

Media Release

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NEW OWNER-OCCUPIERS MAKE A RETURN BUT CONCERNS REMAIN

Real Estate Institute of Australia (REIA) President, Mr Hayden Groves welcomed the return of home buyers but said that whilst the latest new owner occupier loan commitments for housing has grown, it remains worryingly low for future trends.

The number of new owner-occupier loan commitments for dwellings rose 2.5 per cent in August 2023, but remained 12.3 per cent lower compared to last year, according to data released today by the ABS.

Mr Groves said the number of new owner-occupier loans appears to have returned to levels seen before the COVID-19 pandemic began but are still well below the peak in January 2021.

“Of note is the number of refinancing loan commitments of owner occupiers is falling indicating that there is renewed confidence interest rates are stable.”

The ABS shows the number of refinanced owner-occupier loan commitments between lenders fell 5.4 per cent to 26,539, after reaching an all-time high last month as mortgagors looked for the best deal available.

Mr Groves said that building approvals are also increasing with the total number of dwellings approved rising 7.0 per cent in August, in seasonally adjusted terms, following a 7.4 per cent fall in July.

Mr Groves said that in the context of the debate of cost-of-living, pressures on aspiring first home buyers and mortgage holders deserved great attention given much of the housing crisis focus has been on the rental market.

“The REIA Housing Affordability Report shows we are in the most challenging lending conditions for homeowners and investors since the Global Financial Crisis. To help generate more investment and provide the support needed, Government needs to carefully consider the needs of those affected as they have done in the same way for renters.”

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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.

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