



50 years
For the
community
creators

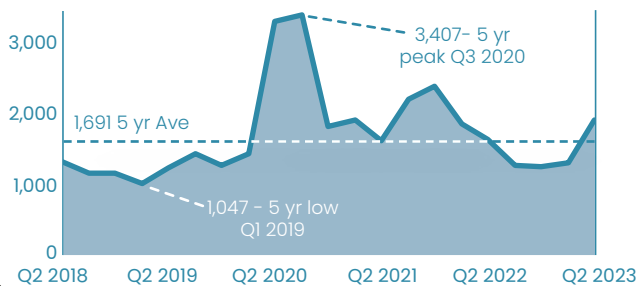
UDIA WA Urban Development Index Q2 2023

1,931

lots sold, Perth Metropolitan Region

+45.3%

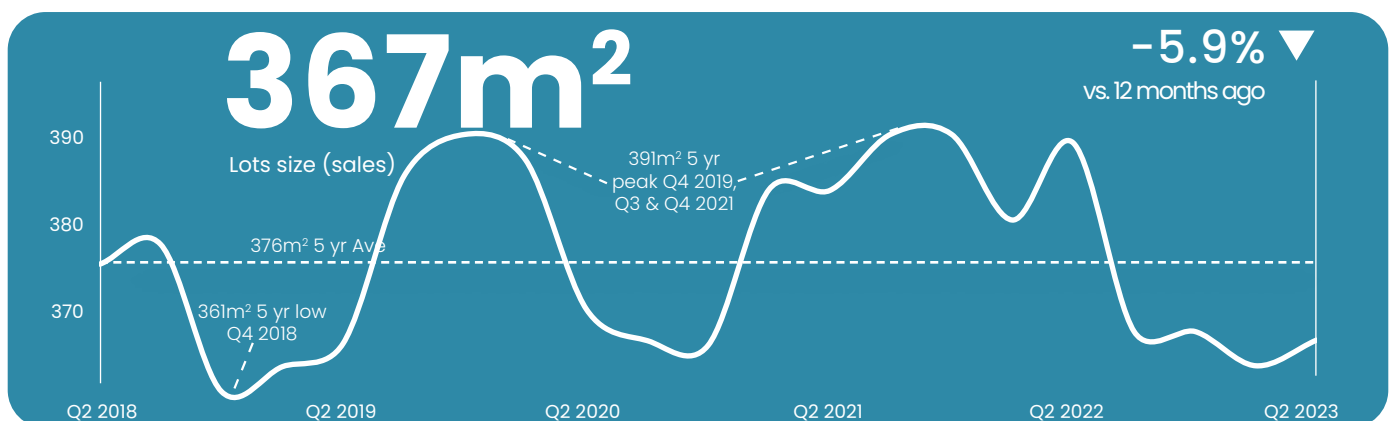
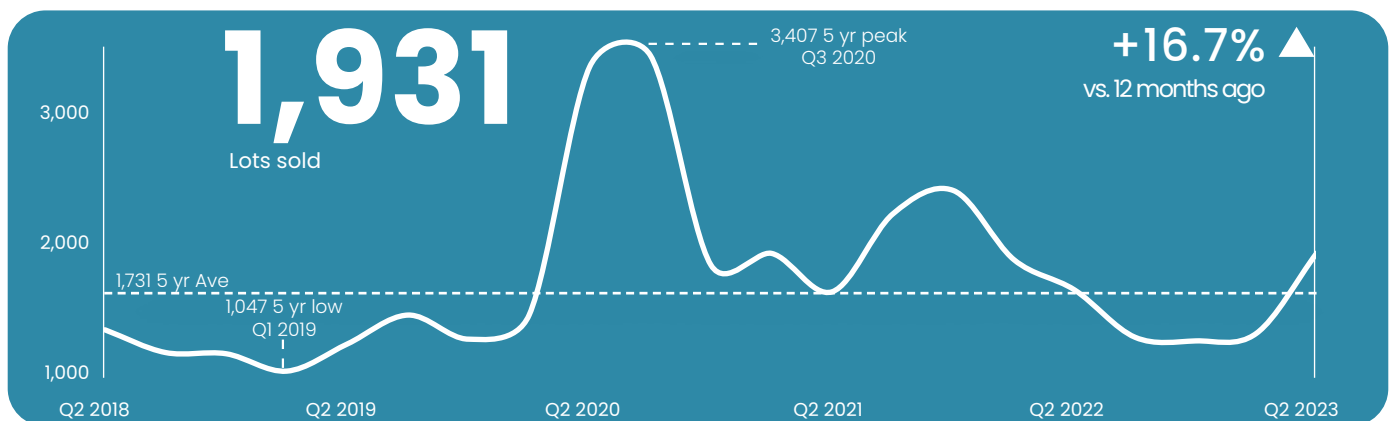
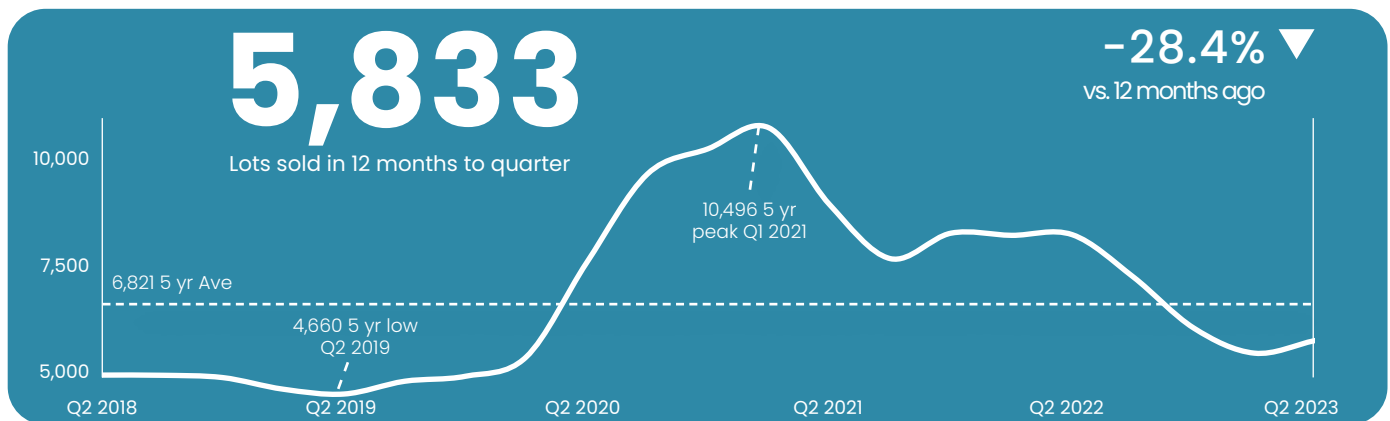
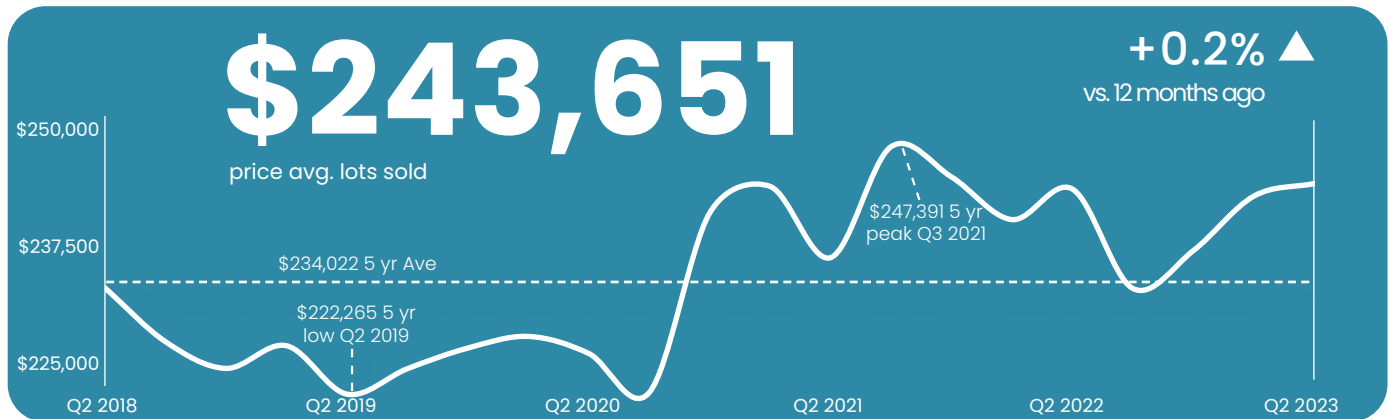
vs. last qtr.



