

### **South Australian housing affordability a rising concern**

Lower interest rates are fueling the property sector but starting to price out South Australian first home buyers, Master Builders SA says.

Data released by the Australian Bureau of Statistics today shows a sharp fall in the number of first home buyers taking out housing loans, while loans issued to investors and secondary buyers continue to rise on a trend basis since 2010.

More of a concern is the growing separation between the values of loans to first home buyers and others in the housing market, Master Builders SA Chief Executive Officer Ian Markos says.

“First home buyers face a market where they can borrow less and are borrowing significantly less for each home. In the long term, this results in first home buyers being priced out of the market,” he said.

“At the same time, it’s pretty clear that cuts to interest rates are benefiting non-first home buyers.

“South Australia is relying on its lifestyle and affordability to retain and attract young people and young families in the face of the mainland’s highest unemployment.

“This shows we are losing that battle.

“We have to pay more than lip service to affordability. We need to cut or delay housing entrance costs for first home buyers including reviewing environmental requirements. It’s no use preparing for the next generation when they are in a different state.”

**Ends**

#### **For further information**

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#### **Available for interviews**

Chief Executive Officer Ian Markos

Summary of housing finance data for South Australia released by the Australian Bureau of Statistics for August 2016:

