

# Media Release

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## REIA CAUTIONS RBA AGAINST FURTHER 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 but continues to caution the RBA on further interest rate hikes.

Mr Groves said that the latest ABS statistics show an increase in first home buyers and investors, however new housing continues to struggle with uncertainty around building costs.

"The latest ABS figures show first home buyers grew by 0.3 per cent in October, 6.8 per cent higher compared to a year ago.

"The average loan size for first home buyers grew by 0.3 per cent, from \$506,000 to \$507,000 while loan sizes for all owner occupiers grew by 2.1 per cent in October.

"Overall, total housing rose 5.4% to \$26.7 billion, after a rise of 1.5% in September and was 4.9% higher compared to a year ago.

"Investors made up for \$ 9.5 billion and was 12.1% higher compared to a year ago.

"For the purchase of existing dwellings, the rate rose 4.6% and was 5.2% higher compared to a year ago while the construction of new dwellings rose 9.1% but was a worrying 19.5% lower compared to a year ago.

"These figures indicate home buyers are still not feeling surety around building costs remaining stable," he said.

Mr Groves said that while generally, the statistics indicate promising signs for much needed investor and first home buyer activity in housing the main takeout is that the RBA need not gamble on another rate rise as the added cost is putting a halt to new supply.

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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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