

5 December 2023

New Credit Flows statistics summary

Key points for October 2023

- There was \$10.0bn of new lending in October, down 8.7% from \$11.0bn in September. Compared to October 2022, total new lending was up 4.3% from \$9.6bn.
- The category with the largest increase was investment property, which rose to \$643m, up 110.8% (\$338m) from September.

Residential mortgage lending

- Total monthly new residential lending was \$5.9bn in October, up 0.9% from \$5.8bn in September (Figure 1). Compared to October 2022, the total monthly new residential lending was up 10.0% from \$5.3bn.
- The share of total new residential lending on fixed interest rate terms decreased to 82.6%, down from 82.8% in September which was the highest share on record (Figure 2).
- New owner occupier lending held steady at \$4.4bn in October. 1-year fixed terms continue to be the most popular term of owner-occupier lending, accounting for 25.2% of all new lending (Figure 3). However, this is down from 27.1% in September.
- However, the share of owner occupier lending on 18-month, 2-year fixed, 3-year fixed and 4-year fixed terms saw increases from September. Most notably, the share of lending on 2-year terms rose to 24.2% (from 23.5%), and the share of lending on 3-year fixed terms rose from 9.0% in September to 9.8% in October.
- Meanwhile, the share of lending on 6-month terms decreased to 5.0% (from 5.3%), the first decrease since March 2023.
- New residential investor mortgage lending rose to \$1.4bn in October from \$1.3bn in September. 1-year fixed terms were the most popular, making up 32.7% of new lending, up from 31.6% in September.
- The share of new residential investor lending on 18-month terms also rose to 16.0% (from 13.9%), whereas shares for 6-month, 2-year and 3-year fixed terms fell slightly (Figure 4).

Business, agriculture, and personal consumer lending

- Total new business lending (excluding agriculture) was \$3.3bn in October, up 9.8% from \$3.0bn in September. Compared to October 2022, this is an increase of 3.6% from \$3.2bn.
- Of the subcategories of business lending, residential property development and other business fell from September, recording a 1.4% and 2.3% decrease respectively. However, investment property reported a 110.8% increase (\$338m) to \$643m from \$305m in September (Fig-5).

- Agriculture lending fell month-to-month in each category. New lending for dairy farming decreased by 41.0% (\$166m) to \$239m in October (\$405m previously in September). Similarly, horticulture and sheep, beef cattle and grain farming fell month-to-month 16.9% and 11.8% respectively (Figure 6).
- New consumer lending rose slightly to \$225m in October, an increase of 2.7% from \$219m in September. Compared to October 2022, there was an increase of 5.6% from \$213m.

Fig-1 New lending by purpose

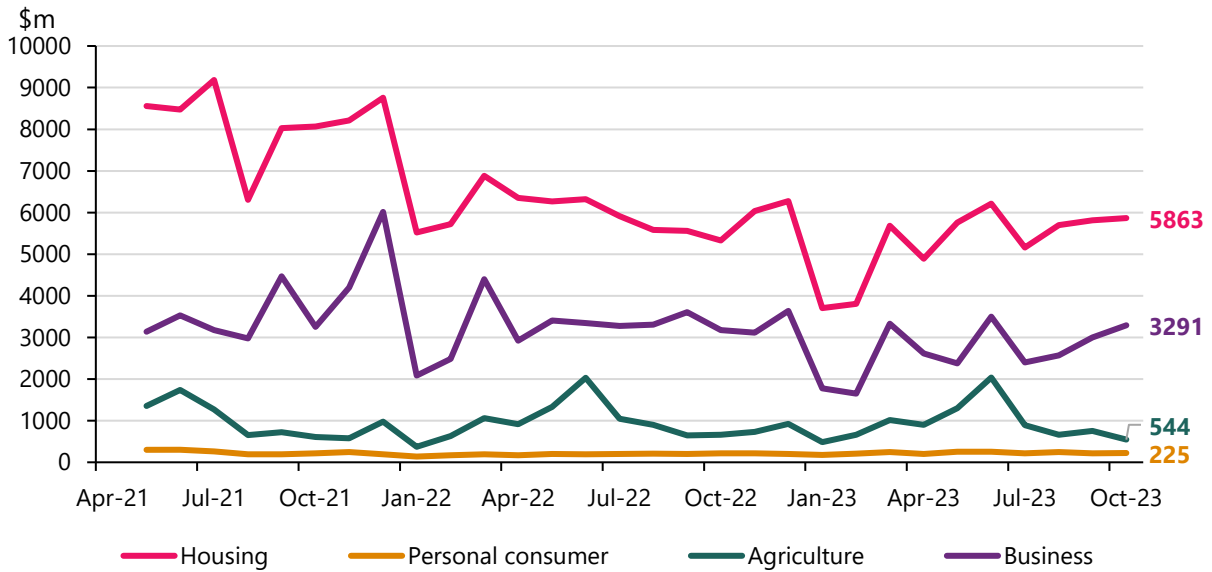


Fig-2 The share of new loans fully secured by residential mortgage on floating/fixed terms

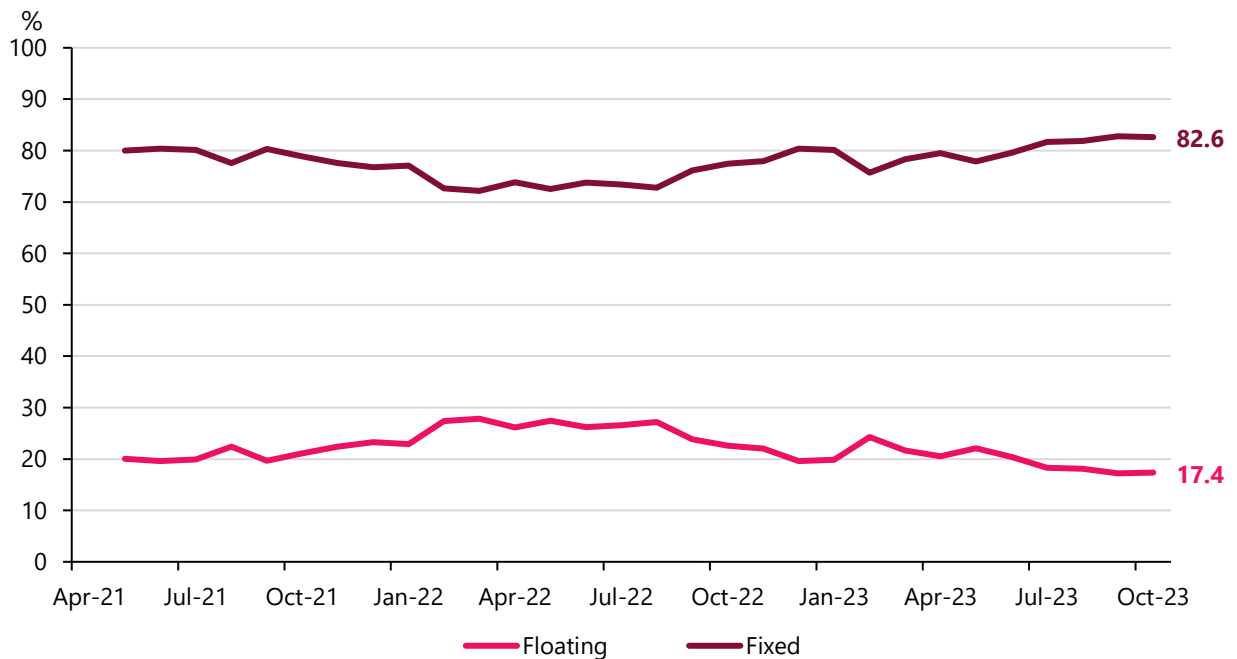


Fig-3 The share of owner occupier mortgage lending values for selected interest rate terms

