

# MORTGAGE INSIGHTS (NATIONAL REPORT)

The loan market is showing steady momentum despite a dip in growth. Investor lending continues to outperform owner occupier lending, while first home buyer activity has flatlined, recording no growth in the year to June 2025.

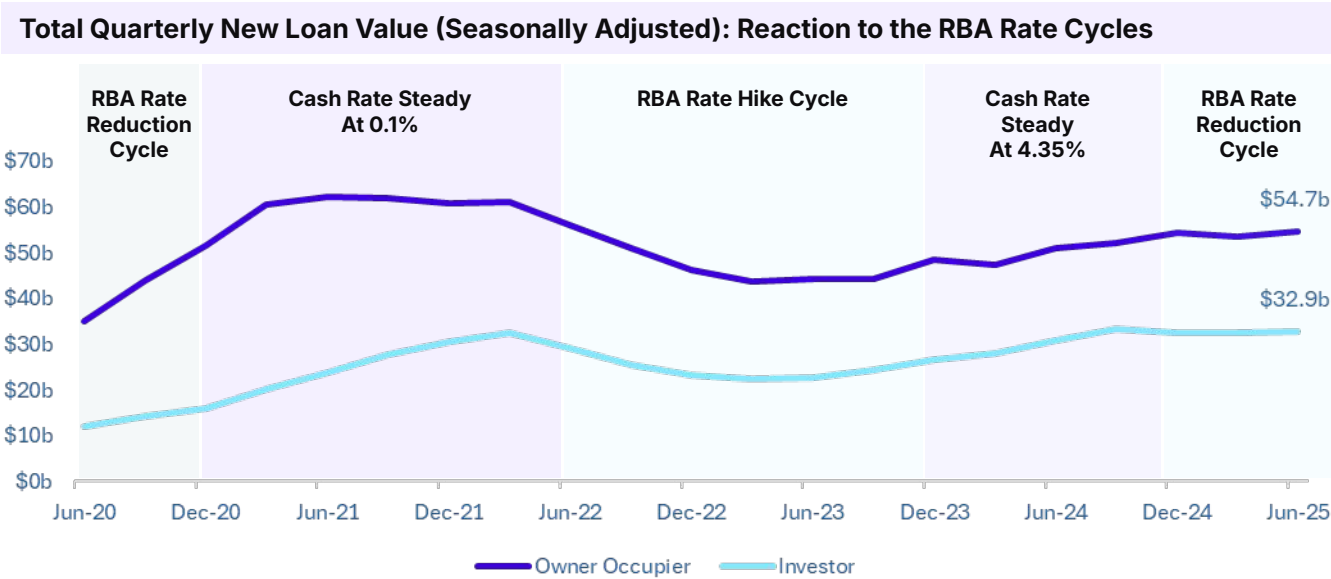
Refinancing is soaring back, with internal refinances growing 16 times faster than external refinances as more borrowers stick with their existing bank.

Queensland and South Australia are driving national lending growth across owner occupier and investor segments. We're seeing early signs of buyer activity shifting from Western Australia, which is becoming a saturated market, back to the Eastern seaboard states.

Note: This report uses year to June 2025 figures to provide a clearer view of market trends by smoothing out short-term swings and seasonal variations.

## MORTGAGE MARKET OVERVIEW

Total New Quarterly Loans	New Average Loan Size (New & Existing Dwellings)		Average New Interest Rates
	Owner Occupier	Investor	
135,162	\$678,011	\$674,259	5.75%
↑ 16.6% Quarterly	↑ 2.7% Quarterly	↑ 0.2% Quarterly	↓ -0.25% Quarterly
↑ 0.3% Annually	↑ 7.5% Annually	↑ 6.1% Annually	↑ -0.53% Annually



# OVERALL LOAN MARKET

## Overview

- Owner occupier
- Investor
- First home buyer
- Refinancing
- Interest rates
- In-depth insights

