



urban intelligence

UDIA WA PROPERTY MARKET STATISTICS

MARCH 2019

Principal Research Partners



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AT A GLANCE...



**WA RESIDENT
POPULATION**

↑ 2.595 million



↑ 12.4%

**MARCH Q
LOT
SALES
YOY**

2.9%

**GREATER
PERTH
VACANCY
RATE**

**\$2.54
BILLION**

**WA FEB
RETAIL
TURNOVER**



6.5%

**WA'S
UNEMPLOYMENT
RATE (O)**

↓ 9.1%


**WA HOUSE
APPROVALS
YOY**





KEY TRENDS



 ECONOMY		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Official Cash Rate Target (RBA)	—	1.5% (Apr)	0 bps (M)	1.50% (M)	0 bps (M)
Discounted Variable Mortgage Rate (RBA)	▲	5.37% (Mar)	5 bps (M)	4.68% (M)	0 bps (M)
Estimated Resident Population - WA	▲	2,602,419m (Sep)	0.3% (Q)	2,596,082m (Q)	0.9%
Unemployment Rate - WA (Original)	▼	6.5 (Feb)	-96 bps (M)	6.7 (M)	-24 bps
Retail Turnover - WA (Original)	▼	\$2.54 b (Feb)	-9.3% (M)	\$2.99b (M)	2.0%
Consumer Price Index - Greater Perth	▲	111.3 (Dec)	0.5% (Q)	110.8 (Q)	1.3%
Wage Price Index - WA	▲	130.1 (Dec)	0.3% (Q)	129.6 (Q)	1.6%

 RESIDENTIAL LAND DEVELOPMENT SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Lot Sales (UDIA Land Snapshot)	▲	1,005 (Mar Q)	29.7% (Q)	856 (Q)	12.4%

 RESIDENTIAL CONSTRUCTION SECTOR		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Dwelling Approvals - WA (Original)	▼	1,261 (Feb)	-1.0% (M)	1,178 (M)	6.8%
Private Sector House Approvals - WA (Original)	▲	907 (Feb)	8.9% (M)	857 (M)	-9.1%
Finance Commitments for Construction of New Owner-Occupier Dwellings (Original)	▼	713 (Jan)	-14.3% (M)	837 (M)	-9.1%
Dwelling Construction Starts - WA All Sectors (Original)	▲	4,446 (Sep)	11.5% (Q)	4,159 (Q)	-7.7%
House Approvals - Greater Perth (Original)	▲	770 (Feb)	7.5% (M)	730 (M)	-9.6%
Multi-Unit Approvals - Greater Perth (Original)	▼	311 (Feb)	-25.6% (M)	287 (M)	130.4%

 RESIDENTIAL PROPERTY MARKET		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Median House Price - Perth (Landgate/REIWA)	▲	\$497,250 (Dec)	2.5% (Q)	\$495,750 (Q)	-2.5%
House Sales - Perth (Landgate/REIWA)	▼	5,330 (Dec)	-3.8% (Q)	5,433 (Q)	-11.9%
Unit Sales - Perth (Landgate/REIWA)	▼	1,124 (Dec)	-11.4% (Q)	1,204 (Q)	-19.5%
House and Unit Listings - Perth (REIWA)	▲	16,059 (Dec)	4.5% (Q)	15,784 (Q)	8.7%
WA Owner-occupier Dwelling Finance Commitments (exc. refin; Original)	▼	2,976 (Jan)	-6.8% (M)	3,380 (M)	-10.0%
Established Dwelling Loans Owner-Occupation - WA (Original)	▼	2,121 (Jan)	-4.5% (M)	2,378 (M)	-10.1%
FHOG Applications - WA (Original)	▲	438 (Feb)	2.8% (M)	420 (M)	-15.4%
Value of Investment Housing Loans - WA (Original)	▼	\$172.26m (Jan)	-7.9% (M)	\$213.40m (M)	-35.3%
REIWA Average Selling Days - Perth	▼	68 (Dec)	-9.3% (Q)	71 (Q)	7.9%
RESIDENTIAL RENTAL MARKET		Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
REIWA Median House Rent - Perth	▲	360 (Dec)	2.9% (Q)	353 (Q)	1.4%
REIWA Vacancy Rate - Perth	▼	2.9% (Dec)	-90 bps (Q)	3.8% (Q)	-260 bps



UDIA WA INDUSTRY UPDATE



CHRIS GREEN
Director of
Policy & Research
UDIA WA

Economic indicators in this report continue to represent moderate signs of recovery this month, with the population growth rate lifting to 0.9% annually, the highest in three years, which has resulted from a declining net interstate migration and stronger overseas migration figures.

We are also seeing a slight lift in the consumer price index and encouragingly, the wage price index.

However, challenging economic conditions persist, and in this context UDIA National released the annual State of the Land report to members late last month analysing development trends across Australia over the course of 2018.

Dampened housing demand, particularly in Melbourne and Sydney has been intensified by the tightening of lending criteria by banks due to the Financial Services Royal Commission and the potential changes to negative gearing and capital gains tax regimes following the upcoming federal election.

In a nutshell, the report shows that in Perth the second and third quarters of 2018 actually experienced growth in lot sales, however the year closed with sales falling significantly in the final quarter which dampened those earlier signs of recovery.

Given the mixed bag in land sales results across the year, Perth averaged 401 new land sales per month across 2018, 15.6% lower than average monthly sales in 2017.

Lot prices remained steady over 2018, with the median lot price down 0.9% year on year to sit at \$224,000 in December 2018, consistent with price trends in the established market.

In terms of new supply, we saw an 11% reduction on 2017 output and it was 24% below the eight-year average.

Interestingly, 66% of Perth's residential completions came from greenfield estates in 2018 which was the highest proportion recorded across the capital cities, with the national average sitting at 44%.

Looking at these figures in a national context, the report shows that at a combined capital city scale, apartments, townhouses, and other medium density dwellings are now established as the prominent new housing typology.

In terms of multiunit completions in the Greater Perth region, they slowed 14% to sit at 2,910 for 2018, well below the long-term multi-unit completions average of 3,930 (2012-18).

The median value of units in 2018 fell 5.7% to sit at \$393,825 for Greater Perth, reflecting the competitive prices in the established and greenfield housing markets.

Due to a tighter rental market, developer sentiment is improving in relation to the multi-unit market, with the number of units scheduled for completion in Greater Perth in 2019 expected to increase by 34%.

This is further evidence that a medium density housing code is required in WA to clearly guide more of this type of development as the State Government attempts to lead an increase in infill development.

Given current conditions, UDIA WA is requesting that the State Government prioritise supporting the health of the property market in the upcoming state budget to benefit the broader economy.

Our key recommendations include:

- The establishment of a broad-based land tax system which distributes taxes more equitably;
- The introduction of a stamp duty concession for downsizers;
- No increases to current taxation levels;
- Increasing the Keystart threshold by 25%;
- Funding allocation toward implementation of the Strategic Assessment of Perth and Peel review findings;
- Adequate infrastructure in relation to Infrastructure WA, METRONET and developer contributions.

