

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



# Australian Residential Review

Q1 2023

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# KEY TAKEAWAYS

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

## People

Now the international borders have reopened, Australia's population continues to rise across the country. The federal government continues to encourage the migration of skilled workers and international students.

## Lending environment

Every month the Reserve Bank of Australia have met since May 2022, a cash rate increase has been announced with mortgage rate rises following. As a result, new household loan commitments continue to trend downwards due to the lowered borrowing capacity and falling housing market sentiment.

## Economy

The Australian economy remains relatively solid despite ongoing global uncertainty, with close to full employment continuing to take place.

## Pipeline

Developers and private owners submitting proposed new dwellings to council for building approval remains lower than past years.

Given the current undersupply of rental homes, this will have long-term repercussions in the market now residential rental vacancy is at 1.7% and trending significantly below equilibrium of 3%. This resulted in 14% rental growth throughout 2022, to average \$525 rent per week in Australia. The strongest growth was in greater city apartments (18%) and houses (13%), whilst regional homes grew by 11%.

## Sales performance

Australia's mainstream residential sales volume was down 22% across 2022. This was influenced by apartments (-24%) and houses (-22%)

across the capital cities, followed by houses in regional areas (-13%). The time taken to sell a home in Australia has increased 4 days to average 68 days on the market. It now takes 78 days to sell an apartment on average, while houses in regional areas take 65 days, and houses in cities, 64 days.

## Price performance

Residential values across Australia fell 4.9% in the year to December 2022, decreasing 0.7% in the last quarter to stand at a median value of \$897,500.

Over the past year in the cities, values were lower—by 5.0% for houses, and 4.3% for apartments. Although by comparison, houses in regional areas of the country saw values up 13.1%.

The forecast change for Australian values is -7% by the end of 2023, before growth of 4% in 2024 and 6% in 2025.



**Key Drivers**

Australia's total population grew by 0.2% to 25.7 million persons in the year to June 2021. Over this time, the major cities of Australia saw annual population change of -0.1%, while inner regional areas of Australia saw population change of 1.1% and outer regional areas of 0.2% (ABS). The projected population growth to 2041, is higher, at 1.4% per annum (ABS).

Australia's economy grew by an estimated 2.7% in December 2022, with a forecast of 1.9% in 2023. Whilst unemployment was recorded at 3.3% and is forecast to reach 4.0% over the same time (Oxford Economics).

The official cash rate on 7 March 2023 had been raised 50 bps over the past three months, to a target of 3.60% by

the Reserve Bank of Australia. The Oxford Economics forecast for the official cash rate is to be reduced towards a target of 3.53% by the end of 2023.

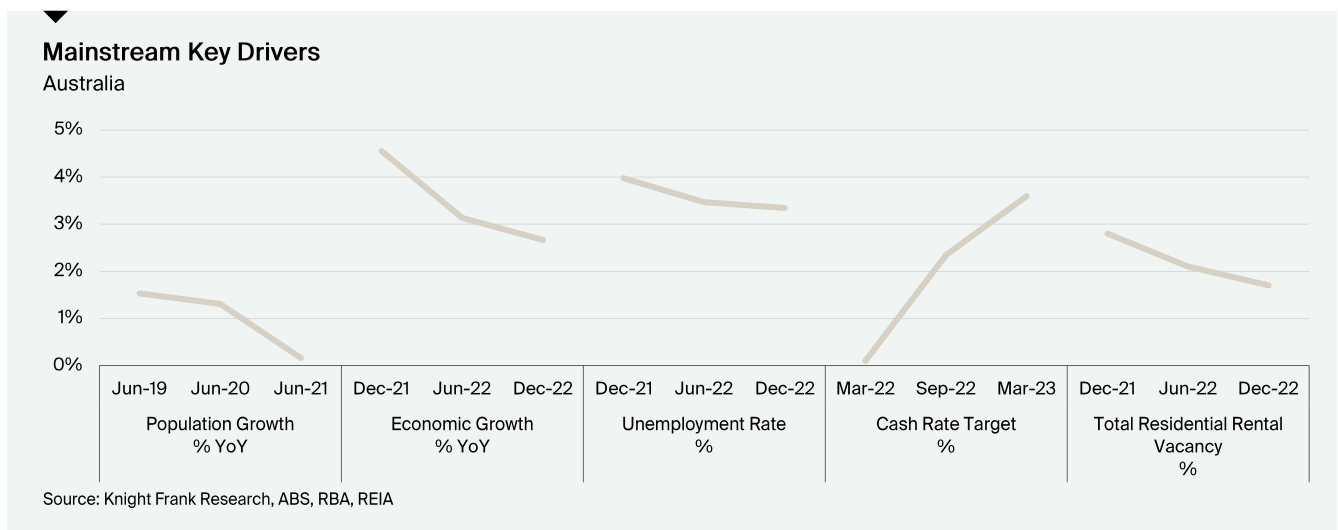
In the December 2022 quarter, average mortgage lending rates to owner occupiers increased by 19 bps to 6.24% for a 3-year fixed term loan, and rose by 75 bps to 7.52% for a standard variable loan. For investors, a 3-year fixed term increased by 32 bps to 6.33%, and a standard variable loan rose by 75 bps to 8.10% (RBA).

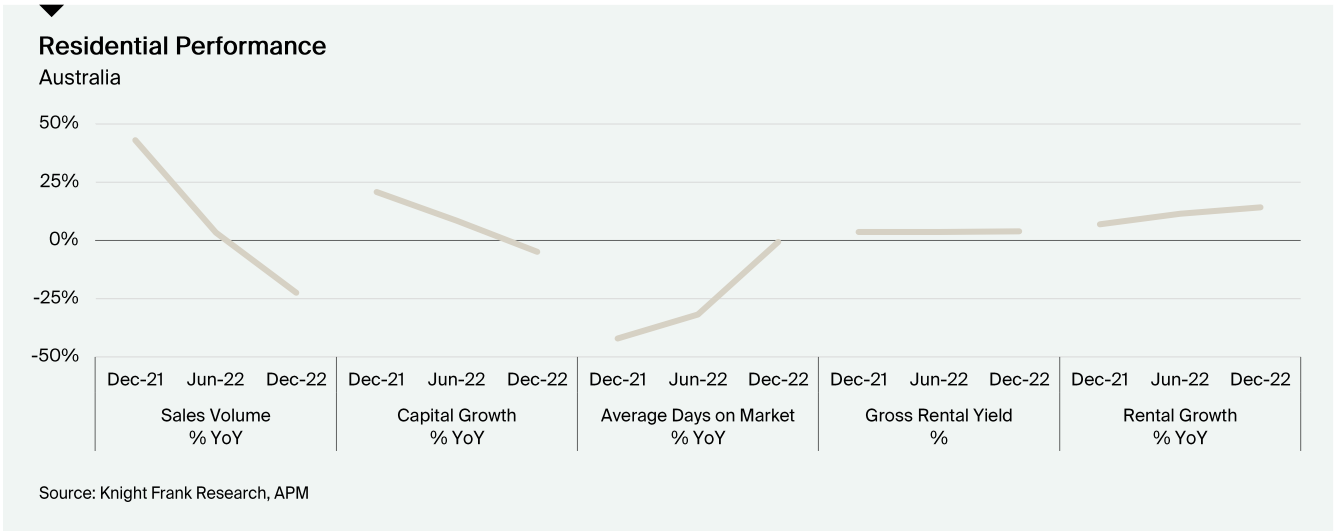
New household loan commitments across Australia were down by 10.6% in the December 2022 quarter, higher than the -11.7% change recorded in the previous quarter (ABS). The number of lending commitments to owner

occupier first home buyers in Australia fell by 8.3% in December 2022, compared to -0.5% a year earlier. This first home buyer group represented 18.8% of all Australian owner occupier loans in December 2022 (ABS).

Building approvals in the December 2022 quarter fell by 7.8% across Australia, compared to a rise of 2.4% a quarter ago. In this time, 27,594 houses and 18,172 apartments were approved. This was trending 10.5% lower for houses and 3.3% lower for apartments approvals compared to the quarter earlier (ABS).

The weighted average total residential rental vacancy for Australian capital cities was recorded at 1.7% in December 2022, remaining steady over the past quarter (REIA).





### Performance and Outlook for the Australian Residential Market

Across Australia, mainstream sales volume trended down 17.2% in the December 2022 quarter to total 101,253 residential homes (houses and apartments), as annual sales volume recorded -22.5% (APM).

The average days on market for an Australian home was 68 days in the December 2022 quarter. This was 64 days one quarter ago.