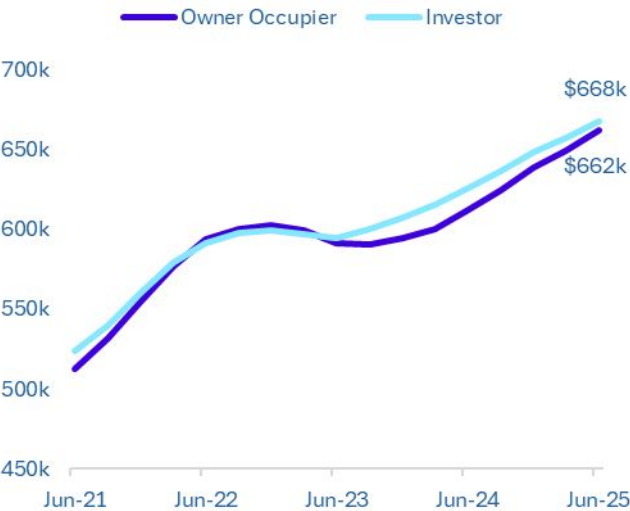
The loan market is showing steady momentum despite a dip in annual growth. Investor lending rose 12% in the year to June 2025, down from 19%. However, the investor segment is still expanding at three times the pace of owner occupier lending, which grew 4% after easing from 6% in the previous year.

Total loans reached 521,671 in the year to June 2025 and, based on current growth trends, are projected to rise to 551,261 by the year to December 2025.

Notably, Queensland's average owner occupier loan size has climbed from fourth to second place nationally, overtaking both the ACT and Victoria.

Queensland's average loan size now sits at \$636,520 (2.8% growth), compared with \$631,194 in the ACT (0.6% growth) and \$629,056 in Victoria (1.4% growth).

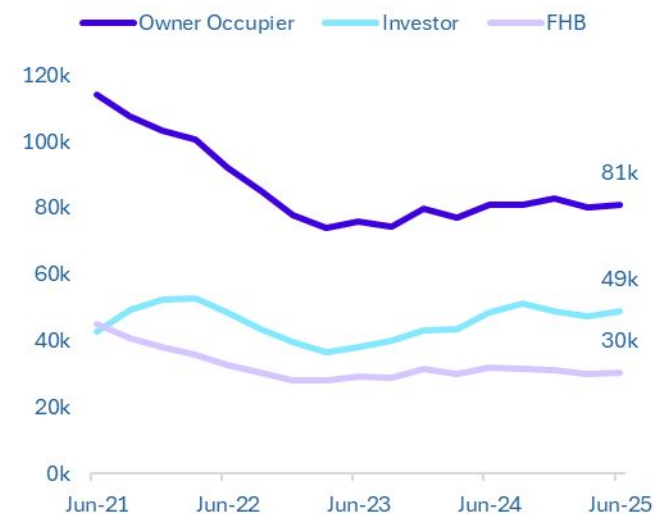
Avg Loan Size – Annual New & Existing Dwellings



Annual Growth of Annual Loan Numbers



Quarterly Loans – Seasonally Adjusted



The average loan size for both owner occupiers and investors has risen steadily by 1–2% each quarter since June 2023.

# OWNER OCCUPIER LOANS

- Overview
- Owner occupier**
- Investor
- First home buyer
- Refinancing
- Interest rates
- In-depth insights

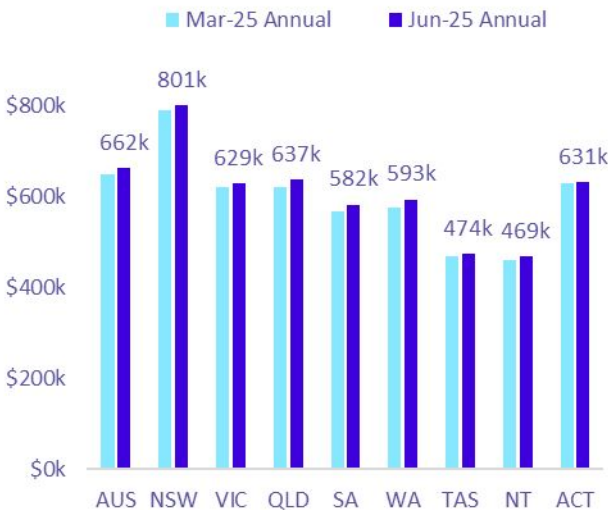
Owner occupier loans reached 324,972 in the year to June 2025, up 4% annually.

