

**HOUSING FINANCE  
FOR OWNER OCCUPATION**

AUSTRALIA

EMBARGOED UNTIL 11:30AM TUES 10 SEPTEMBER 1996

**JULY KEY FIGURES**

**TREND ESTIMATES**

	Jul 96	% change Jun 96	% change Jul 95
Number of dwellings financed	37 419	-0.3	3.2
Construction of dwellings	4 940	-1.4	-12.0
Purchase of new dwellings	1 495	-4.8	-12.8
Purchase of established dwellings	30 984	0.1	7.1

**SEASONALLY ADJUSTED**

	Jul 96	% change Jun 96	% change Jul 95
Number of dwellings financed	40 483	16.0	7.9
Construction of dwellings	5 225	8.7	-10.0
Purchase of new dwellings	1 538	10.6	-12.5
Purchase of established dwellings	33 720	17.5	12.5

**JULY KEY POINTS**

**TREND ESTIMATES**

- The trend for total dwellings financed during July decreased by 0.3%, while the trend estimate for the value of commitments was down 0.1%.
- The downward trend evident in previous months has been substantially moderated with the inclusion of the large seasonally adjusted increase in the July data.

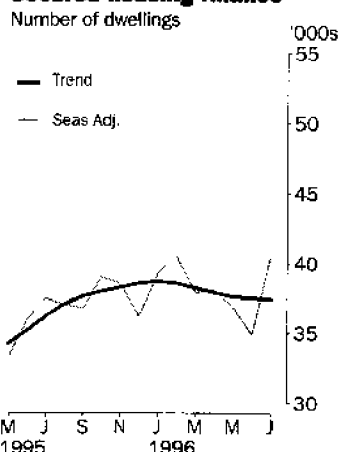
**SEASONALLY ADJUSTED ESTIMATES**

- The number of dwellings financed during the month increased by 16.0% on June 1996. This is the result of significant increases in refinancing of existing loans, which were up almost 25% in July (see page 12), and commitments for purchase of established dwellings excluding refinancing (up almost 15%).
- The increase was almost all attributable to Banks, up 19.1%. Permanent Building Societies, up 3.1% and Other Lenders, up 1.8%, contributed little to the increase.
- The increases were reflected in all States and Territories.

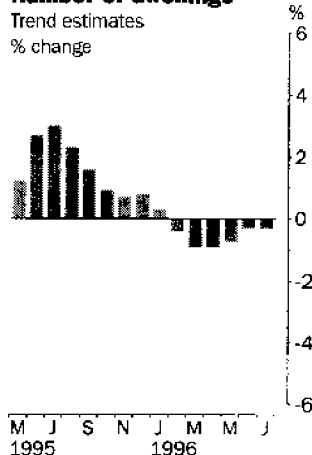
**ORIGINAL ESTIMATES**

- There were 42 654 dwelling units financed during the month, up 20.3% on June 1996 and 15.8% on July 1995.
- Refinancing accounted for 27.0% of all commitments in July, up sharply from 24.1% in June and the 20-22% experienced in the other months of 1995-96.
- Fixed rate lending decreased to 13.3% of commitments in July, the fourth consecutive month of decline since the peak of 21.3% in March 1996.
- During July 1996, 84.3% of commitments were made by Banks, 4.4% by Permanent Building Societies, and 11.3% by Other lenders. For July 1995, the proportions were 87.2%, 4.4%, and 8.4% respectively.

**Secured housing finance**



**Number of dwellings**



**INQUIRIES**

- For further information about these and related statistics, contact Ron Manson on 02 9268 4317, or any ABS Office.

# HOUSING FINANCE NOTES

## FORTHCOMING ISSUES

ISSUE	RELEASE DATE
August 1996	10 October 1996
September 1996	11 November 1996
October 1996	11 December 1996

## SENSITIVITY ANALYSIS

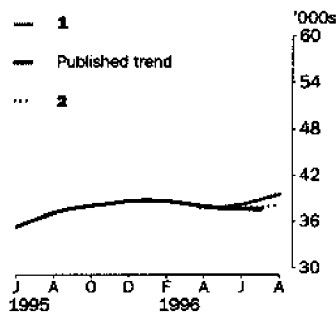
Readers should exercise care when interpreting this month's trend estimates because they will be revised when next month's seasonally adjusted estimates become available. For further information, see Explanatory Notes 13 and 14.

The graph below presents the effect of two possible scenarios on the previous trend estimates:

- 1** The August seasonally adjusted estimate of number of dwellings financed is *higher* than the July seasonally adjusted estimate by 4%.
- 2** The August seasonally adjusted estimate of number of dwellings financed is *lower* than the July seasonally adjusted estimate by 4%.

The percentage change of 4% was chosen because the average absolute percentage change of the seasonally adjusted series, based on the last 10 years of data, has been 4%.

## NUMBER OF DWELLINGS FINANCED



	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
	estimate	% change	<b>1</b> rises by 4% on Jul 1996		<b>2</b> falls by 4% on Jul 1996	
			estimate	% change	estimate	% change
<b>1996</b>						
February	38 559	-0.4	38 483	-0.8	38 546	-0.7
March	38 230	-0.9	38 091	-1.0	38 201	-0.9
April	37 895	-0.9	37 821	-0.7	37 876	-0.9
May	37 634	-0.7	37 826	0.0	37 681	-0.5
June	37 534	-0.3	38 157	0.9	37 677	0.0
July	37 419	-0.3	38 742	1.5	37 838	0.4
August (new)	—	—	39 494	1.9	38 130	0.8

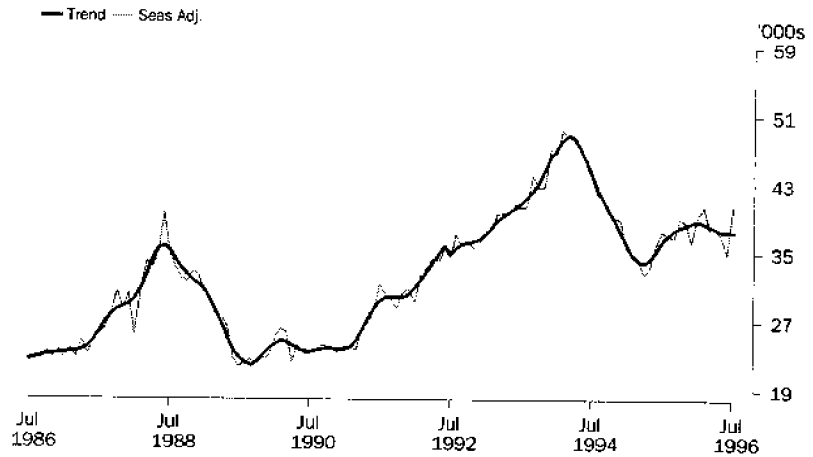
T.J. Skinner  
ACTING AUSTRALIAN STATISTICIAN

