

# HOUSING FINANCE FOR OWNER OCCUPATION, AUSTRALIA FEBRUARY 1992

## MAIN FEATURES

SECURED HOUSING FINANCE - TOTAL DWELLINGS - NUMBER ALL LENDERS - AUSTRALIA



Seasonally adjusted, finance was committed to individuals to finance 31,323 dwelling units for owner occupation in February 1992. This was 3,767 dwelling units (13.7%) more than in January 1992 and 8,355 dwelling units (36.4%) more than in February 1991. In original terms, there was an increase of 6,417 dwelling units (24.8%) on January 1992 and 8,665 dwelling units (36.6%) more than in February 1991.

The provisional trend estimates now show the series bottoming in December 1991 after a steady decline in the number of dwelling units being financed since the peak in August 1991. This upward trend will continue, even if there is up to a 5% decrease in the seasonally adjusted number of dwelling units financed in March 1992. However, trend data for the most recent months are subject to revision as additional observations become available - see Part 2 of the analytical notes.

Both Banks and Permanent Building Societies reported strong increases in the number of dwellings financed during February 1992, up 11.6% and 34.2% in seasonally adjusted terms respectively on January 1992. For Permanent Building Societies this is the fourth consecutive monthly increase (seasonally adjusted) and the highest monthly total since July 1988. The number of dwellings financed by Other Lenders was down 4.9% on January 1992.

In original terms, increases in the number of dwellings financed during February 1992 were reported in all states, with the largest increase in New South Wales, up 49.2% on January 1992.

Seasonally adjusted, secured housing finance for owner occupied dwellings (excluding alterations and additions) totalled \$2,384.9 million in February 1992, \$348.1 million (17.1%) more than in January 1992, and \$742.4 million (45.2%) more than in February 1991. The trend series for the value of housing finance commitments reached a peak in August 1991 and after levelling out in November and December 1991, has commenced an upward movement in January 1992 which continued in February 1992.

NOTE: To assist users of housing statistics this issue contains, on pages 6-8, a special article addressing the appropriateness of comparing statistics from two leading indicators of building activity, namely monthly building approvals and housing finance commitments for owner occupation. This article was first published in the December 1991 edition of Australian Economic Indicators (ABS Cat. No. 1350.0).

**INQUIRIES** 

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for further information about statistics in this publication contact Mr Mark Dennis on Canberra (06) 252 7129 or Harry Wilson (06) 252 6170 or any ABS State office.
for information about other ABS statistics and services please contact Information Services on Canberra (06) 252 6007, 252 5402 or any ABS State office.



# SUMMARY TABLES

# SECURED HOUSING FINANCE: COMMITMENTS BY TYPE OF LENDER, AUSTRALIA(a)

	Feb N dv	ruary 1992 No. of vellings	Pero chang previou	centage ge from ss month	Per cha corr mo prev	rcentage nge from esponding nth of ious year
Type of lender	Orig.	Seas. adj.	Orig.	Seas. adj.	Orig.	Seas. adj.
All Banks (b) Permanent Building Societies(b) Other Lenders	24,380 5,672 2,258	23,249 5,760 2,314	20.9 62.0 1.5	11.6 34.2 -4.9	38.7 74.1 -19.7	38.3 74.5 -19.0
Total	32,310	31,323	24.8	13.7	36.6	36.4
	Febr Va com \$ 1	uary 1992 lue of imitments million	Per chang previou	centage ge from ss month	Percentage change from corresponding month of previous year	
Type of lender	Orig.	Seas. adj.	Orig.	Seas. adj.	Orig.	Seas. adj.
All Banks (b) Permanent Building Societies(b) Other Lenders	1,786.0 479.9 167.5	1,732.3 479.0 173.7	24.0 66.3 7.5	15.2 33.8 -1.0	47.8 88.4 -19.5	47.5 88.7 -18.8
Total	2,433.3	2,384.9	29.1	17.1	45.6	45.2

(a) Excludes alterations and additions to dwellings. (b) Since February 1992, one Building Society has become a Bank.

# SECURED HOUSING FINANCE: COMMITMENTS BY PURPOSE, AUSTRALIA(a)

	February 1992 No. of dwellings		Pe char previo	rcentage ge from us month	rercentage change from corresponding month of previous year	
Purpose of Commitment	Orig.	Seas. adj.	Orig.	Seas. adj.	Orig.	Seas. adj.
Established Dwellings Construction of Dwellings Purchase of Newly Erected Dwellings	24,610 6,005 1,695	23,656 5,949 1,718	25.9 19.8 27.3	15.1 8.2 14.0	41.0 24.4 24.6	40.5 25.0 25.1
Total	32,310	31,323	24.8	13.7	36.6	36.4
	Febr Va com \$ i	uary 1992 lue of mitments nillion	Per chang previou	centage ce from s month	Percentage change from corresponding month of previous year	
Purpose of Commitment	Orig.	Seas. adj.	Orig.	Seas. adj.	Orig.	Seas. adj.
Established Dwellings Construction of Dwellings Purchase of Newly Erected Dwellings	1,910.6 377.5 145.2	1,856.8 380.1 148.1	30.0 22.8 35.8	18.5 11.4 14.9	50.7 29.2 31.1	50.1 29.7 31.8
Total	2,433.3	2,384.9	29.1	17.1	45.6	45.2

(a) Excludes alterations and additions to dwellings.

#### NOTES

The statistics of housing finance are compiled from returns collected from significant lenders and relate to secured housing finance commitments for the construction or purchase of dwellings for owner occupied housing. Explanatory Notes are available at the back of this publication.

