

Media Release



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HOMEOWNER CONFIDENCE SHOWING SIGNS OF RETURNING

Figures on housing finance commitments released today by the ABS are showing signs that confidence is starting to return to the West Australian housing market the UDIA WA said today.

Owner occupied finance commitments in Western Australia in February were up by 8.3% over January's figures, a promising sign that some stability is starting to return to the market.

"While the trend figures were still down by 0.5% on January's figures they're better than the Australian average which were down by 1.0% and need to be seen in the context of other positive economic data," said UDIA WA CEO Debra Goostrey.

"At yesterday's meeting the RBA decided to keep interest rates on hold for the fifth consecutive month and it expects inflation to stay within its 2-3% target in the year ahead. This will give prospective home buyers a degree of confidence that their mortgage repayments are not about to start increasing dramatically in the short term," she said.

"The RBA's last interest rate rise was in November and it takes some time for confidence to return to the housing market and for the effect of stable interest rates to become apparent in the home loan market."

"On a positive note, Western Australia has bucked the national trend of declining dwelling construction with a 1.5% rise in dwelling starts in the December quarter according to ABS figures."

"While the West Australian housing sector is far from booming, the figures do indicate that it's poised for a modest recovery by the end of the year as long as there are no unforeseen interest rate rises or other economic shocks around the corner," Ms Goostrey said.

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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 E: mschneider@udiawa.com.au