

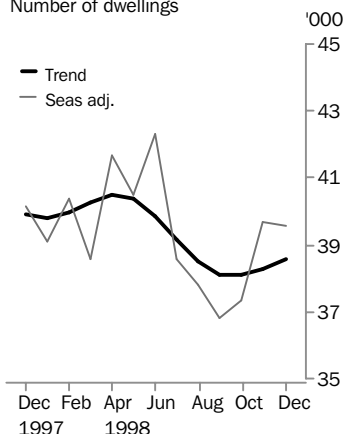
HOUSING FINANCE FOR OWNER OCCUPATION

AUSTRALIA

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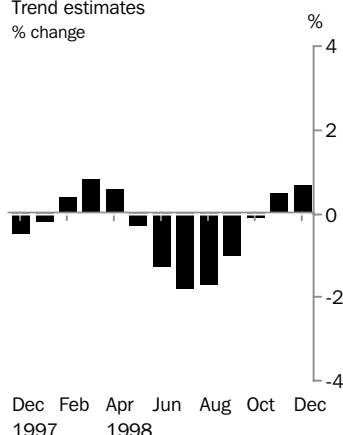
Housing finance

Number of dwellings



Number of dwellings

Trend estimates
% change



DECEMBER KEY FIGURES

TREND ESTIMATES

	Dec 1998	% change Nov 1998 to Dec 1998	% change Dec 1997 to Dec 1998
Number of dwellings financed	38 558	0.7	-3.4
Construction of dwellings	5 832	0.8	-5.2
Purchase of new dwellings	1 634	-1.5	-17.1
Purchase of established dwellings	31 093	0.8	-2.1

SEASONALLY ADJUSTED

	Dec 1998	% change Nov 1998 to Dec 1998	% change Dec 1997 to Dec 1998
Number of dwellings financed	39 535	-0.3	-1.5
Construction of dwellings	5 909	-1.3	-5.2
Purchase of new dwellings	1 707	5.2	-17.8
Purchase of established dwellings	31 919	-0.4	0.3

DECEMBER KEY POINTS

TREND ESTIMATES

- The number of dwellings financed increased by 0.7% in December 1998, with the inclusion of December data causing upward revision to the growth observed over the last two months.
- There was a further 0.8% increase in both commitments for construction of dwellings and for the purchase of established dwellings, while commitments for the purchase of new dwellings was down 1.5%.

SEASONALLY ADJUSTED ESTIMATES

- The number of dwellings financed fell 0.3% in December 1998 after a 6.2% increase in November.
- The commitments to finance the purchase of new dwellings increased by 5.2%, the first increase recorded since July 1998.
- Commitments to finance the construction of dwellings and the purchase of established dwellings decreased by 1.3% and 0.4% respectively.

ORIGINAL ESTIMATES

- The number of commitments, at rates initially fixed for two years or more, continues to fall. In December 1998 only 10.8% of the total number of dwelling commitments were on a fixed term basis, the lowest proportion recorded since October 1997.
- The average value of all commitments for housing finance in December 1998 increased to \$128 200 and is 11.5% up on the average commitment of \$115 000 in December 1997.

- For further information about these and related statistics, contact Karen Young on Sydney 02 9268 4784, or any ABS office shown on the back cover of this publication.

NOTES

FORTHCOMING ISSUES

ISSUE	RELEASE DATE
January 1999	10 March 1999
February 1999	9 April 1999
March 1999	12 May 1999
April 1999	11 June 1999
May 1999	9 July 1999
June 1999	9 August 1999

CHANGES IN THIS ISSUE

There are no changes in this 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 15 to 17.

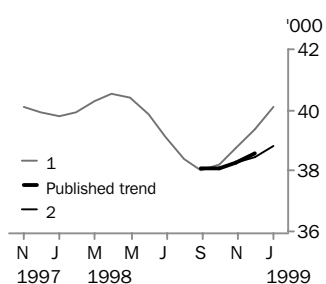
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The January 1999 seasonally adjusted estimate of number of dwellings financed is *higher* than the December 1998 seasonally adjusted estimate by 4.0%.

2 The January 1999 seasonally adjusted estimate of number of dwellings financed is *lower* than the December 1998 seasonally adjusted estimate by 4.0%.

The percentage change of 4.0% was chosen because the average absolute percentage change of the seasonally adjusted series, based on the last 10 years of data, has been 4.0%.

NUMBER OF DWELLINGS FINANCED



	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
	estimate	% change	1 rises by 4% on Dec 1998		2 falls by 4% on Dec 1998	
			estimate	% change	estimate	% change
July 1998	39 151	-1.8	39 097	-2.0	39 158	-1.8
August 1998	38 484	-1.7	38 382	-1.8	38 489	-1.7
September 1998	38 102	-1.0	38 051	-0.9	38 105	-1.0
October 1998	38 072	-0.1	38 223	0.5	38 081	-0.1
November 1998	38 278	0.5	38 733	1.3	38 264	0.5
December 1998	38 558	0.7	39 352	1.6	38 470	0.5
January 1999 (new)	—	—	40 127	2.0	38 795	0.8

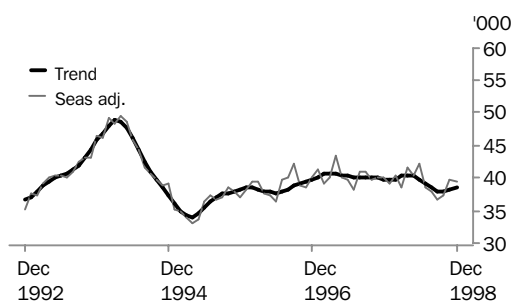
W. McLennan
Australian Statistician

HOUSING FINANCE: Summary of findings

NUMBER OF DWELLINGS FINANCED

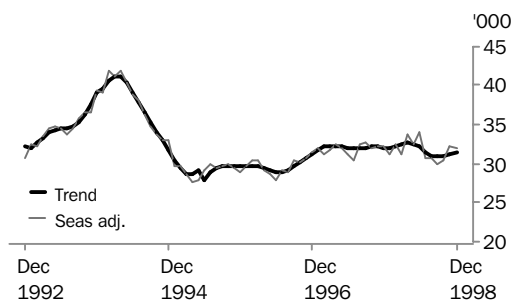
DWELLINGS FINANCED

With the inclusion of the December estimate, the trend for total dwellings financed shows increases of 0.5% and 0.7% for November and December respectively. The trend estimate increased in all States with the exception of the ACT which remained stable. Decreases in the New South Wales, Victoria and Western Australia seasonally adjusted estimates contributed to the overall national decline of 0.3%.



