



# urban intelligence

## UDIA WA PROPERTY MARKET STATISTICS

MARCH 2018

Principal Research Partners





# IN THIS ISSUE


   	KEY TRENDS	3
   	INDUSTRY UPDATE	4
	ECONOMY	5
	RESIDENTIAL LAND DEVELOPMENT	6
	RESIDENTIAL PROPERTY SETTLEMENTS	7
	RESIDENTIAL PROPERTY MARKET	8
	RESIDENTIAL CONSTRUCTION SECTOR	9


# KEY TRENDS



 ECONOMY		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Official Cash Rate Target (RBA)	➔	1.5% (Mar)	0% (M)	1.5% (M)	0.00%
Discounted Variable Mortgage Rate (RBA)	➔	4.50% (Mar)	0 bps (M)	4.50% (M)	-5 bps
Estimated Resident Population - WA	⬆️	2,587,135m (Sep)	0.3% (Q)	2,581,153m (Q)	0.9%
Unemployment Rate - WA (Seasonally Adj.)	⬆️	6.7 (Feb)	56 bps (M)	6.2 (M)	-1 bps
Retail Turnover - WA (Original)	⬇️	\$2.49 b (Feb)	-10.3% (M)	\$2.96b (M)	-0.5%
Consumer Price Index - Greater Perth	⬆️	109.9 (Dec)	0.4% (Q)	109.5 (Q)	0.8%
Wage Price Index - WA	⬆️	128.1 (Dec)	0.3% (Q)	127.6 (Q)	1.5%

 RESIDENTIAL LAND DEVELOPMENT SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Lot Sales (UDIA Land Snapshot)	⬆️	433 (Mar 2018)	29.3% (M)	298 (M)	17.0%

 RESIDENTIAL CONSTRUCTION SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Dwelling Approvals - WA (Original)	⬇️	1,093 (Feb)	-21.1% (M)	1,328 (M)	-30.7%
Private Sector House Approvals - WA (Original)	⬇️	917 (Feb)	-4.3% (M)	973 (M)	-16.5%
New Dwelling Loans Owner-Occupation - WA (Original)	⬇️	4,604 (Jan)	-9.2% (M)	5,095 (M)	-7.4%
Dwelling Construction Starts - WA (Original)	⬆️	4,714 (Sep)	1.6% (Q)	4,751 (Q)	-14.3%
House Approvals - Greater Perth (Original)	⬇️	774 (Feb)	-6.1% (M)	825 (M)	-20.5%
Multi-Unit Approvals - Greater Perth (Original)	⬇️	127 (Feb)	-63.5% (M)	301 (M)	-70.5%

 RESIDENTIAL PROPERTY MARKET		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Median House Price - Perth (Landgate/REIWA)	⬆️	\$525,000 (Dec)	2.8% (Q)	\$515,000 (Q)	-0.5%
House Sales - Perth (Landgate/REIWA)	⬇️	4,480 (Dec)	-7.0% (Q)	5,001 (Q)	-20.3%
Unit Sales - Perth (Landgate/REIWA)	⬇️	1,061 (Dec)	-3.1% (Q)	1,157 (Q)	-13.9%
House and Unit Listings - Perth (REIWA)	⬆️	13,080 (Dec)	0.3% (Q)	13,383 (Q)	-5.7%
Dwelling Loans Owner-Occupation - WA (Original)	⬇️	3,310 (Jan)	-7.4% (M)	3,660 (M)	-0.2%
Established Dwelling Loans Owner-Occupation - WA (Original)	⬇️	2,362 (Jan)	-6.0% (M)	2,578 (M)	0.8%
FHOG Applications - WA (Original)	⬆️	518 (Feb)	5.9% (M)	508 (M)	-12.8%
Investment Housing Loans - WA (Original)	⬇️	\$571.2m (Jan)	-10.1% (M)	\$621.7m (M)	-7.0%
REIWA Average Selling Days - Perth	⬆️	63 (Dec)	-13.7% (Q)	69.0 (Q)	-3.1%
Residential Rental Market		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
REIWA Median Rent - Perth	⬆️	355 (Dec)	1.4% (Q)	355 (Q)	-6.6%
REIWA Vacancy Rate - Perth	⬆️	5.5% (Dec)	-140 bps (Q)	6.6% (Q)	-90 bps

## UDIA WA INDUSTRY UPDATE



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**The property market indicators in this month's Urban Intelligence Report continue to reflect** the soft economic conditions prevailing in WA. However, the signals are somewhat mixed, indicating that property market conditions may be about to change.

The performance of the two main drivers of the property market, the economy and population growth continues to be mixed, however positive signs are emerging. Although the unemployment rate rose sharply in February to 6.7%, the rate of unemployment sits at approximately the same rate as it did this time last year, but more encouragingly there are more people working with an additional 1.1% added to the total workforce during February.

Population figures for the September 2017 quarter were released by ABS this month which also showed signs of improvement. These figures revealed a further decline in the rate of interstate migration, with fewer people moving away from WA. The slowing interstate emigration, coupled with increasing overseas migration, this has resulted in an annual population growth figure of 0.9%.

Positive signs are also starting to emerge with regards to lot sales **with total lot sales recorded by UDIA's Land Snapshot survey increasing 29.3% during March, reaching the highest monthly sales total since October 2016.** We look forward with interest to **seeing how the Land Snapshot figures translate into Landgate's data as it emerges over the coming months.** Landgate's most recent monthly figures for vacant lot settlements were for December, a traditionally poor performing month. Whilst **Landgate's December settlement figures upheld this tradition, the** median lot price was up in in the north-west and south-east corridors and the Peel region.

