

PRD.  REAL ESTATE



Affordable & Liveable Property Guide
Perth Metro 1st Half 2023

OVERVIEW

Median property prices in Perth Metro increased by 1.3% for houses, to \$623,000 from Q1 2022 to Q1 2023*, and softened by -4.5% for units, to \$420,000. However, on a quarterly basis (Q4 2022 – Q4 2023), median house prices softened by -1.9% and remained stable for units. Market conditions on a quarterly basis reflect the successive cash rate hikes and a lower consumer sentiment, translating particularly into the house market. That said, the Perth house market will remain undersupplied, as total sales declined by -6.6% (to 5,691 sales) between Q1 2022 and Q1 2023, and most of the new planned projects are due to bring in units. Thus, now is an ideal time for those seeking more affordable options in the house market, as an undersupply suggests any price downturn could be temporary only. In contrast, unit sales grew by 1.9% (to 2,832 sales) between Q1 2022 and Q1 2023, with 996 (approximately) units planned in the 1st half of 2023. This suggests a more balanced supply and demand landscape, creating opportunities for first home buyers.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2021	Median Price 2022*	Price Growth	Projects 2022***
Inner	Subiaco	House	\$1,550,000	\$1,750,000	12.9%	\$133.3M
	Highgate	Unit	\$370,000	\$420,000	13.5%	\$200K
North	Hillarys	House	\$950,000	\$1,150,000	17.2%	\$1.2M
	Cragie	Unit	\$380,000	\$457,000	20.3%	\$450K
South	Winthrop	House	\$940,000	\$1,205,000	28.2%	\$300K
	Mount Pleasant	Unit	\$605,000	\$729,500	20.6%	\$220.0M
East	Lathlain	House	\$790,000	\$1,172,500	26.6%	\$70.0M
	Kalamunda	Unit	\$369,000	\$475,000	28.7%	\$1.5M
West	Wembley	House	\$1,318,000	\$1,520,000	15.3%	\$350K
	Nedlands	Unit	\$630,000	\$675,000	7.1%	\$38.4M

METHODOLOGY

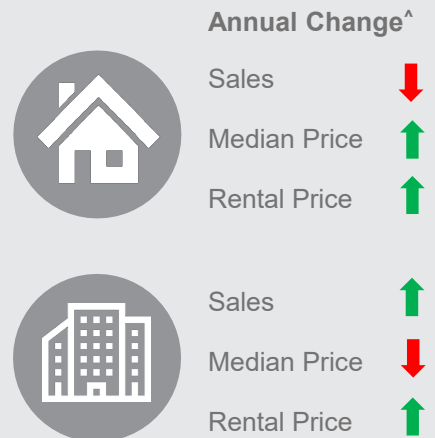
This affordable and liveable property guide for Perth Metro analyses all suburbs within a 20km radius of the Perth CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth between 2021 to 2022/23*.
- **Investment criteria** – as of March 2023, suburbs considered will have an on-par or higher rental yield than Perth Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Western Australia (WA) average home loan, which was \$391,873** as of Q4 2022. House premiums of 5.0% and unit discounts of -11.3% were added, which were below the premiums/discounts required to reach Perth Metro's median prices (59% for houses and -7.2% for units). This places the chosen suburbs below Perth's median prices, thus they are more affordable for buyers.
- **Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1st half of 2023, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- **Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the WA average (as determined by the Department of Jobs and Small Business, December Quarter 2022 release).

*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2023, or Q1 2021 – Q1 2023. **Average home loan figure is derived from December Quarter 2022 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Perth Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1st half of 2023 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2022 to Q1 2023. Figures displayed in infographics are for the period Q1 2023. Source: APM Pricer, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.

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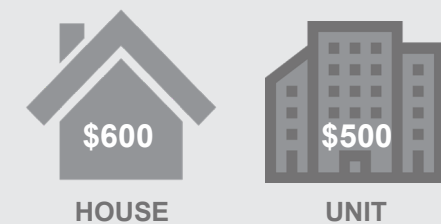
PERTH METRO



