

Reference No. 5.57

HOUSING FINANCE FOR OWNER OCCUPATION  
SAVINGS BANKS AND TRADING BANKS  
NOVEMBER 1975

EXPLANATORY NOTES



**Introduction**

This bulletin presents statistics of secured housing finance for owner occupation provided by banks. It replaces the monthly bulletin *Savings Banks - Housing Finance Transactions Within Australia* (Reference No. 5.35), and includes statistics on trading banks. Selected statistics shown in this publication will subsequently be incorporated in a new monthly bulletin *Housing Finance for Owner Occupation* (Reference No. 5.56) which will present details of housing finance for owner occupation provided by all significant lenders; it is expected that the first issue of this bulletin will be released shortly.

**Scope**

2. For the purposes of these statistics a *bank* is defined as -

- (a) a bank within the meaning of the Banking Act 1959-1974
- (b) a bank constituted by a State act.

3. Figures for each State or Territory are compiled on the basis of business written or recorded by banks (or branches of banks) operating in that State or Territory, but this does not necessarily indicate that the funds so provided are used within that State or Territory.

**Coverage**

4. A bank is included in the collection if :

- (a) it falls within the scope outlined above, and
- (b) it satisfies either of the following criteria on an Australia-wide basis -
  - (i) loans approved for housing finance for owner occupation during 1974-75 exceeded \$250,000, or
  - (ii) balances outstanding on such loans at 30 June 1975 exceeded \$2 million.

As all savings banks included in the previous collection satisfied the above criteria there has been no change in coverage.

**Period covered**

5. Statistics for trading banks relate to the period ending on the second Wednesday following the month shown, while for savings banks they relate to the periods ending on either the last Monday, the last Wednesday or the last day of the month.

**Description of data items**

6. *Loans approved.* A loan approval is a firm commitment by a bank to advance funds. Loans approved for amounts additional to loans previously approved are also included.

7. *Cancellation of loans.* This item refers to the value of loans approved but subsequently cancelled or reduced. Loans approved and cancelled during the same month are recorded as both loan approvals and cancellations for that month. Where a loan is cancelled in part, the number of dwelling units is not recorded in the cancellation category.

8. *Loans advanced.* This item refers to the actual money advanced during a period. Where loans are advanced by instalments, only the actual cash paid out is included. Capitalised mortgage insurance premium payments and other capitalised charges (e.g. legal fees, inspection and valuation fees) are included.

9. *Dwelling.* A dwelling is classified as either a *house* or *other dwelling*.

- (a) A *house* is defined as a building which has been designed so that its prime purpose is to be a single self-contained (i.e. includes bathing and cooking facilities) dwelling unit which is completely detached from other buildings, and occupies a separate titled block of land.
- (b) An *other dwelling* is defined as a self-contained dwelling unit other than a house as defined in (a) above. Examples of an *other dwelling* are flats, home units, semi-detached cottages, villa units, town houses etc.

10. *Number of dwelling units.* This item refers to the number of houses and other dwellings for which first mortgage loans have been approved. If amounts additional to the original loan are approved to complete

the purchase or construction, the number of dwellings involved is not recorded again.

11. *Alterations and additions.* Alterations are changes to existing dwellings without an increase in floor area whereas additions are structural changes to existing dwellings resulting in an increase in floor area. Detached garages are included in these statistics as additions.

12. *Construction of other dwellings.* This category includes situations where a group of people combine to organise the construction of a block of home units, town houses etc., and it is intended that each person in the group will acquire a title to one of the dwelling units.

13. *Newly erected dwellings.* These are dwellings which have been completed within a period of twelve months preceding lodgement of the loan application, and the applicant is, or will be, the first occupant.

14. *Established dwellings.* These are dwellings which have been completed for a period greater than twelve months, or if completed within the twelve months preceding lodgement of the loan application the applicant is not the original occupant.

#### Comparability with other statistics on housing finance

15. The statistics on housing finance for owner occupation published in this bulletin will be directly comparable with those published in the bulletin *Housing Finance for Owner Occupation – Permanent Building Societies* (Reference No. 5.58) and the proposed bulletin *Housing Finance for Owner Occupation* (Reference No. 5.56).

16. The statistics on housing finance for owner occupation for Savings Banks in this bulletin are not strictly comparable with those published in the bulletin *Savings Banks – Housing Finance Transactions Within Australia* (Reference No. 5.35) for the following reasons

- (a) The categories *dwellings not previously occupied* and *dwellings previously occupied* have been defined more precisely with the former category being replaced by the categories *construction of dwellings* and *newly erected dwellings* and the latter by the category *established dwellings*.
- (b) Loans approved for alterations and additions to existing dwellings estimated to cost \$10,000 or more are included in the category *loans approved for alterations and additions to dwellings*. Previously such loans were included in the categories *previously occupied* and *not previously occupied*.
- (c) Previous statistics included a small component of lending for commercial purposes.

