



# RESERVE BANK

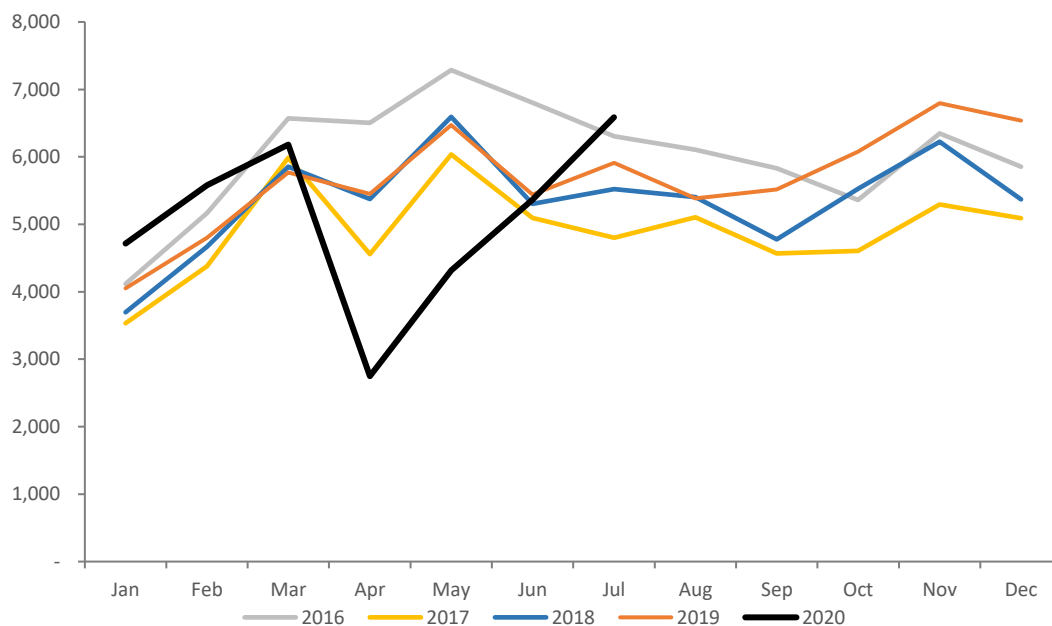
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## Loan to valuation ratio – new commitments summary

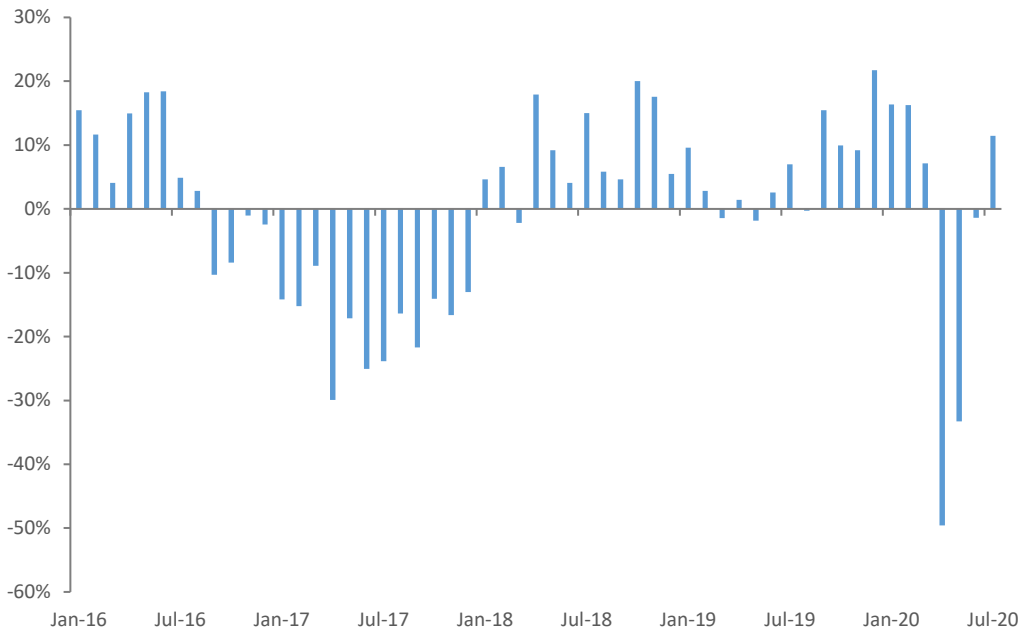
### Key points for July 2020:

- Total monthly new mortgage commitments were \$6.6b in July – the highest July figure since the survey began in 2013. This is an increase of \$1.2b (22.8%) from June 2020 and up 11.4% from July 2019.
- New mortgage commitments to first home buyers increased from \$1.1b in June to \$1.3b in July and other occupiers increased from \$3.2b in June to \$3.7b in July.
- First home buyers accounted for 20.4% of new mortgage commitments, up from 20.3% in June. Investors accounted for 22.0% of new mortgage commitments, up from 19.4% in June.
- The year-on-year increase of 11.4% in new mortgage commitments was driven by the increase in annual growth outside of Auckland. In Auckland, new mortgage commitments were up 3.9%, while new commitments outside of Auckland rose 17.6%.
- The nationwide year-on-year growth in value of new mortgage commitments to first home buyers was 29.6%, while new commitments to investors was up 31.0%.
- Monthly new mortgage commitments with high loan-to-valuation ratio<sup>[1]</sup> increased since the restrictions were removed in May 2020, high LVR new mortgage commitments to investor has more than doubled in July compared with June 2020.

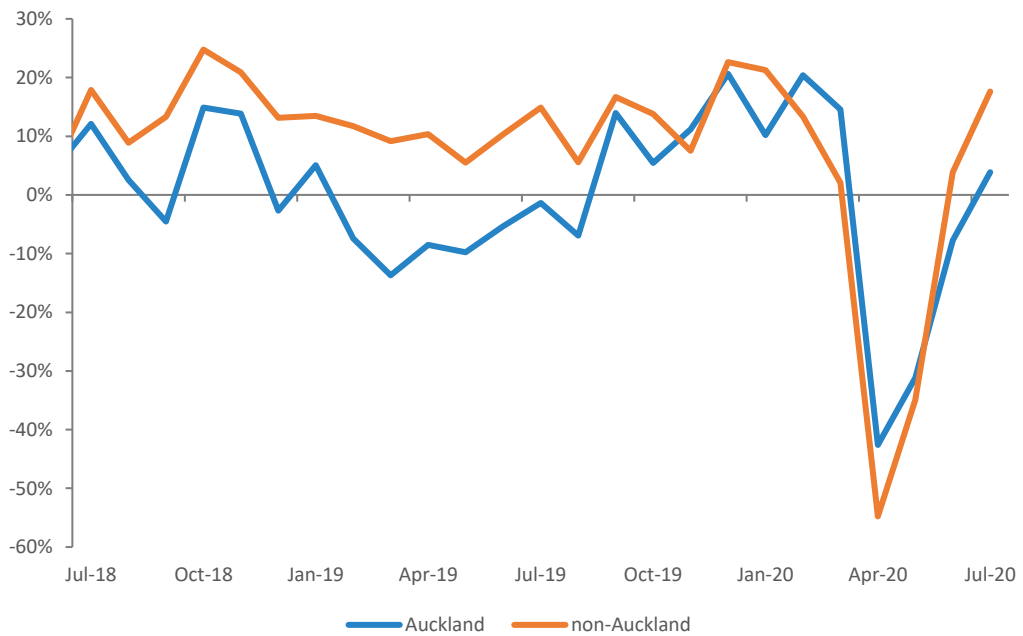
**Total monthly value of new commitments (\$m)**



