

**Media Release
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Housing finance continues to decline

The January 2018 housing finance figures released today by the Australian Bureau of Statistics show that lending for housing continues to decline across the board, according to the Real Estate Institute of Australia (REIA).

“Overall the figures for January 2018 show, in trend terms that the number of owner-occupied finance commitments decreased by 0.7 per cent – not only the fourth consecutive month of decreases but also the largest of the four decreases,” REIA President Malcolm Gunning said.

“If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments decreased by 1.2 per cent –the fifth consecutive month of decreases and again the largest of the five.

Mr Gunning said in trend terms decreases were recorded in all states and territories except Queensland, where lending increased by 0.1 per cent. The largest decrease of 1.6 per cent was in Western Australia while the ACT was flat.

“The value of investment housing commitments decreased by 0.3 per cent in January in trend terms following falls in the previous twelve months,” he said.

“In trend terms, the number of established dwellings purchase commitments decreased by 0.7 per cent while the purchase of new dwellings decreased by 1.4 per cent new dwelling construction remained flat.”

Mr Gunning said the proportion of first home buyers, as part of the total owner-occupied housing finance commitments, increased marginally to 18.0 per cent in January compared to 17.9 per cent in the previous month.

“The number of loans to first home buyers, however, fell by 14.0 per cent compared to December 2017.

“The continued decline in housing finance explains why banks are competing for market share by reducing interest rates including those for first home buyers and investors,” concluded Mr Gunning.

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.