

26 September 2023

Loan to value ratio statistics summary

Key points for August 2023

- Total monthly new mortgage commitments were \$5.8bn in August 2023, up 15.7% from \$5.0b in July (Figure 1). The seasonally adjusted value rose by 8.2% from July¹ (Figure 2).
- Annually, the value of new commitments has risen 6.8% from \$5.4bn in August 2022. This is the first month of 2023 which recorded a higher value of new mortgage commitments than the corresponding month in 2022.
- A monthly and annual increase was recorded across all borrower types in August. Lending to first home buyers rose to \$1.4bn (up 10.5% from July 2023, 21.7% from August 2022), lending to other owner occupiers rose to \$3.3bn (up 17.5% from July 2023, 0.6% from August 2022), and lending to investors rose to \$986m (up 15.6% from July 2023, 9.0% from August 2022).
- The share of new mortgage commitments to first home buyers fell slightly to 23.7%, down from a record high of 24.8% in July. However, this is still 2.9pp higher than in August 2022.
- The share of new mortgage commitments to other owner occupiers rose to 57.8%, up 0.9pp from July 2023 but down 3.6pp from August 2022. On the other hand, the share of new commitments to investors remained steady at 17.1%, the same as in July 2023 but 0.3pp higher than in August 2022. (Figure 3)
- There were 15,952 new mortgage commitments by NZ registered banks this month, up 15.6% from 13,795 in July 2023. In comparison to August 2022, the number of new mortgage commitments has risen by 5.6% from 15,109. These increases were also reflected across all borrower types.
- The average value of new mortgage commitments across all borrower types rose to \$362,500 in August, up slightly from \$362,200 in July². The average value has risen 1.2% from \$358,300 in August 2022. The average value for first home buyers was \$551,400, down 2.0% from July 2023 and 3.0% lower than in August 2022.
- The monthly increase in the value of new commitments was also recorded across all loan purpose types. The value of loans for top-ups rose to \$626m in August, up 8.2% from July. Similarly, the value of loans for property purchases rose 16.1% to \$3.7bn and the value of loans for changes in loan provider rose 18.7% to \$1.2bn in August.
- The share of total new commitments for property purchases increased 0.2pp from July to 64.6% in August. This share has been increasing from 55.9% in March 2023. The share of total new lending for changes in loan provider also increased 0.5pp from July to 21.4%. (Figure 4)
- The average value of new mortgage commitments for property purchases (\$551,100, up 0.9% from July) and changes in loan provider (\$590,100, down 1.7% from July) remains significantly higher than the overall average.

