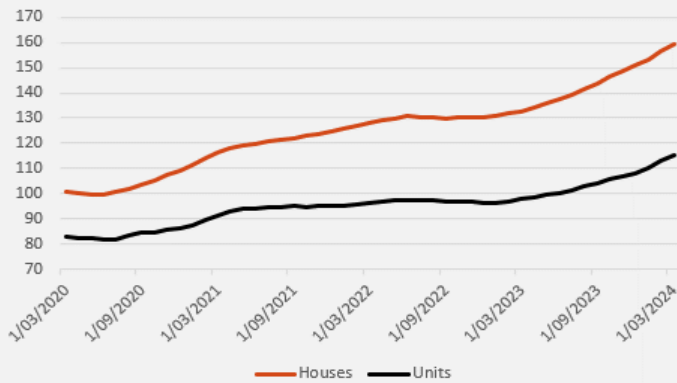


## PERTH MARKET SNAPSHOT

### Home Value Index March 2024

The change in house and unit values to end of March 2024 is recorded at:



HOUSES



UNITS

Quarter

5.5%

6.2%

Annual

20.0%

17.7%

### Annual Dwelling Sales March 2024

**57,645**

+5.1% higher than one year ago.  
And +25.6% above the five-year average for the region.



0.3%  
HOUSE SALES



20.7%  
UNIT SALES

Source: CoreLogic

The Perth property market remains the fastest growing capital city in Australia as we move further into 2024, with a dwelling value growth of +1.9% in March (a capital city high). March continued to see Perth reach new record highs, building on prior months increase reflecting first quarter growth of +5.6% (also a capital city high). The pace of growth marginally accelerated again from last month's gain of +1.8%, to record the strongest growth of any capital city of +19.8% over the last twelve months. The strength of the Perth market is evidenced by monthly increases in excess of +1.0% for the last eleven consecutive months.

Nationally the housing price index (HVI) posted a broad-based rise with a gain of +0.6% for March and on par with February's increase. The current upswing in housing values signals the fourteenth consecutive month of growth. Capital city housing market conditions remain diverse however all capital cities and rest-of-state regions recorded gains in dwelling values over the month with the exception of Darwin where the market eased -0.2%, regional Victoria which eased -0.2% and Melbourne which remained unchanged.

Strong demand-side pressure attributed to surging immigration with a record 80,000 new arrivals in Perth (according to the ABS figures to September) supporting price growth in the Perth market. The imbalance between strong levels of demand and insufficient supply levels continues to impact property markets, however some tentative signs of an uplift in stock levels is evident in recent months. Despite the headwinds of a higher interest rate environment and worsening affordability the Perth market continues to outperform and anticipated to trend higher, with interest rates the main driver, indicating the potential for market conditions to re-accelerate as rates come down.

The outlook for Perth indicates a continuing strong outcome for housing values assisted by easing cost-of-living pressures, improving confidence, ongoing population growth and low levels of new building supply coming to market. Moderating inflation and improving consumer confidence and Perth's relative affordability compared to east-coast capitals are providing tailwinds and heightening expectations of a cut in interest rates for late-2024.





## MARKET CONDITIONS



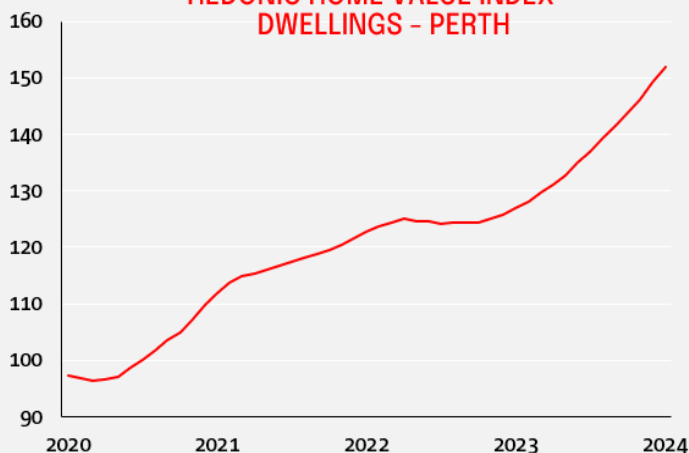
HOUSE



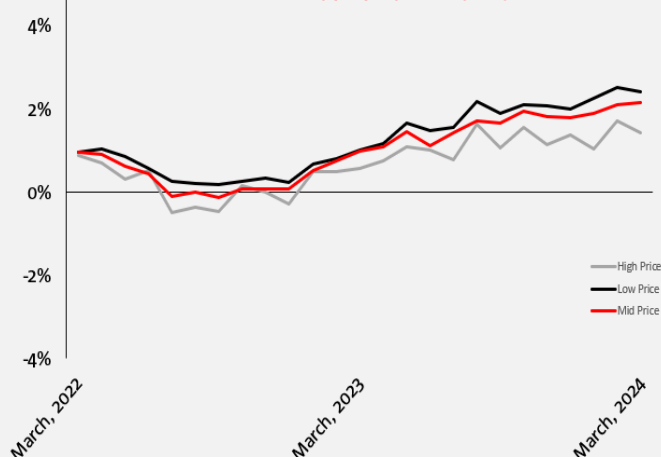
UNITS

LISTINGS – ANNUAL INCREASE	-0.4%	9.9%
DAYS ON MARKET	10 days	17 days
VENDOR DISCOUNT	-2.8%	-2.7%
MEDIAN VALUE	\$735,276	\$495,360

