

RESIDENTIAL RESEARCH



AUSTRALIAN RESIDENTIAL REVIEW

Q2 2019



A REVIEW OF KEY RESIDENTIAL INDICATORS ACROSS MAJOR AUSTRALIAN CITIES

KEY FINDINGS

Economic growth was recorded at 3.4% annual growth in June 2018. **Unemployment** across Australia was 5.0% in the March 2018 quarter. The official **cash rate** target remained unchanged at 1.50% on 8 May 2019. In March 2019 **housing finance** annual growth was down 13.5%. Annual growth for residential **building approvals** had fallen 13.2% in March 2019.

Australian median **house values** were down 7.9% in the year ending March 2019 (falling 2.2% in the last quarter) to \$748,000. **Apartment values** were down 6.3% over the year ending March 2019 (falling 2.3% in the last quarter) to \$525,500.

In the year ending March 2019, the volume of **house sales** across Australia fell 15.3% to 287,346; whilst 81,577 **apartment sales** were recorded (a fall of by 26.5%).

Gross rental yields rose 7 bps in the March 2019 quarter with Australian houses averaging 4.23%; whilst Australian apartments rose 10 bps to 4.46%.

Australian **house rents** rose 5.0% to \$420 per week in the year ending March 2019; whilst **apartment rents** rose 4.9% to \$430 per week.

The weighted average **total residential vacancy** for Australian capital cities was last recorded at 2.6% in December 2018; remaining steady over the year.



MICHELLE CIESIELSKI
Director, Residential Research

AUSTRALIAN REVIEW

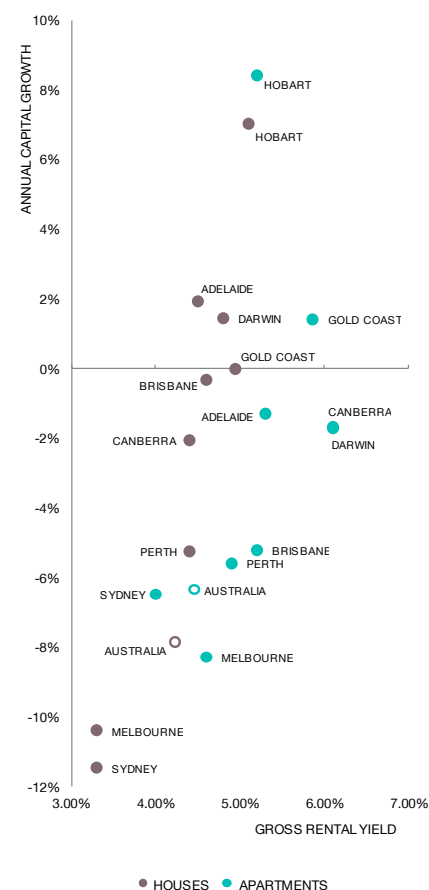
Holding two state elections, handing down the banking royal commission findings and going to the polls for a federal election—all within the space of six months—hasn't been the ideal stimulus for a cooler Australian housing market. Although since the Coalition retained power on 18 May 2019—eliminating any changes to negative gearing and capital gains tax—an instantaneous positive sentiment has rippled through the housing market. This includes restored hope of home ownership for 1,000 people eligible for the 5% First Home Loan Deposit Scheme.

After several years of the housing market adjusting to stricter lending practices, APRA has proposed removing another temporary measure which saw new mortgage customers assessed to manage repayment for the higher of either an interest rate of 7%, or a 2% 'buffer' over the loan's actual interest rate. The first signal a more responsible lending environment was being practiced was the discontinued 10% cap on investor loans from July 2018, then in December 2018 the 30% lending cap was repealed on 'interest only' loans.

There is also a strong chance the RBA will cut the cash rate by 25 bps next month, and potentially another by the year's end, providing a ripe opportunity for buyers to return to the major markets.

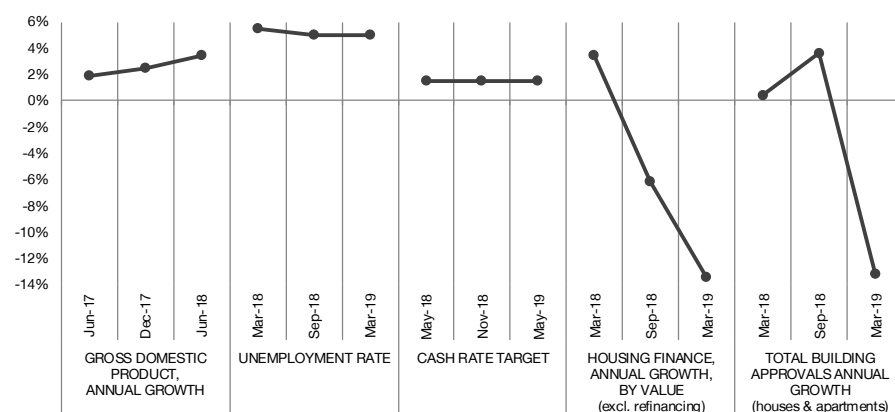
FIGURE 2
Annual Capital Growth & Gross Rental Yield

Greater Capital Cities, Gold Coast LGA & Australia (excl. Greater Darwin), as at 31 March 2019



Source: Knight Frank Research, APM

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

SYDNEY

Population in Greater Sydney was estimated at 5.1 million persons in June 2018, with annual **population growth** of 2.0%. The **population projection** is set at 1.6% per annum until 2041.

