

# MORTGAGE INSIGHTS: STATE BY STATE

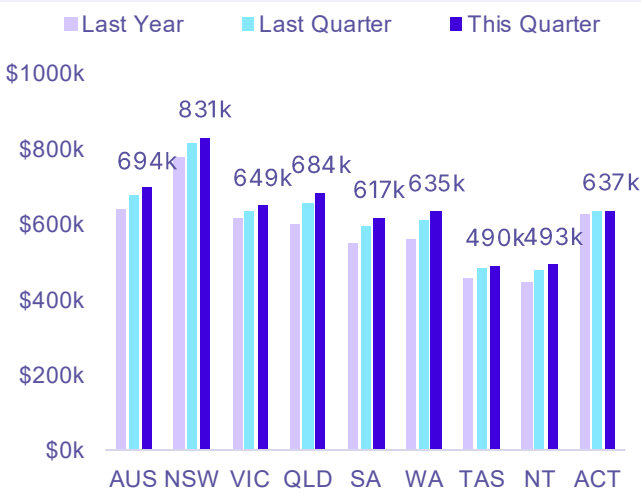
Australia's housing loan market is facing potential headwinds, particularly in the investor segment, amid speculation around changes to the Capital Gains Tax (CGT) discount for investors and a cap on negative gearing.

Home lending growth is forecast to hit 7% this year (to 594,279 loans) — with the investor segment set to grow at nearly twice that rate (13%) to 246,598 loans, based on current growth rates.

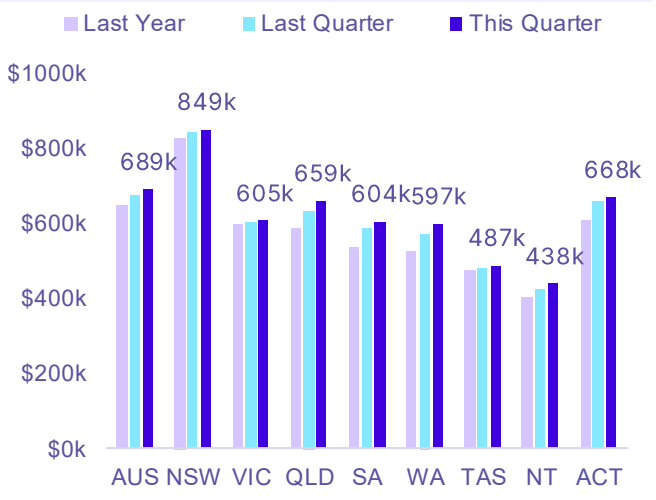
Growth is also spurred by strong momentum in the last December quarter, when loan growth accelerated across both owner-occupier and investor segments.

However, with two 0.25 percentage point cash rate hikes already delivered this year and further increases expected, owner-occupier growth is forecast to ease slightly to 3% in 2026 as rate pressures build.

**Avg Loan Size – Owner Occupier New & Existing**

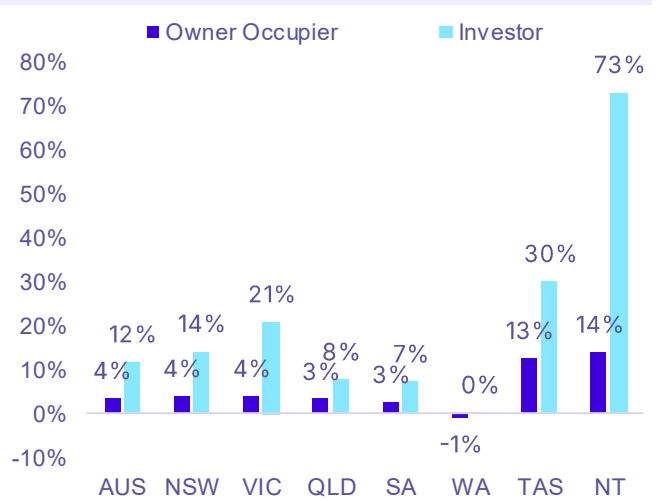


**Avg Loan Size – Investor New & Existing**



Overall loan growth is forecast to hit 7% in 2026, driven by investor loan growth accelerating to 13%.

