HOUSING FINANCE FOR OWNER OCCUPATION
AUSTRALIA

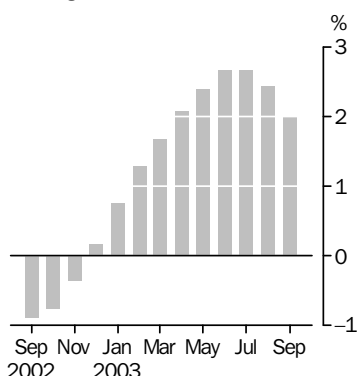**Housing finance**
Number of dwellings
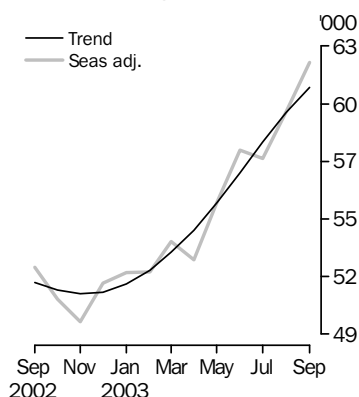
Number of dwellings
Trend estimates
% change

KEY FIGURES

	Sep 2003	Aug 2003 to Sep 2003
	no.	% change
TREND ESTIMATES		
Total number of dwelling commitments	**60 991**	**2.0**
Construction of dwellings	5 701	—
Purchase of new dwellings	1 685	1.0
Purchase of established dwellings(a)	53 605	2.3
SEASONALLY ADJUSTED ESTIMATES		
Total number of dwelling commitments	**62 218**	**4.0**
Construction of dwellings	5 678	1.0
Purchase of new dwellings	1 650	–1.5
Purchase of established dwellings(a)	54 890	4.5

— nil or rounded to zero (including null cells)
(a) Includes refinancing.

KEY POINTS

TREND ESTIMATES

- The trend series for the number of housing finance commitments increased by 2.0% in September 2003. The trend series, excluding refinancing of existing loans, rose by 1.4% in September. The trend series for the value of commitments increased by 3.1% in September.

- The construction finance trend series remained constant in September after increasing in each of the months since the beginning of 2003. The trend for the purchase of new dwellings increased by 1.0%, while commitments for established dwellings rose by 2.3%. The refinancing trend increased by 3.5%.

SEASONALLY ADJUSTED ESTIMATES

- The number of housing finance commitments (seasonally adjusted) increased by 4.0% in September 2003, driven by an increase in commitments for the refinancing of established dwellings (up 7.1%), established dwellings not refinanced (up 3.2%) and commitments for the construction of dwellings (up 1.0%). This was partly offset by a decrease in purchase of new dwellings (down 1.5%). A record 30% of all finance approvals were for the refinancing of an existing loan.

- Value of commitments (seasonally adjusted) rose by 3.9% in September 2003.

ORIGINAL ESTIMATES

- A record low 13.3% of all loans were to first home buyers, while the percentage of fixed rate commitments (for two years or more) increased for the third successive month to 9.7%.

NOTES

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CHANGES IN THIS ISSUE

In the August issue we indicated that we were investigating some reporting quality issues. These investigations have resulted in significant revisions to the number and value of total housing finance commitments for August. The revisions were mainly made to established dwelling finance and have increased total number of housing finance commitments (seasonally adjusted) for August from 58,741 to 59,815.

INVESTMENT HOUSING

The value of commitments for the construction or purchase of dwellings for rent or resale is published in the monthly Lending Finance, Australia (cat. no. 5671.0).

SEASONAL ADJUSTMENT

From the next issue of this publication, the concurrent adjustment method of seasonal adjustment will replace the forward factor approach used up until now. The main difference between the two methods is that the concurrent adjustment method uses the most recently available data every month to re-estimate seasonal factors whereas the forward factor approach uses the most recently available data only once a year to produce forward estimates of the seasonal factors. Experience with a wide range of ABS collections indicates that concurrent adjustment generally produces more accurate initial seasonally adjusted estimates. However, it can result in revisions to the seasonally adjusted estimates for previous months.

A note showing the impacts of the change in methodology on the series in this publication is available on the ABS website (www.abs.gov.au - click on AusStats).

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ABBREVIATIONS

ABS   Australian Bureau of Statistics
APRA   Australian Prudential Regulation Authority
n.e.c.   not elsewhere classified

Dennis Trewin
Australian Statistician

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ADDITIONAL TABLES ON AUSSTATS

TABLES AVAILABLE ON
AUSSTATS

Additional tables are available from the AusStats service on <www.abs.gov.au> by selecting *Time Series Spreadsheets* and then *Finance*.

Tables available are:

- longer time series of tables in this publication
- the following tables

    9b   Housing finance commitments, By Type of Buyer and Loan: State, Original

    11a   Housing finance commitments, By Purpose and Lender:Australia, Original (Number)

    11b   Housing finance commitments, By Purpose and Lender:Australia, Original ($'000)

    11c   Housing finance commitments, By Purpose and Lender:Australia, Original (Average Loan Size - $'000)

DWELLINGS FINANCED

*Number financed including
refinancing*

The seasonally adjusted housing finance series continued its recent growth, increasing by 4.0% (up 2403) in September 2003 following a 4.0% increase in August 2003. For the second successive month, the increase was mainly due to strengths in the refinancing of established dwellings (up 1234, 7.1%) and purchase of established dwellings excluding refinancing (up 1138, 3.2%). There were small movements in finance for the construction of dwellings (up 56, or 1.0%) and the purchase of new dwellings (down 25, -1.5%). The total housing commitments trend increased in September (up 1202, 2.0%).

Increases were recorded in seasonally adjusted terms for all states and territories. New South Wales (up 633, 3.3%) and Western Australia (up 361, 4.9%) had the largest absolute increases while Tasmania and Northern Territory recorded the highest proportional rises with increases of 12.3% and 10.9% respectively. The trend series increased in September 2003 for all states and territories, except for the Northern Territory.
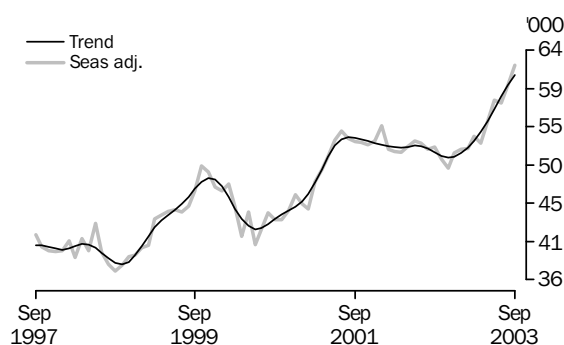
In original terms, the average loan size continued to grow strongly, increasing by $3500 to $189100 in September 2003. The percentage of first home buyers continued its pattern of general decline since a record high of 25.8% in July 2001, declining marginally to a record low of 13.3% in September 2003. The percentage of commitments at a fixed rate of interest (for at least two years) increased for the third successive month from 9.0% in August 2003 to 9.7% in September 2003.

*Number financed
excluding refinancing*

The number of dwellings financed excluding refinancing (seasonally adjusted) increased in September 2003 (up 1169, 2.8%), after a 3.2% rise in August. The trend series increased by 1.4% in September.
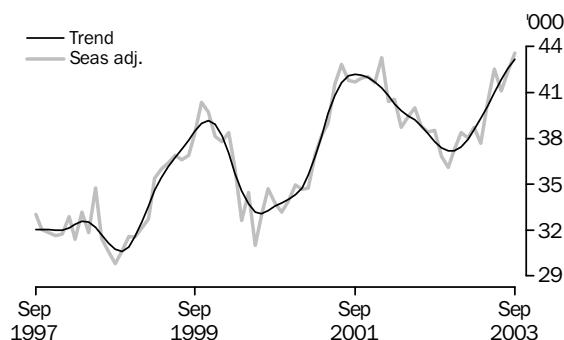
Value of commitments

The total value of commitments (seasonally adjusted) increased by 3.9% in September 2003, after a rise of 5.3% in August. The trend series continued its run of increases since March 2002, rising by 3.1% in September 2003.

