

11 February 2026

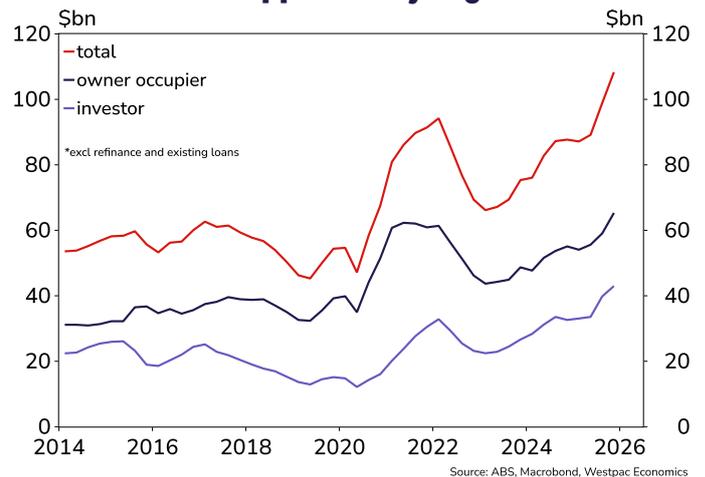
AUSTRALIAN DWELLING FINANCE BULLETIN

Expanded deposit scheme spurs new lending

Key points

- New housing finance strengthened, with lending values up 9.5%qtr, lifting annual growth to 23.5%yr after upward revisions.
- Loan numbers rose 5.1%qtr and 13.4%yr, implying around 10ppts of annual value growth came from higher average loan sizes.
- Owner-occupiers drove the surge, delivering a record \$65.3bn in new lending, led by first home buyers following the expanded 5% deposit guarantee scheme. NSW first home buyers recorded the largest lift in activity.
- Investor lending remained strong, with values up 7.9%qtr and 31.8%yr. Investor loans accounted for 39% of new lending in 2025, the highest share since 2017. Vic saw the strongest growth in investor lending in 2025.
- A little under 5% of new lending in 2025 was for the purchase of new dwellings – the lowest share on record.

New finance approvals by segment: value



Q4 new dwelling finance:
+9.5%qtr,
+23.5%yr

Owner occupiers see a record rise in new lending



Neha Sharma
Economist

The value of new dwelling finance approvals, excluding refinancing, rose 9.5%qtr. The result was stronger than both Westpac's (7.5%qtr) and the market's (4.8%qtr) expectations. Upward revisions to Q3 saw the annual rate lift to 23.5%yr.

The number of new dwelling finance loans, excluding refinancing, rose 5.1%qtr, with the annual growth rate jumping to 13.4%yr. This suggests that rising average loan sizes accounted for around 10ppts of the annual increase in loan values.

Owner occupier lending was the key driver. The number of loans rose 4.8%qtr, while loan values increased 10.6%qtr, resulting in a record \$65.3bn of new loans funded during the quarter. Growth was concentrated in the first home buyer (FHB) segment, where loan values rose 15.5%qtr (numbers up 6.8%qtr). This surge followed the introduction of the expanded 5% deposit guarantee scheme for FHBs at the start of the quarter.

While FHBs typically purchase at the lower end of the market, the strength in lending may reflect a one-off level shift, as a larger share of buyers are likely borrowing a higher share of the property value. Consistent with this, the average FHB loan size rose by a record 8.2%qtr to \$607k in Q4 (seasonally adj.). NSW experienced the largest lift in FHB activity, likely driven by the substantial increase in price caps. Additionally, it had the largest headroom between median prices and price caps at the time of introduction, which likely improved accessibility. The non-FHB owner occupier segment saw loan numbers/values rise 3.6%qtr/6.5%qtr.

Investor lending remained strong with values up 7.9%qtr, taking the annual pace to 31.8%yr. The quarterly pace softened from 18.7%qtr in Q3, likely suggesting that investors were trying to get ahead of the price growth that would result from the expanded deposit scheme. Investor loans accounted for 39% of new lending in 2025, the highest since 2017. Vic saw the strongest rise in investor lending in 2025 (40.5%yr), with Qld, WA, NSW following (~30%yr). SA had the smallest lift (22.3%yr).

Personal finance approvals rose 1.4%qtr. The rise was driven by a 5.4%qtr rise in 'other purpose' loans (e.g. for travel, household and personal goods etc), while vehicle loans fell -3.7%qtr.

Recent sentiment indicators point to homebuying caution, with buying conditions softening as higher interest rates weigh and the earlier boost from the FHB scheme fades. By contrast, investor momentum and house price expectations remain firm which should support the near-term outlook. While new DTI limits are now in place, they are not currently binding and are unlikely to drive an abrupt slowdown in lending.

