

18 May 2022

## Debt to Income Summary

March 2022

- In March, new mortgage commitments with high DTIs (>5) were 55.1% of total mortgages, down from 59.3% in December<sup>1</sup>.
- The share of lending to first home buyers (FHBs) with high DTIs (>5) was 53.9% in March, down from 58.4% in December-21, while to other owner occupiers (OOO) without investment property collateral decreased from 49.8% to 45.6% (Figure 1).
- The quarterly share of lending to FHBs with high DTIs and LVR > 80% dropped from 22.0% in Q4 2021 to 12.5% in Q1 2022, the lowest recorded since Q1 2019. The quarterly share of lending with high DTIs and LVR > 60% to investors decreased from 25.1% to 23.7%.
- The share of lending to investors with high DTIs fell from 70.5% in December to 66.7% in March, and to owner occupiers with investment property collateral fell from 75.4% to 69.2%.
- The quarterly share of lending to investors with DTI > 9 decreased from 12.6% in Q4 2021 to 10.6% in Q1 2022, whereas DTI > 9 lending to other owner occupiers with investment property collateral has been more steady, decreasing from 13.6% last quarter to 13.2% (Figure 2).
- The quarterly share of Auckland investor loans with DTI > 7 fell from 48.5% in Q4 2021 to 41.6%, while the share of non-Auckland investors with DTI > 7 fell from 29.7% to 23.7% (Figure 3).

Figure 1: New commitments by DTI and borrower type, March 2022

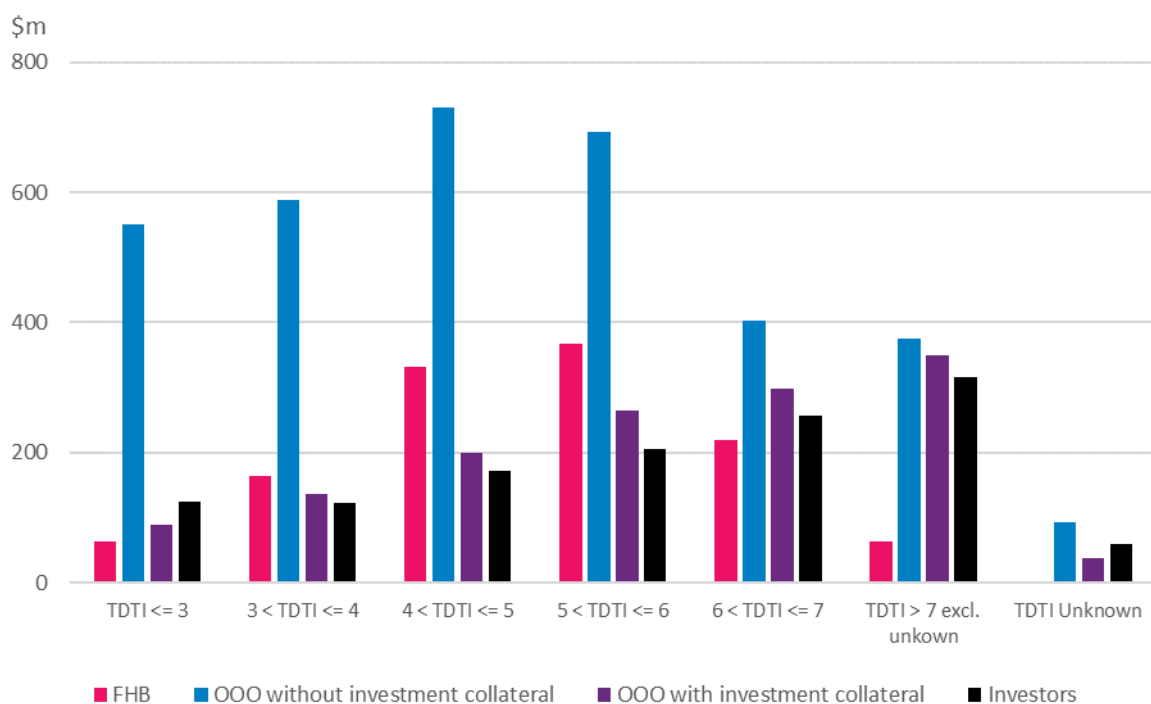


Table 1: Share of DTI by borrower type, March 2022

	TDTI > 5	TDTI > 7	TDTI > 9
<b>First home buyers</b>	53.9%	5.4%	
<b>Other owner-occupiers without investment collateral</b>	45.6%	13.6%	7.5%
<b>Other owner-occupiers with investment collateral</b>	69.2%	28.2%	13.4%
<b>Investors</b>	66.7%	29.8%	10.1%

