

26 October 2023

Loan to value ratio statistics summary

Key points for September 2023

- Total monthly new mortgage commitments were \$5.2bn in September 2023, down 10.2% from \$5.8bn in August (Figure 1). The seasonally adjusted value fell by 1.7% from August¹ (Figure 2).
- Annually, the value of new commitments has risen by 1.2% from \$5.1bn in September 2022. This is the second month to record an annual increase since August 2021 (the first annual increase was recorded last month).
- The value of new commitments to first home buyers and investors increased compared to September 2022, rising by 17.8% and 10.5% respectively. The value of new commitments to other owner occupiers fell by 7.5% over this period (Figure 3).
- The share of new mortgage commitments to first home buyers rose to 24.1% in September, up from 23.7% in August. The share has increased from 20.7% in September 2022.
- The share of new commitments to investors rose slightly to 17.2%, up from 17.1% in August. In September 2022, the share to investors was 15.8% (Figure 4). The share of new commitments to first home buyers has exceeded the share to investors each month since April 2022.
- The share of new mortgage commitments to other owner occupiers fell to 57.1% this month, down from 57.8% in August. In September 2022, the share to other owner occupiers was 62.5%.
- There were 14,969 new mortgage commitments this month, down 6.2% from 15,952 in August. In comparison to September 2022, the number of new mortgage commitments has risen by 2.7% from 14,578.
- The average new loan value across all borrower types fell to \$347,000 this month, down from \$362,500 in August². The average value for first home buyers rose by 1.8% between August and September, while the average values for investors and other owner occupiers both fell. Compared with September 2022, average values have fallen for all three of these borrower types, with an overall fall of 1.5%.
- The value of top-ups has fallen by 13.2% compared to September 2022. On the other hand, property purchases have risen by 3.7% and changes in loan provider have risen by 17.7% over the same period.
- The share of the value of new commitments for property purchases decreased to 63.6% this month, down from 64.6% in August. The share for top-ups increased to 11.7%, up from 10.8% in August. There was no change in the share for changes in loan provider this month (Figure 5).
- We collect residential mortgage loan reconciliation data at the end of each calendar quarter. The value of interest charged on residential mortgage lending this quarter reached a new record high for the 5th quarter in a row, at \$4.6bn (Figure 6).
- The value of drawdowns of new mortgage lending was the same as last quarter at \$17.9bn.

- The increase in the value of outstanding mortgage lending (net credit growth) between 30 June 2023 and 30 September 2023 was \$2.8bn. This is the 5th lowest growth in a calendar quarter since our records began in the September 2014 quarter (Figure 7).

