

**Media Release**  
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### **Consumer Sentiment - WA housing market improves**

The doubling of first home buyer activity in the Western Australian housing market in recent months, along with a reduction in interest rates has seen established house and land sales rates improve over the past few weeks.

Jason Wallis, Managing Director of Wallis Property, said "purchasing land and building a new home in today's market is a once in a generation opportunity. Over the past year the median house price has fallen by approximately 12 % to \$412,500; the last time there were four consecutive quarterly falls in the median house price was in 1982".

Although it has been widely reported lately that consumer sentiment has continued to fall, it should be noted that two components of the Westpac-Melbourne Institute Index of Consumer Sentiment, which represent how households assess family finances and whether now is a good time to buy a major household item, are up 1.6% and 5.8% respectively as compared to a year ago.

The Index of Consumer Sentiment also indicates that lower rates have stimulated further interest in housing. The index tracking opinion about whether now is a good time to buy a house actually increased by 7.0% in February. This is the highest level of the index since 2001. Recent evidence of increasing interest in mortgage borrowing particularly among first home buyers is consistent with this observation.

Jason Wallis said that he expected a further interest rate cut of 0.5% to be adopted at the Reserve Bank Board meeting on 2<sup>nd</sup> March, which will further reinforce opinion that early 2009 will be a good time to buy. This rate reduction will also motivate those households currently holding a mortgage and focussing on reducing debt, to reconsider plans to upgrade their homes and move to areas where they aspire to live, particularly those areas where there are quality educational opportunities.

According to Jason, there are early signs that the market is improving and it is highly likely the current level of stock of 16,000 dwellings on the market in WA, which is down from 17,300 in September, will reduce to approximately 14,500 by April. This will be largely driven by greater numbers of 1<sup>st</sup> home buyers and investors coming back into the market. Residential land developments and WA builders should also see heightened levels of activity from 2<sup>nd</sup> and 3<sup>rd</sup> homebuyers as sentiment about the housing market moves slightly upwards. It is the same old story that it will be the countercyclical investors who brave the current conditions will be the ones who benefit as the market improves.

Jason Wallis uses his Bletchley Park project in Southern River as an example of current market conditions and sentiment. Bletchley Park achieves an average rate of sale of 12 to 14 lots per month, predominantly to 2<sup>nd</sup> and 3<sup>rd</sup> homebuyers; however cashed-up first home

buyers with secure employment are using current favourable buying opportunities to purchase a block in areas where it was out of their budget 12 months ago.

Educational opportunities offered through the new Bletchley Park Primary School and the two nearby private colleges, is a major reason families are moving to Bletchley Park. Bletchley Park also offers the opportunity for buyers to plan and build their new home in a rapidly growing part of the Perth metropolitan area.

Increasing demand at Bletchley Park has prompted a further 25 family sized blocks to be released recently. Lots currently available for sale range in size from 513 sqm to 677 sqm, with prices starting from \$227,000. A range of new homes, currently under construction by Buildwise and In-Vogue Living, offer buyers the opportunity to move straight in to a new home. Prices for these new homes start from \$506,000.

Bletchley Park is located off Ranford Road, Southern River and is one of the City of Gosnells' fastest growing master-planned community developments.

Land enquiries can be forwarded to Estate Manager Adrian Rodway on 9490 9188 or 0403 497300. Information can be obtained from the website [www.bletchleypark.com.au](http://www.bletchleypark.com.au)

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