

REGIONAL WESTERN AUSTRALIA PROPERTY MARKET UPDATE

FEBRUARY

2022



The Regional Western Australian Property Market continues to see strong sales activity although showing a slightly slower (but still very healthy) pace of property value growth, over the past 6 months.

Affordability, liveability, with the new working from home evolution and strong employment opportunities have resulted in dwelling value growth across the regions, at a stronger pace over the past 12 months, than its capital city counterpart.

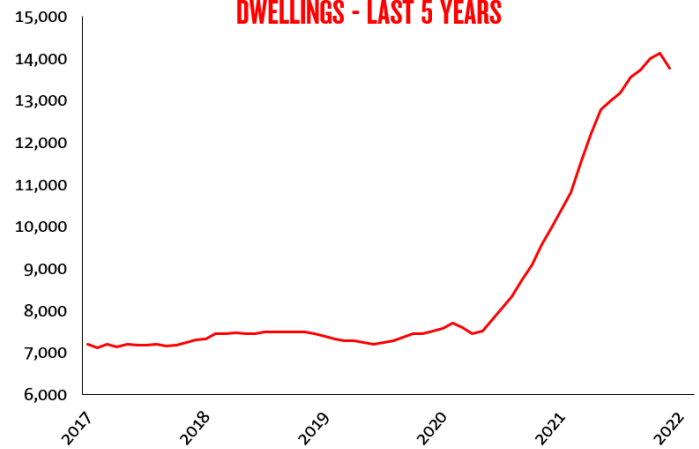
As expected, the majority share of sales activity has been made up of housing stock rather than units, with the median house price having increased by +4.4% over the past three months, ending January 2022, and now having climbed by +13.4% over the last 12 months.

MARKET CONDITIONS

Most major LGA regions across WA have recorded a population gain over the 2021 calendar year according to the latest Regional Movers Index data, published by the Regional Institute of Australia. Migration to the Broome region (+24% year on year), while the South West part of the state, the popular Augusta – Margaret River locale, up +18%, and Busselton, which saw an +11% rise in migration, saw the greatest influx of new arrivals in 2021.

The popularity of many of these regional parts of WA, encouraged by the abovementioned factors, has resulted in widespread value gains across the state. This has resulted in the median house price in Regional Western Australia, quickly close in on the \$400,000 mark (\$395,372). The severe imbalance between supply and demand has only continued into early 2022. With total listings at historic lows, and well down on the same time last year, sales activity has trended in the opposite direction. While new listings sit some -14.1% down on last year, with the gap even wider in the total for sale listings, down -33.6% over the same period, sales activity sits +46.1% higher compared with January 2021. This further confirms the insatiable appetite and extreme competitiveness of buyers across Regional WA.

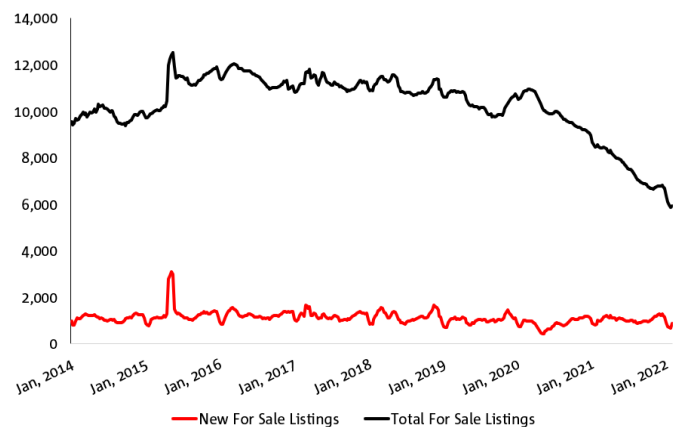
ROLLING ANNUAL SALES VOLUME - REGIONAL WA DWELLINGS - LAST 5 YEARS



Source – CoreLogic

With border restrictions to be lifted on 3rd March 2022, new arrivals and ex-pats returning home to be closer to family, are only expected to further energise the Western Australian Property Market, adding a further layer of buyer demand. In-turn, this is expected to place further upward pressure on property values across the regions of WA and exaggerate further the tight supply already driving the market.

FOR SALE LISTING VOLUMES - REGIONAL WA NEW FOR SALE LISTINGS VS TOTAL FOR SALE LISTINGS SINCE START OF 2014

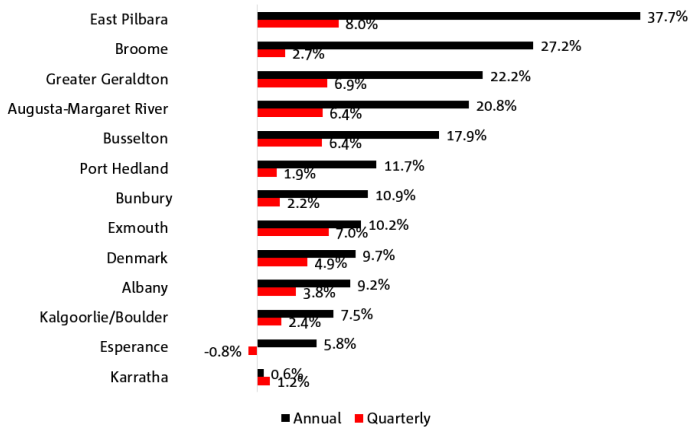


Source – CoreLogic

This has also resulted in several key indicators improving significantly over the past 12-18 months. The average time on market now sits at just 34 days, down from 39 days at the end of September 2021 and down from 44 days in January 2021. Such is the strong selling conditions, the buoyancy in demand has seen the average vendor discount shrink further, now down to -3.3%, down from the average -4% discount given at the end of September 2021.



