

**HOUSING FINANCE
FOR OWNER OCCUPATION**

AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 10 OCTOBER 1996

AUGUST KEY FIGURES

TREND ESTIMATES

	Aug 96	% change Jul 96	% change Aug 95
Number of dwellings financed	38 784	1.4	4.5
Construction of dwellings	4 925	-0.6	-12.8
Purchase of new dwellings	1 508	-1.9	-13.2
Purchase of established dwellings	32 352	1.8	8.9

SEASONALLY ADJUSTED

	Aug 96	% change Jul 96	% change Aug 95
Number of dwellings financed	40 602	0.8	9.6
Construction of dwellings	4 973	-4.8	-13.7
Purchase of new dwellings	1 633	6.5	-3.5
Purchase of established dwellings	33 996	1.5	14.8

AUGUST KEY POINTS

TREND ESTIMATES

- The trend for total dwellings financed during August increased by 1.4%, while the trend estimate for the value of commitments increased by 2.0%.
- In August 1996, refinancing accounted for over one quarter (25.9%) of the number of dwelling finance commitments, the highest proportion since the inception of the series in July 1991.

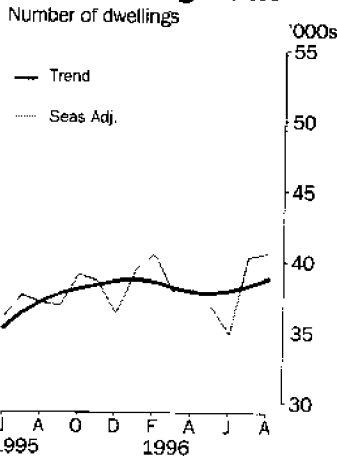
SEASONALLY ADJUSTED ESTIMATES

- The number of dwellings financed during the month increased by 0.8% on July 1996. The increase was mainly attributable to a 10.4% increase in refinancing commitments.
- Banks, up 0.8% and Other Lenders, up 4.7% contributed to the increase. Permanent Building Society commitments fell by 7.8% on July 1996.

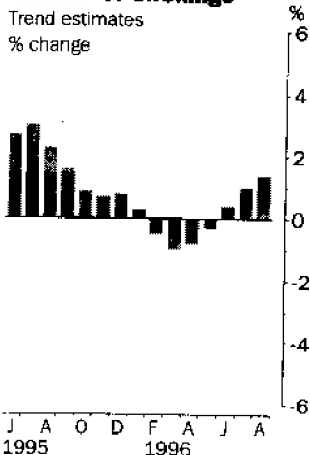
ORIGINAL ESTIMATES

- There were 41 112 dwellings financed during August, up 4.4% on August 1995.
- Refinancing accounted for 29.4% of all commitments, up from 27.1% in July 1996.
- Finance commitments with an interest rate fixed for at least two years comprised 12.0% of commitments in August. This continues the decline in the proportion of fixed interest loans since the high of March 1996, and is the lowest proportion since June 1995.
- During August 1996, 84.0% of commitments were made by Banks, 4.4% by Permanent Building Societies, and 11.6% by Other Lenders. For August 1995, the proportions were 86.6%, 5.4% and 8.0% respectively.

Secured housing finance



Number of dwellings



INQUIRIES

- For further information about these and related statistics, contact Greg Smith on 02 9268 4784, or any ABS Office.

HOUSING FINANCE NOTES

FORTHCOMING ISSUES

ISSUE	RELEASE DATE
September 1996	11 November 1996
October 1996	11 December 1996
November 1996	15 January 1997

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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.

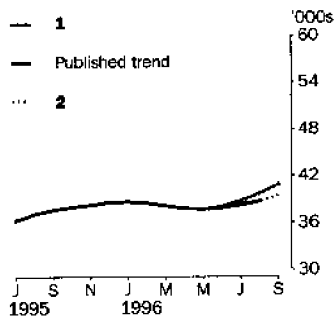
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The September seasonally adjusted estimate of number of dwellings financed is *higher* than the August seasonally adjusted estimate by 4%.

