

27 February 2024

## Loan to value ratio new commitments summary

### Key points for January 2024

- Total monthly new mortgage commitments were \$3.4bn in January 2024, down 35.6% from \$5.3bn in December (Figure 1). The seasonally adjusted value increased by 0.5% from December<sup>1</sup> (Figure 2).
- Annually, the value of new commitments has risen by 23.0% from \$2.8bn in January 2023. Even with an annual increase, it is still low historically compared to the same month in previous years.
- The value of new commitments to first home buyers increased by 28.3% compared to January 2023. The value of new commitments to other owner occupiers increased by 15.9% over this period, and the value to investors increased by 41.8% (Figure 3).
- The share of new mortgage commitments to first home buyers fell to 24.1% in January, down from 25.2% in December. The share has increased from 23.1% in January 2023.
- The share of new commitments to investors increased to 17.8%, up from 16.8% in December. In January 2023, the share to investors was 15.4% (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 slightly to 56.6% this month, down from 56.7% in December. This is the lowest share to other owner occupiers since December 2020. In January 2023, the share to other owner occupiers was 60.1%.
- There were 10,334 new mortgage commitments this month, down 31.2% from 15,013 in December. In comparison to January 2023, the number of new mortgage commitments has risen by 19.1% from 8,680.
- The average new loan value across all borrower types fell to \$330,300 this month, down 6.5% from \$353,300 in December<sup>2</sup>. The average value of loans for first home buyers fell by 2.1% between December and January, the average value for investors increased by 1.2% to \$484,100. Compared with January 2023, average values across all borrower types have increased by 3.3% from \$319,700.
- The value of changes in loan provider in January 2024 rose by 36.5% compared to January 2023. The value of new commitments for property purchases in January 2024 rose by 27.1% compared to January 2023. Top-ups rose by 8.8% over the same period.
- The share of the value of new commitments for property purchases decreased to 64.6% this month, down from 66.9% in December (Figure 5). The share for changes in loan provider increased to 19.8% this month, up from 17.9% in December. The share for top ups increased slightly, increasing from 11.1% in December to 11.6% in January.

