

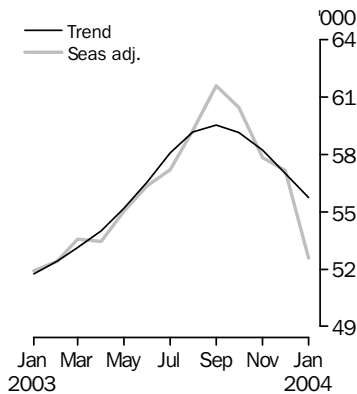
HOUSING FINANCE FOR OWNER OCCUPATION

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) FRI 12 MAR 2004

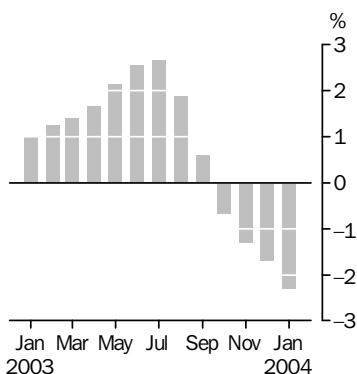
Housing finance

Number of dwellings



Number of dwellings

Trend estimates
% change



KEY FIGURES

	Jan 2004	Dec 2003 to Jan 2004
	no.	% change
TREND ESTIMATES		
Total number of dwelling commitments	55 730	-2.3
Construction of dwellings	5 436	-1.0
Purchase of new dwellings	2 002	-0.7
Purchase of established dwellings(a)	48 292	-2.5
SEASONALLY ADJUSTED ESTIMATES		
Total number of dwelling commitments	52 574	-8.1
Construction of dwellings	5 426	2.0
Purchase of new dwellings	1 642	-22.3
Purchase of established dwellings(a)	45 506	-8.5

(a) Includes refinancing.

KEY POINTS

TREND ESTIMATES

- The trend estimate for the number of housing finance commitments for owner occupation declined by 2.3% in January 2004. The trend series excluding refinancing fell by 3.3% in January. The trend series for the value of commitments decreased by 2.6%.
- The construction finance trend series recorded a decrease of 1.0% in January 2004, the fifth consecutive monthly decrease. There were also decreases in the trend series for purchase of new dwellings (down 0.7%) and refinancing (down 0.1%). The trend in finance commitments for the purchase of established dwellings fell for the fourth consecutive month, falling by 2.5% in January.

SEASONALLY ADJUSTED ESTIMATES

- The number of housing finance commitments (seasonally adjusted) fell by 8.1% in January 2004, primarily due to a 11.7% decline in finance for the purchase of established dwellings excluding refinancing. There were also decreases in purchase of new dwellings (down 22.3%) and refinancing of established dwellings (down 3.1%), while there was an increase in construction of dwellings (up 2.0%).
- A record 33.9% of all finance approvals were for the refinancing of an existing loan.
- Value of commitments (seasonally adjusted) fell by 7.0% in January 2004.

ORIGINAL ESTIMATES

- The percentage of commitments at a fixed rate of interest (for at least two years) decreased for the second successive month, from 14.4% in December 2003 to 12.5% in January 2004.
- The average loan value was \$186,200 in January 2004, down slightly from the December figure of \$187,000.

INQUIRIES

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Darren Page on Canberra 02 6252 6731.

NOTES

FORTHCOMING ISSUES

<i>ISSUE</i>	<i>RELEASE DATE</i>
February 2004	13 April 2004
March 2004	12 May 2004
April 2004	9 June 2004
May 2004	9 July 2004
June 2004	9 August 2004
July 2004	8 September 2004



REVISIONS IN THIS ISSUE

Revisions to previously provided estimates from some lenders resulted in larger than usual revisions to some estimates back to March 2003. The most affected published estimates are those for purchases of new dwellings and refinancing of established dwellings and estimates for wholesale lenders.

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)



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)
 - 12 Housing Finance Seasonal Factors, By Purpose and Lender: Australia, October 1975 to January 2005
 - 13 Housing Finance Seasonal Factors, By State, October 1975 to January 2005

HOUSING FINANCE SUMMARY OF FINDINGS

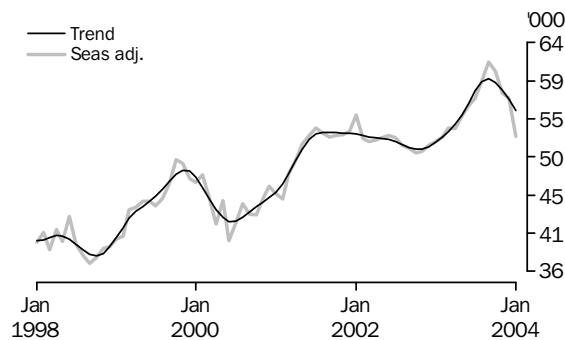
DWELLINGS FINANCED

Number financed including refinancing

Total housing commitments (seasonally adjusted) decreased for the fourth consecutive month, decreasing by 8.1% in January 2004 after a fall of 1.1% in December 2003. The decrease was mainly due to the purchase of established dwellings excluding refinancing (down 3667, -11.7%), and there were also falls in refinancing commitments (down 574, -3.1%) and purchases of new dwellings (down 471, -22.3%). Construction of dwellings increased (up 104, 2.0%).

The total housing finance trend fell by 2.3% in January 2004, with the large fall in the seasonally adjusted series this month leading to stronger trend decline with downward revisions to the trend series back to October 2003.

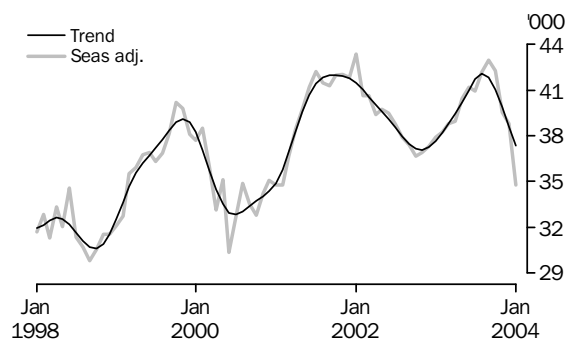
The large fall in seasonally adjusted total housing finance was driven mainly by NSW (down 1582, -8.6%), Queensland (down 1447, -12.4%) and WA (down 741, -9.8%). Decreases were also recorded in Victoria (down 426, -3.4%), ACT (down 54, -7.3%), Tasmania (down 50, -4.3%) and SA (down 34, -0.7%), while the only increase was for NT (up 9, 2.3%). The trend decreased in all states and territories except NT.