2 The September seasonally adjusted estimate of number of dwellings financed is *lower* than the August 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



1996	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
	estimate	% change	1		2	
			<i>rises by 4% on Aug 1996 estimate</i>	<i>% change</i>	<i>falls by 4% on Aug 1996 estimate</i>	<i>% change</i>
March	38 143	-1.0	38 076	-1.1	38 139	-1.1
April	37 835	-0.8	37 710	-1.0	37 820	-0.8
May	37 730	-0.3	37 671	-0.1	37 726	-0.2
June	37 887	0.4	38 038	1.0	37 892	0.4
July	38 258	1.0	38 818	2.1	38 337	1.2
August	38 784	1.4	39 783	2.5	38 877	1.4
September (new)	—	—	40 873	2.7	39 505	1.6

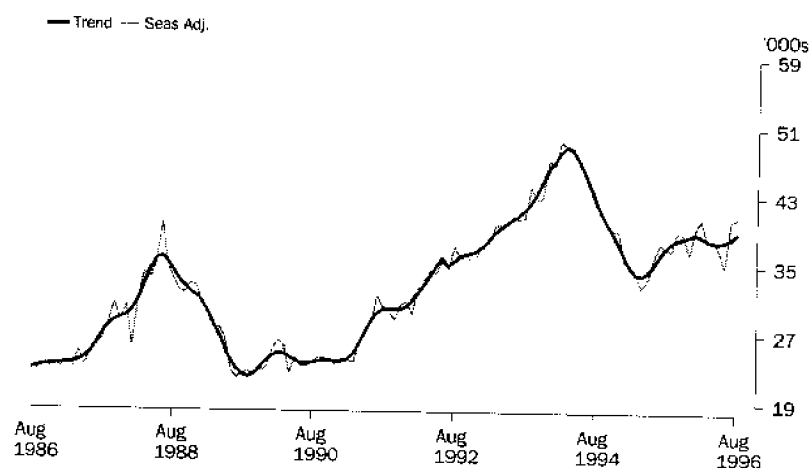
W. McLennan
Australian Statistician

SECURED HOUSING FINANCE: Trend/Seasonally adjusted

NUMBER OF DWELLINGS FINANCED

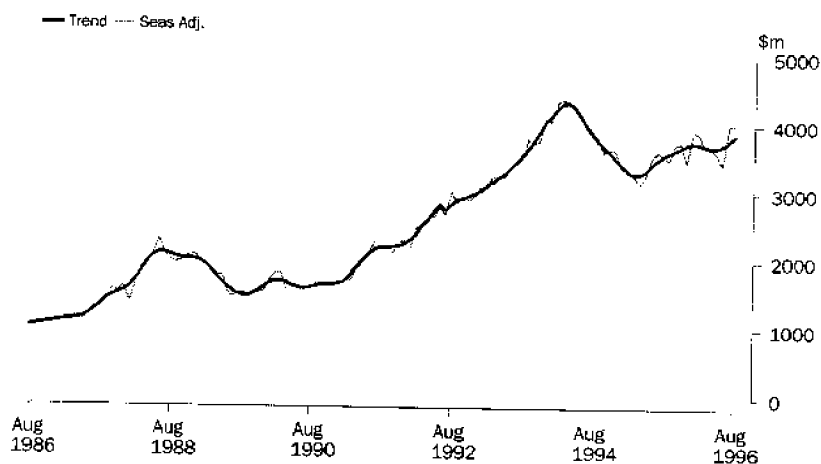
The trend estimate for the number of dwellings financed increased 1.4% in August to 38 784. In trend terms, August represents the third consecutive month of trend increase, reversing the decline reported last month. However, South Australia, Western Australia and the Northern Territory are still in trend decline.

Seasonally adjusted, the number of dwellings financed was up 0.8%, with refinancing commitments, up by 10.4% and finance for the purchase of new dwellings, up 6.5%.



VALUE OF COMMITMENTS

The trend estimate for the value of owner-occupied housing commitments for August 1996 was \$3 849.3 million, up 2.0% on July. Seasonally adjusted, the value of commitments increased by 0.8% on the previous month. The average borrowing was \$99 400 in original terms.

