

# MARKET OUTLOOK

## SUBIACO

Subiaco offers residents good local amenities and easy access into Perth's CBD with great public transport options.

- 01  
Connectivity
- 03  
Employment &  
Infrastructure
- 04  
Population &  
Demographics
- 05  
Residential Market  
Analysis
- 06  
Rental Market  
Analysis

Prepared exclusively for  
**Blackburne**  
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Top: Regal Theatre, Subiaco; Bottom left and right: Subiaco lifestyle images

# CONNECTIVITY

Located approximately 4 km west of the Perth CBD, Subiaco is in Perth's prestigious Western Suburbs and is bordered by West Leederville, West Perth, Shenton Park, Daglish, Jolimont and Wembley. Being centrally located, the suburb offers a high level of access to employment nodes, retailers and lifestyle amenity.

## RETAIL AND ENTERTAINMENT

The suburb features a high level of retail amenity, including Subiaco Square Shopping Centre, Station St Shopping Precinct, Crossways Shopping Centre and Subiaco Farmers Markets. There are a number of restaurants, bars and entertainment spaces such as the Regal Theatre, the Subiaco Arts Centre and the Western Australian Medical Museum.

## PARKS AND RECREATION

The area and its surrounds offers numerous open space and recreation facilities including Lords Recreation Centre, Subiaco Theatre Gardens, Mueller Park and Market Square Park to name a few. Additionally, Kings Park and Botanic Garden, one of the world's largest inner city parks, runs along the eastern border of Subiaco.

## HEALTH

The area sees a high provision of health infrastructure, with two hospitals, St John of God in Subiaco and Sir Charles Gairdner in Nedlands, servicing the area. In addition to providing convenient access to health care, these hospitals are key employment nodes for residents.

**SUBIACO OFFERS RESIDENTS GOOD LOCAL AMENITIES AND EASY ACCESS INTO PERTH'S CBD WITH GREAT PUBLIC TRANSPORT OPTIONS.**



## EDUCATION

Subiaco residents can choose from a number of primary, secondary, and tertiary education facilities including Subiaco Primary School, Perth Modern, Shenton College and The University of Western Australia, a 11 minute drive.

In addition, Bob Hawke College is currently under construction and will take the first year of students in 2020. It will further support residents by being an important space for the community.





## TRANSPORT

The area is well serviced by major arterial roads providing links to Perth's CBD and surrounds. Similarly, Subiaco Train Station and high frequency bus routes on many main streets are available, offering a commute time of 12 minutes to Perth's CBD.

Through the proposed Forrestfield-Airport Link, Subiaco residents will be able to have direct connect to the Perth Airport via the Airport Central Station.

Subiaco also has a high frequency local bus service (Subiaco Shuttle) that connects Subiaco Train Station, QEII Medical Centre and The University of WA.

# EMPLOYMENT & INFRASTRUCTURE

Continued infrastructure investment is driving employment, enhancing services and amenity in Subiaco.

Residents in Subiaco are close to several major employment nodes. Within the suburb, 89% of residents are white collar workers, 20 percentage points more than Greater Perth.






Proximity to the Perth CBD makes Subiaco a good location for white collar professionals looking to work in the CBD, and as a result professional, scientific and technical services is the top industry of employment.

Health care and social assistance is the second highest industry of employment, which is due to nearby hospitals and medical centres including St John of God Subiaco Hospital.


Subiaco workers are supported by established public transport networks with frequent bus services along major arterial roads and Subiaco Train Station located nearby.

## TOP 5 CURRENT INDUSTRY OF EMPLOYMENT

Subiaco

1	 Professional, Scientific and Technical Services	19%
2	 Health Care and Social Assistance	17%
3	 Education and Training	11%
4	 Mining	7%
5	 Accommodation and Food Services	6%

Source: ABS Census 2016

 Subiaco is part of the "Inner City" which saw 102,800 workers as at May 2018. This is projected to increase by nearly 6% in 2023.