DWELLINGS FINANCED EXCLUDING REFINANCING

The December 1998 trend estimate for the total number of dwellings financed excluding refinancing, rose by 0.8% to 31 375, the fourth consecutive monthly increase. Seasonally adjusted, total commitments excluding refinancing decreased by 0.2%.



VALUE OF COMMITMENTS

The trend estimate for the value of commitments increased by 2.1% to \$4 884 million in December, the fourth consecutive month of moderate growth. The seasonally adjusted commitments have increased by 2.7% to \$5 082 million in December following on from stronger increases of 3.7% and 8.1% recorded for October and November respectively.

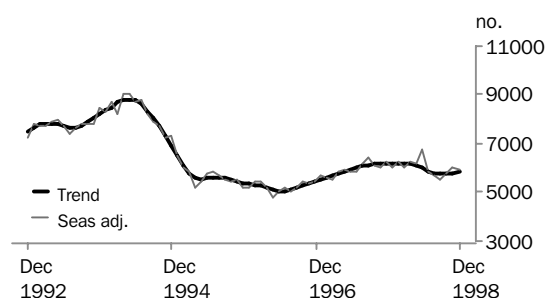
In original terms, the average value of all commitments to finance owner occupied housing increased in December 1998 to \$128 200 and has increased by 11.5% since December 1997.

TYPE OF HOUSING: Summary of findings

PURPOSE OF FINANCE

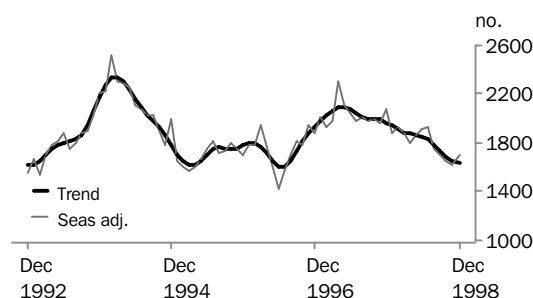
CONSTRUCTION OF DWELLINGS

The trend series for construction finance commitments increased by 0.8% to 5 832 in December following on from two smaller increases in October and November 1998. Seasonally adjusted construction commitments fell by 1.3% to 5 909 in December. Both the trend and seasonally adjusted estimates are 5.2% below the levels recorded for December 1997.



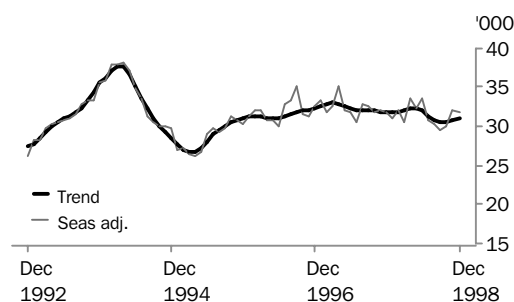
PURCHASE OF NEW DWELLINGS

The trend series for commitments to finance the purchase of newly erected dwellings decreased by 1.5% to 1 634 in December 1998 and was last at this level in July 1996. The trend is 17.8% below that estimated for December 1997. The seasonally adjusted estimate increased by 5.2% to 1 707 in December, the first increase since July 1998.



PURCHASE OF ESTABLISHED DWELLINGS

The trend series estimate for established dwelling commitments increased by 0.8% to 31 093 in December 1998. Although the estimate increased 1.6% over the last quarter of the year, it remains at 2.1% below the level of December 1997. Seasonally adjusted, the series decreased by 0.4% in December following a strong increase of 7.0% in November and a small increase of 1.3% in October 1998.

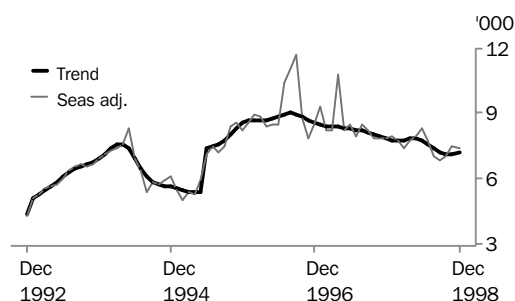


HOUSING FINANCE: Summary of findings

PURPOSE OF FINANCE *continued*

REFINANCING

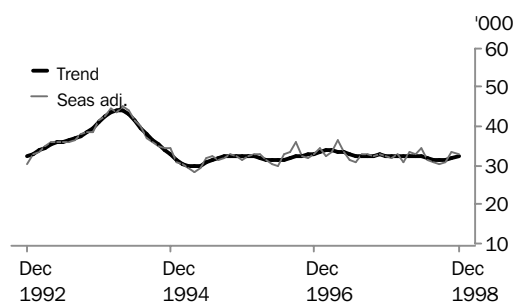
The trend series for commitments to refinance increased by 0.4% to 7 183 in December 1998. Seasonally adjusted, there was a decrease of 0.8% in the number of commitments to refinance, following on from a strong increase of 7.2% reported for November 1998.



