

UDIA WA

Urban Intelligence

October 2022

Monthly economic & WA property market analysis

UDIA Principal Research Partners



Economy		Freq.	Current M/Q	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Official Cash Rate Target (RBA)	⬆️	M	Nov-22	2.85	25	2.60	0.3 bps
Owner Occupier Variable Mortgage Rate (RBA)	⬆️	M	Oct-22	7.02	25.0	6.69	0 bps
Retail Turnover - WA, total industry (ABS, seasonally adjusted)	⬆️	M	Sep-22	\$3.61b	1.4%	\$3.54b	7.5%
Unemployment Rate - WA (ABS, seasonally adjusted)	⬆️	M	Oct-22	3.6%	0.1%	3.4%	-0.3%
Underemployment Rate - WA* (ABS, seasonally adjusted)	⬆️	M	Oct-22	5.8%	-0.5%	6.1%	-0.9%
Estimated Resident Population - WA (ABS)	⬆️	Q	Mar-22	2,773,435	0.4%	2,763,273	1.2%
WA State Final Demand (ABS)	⬆️	Q	Jun-22	\$57.4b	-0.1%	\$57.08b	3.5%
Consumer Price Index - Greater Perth (ABS)	⬆️	Q	Sep-22	124.8	-0.6	124.5	7.1
Consumer Price Index - Greater Perth Housing (ABS)	⬆️	Q	Sep-22	120	-9.6	125.4	4.1
Wage Price Index - WA (ABS)	⬆️	Q	Sep-22	140.7	2.5	138.8	4.5

Residential Land Development		Freq.	Current M	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Average weekly sales for the month (UDIA Land Snapshot)	⬆️	M	Oct-22	96	-2.8%	102	-33.8%

Residential Construction		Freq.	Current M/Q	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Total Number of Dwelling Unit Approvals - WA (total residential)* (ABS)	⬆️	M	Sep-22	1,192	-20.2%	1,294	-28.8%
Number of House Approvals, all sectors - WA* (ABS)	⬆️	M	Sep-22	1,078	-18.2%	1,178	-18.9%
Number of Semi-detached Approvals, all sectors - WA* (ABS)	⬆️	M	Sep-22	53	-32.1%	60	-50.0%
Number of Multi-res. Approvals, all sectors - WA* (ABS)	⬆️	M	Sep-22	61	-37.1%	55	-74.4%
Dwelling Commencements - WA, New Houses, all sectors* (ABS)	⬆️	Q	Jun-22	4,591	26.1%	4,488	-21.5%
Dwelling Completions - WA, New Houses, all sectors* (ABS)	⬆️	Q	Jun-22	3,290	20.1%	2,954	-5.9%

Property Finance		Freq.	Current M/Q	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Construction of New Owner Occupier Dwellings - WA*^ (ABS)	⬆️	M	Sep-22	559	-14.0%	603	-29.9%
Purchase of New Build Owner Occupier Dwellings - WA*^ (ABS)	⬆️	M	Sep-22	127	-20.6%	146	-44.5%
Purchase of Owner Occupier Residential Land - WA*^ (ABS)	⬆️	M	Sep-22	190	-20.2%	207	-35.2%
FHOG Applications - WA* (WA Treasury)	⬆️	M	Oct-22	332	-0.6%	361	-29.5%
FHOG Paid - WA* (WA Treasury)	⬆️	M	Oct-22	474	11.3%	467	-43.1%

Residential Property Market		Freq.	Current M/Q	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Total for Sale Property Listings - Perth: 4 week count (CoreLogic)	⬆️	M	Sep-22	13,945	-0.3%	14,027	-2.1%
Average Selling Days - Houses: Perth (CoreLogic)	⬆️	M	Sep-22	16	0.0%	16	-15.8%
Median House Price - Perth (CoreLogic) (\$)	⬆️	M	Aug-22	538,000	0.6%	535,000	2.5%
House Sales (last 12 months) Perth (CoreLogic)	⬆️	M	Aug-22	41,622	-0.2%	41,649	8.7%
Median Unit Price - Perth (CoreLogic) (\$)	⬆️	M	Aug-22	400,000	-1.2%	403,333	-0.5%
Unit Sales (last 12 months) Perth (CoreLogic)	⬆️	M	Aug-22	11,003	-1.1%	11,105	11.4%
Median Land Price - Perth (UDIA) (\$)	⬆️	Q	Sep-22	232,988	1.3%	238,687	-5.8%
Land Sales - Perth (UDIA)	⬆️	Q	Sep-22	1,300	-21.4%	1,611	-41.5%

Residential Rental Market		Freq.	Current M/Q	Current Figure	M/Q Change	3 M/Q Rolling Av.	YOY Change
Median House Rent (per week) - Perth (SQM)	⬆️	M	Oct-22	\$606	0.66%	\$602	15.43%
Median Unit Rent (per week) - Perth (SQM)	⬆️	M	Oct-22	\$464	1.98%	\$453	15.42%
Vacancy Rate - Perth (SQM)	⬆️	M	Oct-22	0.4%	-0.10%	0.5%	-33.33%

NOTE: Grey shading indicates current data with no available update since previous month

Data is correct as of 18 November 2022

Landgate data is based on settlements with a land area of under 2,000sqm

Landgate data is correct at the time of publication yet may not represent all settlements during the period

*Original numbers

^ Finance Commitments, excluding refinancing

Western Australia's (Modestly) Rising Property Markets Defy the Downward National Trend

Welcome to this month's edition of UDIA WA's Urban Intelligence report, your one-stop-shop for monthly residential market and economic statistics for Western Australia.

Monthly dwelling approval volumes are viewed as a lead indicator for forward property market performance and economic activity within the building sector and broader economy – as well as providing a useful indicator of the strength of consumer and investor confidence. In September there was a total of 1,192 dwelling approvals registered across Western Australia which was a retraction of 20% on August, 29% down on 12 months earlier, and 36% below the long run average.

Clearly developers' forward expectations of new dwelling commencements has softened significantly from this time last year, but this is more a reflection of capacity to deliver new supply (and soaring construction costs) rather than signalling a significantly reduced demand profile.

The retraction of approvals is currently being experienced across most of the nation's major housing markets with national approvals down 17% year-on-year. There is however considerable variability across the capital cities and major regional markets in terms of the current stage of the market cycle.

According to the Herron Todd White (HTW) October 2022 National Property Clock tracking of the nation's major housing markets, Perth is the only capital city market rated as a 'rising market' for detached houses and for multi-

units. All of WA's major regional markets are also either classified as being at the 'rising market' or 'approaching the peak of market' which largely reflects the far more modest pricing increases experienced through the COVID-era than witnessed across the Eastern Seaboard.

CoreLogic's latest pricing data underscores this point with Sydney's median new house price jumping an eye-watering \$373,500 in the 12 months to August (to \$1.25m), followed by Canberra's increasing \$140,000 (to \$915,000) and Adelaide's up \$110,000 (to \$645,000), whilst Perth's median new house price increased only \$10,000 to \$525,000. While pricing is now starting to retract in these over heated East Coast markets, pricing in Perth and across most regional markets has remained firm and still increasing modestly in certain sub-markets.

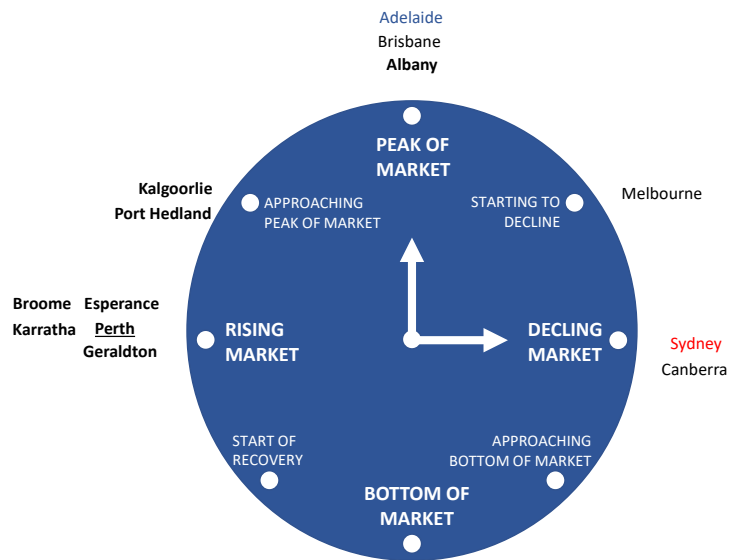
The HTW National Property Market clocks provide a very interesting lens on relative market activity and cycle phase and will be included as a standing feature in the main body of future Urban Intelligence reports.

