

RESIDENTIAL RESEARCH



AUSTRALIAN RESIDENTIAL REVIEW

NOVEMBER 2016



MARKET ACTIVITY REPORT FOR AUSTRALIAN CAPITAL CITIES & REGIONAL CENTRES

KEY FINDINGS

The official **cash rate** target remained at 1.50% on 1 November 2016. **Gross Domestic Product** was recorded at 3.3% annual growth to June 2016. **Unemployment** across Australia remained steady at 5.6%, in the quarter ending September 2016.

Australian **house values** rose 1.2% in the month of September 2016 (3.3% annual growth) to a median of \$525,500; while **apartment values** were up 2.6% over the month (3.4% annual growth) to a median of \$492,000.

In the year to September 2016, the volume of **house sales** was up 2.3% to 343,482, while 168,913 **apartment sales** were recorded (up by 3.0%).

Gross rental yields for Australian houses averaged 4.27% in September 2016, while Australian apartments achieved 4.52%.

Australian weekly median **house rents** were \$430 in September 2016, remaining steady whilst **apartment rents** were \$425 per week (up 1.2%).

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



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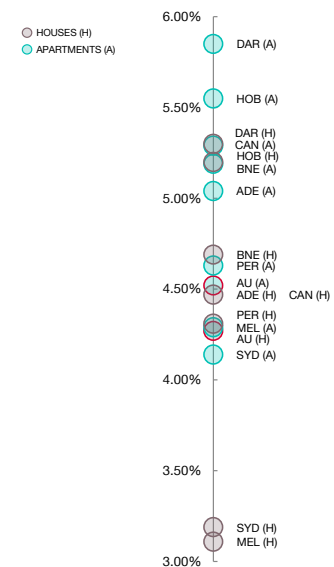
AUSTRALIAN RESIDENTIAL

The impact of the regulatory measures introduced by the Australian Prudential Regulatory Authority (APRA) has seen tightened lending practices for housing finance for both local and foreign purchasers since 2015. In the year ending August 2016, total housing finance (excluding refinancing), was down 3.7% to tally \$300.5 billion as shown in Figure 1. This was heavily influenced by investor housing finance (falling 15.7% to \$137.0 billion) despite reasonably positive growth continuing for owner occupiers taking up housing finance (up 9.3% to \$163.5 billion) over this time.

Building approvals across Australia were up 0.7% in the year ending September 2016, to total 232,200 potential new private houses and apartments. Over this time house approvals fell 1.2% while apartment approvals were up 2.5%. This was significantly lower when compared to the 14.3% annual average growth in total approvals experienced over the last three years.

As the development approval timeframe varies from council-to-council and gaining approval can be quite lengthy in some cities, this indicator represents a reasonably lagged picture of the trend experienced throughout 2015/16. The construction pipeline is essentially disciplined by pre-sales demand, for both houses and apartments, led by developers and lending institutions. There

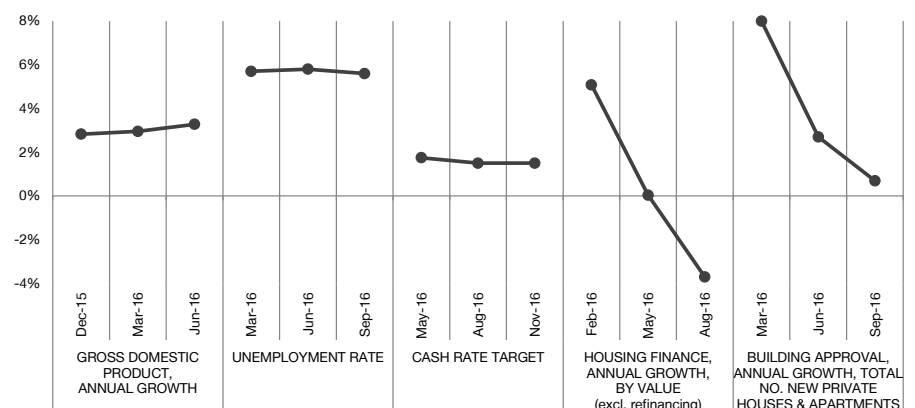
FIGURE 2
Gross Rental Yields, Houses & Apartments
As at September 2016



Source: Knight Frank Research, Residex

have been several DA Approved sites now land-banked across the country while the market absorbs recently built stock in the market. Some developers are deciding to wait for the next uptick in the cycle and will receive income from the brownfield site in the interim. With a growing population, longer delays in the commencement of projects, in addition to

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

a lengthy approval process, there is potential risk pockets emerge of under supply in the market in coming years.

