

FIRST HOME BUYER MORTGAGE INSIGHTS

First home buyer (FHB) loan growth was flat at just 0.2% in the year to June 2025, with 123,363 loans issued.

Annual loan numbers remain 31.7% below their peak in the year to September 2021, when interest rates were at record lows and 180,699 loans were issued to first home buyers. However, since the trough in the year to September 2023, during the RBA's subsequent rate hikes, when only 114,639 loans were issued, first home buyer lending has rebounded 7.6%.

Money.com.au's Property Expert, Debbie Hays, says the FHB lending rebound is likely to gather pace following the expansion of the First Home Guarantee scheme.

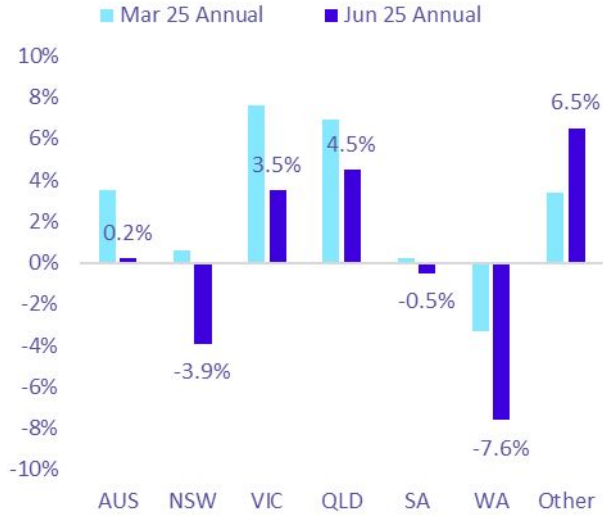
"The scheme's expansion will likely boost demand and support continued growth in the first home buyer segment in the short term. But as more first home buyers rush to take advantage of it, competition will intensify and that could end up pushing prices higher and locking out the very group it's meant to help," she says.

Note: Annual figures are for the year to June 2025.

Annual first home buyer loan numbers

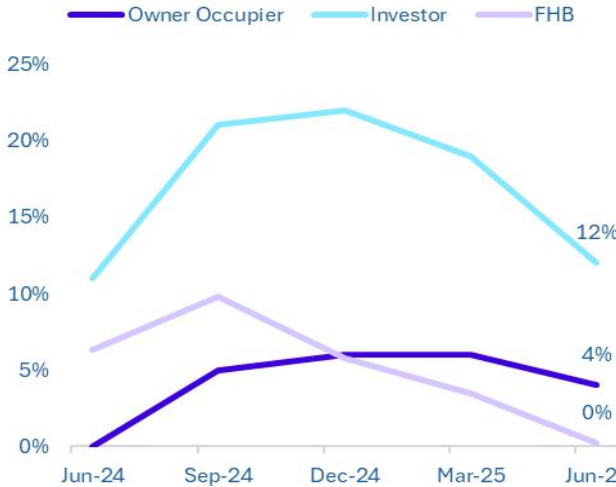


Annual growth in annual FHB loans



FHB lending is still recovering from the RBA's rate-hike period, when first home buyer activity fell to record lows.

Annual growth of all loan numbers



OWNER OCCUPIER

Overview
Owner occupier
Investor loans
Average loan size

Annual growth in first home buyer owner occupier lending fell to 1.3%, with 116,280 loans issued. However, loan volumes remain 8.1% above the year to September 2023 trough, when RBA rate hikes were locking many first home buyers out of the market.

