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Six month decline in housing finance numbers

The March 2018 housing finance figures released today by the Australian Bureau of Statistics show that the number of loans for housing has continued to decline over the last six months, according to the Real Estate Institute of Australia (REIA).

“Overall the figures for March 2018 show, in trend terms that the number of owner-occupied finance commitments decreased by 0.7 per cent –the sixth consecutive month of decreases. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments decreased by 0.9 per cent, again the sixth consecutive month of decreases,” REIA President Malcolm Gunning said.

“In trend terms decreases were recorded in all states and territories except Tasmania, where lending increased by 7.2 per cent. The largest decrease of 1.3 per cent was in the Northern Territory.

Mr Gunning said the value of investment housing commitments decreased by 0.9 per cent in March in trend terms. The purchase of dwellings by individuals for rent or resale is at the lowest level since May 2016.

“In trend terms, the number of established dwellings purchase commitments decreased by 0.7 per cent while the purchase of new dwellings decreased by 0.8 per cent and new dwelling construction fell by 1.2 per cent.

“The proportion of first home buyers, as part of the total owner-occupied housing finance commitments, decreased marginally to 17.4 per cent in March compared to 17.9 per cent in the previous month. The number of loans to first home buyers increased by 5.8 per cent compared to February.

“APRA may have constrained bank lending too long and created a credit squeeze. They did not consider the lag effect in the market of their decision. The only bright spot in the market is first home buyers,” 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.