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# Media release

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## *APRA and ASIC takes a sledgehammer to the market*

The Real Estate Institute of Australia has slammed moves by the Australian Prudential Regulation Authority to clamp down on home lending and the Australian Securities and Investment Commission's review of interest-only loans.

REIA CEO Amanda Lynch said "These attempts to introduce tighter controls on housing loans and target property investors are totally unnecessary and a blunt instrument that adversely affects the entire market and not just one or two hotspots."

"The trend for this latest quarter, as seen in our latest national snapshot of the sector released today, is a cooling off of the market nationally – even Sydney is coming off a high this quarter."

"You only have to look at the minutes of the Reserve Bank Board meetings to know that concerns about a rise in property prices relates primarily to Sydney and to a lesser extent Melbourne."

"In reality, this is the first step towards macro prudential tools and there is good reason why the sector resists any attempt to artificially control the market."

"We know from the New Zealand experience that moves such as these disproportionally affect first home buyers and APRA's decision comes at a time when first home buyer levels in Australia have hit a record low."

For the September quarter, first home buyers stood at only 12% against a long term trend of 19%.

"It was only last month that the Reserve Bank of New Zealand announced that it would be winding back its macro-prudential measures after it became clear that it was shutting first home buyers out of the market."

"We need to learn from these overseas experiences and not jump to knee-jerk reactions."

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

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