

3<sup>rd</sup> September 2021

## Summary

- Financial household asset growth slows q/q (+0.5% to \$1,427b) but remains significant y/y (+19.3%).
- The value of residential mortgages increased \$8.7b q/q, while falling mortgage yields has led to a decrease in quarterly interest payments.
- The proportion of equity in owner occupied housing and land is at an all-time high of 80.3%.
- Household equity in housing and land is also at an all time high of \$919b.

*Note: This publication of the RBNZ Household Balance Sheet contains significant revisions to component series of household net financial wealth due to newly available data published by StatsNZ. For more information, see the Special Note to this release.*

## Financial assets growth slows q/q but remains significant y/y

Household financial assets grew 0.5% this quarter, up \$7.7b to \$1,427b, while financial liabilities grew \$7.1b to \$263b, an increase of 2.8% since last quarter. Net financial wealth grew \$0.6b this quarter to \$1,164b (+0.1%).

Year on year, household financial assets have grown 19.3%, up \$231b. Whereas, we have seen a 9.6% growth in liabilities, up \$23b.

## The value of residential mortgages continues to rise

Figure 2 shows mortgage servicing costs indexed at 100 from year 2000. Residential mortgages have increased 13 points this quarter, while both quarterly interest payments and mortgage yields have decreased, 7 and 2 points respectively.

In value terms, residential mortgages (including rental properties) increased \$8.7b from last quarter to \$318b (+2.8%) and \$33.8b from last year (+12%).

Quarterly interest payments on residential mortgages have decreased by 3.6% from \$2.5b last quarter to \$2.4b. This is a 12% decrease y/y (0.33b).

The 3.6% decrease in quarterly interest payments is due to decreasing mortgage yield.

The 3.6% decrease in quarterly interest payments is due to decreasing mortgage yield.

Figure 1: Household financial wealth

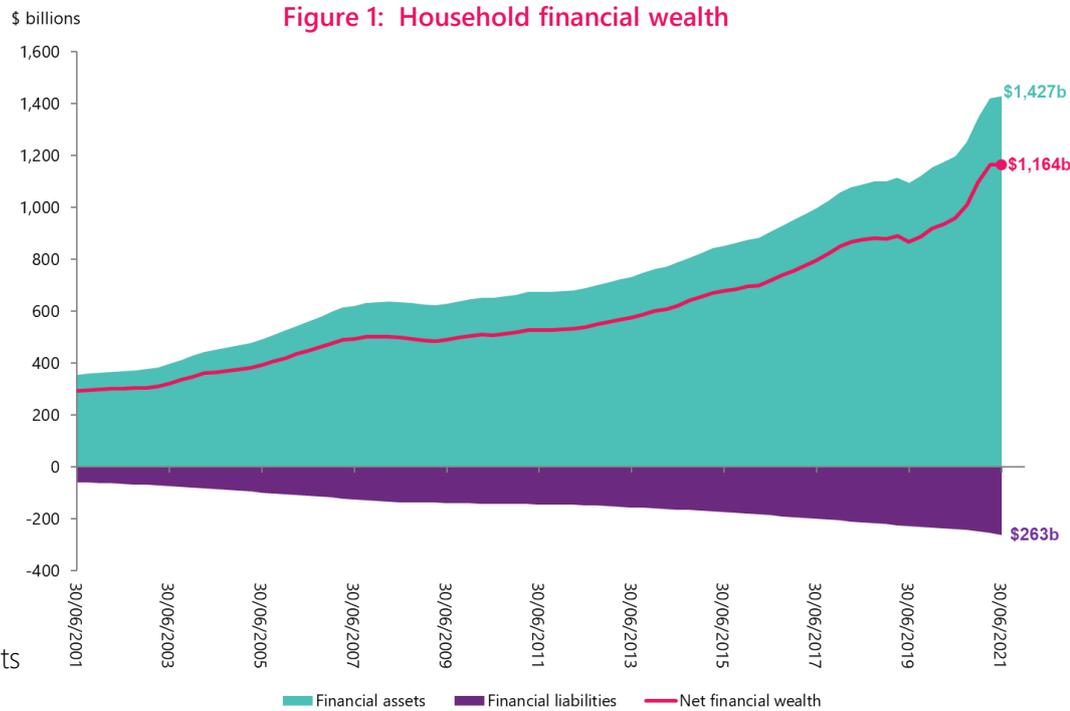
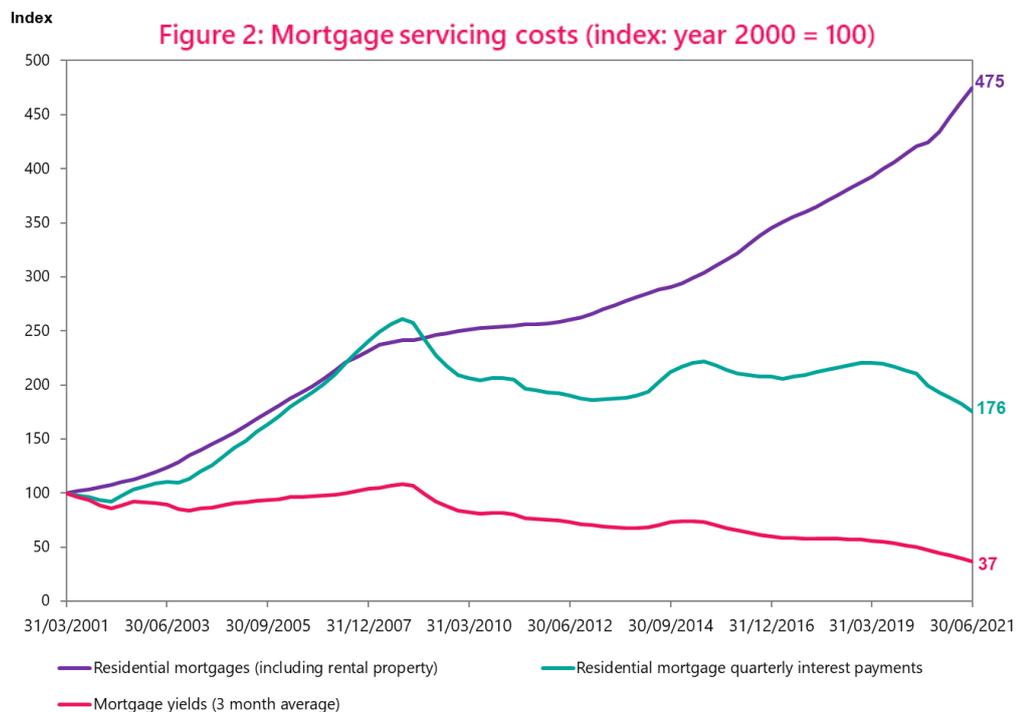


