

Reference No. 5.56

HOUSING FINANCE FOR OWNER OCCUPATION
OCTOBER, NOVEMBER AND DECEMBER 1975

SUMMARY OF MOVEMENTS

Loans approved for –	November 1975	December 1975	Change over November	
Construction of dwellings:				
No. of dwelling units	4,451	4,083	– 368	–8.3 %
Value (\$'000)	83,397	75,774	–7,623	–9.1 %
Purchase of newly erected dwellings:				
No. of dwelling units	3,587	3,426	– 161	–4.5 %
Value (\$'000)	68,316	65,086	–3,230	–4.7 %
Purchase of established dwellings:				
No. of dwelling units	16,509	16,285	– 224	–1.4 %
Value (\$'000)	295,966	298,820	+2,854	+1.0 %
Total:				
No. of dwelling units	24,547	23,794	– 753	–3.1 %
Value (\$'000)	447,679	439,680	–7,999	–1.8 %

EXPLANATORY NOTES

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

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

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

- (a) it satisfies either of the following criteria on an Australia-wide basis:
- (i) Loans approved to individuals for housing finance for owner occupation during 1974-75 exceeded \$250,000 or
 - (ii) Balances outstanding on such loans as at 30 June 1975 exceeded \$2 million,
- and

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

Banks

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

Building Societies

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

Finance Companies

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

Government Authorities and Departments

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

Insurance Companies

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

Credit Unions (Co-operative Credit Societies)

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

Notes on Data Items

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

5. *Cancellation of loans.* Generally this item refers to the value of loans approved but subsequently cancelled or reduced. Loans approved and cancelled during the same month are recorded as both loan approvals and cancellations for that month. Also included are loans cancelled in part.

6. *Loans advanced.* Generally this item refers to the actual money advanced during a period. Where loans are advanced by instalments, only the actual cash paid out is included. Capitalised mortgage insurance premium payments and other capitalised charges (e.g. legal fees, inspection and valuation fees) are also included. In the case of contracts of sale the advance is assumed to be equal to the approval.

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

(a) *A house* is defined as a building which has been designed so that its prime purpose is to be a single self-contained (i.e. includes bathing and cooking facilities) dwelling unit which is completely detached from other buildings, and occupies a separate titled block of land.

(b) *An other dwelling* is defined as a self-contained dwelling unit other than a house as defined in (a) above. Examples of an *other dwelling* are flats, home units, semi-detached cottages, villa units, town houses, etc.

8. *Number of dwelling units.* This item refers to the number of houses and other dwellings for which loans secured by contract of sale or first mortgage only have been approved. If amounts additional to the original loan are approved to complete the purchase or construction, the number of dwellings involved is not recorded again.

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

10. *Loans approved for:-*

(a) *Construction of dwellings.*

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

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

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

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

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

Comparability with other statistics on housing finance.

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

12. This bulletin incorporates revisions to figures previously published in the bulletins Reference No.'s 5.57 and 5.58.

Reliability of Statistics

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

Rounding.

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

Symbols and other usages.

- r – revised
- n.a. – not available for publication
- . . – nil, or less than half the final digit shown
- n.c. – details not collected.

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

	Banks				Building Societies				Government				Total							
	Savings		Trading		Permanent		Terminating		Finance companies		Housing authorities			Other						
	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000		No. of dwelling units	\$ '000					
1975 -	Houses																			
October	11,585	172,495	3,715	54,574	7,079	152,218	1,071	20,007	791	18,449	1,440	24,340	204	4,585	36	1,342	240	5,876	26,161	453,886
November	9,032	148,295	3,264	46,295	6,721	145,797	942	18,036	739	17,292	1,227	21,467	119	2,405	33	1,003	259	5,937	22,336	406,527
December	9,940	167,267	3,127	47,292	5,853	130,198	688	12,968	901	19,689	849	14,595	94	1,949	44	988	211	5,305	21,707	400,251
1975 -	Other dwellings																			
October	620	9,949	430	6,130	985	19,524	74	1,437	69	1,670	64	900	15	310	1	174	25	578	2,283	40,672
November	586	9,557	307	4,939	1,091	22,376	82	1,506	82	1,485	38	541	5	104	..	177	20	467	2,211	41,152
December	617	10,482	332	4,770	982	21,267	38	713	75	1,308	25	373	5	103	2	125	11	288	2,087	39,429
1975 -	Total																			
October	12,205	182,444	4,145	60,704	8,064	171,742	1,145	21,444	860	20,119	1,504	25,240	219	4,895	37	1,516	265	6,454	28,444	494,558
November	9,618	157,852	3,571	51,234	7,812	168,173	1,024	19,542	821	18,777	1,265	22,008	124	2,509	33	1,180	279	6,404	24,547	447,679
December	10,557	177,749	3,459	52,062	6,835	151,465	726	13,681	976	20,997	874	14,968	99	2,052	46	1,113	222	5,593	23,794	439,680