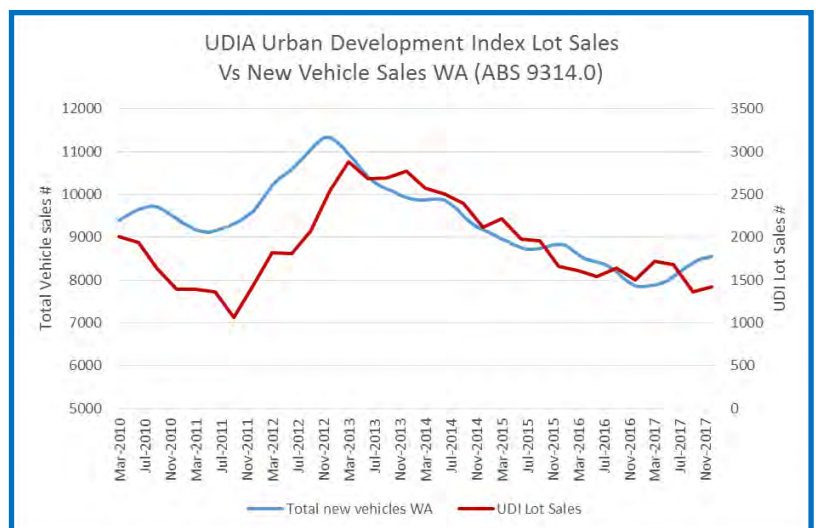
Signs of increasing confidence also appear to be emerging across the wider property market. Contradicting the traditional fall in the number of property listings for the December quarter, December 2017 saw a slight increase in listings. Total owner-occupier housing finance commitments fell 9.2% in January, however the average loan size for non-FHB increased 3.8%, up 11.1% on the same figure from a year ago.

Building approvals continue to be sluggish and an area of concern, falling 4.6% in February. This is down 16% from the same time last year.

Mirroring these falls, the value of WA residential building jobs for houses fell 2.5% in February, whilst the value of all residential building jobs was down 11.5%, some 20.5% below that of February 2017.

Outside the data sources examined by Urban Intelligence, it is useful to look at other data sources which provide leading indicators of trends likely to emerge within the property market. One such leading indicator is new car sales. As Figure 1 shows, there is a closely matched coloration between Urban Development Index (UDI) lot sales and total new vehicle sales in WA, with UDI lot sales typically lagging some 4-8 months behind the peaks and troughs of vehicle sales. As such, the upturn and growth in new vehicle sales experienced since May 2017 is a positive indicator that supports increased confidence in the property market.

**March also saw the eagerly anticipated release of UDIA National's 2018 [State of the Land](#) report** which also predicted positive growth for the land market in Perth. Even though the number of lots sold per month during 2017 was down 2.2 per cent on the previous year, the rate of decline has slowed considerably, stabilising from the significant drop in lot sales experienced between 2014 and 2015. According to the report, while the average price of new land in Perth was down slightly in 2017, prices are performing much better than in previous years and the average price of new land was \$227,000 for the December 2017 quarter. Indeed, the latest **data from the CoreLogic Home Value Index confirms Perth's** housing values crept up 0.3 per cent during March, with the median value sitting at \$464,736.

