

Media Release

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LATEST HOUSING FORECAST ANOTHER POSITIVE SIGN FOR WA PROPERTY MARKET

The report released this morning by the Housing Industry Forecasting Group (HIFG) has reinforced expectations of a property market recovery in 2018.

Chief Executive of the Urban Development Institute of Australia (UDIA WA) Allison Hailes says that the report is yet another indicator that we have well and truly hit the bottom of this market cycle.

“The report clearly states that following a decline in dwelling commencements in 2016-17, the HIFG forecasts a stabilisation in commencement numbers during 2017-18 followed by a slow recovery in 2018-19,” Ms Hailes said.

“While this is a little more conservative than UDIA’s expectations for the next year, it is in line with broader predictions that the market is slowly improving,” Ms Hailes said.

“As I have been stating for some months now, general economic signs are looking positive and building approvals are on the up,” Ms Hailes said.

“In particular, the HIFG has taken into account leading economic indicators such as the latest Chamber of Commerce and Industry Consumer Confidence survey that is at a three year high,” Ms Hailes said.

“Population growth is also expected to get back on track and start to increase again over the next few years,” Ms Hailes said.

“UDIA has updated figures since this report was drafted, with our September quarter data showing lots under construction for release within the next six months have increased by 10%,” Ms Hailes said. “That figure is a clear indicator of developer intentions and their positive attitude toward the market in the coming months.”

“Developers would not be increasing construction activity if they were not expecting an improvement in buyer demand,” Ms Hailes said.

“UDIA also supports the HIFG concerns regarding the introduction of the Foreign Buyers surcharge and its potential to dampen demand and impact on new development activity,” Ms Hailes said.

The cut to the first home owners grant boost earlier this year has also been recognised as a disappointing blow by the group.

“Overall the HIFG is a well-respected body that has a proven track record with regard to accurately predicting market patterns and future demand for housing,” Ms Hailes said. “There is solid expectation here for a market recovery in WA in the very near future.”

Ends.

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