The percentage of commitments at a fixed rate of interest (for at least two years) decreased for the second successive month, from 14.4% in December 2003 to 12.5% in January 2004.

Number financed excluding refinancing

The number of dwellings financed excluding refinancing (seasonally adjusted) decreased in January 2004 (down 4034, -10.4%), the fourth consecutive monthly decrease and the strongest percentage decline in this series since June 2000. The trend series decreased by 3.3% in January.



Value of commitments

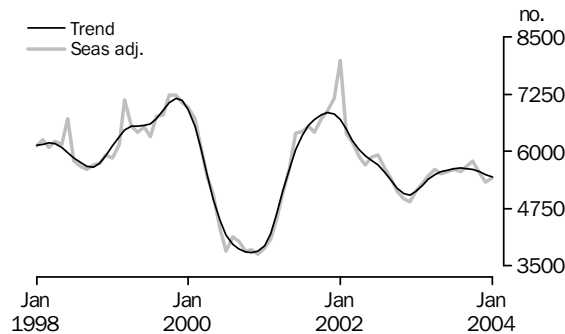
The total value of commitments (seasonally adjusted) fell for the fourth successive month, falling by 7.0% in January 2004. The trend series decreased by 2.6% in January.

HOUSING FINANCE SUMMARY OF FINDINGS *continued*

PURPOSE OF FINANCE

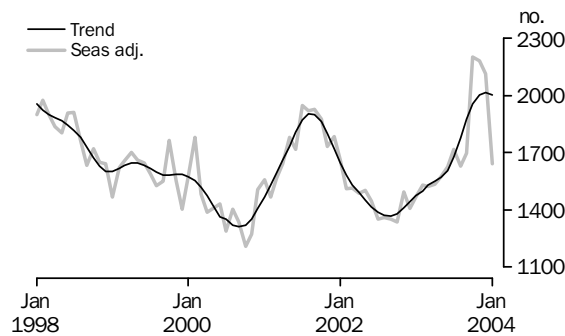
Construction of dwellings

Construction commitments (seasonally adjusted) increased by 2.0% in January 2004. The trend series fell 1.0% in January, continuing the decline since September.



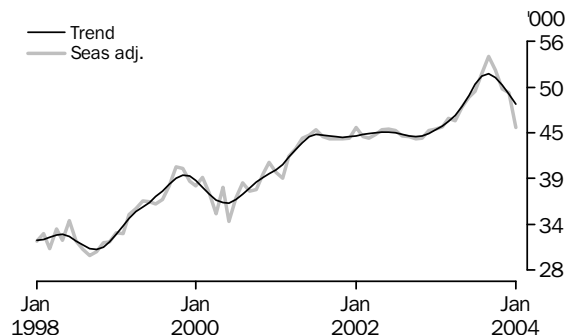
Purchase of new dwellings

The seasonally adjusted estimate for commitments to purchase newly erected dwellings decreased by 22.3% in January 2004, offsetting the increase in the series in October 2003 (up 29.8%). The trend series for purchase of new dwellings fell by 0.7% in January 2004, the first decline in this series since September 2002.



Purchase of established dwellings

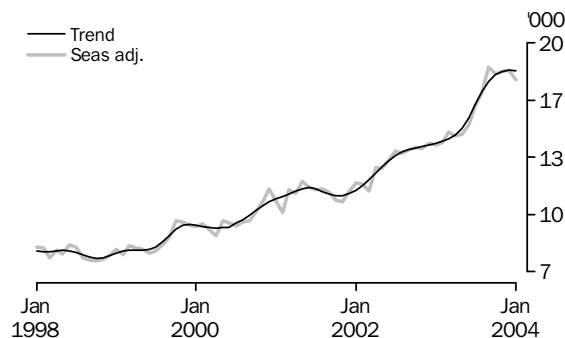
The seasonally adjusted established dwelling finance series decreased by 8.5% (down 4241) in January 2004, the fourth successive month of decreasing commitments and the strongest percentage decline in this series since June 2000. The trend series decreased by 2.5% in January.



HOUSING FINANCE SUMMARY OF FINDINGS *continued*

Refinancing

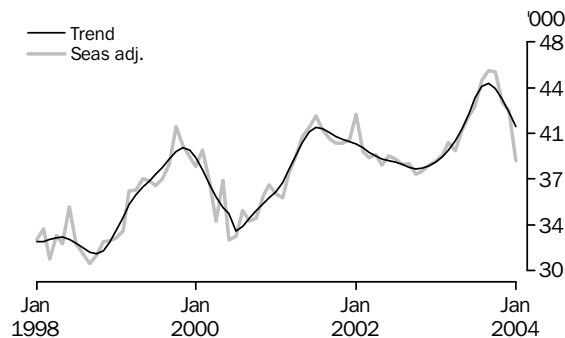
The number of refinancing commitments (seasonally adjusted) fell by 3.1% in January 2004. The trend series declined by 0.1%, the first fall in this series since October 2001.



TYPE OF LENDER

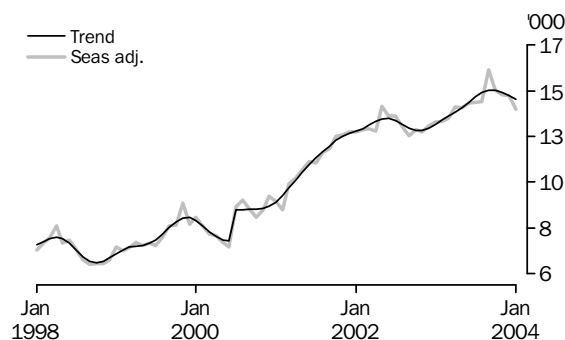
Banks

Bank finance (seasonally adjusted) decreased for the fourth consecutive month, falling by 9.3% (down 3964) in January 2004 after a decrease of 1.4% in December. The trend series has now declined for four successive months (-2.6% in January 2004), with the strong fall in the seasonally adjusted estimate in January accelerating the rate of this decline and causing downward revisions to the trend series back to October 2003.