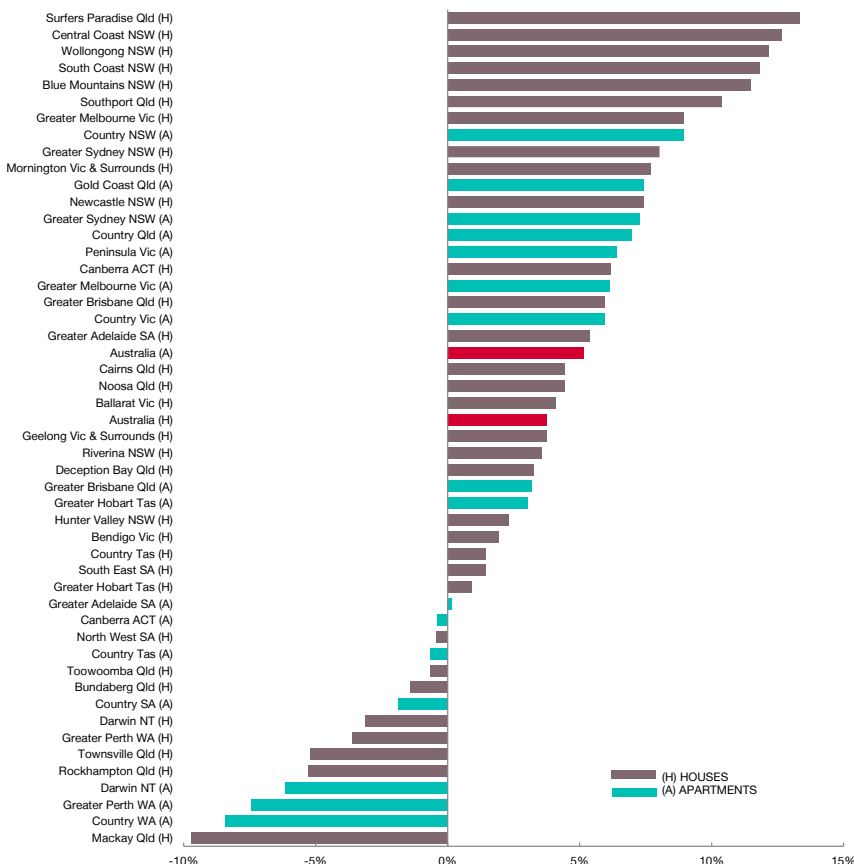
Shifting focus from heated capital growth in the capital cities, investors are now monitoring rental yield much closer than in recent years. As shown in Figure 2, Darwin apartments (at 5.85% in September 2016) still deliver the highest gross rental yield across the capital cities. The city still achieves a relatively high median apartment rent despite a slowdown in the resources sector, although capital values continue to be impacted from lower investor demand.

When comparing the capital cities to key regional centres around Australia, those in second-home (or holiday home) locations and on the periphery of the major capital cities have continued to outperform for capital growth as shown in Figure 3. In the year ending Q2 2016, houses located in Surfers Paradise saw

the greatest capital growth at 13.3% and Gold Coast apartments were ranked in 11th position with annual growth of 7.4%. This is off-the-back of increased government spending on infrastructure and amenity in the lead up to the Commonwealth Games in 2018. The region has also been a viable option for investors priced out of the Sydney and Melbourne markets, with investment stock in the market at a low 1.4% total vacancy—remaining well below market equilibrium since late 2012.

