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Urban Intelligence

Monthly economic and WA property market analysis
November 2023

UDIA WA Principal Research Partners



Key Trends

Economy	Current M/Q	Current Figure	M/Q Change	YoY Change
Official Cash Rate Target (RBA)	Nov	4.35%	25%	0.3 bps
Owner Occupier Variable Mortgage Rate (RBA)	Oct	8.52%	0%	0 bps
Retail Turnover - WA, total industry (ABS, seasonally adjusted)	Sep	\$3.99b	0.1%	3.0%
Unemployment Rate - WA (ABS, seasonally adjusted)	Oct	3.8%	0.5%	0.2%
Underemployment Rate - WA* (ABS, seasonally adjusted)	Oct	5.9%	0.0%	0.0%
Estimated Resident Population - WA (ABS)	Mar Qtr	2.83m	0.7%	2.4%
WA State Final Demand (ABS)	Jun Qtr	\$61.15b	0.4%	3.7%
Consumer Price Index - Greater Perth (ABS)	Sep Qtr	132	0.5	7.2
Consumer Price Index - Greater Perth Housing (ABS)	Sep Qtr	132.8	-3.3	12.8
Wage Price Index - WA (ABS)	Sep Qtr	147.2	2.7	6.5

Residential Land Development	Current M	Current Figure	M/Q Change	YoY Change
Average weekly sales for the month (UDIA Land Snapshot)	Nov	187	18.6%	103.1%

Residential Construction	Current M/Q	Current Figure	M/Q Change	YoY Change
Total Number of Dwelling Unit Approvals - WA (total residential)* (ABS)	Sep	1,086	-21.0%	-10.0%
Number of House Approvals - WA* (ABS)	Sep	989	-20.9%	-8.3%
Number of Semi-detached Approvals - WA* (ABS)	Sep	87	-23.0%	85.1%
Number of Multi-res. Approvals, all sectors - WA* (ABS)	Sep	10	-16.7%	-87.7%
Dwelling Commencements - WA, New Houses* (ABS)	Jun Qtr	3,056	9.0%	-34.2%
Dwelling Completions - WA, New Houses* (ABS)	Jun Qtr	3,528	15.3%	6.6%

Data is correct as of 24 November 2023

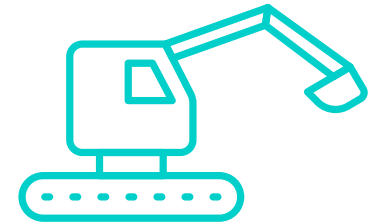
*Original numbers

^ Finance Commitments, excluding refinancing



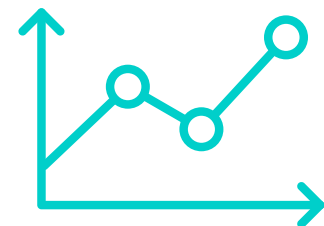
Monthly house approvals -
Greater Perth

-32% Long Run Average



Quarterly dwelling commencements
New Houses - WA

-34% YoY



Average Weekly Land Sales

+19% MoM

Key Trends

Property Finance	Current M/Q	Current Figure	M/Q Change	YoY Change
Construction of New Owner Occupier Dwellings – WA*^ (ABS)	Sep	503	-1.2%	-10.0%
Purchase of New Build Owner Occupier Dwellings – WA*^ (ABS)	Sep	155	-11.9%	22.0%
Purchase of Owner Occupier Residential Land – WA*^ (ABS)	Sep	189	-16.4%	-0.5%
FHOG Applications – WA* (WA Treasury)	Oct	398	10.6%	19.9%
FHOG Paid – WA* (WA Treasury)	Oct	301	7.5%	-36.5%

Residential Property Market	Current M/Q	Current Figure	M/Q Change	YOY Change
Total for Sale Property Listings – Perth: 1 month count (CoreLogic)	Oct	5,726	-2.1%	14.8%
Median House Price – Perth (CoreLogic) (\$)	Aug	570,000	0.9%	5.6%
House Sales (last 12 months) Perth (CoreLogic)	Aug	38,479	-1.2%	-7.1%
Median Unit Price – Perth (CoreLogic) (\$)	Aug	404,500	1.1%	0.4%
Unit Sales (last 12 months) Perth (CoreLogic)	Aug	11,501	1.6%	4.4%
Median Land Price – Perth (UDIA) (\$)	Sep Qtr	257,533	5.7%	10.5%
Land Sales – Perth (UDIA)	Sep Qtr	2,203	14.1%	69.5%

Residential Rental Market	Current M/Q	Current Figure	M/Q Change	YOY Change
Median House Rent (per week) – Perth (CoreLogic)	Oct	\$622	1.81%	14.84%
Median Unit Rent (per week) – Perth (CoreLogic)	Oct	\$548	1.86%	18.98%
Vacancy Rate – Houses – Perth (CoreLogic)	Oct	0.5%	-4.11%	-33.84%
Vacancy Rate – Units – Perth (CoreLogic)	Oct	0.6%	-5.68%	-44.75%

Data is correct as of 24 November 2023

*Original numbers

^ Finance Commitments, excluding refinancing



Median House Price – Perth

\$570,000



First Home Owner Grant Paid – WA

-36% YoY



Rental vacancy rate – Perth

0.5%

Heightened investor activity fuels uplift in land market sales performance

UDIA WA's Weekly Land Snapshot survey of off-the-plan greenfield land sales has recorded four consecutive weeks of very strong sales activity across the Perth metropolitan region. In the four weeks up to 19 November there has been a weekly average of 193 net sales which is 81% higher than the long run average.

The current sales volumes being achieved in the land market are the highest average weekly sales since July 2020 which marked the peak of the frothy market conditions underpinned by ultra low interest rates and the HomeBuilder and Building Bonus government incentive schemes. It is then all the way back to March 2014 that monthly sales rivalled the current sales volumes which marked the peak of the last housing cycle.

These weekly sales volumes correlate to the trends highlighted in the recently launched UDIA WA Urban Development Index (UDI) ([read the latest UDI here](#)). UDI Lots sales for the September quarter jumped 12% from the June quarter and were up 72% on 12 months earlier with 2,370 contracted sales across Perth and Peel. The uplift in aggregate sales volumes is underpinned by a significant increase in investor activity which accounted for 62% of sales in the September quarter, which is double the historical average.

Anecdotal evidence from developers indicates there has been a significant increase in east coast investors alongside heightened local investment activity. The North West sub-region has been especially popular with investors with 74% of lot sales being attributed to investors and just 7% to owner occupiers. The extent of increased investor activity in the growth corridors is also starting to be reflected in ABS statistics with lending finance for the construction of dwellings up 47% on a 12 month rolling average.

62%

Level of investor lot sales (Sep Qtr) Double the historical average

While increased investor activity is welcomed from a rental market perspective (with metro wide rental listings 40% lower than the long run average and rental vacancy rates remaining stubbornly low at just 0.5%) aggregate building approvals continue to slide southward at an alarming rate highlighting on-going weakness in forward pipeline robustness.

Total approvals retracted 21% in September and are down 23% on a rolling 12-month average, with dwelling commencements also very sluggish and down 34% on the long run average. Construction sector labour availability remains extremely tight with finishing trades in particular in very short supply. According to the latest data from the Housing Industry of Australia (HIA), the typical time frame to build a detached home from commencement to completion in WA is sitting at 16.1 months which is the longest lead-time in the country with the national average sitting at 11.5 months. The recent Federal Government decision to restrict the quota of skilled migration visa holders for WA to just 2,350 for FY 2024 (a 70% reduction from FY 2023) is particularly unhelpful for both the construction industry and the wider economy which is also grappling with a skills shortage crisis and the unemployment rate remaining stubbornly tight at 3.8% (October 2023).

