

PRD.  REAL ESTATE



Affordable & Liveable Property Guide
Perth Metro 2nd Half 2023



OVERVIEW

Median property prices in Perth Metro increased by 7.2% for houses to \$655,000 from Q3 2022 to Q3 2023*, and by 1.4% for units to \$435,000. However, on a quarterly basis (Q2 2023 – Q3 2023) median house price softened, by -0.5%, and median unit price recorded a lower growth of 2.2%. This reflects successive cash rate hikes and a lower consumer sentiment translating into the market, which is like Sydney and Melbourne Metros, although at a more moderate level. Perth remain undersupplied, as in the past 12 months to Q3 2023 total sales declined, by -22.0% (to 4,322 sales) for houses and by -3.0% (to 2,340 sales) for units. Approximately \$7.4B of projects are planned in 2023, with a focus on infrastructure projects. New stock are mostly ready-to-sell units and townhouses, which with the current market allows for a fairer environment for unit buyers. Ready-to-sell stand-alone houses remain undersupplied, indicating a potential market recovery in early 2024.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2022	Median Price 2023*	Price Growth	Projects 2023***
Inner	West Perth	House	\$867,500	\$927,500	6.9%	\$27.1M
	North Perth	Unit	\$455,000	\$472,500	3.8%	\$47.1M
North	Trigg	House	\$1,595,000	\$1,830,000	14.7%	N/A
	Balga	Unit	\$291,500	\$330,000	13.4%	N/A
South	Kenwick	House	\$382,500	\$452,500	18.3%	\$46.1M
	Booragoon	Unit	\$565,000	\$670,000	18.6%	\$793.6M
East	Gooseberry Hill	House	\$832,500	\$945,000	13.5%	N/A
	Burswood	Unit	\$630,000	\$683,500	8.5%	\$500K
West	Swanbourne	House	\$2,005,000	\$2,346,500	17.0%	\$4.0M
	West Leederville	Unit	\$380,000	\$404,000	6.3%	N/A

METHODOLOGY

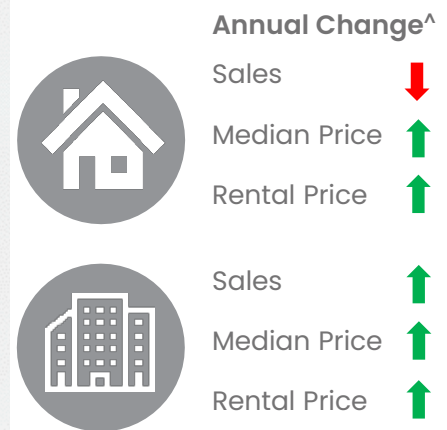
This affordable and liveable property guide for Perth Metro analyses all suburbs within a 20km radius of the Perth CBD. The following criteria were considered:

- 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 2022 to 2023*.
- Investment criteria** – as of September 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 \$478,462** as of Q2 2023. A discount of -7.6% for houses and -39.8% for units were added, which were below the premium required to reach Perth Metro's median prices (24% for houses and -14% for units). This places the chosen suburbs below Perth's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for 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 QLD average (as determined by the Department of Jobs and Small Business, June Quarter 2023 release).

*Median price quoted captures sale transactions from 1st January 2023 to 30th September 2023, or Q1– Q3 2023. **Average home loan figure is derived from June Quarter 2023 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in 2023 as stated by the relevant data authority. *Annual Change is reflective of median price change from Q3 2022 to Q3 2023. Figures displayed in infographics are for the period Q3 2023. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.