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# ANALYTICAL NOTES

# **PART 1: Comment on Major Aggregates**

In seasonally adjusted terms, all three purpose of loan categories recorded increases in February 1992. The provisional trend estimates have also shown an increase, reversing the downward trend evident in last month's publication.

Trend estimates for the most recent months are subject to revision. For a detailed explanation of the reliability of trend estimates refer to Part 2 of these analytical notes entitled 'Reliability of Contemporary Trend Estimates'.

# Housing Finance for Construction of Dwellings



Seasonally adjusted, finance was committed to individuals for the construction of 5,949 dwelling units in February 1992, 452 dwelling units (8.2%) more than in January 1992 and 1,190 dwelling units (25.0%) more than in February 1991. Provisional trend estimates now show a small upward trend after bottoming in November 1991. This upward movement will continue, even with as much as a 5% drop in the number of dwellings financed, seasonally adjusted, in March 1992.



# Housing Finance for the Purchase of Newly Erected Dwellings

Seasonally adjusted, the number of newly erected dwelling units for which finance was committed for purchase by individuals in February 1992 was 1,718, an increase of 211 dwelling units (14.0%) on January 1992, and 345 dwelling units (25.1%) more than in February 1991. This is the highest monthly total since December 1988. As with the category 'construction' provisional trend estimates show that this series also bottomed in November 1991 and that the upward movement will continue even with as much as a 5% drop in the number of dwellings financed, seasonally adjusted, in March 1992.



### Housing Finance for the Purchase of Established Dwellings

Seasonally adjusted, the number of established dwellings for which finance was committed for purchase in February 1992 was 23,656, an increase of 3,104 dwelling units (15.1%) on January 1992, and an increase of 6,820 dwelling units (40.5%) on February 1991. Provisional trend estimates show this series levelling out in January 1992.

# **PART 2: Reliability of Contemporary Trend Estimates**

The trend estimates in this publication have been derived by applying a 13 term Henderson-weighted moving average to all except the last six months of the seasonally adjusted series. The last six monthly trend estimates have been obtained by applying surrogates of the Hendersonweighted averages to the seasonally adjusted series. (Further details concerning trend estimates in general, including more information on the Henderson methodology and the 'end point' problem, can be obtained in the information paper A Guide to Smoothing Time Series — Estimates of Trend (1316.0).)

While this procedure enables trend data for the latest period to be produced, it also results in revisions in later bulletins to the trend estimates for the most recent months as additional observations become available. Generally, the size of revisions to the trend estimates tends to be larger the greater the volatility of the original series. Revisions of trend estimates will also occur with revisions to original data and re-estimation of seasonal adjustment factors.

Analysis of housing finance series has shown that the original series can be volatile and that the initial estimates of a month's trend value can be revised substantially. In particular, some months can elapse before a turning point in the trend series is identified reliably.

A number of ways of indicating the reliability of trend estimates have been under consideration. The following paragraphs outline an approach that illustrates the potential for revision of contemporary trend estimates.

The table below presents trend estimates of the number of dwelling units for which finance was committed for the six months September 1991 to February 1992. To illustrate the possible impact of future months observations on the trend estimates for the latest months, the table shows the revisions to the trend estimates that will result if the seasonally adjusted estimate for next month (March 1992) is five per cent higher or lower than this month. Five per cent was chosen because analysis of monthly movements over the last ten years in the seasonally adjusted series for both number of dwellings and value of commitments, showed that the average monthly percentage change, without regard to sign, has been about five per cent.

If the seasonally adjusted estimate for the number of dwelling units increases in March 1992 by 5 per cent, to 32,889, the trend movement for that month will be +2.5%. The movements in the trend estimates for December 1991 and January and February 1992 which are currently estimated to be -0.4%, +0.2% and +0.8% respectively, will be revised to +0.4%, +1.6% and +2.1%. On the other hand, a 5 per cent seasonally adjusted decline in the number of dwellings in March 1992 to 29,757, will produce a trend movement of +1.0% for March with the movements in the trend estimates for December 1991, and January and February 1992 being revised to -0.3%, +0.5% and +0.8% respectively.

The graphs on pages 1 and 2 of this publication illustrate the potential degree of revision of the last three months of the trend series.

	Trend	t estimate	Ré	vised trend estimate adjusted number	e if March 1992 s of dwelling units	easonally —				
	<u></u>		is up 5% o	n February 1992	is down 5% o	n February 1992				
	No.	% change on % change on 0. previous month No. previous month		% change on % change on No. previous month No. previous month		% change on % change on previous month No. previous month		% change on Vo. previous month		% change on previous month
1991—										
September	30,139	-0.9	30,103	-1.0	30,163	-0.8				
October	29,655	-1.6	29,568	-1.8	29,674	-1.6				
November	29,287	-1.2	29,236	-1.1	29,289	-1.3				
December	29,181	-0.4	29,345	0.4	29,204	-0.3				
1992										
January	29,241	0.2	29,820	1.6	29,356	0.5				
February	29,464	0.8	30,458	2.1	29,584	0.8				
March	n.y.a.	n.y.a.	31,211	2.5	29,892	1.0				

# NUMBER OF DWELLING UNITS FOR WHICH FINANCE WAS COMMITTED RELIABILITY OF TREND ESTIMATES

# SPECIAL ARTICLE BUILDING APPROVALS AND HOUSING FINANCE STATISTICS DO THEY TELL THE SAME STORY?(a)

by GRAYDON SMITH

## Introduction

Monthly building approvals and housing finance data provide indicators of intentions to build or purchase housing. Both are "leading" indicators of building activity.

