



HOME LOAN NUMBERS CREEP HIGHER IN APRIL

The number of home loans approved in April crept higher, new figures show, but that's not enough for the strong recovery needed for the languishing residential property sector.

New figures out from the Australian Bureau of Statistics show that the number of loans taken out across the country in April month rose 0.2 per cent to 46,632 units. Total housing finance by value rose 1.2% in April, seasonally adjusted, to \$20.450 billion. Economists' forecasts were for housing finance commitments to be flat in April.

In Western Australia, the number of home loans approved was down 1.2% in April to 6850 units, seasonally adjusted. The Housing Industry Association (HIA) today welcomed the new loan figures for the nation, particularly as it was the second consecutive month of growth.

"The number of loans for new housing has largely been bouncing along a bottom for over a year now, but hopefully that situation is coming to an end," said HIA chief economist Harley Dale.

"The National Accounts update earlier in the week signalled new housing as the weakest sector in the Australian economy. We need to be seeing a strong recovery across all leading indicators to avoid the prospect of housing activity falling throughout 2012. We perhaps have the makings of a mild recovery with housing finance, but there is no evidence elsewhere."

Mr Dale added that while the Reserve Bank's decision to cut the official cash rate by 25 basis points is welcomed, it is only part of the solution towards a national recovery of the residential housing sector.

"The onus, however, is on governments to act in terms of investment and policy reform to boost new housing supply," he said.

"Boosting housing supply is an economic and social imperative and requires immediate action to lift new home building and therefore restore confidence, a reduction in excessive taxation, increased infrastructure investment and a framework to increase access to finance for residential development."

REIWA echoed HIA's sentiments, saying "storm clouds" are brewing around housing supply in Perth. The number of properties houses, units and land on the market in Perth has fallen to its lowest level since April 2010 to 12,975. While the supply drop is a positive sign, REIWA deputy president Ian Cornell said the recent introduction of the new Building Act will see dwelling starts fall in the next few months.



"This will ultimately lead to a supply imbalance that will, in turn, put pressure on established housing," Mr Cornell said.

"The knock-on effect will ripple through the existing residential housing market and put price pressure on both buyers and renters for the latter half of 2012."

relax . celebrate . enjoy



HOME PRICES WONT KEEP FALLING: REINSW

The latest property update from the Real Estate Institute of NSW (REINSW) has found prices for residential properties in Sydney stabilised in the three months to March, and the annual median house price for the 12 months to March dropped by 6.7 per cent to \$560,000.

REINSW CEO Tim McKibbin said the figures reveal a buyer's market.

"If you're sitting and waiting for the market to ease further I frankly can't see that happening," Mr McKibbin told AAP.

"Now is an excellent opportunity for purchasers to be coming into the market."

He said prices had mainly fallen in the top end of the housing market, with pricing in Sydney's most affordable suburbs remaining firm.

The annual median price for the city's units for the year to March was \$460,000.

The annual median house price in regional NSW cost 60 per cent of the Sydney equivalent, and the equivalent figure for units was 65 per cent.



Property Management Tip

As markets continue to remain uncertain in the short term, please remember to remain focused on your long-term property investment goals.



Northside Home Loans

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