RESIDENTIAL RESEARCH

Knight Frank

AUSTRALIAN RESIDENTIAL REVIEW

JULY 2017

MARKET ACTIVITY REPORT FOR AUSTRALIAN CAPITAL CITIES & REGIONAL CENTRES

KEY FINDINGS

The official **cash rate** target remained at 1.50% on 4 July 2017. **Gross Domestic Product** was recorded at 1.7% annual growth to March 2017. **Unemployment** across Australia remained steady at 5.5%, in the quarter ending May 2017.

The weighted average of Australian capital cities **house values** grew 1.0% in the month of May 2017 (7.2% annual growth) to $746,000; while **apartment values** were up 0.2% over the month (5.6% annual growth) to $559,250.

In the year ending May 2017, the volume of **house sales** across Australian capital cities fell 1.3% to 201,526; while 134,880 **apartment sales** were recorded (up by 2.6%).

Gross rental yields across Australian capital cities houses recorded a weighted average of 3.64% in May 2017 while apartments achieved 4.37%.

The weighted average of Australian capital cities weekly **house rents** was $485 in May 2017; whilst **apartment rents** were $455 per week.

The weighted average **total vacancy** for Australian residential property was last recorded at 2.9% in March 2017; remaining steady over the year.

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AUSTRALIAN RESIDENTIAL

For the tenth consecutive month on 4 July 2017, the official cash rate remained unchanged by the Reserve Bank of Australia (RBA), at 1.50%.

The RBA Board stated the various forward-looking indicators continue to suggest growth in employment over the period ahead. Although wage growth continues to remain low, inflation is expected to increase gradually as the economy strengthens.

Drawing attention to housing market conditions varying considerably around the country, the Board cited that prices have been rising briskly in selected markets, although there are some signs that these conditions are starting to ease. In some other markets, prices are declining.

New supply projected over the coming years, with slower rents increases, together with supervisory measures should defuse the risks associated with elevated and rising levels of household indebtedness.

The RBA further acknowledged lenders increasing mortgage rates for investor and interest-only loans. As a result, the Australian outlook remains supported by low interest rates.

In the year ending May 2017, the weighted average of Australian capital cities house values increased 7.2% to $746,000, whilst over the same time, apartment values grew by 5.6% to $559,250.

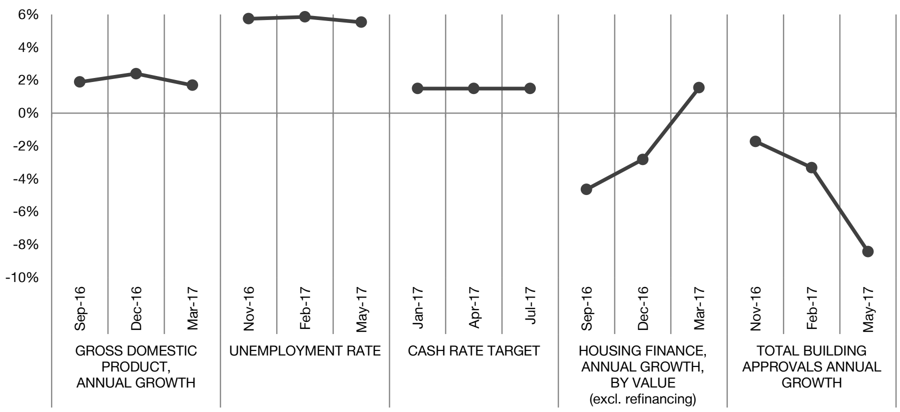
Given the annual volume of house sales across Australian capital cities was collectively down 1.3% and apartment sales were only up 2.6%, it's likely the positive capital growth experienced over recent years will not be as strong for the second half of 2017 and into 2018.

For the investment market, average weighted gross rental yields across the Australian capital cities were recorded at 3.87% for houses and 4.54% for apartments in May 2016. By the end of May 2017, this compressed to 3.64% and 4.37%, respectively.

Across the Australian capital cities, Sydney houses continue to command the highest median capital value at $1.16 million, whilst Hobart apartments, at $307,000, records the lowest median value.

When charted in Figure 2, Hobart apartments are the front-runner for investors, attracting not only the lowest median capital value, but the third-highest annual capital growth (at 9.8%) and second-best median gross rental yield return, at 5.35%.