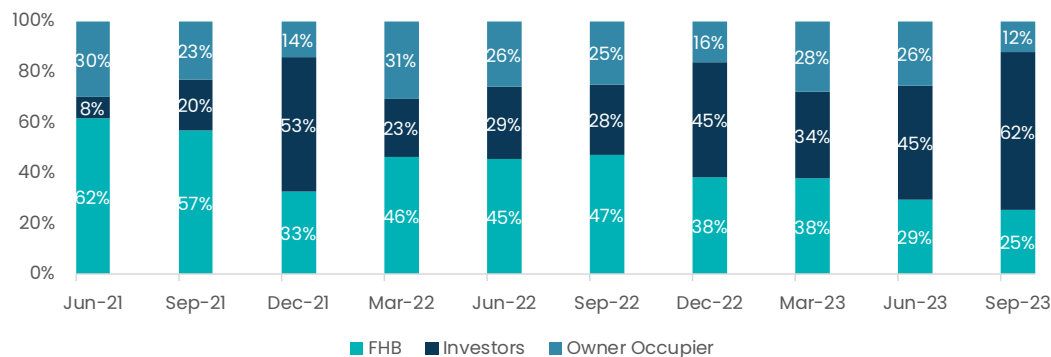
We trust you find this month's edition of Urban Intelligence of interest and value, and we are always keen to hear Member ideas for additional economic/property market reporting for future inclusion.

Toby Adams

Executive Manager Research (National & WA)

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

Buyer types by Quarter, Greater Perth, Q2 2021 - Q3 2023



Source: UDIA WA, Urban Development Index

Residential Land Development

UDIA WA Land Snapshot – November 23

187

Average lot sales per week

+18.6% MoM

+103.1% YoY

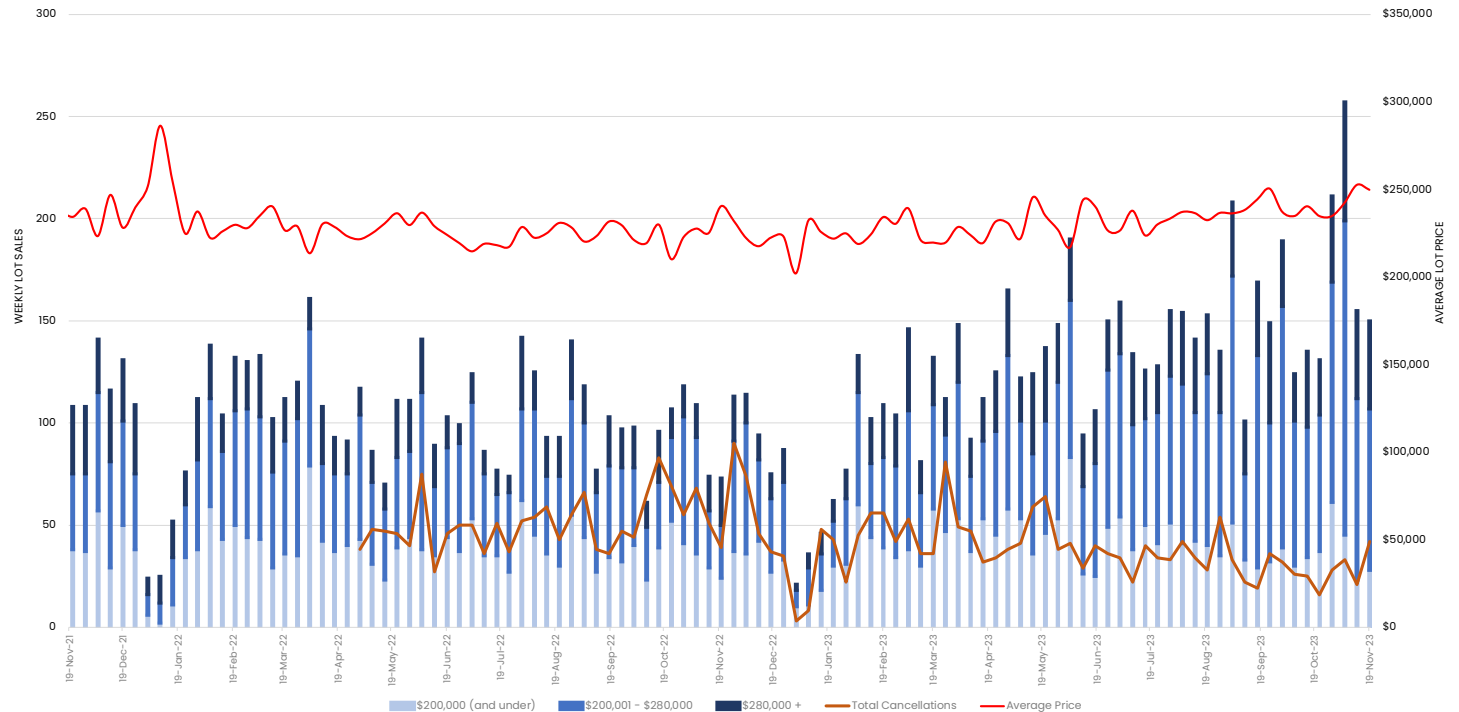
\$248,177

Average lot price

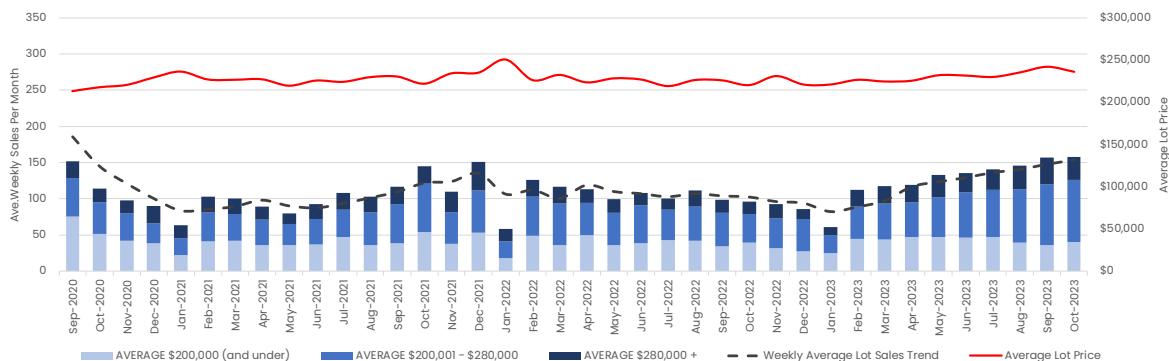
+5.0% MoM

+7.3% YoY

UDIA WA Weekly Land Snapshot Sales Data



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



32

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

-20.4% MoM
+1.6% YoY

48

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

+49.1% MoM
+146.2% YoY

96

Total monthly
cancellations

-24.4% MoM
-61.3% YoY

Residential Property Market

Residential Property Transactions (CoreLogic)

Perth New Build Median
Unit Price (Aug 23)

\$430,000

-2.3% YoY

27.2% lower than combined
Capital City ave

Perth New Build Median
House Price (Aug 23)

