



For the
*community
creators*

Urban Intelligence

Monthly economic and WA property market analysis
May 2024

UDIA WA Principal Research Partners



Key Trends

Economy	Current M/Q	Current Figure	M/Q Change	YoY Change
Official Cash Rate Target (RBA)	May	4.35%	0%	75 bps
Owner Occupier Variable Mortgage Rate (RBA)	Apr	8.8%	0%	75 bps
Retail Turnover - WA, total industry (ABS, seasonally adjusted)	Apr	\$4.02b	0.0%	1.7%
Unemployment Rate - WA (ABS, seasonally adjusted)	Apr	3.9%	0.5%	0.3%
Underemployment Rate - WA* (ABS, seasonally adjusted)	Apr	5.7%	0.1%	-0.4%
Estimated Resident Population - WA (ABS)	Sep Qtr	2,905,922	0.9%	3.3%
WA State Final Demand (ABS)	Dec Qtr	\$67.14b	0.8%	5.5%
Consumer Price Index - Greater Perth (ABS)	Mar Qtr	134.8	0.8	4.4
Consumer Price Index - Greater Perth Housing (ABS)	Mar Qtr	141.2	0.0	5.7
Wage Price Index - WA (ABS)	Mar Qtr	149.3	0.9	6.0

Residential Land Development	Current M	Current Figure	M/Q Change	YoY Change
Average weekly sales for the month (UDIA Land Snapshot)	May	171	-14.6%	28.6%

Residential Construction	Current M/Q	Current Figure	M/Q Change	YoY Change
Total Number of Dwelling Unit Approvals - WA (total residential)* (ABS)	Apr	1,623	4.4%	50.3%
Number of House Approvals - WA* (ABS)	Apr	1,420	3.5%	57.1%
Number of Semi-detached Approvals - WA* (ABS)	Apr	140	164.2%	288.9%
Number of Apartment Approvals - WA* (ABS)	Apr	63	-51.2%	-55.0%
Dwelling Commencements - WA, New Houses* (ABS)	Dec Qtr	3,004	-2.9%	-27.7%
Dwelling Completions - WA, New Houses* (ABS)	Dec Qtr	4,160	-6.6%	11.7%

Data is correct as of 30 May 2024

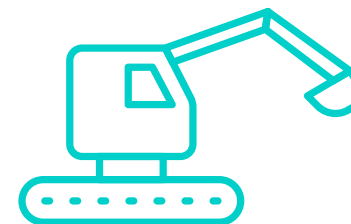
*Original numbers

^ Finance Commitments, excluding refinancing



Monthly house approvals - Greater Perth

-3% Long Run Average



Quarterly dwelling commencements
New Houses - WA

-28% YoY



Average Weekly Land Sales

-15% MoM

Key Trends

Property Finance	Current M/Q	Current Figure	M/Q Change	YoY Change
Construction of New Owner Occupier Dwellings - WA*^ (ABS)	Mar	575	-1.4%	19.5%
Purchase of New Build Owner Occupier Dwellings - WA*^ (ABS)	Mar	169	11.9%	1.8%
Purchase of Owner Occupier Residential Land - WA*^ (ABS)	Mar	298	12.0%	59.4%
FHOG Applications - WA* (WA Treasury)	Apr	413	6.2%	74.3%
FHOG Paid - WA* (WA Treasury)	Apr	317	10.5%	15.3%

Residential Property Market	Current M/Q	Current Figure	M/Q Change	YOY Change
Total for Sale Property Listings - Perth: 1 month count (CoreLogic)	Feb	6,398	5.1%	16.5%
Median House Price - Perth (CoreLogic) (\$)	Feb	619,000	2.0%	12.5%
House Sales (last 12 months) Perth (CoreLogic)	Feb	39,139	0.3%	-0.2%
Median Unit Price - Perth (CoreLogic) (\$)	Feb	429,000	2.1%	7.3%
Unit Sales (last 12 months) Perth (CoreLogic)	Feb	12,974	1.6%	21.0%
Median Land Price - Perth (UDIA) (\$)	Mar Qtr	279,974	5.2%	15.6%
Land Sales - Perth (UDIA)	Mar Qtr	3,169	29.9%	139.7%

Residential Rental Market	Current M/Q	Current Figure	M/Q Change	YOY Change
Median House Rent (per week) - Perth (CoreLogic)	Feb	\$658	1.47%	16.48%
Median Unit Rent (per week) - Perth (CoreLogic)	Feb	\$585	2.40%	20.19%
Vacancy Rate - Houses - Perth (CoreLogic)	Nov	0.7%	12.64%	-3.40%
Vacancy Rate - Units - Perth (CoreLogic)	Nov	0.7%	4.38%	-20.65%

Data is correct as of 30 May 2024

*Original numbers

^ Finance Commitments, excluding refinancing



Median House Price - Perth

\$619,000



First Home Owner Grant Paid - WA

15% YoY



Rental vacancy rate - Perth

0.7%

Strong Price Growth Continues in the Face of Muted Apartment Supply

Welcome to the May edition of UDIA WA's Urban Intelligence report - your monthly update on property market dynamics, key data releases and economic indicators influencing housing market performance.

On Wednesday May 29, UDIA WA's Research Partner Urbis hosted an excellent forum in the Perth CBD entitled 'Housing Crisis: Complex Problems Require Bold Solutions', which included a rapid-fire overview of ten innovative housing supply initiatives being pursued in different cities around the world. The case studies included 3D printed 'kit' homes in Los Angeles, modular 'pod' housing in the Ukraine and the 'half a house' initiative being pursued in Chile - which involves the provision of a half a "good" house which is finished off as household finances allow.

The ensuing panel discussion at the Urbis forum concluded that here in Western Australia we need to be exploring as many innovative solutions as possible to help boost aggregate housing supply - which some of these international examples may have applicability, in certain contexts.

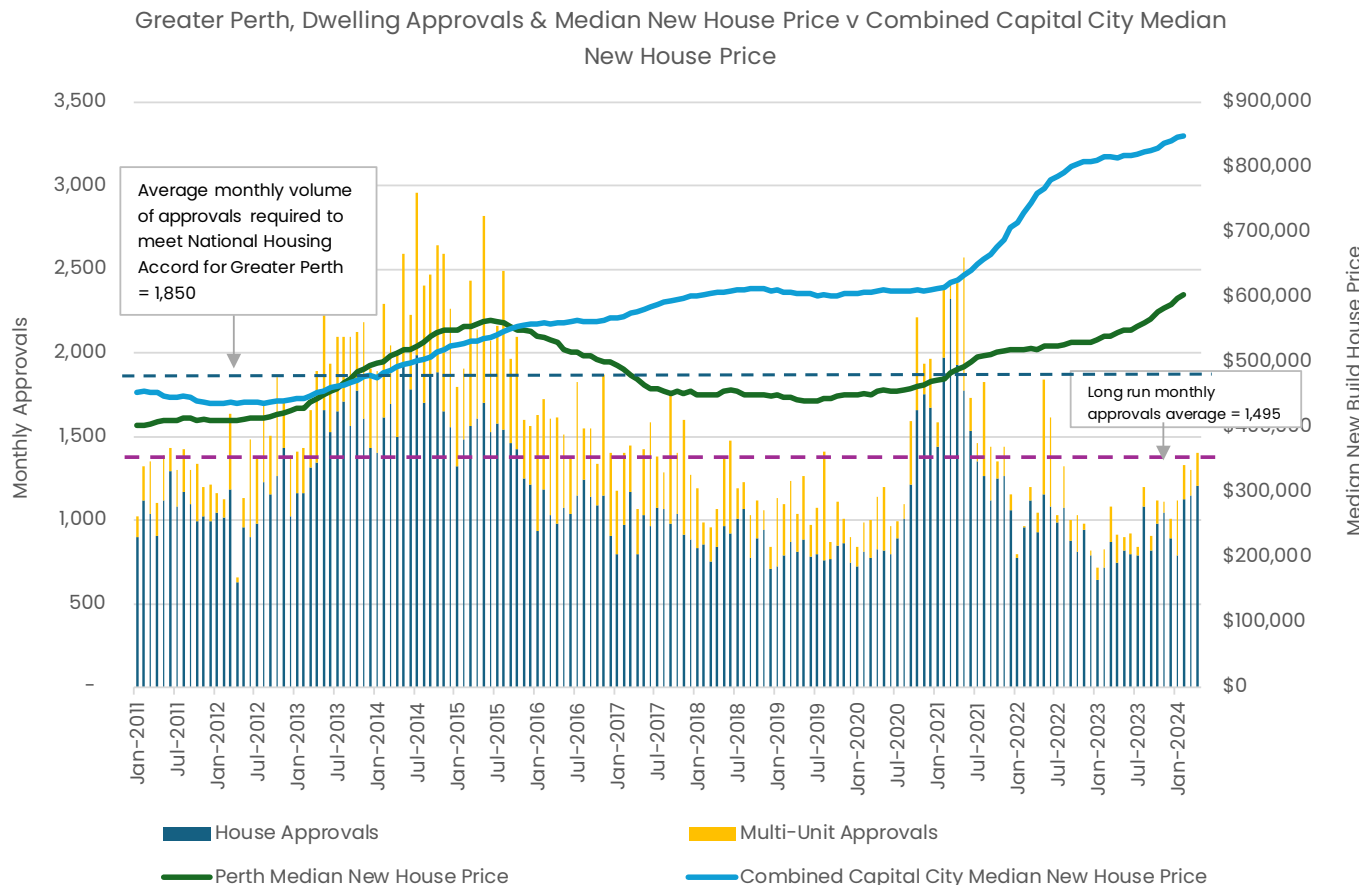
Recent modelling undertaken by UDIA WA on the trajectory of forward housing supply revealed that WA is on track to record a circa 31,000 dwellings shortfall over the coming five years against underlying demand forecasts. Should this scale of

new dwelling supply under provision materialize, there is little doubt that for-sale and rental house and unit pricing will continue to ratchet northward at a rate of knots and significantly erode WA's housing affordability profile.

