the three months to October totalled 3,146 houses and 3,802 apartments in Greater Brisbane. This is trending 5.1% higher for houses but 23.9% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 45.2% out of 262 scheduled auctions in Greater Brisbane. This is lower than the week prior, at 53.3% from 196 scheduled auctions, and slightly lower than the comparable week the year earlier, when 45.9% (out of 198 scheduled auctions) were sold.
- Sales transacted in the year to October tallied 43,897 houses (up 5.9% on previous year) and 21,018

FIGURE 9

Median Rents & Total Vacancy Greater Brisbane Weekly Rents & Quarterly Vacancy



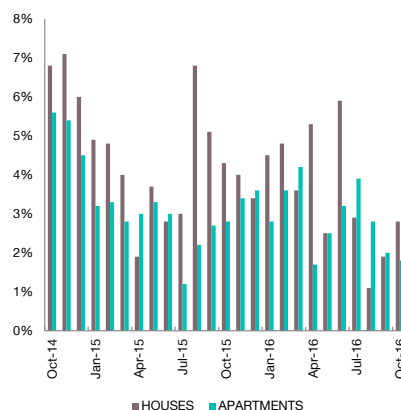
Source: Knight Frank Research, Residex, REIQ

apartments (up 3.2% on prior year).

- House values rose 1.1% in the month of October (with growth of 2.8% over the last year) to a median of \$510,500 while apartment values grew slightly over the month (with growth of 1.8% over the year) to record a median of \$388,000.
- Over the year to October, rental growth remained steady for houses and rose 1.3% for apartments. Weekly median rents are currently achieving \$455 for houses and \$385 for apartments.
- Total vacancy was last recorded at 4.1% in September for Greater Brisbane; with 3.7% for the inner ring (0-5km), 4.5% for the middle ring (5-20km) and 2.2% for the outer ring (20km+).
- In October, gross rental yields across Greater Brisbane compressed 11 bps (to 4.67%) for houses and 2 bps (to 5.21%) for apartments compared to the previous year.

FIGURE 8

Capital Growth, Greater Brisbane 12-month rolling



Source: Knight Frank Research, Residex

TABLE 3

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Brisbane	Houses	510,500	1.1	1.8	2.8	43,897	455	4.67
Brisbane	Apartments	388,000	0.1	0.0	1.8	21,018	385	5.21

Source: Knight Frank Research, Residex, CoreLogic, ABS, REIQ

PERTH

Gross State Product in Western Australia was recorded at \$255,214 million in the year to June 2015; 4.5% greater than the prior year.

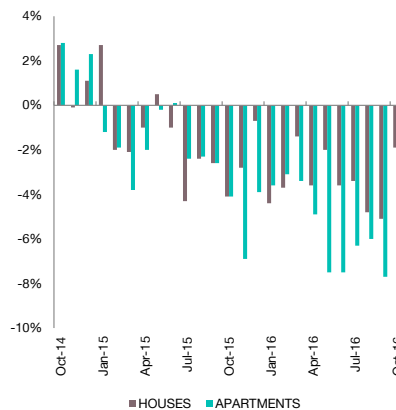
Unemployment as at October 2016 stood at 6.6% for Greater Perth, trending 10 bps lower than the 6.7% recorded in October 2015.

Population in Greater Perth was estimated at 2.0 million persons in 2015. Greater Perth experienced **population growth** of 1.6% in the year to June 2015.

Market Trends

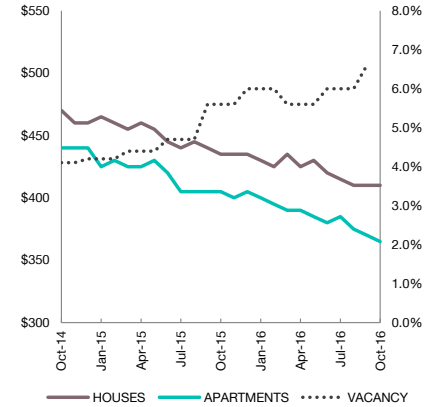
- The value of housing finance commitments in Western Australia in the three months to October 2016 fell by 10.1% on the previous year, to \$6.1 billion.
- Building approvals in the three months to October totalled 3,289 houses and 934 apartments in Greater Perth. This is trending 25.7% lower for houses and 56.0% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 38.1% out of 73 scheduled auctions in Greater Perth. This is higher than the week prior, at 37.5% from 43 scheduled auctions, but lower than the comparable week the year earlier, when 50% were sold.
- Sales transacted in the year to October tallied 22,474 houses (down 7.3% on previous year) and 10,154