Non-banks

Non-bank commitments (seasonally adjusted) decreased for the fourth consecutive month in January 2004, decreasing by 4.4%. There were seasonally adjusted decreases recorded for wholesale lenders (down 10.4%) and permanent building societies (down 5.9%). The non-bank trend series decreased by 1.2%.



HOUSING FINANCE COMMITMENTS (a), By Purpose: Australia

Month	Construction of dwellings		Purchase of new dwellings		Purchase of established dwellings(b)		Total		Refinancing of established dwellings		Total excluding refinancing of dwellings	
	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m
ORIGINAL												
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	48 006	8 238	54 839	9 459	15 242	2 362	39 597	7 097
April	5 242	921	1 444	297	45 636	8 078	52 322	9 296	14 291	2 228	38 031	7 069
May	5 905	1 068	1 676	363	51 339	9 162	58 920	10 593	15 912	2 492	43 008	8 101
June	5 625	1 030	1 636	337	49 347	8 869	56 608	10 237	16 130	2 561	40 478	7 675
July	6 620	1 213	1 843	392	53 508	9 803	61 971	11 408	17 542	2 884	44 429	8 524
August	5 701	1 038	1 602	345	51 392	9 608	58 695	10 991	16 831	2 804	41 864	8 187
September	5 907	1 099	1 745	383	53 075	10 054	60 727	11 536	18 053	3 056	42 674	8 480
October	6 182	1 147	2 239	487	54 842	10 249	63 263	11 883	18 730	3 067	44 533	8 816
November	5 356	1 027	2 175	489	49 975	9 354	57 506	10 871	17 789	2 825	39 717	8 046
December	5 508	1 054	2 179	490	50 248	9 290	57 935	10 835	18 550	2 909	39 385	7 925
2004												
January	4 211	795	1 423	323	37 702	6 949	43 336	8 067	13 815	2 201	29 521	5 867
SEASONALLY ADJUSTED												
2003												
January	5 130	873	1 469	289	45 311	7 584	51 910	8 747	13 986	2 069	37 924	6 678
February	5 318	920	1 531	291	45 553	7 738	52 402	8 950	14 124	2 129	38 278	6 821
March	5 450	928	1 523	307	46 588	7 926	53 561	9 161	14 745	2 247	38 816	6 914
April	5 605	980	1 536	312	46 321	8 144	53 462	9 436	14 499	2 229	38 963	7 206
May	5 516	996	1 576	342	47 948	8 497	55 040	9 835	14 612	2 322	40 428	7 513
June	5 558	1 022	1 627	340	49 196	8 830	56 381	10 192	15 208	2 415	41 173	7 778
July	5 604	1 031	1 718	363	49 869	9 265	57 191	10 659	16 271	2 682	40 920	7 977
August	5 561	1 029	1 628	345	52 064	9 717	59 253	11 091	17 085	2 808	42 168	8 283
September	5 683	1 076	1 696	378	54 208	10 307	61 587	11 760	18 598	3 127	42 989	8 634
October	5 799	1 082	2 202	479	52 469	9 793	60 470	11 354	18 179	2 974	42 291	8 380
November	5 521	1 054	2 181	480	50 143	9 394	57 845	10 928	18 322	2 944	39 523	7 984
December	5 322	1 003	2 113	458	49 747	9 129	57 182	10 590	18 395	2 900	38 787	7 690
2004												
January	5 426	1 022	1 642	386	45 506	8 441	52 574	9 848	17 821	2 876	34 753	6 972
TREND												
2003												
January	5 123	868	1 474	285	45 157	7 601	51 754	8 754	14 077	2 102	37 677	6 652
February	5 255	900	1 500	296	45 646	7 747	52 401	8 943	14 190	2 137	38 211	6 806
March	5 391	936	1 529	308	46 209	7 937	53 129	9 180	14 321	2 183	38 808	6 998
April	5 494	968	1 550	317	46 968	8 199	54 012	9 484	14 557	2 255	39 455	7 229
May	5 557	995	1 569	326	48 045	8 547	55 171	9 868	14 970	2 365	40 201	7 503
June	5 597	1 018	1 604	339	49 380	8 956	56 581	10 313	15 580	2 510	41 001	7 803
July	5 625	1 037	1 676	358	50 786	9 365	58 087	10 760	16 340	2 671	41 747	8 089
August	5 638	1 050	1 775	382	51 774	9 649	59 187	11 081	17 099	2 813	42 088	8 268
September	5 629	1 055	1 877	407	52 043	9 744	59 549	11 205	17 716	2 911	41 833	8 294
October	5 599	1 053	1 957	428	51 594	9 662	59 150	11 143	18 113	2 959	41 037	8 184
November	5 550	1 047	2 004	442	50 669	9 468	58 223	10 958	18 322	2 971	39 901	7 986
December	5 493	1 039	2 016	449	49 518	9 223	57 027	10 711	18 411	2 964	38 616	7 746
2004												
January	5 436	1 029	2 002	450	48 292	8 951	55 730	10 430	18 383	2 937	37 347	7 493