According to the latest CoreLogic data, Greater Perth's new build median house price reached \$603,500 in March 2024, which reflected a 12% growth over the last 12 months. While this current pricing profile for new detached houses is still 29% cheaper than the combined capital city average (\$848,920) the affordability dividend has continued to close from being 34% more affordable in August 2022.

The ABS monthly dwelling approvals are a key indicator of forward pipeline capacity and the April data released today (May 30) highlighted a continuation of modest improvement in detached house approvals for Greater Perth (+5% MoM and +27% on a 3-month rolling basis). While the recent positive trend in approvals in the detached housing market are encouraging, the overall approval pipeline continues to be negatively weighed down by considerable and on-going weakness in the multi-unit sector which is recording flows around two thirds lower than the long run average.

In order for Greater Perth to get anywhere near achieving it's share of the National housing Accord 'stretch' target of 1.2 million homes over the next five years, the multi-unit sector is going to need to play a far more expansive role than current approval levels will permit.



Source: UDIA; ABS; CoreLogic

During the last sustained housing boom of 2013 to 2016, multi-unit approvals averaged around 550 per month which provided combined approvals volumes (along with detached house approvals) to reach the scale of approvals now required to meet the circa 1,850 approvals per month to deliver against the National Housing Accord target.

It is broadly understood that the ailing built form sector is struggling to make most apartment and unit developments 'stack' in terms of development feasibility due to the inflection of building material costs (+34% since pre-pandemic) and elevated lending finance rates.

The one silver lining to the strong growth in median house pricing across Perth over the last year is that the development feasibility equation for apartments is slowly improving – as end-pricing (to cover development costs and achieve

suitable rates of return) of unit products is moving toward being more affordable than detached housing. However this process may still take one to two years to play-out in its entirety, which returns the spotlight on the necessity for government and industry to continue to explore every and any avenue available to help boost aggregate housing supply.

We trust you find this month's edition of Urban Intelligence of interest and value, and are always keen to hear member ideas for additional economic/property market reporting for future inclusion.

Warm regards,

Toby Adams, Head of Research (National & WA)

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Residential Land Development

UDIA WA Land Snapshot - May 24

171

Average lot sales per week

-14.6% MoM

+28.6% YoY

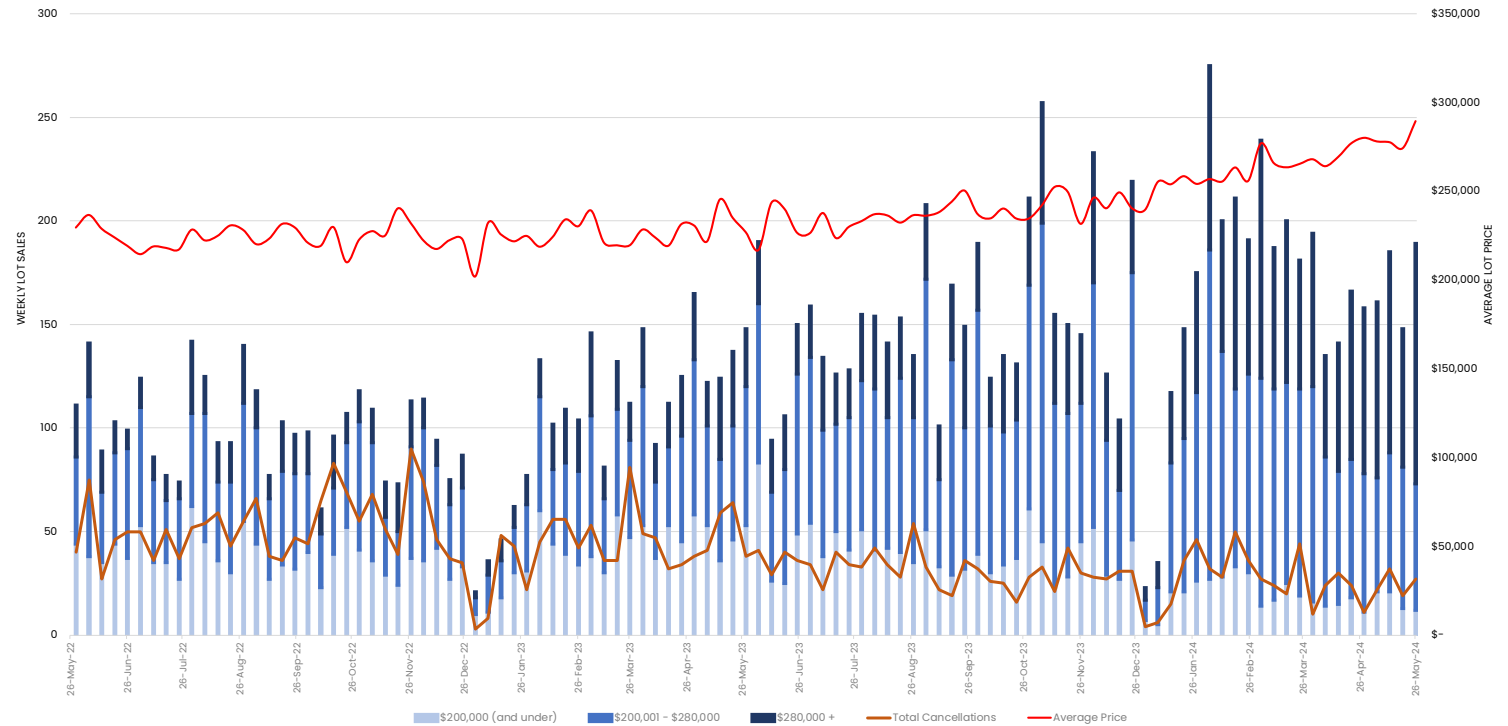
\$266,199

Average lot price

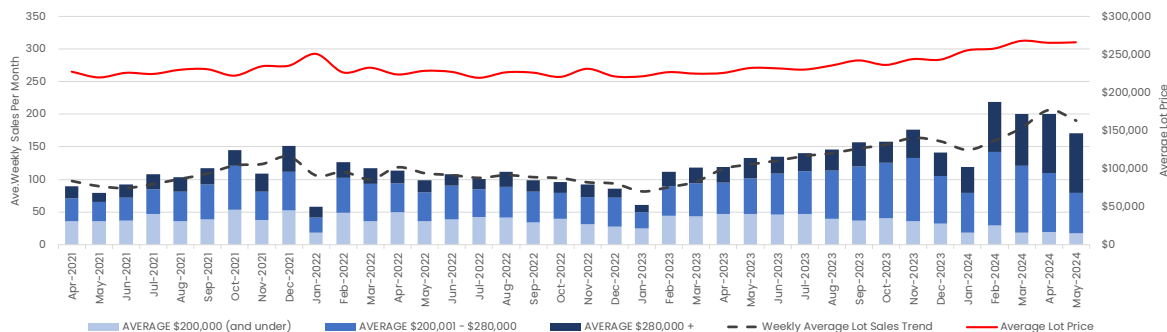
+0.3% MoM

+14.6% YoY

UDIA WA Weekly Land Snapshot Sales Data



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



17

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

-13.4% MoM

-64.4% YoY

91

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

+0.6% MoM

+194.4% YoY

100

Total monthly cancellations

+12.4% MoM

-50.5% YoY

Residential Property Market

Residential Property Transactions (CoreLogic)

Perth New Build Median Unit Price (Feb 24)