HEDONIC HOME VALUE INDEX – DWELLINGS – PERTH



MONTHLY % VALUE MOVEMENT CHANGE BY PRICE QUARTILE – PERTH DWELLINGS – SINCE MARCH 2022



Source: CoreLogic

Market movements remain strong across all quartiles in the Perth market, with all segments continuing to post solid gains. The trend on a quarterly basis is a positive one, led by the lower price segment which recorded a gain over the March quarter of +7.2% followed by slightly less pronounced gains within the mid and high-price quadrants of +6.1% and +4.2% respectively over the same period.

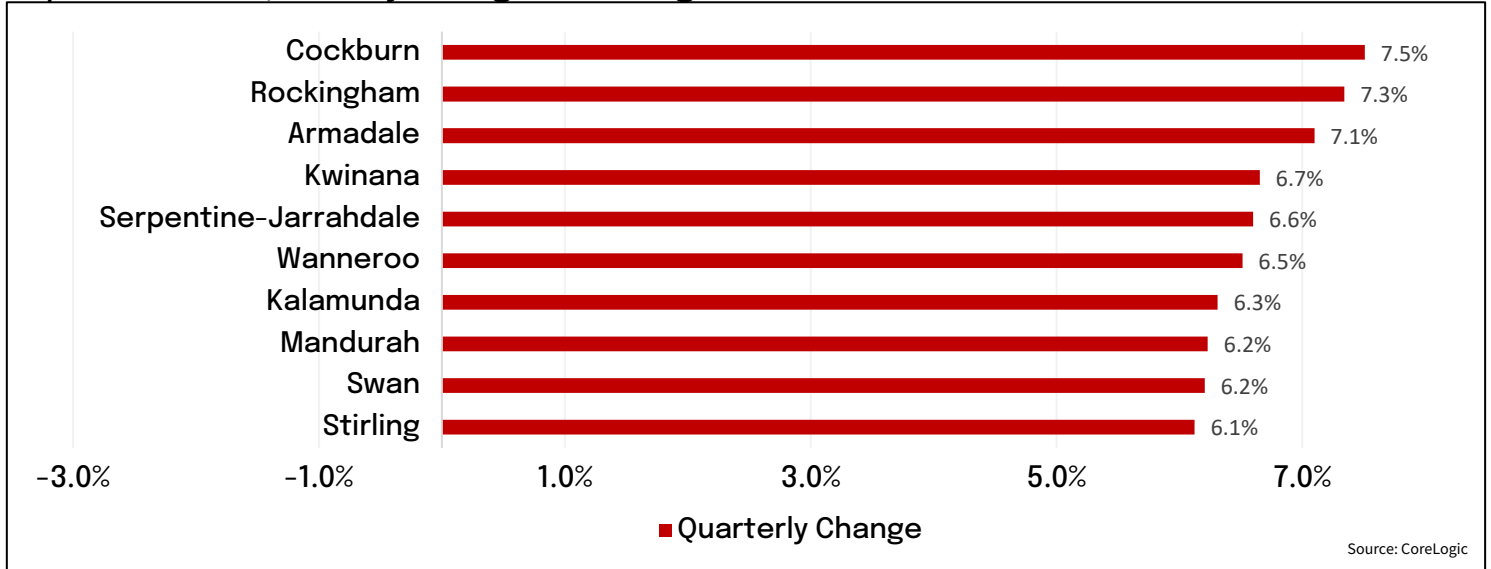
The main drivers for dwelling values in the Perth property market remain primarily the lack of available stock and anticipated future direction of interest rates with strong East Coast activity seeking investment. Given the rapid price growth, concerns surrounding affordability of property exist. Positive tailwinds for the Perth market however include continued rising rental yields, increasing

rental market strength and strong overseas and interstate migration. Australia's population reached 2.5% for the year ending September 2023, the fastest rate of growth since the ABS commenced the national population series in 1981. Given the fundamentals of housing demand and supply remain out of balance, upward pressure on the cost of housing is set to continue to influence housing markets in Perth and nationally.

