

Housing Finance for Owner Occupation – July 2017

ABS Cat. No. 5609.0



ACT
Government

Chief Minister, Treasury and
Economic Development

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The number of housing finance commitments decreased in July 2017

ACT (seasonally adjusted¹)

The *number* of housing finance commitments for owner occupation² decreased by 2.4 per cent in July 2017. Through the year³ to July 2017, the number of housing finance commitments increased by 9.8 per cent.

The *value* of housing finance commitments for owner occupation increased by 0.5 per cent in July 2017. Through the year to July 2017, the value of housing finance commitments increased by 11.1 per cent.

Nationally (seasonally adjusted)

The *number* of housing finance commitments for owner occupation increased by 2.9 per cent in July 2017. Through the year to July 2017, the number of housing finance commitments increased by 3.3 per cent.

The *value* of housing finance commitments for owner occupation increased by 0.9 per cent in July 2017. Through the year to July 2017, the value of housing finance commitments increased by 5.8 per cent.

Housing Finance Commitments, Seasonally Adjusted, July 2017

		Change (%)	
		Monthly	tty ³
ACT			
No. of commitments	1,105	-2.4	9.8
Value of commitments (\$'m)	412	0.5	11.1
Australia			
No. of commitments	56,464	2.9	3.3
Value of commitments (\$'m)	20,964	0.9	5.8

Source: ABS Cat. No. 5609.0

Commentary

*Types of Housing Loan (original data)*⁴

In July 2017, housing finance commitments for owner occupation in the ACT consisted of 68 loans for construction of dwellings (6 per cent of the total), 153 loans for new dwellings (14 per cent), and 863 loans for established dwellings (80 per cent).

Average Housing Loan (original data)

Through the year to July 2017, the average new ACT housing loan for an owner occupied home increased slightly, by 0.4 per cent, to \$361,500. This is the second highest of the jurisdictions, after NSW (average value of \$435,700).

¹ Seasonally adjusted data takes into account calendar effects so that the effects of other influences on the series July be clearly recognised.

² Housing finance for owner occupation measures secured loans made by significant lenders for the construction or purchase of newly erected dwellings, commitments for the refinancing of existing loans, and loans taken out for the purchase of established dwellings.

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

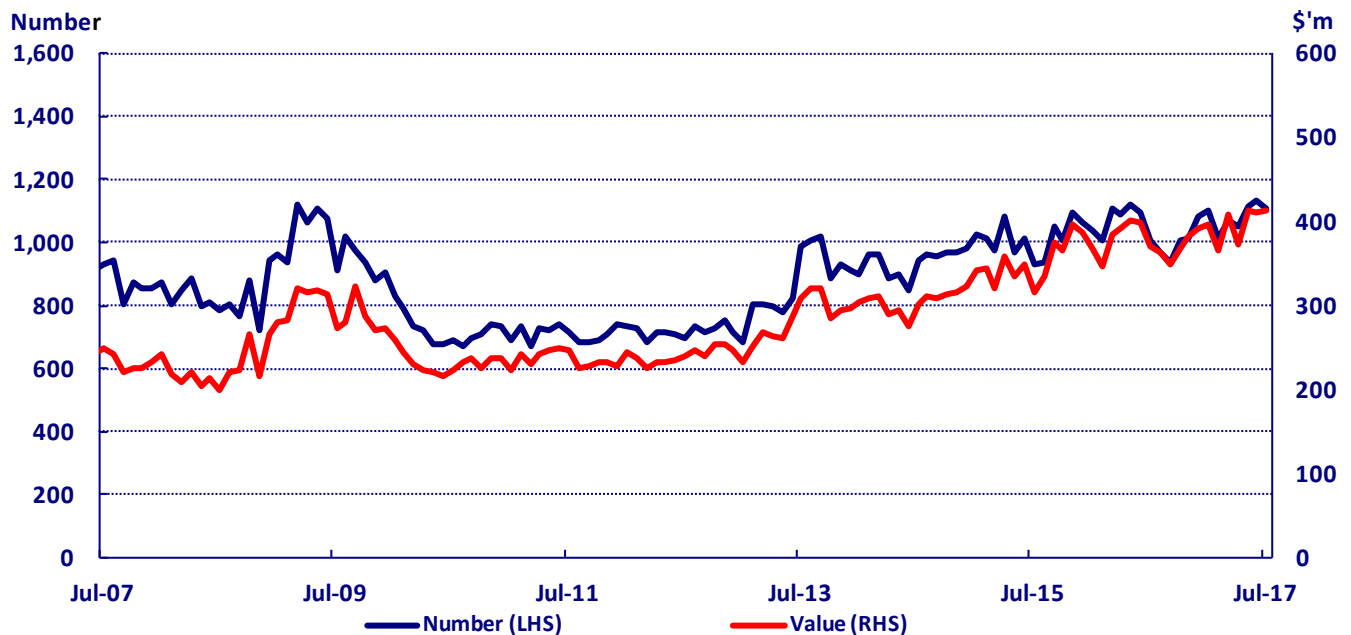
⁴ Original data should be used with caution due to its volatility.