While the approvals and finance series have shown broadly similar movements over the past decade, they measure different things. This article compares the two series and makes some observations on their strengths and weaknesses as leading indicators of building activity.

## Concepts

A *building approval* represents an intention to undertake either residential (i.e. dwelling) or non-residential building activity, including alterations or additions of significant value. Data on approvals are provided to the ABS by local government authorities, as an administrative by-product of the approval process. Local authorities generally require building activity to commence within twelve months. The ABS publishes a dissection into private and public sector approvals. This article discusses dwelling approvals only.

A housing finance commitment is an offer by a significant lending institution 1, which has been accepted by the client, to provide funds for the financing of a dwelling. Only secured commitments, whether secured by mortgage, personal loan, contract of sale or other security, are recorded.

# Number of Dwellings

Graph 1 shows the trend series for the total number of dwelling units approved and the number of dwelling units for which secured housing finance was committed during the past eleven years. While the two series have tracked each other reasonably well, the housing finance series is of a greater magnitude and is more volatile than dwelling approvals. This gap is predominately due to differences in what the two series measure. Total new dwelling units approved represents the potential number of all new houses and all new other residential dwellings *to be constructed* by both the public and private sectors in the near future.

Total secured housing finance includes not only loan commitments for the *construction* of dwellings, but also for the purchase of *newly built* dwellings (mostly "spec" houses) and, more significantly, for the purchase of *established* dwellings. Secured housing finance commitments relate only to intentions for owner occupation.

Thus, ignoring timing differences, the gap between the two series occurs largely because the housing finance series includes loan commitments for established dwelling units and the dwelling approvals series is restricted to dwellings to be constructed.



(a) This special article is reprinted from the December 1991 edition of Australian Economic Indicators (Catalogue No. 1350.0). The author Graydon Smith is a research officer with the Housing Statistics unit of the Australian Bureau of Statistics.

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Housing finance commitments are only collected from significant lenders, who account, in aggregate, for at least 95 per cent of all finance commitments at the Australian level and at least 90 per cent at the State level.

# Value of Approval or Loan

Graph 2 shows the trend series for dwelling approvals and housing finance commitments by value of approval or loan. The relationship between these two value series is less clear than the relationship between the two number series.

A dwelling approval uses the *estimated construction costs* of the dwelling at the time of application, meaning that land values are not included. Secured housing finance measures the *value of the loan* committed, rather than the actual price paid for the dwelling. Established dwellings are generally purchased as a land and dwelling package. Thus, housing finance values tend to be higher than dwelling approval values when a land component has been included, but tend to be lower when alternative sources of finance (such as a deposit or the proceeds of the sale of a previous dwelling) have been used.

A marked divergence has emerged between the value of dwelling approvals and housing finance commitments over recent years, with the value of housing finance commitments increasing at a greater rate.

The divergence between the two series reflects the more rapid rise over recent years in the average value of established dwellings and the land they occupy compared with the rise in the average value for project homes or for the construction of dwellings. Since established dwellings comprise around three-quarters of the total value of secured housing finance commitments, they have a strong influence on the total finance series. As a result, the total measured value of secured housing finance commitments for all types of owner occupation increased more rapidly than the value of dwelling approvals.

The deregulation of Australian financial markets during the 1980s may also have affected the relationship between these two series.



#### **Usefulness as Indicators**

While both series provide an indication of potential future housing industry activity, they provide insights into different aspects of the industry.

Monthly dwelling approvals data are a timely indicator of proposed production activity in the housing industry, which is a dynamic segment of total productive activity. The link between proposed and actual activity has been fairly reliable over the past eleven years: a comparison of each three months' approvals (lagged by one month) with quarterly data on dwelling commencements, shows less than a 5 per cent gap. Some approvals are likely to appear as commencements in subsequent quarters. Thus, only a small percentage of approved dwelling construction does not proceed.

Movements in the secured housing finance commitments series provide information on two segments of the housing industry: the established housing market and the housing construction market. Secured housing finance commitments for the purchase of established dwellings accounts for about three-quarters of total secured housing finance commitments for owner occupation. This adds only marginally to economic activity in contrast to the direct and multiplier effects of finance for the construction of dwellings. Therefore, the relative size of the components of the housing finance commitments series need to be considered when assessing their potential economic impact.

# The Most Comparable Series

Several factors have been identified above to explain why the broad *aggregate* series of dwelling approvals and housing finance commitments for owner occupation are not directly comparable. More directly comparable are the *component* series:

- private new dwelling approvals, and
- housing finance commitments for the construction of a new dwelling for owner occupation.

Difficulties can arise even when comparing these two apparently similar series.

Graph 3 shows that although the two component trend series have tracked each other reasonably well over the past eleven years, the number of dwelling units approved is greater than the number of dwelling units for which finance is committed for construction, in contrast to the aggregate series discussed above. There are two main reasons why this is so: the availability of alternative sources of finance, and the number of dwellings constructed for other than owner occupation.

The first major reason for the difference in the levels of the two series is that not all private dwelling construction requires secured housing finance. For example, construction of a new dwelling may be financed by the sale of an existing property, and thus remain out of scope of the ABS housing finance collection. Recently, superannuation and redundancy lump sum payments may have added to this pool of available capital applied in this way.

Speculative home building activity also plays a significant role. A "spec" home builder's application to build will be included in the building approvals collection. However, the initial finance for the construction of this "spec" home can be provided by commercial finance or existing lines of credit, such as an overdraft facility, and therefore be outside the scope of the housing finance collection. The builder is most likely to sell the house, at a later date, to an individual who intends to occupy the dwelling. Any housing finance acquired by the individual to purchase this new dwelling should be recorded at this time, which may be twelve months or more after construction is completed. If the finance commitment is provided within twelve months, the loan is recorded as finance for the purchase of a newly constructed dwelling; if it is provided after twelve months, the loan is recorded as for the purchase of an established dwelling.