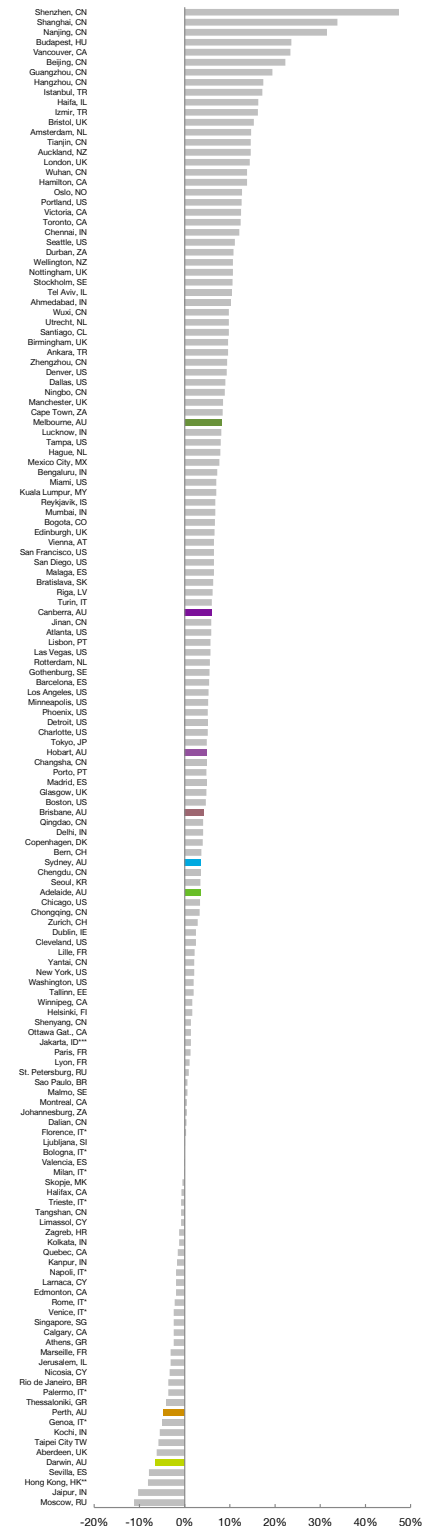
Capital growth continues to vary significantly across Australian capital cities which was also reflected in Knight Frank's Global Residential Cities Index Q2 2016 (Figure 4). At the time, Melbourne ranked the highest (8.2% annual growth), and 41st position globally. Although in September 2016, Melbourne median capital growth shifted to 6.2% for houses and 4.3% for apartments.

FIGURE 3
Capital Growth, Australian Key Regional Centres, Houses & Apartments
Ranked by annual % change, Q2 2016



Source: Knight Frank Research, Residex

FIGURE 4
Global Residential Cities Index
Q2 2016, Ranked by annual % change



*Asking prices **Provisional ***Metropolitan area

For further important notes, refer to Global Residential Cities Index Q2 2016.

Source: Knight Frank Research

SYDNEY

Gross State Product in New South Wales was recorded at \$506,918 million in the year to June 2015; 2.4% greater than the prior year.

Unemployment as at September 2016 stood at 4.1% for Greater Sydney, trending 110 bps lower than the 5.2% recorded in September 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.

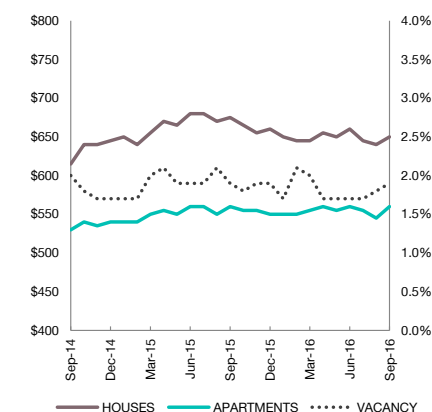
Market Trends

- The value of housing finance commitments in New South Wales in the three months to August 2016 grew by 0.3% on the previous year, to \$21.4 billion.
- Building approvals in the three months to September totalled 4,498 houses and 12,669 apartments in Greater Sydney. This is trending 3.3% lower for houses but 35.4% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 82.5% out of 530 scheduled auctions in Greater Sydney. This is higher than the week prior, at 80.4% from 946 scheduled auctions, but higher than the comparable week a year earlier, when 74.2% (out of 1,193 auctions) were sold.
- Sales transacted in the year to September tallied 48,038 houses (up

FIGURE 6

Median Rents & Total Vacancy Greater Sydney

Weekly Rents & Monthly Vacancy



Source: Knight Frank Research, Residex, REINSW

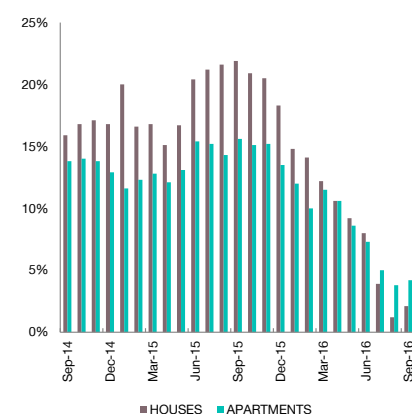
2.8% on previous year) and 46,027 apartments (down 3.0% on prior year).