**Annual Growth in Loans by Type**



# NEW SOUTH WALES

Overview

**New South Wales**

Victoria

Queensland

South Australia

Western Australia

Tasmania

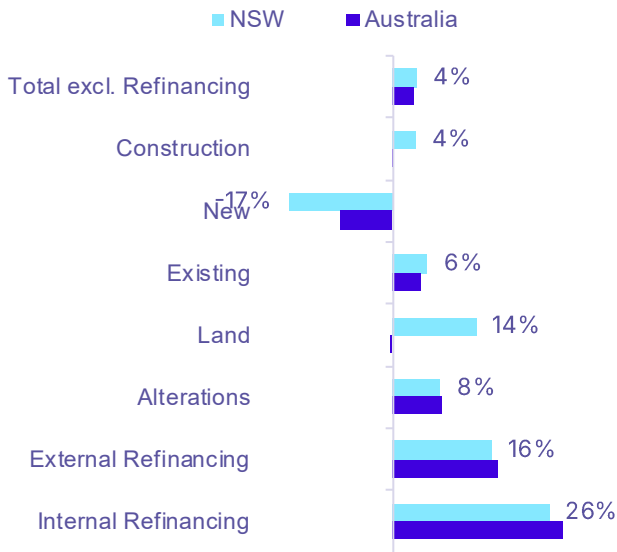
New South Wales will remain the largest loan market in 2026, although only marginally, as Victoria continues to close the gap. Lending in NSW is forecast to grow by around 9% this year, underpinned by steady 4% owner-occupier growth and a stronger 16% rise in investor loans (to 77,470).

The December 2025 quarter marked the state's strongest quarter since December 2021, with 25,033 loans — up 13% year-on-year. Despite this momentum, NSW remains second to Victoria in owner-occupier volumes, with 85,808 annual loans — around 13% behind Victoria's 98,856.

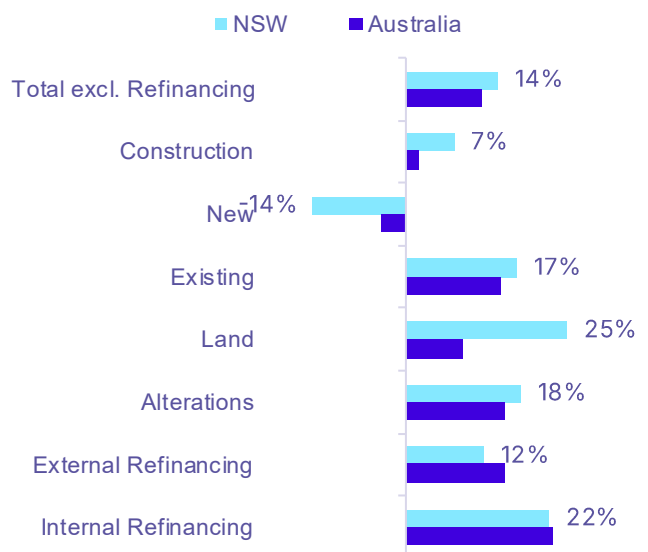
Over the past year, NSW saw investor lending rise 14%, while owner-occupier loans grew by 4%. It's also leading the country in land loan growth across both segments — 14% for owner-occupiers and 25% for investors, suggesting strong demand for new builds and development opportunities.

NSW accounts for 31% of all new investor loans nationally — the highest share since March 2022.

