



Panel on Managing Systemic Risks and Maintaining Healthy Housing Markets: An Australian Perspective

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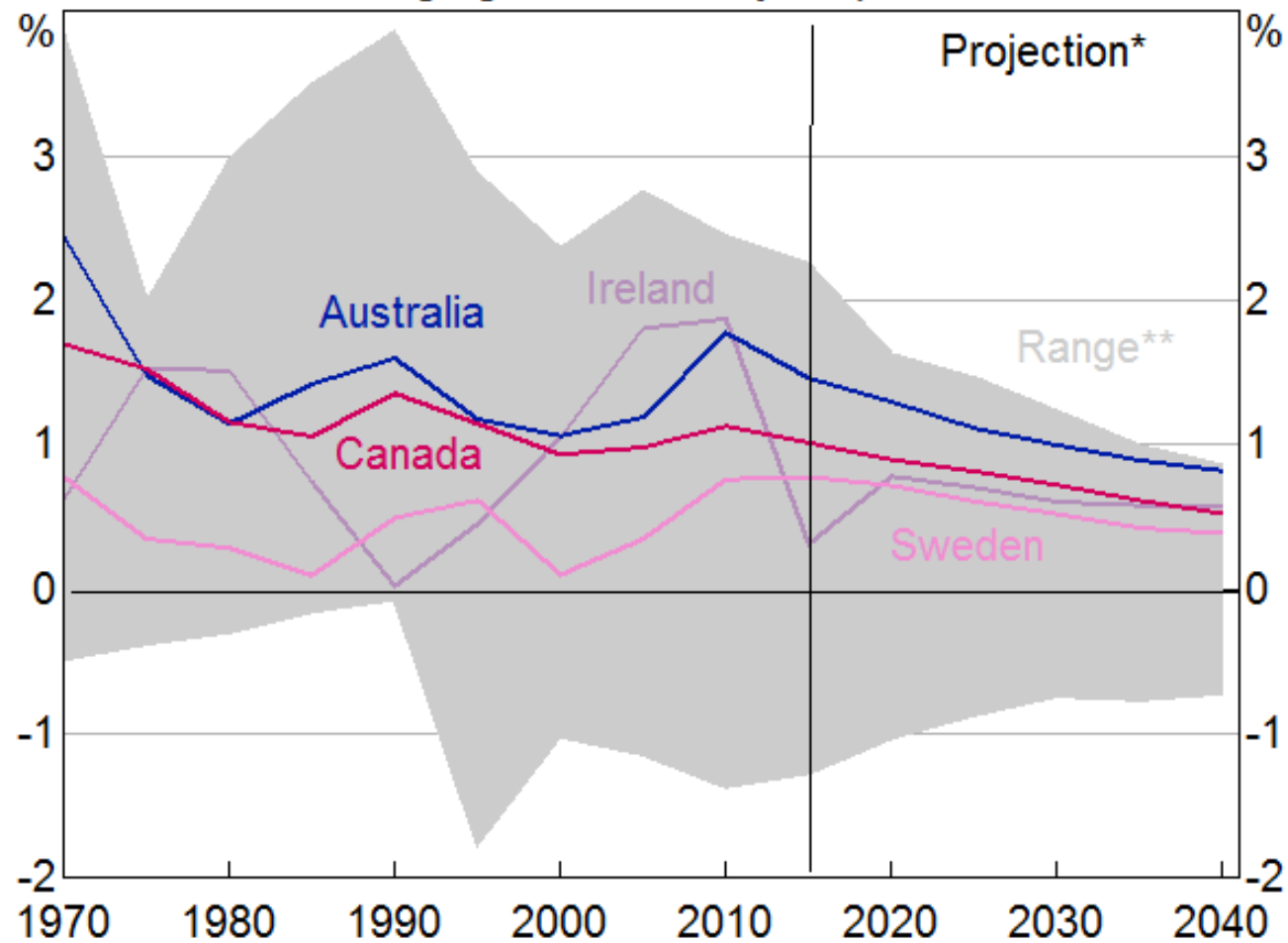
Presentation to the CMHC National Housing Conference 22 November 2018

Main Points

- Many common forces behind debt and house price developments
- Australia's regulatory agencies and the Reserve Bank have worked cooperatively to identify and address associated risks
- Action taken has reduced vulnerabilities associated with riskier household lending ...
- ..though debt levels are elevated so risks remain

