

**Media Release**  
**For Immediate Release**  
11 July 2018

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**Housing finance numbers confirm market feedback: REIA**

The May 2018 housing finance figures released today by the Australian Bureau of Statistics show that the number of loans for housing has continued to decline over the last eight months, according to the Real Estate Institute of Australia (REIA).

“Overall the figures for May 2018 show, in trend terms that the number of owner-occupied finance commitments decreased by 0.7 per cent –the eighth consecutive month of decreases. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments decreased by 0.6 per cent –the ninth consecutive month since an increase,” REIA President Malcolm Gunning said.

“In trend terms decreases were recorded in all states and territories except Tasmania, where lending increased by 0.3 per cent. The largest decrease of 1.9 per cent was in the Australian Capital Territory.

“The value of investment housing commitments decreased by 1.9 per cent in May in trend terms. The dollar amount approved for the purchase of dwellings by individuals for rent or resale is at the lowest level since February 2016.

“In trend terms, the number of established dwellings purchase commitments decreased by 0.6 per cent while the purchase of new dwellings decreased by 0.9 per cent and new dwelling construction fell by 1.5 per cent.

Mr Gunning said the proportion of first home buyers, as part of the total owner-occupied housing finance commitments, remained unchanged in May at 17.6 per cent.

“The continued decline in housing finance confirms the feedback from the market that the APRA restrictions and the fallout from the Royal Commission into Banking have resulted in an extremely cautious approach by lenders,” Mr Gunning said.

“Loan applications are now being scrutinised for real costs of living including outgoings such as school fees and use of credit cards. At the same time an ultra conservative approach is being taken by banks with their valuations which means that funds available are below purchaser’s expectations.

“We need to ensure that lending approaches reflect the market rather than set the market which appears to be case at the moment,” Mr Gunning concluded.

**The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.**

**For further information or to speak with REIA President Malcolm Gunning please contact Helen Hull via [media@reia.com.au](mailto:media@reia.com.au) or 0419 642 961.**