FIGURE 1
National Key Economic Indicators



Source: Knight Frank Research, ABS, RBA

The Knight Frank Global Residential Cities Index records the annual capital growth of 150 capital cities around the world, as shown in Figure 3. Overall, residential prices increased by 6.9% in the year ending March 2017, the highest growth in the past three years.

Chinese cities continue to dominate the top rankings in the latest assessment of urban house prices across 150 cities worldwide. However, Shanghai and Beijing, previously in third and sixth position, have slipped down the rankings to 13th and 12th respectively, outpaced by the second tier cities of Wuxi and Nanjing – both home to a population of more than 6 million.

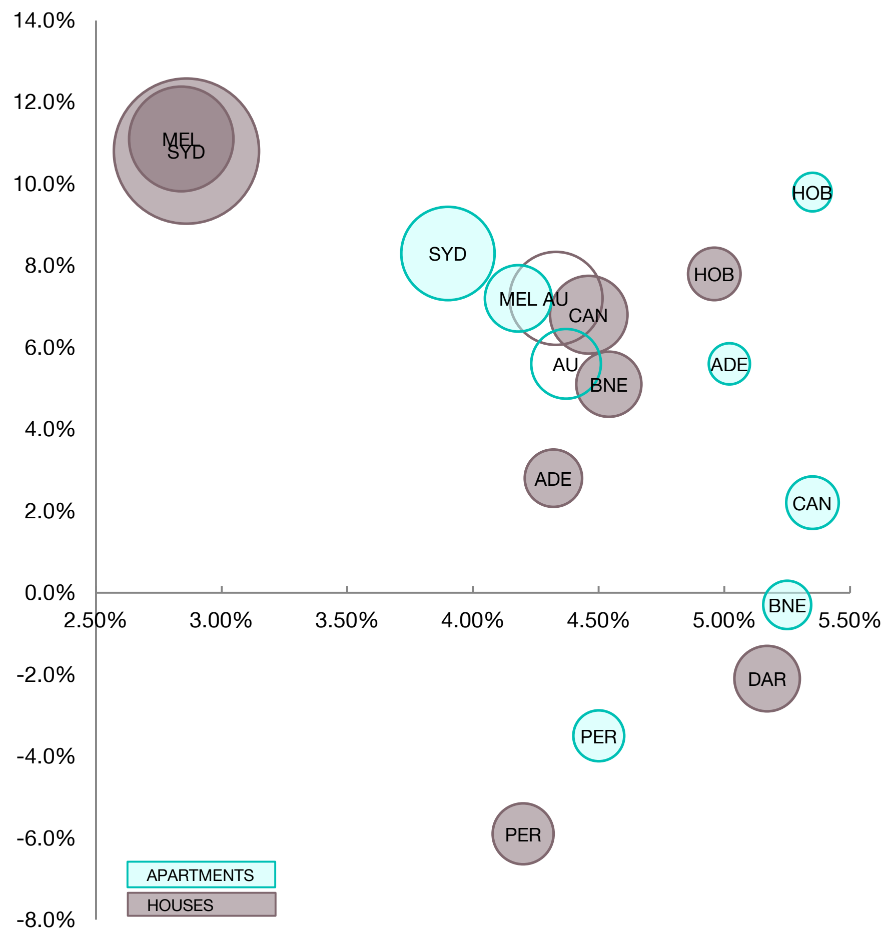
Tighter regulations in the form of higher loan-to-value ratios and limits on second home purchases are now filtering through into China's house price indicators. The average price change across all 20 Chinese cities tracked by our index declined from 19.2% last quarter to 15.9% this quarter.

At this time, Australia's highest ranking city was Sydney in 23rd position with 14.4% annual growth. Although by the end of May 2017, Sydney annual median capital house values moderated to 10.8%. Melbourne followed in 24th position with 13.4% annual growth, falling to 11.1% annual growth by the end of May 2017.

