

# Housing Finance for Individual Investors – May 2017

## ABS Cat. No. 5671.0

Publication Release Date: 13 July 2017 | Brief Release Date: 13 July 2017 | Next Brief Release Date: 9 August 2017

### New investor housing finance increased in May 2017

#### ACT (original)<sup>1</sup>

The value of new investor housing finance in the ACT<sup>2</sup> increased by 37.2 per cent in May 2017.

Through the year (tty)<sup>3</sup> to May 2017, the value of new investor housing finance in the ACT increased by 17.2 per cent.

#### Nationally (seasonally adjusted)<sup>4</sup>

The value of new investor housing finance decreased by 1.2 per cent in May 2017.

Through the year to May 2017, the value of new investor housing finance increased by 10.6 per cent.

#### New Investor Housing Finance, May 2017

	Value (\$m)	Change (%)	
		Monthly	tty
ACT <sup>1</sup>	222	37.2	17.2
Australia <sup>4</sup>	10,207	-1.2	10.6

Source: ABS Cat. No. 5671.0

#### Commentary

Growth in investor housing loans is attracting significant media attention due to its role in house price growth and the associated potential macroeconomic risk this entails. The Australian Prudential Regulatory Authority has recently strengthened macroprudential policies targeted at investor lending, leading to major banks increasing the interest rates on investor loans.

Despite a 37.2 per cent increase in investor finance in May 2017, the investor to total loan ratio was 33.9 per cent for the ACT, which was still lower than its five year average (37.9 per cent). Nationally, this ratio was 33.0 per cent in May 2017, lower than the national five year average of 35.1 per cent<sup>4</sup>.

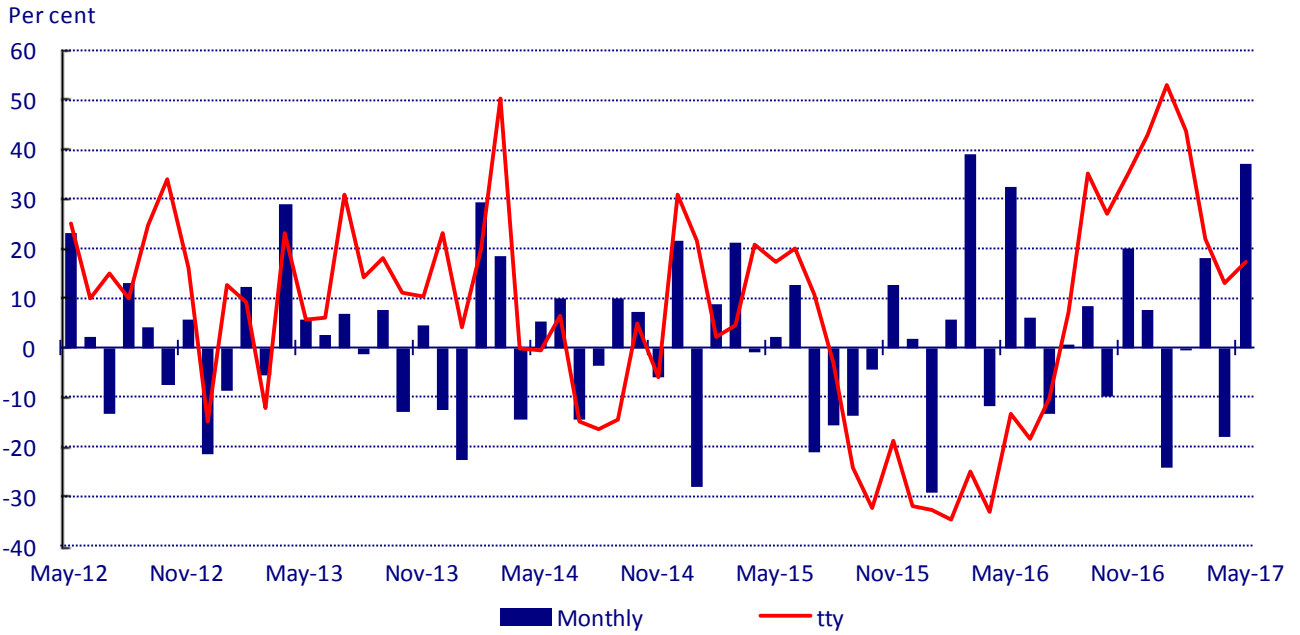
<sup>1</sup>Original data should be used with caution due to its volatility. Data for the States and Territories is in original terms.

<sup>2</sup>An individual investor is defined as any individual (e.g. not a corporation) who purchases a dwelling for the purpose of rent or resale in the ACT. The investor need not be an ACT resident.

<sup>3</sup>Through the year (tty) is the percentage change from the same period in the previous year.