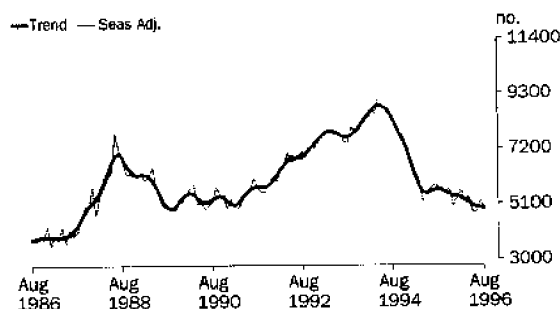


TYPE OF HOUSING: Seasonally adjusted and trend

NUMBER OF DWELLINGS FINANCED

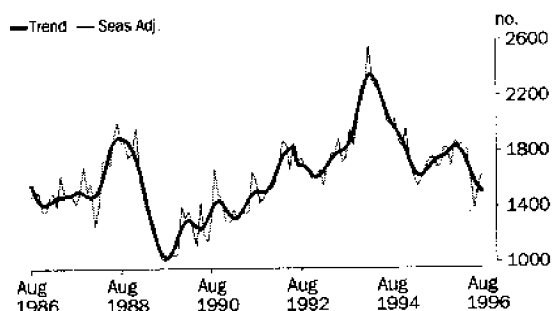
CONSTRUCTION OF DWELLINGS

The trend estimate for the number of dwellings financed in August was 4 925, a decrease of 0.6% from the previous month and the lowest level recorded since October 1987. Seasonally adjusted, the number of dwellings financed was 4 973, a decrease of 4.8% on July 1996.



PURCHASE OF NEW DWELLINGS

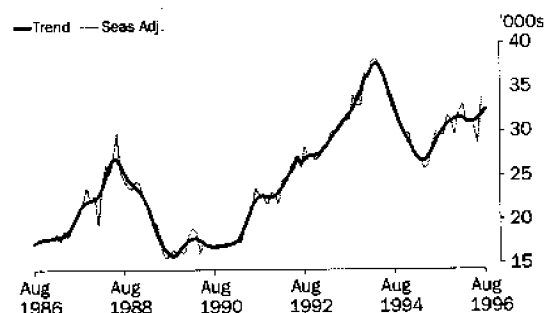
The trend estimate for the number of dwellings financed was 1 508, a decrease of 1.9% from the previous month and 13.2% lower than in August 1995. Seasonally adjusted, finance was committed for 1 633 dwellings, an increase of 6.5% on the previous month but 3.5% lower than in August 1995.



PURCHASE OF ESTABLISHED DWELLINGS

The trend estimate for the number of dwellings financed was 32 352, up 1.8% on July 1996 and 8.9% higher than in August 1995.

Seasonally adjusted, finance was committed for 33 996 dwellings, an increase of 1.5% on the previous month and 14.8% on August 1995. Refinancing of existing dwellings, up 10.4% on July, largely countered the 2.4% decrease in other new commitments for the purchase of established dwellings.

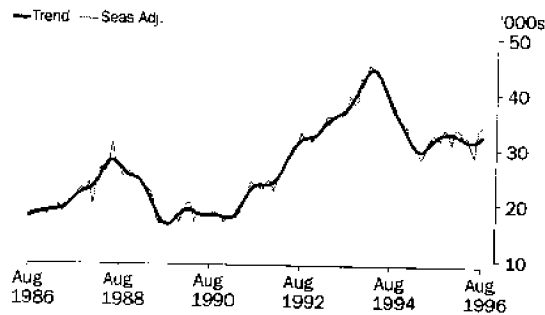


TYPE OF LENDER: Seasonally adjusted and trend

NUMBER OF DWELLINGS FINANCED

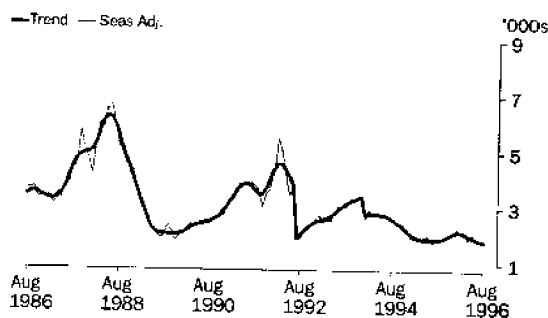
BANKS

The trend estimate for the number of dwellings financed in August 1996 was 32 298, up 1.7% on July and 0.5% on August 1995. Seasonally adjusted, finance was committed for 34 048 dwellings, an increase of 0.8% on the previous month and 6.3% on August 1995.