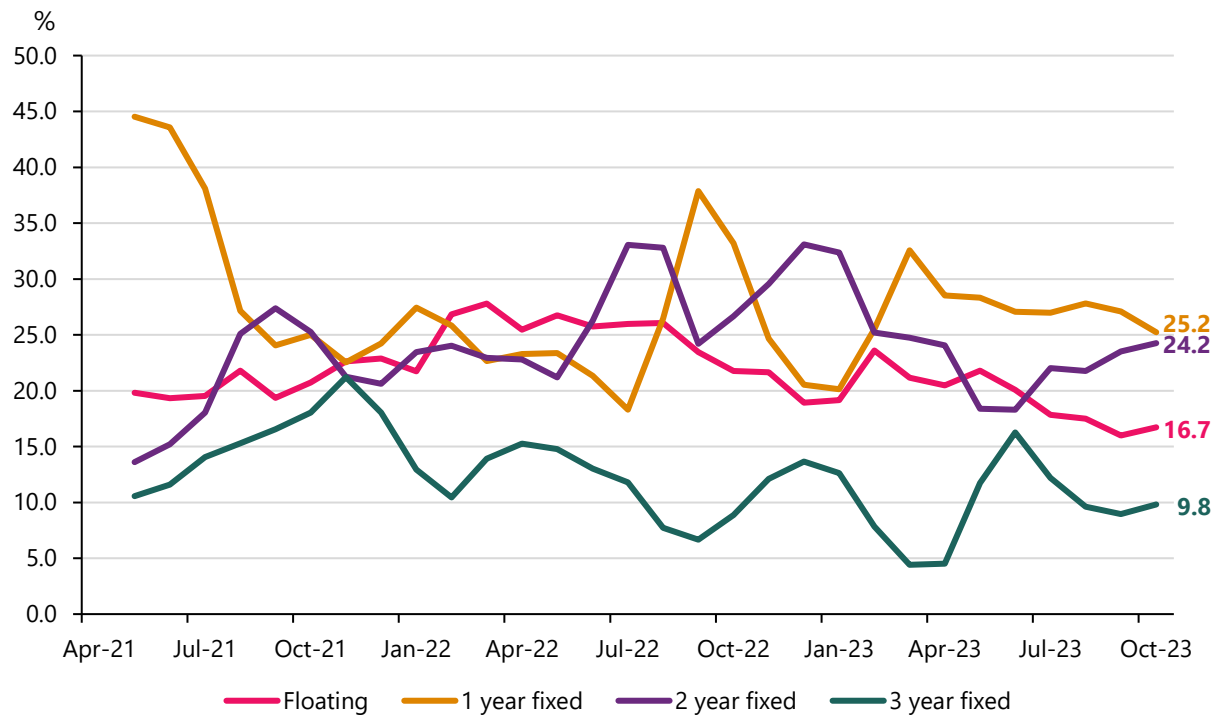


Fig-4 The share of residential investor mortgage lending values for selected interest rate terms