FIGURE 10
Capital Growth, Greater Perth
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 11
Median Rents & Total Vacancy
Greater Perth
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIWA

apartments (down 5.5% on prior year).

- House values were recorded at a median of \$503,000, increasing 1.1% in the month of October but decreasing 1.9% over the last year. Apartment values fell 0.7% over the month, down 7.3% over the year, to record a median of \$414,000.
- Over the year to October, rental growth was down 5.7% for houses and down 9.9% for apartments. Weekly median rents are currently \$410 for houses and \$365 for apartments.
- Across the Greater Perth area, total vacancy was recorded at 6.6% in September; up from six months earlier.
- In October, gross rental yields across Greater Perth compressed 14 bps (to 4.27%) for houses down 15 bps (to 4.61%) for apartments compared to the previous year.

TABLE 4

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a.)
Perth	Houses	503,000	1.1	0.1	-1.9	22,474	410	4.27
Perth	Apartments	414,000	-0.7	-2.4	-7.3	10,154	365	4.61

Source: Knight Frank Research, Residex, CoreLogic, ABS, REIWA

ADELAIDE

Gross State Product in South Australia was recorded at \$101,096 million in the year to June 2016; 2.6% greater than the prior year.

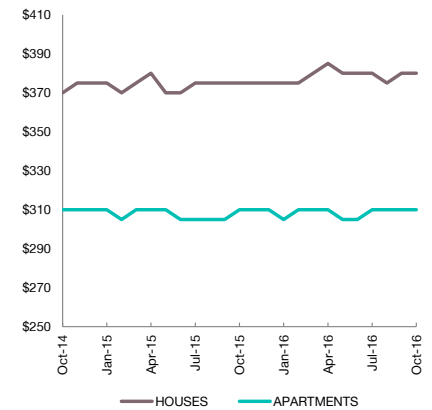
Unemployment as at October 2016 stood at 7.8% for Greater Adelaide, trending 40 bps lower than the 8.2% recorded in October 2015.

Population in Greater Adelaide was estimated at 1.3 million persons in 2015. Greater Adelaide experienced **population growth** of 0.9% in the year to June 2015.

Market Trends

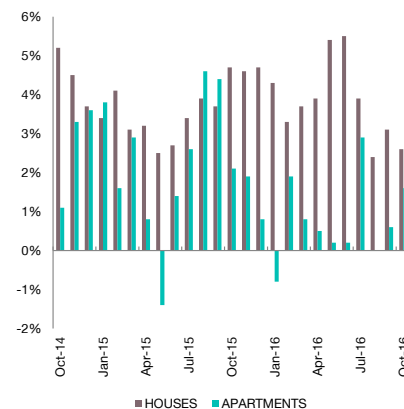
- The value of housing finance commitments in South Australia in the three months to October 2016 grew by 6.3% on the previous year, to \$3.3 billion.
- Building approvals in the three months to October totalled 1,579 houses and 679 apartments approved in Greater Adelaide. This is trending 2.0% lower for houses and 41.3% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 66.0% out of 137 scheduled auctions in Greater Adelaide. This is lower than the week prior, at 67.3% from 133 scheduled auctions, and higher than the comparable week the year earlier, when 49.4% (out of 119 scheduled auctions) were sold.