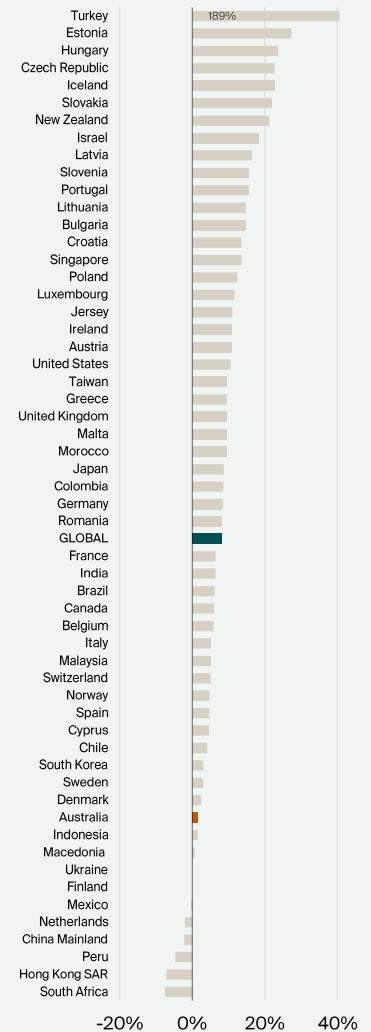
Residential property values across Australia fell 4.9% in the year to December 2022, decreasing 0.7% in the last quarter to stand at a median value of \$897,500.

Australia ranked 47 from 56 countries and territories in the Knight Frank Global House Price Index Q3 2022. This performance saw Australia trend below the global average of 8.0% over the same time.

Across the Australian cities, Adelaide residential prices performed the strongest in this time with 21.3% annual growth, ranking 8 from 150 global cities in the Knight Frank Global Residential Cities Index Q3 2022. Brisbane in position 30 and Hobart in position 59 ranked next best, with annual growth of 12.9% and 7.9%, respectively. Overall, Australia had representation of two capital cities in the top 50 cities.

### Price Performance

% annual growth, Sep-22



Source: Knight Frank Research

AUSTRALIAN CITIES MAINSTREAM RESIDENTIAL PRICE PERFORMANCE	GLOBAL RANK Sep-22 (Rank one year ago)	ANNUAL GROWTH RATE Sep-22 (Rate one year ago)
ADELAIDE	8 (33)	21.3% (17.3%)
BRISBANE	30 (50)	12.9% (12.5%)
HOBART	59 (7)	7.9% (30.9%)
PERTH	77 (78)	6.3% (8.4%)
CANBERRA	104 (16)	4.0% (24.3%)
MELBOURNE	139 (43)	-2.1% (14.4%)
DARWIN	142 (9)	-3.1% (30.4%)
SYDNEY	143 (18)	-3.6% (23.7%)
AUSTRALIA	47 (5)	1.5% (18.9%)

Source: Knight Frank Research, Global House Price Index (56 markets), Global Residential Cities Index (150 cities)

MAJOR CITIES RESIDENTIAL Dec-22	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
POPULATION GROWTH   YoY ^	-0.1%	-1.2%	0.8%	1.3%	0.8%	0.1%	-0.2%	0.1%	-0.2%	0.2%
ECONOMIC GROWTH   YoY *	4.4%	4.8%	6.2%	6.2%	5.4%	7.6%	7.2%	4.7%	2.7%	2.7%
UNEMPLOYMENT RATE	3.2%	3.8%	3.7%	4.0%	3.3%	3.4%	4.6%	2.7% *	3.8% *	3.3%
NEW LOAN COMMITMENTS   YoY *	-10%	-5%	-3%	-3%	-4%	0%	-5%	-9%	-6%	-6%
FIRST HOME BUYERS   O/O share *	17%	21%	18%	18%	22%	15%	18%	19%	17%	19%
BUILDING APPROVALS   YoY	-17%	-9%	-24%	-4%	-38%	-13%	-25%	-5%	-6%	-17%
SALES VOLUME   Annual	81,564	84,172	57,031	16,973	49,080	27,740	3,846	10,648	2,180	500,283
SALES VOLUME   YoY	-31%	-22%	-25%	-29%	-8%	-4%	-20%	-27%	9%	-22%
AVE. DAYS ON MARKET	66	64	51	57	61	67	55	51	119	68
AUCTION CLEARANCE RATE ^	57.6%	57.8%	34.0%	-	38.9%	65.3%	0.0% *	50.7%	-	55.8%
MEDIAN VALUE	\$1,122,000	\$882,500	\$708,000	\$793,500	\$594,500	\$694,500	\$709,500	\$902,000	\$553,500	\$897,500
CAPITAL GROWTH   YoY	-9.7%	-5.6%	-0.4%	10.9%	4.7%	10.8%	-0.4%	-5.5%	1.2%	-4.9%
CAPITAL GROWTH   2023 Forecast	-7%	-7%	-8%	-6%	-5%	-4%	-6%	-6%	-6%	-7%
CAPITAL GROWTH   2024 Forecast	4%	3%	3%	4%	4%	2%	3%	3%	3%	3%
CAPITAL GROWTH   2025 Forecast	6%	5%	5%	6%	6%	4%	5%	5%	5%	5%
GROSS RENTAL YIELD	3.43%	3.48%	4.37%	4.75%	5.52%	4.40%	4.09%	4.15%	6.27%	3.88%
MEDIAN WEEKLY RENT	\$615	\$470	\$530	\$690	\$510	\$475	\$540	\$640	\$585	\$525
RENTAL GROWTH   YoY	11.8%	10.6%	14.0%	17.9%	14.6%	10.5%	10.2%	3.2%	5.4%	14.1%
TOTAL RENTAL VACANCY RATE	1.7%	2.8%	0.9%	0.7%	0.6%	0.5%	0.9%	1.5%	2.7%	1.7%

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

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

With every monthly mortgage rate increase since May 2022, sentiment has weakened given the lower borrowing power and as a result, residential values have contracted.

Knight Frank Research forecasts Australian mainstream residential values to decline by a further 7% by the end of 2023. The less impacted cities for price contraction are expected to be in smaller cities like Adelaide and Perth

with better relative value and rental for investors.

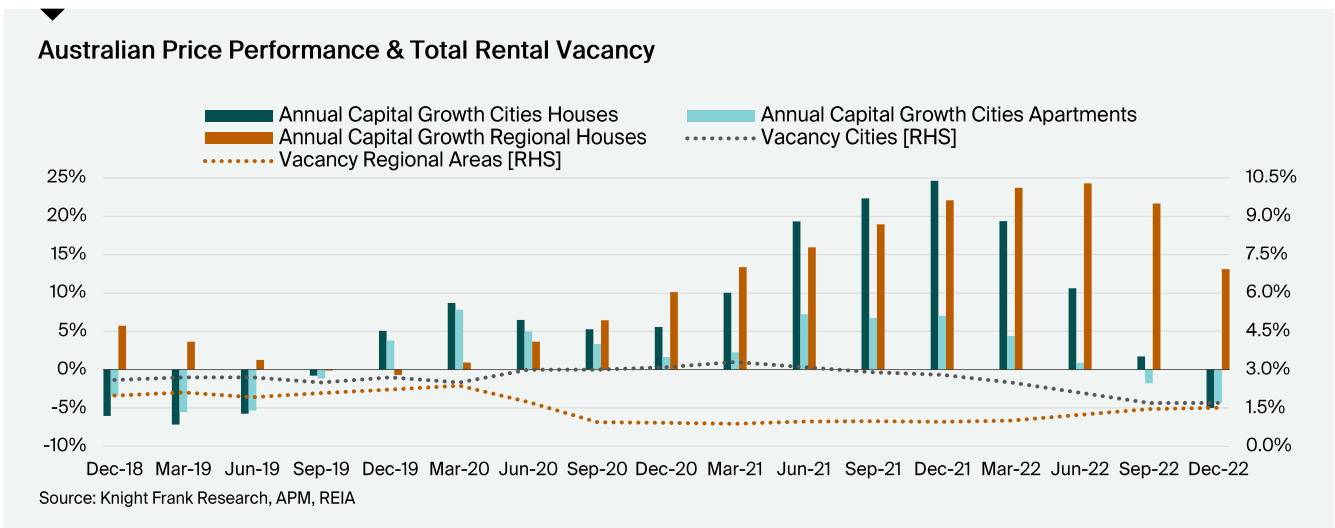
The underlying factors driving this demand will continue to come from returning overseas migration and the ongoing chronic undersupply of rental homes being advertised and being built.

Although by the end of 2024, capital values are expected to record growth of

3% across Australia and 5% in 2025.

From an investment perspective, gross rental yields rose 15 bps in the fourth quarter of 2022, as Australian residential property averaged 3.88%.

Across Australia, residential rents increased by 2.9% in the December 2022 quarter, rising 14.1% annually, to stand at \$525 per week. This is being influenced by the 1.7% rental vacancy.



# APARTMENTS AUSTRALIAN CITIES



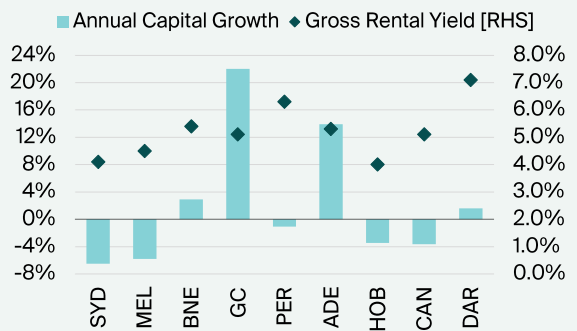
## Performance of Apartments in Australian Major Cities

Across Australian major cities, sales volume trended down 21.5% in the December 2022 quarter to count 24,620 apartments, whilst annual sales volume is 24.4% lower than a year ago. The average days on market for an Australian apartment was 78 days in the December 2022 quarter. This was 73 days one quarter ago.

