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Reference No. 5.56

HOUSING FINANCE FOR OWNER OCCUPATION
JANUARY 1976

SUMMARY OF MOVEMENTS

Loans approved for —	January 1976	December 1975	Change over December	
Construction of dwellings:				
No. of dwelling units	3,424	4,037	-613	-15.2%
Value (\$'000)	63,596	75,657	-12,061	-15.9%
Purchase of newly erected dwellings:				
No. of dwelling units	3,029	3,355	-326	-9.7%
Value (\$'000)	59,508	65,086	-5,578	-8.6%
Purchase of established dwellings:				
No. of dwelling units	15,300	16,168	-868	-5.4%
Value (\$'000)	284,970	297,370	-12,400	-4.2%
Total:				
No. of dwelling units	21,753	23,560	-1,807	-7.7%
Value (\$'000)	408,073	438,113	-30,040	-6.9%

EXPLANATORY NOTES

This bulletin is the first in a new series of monthly publications designed to provide information on finance (secured by mortgage or other security, including secured personal loans and contracts of sale) approved by significant lenders to individuals for the construction or purchase of dwellings for owner occupation. Also included is housing finance provided to employees by lenders covered in this collection.

2. The Bureau, recognising the lack of comparability of previously published statistical series on housing finance provided by various financial institutions, instigated this new collection as the first phase of a comprehensive approach to the development of a full range of compatible statistics for the Financial Sector.

3. A significant lender providing housing finance for owner occupation is covered in this collection if :-

(a) it satisfies either of the following criteria on an Australia-wide basis:

(i) Loans approved to individuals for housing finance for owner occupation during 1974-75 exceeded \$250,000 or

(ii) Balance outstanding on such loans as at 30 June 1975 exceed \$2 million,

and

(b) it is one of the types of lenders described below:

Banks

- (i) incorporated companies coming within the meaning of the *Banking Act 1959-1974*, or
- (ii) constituted by a State Act.

Building Societies

- (i) registered under relevant State or Territory legislation, and
- (ii) operate on a co-operative basis and provide finance to their members principally in the form of housing loans.

Finance Companies

Incorporated companies mainly engaged in providing credit to the general public, i.e. unrelated companies as well as persons in their private capacity.

Government Authorities and Departments

Federal, State or semi-governmental authorities and departments providing housing finance (including contracts of sale) for owner occupation. Government trading enterprises are classified in this publication according to the activity of the enterprise and not as a government authority or department, e.g., State government insurance offices are included with Insurance Companies.

Insurance Companies

- (i) bodies corporate which have made an application for an authority to carry on insurance business under the *Insurance Act 1973*, or
- (ii) bodies corporate registered under the *Life Insurance Act 1945-1973*, or
- (iii) constituted by a State Act.

Credit Unions (Co-operative Credit Societies)

- (i) registered under relevant State or Territory legislation, and
- (ii) organised on a co-operative basis to provide finance to their members.

Notes on Data Items

4. *Loans approved.* Generally a loan approval is a firm commitment to advance funds. Loans approved for amounts additional to loans previously approved are also included. Under contracts of sale, the sale value of the dwelling less any deposit made is treated as the approval.

5. *Cancellation of loans.* Generally 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. Also included are loans cancelled in part.

6. *Loans advanced.* Generally 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 also included. In the case of contracts of sale the advance is assumed to be equal to the approval.

7. *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.

8. *Number of dwelling units.* This item refers to the number of houses and other dwellings for which loans secured by contract of sale or first mortgage only 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.

9. *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.

10. *Loans approved for:-*

(a) *Construction of dwellings.*

(i) *Houses.* This category refers to loans to individuals to fund the construction of *houses* which they will occupy.

(ii) *Other dwellings.* This category refers to loans to individuals to fund the construction of *other dwellings* which they will occupy. Where a group of people combine to organise the construction of a block of home units, town houses, etc., and each person in the group is to acquire a title to one of the dwelling units, it is included in this category. Also included are instances where an individual constructs more than one dwelling unit and the value of the particular unit intended for owner occupation represents fifty per cent or more of the total value.