Dwelling finance: Q4 2025

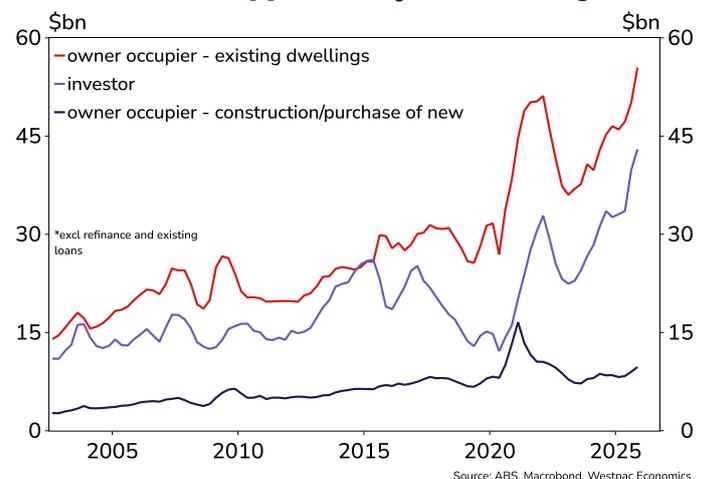
	%chg qtr			% chg yr	
	latest	Sep	Dec	Sep	Dec
Number ('000s)					
Owner-occupiers	89.0	1.2	4.8	1.6	7.4
Investors	60.4	13.0	5.5	12.2	23.6
Total dwelling finance[^]	149.4	5.7	5.1	5.7	13.4
Value (\$bn)					
Owner-occupiers	65.3	6.2	10.6	10.0	18.6
Investors	43.0	18.7	7.9	18.7	31.8
Total dwelling finance	108.3	10.9	9.5	13.3	23.5
Land and renovations	7.3	11.1	15.0	19.2	34.8
Refinance	61.1	4.5	2.1	26.2	15.1
Total housing incl. refinance	176.7	8.5	7.1	17.9	20.9

Other indicators:

	avg [^]	Oct	Nov	Dec	Jan
Auction clearance rate [^] %	64.3	66.0	67.1	54.7	63.8
Dwelling prices, ann%chg	5.3	6.3	7.4	8.2	9.2

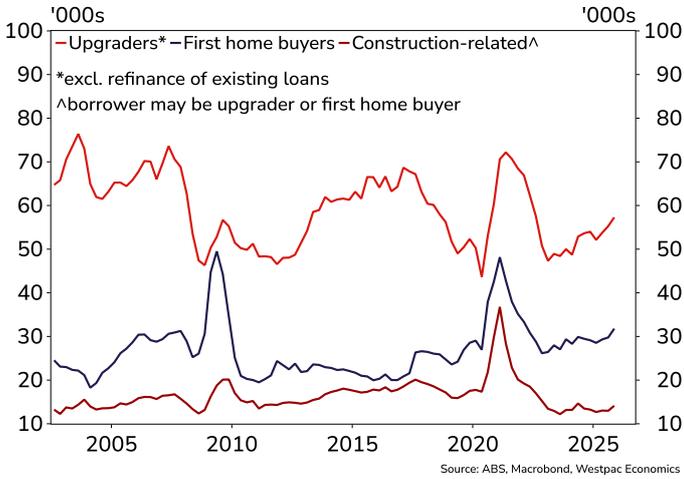
* unless specified, all figures exclude land, additions and alterations, and refinance. Where specified, refinance is 'external' only, i.e. with a new lender. [^] based on figures for month to date, seasonally adjusted by Westpac.
Sources: ABS, Cotality, APM, Westpac Economics

