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MEDIA STATEMENT

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COMPETITIVE HOUSE PRICES IN REGIONAL WA DRAWS BUYERS BACK INTO THE MARKET

AUSNET Real Estate Services, which membership consisting of 30 leading real estate companies located throughout Western Australia, has recorded a sharp rise in sales in regional Western Australia during the September 2009 quarter.

According to Alan Hancock, Chairman of AUSNET, property buyers now believe that the property cycle has now reached the bottom and are buying land and houses before house prices begin to rise.

"House prices in many regional areas of the State are at the most competitive in recent years and this fact is not lost on property buyers who are now very active in the market.

"Many AUSNET members in regional WA are recording an increase in sales turnover in excess of 30% during the September 2009 quarter compared to the same period for 2008.

"The latest REIWA figures show that during the year ending the September 2009, the median house price in regional Western Australia only fell by 1.9% after a period of significant price falls in property values.

"While there was a fluctuation in the performance of the market depending on the location of the regional centre, there has been a major improvement in the regional real estate market in recent months.

"Overall, property values in major regional centres are now stabilising and in some areas showing modest rates of growth.

"One significant trend in the regional real estate market has been a major decline in properties for sale which is also been mirrored in the Perth metropolitan area.

"AUSNET members are finding that this decline in the number of properties available for sale is now beginning to put an upward pressure on prices as demand for properties is now beginning to rise.

"The early signs of an upswing the regional real estate market are highlighted by the fact that during the three months of the September quarter 2009, the median price of a home in the greater Bunbury area rose by 2.0% in Esperance, 0.6% in greater Bunbury, 1.1% in Mandurah/Murray, 2.9% in Geraldton/Greenough and 2.6% in Port Hedland.

"Over the coming year, AUSNET expects investors to become more active in the regional real estate market especially as the resources sector begins to recruit new workers following an upswing in new investment such as the \$50 billion Gorgan project.

"Investors have traditionally been attracted to regional areas of Western Australia because rental returns are relatively high. Even with recent rises in interest rates, the cost of money is still historically very low which makes investing in the regional property market a very attractive option for many investors especially when the cycle of the property market is now moving in favour of sellers rather than buyers," he said.