\$450,000

+3.4% YoY

27.3% lower than combined Capital City ave

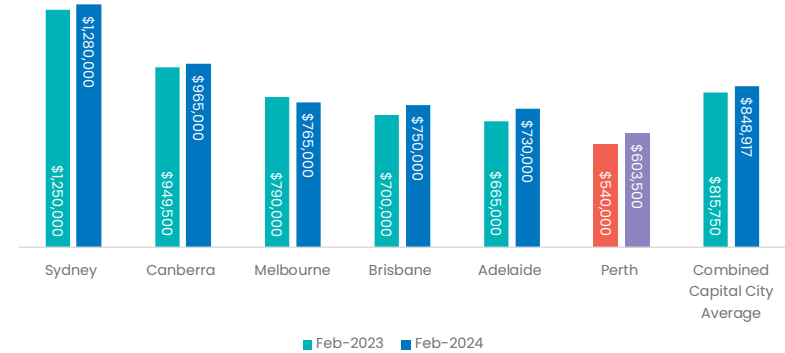
Perth New Build Median House Price (Feb 24)

\$603,500

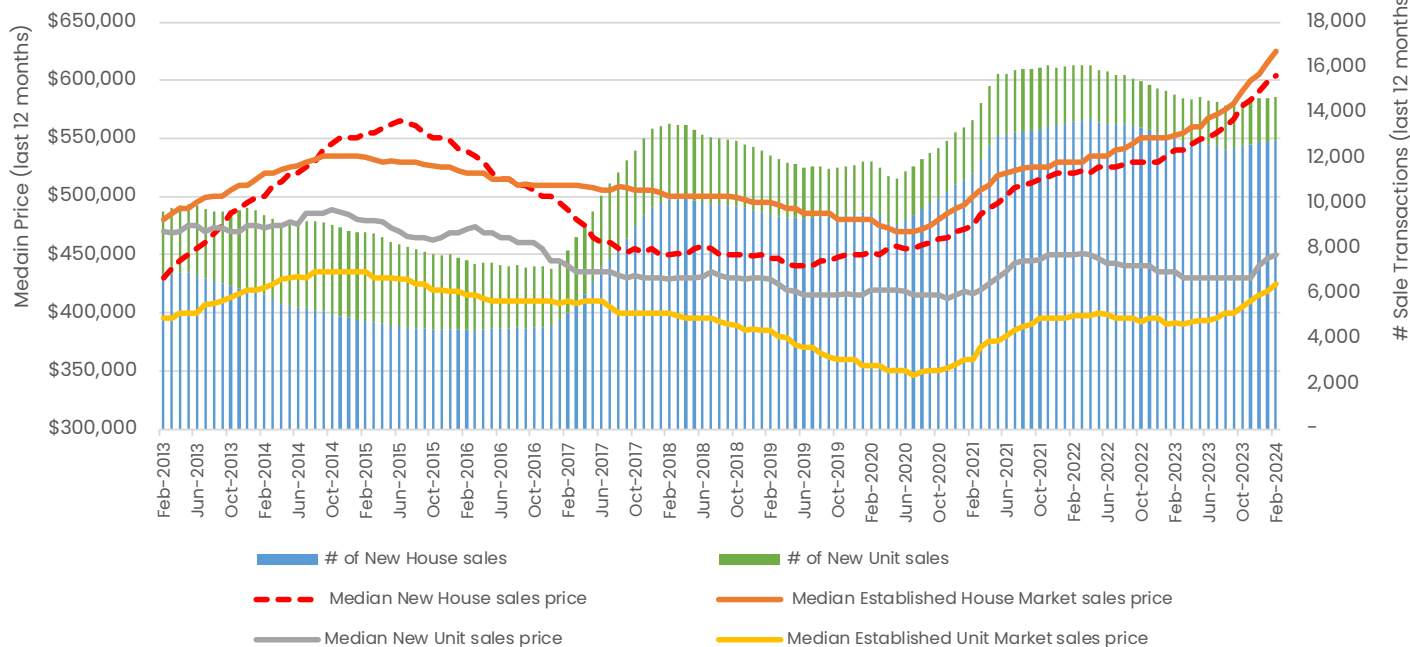
+11.8% YoY

32.3% lower than combined Capital City ave

Median New Build House Price, February '23 & February '24 (CoreLogic)



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



12,745
Annual volume of new house sales in Perth across 12 months to Feb 24

-0.8% YoY

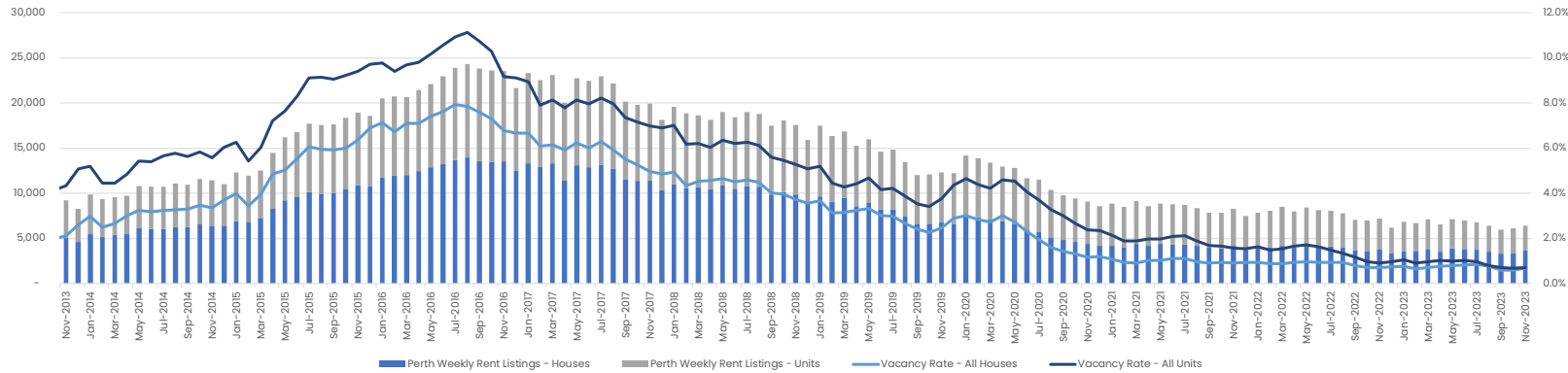
1927
Annual volume of new unit sales in Perth across 12 months to Feb 24

-1.4% YoY

Residential Property Market

Weekly Rental Listings (CoreLogic)

Perth Weekly Rent Listings & Vacancy Rate



0.7%
Rental vacancy rate in Perth

3,689

Average monthly rental listings for houses in Perth (Nov 23)

+8.6% MoM
-3.0% YoY

2,709

Average monthly rental listings for units in Perth (Nov 23)

+0.7% MoM
-20.3% YoY

\$658 pw

Median weekly rent for houses in Perth (Feb 24)

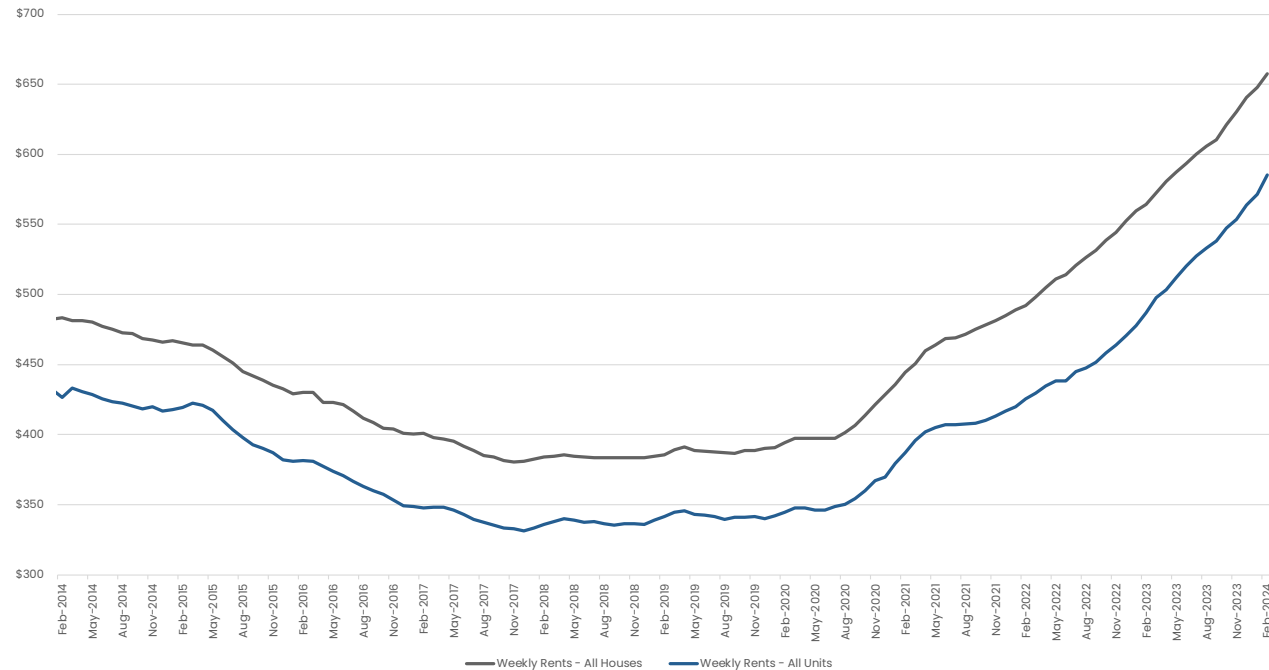
+1.5% MoM
+16.5% YoY

\$585 pw

Median weekly rent for units in Perth (Feb 24)