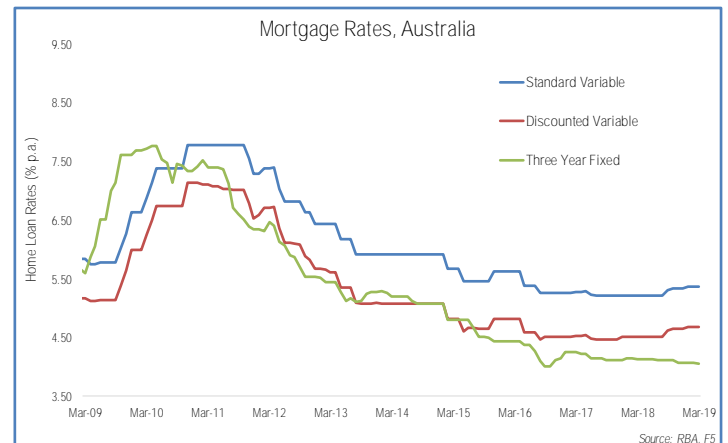
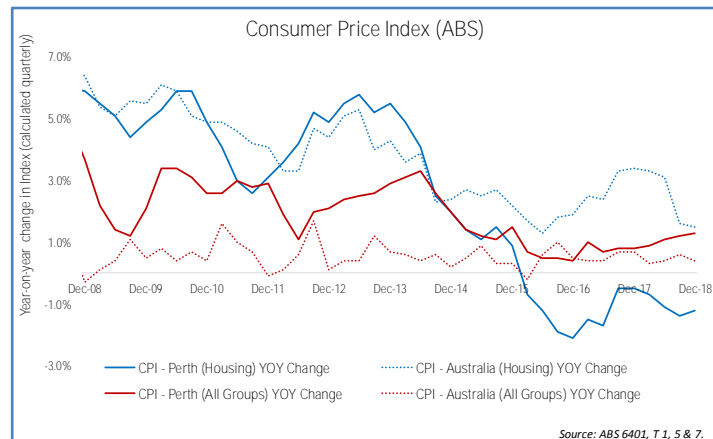
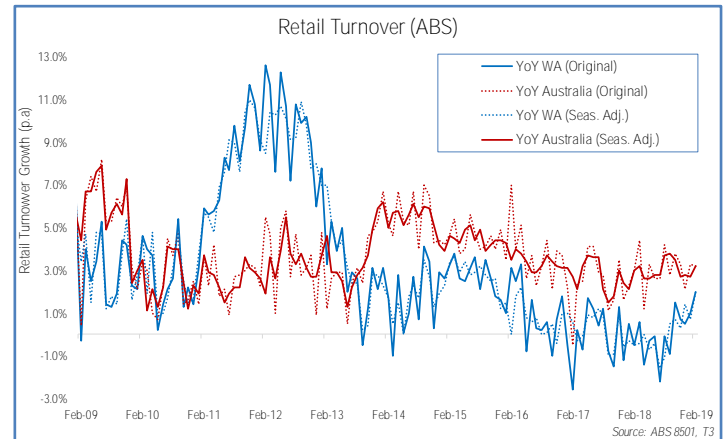
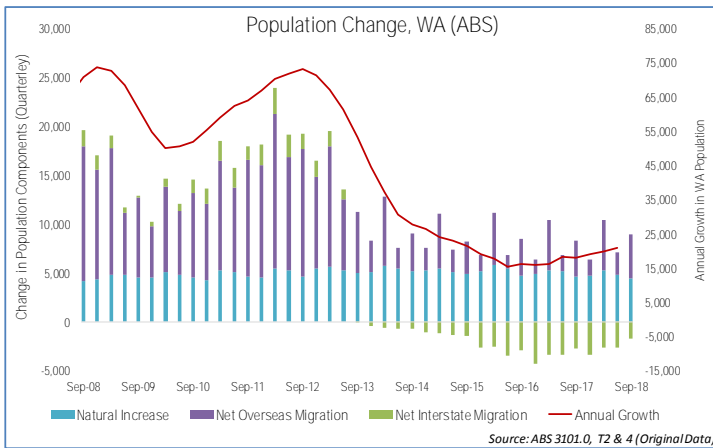
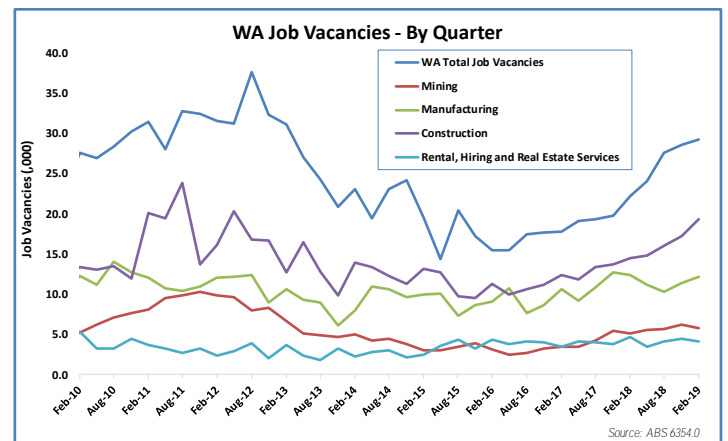
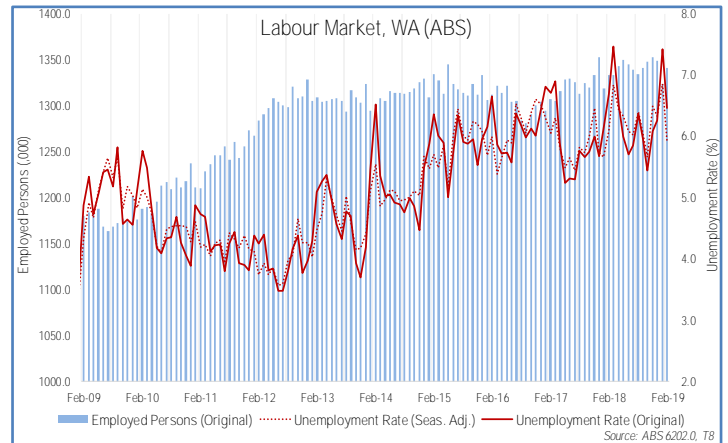
UDIA will continue to monitor market conditions and report back to members.



ECONOMY

Key Points of Interest

- **WA's estimated resident population figures were released in March**, with the annual population growth rate lifting to 0.9% in September 2018, the highest growth rate reached in three years, bringing the total state population to sit at 2.6 million.
- Included with the total estimated resident population growth for September 2018 was a 4.1% year-on-year (YoY) decline in natural increase to 4,439 persons; a 21.8% YoY increase in net overseas migration to 4,532 persons; and a 36.4% YoY improvement on interstate migration with 1,744 persons leaving WA for other states (as compared to 2,740 in the September 2017 quarter).
- In February, the unemployment rate for WA fell 96 basis points (bps) over the month to sit at 6.5% (in original terms; 5.9% seasonally adjusted), 24bps below the rate at the same time last year and 108bps higher than the national rate of 5.4%.
- The number of employed persons in WA increased 1.3% month-on-month (MoM) in February to 1.341 million persons, an increase of 0.5% YoY.
- In February, the WA state participation rate fell 47bps points over the year to 68.27%, 215bps higher than the national rate of 66.12%.
- In February, WA retail turnover increased 2.0% from the same time in 2018 to sit at \$2.54 billion, forming a 10.6% share of total Australian retail turnover for the month.

