

Media Release

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RISING RENTS AND SIGNS OF RECOVERY MAKE HOME BUYING ATTRACTIVE

Perth's increasingly tight rental market and rapidly rising rents are a strong indication that the housing market is poised for an upturn in the coming months the UDIA said today.

Figures from the Hegney Property Group show that rents rose by 6.8 per cent in 2011 and that vacancy rates that are currently at about 2.8 per cent are expected to tighten even further to 2 per cent by the end of 2012.

"That means that rents will continue to rise for the foreseeable future, which is good news for landlords but pretty tough if you're renting," said UDIA CEO Debra Goostrey.

"Tenants faced with those rising rents would be well advised to compare what they're likely to be paying in the coming year with the cost of a new home."

"There are lots of very attractive packages on the market right now and every indication that the housing market is bumping along the bottom and poised for recovery."

"One promising sign of that recovery is that Perth's home values rose by 0.5 per cent seasonally adjusted in November according to the RP Data-Rismark Home Value Index, this was the highest rise of any capital city."

"Western Australia has an estimated shortfall of 28,000 dwellings according to the National Housing Supply Council Report and that's what's putting pressure on rentals."

Ms Goostrey said that with its low construction rate, Western Australia was falling behind in the number of homes it needed to house a population that was growing very fast. According to ABS figures Western Australia recorded an increase of 55,838 people in the year to June 2011.

"When the housing market inevitably picks up that housing shortfall will be very apparent."

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