Loan Market

MARKET REPORT JULY 2026

Loan application *trends* to June 2026

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Mortgage lodgements down 26% post rate hikes & budget

We have undertaken a detailed review of mortgage flows on a weekly basis. This data is very timely, up to end-June.

Key findings:

Mortgage lodgements have fallen sharply

Following three RBA rate hikes and the Federal Budget's changes to negative gearing and CGT:

- Total home loan lodgements by number are down 26% since early February.
- By value ($) total mortgage lodgements are down 23%.
- Investors are down 35% by value and 31% by number.
- First Home Buyers (FHB) have also been hit with the number of lodgements -23%, and -19% by value.
- Owner Occupier Upgraders (not FHB) have been less impacted. Lodgements are down 14% by number and 15% by value.

Victoria slightly less impacted

- Victoria has been less impacted as it was already soft. Applications are still down 19% by number since early February.
- NSW & Queensland lodgements are down 25% & 27% respectively.
- Rest of Australia (SA, WA, TAS, ACT & NT) have been the hardest hit, down 32% by number.

Lodgements down vs pcp

Part of this pull-back reflects the strong starting point, with the housing market booming through late 2025 and early 2026 (prior to the RBA rate hikes and Budget). If we compare current lodgements against the same period last year (ie vs last two weeks of June 2025) we find:

- Total mortgage lodgements are down 18% by number vs pcp, but down just 10% by value. This reflects house price inflation (bigger mortgages) over this period.
- Investors are down 22% by number and 20% by value vs pcp.
- FHB are down 17% by number and 10% by value vs pcp.
- Owner Occupied Upgraders (not FHB) have been less impacted. Mortgage lodgements are down 14% by number and just 4% by value vs pcp.

Investor lodgements for New Builds are down, but by less than existing

- Mortgage lodgements by investors to purchase a new property, which are still eligible for negative gearing, are down 15% since early February. However, they are 25% above levels seen in June 2025. (Investors continue to make-up around 40% of new property purchases).
- Investor lodgements for existing property, which are no longer eligible for negative gearing, are down by 40% since early February. They are also down 26% vs pcp.

Note: Analysis of Loan Market Group data is based on a rolling two-week period. All numbers are seasonally adjusted and exclude refinancing. SA, WA, TAS, ACT & NT have been combined into 'Rest of Australia' due to a smaller sample size.

Implications:

Next three months are critical for the direction of the housing market

With housing now likely to settle into a winter lull, the next three months will be critical in determining the extent of the downturn. Items we will be watching closely include:

- Auction clearance rates, which appear to have troughed in the high-40s.
- RBA rate decision, which is scheduled for 11th August.
- Spring selling usually leads to a pickup in listings around September.

Key data

Figure 1 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget (by $)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-19%	-15%	-35%	-23%
NSW	-20%	-14%	-37%	-25%
VIC	-16%	-18%	-18%	-18%
QLD	-31%	-8%	-41%	-25%
Rest of Aust	-11%	-20%	-41%	-26%

Source: Loan Market Group

Figure 2 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget (by #)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-23%	-14%	-31%	-26%
NSW	-25%	-6%	-28%	-25%
VIC	-18%	-15%	-15%	-19%
QLD	-28%	-13%	-46%	-27%
Rest of Aust	-23%	-21%	-35%	-32%

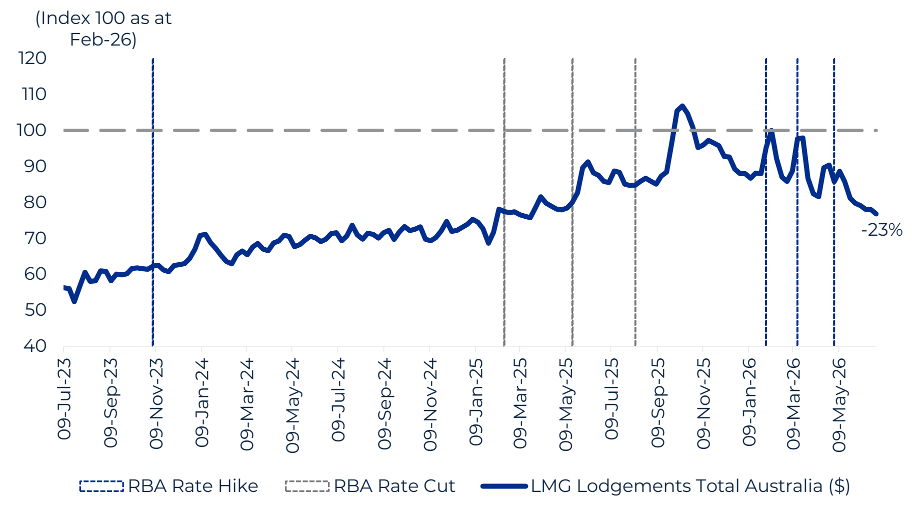
Source: Loan Market Group

Figure 3 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget - New vs Existing Property (by $)

	Owner Occupiers	Investors	Total
New Property	-22%	-15%	-19%
Existing Property	-16%	-40%	-25%

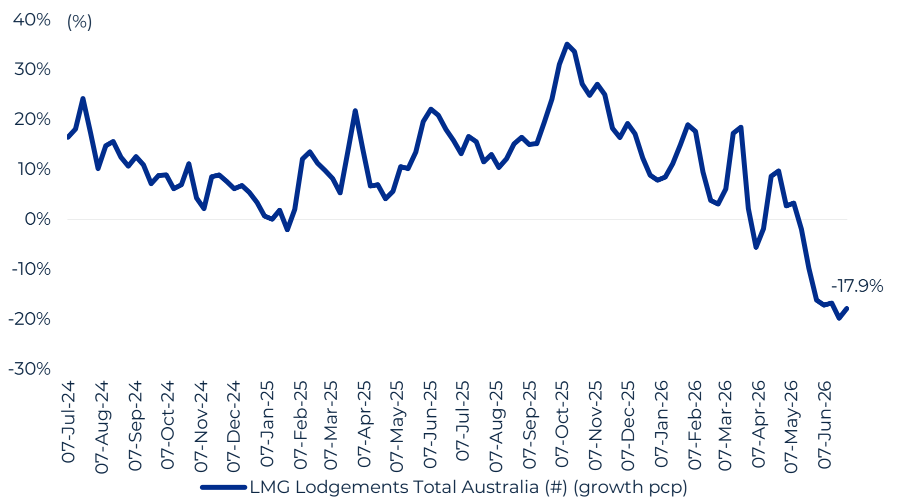
Source: Loan Market Group

Figure 4 - Loan Market Group Total Lodgements Australia ($) (Index 100 as at start of Feb)



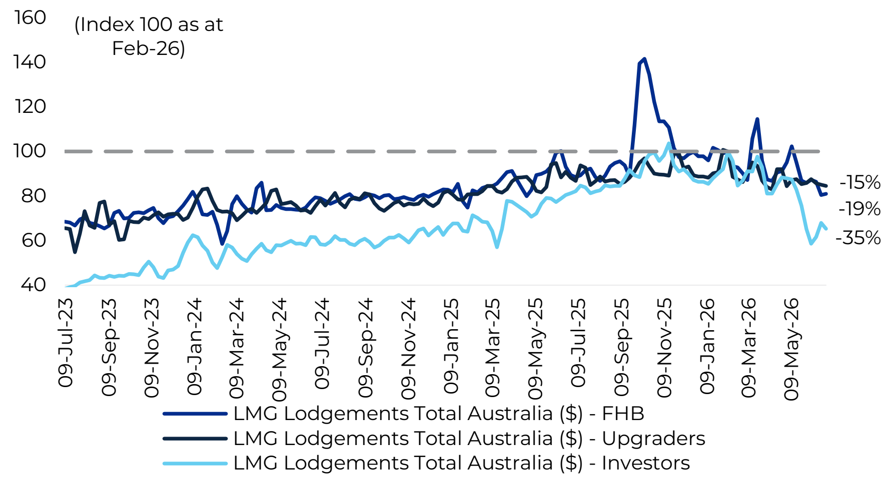
Source: Loan Market Group

Figure 5 - Loan Market Group Lodgements - Total Australia (#) (growth pcp)



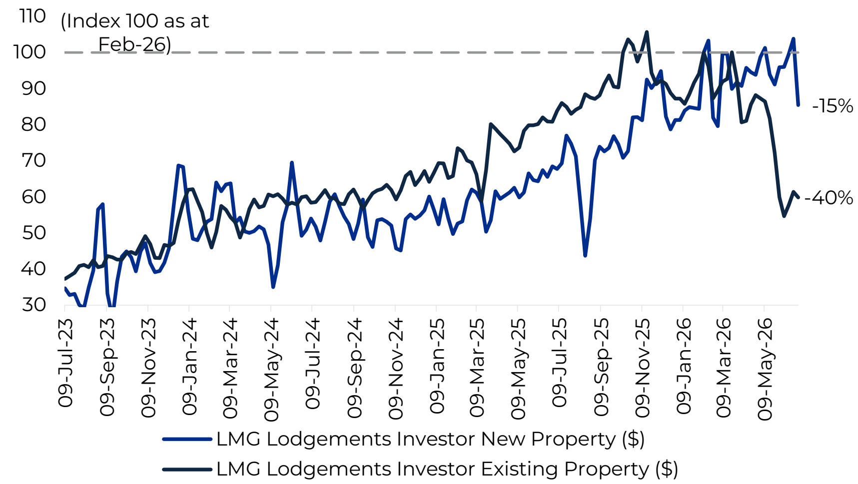
Source: Loan Market Group

Figure 6 - Loan Market Group Lodgements Total Australia ($) by Category (Indexed as at start of Feb)



Source: Loan Market Group

Figure 7 - Loan Market Group Lodgements - Investor - New vs Existing Property ($) (Index 100 as at start of Feb-26)



Source: Loan Market Group

Summary Tables

Figure 8 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget (by value $)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-19%	-15%	-35%	-23%
NSW	-20%	-14%	-37%	-25%
VIC	-16%	-18%	-18%	-18%
QLD	-31%	-8%	-41%	-25%
Rest of Aust	-11%	-20%	-41%	-26%

Source: Loan Market Group
Note: Based on rolling two week data since the beginning of February 2026. Seasonally adjusted.

Figure 9 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget (by number #)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-23%	-14%	-31%	-26%
NSW	-25%	-6%	-28%	-25%
VIC	-18%	-15%	-15%	-19%
QLD	-28%	-13%	-46%	-27%
Rest of Aust	-23%	-21%	-35%	-32%

Source: Loan Market Group
Note: Based on rolling two week data since the beginning of February 2026. Seasonally adjusted.

Figure 10 - Loan Market Group - Reduction in Mortgage Lodgements vs pcp (June 2025) (by value $)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-10%	-4%	-20%	-10%
NSW	1%	11%	-22%	-5%
VIC	-12%	-9%	-13%	-11%
QLD	-23%	-4%	-26%	-14%
Rest of Aust	-5%	-13%	-19%	-13%

Source: Loan Market Group
Note: Based on the last two weeks of June 2026 vs last two weeks of June 2025. Seasonally adjusted.

Figure 11 - Loan Market Group - Reduction in Mortgage Lodgements vs pcp (June 2025) (by number #)

	First Home Buyers (Owner Occupied)	Upgraders (Owner Occupied)	Investors	Total
Australia	-17%	-14%	-22%	-18%
NSW	-7%	-12%	-20%	-15%
VIC	-19%	-15%	-19%	-18%
QLD	-29%	-9%	-22%	-18%
Rest of Aust	-14%	-19%	-27%	-21%

Source: Loan Market Group
Note: Based on the last two weeks of June 2026 vs last two weeks of June 2025. Seasonally adjusted.

Figure 12 - Loan Market Group - Reduction in Mortgage Lodgements post RBA hiking cycle and Budget - New vs Existing Property (by value $)

	Owner Occupiers	Investors	Total
New Property	-22%	-15%	-19%
Existing Property	-16%	-40%	-25%

Source: Loan Market Group

Note: Based on rolling two week data since the beginning of February 2026. Seasonally adjusted. New Property mortgage lodgements is a volatile series due to a smaller sample size.

Figure 13 - Loan Market Group - Reduction in Mortgage Lodgements vs pcp (June 2025) - New vs Existing Property (by value $)

	Owner Occupiers	Investors	Total
New Property	4%	25%	12%
Existing Property	-6%	-26%	-13%

Source: Loan Market Group

Note: Based on the last two weeks of June 2026 vs last two weeks of June 2025. Seasonally adjusted. New Property mortgage lodgements is a volatile series due to a smaller sample size.

Change in mortgage lodgements - Australia

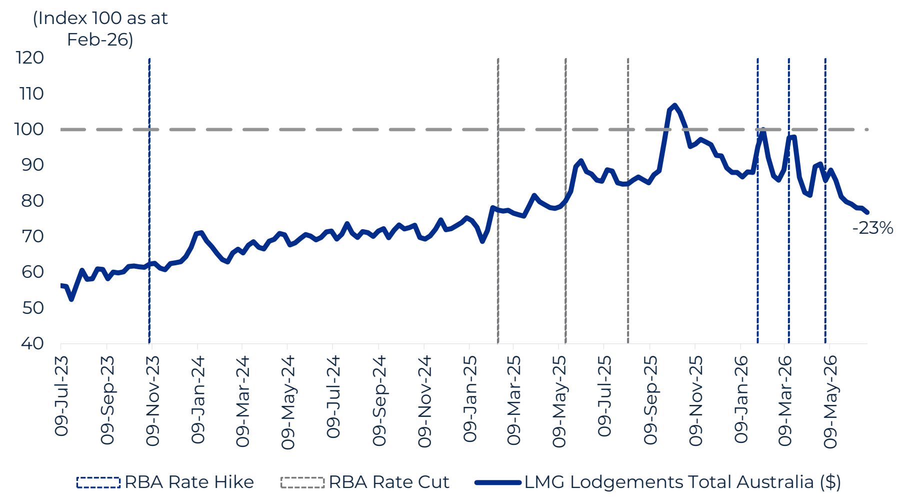
Since prior to the beginning of the rate hiking cycle and the federal budget, Loan Market Group has seen its total lodgements decline by -23%.

The first two rate hikes appear to have caused an increase in volatility in LMG lodgements.

It was around the third rate hike and the federal budget that we saw a change in trend.

Lodgements still remain elevated in a historical context. (LMG saw lodgements spike in Oct-25 with the FHB program). Lodgements are back to around early 2025 levels.

Figure 14 - Loan Market Group Total Lodgements Australia (Value $) (Index 100 as at start of Feb)



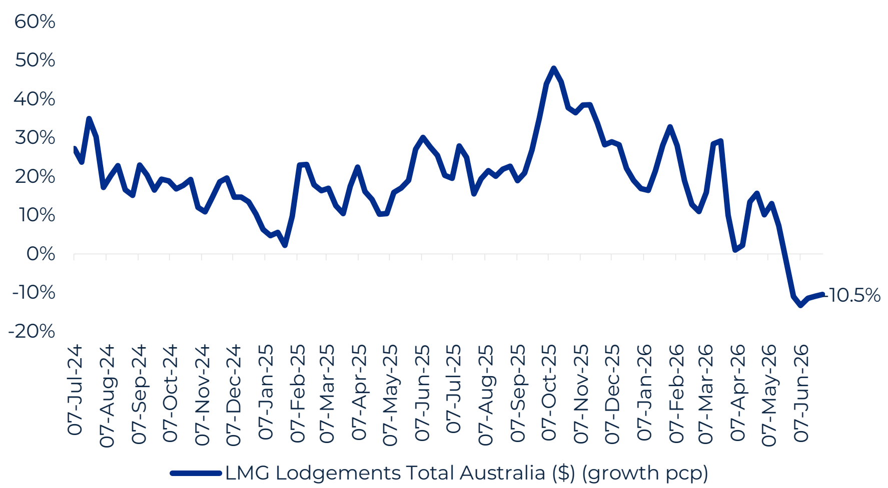
Source: Loan Market Group

Lodgements for the last average two weeks of June were down -10.5% pcp.

Growth in lodgements spiked in Oct-25, following the FHB deposit scheme, and again in Jan-26.

Although volatile, the growth trend has been declining since Feb-26.

