

media release



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Master Builders Association of Victoria
ABN: 38 004 255 654

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Victorian home loans rise to 26-month high

The number of home loans provided to Victorians climbed 1.7 per cent in February 2013 and is 3.1 per cent higher than the same time last year, according to the latest Australian Bureau of Statistics (ABS) figures release today.

“Pleasingly, the volume of Victorian home loans was at the highest point since December 2010,” said Master Builders’ Executive Director, Brian Welch.

“Once again, our state has outperformed national trends, with the number of Australian home loans just 1.5 per cent higher in February than the same time last year.

“The value of home loan approvals across Victoria climbed to nearly \$3.8 billion, which is the highest point since last June and the second-best monthly result since the global financial crisis.”

The number of first home buyers entering the state’s housing market dipped in February to be 1.7 per cent lower than January and 2.6 per cent lower than the same time last year.

“We had seen more first home buyers getting involved in the market in recent months, but this trend seems to have cooled down in February,” Mr Welch said.

“This comes despite significant cuts to official interest rates and shows why Australia’s big banks must cut their interest rates for home buyers as their costs of borrowing drop.”

While home loans were on the rise, recent data had shown a substantial decline in building approvals.

“There were nearly 500 fewer new dwellings approved in February compared to the previous year and the value of approvals was \$177.9 million less,” Mr Welch said.

“Despite the property market picking up, we’re not seeing consistent improvements for new buildings, showing Victorian builders and subcontractors are still hurting and looking for work.”

All data, except for first home buyer data, has been seasonally adjusted by the ABS.

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