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MEDIA RELEASE

Housing Finance Continues to Climb

“The rejuvenation in the housing market has continued following the three interest rate cuts this year with lending for the purchase of a home rising 7.4 per cent for the September quarter,” stated HIA Economist, Angela Lillicrap.

The ABS released the Lending to Households and Businesses data for September 2019 today. The publication presents statistics on housing finance commitments including for the purchase or construction of new dwellings.

“The pick-up in home lending shows that the market reached the bottom of this cycle in April 2019, during the Federal Election campaign,” added Ms Lillicrap.

“Despite the improvement, lending remains 4.3 per cent lower than at the same time in 2018.

“Lending to households building and purchasing new homes expanded by 1.9 per cent in the September quarter while lending for established dwellings climbed by a huge 9.2 per cent for the quarter.

“First home buyers continue to be an important segment of the market, accounting for just under one third of all owner-occupier loans. The number of first home buyers increased by 7.1 per cent for the September 2019 quarter and are 4.8 per cent higher than the same quarter last year.

“Stimulus measures, including interest rate cuts, tax cuts and the easing of APRA’s lending restrictions are having a positive impact on the housing market. The governments First Home Loan Deposit Scheme will also assist eligible first home buyers enter the market from January.

“This result is consistent with other leading indicators that show that the decline in new home sales activity that has been evident for more than a year, has started to ease. There are encouraging signs that the market is stabilising at relatively strong levels,” concluded Ms Lillicrap.

New Home Lending - Number of Loans

Source: ABS Housing Finance



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