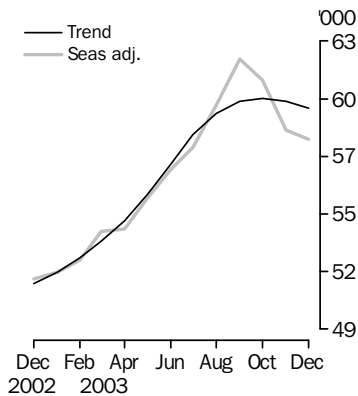


HOUSING FINANCE FOR OWNER OCCUPATION

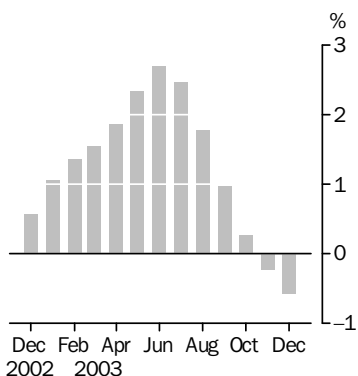
AUSTRALIA

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Housing finance Number of dwellings



Number of dwellings Trend estimates % change



KEY FIGURES

	Dec 2003 no.	Nov 2003 to Dec 2003 % change
TREND ESTIMATES		
Total number of dwelling commitments	59 743	-0.6
Construction of dwellings	5 390	-1.3
Purchase of new dwellings	1 701	0.1
Purchase of established dwellings(a)	52 652	-0.5
SEASONALLY ADJUSTED ESTIMATES		
Total number of dwelling commitments	58 239	-0.8
Construction of dwellings	5 212	-3.2
Purchase of new dwellings	1 681	-1.4
Purchase of established dwellings(a)	51 346	-0.5

(a) Includes refinancing.

KEY POINTS

TREND ESTIMATES

- The trend estimate for the number of housing finance commitments for owner occupation declined by 0.6%. The trend series excluding refinancing fell by 1.7% in December. The trend series for the value of commitments decreased by 0.7%.
- The construction finance trend series recorded a decrease of 1.3% in December 2003, the fifth consecutive monthly decrease. The trend for the purchase of new dwellings increased by 0.1%. The trend in finance commitments for the purchase of established dwellings fell for the second consecutive month with a drop of 0.5% in December 2003. The refinancing trend continues to increase, but at a slower rate.

SEASONALLY ADJUSTED ESTIMATES

- The number of housing finance commitments (seasonally adjusted) decreased by 0.8% in December 2003. There were decreases in construction of dwellings (down 3.2%), purchase of new dwellings (down 1.4%) and purchase of established dwellings (down 0.5%). There was a decrease in the purchase of established dwellings excluding refinancing (down 1.4%) and an increase in refinancing of established dwellings (up 0.9%). A record 33.5% of all finance approvals were for the refinancing of an existing loan.
- Value of commitments (seasonally adjusted) fell by 2.5% in December 2003.

ORIGINAL ESTIMATES

- The percentage of fixed rate commitments (for two years or more) fell to 14.3% in December 2003, after five consecutive monthly increases. The average loan value was \$185,700 in December 2003, down from the November figure of \$187,100.
- First home buyer commitments as a percentage of total commitments increased slightly to 13.1% in December 2003.

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) 9268 6731.

NOTES

FORTHCOMING ISSUES

<i>ISSUE</i>	<i>RELEASE DATE</i>
January 2004	12 March 2004
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



CHANGES IN THIS ISSUE

There are no changes in this issue.

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

R.W. Edwards
Acting 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 December 2004
 - 13 Housing Finance Seasonal Factors, By State, October 1975 to December 2004

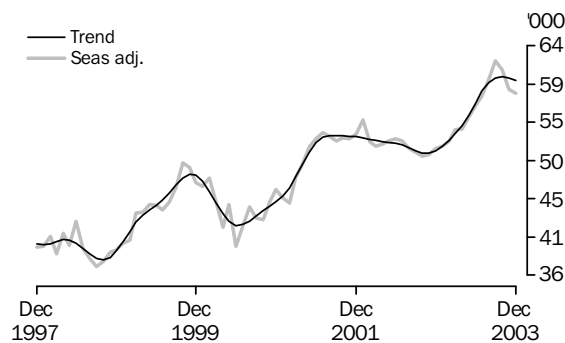
HOUSING FINANCE SUMMARY OF FINDINGS

DWELLINGS FINANCED

Number financed including refinancing

Total housing commitments (seasonally adjusted) decreased for the third consecutive month, decreasing by 0.8% in December 2003 after a fall of 3.9% in November 2003. The decrease was mainly due to the purchase of established dwellings excluding refinancing (down 436, -1.4%), while there were also falls in construction of dwellings (down 173, -3.2%) together with purchases of new dwellings (down 24, -1.4%). The number of refinancing commitments increased (up 180, 0.9%). The total housing commitments trend decreased in December (down 347, -0.6%).