## Annual Growth in Owner Occupier Loans

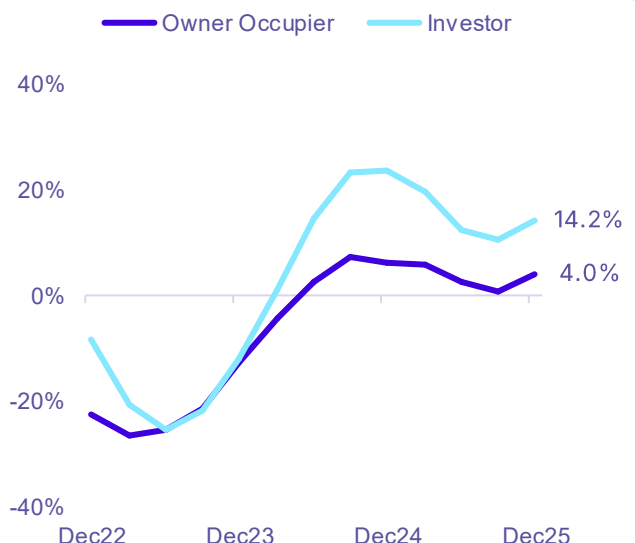


## Annual Growth in Investor Loans



Lending activity in NSW is projected to grow by 9% in 2026, with investor loans surging 16% to 77,470 loans, helping the state narrowly maintain its market leadership over Victoria.

## Annual Growth in Annual New Loan Numbers



# VICTORIA

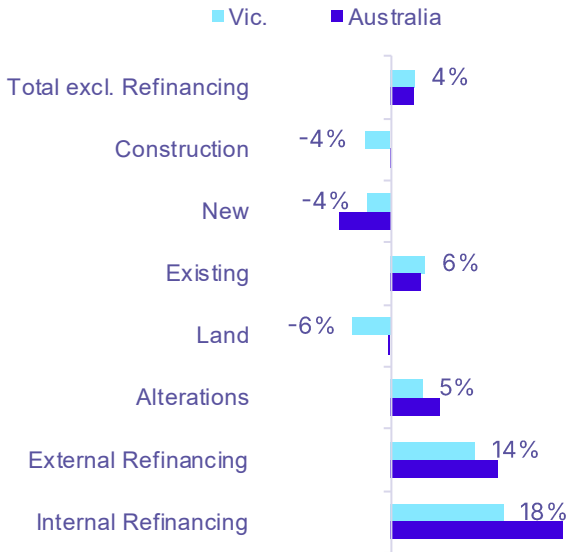
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Current trends indicate Victoria is on track to nearly match NSW in total new loans by the end of 2026 (166,345), with projections putting it just 300 loans behind NSW. Total lending is expected to rise by around 10%. This would make Victoria the fastest-growing major state this year.

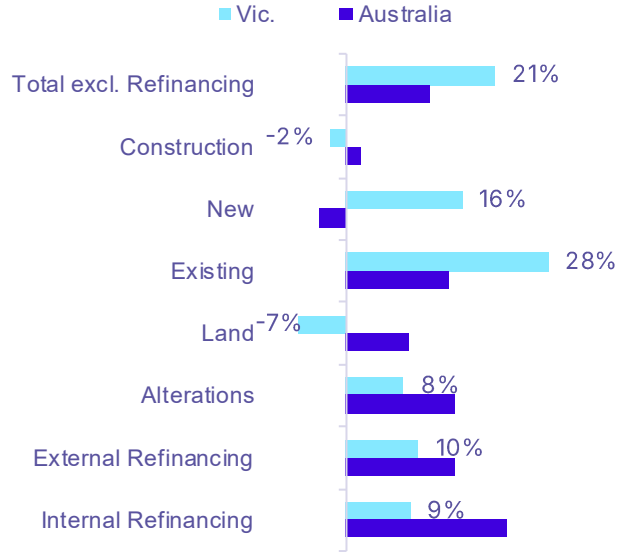
In the last 12 months, VIC closed in on a major milestone with 98,856 owner-occupier loans issued — just shy of 100,000 — firmly cementing its position as Australia’s largest state for owner-occupier lending.

Overall, Victoria recorded 13,048 more owner-occupier loans than second-placed NSW in 2025. While it still trails NSW by 14,712 loans in the investor segment, it has reclaimed second place from Queensland in investor market share after posting 21% annual growth — more than five times the pace of owner-occupier lending at 4%.