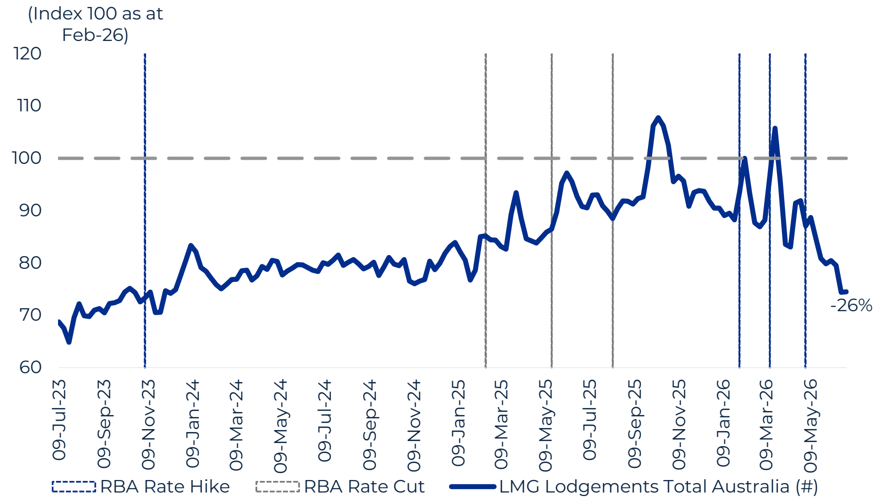
Figure 15 - Loan Market Group Lodgements Total Australia (Value $) (growth pcp)



Source: Loan Market Group

The number of loans has fallen more sharply than the amount of credit. On average, the number of loans since the start of this February has fallen by -26%.

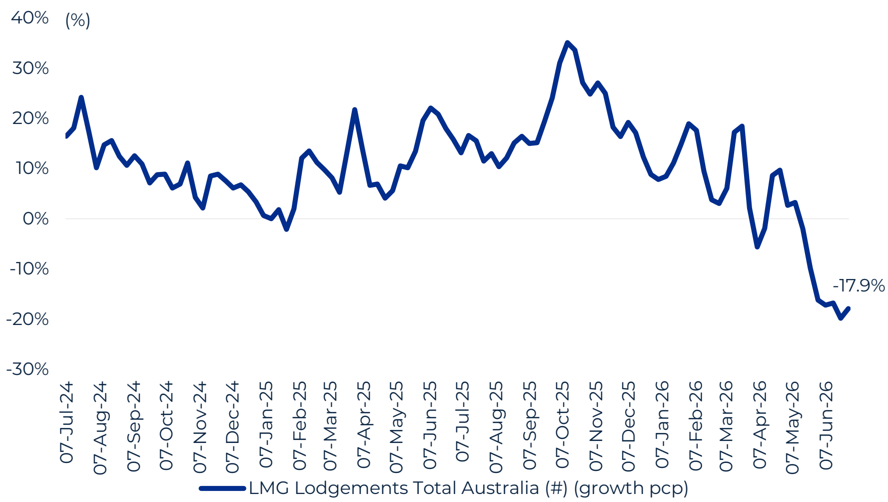
Figure 16 - Loan Market Group Total Lodgements Australia (number #) (Index 100 as at start of Feb)



Source: Loan Market Group

Growth pcp, total Australia lodgements in (#) are down -17.9% for the first week of June (rolling two week average).

Figure 17 - Loan Market Group Lodgements Total Australia (number #) (growth pcp)



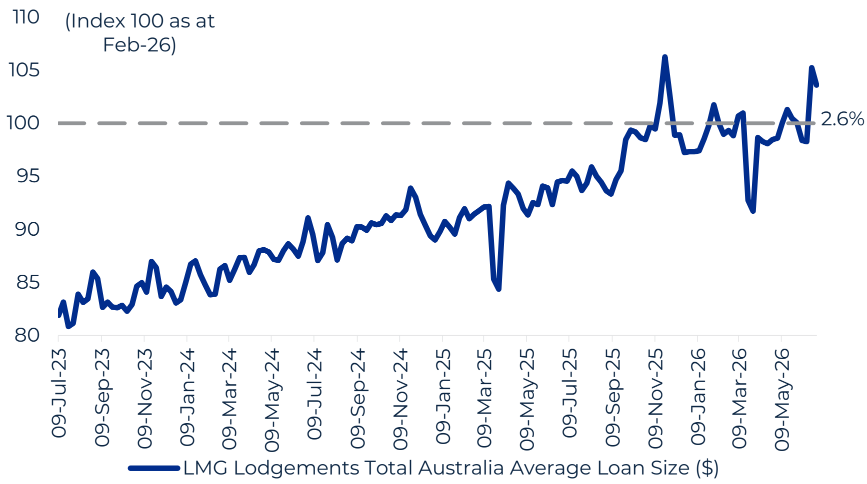
Source: Loan Market Group

Evidently the average loan size has increased. Since the start of this year, on average, loan sizes have increased by 2%.

Since Jul-23, the average loan size has increased 26%.

This indicates the slowdown was largely driven by smaller loan sizes.

Figure 18 - Loan Market Group - Average Loan Size ($) (Index 100 as at start of Feb)

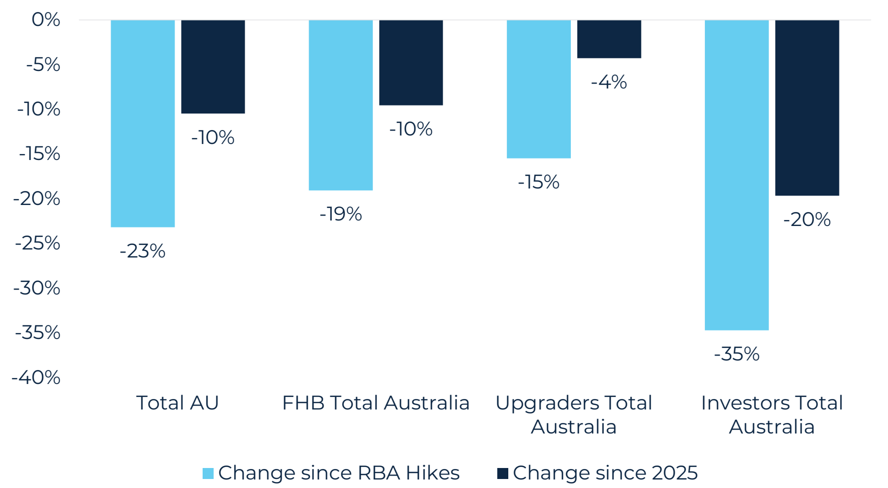


Source: Loan Market Group

First Home Buyers, Upgraders and Investors mortgage lodgements

Three rate hikes and the Budget tax changes have led to a reduction in mortgage applications for all categories, led by investors.