The second major reason for the difference in the levels of the two series concerns owner occupation. While the building approval collection includes all dwellings approved regardless of the proposed form of tenure (i.e. owners or renters), the housing finance series only covers secured finance commitments for intended owner occupation. Thus, finance which is sought for the construction of rental dwellings is not included in the housing finance commitments for owner occupation data. (Data for this type of finance are included in commercial and personal finance statistics.)

> GRAPH 3: PRIVATE SECTOR DWELLINGS APPROVED AND SECURED HOUSING FINANCE COMMITMENTS FOR THE CONSTRUCTION OF DWELLINGS **Trend series** 20,000 Housing finance Dwelling approv 15.000 10,000 5.000 n Dec 1981 Dec 1983 Dec 1985 Dec 1991 Dec 1987 Dec 1989 Dec 1979 ABS 8731.0, 5609.0 M

There are two more factors which should be taken into account when comparing these series: withdrawal of commitment to construct a dwelling and leads and lags in each of the series.

Cancellations of previous intentions or commitments affect each series. Thus, commitments for finance and approvals to build that are submitted and granted may not be taken up for various reasons. The impact of such "leakages" should be taken into account when using the series as leading indicators of future economic activity. For example, of the \$19,727 million total loan commitments made in 1989-90, 3.8 per cent were subsequently cancelled.

Leads and lags in each series depend on the timing of processes associated with dwelling approvals and finance commitments and on the level of general economic activity. While the expected behaviour of intending investors would be to seek finance before commencing building activity and thus before seeking approval to build, this may not always be the case. Investors who have some form of alternative finance or who obtain an informal approval of finance may gain a building approval well before formal approval for finance is provided. In addition, at a trough of economic activity, the easier finance available may be taken up by those individuals who already had approval to build but had not proceeded earlier, thus creating a more significant lag between dwelling approvals and housing finance commitments.

# Conclusion

While dwelling approvals and secured housing finance commitments for owner occupation have exhibited broadly consistent movements over the past decade, they are different in concept and measure different things. Even comparing the two most closely related series from each collection (private sector new dwelling approvals and housing finance commitments for the construction of a new dwelling for owner occupation) requires care.

While the relationships between peaks and troughs in the series are fairly regular, further analysis of their lead/lag relationships and turning points would require a more formal statistical treatment.

			Type of L	ender				
	All ba	nks	Permanent l societi	ouilding es	Othe lende	er ers	Tota	ıl
Purpose Of Commitment	Dwelling units	\$ million	Dwelling units	\$ million	Dwelling units	\$ million	Dwelling units	\$ million
· · · · · · · · · · · · · · · · · · ·			AUSTRALIA					
Construction of dwellings								
Houses	4,755	284.5	732	54.4	404	29.6	5,891	368.5
Other dwellings	114	9.0	—				114	9.0
Purchase of newly erected dwellings —								
Houses	694	55.1	367	32.7	287	25.8	1,348	113.6
Other dwellings	260	24.0	63	5.4	24	2.3	347	31.6
Purchase of established								
dwellings (a) —	14 071	1 150 0	3 764	323.0	1 306	03.1	20.041	1 567 0
Other dwellings	1,194	96.5	408	38.8	84	7.5	1,686	1,507.9
Refinance existing								
home loans (b)	2,392	165.9	338	24.8	153	9.2	2,883	200.0
Total new housing								
commitments	24,380	1,786.0	5,672	479.9	2,258	167.5	32,310	2,433.3
Alterations and								
additions		90.3		12.5		1.5		104.3
Total commitments	24,380	1,876.2	5,672	492.4	2,258	168.9	32,310	2,537.6
			STATES(c)					
New South Wales	6,251	585.4	2,958	267.8	816	72.9	10,025	926.1
Victoria	5,406	417.0	692	52.0	502	33.6	6,600	502.6
Queensland	5,446	393.0	1,227	100.4	587	37.6	7,260	531.0
South Australia	1,865	123.6	391	36.6	244	16.2	2,500	176.5
Western Australia	3,893	260.8					( 4,027	272.7
Tasmania	797	39.7 <b>(</b>					888	44.3
Northern Territory	212	14.2	404	35.5	109	8.7	213	14.3
Australian Capital Territory	510	42.4 )					( 797	70.1

TABLE 1 — SECURED HOUSING FINANCE COMMITMENTS TO INDIVIDUALS — FEBRUARY 1992

(a) Prior to July 1991 this item included refinancing, which is now shown separately in the item below. (b) Care should be exercised when interpreting monthly movements in this item; see Explanatory Notes. (c) Includes alterations and additions.

