

RESIDENTIAL RESEARCH



AUSTRALIAN RESIDENTIAL REVIEW

JUNE 2017



MARKET ACTIVITY REPORT FOR AUSTRALIAN CAPITAL CITIES & REGIONAL CENTRES

KEY FINDINGS

The official **cash rate** target remained at 1.50% on 6 June 2017. **Gross Domestic Product** was recorded at 1.7% annual growth to March 2017.

Unemployment across Australia remained steady at 5.7%, in the quarter ending April 2017.

The weighted average of Australian capital cities **house values** grew 0.7% in the month of April 2017 (7.2% annual growth) to \$738,400; while **apartment values** were up 1.1% over the month (5.4% annual growth) to \$558,250.

In the year ending April 2017, the volume of **house sales** across Australian capital cities grew 2.9% to 189,592; while 140,179 **apartment sales** were recorded (up by 8.0%).

Gross rental yields across Australian capital cities houses recorded a weighted average of 3.73% in April 2017 while apartments achieved 4.43%.

The weighted average of Australian capital cities weekly **house rents** was \$493 in April 2017; whilst **apartment rents** were \$460 per week.

The weighted average **total vacancy** for Australian residential property was last recorded at 2.9% in December 2016; trending down 30 bps over the year.



MICHELLE CIESIELSKI
Knight Frank Residential Research

AUSTRALIAN RESIDENTIAL

The Knight Frank Global House Price Index, which measures the mainstream housing market, increased by 6.5% in the year ending March 2017. This was up from 3.4% a year earlier.

With annual capital growth of 7.7%, Australia ranked in 20th position in March 2017. This was significantly different from the end of 2015 when Australia recorded annual capital growth of 10.7%, ranking in 4th place globally. Over the past two years, the ability to source lending finance has tightened for both local and foreign investors although demand remaining relatively strong across the country.

The NAB Residential Property Survey estimated the proportion of foreign buyers of new Australian properties at 10.8% at the end of Q1 2017, and a 7.2% share of established properties. Despite this small portion, many levels of Government and media continue to link affordable housing back to elevated levels of foreign investment in Australian residential property.

This was most evident when the Federal budget 2017-18 was handed down on 9 May 2017. It introduced an annual levy for foreign-owned vacant residential property and the prevention of developers selling more than 50% of lots within a development to foreign persons;

effective immediately. This extended to the removal of the main residence exemption for Capital Gains Tax (CGT) and an increase to 12.5% for the CGT withholding tax rate, while reducing the threshold to \$750,000; both effective from 1 July 2017.

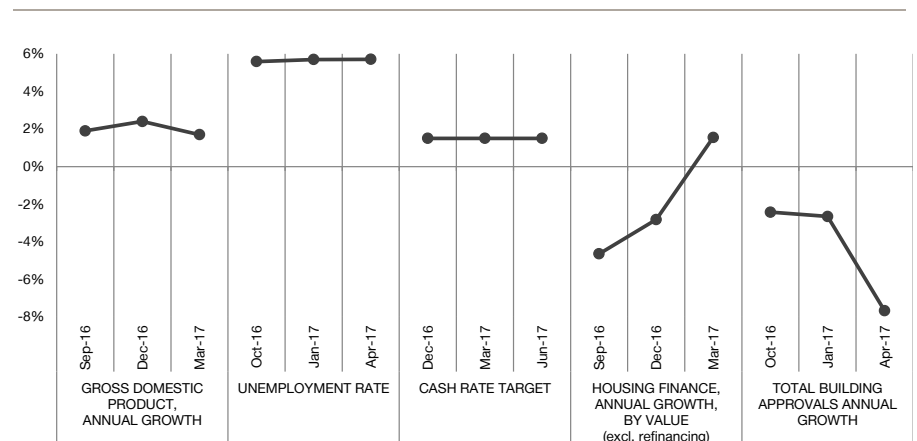
In Australia, foreign investors are currently subjected to an application fee to the Foreign Investment Review Board (FIRB) with individual state-based surcharges on stamp duty and land tax in some states. The process for foreign buyers when purchasing, owning and selling Australian residential property is shown in Figure 2.

From 1 July 2017, the New South Wales Government will increase the stamp duty surcharge for foreign investors from 4%, to 8%, plus lift the annual land tax surcharge to 2% on the taxable land value.

The Victorian Government continues to collect a 7% stamp duty surcharge plus an 1.5% absentee land tax. From 1 January 2018 a vacant residential property tax, also applicable to local owners, will encourage the rental of properties not currently available to the market.

In the Queensland state budget released on 13 June 2017, it was announced the

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

stamp duty surcharge for foreign investors would remain at 3%, however an absentee owner land tax surcharge would be introduced for 2017-18 at 1.5% on taxable land above \$350,000.

The Western Australian 2017-18 budget didn't introduce any foreign investor charges on top of those already imposed by the Australian Government.

