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Urban Intelligence

Monthly economic and WA property market analysis
May 2023

UDIA WA Principal Research Partners



Key Trends

Economy	Current M/Q	Current Figure	M/Q Change	YoY Change
Official Cash Rate Target (RBA)	May	3.85	25%	0.3 bps
Owner Occupier Variable Mortgage Rate (RBA)	Apr	8.02	3%	0 bps
Retail Turnover - WA, total industry (ABS, seasonally adjusted)	Mar	\$3.61b	0.2%	6.9%
Unemployment Rate - WA (ABS, seasonally adjusted)	Apr	3.6%	0.2%	0.6%
Underemployment Rate - WA* (ABS, seasonally adjusted)	Apr	5.9%	0.0%	-0.5%
Estimated Resident Population - WA (ABS)	Sep Qtr	2,805,019	0.6%	1.8%
WA State Final Demand (ABS)	Dec Qtr	\$59.3b	0.1%	3.2%
Consumer Price Index - Greater Perth (ABS)	Mar Qtr	130.4	1.1	7.1
Consumer Price Index - Greater Perth Housing (ABS)	Mar Qtr	135.5	1.6	9.0
Wage Price Index - WA (ABS)	Dec Qtr	143.3	1.5	5.7

Residential Land Development	Current M	Current Figure	M/Q Change	YoY Change
Average weekly sales for the month (UDIA Land Snapshot)	May	137	14.9%	38.4%

Residential Construction	Current M/Q	Current Figure	M/Q Change	YoY Change
Total Number of Dwelling Unit Approvals - WA (total residential)* (ABS)	Mar	1,304	42.0%	-10.0%
Number of House Approvals, all sectors - WA* (ABS)	Mar	1,095	26.4%	-19.2%
Number of Semi-detached Approvals, all sectors - WA* (ABS)	Mar	103	157.5%	134.1%
Number of Multi-res. Approvals, all sectors - WA* (ABS)	Mar	106	783.3%	112.0%
Dwelling Commencements - WA, New Houses, all sectors* (ABS)	Dec Qtr	4,116	35.1%	-21.3%
Dwelling Completions - WA, New Houses, all sectors* (ABS)	Dec Qtr	3,603	28.8%	27.2%

Data is correct as of 26 May 2023

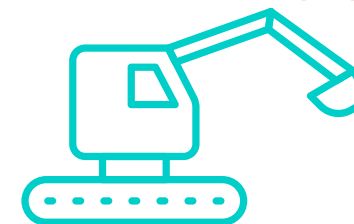
*Original numbers

^ Finance Commitments, excluding refinancing



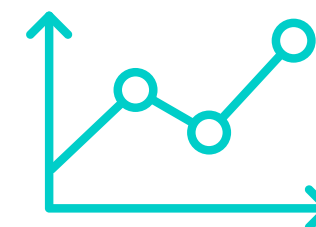
Monthly house approvals - Greater Perth

-25% Long Run Average



Quarterly dwelling commencements - WA

-24% YoY



Monthly Land Sales

+14% MoM

Key Trends

Property Finance	Current M/Q	Current Figure	M/Q Change	YoY Change
Construction of New Owner Occupier Dwellings - WA*^ (ABS)	Mar	477	15.2%	-35.5%
Purchase of New Build Owner Occupier Dwellings - WA*^ (ABS)	Mar	166	36.1%	-11.2%
Purchase of Owner Occupier Residential Land - WA*^ (ABS)	Mar	187	12.0%	-30.7%
FHOG Applications - WA* (WA Treasury)	Apr	237	-24.0%	-41.3%
FHOG Paid - WA* (WA Treasury)	Apr	275	-24.2%	-38.9%

Residential Property Market	Current M/Q	Current Figure	M/Q Change	YoY Change
Total for Sale Property Listings - Perth: 4 week count (CoreLogic)	Apr	126	-99.0%	-99.1%
Median House Price - Perth (CoreLogic) (\$)	Feb	551,000	0.2%	4.0%
House Sales (last 12 months) Perth (CoreLogic)	Feb	39,566	-1.2%	-4.0%
Median Unit Price - Perth (CoreLogic) (\$)	Feb	400,000	0.0%	-2.4%
Unit Sales (last 12 months) Perth (CoreLogic)	Feb	10,740	-0.7%	-1.1%
Median Land Price - Perth (UDIA) (\$)	Mar Qtr	242,145	2.2%	0.9%
Land Sales - Perth (UDIA)	Mar Qtr	1,322	3.8%	-29.7%

Residential Rental Market	Current M/Q	Current Figure	M/Q Change	YoY Change
Median House Rent (per week) - Perth (SQM)	May	\$666	-1.04%	16.43%
Median Unit Rent (per week) - Perth (SQM)	May	\$519	0.39%	20.14%
Vacancy Rate - Perth (SQM)	May	0.6%	0.10%	-33.33%

Data is correct as of 26 May 2023

*Original numbers

^ Finance Commitments, excluding refinancing



Median House Price - Perth

\$551,000



First Home Owner Grant Paid - WA

-41% YoY



Rental vacancy rate - Perth

0.6%

UDIA WA Feature Article

Perth's Residential Price Growth Remains Muted

UDIA WA's Member Briefing on May 11th featured CoreLogic's Head of Asia-Pacific Research, Tim Lawless, who outlined clear evidence of a broad-based national housing market recovery.

Lawless highlighted that after national housing values dropped 9.1% between May 2022 and February 2023, there has been a 1.1% rebound across March and April. The lift in housing values comes amid low advertised supply, record levels of overseas migration and extremely low vacancy rates in the rental market.

Perth recorded a 1% increase in dwelling values over the last three months which comes after a far more modest decline (of just 0.9%) compared to the national value retraction. Lawless highlighted that the recent lift in national housing values has coincided with positive migration trends with net overseas migration returning to normalised levels at the same time as domestic demand remains elevated due to smaller households – a trend which developed strongly through the pandemic.

This month's edition of Urban Intelligence highlights that Perth's established market median house sale price grew 4% over the last 12 months to \$551,000. This remains 37% lower than the combined capital city median price of \$869,530.

Reflecting on the long run history of dwelling pricing highlights how little Perth's median pricing has grown over the last decade in comparison to the East Coast capitals. For instance in September 2014 Perth's median house price was \$535,000 which was equivalent to the combined capital city average, was 24% higher than Adelaide, 12% higher than Brisbane, 6% lower than Melbourne and 32% lower than Sydney.

Perth's current established house price is now 141% lower than Sydney, 72% lower than Melbourne, 40% lower than Brisbane and 18% lower than Adelaide. The comparative stability/lack of growth in residential pricing in Perth is also strongly reflected in the greenfield land market.

UDIA WA's Urban Development Index reported a median lot sale price of \$242,145 in March 2023. This is commensurate with the lot price recorded in March 2012 and across the last decade the median lot price has never grown higher than \$255,405 which was recorded in March 2014.

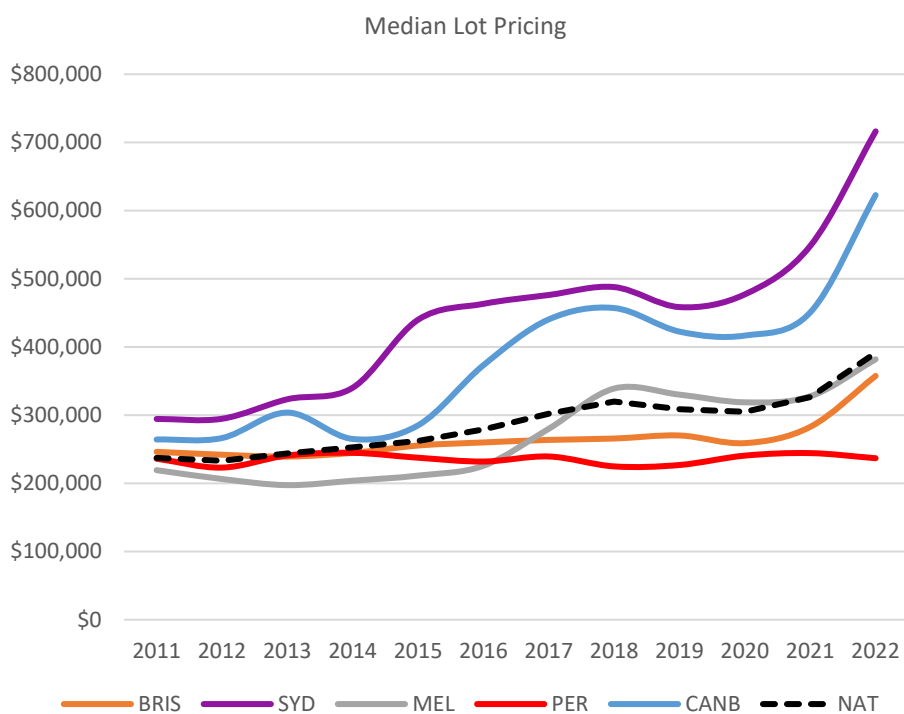
In contrast, greenfield lot pricing has grown strongly in the other capitals – particularly over the last two years – led by the eye-watering explosion in pricing in Sydney and Canberra which both grew 50% since 2020 to reach \$716,380 and \$623,000 respectively. History suggests that Perth's median residential pricing is typically ten to twenty percent lower than the combined capital city average which suggests there will likely be some strong 'catch-up' price growth experienced at some point in the future.