FIGURE 2

Annual Capital Growth v Gross Rental Yield & Median Capital Value

As at May 2017, Greater Capital Cities & Weighted Capital Cities Average (AU)



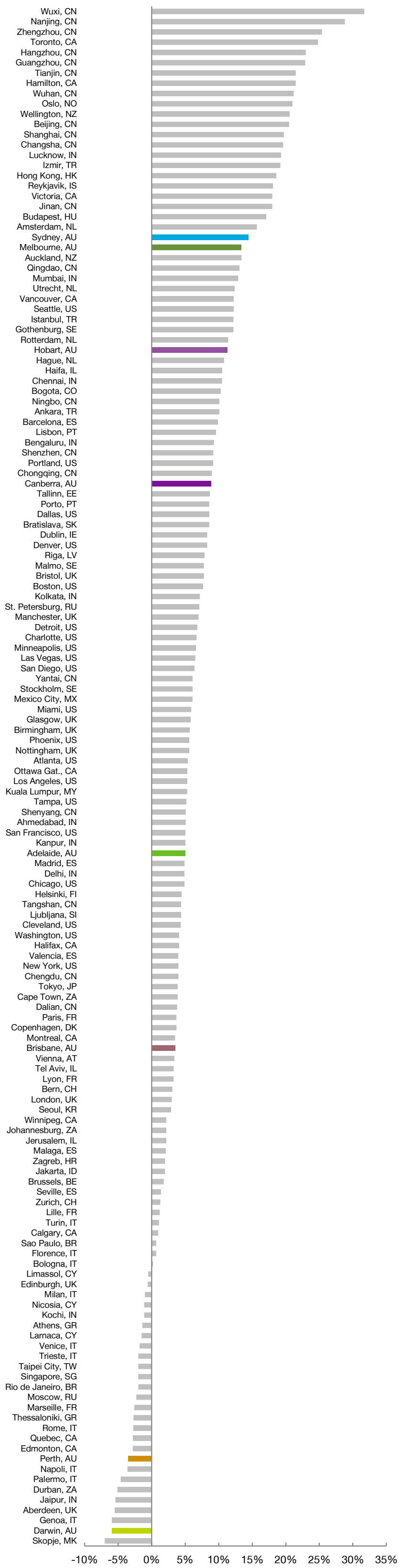
Bubble size reflects median capital value, while gross rental yield is represented on the x-axis & annual capital growth on the y-axis.

Source: Knight Frank Research, Residex

FIGURE 3

Global Residential Cities Index

Q1 2017, Ranked by annual capital growth % change



For further important notes, refer Global Residential Cities Index Q1 2017.

Source: Knight Frank Research

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.

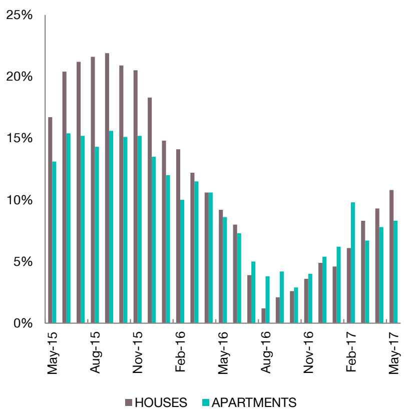
Unemployment as at May 2017 stood at 5.5% for Greater Sydney, trending 20 bps lower than the 5.7% recorded in May 2016.

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

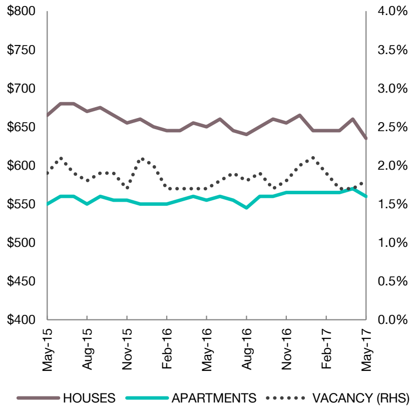
- The value of housing finance commitments in New South Wales in the three months ending April 2017 fell by 1.1% on the previous year, to $21.9 billion.
- Building approvals in the three months ending May totalled 4,492 houses and 6,994 apartments in Greater Sydney. This is trending 7.2% lower for houses and 36% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 68.2% out of 939 scheduled auctions in Greater Sydney. This is slightly higher than the week prior, at 68% from 1927 scheduled auctions, and lower than the comparable week a year earlier, when 73.5% (out of 816 auctions) were sold.
- Sales transacted in the year ending May tallied 47,859 houses (down 2.2% on previous year) and 48,939 apartments (up 2.9% on prior year).
- House values increased 1.7% in the month of May (rising 10.8% over the last year) to a median of $1,162,500. Apartment values fell 0.3% over the same month (rising 8.3% over the year) to record a median of $747,000.
- Over the year to May, median rentals fell 2.3% for houses and rose 0.9% for apartments. Weekly median rents are currently achieving $635 for houses and $560 for apartments.
- Greater Sydney total vacancy was last recorded at 1.8% in May 2017 with 1.9% for the inner ring (0-10km), 1.6% for the middle ring (10-25km) and 1.8% for the outer ring (25km+).
- In May, gross rental yields across Greater Sydney compressed 37 bps (to 2.86%) for houses and 30 bps (to 3.90%) for apartments compared to the previous year.

