

## Media release

10 November 2014

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### Moderating lending activity

Despite the continued media reports of a housing boom in Melbourne and Sydney, the latest housing finance figures released today by the Australian Bureau of Statistics (ABS) reflect moderating activity in the housing market.

The Real Estate Institute of Australia (REIA) says the figures for September 2014 show, in trend terms, that the number of owner-occupied finance commitments fell by 0.2 per cent. This is the fourth consecutive month of falls. If refinancing is excluded, in trend terms for September, the number of owner-occupied finance commitments fell by 0.4 per cent.

REIA President, Peter Bushby says, “Decreases were recorded in South Australia, Queensland, Western Australia and Victoria. The Northern Territory had the biggest rise of 3.2 per cent. The largest fall was recorded in South Australia – down 0.4 per cent.”

“In trend terms, the number of new dwellings purchase commitments increased by 1.7 per cent while new dwelling construction decreased 0.2 per cent and the purchase of established dwellings decreased by 0.3 per cent. The value of investment housing commitments again increased but by 1.7 per cent.”

“The proportion of first home buyers, as part of the total owner-occupied housing finance commitments, increased marginally to 12 per cent compared to the record lowest 11.8 per cent in August - however the ABS advises caution in using this data due to reporting difficulties.”

“The September 2014 lending figures indicate a moderating market with September being the eighth consecutive month of modest drops in lending levels if refinancing is excluded.”

“REIA believes that there is no need for the introduction of macro-prudential tools – to do so may give rise to unintended consequences,” 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

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