

9 July 2024

## New Credit Flows statistics summary

### Key points for May 2024

- There was \$12.6bn of new lending in May-24, up 22.5% from \$10.3bn in April-24. Compared to May-23, total new lending was up by 25.2% from \$10.0bn.
- The category with the largest monthly percentage increase was dairy farming, which rose by \$851m to \$1.2bn in May-24, up 239.7% from \$335m in April-24.

### Residential mortgage lending

- Total monthly new residential lending was \$7.1bn in May-24, up 18.5% from \$6.0bn in April-24 (Figure 1). Compared to May-23, the total monthly new residential lending was up 22.8% from \$5.8bn.
- The share of total new residential lending on fixed interest rate terms increased to 82.3%, up from 81.9% in April-24 (Figure 2).
- New owner occupier lending increased to \$5.2bn in May-24. 1-year fixed terms continue to be the most popular term of owner occupier lending, accounting for 36.5% of all new lending, down from 39.4% in April-24 (Figure 3).
- The share of owner occupier lending on fixed terms above 18-month fixed terms increased or held steady. For example, the share of 2-year fixed increased to 8.8% from 8.6%, and the share of 3-year fixed terms increased to 3.1% from 2.8%. 4-year fixed terms held steady and are at a historical low at 0.3%.
- The share of owner occupier loans on floating terms decreased from 17.7% in April-24 to 17.1% in May-24. The share on 6-month fixed terms rose to a new historical high of 17.1% (survey inception April-21).
- New residential investor mortgage lending rose to \$1.8bn in May-24. 1-year fixed terms continue to be the most popular, making up 40.2% of new lending, down from 45.0% in April-24.
- The share of new residential investor lending on 6-month fixed terms increased from 18.7% to 21.7% in May-24. The share of 18-month term increased from 8.9% to 11.9% in May-24, whereas 2-year fixed terms declined from 7.8% to 5.9% (Figure 4).

### Business, agriculture, and personal consumer lending

- Total new business lending (excluding agriculture) was \$3.1bn in May-24, up 4.7% from \$3.0bn in April-24. Compared to May-23, this is an increase of 32.2% from \$2.4bn.
- Other business increased from \$2.3bn in April-24 to \$2.4bn in May-24, year-to-year other business rose by \$700m (41.2%) from \$1.7bn in May-23.

- Of the subcategories of commercial property lending, investment property decreased by \$72m (13.2%) to \$473m. Commercial property development rose by \$86m (97.7%) to \$174m. However, residential property development reported a 2.0% decrease from \$98m to \$96m in May-24 (Figure 5).
- Total agriculture new lending was \$1.8bn in May-24, an increase of 149.7% from \$704m in April-24. Dairy farming increased by \$851m from \$355m in April-24 to \$1.2bn in May-24. Horticulture increased by \$26m (22.2%) to \$143m in May-24 and sheep, beef cattle and grain farming increased month-to-month by \$142m (71.7%) to \$340m (Figure 6).
- New consumer lending rose to \$309m in May-24, an increase of 47.1% from \$210m in April-24. Compared to May-23, there was an increase of 20.2% from \$257m.

