

# Media Release

2 August 2011

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## RATES ON HOLD WELCOMED BY UDIA

Today's Reserve Bank decision to keep interest rates on hold will be welcomed by home buyers and a property industry that's struggling with very low demand for new homes, the UDIA said today.

"The RBA has recognized that while inflation is outside its comfort zone it has been affected by extreme weather events and that cautious consumer behavior is dampening the economy," said UDIA WA CEO Debra Goostrey.

"A rate rise would have hit the property industry particularly hard at a time when it's already struggling while doing little to slow the mining sector, so the RBA's decision is welcome news."

"Building approvals figures released today\* by the Australian Bureau of Statistics show the building industry is doing it particularly tough, with a 15.5 per cent fall in total dwelling units approved in seasonally adjusted terms from June 10 to June 11."

"That figure was even worse in WA, where the fall was 17.8 per cent."

"The RBA's decision will at least not make that situation any worse," Ms Goostrey concluded.

\*8731.0 - Building Approvals, Australia, June 2011

**Ends**

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