Whilst clamping down on foreign investment, several policy initiatives to directly boost housing affordability for first home buyers have also been introduced in the Federal budget and state-based Governments.

The First Home Super Scheme will assist Australians saving for their first home by allowing individuals to make voluntary contributions of up to \$15,000 per year, and \$30,000 in total, to their superannuation account to purchase a first home. These contributions, which are taxed at 15%, along with deemed earnings, can be withdrawn for a deposit. Withdrawals will be taxed at marginal tax rate, less a 30% offset, and available from 1 July 2018. This measure is designed to fast-track the time taken to save for a deposit.

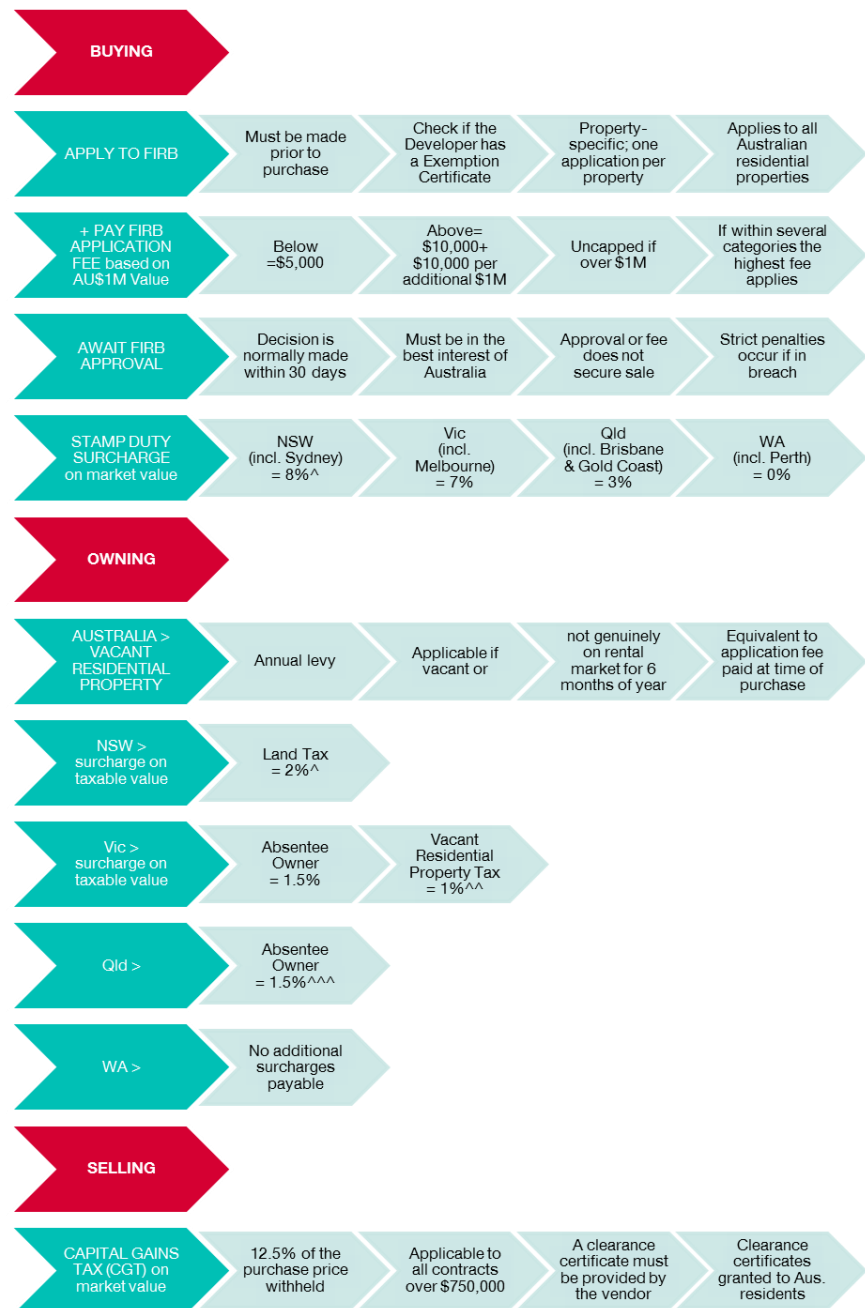
In New South Wales, those buying their first home (new or established) valued up to \$650,000 will be exempt from paying stamp duty. Those buying a first home valued at \$650,000 to \$800,000 are entitled to a stamp duty discount. The 9% stamp duty charged on lenders' mortgage insurance (for those with a smaller deposit) will be abolished. The First Home Owner Grant remains at \$10,000 for builders of new properties worth up to \$750,000, and buyers of new properties worth up to \$600,000.