(b) *Purchase of newly erected dwellings.* This category refers to loans to individuals for the purchase of dwellings which will be occupied for the first time and which have been completed within a period of twelve months prior to date of *purchase*.

(c) *Purchase of established dwellings.* This category refers to loans to individuals for the purchase of

dwellings which have been completed for a period greater than twelve months or if completed within twelve months preceeding purchase, the purchaser is *not* the original occupant.

Comparability with other statistics on housing finance.

11. The statistics on housing finance for owner occupation published in this bulletin are directly comparable with those published in the monthly bulletins *Housing Finance for Owner Occupation - Savings and Trading Banks* (Reference No. 5.57) and *Housing Finance for Owner Occupation - Permanent Building Societies* (Reference No. 5.58). The previously published series *Savings Banks - Housing Finance* (Reference 5.35) and *Permanent Building Societies* (Reference No. 5.34) have now been discontinued. For details of the breaks in comparability between these series and the current series refer to the October to December issues of the new bulletins Reference No.'s 5.57 and 5.58.

12. This bulletin incorporates revisions to figures

previously published in the bulletins Reference No.'s 5.57 and 5.58.

Reliability of Statistics

13. In certain cases funds provided by lenders are used to pay off loans previously negotiated with other lenders, i.e. individuals have "refinanced" their housing loans. Where this occurs details may be "double counted" and the "net flow" to the household sector may be overstated. The precise extent of this "refinancing" activity is not known.

Rounding.

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

Symbols and other usages.

n.a. - not available for publication

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

n.c. - details not collected.

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning Mr M. Cekulis on 52 7118 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.

TABLE 1. - LOANS APPROVED TO INDIVIDUALS FOR THE CONSTRUCTION OR PURCHASE OF DWELLINGS, BY TYPE OF LENDER - AUSTRALIA

	Banks				Building Societies				Finance companies				Government				Insurance companies		Total		
	Savings		Trading		Permanent		Terminating		No. of dwelling units		\$'000		Housing authorities		Other		No. of dwelling units			\$'000	
	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000		No. of dwelling units	\$'000
Houses																					
1975 -																					
October	11,585	172,495	3,715	54,574	7,079	152,218	1,091	20,341	788	18,435	1,440	24,340	204	4,585	36	1,342	240	5,876	26,178	454,206	
November	9,032	148,295	3,264	46,295	6,721	145,797	957	18,257	739	17,254	1,227	21,467	120	2,420	33	1,003	259	5,937	22,352	406,725	
December	9,940	167,267	3,127	47,292	5,853	129,198	690	13,002	681	19,654	849	14,595	94	1,949	44	988	212	5,340	21,490	399,285	
1976 -																					
January	8,882	152,695	3,378	51,490	5,028	114,017	340	6,605	563	15,740	1,310	22,702	70	1,348	35	950	172	4,344	19,778	369,891	
Other dwellings																					
1975 -																					
October	620	9,949	430	6,130	985	19,524	74	1,437	69	1,670	64	900	15	310	1	174	25	578	2,283	40,672	
November	586	9,557	307	4,939	1,091	22,376	82	1,498	82	1,485	38	541	5	104	..	177	20	467	2,211	41,144	
December	617	10,482	332	4,770	978	20,817	38	713	62	1,157	25	373	5	103	2	125	11	288	2,070	38,828	
1976 -																					
January	655	11,114	302	4,935	863	18,579	36	717	67	1,709	34	588	6	168	3	155	9	217	1,975	38,182	
Total																					
1975 -																					
October	12,205	182,444	4,145	60,704	8,064	171,742	1,165	21,778	857	20,105	1,504	25,240	219	4,895	37	1,516	265	6,454	28,461	494,878	
November	9,618	157,852	3,571	51,234	7,812	168,173	1,039	19,755	821	18,739	1,265	22,008	125	2,524	33	1,180	279	6,404	24,563	447,869	
December	10,557	177,749	3,459	52,062	6,831	150,015	728	13,715	743	20,811	874	14,968	99	2,052	46	1,113	223	5,628	23,560	438,113	
1976 -																					
January	9,537	163,809	3,680	56,425	5,891	132,596	376	7,322	630	17,449	1,344	23,290	76	1,516	38	1,105	181	4,561	21,753	408,073	

