



# urban intelligence

## UDIA WA PROPERTY MARKET STATISTICS

### OCTOBER 2018

Principal Research Partners



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# AT A GLANCE...



**WA'S POPULATION  
GROWTH YOY**

**↑ 0.8%**



**\$515k  
MEDIAN  
HOUSE  
PRICE**

**\$226k  
UDI MEDIAN  
LOT PRICE**

**\$2.73  
BILLION**

**WA SEPT  
RETAIL  
TURNOVER**



**6.0%  
WA'S  
UNEMPLOYMENT  
RATE**

**UDI LOTS SALES YOY**

**↓ 6.6%**


**DWELLING  
COMMENCEMENTS YOY**


**↓ -15.4%**





# KEY TRENDS



 ECONOMY		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Official Cash Rate Target (RBA)	▬	1.5% (Nov)	0% (M)	1.5% (M)	0
Discounted Variable Mortgage Rate (RBA)	↑	4.65% (Oct)	10 bps (M)	4.57% (M)	20 bps
Estimated Resident Population - WA	↑	2,591,887m (Mar)	0.3% (Q)	2,585,685m (Q)	0.8%
Unemployment Rate - WA (Seasonally Adj.)	↓	6.0 (Sep)	-37 bps (M)	6.1 (M)	30 bps
Retail Turnover - WA (Original)	↓	\$2.73 b (Sep)	-1.5% (M)	\$2.74b (M)	-0.9%
Consumer Price Index - Greater Perth	↑	110.8 (Sep)	0.5% (Q)	110.3 (Q)	1.2%
Wage Price Index - WA	↑	128.9 (Jun)	0.3% (Q)	128.5 (Q)	1.5%

 RESIDENTIAL LAND DEVELOPMENT SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Lot Sales (UDIA Land Snapshot )	↓	242 (Oct 18)	-5.1% (M)	281 (M)	-22.7%

 RESIDENTIAL CONSTRUCTION SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Dwelling Approvals - WA (Original)	↓	1,165 (Sep)	-34.0% (M)	1,439 (M)	-41.0%
Private Sector House Approvals - WA (Original)	↓	848 (Sep)	-29.7% (M)	1080 (M)	-26.7%
New Dwelling Loans Owner-Occupation - WA (Original)	↑	4,927 (Aug)	0.9% (M)	4,823 (M)	-18.9%
Dwelling Construction Starts - WA (Original)	↓	3,929 (Jun)	-2.8% (Q)	4,476 (Q)	-15.4%
House Approvals - Greater Perth (Original)	↓	748 (Sep)	-29.7% (M)	941 (M)	-23.2%
Multi-Unit Approvals - Greater Perth (Original)	↓	259 (Sep)	-47.5% (M)	311 (M)	-67.0%

 RESIDENTIAL PROPERTY MARKET		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Median House Price - Perth (Landgate/REIWA)	▬	\$515,000 (Jun)	0.0% (Q)	\$516,667 (Q)	1.0%
House Sales - Perth (Landgate/REIWA)	↓	4,671 (Jun)	-14.7% (Q)	5,259 (Q)	-18.8%
Unit Sales - Perth (Landgate/REIWA)	↓	1,060 (Jun)	-23.9% (Q)	1,234 (Q)	-20.7%
House and Unit Listings - Perth (REIWA)	↓	13,671 (Sep)	-3.9% (Q)	14,101 (Q)	4.9%
Dwelling Loans Owner-Occupation - WA (Original)	↑	4,927 (Aug)	0.9% (M)	4,823 (M)	-18.9%
Established Dwelling Loans Owner-Occupation - WA (Original)	↑	3,891 (Aug)	1.2% (M)	3,791 (M)	-17.3%
FHOG Applications - WA (Original)	↓	439 (Sep)	-14.9% (M)	469 (M)	-25.3%
Investment Housing Loans - WA (Original)	↓	\$516.7m (Aug)	-6.1% (M)	\$576.4m (M)	-33.2%
REIWA Average Selling Days - Perth	↓	69 (Jun)	-1.4% (Q)	67.3 (Q)	-2.8%
Residential Rental Market		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
REIWA Median Rent - Perth	↑	360 (Sep)	2.9% (Q)	357 (Q)	2.9%
REIWA Vacancy Rate - Perth	↓	3.9% (Sep)	-90 bps (Q)	4.6% (Q)	-300 bps



## UDIA WA INDUSTRY UPDATE



CHRIS GREEN

Director  
Policy & Research  
UDIA WA

### EVIDENCE OF MARKET RECOVERY EMERGES

UDIA released the quarterly Urban Development Index (UDI) last week that provides an in-depth analysis of the new land market in Perth based on a comprehensive survey that UDIA undertakes of developer members.

The figures provide further evidence of the sustained market downturn that the industry has been experiencing for several years with the number of lot sales falling by 14.9% for the September quarter in 2018.

The average price of new land is also down 2.3% for the quarter and down 3.9% over the year.

While the new land market remains sluggish, UDIA is confident that a recovery is imminent given our recent analysis of Landgate settlement data which shows positive activity in the top and middle sectors of the market. This provides a good indication that the new land market will soon follow in a positive trajectory.

Our research indicates that premium housing areas in Perth such as Mosman Park and Cottesloe have started to perform well with strong housing demand and limited supply driving price increases.

In fact, property settlements priced \$1 million and over for the Central Perth Metropolitan Region have recorded positive annual growth for both the March and June 2018 quarters and across the central region there was 4.7% annual growth in the number of sales above \$1 million during both quarters.

Mosman Park exhibited an 8.7% quarterly increase in the June 2018 quarter and Cottesloe recorded a 17.9% annual growth rate for these types of property settlements in the first two quarters of 2018.

In terms of price, Cottesloe has recorded a 2.1% quarterly increase in its median settlement price to sit at \$1,480,000.

**Mosman Park's median property settlement price for this period** lifted 13.2% over the quarter to \$1,245,000, the highest median price since prior to the March 2016 quarter and 9.9% higher than the same time last year.

Turning to middle ring areas, indicators point to investors taking up small scale development opportunities with a view to potentially making a profit as the market lifts.

Central metropolitan property settlements with land areas between 750sqm-2000sqm exhibited the first signs of annual growth in June 2018, lifting 5.2% to sit at 545 for the quarter. The median price for settlements of this size remained steady in June 2018 at \$850,000, following two consecutive quarters of solid annual growth, up 2.2% in Dec 2017 and up 4.2% in March 2018.

Looking at some specific areas as an example, Fremantle settlements sized between 751-2000sqm had three consecutive quarters of solid growth, with a significant 31.3% increase in the June 2018 quarter.

Belmont settlements of this size reached a peak of 42 in the March 2018 quarter following two consecutive quarters of relatively steady figures, a level which was returned to in the June 2018 quarter.

Strong quarterly price growth was experienced in Belmont throughout the 2017/18 financial year, coupled with three consecutive quarters of annual price growth to sit at \$547,500 for the June quarter (up 10.6%).

Turning to Victoria Park, the number of settlements of this size recorded positive quarterly growth over the last three quarters to June 2018, with a 16.7% quarterly settlement increase in the June quarter.

What these figures show is that, where there are opportunities to purchase a decent size parcel of land with small scale development potential, interest is certainly piqued.

The majority of the central local government areas examined exhibited positive growth rates in median price for the 2017/18 financial year for this size range.

Given the cyclical nature of the Perth property market, the established housing market is a good forward indicator of what to expect 12 to 18 months later in the new land market.