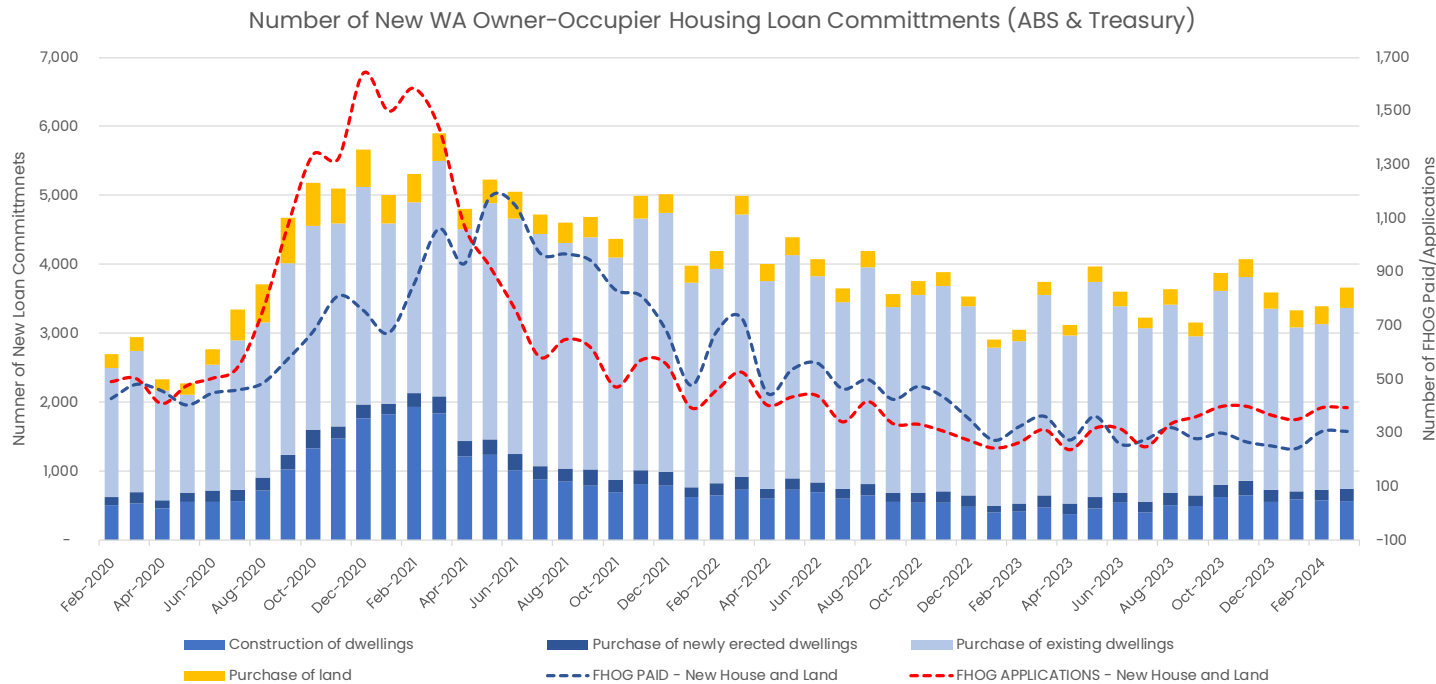
+2.4% MoM
+20.2% YoY

Weekly Asking Rent, Perth



Residential Property Market

Owner Occupier Lending Activity



March owner occupier lending volumes for established market properties was

12.8% up
on rolling 12 month average

4,009

Total new housing loan commitments - WA

+6.9% MoM
+0.3% YoY

575

New dwelling construction loan commitments - WA

-1.4% MoM
+19.5% YoY

298

Purchase of residential land loan commitments - WA

+12.0% MoM
+59.4% YoY

307

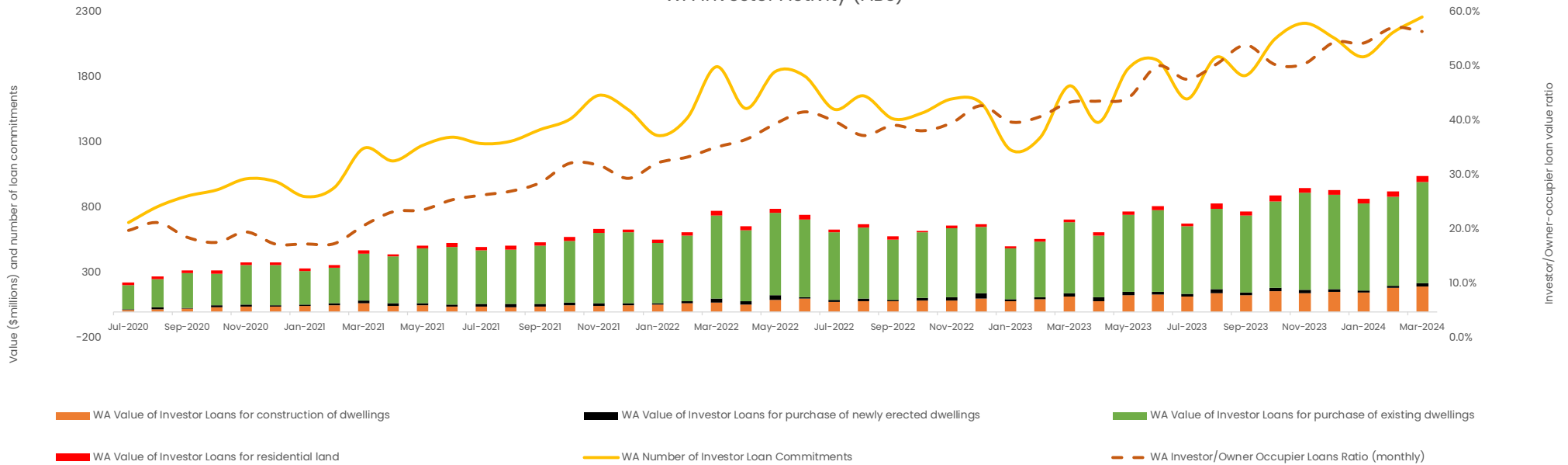
First Home Buyer Grants paid for new house and land packages

+/-0.0% MoM
-15.4% YoY

Residential Property Market

Investor Lending Activity

WA Investor Activity (ABS)



16,948

Number of investor new loan commitments - National

+14.6% MoM
+10.7% YoY

\$10.09 b

Value of new investor loan commitments - National

+18.8% MoM
+19.4% YoY

2,259

Number of Investor new loan commitments - WA

+5.6% MoM
+30.5% YoY

\$1.06 b

Value of new investor loan commitments - WA

+12.7% MoM
+47.2% YoY

Residential Property Settlements

January 2024: Monthly Settlements by Metropolitan Corridor

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
North-West Metro	610	457	\$625,000

Detached House	377	603	\$700,000
Medium Density	113	203	\$547,000
Vacant Land	120	375	\$336,708

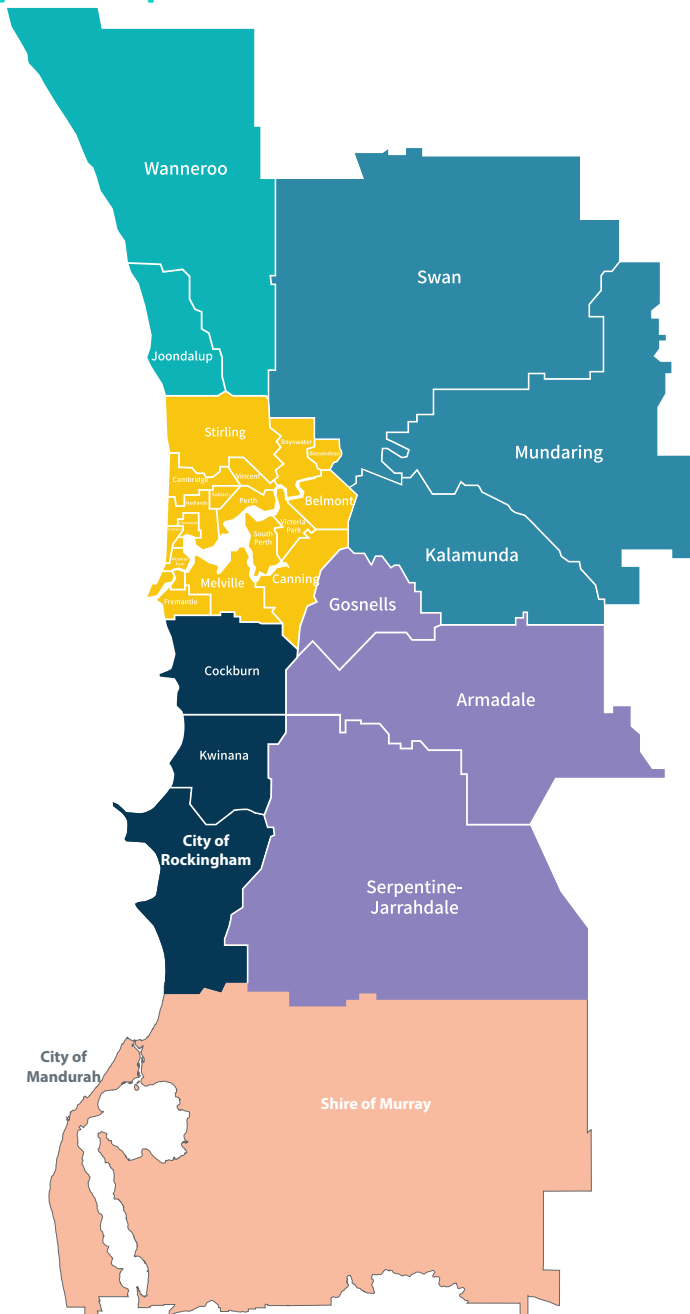
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Central Metro	1488	216	\$620,000