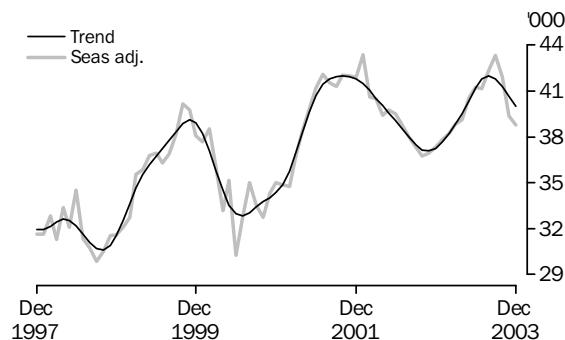
There were decreases (seasonally adjusted) in Queensland (down 214, -1.8%), SA (down 156, -3.1%), NSW (down 143, -0.8%), Victoria (down 109, -0.8%), Tasmania (down 66, -5.6%), NT (down 28, -6.3%), ACT (down 9, -1.2%) and WA (down 3). The trend decreased in all states and territories except WA and NT.



In original terms, the percentage of commitments at a fixed rate of interest (for at least two years) decreased to 14.3%, after five months of increases. The percentage of first home buyers increased slightly to 13.1% in December 2003.

Number financed excluding refinancing

The number of dwellings financed excluding refinancing (seasonally adjusted) decreased in December 2003 (down 633, -1.6%), the third consecutive monthly decrease. The trend series decreased by 1.7% in December.



Value of commitments

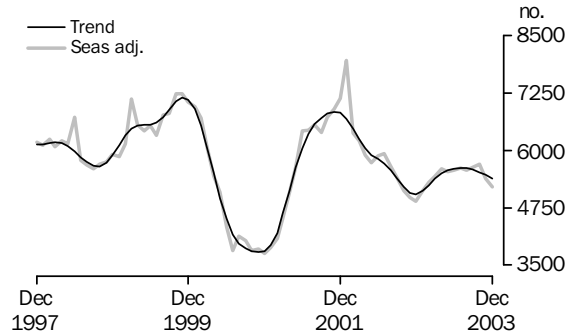
The total value of commitments (seasonally adjusted) fell for the third consecutive month, falling by 2.5% in December 2003. The trend series decreased by 0.7% in December.

HOUSING FINANCE SUMMARY OF FINDINGS *continued*

PURPOSE OF FINANCE

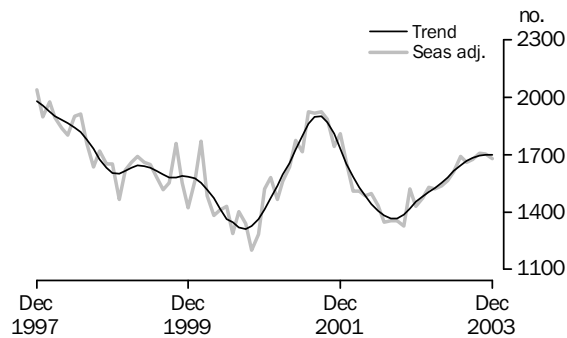
Construction of dwellings

The seasonally adjusted construction finance series declined by 3.2% in December 2003, after a fall of 5.5% in November. The trend fell 1.3% in December, continuing the decline since August.



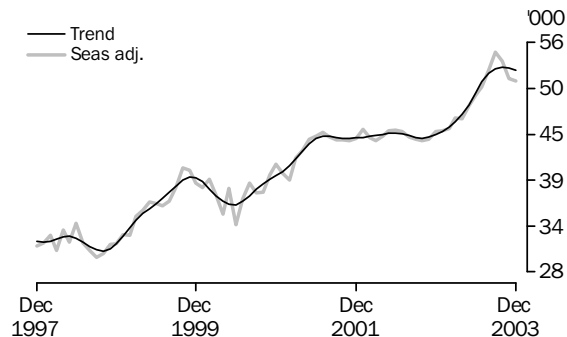
Purchase of new dwellings

The number of finance commitments for the purchase of new dwellings (seasonally adjusted) fell by 1.4% in December 2003, after a decrease of 0.1% in November. The trend series rose 0.1% in December, following a run of larger increases since September 2002.



Purchase of established dwellings

The seasonally adjusted established dwelling finance series decreased for the third consecutive month, falling by 0.5% (down 256) in December 2003. The trend series decreased by 0.5% in December.

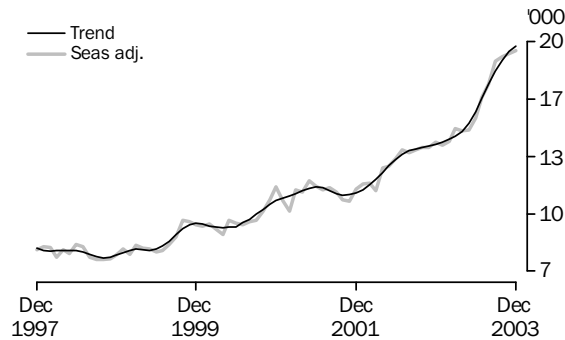


HOUSING FINANCE SUMMARY OF FINDINGS *continued*

Refinancing

The number of refinancing commitments (seasonally adjusted) rose by 0.9% in December 2003, making December the eighth consecutive month of growth. Trend growth eased to 1.7%.

