

Housing Finance for Individual Investors – July 2017

ABS Cat. No. 5671.0

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New investor housing finance decreased in July 2017

ACT (original)¹

The value of new investor housing finance in the ACT² decreased by 20.0 per cent in July 2017.

Through the year³ to July 2017, the value of new investor housing finance in the ACT decreased slightly by 0.9 per cent.

National (seasonally adjusted)⁴

The value of new investor housing finance increased by 0.7 per cent in July 2017.

Through the year to July 2017, the value of new investor housing finance increased by 2.1 per cent.

New Investor Housing Finance, July 2017

	Value (\$m)	Change (%)	
		Monthly	tty ³
ACT ¹	172.5	-20.0	-0.9
Australia ⁴	10,026.1	0.7	2.1

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.

In July 2017, ACT investor loans accounted for 32.4 per cent of total housing loans, which was still lower than the usual level of 37.5 per cent, as measured by the five year average. Nationally, this ratio was 32.4 per cent in July 2017, lower than the national five year average of 35.1 per cent⁴.

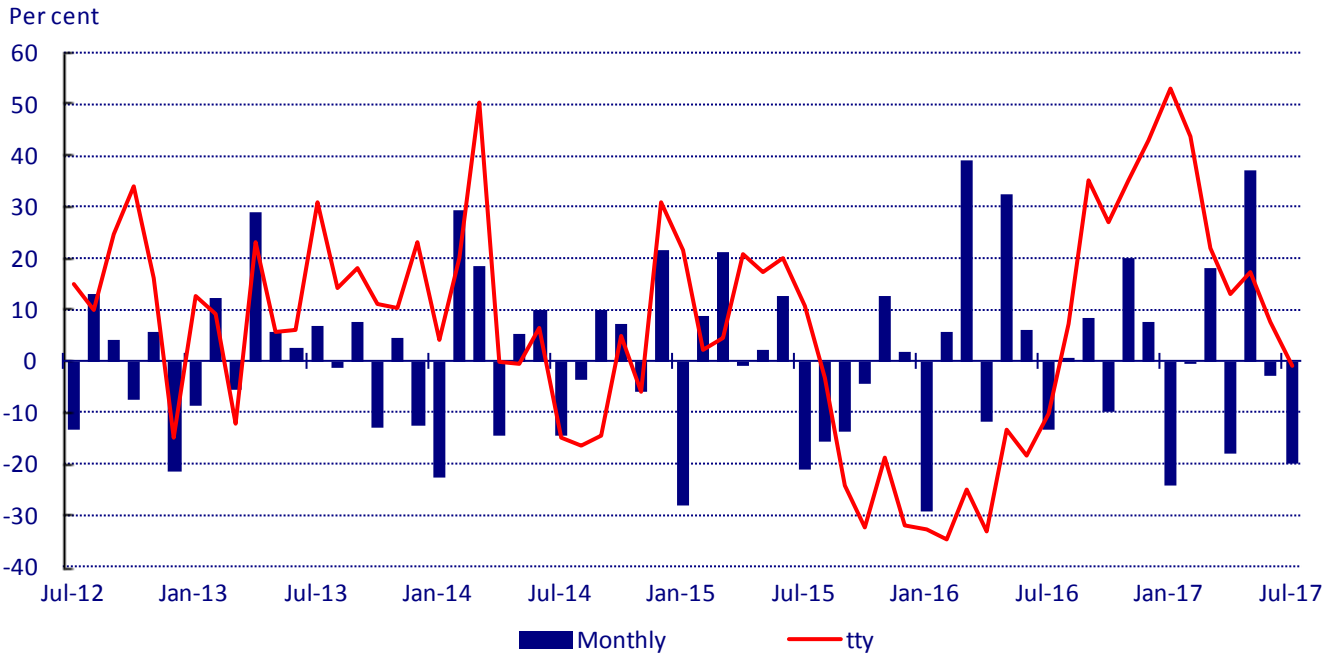
¹Original data should be used with caution due to its volatility. Data for the States and Territories is in original terms.

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.

