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When will Australian property bubble burst. NAB warning of apartment glut, 311,000 Aussies with nil home loan equity, Australian housing bubble risk.

NAB WARNING APARTMENT GLUT 311,000 NO HOME EQUITY



The National Australia Bank (NAB) chief executive is warning of an apartment glut at the Australian government's banking inquiry this week.

When will the Australian property bubble burst? In addition to the Australian 230,000 apartment glut and oversupply, another survey by Roy Morgan Research revealed that approximately 311,000 indebted Australians had no equity in their properties (negative home loan equity), with many owing more to the bank than their homes are worth, adding further fuel at the Australian housing bubble risk.

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"With over 300,000 home borrowers having no real equity in their homes, this represents a considerable risk, particularly if home values fall or households are hit by unemployment," Roy Morgan's director of industry communications, Norman Morris, said.

NAB's chief executive, Andrew Thorburn re-enforced the banks strict lending policy for off the plan apartments is restricting foreign property investors from obtaining finance.

<https://mortgageeproperty.com/nab-warning-apartment-glut-311,000-no-home-equity.html>

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NAB cautions on apartment glut

National Australia Bank has highlighted the risk of an apartment glut in parts of inner Sydney and Melbourne, as a separate survey suggested hundreds of thousands of indebted Australians had no equity in their properties. Under questioning about the risks of a housing bubble at the government's banking inquiry, NAB chief executive Andrew Thorburn pointed to a tougher stance being taken by the bank in lending for new apartments, amid a surge in apartment construction. While he denied property was overpriced, Mr Thorburn signalled the bank remained wary towards the apartment market in some inner-city areas, where it is requiring borrowers stump up a 40 per cent deposit. The comments came as Roy Morgan Research on Thursday said 311,000 homeowners nationally had no equity in their properties, with mining states the most exposed.

<http://www.smh.com.au/business/banking-and-finance/nab-cautions-on-apartment-glut-20161006-grwmym.html>

Australia six weeks from a housing collapse, US report warns

AUSTRALIA has roughly "six weeks" to prevent a housing market collapse caused by the banks' crackdown on foreign investor lending, a US defence think tank has warned. In an article titled "Australia Risks Strategic Setback From a Significant Foreign Direct Investment Drop Due to Changes in Bank Policies", the Washington-based International Strategic Studies Association warns that Australia "may be entering a significant phase of its economic-strategic development". It argues "changes in local banking policies" could see foreign direct investment in the property sector "decline markedly". "This will profoundly impact the Australian government's ability to fund major programs in the defence and civil sectors," it said.

<http://www.news.com.au/finance/economy/australian-economy/australia-six-weeks-from-a-housing-collapse-us-report-warns/news-story/866d2fdee41b1227ce654f66ed8d9837>