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Media Release

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RISING HOUSE PRICES AND LIMITED RENTAL STOCK SEE LOAN SIZES SOAR

A surge in house prices coupled with a decline in rental stock has driven the value of new housing loans to increase.

According to the Real Estate Institute of Australia (REIA) President, Ms Leanne Pilkington, the latest data released by the Australian Bureau of Statistics (ABS) shows home buyers and investors are paying more to buy a residential property or alternatively, more buyers are joining forces to secure their future.

“We’re witnessing an increase in rentvesting, particularly in regional areas, where individuals choose to rent a property to reside in while simultaneously investing in real estate elsewhere, reflecting changing preferences and economic dynamics in the housing market.

“As housing affordability continues to pose challenges, the data does not fully reflect the market dynamics,” she said.

According to the latest data from the Australian Bureau of Statistics, the value of new housing loans rose a staggering 17.9 per cent since March 2023 to \$27.6 billion, after a 3.1 per cent rise in the month.

The value of new loan commitments is a product of the size of loans being approved and the volume of loans.

Comparing different buyers in the market, the value of investor loans rose 3.8 per cent in March to \$10.2 billion, increasing 31.1 percent since March 2023.

The ABS figures found that owner-occupier loans (excluding first home buyers) rose 2.1 per cent to \$12.3 billion, increasing 8.8 per cent through the year. First home buyer loans rose 4.4 per cent to \$5.2 billion, rising 17.9 per cent through the year.

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

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

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