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Australians Raid Savings as Mortgage Boom Intensifies

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Australian households withdrew \$12 billion from savings in June – the first monthly decline in a year – as residential mortgage lending surged to record levels. APRA data reveals this 0.74% dip in household deposits coincided with a \$17.7 billion expansion in bank home loan portfolios, the largest monthly increase since June 2021. The simultaneous trends

highlight growing financial pressures as borrowers capitalize on interest rate cuts while maintaining savings buffers.

Seasonal factors contributed to the savings drawdown, with end-of-financial-year expenses including tax deductions and super contributions typically driving June withdrawals. Canstar's Sally Tindall notes this mirrors 2023 patterns where a \$11.5 billion June drop preceded a \$30.8 billion July rebound. However, the current environment differs with two rate cuts already fueling property demand and expectations of further RBA easing in August. CBA led the mortgage charge, posting a record  \$4.7 billion monthly loan book increase.

The data reveals curious consumer behavior – households maintain 72% of deposits with major banks despite uncompetitive rates, excepting Westpac's 5% youth account. This loyalty persists as property markets defy affordability constraints, with mortgage growth tracking alongside rising home values. The residential lending surge reflects both refinancing activity and new purchases, with CBA's diversified loan products capturing significant market share through multiple channels.

As Australia's financial landscape evolves, these June figures present a paradox: consumers simultaneously protect savings and pursue property despite economic uncertainties. The coming months will test whether households can rebuild reserves while servicing larger debts, particularly if anticipated rate cuts materialize. With property markets remaining hot and savings buffers thinning, the nation's financial resilience faces its sternest examination since the rate hike cycle began.