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

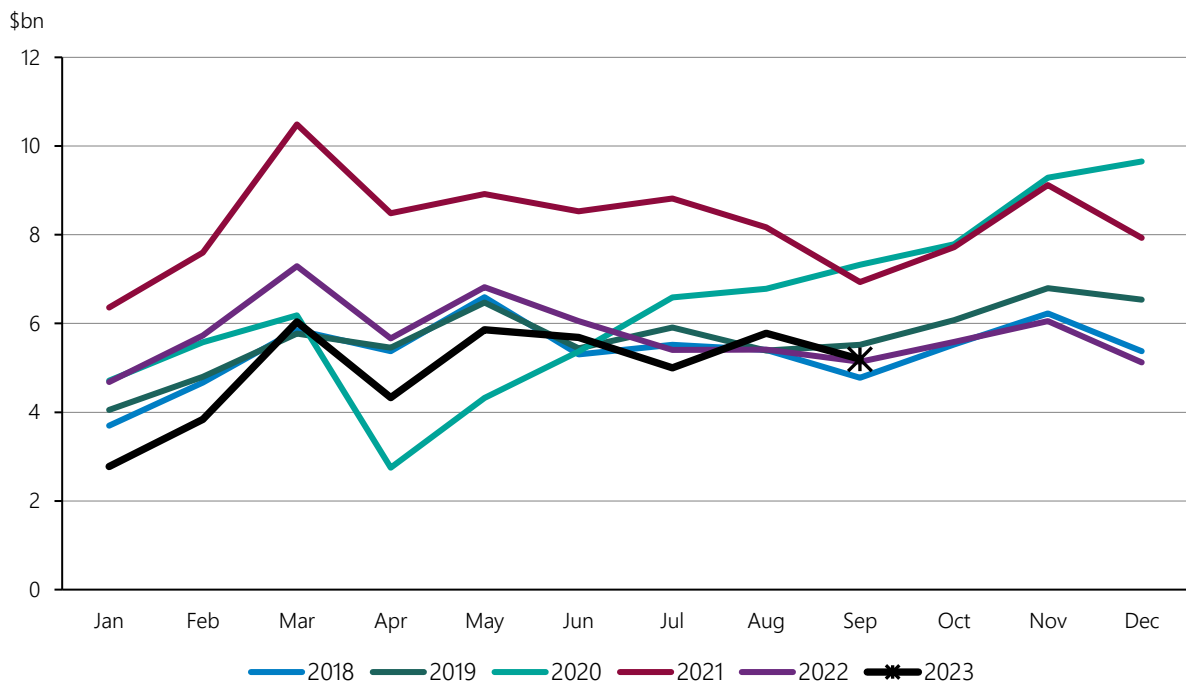


Figure 2: Seasonally adjusted total new mortgage commitments value