FIGURE 4
Capital Growth, Greater Sydney
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 5
Median Rents & Total Vacancy Greater Sydney
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REINSW

TABLE 1
Key Residential Indicators, May 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	1,162,500	1.7	4.7	10.8	47,859	635	2.86
Sydney	Apartments	747,000	-0.3	0.8	8.3	48,939	560	3.90

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.

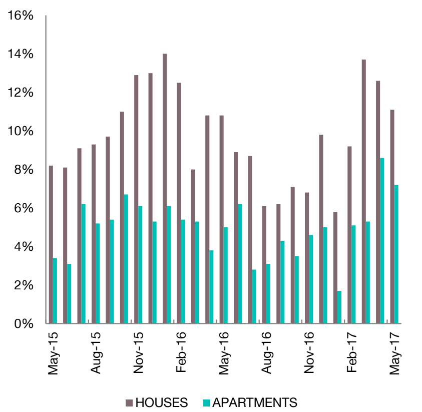
Unemployment as at May 2017 stood at 5.9% for Greater Melbourne, trending 20 bps higher than the 5.7% recorded in May 2016.

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

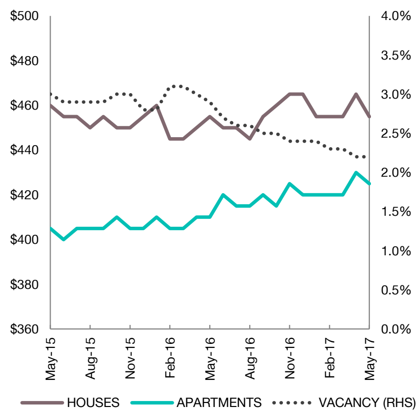
- The value of housing finance commitments in Victoria in the three months ending April 2017 grew by 0.8% on the previous year, to $17.1 billion.
- Building approvals in the three months ending May totalled 6,834 houses and 5,742 apartments in Greater Melbourne. This is trending 1.2% lower for houses and 25.6% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 70.7% out of 1,047 scheduled auctions in Greater Melbourne. This is lower than the week prior, at 71% from 1,129 scheduled auctions, and higher than the comparable week the year earlier, when 67.3% (out of 1,029 scheduled auctions) were sold.
- Sales transacted in the year ending May tallied 56,907 houses (down 1.6% on previous year) and 43,293 apartments (up 3.5 on the prior year).
- House values grew 1.1% in the month of May (growth of 11.1% over the last year) to a median of $836,000, and apartment values were up 0.8% over the month (growth of 7.2% over the year) to record a median of $533,000.
- Over the year to May, median rentals remained steady for houses and rose 3.7% for apartments. Weekly median rents are currently achieving $455 for houses and $425 for apartments.
- Greater Melbourne total vacancy was last recorded at 2.2% in May 2017 with 2.0% in the inner ring (0-10km), 3.0% in the middle ring (10-20km) and 1.9% in the outer ring (20km+).
- In May, gross rental yields across Greater Melbourne compressed 30 bps (to 2.84%) for houses and 14 bps (to 4.18%) for apartments compared to prior year.

FIGURE 6
Capital Growth, Greater Melbourne
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 7
Median Rents & Total Vacancy Greater Melbourne
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIV

TABLE 2
Key Residential Indicators, May 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	836,000	1.1	3.5	11.1	56,907	455	2.84
Melbourne	Apartments	533,000	0.8	3.5	7.2	43,293	425	4.18

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.

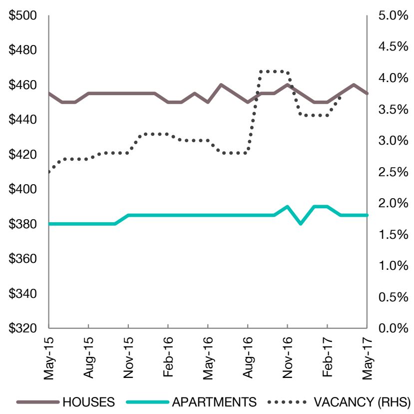
Unemployment as at May 2017 stood at 4.4% for Greater Brisbane, trending 60 bps lower than the 5.0% recorded in May 2016.