- House values increased 1.9% in the month of September (rising 2.1% over the last year) to a median of \$1,069,000. Apartment values grew 2.1% over the same month (rising 4.2% over the year) to record a median of \$705,500.
- Over the year to September, rental growth fell 3.7% for houses and remained steady at 0.0% for apartments. Weekly median rents are currently achieving \$650 for houses and \$560 for apartments.
- Greater Sydney total vacancy was last recorded at 1.9% in September; with 1.8% for the inner ring (0-10km), 2.1% for the middle ring (10-25km) and 1.8% for the outer ring (25km+).
- In September, gross rental yields across Greater Sydney compressed 17 bps (to 3.19%) for houses and 16 bps (to 4.14%) for apartments compared to the previous year.

FIGURE 5

Capital Growth, Greater Sydney

12-month rolling



Source: Knight Frank Research, Residex

TABLE 1

Key Residential Indicators, September 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	1,069,000	1.9	-0.4	2.1	48,038	650	3.19
Sydney	Apartments	705,500	2.1	0.2	4.2	46,027	560	4.14

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

MELBOURNE

Gross State Product in Victoria was recorded at \$355,580 million in the year to June 2015; 2.5% greater than the prior year.

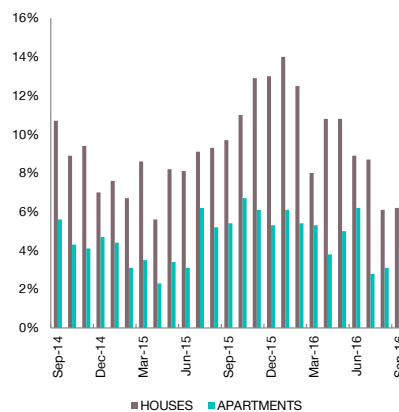
Unemployment as at September 2016 stood at 5.6% for Greater Melbourne, trending 60 bps lower than the 6.2% recorded in September 2015.

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

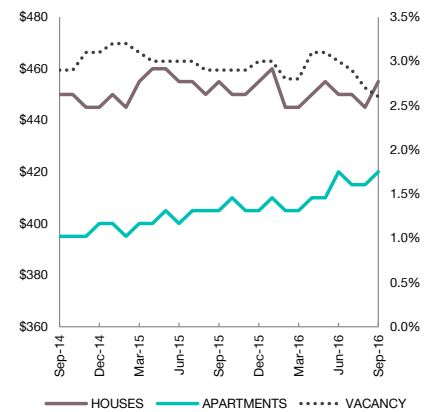
- The value of housing finance commitments in Victoria in the three months to August 2016 grew by 3.6% on the previous year, to \$16.3 billion.
- Building approvals in the three months to September totalled 7,261 houses and 8,180 apartments in Greater Melbourne. This is trending 6.8% higher for houses and 0.9% for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 87.2% out of 114 scheduled auctions in Greater Melbourne. This is higher than the week prior, at 77.2% from 1103 scheduled auctions, and higher than the comparable week the year earlier, when 73.3% (out of 1,197 scheduled auctions) were sold.
- Sales transacted in the year to September tallied 57,723 houses (up 16.0% on previous year) and 40,881 apartments (up 2.8% on the prior

FIGURE 7
Capital Growth, Greater Melbourne
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 8
Median Rents & Total Vacancy
Greater Melbourne
Weekly Rents & Monthly Vacancy



Source: Knight Frank Research, Residex, REIV

- year).
- House values increased 2.7% in the month of September (growth of 6.2% over the last year) to a median of \$762,500, while apartment values rose 2.0% over the month (growth of 4.3% over the year) to record a median of \$510,500.
- Over the year to September, rental growth remained steady for houses but rose 3.7% for apartments. Weekly median rents are currently achieving \$455 for houses and \$420 for apartments.
- Six-month average total vacancy trend was recorded at 2.5% in September 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 September, gross rental yields across Greater Melbourne compressed 19 bps (to 3.11%) for houses and 5 bps (to 4.29%) for apartments compared to prior year.

TABLE 2
Key Residential Indicators, September 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	762,500	2.7	2.6	6.2	57,723	455	3.11
Melbourne	Apartments	510,500	2.0	0.8	4.3	40,881	420	4.29

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

BRISBANE

Gross State Product in Queensland was recorded at \$300,270 million in the year to June 2015; 0.5% greater than the prior year.

Unemployment as at September 2016 stood at 5.6% for Greater Brisbane, trending 20 bps higher than the 5.4% recorded in September 2015.

