

MEDIA RELEASE

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Fall in Repossessions Welcome, But Times are Still Tough

“WACOSS is pleased to see the number of property repossessions fall in the past quarter, but it’s too soon to say whether this represents a downward trend”, said Irina Cattalini, Acting CEO of the Western Australian Council of Social Service.

New figures released today by the Supreme Court of Western Australia show that 274 property repossession applications were made in the July-to-September quarter of 2009, down from 367 in the previous quarter.

“While the fall is certainly a welcome positive sign, we’re concerned that there are significant numbers of WA mortgagees who are barely making ends meet”, warned Ms Cattalini.

“Unemployment in WA has more than doubled in less than a year, with nearly 40 000 more unemployed people in August 2009 than in October 2008. People with mortgages who lose their job can very quickly find themselves in financial hardship”.

“The Reserve Bank has also warned that the rate of housing loan arrears has increased in WA while falling or remaining steady in all other states”, said Ms Cattalini.

Housing loan arrears rates measure the proportion of mortgagees who are more than 90 days overdue paying their mortgage. The Reserve Bank’s latest *Financial Stability Review*, issued on 24 September, notes the rising rate of mortgagees in arrears in WA.

“Housing loan arrears are a warning sign for mortgage repossessions, so the rising rate of arrears in WA, coupled with the prospect of interest rate rises, leaves us seriously concerned about the levels of mortgage stress and hardship in WA”, said Ms Cattalini.

“274 repossessions is still nearly double the long term average quarterly rate. The average repossession rate before the economic downturn took hold was 141 per quarter”.

“While we’re relieved to see the number of mortgage repossession applications go down, the economic future for the WA community remains uncertain”, concluded Ms Cattalini.

For further comment:
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