First Home Buyer (original data)⁵

In July 2017, the number of first home buyer loans in the ACT was 216, higher than the usual level of 151 as measured by the five year average. First home buyers represented 20 per cent of the total housing loans taken out in July 2017, which is 5 percentage points higher than its proportion in July 2016 (15 per cent).

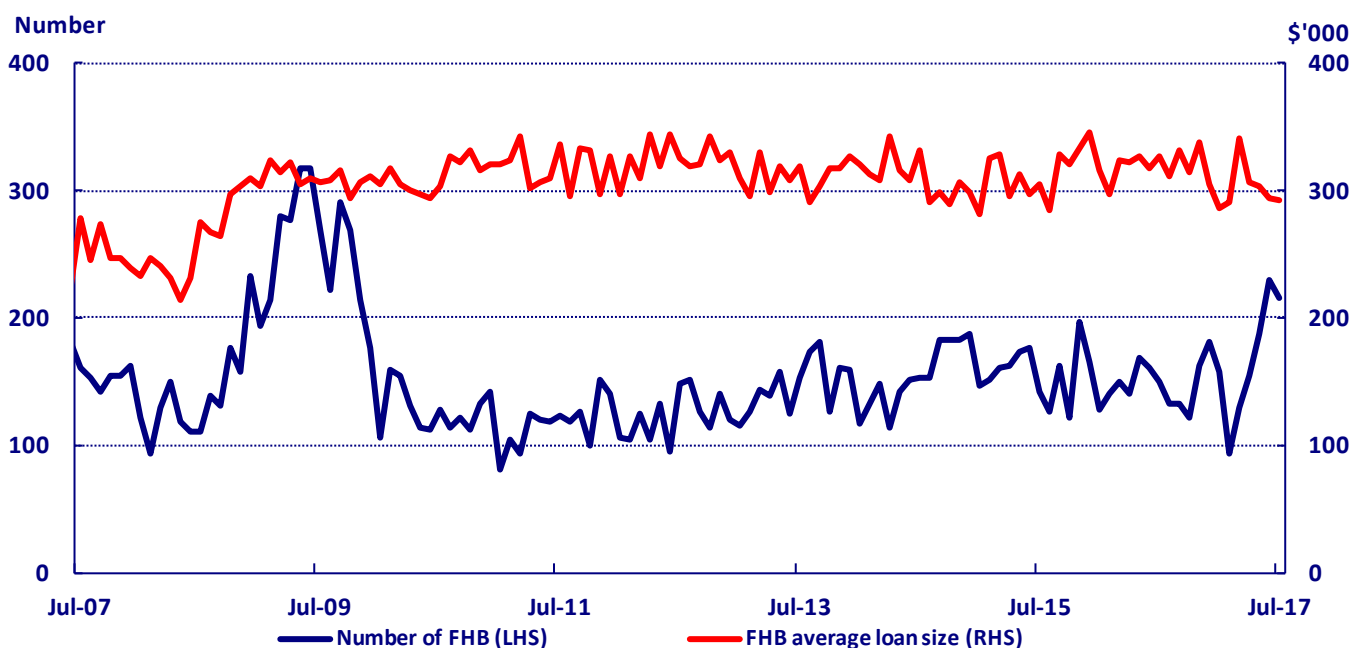
Nationally, first home buyers accounted for 17 per cent of the total housing loans.

