



October 1995

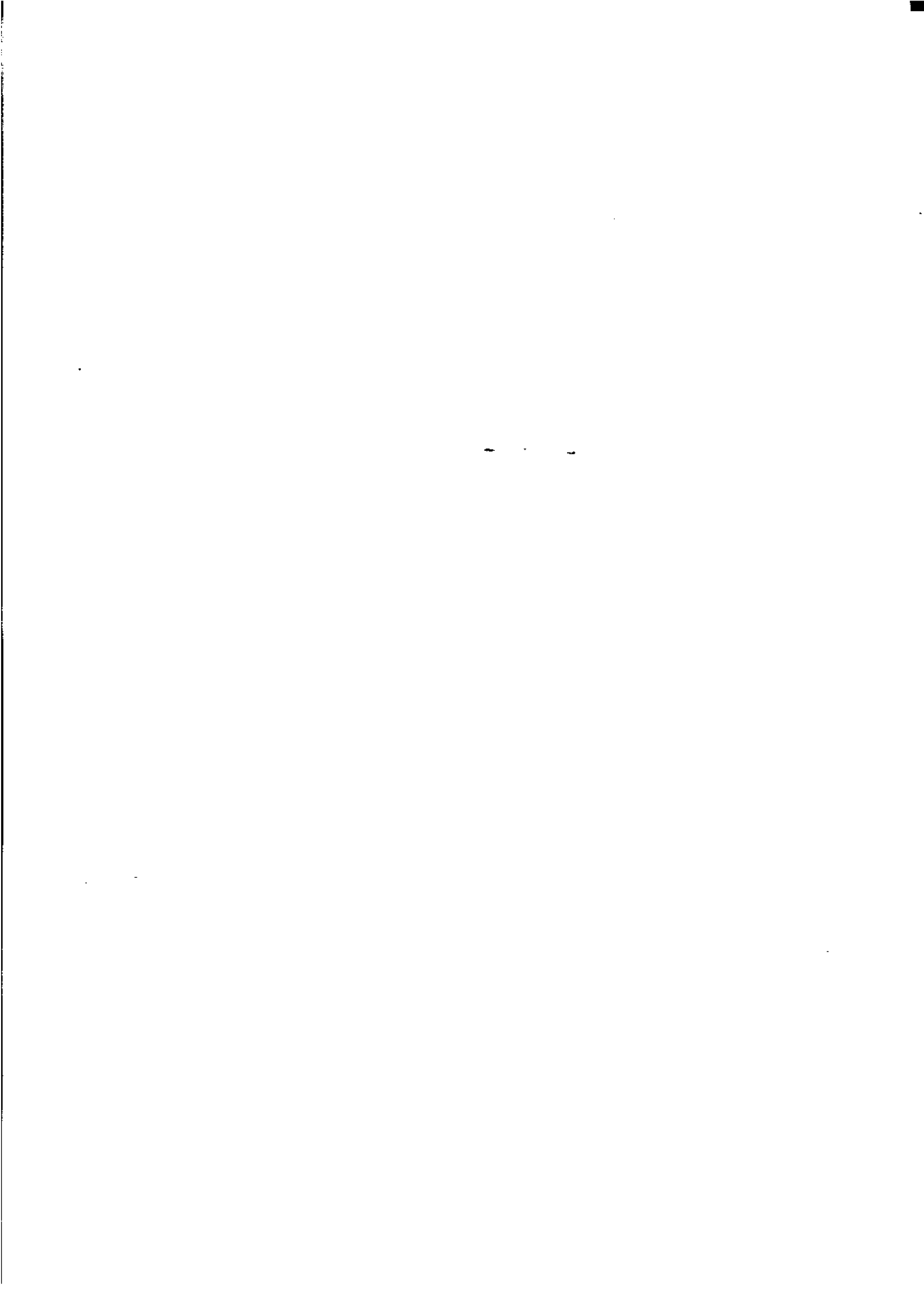
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Housing Finance for Owner Occupation Australia

Supplement

Contains revised seasonally
adjusted and trend estimates,
August 1994 to October 1995

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P R E F A C E

THIS SUPPLEMENT

This Supplement contains revisions to all seasonally adjusted and trend estimates published on 14 December 1995 in the October 1995 issue of *Housing Finance for Owner Occupation, Australia* (5609.0). To assist users in analysing the revised series, the tables, graphs and commentary in this supplement are presented in the same format and layout as the October 1995 publication released on 14 December 1995.

REVIEW OF SEASONALLY ADJUSTED DATA

Seasonal adjustment is intended to remove the estimated effects of normal seasonal variations, trading day effects induced by the varying reporting practices of lenders, and changing calendar configurations from month to month and year to year. In recent years there have been significant changes in the reporting practices of banks. Whereas previously some reported for four or five weeks ending on the last Wednesday of each month, banks have been gradually changing to calendar month reporting. Each of the four major banks changed to calendar month reporting on a different date; the first changed in early 1990 and the last in April 1995. Because the existing factors that adjust for trading day effects were based on data for a period when Wednesday reporting predominated, they have become less relevant to the present reporting pattern.

As the net effect of inappropriate trading day factors depends on the way the calendar falls and on any compensating adaptation in seasonal factors, increased volatility in the seasonally adjusted series did not start appearing until around August 1994. Users of the series were advised in the August 1994 and subsequent issues of this publication to take care with the interpretation of the seasonally adjusted data. They were also advised that the trend estimates (from which irregular movements have been removed) provided the most reliable indicator of the underlying movement in housing finance commitments.

Recently, the ABS assembled sufficient data and other information to conduct a detailed investigation into the precise impact of changed reporting practices of banks on trading day and seasonal patterns. This investigation included the annual reanalysis of the housing finance series as well as an examination of lending data for individual banks and at a level finer than the published aggregates.

The results of this investigation have been used to derive the revised seasonally adjusted series and trend estimates shown in this supplement. Data for earlier periods not included in this supplement are available on PC Ausstats or on request.