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

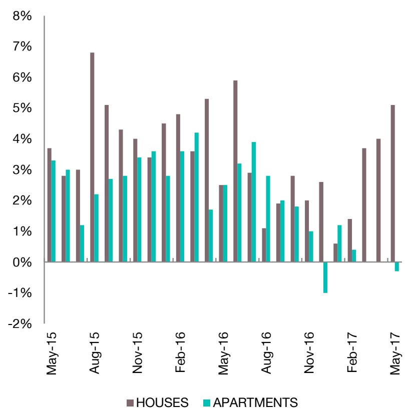
- The value of housing finance commitments in Queensland in the three months to April 2017 grew by 0.5% on the previous year, to $10 billion.
- Building approvals in the three months to May totalled 2,731 houses and 3,376 apartments in Greater Brisbane. This is trending 2.3% lower for houses and 37.1% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 33.3% out of 133 scheduled auctions in Greater Brisbane. This is lower than the week prior, at 46.4% from 151 scheduled auctions, and lower than the comparable week the year earlier, when 41.8% (out of 175 scheduled auctions) were sold.
- Sales transacted in the year ending May tallied 43,346 houses (down 2.4% on previous year) and 22,370 apartments (up 4.7% on prior year).
- House values rose 0.6% in the month of May (with growth of 5.1% over the last year) to a median of $522,000. Apartment values rose 0.5% over the month, (down 0.3% over the year), to record a median of $385,000.
- Over the year to May, median rentals rose 1.1% for houses but remained steady for apartments. Weekly median rents are currently achieving $455 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 May, gross rental yields across Greater Brisbane compressed 20 bps (to 4.54%) for houses and rose 7 bps (to 5.25%) for apartments compared to the previous year.

FIGURE 9
Median Rents & Total Vacancy Greater Brisbane
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIQ

FIGURE 8
Capital Growth, Greater Brisbane
12-month rolling



Source: Knight Frank Research, Residex

TABLE 3
Key Residential Indicators, May 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	522,000	0.6	3.1	5.1	43,346	455	4.54
Brisbane	Apartments	385,000	0.5	-0.3	-0.3	22,370	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.

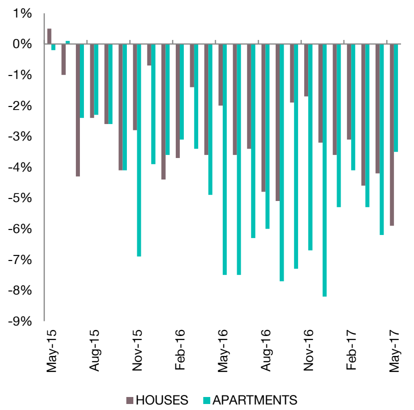
Unemployment as at May 2017 stood at 5.9% for Greater Perth, trending 20 bps higher than the 5.7% recorded in May 2016.

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

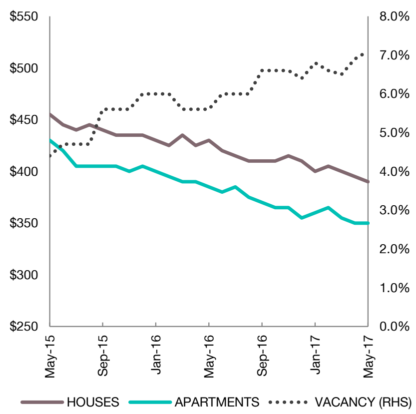
- The value of housing finance commitments in Western Australia in the three months to April 2017 fell by 13.2% on the previous year, to $5.6 billion.
- Building approvals in the three months to May totalled 2,962 houses and 946 apartments in Greater Perth. This is trending 4.1% lower for houses and 42.4% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 39.6% out of 58 scheduled auctions in Greater Perth. This is higher than the week prior, at 32.3% from 64 scheduled auctions, and higher than the comparable week the year earlier, when 21.2% were sold.
- Sales transacted in the year ending May tallied 21,381 houses (down 7.5% on previous year) and 10,114 apartments (up 0.4% on prior year).