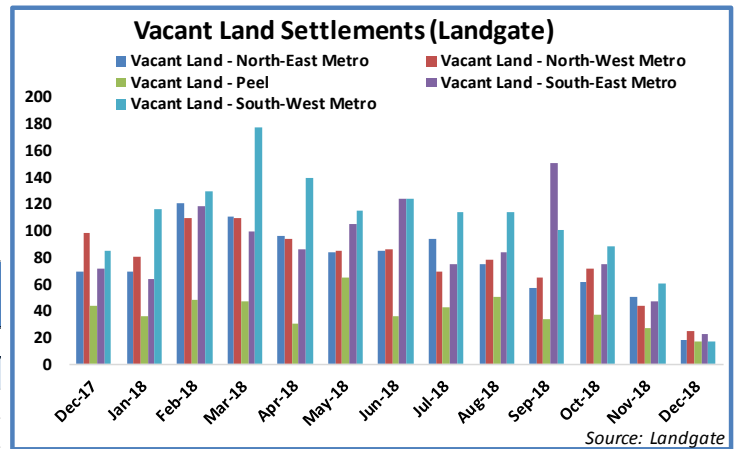
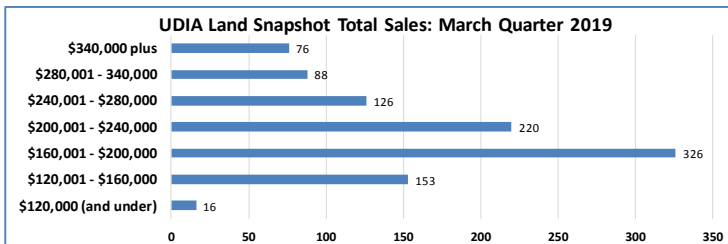
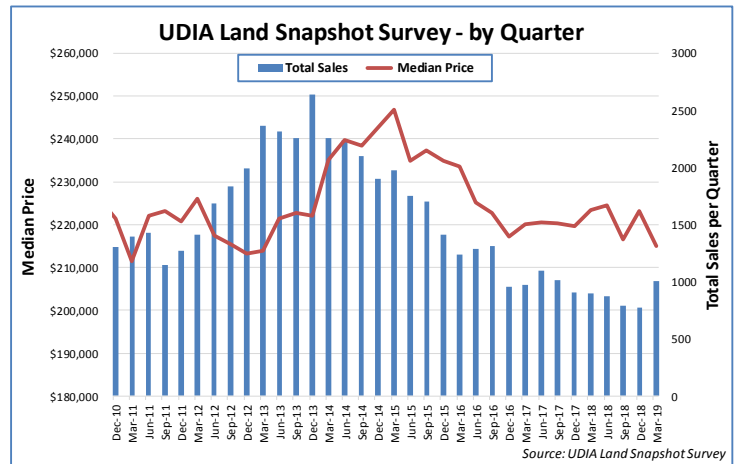




RESIDENTIAL LAND DEVELOPMENT SECTOR

Key Points of Interest

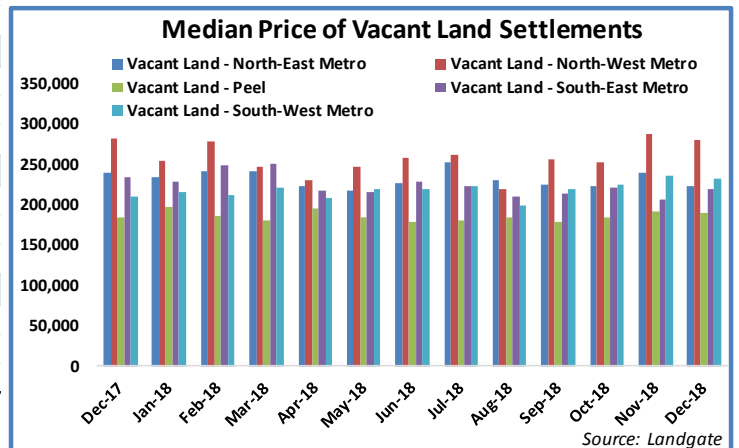
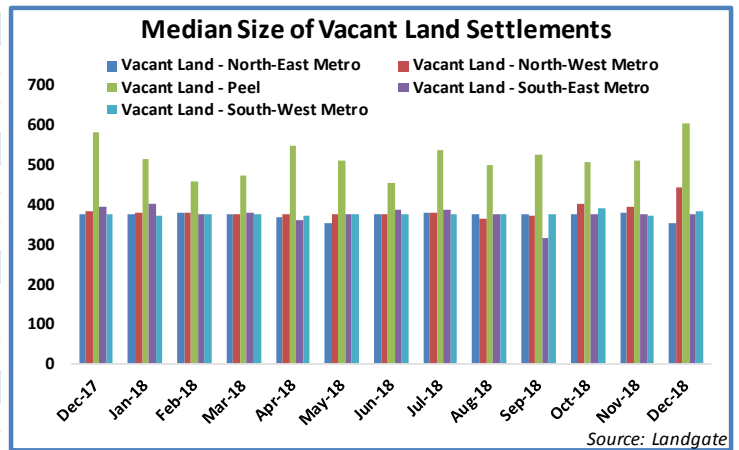
- UDIA's Land Snapshot survey results for the March 2019 quarter revealed a 29.7% quarter-on-quarter (QoQ) increase in total lot sales, and a 12.4% increase in figures from the same quarter in 2018.
- The majority of price categories saw an increase in sales numbers from the same quarter last year, except for lots priced above \$280,001, with figures in the \$280,001-\$340,000 and \$340,000 plus categories falling 26.1% and 6.2% respectively.
- The median lot price for the quarter fell 3.7% from the December 2018 quarter to \$214,905, 3.8% below the price recorded in March 2018.



THREE MONTHS TO DECEMBER 2018: WA REGIONAL PROPERTY SETTLEMENTS

(Source: Landgate)

	Settlements	Median Land Area Size	Median Price
Gascoyne	25	835	\$ 265,000.00
Detached House	21	870	\$ 305,000.00
Medium Density	1	722	\$ 165,000.00
Vacant Land	3	537	\$ 160,000.00
Goldfields Esperance	186	792	\$ 246,500.00
Detached House	147	810	\$ 270,000.00
Medium Density	27	470	\$ 210,000.00
Vacant Land	12	1,012	\$ 11,500.00
Great Southern	233	730	\$ 330,000.00
Detached House	179	772	\$ 350,000.00
Medium Density	31	255	\$ 275,000.00
Vacant Land	23	727	\$ 149,000.00
Kimberley	10	745	\$ 175,000.00
Detached House	5	781	\$ 275,000.00
Medium Density	2	553	\$ 262,500.00
Vacant Land	3	325	\$ 100,000.00
Mid West	208	809	\$ 193,500.00
Detached House	142	853	\$ 200,000.00
Medium Density	36	198	\$ 257,500.00
Vacant Land	30	836	\$ 72,500.00
Pilbara	242	615	\$ 260,000.00
Detached House	150	705	\$ 312,750.00
Medium Density	88	189	\$ 159,000.00
Vacant Land	4	1,008	\$ 127,500.00
South West	624	716	\$ 320,000.00
Detached House	454	766	\$ 352,500.00
Medium Density	79	282	\$ 270,000.00
Vacant Land	91	608	\$ 169,000.00
Wheatbelt	147	1,012	\$ 180,000.00
Detached House	110	1,012	\$ 210,000.00
Medium Density	10	226	\$ 290,000.00
Vacant Land	27	995	\$ 27,500.00



