

# MEDIA RELEASE



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## Loans for new home building remain elevated but below peak

“The number of loans for the construction of a new dwelling continued to fall in May, but remain elevated compared to pre-COVID levels,” stated HIA Economist, Angela Lillicrap.

The ABS released the Lending to Households and Businesses data for May 2021 today. The publication presents statistics on housing finance commitments including for the purchase or construction of new dwellings.

“Confidence in the broader housing market is strong, supported by low interest rates and ongoing house price growth,” added Ms Lillicrap.

“This has seen the number of loans for established homes increase by 10.3 per cent in the three months to May, reaching the third highest level since the series began in 2002.

“The strength of the broader housing market is also drawing investors back to the market after being largely absent in 2020.

“First home buyer activity also remains elevated, up by 63.7 per cent in the three months to May 2021 compared to the same time last year.

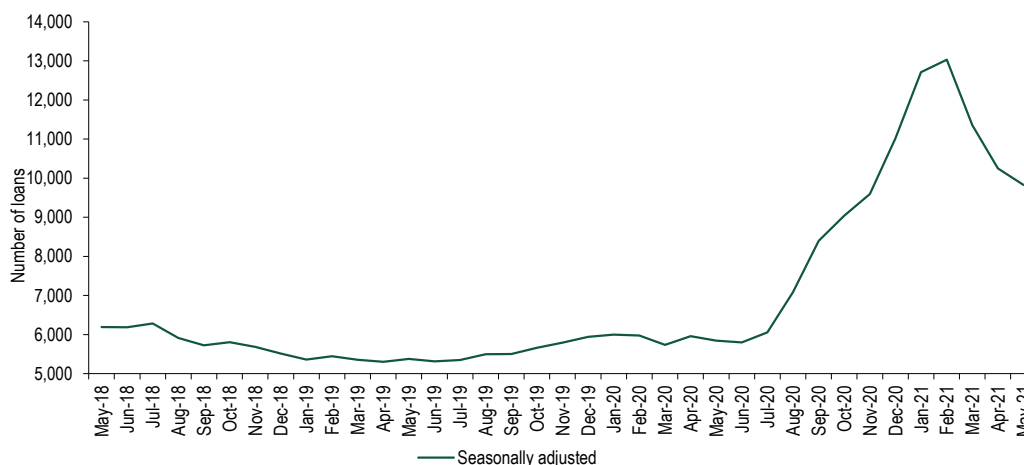
“Low interest rates and strong house price growth will continue to support demand housing over the coming months,” concluded Ms Lillicrap.

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

- Almost tripled in South Australia (+181.6 per cent) and Western Australia (+175.3 per cent).
- More than doubled in Tasmania (+159.6 per cent) and the ACT (+121.7 per cent).
- Doubled in Queensland (+106.5 per cent).
- Almost doubled in Victoria (+82.4 per cent).
- Increased strongly in New South Wales (+65.9 per cent) and the NT (+65.8 per cent).

Lending for Construction and Purchase of New Dwellings - Australia

Source: ABS 5609.1



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