Detached House	356	697	\$1,112,500
Medium Density	1043	127	\$540,000
Vacant Land	89	357	\$430,000

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-West Metro	578	450	\$570,000

Detached House	343	609	\$630,000
Medium Density	145	161	\$435,000
Vacant Land	90	375	\$275,000

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	401	450	\$555,000

Detached House	249	544	\$620,000
Medium Density	80	213	\$432,500
Vacant Land	72	383	\$289,000

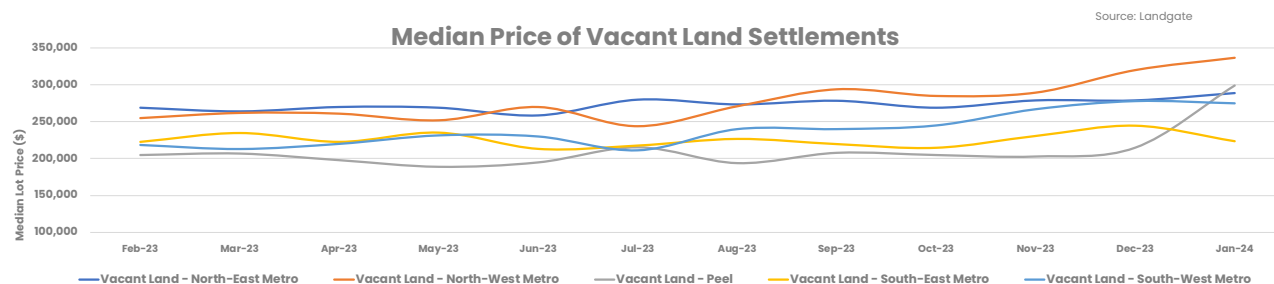
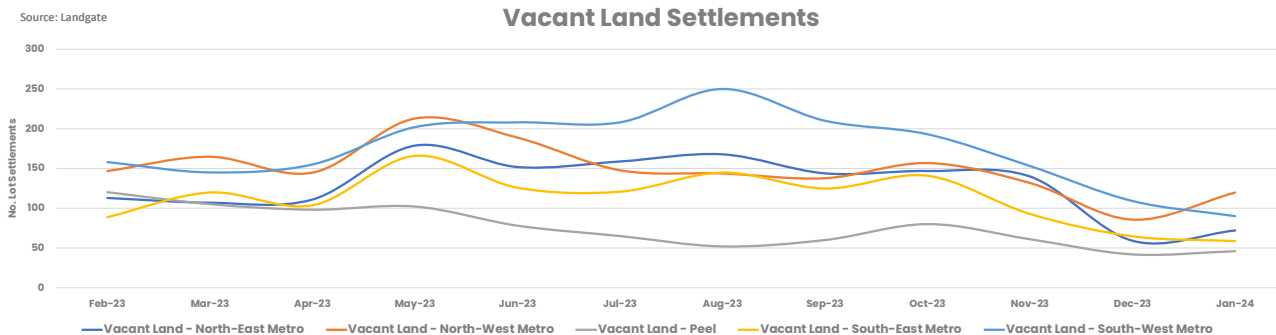
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-East Metro	416	477	\$549,000

Detached House	265	640	\$611,000
Medium Density	92	235	\$430,000
Vacant Land	59	350	\$223,900

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Peel	304	603	\$564,750

Detached House	200	667	\$607,650
Medium Density	58	237	\$457,500
Vacant Land	46	605	\$299,500

Vacant Land Settlements



7,679

Vacant land settlements across Greater Perth and Peel in 12 months to January 2024

+18.1% 12 month change

\$260,000

Median price in vacant land settlements across Greater Perth and Peel in January 2024

+13.0% 12 month change

Three Months to January 2024: WA Regional Property Settlements

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Gascoyne	37	784	\$300,000
Detached House	21	804	\$550,000
Medium Density	6	248	\$377,500
Vacant Land	10	815	\$245,000
Goldfields Esperance	250	762	\$315,000
Detached House	147	872	\$350,000
Medium Density	76	328	\$323,750
Vacant Land	27	840	\$105,000
Great Southern	258	725	\$505,000
Detached House	171	792	\$570,000
Medium Density	42	361	\$475,250
Vacant Land	45	700	\$170,000
Kimberley	26	801	\$282,500
Detached House	23	885	\$290,000
Medium Density	3	126	\$272,000
Vacant Land	0	0	\$0
Mid West	389	793	\$335,128
Detached House	265	807	\$400,000
Medium Density	64	320	\$287,500
Vacant Land	60	789	\$71,000
Pilbara	162	559	\$480,000
Detached House	89	701	\$545,000
Medium Density	65	188	\$393,000
Vacant Land	8	464	\$743,000
South West	827	685	\$480,000
Detached House	516	751	\$560,500
Medium Density	160	303	\$450,000
Vacant Land	151	621	\$240,000
Wheatbelt	243	961	\$225,000
Detached House	170	1,012	\$272,500
Medium Density	23	446	\$357,500
Vacant Land	50	805	\$109,500

(Landgate)

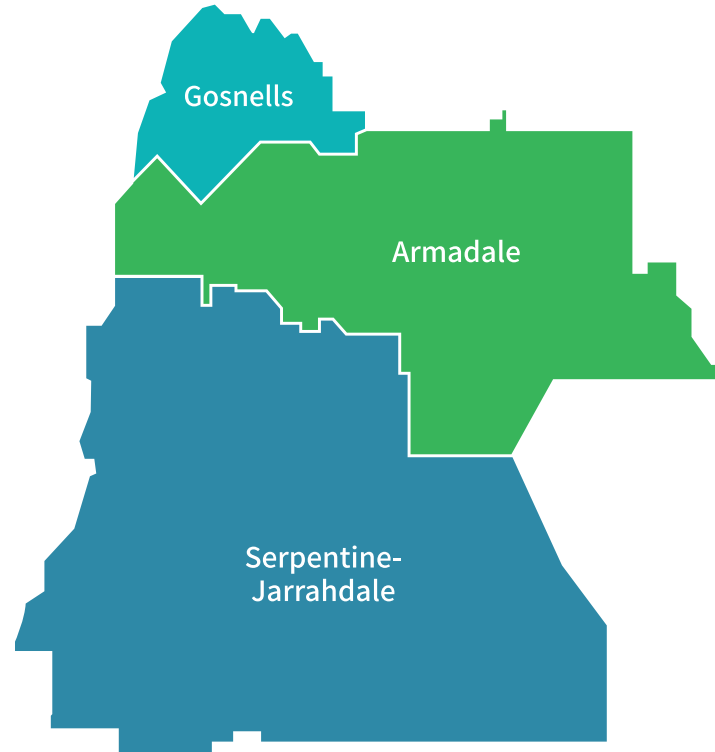
Regional Snapshot

South East Corridor

12 months to January 2024 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
South-East Metro	6,845	4.5%	492	-3.5%	\$450,000	-1.1%
Detached House	4,108	-7.2%	682	4.2%	\$535,000	1.2%
Medium Density	1,337	49.2%	231	-4.9%	\$370,000	2.8%
Vacant Land	1,400	14.2%	375	0.0%	\$229,000	-14.4%

12 months to January 2024 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Gosnells LGA	2,928	-1.4%	541	-6.1%	\$465,000	10.7%
Detached House	1,689	-13.2%	685	0.3%	\$545,500	16.6%
Medium Density	787	7.4%	231	-5.7%	\$395,000	16.5%
Vacant Land	452	55.3%	375	0.0%	\$285,000	5.6%