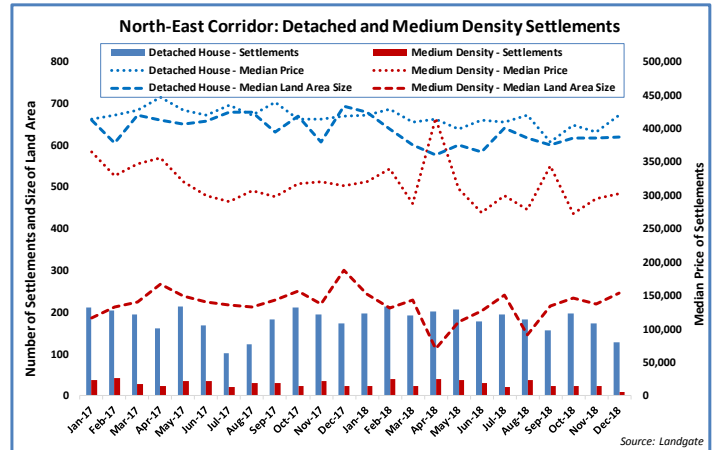
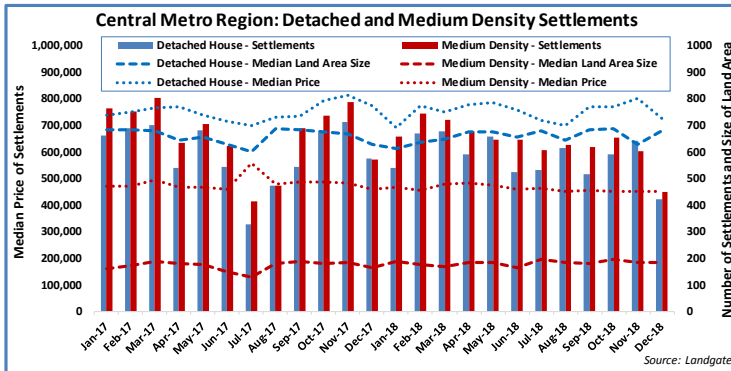
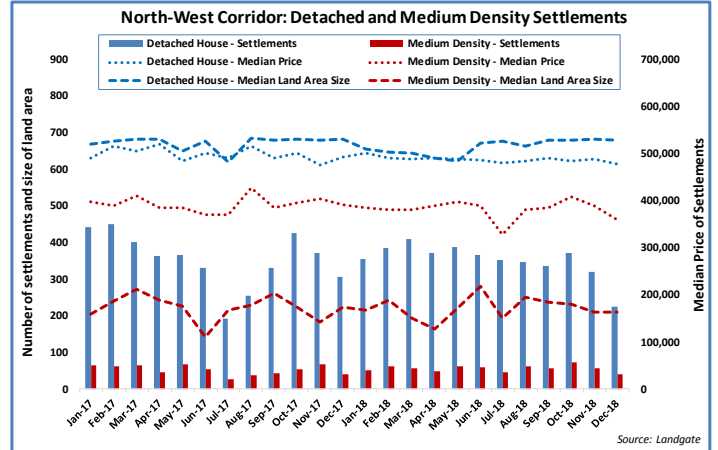
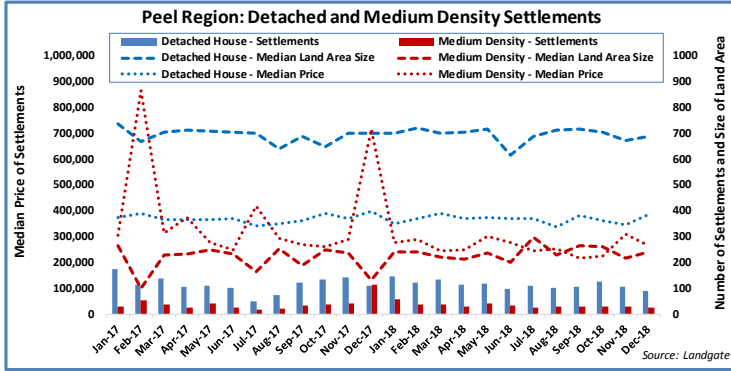
Note: Settlement figures on this page are based on Landgate data available at the time of publication and may not represent all settlements during the period.





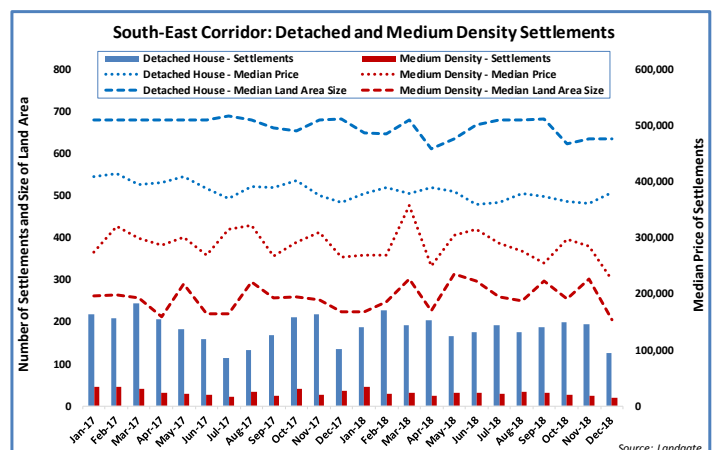
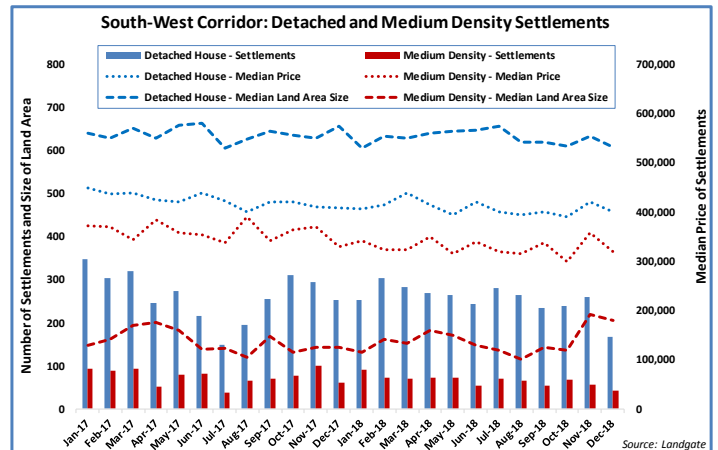
RESIDENTIAL PROPERTY SETTLEMENTS

PERTH AND PEEL REGION



DECEMBER 2018: MONTHLY SETTLEMENTS BY METROPOLITAN CORRIDOR (Source: Landgate)

	Settlements	Median Land Area Size	Median Price
Central Metro	907	345	545,000
Detached House	423	678	725,000
Medium Density	448	183	450,500
Vacant Land	36	301	347,500
North-East Metro	153	601	392,500
Detached House	127	620	420,000
Medium Density	8	247	302,500
Vacant Land	18	354	224,000
North-West Metro	290	593	430,000
Detached House	224	680	478,000
Medium Density	41	210	360,000
Vacant Land	25	445	280,000
Peel	133	628	339,000
Detached House	90	686	384,250
Medium Density	26	240	265,000
Vacant Land	17	605	190,000
South-East Metro	168	582	345,000
Detached House	126	636	381,000
Medium Density	19	205	225,000
Vacant Land	23	375	220,000
South-West Metro	226	535	385,000
Detached House	167	609	400,000
Medium Density	42	206	319,900
Vacant Land	17	382	232,000