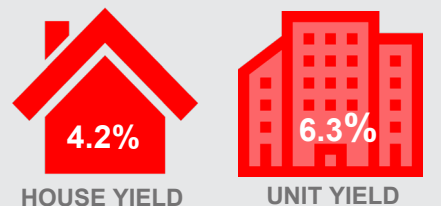
MEDIAN SALE PRICE



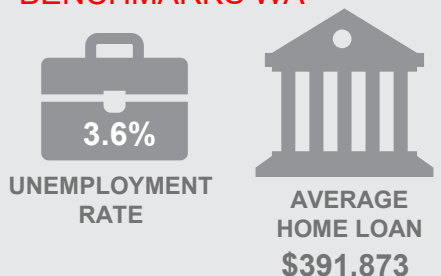
MEDIAN RENTAL PRICE



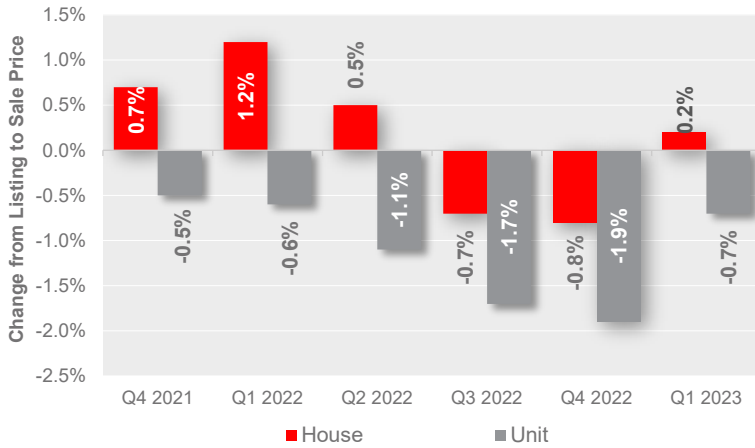
BENCHMARKS PERTH METRO



BENCHMARKS WA



AVERAGE VENDOR DISCOUNT

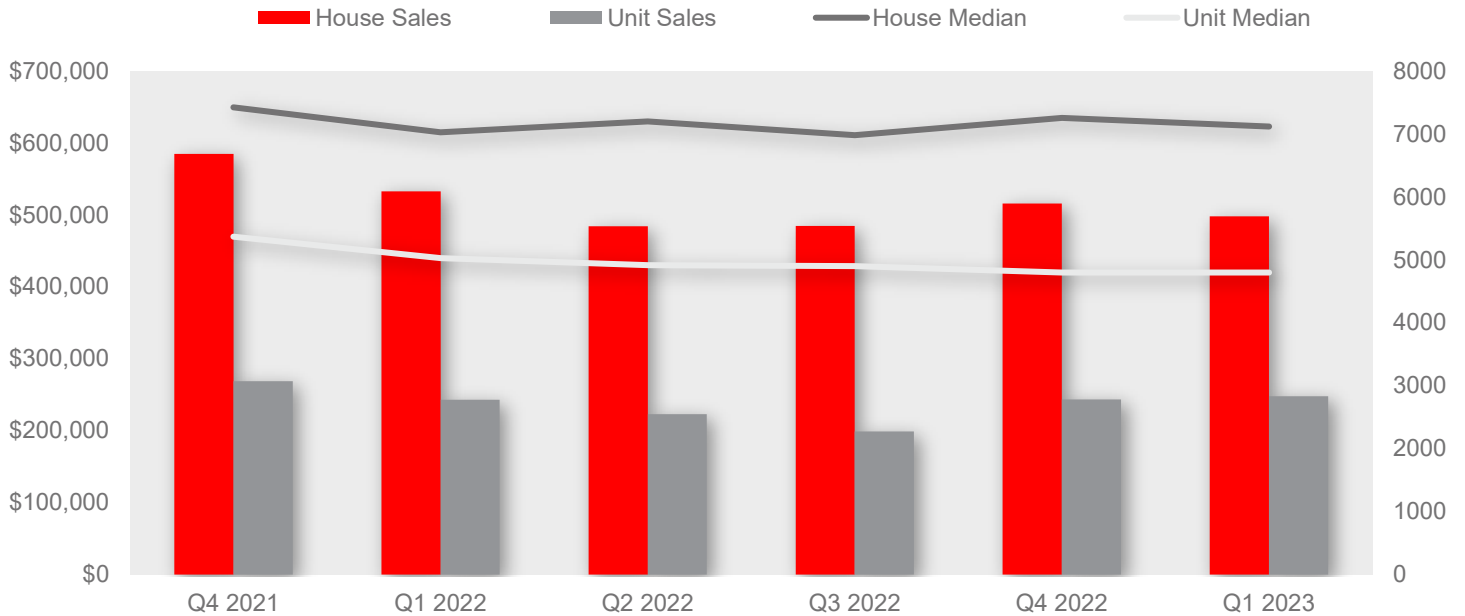


KEY COMMENTS

Average house vendor discounts between Q1 2022 and Q1 2023 have trended towards a lower premium of 0.2% for houses, after swinging to a discount in mid to late 2022. Perth Metro house market conditions have shifted again to a more balanced market for sellers and buyers. Sellers are accepting offers just above the first list price, which still gives buyers better opportunities, but not the discount as per mid-late 2022. Thus, for those seeking more affordable options, time is of the essence.

