

REPORT PREDICTS A NEW HIGH

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Perth's Median house price could reach \$430,000 in the next five years, according to a new report by Hegney/Residex.

The September quarterly report reveals the housing market has not reached the end of its cycle and the property information group predicts there is more growth to come, albeit at lower levels.

Citing strong growth in the year to September in both houses and units, and even higher price rises in regional WA, Hegney/Residex predict Perth house prices will increase by 6 percent a year for the next five years, which at present values would take the median house price from about \$320,000 to \$430,000 by 2011.

The report states that every market, when it reaches the end of its cycle, goes through a normal period of adjustment, so there will probably be a quiet period at some stage in the future for Perth.

The projection of 6 per cent growth in the next five years indicates that growth will slow but there should not be sharp falls.

The report also confirmed what local property experts have known for some time, that Perth has been Australia's standout growth market in the past 12 months, with prices rising by about 15 per cent in the year to September.

Hegney Property Group managing director Stewart Kestel said the results were positive for both owners and potential investors in WA.

Residex believes the resources-led boom and strong economy are the driving force for housing demand . It said WA has not has the same level of investors as the Eastern States so growth had been less hype-driven and overall WA was a safe market.

The report said there were "strong reasons for growth of the State and for growth of the population,, and a minimum of hype surrounding the market".

As long as those conditions remained, Hegney/Residex expected to see strong performance in WA.

Kelly Girdlestone - The West Australian