We hope you enjoy this edition of Urban Intelligence, and as always welcome your valuable feedback on publication inclusions and thoughts for future enhancements.

National Property Clock: Houses (October 2022)

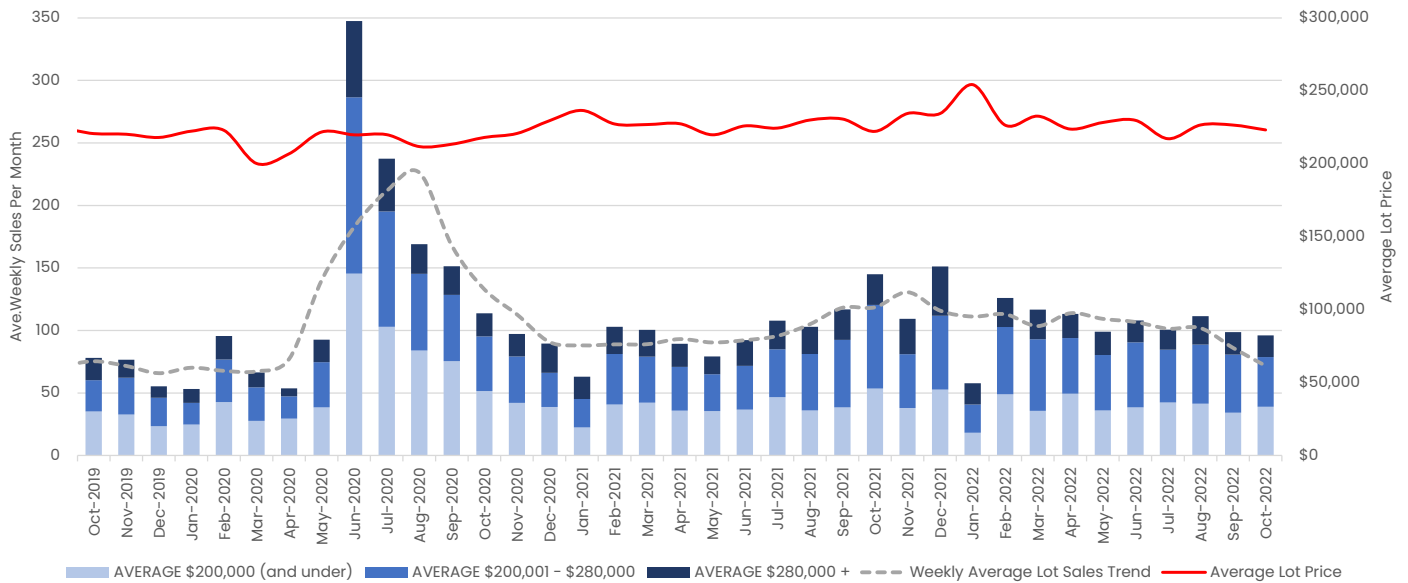


National Property Clock: Units (October 2022)

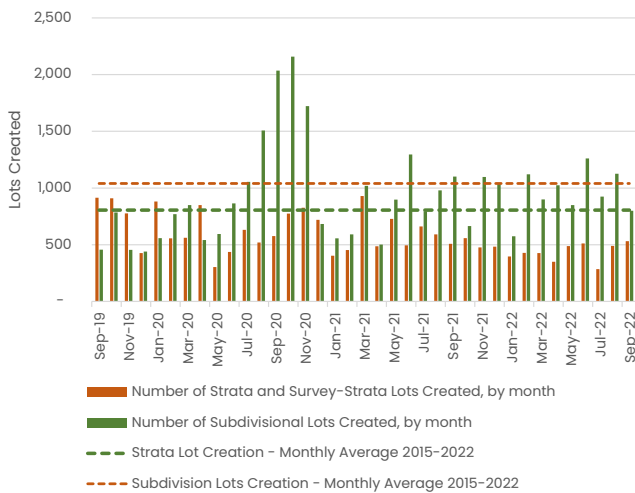


Source: HTW: <https://static.htw.com.au/HTW-month-in-review-October-2022-Residential.pdf>

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



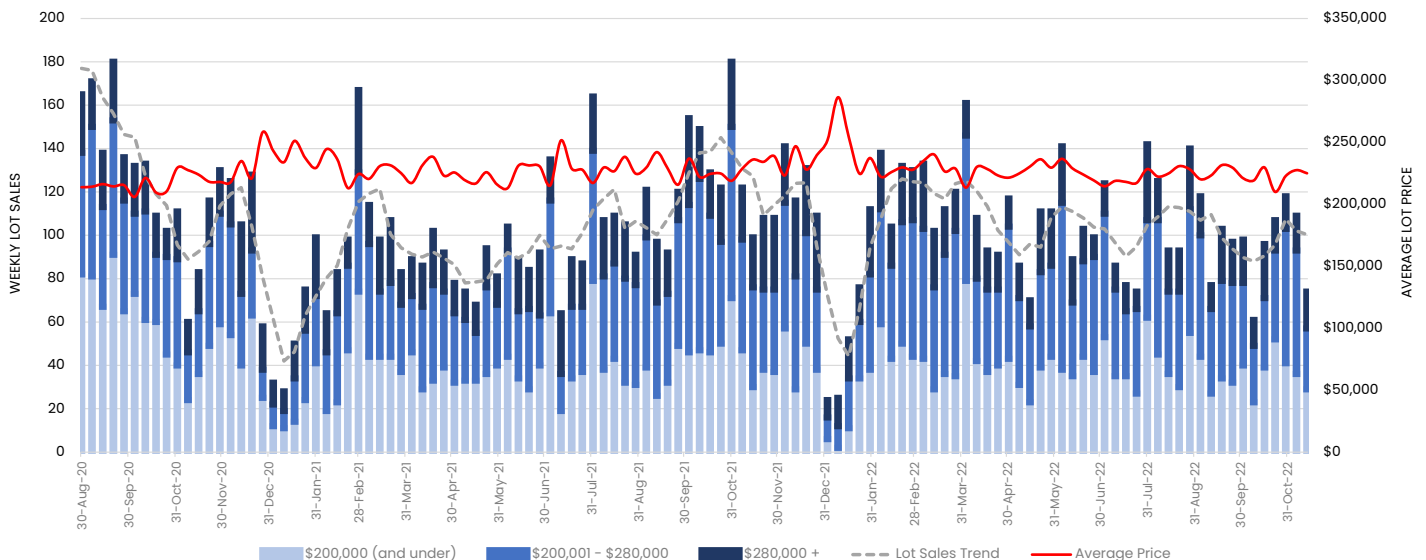
No. of Strata & Subdivisional Lot Titles Created, by Month (Landgate)