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PERTH METRO



MEDIAN SALE PRICE



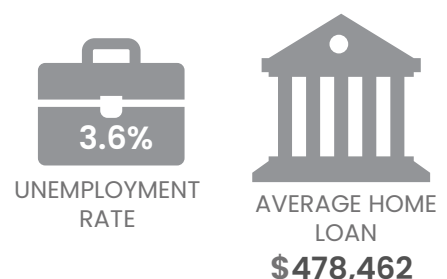
MEDIAN RENTAL PRICE



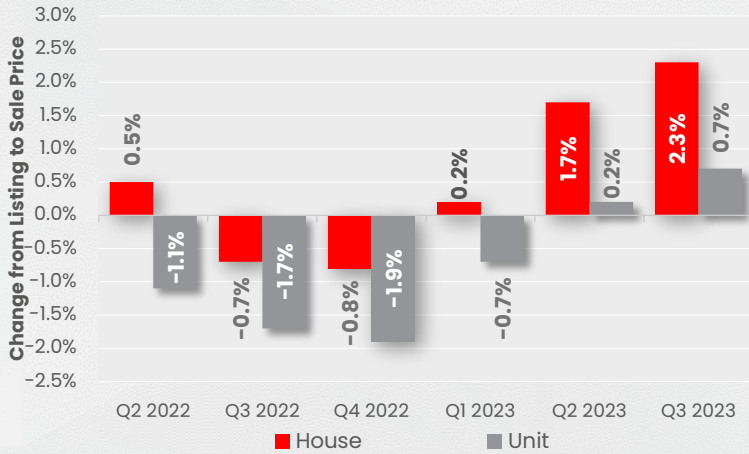
BENCHMARKS PERTH METRO



BENCHMARKS WESTERN AUSTRALIA



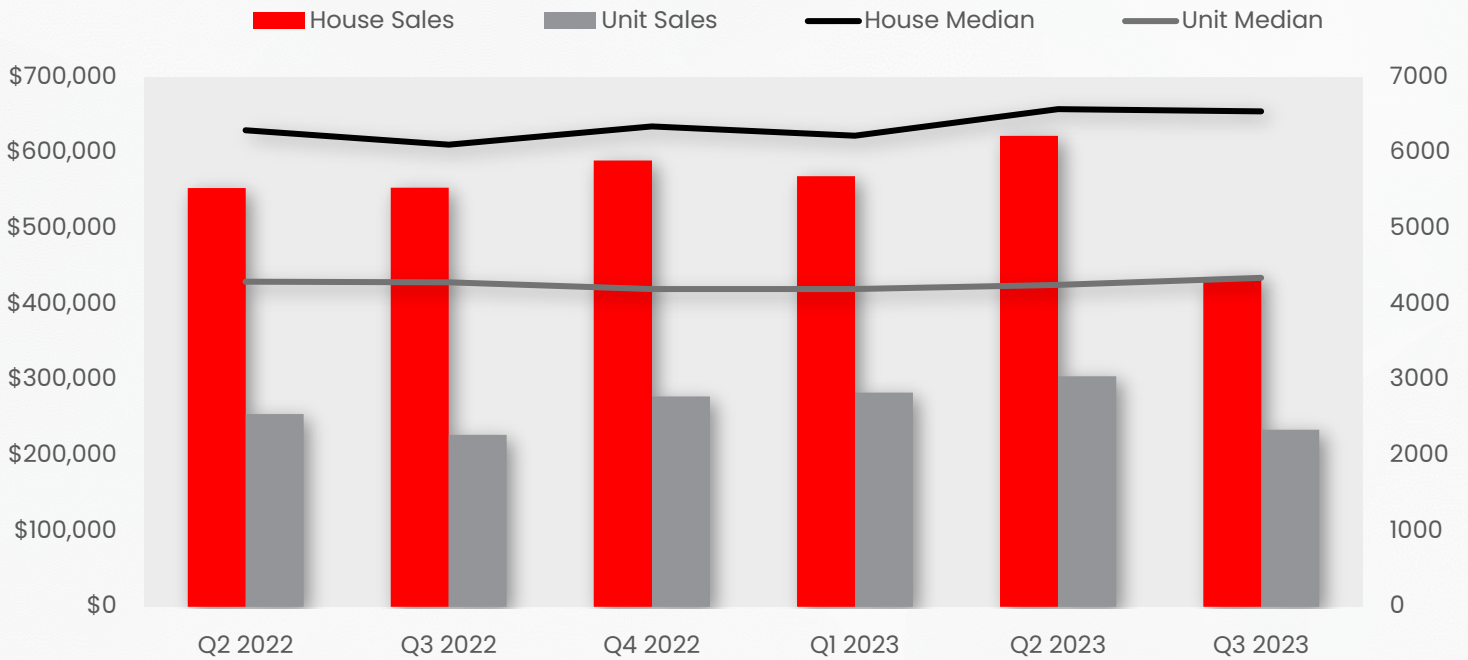
AVERAGE VENDOR DISCOUNT



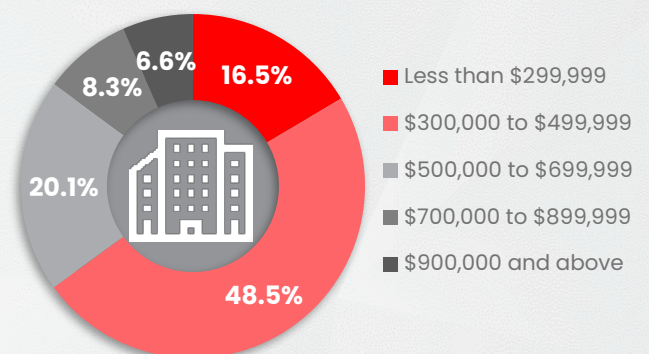
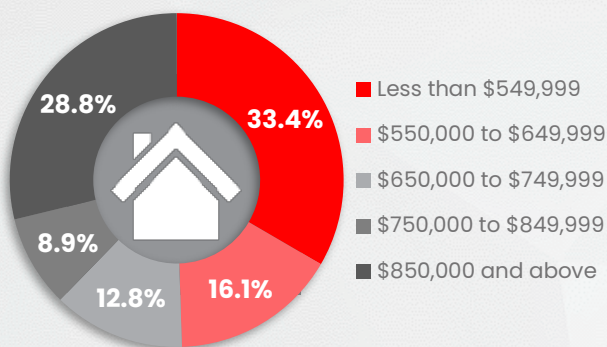
Average house vendor discount between Q3 2022 and Q3 2023 has swung from a discount to premiums of 2.3% for houses and 0.7% for units; a first for the past 12 months. Perth Metro house market conditions have shifted to favour sellers, as buyers must offer above the first list price. Average premiums in Q3 2023 are higher than the previous quarter, suggesting market recovery.

The dominant proportion of houses sold in Perth Metro in 2023[#] were in the most affordable price bracket of less than \$549,000 (33.4%). Units recorded a dominant more affordable price bracket of \$300,000 to \$499,999 (48.5%). Interestingly, there is almost equal amount of house sales in both the premium and most affordable price brackets, indicating there is a home for every budget. This is good news for buyers and owners.