FIGURE 13
Median Rents, Greater Adelaide
Weekly Rents



Source: Knight Frank Research, Residex

FIGURE 12
Capital Growth, Greater Adelaide
12-month rolling



Source: Knight Frank Research, Residex

- Sales transacted in the year to October tallied 22,365 houses (up 13.1% on previous year) and 5,640 apartments (up 10.2% on prior year).
- House values were up 0.9% in the month of October (rising by 2.6% over the last year) to a median of \$447,000. Apartments rose 0.8% over the month to record a median of \$323,000 (rising 1.6% over the past year).
- Over the year to October, rental growth rose for houses (up 1.3%) and remained steady for apartments. Weekly median rents are currently achieving \$380 for houses and \$310 for apartments.
- In October, gross rental yields across Greater Adelaide compressed 3 bps (to 4.45%) for houses and 5 bps (to 5.02%) for apartments compared to the previous year.

TABLE 5

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Adelaide	Houses	447,000	0.9	0.7	2.6	22,365	380	4.45
Adelaide	Apartments	323,000	0.8	-0.3	1.6	5,640	310	5.02

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

CANBERRA

Gross State Product in the ACT was recorded at \$36,225 million in the year to June 2016; 2.4% greater than the prior year.

Unemployment as at October 2016 stood at 3.0% for the ACT, trending 150 bps lower than the 4.5% recorded in October 2015.

Population in the ACT was estimated at 391,000 persons in 2015. The ACT experienced **population growth** of 1.4% in the year to June 2015.

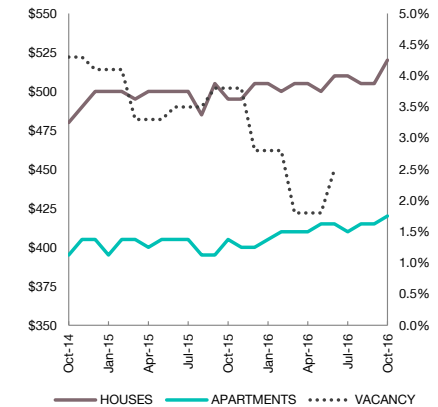
Market Trends

- The value of housing finance commitments in the Australian Capital Territory in the three months to October 2016 fell by 2.0% on the previous year, to \$1.1 billion.
- Building approvals in the three months to October totalled 336 houses and 1,429 apartments in the ACT. This is trending 41.8% higher for houses and 47.6% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 70.3% out of 119 scheduled auctions in Canberra. This is lower than the week prior, at 76.2% from 97 scheduled auctions, and higher than the comparable week the year earlier, when 66.1% were sold.
- Sales transacted in the year to October tallied 4,946 houses (up

FIGURE 15

Median Rents & Total Vacancy Canberra

Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

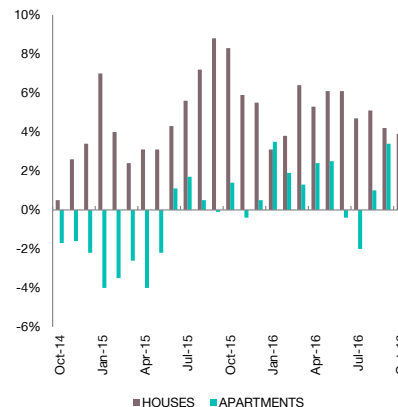
12.2% on previous year) and 2,941 apartments (down 19.1% on prior year).

- House values rose 0.8% in the month of October (with growth of 3.9% over the last year) to a median of \$596,500. Apartment values rose 0.5% over the month (up 2.1% over the year) to record a median of \$413,500.
- Over the year to October, rental growth grew 5.1% for houses and 3.7% for apartments. Weekly median rents are currently achieving \$520 for houses and \$420 for apartments.
- Total vacancy in Canberra was last recorded at 2.5% in June; up 70 bps on the previous quarter and 100 bps lower compared to the prior year.
- In October, gross rental yields across Canberra grew 2 bps (to 4.54%) for houses and grew by 11 bps (to 5.31%) for apartments compared to the previous year.

