

Media Release



MASTER BUILDERS
A U S T R A L I A

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Finance For New Homes Fell In August

The latest housing finance data, released by the Australia Bureau of Statistics (ABS) earlier today shows the number of home loan approvals increased by 1 per cent in August.

However, loans for the construction of new dwellings fell by 2.4 per cent in August in line with residential construction data released earlier in the week which showed a fall in the number of new houses built over the 2017 financial year.

“The data supports the expectation for the number of new housing commencements to continue to slide in the coming months,” Matthew Pollock, National Manager Housing said.

“On the upside, more first home buyers entered the market, with the share of first home buyers in owner-occupied housing jumping up to 17.2 per cent – the highest share since July 2013,” he said.

“While recent constraints on domestic and international investor activity seem to be having the desired effect, there is a growing concern that given the market is cooling – construction activity and prices have moderated in recent months – that these constraints may exacerbate the slowdown,” Matthew Pollock said.

“Recent forecasts released by Master Builders estimate foreign investor activity may fall by as much as 40 per cent – taking up to 20,000 commencements per year out of the construction pipeline over the next five years,” he said.

By state, in seasonally adjusted terms, housing finance commitments:

- Rose in New South Wales (up 516, 2.9%), Western Australia (up 149, 2.6%), Victoria (up 142, 0.9%), South Australia (up 100, 2.8%) and the Australian Capital Territory (up 82, 7.3%).
- While falls were recorded in Queensland (down 37, -0.3%), Tasmania (down 8, -0.7%) and the Northern Territory (down 6, -2.0%).

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