Advanced Economies – Population Growth

Average growth over 5 year periods



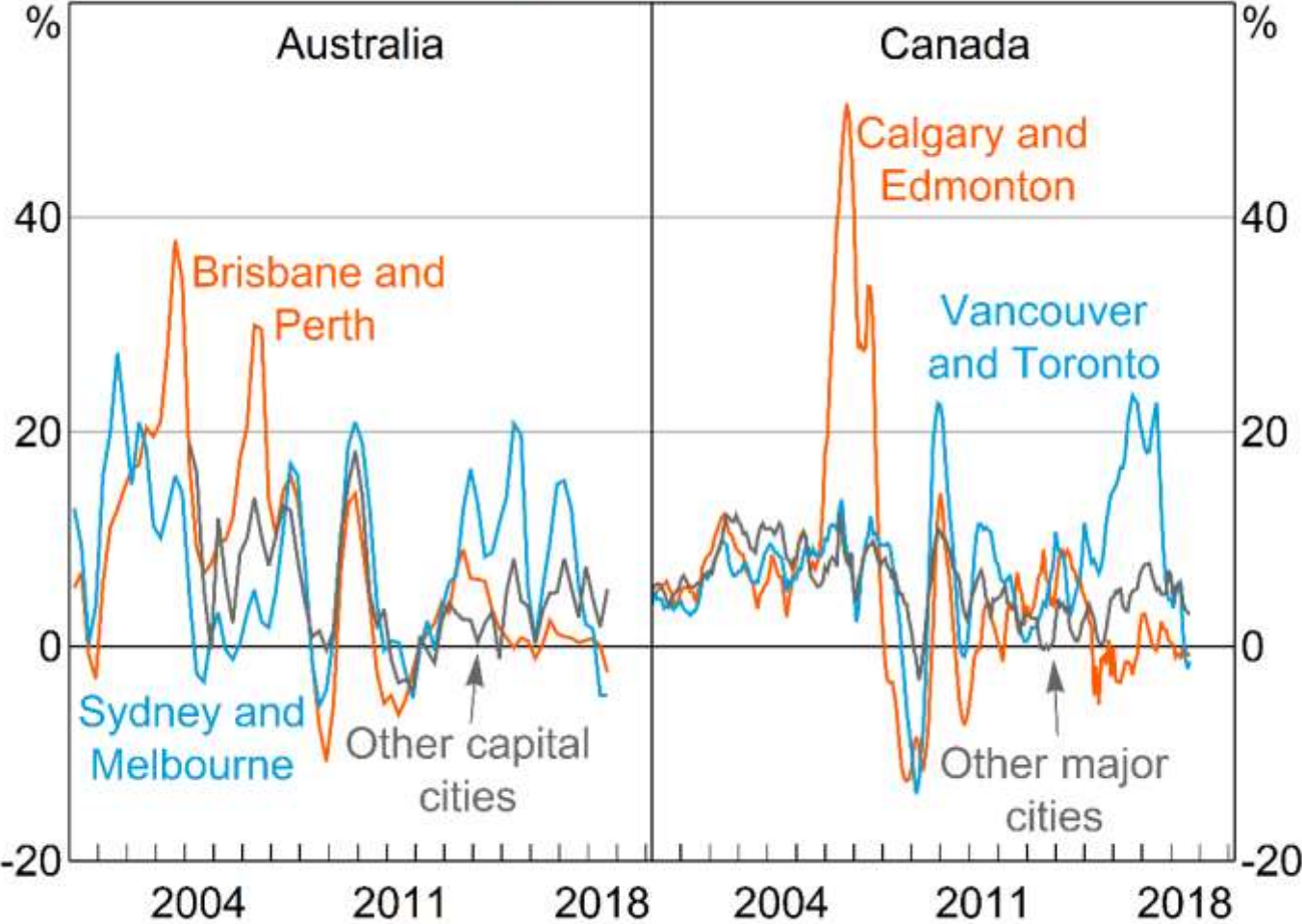
* Medium-variant projection

** Range over 37 advanced economies.

Source: United Nations