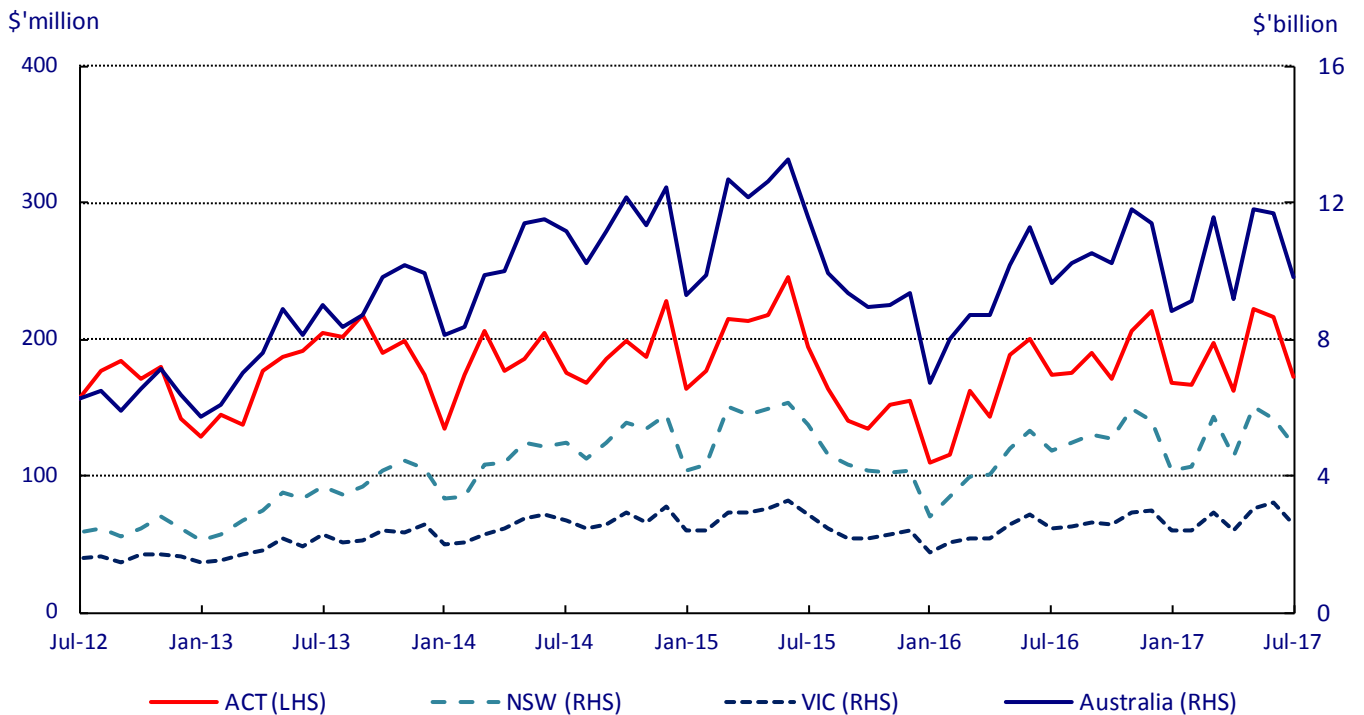
³Through the year (tty) is the percentage change from the same period in the previous year.

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

Growth in New Investor Housing Finance, ACT



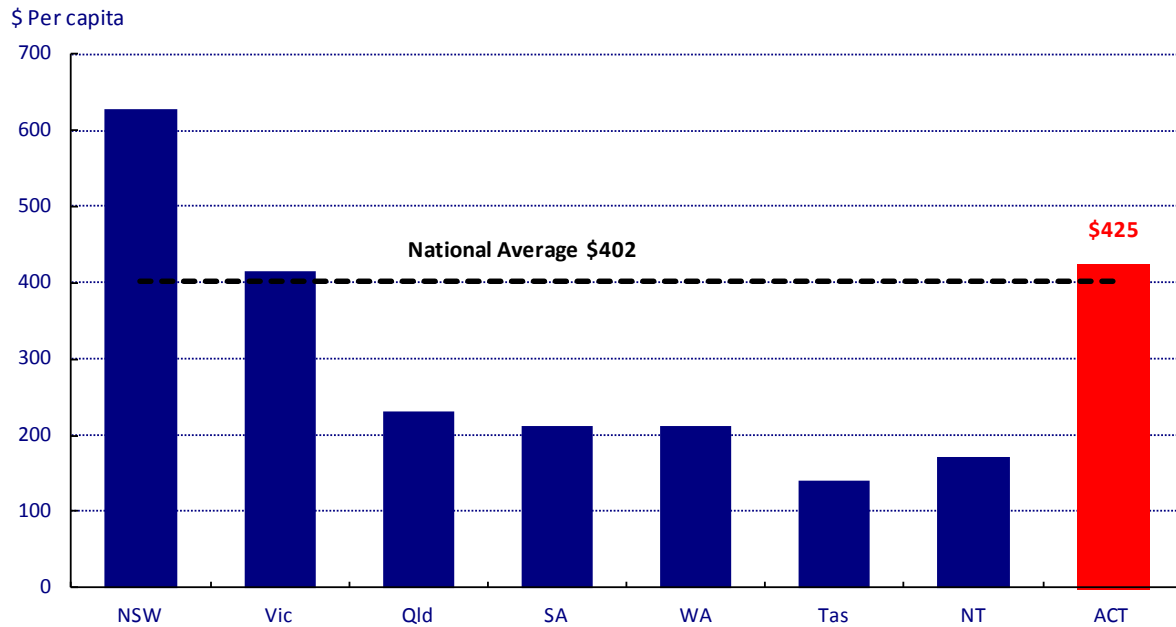
Value of New Investor Housing Finance, ACT, NSW, VIC and Australia



Per capita comparison

In July 2017, the ACT recorded the second highest per capita value⁵ of new investor housing finance of any jurisdiction, at \$425 per capita, lower only than New South Wales (\$627 per capita). The national average was \$402 per capita.

New Investor Housing Finance per Capita by Jurisdiction



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 31 December 2016.