UDIA WA Principal Research Partners



Buyer Demand



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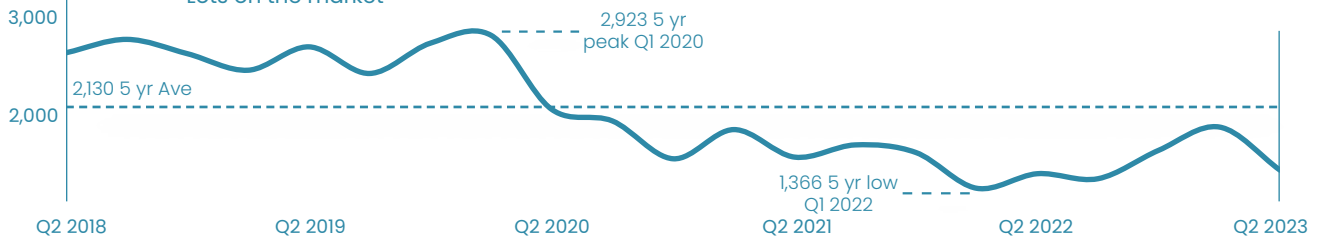
Information correct at time of publication and all information is subject to periodic reviews.

Lot Supply

1,550

-22.1% ▼
vs. last qtr

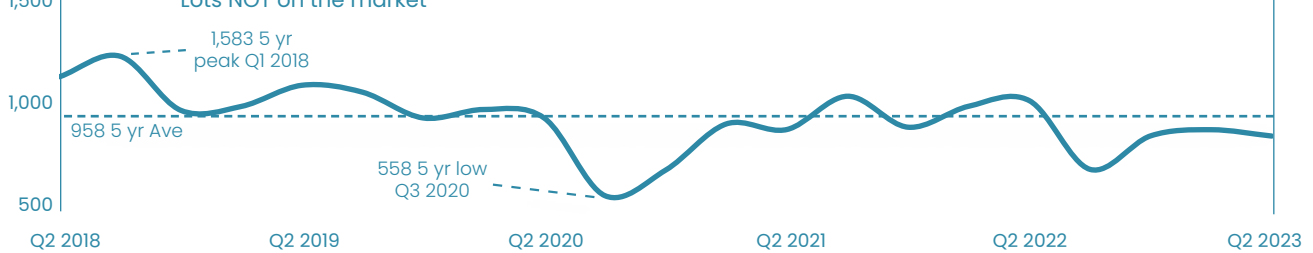
Lots on the market



868

-3.7% ▼
vs. last qtr

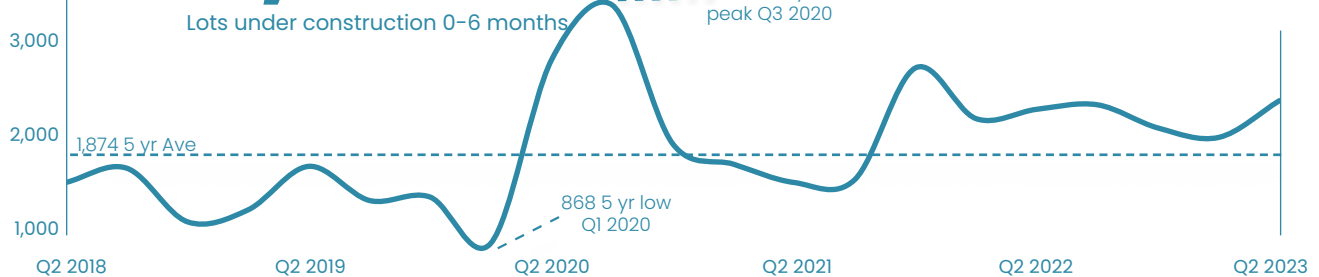
Lots NOT on the market



2,362

+19.5% ▲
vs. last qtr

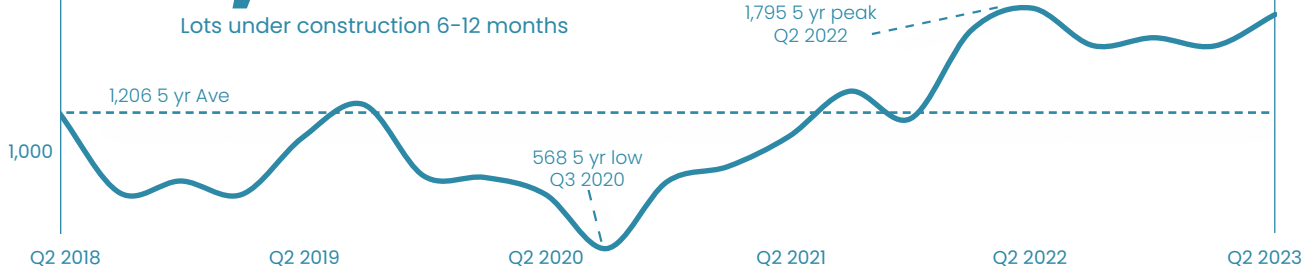
Lots under construction 0-6 months



1,763

+10.0% ▲
vs. last qtr

Lots under construction 6-12 months



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Executive Summary

Perth Metropolitan Region (excluding Peel)	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 year Rolling Av.
Lots Sold (# of Lots)	1,931	1,329	+45.3%	1,654	+16.7%	1,749
Lots Sold (\$ millions)*	\$470	\$322	+46.1%	\$402	+17.0%	\$410
Average Size of Lots Sold (m ²)	367	364	+0.72%	390	-6.0%	376
Average Price of Lots Sold	\$243,651	\$242,371	+0.5%	\$243,086	+0.2%	\$234,070
Average Price of Lots Sold per m ²	\$712	\$693	+2.8%	\$616	+15.6%	\$637
Lots on the Market	1,550	1,989	-22.1%	1,514	+2.4%	2,103
Lots on the Market (\$ millions)*	\$420	\$531	-20.8%	\$365	+15.1%	\$495
Average Price of Lots on the Market	\$271,073	\$266,879	+1.6%	\$241,214	+12.4%	\$236,873
Average Size of Lots on the Market (m ²)	373	359	+3.8%	356	+4.9%	367
Lots NOT on the Market	868	901	-3.7%	1,052	-17.5%	947
Lots Under Construction Release w/in 0 - 12 months	4,125	3,579	+15.3%	4,066	+1.5%	3,143
Average Size of Lots Under Construction Release w/in 0-12 months (m ²)	390	347	+12.5%	346	+12.6%	367

Quarterly Commentary

David Cresp – Director, Urbis

We have been forecasting for some time that we will see a turn around in demand in FY 2024 and it looks like we are starting to see the start of this in the last quarter of FY 2023. The second quarter has really seen momentum build and lot sales in the second quarter of 2023 were 52% higher than the low point of quarter 4 2022. Whilst east coast investors are still playing a big part in the market it is the rebound of owner occupier (non first home buyers) activity that has driven the increase in demand. Stabilisation in interest rates, a strong established market with low listings, continuing low vacancy rate and strong rental growth are all adding to strong economic conditions in WA and high population growth to drive a rebound in the land market. We are positive about the outlook and think that this is the start of stronger demand in FY 2024.

Achieving the highest 2022 levels of population growth of any state at 2.3%, WA continued along its growing trajectory well into the second quarter of 2023. Key population growth drivers including international migrant arrivals, student visa arrivals and continuing interstate migration have again highlighted the state's relative strength.

Whilst the last WA Budget was forecasting population growth of 56,000 in FY 2023, the ABS December 2022 numbers show that growth for 2022 reached 62,700 which

is the highest growth in population that we have seen since the mining boom period of 2013. Given that the two strongest quarters were in the second half of 2022, we are expecting that growth for FY 2023 will be higher than 2022 and we well above the budget forecasts. Given that we continue to see a vacancy rate of below 1% for rental housing this population growth is fuelling demand for new housing.

Whilst increasing interest rates have been a major concern for buyers and limited both capacity and confidence over the past 12 months, quarter two 2023 has seen a slowing of rate increases corresponding to a reduction in inflation for a second quarter this year with a CPI of 6%, down from a peak of 7.8% in the December quarter of 2022.

Quarter 2 2023 may be seen as the last quarter preceding a stabilisation in interest rates, easing prospective buyers concerns and removing a key constraint for sales volume growth.

Another very significant concern for buyers has been concerns about builder capacity. Whilst this is still a major factor, HIA data shows that we are now getting to a point that completions are well above starts and the number of homes under construction is starting to slowly reduce.

