

Media Release



For immediate release - 2nd September, 2021

FIRST HOME BUYERS FLEE THE MARKET AS HOUSING PRICES CONTINUE TO SOAR

The number of first home buyers has plummeted over July as housing affordability continues to be an issue for those entering the market, Real Estate Institute of Australia's (REIA) President, Adrian Kelly said.

Mr Kelly said the latest Australian Bureau of Statistics (ABS) figures show that the number of first home buyers fell by 6.8% in July with the level of commitments falling by 20% since the beginning of the year.

"This is still 20% higher than the previous year however the removal of HomeBuilder could see further reductions.

"The largest fall was seen in Victoria, followed by Queensland and New South Wales and it is likely these states will experience further falls as lockdowns continue to impact on the market," he said.

The ABS figures show that borrower refinancing of housing loan commitments between lenders reached an all-time high of \$17.2 billion after a rise of 6.0 percent in July 2021 (seasonally adjusted).

The figures show the value of refinancing between lenders was 60 per cent higher in July 2021 compared to a year ago.

Mr Kelly commented that those with mortgages are now seeking out lower interest rates with the value of new housing loan commitments rising by 0.2%.

"Demand from investors continues to dominate with this sector seeing continued growth over the past year, almost doubling in value," he added.

"Investors re-entering the market is a very good thing for private rentals and overall confidence in the economy; but the end of first home buyers housing stimulus programs introduced with the onset of the COVID-19 pandemic is a strong factor in these figures," he said.

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