



RESERVE BANK

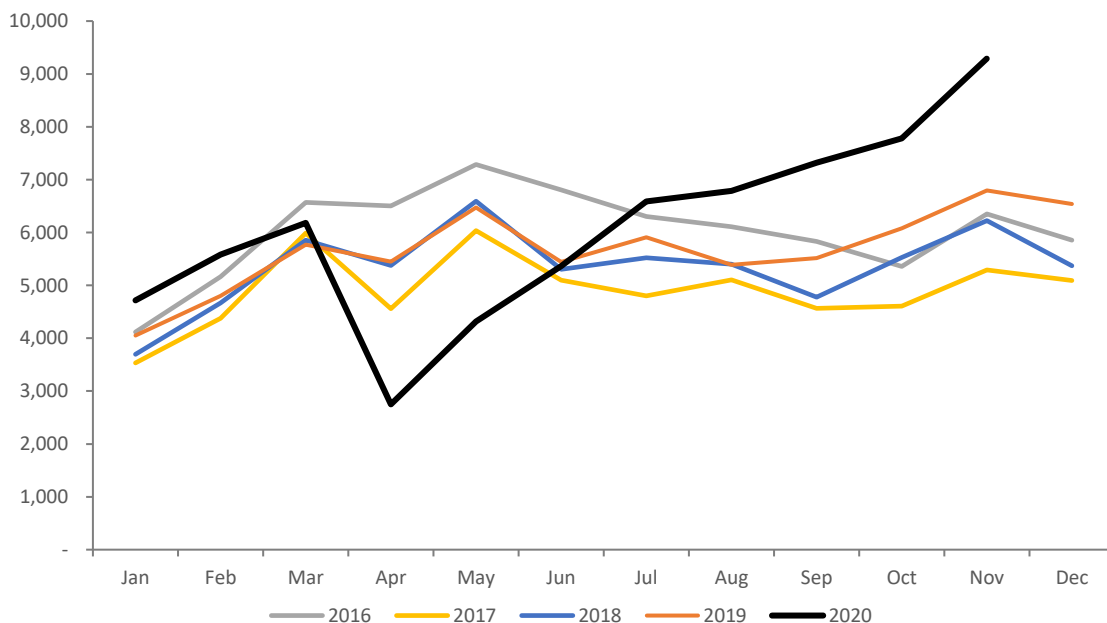
O F N E W Z E A L A N D
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Loan to valuation ratio – new commitments summary

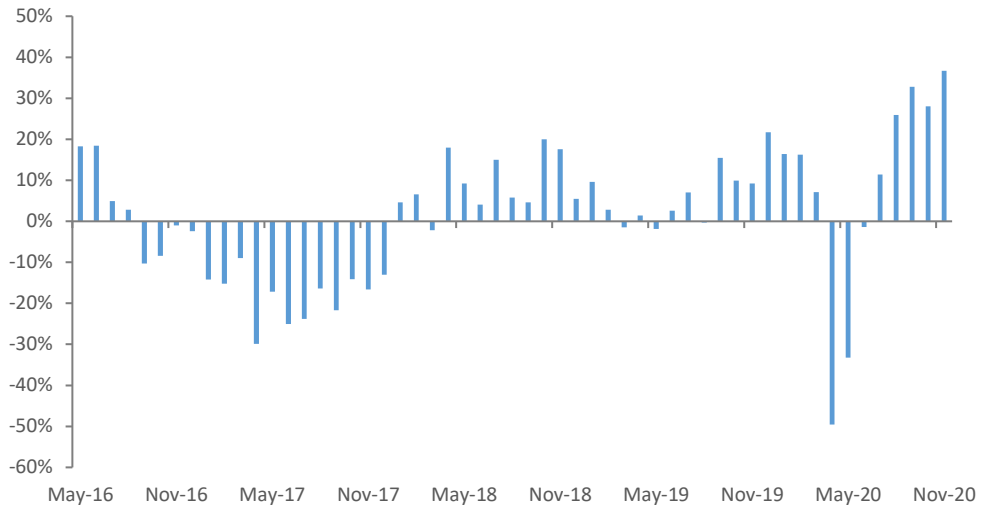
Key points for November 2020:

- Total monthly new mortgage commitments were \$9.3b in November, up \$1.5b (19.4%) from October – surpassing the all-time high from last month.
- New mortgage commitments to other owner occupiers were \$5.4b in November, up from \$4.4b in October while new commitments to investors increased from \$1.9b to \$2.2b.
- Other owner occupiers accounted for 57.8% of new mortgage commitments in November, up from 56.6% in October while the share of new mortgage commitments to first home buyers declined from 17.9% to 17.3%. Investors recorded a share of 24.2%, marginally down from 24.4% in October.
- The nationwide year-on-year growth in value of new mortgage commitments to first home buyers was 29.1%, while the annual growth in new commitments to investors was 64.8%.
- New mortgage commitments increased 36.7% year on year. The annual growth rate for new mortgage commitments in Auckland was 38.2% while areas outside of Auckland grew by 35.3%.
- High loan-to-valuation (LVR)^[1] new mortgage commitments to investors saw a monthly increase of 13.3% in November. However as a proportion of all investor lending, high LVR loans were marginally down to 37.6% in November from 39.2% in October.

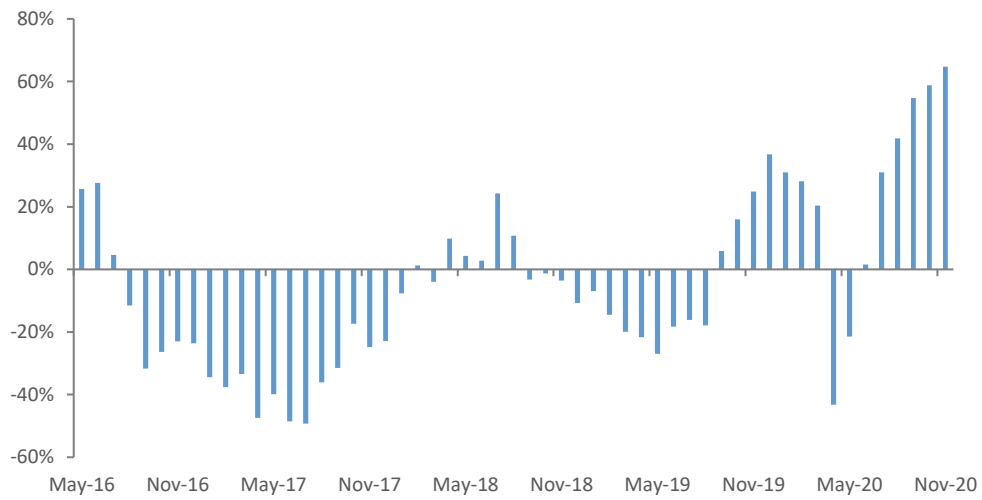
Total monthly value of new commitments (\$m)



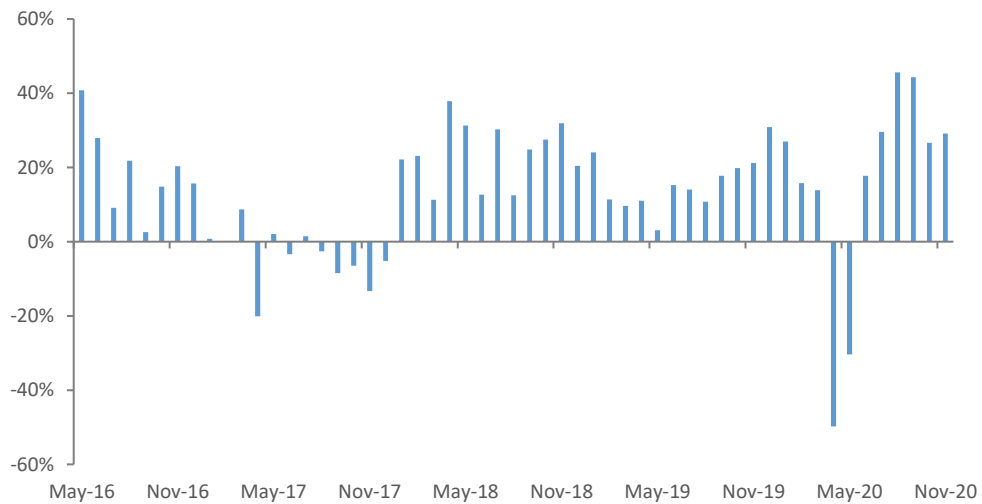
Annual growth in total new commitments (%)