Median apartment values fell 4.3% in the year to December 2022, while falling 0.7% in the last quarter to stand at \$597,000. In the fourth quarter of 2022, gross rental yields rose 25 bps with Australian apartments averaging 4.47%. Australian median apartment rents increased by 3.1% in the December 2022 quarter, rising 17.9% annually, to \$495 per week (APM).

## Australian Apartment Price & Rental Yield Performance

%, Major Cities, Dec-22



Source: Knight Frank Research, APM

MAJOR CITIES APARTMENTS Dec-22	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME   Annual	34,404	23,967	18,146	7,797	5,509	5,463	595	5,521	1,112	127,276
SALES VOLUME   YoY	-31%	-18%	-21%	-31%	1%	-4%	-18%	-32%	15%	-24%
Ave. Days On Market	80	88	55	59	87	77	63	55	145	78
MEDIAN VALUE	\$748,500	\$561,500	\$444,500	\$610,000	\$367,000	\$422,000	\$543,000	\$568,000	\$386,500	\$597,000
CAPITAL GROWTH   YoY	-6.5%	-5.8%	2.9%	22.0%	-1.1%	13.9%	-3.5%	-3.6%	1.6%	-4.3%
GROSS RENTAL YIELD	4.10%	4.50%	5.40%	5.10%	6.30%	5.30%	4.00%	5.10%	7.10%	4.47%
MEDIAN WEEKLY RENT	\$575	\$450	\$480	\$610	\$430	\$400	\$465	\$560	\$520	\$495
RENTAL GROWTH   YoY	17.3%	20.0%	14.3%	22.0%	10.3%	11.1%	8.1%	5.7%	8.3%	17.9%

Source: Knight Frank Research, APM

# HOUSES AUSTRALIAN CITIES



## Performance of Houses in Australian Major Cities

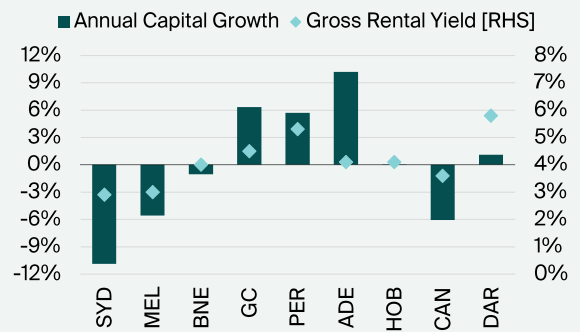
Sales volume across Australian major cities trended down 15.8% in the December 2022 quarter to total 76,633 houses, whilst annual sales volume was 21.8% below a year ago. The average days on market for an Australian house was 64 days in the December 2022 quarter. This was 61 days one quarter ago.

Across Australian major cities, median house values fell 5.0% in the year to December 2022, and fell by 0.7% over the last quarter to \$1,009,000.

Gross rental yields rose 11 bps with Australian houses across the major cities averaging 3.67%. Median apartment rents increased 2.9% in the December 2022 quarter, up 12.6% annually, to stand at \$535 per week (APM).

## Australian House Price & Rental Yield Performance

%, Major Cities, Dec-22



Source: Knight Frank Research, APM

MAJOR CITIES HOUSES Dec-22	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME   Annual	47,160	60,205	38,885	9,176	43,571	22,277	3,251	5,127	1,068	373,007
SALES VOLUME   YoY	-31%	-23%	-27%	-28%	-9%	-4%	-20%	-20%	3%	-22%
AVE. DAYS ON MARKET	55	53	50	55	54	64	54	48	105	64
MEDIAN VALUE	\$1,413,500	\$1,033,000	\$801,500	\$925,000	\$658,500	\$783,500	\$737,500	\$1,095,500	\$647,000	\$1,009,000
CAPITAL GROWTH   YoY	-10.9%	-5.6%	-1.0%	6.3%	5.7%	10.2%	0.1%	-6.0%	1.1%	-5.0%
GROSS RENTAL YIELD	2.90%	3.00%	4.00%	4.50%	5.30%	4.10%	4.10%	3.60%	5.80%	3.67%
MEDIAN WEEKLY RENT	\$650	\$480	\$550	\$750	\$530	\$500	\$550	\$690	\$520	\$535
RENTAL GROWTH   YoY	8.3%	7.9%	14.6%	15.4%	15.2%	11.1%	10.0%	2.2%	3.3%	12.6%

Source: Knight Frank Research, APM

# HOUSES REGIONAL AUSTRALIA



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



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



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



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



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



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

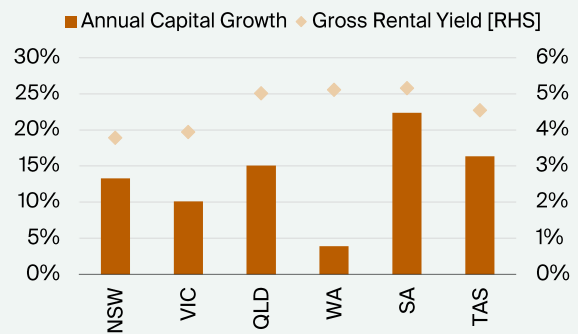
## Performance of Houses in Regional Australia

In the year to December 2022, the volume of house sales across regional Australia was 123,458, trending 13.2% lower than a year ago. The average days on market for a regional house in Australia was 65 days in the December 2022 quarter. This was 64 days one quarter ago. Values for Australian regional houses rose 13.1% in the year to December 2022, falling 0.4% in the last quarter to \$738,000.

In the fourth quarter of 2022, gross rental yields were stable with regional houses averaging 4.35%. Across regional Australia, house rents grew by 3.0% in the December 2022 quarter, rising 10.9% over the past year to stand at \$510 per week. The residential rental vacancy for regional Australia was recorded at 1.5% in December 2022, rising 4 bps in Q4.

## Australian House Price & Rental Yield Performance

%, Regional Areas, Dec-22



Source: Knight Frank Research

REGIONAL HOUSES Dec-22	NSW	VIC	QLD	WA	SA	TAS	AUS	AUSTRALIA RESIDENTIAL Dec-22
SALES VOLUME   Annual	32,428	22,079	59,423	4,742	3,132	1,654	123,458	500,283
SALES VOLUME   YoY	-21%	-19%	-8%	-1%	9%	-11%	-13%	-22%
AVE. DAYS ON MARKET	56	53	81	71	104	38	65	68
MEDIAN VALUE	\$908,000	\$692,000	\$657,000	\$497,000	\$517,000	\$537,500	\$738,000	\$897,500
CAPITAL GROWTH   YoY	13.3%	10.1%	15.1%	3.9%	22.4%	16.3%	13.1%	-4.9%
GROSS RENTAL YIELD	3.79%	3.94%	5.02%	5.11%	5.16%	4.55%	4.35%	3.88%
MEDIAN WEEKLY RENT	\$570	\$450	\$510	\$410	\$460	\$425	\$510	\$525
RENTAL GROWTH   YoY	8.6%	8.4%	15.9%	17.1%	8.2%	10.4%	10.9%	14.1%

Source: Knight Frank Research



# GREATER SYDNEY

## Greater Sydney Key Drivers

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

New South Wales (NSW) economic growth was estimated at 2.0% in 2022, with a forecast of 0.9% in 2023 (Oxford Economics). Greater Sydney unemployment stood at 3.2% as at December 2022, trending 7 bps lower than the quarter earlier (ABS).

New household loan commitments in NSW were down by 11.4% in the December 2022 quarter, higher than the -13.0% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in NSW fell by 3.8% in December 2022, compared to falling by 4.4% a year earlier. This first home buyer group represented 16.7% of all NSW owner occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 3,651 houses and 4,848 apartments in Greater Sydney. This was trending down 11.7% for houses and was 29.0% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.7% in Greater Sydney at the end of December 2022, recording 2.5% in the Inner Suburbs (0-10km from the CBD), 1.0% in the Middle Suburbs (10-25km) and 1.5% in the Outer Suburbs (25km+) (REINSW).

The auction clearance rate for the week ending 12 March 2023 was 69.3% from 659 scheduled auctions. This was higher than the prior week sold, at 68.7% (from 782 auctions held). By comparison, the similar week last year was 67.1% (out of 1,008 auctions) sold (CoreLogic).

## Greater Sydney Houses

Sales volume trended down 8.7% in the December 2022 quarter to 10,496 houses, while annual sales volume was 30.6% lower than a year ago. The average days on market for a house stood at 55 days in the December 2022 quarter. One quarter ago, this was 47 days. Over the year ending December 2022, capital values decreased 10.9% for houses, and fell 2.1% in the past quarter to a median value of \$1,413,500.

