

Media Release

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HOUSING FINANCE FIGURES SHOW CONFIDENCE RETURNING TO MARKET

Housing finance figures released by the ABS yesterday* are further evidence that confidence is starting to return to the housing market in Western Australia, the UDIA said today.

The number of housing finance commitments in Western Australia rose to their highest level in 18 months, increasing 0.7 per cent seasonally adjusted (excluding refinancing) in August to 6,262.

Housing finance commitments for new dwellings in WA increased by 10.6 per cent, and for the construction of new dwellings by 10.7 per cent in August (both figures non-seasonally adjusted). The annual figure saw a rise of 9.9 per cent and 30.5 per cent respectively (non seasonally adjusted).

“These figures are an encouraging sign that confidence is returning to the market,” said UDIA CEO Debra Goostrey.

“They come on top of a recent report by BIS Shrapnel predicting house price growth of 19-20 per cent in WA in the next three years. Clearly WA’s housing cycle is set for another turn of the wheel and poised for growth,” she said.

“Interest rates have now been stable for 11 months, giving prospective home buyers some much needed confidence, while the West Australian economy has continued to out-perform the rest of the nation, providing growth and strong employment.”

“It’s a good time to buy a new home in Western Australia,” she concluded.

* 5609.0 - Housing Finance, Australia, Aug 2011

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For further comment:	General Media Enquiries:
Debra Goostrey CEO UDIA(WA) Office Hours: 08 9321 1101 After Hours: 0439 380 266	Mark Schneider Communications Manager UDIA (WA) P: 08 9321 1101 After Hours: 0439 187 651 E: mschneider@udiawa.com.au