Construc of dwelli	tion ngs	Purchase of erected dwo	f newly ellings	Purchase established dwe	e of ellings (b)	Total	!
Dwelling units	\$ million	Dwelling units	\$ million	Dwelling units	\$ million	Dwelling units	\$ million
 		0	RIGINAL				
 			·				
4,065	240.5	1,129	94.2	14,749	1,065.2	19,943	1,399.9
4,659	268.4	1,142	87.9	16,244	1,126.4	22,045	1,482.7
4,826	292.2	1,360	110.8	17,459	1,268.2	23,645	1,671.2
5,048	311.0	1,341	111.5	17,641	1,283.1	24,030	1,705.6
4,957	318.8	1,292	106.8	18,501	1,421.5	24,750	1,847.0
6,582	429.3	1,462	120.7	23,165	1,818.0	31,209	2,368.0
5,290	340.0	1,327	111.1	20,096	1,554.9	26,713	2,006.1
6,422	405.3	1,827	138.6	24,793	1,863.6	33,042	2,407.5
5,803	368.5	1,650	134.5	22,069	1.642.1	29,522	2,145.1
5,336	341.9	1.346	108.8	21,242	1.617.5	27,924	2.068.2
5 847	373.3	1.626	128.2	22,959	1.752.3	30.432	2 253.9
5 653	356.4	1.568	132.3	23,339	1.768.7	30,560	2,257.4
5,195	327.8	1,362	112.7	20,487	1,583.2	27,044	2,023.7
5.014	307.4	1.331	106.9	19,548	1,470.2	25,893	1.884.6
6,005	377.5	1,695	145.2	24,610	1,910.6	32,310	2,433.3
 		SEASONA	LLY ADJUSTE	D			
4,958	296.1	1,245	98.8	16,519	1,169.9	22,722	1,564.8
4,982	291.8	1,235	100.8	16,959	1,198.9	23,176	1.591.5
4,759	293.1	1,373	112.4	16,836	1,237.0	22,968	1.642.5
4,967	306.4	1,378	115.0	17,401	1,286.0	23,746	1.707.4
5.324	343.3	1.371	115.9	19,630	1,483.1	26,325	1.942.3
5,448	352.6	1.324	109.5	19,939	1.552.5	26.711	2.014.7
5,775	366.8	1.478	118.5	22,133	1.684.6	29,386	2,169.9
5.965	375.2	1,702	139.6	24.212	1.816.1	31,879	2.331.0
6.218	386.4	1.686	137.4	23,578	1.773.1	31.482	2.296.8
5,472	358.7	1.394	112.4	22,983	1.763.4	29.849	2,234.5
5.287	335.1	1.420	107.7	20,983	1.605.8	27.690	2.048.6
5.622	349.0	1,495	124.7	22.618	1.703.7	29,735	2,177.4
6,103	388.2	1,446	113.5	22,272	1,691.2	29,821	2,193.0
5,497	341.3	1,507	128.9	20,552	1.566.6	27,556	2.036.8
 5,949	380.1	1,718	148.1	23,656	1,856.8	31,323	2,384.9
		TRENI	ESTIMATES				
5,045	300.4	1.355	107.9	16 577	1 179 2	22 977	1 587 4

# TABLE 2 - SECURED HOUSING FINANCE COMMITMENTS TO INDIVIDUALS - ALL LENDERS - ORIGINAL

(a) Excludes alterations and additions. (b) Includes refinancing. (c) Trend estimate based on existing data to February 1992. (d) Revised trend if seasonally adjusted series rises 5 per cent in March 1992. (e) Revised trend if seasonally adjusted series falls 5 per cent in March 1992. (f) Refer Analytical Notes at beginning of publication for further explanation.

1990

December 1991

January February

March

April

May

June July

August

October

1992

1990

December 1991

January

April

May

June July

August

October

September

November

December

February

1992 January

1990 December

1991

January

March

April

May

June

July

August

October

1992

September

November

December (c) (f)

December (d) (f)

December (e) (f)

January (c) (f)

January (d) (f)

January (e) (f)

February (c) (f)

February (d) (f)

February (e) (f)