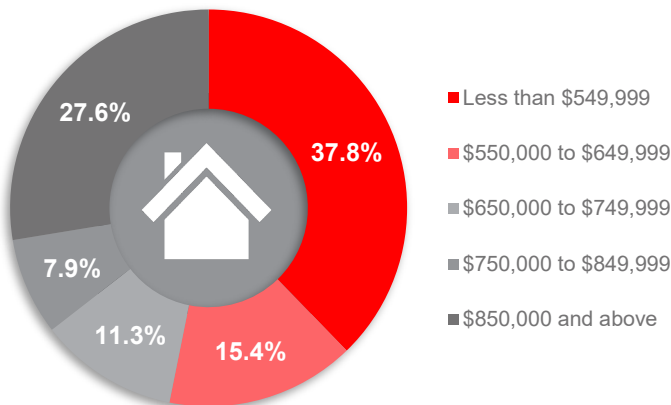
The dominant proportion of houses sold in Perth Metro across 2022/23# were in the most affordable price point of less than \$549,000 (37.8%). Units saw sales mostly in the more affordable price points between \$300,000 - \$499,000 (46.6%). These price points have widened in 2022/23, which is good news for first home buyers.

MARKET PERFORMANCE

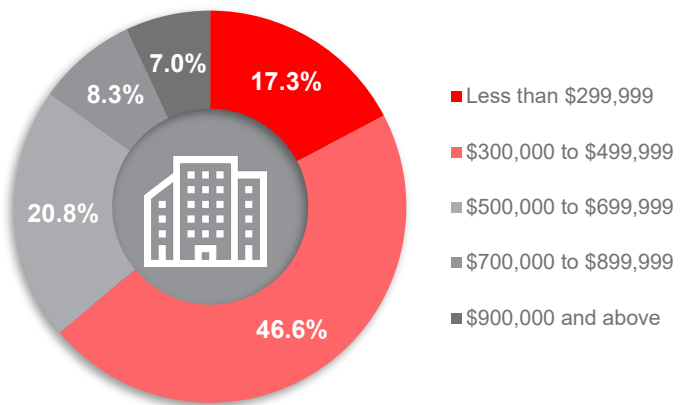


PRICE BREAKDOWN 2022/23#

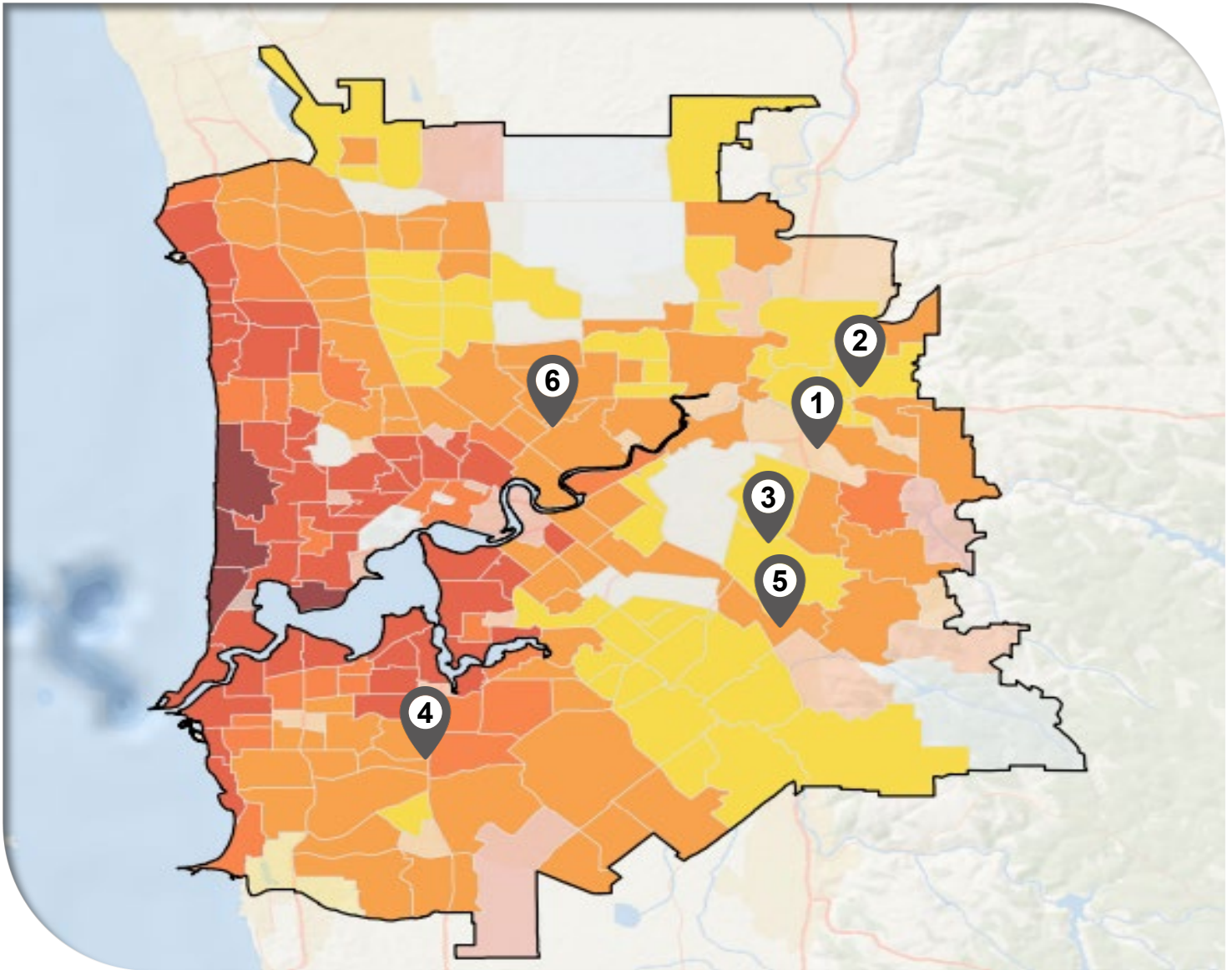