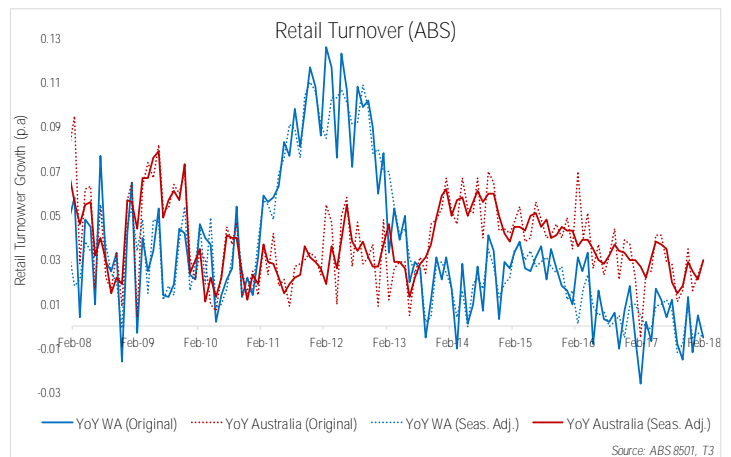
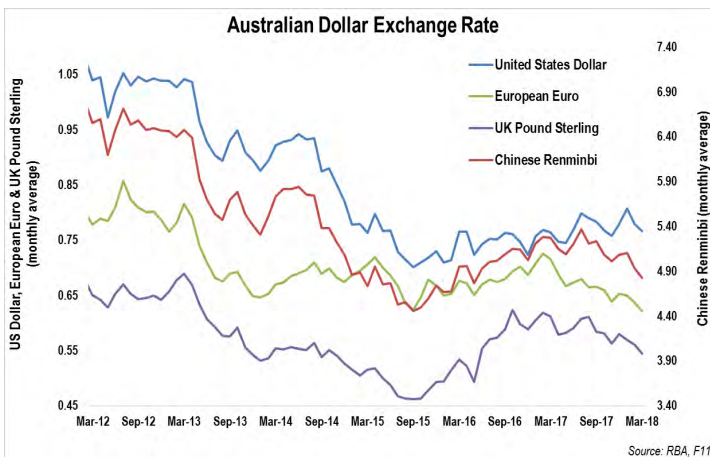
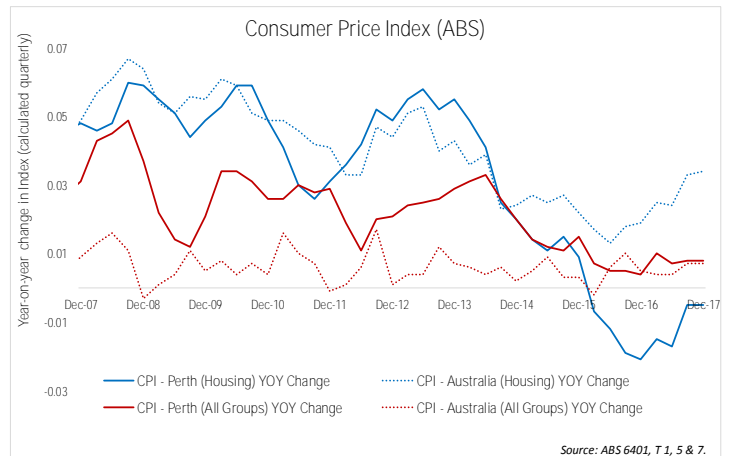
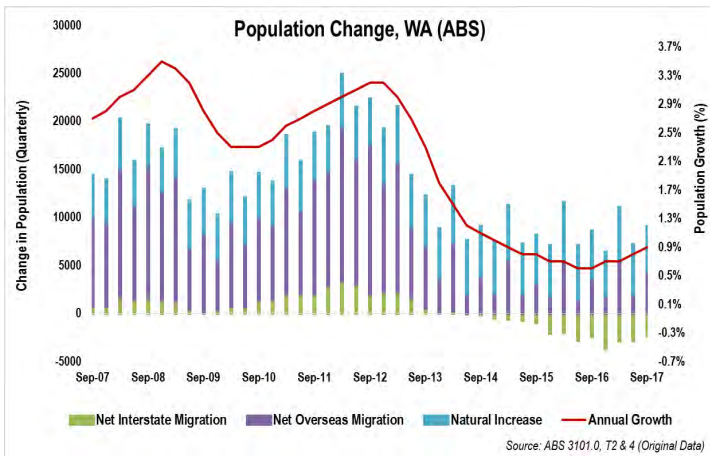
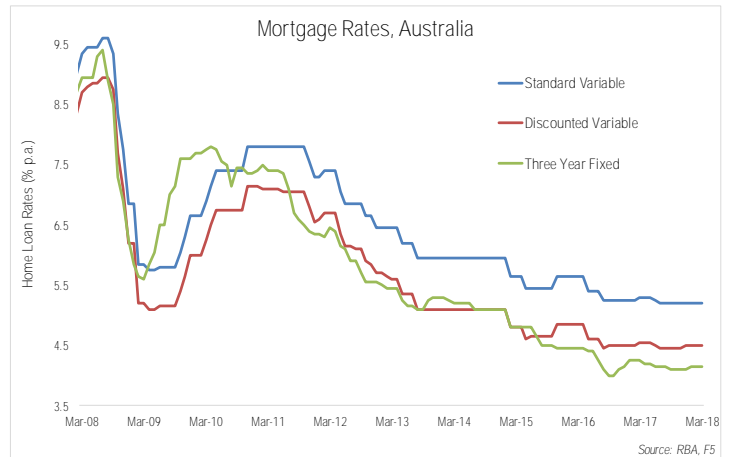
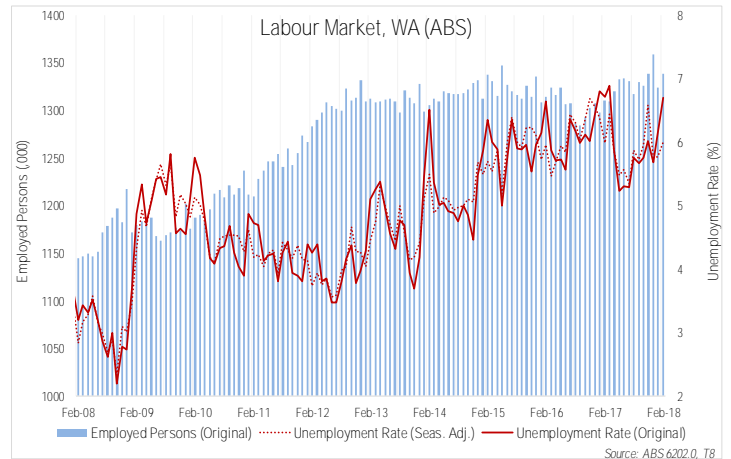




# ECONOMY

## Key Points of Interest

- In February, Western Australia's unemployment rate increased 56 basis points (bps) month-on-month (MoM) to sit at 6.7%, on par with the rate at the same time last year and 66bps above the national rate of 6.0%.
- The number of employed persons in WA increased 1.1% in February to 1.34 million, also remaining 2.1% higher than at the same time last year.
- The WA state participation rate also lifted 108bps in February to 68.8%, off the back of a slight decrease in January. The rate also increased 89bps from the same time last year and was 255bps higher than the national rate of 66.2%.
- Population figures for WA recorded 0.9% annual growth as at the September 2017 quarter to sit at 2.59 million, the highest annual growth rate achieved in ten consecutive quarters.
- WA net overseas migration for the September quarter increased 18.7% YoY to 4,441, up from a 29.5% YoY increase in June (2,022).

