

# Media Release



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## GRIM OUTLOOK FOR HOUSING SUPPLY AND AFFORDABILITY: ABS

Real Estate Institute of Australia (REIA) President, Hayden Groves said the latest ABS lending and building approval statistics released this week show that it's time the RBA hit the pause button on further interest rate hikes.

Mr Groves said that loans for total housing fell 5.3% to \$22.1b, after a fall of 4.3% in December. It was 35.0% lower compared to a year ago.

"The figures are concerning for first home buyers with loan commitments falling 8.1 per cent in January 2023, the lowest since 2017.

"The latest figures overall point to a severe lack of supply and reduced lending capability due to aggressive interest rate hikes contributing to the problem."

Mr Groves said that across the board, lending was down with owner-occupier housing falling 4.9% to \$14.7b, 35.1% lower compared to a year ago while investor housing fell 6.0% to \$7.4b and was 34.8% lower compared to a year ago.

Mr Groves said building approvals are also down with the total number of dwellings approved falling 27.6 per cent in January (seasonally adjusted) after a 15.3 per cent increase in December.

"Approvals for private sector houses fell by 13.8 per cent, the fifth consecutive drop, to be the lowest result recorded since June 2012.

"The more volatile, private sector dwellings excluding houses series, fell 40.8 per cent, following a 41.9 per cent rise in December.

"The value of non-residential building approved decreased 25.6 per cent, following a 1.6 per cent fall in December.

"The pipeline for Australia's housing supply and affordability is looking dire and we need action now."

## ENDS

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