

# MEDIA RELEASE



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## Loans for New Home Building Decline in April

“The number of loans for the construction of a new dwelling fell in April for the second consecutive month,” stated HIA Economist, Angela Lillicrap.

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

“This is the first ABS data to show that we are past the peak in the surge in construction due to HomeBuilder,” added Ms Lillicrap.

“The cooling in construction loans is consistent across all the states and territories.

“First home buyer activity has also eased back from its elevated levels, declining by 1.9 per cent in April.

“Until recently, first home buyers have been the driving force in the market as they took advantage of low interest rates and various government incentives.

“Lending for renovations continues to be strong. The value of loans for alterations and additions is up by 66.7 per cent in the three months to April 2021 compared to the same time last year.

“Households have diverted funds that would have typically been spent on overseas travel into buying a new home or improving their existing one.

“The number of loans to owner-occupiers for established dwellings continues to increase, reaching the highest level since 2007. This indicates that confidence in the housing market more broadly is strong.

“Low interest rates and strong house price growth will continue to support demand for new housing,” 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 April 2021 compared to the same time last year has:

- More than tripled in Western Australia (+230.5 per cent).
- Almost tripled in South Australia (+198.2 per cent) and Tasmania (+185.8 per cent).
- More than doubled in Queensland (+145.0 per cent), the Northern Territory (+132.8 per cent) and the Australian Capital Territory (+127.9 per cent).
- Doubled in Victoria (+99.4 per cent).
- Almost doubled in New South Wales (+73.6 per cent).

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## Lending for Construction and Purchase of New Dwellings - Australia

Source: ABS 5609.1