TYPE OF LENDER

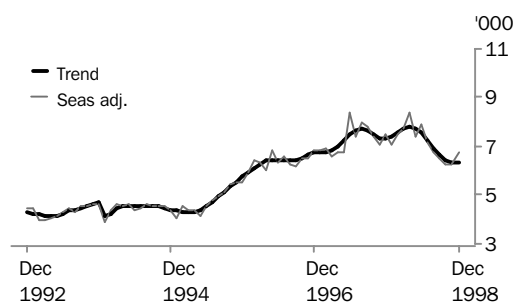
BANKS

The December trend estimate for owner occupied housing finance commitments by banks increased by 1.1% to 32 244 dwellings, the third consecutive monthly increase. Seasonally adjusted, commitments by banks fell by 2.0% in December 1998, following increases of 2.6% and 7.5% in October and November respectively. Of the commitments made by significant lenders, the proportion made by banks (in original terms) increased by 0.3 percentage points in December to 83.5%, the ninth consecutive monthly increase.



NON-BANKS

The trend series for commitments by non-bank lenders fell a further 1.0% in December, continuing the decline that commenced in May 1998. Seasonally adjusted, commitments by non-bank lenders increased by 8.5% in December, the first increase since June 1998.



HOUSING FINANCE COMMITMENTS(a), By Purpose

Month	CONSTRUCTION OF DWELLINGS		PURCHASE OF NEWLY ERECTED DWELLINGS.....		REFINANCING OF ESTABLISHED DWELLINGS.....		TOTAL PURCHASE OF ESTABLISHED DWELLINGS(b)...		TOTAL.....	
	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m
ORIGINAL										
1997										
October	6 517	723	2 139	263	8 212	820	33 408	3 770	42 064	4 756
November	5 692	654	1 930	243	7 578	739	31 234	3 553	38 856	4 450
December	5 861	673	2 002	261	7 361	721	30 901	3 525	38 764	4 460
1998										
January	4 874	554	1 592	191	6 262	626	26 154	2 937	32 620	3 682
February	6 137	687	1 849	225	7 656	772	31 871	3 528	39 857	4 440
March	6 399	741	2 036	254	7 920	793	33 342	3 784	41 777	4 779
April	6 291	702	1 741	224	7 596	750	32 763	3 670	40 795	4 596
May	6 372	714	1 783	226	7 551	772	32 135	3 674	40 290	4 614
June	6 970	832	2 051	256	8 849	905	35 002	4 070	44 023	5 159
July	6 308	779	2 068	259	8 636	885	33 550	3 921	41 926	4 959
August	5 568	695	1 745	236	7 411	749	29 497	3 505	36 810	4 436
September	5 983	756	1 696	234	7 298	745	30 179	3 524	37 858	4 514
October	5 835	721	1 740	230	7 046	719	30 164	3 623	37 739	4 574
November	5 723	712	1 710	246	7 425	794	32 027	4 008	39 460	4 966
December	5 674	729	1 627	236	7 062	756	31 435	4 003	38 736	4 968
SEASONALLY ADJUSTED										
1997										
October	6 136	687	1 988	246	7 880	788	31 811	3 618	39 936	4 551
November	5 985	691	1 967	245	7 865	781	32 215	3 661	40 167	4 598
December	6 233	717	2 076	272	7 838	757	31 813	3 620	40 122	4 609
1998										
January	6 044	702	1 886	230	7 951	803	31 160	3 580	39 091	4 512
February	6 283	711	1 927	237	7 813	794	32 197	3 620	40 407	4 567
March	6 053	687	1 889	238	7 388	753	30 642	3 476	38 584	4 401
April	6 225	691	1 796	229	7 805	783	33 670	3 771	41 691	4 691
May	6 195	695	1 858	232	7 954	794	32 469	3 679	40 522	4 606
June	6 763	818	1 910	239	8 288	805	33 661	3 815	42 334	4 872
July	5 820	700	1 928	241	7 748	784	30 822	3 611	38 570	4 552
August	5 720	707	1 747	234	7 036	727	30 346	3 556	37 813	4 496
September	5 542	709	1 701	228	6 849	696	29 569	3 479	36 812	4 417
October	5 738	718	1 660	226	6 997	726	29 952	3 635	37 351	4 579
November	5 985	738	1 622	233	7 503	829	32 061	3 978	39 668	4 948
December	5 909	761	1 707	250	7 441	792	31 919	4 071	39 535	5 082
TREND ESTIMATES										
1997										
October	6 164	695	1 990	250	8 037	800	32 009	3 621	40 163	4 566
November	6 166	704	1 988	250	7 943	792	31 948	3 636	40 102	4 589
December	6 154	706	1 971	248	7 841	784	31 773	3 624	39 897	4 577
1998										
January	6 149	703	1 942	244	7 768	778	31 713	3 612	39 804	4 559
February	6 164	701	1 911	239	7 758	779	31 872	3 617	39 947	4 556
March	6 187	699	1 889	236	7 813	785	32 203	3 642	40 278	4 577
April	6 176	699	1 877	234	7 865	789	32 457	3 668	40 510	4 601
May	6 108	699	1 870	234	7 851	784	32 414	3 673	40 392	4 607
June	5 999	701	1 856	235	7 748	773	32 028	3 653	39 883	4 589
July	5 885	705	1 828	234	7 578	761	31 438	3 628	39 151	4 567
August	5 798	710	1 784	233	7 388	751	30 902	3 623	38 484	4 566
September	5 757	716	1 736	233	7 235	748	30 609	3 654	38 102	4 604
October	5 759	725	1 692	234	7 163	753	30 620	3 724	38 072	4 682
November	5 787	734	1 658	235	7 157	764	30 833	3 814	38 278	4 783
December	5 832	742	1 634	237	7 183	776	31 093	3 905	38 558	4 884

(a) Excludes alterations and additions.

(b) Includes refinancing.