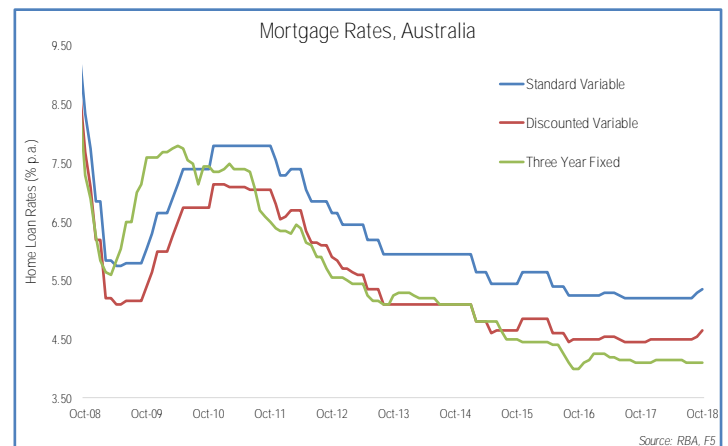
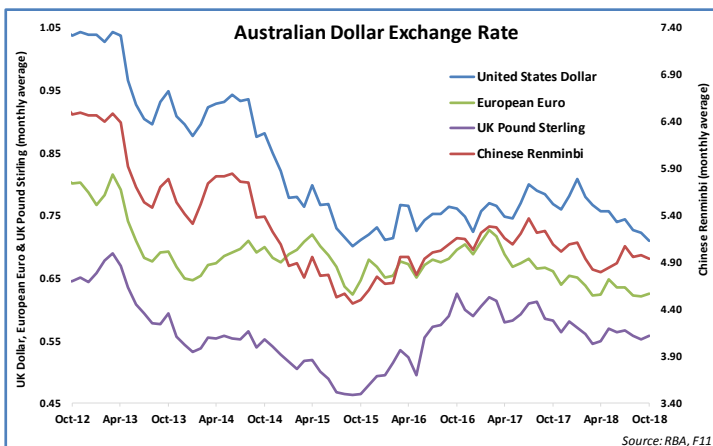
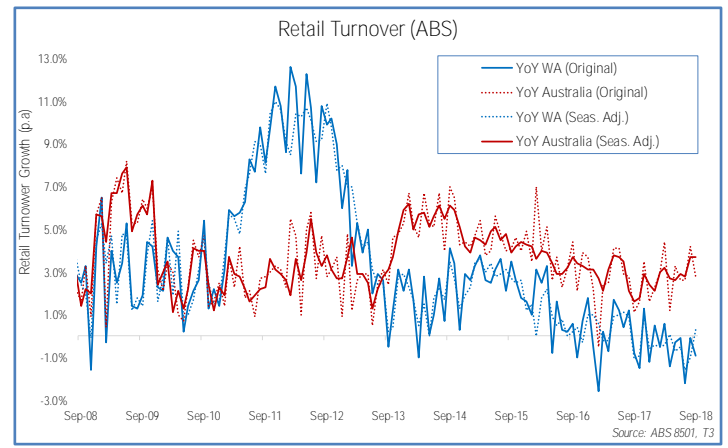
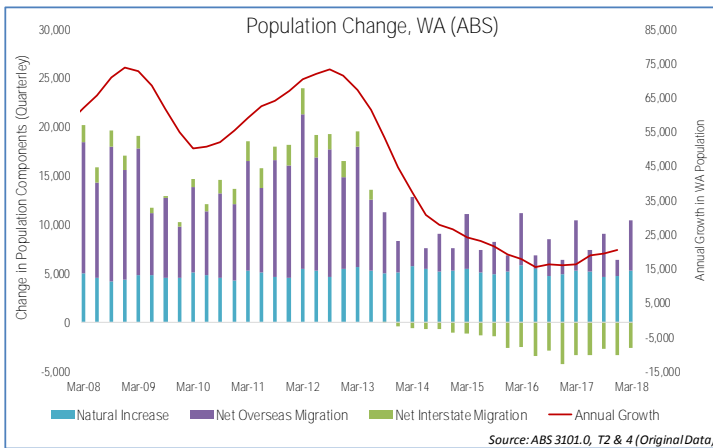
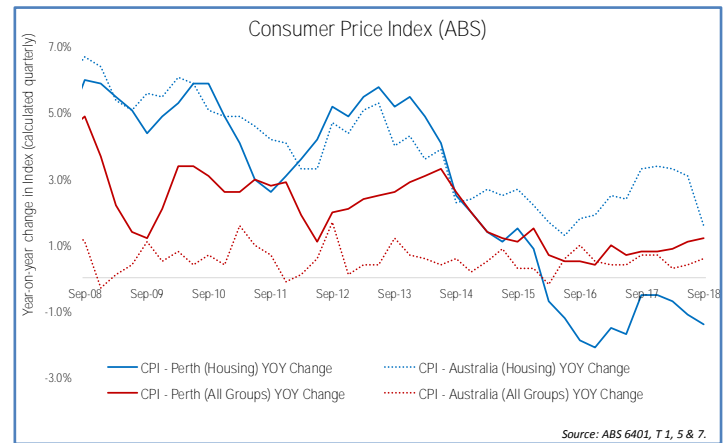
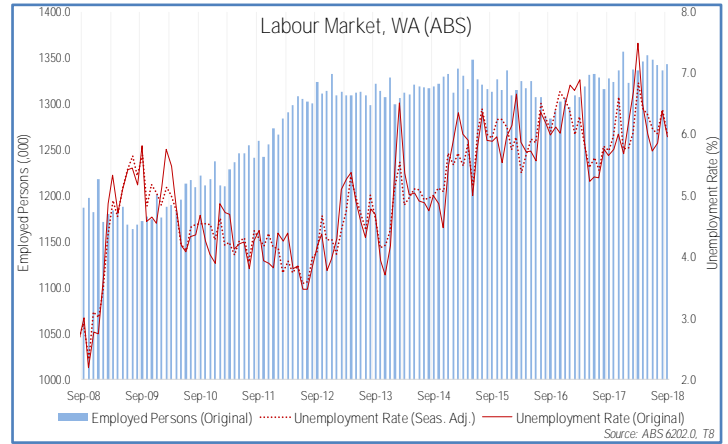
Furthermore, there are green shoots emerging that are reflected in mining activity, retail turnover and growing full-time employment as demonstrated in this edition of Urban Intelligence.



# ECONOMY

## Key Points of Interest

- **Western Australia's unemployment rate fell 42 basis points (bps) over September to sit at 6.0%, 30bps above the rate at the same time last year and 109bps above the National rate of 4.87%.**
- The number of employed persons in the State lifted 0.5% month-on-month in September to 1.428 million, 1.2% higher than in September 2017.
- **WA's state participation rate remained steady at 68.2%, 49bps above levels at the same time last year and 296.3bps higher than the national rate of 65.3%.**
- **In the September quarter, WA's retail turnover lifted 0.9% quarter-on-quarter (QoQ) to sit at \$8.22 billion, 1.1% lower than the corresponding quarter in 2017 and remaining steady at 10.5% of national retail turnover (\$78.34 billion).**
- Lending rates for owner-occupier housing loans lifted in October, with standard variable rates increasing to 5.35% (+5bps MoM; +15bps YoY) and discounted variable rates rising to 4.65% (+10bps MoM; +20 YoY). 3-year fixed rates for owner-occupier housing loans remained steady at 4.10% from last month and from the same time last year.
- In the September quarter, the consumer price index for Perth lifted 1.2% from the same time last year to 110.8, up from 1.1% in June.

