

Media Release

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RATE RISE RELIEF WELCOMED BY INDUSTRY

Today's RBA decision to keep the official interest rate on hold will be welcome relief for home owners and the property industry, which is still recovering from the impact of the GFC according to the Urban Development Institute of Australia (UDIA).

"While the underlying economy is strong we are continuing to see higher than normal rates of saving rather than property investment for the longer term," UDIA CEO Debra Goostrey said.

"The irony is that this is the time when the best property investment opportunities are around but consumer confidence is low. Hopefully keeping interest rates on hold will provide a positive outcome for the property market."

"Given that the current inflation is being driven by natural disasters, rather than broader economic factors, an interest rate rise at this time would have been disastrous for the property sector which is one of the biggest employers in the state," Ms Goostrey said.

"This reprieve will give the property market a chance to stabilize while consumer confidence should strengthen as we experience good growth in the WA economy as well as for the important economies of China and East Asia."

End.

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