

## NEW BUILDING APPROVALS EASE ACROSS BOTH HOUSES AND APARTMENTS IN GREATER PERTH

Despite a slowdown in building approvals, the construction phase is active in Greater Perth with many apartment projects kicking-off earlier than scheduled due to the majority of apartments selling off-the-plan.

### Key facts September 2015

**Capital growth** for houses in the last month was down 1.0% (down 4.3% YoY); while apartments witnessed a fall of 2.2% (down 2.4% YoY)

**Sales volume** was down 11.7% for houses and down 15.7% for apartments YoY to July

Annual **rental growth** was recorded at -7.4% for houses and -8.0% for apartments over the year to July

Gross **rental yields** currently average 4.44% for houses and 4.67% for apartments

- The cash rate remained stable at 2.00% in September after falling 25 basis points in May, to an all-time historic low.
- Greater Perth experienced 2.5% population growth between June 2013 and June 2014, led by the Forrestdale-Harrisdale-Piara Waters SA2 (21.8%), with the largest increase in the number of people being in Baldivis (3,510 persons).
- Population growth is set to continue, with an annual rate of 1.9% projected out to 2021 for Greater Perth.
- Unemployment rate as at August 2015 stood at 6.5% for Greater Perth (SA4), trending higher than the 4.9% recorded in August 2014.
- Building approvals in the three months to July totalled 4,620 houses and 2,234 apartments approved in Greater Perth. This is trending 17.6% lower for houses and 8.9% higher for apartment approvals compared to the same period in 2014.
- Sales transacted in the year to July tallied 25,671 houses (down 11.7% on previous year) and 11,196 apartments (down 15.7% on prior year).
- House values were recorded at a median of \$520,000, falling 1.0% in the month of July with a decrease of 4.3% over the last year. Apartment values fell 2.2% over the month, while also decreasing 2.4% over the year, to record a median of \$452,500.
- Over the year to July, rental growth was recorded at -7.4% for houses and -8.0% for apartments. Weekly median rents are currently \$440 for houses and \$405 for apartments.
- Total vacancy was recorded at 4.7% in June 2015; an increase of 60bps from the same period in 2014.
- In July 2015, gross rental yields across Greater Perth compressed 11bps (to 4.44%) for houses and 28bps (to 4.67%) for apartments compared to the previous year.

FIGURE 1  
Greater Perth Capital Growth  
12-month rolling

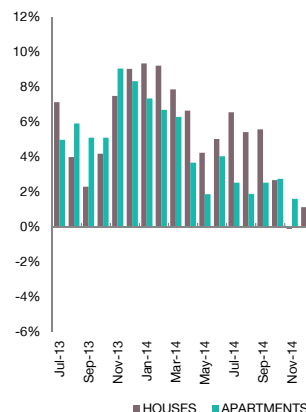
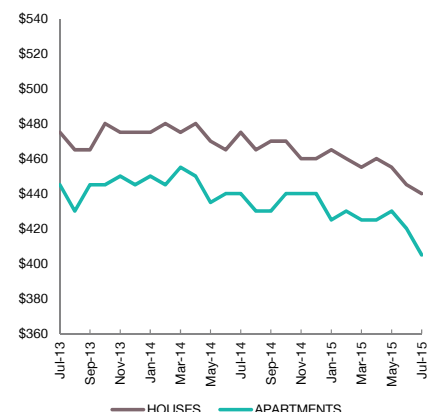


FIGURE 2  
Greater Perth Rents  
Median, weekly



Source: Knight Frank Research, Residex, Western Australian Planning Commission, RBA, ABS, REIWA



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## Knight Frank House Price Index, Greater Perth Mainstream

	KF House Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jul-14	343	6.6%	3.2%	1.3%	2.4%
Aug-14	337	5.4%	-0.9%	1.3%	-1.8%
Sep-14	339	5.6%	0.6%	1.3%	0.8%
Oct-14	338	2.7%	-0.3%	-1.6%	-0.6%
Nov-14	334	-0.1%	0.7%	-0.7%	-0.9%
Dec-14	335	1.1%	-0.1%	-1.4%	0.1%
Jan-15	341	2.7%	-0.6%	1.0%	1.9%
Feb-15	333	-2.0%	-1.1%	-0.5%	-2.4%
Mar-15	331	-2.1%	-2.6%	-1.2%	-0.7%
Apr-15	335	-1.0%	-0.7%	-1.8%	1.3%
May-15	334	0.5%	-0.2%	0.3%	-0.4%
Jun-15	332	-1.0%	-0.9%	0.3%	-0.7%
Jul-15	<b>328</b>	<b>-4.3%</b>	<b>-3.8%</b>	<b>-2.1%</b>	<b>-1.0%</b>

Source: Knight Frank Research, Residex

## Knight Frank Apartment Price Index, Greater Perth Mainstream

	KF Apartment Price Index January 2000=100	12-month % change	6-month % change	3-month % change	Monthly % change
Jul-14	341	2.5%	0.8%	-0.2%	0.3%
Aug-14	335	1.9%	0.2%	-0.9%	-1.8%
Sep-14	341	2.5%	0.0%	0.4%	2.0%
Oct-14	342	2.8%	0.2%	0.4%	0.3%
Nov-14	346	1.6%	2.6%	3.5%	1.2%
Dec-14	342	2.3%	0.6%	0.2%	-1.3%
Jan-15	334	-1.2%	-1.9%	-2.4%	-2.3%
Feb-15	328	-1.9%	-2.1%	-5.4%	-2.0%
Mar-15	328	-3.8%	-3.8%	-4.0%	0.2%
Apr-15	335	-2.0%	-2.3%	0.1%	1.9%
May-15	337	-0.2%	-2.8%	2.8%	0.7%
Jun-15	340	0.1%	-0.5%	3.6%	1.0%
Jul-15	<b>333</b>	<b>-2.4%</b>	<b>-0.4%</b>	<b>-0.5%</b>	<b>-2.2%</b>

Source: Knight Frank Research, Residex

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