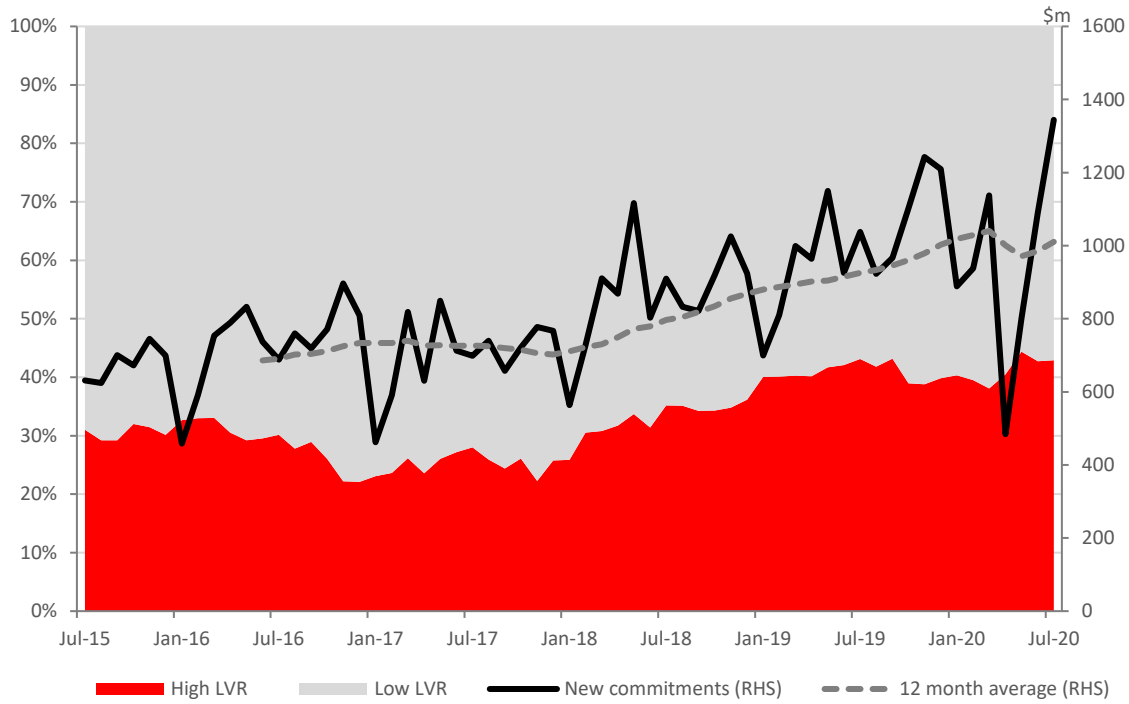
**Annual growth in total new commitments (%)**



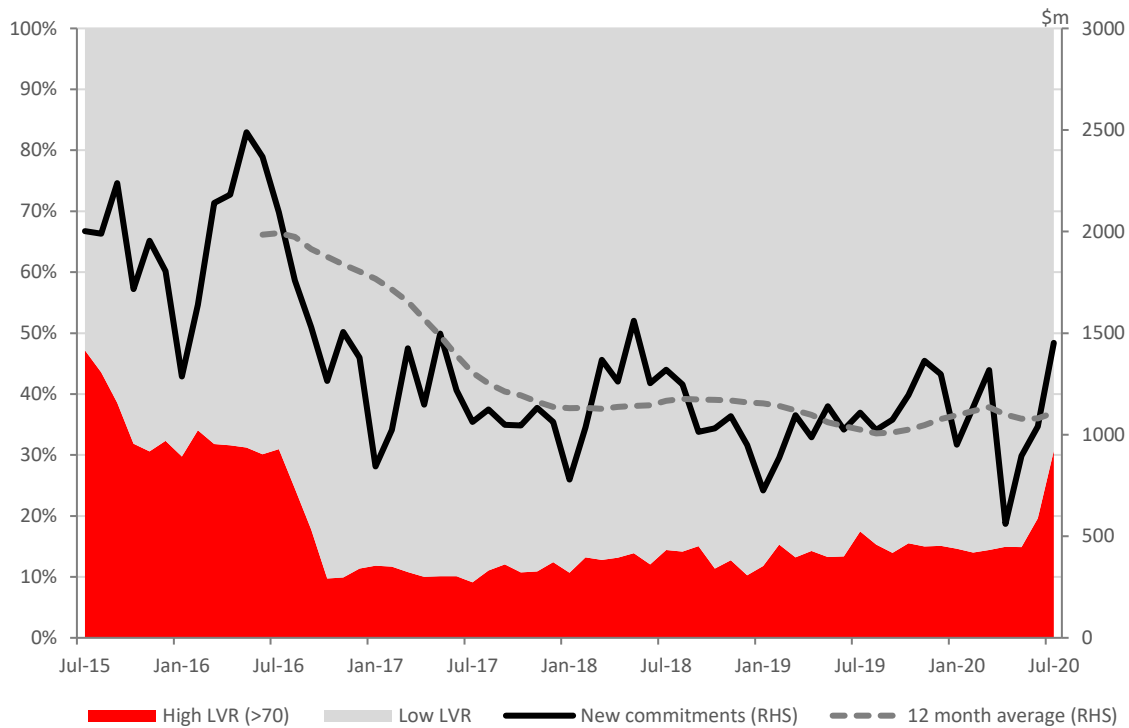
**Annual growth for new commitments by region (%)**



### New Commitments to First Home Buyers<sup>1</sup>



### New Commitments to Investors<sup>2</sup>



<sup>1</sup> High LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is above 80%. Low LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is 80% or below.

<sup>2</sup> For investors, high LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is above 70%. Low LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is 70% or below.