

Media Release



For immediate release – 3 February, 2023

LENDING STATISTICS REFLECT UNCERTAIN ECONOMIC OUTLOOK

Real Estate Institute of Australia (REIA) President, Mr Hayden Groves has said that today's ABS lending figures reflect the 'wait and see' approach to their engagement with property across the nation.

Mr Groves said the latest ABS figures show the value of total new housing loan commitments declined in December with a fall of 4.3 per cent to \$23.4 billion.

"This is from record high levels seen earlier in 2022 and a relatively small downward adjustment from this peak, coinciding with falls in retail spending as inflation and interest rates continue to rise."

Mr Groves said both investor and owner-occupier loans have pulled back from their 2022 highs as Australians look to mid this year when interest rates and inflation are more likely to stabilize.

"New owner-occupier loan commitments fell 4.2 per cent to \$15.6 billion, while new investor loan commitments fell 4.4 per cent to \$7.9 billion.

"In December 2022, the value of total new housing loan commitments was 23 per cent higher than the level seen in February 2020, prior to the COVID 19 pandemic. In December 2021, the value of these commitments was 74 per cent higher than the pre-pandemic level which is indicative of price growth in that time.

"The figures show the value of total housing loan refinancing between lenders fell 1.5 per cent but remained high at \$19.1 billion in December 2022 but this is after seeing record high refinancing activity for both owner-occupiers and investors."

Mr Groves said with RBA officials going on record this week stating that inflation has peaked, it is time to provide Australians with more certainty.

"Another rate rise will add to the burden most homeowners are currently feeling, and further discourage new entrants to buy their first homes.

"Monetary and fiscal decision makers should in 2023 be doing everything they can to reassure Australians and alleviate the pressures many in the economy are experiencing."

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