## Annual Growth in Owner Occupier Loans

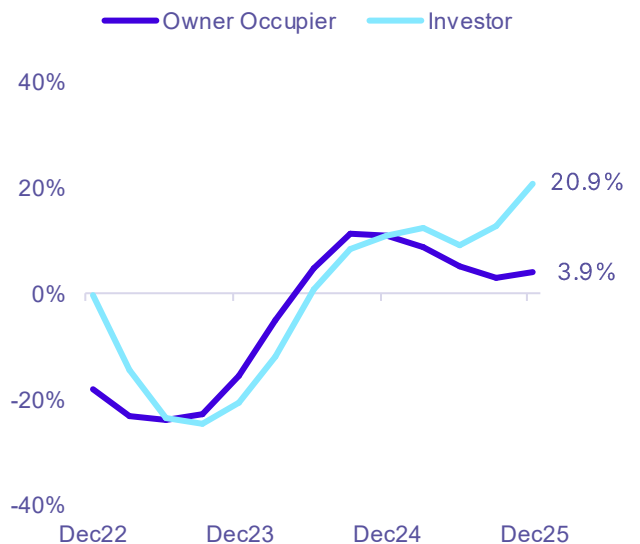


## Annual Growth in Investor Loans



VIC is forecast to reach 166,345 total loans in 2026, trailing NSW by just 340 loans, based on projections.

## Annual Growth in Annual New Loan Numbers



# QUEENSLAND

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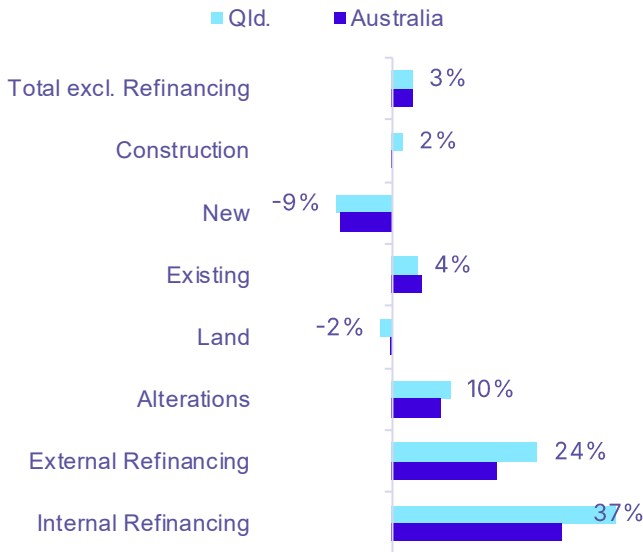
Projections show Queensland's loan growth is expected to moderate but remain positive in 2026, with total lending forecast to rise 4% to 128,034 loans. This includes 2% growth in owner-occupier loans (to 74,856) and 6% growth in investor lending (to 53,178).

If current trends continue, Queensland could fall more than 10,000 loans behind Victoria in investor activity this year, despite starting ahead a year earlier. This shift shows how demand for affordable housing and competitive rental yields is reshaping investor activity, tempering Queensland's previously strong position.

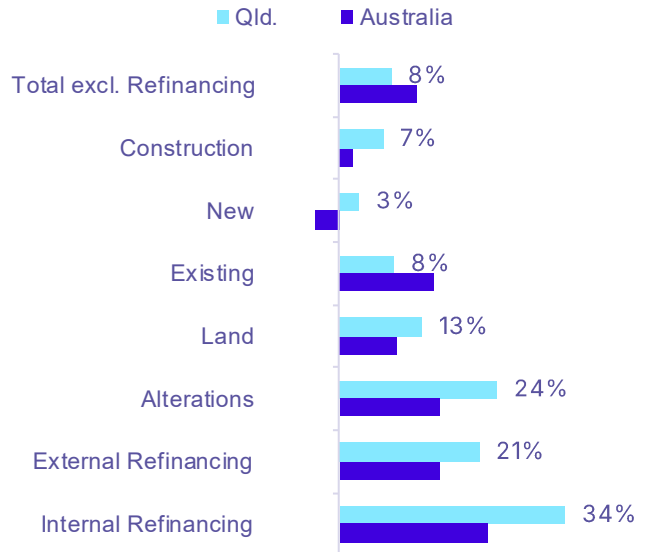
Over the past year, total lending in Queensland rose 5%, below the national average of 6%.