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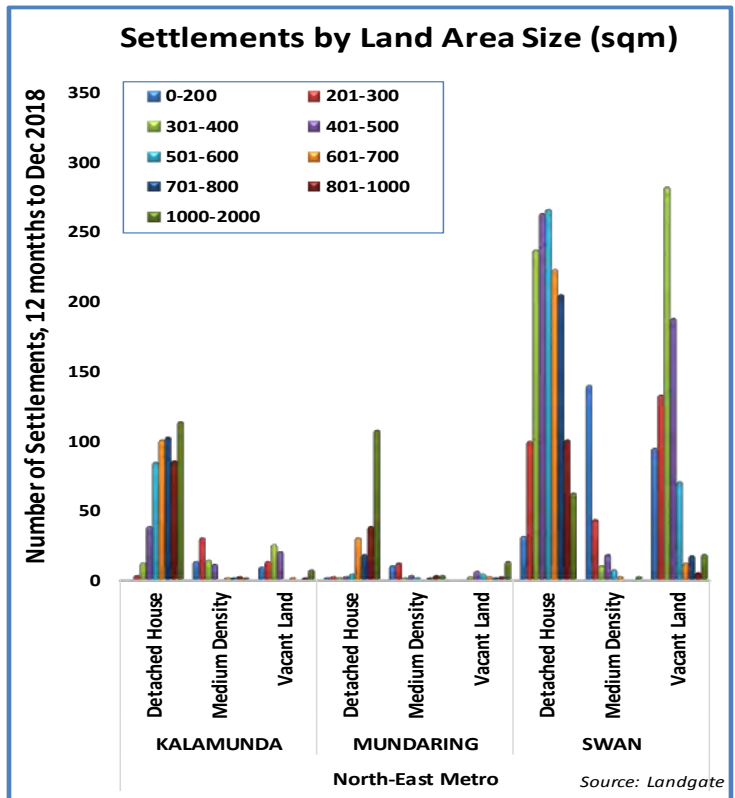
CORRIDOR SNAPSHOT

A YEAR IN THE LIFE OF THE NORTH-EAST CORRIDOR



Key Points of Interest

- Residential settlements made in the North-East (NE) corridor made up 9.7% of those made in the Greater Perth region, in the 12 months to December 2018. Of the total settlements made in the NE corridor over this timeframe: 64.0% were for detached houses; medium density product made up 9.4%; and vacant land settlements made up 26.6%.
- The City of Swan made up the majority of settlements in the corridor, claiming 72.5% of the total. For December 2018, the LGA had a median price of \$415,000 for detached house settlements; \$252,500 for medium density; and \$224,000 for vacant land. For the same month, a median land area size was recorded of 573sqm, 224sqm and 353.5sqm for each respective settlement category.
- In the twelve months to December 2018, the most common land area size for vacant land in the Greater Perth region was between 301-400sqm at 32.0%. This was followed by settlements between 401-500sqm and between 201-300sqm at 23.4% and 19.3% respectively. The larger lot size categories of 701-800sqm, 801-1000sqm and 1000-2000sqm all recorded an even 2.4% share of total vacant lot settlements for the corridor.
- For the NE corridor, the most popular land size for vacant land settlements was those sized between 301-400sqm (33.4%), followed by 401-500sqm (23.1%) and 201-300sqm (15.7%). Interestingly, 11.2% of vacant land settlements for the NE corridor were sized between 0-200sqm, whilst the Greater Perth region only had 5.1% of vacant land settlements in this size category.



NORTH-EAST CORRIDOR SUMMARY - 12 MONTHS TO DEC 2018					
(Source: Landgate)					
	Settlements	Median Land Area Size	Median Price	Average number of bedrooms	Average number of bathrooms
North-East Metro	3471	496	\$345,000		
KALAMUNDA	686	700	\$435,000		
Detached House	537	709	\$450,000	3.6	1.6
Medium Density	73	284	\$400,000	2.9	1.6
Vacant Land	76	375	\$253,500	0.0	0.0
MUNDARING	267	923	\$400,000		
Detached House	203	1,012	\$442,000	3.4	1.5
Medium Density	34	254	\$337,150	2.4	1.3
Vacant Land	30	809	\$294,000	0.0	0.0
SWAN	2518	450	\$317,000		
Detached House	1481	532	\$382,000	3.1	1.6
Medium Density	221	148	\$288,000	2.4	1.5
Vacant Land	816	375	\$231,000	0.0	0.0

SETTLEMENTS BY REGION - TWELVE MONTHS TO DEC 2018 (Source: Landgate)						
Settlements	Central Metro	North-East Metro	North-West Metro	Peel	South-East Metro	South-West Metro
Perth Metro and Peel Region	15530	3471	5814	2230	3628	5152
Detached House	6978	2221	4228	1366	2226	3065
Medium Density	7647	328	666	393	350	790
Vacant Land	905	922	920	471	1052	1297

NORTH-EAST CORRIDOR SETTLEMENTS BY SIZE SUMMARY - TWELVE MONTHS TO DEC 2018 (Source: Landgate)										
Settlements	0-200	201-300	301-400	401-500	501-600	601-700	701-800	801-1000	1000-2000	Grand Total
North-East Metro	297	334	582	547	435	370	344	236	326	3471
KALAMUNDA	22	46	51	69	84	102	103	88	121	686
Detached House		3	12	38	84	100	102	85	113	537
Medium Density	13	30	14	11		1	1	2	1	73
Vacant Land	9	13	25	20		1		1	7	76
MUNDARING	11	14	4	11	9	32	20	43	123	267
Detached House	1	2	1	2	4	30	18	38	107	203
Medium Density	10	12	1	3	1		1	3	3	34
Vacant Land			2	6	4	2	1	2	13	30
SWAN	264	274	527	467	342	236	221	105	82	2518
Detached House	31	99	236	262	265	222	204	100	62	1481
Medium Density	139	43	10	18	7	2			2	221
Vacant Land	94	132	281	187	70	12	17	5	18	816