\$560,000

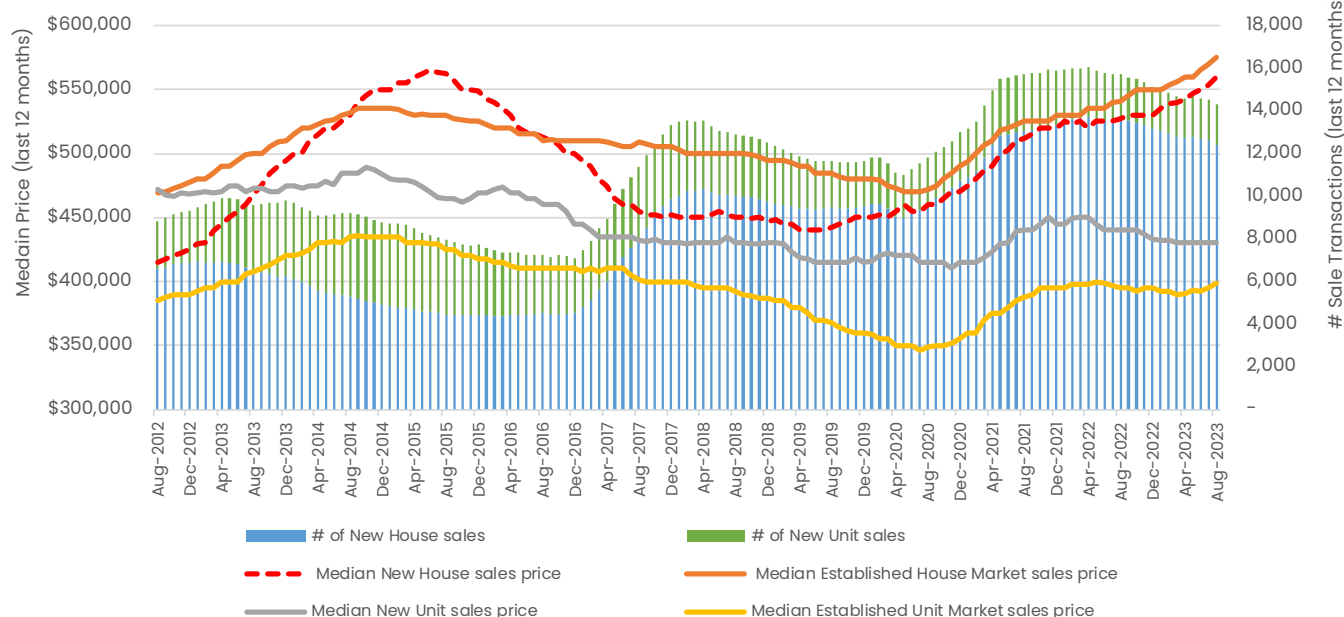
+6.3% YoY

32.6% lower than combined
Capital City ave

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



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



12,395

Annual volume of new
house sales in Perth across
12 months to Aug 23

-8.9% YoY

1,900

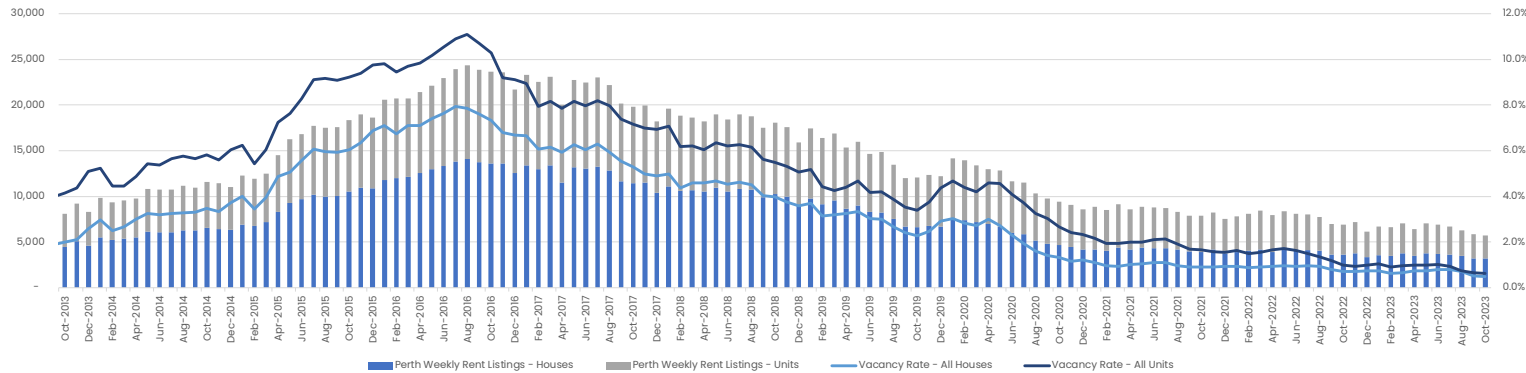
Annual volume of new unit
sales in Perth across 12
months to Jul 23

-9.6% YoY

Residential Property Market

Weekly Rental Listings (CoreLogic)

Perth Weekly Rent Listings & Vacancy Rate



0.5%

Rental vacancy rate
in Perth

3,177

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

-0.7% MoM

-12.3% YoY

2,549

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

-3.8% MoM

-20.9% YoY

\$622 pw

Median weekly rent for
houses in Perth (Oct 23)

+1.8% MoM

+14.8% YoY

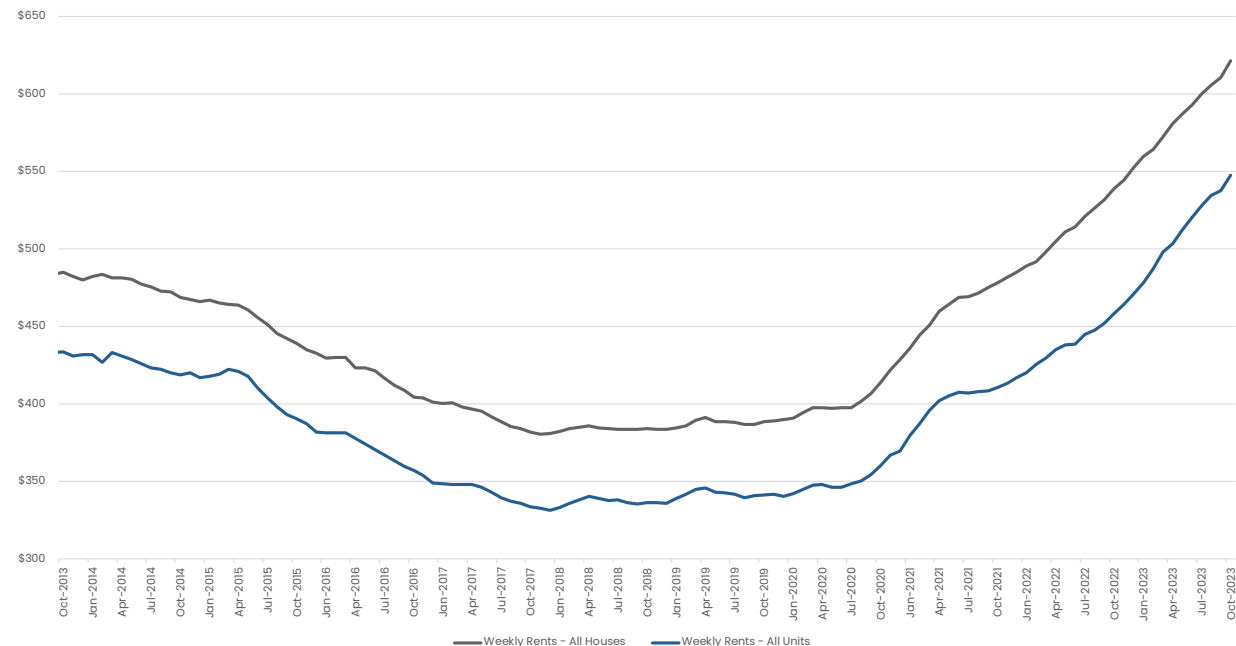
\$548 pw

Median weekly rent for
units in Perth (Oct 23)