# SECURED HOUSING FINANCE: Trend/Seasonally adjusted

## NUMBER OF DWELLINGS FINANCED

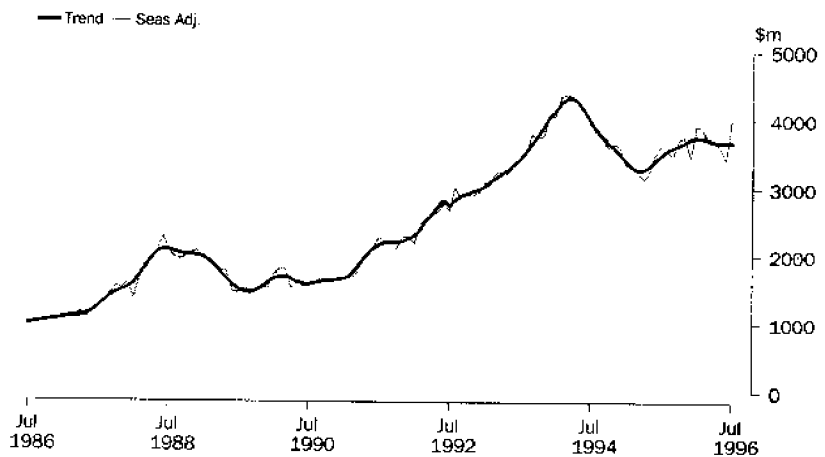
The trend estimate for the number of dwellings financed decreased 0.3% in July to 37 419. In trend terms, July represents the sixth consecutive month of trend decline. New South Wales, however, has continued to trend upward since March 1996.

Seasonally adjusted, the number of dwellings financed was up 16.0%, largely due to the refinancing of existing dwellings and the financing of established dwellings.



## VALUE OF COMMITMENTS

The trend estimate for the value of owner-occupied housing commitments for July 1996 was \$3 677.1 million, down 0.1% on June. Seasonally adjusted, the value of commitments increased by 17.4% on the previous month. The average borrowing was \$98 800 in original terms.

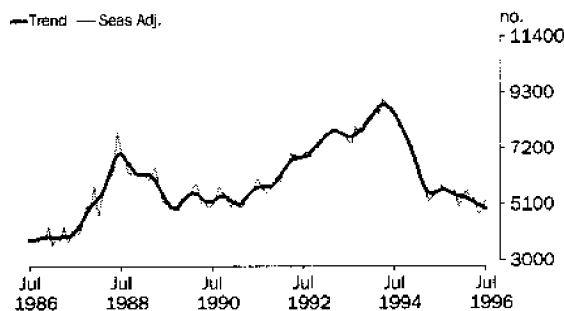


# TYPE OF HOUSING: Seasonally adjusted and trend

## NUMBER OF DWELLINGS FINANCED

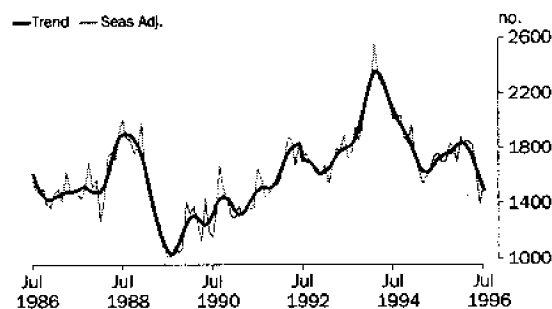
### CONSTRUCTION OF DWELLINGS

The trend estimate for the number of dwellings financed in July 1996 was 4 940, a decrease of 1.4% from the previous month. The current trend is 12.0% lower than in July 1995 and 42.1% below July 1994. Seasonally adjusted, the number of dwellings financed was 5 225, an increase of 8.7% on the previous month.



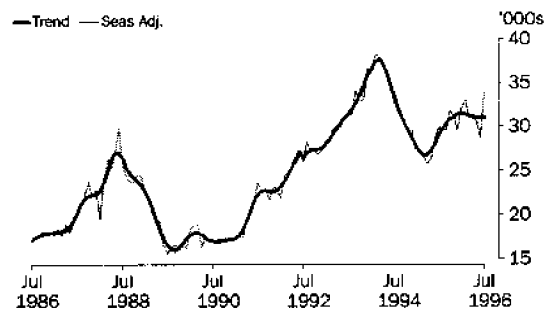
### PURCHASE OF NEW DWELLINGS

The trend estimate for the number of dwellings financed was 1 495, a decrease of 4.8% from the previous month and 12.8% lower than in July 1995. The trend was last at this level in July 1991. Seasonally adjusted, finance was committed for 1 538 dwellings, an increase of 10.6% on the previous month but 12.5% lower than in July 1995.



### PURCHASE OF ESTABLISHED DWELLINGS

The trend estimate for the number of dwellings financed was 30 984, up 0.1% on June 1996 and 7.1% higher than in July 1995. Seasonally adjusted, finance was committed for 33 720 dwellings, an increase of 17.5% on the previous month and 12.5% on June 1995. Refinancing of existing dwellings, up 24.3% on June, made a significant contribution to the seasonally adjusted estimate - see pages 12 and 13 for further detail.

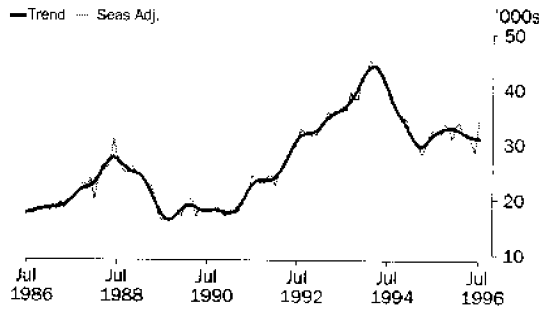


# TYPE OF LENDER: Seasonally adjusted and trend

## NUMBER OF DWELLINGS FINANCED

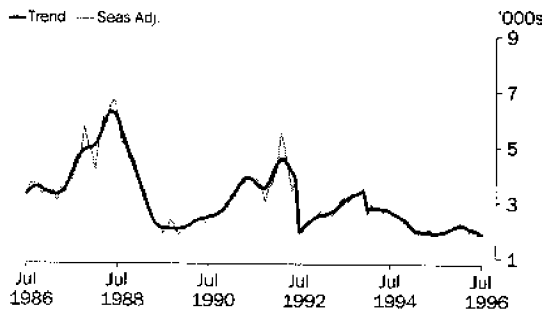
### BANKS

The trend estimate for the number of dwellings financed in July 1996 was 30 944, down 0.4% on June and 1.7% on July 1995. Seasonally adjusted, finance was committed for 34 006 dwellings, an increase of 19.1% on the previous month and 4.3% on July 1995.



