

Media Release

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HOUSING FINANCE FIGURES SHOW MARKET IS RISING

A rise in housing finance figures for November coupled with a rise in the median house price are strong indicators that the housing market in Western Australia is starting to pick up again, the UDIA said today.

According to ABS figures released today, housing finance commitments for November increased by 0.9 per cent in Western Australia, seasonally adjusted*.

This is the fourth consecutive month of rises with the number of dwelling commitments in November now 12.6 per cent above the November 2010 level. They are now at their highest level since December 2009.

Dwelling commitments for constructing and purchasing new homes increased 0.8 per cent to 1221, a four per cent increase year-on-year seasonally adjusted.

“It’s an encouraging trend that’s reflected in the rise in First Home Owner Grants, which also increased 0.9 per cent in December to 1,306 according to the Western Australian Department of Treasury figures,” said UDIA WA CEO Debra Goostrey.

“The number of First Home Owner Grant applications for buying new houses and land also increased by 3 per cent in December, bringing the application figures to their highest level since December 2009, the last month of the First Home Owner Grant boost.

“A modest rise in the median house price of 0.5 per cent in the three months to December is further evidence that the market has started to turn after a long period of falling prices.

“Whilst we’ll still see some negative data as the downward cycle comes to an end, all the leading indicators are signalling the market’s about to enter a positive phase,” Ms Goostrey said

** 5609.0 - Housing Finance, Australia, Nov 2011*

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