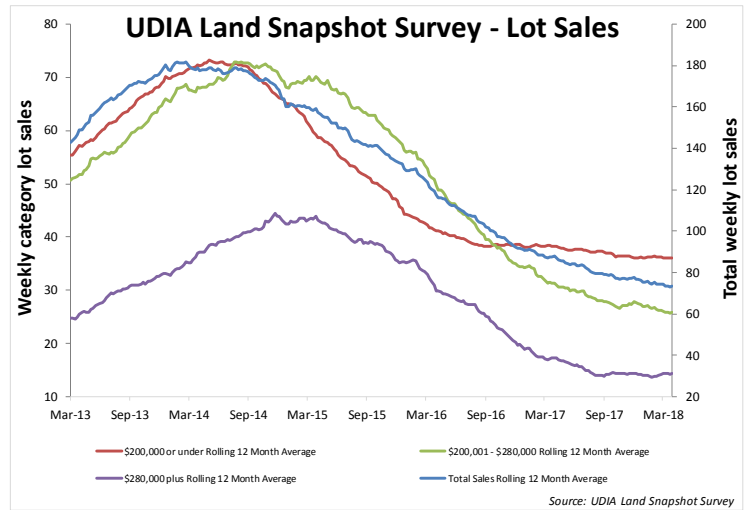




# RESIDENTIAL LAND DEVELOPMENT SECTOR

## Key Points of Interest

- Total lot sales recorded in UDIA's Land Snapshot survey increased 29.3% over March, returning the highest monthly sales figure since October 2016, and was also up 17.0% from the corresponding month in 2017.
- All price categories exhibited a monthly and annual lift in numbers, including: lot sales \$200,000 (and under) rising 11.5% month-on-month (MoM) and 6.7% year-on-year (YoY); sales \$200,001-\$280,000 lifting 46.7% MoM and 15.8% YoY; and sales over \$280,000 increasing an even 42.5% for both monthly and yearly results.
- The median lot price also increased 1.8% MoM and 2.9% YoY to sit at \$226,952 for March.

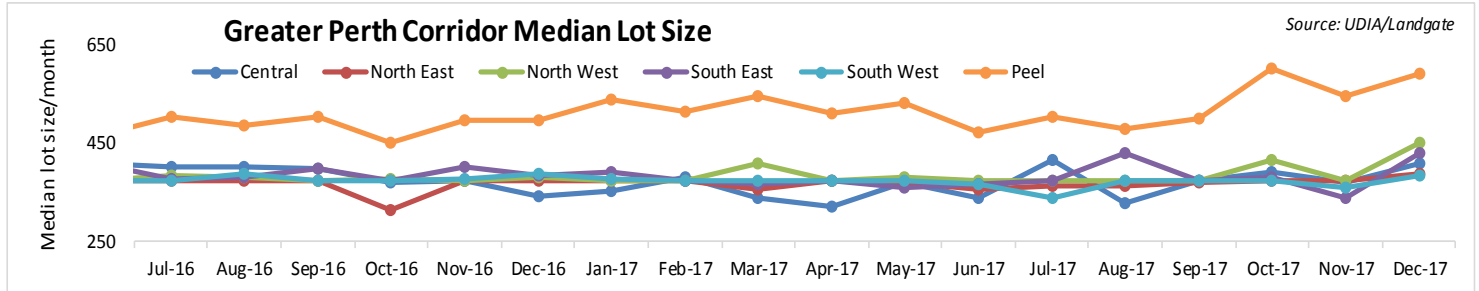
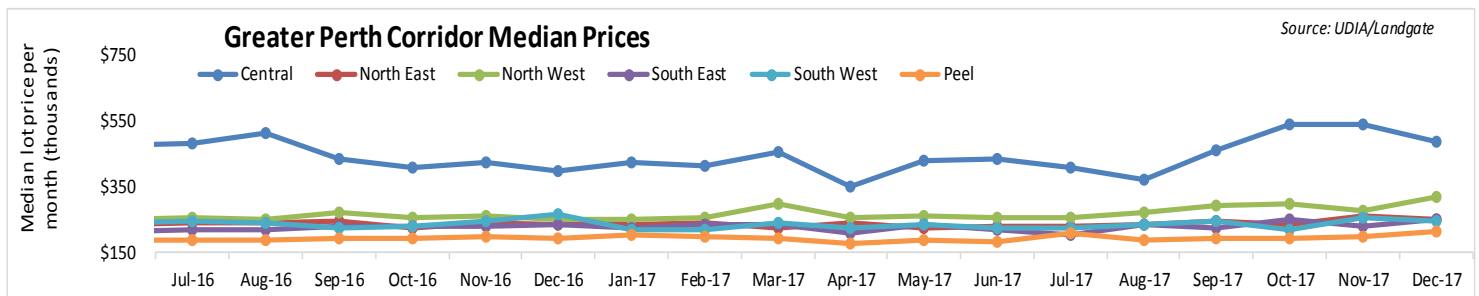
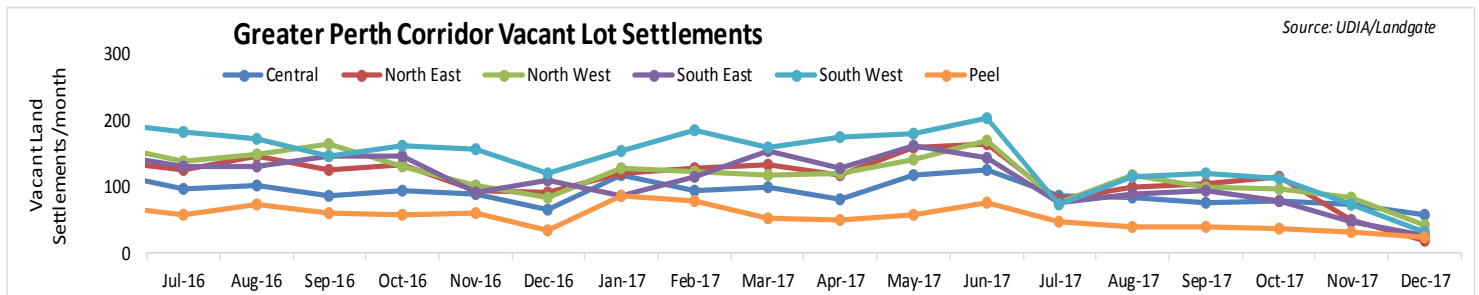