(a) Excludes alterations and additions

(b) Includes refinancing

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

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)												
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	11.5	14.5	11.5	14.2	13.3	17.0	10.9	13.3
April	-0.8	0.9	-6.9	-3.8	-4.9	-1.9	-4.6	-1.7	-6.2	-5.7	-4.0	-0.4
May	12.6	15.9	16.1	22.3	12.5	13.4	12.6	13.9	11.3	11.9	13.1	14.6
June	-4.7	-3.5	-2.4	-7.1	-3.9	-3.2	-3.9	-3.4	1.4	2.8	-5.9	-5.2
July	17.7	17.8	12.7	16.2	8.4	10.5	9.5	11.4	8.8	12.6	9.8	11.1
August	-13.9	-14.5	-13.1	-11.9	-4.0	-2.0	-5.3	-3.7	-4.1	-2.8	-5.8	-4.0
September	3.6	5.9	8.9	11.1	3.3	4.6	3.5	5.0	7.3	9.0	1.9	3.6
October	4.7	4.3	28.3	27.1	3.3	1.9	4.2	3.0	3.8	0.4	4.4	4.0
November	-13.4	-10.4	-2.9	0.4	-8.9	-8.7	-9.1	-8.5	-5.0	-7.9	-10.8	-8.7
December	2.8	2.6	0.2	0.2	0.5	-0.7	0.7	-0.3	4.3	3.0	-0.8	-1.5
2004												
January	-23.5	-24.6	-34.7	-34.2	-25.0	-25.2	-25.2	-25.5	-25.5	-24.4	-25.0	-26.0
SEASONALLY ADJUSTED (% CHANGE FROM PREVIOUS MONTH)												
2003												
January	4.8	8.2	4.3	5.7	0.5	-0.2	1.0	0.8	-0.7	-1.9	1.6	1.6
February	3.7	5.5	4.2	0.7	0.5	2.0	0.9	2.3	1.0	2.9	0.9	2.1
March	2.5	0.8	-0.5	5.4	2.3	2.4	2.2	2.4	4.4	5.5	1.4	1.4
April	2.8	5.6	0.9	1.5	-0.6	2.8	-0.2	3.0	-1.7	-0.8	0.4	4.2
May	-1.6	1.7	2.6	9.5	3.5	4.3	3.0	4.2	0.8	4.2	3.8	4.3
June	0.8	2.6	3.2	-0.5	2.6	3.9	2.4	3.6	4.1	4.0	1.8	3.5
July	0.8	0.8	5.6	6.7	1.4	4.9	1.4	4.6	7.0	11.1	-0.6	2.6
August	-0.8	-0.2	-5.2	-4.9	4.4	4.9	3.6	4.1	5.0	4.7	3.0	3.8
September	2.2	4.6	4.2	9.5	4.1	6.1	3.9	6.0	8.9	11.3	1.9	4.2
October	2.0	0.5	29.8	26.8	-3.2	-5.0	-1.8	-3.5	-2.3	-4.9	-1.6	-2.9
November	-4.8	-2.6	-1.0	0.3	-4.4	-4.1	-4.3	-3.8	0.8	-1.0	-6.5	-4.7
December	-3.6	-4.8	-3.1	-4.4	-0.8	-2.8	-1.1	-3.1	0.4	-1.5	-1.9	-3.7
2004												
January	2.0	1.9	-22.3	-15.9	-8.5	-7.5	-8.1	-7.0	-3.1	-0.8	-10.4	-9.3
TREND (% CHANGE FROM PREVIOUS MONTH)												
2003												
January	1.5	2.4	2.1	3.4	0.9	1.5	1.0	1.6	0.8	1.3	1.1	1.8
February	2.6	3.7	1.8	3.8	1.1	1.9	1.3	2.2	0.8	1.6	1.4	2.3
March	2.6	3.9	1.9	4.0	1.2	2.5	1.4	2.7	0.9	2.2	1.6	2.8
April	1.9	3.5	1.4	3.2	1.6	3.3	1.7	3.3	1.6	3.3	1.7	3.3
May	1.1	2.8	1.2	2.9	2.3	4.2	2.1	4.1	2.8	4.9	1.9	3.8
June	0.7	2.3	2.2	3.7	2.8	4.8	2.6	4.5	4.1	6.1	2.0	4.0
July	0.5	1.8	4.5	5.6	2.8	4.6	2.7	4.3	4.9	6.4	1.8	3.7
August	0.2	1.2	5.9	6.8	1.9	3.0	1.9	3.0	4.6	5.3	0.8	2.2
September	-0.2	0.5	5.7	6.5	0.5	1.0	0.6	1.1	3.6	3.5	-0.6	0.3
October	-0.5	-0.1	4.3	5.1	-0.9	-0.8	-0.7	-0.6	2.2	1.6	-1.9	-1.3
November	-0.9	-0.6	2.4	3.3	-1.8	-2.0	-1.6	-1.7	1.2	0.4	-2.8	-2.4
December	-1.0	-0.8	0.6	1.6	-2.3	-2.6	-2.1	-2.3	0.5	-0.2	-3.2	-3.0
2004												
January	-1.0	-0.9	-0.7	0.1	-2.5	-2.9	-2.3	-2.6	-0.1	-0.9	-3.3	-3.3

(a) Excludes alterations and additions

(b) Includes refinancing.

