

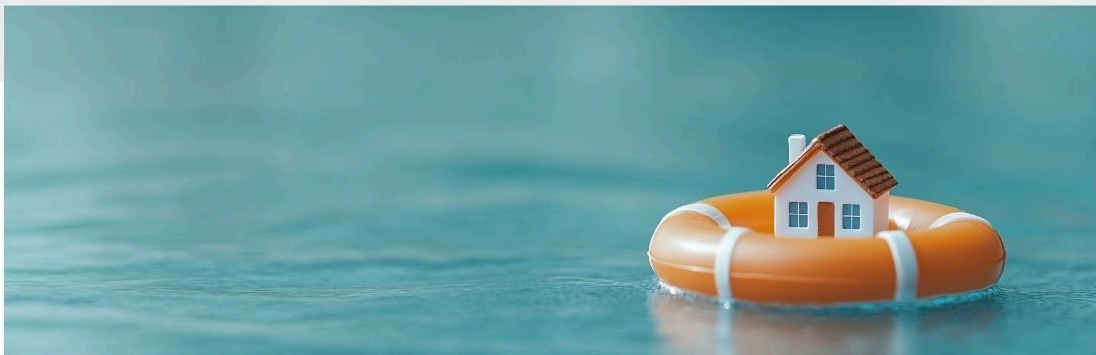
Hi ,

Housing has been a key theme of the election, so new policies are likely no matter who wins. Here's what else is making headlines in finance, property and the economy.

- RBA reveals positive mortgage data
- Inflation keeps trending down
- Investors weathering cash flow storm
- Building cost growth hits 15-year low

Read more below.

MOST HOME LOAN CUSTOMERS COULD WITHSTAND A FINANCIAL DOWNTURN: RBA



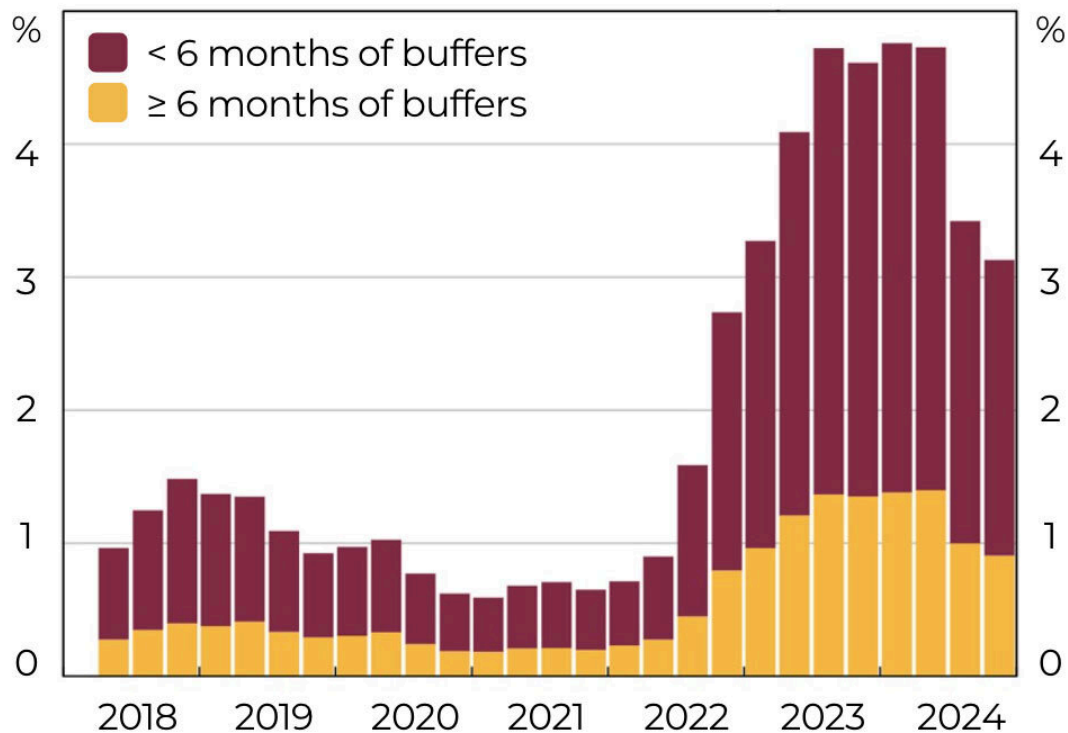
The Reserve Bank of Australia (RBA) has found *"the vast majority of borrowers would remain able to service their debt under a range of plausible economic scenarios"*, according to the central bank's latest Financial Stability Review.

