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June Housing Finance Follows COVID Rollercoaster

Following the historic fall in the value of loans in May, the June 2020 Lending to Households and Business figures released today by the Australian Bureau of Statistics, show the value of new loan commitments for housing has rebounded, according to the Real Estate Institute of Australia (REIA).

“The value of new loan commitments for owner occupier housing rose 5.5 per cent in June and 8.7 per cent for the year with the majority of the rise in Queensland and New South Wales, while Victoria has declined,” said Adrian Kelly, President of the Real Estate Institute of Australia.

“The rise in housing loan commitments in June reflects the easing of COVID-19 restrictions in May on auctions and open houses, but despite the recovery in lending activity the value of housing loan commitments in June was down over 10 per cent compared to March after large falls in April and May.”

“The value of new loan commitments for investor housing rose by 8.1 per cent following the previous month’s fall of 15.6 per cent. This is, however, a fall of 6.1 per cent for the year. The June increase can be attributed largely to New South Wales which outpaced all other states.”

“The number of owner occupier first home buyer loan commitments increased by 6.2 per cent in seasonally adjusted terms with all states and territories apart from Victoria and ACT showing increases.”

“The recovery in lending is not unexpected with restrictions on movements easing throughout the month. Whilst the roller coaster in lending will continue, the low levels of supply will hold the market up,” 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 or 0413 986 068.