HOUSING FINANCE COMMITMENTS(a), By Lender: Australia

Month	Banks		Non-banks(b)		Total		Permanent building societies		Wholesale lenders n.e.c.	
	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m
ORIGINAL										
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	14 055	2 159	54 839	9 459	2 237	321	8 702	1 430
April	38 661	7 181	13 661	2 115	52 322	9 296	2 265	342	8 098	1 342
May	43 846	8 182	15 074	2 410	58 920	10 593	2 391	370	9 012	1 528
June	42 204	7 894	14 404	2 343	56 608	10 237	2 321	351	8 593	1 507
July	46 333	8 723	15 638	2 685	61 971	11 408	2 639	406	9 207	1 758
August	44 245	8 466	14 450	2 525	58 695	10 991	2 353	354	8 726	1 705
September	45 294	8 827	15 433	2 709	60 727	11 536	2 525	396	9 245	1 821
October	47 551	9 126	15 712	2 757	63 263	11 883	2 450	383	9 206	1 837
November	43 062	8 371	14 444	2 500	57 506	10 871	2 244	351	8 428	1 636
December	43 666	8 345	14 269	2 490	57 935	10 835	2 171	327	8 238	1 601
2004										
January	32 391	6 211	10 945	1 857	43 336	8 067	1 543	237	6 116	1 117
SEASONALLY ADJUSTED										
2003										
January	38 620	6 741	13 290	2 006	51 910	8 747	2 231	321	7 944	1 268
February	39 068	6 931	13 334	2 019	52 402	8 950	2 159	313	8 198	1 318
March	40 082	7 076	13 479	2 085	53 561	9 161	2 200	327	8 421	1 366
April	39 426	7 291	14 036	2 144	53 462	9 436	2 223	331	8 287	1 361
May	41 040	7 592	14 000	2 243	55 040	9 835	2 236	334	8 278	1 408
June	42 187	7 907	14 194	2 286	56 381	10 192	2 338	342	8 400	1 470
July	42 946	8 226	14 245	2 433	57 191	10 659	2 386	360	8 355	1 598
August	44 976	8 600	14 277	2 491	59 253	11 091	2 373	359	8 663	1 673
September	45 773	9 049	15 814	2 711	61 587	11 760	2 408	398	8 932	1 725
October	45 632	8 782	14 838	2 572	60 470	11 354	2 346	365	8 702	1 707
November	43 244	8 367	14 601	2 561	57 845	10 928	2 284	352	8 641	1 713
December	42 617	8 028	14 565	2 562	57 182	10 590	2 259	345	8 673	1 714
2004										
January	38 653	7 425	13 921	2 423	52 574	9 848	2 126	331	7 773	1 470
TREND										
2003										
January	38 552	6 768	13 202	1 986	51 754	8 754	2 163	310	8 048	1 286
February	38 985	6 910	13 416	2 032	52 401	8 943	2 192	318	8 166	1 309
March	39 526	7 094	13 603	2 086	53 129	9 180	2 212	324	8 244	1 339
April	40 228	7 332	13 784	2 152	54 012	9 484	2 238	330	8 299	1 380
May	41 176	7 632	13 995	2 236	55 171	9 868	2 278	339	8 357	1 437
June	42 342	7 980	14 239	2 333	56 581	10 313	2 320	349	8 430	1 505
July	43 584	8 327	14 503	2 433	58 087	10 760	2 359	359	8 537	1 582
August	44 475	8 567	14 712	2 514	59 187	11 081	2 377	366	8 638	1 648
September	44 730	8 643	14 819	2 562	59 549	11 205	2 366	368	8 694	1 688
October	44 333	8 565	14 817	2 579	59 150	11 143	2 335	365	8 674	1 698
November	43 501	8 385	14 722	2 572	58 223	10 958	2 293	358	8 589	1 685
December	42 458	8 157	14 569	2 553	57 027	10 711	2 247	350	8 463	1 660
2004										
January	41 333	7 908	14 397	2 522	55 730	10 430	2 203	342	8 322	1 623

(a) Excludes alterations and additions. Includes refinancing.

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

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

Month	Banks		Non-banks(b)		Total		Permanent building societies		Wholesale lenders n.e.c.	
	no.	value	no.	value	no.	value	no.	value	no.	value
ORIGINAL (% change from previous month)										
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	10.9	14.4	11.5	14.2	5.9	5.8	14.5	18.7
April	-5.2	-1.6	-2.8	-2.1	-4.6	-1.7	1.3	6.5	-6.9	-6.1
May	13.4	13.9	10.3	14.0	12.6	13.9	5.6	8.2	11.3	13.8
June	-3.7	-3.5	-4.4	-2.8	-3.9	-3.4	-2.9	-5.2	-4.6	-1.4
July	9.8	10.5	8.6	14.6	9.5	11.4	13.7	15.7	7.1	16.7
August	-4.5	-2.9	-7.6	-6.0	-5.3	-3.7	-10.8	-12.8	-5.2	-3.0
September	2.4	4.3	6.8	7.3	3.5	5.0	7.3	11.7	5.9	6.8
October	5.0	3.4	1.8	1.8	4.2	3.0	-3.0	-3.2	-0.4	0.9
November	-9.4	-8.3	-8.1	-9.3	-9.1	-8.5	-8.4	-8.4	-8.5	-10.9
December	1.4	-0.3	-1.2	-0.4	0.7	-0.3	-3.3	-6.8	-2.3	-2.1
2004										
January	-25.8	-25.6	-23.3	-25.4	-25.2	-25.5	-28.9	-27.5	-25.8	-30.2
SEASONALLY ADJUSTED (% change from previous month)										
2003										
January	0.8	0.6	1.5	1.5	1.0	0.8	4.4	7.8	-1.1	-1.8
February	1.2	2.8	0.3	0.7	0.9	2.3	-3.2	-2.5	3.2	3.9
March	2.6	2.1	1.1	3.3	2.2	2.4	1.9	4.4	2.7	3.7
April	-1.6	3.0	4.1	2.9	-0.2	3.0	1.1	1.2	-1.6	-0.4
May	4.1	4.1	-0.3	4.6	3.0	4.2	0.6	1.0	-0.1	3.4
June	2.8	4.1	1.4	1.9	2.4	3.6	4.6	2.2	1.5	4.4
July	1.8	4.0	0.4	6.4	1.4	4.6	2.1	5.4	-0.5	8.8
August	4.7	4.5	0.2	2.4	3.6	4.1	-0.6	-0.3	3.7	4.6
September	1.8	5.2	10.8	8.8	3.9	6.0	1.5	10.8	3.1	3.1
October	-0.3	-2.9	-6.2	-5.1	-1.8	-3.5	-2.6	-8.3	-2.6	-1.1
November	-5.2	-4.7	-1.6	-0.4	-4.3	-3.8	-2.6	-3.5	-0.7	0.3
December	-1.4	-4.0	-0.2	—	-1.1	-3.1	-1.1	-1.8	0.4	—
2004										
January	-9.3	-7.5	-4.4	-5.4	-8.1	-7.0	-5.9	-4.1	-10.4	-14.2
TREND (% change from previous month)										
2003										
January	0.9	1.6	1.4	1.8	1.0	1.6	2.0	3.1	1.7	1.6
February	1.1	2.1	1.6	2.3	1.3	2.2	1.3	2.5	1.5	1.8
March	1.4	2.7	1.4	2.6	1.4	2.7	0.9	1.9	1.0	2.3
April	1.8	3.3	1.3	3.2	1.7	3.3	1.2	2.0	0.7	3.1
May	2.4	4.1	1.5	3.9	2.1	4.1	1.8	2.6	0.7	4.1
June	2.8	4.6	1.7	4.3	2.6	4.5	1.9	2.9	0.9	4.8
July	2.9	4.3	1.9	4.3	2.7	4.3	1.7	2.9	1.3	5.1
August	2.0	2.9	1.4	3.3	1.9	3.0	0.8	2.0	1.2	4.1
September	0.6	0.9	0.7	1.9	0.6	1.1	-0.4	0.5	0.6	2.4
October	-0.9	-0.9	—	0.6	-0.7	-0.6	-1.3	-0.9	-0.2	0.6
November	-1.9	-2.1	-0.6	-0.2	-1.6	-1.7	-1.8	-1.8	-1.0	-0.7
December	-2.4	-2.7	-1.0	-0.7	-2.1	-2.3	-2.0	-2.2	-1.5	-1.5
2004										
January	-2.6	-3.1	-1.2	-1.2	-2.3	-2.6	-2.0	-2.4	-1.7	-2.2

— 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.