UDIA WA Land Snapshot Survey

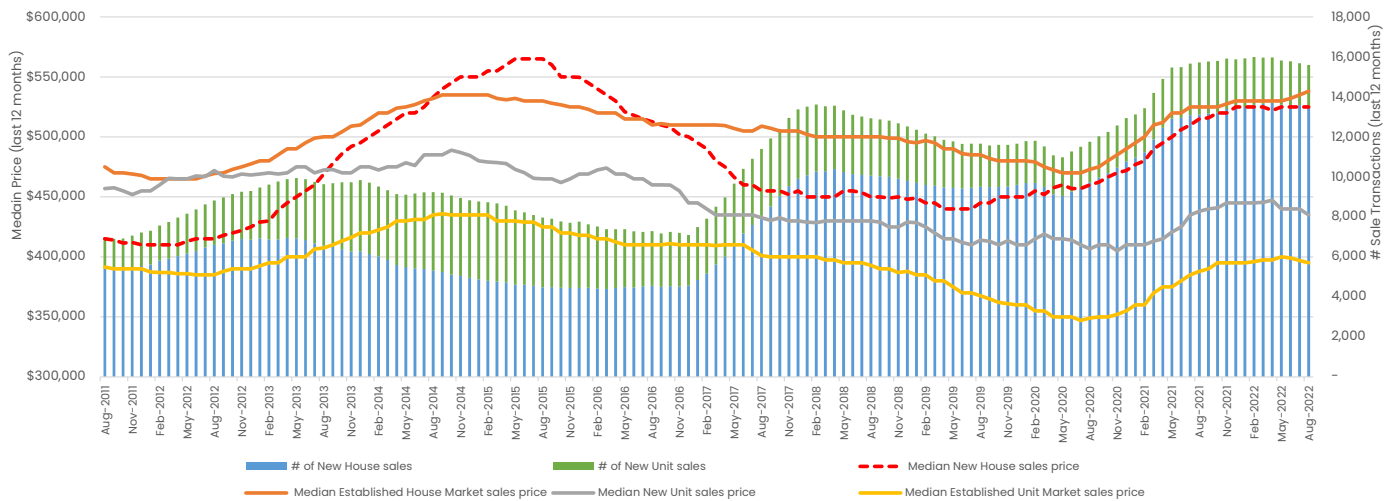
- In October, UDIA WA's Land Snapshot survey averaged 96 lot sales per week, reflecting a 2.8% decrease in sales volumes from September, and was 34% lower than the same time the year prior.
- The average weekly number of lot sales in October priced \$200,000 (and under) increased by 42% MoM (-8.9% YoY); average sales priced \$200,001-\$280,000 decreased 7% MoM (-26% YoY); while those lots priced \$280,000+ increased by 19% MoM (-12% YoY).
- The average lot price for October retracted 1.5% to \$223,175 which is 0.4% lower than the \$222,190 recorded for October 2021.

UDIA WA Weekly Land Snapshot Sales Data



Residential Property Market

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



Residential Property Transactions (CoreLogic)

- Perth's median established house price remained flat at \$540,000 across the 12 months to the end of August 2022 which reflects a -39% discount on the weighted average of the combined capital cities of \$879,160.
- The other capital cities recorded far stronger median price growth (whole of market) across the 12 months to August led by Brisbane (+23% to \$765,000), Canberra (+21% to \$990,000), Adelaide (+21% to \$625,000) and Sydney (+14% to \$1.38M).
- Perth's median price for newly built houses in August was \$525,000, increasing by 3% since July 2021.
- The annual volume of new house sales totalled 13,556 in Perth across the 12 months to August 2022 which reflected a 3% annual uplift, while the volume of newly built unit sales was 2,040 (-21% YoY).

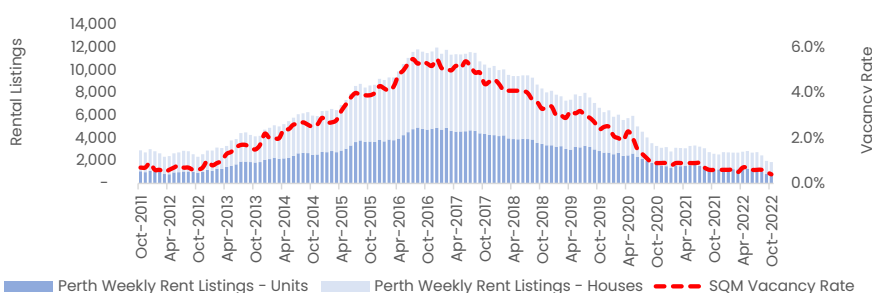
Median New Build House Price, Aug '21 & Aug '22 (CoreLogic)



Weekly Rental Listings (SQM)

- Perth's average weekly rental listings for houses in October 2022 to date decreased by 1.3% MoM to 1,143 which represented a 17% decrease from twelve months prior.
- Weekly unit rental listings for Perth decreased by -11% over the month to 751, which was 40% below levels from the same time the year prior.
- Median weekly rents continue to trend upward with asking prices for houses in September 2022 up 0.7% MoM to \$606pw which is up 15% from a year earlier. Unit rents were up 2% MoM and up 15% YoY to \$464 pw.
- SQM's residential vacancy rate for Perth plunged to 0.4% for October – the tightest level recorded in over 17 years.

Perth Weekly Rent Listings & Vacancy Rate (SQM)



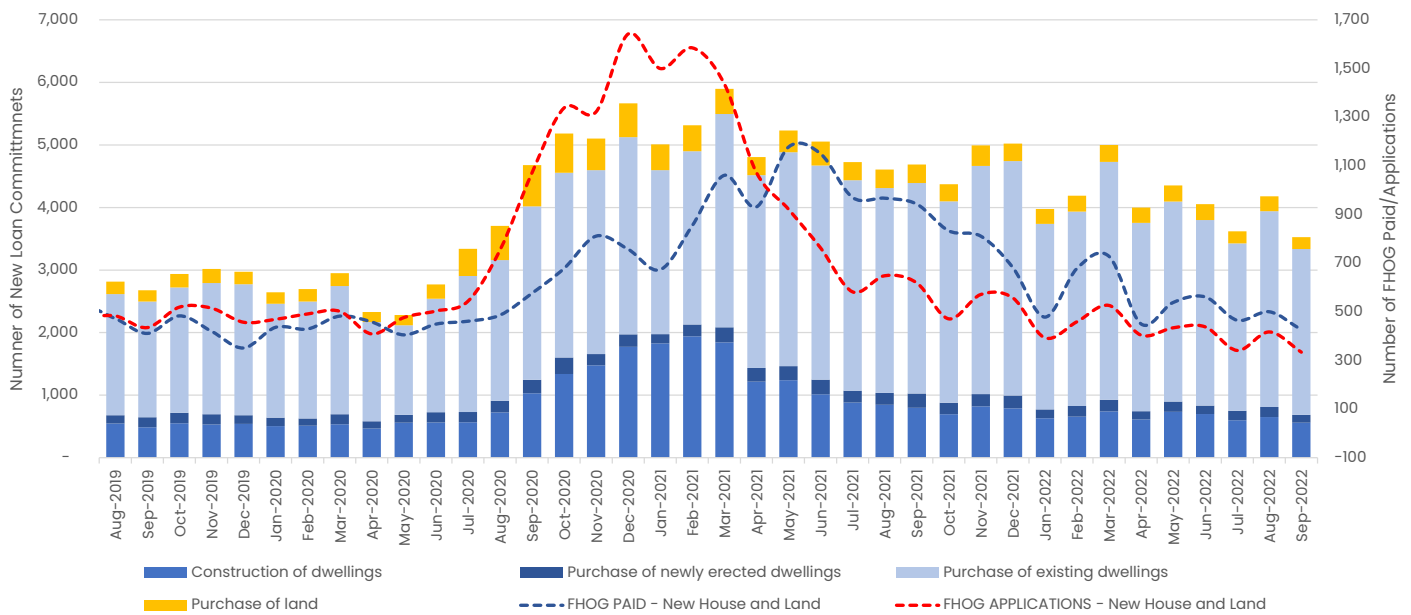
Perth New Build Median House Price (August 22)

\$525,000

35% Lower than Combined Capital City Ave

Residential Property Market

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



Owner Occupier Lending Activity

- Owner occupier lending for total new housing loan commitments across WA decreased by 16% in September MoM to 3,737 which reflected a decline of 24% YoY.
- Owner occupier loans for the construction of new dwellings decreased by 14% and is -30% down on the same time last year, while loans for the purchase of newly erected dwellings is down 21% YoY.
- Loans for the purchase of residential land lots totalled 212 for September, down 15% on August but up 2% YoY.
- Monthly owner occupier lending volumes for established market properties is 8% above the decadal monthly average, albeit retracted -21% YoY.
- First Home Buyer Grants paid for new house and land packages totalled 426 for September, a decrease of 15% from the previous month, but was 55% down from September 2021.

