

1

## GROSS DOMESTIC PRODUCT (GDP)

GDP is a good economic checkpoint to get your head around. In simple terms, it is an indicator of the overall health of a country's economy based on industry sectors and production.

2

## CONSUMER PRICE INDEX (CPI)

CPI is a combined statistical snapshot of the current consumer prices of the stuff you buy from retailers, grocers or service providers, compared with the year before. It is the change in the cost of goods and services over time.

3

## POPULATION GROWTH

According to the ABS, Australia's population grew by 1.6% during the year ended 30 June 2017. And the projected population growth rate across Australia is high.

# 7 ECONOMIC FACTORS THAT IMPACT THE PROPERTY MARKET

7

## WAGES GROWTH RATE

There is a fine balance in the economy between the level of wages and the cost of goods and services. The more money people earn, the more capacity people have to pay down bad debts and spend money to stimulate the economy.

## HOUSEHOLD FORMATION

4

This is another economic measure or index. Household formation tracks and projects the rate at which new households are created, the size of the households and the demographics driving the future number and types of households.

## INTEREST RATES

5

The lower the interest rates for borrowing money, the more attractive it is to purchase property.

## UNEMPLOYMENT RATE

6

The unemployment rate is another index that can determine the health of the economy. Employment is all about affordability. If a bunch of people are not receiving a wage, then a bunch of people can't afford to buy property, reducing demand for say, new constructions.