New South Wales (NSW) **economic growth** was 3.4% in 2018 with a similar forecast of 3.4% in 2022. Greater Sydney **unemployment** stood at 4.6% as at March 2019, trending 48 bps lower than a year earlier.

The value of NSW **housing finance** commitments fell by 17.3% in the year ending March 2019; down from 2.8% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 17,586 houses and 27,267 apartments in Greater Sydney. This was trending 5.2% lower for houses and 26.5% lower for apartment approvals compared to a year earlier.

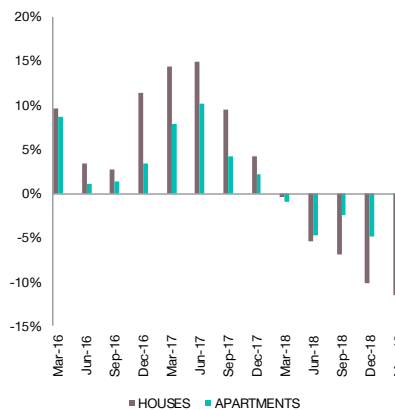
Market Trends in Greater Sydney

Over the year ending March 2019, **capital growth** decreased 11.5% for houses; falling 3.1% over the past quarter to a **median value** of \$1,028,000. Apartment values fell 6.5% over the past year, decreasing 2.0% in the last quarter to a median of \$697,000.

The **volume of sales** tallied 37,841 houses (down 20.6%) and 23,238 apartments (down 29.6%) in the year ending March 2019.

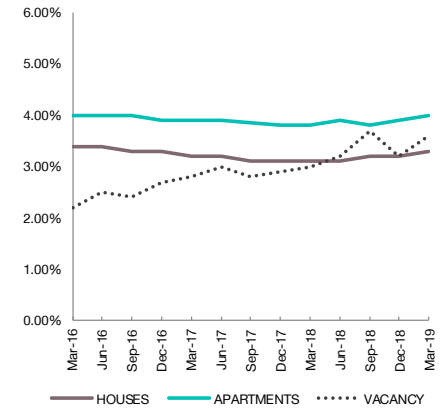
The **average days on market** for houses stood at 90 days in the March 2019 quarter. For apartments, this was 93 days. A year earlier, this comparable period was recorded at 60 days and 63 days, respectively.

FIGURE 3
Capital Growth, Greater Sydney
% annual



Source: Knight Frank Research, APM

FIGURE 4
Gross Rental Yield & Total Vacancy
Greater Sydney
%



Source: Knight Frank Research, APM, REINSW

The **auction clearance rate** for the week ending 5 May 2019 was 57.2% out of 539 scheduled auctions. This was higher than the week prior, at 52.4% from 332 scheduled auctions, but lower than the comparable week a year earlier when 63.1% (out of 797 auctions) were sold.

Gross rental yields were up 10 bps to 3.30% for houses, and rose 10 bps to 4.00% for apartments over the March 2019 quarter.

Rents fell 1.8% for houses over the year ending March 2019, and fell 3.6% for apartments. Weekly median rents stood at \$540 for houses and \$530 for apartments.

Total vacancy was 3.6% as at March 2019; recording 3.7% in the Inner Suburbs (0-10km from the CBD), 3.2% in the Middle Suburbs (10-25km) and 3.5% in the Outer Suburbs (25km+).

TABLE 1
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Sydney	Houses	1,028,000	-3.1	-11.5	37,841	90	3.30	540
Sydney	Apartments	697,000	-2.0	-6.5	23,238	93	4.00	530

Source: Knight Frank Research, APM, CoreLogic, ABS, REINSW, Oxford Economics

MELBOURNE

Population in Greater Melbourne was estimated at 4.8 million persons in June 2018, with annual **population growth** of 2.7%. The **population projection** is set at 1.9% per annum until 2041.

Victoria **economic growth** was 4.6% in 2018 with forecast of 3.5% in 2022. Greater Melbourne **unemployment** stood at 5.0% as at March 2019, trending 52 bps lower than a year earlier.

The value of Victorian **housing finance** commitments fell by 12.3% in the year ending March 2019; down from 11.1% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 26,574 houses and 23,485 apartments in Greater Melbourne. This was trending 5.0% lower for houses and 30.2% lower for apartment approvals compared to a year earlier.

