

RESIDENTIAL RESEARCH

A photograph of a modern, white, low-profile sofa with a red cushion, set against a light-colored wall and floor. The sofa has a clean, minimalist design with a white fabric and a single red cushion. It is positioned on a light-colored wooden floor with a visible grain. The background is a plain, light-colored wall.

AUSTRALIAN RESIDENTIAL REVIEW

FEBRUARY 2017

MARKET ACTIVITY REPORT FOR AUSTRALIAN CAPITAL CITIES & REGIONAL CENTRES

KEY FINDINGS

The official **cash rate** target remained at 1.50% on 7 February 2017. **Gross Domestic Product** was recorded at 1.8% annual growth to September 2016. **Unemployment** across Australia grew to 5.7%, in the quarter ending November 2016.

The weighted average of Australian capital cities **house values** rose 1.2% in the month of December 2016 (4.5% annual growth) to \$729,500; while **apartment values** were down 0.7% over the month (2.9% annual growth) to \$547,000.

In the year ending December 2016, the volume of **house sales** across Australian capital cities was up 3.3% to 200,839; while 129,386 **apartment sales** were recorded (up by 1.4%).

Gross rental yields across Australian capital cities houses recorded a weighted average of 3.77% in December 2016, while Australian apartments achieved 4.45%.

Weighted average of Australian capital cities weekly **house rents** were \$495 in December 2016; whilst **apartment rents** were \$455 per week, both remaining steady.

A weighted average **total vacancy** for Australian residential property was last recorded at 3.1% in September 2016; trending up 20 bps in the last quarter.



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AUSTRALIAN RESIDENTIAL

In their first meeting of the year, the Reserve Bank of Australia (RBA) decided to leave the official cash rate unchanged at 1.50% on 7 February 2017.

RBA cited the improvement in global conditions has led to higher commodity prices, providing a boost to Australia's national income. Despite the weaker GDP released for the September 2016 quarter, the RBA believes the Australian economy is continuing to transition well following the wind down of the mining investment boom. They expect GDP growth to be more positive in the December 2016 quarter.

Throughout 2016, the weighted average of Australian capital cities house values increased 4.5% to \$729,500, whilst over the same time apartment values grew a total 2.9% to \$547,000. Given the volume of house sales across Australian capital cities was up 3.3% and apartment sales were up 1.4%, it's likely positive capital growth will continue further in 2017. Although it's not expected to perform as strong as recorded in the past 36 months.

Residential building approvals across Australian capital cities have trended downwards for the third consecutive month to December 2016—Greater Darwin (at -31.5%) and Greater Hobart (at -24.9%) experiencing the greatest

change. Total housing finance for investors and owner occupiers (excluding refinancing) has also cooled. Since May 2016, annual housing finance growth has compressed 4% from \$302.2 billion to stand at \$300.2 billion in November 2016.

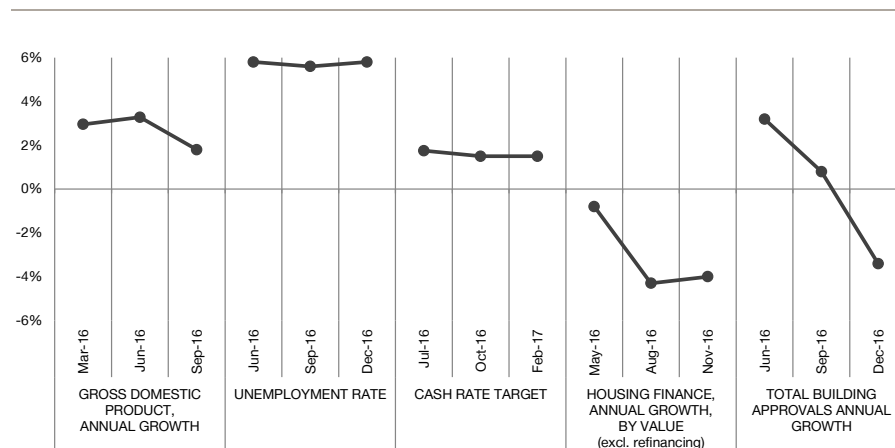
As investors once again shift their focus from capital growth to rental growth, looking back over 2016, houses across the capital cities recorded an increase in rents of just 0.3%, whilst apartment rents grew 0.8%. It is likely 2017 will see similar growth given total vacancy was trending slightly above equilibrium at 3.1% in September 2016, up 20 bps from June 2016.