FIGURE 14

Capital Growth, Canberra

12-month rolling



Source: Knight Frank Research, Residex

TABLE 6

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Canberra	Houses	596,500	0.8	2.1	3.9	4,946	520	4.54
Canberra	Apartments	413,500	0.5	3.1	2.1	2,941	420	5.31

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

HOBART

Gross State Product in Tasmania was recorded at \$26,039 million in the year to June 2016; 2.6% greater than the prior year.

Unemployment as at October 2016 stood at 5.7% for Greater Hobart, trending 140 bps lower than the 7.1% recorded in October 2015.

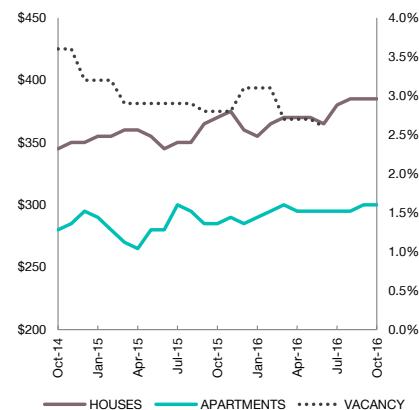
Population in Greater Hobart was estimated at 221,000 persons in 2015. Greater Hobart experienced **population growth** of 0.8% in the year to June 2015.

Market Trends

- The value of housing finance commitments in Tasmania in the three months to October 2016 grew by 18.8% on the previous year, to \$713.1 million.
- Building approvals in the three months to October totalled 194 houses and 11 apartments in Greater Hobart. This is trending 13.0% lower for houses and 84.5% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 57.10% out of 11 scheduled auctions in Greater Hobart. This was higher than the previous week when 50.0% of 9 scheduled auctioned were sold.
- Sales transacted in the year to October tallied 2,689 houses (down 5.5% on previous year) and 878 apartments (down 7.2% on prior year).

FIGURE 17

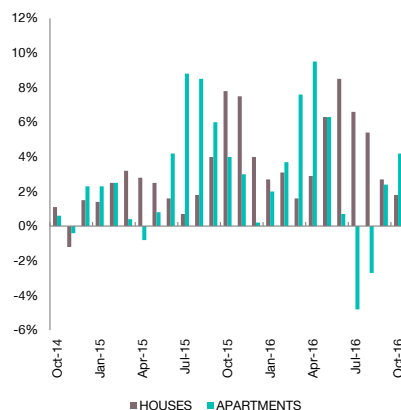
Median Rents & Total Vacancy Greater Hobart Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

FIGURE 16

Capital Growth, Greater Hobart 12-month rolling



Source: Knight Frank Research, Residex

- House values fell 1.9% in the month of October (rising 1.8% over the last year) to a median of \$392,500. Apartments rose 0.2% over the month (up 4.2% over the year) to record a median of \$282,500.
- Over the year to October, rental growth rose 4.1% for houses and 5.3% for apartments. Weekly median rents are currently achieving \$385 for houses and \$300 for apartments.
- Greater Hobart total vacancy was last recorded at 2.6% in June; down 10 bps on the previous quarter and down 30 bps compared to the prior year.
- In October, gross rental yields across Greater Hobart increased 10 bps for houses (to 5.11%) and rose 6 bps for apartments (to 5.56%) compared to the previous year.

TABLE 7

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Hobart	Houses	392,500	-1.9	1.2	1.8	2,689	385	5.11
Hobart	Apartments	282,500	0.2	4.8	4.2	878	300	5.56

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

DARWIN

Gross State Product in the Northern Territory was recorded at \$23,648 million in the year to June 2016; 11.5% greater than the prior year.

Unemployment stood at 3.3% in Greater Darwin as at October 2016, trending 40 bps higher than the 2.9% recorded in October 2015.

Population in Greater Darwin was estimated at 142,000 persons in 2015. Greater Darwin experienced **population growth** of 1.9% in the year to June 2015.