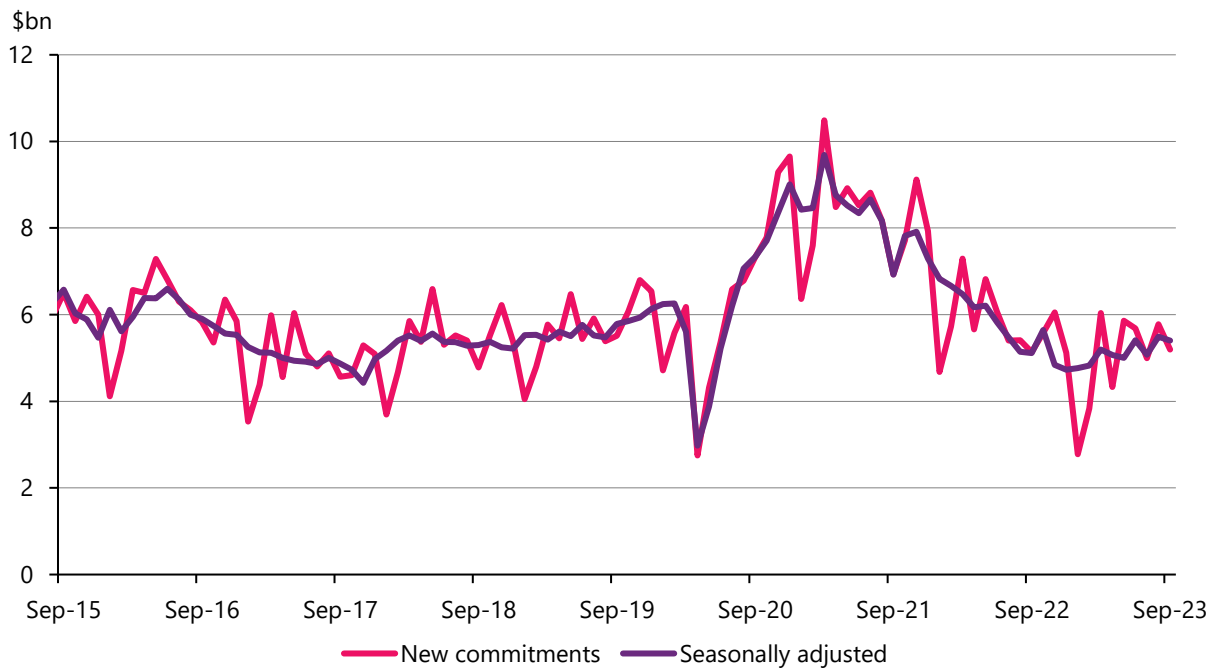


Figure 3: Annual growth in the value of new mortgage commitments

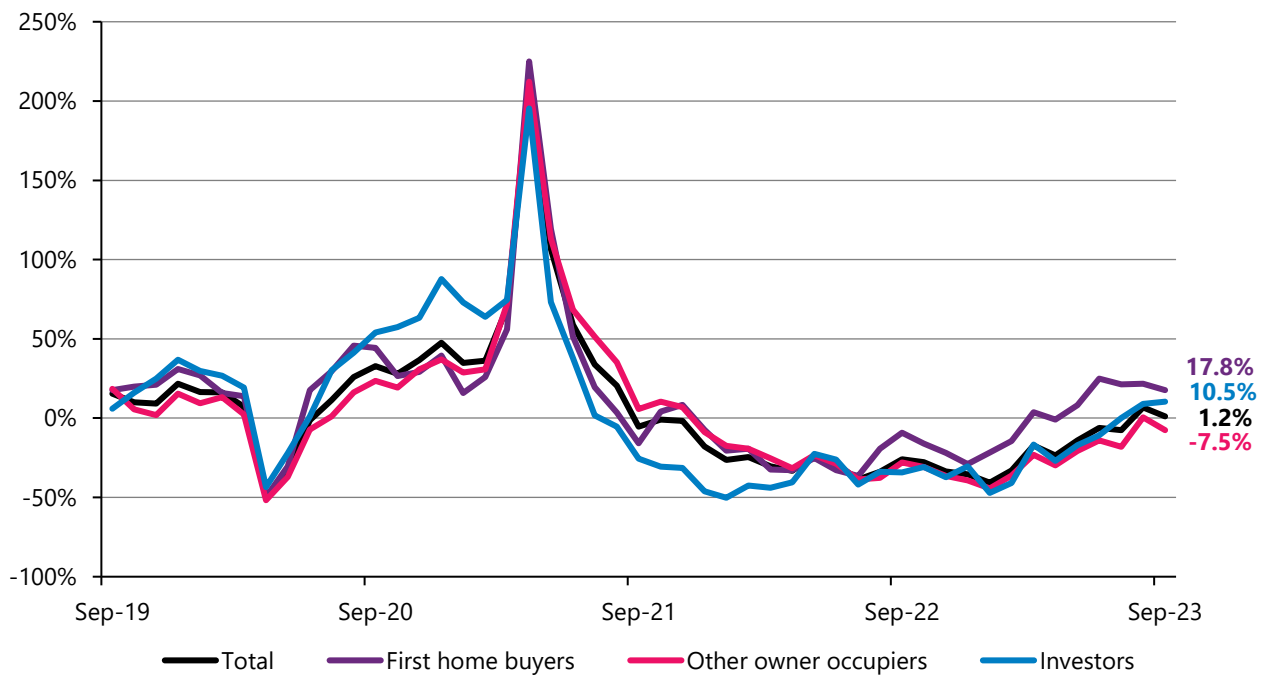


Figure 4: Share of value of