Looking back to Q3 2016, across key Australian regional centres, apartments in Darwin recorded the highest gross rental yield at 5.87%. The next three regional centres to follow represent houses located outside the metropolitan area, in the Riverina (at 5.84%), Country Tasmania (at 5.82%) and North West South Australia (at 5.80%).

As entry price points into major capital cities around Australia continued to push upwards in 2016, buyers have redirected their investment into regional areas with better returns around the country.

Of the top 15 key regional centres for gross rental yield performance, 11 were

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

located outside the metropolitan areas of the capital cities, as shown in Figure 2.

Average weighted gross rental yields across the Australian capital cities were recorded at 3.85% for houses and 4.50% for apartments in September 2016. By the end of December 2016, this compressed to 3.77% and 4.45%, respectively.

Despite a more sustainable capital growth being recorded across Australia for 2016, capital growth continues to vary at differing paces across Australian capital cities as shown in Figure 3.

In Q3 2016, the Knight Frank Global Residential Cities Index recorded the annual capital growth of 150 capital cities around the world. Overall, residential prices increased in 77% of the 150 cities year-on-year. Thirteen cities recorded price rises in excess of 20% in the year

to September.

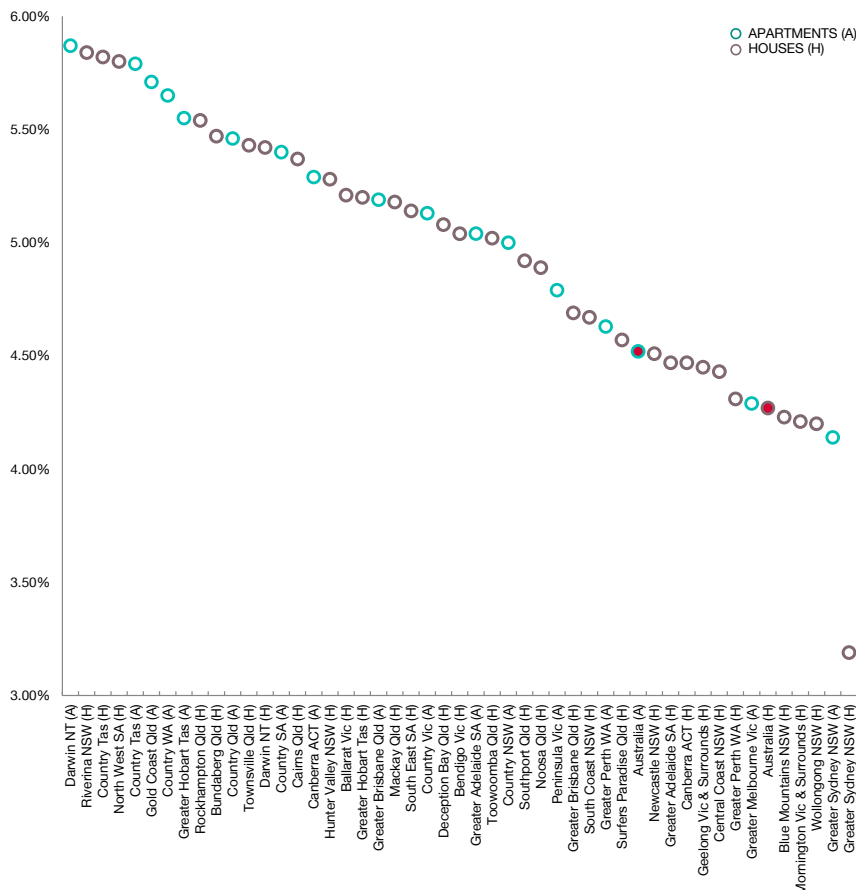
Nanjing (43%) and Shanghai (40%) have usurped the rapid-growing technology hub of Shenzhen (35%) in the quarter.

Urbanisation and rising household wealth is behind the surge in Chinese prices but it is far from uniform with smaller cities and rural markets lagging behind. China's rapidly-rising urban house prices have not escaped the attention of policymakers with many cities seeing the tightening of mortgage lending, higher deposit requirements, and in some cases, a ban on non-local buyers.

At this time, Australia's highest ranking city was Melbourne in 54th position with 6.9% annual growth. Although by December 2016, Melbourne median capital growth shifted to 9.8% annual growth for houses and 5.0% for apartments.