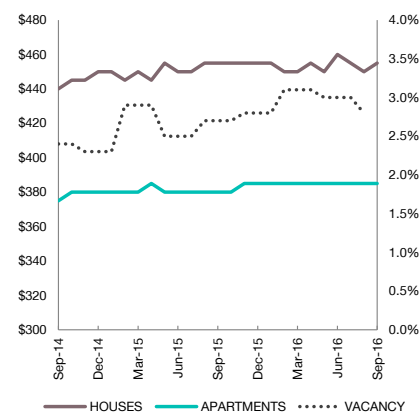
Population in Greater Brisbane was estimated at 2.3 million persons in 2015. Greater Brisbane experienced **population growth** of 1.6% in the year to June 2015.

Market Trends

- The value of housing finance commitments in Queensland in the three months to August 2016 grew by 6.7% on the previous year, to \$10.4 billion.
- Building approvals in the three months to September totalled 3,040 houses and 4,552 apartments in Greater Brisbane. This is trending 4.6% lower for houses but 7.6% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 47.9% out of 253 scheduled auctions in Greater Brisbane. This is lower than the week prior, at 49.6% from 144 scheduled auctions, and lower than the comparable week the year earlier, when 58.9% (out of 199 scheduled auctions) were sold.
- Sales transacted in the year to September tallied 44,199 houses (up

FIGURE 10

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



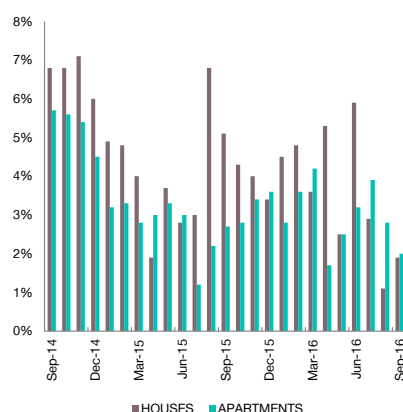
Source: Knight Frank Research, Residex, REIQ

7.4% on previous year) and 21,211 apartments (up 5.6% on prior year).

- House values rose 0.5% in the month of September (with growth of 1.9% over the last year) to a median of \$505,000 while apartment values remained steady over the month (with growth of 2.0% over the year) to record a median of \$387,500.
- Over the year to September, rental growth was 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 2.8% in June for Greater Brisbane; with 3.4% for the inner ring (0-5km), 2.3% for the middle ring (5-20km) and 2.0% for the outer ring (25km+).
- In September, gross rental yields across Greater Brisbane compressed 10 bps (to 4.69%) for houses and 4 bps (to 5.19%) for apartments compared to the previous year.

FIGURE 9

Capital Growth, Greater Brisbane 12-month rolling



Source: Knight Frank Research, Residex

TABLE 3

Key Residential Indicators, September 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	505,000	0.5	-0.8	1.9	44,199	455	4.69
Brisbane	Apartments	387,500	0.0	0.3	2.0	21,211	385	5.19

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

PERTH

Gross State Product in Western Australia was recorded at \$276,312 million in the year to June 2015; 3.5% greater than the prior year.

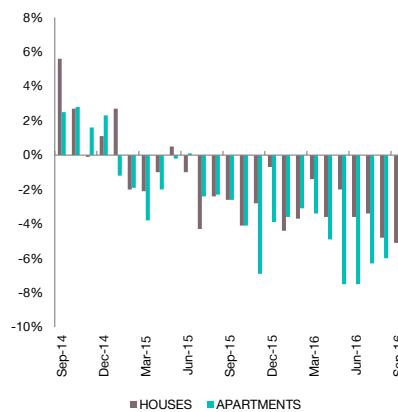
Unemployment as at September 2016 stood at 6.4% for Greater Perth, the same as recorded in September 2015.

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

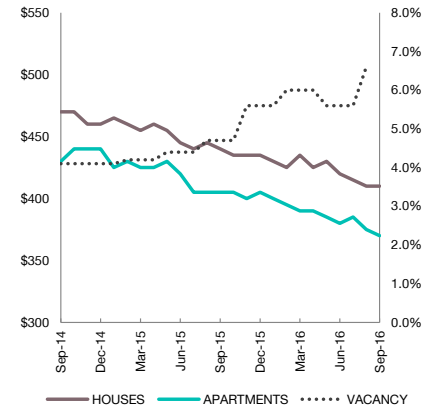
- The value of housing finance commitments in Western Australia in the three months to August 2016 fell by 10.0% on the previous year, to \$6.2 billion.
- Building approvals in the three months to September totalled 3,501 houses and 1,390 apartments in Greater Perth. This is trending 23.5% lower for houses and 31.8% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 33.0% out of 11 scheduled auctions in Greater Perth. This is higher than the week prior, at 29.5% from 50 scheduled auctions, but lower than the comparable week the year earlier, when 36.4% were sold.
- Sales transacted in the year to September tallied 22,547 houses

FIGURE 11
Capital Growth, Greater Perth
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 12
Median Rents & Total Vacancy Greater Perth
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIWA

(down 8.8% on previous year) and 9,953 apartments (down 9.1% on prior year).

