

**Media Release
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First Home Buyers driving increased lending

The August 2017 housing finance figures released today by the Australian Bureau of Statistics (ABS) show first home buyers are returning to the market due to increased stability, according to the Real Estate Institute of Australia (REIA).

“The proportion of first home buyers, as part of the total owner-occupied housing finance commitments, rose to 17.2 per cent and is the highest proportion since July 2013. The number of first home buyer commitments increased by 14.0 per cent for the month and is the highest since December 2009,” REIA President Malcolm Gunning said.

“By contrast, the value of investment housing commitments decreased by 0.2 per cent in August in trend terms following falls in the previous three months and is well down from its 2015 peak,” Mr Gunning said.

“Overall the figures for August 2017 show, in trend terms that the number of owner-occupied finance commitments increased by 1.0 per cent. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments increased by 1.3 per cent and is the eleventh consecutive month of increases.

“In trend terms increases were recorded in all states and territories except South Australia and the Northern Territory. The Australian Capital Territory had the largest increase of 2.0 per cent. In Victoria and New South Wales, where new incentives for first home buyers came into the effect on 1 July 2017, the increases in owner occupied housing commitments was 1.4 per cent and 1.3 per cent respectively. The Northern Territory had the largest fall at 1.4 per cent.

“In trend terms, the number of established dwellings purchase commitments increased by 0.9 per cent while new dwelling construction increased by 1.5 per cent and the purchase of new dwellings rose by 2.1 per cent.

“It is pleasing to see that of the 1,526 increase in loans in August, 1,264, or 82.8 per cent, were to first home buyers. The figures show that the market is adjusting to more stable conditions with owner occupiers and first home buyers returning to the market,” 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 speak with REIA President Malcolm Gunning please contact Helen Hull via media@reia.com.au or 0419 642 961.