TABLE 2. - LOANS APPROVED TO INDIVIDUALS FOR THE CONSTRUCTION OF DWELLINGS, BY TYPE OF LENDER - AUSTRALIA

	Banks				Building Societies				Finance companies				Government				Insurance companies		Total		
	Savings		Trading		Permanent		Terminating		No. of dwelling units		\$'000		Housing authorities		Other		No. of dwelling units			\$'000	
	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000		No. of dwelling units	\$'000
Houses																					
1975 -																					
October	2,035	30,608	825	11,194	1,139	24,877	377	6,899	190	5,002	268	5,037	47	1,071	12	292	35	808	4,928	85,788	
November	1,580	25,953	777	11,087	1,226	27,624	310	5,989	186	5,158	224	4,436	34	565	7	169	42	955	4,386	81,936	
December	1,669	28,310	667	9,474	936	21,511	219	4,116	215	6,043	194	3,570	20	407	5	131	34	950	3,959	74,512	
1976 -																					
January	1,418	23,818	688	9,850	764	18,275	129	2,464	179	4,593	158	2,575	14	271	6	159	25	693	3,381	62,698	
Other dwellings																					
1975 -																					
October	8	102	33	399	32	671	..	..	12	259	..	..	..	..	..	..	..	..	85	1,431
November	3	44	12	185	36	864	..	..	26	550	..	..	..	..	..	..	..	..	77	1,643
December	..	..	31	436	44	630	..	..	1	26	..	..	..	..	..	..	2	53	78	1,145
1976 -																					
January	..	..	20	386	11	308	..	..	12	204	..	..	..	..	..	..	..	..	43	898
Total																					
1975 -																					
October	2,043	30,710	858	11,593	1,171	25,548	377	6,899	202	5,261	268	5,037	47	1,071	12	292	35	808	5,013	87,219	
November	1,583	25,997	789	11,272	1,262	28,488	310	5,989	212	5,708	224	4,436	34	565	7	169	42	955	4,463	83,579	
December	1,669	28,310	698	9,910	980	22,141	219	4,116	216	6,069	194	3,570	20	407	5	131	36	1,003	4,037	75,657	
1976 -																					
January	1,418	23,818	708	10,236	775	18,583	129	2,464	191	4,797	158	2,575	14	271	6	159	25	693	3,424	63,596	

TABLE 5. — ADDITIONAL HOUSING FINANCE INFORMATION, BY TYPE OF LENDER — AUSTRALIA
(\$'000)

	<i>Banks</i>		<i>Building societies</i>		<i>Finance</i>	<i>Government</i>		<i>Credit unions</i>	<i>Insurance companies</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>	<i>Permanent</i>	<i>Terminating</i>		<i>Housing authorities</i>	<i>Other</i>			
LOANS APPROVED TO INDIVIDUALS FOR ALTERATIONS AND ADDITIONS										
1975 —										
October	7,585	15,255	3,892	235	1,602	393	85	760	604	30,411
November	8,486	11,326	3,113	318	1,535	405	127	643	589	26,542
December	8,327	10,956	2,827	225	1,327	258	101	574	399	24,994
1976 —										
January	6,268	10,854	2,206	167	880	342	49	499	480	21,745
CANCELLATIONS OF LOANS PREVIOUSLY APPROVED TO INDIVIDUALS FOR HOUSING (a)										
1975 —										
October	10,620	1,535	7,902	206	1,505	916	26	57	246	23,013
November	9,898	1,186	8,456	258	2,123	829	82	49	493	23,374
December	9,778	1,566	8,456	251	1,355	451	102	60	414	22,433
1976 —										
January	8,654	1,024	6,420	181	2,292	1,245	144	84	229	20,273
LOANS ADVANCED TO INDIVIDUALS FOR HOUSING (a)										
1975 —										
October	162,166		143,983	13,668	17,725	22,851	4,325	1,674	4,722	371,114
November	150,844	n.c.	145,171	13,862	16,634	21,018	2,075	1,657	4,659	355,920
December	211,288		163,670	20,727	18,463	16,995	2,741	1,855	6,517	442,256
1976 —										
January	112,468		110,789	10,546	11,571	25,377	1,282	1,290	3,192	276,515
LOANS APPROVED BUT NOT ADVANCED TO INDIVIDUALS FOR HOUSING AT END OF MONTH (a)										
1975 —										
October	480,425		314,785	47,258	29,382	44,277	6,264	2,246	13,545	938,182
November	486,022	n.c.	332,293	53,211	30,899	44,843	6,758	2,363	15,386	971,774
December	451,031		312,862	46,339	33,124	42,623	6,068	2,135	14,482	908,664
1976 —										
January	499,988		330,455	43,101	37,590	39,633	6,207	2,365	16,102	975,441

