



### Widespread Growth in Lending for New Homes

“Remarkably, all eight state and territories experienced growth in owner occupier loans for new dwellings during June 2017. The number of loans for new homes made to owner occupiers rose by 3.6 per cent during June 2017 –the fourth month in a row to see expansion,” remarked HIA’s Senior Economist, Shane Garrett.

“New dwelling starts reached an all-time record high during 2016 with activity likely to see a modest reduction over the remaining years of this decade.

“The lending figures out today support HIA’s forecasts for a relatively modest correction in new home building.

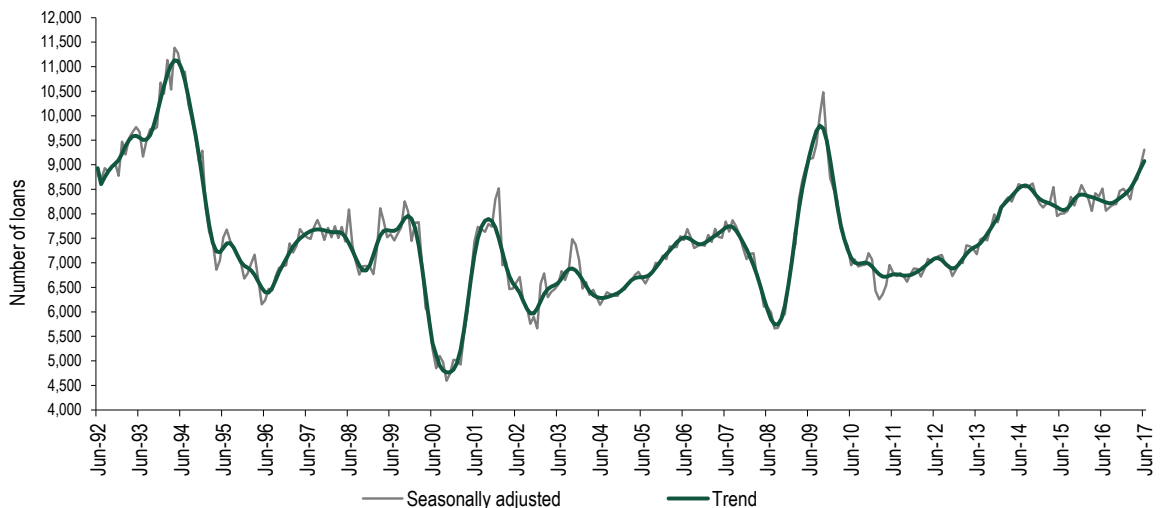
“Overall, we anticipate that new home starts will decline over the next two years by about 24 per cent from their peak by 2019 with activity bottoming out at around 175,000 starts per year – still a very healthy level of activity.

“The apartment side of the market is likely to see the largest reduction in building activity. This is partly the result of heavier restrictions on foreign investor participation in the market which risk depriving rental markets of sufficient supply,” concluded Shane Garrett.

Compared with a year ago, the number of loans to owner occupiers for the construction or purchase of new dwellings increased in all eight states and territories during June 2017. The largest increase was in Tasmania (+38.0 per cent) followed by Queensland (+29.5 per cent) and the ACT (+23.8 per cent). There were also increases in Western Australia (+7.9 per cent), the Northern Territory (+7.8 per cent), New South Wales (+5.8 per cent), South Australia (+4.6 per cent) and Victoria (+3.5 per cent).

Lending for Construction and Purchase of New Dwellings - Australia

Source: ABS 5609.1



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