IMPACT OF REVISIONS

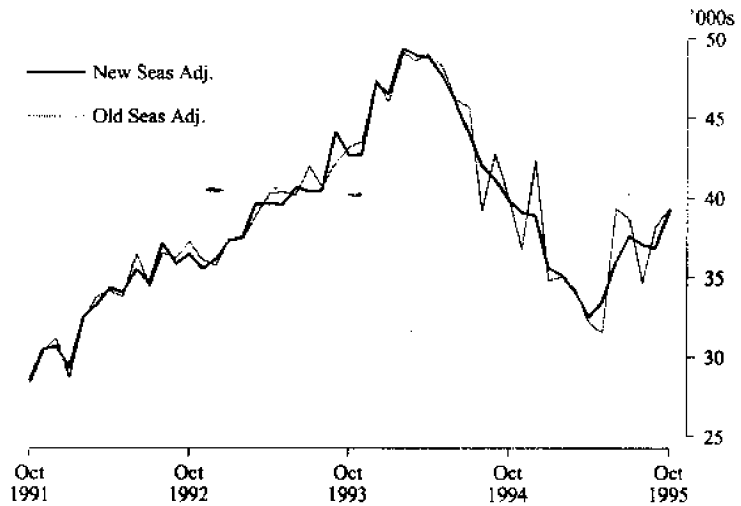
Although the changes in bank reporting have occurred over a six year period, the reanalysis has led to appreciable revisions in the seasonally adjusted series only from August 1994 onwards. Because the seasonal adjustment factors now take account of the changed bank reporting practices, the recent volatility of the seasonally adjusted series has been significantly reduced. As a longer series of bank lending data on the calendar month reporting basis becomes available, it will be possible to progressively refine the estimates of the seasonal adjustment factors.

P R E F A C E

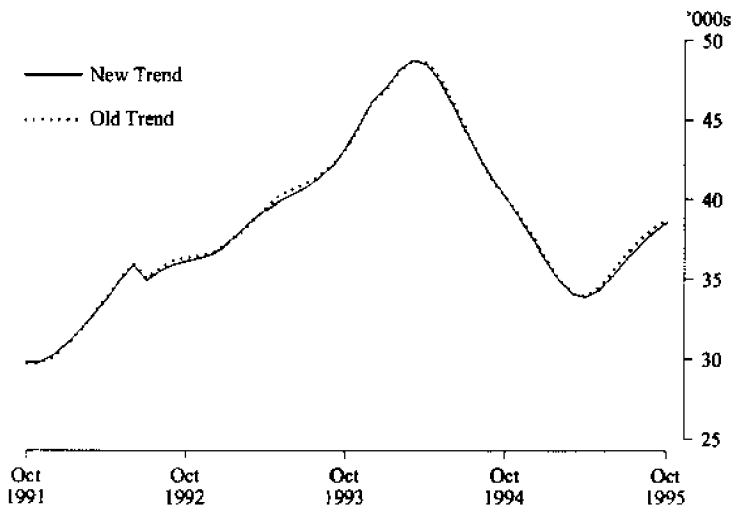
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The reanalysis has resulted in very little change in the trend estimates. The most recent turning point in the total number of secured housing finance commitments is still dated at April 1995 and there has been little change in the monthly trend movements. The two graphs below compare the former seasonally adjusted series and trend estimates with those resulting from the investigations.

NUMBER OF
SECURED HOUSING
FINANCE COMMITMENTS
- SEAS. ADJ. ESTIMATES



NUMBER OF
SECURED HOUSING
FINANCE COMMITMENTS
- TREND ESTIMATES



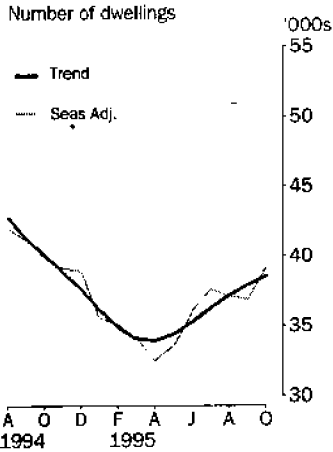
W. McLennan
Australian Statistician

HOUSING FINANCE FOR OWNER OCCUPATION AUSTRALIA

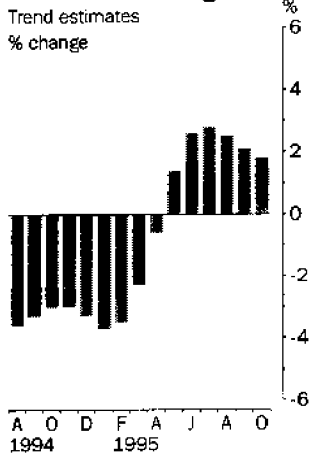
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OCTOBER KEY FIGURES

Secured housing finance



Number of dwellings



TREND ESTIMATES	Oct 95	% change Sep 95	% change Oct 94
Number of dwellings financed	38 554	1.8	-3.7
Construction of dwellings	5 686	0.4	-25.9
Purchase of new dwellings	1 754	0.4	-11.9
Purchase of established dwellings	31 114	2.1	2.5

SEASONALLY ADJUSTED	Oct 95	% change Sep 95	% change Oct 94
Number of dwellings financed	39 178	6.3	-1.6
Construction of dwellings	5 553	-0.2	-27.6
Purchase of new dwellings	1 820	7.5	-8.2
Purchase of established dwellings	31 805	7.5	5.4

OCTOBER KEY POINTS

TREND ESTIMATES

- The trend for total dwellings financed during the month increased by 1.8%, the sixth consecutive monthly rise since April, but still 20.9% below the peak of March 1994. The revised trend for September 1995 increased by 2.1% on August.
- The trend for the number of dwellings refinanced during the month increased by 4.0%, continuing trend increases since March 1995.
- During October 1995, 85.9% of commitments were made by Banks, 5.2% by Permanent Building Societies and 8.8% by Other Lenders. For October 1994, the proportions were 88.7%, 6.1% and 5.1% respectively.
- The trend estimate for the value of commitments was up 1.4%.

SEASONALLY ADJUSTED ESTIMATES

- The number of dwellings financed during the month increased by 6.3% on September 1995.
- The number of commitments made during the month for the construction of dwellings fell by 0.2%, while those for the purchase of newly erected and established dwellings both increased by 7.5%.

ORIGINAL ESTIMATES

- There were 37 908 dwelling units financed during the month, up 4.2% on September 1995 and 1.4% on October 1994.
- The refinancing of 8 170 dwellings accounted for 21.6% of the total number of dwellings financed during the month.
- Fixed rate loan commitments accounted for 15.8% of total dwelling finance commitments in October.

▪ For further information about these and related statistics, contact Karen Young on 02 268 4784, or any ABS Office.

HOUSING FINANCE NOTES

FORTHCOMING ISSUES

ISSUE	RELEASE DATE
November 1995	22 January 1996
December 1995	22 February 1996
January 1996	14 March 1996

CHANGES

This supplement includes revisions to all seasonally adjusted series and trend estimates. The revisions result from a recently completed analysis of trading day adjustments, taking into account the changed reporting practices of banks over the last few years, and the annual reanalysis of seasonal factors (see Explanatory Note 10).

Investigations are currently being undertaken into the publication of a separate series showing housing finance commitments made by mortgage managers. It is anticipated that separate data will be published in the November 1995 issue.