Source: ANZSIC

## EMPLOYMENT GROWTH

Key 'Inner Region' Employment Growth Industries

	May 2018	May 2023
 Professional, Scientific and Technical Services	16,700	18,800
 Health Care and Social Assistance	16,100	16,900
 Mining	8,900	9,800

## KEY TENANTS IN SUBIACO



## INFRASTRUCTURE



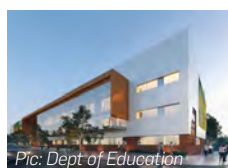
### 01 SUBIACO PAVILION MARKETS \$250 million

This prime site is set to be redeveloped into a retail, residential and restaurant development. It will include 240 new apartments, 50 commercial spaces, 50 retail and food spaces and the intention of 150-275 additional workers. The revitalisation around Subiaco will bring more liveliness and activation once completed.



### 02 SUBI EAST REDEVELOPMENT \$227 million

The WA government has committed to the rejuvenation of 34 hectares of land which includes Subiaco Oval and the surrounding land and Princess Margaret Hospital site. The redevelopment is expected to attract \$1 billion worth of private investment over the life of the project and create 650 new jobs in Subiaco once fully built out.



### 03 BOB HAWKE COLLEGE (FIRST STAGE) \$68 million

A new government secondary education school will open in 2020 and is part of the 'Subi East' redevelopment project. It will grow to an expected 1,500 student by 2025, with a capacity for 2,000 students in the future. The college will be a central hub for the Subiaco community. With shared facilities including Subiaco Oval, sporting courts and a gymnasium.

### 04 SUBI XO \$101 million

The mixed use development will generate employment and encompasses retail, dining and commercial precincts as well as the 168 room Park Regis Hotel, a cinema complex and office spaces. Major mining company, Mineral Resources has committed to occupy 10,500 sq.m in this building and KeyStart have also committed to take space alongside existing tenant iiNet. It is projected to create 250 hotel workers and house 1,000 commercial workers.

### 05 FORRESTFIELD AIRPORT LINK \$1.86 billion

The new station is currently under construction is due to open in 2021, which will link Subiaco to the eastern suburbs of Inglewood, Bayswater, Redcliffe and Forrestfield. Also planned is the Ellenbrook train connection which will mean that Subiaco will also be connected to the Ellenbrook train line.

### 06 ST JOHN OF GOD SUBIACO EXPANSION

Plans of expanding the existing hospital are underway which will include additional operating theatres, single rooms, consulting suites and a research facility. This will benefit local residents as well as workers.



# POPULATION & DEMOGRAPHICS

Solid population growth is evidence of demand to live in the area, likely drawn to employment nodes, entertainment and key lifestyle amenity.

Subiaco is characterised by a high proportion of white-collar professionals, earning high incomes. In addition, there has been a shift in residents living in higher density dwellings, accounting for 39% in the area, from 33% since 2011. These traits coupled with steady population growth are expected to drive demand in the residential market moving forward.

New housing supply will be spurred by growth in the area given strong amenity; education, employment and transport. The population was 9,202 based on 2016 ABS Census. Based on WA government population projections, this is projected to increase by over 59% over the next 10 years to 2026, welcoming 5,427 residents. This is an average of 543 residents per annum.

Over the next ten years, forecasts show that there will be an expected increase in children aged 0-14 years and mature aged families aged 35-44 years.

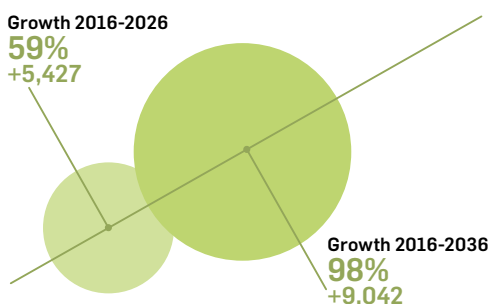
The demographic make-up of Subiaco demonstrates a range of resident characteristics. Over a quarter of residents are aged between 25-39 years in the suburb, followed by 20% aged between 40-54 years. The average age of residents in the suburb is higher than Greater Perth with 16% of residents being aged 65+ compared to 14% in Greater Perth, suggesting the suburb is suitable towards downsizers. These older residents as well as young establishments are largely characterised by couples without children (50%) that opt towards apartment living.