12 months to January 2024 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Armada LGA	2,957	-0.4%	447	-6.9%	\$420,000	15.1%
Detached House	1,764	-9.7%	680	-1.2%	\$512,650	15.2%
Medium Density	538	8.7%	230	-0.9%	\$349,000	20.3%
Vacant Land	655	26.2%	356	-5.1%	\$215,000	-3.2%



12 months to January 2024 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Serpentine-Jarrahdale LGA	960	-3.1%	494	-1.3%	\$492,000	10.6%
Detached House	655	-4.9%	526	-5.4%	\$574,000	14.8%
Medium Density	12	-20.0%	452	2.6%	\$435,000	24.3%
Vacant Land	293	2.1%	376	-3.6%	\$199,000	0.0%

6,845

Total settlements recorded for the South-East Metro in 12 months to January 2024

+4.5% YoY

\$229,000

Median price in vacant land settlements across South-West East in 12 months to January 2024

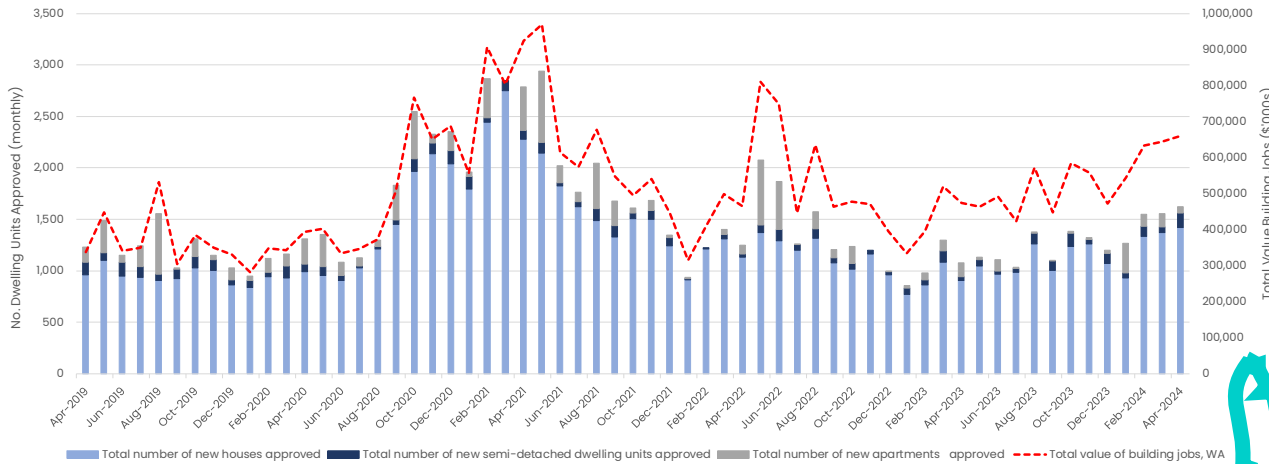
-14.4% YoY

(Landgate)

Residential Construction

Building Approvals (ABS)

Monthly Number & Value of Dwelling Units Approved in New Residential Buildings, WA (ABS)



1,623

Total WA dwelling approvals in April

+4.4% MoM

+50.3% YoY



Houses

1,420

+3.5% MoM

+57.1% YoY

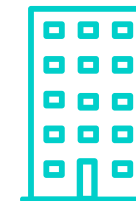


Semi-detached/row or terrace/townhouse

140

+164.2% MoM

+288.9% YoY



Apartments

63

-51.2% MoM

-55.0% YoY

13,118

National dwelling approval numbers in April

+13.6% YoY



Houses

8,688

+25.2% YoY

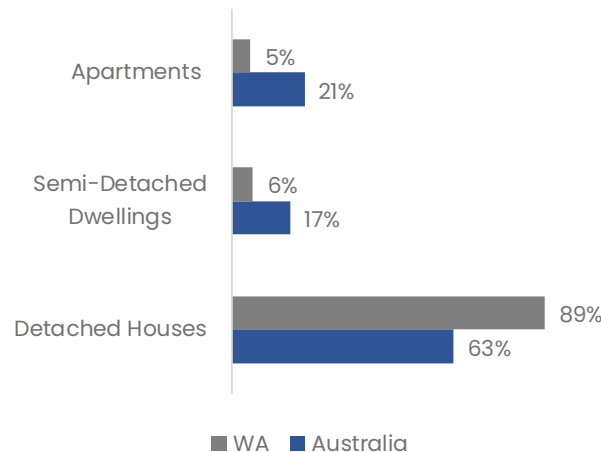


Excluding houses

4,430

-3.9% YoY

Proportion of Dwelling Approvals by Type, Rolling 12 Month Average WA v Australia (to April 2024)



Residential Construction

Building Activity (ABS)

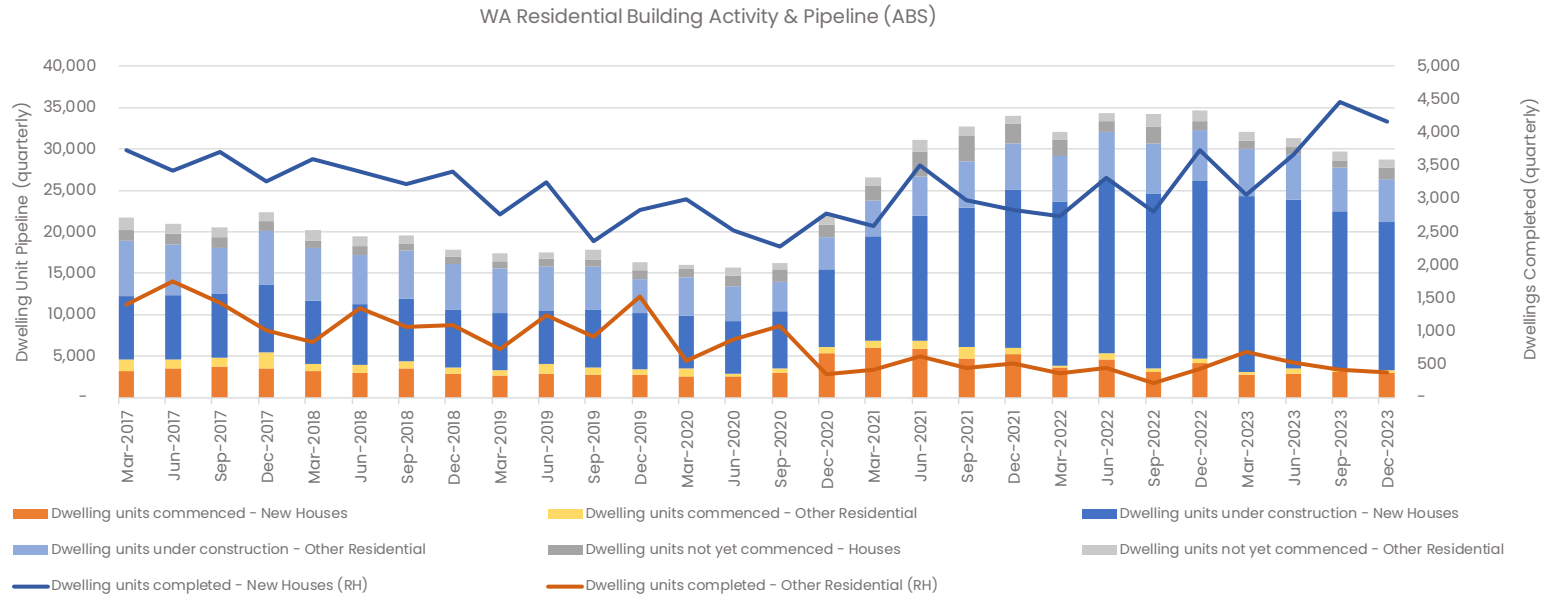
3,302

Volume of WA's new dwelling commencements in December 2023 quarter

-4.2% QoQ

-30.3% YoY

-38.7% Long run ave



3,004

Separate house commencements in December 2023 quarter

-2.9% QoQ

-27.7% YoY

-29.9% Long run ave

288

Other residential typology commencements in December 2023 quarter

-17.2% QoQ

-49.1% YoY

-73.1% Long run ave

17,929

Detached houses under construction across WA in December 2023 quarter

-6.0% QoQ

-16.4% YoY

+49.3% Long run ave

Economy

Labour Force (ABS)



