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## Media Release

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### REIA stunned by RBA chief's remarks about property

Real Estate Institute of Australia (REIA) President, Mr David Airey said he was stunned to hear the Reserve Bank of Australia (RBA) Governor Glenn Stevens tell Channel 7 Sunrise viewers that "property was no longer the easy path to prosperity" this morning.

Stevens' comments have caused enormous concern to property buyers and home owners, according to the REIA, which represents the eight state and territory Real Estate Institutes.

"I'm astonished the RBA Governor would get so involved in the property market and effectively warn Australian's not to buy or invest in property," said Mr Airey.

"Mr Stevens has in the past said that property prices were a 'social issue' and have no bearing on monetary policy or interest rates."

Mr Airey said the quickest and surest way to reduce activity in the property market was for the RBA to insist that lenders make borrowing harder and insist on deposits of 20% to eliminate the need for mortgage insurance. "This will encourage buyers to save over a longer period and therefore wait longer to buy."

"The current upward cycle in the property market is a combination of pent up demand after a quiet 2007 and 2008," Mr Airey said.

"This has been aided by increased demand and short supply, fuelled by buyers trading up and not by speculation."

"When we look back on this period it will be seen as a normal upturn followed by a stabilisation period," Mr Airey concluded.

**The Real Estate Institute of Australia (REIA) is the national professional association for the real estate sector in Australia. For further information or interview opportunities, please contact:**

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