Market Pulse

Consumer Market Pulse

August 2026

Credit Trend Data as of August 2026

Executive Summary

The August 2026 Equifax Consumer Market Pulse reveals differing trends between secured and unsecured Australian borrowing behaviours under sustained higher interest rate conditions.

Secured Debt Apprehension

Overall mortgage commitments remain down as Australian households re-evaluate major capital obligations. High interest rates and cost of living constraints continue to impact borrowing decisions, with consumers choosing to hold off on massive new debt. First home buyers are experiencing the largest year on year pullback seen since 2022.

Unsecured Credit Rebound

Credit card applications and personal loans returned to positive growth, potentially driven by cardholders shopping around ahead of regulatory interchange fee cap reductions and seeking better value from alternative options.

Widening Generational Divide

Older Australian consumers are driving growth across credit cards, personal loans, and mortgage lender switching. Holding greater housing equity and lower relative leverage, this mature cohort uses credit facilities for liquidity or rewards. Conversely, under-35s remain in credit retreat across all categories.

Market Pulse: Key Insights

Credit Demand Mixed

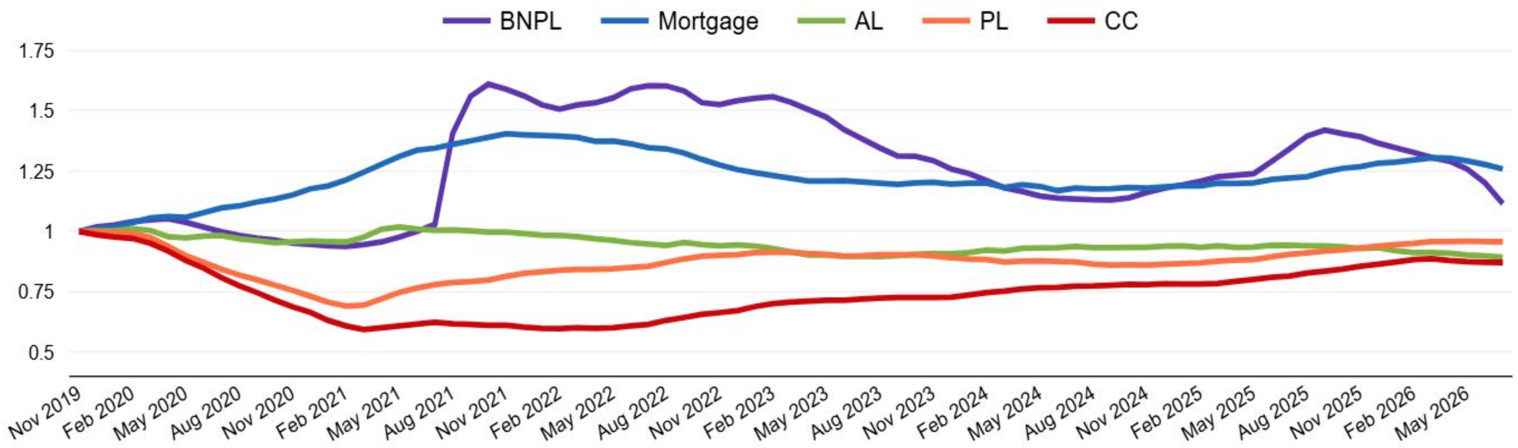
National credit demand was mixed, with mortgages down -14.1% YoY and auto loans down -2.1% YoY, while credit cards grew +2.9% YoY and personal loans rose +1.3% YoY.

Mortgage Contraction

Mortgage demand fell -14.1% YoY nationally, led by steep declines in ACT (-17.6% YoY) and NSW (-15.9% YoY).

Credit Card Growth

Credit card applications increased +2.9% YoY nationally, returning to growth after four consecutive months of contraction.



Personal Loan Recovery

Personal loan demand rose +1.3% YoY nationally, snapping a two-month trend of year-on-year market declines.

Secured Credit

Mortgage and Auto Loan

Credit Trends

Australian households generally appeared hesitant to take on large new long-term financial commitments in August.

Mortgage demand remained down across all jurisdictions and younger age cohorts, while auto loan applications experienced a modest softening.