FIGURE 2

Gross Rental Yields, Australian Key Regional Centres, Houses & Apartments Q3 2016

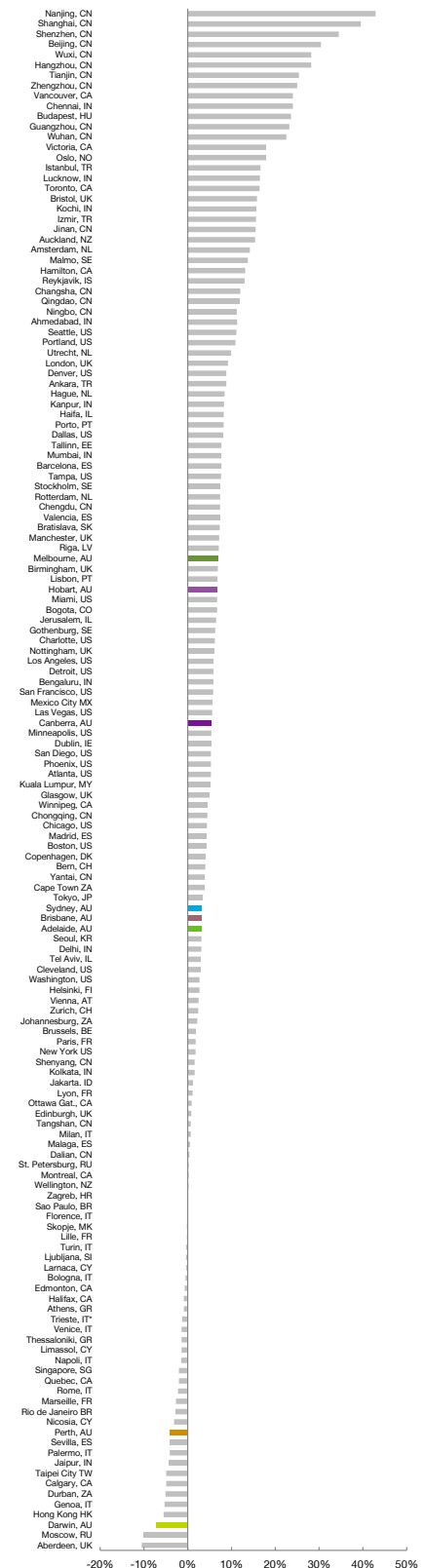


Source: Knight Frank Research, Residex

FIGURE 3

Global Residential Cities Index

Q3 2016, Ranked by annual capital growth % change



*Asking prices **Provisional ***Metropolitan area. For further important notes, refer to [Global Residential Cities Index Q3 2016](#).

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 December 2016 stood at 4.7% for Greater Sydney, trending 30 bps higher than the 4.4% recorded in December 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.

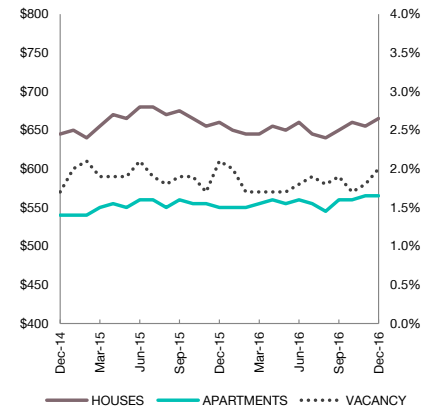
Market Trends

- The value of housing finance commitments in New South Wales in the three months ending November 2016 fell by 9.9% on the previous year, to \$21.1 billion.
- Building approvals in the three months ending December totalled 4,115 houses and 8,829 apartments in Greater Sydney. This is trending 6.0% lower for houses and 24.1% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 74.1% out of 688 scheduled auctions in Greater Sydney. This is slightly higher than the week prior, at 73.7% from 1168 scheduled auctions, and higher than the comparable week a year earlier, when 55.2% (out of 869 auctions) were sold.
- Sales transacted in the year to December tallied 47,102 houses (up

FIGURE 5

Median Rents & Total Vacancy Greater Sydney

Weekly Rents & Monthly Vacancy



Source: Knight Frank Research, Residex, REINSW

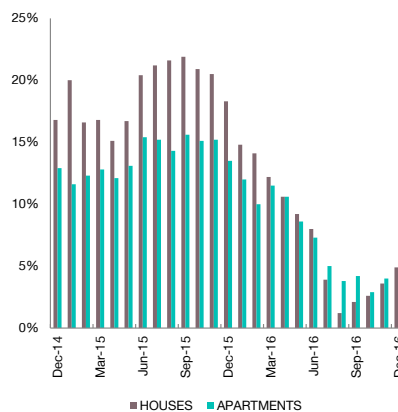
1.0% on previous year) and 46,476 apartments (up 1.8% on prior year).

