

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



Australian Residential Review

Q4 2022

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AUSTRALIAN RESIDENTIAL MARKET

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

Australia's residential market

Looking back at 2022, there were six significant key trends which shaped mainstream residential markets across Australia which are likely to have a lasting impact over the coming years.

- ◆ The country experienced full employment for a large portion of the second half of the year, whilst uncertainty clouded the global economy. Australia encountered eight consecutive increases to the official cash rate to battle rising inflation, from the historic low of 0.10% in April 2022, to stand at 3.10% heading into 2023. Mortgage lenders passed each rise directly onto homeowners.
- ◆ At a time when homes across Australia are becoming more affordable to purchase, the capacity to borrow is shrinking due to the likely serviceability of the mortgagee under the responsible lending

regime. This lender checklist has been refined over the past decade to factor in any potential rises to the cost of living. Australia's rapid rise in inflation over the past year is now on par with the early 1980's.

- ◆ Investors taking out loans to acquire investment properties retracted in 2022, following the fleeting return of the investor in 2021. Those still seeking relative value are influencing prices being propped up in smaller cities and regional areas across the country.
- ◆ Sales transaction volume activity has fallen into negative growth over the past 12 months for every capital city and regional area across Australia, with the exception of Greater Perth, Greater Adelaide, Regional Queensland and Regional Western Australia. This has resulted in the time taken to sell a residential home bottoming out for many markets and

price growth tapering back. Although the cost to service a mortgage is increasing for homeowners, there has only been a modest rise of residential properties being advertised on the market or going to auction.

- ◆ Those in the rental market across Australia have experienced 13.3% growth in rents over the past year, with total rental vacancy falling below 3% market equilibrium, to be 1.7%. It was back in 2008 when vacancy was at this extremely low, and alarming level. Migration of skilled workers has steadily been returning to Australia, which continues to place tension in the already tight rental market.
- ◆ The construction of new homes for investment are not keeping pace. The national requirement for new homes extends beyond the current 3-year development pipeline.



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 5.9% in September 2022, with a forecast of 1.7% in 2023. Whilst unemployment was recorded at 3.5% and forecast to reach 4.0% over the same time (Oxford Economics).

The official cash rate on 6 December 2022 had been raised 75 bps over the past three months, to a target of 3.10%

by the Reserve Bank of Australia. The Oxford Economics forecast for the official cash rate is to be lifted towards a target of 3.54% by the end of 2023.

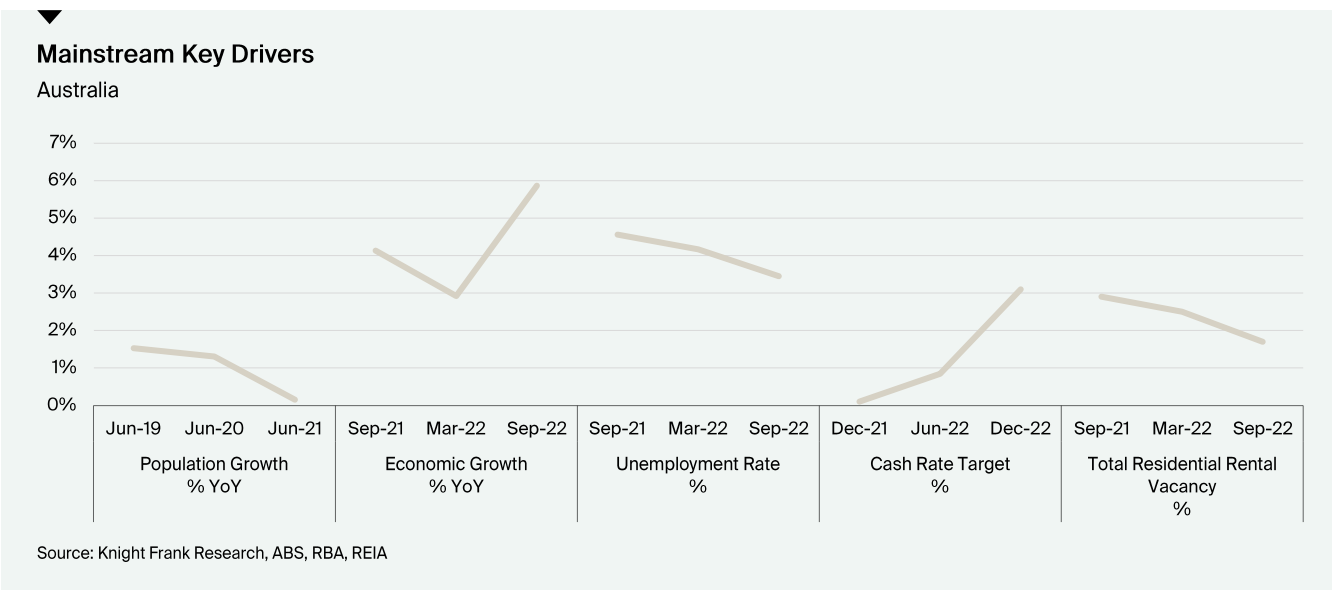
In the September 2022 quarter, average mortgage lending rates to owner occupiers increased by 380 bps to 6.05% for a 3-year fixed term loan, and rose by 225 bps to 6.77% for a standard variable loan. For investors, a 3-year fixed term increased by 345 bps to 6.01%, and a standard variable loan rose by 225 bps to 7.35% (RBA).

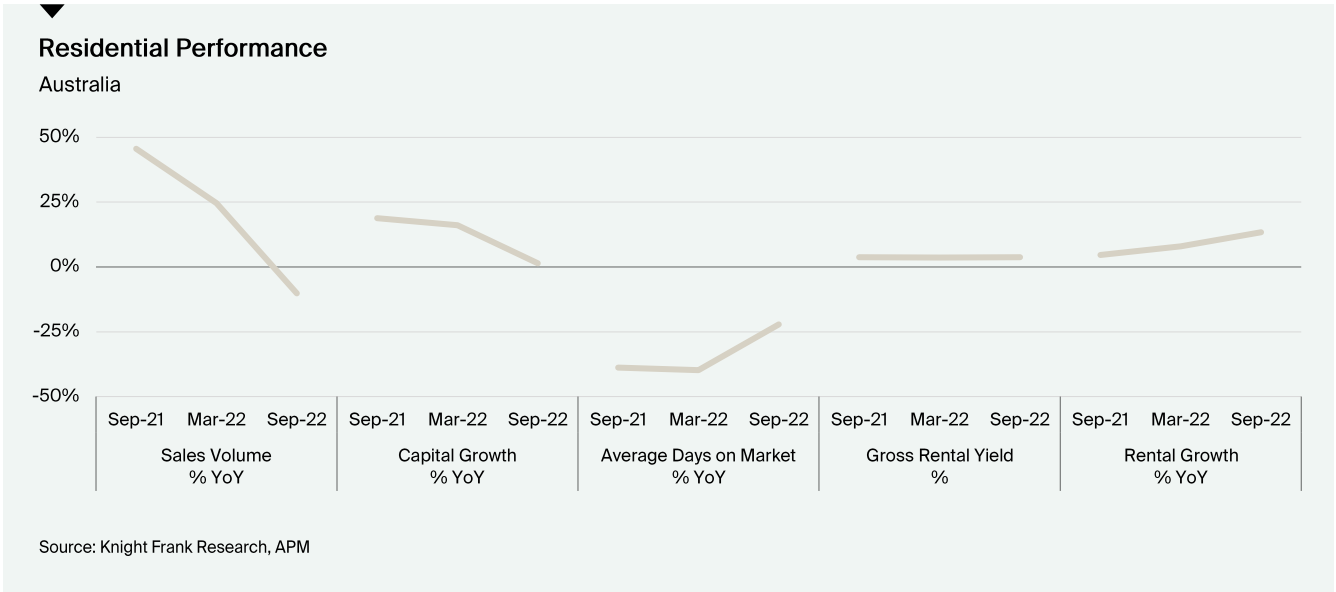
New household loan commitments across Australia were down by 15.0% in the September 2022 quarter, lower than the -3.0% growth recorded in the previous quarter (ABS). The number of lending commitments to owner occupier first home buyers in Australia

fell by 11.1% in September 2022, compared to -4.2% a year earlier. This first home buyer group represented 19.2% of all Australian owner occupier loans in September 2022 (ABS).

Building approvals in the September 2022 quarter grew by 1.5% across Australia, compared to a rise of 7.0% a quarter ago. In this time, 31,220 houses and 18,202 apartments were approved. This was trending 5.9% higher for houses and 5.3% 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 September 2022, compressing 40 bps over the past quarter (REIA), well below 3% market equilibrium.