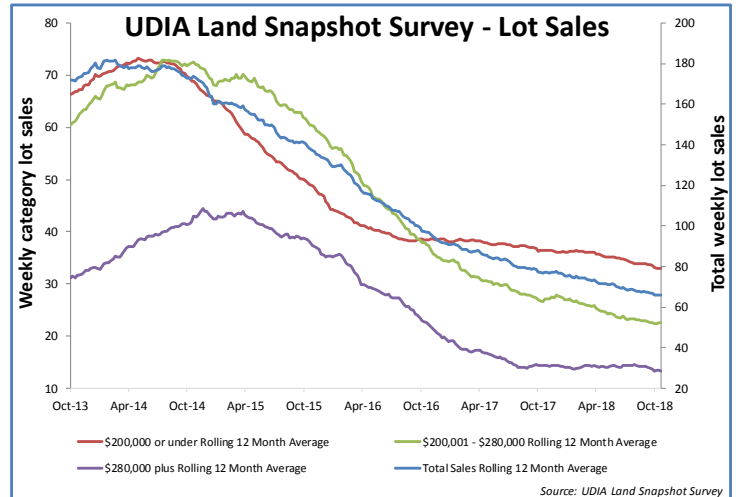




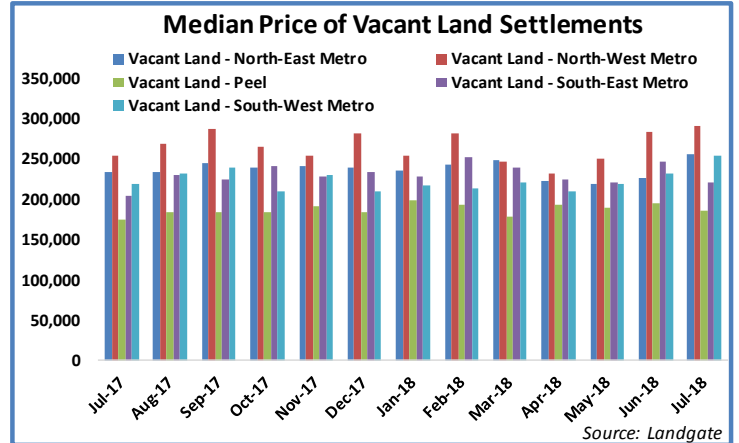
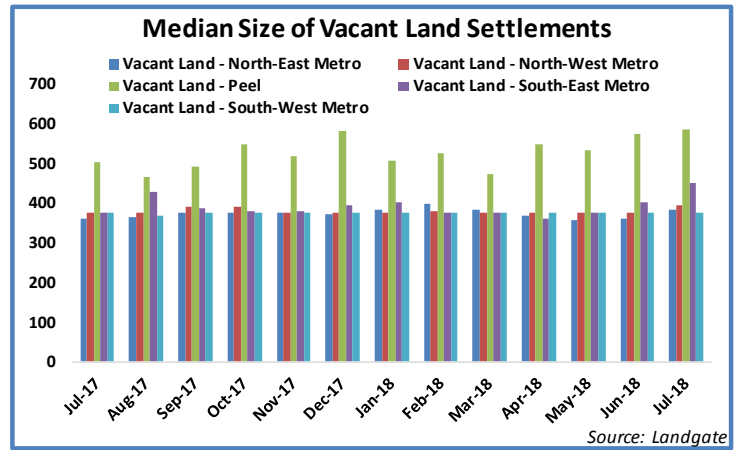
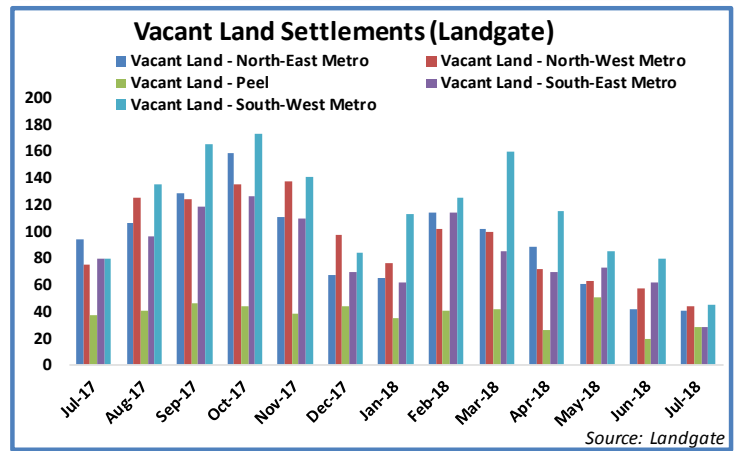
# RESIDENTIAL LAND DEVELOPMENT SECTOR

## Key Points of Interest

- In UDIA's Land Snapshot results for October, total lot sales slowed 5.1% from the previous month and were 22.7% lower than at the same time in 2017.
- Category sales figures for October were variable, ranging from a 3.4% monthly uplift for combined sales between \$200,001-\$280,000; to combined sales \$200,000 (and below) & above \$280,000 falling 12.0% and 3.9% respectively. All combined categories remained lower than in October 2017.
- The median lot price for October remained steady at \$222,934, 0.9% higher than at the same time last year.



THREE MONTHS TO JULY 2018: WA REGIONAL PROPERTY SETTLEMENTS (Source: Landgate)			
	Settlements	Median Land Area Size	Median Price
<b>Gascoyne</b>	<b>33</b>	<b>855</b>	<b>\$ 220,000.00</b>
Detached House	19	911	\$ 270,000.00
Medium Density	8	398	\$ 246,250.00
Vacant Land	6	722	\$ 187,500.00
<b>Goldfields Esperance</b>	<b>190</b>	<b>808</b>	<b>\$ 260,000.00</b>
Detached House	146	828	\$ 267,500.00
Medium Density	32	325	\$ 248,500.00
Vacant Land	12	866	\$ 160,000.00
<b>Great Southern</b>	<b>195</b>	<b>731</b>	<b>\$ 330,000.00</b>
Detached House	140	800	\$ 355,000.00
Medium Density	24	293	\$ 334,500.00
Vacant Land	31	680	\$ 165,000.00
<b>Kimberley</b>	<b>19</b>	<b>1,029</b>	<b>\$ 150,000.00</b>
Detached House	15	1,032	\$ 145,000.00
Medium Density	4	315	\$ 252,500.00
<b>Mid West</b>	<b>216</b>	<b>809</b>	<b>\$ 175,000.00</b>
Detached House	159	857	\$ 230,000.00
Medium Density	24	299	\$ 177,500.00
Vacant Land	33	792	\$ 79,992.00
<b>Pilbara</b>	<b>260</b>	<b>669</b>	<b>\$ 210,000.00</b>
Detached House	162	707	\$ 290,000.00
Medium Density	90	197	\$ 125,000.00
Vacant Land	8	652	\$ 66,250.00
<b>South West</b>	<b>663</b>	<b>705</b>	<b>\$ 310,000.00</b>
Detached House	467	758	\$ 342,000.00
Medium Density	81	296	\$ 270,000.00
Vacant Land	115	638	\$ 176,000.00
<b>Wheatbelt</b>	<b>142</b>	<b>1,012</b>	<b>\$ 127,500.00</b>
Detached House	113	1,012	\$ 150,000.00
Medium Density	1	98	\$ 250,000.00
Vacant Land	28	964	\$ 27,500.00