## Monthly vacant land settlements by metropolitan corridor for December, 2017 (Landgate)

Monthly Vacant Land Settlements by Corridor				
Regions	Dec-17	Vacant Land		
	Settlements	Median Price	Median Lot Size	
North-East Metro	18	\$ 261,500	437	
North-West Metro	43	\$ 318,000	450	
South-East Metro	28	\$ 250,500	434	
South-West Metro	32	\$ 281,500	415	
Peel	23	\$ 230,000	604	
Central Metro	59	\$ 490,000	410	

## Top five suburbs for vacant land settlements for the three months to December, 2017 (Landgate)

TOP SUBURBS FOR VACANT LAND SETTLEMENTS				
	Three months to 31 Dec	Settlements	Median Price	Median Size
1	PIARA WATERS	44	\$269,000	357.50
2	BRABHAM	41	\$242,000	375.00
3	WELLARD	36	\$200,000	412.00
4	AVELEY	35	\$214,000	314.00
5	ALKIMOS	30	\$208,500	307.50



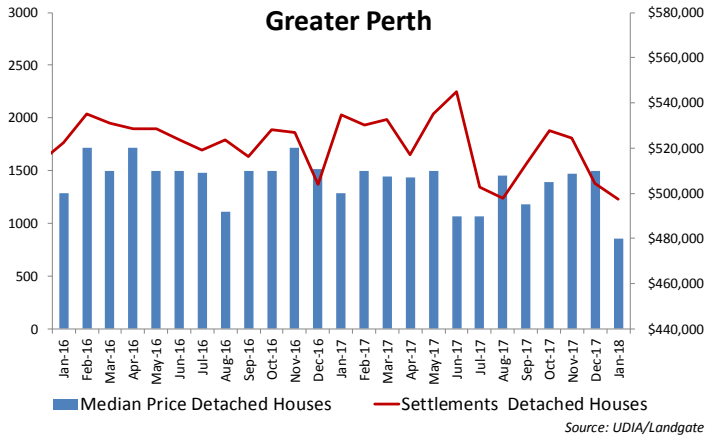
Note: Settlement figures on this page are based on Landgate data available at the time of publication and may not represent all settlements during the period.



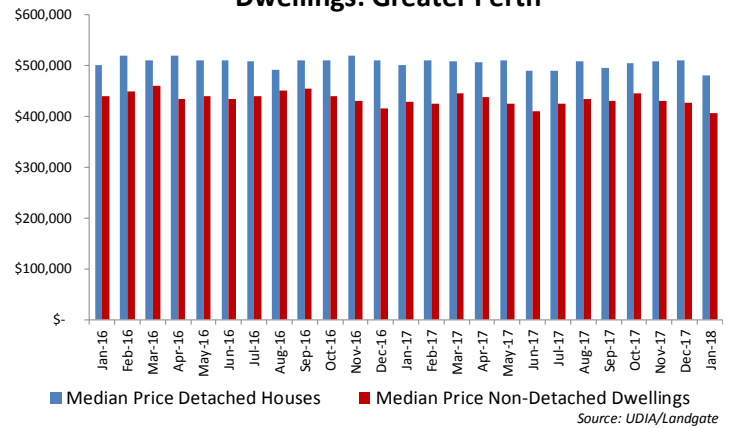
# RESIDENTIAL PROPERTY SETTLEMENTS



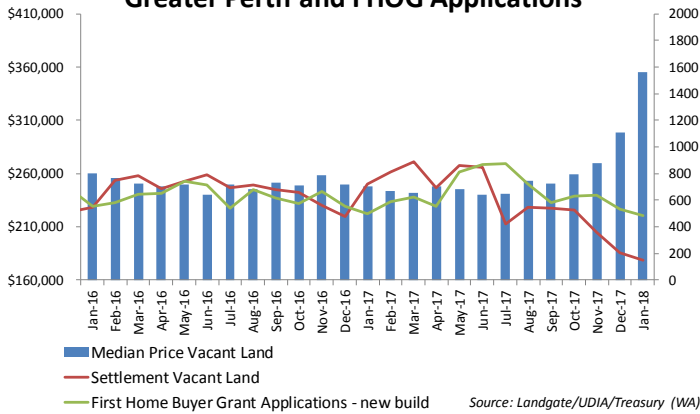
### Median Price/Settlements Greater Perth



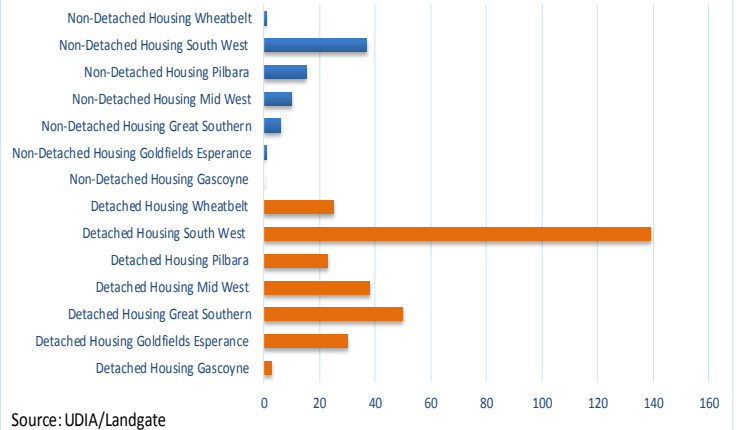
### Median Price Detached and Non-Detached Dwellings: Greater Perth