- House values increased 1.1% in the month of December (rising 4.9% over the last year) to a median of \$1,117,500. Apartment values rose 1.4% over the same month (rising 5.4% over the year) to record a median of \$725,500.
- Over the year to December, rental growth rose 0.8% for houses and rose 2.7% for apartments. Weekly median rents are currently achieving \$665 for houses and \$565 for apartments.
- Greater Sydney total vacancy was last recorded at 2.0% in December with 1.8% for the inner ring (0-10km), 2.1% for the middle ring (10-25km) and 2.0% for the outer ring (25km+).
- In December, gross rental yields across Greater Sydney compressed 12 bps (to 3.11%) for houses and 11 bps (to 4.06%) 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, December 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	1,117,500	1.1	4.5	4.9	47,102	665	3.11
Sydney	Apartments	725,500	1.4	2.8	5.4	46,476	565	4.06

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.

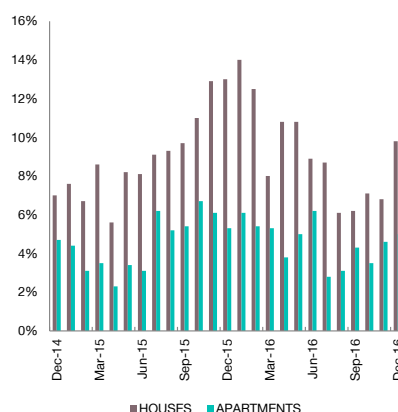
Unemployment as at December 2016 stood at 6.0% for Greater Melbourne, trending 50 bps higher than the 5.5% recorded in December 2015.

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

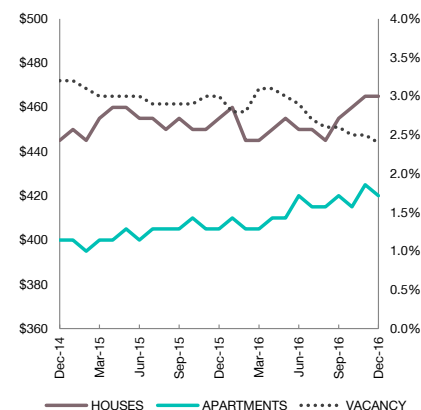
- The value of housing finance commitments in Victoria in the three months ending November 2016 fell by 3.0% on the previous year, to \$16.5 billion.
- Building approvals in the three months ending December totalled 6,315 houses and 7,979 apartments in Greater Melbourne. This is trending 3.2% higher for houses but 4.5% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 75.7% out of 1,111 scheduled auctions in Greater Melbourne. This is lower than the week prior, at 78.4% from 1,168 scheduled auctions, but higher than the comparable week the year earlier, when 65.7% (out of 1,561 scheduled auctions) were sold.
- Sales transacted in the year to December tallied 56,172 houses (up 5.0% on previous year) and 41,449

FIGURE 6
Capital Growth, Greater Melbourne
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 7
Median Rents & Total Vacancy
Greater Melbourne
Weekly Rents & Monthly Vacancy



Source: Knight Frank Research, Residex, REIV

- apartments (up 2.6% on the prior year).
- House values increased 2.0% in the month of December (growth of 9.8% over the last year) to a median of \$809,500, while apartment values rose 0.7% over the month (growth of 5.0% over the year) to record a median of \$520,500.
- Over the year to December, rental growth grew 2.2% for houses and 3.7% for apartments. Weekly median rents are currently achieving \$465 for houses and \$420 for apartments.
- Six-month average total vacancy trend was recorded at 2.4% in November for Greater Melbourne; with 2.3% in the inner ring (0-10km), 3.0% in the middle ring (10-20km) and 2.0% in the outer ring (20km+).
- In December, gross rental yields across Greater Melbourne compressed 21 bps (to 3.00%) for houses and 5 bps (to 4.24%) for apartments compared to prior year.