Mortgage Demand Trends

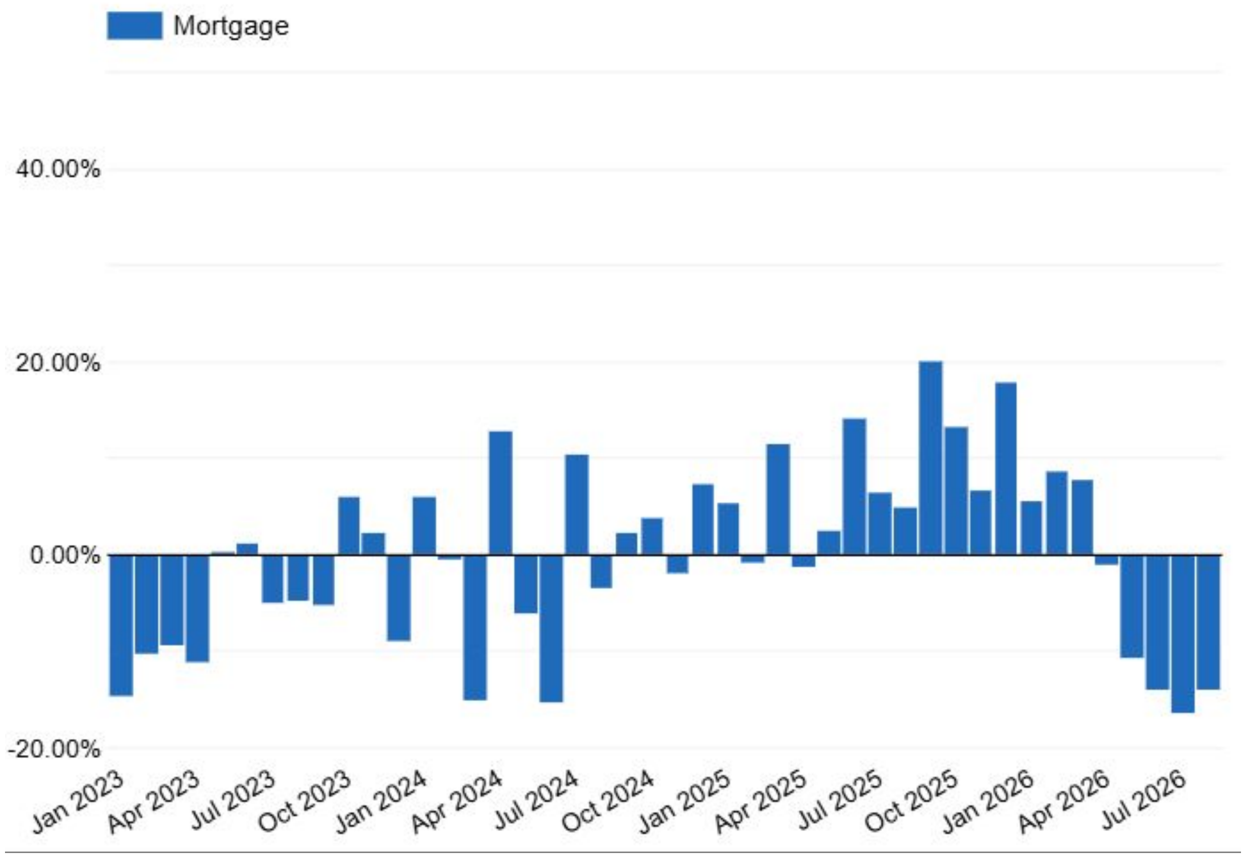
Key Insights

Overall mortgage demand adjusted to -14.1% YoY (-14% YoY in June, -10% YoY in May), While slightly improved, August still marks a fifth consecutive month of decline in overall demand.

Refinancing with a different lender was nearly flat at -0.8% YoY, while refinancing with the same lender dropped sharply by -23% YoY.

Overall demand contracted across all states, led by ACT (-17.6% YoY) and NSW (-15.9%), QLD (-14.7%), VIC (-12.8%), SA (-13.7%), with WA showing the most resilience at -10.43% YoY.

Younger cohorts led overall market declines, with demand falling -21.7% among 18–25 year-olds and -18.1% among 26–35 year-olds.



Investor & First Home Buyer Demand

First Home Buyer Contraction

Applications plummeted -20.1% YoY nationally – the largest year-on-year decline since 2022 – led by sharp state-level contractions in QLD (-22.6% YoY) and NSW (-22% YoY).

Property Investor Pullback

Demand among prospective property investors (borrowers with two or more mortgages) fell -11.4% YoY in August, easing slightly from July (-15.1% YoY) and June (-12.7%YoY).

Refinancing Regional & Age Drivers

Switching to a different lender grew in WA (+2.3% YoY) & QLD (+1% YoY) but fell in ACT (-12.7% YoY) and SA (-7% YoY). Older homeowners drove lender switching (56–60yrs at +13.3%; 60+yrs at +9.2%), while same-lender refinancing dropped most in NSW (-28.3%) and among 36–45 year-olds (-25.6%). While still in negative demand, refinancing with the same lender in WA held best at -15.9%.

Age Demographics & Loan Size

Younger Australians continued to lead the mortgage pullback, with 18–25 year-olds dropping -21.7% YoY and 26–35 year-olds falling -18.1% YoY. Average first home buyer loan sizes remain at all-time highs ($740K national average; $622K for 18–25yrs and $734K for 26–35yrs).

National First Home Buyer Demand Trends (Aug 2025 - Aug 2026)

Month	Aug 25	Sept 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26
National	-2.3%	+9.7%	+13.7%	+2.9%	+17.1%	+1.9%	+3.7%	+4.2%	-2.9%	-13.4%	-17.2%	-19.2%	-20.1%
NSW	-0.7%	+11.6%	+16.2%	+4.0%	+19.7%	+3.5%	+3.0%	+3.0%	-4.5%	-12.3%	-16.1%	-18.3%	-22.0%
VIC	-2.4%	+8.7%	+8.4%	-3.1%	+10.6%	-2.9%	-3.4%	-3.7%	-7.3%	-15.4%	-18.2%	-16.8%	-18.2%
QLD	-4.2%	+7.7%	+14.6%	+5.9%	+23.3%	+3.6%	+8.0%	+14.2%	+0.9%	-16.5%	-20.8%	-25.2%	-22.6%
SA	-5.3%	-1.9%	+7.9%	+2.4%	+12.1%	+4.8%	+8.6%	+5.9%	+5.5%	-11.8%	-14.3%	-16.9%	-15.9%
WA	-5.7%	+14.9%	+22.6%	+10.0%	+19.1%	+9.5%	+11.6%	+9.7%	-2.5%	-8.5%	-13.9%	-19.6%	-18.4%