Figure 2: Share of commitments to borrowers with DTI>9 (rolling 3 months)

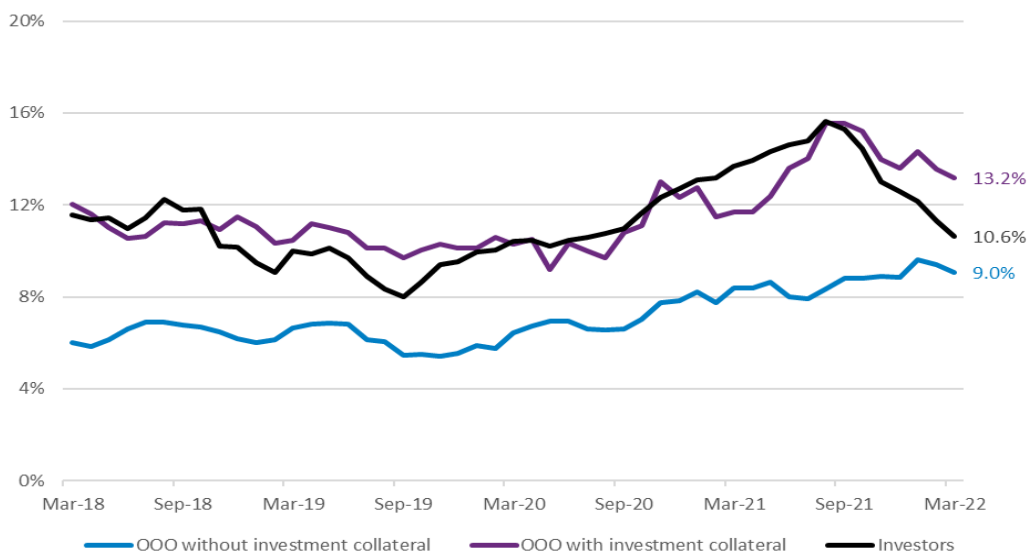
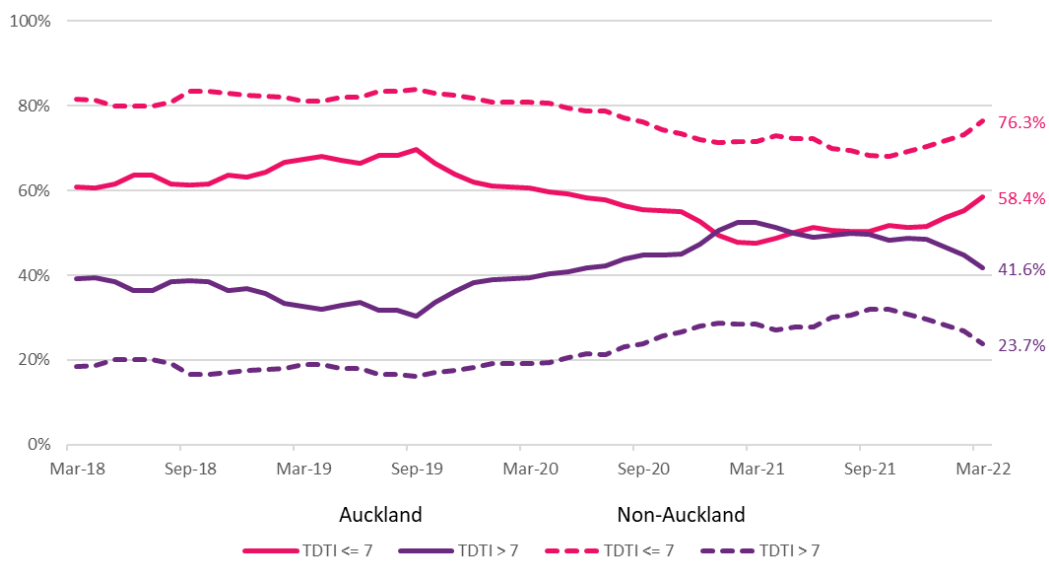


Figure 3: Share of commitments to Auckland and non-Auckland investors with DTI <= 7 and DTI > 7 (rolling 3 months)



<sup>1</sup> All shares are calculated by grouping DTI unknown with DTI > 10.