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

<i>Month</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>
ORIGINAL									
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	17 402	12 110	11 633	4 780	6 580	1 152	408	774	54 839
April	16 754	11 743	10 555	4 546	6 419	1 073	436	796	52 322
May	19 202	13 000	11 466	5 027	7 613	1 281	478	853	58 920
June	17 963	12 715	11 426	4 922	7 120	1 247	423	792	56 608
July	19 729	13 698	12 892	5 251	7 744	1 366	357	934	61 971
August	19 016	13 081	12 335	4 588	7 209	1 303	358	805	58 695
September	19 761	13 287	12 799	4 899	7 294	1 354	448	885	60 727
October	20 166	14 086	13 208	5 212	7 891	1 409	409	882	63 263
November	18 420	12 468	11 964	4 927	7 335	1 176	436	780	57 506
December	18 068	13 213	11 449	5 128	7 651	1 210	457	759	57 935
2004									
January	13 218	9 915	8 430	3 989	5 990	917	333	544	43 336
SEASONALLY ADJUSTED (b)									
2003									
January	16 762	12 290	10 377	4 269	6 252	1 122	305	827	51 910
February	16 989	11 755	10 470	4 411	6 266	1 053	336	878	52 402
March	16 806	12 335	10 982	4 684	6 403	1 123	379	778	53 561
April	16 942	12 223	11 001	4 664	6 711	1 129	416	786	53 462
May	17 386	12 346	10 792	4 726	6 974	1 165	450	820	55 040
June	17 641	12 629	11 612	4 815	7 074	1 283	437	818	56 381
July	18 386	12 710	11 939	4 911	7 258	1 327	356	882	57 191
August	18 954	13 046	12 523	4 866	7 397	1 308	400	840	59 253
September	19 657	13 336	12 987	5 038	7 600	1 406	434	878	61 587
October	19 359	13 053	12 357	5 080	7 548	1 329	428	836	60 470
November	18 714	12 649	11 918	4 886	7 575	1 176	440	766	57 845
December	18 425	12 487	11 659	4 738	7 531	1 149	404	745	57 182
2004									
January	16 843	12 061	10 212	4 704	6 790	1 099	413	691	52 574
TREND (b)									
2003									
January	16 598	12 003	10 298	4 307	6 231	1 107	329	847	51 754
February	16 713	12 082	10 513	4 434	6 343	1 108	357	832	52 401
March	16 875	12 166	10 720	4 556	6 496	1 119	383	818	53 129
April	17 106	12 273	10 962	4 663	6 684	1 149	401	812	54 012
May	17 451	12 433	11 276	4 755	6 889	1 198	412	818	55 171
June	17 915	12 638	11 654	4 834	7 093	1 258	416	834	56 581
July	18 457	12 847	12 058	4 902	7 289	1 309	416	849	58 087
August	18 889	12 980	12 343	4 945	7 431	1 331	414	854	59 187
September	19 070	12 997	12 410	4 958	7 500	1 319	415	842	59 549
October	18 987	12 908	12 249	4 938	7 503	1 282	419	816	59 150
November	18 718	12 749	11 931	4 895	7 456	1 233	422	785	58 223
December	18 354	12 562	11 541	4 840	7 374	1 181	423	753	57 027
2004									
January	17 929	12 372	11 136	4 781	7 265	1 133	425	722	55 730

(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)