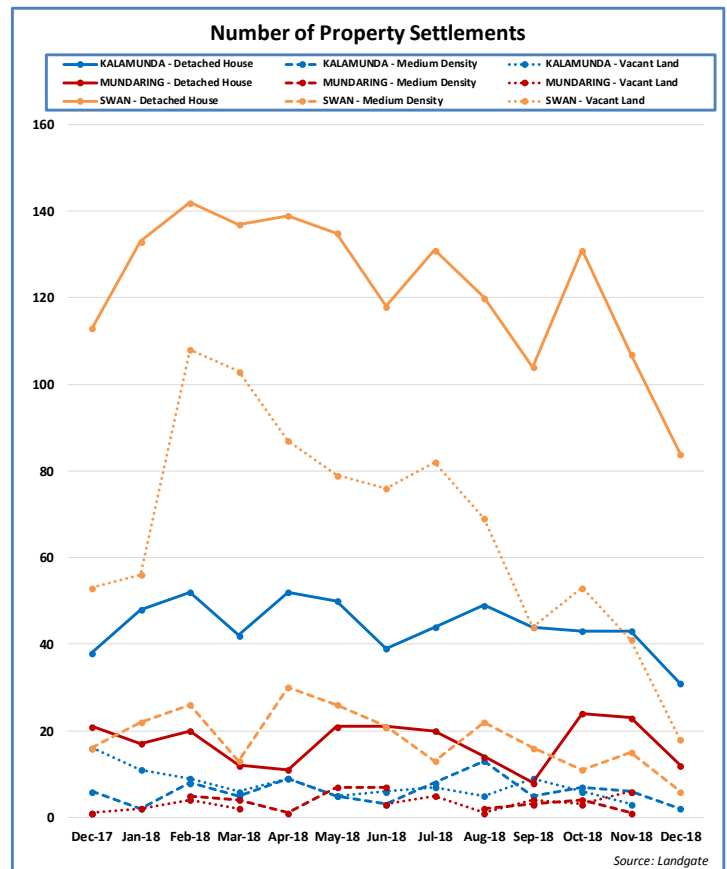
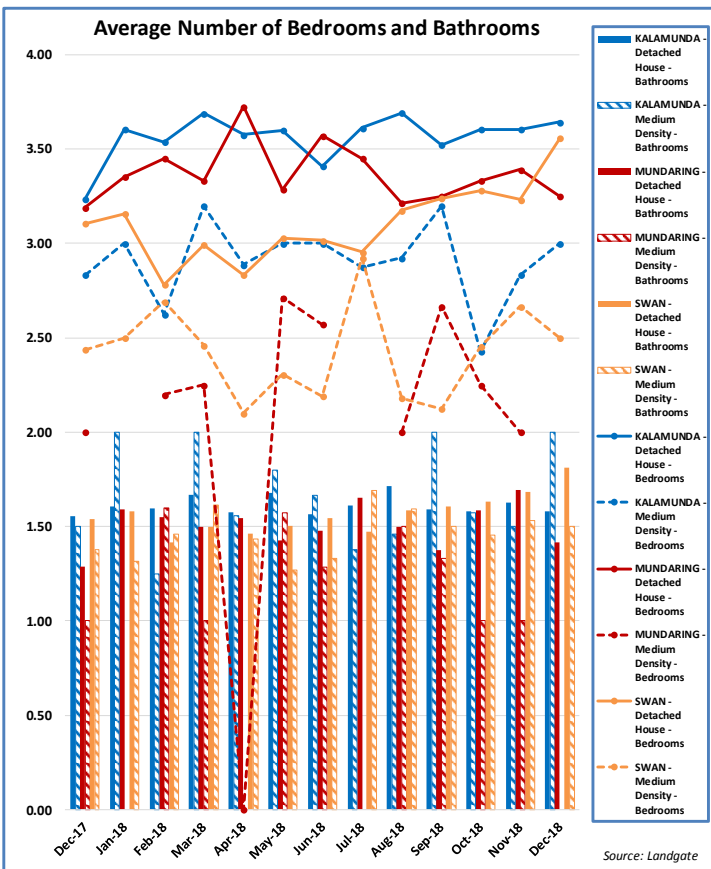
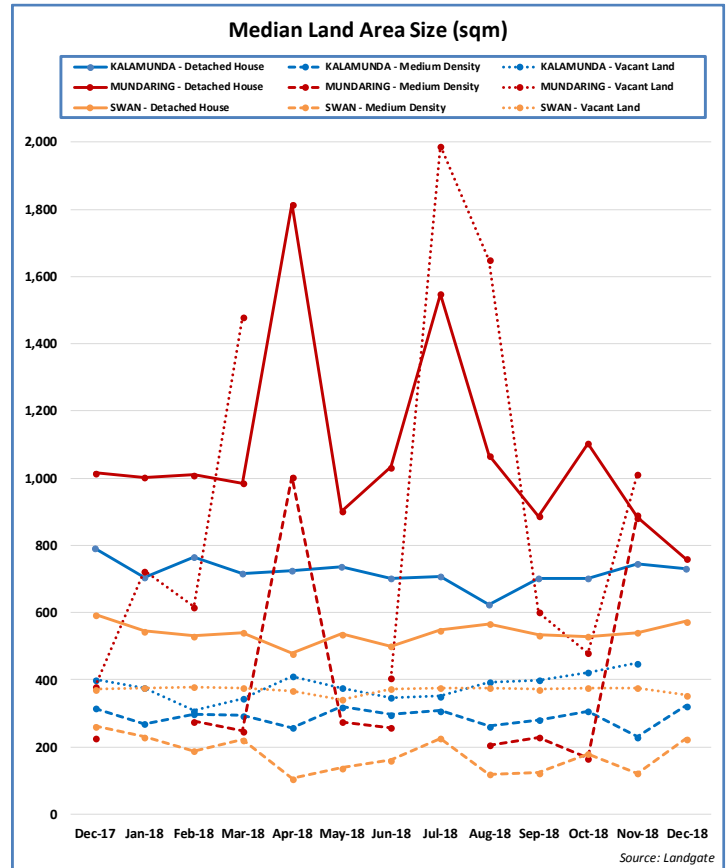
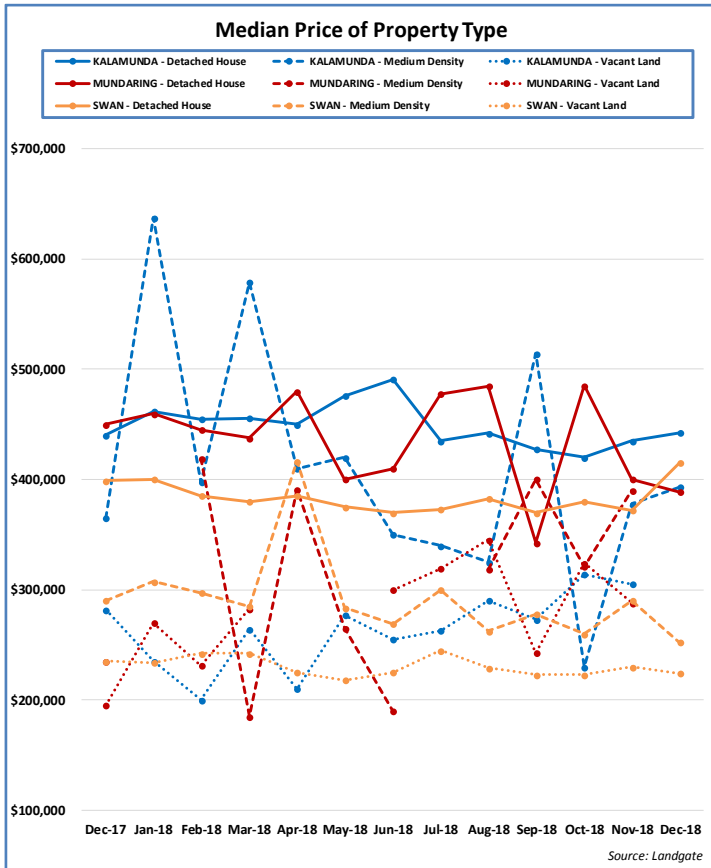
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CORRIDOR SNAPSHOT