Performance and Outlook for the Australian Residential Market

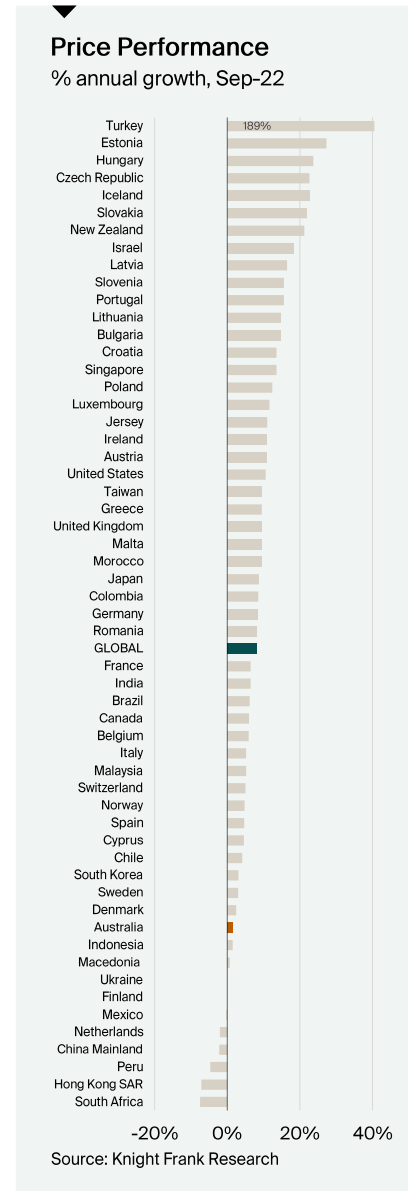
Across Australia, mainstream sales volume trended down 22.5% in the September 2022 quarter to total 103,223 residential homes (houses and apartments), as annual sales volume recorded -10.2% (APM).

The average days on market for an Australian home was 65 days in the September 2022 quarter. This was 60 days one quarter ago.

Residential property values across Australia rose 1.5% in the year to September 2022, decreasing 3.8% in the last quarter to stand at a median value of \$907,500.

Australia ranked 47 from 56 countries and territories in the Knight Frank Global House Price Index. 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. 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.



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
Sep-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 *	3.3%	3.8%	6.0%	6.0%	6.3%	7.8%	7.7%	5.3%	5.4%	5.9%
UNEMPLOYMENT RATE	3.2%	3.5%	4.0%	4.0%	0.0%	0.0%	4.8%	3.1% *	4.1% *	3.5%
NEW LOAN COMMITMENTS YoY *	4%	9%	10%	10%	1%	-7%	1%	9%	5%	6%
FIRST HOME BUYERS O/O share *	16%	22%	52%	52%	25%	15%	17%	23%	24%	19%
BUILDING APPROVALS YoY	-19%	-4%	-24%	7%	-39%	-14%	-25%	9%	-34%	-17%
SALES VOLUME Annual	91,265	96,140	62,806	18,403	52,603	29,364	4,025	11,577	2,210	552,193
SALES VOLUME YoY	-20%	-2%	-11%	-23%	8%	8%	-17%	-19%	20%	-10%
AVE. DAYS ON MARKET	58	62	42	47	57	67	45	48	107	65
AUCTION CLEARANCE RATE ^	61.3%	64.6%	49.6%	-	0.0%	69.6%	0.0% *	50.9%	-	60.0%
MEDIAN VALUE	\$1,153,500	\$879,500	\$717,500	\$794,500	\$582,500	\$702,000	\$714,000	\$904,500	\$530,500	\$907,500
CAPITAL GROWTH YoY	-3.6%	-2.1%	12.9%	16.5%	6.3%	21.3%	7.9%	4.0%	-3.1%	1.5%
CAPITAL GROWTH Global Rank	143	139	30	-	77	8	59	104	142	47
CAPITAL GROWTH 2022 Forecast	-5%	-4%	3%	9%	2%	10%	4%	0%	-5%	-1%
CAPITAL GROWTH 2023 Forecast	-7%	-7%	-8%	-6%	-5%	-4%	-6%	-6%	-6%	-7%
CAPITAL GROWTH 2024 Forecast	5%	5%	4%	6%	4%	3%	5%	5%	4%	5%
GROSS RENTAL YIELD	3.18%	3.31%	4.27%	4.69%	5.38%	4.42%	3.80%	4.20%	6.24%	3.71%
MEDIAN WEEKLY RENT	\$605	\$455	\$525	\$685	\$480	\$470	\$525	\$630	\$575	\$510
RENTAL GROWTH YoY	12.0%	11.0%	18.0%	20.2%	10.3%	11.9%	9.4%	5.0%	1.8%	13.3%
TOTAL RENTAL VACANCY RATE	1.5%	3.6%	0.7%	0.6%	0.6%	0.4%	1.0%	1.1%	1.9%	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

As the cost to service a home loan and household expenses continued to rise throughout 2022, residential prices diminished as a result.

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, the Gold Coast and Hobart with better relative

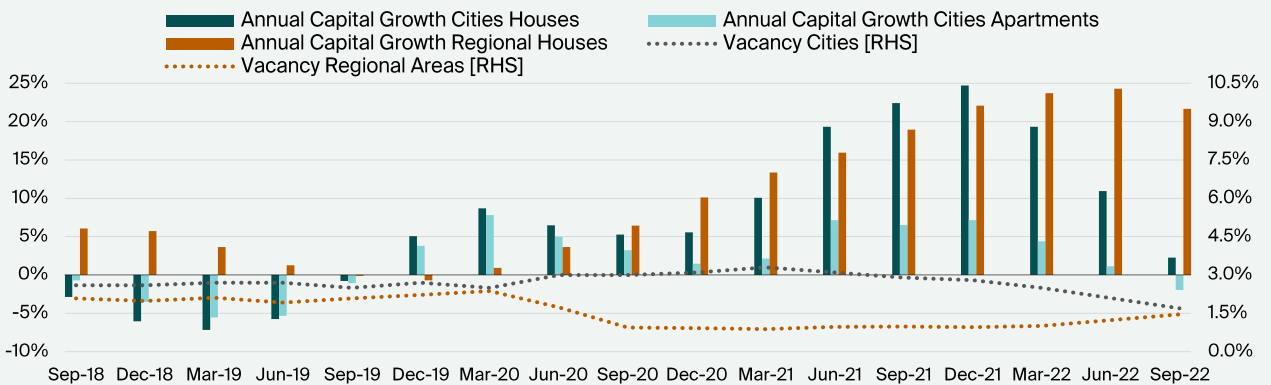
value and rental return, and a smaller deposit required when calculating borrowing capacity for interstate investors. Although by the end of 2024, residential capital growth is expected to build positive momentum and trend up by 5% across Australia.

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 across Australia.

From an investment perspective, gross rental yields rose 6 bps in the third quarter of 2022, as Australian residential property averaged 3.71%. Across Australia, residential rents increased by 5.2% in the September 2022 quarter, rising 13.3% annually, to stand at \$510 per week. This is being influenced by the 1.7% rental vacancy.

Australian Price Performance & Total Rental Vacancy



Source: Knight Frank Research, APM, REIA

APARTMENTS AUSTRALIAN CITIES

37%

Darwin apartments saw the highest annual growth in apartment sales volume across Australia

36 days

Hobart apartments recorded the lowest number of average days on market for an apartment in an Australia city

20.0%

Gold Coast was the strongest performing cities for annual apartment price growth in Australia

7.20%

Darwin apartments held the highest gross rental yield across Australian apartments

21.4%

Gold Coast apartments was the strongest performing city for annual rental growth for apartments in Australia

Performance of Apartments in Australian Major Cities

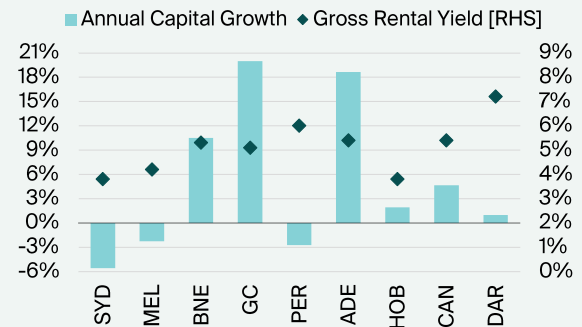
Across Australian major cities, sales volume trended down 24.6% in the September 2022 quarter to count 25,771 apartments, whilst annual sales volume is 12.7% lower than a year ago. The average days on market for an Australian apartment was 72 days in the September 2022 quarter. This was 69 days one quarter ago.

