



the voice of the industry

FOR IMMEDIATE RELEASE

6 May 2020

MEDIA RELEASE

## Finance for New Homes Strong Before COVID-19

“The number of loans to owner occupiers for the purchase or construction of a new home rose by 3.1 per cent in the March 2020 quarter compared to the December quarter and was 13.2 per cent higher than the same time last year,” commented HIA Chief Economist, Tim Reardon.

The ABS today released monthly data tracking lending activity including lending within the residential property market – for both new and existing homes purchased by owner occupiers, investors and businesses.

“These results, along with other leading indicators such as new home sales and building approvals data, continue to confirm that the housing market had reached a turning point mid-way through 2019, providing further evidence that the housing market, pre-COVID-19, was heading into 2020 looking upwards,” said Mr Reardon.

“First home buyers have continued to be active in the market, with the number of loans increasing by 3.6 per cent during the March 2020 quarter, to be 20.6 per cent higher than the March 2019 quarter.

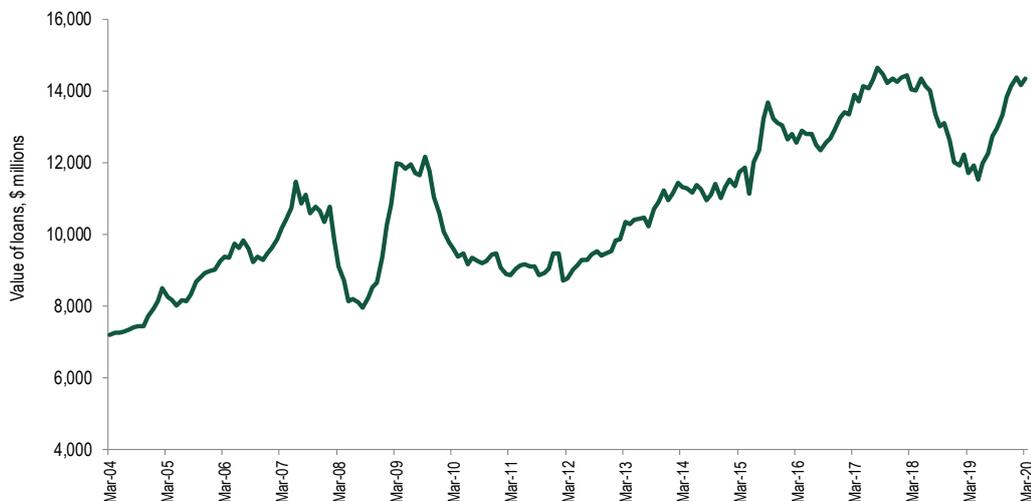
“First home buyers accounted for 37 per cent of the market, the highest proportion since November 2009.

“Investor lending was down slightly during the March quarter (down by 1.3 per cent) compared to the December quarter but this result is still 6.5 per cent higher than same time last year.

“These results show that up to the end of March, we were looking at solid home building activity across most regions in 2020,” concluded Mr Reardon.

Across the states, the value of loans to owner-occupiers during the March quarter 2020 was higher than the December 2019 quarter in Western Australia (5.7 per cent), Tasmania (5.0 per cent), The Northern Territory (4.6 per cent), New South Wales (4.1 per cent), Victoria (3.8 per cent), Queensland (3.4 per cent) and the Australian Capital Territory (1.0 per cent). Lending declined over this period by 1.1 per cent in South Australia.

Value of loans to Owner occupiers  
Source: ABS



### For further information please contact:

Tim Reardon, Chief Economist  
Graham Wolfe, Managing Director

0423 141 031  
0419 751 188