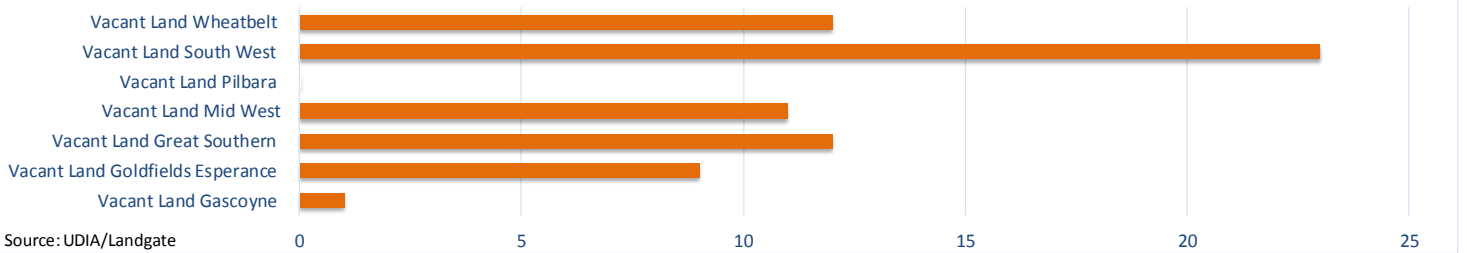
### Vacant Land Settlements, Median Price: Greater Perth and FHOA Applications



### Regional Dwelling Settlements January 18



### Regional Land Settlements January 18



TOP SUBURBS FOR MEDIUM DENSITY SETTLEMENTS					TOP SUBURBS FOR DETACHED HOUSING SETTLEMENTS				
	Three months to 31 Dec	Settlements	Median Price	Median Size		Three months to 31 Dec	Settlements	Median Price	Median Size
1	EAST PERTH	83	\$570,000	137.00	1	BALDIVIS	86	\$400,000	559.50
2	SCARBOROUGH	77	\$526,500	184.00	2	CANNING VALE	83	\$540,000	605.00
3	INNALOO	73	\$495,000	203.00	3	THORN LIE	72	\$380,000	710.00
4	COMO	67	\$515,000	116.00	4	HALLS HEAD	68	\$422,500	714.50
5	MAYLANDS	63	\$369,000	105.00	5	GOSNELLS	62	\$327,500	759.50

Source: Landgate/UDIA

Top suburbs for detached housing and medium density settlements over the three months to Dec 2017.

Note: Settlement figures on this page are based on Landgate data available at the time of publication and may not represent all settlements during the period.