SENSITIVITY ANALYSIS

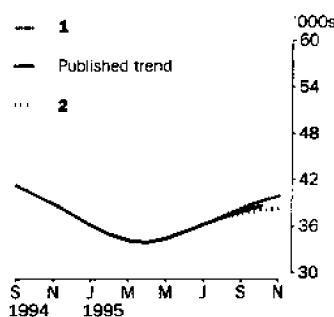
Readers should exercise care when interpreting this month's trend estimates because they will be revised when next month's seasonally adjusted estimates become available. For further information, see Explanatory Notes 12 and 13.

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

- 1 The November seasonally adjusted estimate of number of dwellings financed is *higher* than the October seasonally adjusted estimate by 5%.
- 2 The November seasonally adjusted estimate of number of dwellings financed is *lower* than the October seasonally adjusted estimate by 5%.

The percentage change of 5% was chosen because the average absolute percentage change of the seasonally adjusted series, based on the last 10 years of data, has been 5%.

NUMBER OF DWELLINGS FINANCED



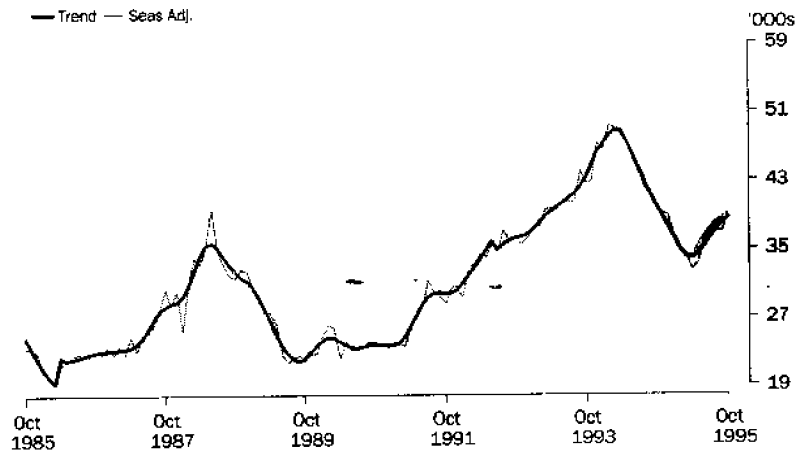
	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
			1		2	
	estimate	% change	estimate	% change	estimate	% change
1995						
May	34 344	1.4	34 255	0.9	34 330	0.9
June	35 247	2.6	35 112	2.5	35 245	2.7
July	36 234	2.8	36 182	3.0	36 248	2.8
August	37 124	2.5	37 243	2.9	37 068	2.3
September	37 888	2.1	38 222	2.6	37 642	1.5
October	38 554	1.8	39 136	2.4	38 042	1.1
November (new)	—	—	39 872	1.9	38 223	0.5

W. McLennan
Australian Statistician

SECURED HOUSING FINANCE: Trend/Seasonally adjusted

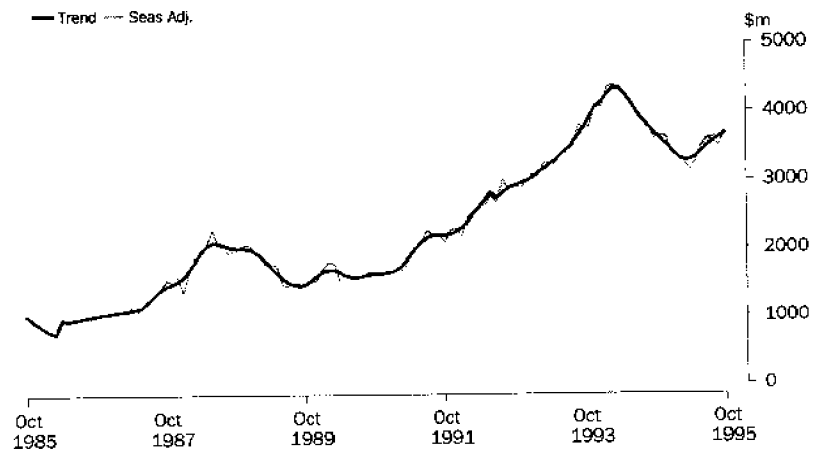
NUMBER OF DWELLINGS FINANCED

The trend estimate for the number of dwellings financed increased by 1.8% in October. The trend has been increasing since April 1995, but the rate of monthly increases has been slowing since July 1995. Seasonally adjusted, the number of dwellings financed was up 6.3% on the previous month.



VALUE OF COMMITMENTS

The trend estimate for the value of owner-occupied housing commitments for October 1995 was \$3 669.1 million, up 1.4% on September. Seasonally adjusted, the value of commitments rose by 6.7% on the previous month. The average borrowing was \$95 600 in original terms.

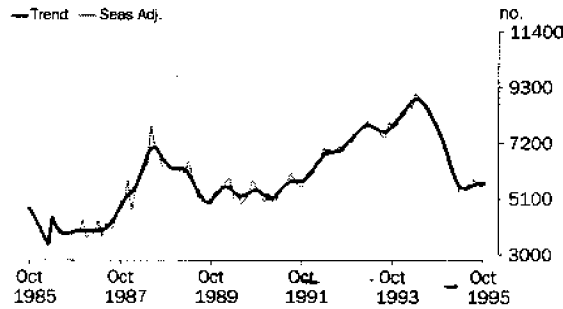


TYPE OF HOUSING: Seasonally adjusted and trend

NUMBER OF DWELLINGS FINANCED

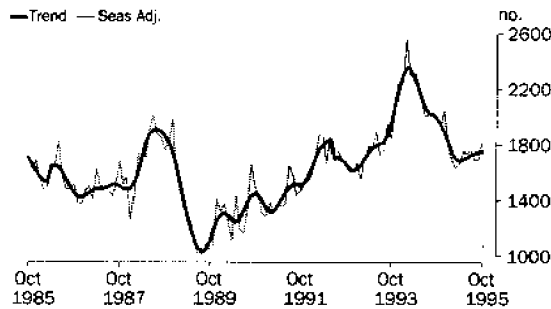
CONSTRUCTION OF DWELLINGS

The trend estimate for the number of dwellings financed in October 1995 was 5 686, an increase of 0.4% on September but 25.9% lower than in October 1994. Seasonally adjusted, finance was committed for 5 553 dwellings, 0.2% less than in the previous month.



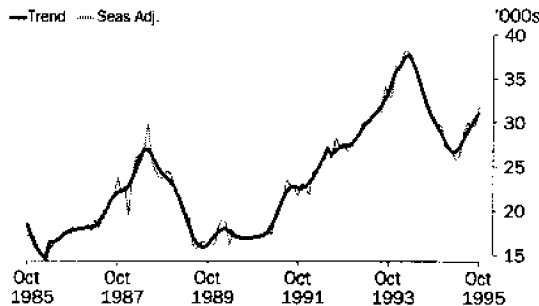
PURCHASE OF NEW DWELLINGS

The trend estimate for the number of dwellings financed was 1 754, an increase of 0.4% on September, but 11.9% lower than in October 1994. Seasonally adjusted, finance was committed for 1 820 dwellings, an increase of 7.5% on the previous month.