MARKET PERFORMANCE

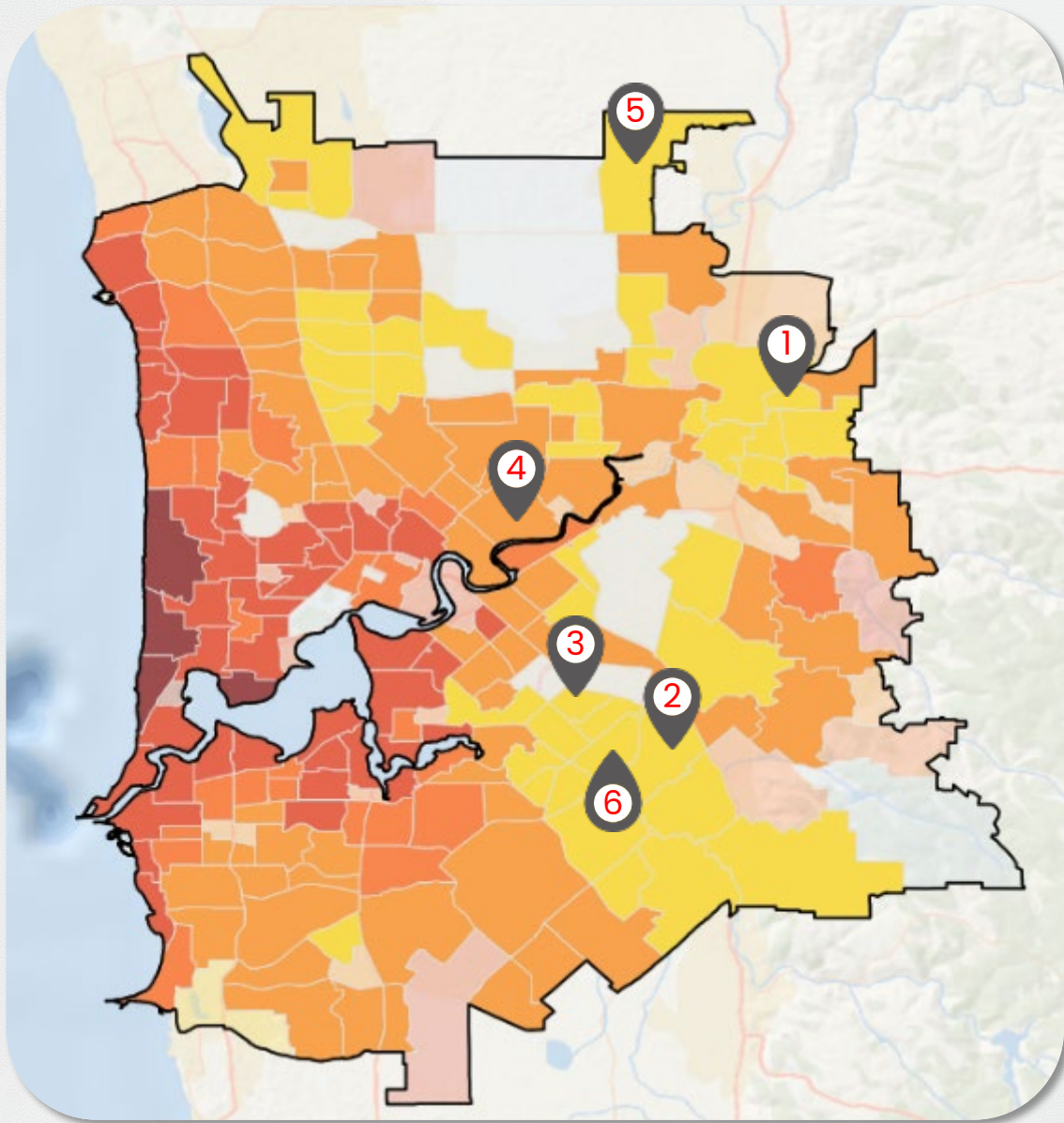


PRICE BREAKDOWN 2023[#]

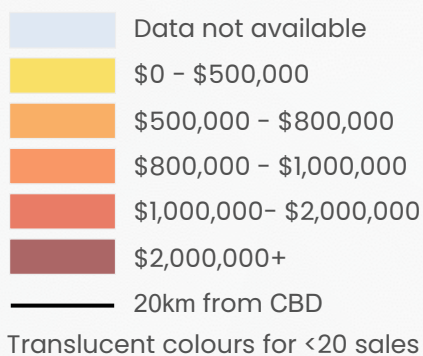


[#]2023 encapsulates sales transactions for Q1 2023 – Q3 2023 (01/01/2023 – 30/09/2023) only Source: APM Pricefinder. © Copyright PRD 2023.

PERTH METRO MEDIAN HOUSE PRICE 2023* 20KM FROM CBD



LEGEND



PERTH AFFORDABLE & LIVEABLE SUBURBS

RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Stratton	5.1%	4	Bayswater	6.9%
2	Kenwick	4.9%	5	Ellenbrook	5.9%
3	Queens Park	4.9%	6	Beckenham	6.4%

*House median price reflected in the heat-map captures sale transactions from 1st January to 30th September 2023. Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD 2023.

