

30 January 2023

Loan to value ratio statistics summary

Key points for December 2022

- Total monthly new mortgage commitments were \$5.1bn in December, down \$0.9bn (15.4%) from last month (Figure 1). The seasonally adjusted series decreased 3.3% from last month¹ (Figure 2). In comparison to December 2021, total new commitments were down \$2.8bn (35.4%) from \$7.9bn.
- A total of \$1.1bn of new commitments were to first home buyers, a decrease of 18.2% from last month, \$3.0bn were to other owner occupiers, down 17.4% from last month, and \$0.9bn were to investors, down 4.7% from last month.
- Annually, new commitments to other owner occupiers decreased by the largest proportion of 39.3%. New commitments to investors decreased 30.3% compared to December 2021, while new commitments to first home buyers decreased 28.9% (Figure 3).
- The share of new mortgage commitments to first home buyers fell from a record high of 22.4% in November to 21.7% in December. The share of new commitments to other owner occupiers decreased from 60.4% in November to 59.0% in December. The share to investors rose from 15.8% in November to 17.8% in December.
- The share of lending to first home buyers with high LVR (>80%) increased from 32.4% in November to 33.2% in December. Meanwhile, the share of lending to other owner occupiers with high LVR (>80%) fell from 3.3% to 3.1%. The share of lending to investors with high LVR (>60%) increased from 35.4% in November to 36.4% in December (Figure 4). All percentages are before exemptions.
- The average value of new mortgage commitments across all borrower types fell 1.1% from \$362,553 in November to \$358,563 in December. The average loan size across all borrower types fell 9.0% annually.
- There were 14,282 new mortgage commitments in December, down 14.5% from 16,701 in November. Compared with December 2021, the number of new mortgage commitments fell 29.0% from 20,125. December 2022 had the lowest number of commitments for a month of December since data collection began in late 2013.
- Residential mortgage loan reconciliation data shows quarterly changes in the total value of mortgages in New Zealand. Interest charged in the quarter ended 31 December 2022 reached a record high of \$3.5bn, up from the previous high of \$3.2bn in the quarter ended 30 September 2022 (Figure 5). Interest charged was at a record low of \$2.3bn in the quarter ended 30 September 2021, and has been steadily increasing since then. We have been collecting quarterly interest charged data since the September 2014 quarter.