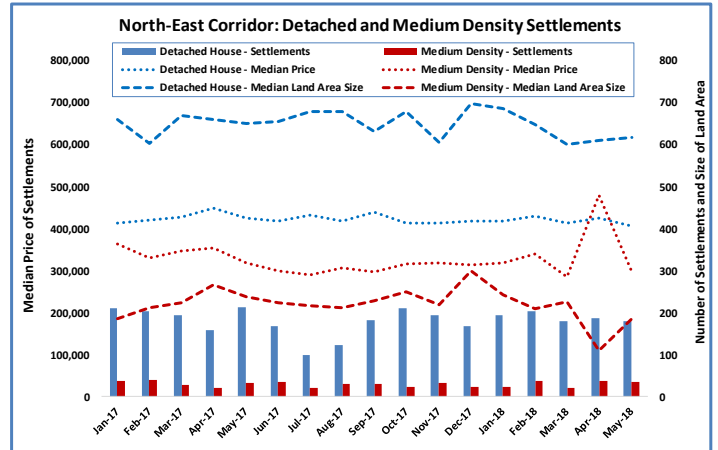
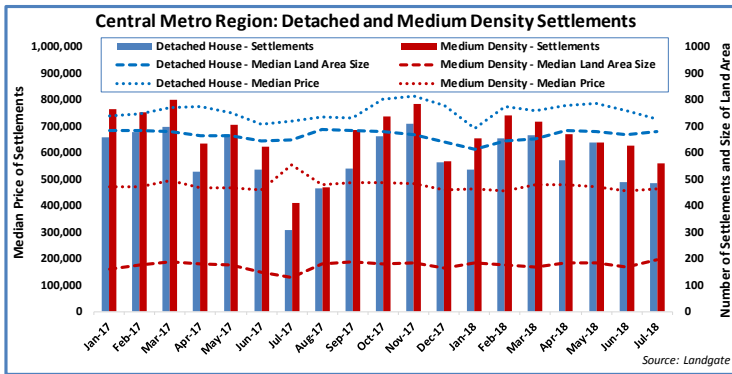
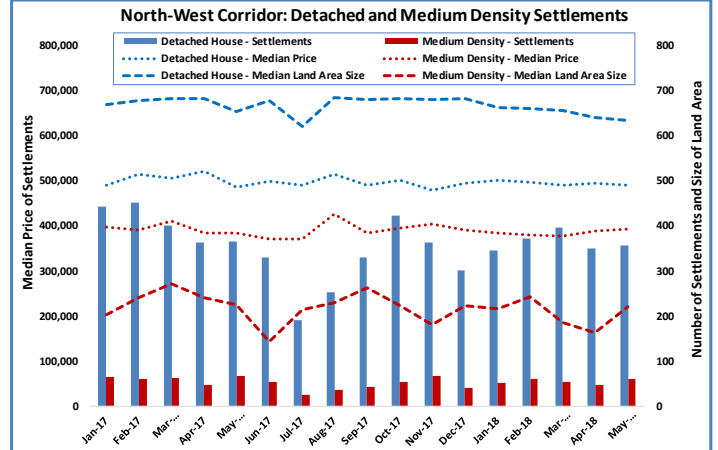
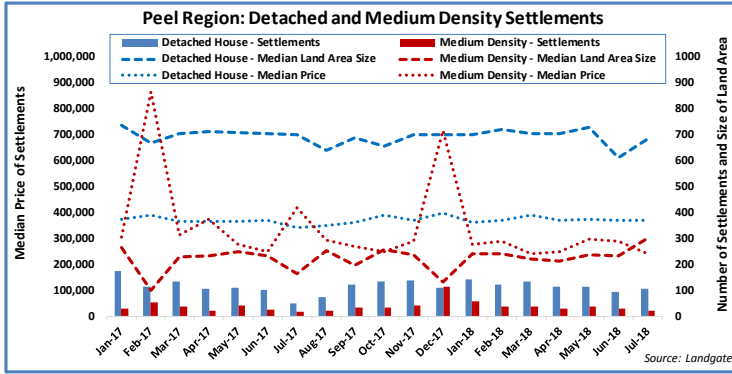
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# RESIDENTIAL PROPERTY SETTLEMENTS

PERTH AND PEEL REGION

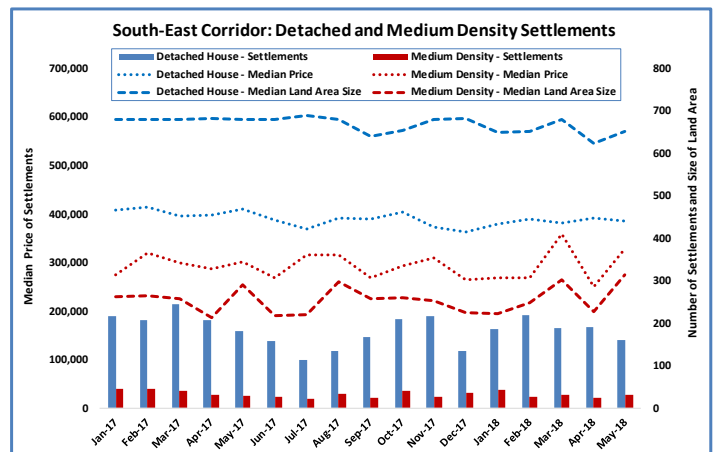
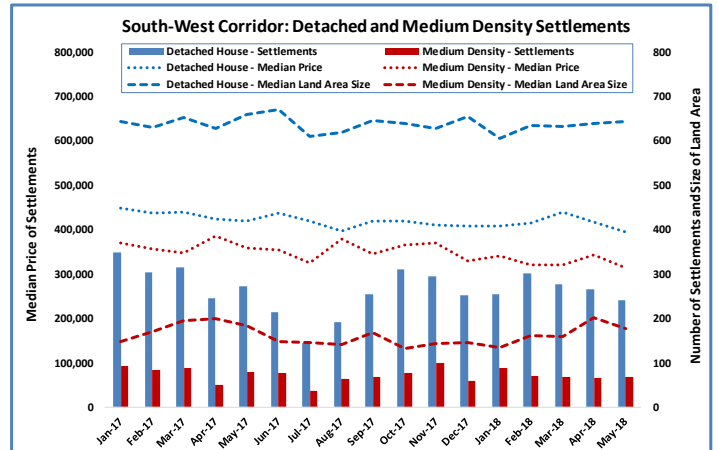


## JULY 2018: MONTHLY SETTLEMENTS BY METROPOLITAN CORRIDOR

(Source: Landgate)

	Settlements	Median Land Area Size	Median Price
<b>Central Metro</b>	<b>1101</b>	<b>350</b>	<b>563,600</b>
Detached House	485	680	725,000
Medium Density	558	197	461,000
Vacant Land	58	421	446,000
<b>North-East Metro</b>	<b>223</b>	<b>577</b>	<b>373,000</b>
Detached House	166	657	410,000
Medium Density	16	270	315,000
Vacant Land	41	384	257,000
<b>North-West Metro</b>	<b>406</b>	<b>619</b>	<b>455,000</b>
Detached House	321	681	480,000
Medium Density	41	176	330,000
Vacant Land	44	396	291,000
<b>Peel</b>	<b>153</b>	<b>621</b>	<b>320,000</b>
Detached House	103	683	370,000
Medium Density	22	301	239,000
Vacant Land	28	586	187,000
<b>South-East Metro</b>	<b>223</b>	<b>607</b>	<b>339,000</b>
Detached House	168	680	372,000
Medium Density	27	239	297,000
Vacant Land	28	450	221,750
<b>South-West Metro</b>	<b>365</b>	<b>577</b>	<b>363,000</b>
Detached House	260	668	400,000
Medium Density	60	122	300,000
Vacant Land	45	375	255,000