HOUSES SOLD



UNITS SOLD



PERTH METRO MEDIAN HOUSE PRICE 2022/23* 20KM FROM CBD



LEGEND

	Data not available
	\$0 - \$500,000
	\$500,000 - \$800,000
	\$800,000 - \$1,000,000
	\$1,000,000 - \$2,000,000
	\$2,000,000+
	20km from CBD
	Translucent colours for <20 sales

PERTH AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

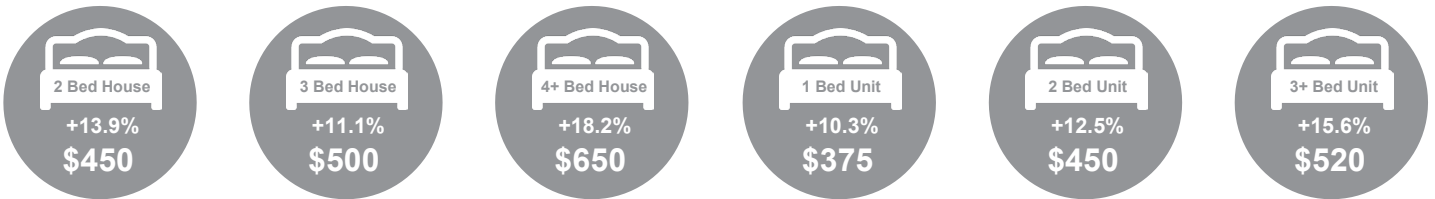
	Suburb	House		Suburb	Unit
1	Koongamia	4.9%	4	Success	6.7%
2	Stratton	4.9%	5	Forrestfield	7.0%
3	High Wycombe	4.8%	6	Morley	6.4%