A YEAR IN THE LIFE OF THE NORTH-EAST CORRIDOR



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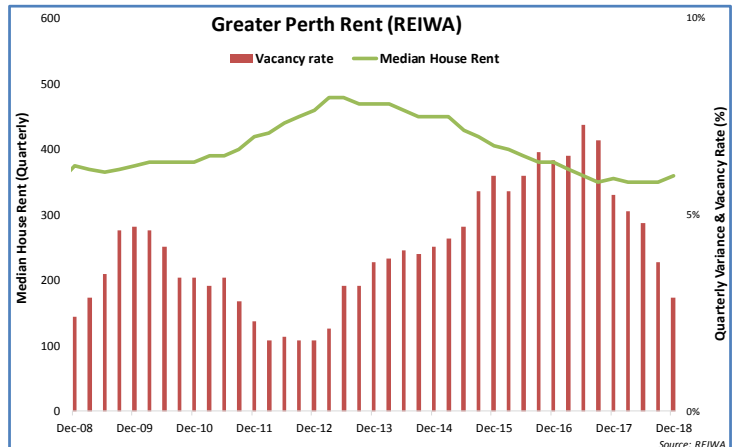
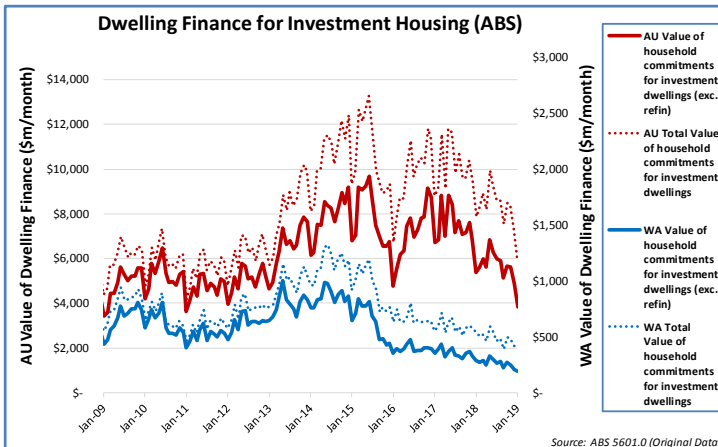
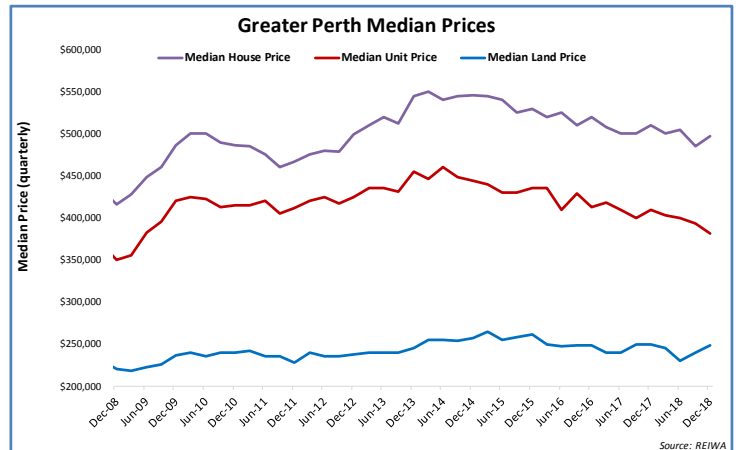
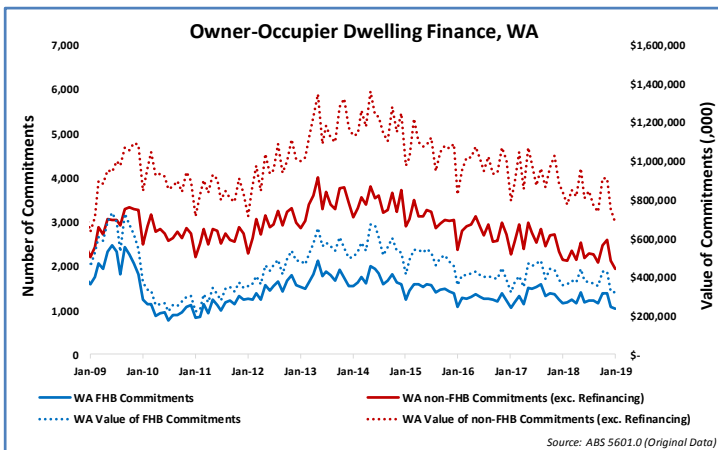
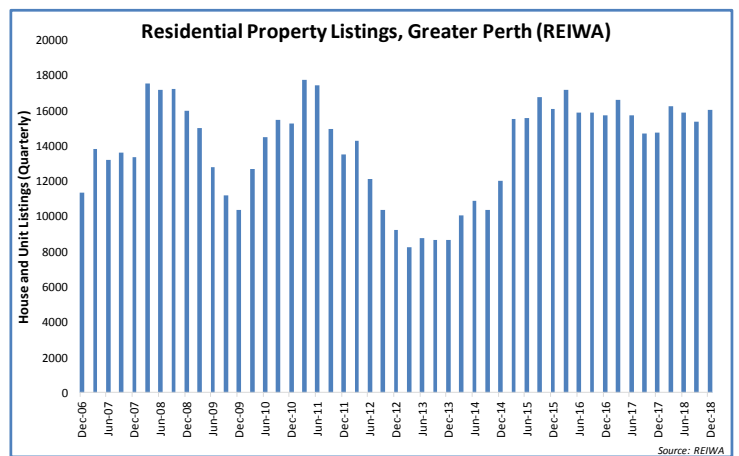
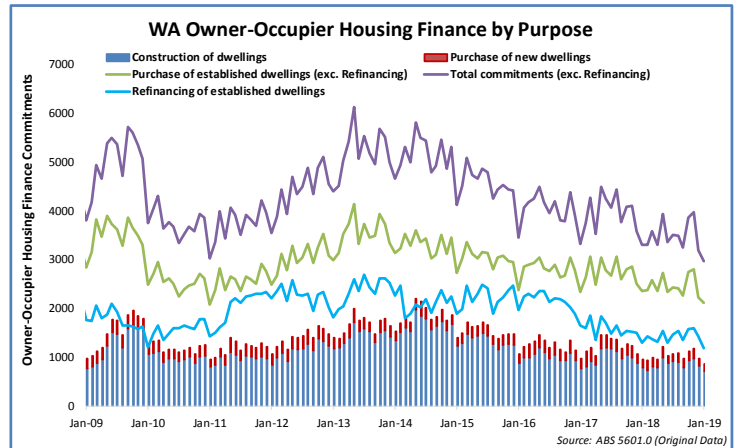




RESIDENTIAL PROPERTY MARKET

Key Points of Interest

- In January, the number of owner-occupier housing finance commitments (exc. refinancing) fell 6.8% month-on-month (MoM) to sit at 2,976, 10.0% lower than figures at the same time last year.
- Included within the above total: commitments for the construction of dwellings were down 14.3% MoM and 9.1% year-on-year (YoY) to 713; commitments for the purchase of new dwellings lifted 2.2% MoM but slowed 13.4% to sit at 142; and the number of commitments for the purchase of established dwellings (exc. refin) also decreased 4.5% MoM and 10.1% YoY to 2,121.
- First home buyer (FHB) housing finance commitments slowed 2.8% in January to 1,039, 10.4% below levels at the same time in 2018. The value of FHB commitments remained relatively steady on a monthly basis with a 1.5% decrease to \$318.5, but fell 11.3% YoY.
- The number of housing finance commitments for non-FHB (exc. Refin) decreased 8.8% MoM and 9.8% YoY in January to 1,937; with the value of the non-FHB commitments (exc. Refin) for the month also falling 9.7% MoM and 19.1% YoY to \$680.5 million.
- In January, the total value of lending to households for investment dwellings (exc. Refin) in WA continued to slow, falling 7.9% MoM to \$188.5 million. This was 35.3% below levels at the same time last year, and 4.9% of total national lending in this category (\$3.824 billion) for the month.

