



UDIA WA PROPERTY MARKET STATISTICS

MAY 2018

Principal Research Partners





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KEY TRENDS



 ECONOMY		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Official Cash Rate Target (RBA)	—	1.5% (May)	0% (M)	1.5% (M)	0.00%
Discounted Variable Mortgage Rate (RBA)	—	4.50% (Apr)	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.)	↓	6.5 (Apr)	-98 bps (M)	6.9 (M)	63 bps
Retail Turnover - WA (Original)	↑	\$2.81 b (Mar)	12.9% (M)	\$2.69b (M)	0.6%
Consumer Price Index - Greater Perth	↑	109.5 (Sep)	0.5% (Q)	109.2 (Q)	0.8%
Wage Price Index - WA	↑	128.5 (Mar)	0.3% (Q)	128.1 (Q)	1.5%

 RESIDENTIAL LAND DEVELOPMENT SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Lot Sales (UDIA Land Snapshot)	↑	265 (May 2018)	23.8% (M)	304 (M)	-8.0%

 RESIDENTIAL CONSTRUCTION SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Dwelling Approvals - WA (Original)	↓	1,279 (Apr)	12.5% (M)	1,195 (M)	3.5%
Private Sector House Approvals - WA (Original)	↓	958 (Apr)	7.4% (M)	949 (M)	3.8%
New Dwelling Loans Owner-Occupation - WA (Original)	↑	4,945 (Mar)	4.5% (M)	4,761 (M)	-19.0%
Dwelling Construction Starts - WA (Original)	↑	5,354 (Dec)	11.1% (Q)	4,938 (Q)	12.2%
House Approvals - Greater Perth (Original)	↓	839 (Apr)	11.0% (M)	815 (M)	5.8%
Multi-Unit Approvals - Greater Perth (Original)	↑	227 (Apr)	12.9% (M)	184 (M)	-16.5%

 RESIDENTIAL PROPERTY MARKET		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Median House Price - Perth (Landgate/REIWA)	↓	\$510,000 (Mar)	-1.9% (Q)	\$513,333 (Q)	-1.2%
House Sales - Perth (Landgate/REIWA)	↓	4,973 (Mar)	-11.2% (Q)	5,405 (Q)	-19.9%
Unit Sales - Perth (Landgate/REIWA)	↓	1,187 (Mar)	-9.9% (Q)	1,265 (Q)	-19.0%
House and Unit Listings - Perth (REIWA)	↑	14,410 (Mar)	10.2% (Q)	13,508 (Q)	-2.9%
Dwelling Loans Owner-Occupation - WA (Original)	↑	3,573 (Mar)	8.1% (M)	3,396 (M)	-16.1%
Established Dwelling Loans Owner-Occupation - WA (Original)	↑	2,578 (Mar)	8.4% (M)	2,439 (M)	-15.7%
FHOG Applications - WA (Original)	↑	662 (May)	29.3% (M)	612 (M)	-19.5%
Investment Housing Loans - WA (Original)	↓	\$528.3m (Apr)	-11.5% (M)	\$559.2m (M)	-8.2%
REIWA Average Selling Days - Perth	↑	70 (Mar)	11.1% (Q)	68.7 (Q)	-2.8%
Residential Rental Market		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
REIWA Median Rent - Perth	↑	360 (Mar)	1.4% (Q)	355 (Q)	-2.7%
REIWA Vacancy Rate - Perth	↓	5.1% (Mar)	-40 bps (Q)	5.8% (Q)	-140 bps

UDIA WA INDUSTRY UPDATE



CHRIS GREEN

Director
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Earlier this year, the State Government released the long awaited Perth and Peel @ 3.5 million suite of land use planning and infrastructure frameworks documentation. The regions covered include the Central, North West, North East and South West Metropolitan Peel.

The frameworks essentially identify what land will be developed and for what purpose, out to 2050 (or when we reach 3.5 million people). The frameworks also include targets for the number and location of homes and jobs anticipated to be delivered during that timeframe.

It is important that as an industry we understand and are aware of the projections for growth and how this may impact on demand for land and housing in certain areas.

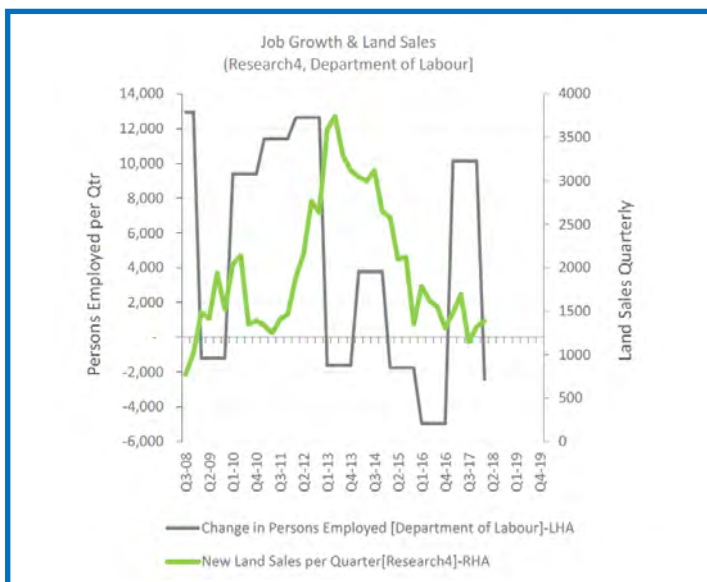
When considering the areas that the frameworks identify, it is also important to remember that they are likely to be reviewed in light of the METRONET roll out and associated development of its precincts.

