



Perth's Best Price Performers & Yields

Compiled July 2024 By Jarrad Mahon

Data and Insights Sourced from REIWA



Waking Up to Growth

When we look at how Perth median house price has changed over the last year to June from \$560k to \$668k its increased by an impressive 19.2% so the growth we have been seeing for the last 2-3 years is showing up strongly in the median house price now waking up many more buyers to the the opportunity that Perth presents.

The median unit sale price increased 11.3 per cent year-on-year to reach \$445,000, just \$5,000 below the previous record of \$450,000 in 2014

When we look deeper we can see that there is not just one market but hundreds and many suburbs have exceeded this growth which highlights the importance of suburb selection.

How About Sales Volume?

Despite there being so few properties on the market for sale with just 1946 properties there total number of sales for the year is very high at 54,307 preliminary settled sales of houses, units and land for the year with REIWA data showing the number of sales for 2023-24 will likely exceed the previous financial year.

What is a median price?

It is the price that half the properties have sold above and half below.

Where is median price data found?

Median price data is readily available from places like REIWA website, Corelogic, Realestate.com and many others which also makes it readily used by commentators and the media to distort and usually unknowingly misguide the public.

How can the median price be distorted?

- Has there been a whole lot of new housing created that is pushing this median price up?
- With buyers seeking out affordable housing with a lot more activity in the lower price points with properties in higher price points being more tightly held and having far less selling?
- To what extent are homes being substantially renovated or extended to cause an increase in values of properties which are then being sold?
- How much sales volume does this represent and is there enough to be statistically reliable?... I think you need at least 50 sales for the year and the more the better.

These factors and others will determine how closely the median house and unit prices reflect the typical price changes in the area.

How can median price data be used?

It's a readily available guide as to what is happening to selling prices in a suburb, region and state.

Changes to the median house price should not be relied upon when you are looking at short periods of time of quarterly or even yearly which is why I prefer to look at the longer term trend over as much time and as many property cycles as I can get reliable data for.

You may have heard me say previously that I had to have a special study done by REIWA to compile the 30 year average annual growth rates - not otherwise available to the public but is part of our research when selecting suburbs to buy for our clients.

Typically 10-20 year median price data is available free from REIWA and Corelogic.

Mean Reversion

There is some merit in comparing 1, 3, 5 and 10 year data with 30 year data to see what has recently under performed, compared to the 30 year average annual growth rate and if it may be due for a catch up or a reversion to the long term average.

I also especially like to look at 10 year average annual growth rates as a good measure for how suburbs compare for value and compared to their long term 20 and 30 year averages, we focus on buying in areas where there is the most potential upside, where 10 year average growth has not been too high yet.

Relative value and ripple effect

It can also be worth comparing the median prices of given suburbs around your chosen suburb to see if a particular suburb represents better value compared to others, before going deeper to confirm if actual prices also reflect this.

There is merit to thinking that if one suburb has had a big jump in prices, buyers will then look to the surrounding suburbs instead and this is how price growth ripples.

Chasing recent increases

I also see investors specifically buying into suburbs based on how well the median price has performed over the last year or even 5 years with many thinking that if there has been recent growth, there will continue to be. By doing this you can be pretty sure that the suburb is hot but you need to consider how much longer will the growth potentially continue and how has it performed over the long term.

Top 10 suburbs for growth

Here are the top 10 suburbs which have had the strongest growth in the median house price over the last year to June 2024.

Top 10 Suburbs for median price growth (houses)

	SUBURB	ANNUAL HOUSE SALE PRICE	CHANGE IN ANNUAL HOUSE PRICE	ANNUAL MEDIAN SELLING DAYS
1	Viveash	\$620,000	40.9%	7
2	Hillman	\$537,000	39.5%	5
3	Armadale	\$460,000	39.4%	7
4	Midvale	\$515,000	38.3%	8
5	Shelley	\$1,269,999	38.0%	15
6	Kallaroo	\$1,220,500	37.1%	14
7	Kelmscott	\$503,600	35.3%	8
8	Henley Brook	\$735,000	35.2%	9
9	Lockridge	\$513,000	35.0%	8
10	Haynes	\$605,000	34.7%	8

Source: REIWA

Fastest selling suburbs (houses)

	SUBURB	ANNUAL HOUSE SALE PRICE	CHANGE IN ANNUAL HOUSE PRICE	ANNUAL MEDIAN SELLING DAYS
1	Cooloongup	\$550,000	30.3%	5
2	Leda	\$520,000	26.8%	5
3	Hillman	\$537,000	39.5%	5
4	Orelia	\$500,000	31.8%	5
5	Huntingdale	\$585,000	23.2%	6
6	Langford	\$515,000	19.8%	6
7	Brookdale	\$473,000	27.0%	6
8	Butler	\$550,000	23.6%	6
9	Calista	\$449,500	29.0%	6
10	Camillo	\$476,000	34.1%	6

Source: REIWA

House Observations

- Affordability remains a focus for buyers and this is reflected in the make up of the Top 10 suburbs for house price growth,” Ms Hart said.
- “The majority have a median sale price below Perth’s median and only two have a median house sale price over \$1million
- 2023-24 saw houses sell incredibly quickly, with a new monthly record of a median eight days on market set in October and November.
- Demand is also reflected in their selling times. The more affordable suburbs on the list have a median time on market that is nearly half that of the suburbs with a median over \$1 million.
- Affordability also came to the fore in the fastest selling list, with all ten suburbs recording a median house sale price below \$550,000

Top 10 suburbs for median price growth (units)