4.2%

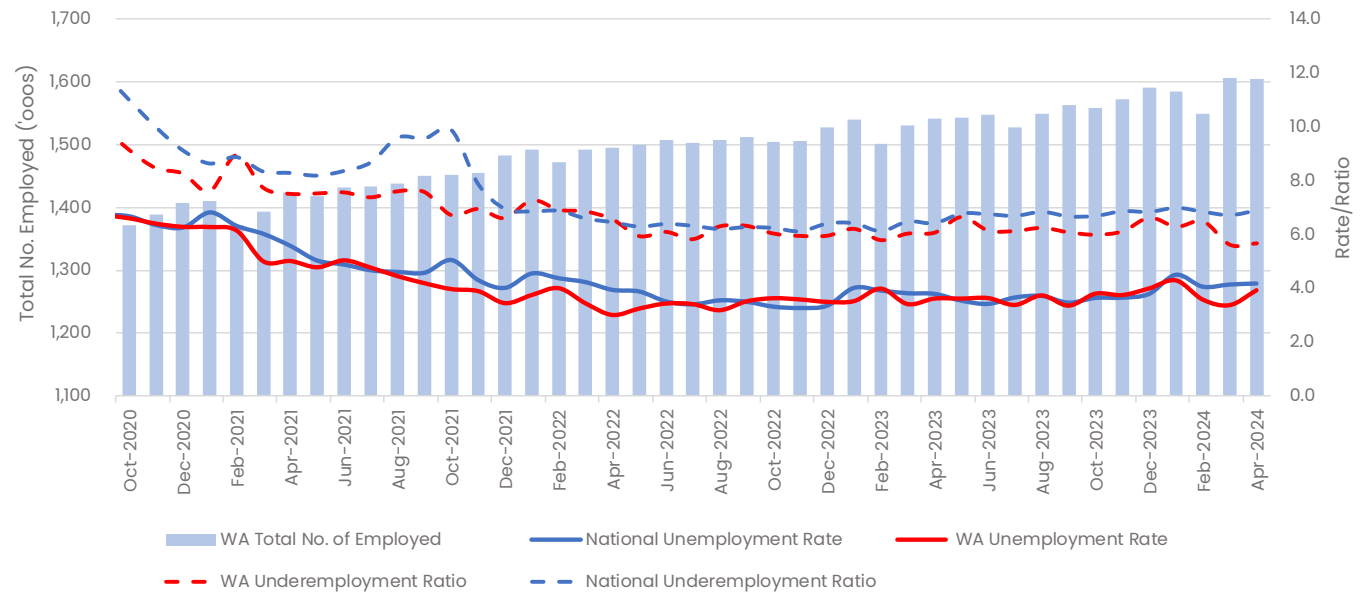
Australia's unemployment rate in April



3.9%

WA's unemployment rate in April

WA & National Labour Force Snapshot (ABS)



Participation rate		Underemployment rate	
National	WA	National	WA
66.7%	68.5%	6.88%	5.66%
+0.21% MoM	-0.67% MoM	+2.57% MoM	+0.99% MoM

Economy

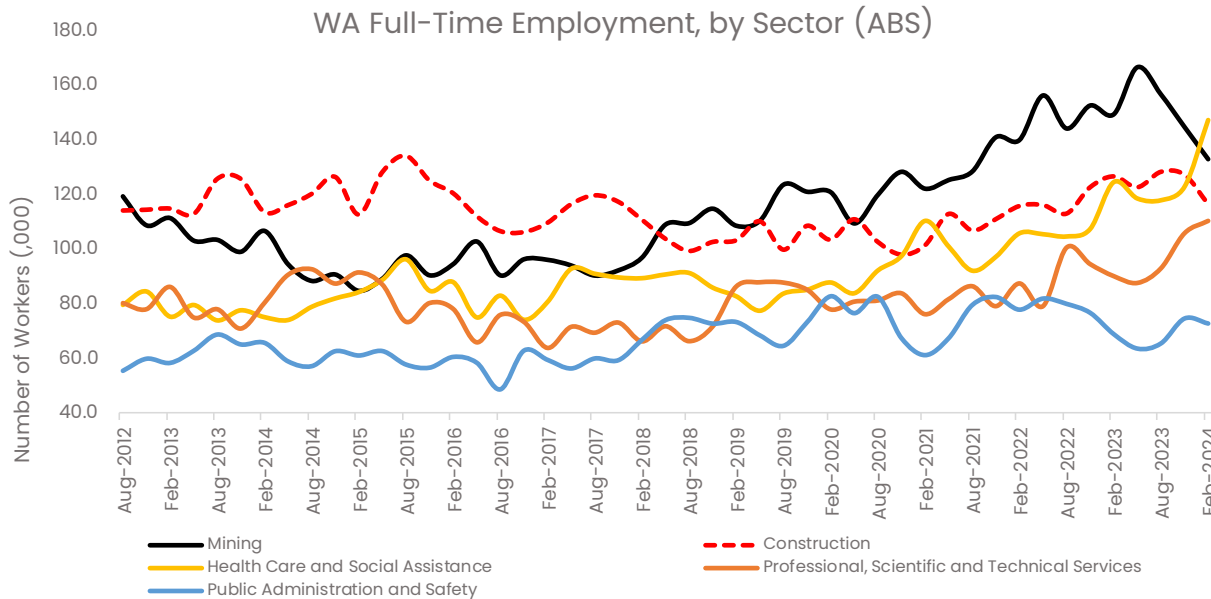
Labour Force Detailed (ABS)



116,307

Total number of workers in the WA construction industry in the three months as at February 2024

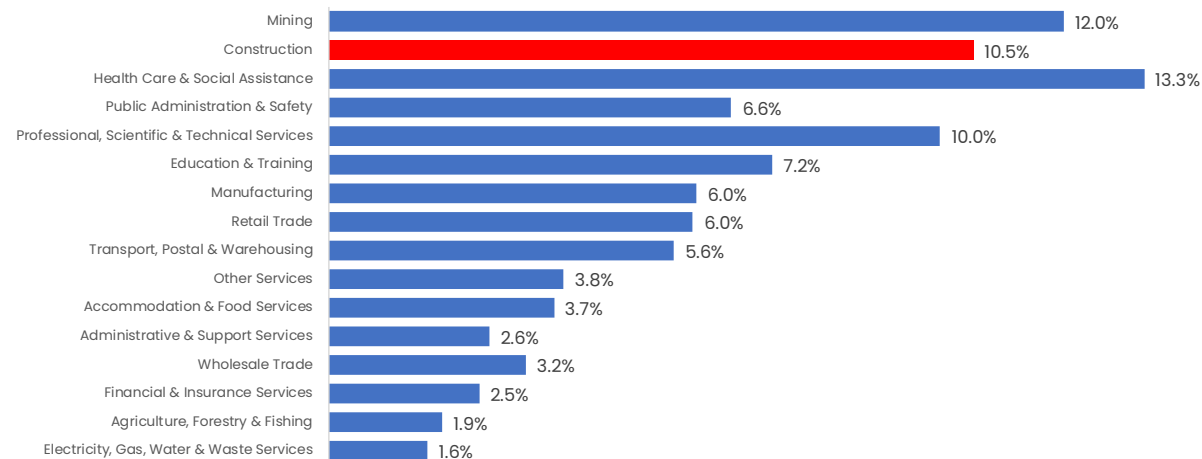
-8.5% QoQ
-8.1% YoY



10.5%

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

WA Full-Time Employment Industry Composition (Feb 2024) (ABS)

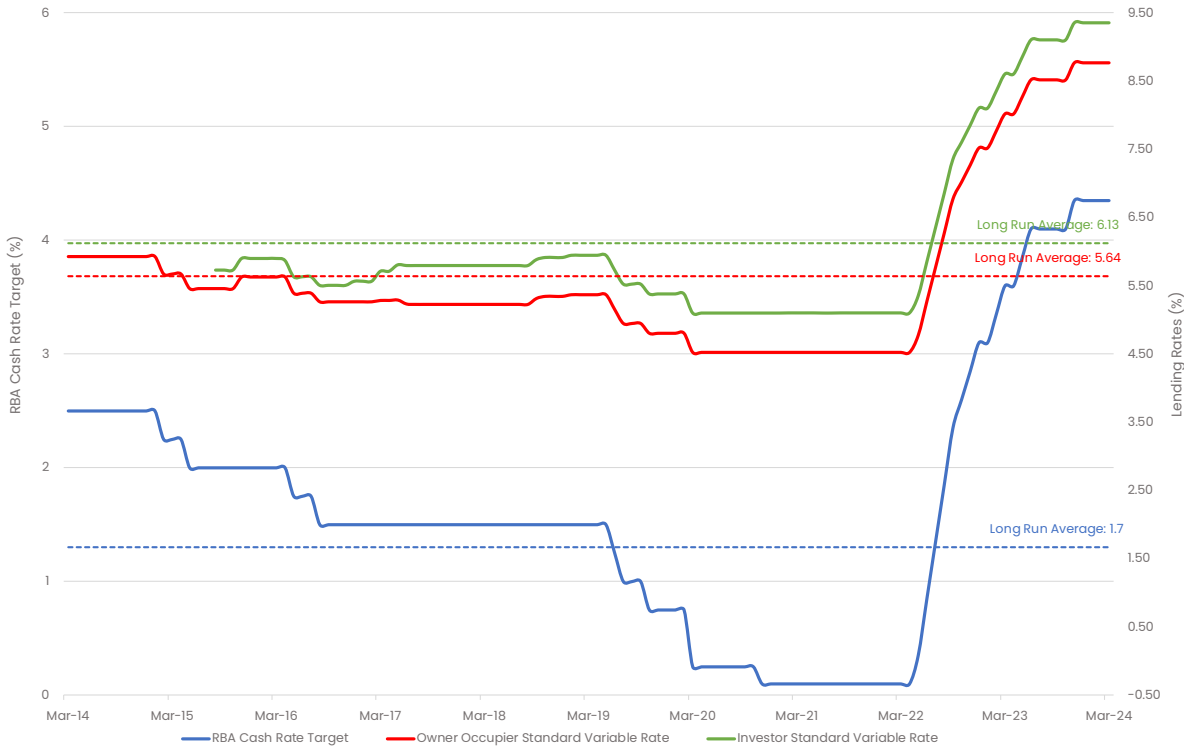


Proportion of Total Labour Force

Economy

Housing Rates & Cash Rate

Cash Rate & Indicator Lending Rates (RBA)