HOUSING FINANCE COMMITMENTS(a), By Type of Lender

Month	ALL BANKS.....		PERMANENT BUILDING SOCIETIES.....		MORTGAGE MANAGERS.....		TOTAL OTHER LENDERS(b).....		TOTAL.....	
	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m
ORIGINAL										
1997										
October	34 136	3 834	1 751	193	3 147	437	6 177	729	42 064	4 756
November	31 687	3 644	1 606	174	2 801	387	5 563	632	38 856	4 450
December	31 858	3 684	1 430	158	2 624	363	5 476	618	38 764	4 460
1998										
January	26 860	3 049	1 213	128	2 085	291	4 547	504	32 620	3 682
February	32 449	3 606	1 690	175	2 881	406	5 718	659	39 857	4 440
March	33 282	3 792	1 880	205	3 492	503	6 615	782	41 777	4 779
April	32 942	3 668	1 703	192	3 266	474	6 150	736	40 795	4 596
May	32 871	3 725	1 589	182	3 099	452	5 830	708	40 290	4 614
June	36 056	4 244	1 909	206	3 307	471	6 058	709	44 023	5 159
July	34 191	4 069	1 682	185	3 183	451	6 053	704	41 926	4 959
August	30 180	3 671	1 484	163	2 673	381	5 146	602	36 810	4 436
September	31 120	3 739	1 560	178	2 566	364	5 178	598	37 858	4 514
October	31 177	3 811	1 487	175	2 583	362	5 075	589	37 739	4 574
November	32 840	4 188	1 495	188	2 551	371	5 125	590	39 460	4 966
December	32 328	4 220	1 499	189	2 192	318	4 909	558	38 736	4 968
SEASONALLY ADJUSTED										
1997										
October	32 548	3 689	1 603	181	n.y.a.	n.y.a.	5 786	682	39 936	4 551
November	33 120	3 807	1 643	180	n.y.a.	n.y.a.	5 404	611	40 167	4 598
December	32 672	3 759	1 520	165	n.y.a.	n.y.a.	5 930	685	40 122	4 609
1998										
January	32 049	3 717	1 519	162	n.y.a.	n.y.a.	5 523	633	39 091	4 512
February	32 935	3 734	1 633	178	n.y.a.	n.y.a.	5 839	655	40 407	4 567
March	30 825	3 504	1 733	191	n.y.a.	n.y.a.	6 026	706	38 584	4 401
April	33 327	3 738	1 914	195	n.y.a.	n.y.a.	6 451	758	41 691	4 691
May	33 084	3 731	1 484	172	n.y.a.	n.y.a.	5 954	703	40 522	4 606
June	34 449	3 954	1 792	192	n.y.a.	n.y.a.	6 093	727	42 334	4 872
July	31 370	3 720	1 676	181	n.y.a.	n.y.a.	5 524	651	38 570	4 552
August	31 097	3 714	1 584	173	n.y.a.	n.y.a.	5 131	609	37 813	4 496
September	30 290	3 665	1 439	167	n.y.a.	n.y.a.	5 083	586	36 812	4 417
October	31 080	3 848	1 421	170	n.y.a.	n.y.a.	4 850	561	37 351	4 579
November	33 415	4 207	1 542	191	n.y.a.	n.y.a.	4 710	550	39 668	4 948
December	32 748	4 289	1 540	194	n.y.a.	n.y.a.	5 246	598	39 535	5 082
TREND ESTIMATES										
1997										
October	32 678	3 711	1 620	179	n.y.a.	n.y.a.	5 866	676	40 163	4 566
November	32 766	3 750	1 608	181	n.y.a.	n.y.a.	5 728	659	40 102	4 589
December	32 605	3 742	1 602	182	n.y.a.	n.y.a.	5 691	653	39 897	4 577
1998										
January	32 425	3 714	1 611	183	n.y.a.	n.y.a.	5 767	662	39 804	4 559
February	32 405	3 693	1 642	184	n.y.a.	n.y.a.	5 900	679	39 947	4 556
March	32 554	3 690	1 685	186	n.y.a.	n.y.a.	6 039	701	40 278	4 577
April	32 692	3 700	1 719	187	n.y.a.	n.y.a.	6 100	714	40 510	4 601
May	32 630	3 709	1 720	185	n.y.a.	n.y.a.	6 042	712	40 392	4 607
June	32 341	3 714	1 686	182	n.y.a.	n.y.a.	5 856	693	39 883	4 589
July	31 934	3 728	1 628	178	n.y.a.	n.y.a.	5 588	661	39 151	4 567
August	31 599	3 765	1 571	176	n.y.a.	n.y.a.	5 314	625	38 484	4 566
September	31 469	3 831	1 529	176	n.y.a.	n.y.a.	5 104	596	38 102	4 604
October	31 603	3 927	1 502	178	n.y.a.	n.y.a.	4 967	576	38 072	4 682
November	31 900	4 038	1 489	182	n.y.a.	n.y.a.	4 889	564	38 278	4 783
December	32 244	4 144	1 469	185	n.y.a.	n.y.a.	4 845	556	38 558	4 884

(a) Excludes alterations and additions. Includes refinancing.

(b) Includes mortgage managers.

HOUSING FINANCE COMMITMENTS(a), By State

TOTAL NUMBER OF DWELLINGS.....

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
Month	no.	no.	no.	no.	no.	no.	no.	no.	no.
ORIGINAL									
1997									
October	13 578	10 529	7 120	3 173	5 641	845	418	760	42 064
November	12 623	9 583	6 729	3 033	5 085	756	348	699	38 856
December	12 071	10 192	6 345	3 212	5 113	816	326	689	38 764
1998									
January	10 264	8 187	5 366	2 515	4 721	668	294	605	32 620
February	13 069	9 961	6 362	3 107	5 370	851	381	756	39 857
March	14 144	10 197	6 568	3 349	5 601	838	394	686	41 777
April	13 934	9 780	6 430	3 227	5 577	850	393	604	40 795
May	13 337	9 986	6 397	3 054	5 742	790	327	657	40 290
June	14 363	11 123	6 584	3 581	6 400	892	354	726	44 023
July	14 160	10 629	6 283	3 144	5 762	771	419	758	41 926
August	12 150	9 249	5 785	2 787	5 089	769	336	645	36 810
September	12 610	9 637	6 018	2 807	4 962	686	361	777	37 858
October	12 177	9 649	6 103	2 685	5 324	719	365	717	37 739
November	13 151	9 513	6 336	3 000	5 503	824	435	698	39 460
December	12 194	9 860	6 209	3 151	5 219	873	496	734	38 736

