

24 February 2023

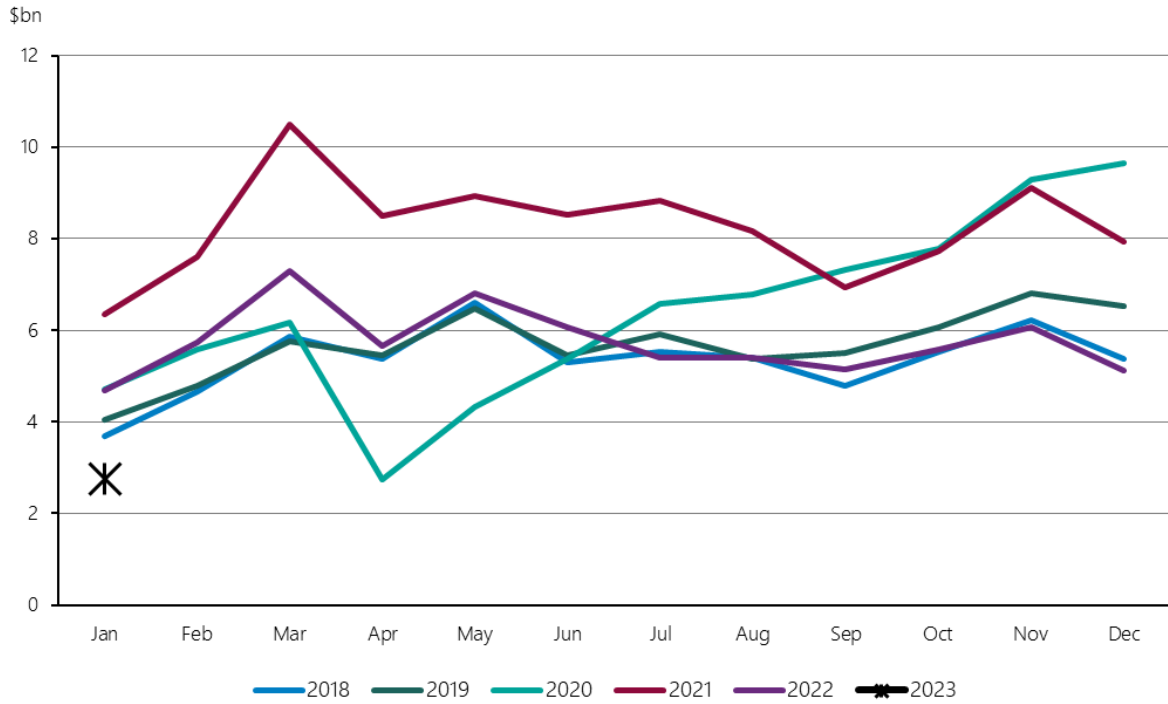
## Loan to value ratio statistics summary

### Key points for January 2023

- Total monthly new mortgage commitments were \$2.8bn in January, down \$2.3bn (45.8%) from \$5.1bn in December (Figure 1). This is the second lowest value of new commitments in a month since the series began in August 2013. The lowest value recorded was \$2.7bn in April 2020, when COVID-19 Alert Level 4 and Alert Level 3 restrictions were in place across New Zealand.
- The seasonally adjusted series rose 0.5% from last month<sup>1</sup> (Figure 2). New mortgage commitments typically exhibit a seasonal pattern. Since the data collection began in August 2013, new commitment values for January have been lower than for other months of the year, with the exception of 2020.
- In comparison to January 2022, total new commitments decreased by \$1.9bn (40.7%) from \$4.7bn.
- There were 8,680 new mortgage commitments in January, down 39.2% from 14,282 in December. This is the lowest number of new commitments in a month recorded since this data series began in August 2014. In comparison to January 2022, the number of new mortgage commitments fell 27.9% from 12,033.
- A total of \$0.6bn of new commitments were to first home buyers in January, a decrease of 21.8% compared with January 2022. \$1.7bn of new commitments were to other owner occupiers, down 44.4% from one year ago, and \$0.4bn were to investors, down 47.2% over the same period (Figure 3).
- The share of new mortgage commitments to first home buyers rose to a new record high in January of 23.1%, up from 21.7% in December. The share to investors fell to a record low of 15.4%, down from 17.8% in December. The share to other owner occupiers rose to 60.1%, up from 59.0%.
- The share of lending to first home buyers with high LVR (>80%) increased from 33.2% in December to 36.3% in January. Meanwhile, the share of lending to other owner occupiers with high LVR (>80%) rose from 3.1% to 3.4%. The share of lending to investors with high LVR (>60%) decreased from 36.4% in December to 34.6% in January (Figure 4). All percentages are before exemptions.
- The average value of new mortgage commitments across all borrower types fell 10.8% from \$358,563 in December to \$319,700 in January. The average loan size across all borrower types fell 17.8% annually.

