

29 January 2024

Loan to value ratio new commitments summary

Key points for December 2023

- Total monthly new mortgage commitments were \$5.3bn in December 2023, down 18.9% from \$6.5bn in November (Figure 1). The seasonally adjusted value fell by 2.2% from November¹ (Figure 2).
- Annually, the value of new commitments has risen by 3.6% from \$5.1bn in December 2022. An increase in the value of new commitments compared with the same month a year prior has now been recorded for five consecutive months.
- The value of new commitments to first home buyers increased by 20.2% compared to December 2022. The value of new commitments to other owner occupiers fell by 0.4% over this period, while the value to investors fell by 2.1% (Figure 3).
- The share of new mortgage commitments to first home buyers rose to 25.2% in December, up from 23.8% in November. This is the highest share to first home buyers recorded since the series began in August 2014. The share has increased from 21.7% in December 2022.
- The share of new commitments to investors fell to 16.8%, down from 17.4% in November. In December 2022, the share to investors was 17.8% (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 56.7% this month, down from 57.7% in November. This is the lowest share to other owner occupiers since December 2020. In December 2022, the share to other owner occupiers was 59.0%.
- There were 15,013 new mortgage commitments this month, down 15.2% from 17,700 in November. In comparison to December 2022, the number of new mortgage commitments has risen by 5.1% from 14,282.
- The average new loan value across all borrower types fell to \$353,300 this month, down 4.4% from \$369,400 in November². The average value for first home buyers rose by 0.6% between November and December, while the average values for investors and other owner occupiers both fell. Compared with December 2022, average values across all borrower types have fallen by 1.5% from \$358,600.
- The value of new commitments for top-ups in December 2023 fell by 8.4% compared to December 2022. On the other hand, the value of property purchases in December 2023 rose by 11.5% compared to December 2022.
- The share of the value of new commitments for property purchases increased to 66.9% this month, up from 64.0% in November (Figure 5). The share for changes in loan provider decreased to 17.9% this month, down from 20.9% in November. The share for top ups decreased slightly, falling from 11.3% in November to 11.1% in December.

