

13 November 2024

Debt to Income new commitments summary

Key Points for September 2024

- Total monthly new mortgage commitments were \$6.5bn, up 5.7 per cent from \$6.2bn in August-24 (Figure 1). The total monthly value of new commitments has increased by 26.1 per cent when compared to September-23.
- There were 17,298 new mortgage commitments this month, up 2.6 per cent from 16,865 in August-24. In comparison to September-23, the number of new mortgage commitments has increased by 15.6 per cent from 14,969.
- In September-24, 27.8 per cent of new mortgage commitments were with DTI > 5.¹ This overall share appears to have trended downward annually with a value of 31.1 per cent in September-23 and 44.7 per cent in September-22.
- In September-24, 18.2 per cent of the total new mortgage commitments for first home buyers (FHB) had a DTI > 5. Compared to September-23 with a share for FHB of 29.7 per cent, this is an annual decrease of 11.5 per cent.
- The share of total new commitments to other owner occupiers with investment collateral with DTI > 5 was 41.7 per cent in September-24. This share is down annually when compared to September-23 with share of 45.5 per cent and September-22 with a share of 61.7 per cent (Figure 2).
- The share of new commitments to other owner occupiers without investment collateral with DTI > 5 increased by 2.8 percentage points this month to 19.4 per cent. However, this is a less than what was observed in September-23 where the share was 21.1 per cent.
- The monthly share of new mortgage commitments with DTI > 7 was 4.4 per cent in September-24, up from 4.0 per cent in August-24. However, this share is down on September-23 and September-22 where the shares were 5.2 and 9.3 per cent respectively.
- The share of new commitments with DTI > 7 increased this month for all borrower types excluding investors (Figure 3).
- Borrower gross income is the amount a bank is prepared to count in its servicing analysis and can include the income of more than one person. The average gross income for FHB was \$150,610 in September-24, down 1.5 per cent from August-24.² The average gross income for other owner occupiers without investment property collateral (OOO without investment) is \$202,019 which is a 2.6 per cent decrease from August-24. Average gross income for investors was \$304,832 which is a 1.8 per cent decrease from August-24 (Figure 4).
- The monthly share of lending to first home buyers with DTI > 5 and LVR > 80 per cent was 5.1 per cent for September-24, down from 5.2 per cent in August. The share of lending to other

¹ All shares are calculated by grouping DTI unknown with DTI > 10.

² Unrounded figures are used in these calculations.

owner occupiers without investment property collateral with DTI > 5 and LVR > 80 per cent increased to 1.4 per cent from 1.1 per cent in August-24.

