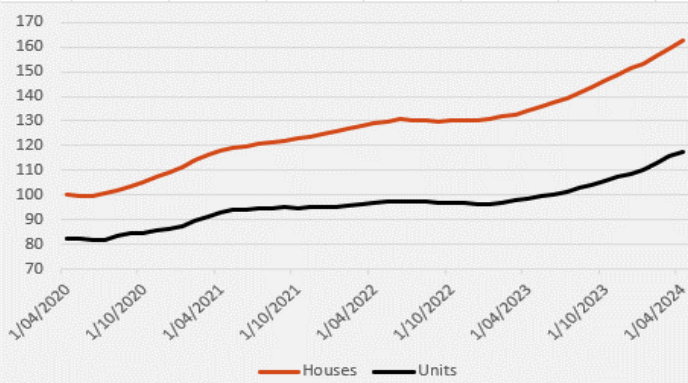




PERTH MARKET SNAPSHOT

Home Value Index April 2024

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



HOUSES



UNITS

Quarter

6.0%

6.5%

Annual

21.3%

19.6%

Annual Dwelling Sales April 2024

52,687 +5.3% higher than one year ago.
+13.9% above the five-year average.



0.7%
HOUSE SALES



22.3%
UNIT SALES

Source: CoreLogic

The Perth property market continues to be the fastest growing capital city in Australia with a dwelling value growth of +2.0% in April (a capital city high).

April continued to see Perth reach new record highs, building on prior months increase reflecting growth of +6.0% over the last quarter (also a capital city high) and almost double the rate of growth of the next best performing capitals Adelaide (3.3%) and Brisbane (3.1%).

The pace of growth marginally accelerated again from last month's gain of +1.9%, to record the strongest growth of any capital city of +21.1% over the last twelve months. The strength of the Perth market is evidenced by monthly increases in excess of +1.0% for the last twelve consecutive months. Nationally the housing price index (HVI) posted a broad-based rise with a gain of +0.6% for April which was on par with both February and March increases. The current upswing in housing values signals the fifteenth consecutive month of growth.

Beneath the headline numbers, multi-speed conditions remain with the mid-sized capitals of Perth, Adelaide and Brisbane

continuing to lead the pace of growth. Market conditions continue to exhibit diversity with each of the capital cities and rest-of-state regions recording a lift in values over the month with the exception of Melbourne (where the market subtly eased -0.1%) and Regional Victoria which recorded no change in value (0.0%).

Despite the headwinds of a higher interest rate environment, sticky inflation, low consumer sentiment and worsening affordability, the median term forecast for the Perth property market is anticipated to see growth continue as interest rates stabilise. Uncertainty around the future direction of interest rates remain a key metric influencer as a result of last month's higher-than-expected inflation results which may force the hand of the RBA to keep interest rates higher for longer.

The outlook for Perth indicates a continued strong outcome for housing values aided by impending Stage 3 tax cuts set down for 1 July, easing cost-of-living pressures, improving confidence, Perth's relative affordability, investor interest (compared to other mainland capitals), ongoing population growth (international and interstate) and continued lack of supply.





MARKET CONDITIONS

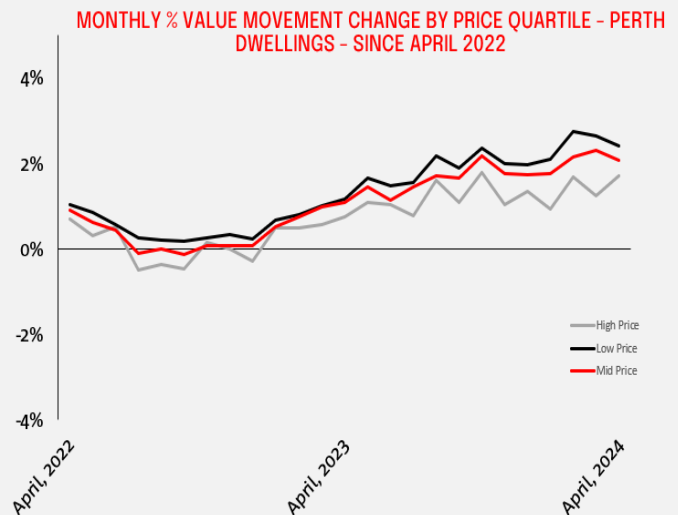
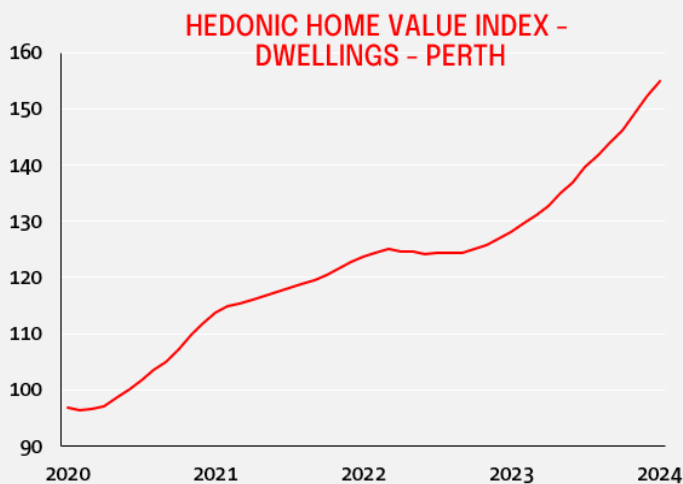