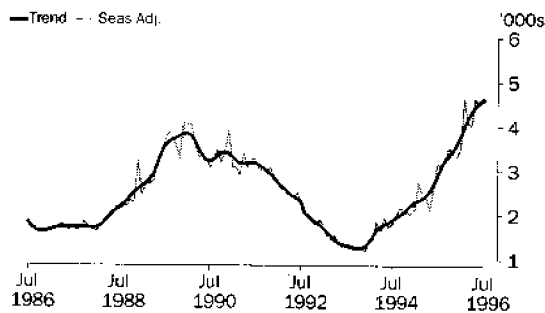
### PERMANENT BUILDING SOCIETIES

The trend estimate for the number of dwellings financed in July 1996 was 1 875, down 3.0% on June and 1.6% on July 1995. Seasonally adjusted, finance was committed for 1 892 dwelling, an increase of 3.1% on the previous month and 5.6% on July 1995. The graph below contains breaks in series when Permanent Building Societies converted to Banks, see Explanatory Note 6.



### OTHER LENDERS

The trend estimate for the number of dwellings financed in July 1996 was 4 601, 1.3% up on June and 60.1% higher than in July 1995. Seasonally adjusted, finance was committed for 4 585 dwelling, an increase of 1.8% on the previous month and 45.9% higher than in July 1995.



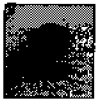


## SECURED HOUSING FINANCE COMMITMENTS<sup>1</sup>, By Purpose: All series

Month	Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings <sup>2</sup>		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
..... ORIGINAL								
<b>1995</b>								
May	6 122	580.4	1 762	184.8	29 394	2 900.6	37 278	3 665.8
June	6 010	556.8	1 818	188.3	30 347	2 996.9	38 175	3 742.0
July	5 718	542.8	1 822	183.3	29 285	2 842.5	36 825	3 568.7
August	6 260	581.7	1 895	191.4	31 222	2 985.2	39 377	3 758.3
September	5 587	507.7	1 718	176.4	29 030	2 792.1	36 335	3 476.3
October	5 264	492.7	1 870	185.0	30 663	2 936.0	37 797	3 613.7
November	5 753	538.6	1 885	194.1	32 851	3 167.9	40 489	3 900.5
December	4 545	419.2	1 466	153.8	27 227	2 617.1	33 238	3 190.2
<b>1996</b>								
January	4 356	407.4	1 567	164.0	26 977	2 575.9	32 900	3 147.3
February	5 563	523.8	1 818	190.7	33 436	3 169.7	40 817	3 884.2
March	5 772	570.1	1 974	196.1	33 840	3 293.0	41 586	4 059.2
April	5 010	489.4	1 737	193.5	28 945	2 791.9	35 692	3 474.8
May	5 466	529.3	1 695	194.1	33 783	3 331.3	40 944	4 054.7
June	4 869	466.8	1 371	155.3	29 225	2 870.1	35 465	3 492.1
July	5 493	535.9	1 684	204.1	35 477	3 475.4	42 654	4 215.4
..... SEASONALLY ADJUSTED								
<b>1995</b>								
May	5 382	513.6	1 666	171.1	26 403	2 569.7	33 451	3 254.4
June	5 641	528.3	1 741	177.0	28 588	2 799.4	35 970	3 504.7
July	5 803	540.5	1 757	181.8	29 976	2 905.2	37 536	3 627.5
August	5 761	521.3	1 692	172.9	29 609	2 848.5	37 062	3 542.7
September	5 564	509.0	1 693	175.4	29 538	2 810.3	36 795	3 494.7
October	5 545	517.7	1 824	181.5	31 701	3 022.4	39 070	3 721.6
November	5 610	512.4	1 820	187.0	31 159	3 046.3	38 589	3 745.7
December	5 006	469.9	1 691	174.3	29 577	2 811.3	36 274	3 455.5
<b>1996</b>								
January	5 357	518.6	1 873	198.9	32 104	3 200.0	39 334	3 917.5
February	5 624	533.2	1 843	190.8	33 025	3 160.8	40 492	3 884.8
March	5 249	522.9	1 848	186.8	30 801	2 977.3	37 898	3 687.1
April	5 315	512.7	1 821	201.1	30 896	2 968.0	38 032	3 681.9
May	4 764	461.2	1 622	180.0	30 529	2 965.0	36 915	3 606.3
June	4 805	469.3	1 390	157.6	28 699	2 791.8	34 894	3 418.7
July	5 225	503.0	1 538	190.5	33 720	3 320.8	40 483	4 014.3
..... TREND ESTIMATES								
<b>1995</b>								
May	5 501	515.9	1 643	169.7	27 155	2 637.9	34 298	3 323.5
June	5 541	518.6	1 679	172.6	27 996	2 717.0	35 216	3 408.2
July	5 616	521.9	1 715	175.4	28 933	2 797.4	36 264	3 494.7
August	5 649	521.0	1 737	177.3	29 712	2 861.8	37 098	3 560.2
September	5 622	516.3	1 750	178.8	30 302	2 913.0	37 674	3 608.1
October	5 544	510.4	1 763	180.3	30 719	2 954.7	38 025	3 645.3
November	5 461	507.3	1 784	182.8	31 040	2 993.1	38 286	3 683.2
December	5 410	509.0	1 815	186.6	31 355	3 032.1	38 580	3 727.7
<b>1996</b>								
January	5 368	511.8	1 837	189.7	31 497	3 050.5	38 702	3 752.0
February	5 316	512.1	1 829	190.7	31 414	3 042.3	38 559	3 745.1
March	5 244	508.3	1 788	189.3	31 198	3 019.5	38 230	3 717.1
April	5 158	501.6	1 724	186.5	31 013	3 002.7	37 895	3 690.7
May	5 073	493.5	1 647	183.1	30 914	2 999.3	37 634	3 675.9
June	5 008	486.7	1 571	180.2	30 955	3 013.0	37 534	3 679.9
July	4 940	479.1	1 495	176.8	30 984	3 021.2	37 419	3 677.1

<sup>1</sup> Excludes alterations and additions.

<sup>2</sup> Includes refinancing.