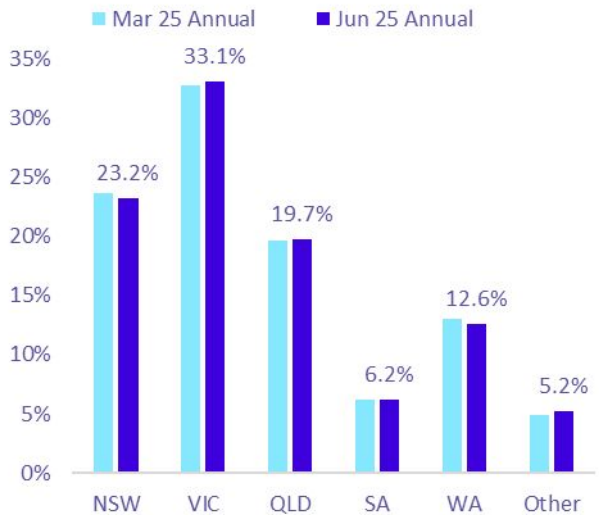
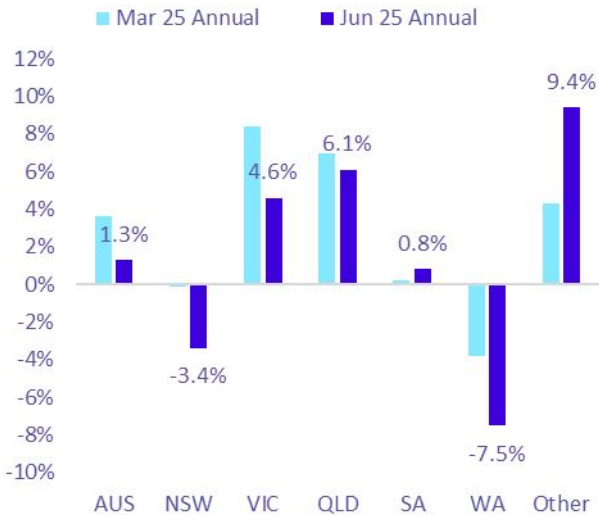
Victoria continues to dominate the first home buyer owner occupier market, accounting for one-third (33%) of all national FHB loans. The state recorded 38,472 loans in the year to June 2025 — up 4.6% annually — and the largest increase in absolute terms nationwide, adding 1,707 loans year-on-year.

Queensland, meanwhile, led the nation for growth rate, with first home buyer owner occupier lending up 6.1% year-on-year to 22,912 loans — the fastest percentage rise among the major states. Yet first home buyers still make up the smallest share of the owner occupier market in QLD (32.1%).

Notably, Western Australia recorded the largest decline in first home buyer owner occupier lending, down 7.5% year-on-year.

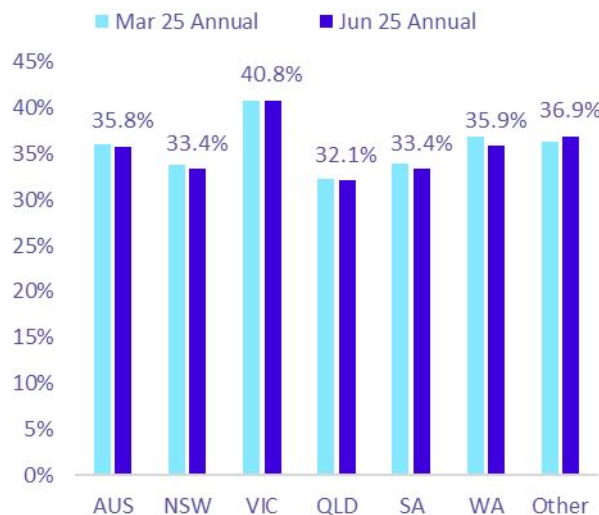
Annual growth in FHB owner occupier loans

State share of national FHB OO loans



Victoria and Queensland are the only major states where FHB owner occupier lending is up annually.

FHB OO share of all owner occupier loans



INVESTOR LOANS

Overview
Owner occupier
Investor loans
Average loan size

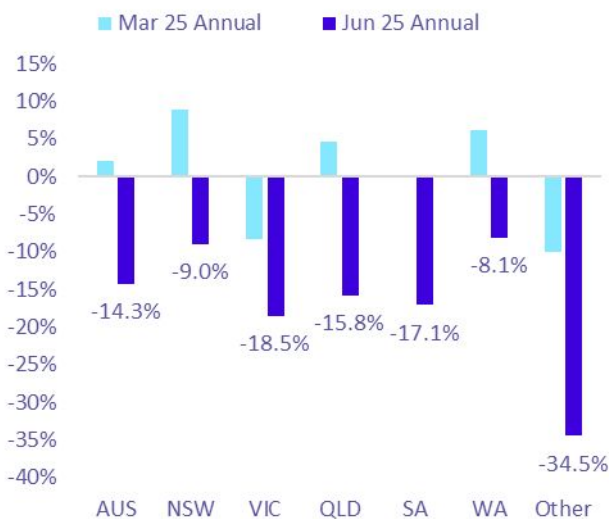
First home buyer investor loan numbers were down 14% year-on-year, to just 7,083 loans in the year to June 2025 — the lowest level recorded since the year to June 2023.