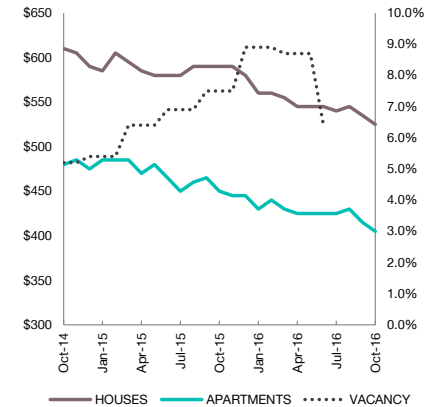
Market Trends

- The value of housing finance commitments in the Northern Territory in the three months to October 2016 fell by 18.3% on the previous year, to \$281.4 million.
- Building approvals in the three months to October totalled 205 houses and 63 apartments in Greater Darwin. This is trending 25.0% higher for houses but 75.6% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 20 November was 100% out of 6 scheduled auctions in Greater Darwin. This was higher than the previous week when 50% of 9 scheduled auctions were sold.
- Sales transacted in the year to October tallied 1,122 houses (down 2.9% on previous year) and 517 apartments (up 4.0% on prior year).

FIGURE 19

Median Rents & Total Vacancy Greater Darwin

Weekly Rents & Quarterly Vacancy

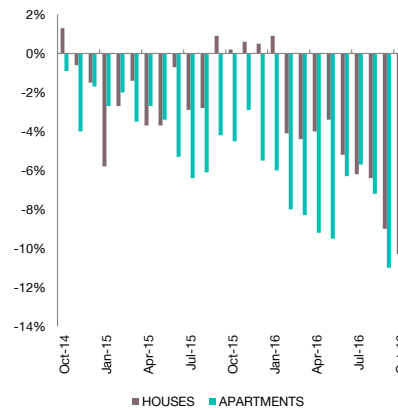


Source: Knight Frank Research, Residex, REIA

FIGURE 18

Capital Growth, Greater Darwin

12-month rolling



Source: Knight Frank Research, Residex

- House values fell 0.9% in the month of October (down 10.3% over the last year) to a median of \$522,000. Apartments fell 2.2% over the month and (down 11.7% over the year) to record a median of \$361,500.
- Over the year to October, rental growth was down 11.0% for houses and 10.0% for apartments. Weekly median rents are currently achieving \$525 for houses and \$405 for apartments.
- Greater Darwin total vacancy was last recorded at 6.4% in June; down 230 bps on the previous quarter and down 50 bps compared to the prior year.
- In October, gross rental yields across Greater Darwin compressed 6 bps (to 5.25%) for houses and grew 13 bps (to 5.88%) for apartments compare to previous year.

TABLE 8

Key Residential Indicators, October 2016

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a.)
Darwin	Houses	522,000	-0.9	-0.9	-10.3	1,122	525	5.25
Darwin	Apartments	361,500	-2.2	-5.2	-11.7	517	405	5.88

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



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RESIDENTIAL RESEARCH

Michelle Ciesielski

Director

+61 2 9036 6659

Michelle.Ciesielski@au.knightfrank.com

Matt Whitby

Group Director

Head of Research and Consultancy

+61 2 9036 6616

Matt.Whitby@au.knightfrank.com

RESIDENTIAL AND PROJECT MARKETING

Michael Robinson

Head of Project Marketing, Australia

+61 3 9604 4775

Michael.Robinson@au.knightfrank.com

Neil Kay

Senior Director

Head of Residential, Perth (WA)

+61 8 6210 0112

Neil.Kay@au.knightfrank.com

Sam Kandil

Head of Project Marketing, Sydney (NSW)

+61 2 9028 1169

Sam.Kandil@au.knightfrank.com

Daniel Cashen

Director, Melbourne (Vic)

+61 3 9604 4749

Daniel.Cashen@au.knightfrank.com

Chris Litfin

Head of Project Marketing (Qld) & Gold Coast

+61 7 5636 0814

Chris.Litfin@au.knightfrank.com

Gillian Bail

Director, Brisbane (Qld)

+61 7 3246 8842

Gillian.Bail@au.knightfrank.com

INTERNATIONAL PROJECT MARKETING

Rebecca Pugh

Manager, Australia

+61 3 9604 4716

Rebecca.Pugh@au.knightfrank.com

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