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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Housing Investor Lending Hits Two-year Low

"The value of housing loans to investors has hit its lowest level since the start of 2016," commented HIA's Principal Economist, Tim Reardon.

ABS data on housing finance for the month of April 2018 was released earlier today.

"Investor lending has fallen by 27.4 per cent since reaching a peak in mid-2015, as a consequence of punitive restrictions on investors," added Mr Reardon.

"The fall off in investor participation has been caused by a number of factors including tighter financial regulations and the targeting of certain loan products favoured by investors. The federal government targeted investors with two successive interventions in the market through APRA and state governments introduced punitive rates of stamp duty on foreign investors.

"Less investor involvement in the market is one of the reasons why we have seen a slowing in new home building and why we are expecting this slowdown to continue over in the next couple of years.

"The value of investor loans fell from \$12.6 billion in April 2017 to \$10.7 billion in April 2018.

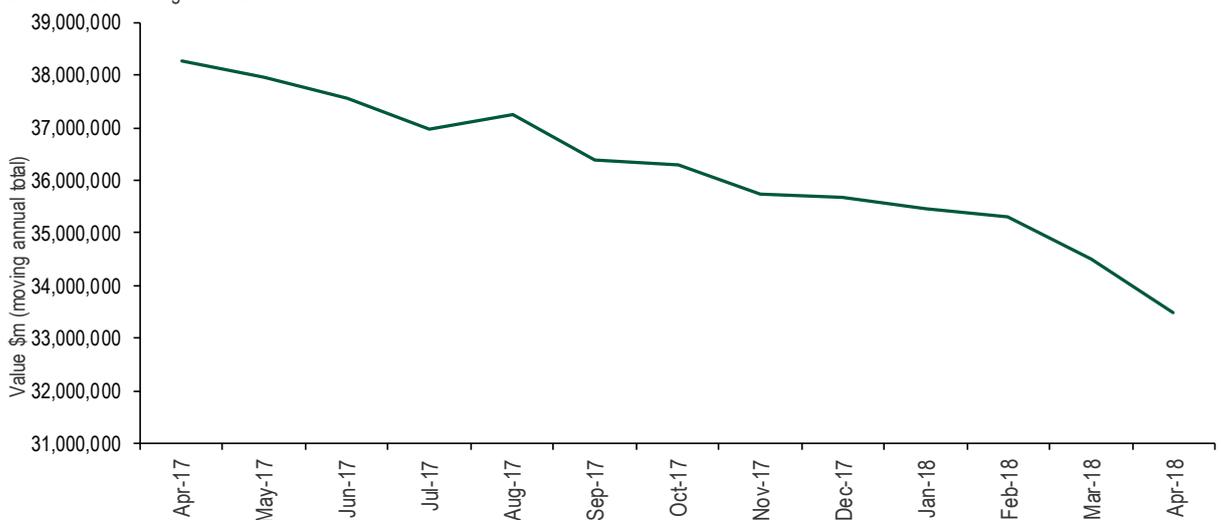
"In order to address the affordability challenge, Australia should be facilitating rather than impeding the delivery of new homes for all potential buyers – owner occupiers and investors.

"Investor participation in Australia's housing market is crucial in ensuring that enough rental accommodation is available. Any changes that impact on housing investment must consider the long term impact on all parts of the market.

"Ample rental supply in Sydney and Melbourne has been instrumental in allowing their workforce and economies to expand," concluded Mr Reardon.

Lending to investors 3 month rolling total - Australia

Source: ABS Housing Finance



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