Fig-1 New lending by purpose

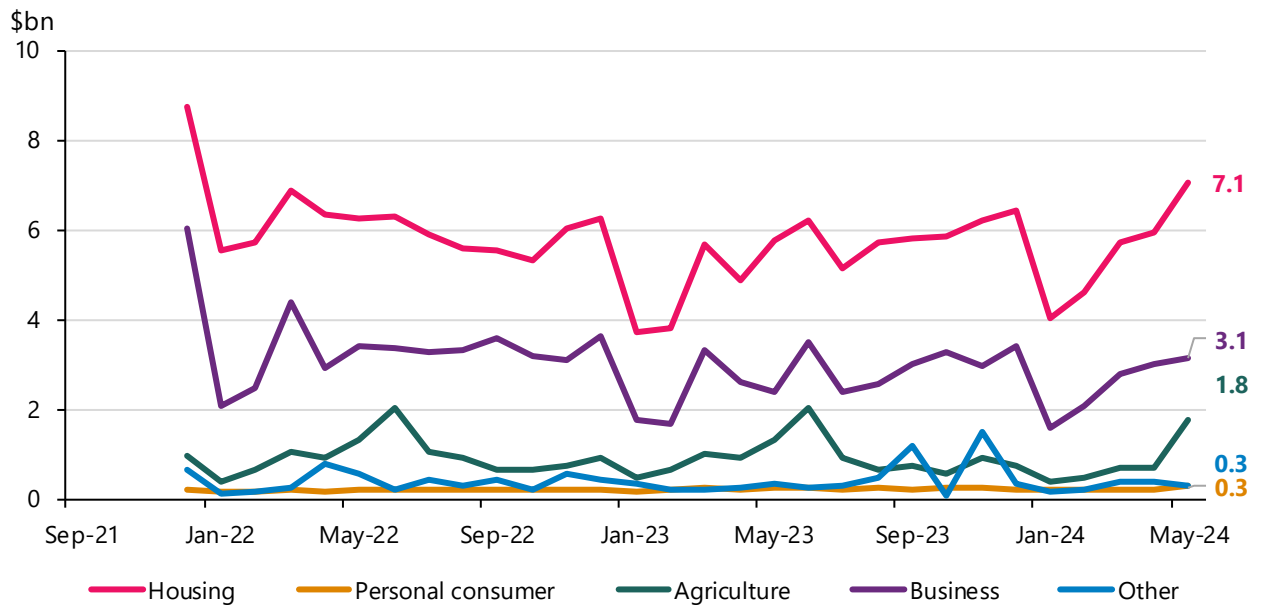


Fig-2 The share of new loans fully secured by residential mortgage on floating/fixed terms

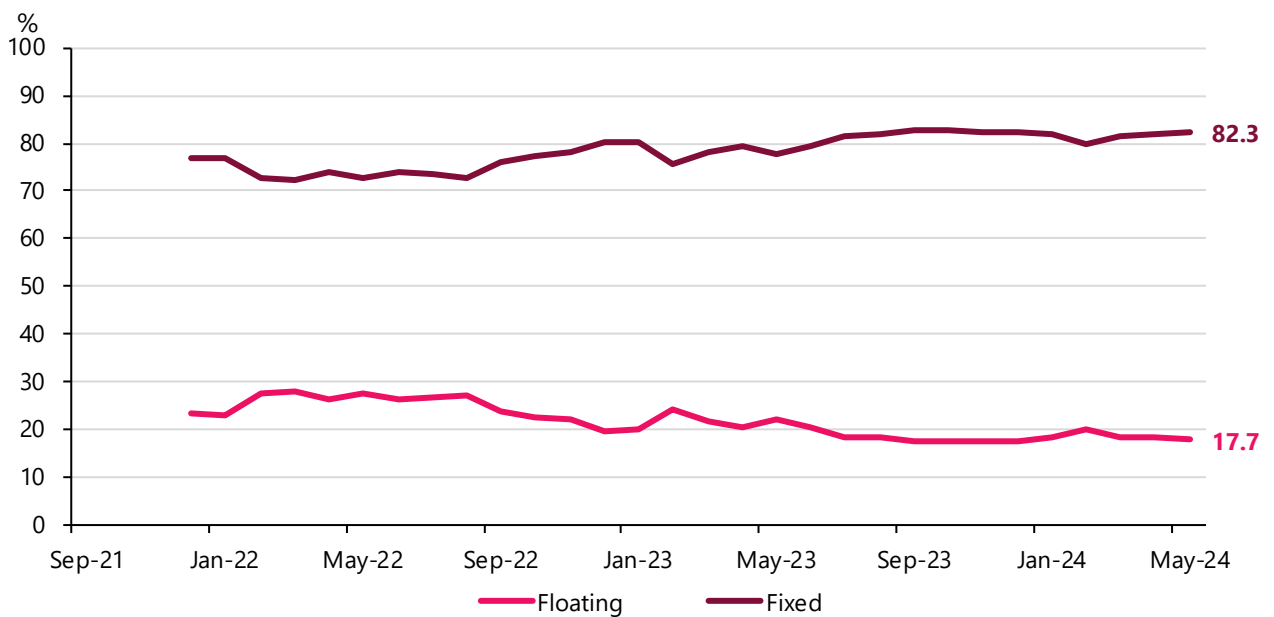


Fig-3 The share of owner occupier mortgage lending values for selected interest rate terms