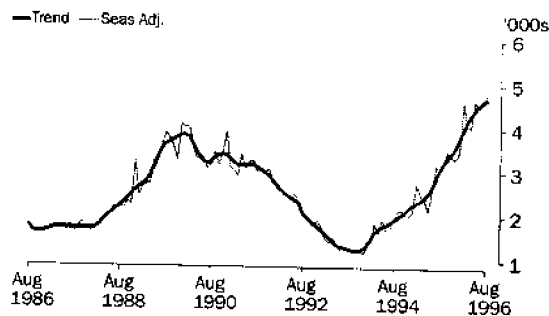
PERMANENT BUILDING SOCIETIES

The trend estimate for the number of dwellings financed in August 1996 was 1 797, down 2.7% on July and 5.7% on August 1995. Seasonally adjusted, finance was committed for 1 745 dwellings, a decrease of 7.8% on the previous month and 10.0% on August 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 August 1996 was 4 690, up 1.0% on July and 53.2% higher than in August 1995. Seasonally adjusted, finance was committed for 4 809 dwellings, an increase of 4.7% on the previous month and 55.0% higher than in August 1995.



SECURED HOUSING FINANCE COMMITMENTS¹, By Purpose: All series

Month	Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings ²		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
ORIGINAL								
1995								
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
1996								
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	5 494	536.0	1 680	203.9	35 245	3 460.5	42 419	4 200.3
August	5 196	510.1	1 765	198.4	34 151	3 377.9	41 112	4 086.5
SEASONALLY ADJUSTED								
1995								
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
1996								
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	5 226	503.0	1 534	190.3	33 501	3 306.6	40 261	3 999.9
August	4 973	476.0	1 633	185.3	33 996	3 370.4	40 602	4 031.7
TREND ESTIMATES								
1995								
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
1996								
January	5 368	511.8	1 837	189.7	31 502	3 050.8	38 706	3 752.3
February	5 315	512.3	1 829	190.7	31 375	3 037.3	38 519	3 740.4
March	5 243	508.8	1 786	189.3	31 114	3 009.7	38 143	3 707.7
April	5 158	501.7	1 722	186.4	30 955	2 996.6	37 835	3 684.7
May	5 074	493.0	1 651	183.3	31 005	3 011.7	37 730	3 687.9
June	5 003	484.9	1 587	180.9	31 297	3 055.2	37 887	3 721.0
July	4 954	478.6	1 537	179.3	31 767	3 116.7	38 258	3 774.5
August	4 925	474.6	1 508	179.3	32 352	3 195.5	38 784	3 849.3

¹ Excludes alterations and additions.

² Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By Type of Lender: All series

Month	All banks		Permanent building societies		Other lenders		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
ORIGINAL								
1995								
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
1996								
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	33 534	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	35 710	3 521.9	1 873	181.0	4 836	497.4	42 419	4 200.3
August	34 518	3 424.0	1 811	164.6	4 783	497.9	41 112	4 086.5
SEASONALLY ADJUSTED								
1995								
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
1996								
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	33 777	3 331.1	1 892	182.4	4 592	486.4	40 261	3 999.9
August	34 048	3 376.9	1 745	159.3	4 809	495.5	40 602	4 031.7
TREND ESTIMATES								
1995								
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
1996								
January	32 770	3 175.0	2 165	201.6	3 772	375.7	38 706	3 752.3
February	32 380	3 141.3	2 167	202.5	3 971	396.6	38 519	3 740.4
March	31 855	3 089.1	2 130	199.8	4 158	418.8	38 143	3 707.7
April	31 455	3 050.6	2 061	194.2	4 318	439.9	37 835	3 684.7
May	31 303	3 042.4	1 985	187.3	4 443	458.2	37 730	3 687.9
June	31 428	3 066.3	1 912	180.4	4 547	474.3	37 887	3 721.0
July	31 770	3 112.7	1 846	173.8	4 642	488.1	38 258	3 774.5
August	32 298	3 183.8	1 797	168.1	4 690	497.4	38 784	3 849.3

