

Media Release



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PROPERTY MARKET SIGH OF RELIEF AS RATES ON HOLD

The Urban Development Institute of Australia (UDIA) says that despite lagging consumer confidence WA's property market has shown signs of a slow recovery over the past 6 months and an interest rate rise may have had dire consequences.

"UDIA recorded a 6% increase in land sales during the March 2010 quarter, a marginal recovery from the 18% drop in December" UDIA CEO Debra Goostrey says.

"This was our first real sign that the market was normalizing after a rough year in 2008/ early 2009," Ms Goostrey said.

The First Home Owner Grant Boost, which was cut in December 2009 had pushed up sales numbers at the bottom end of the market and the March stats showed that the middle market was starting to move as a result.

"Prices were up slightly in the March quarter, reflecting the increase in buyers from the middle income sector," Ms Goostrey said.

"Despite recently released housing statistics representing a decrease in construction activity, UDIA is confident that increasing land sales will flow through to help improve those housing construction levels."

"A rate rise this month could have spelt disaster for the market recovery," Ms Goostrey said.

"We are now expecting that consumers will become increasingly interested in buying land in the coming months as confidence creeps back up and rates hopefully remain steady."

"This will have a positive effect on housing construction approvals and commencements later in the year."

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