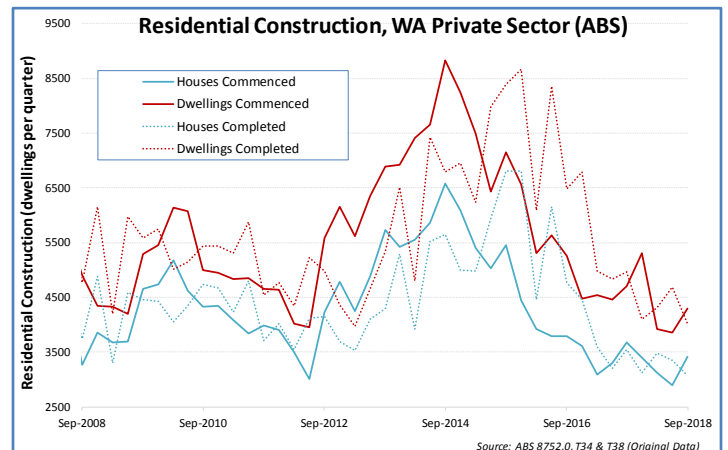
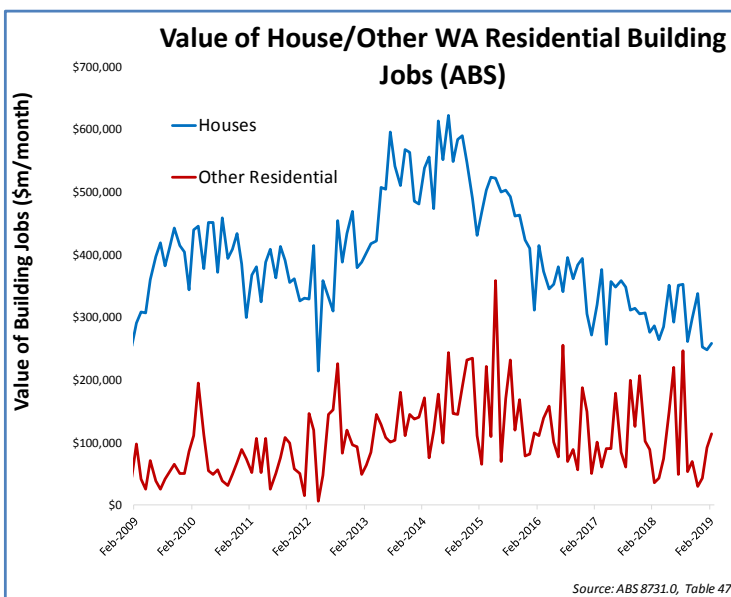
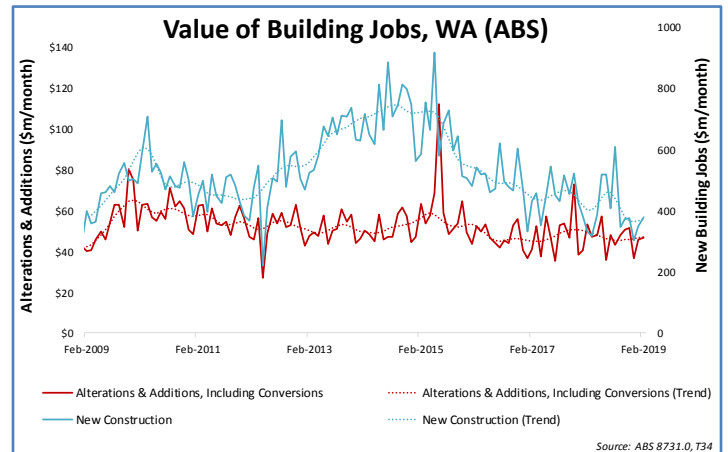
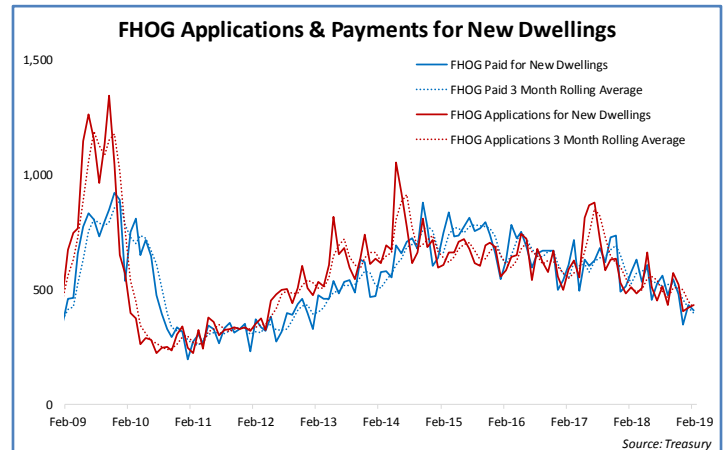
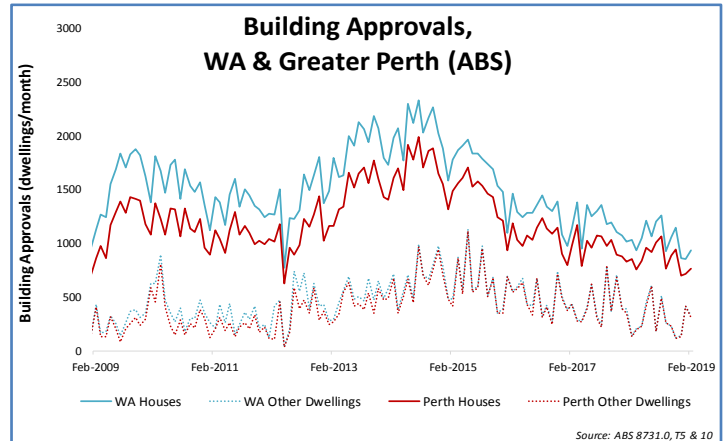




RESIDENTIAL CONSTRUCTION SECTOR

Key Points of Interest

- In February, WA building approvals for houses lifted 9.0% from the month prior to sit at 933, 10.1% lower than at the same time last year. Approvals for WA dwellings (excluding houses) fell 21.5% month-on-month (MoM) to 328, following a tripling of figures in January, and more than doubled on a year-on-year (YoY) basis *(Note: Generally smaller figures make this category variable)*.
- The value of new total WA residential building jobs increased 7.7% MoM in February to \$424.2 million, and also rose 9.9% from the corresponding month in the year prior. Included within this total: building jobs for new construction lifted 8.4% MoM and 13.5% YoY to \$377.4 million; and the value of building jobs for alterations and additions (including conversions) increased 1.9% MoM to \$46.9 million, but fell 12.4% YoY.
- The value of new WA building jobs for private sector houses increased 3.9% MoM to \$258.2 million, 10% below values at the same time last year. The value of other residential (excluding houses) private sector building jobs lifted 23.9% MoM to sit at \$113.4 million, and tripled from levels recorded in February 2018 *(Note: Generally smaller figures make this category variable)*.
- The number of First Home Owner Grants (FHOG) paid in February for new houses and land fell 5.8% over the month to 408, 29.2% below levels at the same time last year.



Principal Research Partners