Figure 19 - Loan Market Group Lodgements Growth by Category ($) (post RBA rate hikes & vs pcp)



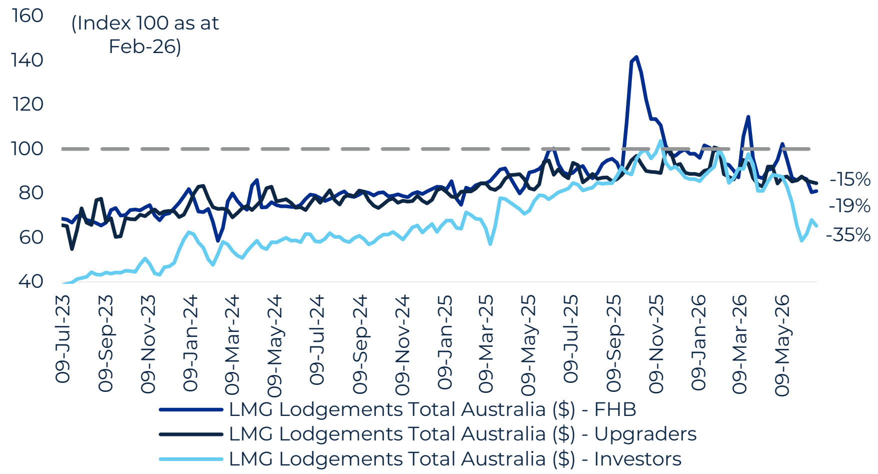
Source: Loan Market Group

This pull back, as expected, was largely driven by investors. Since before the rate hiking cycle, LMG investor lodgements have declined -35%.

However, this is after peaking in Nov-25.

First home buyers have also declined -19% since the start of this year and upgraders -15%.

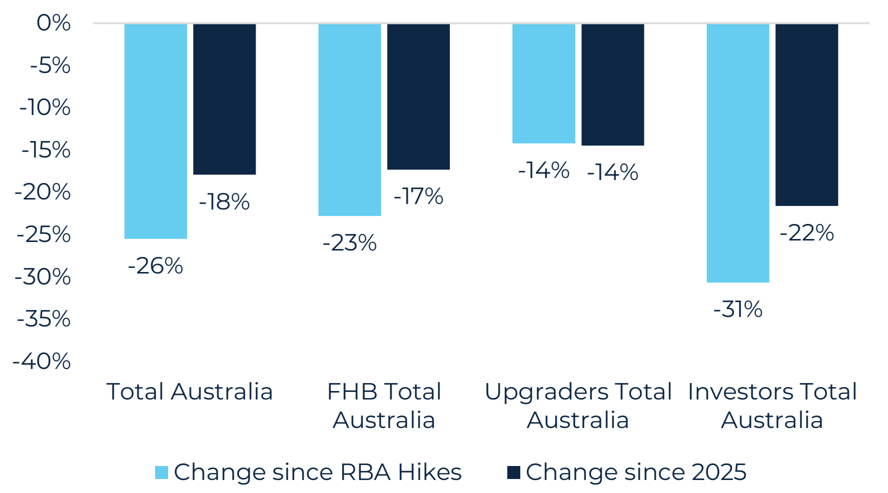
Figure 20 - Loan Market Group Lodgements Total Australia ($) by Category (Index 100 as at start of Feb)



Source: Loan Market Group

By category, pcp growth shows FHB have declined -17%, upgraders -14% and investors -22%.

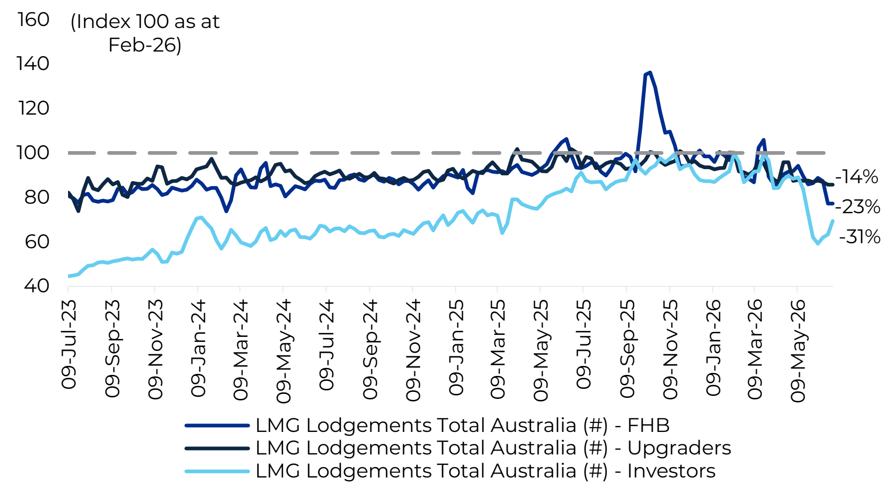
Figure 21 - Loan Market Group Lodgements growth by Category (#) (RBA rate hikes & pcp)



Source: Loan Market Group

By number, since the start of Feb, upgraders have declined -14%, FHB -23% and investors -31%.

