

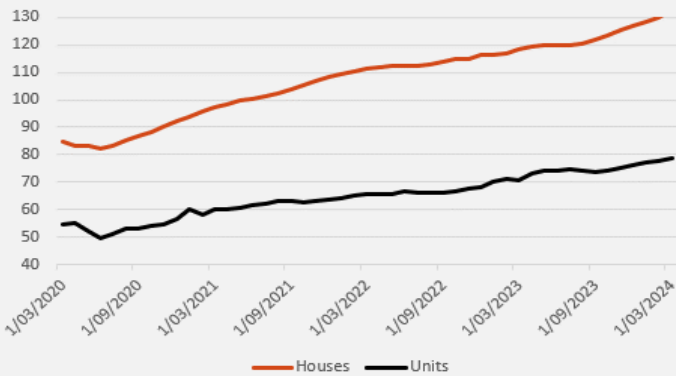
PROPERTY MARKET UPDATE REGIONAL WESTERN AUSTRALIA MARCH 2024



REGIONAL WESTERN AUSTRALIA SNAPSHOT

Home Value Index March 2024

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



HOUSES



UNITS

Quarter

4.7%

3.3%

Annual

12.3%

11.6%

Annual Dwelling Sales March 2024

12,990

+3.9% higher than one year ago.

+7.9% above the five-year average for the region.



3.5%

HOUSE SALES



7.1%

UNIT SALES

Source: CoreLogic

The regional Western Australia market continued to see dwelling prices trend higher in the first quarter of the year, gaining a further +4.6% to reach new records. The regional Western Australian market increased a further +2.1% in month of March, following gains in excess of +1.0% for seven consecutive months continuing a run of positive results which commenced in July 2020. Regional Western Australia currently sits +56.2% higher than at the commencement of COVID-19 and continues to climb to new peak.

The regional property market of Western Australia is a clear standout amongst all regionals locations and persists in recording increases against a backdrop of restricted levels of supply. Regional Western Australia housing is trending higher, but at a milder rate of growth relative to Perth on a quarterly and annual basis with dwelling values in regional Western Australia sitting up +12.2% over the last twelve months vs Perth up +19.8%.

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 117,300 new arrivals (equating to an annual increase of +1.4%) into regional Australia (according to the ABS figures to September), supporting price growth in regional markets. Despite the headwinds of a higher interest rate environment and worsening affordability in the nearer term, the median term outlook for regional Western Australia is anticipated to see continued growth as interest rates come down. Positive tailwinds including moderating inflation and improving consumer confidence are also contributing to market expectations of a cut in rates later in 2024.