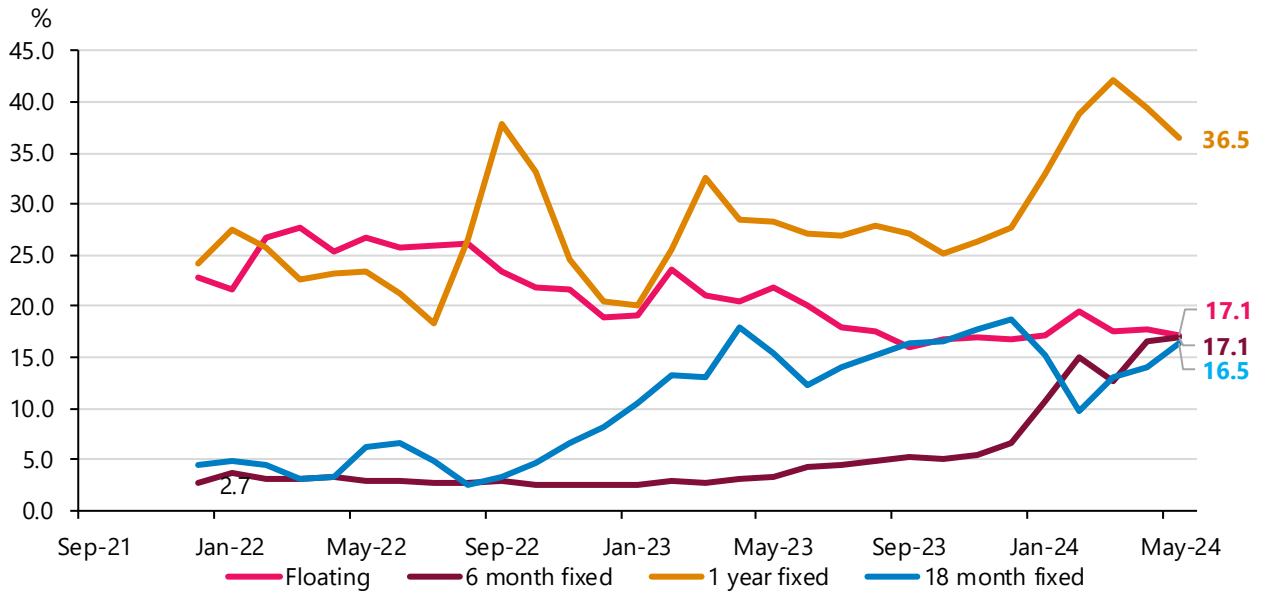


Fig-4 The share of residential investor mortgage lending values for selected interest rate terms