However, with on-going uncertainty on future interest rate rises driving on-going softness in aggregate consumer demand it appears unlikely that we will witness any substantive price growth for the balance of the 2023 calendar year.

Toby Adams

Executive Manager – Research (National & WA)

For publication queries and feedback please email tadams@udiawa.com.au



Source: UDIA WA (Perth); Research4 (other capitals)

Residential Land Development

UDIA WA Land Snapshot - May 23

137

Average lot sales per week

+15% MoM

+38% YoY

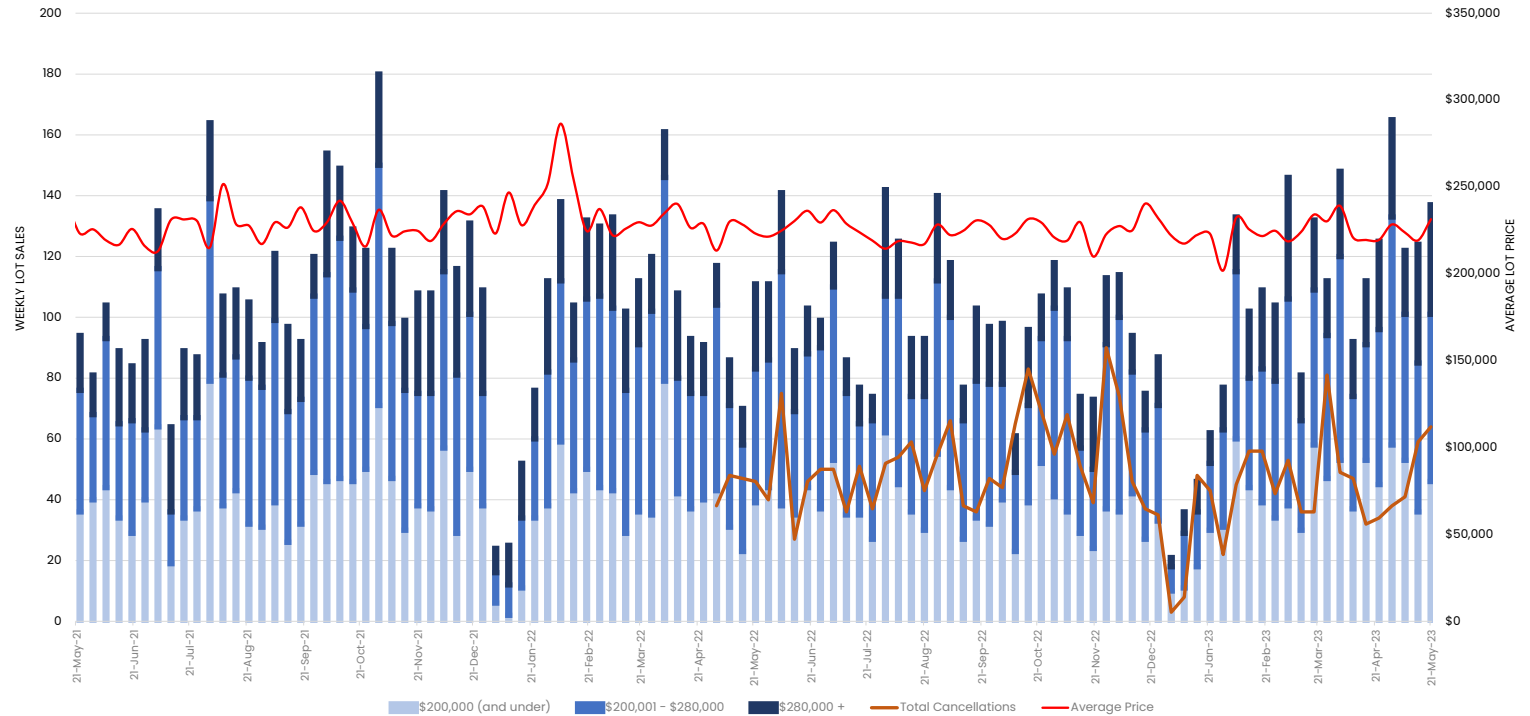
\$233,209

Average lot price

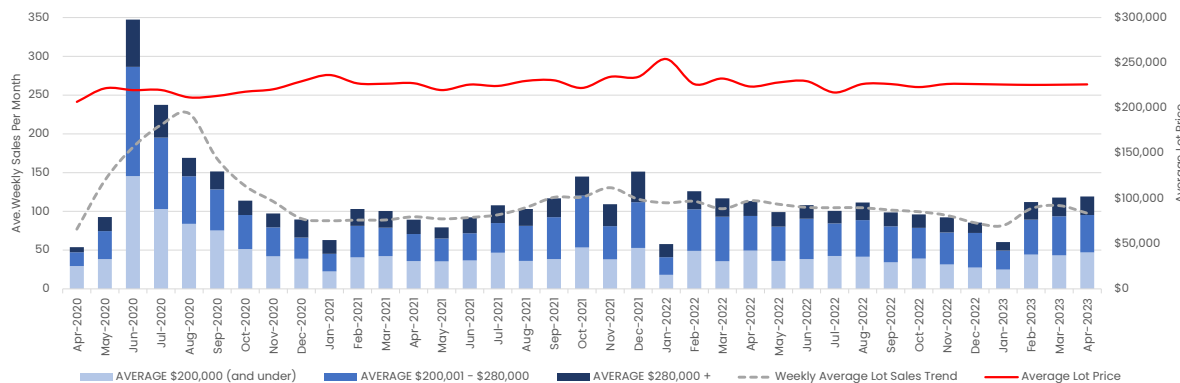
+3.3% MoM

+2% YoY

UDIA WA Weekly Land Snapshot Sales Data



UDIA WA Monthly Land Snapshot Sales Data - Average Weekly Sales Per Month



48

Average weekly lot sales priced \$200,000 & under

+3% MoM
+34% YoY

32

Average weekly lot sales priced \$280,000 & over

+33% MoM
+72% YoY

202

Total monthly cancellations

+25% MoM
-8% YoY

Residential Property Market

Residential Property Transactions (CoreLogic)

Perth New Build Median Unit Price (Feb 23)

\$430,000

-4% YoY

25% lower than combined Capital City ave

Perth New Build Median House Price (Feb 23)