SEASONALLY ADJUSTED(b)

1997									
October	13 336	9 906	6 990	3 089	5 249	806	396	749	39 936
November	13 024	10 212	6 727	3 090	5 445	793	352	745	40 167
December	12 949	10 095	6 677	3 187	5 222	846	325	698	40 122
1998									
January	13 213	9 998	6 409	2 881	5 381	783	351	725	39 091
February	13 184	10 141	6 198	3 163	5 399	872	347	747	40 407
March	12 879	9 846	5 931	2 982	5 212	779	361	622	38 584
April	13 910	9 875	6 414	3 229	5 493	827	382	585	41 691
May	13 186	10 019	6 440	3 157	5 655	764	354	673	40 522
June	13 637	10 355	6 790	3 288	6 406	855	376	715	42 334
July	12 928	9 819	6 072	3 117	5 272	757	398	713	38 570
August	12 213	9 311	5 816	2 985	5 304	765	367	678	37 813
September	11 952	9 418	5 501	2 807	4 954	690	354	734	36 812
October	12 496	9 438	6 340	2 740	5 275	704	356	740	37 351
November	13 124	10 027	6 369	2 879	5 763	847	420	716	39 668
December	13 015	9 646	6 433	3 153	5 260	893	481	719	39 535

TREND ESTIMATES(b)

1997									
October	13 217	10 025	6 910	3 105	5 321	804	358	735	40 163
November	13 186	10 088	6 768	3 087	5 342	814	357	737	40 102
December	13 133	10 089	6 575	3 067	5 339	818	354	726	39 897
1998									
January	13 122	10 053	6 404	3 058	5 344	819	351	705	39 804
February	13 198	10 026	6 310	3 077	5 369	818	351	682	39 947
March	13 325	10 029	6 303	3 117	5 418	818	357	665	40 278
April	13 394	10 025	6 324	3 157	5 457	814	366	657	40 510
May	13 321	9 977	6 315	3 175	5 448	803	372	662	40 392
June	13 110	9 887	6 253	3 146	5 403	783	371	676	39 883
July	12 849	9 772	6 159	3 074	5 343	764	369	695	39 151
August	12 633	9 668	6 072	2 989	5 298	753	371	712	38 484
September	12 526	9 599	6 039	2 924	5 282	755	379	720	38 102
October	12 541	9 579	6 080	2 891	5 300	769	392	723	38 072
November	12 634	9 595	6 164	2 889	5 335	793	410	725	38 278
December	12 738	9 623	6 257	2 902	5 383	816	427	725	38 558

(a) Excludes alterations and additions. Includes refinancing.

(b) Sum of States and Territories may not equal Australian estimate, see Explanatory Notes 11 to 14.

HOUSING FINANCE COMMITMENTS(a), By State

TOTAL VALUE OF COMMITMENTS.....

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
Month	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
1997									
October	1 891	1 109	739	268	560	61	48	82	4 756
November	1 771	1 019	713	258	511	57	38	83	4 450
December	1 700	1 090	683	275	526	64	38	83	4 460
1998									
January	1 398	878	575	207	475	51	33	65	3 682
February	1 750	1 028	674	254	537	67	43	87	4 440
March	1 955	1 080	709	283	568	65	44	76	4 779
April	1 920	1 011	687	271	543	59	38	65	4 596
May	1 885	1 063	664	258	579	59	33	74	4 614
June	2 097	1 183	746	307	632	74	39	80	5 159
July	2 045	1 155	713	269	577	65	45	90	4 959
August	1 796	1 013	700	233	523	65	38	69	4 436
September	1 831	1 041	689	242	526	58	41	87	4 514
October	1 838	1 060	698	238	557	57	43	84	4 574
November	2 024	1 109	744	278	611	71	43	86	4 966
December	1 970	1 160	725	294	601	74	53	90	4 968

SEASONALLY ADJUSTED(b)

1997									
October	1 855	1 045	703	265	523	59	44	79	4 551
November	1 813	1 084	711	264	541	59	40	85	4 598
December	1 796	1 068	698	268	550	64	39	79	4 609
1998									
January	1 860	1 064	678	238	545	61	40	78	4 512
February	1 804	1 069	670	259	538	68	39	90	4 567
March	1 778	1 035	662	249	527	59	42	72	4 401
April	1 885	1 035	729	272	552	60	38	63	4 691
May	1 818	1 062	723	264	565	56	35	77	4 606
June	2 037	1 098	728	283	634	75	41	81	4 872
July	1 827	1 067	681	266	524	64	43	82	4 552
August	1 796	1 014	673	249	536	64	39	72	4 496
September	1 755	1 021	641	245	520	55	38	81	4 417
October	1 902	1 046	686	247	559	58	42	88	4 579
November	2 004	1 129	721	267	625	71	43	84	4 948
December	2 095	1 145	738	290	627	76	52	84	5 082

TREND ESTIMATES(b)

1997									
October	1 828	1 058	706	261	529	60	40	81	4 566
November	1 832	1 068	700	261	537	61	41	82	4 589
December	1 824	1 068	691	258	540	62	41	82	4 577
1998									
January	1 816	1 063	685	256	542	62	40	80	4 559
February	1 820	1 058	687	256	544	62	40	78	4 556
March	1 839	1 057	694	260	546	62	39	76	4 577
April	1 858	1 058	703	264	546	63	39	75	4 601
May	1 867	1 056	706	267	543	63	39	75	4 607
June	1 861	1 053	701	266	538	63	39	76	4 589
July	1 852	1 049	692	262	536	63	39	78	4 567
August	1 851	1 049	683	258	540	63	40	80	4 566
September	1 867	1 056	681	256	552	63	41	82	4 604
October	1 903	1 070	688	258	569	64	43	83	4 682
November	1 950	1 089	699	262	589	66	45	84	4 783
December	1 993	1 108	711	267	609	68	46	85	4 884

(a) Excludes alterations and additions. Includes refinancing.

