

New investor housing finance decreased in April 2017

ACT (original)¹

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

Through the year (tty)³ to April 2017, the value of new investor housing finance in the ACT increased by 13.1 per cent.

Nationally (seasonally adjusted)⁴

The value of new investor housing finance decreased by 2.5 per cent in April 2017.

Through the year to April 2017, the value of new investor housing finance increased by 18.3 per cent.

New Investor Housing Finance, April 2017

	Value (\$m)	Change (%)	
		Monthly	tty
ACT ¹	161	-18.1	13.1
Australia ⁴	10,395	-2.5	18.3

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 has recently strengthened the macroprudential policies targeted at investor lending. This has led to major banks increasing the interest rates on investor loans.

In April 2017, the ACT's ratio of investor housing loans to total housing loans was 34.2 per cent, lower than the ACT's five year average of 38.0 per cent. Nationally, this ratio was 34.3 per cent in April 2017, lower than the national five year average of 35.1 per cent⁴.

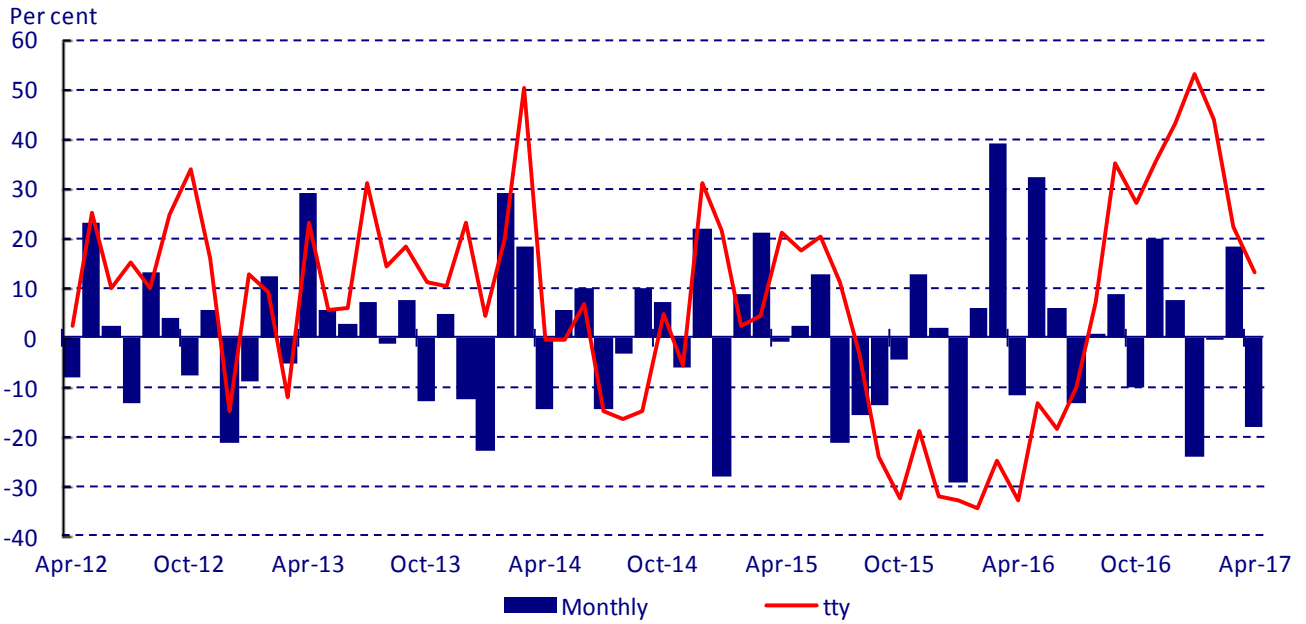
¹Original data should be used with caution due to its volatility. The data for the States and Territories is in original terms.

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.