\$537,000

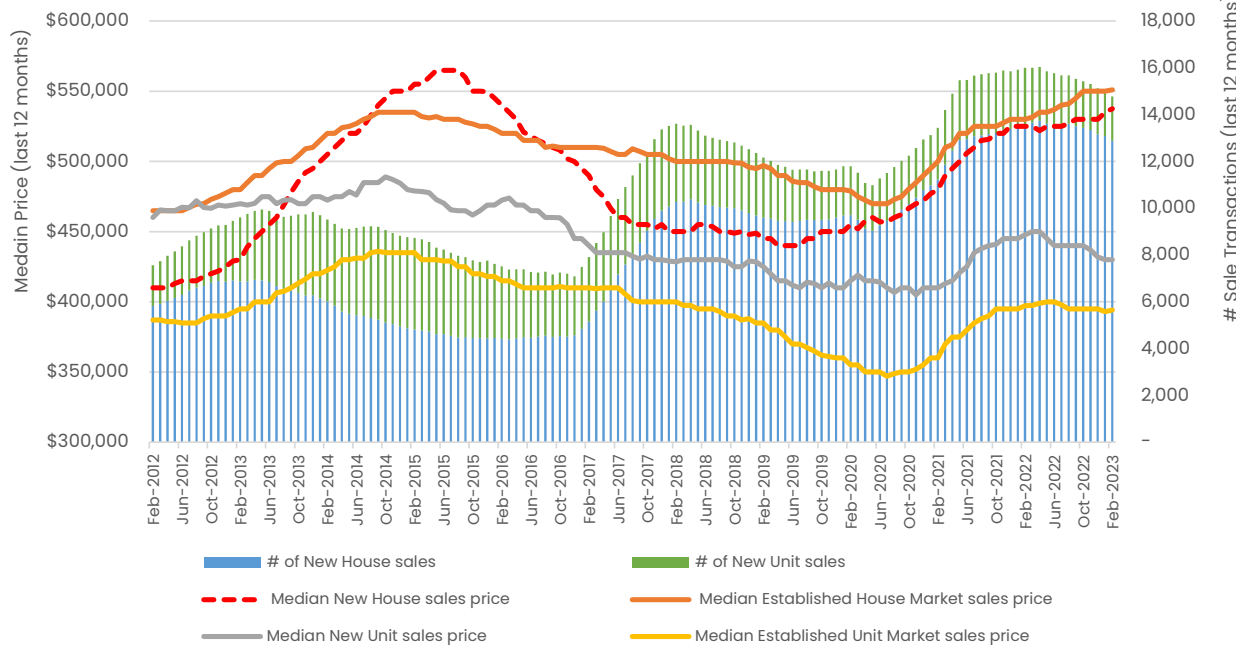
+2% YoY

35% lower than combined Capital City ave

Median New Build House Price, Feb '22 & Feb '23 (CoreLogic)



Greater Perth, New & Established Market House & Unit Sale Volumes & Median Pricing - Rolling 12 Month Average (CoreLogic)



12,889
Annual volume of new house sales in Perth across 12 months to Feb 23

-1% YoY

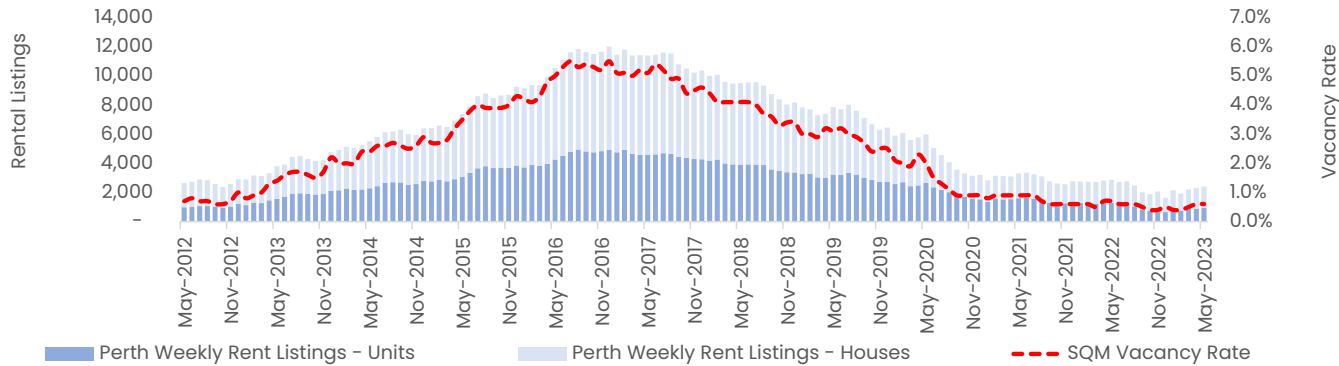
1,896
Annual volume of new unit sales in Perth across 12 months to Feb 23

-21% YoY

Residential Property Market

Weekly Rental Listings (SQM)

Perth Weekly Rent Listings & Vacancy Rate (SQM)



0.6%

Rental vacancy rate in Perth

Tightest vacancy rate of all Capital Cities

1,450

Average weekly rental listings for houses in Perth (May 23)

+6% MoM
-8% YoY

959

Average weekly rental listings for units in Perth (May 23)

+1% MoM
-30% YoY

\$666 pw

Median weekly rent for houses in Perth (May 23)

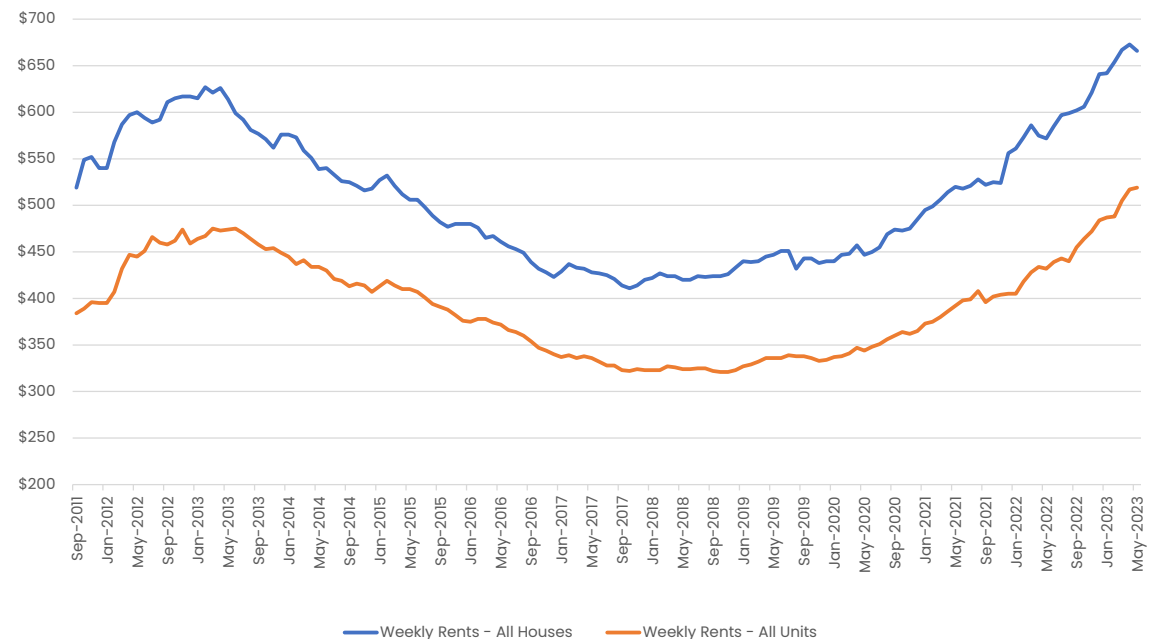
-1% MoM
+16% YoY

\$519 pw

Median weekly rent for units in Perth (May 23)

+1% MoM
+20% YoY

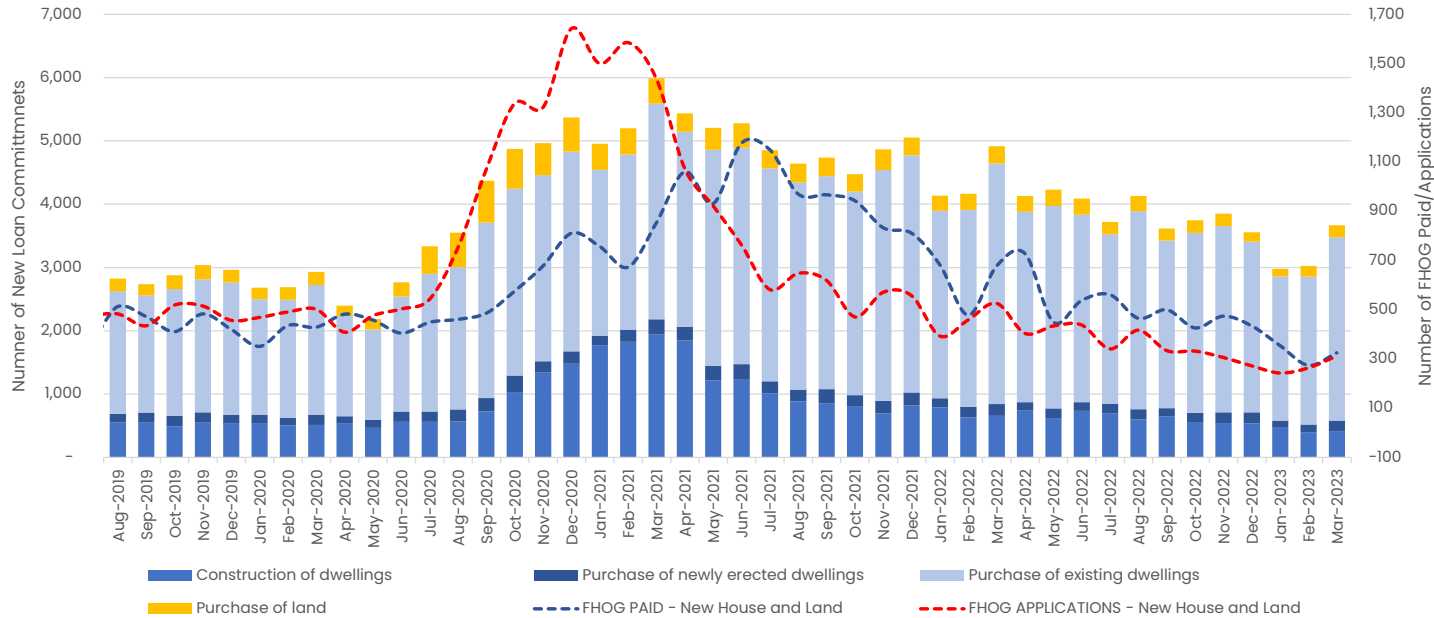
Weekly Asking Rent, Perth (SQM)