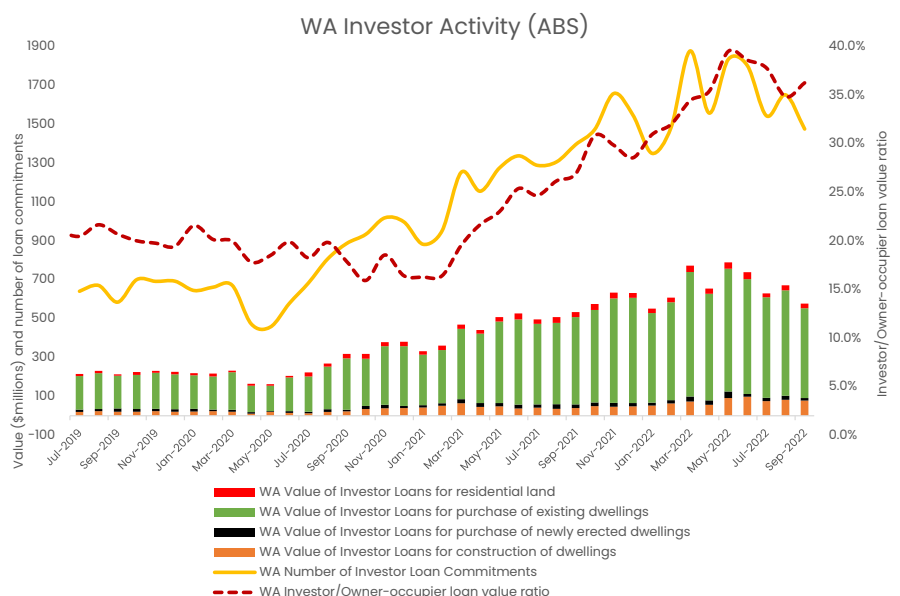
Investor Activity

- Investor new loan commitments made nationally in September decreased 9.3% MoM to 15,733 (-16% YoY), the value of which totalled \$8.4 billion (-14% YoY).
- The number of WA investor loan commitments decreased 11% MoM to 1,476 (+5.7% YoY), the value of which was down 14% MoM to \$592 million (+32% YoY).

Owner Occupier Housing Lending Activity

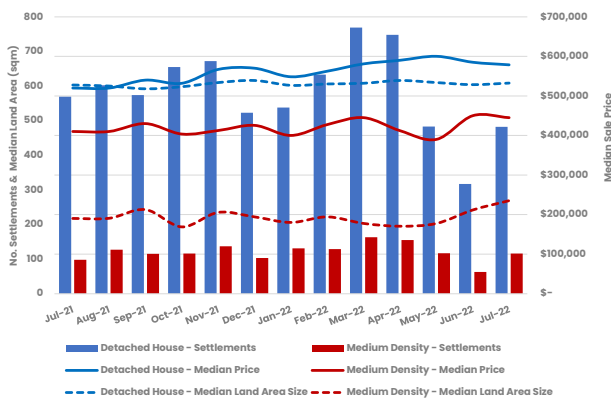
-30%

For Construction of Dwellings in the 12 months to Sep 22

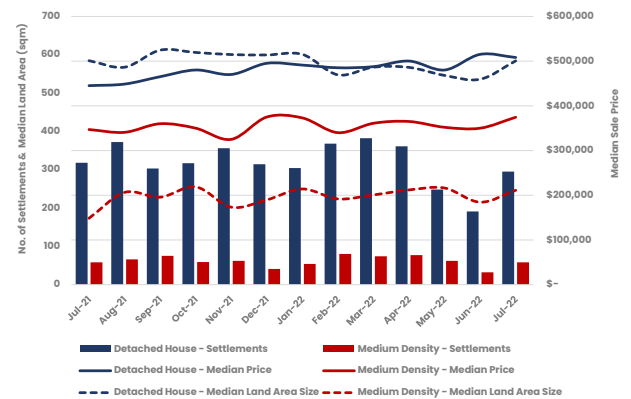


Residential Property Settlements

North-West Corridor: Detached & Medium Density Settlements (Landgate)



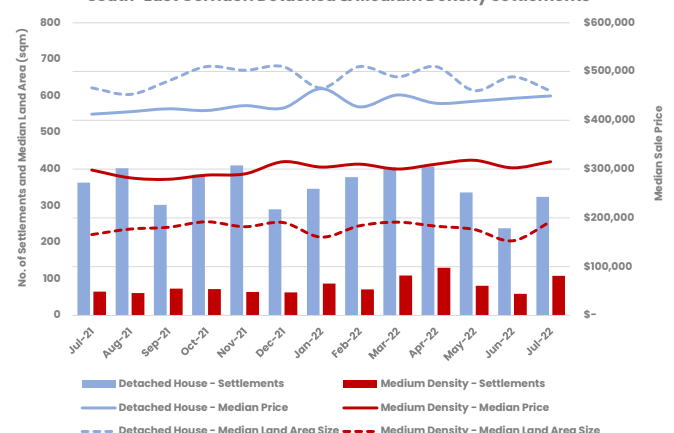
North-East Corridor: Detached & Medium Density Settlements (Landgate)



South-West Corridor: Detached & Medium Density Settlements (Landgate)



South-East Corridor: Detached & Medium Density Settlements (Landgate)

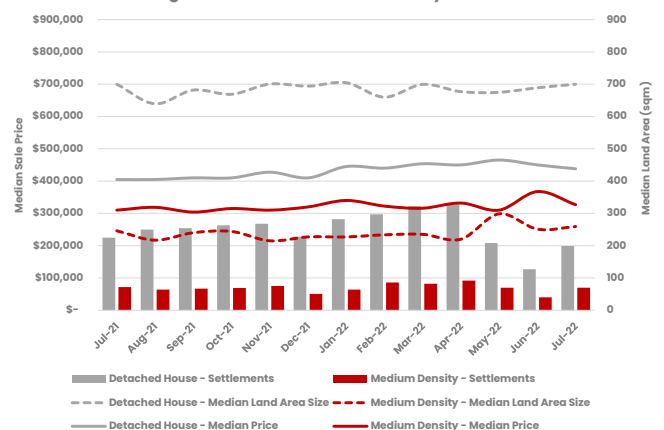


July 2022: Monthly Settlements by Metropolitan Corridor

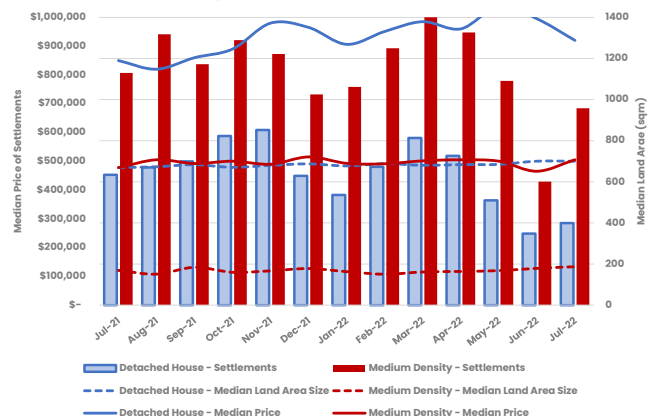
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Central Metro	1395	270	\$585,000
Detached House	399	700	\$920,000
Medium Density	958	187	\$505,000
Vacant Land	38	360	\$444,000
North-East Metro	382	510	\$475,000
Detached House	295	584	\$508,000
Medium Density	58	246	\$374,500
Vacant Land	29	375	\$250,000
North-West Metro	646	543	\$536,000
Detached House	482	609	\$578,500
Medium Density	116	269	\$445,000
Vacant Land	48	337	\$198,500
Peel	308	577	\$408,500
Detached House	199	700	\$438,000
Medium Density	70	259	\$326,750
Vacant Land	39	492	\$199,000
South-East Metro	450	536	\$420,000
Detached House	324	614	\$450,000
Medium Density	108	257	\$315,000
Vacant Land	18	416	\$289,000
South-West Metro	643	512	\$450,000
Detached House	479	603	\$475,000
Medium Density	125	191	\$360,000
Vacant Land	39	374	\$200,000