Queensland recorded the strongest annual loan growth of all major states at 7% — nearly double the national average. Notably, Western Australia saw no annual growth for the first time since June 2024. Smaller markets saw the strongest growth in owner occupier loan numbers, with Tasmania up 13%, the Northern Territory 10%, and the ACT 8%.

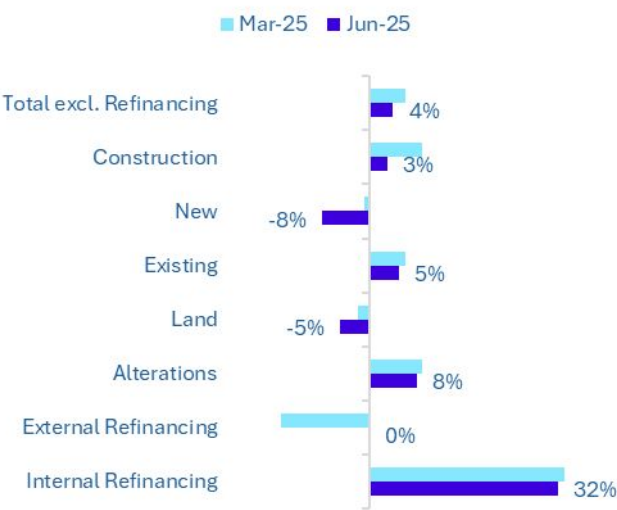
Growth in owner occupier loans for new property builds continues to trend downward as Australia grapples with ongoing housing supply constraints.

Loans for new dwellings recorded the steepest fall, deteriorating from a mild -1% decline to -8% in the year to June 2025. Construction loans also weakened sharply, with growth plunging from 9% to just 3% over the same period. Land loans slipped further into negative territory, falling from -2% to -5%.

Avg Loan Size – Annual New & Existing Dwellings

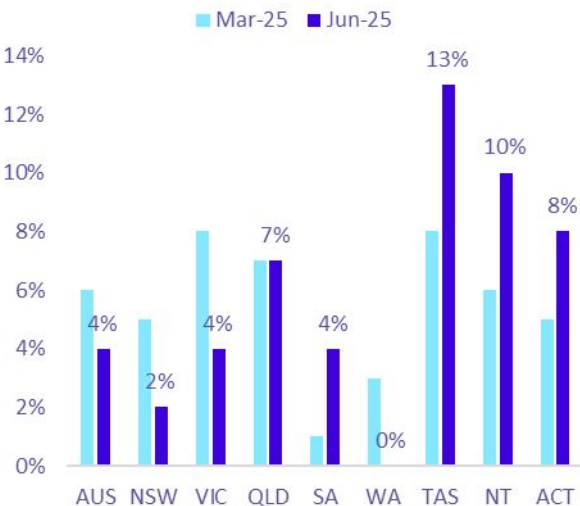


Annual Growth in New Loan Numbers by Type



We're seeing early signs of **buyer activity shifting from Western Australia, which is becoming a saturated market, back to the Eastern seaboard states.**

Annual Growth in New Loan Numbers



# INVESTOR LOANS

Overview  
Owner occupier  
**Investor**  
First home buyer  
Refinancing  
Interest rates  
In-depth insights

Investor loans reached 196,699 in the year to June 2025, up 12% annually.