RENTAL GROWTH 2023€

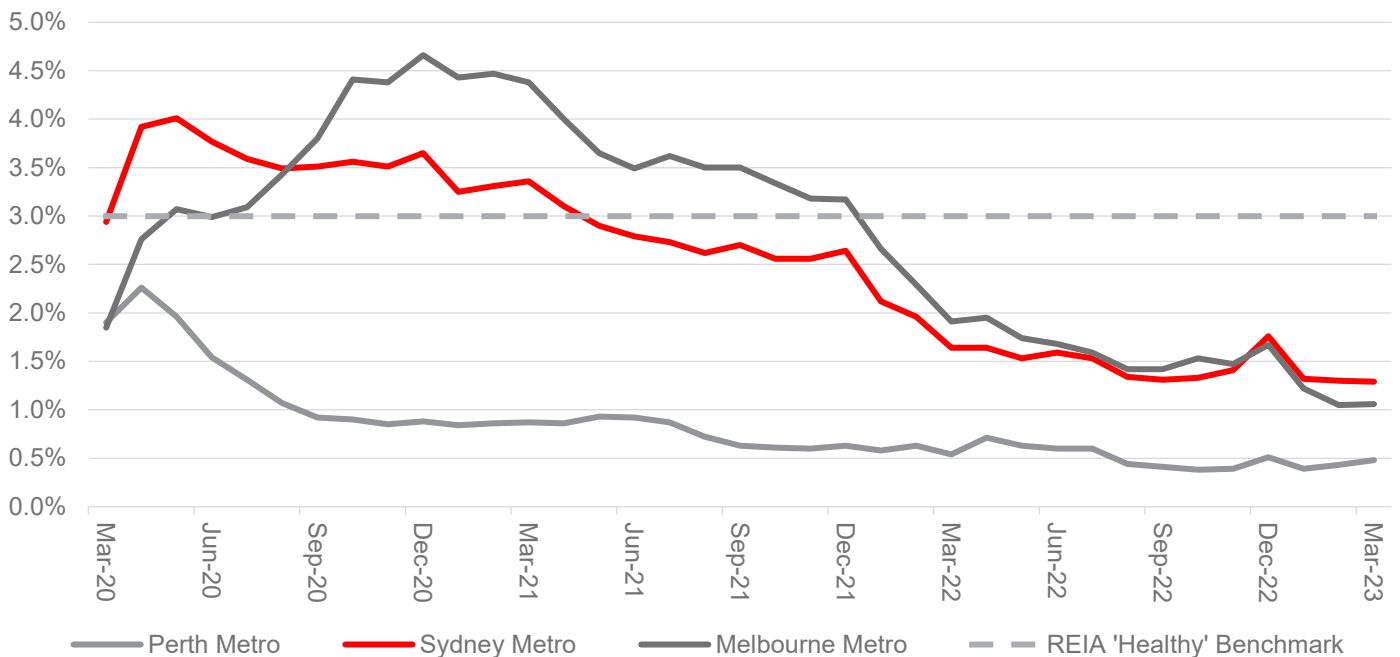
In March 2023, house rental yields in Perth Metro were recorded at 4.2%. This is higher than Melbourne and Sydney Metro (2.9% respectively). In the 12 months to Q1 2023, the median house rental price increased by 15.4% to \$600 per week, further complemented with a low average days on the market of 19 days. The same trends can be seen in the unit rental market. Perth Metro's rental market has continued to show strong growth, which, when combined with the current (quarter-by-quarter) turn in median property sale prices creates a more attractive investment option.

Three bedroom+ houses recorded the highest annual rental growth (of +18.2%) to reach \$650 per week. All properties types have recorded positive double-digit rental price growth in the past 12 months, due to an increase in rental demand.

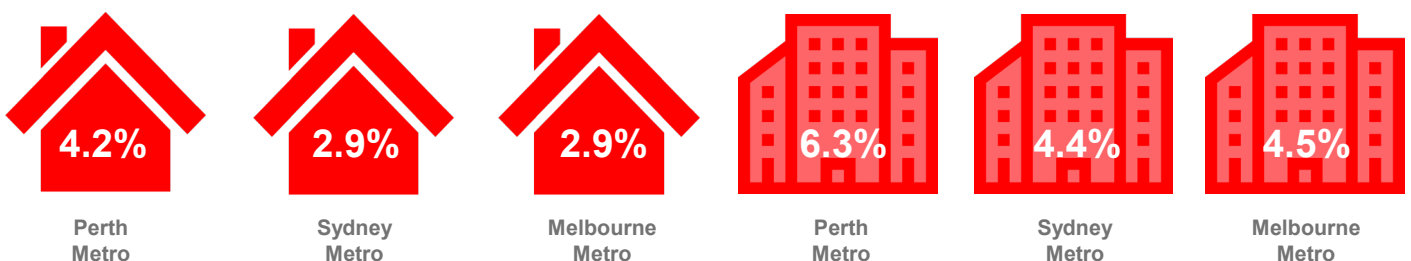
In March 2023, Perth Metro recorded a low vacancy rate of 0.5%, well below Sydney (1.3%) and Melbourne Metro (1.1%). Vacancy rates in Perth Metro crossed over to less than 1.0% in late 2020, and have remained within the 0.5% band rate for the past six months. This suggests increasingly quicker occupancy of rental properties, which is beneficial for investors. With a highly undersupplied rental market, now is the time to invest.



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§

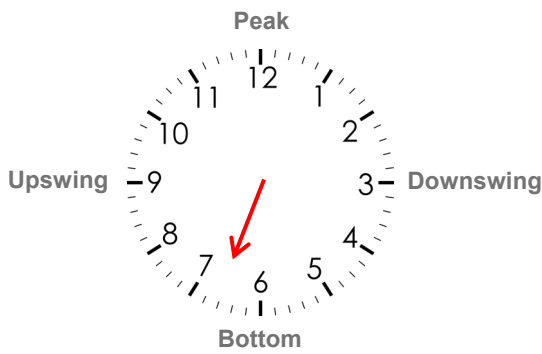


€ Annual rental growth is a comparison between Q1 2022 (01/01/2022 – 31/03/2022) – Q1 2023 (01/01/2023 – 31/03/2023) house median rent figures.