1. Seasonal adjustment conducted using X13 method.

Figure 1: Total monthly value of new mortgage commitments before exemptions

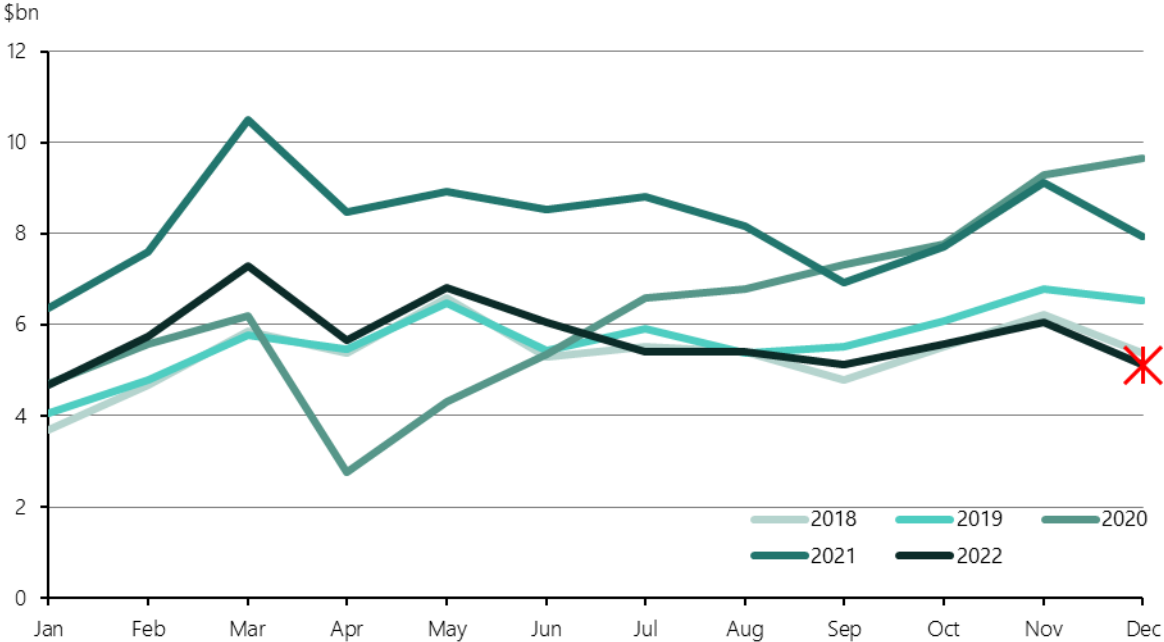


Figure 2: Seasonally adjusted total new mortgage commitments value



Figure 3: Annual growth in new mortgage commitments by borrower type

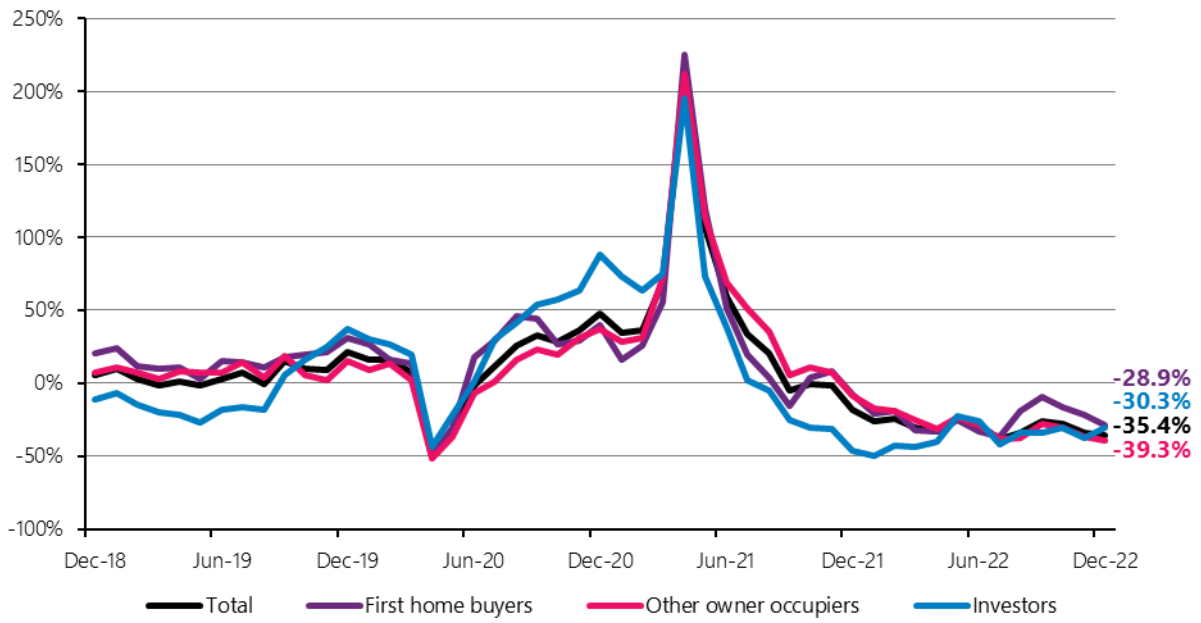


Figure 4: Share of high LVR lending for each borrower type

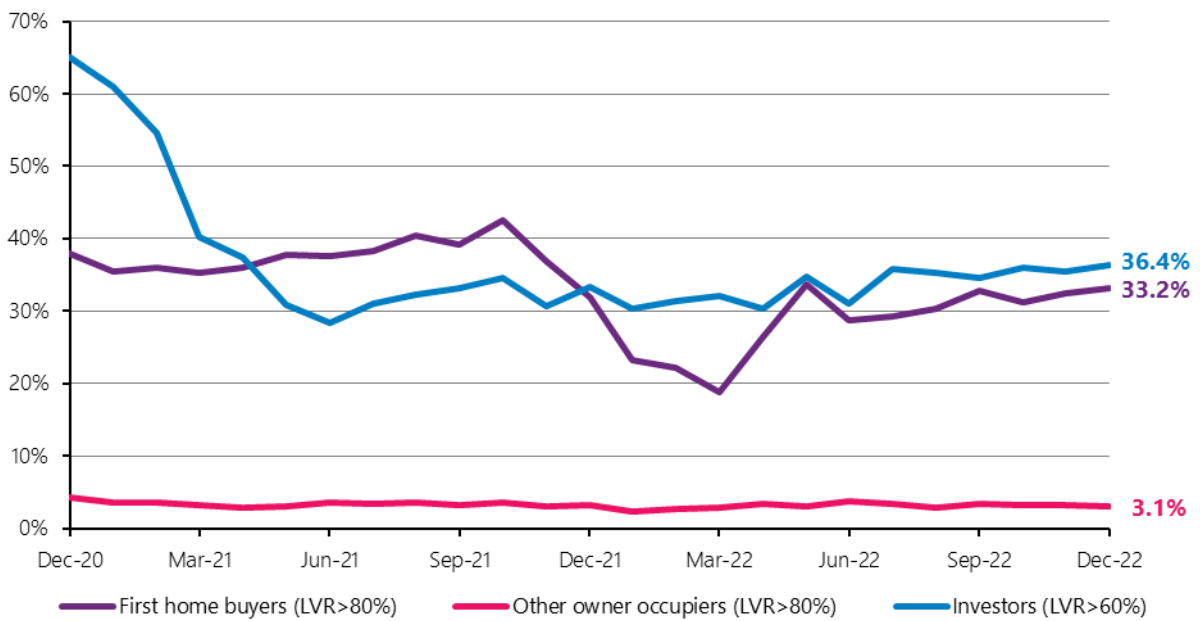


Figure 5: Quarterly interest charged

