

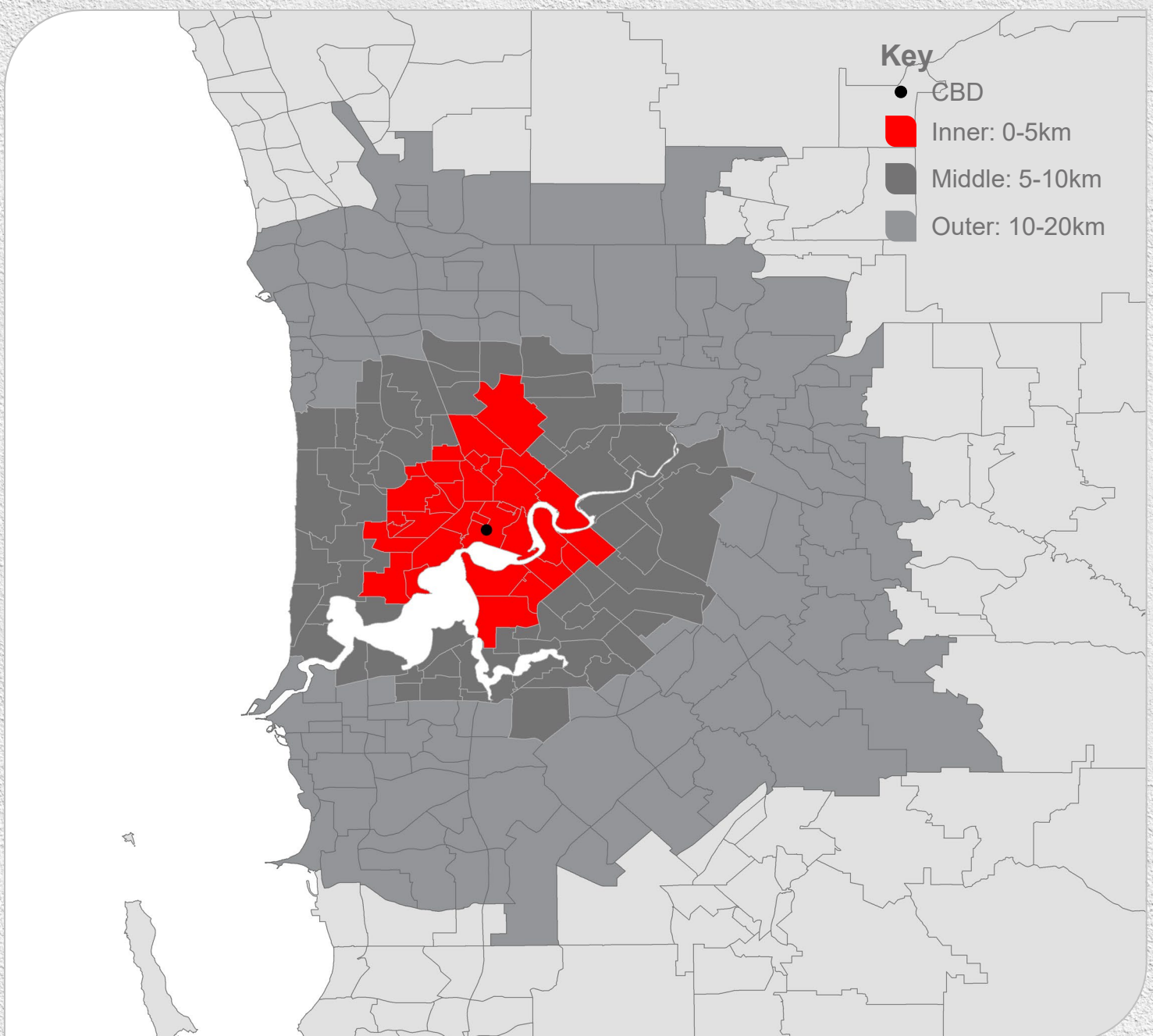
## > Perth Market Update

2nd Half 2021

## INTRODUCTION

The *PRD Perth Market Update 2nd Half 2021* is part of a report series that divides major cities into the inner, middle, and outer rings. This report provides an in-depth analysis of each specified market in an uncomplicated and simple manner, alongside a holistic picture of property conditions in each area.

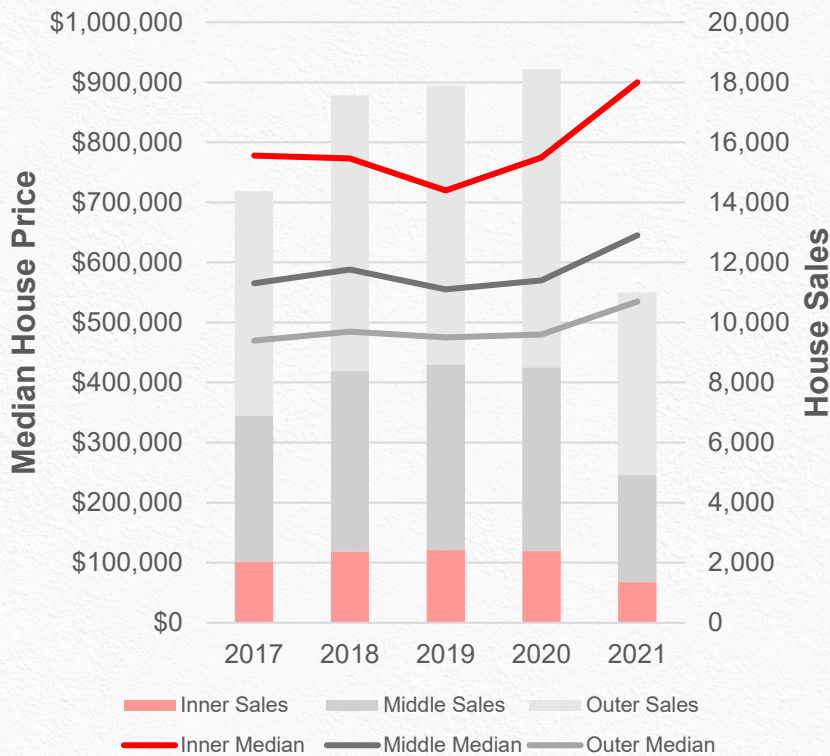
The Perth market has had a turnaround over the past 12 months, with strong annual growth this year across all rings. Despite this, affordability remains comparatively higher than other capital cities due to historic price softening. The first half of 2021 sees average vendor discounts that favour sellers, a more competitive market through decreased time to sell a property, median house and unit rental price growth, and declining vacancy rates to a historical low. Combined, all of these indicators point to all of Perth's rings being primed for continued growth in 2021 and 2022.



