



RESERVE BANK

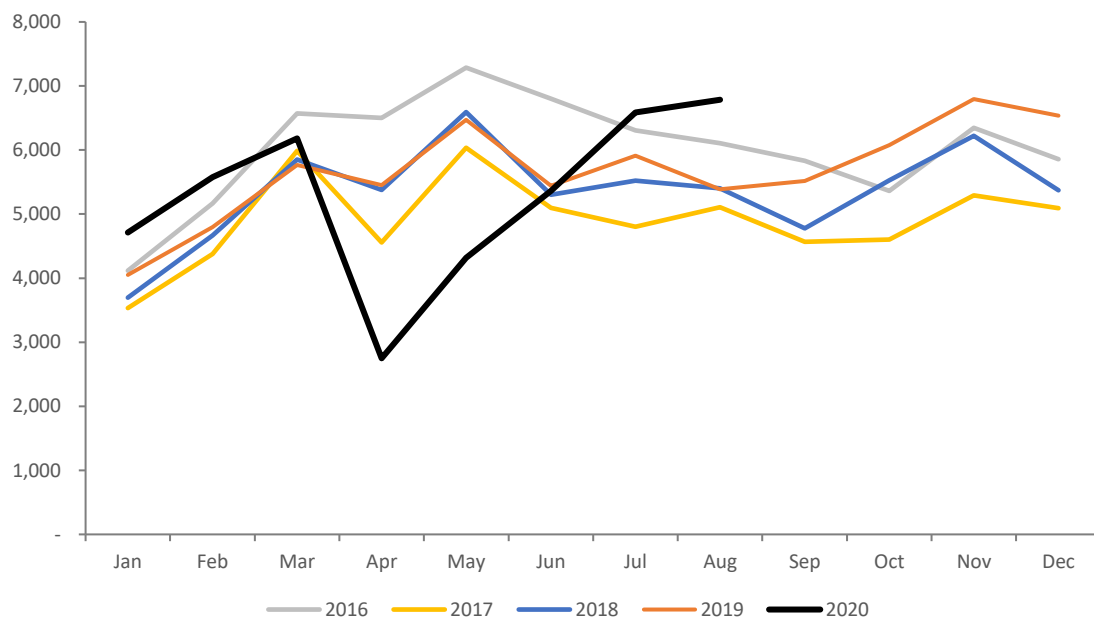
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Loan to valuation ratio – new commitments summary

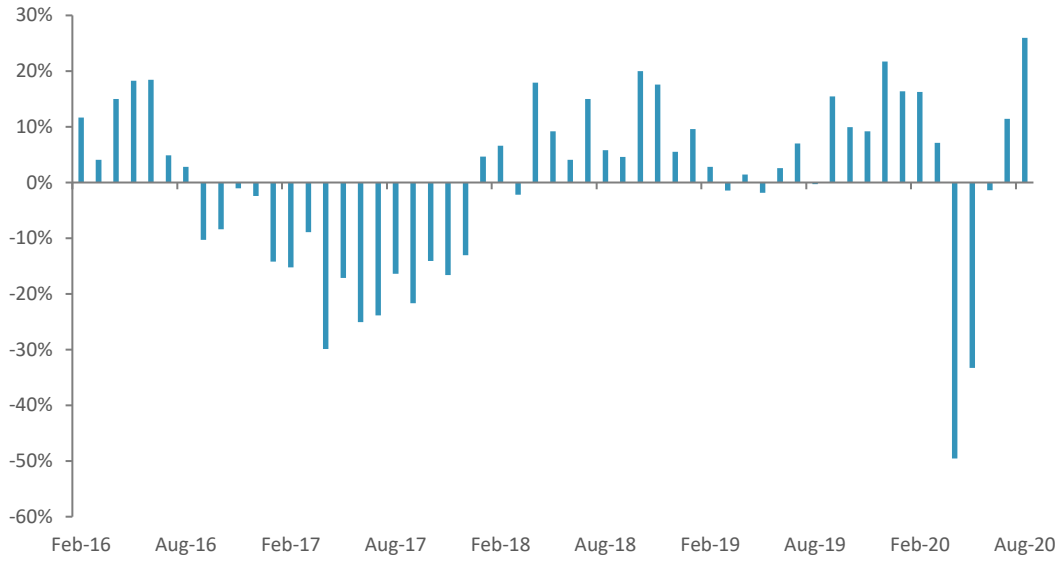
Key points for August 2020:

- Total monthly new mortgage commitments were \$6.8b in August – the highest August on record since the survey began in 2013. This is an increase of \$0.2b (3.0%) from July 2020 and up 26.0% from August 2019.
- New mortgage commitments to first home buyers were \$1.3b in August and remained consistent with July while other owner occupiers increased from \$3.7b in July to \$3.9b in August.
- First home buyers accounted for 19.8% of new mortgage commitments, down from 20.4% in July while other owner occupiers share of new commitments rose from 56.7% in July to 57.9% in August.
- The nationwide year-on-year growth in value of new mortgage commitments to first home buyers was 45.6%, while new commitments to investors was up 41.9%.
- The year-on-year increase of 26.0% in new mortgage commitments was largely driven by Auckland region. New mortgage commitments in Auckland increased from 3.9% in July to 24.5% in August, while new commitments outside of Auckland rose from 17.6% to 27.1%.
- Monthly new mortgage commitments with high loan-to-valuation ratio^[1] increased since the restrictions were removed in May 2020. High LVR new mortgage commitments to investors saw an increase of 10.3% in August.

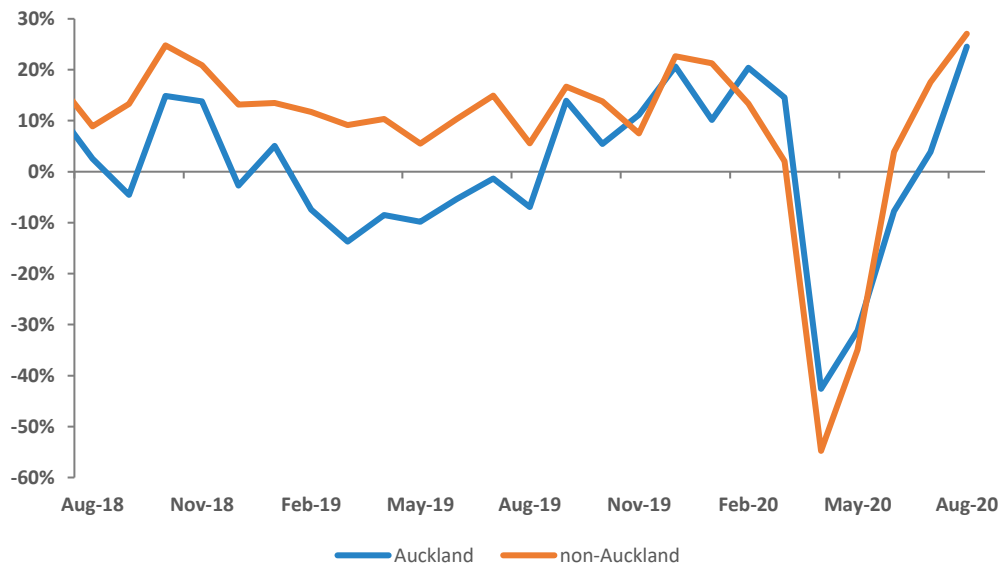
Total monthly value of new commitments (\$m)



