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## GROWTH IN HOUSING FINANCE APPROVALS RESUMES

The March 2021 Lending to Households and Business figures released today by the Australian Bureau of Statistics show that the value of new loan commitments for housing rose again after a fall in February which came after eight consecutive months of growth, according to the Real Estate Institute of Australia (REIA).

The ABS figures show the seasonally adjusted value of new loan commitments for owner occupier housing increased by 5.5 per cent in March and was up 55.3 per cent for the twelve months.

REIA President, Adrian Kelly said the value of new loan commitments for the construction of new dwellings, however, fell for the first time since June 2020.

“Despite the March fall of 14.5 per cent it remains at historically high levels at 123.6 per cent higher than twelve months ago.

“Rises in new loan commitments for owner occupier housing were seen in New South Wales, Victoria, Queensland and the Australian Capital Territory with New South Wales having the largest increase of 8.2 per cent. The largest fall of 6.5 per cent was in Western Australia.

“After a 20-year low, loans to investors increased for the tenth consecutive month with the value of loan commitments for investor housing increasing by 12.7 per cent for the month and 54.3 per cent for the year on the back of improving rental market conditions. Increases were seen in all states and territories with the exception of the Australian Capital Territory.

“The value of new loan commitments to investors rose across all states except the Australian Capital Territory. The value of new loan commitments to investors rose by 19.0 per cent in Queensland 13.7 per cent in Victoria and 13.0 per cent in New South Wales.

“Following January’s highest level since May 2009, the number of owner occupier first home buyer loan commitments fell for the second consecutive month. The March fall of 3.1 per cent is still 58.3 per cent higher than twelve months earlier. Owner occupier first home buyer loan commitments accounted for 33.7 per cent of all owner occupier commitments excluding refinancing, down from January’s 36.5 per cent.”

“The increase in housing finance approvals should be offset by an increase in supply with anecdotal information from agents indicating an unseasonal increase in listing enquiries leading to an easing of pressure on prices,” concluded Mr Kelly.

## ENDS

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