

Housing Finance for Individual Investors – March 2017

ABS Cat. No. 5671.0

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New Investor Housing Finance increased in March 2017

ACT (original)¹

The value of new investor housing finance in the ACT² increased by 18.1 per cent in March 2017.

Through the year (tty)³ to March 2017, the value of new investor housing finance in the ACT increased by 22.1 per cent.

Nationally (seasonally adjusted)⁴

The value of new investor housing finance increased slightly by 0.4 per cent in March 2017.

Through the year to March 2017, the value of new investor housing finance increased by 23.9 per cent.

New Investor Housing Finance, March 2017

	Value (\$m)	Change (%)	
		Monthly	tty
ACT ¹	197	18.1	22.1
Australia ⁴	10,765	0.4	23.9

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 risks this entails. The Australian Prudential Regulatory Authority (APRA) has recently strengthened the macroprudential policies targeted at investor lending. This has led to major banks increasing the interest rates on investor loans.

Despite an increase in the value of investor loans, the ratio of investor housing loans in the ACT as a share of total housing loans decreased from 35.7 per cent in February 2017 to 32.0 per cent in March 2017. This is also lower than the ACT's five year average of 38.2 per cent. Nationally, the ratio was 37.1 per cent as of March 2017, in line with the national five year average of 37.4 per cent⁴.

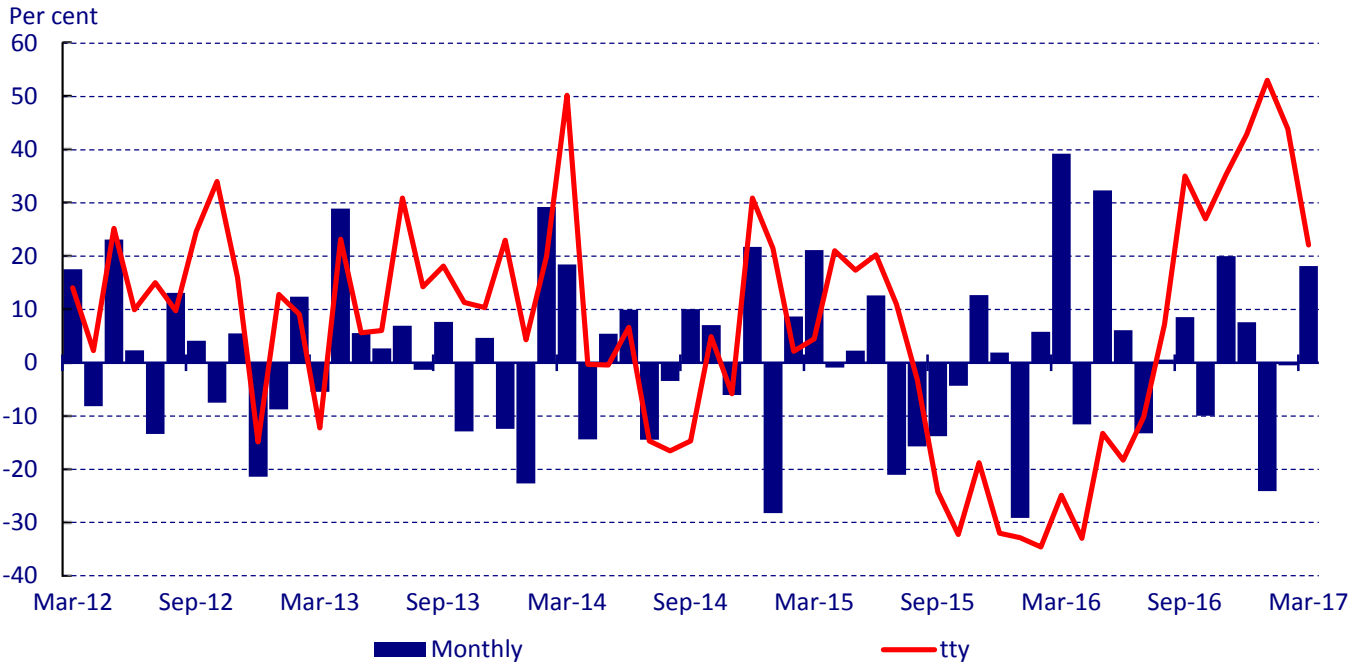
¹Original data should be used with caution due to its volatility. The data for the States and Territories is in original terms.

²An 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.