## SECURED HOUSING FINANCE COMMITMENTS<sup>1</sup>, By Type of Lender: All series

Month	All banks		Permanent building societies		Other lenders		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
<b>ORIGINAL</b>								
<b>1995</b>								
May	32 759	3 236.9	2 266	201.3	2 253	227.6	37 278	3 665.8
June	33 487	3 285.6	2 108	186.6	2 580	269.8	38 175	3 742.0
July	32 116	3 119.6	1 634	146.2	3 075	302.9	36 825	3 568.7
August	34 092	3 227.1	2 120	188.6	3 165	342.5	39 377	3 758.3
September	31 193	2 980.3	1 889	176.7	3 253	319.2	36 335	3 476.3
October	32 121	3 067.0	1 999	177.5	3 677	369.2	37 797	3 613.7
November	34 511	3 322.1	2 156	199.3	3 822	379.2	40 489	3 900.5
December	28 293	2 713.8	1 884	177.0	3 061	299.5	33 238	3 190.2
<b>1996</b>								
January	27 968	2 672.4	1 813	169.5	3 119	305.5	32 900	3 147.3
February	34 059	3 220.3	2 359	215.7	4 399	448.2	40 817	3 884.2
March	34 941	3 400.2	2 313	223.1	4 332	436.0	41 586	4 059.2
April	30 090	2 902.9	1 758	173.0	3 844	399.0	35 692	3 474.8
May	33 634	3 300.0	2 384	223.8	5 026	531.0	40 944	4 054.7
June	29 528	2 888.8	1 816	166.0	4 121	437.3	35 465	3 492.1
July	35 952	3 537.7	1 873	181.0	4 829	496.7	42 654	4 215.4
<b>SEASONALLY ADJUSTED</b>								
<b>1995</b>								
May	29 317	2 869.3	2 016	176.6	2 118	208.5	33 451	3 254.4
June	31 387	3 048.2	1 978	175.4	2 605	281.1	35 970	3 504.7
July	32 601	3 148.3	1 792	160.4	3 143	318.9	37 536	3 627.5
August	32 022	3 039.5	1 938	172.9	3 102	330.2	37 062	3 542.7
September	31 696	2 993.9	1 886	178.1	3 213	322.7	36 795	3 494.7
October	33 598	3 188.7	1 949	177.1	3 523	355.7	39 070	3 721.6
November	33 139	3 217.7	2 073	193.7	3 377	334.3	38 589	3 745.7
December	30 905	2 934.6	2 057	199.5	3 312	321.3	36 274	3 455.5
<b>1996</b>								
January	33 559	3 340.1	2 286	205.0	3 489	372.5	39 334	3 917.5
February	33 659	3 228.6	2 192	196.5	4 641	459.7	40 492	3 884.8
March	31 630	3 078.0	2 204	213.5	4 064	395.6	37 898	3 687.1
April	32 111	3 092.3	1 887	184.9	4 034	404.7	38 032	3 681.9
May	30 143	2 934.4	2 109	194.5	4 663	477.5	36 915	3 606.3
June	28 554	2 755.8	1 836	170.5	4 504	492.4	34 894	3 418.7
July	34 006	3 346.1	1 892	182.4	4 585	485.8	40 483	4 014.3
<b>TREND ESTIMATES</b>								
<b>1995</b>								
May	29 861	2 896.9	1 905	166.9	2 532	259.7	34 298	3 323.5
June	30 628	2 962.7	1 908	168.8	2 681	276.8	35 216	3 408.2
July	31 485	3 027.1	1 905	170.7	2 874	296.8	36 264	3 494.7
August	32 132	3 072.4	1 905	173.2	3 061	314.6	37 098	3 560.2
September	32 531	3 102.8	1 926	177.1	3 217	328.2	37 674	3 608.1
October	32 703	3 123.9	1 981	183.3	3 341	338.2	38 025	3 645.3
November	32 778	3 145.4	2 054	190.6	3 454	347.2	38 286	3 683.2
December	32 865	3 171.6	2 124	197.5	3 591	358.7	38 580	3 727.7
<b>1996</b>								
January	32 765	3 174.7	2 165	201.6	3 772	375.7	38 702	3 752.0
February	32 425	3 146.7	2 162	201.8	3 972	396.6	38 559	3 745.1
March	31 950	3 099.7	2 121	198.8	4 159	418.6	38 230	3 717.1
April	31 519	3 057.3	2 058	193.7	4 319	439.8	37 895	3 690.7
May	31 201	3 028.9	1 992	188.3	4 441	458.7	37 634	3 675.9
June	31 061	3 021.0	1 933	183.3	4 540	475.6	37 534	3 679.9
July	30 944	3 011.0	1 875	178.9	4 601	487.2	37 419	3 677.1

<sup>1</sup> Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS<sup>1</sup>, By State: All Series

## TOTAL NUMBER OF DWELLINGS.....

Month	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
	Number	Number	Number	Number	Number	Number	Number	Number	Number
ORIGINAL									
<b>1995</b>									
May	12 203	8 077	6 930	2 923	4 984	1 003	393	765	37 278
June	12 697	8 015	7 063	3 290	4 913	1 051	384	762	38 175
July	11 571	8 133	7 159	3 013	4 836	991	336	786	36 825
August	11 768	9 166	7 656	3 307	5 247	1 007	388	838	39 377
September	11 085	8 052	7 188	3 161	4 786	930	415	718	36 335
October	11 045	8 787	7 548	3 257	5 097	954	367	742	37 797
November	12 481	8 998	7 725	3 593	5 197	1 035	473	987	40 489
December	9 776	8 229	5 977	2 981	4 292	864	373	746	33 238
<b>1996</b>									
January	9 216	8 022	6 159	2 965	4 727	840	290	681	32 900
February	12 095	9 990	7 466	3 482	5 563	911	428	882	40 817
March	12 697	9 800	7 548	3 694	5 582	988	375	902	41 586
April	10 882	9 140	5 515	3 271	4 905	849	320	810	35 692
May	13 340	10 051	6 517	3 276	5 733	942	284	801	40 944
June	12 261	8 382	5 498	2 707	4 827	841	242	707	35 465
July	14 692	10 122	6 878	3 016	5 596	1 032	317	1 001	42 654
SEASONALLY ADJUSTED <sup>2</sup>									
<b>1995</b>									
May	10 980	6 849	6 549	2 830	4 452	900	374	678	33 451
June	12 134	7 674	6 790	3 019	4 394	962	377	684	35 970
July	11 819	8 054	7 241	3 092	4 842	994	366	848	37 536
August	11 343	8 548	7 302	3 142	4 912	1 022	388	770	37 062
September	11 161	8 302	7 344	3 280	4 970	995	388	736	36 795
October	11 733	8 944	7 782	3 377	5 396	1 049	365	805	39 070
November	11 569	8 340	7 566	3 463	5 074	1 038	471	977	38 589
December	11 079	8 640	6 529	3 068	4 859	901	390	888	36 274
<b>1996</b>									
January	11 906	9 778	7 028	3 328	5 577	963	344	912	39 334
February	11 502	10 283	6 963	3 474	5 537	889	396	770	40 492
March	10 869	9 753	6 736	3 323	4 989	859	328	805	37 898
April	11 495	9 908	5 948	3 590	5 321	878	348	808	38 032
May	11 864	8 582	6 211	3 085	5 048	814	269	690	36 915
June	12 258	8 210	5 365	2 564	4 474	808	259	664	34 894
July	14 260	9 280	6 674	2 973	5 292	1 024	314	1 033	40 483
TREND ESTIMATES <sup>2</sup>									
<b>1995</b>									
May	11 037	7 520	6 451	2 835	4 392	903	352	670	34 298
June	11 324	7 657	6 755	2 944	4 522	944	363	700	35 216
July	11 528	7 894	7 078	3 073	4 704	982	376	739	36 264
August	11 595	8 145	7 323	3 185	4 872	1 010	387	780	37 098
September	11 574	8 389	7 440	3 261	5 016	1 023	396	819	37 674
October	11 515	8 617	7 437	3 300	5 123	1 017	400	852	38 025
November	11 461	8 880	7 334	3 321	5 200	996	401	873	38 286
December	11 426	9 202	7 180	3 354	5 265	968	397	882	38 580
<b>1996</b>									
January	11 363	9 502	6 963	3 381	5 294	931	384	866	38 702
February	11 331	9 659	6 717	3 376	5 277	895	364	832	38 559
March	11 424	9 626	6 484	3 328	5 217	871	341	794	38 230
April	11 685	9 440	6 294	3 240	5 136	861	319	773	37 895
May	12 075	9 188	6 143	3 122	5 050	864	302	774	37 634
June	12 535	8 947	6 045	3 001	4 980	876	289	791	37 534
July	12 973	8 709	5 963	2 872	4 903	890	280	816	37 419