Median apartment values fell 2.0% in the year to September 2022, while falling 2.6% in the last quarter to stand at \$599,000. In the third quarter of 2022, gross rental yields rose 14 bps with Australian apartments averaging 4.19%.

Australian median apartment rents increased by 6.7% in the September 2022 quarter, rising 14.3% annually, to \$480 per week (APM).

Australian Apartment Price & Rental Yield Performance

%, Major Cities, Sep-22



Source: Knight Frank Research, APM

MAJOR CITIES APARTMENTS Sep-22

	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME Annual	38,099	26,597	19,658	8,548	5,544	5,880	627	6,009	1,127	139,173
SALES VOLUME YoY	-19%	-1%	-8%	-25%	7%	15%	-17%	-24%	37%	-13%
AVE. DAYS ON MARKET	69	87	46	51	80	78	36	47	129	72
MEDIAN VALUE	\$755,000	\$561,000	\$452,000	\$600,000	\$357,000	\$416,500	\$549,000	\$573,000	\$364,000	\$599,000
CAPITAL GROWTH YoY	-5.6%	-2.3%	10.5%	20.0%	-2.7%	18.7%	1.9%	4.7%	1.0%	-2.0%
GROSS RENTAL YIELD	3.80%	4.20%	5.30%	5.10%	6.00%	5.40%	3.80%	5.40%	7.20%	4.19%
MEDIAN WEEKLY RENT	\$550	\$425	\$460	\$595	\$420	\$400	\$450	\$550	\$500	\$480
RENTAL GROWTH YoY	13.4%	14.9%	12.2%	21.4%	10.5%	14.3%	12.5%	5.8%	6.4%	14.3%

Source: Knight Frank Research, APM

HOUSES AUSTRALIAN CITIES



Performance of Houses in Australian Major Cities

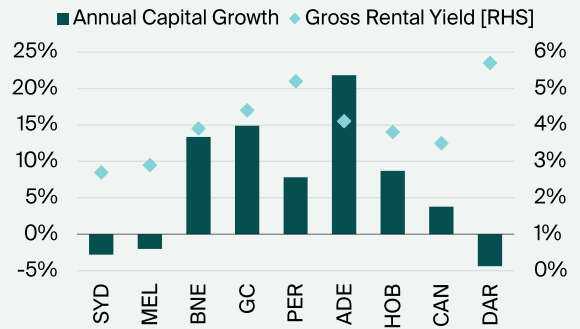
Sales volume across Australian major cities trended down 21.8% in the September 2022 quarter to total 77,452 houses, whilst annual sales volume was 9.3% below a year ago. The average days on market for an Australian house was 62 days in the September 2022 quarter. This was 57 days one quarter ago.

Across Australian major cities, median house values rose 2.3% in the year to September 2022, and fell by 4.0% over the last quarter to \$1,022,000.

Gross rental yields rose 4 bps with Australian houses across the major cities averaging 3.53%. Median apartment rents increased 4.0% in the September 2022 quarter, up 13.0% annually, to stand at \$520 per week (APM).

Australian House Price & Rental Yield Performance

%, Major Cities, Sep-22



Source: Knight Frank Research, APM

MAJOR CITIES HOUSES Sep-22	SYD	MEL	BNE	GC	PER	ADE	HOB	CAN	DAR	AUS
SALES VOLUME Annual	53,166	69,543	43,148	9,855	47,059	23,484	3,398	5,568	1,083	413,020
SALES VOLUME YoY	-20%	-3%	-13%	-22%	8%	6%	-17%	-12%	6%	-9%
AVE. DAYS ON MARKET	49	51	41	44	50	64	47	49	94	62
MEDIAN VALUE	\$1,464,500	\$1,028,500	\$811,500	\$934,000	\$646,000	\$795,000	\$741,500	\$1,096,000	\$624,000	\$1,022,000
CAPITAL GROWTH YoY	-2.8%	-2.0%	13.3%	14.9%	7.8%	21.8%	8.7%	3.8%	-4.4%	2.3%
GROSS RENTAL YIELD	2.70%	2.90%	3.90%	4.40%	5.20%	4.10%	3.80%	3.50%	5.70%	3.53%
MEDIAN WEEKLY RENT	\$650	\$470	\$550	\$750	\$500	\$490	\$540	\$680	\$500	\$520
RENTAL GROWTH YoY	12.1%	9.3%	19.6%	19.0%	11.1%	11.4%	9.1%	5.4%	-0.8%	13.0%

Source: Knight Frank Research, APM

HOUSES REGIONAL AUSTRALIA



Regional Western 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 Tasmania 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.

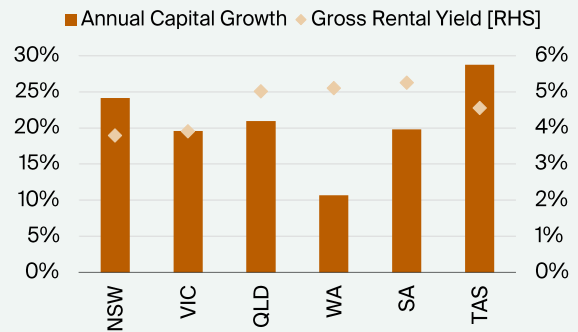
Performance of Houses in Regional Australia

In the year to September 2022, the volume of house sales across regional Australia was 130,282, trending 5.7% lower than a year ago. The average days on market for a regional house in Australia was 64 days in the September 2022 quarter. This was 70 days one quarter ago. Values for Australian regional houses rose 21.7% in the year to September 2022, rising 3.1% in the last quarter to \$741,000.

In the third quarter of 2022, gross rental yields compressed 9 bps with regional houses averaging 4.35%. Across regional Australia, house rents grew by 3.1% in Q3 2022, rising 11.2% over the past year to stand at \$495 per week. The residential rental vacancy for regional Australia was recorded at 1.5% in September 2022, rising 24 bps over the past quarter.

Australian House Price & Rental Yield Performance

%, Regional Areas, Sep-22



Source: Knight Frank Research

REGIONAL HOUSES Sep-22	NSW	VIC	QLD	WA	SA	TAS	AUS	AUSTRALIA RESIDENTIAL Sep-22
SALES VOLUME Annual	33,979	24,142	62,651	5,027	2,757	1,726	130,282	552,193
SALES VOLUME YoY	-18%	-11%	4%	9%	0%	-8%	-6%	-10%
AVE. DAYS ON MARKET	48	46	87	82	100	32	64	65
MEDIAN VALUE	\$920,000	\$705,000	\$646,500	\$508,500	\$499,500	\$542,000	\$741,000	\$907,500
CAPITAL GROWTH YoY	24.2%	19.6%	21.0%	10.7%	19.8%	28.7%	21.7%	1.5%
GROSS RENTAL YIELD	3.79%	3.90%	5.02%	5.11%	5.26%	4.55%	4.35%	3.71%
MEDIAN WEEKLY RENT	\$555	\$440	\$490	\$400	\$460	\$420	\$495	\$510
RENTAL GROWTH YoY	9.9%	8.6%	14.0%	15.9%	9.5%	15.1%	11.2%	13.3%

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 3.3% in 2021, with a forecast of 3.2% in 2022 (Oxford Economics). Greater Sydney unemployment stood at 3.2% as at September 2022, trending 2 bps lower than the quarter earlier (ABS).

New household loan commitments in NSW were down by 15.5% in the September 2022 quarter, lower than the -8.4% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in NSW fell by 9.9% in September 2022, compared to rising by 0.2% a year earlier. This first home buyer group represented 15.9% of all NSW owner occupier loans in September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 4,319 houses and 6,842 apartments in Greater Sydney. This was trending up 6.6% for houses and was 47.6% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.5% in Greater Sydney at the end of September 2022, recording 2.1% in the Inner Suburbs (0-10km from the CBD), 1.1% in the Middle Suburbs (10-25km) and 1.5% in the Outer Suburbs (25km+) (REINSW).

The auction clearance rate for the week ending 4 December 2022 was 59.0% from 891 scheduled auctions. This was higher than the prior week sold, at 58.6% (from 929 auctions held). By comparison, the similar week last year was 67.2% (out of 1,546 auctions) sold (CoreLogic).