Subiaco residents are typically earning higher incomes than Greater Perth. The average household income is \$123,918 which is 23% higher than the benchmark. Households earning over \$130,000 per year account for 41%, compared to 28% across Greater Perth.

There is an opportunity for investors to target high quality tenants, noting the younger age profile of residents in Subiaco. Though residents of Subiaco see relatively high incomes, there is an above average proportion of renters in the suburb, with 46% of residents renting their dwellings compared to 28% across Greater Perth.

## TOTAL PROJECTED POPULATION GROWTH 2016 – 2036

Subiaco – Shenton Park Statistical Division 2 (SA2)



Source: WA Planning Commission, WA Tomorrow 2017

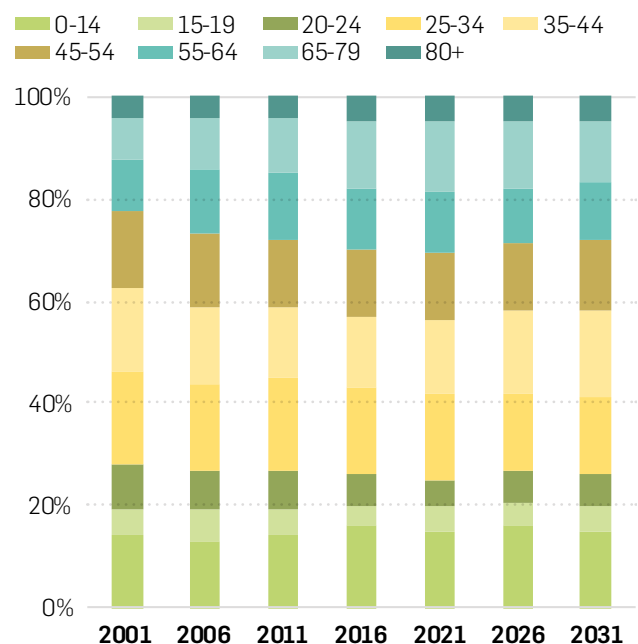
## WHO LIVES IN SUBIACO?

	Subiaco	Greater Perth
Population	9,202	1,943,858
Establishers (25-39 years)	28%	23%
Retirees (65+)	16%	14%
Avg Age	41	38
White Collar Workers	89%	69%
Professionals	48%	23%
Owned Outright/Purchasing	54%	72%
Renting	46%	28%
Living in apartments	39%	16%
Couple with no children	50%	38%
Average Household Income	\$123,918	\$101,072

Source: Based on ABS Census 2016

## HISTORIC AND FUTURE POPULATION GROWTH BY AGE COHORT

Subiaco – Shenton Park Statistical Division 2 (SA2)



Source: Urbis, ABS, WAPC WA Tomorrow, Series B Forecasts

# RESIDENTIAL MARKET ANALYSIS

Subiaco's residential market has performed strongly compared to the overall Perth market, with house prices growing by 2.2% p.a. in the past decade to June 2019 and further 6.2% p.a. in the 20 years.

In the 12 months to June 2019, the median house price in Subiaco was \$1,310,000, well above the Greater Perth median of \$475,000. Over the past 20 years, prices have maintained positive growth, growing by 6.9% p.a.

Whilst the Perth property market has seen four years of market downturn we are now starting to see increased confidence and price recovery in some areas of the city. Subiaco's market improved a lot earlier than other areas, and saw a rebound in the last 12 months to June 2019 where house prices experienced an increase of 6.2%, this compares to prices falling by 3.4% overall for Perth.

The median unit (dwellings other than single houses including villas, apartments and town houses) price in Subiaco was \$475,000 and \$487,500 in the City of

Subiaco as at June 2019, both outperforming Greater Perth's average of \$385,000. In the 20 years to June 2019, unit prices have grown by 4.8% p.a.

