

# When pain persists, they come knocking

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Never seen it so bad... Franco Raco, Allen Diazli and Andrew Bzadough, who repossess homes around Bankstown when people stop paying their mortgages. Photo: Ben Rushton

Jonathan Dart  
and Jessica Irvine

ALLEN DIAZLI has seen homeowners come and go over the past 17 years in the mortgage belt of Sydney.

He's one of the Sheriff's men in Bankstown, the officers responsible for carrying out repossession orders for banks and mortgage brokers.

But Mr Diazli has never seen the belt tighten by so many notches in such a short time for so many people.

Since January, he and his colleagues have been repossessing an average 15 homes a week, more than three



times the number they were doing three years ago. "This is crazy," he says. "We don't need any statistics to know how bad mortgage stress is for people. We've got a whiteboard that we fill out and it's been chock-a-block for months."

The Reserve Bank warned yesterday it expects more people

## Housing dream not reality

The average first-home buyer can afford only one-in-four Sydney properties, and the Reserve Bank blames governments for not supplying enough land. **Page 2**

to fall behind on their mortgage repayments as the full impact of rate rises hits home.

"Looking forward, an increase in arrears is likely," it said in its twice-yearly review of financial stability. The bank estimates there are already 40,000 borrowers who are late with their payments by more than a

month. Of these, 15,000 are more than 90 days overdue.

The bank also warned borrowers were now at a higher risk of losing their homes should they fall behind on repayments. The proportion of NSW houses subject to repossession applications had doubled since the mid 1990s. This was partly because more people had loans with non-traditional lenders who were more likely to foreclose quickly.

Repossessions had risen in areas such as western Sydney where borrowers had taken out large mortgages and house prices had fallen below the value of the loan. These borrowers were unable to clear their debts by

selling their home and more likely to face a repossession.

Overall, the Reserve said Australian households and businesses were better placed than ones in other countries to weather the wildest financial storm since the early 1990s.

Households were benefitting from low unemployment, lower taxes and rising real disposable incomes, but this belied significant "pockets of stress".

Singling out greater western Sydney as one such pocket, the bank said mortgage arrears here were 2 1/2 times greater than those in the rest of NSW.

The steep rise in interest rates. Continued Page 2