Greater Sydney Houses

Sales volume trended down 16.3% in the September 2022 quarter to 10,245 houses, while annual sales volume was 19.7% lower than a year ago. The average days on market for a house stood at 49 days in the September 2022 quarter. One quarter ago, this was 38 days. Over the year ending September 2022, capital values decreased 2.8% for houses, and fell 5.1% in the past quarter to a median value of \$1,464,500.

Gross rental yields for houses increased by 10 bps, to 2.70%, in the third quarter of 2022. Rents rose 4.8% for houses in

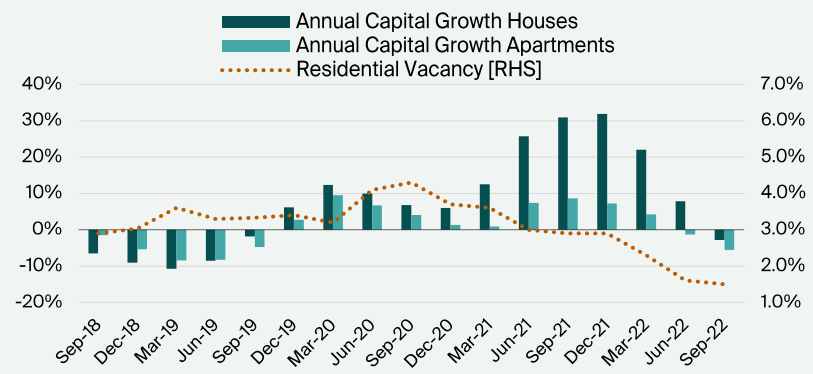
the quarter to September 2022, and were up 12.1% over the past year, to stand at a weekly median rent of \$650 (APM).

Greater Sydney Apartments

In the September 2022 quarter, sales volume trended down by 21.3% to 7,204 apartments, while annual sales volume trended 19.4% lower. Average days on market for an apartment was 69 days in the September 2022 quarter. This was 63 days one quarter ago. Capital values for apartments fell by 5.6% over the year to September 2022, falling by 3.1% in the last quarter to a median value of \$755,000.

Gross rental yields for apartments trended up 20 bps, to 3.80%, over the September 2022 quarter. Rents increased 4.8% for apartments over the quarter to September 2022, and rose 13.4% over the past year with a median rent of \$550 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

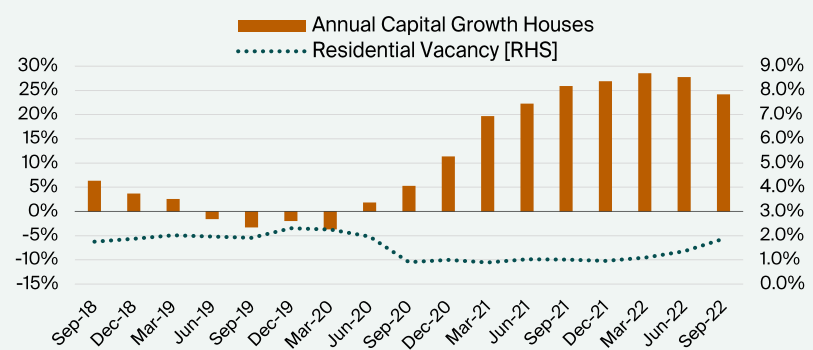
Regional New South Wales (NSW) population was estimated at 2.8 million persons in 2021, with annual population change of 1.0%. The projected population growth to 2041, is lower, at 0.6% per annum (ABS).

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 3.3% in 2021, with a forecast of 3.2% in 2022 (Oxford Economics). Regional NSW unemployment stood at 3.3% in September 2022, trending 3 bps below the quarter earlier (ABS).

New household loan commitments in NSW decreased 15.5% in the September 2022 quarter, lower than the -8.4% growth recorded in the previous quarter (ABS). The number of lending commitments to owner occupier first home buyers in NSW were down by 9.9% in September 2022, compared to increasing 0.2% a year earlier. First home buyers represented 15.9% of all NSW owner occupier loans in September 2022 (ABS).

Regional New South Wales Price Performance & Total Rental Vacancy



Source: Knight Frank Research

Building approvals in the quarter to September 2022 totalled 15,816 residential dwellings in NSW. This was trending higher by 23.7% for dwelling approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.9% in Regional NSW at the end of September 2022, recording vacancy at 1.4% last quarter, and 1.0% one year ago (Knight Frank Research).

Regional New South Wales Houses

Sales volume trended down 18.0% in the year ending September 2022, with 33,979 houses. The average days on

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

Capital values for houses rose 24.2% over the year to September 2022, up 2.8% in the last quarter to a median value of \$920,000.

Gross rental yields for houses were down 13 bps, to 3.79%, over the September 2022 quarter.

Over the same time, rents increased 0.9% for houses and trended up 9.9% over the past year, where median rents stood at \$555 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 3.8% in 2021, with a forecast of 5.2% in 2022 (Oxford Economics). Greater Melbourne unemployment stood at 3.5% as at September 2022, trending 34 bps above the quarter earlier (ABS).

New household loan commitments in Victoria decreased 15.1% in the September 2022 quarter, compared to -3.9% growth recorded for the previous quarter. Lending commitments to owner occupier first home buyers in Victoria fell by 10.5% in September 2022, higher than -18.3% a year earlier. This first home buyer group represented 21.8% of all owner occupier loans in Victoria in September 2022 (ABS).

Building approvals in the September 2022 quarter totalled 7,196 houses and 4,621 apartments in Greater Melbourne. This was trending higher 18.9% for houses and 15.9% lower for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 3.6% in Greater Melbourne at the end of September 2022, with 3.3% in the CBD & Inner (0-10km) suburbs, 5.6% in the Middle (10-20km) suburbs and 1.6% in the Outer (20km+) suburbs (REIV).

The residential auction clearance rate

for the week ending 4 December 2022 was 58.6%, from 1,158 scheduled auctions. This was above the prior week sold at 56.1% (from 1,011 auctions held). Looking back to the similar week last year, 66.3% (out of 1,910 auctions) were sold (CoreLogic).

Greater Melbourne Houses

In the September 2022 quarter, sales volume trended down by 28.1% to 12,073 houses, while annual sales volume was 3.0% lower. Average days on market for a house stood at 51 days in the September 2022 quarter. One quarter ago, this was 42 days. Over the year ending September 2022, capital values decreased 2.0% for houses, and was down 4.3% in the past quarter to a median value of \$1,028,500.

Gross rental yields for houses rose 10 bps, to 2.90%, in the third quarter of 2022. Rents increased 2.2% for houses

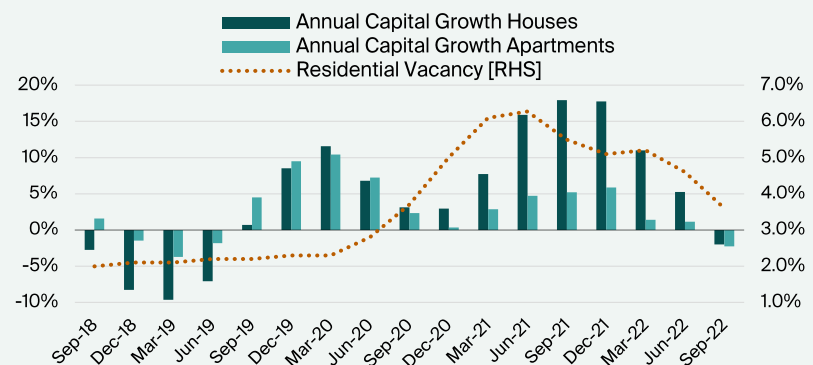
in the September 2022 quarter, and trended up 9.3% over the past year, to a median weekly rent of \$470 (APM).

Greater Melbourne Apartments

Sales volume trended down 27.8% in the September 2022 quarter with 4,813 apartments, while annual sales volume was 1.0% lower than a year ago. The average days on market for an apartment was 87 days in the September 2022 quarter. This was 78 days one quarter ago. Capital values for apartments fell 2.3% over the year to September 2022, down 3.4% in the last quarter to a median value of \$561,000.

Gross rental yields for apartments were up 10 bps, to 4.20%, in the September 2022 quarter. Over the same time, rents increased 3.7% for apartments and trended up 14.9% over the past year, where median rents were \$425 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%.