PURPOSE OF FINANCE
Construction of dwellings

Construction commitments (seasonally adjusted) rose by 1.0% in September 2003. The trend series remained flat in September, following increases in each of the previous months in 2003.
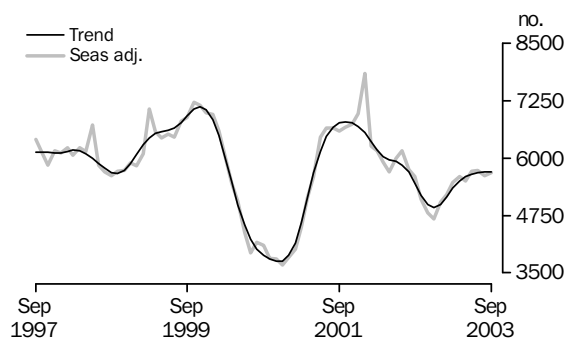
Purchase of new dwellings

The number of finance commitments for the purchase of new dwellings (seasonally adjusted) fell by 1.5% in September 2003, after a decrease of 1.9% in August. The trend series rose 1.0% in September, following a run of larger increases since October 2002.
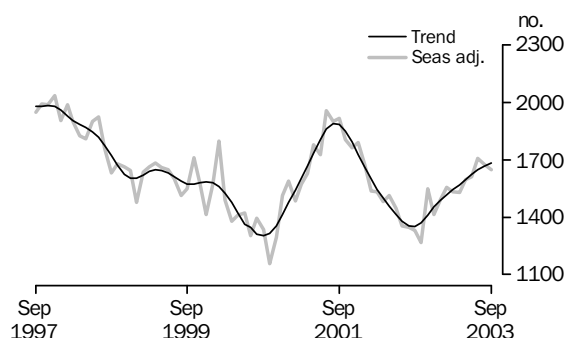
Purchase of established dwellings

Finance commitments for the purchase of established dwellings in September rose 4.5% (seasonally adjusted) and 2.3% (trend). The seasonally adjusted increase was due to similar increases in refinancing (up 1234) and other financing commitments for established dwellings (up 1138).
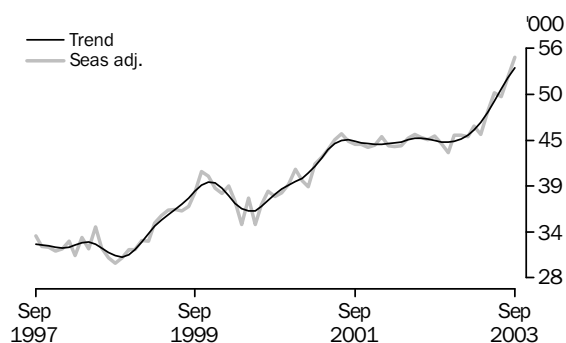
Refinancing

Refinancing commitments grew strongly in September 2003, increasing by 7.1% in seasonally adjusted terms. As a result, trend growth remained strong, at 3.5%..
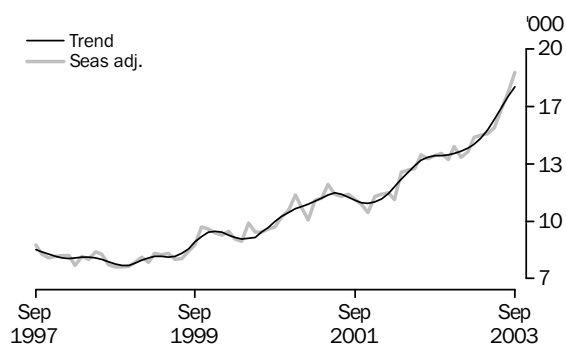
TYPE OF LENDER

Banks

Bank finance (seasonally adjusted) increased by 1.8% in September 2003, after a revised increase of 5.7% in August. Growth in the trend series eased slightly to 2.2%.
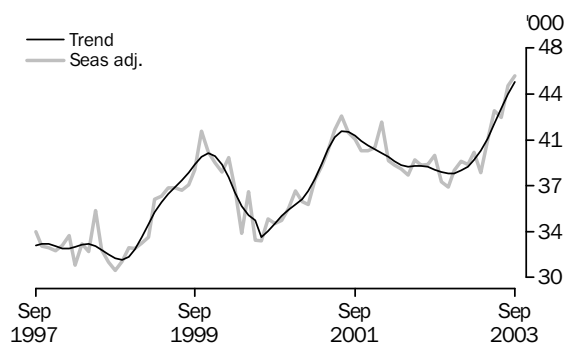
Non-banks

Non-bank commitments (seasonally adjusted) rose sharply by 10.7% in September 2003, after a decrease of 1.2% in August. Permanent building societies were up 163, 7.1%, and wholesale lenders were up 541, 5.9%. The non-bank trend series continued to increase, but at the slower rate of 1.6% for September.
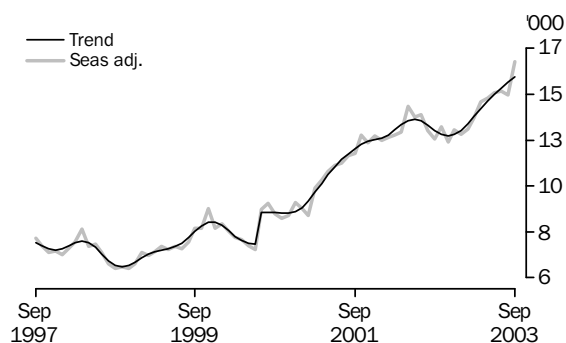
HOUSING FINANCE COMMITMENTS (a), By Purpose: Australia