(Landgate)

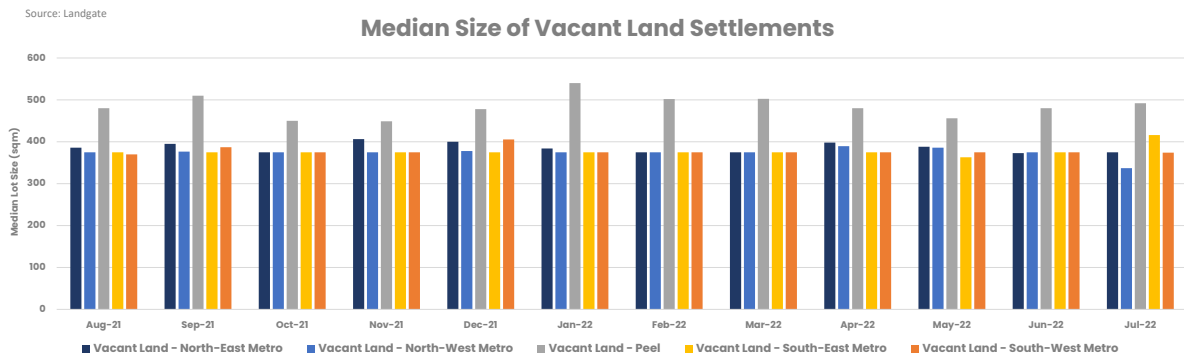
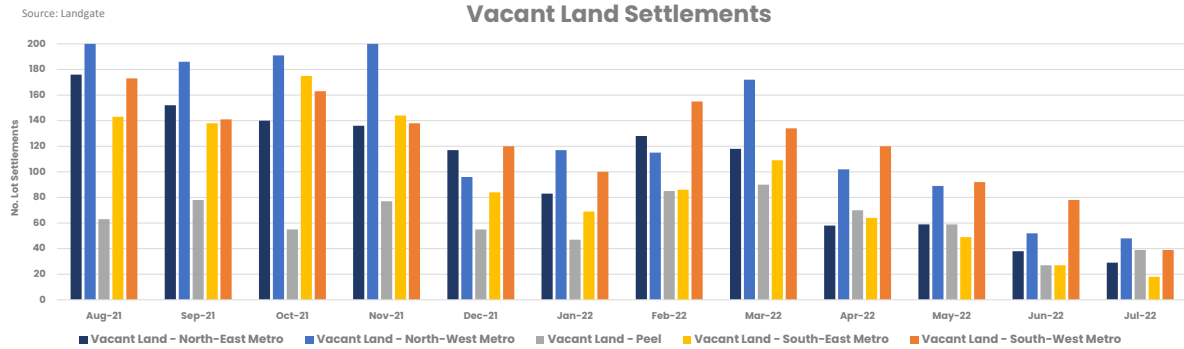
Peel Region: Detached & Medium Density Settlements (Landgate)



Central Metro Region: Detached & Medium Density Settlements (Landgate)



Vacant Land Settlements

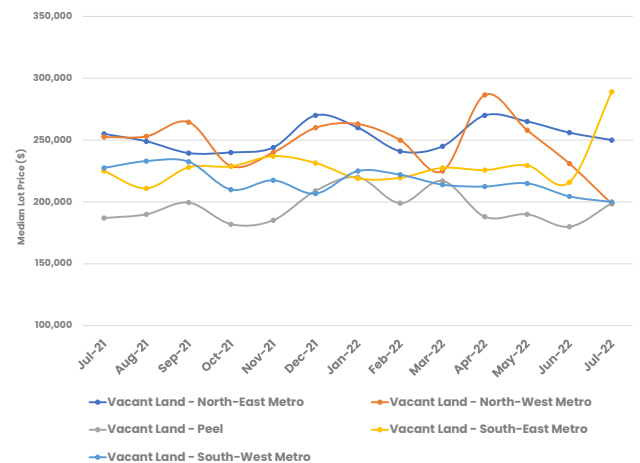


Vacant Land Settlements

- The volume of vacant land settlements across Greater Perth and Peel totalled 6,856 for the 12 months to July 2022, which reflected a 38% decline in total vacant land settlements recorded in the previous 12 months.
- The median price in vacant land settlements across Perth and Peel totalled \$212,500 for July 2022 reflecting a 1.6% drop on June settlements and -10% fall on 12 months prior.

6,856 Vacant land settlements across Greater Perth and Peel in 12 months to July 2022

Median Price of Vacant Land Settlements

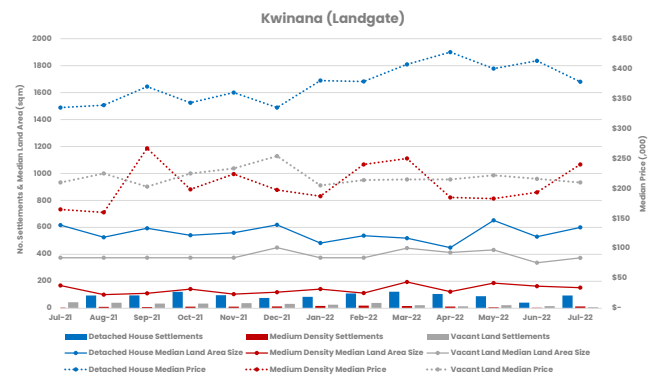
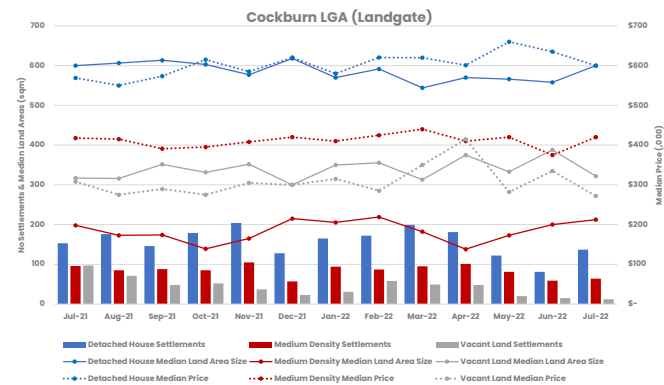
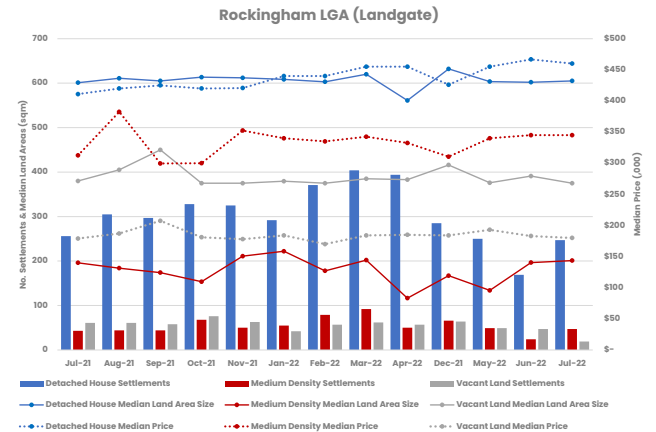
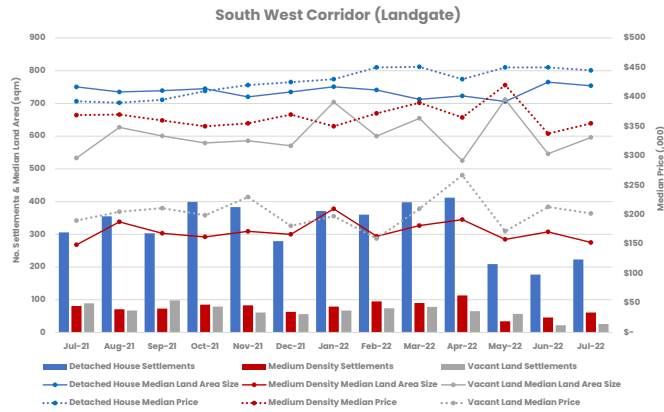