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

	Banks				Building Societies				Government				Total							
	Savings		Trading		Permanent		Terminating		Finance companies		Housing authorities			Other						
	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000	No. of dwelling units	\$ '000		No. of dwelling units	\$ '000					
1975 -	Houses																			
October	2,035	30,608	825	11,194	1,139	24,877	359	6,599	190	5,002	268	5,037	47	1,071	12	292	35	808	4,910	85,488
November	1,580	25,953	777	11,087	1,226	27,624	298	5,807	186	5,158	224	4,436	34	565	7	169	42	955	4,374	81,754
December	1,669	28,310	667	9,474	936	21,511	217	4,082	255	6,043	194	3,570	20	407	5	131	34	950	3,997	74,478
1975 -	Other dwellings																			
October	8	102	33	399	32	671	..	..	12	259	..	..	..	..	..	..	..	..	85	1,431
November	3	44	12	185	36	864	..	..	26	550	..	..	..	..	..	..	..	..	77	1,643
December	..	..	31	436	44	630	..	..	9	177	..	..	..	..	..	..	2	53	86	1,296
1975 -	Total																			
October	2,043	30,710	858	11,593	1,171	25,548	359	6,599	202	5,261	268	5,037	47	1,071	12	292	35	808	4,995	86,919
November	1,583	25,997	789	11,272	1,262	28,488	298	5,807	212	5,708	224	4,436	34	565	7	169	42	955	4,451	83,397
December	1,669	28,310	698	9,910	980	22,141	217	4,082	264	6,220	194	3,570	20	407	5	131	36	1,003	4,083	75,774

TABLE 3. - LOANS APPROVED TO INDIVIDUALS FOR THE PURCHASE OF NEWLY ERECTED DWELLINGS, BY TYPE OF LENDER - AUSTRALIA

	Banks				Building Societies				Government				Total							
	Savings		Trading		Permanent		Terminating		Finance companies		Housing authorities			Other						
	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000		No. of dwelling units	\$'000					
1975 -	Houses																			
October	1,417	20,022	516	8,093	868	19,674	212	4,079	92	4,022	576	10,814	12	273	4	255	19	453	3,716	67,685
November	964	15,893	465	6,510	777	17,393	215	4,100	99	3,097	448	9,181	5	147	5	156	15	368	2,993	56,845
December	1,192	19,318	412	6,469	666	16,275	145	2,758	139	3,864	314	5,650	10	206	6	146	15	336	2,899	55,022
1975 -	Other dwellings																			
October	167	2,666	98	1,345	252	5,440	25	500	7	417	28	417	3	60	..	38	12	294	592	11,177
November	157	2,586	81	1,054	283	6,363	27	502	9	300	26	382	4	90	..	22	7	172	594	11,471
December	149	2,593	68	836	257	5,608	17	328	15	325	18	270	1	18	..	30	2	56	527	10,064
1975 -	Total																			
October	1,584	22,688	614	9,438	1,120	25,114	237	4,579	99	4,439	604	11,231	15	333	4	293	31	747	4,308	78,862
November	1,121	18,479	546	7,564	1,060	23,756	242	4,602	108	3,397	474	9,563	9	237	5	178	22	540	3,587	68,316
December	1,341	21,911	480	7,305	923	21,883	162	3,086	154	4,189	332	5,920	11	224	6	176	17	392	3,426	65,086

TABLE 4. - LOANS APPROVED TO INDIVIDUALS FOR THE PURCHASE OF ESTABLISHED DWELLINGS, BY TYPE OF LENDER - AUSTRALIA

	Banks				Building Societies				Government				Total							
	Savings		Trading		Permanent		Terminating		Finance companies		Housing authorities			Other						
	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000	No. of dwelling units	\$'000		No. of dwelling units	\$'000					
1975 -	Houses																			
October	8,133	121,865	2,374	35,287	5,072	107,667	500	9,329	509	9,425	596	8,489	145	3,241	20	795	186	4,615	17,535	300,713
November	6,488	106,449	2,022	28,698	4,718	100,780	429	8,129	454	9,037	555	7,850	80	1,693	21	678	202	4,614	14,969	267,928
December	7,079	119,639	2,048	31,349	4,251	92,412	326	6,128	507	9,782	341	5,375	64	1,336	33	711	162	4,019	14,811	270,751
1975 -	Other dwellings																			
October	445	7,181	299	4,386	701	13,413	49	937	50	994	36	483	12	250	1	136	13	284	1,606	28,064
November	426	6,927	214	3,700	772	15,149	55	1,004	47	635	12	159	1	14	..	155	13	295	1,540	28,038
December	468	7,889	233	3,498	681	15,029	21	385	51	806	7	103	4	85	2	95	7	179	1,474	28,069
1975 -	Total																			
October	8,578	129,046	2,673	39,673	5,773	121,080	549	10,266	559	10,419	632	8,972	157	3,491	21	931	199	4,899	19,141	328,777
November	6,914	113,376	2,236	32,398	5,490	115,929	484	9,133	501	9,672	567	8,009	81	1,707	21	833	215	4,909	16,509	295,966
December	7,547	127,528	2,281	34,847	4,932	107,441	347	6,513	558	10,588	348	5,478	68	1,421	35	806	169	4,198	16,285	298,820