Auto Loan Demand Trends

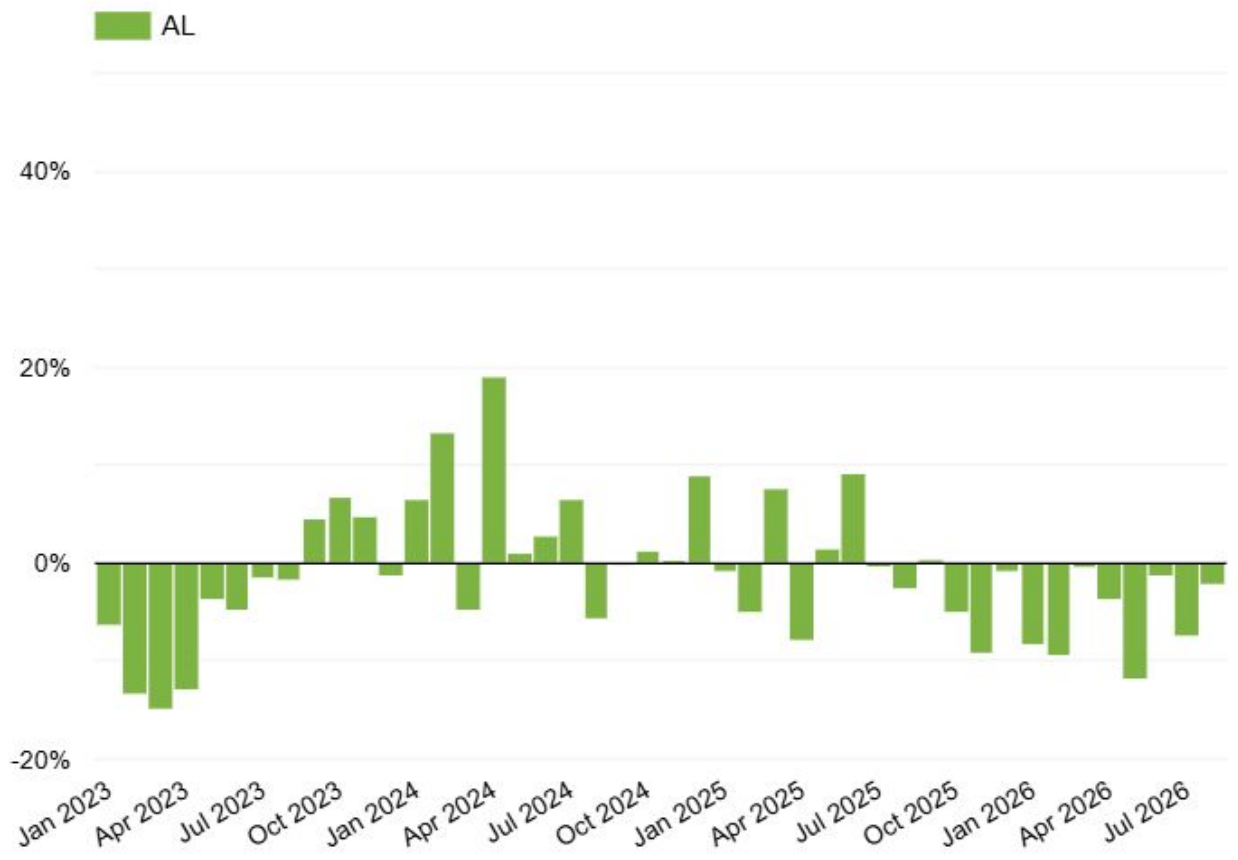
Key Insights

Demand Trajectory: Auto loan applications softened modestly nationally at -2.1% YoY as Australian consumers adjusted vehicle purchase timing.

State Drivers: Softening was led by Eastern States including QLD (-4.8% YoY) and VIC (-3.2% YoY), while SA recorded positive growth (+1.1% YoY).

Age Demographics: Younger consumers deferred vehicle purchases with 26–35 year-olds down -3.4% YoY, while demand among 56yrs+ consumers was flat (+0.2% YoY).