Three Months to July 2022: WA Regional Property Settlements*			
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Gascoyne	48	809	\$335,000
Detached House	26	933	\$580,000
Medium Density	12	232	\$347,500
Vacant Land	10	755	\$195,000
Goldfields Esperance	313	794	\$307,500
Detached House	209	838	\$326,020
Medium Density	86	444	\$300,000
Vacant Land	18	830	\$84,000
Great Southern	335	728	\$425,000
Detached House	241	785	\$490,500
Medium Density	61	274	\$370,000
Vacant Land	33	648	\$180,000
Kimberley	14	630	\$412,500
Detached House	7	851	\$470,000
Medium Density	5	173	\$450,000
Vacant Land	2	576	\$135,000

Three Months to July 2022: WA Regional Property Settlements*			
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Mid West	363	804	\$295,000
Detached House	272	820	\$325,000
Medium Density	50	307	\$250,000
Vacant Land	41	825	\$96,000
Pilbara	210	667	\$435,500
Detached House	135	708	\$480,000
Medium Density	60	271	\$345,000
Vacant Land	15	655	\$690,000
South West	855	700	\$410,000
Detached House	609	738	\$445,000
Medium Density	141	285	\$370,000
Vacant Land	105	664	\$187,500
Wheatbelt	237	1,012	\$200,000
Detached House	184	1,012	\$220,000
Medium Density	17	483	\$295,000
Vacant Land	36	1,012	\$72,500

(Landgate)

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.



South West Corridor

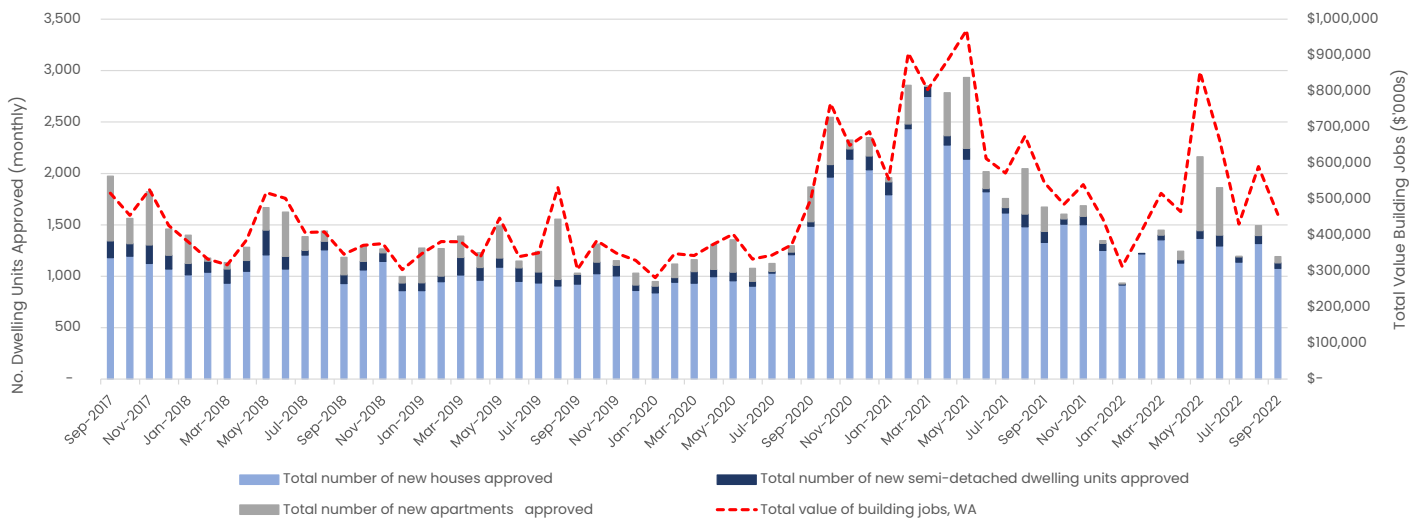
- Over the twelve months to July 2022, there was a total of 9,968 settlements recorded for the South West Corridor which represented a decrease of 0.8% YoY with 50% of these sales located in the City of Rockingham, 34% in the City of Cockburn and 16% in the City of Kwinana.
- The median established detached house price for the Corridor rose 6% YoY to sit at \$460,000 the medium density/multi-unit median price grew 7% to \$370,000, while the median vacant land price increased 0.9% to \$219,000 across the last 12 months.
- Total settlements for the Corridor over the twelve months to July 2022 consisted of 6,695 detached house settlements (67%), 1,820 medium density settlements (18%) and 1,453 vacant land settlements (15%).

South West Region: 12 months to July 2022				12 months to July 2021			YOY COMPARISON		
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)	Settlements (#)	Median Land Area (sqm)	Median Price (\$)	Settlements	Median Land Area (sqm)	Median Price (\$)
Total South Region	9,968	488	421,000	10,053	450	361,000	-0.8%	8.4%	16.6%
Detached House	6,695	600	460,000	5,458	606	435,000	22.7%	-1.0%	5.7%
Medium Density	1,820	174	370,000	1,528	185	345,000	19.1%	-5.9%	7.2%
Vacant Land	1,453	375	219,000	3,067	364	217,000	-52.6%	3.0%	0.9%
Rockingham LGA	4,990	538	415,000	4,313	526	350,000	15.7%	2.2%	18.6%
Detached House	3,667	607	440,000	2,792	617	400,000	31.3%	-1.6%	10.0%
Medium Density	668	181	330,000	495	186	298,000	34.9%	-2.7%	10.7%
Vacant Land	655	391	184,000	1,026	381	176,000	-36.2%	2.6%	4.5%
Kwinana LGA	1,623	450	335,000	1,579	426	250,000	2.8%	5.6%	34.0%
Detached House	1,138	540	372,250	792	541	336,750	43.7%	-0.1%	10.5%
Medium Density	151	132	190,000	74	152	220,000	104.1%	-13.2%	-13.6%
Vacant Land	334	375	220,000	713	375	190,000	-53.2%	0.0%	15.8%
Cockburn LGA	3,355	409	517,000	4,161	375	446,000	-19.4%	9.1%	15.9%
Detached House	1,890	591	600,000	1,874	605	545,000	0.9%	-2.4%	10.1%
Medium Density	1,001	180	415,000	959	187	385,000	4.4%	-3.7%	7.8%
Vacant Land	464	340	296,000	1,328	313	297,000	-65.1%	8.6%	-0.3%

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.