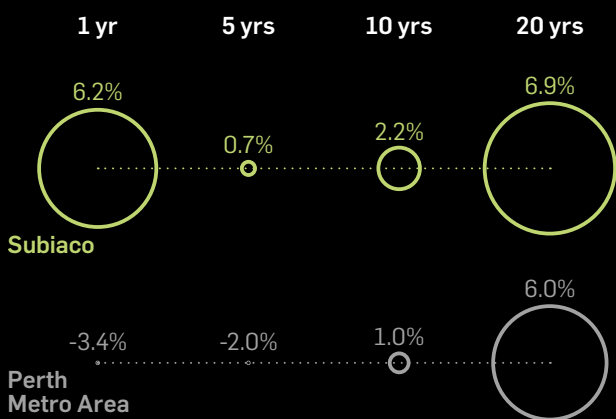
The volume of unit transactions in Subiaco was the highest compared to neighbouring suburbs, equalling 105 sales in the year to June 2019. High sales volumes suggest a strong level of demand for units within the suburb.

Apartments in the suburb are also significantly more affordable than houses, with the affordability gap between houses and units being \$835,000 in the year to June 2019. A large price difference in house and apartment prices, as well being close to amenity is likely to shift consumer demand in favour of apartments.

Apartment dwellers in the Fringe North West precinct have typically been owner occupiers, over the past few years with 86% of dwellings being bought by owner occupiers in 2018.

## MEDIAN ANNUAL COMPOUND HOUSE PRICE GROWTH AS AT JUNE 2019

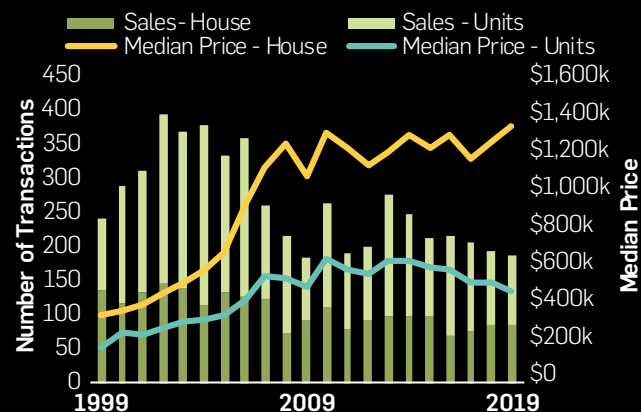
Subiaco vs Perth Metropolitan Area



Source: Pricerfinder

## MEDIAN PRICE AND TRANSACTION VOLUMES FOR HOUSES AND UNITS IN SUBIACO

1999 – June 2019



Source: Pricerfinder

## SALE PRICE COMPARISON- MEDIAN PRICES

Subiaco vs Surround Suburbs 12 months to June 2019

Suburb	Median House Price	Sales Volume	Median Unit Price	Sales Volume
<b>Subiaco</b>	<b>\$1,310,000</b>	<b>81</b>	<b>\$475,000</b>	<b>105</b>
Jolimont	\$915,000	12	\$350,000	13
Daglish	\$955,000	23	\$670,000	3
Wembley	\$905,000	103	\$250,000	85
Floreat	\$1,300,000	114	\$575,000	15
West Leederville	\$1,100,000	51	\$475,000	51
City of Subiaco	\$1,177,500	158	\$487,500	130
Greater Perth	\$475,000	24,578	\$385,000	4,261

Note - Median prices are for the sales for the 12 months to the end of June 2019. Source: Pricerfinder

# RENTAL MARKET ANALYSIS

Strong median rent growth in Subiaco highlights the suburb's favourability toward property investors.

Subiaco is popular amongst young professional couples, due to its proximity to employment nodes, university, and recreational amenity that support their lifestyle, making it a sought-after rental location.

Renting is a popular method of housing tenure in Subiaco, with 46% of households renting as at the last census.