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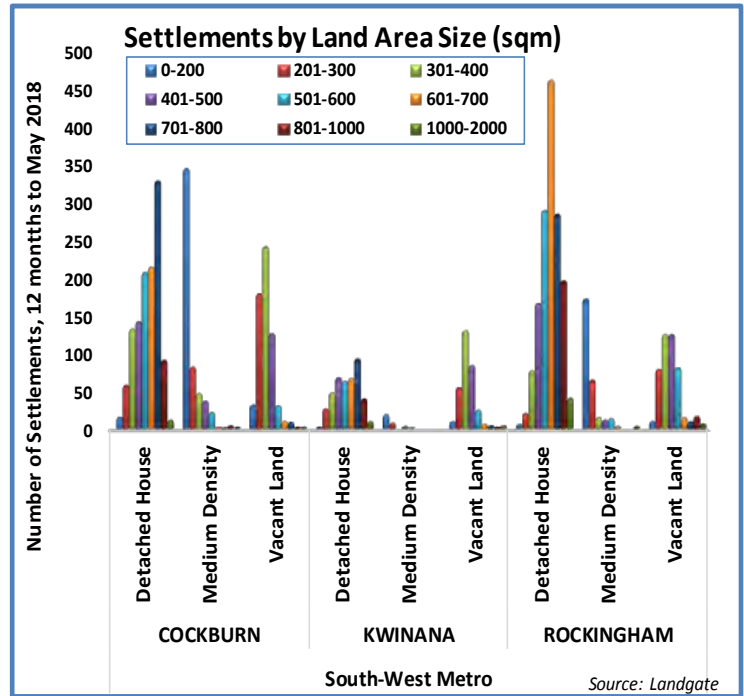
# CORRIDOR SNAPSHOT

A YEAR IN THE LIFE OF THE SOUTH-WEST METROPOLITAN CORRIDOR



## Key Points of Interest

- The South-West metropolitan corridor made up 14.8% of residential property settlements in the Greater Perth (GP) region over the twelve months to July 2018. The corridor also accounted for 15.7% of GP detached house settlements; 8.1% of GP medium density settlements; and 23.3% of vacant land settlements in GP.
- Of the 5,436 property settlements in the corridor over this period, 3,159 (58.1%) were for detached housing; 856 (15.75%) were for medium density; and 1,421 (26.2%) for vacant land settlements.
- In July 2018 the median price for detached housing fell 4.8% year-on-year (YoY) to \$400,000. For medium density settlements the median price fell 8.0% YoY to \$300,000; and for vacant land settlements the median price increased 15.9% YoY to \$255,000.
- The median land size for the corridor as at July 2018 included a 9.4% YoY increase to 668sqm for detached housing; a 16.8% decrease to 122sqm for medium density settlements; and the median size of vacant land settlements remained steady at 375sqm.
- The median price for vacant land settlements in the City of Rockingham lifted 5.0% YoY to \$188,000; while for the Cities of Cockburn and Kwinana the median vacant land price fell to \$281,000 (-1.4% YoY) and \$182,500 (-12.3% YoY) respectively.



SOUTH WEST CORRIDOR SUMMARY - TWELVE MONTHS TO JULY 2018 (Source: Landgate)					
	Settlements	Median Land Area Size	Median Price	Average number of bedrooms	Average number of bathrooms
<b>South-West Metro</b>	<b>5436</b>	<b>493</b>	<b>\$ 350,000</b>		
<b>COCKBURN</b>	<b>2373</b>	<b>423</b>	<b>\$ 427,000</b>		
Detached House	1200	616	\$ 513,000	3.4	1.7
Medium Density	541	138	\$ 379,000	2.3	1.5
Vacant Land	632	339	\$ 287,000	0.0	0.0
<b>KWINANA</b>	<b>769</b>	<b>450</b>	<b>\$ 244,000</b>		
Detached House	418	602	\$ 315,000	3.4	1.7
Medium Density	31	195	\$ 218,500	2.2	1.4
Vacant Land	320	375	\$ 198,000	0.0	0.0
<b>ROCKINGHAM</b>	<b>2294</b>	<b>570</b>	<b>\$ 320,000</b>		
Detached House	1541	655	\$ 369,000	3.6	1.8
Medium Density	284	163	\$ 265,000	2.4	1.4
Vacant Land	469	438	\$ 187,000	0.0	0.0

SOUTH WEST CORRIDOR SETTLEMENTS BY SIZE SUMMARY - TWELVE MONTHS TO JULY 2018 (Source: Landgate)										
Settlements	0-200	201-300	301-400	401-500	501-600	601-700	701-800	801-1000	1000-2000	Grand Total
<b>South-West Metro</b>	<b>611</b>	<b>574</b>	<b>815</b>	<b>763</b>	<b>733</b>	<b>778</b>	<b>729</b>	<b>352</b>	<b>81</b>	<b>5436</b>
<b>COCKBURN</b>	<b>392</b>	<b>319</b>	<b>420</b>	<b>305</b>	<b>260</b>	<b>226</b>	<b>338</b>	<b>97</b>	<b>16</b>	<b>2373</b>
Detached House	16	58	132	142	207	214	328	91	12	1200
Medium Density	344	82	47	37	22	2	1	4	2	541
Vacant Land	32	179	241	126	31	10	9	2	2	632
<b>KWINANA</b>	<b>31</b>	<b>90</b>	<b>178</b>	<b>155</b>	<b>89</b>	<b>73</b>	<b>97</b>	<b>42</b>	<b>14</b>	<b>769</b>
Detached House	2	27	48	68	63	67	93	40	10	418
Medium Density	19	8		3	1					31
Vacant Land	10	55	130	84	25	6	4	2	4	320
<b>ROCKINGHAM</b>	<b>188</b>	<b>165</b>	<b>217</b>	<b>303</b>	<b>384</b>	<b>479</b>	<b>294</b>	<b>213</b>	<b>51</b>	<b>2294</b>
Detached House	6	21	77	166	289	461	284	196	41	1541
Medium Density	172	65	15	12	14	3			3	284
Vacant Land	10	79	125	125	81	15	10	17	7	469