PURCHASE OF ESTABLISHED DWELLINGS

The trend estimate for the number of dwellings financed was 31 114, up 2.1% on September and 2.5% higher than in October 1994. Seasonally adjusted, finance was committed for 31 805 dwellings, an increase of 7.5% on the previous month.

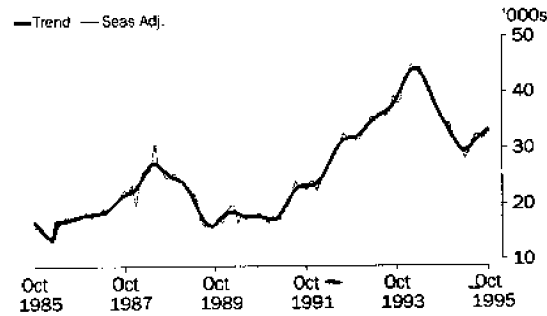


TYPE OF LENDER: Seasonally adjusted and trend

NUMBER OF DWELLINGS FINANCED

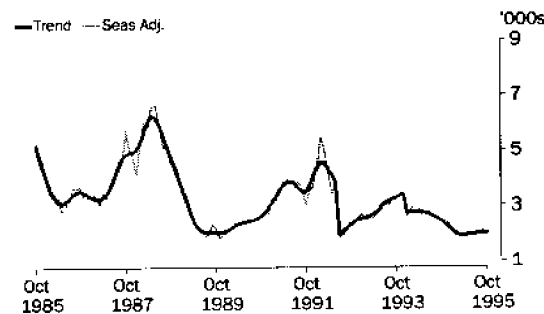
BANKS

The trend estimate for the number of dwellings financed in October 1995 was 33 134, up 1.4% on September but 6.7% lower than in October 1994. Seasonally adjusted, finance was committed for 33 583 dwellings, an increase of 5.9% on the previous month.



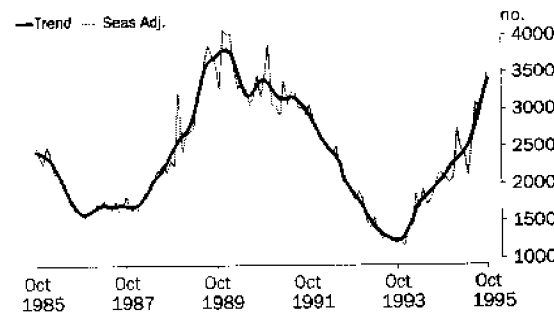
PERMANENT BUILDING SOCIETIES

The trend estimate for the number of dwellings financed in October 1995 was 2 022, an increase of 0.7% on September but 17.8% lower than in October 1994. Seasonally adjusted, finance was committed for 2 070 dwellings, 5.1% higher than in the previous month.



OTHER LENDERS

The trend estimate for the number of dwellings financed in October 1995 was 3 397, 5.2% up on September and 65.5% higher than in October 1994. Seasonally adjusted, finance was committed for 3 525 dwellings, an increase of 11.0% on the previous month.





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								
1994								
August	8 896	773.5	2 270	229.9	33 359	3 057.2	44 525	4 060.6
September	8 108	725.4	2 114	216.3	30 924	2 869.8	41 146	3 811.5
October	7 149	605.3	1 980	203.2	28 246	2 596.6	37 375	3 405.1
November	7 540	663.4	2 004	206.2	31 979	2 958.0	41 523	3 827.6
December	6 497	575.4	1 859	182.9	27 946	2 648.0	36 302	3 406.3
1995								
January	4 995	433.0	1 444	151.5	22 049	2 005.4	28 488	2 589.8
February	5 805	506.4	1 594	168.0	26 796	2 553.7	34 195	3 228.1
March	6 738	626.3	1 861	190.2	30 899	2 984.3	39 498	3 800.8
April	4 729	447.3	1 467	151.6	23 061	2 250.5	29 257	2 849.3
May	6 051	573.3	1 848	193.1	29 393	2 900.6	37 292	3 667.0
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	29 293	2 839.9	36 833	3 566.0
August	6 249	580.7	1 893	191.1	31 254	2 987.5	39 396	3 759.3
September	5 587	507.7	1 718	176.4	29 078	2 792.8	36 383	3 477.0
October	5 271	492.6	1 865	183.6	30 772	2 946.9	37 908	3 623.1
SEASONALLY ADJUSTED								
1994								
August	8 132	699.3	2 014	204.5	31 860	2 934.3	42 006	3 838.1
September	7 941	704.2	2 038	207.6	31 153	2 864.9	41 132	3 776.7
October	7 666	649.6	1 982	205.3	30 177	2 745.8	39 825	3 600.7
November	7 379	636.7	1 935	199.4	29 783	2 805.6	39 097	3 641.7
December	7 109	637.1	2 059	198.8	29 694	2 793.3	38 862	3 629.1
1995								
January	6 426	569.6	1 784	189.4	27 350	2 595.6	35 560	3 354.6
February	6 043	536.0	1 696	176.8	27 341	2 628.5	35 080	3 341.4
March	5 732	537.3	1 634	168.0	26 684	2 565.4	34 050	3 270.6
April	5 156	481.8	1 660	172.1	25 660	2 479.7	32 476	3 133.6
May	5 321	507.4	1 748	178.8	26 402	2 569.6	33 471	3 255.8
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	29 990	2 902.8	37 550	3 625.1
August	5 750	520.3	1 691	172.7	29 632	2 850.3	37 073	3 543.3
September	5 564	509.0	1 693	175.4	29 586	2 811.1	36 843	3 495.4
October	5 553	517.6	1 820	180.2	31 805	3 033.3	39 178	3 731.1
TREND ESTIMATES								
1994								
August	8 285	710.3	2 033	204.1	32 342	2 957.1	42 660	3 871.5
September	7 995	688.5	2 014	203.9	31 261	2 873.0	41 270	3 765.5
October	7 676	664.8	1 992	202.8	30 368	2 810.0	40 036	3 677.7
November	7 322	638.7	1 954	199.7	29 570	2 758.1	38 847	3 596.4
December	6 914	608.6	1 894	194.1	28 740	2 704.1	37 549	3 506.8
1995								
January	6 470	576.5	1 820	186.9	27 858	2 644.5	36 148	3 407.8
February	6 044	547.4	1 752	180.3	27 088	2 593.6	34 883	3 321.3
March	5 707	526.1	1 706	176.0	26 662	2 572.4	34 075	3 274.5
April	5 513	514.6	1 687	174.2	26 681	2 587.5	33 881	3 276.3
May	5 469	512.4	1 692	174.4	27 182	2 640.7	34 344	3 327.5
June	5 523	516.3	1 712	175.8	28 013	2 717.8	35 247	3 409.9
July	5 594	520.0	1 728	177.0	28 913	2 795.2	36 234	3 492.2
August	5 641	521.4	1 737	177.5	29 746	2 863.3	37 124	3 562.1
September	5 664	521.1	1 747	177.7	30 477	2 921.0	37 888	3 619.8
October	5 686	522.0	1 754	177.7	31 114	2 969.5	38 554	3 669.1