Firstly, it is interesting to consider where the State Government is envisaging the majority of job creation to occur. The unemployment rate is currently sitting at 6.5%, however the number of employed persons has lifted in April and is up 2.2% year-on-year.

This trend is expected to continue as the economy strengthens in the coming years and it is critical when we look at planning for infrastructure and housing that we know where the jobs are likely to be located.

In fact, research by Director of Research 4 Colin Keane shows a direct correlation between jobs growth and demand for land (see Graph 1).

Graph 1: Perth - Persons Employed and New Land Sales (Colin Keane, Research4)



Graph 1 reveals a two-year time lag in the relationship between job growth and land sales for Perth. This indicates that Perth may see a lift in land sales in either the second half of this year or the first half of next year, which would correspond with the employment increase seen in 2017.

TABLE 1: Anticipated job numbers for activity centres (top five)

Activity Centre	Total additional jobs
Murdoch	28,950
Joondalup	16,000
Midland	10,500
Two Rocks	9,820
Curtin/ Bentley	9,740

The subregional frameworks anticipate that job numbers in activity centres such as Murdoch, Joondalup, Midland, Two Rocks and Curtin/ Bentley will experience the biggest growth in job numbers to 2050 (see Table 1).

In terms of where the State Government is projecting that extra dwellings will be located, there is some correlation between those locations and jobs growth, with areas such as Wanneroo and Swan expected to accommodate a significant number of dwellings.

Overall, the figures provide an insight into where growth is expected to occur and how this

TABLE 2: Projected dwellings 2011-2050 (top five)

Local Government	Additional dwellings
Wanneroo	146,160
Swan	73,450
Murray	61,180
Stirling	60,330
Rockingham	51,130

may influence buyer demand in the coming years.

UDIA plans to undertake further investigation around where jobs are anticipated and the projected future dwelling locations to identify how they correlate more closely.

UDIA MEMBER SURVEY

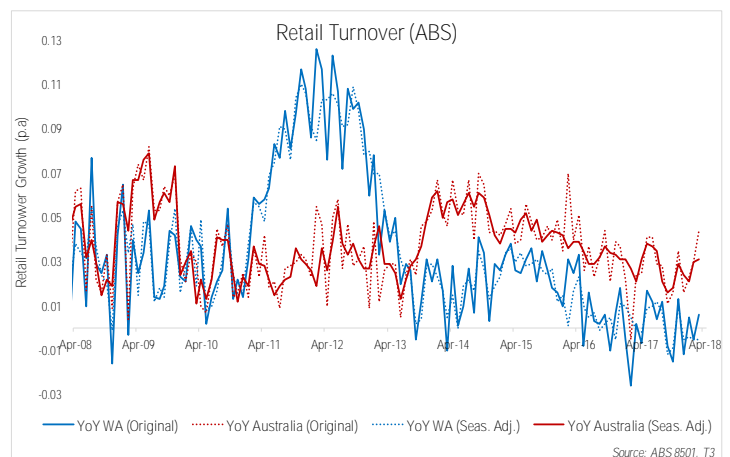
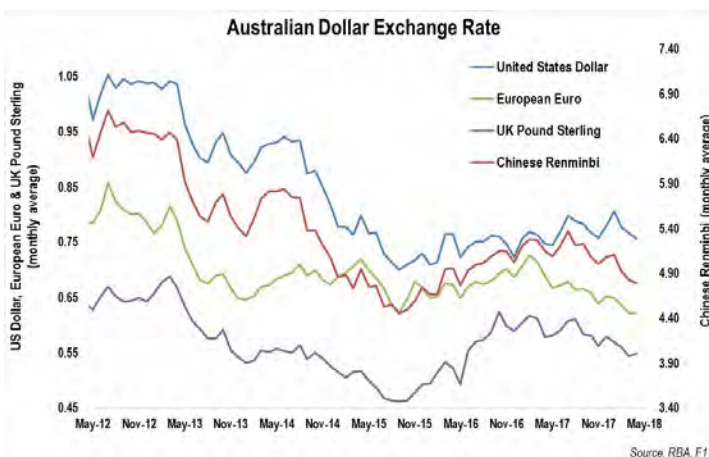
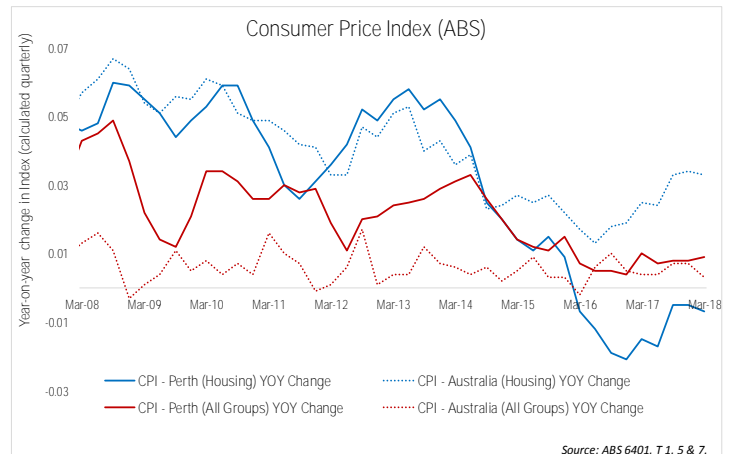
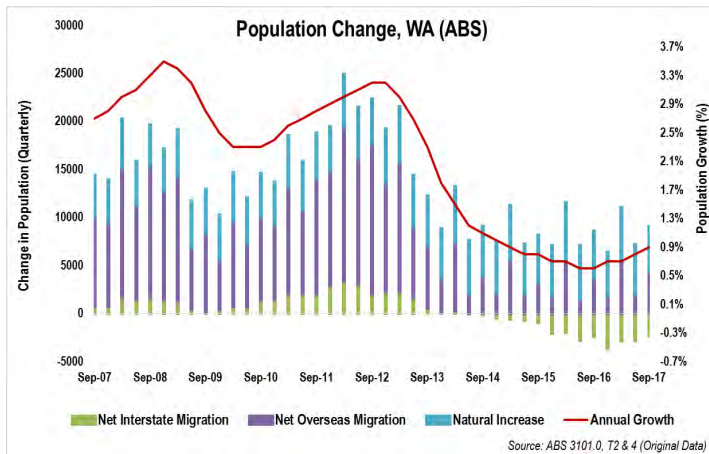
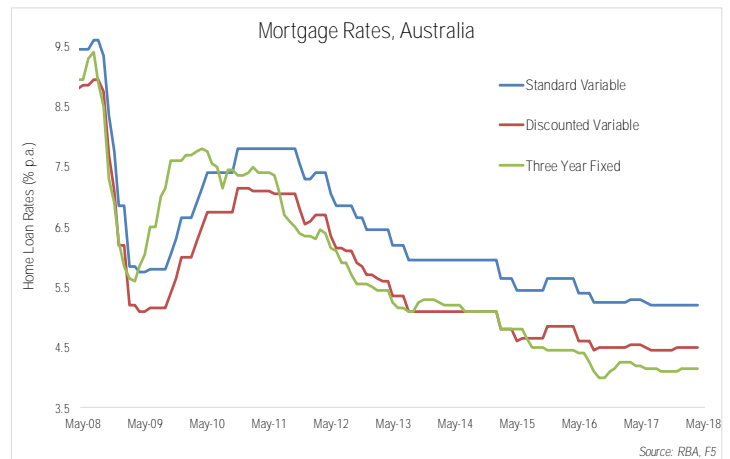
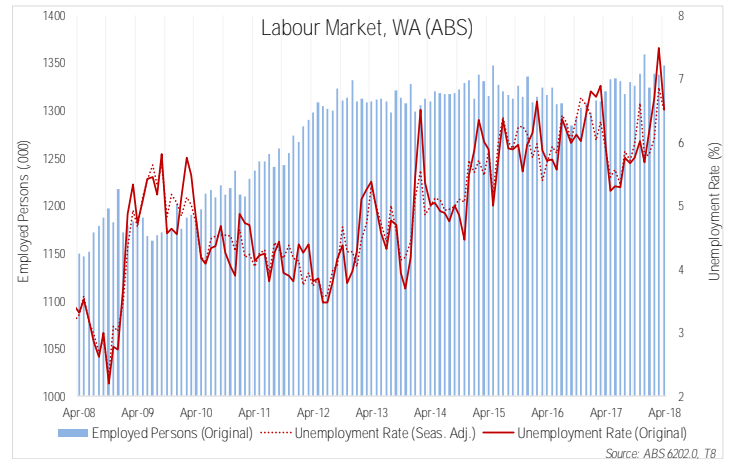
Click here to let us know
your thoughts on the
UDIA Urban Intelligence report.