Residential Property Market

Owner Occupier Lending Activity

Number of New WA Owner-Occupier Housing Loan Commitments (ABS & Treasury)



March owner occupier lending volumes for established market properties was **+16% up** on 10yr monthly ave and **-24% down** compared with Mar 2021

3,986

Total new housing loan commitments - WA

+22% MoM
-26% YoY

477

New dwelling construction loan commitments - WA

+15% MoM
-35% YoY

187

Purchase of residential land loan commitments - WA

+12% MoM
-31% YoY

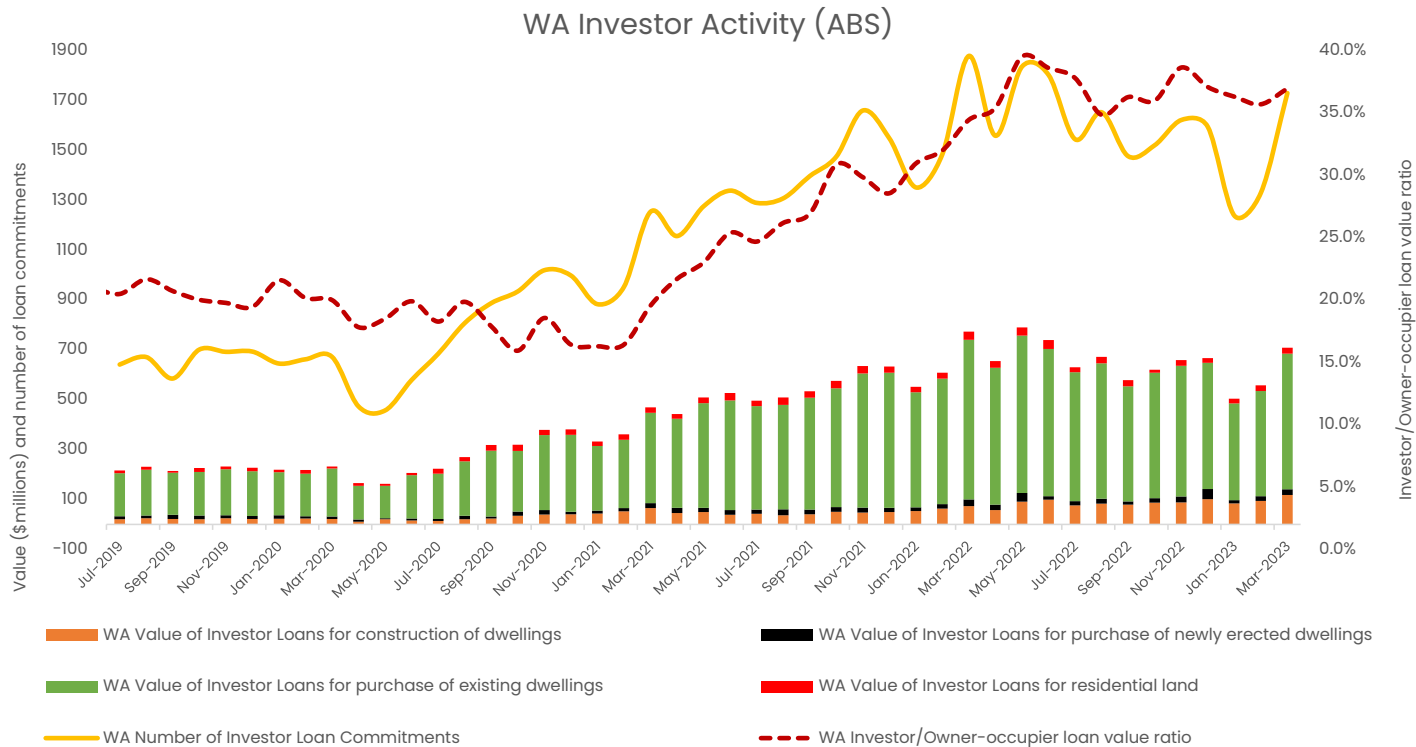
363

First Home Buyer Grants paid for new house and land packages

+12% MoM
-50% YoY

Residential Property Market

Investor Lending Activity



March investor lending volumes for established market properties was

+29% up

on rolling 12 month ave and

+50% up

compared to 5yr average

15,303

Number of investor new loan commitments - National

+28% MoM
-29% YoY

\$8.4b

Value of new investor loan commitments - National

+28% MoM
-29% YoY

1,729

Number of Investor new loan commitments - WA

+30% MoM
-8% YoY

\$718m

Value of new investor loan commitments - WA

+27% MoM
-9% YoY

Residential Property Settlements

January 2023: Monthly Settlements by Metropolitan Corridor

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
North-West Metro	573	492	\$515,000

Detached House	408	585	\$570,000
Medium Density	103	231	\$430,000
Vacant Land	62	375	\$281,000

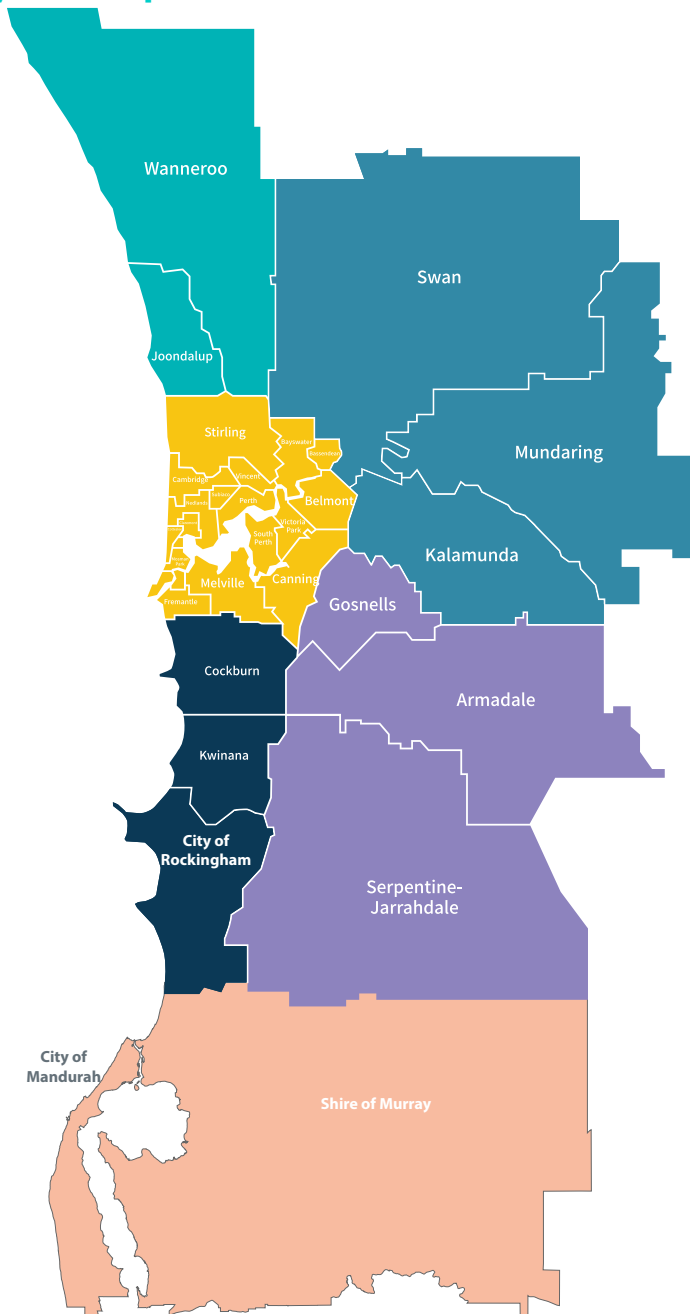
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Central Metro	1401	253	\$590,000

Detached House	407	701	\$920,000
Medium Density	944	159	\$500,000
Vacant Land	50	350	\$585,000

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-West Metro	582	502	\$490,000

Detached House	400	609	\$525,500
Medium Density	141	158	\$395,000
Vacant Land	41	375	\$259,000

Note: Settlement figures are based on Landgate data available at the time of publication and may not represent all settlements during the period. Data is based on settlements with a land area of 2,000sqm and under.



