

# MEDIA RELEASE



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## Loans for New Home Building Continues to Set Records

“As foreshadowed by HIA’s New Home Sales data, the number of loans for the construction of a new dwelling rose in December, for the sixth consecutive month, to reach a new record,” stated HIA’s Economist, Angela Lillicrap.

“This is the highest monthly result since the Australian Bureau of Statistics (ABS) began reporting this data in 2002 surpassing the record set in September, October and again in November.

“Since the announcement of HomeBuilder in June 2020, confidence in the housing market has continued to thrive, aided by low interest rates and house price growth.

“The number of construction loans to owner occupiers in the December quarter has doubled since the same time last year. This leaves the number of loans in 2020 higher than in 2019 by 36.3 per cent.

“The number of loans for the purchase of land in the December 2020 quarter is also up by 86.3 per cent compared to the same period in 2019.

“First home buyers are extremely active in the market, taking advantage of HomeBuilder and various other federal and state incentives. The number of loans to first home buyers reached the highest number since 2009, when post-GFC housing stimulus stimulated housing activity.

“First home buyers accounted for 43 per cent of the total number of owner occupier loans issued in December.

“Investors have also returned to the market, with the value of lending to investors up by 14.1 per cent in the December quarter 2020 compared to the September quarter 2020. This was driven by loans for the purchase of existing dwellings as investors are not eligible for the HomeBuilder grant.

“It is evident in today’s data that HomeBuilder has been successful in creating work on the ground and supporting employment in the broader economy,” concluded Ms Lillicrap.

Across the states, the number of loans to owner-occupiers for the construction of a new dwelling in the December 2020 quarter compared to the same time last year has more than doubled in Western Australia (+183.0 per cent), the Northern Territory (+149.2 per cent), and Queensland (+143.2 per cent). Victoria (+79.6 per cent), South Australia (+69.9 per cent), Tasmania (+69.2 per cent) and New South Wales (+60.2 per cent) also recorded strong results. The Australian Capital Territory recorded an increase of 43.8 per cent during this period.

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