<sup>1</sup> Excludes alterations and additions. Includes refinancing.<sup>2</sup> Sum of States and Territories may not equal Australian estimate (see Explanatory Notes 9 to 12)



SECURED HOUSING FINANCE COMMITMENTS<sup>1</sup>, By State: All Series

## TOTAL VALUE OF COMMITMENTS

Month	New South Wales \$m	Victoria \$m	Queensland \$m	South Australia \$m	Western Australia \$m	Tasmania \$m	Northern Territory \$m	Australian Capital Territory \$m	Australia \$m
ORIGINAL									
<b>1995</b>									
May	1 423.1	725.5	645.2	236.9	451.8	66.5	39.8	77.0	3 665.8
June	1 473.9	714.3	660.2	268.2	445.9	67.0	36.6	75.9	3 742.0
July	1 312.6	729.0	676.2	243.5	433.1	66.3	32.3	75.6	3 568.7
August	1 316.1	813.8	701.5	256.3	476.4	68.7	45.0	80.4	3 758.3
September	1 243.8	702.9	675.6	241.5	438.5	63.8	39.4	70.9	3 476.3
October	1 264.5	753.4	706.4	246.9	462.7	66.9	36.4	76.5	3 613.7
November	1 433.4	786.7	715.0	271.3	484.0	70.3	43.1	96.8	3 900.5
December	1 116.0	719.4	556.3	231.2	397.1	59.6	36.3	74.3	3 190.2
<b>1996</b>									
January	1 043.7	714.1	577.5	226.9	429.3	59.1	29.3	67.4	3 147.3
February	1 352.2	872.8	702.3	264.6	501.4	63.3	40.7	86.8	3 884.2
March	1 497.7	852.0	719.5	284.8	510.5	69.4	37.1	88.4	4 059.2
April	1 291.7	797.3	532.9	249.5	432.8	58.9	31.5	80.3	3 474.8
May	1 572.6	911.2	618.3	252.0	529.5	64.7	28.6	77.8	4 054.7
June	1 412.7	753.0	519.3	213.6	440.9	58.3	24.6	69.7	3 492.1
July	1 700.4	903.3	651.3	238.0	521.4	66.1	32.8	102.3	4 215.4
SEASONALLY ADJUSTED <sup>2</sup>									
<b>1995</b>									
May	1 241.2	637.1	611.4	229.1	398.2	58.3	36.7	67.7	3 254.4
June	1 392.3	679.5	626.3	243.8	400.9	65.7	35.7	65.8	3 504.7
July	1 334.0	707.5	686.0	247.9	433.5	67.8	37.1	82.4	3 627.5
August	1 272.6	777.8	666.5	247.3	430.6	69.1	40.9	73.9	3 542.7
September	1 257.5	717.3	678.9	255.5	448.5	67.9	38.0	73.5	3 494.7
October	1 335.1	772.8	728.2	261.1	490.8	72.3	39.1	80.4	3 721.6
November	1 326.9	721.5	701.2	262.8	464.9	70.2	40.3	94.3	3 745.7
December	1 264.4	729.2	607.1	242.6	481.4	62.2	39.3	85.7	3 455.5
<b>1996</b>									
January	1 428.9	897.0	677.8	251.4	513.7	64.2	34.6	89.3	3 917.5
February	1 316.2	909.1	637.8	263.2	485.1	63.1	37.4	80.8	3 884.8
March	1 280.7	838.3	642.8	251.9	471.8	60.4	33.6	84.0	3 687.1
April	1 357.1	860.2	591.0	267.0	466.3	60.5	35.2	77.9	3 681.9
May	1 343.7	804.6	589.6	237.0	452.3	55.5	24.8	65.2	3 606.3
June	1 396.1	715.6	503.3	200.7	425.5	59.7	26.4	66.2	3 418.7
July	1 633.7	838.0	640.5	234.4	491.4	64.4	33.0	103.5	4 014.3
TREND ESTIMATES <sup>2</sup>									
<b>1995</b>									
May	1 256.4	667.2	599.5	227.7	396.5	56.8	34.9	66.8	3 323.5
June	1 285.4	682.8	629.2	235.7	406.4	67.4	36.2	68.9	3 408.2
July	1 304.0	702.3	658.7	244.4	421.4	68.2	37.6	72.2	3 494.7
August	1 309.8	719.2	680.1	251.3	437.5	68.9	38.8	76.0	3 560.2
September	1 309.9	734.8	690.2	255.2	454.1	69.3	39.4	79.8	3 608.1
October	1 309.8	751.1	690.4	256.1	469.2	68.9	39.4	83.1	3 645.3
November	1 314.5	772.7	682.7	255.9	481.1	67.9	39.1	85.8	3 683.2
December	1 322.5	802.5	671.7	256.8	488.7	66.2	38.5	87.3	3 727.7
<b>1996</b>									
January	1 324.9	831.8	655.7	257.4	489.5	64.0	37.3	86.3	3 752.0
February	1 324.4	849.7	636.6	255.9	483.8	62.0	35.5	83.1	3 745.1
March	1 332.0	850.6	617.5	252.1	474.7	60.6	33.6	79.4	3 717.1
April	1 355.2	837.1	601.5	246.2	466.2	59.9	31.7	77.1	3 690.7
May	1 392.0	818.0	588.1	238.8	459.7	59.7	30.2	76.8	3 675.9
June	1 437.3	800.1	579.0	231.3	455.8	59.9	29.1	78.1	3 679.9
July	1 479.0	779.7	570.4	224.0	453.6	60.2	28.5	80.3	3 677.1

<sup>1</sup> Excludes alterations and additions. Includes refinancing.<sup>2</sup> Sum of States and Territories may not equal Australian estimate (see Explanatory Notes 9 to 12)

SECURED HOUSING FINANCE COMMITMENTS<sup>1</sup>, By Type of Borrower & Loan: Original