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

	<u>Banks</u>		<u>Building societies</u>		<u>Finance companies</u>	<u>Government</u>		<u>Credit unions</u>	<u>Insurance companies</u>	<u>Total</u>
	<u>Savings</u>	<u>Trading</u>	<u>Permanent</u>	<u>Terminating</u>		<u>Housing authorities</u>	<u>Other</u>			
LOANS APPROVED TO INDIVIDUALS FOR ALTERATIONS AND ADDITIONS										
1975 —										
October	7,585	15,255	3,892	235	1,602	393	85	760	604	30,411
November	8,486	11,326	3,113	318	1,535	405	127	643	589	26,542
December	8,327	10,956	2,827	225	1,327	258	101	574	379	24,974
CANCELLATIONS OF LOANS PREVIOUSLY APPROVED TO INDIVIDUALS FOR HOUSING (a)										
1975 —										
October	10,620	1,535	7,902	206	1,505	916	26	57	246	23,013
November	9,898	1,186	8,456	258	2,089	829	82	49	493	23,340
December	9,778	1,566	8,453	251	1,389	451	102	60	414	22,464
LOANS ADVANCED TO INDIVIDUALS FOR HOUSING (a)										
1975 —										
October	162,166		143,983	13,595	17,725	22,851	4,325	1,674	4,722	371,041
November	150,644	n.c.	145,171	13,793	15,760	21,018	2,075	1,657	4,633	354,751
December	r211,188		162,689	20,559	18,224	16,995	2,741	1,831	6,421	440,648
LOANS APPROVED BUT NOT ADVANCED TO INDIVIDUALS FOR HOUSING AT END OF MONTH (a)										
1975 —										
October	480,425		314,785	46,483	29,382	44,277	6,264	2,246	13,503	937,365
November	486,222	n.c.	r332,293	52,262	31,807	44,843	6,758	2,363	15,370	971,917
December	451,331		315,530	45,358	34,518	42,623	6,068	2,159	14,507	912,091

(a) Includes alterations and additions.

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

	<i>Banks</i>		<i>Building Societies</i>		<i>Finance companies</i>	<i>Government</i>	<i>Other</i>	<i>Total</i>				
	<i>Savings</i>	<i>Trading</i>	<i>Permanent</i>	<i>Terminating</i>								
OCTOBER 1975												
N.S.W.	52,967	23,930	57,582	8,038	4,194	5,904	3,358	155,973				
Vic.	71,203	11,715	29,396	8,681	6,081	8,864	2,160	138,101				
Qld	17,258	7,582	36,512	3,153	2,059	2,963	739	70,266				
S.A.	18,076	9,980	5,629	..	6,354	1,902	1,032	42,973				
W.A.	14,214	4,999	34,107	1,437	1,197	2,573	464	58,991				
Tas.	4,586	1,207	3,561	135	50	1,734	204	11,477				
N.T.	263	327	4,955	{ ..	..	2,258	13	{ 3,483			
A.C.T.	3,877	960							..	184	3,937	{ 13,291
Aust.	182,444	160,704							171,742	21,444	20,119	30,135	7,970	494,558
NOVEMBER 1975												
N.S.W.	49,755	19,097	56,894	8,740	3,775	4,250	3,161	145,672				
Vic.	56,376	11,628	27,786	7,436	4,881	7,784	1,986	117,877				
Qld	15,719	5,414	37,415	1,666	2,544	1,050	744	64,552				
S.A.	15,789	8,276	4,622	..	5,748	1,772	523	36,730				
W.A.	12,569	4,660	34,704	1,520	1,130	2,142	869	57,594				
Tas.	3,804	1,317	2,576	180	..	2,325	133	10,335				
N.T.	386	1,244	4,176	{ ..	18	1,920	168	{ 2,940				
A.C.T.	3,454	597							..	681	3,274	{ 11,978
Aust.	157,852	151,234							168,173	19,542	18,777	24,517	7,584	447,679
DECEMBER 1975												
N.S.W.	53,377	19,429	49,135	4,216	4,519	3,162	2,742	136,580				
Vic.	66,290	11,373	32,498	7,476	4,603	4,499	1,952	128,691				
Qld	20,035	7,403	24,313	755	2,676	2,289	716	58,187				
S.A.	16,504	7,106	6,637	..	7,000	1,879	608	39,734				
W.A.	14,066	4,785	34,130	864	1,607	985	413	56,850				
Tas.	3,684	1,162	2,226	370	95	1,192	164	8,893				
N.T.	403	86	2,526	{ ..	48	788	111	{ 1,682				
A.C.T.	3,390	718							..	449	2,226	{ 9,063
Aust.	177,749	52,062							151,465	13,681	20,997	17,020