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								
1994								
August	39 723	3 632.9	2 817	256.8	1 985	171.0	44 525	4 060.6
September	36 314	3 370.6	2 626	238.1	2 206	202.7	41 146	3 811.5
October	32 904	2 985.7	2 287	207.5	2 184	211.8	37 375	3 405.1
November	36 541	3 367.4	2 606	225.8	2 376	234.4	41 523	3 827.6
December	32 218	3 027.3	2 168	194.1	1 916	184.9	36 302	3 406.3
1995								
January	25 143	2 275.8	1 536	138.9	1 809	175.1	28 488	2 589.8
February	29 700	2 796.9	1 970	171.9	2 525	259.3	34 195	3 228.1
March	34 614	3 328.1	2 079	178.6	2 805	294.1	39 498	3 800.8
April	25 441	2 476.9	1 677	149.0	2 139	223.4	29 257	2 849.3
May	32 774	3 238.1	2 266	201.3	2 252	227.6	37 292	3 667.0
June	33 487	3 285.6	2 108	186.6	2 580	269.8	38 175	3 742.0
July	32 110	3 118.4	1 701	151.7	3 022	295.9	36 833	3 566.0
August	34 085	3 225.9	2 244	199.6	3 067	333.8	39 396	3 759.3
September	31 193	2 980.3	1 973	184.6	3 217	312.0	36 383	3 477.0
October	32 106	3 066.9	2 123	188.7	3 679	367.6	37 908	3 623.1
SEASONALLY ADJUSTED								
1994								
August	37 425	3 430.0	2 651	242.1	1 930	166.0	42 006	3 838.1
September	36 483	3 349.6	2 531	229.6	2 118	197.5	41 132	3 776.7
October	35 280	3 171.1	2 391	219.5	2 154	210.1	39 825	3 600.7
November	34 580	3 220.0	2 434	216.5	2 083	205.2	39 097	3 641.7
December	34 528	3 225.5	2 319	210.6	2 015	193.0	38 862	3 629.1
1995								
January	31 495	2 961.4	1 965	172.9	2 100	220.3	35 560	3 354.6
February	30 409	2 899.8	1 918	165.3	2 753	276.2	35 080	3 341.4
March	29 709	2 862.6	1 868	157.8	2 473	250.3	34 050	3 270.6
April	28 158	2 722.3	1 917	170.6	2 401	240.7	32 476	3 133.6
May	29 338	2 870.7	2 016	176.6	2 117	208.5	33 471	3 255.8
June	31 387	3 048.2	1 978	175.4	2 605	281.1	35 970	3 504.7
July	32 595	3 147.1	1 866	166.5	3 089	311.5	37 550	3 625.1
August	32 015	3 038.3	2 052	183.1	3 006	321.8	37 073	3 543.3
September	31 696	2 993.9	1 970	186.1	3 177	315.4	36 843	3 495.4
October	33 583	3 188.5	2 070	188.3	3 525	354.2	39 178	3 731.1
TREND ESTIMATES								
1994								
August	38 093	3 459.9	2 625	239.8	1 942	171.7	42 660	3 871.5
September	36 723	3 349.0	2 556	233.7	1 992	182.8	41 270	3 765.5
October	35 525	3 258.8	2 459	223.7	2 052	195.1	40 036	3 677.7
November	34 383	3 177.5	2 335	210.6	2 129	208.4	38 847	3 596.4
December	33 138	3 090.3	2 200	196.0	2 212	220.4	37 549	3 506.8
1995								
January	31 795	2 996.0	2 078	183.1	2 275	228.8	36 148	3 407.8
February	30 573	2 913.6	1 984	173.2	2 326	234.6	34 883	3 321.3
March	29 772	2 866.7	1 928	167.4	2 376	240.4	34 075	3 274.5
April	29 540	2 862.7	1 909	166.0	2 433	247.6	33 881	3 276.3
May	29 902	2 901.0	1 923	168.5	2 519	258.0	34 344	3 327.5
June	30 646	2 964.4	1 951	173.0	2 649	272.5	35 247	3 409.9
July	31 432	3 023.9	1 972	176.9	2 829	291.3	36 234	3 492.2
August	32 101	3 070.3	1 990	180.3	3 033	311.5	37 124	3 562.1
September	32 653	3 106.4	2 008	183.5	3 228	329.9	37 888	3 619.8
October	33 134	3 137.8	2 022	185.8	3 397	345.5	38 554	3 669.1

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									
1994									
August	13 104	10 720	8 925	3 580	5 928	963	370	935	44 525
September	12 467	9 408	8 210	3 209	5 593	935	354	970	41 146
October	10 747	8 760	7 612	3 051	5 198	903	261	843	37 375
November	12 700	9 441	8 182	3 228	5 674	1 066	301	931	41 523
December	10 724	8 707	6 925	2 839	5 079	874	308	846	36 302
1995									
January	8 271	6 188	5 706	2 643	4 071	753	255	601	28 488
February	10 792	7 810	6 530	2 629	4 513	862	374	685	34 195
March	12 677	8 814	7 317	3 228	5 234	1 038	365	825	39 498
April	9 465	6 632	5 323	2 390	3 793	803	271	580	29 257
May	12 203	8 091	6 930	2 923	4 984	1 003	393	765	37 292
June	12 697	8 015	7 063	3 290	4 913	1 051	384	762	38 175
July	11 547	8 086	7 226	3 013	4 847	992	336	786	36 833
August	11 748	9 073	7 764	3 315	5 258	1 012	388	838	39 396
September	11 066	7 990	7 286	3 167	4 797	939	415	723	36 383
October	11 064	8 741	7 646	3 287	5 103	957	367	743	37 908
SEASONALLY ADJUSTED									
1994									
August	12 183	9 792	8 276	3 378	5 432	963	359	887	42 006
September	12 366	9 611	8 257	3 223	5 887	990	337	952	41 132
October	11 792	8 995	8 057	3 289	5 553	1 024	259	945	39 825
November	11 583	8 624	7 496	3 099	5 285	993	284	909	39 097
December	12 525	9 441	8 101	2 990	6 177	966	334	1 018	38 862
1995									
January	10 933	7 883	6 716	3 011	4 967	857	323	795	35 560
February	10 667	8 360	6 276	2 719	4 614	869	345	643	35 080
March	10 285	8 109	6 226	2 760	4 446	885	301	682	34 050
April	10 367	7 471	6 042	2 708	4 199	848	318	632	32 476
May	10 351	6 614	6 156	2 705	4 267	852	372	644	33 471
June	12 851	7 823	7 160	3 063	4 571	1 015	385	700	35 970
July	11 859	8 098	7 536	3 137	4 864	1 025	360	841	37 550
August	10 989	8 365	7 116	3 044	4 814	984	369	775	37 073
September	11 061	8 257	7 502	3 316	5 065	1 038	415	740	36 843
October	11 731	8 696	7 739	3 432	5 342	1 030	363	791	39 178
TREND ESTIMATES									
1994									
August	12 694	9 990	8 504	3 401	5 688	1 000	338	964	42 660
September	12 331	9 574	8 251	3 284	5 685	994	319	953	41 270
October	12 038	9 212	7 998	3 189	5 661	985	309	941	40 036
November	11 776	8 935	7 701	3 101	5 571	968	305	917	38 847
December	11 454	8 679	7 322	3 002	5 376	940	306	871	37 549
1995									
January	11 088	8 399	6 891	2 895	5 093	904	312	805	36 148
February	10 795	8 080	6 521	2 808	4 782	876	322	734	34 883
March	10 688	7 777	6 303	2 761	4 520	867	332	681	34 075
April	10 784	7 568	6 294	2 767	4 374	880	341	661	33 881
May	11 024	7 523	6 487	2 832	4 379	912	352	676	34 344
June	11 305	7 657	6 800	2 936	4 524	950	363	711	35 247
July	11 490	7 883	7 107	3 057	4 713	984	374	745	36 234
August	11 558	8 137	7 356	3 171	4 894	1 011	381	768	37 124
September	11 571	8 378	7 557	3 274	5 062	1 031	385	784	37 888
October	11 548	8 612	7 720	3 365	5 216	1 048	386	797	38 554