Figure 22 - Loan Market Group Lodgements Total Australia (#) by Category (Index 100 as at start of Feb)



Source: Loan Market Group

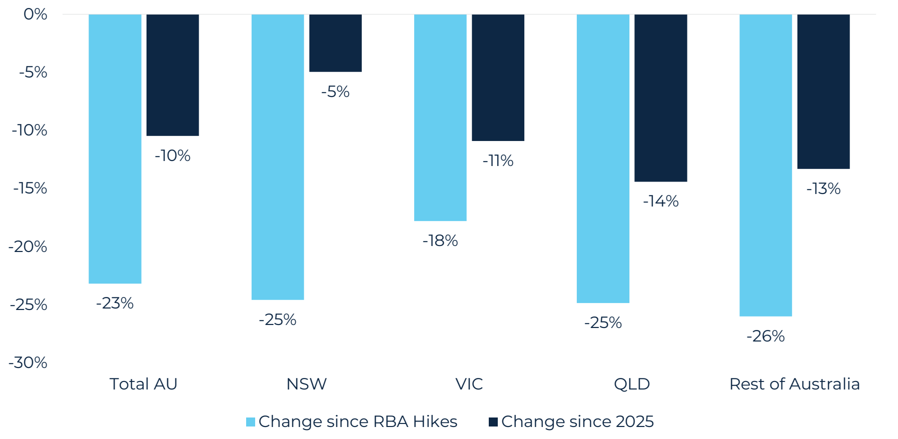
Lodgements by State

There has been a pullback in mortgage lodgements across each state.

The pull-back in VIC is slightly lower given a weaker base.

The rest of Australia (combined SA, WA, TAS, NT and ACT) is down slightly more than NSW and QLD.

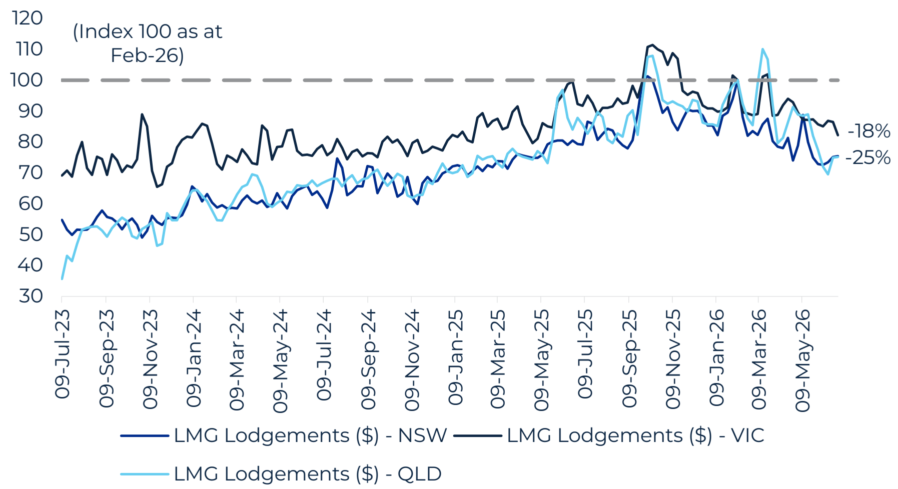
Figure 23 - Loan Market Group Lodgements Growth ($) (RBA rate hikes & pcp)



Source: Loan Market Group

Since the start of Feb, VIC has declined -18%, while NSW and QLD have declined -25% each.

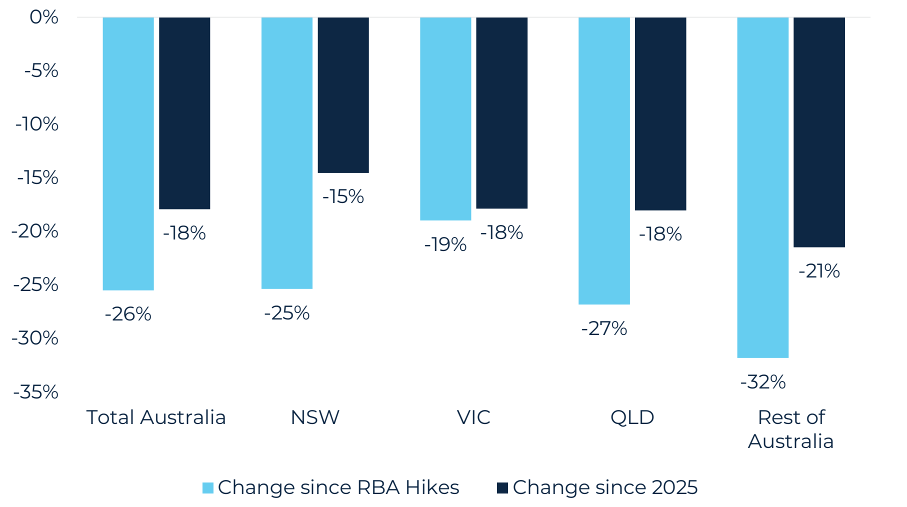
Figure 24 - Loan Market Group Lodgements Total Australia ($) by State (Index 100 as at start of Feb)



Source: Loan Market Group

By number of lodgements, it is the Rest of Australia (SA, WA, TAS, ACT & NT) that has seen lodgements pull back the furthest.