	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
North-East Metro	339	496	\$470,000

Detached House	240	592	\$527,500
Medium Density	77	246	\$390,000
Vacant Land	22	412	\$262,000

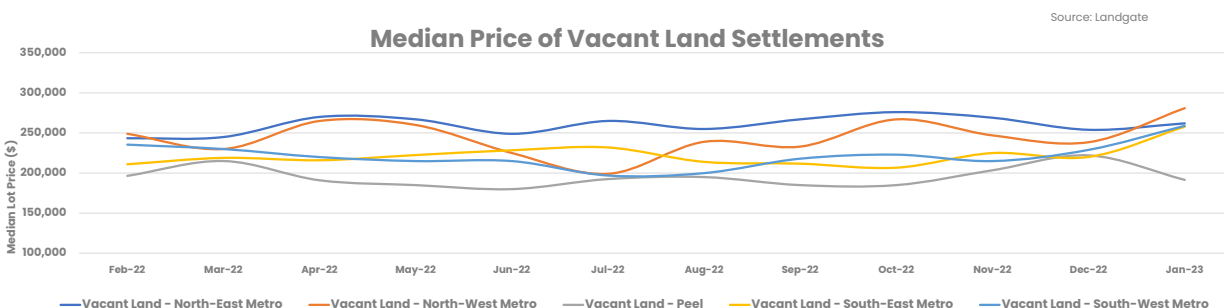
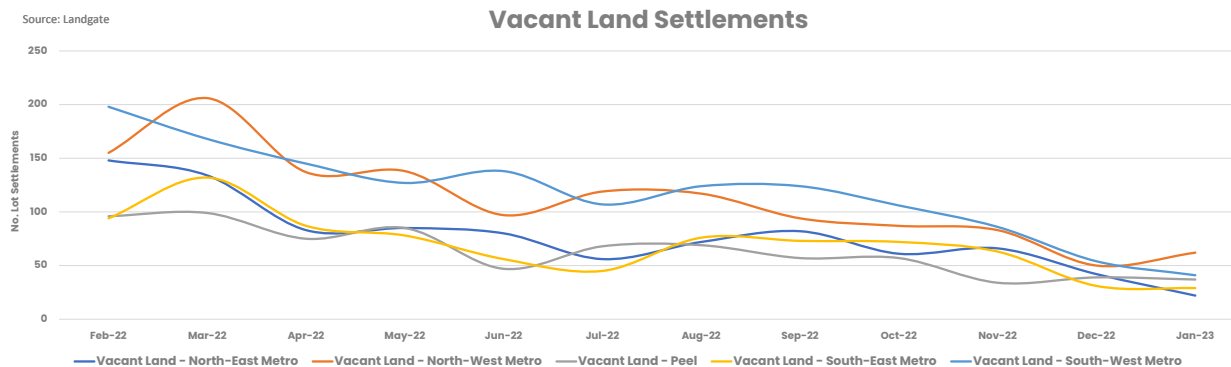
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-East Metro	394	510	\$435,500

Detached House	263	665	\$485,000
Medium Density	102	251	\$315,000
Vacant Land	29	421	\$258,000

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Peel	336	584	\$450,000

Detached House	229	680	\$496,000
Medium Density	70	260	\$338,500
Vacant Land	37	450	\$191,500

Vacant Land Settlements



5,293

Vacant land settlements across Greater Perth and Peel in 12 months to January 2023

-28% 12 month change

\$259,000

Median price in vacant land settlements across Greater Perth and Peel in January 2023

+1.5% 12 month change

Three Months to January 2023: WA Regional Property Settlements*

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Gascoyne	37	792	\$445,000
Detached House	21	873	\$507,000
Medium Density	8	310	\$550,000
Vacant Land	8	367	\$160,000
Goldfields Esperance	349	776	\$299,000
Detached House	219	876	\$330,000
Medium Density	107	436	\$277,000
Vacant Land	23	802	\$160,000
Great Southern	285	730	\$430,000
Detached House	212	801	\$470,000
Medium Density	49	367	\$378,000
Vacant Land	24	718	\$175,000
Kimberley	21	710	\$300,000
Detached House	11	769	\$595,000
Medium Density	9	594	\$290,000
Vacant Land	1	1,442	\$90,000
Mid West	390	784	\$315,000
Detached House	275	809	\$360,000
Medium Density	64	316	\$277,500
Vacant Land	51	800	\$75,000
Pilbara	224	637	\$450,000
Detached House	148	701	\$555,000
Medium Density	68	258	\$347,500
Vacant Land	8	696	\$135,000
South West	990	700	\$440,750
Detached House	690	755	\$481,000
Medium Density	197	308	\$375,000
Vacant Land	103	566	\$215,000
Wheatbelt	235	1,012	\$195,000
Detached House	175	1,012	\$230,000
Medium Density	12	441	\$317,000
Vacant Land	48	963	\$90,000

(Landgate)

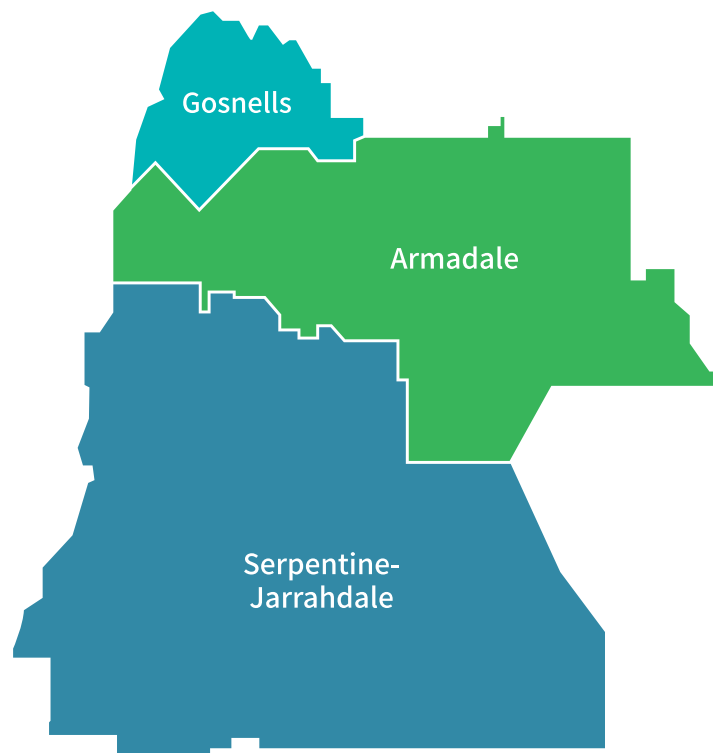
Corridor Snapshot

South East Corridor, WA

12 months to January 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Total South East Corridor	6,029	-8.6%	505	2.0%	\$397,000	13.4%
Detached House	4,091	0.1%	651	2.0%	\$450,000	7.1%
Medium Density	1,713	112.8%	240	-0.6%	\$315,000	10.5%
Vacant Land	848	-50.2%	375	0.0%	\$216,250	-4.8%

12 months to January 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Gosnells LGA	2,808	-2.2%	577	-0.3%	\$420,000	10.5%
Detached House	1,872	-4.0%	682	0.3%	\$460,000	7.2%
Medium Density	713	49.8%	249	-3.7%	\$340,000	54.5%
Vacant Land	223	-50.0%	375	0.0%	\$257,000	-1.2%

