

Media release

December 10 2013

FURTHER STRONG GROWTH IN INVESTMENT HOUSING

The Real Estate Institute of Australia (REIA) says the latest housing finance figures released by the Australian Bureau of Statistics (ABS) show overall confidence in the housing market.

The figures show growth in the number of investment housing commitments in response to interest rate cuts and the more positive housing outlook for much of the country, however first home buyers continue to shy away from the market.

Housing finance figures for October 2013 show, in trend terms, that the number of owner-occupied finance commitments rose by 0.6 per cent – following increases of 0.7 per cent in September and 0.8 per cent in August. This was one of the lowest monthly increases, in trend terms, since December 2012.

If refinancing is excluded, in trend terms for October, the number of owner-occupied housing finance commitments increased 0.5 per cent.

REIA President, Peter Bushby says, “Increases were recorded in New South Wales, Victoria and Tasmania, with Tasmania having the biggest rise, up 2.7 per cent. The Australian Capital Territory’s fall of 0.8 per cent was the country’s largest.”

“In trend terms, the number of commitments for the construction of new dwellings climbed 0.7 per cent in trend terms and purchase of established dwellings went up 0.6 per cent,” Mr Bushby continued. “However the purchase of new dwellings fell by 0.1 per cent.”

The value of investment housing commitments rose by 2.9 per cent, in trend terms, in October resulting in well over two years of consecutive monthly increases.

“The proportion of first home buyers in the number of owner-occupied housing finance commitments increased slightly to 12.6 per cent compared to the September figure of 12.5 per cent. The proportion is one of the lowest since data began to be collected in July 1991 and is far lower than the long-run average proportion of 19.9 per cent, despite eight interest rate cuts since November 2011.”

“With the number of first home buyers at historically low levels and further falls predicted in Victoria it is time for government to review support to first home buyers to get into their own properties,” concluded Mr Bushby.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:

Peter Bushby
Amanda Lynch
Andrea Close

REIA President
REIA CEO
REIA Manager Communications

0419 349 500
0419 123 862
0403 298 685