1. Seasonal adjustment conducted using X13 method.

2. Average mortgage values rounded to the nearest \$100.

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

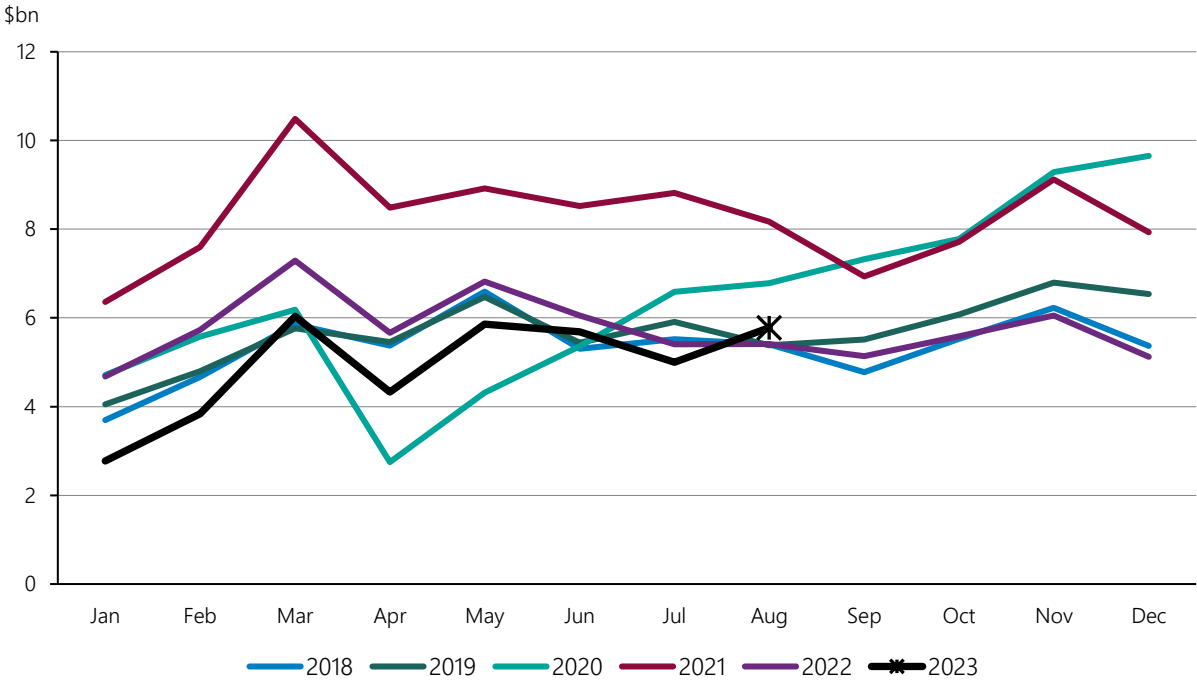


Figure 2: Seasonally adjusted total new mortgage commitments value

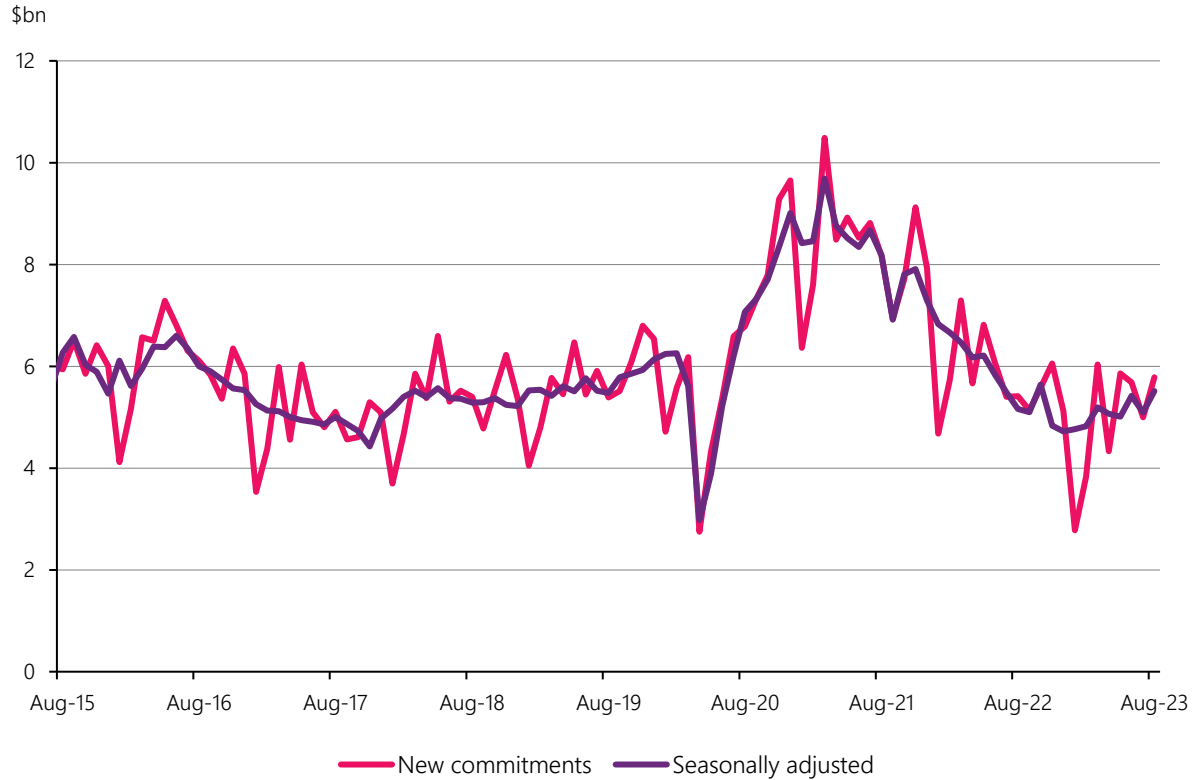


Figure 3: Share of value of total new commitments by borrower type

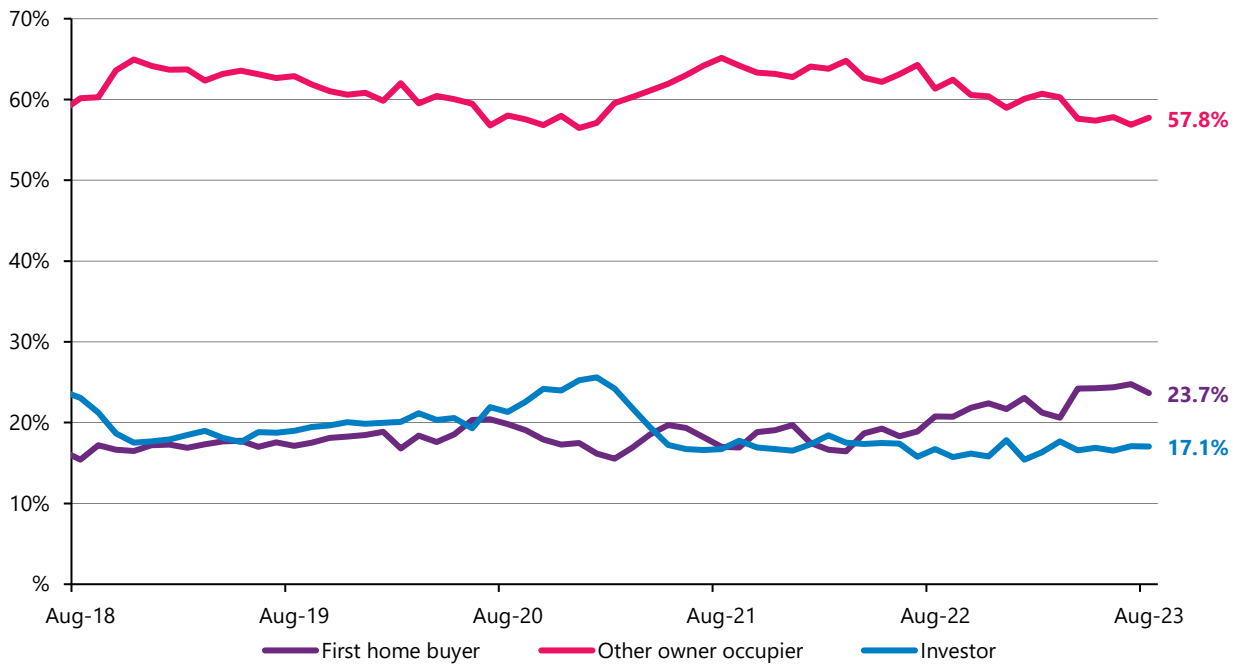


Figure 4: Share of value of total new commitments by loan purpose