RENTAL GROWTH 2023€

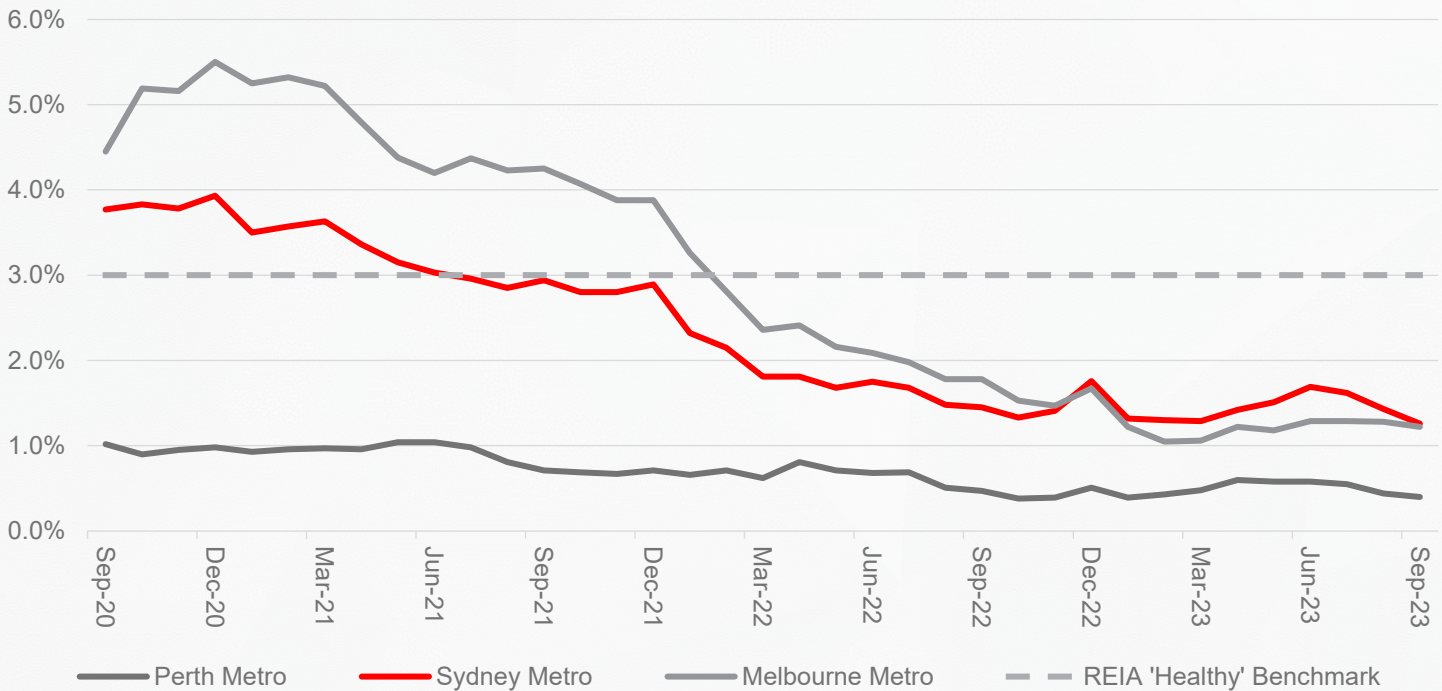
In September 2023, house rental yields in Perth Metro were recorded at 4.2%. This is higher than Melbourne and Sydney Metros (3.1% and 2.7% respectively). In the 12 months to Q3 2023, the median house rental price increased by 14.5% to \$630 per week, further complemented with a low average days on the 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 quarterly (Q2 2023 – Q3 2023) downturn in median property, sale prices create a more attractive investment option.

Three bedroom+ units recorded the highest annual rental growth (of +20.0%) to reach \$600 per week. All types of properties have recorded positive, double digits, rental growth in the past 12 months; due to a rental supply shortage.

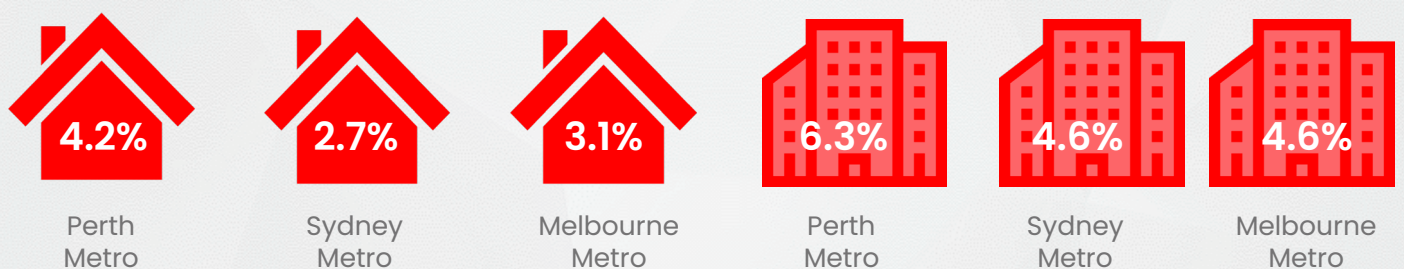
In September 2023, Perth Metro recorded a low vacancy rate of 0.4%, well below Sydney (1.3%) and Melbourne Metro (1.2%). Vacancy rates in Perth Metro declined to less than 1.0% in mid 2021 and have remained within this band rate; now at a historical low rate. This suggests increasingly quicker occupancy of rental properties, which is beneficial for investors. With a severely undersupplied rental market, now is the time for investors to return to market.



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§



€Annual rental growth is a comparison between Q3 2022 – Q3 2023 (01/07/2022 – 30/09/2023) house median rent figures. § Rental yields shown are as reported at September 2023. Source: APM Pricefinder, SQM Research. © Copyright PRD 2023.