	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	Total
<i>Month</i>	no.	no.	no.	no.	no.	no.	no.	no.	no.
ORIGINAL (% change from previous month)									
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	10.5	11.2	15.2	16.2	8.3	13.5	22.5	-13.3	11.5
April	-3.7	-3.0	-9.3	-4.9	-2.4	-6.9	6.9	2.8	-4.6
May	14.6	10.7	8.6	10.6	18.6	19.4	9.6	7.2	12.6
June	-6.5	-2.2	-0.3	-2.1	-6.5	-2.7	-11.5	-7.2	-3.9
July	9.8	7.7	12.8	6.7	8.8	9.5	-15.6	17.9	9.5
August	-3.6	-4.5	-4.3	-12.6	-6.9	-4.6	0.3	-13.8	-5.3
September	3.9	1.6	3.8	6.8	1.2	3.9	25.1	9.9	3.5
October	2.0	6.0	3.2	6.4	8.2	4.1	-8.7	-0.3	4.2
November	-8.7	-11.5	-9.4	-5.5	-7.0	-16.5	6.6	-11.6	-9.1
December	-1.9	6.0	-4.3	4.1	4.3	2.9	4.8	-2.7	0.7
2004									
January	-26.8	-25.0	-26.4	-22.2	-21.7	-24.2	-27.1	-28.3	-25.2
SEASONALLY ADJUSTED (% change from previous month)									
2003									
January	1.5	2.4	3.2	1.6	-0.2	-3.0	-10.6	-5.5	1.0
February	1.4	-4.4	0.9	3.3	0.2	-6.1	10.2	6.3	0.9
March	-1.1	4.9	4.9	6.2	2.2	6.6	13.1	-11.4	2.2
April	0.8	-0.9	0.2	-0.4	4.8	0.5	9.6	1.0	-0.2
May	2.6	1.0	-1.9	1.3	3.9	3.2	8.3	4.4	3.0
June	1.5	2.3	7.6	1.9	1.4	10.1	-2.8	-0.2	2.4
July	4.2	0.6	2.8	2.0	2.6	3.4	-18.6	7.9	1.4
August	3.1	2.6	4.9	-0.9	1.9	-1.4	12.3	-4.8	3.6
September	3.7	2.2	3.7	3.5	2.7	7.5	8.5	4.6	3.9
October	-1.5	-2.1	-4.8	0.8	-0.7	-5.5	-1.4	-4.8	-1.8
November	-3.3	-3.1	-3.6	-3.8	0.4	-11.5	2.8	-8.4	-4.3
December	-1.5	-1.3	-2.2	-3.0	-0.6	-2.4	-8.1	-2.7	-1.1
2004									
January	-8.6	-3.4	-12.4	-0.7	-9.8	-4.3	2.3	-7.3	-8.1
TREND (% change from previous month)									
2003									
January	0.4	0.5	2.2	2.5	1.1	-0.1	7.8	-0.7	1.0
February	0.7	0.7	2.1	2.9	1.8	0.1	8.5	-1.8	1.3
March	1.0	0.7	2.0	2.7	2.4	1.0	7.1	-1.7	1.4
April	1.4	0.9	2.3	2.3	2.9	2.6	4.8	-0.7	1.7
May	2.0	1.3	2.9	2.0	3.1	4.3	2.6	0.8	2.1
June	2.7	1.7	3.3	1.7	3.0	5.0	1.1	1.9	2.6
July	3.0	1.7	3.5	1.4	2.8	4.1	—	1.9	2.7
August	2.3	1.0	2.4	0.9	1.9	1.7	-0.4	0.6	1.9
September	1.0	0.1	0.5	0.3	0.9	-0.9	0.2	-1.4	0.6
October	-0.4	-0.7	-1.3	-0.4	0.1	-2.8	0.9	-3.0	-0.7
November	-1.4	-1.2	-2.6	-0.9	-0.6	-3.8	0.7	-3.8	-1.6
December	-1.9	-1.5	-3.3	-1.1	-1.1	-4.2	0.2	-4.1	-2.1
2004									
January	-2.3	-1.5	-3.5	-1.2	-1.5	-4.1	0.4	-4.2	-2.3

— nil or rounded to zero (including null cells)

(a) Excludes alterations and additions. Includes refinancing.

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

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
Month	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
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	1 903	671	1 116	128	61	166	10 593
June	3 963	2 304	1 929	651	1 044	128	58	161	10 237
July	4 443	2 524	2 226	678	1 160	142	56	178	11 408
August	4 371	2 427	2 131	635	1 077	135	54	160	10 991
September	4 638	2 476	2 267	662	1 098	144	67	183	11 536
October	4 689	2 580	2 315	732	1 165	152	67	183	11 883
November	4 292	2 359	2 105	669	1 093	130	64	159	10 871
December	4 144	2 470	2 031	717	1 114	136	69	153	10 835
2004									
January	2 989	1 877	1 510	540	876	112	50	113	8 067
SEASONALLY ADJUSTED (b)									
2003									
January	3 423	2 073	1 603	522	887	110	41	156	8 747
February	3 488	1 966	1 637	538	910	102	44	163	8 950
March	3 549	2 068	1 722	598	910	110	50	148	9 161
April	3 678	2 161	1 782	599	953	118	50	153	9 436
May	3 812	2 188	1 844	635	1 016	117	57	152	9 835
June	3 901	2 290	1 960	642	1 052	130	59	166	10 192
July	4 176	2 404	2 063	651	1 087	134	57	171	10 659
August	4 325	2 419	2 155	677	1 110	134	62	167	11 091
September	4 678	2 465	2 358	687	1 160	148	64	191	11 760
October	4 473	2 407	2 161	716	1 138	142	68	167	11 354
November	4 320	2 395	2 086	658	1 122	129	67	153	10 928
December	4 200	2 277	2 067	644	1 112	132	63	153	10 590
2004									
January	3 810	2 279	1 835	634	976	138	60	147	9 848
TREND (b)									
2003									
January	3 424	2 014	1 589	529	883	106	43	152	8 754
February	3 483	2 043	1 646	552	904	108	46	153	8 943
March	3 563	2 086	1 708	577	931	111	49	154	9 180
April	3 673	2 144	1 785	602	965	115	51	155	9 484
May	3 822	2 217	1 879	626	1 006	121	54	159	9 868
June	4 003	2 298	1 983	647	1 048	128	57	164	10 313
July	4 196	2 369	2 085	665	1 089	133	60	169	10 760
August	4 344	2 410	2 156	676	1 118	137	62	172	11 081
September	4 411	2 417	2 181	680	1 129	138	64	171	11 205
October	4 396	2 401	2 161	678	1 125	138	65	167	11 143
November	4 324	2 373	2 113	670	1 110	137	65	161	10 958
December	4 222	2 340	2 052	660	1 088	136	64	155	10 711
2004									
January	4 099	2 304	1 984	650	1 063	135	64	150	10 430

(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)

<i>Month</i>	<i>Dwellings financed</i>	<i>Refinancing of established dwellings</i>	<i>Alterations and additions</i>	Total	<i>Commitments advanced during month</i>	<i>Commitments cancelled during month</i>	<i>Commitments not advanced at end of month(a)</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
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	8 101	2 492	491	11 083	9 704	820	19 949
June	7 675	2 561	494	10 731	9 145	859	20 665
July	8 524	2 884	523	11 931	9 957	907	21 441
August	8 187	2 804	581	11 572	9 963	841	22 426
September	8 480	3 056	569	12 105	10 623	1 066	22 850
October	8 816	3 067	620	12 503	10 896	908	23 525
November	8 046	2 825	545	11 416	9 854	946	24 211
December	7 925	2 909	503	11 338	11 092	873	23 542
2004							
January	5 867	2 201	397	8 464	8 322	889	22 774