New finance approvals by detailed segment

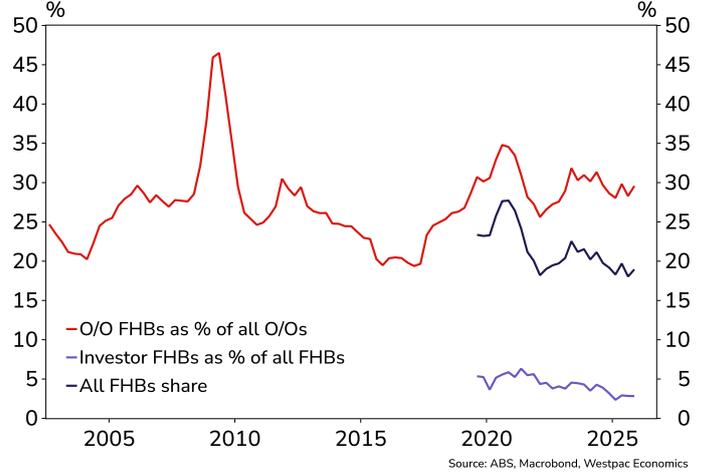


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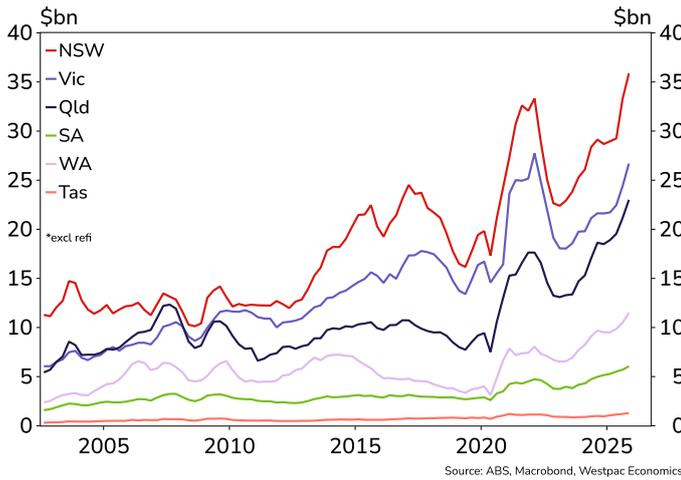
Owner occupier finance approvals (number)



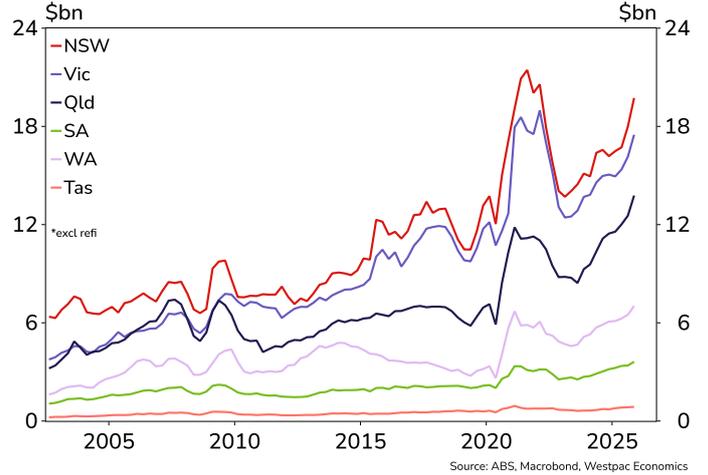
FHB share of new lending



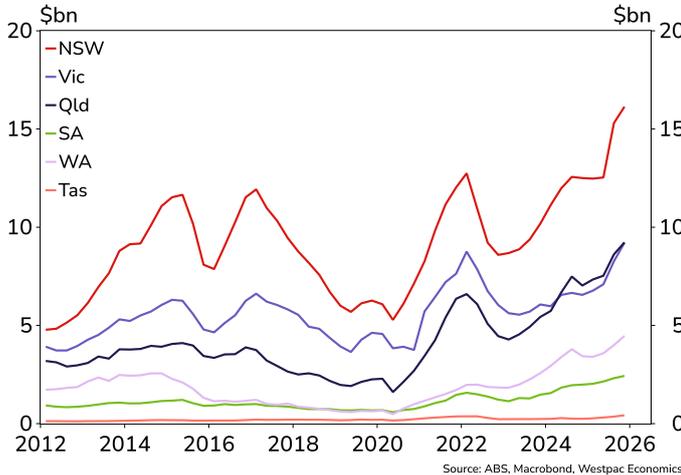
Dwelling finance by state: total value



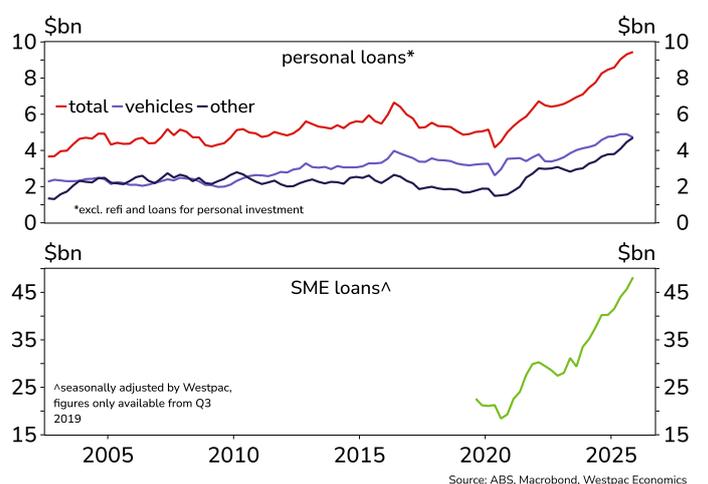
Dwelling finance by state: owner occupier



Dwelling finance by state: investor



Other lending: personal finance and SME loans



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