+1.9% MoM

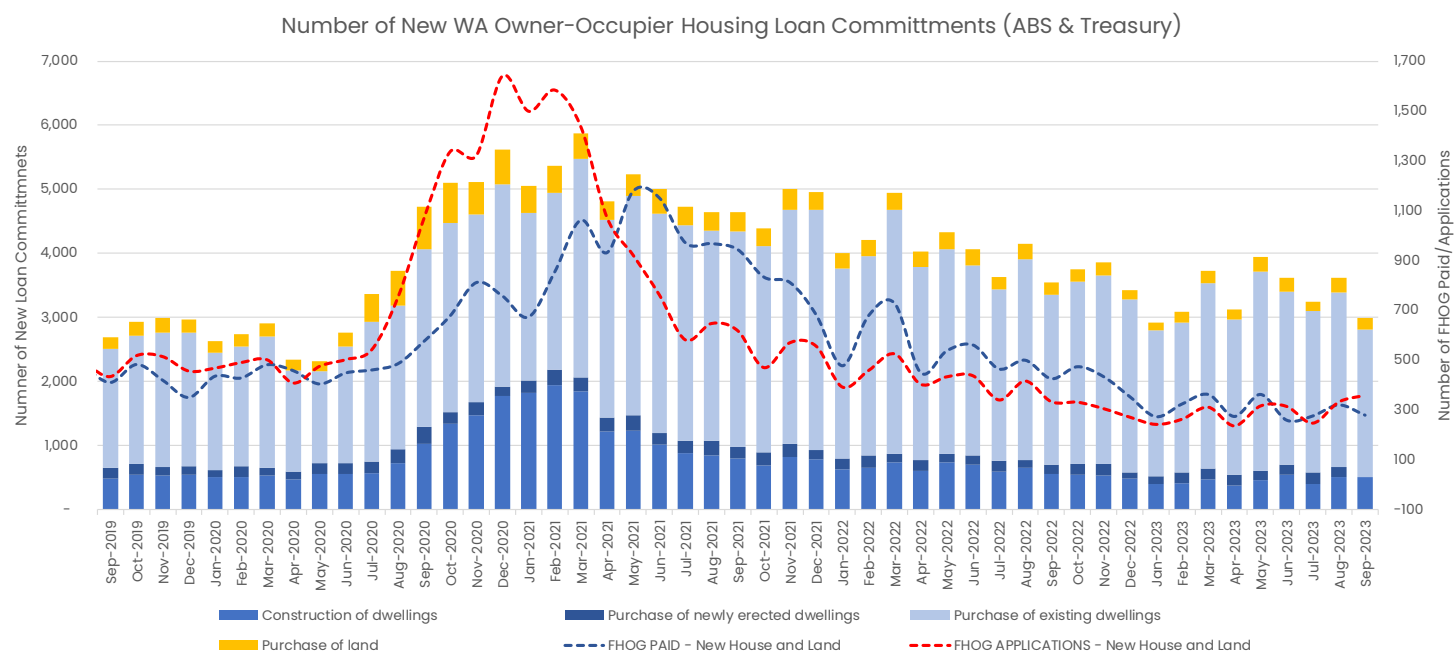
+19.0% YoY

Weekly Asking Rent, Perth



Residential Property Market

Owner Occupier Lending Activity



September owner occupier lending volumes for established market properties was

5.5% down
on rolling 12 month average

3,364

Total new housing loan commitments - WA

-13.2% MoM
-10.0% YoY

503

New dwelling construction loan commitments - WA

-1.2% MoM
-10.0% YoY

189

Purchase of residential land loan commitments - WA

-16.4% MoM
-0.5% YoY

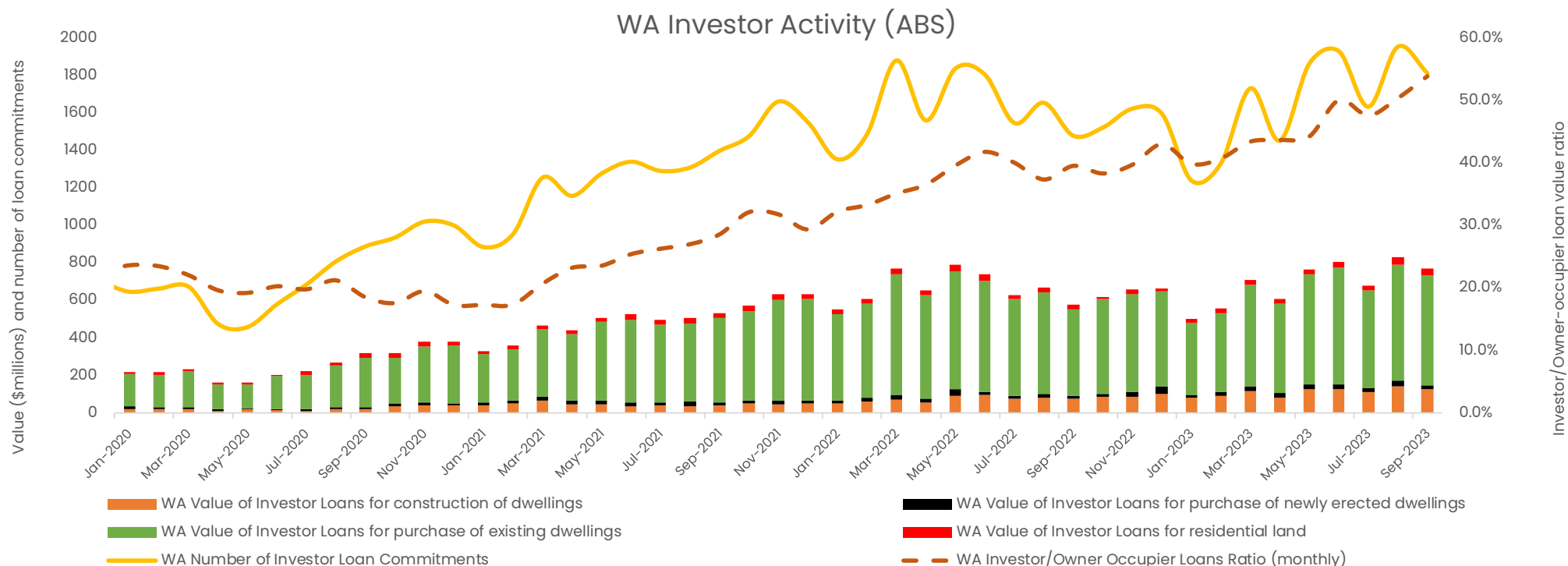
280

First Home Buyer Grants paid for new house and land packages

-12.8% MoM
-34.3% YoY

Residential Property Market

Investor Lending Activity



15,363

Number of investor new
loan commitments -
National

-4.4% MoM
-2.4% YoY

\$8.7b

Value of new investor
loan commitments -
National

-3.4% MoM
+3.1% YoY

1,811

Number of Investor new
loan commitments -
WA

-7.2% MoM
+22.7% YoY

\$784.7m

Value of new investor
loan commitments -
WA

-7.0% MoM
+32.4% YoY

Residential Property Settlements

July 2023: Monthly Settlements by Metropolitan Corridor

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
North-West Metro	234	481	\$556,000

Detached House	171	574	\$595,000
Medium Density	45	202	\$470,000
Vacant Land	18	379	\$255,625

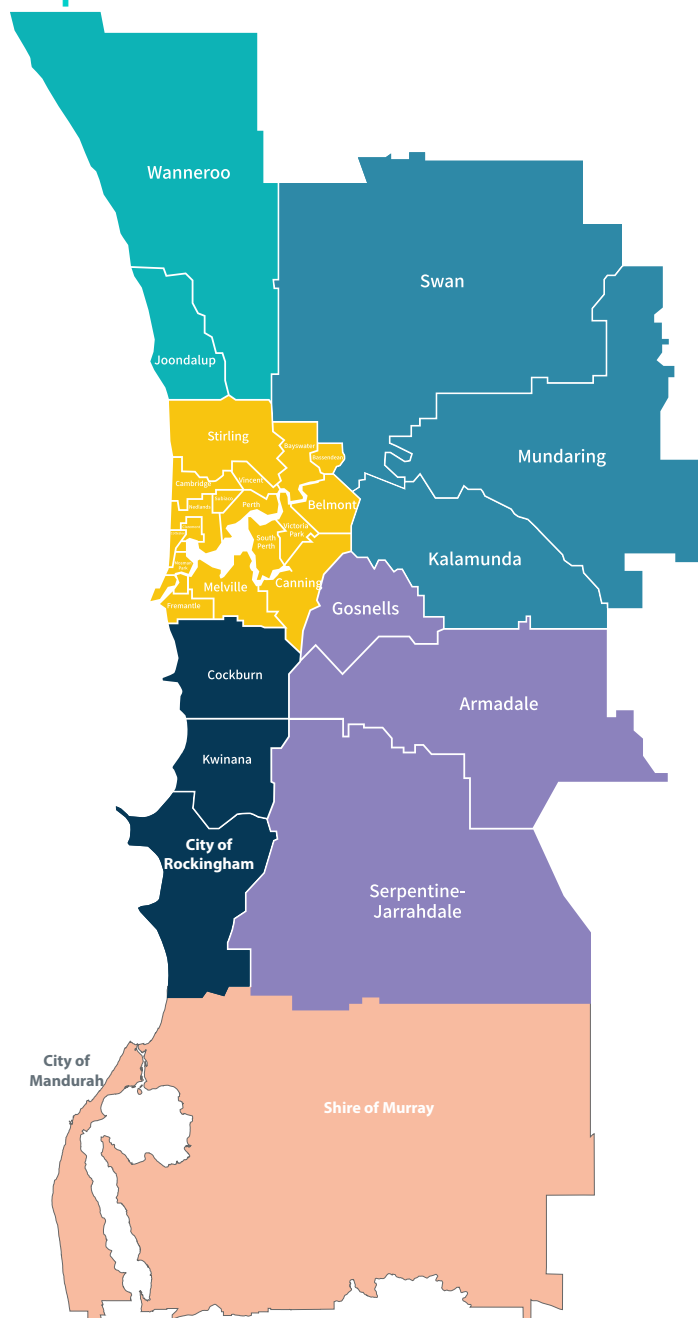
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Central Metro	658	221	\$555,000