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

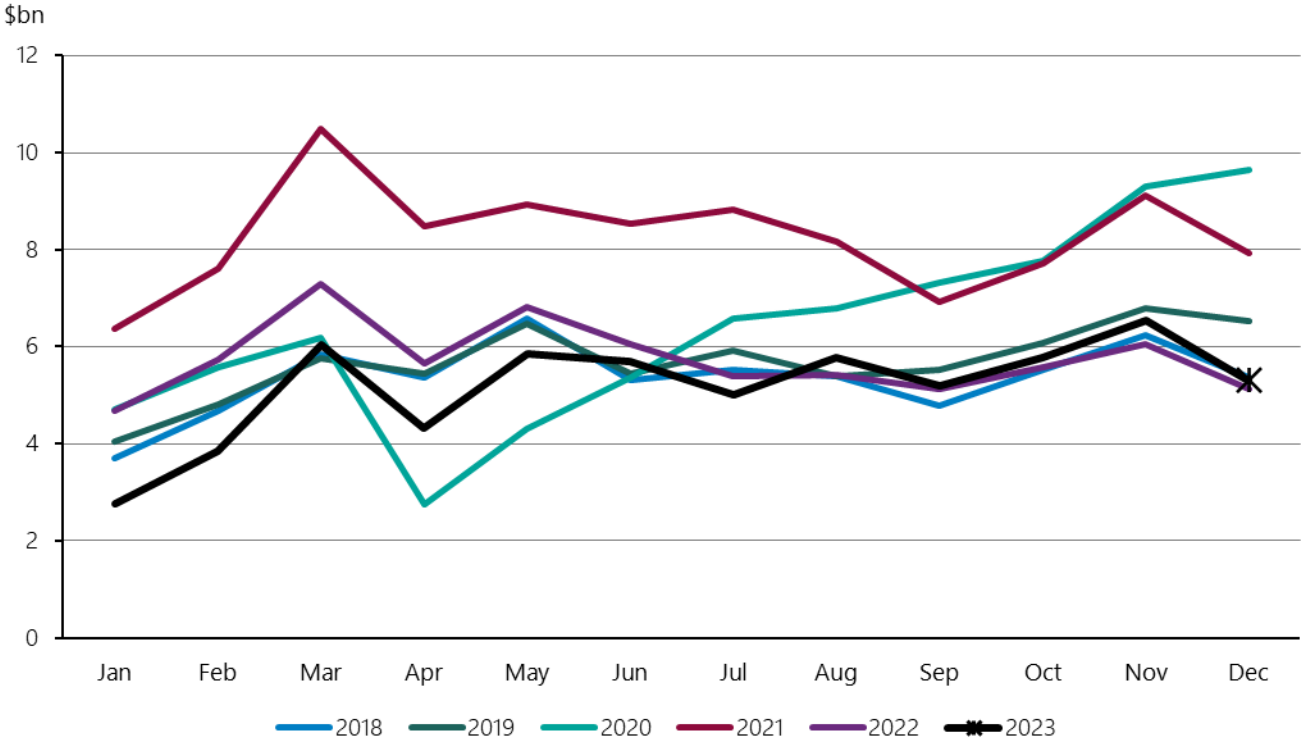


Figure 2: Seasonally adjusted total new mortgage commitments value

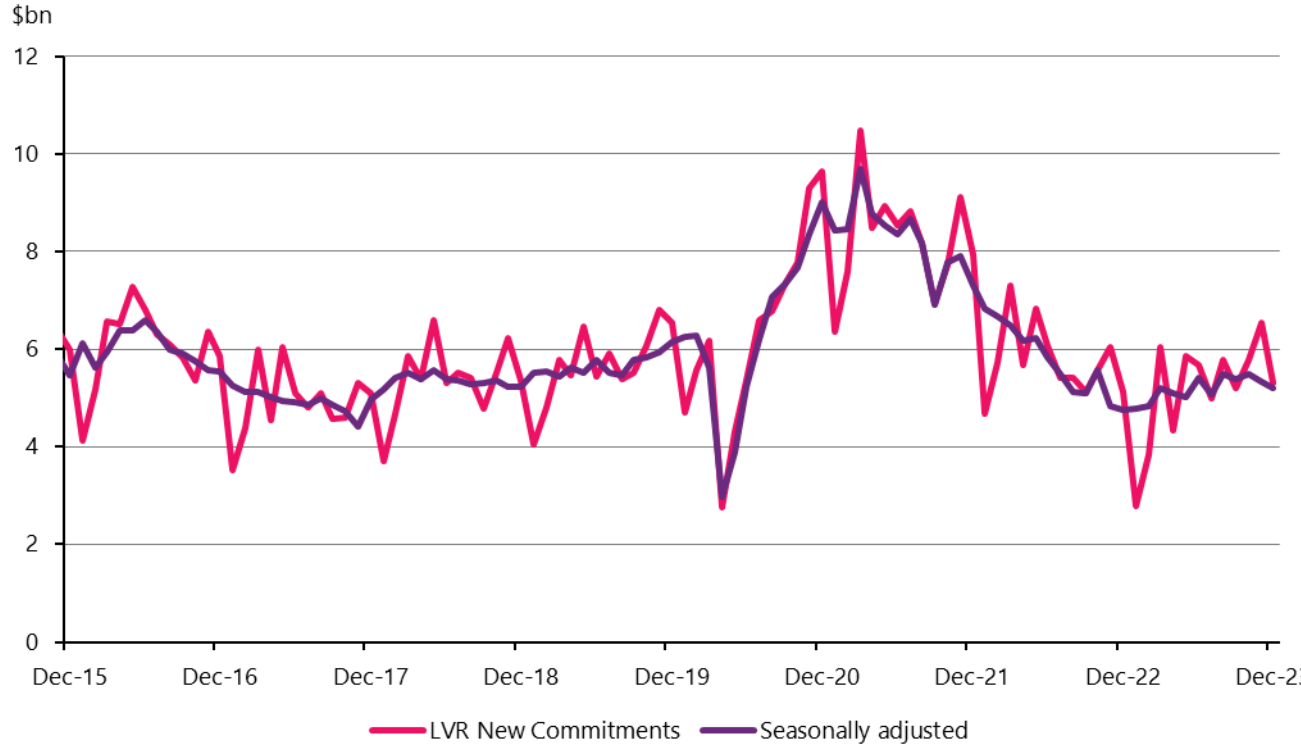


Figure 3: Annual growth in the value of new mortgage commitments