#2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).



## PERTH HOUSE SALES 2017-21



### 2021 Median Sale Price

- Inner: \$900,000
- Middle: \$645,000
- Outer: \$535,000

### 2017-21 Price Growth

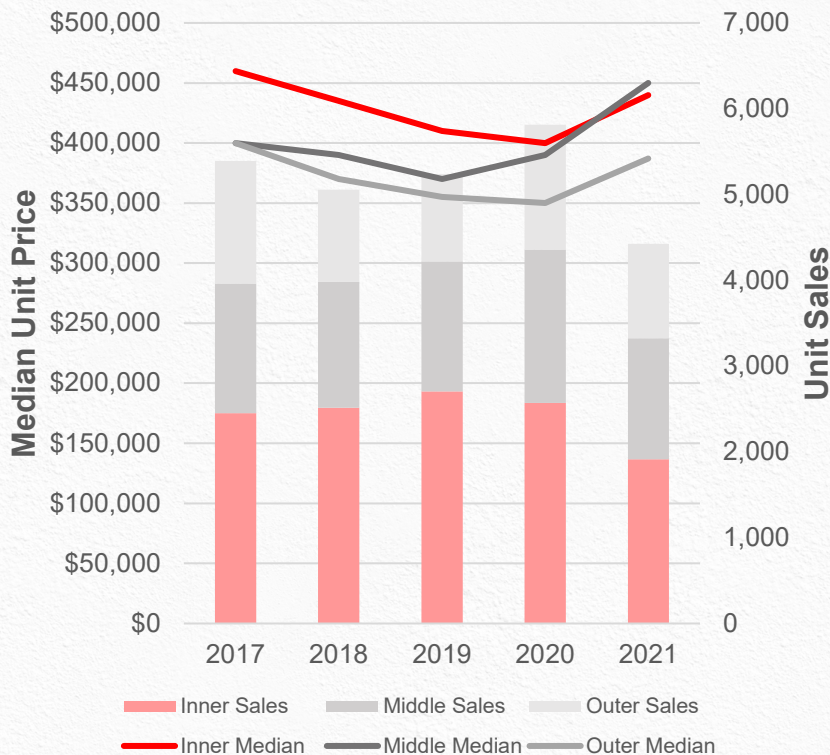
- Inner: +15.7% (\$122,100)
- Middle: +14.2% (\$80,000)
- Outer: +13.8% (\$65,000)

### Key Comments

- Inner Perth holds a notably higher median house price compared to the middle and outer rings.
- Perth's strong median house price growth in the past 5 years is almost entirely due to strong 2020 – 2021 price growth. This is especially true in Perth's inner ring.

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## PERTH UNIT SALES 2017-21



### 2021 Median Sale Price

- Inner: \$440,000
- Middle: \$450,000
- Outer: \$387,000

### 2017-21 Price Growth

- Inner: -4.3% (-\$20,000)
- Middle: +12.5% (\$50,000)
- Outer: -3.3% (-\$13,000)

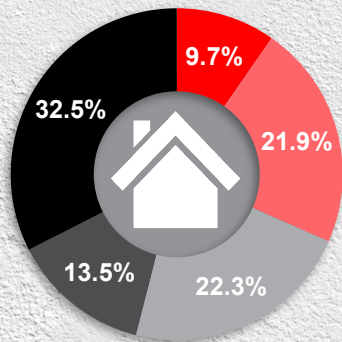
### Key Comments

- Perth unit market is recovering well from price dips in 2019 and 2020, with the middle ring recording the highest five year price growth.
- The 1<sup>st</sup> half of 2021 sales volumes have continued to represent a steady year-on-year increase since 2018.

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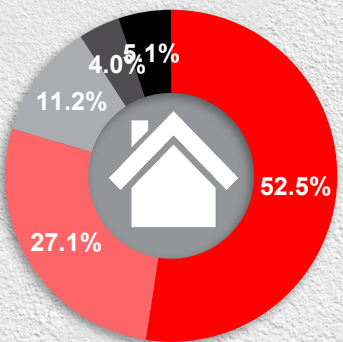


# PERTH HOUSE PRICE BREAKDOWN 2021#

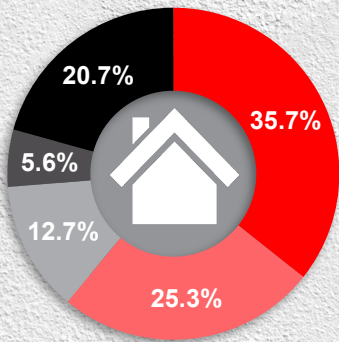


Inner

- Less than \$549,999
- \$550,000 to \$749,999
- \$750,000 to \$949,999
- \$950,000 to \$1,149,999
- \$1,150,000 and above

