

MARKET CONDITIONS STRONG IN WA

Deloitte's latest quarterly overview of the States and Territories has predicted economic growth in WA arising from state government investment, business investment, commodity exports and major non-mining projects, which will help to stabilise employment

Deloitte director Chris Richardson has predicted that the worst is over for WA. The financial year just ended, which saw the economy shrink by 3%, was the low point for the state, but that recovery was on the way. "It was great. Then it was ugly. Now the sun is breaking back through the clouds again," he said of the WA economy.

With the RBA looking likely to keep the official cash rate on hold until 2020, Justin Smith, Principal of Smartline Rockingham believes the positive outlook for economic growth can be correlated to growth in the housing sector.

"We're excited to see the early shoots of growth turn into sustained optimism, right across the state," Smith said.

"With the big banks focused on the royal commission, we are seeing some incredible attractive home loan offers in the market - an attempt to win back trust with the Australian public."

Expert opinion is aligned; 2018 will be a year of positive price growth for the WA housing market.

REIWA State President Hayden Groves predicted house prices would tick up 2-3 per cent this year. "Last year was the low water market of housing transactions for the last 30-odd years in Perth," Groves said.

Smith noted that customer confidence is on the rise, in line with market conditions.

"We speak to hundreds of homeowners each month in our office and out in the broader community. The mood is really positive. The WA market is growing and the second half of 2018 will be an exciting time for investors and owner occupiers looking to cash in or upgrade their home" Smith said.

With bold predictions being made across the WA political landscape, only time will tell how quickly the housing market will respond to the historic low cash rate and consumer confidence.

Sources: The Budget's winners and losers: I name names!, Switzer.com.au, Peter Switzer,
Record low rates until next decade, Shane Wright, The West Australian, 6/5/18

Market for Perth homes bottoms out, The West Australian, Daniel Mercer, 28/4/18