ECONOMY

Key Points of Interest

- In April, WA's unemployment rate fell 98 basis points (bps) over the month to sit at 6.5%, down from 7.5% in March, the highest since January 2002. However, WA's April unemployment rate was 63bps higher than at the same time last year, and 93bps higher than the national unemployment rate of 5.6%.
- The number of employed persons in WA lifted 0.7% in April to 1.348 million, and also increased 2.1% year-on-year (YoY).
- Western Australia's state participation rate for April fell slightly by 26bps to 69.02%, 133bps higher than the same time in 2017, and also remained 329bps higher than the national participation rate of 65.7%.
- In April, the annual growth rate in WA retail turnover slowed 1.4% to \$2.66 billion, and retained a 10.7% share of the national total (\$24.88 billion).
- In May the Australian dollar lifted against the major currencies of China (4.84 Chinese Renminbi), Europe (0.648 European Euros) and Britain (0.568 British Pounds); while falling slightly against that of the USA (0.756 USD).

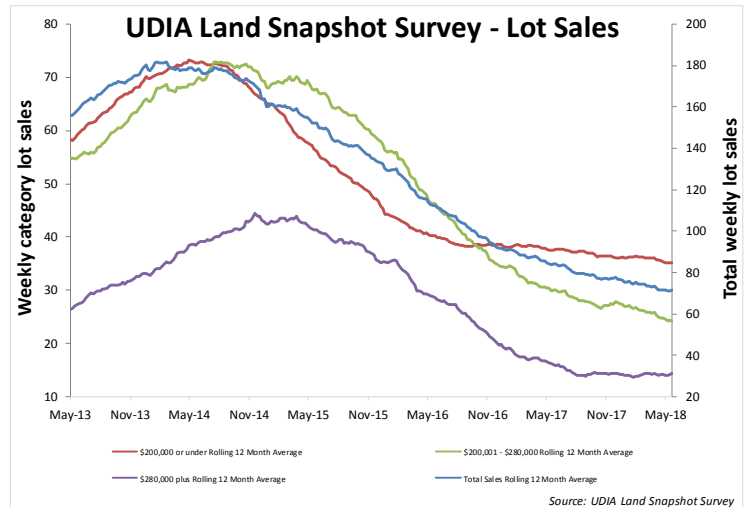




RESIDENTIAL LAND DEVELOPMENT SECTOR

Key Points of Interest

- UDIA's Land Snapshot survey results for total lot sales in May recorded a 23.8% month-on-month (MoM) increase in total sales, but fell 8.0% from figures at the same time last year.
- Lots sales within all price categories increased across the board for the month. Combined sales \$200,000 (and below) lifted 29.1% MoM and fell 0.7% year-on-year (YoY); combined sales \$200,001-\$280,000 rose 14.5% MoM and were down 34.9% YoY; and combined sales above \$280,000 also increased 24.5% MoM and 35.6% YoY.
- The median lot price for the month fell 1.4% MoM to sit at \$220,792, 1.5% lower than at the same time last year.