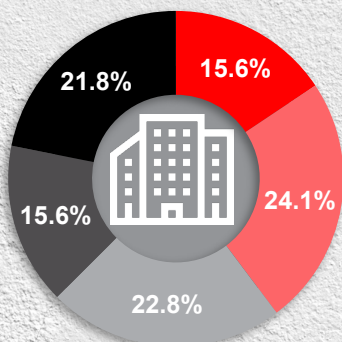


Outer



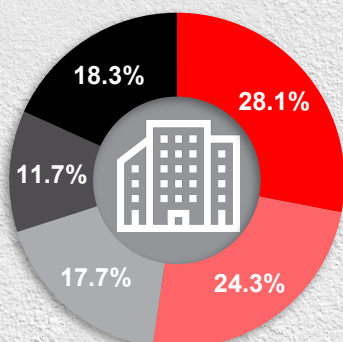
Middle

# PERTH UNIT PRICE BREAKDOWN 2021#

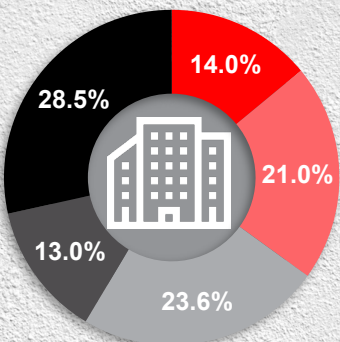


Inner

- Less than \$299,999
- \$300,000 to \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 and above



Outer

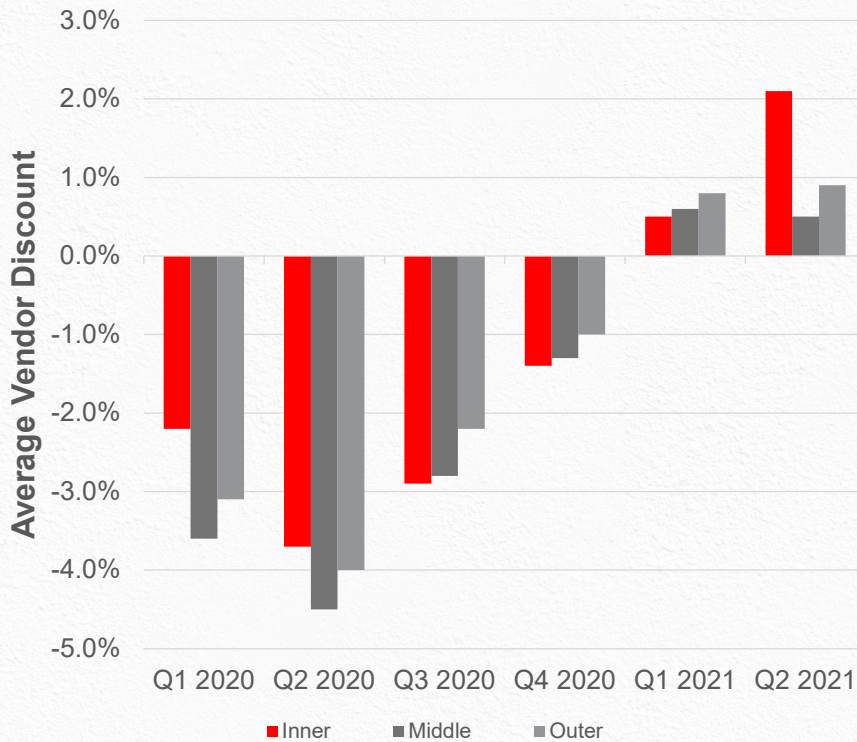


Middle

© Prepared by PRD Research. Source: APM Pricefinder.  
 #2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).



## PERTH HOUSE AVERAGE VENDOR DISCOUNT



### Q2 2021 Overview

- Inner: +2.1%
- Middle: +0.5%
- Outer: +0.9%

### What is Average Vendor Discount?

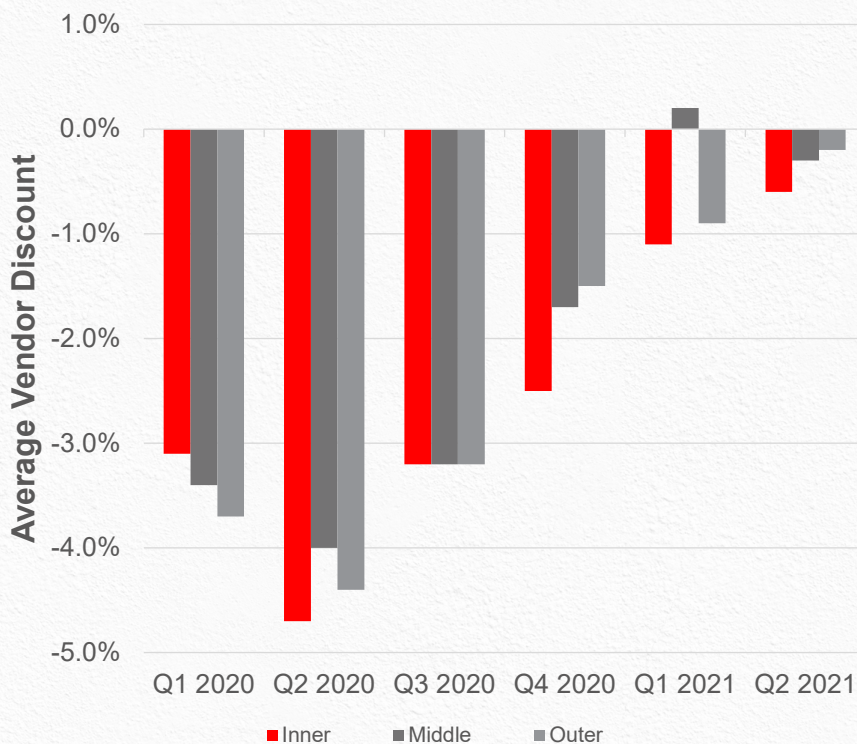
- The average percentage difference between the first list price and final sold price.

