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LENDING REMAINS AT HISTORIC HIGHS WITH MARKET STABILISING

The latest ABS figures remain within a historical high range but reflect a stabilising market Real Estate Institute of Australia (REIA) President, Hayden Groves said.

The ABS figures show the value of new housing loan commitments rose 1.6 per cent to \$33.3 billion in March 2022 (seasonally adjusted). This followed a fall of 3.5 per cent in February, after reaching a record high of \$33.9 billion in January, according to data released today from the ABS.

Mr Groves said that investors continue to drive the market with the value of new investor loan commitments hitting a record high of \$11.7 billion in March and was the key contributor to the rise in the value of new housing loan commitments.

“The number of loans to first home buyers is a whopping 32.8% down on what was recorded a year ago however new loan commitments to this market increased 4.2% in March after two months of decreases.”

Mr Groves said the trend in lending would be as expected given Australia’s current political and economic conditions.

“With inflation – particularly of non-discretionary goods outside of Budget 2022 forecasts, coupled with a rise in interest rates and a Federal Election – a stabilising or a new normal approach is reflected in these lending figures.”

Mr Groves said given the historical high values, affordability remains a key concern for agencies and all players on the property ladder.

“While we support current government and Opposition policies being presented during the Federal Election 2022, prohibitive taxes such as the extremely high stamp duty payments are a key concern in limiting supply and affordability,” he said.

The data shows the value of new owner-occupier loan commitments rose 0.9 per cent to \$21.6 billion in March, 2.2 per cent lower than the same time last year reflecting a rise in housing prices.

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