HOUSE



UNITS

	HOUSE	UNITS
LISTINGS – ANNUAL VARIANCE	-11.4%	13.1%
DAYS ON MARKET	10 days	15 days
VENDOR DISCOUNT	-2.8%	-2.7%
MEDIAN VALUE	\$753,947	\$508,988



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 April quarter of +7.8% followed by slightly less pronounced gains within the mid and high-price quadrants of +6.5% and +4.6% respectively over the same period.

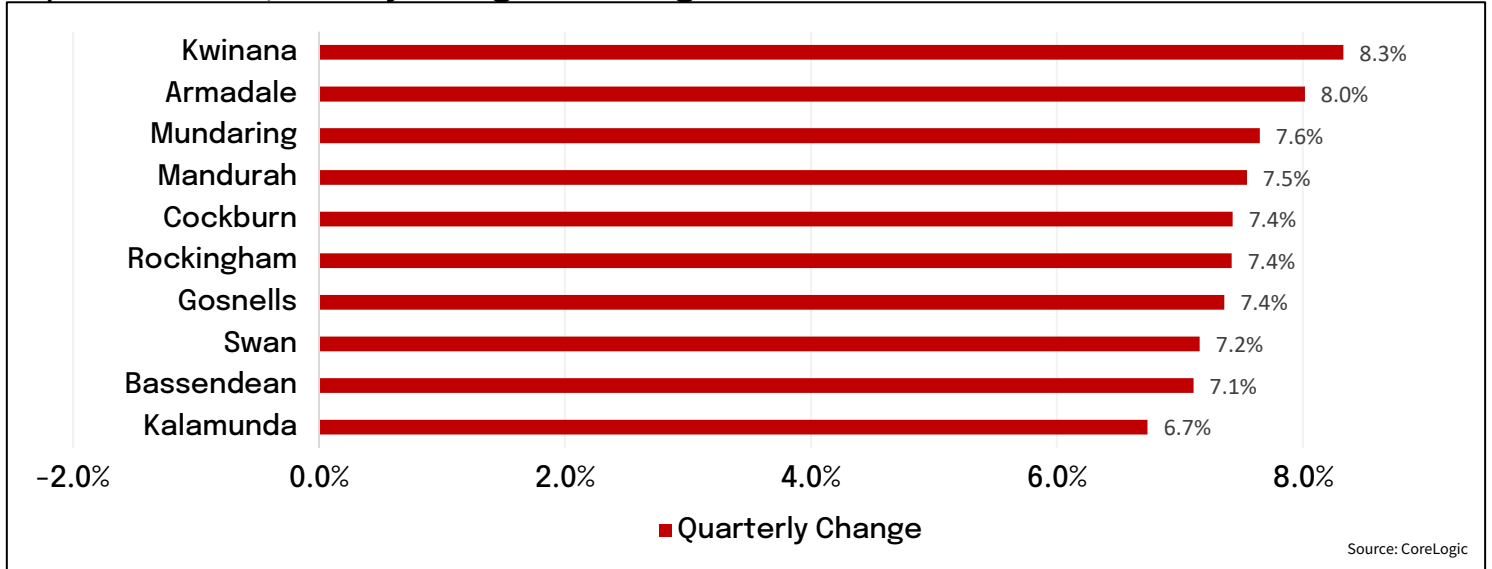
The main drivers for dwelling values in the Perth property market remain primarily the future direction of interest rates, low supply and concerns surrounding affordability. Following the updated inflation outlook, an element of marketplace uncertainty has re-emerged with many economists and financial markets pushing

back their timing for rate cuts and re-ignited some speculation of the need for a further interest rate increase, which is not NAB's view who maintain the next change to be a reduction in late 2024. Perth housing values will continue to be supported by the mismatch between housing demand and very low levels of supply.