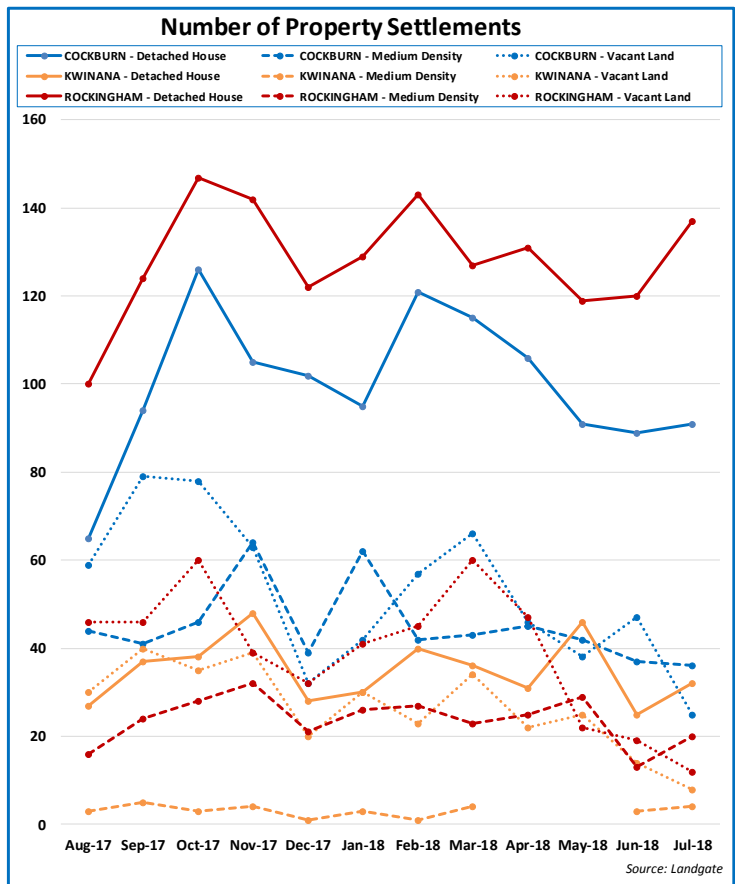
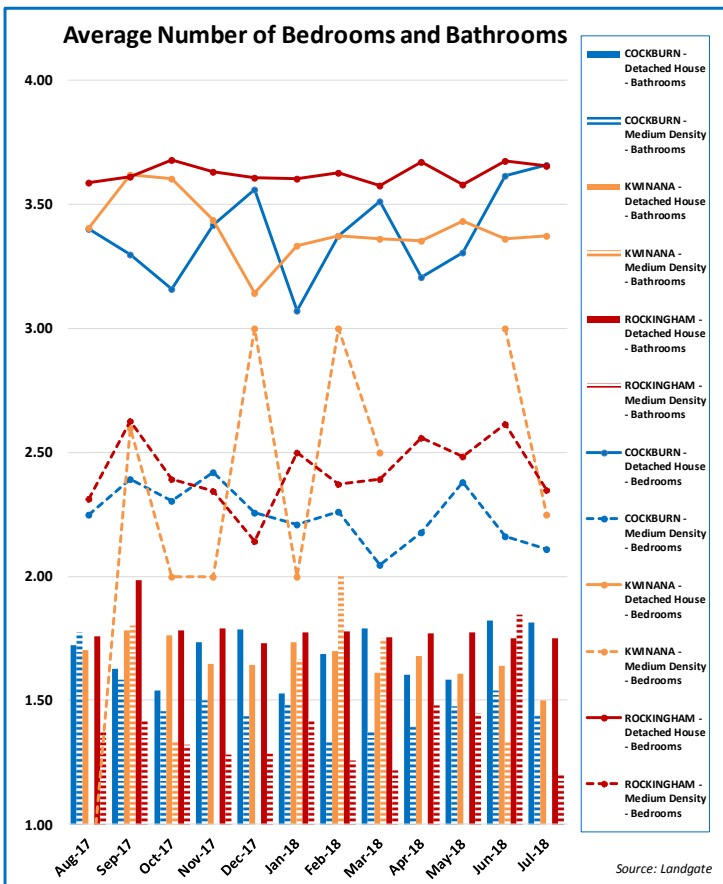
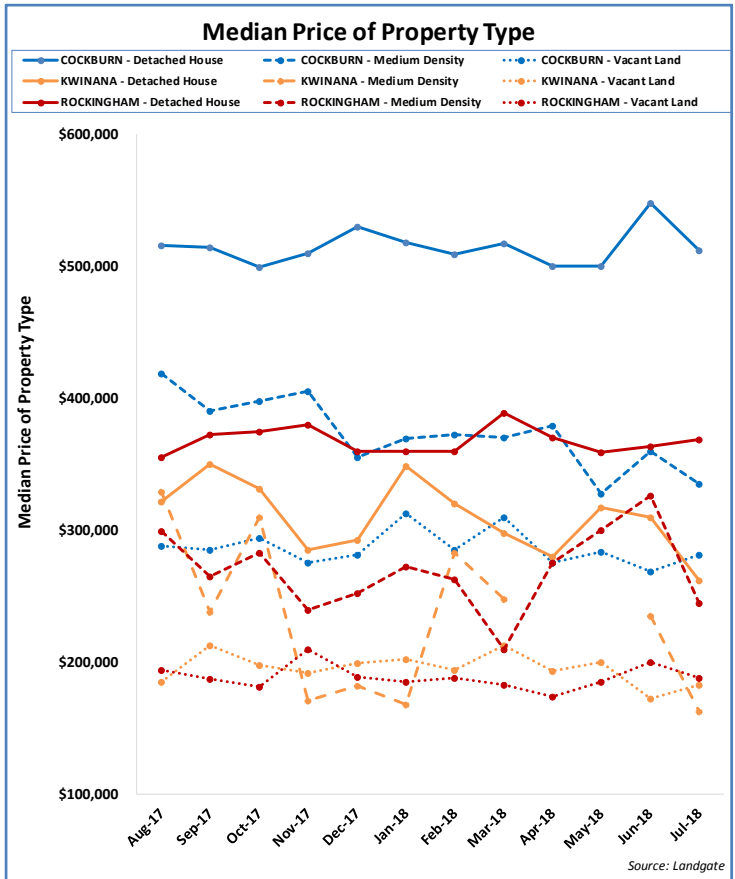
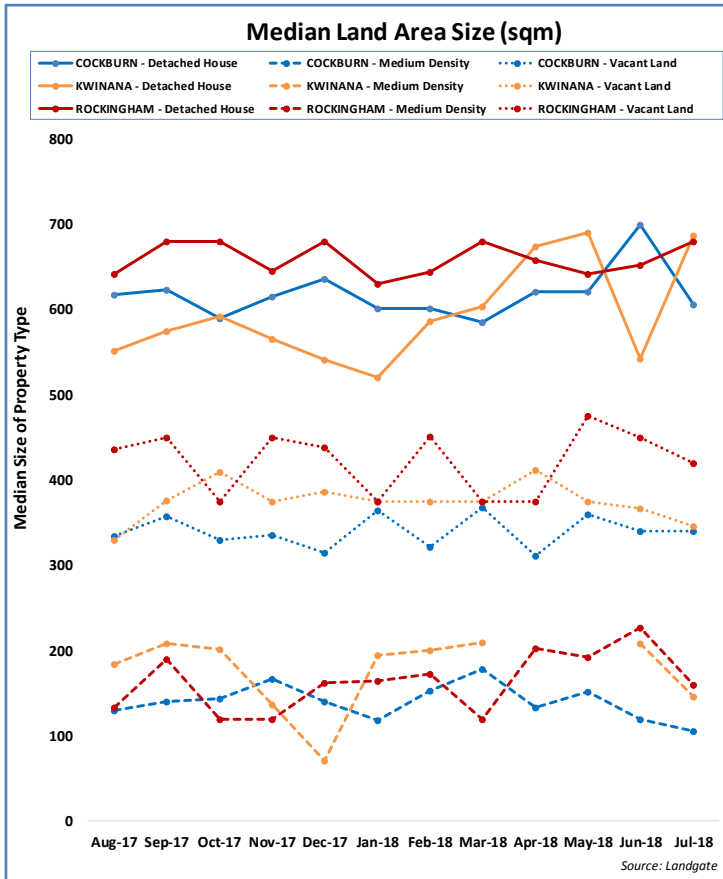
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# CORRIDOR SNAPSHOT

