

MEDIA RELEASE

BIG JUMP IN NEW HOME LOANS

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Western Australia saw a sharp rise in the number of new home loans at the end of last year.

New Australian Bureau of Statistics data shows the number of loans for the construction of a new home in WA rose by 26.6 per cent during the December 2025 quarter, compared to the previous 3 months.

Analysis of the new data by Master Builders Australia Chief Economist Shane Garrett revealed loans for the purchase of newly built dwellings in the state rose 12.2 per cent.

“Across Australia, First Home Buyer lending also grew briskly (+6.7 per cent) during the final quarter of 2025, spurred on by expanded federal government support,” said Mr Garrett.

MBAWA CEO Matt Moran said first home buyers in WA made up 33.3 per cent of all owner occupier loans in the December 2025 quarter.

“The Australian Government’s 5% Deposit Scheme has just added fuel to the fire and increased demand in an already overheated housing market. We must focus on supply solutions, not demand incentives.”

During the December quarter, Mr Moran said that investors accounted for 39.9 per cent of the state’s new home building construction loans (+0.22 per cent from September 2025) and 38.2 per cent of land purchase loans (+3.3 per cent in the same period).

“Additionally, loans to investors made up 41.0 per cent of lending for the purchase of an existing home in WA, and 30.8 per cent of lending for the purchase of a newly built home.”

Mr Moran said investor interest in housing remains steady and they are an important segment of the market.

“Compared to 2024, in the 12 months to December 2025 we only saw a negligible increase in the percentage of housing investor loans.”

“While supply-side solutions such as increasing productivity, land supply and growing the building and construction workforce are critical to deliver WA’s National Housing Accord target of 129,700 new homes by 2029, demand from investors is also crucial.”

“Demand from mum and dad investors helps build more homes which helps bring rents down.”

“Major private investment is also vital to getting more medium and high-density projects off the ground. More supply means more options, and this will help deal with the sharp increase in property prices.”

Any Capital Gains Tax discount reductions would decrease private investment, leading to less new builds, less rental properties and higher rents.

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About Master Builders WA

Master Builders WA services the needs of the entire building and construction industry, from residential to commercial, civil engineering businesses, principal contractors to subcontractors, manufacturers and suppliers. We assist members by providing access to a wide range of specialised services, recognition through awards, as well as advocacy to government and industry. MBAWA also serves the Western Australian public by fostering best practice work standards.

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