Month	Construction of dwellings no.	$m	Purchase of new dwellings no.	$m	Purchase of established dwellings(b) no.	$m	Total no.	$m	Refinancing of established dwellings no.	$m	Total excluding refinancing of established dwellings no.	$m
ORIGINAL												
2002												
September	5 340	845	1 340	248	42 151	6 965	**48 831**	8 058	12 803	1 905	36 028	6 153
October	5 536	906	1 358	248	46 428	7 628	**53 322**	8 782	14 334	2 084	38 988	6 698
November	5 030	856	1 574	300	45 178	7 514	**51 782**	8 670	13 901	2 031	37 881	6 639
December	4 794	809	1 385	270	43 494	7 408	**49 673**	8 486	13 326	2 004	36 347	6 482
2003												
January	4 208	710	1 314	255	39 482	6 620	**45 004**	7 585	11 562	1 679	33 442	5 906
February	4 706	822	1 411	267	43 055	7 192	**49 172**	8 281	13 455	2 019	35 717	6 261
March	5 282	913	1 551	308	48 239	8 238	**55 072**	9 459	15 408	2 362	39 664	7 097
April	5 242	921	1 444	297	45 904	8 078	**52 590**	9 296	14 476	2 228	38 114	7 069
May	5 904	1 068	1 675	363	51 811	9 161	**59 390**	10 592	16 233	2 492	43 157	8 100
June	5 621	1 030	1 636	337	49 798	8 862	**57 055**	10 229	16 451	2 559	40 604	7 671
July	6 475	1 203	1 845	393	53 528	9 715	**61 848**	11 310	17 613	2 839	44 235	8 471
August	5 685	1 032	1 637	345	51 335	9 508	**58 657**	10 884	16 862	2 759	41 795	8 126
September	5 750	1 079	1 718	375	52 944	9 969	**60 412**	11 422	18 014	3 000	42 398	8 422
SEASONALLY ADJUSTED												
2002												
September	5 605	904	1 331	249	45 298	7 431	**52 234**	8 584	13 738	2 043	38 496	6 541
October	5 104	826	1 267	240	44 346	7 471	**50 717**	8 537	13 872	2 025	36 845	6 513
November	4 806	827	1 548	286	43 247	7 214	**49 601**	8 328	13 513	2 001	36 088	6 326
December	4 677	781	1 415	276	45 385	7 560	**51 477**	8 618	14 248	2 142	37 229	6 476
2003												
January	5 044	857	1 493	294	45 443	7 579	**51 980**	8 730	13 633	2 008	38 347	6 722
February	5 202	908	1 558	291	45 258	7 629	**52 018**	8 828	13 973	2 095	38 045	6 732
March	5 463	914	1 533	307	46 516	7 831	**53 512**	9 052	14 794	2 241	38 718	6 811
April	5 606	973	1 530	315	45 493	8 088	**52 629**	9 376	14 947	2 262	37 682	7 113
May	5 506	1 014	1 598	347	48 254	8 410	**55 358**	9 770	15 013	2 324	40 345	7 446
June	5 721	1 065	1 611	333	50 615	8 908	**57 947**	10 305	15 407	2 359	42 540	7 946
July	5 742	1 046	1 707	363	50 092	9 243	**57 541**	10 651	16 442	2 674	41 099	7 977
August	5 622	1 037	1 675	347	52 518	9 833	**59 815**	11 217	17 414	2 845	42 401	8 372
September	5 678	1 083	1 650	365	54 890	10 211	**62 218**	11 658	18 648	3 106	43 570	8 553
TREND												
2002												
September	5 455	881	1 351	254	44 721	7 333	**51 527**	8 468	13 734	1 997	37 793	6 471
October	5 194	853	1 372	259	44 565	7 378	**51 131**	8 490	13 755	2 026	37 376	6 464
November	4 996	832	1 409	268	44 545	7 417	**50 950**	8 518	13 789	2 046	37 161	6 472
December	4 925	830	1 454	278	44 660	7 467	**51 039**	8 574	13 858	2 064	37 181	6 510
2003												
January	4 993	848	1 491	288	44 946	7 544	**51 430**	8 679	13 988	2 087	37 442	6 592
February	5 156	884	1 519	298	45 417	7 668	**52 092**	8 850	14 178	2 122	37 914	6 729
March	5 347	929	1 544	309	46 074	7 860	**52 965**	9 098	14 415	2 170	38 550	6 928
April	5 508	971	1 567	320	46 993	8 139	**54 068**	9 431	14 771	2 247	39 297	7 183
May	5 604	1 005	1 597	332	48 170	8 492	**55 371**	9 829	15 263	2 358	40 108	7 471
June	5 652	1 030	1 624	342	49 573	8 893	**56 849**	10 265	15 872	2 498	40 977	7 768
July	5 682	1 050	1 649	350	51 037	9 301	**58 368**	10 701	16 542	2 650	41 826	8 051
August	5 700	1 065	1 669	358	52 420	9 682	**59 789**	11 104	17 213	2 802	42 576	8 302
September	5 701	1 076	1 685	362	53 605	10 006	**60 991**	11 444	17 811	2 938	43 180	8 506

(a)   Excludes alterations and additions.

(b)   Includes refinancing.

Month	Construction of dwellings		Purchase of new dwellings		Purchase of established dwellings(b)		Total		Refinancing of established dwellings		Total excluding refinancing of established dwellings	
	no.	value	no.	value	no.	value	no.	value	no.	value	no.	value
ORIGINAL (% change from previous month)												
2002												
September	–10.3	–10.9	–2.4	–7.4	–5.9	–3.6	**–6.3**	–4.6	–6.7	–4.0	–6.1	–4.7
October	3.7	7.2	1.3	0.1	10.1	9.5	**9.2**	9.0	12.0	9.4	8.2	8.8
November	–9.1	–5.5	15.9	20.7	–2.7	–1.5	**–2.9**	–1.3	–3.0	–2.6	–2.8	–0.9
December	–4.7	–5.5	–12.0	–10.1	–3.7	–1.4	**–4.1**	–2.1	–4.1	–1.3	–4.0	–2.4
2003												
January	–12.2	–12.3	–5.1	–5.4	–9.2	–10.6	**–9.4**	–10.6	–13.2	–16.2	–8.0	–8.9
February	11.8	15.8	7.4	4.6	9.0	8.6	**9.3**	9.2	16.4	20.3	6.8	6.0
March	12.2	11.1	9.9	15.6	12.0	14.5	**12.0**	14.2	14.5	17.0	11.1	13.3
April	–0.8	0.9	–6.9	–3.8	–4.8	–1.9	**–4.5**	–1.7	–6.0	–5.7	–3.9	–0.4
May	12.6	15.9	16.0	22.3	12.9	13.4	**12.9**	13.9	12.1	11.9	13.2	14.6
June	–4.8	–3.5	–2.3	–7.1	–3.9	–3.3	**–3.9**	–3.4	1.3	2.7	–5.9	–5.3
July	15.2	16.7	12.8	16.6	7.5	9.6	**8.4**	10.6	7.1	10.9	8.9	10.4
August	–12.2	–14.2	–11.3	–12.2	–4.1	–2.1	**–5.2**	–3.8	–4.3	–2.8	–5.5	–4.1
September	1.1	4.6	4.9	8.6	3.1	4.9	**3.0**	4.9	6.8	8.8	1.4	3.7
SEASONALLY ADJUSTED (% change from previous month)												
2002												
September	–2.6	–2.3	–1.3	–4.5	1.0	2.1	**0.5**	1.4	1.4	3.9	0.2	0.7
October	–8.9	–8.6	–4.8	–3.8	–2.1	0.5	**–2.9**	–0.5	1.0	–0.9	–4.3	–0.4
November	–5.8	0.1	22.2	19.4	–2.5	–3.4	**–2.2**	–2.5	–2.6	–1.1	–2.1	–2.9
December	–2.7	–5.5	–8.6	–3.6	4.9	4.8	**3.8**	3.5	5.4	7.0	3.2	2.4
2003												
January	7.8	9.7	5.5	6.6	0.1	0.2	**1.0**	1.3	–4.3	–6.3	3.0	3.8
February	3.1	5.9	4.4	–1.2	–0.4	0.7	**0.1**	1.1	2.5	4.4	–0.8	0.2
March	5.0	0.7	–1.6	5.6	2.8	2.6	**2.9**	2.5	5.9	6.9	1.8	1.2
April	2.6	6.4	–0.2	2.6	–2.2	3.3	**–1.7**	3.6	1.0	0.9	–2.7	4.4
May	–1.8	4.2	4.4	10.1	6.1	4.0	**5.2**	4.2	0.4	2.7	7.1	4.7
June	3.9	5.0	0.8	–4.1	4.9	5.9	**4.7**	5.5	2.6	1.5	5.4	6.7
July	0.4	–1.8	6.0	9.2	–1.0	3.8	**–0.7**	3.4	6.7	13.4	–3.4	0.4
August	–2.1	–0.9	–1.9	–4.3	4.8	6.4	**4.0**	5.3	5.9	6.4	3.2	4.9
September	1.0	4.4	–1.5	4.9	4.5	3.8	**4.0**	3.9	7.1	9.2	2.8	2.2
TREND (% change from previous month)												
2002												
September	–4.2	–2.9	–0.4	0.7	–0.5	0.8	**–0.9**	0.4	0.6	2.3	–1.4	–0.1
October	–4.8	–3.3	1.6	2.3	–0.3	0.6	**–0.8**	0.3	0.2	1.4	–1.1	–0.1
November	–3.8	–2.4	2.7	3.2	—	0.5	**–0.4**	0.3	0.2	1.0	–0.6	0.1
December	–1.4	–0.3	3.2	3.7	0.3	0.7	**0.2**	0.7	0.5	0.9	0.1	0.6
2003												
January	1.4	2.2	2.5	3.6	0.6	1.0	**0.8**	1.2	0.9	1.1	0.7	1.3
February	3.3	4.3	1.9	3.7	1.0	1.6	**1.3**	2.0	1.4	1.6	1.3	2.1
March	3.7	5.0	1.6	3.8	1.4	2.5	**1.7**	2.8	1.7	2.3	1.7	3.0
April	3.0	4.6	1.5	3.6	2.0	3.6	**2.1**	3.7	2.5	3.6	1.9	3.7
May	1.7	3.5	1.9	3.5	2.5	4.3	**2.4**	4.2	3.3	4.9	2.1	4.0
June	0.9	2.5	1.7	3.1	2.9	4.7	**2.7**	4.4	4.0	5.9	2.2	4.0
July	0.5	1.9	1.5	2.5	3.0	4.6	**2.7**	4.2	4.2	6.1	2.1	3.6
August	0.3	1.5	1.2	2.0	2.7	4.1	**2.4**	3.8	4.1	5.7	1.8	3.1
September	—	1.1	1.0	1.4	2.3	3.3	**2.0**	3.1	3.5	4.8	1.4	2.5