Number and Value of New Housing Finance Commitments, ACT, Seasonally Adjusted



Source: ABS Cat. No. 5609.0

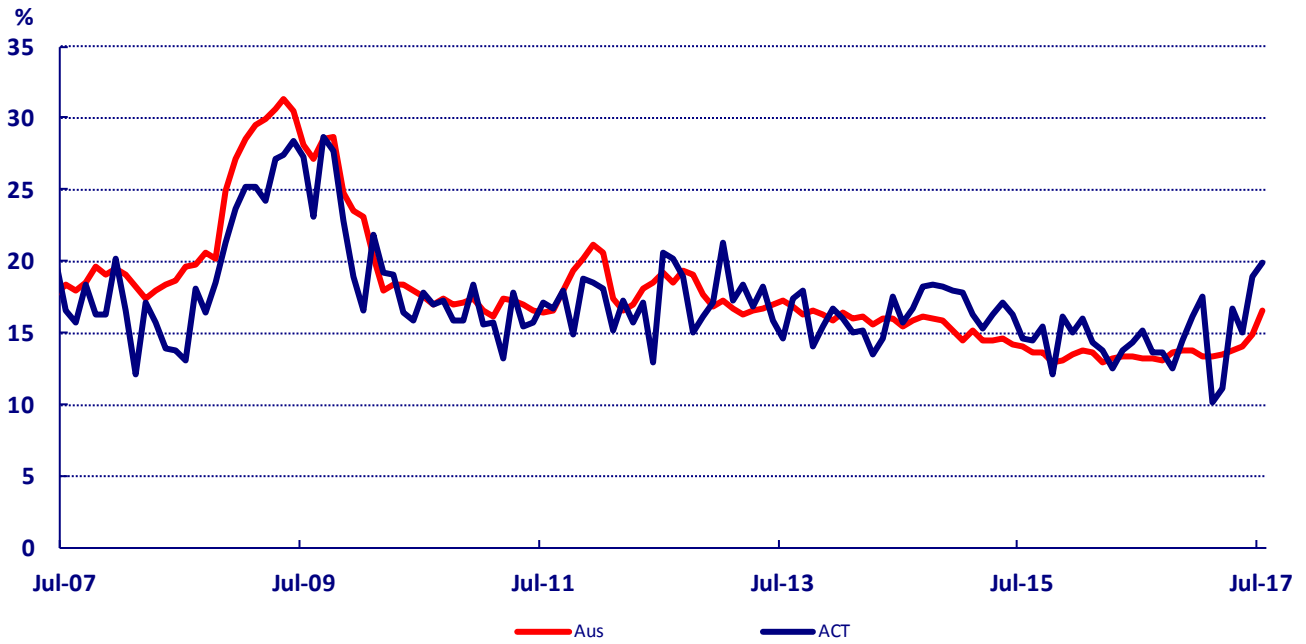
Number of New Loans to First Home Buyers and the Average Loan Size, ACT, Original Data



Source: ABS Cat. No. 5609.0

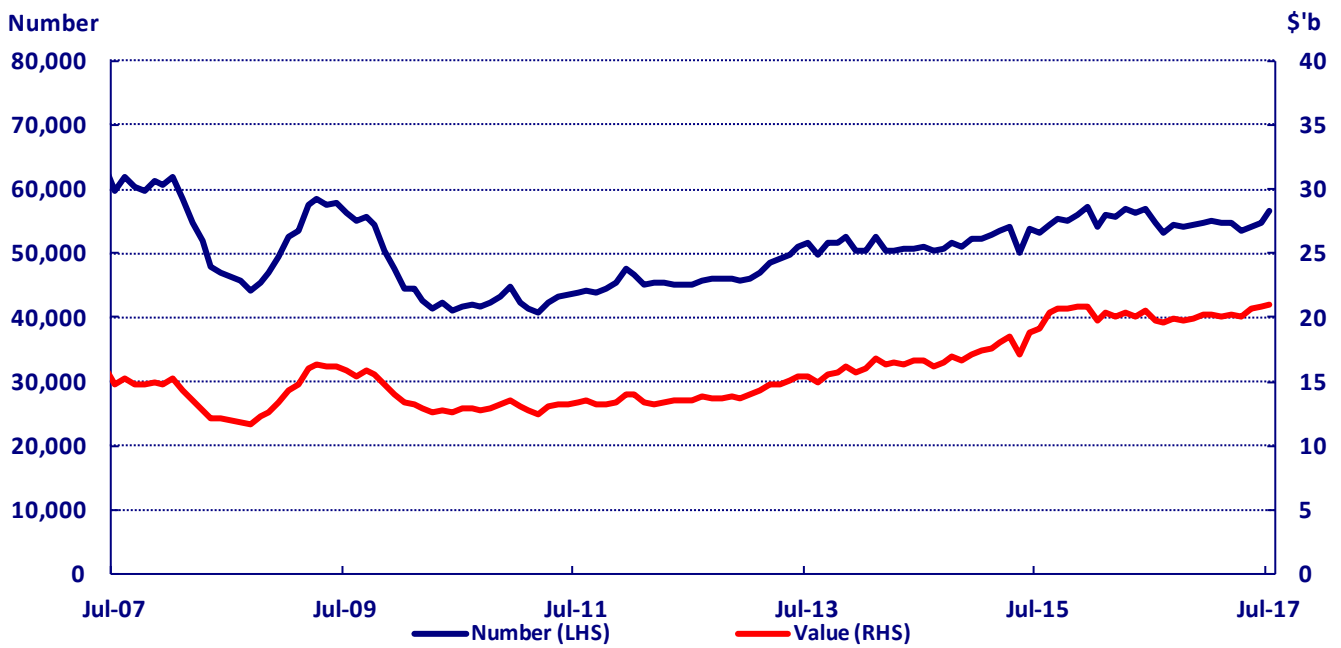
⁵First home buyers are defined as persons entering the home ownership market for the first time as owner occupiers. First time investors are not included. In 2014, it was established that some lenders were reporting only loans extended to first home buyers who had also received a First Home Owner Grant; instead of all first home buyers. The ABS and APRA worked successfully with lenders to ensure that all loans to first home buyers are reported, regardless of whether or not they received a First Home Owner Grant. As a result, from August 2016, the number of first home buyers no longer require adjustment as most lenders are reporting correctly.