[Commentary continues on next page](#)

Perth Metropolitan Market Summary

The second quarter of 2023 has seen a notable increase the number of lot sales in the Perth Metropolitan area, reaching 1,931 sales for the quarter. This is up 45% from in quarter one's sale volume and has accelerated the upward trajectory of Perth lot sales following a trough in the December quarter, driven by a strong recovery in population growth through higher migration arrivals as well as confidence gained as a result of the slowing of cash rate increases by the Reserve Bank.

This growth was experienced by all four of Perth Metro's corridors however the North-West and South-East corridors saw the largest quarterly increases of 50% and 55% respectively as compared to 39% and 32% growth for the North-East and South-West corridors. Whilst the North-West corridor maintained its position as the highest volume corridor with 707 sales this quarter, the South-East corridor became the second largest growth corridor in Perth with 437 March quarter sales for the first time since early 2016. This comes after half a decade the volume of sales in the South-East corridor lagging considerably behind the other three growth corridors.

Consequently, the market share based on annual sales has seen the North-East, South-East and South-West corridors remain at roughly equal proportions with approximately 19-20% of total metropolitan sales each, with the North-West corridor characteristically maintaining a substantially higher sales share of 33%, steady from its March quarter market share.

The increased demand is resulting in prices increasing with rates per sq.m increasing by 2.8% for the quarter and up 16% compared to 12 months ago. Price growth (based on rates per sq.m.) was strongest in the South-West corridor with a jump of 21% over the last 12 months and the North East corridor at 11%.

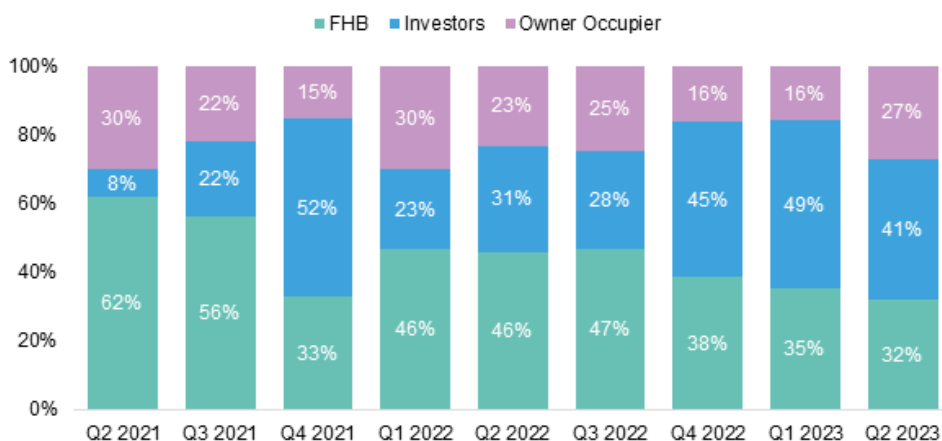
The June quarter has seen supply capacity take a hit in Perth Metro, with lots on the market decreasing from approximately 1,990 to 1,550. Decrease in supply was experienced across all growth corridors, with the North-East corridor taking the largest quarterly hit, down 31% from the previous quarter, with the lowest decrease in the South-East at almost 18%.

Lots not on the market have declined more moderately than those on the market, with a small overall decrease of 3.7% from quarter one, down to 868 from the 901 lots off the market in the previous quarter across the metro area. Future supply is expected to experience a boost with 2,362 lots expected to be under construction across the Perth Metropolitan area within the next six months, up 19.5% from the previous quarter's figure of 1,977 reflecting the rebound in residential subdivision activity.

The June quarter has witnessed a notable shift in buyer types across Metro Perth, with a resurgence of owner occupier purchasers who comprised 27% of buyers this quarter, up from 16% in quarter one. This has mainly come at the expense of investor buyer market share, which fell from 49% to 41% in quarter two, and a smaller fall in first home buyers as a buying block, which fell three percentage points this quarter. Although the fall in the share of investors was the largest, it is important to note that investor market share is still significantly higher than in many previous quarters, whilst the capacity to purchase in an environment with both high inflation and interest rates taking the highest toll on first home buyers, whose market share fell to its lowest level in the past nine quarters.

A clear distinction can be drawn between the buyer types of the North-West and South-West corridors as compared to the North-East and South-East corridors, with a clear tendency of first home buyers making the plurality of buyers in the two Eastern corridors, as opposed to a larger share of investor buyers in both Western corridors.

Buyer Types by Quarter, PMR. Q2 2021 – Q2 2023



Peel and Regional WA Market Summary

The Peel region has experienced a slowing of purchaser demand in the June quarter 2023, along with both a higher amount of lots on the market as well as lots expected to start construction within the next year. The number of lot sales have declined by 7%, down 11 sales from the March quarter to a total of 139. This coincides with a rapid expansion in the total number of lots on the market in the June quarter with a total of 142 lots which is up 72% i, from a mere 85 lots in the March quarter. The future supply pipeline is firming as well with 146 lots set to be released for construction within 6-12 months, up 37% from the March quarter benchmark.

Regional WA is faring quite differently, however, with very strong sales growth, up 43% to 87 total lot sales in the June quarter. Concurrently, the number of lots on the market has weathered a minor dip, down 2.7% to 474 since the previous quarter. Regional WA's future supply pipeline appears strong, with rapid construction growth for the six-to-twelve-month period projected with 170 lots intended to be under construction, up 115%. This figure is still substantially below longer-term peaks, with regional WA achieving over 400 lots under construction for multiple quarters in 2013 as well as the third quarter of 2022.