**VALUE MOVEMENT BY LOCAL GOVERNMENT AREA - REGIONAL WA
LAST 12 MONTHS - HOUSING MARKET**



Source – CoreLogic

Looking at the areas where increased demand has led to the greatest value gains over the past 12 months, strong correlation is evident with linkages to either strong employment opportunities – particularly linked with the booming mining sector and or those localities that offer a more relaxed lifestyle by the coast, albeit that still offer good local job prospects if needed.

Additionally, those locations that are still located within reasonable commuting proximity to Perth have proved popular, as the need to still access the larger capital city amenities / office locations still remains important for many. Similarly, those areas that provide more affordable housing, namely for first home buyers and investors, have also performed admirably over the past 12 months. This has largely been generated/supported by the WA Building Bonus, as well as first home buyer concessions, in the early parts of 2021.

Leading the way on a Local Government level, East Pilbara, has seen an increase in house values of more than +35% over the last 12 months, as the influx of mining workers drives demand to extreme levels. With WA residents restricted by border closures and an inability to travel both interstate and internationally since March 2020, Broome has been one of the main beneficiaries. People searching for a more relaxed lifestyle, greater affordability and/or those looking for a holiday home have transcended on the area and driven housing values up by +27.2% over the last 12 months.

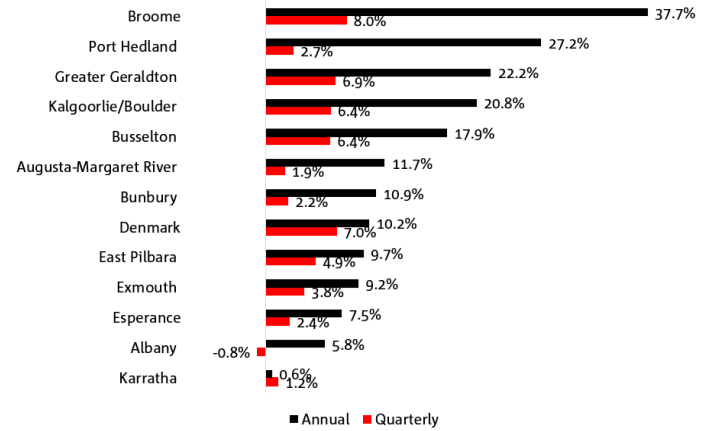
**HEDONIC HOME VALUE INDEX - REGIONAL WA
HOUSING MARKET - LAST 5 YEARS**



Source – CoreLogic

For similar reasons, the ever-popular Busselton and Augusta-Margaret River localities continue to be high on buyers agendas, attracted by the diverse local economy and enjoying some of the most scenic coastline in Australia. Both of these markets have seen housing values up by more than or nearly +20% over the past year and more than +6% over the summer months.

**RENTAL VALUE MOVEMENT BY LOCAL GOVERNMENT AREA - REGIONAL WA
LAST 12 MONTHS - HOUSING MARKET**



Source – CoreLogic

A similar trend can be seen across the rental market. The Broome LGA lead all rental markets, with rents up nearly +40% over the past 12 months, while Port Hedland (the major centre of the Pilbara region), Greater Geraldton and the Kalgoorlie/Boulder regions have all seen house rentals climb by more than +20% over the year. The key criteria of many of these markets, similarly, is a major discrepancy, between supply and demand levels. This has seen many of these top performing locations experience some of their lowest vacancy rates on record, with less than a 2% vacancy rate across a number of these regions not being uncommon.

As highlighted, with Western Australia’s borders reopening from the 3rd March 2022, this is only expected to have a positive impact on property prices, both in Perth, as well as the many Regional locations across WA. Buoyed by relative affordability, low borrowing costs and a strong WA economy, it is expected that demand will only gather further momentum in the short to medium term, as a wide range of buyers look to Regional WA, attracted to the more relaxed, coastal lifestyles.



RECENT SALES **ACTIVITY**

Busselton Region

52 Carnarvon Castle Drive, Eagle Bay



The sale property comprises a newly completed, architecturally designed, single storey, six-bedroom plus study, three-bathroom dwelling on a 1.37-acre site. The property has been constructed to a high standard and includes a large garage, self-contained studio, in-ground pool, large, quality outdoor entertaining area and very well landscaped gardens.

The site was purchased by the vendors in March 2017 for \$560,000. The property was recently offered for sale, however, after just 1 day on the market, the property was sold on the 20th January 2022 for \$3,850,000.

Port Hedland Region

17 Etrema Loop, South Hedland



The sale property comprises a 1995 built, single storey, four-bedroom, two-bathroom dwelling with a double carport, outdoor entertaining area, an in-ground pool and shed on a 686 square metre site.

The property was recently sold for \$565,250 on the 26th January 2022 after just 8 days on the market. Whilst the asking price was not disclosed, it is understood that the property was sold above the asking price, with multiple offers having been received by the vendor.

Greater Geraldton Region

46 Sail Boulevard, Sunset Beach



The sale property comprises a 2018 built, near new, single storey, three-bedroom, two-bathroom dwelling with an attached double garage, rear alfresco area and an additional undercover entertaining area, all on a 602 square metre site located within close proximity to the beach.

The property was sold on the 4th January 2022 for \$490,000. The property failed to reach the internet and was sold by the agent prior to being advertised on the market.

Albany Region

171 Flemington Street, McKail



The sale property comprises a 2010 built, well presented, single storey, four-bedroom, two-bathroom dwelling with an attached double garage and a second detached garage/workshop on a 742 square metre site.

The property was recently offered for sale by the vendors with an asking price guide of \$475,000 plus. After just 1 day on the market, the property was sold on the 17th January 2022 for \$475,000.

Disclaimer - The information contained in this publication is gathered from multiple sources believed to be reliable as of the end of January 2022 and is intended to be of a general nature only.

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