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FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Housing Lending Stronger than Anticipated

“Home lending figures released by the ABS today show the number of loans to households building new homes grew modestly in May,” said HIA’s Senior Economist, Geordan Murray.

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

“Overall housing finance commitments for construction and purchase of new homes grew in the month of May by a modest 2.3 per cent but remain 11.7 per cent lower than the same month last year,” added Mr Murray.

“The credit squeeze that emerged from mid-2018 has seen lending for the construction of new homes contract sharply. This month’s data suggests that these conditions have started to ease.

“The improvement in lending in May is stronger than we had anticipated and reflects an increased level of borrowing from first home buyers.

“This is the strongest month of borrowing by first home buyers this year.

“There has been an improvement in housing market sentiment in the weeks following the federal election. When combined with the RBA’s rate cuts and easing of APRA restrictions, there is cause to be optimistic that lending activity could improve as the year progresses,” concluded Mr Murray.

Lending for Construction and Purchase of New Dwellings - Australia

Source: ABS 5609.1



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