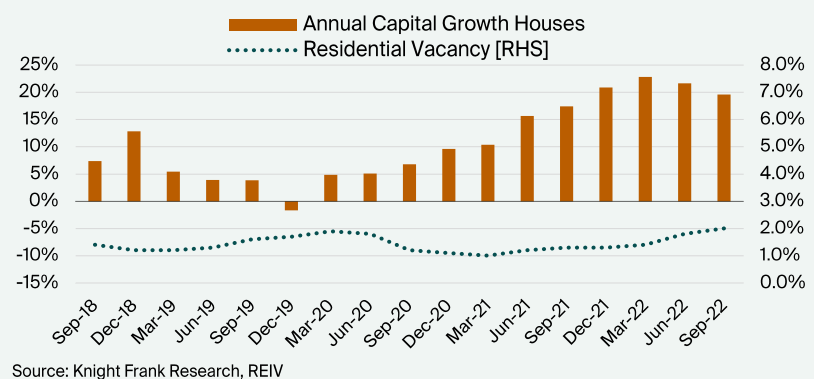
Economic growth in Victoria was estimated at 3.8% in 2021, with a forecast of 5.2% in 2022 (Oxford Economics).

Regional Victoria unemployment stood at 3.1% in September 2022, trending 29 bps above the quarter earlier (ABS).

New household loan commitments in Victoria decreased 15.1% in the September 2022 quarter, lower than the -3.9% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Victoria were down by 10.5% in September 2022, compared to falling 18.3% a year earlier. First home buyers represented 21.8% of all Victoria owner occupier loans in September 2022 (ABS).

Regional Victoria Price Performance & Total Rental Vacancy



Building approvals in the quarter to September 2022 totalled 4,926 residential dwellings in Victoria. This was trending lower by 67.2% for dwelling approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 2.0% in Regional Victoria at the end of September 2022, recording vacancy at 1.8% last quarter, and 1.3% one year ago (REIV).

Regional Victoria Houses

Sales volume trended down 11.5% in the year ending September 2022, with 24,142 houses.

The average days on market for a house was 46 days in the September 2022 quarter. This was 46 days one quarter ago.

Capital values for houses rose 19.6% over the year to September 2022, up 2.8% in the last quarter to a median value of \$705,000.

Gross rental yields for houses were down 11 bps, to 3.90%, in the September 2022 quarter. Over the same time, rents increased 2.3% for houses and trended up 8.6% over the past year, where median rents stood at \$440 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 6.0% in 2021, with a forecast of 4.2% in 2022 (Oxford Economics). Greater Brisbane unemployment stood at 4.0% as at September 2022, trending 19 bps higher than the quarter earlier (ABS).

New household loan commitments in Queensland were down by 14.8% in the September 2022 quarter, lower than the -5.3% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in Queensland fell by 6.9% in September 2022, compared to rising by 2.6% a year earlier. This first home buyer group represented 52.4% of all Queensland owner occupier loans in September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 3,183 houses and 1,334 apartments in Greater Brisbane. This was trending down 4.7% for houses and was 21.8% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.7% in Greater Brisbane at the end of September 2022, recording 0.8% in the Inner Suburbs (0-5 km from the CBD), 0.7% in the Middle Suburbs (5-20 km) and 0.6% in the Outer Suburbs (20km+) (REIQ).

The auction clearance rate for the week ending 4 December 2022 was 39.4% from 167 scheduled auctions. This was lower than the prior week sold, at 43.8% (from 154 auctions held). By comparison, the similar week last year was 72.3% (out of 253 auctions) sold (CoreLogic).

Greater Brisbane Houses

Sales volume trended down 25.5% in the September 2022 quarter to 7,721 houses, while annual sales volume is 12.8% lower than a year ago. The average days on market for a house stood at 41 days in the September 2022 quarter. One quarter ago, this was 32 days. Over the year ending September 2022, capital values increased 13.3% for houses, and fell 4.2% in the past quarter to a median value of \$811,500.

Gross rental yields for houses increased by 0 bps, to 3.90%, in the third quarter of 2022. Rents rose 5.8%

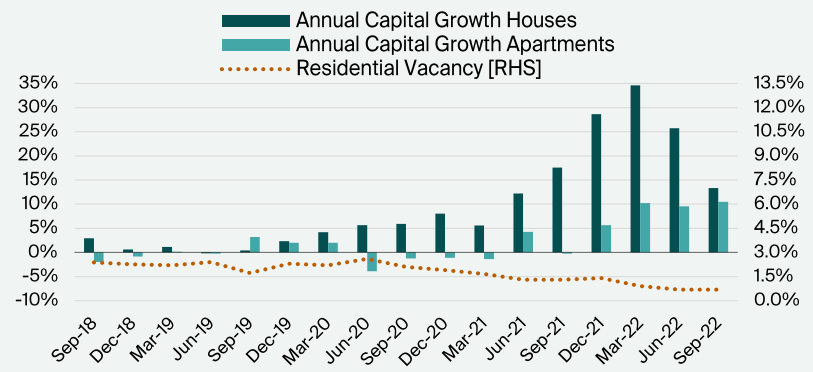
for houses in the quarter to September 2022, and were up 19.6% over the past year, to stand at a weekly median rent of \$550 (APM).

Greater Brisbane Apartments

In the September 2022 quarter, sales volume trended down by 29.9% to 3,495 apartments, while annual sales volume trended 7.6% lower. Average days on market for an apartment was 46 days in the September 2022 quarter. This was 45 days one quarter ago. Capital values for apartments grew by 10.5% over the year to September 2022, with growth of 0.0% in the last quarter to a median value of \$452,000.

Gross rental yields for apartments trended up 10 bps, to 5.30%, over the September 2022 quarter. Rents increased 2.2% for apartments over the quarter to September 2022, and rose 12.2% over the past year with a median rent of \$460 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 6.0% in 2021, with a forecast of 4.2% in 2022 (Oxford Economics).

The Gold Coast LGA unemployment stood at 4.0% as at June 2022, trending 50 bps lower than the quarter earlier (ABS).

New household loan commitments in Queensland were down by 14.8% in the September 2022 quarter, lower than the -5.3% growth recorded in the previous quarter.

The number of lending commitments to owner occupier first home buyers in Queensland fell by 6.9% in September 2022, compared to rising by 2.6% a year earlier. This first home buyer group represented 52.4% of all Queensland owner occupier loans in September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 282 houses and 1,562 apartments in the Gold Coast LGA. This was trending down 21.4% for houses and was 32.4% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.6% in the Gold Coast LGA at the end

of September 2022, recording vacancy at 0.5% last quarter, and 0.7% one year ago (REIQ).

Gold Coast Houses

In the year ending September 2022, annual sales volume trended down by 22.3% to 9,855 houses. Average days on market for a house stood at 44 days in the September 2022 quarter. One quarter ago, this was 38 days.

Over the year ending September 2022, capital values increased 14.9% for houses, and was down 1.7% in the past quarter to a median value of \$934,000.

Gross rental yields for houses rose 12 bps, to 4.40%, in the third quarter of 2022.

Rents increased 1.4% for houses in the September 2022 quarter, and trended up 19.0% over the past year, to stand at

a weekly median rent of \$750 (APM).

Gold Coast Apartments

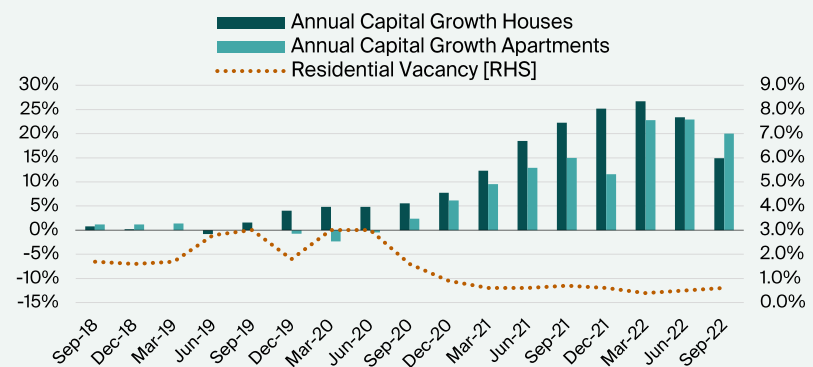
Sales volume trended down 24.5% in the year ending September 2022, with 8,548 apartments. The average days on market for an apartment was 51 days in the September 2022 quarter. This was 48 days one quarter ago.

Capital values for apartments rose 20.0% over the year to September 2022, up 1.7% in the last quarter to a median value of \$600,000.

Gross rental yields for apartments were down 4 bps, to 5.10%, over the September 2022 quarter.

Over the same time, rents increased 8.2% for apartments and trended up 21.4% over the past year, where median rents were \$595 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%.