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**

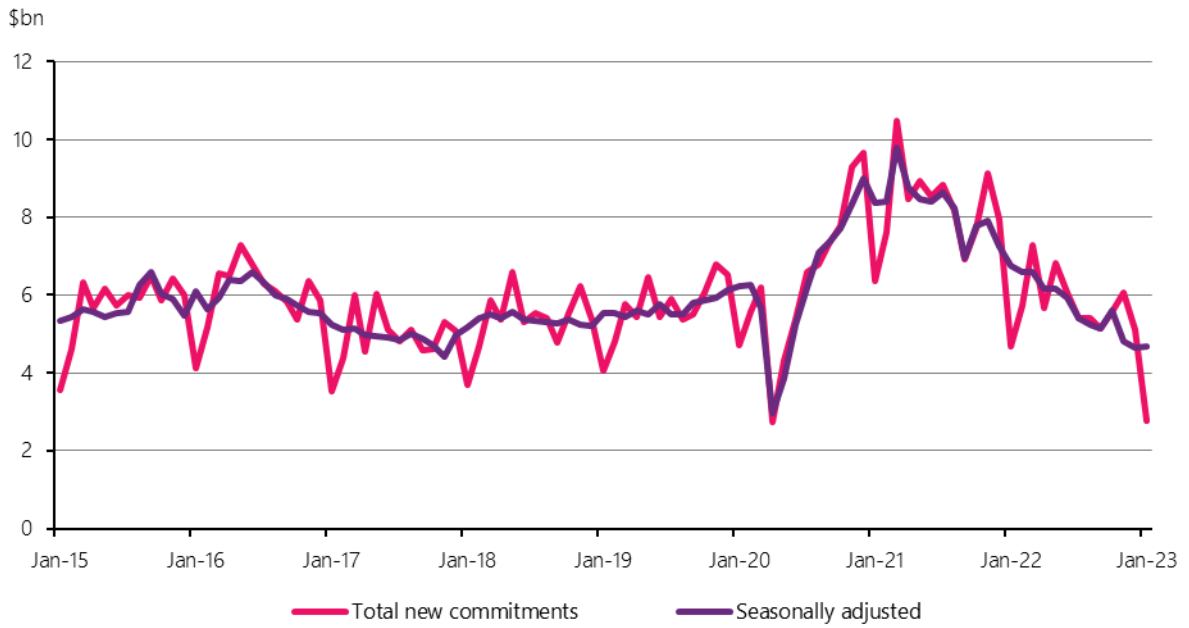


Figure 3: Annual growth in new mortgage commitments by borrower type

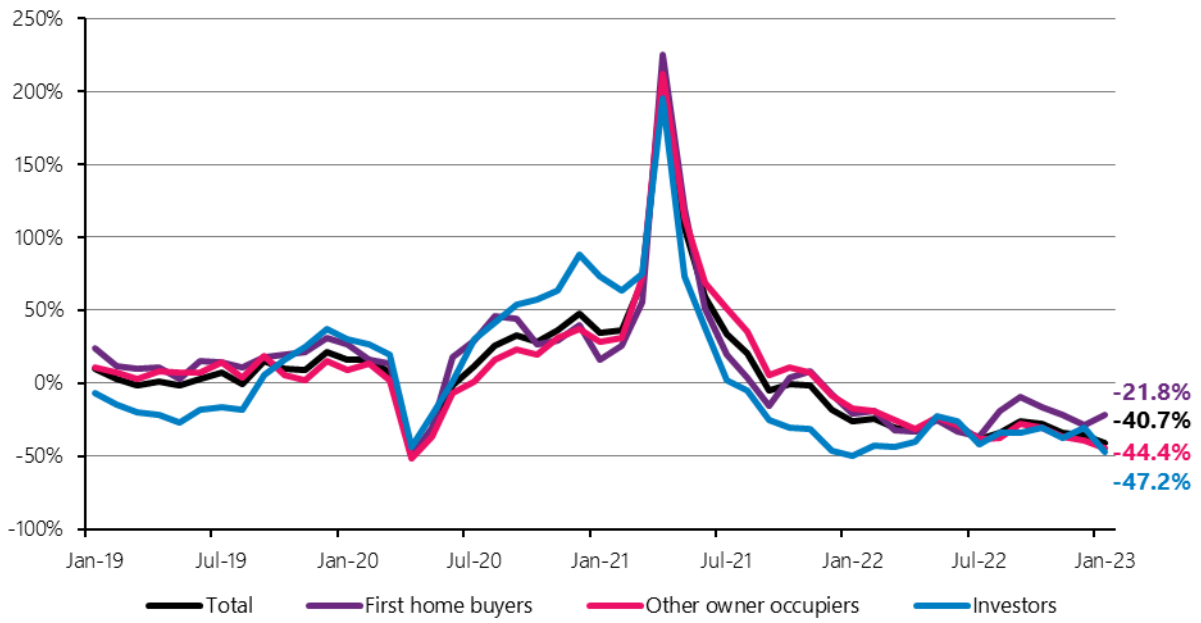


Figure 4: Share of high LVR lending for each borrower type