Corridor Snapshots

North-West Corridor Q2 2023

Lots sold	707
Lots on the market	448
Lots NOT on the market	308
Lots U/C (release 0-6 months)	997
Lots U/C (release 6-12 months)	701

Central Metro Q2 2023

Lots sold	30
Lots on the market	54
Lots NOT on the market	26
Lots U/C (release 0-6 months)	114
Lots U/C (release 6-12 months)	104

South-West Corridor Q2 2023

Lots sold	392
Lots on the market	393
Lots NOT on the market	160
Lots U/C (release 0-6 months)	519
Lots U/C (release 6-12 months)	497

Peel Region Q2 2023

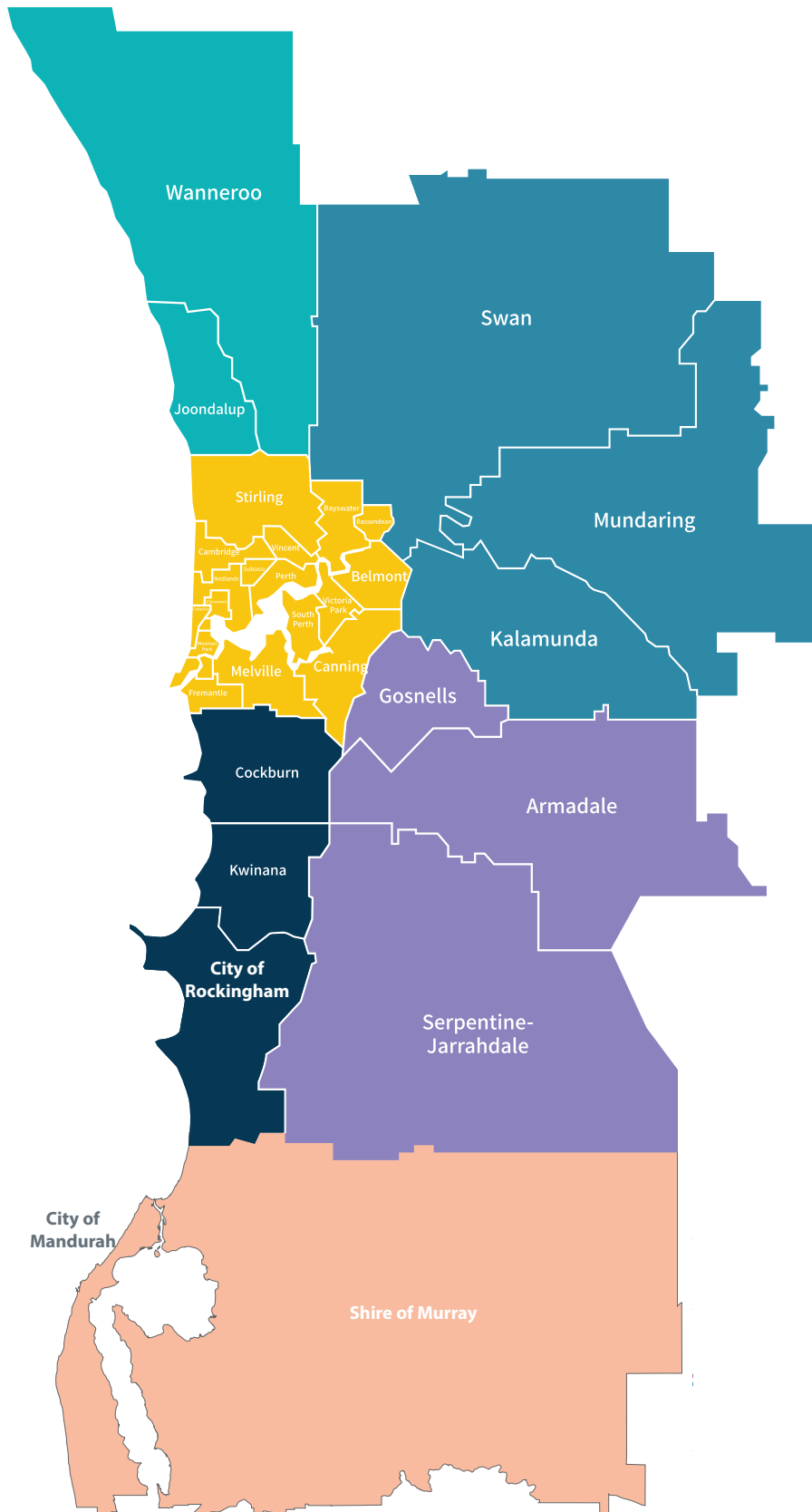
Lots sold	139
Lots on the market	146
Lots NOT on the market	22
Lots U/C (release 0-6 months)	134
Lots U/C (release 6-12 months)	158

North-East Corridor Q2 2023

Lots sold	365
Lots on the market	310
Lots NOT on the market	232
Lots U/C (release 0-6 months)	320
Lots U/C (release 6-12 months)	117

South-East Corridor Q2 2023

Lots sold	437
Lots on the market	345
Lots NOT on the market	142
Lots U/C (release 0-6 months)	412
Lots U/C (release 6-12 months)	344



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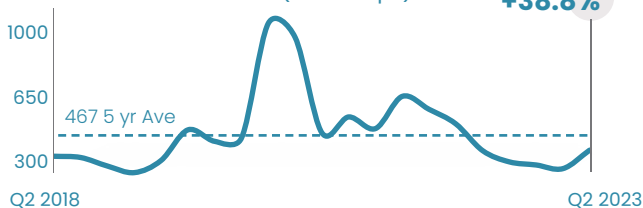
North East Corridor

North East Metropolitan Corridor	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of PMR Sales	18.9%	19.8%	-0.9%	21.9%	-3.0%	26.2%
Lots sold (# of lots)	365	263	+38.8%	362	+0.8%	467
Lots sold (\$ millions)	92	66	+38.2%	88	+4.7%	109
Avg. size of lots sold (m ²)	355	356	-0.3%	381	-6.6%	371
Avg. price of lots sold	251,255	252,310	-0.4%	241,850	+3.9%	235,532
Avg. price of lots sold per m ²	717	745	-3.8%	645	+11.2%	644
Lots on the market	310	446	-30.5%	308	+0.6%	414
Lots on the market (\$ millions)	82	113	-27.6%	80	+2.6%	100
Avg. price of lots on the market	263,814	253,251	+4.2%	258,792	+1.9%	240,504
Avg. size of lots on the market (m ²)	387	365	+5.9%	392	-1.2%	364
Lots NOT on the market	232	305	-23.9%	444	-47.7%	231
"Lots under construction release w/in 0-12 months"	437	730	-40.1%	973	-55.1%	797
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	319	388	-17.8%	343	-7.0%	365

365

Number of lots sold (vs. last qtr.)