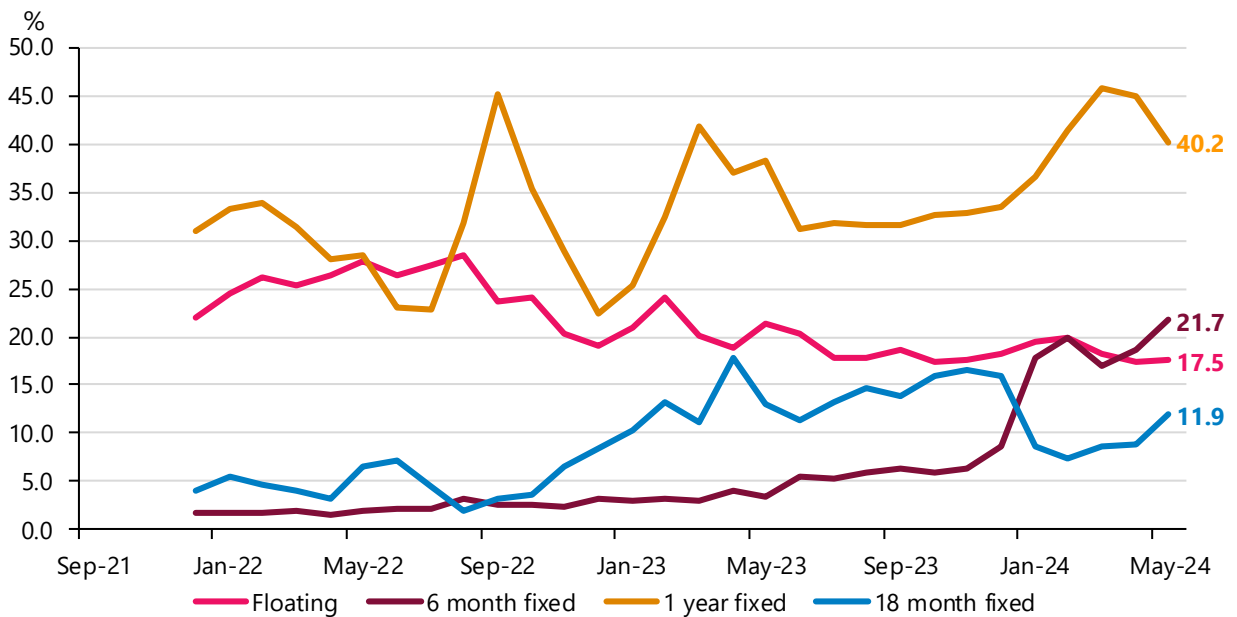


Fig-5 New commercial property lending

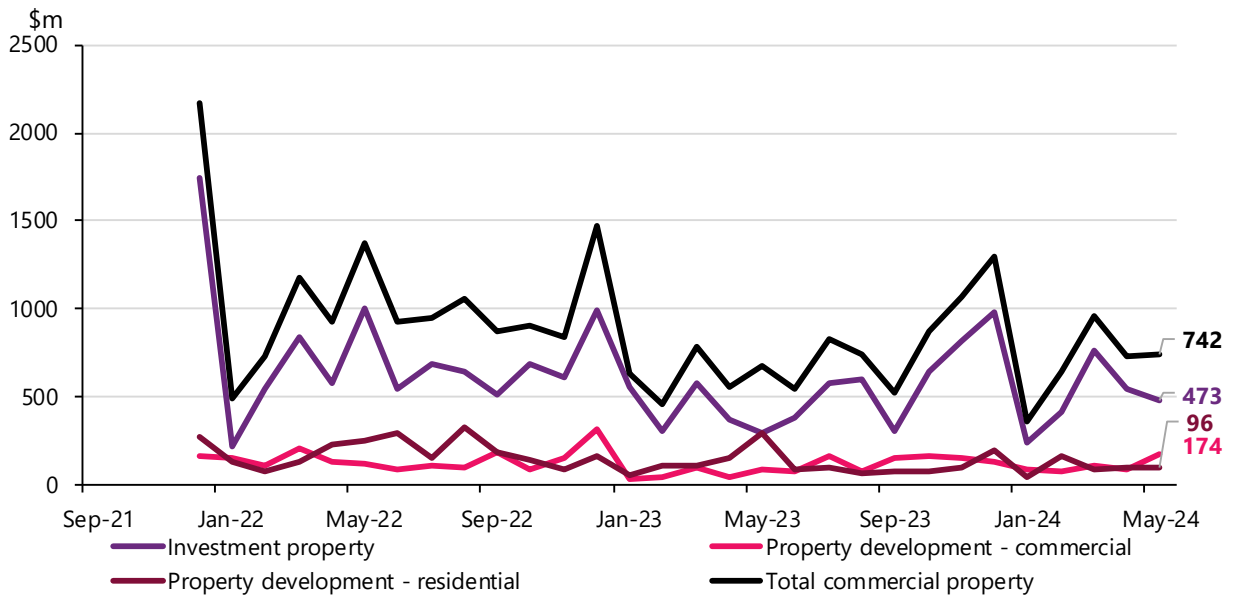


Fig-6 Agriculture new lending