From 1 July 2017, stamp duty will be abolished for first home buyers in Victoria who purchase property valued below \$600,000, while a tapered discount will apply for property purchases valued between \$600,000 and \$750,000—this exemption applying to both new and established dwellings. Establish HomesVic, is a new shared equity scheme to assist first home purchasers who are eligible for a bank loan, but need help with a deposit. In metropolitan Victoria the \$10,000 grant is available for

FIGURE 2

The Process for Foreign Buyers when Purchasing, Owning and Selling Australian Residential Property

As at 15 June 2017



[^]Effective 1 July 2017 ^{^^} Subject to the passage of the State Taxation Acts Amendment Bill 2017, the VRPT will apply from 1 January 2018 ^{^^^}Imposed if taxable land is \$350,000+

Source: Knight Frank Research, Commonwealth Government, NSW Office of State Revenue, State Revenue Office Victoria, Queensland Government, WA Department of Finance

new properties below \$750,000. While in regional areas of Victoria, this grant increases to \$20,000 for new and established dwellings valued below \$600,000 with a sliding scale for purchases up to \$750,000.

In Queensland, additional funding in the 2017-18 budget has seen the temporary boost of the First Home Owners' Grant from \$15,000, to \$20,000, extend out to 31 December 2017. The threshold remains at \$750,000 for a new property.

SYDNEY

Gross State Product in New South Wales was recorded at \$531,323 million in the year to June 2016; 3.4% greater than the prior year.

Unemployment as at April 2017 stood at 4.4% for Greater Sydney, trending 40 bps lower than the 4.8% recorded in April 2016.

Population in Greater Sydney was estimated at 5.0 million persons in June 2016. Greater Sydney experienced **population growth** of 1.7% in the year to June 2016.

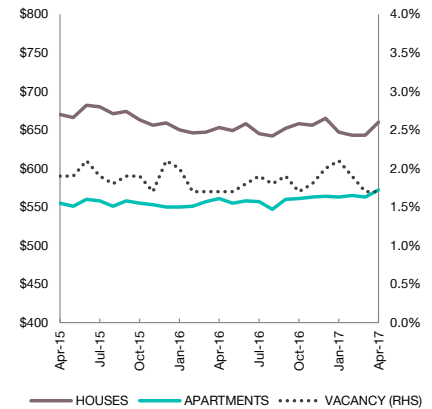
Market Trends

- The value of housing finance commitments in New South Wales in the three months ending April 2017 fell by 1.1% on the previous year, to \$21.9 billion.
- Building approvals in the three months ending April totalled 4,309 houses and 8,315 apartments in Greater Sydney. This is trending 0.2% higher for houses and 16.7% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 71.9% out of 1,019 scheduled auctions in Greater Sydney. This is lower than the week prior, at 72.7% from 1,101 scheduled auctions, and lower than the comparable week a year earlier, when 72.9% (out of 692 auctions) were sold.
- Sales transacted in the year to April tallied 42,931 houses (down 0.8% on

FIGURE 4

Median Rents & Total Vacancy Greater Sydney

Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REINSW

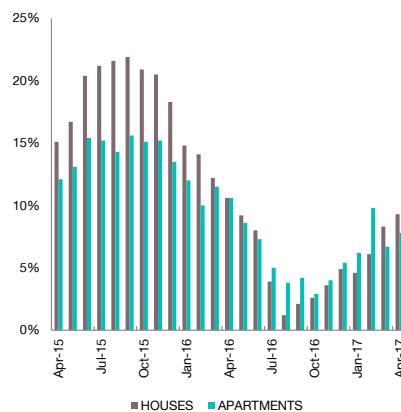
previous year) and 48,184 apartments (up 9.1% on prior year).

- House values increased 1.3% in the month of April (rising 9.3% over the last year) to a median of \$1,143,500. Apartment values rose 1.6% over the same month (rising 7.8% over the year) to record a median of \$749,500.
- Over the year to April, median rentals rose 1.1% for houses and 2.0% for apartments. Weekly median rents are currently achieving \$660 for houses and \$572 for apartments.
- Greater Sydney total vacancy was last recorded at 1.7% in April 2017 with 1.5% for the inner ring (0-10km), 1.2% for the middle ring (10-25km) and 2.2% for the outer ring (25km+).
- In April, gross rental yields across Greater Sydney compressed 24 bps (to 3.02%) for houses and 23 bps (to 3.98%) for apartments compared to the previous year.

FIGURE 3

Capital Growth, Greater Sydney

12-month rolling



Source: Knight Frank Research, Residex

TABLE 1

Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Sydney	Houses	1,143,500	1.3	4.5	9.3	42,931	660	3.02
Sydney	Apartments	749,500	1.6	2.9	7.8	48,184	572	3.98

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

MELBOURNE

Gross State Product in Victoria was recorded at \$373,624 million in the year to June 2016; 3.5% greater than the prior year.

Unemployment as at April 2017 stood at 6.5% for Greater Melbourne, trending 90 bps higher than the 5.6% recorded in April 2016.

