

RBA yet to decide if investor crackdown is working

Friday, 18 September 2015 |
[Nick Bendel Mortgage Business](#)

Conflicting signs have emerged as to what impact regulatory intervention has had on the investor market.

The Reserve Bank of Australia believes that the investor crackdown may be working, according to the minutes of its 1 September board meeting, which were released this week.

“There were indications that the measures implemented by APRA had slowed the growth in lending for investment housing,” the minutes revealed.

However, board members also noted recent revisions to data submitted by two major banks, which implied that investor lending growth in 2014-15 had been stronger than previously reported.

“Dwelling investment appeared to have declined slightly in the June quarter, but had been strong over the year. Forward-looking indicators had generally suggested further strength in the coming months,” the minutes said.

The most recent Australian Bureau of Statistics data, from July, has also painted a mixed picture.

There was \$13.6 billion of investment housing finance issued in July, which represented 18 per cent annual growth but only 0.7 per cent monthly growth.

However, the \$40.1 billion of finance issued in the July quarter was 4.3 per cent higher than the result for the April quarter.

Earlier this month, Domain Group senior economist Andrew Wilson said [the investor crackdown was unnecessary](#).

“Where's the heat? I don't understand where the heat is,” Mr Wilson said. “We have the lowest level of mortgage defaults we've seen. Affordability is still below average levels.”