Gross rental yields for houses increased by 20 bps, to 2.90%, in Q4 2022. Rents

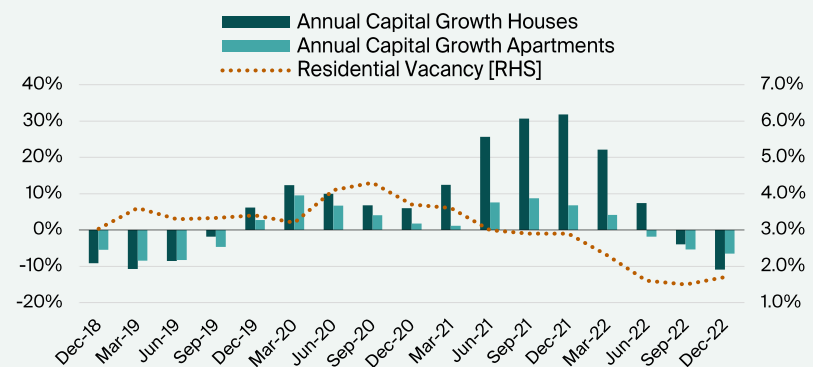
were stable for houses in the quarter to December 2022, but were up 8.3% over the past year, to stand at a weekly median rent of \$650 (APM).

## Greater Sydney Apartments

In the December 2022 quarter, sales volume trended down by 18.1% to 6,936 apartments, while annual sales volume trended 30.9% lower. Average days on market for an apartment was 80 days in the December 2022 quarter. This was 69 days one quarter ago. Capital values for apartments fell by 6.5% over the year to December 2022, falling by 1.2% in the last quarter to a median value of \$748,500.

Gross rental yields for apartments trended up 30 bps, to 4.10%, over the December 2022 quarter. Rents increased 4.5% for apartments over the quarter to December 2022, and rose 17.3% over the past year with a median rent of \$575 per week (APM).

## Greater Sydney Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# REGIONAL NEW SOUTH WALES

## Regional New South Wales Key Drivers

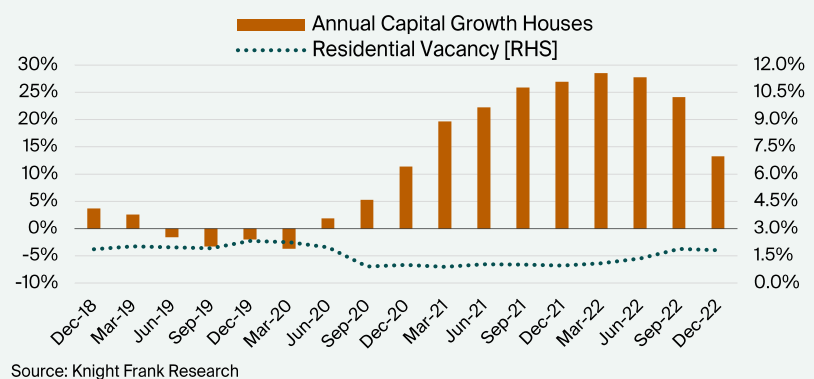
Regional New South Wales (NSW) population was estimated at 2.8 million persons in 2021, with annual population change of 1.0%. The projected population growth to 2041, is lower, at 0.6% per annum (ABS). The inner regional areas of NSW saw annual population change of 1.1% in 2021, while outer regional NSW recorded 0.3%.

Economic growth in NSW was estimated at 2.0% in 2022, with a forecast of 0.9% in 2023 (Oxford Economics). Regional NSW unemployment stood at 2.7% in December 2022, trending 57 bps below the quarter earlier (ABS).

New household loan commitments in NSW decreased 11.4% in the December 2022 quarter, higher than the -13.0% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in NSW were down by 3.8% in December 2022, compared to falling 4.4% a year earlier. First home buyers represented 16.7% of all NSW owner occupier loans in December 2022 (ABS).

## Regional New South Wales Price Performance & Total Rental Vacancy



Building approvals in the quarter to December 2022 totalled 12,472 residential dwellings in NSW. This was trending lower by 19.6% for dwelling approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.8% in Regional NSW at the end of December 2022, recording vacancy at 1.9% last quarter, and 1.0% one year ago (Knight Frank Research).

### Regional New South Wales Houses

Sales volume trended down 20.9% in the year ending December 2022, with 32,428 houses. The average days on

market for a house was 56 days in the December 2022 quarter. This was 48 days one quarter ago.

Capital values for houses rose 13.3% over the year to December 2022, down 1.3% in the last quarter to a median value of \$908,000.

Gross rental yields for houses were down 1 bp, to 3.79%, in the December 2022 quarter.

Over the same time, rents increased 2.7% for houses and trended up 8.6% over the past year, where median rents stood at \$570 per week.

# GREATER MELBOURNE

## Greater Melbourne Key Drivers

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

Economic growth in Victoria was 5.0% in 2022, with a forecast of 2.0% in 2023 (Oxford Economics). Greater Melbourne unemployment stood at 3.8% as at December 2022, trending 28 bps above the quarter earlier (ABS).

New household loan commitments in Victoria fell 11.0% in the December 2022 quarter, compared to -12.3% growth recorded for the previous quarter. Lending commitments to owner occupier first home buyers in Victoria was down 7.1% in December 2022, lower than 6.5% a year ago. This first home buyer group represented 21.3% of all owner occupier loans in Victoria in December 2022 (ABS).

Building approvals in the December 2022 quarter totalled 6,116 houses and 7,060 apartments in Greater Melbourne. This was trending lower 14.9% for houses and 49.1% higher for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 2.8% in Greater Melbourne at the end of December 2022, with 2.5% in the CBD & Inner (0-10km) suburbs, 5.0% in the Middle (10-20km) suburbs and 1.4% in the Outer (20km+) suburbs (REIV).

The residential auction clearance rate for the week ending 12 March 2023 was

62.8%, from 360 scheduled auctions. This was below the prior week sold at 66.5% (from 927 auctions held). Looking back to the similar week last year, 68.6% (out of 608 auctions) were sold (CoreLogic).

## Greater Melbourne Houses

In the December 2022 quarter, sales volume trended down by 10.6% to 12,547 houses, while annual sales volume was 23.0% lower. Average days on market for a house stood at 53 days in the December 2022 quarter. One quarter ago, this was 51 days. Over the year ending December 2022, capital values decreased 5.6% for houses, and was up 0.7% in the past quarter to a median value of \$1,033,000.

Gross rental yields for houses rose 10 bps, to 3.00%, in the fourth quarter of 2022. Rents increased 2.1% for houses in the December 2022 quarter, and

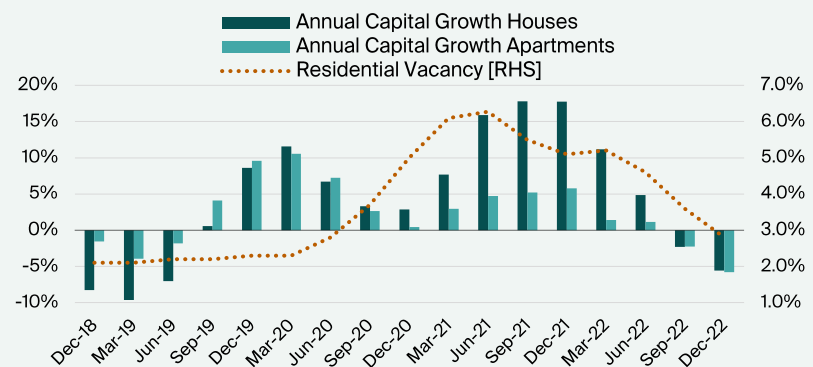
trended up 7.9% over the past year, to stand at a weekly median rent of \$480 (APM).

## Greater Melbourne Apartments

Sales volume trended down 13.1% in the December 2022 quarter with 4,872 apartments, while annual sales volume was 17.8% lower than a year ago. The average days on market for an apartment was 88 days in the December 2022 quarter. This was 87 days one quarter ago. Capital values for apartments fell 5.8% over the year to December 2022, down 0.2% in the last quarter to a median value of \$561,500.

Gross rental yields for apartments were up 30 bps, to 4.50%, in the December 2022 quarter. Over the same time, rents increased 5.9% for apartments and trended up 20.0% over the past year, where median rents were \$450 per week (APM).

## Greater Melbourne Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# REGIONAL VICTORIA

## Regional Victoria Key Drivers

Regional Victoria population was estimated at 1.6 million persons in 2021, with annual population change of 1.0%. The projected population growth to 2041, is lower, at 0.7% per annum (ABS). The inner regional areas of Victoria saw annual population change of 1.6% in 2021, while outer regional Victoria recorded -0.1%.