Given the current low levels of existing supply and persistently low levels of dwelling approvals, the timeline for any substantial increase to supply may be some time away. Positive tailwinds for the Perth market however include continued rising rental yields, increasing rental market strength and historically high levels of migration.

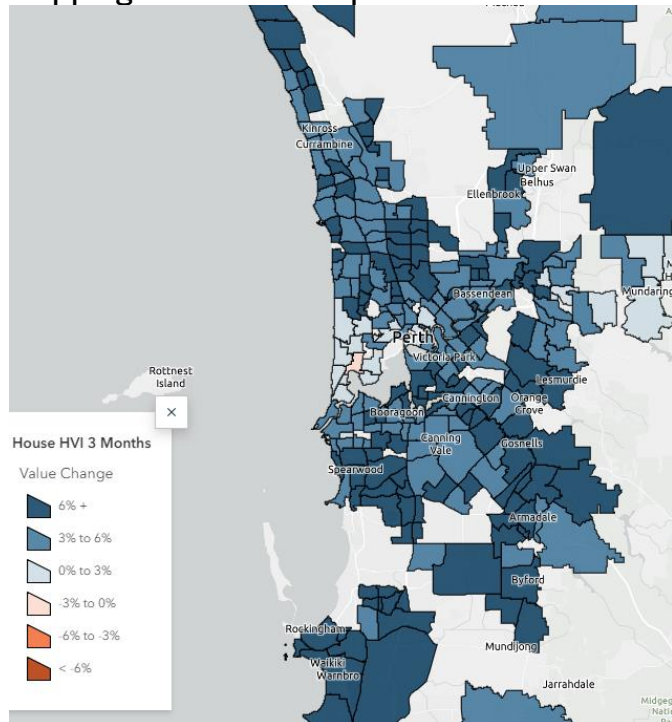


Top 10 Suburbs Quarterly Change - Dwellings



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

Mapping the Market - April 2024



- The median value for houses has now reached \$753,947. Houses gained +2.0% for the month and +6.0% for the quarter and on an annual basis, house values rose by +21.3% over the last twelve months, a clear leader amongst the capitals.
- In comparison, the median unit value in Perth have now pushed through the \$500,000 mark and sits at \$508,988, recording a gain in April up +1.9% and +6.5% for the quarter. Unit values on an annual basis are up +19.6% over the last twelve months, once again a clear leader amongst the capitals.
- Vacancy rates in Perth sit at just 0.5%. As such, house rents have now climbed by +13.3% over the last year, a capital city high, while unit rents are up +15.5%.
- Top 5 Perth Suburbs annual change:
 - Armadale +31.6%
 - Kwinana +28.6%
 - Rockingham +27.9%
 - Gosnells +27.3%
 - Mandurah +25.2%

Source: CoreLogic





RECENT SALES ACTIVITY

Lower Market

20 Earls Court, Thornlie



The sale property comprises a neat and tidy, renovated 1970-built, four-bedroom, two-bathroom single-level brick home of 117 square metres on a large 1,012 square metre lot. Ancillary improvements include alfresco area, paved driveway, shed, landscaped yard and undercover parking for three vehicles. The property was recently offered to the market for private sale through a local agency in late-February with a listed price guide of 'suit buyers over \$600,000' provided. After a marketing campaign and 42 days on the market, the property was sold for \$630,000 on the 9th April.

Mid-Market

1 Chivrell Rise, Gwelup



The sale property comprises a well-presented, original 1995-built, five-bedroom, two-bathroom two-level brick dwelling of 217 square metres on a standard 658 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 a price guide of 'offers from \$1,259,000' provided. After a marketing campaign and 33 days on the market, the property was sold for \$1,355,000 on the 15th April.

Premium Market

38 Florence Road, Nedlands



The sale property comprises a well presented, fully renovated, 1935-built, four-bedroom, two-bathroom single-storey dwelling of 235 square metres on a large 1,012 square metre lot. Ancillary improvements include alfresco areas, inground pool, landscaped yards, and undercover parking available for two vehicles. The property was offered for sale via private treaty through a local prestige agency in late-March with a list price guide provided. After only 14 days on the market, the property sold for \$3,650,000 on 16th April.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of April 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.

