

Media Release

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REIA WELCOMES RBA PAUSE AS HOME OWNERS SHOW SIGNS OF STRESS

REIA has welcomed the pause in interest rate rises as new home loans continue to fall while refinancing surges as home owners seek better rates.

REIA President, Mr Hayden Groves said the latest ABS figures show mortgage holders are struggling.

“The figures show the value of total housing loan refinancing between lenders fell 3.1 per cent but remained high at \$20.2 billion in June 2023, according to data released today by the Australian Bureau of Statistics (ABS). The value of total refinancing between lenders was 12.6 per cent higher in June compared to a year ago.

“The value of new owner-occupier loan commitments dropped 2.8 per cent to \$15.9 billion. The value of new investor loan commitments rose 2.6 per cent to \$8.7 billion, though it was 15.0 per cent lower compared to a year ago.

“For first home buyers, the number of new loan commitments fell 0.8 per cent over the month to June and fell 12.2 per cent compared to a year ago,” he said.

Mr Groves said the Australia experienced lower than expected CPI for the June quarter while there was also a fall in consumer spending - down 0.8% in June compared to previous month's increase of 0.8%

“There’s also been an easing of buildings costs with increases only up by 0.6% in June quarter - the lowest quarterly increase since December 2020.

“As previously warned, we said the RBA should give some time for seasonal adjustments so the pause should ease some of the pain,” he said.

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