MARKET CONDITIONS



HOUSE



UNITS

LISTINGS – ANNUAL INCREASE

-2.4%

-4.2%

DAYS ON MARKET

30 days

33 days

VENDOR DISCOUNT

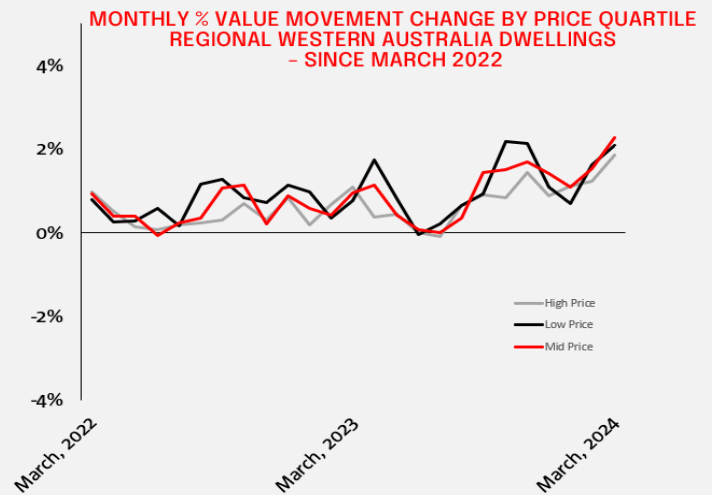
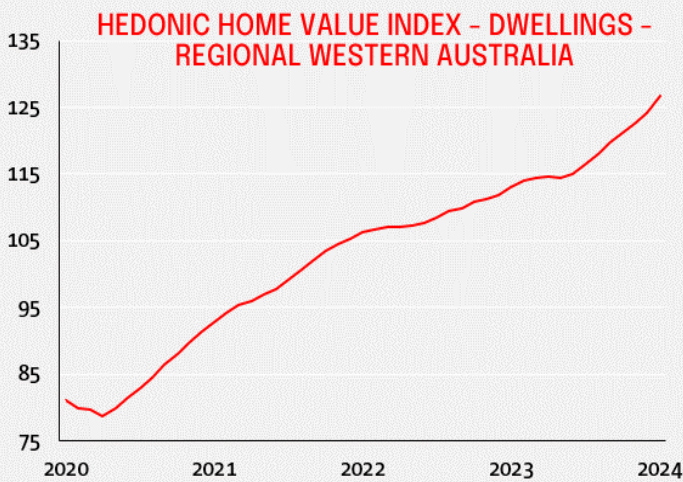
-4.0%

-3.4%

MEDIAN VALUE

\$508,513

\$327,887



Source: CoreLogic

Market movements remain buoyant across all quartiles in the regional Western Australia market, with all market segments continuing to post solid gains. The trend on a quarterly basis is a positive one, led by the mid-price segment (which recorded a gain over the March quarter of +4.9%) followed by slightly less pronounced gains within the lower and high-price quadrants of +4.4% and +4.2% respectively over the same time period.

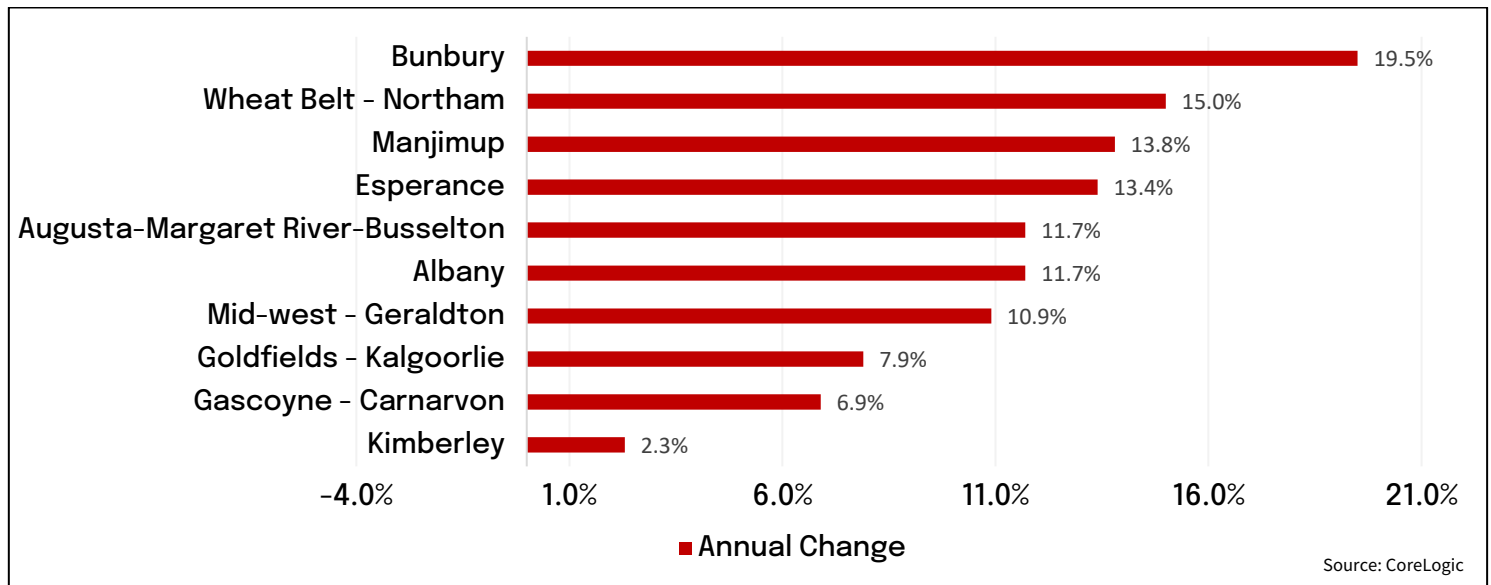
The main drivers for dwelling values in the regional Western Australia property market remain primarily due to the shortage of available stock, future direction of interest rates, sale of properties (investment and secondary) and concerns surrounding affordability of property which is seeing more