- House values were recorded at a median of \$497,500, increasing 0.4% in the month of September but decreasing 5.1% over the last year. Apartment values fell 0.2% over the month, down 7.7% over the year, to record a median of \$417,000.
- Over the year to September, rental growth was down 6.8% for houses and 8.6% for apartments. Weekly median rents are currently \$410 for houses and \$370 for apartments.
- Across the Greater Perth area, total vacancy was recorded at 6.6% in June; up from six months earlier.
- In September, gross rental yields across Greater Perth compressed 8 bps (to 4.31%) for houses down 5 bps (to 4.63%) for apartments compared to the previous year.

TABLE 4
Key Residential Indicators, September 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	497,500	0.4	-1.8	-5.1	22,547	410	4.31
Perth	Apartments	417,000	-0.2	-2.6	-7.7	9,953	370	4.63

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

ADELAIDE

Gross State Product in South Australia was recorded at \$98,539 million in the year to June 2015; 1.6% greater than the prior year.

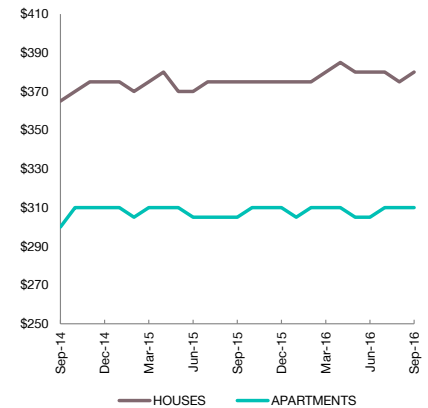
Unemployment as at September 2016 stood at 7.8% for Greater Adelaide, trending 80 bps lower than the 8.6% recorded in September 2015.

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

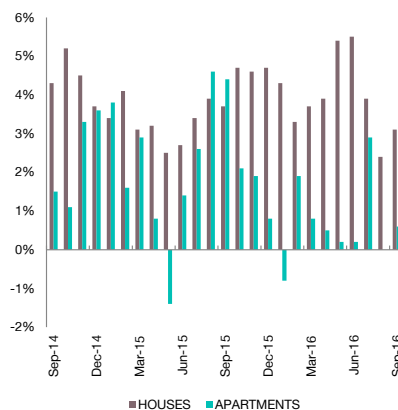
- The value of housing finance commitments in South Australia in the three months to August 2016 grew by 13.0% on the previous year, to \$3.3 billion.
- Building approvals in the three months to September totalled 1,574 houses and 690 apartments approved in Greater Adelaide. This is trending 1.9% higher for houses but 18.1% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 75.7% out of 45 scheduled auctions in Greater Adelaide. This is lower than the week prior, at 78.2% from 131 scheduled auctions, and higher than the comparable week the year earlier, when 68.8% (out of 127 scheduled auctions) were sold.

FIGURE 14
Median Rents, Greater Adelaide
Weekly Rents



Source: Knight Frank Research, Residex

FIGURE 13
Capital Growth, Greater Adelaide
12-month rolling



Source: Knight Frank Research, Residex

- Sales transacted in the year to September tallied 22,087 houses (up 12.2% on previous year) and 5,550 apartments (up 4.4% on prior year).
- House values were up 0.8% in the month of September (rising by 3.1% over the last year) to a median of \$443,000. Apartments rose 0.3% over the month to record a median of \$320,500 (rising 0.6% over the past year).
- Over the year to September, rental growth rose for houses (up 1.3%) and (1.6%) for apartments. Weekly median rents are currently achieving \$380 for houses and \$310 for apartments.
- In September, gross rental yields across Greater Adelaide compressed 9 bps (to 4.47%) for houses but remained steady with (to 5.04%) for apartments compared to the previous year.

TABLE 5
Key Residential Indicators, September 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	443,000	0.8	0.1	3.1	22,087	380	4.47
Adelaide	Apartments	320,500	0.3	1.3	0.6	5,550	310	5.04

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

CANBERRA

Gross State Product in the ACT was recorded at \$34,866 million in the year to June 2015; 1.4% greater than the prior year.