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, 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									
1995									
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
1996									
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	14 684	9 903	6 876	3 013	5 593	1 032	317	1 001	42 419
August	13 584	9 983	7 343	2 790	5 093	1 170	302	847	41 112
SEASONALLY ADJUSTED²									
1995									
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
1996									
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	14 252	9 079	6 672	2 970	5 290	1 024	314	1 033	40 261
August	13 576	9 937	7 244	2 775	4 916	1 192	304	813	40 602
TREND ESTIMATES²									
1995									
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
1996									
January	11 364	9 505	6 963	3 381	5 294	931	384	866	38 706
February	11 313	9 654	6 690	3 381	5 281	888	363	832	38 519
March	11 394	9 607	6 435	3 335	5 222	859	340	794	38 143
April	11 671	9 418	6 269	3 243	5 137	855	319	773	37 835
May	12 105	9 196	6 204	3 115	5 045	879	304	776	37 730
June	12 615	9 051	6 232	2 975	4 970	921	294	793	37 887
July	13 121	9 002	6 335	2 848	4 916	975	288	815	38 258
August	13 611	9 029	6 500	2 743	4 900	1 037	283	844	38 784

¹ Excludes alterations and additions. Includes refinancing.

² Sum of States and Territories may not equal Australian estimate (see Explanatory Notes 9 to 12)

SECURED HOUSING FINANCE COMMITMENTS¹, By State: All Series

TOTAL VALUE OF COMMITMENTS.....

Month	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
1995									
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
1996									
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	1 698.9	890.0	651.1	237.8	521.2	66.1	32.8	102.3	4 200.3
August	1 608.2	883.5	691.3	217.5	488.8	77.8	35.1	84.1	4 086.5
SEASONALLY ADJUSTED ²									
1995									
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	484.9	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
1996									
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	1 632.3	825.7	640.3	234.3	491.2	64.4	33.0	103.5	3 999.9
August	1 625.2	886.4	668.2	218.8	451.1	80.7	32.6	82.1	4 031.7
TREND ESTIMATES ²									
1995									
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
1996									
January	1 324.9	832.0	655.7	257.4	489.5	64.0	37.3	86.3	3 752.3
February	1 321.3	849.1	634.7	256.2	484.2	61.6	35.5	83.1	3 740.4
March	1 326.7	849.1	613.8	252.5	475.1	59.8	33.4	79.4	3 707.7
April	1 352.5	835.6	599.6	246.3	466.3	59.5	31.6	77.0	3 684.7
May	1 398.4	819.1	592.7	238.4	459.4	60.7	30.4	77.0	3 687.9
June	1 457.0	809.6	592.8	230.1	455.5	62.9	29.8	78.5	3 721.0
July	1 518.3	807.5	599.0	222.7	453.8	66.0	29.7	80.8	3 774.5
August	1 583.3	813.9	612.1	216.6	455.0	69.4	29.8	83.7	3 849.3

¹ Excludes alterations and additions. Includes refinancing.

² Sum of States and Territories may not equal Australian estimate (see Explanatory Notes 9 to 12)

SECURED HOUSING FINANCE COMMITMENTS¹, 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	Average borrowing size	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size
		%	\$m	\$'000		%	\$m	\$'000
1995								
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
1996								
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	21.1	855.6	95.4	33 451	78.9	3 344.7	100.0
August	8 840	21.5	847.9	95.9	32 272	78.5	3 238.5	100.4

TYPE OF LOAN

Month	FIXED RATE.....				OTHER.....			
	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size
		%	\$m	\$'000		%	\$m	\$'000
1995								
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
1996								
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	5 472	12.9	570.0	104.2	36 947	87.1	3 630.3	98.3
August	4 931	12.0	482.4	97.8	36 181	88.0	3 604.1	99.6