— nil or rounded to zero (including null cells) (b) Includes refinancing.

(a) Excludes alterations and additions.

3 HOUSING FINANCE COMMITMENTS(a), By Lender: Australia

Month	Banks no.	Banks $m	Non-banks(b) no.	Non-banks(b) $m	Total no.	Total $m	Permanent building societies no.	Permanent building societies $m	Wholesale lenders n.e.c. no.	Wholesale lenders n.e.c. $m
					ORIGINAL					
2002										
September	36 538	6 183	12 293	1 875	**48 831**	8 058	1 778	248	7 651	1 272
October	39 665	6 725	13 657	2 057	**53 322**	8 782	2 264	316	8 270	1 345
November	38 901	6 788	12 881	1 882	**51 782**	8 670	2 119	300	7 681	1 204
December	37 450	6 653	12 223	1 833	**49 673**	8 486	1 923	266	7 195	1 140
2003										
January	33 887	5 964	11 117	1 621	**45 004**	7 585	1 740	242	6 541	1 013
February	36 502	6 392	12 670	1 888	**49 172**	8 281	2 113	304	7 603	1 205
March	40 784	7 300	14 288	2 159	**55 072**	9 459	2 237	321	8 935	1 430
April	38 661	7 181	13 929	2 115	**52 590**	9 296	2 265	342	8 366	1 342
May	43 845	8 182	15 545	2 410	**59 390**	10 592	2 391	370	9 483	1 528
June	42 204	7 894	14 851	2 336	**57 055**	10 229	2 321	351	9 096	1 507
July	45 753	8 640	16 095	2 671	**61 848**	11 310	2 639	406	9 877	1 758
August	43 629	8 378	15 028	2 506	**58 657**	10 884	2 353	354	9 304	1 686
September	44 290	8 717	16 122	2 705	**60 412**	11 422	2 525	396	9 957	1 818
					SEASONALLY ADJUSTED					
2002										
September	39 591	6 659	12 643	1 925	**52 234**	8 584	1 824	255	7 642	1 259
October	37 476	6 519	13 241	2 019	**50 717**	8 537	2 157	301	7 875	1 304
November	37 099	6 546	12 502	1 782	**49 601**	8 328	1 989	283	7 257	1 146
December	38 371	6 611	13 106	2 007	**51 477**	8 618	2 186	296	8 163	1 303
2003										
January	39 097	6 797	12 883	1 933	**51 980**	8 730	2 183	311	7 767	1 248
February	38 877	6 837	13 141	1 991	**52 018**	8 828	2 126	308	8 358	1 308
March	39 825	6 974	13 687	2 078	**53 512**	9 052	2 185	317	8 804	1 392
April	38 211	7 237	14 418	2 139	**52 629**	9 376	2 264	343	8 447	1 331
May	40 750	7 551	14 608	2 219	**55 358**	9 770	2 187	344	8 821	1 412
June	43 064	7 990	14 883	2 315	**57 947**	10 305	2 411	346	9 030	1 481
July	42 588	8 162	14 953	2 489	**57 541**	10 651	2 455	377	8 955	1 634
August	45 036	8 719	14 779	2 498	**59 815**	11 217	2 312	353	9 160	1 634
September	45 853	8 948	16 365	2 710	**62 218**	11 658	2 475	389	9 701	1 746
					TREND					
2002										
September	38 460	6 508	13 067	1 961	**51 527**	8 468	2 018	278	7 756	1 262
October	38 264	6 557	12 867	1 932	**51 131**	8 490	2 018	280	7 685	1 248
November	38 166	6 597	12 784	1 920	**50 950**	8 518	2 055	286	7 719	1 246
December	38 184	6 645	12 855	1 929	**51 039**	8 574	2 102	296	7 848	1 255
2003										
January	38 377	6 724	13 053	1 955	**51 430**	8 679	2 141	305	8 043	1 272
February	38 719	6 850	13 373	2 000	**52 092**	8 850	2 174	314	8 266	1 298
March	39 230	7 035	13 735	2 063	**52 965**	9 098	2 203	324	8 475	1 334
April	39 957	7 287	14 111	2 144	**54 068**	9 431	2 239	334	8 652	1 382
May	40 902	7 592	14 469	2 237	**55 371**	9 829	2 285	344	8 801	1 440
June	42 055	7 926	14 794	2 339	**56 849**	10 265	2 333	353	8 949	1 507
July	43 272	8 259	15 096	2 442	**58 368**	10 701	2 377	362	9 105	1 577
August	44 408	8 566	15 381	2 538	**59 789**	11 104	2 414	370	9 256	1 644
September	45 370	8 825	15 621	2 619	**60 991**	11 444	2 441	377	9 392	1 700

(a)   Excludes alterations and additions. Includes refinancing.
(b)   Includes Permanent Building Societies and Wholesale Lenders n.e.c.