Crucially, about 97% of borrowers have positive cash flow, which means they're able to meet their mortgage commitments and potentially get ahead on their mortgage.

Furthermore, less than 1% of borrowers are currently in negative equity (i.e. their property is worth less than their outstanding mortgage), which is *"a meaningful improvement"* from before the pandemic.

BORROWERS WITH CASH FLOW SHORTFALL

Estimated share of variable-rate owner-occupier borrowers



"Large liquidity and equity buffers would enable most households to navigate a period of higher-than-expected inflation and interest rates or a significant deterioration in the labour market," the RBA said.

"Even when faced with a severe 30% decline in housing prices, around 9 in 10 mortgagors would still have positive equity. These borrowers could sell their home – albeit a disruptive and last resort solution – for at least the outstanding balance of their loan if faced with severe stress."

Everyone has a unique scenario, which is why it's important to talk to an expert about your specific situation. If you're struggling to meet your repayments, your mortgage broker and lender can help.

INFLATION REMAINS WITHIN RBA'S TARGET RANGE

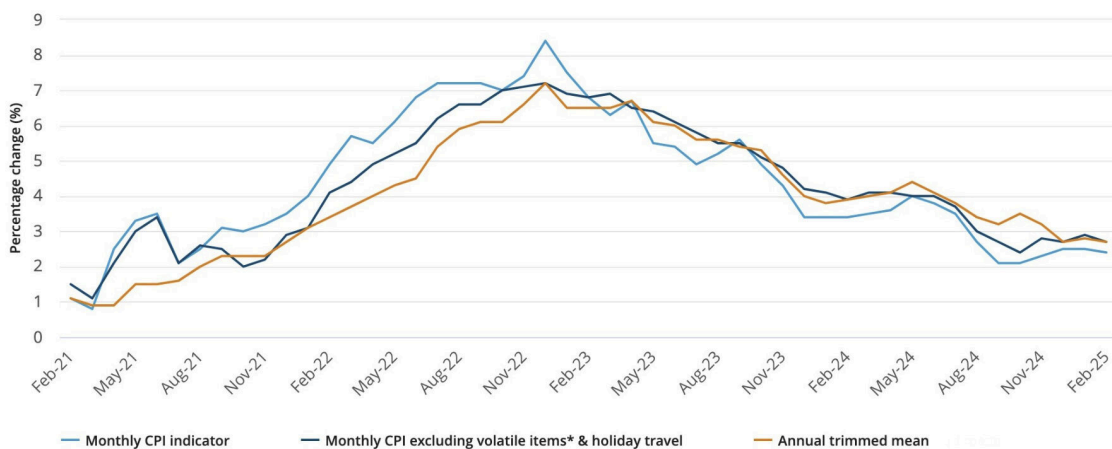


The latest inflation data, which were recorded before the USA's recent series of tariff announcements, show further progress in the battle against inflation, making future interest rate cuts more likely.

The annual headline inflation rate fell from 2.5% in January to 2.4% in February, according to the Australian Bureau of Statistics, which was the seventh consecutive month it had been within the Reserve Bank of Australia's (RBA) target range of 2-3%.

Also, the annual trimmed mean inflation rate (which the RBA regards as more reliable, because it excludes items with wild price swings from inflation calculations) fell from 2.8% in January to 2.7% in February, which was the third consecutive month it had been within the target range.