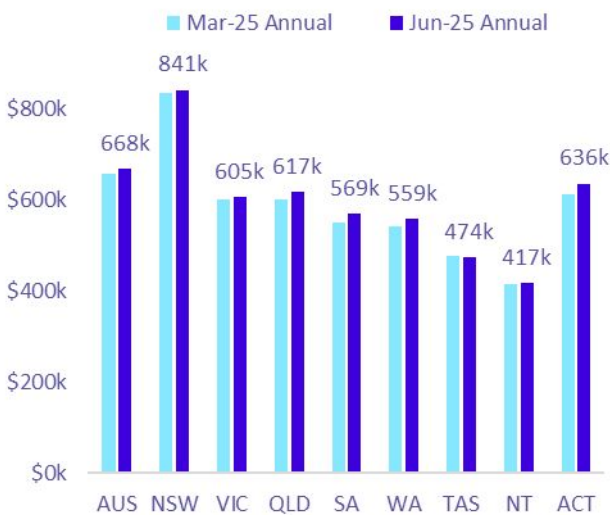
Investors are proving to be the most resilient segment in current market conditions, with loan volumes nearly back at their 2022 peak of 202,585.

[Money.com.au](#)'s Property Expert, Debbie Hays, says investors are capitalising on falling rates and rising rental yields.

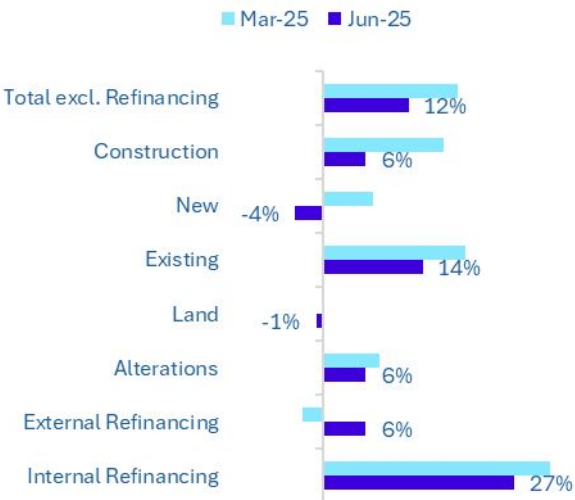
"The expectation is that growing investor activity will inject much-needed capital into the housing sector, boost rental supply, and support broader economic growth, particularly once the RBA moves back into a hold position with the cash rate, potentially sometime next year," she says.

Despite a seasonal slowdown ahead of the spring selling season, nearly all states still recorded double-digit growth in investor loans — with Queensland and South Australia up 16% annually, New South Wales 12%, and Western Australia 10%.

Avg Loan Size – Annual New & Existing Dwellings

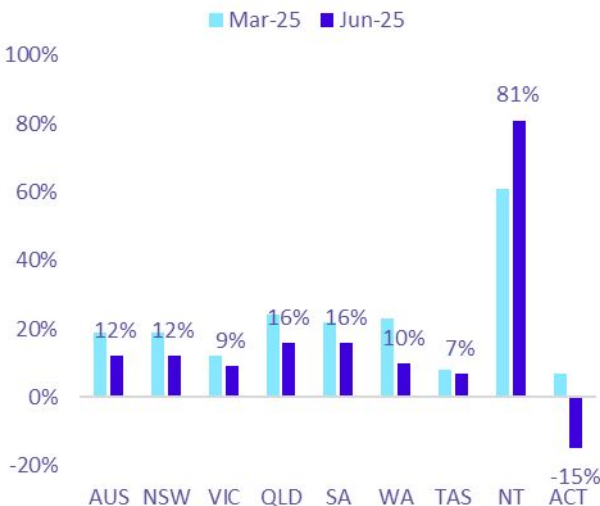


Annual Growth in New Loan Numbers by Type



On a quarterly basis, the gap between owner occupier and investor loans is at its narrowest since June 2021 — now 39% (31,864 loans) compared with 62% (71,190 loans) in June 2021.