### Key Comments

- The first half of 2021 has seen all rings in Perth swing to recording average vendor premiums, indicating a seller's market.
- Buyers in the inner ring are paying the most over the first list price compared to other rings.
- The middle ring provides buyers with the highest discount in Q2 2021.

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## PERTH UNIT AVERAGE VENDOR DISCOUNT



### Q2 2021 Overview

- Inner: -0.6%
- Middle: -0.3%
- Outer: -0.2%

### What is Average Vendor Discount?

- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

### Key Comments

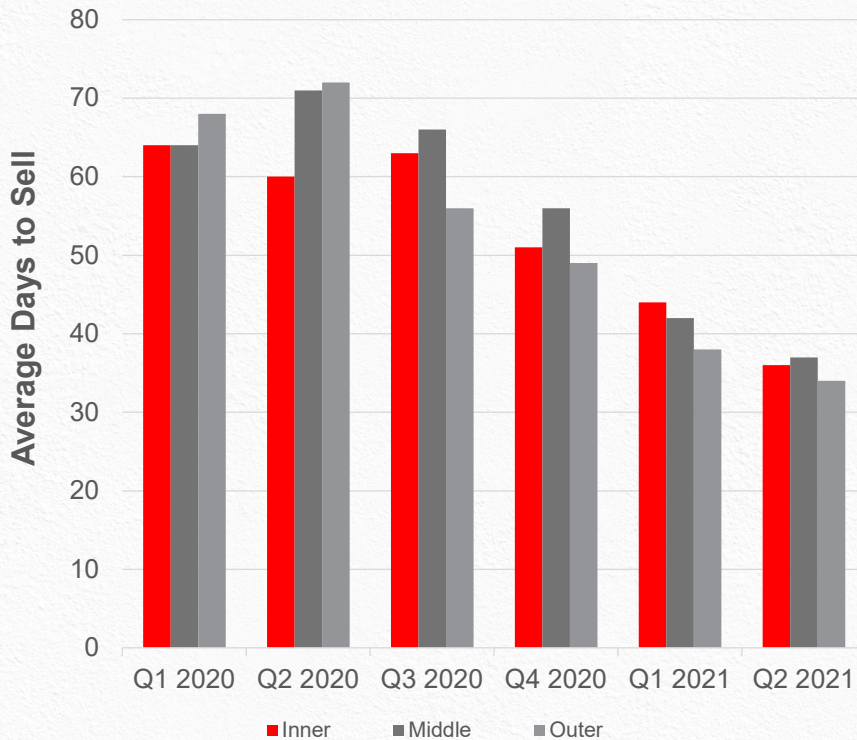
- Average vendor discounting has tightened significantly since the start of COVID-19 in Q2 2020.
- Inner and outer ring vendor discounts for units are the tightest they have been for the past 18 months.

- There is now a higher demand for units.

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## PERTH HOUSE AVERAGE DAYS TO SELL



### Q2 2021 Overview

- Inner: 36 days
- Middle: 37 days
- Outer: 34 days

### Why Average Days to Sell?

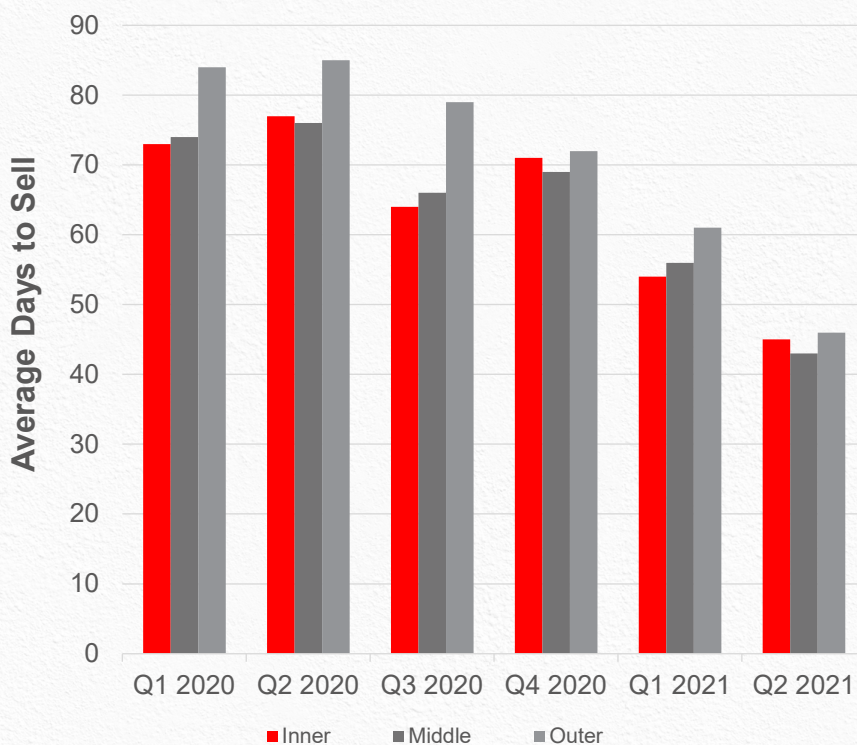
- The change in average days to sell a property is indicative of buyer demand.

### Key Comments

- Average days to sell houses across all of Perth's rings in Q2 2021 is approximately half of what it was in Q2 2020
- Houses in the outer ring are selling the fastest in Q2 2021, at 34 days. Inner and middle ring houses are selling at a similar pace. This is reflective of high demand, in good news for owner occupiers looking to sell their property.