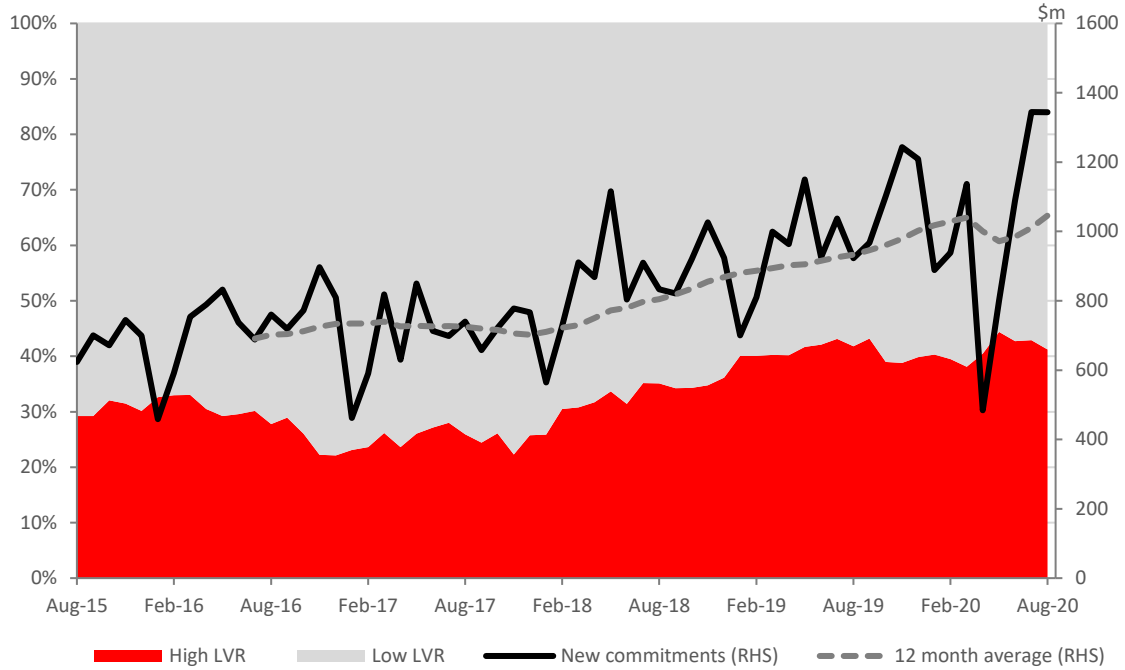
Annual growth in total new commitments (%)



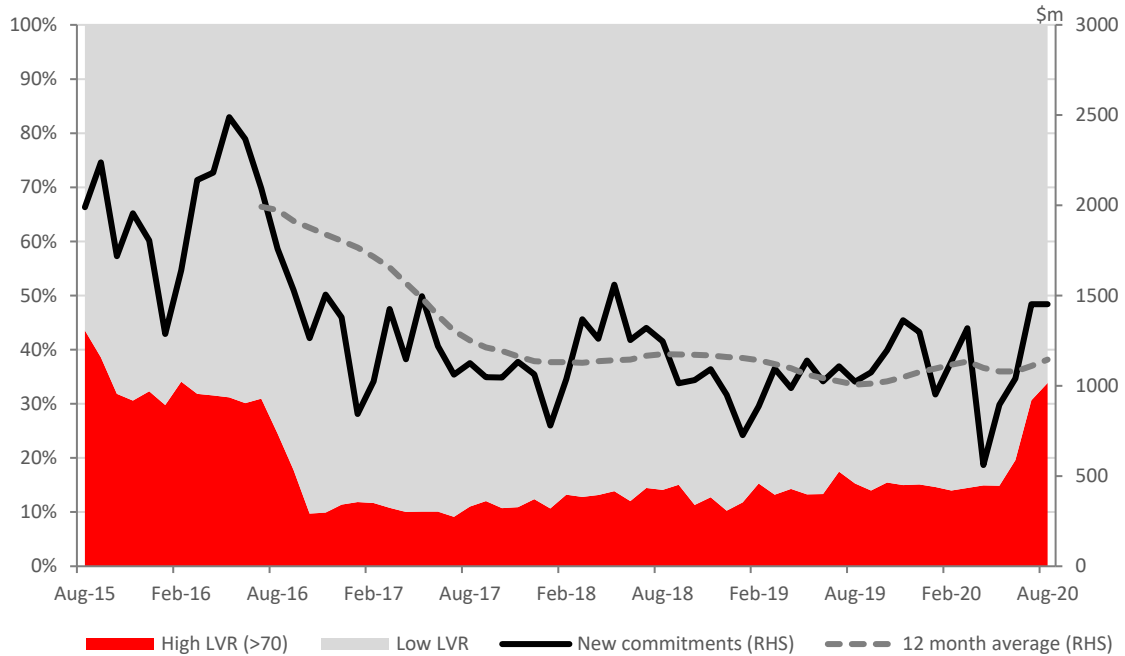
Annual growth for new commitments by region (%)



New Commitments to First Home Buyers¹



New Commitments to Investors²



¹ 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.

² 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.