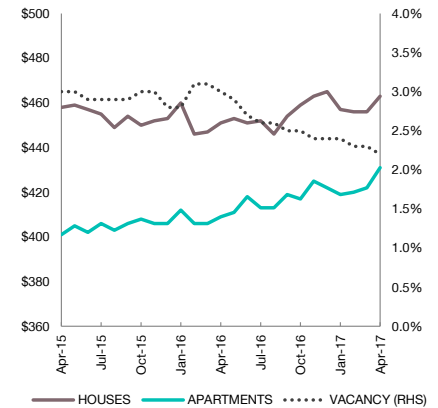
Population in Greater Melbourne was estimated at 4.6 million persons in June 2016. Greater Melbourne experienced **population growth** of 2.5% in the year to June 2016.

Market Trends

- The value of housing finance commitments in Victoria in the three months ending April 2017 grew by 0.8% on the previous year, to \$17.1 billion.
- Building approvals in the three months ending April totalled 6,433 houses and 6,498 apartments in Greater Melbourne. This is trending 6.5% lower for houses and 12.7% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 73.1% out of 1,188 scheduled auctions in Greater Melbourne. This is lower than the week prior, at 74.2% from 1,366 scheduled auctions, and higher than the comparable week the year earlier, when 71.1% (out of 970 scheduled auctions) were sold.
- Sales transacted in the year to April tallied 52,637 houses (up 6.0% on

FIGURE 6

Median Rents & Total Vacancy Greater Melbourne
Weekly Rents (LHS) & Vacancy (RHS)



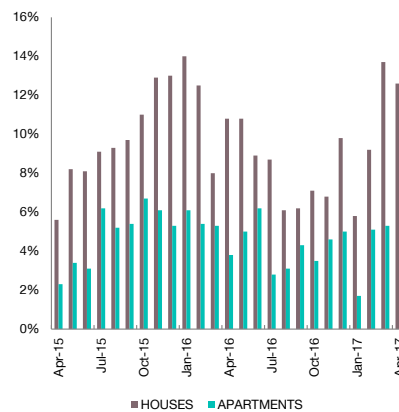
Source: Knight Frank Research, Residex, REIV

previous year) and 45,452 apartments (up 6.8 on the prior year).

- House values grew 0.1% in the month of April (growth of 12.6% over the last year) to a median of \$826,500, and apartment values were up 1.5% over the month (growth of 8.6% over the year) to record a median of \$529,000.
- Over the year to April, median rentals rose 2.7% for houses and 5.4% for apartments. Weekly median rents are currently achieving \$463 for houses and \$431 for apartments.
- Greater Melbourne total vacancy was last recorded at 2.2% in April 2017 with 2.0% in the inner ring (0-10km), 2.9% in the middle ring (10-20km) and 1.8% in the outer ring (20km+).
- In April, gross rental yields across Greater Melbourne compressed 28 bps (to 2.93%) for houses and 13 bps (to 4.26%) for apartments compared to prior year.

FIGURE 5

Capital Growth, Greater Melbourne
12-month rolling



Source: Knight Frank Research, Residex

TABLE 2

Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Melbourne	Houses	826,500	0.1	3.6	12.6	52,637	463	2.93
Melbourne	Apartments	529,000	1.5	3.8	8.6	45,452	431	4.26

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

BRISBANE

Gross State Product in Queensland was recorded at \$314,569 million in the year to June 2016; 1.5% greater than the prior year.

Unemployment as at April 2017 stood at 6.2% for Greater Brisbane, trending 10 bps lower than the 6.3% recorded in April 2016.

Population in Greater Brisbane was estimated at 2.3 million persons in June 2016. Greater Brisbane experienced **population growth** of 1.8% in the year to June 2016.

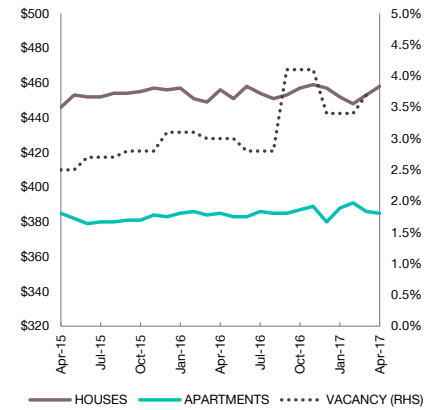
Market Trends

- The value of housing finance commitments in Queensland in the three months to April 2017 grew by 0.5% on the previous year, to \$10 billion.
- Building approvals in the three months to April totalled 2,593 houses and 2,795 apartments in Greater Brisbane. This is trending 5.2% lower for houses and 48.7% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 42.5% out of 151 scheduled auctions in Greater Brisbane. This is lower than the week prior, at 52.2% from 162 scheduled auctions, and lower than the comparable week the year earlier, when 48.2% (out of 130 scheduled auctions) were sold.
- Sales transacted in the year to April tallied 43,031 houses (up 2.8% on

FIGURE 8

Median Rents & Total Vacancy Greater Brisbane

Weekly Rents (LHS) & Vacancy (RHS)



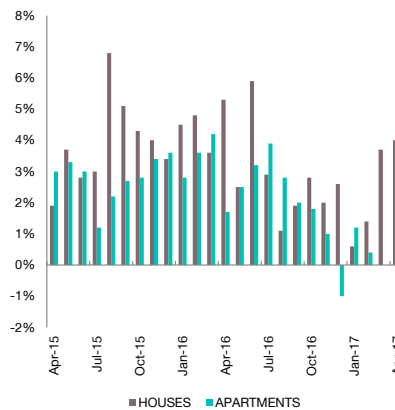
Source: Knight Frank Research, Residex, REIQ

previous year) and 25,002 apartments (up 13.7% on prior year).