Residential Construction

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



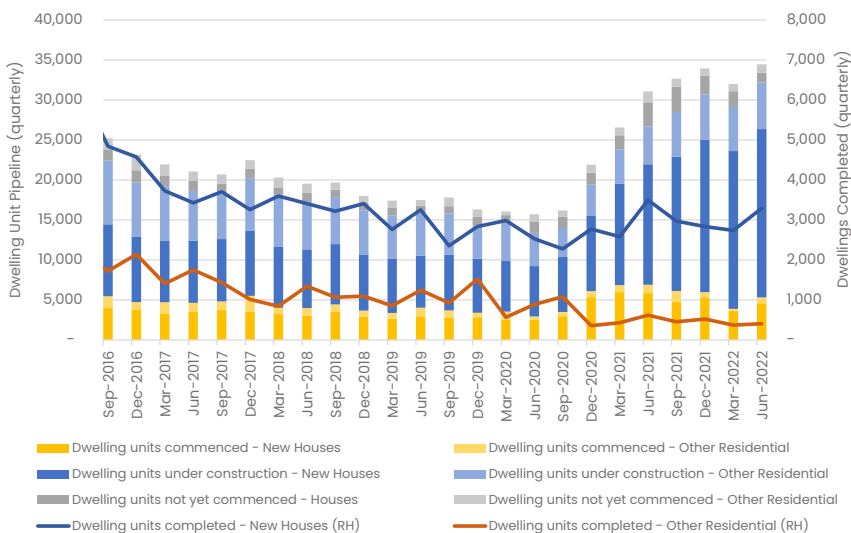
Building Approvals (ABS)

- In September, national dwelling approval numbers decreased by 6% MoM to 17,024 which reflected a -13% fall the same time in 2021. This total consisted of 9,711 approvals for houses (-15% MoM; -12% YoY) and 7,313 approvals for dwellings excluding houses (+8% MoM; -14% YoY).
- Seasonally adjusted monthly approvals figures across the country decreased by 5.8% led by a 20% retraction in SA followed by Tasmania (-11%) and NSW (-8.8%).
- Monthly dwelling unit approvals in new residential buildings in WA in September consisted of 1,078 approvals for houses (-18% MoM; -19% YoY), 53 apartments approvals (-32% YoY), and 61 semi-detached/row or terrace houses/townhouse (-37% MoM; -74% YoY).
- Across the 12 months to September 2022, 87% of approvals across WA were for detached dwellings which compared to 62% nationwide. Apartments comprised 21% of the national approval quantum versus 10% for WA, while semi-detached comprised 17% of approvals nationally but just 3% in WA.
- In September, the national value of new residential building jobs decreased by 13% MoM to \$6.9 billion which is commensurate with the value of approvals from September 2021.

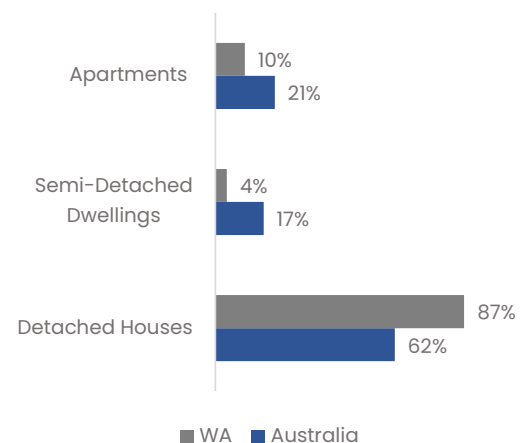
Building Activity (ABS)

- There were a record 21,030 detached houses under construction across WA in the June 2022 quarter which was +7% on the March quarter, +57% YoY and +88% on the long run average.
- The volume of WA's new dwelling commencements increased by 37% QoQ to 5,336 driven by a 26% jump in separate house commencements and a 213% increase in Other Residential typologies, which was coming off a low base to total 733 for June which was 33% lower than the long run average.

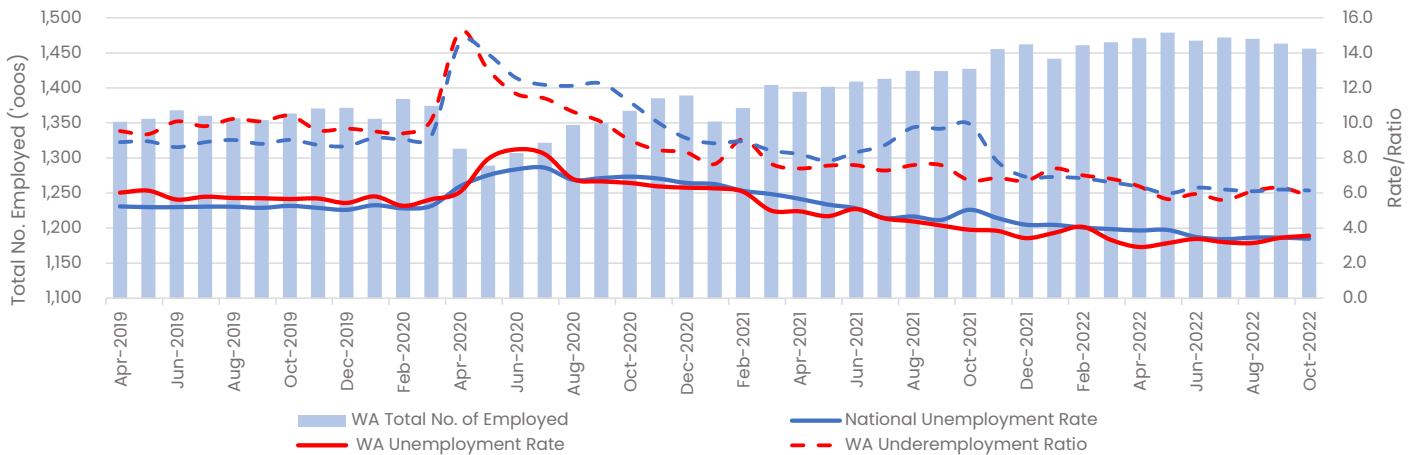
WA Residential Building Activity & Pipeline (ABS)



Proportion of Dwelling Approvals by Type, Rolling 12 Month Average WA v Australia (to Sep 2022)



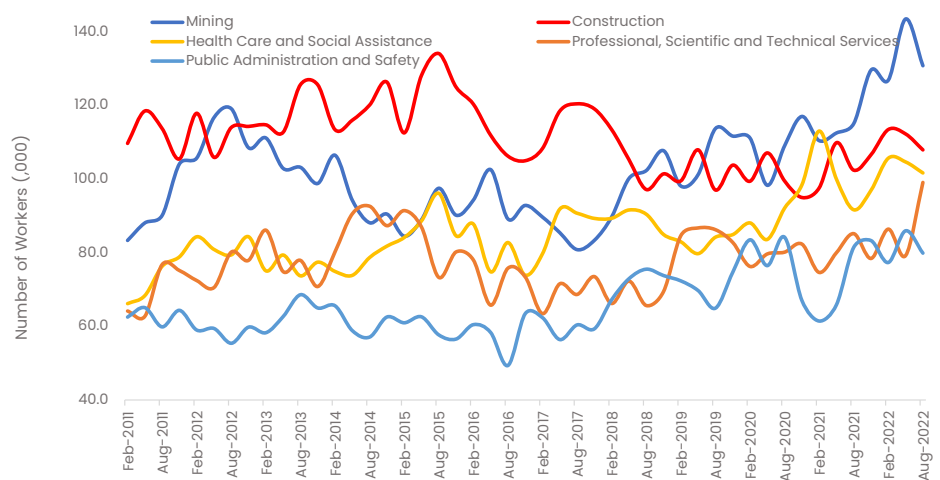
WA & National Labour Force Snapshot (ABS)



Labour Force (ABS)

- In October, Australia's unemployment rate (seasonally adjusted) dropped to at 3.4%, while the unemployment rate for WA increased to 3.6% which is -0.3 pts lower than 12 months prior.
- The national participation rate sat at 66.6% in October, while WA's participation rate decreased 0.72% MoM to sit at 68.7% (+0.1 pts YoY)
- Australia's underemployment ratio for June dropped 0.1 pts from the previous month to 6.1% while WA's underemployment ratio dropped by 0.5pts to 5.8% (-0.9 pts YoY).

