

South Australian first home buyers deserve a fair go

Slowing South Australian home lending should be a wake-up call for change, Master Builders SA says.

Data released by the Australian Bureau of Statistics today shows the value of South Australian home loans fell 0.1 per cent on a trend basis over the past 12 months, compared to a 6.3 per cent rise in the previous 12 months.

While the data shows growth in lending to first home-buyers – up almost 6 per cent to 487,000 loans at an average \$264,400 in March 2017 on original figures compared to March 2016 – these same borrowers make up less than 12 per cent of total loans compared. Ten years ago South Australian first home-buyers took out almost 15 per cent of loans, and made up almost 30 per cent at the 1999 peak.

The next State Budget must address this ongoing problem for the benefit of South Australia, Master Builders SA Chief Executive Officer Ian Markos said.

“South Australia needs three things for a stronger future: it needs to support businesses, it needs to build new industries, and it needs to give South Australians reasons to stay.

“Those are the three things that the next State Budget will be judged upon.

“Today’s figures show young South Australians need reasons to stay and invest their lives in South Australia, so it’s obviously a concern.

“Giving first home-buyers much-needed stamp duty relief will go a long way to addressing that concern. After all, it makes no sense for a new home-owner to borrow to pay a tax – and then spend 30 years paying interest on that tax. First home-buyers need a fair go.”

Lending for the construction of new South Australian homes fell 4.2 per cent to an average \$275,900 in the month to March 2017 compared to \$277,800 in the previous year. Lending for new dwellings increased 12 per cent to \$341,700 over that same time while lending for established dwellings recovered some ground with a 2.9 per cent increase to \$287,100.

Ends

For further information

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