FIGURE 7

Capital Growth, Greater Brisbane

12-month rolling



Source: Knight Frank Research, Residex

- House values rose 1.2% in the month of April (with growth of 4.0% over the last year) to a median of \$519,000 while apartment values remained steady over the year to record a median of \$383,000.
- Over the year to April, median rentals rose 0.4% for houses but remained steady for apartments. Weekly median rents are currently achieving \$458 for houses and \$385 for apartments.
- Greater Brisbane total vacancy was last recorded at 3.7% in March 2017 with 4.4% for the inner ring (0-5km), 3.1% for the middle ring (5-20km) and 2.2% for the outer ring (20km+).
- In April, gross rental yields across Greater Brisbane compressed 16bps (to 4.61%) for houses and remained steady (at 5.25%) for apartments compared to the previous year.

TABLE 3

Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Brisbane	Houses	519,000	1.2	2.0	4.0	43,031	458	4.61
Brisbane	Apartments	383,000	-0.9	-0.8	0.0	25,002	385	5.25

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

PERTH

Gross State Product in Western Australia was recorded at \$255,214 million in the year to June 2016; 4.5% greater than the prior year.

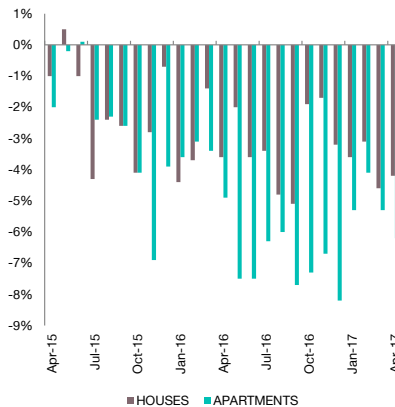
Unemployment as at April 2017 stood at 6.3% for Greater Perth, trending 30 bps higher than the 6.0% recorded in April 2016.

Population in Greater Perth was estimated at 2.1 million persons in June 2016. Greater Perth experienced **population growth** of 1.3% in the year to June 2016.

Market Trends

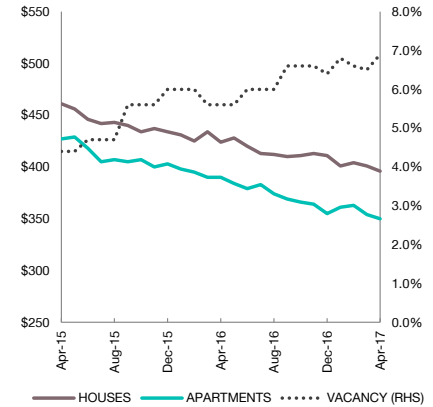
- The value of housing finance commitments in Western Australia in the three months to April 2017 fell by 13.2% on the previous year, to \$5.6 billion.
- Building approvals in the three months to April totalled 2,890 houses and 975 apartments in Greater Perth. This is trending 9.6% lower for houses and 44.3% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 47.6% out of 30 scheduled auctions in Greater Perth. This is lower than the week prior, at 50% from 47 scheduled auctions, and higher than the comparable week the year earlier, when 13% were sold.
- Sales transacted in the year to April tallied 21,451 houses (down 3.7% on previous year) and 10,078 apartments (down 6.3% on prior year).

FIGURE 9
Capital Growth, Greater Perth
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 10
Median Rents & Total Vacancy Greater Perth
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIWA

- House values were recorded at a median of \$490,500, (down 0.4% in the month of April) and down 4.2% over the last year. Apartment values fell 0.7% over the month, (down 6.2% over the year), to record a median of \$405,500.
- Over the year to April, rental growth was down 6.6% for houses and down 10.3% for apartments. Weekly median rents are currently \$396 for houses and \$350 for apartments.
- Across the Greater Perth area, total vacancy was recorded at 6.9% in April 2017; down 10 bps from six months earlier.
- In April, gross rental yields across Greater Perth compressed 10 bps (to 4.22%) for houses and by 19 bps (to 4.51%) for apartments compared to the previous year.

TABLE 4
Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a.)
Perth	Houses	490,500	-0.4	-1.5	-4.2	21,451	396	4.22
Perth	Apartments	405,500	-0.7	-2.3	-6.2	10,078	350	4.51

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

ADELAIDE

Gross State Product in South Australia was recorded at \$101,096 million in the year to June 2016; 2.6% greater than the prior year.