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

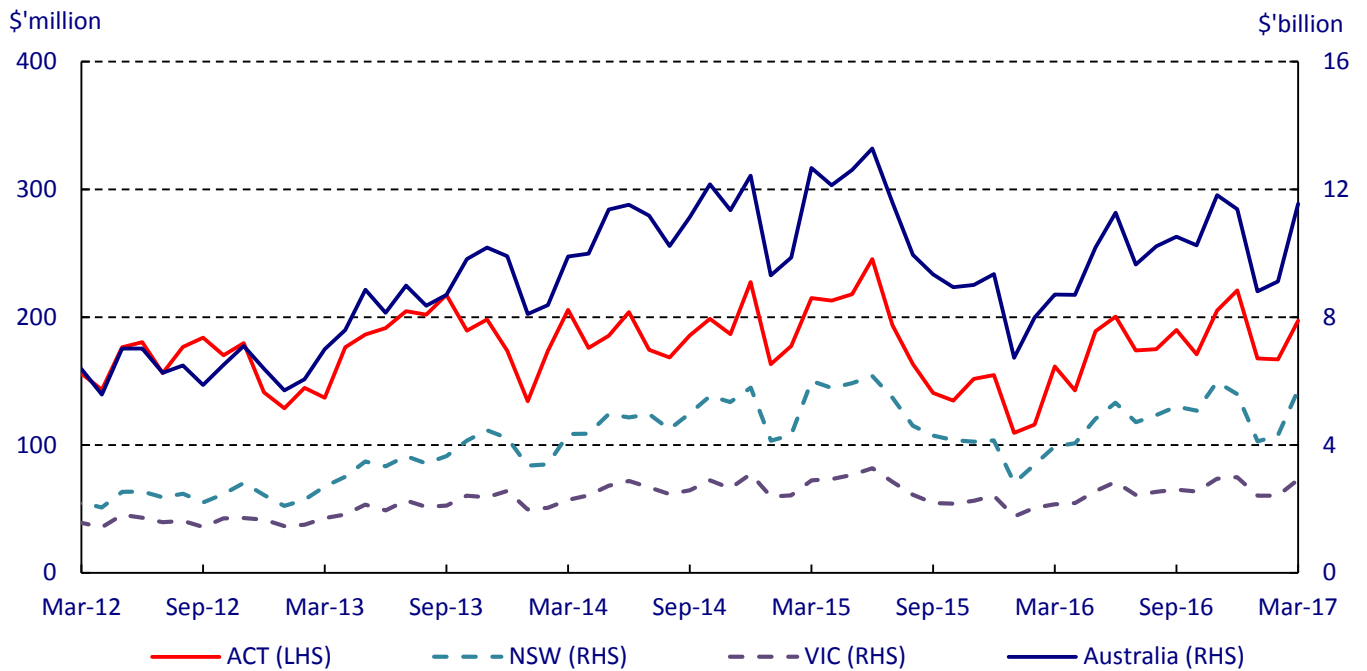
⁴Seasonally adjusted data takes into account calendar effects so that the effects of other influences on the series may be clearly recognised. The national data is in seasonally adjusted terms.

Growth in Value of Investor Housing Finance, ACT, Original Data



Source: ABS Cat. No. 5671.0

Value of Investor Housing Finance, ACT, NSW, VIC and Australia, Original Data

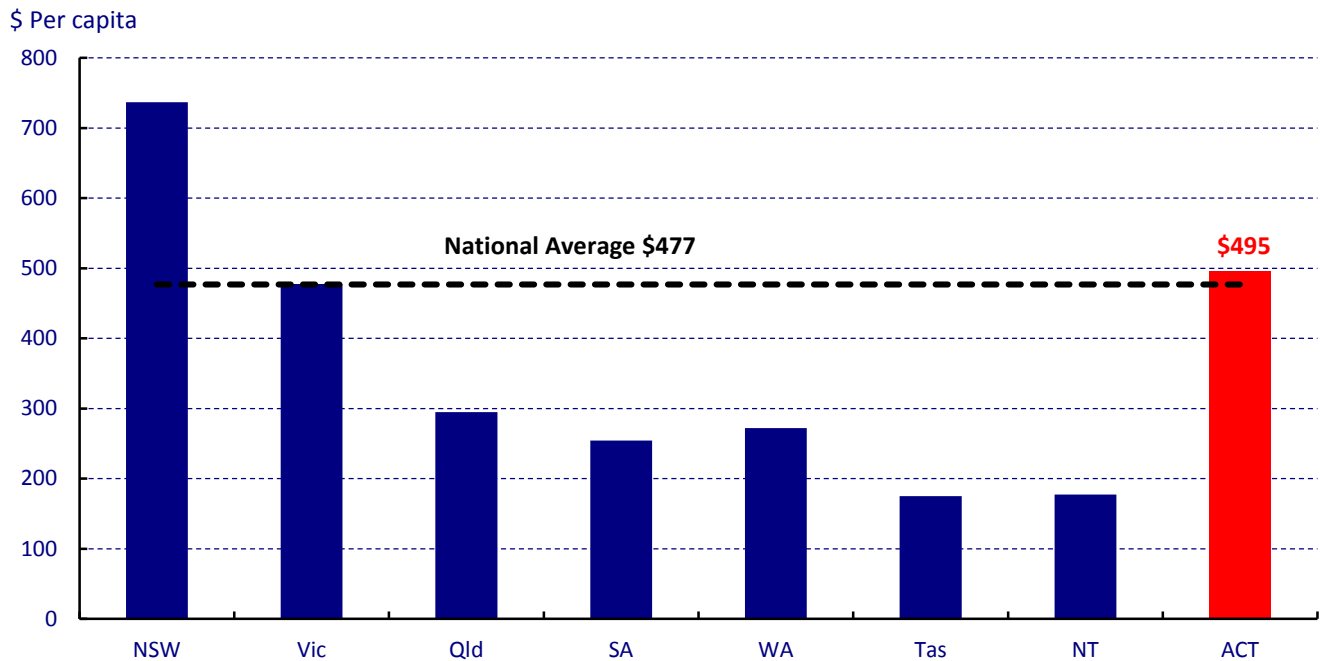


Source: ABS Cat. No. 5671.0

Per capita comparison

In March 2017, the ACT recorded the second highest per capita value⁵ of new investor housing finance, at \$495 per capita, only lower than New South Wales. The ACT's per capita value is 3.9 per cent higher than the national average of \$477 per capita.

Value of Investor Housing Finance, Per Capita Comparison, Original Data



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

⁵Per capita value is calculated based on the most recent ABS estimated resident population (ABS Cat. No. 3101.0), as at 30 September 2016.