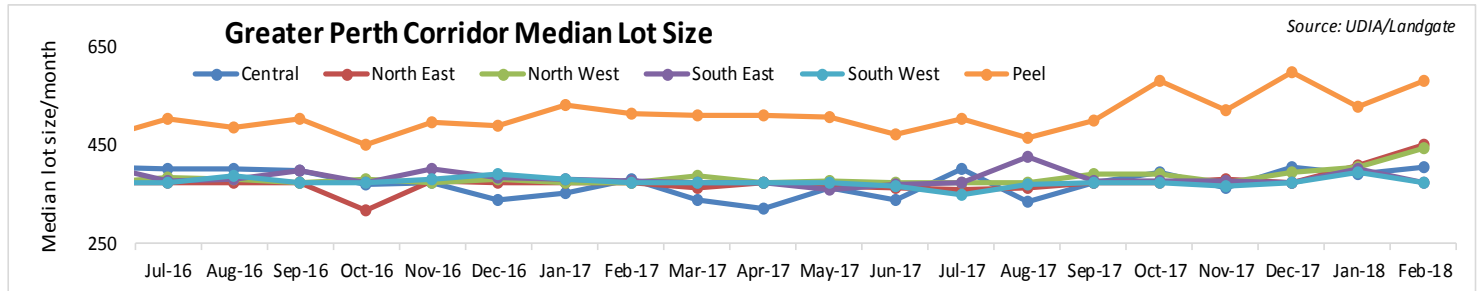
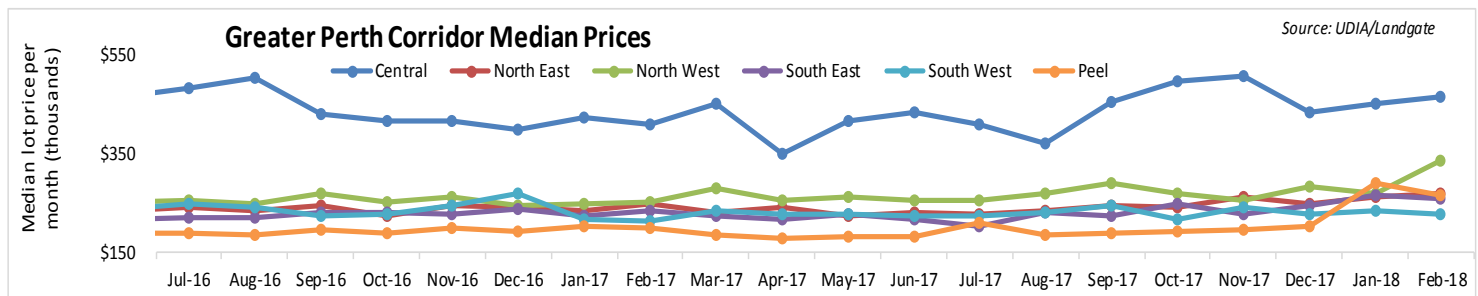
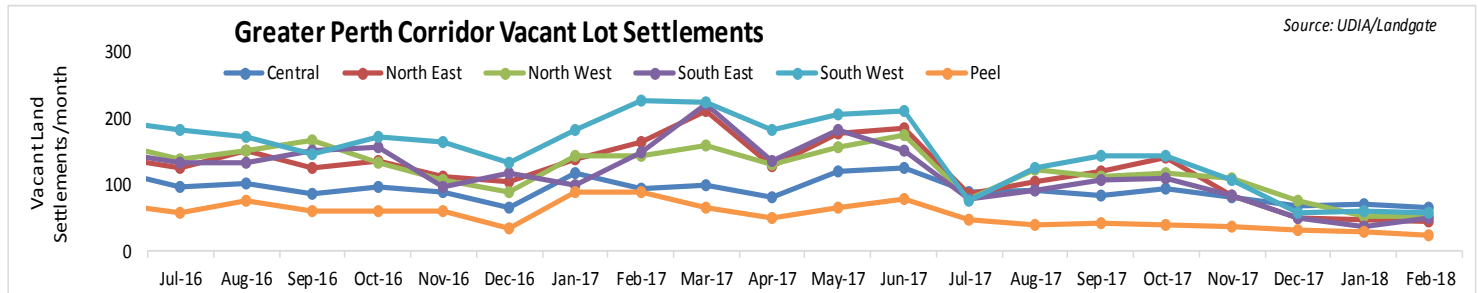


Monthly vacant land settlements by metropolitan corridor for February, 2018 (Landgate)

Regions	Feb-18 Settlements	Vacant Land Median Price	Median Lot Size
North-East Metro	45	\$ 269,000	450
North-West Metro	54	\$ 335,000	445
South-East Metro	50	\$ 262,000	375
South-West Metro	58	\$ 227,450	375
Peel	23	\$ 265,000	582
Central Metro	65	\$ 465,000	404

Top five suburbs for vacant land settlements for the three months to February, 2018 (Landgate)

