

Media Release



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LENDING STATS SHOW LESS FIRST TIME BUYERS

Real Estate Institute of Australia (REIA) President, Hayden Groves said the lending statistics confirm a slow down across owner occupiers, investors and Australians looking to buy their first home.

“The value of new loan commitments for housing fell 0.9 per cent to \$22.6 billion in February 2023 (seasonally adjusted), after a revised fall of 2.4 per cent in January, according to the ABS.

“New owner-occupier loan commitments fell 1.2 per cent to \$15 billion in February 2023, while the value of new investor loan commitments fell 0.5 per cent to \$7.6 billion.

“Housing finance has been in steady decline from the record highs in January 2022, with the total value of new loan commitments falling 33 per cent since then.”

Mr Groves said first home buyers remain hesitant with the rate of first home ownership slowing.

“The number of new owner-occupier first home buyer loan commitments fell 3.5 per cent in February 2023, after a revised fall of 4.6 per cent in January.”

“Fears around future rate hikes, cost of living pressures, affordability constraints and inflated construction costs are major contributing factors to the slow-down in first home buyer activity.”

“With rents increasing and rental supply so challenged, obviously one way we can assist with this is encouraging Australians out of rentals and into home ownership.”

The results coincide with NHFIC’s ‘State of the Nation’s Housing 2022-2023’ report giving an analysis into housing demand and supply across Australia further highlighting the dire situation on the imbalance in the supply and demand of housing, and the consequences including inflated rents.

“The gap between supply and household formation has widened since last year’s report. NHFIC now expects the cumulative gap between new household formation and new supply will be around -106,300 dwellings from 2023 to 2027,” Mr Groves concluded.

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.com.au