However, the share of first home buyer loans used for investment purposes (5.7%) remains within normal levels, sitting comfortably in the historical range of 4.8%–7.1% seen since 2021.

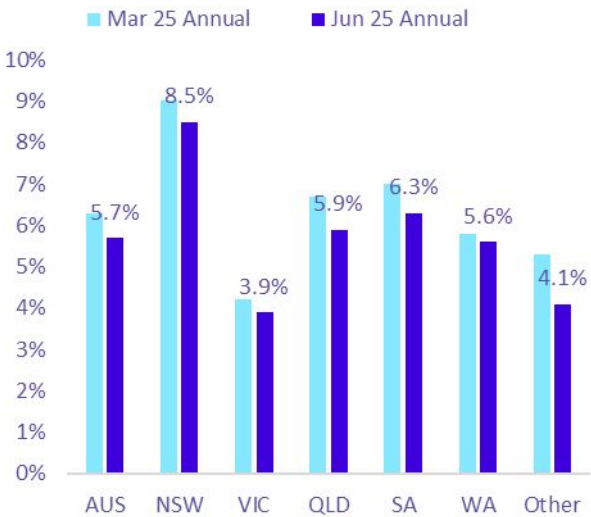
All states recorded an annual decline in first home buyer investor lending, with the most notable falls in Victoria (–18.5%), South Australia (–17.1%) and Queensland (–15.8%).

Notably, FHB investors remain concentrated in New South Wales, which accounts for 35.2% of all first home buyer investor loans nationally. This is well ahead of Victoria, the next largest state with 21.8% of the national market.

Annual growth in FHB investor loans

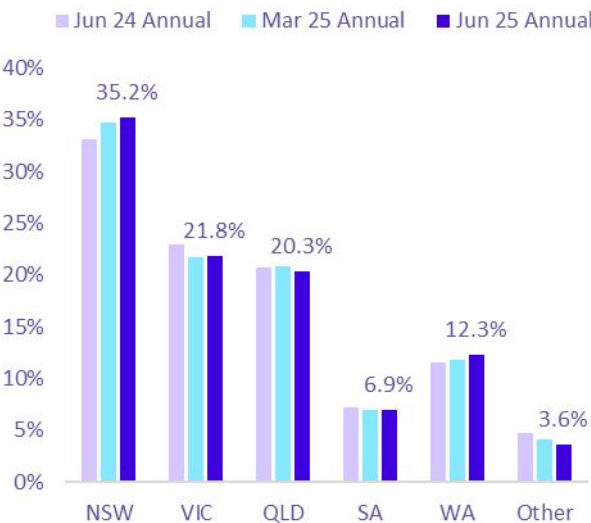


FHB investor loans share of total FHB loans



Despite a broader decline in FHB investor loan growth, the share of investors within the FHB segment remains historically stable.

State share of national FHB investor loans



AVERAGE LOAN SIZE

- Overview
- Owner occupier
- Investor loans
- Average loan size

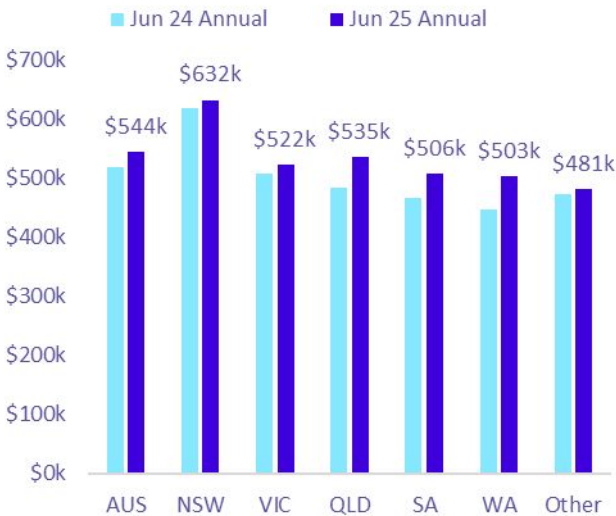
The FHB owner occupier loan size grew at a rate of five-to-one compared to loan numbers — 5.2% versus 1.3%. In other words, for every 1% increase in the number of FHB owner occupier loans issued, the average loan size rose by around 5%.

