

MEDIA RELEASE

1 September 2015

RBA DECISION IN MIDST OF EXTREME MARKET VARIATION

The RBA is being faced with a more complicated decision each month as the Australian property market continues to experience vastly variable conditions from state to state according to QWest Paterson Chairman Warwick Hemsley.

“While Sydney has experienced almost 18% growth in property prices over the last year, Perth prices have dropped by 1.8% according to latest CoreLogic RP Data figures,” Mr Hemsley said.

“The rate of growth in Sydney and also Melbourne with 10.6% growth is incomparable to the likes of Perth and Darwin with a 4.6% drop in dwelling values,” Mr Hemsley said.

While keeping rates on hold currently is a sensible move for property markets on the east coast, a rate cut before the end of the year is not out of the question according to Mr Hemsley.

“With Australia’s economic growth remaining relatively slow and the increased uncertainty in global conditions including the Chinese economy, a rate cut could be on the cards,” Mr Hemsley said.

“APRA’s tightened lending conditions will also start to filter down over the next few months which should dampen some of the investor demand that has been fuelling the Sydney market,” Mr Hemsley said.

“This could take enough heat out of those markets to influence a rate cut before the end of 2015 or even early 2016,” Mr Hemsley said.

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To find out more or to arrange an interview with Warwick, please contact:

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