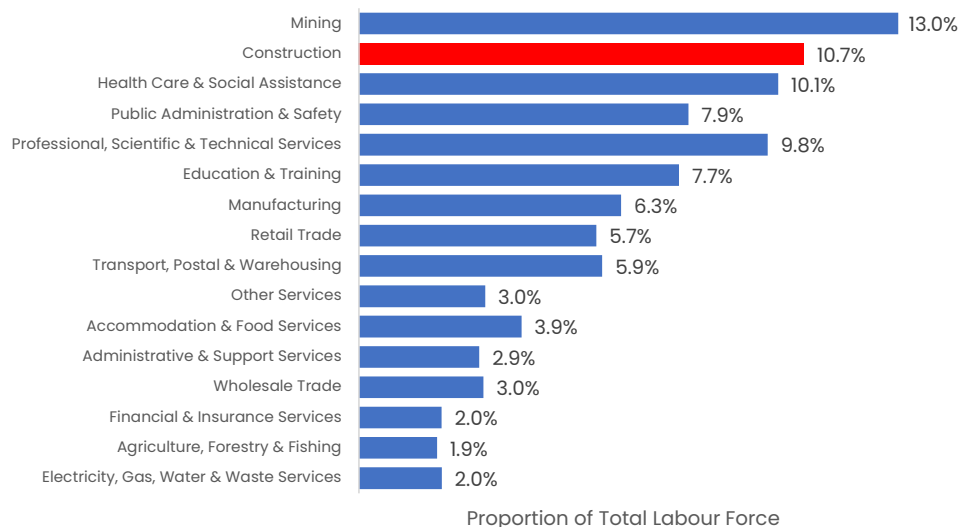
WA Full-Time Employment, by Sector (ABS)



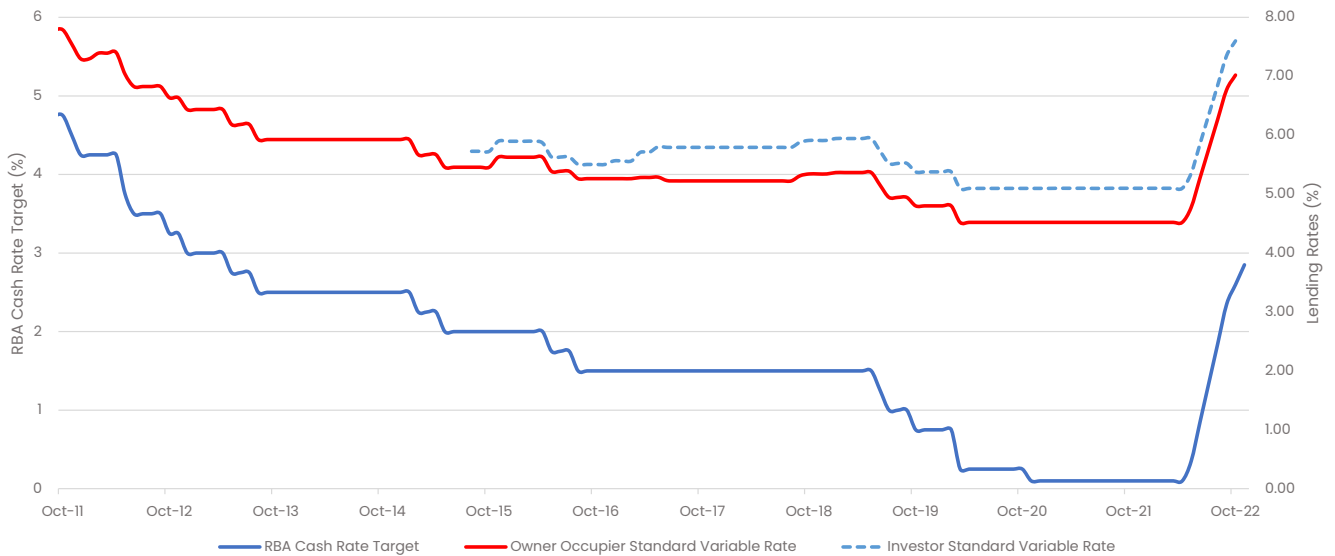
Labour Force Detailed (ABS)

- In the three months to August 2022, the number of full-time workers in the WA construction industry decreased by 3.9% QoQ to 107,900, which reflected an increase of 5.4% above levels at the same time in 2021.
- This total made up 10.7% of total WA full-time employees and remained the second highest industry total for the state after mining (13%), followed by Health Care & Social Assistance (10.1%), Professional, Scientific and Technical Services (9.8%) and by Public Administration and Safety (7.9%).

WA Full-Time Employment Industry Composition (Aug 2022) (ABS)



Cash Rate & Indicator Lending Rates (RBA)



Housing Rates & Cash Rate

- In October the owner-occupier variable interest rate lifted 0.25 ppts to 7.02% and the investor standard variable lending rate lifted to 7.6%, representing the highest levels since May 2012.
- The cash rate target rose 25 basis points to 2.85% at the RBA Board's September meeting. The RBA's move is underpinned by a continued rise inflation. Global factors, including ongoing COVID-related disruptions to supply chains and the war in Ukraine, account for much of this increase in inflation.

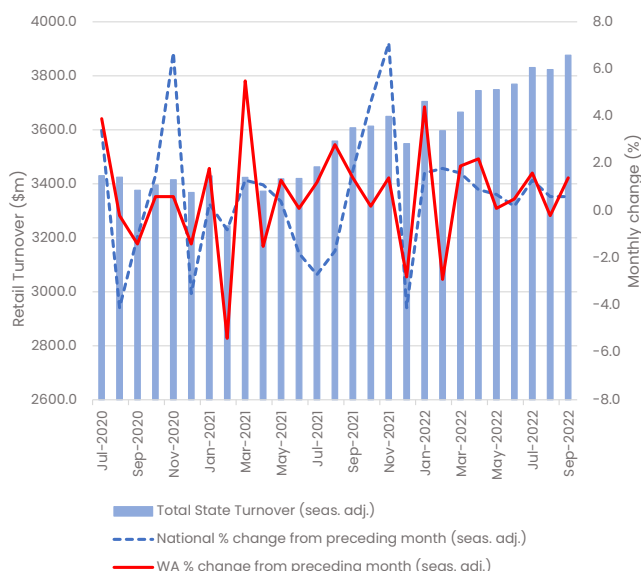
Consumer Price Index (ABS 6401)

- The Consumer Price Index (CPI) for Australia rose 1.8% QoQ in September 2022 to 128.4 and saw annual growth of 7.3% from the same time the year prior. WA's CPI retracted 0.5% QoQ to 124.8 and was up 6% from the 116.8 recorded in September 2021.
- The aggregate growth in the headline inflation rate was driven by strong quarterly growth in new dwelling purchases by owner occupiers (+3.7%), automobile fuel (+4.2%), gas and other household fuels (+10.9%) and furniture (+6.6%).

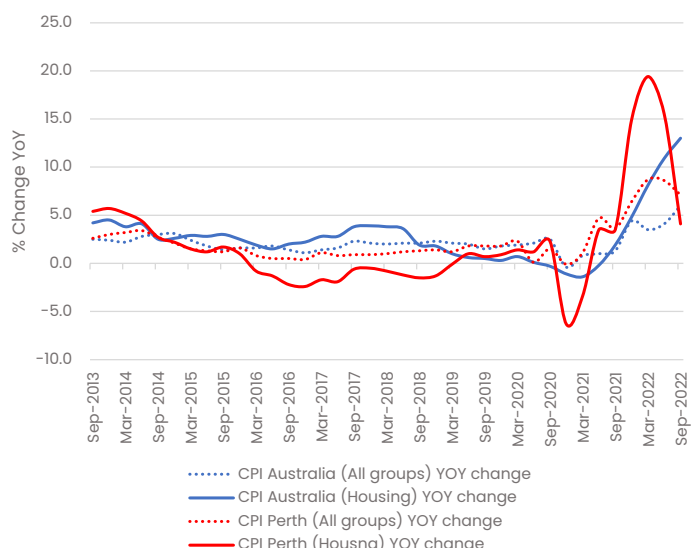
Retail Trade (ABS 8501)

- In August national retail turnover (seasonally adjusted) rose 0.6% MoM to \$35 billion, 18% higher than the same time in September 2021. WA retail turnover for September grew 1.1% MoM to reach \$3.77 billion, a figure 8.2% higher than the same time the year prior.

WA Retail Turnover (ABS)



CPI % YoY Change (ABS)





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