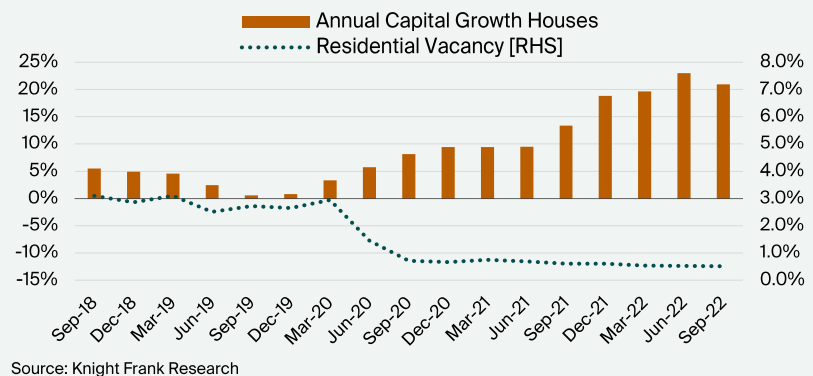
Economic growth in Queensland was estimated at 6.0% in 2021, with a forecast of 4.2% in 2022 (Oxford Economics).

Regional Queensland unemployment stood at 3.2% in September 2022, trending 92 bps below the quarter earlier (ABS).

New household loan commitments in Queensland decreased 14.8% in the September 2022 quarter, lower than the -5.3% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Queensland were down by 6.9% in September 2022, compared to increasing 2.6% a year earlier. First home buyers represented 52.4% of all Queensland owner occupier loans in

Regional Queensland Price Performance & Total Rental Vacancy



September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 3,429 residential dwellings in Queensland. This was trending lower by 64.5% for dwelling approvals compared to the quarter earlier (ABS).

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

Regional Queensland Houses

Sales volume trended up 4.1% in the

year ending September 2022, with 62,651 houses. The average days on market for a house was 87 days in the September 2022 quarter. This was 101 days one quarter ago. Capital values for houses rose 21.0% over the year to September 2022, up 3.9% in the last quarter to a median value of \$646,500.

Gross rental yields for houses were down 6 bps, to 5.02%, over the September 2022 quarter.

Over the same time, rents increased 4.3% for houses and trended up 14.0% over the past year, where median rents stood at \$490 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 6.3% in 2021, with a forecast of 2.4% in 2022 (Oxford Economics).

Greater Perth unemployment stood at 0.0% as at September 2022, trending 299 bps below the quarter earlier (ABS).

New household loan commitments in WA decreased 10.0% in the September 2022 quarter, compared to -3.3% growth recorded for the previous quarter. Lending commitments to owner occupier first home buyers in WA fell by 18.0% in September 2022, lower than 3.2% a year earlier. This first home buyer group represented 25.0% of all owner occupier loans in WA in September 2022 (ABS).

Building approvals in the September 2022 quarter totalled 2,877 houses and 321 apartments in Greater Perth. This was trending lower 8.9% for houses and 77.4% lower for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 0.6% in Greater Perth at the end of September 2022, with vacancy at 1.1% last quarter, and 0.9% one year ago (REIA).

The residential auction clearance rate for the week ending 4 December 2022 was 46.7%, from 15 scheduled auctions.

This was below the prior week sold at 50.0% (from 16 auctions held). Looking back to the similar week last year, 52.0% (out of 51 auctions) were sold (CoreLogic).

Greater Perth Houses

In the September 2022 quarter, sales volume trended down by 23.0% to 8,589 houses, while annual sales volume was 8.1% higher. Average days on market for a house stood at 50 days in the September 2022 quarter. One quarter ago, this was 47 days.

Over the year ending September 2022, capital values increased 7.8% for houses, and was down 1.5% in the past quarter to a median value of \$646,000.

Gross rental yields for houses saw a change of 0 bps, to 5.20%, in the third quarter of 2022. Rents increased 1.0% for houses in the September 2022

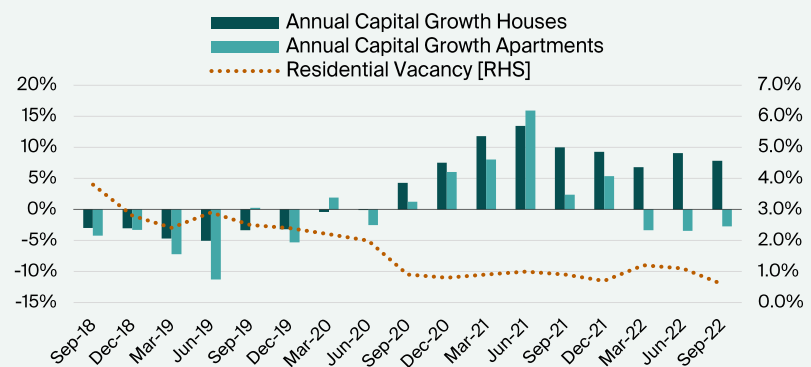
quarter, and trended up 11.1% over the past year, to stand at a weekly median rent of \$500 (APM).

Greater Perth Apartments

Sales volume trended down 30.0% in the September 2022 quarter with 1,003 apartments, while annual sales volume was 6.6% higher than a year ago. The average days on market for an apartment was 80 days in the September 2022 quarter. This was 83 days one quarter ago. Capital values for apartments fell 2.7% over the year to September 2022, down 2.3% in the last quarter to a median value of \$357,000.

Gross rental yields for apartments were steady with 0 bps change at 6.00%, over the September 2022 quarter. Over the same time, rents increased 5.0% for apartments and trended up 10.5% over the past year, where median rents were \$420 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%.

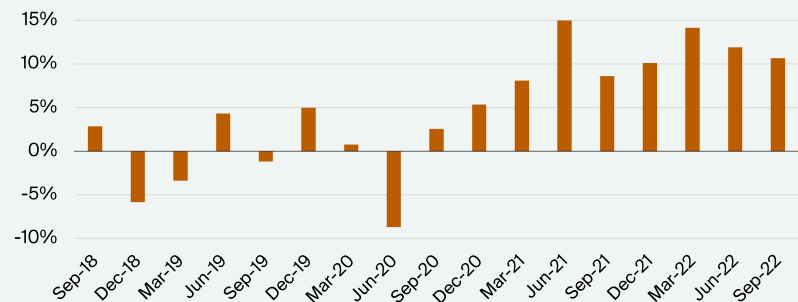
Economic growth in WA was estimated at 6.3% in 2021, with a forecast of 2.4% in 2022 (Oxford Economics). Regional WA unemployment stood at 2.9% in September 2022, trending 150 bps below the quarter earlier (ABS).

New household loan commitments in WA decreased 10.0% in the September 2022 quarter, lower than the -3.3% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in WA were down by 18.0% in September 2022, compared to increasing 3.2% a year earlier. First home buyers represented 25.0% of all WA owner occupier loans in September 2022 (ABS).

Regional Western Australia Price Performance

Annual Capital Growth Houses



Source: Knight Frank Research

Building approvals in the quarter to September 2022 totalled 3,881 residential dwellings in WA. This was trending lower by 26.3% for dwelling approvals compared to the quarter earlier (ABS).

Regional Western Australia Houses

Sales volume trended up 8.7% in the year ending September 2022, with 5,027 houses.

The average days on market for a house was 82 days in the September 2022

quarter. This was 107 days one quarter ago. Capital values for houses rose 10.7% over the year to September 2022, up 2.1% in the last quarter to a median value of \$508,500.

Gross rental yields for houses were up 20 bps, to 5.11%, over the September 2022 quarter.

Over the same time, rents increased 3.9% for houses and trended up 15.9% over the past year, where median rents stood at \$400 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 7.8% in 2021, with a forecast of 4.6% in 2022 (Oxford Economics). Greater Adelaide unemployment stood at 0.0% as at September 2022, trending 390 bps lower than the quarter earlier (ABS).

New household loan commitments in SA were down by 71.6% in the September 2022 quarter, lower than the 1.1% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in SA fell by 8.8% in September 2022, compared to rising by 10.6% a year earlier. This first home buyer group represented 15.3% of all SA owner occupier loans in September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 2,113 houses and 557 apartments in Greater Adelaide. This was trending up 12.2% for houses and was 39.0% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 0.4% in Greater Adelaide at the end of September 2022, recording vacancy at 0.4% last quarter, and 0.6% one year ago (REIA).

The auction clearance rate for the week

ending 4 December 2022 was 59.9% from 178 scheduled auctions. This was lower than the prior week sold, at 66.2% (from 149 auctions held). By comparison, the similar week last year was 79.6% (out of 303 auctions) sold (CoreLogic).

