

MARKET OVERVIEW

The residential land market in Dunsborough is characterised by the following attributes.

- **Strong Population Growth:** Based on State Government forecasts, each year the resident population of the City of Busselton is expected to grow at 2.4% per annum, creating strong and consistent population-driven demand for housing in the region throughout the next 10 years. The past three years alone have seen Busselton's population grow by 2,993 residents, equating to approximately 400 additional dwellings required each year to support this level of growth at the average of 2.5 people per household in private dwellings – this is forecast to increase to 487 additional dwellings per annum demanded over the next five years.
- **Land Sales:** Despite strong population growth, 2024 land sales in Dunsborough have declined 65% from 2021 levels as a result of lower lot availability. Although there is strong demand for lots in Dunsborough, the lower level of sales are due to the lack of stock on the market. Accordingly, Dunsborough's market share of the South West sales has fallen from 18% to just 6% between 2021 and 2024.
- **Declining Housing Affordability:** Median house prices in Dunsborough have increased by average of 18.7% p.a. in the three years to 2024, having nearly doubled to \$1.16m from \$599,500 in 2019. Pent-up demand and a lag in new land supply that would otherwise ease pressure from the established market has significantly decreased housing affordability, particularly for first-homebuyers in the region. Land price growth in Dunsborough has significantly outstripped that of the South West average (55% growth from 2021 compared to 13%).
- **Rental Pressures:** Dunsborough is characterised by a tight rental market with a vacancy rate of 1.8% in Q1 2025. This has translated to an increase in median rents by 34% since November 2021. Average rental costs have increased from \$560 to \$750, decreasing rental affordability in the region, as rental stock has not grown in tandem with population growth.
- **Decline in Selling Estates:** Dunsborough has limited remaining new lot supply currently in the market, as key estates such as Dunsborough Lakes and The Cove have recently sold out and others such as Cape Rise have limited remaining supply. In the broader City of Busselton region, active estate supply has also declined with the likes of McGregor Estate and Old Broadwater Farm selling out without alternative supply coming into the market to offset the completions. The ability of zoned and planning investigations areas (PIAs) to meet short term needs is limited by land fragmentation, existing land uses, landowner intentions, environmental and infrastructure constraints and planning timeframes. This has significant implications on immediate lot supply in Dunsborough and the wider City of Busselton region.



2.4 %
ANNUAL POPULATION GROWTH
AVERAGE FORECAST GROWTH, 2024
TO 2034, CITY OF BUSSELTON



- 54%
AVERAGE NUMBER OF LAND SALES
AVERAGE ANNUAL SALES, 3-YRS-
TO-2024 COMPARED TO 3-YRS-TO-
2021, DUNSBOROUGH



18.7%
ANNUAL MEDIAN HOUSE PRICE
GROWTH AVERAGE ANNUAL
MEDIAN HOUSE PRICE GROWTH, 3-
YRS-TO-2024 (CALENDAR YEAR),
DUNSBOROUGH

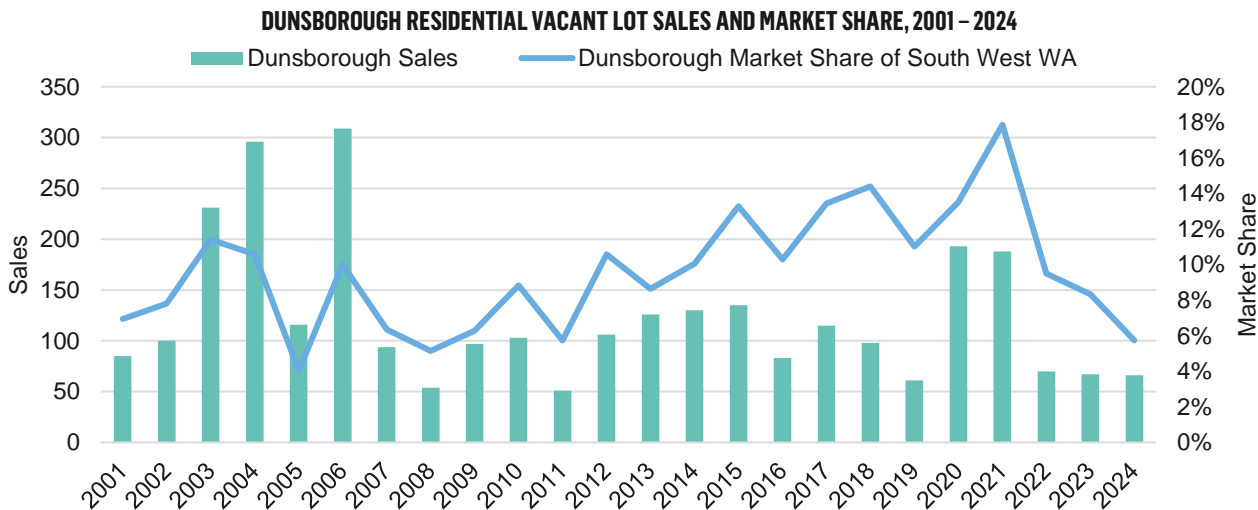


34%
INCREASE IN RENTAL COSTS
TOTAL MEDIAN RENT GROWTH FOR
HOUSES, DUNSBOROUGH, 3 YRS-TO-
NOVEMBER 2024*



LIMITED
ALTERNATIVE SUPPLY OPTIONS
INCREASINGLY SOLD-OUT ESTATES
AND LIMITED LAND AVAILABILITY
HAS CREATED SUPPLY BOTTLENECK

RESIDENTIAL LAND SALES



ECONOMIC BENEFITS

It is estimated that the first stage proposed development will support around 119 FTE jobs on an ongoing basis, growing to 379 following the completion of the total development. These jobs are expected to be supported or held by the 287 new residents that will be able to reside in the estate in the first stage and 910 in the completed development, whom on average each year add \$77,432 in economic value per capita (or \$185,906 per worker).

There will hence be an estimated \$22 million per annum in additional economic product supported by the additional land supply from the proposed estate's first stage, growing to \$70 million per annum once completed, as the greater number of residents that are anticipated to live in the Dunsborough and wider South West region are accommodated.

ANNUAL ECONOMIC IMPACT STAGE 1



119
TOTAL ONGOING FTE
JOBS



**\$22.2
MILLION**
TOTAL ANNUAL
ONGOING OUTPUT IN
THE SOUTH WEST WA
ECONOMY

ANNUAL ECONOMIC IMPACT TOTAL DEVELOPMENT



379
TOTAL ONGOING FTE
JOBS



**\$70.5
MILLION**
TOTAL ANNUAL
ONGOING OUTPUT IN
THE SOUTH WEST WA
ECONOMY

Source: Urbis, REMPLAN, ABS

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