¹ Excludes alterations and additions. Includes refinancing.

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									
1994									
August	1 398.5	876.2	786.1	276.2	536.3	61.8	34.6	91.0	4 060.6
September	1 337.8	800.3	735.0	248.5	503.9	59.5	32.2	94.4	3 811.5
October	1 144.2	727.4	682.3	234.0	453.7	55.5	24.3	83.7	3 405.1
November	1 372.2	806.4	724.9	252.4	489.4	69.8	26.7	85.7	3 827.6
December	1 166.9	752.8	650.2	220.6	453.5	56.4	26.1	79.9	3 406.3
1995									
January	872.8	525.9	508.4	210.3	344.3	47.2	23.8	57.1	2 589.8
February	1 196.3	664.2	584.6	215.4	405.0	57.5	36.6	68.4	3 228.1
March	1 450.9	763.5	667.9	260.7	471.4	68.7	37.3	80.5	3 800.8
April	1 098.8	580.8	487.8	192.8	348.9	53.7	27.0	59.4	2 849.3
May	1 423.1	726.6	645.2	236.9	451.8	66.5	39.8	77.0	3 667.0
June	1 473.9	714.3	660.2	268.2	445.9	67.0	36.6	75.9	3 742.0
July	1 308.8	723.7	681.7	243.5	434.0	66.4	32.3	75.6	3 566.0
August	1 312.0	807.9	711.0	256.7	477.2	69.0	45.0	80.4	3 759.3
September	1 241.0	695.9	684.7	241.8	439.2	64.1	39.4	71.0	3 477.0
October	1 264.8	749.9	715.2	249.6	463.4	67.3	36.4	76.6	3 623.1
SEASONALLY ADJUSTED									
1994									
August	1 318.9	806.7	730.3	263.2	485.0	61.2	32.5	82.9	3 838.1
September	1 330.6	811.2	728.2	252.4	520.2	63.3	31.2	93.1	3 776.7
October	1 243.7	756.0	712.9	254.4	484.2	62.9	24.9	92.1	3 600.7
November	1 270.0	726.6	674.0	248.3	463.8	63.1	25.0	84.6	3 641.7
December	1 326.3	790.5	761.8	233.3	550.9	62.1	28.6	88.3	3 629.1
1995									
January	1 217.0	678.6	610.0	241.7	431.6	51.7	29.7	77.4	3 354.6
February	1 209.1	716.6	552.1	222.8	413.3	59.1	33.7	69.0	3 341.4
March	1 185.0	705.7	573.6	217.9	407.8	58.2	32.0	69.5	3 270.6
April	1 189.3	657.4	556.5	215.7	384.1	57.0	29.6	63.5	3 133.6
May	1 180.1	596.0	579.8	218.0	388.1	56.0	37.9	64.6	3 255.8
June	1 466.5	693.8	664.6	246.3	408.1	68.1	36.8	68.4	3 504.7
July	1 321.6	732.0	703.1	250.4	435.1	69.9	35.8	81.6	3 625.1
August	1 242.8	743.7	652.1	238.2	428.2	67.2	40.2	72.5	3 543.3
September	1 249.5	721.1	695.1	255.6	453.5	69.8	40.5	71.8	3 495.4
October	1 326.0	751.9	721.1	264.8	484.2	71.8	37.0	80.0	3 731.1
TREND ESTIMATES									
1994									
August	1 355.7	830.0	744.1	264.0	494.7	63.3	30.7	94.1	3 871.5
September	1 317.9	799.7	729.0	256.0	497.9	62.8	29.0	91.2	3 765.5
October	1 290.3	773.0	714.6	250.1	497.9	62.0	27.9	88.7	3 677.7
November	1 270.7	753.0	694.7	244.8	491.2	61.0	27.7	86.0	3 596.4
December	1 249.1	735.5	664.8	238.5	475.5	59.8	28.0	82.4	3 506.8
1995									
January	1 226.6	716.6	627.9	231.0	452.8	58.4	29.2	77.5	3 407.8
February	1 212.8	695.7	596.0	225.0	428.4	57.4	30.7	72.3	3 321.3
March	1 215.5	677.5	578.5	221.9	408.1	56.9	32.3	68.5	3 274.5
April	1 233.0	667.5	580.2	222.5	396.3	56.9	33.7	66.9	3 276.3
May	1 258.9	669.4	600.5	227.0	396.2	57.3	35.1	67.6	3 327.5
June	1 284.8	683.1	631.6	234.1	407.6	67.8	36.3	69.8	3 409.9
July	1 300.1	702.0	660.4	241.9	422.9	68.3	37.5	72.2	3 492.2
August	1 304.6	721.2	682.9	249.0	438.4	69.0	38.5	74.4	3 562.1
September	1 304.0	738.1	700.7	255.2	453.3	69.7	39.1	76.1	3 619.8
October	1 300.9	753.7	715.6	260.3	467.7	70.5	39.5	77.7	3 669.1