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## PERTH UNIT AVERAGE DAYS TO SELL



### Q2 2021 Overview

- Inner: 45 days
- Middle: 43 days
- Outer: 46 days

### Why Average Days to Sell?

- A lower average number of days to sell a property reveals an increase in demand, as buyers are willing to purchase property more quickly.

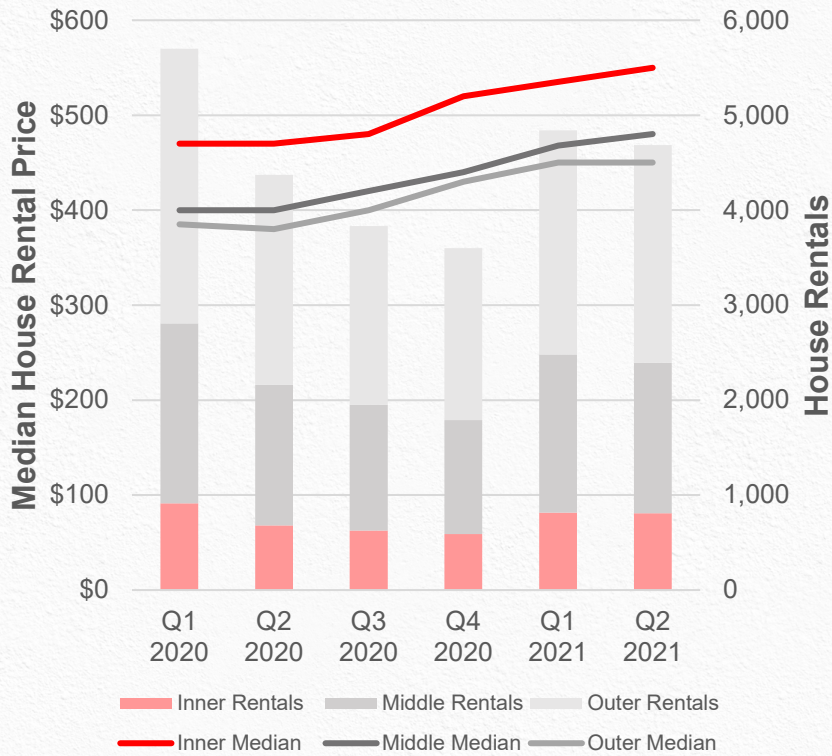
### Key Comments

- The average days to sell difference between houses and units across all three rings is extremely tight, with a variation of just 3 days.
- Outer Perth has recorded the best improvement in average days to sell over the past 18 months to Q2 2021.

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## PERTH HOUSE RENTALS



### Q2 2021 Median Rental Price

- Inner: \$550 per week
- Middle: \$480 per week
- Outer: \$450 per week

### Annual Price Growth\*

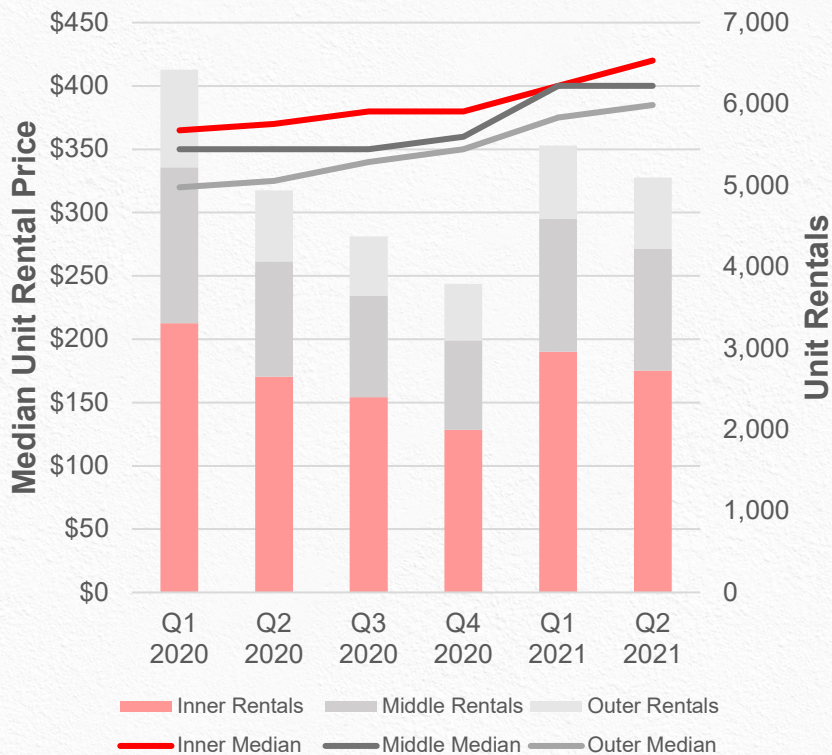
- Inner: +17.0% (+\$80 per week)
- Middle: +20.0% (\$80 per week)
- Outer: +18.4% (+\$70 per week)

### Key Comments

- Perth's house rental market has seen exceptionally strong annual price growth across all rings.
- The 1st half of 2021 has seen greater supply levels than the 2<sup>nd</sup> half of 2020, in good news for future sustainable growth.