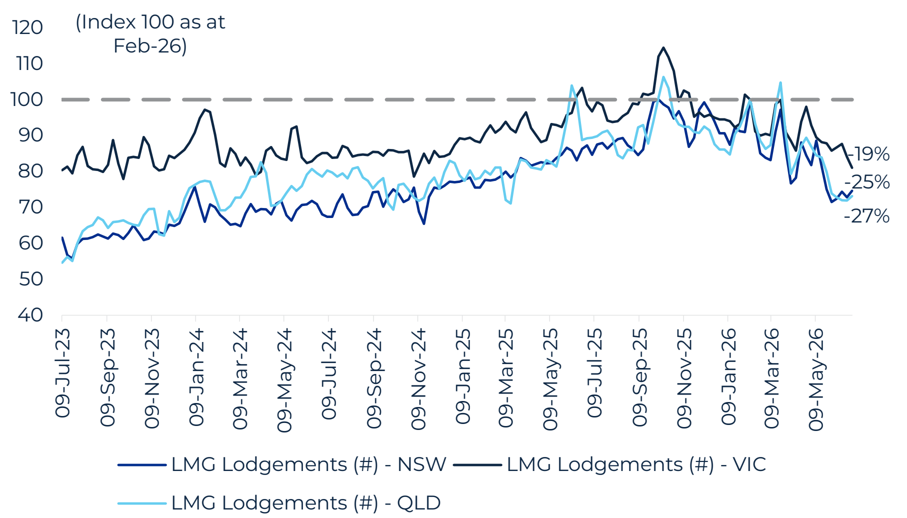
Figure 25 - Loan Market Group Lodgements growth by State (#) (RBA rate hikes & pcp)



Source: Loan Market Group

By number, VIC has declined -19%, NSW -25% and QLD -27%.

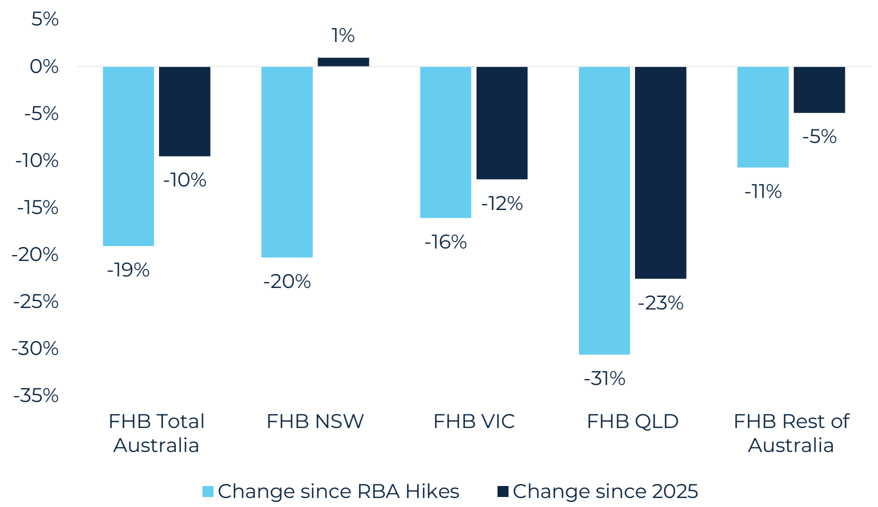
Figure 26 - Loan Market Group Lodgements Total Australia (#) by State (Index 100 as at start of Feb)



Source: Loan Market Group

First Home Buyers lodgements have fallen in all states since the rate hikes.

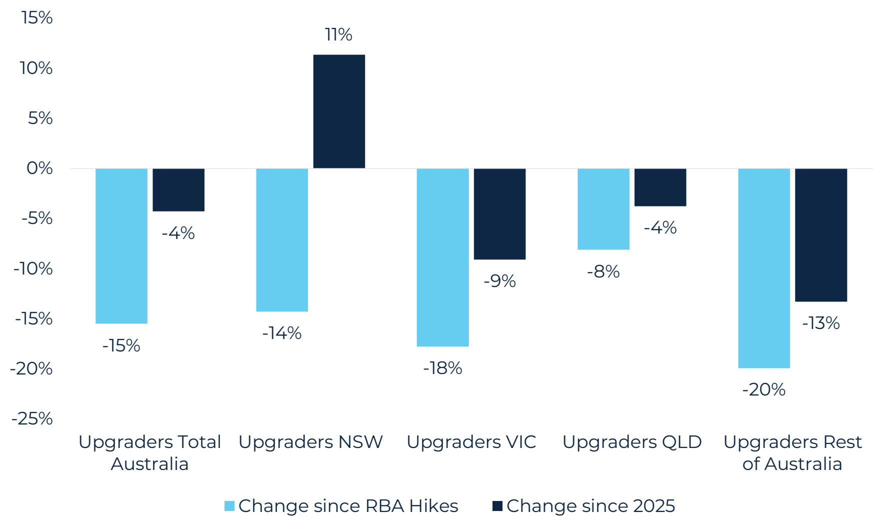
Figure 27 - Loan Market Group Lodgements ($) - First Home Buyers - by State



Source: Loan Market Group

Upgraders have generally seen a reduction in applications.

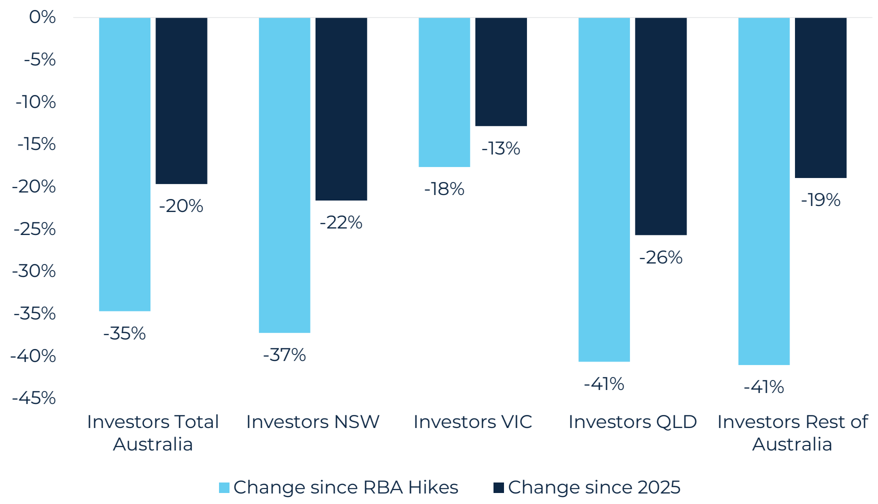
Figure 28 - Loan Market Group Lodgements ($) - Upgraders - by State



Source: Loan Market Group

VIC has seen a smaller pull back in investors than the other states.