FIGURE 10
Capital Growth, Greater Perth
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 11
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 $488,000, (down 0.5% in the month of May) and down 5.9% over the last year. Apartment values rose 0.7% over the month, (down 3.5% over the year), to record a median of $408,500.
- Over the year to May, rental growth was down 9.3% for houses and 9.1% for apartments. Weekly median rents are currently $390 for houses and $350 for apartments.
- Across the Greater Perth area, total vacancy was recorded at 7.1% in May 2017; up 50 bps from six months earlier.
- In May, gross rental yields across Greater Perth compressed 12 bps (to 4.20%) for houses and by 24 bps (to 4.50%) for apartments compared to the previous year.

TABLE 4
Key Residential Indicators, May 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	488,000	-0.5	-0.9	-5.9	21,381	390	4.20
Perth	Apartments	408,500	0.7	-1.3	-3.5	10,114	350	4.50

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.

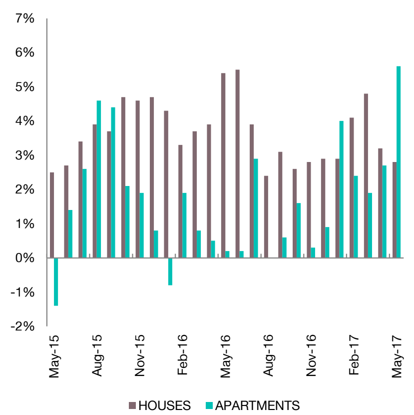
Unemployment as at May 2017 stood at 6.4% for Greater Adelaide, trending 100 bps higher, than the 5.4% recorded in May 2016.

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

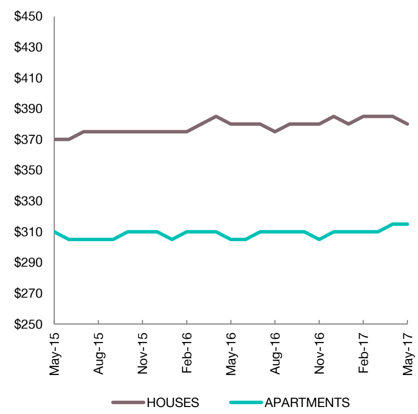
- The value of housing finance commitments in South Australia in the three months to April 2017 grew by 2.2% on the previous year, to $3.3 billion.
- Building approvals in the three months to May totalled 1,668 houses and 1,215 apartments approved in Greater Adelaide. This is trending 9.4% lower for houses and 6.9% higher for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 68.5% out of 102 scheduled auctions in Greater Adelaide. This is lower than the week prior, at 69.5% from 103 scheduled auctions, and higher than the comparable week the year earlier, when 59.8% (out of 90 scheduled auctions) were sold.

FIGURE 12
Capital Growth, Greater Adelaide
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 13
Median Rents, Greater Adelaide
Weekly Rents



Source: Knight Frank Research, Residex

- Sales transacted in the year ending May tallied 23,116 houses (up 9.4% on previous year) and 5,803 apartments (up 5.5% on prior year).
- House values were up 0.4% in the month of May (2.8% over the last year) to a median of $458,000. Apartments rose 0.9% over the month to record a median of $328,500 (rising 5.6% over the past year).
- Over the year to May, rental growth remained steady for houses and rose (3.3%) for apartments. Weekly median rents are currently achieving $380 for houses and $315 for apartments.
- In May, gross rental yields across Greater Adelaide compressed 12 bps (to 4.32%) for houses and 8 bps (to 5.02%) for apartments compared to the previous year.

TABLE 5
Key Residential Indicators, May 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	458,000	0.4	0.9	2.8	23,116	380	4.32
Adelaide	Apartments	328,500	0.9	0.9	5.6	5,803	315	5.02

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.

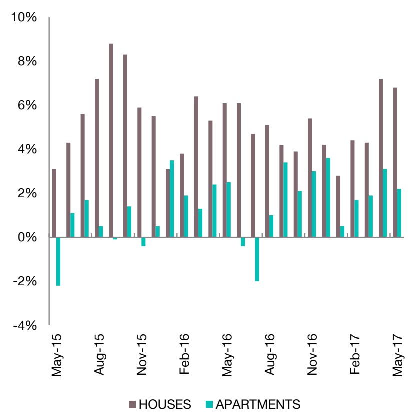
Unemployment as at May 2017 stood at 5.8% for the ACT, trending 10 bps higher, than the 5.7% recorded in to May 2016.