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

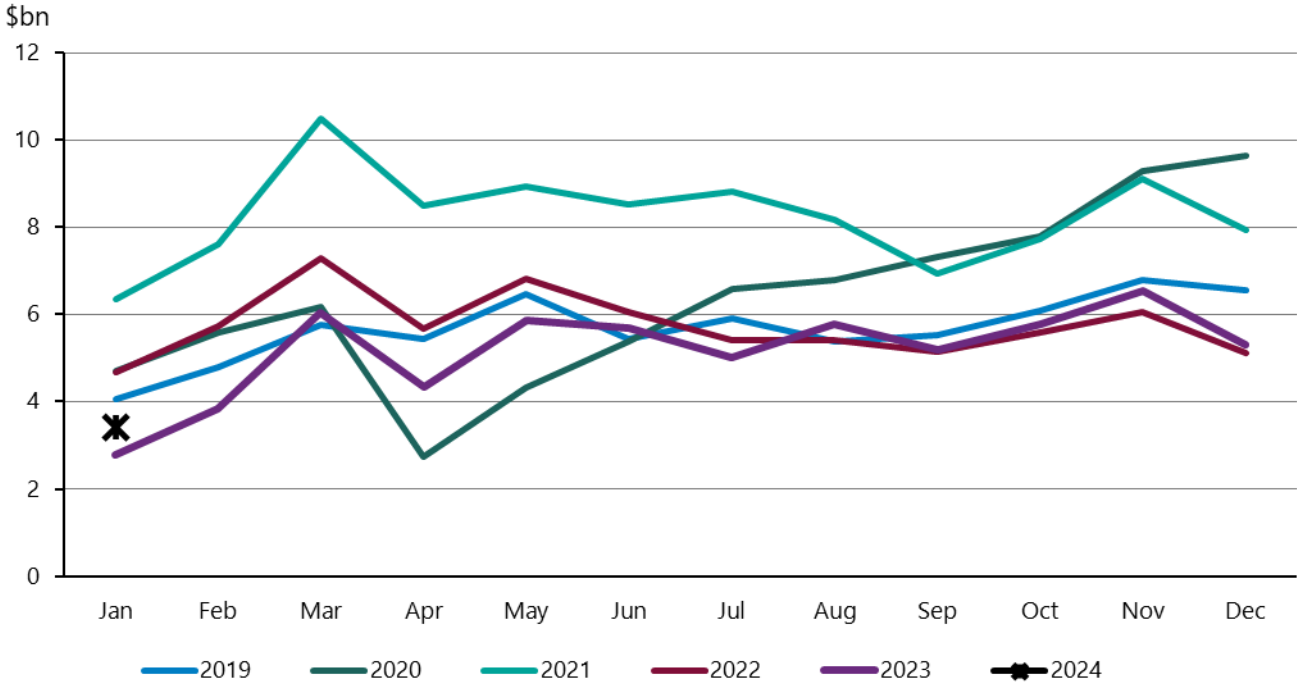


Figure 2: Seasonally adjusted total new mortgage commitments value

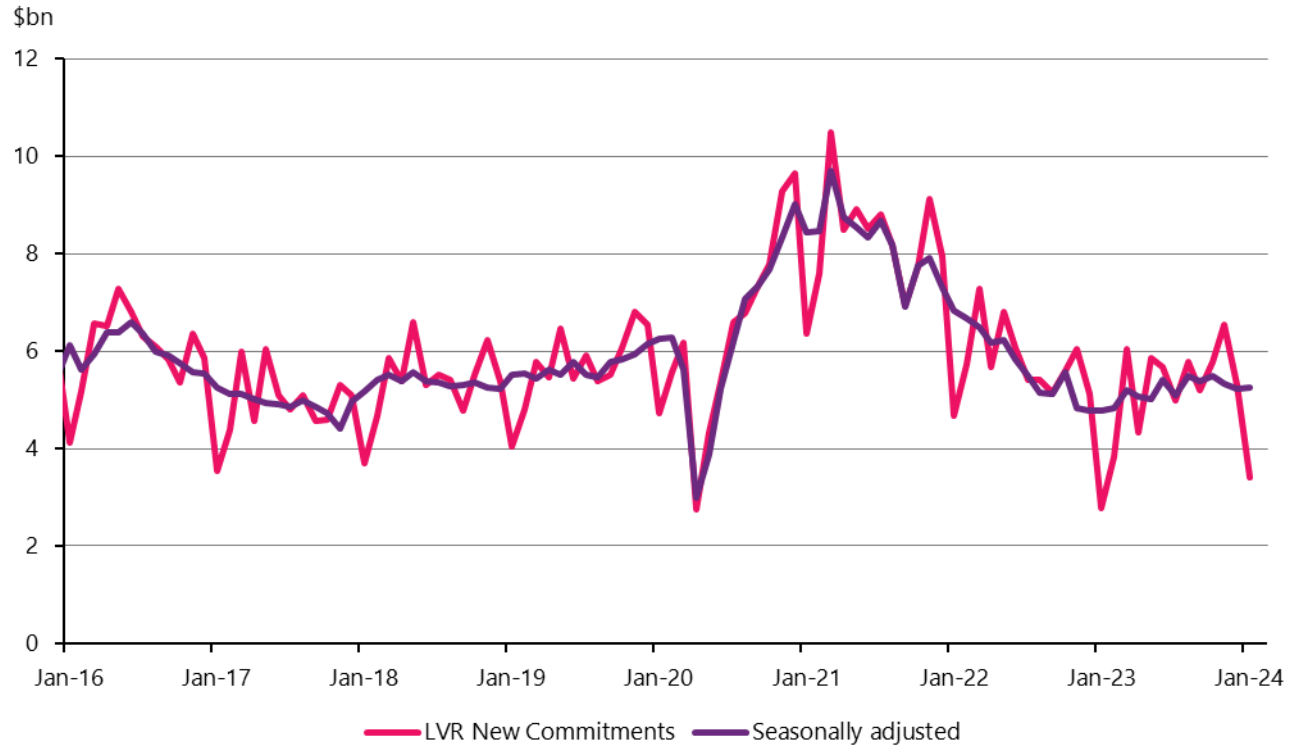


Figure 3: Annual growth in the value of new mortgage commitments

