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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Housing finance eases back in January 2016

The monthly volume of new home loans to owner occupiers, excluding refinancing, retreated modestly in January according to latest ABS figures, said the Housing Industry Association, the voice of the residential building industry.

“The total number of loans to owner occupiers (excl. refinancing) declined by 3.6 per cent in January. This was below the recent peak recorded last September, although we still consider the level of lending activity in January to be quite healthy,” said HIA Economist, Geordan Murray.

“Lending to owner occupiers for construction and purchase of new homes contributed to the overall decline. Loans to households purchasing and building new homes fell 2.9 per cent from the level in December, however lending in January 2016 was up by 6.7 per cent compared with January 2015.”

“Investor lending continued to ease back after the strong growth in that part of the market over the last few years. The decline in the total value of lending to investors was driven by a fall in lending to those purchasing established dwellings. In the three months to January lending in this part of the market was down by around 13 per cent compared with a year earlier. On a more positive note, lending to investors purchasing new dwellings was 5.5 per cent higher over the year.”

Compared with a year earlier, the number of loans to owner occupiers building and buying new homes in the three months ending January 2016, increased most strongly in the Northern Territory (+67.5 per cent), followed by New South Wales (+17.1 per cent), and Victoria (+9.6 per cent). New home lending volumes also rose in the Australian Capital Territory (+6.5 per cent), South Australia (+4.9 per cent), and Queensland (+4.4 per cent). Lending volumes fell in Tasmania (-27.9 per cent) and Western Australia (-19.2 per cent).

Lending for Construction and Purchase of New Dwellings - Australia

Source: ABS Housing Finance; HIA



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