Figure 2: Mortgage servicing costs (index: year 2000 = 100)

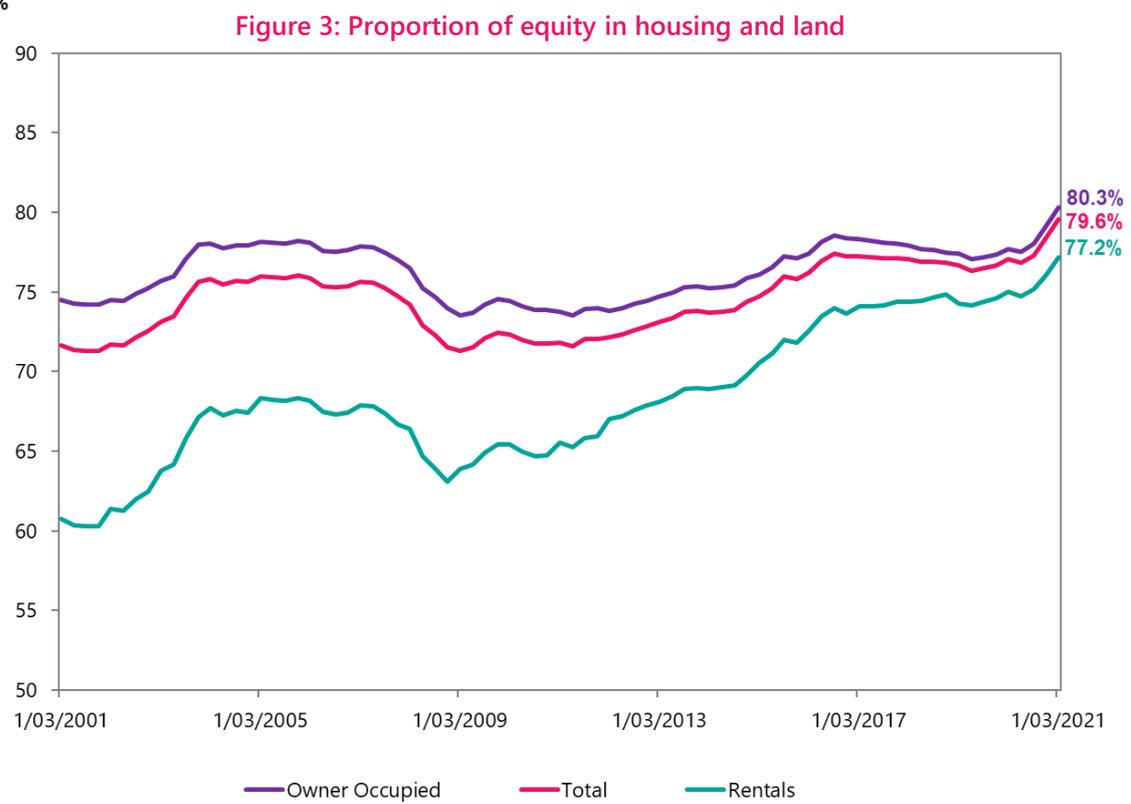


## The proportion of equity in housing continues upwards trend

The proportion of equity in owner-occupied housing and land is at an all-time high of 80.3% in the March 2021 quarter. This is up from 77.7% in March 2020.