(b) Sum of States and Territories may not equal Australian estimate, see Explanatory Notes 11 to 14.

HOUSING FINANCE COMMITMENTS, Original

Month	<i>Dwellings financed, excluding refinancing</i> \$m	<i>Refinancing</i> \$m	<i>Alterations and additions</i> \$m	<i>Total</i> \$m	<i>Commitments advanced during month</i> \$m	<i>Cancellation of commitments during month</i> \$m	<i>Commitments not advanced at end of month</i> \$m
1997							
October	3 936	820	265	5 021	4 479	486	9 200
November	3 711	739	235	4 685	4 073	454	9 375
December	3 739	721	222	4 682	4 607	755	8 700
1998							
January	3 056	626	190	3 872	3 810	424	8 460
February	3 668	772	243	4 683	3 700	401	9 042
March	3 986	793	256	5 035	4 248	442	9 400
April	3 846	750	224	4 819	4 364	440	9 381
May	3 842	772	225	4 839	4 128	440	9 640
June	4 253	905	245	5 404	4 274	547	10 251
July	4 074	885	222	5 181	4 674	450	10 295
August	3 687	749	200	4 635	4 102	785	10 048
September	3 769	745	203	4 718	3 995	479	10 296
October	3 856	719	216	4 791	4 088	462	10 531
November	4 172	794	219	5 185	4 304	368	11 058
December	4 211	756	218	5 185	4 822	375	11 067

HOUSING FINANCE COMMITMENTS, Refinancing–Original

REFINANCING.....

ALL HOUSING
FINANCE(a).....

Month	All banks	Permanent building societies	Mortgage managers	Total other lenders(b)	Total	Total
NUMBER						
1997						
October	6 209	338	959	1 665	8 212	42 064
November	5 716	299	856	1 563	7 578	38 856
December	5 620	292	722	1 449	7 361	38 764
1998						
January	4 779	254	606	1 229	6 262	32 620
February	5 773	369	825	1 514	7 656	39 857
March	5 652	467	993	1 801	7 920	41 777
April	5 380	404	1 105	1 812	7 596	40 795
May	5 596	343	955	1 612	7 551	40 290
June	6 850	413	975	1 586	8 849	44 023
July	6 450	377	1 037	1 809	8 636	41 926
August	5 720	319	801	1 372	7 411	36 810
September	5 668	284	762	1 346	7 298	37 858
October	5 527	262	761	1 257	7 046	37 739
November	5 876	281	748	1 268	7 425	39 460
December	5 588	290	623	1 184	7 062	38 736
VALUE (\$ million)						
1997						
October	598	31	125	191	820	4 756
November	542	30	110	167	739	4 450
December	539	28	92	153	721	4 460
1998						
January	471	24	80	131	626	3 682
February	574	33	110	165	772	4 440
March	543	45	137	204	793	4 779
April	500	38	153	212	750	4 596
May	547	32	133	193	772	4 614
June	683	44	131	178	905	5 159
July	638	40	145	208	885	4 959
August	562	32	109	154	749	4 436
September	559	29	107	158	745	4 514
October	550	25	103	144	719	4 574
November	618	30	105	145	794	4 966
December	589	36	89	132	756	4 968
AVERAGE BORROWING SIZE (\$ '000)						
1997						
October	96.3	90.9	130.6	114.7	99.8	113.1
November	94.8	101.2	128.0	106.8	97.5	114.5
December	95.9	95.8	128.1	105.9	97.9	115.0
1998						
January	98.6	93.3	132.1	106.6	99.9	112.9
February	99.4	90.4	133.2	109.0	100.8	111.4
March	96.1	96.7	138.4	113.5	100.1	114.4
April	92.9	94.5	138.4	116.8	98.7	112.7
May	97.8	94.6	139.3	119.4	102.3	114.5
June	99.8	105.5	133.9	112.4	102.3	117.2
July	98.9	105.0	139.7	114.9	102.5	118.3
August	98.3	100.0	136.0	112.5	101.0	120.5
September	98.5	102.7	140.0	117.2	102.1	119.2
October	99.5	96.9	135.5	114.3	102.0	121.2
November	105.2	108.2	140.8	114.2	106.9	125.8
December	105.3	123.5	142.3	111.5	107.1	128.2

(a) Excludes alterations and additions.

(b) Includes mortgage managers.

HOUSING FINANCE COMMITMENTS(a), By Type of Borrower and Loan–Original

Month	FIRST HOME BUYERS.....			FIXED RATE (2 YEARS OR LONGER)...			ALL FINANCE....
	<i>Dwellings financed</i>	<i>% of total</i>	<i>Average borrowing size</i>	<i>Dwellings financed</i>	<i>% of total</i>	<i>Average borrowing size</i>	<i>Average borrowing size</i>
	no.	%	\$'000	no.	%	\$'000	\$'000
1997							
October	8 872	21.1	108.1	4 143	9.8	108.4	113.1
November	8 251	21.2	105.2	4 821	12.4	111.0	114.5
December	8 047	20.8	104.0	6 023	15.5	114.2	115.0
1998							
January	6 420	19.7	107.4	7 185	22.0	111.5	112.9
February	7 914	19.9	106.9	9 805	24.6	110.7	111.4
March	8 565	20.5	108.7	8 064	19.3	111.6	114.4
April	8 121	19.9	106.8	7 116	17.4	112.3	112.7
May	8 317	20.6	107.5	6 076	15.1	115.4	114.5
June	8 256	18.8	109.9	10 733	24.4	114.5	117.2
July	8 122	19.4	113.3	9 445	22.5	112.6	118.3
August	7 524	20.4	116.2	7 194	19.5	116.1	120.5
September	7 826	20.7	116.0	7 546	19.9	112.7	119.2
October	8 350	22.1	113.5	6 133	16.3	112.2	121.2
November	8 728	22.1	118.9	4 762	12.1	116.9	125.8
December	8 650	22.3	120.7	4 196	10.8	119.4	128.2

(a) Excludes alterations and additions. Includes refinancing.