12 months to January 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Armadale LGA	2,528	-12.4%	453	3.4%	\$352,000	11.7%
Detached House	1,752	5.0%	600	-0.5%	\$460,000	13.6%
Medium Density	986	206.2%	178	-20.0%	\$340,000	30.8%
Vacant Land	413	-53.9%	375	0.0%	\$189,000	-20.3%



6,029

Total settlements recorded for the South East sector in 12 months to January 2023

-8.6% YoY

Detached house settlements	Medium density settlements
+0.1% YoY	+113% YoY
Proportion 68%	Proportion 28%
Price \$450,000 +7.1% YoY	Price \$315,000 +10.5% YoY

12 months to January 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Serpentine-Jarrahdale LGA	693	-17.0%	450	-3.2%	\$420,000	32.9%
Detached House	467	-0.2%	475	-6.9%	\$458,000	9.0%
Medium Density	14	100.0%	443	27.2%	\$352,500	17.5%
Vacant Land	212	-41.1%	378	-9.6%	\$195,500	5.7%

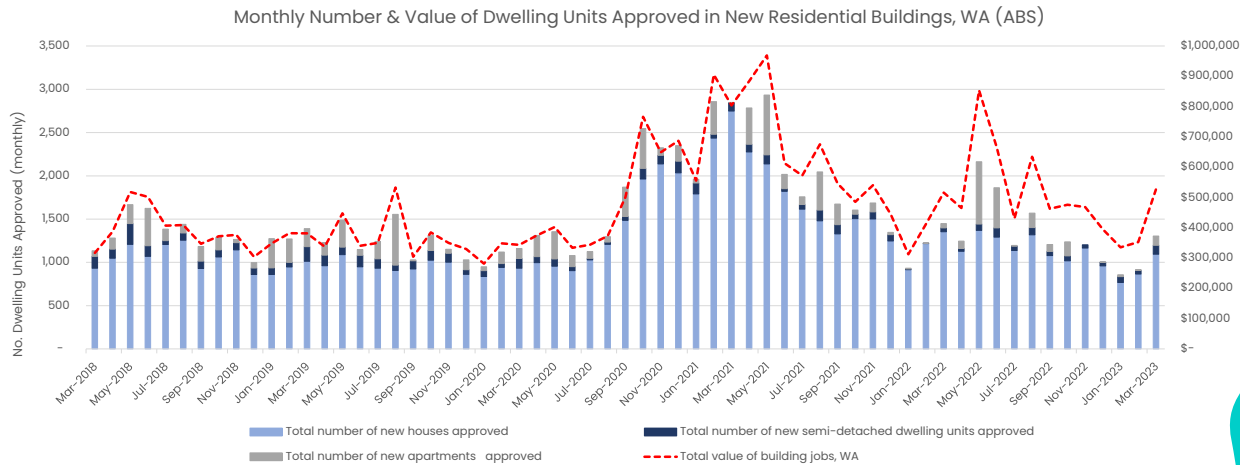
Vacant land settlements
-50% YoY
Proportion 14%
Price \$216,250
-5% YoY

Note: Settlement figures are based on Landgate data available at the time of publication and may not represent all settlements during the period. Data is based on settlements with a land area of 2,000sqm and under.

(Landgate)

Residential Construction

Building Approvals (ABS)



1,307
Total WA dwelling approvals in February

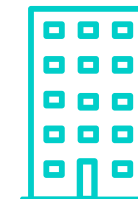
+42% MoM
-10% YoY



Houses
1,096
+26% MoM
-19% YoY



Semi-detached/row or terrace/townhouse
103
+158% MoM
+134% YoY



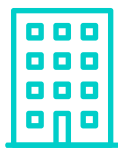
Apartments
106
+783% MoM
+112% YoY

13,664
National dwelling approval numbers in February

-17% YoY

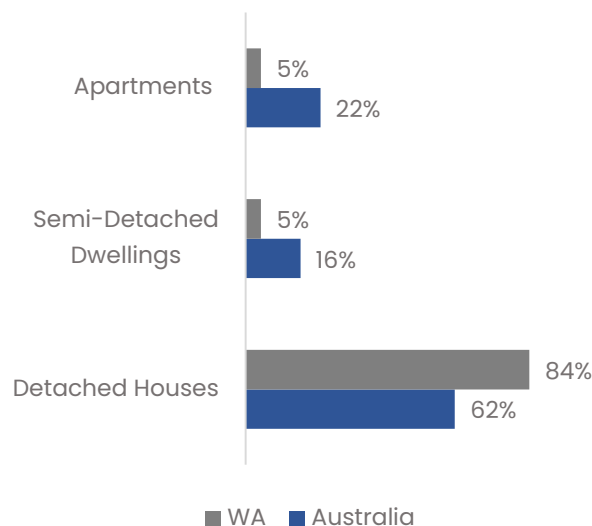


Houses
9,500



Excluding houses
4,164

Proportion of Dwelling Approvals by Type, Rolling 12 Month Average WA v Australia (to March 2023)



Residential Construction

Building Activity (ABS)

4,527

Volume of WA's new dwelling commencements in December 2022 quarter

+29% QoQ

-24% YoY

-35% Long run ave

4,116

Separate house commencements in December 2022 quarter

+35% QoQ

-21% YoY

-29% Long run ave

843

Other residential typology commencements in December 2022 quarter

+36% QoQ

+32% YoY

-44% Long run ave

21,524

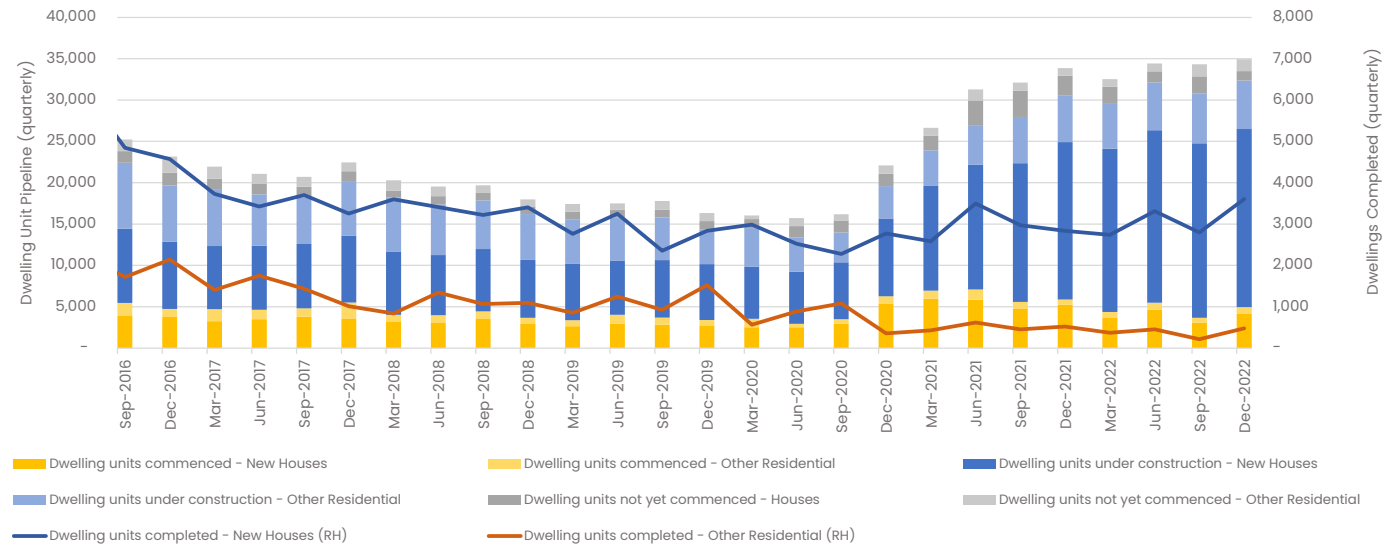
Detached houses under construction across WA in December 2022 quarter

+2% QoQ

+13% YoY

+87% Long run ave

WA Residential Building Activity & Pipeline (ABS)



Economy

Labour Force (ABS)