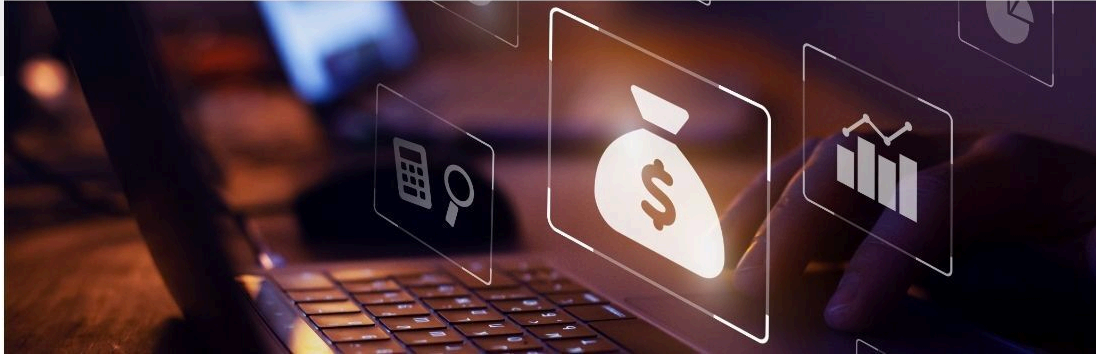
ALL GROUPS MONTHLY CPI INDICATOR, AUSTRALIA, ANNUAL MOVEMENT (%)



The RBA has kept interest rates quite high over the past three years, in order to reduce demand from the economy and put downward pressure on inflation.

If the RBA believes inflation is now under control, it may consider reducing the cash rate at its next monetary policy meeting in May, which would prompt lenders to reduce their mortgage rates. That said, the RBA may place even greater weight on the global instability caused by the tariff issue when deciding whether to change the cash rate.

TWO-THIRDS OF PROPERTY INVESTORS ARE NEGATIVELY GEARED



Surveys of property investors have confirmed that although investing can be a fantastic way to build long-term wealth, investors need to be prepared to weather periods of negative cash flow, especially in the early years.

The Property Investment Professionals of Australia (PIPA) found that 65% of the investors they surveyed were negatively geared in 2024, up from 57% in 2023.

PIPA chair Nicola McDougall said the results confirmed that being a property investor involves both upsides as well as challenges.

"Interest rates remain significantly higher than they were a few years ago and, while rents have risen, they are a drop in the ocean compared to higher lending costs," she said.

If you're a property investor, here are five tips for managing your financial position:

1. Build a cash buffer to cover periods of negative cash flow
2. Factor in rising interest rates when budgeting future costs
3. Work with an accountant to maximise your tax deductions
4. Review your loan on a regular basis to ensure it's still competitive
5. Speak with a mortgage broker to explore refinancing or restructuring options

If you're thinking about buying an investment property or ensuring an existing investment loan is structured correctly, I can help.

LET'S TALK PROPERTY INVESTMENT

HOMEBUILDING COST GROWTH FALLS TO 15-YEAR LOW



Residential construction costs rose just 0.4% in the March quarter, which was the lowest quarterly increase since 2010, according to the Cordell Construction Cost Index. As a result, annual cost growth fell from 4.0% in the December quarter to 3.4% in the March quarter.

However, building costs have risen 31.3% since the start of the pandemic in March 2020, so this slowdown in price growth is coming off a high base.

Builders are struggling to cope with higher supply costs and a shortage of skilled tradespeople. That said, there is plenty of homebuilding activity taking place around the country. Multinational construction group RLB reported there were 487 residential construction cranes operating during the first quarter of 2025. While this was 9.8% lower than the 540 residential cranes from the year before, it was still high by historical standards.

Please contact me if you're thinking about building a home. I can help you secure a pre-approval for a construction loan, which will give you clarity around your budget. I can also explain how construction loans work, so you can begin the process with confidence.

[LET'S CHAT ABOUT YOUR CONSTRUCTION LOAN OPTIONS](#)

Please contact me if you want to buy a home, build a home, purchase an investment property or refinance an existing loan.

[BOOK A FREE APPOINTMENT](#)

Kind Regards,
Newsletters Account Host
newsletters@activepipe.com



Contact Us

Finance Account Host

[View Website](#)

Disclaimer: The information provided above is on the understanding that it is for illustrative and discussion purposes only. Any party seeking to rely on its content or otherwise should make their own enquiries and research to ensure its relevance to your specific personal and business requirements and circumstances.

This email was sent to .
Don't want to receive these anymore? [Unsubscribe here](#).
Powered by [ActivePipe](#), a [MoxiWorks](#) Product