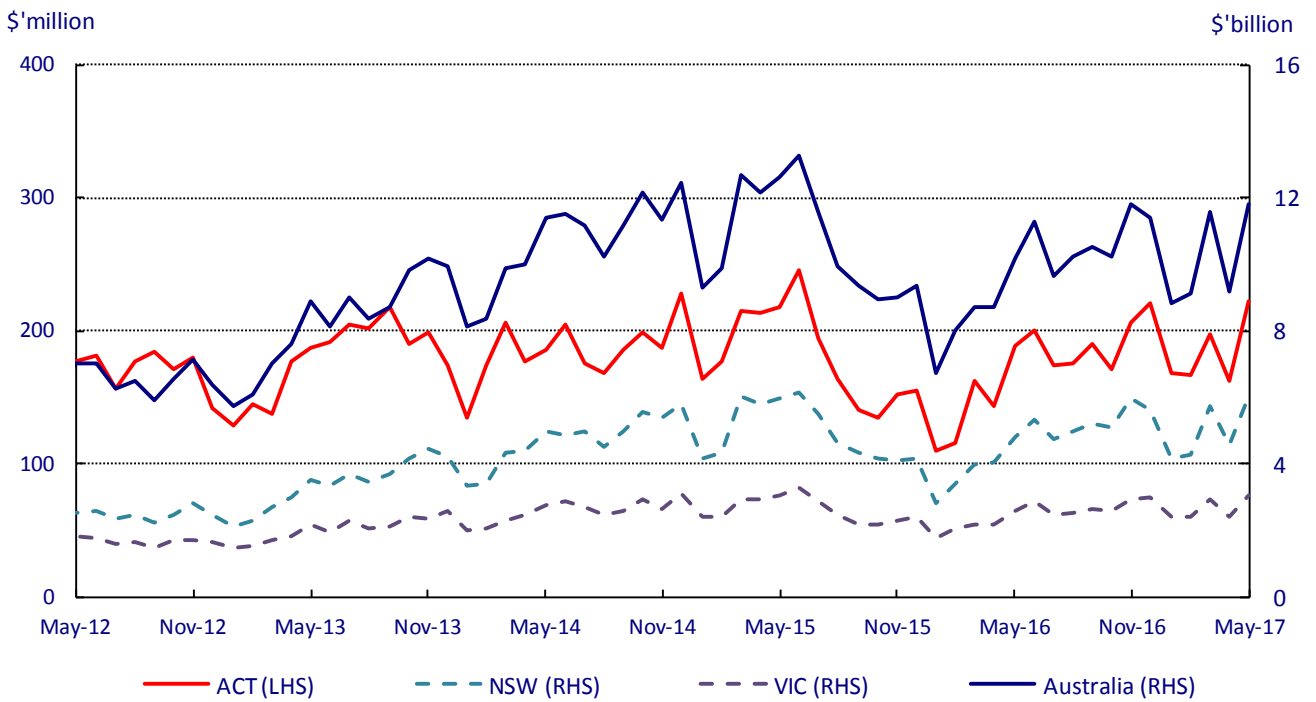
<sup>4</sup>Seasonally adjusted data takes into account calendar effects so that the effects of other influences on the series may be clearly recognised. The national data is in seasonally adjusted terms.

### Growth in New Investor Housing Finance, ACT



Original data  
Source: ABS Cat. No. 5671.0

### Value of New Investor Housing Finance, ACT, NSW, VIC and Australia

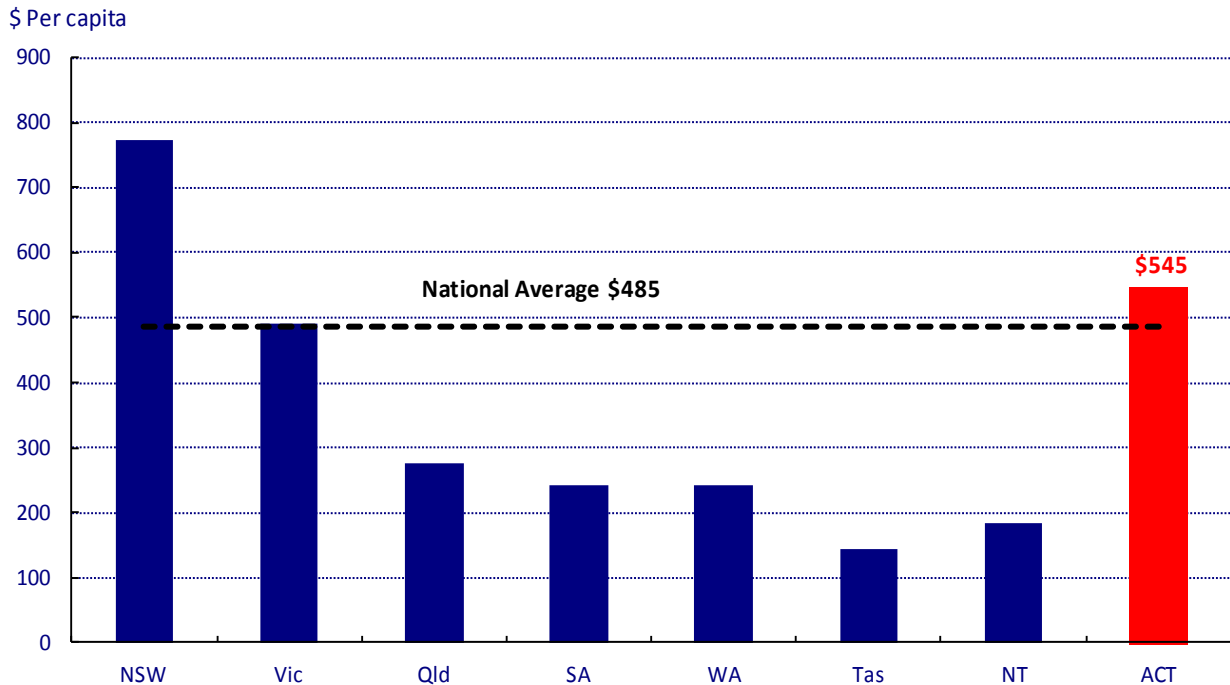


Original data  
Source: ABS Cat. No. 5671.0

## Per capita comparison

In May 2017, the ACT recorded the second highest per capita value<sup>5</sup> of new investor housing finance, at \$545 per capita, only lower than New South Wales (\$773 per capita). The national average was \$485 per capita.

### New Investor Housing Finance per Capita by Jurisdiction



Source: ACT Treasury calculation based on ABS Cat. No. 3101.0 and 5671.0

<sup>5</sup>Per capita value is calculated based on the most recent ABS estimated resident population (ABS Cat. No. 3101.0), as at 31 Decemberr 2016.