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## PERTH UNIT RENTALS



### Q2 2021 Median Rental Price

- Inner: \$420 per week
- Middle: \$400 per week
- Outer: \$385 per week

### Annual Price Growth\*

- Inner: +13.5% (+\$50 per week)
- Middle: +14.3% (+\$50 per week)
- Outer: +18.5% (+\$60 per week)

### Key Comments

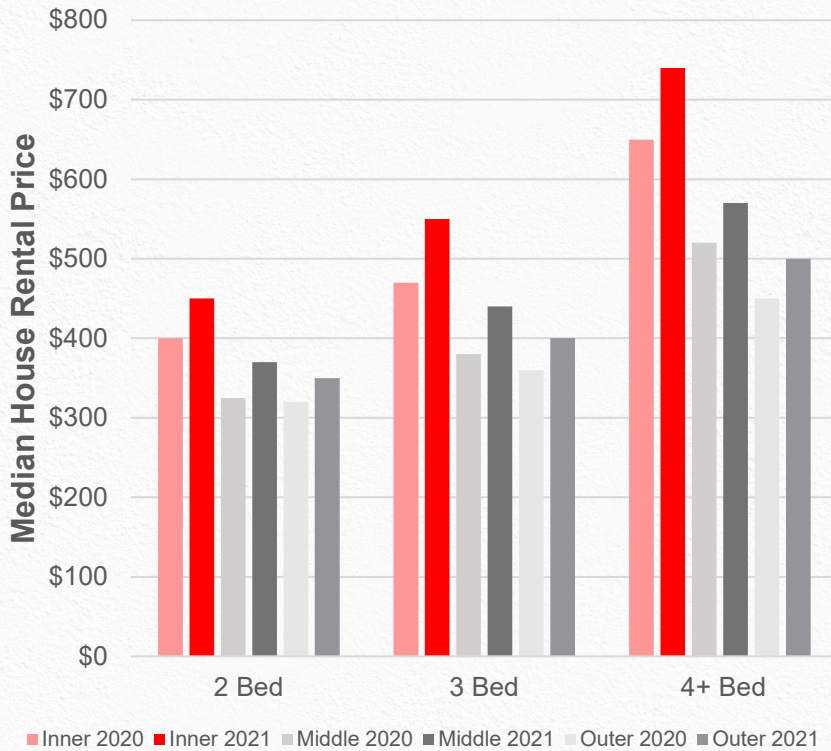
- All unit markets offer fairly similar median rental prices, and have all showed strong growth in the past 12 months to Q2 2021.
- Perth's outer ring unit market has shown the strongest annual growth level, whilst the inner market fetches the highest median unit rental price.

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\* Annual price growth is based on comparison between Q2 2020 and Q2 2021 figures.



## PERTH HOUSE RENTAL PERFORMANCE 2020-21



### 2021 Median Rental Prices

#### 2 Bedroom

- Inner: \$450 per week
- Middle: \$370 per week
- Outer: \$350 per week

#### 3 Bedroom

- Inner: \$550 per week
- Middle: \$440 per week
- Outer: \$400 per week

#### 4+ Bedroom

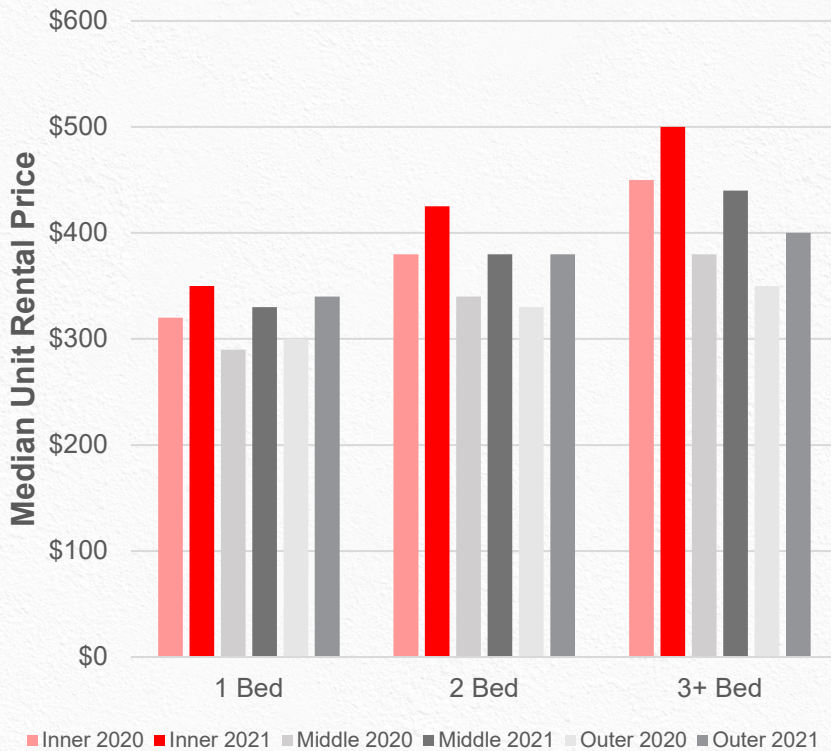
- Inner: \$740 per week
- Middle: \$570 per week
- Outer: \$500 per week

### Key Comments

- All house types across Perth have performed strongly, showing an increase in the median rental price, regardless of ring area and bedroom configuration.
- 3-bedroom houses provided the greatest annual growth across all rings.