3.7%

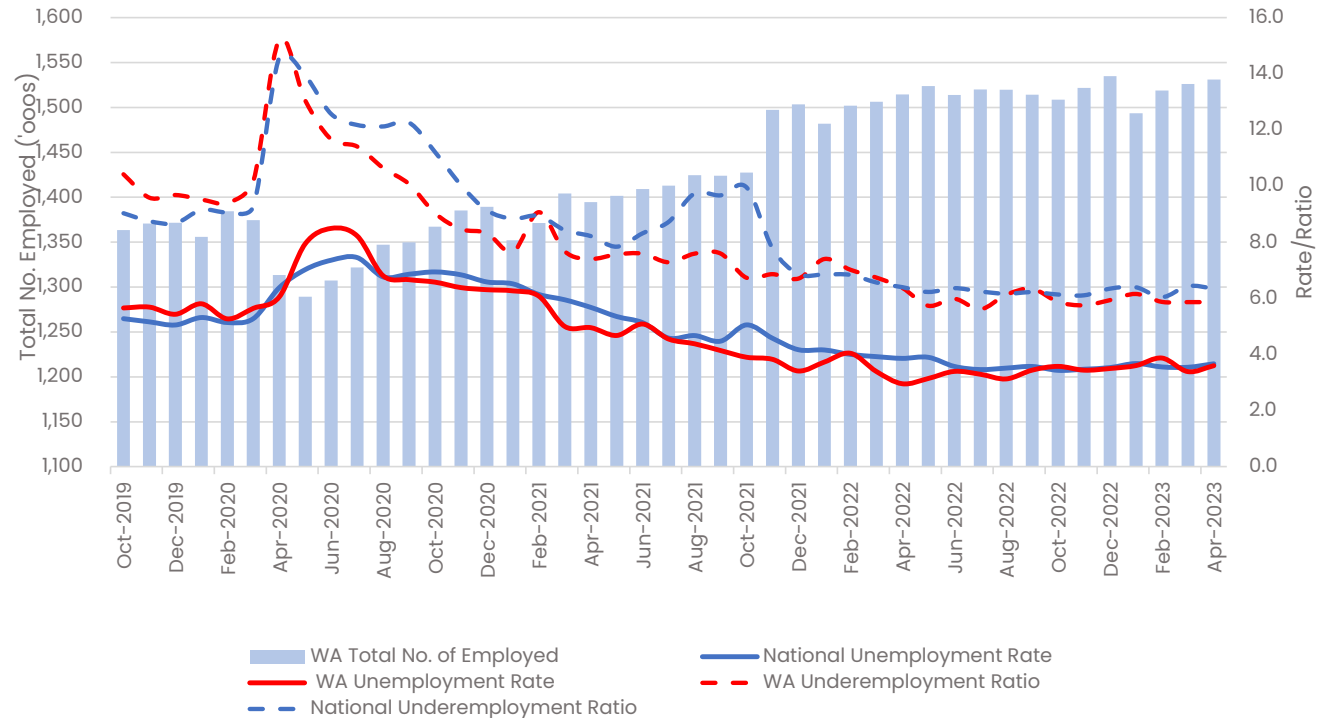
Australia's unemployment rate in April



3.6%

WA's unemployment rate in April

WA & National Labour Force Snapshot (ABS)

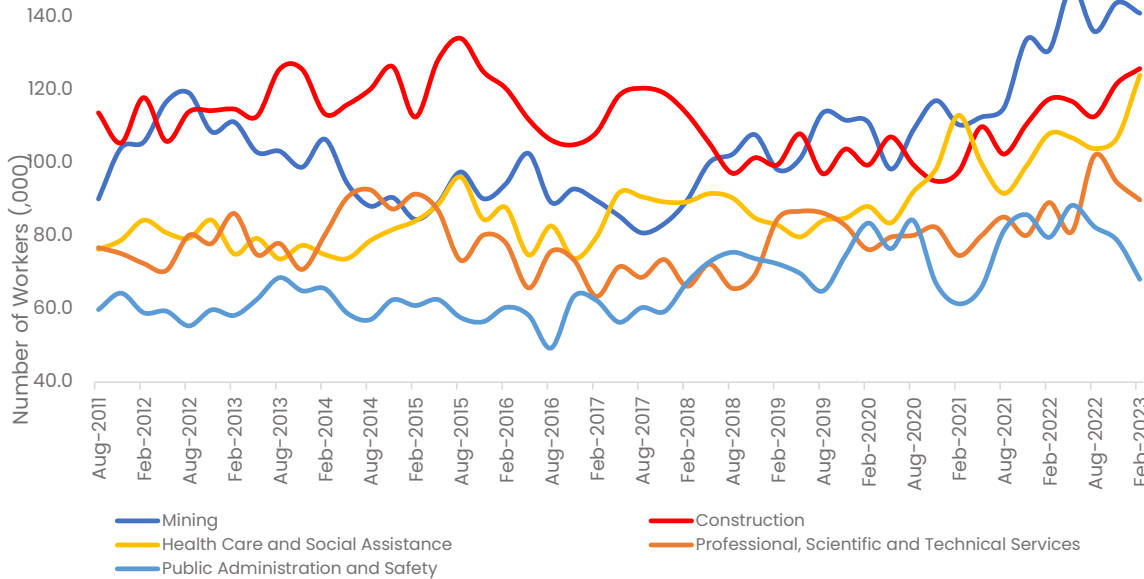


Participation rate		Underemployment rate	
National	WA	National	WA
66.7%	69.1%	6.4%	5.9%
-0.1% MoM	+0.1% MoM	-1.3% MoM	+/-0% MoM

Economy

Labour Force Detailed (ABS)

WA Full-Time Employment, by Sector (ABS)

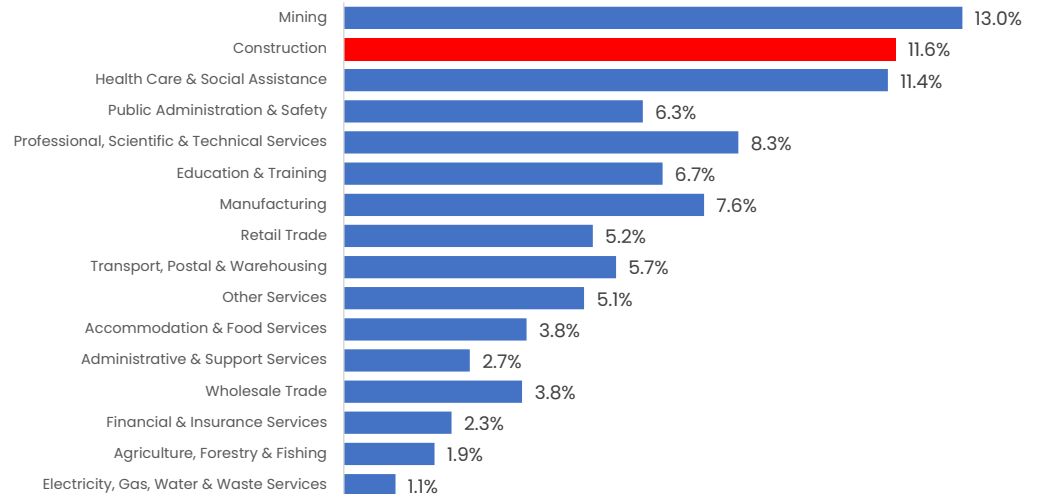


143,300

Total number of workers in the WA construction industry in the three months as at February 2023

+1.4% QoQ
+6.9% YoY

WA Full-Time Employment Industry Composition (Feb 2023) (ABS)