4 HOUSING FINANCE COMMITMENTS(a), By Lender: Australia (Percentage Change)

Month	Banks no.	Banks value	Non-banks(b) no.	Non-banks(b) value	Total no.	Total value	Permanent building societies no.	Permanent building societies value	Wholesale lenders n.e.c. no.	Wholesale lenders n.e.c. value
ORIGINAL (% change from previous month)										
2002										
September	–5.5	–3.3	–8.5	–8.4	**–6.3**	–4.6	–13.2	–11.9	–7.2	–6.0
October	8.6	8.8	11.1	9.7	**9.2**	9.0	27.3	27.5	8.1	5.8
November	–1.9	0.9	–5.7	–8.5	**–2.9**	–1.3	–6.4	–4.9	–7.1	–10.5
December	–3.7	–2.0	–5.1	–2.6	**–4.1**	–2.1	–9.2	–11.5	–6.3	–5.3
2003										
January	–9.5	–10.4	–9.0	–11.6	**–9.4**	–10.6	–9.5	–8.8	–9.1	–11.2
February	7.7	7.2	14.0	16.5	**9.3**	9.2	21.4	25.2	16.2	18.9
March	11.7	14.2	12.8	14.4	**12.0**	14.2	5.9	5.8	17.5	18.7
April	–5.2	–1.6	–2.5	–2.1	**–4.5**	–1.7	1.3	6.5	–6.4	–6.1
May	13.4	13.9	11.6	14.0	**12.9**	13.9	5.6	8.2	13.4	13.8
June	–3.7	–3.5	–4.5	–3.1	**–3.9**	–3.4	–2.9	–5.2	–4.1	–1.4
July	8.4	9.5	8.4	14.3	**8.4**	10.6	13.7	15.7	8.6	16.7
August	–4.6	–3.0	–6.6	–6.2	**–5.2**	–3.8	–10.8	–12.8	–5.8	–4.1
September	1.5	4.0	7.3	7.9	**3.0**	4.9	7.3	11.7	7.0	7.8
SEASONALLY ADJUSTED (% change from previous month)										
2002										
September	1.8	2.9	–3.3	–3.4	**0.5**	1.4	–7.5	–5.8	–3.0	–0.9
October	–5.3	–2.1	4.7	4.9	**–2.9**	–0.5	18.2	18.2	3.1	3.6
November	–1.0	0.4	–5.6	–11.7	**–2.2**	–2.5	–7.8	–5.9	–7.9	–12.1
December	3.4	1.0	4.8	12.6	**3.8**	3.5	9.9	4.4	12.5	13.7
2003										
January	1.9	2.8	–1.7	–3.7	**1.0**	1.3	–0.1	5.3	–4.9	–4.2
February	–0.6	0.6	2.0	3.0	**0.1**	1.1	–2.6	–0.9	7.6	4.8
March	2.4	2.0	4.2	4.4	**2.9**	2.5	2.8	2.9	5.3	6.5
April	–4.1	3.8	5.3	3.0	**–1.7**	3.6	3.6	8.1	–4.1	–4.4
May	6.6	4.3	1.3	3.7	**5.2**	4.2	–3.4	0.3	4.4	6.1
June	5.7	5.8	1.9	4.3	**4.7**	5.5	10.3	0.5	2.4	4.9
July	–1.1	2.2	0.5	7.5	**–0.7**	3.4	1.8	9.0	–0.8	10.3
August	5.7	6.8	–1.2	0.3	**4.0**	5.3	–5.8	–6.2	2.3	—
September	1.8	2.6	10.7	8.5	**4.0**	3.9	7.1	10.2	5.9	6.9
TREND (% change from previous month)										
2002										
September	–0.6	1.0	–1.8	–1.6	**–0.9**	0.4	–1.9	–1.3	–1.6	–1.5
October	–0.5	0.8	–1.5	–1.4	**–0.8**	0.3	—	0.5	–0.9	–1.2
November	–0.3	0.6	–0.6	–0.6	**–0.4**	0.3	1.8	2.3	0.4	–0.1
December	—	0.7	0.6	0.4	**0.2**	0.7	2.3	3.2	1.7	0.8
2003										
January	0.5	1.2	1.5	1.3	**0.8**	1.2	1.9	3.1	2.5	1.4
February	0.9	1.9	2.5	2.4	**1.3**	2.0	1.5	3.1	2.8	2.0
March	1.3	2.7	2.7	3.1	**1.7**	2.8	1.3	3.0	2.5	2.7
April	1.9	3.6	2.7	3.9	**2.1**	3.7	1.7	3.0	2.1	3.6
May	2.4	4.2	2.5	4.4	**2.4**	4.2	2.0	3.0	1.7	4.2
June	2.8	4.4	2.2	4.6	**2.7**	4.4	2.1	2.8	1.7	4.7
July	2.9	4.2	2.0	4.4	**2.7**	4.2	1.9	2.6	1.7	4.7
August	2.6	3.7	1.9	3.9	**2.4**	3.8	1.6	2.3	1.7	4.2
September	2.2	3.0	1.6	3.2	**2.0**	3.1	1.1	1.8	1.5	3.4

— nil or rounded to zero (including null cells)

(a) Excludes alterations and additions. Includes refinancing.

(b) Includes Permanent Building Societies and Wholesale Lenders n.e.c.

5 HOUSING FINANCE COMMITMENTS(a), By State/Territory: (Number)

Month	New South Wales no.	Victoria no.	Queensland no.	South Australia no.	Western Australia no.	Tasmania no.	Northern Territory no.	Australian Capital Territory no.	Total no.
ORIGINAL									
2002									
September	16 496	11 431	9 320	3 825	5 728	990	256	785	**48 831**
October	17 280	12 639	10 351	4 329	6 417	1 158	256	892	**53 322**
November	16 666	12 187	10 071	4 336	6 147	1 153	313	909	**51 782**
December	15 496	12 052	9 473	4 322	5 934	1 174	364	858	**49 673**
2003									
January	13 824	10 752	8 946	3 765	5 785	977	254	701	**45 004**
February	15 753	10 894	10 096	4 112	6 076	1 015	333	893	**49 172**
March	17 501	12 163	11 670	4 814	6 588	1 152	408	776	**55 072**
April	16 862	11 804	10 596	4 583	6 432	1 074	437	802	**52 590**
May	19 412	13 105	11 529	5 089	7 631	1 283	478	863	**59 390**
June	18 135	12 842	11 498	4 975	7 137	1 249	423	796	**57 055**
July	19 817	13 699	12 845	5 115	7 725	1 365	356	926	**61 848**
August	19 079	13 098	12 242	4 610	7 167	1 303	354	804	**58 657**
September	19 804	13 094	12 684	4 937	7 229	1 347	444	873	**60 412**
SEASONALLY ADJUSTED(b)									
2002									
September	17 463	12 301	9 716	4 171	6 323	1 076	272	807	**52 234**
October	16 929	11 589	9 649	4 261	6 301	1 104	233	833	**50 717**
November	15 754	11 806	9 650	4 038	5 782	1 099	314	891	**49 601**
December	16 664	12 212	9 984	4 128	6 340	1 226	350	896	**51 477**
2003									
January	16 951	12 279	10 348	4 233	6 327	1 102	284	790	**51 980**
February	17 103	11 484	10 292	4 321	6 065	1 019	330	901	**52 018**
March	16 670	12 335	11 005	4 728	6 292	1 106	390	765	**53 512**
April	16 638	11 874	10 927	4 634	6 576	1 098	421	798	**52 629**
May	17 380	12 330	11 045	4 903	7 014	1 153	483	815	**55 358**
June	17 897	13 003	11 822	4 876	7 316	1 315	457	814	**57 947**
July	18 454	12 796	11 898	4 863	7 357	1 364	340	897	**57 541**
August	19 393	13 233	12 759	4 935	7 351	1 289	394	822	**59 815**
September	20 026	13 534	12 886	5 117	7 712	1 447	437	881	**62 218**
TREND(b)									
2002									
September	17 049	12 119	9 668	4 307	6 251	1 105	284	824	**51 527**
October	16 854	12 039	9 695	4 193	6 200	1 113	280	836	**51 131**
November	16 693	11 971	9 807	4 133	6 151	1 117	285	850	**50 950**
December	16 606	11 932	9 982	4 159	6 128	1 112	300	856	**51 039**
2003									
January	16 607	11 929	10 203	4 259	6 157	1 101	327	849	**51 430**
February	16 676	11 970	10 447	4 403	6 258	1 094	359	832	**52 092**
March	16 818	12 054	10 709	4 554	6 428	1 103	389	817	**52 965**
April	17 070	12 200	11 001	4 690	6 652	1 135	410	811	**54 068**
May	17 444	12 414	11 332	4 794	6 894	1 188	422	817	**55 371**
June	17 955	12 683	11 701	4 869	7 132	1 252	424	829	**56 849**
July	18 538	12 952	12 082	4 933	7 341	1 312	419	843	**58 368**
August	19 108	13 201	12 445	4 988	7 515	1 364	413	854	**59 789**
September	19 637	13 376	12 737	5 023	7 638	1 403	406	871	**60 991**

(a) Excludes alterations and additions. Includes refinancing.

(b) Sum of states and territories may not equal Australian total (see paragraph 19 in Explanatory Notes).