(a) Includes alterations and additions.

TABLE 6. - VALUE OF LOANS APPROVED TO INDIVIDUALS FOR THE CONSTRUCTION OR PURCHASE OF DWELLINGS, BY TYPE OF LENDER - STATES (\$'000)

	<i>Banks</i>		<i>Building Societies</i>		<i>Finance companies</i>	<i>Government</i>	<i>Other</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>	<i>Permanent</i>	<i>Terminating</i>				
NOVEMBER 1975								
N.S.W.	49,755	19,097	56,894	8,694	3,737	4,250	3,161	145,588
Vic.	56,376	11,628	27,786	7,452	4,881	7,784	1,986	117,893
Qld	15,719	5,414	37,415	1,666	2,544	1,050	744	64,552
S.A.	15,789	8,276	4,622	..	5,748	1,772	523	36,730
W.A.	12,569	4,660	34,704	1,763	1,130	2,142	869	57,837
Tas.	3,804	1,317	2,576	180	..	2,340	133	10,350
N.T.	386	244	4,176	{ ..	18	1,920	168	{ 2,941
A.C.T.	3,454	597		{ ..	681				3,274	{ 11,978
Aust.	157,852	51,234	168,173	19,755	18,739	24,532	7,584	447,869
DECEMBER 1975								
N.S.W.	53,377	19,429	49,135	4,216	4,484	3,162	2,777	136,580
Vic.	66,290	11,373	32,048	7,476	4,603	4,499	1,952	128,241
Qld	20,035	7,403	23,313	755	2,525	2,289	716	57,036
S.A.	16,504	7,106	6,637	..	7,000	1,879	608	39,734
W.A.	14,066	4,785	34,130	898	1,607	985	413	56,884
Tas.	3,684	1,162	2,226	370	95	1,192	164	8,893
N.T.	403	86	2,526	{ ..	48	788	111	{ 1,682
A.C.T.	3,390	718		{ ..	449				2,226	{ 9,063
Aust.	177,749	52,062	150,015	13,715	20,811	17,020	6,741	438,113
JANUARY 1976								
N.S.W.	53,610	22,582	46,176	2,687	3,712	3,684	2,672	135,123
Vic.	53,354	10,121	29,960	3,712	2,406	10,703	1,427	111,683
Qld	18,121	8,301	18,876	330	3,301	2,613	419	51,961
S.A.	17,089	8,177	6,727	..	6,524	1,075	486	40,078
W.A.	14,445	4,636	24,976	488	1,111	2,243	491	48,390
Tas.	3,779	1,271	2,927	105	39	1,504	169	9,794
N.T.	372	308	2,954	{ ..	29	55	2	{ 1,148
A.C.T.	3,039	1,029		{ ..	327				2,929	{ 9,896
Aust.	163,809	56,425	132,596	7,322	17,449	24,806	5,666	408,073