Overall demand August, -2.1% YoY decline



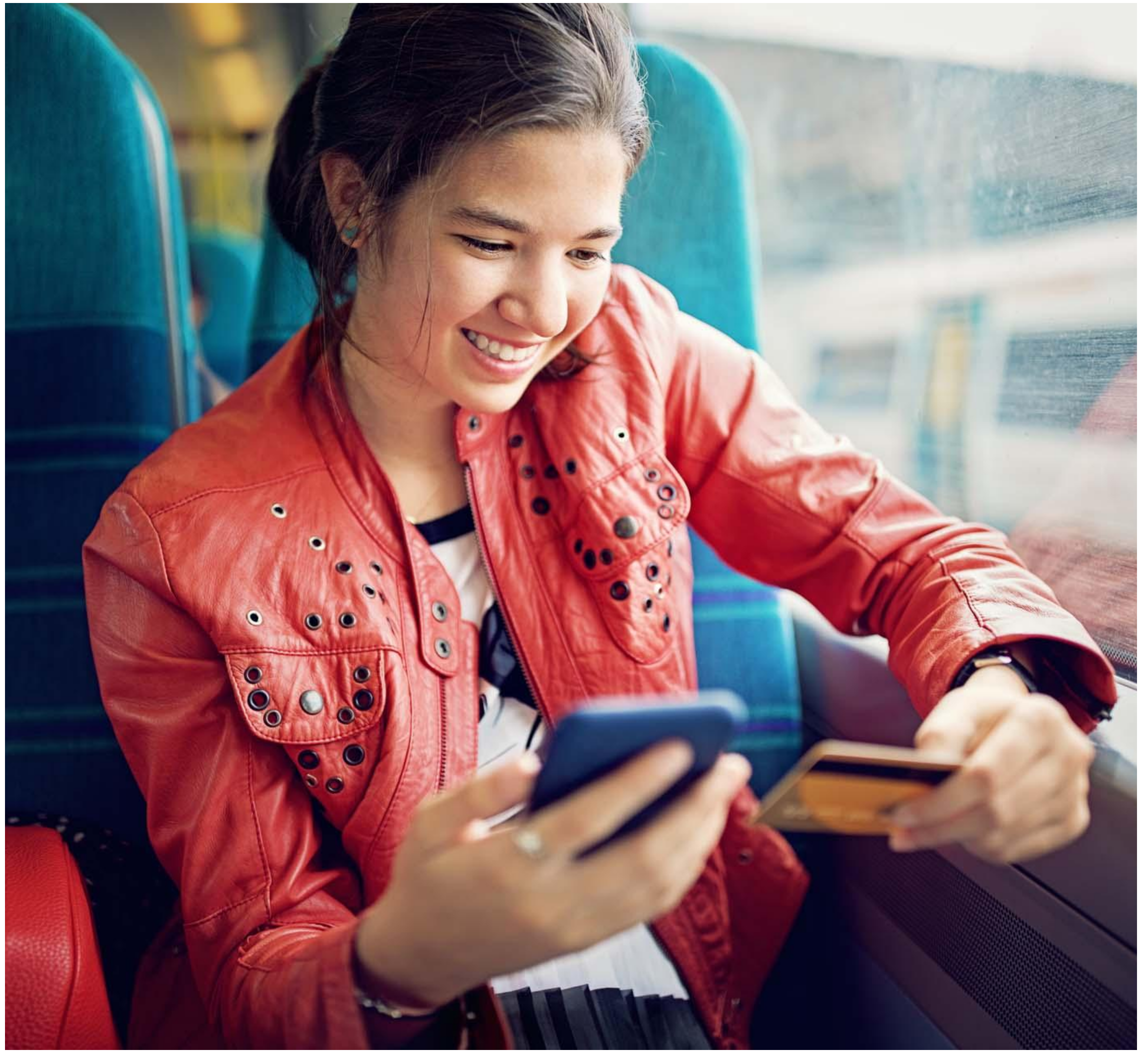
Unsecured Credit

Personal Loans and Credit Cards

Credit Trends

Unsecured credit line demand returned to positive growth as Australian households sought financial flexibility and optimised rewards.

Credit cards broke a four-month contraction, while personal loans rebounded following consecutive monthly declines.



Personal Loan Demand Trends

Demand Trajectory:

Demand rebounded to +1.3% YoY, snapping a two-month streak of negative demand in June and July.

State Drivers:

Strong demand in NSW (+6.7% YoY) offset steep drops in TAS (-15.3% YoY) and SA (-3.3% YoY).

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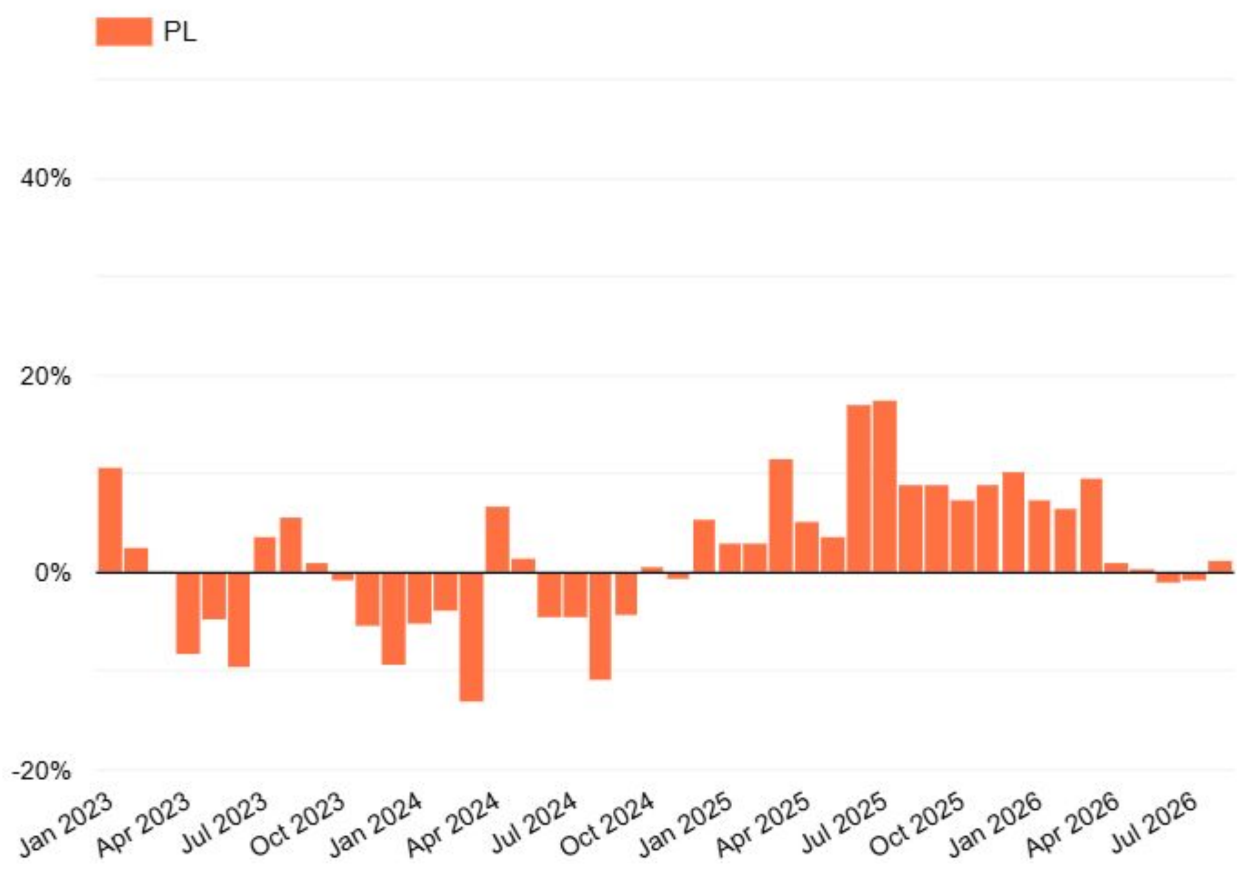
Overall demand August +1.3% YoY increase