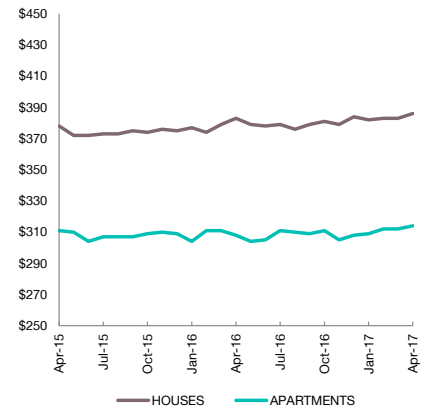
Unemployment as at April 2017 stood at 7.3% for Greater Adelaide, trending 40 bps higher, than the 6.9% recorded in April 2016.

Population in Greater Adelaide was estimated at 1.3 million persons in June 2016. Greater Adelaide experienced **population growth** of 0.7% in the year to June 2016.

Market Trends

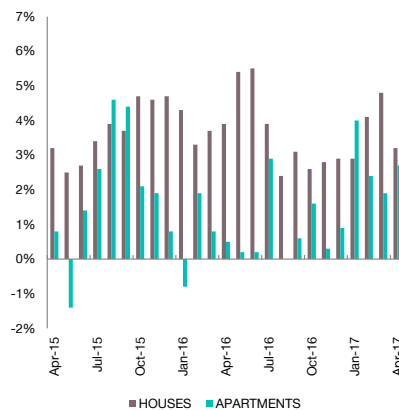
- The value of housing finance commitments in South Australia in the three months to April 2017 grew by 2.2% on the previous year, to \$3.3 billion.
- Building approvals in the three months to April totalled 1,525 houses and 740 apartments approved in Greater Adelaide. This is trending 9.5% lower for houses and 31.9% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 59.3% out of 108 scheduled auctions in Greater Adelaide. This is higher than the week prior, at 57.6% from 112 scheduled auctions, and lower than the comparable week the year earlier, when 60.7% (out of 98 scheduled auctions) were sold.

FIGURE 12
Median Rents, Greater Adelaide
Weekly Rents



Source: Knight Frank Research, Residex

FIGURE 11
Capital Growth, Greater Adelaide
12-month rolling



Source: Knight Frank Research, Residex

- Sales transacted in the year to April tallied 20,319 houses (up 8.2% on previous year) and 5,343 apartments (up 5.2% on prior year).
- House values were down 0.2% in the month of April (but rising 3.2% over the last year) to a median of \$456,000. Apartments grew 0.6% over the month to record a median of \$325,500 (rising 2.7% over the past year).
- Over the year to April, rental growth rose slightly for houses (up 0.8%) and rose (1.9%) for apartments. Weekly median rents are currently achieving \$386 for houses and \$314 for apartments.
- In April, gross rental yields across Greater Adelaide compressed 10 bps (to 4.42%) for houses and 4 bps (to 5.04%) for apartments compared to the previous year.

TABLE 5
Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Adelaide	Houses	456,000	-0.2	0.3	3.2	20,319	386	4.42
Adelaide	Apartments	325,500	0.6	0.0	2.7	5,343	314	5.04

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

CANBERRA

Gross State Product in the ACT was recorded at \$36,225 million in the year to June 2016; 2.4% greater than the prior year.

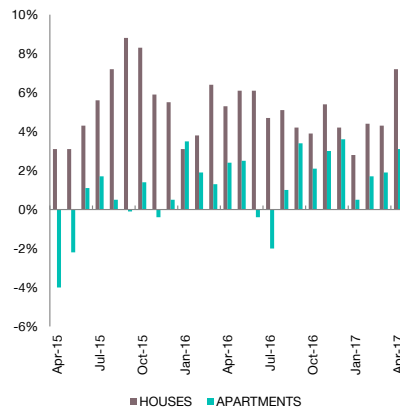
Unemployment as at April 2017 stood at 3.4% for the ACT, trending 50 bps lower, than the 3.9% recorded in to April 2016.

Population in the ACT was estimated at 396,300 persons in June 2016. The ACT experienced **population growth** of 1.4% in the year to June 2016.

Market Trends

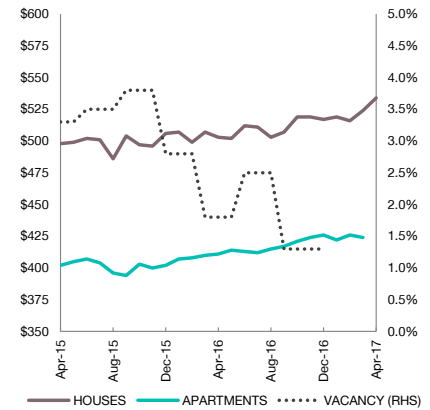
- The value of housing finance commitments in the Australian Capital Territory in the three months to April 2017 grew by 1.9% on the previous year, to \$1.1 billion.
- Building approvals in the three months to April totalled 199 houses and 866 apartments in the ACT. This is trending 23.2% lower for houses and 36.9% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 68.6% out of 78 scheduled auctions in Canberra. This is lower than the week prior, at 73.8% from 92 scheduled auctions, and higher than the comparable week the year earlier, when 52.4% were sold.
- Sales transacted in the year to April tallied 5,540 houses (up 19.9% on previous year) and 4,782 apartments (up 22.5% on prior year).

