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Media Release

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LATEST LENDING STATS REFLECT THE DYNAMICS OF THE MARKET

Real Estate Institute of Australia (REIA) President, Leanne Pilkington said the latest lending analysis from the Australian Bureau of Statistics (ABS) are a reflection of the increase in housing prices.

The latest ABS lending statistics show the total value of new housing loans to investors rose 1.2 per cent in February 2024 with the value of new investor loans in February an incredible 21.5 per cent higher compared to a year ago.

Ms Pilkington said the high increase comes off an extremely low base.

“The latest stats show the response of private investors to higher rents and anticipated cuts in interest rates. Private investors continue to be part of the solution not the problem,” she said.

Ms Pilkington said the results do not reflect the true nature of what is happening in the Australian marketplace. Housing affordability is at a crisis point as housing supply continues to be obliterated while housing and unit rental and capital prices across the nation are skyrocketing.

Ms Pilkington added that despite the growing momentum behind Build-to-Rent (BTR) developments, these initiatives represent a mere 3.0 per cent of the existing rental stock within Australia’s eastern cities and will fall well short of Budget 2023 projections.

REIA’s just released Build-To-Rent Report has delivered mixed results for the outlook of the topical asset class with this asset class currently only accounting for 3,800 completed units and of the 44,139 combined BTR units proposed, only 43 per cent have approval.

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Ms Pilkington said overall, the value of new owner-occupier loans was 9.1 per cent higher compared to a year ago, while the value of owner-occupier first home buyer loans was 20.7 per cent higher over the same period. First home buyers are taking advantage of generous government subsidies at a time when rental properties are diminishing and the cost to buy is becoming comparable to renting,” she said.

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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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