Credit Card Demand Trends

Demand Trajectory:

Credit card applications grew +2.9% YoY, ending four consecutive months of market contraction.

State Drivers:

Growth was heavily concentrated in older demographics with 56+ consumers up +21.5% YoY, whereas under-35 year-olds fell by an average of -2.5% YoY.

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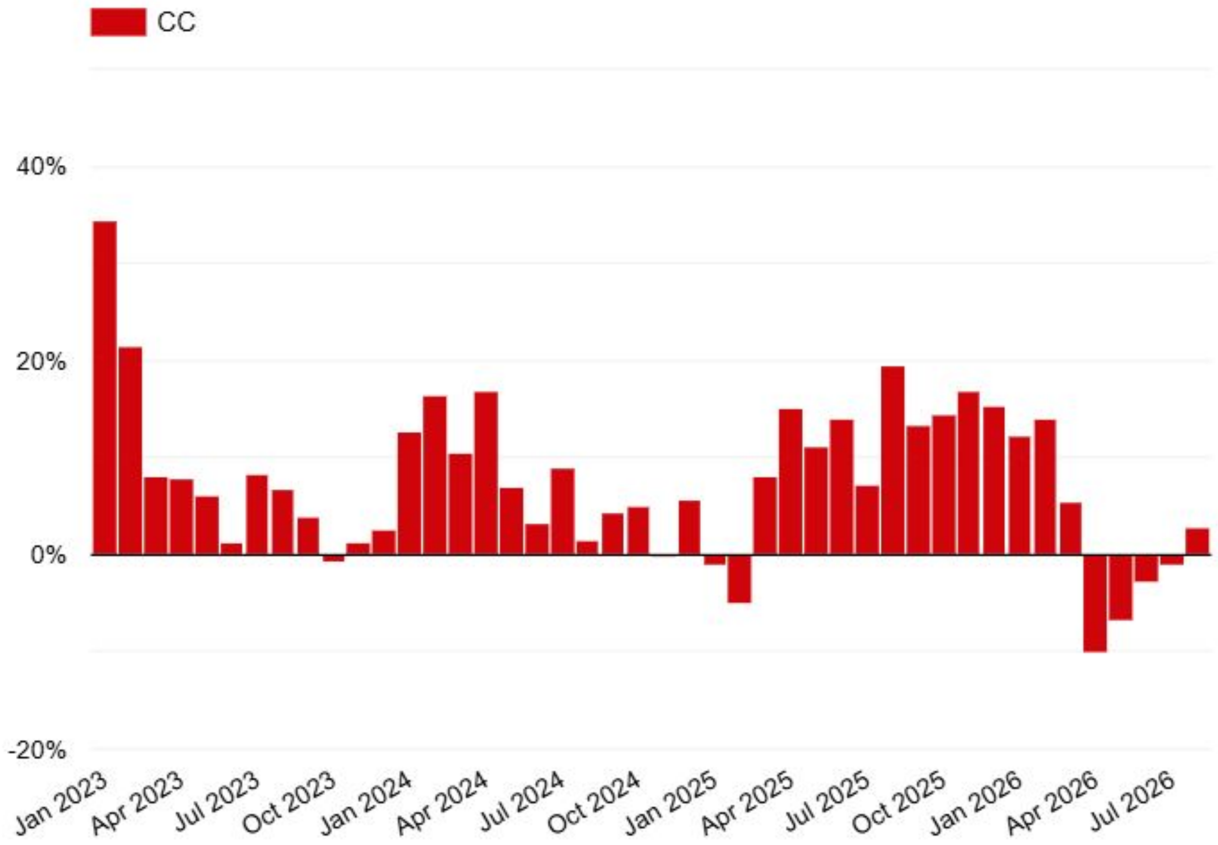

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