## TYPE OF BORROWER

Month	FIRST HOME BUYERS.....				OTHER.....			
	Number of dwellings financed	Number as per cent of total	Value of commitments \$m	Average borrowing size \$'000	Number of dwellings financed	Number as per cent of total	Value of commitments \$m	Average borrowing size \$'000
<b>1995</b>								
May	8 570	23.0	794.2	92.7	28 708	77.0	2 871.6	100.0
June	8 013	21.0	744.0	92.9	30 162	79.0	2 998.0	99.4
July	7 673	20.8	710.0	92.5	29 152	79.2	2 858.6	98.1
August	8 227	20.9	740.6	90.0	31 150	79.1	3 017.7	96.9
September	7 598	20.9	681.3	89.7	28 737	79.1	2 795.0	97.3
October	7 991	21.1	726.7	90.9	29 806	78.9	2 887.0	96.9
November	8 539	21.1	767.4	89.9	31 950	78.9	3 133.2	98.1
December	7 218	21.7	648.5	89.8	26 020	78.3	2 541.7	97.7
<b>1996</b>								
January	7 382	22.4	685.9	92.9	25 518	77.6	2 461.4	96.5
February	8 549	20.9	797.0	93.2	32 268	79.1	3 087.2	95.7
March	8 625	20.7	814.1	94.4	32 961	79.3	3 245.1	98.5
April	8 124	22.8	752.4	92.6	27 568	77.2	2 722.4	98.8
May	8 803	21.5	839.1	95.3	32 141	78.5	3 215.6	100.0
June	7 612	21.5	714.4	93.9	27 853	78.5	2 777.7	99.7
July	8 968	21.0	855.6	95.4	33 686	79.0	3 359.8	99.7

## TYPE OF LOAN

Month	FIXED RATE.....				OTHER.....			
	Number of dwellings financed	Number as per cent of total	Value of commitments \$m	Average borrowing size \$'000	Number of dwellings financed	Number as per cent of total	Value of commitments \$m	Average borrowing size \$'000
<b>1995</b>								
May	2 540	6.8	241.3	95.0	34 738	93.2	3 424.6	98.6
June	3 792	9.9	402.7	106.2	34 383	90.1	3 339.3	97.1
July	5 718	15.5	608.0	106.3	31 107	84.5	2 960.6	95.2
August	6 535	16.6	654.8	100.2	32 842	83.4	3 103.5	94.5
September	5 522	15.2	554.2	100.4	30 813	84.8	2 922.1	94.8
October	6 025	15.9	609.4	101.1	31 772	84.1	3 004.3	94.6
November	7 029	17.4	701.0	99.7	33 460	82.6	3 199.6	95.6
December	5 770	17.4	581.2	100.7	27 468	82.6	2 609.0	95.0
<b>1996</b>								
January	6 354	19.3	624.2	98.2	26 546	80.7	2 523.2	95.0
February	7 197	17.6	715.8	99.5	33 620	82.4	3 168.3	94.2
March	8 840	21.3	894.5	101.2	32 746	78.7	3 164.7	96.6
April	7 315	20.5	753.6	103.0	28 377	79.5	2 721.2	95.9
May	7 363	18.0	765.6	104.0	33 581	82.0	3 289.1	97.9
June	5 429	15.3	544.8	100.3	30 036	84.7	2 947.3	98.1
July	5 690	13.3	582.9	102.4	36 964	86.7	3 632.6	98.3

<sup>1</sup> Excludes alterations and additions. Includes refinancing.



SECURED HOUSING FINANCE COMMITMENTS, Summary Table: **Original**

<i>Month</i>	<i>Total new housing commitments<sup>1</sup></i>	<i>Refinancing</i>	<i>Alterations and additions</i>	<i>Total</i>	<i>Commitments advanced during month</i>	<i>Cancellations of commitments during month</i>	<i>Commitments not advanced at end of month</i>
<i>Month</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>1995</b>							
May	3 119.2	546.6	291.8	<b>3 957.6</b>	3 518.6	258.5	6 722.2
June	3 064.2	677.9	303.8	<b>4 045.8</b>	3 754.1	218.4	6 772.6
July	2 878.9	689.7	263.8	<b>3 832.4</b>	3 743.8	205.9	6 727.1
August	3 039.9	718.4	292.0	<b>4 050.3</b>	3 610.2	176.3	7 155.0
September	2 809.8	666.5	297.1	<b>3 773.3</b>	3 629.3	173.8	7 160.3
October	2 912.4	701.3	282.8	<b>3 896.5</b>	3 558.0	172.4	7 300.4
November	3 130.9	769.7	318.3	<b>4 218.8</b>	3 737.9	173.7	7 611.9
December	2 593.5	596.7	267.6	<b>3 457.8</b>	3 467.7	178.1	7 428.4
<b>1996</b>							
January	2 543.1	604.3	261.0	<b>3 408.3</b>	3 037.2	200.3	7 566.4
February	3 105.2	778.9	309.3	<b>4 193.4</b>	3 485.3	219.0	8 080.6
March	3 257.3	801.9	327.7	<b>4 386.9</b>	3 800.9	239.0	8 402.1
April	2 811.2	663.7	276.6	<b>3 751.5</b>	3 586.3	223.5	8 344.7
May	3 245.1	809.6	316.2	<b>4 371.0</b>	3 991.6	255.7	8 472.4
June	2 737.0	755.1	297.1	<b>3 789.2</b>	3 496.1	222.2	8 540.0
July	3 184.7	1 030.8	335.9	<b>4 551.4</b>	4 506.4	273.3	8 302.9

<sup>1</sup> Excluding refinancing.

# REFINANCING

## IMPACT ON HOUSING FINANCE ESTIMATES

The ABS began collecting separate information on the level of refinancing in July 1991. Up until that time refinancing was included with statistics of finance for established dwellings. Growth in refinancing in recent years has led to requests for trend estimates of total commitments for housing finance excluding commitments for refinancing.

Preliminary seasonally adjusted and trend estimates for dwellings refinanced are now available from July 1991 based on the actual recorded level of refinancing. These should be used with caution as there is still an insufficient number of observations to produce estimates as reliable as others in this publication.

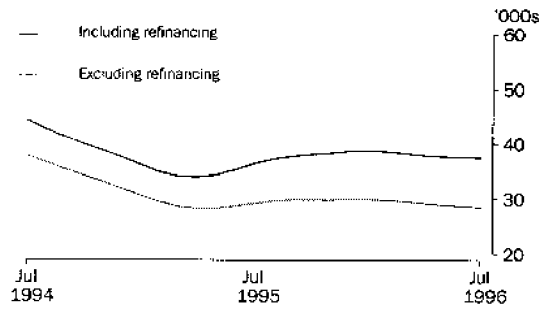
The table below compares the seasonally adjusted and trend estimates, and trend growth rates in housing finance, both inclusive and exclusive of refinancing, for the most recent fifteen month period. The graph opposite illustrates this comparison on an extended time frame.