HOUSES PROPERTY CLOCK

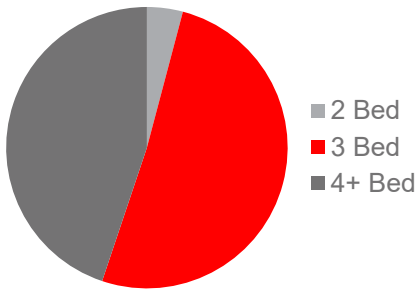


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



STRATTON 6056

Located approximately **22.8km** from the Perth CBD.



Median House Price **\$436,000**
 2 Bed Median Price **\$350,000***
 3 Bed Median Price **\$410,000**
 4+ Bed Median Price **\$445,000**

Annual Median Price Growth **13.5%****

Vacancy Rate (Sep-23) **0.4%**

Rental Yield (Sep-23) **5.1%**

Key Amenity (5km) **Middle Swan Primary School**

Total Projects (\$) **\$10.0M^**

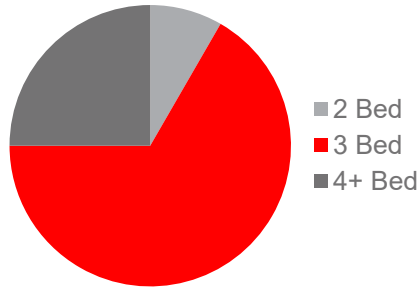
Key Project **Movinda Project Road Residential Subdivision A (\$10.0M)**

Unemployment Rate **2.9%**



KENWICK 6107

Located approximately **16.7km** from the Perth CBD.



Median House Price **\$462,500**
 2 Bed Median Price **\$637,500***
 3 Bed Median Price **\$408,850**
 4+ Bed Median Price **\$522,500***

Annual Median Price Growth **18.3%****

Vacancy Rate (Sep-23) **0.3%**

Rental Yield (Sep-23) **4.9%**

Key Amenity (5km) **Rehoboth Christian College**

Total Projects (\$) **\$46.1M^**

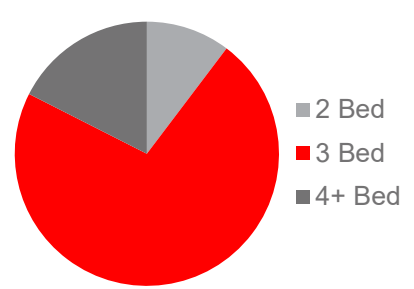
Key Project **31 Edward Street Roe Highway Logistics Park (\$15.0M)**

Unemployment Rate **3.9%**



QUEENS PARK 6107

Located approximately **11.6km** from the Perth CBD.



Median House Price **\$485,000**
 2 Bed Median Price **\$513,500***
 3 Bed Median Price **\$562,500**
 4+ Bed Median Price **\$561,000***

Annual Median Price Growth **1.2%****

Vacancy Rate (Sep-23) **0.3%**

Rental Yield (Sep-23) **4.9%**

Key Amenity (5km) **St. Norbert College**

Total Projects (\$) **\$20.0M^**

Key Project **Queens Park Train Station (\$20.0M)**

Unemployment Rate **3.0%**

^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. **Median price growth quoted captures sale transactions from 1st July 2022 to 30th September 2023, or Q3 2022 – Q3 2023. Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.



UNITS
PROPERTY CLOCK

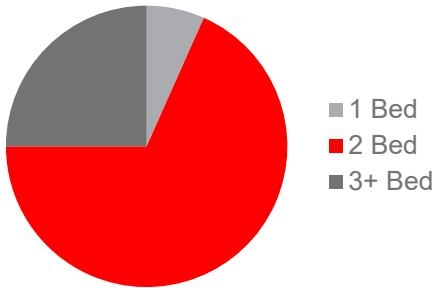


AFFORDABLE & LIVEABLE SUBURBS FOR UNITS



BAYSWATER
6053

Located approximately **9.9km** from the Perth CBD.