§ Rental yields shown are as reported at March 2023.

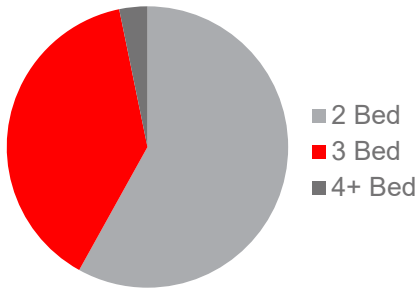
Source: APM Pricerfinder, SQM Research. © Copyright PRD 2022.

PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

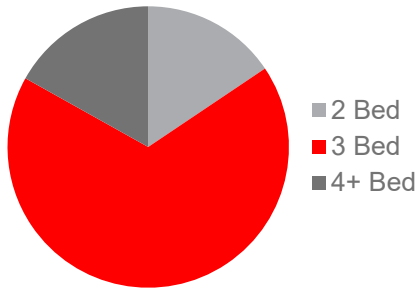
Koongamia 6056



Located about **17.2km** from the Perth CBD.

- Median House Price **\$359,000**
- 2 Bed Median Price **\$345,500***
- 3 Bed Median Price **\$375,000***
- 4+ Bed Median Price **\$447,250***

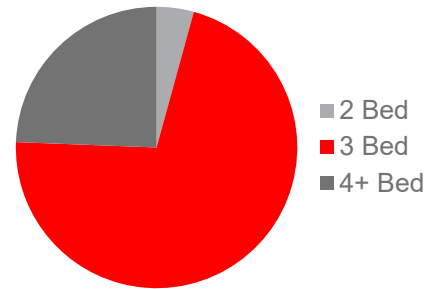
Stratton 6056



Located about **20.1km** from the Perth CBD.

- Median House Price **\$375,000**
- 2 Bed Median Price **\$285,000***
- 3 Bed Median Price **\$362,500**
- 4+ Bed Median Price **\$413,500**

High Wycombe 6057



Located about **14.1km** from the Perth CBD.

- Median House Price **\$500,000**
- 2 Bed Median Price **\$410,000**
- 3 Bed Median Price **\$470,500**
- 4+ Bed Median Price **\$550,000**

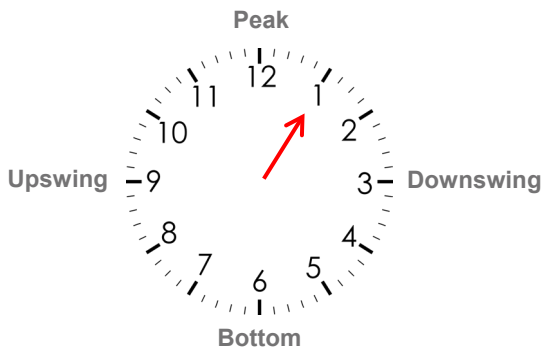
Annual Median Price Growth	3.3%**
Vacancy Rate (Mar-23)	0.2%
Rental Yield (Mar-23)	4.9%
Key Amenity (5km)	Clayton View Primary School
Total Projects (\$)	\$21.7M [^]
Key Project	Wangalla Place Dwellings (\$21.7M)
Unemployment Rate	2.9%

Annual Median Price Growth	11.3%**
Vacancy Rate (Mar-23)	0.2%
Rental Yield (Mar-23)	4.9%
Key Amenity (5km)	Middle Swan Primary School
Total Projects (\$)	\$10.0M [^]
Key Project	Movifda Project Residential Subdivision (\$10.0M)
Unemployment Rate	4.3%

Annual Median Price Growth	5.3%**
Vacancy Rate (Mar-23)	0.1%
Rental Yield (Mar-23)	4.8%
Key Amenity (5km)	High Wycombe Library
Total Projects (\$)	\$12.0M [^]
Key Project	Red Dot High Wycombe (\$12.0M)
Unemployment Rate	3.9%

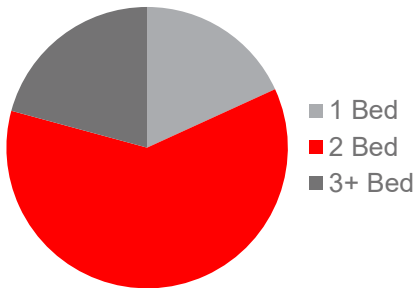
[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. [†]Quoted unemployment rate is an indication of only having a higher rate than the state average
^{**}Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022 + Q1 2023 (i.e 01/01/2022 – 31/03/2023).
 Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROPERTY CLOCK - UNITS