	SUBURB	ANNUAL UNIT SALE PRICE	CHANGE IN ANNUAL UNIT PRICE	ANNUAL MEDIAN SELLING DAYS
1	Cottesloe	\$1,200,000	50.9%	25
2	Bayswater	\$350,000	44.0%	8
3	Girrawheen	\$410,000	34.4%	19
4	Rockingham	\$408,500	30.7%	13
5	Shoalwater	\$312,500	30.2%	12
6	Mount Hawthorn	\$627,500	28.6%	6
7	Glendalough	\$330,000	26.9%	13
8	Armadale	\$350,000	25.0%	10
9	Morley	\$450,000	24.8%	7
10	Erskine	\$480,000	24.7%	12

Source: REIWA

Fastest selling suburbs (units)

	SUBURB	ANNUAL UNIT SALE PRICE	CHANGE IN ANNUAL UNIT PRICE	ANNUAL MEDIAN SELLING DAYS
1	Mount Hawthorn	\$627,500	28.6%	6
2	Balga	\$359,000	16.6%	7
3	Inglewood	\$424,000	19.4%	7
4	Morley	\$450,000	24.8%	7
5	Nollamara	\$433,500	22.5%	7
6	Orelia	\$229,500	17.7%	7
7	Palmyra	\$545,000	19.8%	7
8	Tuart Hill	\$430,000	24.6%	7
9	Ellenbrook	\$377,000	21.6%	8
10	Bayswater	\$350,000	44.0%	8

Unit Observations

- Seven of the suburbs in the Top 10 for units have a median sale price under Perth's median unit price.
- The overall demand for property, and particularly the strong motivation to exit the challenging rental market, has seen demand for units increase
- The demand for units in 2024 saw a new record median time on market of nine days set in February.

Top 10 suburbs for Rental Yield

Top 10 suburbs for rental yield (houses)

	SUBURB	ANNUAL MEDIAN HOUSE RENT	ANNUAL MEDIAN HOUSE SALE PRICE	RENTAL YIELD
1	Langford	\$600	\$515,000	6.1%
2	Brookdale	\$550	\$473,000	6.0%
3	Cannington	\$565	\$492,500	6.0%
4	Medina	\$478	\$420,000	5.9%
5	Armadale	\$520	\$460,000	5.9%
6	Balga	\$550	\$490,000	5.8%
7	East Cannington	\$643	\$575,000	5.8%
8	Queens Park	\$623	\$560,000	5.8%
9	Camillo	\$528	\$476,000	5.8%
10	Nollamara	\$595	\$540,000	5.7%

Top 10 suburbs for rental yield (units)

	SUBURB	ANNUAL MEDIAN UNIT RENT	ANNUAL MEDIAN UNIT SALE PRICE	RENTAL YIELD
1	Cannington	\$550	\$355,000	8.1%
2	Glendalough	\$510	\$330,000	8.0%
3	Balga	\$550	\$359,000	8.0%
4	Hamilton Hill	\$550	\$365,000	7.8%
5	Bayswater	\$520	\$350,000	7.7%
6	Beckenham	\$520	\$360,000	7.5%
7	Spearwood	\$513	\$355,000	7.5%
8	Belmont	\$563	\$392,500	7.5%
9	Midland	\$500	\$350,000	7.4%
10	Wembley	\$485	\$340,000	7.4%

Observations:

- Very strong year of median rental price growth of 13.0% from \$575 to \$650pw
- There are signs the rental market is beginning to moderate with prices remaining stable since March
- The number of rental listings has slowly been increasing since February and properties are taking longer to lease, particularly at the higher end of the market.
- Perth's rising property prices and rent stability saw yields decline slightly in 2023-24.
- "This time last year, all the top 10 suburbs for houses recorded yields over 6.0 per cent. This financial year, only the top three had a yield over 6.0 percent
- Last financial year, the top performing suburb for units had a yield of 9.6 per cent, this year the highest yield was 8.1 per cent
- That said, the top 10 for houses and units still offer strong yields, with yields between 5 – 8 per cent generally considered to be very good returns.

Analysis paralysis

You can see how it's easy to get lost in analysis paralysis with the more or little you know potentially holding you back from taking action.

Suburb Selection

Then overlay my exclusive **Trifecta Criteria** to ensure the suburb, area and property all stack up.

Using Evidence based: if the suburb has outperformed across the last 30 years and the same desirability factors exist then it's going to make a great suburb to invest over the next 30 years.

Now I also like to look at how it has performed over the last 10 years, has it had really high growth making it seem overpriced compared to surrounding suburbs and would want all short term stats to show that its still likely to grow. We also look at prediction algorithms in HTAG to ensure we are choosing areas with strong 1 year growth predictions.

Then look into the area, what drivers or detractors exist with its location, school catchments, homes west housing, street presentations.

When looking at a specific property, I look back at how it has performed in the past, calculate the average annual growth rate using the past sales and make sure that it's above the suburb rate.

Then look through to the specific location and neighbors, what factors will appeal or detract from rentability and future resale. Then appraise the likely market value and rental value. If seriously

looking to buy it, cross check this price with other local agents having similar properties under offer.

How We Can Help

Do you have a clear plan?

It's impossible to know if a property is a good investment for you if you don't have a crystal clear plan to achieve financial freedom. Our experience, combined with the latest software can give you the clarity on your goals and the best way to achieve them. Get in touch with Justine on justine@investorsedge.com.au or call **0414 816 578**

Have you thought about using a Buyers Agent?

Our unique Buyers Agency service can help you maximise your return on investment while avoiding costly mistakes. Get in touch with Justine on justine@investorsedge.com.au or call **0414 816 578**

Offer Accepted?

Organise your property management. Contact Jewayne on jewayne@investorsedge.com.au or call **0416 141 064** for a customised property management proposal.

We look forward to helping with your Perth property investing!