Median Unit Price **\$265,000**
 2 Bed Median Price **\$270,750***
 3 Bed Median Price **\$248,000**
 4+ Bed Median Price **\$520,000***

Annual Median Price Growth 12.4%**

Vacancy Rate (Sep-23) 0.5%

Rental Yield (Sep-23) 6.9%

Key Amenity (5km) Hillcrest Primary School

Total Projects (\$) \$15.5M[^]

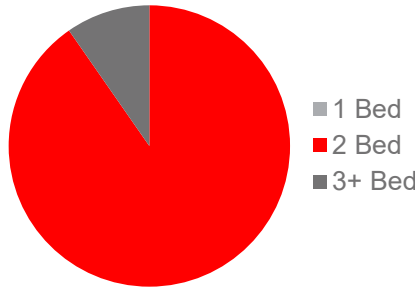
Key Project 15 Wicks Street Warehouse & Office (\$8.0M)

Unemployment Rate 2.6%



ELLENBROOK
6069

Located approximately **23.6km** from the Perth CBD.



Median Unit Price **\$315,000**
 2 Bed Median Price **N/A**
 3 Bed Median Price **\$317,500**
 4+ Bed Median Price **\$415,000***

Annual Median Price Growth 4.7%**

Vacancy Rate (Sep-23) 0.3%

Rental Yield (Sep-23) 5.9%

Key Amenity (5km) Ellenbrook Central

Total Projects (\$) \$134.5M[^]

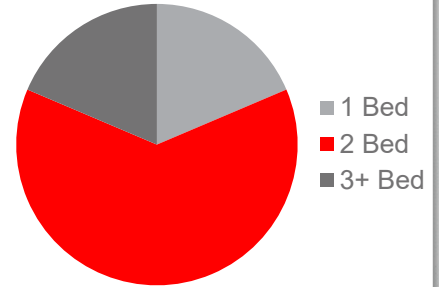
Key Project Reid Highway – Altone Road and Daviot Road – Drumpellier Drive (\$112.5M)

Unemployment Rate 2.9%



BECKENHAM
6107

Located approximately **13.3km** from the Perth CBD.



Median Unit Price **\$325,500**
 2 Bed Median Price **\$300,000***
 3 Bed Median Price **\$330,000**
 4+ Bed Median Price **\$422,750***

Annual Median Price Growth 0.1%**

Vacancy Rate (Sep-23) 0.3%

Rental Yield (Sep-23) 6.4%

Key Amenity (5km) Department of Transport

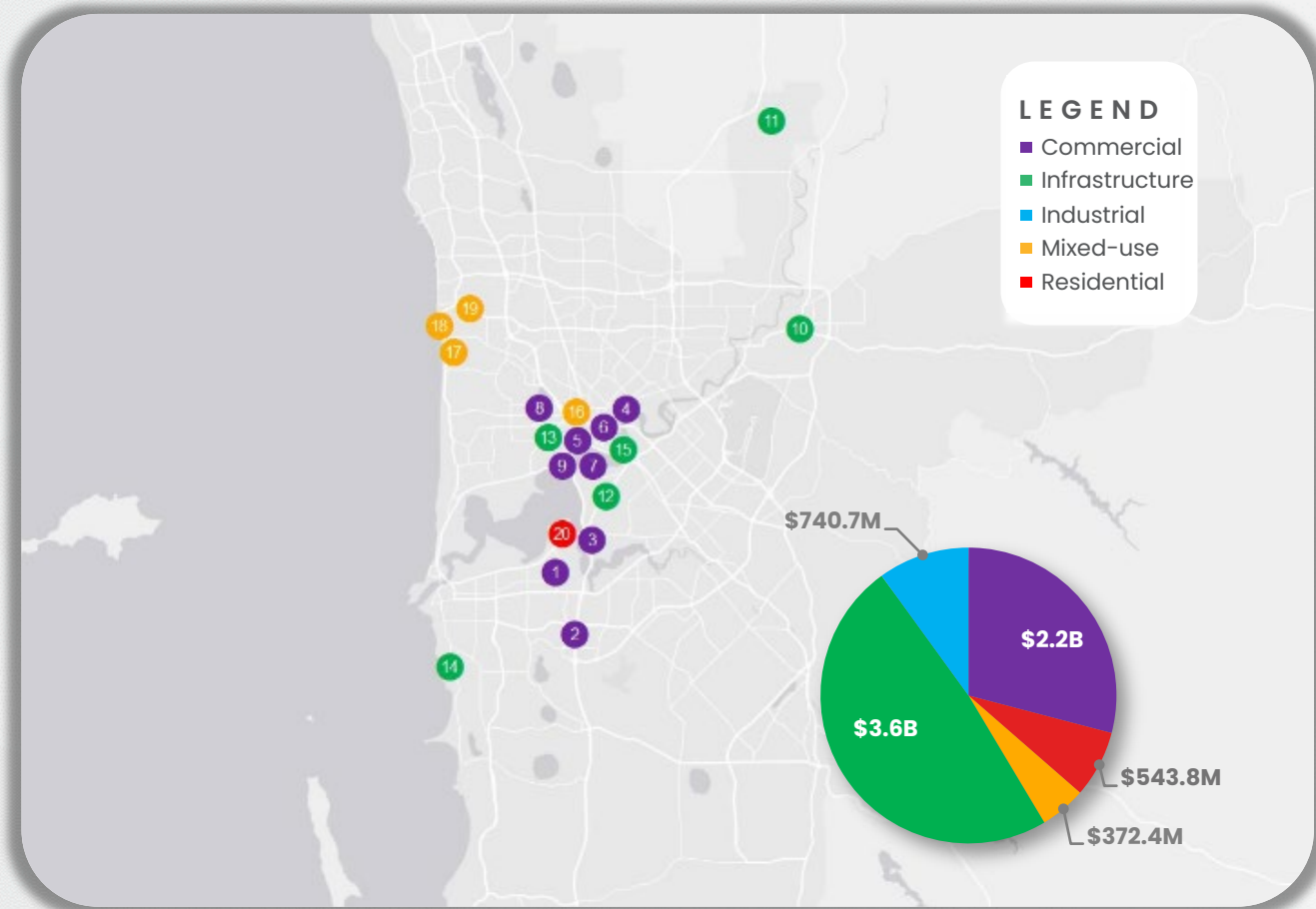
Total Projects (\$) \$12.5M[^]