Ratio of First Home Buyer to Total Housing Finance Commitments



Source: ABS Cat. No. 5609.0

Number and Value of New Housing Finance Commitments, Australia, Seasonally Adjusted

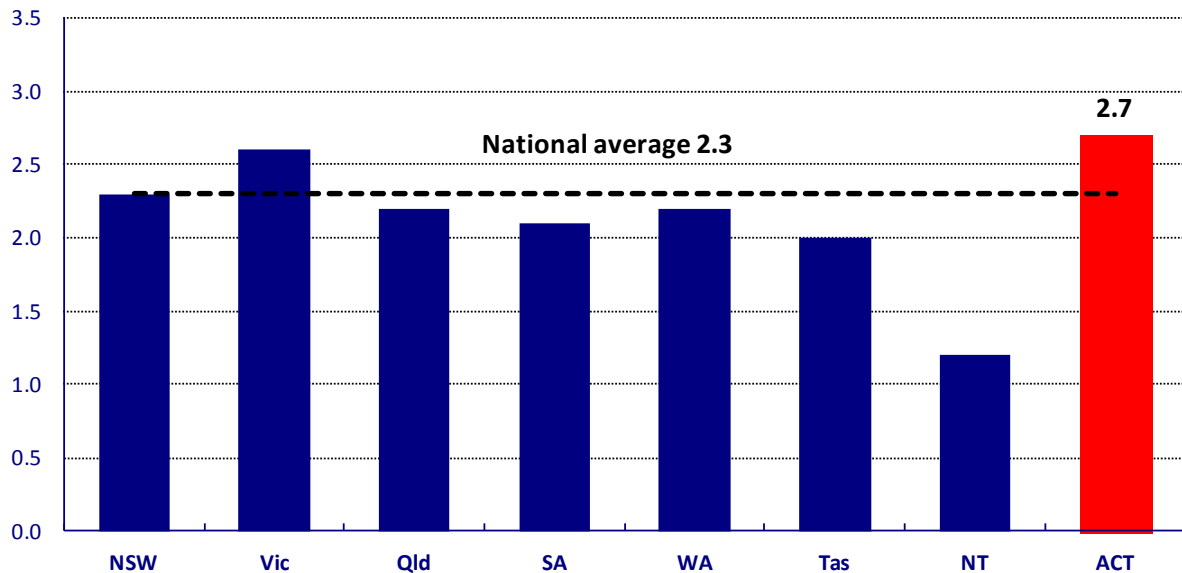


Source: ABS Cat. No. 5609.0

Number of Housing Loans per 1,000 Persons

On a per capita basis, in July 2017, the ACT recorded the highest number of owner occupation housing loans, of 2.7 loans per 1,000 persons. This was notably higher than the national average of 2.3 loans per 1,000 persons.

Housing Finance Commitments per 1,000 persons by State/Territory, Seasonally Adjusted, July 2017



Source: ACT Treasury estimates based on ABS Cat. No. 5609.0 and 3101.0

Note: An approximation of housing finance commitments per 1,000 persons is calculated based on the latest available estimated resident population data as at 31 December 2016 (ABS Cat No. 3101.0).