Owner-occupier lending in the Sunshine State increased by 3%, with total loan volumes reaching levels not seen since the year to December 2022. Investor growth came in at 8% — still solid, but trailing the stronger gains seen in NSW and Victoria.

## Annual Growth in Owner Occupier Loans

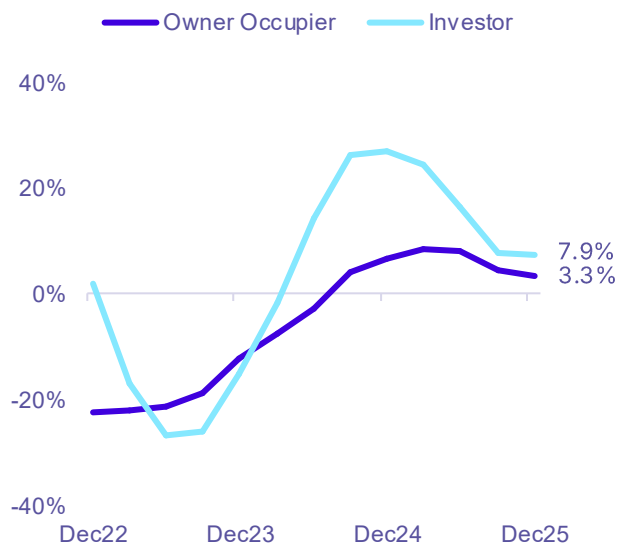


## Annual Growth in Investor Loans



QLD loans are forecast to grow by 4% to 128,034 in 2026, including 74,856 owner-occupier loans and 53,178 investor loans.

## Annual Growth in Annual New Loan Numbers



# SOUTH AUSTRALIA

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Projections for 2026 put South Australia's owner-occupier loan growth at around 3% and investor loan growth at 6%, based on current trends.

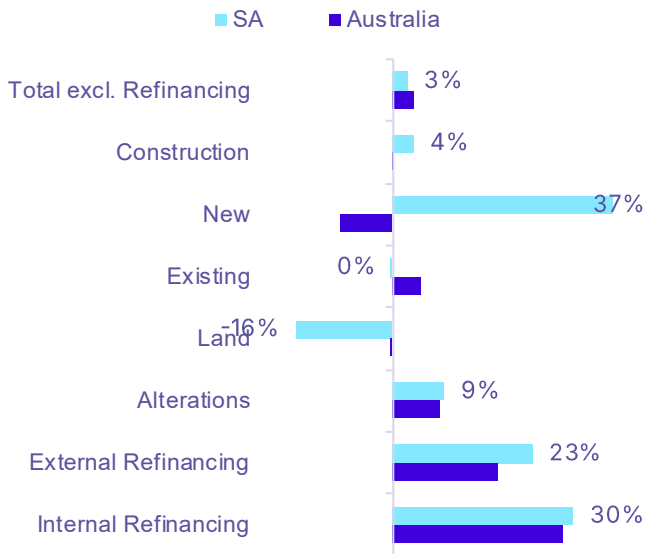
This broadly reflects 2025 performance, when owner-occupier lending grew 3% and investor lending rose 7% — both below national growth rates, signalling stable but subdued market conditions.

However, loan sizes in South Australia tell a different story. The average annual owner-occupier loan surpassed \$600,000 for the first time in 2025, reaching \$617,295 — a 12% increase.