Annual Growth in New Loan Numbers by State



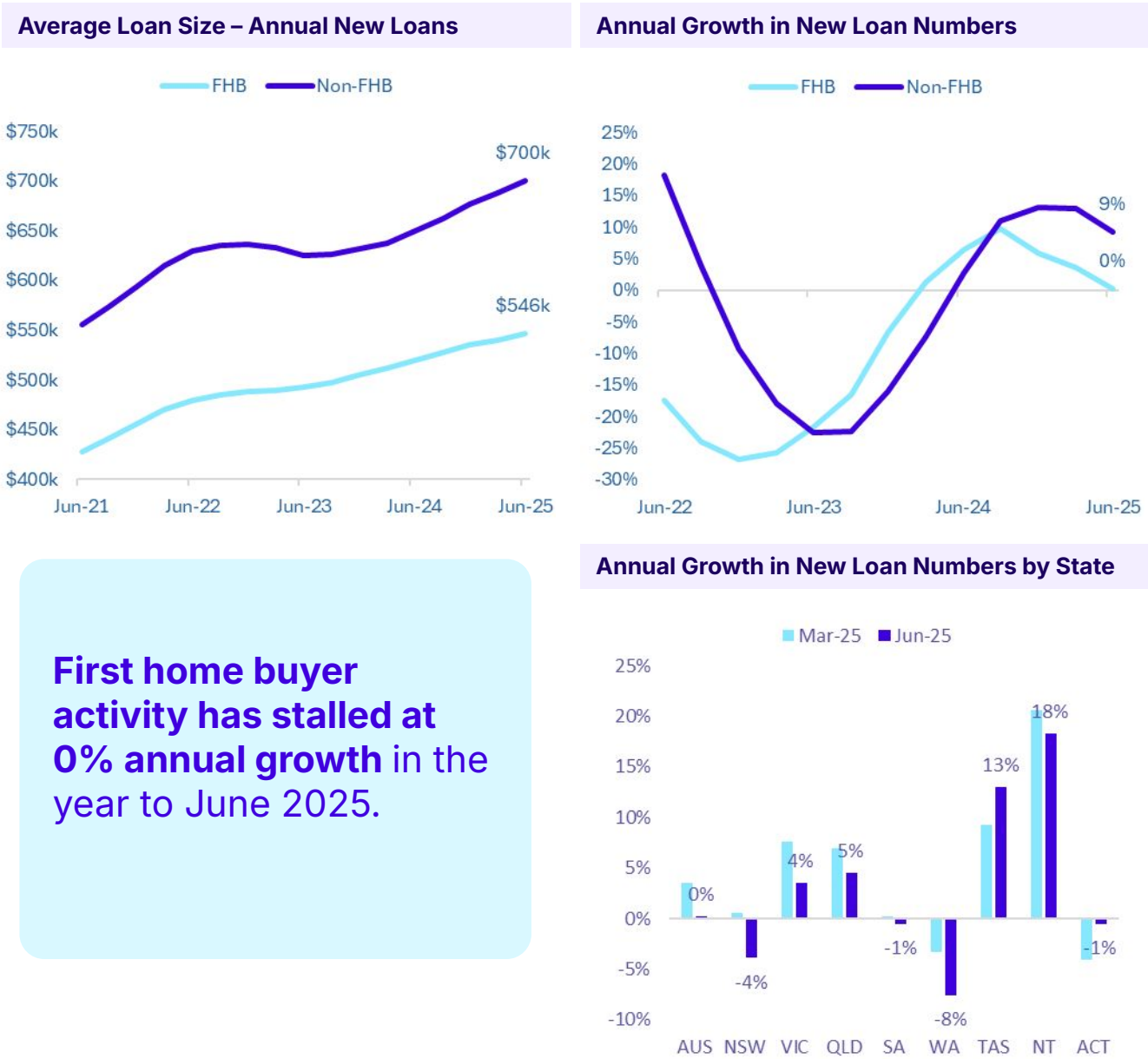
# FIRST HOME BUYER LOANS

- Overview
- Owner occupier
- Investor
- First home buyer**
- Refinancing
- Interest rates
- In-depth insights

Growth in new loans to first home buyers (FHB) has stalled, with volumes flat in the year to June 2025, to 123,363 loans. By contrast, non-first-home buyer loans are growing at 9% annually.