Greater Adelaide Houses

Sales volume trended down 4.4% in the September 2022 quarter to 5,707 houses, while annual sales volume is 6.1% higher than a year ago.

The average days on market for a house stood at 64 days in the September 2022 quarter. One quarter ago, this was 64 days. Over the year ending September 2022, capital values increased 21.8% for houses, and rose 0.6% in the past quarter to a median value of \$795,000.

Gross rental yields for houses decreased by 10 bps, to 4.10%, in the third quarter of 2022. Rents rose 2.1%

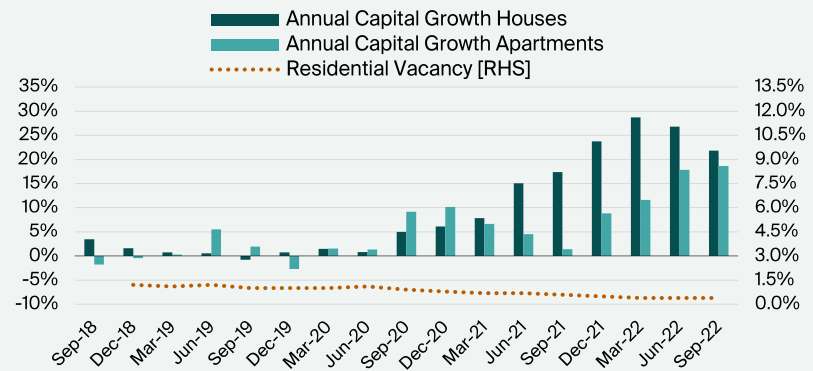
for houses in the quarter to September 2022, and were up 11.4% over the past year, to stand at a weekly median rent of \$490 (APM).

Greater Adelaide Apartments

In the September 2022 quarter, sales volume trended down by 11.5% to 1,320 apartments, while annual sales volume trended 15.1% higher. Average days on market for an apartment was 78 days in the September 2022 quarter. This was 93 days one quarter ago. Capital values for apartments grew by 18.7% over the year to September 2022, rising by 2.5% in the last quarter to a median value of \$416,500.

Gross rental yields for apartments saw no change at 0 bps, to 5.40%, over the September 2022 quarter. Rents increased 5.3% for apartments over the quarter to September 2022, and rose 14.3% 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

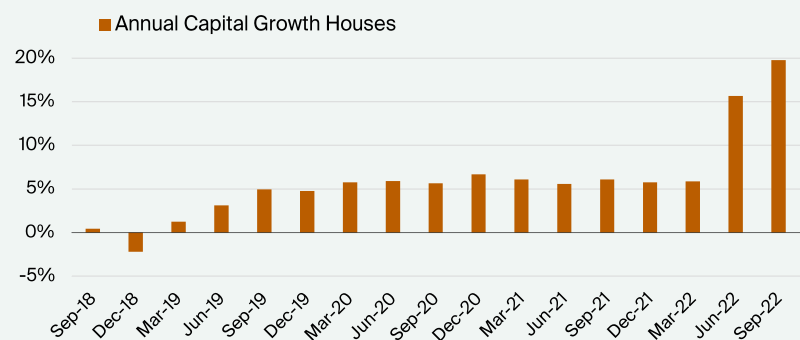
Regional South Australia (SA) population was estimated at 395,000 persons in 2021, with annual population change of 0.3%. The projected population growth to 2041, is lower, at 0.1% per annum (ABS). The inner regional areas of SA saw annual population change of 1.3% in 2021, while outer regional SA recorded -0.2%.

Economic growth in SA was estimated at 7.8% in 2021, with a forecast of 4.6% in 2022 (Oxford Economics). Regional SA unemployment stood at 4.3% in September 2022, trending 115 bps below the quarter earlier (ABS).

New household loan commitments in SA decreased 71.6% in the September 2022 quarter, lower than the 1.1% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in SA were down by 8.8% in September 2022, compared to increasing 10.6% a year earlier. First home buyers represented 15.3% of all SA owner occupier loans in September 2022 (ABS).

Regional South Australia Price Performance



Source: Knight Frank Research

Building approvals in the quarter to September 2022 totalled 3,347 residential dwellings in SA. This was trending lower by 0.1% for dwelling approvals compared to the quarter earlier (ABS).

Regional South Australia Houses

Sales volume trended up 0.2% in the year ending September 2022, with 2,757 houses.

The average days on market for a house was 100 days in the September 2022

quarter. This was 107 days one quarter ago. Capital values for houses rose 19.8% over the year to September 2022, up 5.8% in the last quarter to a median value of \$499,500.

Gross rental yields for houses were down 4 bps, to 5.26%, in the September 2022 quarter.

Over the same time, rents increased 4.5% for houses and trended up 9.5% 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 7.7% in 2021, with a forecast of 2.4% in 2022 (Oxford Economics).

Greater Hobart unemployment stood at 4.8% as at September 2022, trending 36 bps above the quarter earlier (ABS).

New household loan commitments in Tasmania decreased 8.9% in the September 2022 quarter, compared to 5.8% growth recorded for the previous quarter.

Lending commitments to owner occupier first home buyers in Tasmania fell by 24.5% in September 2022, lower than 12.4% a year earlier. This first home buyer group represented 17.3% of all owner occupier loans in Tasmania in September 2022 (ABS).

Building approvals in the September 2022 quarter totalled 296 houses and 57 apartments in Greater Hobart. This was trending higher 5.0% for houses and 470.0% higher for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 1.0% in Greater Hobart at the end of September 2022, with vacancy at 1.1% last quarter, and 1.0% one year ago (REIA).

In Tasmania, the residential auction

clearance rate for the week ending 4 December 2022 was 0.0%, from 3 scheduled auctions. This was similar to the prior week sold at 0.0% (from 3 auctions held). Looking back to the similar week last year, 0.0% (out of 1 auctions) were sold (CoreLogic).

Greater Hobart Houses

In the September 2022 quarter, sales volume trended down by 28.9% to 612 houses, while annual sales volume was 17.4% lower. Average days on market for a house stood at 47 days in the September 2022 quarter. One quarter ago, this was 24 days. Over the year ending September 2022, capital values increased 8.7% for houses, and was down 2.6% in the past quarter to a median value of \$741,500.

Gross rental yields for houses saw a change of 0 bps, to 3.80%, in the third quarter of 2022. Rents remained unchanged at 0.0% for houses in the

September 2022 quarter, and trended up 9.1% over the past year, to stand at a weekly median rent of \$540 (APM).

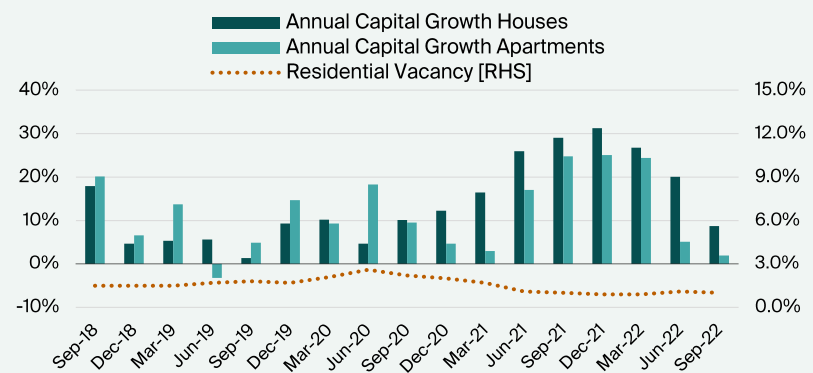
Greater Hobart Apartments

Sales volume trended down 33.1% in the September 2022 quarter with 101 apartments, while annual sales volume was 16.7% lower than a year ago.

The average days on market for an apartment was 36 days in the September 2022 quarter. This was 25 days one quarter ago. Capital values for apartments rose 1.9% over the year to September 2022, up 2.9% in the last quarter to a median value of \$549,000.

Gross rental yields for apartments were up 10 bps, to 3.80%, in the September 2022 quarter. Over the same time, rents remained unchanged at 0.0% for apartments and trended up 12.5% over the past year, where median rents were \$450 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 7.7% in 2021, with a forecast of 2.4% in 2022 (Oxford Economics). Regional Tasmania unemployment stood at 3.8% in September 2022, trending 34 bps below the quarter earlier (ABS).