A YEAR IN THE LIFE OF THE SOUTH-WEST METROPOLITAN CORRIDOR



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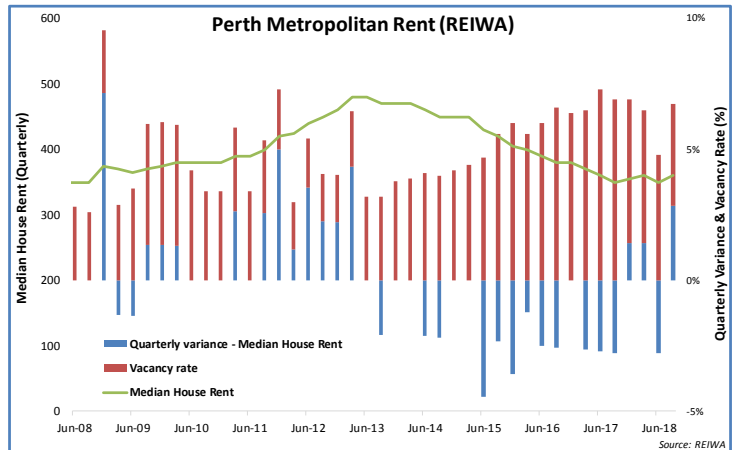
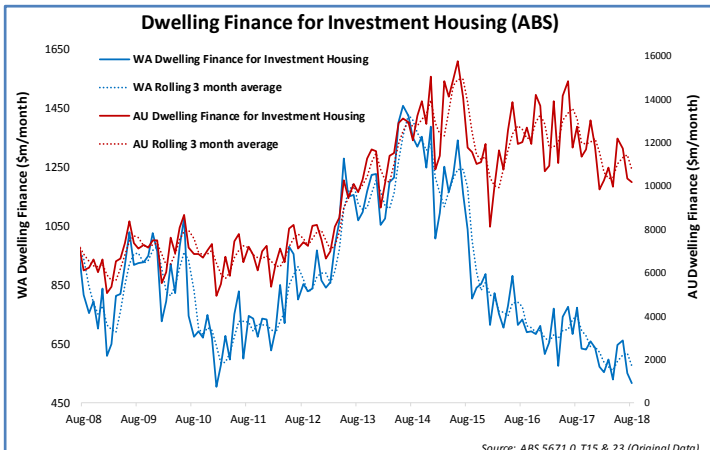
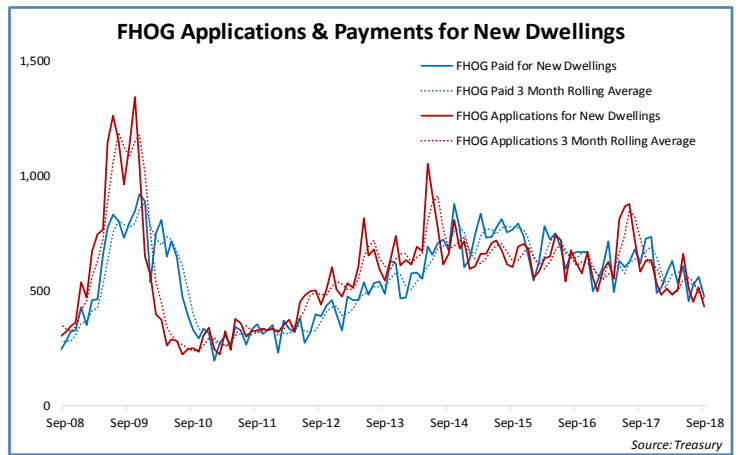
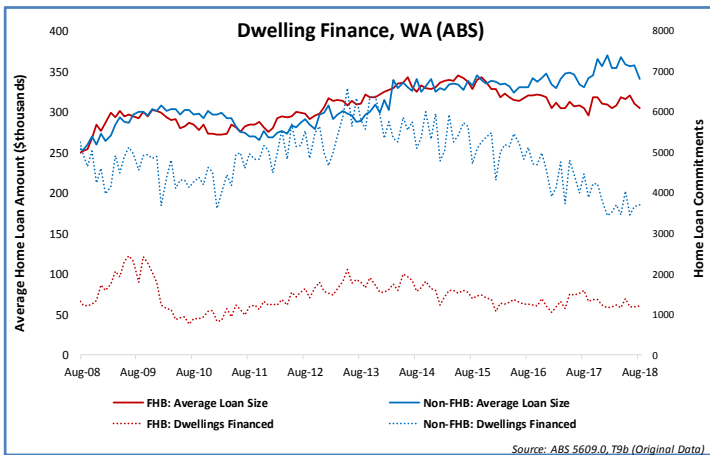
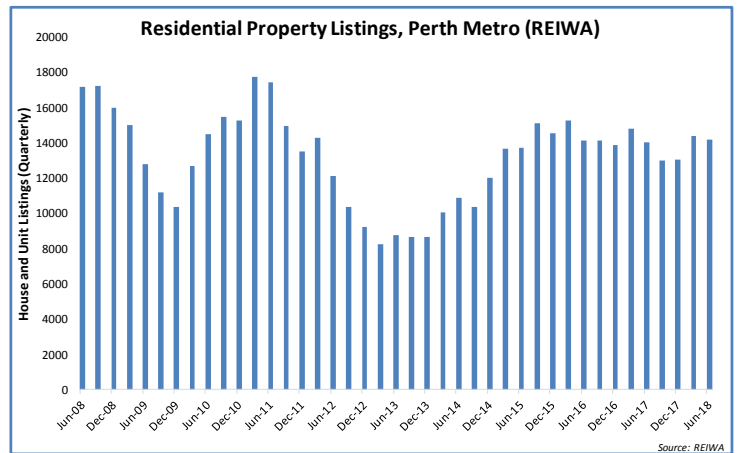
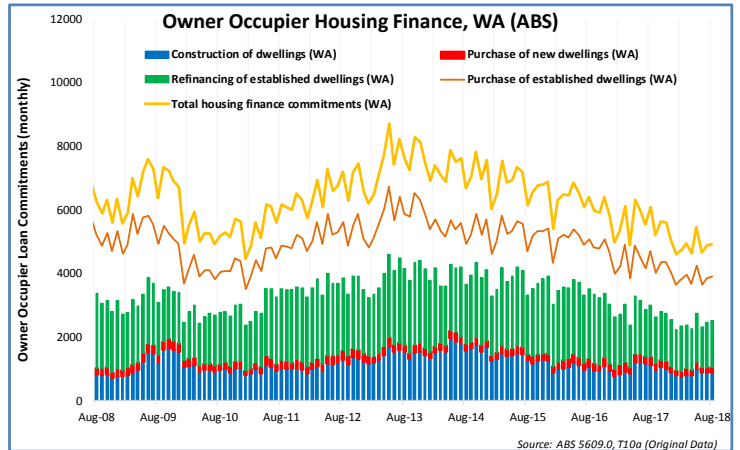




# RESIDENTIAL PROPERTY MARKET

## Key Points of Interest

- The total number of WA owner-occupier finance commitments increased 0.9% month-on-month (MoM) in August to sit at 4,927, but fell 18.9% from the same time last year.
- Total owner-occupier finance commitments consisted of: those for the construction of dwellings slowed 1.8% MoM to 867, 22.7% lower than in August 2017; commitments for the purchase of new dwellings lifted 10.5% to 169, but were 32.4% lower year-on-year (YoY); and commitments for the purchase of established housing increased 1.2% MoM to 3,891, 17.3% lower YoY.
- First home buyers (FHB) financed 1,205 dwellings in August, 0.4% up from July's figure and 24.2% lower than the same time in 2017. The FHB average loan size fell 1.9% MoM in August to sit at \$305,200, and remained a similar levels to the same time last year.
- August saw dwelling finance commitments by non-FHB lift 1.1% MoM to 3,722, a decrease 17.0% from August 2017. The average loan size dipped 4.7% over the month to \$341,600, but increased 3.0% YoY.
- Dwelling finance for investment housing fell 6.1% on a monthly basis in August to total \$516.7 million, and also fell 33.2% from Aug-17, the largest YoY percentage decrease since July 2016.