Detached House	172	698	\$817,500
Medium Density	461	134	\$495,000
Vacant Land	25	438	\$573,000

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-West Metro	289	497	\$510,000

Detached House	211	600	\$544,000
Medium Density	64	198	\$405,000
Vacant Land	14	207	\$169,500

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	166	454	\$500,000

Detached House	119	579	\$525,000
Medium Density	30	232	\$415,000
Vacant Land	17	375	\$310,000

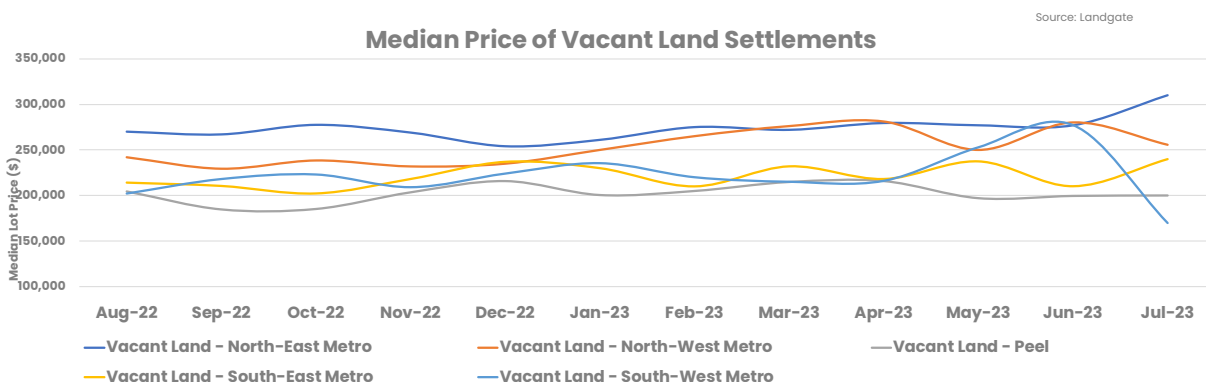
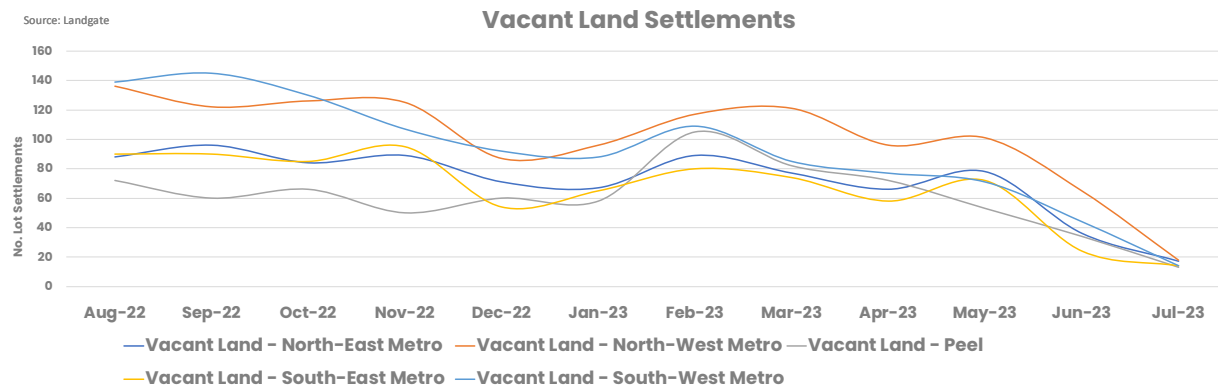
	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
South-East Metro	195	501	\$482,000

Detached House	142	608	\$510,000
Medium Density	39	232	\$370,000
Vacant Land	14	364	\$240,000

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Peel	130	642	\$445,000

Detached House	92	706	\$510,000
Medium Density	25	210	\$340,000
Vacant Land	13	584	\$200,000

Vacant Land Settlements



4,695

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

**-38.7% 12 month
change**

\$232,500

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

**+11.2% 12 month
change**

Three Months to July 2023: WA Regional Property Settlements

	Settlements (#)	Median Land Area (sqm)	Median Price (\$)
Gascoyne	35	777	\$300,000
Detached House	17	875	\$650,000
Medium Density	4	322	\$261,000
Vacant Land	14	726	\$100,925
Goldfields Esperance	245	700	\$300,000
Detached House	136	810	\$351,250
Medium Density	93	411	\$299,000
Vacant Land	16	1,012	\$127,500
Great Southern	243	720	\$415,000
Detached House	168	780	\$505,500
Medium Density	42	260	\$350,000
Vacant Land	33	648	\$147,500
Kimberley	26	751	\$290,000
Detached House	18	873	\$382,500
Medium Density	3	191	\$245,000
Vacant Land	5	456	\$87,300
Mid West	324	811	\$300,000
Detached House	194	812	\$331,250
Medium Density	38	286	\$262,500
Vacant Land	92	905	\$113,500
Pilbara	173	591	\$540,000
Detached House	105	703	\$585,000
Medium Density	61	247	\$410,000
Vacant Land	7	609	\$831,000
South West	713	692	\$450,000
Detached House	475	747	\$480,000
Medium Density	157	302	\$415,000
Vacant Land	81	659	\$250,000
Wheatbelt	182	1,012	\$177,500
Detached House	136	1,012	\$198,000
Medium Density	13	1,011	\$240,000
Vacant Land	33	1,012	\$100,000

(Landgate)

Corridor Snapshot

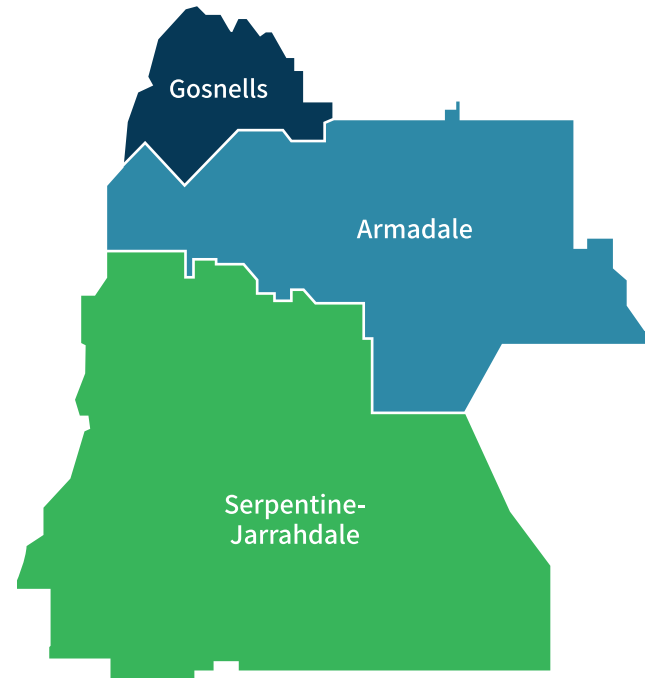
South-East Metro

12 months to July 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
South-East Metro	6,114	-15.6%	517	-1.9%	\$425,000	10.4%
Detached House	3,982	-17.8%	683	0.3%	\$490,000	8.9%
Medium Density	1,291	28.8%	238	0.0%	\$335,000	11.7%
Vacant Land	841	-39.8%	375	0.0%	\$220,000	-3.9%

12 months to July 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Gosnells LGA	2,642	-15.1%	568	-4.5%	\$436,000	6.3%
Detached House	1,631	-24.1%	684	0.1%	\$495,000	9.8%
Medium Density	768	29.7%	238	-5.6%	\$360,000	63.6%
Vacant Land	243	-34.3%	405	11.6%	\$278,000	6.9%

12 months to July 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Armadale LGA	2,622	-16.7%	480	3.7%	\$394,500	14.3%
Detached House	1,741	-13.3%	601	-12.0%	\$490,000	12.6%
Medium Density	508	26.4%	184	-18.6%	\$358,500	28.7%
Vacant Land	373	-49.3%	375	0.0%	\$198,000	-15.7%

(Landgate)



6,114

Total settlements recorded for the South-East Metro in 12 months to July 2023

-15.6% YoY

\$220,000

Median price in vacant land settlements across South-East Metro in 12 months to July 2023