TABLE 2
Key Residential Indicators, December 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	809,500	2.0	6.2	9.8	56,172	465	3.00
Melbourne	Apartments	520,500	0.7	2.0	5.0	41,449	420	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.

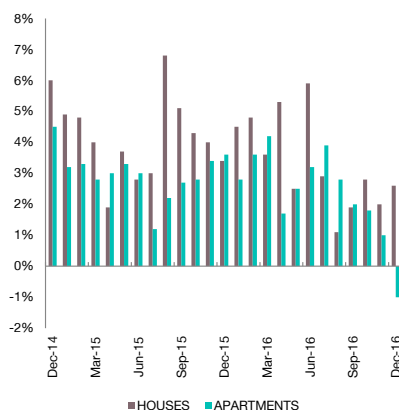
Unemployment as at December 2016 stood at 5.7% for Greater Brisbane, trending 30 bps higher than the 5.4% recorded in December 2015.

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

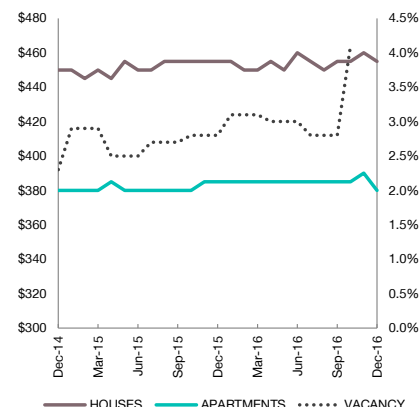
- The value of housing finance commitments in Queensland in the three months to November 2016 grew by 8.2% on the previous year, to \$10.5 billion.
- Building approvals in the three months to December totalled 2,969 houses and 2,157 apartments in Greater Brisbane. This is trending 2.6% higher for houses but 58.9% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 45.7% out of 151 scheduled auctions in Greater Brisbane. This is higher than the week prior, at 43.5% from 206 scheduled auctions, but slightly lower than the comparable week the year earlier, when 46% (out of 180 scheduled auctions) were sold.
- Sales transacted in the year to December tallied 43,622 houses (up 4.5% on previous year) and 21,197 apartments (up 3.6% on prior year).

FIGURE 8
Capital Growth, Greater Brisbane
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 9
Median Rents & Total Vacancy
Greater Brisbane
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIQ

- House values rose 0.5% in the month of December (with growth of 2.6% over the last year) to a median of \$513,500 while apartment values fell 1.9% (with a slight fall of 1.0% over the year) to record a median of \$380,500.
- Over the year to December, rental growth remained steady for houses and fell 1.3% for apartments. Weekly median rents are currently achieving \$455 for houses and \$380 for apartments.
- As new supply reached the market, 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 December, gross rental yields across Greater Brisbane compressed 11 bps (to 4.65%) for houses and 3 bps (to 5.22%) for apartments compared to the previous year.

TABLE 3
Key Residential Indicators, December 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	513,500	0.5	1.7	2.6	43,622	455	4.65
Brisbane	Apartments	380,500	-1.9	-1.8	-1.0	21,197	380	5.22

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 December 2016 stood at 7.7% for Greater Perth, trending 100 bps higher than the 6.7% recorded in December 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.

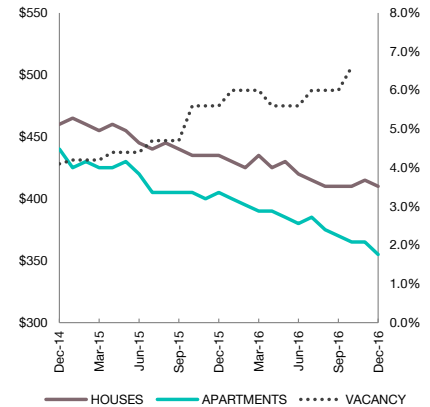
Market Trends

- The value of housing finance commitments in Western Australia in the three months to November 2016 fell by 10.1% on the previous year, to \$6.1 billion.
- Building approvals in the three months to December totalled 3,103 houses and 1,444 apartments in Greater Perth. This is trending 20.2% lower for houses but 5.2% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 30% out of 20 scheduled auctions in Greater Perth. This is higher than the week prior, at 20% from 76 scheduled auctions, but lower than the comparable week the year earlier, when 40% were sold.
- Sales transacted in the year to December tallied 22,306 houses (down 6.9% on previous year) and

