

# Media Release



**MASTER BUILDERS**  
A U S T R A L I A

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## Finance For New Homes Supports Positive Short Outlook

Finance for the construction of new dwellings rose by 2.4 per cent in May, adding a fourth consecutive month to its current run of growth. Total housing finance grew by 1.3 per cent in seasonally adjusted terms over the same period.

“As a leading of indicator of future residential building activity the latest data supports Master Builders positive short term outlook for housing construction,” Matthew Pollock, Master Builders Australia’s National Manager Economics and Housing said.

“Restrictions by the regulators to curb investor activity have begun to bite, with investor’s share of new housing commitments falling by 1.4 per cent in May and adding to the fall of 2.3 per cent recorded in April,” he said.

“As intended the restriction on investors has made more room for first home buyers in the market. The number of first home buyer commitments jumped by the biggest margin in more than 12 months, recording 8,439 new commitment in May, the highest number of first home buyer commitments since October 2014, moving back above a 14 per cent share of total commitments for the first time since July 2015,” Matthew Pollock said.

“However, taking a broader outlook, with net migration of more than 200,000 people locked in to the Budget forward estimates, there is a risk that if housing finance commitments enter a softer period that new housing supply will once again fall short of demand,” he said.

“To keep pace with population growth we will need to build more than 180,000 new home per year for at least the next five years. To fill the housing shortage which currently sits at more than 100,000 homes, and to ensure that shortages in the stock do not put upward pressure on house prices, we will need to build even more new homes,” Matthew Pollock said.

“If managed well the housing boom could continue for a few more years yet and offer a much needed source of growth and jobs as we navigate through the tail end of the resources boom. But regulatory reforms are urgently needed to support a more efficient supply of new housing construction going forward,” Matthew Pollock said.

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