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

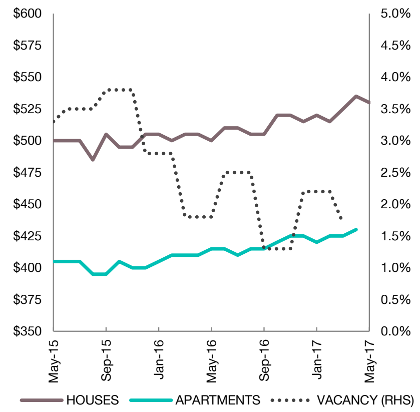
- The value of housing finance commitments in the Australian Capital Territory in the three months to April 2017 grew by 1.9% on the previous year, to $1.1 billion.
- Building approvals in the three months to May totalled 214 houses and 753 apartments in the ACT. This is trending 35.9% lower for houses and 35.5% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 67.2% out of 69 scheduled auctions in Canberra. This is higher than the week prior, at 50.8% from 65 scheduled auctions, and higher than the comparable week the year earlier, when 71.2% were sold.
- Sales transacted in the year ending May tallied 5,164 houses (up 4.0% on previous year) and 3,241 apartments (down 10.6% on prior year).

FIGURE 14
Capital Growth, Canberra
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 15
Median Rents & Total Vacancy Canberra
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIA

- House values rose 0.9% in the month of May (with growth of 6.8% over the last year) to a median of $621,000. Apartment values rose 0.8% over the month (and up 2.2% over the year) to record a median of $420,000.
- Over the year to May, median rentals grew 6.0% for houses and 3.6% for apartments. Weekly median rents are currently achieving $530 for houses and $430 for apartments.
- Total vacancy in Canberra was last recorded at 1.7% in March 2017; down 50 bps on the previous quarter and 10 bps lower compared to the prior year.
- In May, gross rental yields across Canberra fell 5 bps (to 4.46%) for houses but grew by 9 bps (to 5.35%) for apartments compared to the previous year.

TABLE 6
Key Residential Indicators, May 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	621,000	0.9	3.8	6.8	5,164	530	4.46
Canberra	Apartments	420,000	0.8	1.9	2.2	3,241	430	5.35

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.

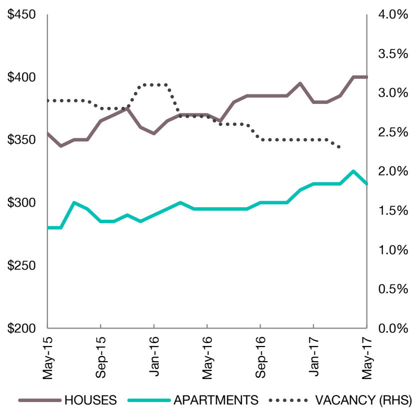
Unemployment as at May 2017 stood at 6.8% for Greater Hobart, trending 10 bps lower than the 6.9% recorded in May 2016.

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 May totalled 221 houses and 95 apartments in Greater Hobart. This is trending 2.2% lower for houses but 163.9% higher for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 33.3% out of 7 scheduled auctions in Greater Hobart. This was lower than the previous week when 40% of 5 scheduled auctioned were sold.
- Sales transacted in the year ending May tallied 2,568 houses (down 8.6% on previous year) and 628 apartments (down 36.8% on prior year).

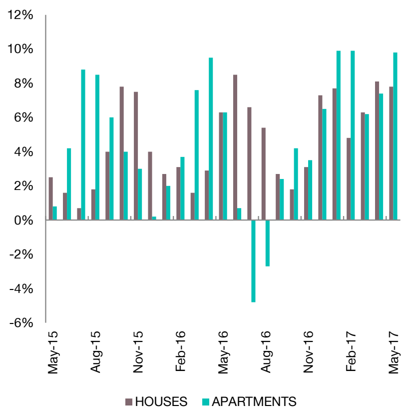
FIGURE 17
Median Rents & Total Vacancy Greater Hobart
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIA

- House values rose 1.2% in the month of May (rising 7.8% over the last year) to a median of $420,000. Apartments rose 1.2% over the month (up 9.8% over the year) to record a median of $307,000.
- Over the year to May, rental growth was 8.1% for houses and 6.8% for apartments. Weekly median rents are currently achieving $400 for houses and $315 for apartments.
- Greater Hobart total vacancy was last recorded at 2.3% in March 2017; down 10 bps on the previous quarter and 40 bps lower compared to the prior year.
- In May, gross rental yields across Greater Hobart remained stable for houses (to 4.96%) but compressed 19 bps for apartments (to 5.35%) compared to the previous year.