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

Month	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
	no.	%	\$'000	no.	%	\$'000	\$'000
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	8 309	15.2	166.5	3 364	6.1	147.7	172.5
April	7 732	14.8	171.4	3 708	7.1	142.5	177.7
May	8 377	14.2	172.2	4 173	7.1	152.8	179.8
June	7 684	13.6	176.3	3 620	6.4	151.5	180.8
July	8 434	13.6	182.2	4 663	7.5	157.7	184.1
August	7 642	13.0	187.6	5 443	9.3	167.2	187.3
September	7 898	13.0	188.1	6 170	10.2	172.6	190.0
October	8 190	12.9	186.4	8 168	12.9	170.3	187.8
November	7 241	12.6	185.9	8 872	15.4	163.6	189.0
December	7 317	12.6	183.2	8 368	14.4	152.4	187.0
2004							
January	5 607	12.9	188.6	5 422	12.5	147.3	186.2

(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	795	432	11 991	13 218	4 288	8 930
Victoria	1 145	406	8 364	9 915	3 358	6 557
Queensland	857	271	7 302	8 430	2 606	5 824
South Australia	372	138	3 479	3 989	1 179	2 810
Western Australia	911	133	4 946	5 990	1 829	4 161
Tasmania	83	14	820	917	321	596
Northern Territory	20	7	306	333	100	233
Australian Capital Territory	28	22	494	544	134	410
Total	4 211	1 423	37 702	43 336	13 815	29 521

VALUE (\$m)						
New South Wales	185	120	2 684	2 989	877	2 112
Victoria	221	91	1 565	1 877	507	1 370
Queensland	168	57	1 286	1 510	396	1 115
South Australia	51	22	466	540	137	403
Western Australia	147	24	704	876	217	659
Tasmania	12	2	97	112	31	81
Northern Territory	4	1	46	50	12	38
Australian Capital Territory	7	5	101	113	23	90
Total	795	323	6 949	8 067	2 201	5 867

AVERAGE LOAN SIZE (\$'000)						
New South Wales	233.0	277.4	223.8	226.1	204.4	236.5
Victoria	193.0	223.9	187.1	189.3	151.0	208.9
Queensland	196.4	208.8	176.1	179.2	151.9	191.4
South Australia	137.1	162.5	134.0	135.3	116.1	143.4
Western Australia	161.5	183.8	142.4	146.2	118.8	158.3
Tasmania	145.4	157.1	118.7	121.7	96.9	135.1
Northern Territory	190.7	135.3	149.2	151.4	123.5	163.4
Australian Capital Territory	241.7	243.2	204.5	208.0	175.1	218.7
Total	188.9	226.8	184.3	186.2	159.3	198.7

(a) Excludes alterations and additions.

(b) Includes refinancing.

WHAT IF...? REVISIONS TO TREND ESTIMATES

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 21 to 22 in the Explanatory Notes.

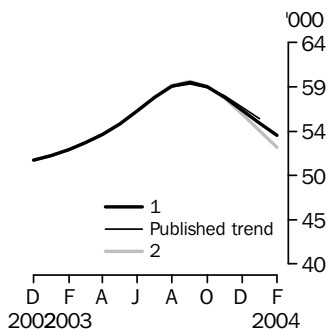
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The February 2004 seasonally adjusted estimate of number of dwellings financed is higher than the January 2004 seasonally adjusted estimate by 4.0%.

2 The February 2004 seasonally adjusted estimate of number of dwellings financed is lower than the January 2004 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



	<i>Trend as published</i>		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
			<i>(1) rises by 4% on this month</i>		<i>(2) falls by 4% on this month</i>	
	no.	% change	no.	% change	no.	% change
August 2003	59 187	1.9	59 275	2.0	59 336	2.2
September 2003	59 549	0.6	59 691	0.7	59 799	0.8
October 2003	59 150	-0.7	59 214	-0.8	59 267	-0.9
November 2003	58 223	-1.6	58 088	-1.9	57 947	-2.2
December 2003	57 027	-2.1	56 692	-2.4	56 225	-3.0
January 2004	55 730	-2.3	55 295	-2.5	54 415	-3.2
February 2004	—	—	53 951	-2.4	52 623	-3.3

— nil or rounded to zero (including null cells)

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
- Securitiser 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 two broad groupings of lender type: Banks and Non-Banks; the Non-Bank grouping also has the components Permanent Building Societies and Wholesale Lenders n.e.c. published.

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.

EXPLANATORY NOTES *continued*

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 underlying movement in housing finance commitments. (See paragraphs 21 and 22 for further information on trend estimates).

EXPLANATORY NOTES *continued*

SEASONAL ADJUSTMENT

continued

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.

20 The housing finance series uses a concurrent seasonal adjustment methodology to derive the seasonal adjustment factors. This means that original estimates available at the current reference month are used to estimate seasonal factors for the current and previous months. As a result of this methodology, the seasonally adjusted and trend estimates for earlier periods can be revised each month. However, in most instances, the only noticeable revisions will be to the previous month and the same month a year ago.

TREND ESTIMATES

21 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>.

22 While the smoothing technique described in paragraph 21 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

23 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

24 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 on page 3. For more information, contact the ABS National Information and Referral Service on 1300 135 070.

RELATED RELEASES

25 Users may also wish to refer to the following ABS releases:

- *Lending Finance, Australia* (cat. no. 5671.0)
- *Assets and Liabilities of Australian Securitizers* (cat. no. 5232.0.40.001)
- *Buildings Approvals, Australia* (cat. no. 8731.0)
- *Building Activity, Australia: Dwelling Unit Commencement, Preliminary* (cat. no. 8750.0)

26 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>>.

27 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>>.

GLOSSARY

Alterations and additions	Alterations and additions cover all structural and non-structural changes which are integral to the functional and structural design of a dwelling. Examples are garages, carports, pergolas, reroofing, recladding, etc. Alterations and additions do not include swimming pools, ongoing repairs, or maintenance and home improvements which do not involve building work.
Average 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: $\begin{aligned} & \text{Balance of unadvanced commitments at the end of the previous month} \\ & + \text{Total new housing commitments (including refinancing)} \\ & + \text{Alterations and additions} \\ & = \text{Total commitments} \\ & - \text{Cancellations of commitments} \\ & - \text{Commitments advanced during the month} \\ & = \text{Commitments not advanced at the end of the month} \end{aligned}$
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 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.

GLOSSARY *continued*

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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