

Media Release

12 January 2010

Housing finance slow down not unexpected

The decrease in lending in the November 2009 housing finance statistics, released by the Australian Bureau of Statistics (ABS) is not unexpected, according to the Real Estate Institute of Australia (REIA).

In trend terms, commitments for owner occupied housing have decreased 1.1 per cent, while the number of first home buyer commitments as a percentage of the total, have decreased from 26.0 per cent in October to 22.0 per cent in November.

“This is exactly what the REIA said would happen as the First Home Owners Grant Boost (FHOG Boost) was phased out and the Reserve Bank of Australia (RBA) began its series of interest rate increases”, said REIA President, Mr David Airey.

“First home owners have come down from a high of 28.5 per cent in May to the lowest since October 2008 when the Boost was introduced, with more decreases expected as the effects of the cessation of the Boost in December are realised”, continued Mr Airey.

“This is why the REIA has argued that the RBA should not increase interest rates for a fourth time. There is no need for a further hit on borrowers, given the slow down already evident”, concluded Mr Airey.

The Real Estate Institute of Australia (REIA) is the national professional association for the real estate sector in Australia. For further information or interview opportunities, please contact:

David Airey	REIA President	0418 906 002
Neil Fisher	REIA CEO	0412 637 550
Rhiannon McClelland	REIA Manager Communications	0421 422 919