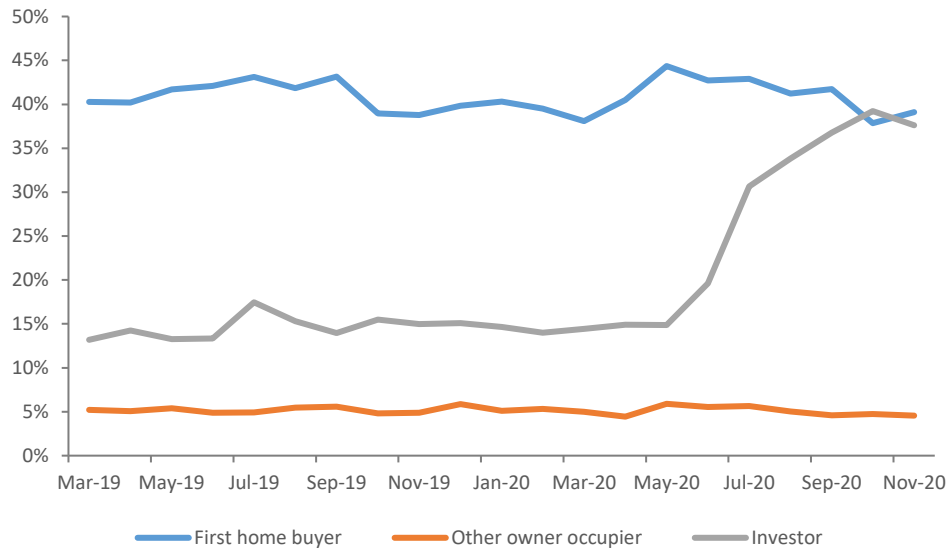
Annual growth in new commitments to investors (%)



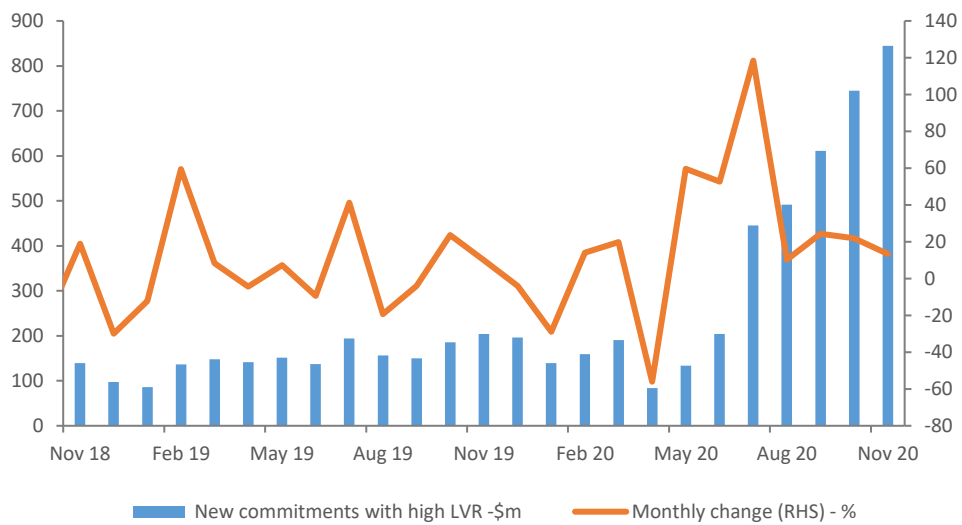
Annual growth in new commitments to first home buyers (%)



Monthly change in new mortgage commitments with high LVR by borrower type (%)



Monthly change in new commitments to investors with high LVR



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.

¹ 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.