

**Media Release
For Immediate Release**
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Rate cut will help affordability: REIA

In welcoming the cut in the official interest rate by the RBA, the Real Estate Institute of Australia (REIA) says this will help affordability for home buyers and stabilise the housing market.

“Subject to the banks passing on the full cut this means that for each \$100k borrowed annual payments decrease by \$250. For a first home buyer, who in the March quarter of 2019 had an average loan size of \$338k this means a saving of \$70 per month,” REIA President Adrian Kelly said.

“This will further improve affordability with the Adelaide Bank/REIA Housing Affordability Report out tomorrow showing that in the March quarter 2019, the proportion of income required to meet loan repayments decreased to 30.3%, a decrease of 0.9 percentage points over the quarter and a decrease of 1.0 percentage points over the past year.

“Unlike the last series of cuts in 2015 and 2016 which stimulated the housing market through increased investor activity this cut will stabilise the market which is already showing signs that the rate of price falls is declining rapidly.

“It is first home buyers that that will benefit most with the number of first home buyers decreasing nationally to 23,403 in the March quarter 2019, down 19.7% for the quarter and a decrease of 11.6% compared to the corresponding quarter in 2018,” Mr Kelly 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 Adrian Kelly please contact Helen Hull via media@reia.com.au or 0419 642 961.