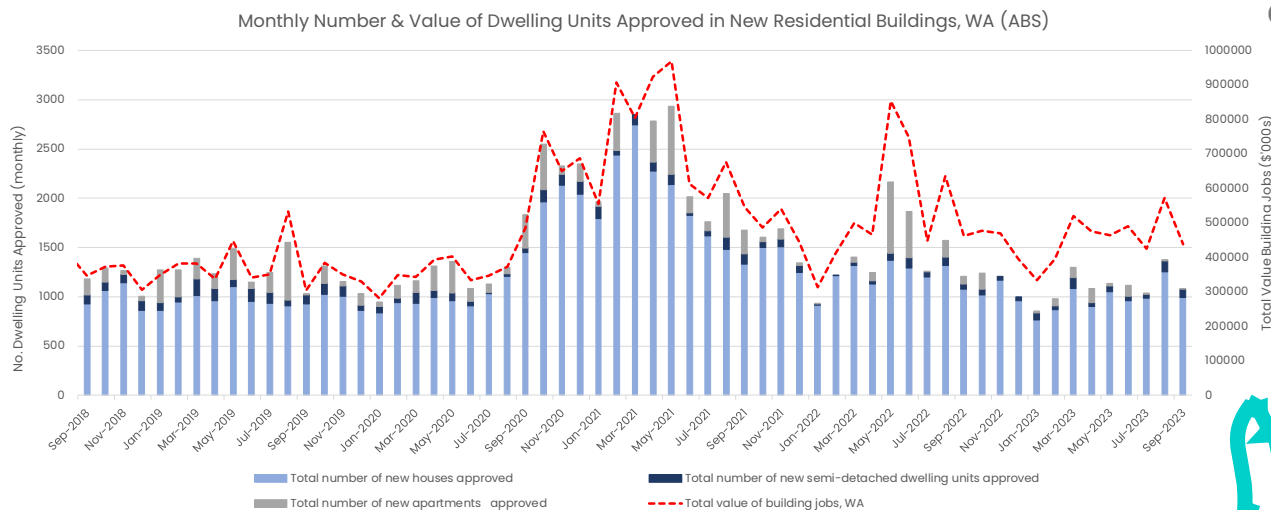
-3.9% YoY

12 months to July 2023 & YoY Change						
	Settlements (#)		Median Land Area (sqm)		Median Price (\$)	
Serpentine-Jarrahdale LGA	850	-13.9%	492	-3.5%	\$460,750	9.7%
Detached House	610	-11.3%	532	-4.6%	\$521,000	8.5%
Medium Density	15	87.5%	440	11.0%	\$420,000	24.4%
Vacant Land	225	-22.7%	375	-10.1%	\$199,000	4.2%

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

Building Approvals (ABS)



1,086

Total WA dwelling approvals in September

-21.0% MoM

-10.0% YoY



Houses

989

-20.9% MoM

-8.3% YoY

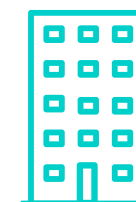


Semi-detached/row or terrace/townhouse

87

-23.0% MoM

+85.1% YoY



Apartments

10

-16.7% MoM

-87.7% YoY

13,497

National dwelling approval numbers in September

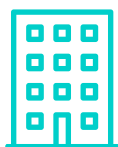
-23.0% YoY



Houses

8,594

-12.2% YoY

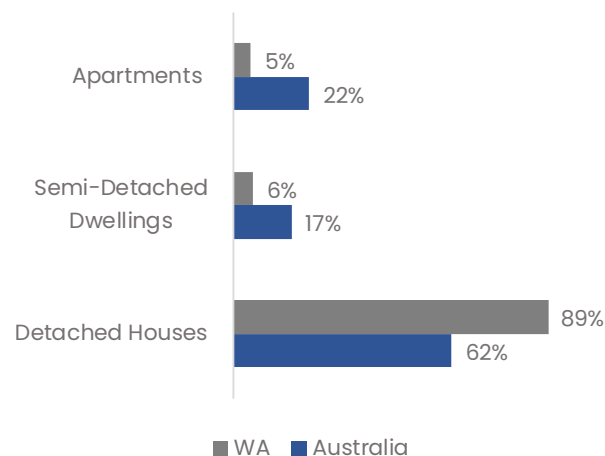


Excluding houses

4,903

-36.7% YoY

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



Residential Construction

Building Activity (ABS)

3,628

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

+15.0% QoQ

-32.5% YoY

-32.6% Long run ave

3,056

Separate house commencements in June 2023 quarter

+9.0% QoQ

-34.2% YoY

-28.6% Long run ave

565

Other residential typology commencements in June 2023 quarter

+62.4% QoQ

-21.7% YoY

-47.6% Long run ave

20,655

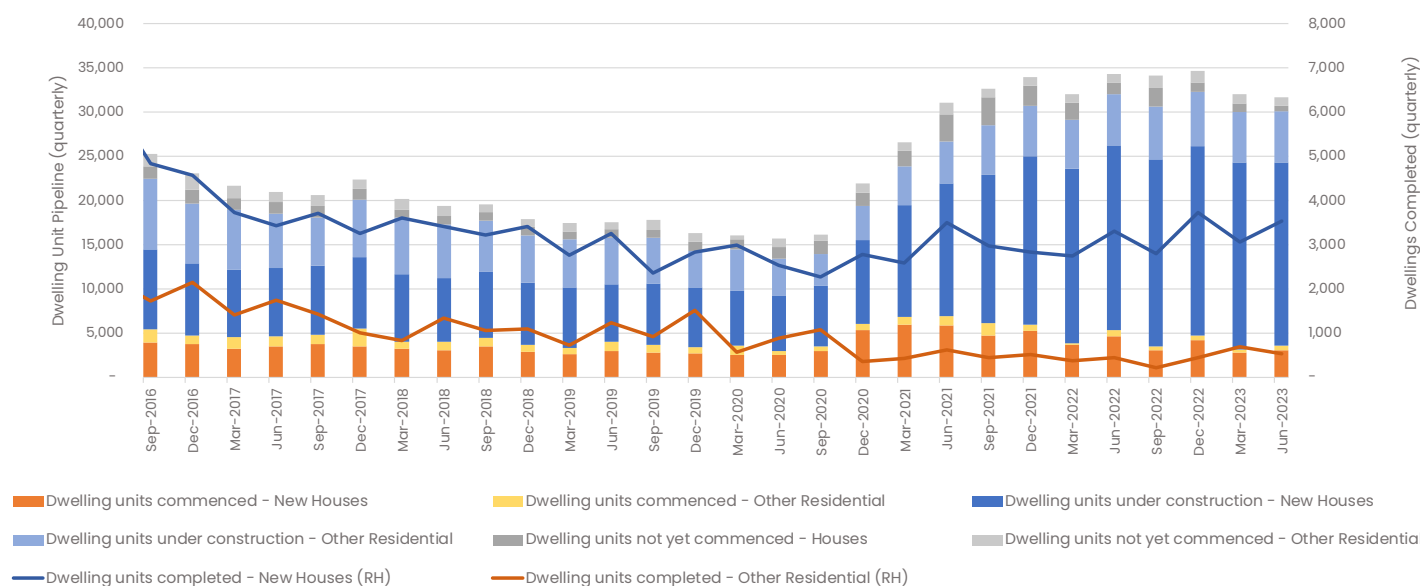
Detached houses under construction across WA in June 2023 quarter

-2.3% QoQ

-1.0% YoY

+76.1% Long run ave

WA Residential Building Activity & Pipeline (ABS)



Economy

Labour Force (ABS)