17. A summary of loan approvals for dwellings by savings banks for the period July to November 1975 is shown in the table below. The resultant effects of the changes in definitions outlined in paragraph 16 are not known, and lines drawn across the columns for September 1975 indicate a break in the series.

#### Rounding

18. Unless otherwise indicated any discrepancies between totals and sums of components in tables are due to rounding.

#### SUMMARY OF LOANS APPROVED TO INDIVIDUALS FOR DWELLINGS – AUSTRALIA SAVINGS BANKS

	<i>Construction of dwellings and purchase of newly erected dwellings</i>		<i>Purchase of established dwellings</i>		<i>Total approvals for dwellings</i>	
	<i>Number of dwelling units</i>	<i>\$'000</i>	<i>Number of dwelling units</i>	<i>\$'000</i>	<i>Number of dwelling units</i>	<i>\$'000</i>
1975 –						
July	2,992	49,138	7,052	109,695	10,044	158,833
August	2,575	42,831	6,497	102,510	9,072	145,341
September	2,733	45,769	7,127	115,653	9,860	161,422
October	3,627	53,398	8,578	129,046	12,205	182,444
November	2,704	44,476	6,914	113,376	9,618	157,852

#### Symbols and other usages

.. – nil, or less than half the final digit shown.

n.a. – not available for publication.

TABLE 1. — SAVINGS BANKS — LOANS APPROVED TO INDIVIDUALS  
NOVEMBER 1975

	Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings		Total		Alterations and additions
	Number of dwelling units	\$'000	Number of dwelling units	\$'000	Number of dwelling units	\$'000	Number of dwelling units	\$'000	\$'000
<b>HOUSES</b>									
N.S.W.	384	6,437	143	2,422	1,962	35,009	2,489	43,868	
Vic.	392	7,552	487	8,160	2,287	38,788	3,166	54,500	
Qld	269	3,792	138	2,157	699	9,509	1,106	15,458	
S.A.	144	2,345	75	1,263	704	11,161	923	14,769	
W.A.	279	4,283	40	633	524	7,363	843	12,279	(a)
Tas.	40	599	16	226	193	2,790	249	3,615	
N.T.	8	137	3	61	15	188	26	386	
A.C.T.	64	808	62	971	104	1,641	230	3,420	
<b>Total: November</b>	<b>1,580</b>	<b>25,953</b>	<b>964</b>	<b>15,893</b>	<b>6,488</b>	<b>106,449</b>	<b>9,032</b>	<b>148,295</b>	
<b>Total: October</b>	<b>2,035</b>	<b>30,608</b>	<b>1,417</b>	<b>20,022</b>	<b>8,133</b>	<b>121,865</b>	<b>11,585</b>	<b>172,495</b>	
<b>OTHER DWELLINGS</b>									
N.S.W.	..	..	58	1,072	295	4,815	353	5,887	
Vic.	..	..	50	800	67	1,076	117	1,876	
Qld	..	..	8	111	8	150	16	261	
S.A.	..	..	26	403	41	617	67	1,020	
W.A.	(b)	(b)	(c)10	(c)141	6	149	16	290	(a)
Tas.	(b)	(b)	(c)8	(c)103	7	86	15	189	
N.T.	..	..	..	..	..	..	..	..	
A.C.T.	..	..	..	..	2	34	2	34	
<b>Total: November</b>	<b>3</b>	<b>44</b>	<b>(d)157</b>	<b>(d)2,586</b>	<b>426</b>	<b>6,927</b>	<b>586</b>	<b>9,557</b>	
<b>Total: October</b>	<b>8</b>	<b>102</b>	<b>167</b>	<b>2,666</b>	<b>445</b>	<b>7,181</b>	<b>620</b>	<b>9,949</b>	
<b>TOTAL</b>									
N.S.W.	384	6,437	201	3,494	2,257	39,824	2,842	49,755	2,436
Vic.	392	7,552	537	8,960	2,354	39,864	3,283	56,376	4,220
Qld	269	3,792	146	2,268	707	9,659	1,122	15,719	520
S.A.	144	2,345	101	1,666	745	11,778	990	15,789	402
W.A.	(e)279	(e)4,283	(c)50	(c)774	530	7,512	859	12,569	516
Tas.	(e)40	(e)599	(c)24	(c)329	200	2,876	264	3,804	n.a.
N.T.	8	137	3	61	15	188	26	386	n.a.
A.C.T.	64	808	62	971	106	1,675	232	3,454	259
<b>Total: November</b>	<b>(d)1,583</b>	<b>(d)25,997</b>	<b>(d)1,121</b>	<b>(d)18,479</b>	<b>6,914</b>	<b>113,376</b>	<b>9,618</b>	<b>157,852</b>	<b>8,486</b>
<b>Total: October</b>	<b>2,043</b>	<b>30,710</b>	<b>1,584</b>	<b>22,688</b>	<b>8,578</b>	<b>129,046</b>	<b>12,205</b>	<b>182,444</b>	<b>7,585</b>

(a) Details not collected. (b) Confidential, included in "purchase of newly erected other dwellings". (c) Includes construction of dwellings. (d) Discrepancies between totals and sums of components are due to the treatment of confidential figures. See footnotes (b) and (c). (e) Construction of houses only.

