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CHRISTMAS GIFT FOR HOUSING AS LENDING FINISHES IN 2020 ON A RECORD HIGH

The December 2020 Lending to Households and Business figures released today by the Australian Bureau of Statistics show that the value of new loan commitments for housing grew for the seventh consecutive month and reached a record high, according to the Real Estate Institute of Australia (REIA).

“The seasonally adjusted value of new loan commitments for owner occupier housing rose 8.6 per cent in December and 31.2 per cent for the year. Rises were seen in six of the states and territories except South Australia and the Northern Territory, with Victorian commitments increasing by 20.1 per cent”, said Adrian Kelly, President of the Real Estate Institute of Australia.

“Loans to investors also increased for the seventh consecutive month with the value of loan commitments for investor housing increasing by 8.2 per cent for the month and 10.9 per cent for the year on the back of improving rental market conditions across most capital cities even though rent freezes for existing tenants remain in place in some states and territories.

“The number of owner occupier first home buyer loan commitments increased by 9.3 per cent for the month and is 56.6 per cent higher than twelve months ago. This is the highest level since June 2009, when the Commonwealth Government’s response to the GFC included the temporary tripling of the first home owner grant.

“The December lending figures reaffirm the resilience of the housing market throughout 2020 and point to a buoyant outlook with investors, first home buyers and owner occupiers all active in the market.

“The figures are of no surprise to us as they support what our members were experiencing “on the ground” during 2020 which were completely at odds to some of the negative forecasting that was taking place,” Mr Kelly concluded.

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 95% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit www.reia.asn.au