Queensland and Victoria recorded annual growth in first home buyer loans of 5% and 4% respectively. On the flip side, Western Australia saw an 8% decline, New South Wales a 4% decline, and South Australia a 1% decline.

The average new first home buyer loan size is now \$546,315 — around \$154,000 less than the average non-FHB loan of \$700,171. This means first home buyers are borrowing about 22% less than home switchers or upgraders.



# LOAN REFINANCING

Overview  
Owner occupier  
Investor  
First home buyer  
**Refinancing**  
Interest rates  
In-depth insights

With interest rates coming down and borrowing conditions improving, refinancing is truly back, though not in the same way as before.

Overall refinance loans reached 585,317 in the year to June 2025, just shy of the September 2023 peak of 593,496, when many borrowers were rolling off ultra-low fixed rates.

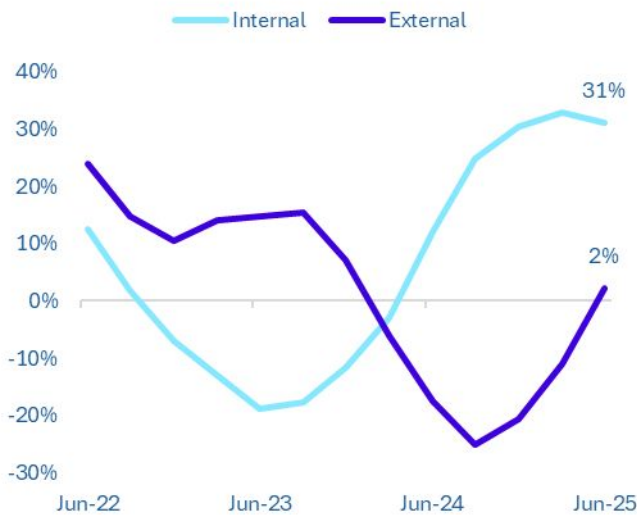
This time, however, borrowers are increasingly choosing to refinance with their existing lender.

Internal refinance loans jumped 31% annually to 207,556 loans, compared with just 2% growth in the external refinance segment to 377,761 loans.

Annual Refinancing v New Loan Numbers



Annual Growth in Annual Refinance Loans



Overall, **internal refinance loans are growing 16 times faster than external refinances.**

Annual Refinancing Loan Numbers





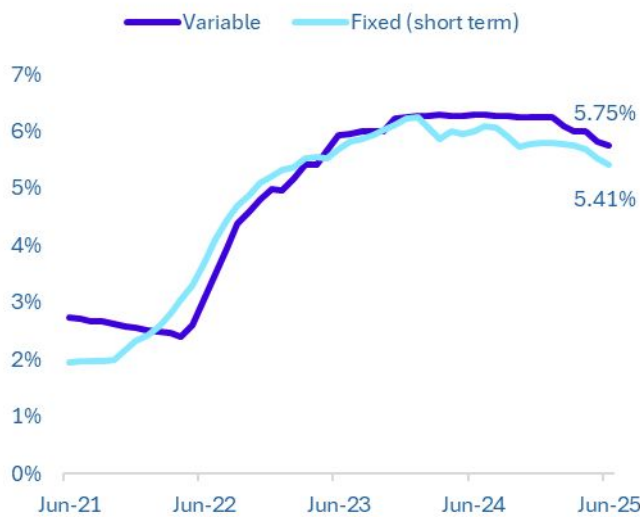
# INTEREST RATES

With the RBA shifting into a rate-cutting cycle, interest rates have begun to fall.

