

Investors Continue to Lead Home Loan Surge, First Home Buyers Absent

Article by Michael Janda, Business Reporter for the ABC. Posted 09/09/2014.

Property investors have extended their dominance of housing market, with first home buyers at record lows.



The latest Bureau of Statistics housing finance figures for July show investors now make up more than 40 per cent of the value of home loans being issued.

That is the second highest level on record, eclipsed only by October 2003 around the peak of one of Australia's largest ever housing booms.

The value of investor lending surged 6.8 per cent over the month and is up almost 30 per cent over the past year.

When refinancing is excluded, investors are actually making up almost half of all loans issued - a record high.

Meanwhile, the proportion of first home buyers has eclipsed previous lows, falling to just 12.2 per cent of owner-occupier home loan commitments, well down on more typical levels around 20 per cent.

Considering that investors are accounting for almost half the home lending market at the moment, that puts first home buyers at just over 7 per cent of all purchasers who need to take out finance.

Other owner-occupier lending was also relatively subdued, with the number of loans issued up just 0.3 per cent and the value of lending flat in July compared with the previous month.

Westpac senior economist Matthew Hassan says, while owner-occupier lending is subdued, the surge in investor lending suggests this segment is behind recent momentum in home price growth.

"Exactly how much momentum is unclear - it is only one monthly read - but if it does prove to be a 'second leg' to the housing upturn it could be a more problematic one for the RBA," he noted.

"While they are seeking a solid contribution from housing to offset the downturn in mining investment, the bank is clearly wary of over-stimulating this sector and of the risks associated with rising investor activity and the increasingly lopsided mix."

The Reserve Bank governor Glenn Stevens in July issued a warning to investors in the Sydney market, and strongly implied in a recent speech that home price inflation was a key factor preventing further interest rate cuts.

The latest warning on home prices came after RP Data's monthly index showed the strongest winter gain since the financial crisis, with a 4.2 per cent jump over the three months including a 1.1 per cent rise in August.

LEASED IN SEPTEMBER

Heron Cl, Dakabin	2 Bed Duplex, SLUG (new build)	\$270 (new)
Kylie St, Caboolture South	3 Bed Unit, SLUG	\$285 (same)
McGinn Ct, Caboolture	4 Bed House, ens, DLUG	\$325 (inc \$10)
Tucker St, Caboolture	4 Bed House, ens, DLUG	\$330 (inc \$5)
Puttini Ct, Burpengary	3 Bed House, garden shed, large yard	\$335 (inc \$10)
Heron Cl, Dakabin	3 Bed Duplex, ens, SLUG, (new build)	\$340 (new)
Landini Ct, Burpengary	3 Bed House, ens, SLUG, large yard	\$345 (same)
Plover Ct, Warner	3 Bed Duplex, ens, DLUG	\$350 (same)
Swann Rd, Bellmere	4 Bed House, ens, DLUG	\$370 (new)
Burns Pde, Kallangur	4 Bed House, ens, DLUG	\$395 (dec \$10)
Fodora Pl, Burpengary	4 Bed House, ens, DLUG	\$400 (new)
Spring Lane, Caboolture	4 Bed House on acreage, 2x DLUG's, DB Carport	\$500 (new)
Rivergum Dve, Burpengary	4 Bed House on acreage, ens, DLUG, Pool	\$525 (same)
Sir Dapper Dve, Burpengary	5 Bed House, ens, DLUG, Pool, 3 living areas, Acreage	\$570 (new)
Ventura Ct, Mango Hill	5 Bed House, ens, DLUG, Pool, 3 living areas	\$580 (new)
Guilford Ct, Bellmere	4 Bed House on acreage, DLUG, Pool	\$580 (new)

CALENDAR DATES FOR OCTOBER

DISBURSEMENTS

Wed 1st Oct
Wed 8th Oct
Wed 15th Oct
Wed 22nd Oct
Wed 29th Oct

Monthly Statement Issued

Wed 29th Oct

OFFICE HOLIDAYS

Labour Day

Monday 6th October



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