

8 February 2024

New Credit Flows statistics summary

Key points for December 2023

- There was \$11.1bn of new lending in December, down 5.7% from \$11.8bn in November. Compared to December 2022, total new lending was down 2.9% from \$11.5bn.
- The category with the largest monthly percentage increase was residential property development, which rose to \$189m, up 103.2% from \$93m in November.

Residential mortgage lending

- Total monthly new residential lending was \$6.4bn in December, up 3.9% from \$6.2bn in November (Figure 1). Compared to December 2022, the total monthly new residential lending was up 2.7% from \$6.3bn.
- The share of total new residential lending on fixed interest rate terms decreased slightly to 82.4%, down from 82.5% in November (Figure 2).
- New owner occupier lending increased to \$4.9bn in December. 1-year fixed terms continue to be the most popular term of owner occupier lending, accounting for 27.7% of all new lending, up from 26.4% in November (Figure 3).
- The share of owner occupier lending on 2-year, 3-year, 4-year and 5-year fixed terms decreased, whereas the share of all terms below 2-year fixed terms increased or held steady. The 5-year fixed terms decreased from 1.5% to 1.1%, and 2-year fixed terms decreased from 21.3% in November to 20.6% in December. In contrast, the 18-month fixed terms share increased from 17.7% in November to 18.7% in December, representing a new series high since the survey began in April 2021.
- Meanwhile, the share of lending on 6-month terms increased to 6.5%, which represents a new series peak since inception of the survey in April 2021.
- New residential investor mortgage lending held steady at \$1.4bn in December. 1-year fixed terms continue to be the most popular, making up 33.4% of new lending, up from 32.9% in November.
- The share of new residential investor lending on 6-month fixed terms increased, from 6.4% to a new series high of 8.5%, whereas 2-year and 3-year fixed terms declined from 18.3% to 17.6% and from 6.5% to 4.6% respectively (Figure 4).

Business, agriculture, and personal consumer lending

- Total new business lending (excluding agriculture) was \$3.4bn in December, up 15.1% from \$3.0bn in November. Compared to December 2022, this is a decrease of 6.2% from \$3.6bn.

- Of the subcategories of commercial property lending, only commercial property development fell from November, recording a 18.5% decrease. However, residential property development reported a 103.2% increase to \$189m from \$93m in November (Figure 5).
- Total agriculture lending decreased by 15.4% with dairy farming being the major contributor reporting a 47.1% decrease from \$463m in November to \$245m in December. Horticulture and sheep, beef cattle and grain farming increased month-to-month by 23.5% and 24.6% respectively (Figure 6).
- New consumer lending fell to \$206m in December, a decrease of 14.2% from \$240m in November. Compared to December 2022, there was an increase of 3.5% from \$199m.