Housing Price Growth by City*

Six-month-ended annualised

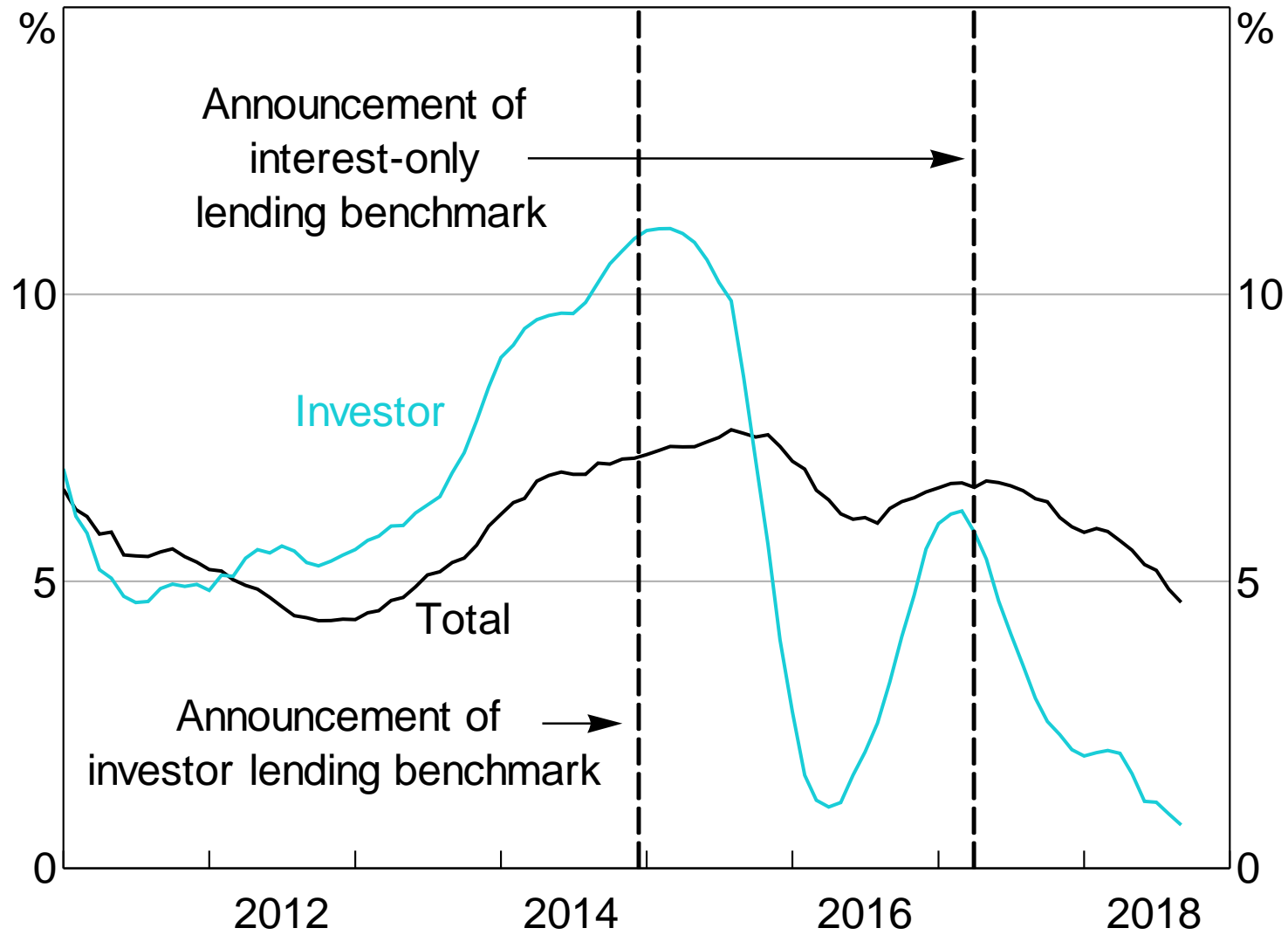


* Seasonally adjusted; aggregated using most recently available dwelling stock weights

