

Media Release



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RBA SUPPORTS PROPERTY MARKET RECOVERY

Today's decision to hold the cash rate steady will assist with the continued recovery of the property market in WA according to the Urban Development Institute of Australia (UDIA) (WA).

"UDIA is pleased that the RBA decided to hold rates steady and monitor the market as we head into 2010," UDIA CEO Debra Goostrey said.

"With the cut to the First Home Owners Grant Boost at the end of December, UDIA had urged the RBA to hold off on any further rate increases until the effect of that cut and the previous rate increases could be measured during the first quarter of 2010," Ms Goostrey said.

"The property market in WA is in a slow recovery mode after bearing the brunt of the GFC and increasing the cash rate for the fourth time in a row would have jeopardised that recovery," UDIA CEO Debra Goostrey said.

"Our latest figures show that land sales were still down in the December quarter which will be reflected in the housing starts in a few months," Ms Goostrey said. "While we are expecting a gradual improvement throughout 2010, there is obviously still a long road to recovery for the property market."

"The recovery relies on consumer confidence and a pickup in sales," Ms Goostrey said. "Steady rates will certainly assist in building that confidence."

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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	Gemma Osiejak Communications Manager UDIA (WA) P: 08 9321 1101 E: gosiejak@udiawa.com.au