FIGURE 11

Median Rents & Total Vacancy Greater Perth

Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIWA

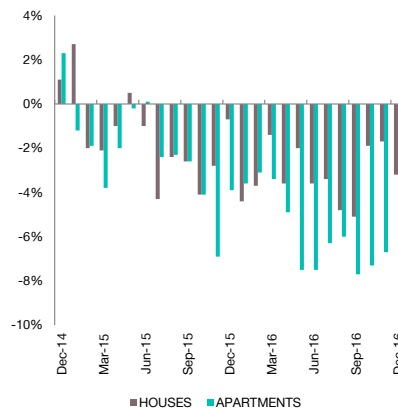
10,232 apartments (down 3.3% on prior year).

- House values were recorded at a median of \$510,000, increasing 0.8% in the month of December but decreasing 3.2% over the last year. Apartment values fell 0.4% over the month, down 8.2% over the year, to record a median of \$410,500.
- Over the year to December, rental growth was down 5.7% for houses and down 12.3% for apartments. Weekly median rents are currently \$410 for houses and \$355 for apartments.
- Across the Greater Perth area, total vacancy was recorded at 6.6% in September; up from six months earlier.
- In December, gross rental yields across Greater Perth compressed 9 bps (to 4.21%) for houses and down 21 bps (to 4.51%) for apartments compared to the previous year.

FIGURE 10

Capital Growth, Greater Perth

12-month rolling



Source: Knight Frank Research, Residex

TABLE 4

Key Residential Indicators, December 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	510,000	0.8	2.5	-3.2	22,306	410	4.21
Perth	Apartments	410,500	0.4	-1.6	-8.2	10,232	355	4.51

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.

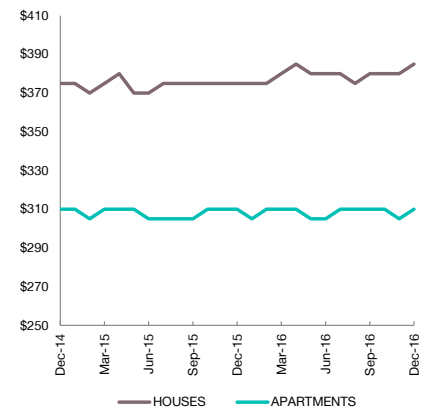
Unemployment as at December 2016 stood at 8.2% for Greater Adelaide, trending 20 bps higher than the 8.0% recorded in December 2015.

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

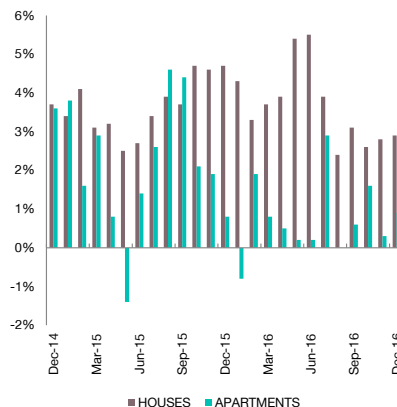
- The value of housing finance commitments in South Australia in the three months to November 2016 grew by 5.5% on the previous year, to \$3.3 billion.
- Building approvals in the three months to December totalled 1,463 houses and 711 apartments approved in Greater Adelaide. This is trending 7.2% lower for houses and 33.2% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 61.4% out of 83 scheduled auctions in Greater Adelaide. This is higher than the week prior, at 58.3% from 156 scheduled auctions, and higher than the comparable week the year earlier, when 51.6% (out of 151 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 December tallied 22,962 houses (up 15.6% on previous year) and 5,740 apartments (up 11.3% on prior year).
- House values were up 0.9% in the month of December (rising by 2.9% over the last year) to a median of \$455,500. Apartments fell 0.3% over the month to record a median of \$321,500 (rising 0.9% over the past year).
- Over the year to December, rental growth rose for houses (up 2.7%) and remained steady for apartments. Weekly median rents are currently achieving \$385 for houses and \$310 for apartments.
- In December, gross rental yields across Greater Adelaide compressed 2 bps (to 4.40%) for houses and 7 bps (to 5.00%) for apartments compared to the previous year.

TABLE 5
Key Residential Indicators, December 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	455,500	0.9	2.8	2.9	22,962	385	4.40
Adelaide	Apartments	321,500	-0.3	0.3	0.9	5,740	310	5.00

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.

