

Media Release

Stimulus needed as WA investors vacate market

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New figures revealing a sharp drop in residential investment have spurred Master Builders Executive Director John Gelavis to appeal to the WA Government for economic assistance.

“Housing investor loans have declined by a massive 14.2 per cent in Western Australia over the past year,” Mr John Gelavis said.

“ABS figures which have just been released indicate that over the year to August 2018, the value of housing loans to investors was down in Western Australia, which affected all major Australian cities.

“The result appears partly in response to heavier lending restrictions as well as the severe deterioration of market conditions in WA over the last few years.

“With seasonally adjusted detached housing commencements falling below the 10-year average of 23,263 to 18,124 in 2017/18, decline in housing loans to investors and a sluggish renovation market, the Government should seriously consider a stimulus package to support residential builders leading up the 2019 budget.

“I understand the decision to remove the First Home Buyers Boost of \$5,000 when the Government came into office but now the state’s finances are improving, so it is the perfect time to reconsider this boost or other stimulus options to assist builders, trade contractors, suppliers and manufacturers who employ many West Australians.

“In a time when economic growth is required, we believe a \$5,000 boost to the \$10,000 First Home Buyers Grant will be particularly well received in regional towns that are doing it tough at the moment and provide a knock-on effect to other industries.

“First home buyers are fortunate that Keystart finance is available to them in conjunction with stamp duty exemptions and concessions, however further assistance would help young people looking to enter the market and help the housing industry to recover.

“I look forward to meeting with the Treasurer to discuss what can be done to assist one of the State’s largest industries and create jobs for West Australians,” Mr Gelavis concluded.

Over the year to August 2018, the value of investor lending in Tasmania rose by 8.2 per cent compared with 12 months earlier. The largest reduction in loans to investors affected the Northern Territory (-21.6 per cent), followed by Queensland (-18.9 per cent), New South Wales (-14.9 per cent) and Western Australia (-14.2 per cent). There were also reductions in investor lending in South Australia (-10.4 per cent), Victoria (-6.0 per cent) and the ACT (-5.8 per cent).

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