	Three months to 28 Feb	Settlements	Median Price	Median Size
1	PIARA WATERS	49	\$272,000	370.00
2	BALDIVIS	30	\$196,000	450.00
3	BYFORD	30	\$208,750	422.50
4	ALKIMOS	28	\$215,000	300.00
5	LANDSDALE	23	\$323,000	482.00



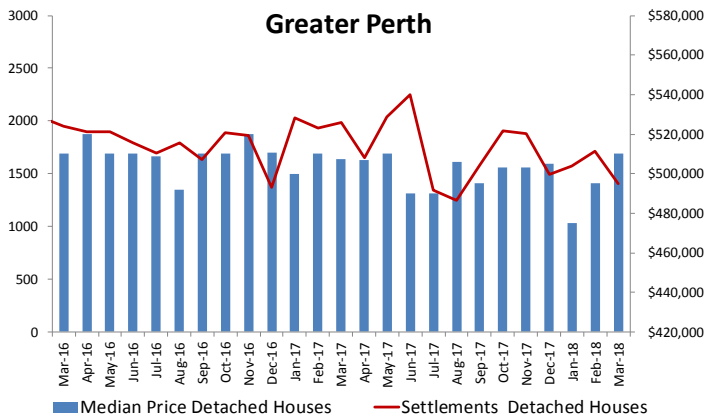
Note: Settlement figures on this page are based on Landgate data available at the time of publication and may not represent all settlements during the period.



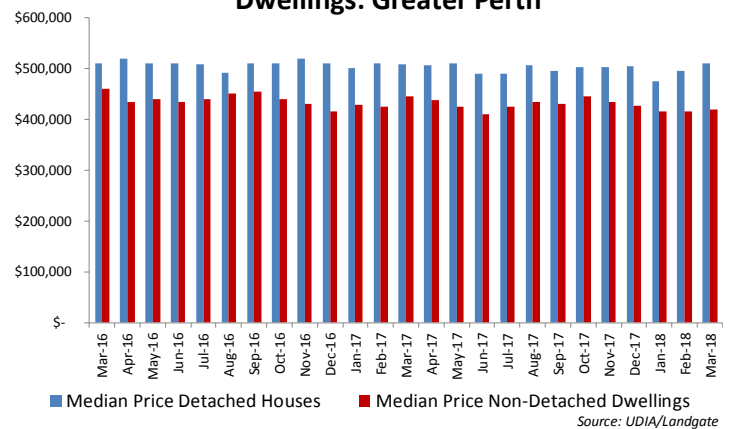
RESIDENTIAL PROPERTY SETTLEMENTS



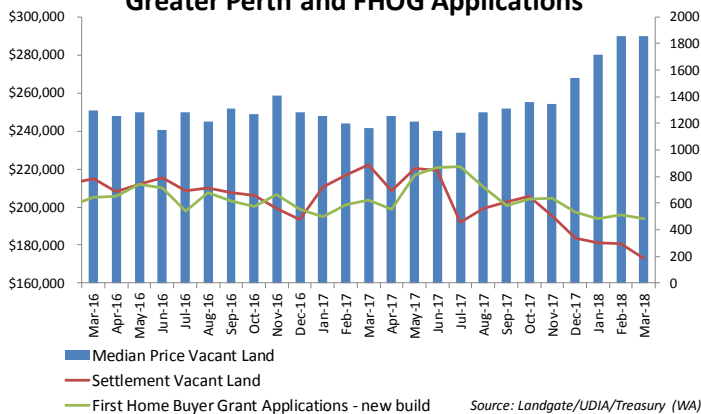
**Median Price/Settlements
Greater Perth**



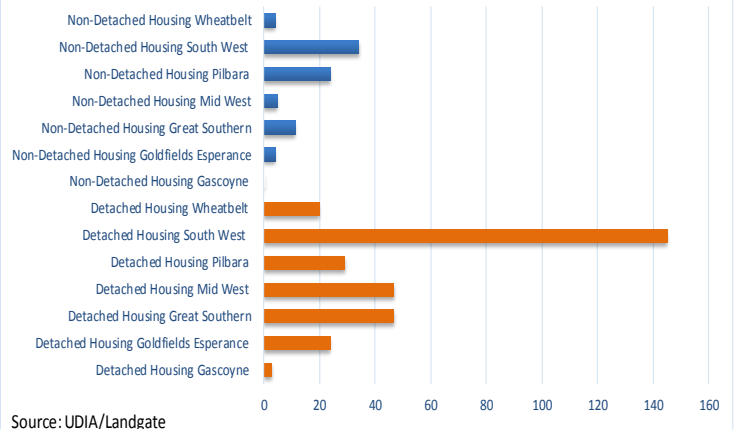
**Median Price Detached and Non-Detached
Dwellings: Greater Perth**



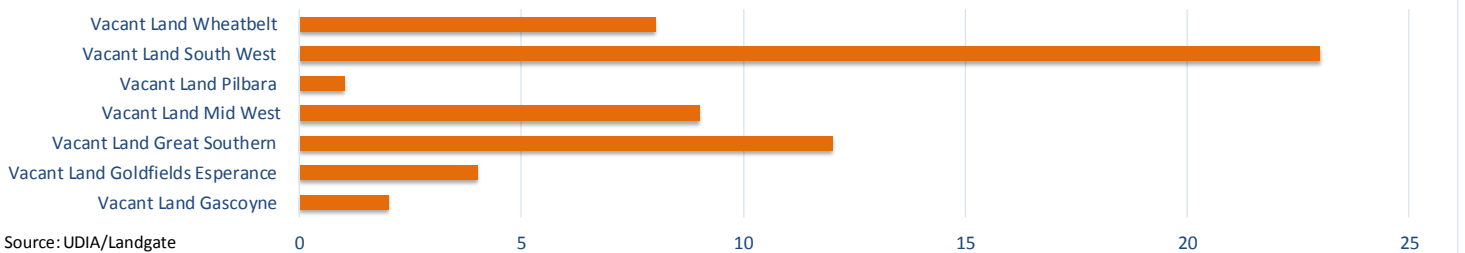
**Vacant Land Settlements, Median Price:
Greater Perth and FHOA Applications**