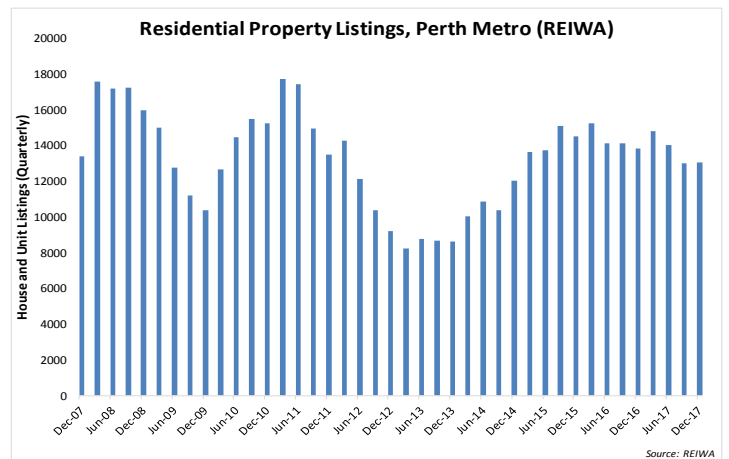
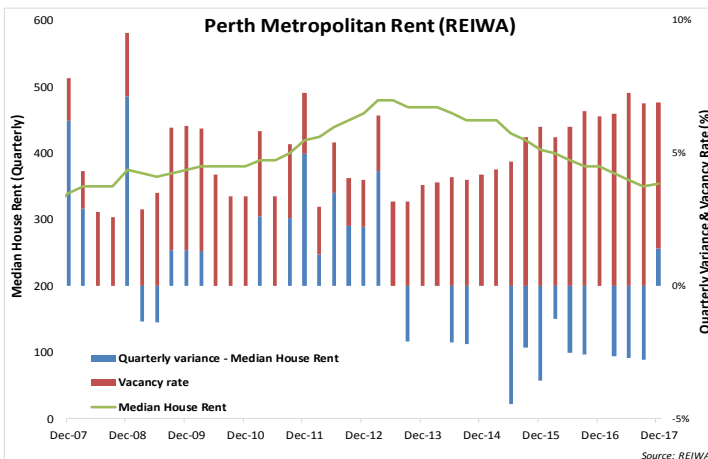
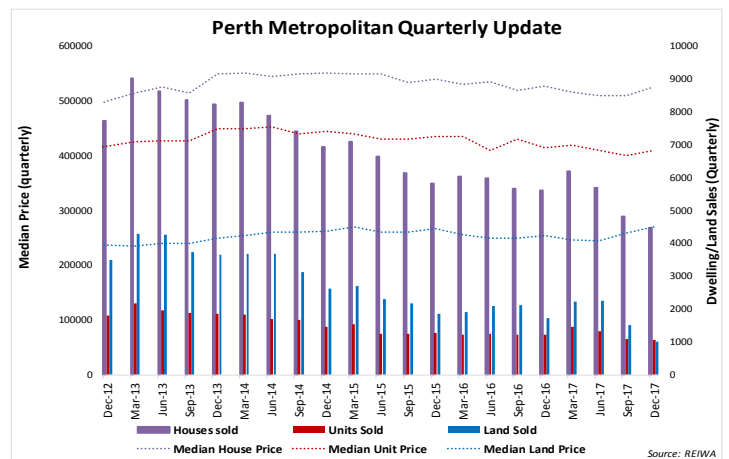
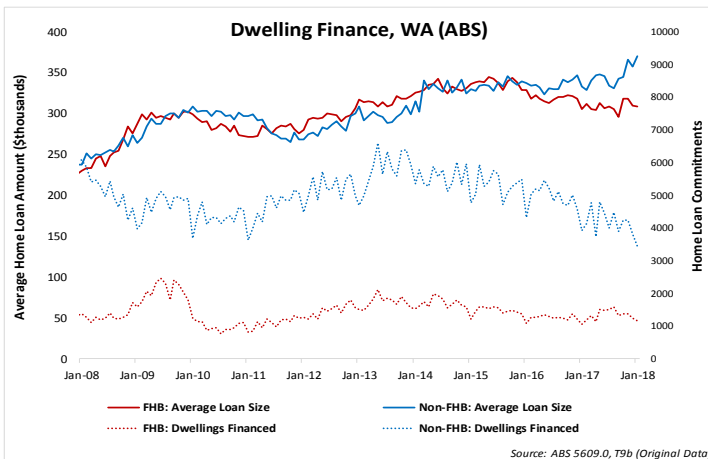
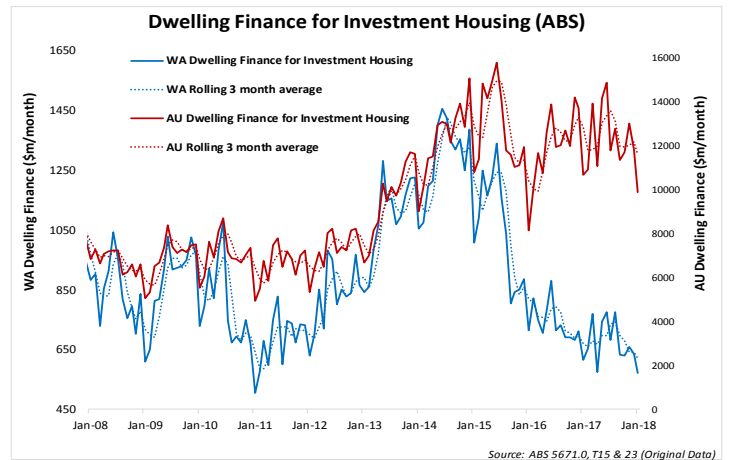
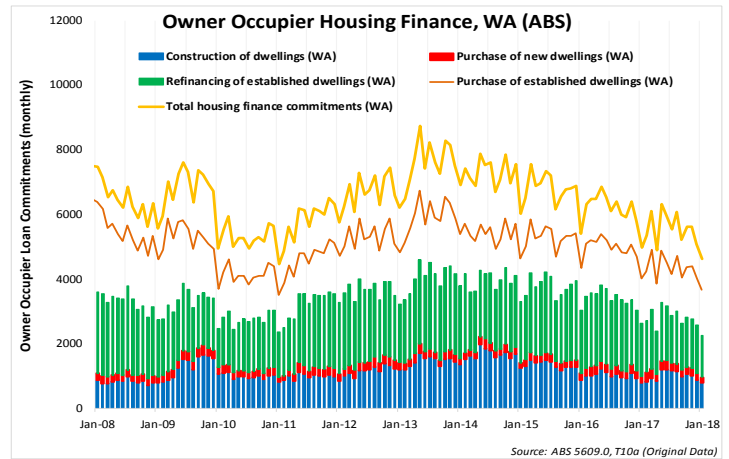




# RESIDENTIAL PROPERTY MARKET

## Key Points of Interest

- In January the number of dwellings financed by first home buyers (FHB) decreased 6.8% over the month to 1,160, but increased 10.1% from the same time last year. The average loan size for first home buyers recorded marginal change from last month, decreasing 0.4% to \$309,400, 1.3% higher year-on-year (YoY).
- The number of dwellings financed by non-FHB fell 10.0% month-on-month (MoM) in January to 3,444, 12.1% higher than in Jan-17. The average non-FHB loan size picked up 3.8% over the month to sit at \$371,200, an increase of 11.1% year-on-year (YoY).
- Total owner-occupier housing finance commitments fell 9.2% MoM in January to 4,606, 7.4% down on the same time last year.
- Included within the total number of owner-occupier housing finance commitments: commitments for the construction of dwellings fell 10.1% MoM and increased 1.2% YoY to 784; commitments for the purchase of new dwellings fell 14.1% MoM and 16.3% YoY to 164; and commitments for the purchase of established dwellings fell 8.8% MoM and 8.6% YoY to 3,656.