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## PERTH UNIT RENTAL PERFORMANCE 2020-21



### 2021 Median Rental Prices

#### 1 Bedroom

- Inner: \$350 per week
- Middle: \$330 per week
- Outer: \$340 per week

#### 2 Bedroom

- Inner: \$425 per week
- Middle: \$380 per week
- Outer: \$380 per week

#### 3+ Bedroom

- Inner: \$500 per week
- Middle: \$440 per week
- Outer: \$400 per week

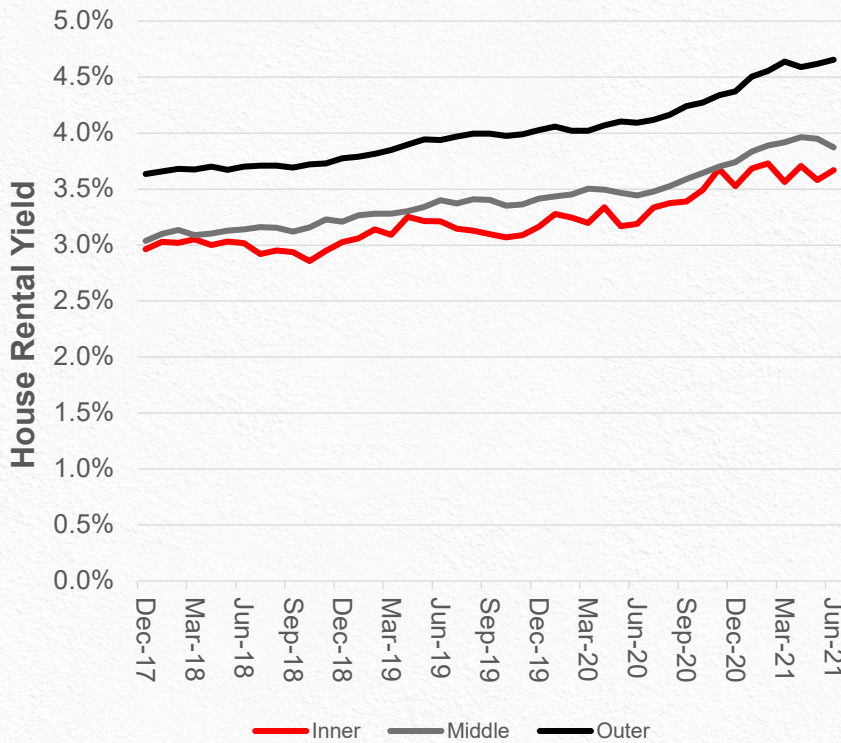
### Key Comments

- Units across different rings have seen positive median unit rental price growth, regardless of bedroom configuration.
- Perth's outer ring showed the highest growth on average, as well as the highest median unit rental price.

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## PERTH HOUSE AVERAGE RENTAL YIELD



### Jun-21 Overview

- Inner: 3.7%
- Middle: 3.9%
- Outer: 4.7%

### Annual Change

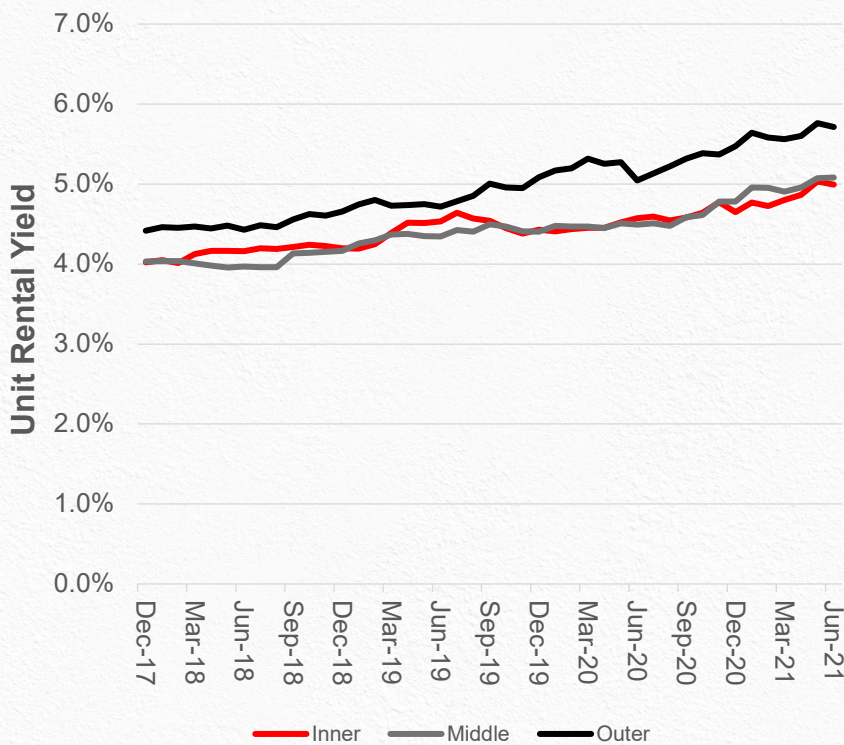
- Inner: +0.5%
- Middle: +0.4%
- Outer: +0.6%

### Key Comments

- Perth's outer ring recorded a notably higher average rental yield for houses than the inner and middle rings, which have remained largely similar.
- House yields across all three rings have continued to steadily increase over the past three years.

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## PERTH UNIT AVERAGE RENTAL YIELD



