

MEDIA RELEASE

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RATE CUT MAY REVIVE STRUGGLING PERTH PROPERTY MARKET

Today's cut to interest rates may provide a breath of life into a stagnating WA property market according to QWest Paterson Chairman Warwick Hemsley.

"Latest figures show that while the median house price held steady in the March quarter, the number of properties on the market has grown significantly in the past few months," Mr Hemsley said. "As we head into winter, traditionally a slower selling season, this is not a good sign."

"The impact of the mining downturn is having a flow on effect throughout the WA economy and property is no exception," Mr Hemsley said.

"Job losses, poor wages growth and a general feeling of uncertainty has led potential buyers to remain extremely cautious in regard to purchasing decisions," Mr Hemsley said. "This applies equally to the commercial property sector as well as residential."

"This cut in rates is likely to give some buyers who have been nervous to make a move the incentive they need to dive in," Mr Hemsley said.

"For those in steady employment, the current market offers an excellent investment opportunity," Mr Hemsley said.

"Continued population growth in WA will feed underlying demand and the market will pick up in the longer term," Mr Hemsley said. "Those who enter the market now may reap the benefits in a few years' time."

Building approvals statistics from the ABS show that the Perth construction industry is likely to continue to grow as more units in particular were approved during the March quarter.

"Strong building approvals paint a positive picture for long-term growth in the Perth and broader WA property market albeit with an uncertain near term outlook," Mr Hemsley said.

"The RBA has made a bold decision today given the two speed nature of the property market across Australia," Mr Hemsley said. "While the Sydney market continues to boom, something had to be done for the rest of the country, particularly the mining states."

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

Gemma Osiejak
Communications Manager
QWest Paterson
E: gemma@qwestpaterson.com.au
M: 0421 506 819