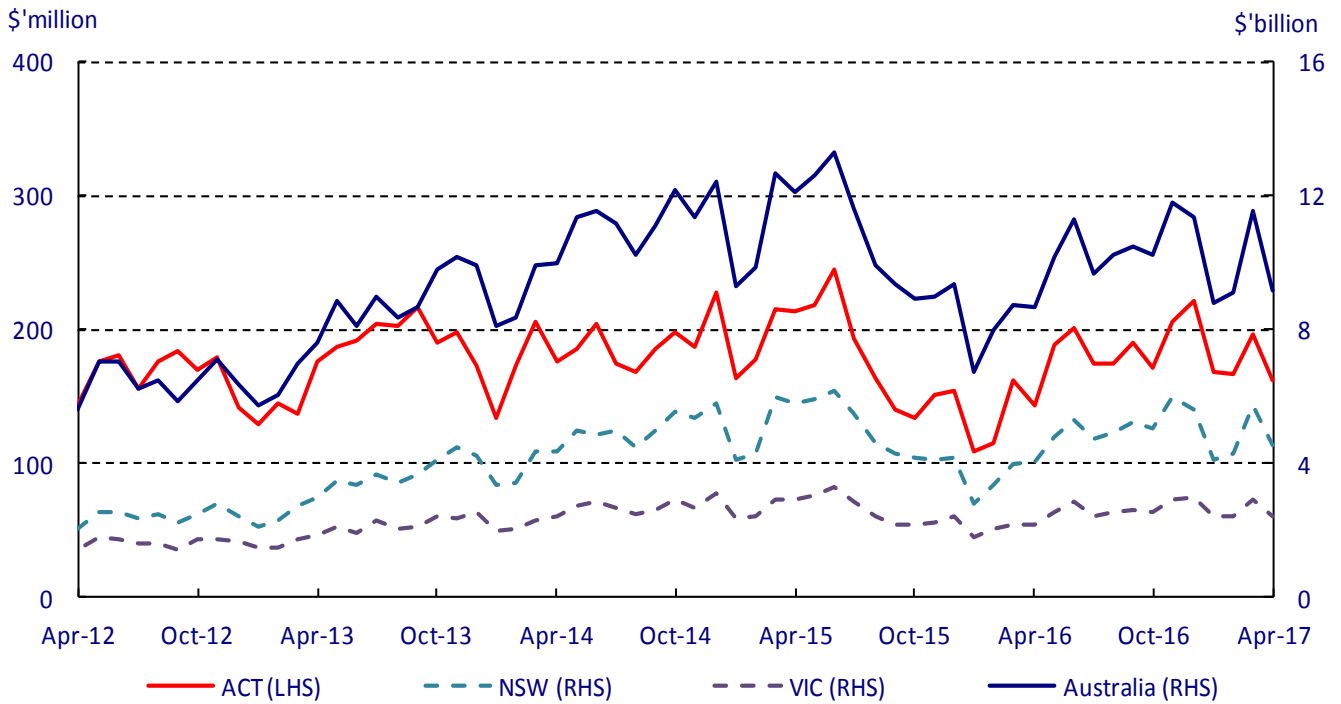
⁴Seasonally adjusted data takes into account calendar effects so that the effects of other influences on the series may be clearly recognised. The national data is in seasonally adjusted terms.

Growth in 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

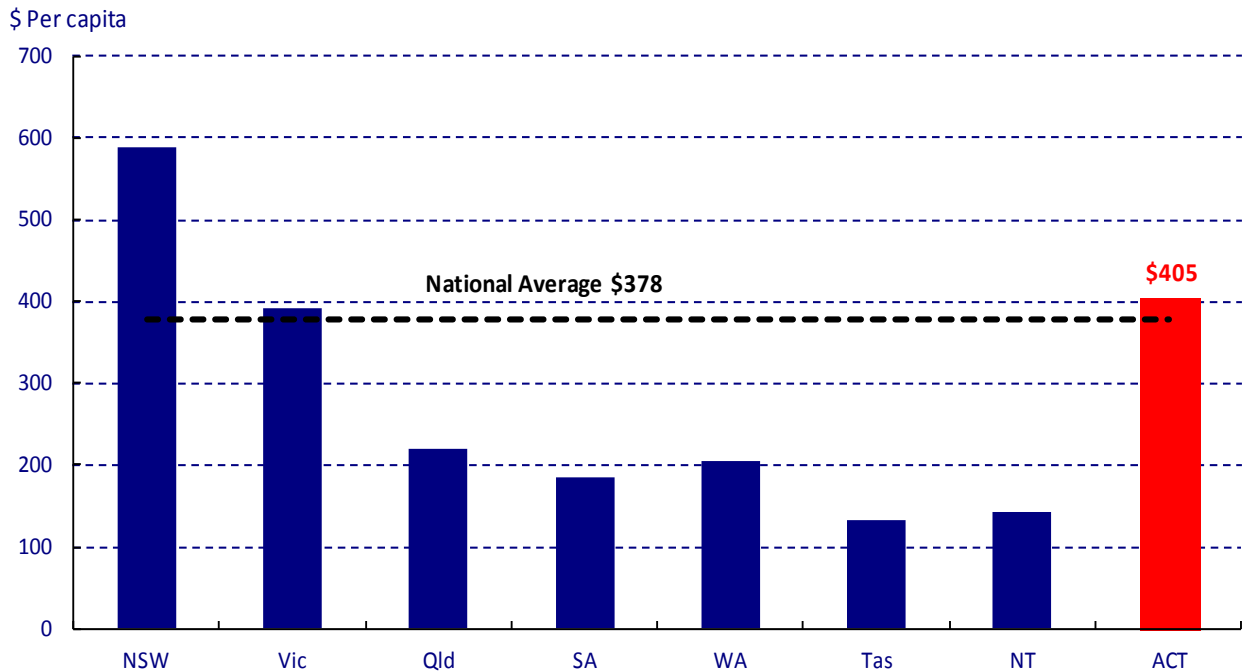


Source: ABS Cat. No. 5671.0

Per capita comparison

In April 2017, the ACT recorded the second highest per capita value⁵ of new investor housing finance, at \$405 per capita, only lower than New South Wales (\$589). The ACT's per capita value is 7.3 per cent higher than the national average of \$378 per capita.

New Investor Housing Finance per Capita by Jurisdiction, 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.