

Housing Finance numbers show cautious optimism

The May 2019 Lending to Households and Business figures released today by the Australian Bureau of Statistics show the number of loans for housing, excluding refinancing, continues to decline, but at a slower rate, according to the Real Estate Institute of Australia (REIA).

“Overall the figures for May 2019 show, in trend terms that the number of owner-occupied finance commitments, excluding refinancing, decreased by 0.5 per cent –the twenty first consecutive month of decreases and the lowest since August 2012,” REIA President Adrian Kelly said.

“The value of investment housing commitments, excluding refinancing, decreased by 1.5 per cent in May. This is down 27.8 per cent from a year ago and is at its lowest level since March 2009.

“The number of loans to first home buyers increased by 0.8 per cent and is the highest since November 2018 whilst the proportion of first home buyers, as part of the total owner-occupied housing finance commitments increased in May to 18.8 per cent from 18.2 per cent in April.

“Whilst the total number of finance commitments for May show a continuing, but modest, decline it needs to be remembered that the Federal election was held in the middle of the month with considerable uncertainty regarding the outcome and concern about changes to property taxation and its impact should there be a change in Government.

“With the post election boost in confidence in the real estate market as evidenced by higher levels of enquiry, two cuts in interest rates and changes in APRA’s requirements May will most likely mark the bottom of the lending cycle,” 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 at media@reia.com.au or 0419 642 961.