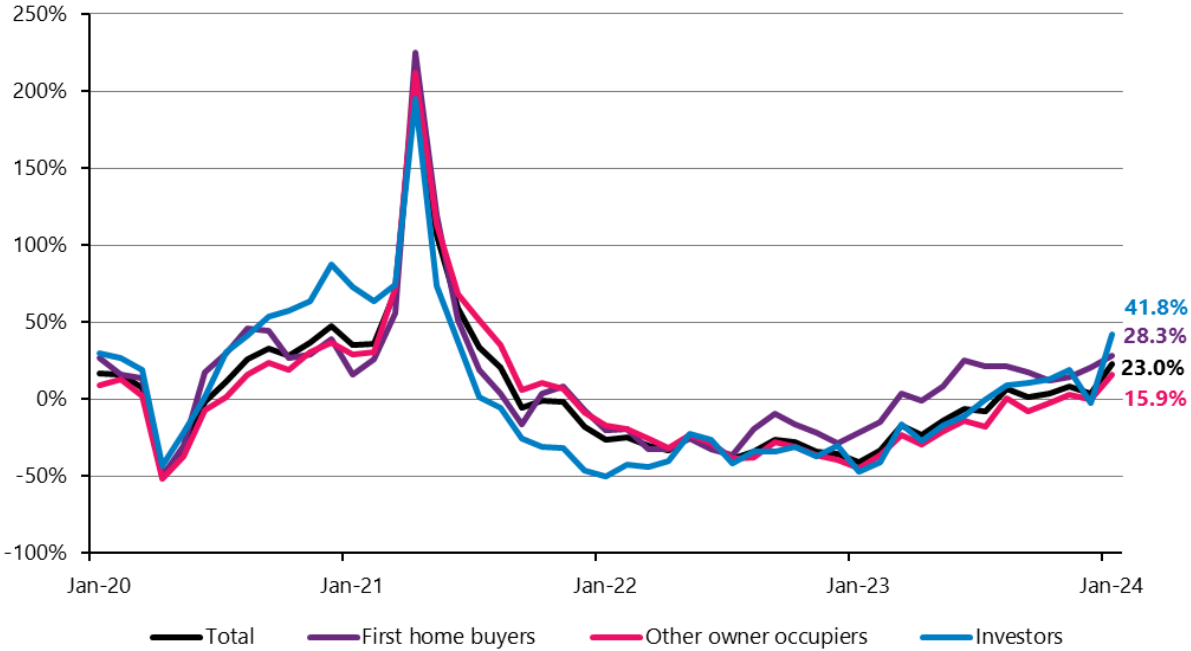


Figure 4: Share of value of total new mortgage commitments by borrower type

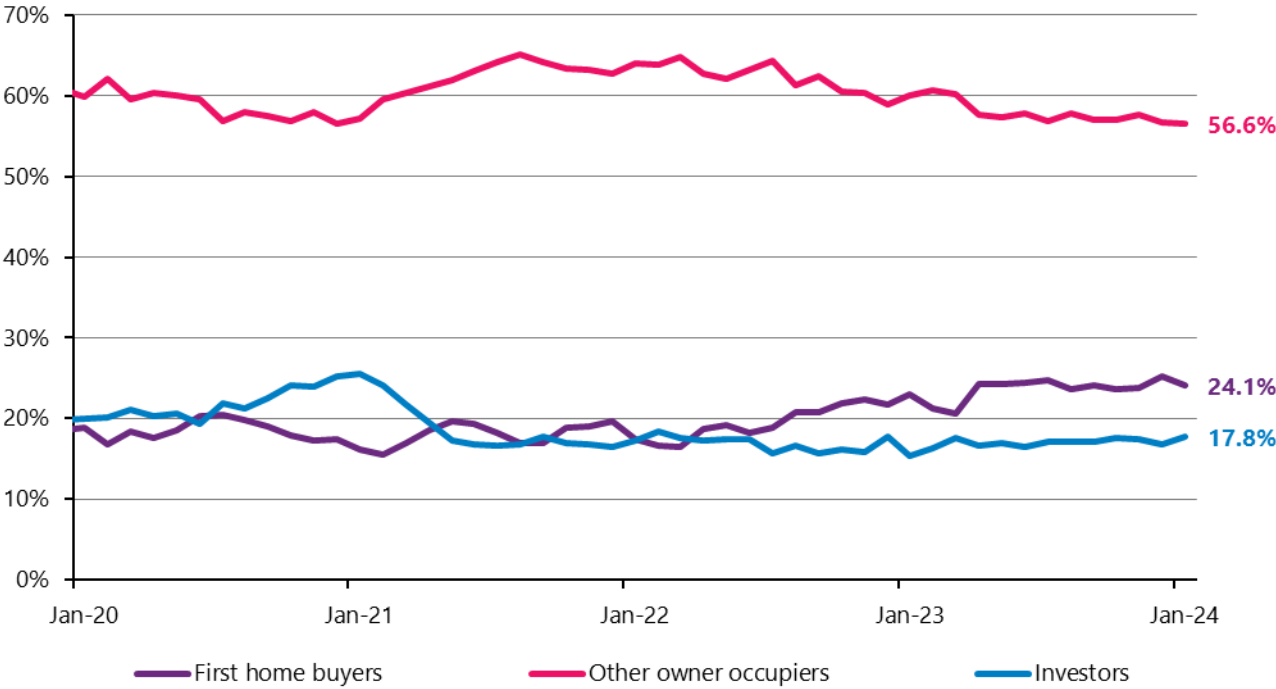


Figure 5: Share of value of total new mortgage commitments by loan purpose