Fig-1 New lending by purpose

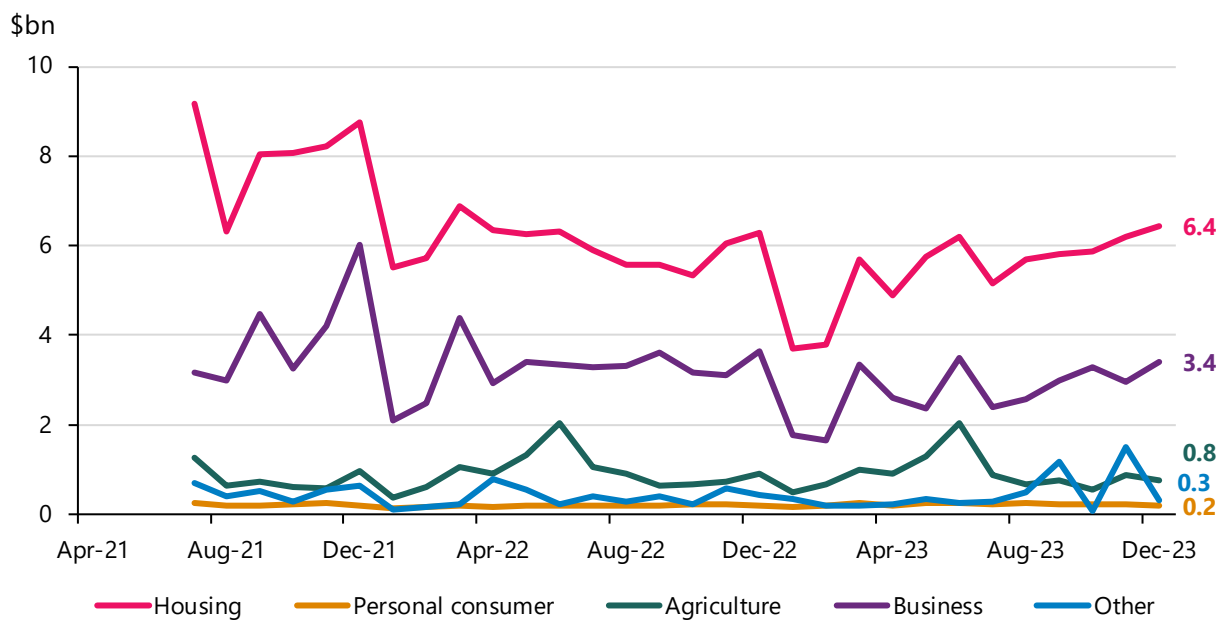


Fig-2 The share of new loans fully secured by residential mortgage on floating/fixed terms

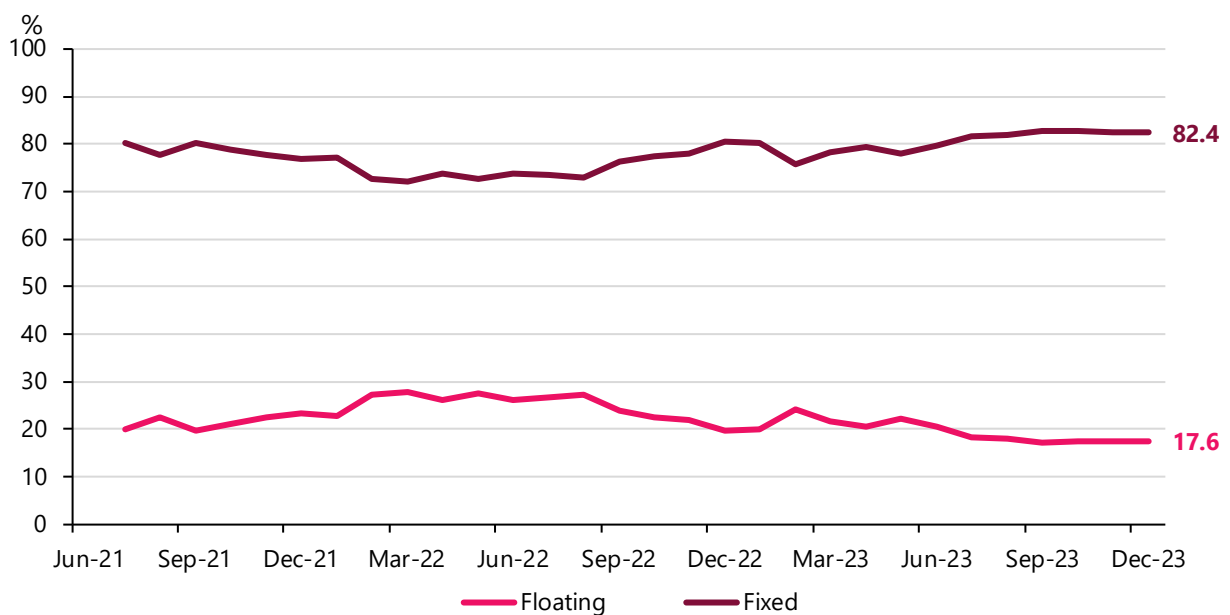


Fig-3 The share of owner occupier mortgage lending values for selected interest rate terms