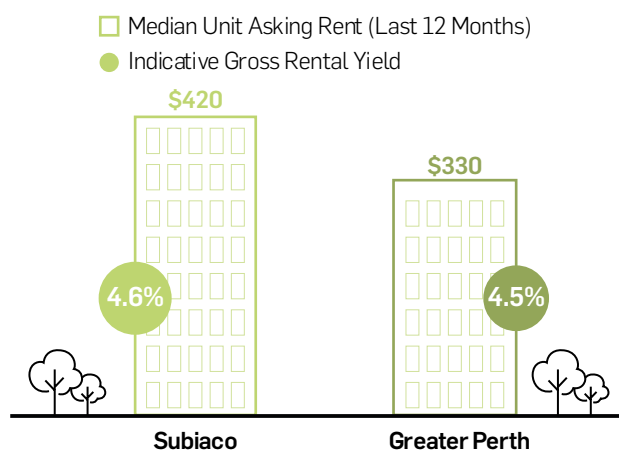
The median asking weekly rent for units in Subiaco is \$420 per week, higher than the City of Subiaco and Greater Perth benchmark, highlighting the suburb's favourability toward property investors. The suburb has also seen an increase in the unit rental price in the past 12 months to June 2019, with rents growing by 1.8%.

The strength of the Subiaco market is highlighted by its indicative rental yield of 4.6% for units for the period ending June 2019, which is consistent with other inner city areas, as well as being slightly higher than the City of Subiaco and Greater Perth yield.

Of the rental stock in Subiaco, one and two bedroom units are the dominant dwelling size. In the June quarter in 2019, 39 one bedroom units were put on the market for rent and 41 two bedroom units, with the asking rents for these properties being much higher than asking rents across Greater Perth.

## MEDIAN ASKING RENTS YIELDS- UNITS

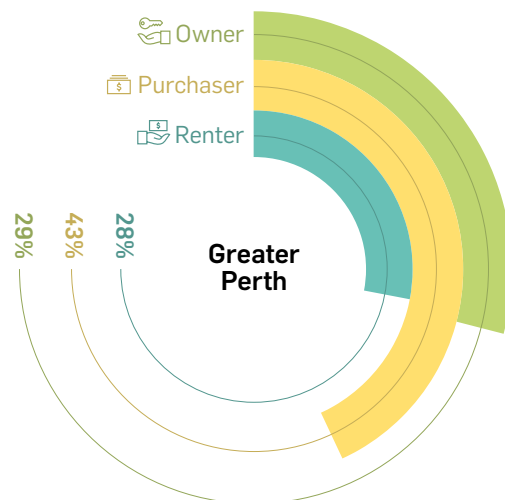
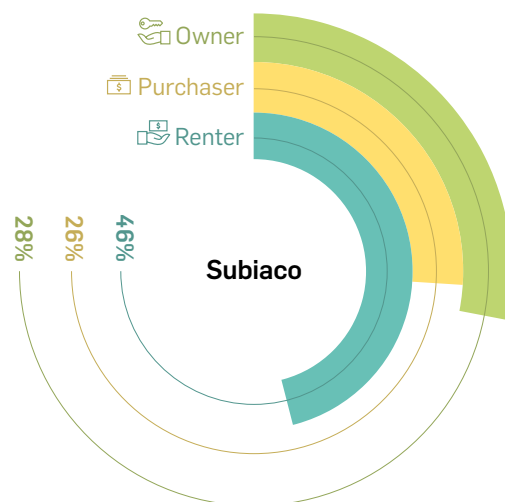
As of March Quarter 2019



Source: Pricefinder

## PROPORTION OF TENURE TYPE

Subiaco vs Greater Perth



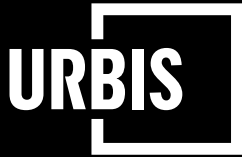
Source: ABS Census 2016

## MEDIAN ASKING RENTS BY BEDROOM- UNITS

As of June Quarter 2019

Bedrooms	No. of rents	Median rent	Greater Perth
1 Bed	39	\$350	\$280
2 Bed	41	\$453	\$330
3 Bed	8	\$550	\$365

Source: REIWA



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