The average first home buyer owner occupier loan size rose 5.2% year-on-year to \$544,480, outpacing growth in the average FHB investor loan size, which increased 4.4% to \$576,437.

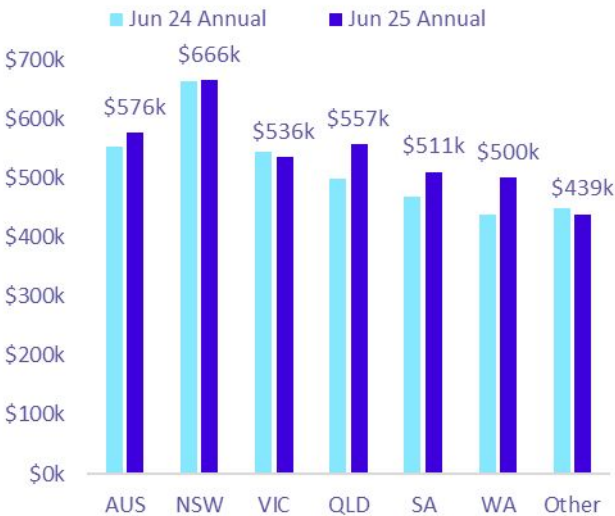
While Western Australia continues to have the smallest average loan size among the major states, it posted the strongest annual growth in first home buyer mortgage sizes — up 12.5% for owner occupiers and 13.9% for investors.

All states also recorded increases in their average loan size, except Victoria, where the average FHB investor loan fell marginally from \$544,110 to \$535,992 — a 1.5% decline.

FHB annual average owner occupier loan size

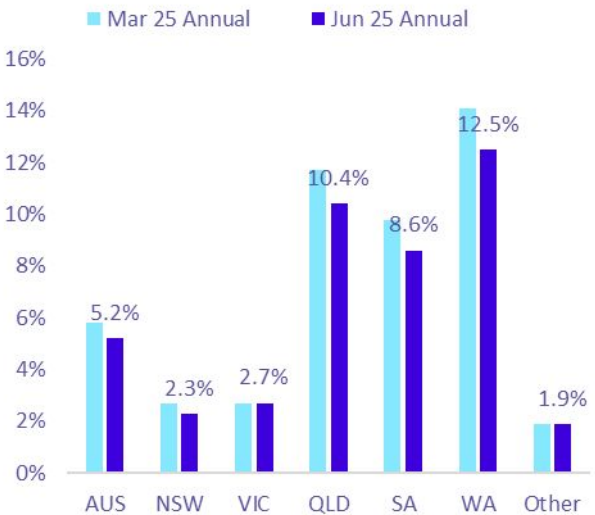


FHB annual average investor loan size



Western Australia still holds the smallest average loan size among the major states, yet it recorded the fastest annual growth in average first home buyer mortgage sizes across both segments.

Annual growth in owner occupier loan size



DATA USED

This report uses publicly available data from the Australian Bureau of Statistics (ABS) Lending Indicators dataset. The latest data used is for the year to June 2025.

The data used in this report is primarily original data, not seasonally adjusted. The ABS does not provide seasonally adjusted figures in a number of datasets, including loan units (as opposed to dollar value). Without that, we cannot do an accurate calculation of average loan size across loan type. We can also not fully compare all loan types, because some are not available seasonally adjusted.

Note: Creating annual figures smooths the data in much the same way as seasonal adjustments; the annual data for total loans is almost identical looking at seasonally adjusted versus original.

When seasonally adjusted data is used, it is noted in the charts.

Any forecasts / projections on industry growth are using a formula for growth based on prior periods. It doesn't take account macro economic changes or recent events and should be used as a guide only.

Growth figures

- Annual growth means annual change in annual loans. This shows the trend. Loan numbers are used, not loan value.
- Looking at growth this quarter versus last quarter shows the current growth, but also where it is headed (up or down).

Other notes

- New & existing dwellings refers to the loans for purchase of newly erected dwellings, existing dwellings and construction of dwellings; and excludes land and alterations.
- Total new loans refers to all new loans excluding refinancing.
- 'Other' in state charts represents Tasmania, NT and the ACT combined.

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