Proportion of Total Labour Force



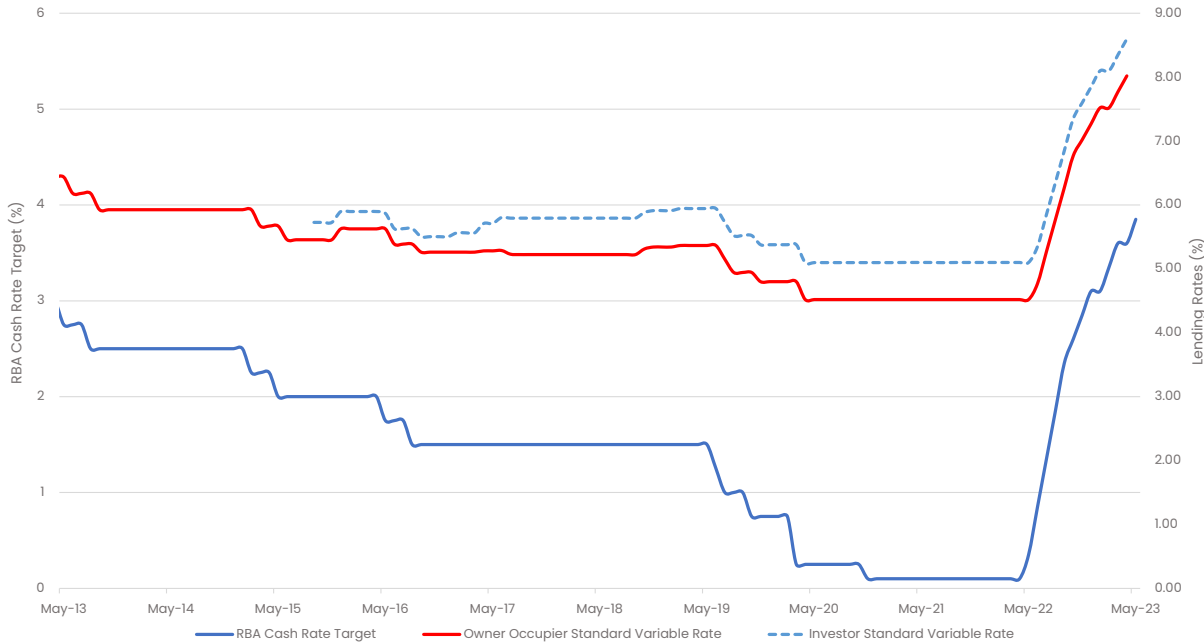
11.6%

Proportion of WA full employees working in construction, second highest industry for WA

Economy

Housing Rates & Cash Rate

Cash Rate & Indicator Lending Rates (RBA)

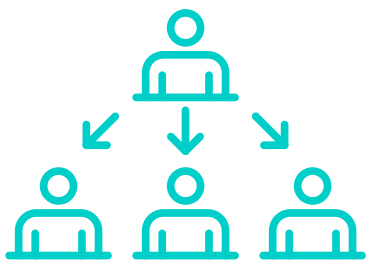


3.85% **8.02%** **8.60%**

Cash rate target following RBA May Monetary Policy Meeting
+0.25% MoM
+3% YoY

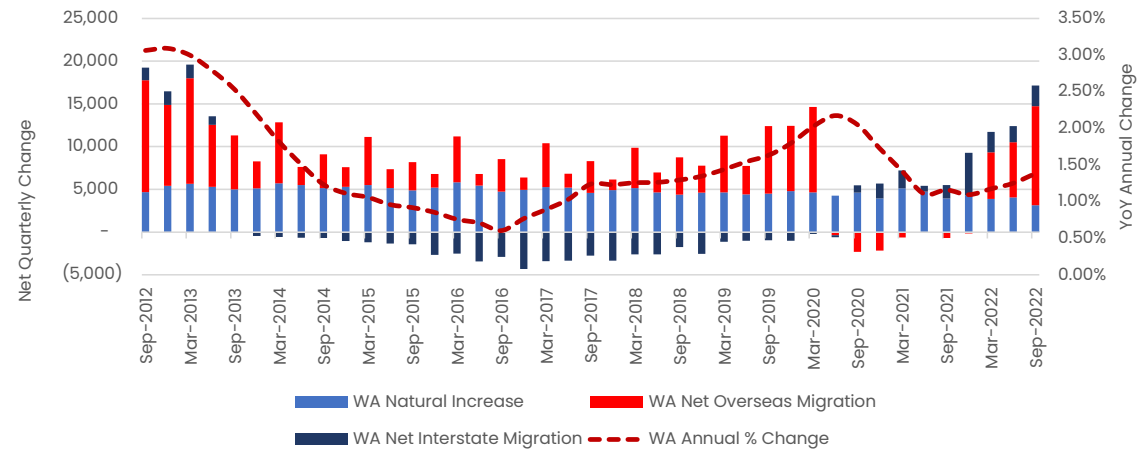
Owner-occupier variable interest rate
+0.25% MoM
Highest level since Oct 2008

Investor standard variable lending rate
+0.25% MoM
Highest level since Oct 2008



17,136
WA net population growth
+80% QoQ
Largest quantity growth since March 2013

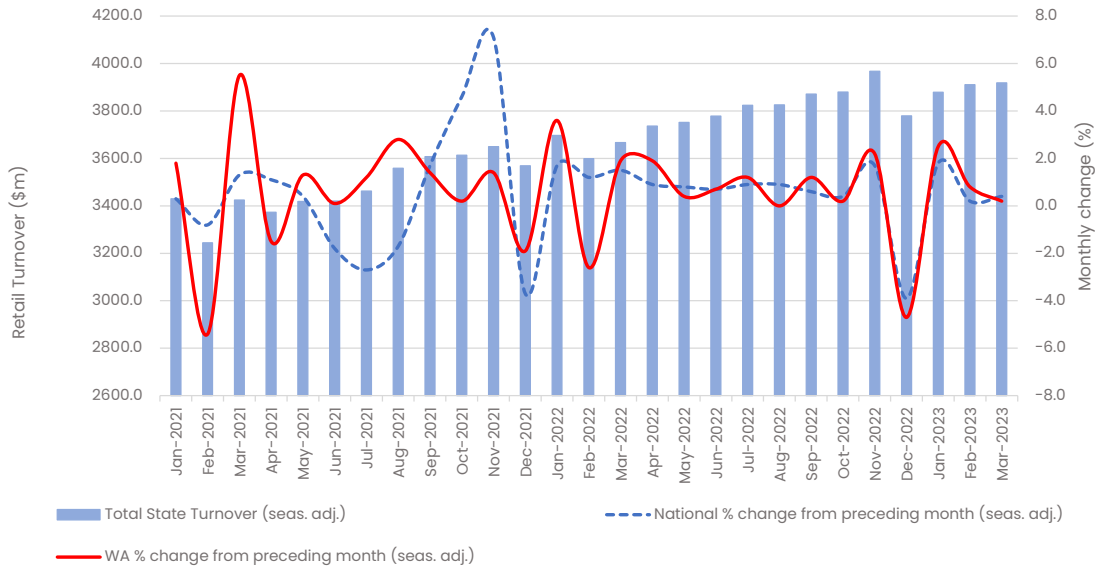
WA Population Quarterly Growth by Component (ABS 3101)



Economy

Consumer Price Index (ABS 6401) & Retail Trade (ABS 8501)

WA Retail Turnover (ABS)



\$34.6 b

National retail turnover in March

+11.5% MoM
+5.6% YoY

\$3.8 b

WA retail turnover in March

+10.8% MoM
+7.3% YoY

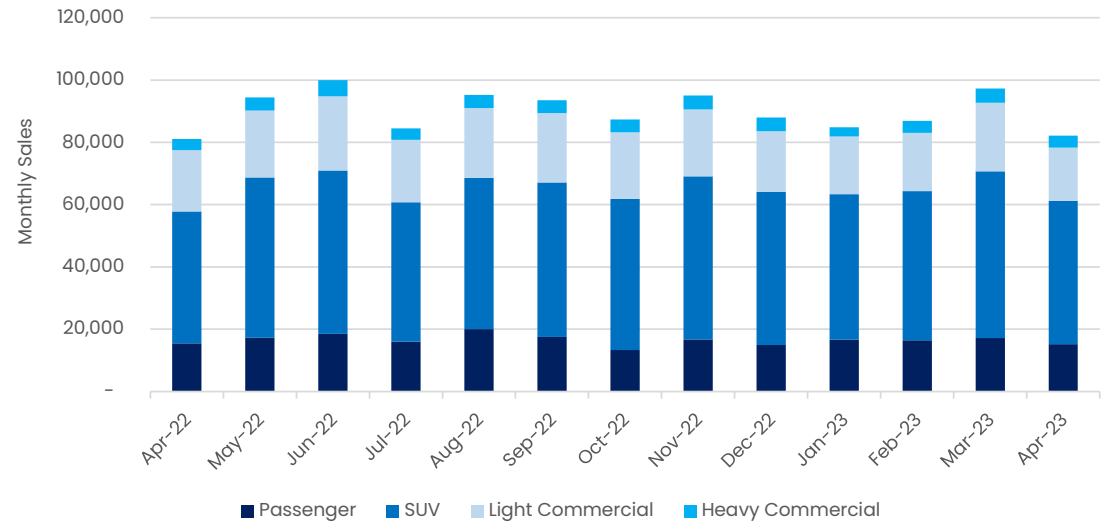


82,137

New Vehicle Sales sold in Australia in April 2023

Lowest sales volume in 12 months

New Vehicle Sales by Class, Australia (FCAI)





50 years
For the
community
creators

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