Figure 29 - Loan Market Group Lodgements ($) - Investors - by State



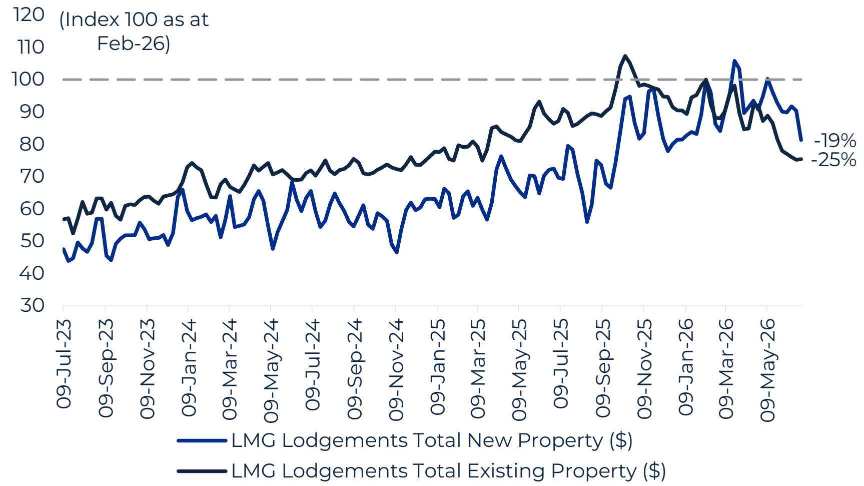
Source: Loan Market Group

Lodgements for New vs Existing Properties

Please note - New Property mortgage lodgements is a volatile series due to a smaller sample size.

Total mortgage lodgements have fallen for both new and existing properties since the start of the rate hiking cycle in February.

Figure 30 - Loan Market Group Lodgements - Total Australia - New vs Existing Property ($) (Index 100 as at start of Feb-26)

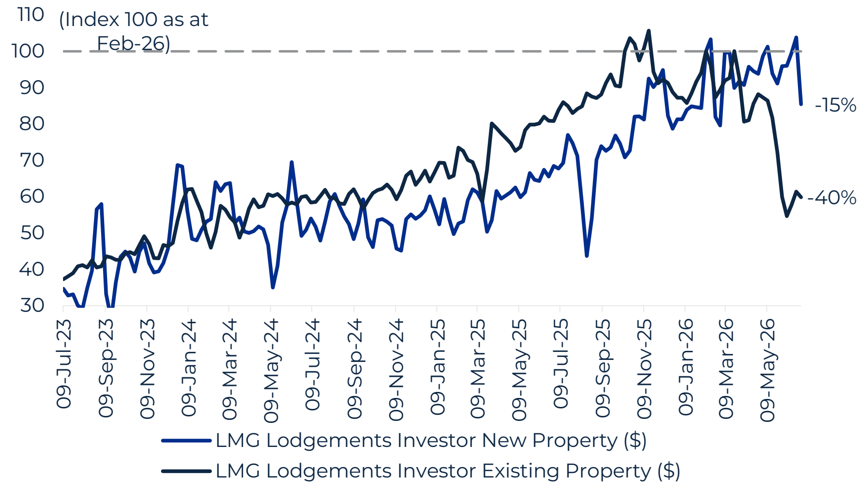


Source: Loan Market Group

Investor lodgements for existing properties (which are no longer eligible for negative gearing tax deductions) are down 40%.

Investor lodgements for new properties have also fallen by 15% (although this is a volatile series and only fell during the last few weeks of June).

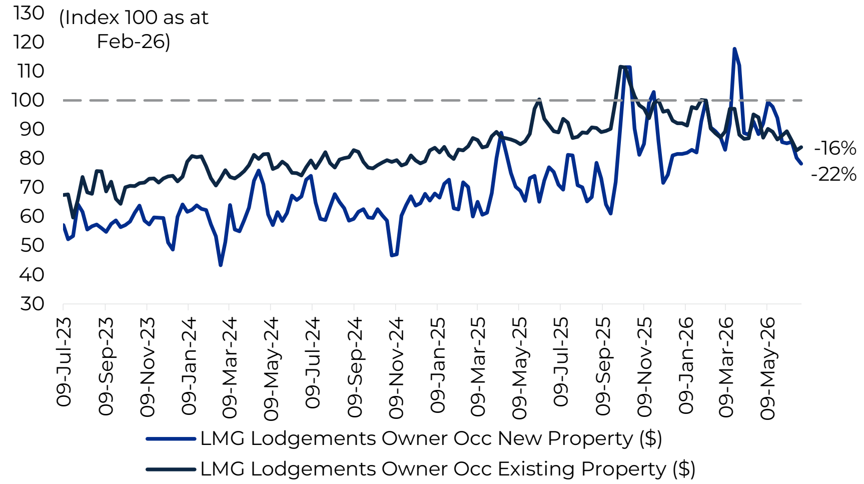
Figure 31 - Loan Market Group Lodgements - Investor - New vs Existing Property ($) (Index 100 as at start of Feb-26)



Source: Loan Market Group

For owner occupiers, mortgage lodgements for both new and existing properties are down by a broadly similar amount.

Figure 32 - Loan Market Group Lodgements - Owner Occ - New vs Existing Property ($) (Index 100 as at start of Feb-26)



Source: Loan Market Group

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