

Media Release



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NEW LOAN COMMITMENTS INCREASE TO \$31.5 BILLION AS MARKET CONTINUES TO STRENGTHEN

Real Estate Institute of Australia (REIA) has said the Australian Bureau of Statistics (ABS) show activity has increased across the board with growth in lending recorded for first home buyers, investors and owner occupiers.

The figures show the value of new loan commitments for housing rose 6.3 per cent to \$31.4 billion in November 2021 (seasonally adjusted) following three months of falls.

REIA President, Hayden Groves said the ABS figures show the value of new loan commitments for owner-occupier housing rebounded 7.6 per cent in November.

“Average loan sizes reached new highs in all states and territories except Western Australia while activity in the investor market was also strong.

“The average loan size for owner-occupier dwellings – which includes construction and new and existing dwellings – rose to an all-time high of \$596,000.

“This indicates that housing affordability in some regions could still be a key issue facing Australians, however, the number of new loan commitments to owner-occupier first home buyers rose slightly at 1.9 per cent in November 2021 (seasonally adjusted).”

Mr Groves said investor loans now equate for a third of all loans.

“The value of new loan commitments to investors rose 3.8 per cent reaching a new all-time high of \$10.1 billion. Investor lending has grown for the past 13 months and accounted for around one third of the value of new housing loan commitments in November 2021.

“Investors are back in force in the market proving once more the resilience of Australia’s private property markets as Australia and the world rides the current wave of Omicron.

“It is our hope that 2022 should see a more stable market in line with an expected increase in stock levels for first home buyers, owner occupiers and investors alike.”

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% 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.com.au