purchaser activity in the lower price points and lower-priced properties such as units and townhouses.

Positive tailwinds for the regional Western Australia market however include continued rising rental yields, increasing rental market strength and strong migration. Australia's population increased by 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 regional Western Australia and nationally.



Top 10 Regional Cities Annual Change - Dwellings



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

- The continued gains seen in March saw regional Western Australia house values gain by +4.7% across the March quarter, exceeding other regions and clear leader amongst other strong performers, regional Queensland (+2.8%) and regional South Australia (+3.4%). On an annual basis, house values gained +12.3%, a once again a clear standout amongst the regions and one of five regions along with regional Queensland, regional NSW, regional Tasmania and regional South Australia to record gains. The median house value has now pushed above the \$500,000 benchmark at \$508,513.
- In comparison, the unit market has reflected a similar trend, albeit at a slightly milder pace recording a gain of +3.3% in the March quarter compared to the housing market. The unit market benefits from greater affordability, incentives for first home buyers, as well the normalisation of local and international migration. Despite making up a smaller portion of sales activity overall, the median unit value in regional Western Australia remains well above the \$300,000 benchmark at \$327,887 and sits +11.6% up on an annual basis, and the only regional market to record an annual gain in excess of +10%.
- The rental market continues to see vacancy rates remain tight at near record lows, now a combined 1.2% across regional Australia. The low vacancy rates place upward pressure on rental values and as such it is likely rental demand will remain buoyant. With regional Western Australia recording a gross annual rental yield of 6.2% and rents in regional Western Australia having increased by 12.0% over the last twelve months, the outlook for investors is a positive one.





RECENT SALES ACTIVITY

Rockingham Region

6 Gunnel Way, Rockingham



The sale property comprises a partially renovated, well-presented, four-bedroom, two-bathroom single-level brick home of 213 square metres on a 512 square metre lot. Ancillary improvements include tiled alfresco area, steel fencing, landscaped yards and undercover parking for two vehicles. The property was recently offered for private sale through a local agency in early-March with a list price guide of 'offers from \$699,000'. After only 9 days on the market, the property was sold for \$760,000, on the 11th March.

Mandurah Region

6 Rochdale Circle, Meadow Springs



The sale property comprises a well-presented, original 2015-built, three-bedroom, two-bathroom single-level brick dwelling of 172 square metres on a 412 square metre lot. Ancillary improvements include paved rear alfresco area and driveway, landscaped yard and undercover parking for two vehicles. The property was recently offered for private sale through a local agency in early-March with a vendor's price expectation of 'offers from \$629,000' provided. After 20 days on the market, the property was sold for \$661,000 on the 21st March.

Bunbury Region

17 Scott Street, Bunbury



The sale property comprises an original above-average quality, 2009-built, four-bedroom, two-bathroom single-level brick and tile dwelling of 138 square metres on a standard 480 square metre lot. Ancillary improvements include concrete driveway, alfresco area, landscaped yard and undercover parking available for two vehicles. The property was recently offered for private sale through a local agency in mid-January with a listing price guide of 'offers over \$599,000'. After 55 days on the market, the property sold for \$635,000, on the 5th 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.

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