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TABLE 2. - TRADING BANKS - LOANS APPROVED TO INDIVIDUALS  
NOVEMBER 1975

	Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings		Total		Alterations and additions \$'000
	Number of dwelling units	\$'000	Number of dwelling units	\$'000	Number of dwelling units	\$'000	Number of dwelling units	\$'000	
HOUSES									
N.S.W.	283	3,930	114	1,313	777	11,678	1,174	16,921	
Vic.	170	2,571	90	1,333	482	6,567	742	10,471	
Qld	110	1,278	60	632	220	2,923	390	4,832	
S.A.	94	1,770	148	2,554	203	3,308	445	7,632	
W.A.	78	1,002	36	409	248	3,038	362	4,449	(a)
Tas.	27	280	8	91	71	898	106	1,269	
N.T.	5	96	..	..	8	126	13	222	
A.C.T.	10	160	8	177	13	160	31	497	
Total: November	777	11,087	464	6,509	2,022	28,698	3,263	46,293	
Total: October	825	11,194	516	8,093	2,374	35,287	3,715	54,570	
OTHER DWELLINGS									
N.S.W.	2	21	30	371	115	1,784	147	2,176	
Vic.	5	88	21	276	44	793	70	1,157	
Qld	2	23	7	108	18	450	27	581	
S.A.	(b)	(b)	(c)21	(c)290	21	354	42	644	
W.A.	}	(b)	(c)5	(c)62	16	319	10	211	(a)
Tas.							5	48	
N.T.							2	22	
A.C.T.							4	100	
Total: November							(d)12	(d)185	(d)81
Total: October	33	399	98	1,345	299	4,386	430	6,130	
TOTAL									
N.S.W.	285	3,951	144	1,684	892	13,462	1,321	19,097	4,675
Vic.	175	2,659	111	1,609	526	7,360	812	11,628	2,849
Qld	112	1,301	67	740	238	3,373	417	5,414	1,243
S.A.	(e)94	(e)1,770	(c)169	(c)2,844	224	3,662	487	8,276	810
W.A.	}	1,538	(c)57	(c)739	356	4,541	372	4,660	1,238
Tas.							111	1,317	235
N.T.							16	245	71
A.C.T.							35	597	205
Total: November							(d)789	(d)11,272	(d)545
Total: October	858	11,593	614	9,438	2,673	39,673	4,145	60,700	15,255

For footnotes see Table 1.

TABLE 3. - ADDITIONAL HOUSING FINANCE INFORMATION  
NOVEMBER 1975

	Cancellations of loans previously approved to individual					Savings banks					
	Savings banks		Trading banks			Loans advanced to individuals during month	Undrawn commitments to individuals during month	Interest debited to loan accounts of individuals during month	Balances outstanding at end of month on housing loans to		
	For dwellings		For dwellings		For alterations and additions				Indivi- duals	Building societies (a)	
	Number of dwelling units	\$'000	Number of dwelling units	\$'000		\$'000	\$'000	\$'000			\$'000
N.S.W.	251	4,386	105	46	738	105	42,156	162,823	6,833	1,445,508	109,964
Vic.	151	2,627	54	n.a.	n.a.	n.a.	59,445	186,937	9,259	1,892,893	64,347
Qld	45	626	..	4	54	10	16,410	35,765	1,958	557,010	15,007
S.A.	52	856	31	7	86	..	14,448	37,576	3,482	560,639	n.a.
W.A.	43	599	n.a.	n.a.	n.a.	n.a.	11,606	38,894	1,345	380,657	18,925
Tas.	18	262	n.a.	..	..	..	3,593	10,369	664	117,002	1,835
N.T.	3	53	..	..	..	..	305	787	13	4,622	n.a.
A.C.T.	16	260	..	..	..	..	2,681	13,071	374	84,879	1,296
Total: November	579	9,669	229	68	1,056	130	150,644	486,222	23,928	5,043,210	211,765
Total: October	643	10,496	124	95	1,460	75	162,166	480,425	59,491	4,957,349	212,639

(a) Includes amounts owing by Permanent Building Societies; October 1975 - \$4,798,000; November 1975 - \$4,667,000

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NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning Mr C. H. Squair on 52 7911 extension 5331 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.