Market Trends in Greater Melbourne

Over the year ending March 2019, **capital growth** decreased 10.4% for houses; and fell 2.4% over the past quarter to a **median value** of \$809,500. Apartment values fell 8.3% over the year, and fell 2.9% in the past quarter to a median of \$467,000.

The **volume of sales** tallied 50,161 houses (down 21.4%) and 14,449 apartments (down 35.0%) in the year ending March 2019.

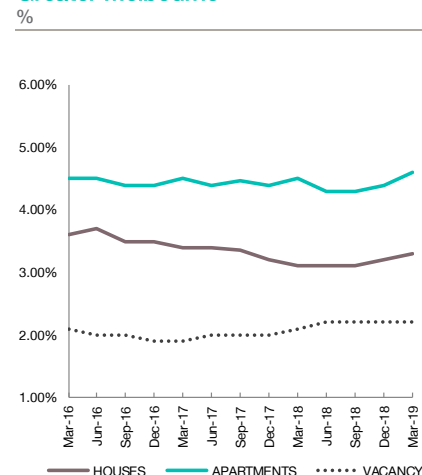
The **average days on market** for houses stood at 77 days in the March 2019 quarter. For apartments, this was 86 days. A year earlier, this comparable period was recorded at 50 days and 91 days, respectively.

FIGURE 5
Capital Growth, Greater Melbourne
% annual



Source: Knight Frank Research, APM

FIGURE 6
Gross Rental Yield & Total Vacancy Greater Melbourne
%



Source: Knight Frank Research, APM, REIV

The **auction clearance rate** for the week ending 5 May 2019 was 56.6% out of 672 scheduled auctions. This was higher than the week prior, at 53.6% from 498 scheduled auctions, but lower than the comparable week a year earlier when 63.7% (out of 1,144 auctions) were sold.

Gross rental yields were up 10 bps to 3.30% for houses and up 20 bps to 4.60% for apartments over the March 2019 quarter.

Rents for houses increased 2.3% and 2.4% for apartments over the year ending March 2019. Weekly median rents stood at \$440 for houses and \$420 for apartments.

Total vacancy was 2.2% as at March 2019; recording 2.0% in the Inner Suburbs (0-10km from the CBD), 3.6% in the Middle Suburbs (10-25km) and 1.6% in the Outer Suburbs (25km+).

TABLE 2
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Melbourne	Houses	809,500	-2.4	-10.4	50,161	77	3.30	440
Melbourne	Apartment	467,000	-2.9	-8.3	14,449	86	4.60	420

Source: Knight Frank Research, APM, CoreLogic, ABS, REIV, Oxford Economics

BRISBANE

Population in Greater Brisbane was estimated at 2.4 million persons in June 2018, with annual **population growth** of 2.0%. The **population projection** is set at 1.7% per annum until 2041.

Queensland **economic growth** was 3.6% in 2018 with forecast of 4.0% in 2022. Greater Brisbane **unemployment** stood at 6.9% as at March 2019, trending 75 bps higher than a year earlier.

The value of Queensland **housing finance** commitments fell by 9.3% in the year ending March 2019; down from -3.9% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 13,037 houses and 7,819 apartments in Greater Brisbane. This was trending 8.1% lower for houses and 34.8% lower for apartment approvals compared to a year earlier.

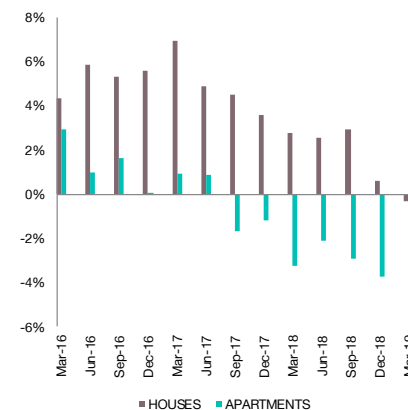
Market Trends in Greater Brisbane

Over the year ending March 2019, **capital growth** decreased 0.3% for houses; and fell 1.1% over the past quarter to a **median value** of \$563,500. Apartment values fell 5.2% over the year, decreasing 3.7% in the past quarter to a median of \$373,000.

The **volume of sales** tallied 29,470 houses (down 18.4%) and 10,490 apartments (down 22.0%) in the year ending March 2019.

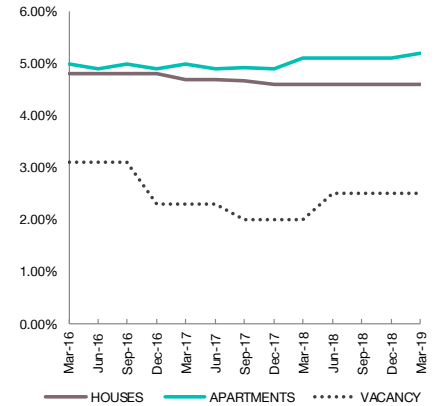
The **average days on market** for houses stood at 87 days in the March 2019 quarter. For apartments, this was 136 days. A year earlier, this comparable period was recorded at 77 days and 135 days, respectively.

