

**Media Release
For Immediate Release**
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No bright spots in housing finance numbers: REIA

The December 2018 housing finance figures released 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 December 2018 show, in trend terms the number of owner-occupied finance commitments decreased by 0.1 per cent – the fifteenth consecutive month of decreases. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments decreased by 1.2 per cent –also the fifteenth consecutive month of decreases and the lowest since April 2013,” REIA President Adrian Kelly said.

“In trend terms decreases were recorded in Victoria, New South Wales and Queensland. The largest decrease of 1.3 per cent was in Queensland. South Australia, Northern Territory and the Australian Capital Territory were unchanged. Western Australia and Tasmania had increases with the largest of 0.5 per cent in Tasmania.

“The value of investment housing commitments decreased by 2.5 per cent in December, in trend terms, and is the lowest since 2012 and less than half of the April 2015 peak.”

“In trend terms, the number of established dwellings purchase commitments decreased by 1.2 per cent while the purchase of new dwellings decreased by 0.1 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 in December to 17.7 per cent from 18.3 per cent in November and the number of loans to first home buyers decreased by 18.8 per cent.

Mr Kelly said the continued decline in housing finance reflects the slowing market as well as the APRA restrictions on investors, which went too far for too long, 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.

“There is a clear risk that the decline in activity in the residential property market will become a major drag on the economy. With the Government formulating its 2019 Budget and its response to the Hayne Royal Commission the contribution the property sector makes to the economy should be at the forefront of its considerations,” concluded Mr Kelly.

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 Adrian Kelly please contact Helen Hull via media@reia.com.au or 0419 642 961.