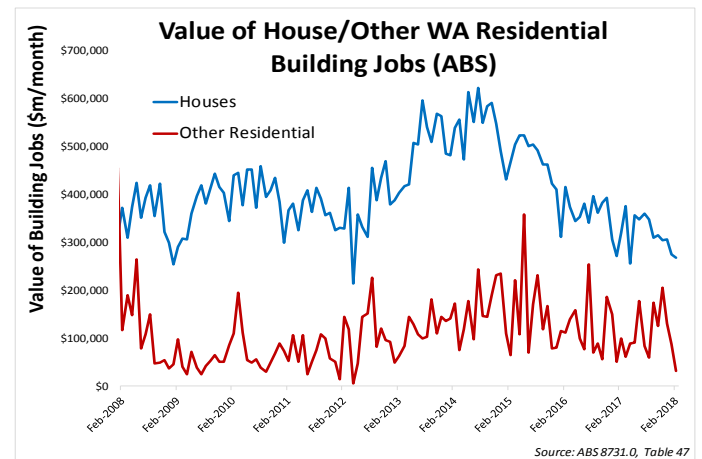
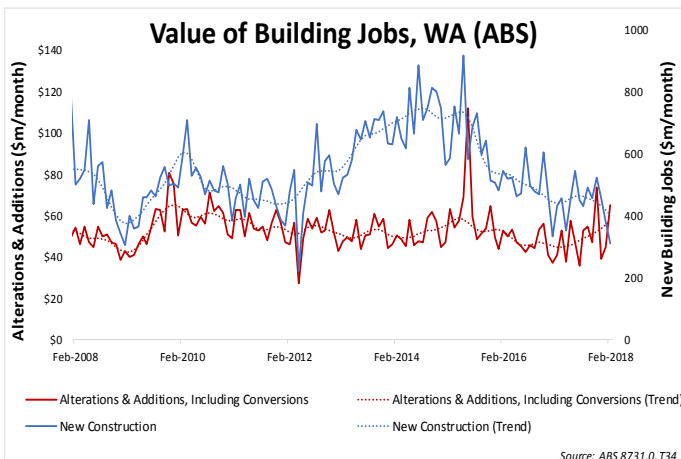
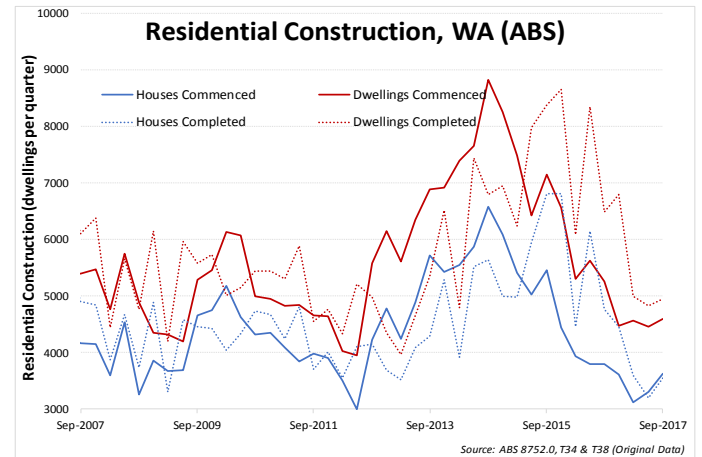
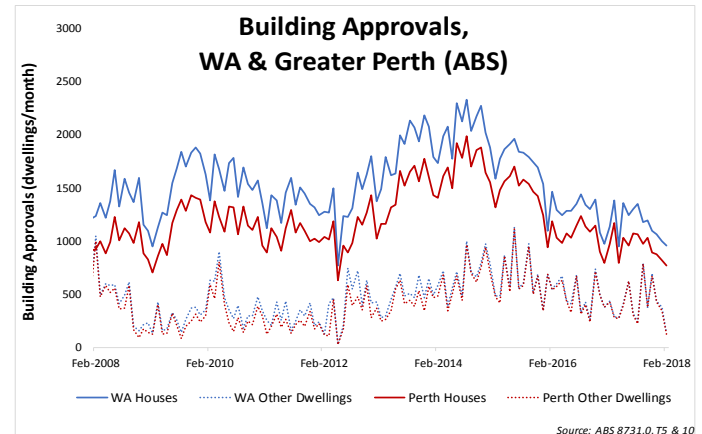
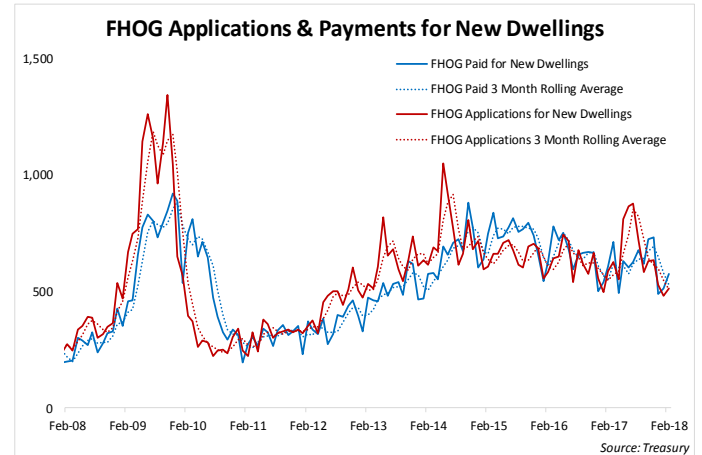




# RESIDENTIAL CONSTRUCTION SECTOR

## Key Points of Interest

- In February, WA building approvals for houses fell 4.6% to 958, 16% down from the same time last year. Of this total, 80.8% occurred within the Greater Perth region; which recorded a 6.1% decrease in housing approvals, 20.5% lower than in Feb-17.
- Building approvals for WA dwellings (excluding houses) fell 64.6% over February to sit at 135, a decrease of 52.1% year-on-year (YoY). For Greater Perth, approvals also fell 63.5% to 127, 53.3% lower than at the same time last year.
- The value of WA residential building jobs for houses fell 2.5% in February to sit at \$268.1 million, down 16.4% YoY; while the value of building jobs for dwellings (excluding houses) decreased 63.5% month-on-month (MoM) and 68.2% YoY to \$31.8 million.
- In February, the value of new residential building jobs in WA fell 11.5% MoM to \$374.3 million, 20.5% lower than at the same time last year.
- Of this total: the value of building jobs for new construction was down 18.2% MoM and 28.0% YoY to \$309.5 million; and the value of building jobs for alterations and additions (including conversions) increase 44.6% MoM to \$64.8 million, 58.8% higher than at the same time last year.



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