FIGURE 7
Capital Growth, Greater Brisbane
% annual



Source: Knight Frank Research, APM

FIGURE 8
Gross Rental Yield & Total Vacancy
Greater Brisbane
%



Source: Knight Frank Research, APM, REIQ

The **auction clearance rate** for the week ending 5 May was 23.0% out of 93 scheduled auctions. This was lower than the week prior, at 43.4% from 98 scheduled auctions, and lower than the comparable week a year earlier when 47.3% (out of 127 auctions) were sold.

Gross rental yields remained steady at 4.60% for houses but rose 10 bps to 5.20% for apartments over the March 2019 quarter.

Rents increased 2.5% for houses and grew 1.3% for apartments over the year ending March 2019. Weekly median rents stood at \$410 for houses and \$380 for apartments.

Total vacancy was 2.2% in the Brisbane LGA as at March 2019; recording 2.1% in the Inner Suburbs (0-5km from the CBD), 2.7% in the Middle Suburbs (5-20km) and 2.0% in the Outer Suburbs (20km+).

TABLE 3
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Brisbane	Houses	563,500	-1.1	-0.3	29,470	87	4.60	410
Brisbane	Apartment	373,000	-3.7	-5.2	10,490	136	5.20	380

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

PERTH

Population in Greater Perth was estimated at 2.1 million persons in June 2018, with annual **population growth** of 1.0%. The **population projection** is set at 1.6% per annum until 2041.

Western Australia (WA) **economic growth** was 0.9% in 2018 with forecast of 4.5% in 2022. Greater Perth **unemployment** stood at 6.8% as at March 2019, trending 109 bps lower than a year earlier.

The value of WA **housing finance** commitments fell by 14.9% in the year ending March 2019; down from -5.6% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 10,452 houses and 3,763 apartments in Greater Perth. This was trending 6.5% lower for houses and 20.5% lower for apartment approvals compared to a year earlier.

Market Trends in Greater Perth

Over the year ending March 2019, **capital growth** decreased 5.2% for houses and fell 2.5% over the past quarter to a **median value** of \$530,000. Over this year, apartment values decreased 5.6%, falling 1.1% in the past quarter to a median of \$347,500.

The **volume of sales** tallied 25,779 houses (down 10.0%) and 2,865 apartments (down 22.8%) in the year ending March 2019.

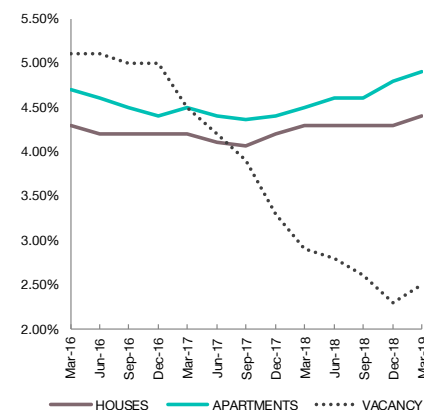
The **average days on market** for houses stood at 127 days in the March 2019 quarter. For apartments, this was 160 days. A year earlier, this comparable period was recorded at 119 days and 138 days, respectively.

FIGURE 9
Capital Growth, Greater Perth
% annual



Source: Knight Frank Research, APM

FIGURE 10
Gross Rental Yield & Total Vacancy
Greater Perth
%



Source: Knight Frank Research, APM, REIWA

The **auction clearance rate** for the week ending 5 May 2019 was 14.9% out of 53 scheduled auctions. This was slightly higher than the week prior, at 14.3% from 23 scheduled auctions, but lower than the comparable week a year earlier when 21.9% (out of 39 auctions) were sold.

Gross rental yields were up 10 bps to 4.40% for houses, and rose 10 bps to 4.90% for apartments over the March 2019 quarter.

Rents increased for houses 4.3% and remained steady for apartments over the year ending March 2019. Weekly median rents stood at \$365 for houses and \$300 for apartments.

Total vacancy was 2.5% as at March 2019; falling from 5.1% one year earlier.

TABLE 4
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Perth	Houses	530,000	-2.5	-5.2	25,779	127	4.40	365
Perth	Apartment	347,500	-1.1	-5.6	2,865	160	4.90	300

Source: Knight Frank Research, APM, CoreLogic, ABS, REIWA, Oxford Economics

GOLD COAST

Population in the Gold Coast LGA was estimated at 576,900 persons in June 2018, with annual **population growth** of 2.4%. The **population projection** is set at 2.1% per annum until 2041.

Queensland **economic growth** was 3.6% in 2018 with forecast of 4.0% in 2022. Gold Coast LGA **unemployment** stood at 4.3% as at December 2018, trending 70 bps lower than a year earlier.

The value of Queensland **housing finance** commitments fell by 9.3% in the year ending March 2019; down from -3.9% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 2,361 houses and 2,811 apartments in the Gold Coast LGA.