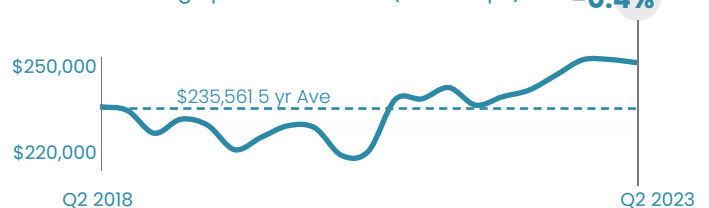
+38.8%



\$251,255

Average price of lots sold (vs. last qtr.)

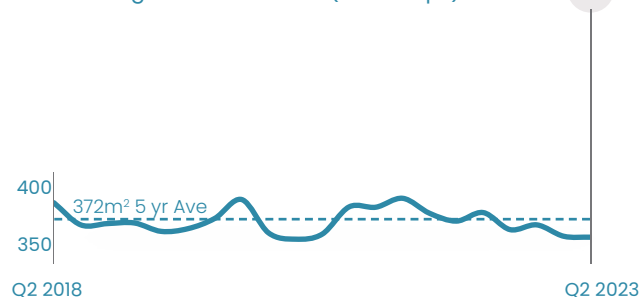
-0.4%



355m²

Average size of lots sold (vs. last qtr.)

-0.3%

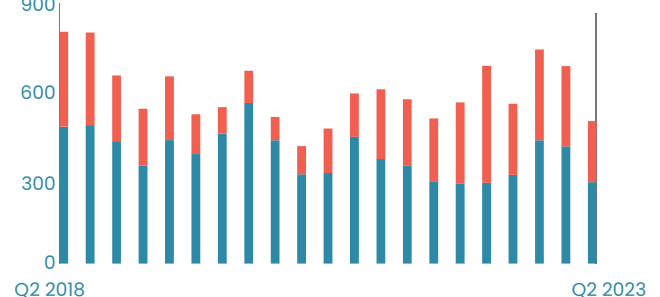


310

Lots on the market

232

Lots not on the market



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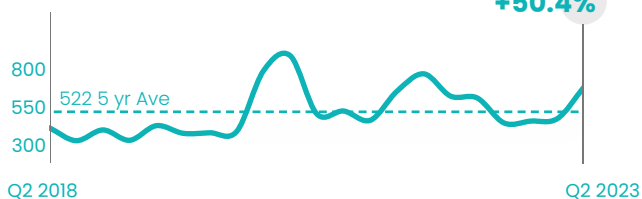
North West Corridor

North West Metropolitan Corridor	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of PMR Sales	36.6%	35.4%	+1.2%	37.7%	-1.1%	30.5%
Lots sold (# of lots)	707	470	+50.4%	623	+13.5%	527
Lots sold (\$ millions)	173	111	+55.8%	149	+15.8%	124
Avg. size of lots sold (m ²)	379	368	+2.9%	395	-4.0%	384
Avg. price of lots sold	244,433	235,927	+3.6%	239,466	+2.1%	233,858
Avg. price of lots sold per m ²	649	646	+0.5%	613	+5.8%	612
Lots on the market	448	580	-22.8%	524	-14.5%	655
Lots on the market (\$ millions)	123	154	-20.0%	129	-4.4%	156
Avg. price of lots on the market	274,998	265,510	+3.6%	245,992	+11.8%	241,470
Avg. size of lots on the market (m ²)	386	375	+2.8%	356	+8.3%	395
Lots NOT on the market	308	227	+35.7%	328	-6.1%	305
"Lots under construction release w/in 0-12 months"	1,698	1,233	+37.7%	1,245	+36.4%	801
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	358	334	+6.9%	357	+0.1%	361

707

Number of lots sold (vs. last qtr.)

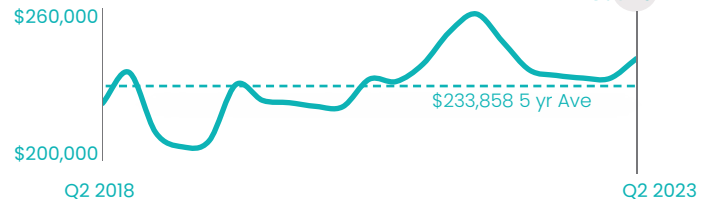
+50.4%



\$244,433

Average price of lots sold (vs. last qtr.)

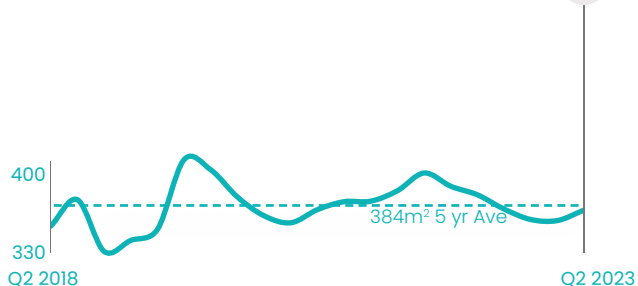
+3.6%



379m²

Average size of lots sold (vs. last qtr.)