TABLE 7. - ADDITIONAL HOUSING FINANCE INFORMATION - STATES

		Loans approved to individuals -															
		Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings		Total		Loans approved to individuals for alterations and additions		Cancellations of loans previously approved to individuals		Loans advanced to individuals		Loans approved but not advanced to individuals at end of month	
		No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	Houses	Other dwellings	No. of dwelling units	\$ '000	(a)	(b)	(a)	(b)
NOVEMBER 1975																	
N.S.W.	1,003	17,589	19,021	5,700	108,994	6,395	121,030	1,300	24,574	9,532	10,613	108,816	354,567				
Vic.	928	18,177	22,074	4,360	77,626	6,049	111,729	350	6,148	8,633	4,704	101,616	274,889				
Qld.	809	14,337	8,769	2,388	41,446	3,544	61,493	136	3,059	2,930	1,723	52,389	103,656				
S.A.	365	7,446	8,158	1,239	21,126	1,857	34,381	141	2,349	1,561	1,794	26,414	58,026				
W.A.	982	19,399	4,228	2,051	34,210	3,062	53,974	219	3,863	2,516	3,056	46,036	116,679				
Tas.	138	1,990	1,363	463	6,997	654	10,083	22	267	570	466	9,017	21,334				
N.T.	85	2,310	72	34	559	122	2,919	2	22	128	82	1,797	7,676				
A.C.T.	153	2,331	4,662	275	4,985	669	11,116	41	862	672	936	9,835	34,947				
Aust.	4,463	83,579	68,347	16,510	295,943	22,352	406,725	2,211	41,144	26,542	23,374	355,920	971,774				
DECEMBER 1975																	
N.S.W.	829	15,514	17,915	5,386	103,151	5,963	115,672	1,127	20,908	9,620	11,389	142,154	323,944				
Vic.	977	19,342	19,615	4,753	89,284	6,474	121,362	345	6,879	7,695	4,350	134,153	258,528				
Qld.	702	11,741	9,530	2,101	35,765	3,128	53,215	187	3,821	2,479	2,129	59,522	93,154				
S.A.	298	6,524	9,862	1,254	23,348	1,846	37,883	110	1,851	1,636	1,362	32,912	57,229				
W.A.	943	17,716	4,433	2,016	34,735	2,968	52,575	243	4,309	2,465	2,053	48,130	119,930				
Tas.	132	2,054	809	403	6,030	561	8,648	16	245	299	485	10,969	17,783				
N.T.	37	959	121	31	602	66	1,483	8	199	113	13	2,385	6,914				
A.C.T.	119	1,807	2,801	224	4,455	484	8,447	34	616	687	652	12,031	31,183				
Aust.	4,037	75,657	65,086	16,168	297,370	21,490	399,285	2,070	38,828	24,994	22,433	442,256	908,664				
JANUARY 1976																	
N.S.W.	760	14,120	16,329	5,349	104,674	5,734	111,915	1,190	23,208	8,073	8,840	79,917	351,636				
Vic.	820	15,518	16,319	4,193	79,846	5,599	106,257	286	5,426	6,626	4,067	79,530	280,635				
Qld.	557	9,370	7,999	2,043	34,992	2,896	49,056	129	2,905	2,101	2,120	40,395	95,352				
S.A.	318	6,441	9,435	1,346	24,202	1,914	37,610	147	2,468	1,716	1,554	23,200	65,335				
W.A.	741	14,264	4,918	1,667	29,209	2,491	44,916	181	3,474	2,368	1,899	39,160	124,022				
Tas.	98	1,572	1,146	416	7,076	572	9,653	7	141	313	514	5,804	20,178				
N.T.	20	514	24	30	610	52	1,148	..	..	124	81	1,669	6,052				
A.C.T.	110	1,797	3,338	256	4,761	520	9,336	35	560	424	1,198	6,840	32,231				
Aust.	3,424	63,596	59,508	15,300	284,970	19,778	369,891	1,975	38,182	21,745	20,273	276,515	975,441				

(a) Includes alterations and additions. (b) Excludes Tradings Banks - details not collected.