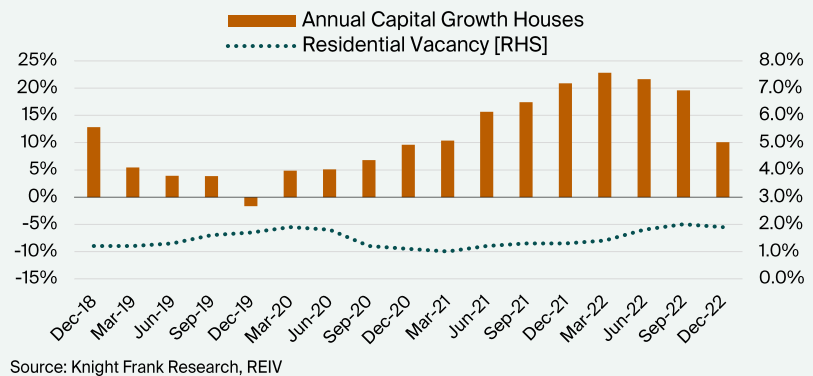
Economic growth in Victoria was estimated at 5.0% in 2022, with a forecast of 2.0% in 2023 (Oxford Economics).

Regional Victoria unemployment stood at 2.1% in December 2022, trending 90 bps below the quarter earlier (ABS).

New household loan commitments in Victoria decreased 11.0% in the December 2022 quarter, higher than the -12.3% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Victoria were down by 7.1% in December 2022, compared to increasing 6.5% a year earlier. First home buyers represented 21.3% of all Victoria owner occupier loans in December 2022 (ABS).

## Regional Victoria Price Performance & Total Rental Vacancy



Building approvals in the quarter to December 2022 totalled 16,301 residential dwellings in Victoria. This was trending higher by 8.0% for dwelling approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.9% in Regional Victoria at the end of December 2022, recording vacancy at 2.0% last quarter, and 1.3% one year ago (REIV).

## Regional Victoria Houses

Sales volume trended down 18.7% in the year ending December 2022, with 22,079 houses. The average days on

market for a house was 53 days in the December 2022 quarter. This was 46 days one quarter ago.

Capital values for houses rose 10.1% over the year to December 2022, down 1.8% in the last quarter to a median value of \$692,000.

Gross rental yields for houses were up 4 bps, to 3.94%, in the December 2022 quarter.

Over the same time, rents increased 2.3% for houses and trended up 8.4% over the past year, where median rents stood at \$450 per week.

# GREATER BRISBANE

## Greater Brisbane Key Drivers

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

Queensland economic growth was estimated at 3.3% in 2022, with a forecast of 3.1% in 2023 (Oxford Economics). Greater Brisbane unemployment stood at 3.7% as at December 2022, trending 36 bps lower than the quarter earlier (ABS).

New household loan commitments in Queensland were down by 11.5% in the December 2022 quarter, higher than the -12.1% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in Queensland fell by 11.0% in December 2022, compared to falling by 5.3% a year earlier. This first home buyer group represented 17.7% of all Queensland owner occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 3,021 houses and 1,436 apartments in Greater Brisbane. This was trending down 1.5% for houses and was 2.9% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Greater Brisbane at the end of 2022, recording 1.0% in the Inner Suburbs (0-5 km from the CBD), 1.0% in the Middle Suburbs (5-20 km) and 0.9% in the Outer Suburbs (20km+) (REIQ).

The auction clearance rate for the week ending 12 March 2023 was 52.8% from 106 scheduled auctions. This was lower than the prior week sold, at 63.0% (from 108 auctions held). By comparison, the similar week last year was 66.3% (out of 181 auctions) sold (CoreLogic).

## Greater Brisbane Houses

Sales volume trended down 27.7% in the December 2022 quarter to 7,176 houses, while annual sales volume was 26.5% lower than a year ago. The average days on market for a house stood at 50 days in the December 2022 quarter. One quarter ago, this was 42 days. Over the year ending December 2022, capital values decreased 1.0% for houses, and fell 1.8% in the past quarter to a median value of \$801,500.

Gross rental yields for houses increased by 10 bps, to 4.00%, in the fourth quarter of 2022. Rents remained

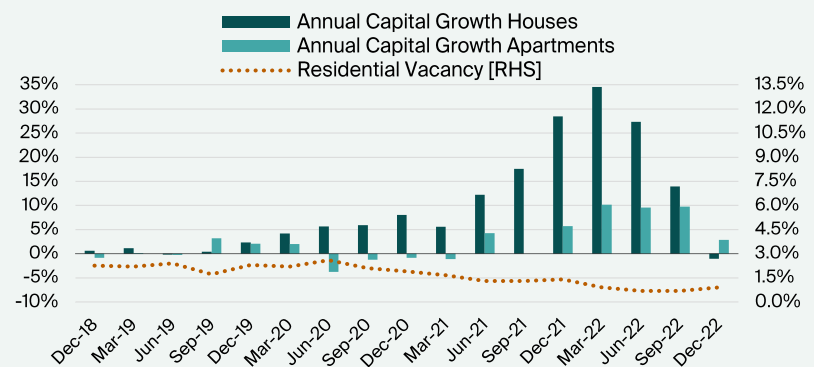
steady for houses in the quarter to December 2022, and were up 14.6% over the past year, to stand at a weekly median rent of \$550 (APM).

## Greater Brisbane Apartments

In the December 2022 quarter, sales volume trended down by 32.7% to 3,107 apartments, while annual sales volume trended 20.7% lower. Average days on market for an apartment was 55 days in the December 2022 quarter. This was 46 days one quarter ago. Capital values for apartments grew by 2.9% over the year to December 2022, falling by 1.2% in the last quarter to a median value of \$444,500.

Gross rental yields for apartments trended up 10 bps, to 5.40%, over the December 2022 quarter. Rents increased 4.3% for apartments over the quarter to December 2022, and rose 14.3% over the past year with a median rent of \$480 per week (APM).

## Greater Brisbane Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# GOLD COAST

## Gold Coast Key Drivers

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

Queensland economic growth was estimated at 3.3% in 2022, with a forecast of 3.1% in 2023 (Oxford Economics). The Gold Coast LGA unemployment stood at 4.0% as at September 2022, trending 50 bps lower than the quarter earlier (ABS).

New household loan commitments in Queensland were down by 11.5% in the December 2022 quarter, higher than the -12.1% growth recorded in the previous quarter.

The number of lending commitments to owner occupier first home buyers in Queensland fell by 11.0% in December 2022, compared to falling by 5.3% a year earlier. This first home buyer group represented 17.7% of all Queensland owner occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 218 houses and 475 apartments in the Gold Coast LGA. This was trending down 24.3% for houses and was 71.5% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.7% in the Gold Coast LGA at the end of 2022, with vacancy 0.6% a year ago (REIQ).

## Gold Coast Houses

In the year ending December 2022, annual sales volume trended down by 27.8% to 9,176 houses.

Average days on market for a house stood at 55 days in the December 2022 quarter. One quarter ago, this was 44 days.

Over the year ending December 2022, capital values increased 6.3% for houses, and was down 1.0% in the past quarter to a median value of \$925,000.

Gross rental yields for houses rose 10 bps, to 4.50%, in the fourth quarter of 2022.

Rents remained unchanged for houses in the December 2022 quarter, and trended up 15.4% over the past year, to stand at a weekly median rent of \$750 (APM).

## Gold Coast Apartments

Sales volume trended down 31.1% in the year ending December 2022, with 7,797 apartments.

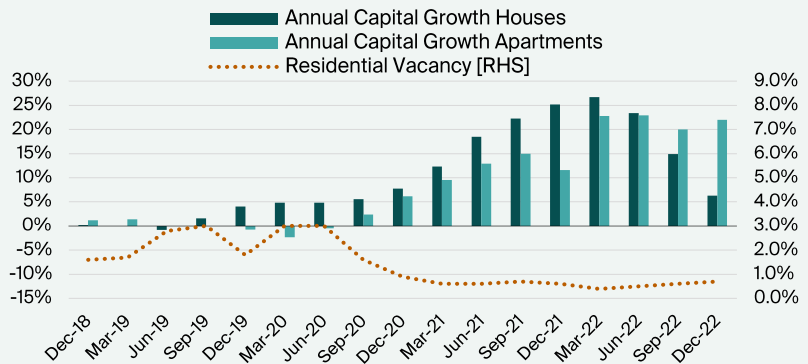
The average days on market for an apartment was 59 days in the December 2022 quarter. This was 51 days one quarter ago.

Capital values for apartments rose 22.0% over the year to December 2022, up 1.7% in the last quarter to a median value of \$610,000.

Gross rental yields for apartments were steady at 5.10%, in the December 2022 quarter.

Over the same time, rents increased 2.5% for apartments and trended up 22.0% over the past year, where median rents were \$610 per week (APM).

## Gold Coast LGA Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIQ

# REGIONAL QUEENSLAND

## Regional Queensland Key Drivers

Regional Queensland population was estimated at 2.6 million persons in 2021, with annual population change of 0.9%. The projected population growth to 2041, is higher, at 1.1% per annum (ABS).