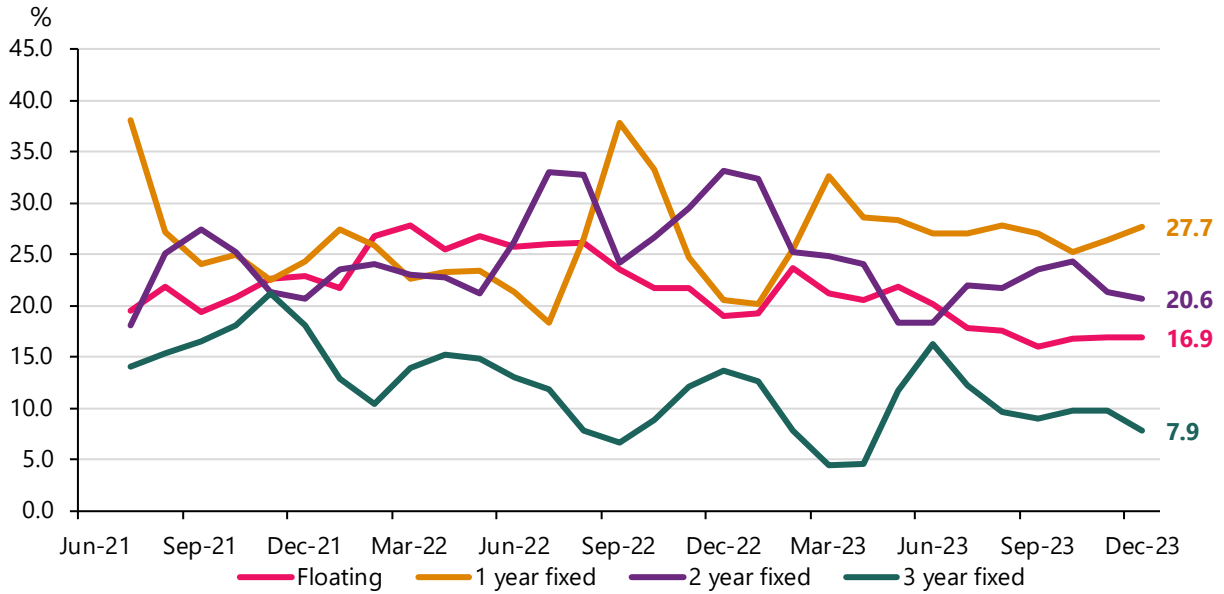


Fig-4 The share of residential investor mortgage lending values for selected interest rate terms