+2.9%

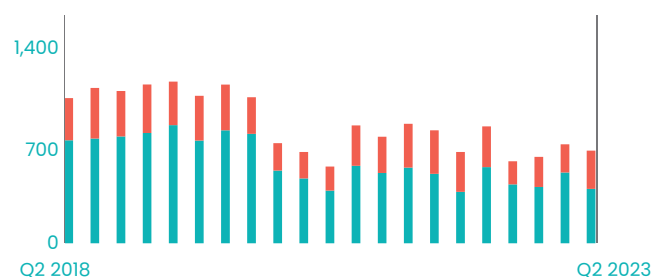


448

Lots on the market

308

Lots not on the market



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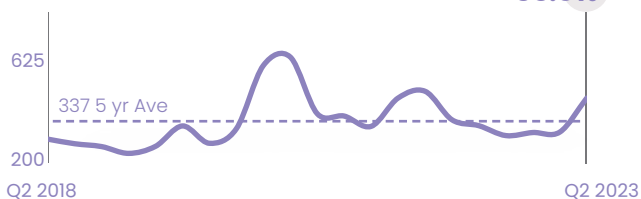
South East Corridor

South East Metropolitan Corridor	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of PMR Sales	22.6%	21.2%	+1.4%	18.8%	+3.8%	18.5%
Lots sold (# of lots)	437	282	+55.0%	311	+40.5%	337
Lots sold (\$ millions)	103	70	+46.4%	71	+44.1%	77
Avg. size of lots sold (m ²)	361	368	-2.0%	379	-4.7%	380
Avg. price of lots sold	235,109	248,835	-5.5%	229,335	+2.5%	226,078
Avg. price of lots sold per m ²	662	688	-3.8%	615	+7.6%	604
Lots on the market	345	419	-17.7%	296	+16.6%	340
Lots on the market (\$ millions)	80	99	-19.3%	59	+34.1%	74
Avg. price of lots on the market	230,694	235,359	-2.0%	200,504	+15.1%	216,449
Avg. size of lots on the market (m ²)	352	341	+3.2%	312	+12.9%	358
Lots NOT on the market	142	143	-0.7%	96	+47.9%	122
"Lots under construction release w/in 0-12 months"	756	530	+42.6%	730	+3.6%	598
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	570	398	+43.2%	344	+65.6%	392

437

Number of lots sold (vs. last qtr.)

+55.0%



\$235,109

Average price of lots sold (vs. last qtr.)

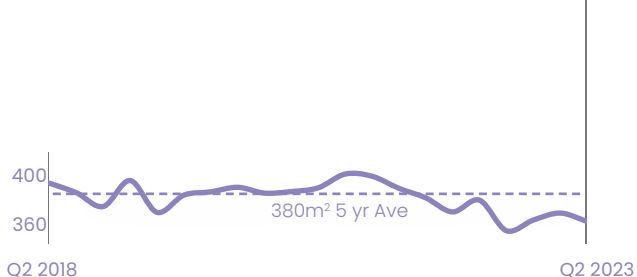
-5.5%



361m²

Average size of lots sold (vs. last qtr.)

-2.0%

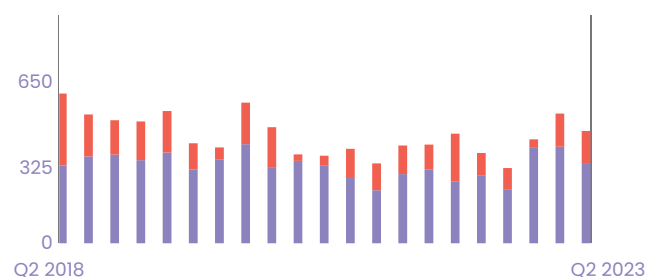


325

Lots on the market

142

Lots not on the market



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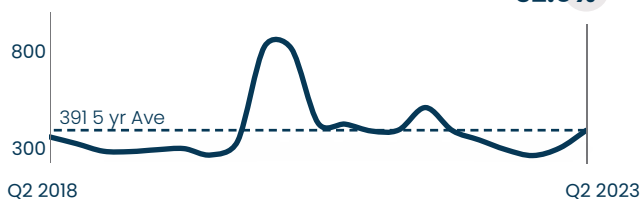
South West Corridor

South West Metropolitan Corridor	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of PMR Sales	20.3%	22.3%	-2.0%	20.6%	-0.3%	22.4%
Lots sold (# of lots)	392	297	+32.0%	340	+15.3%	391
Lots sold (\$ millions)	91	67	+37.0%	74	+22.5%	87
Avg. size of lots sold (m ²)	372	367	+1.4%	399	-6.8%	376
Avg. price of lots sold	232,497	224,022	+3.8%	218,833	+6.2%	222,405
Avg. price of lots sold per m ²	645	630	+2.5%	534	+20.9%	599
Lots on the market	393	492	-20.1%	325	+20.9%	601
Lots on the market (\$ millions)	113	144	-21.9%	75	+50.7%	128
Avg. price of lots on the market	287,040	293,469	-2.2%	230,290	+24.6%	219,754
Avg. size of lots on the market (m ²)	380	362	+5.2%	380	+0.2%	363
Lots NOT on the market	160	184	-13.0%	141	+13.5%	228
"Lots under construction release w/in 0-12 months"	1,016	719	+41.3%	884	+14.9%	806
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	393	388	+1.2%	381	+3.1%	376

392

Number of lots sold (vs. last qtr.)

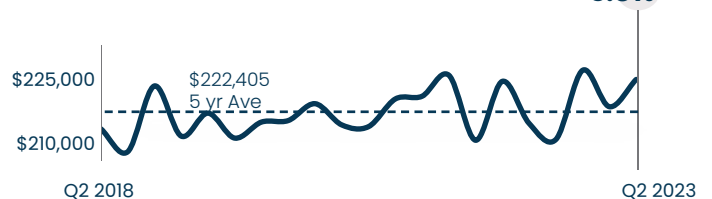
+32.0%



\$232,497

Average price of lots sold (vs. last qtr.)

