

Media Release

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REIA CAUTIONS RBA AGAINST TAKING A FLUTTER ON RATE RISES

The Real Estate Institute of Australia (REIA) President, Mr Hayden Groves, has welcomed the return of investors and first home buyers with the release of today's ABS Lending Statistics and has cautioned the RBA to consider the evidence moving into the Cup Day RBA Monthly Board Meeting.

Mr Groves said it was telling that investors and first home buyers were locking in new mortgages however owner-occupiers loan commitments fell in September.

“This result demonstrates the prohibitive costs involved in buying and selling property.

““The value of owner-occupier loan commitments fell by 0.1 per cent to \$16.06 billion in September,” he said.

According to the ABS, since February 2023, the value of new housing loan commitments has trended upwards, with total growth in investor loans exceeding owner-occupier loans. That said, the total value of new housing loan commitments in recent months remains below the all-time highs seen throughout the COVID-19 pandemic.

Mr Groves said the good news is that ABS figures show the value of new investor loan commitments for housing rose 2.0 per cent in September 2023 and was 2.6 per cent higher compared to last year.

“The value of new investor loan commitments increased across most states and territories this month and was mostly driven by rises in Victoria by \$127 million and New South Wales by \$77 million.

“The number of new owner-occupier first home buyer loan commitments recorded a modest uptick of 0.5 per cent in September 2023 but was still 0.6 per cent lower compared to last year.

“While these are small but promising signs of revived and much needed investor activity in housing the main takeout is that the RBA need not gamble on a rate rise next Tuesday whilst we are still waiting for inflation data to come in.”

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For any further information please contact
Olwyn Conrau, REIA Media Consultant

0413 600 350
olwyn.conrau@reia.com.au

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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