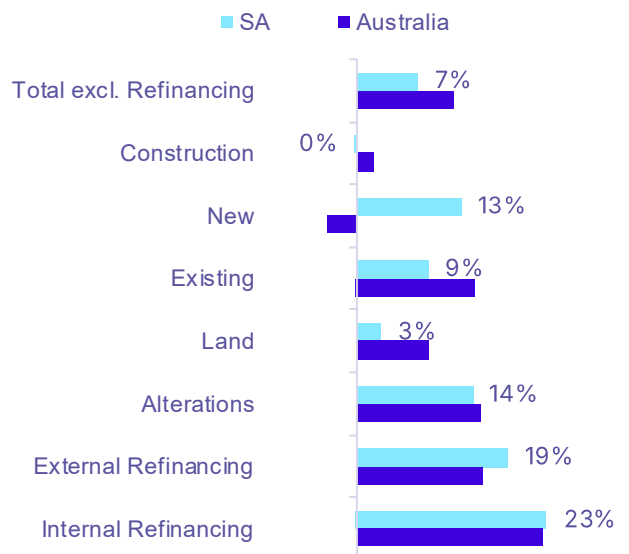
The average annual investor loan also exceeded \$600,000, rising to \$603,838, with strong growth of 13% compared to the 6% national average.

The average investor loan is now \$69,086 higher than a year ago, suggesting the market is being driven more by rising property values than an increase in transaction volumes.

## Annual Growth in Owner Occupier Loans

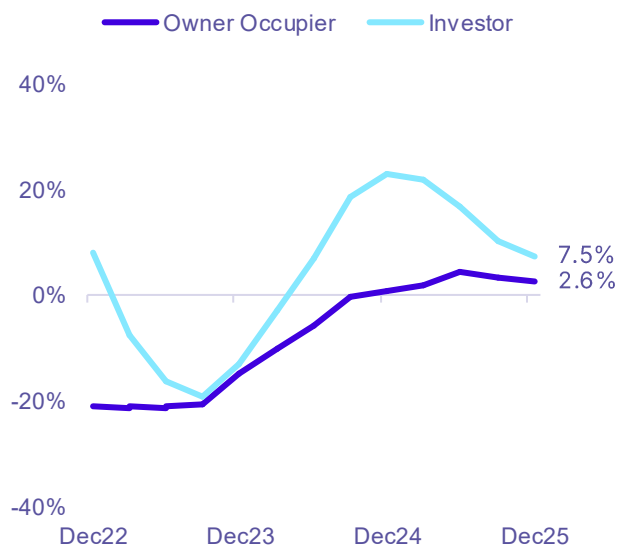


## Annual Growth in Investor Loans



Lending activity in South Australia is expected to remain steady in 2026, mirroring the past 12 months.

## Annual Growth in Annual New Loan Numbers



# WESTERN AUSTRALIA

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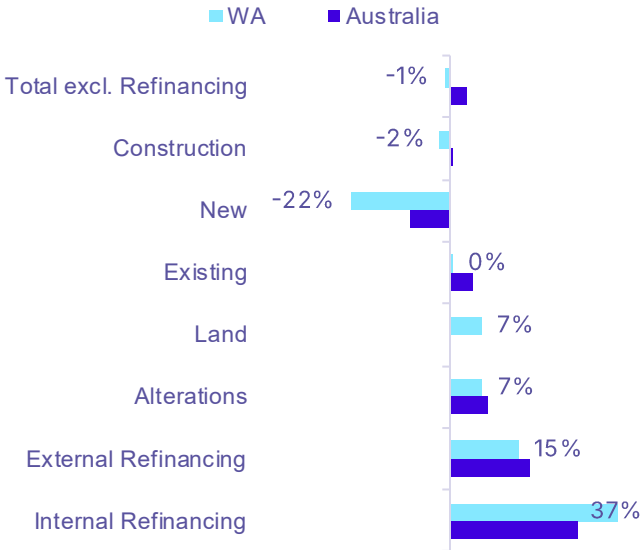
Western Australia is the only state expected to record a decline in lending in 2026, with total loans forecast to fall by around 1%. This includes a 2% decline in owner-occupier lending and a 0.3% dip in investor loans — or roughly 1,000 fewer loans than in 2025.

