

# Media Release

9 June 2011

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## HOUSING FINANCE FIGURES ARE WELCOME NEWS

The UDIA has welcomed April's ABS home loan approval figures showing a 4.8% rise in housing finance approval for houses and apartments from March in seasonally adjusted terms.

UDIA President, Alex Gregg, said the figure was a promising sign that some confidence was returning to the housing market.

The upturn in home loan approvals is the first increase this year and the highest rise since 2009. It follows another promising sign for the housing market, the rise in private sector housing approvals in Western Australia. Seasonally adjusted, these rose by 5.1% in April according to ABS figures\*.

April's private sector housing figures were 5% down on March in real terms and non housing residential approvals came off a spike in March to be 57% down but only 6% down on February's figures.

"While it's hardly an occasion for celebration, a seasonally adjusted 5.1% rise is nevertheless an encouraging sign that some confidence is returning to the market, especially in light of a rise in housing finance approvals as well" said UDIA President Alex Gregg.

"The fall in prices over the last 12 months, together with additional incentives being provided by developers, is now providing greater opportunities for prospective buyers to secure affordable land and hopefully leading us toward some welcome stability and growth," he said.

"Both these figures are a sign of hope that better times are ahead for the housing market, however the negative impact of restrictive lending practices by the banking sector and inefficient approval procedures at all levels of Government continue to influence land supply and affordability and require an immediate improvement to help bring about a sustained market recovery." he said.

\*Reference: 8731.0 - Building Approvals, Australia, Apr 2011 Table 5 (series ID A418789V)

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