Key Project 2 Mona Avenue Grouped Dwellings (\$3.2M)

Unemployment Rate 6.7%

[^]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. **Median price growth quoted captures sale transactions from 1st July 2022 to 30th September 2023, or Q3 2022 – Q3 2023. Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP 2023*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Westfield Booragoon Redevelopment	Commercial	\$792,000,000	Booragoon
2	Murdoch Health & Knowledge Precinct (MHKP) Stage 2 - Murdoch Lot 118	Commercial	\$75,000,000	Murdoch
3	20 & 18 Ogilvie road & 63 , 63A & 65 Kishorn Road Cirque Apartments Tower Two	Commercial	\$85,000,000	Mount pleasant
4	East Perth Power Station Site Infrastructure Relocation	Commercial	\$121,000,000	East Perth
5	125 St Georges Terrace BHP Perth Office	Commercial	\$75,000,000	Perth
6	95-99 Barrack Street Liberty Theatre & Commercial Tower	Commercial	\$160,000,000	Perth
7	Nine the Esplanade	Commercial	\$165,500,000	Perth
8	St John of God Hospital - Work Package 3	Commercial	\$150,000,000	Subiaco
9	Elizabeth Quay Mixed Use Development	Commercial	\$400,000,000	Perth
10	Metronet Midland Railway Station	Infrastructure	\$246,700,000	Midland
11	Reid Highway - Altone Road & Daviot Road-Drumpellier Drive	Infrastructure	\$112,500,000	Ellenbrook
12	1-3 Canning Highway & 21 & 171 Riverside Drive Swan River Causeway Bridge	Infrastructure	\$100,000,000	Perth
13	Former Princess Margaret Hospital Car Parks Site Mixed Use Development	Infrastructure	\$100,000,000	Subiaco
14	Robb Jetty Former Power Station Precinct Redevelopment (Cockburn Coast) Stage 2	Infrastructure	\$300,000,000	North Coogee
15	146 Wellington Street & 119 Hills Street East Perth Residential Complex	Infrastructure	\$70,000,000	East Perth
16	Murray Tower	Mixed-use	\$290,000,000	Perth
17	White Sands Hotel Site Redevelopment - Mixed Use Development	Mixed-use	\$120,000,000	Scarborough
18	The Dunes Scarborough Mixed Use Development	Mixed-use	\$120,000,000	Scarborough
19	Karrinyup West	Mixed-use	\$170,000,000	Karrinyup
20	Cirque Duet Apartments	Residential	\$200,000,000	Mount Pleasant

* 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. © PRD 2023.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both 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.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and 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 facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. 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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GET IN TOUCH

PRD Research Division

 +61 7 3229 3344

 research@prd.com.au

Our services include:

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



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