

First home buyers fall back to record lows



First home buyers are back at record lows.

Loans to first home buyers as a proportion of total new home loans fell 4% in the year to April – the share of first-time buyers in the market equalled the record November 2013 low at 12.3% of all loans.

Meanwhile the value of investor home loans rose by 2.3% to a record \$11 billion in April, surging some 29.9% in the same 12 month period, filling the void.

First home buyer mortgages peaked in May 2009, accounting for 31.4% of total new home loans on the back of boosted government grants.

Craig James, the CommSec economist noted the first home buyer finance levels were well below the long-term average of 20%.

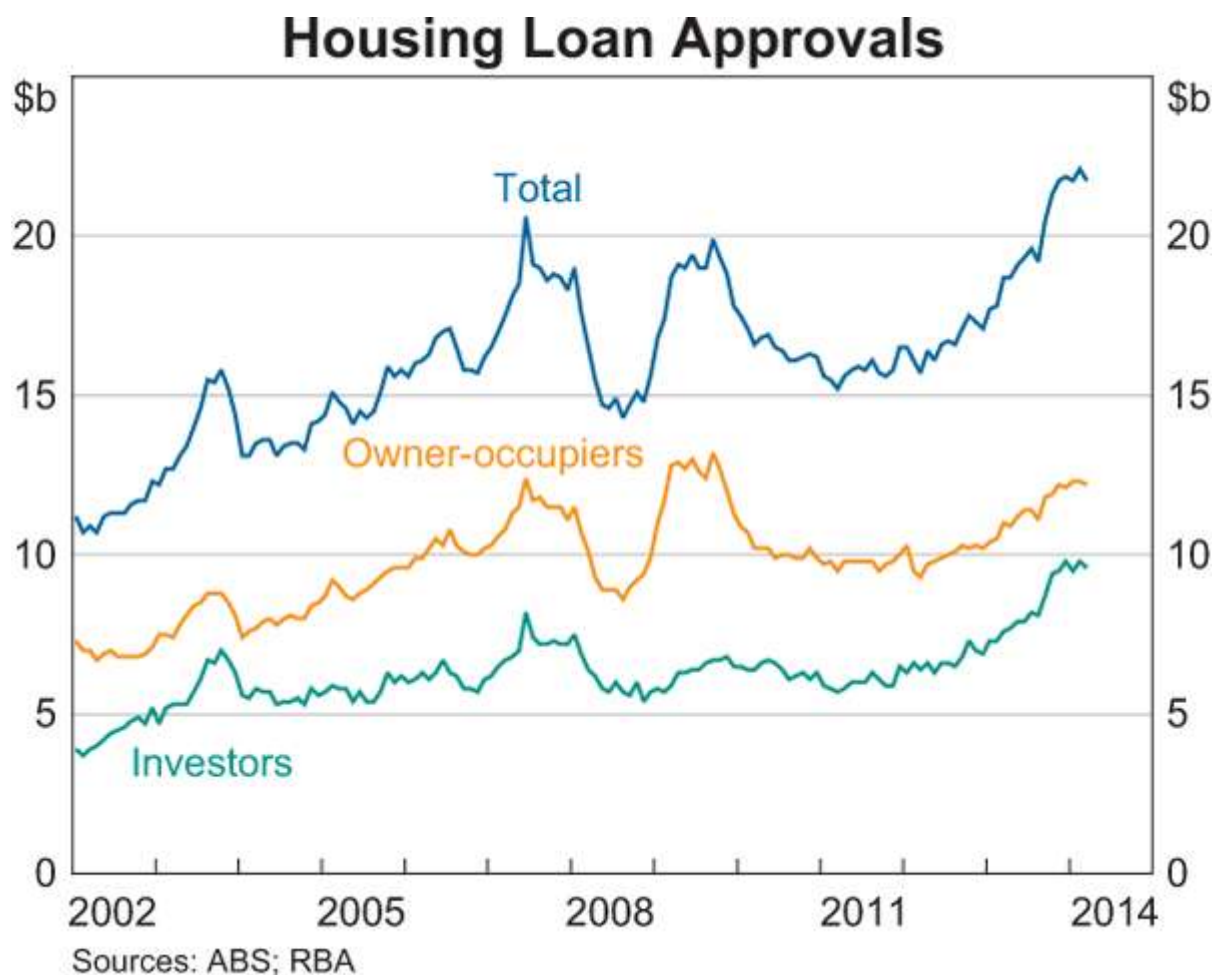
The St George senior economist, Hans Kunnen attributed the lack of first home buyers to state governments scrapping first home buyer grants for existing dwellings and the solid increase in house prices over the past year.

First home buyer families might need three income sources in future, he told Ross Greenwood's 2GB *Money News*.

Total housing finance edged 1.7% higher in April, in seasonally adjusted terms to \$27.89 billion, while commitments for owner-occupied housing rose 1.4% and investor commitments by greater 2.3%, the Australian Bureau of Statistics figures showed.

The average home loan across Australia stood at \$323,400 in April, up 7.2% on a year ago

Fairfax Media columnist Michael Pascoe noted the RBA had intriguingly dropped first home figures from its [June economic data chart pack](#), perhaps as a consequence of rising concerns about the underestimating of first home buyer statistics.



A RBA spokesperson advised Property Observer that the Bank had decided to remove the data from the graph while it is being reviewed by the provider.