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By Type of Borrower & Loan: Original

TYPE OF BORROWER

Month	FIRST HOME BUYERS.....				OTHER.....			
	<i>Number of dwellings financed</i>	<i>Number as per cent of total</i>	<i>Value of commitments</i>	<i>Average borrowing size</i>	<i>Number of dwellings financed</i>	<i>Number as per cent of total</i>	<i>Value of commitments</i>	<i>Average borrowing size</i>
		%	\$m	\$'000		%	\$m	\$'000
1994								
August	10 268	23.1	892.9	87.0	34 257	76.9	3 167.7	92.5
September	9 450	23.0	843.4	89.3	31 696	77.0	2 968.1	93.6
October	8 679	23.2	761.2	87.7	28 696	76.8	2 643.8	92.1
November	9 165	22.1	819.1	89.4	32 358	77.9	3 008.6	93.0
December	7 789	21.5	703.0	90.3	28 513	78.5	2 703.3	94.8
1995								
January	6 472	22.7	576.5	89.1	22 016	77.3	2 013.3	91.4
February	7 965	23.3	723.1	90.8	26 230	76.7	2 505.0	95.5
March	9 132	23.1	833.2	91.2	30 366	76.9	2 967.6	97.7
April	6 439	22.0	601.7	93.4	22 818	78.0	2 247.6	98.5
May	8 585	23.0	795.4	92.7	28 707	77.0	2 871.5	100.0
June	8 013	21.0	744.0	92.9	30 162	79.0	2 998.0	99.4
July	7 672	20.8	709.7	92.5	29 161	79.2	2 856.3	97.9
August	8 225	20.9	740.4	90.0	31 171	79.1	3 018.9	96.9
September	7 598	20.9	681.3	89.7	28 785	79.1	2 795.7	97.1
October	8 023	21.2	730.2	91.0	29 885	78.8	2 893.0	96.8

TYPE OF LOAN

Month	FIXED RATE.....				OTHER.....			
	<i>Number of dwellings financed</i>	<i>Number as per cent of total</i>	<i>Value of commitments</i>	<i>Average borrowing size</i>	<i>Number of dwellings financed</i>	<i>Number as per cent of total</i>	<i>Value of commitments</i>	<i>Average borrowing size</i>
		%	\$m	\$'000		%	\$m	\$'000
1994								
August	5 253	11.8	496.9	94.6	39 272	88.2	3 563.8	90.7
September	4 335	10.5	414.7	95.7	36 811	89.5	3 396.8	92.3
October	4 295	11.5	402.0	93.6	33 080	88.5	3 003.1	90.8
November	4 978	12.0	476.8	95.8	36 545	88.0	3 350.8	91.7
December	4 633	12.8	450.8	97.3	31 669	87.2	2 955.5	93.3
1995								
January	3 656	12.8	341.0	93.3	24 832	87.2	2 248.8	90.6
February	3 812	11.1	351.1	92.1	30 383	88.9	2 877.0	94.7
March	3 591	9.1	335.3	93.4	35 907	90.9	3 465.6	96.5
April	2 047	7.0	201.1	98.2	27 210	93.0	2 648.2	97.3
May	2 539	6.8	241.2	95.0	34 753	93.2	3 425.7	98.6
June	3 792	9.9	402.7	106.2	34 383	90.1	3 339.3	97.1
July	5 755	15.6	609.3	105.9	31 078	84.4	2 956.7	95.1
August	6 615	16.8	659.2	99.7	32 781	83.2	3 100.0	94.6
September	5 566	15.3	556.7	100.0	30 817	84.7	2 920.3	94.8
October	5 982	15.8	605.0	101.1	31 926	84.2	3 018.1	94.5

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
1994							
August	3 572.1	488.5	291.6	4 352.3	4 061.0	252.5	7 815.0
September	3 336.3	475.2	270.2	4 081.7	4 276.7	225.7	7 468.9
October	2 955.2	449.9	256.3	3 661.3	3 638.1	188.1	7 308.8
November	3 315.0	512.6	329.2	4 156.8	3 869.3	187.9	7 393.0
December	2 946.3	460.0	279.7	3 686.0	3 811.3	181.2	7 088.4
1995							
January	2 240.9	348.9	231.5	2 821.4	2 828.4	195.7	6 902.0
February	2 794.3	433.8	306.3	3 534.4	3 145.7	215.4	7 103.3
March	3 248.1	552.7	340.5	4 141.3	4 331.0	220.9	6 654.0
April	2 431.3	418.0	266.4	3 115.7	3 168.7	189.9	6 417.8
May	3 120.4	546.6	291.8	3 958.8	3 519.6	258.5	6 673.5
June	3 064.2	677.9	303.8	4 045.8	3 754.1	218.4	6 726.3
July	2 879.9	686.0	264.4	3 830.4	3 741.2	206.2	6 664.8
August	3 045.0	714.2	291.7	4 051.0	3 590.3	176.1	7 108.4
September	2 817.1	659.9	297.1	3 774.1	3 631.5	174.0	7 175.0
October	2 925.4	697.7	282.3	3 905.4	3 546.6	172.7	7 335.4

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 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.

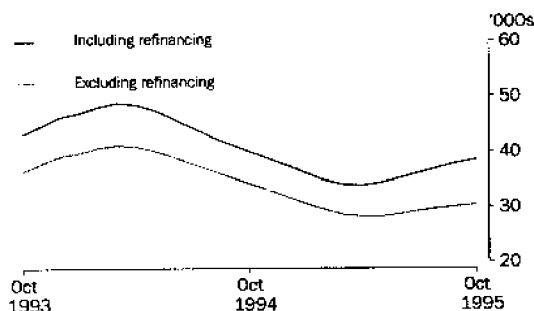
The table below compares the seasonally adjusted and trend estimates, and trend growth rates in housing finance, both inclusive and exclusive of refinancing, for the most recent fifteen month period. The graph opposite illustrates this comparison on an extended time frame.