total new mortgage commitments by borrower type

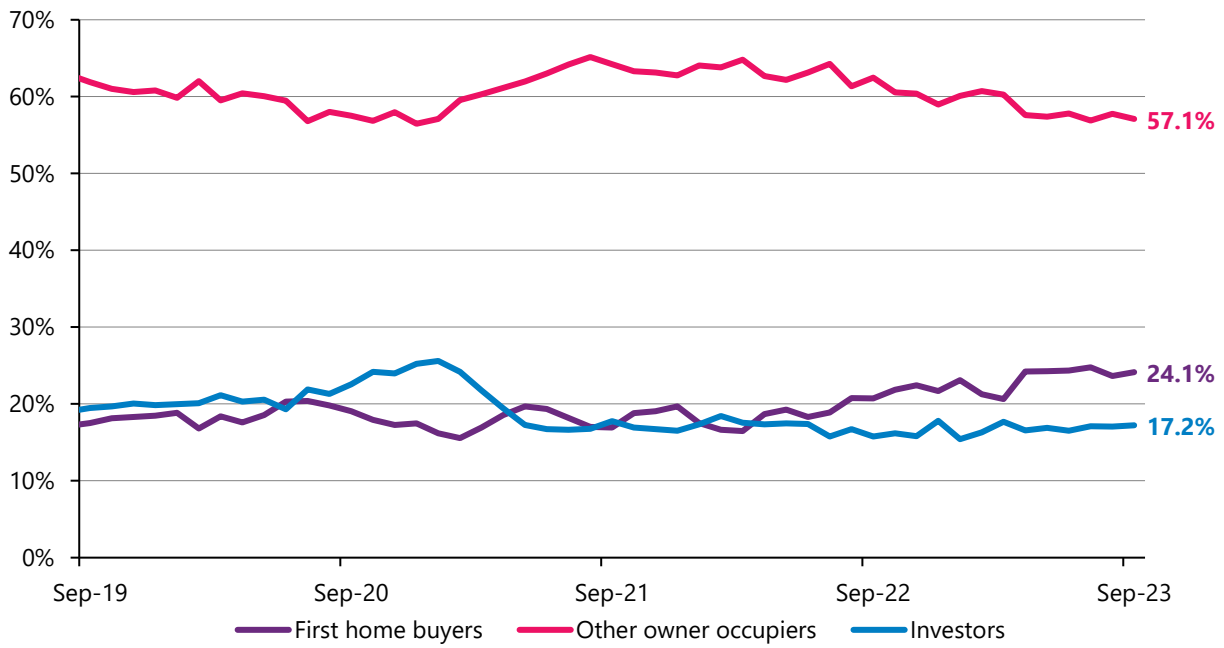


Figure 5: Share of value of total new mortgage commitments by loan purpose