### TOTAL DWELLINGS FINANCED—Including & excluding refinancing

Month	ORIGINAL	SEASONALLY ADJUSTED.....			TREND.....				
	<i>Dwellings refinanced</i>	<i>Total dwellings financed</i>	<i>Dwellings under new finance excluding dwellings refinanced</i>	<i>Dwellings refinanced</i>	<i>Total dwellings financed</i>	<i>Dwellings under new finance excluding dwellings refinanced</i>	<i>Dwellings refinanced</i>	<i>Month to month change in total dwellings financed</i>	<i>Month to month change in dwellings under new finance</i>
	Number	Number	Number	Number	Number	Number	Number	%	%
<b>1995</b>									
May	6 294	33 451	27 769	5 682	34 298	28 251	6 047	1.2	0.1
June	7 433	35 970	28 677	7 293	35 216	28 666	6 550	2.7	1.5
July	7 810	37 536	30 164	7 372	36 264	29 184	7 079	3.0	1.8
August	8 264	37 062	29 750	7 312	37 098	29 569	7 529	2.3	1.3
September	7 601	36 795	29 520	7 275	37 674	29 780	7 894	1.6	0.7
October	8 208	39 070	30 371	8 699	38 025	29 829	8 196	0.9	0.2
November	9 038	38 589	29 677	8 912	38 286	29 835	8 451	0.7	0.0
December	7 103	36 274	28 276	7 998	38 580	29 914	8 666	0.8	0.3
<b>1996</b>									
January	7 020	39 334	30 819	8 515	38 702	29 943	8 759	0.3	0.1
February	9 264	40 492	30 752	9 740	38 559	29 834	8 725	-0.4	-0.4
March	9 331	37 898	29 428	8 470	38 230	29 571	8 659	-0.9	-0.9
April	7 820	38 032	29 569	8 463	37 895	29 238	8 658	-0.9	-1.1
May	8 977	36 915	28 580	8 335	37 634	28 909	8 725	-0.7	-1.1
June	8 564	34 894	26 691	8 203	37 534	28 674	8 860	-0.3	-0.8
July	11 513	40 483	30 284	10 199	37 419	28 427	8 992	-0.3	-0.9

# REFINANCING *(continued)*

## HOUSING FINANCE, INCLUDING & EXCLUDING REFINANCING: TREND



The table below shows the contribution of refinancing to percentage monthly movements in trend estimates of housing finance for the most recent fifteen month period.

## TOTAL DWELLINGS FINANCED—Contribution of components to monthly growth: Trend

Month	Month to month change in total dwellings financed including those refinanced	COMPONENT OF TOTAL MOVEMENT ATTRIBUTABLE TO .....	
		Dwellings under new finance excluding dwellings refinanced	Dwellings refinanced
	%	Percentage points	Percentage points
<b>1995</b>			
May	1.2	0.1	1.1
June	2.7	1.2	1.5
July	3.0	1.5	1.5
August	2.3	1.1	1.2
September	1.6	0.6	1.0
October	0.9	0.1	0.8
November	0.7	0.0	0.7
December	0.8	0.2	0.6
<b>1996</b>			
January	0.3	0.1	0.2
February	-0.4	-0.3	-0.1
March	-0.9	-0.7	-0.2
April	-0.9	-0.9	0.0
May	-0.7	-0.9	0.2
June	-0.3	-0.6	0.4
July	-0.3	-0.7	0.4

## OTHER LENDERS—MORTGAGE MANAGERS

Commitments made by mortgage managers for secured housing finance for owner occupation are included in the 'other lenders' and 'total lenders' categories in this publication. The table below shows the level of lending commitments by mortgage managers to individuals for construction and purchase of dwellings, commencing from July 1995. Data for the more significant mortgage managers, where available, has been included for earlier months elsewhere in this publication under 'other lenders', but not shown separately. More comprehensive data are only available from July 1995 when the annual adjustment to the population of the monthly survey underlying these statistics introduced a number of additional mortgage managers. The data in the following table are on an original basis; seasonally adjusted data will not be available for some years as a large number of observations are needed to produce reliable seasonal factors.

Care should be exercised in the interpretation of these statistics as:

- only those mortgage managers identified as significant lenders are included;
- only those commitments funded by securitisers are included. Commitments made by mortgage managers acting as agents or brokers for other financial institutions are excluded from this table. Such commitments are reported by those lending institutions providing the finance and are included in the lender type category relating to those institutions; and
- commitments made by mortgage managers for investment housing are excluded. The value of those commitments is included in the 'other lenders' and 'total lenders' categories of the ABS's Commercial Finance standard data service (5643.0.40.002).

### SECURED HOUSING FINANCE COMMITMENTS BY MORTGAGE MANAGERS

Month	Total dwelling commitments <sup>1</sup>		Refinancing		Total new dwelling commitments <sup>2</sup>	
	Number	\$m	Number	\$m	Number	\$m
<b>1995</b>						
July	1 537	186.3	691	81.0	846	105.3
August	1 673	216.7	776	94.7	897	122.0
September	1 497	184.0	756	90.4	741	93.5
October	1 743	220.1	813	100.7	930	119.4
November	1 900	231.6	871	102.3	1 029	129.4
December	1 257	161.5	583	72.2	674	89.3
<b>1996</b>						
January	1 287	160.8	538	63.0	749	97.8
February	2 319	291.1	1 145	141.9	1 174	149.3
March	2 171	272.7	965	116.8	1 206	155.9
April	1 984	251.1	864	102.7	1 120	148.4
May	2 922	365.4	1 358	161.6	1 564	203.9
June	2 379	293.3	1 255	148.6	1 124	144.7
July	2 857	348.0	1 397	161.9	1 460	186.2

<sup>1</sup> Excludes alterations and additions. Includes refinancing.

<sup>2</sup> Excludes alterations and additions, and refinancing.

# EXPLANATORY NOTES

.....

## INTRODUCTION

**1** This publication presents statistics of secured housing finance commitments made by significant lenders to individuals. The commitments are for the construction or purchase of owner-occupied dwellings.

## SCOPE

**2** The scope of the survey comprises the following types of lenders:

- Banks
- Permanent building societies
- Credit unions/co-operative credit societies
- Life or general insurance companies
- General government enterprises
- Superannuation funds
- Organisations raising funds through the secondary mortgage market for approved home buyers under State government housing schemes
- Other financial corporations registered under the Financial Corporations Act 1974
- Other providers of consumer finance registered with State credit tribunals, including mortgage managers.

## COVERAGE

**3** The statistics cover significant lenders only. Significant lenders are the largest lenders to individuals for the construction and purchase of owner-occupied dwellings. They account in aggregate for at least 95% of the Australian total and at least 90% of each State total of finance commitments for housing.

**4** An annual collection is conducted to maintain coverage of significant lenders. In addition, new lenders are included in the series as their level of lending for owner occupied housing becomes significant.

**5** All banks and permanent building societies qualify as significant lenders and are therefore covered by these statistics. The category 'other lenders' includes a large number of small lenders that do not qualify as significant lenders and therefore are excluded from the survey. Although their omission does not have a serious impact on the overall coverage of lending activity, the statistics for 'other lenders' are affected to a greater extent by this coverage constraint.