HOUSING FINANCE COMMITMENTS(a), By State/Territory: (Percentage Change)

Month	New South Wales no.	Victoria no.	Queensland no.	South Australia no.	Western Australia no.	Tasmania no.	Northern Territory no.	Australian Capital Territory no.	Total no.
ORIGINAL (% change from previous month)									
2002									
September	–6.5	–8.0	–3.0	–8.2	–6.7	–11.1	–6.2	5.5	**–6.3**
October	4.8	10.6	11.1	13.2	12.0	17.0	—	13.6	**9.2**
November	–3.6	–3.6	–2.7	0.2	–4.2	–0.4	22.3	1.9	**–2.9**
December	–7.0	–1.1	–5.9	–0.3	–3.5	1.8	16.3	–5.6	**–4.1**
2003									
January	–10.8	–10.8	–5.6	–12.9	–2.5	–16.8	–30.2	–18.3	**–9.4**
February	14.0	1.3	12.9	9.2	5.0	3.9	31.1	27.4	**9.3**
March	11.1	11.6	15.6	17.1	8.4	13.5	22.5	–13.1	**12.0**
April	–3.7	–3.0	–9.2	–4.8	–2.4	–6.8	7.1	3.4	**–4.5**
May	15.1	11.0	8.8	11.0	18.6	19.5	9.4	7.6	**12.9**
June	–6.6	–2.0	–0.3	–2.2	–6.5	–2.7	–11.5	–7.8	**–3.9**
July	9.3	6.7	11.7	2.8	8.2	9.3	–15.8	16.3	**8.4**
August	–3.7	–4.4	–4.7	–9.9	–7.2	–4.5	–0.6	–13.2	**–5.2**
September	3.8	—	3.6	7.1	0.9	3.4	25.4	8.6	**3.0**
SEASONALLY ADJUSTED (% change from previous month)									
2002									
September	0.3	0.5	0.1	–4.5	1.4	0.1	–6.8	3.9	**0.5**
October	–3.1	–5.8	–0.7	2.2	–0.3	2.5	–14.6	3.3	**–2.9**
November	–6.9	1.9	—	–5.2	–8.2	–0.4	35.1	6.9	**–2.2**
December	5.8	3.4	3.5	2.2	9.7	11.5	11.3	0.6	**3.8**
2003									
January	1.7	0.5	3.6	2.6	–0.2	–10.1	–18.8	–11.8	**1.0**
February	0.9	–6.5	–0.5	2.1	–4.1	–7.6	16.2	14.1	**0.1**
March	–2.5	7.4	6.9	9.4	3.7	8.6	18.1	–15.2	**2.9**
April	–0.2	–3.7	–0.7	–2.0	4.5	–0.8	7.9	4.3	**–1.7**
May	4.5	3.8	1.1	5.8	6.7	5.0	14.8	2.1	**5.2**
June	3.0	5.5	7.0	–0.5	4.3	14.1	–5.4	–0.1	**4.7**
July	3.1	–1.6	0.6	–0.3	0.6	3.7	–25.5	10.3	**–0.7**
August	5.1	3.4	7.2	1.5	–0.1	–5.5	15.7	–8.4	**4.0**
September	3.3	2.3	1.0	3.7	4.9	12.3	10.9	7.2	**4.0**
TREND (% change from previous month)									
2002									
September	–1.1	–0.5	–0.4	–2.7	–0.6	0.9	–4.0	0.3	**–0.9**
October	–1.1	–0.7	0.3	–2.7	–0.8	0.7	–1.6	1.5	**–0.8**
November	–1.0	–0.6	1.2	–1.4	–0.8	0.3	2.0	1.6	**–0.4**
December	–0.5	–0.3	1.8	0.6	–0.4	–0.4	5.4	0.8	**0.2**
2003									
January	—	—	2.2	2.4	0.5	–1.0	8.8	–0.9	**0.8**
February	0.4	0.3	2.4	3.4	1.6	–0.6	9.8	–1.9	**1.3**
March	0.9	0.7	2.5	3.4	2.7	0.8	8.4	–1.8	**1.7**
April	1.5	1.2	2.7	3.0	3.5	2.9	5.5	–0.7	**2.1**
May	2.2	1.8	3.0	2.2	3.6	4.7	2.8	0.7	**2.4**
June	2.9	2.2	3.3	1.6	3.5	5.4	0.5	1.5	**2.7**
July	3.2	2.1	3.3	1.3	2.9	4.8	–1.1	1.6	**2.7**
August	3.1	1.9	3.0	1.1	2.4	4.0	–1.4	1.4	**2.4**
September	2.8	1.3	2.3	0.7	1.6	2.9	–1.7	1.9	**2.0**

— nil or rounded to zero (including null cells)

(a) Excludes alterations and additions. Includes refinancing.

7 HOUSING FINANCE COMMITMENTS(a), By State/Territory: ($m)

Month	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
2002									
September	3 317	1 886	1 381	454	768	91	31	129	**8 058**
October	3 498	2 051	1 558	517	870	105	30	154	**8 782**
November	3 428	2 022	1 522	529	859	105	42	162	**8 670**
December	3 281	2 094	1 441	539	834	111	49	139	**8 486**
2003									
January	2 820	1 824	1 392	465	831	91	34	129	**7 585**
February	3 147	1 820	1 612	508	888	99	45	161	**8 281**
March	3 671	2 068	1 856	617	936	114	53	144	**9 459**
April	3 707	2 028	1 726	580	938	106	50	161	**9 296**
May	4 232	2 316	1 902	671	1 116	128	61	166	**10 592**
June	3 960	2 304	1 929	649	1 043	128	58	160	**10 229**
July	4 408	2 504	2 208	661	1 156	142	56	175	**11 310**
August	4 334	2 400	2 107	627	1 070	135	54	159	**10 884**
September	4 592	2 451	2 244	655	1 089	144	67	181	**11 422**
SEASONALLY ADJUSTED(b)									
2002									
September	3 517	2 001	1 441	493	854	96	32	139	**8 584**
October	3 351	1 949	1 471	517	855	103	27	139	**8 537**
November	3 264	1 933	1 468	494	821	98	45	149	**8 328**
December	3 418	2 070	1 505	496	874	111	46	138	**8 618**
2003									
January	3 435	2 069	1 606	517	890	112	38	154	**8 730**
February	3 495	1 897	1 610	522	901	99	44	165	**8 828**
March	3 485	2 016	1 711	600	888	106	52	142	**9 052**
April	3 642	2 123	1 789	593	935	116	50	156	**9 376**
May	3 800	2 162	1 842	650	1 035	114	58	153	**9 770**
June	3 870	2 310	1 981	647	1 078	135	60	168	**10 305**
July	4 191	2 449	2 077	638	1 096	138	55	177	**10 651**
August	4 441	2 453	2 192	685	1 110	134	61	164	**11 217**
September	4 660	2 506	2 315	673	1 175	148	61	187	**11 658**
TREND(b)									
2002									
September	3 425	1 988	1 435	503	848	98	33	139	**8 468**
October	3 403	1 993	1 456	500	851	100	35	140	**8 490**
November	3 383	1 991	1 486	499	854	103	38	143	**8 518**
December	3 382	1 989	1 525	506	860	104	40	147	**8 574**
2003									
January	3 406	1 990	1 573	522	872	105	43	150	**8 679**
February	3 457	2 006	1 631	546	893	107	46	152	**8 850**
March	3 534	2 046	1 701	574	924	110	49	154	**9 098**
April	3 648	2 111	1 783	602	963	114	52	156	**9 431**
May	3 799	2 197	1 877	626	1 008	121	55	160	**9 829**
June	3 982	2 293	1 978	644	1 053	128	57	164	**10 265**
July	4 177	2 382	2 080	659	1 094	134	59	170	**10 701**
August	4 364	2 458	2 175	670	1 130	140	60	175	**11 104**
September	4 530	2 513	2 254	676	1 160	144	61	180	**11 444**

(a) Excludes alterations and additions. Includes refinancing.

