

**Media Release
For Immediate Release
9 November 2018**

Housing finance numbers tumble

The September 2018 housing finance figures released today by the Australian Bureau of Statistics show the number of loans for housing continues to decline, according to the Real Estate Institute of Australia (REIA).

“Overall the figures for September 2018 show, in trend terms that the number of owner-occupied finance commitments decreased by 0.5 per cent –the twelfth consecutive month of decreases. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments decreased by 0.9 per cent – also the twelfth consecutive month since an increase,” REIA President Malcolm Gunning said.

“In trend terms decreases were recorded in Victoria, New South Wales, Queensland and the Northern Territory. The largest decrease of 0.9 per cent was in Victoria. Western Australia, South Australia, Tasmania and the Australian Capital Territory had modest increases with the largest of 1.8 per cent in Western Australia.

“The value of investment housing commitments decreased by 0.9 per cent in September, in trend terms. The dollar amount approved for the purchase of dwellings by individuals for rent or resale is at the lowest level since July 2013 when prices were much lower.”

Mr Gunning said in trend terms, the number of established dwellings purchase commitments decreased by 0.4 per cent while the purchase of new dwellings decreased by 1.7 per cent and new dwelling construction fell by 1.0 per cent.

“Whilst the proportion of first home buyers, as part of the total owner-occupied housing finance commitments, increased in September to 18.0 per cent, up from 17.8 per cent in the previous month. However, the number of loans to first home buyers decreased by 8.8 per cent.

“There is no bright spot in the latest figures with the continued decline in housing finance reflecting the slowing market, APRA restrictions which with hindsight were probably excessive, the fallout from the Royal Commission into Banking and concerns about changes to property taxation and its impact should there be a change in Government.

“Government and regulators should be very mindful of the impact that a lack of confidence in the housing market can have on the economy,” Mr Gunning cautioned.

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.