### Jun-21 Overview

- Inner: 5.0%
- Middle: 5.1%
- Outer: 5.7%

### Annual Change

- Inner: +0.4%
- Middle: +0.6%
- Outer: +0.7%

### Key Comments

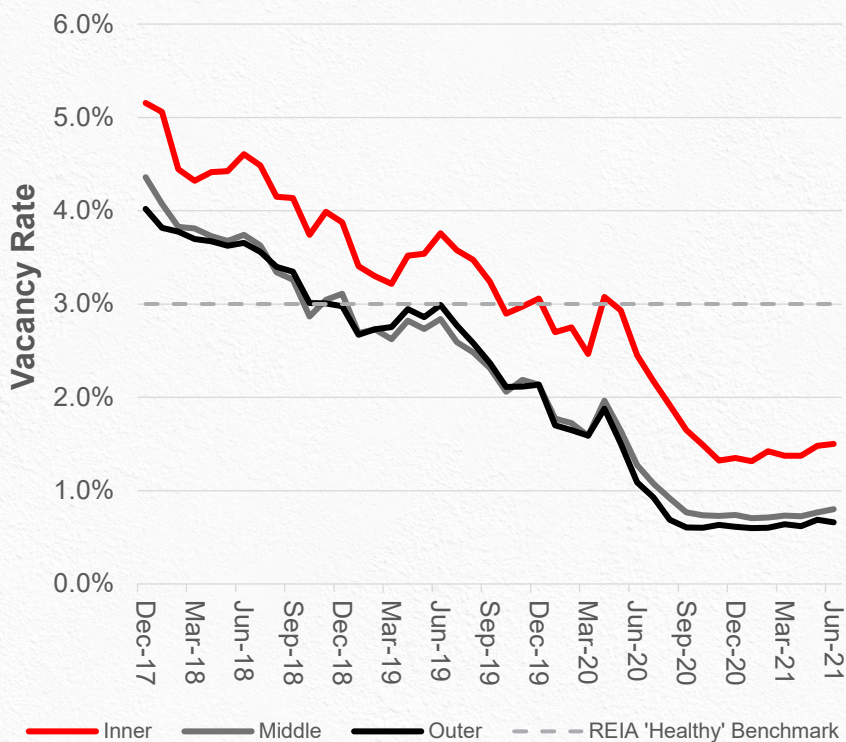
- Average rental yields for units in the outer ring also sat higher than the inner and middle rings.
- Unit rental yield growth patterns are following house yields, however, are providing greater yields than houses.

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## PERTH VACANCY RATES



### Jun-21 Overview

- Inner: 1.5%
- Middle: 0.8%
- Outer: 0.7%

### Annual Change

- Inner: -1.0%
- Middle: -0.5%
- Outer: -0.4%

### Key Comments

- Vacancy rates in Perth rapidly declined to historically low levels at the end of 2020, before stabilising in the 1st half of 2021.
- Despite sitting higher than the middle and outer rings, the inner Perth vacancy rate level remains below the healthy 3.0% REIA benchmark.

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# REFERENCES

Inner ring market data and key indicators encapsulates aggregate property conditions within following suburbs: Burswood, Como, Coolbinia, Crawley, Daglish, Dianella, East Perth, Glendalough, Highgate, Inglewood, Jolimont, Joondanna, Kensington, Kings Park, Lathlain, Leederville, Maylands, Menora, Mount Hawthorn, Mount Lawley, Nedlands, North Perth, Northbridge, Perth, Rivervale, Shenton Park, South Perth, Subiaco, Victoria Park, Wembley, West Leederville, West Perth, Yokine.

Middle ring market data and key indicators encapsulates aggregate property conditions within following suburbs: Alfred Cove, Applecross, Ardross, Ascot, Ashfield, Attadale, Balcatta, Balga, Bassendean, Bayswater, Bedford, Belmont, Bentley, Bickton, Booragoon, Brentwood, Cannington, Carlisle, Churchlands, City Beach, Claremont, Cloverdale, Cottesloe, Dalkeith, Doubleview, East Victoria Park, Eden Hill, Embleton, Ferndale, Floreat, Gwelup, Herdsman, Innaloo, Karawara, Karrakatta, Kewdale, Malaga, Manning, Mirrabooka, Morley, Mosman Park, Mount Claremont, Mount Pleasant, Myaree, Nollamara, Noranda, Osborne Park, Peppermint Grove, Perth Airport, Queens Park, Redcliffe, Riverton, Rossmoyne, Salter Point, Scarborough, Shelley, South Guildford, St James, Stirling, Swanbourne, Tuart Hill, Waterford, Welshpool, Wembley Downs, Westminster, Willetton, Wilson, Woodlands.

Outer ring market data and key indicators encapsulates aggregate property conditions within following suburbs: Alexander Heights, Atwell, Ballajura, Banjup, Bateman, Beaconsfield, Beckenham, Beechboro, Beeliar, Bellevue, Bennett Springs, Bibra Lake, Boya, Brabham, Bull Creek, Canning Mills, Canning Vale, Carine, Carmel, Caversham, Cockburn Central, Coogee, Coolbellup, Craigie, Cullacabardee, Darch, Darlington, Dayton, Duncraig, East Cannington, East Fremantle, Ellenbrook, Forrestfield, Fremantle, Girrawheen, Gnangara, Gooseberry Hill, Gosnells, Greenmount, Greenwood, Guildford, Hamersley, Hamilton Hill, Harrisdale, Hazelmere, Helena Valley, Henley Brook, Herne Hill, High Wycombe, Hillarys, Hilton, Hocking, Huntingdale, Jandakot, Jane Brook, Kalamunda, Kallaroo, Kardinya, Karrinyup, Kenwick, Kiara, Kingsley, Koondoola, Koongamia, Landsdale, Langford, Leeming, Lesmurdie, Lexia, Lockridge, Lynwood, Maddington, Madeley, Maida Vale, Marangaroo, Marmion, Martin, Melville, Middle Swan, Midland, Midvale, Munster, Murdoch, North Beach, North Coogee, North Fremantle, North Lake, O'Connor, Orange Grove, Padbury, Palmyra, Parkwood, Pearsall, Piara Waters, Piesse Brook, Samson, Sorrento, South Fremantle, South Lake, Southern River, Spearwood, Stratton, Success, Swan View, Thornlie, Trigg, Viveash, Walliston, Wangara, Wanneroo, Warwick, Watermans Bay, Wattle Grove, West Swan, White Gum Valley, Whiteman, Willagee, Winthrop, Woodbridge, Woodvale, Yangebup.

Source: APM Pricefinder, SQM Research, ESRI ArcGIS.

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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

## OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

## OUR SERVICES

**Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.**

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



## OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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