(b) Sum of states and territories may not equal Australian total (see paragraph 19 in Explanatory Notes).

HOUSING FINANCE COMMITMENTS, Purpose & Change in Stock: Australia, Original ($m)

Month	Dwellings financed $m	Refinancing of established dwellings $m	Alterations and additions $m	*Total* $m	Commitments advanced during month $m	Commitments cancelled during month $m	Commitments not advanced at end of month(a) $m
2002							
September	6 153	1 905	367	**8 425**	7 388	816	18 601
October	6 698	2 084	457	**9 239**	7 987	1 005	18 827
November	6 639	2 031	465	**9 135**	7 983	1 005	18 971
December	6 482	2 004	448	**8 935**	8 479	825	18 628
2003							
January	5 906	1 679	411	**7 995**	7 247	810	17 469
February	6 261	2 019	444	**8 724**	7 331	873	18 002
March	7 097	2 362	451	**9 911**	8 128	1 136	18 657
April	7 069	2 228	427	**9 723**	8 284	761	19 393
May	8 100	2 492	485	**11 077**	9 704	820	19 942
June	7 671	2 559	495	**10 724**	9 138	859	20 665
July	8 471	2 839	525	**11 835**	9 937	897	21 650
August	8 126	2 759	581	**11 465**	9 871	834	22 709
September	8 422	3 000	569	**11 991**	10 426	1 073	23 199

(a) This figure sometimes reflects a rebasing of the data by one or more lenders, without adjustment to earlier periods' commitments advanced or cancelled.

9 HOUSING FINANCE COMMITMENTS(a), First Home Buyers & Fixed Loans: Australia, Original

	FIRST HOME BUYERS			FIXED RATE LOANS (2 YEARS OR LONGER)(b)			ALL DWELLINGS FINANCED
	Dwellings financed	% of all dwellings financed	Average loan size	Dwellings financed	% of all dwellings financed	Average loan size	Average loan size
Month	no.	%	$'000	no.	%	$'000	$'000
2002							
September	8 143	16.7	157.8	2 999	6.1	141.5	165.0
October	8 852	16.6	158.1	3 646	6.8	143.7	164.7
November	8 406	16.2	158.8	3 417	6.6	141.9	167.4
December	7 806	15.7	160.4	2 884	5.8	147.0	170.8
2003							
January	7 004	15.6	161.9	2 569	5.7	151.7	168.5
February	7 638	15.5	160.8	2 751	5.6	148.6	168.4
March	8 344	15.2	165.8	3 364	6.1	147.7	171.8
April	7 771	14.8	170.6	3 708	7.1	142.5	176.8
May	8 443	14.2	171.0	4 171	7.0	152.8	178.3
June	7 751	13.6	174.8	3 618	6.3	151.5	179.3
July	8 430	13.6	180.6	4 549	7.4	157.1	182.9
August	7 907	13.5	187.2	5 266	9.0	167.2	185.6
September	8 046	13.3	190.3	5 860	9.7	175.6	189.1

(a)   Excludes alterations and additions.

(b)   Includes refinancing.

State	Construction of dwellings	Purchase of new dwellings	Purchase of established dwellings(b)	Total	Refinancing of established dwellings	Total excluding refinancing
			NUMBER			
New South Wales	1 135	519	18 150	**19 804**	6 051	13 753
Victoria	1 476	490	11 128	**13 094**	4 291	8 803
Queensland	1 341	381	10 962	**12 684**	3 546	9 138
South Australia	465	136	4 336	**4 937**	1 481	3 456
Western Australia	1 131	117	5 981	**7 229**	1 992	5 237
Tasmania	113	20	1 214	**1 347**	378	969
Northern Territory	42	12	390	**444**	111	333
Australian Capital Territory	47	43	783	**873**	164	709
Total	5 750	1 718	52 944	**60 412**	18 014	42 398
			VALUE ($m)			
New South Wales	259	140	4 193	**4 592**	1 277	3 315
Victoria	276	105	2 070	**2 451**	676	1 775
Queensland	249	75	1 921	**2 244**	552	1 692
South Australia	77	19	559	**655**	164	492
Western Australia	187	20	882	**1 089**	252	837
Tasmania	14	3	127	**144**	37	107
Northern Territory	7	2	58	**67**	15	51
Australian Capital Territory	10	11	160	**181**	27	154
Total	1 079	375	9 969	**11 422**	3 000	8 422
			AVERAGE LOAN SIZE ($'000)			
New South Wales	228.4	270.2	231.0	**231.9**	211.0	241.1
Victoria	187.1	214.3	186.0	**187.2**	157.6	201.6
Queensland	185.3	195.7	175.2	**176.9**	155.6	185.2
South Australia	166.5	143.0	128.8	**132.8**	110.7	142.2
Western Australia	165.1	170.4	147.5	**150.6**	126.5	159.8
Tasmania	122.7	135.7	104.7	**106.7**	98.3	110.0
Northern Territory	165.9	146.8	149.1	**150.6**	138.7	154.6
Australian Capital Territory	213.5	254.4	204.0	**207.0**	165.6	216.6
Total	187.6	218.0	188.3	**189.1**	166.5	198.6

(a) Excludes alterations and additions.

(b) Includes refinancing.

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

SENSITIVITY ANALYSIS

Readers should exercise care when interpreting the trend estimates of recent months because they will be revised when next month's seasonally adjusted estimates become available. For further information, see paragraphs 20 to 21 in the Explanatory Notes.

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

1 The September 2003 seasonally adjusted estimate of number of dwellings financed is higher than the August 2003 seasonally adjusted estimate by 4.0%.

2 The September 2003 seasonally adjusted estimate of number of dwellings financed is lower than the August 2003 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
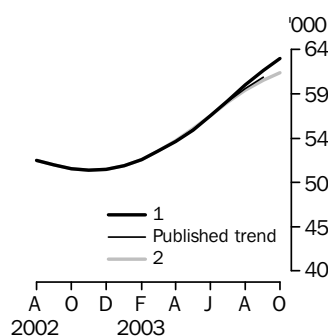
	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
			(1) rises by 4% on this month		*(2) falls by 4% on this month*	
	no.	% change	no.	% change	no.	% change
April 2003	54 068	2.1	54 009	2.0	54 081	2.1
May 2003	55 371	2.4	55 275	2.3	55 402	2.4
June 2003	56 849	2.7	56 802	2.8	56 865	2.6
July 2003	58 368	2.7	58 485	3.0	58 317	2.6
August 2003	59 789	2.4	60 155	2.9	59 602	2.2
September 2003	60 991	2.0	61 702	2.6	60 660	1.8
October 2003	na	na	63 086	2.2	61 514	1.4

na not available

'000

64
59
54
50
45
40

1
Published trend
2

A   O   D   F   A   J   A   O
2002   2003

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 rent or resale, are excluded and shown in *Lending Finance, Australia* (cat. no. 5671.0).

SCOPE

2 Finance commitments made by 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
- Securitisers of mortgage assets (wholesale lenders) which provide funds to borrowers through a retail intermediary (e.g. mortgage originators)
- Other Registered Financial Corporations.

3 All lending commitments are classified to the lender type which is (or will be) the legal lender on the corresponding loan contract. Commitments are published for four lender types: Banks, Non-Banks, Permanent Building Societies and Wholesale Lenders n.e.c. (not elsewhere classified).

COVERAGE

4 The statistics cover all banks and permanent building societies. The largest of the remaining lenders of secured housing finance for owner occupation are included so that, together with banks and building societies, at least 95% of the Australian total of finance commitments for owner occupied housing is covered, and at least 90% of each state total is covered. While many smaller contributors to the Non-Banks series are excluded under these coverage criteria, at least 70% of finance commitments by wholesale contributors are covered.