Regional Dwelling Settlements March 18



Regional Land Settlements March 18



TOP SUBURBS FOR MEDIUM DENSITY SETTLEMENTS					TOP SUBURBS FOR DETACHED HOUSING SETTLEMENTS				
	Three months to 28 Feb	Settlements	Median Price	Median Size		Three months to 28 Feb	Settlements	Median Price	Median Size
1	SCARBOROUGH	100	\$550,500	194.00	1	BALDIVIS	94	\$395,000	542.00
2	PERTH	87	\$519,000	120.00	2	CANNING VALE	76	\$561,000	608.50
3	MAYLANDS	70	\$367,500	104.50	3	HALLS HEAD	59	\$475,000	765.00
4	COMO	68	\$462,500	108.50	4	BYFORD	55	\$375,000	489.00
5	SOUTH PERTH	62	\$650,000	115.50	5	ELLENBROOK	54	\$385,000	487.50

Source: Landgate/UDIA

Top suburbs for detached housing and medium density settlements over the three months to Feb 2018.

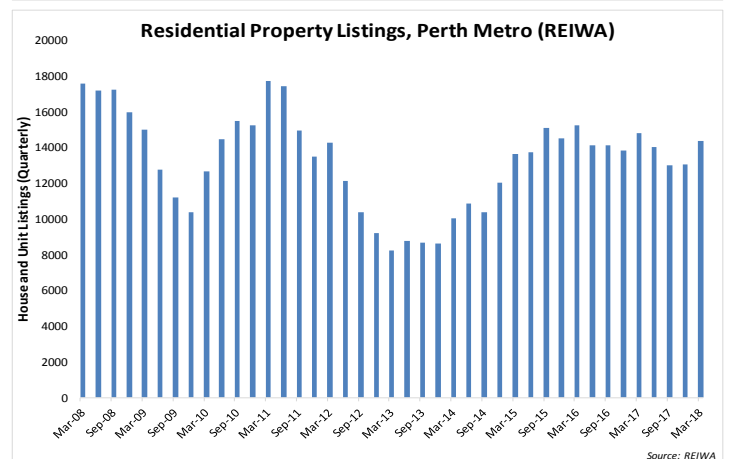
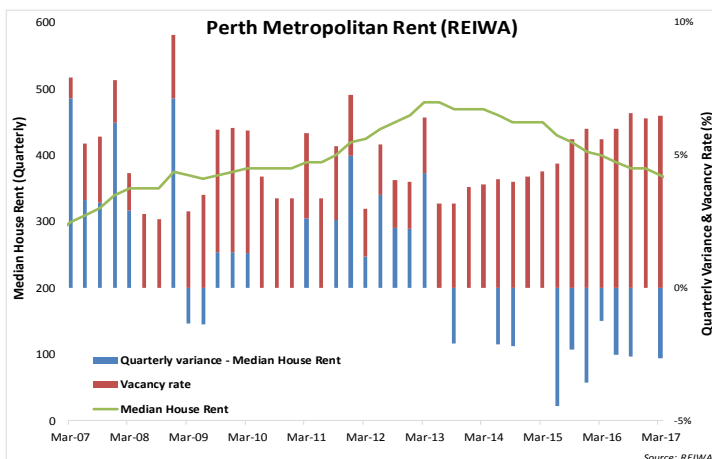
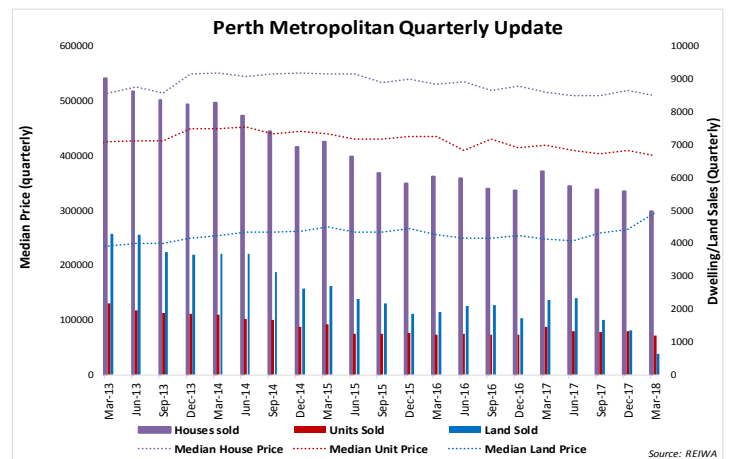
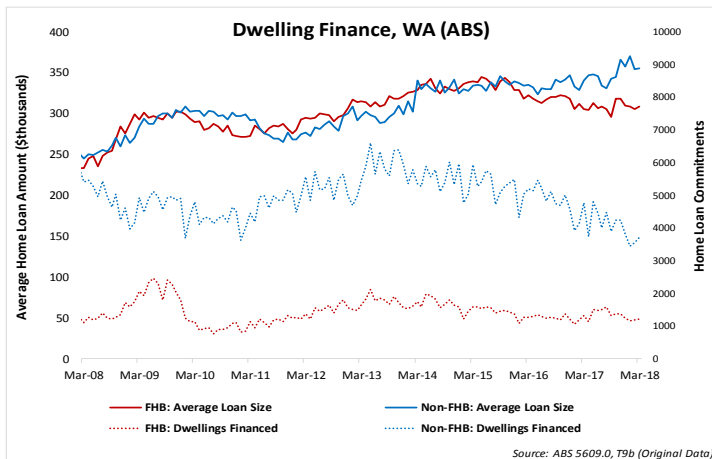
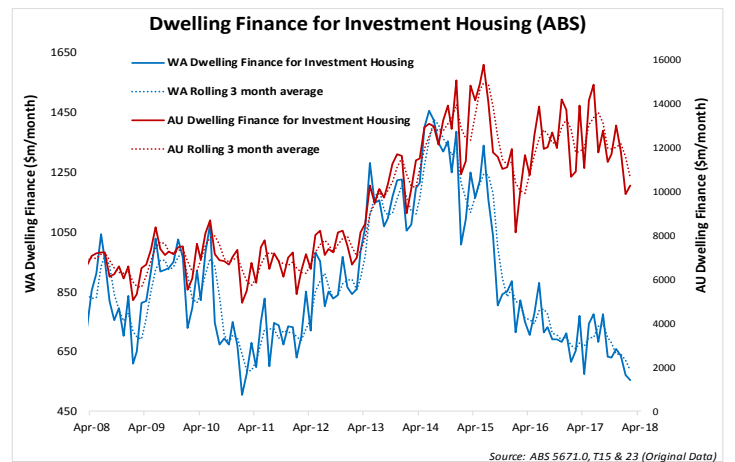
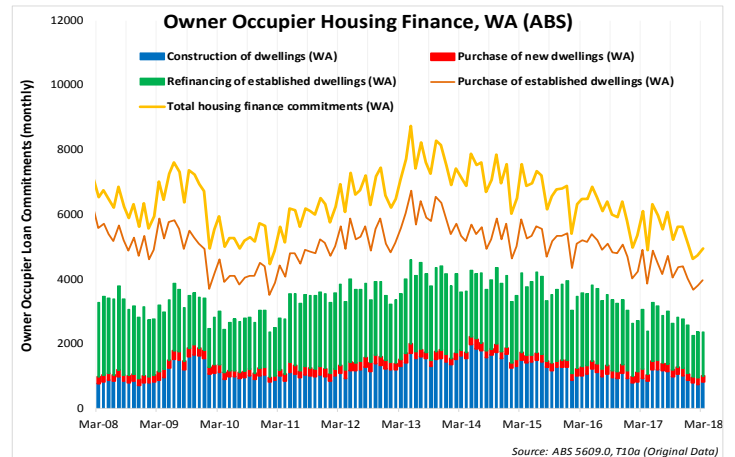
Note: Settlement figures on this page are based on Landgate data available at the time of publication and may not represent all settlements during the period.