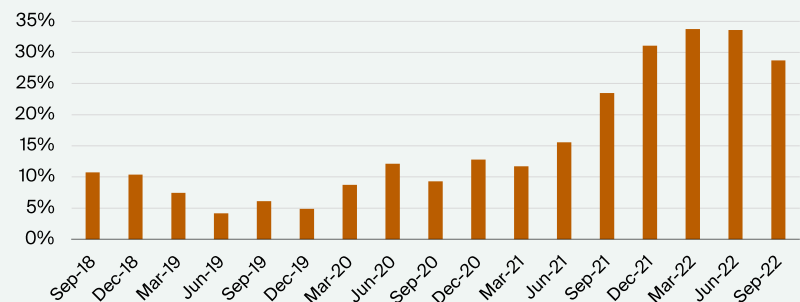
New household loan commitments in Tasmania decreased 8.9% in the September 2022 quarter, lower than the 5.8% growth recorded in the previous quarter (ABS).

The number of lending commitments to owner occupier first home buyers in Tasmania were down by 24.5% in September 2022, compared to increasing 12.4% a year earlier.

First home buyers represented 17.3% of all Tasmania owner occupier loans in September 2022 (ABS).

Regional Tasmania Price Performance

■ Annual Capital Growth Houses



Source: Knight Frank Research

Building approvals in the quarter to September 2022 totalled 777 residential dwellings in Tasmania. This was trending lower by 7.2% for dwelling approvals compared to the quarter earlier (ABS).

Regional Tasmania Houses

Sales volume trended down 7.8% in the year ending September 2022, with 1,726 houses.

The average days on market for a house was 32 days in the September 2022

quarter. This was 33 days one quarter ago. Capital values for houses rose 28.7% over the year to September 2022, up 4.0% in the last quarter to a median value of \$542,000.

Gross rental yields for houses were down 13 bps, to 4.55%, over the September 2022 quarter.

Over the same time, rents increased 2.4% for houses and trended up 15.1% over the past year, where median rents stood at \$420 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 5.3% in 2021, with a forecast of 3.8% in 2022 (Oxford Economics).

Unemployment stood at 3.1% as at September 2022, trending 32 bps higher than the quarter earlier (ABS).

New household loan commitments in the ACT were down by 8.2% in the September 2022 quarter, lower than the -0.9% growth recorded in the previous quarter. The number of lending commitments to owner occupier first home buyers in the ACT fell by 13.4% in September 2022, compared to falling by 18.1% a year earlier. This first home buyer group represented 22.6% of all ACT owner occupier loans in September 2022 (ABS).

Building approvals in the quarter to September 2022 totalled 386 houses and 362 apartments in Canberra. This was trending up 13.9% for houses and was 69.4% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential rental vacancy was 1.1% in Canberra at the end of September 2022, recording vacancy at 0.7% last quarter, and 0.8% one year ago (REIA).

The auction clearance rate for the week

ending 4 December 2022 was 64.8% from 125 scheduled auctions. This was higher than the prior week sold, at 50.0% (from 152 auctions held). By comparison, the similar week last year was 84.0% (out of 187 auctions) sold (CoreLogic).

Canberra Houses

Sales volume trended down 25.5% in the September 2022 quarter to 1,006 houses, while annual sales volume is 12.4% lower than a year ago. The average days on market for a house stood at 49 days in the September 2022 quarter. One quarter ago, this was 40 days. Over the year ending September 2022, capital values increased 3.8% for houses, and fell 5.8% in the past quarter to a median value of \$1,096,000.

Gross rental yields for houses increased by 0 bps, to 3.50%, in the third quarter of 2022. Rents fell 1.4% for houses in

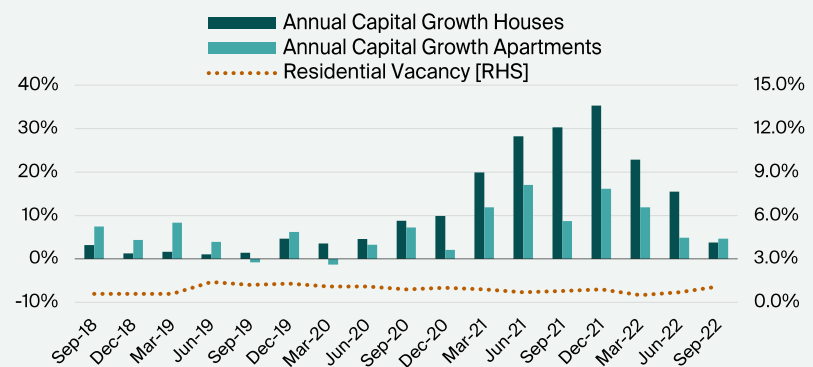
the quarter to September 2022, and were up 5.4% over the past year, to stand at a weekly median rent of \$680 (APM).

Canberra Apartments

In the September 2022 quarter, sales volume trended down by 46.3% to 823 apartments, while annual sales volume trended 24.4% lower. Average days on market for an apartment was 47 days in the September 2022 quarter. This was 48 days one quarter ago. Capital values for apartments grew by 4.7% over the year to September 2022, falling by 4.2% in the last quarter to a median value of \$573,000.

Gross rental yields for apartments trended down 10 bps, to 5.40%, over the September 2022 quarter. Rents saw no change at 0.0% for apartments over the quarter to September 2022, and rose 5.8% over the past year with a median rent of \$550 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 5.4% in 2021, with a forecast of 7.5% in 2022 (Oxford Economics).

Unemployment stood at 4.1% as at September 2022, trending 50 bps above the quarter earlier (ABS).

New household loan commitments in the NT increased 4.4% in the September 2022 quarter, compared to -1.3% growth recorded for the previous quarter.

Lending commitments to owner occupier first home buyers in the NT rose by 6.6% in September 2022, higher than -20.8% a year earlier. This first home buyer group represented 24.1% of all owner occupier loans in the NT in September 2022 (ABS).

Building approvals in the September 2022 quarter totalled 105 houses and 2 apartments in Greater Darwin. This was trending higher 40.0% for houses and 60.0% lower for apartment approvals compared to the quarter before (ABS).

Residential rental vacancy was 1.9% in Greater Darwin at the end of September 2022, with vacancy at 2.0% last quarter, and 1.9% one year ago (REIA).

Greater Darwin Houses

In the September 2022 quarter, sales volume trended down by 7.4% to 263 houses, while annual sales volume was 6.5% higher.

Average days on market for a house stood at 94 days in the September 2022 quarter. One quarter ago, this was 107 days.

Over the year ending September 2022, capital values decreased 4.4% for houses, and was down 3.9% in the past quarter to a median value of \$624,000.

Gross rental yields for houses compressed 10 bps, to 5.70%, in the third quarter of 2022.

Rents increased 2.5% for houses in the September 2022 quarter, and trended up 0.8% over the past year, to stand at a weekly median rent of \$615 (APM).

Greater Darwin Apartments

Sales volume trended up 2.4% in the September 2022 quarter with 301 apartments, while annual sales volume was 36.8% higher than a year ago.

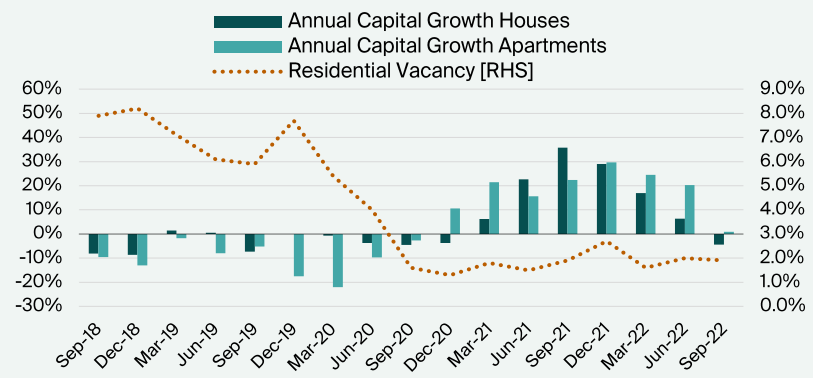
The average days on market for an apartment was 129 days in the September 2022 quarter. This was 159 days one quarter ago.

Capital values for apartments rose 1.0% over the year to September 2022, down 5.0% in the last quarter to a median value of \$364,000.

Gross rental yields for apartments were up 20 bps, to 7.20%, over the September 2022 quarter.

Over the same time, rents increased 4.2% for apartments and trended up 6.4% over the past year, where median rents were \$500 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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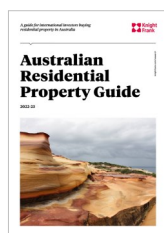
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