4.35%

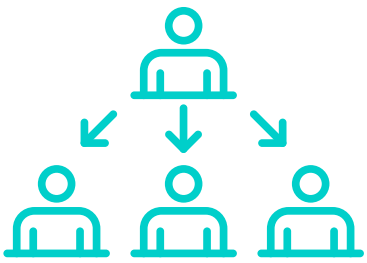
Cash rate target following RBA May Monetary Policy Meeting
+/-0.0% MoM
+0.8% YoY

8.8%

Owner-occupier variable interest rate
+/-0.0% MoM
Highest level since Sep 2008

9.4%

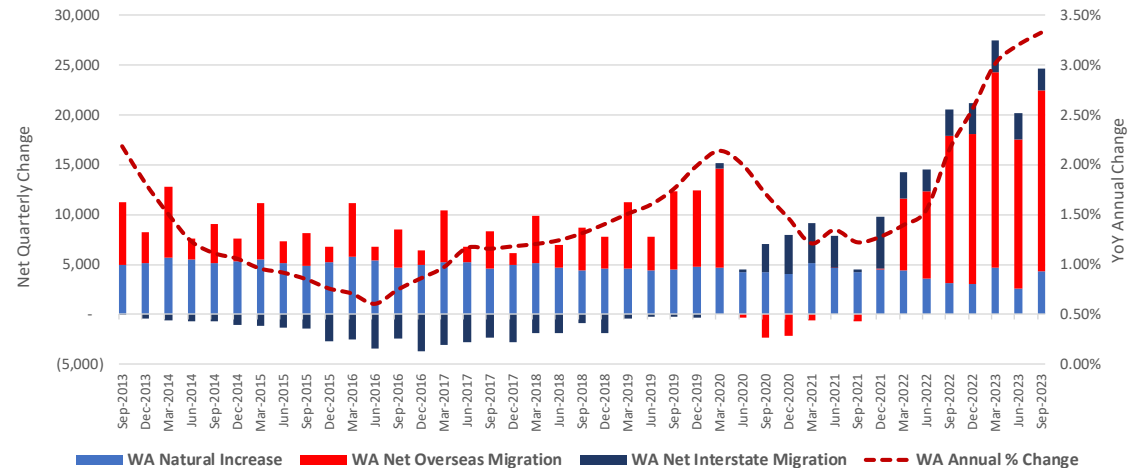
Investor standard variable lending rate
+/-0.0% MoM
Highest level since Sep 2008



24,695

WA net population growth
+22% QoQ

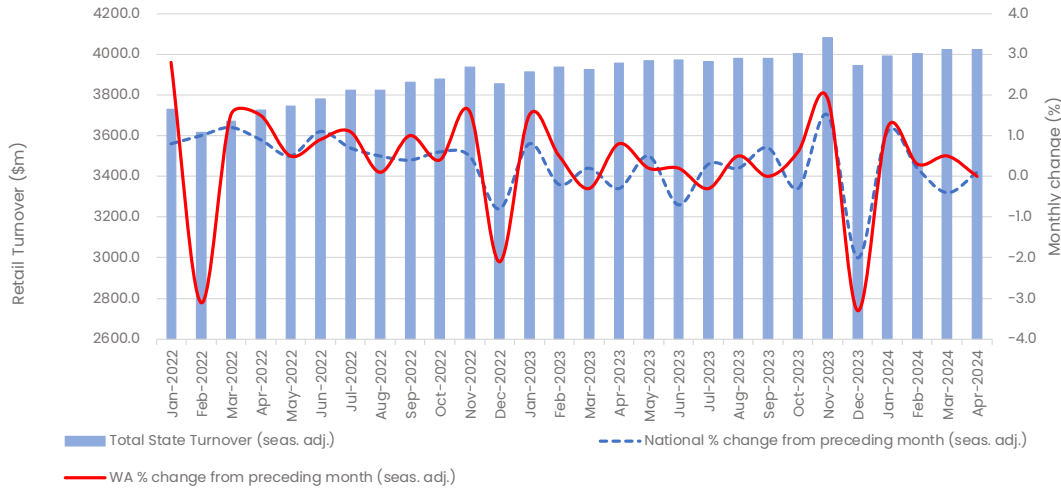
WA Population Quarterly Growth by Component (ABS 3101)



Economy

Retail Trade (ABS 8501)

WA Retail Turnover (ABS)



\$35.71 b

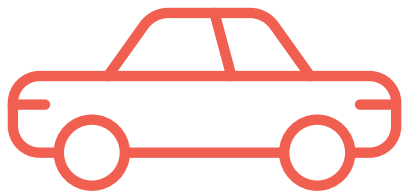
National retail turnover in April

+0.1% MoM
+1.3% YoY

\$4.02 b

WA retail turnover in April

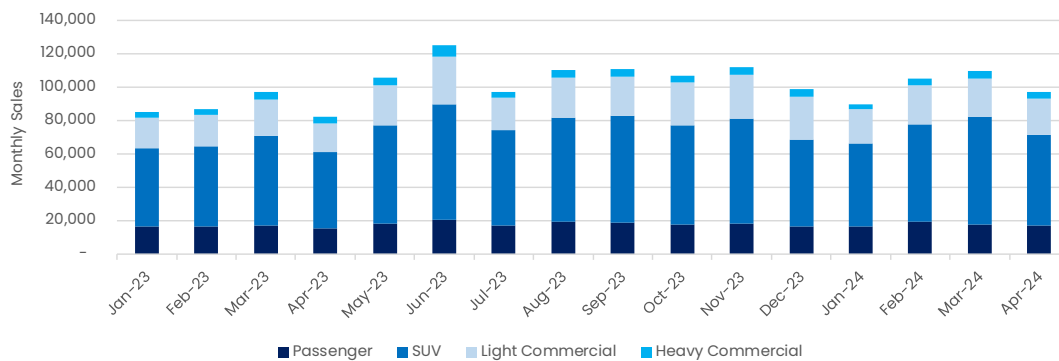
+/-0.0% MoM
+1.7% YoY



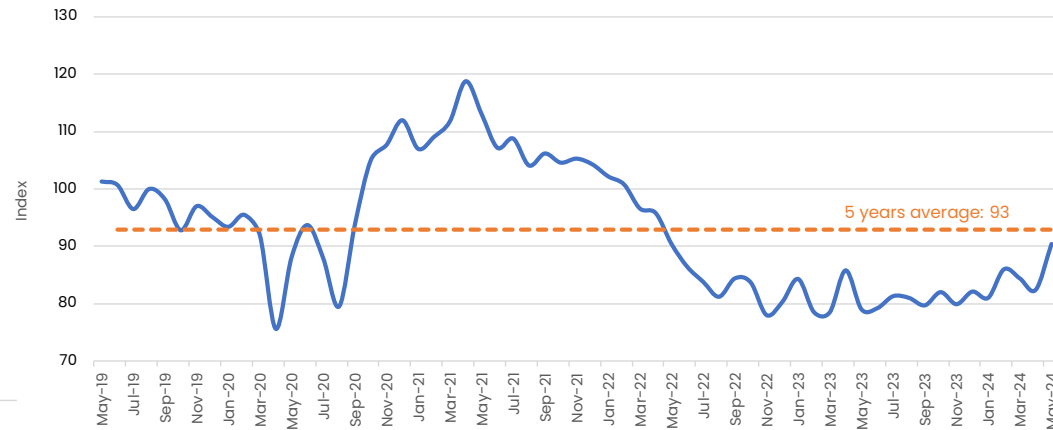
97,202

New Vehicle Sales sold in Australia in April 2024

New Vehicle Sales by Class, Australia (FCAI)



Consumer Sentiment Index (Westpac - Melbourne Institute)



90.4

Consumer Sentiment Index in April 2024

+9.7% MoM
+14.4% YoY



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