

Media Release



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LENDING CRACKDOWN WILL DAMAGE WA PROPERTY MARKET

The Urban Development Institute of Australia (UDIA WA) has ramped up calls to ensure that any moves to curb activity in the housing market are isolated to the eastern states given the current slow market conditions in Western Australia.

“The discussion around an overheated property market and fears regarding a potential financial crisis are strictly isolated to the Melbourne and Sydney housing markets,” UDIA CEO Allison Hailes said.

“UDIA WA understands that the Federal Government and organisations such as the Reserve Bank and APRA have a role to play in promoting stable market conditions,” Ms Hailes said.

“However, any moves to further tighten lending conditions or dampen investor demand must be looked at in the context of individual, local market conditions,” Ms Hailes said.

“Sydney and Melbourne have experienced phenomenal growth in property values due to very high demand from both owner-occupiers and investors over the last few years,” Ms Hailes said.

“That just isn’t the case here in WA, where prices have been in decline and we are only just seeing some sort of market stabilisation,” Ms Hailes said.

“Making broad brush decisions that impact on the entire nation when it is only the east coast markets that require this sort of attention will also have dire consequences for the WA economy,” Ms Hailes said.

“Considering the economic downturn in WA, the property and construction industries have played a significant role in keeping our economy afloat,” Ms Hailes said.

“Moves to curb demand for property will not only jeopardise the property market, but damage our economy,” Ms Hailes said.

“Location specific measures are what is required in this situation and careful monitoring of the impact on individual markets,” Ms Hailes said.

“Furthermore, using market conditions on the east coast as an excuse to make changes to negative gearing conditions or other tax treatments would be a careless move for the long-term health and affordability of housing across the nation,” Ms Hailes said.

“The continued production of sufficient, affordable land and housing for generations to come is critical in the long term,” Ms Hailes said.

“Quick fixes are not the answer in these types of volatile situations where we could end up seeing a housing market collapse if the right decisions are not made now,” Ms Hailes said.

Ends.