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

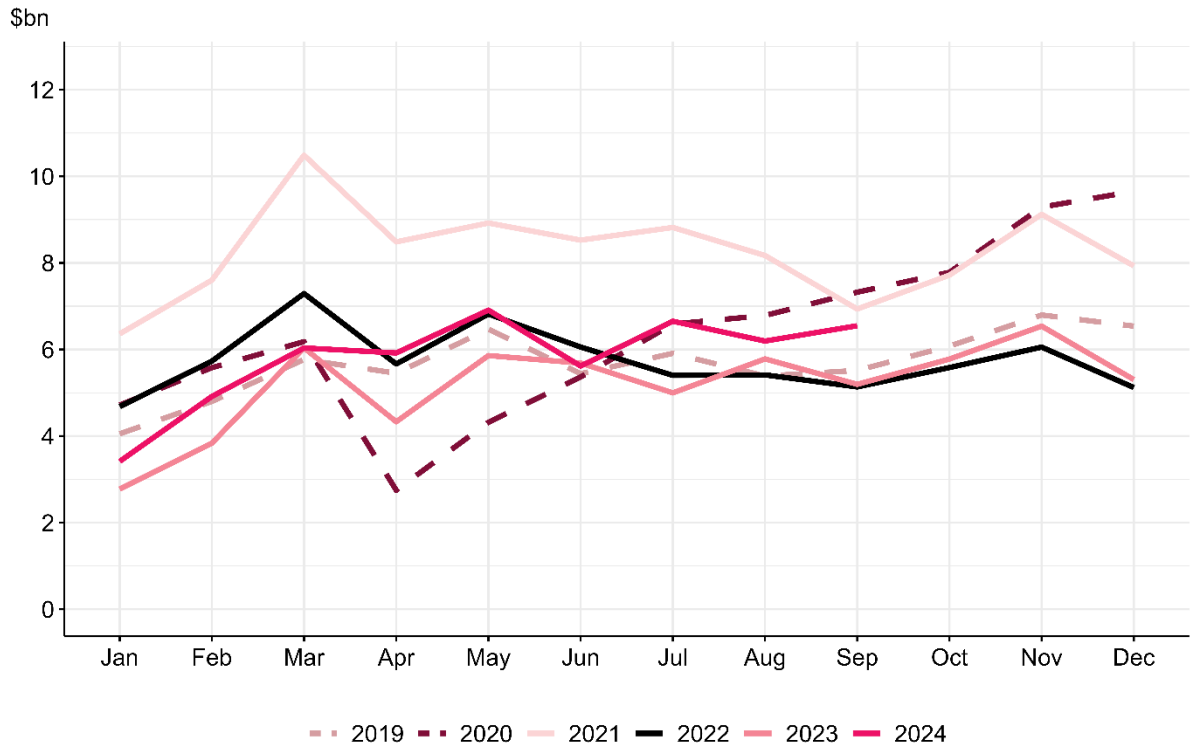


Figure 2: Share of new commitments to each borrower type with DTI > 5

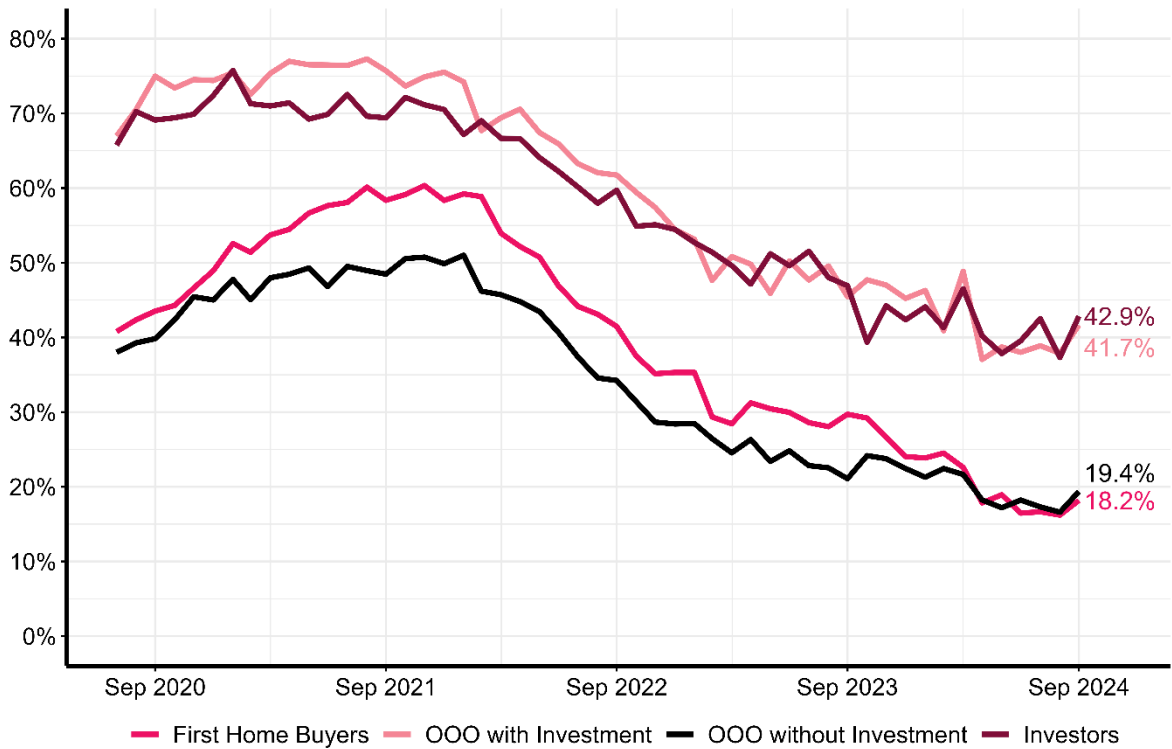


Figure 3: Share of new commitments to each borrower type with DTI > 7

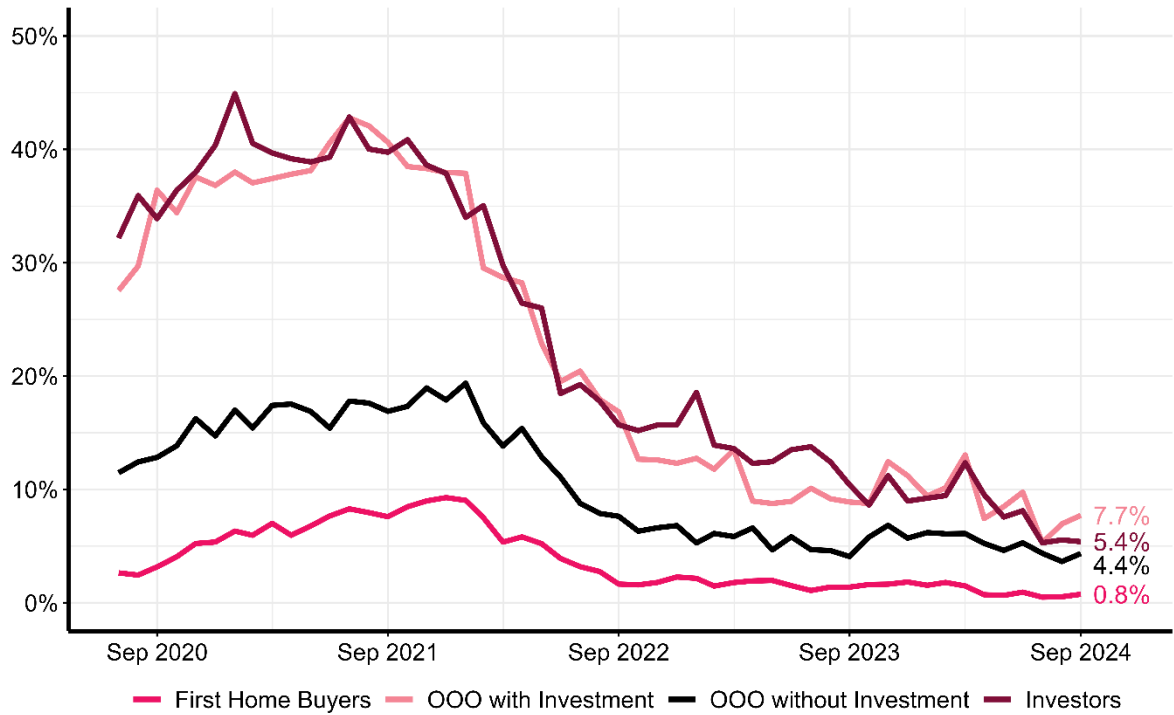


Figure 4: Average borrower gross income