TOTAL DWELLINGS FINANCED—Including & excluding refinancing

Month	ORIGINAL	SEASONALLY ADJUSTED.....		TREND.....		Dwellings under new finance excluding dwellings refinanced	Dwellings under new finance refinanced	Month to month change in total dwellings financed	Month to month change in dwellings under new finance
	Dwellings refinanced	Total dwellings financed	Dwellings excluding dwellings refinanced	Dwellings refinanced	Total dwellings financed				
	Number	Number	Number	Number	Number	Number	Number	%	%
1994									
August	6 041	42 006	36 727	5 279	42 660	36 591	6 068	-3.6	-3.3
September	6 016	41 132	35 155	5 977	41 270	35 411	5 860	-3.3	-3.2
October	5 594	39 825	34 032	5 793	40 036	34 254	5 781	-3.0	-3.3
November	6 180	39 097	33 081	6 016	38 847	33 086	5 761	-3.0	-3.4
December	5 470	38 862	32 803	6 059	37 549	31 862	5 686	-3.3	-3.7
1995									
January	4 158	35 560	30 060	5 500	36 148	30 616	5 532	-3.7	-3.9
February	4 882	35 080	29 855	5 225	34 883	29 476	5 407	-3.5	-3.7
March	6 302	34 050	28 619	5 431	34 075	28 636	5 439	-2.3	-2.9
April	4 764	32 476	27 285	5 191	33 881	28 216	5 666	-0.6	-1.5
May	6 293	33 471	27 790	5 681	34 344	28 282	6 062	1.4	0.2
June	7 433	35 970	28 677	7 293	35 247	28 695	6 552	2.6	1.5
July	7 790	37 550	30 197	7 353	36 234	29 205	7 029	2.8	1.8
August	8 204	37 073	29 814	7 259	37 124	29 674	7 449	2.5	1.6
September	7 547	36 843	29 620	7 223	37 888	30 075	7 813	2.1	1.3
October	8 170	39 178	30 519	8 659	38 554	30 424	8 129	1.8	1.2

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 Percentage points	Dwellings refinanced Percentage points
1994			
August	-3.6	-2.8	-0.8
September	-3.3	-2.8	-0.5
October	-3.0	-2.8	-0.2
November	-3.0	-2.9	-0.1
December	-3.3	-3.1	-0.2
1995			
January	-3.7	-3.3	-0.4
February	-3.5	-3.2	-0.3
March	-2.3	-2.4	0.1
April	-0.6	-1.2	0.7
May	1.4	0.2	1.2
June	2.6	1.2	1.4
July	2.8	1.4	1.4
August	2.5	1.3	1.2
September	2.1	1.1	1.0
October	1.8	0.9	0.8

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.

REVISIONS

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 reclassified lenders are not adjusted. 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.

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 from the series the effect of irregular or non-seasonal influences (for example, a change in interest rates).

10 In recent years there have been significant changes in the reporting practices of banks. Whereas previously some reported for four or five weeks ending on a Wednesday, banks have been gradually changing to calendar month reporting. The last of the major banks changed to calendar month reporting from April 1995. These changes to reporting practices affected the reliability of the ABS' seasonal adjustment factors for housing finance commitments of banks. As part of its annual reanalysis of the housing finance series, the ABS has undertaken a review of the trading day and seasonal patterns of the bank component. From this issue, revised adjustment factors which reflect the outcome of the review are introduced. These revised factors affect tables 1 to 4 and the statistics accompanying the refinancing section on page 12.

11 Two other developments in recent years may induce some change in the trading day and seasonal patterns of housing finance data. These include 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.

TREND ESTIMATES

12 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.

13 While the smoothing technique described in paragraph 12 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

14 Users may wish to refer to the following publications:

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

15 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)

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 \$21 million Australia-wide during the calendar year 1994.



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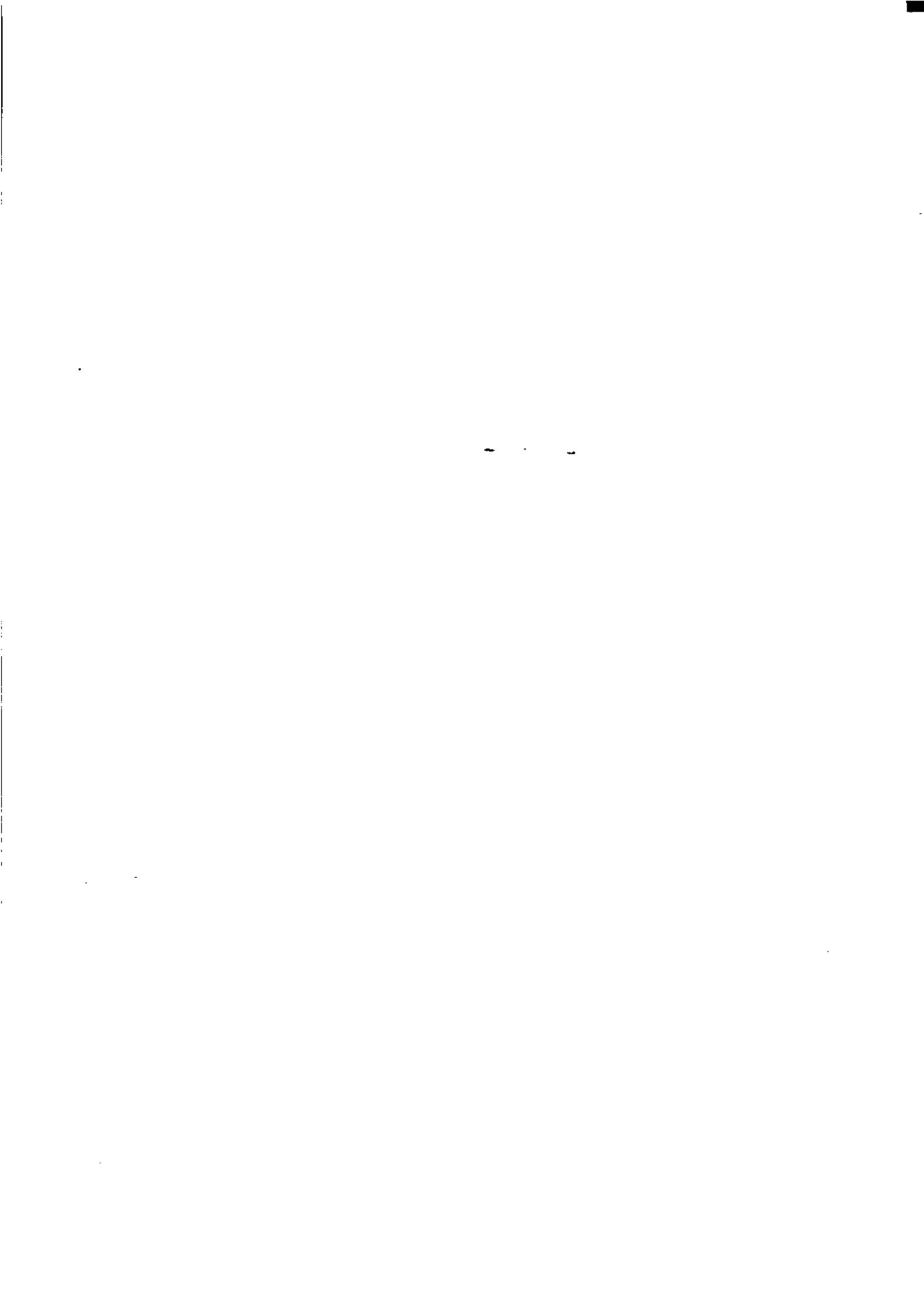
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