FIGURE 16
Capital Growth, Greater Hobart
12-month rolling



Source: Knight Frank Research, Residex

TABLE 7
Key Residential Indicators, May 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	420,000	1.2	5.0	7.8	2,568	400	4.96
Hobart	Apartments	307,000	1.2	0.5	9.8	628	315	5.35

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.

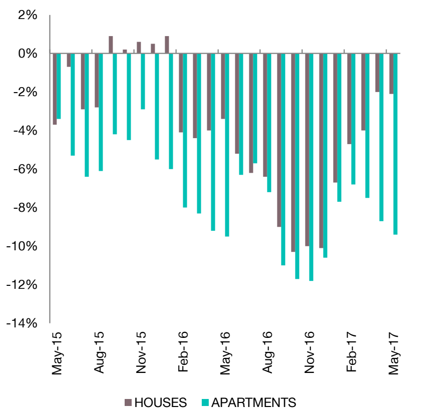
Unemployment stood at 3.5% in the Northern Territory as at May 2017, trending 20 bps lower than the 3.7% recorded in May 2016.

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

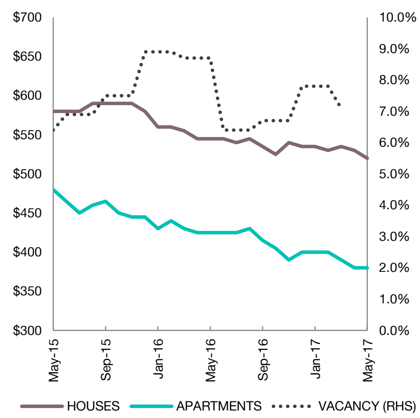
- The value of housing finance commitments in the Northern Territory in the three months to April 2017 fell by 6.2% on the previous year, to $291.2 million.
- Building approvals in the three months to May totalled 114 houses and 5 apartments in Greater Darwin. This is trending 32.9% lower for houses and 97.5% lower for apartment approvals compared to the same period in 2016.
- The preliminary auction clearance rate for the week ending 25 June was 17% out of 12 scheduled auctions in Greater Darwin. This was higher than the previous week when 14% of 9 scheduled auctioned were sold.
- Sales transacted in the year ending May tallied 1,185 houses (up 9.3% on previous year) and 492 apartments (up 1.7% on prior year).

FIGURE 18
Capital Growth, Greater Darwin
12-month rolling



Source: Knight Frank Research, Residex

FIGURE 19
Median Rents & Total Vacancy Greater Darwin
Weekly Rents (LHS) & Vacancy (RHS)



Source: Knight Frank Research, Residex, REIA

- House values fell 0.1% in the month of May (down 2.1% over the last year) to a median of $524,000. Apartments fell 1.4% over the month (down 9.4% over the year) to record a median of $341,500.
- Over the year to May, median rentals were down 4.6% for houses and 10.6% for apartments. Weekly median rents are currently achieving $520 for houses and $380 for apartments.
- Greater Darwin total vacancy was last recorded at 7.1% in March 2017; down 70 bps on the previous quarter and trending down 160 bps compared to the prior year.
- In May, gross rental yields across Greater Darwin compressed 16 bps (to 5.17%) for houses and 3 bps (to 5.83%) for apartments compare to previous year.

TABLE 8
Key Residential Indicators, May 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	524,000	-0.1	1.1	-2.1	1,185	520	5.17
Darwin	Apartments	341,500	-1.4	-5.4	-9.4	492	380	5.83

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

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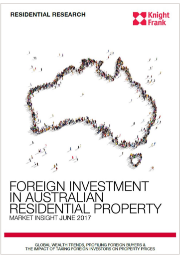

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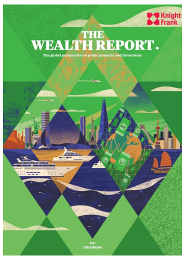

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