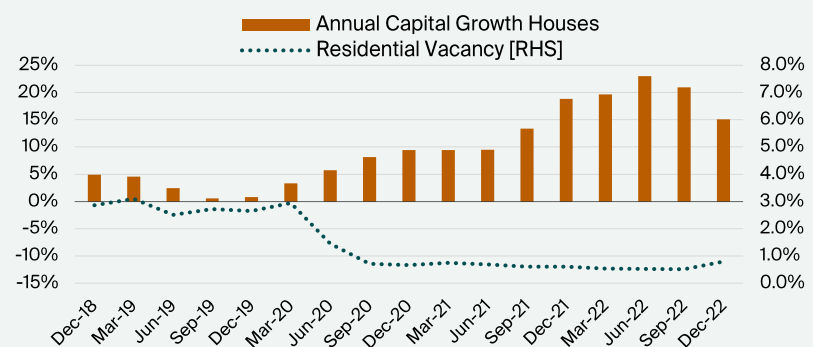
The inner regional areas of Queensland saw annual population change of 1.2% in 2021, while outer regional Queensland recorded 0.4%.

Economic growth in Queensland was estimated at 3.3% in 2022, with a forecast of 3.1% in 2023 (Oxford Economics). Regional Queensland unemployment stood at 3.6% in December 2022, trending 40 bps above the quarter earlier (ABS).

New household loan commitments in Queensland decreased 11.5% in the December 2022 quarter, higher than the -12.1% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Queensland were down by 11.0% in December 2022, compared to falling 5.3% a year earlier. First home buyers represented 17.7% of all Queensland owner occupier loans taken out in

## Regional Queensland Price Performance & Total Rental Vacancy



Source: Knight Frank Research

December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 7,527 residential dwellings in Queensland. This was trending lower by 21.7% for dwelling approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.8% in Regional Queensland at the end of December 2022, recording vacancy at 0.5% last quarter, and 0.6% one year ago (Knight Frank Research).

## Regional Queensland Houses

Sales volume trended down 8.0% in the

year ending December 2022, with 59,423 houses. The average days on market for a house was 81 days in the December 2022 quarter. This was 87 days one quarter ago.

Capital values for houses rose 15.1% over the year to December 2022, up 1.6% in the last quarter to a median value of \$657,000.

Gross rental yields for houses were stable at 5.02%, in the December 2022 quarter. Over the same time, rents increased 4.1% for houses and trended up 15.9% over the past year, where median rents stood at \$510 per week.

# GREATER PERTH

## Greater Perth Key Drivers

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

Economic growth in Western Australia (WA) was 4.6% in 2022, with a forecast of 3.3% in 2023 (Oxford Economics).

Greater Perth unemployment stood at 3.3% as at December 2022, trending 21 bps below the quarter earlier (ABS).

New household loan commitments in WA decreased 3.5% in the December 2022 quarter, compared to -7.6% growth recorded for the previous quarter. Lending commitments to owner occupier first home buyers in WA fell by 14.8% in December 2022, lower than 4.9% a year earlier. This first home buyer group represented 22.5% of all owner occupier loans in WA in December 2022 (ABS).

Building approvals in the December 2022 quarter totalled 2,547 houses and 295 apartments in Greater Perth. This was trending lower 11.5% for houses and 8.1% lower for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 0.6% in Greater Perth at the end of December 2022, with vacancy at 0.6% last quarter, and 0.7% one year ago (REIA).

The residential auction clearance rate for the week ending 12 March 2023 was 84.6%, from 13 scheduled auctions.

This was above the prior week sold at 0% (from 9 auctions held). Looking back to the similar week last year, 64.7% (out of 17 auctions) were sold (CoreLogic).

## Greater Perth Houses

In the December 2022 quarter, sales volume trended down by 23.8% to 8,447 houses, while annual sales volume was 8.6% lower. Average days on market for a house stood at 54 days in the December 2022 quarter. One quarter ago, this was 47 days. Over the year ending December 2022, capital values increased 5.7% for houses, and was up 1.2% in the past quarter to a median value of \$658,500.

Gross rental yields for houses rose 10 bps, to 5.30%, in the fourth quarter of 2022. Rents increased 6.0% for houses in the December 2022 quarter, and trended up 15.2% over the past year, to

stand at a weekly median rent of \$530 (APM).

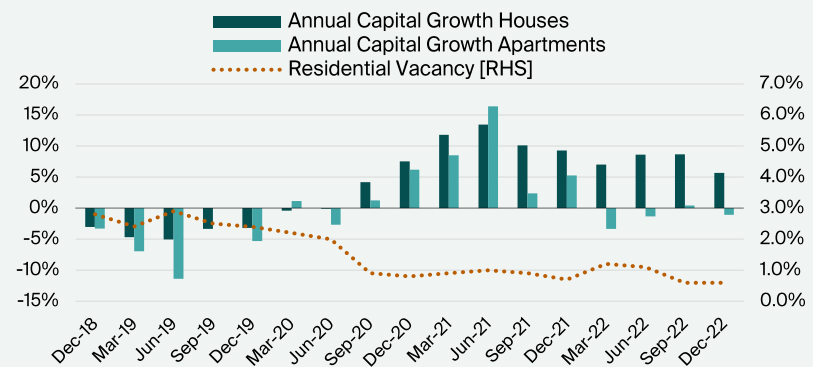
## Greater Perth Apartments

Sales volume trended down 14.8% in the December 2022 quarter with 1,113 apartments, while annual sales volume was 0.8% higher than a year ago.

The average days on market for an apartment was 87 days in the December 2022 quarter. This was 84 days one quarter ago. Capital values for apartments fell 1.1% over the year to December 2022, down 0.4% in the last quarter to a median value of \$367,000.

Gross rental yields for apartments were up 30 bps, to 6.30%, in the December 2022 quarter. Over the same time, rents increased 2.4% for apartments and trended up 10.3% over the past year, where median rents were \$430 per week (APM).

Greater Perth Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA



# REGIONAL WESTERN AUSTRALIA

## Regional Western Australia Key Drivers

Regional Western Australia (WA) population was estimated at 540,500 persons in 2021, with annual population change of 0.3%. The projected population growth to 2041, is higher, at 0.7% per annum (ABS).

The inner regional areas of WA saw annual population change of 1.1% in 2021, while outer regional WA recorded -0.2%.

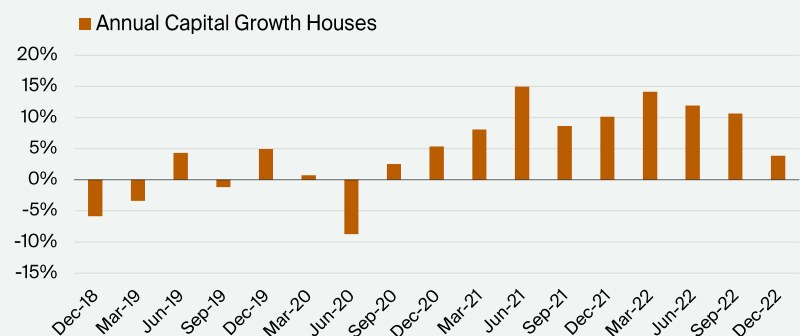
Economic growth in WA was estimated at 4.6% in 2022, with a forecast of 3.3% in 2023 (Oxford Economics).

Regional WA unemployment stood at 3.5% in December 2022, trending 77 bps above the quarter earlier (ABS).

New household loan commitments in WA decreased 3.5% in the December 2022 quarter, higher than the -7.6% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in WA were down by 14.8% in December 2022, compared to increasing 4.9% a year earlier. First home buyers represented 22.5% of all WA owner

## Regional Western Australia Price Performance



Source: Knight Frank Research

occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 3,470 residential dwellings in WA. This was trending lower by 10.7% for dwelling approvals compared to the quarter earlier (ABS).

## Regional Western Australia Houses

Sales volume trended down 1.4% in the year ending December 2022, with 4,742 houses.

The average days on market for a house was 71 days in the December 2022 quarter. This was 82 days one quarter ago. Capital values for houses rose 3.9% over the year to December 2022, down 2.3% in the last quarter to a median value of \$497,000.

Gross rental yields for houses were up 1 bp, to 5.11%, in Q4 2022. Over the same time, rents increased 2.5% for houses and trended up 17.1% over the past year, where median rents stood at \$410 per week.

# GREATER ADELAIDE

## Greater Adelaide Key Drivers

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

South Australia (SA) economic growth was estimated at 4.5% in 2022, with a forecast of -0.3% in 2023 (Oxford Economics).

Greater Adelaide unemployment stood at 3.4% as at December 2022, trending 60 bps lower than the quarter earlier (ABS).

New household loan commitments in SA were down by 9.2% in the December 2022 quarter, lower than the -8.9% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in SA grew by 0.6% in December 2022, compared to falling by 7.0% a year earlier. This first home buyer group represented 15.4% of all SA owner occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 1,958 houses and 738 apartments in Greater Adelaide. This was trending down 7.2% for houses and was 32.5% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.5% in Greater Adelaide at the end of December 2022, recording vacancy at 0.4% last quarter, and 0.5% one year ago (REIA).

