

HOUSING CONTINUES ITS RECORD RUN

Friday 15th January, 2021 – for immediate release

The November 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 sixth consecutive month and reached a record high, according to the Real Estate Institute of Australia (REIA).

REIA President, Adrian Kelly said the seasonally adjusted value of new loan commitments for owner occupier housing rose 5.6% in November and 23.7% for the year, with rises seen in all states and territories.

“Victorian commitments increased by an impressive 19.6% as COVID-19 restrictions were eased,” he said.

Mr Kelly said loan commitments for existing dwellings were the largest contributor to the November rise increasing by 5.9% with construction loan commitments up 5.6%. Loans for construction have increased by 75% since July following the introduction of the Government’s HomeBuilder grant in June.

“Investors are returning to the market with the value of loan commitments for investor housing increasing by 6.0% for the month and 3.9% for the year.

“The number of owner occupier first home buyer loan commitments increased by 3.1% for the month and is 42.5% higher than the beginning of 2020. This is more than 30% higher than any month since 2009, when Commonwealth Government’s response to the GFC included increases to the first home owner grant.

“The November lending figures confirm the resilience of the housing market with investors, first home buyers and owner occupiers all active in the market. With limited stock and strong demand driven by a record low interest rate outlook, the market is likely to remain buoyant for the coming 12 months defying the doomsday forecasts of last year,” concluded Mr Kelly.

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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