



PR & Media Samantha Elley  
16 Thesiger Court, Deakin ACT 2600  
Phone 0413 986 068 | Fax 02 6285 2444  
www.reia.com.au | [media@reia.com.au](mailto:media@reia.com.au)

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### **April Housing Finance Respond to COVID Restrictions**

The April 2020 Lending to Households and Business figures released today by the Australian Bureau of Statistics show the value of loans for housing fell by 5.0 per cent in seasonally adjusted terms with the decrease being driven by owner occupiers purchase of existing dwellings, according to the Real Estate Institute of Australia (REIA).

“The value of new loan commitments for both owner occupiers and investors displayed the largest fall in twelve months and the purchase of existing dwellings experienced the largest fall in over a decade,” said Mr Adrian Kelly, President of the REIA.

“Not surprisingly ABS reports that lending institutions have indicated that COVID-19 impacts were being seen through both reduced demand from borrowers and tighter lending criteria. What is more sobering is that ABS says COVID-19 operational impacts experienced by some lending institutions resulted in a backlog of March housing loan applications being processed in April, which moderated the April fall in loan commitments.”

“The number of owner occupier first home buyer loan commitments fell by 3.8 per cent in seasonally adjusted terms but the proportion of first home buyers, as part of the total owner-occupied housing finance commitments was 36.7 per cent. Despite the fall in new commitments for first home buyers, the series is 20.2 per cent higher than the most recent low point in December 2018.”

“Feedback from agents suggests that worse is yet to come on housing finance figures as restrictions on movements throughout May and caution about the economy impact on activity in the housing market,” concluded Mr Kelly.

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**The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.**

**For further information or to speak with REIA President Adrian Kelly please contact Samantha Elley via [media@reia.com.au](mailto:media@reia.com.au) or 0413 986 068.**