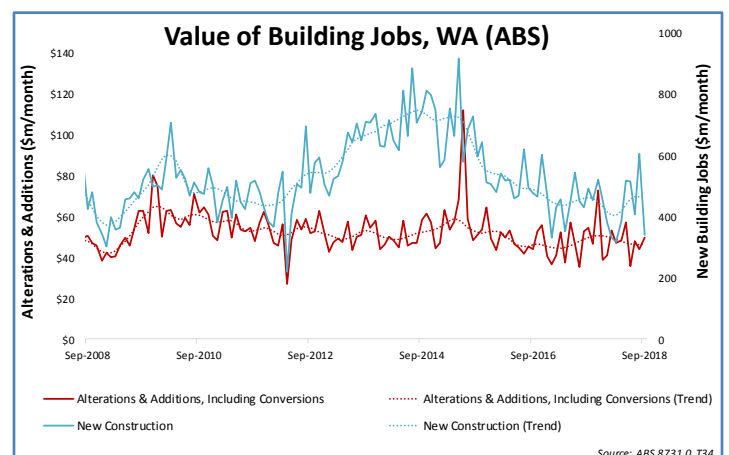
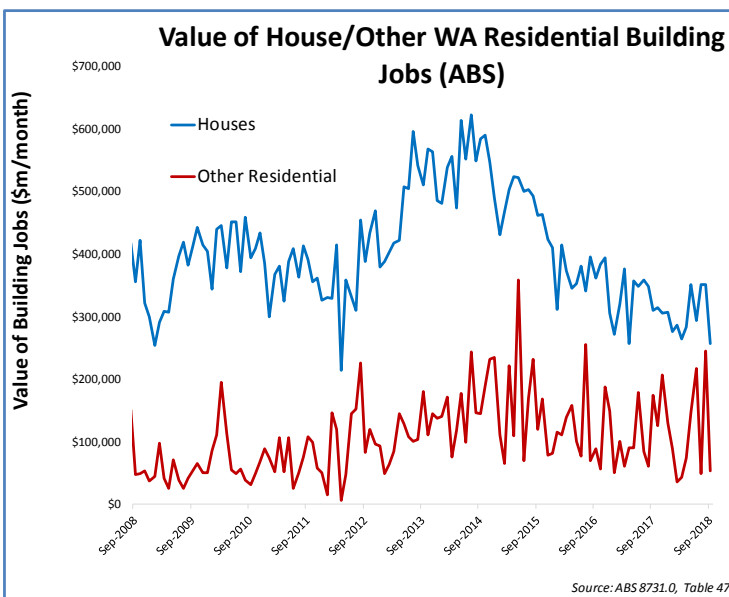
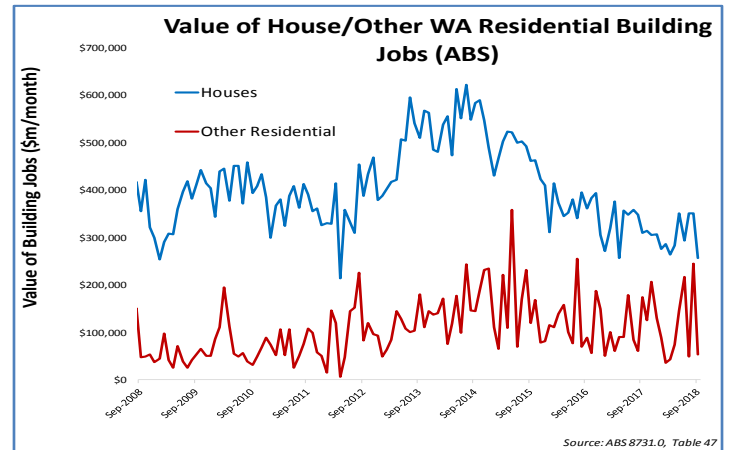
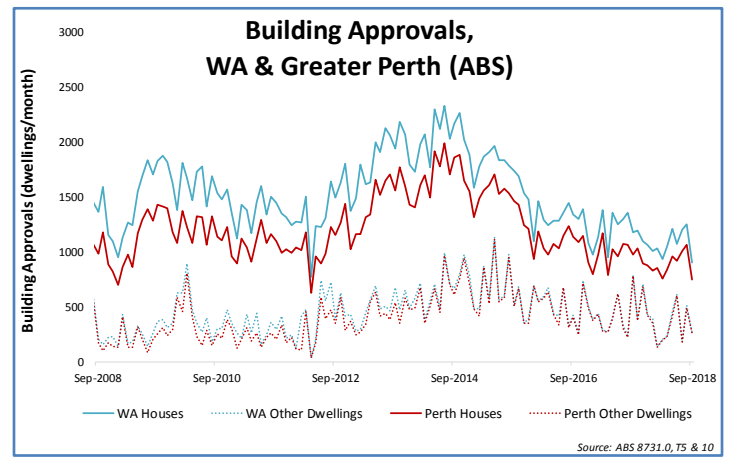
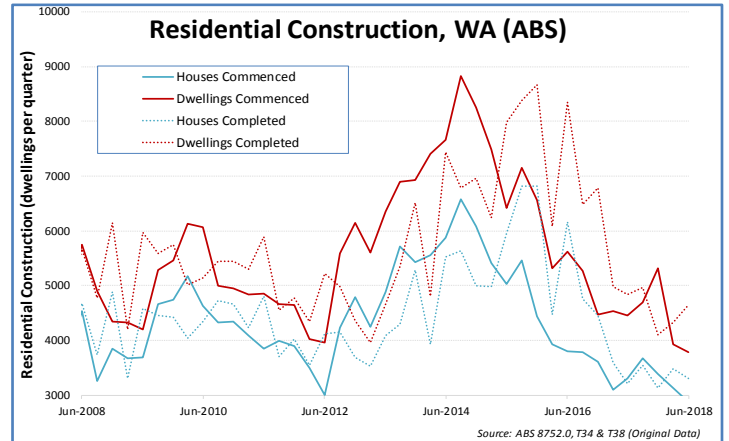




# RESIDENTIAL CONSTRUCTION SECTOR

## Key Points of Interest

- In June dwelling commencements for houses fell 7.9% for the quarter to 2,878, 13.0% down from the same time the year before. Total commencements for dwellings also dipped 3.5% to 3,784, which was 15.2% lower year-on-year (YoY).
- Total dwelling completions for the June quarter lifted 7.7% to sit at 4,652, but fell 3.8% from the June 2017 quarter. Included within this total, completions for houses fell 4.9% from the previous quarter to 3,307, but increased 3.1% YoY.
- Building approvals for houses in WA lifted 1.1% in the September quarter to sit at 3,366, 12.4% lower than the same quarter in 2017. Approvals for houses in Greater Perth (84% of the WA total) also increased 3.7% to 2,824, 9.3% lower year-on-year (YoY).
- In the September quarter, building approvals for WA dwellings (excluding houses) slowed 27.0% from the previous quarter to 952, a decrease of 29.9% YoY. Approvals located in Greater Perth (98% of the WA total) similarly fell 25.6% over the quarter and 29.1% YoY. *(Note: smaller numbers of these approvals make this category highly variable).*
- The total value of new WA residential building jobs fell 4.2% in the September quarter to \$1.495 billion, 1.3% lower than levels at the same time last year. Of this total: \$1.353 billion was for new residential construction jobs (-4.7% QoQ; -1.4% YoY); and \$142.17 million was for alterations and additions (including conversions) (+0.5% QoQ; -0.5% YoY).
- In the September quarter, the value of building jobs for WA houses increased 3.2% QoQ and fell 5.7% YoY to sit at \$960.1 million; while the value of building jobs for other residential dwellings (excluding houses) fell 20.5% over the quarter to \$347.7 million, but lifted 9.1% from the same quarter in 2017.



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