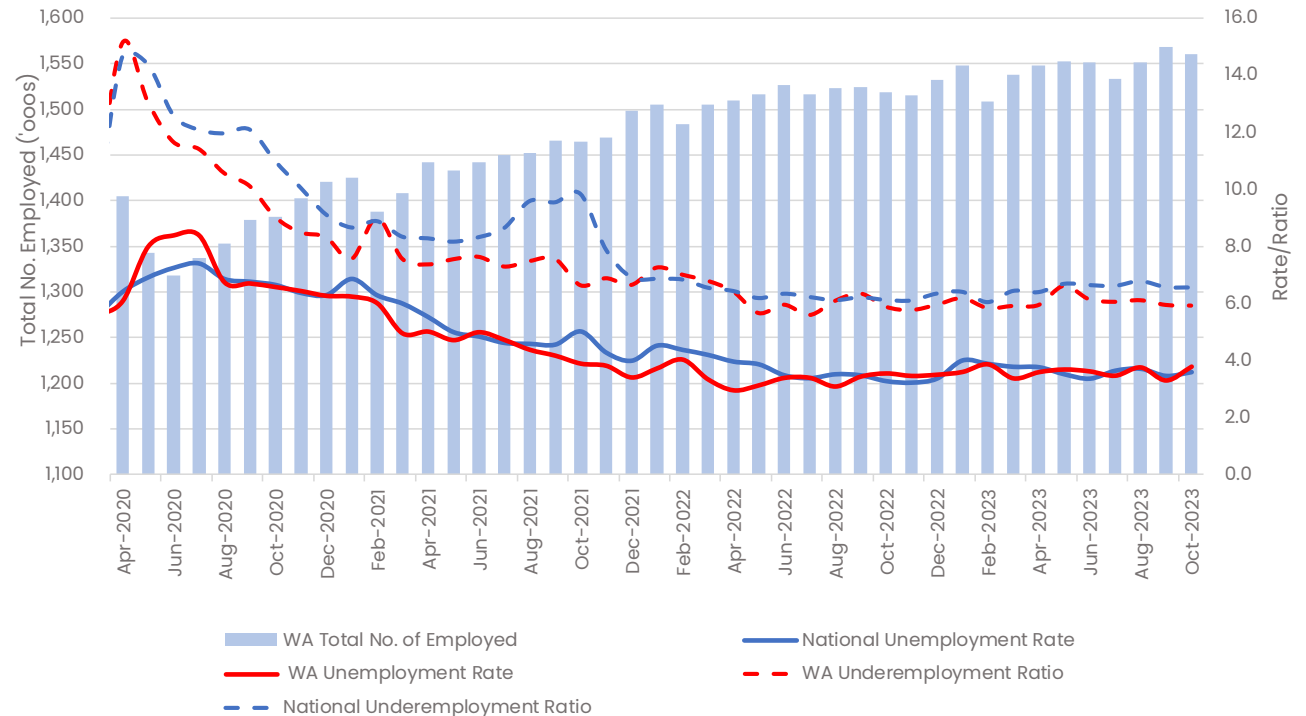
3.6%

Australia's unemployment rate in October

3.8%

WA's unemployment rate in October

WA & National Labour Force Snapshot (ABS)



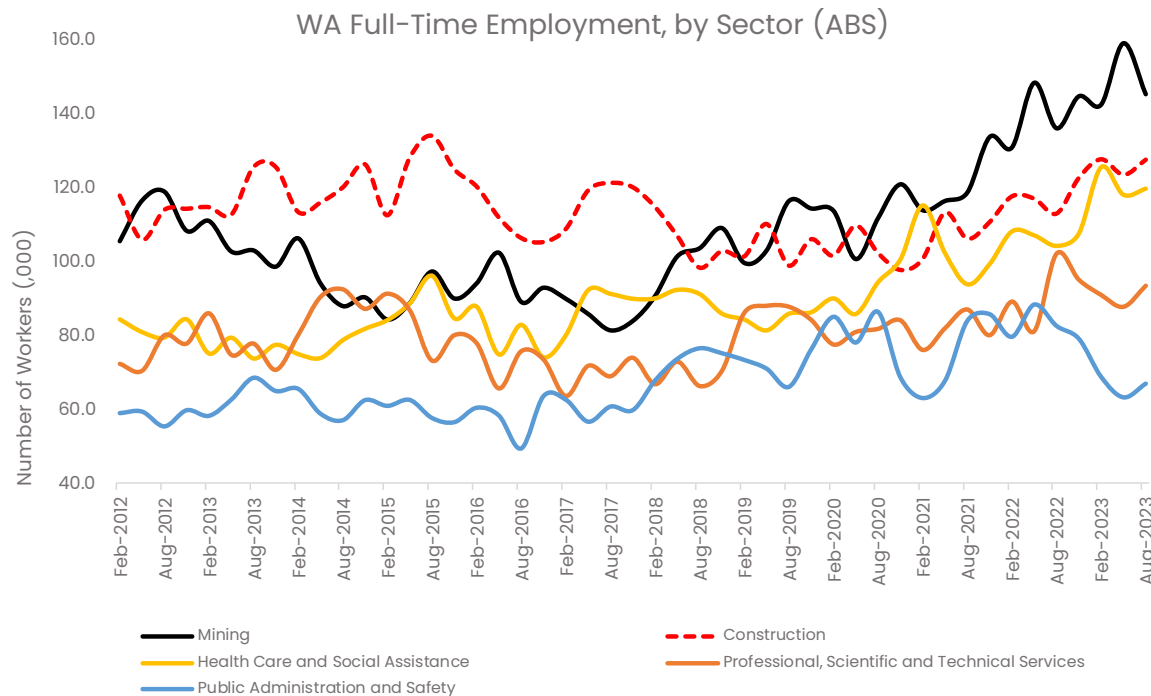
Participation rate

National	WA	National	WA
67.0%	69.3%	6.57%	5.92%
+0.31% MoM	+0.79% MoM	-0.21% MoM	-0.39% MoM

Underemployment rate

Economy

Labour Force Detailed (ABS)