RESIDENTIAL PROPERTY MARKET

Key Points of Interest

- The total number of WA housing finance commitments for owner occupiers in March lifted 4.5% month-on-month (MoM) to 4,945, 19.0% down from the same time last year.
- Included within the total for WA owner-occupier housing finance commitments: commitments for the construction of dwellings lifted 8.8% MoM to 801, but fell 13.0% year-on-year (YoY); commitments for the purchase of new dwellings increased 1.6% MoM to 194, but fell 30.7% YoY; and commitments for the purchase of established dwellings increased 3.8% MoM to 3,950, and fell 19.5% YoY.
- In March, the number of WA dwellings financed by first home buyers (FHB) increased 4.1% over the month to 1,233, and fell 6.5% from the same time last year. The average loan size for FHBs also increased 1.2% MoM and 1.1% YoY to sit at \$309,200.
- WA dwellings financed by non-FHBs increased 4.6% in March to 3,712, but fell 22.5% YoY. The average non-FHB loan size lifted a marginal 0.3% over the month to \$355,400, but was also up 4.1% from the same time last year.
- The value of WA dwelling finance for investment housing fell 11.5% MoM in April to \$528.3 million, following a 7.9% MoM increase in March. The value recorded for April was also 8.2% below the result from April 2017.

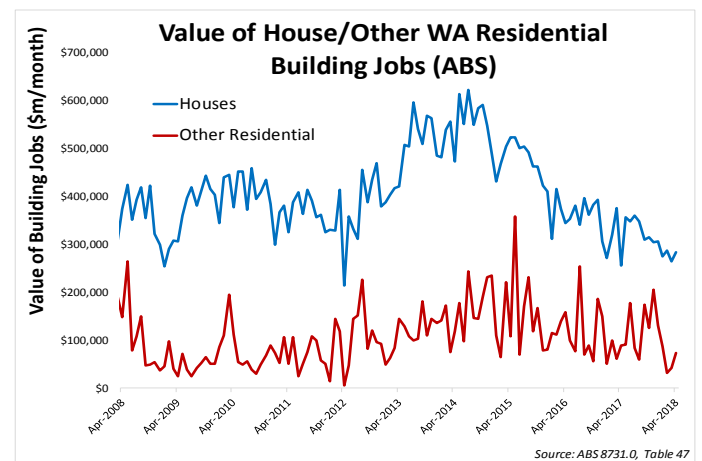
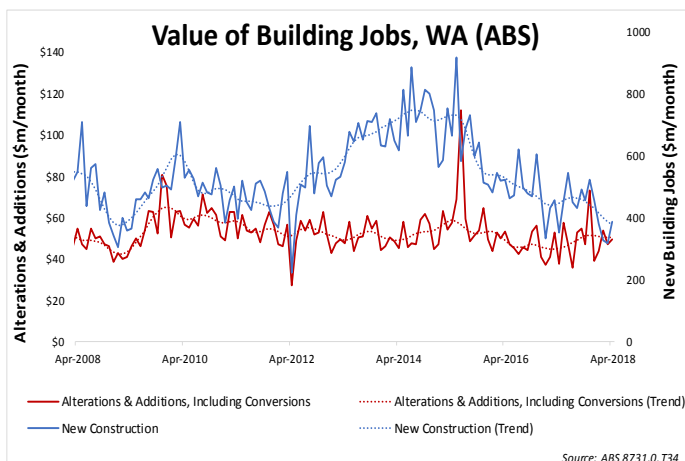
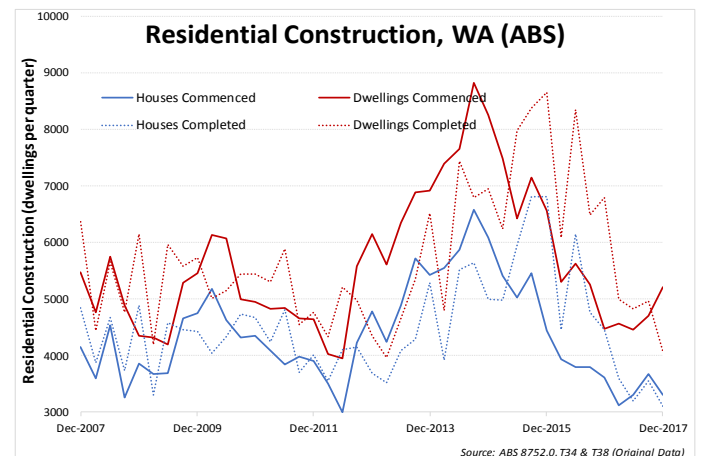
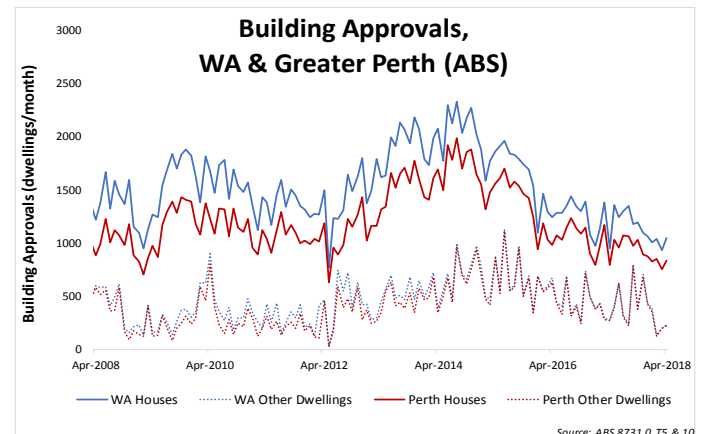
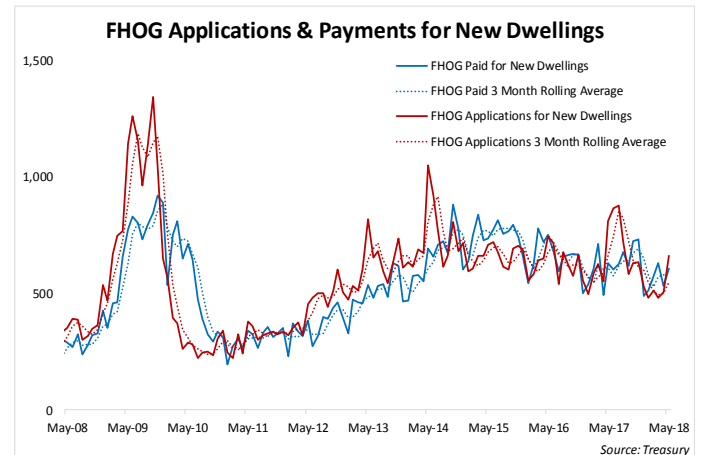




RESIDENTIAL CONSTRUCTION SECTOR

Key Points of Interest

- In April, WA building approvals for houses lifted 11.9% month-on-month (MoM) to sit at 1,045, an increase of 9.5% from the same time last year. Of this total, 80.3% were located within the Greater Perth region, which also saw house approvals increase 11.0% MoM and 5.8% year-on-year (YoY).
- Across WA, building approvals for dwellings (excluding houses) for April rose 15.3% MoM to 234. Approvals for dwellings (excluding houses) in Greater Perth also increased 12.9% MoM to 227. Both regions also experienced YoY decreases of just over 60%, down from 282 and 272 building approvals for WA and Greater Perth respectively in April 2017.
- In April, the total value of new WA residential building jobs increased 19.3% MoM to \$434.8 million, and lifted 11.4% from the same time last year following two consecutive months of YoY decreases.
- Of this total: the value of residential building jobs for new construction increased 21.5% MoM and 9.3% YoY to \$385.5 million; and the value of building jobs for alterations and additions (including conversion) also rose 4.7% MoM and 31% YoY to sit at \$49.4 million.
- In May, the number of first home owner grants (FHOG) paid increased 14% from the previous month to 609, 3.5% below the figure at the same time last year. The number of FHOG applications for May also lifted 29.3% MoM and fell 19.5% YoY. This time last year the figures for the FHOG were in the midst of new home buyers submitting their applications prior to the end of the \$5,000 additional boost to the grant on June 30, 2017.



Principal Research Partners

