

27 June 2017

Mid-West is Down But Not Out

A jointly hosted Economics Forum in Geraldton has concluded that the mid-west region is experiencing similar challenges to the Perth metropolitan area.

According to Master Builders Director Michael McLean the mid-west region is more dependent on the fortunes of the mining/resource sector than many of its southern counterparts which inevitably subjects it to more volatility.

“Despite land still being in abundant supply in the Geraldton area, population growth is negligible and demand for new and established homes is extremely low,” Mr McLean said.

“The down-turn in housing is highlighted by the statistics which show that in the first 11 months of 2016-17 only 101 building applications valued at less than \$29 million were processed by the City of Greater Geraldton compared to 194 applications equating to over \$63 million over the 12 month period in 2015-16.”

“From a real estate perspective, the media house price in the mid-west region has fallen to \$287,500 whilst the median rental rate is trending downwards at \$290 per week,” Mr McLean said.

“The upside from these stats is that there are many good deals available in both the housing and real estate industries for astute purchasers and investors.”

“Construction times have reduced and quality trades are in good supply to build a great new home,” Mr McLean said.

“Builders remain optimistic about the prospects for the mid-west region. It is just a case of being patient and managing your business carefully.”

“Geraldton might be over 420 kilometres north of Perth but it is not immune to the same type of problems that the local Perth economy is trying to overcome,” Mr McLean concluded.

REIWA CEO Neville Pozzi said the Institute was pleased to be a part of the inaugural joint Economic Forum.

“We were very pleased to be given the opportunity to take part in the joint forum, to assist agents in the Mid-West region discuss and address the issues affecting their local area. We look forward to this becoming an annual event,” Mr Pozzi said.

For more information please contact:

Michael McLean, Director – w: 9476 9800 m: 0412 376 660

Samantha Jones, REIWA Corporate Communications & Digital Content Lead w: 9380 8248