Market Trends in Gold Coast LGA

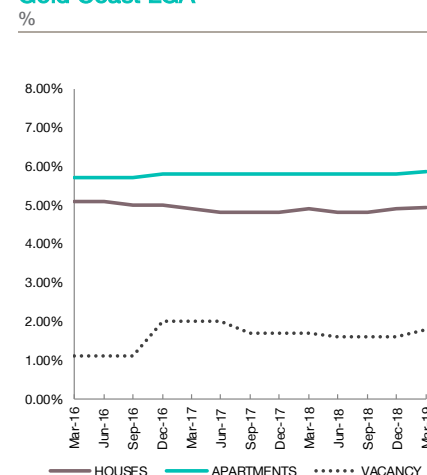
Over the year ending March 2019, **capital values** remained steady for houses; also remaining stable over the past quarter at a **median value** of \$620,000.

Apartment values rose 1.4% over the year, and increased 1.2% in the past quarter to a median of \$430,000.

The **volume of sales** tallied 8,282 houses (falling by 14.6%) and 7,150 apartments (down 15.2%) in the year ending March 2019.

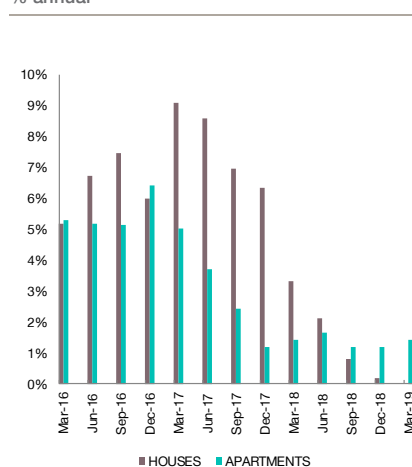
The **average days on market** for houses stood at 94 days in the March 2019 quarter.

FIGURE 12
Gross Rental Yield & Total Vacancy
Gold Coast LGA



Source: Knight Frank Research, APM, REIQ

FIGURE 11
Capital Growth, Gold Coast LGA
% annual



Source: Knight Frank Research, APM

For apartments, this was 131 days. A year earlier, this comparable period was recorded at 78 days and 100 days, respectively.

Gross rental yields rose 5 bps to 4.95% for houses, and rose 6 bps to 5.86% for apartments over the March 2019 quarter.

Rents increased 2.0% for houses and rose 2.4% for apartments over the year ending March 2019.

Weekly median rents stood at \$500 for houses and \$430 for apartments.

Total vacancy was 1.8% as at March 2019 up from 1.1% one year earlier.

TABLE 5
Key Residential Indicators, 31 March 2019

LGA	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Gold Coast	Houses	620,000	0.0	0.0	8,282	94	4.95	500
Gold Coast	Apartment	430,000	1.2	1.4	7,150	131	5.86	430

Source: Knight Frank Research, National Institute of Economic and Industry Research (NIEIR), APM, ABS, Dept of Jobs and Small Business, REIQ, Oxford Economics

ADELAIDE

Population in Greater Adelaide was estimated at 1.3 million persons in June 2018, with annual **population growth** of 0.7%. The **population projection** is set at 0.8% per annum until 2041.

South Australian (SA) **economic growth** was 3.3% in 2018 with forecast of 3.2% in 2022. Greater Adelaide **unemployment** stood at 5.9% as at March 2019, trending 22 bps lower than a year earlier.

The value of SA **housing finance** commitments fell by 3.3% in the year ending March 2019; down from -2.1% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 6,267 houses and 3,755 apartments in Greater Adelaide. This was trending 7.3% lower for houses and 4.8% lower for apartment approvals compared to a year earlier.

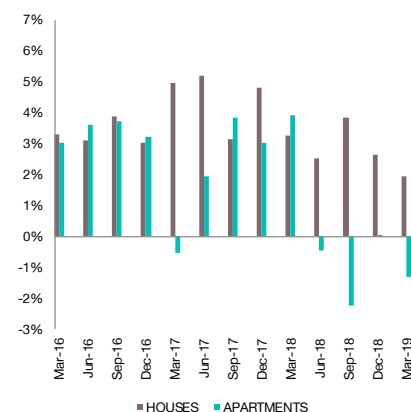
Market Trends in Greater Adelaide

Over the year ending March 2019, **capital growth** increased 2.0% for houses; but remained stable over the past quarter to a **median value** of \$542,500. Apartments decreased 1.3% over the year, and fell 2.1% in the past quarter to a median of \$321,500.

The **volume of sales** tallied 18,943 houses (down 1.0%) and 3,927 apartments (down 7.6%) in the year ending March 2019.