**6** Changes in the classification of lenders (for example, the conversion of a permanent building society to a bank) are reflected in the 'type of lender' statistics from the month of such changes. Data for earlier periods for such lenders are not reclassified. Details of the establishment of new banks are published in the Reserve Bank of Australia's monthly Bulletin in the section on Technical Notes to Tables. In July 1995, a permanent building society converted to a bank and this change is reflected in the 'type of lender' statistics in Table 2. This is the only such change affecting these statistics for the period covered by tables in this publication.

## REVISIONS

**7** Revisions to previously published statistics are included in the publication as they occur.

## COMMITMENTS NOT ADVANCED

**8** Commitments not advanced at the end of the period are calculated as follows:

- Balance of unadvanced commitments at the end of the previous period
- + Total new housing commitments (including refinancing)
- + Alterations and additions
- 
- = Total commitments
- Cancellations of commitments
- Commitments advanced during the period
- 
- = Commitments not advanced at the end of the period

.....

## SEASONAL ADJUSTMENT

**9** Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation and 'trading day effects' (arising from the varying amounts of activity on different days of the week and the varying reporting practices of the lenders). Adjustment is also made for Easter which may affect the March and April estimates differently. Seasonal adjustment does not remove the effect of irregular or non-seasonal influences (for example, a change in interest rates) from the series.

**10** Over the period from early 1990 to April 1995, each of the four major banks changed from reporting for the 4 or 5 weeks ending on the last Wednesday of each month to reporting on a calendar month basis. The published seasonally adjusted data takes account of this change in pattern.

**11** Two other developments in recent years may induce some change in the trading day and seasonal patterns of housing finance data. These comprise the changes in the classification of some major financial institutions (in particular, the conversion of building societies into banks) and the recent expansion of activity by mortgage managers. Estimation of seasonal adjustment and trading day factors that reflect the full effect of all these changes will not be possible until a sufficient number of years of data have been collected. Accordingly, the trend estimate data provide the most reliable indicator of underlying movement in housing finance commitments.

**12** State component series appearing in Tables 3 and 4 have been seasonally adjusted independently of the Australian series appearing in Tables 1 to 4. The sum of the State components is therefore unlikely to equal the corresponding Australian total series. Evidence that the State component series were affected by the changes mentioned in Explanatory Note 11 and the changed reporting practices of banks outlined in Explanatory Note 10 led to a reanalysis of the State housing finance series. The results of this reanalysis have been included in Tables 3 and 4 from the May 1996 issue.

## TREND ESTIMATES

**13** Smoothing seasonally adjusted series reduces the impact of the irregular component of the seasonally adjusted series and creates trend estimates. These trend estimates are derived by applying a 13-term Henderson-weighted moving average to all months of the respective seasonally adjusted series except the last six months. Trend series are created for the last six months by applying surrogates of the Henderson moving average to the seasonally adjusted series. For further information, refer to *A Guide to Interpreting Time Series — Monitoring Trends: an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (06) 252 6345.

**14** While the smoothing technique described in paragraph 13 enables trend estimates to be produced for the latest few months, it does result in revisions to the trend estimates as new data become available. Generally, revisions become smaller over time and, after three months, usually have a negligible impact on the series. Changes in the original data and re-estimation of seasonal factors may also lead to revisions to the trend.

## RELATED PUBLICATIONS

**15** Users may wish to refer to the following publications:

- *Building Approvals, Australia* (8731.0)
- *Building Activity Australia: Dwelling Unit Commencements* (8750.0)



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RELATED PUBLICATIONS (continued) **16** Users may also wish to refer to the following statistical products which are available through subscription to a standard data service:

- *Personal Finance, Australia* (5642.0.40.002)
- *Commercial Finance, Australia* (5643.0.40.002)
- *Lease Finance, Australia* (5644.0.40.002)

SYMBOLS AND OTHER USAGES  
n.p. not available for publication  
n.y.a not yet available

## GLOSSARY

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- Alterations and additions** Alterations and additions cover all structural and non-structural changes which are integral to the functional and structural design of a dwelling. Examples are garages, carports, pergolas, reroofing, recladding, etc. Alterations and additions do not include swimming pools, ongoing repairs, or maintenance and home improvements which do not involve building work.
- Average borrowing** Average borrowing is calculated as follows:  
$$\frac{\text{Total value of lending commitments per month}}{\text{Total number of dwellings financed per month}}$$
  
Average borrowing does not necessarily represent the average loan size per dwelling. For instance, average borrowing separately reflects first and second mortgages, committed in separate months, which apply to the same dwelling.
- Commitment** A lending commitment is a firm offer of housing finance. It either has been, or is normally expected to be, accepted. Included are commitments to provide housing finance to employees and commitments accepted and cancelled in the same month.
- Commitment value** The commitment value for a contract of sale is the dwelling's sale value less any deposit.
- Construction of dwellings** Construction of dwellings represents commitments made to individuals to finance, by way of progress payments, the construction of owner-occupied dwellings.
- Dwelling** A dwelling is either a house or other dwelling. A house is a single self-contained place of residence detached from other buildings. An other dwelling is a single self-contained place of residence other than a house. Examples of other dwellings are individual flats, home units, town houses, terrace houses, etc.
- Dwelling units** Dwelling units refers to the number of houses and other dwellings for which commitments have been made, either on the security of first mortgage or on contract of sale.
- Established dwelling** An established dwelling is one which has been completed for more than twelve months prior to the lodgement of a loan application, or which has been previously occupied.
- First home buyers** First home buyers are persons entering the home ownership market for the first time.
- Fixed rate loan** Fixed rate loans have a set interest rate which cannot be varied, either upward or downward, for a minimum period of two years. Capped loans are not categorised as fixed rate loans because their interest rate can vary within a two year period.
- Mortgage Manager** Mortgage managers obtain funds from financial institutions and through securitisation to lend for housing finance. In general, they manage the loans that they originate on behalf of the wholesale lenders. To avoid double counting, only those mortgage manager commitments funded by securitisers are included in the housing finance statistics. Those commitments made by mortgage managers acting as agents/brokers for other financial institutions are reported by those institutions.

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<b>Newly erected dwelling</b>	A new dwelling that has been completed within twelve months of the lodgement of a loan application, and the borrower will be the first occupant.
<b>Refinancing</b>	Refinancing represents a commitment to refinance an existing loan where the refinancing lender is not the lender who made the original loan. Excluded are an institution's refinancing of its own loans and the refinancing of loans to fund a change of residence. The latter is treated as a new lending commitment.
<b>Secured housing finance</b>	This is all secured commitments to individuals for the construction or purchase of houses and other dwellings for owner occupation, regardless of type of security. Commitments for housing that will be occupied by persons other than the owner(s) are excluded.
<b>Self-contained</b>	The dwelling includes bathing and cooking facilities.
<b>Significant lenders</b>	Significant lenders are those lenders who committed funds of more than \$25 million Australia-wide during the calendar year 1995.



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