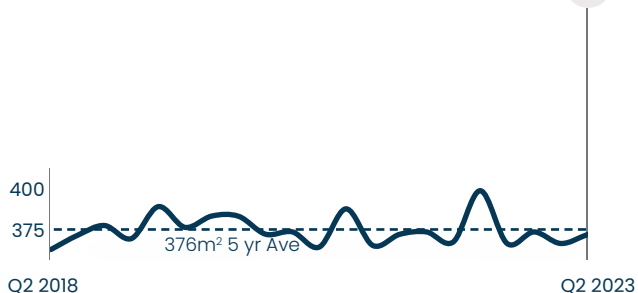
+3.8%



372m²

Average size of lots sold (vs. last qtr.)

+1.4%

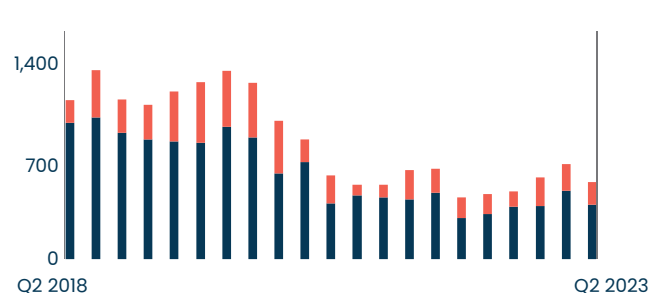


393

Lots on the market

160

Lots not on the market



Regional

Peel Region	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of Total State Sales	6.4%	9.7%	-3.3%	6.8%	-0.4%	5.8%
Lots sold (# of lots)	139	150	-7.3%	132	+5.3%	112
Lots sold (\$ millions)	29	32	-9.6%	27	+8.5%	21
Avg. size of lots sold (m ²)	488	432	+13.1%	452	+8.0%	450
Avg. price of lots sold	211,453	216,660	-2.4%	205,239	+3.0%	186,344
Avg. price of lots sold per m ²	461	508	-9.3%	452	+2.1%	422
Lots on the market	146	85	+71.8%	120	+21.7%	159
Lots on the market (\$ millions)	34	20	+68.6%	25	+34.2%	28
Avg. price of lots on the market	230,075	234,364	-1.8%	208,575	+10.3%	179,290
Avg. size of lots on the market (m ²)	398	432	-7.9%	434	-8.3%	422
Lots NOT on the market	22	83	-73.5%	90	-75.6%	66
"Lots under construction release w/in 0-12 months"	292	373	-21.7%	436	-33.0%	236
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	284	426	-33.4%	250	+13.5%	404

Regional WA	Current qtr	Last qtr (QoQ)	% QoQ	Same qtr last year (YoY)	% YoY	5 yr Average
Share of Total State Sales	4.0%	4.0%	+0.1%	7.5%	-3.4%	5.0%
Lots sold (# of lots)	87	61	+42.6%	144	-39.6%	99
Lots sold (\$ millions)	19	11	+81.7%	27	-29.8%	17
Avg. size of lots sold (m ²)	562	570	-1.4%	418	+34.6%	573
Avg. price of lots sold	220,365	172,943	+27.4%	189,724	+16.2%	173,166
Avg. price of lots sold per m ²	53	47	+12.8%	144	-63.2%	90
Lots on the market	474	487	-2.7%	473	+0.2%	806
Lots on the market (\$ millions)	68	47	+44.4%	46	+48.4%	95
Avg. price of lots on the market	144,117	97,127	+48.4%	97,289	+48.1%	114,687
Avg. size of lots on the market (m ²)	650	696	-6.6%	728	-10.7%	683
Lots NOT on the market	298	309	-3.6%	359	-17.0%	453
"Lots under construction release w/in 0-12 months"	391	441	-11.3%	392	-0.3%	290
"Avg. size of lots under construction Release w/in 0-12 months (m ²)"	535	795	-32.8%	603	-11.4%	579



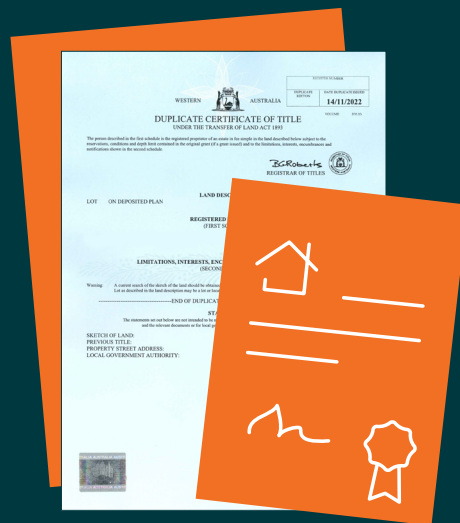
For more detailed UDI data including land market activity by local government area within the Perth metropolitan area and the regions, visit the UDIA dashboard on the Urbis Loop platform. UDIA members have complimentary access to the UDIA Urban Development Index information and require a log in. Contact udia@udiawa.com.au if you require access details.

Information correct at time of publication and all information is subject to periodic reviews.

Did you know?

Duplicate Certificates of Title will no longer be used from 7 August 2023.

While most people won't need to do anything,
you can find out more about what this change
means on the Landgate website.



For FAQs and resources, go to landgate.wa.gov.au. You can also watch the animated video on our YouTube channel. Still have questions? Contact us at TLA.Amendments@landgate.wa.gov.au

UNLOCKING POTENTIAL

Shaping WA's future



WA's land development market continues to evolve and grow. We harness extensive knowledge of market trends and opportunities to unlock the potential of sites, and our state's future.

Our economics and research insights can inform each stage of the project lifecycle – from acquisition, rezoning support, master planning, development and expansion through to marketing and ongoing performance management and disposal.

We leverage a national network and local understanding to provide holistic and evidence-based insights.

Contact our specialist team to unlock the potential of your project.



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