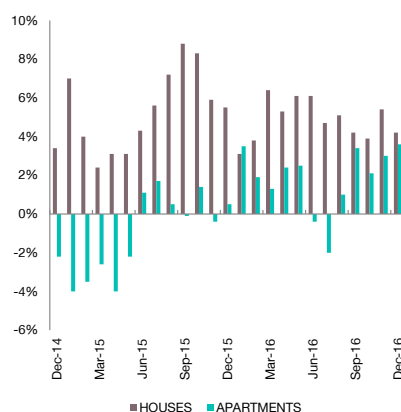
Unemployment as at December 2016 stood at 3.3% for the ACT, trending 70 bps lower than the 4.0% recorded in December 2015.

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

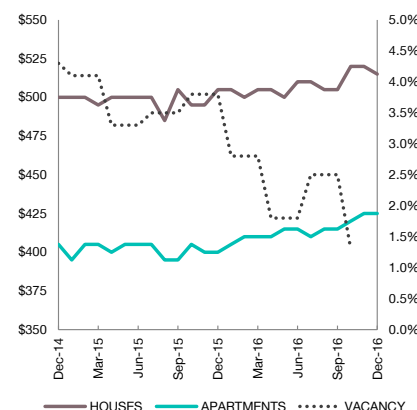
- The value of housing finance commitments in the Australian Capital Territory in the three months to November 2016 fell by 3.5% on the previous year, to \$1.1 billion.
- Building approvals in the three months to December totalled 258 houses and 1,019 apartments in the ACT. This is trending 15.7% higher for houses and 153.5% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 65.5% out of 129 scheduled auctions in Canberra. This is higher than the week prior, at 60.8% from 118 scheduled auctions, and higher than the comparable week the year earlier, when 48.6% were sold.
- Sales transacted in the year to December tallied 4,857 houses (up 2.3% on previous year) and 2,947

FIGURE 14
Capital Growth, Canberra
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 15
Median Rents & Total Vacancy
Canberra
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

apartments (down 23.6% on prior year).

- House values rose 0.2% in the month of December (with growth of 4.2% over the last year) to a median of \$601,500. Apartment values rose 0.6% over the month (up 3.6% over the year) to record a median of \$416,000.
- Over the year to December, rental growth grew 2.0% for houses and 6.3% for apartments. Weekly median rents are currently achieving \$515 for houses and \$425 for apartments.
- Total vacancy in Canberra was last recorded at 1.3% in September; down 120 bps on the previous quarter and 250 bps lower compared to the prior year.
- In December, gross rental yields across Canberra fell 8 bps (to 4.49%) for houses and grew by 11 bps (to 5.34%) for apartments compared to the previous year.

TABLE 6

Key Residential Indicators, December 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	601,500	0.2	1.6	4.2	4,857	515	4.49
Canberra	Apartments	416,000	0.6	1.1	3.6	2,947	425	5.34

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 December 2016 stood at 5.9% for Greater Hobart, trending 30 bps lower than the 6.2% recorded in December 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.

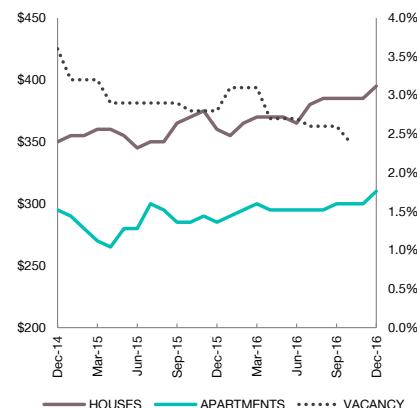
Market Trends

- The value of housing finance commitments in Tasmania in the three months to November 2016 grew by 19.1% on the previous year, to \$724.9 million.
- Building approvals in the three months to December totalled 189 houses and 28 apartments in Greater Hobart. This is trending 1.6% lower for houses and 40.4% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 58% out of 21 scheduled auctions in Greater Hobart. This was higher than the previous week when 28.6% of 23 scheduled auctions were sold.
- Sales transacted in the year to December tallied 2,637 houses (down 7.5% on previous year) and 826 apartments (down 11.0% on prior year).