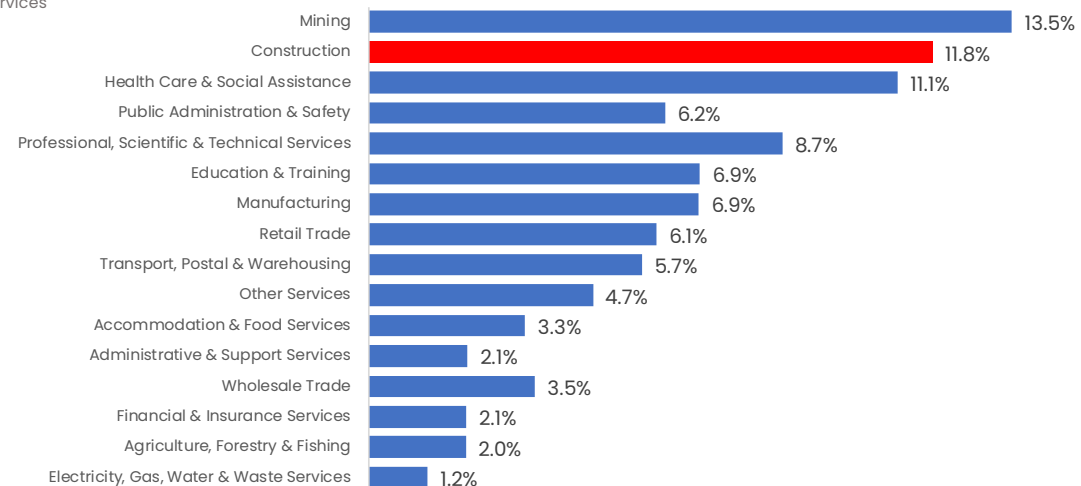
127,585

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

+3.3% QoQ

+12.9% YoY

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



Proportion of Total Labour Force



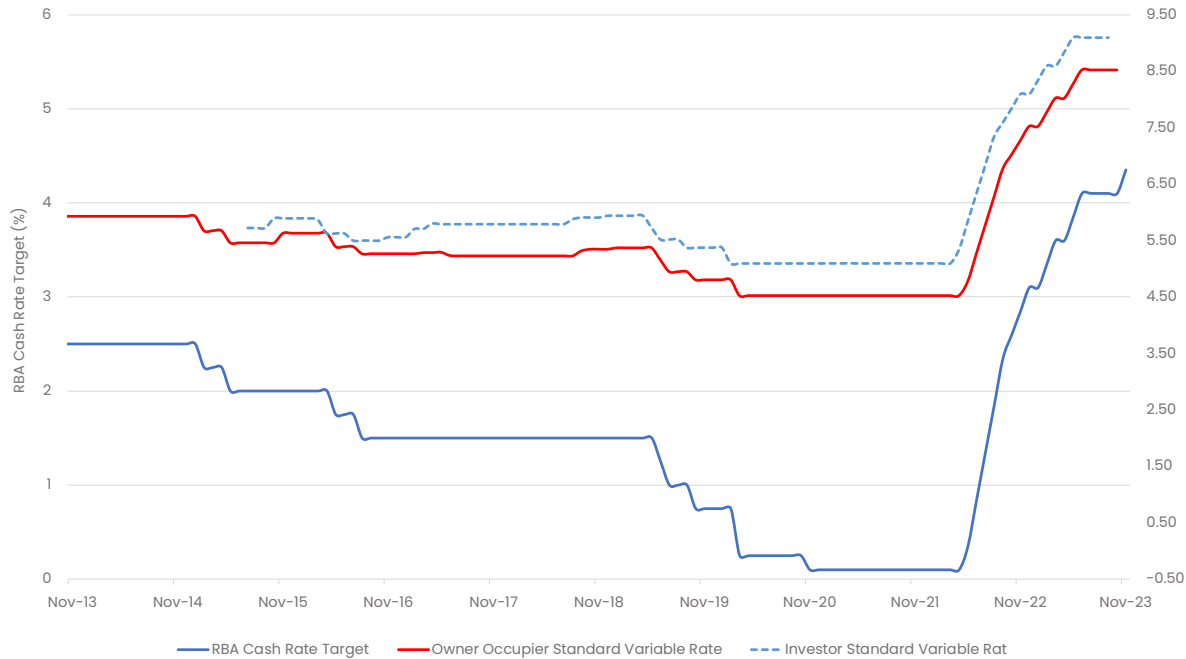
11.8%

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

Economy

Housing Rates & Cash Rate

Cash Rate & Indicator Lending Rates (RBA)



4.35%

Cash rate target
following RBA
November Monetary
Policy Meeting

+6.1% MoM
+1.5% YoY

8.5%

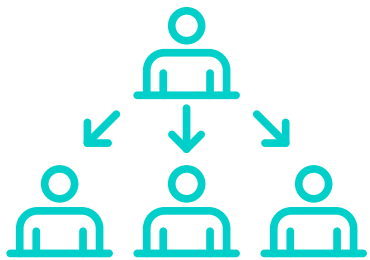
Owner-occupier
variable interest rate
+/-0% MoM

Highest level
since Sep 2008

9.10%

Investor standard
variable lending rate
+/-0% MoM

Highest level
since Sep 2008



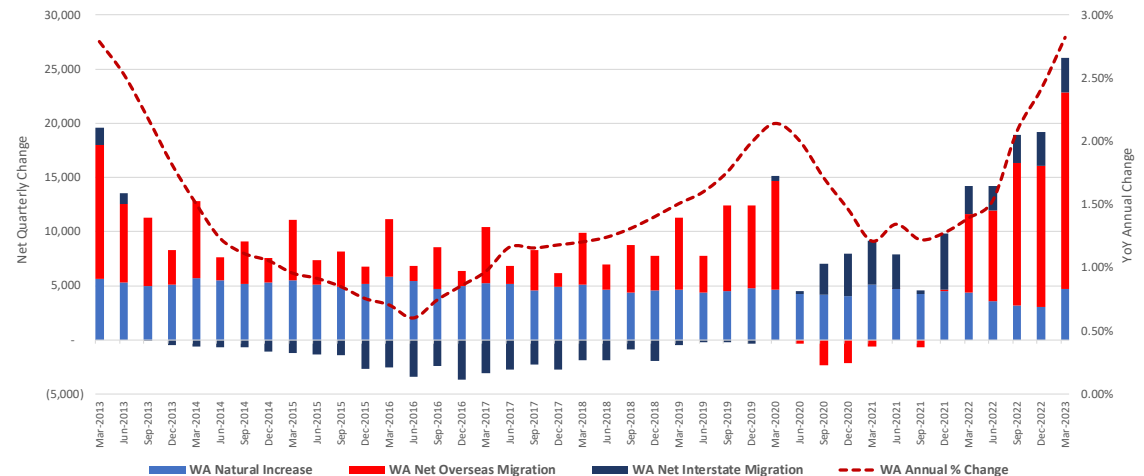
26,005

WA net population growth

+35% QoQ

Largest quarterly
growth in 40 years

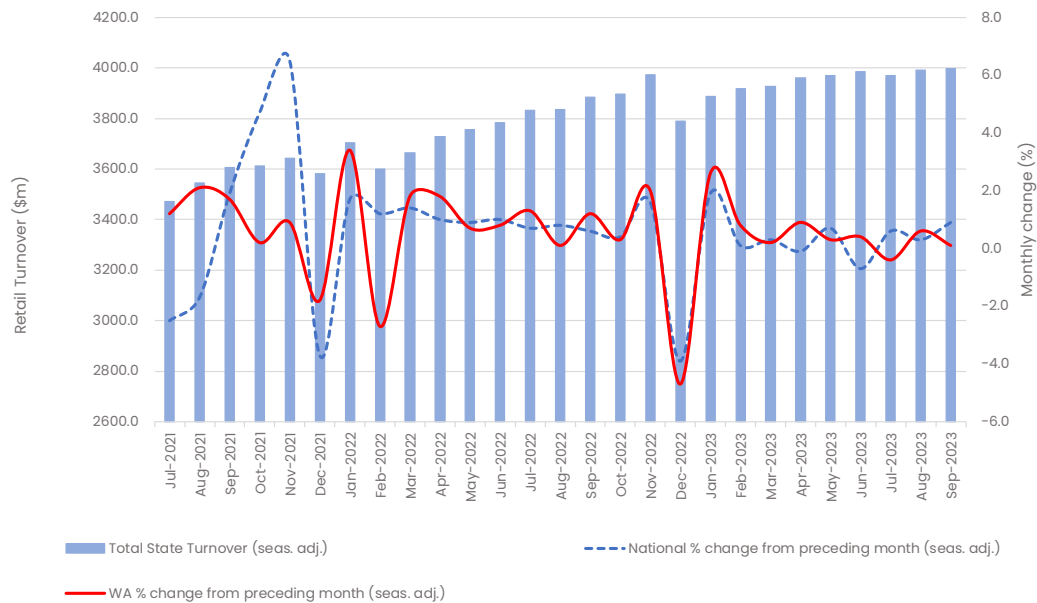
WA Population Quarterly Growth by Component (ABS 3101)



Economy

Retail Trade (ABS 8501)

WA Retail Turnover (ABS)



\$35.87 b

National retail turnover in September

+0.9% MoM

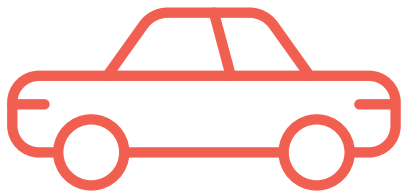
+2.0% YoY

\$3.99 b

WA retail turnover in September

+0.1% MoM

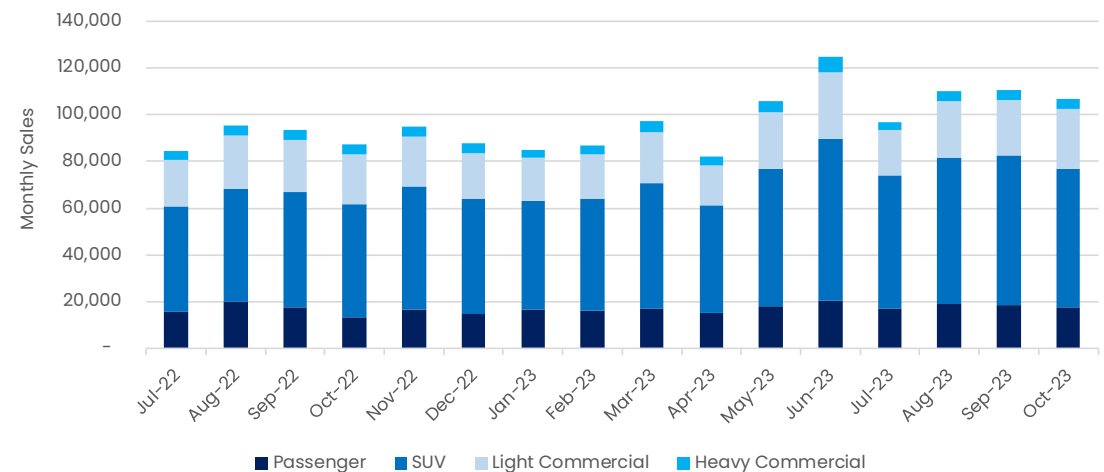
+3.0% YoY



106,809

New Vehicle Sales sold in Australia in October 2023

New Vehicle Sales by Class, Australia (FCAI)





50 years
For the
community
creators

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