Investor housing loan commitments rise 13.3 per cent

Media Release

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Source: Lending indicators, May 2021

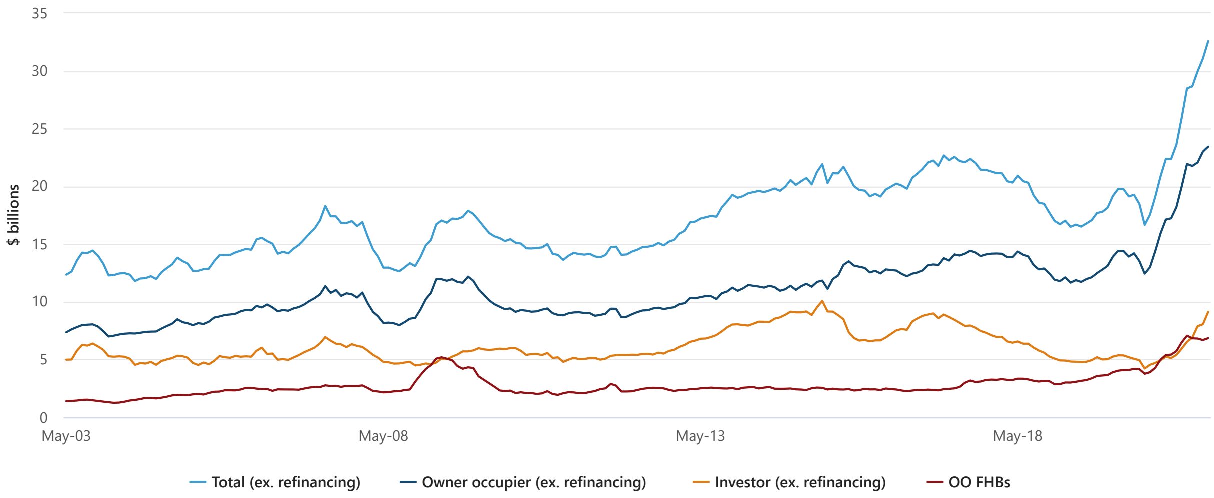
New housing loan commitments rose 4.9 per cent in May 2021 (seasonally adjusted) to a new high of $32.6 billion, driven by investor housing loan commitments, according to statistics released today by the Australian Bureau of Statistics (ABS).

ABS head of Finance and Wealth, Katherine Keenan, said: "The value of new loan commitments for investor housing rose 13.3 per cent to $9.1 billion in May 2021, which was the highest level since April 2015."

"The value of investor loan commitments rose 116 per cent in the year to May 2021, after falling to a 20 year low in May 2020."

"Investor loans equated to 28 per cent of the total value of housing loan commitments in May 2021, compared to 46 per cent in 2015. This reflects the very strong growth in owner occupier loan commitments over the last year."

Value of new loan commitments to households for housing, Australia (seasonally adjusted)



The rise in investor loan commitments was concentrated in New South Wales and Victoria which rose by 12.1 per cent and 17.4 per cent, in May 2021.

New loan commitments for owner occupiers rose 1.9 per cent to $23.4 billion, the highest level since the series began.

However, for the third consecutive month there were falls in the value of loan commitments for residential land and the construction of new dwellings.

Owner occupier first home buyer loan commitments

While the number of loan commitments to owner occupier first home buyers fell 0.8 per cent to 15,050, it remained at historically high levels.

“First home buyer activity remained at high levels in New South Wales and Victoria. However, the number of first home buyers has fallen over the last few months in Queensland, Western Australia and South Australia, following the cessation of HomeBuilder and state government initiatives, such as the Building Bonus Grant in Western Australia”, Ms Keenan said.

Personal finance loan commitments

The value of new loan commitments for fixed term personal finance rose 5.6 per cent in May 2021 (seasonally adjusted). This was driven by lending for road vehicles which rose 4.7 per cent and lending for personal investment which rose 11.6 per cent, following a 25.2 percent rise in April.

More information is available in Lending Indicators, Australia

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