FIGURE 13
Capital Growth, Canberra
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 14
Median Rents & Total Vacancy Canberra
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIA

- House values rose 1.6% in the month of April (with growth of 7.2% over the last year) to a median of \$615,500. Apartment values rose 1.0% over the month (and up 3.1% over the year) to record a median of \$416,500.
- Over the year to April, median rentals grew 6.2% for houses and 4.6% for apartments. Weekly median rents are currently achieving \$534 for houses and \$430 for apartments.
- Total vacancy in Canberra was last recorded at 1.3% in December 2016; down 120 bps on the previous quarter and 150 bps lower compared to the prior year.
- In April, gross rental yields across Canberra fell 5 bps (to 4.53%) for houses but grew by 8 bps (to 5.39%) for apartments compared to the previous year.

TABLE 6
Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Canberra	Houses	615,500	1.6	3.4	7.2	5,540	534	4.53
Canberra	Apartments	416,500	1.0	1.3	3.1	4,782	430	5.39

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

HOBART

Gross State Product in Tasmania was recorded at \$26,039 million in the year to June 2016; 2.6% greater than the prior year.

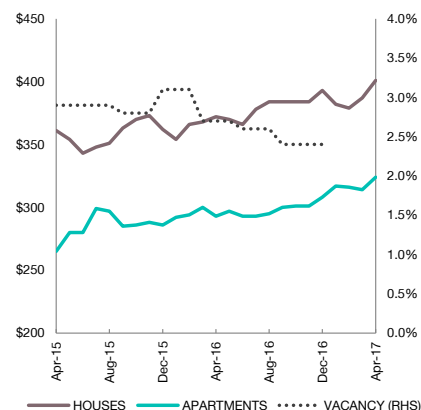
Unemployment as at April 2017 stood at 5.4% for Greater Hobart, trending 10 bps higher than the 5.3% recorded in April 2016.

Population in Greater Hobart was estimated at 222,800 persons in June 2016. Greater Hobart experienced **population growth** of 0.8% in the year to June 2016.

Market Trends

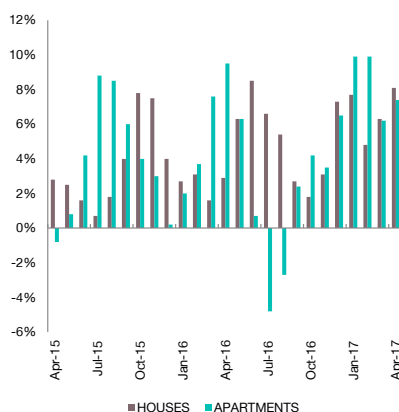
- The value of housing finance commitments in Tasmania in the three months to April 2017 grew by 14.4% on the previous year, to \$703.9 million.
- Building approvals in the three months to April totalled 169 houses and 91 apartments in Greater Hobart. This is trending 22.5% lower for houses but 139.5% higher for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 66.7% out of 4 scheduled auctions in Greater Hobart. This was higher than the previous week when 50% of 5 scheduled auctioned were sold.
- Sales transacted in the year to April tallied 2,701 houses (down 4.5% on previous year) and 977 apartments (down 3.6% on prior year).

FIGURE 16
Median Rents & Total Vacancy Greater Hobart
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIA

FIGURE 15
Capital Growth, Greater Hobart
12-month rolling



Source: Knight Frank Research, Residex

- House values rose 2.1% in the month of April (rising 8.1% over the last year) to a median of \$415,000. Apartments rose 1.0% over the month (up 7.4% over the year) to record a median of \$303,500.
- Over the year to April, rental growth was 7.8% for houses and 10.6% for apartments. Weekly median rents are currently achieving \$401 for houses and \$324 for apartments.
- Greater Hobart total vacancy was last recorded at 2.4% in December 2016; remaining the same as the previous quarter and down 70 bps compared to the prior year.
- In April, gross rental yields across Greater Hobart decreased 2 bps for houses (to 5.04%) and increased 16 bps for apartments (to 5.57%) compared to the previous year.

TABLE 7
Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Hobart	Houses	415,000	2.1	2.9	8.1	2,701	401	5.04
Hobart	Apartments	303,500	1.0	0.8	7.4	977	324	5.57

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

DARWIN

Gross State Product in the Northern Territory was recorded at \$23,648 million in the year to June 2016; 11.5% greater than the prior year.

