

MEDIA RELEASE



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Record Level of Lending for New Home Building in October

The number of loans for the construction of a new dwelling increased by a further 11.5 per cent in the month of October 2020

“This is the highest result since the Australian Bureau of Statistics (ABS) began reporting this data in 2002,” stated HIA’s Economist, Angela Lillicrap.

“HomeBuilder was the catalyst for improving consumer confidence in the housing market. The strength of housing finance data is also due to several factors including low interest rates,” added Ms Lillicrap.

“The number of construction loans to owner occupiers in the three months to October was 62.3 per cent higher than the same time last year.

“The number of loans for the purchase of land in the three months to October 2020 has also doubled compared to the same period in 2019.

“This improvement is broad-based and can be seen to varying degrees across all states and territories.

“We do not expect this to be the peak of the cycle. HIA New Home Sales data suggests that detached housing finance approvals will continue to be strong over the coming months. The extension of HomeBuilder will see strong results carry over into 2021.

“It was also a very strong month for first home buyers. The number of loans to first home buyers reached the highest number in over a decade, accounting for 42 per cent of the total number of owner occupier loans issued in October.

“It is evident in today’s data that HomeBuilder has been successful in creating work on the ground in the December quarter and will protect jobs across the economy,” concluded Ms Lillicrap.

Across the states, the number of loans to owner-occupiers for the construction of a new dwelling in the three months to October 2020 compared to the same time last year increased the most in Queensland (+106.0 per cent) followed by Western Australia (+94.1 per cent) and the Northern Territory (+91.2 per cent). Victoria (+49.8 per cent), South Australia (+45.4 per cent), New South Wales (+31.9 per cent) and Tasmania (+28.3 per cent) also recorded strong results. The Australian Capital Territory recorded an increase of 16.1 per cent during this period.

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