The investor trajectory is notable given Western Australia's strong five-year run, during which investor loans surged from 7,433 to 25,963 as buyers capitalised on the state's booming property market. However, momentum began to slow toward the end of 2024.

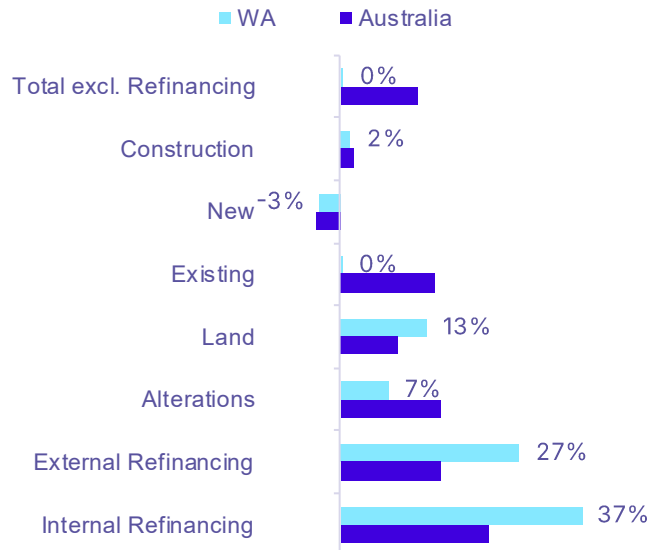
Western Australia was also the only state to finish 2025 with declining new loan volumes, recording 66,833 loans, down 0.5% from 67,176 in 2024.

The decline was driven by owner-occupier lending, which fell 1% from 41,316 to 40,870, while investor loans remained largely flat at 0.4% from 25,860 to 25,963.

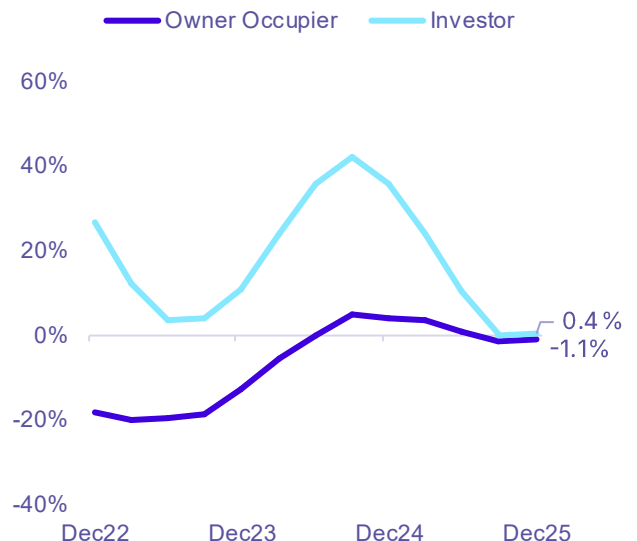
## Annual Growth in Owner Occupier Loans



## Annual Growth in Investor Loans



## Annual Growth in Annual New Loan Numbers



WA is forecast to decline to 65,874 loans in 2026 — nearly 1,000 fewer than 2025's 66,833.