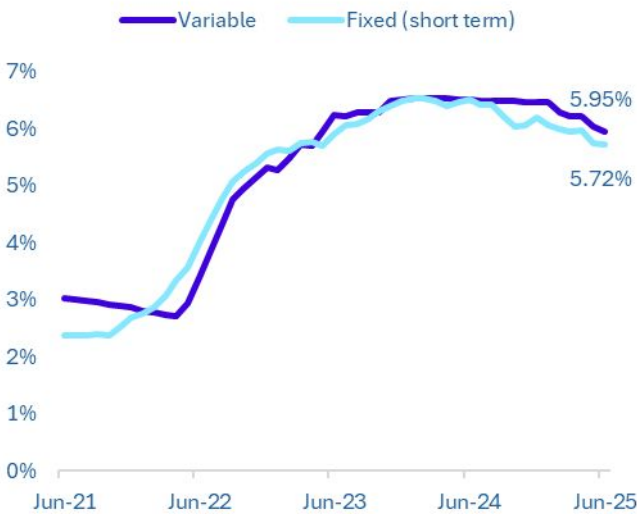
Average variable rates for owner occupiers have fallen to 5.75%, down from a peak of 6.28% in mid-2024. Average short-term fixed rates remain lower at 5.41%, compared with 6.16% for longer-term fixed rates.

For investors, average variable rates have eased to 5.95% from a peak of 6.54% in early 2024. Average short-term fixed rates for investors remain lower at 5.72%, compared with 7.00% for longer-term fixed rates.

New Owner Occupier Loan Rates



New Investor Loan Rates



Despite the recent easing, interest rates remain well above their 2021–2022 levels.

Current Rates and Quarterly Change

	New Loan Rate		Quarter Change	
	Owner Occupier	Investor	Owner Occupier	Investor
Variable Loans	5.75%	5.95%	-0.25%	-0.27%
Fixed < 3 years	5.41%	5.72%	-0.35%	-0.24%
Fixed > 3 years	6.16%	7.00%	-0.20%	0.00%
LVR < 80%	5.73%	5.91%	-0.24%	-0.28%
LVR > 80%	5.88%	6.24%	-0.25%	-0.24%
Value <\$600k	5.71%	5.95%	-0.25%	-0.28%
Value \$600k-\$1m	5.74%	5.95%	-0.25%	-0.26%
Value \$1m+	5.81%	5.92%	-0.24%	-0.29%

## IN-DEPTH INSIGHTS

On a quarterly basis, owner occupier lending has risen from 73,989 loans in March 2023 to 80,929 loans in June 2025 — a 9% increase from its post-COVID trough.

Even so, volumes remain 29% below the June 2021 peak of 114,090 loans, when interest rates were at record lows.

Debbie says the rebound highlights both renewed confidence and the challenges ahead.

"The recovery in owner occupier loans shows confidence is returning, but a return to peak levels will take time, with supply still constrained and borrowing costs remaining elevated," she says.

"Further interest rate cuts will bring more homebuyers back into the market, but without addressing supply, renewed demand risks pushing prices higher and locking some buyers out altogether."



## DATA USED

This report uses publicly available datasets, primarily from the Australian Bureau of Statistics (ABS) Lending Indicators (June 2025 release) and the RBA's lender interest rates data.

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 into account macro economic changes or recent events and should be used as a guide only.

### **Growth figures:**

- Annual growth means annual change in loans. This shows the trend. Loan numbers are used, not loan value.
- Monthly change is generally used when looking at interest rates; a pure basis point calculation of each month compared with the previous month.
- 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.
- Individual data is not always available on first home buyers in TAS, the ACT and NT, so they have been combined.
- FHB refers to first home buyer, OO to owner occupier, and IN to investor loans.
- Any charts that include 'left' and 'right' refer to the axis on the left and right hand side.

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