The auction clearance rate for the week ending 12 March 2023 was 66.3% from 80 scheduled auctions. This was lower than the prior week sold, at 72.9% (from 119 auctions held). By comparison, the similar week last year was 78.8% (out of 155 auctions) sold (CoreLogic).

## Greater Adelaide Houses

Sales volume trended up 9.7% in the December 2022 quarter to 5,604 houses, while annual sales volume was 3.6% lower than a year ago. The average days on market for a house stood at 64 days in the December 2022 quarter. One quarter ago, this was 66 days. Over the year ending December 2022, capital values increased 10.2% for houses, and rose 0.2% in the past quarter to a median value of \$783,500.

Gross rental yields for houses was stable at 4.10%, in the fourth quarter of 2022. Rents rose 2.0% for houses in the

quarter to December 2022, and were up 11.1% over the past year, to stand at a weekly median rent of \$500 (APM).

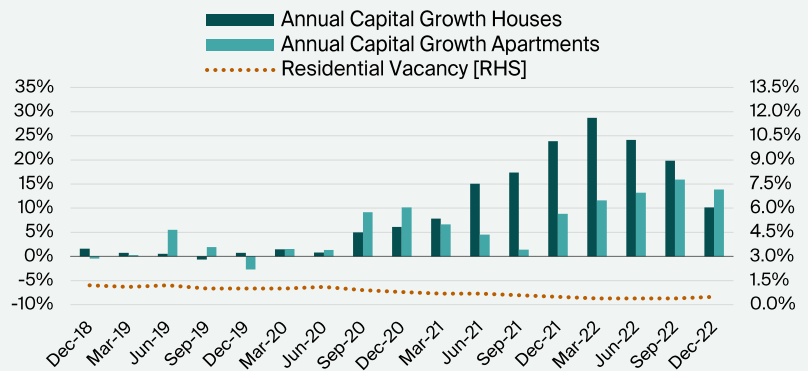
## Greater Adelaide Apartments

In the December 2022 quarter, sales volume trended up by 6.5% to 1,318 apartments, while annual sales volume trended 4.1% lower. Average days on market for an apartment was 77 days in the December 2022 quarter. This was 80 days one quarter ago.

Capital values for apartments grew by 13.9% over the year to December 2022, rising by 3.7% in the last quarter to a median value of \$422,000.

Gross rental yields for apartments trended down 10 bps, to 5.30%, over the December 2022 quarter. Rents saw no change in growth for apartments over the quarter to December 2022, but rose 11.1% over the past year with a median rent of \$400 per week (APM).

## Greater Adelaide Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# REGIONAL SOUTH AUSTRALIA

## Regional South Australia Key Drivers

Regional South Australia (SA) population was estimated at 395,000 persons in 2021, with annual population change of 0.3%. The projected population growth to 2041, is lower, at 0.1% per annum (ABS).

The inner regional areas of SA saw annual population change of 1.3% in 2021, while outer regional SA recorded -0.2%.

Economic growth in SA was estimated at 4.5% in 2022, with a forecast of -0.3% in 2023 (Oxford Economics).

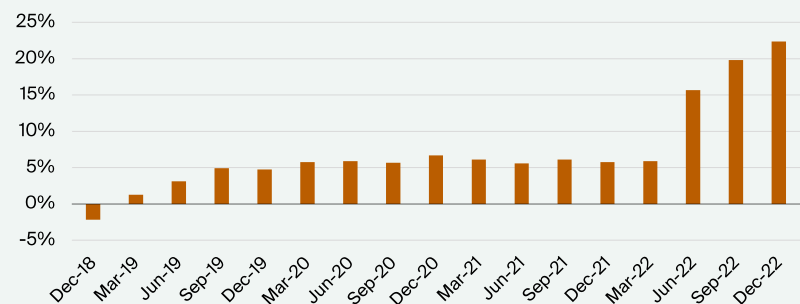
Regional SA unemployment stood at 5.4% in December 2022, trending 100 bps above the quarter earlier (ABS).

New household loan commitments in SA decreased 9.2% in the December 2022 quarter, lower than the -8.9% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in SA were up by 0.6% in December 2022, compared to falling 7.0% a year earlier. First home buyers represented 15.4% of all SA owner occupier loans taken out

## Regional South Australia Price Performance

Annual Capital Growth Houses



Source: Knight Frank Research

in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 3,297 residential dwellings in SA. This was trending lower by 1.5% for dwelling approvals compared to the quarter earlier (ABS).

## Regional South Australia Houses

Sales volume trended up 8.7% in the year ending December 2022, with 3,132 houses. The average days on market for a house was 104 days in the December

2022 quarter. This was 100 days one quarter ago. Capital values for houses rose 22.4% over the year to December 2022, up 3.5% in the last quarter to a median value of \$517,000.

Gross rental yields for houses were down 10 bps, to 5.16%, in the December 2022 quarter.

Over the same time, rents remained unchanged for houses but trended up 8.2% over the past year, where median rents stood at \$460 per week.

# GREATER HOBART

## Greater Hobart Key Drivers

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

Economic growth in Tasmania was 3.6% in 2022, with a forecast of -0.2% in 2023 (Oxford Economics). Greater Hobart unemployment stood at 4.6% as at December 2022, trending 15 bps below the quarter earlier (ABS).

New household loan commitments in Tasmania decreased 13.3% in the December 2022 quarter, compared to -8.2% growth recorded for the previous quarter.

Lending commitments to owner occupier first home buyers in Tasmania fell by 5.1% in December 2022, lower than 2.5% a year earlier. This first home buyer group represented 17.7% of all owner occupier loans in Tasmania in December 2022 (ABS).

Building approvals in the December 2022 quarter totalled 338 houses and 31 apartments in Greater Hobart. This was trending higher 12.7% for houses and 45.6% lower for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 0.9% in Greater Hobart at the end of December 2022, with vacancy at 1.0% last quarter, and 0.9% one year ago (REIA).

In Tasmania, the residential auction clearance rate for the week ending 12

March 2023 was 0%, from 1 scheduled auctions. This was similar to the prior week sold at 0% (from 1 auctions held). Looking back to the similar week last year, 0% (out of 1 auctions) were sold (CoreLogic).

## Greater Hobart Houses

In the December 2022 quarter, sales volume trended up by 1.4% to 714 houses, while annual sales volume was 19.9% lower.

Average days on market for a house stood at 54 days in the December 2022 quarter. One quarter ago, this was 38 days. Over the year ending December 2022, capital values increased 0.1% for houses, and was up 0.6% in the past quarter to a median value of \$737,500.

Gross rental yields for houses rose 30 bps, to 4.10%, in the fourth quarter of 2022. Rents increased 1.9% for houses in the December 2022 quarter, and

trended up 10.0% over the past year, to stand at a weekly median rent of \$550 (APM).

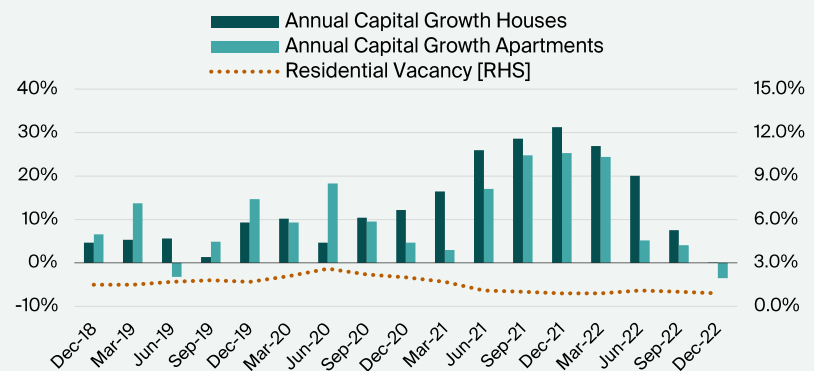
## Greater Hobart Apartments

Sales volume trended down 1.6% in the December 2022 quarter with 124 apartments, while annual sales volume was 17.8% lower than a year ago.

The average days on market for an apartment was 63 days in the December 2022 quarter. This was 36 days one quarter ago. Capital values for apartments fell 3.5% over the year to December 2022, down 3.1% in the last quarter to a median value of \$543,000.

Gross rental yields for apartments were up 20 bps, to 4.00%, in the December 2022 quarter. Over the same time, rents increased 3.3% for apartments and trended up 8.1% over the past year, where median rents were \$465 per week (APM).

## Greater Hobart Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# REGIONAL TASMANIA

## Regional Tasmania Key Drivers

Regional Tasmania population was estimated at 303,000 persons in 2021, with annual population change of 0.4%. The projected population growth to 2041, is lower, at 0.0% per annum (ABS).

The inner regional areas of Tasmania saw annual population change of -0.1% in 2021, while outer regional Tasmania recorded 0.7%.