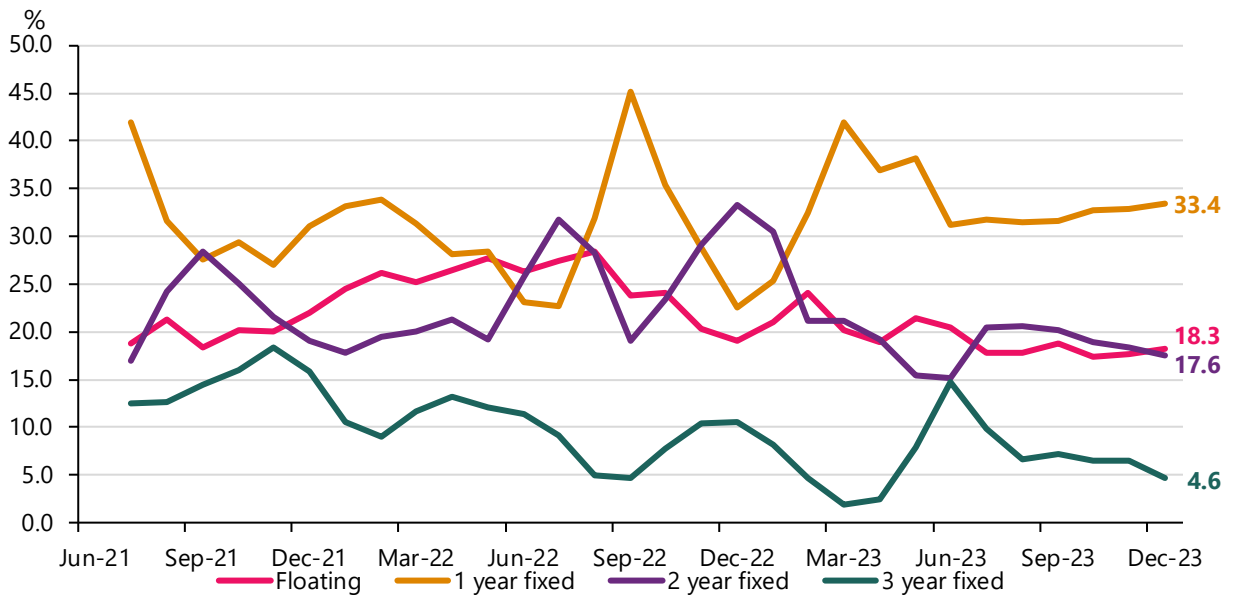


Fig-5 New commercial property lending

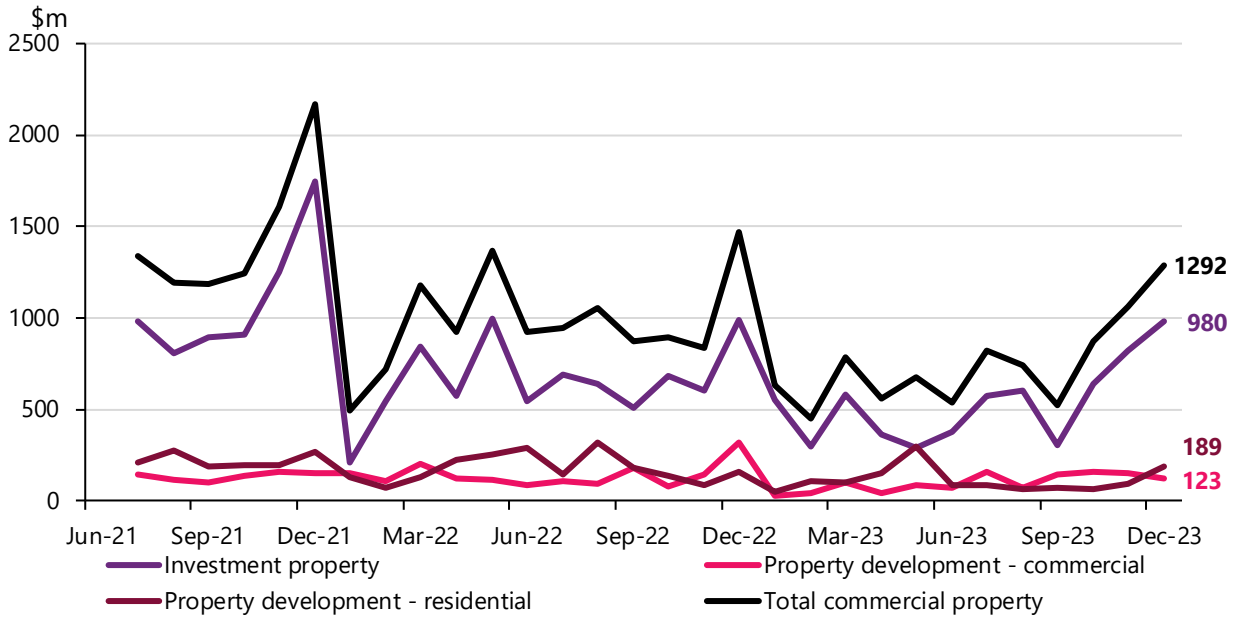


Fig-6 Agriculture new lending