FIGURE 17

Median Rents & Total Vacancy Greater Hobart

Weekly Rents & Quarterly Vacancy

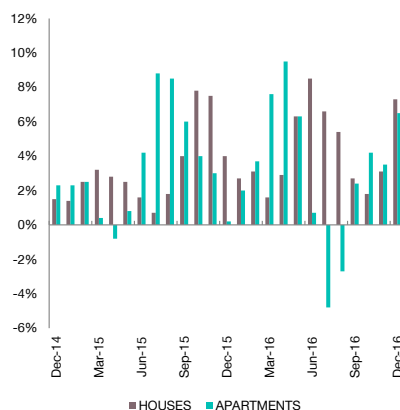


Source: Knight Frank Research, Residex, REIA

FIGURE 16

Capital Growth, Greater Hobart

12-month rolling



Source: Knight Frank Research, Residex

- House values grew 2.8% in the month of December (rising 7.3% over the last year) to a median of \$409,000. Apartments rose 2.7% over the month (up 6.5% over the year) to record a median of \$288,000.
- Over the year to December, rental growth rose 9.7% for houses and 8.8% for apartments. Weekly median rents are currently achieving \$395 for houses and \$310 for apartments.
- Greater Hobart total vacancy was last recorded at 2.4% in September; down 20 bps on the previous quarter and down 40 bps compared to the prior year.
- In December, gross rental yields across Greater Hobart increased 6 bps for houses (to 5.01%) and rose 6 bps for apartments (to 5.58%) compared to the previous year.

TABLE 7

Key Residential Indicators, December 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	409,000	2.8	6.2	7.3	2,637	395	5.01
Hobart	Apartments	288,000	2.7	2.1	6.5	826	310	5.58

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.

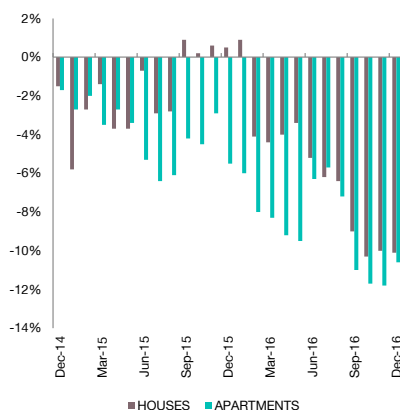
Unemployment stood at 3.0% in Greater Darwin as at December 2016, trending 30 bps higher than the 3.3% recorded in December 2015.

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

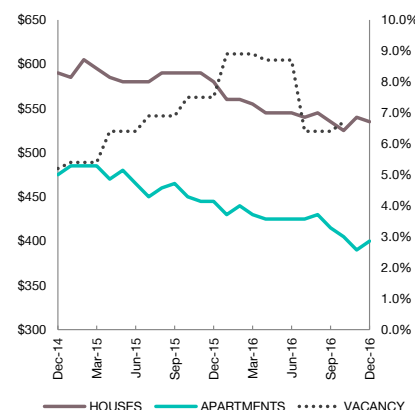
- The value of housing finance commitments in the Northern Territory in the three months to November 2016 fell by 20.7% on the previous year, to \$278.0 million.
- Building approvals in the three months to December totalled 122 houses and 54 apartments in Greater Darwin. This is trending 16.4% lower for houses and 83.0% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 18 December was 17% out of 9 scheduled auctions in Greater Darwin. This was lower than the previous week when 40% of 7 scheduled auctions were sold.
- Sales transacted in the year to December tallied 1,181 houses (up 8.3% on previous year) and 519 apartments (up 13.1% on prior year).

FIGURE 18
Capital Growth, Greater Darwin
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 19
Median Rents & Total Vacancy Greater Darwin
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

- House values fell 1.3% in the month of December (down 10.1% over the last year) to a median of \$513,500. Apartments fell 0.7% over the month (down 10.6% over the year) to record a median of \$357,500.
- Over the year to December, rental growth was down 7.8% for houses and 10.1% for apartments. Weekly median rents are currently achieving \$535 for houses and \$400 for apartments.
- Greater Darwin total vacancy was last recorded at 6.7% in September; up 30 bps on the previous quarter but trending down 80 bps compared to the prior year.
- In December, gross rental yields across Greater Darwin compressed 13 bps (to 5.43%) for houses and grew 8 bps (to 5.87%) for apartments compare to previous year.

TABLE 8

Key Residential Indicators, December 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	513,500	-1.3	-2.5	-10.1	1,181	535	5.43
Darwin	Apartments	357,500	-0.7	-3.2	-10.6	519	400	5.87

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



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