Unemployment as at September 2016 stood at 2.9% for the ACT, trending 110 bps lower than the 4.0% recorded in September 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.

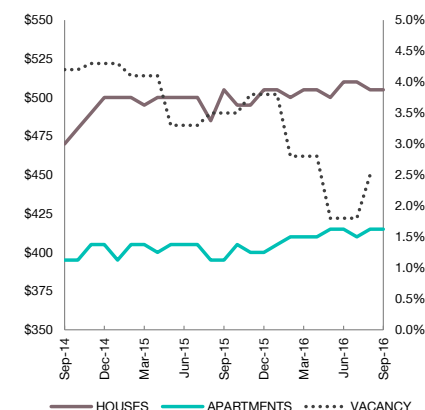
Market Trends

- The value of housing finance commitments in the Australian Capital Territory in the three months to August 2016 grew by 5.0% on the previous year, to \$16.4 billion.
- Building approvals in the three months to September totalled 396 houses and 1570 apartments in the ACT. This is trending 44.5% higher for houses and 50.2% higher for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 66.7% out of 49 scheduled auctions in Canberra. This is lower than the week prior, at 68.4% from 90 scheduled auctions, and lower than the comparable week the year earlier, when 50.0% were sold.
- Sales transacted in the year to September tallied 4,939 houses (up

FIGURE 16

Median Rents & Total Vacancy Canberra

Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

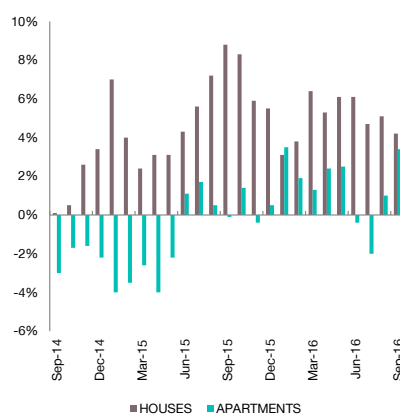
15.3% on previous year) and 3,065 apartments (down 10.8% on prior year).

- House values rose 0.9% in the month of September (with growth of 4.2% over the last year) to a median of \$592,000. Apartment values rose 0.5% over the month (up 3.4% over the year) to record a median of \$411,500.
- Over the year to September, rental growth remained steady at 0.0% for houses but rose 5.1% for apartments. Weekly median rents are currently achieving \$505 for houses and \$415 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 September, gross rental yields across Canberra compressed 16 bps (to 4.47%) for houses and grew by 12 bps (to 5.29%) for apartments compared to the previous year.

FIGURE 15

Capital Growth, Canberra

12-month rolling



Source: Knight Frank Research, Residex

TABLE 6

Key Residential Indicators, September 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	592,000	0.9	0.7	4.2	4,939	505	4.47
Canberra	Apartments	411,500	0.5	1.1	3.4	3,065	415	5.29

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

HOBART

Gross State Product in Tasmania was recorded at \$25,419 million in the year to June 2015; 1.6% greater than the prior year.

Unemployment as at September 2016 stood at 6.8% for Greater Hobart, trending 90 bps higher than the 5.9% recorded in September 2015.

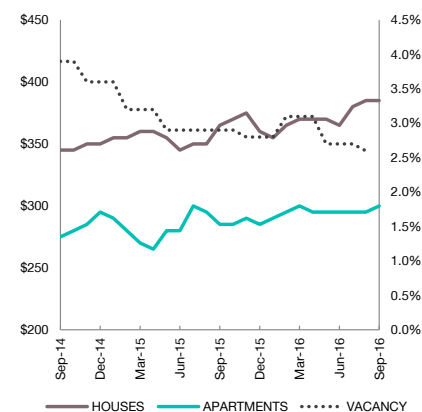
Population in Greater Hobart was estimated at 221,000 persons in 2015. Greater Hobart experienced **population growth** of 0.8% in the year to June 2015.

Market Trends

- The value of housing finance commitments in Tasmania in the three months to August 2016 grew by 16.7% on the previous year, to \$701.7 million.
- Building approvals in the three months to September totalled 202 houses and 6 apartments in Greater Hobart. This is trending 2.0% higher for houses but 92.1% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 25.0% out of 5 scheduled auctions in Greater Hobart. This was lower than the previous week when 45.5% of 16 scheduled auctions were sold.
- Sales transacted in the year to September tallied 2,741 houses (down 3.6% on previous year) and 894 apartments (down 7.5% on prior year).