The proportion of equity in rental properties has risen this quarter from 76.1% to 77.2%. In March 2020 the proportion of equity in rental properties was 75%.

Note: data in this section lags by one quarter



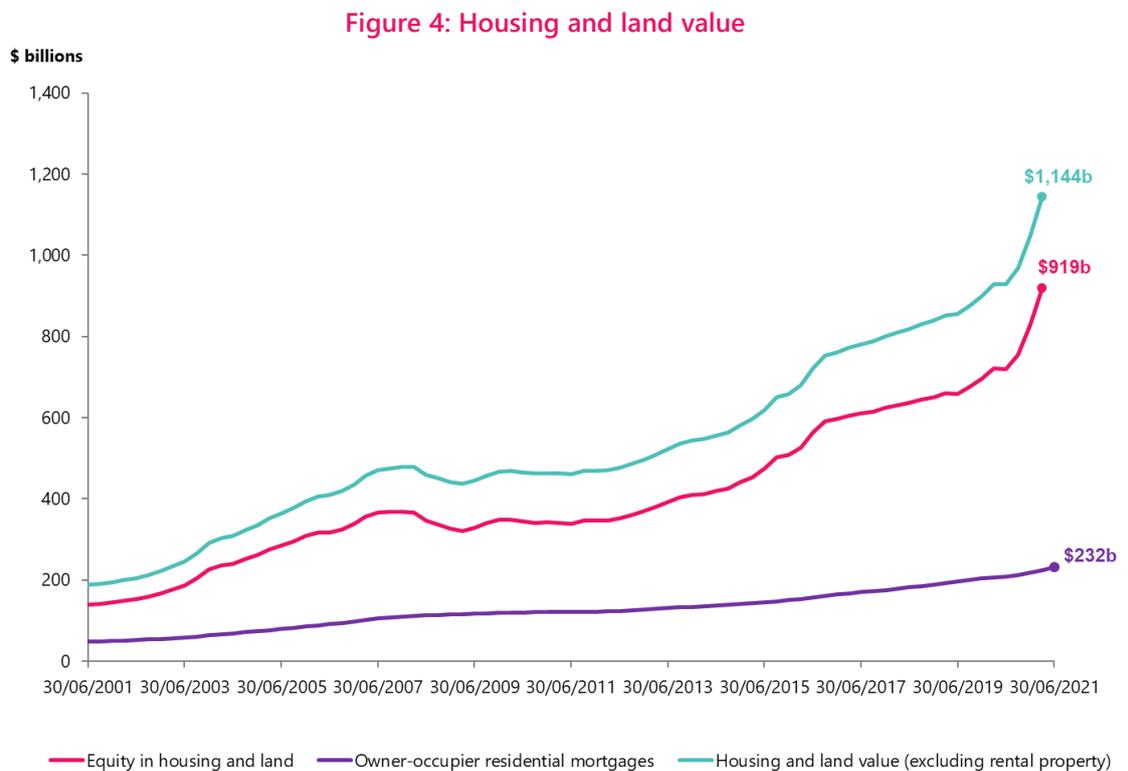
## Housing and land values increase in March 21 quarter

Housing and land values (excluding rental properties) increased \$96b to \$1,144b in March 2021. This is up 9.2% since December 2020 and 23.2% y/y.

The value of equity in housing and land increased \$90b this quarter and \$197b y/y to \$919b, while the value of owner-occupier residential mortgages increased 3.2% from \$225b to \$232b. This is a 11.3% increase y/y.

The equity of housing and land value increased 1.2% to 80.3%.

Note: equity in housing and land and housing and land value lag by a quarter.



## About the Household Balance Sheet collection:

The Household Balance Sheet collection comprises the assets and liabilities of New Zealand's household sector. The household balance sheet is compiled from a number of different sources including:

- RBNZ – Bank balance sheet survey
- RBNZ – Managed funds survey
- Stats NZ – National accounts
- Stats NZ – Quarterly employment survey
- IRD – Student loan statistics
- CoreLogic – Housing and land prices

Households are 1 of 17 sectors included in the national accounts statistics, which are now published quarterly by Stats NZ. Please see the full national accounts for information on other sectors, including corporate businesses, registered banks, investment funds, central government and Rest of World. You can find the full national accounts here:

<https://www.stats.govt.nz/topics/national-accounts>