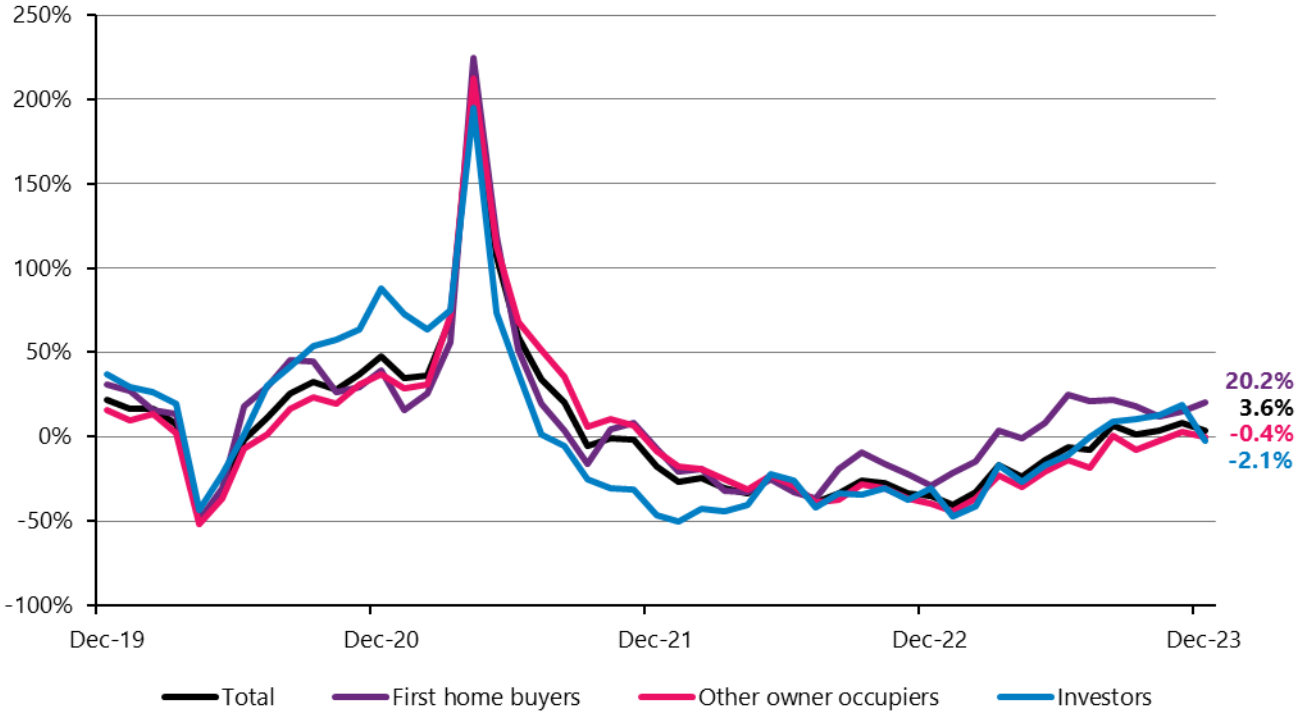


Figure 4: Share of value of total new mortgage commitments by borrower type

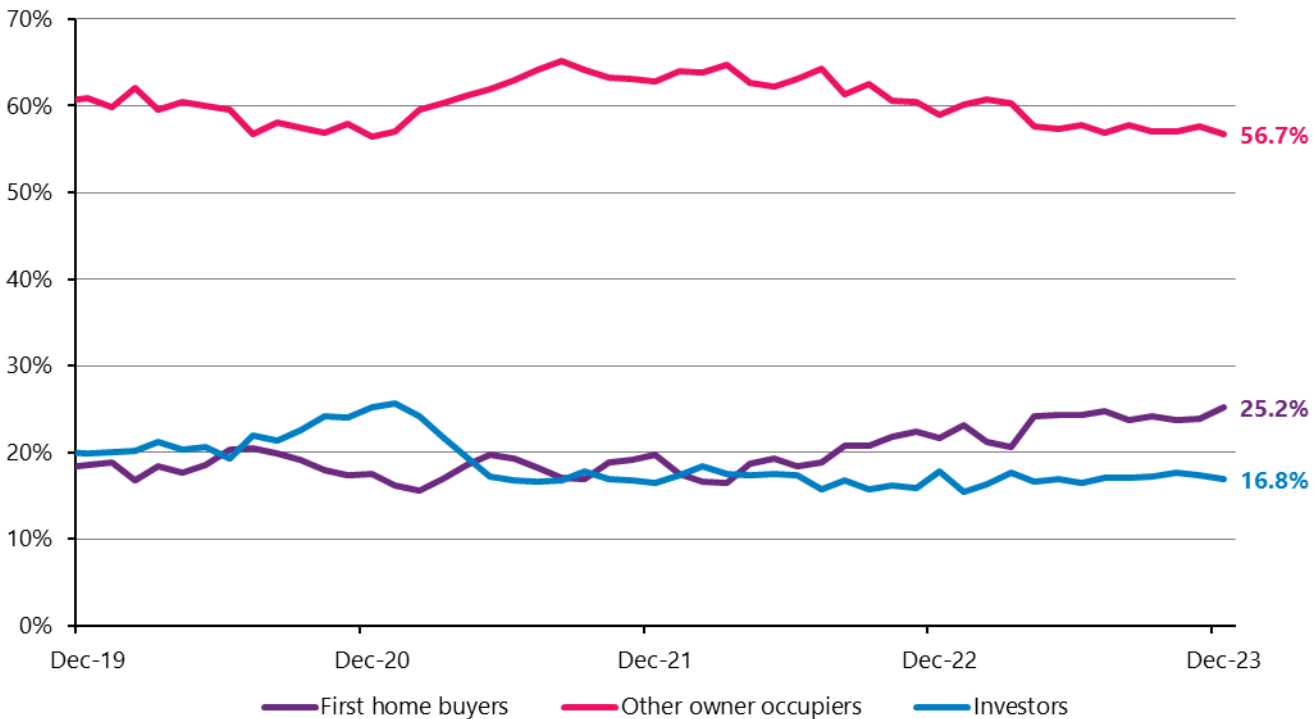


Figure 5: Share of value of total new mortgage commitments by loan purpose