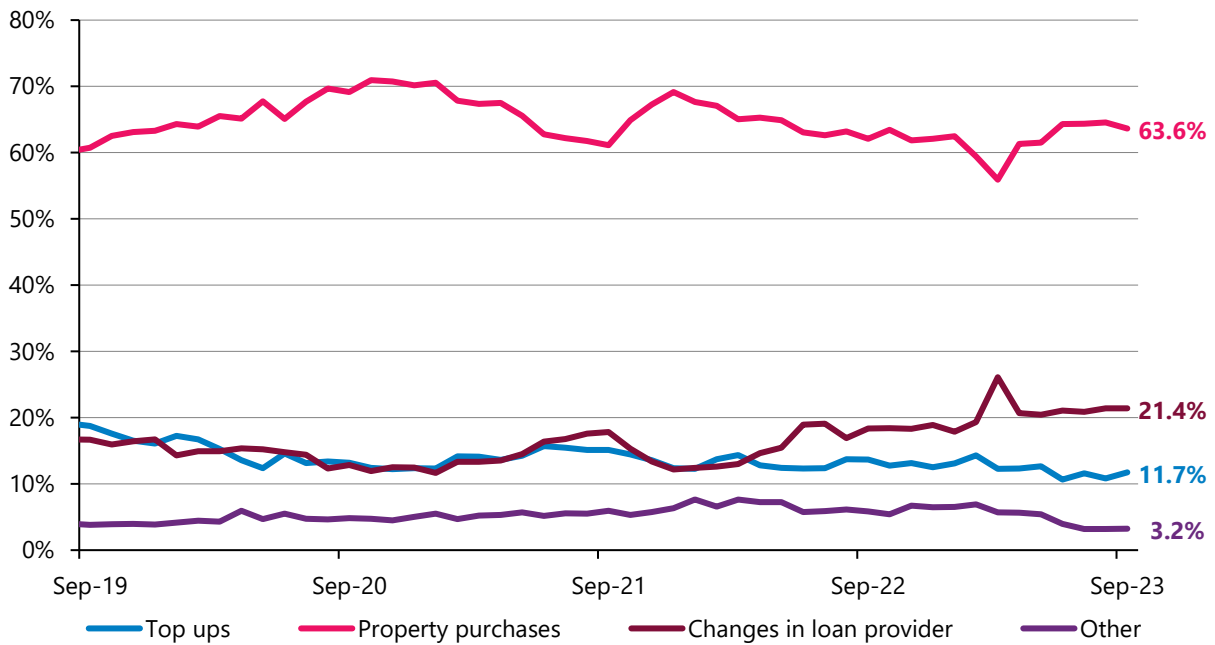


Figure 6: Interest charged during the quarter

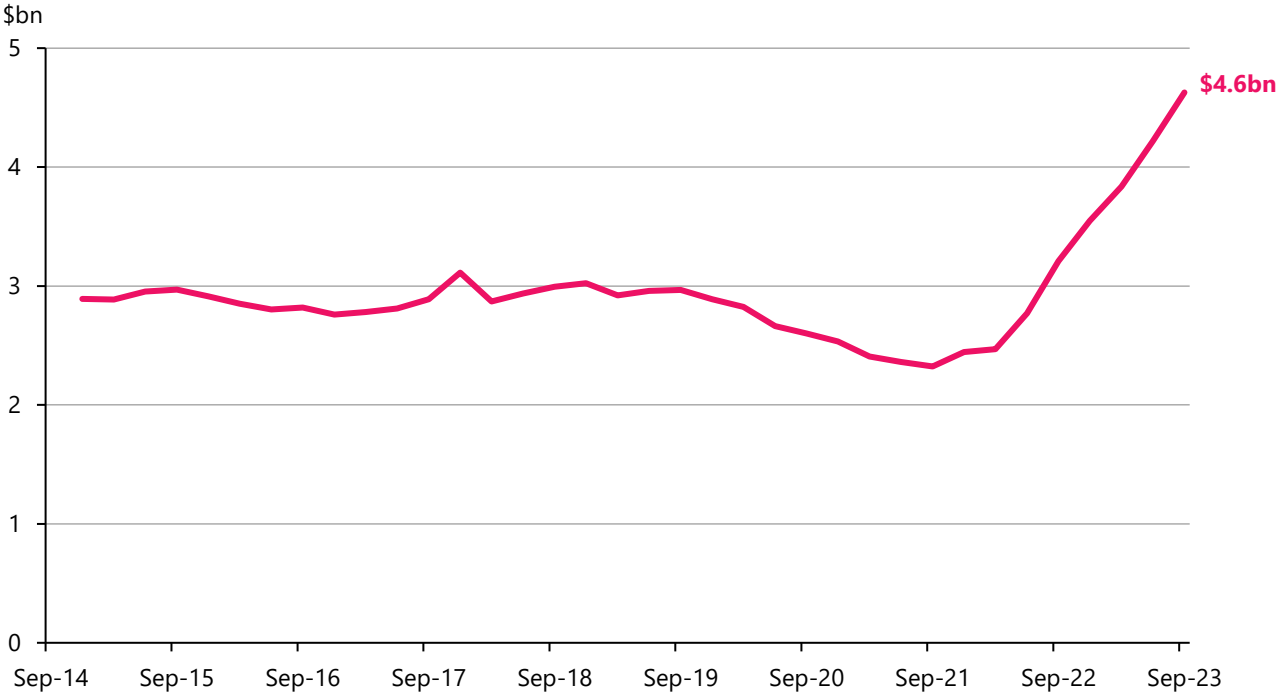


Figure 7: Net credit growth over the quarter