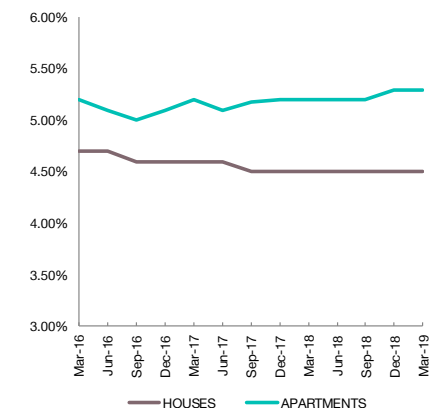
The **average days on market** for houses stood at 97 days in the March 2019 quarter. For apartments, this was 133 days. A year earlier, this comparable period was recorded at 99 days and 124 days, respectively.

FIGURE 13
Capital Growth, Greater Adelaide
% annual



Source: Knight Frank Research, APM

FIGURE 14
Gross Rental Yield
Greater Adelaide
%



Source: Knight Frank Research, APM

The **auction clearance rate** for the week ending 5 May 2019 was 45.5% out of 64 scheduled auctions. This was higher than the week prior, at 40.4% from 54 scheduled auctions, but lower than the comparable week a year earlier when 59.1% (out of 97 auctions) were sold.

Gross rental yields remained steady at 4.50% for houses and 5.30% for apartments over the March 2019 quarter.

Rents increased 4.0% for houses and rose 3.3% for apartments over the year ending March 2019. Weekly median rents stood at \$390 for houses and \$310 for apartments.

TABLE 6
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Adelaide	Houses	542,500	0.0	2.0	18,943	97	4.50	390
Adelaide	Apartments	321,500	-2.1	-1.3	3,927	133	5.30	310

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

CANBERRA

Population in the Australian Capital Territory (ACT) was estimated at 410,300 persons in June 2018, with annual **population growth** of 1.7%. The **population projection** is set at 1.5% per annum until 2041.

ACT **economic growth** was 3.6% in 2018 with forecast of 3.7% in 2022. ACT **unemployment** stood at 4.1% as at March 2019, trending 14 bps lower than a year earlier.

The value of ACT **housing finance** commitments fell by 5.5% in the year ending March 2019; down from 10.9% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 1,373 houses and 5,240 apartments in the ACT. This was trending up 26.7% for houses and 24.6% higher for apartment approvals compared to a year earlier.

Market Trends in Canberra

Over the year ending March 2019, **capital growth** decreased 2.0% for houses; and fell by 0.9% over the past quarter to a **median value** of \$722,500. Apartment values fell 1.7% over the year, falling 3.2% in the past quarter to a median of \$426,500.

The **volume of sales** tallied 4,701 houses (down 15.6%) and 3,787 apartments (down 19.1%) in the year ending March 2019.

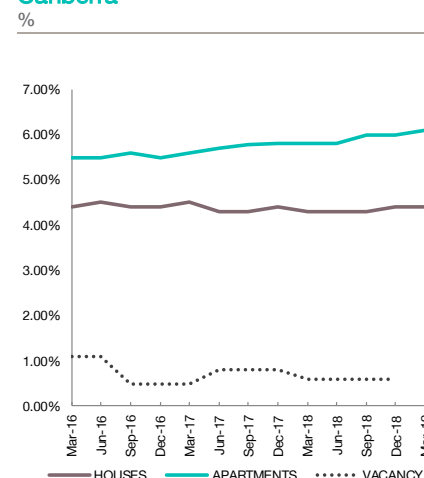
The **average days on market** for houses stood at 76 days in the March 2019 quarter. For apartments, this was 94 days. A year earlier, this comparable period was recorded similar at 61 days and 88 days, respectively.

FIGURE 15
Capital Growth, Canberra
% annual



Source: Knight Frank Research, APM

FIGURE 16
Gross Rental Yield & Total Vacancy
Canberra



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 5 May 2019 was 50.0% out of 54 scheduled auctions. This was higher than the week prior, at 38.9% from 18 scheduled auctions, but lower than the comparable week a year earlier when 73.9% (out of 102 auctions) were sold.

Gross rental yields remained steady at 4.40% for houses, but rose 10 bps to 6.10% for apartments over the March 2019 quarter.

Rents increased 7.5% for houses and rose 3.3% for apartments over the year ending March 2019. Weekly median rents stood at \$570 for houses and \$465 for apartments.

Total vacancy was a tight 0.6% as at December 2018; falling from 1.1% one year earlier.

TABLE 7

Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Canberra	Houses	722,500	0.9	-2.0	4,701	76	4.40	570
Canberra	Apartments	426,500	-3.2	-1.7	3,787	94	6.10	465

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

HOBART

Population in Greater Hobart was estimated at 226,900 persons in June 2018, with annual **population growth** of 1.1%. The **population projection** is set at 0.9% per annum until 2041.

Tasmanian **economic growth** was 3.3% in 2017-18. Greater Hobart **unemployment** stood at 7.2% as at March 2019, trending 104 bps higher than a year earlier.

The value of Tasmanian **housing finance** commitments rose by 8.5% in the year ending March 2019, this was up from 7.8% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 1,482 houses and 202 apartments in Greater Hobart. This was trending 45.7% higher for houses, but 27.6% lower for apartment approvals compared to a year earlier.