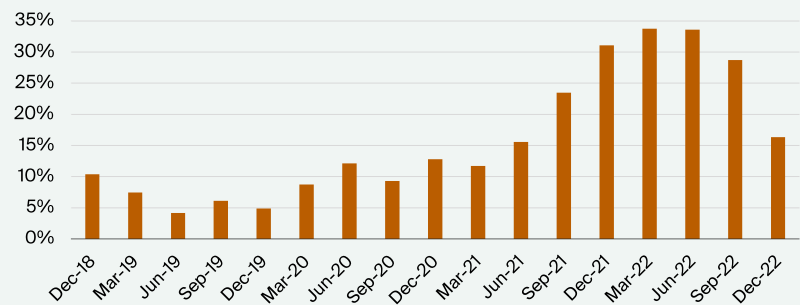
Economic growth in Tasmania was estimated at 3.6% in 2022, with a forecast of -0.2% in 2023 (Oxford Economics). Regional Tasmania unemployment stood at 2.5% in December 2022, trending 130 bps below the quarter earlier (ABS).

New household loan commitments in Tasmania decreased 13.3% in the December 2022 quarter, lower than the -8.2% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Tasmania were down by 5.1% in December 2022, compared to increasing 2.5% a year earlier. First home buyers represented 17.7% of all Tasmania owner occupier loans taken

## Regional Tasmania Price Performance

Annual Capital Growth Houses



Source: Knight Frank Research

out in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 770 residential dwellings in Tasmania. This was trending lower by 1.4% for dwelling approvals compared to the quarter earlier (ABS).

## Regional Tasmania Houses

Sales volume trended down 11.1% in the year ending December 2022, with 1,654 houses. The average days on market for a house was 38 days in the

December 2022 quarter. This was 32 days one quarter ago.

Capital values for houses rose 16.3% over the year to December 2022, down 0.8% in the last quarter to a median value of \$537,500.

Gross rental yields for houses were steady at 4.55%, in the December 2022 quarter. Over the same time, rents increased 1.2% for houses and trended up 10.4% over the past year, where median rents stood at \$425 per week.

# CANBERRA

## Canberra Key Drivers

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

The Australian Capital Territory (ACT) economic growth was estimated at 1.9% in 2022, with a forecast of 0.5% in 2023 (Oxford Economics).

Unemployment stood at 2.7% as at December 2022, trending 45 bps lower than the quarter earlier (ABS).

New household loan commitments in the ACT were down by 5.0% in the December 2022 quarter, higher than the -8.9% growth recorded in the previous quarter.

The number of lending commitments to owner occupier first home buyers in the ACT fell by 14.6% in December 2022, compared to falling by 7.2% a year earlier. This first home buyer group represented 19.2% of all ACT owner occupier loans in December 2022 (ABS).

Building approvals in the quarter to December 2022 totalled 267 houses and 1,137 apartments in Canberra. This was trending down 30.6% for houses and was 94.4% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.5% in Canberra at the end of December 2022, recording vacancy at 1.1% last quarter, and 0.9% one year ago (REIA).

The auction clearance rate for the week ending 12 March 2023 was 55.7% from 61 scheduled auctions. This was higher than the prior week sold, at 48.1% (from 108 auctions held). By comparison, the similar week last year was 82.1% (out of 84 auctions) sold (CoreLogic).

## Canberra Houses

Sales volume trended down 8.6% in the December 2022 quarter to 1,158 houses, while annual sales volume was 19.5% lower than a year ago. The average days on market for a house stood at 48 days in the December 2022 quarter. One quarter ago, this was 47 days. Over the year ending December 2022, capital values decreased 6.0% for houses, and fell 0.3% in the past quarter to a median value of \$1,095,500.

Gross rental yields for houses increased by 10 bps, to 3.60%, in the fourth

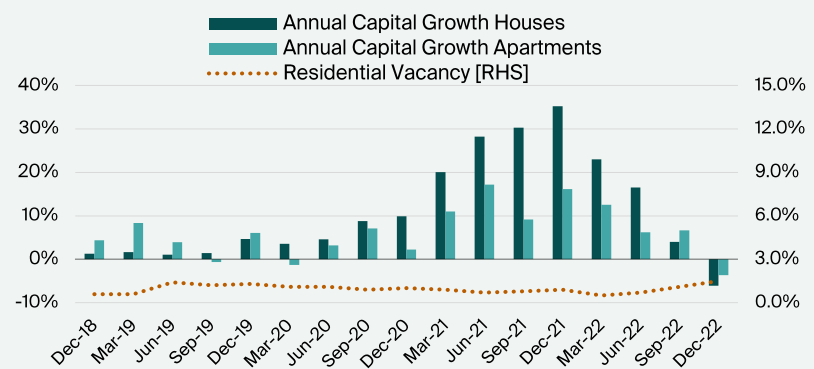
quarter of 2022. Rents rose 1.5% for houses in the quarter to December 2022, and were up 2.2% over the past year, to stand at a weekly median rent of \$690 (APM).

## Canberra Apartments

In the December 2022 quarter, sales volume trended down by 35.8% to 897 apartments, while annual sales volume trended 32.2% lower. Average days on market for an apartment was 55 days in the December 2022 quarter. This was 48 days one quarter ago. Capital values for apartments fell by 3.6% over the year to December 2022, falling by 3.1% in the last quarter to a median value of \$568,000.

Gross rental yields for apartments trended down 30 bps, to 5.10%, over Q4 2022. Rents increased 1.8% for apartments over this quarter, and rose 5.7% over the past year with a median rent of \$560 per week (APM).

Canberra Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

# GREATER DARWIN

## Greater Darwin Key Drivers

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

Economic growth in the Northern Territory (NT) was 6.4% in 2022, with a forecast of 3.3% in 2023 (Oxford Economics).

Unemployment stood at 3.8% as at December 2022, trending 29 bps below the quarter earlier (ABS).

New household loan commitments in the NT decreased 17.9% in the December 2022 quarter, compared to 6.1% growth recorded for the previous quarter.

Lending commitments to owner occupier first home buyers in the NT fell by 27.8% in December 2022, higher than -41.3% a year earlier. This first home buyer group represented 17.4% of all owner occupier loans in the NT in December 2022 (ABS).

Building approvals in the December 2022 quarter totalled 108 houses and 3 apartments in Greater Darwin. This was trending higher 2.9% for houses and 50.0% higher for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 2.7% in Greater Darwin at the end of December 2022, with vacancy at 1.9% last quarter, after 2.7% was recorded one year ago (REIA).

## Greater Darwin Houses

In the December 2022 quarter, sales volume trended up by 24.1% to 294 houses, while annual sales volume was 2.6% higher.

Average days on market for a house stood at 105 days in the December 2022 quarter. One quarter ago, this was 99 days.

Over the year ending December 2022, capital values increased 1.1% for houses, and was up 3.4% in the past quarter to a median value of \$647,000.

Gross rental yields for houses rose 10 bps, to 5.80%, in the fourth quarter of 2022.

Rents increased 0.8% for houses in the December 2022 quarter, and trended up 3.3% over the past year, to stand at a weekly median rent of \$620 (APM).

## Greater Darwin Apartments

Sales volume trended up 4.5% in the December 2022 quarter with 300 apartments, while annual sales volume was 15.2% higher than a year ago.

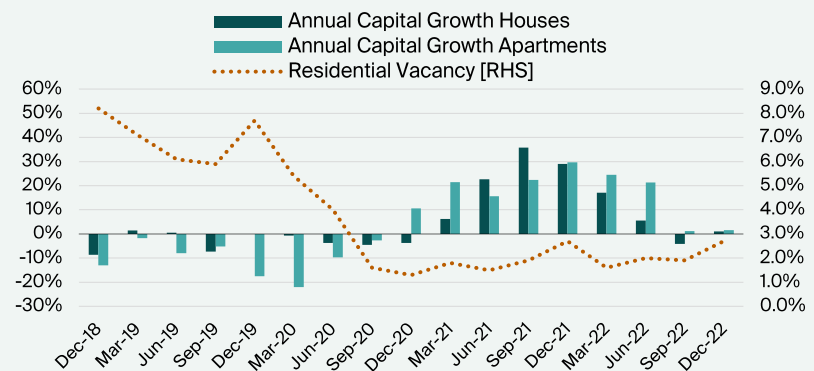
The average days on market for an apartment was 145 days in the December 2022 quarter. This was 134 days one quarter ago.

Capital values for apartments rose 1.6% over the year to December 2022, up 5.9% in the last quarter to a median value of \$386,500.

Gross rental yields for apartments were down 10 bps, to 7.10%, in the December 2022 quarter.

Over the same time, rents increased 4.0% for apartments and trended up 8.3% over the past year, where median rents were \$520 per week (APM).

### Greater Darwin Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

## DATA DIGEST

Major regional areas are considered to be a Local Government Area (LGA) outside the greater city, with more than 10,000 dwellings, at the time of the Census 2021. Currency reference to dollars or \$ refers to Australian dollars (AUD), unless stated.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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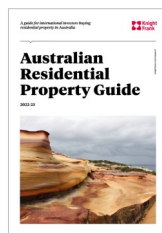
Global Residential Cities Index Q3 2022



Global House Price Index Q3 2022



Australian Residential Development Review 2022



Australian Residential Property Guide 2022-23



Global Buyer Survey 2021



The Wealth Report 2023

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