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS, Summary Table: Original

Month	Total new housing commitments ¹ \$m	Refinancing \$m	Alterations and additions \$m	Total \$m	Commitments advanced during month \$m	Cancellations of commitments during month \$m	Commitments not advanced at end of month \$m
1995							
June	3 064.2	677.9	303.8	4 045.8	3 754.1	218.4	6 772.6
July	2 878.9	689.7	263.8	3 832.4	3 743.8	205.9	6 727.1
August	3 039.9	718.4	292.0	4 050.3	3 610.2	176.3	7 155.0
September	2 809.8	666.5	297.1	3 773.3	3 629.3	173.8	7 160.3
October	2 912.4	701.3	282.8	3 896.5	3 558.0	172.4	7 300.4
November	3 130.9	769.7	318.3	4 218.8	3 737.9	173.7	7 611.9
December	2 593.5	596.7	267.6	3 457.8	3 467.7	178.1	7 428.4
1996							
January	2 543.1	604.3	261.0	3 408.3	3 037.2	200.3	7 566.4
February	3 105.2	778.9	309.3	4 193.4	3 485.3	219.0	8 080.6
March	3 257.3	801.9	327.7	4 386.9	3 800.9	239.0	8 402.1
April	2 811.2	663.7	276.6	3 751.5	3 586.3	223.5	8 344.7
May	3 245.1	809.6	316.2	4 371.0	3 991.6	255.7	8 472.4
June	2 737.0	755.1	297.1	3 789.2	3 496.1	222.2	8 540.0
July	3 170.0	1 030.3	335.9	4 536.2	4 489.9	271.4	8 310.3
August	2 988.8	1 097.7	303.7	4 390.2	3 778.2	226.7	8 694.5

¹ 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.

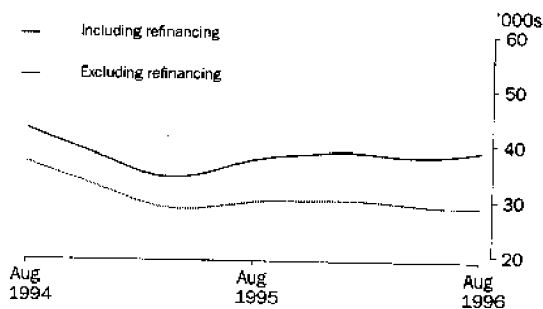
The table below compares the seasonally adjusted and trend estimates, and trend growth rates in housing finance, both inclusive and exclusive of refinancing, for the most recent fifteen month period. The graph opposite illustrates this comparison on an extended time frame.

TOTAL DWELLINGS FINANCED—including & excluding refinancing

Month	ORIGINAL	SEASONALLY ADJUSTED.....		TREND.....		Dwellings under new finance excluding dwellings refinanced	Dwellings refinanced	Month to month change in total dwellings financed	Month to month change in dwellings under new finance
	Dwellings refinanced	Total dwellings financed	Dwellings under new finance excluding dwellings refinanced	Dwellings refinanced	Total dwellings financed				
	Number	Number	Number	Number	Number	Number	Number	%	%
1995									
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
1996									
January	7 020	39 334	30 819	8 515	38 706	29 947	8 759	0.3	0.1
February	9 264	40 492	30 752	9 740	38 519	29 831	8 688	-0.5	-0.4
March	9 331	37 898	29 428	8 470	38 143	29 554	8 589	-1.0	-0.9
April	7 820	38 032	29 569	8 463	37 835	29 216	8 620	-0.8	-1.1
May	8 977	36 915	28 580	8 335	37 730	28 906	8 824	-0.3	-1.1
June	8 564	34 894	26 691	8 203	37 887	28 716	9 171	0.4	-0.7
July	11 511	40 261	30 064	10 197	38 258	28 647	9 611	1.0	-0.2
August	12 094	40 602	29 340	11 262	38 784	28 726	10 058	1.4	0.3

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
1995			
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
1996			
January	0.3	0.1	0.2
February	-0.5	-0.3	-0.2
March	-1.0	-0.7	-0.3
April	-0.8	-0.9	0.1
May	-0.3	-0.8	0.5
June	0.4	-0.5	0.9
July	1.0	-0.2	1.2
August	1.4	0.2	1.2

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 ¹		Refinancing		Total new dwelling commitments ²	
	Number	\$m	Number	\$m	Number	\$m
1995						
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
1996						
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
August	2 721	336.2	1 358	160.7	1 363	175.5

¹ Excludes alterations and additions. Includes refinancing.

² 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)

.....
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

- 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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Newly erected dwelling 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.

Refinancing 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.

Secured housing finance 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.

Self-contained The dwelling includes bathing and cooking facilities.

Significant lenders Significant lenders are those lenders who committed funds of more than \$25 million Australia-wide during the calendar year 1995.



FOR MORE INFORMATION

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