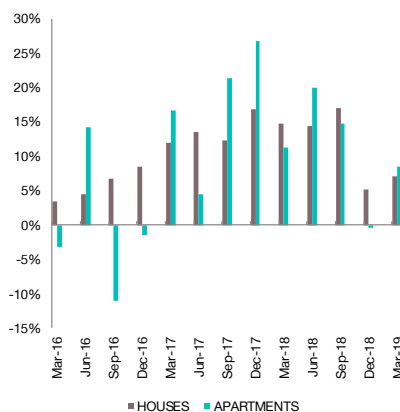
Market Trends in Greater Hobart

Over the year ending March 2019, **capital growth** increased 7.0% for houses; rising 3.1% over the past quarter to a **median value** of \$478,000. Apartment values rose 8.4% over the year, increasing 2.6% in the past quarter, to a median of \$363,500.

The **volume of sales** tallied 3,629 houses (down 14.4%) and 666 apartments (down 9.0%) in the year ending March 2019.

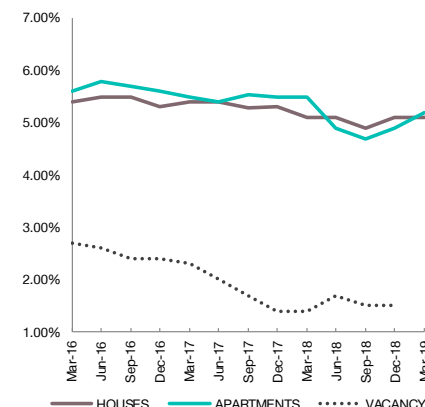
The **average days on market** for houses stood at 52 days in the March 2019 quarter. For apartments, this was 47 days. A year earlier, this comparable period was recorded at 50 days and 43 days, respectively.

FIGURE 17
Capital Growth, Greater Hobart
% annual



Source: Knight Frank Research, APM

FIGURE 18
Gross Rental Yield & Total Vacancy Greater Hobart
%



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 5 May 2019 was 0% out of 4 scheduled auctions. This was the same the week prior, at 0% from 3 scheduled auctions, and lower than the comparable week a year earlier when 50.0% (out of 7 auctions) were sold.

Gross rental yields remained steady at 5.10% for houses, but rose 30 bps to 5.20% for apartments over the March 2019.

Rents increased 7.1% for houses and rose 8.6% for apartments over the year ending March 2019. Weekly median rents stood at \$450 for houses and \$380 for apartments.

Total vacancy was 1.5% as at December 2018; rising from 1.4% one year earlier.

TABLE 8
Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Hobart	Houses	478,000	3.1	7.0	3,629	52	5.10	450
Hobart	Apartments	363,500	2.6	8.4	666	47	5.20	380

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

DARWIN

Population in Greater Darwin was estimated at 146,600 persons in June 2018, with annual **population growth** of 0.5%. The **population projection** is set at 1.8% per annum until 2041.

Northern Territory (NT) **economic growth** was 1.7% in 2017-18. Greater Darwin **unemployment** stood at 3.7% as at March 2019, trending 18 bps lower than a year earlier.

The value of NT **housing finance** commitments fell by 15.2% in the year ending March 2019, down from the -7.7% recorded for the previous year.

Building approvals in the year ending March 2019 totalled 378 houses and 49 apartments in Greater Darwin. This was trending 21.6% lower for houses but 2.1% higher for apartment approvals compared to a year earlier.

Market Trends in Greater Darwin

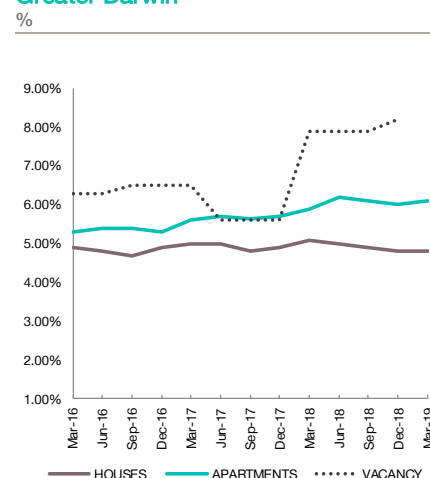
Over the year ending March 2019, **capital growth** increased 1.5% for houses; falling 0.1% in the past quarter to a **median value** of \$514,500. Apartment values fell 1.7% over the year, and fell 2.6% in the past quarter to a median of \$313,500.

The **volume of sales** tallied 604 houses (down 5.5%) and 412 apartments (down 18.9%) in the year ending March 2019.

The **average days on market** for houses stood at 115 days in the March 2019 quarter. For apartments, this was 273 days. A year earlier, this comparable period was recorded at 182 days and 260 days, respectively.

