

No Move the Right Move says HIA

The decision by the Reserve Bank to leave the official cash rate at 3 per cent for the third consecutive month was supported by the Housing Industry Association.

“It makes sense at this time for the Reserve Bank to keep its powder dry,” said Ron Silberberg, Managing Director of HIA.

“The current level of home mortgage rates is not a barrier to recovery. The main area of concern relates to the availability of credit for potential borrowers and competition in the home mortgage market.

“HIA members are reporting an increase in cancellations of new-build contracts because of tighter credit rationing by the banks.

“Funding options for borrowers have been reduced because of the squeeze on funds available to non-bank lenders.

“Reinvigorating the non-bank home lenders is crucial to a broadening of a recovery in home-building. HIA is keen to see a further tranche of investment by the Australian Government in residential mortgage-backed securities, the lifeblood of the non-bank lenders.

“At the same time, superannuation funds should be encouraged to reassess their lack of investment in mortgage-backed securities,” said Ron Silberberg.

For further information:

Ron Silberberg	0417 261 560
Ben Phillips	0424 147 321