February

4.953

4,945

5,059

5,278

5,521

5,708

5,801

5,800

5,740

5,683

5,665

5,690

5,714

5,687

5,734

5,815

5,727

5,783

5,924

5,758

298.9

303.5

315.6

333.5

351.4

364.0

369.5

368.4

363.6

359.4

358.0

359.1

360.9

359.2

361.7

367.4

361.8

364.8

374.9

364.3

1,317

1,301

1,328

1,387

1,452

1,507

1,538

1,540

1,519

1,493

1,482

1,496

1,508

1,501

1,526

1,568

1,542

1,569

1,636

1,589

106.7

107.1

110.2

115.3

120.1

123.7

125.0

123.8

121.5

119.7

119.9

122.8

123.9

123.3

127.1

131.2

129.0

132.7

139.2

135.0

16,733

17,200

18,069

19,319

20,709

21,935

22,779

23,075

22,880

22,479

22,140

21,994

22,122

22,016

21,981

22,438

22,087

22,112

22,898

22,238

1.203.2

1,257.6

1,344.1

1,456.3

1.572.6

1,669.7

1,732.9

1,751.6

1,734.4

1,705.4

1,685.1

1,680.9

1,692.2

1,683.9

1,688.0

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1,699.8

1,705.7

1,774.6

1,722.8

23,003

23,446

24,455

25,984

27,683

29,150

30,118

30,415

30,139

29,655

29,287

29,181

29,345

29,204

29,241

29,820

29,356

29,464

30,458

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1,608.9

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2,176.8

2,225.9

2,190.6

2,203.1

2,288.7

2,222.1

February March

January February

September

November December

	All Ban	ks	Permanent B Societie	uilding es	Other Len	ders	Tota	1
-	Dwelling Units	\$ million	Dwelling Units	\$ million	Dwelling Units	\$ million	Dwelling Units	\$ million
······			OR	IGINAL				
1990								
December 1991	14,241	984.0	2,224	172.6	3,478	243.2	19,943	1,399.9
January	16,628	1,094.1	2,732	208.5	2,685	180.1	22,045	1,482.7
February	17,576	1,208.3	3,258	254.8	2,811	208.1	23,645	1,671.2
March	17,618	1,218.9	3,573	273.9	2,839	212.8	24,030	1,705.6
April	17,654	1,314.5	3,819	291.8	3,277	240.8	24,750	1,847.0
May	23,525	1,772.3	4,476	350.4	3,208	245.3	31,209	2,368.0
June	20,063	1,480.8	3,740	297.1	2,910	228.1	26,713	2,006.1
July	25,882	1,863.4	3,916	292.3	3,244	251.9	33,042	2,407.5
August	22,735	1,630.2	3,838	286.8	2,949	228.1	29,522	2,145.1
September	21,529	1,588.9	3,499	262.0	2,896	217.2	27,924	2,068.2
October	24,202	1,773.1	3,201	253.1	2,969	221.1	30,432	2,253.9
November	23,771	1,735.0	3,2/8	2/6.0	3,211	240.4	30,560	2,257.4
1992	21,225	1,579.4	3,309	233.2	2,510	169.1	27,044	2,023.7
January	20,167	1,440.3	3,501	288.6	2,225	155.8	25,893	1,884.6
February	24,380	1,786.0	5,672	479.9	2,258	167.5	32,310	2,433.3
1990		· · ·	SEASONAI	LY ADJUSTED				
December	16,320	1,103.7	2,663	205.9	3,739	255.2	22,722	1,564.8
1991	16.004	1 120 4	2 207	060.0	0.045	000.0	00.177	1 501 5
January	16,934	1,138.4	3,297	252.8	2,945	200.3	23,176	1,591.5
February Manah	10,812	1,1/4./	3,300	255.8	2,800	214.0	22,908	1,042.5
A mult	17,300	1,228.5	3,330	209.9	2,830	209.2	25,740	1,/0/.4
Apru Mori	19,080	1,400.0	5,640	294.0	3,393	240.5	20,323	1,942.3
Tune	19,000	1,478.2	4,039	308.6	2,017	213.0	20,711	2,014.7
June	24,429	1,029.1	3,922	204.0	3,183	251.2	27,380	2,109.9
Angust	24,041	1,705.0	3,855	294.0	2 985	232.8	31,879	2,551.0
September	23,407	1.748.3	3,486	262.5	2,956	223.6	29.849	2,234.5
October	21.871	1.605.9	2,912	221.4	2,907	221.3	27,690	2.048.6
November	23,381	1,678.7	3,314	256.5	3,040	242.1	29.735	2,177.4
December	23,450	1,714.1	3,759	287.1	2,612	191.7	29,821	2,193.0
1992							•	
January	20,830	1,503.3	4,293	358.0	2,433	175.5	27,556	2,036.8
February	23,249	1,732.3	5,760	479.0	2,314	173.7	31,323	2,384.9
1000			TREND	ESTIMATES				
1770 December	14 005	1 145 0	2065	210 6	2 117	202 5	22.077	1 607 4
1001	10,895	1,145.2	2,805	218.0	3,217	223.5	22,977	1,587.4
	16 742	1 149 6	3 101	237 3	3 161	222.1	23.003	1 608 0
February	17,002	1 189.3	3 356	258.2	3,101	220.8	23,005	1,008.2
March	17,825	1.270.0	3,599	278.4	3,032	221.5	24 455	1 769 9
April	19,172	1.385.2	3,801	294.9	3.010	225.0	25,984	1,905.1
Mav	20,745	1,510.7	3,920	304.0	3,018	229.4	27.683	2.044.1
June	22,185	1,620.4	3,919	302.9	3.045	234.1	29.150	2.157.4
July	23,257	1,698.9	3,800	291.5	3,061	236.9	30,118	2,227.4
August	23,777	1,734.6	3,594	273.0	3,044	236.3	30,415	2,243.8
September	23,716	1,728.4	3,427	259.1	2,996	232.0	30,139	2,219.5
October	23,318	1,699.7	3,420	260.7	2,917	224.1	29,655	2,184.4
November	22,884	1,669.7	3,602	280.2	2,802	213.1	29,287	2,163.0
December (b) (e)	22,587	1,649.6	3,924	312.2	2,669	201.0	29,181	2,162.8
December (c) (e)	22,681	1,657.6	3,994	318.2	2,670	201.2	29,345	2,177.0
December (d) (e) 1992	22,577	1,649.9	3,968	316.1	2,660	200.4	29,204	2,166.3
January (b) (e)	22.384	1,637.4	4.320	350.3	2.537	189.0	29.241	2,176.8
January (c) (e)	22,747	1,667.4	4.529	368.2	2.544	190.2	29.820	2,225.9
January (d) (e)	22,403	1,641.8	4,444	361.1	2.510	187.6	29.356	2,190.6
February (b) (e)	22,306	1,634.2	4,734	389.7	2,424	179.2	29,464	2,203.1
February (c) (e)	22,937	1,688.2	5,088	419.7	2,434	180.8	30,458	2,288.7
February (d) (e)	22,288	1,639.9	4,927	406.3	2,370	176.0	29,584	2,222.1

# TABLE 3. SECURED HOUSING FINANCE COMMITMENTS TO INDIVIDUALS — TYPE OF LENDER — ORIGINAL SEASONALLY ADJUSTED AND TREND ESTIMATES(a)

(a) Excludes alterations and additions. (b) Trend estimate based on existing data to February 1992. (c) Revised trend if seasonally adjusted series rises 5 per cent in March 1992. (d) Revised trend if seasonally adjusted series falls 5 per cent in March 1992. (e) Refer Analytical Notes at beginning of publication for further explanation.

