

MEDIA RELEASE



4 May 2021

First home buyers help drive housing market

“First home buyers accounted for 41 per cent of new loans issued over the past six months, the highest for more than a decade,” stated HIA’s Senior Economist, Nick Ward.

The ABS released its data on lending indicators today for the month of March.

“First home buyers are driving a wave of activity due to lower interest rates, government assistance and a reprieve in house price growth in 2020,” added Mr Ward.

“First home buyer activity in the market remains at its highest level since the stimulus associated with the GFC.

“HomeBuilder wasn’t targeted at first home buyers however, the eligibility requirements of the grant meant that this cohort were significant beneficiaries of the program. They are also taking advantage of other stimulus measures such as the First Home Loan Deposit Scheme and state government incentives.

“Across the rest of the market, the number of loans for the construction or purchase of a new home was 109.9 per cent higher in the three months to March 2021 than in the previous year.

“The data for March suggests that the surge due to HomeBuilder is starting to ease from record levels.

“Lending for renovations also rose reaching its highest level since 2009. The value of loans for alterations and additions in the three months to March 2021 is 54.5 per cent higher than the same time last year.

“Today’s data provides further evidence of the exceptionally strong volume of home building activity to occur in 2021,” concluded Mr Ward.

Across the states, the number of loans for the construction of a new dwelling in the three months to March 2021 compared to the same time last year has:

- More than tripled in Western Australia (+261.6 per cent) and Tasmania (+202.7 per cent),
- More than doubled in Victoria (+112.1 per cent), Queensland (+176.4 per cent), South Australia (+169.7 per cent), Northern Territory (+177.0 per cent) and the Australian Capital Territory (+130.2 per cent),
- Almost doubled in New South Wales (+79.1 per cent).

For further information please contact:

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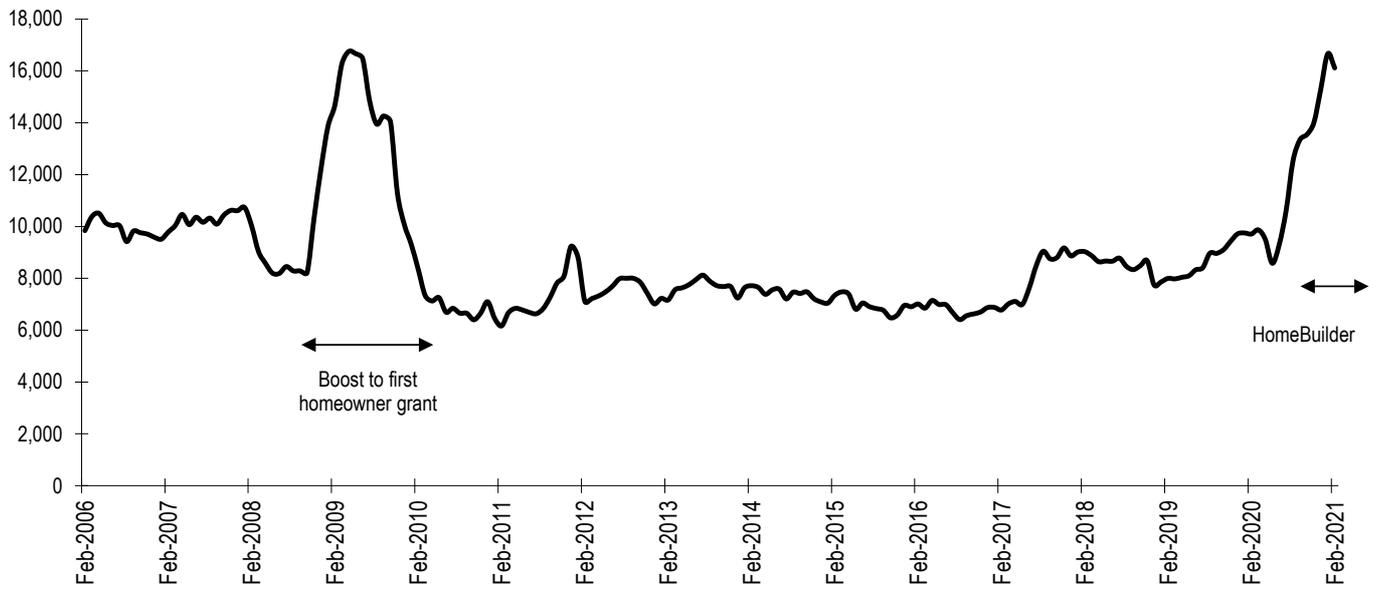
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NEW HOUSING LOANS MADE TO FIRST HOMEBUYERS, AUSTRALIA



Source: ABS and HIA