Unemployment stood at 3.9% in the Northern Territory as at April 2017, trending 30 bps lower than the 4.2% recorded in April 2016.

Population in Greater Darwin was estimated at 143,630 persons in June 2016. Greater Darwin experienced **population growth** of 1.0% in the year to June 2016.

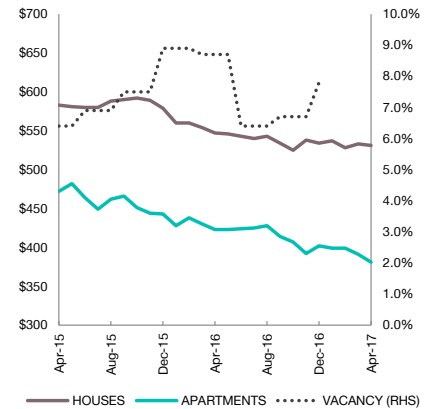
Market Trends

- The value of housing finance commitments in the Northern Territory in the three months to April 2017 fell by 6.2% on the previous year, to \$291.2 million.
- Building approvals in the three months to April totalled 88 houses and 14 apartments in Greater Darwin. This is trending 53.4% lower for houses and 81.1% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 4 June was 33% out of 8 scheduled auctions in Greater Darwin. This was lower than the previous week when 50% of 16 scheduled auctioned were sold.
- Sales transacted in the year to April tallied 982 houses (down 0.5% on previous year) and 361 apartments (down 1.4% on prior year).

FIGURE 18

Median Rents & Total Vacancy Greater Darwin

Weekly Rents (LHS) & Vacancy (RHS)

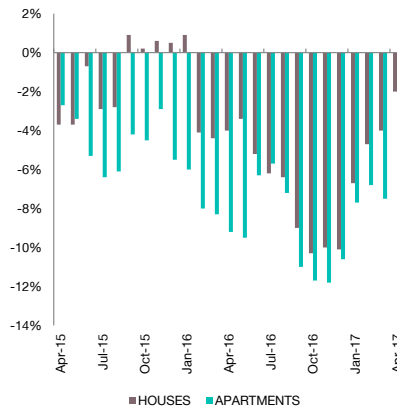


Source: Knight Frank Research, Residex, REIA

FIGURE 17

Capital Growth, Greater Darwin

12-month rolling



Source: Knight Frank Research, Residex

- House values rose 0.8% in the month of April (down 2.0% over the last year) to a median of \$524,500. Apartments fell 2.0% over the month (down 8.7% over the year) to record a median of \$346,500.
- Over the year to April, median rentals were down 2.9% for houses and 9.9% for apartments. Weekly median rents are currently achieving \$531 for houses and \$381 for apartments.
- Greater Darwin total vacancy was last recorded at 7.8% in December 2016; up 110 bps on the previous quarter but trending down 110 bps compared to the prior year.
- In April, gross rental yields across Greater Darwin compressed 5 bps (to 5.29%) for houses and 7 bps (to 5.74%) for apartments compare to previous year.

TABLE 8

Key Residential Indicators, April 2017

Greater Region	Type	Median Capital Value (\$)	Capital Growth Last Month (%)	Capital Growth Last Quarter (%)	Capital Growth Last Year (%)	Sales Volume Last Year (no.)	Median Weekly Rent (\$)	Gross Rental Yield (% p.a)
Darwin	Houses	524,500	0.8	0.7	-2.0	982	531	5.29
Darwin	Apartments	346,500	-2.0	-4.3	-8.7	361	381	5.74

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



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RESIDENTIAL RESEARCH

Michelle Ciesielski

Director

+61 2 9036 6659

Michelle.Ciesielski@au.knightfrank.com

RESIDENTIAL AND PROJECT MARKETING

Michael Robinson

Head of Project Marketing, Australia

+61 3 9604 4775

Michael.Robinson@au.knightfrank.com

Neil Kay

Senior Director

Head of Residential, Perth (WA)

+61 8 6210 0112

Neil.Kay@au.knightfrank.com

Sam Kandil

Head of Project Marketing, Sydney (NSW)

+61 2 9028 1169

Sam.Kandil@au.knightfrank.com

Daniel Cashen

Director, Melbourne (Vic)

+61 3 9604 4749

Daniel.Cashen@au.knightfrank.com

Chris Litfin

Head of Project Marketing (Qld) &
Gold Coast

+61 7 5636 0814

Chris.Litfin@au.knightfrank.com

INTERNATIONAL PROJECT MARKETING

Rebecca Pugh

Associate Director, Australia

+61 3 9604 4716

Rebecca.Pugh@au.knightfrank.com

PRESTIGE RESIDENTIAL SALES

Deborah Cullen

Head of Prestige Residential Sales

+61 2 9036 6805

Deborah.Cullen@au.knightfrank.com

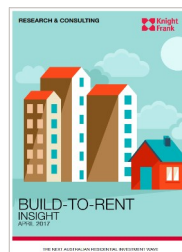
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