FIGURE 20

Gross Rental Yield & Total Vacancy Greater Darwin



Source: Knight Frank Research, APM, REIA

The **auction clearance rate** for the week ending 5 May 2019 was 0% out of 4 scheduled auctions. This was lower than the week prior, at 50.0% (from 4 scheduled auctions) and lower than the comparable week a year earlier when 50.0% (out of 7 auctions) were sold.

Gross rental yields remained steady at 4.80% for houses, but rose 10 bps to 6.10% for apartments over the March 2019 quarter.

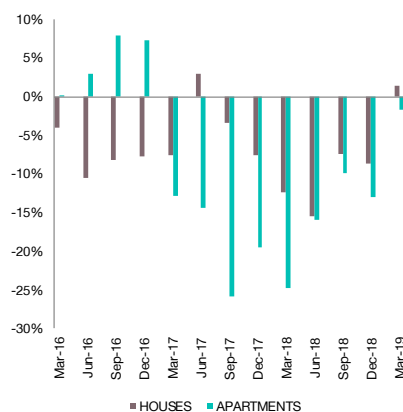
Rents decreased 5.7% for houses and fell 2.4% for apartments over the year ending March 2019. Weekly median rents stood at \$500 for houses and \$400 for apartments.

Total vacancy was 8.2% as at December 2018; increasing from 6.3% one year earlier.

FIGURE 19

Capital Growth, Greater Darwin

% annual



Source: Knight Frank Research, APM

TABLE 9

Key Residential Indicators, 31 March 2019

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Average Days on Market (no.)	Gross Rental Yield (%)	Median Weekly Rent (\$)
Darwin	Houses	514,400	-0.1	1.5	604	115	4.80	500
Darwin	Apartments	313,500	-2.6	-1.7	412	273	6.10	400

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

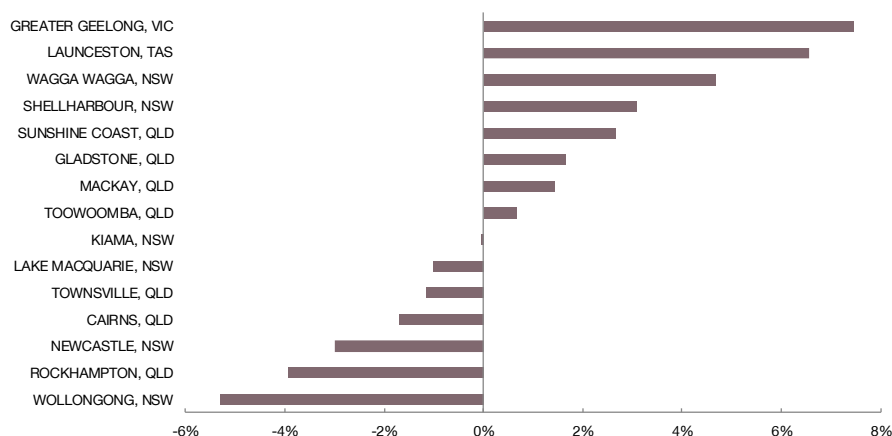


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REGIONAL AUSTRALIA

FIGURE 21

Capital Growth, Houses, Key Regional Local Government Areas % annual, as at 31 March 2019

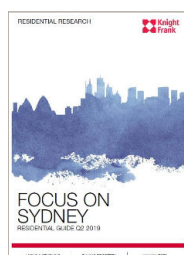


Source: Knight Frank Research

Note: Unless stated, all references to dollars or \$ refer to Australian dollars (AUD).

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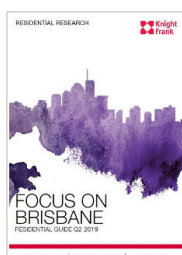
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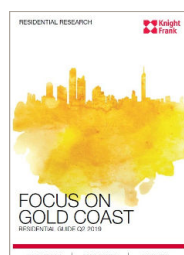
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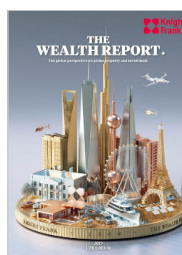
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RESIDENTIAL RESEARCH

Michelle Ciesielski

Director, Residential Research, Australia
+61 2 9036 6659
Michelle.Ciesielski@au.knightfrank.com

Ben Burston

Partner, Head of Research & Consulting,
Australia
+61 2 9036 6756
Ben.Burston@au.knightfrank.com

RESIDENTIAL SALES, PROJECT MARKETING & PROPERTY MANAGEMENT

Sarah Harding

Partner, Head of Residential, Australia
+61 2 9036 6752
Sarah.Harding@au.knightfrank.com

RESIDENTIAL SITE SALES

Paul Henley

Partner, Head of Commercial Sales,
Australia
+61 3 9604 4760
Paul.Henley@au.knightfrank.com

RESIDENTIAL VALUATION & ADVISORY

Chris Hill

Partner, Head of Residential Valuation
and Advisory, Australia
+61 438 807 249
Chris.Hill@au.knightfrank.com



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