		Construction of dwe	llings		Pu	rchase of newly erected	l dwellings	
	Houses		Other dwellings		Houses		Other dwellings	
	Dwelling	ł	Dwelling		Dwelling	•	Dwelling	
	units	рш	units	§т	units	Sm	units	Sm
				AUSTRALIA				
YEARS								
1988-1989	73,682	3,894.7	1,738	130.6	16,060	1,001.8	3,289	235.6
1989-1990	60,252	3,352.0	1,436	119.5	11,856	880.1	2,462	205.3
1990-1991	61,062	3,659.5	1,316	109.5	12,950	1,041.2	3,461	279.0
1990					•			
December	3,980	234.2	85	6.3	883	73.9	246	20.3
1991								
January	4,549	260.2	110	8.2	867	61.9	275	20.0
February	4,744	284.2	82	8.1	1,038	85.5	322	25.3
March	4,944	302.5	104	8.6	1,045	87.3	296	24.1
April	4,835	309.1	122	9.7	1.043	84.2	249	22.5
May	6,457	417.6	125	11.8	1.163	94.5	299	26.2
June	5,184	331.8	106	8.2	1.059	86.8	268	24.3
July	6,265	392.2	157	13.2	1.473	110.4	354	28.3
August	5,637	357.0	166	11.5	1.365	113.6	285	20.9
September	5,199	332.0	137	6.6	1.090	87.7	256	21.1
October	5,666	360.4	181	12.9	1,324	103.5	302	24.7
November	5,530	347.7	123	8.7	1,236	102.8	332	29.5
December	5,077	319.0	118	8.7	1,136	93.2	226	19.5
1992								
January	4,904	300.5	110	6.9	1,069	84.7	262	22.2
February	5,891	368.5	114	6.0	1,348	113.6	347	31.6
			STATE	SS — JANUARY 1992				
MSM	200	69.4	21	17	477	373		84
Vic	568	546	1 2 2	15	100	211	5	2 C
Old Old	1 643	966	38	0 <b>1</b> 2	166	110	5 5	15
SA	481	27.72	3 6	15	140	03	- 0P	100
WA	687	37.5	1 =	06	45	5.C	2	10
Tas	163	7.0	6	0.0	81	10	<u>,</u> .c	0.5
NT	14	0.7	1	1	6	0.7	11	0.0
ACT	76	6.8	I	. 1	39	4.2	7	0.8
			STATE	S — FEBRUARY 1992				
NSW	1,438	97.9 57.5	23	2.2	600	58.6	122	13.2
	1 051	5.10 F C I I	6 9	C.7	107	L.YI	92	1.0
DID VS	100,1	112.1	۲ ۲	1.8	136	13.6	£ 5	8.8 7.6
		C 74	-	•••	D I I	~~~	3.	, c
WA Tag	200 108	7.0 1.4		1.0	1 6	4.0	4 2	. I C
145. NrT	36		4 <del>-</del>	1.0	71	1.1	<del>،</del> ۲	
	80	<del>-</del>	T	2	2 5		+ ¥	4.4
AUI	20	<b>C</b> '0	t	ריט	3	1.0	11	1.1

TABLE 4 — SECURED HOUSING FINANCE COMMITMENTS TO INDIVIDUALS — ALL LENDERS

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		<b>TABLE 4</b>	- SECURED	HOUSING FII	VANCE COMM	ITMENTS TC	<b>NDIVIDUA</b>	LS — ALL L	ENDERSco	ntinued		
	Purci	ase of establishes	ed dwellings (a) Other dwell	ines	Refinancine	(a)	Total ne housing comm	w itments		Comnitments		Commitments
	Dwelling units	\$m	Dwelling units	wş	Dwelling units	ms.	Dwelling units	ц S	Alterations and additions Sm	advanced during period Sm	Cancellations of commitments \$m	noi advanced at end of period Sm
					AUST	<b>TRALIA</b>						
YEARS 1988-1989 1989-1990 1990-1991	241,771 186,049 196,390	15,801.0 12,970.3 14,183.8	23,128 16,093 16,815	1,724.1 1,294.5 1,379.8			359,668 278,148 291,994	22,787.8 18,821.7 20,652.8	998.4 904.7 982.9	23,533.1 19,192.5 20,324.1	851.3 751.3 658.0	3,865.6 3,542.4 4,194.9
1990 December	13,625	974.7	1,124	90.5			19,943	1,399.9	62.5	1,667.8	45.4	3,301.9
1991 January February	15,122 16.151	1,036.4 1.163.8	1,122 1.308	90.0 104.4			22,045 23,645	1,482.7 1.671.2	68.4 82.2	1,413.5 1.604.8	55.7 45.7	3,385.0 3.487.8
March	16,338	1,174.4	1,303	113.8			24,030 24,750	1,705.6	81.2	1,689.1	47.9	3,537.2
May	21,222	1,647.9	1,943	170.1			31,209	2,368.0	121.9	2,088.3	57.0	4,084.7
July	21,142	1,593.2	1,626	137.9	2,025	132.5	33,042	2,407.5	124.4	2,593.3	75.7	4,194.9
August September	18,678 17,998	1,405.9 1,388.3	1,428 1,314	112.3 108.8	1,963	123.9 120.4	29,522 27,924	2,145.1 2,068.2	93.6 107.0	2,033.2 2,154.0	74.8 85.6	4,494.3 4,430.1
October	19,311	1,497.2	1,481	114.1	2,167	141.1 152.0	30,432	2,253.9	122.7	2,254.2	91.9	4,460.3
December	16,938	1,320.8	1,343	115.0	2,206	147.5	27,044	2,023.7	95.7	2,360.3	64.7	4,287.6
1992 January February	15,934 20,041	1,200.2 1,567.9	1,272 1,686	116.8 142.8	2,342 2,883	153.3 200.0	25,893 32,310	1,884.6 2,433.3	94.8 104.3	1,825.6 2,024.0	61.2 70.9	4,380.1 4,825.7
					STATES	JANUARY 1992						
MSW	4,148	375.5	523	65.4	531	41.5	6,719	599.2	35.2	590.9	31.6	1.795.2
Vic.	3,752	275.6	215	16.0	582	40.1	5,669	407.9	16.9	438.9	8.4	1,020.9
old Al	3,464	245.2	249	18.7	610	35.9 ° °	6,216	414.9	20.8	363.1	10.8	712.4
WA	2.136	90.8 139.4	99 12.9	00	377	8.8 21.6	3,404	209.7	1.6	195.6	2.0	281.4
Tas.	568	29.5	29	1.4	58	3.0	851	42.7	2.3	41.2	0.5	57.6
ACT	99 419	7.7 36.4	11	0.5 1.0	16 28	0.1 9.1	160 586	51.2 51.2	2.0	11.3 43.1	0.2	21.9 97.3
					STATES — I	EBRUARY 1992						
MSN	6,248	583.4	890	80.7	704	55.1	10,025	0.168	35.1	630.9	33.5	2,058.6
VIC. Old	4,515	3053	240 285	18.U 22 1	111	44.2	7,260	508.1	9.71 9.79	454.8	150	1,001.9
SA	1.572	108.0	6	10.4	164	2.6	2.500	168.8		155.2	6.7	296.0
WA	2,497	163.6	128	8.2	501	32.7	4,027	257.0	15.7	228.7	6.0	431.6
Tas. NT	596 125	30.3 8.8	10	0.4	56 17	2.6 0.5	888 213	42.2 14.1	2.1	44.5 11.4	0.3	56.7 24 5
ACT	543	45.9	20	1.7	52	3.8	L6L	67.3	2.8	45.8	1.2	120.4
(a) Deice to Lub. 1001	Definancian more inclu		" and the ball of the second									