# TASMANIA

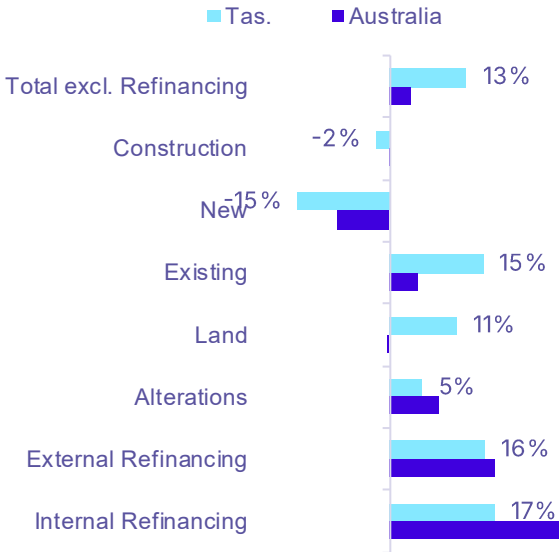
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Home lending growth is expected to remain steady. Tasmania is forecast to surpass 10,000 annual loans in 2026, reaching 11,297 — although still below its 2021 peak. Total lending is projected to grow by 18% annually, once again driven by investor demand, which could push the state’s investor market above both the ACT and Northern Territory.

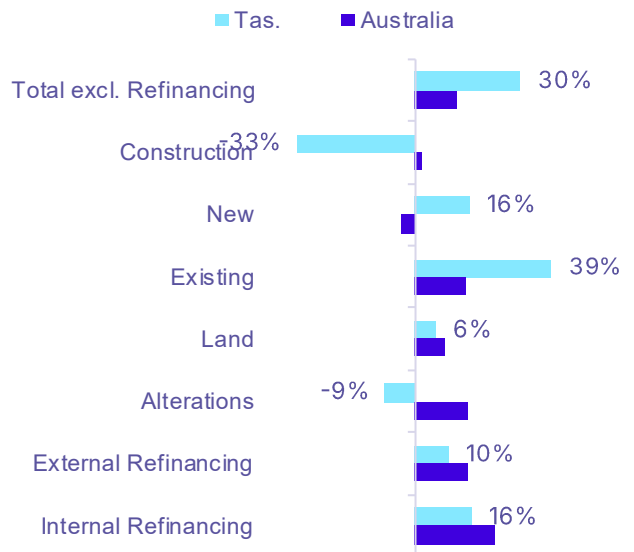
In the last 12 months, owner-occupier lending rose 13%, making up 71% of all new loans in the state (6,785). However, the standout story was investor activity. Investor loans surged 30% — one of the strongest growth rates nationally — as buyers moved to capitalise on emerging opportunities in the Tasmanian market.

Despite this surge, investor volumes remain relatively small, with 2,819 loans accounting for just 1.3% of all new investor loans nationally. Notably, investor lending is still yet to surpass historical peaks, suggesting further upside potential.

## Annual Growth in Owner Occupier Loans

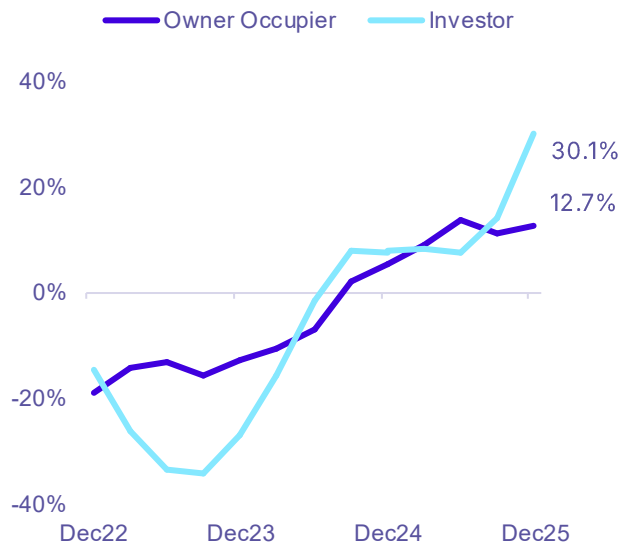


## Annual Growth in Investor Loans



Tasmania is projected to reach 11,297 loans issued in 2026 — an 18% increase driven by record investor loan levels.

## Annual Growth in Annual New Loan Numbers



## DATA USED:

This report uses publicly available data from the Australian Bureau of Statistics (ABS) Home Lending dataset. The latest data used is for December 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 into 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.
- State data totals for ACT and NT is not always available, so both Territories have been excluded in this State report.

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