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Tourism, population, property prices booming in WA's south west

Direct flight links, big spending tourists and major energy and coastal developments are driving a huge property price push in Western Australia's southwest.

By **Tanya Steinbeck** ([/experts/udia-wa/tanya-steinbeck](#)), CEO, UDIA WA | 25-3-2025 | Residential ([/news/category/residential](#)) | 3 min read



Western Australia's southwest, including Margaret River (pictured), is riding a wave of popularity that is having a profound impact on real estate prices and housing supply. (Image source: Shutterstock.com)

he south west region of Western Australia is riding a wave of growth, with the price of housing i

T [Bunbury \(/research/suburb-profile?id=6980&text=Bunbury%20WA%206230\)](/research/suburb-profile?id=6980&text=Bunbury%20WA%206230), [Busselton \(/research/suburb-profile?id=5063&text=Busselton%20WA%206280\)](/research/suburb-profile?id=5063&text=Busselton%20WA%206280), [Dunsborough \(/research/suburb-profile?id=1949&text=Dunsborough%20WA%206281\)](/research/suburb-profile?id=1949&text=Dunsborough%20WA%206281) and [Margaret River \(/research/suburb-profile?id=7204&text=Margaret%20River%20WA%206285\)](/research/suburb-profile?id=7204&text=Margaret%20River%20WA%206285).

The south west is home to almost 200,000 people, making it the largest population base outside of Perth and Peel. The State Government is forecasting that number will rise to 230,000 in the coming years, a clear sign of the region's growing popularity.

From its stunning coastal towns to the serene rural landscapes, the South West region offers a unique blend of lifestyle and economic prospects that are increasingly attracting developers, investors and residents.

The average price of new land, according to UDIA WA's most recent Urban Development Index data, increased by 31 per cent over the 12 months to 31 December 2024 in the south west region.

In the established market, the median price of a house in 2025 is up to \$641,000 according to the Real Estate Institute of WA (REIWA). That is compared to \$372,000 in 2020.

One driver of this rapid growth has been the significant infrastructure investments that have transformed the region's accessibility, most notably the major upgrade to the Busselton-Margaret River Airport.

Completed in 2019, the airport upgrade marked a turning point for the region, with the first interstate flight from Melbourne to Busselton taking off in April 2022.



Direct interstate air routes have bolstered Busselton's profile and popularity.

Since then, air services have expanded, and flights from Sydney commenced in March 2024. These services are expected to bring in an estimated 28,000 inbound passengers annually, significantly boosting the local economy.

According to the South West Development Commission (SWDC), each visitor from New South Wales spends an estimated \$1,254 during their trip to the south west, while the average Victorian visitor spends \$1,256.

While the tourism sector is benefiting from [an influx in visitors \(/news/article/interstate-investors-target-wa-property-but-often-lack-market-know-how\)](#), the airport is also facilitating more people making a permanent move to the region.

'Fly in fly out' work opportunities are growing, as flights are now available directly from Busselton to several major mine sites in the northwest. There is also the opportunity for people moving from the east coast to feel more connected to friends and family across the country.

Looking ahead, the SWDC is purportedly working on a business case to further expand the airport, which could include a new terminal and the potential for international flights, particularly from Singapore.

This would be a huge boost to the region's tourism industry and could provide new opportunities for exporting local agricultural products.

The region's appeal grew during the pandemic as remote work capabilities allowed many people to leave Perth, and even the eastern states, to enjoy a more relaxed and affordable lifestyle.

Energy projects bringing jobs

The economic landscape of the region is also undergoing a transformation.

The State Government is working on diversifying the economy in [Collie \(/research/suburb-profile?id=8169&text=Collie%20WA%206225\)](#), a community historically dependent on coal and coal-fired power generation. The government has committed more than \$662 million to energy transition projects in Collie, including the construction of a battery storage system, the opening of a technology training centre, and new industrial projects like a graphite processing plant.

The region's focus on emerging industries and tourism also continues to grow with a new mountain bike trail network attracting thousands of visitors annually.

Bunbury, the state's largest city outside the metro area, is also seeing substantial economic growth, particularly in the renewable energy sector. The area off the coast of Bunbury, between Cape Naturaliste and [Dawesville \(/research/suburb-profile?id=2327&text=Dawesville%20WA%206211\)](#), has been earmarked for the development of

offshore wind energy projects.

Additionally, Bunbury's waterfront is undergoing a major makeover, with the Koombana Bay foreshore redevelopment poised to bring new opportunities to the local economy.

According to the SWDC, the redevelopment of the waterfront will position Bunbury as a regional hub for the marine industry, while also making it a more attractive destination for locals and visitors alike.

With plans for a new breakwater at Casuarina Boat Harbour and the revitalisation of surrounding areas, Bunbury's economy is set to thrive.

Housing shortages as population grows

Rapid growth comes with its challenges, particularly in housing.

The south west region (</news/article/investors-flock-to-regional-western-australia>) is experiencing a significant housing supply shortage, [much like Perth \(/news/article/perth-homes-land-and-rent-all-slipping-further-out-of-reach\)](/news/article/perth-homes-land-and-rent-all-slipping-further-out-of-reach) and other parts of the country.

Developers in the region have warned that land estates in Dunsborough, Bunbury and Margaret River are running low on stock. There is also a particular lack of affordable and social housing available to locals.

A recent Shelter WA report that looked at unmet housing need found that Busselton and Bunbury in particular, are high on the scale of unmet demand.

Addressing these housing challenges requires a collaborative approach between local governments, developers, and the community.

It is important to appreciate that each local area in the south west has its own unique challenges and opportunities.

Several local governments are in the process of updating their planning frameworks to ensure they are up to date and fit for purpose in the context of urban growth.

The south west is undoubtedly at a pivotal moment in the current growth cycle, with significant infrastructure improvements, expanding industries and a growing tourism sector, the region is

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poised for continued growth.

Navigating the challenges of housing shortages, environmental considerations and [infrastructure demands will require a unified approach from all levels of government \(/news/article/targeted-infrastructure-investment-needed-to-boost-housing-supply\)](#), the private sector and the community.

Article Q&A

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What are property prices doing in WA's south west?

The average price of new land, according to UDIA WA's most recent Urban Development Index data, increased by 31 per cent over the 12 months to 31 December 2024 in the south west region. In the established market, the median price of a house in 2025 is up to \$641,000 according to the Real Estate Institute of WA (REIWA). That is compared to \$372,000 in 2020.

Why are property prices rising in Western Australia's south west?

A diversifying economy, major energy and coastal developments and projects and improved national air links are boosting the population and property prices in WA's south west.



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Tanya has worked in communications, project and management roles for over 20 years in the private, not-for-profit and government sectors largely in the property and development industry. Tanya is the C...

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