

ABS data highlights moderating investor housing finance

The latest housing finance figures released today by the Australian Bureau of Statistics (ABS) confirm that finance approvals for investor housing is moderating, according to the Real Estate Institute of Australia (REIA).

“The value of investment housing commitments increased by a modest 0.7 per cent in February in trend terms and decreased by 5.9 per cent in seasonally adjusted terms. This is down from its 2015 peak”, REIA President Malcolm Gunning said.

“It needs to be remembered that this is before last week’s actions by the regulators and banks to limit bank lending in an attempt to dampen investor demand for property in Sydney and Melbourne.

“Overall the figures for February 2017 show, in trend terms, that the number of owner-occupied finance commitments increased by 0.3 per cent. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments increased by 0.8 per cent following a rise of 1.1 per cent in January.

“Increases were recorded in all states except Western Australia, Queensland and Tasmania with the Australian Capital Territory having the largest increase of 1.0 per cent. Western Australia had the largest decrease of 0.8 per cent.

“In trend terms, the number of established dwellings purchase commitments increased by 0.4 per cent while new dwelling construction decreased by 0.1 per cent and the purchase of new dwellings remained flat.

“Whilst the proportion of first home buyers, as part of the total owner-occupied housing finance commitments, decreased to 13.3 per cent from 13.4 per cent in January, the number of first home buyer commitments increased by 7.5 per cent.

“The February figures show that the market is adjusting and we will need to closely monitor the cumulative impact of recent actions by the regulators and banks to ensure that they don’t threaten economic growth”, Mr Gunning concluded.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to interview REIA President Malcolm Gunning please contact Helen Hull at media@reia.com.au or 0419 642 961.