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Record Number of Repossessions in WA

“The record number of property repossessions recorded in 2008-09 shows that WA households are struggling to keep up with their mortgages as unemployment begins to grow”, said Sue Ash, CEO of the Western Australian Council of Social Service.

Figures released today by the Supreme Court of Western Australia show that 1336 property possession applications were made to the court in 2008-09. This is nearly double the 686 recorded in 2007-08, which was itself the highest number on record. 361 applications were made between April and June of 2009.

“The number of unemployed people in WA has more than doubled in only eight months, increasing from 28 000 in October 2008 to 60 000 in May 2009. This sudden spike in unemployment is clearly having an effect on some West Australians’ ability to pay their mortgage”, said Ms Ash.

“The State Budget forecasts unemployment of 6.75% in 2010-11, which would mean over 80 000 West Australians will be unable to find work”.

“WACOSS is extremely worried about the implications of rising unemployment for mortgage stress and property repossession”.

“These property repossession figures are only the tip of the iceberg for mortgage stress in WA. For every property repossession application made through the courts, there are a number of people who are experiencing severe stress and resolve their issues outside court”, said Ms Ash.

“More property repossession applications were recorded by the Supreme Court in the first six months of 2009 than in any full year on record, despite interest rates being at 40-year lows”.

“Unemployment can mean a rapid descent for families from relative security into financial hardship. Governments must ensure that people facing financial hardship have access to the services they need”, said Ms Ash.

West Australians facing mortgage repossession must have access to affordable housing and other support services, such as financial counselling, employment and training, drug and alcohol assistance, mental health care and advice and other services.

“The State Government has a responsibility to ensure that people who lose their homes are not left with nowhere to live”, said Ms Ash.

“The figures released today show the need for the State Government to increase, not reduce, funding for vital community services,” said Ms Ash.

For further comment:

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