5 An annual collection is conducted to maintain and update the survey coverage. New lenders are included as their lending for owner occupied housing becomes sufficiently large.

6 From June 2001, the collection covers all commitments by banks and permanent building societies, all other lenders providing funds of more than $50m in 2000, and some additional smaller other lenders where necessary to maintain collection coverage (as specified in paragraph 4).

REVISIONS

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

8 Changes in the classification of lenders (e.g. the conversion of a permanent building society to a bank) are reflected in the Lender series from the month of such change. 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.

WHOLESALE LENDERS

9 A wholesale lender provides funds to borrowers through a retail intermediary which may then also be responsible for the on-going relationship with the borrower.

10 The Wholesale Lenders n.e.c. series almost exclusively comprises securitisation vehicles (typically special purpose trusts), established to issue mortgage backed securities. It excludes commitments where a bank or permanent building society, acting as a wholesale provider of funds, is the lender on the loan contract. Those commitments are published as bank or permanent building society commitments.

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WHOLESALE LENDERS *continued*

11   From July 1995 to July 2000, mortgage managers reported housing finance commitments on behalf of wholesale lenders. The introduction of wholesale lenders as the reporting unit does not change the scope of the collection, but has increased its coverage. This, along with the reclassification of some lending activity, increased the level of the Wholesale Lenders n.e.c. series by $249m in July 2000.

12   Wholesale lenders contribute to the Non-Banks series, which is seasonally adjusted in table 3. A trend break was added to the Non-Banks series, shifting the trend up by 1 579 commitments and $178m in July 2000. Revisions related to the introduction of wholesale lenders also resulted in a downward shift in the Banks' trend of 1 256 commitments and $167m. Consequential breaks in the finance purpose trend series at July 2000 were:
  - construction finance trend shifted down 16 commitments ($3m)
  - new dwelling finance trend shifted up 26 commitments ($1m)
  - established dwelling finance trend shifted up 313 commitments ($13m)
  - refinancing trend shifted up 177 commitments ($17m)
  - total finance trend shifted up 323 commitments ($11m).

13   Because of difficulties experienced by Wholesale Lenders n.e.c. in accurately identifying first home buyers in their commitments, these data are not used in estimating first home buyer commitments (table 9). Instead, from July 2000, the percentage of first home buyer commitments made by all banks and permanent building societies is applied to total Wholesale Lenders n.e.c. commitments to calculate their contribution to the First Home Buyers series. As a result, first home buyer commitments were revised upwards by 0.8 percentage points in July 2000.

14   An article on the introduction of the Wholesale Lenders n.e.c. series (including implications for the First Home Buyers series) featured in the October 2000 issue of this publication. A copy of the article is available from the contact person listed on the front of the publication.

SEASONAL ADJUSTMENT

15   Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation and 'trading day effects'. A 'trading day effect' reflects the varying amounts of activity on different days of the week and the different number of days of the week in any month (i.e. the number of Sundays, Mondays, etc.). This effect may be partly caused by the 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 (e.g. a change in interest rates) from the series.

16   Over the period from early 1990 to April 1995, four of the 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 take account of this change in pattern.

17   Rapid change in the financial sector, and particularly developments in the provision of housing finance, may cause changes in the seasonal and trading day patterns of the housing finance data. Examples include changes in the classification of financial institutions (particularly the reclassification of non-bank financial institutions to banks) and the increased use of mortgage securitisation.

18   Estimation of seasonal adjustment and trading day factors that reflect the full effect of recent developments is not possible until a sufficient number of years of data have been collected. When changes are occurring in the seasonal patterns, larger revisions to the seasonally adjusted series can be expected at the time of the annual seasonal re-analysis. Accordingly, the trend estimate data provide a more reliable indicator of

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SEASONAL ADJUSTMENT *continued*	underlying movement in housing finance commitments. (See paragraphs 20 and 21 for further information on trend estimates).
	19 State component series have been seasonally adjusted independently of the Australian series. The sum of the state components is therefore unlikely to equal the corresponding Australian total. State component series are also affected by the changes mentioned in paragraphs 15 to 18.
TREND ESTIMATES	**20** 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 but the last six months of the respective seasonally adjusted series. 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 *Information Paper: A Guide to Interpreting Time Series—Monitoring Trends: An Overview* (cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on Canberra 02 6252 6345 or by email at <timeseries@abs.gov.au>.
	21 While the smoothing technique described in paragraph 20 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.
EFFECTS OF ROUNDING	**22** Where figures have been rounded, discrepancies may occur between sums of the component items and totals. Percentage changes in this publication have been derived from unrounded data.
ABS DATA AVAILABLE ON REQUEST	**23** Estimates for months prior to those shown in this publication and more detailed series can be purchased in spreadsheet format from the ABS web site - see listing in Appendix, page 20. For more information, contact the ABS National Information and Referral Service on 1300 135 070.
RELATED RELEASES	**24** Users may also wish to refer to the following ABS releases: ■ *Lending Finance, Australia* (cat. no. 5671.0) ■ *Assets and Liabilities of Australian Securitisers* (cat. no. 5232.0.40.001) ■ *Annual Statistics for Financial Institutions* (cat. no. 5661.0.40.001) ■ *Buildings Approvals, Australia* (cat. no. 8731.0) ■ *Building Activity, Australia: Dwelling Unit Commencement, Preliminary* (cat. no. 8750.0)
	25 In addition, the Reserve Bank of Australia produces the monthly *Reserve Bank of Australia Bulletin* as well as data on its web site <http:\\www.rba.gov.au>. The Australian Prudential Regulation Authority (APRA) publishes a range of finance statistics on its web site <http:\\www.apra.gov.au>.
	26 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (cat. no. 1101.0). The *Catalogue* and information on forthcoming releases (Release Advices) are available from any ABS office or from the ABS web site <http:\\www.abs.gov.au>.

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GLOSSARY

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Alterations and additions	Alterations and additions cover all structural and non-structural changes which are integral to the functional and structural design of a dwelling. Examples are garages, carports, pergolas, reroofing, recladding, etc. Alterations and additions do not include swimming pools, ongoing repairs, or maintenance and home improvements which do not involve building work.
Average loan	The Average Loan series is calculated as follows:

$$\frac{\text{Total value of lending commitments per month}}{\text{Total number of dwellings financed per month}}$$

The Average Loan series does not necessarily represent the average loan size per dwelling. For instance, the average 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.
Commitments not advanced	Commitments not advanced at the end of the month are calculated as follows:

Balance of unadvanced commitments at the end of the previous month
+ Total new housing commitments (including refinancing)
<u>+ Alterations and additions</u>
= Total commitments

– Cancellations of commitments
<u>– Commitments advanced during the month</u>
= Commitments not advanced at the end of the 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 a single self-contained place of residence such as a detached or semi-detached house, a terrace house, a flat, home unit, town house, etc.
Dwellings units	Dwelling units refer to the number of single self-contained residences 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 12 months or more 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.
New dwelling	A new dwelling is one that has been completed within 12 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 dwellings for owner occupation, regardless of type of security. Commitments for dwellings that will be occupied by persons other than the owner(s) are excluded.
Self-contained	The dwelling includes bathing and cooking facilities.

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Wholesale lenders

A wholesale lender provides funds to borrowers through a retail intermediary which may then also be responsible for the ongoing relationship with the borrower. The Wholesale Lenders n.e.c. (not elsewhere classified) series almost exclusively comprises securitisation vehicles (typically special purpose trusts) established to issue mortgage backed securities. It excludes funds provided where a bank or permanent building society, acting as a wholesale provider of funds, remains the lender on the contract. Those commitments are published as bank or permanent building society commitments.

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ISSN 1031 0320

RRP $19.50