HOUSING FINANCE COMMITMENTS, By Purpose and State–Original

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
Month	no.	no.	no.	no.	no.	no.	no.	no.	no.
CONSTRUCTION OF DWELLINGS									
1997									
October	1 712	1 801	1 343	392	1 053	85	62	69	6 517
November	1 527	1 487	1 268	329	901	82	36	62	5 692
December	1 522	1 680	1 173	350	948	93	38	57	5 861
1998									
January	1 297	1 418	936	272	803	81	30	37	4 874
February	1 675	1 830	1 216	380	839	83	53	61	6 137
March	1 794	1 812	1 283	367	957	77	57	52	6 399
April	1 721	1 814	1 213	345	1 025	93	48	32	6 291
May	1 671	1 887	1 188	362	1 082	87	44	51	6 372
June	1 844	2 048	1 284	476	1 102	86	70	60	6 970
July	1 760	1 798	1 135	416	993	82	51	73	6 308
August	1 470	1 565	1 120	378	878	72	30	55	5 568
September	1 603	1 807	1 140	386	885	59	36	67	5 983
October	1 500	1 698	1 099	398	977	75	48	40	5 835
November	1 548	1 680	1 089	382	879	62	26	57	5 723
December	1 512	1 692	1 005	406	897	77	31	54	5 674
PURCHASE OF NEWLY ERECTED DWELLINGS									
1997									
October	707	573	407	101	263	27	14	47	2 139
November	705	508	340	93	209	24	16	35	1 930
December	688	562	363	108	205	26	10	40	2 002
1998									
January	531	404	292	75	211	18	26	35	1 592
February	671	479	301	97	203	19	39	40	1 849
March	753	557	351	97	204	12	31	31	2 036
April	689	447	316	85	134	18	32	20	1 741
May	632	473	323	87	194	13	28	33	1 783
June	764	559	357	88	211	18	18	36	2 051
July	844	546	350	75	142	12	25	74	2 068
August	607	521	345	70	121	8	35	38	1 745
September	639	465	334	70	124	24	19	21	1 696
October	592	551	319	71	121	26	22	38	1 740
November	582	528	320	88	122	15	25	30	1 710
December	549	514	280	77	108	14	42	43	1 627
PURCHASE OF ESTABLISHED DWELLINGS(a)									
1997									
October	11 159	8 155	5 370	2 680	4 325	733	342	644	33 408
November	10 391	7 588	5 121	2 611	3 975	650	296	602	31 234
December	9 861	7 950	4 809	2 754	3 960	697	278	592	30 901
1998									
January	8 436	6 365	4 138	2 168	3 707	569	238	533	26 154
February	10 723	7 652	4 845	2 630	4 328	749	289	655	31 871
March	11 597	7 828	4 934	2 885	4 440	749	306	603	33 342
April	11 524	7 519	4 901	2 797	4 418	739	313	552	32 763
May	11 034	7 626	4 886	2 605	4 466	690	255	573	32 135
June	11 755	8 516	4 943	3 017	5 087	788	266	630	35 002
July	11 556	8 285	4 798	2 653	4 627	677	343	611	33 550
August	10 073	7 163	4 320	2 339	4 090	689	271	552	29 497
September	10 368	7 365	4 544	2 351	3 953	603	306	689	30 179
October	10 085	7 400	4 685	2 216	4 226	618	295	639	30 164
November	11 021	7 305	4 927	2 530	4 502	747	384	611	32 027
December	10 133	7 654	4 924	2 668	4 214	782	423	637	31 435

(a) Includes refinancing.

HOUSING FINANCE COMMITMENTS(a), By State–Original: December 1998

State	CONSTRUCTION OF DWELLINGS		PURCHASE OF NEWLY ERECTED DWELLINGS.....		PURCHASE OF ESTABLISHED DWELLINGS(b)...		TOTAL DWELLINGS, EXCLUDING REFINANCING.....		REFINANCING	TOTAL...
	Houses	Other	Houses	Other	Houses	Other	Houses	Other	All dwellings	All dwellings
NUMBER										
New South Wales	1 427	85	323	226	6 956	894	8 706	1 205	2 283	12 194
Victoria	1 596	96	326	188	5 494	507	7 416	791	1 653	9 860
Queensland	965	40	197	83	3 511	283	4 673	406	1 130	6 209
South Australia	394	12	58	19	2 061	93	2 513	124	514	3 151
Western Australia	819	78	77	31	2 714	475	3 610	584	1 025	5 219
Tasmania	n.p.	n.p.	n.p.	n.p.	540	12	624	19	230	873
Northern Territory	n.p.	n.p.	n.p.	n.p.	289	14	354	22	120	496
Australian Capital Territory	n.p.	n.p.	n.p.	n.p.	502	28	580	47	107	734
Australia	5 354	320	1 055	572	22 067	2 306	28 476	3 198	7 062	38 736
VALUE(\$million)										
New South Wales	221	14	52	44	1 185	159	1 458	218	295	1 970
Victoria	188	11	44	25	668	62	900	98	162	1 160
Queensland	119	6	24	13	414	36	557	55	114	725
South Australia	40	1	5	1	196	7	242	10	43	294
Western Australia	98	10	11	4	315	55	423	69	108	601
Tasmania	n.p.	n.p.	n.p.	n.p.	49	1	58	2	14	74
Northern Territory	n.p.	n.p.	n.p.	n.p.	32	2	41	3	9	53
Australian Capital Territory	n.p.	n.p.	n.p.	n.p.	62	3	73	6	11	90
Australia	687	42	144	92	2 921	325	3 752	459	756	4 968
AVERAGE BORROWING SIZE(\$'000)										
New South Wales	155.1	164.9	159.8	196.8	170.3	178.0	167.4	180.6	129.3	161.6
Victoria	118.0	110.5	136.0	133.1	121.5	122.3	121.4	123.4	98.2	117.7
Queensland	123.7	143.3	119.6	160.4	117.9	125.9	119.1	134.7	100.8	116.8
South Australia	102.4	79.5	85.9	69.3	95.3	79.3	96.2	77.8	82.9	93.3
Western Australia	119.4	126.5	142.0	136.1	116.0	115.5	117.3	118.0	105.5	115.1
Tasmania	n.p.	n.p.	n.p.	n.p.	91.3	112.4	93.4	106.3	61.2	85.2
Northern Territory	n.p.	n.p.	n.p.	n.p.	112.0	118.7	115.8	132.0	73.6	106.3
Australian Capital Territory	n.p.	n.p.	n.p.	n.p.	123.7	111.4	125.5	117.4	105.2	122.1
Australia	128.4	131.4	136.3	160.5	132.4	141.0	131.8	143.5	107.1	128.2

