

# Media Release

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## FIRST HOME OWNER GRANT RISE SHOWS CONFIDENCE RETURNING

An increase in the number of First Home Owner Grants paid out by the State Government is a positive sign that confidence is returning to the West Australian property market the UDIA said today.

In November 1,294 grants were paid, a 12.5 per cent increase on October's figures.

As grants are paid after settlement this figure doesn't reflect the impact of November's rate cut, but the number of grant applications in November is also up.

November's 1,375 applications was the highest number since December 2009, the last month of the boost to the First Home Owner Grant to stimulate the economy.

"It's a clear indication that confidence is returning to the property market and that buyers are starting to return in response to increasing affordability," UDIA CEO Debra Goostrey said.

"This trend is also reflected in our weekly sales data for new lots which have shown a clear upward trend for several weeks now.

"At the November UDIA luncheon Paul Braddick, Head of Property Research with the ANZ, said that Australia's property prices are as affordable today as they were in the 1980s.

"He's not the only one saying it, and an increasing number of prospective first home buyers are realizing this when they compare the increasing cost and difficulty of renting with the price of buying, and decide that their first home is now affordable," she said.

Average weekly ordinary time earnings of an adult working full time (AWOTE) in Western Australia have risen far higher than the national average with 4.4 per cent growth over the last quarter. AWOTE is now 11.3 per cent higher than the same time last year.

"An increasing number of property analysts are saying that the market is poised for another turn of the cycle next year, and that those buying new homes now can set themselves up for capital growth in the years to come.

"It's a good time to buy a new home," she concluded.

### Ends

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