Strong resource-based employment prospects, an attractive climate and relatively affordable housing (compared to its eastern-seaboard counterparts) continues to underpin population flow to Perth which also places demand-side pressure on housing and unit prices.

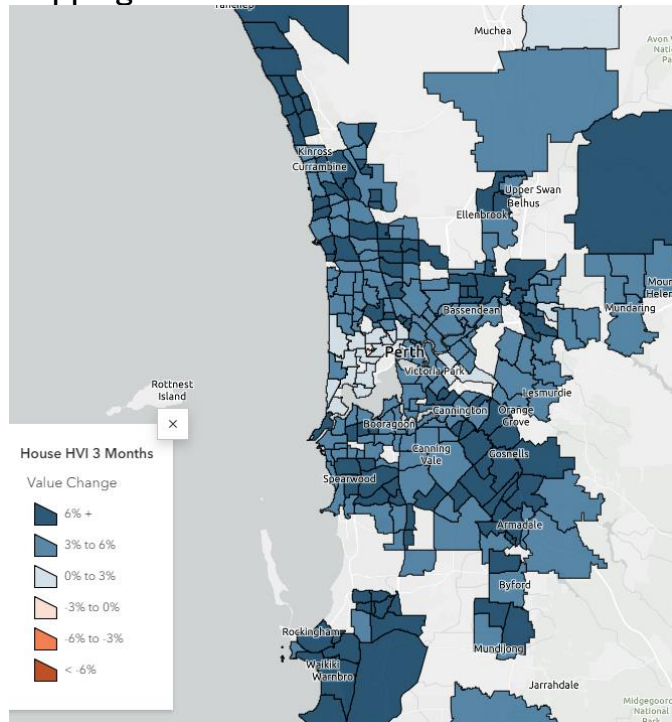
# PERTH PROPERTY MARKET Insights

## Top 10 Suburbs Quarterly Change - Dwellings



Key highlights and trends surrounding each of the Housing, Unit and Rental Markets being seen include:

### Mapping the Market - March 2024



- The median value for houses has now reached \$735,276. Houses gained +1.9% for the month and +5.5% for the quarter and on annual basis, house values rose by +20.0% over the last twelve months, a clear leader amongst the capitals.
- In comparison, the median unit value in Perth now pushing closer toward the \$500,000 mark and sits at \$495,360, recording a gain in March up +2.0% and +6.2% for the quarter. Unit values on an annual basis are up +17.7% over the last twelve months, once again a clear leader amongst the capitals.
- Vacancy rates in Perth sit at just 0.4%. As such, house rents have now climbed by +13.7% over the last year, a capital city high, while unit rents are up +15.9%.
- Top 5 Perth Suburbs annual change:
  - Armadale +28.6%
  - Gosnells +27.1%
  - Rockingham +26.7%
  - Kwinana +25.8%
  - Mandurah +23.5%

Source: CoreLogic





## RECENT SALES ACTIVITY

### Lower Market

15C Drayton Court, Kelmscott



The sale property comprises an original neat and tidy, 2015-built, three-bedroom, two-bathroom single-level rendered brick home of 109 square metres on a compact 359 square metre lot. Ancillary improvements include alfresco area, paved driveway, shed, landscaped yard and undercover parking for two vehicles. The property was recently offered to the market for private sale through a local agency in early-February with a listed price guide of 'from \$469,000' provided. After a marketing campaign and 32 days on the market, the property was sold for \$480,000 on the 11<sup>th</sup> March.

### Mid-Market

38 Coralvine Grange, Stirling



The sale property comprises a well-presented, fully renovated 2007-built, four-bedroom, two-bathroom two-level dwelling of 292 square metres on a standard 546 square metre lot. Ancillary improvements include alfresco patio areas, inground pool, balconies, landscaped yard and undercover parking for two motor vehicles. The property was recently offered for sale via private treaty through a local agency in mid-March with no price guide provided. After a marketing campaign and only 12 days on the market, the property was sold for \$1,850,000 on the 25<sup>th</sup> March.

### Premium Market

73 Viking Road, Dalkeith



The sale property comprises a well presented, fully renovated, modern-style 1992-built, five-bedroom, four-bathroom two-storey dwelling of 413 square metres on a large 1,012 square metre lot. Ancillary improvements include alfresco areas, inground pool, landscaped yards, and undercover parking available for three vehicles. The property was offered for sale via private treaty through a local prestige agency in late-January with a list price of 'offers in the low \$6M's' provided. After 58 days on the market, the property sold for \$6,100,000, on 20<sup>th</sup> March.

**Disclaimer** – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of March 2024 and is intended to be of general nature only.

It has been prepared without taking into account any person's objectives, financial situation or needs. Before acting on this information, NAB recommends that you consider whether it is appropriate for your circumstances. NAB recommends that you seek independent legal, property, financial, and taxation advice before acting on any information in this publication.