(a) Excludes alterations and additions.

(b) Excludes 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. Commitments for the purchase of land, or for the construction or purchase of dwellings for rental or resale, are excluded and shown in *Lending Finance* (Cat. no. 5671.0).

SCOPE

2 The following types of lenders are included:

- 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 owner-occupied housing.

4 An annual collection is conducted to maintain coverage of significant lenders. New lenders are included as their 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.

REVISIONS

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

REFINANCING

8 Data on refinancing has been collected separately since July 1991. The seasonally adjusted estimates should be considered preliminary until additional observations are available to produce more reliable seasonal estimates. Refinancing excludes an institution's refinancing of its own loans over the same dwelling (refer to glossary).

EXPLANATORY NOTES

MORTGAGE MANAGERS

9 Commitments for housing finance by mortgage managers are included in 'other lenders' and 'total lenders' when not separately identified. Data for mortgage managers are only available separately from July 1995. Prior to July 1995, the more significant mortgage managers were included with 'other lenders'. Seasonally adjusted data for mortgage managers will not be available until a sufficient number of observations are available to estimate seasonal patterns.

10 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 reported by those lending institutions providing the finance, and are included in the lender type category relating to those institutions;
- commitments by mortgage managers for investment housing are excluded. The value of those commitments is included in Commercial Finance estimates.

SEASONAL ADJUSTMENT

11 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.

12 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.

13 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.

14 State component series have been seasonally adjusted independently of the Australian series. The sum of the States components is therefore unlikely to equal the corresponding Australian total series. The State component series are also affected by the changes mentioned in paragraphs 12 and 13.

TREND ESTIMATES

15 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* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on 02 6252 6345.

EXPLANATORY NOTES

TREND ESTIMATES *continued*

16 While the smoothing technique described in paragraph 15 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.

17 Volatility in the refinancing series means that the most recent trend estimates may be subjected to greater revision than usual. Users are advised to exercise care when interpreting movements affected by this volatility.

RELATED RELEASES

18 Estimates for months prior to those shown in this publication are available. Users may wish to refer to more detailed commitment series for Personal, Commercial and Lease Finance that are available by purpose, type of facility and industry. There may be a charge for this information, depending on the volume of data requested.

19 Users may also wish to refer to the following releases:

- *Lending Finance, Australia* (Cat. no. 5671.0)
Provides monthly data on the value of finance commitments for individuals for housing and other personal finance commitments, commercial finance commitments to businesses under fixed and revolving credit facilities and value of goods under lease finance commitments.
- *Assets and Liabilities of Australian Securitisors* (Cat. no. 5232.0.40.001)
Provides quarterly information on the assets and liabilities of securitisors. These financial institutions issue short and/or long term securities (known as asset-backed securities) against specifically matched assets (e.g. mortgages, credit cards receivables).
- *Annual Statistics for Financial Institutions* (Cat. no. 5661.0.40.001)
The statistics cover type and amount of assets and liabilities, source of income, type of expenditure and appropriation of profits for each institution type registered under the *Financial Corporations Act 1974*.
- *Reserve Bank of Australia Bulletin* (Reserve Bank of Australia)
Contains feature articles on current issues in the financial markets and monthly financial information for banks and other financial institutions registered under the *Financial Corporations Act 1974*. Statistics on the financial markets (e.g. interest rates and share prices indices) and relevant aggregates of the Commonwealth Government, National Accounts and Balance of Payments are also published.
- *Buildings Approvals, Australia* (Cat. no. 8731.0)
Provides monthly data on the number dwelling units and value of residential buildings approved for private and public sector, value of alterations and additions and value of non-residential buildings by class of building.
- *Building Activity Australia, Dwelling Unit Commencements* (Cat. no. 8750.0)
Contains preliminary quarterly estimates of the number of dwelling units commenced for private and public sector.

SYMBOLS AND OTHER USAGES

- n.p. not available for publication
n.y.a not yet available
m millions

G L O S S A R Y

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	<p>Average borrowing is calculated as follows:</p> $\frac{\text{Total value of lending commitments per month}}{\text{Total number of dwellings financed per month}}$ <p>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.</p>
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.
Commitments not advanced	<p>Commitments not advanced at the end of the period are calculated as follows:</p> $\begin{aligned} & \text{Balance of unadvanced commitments at the end of the previous period} \\ + & \text{Total new housing commitments (including refinancing)} \\ + & \text{Alterations and additions} \\ \hline = & \text{Total commitments} \\ - & \text{Cancellations of commitments} \\ - & \text{Commitments advanced during the period} \\ \hline = & \text{Commitments not advanced at the end of the period} \end{aligned}$
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 house, etc.
Dwelling units	Dwelling units refer 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.

G L O S S A R Y

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 Managers	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.
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 \$34 million Australia-wide during the calendar year 1997.

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