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(a) Prior to July 1991, Refinancing was included in Purchase of established dwellings.

## Introduction

This publication presents statistics of secured housing finance commitments made by significant lenders to individuals for the construction or purchase of dwellings for owner occupation. For detailed information on the scope and coverage of these statistics and definitions of data items refer to the March 1990 issue of this publication.

1. 116 1

2. While the statistics are described as being for calendar months, it should be noted that:

- (i) in the case of some of the larger banks, the data relate to a month ending on the last Wednesday; and
- (ii) in the case of *other lenders*, some have accounting periods which do not correspond exactly to a calendar month and their figures are used without adjustment.

## Changes to the statistics

3. A number of changes to the way the statistics are presented were introduced in the July 1991 issue. These resulted from the introduction of new collection forms following extensive discussion with users and suppliers of data. The changes included additional data items and classifications, finer dissections of some items and a different ordering of tables.

4. The main change concerned the introduction of a separate item for 're-financing' in some tables. Previously, this item was always included with the item 'lending commitments for the purchase of established dwellings' but is now shown separately in Tables 1 and 4. Most series, including total housing finance, remain unaffected by these changes.

5. Re-financing is limited to commitments to re-finance existing loans where the re-financing institution is not the same institution that made the original loan. Re-financing by an institution of its own loans is excluded from the statistics. It should be noted, however, that all commitments to finance a change of residence by the borrower are treated as new lending commitments, even if the change of residence is affected by re-financing an existing loan.

6. Another change reflects the diminishing importance of distinguishing between financing secured by first mortgages and by other securities. From the July 1991 issue these categories were combined in the item 'secured housing finance'.

7. Information distinguishing commitments to fixed rate finance from revolving credit commitments, and first home buyers from other borrowers, is now being collected and will be published in later issues of this publication once the accuracy of the data has been established.

# Seasonally adjusted and trend estimates

8. In the seasonal adjustment of these series, account has been taken not only of normal seasonal factors, but also of 'trading day' effects (arising from the varying reporting practices of the lenders) and the influence of Easter which may, in successive years, affect figures for different months. Details of the methods used in seasonally adjusting these series are available on request.

9. Seasonal adjustment procedures do not aim to remove the irregular or 'non-seasonal' influences which may be present in any particular month. Irregular influences that are highly volatile can make it difficult to interpret the movement of the series even after seasonal adjustment.

10. Smoothing seasonally adjusted series to create trend estimates is a means of reducing the impact of the irregular component of the series. For explanation of how the trend estimates presented in this publication are derived please refer to the Analytical Notes at the beginning of the publication.

# **Unpublished data**

11. More detailed dissections of the data in this publication may be made available on request. Generally a charge is made for providing this information. Inquiries should be made to the officer named in the Phone Inquiries section of the inquiries box at the front of this publication or by writing to Private Finance Section, ABS, P.O. Box 10, Belconnen, A.C.T. 2616.

#### Revisions

12. Revisions to previously published statistics are included in issues of this publication as they occur.

# Commitments not advanced at end of period

13. In principle, 'commitments not advanced at end of period' presented in Table 4 are derivable by adding total new housing commitments plus alterations and additions less cancellations of commitments less commitments advanced during the period to the balance of commitments at the end of the previous period. In practice, however, revisions and other adjustments may mean that such a derivation is inexact.

#### **Related publications**

14. Users may also wish to refer to the following publications which are available on request:

Personal Finance, Australia (5642.0)—issued monthly

Commercial Finance, Australia (5643.0)—issued monthly

15. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

#### Symbols and other usages

- nil or rounded to zero
- . . not applicable
- n.y.a. not yet available

16. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