FIGURE 18

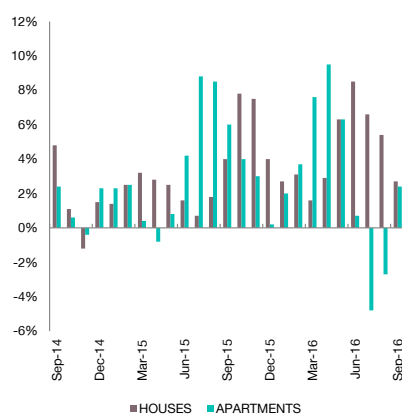
Median Rents & Total Vacancy Greater Hobart Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

FIGURE 17

Capital Growth, Greater Hobart 12-month rolling



Source: Knight Frank Research, Residex

- House values fell 0.6% in the month of September (rising 2.7% over the last year) to a median of \$385,000. Apartments rose 2.9% over the month (up 2.4% over the year) to record a median of \$282,000.
- Over the year to September, rental growth rose 5.5% 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 September, gross rental yields across Greater Hobart increased 15 bps for houses (to 5.20%) and rose 16 bps for apartments (to 5.55%) compared to the previous year.

TABLE 7

Key Residential Indicators, September 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	385,000	-0.6	-1.4	2.7	2,741	385	5.20
Hobart	Apartments	282,000	2.9	2.9	2.4	894	300	5.55

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

DARWIN

Gross State Product in the Northern Territory was recorded at \$22,450 million in the year to June 2015; 10.5% greater than the prior year.

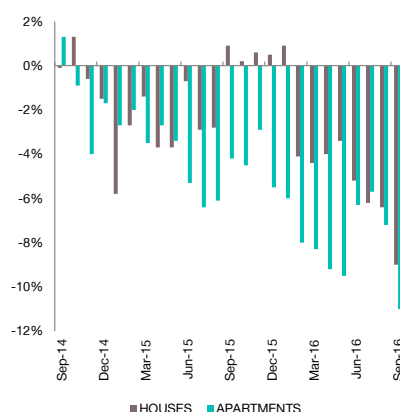
Unemployment stood at 3.1% in Greater Darwin as at September 2016, trending 170 bps lower than the 4.8% recorded in September 2015.

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

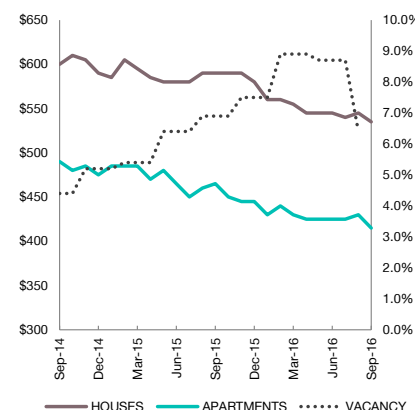
- The value of housing finance commitments in the Northern Territory in the three months to August 2016 fell by 13.0% on the previous year, to \$299.2 million.
- Building approvals in the three months to September totalled 197 houses and 30 apartments in Greater Darwin. This is trending 10.5% lower for houses and 75.2% lower for apartment approvals compared to the same period in 2015.
- The preliminary auction clearance rate for the week ending 2 October was 23.0% out of 14 scheduled auctions in Greater Darwin. This was lower than the previous week when 25% of 10 scheduled auctions were sold.
- Sales transacted in the year to September tallied 1,096 houses (down 8.7% on previous year) and 514 apartments (up 1.0% on prior year).

FIGURE 19
Capital Growth, Greater Darwin
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 20
Median Rents & Total Vacancy
Greater Darwin
Weekly Rents & Quarterly Vacancy



Source: Knight Frank Research, Residex, REIA

- House values fell 0.9% in the month of September (down 9.0% over the last year) to a median of \$526,500. Apartments fell 2.1% over the month and (down 11.0% over the year) to record a median of \$369,500.
- Over the year to September, rental growth was down 9.3% for houses and 10.8% for apartments. Weekly median rents are currently achieving \$535 for houses and \$415 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 September, gross rental yields across Greater Darwin compressed 2 bps (to 5.30%) for houses and 2 bp (to 5.85%) for apartments compare to previous year.

TABLE 8
Key Residential Indicators, September 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	526,500	-0.9	-1.3	-9.0	1,096	535	5.30
Darwin	Apartments	369,500	-2.1	-3.1	-11.0	514	415	5.85

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



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