

Media Release



MASTER BUILDERS
A U S T R A L I A

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Financial Regulation Starts to Hit Investors

Housing finance commitments for owner occupiers and for the construction of new dwellings jumped by 2.9 per cent and 3.1 per cent respectively, while loans for investor housing fell by 3.9 per cent in July 2017 – clear evidence that tighter financial regulations imposed on domestic and foreign investors are beginning to take effect.

“These latest results also support an outlook for housing construction activity to remain high by historical standards for the next six months, and follows a positive result for national dwelling investment growth recorded in the ABS National Accounts data released earlier in the week,” Matthew Pollock, National Manager Housing said.

“But as the July Building Approvals data showed last week the performance across different property markets is mixed. In seasonally adjusted terms, housing finance commitments in NSW, Victoria and Queensland all grew in the month, by 4.3 per cent, 4.7 per cent, and 0.6 per cent respectively. On the other hand, South Australia, the NT and the ACT all recorded a fall in owner occupier housing commitments, by 0.4 per cent, 2.3 per cent and 2.4 per cent respectively,” he said.

“All summed up, total housing commitments jumped by 3.1 per cent in the month, as the big markets in NSW and Victoria continue to drive growth. That’s said, we expect activity in the apartment construction market to begin to taper looking past the next couple of months,” Matthew Pollock said.

“These latest results also support Master Builder’s expectations for a fall in foreign investor activity in the housing market of up to 30 per cent over the next couple of years,” Matthew Pollock said.

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