Sources: APM; RBA; Teranet; Thomson Reuters

Investor Housing Credit Growth

Six-month-ended annualised*

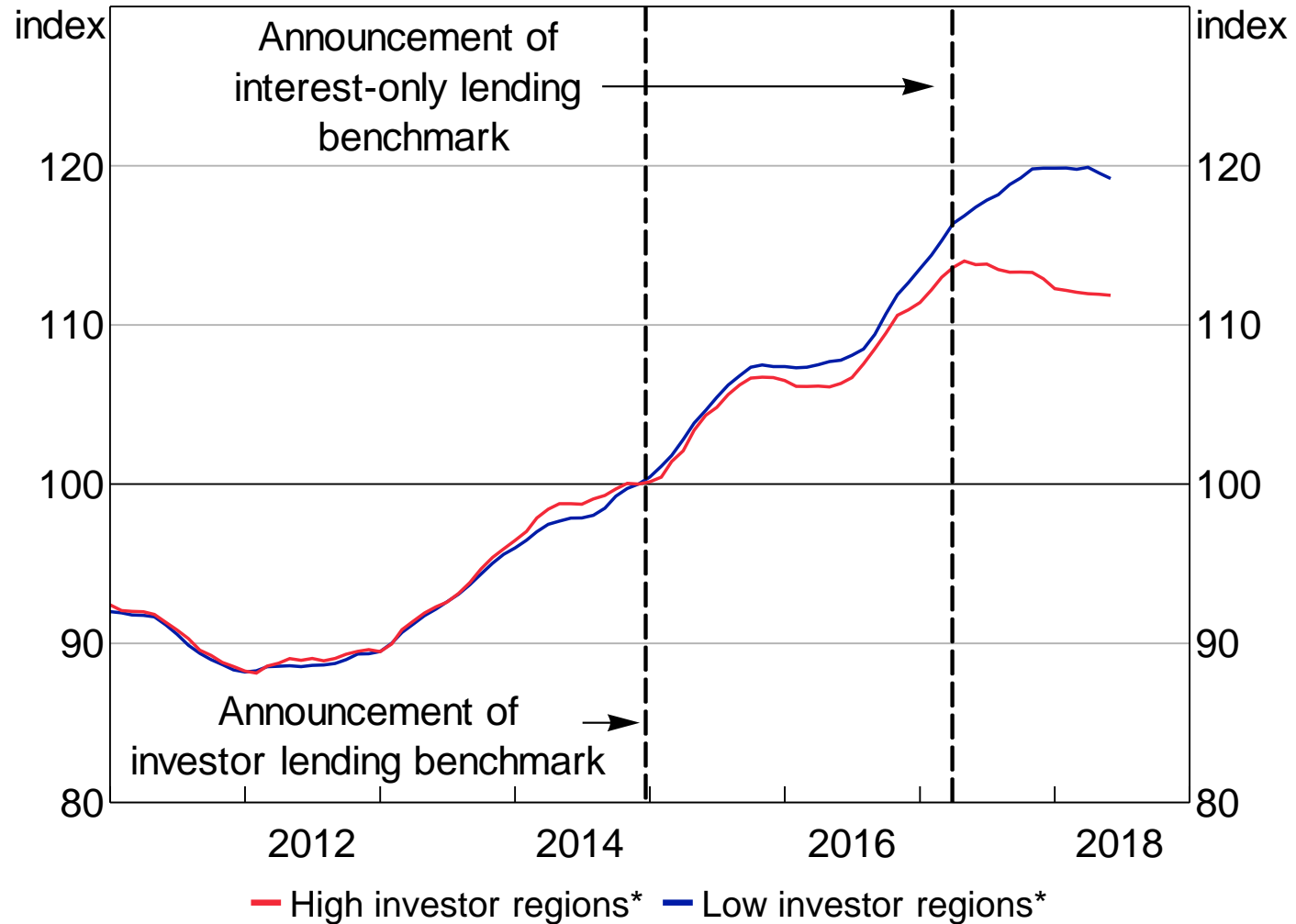


* Seasonally adjusted and break adjusted

Sources: APRA; RBA

Housing Prices and Investors

Index = 100 at introduction of investor lending benchmark



* Dwelling stock weighted indices of SA3 regions where the rental share of the dwelling stock is in the top (high investor) and bottom (low investor) quartiles of the nationwide distribution in the 2011 Census

Sources: ABS; CoreLogic; RBA

Some Further Material

www.rba.gov.au

including

- Financial Stability Review October 2018 – Chapter 5 Assessing the Effects of Housing Lending Policy Measures
- Debelle (2018) Speech: Assessing the Effects of Housing Lending Policy Measures
- Lowe (2017) Speech: Australia and Canada – Shared Experiences
- La Cava, Leal and Zurawski (2017) Article: Housing Accessibility for First Home Buyers