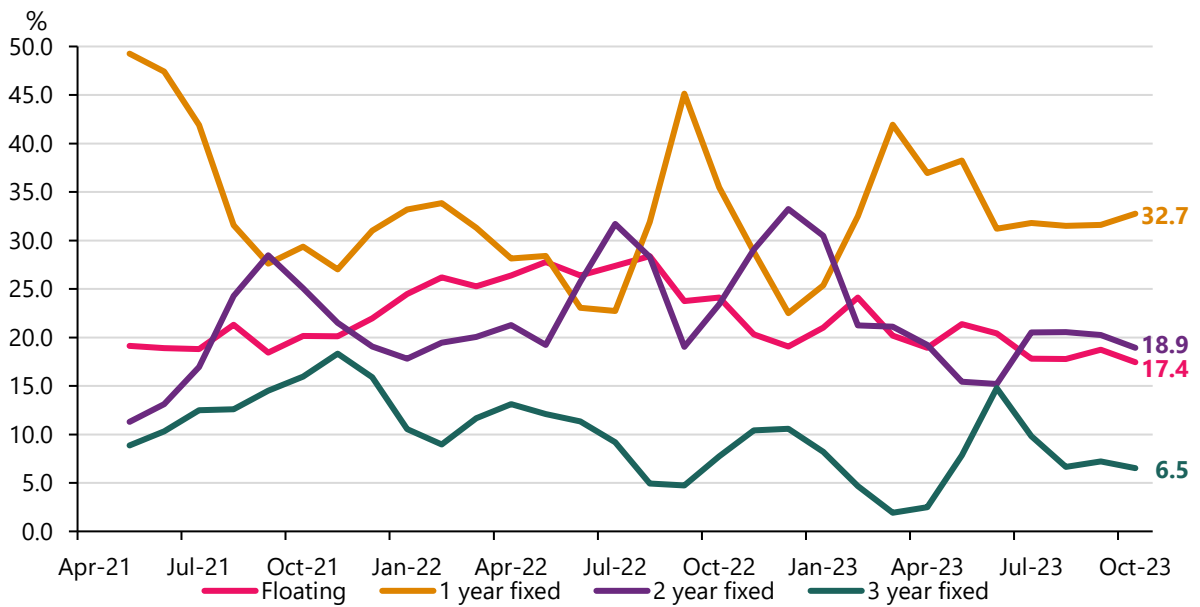


Fig-5 New commercial property lending

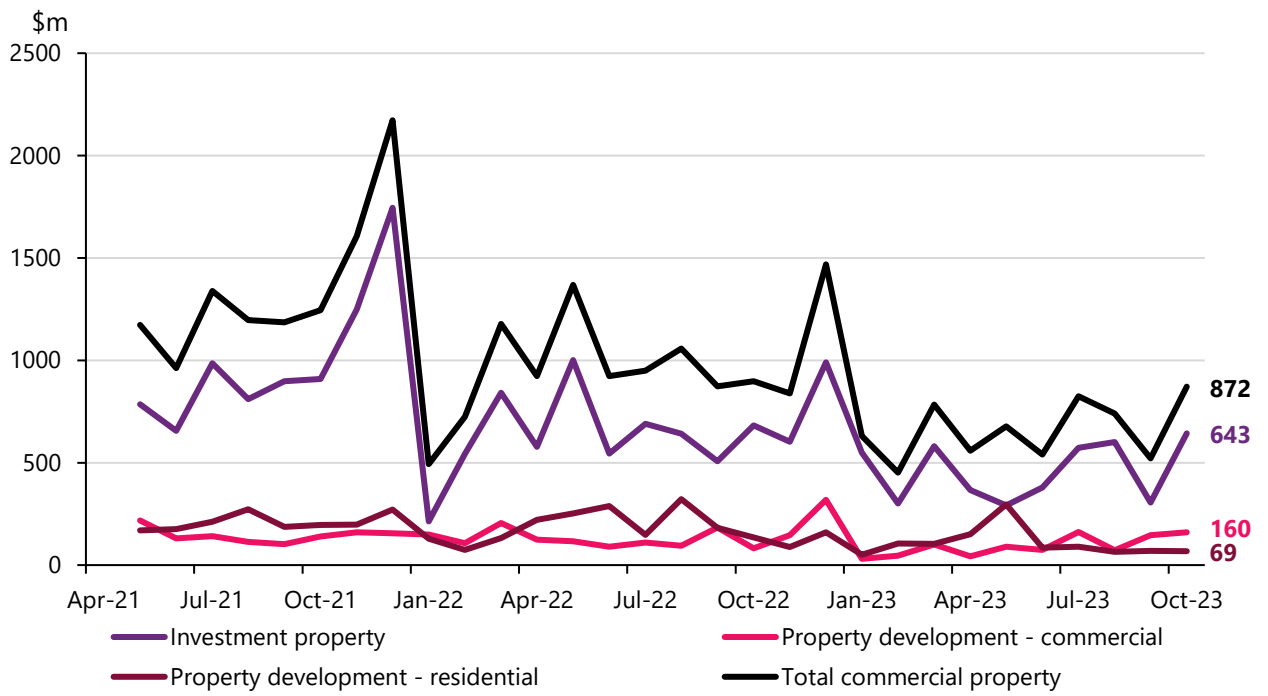


Fig-6 Agriculture new lending

