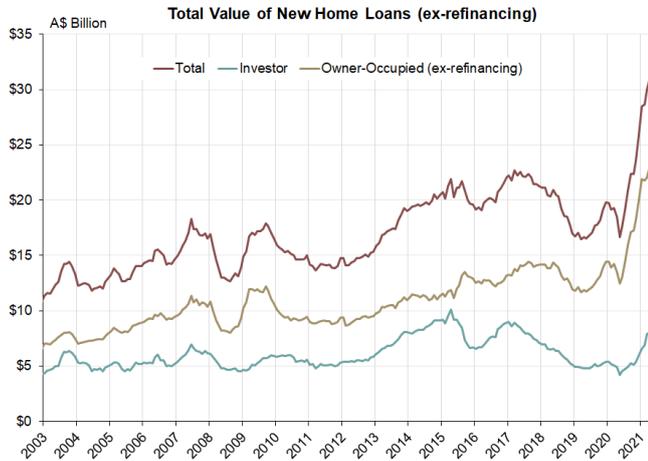


Value of New Loans

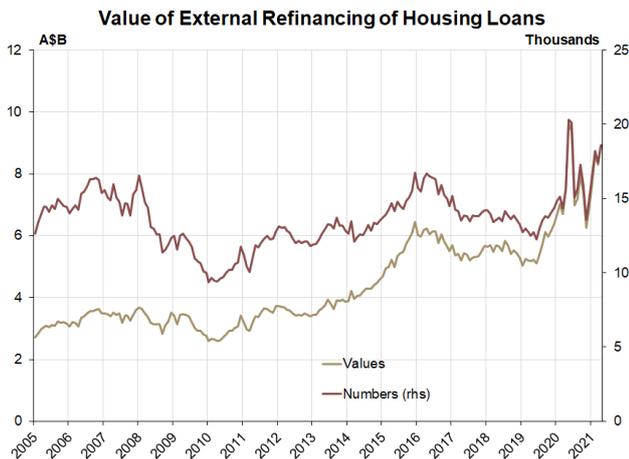
The value of new loan commitments for housing (excluding refinancing) rose by another 3.7% in April, reaching a fresh all-time high of A\$31.1b.



Both owner-occupier and investor home loans saw an increase in value in April. First home buyer loan commitments fell for the third month in a row but remained elevated.

Seasonally Adjusted Ex Refinancing, %	MoM	YoY
Owner Occupier	4.3	70.1
Investor	2.1	63.0
Total	3.7	68.2

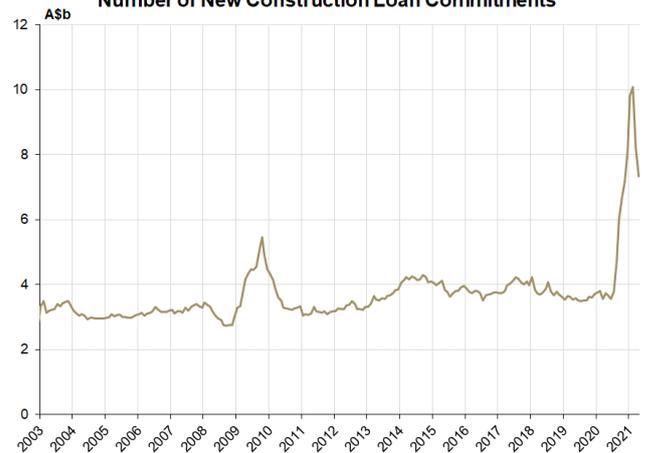
The value of home loan refinancing jumped 7.3% in April, to be 7.5% shy of the all-time high from May 2020.



Number of New Loans

The end of the HomeBuilder grant saw a 10.7% drop in construction loans, while loans for newly built homes fell 7.3%. Loans for the purchase of existing dwellings, by far the largest category, rose 3.2%.

Number of New Construction Loan Commitments



Despite the drop in April, new construction loan commitments were still almost double that of a year ago.

Seasonally Adjusted Ex Refinancing, %	MoM	YoY
Construction	-10.7	96.3
Newly Built	-7.3	31.1
Established Houses	3.2	54.9

States

The value of housing loans rose in all states, with Western Australia a notable exception. However, annual loan growth in Western Australia was the highest of all the states.

Seasonally Adjusted Ex Refinancing, %	MoM	YoY
Western Australia	-7.9	113.7
New South Wales	8.6	53.5
Victoria	8.4	62.2
Queensland	1.3	108.3
South Australia	5.3	69.6
Tasmania	0.6	49.2

Comment

The April housing finance report pointed to persistently strong demand for Australian residential real estate, though the focus is switching from construction to established dwellings. First home buyer demand came under pressure from the expiration of the homebuilding support schemes and a decline in home affordability amid elevated prices.

Investor loans continue to climb, reflecting low interest rates, rising rents and expectations of further increases in house prices. In his recent post-meeting statement, RBA Governor Philip Lowe said the RBA will be paying close attention to investor loan growth; as will APRA.

Construction loans remain elevated, however, the end of the HomeBuilder grant means further large declines can be expected in the coming months.

4 JUNE 2021

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