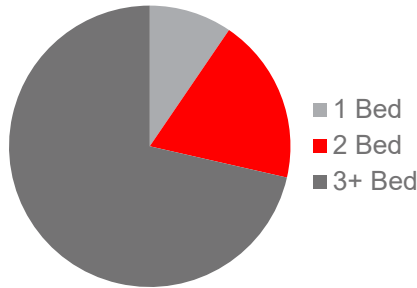


AFFORDABLE & LIVEABLE UNIT SUBURBS

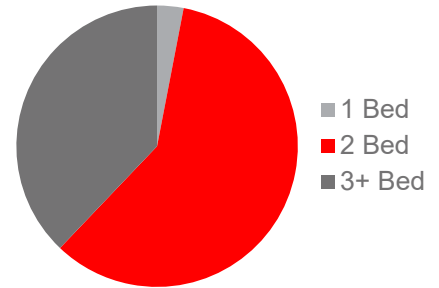
Success 6164



Forrestfield 6058



Morley 6062



Located about **20.0km** from the Perth CBD.

- Median Unit Price **\$328,250**
- 1 Bed Median Price **\$262,500***
- 2 Bed Median Price **\$325,500**
- 3+ Bed Median Price **\$383,000***

Located about **16.0km** from the Perth CBD.

- Median Unit Price **\$350,000**
- 1 Bed Median Price **\$282,500***
- 2 Bed Median Price **\$297,500***
- 3+ Bed Median Price **\$365,000***

Located about **7.8km** from the Perth CBD.

- Median Unit Price **\$365,000**
- 1 Bed Median Price **\$230,000***
- 2 Bed Median Price **\$361,000**
- 3+ Bed Median Price **\$385,000**

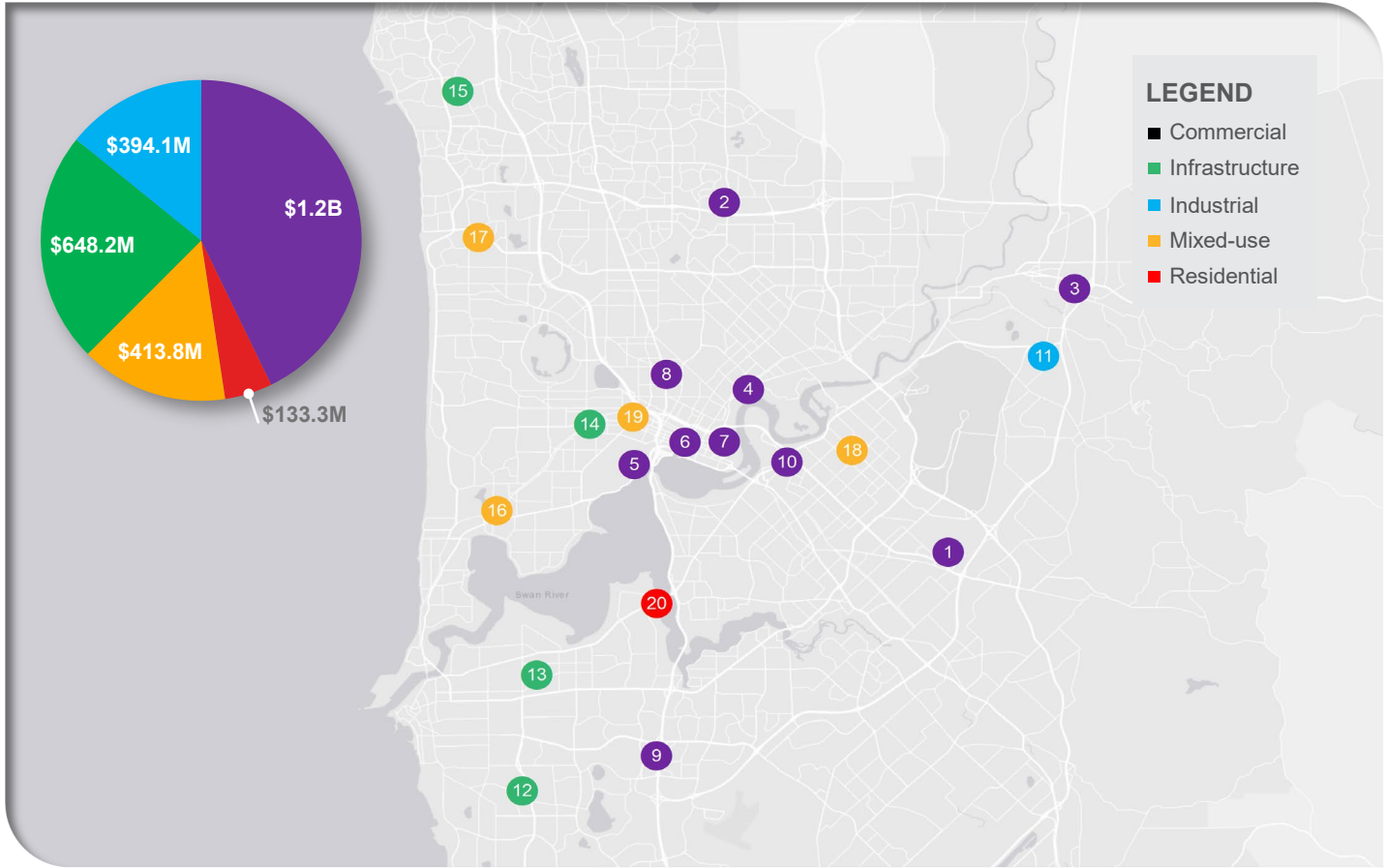
Annual Median Price Growth	11.3%**	Annual Median Price Growth	15.7%**	Annual Median Price Growth	2.8%**
Vacancy Rate (Mar-23)	0.4%	Vacancy Rate (Mar-23)	0.2%	Vacancy Rate (Mar-23)	0.3%
Rental Yield (Mar-23)	6.7%	Rental Yield (Mar-23)	7.0%	Rental Yield (Mar-23)	6.4%
Key Amenities (5km)	Cockburn Gateway Shopping City	Key Amenities (5km)	Perth Airport	Key Amenities (5km)	Coventry Village Shopping Centre
Total Projects (\$)	\$5.5M [^]	Total Projects (\$)	\$5.5M [^]	Total Projects (\$)	\$6.3M [^]
Key Project	Cockburn Gateway Shopping (\$5.5M)	Key Project	Hartfield Park Masterplan (\$3.0M)	Key Project	Salvation Army Morley (\$1.2M) [^]
Unemployment Rate	2.3%	Unemployment Rate	3.2%	Unemployment Rate	3.4%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. †Quoted unemployment rate is an indication of only having a higher rate than the state average

**Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022+ Q1 2023 (i.e 01/01/2022 – 31/03/2023). Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP

1st HALF 2023*



Location	Project [£]	Suburb	Type	Estimated Value ^µ	Commencement Date
1	Barrett Burston Malting Plant	Welshpool	Commercial	\$70,000,000	18/01/2023
2	501 Alexander Drive Commercial Development	Mirrabooka	Commercial	\$35,000,000	21/05/2023
3	Bellevue Rail Depot - Duplicate Entry Refer To Pid8059353	Bellevue	Commercial	\$170,000,000	11/02/2023
4	Craigcare Maylands	Maylands	Commercial	\$40,000,000	01/03/2023
5	Nine The Esplanade	Perth	Commercial	\$165,500,000	24/04/2023
6	95-99 Barrack Street Liberty Theatre & Commercial Tower	Perth	Commercial	\$160,000,000	05/06/2023
7	East Perth Power Station Site Infrastructure Relocation	East Perth	Commercial	\$121,000,000	16/01/2023
8	Charles Street Commercial Development North Perth	North Perth	Commercial	\$45,000,000	11/03/2023
9	Fiona Wood Road Mixed Development (Duplicate Id - Refer To 7414829)	Murdoch	Commercial	\$75,000,000	04/05/2023
10	Maple Place Duplicate Entry Refer To Id8114030	Lathlain	Commercial	\$70,000,000	25/04/2023
11	Logos & Inghams Hazelmere	Hazelmere	Industrial	\$30,412,000	16/01/2023
12	Hamilton Senior High School Redevelopment	Hamilton Hill	Infrastructure	\$50,000,000	06/02/2023
13	Perth Pedestrian Bridges	Victoria Park	Infrastructure	\$50,000,000	07/02/2023
14	Former Princess Margaret Hospital Car Parks Site Mixed Use Development	Subiaco	Infrastructure	\$100,000,000	16/05/2023
15	Duncraig Senior High School	Duncraig	Infrastructure	\$32,300,000	22/05/2023
16	The Terraces At Claremont (137 Dwellings)	Claremont	Mixed-use	\$55,000,000	06/05/2023
17	Karrinyup West (253 Units)	Karrinyup	Mixed-use	\$170,000,000	28/04/2023
18	Hawksburn Road Mixed Development - Affinity At The Springs (123 Units)	Rivervale	Mixed-use	\$34,000,000	24/05/2023
19	Murray Tower (155 Units)	Perth	Mixed-use	\$290,000,000	10/05/2023
20	Cirque Duet Apartments (128 Units)	Mount Pleasant	Residential	\$200,000,000	10/04/2023

* Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.
 £ Top Projects are based on suburbs located within a 20km radial distance of the Perth CBD.
 µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.
 Source: Cordell Connect database, 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 RESEARCH 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.

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

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