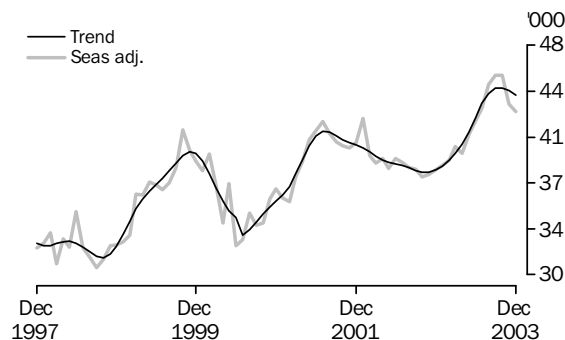
In December, a record 33.5% of all loans (seasonally adjusted) were for the refinancing of existing dwellings.



TYPE OF LENDER

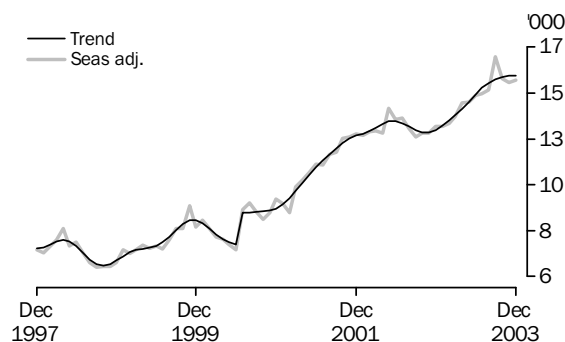
Banks

Bank finance (seasonally adjusted) decreased for the second consecutive month, falling by 1.3% (down 579) in December 2003 after a decrease of 4.9% in November. The trend series fell 0.8% in December.



Non-banks

Non-bank commitments (seasonally adjusted) rose by 0.8% in December 2003, after decreases in the previous two months. This increase was primarily driven by the seasonally adjusted increase recorded for wholesale lenders (up 2.4%) while permanent building society activity increased slightly (up 0.1%). The non-bank trend series remained virtually unchanged in December 2003.



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 established dwellings	
	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m	no.	\$m
ORIGINAL												
2002												
December	4 794	809	1 385	270	43 494	7 408	49 673	8 486	13 326	2 004	36 347	6 482
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	48 239	8 238	55 072	9 459	15 408	2 362	39 664	7 097
April	5 242	921	1 444	297	45 904	8 078	52 590	9 296	14 476	2 228	38 114	7 069
May	5 904	1 068	1 675	363	51 811	9 161	59 390	10 592	16 233	2 492	43 157	8 100
June	5 621	1 030	1 636	337	49 798	8 862	57 055	10 229	16 451	2 559	40 604	7 671
July	6 620	1 213	1 843	392	54 178	9 803	62 641	11 408	17 997	2 884	44 644	8 524
August	5 712	1 037	1 637	345	51 924	9 590	59 273	10 972	17 158	2 793	42 115	8 179
September	5 851	1 085	1 714	369	53 791	10 064	61 356	11 517	18 535	3 065	42 821	8 452
October	6 056	1 117	1 756	371	56 235	10 425	64 047	11 912	19 656	3 168	44 391	8 744
November	5 232	999	1 687	365	51 283	9 528	58 202	10 892	18 625	2 915	39 577	7 976
December	5 417	1 032	1 700	374	51 540	9 486	58 657	10 892	19 455	3 019	39 202	7 874
SEASONALLY ADJUSTED												
2002												
December	4 888	809	1 428	276	45 125	7 577	51 441	8 662	14 097	2 115	37 344	6 547
2003												
January	5 114	866	1 473	288	45 194	7 541	51 781	8 695	13 934	2 062	37 847	6 633
February	5 307	918	1 529	292	45 537	7 721	52 373	8 931	14 139	2 125	38 234	6 806
March	5 435	925	1 521	308	46 790	7 922	53 746	9 155	14 905	2 259	38 841	6 896
April	5 598	980	1 535	314	46 721	8 161	53 854	9 456	14 748	2 240	39 106	7 216
May	5 533	996	1 564	336	48 277	8 477	55 374	9 809	14 802	2 276	40 572	7 532
June	5 573	1 025	1 612	336	49 583	8 836	56 768	10 197	15 529	2 414	41 239	7 783
July	5 610	1 031	1 693	360	50 533	9 285	57 836	10 676	16 699	2 684	41 137	7 992
August	5 569	1 026	1 658	345	52 657	9 714	59 884	11 085	17 531	2 843	42 353	8 242
September	5 631	1 068	1 677	361	54 846	10 329	62 154	11 757	18 849	3 101	43 305	8 656
October	5 699	1 057	1 707	364	53 689	9 949	61 095	11 370	19 134	3 088	41 961	8 282
November	5 385	1 023	1 705	366	51 602	9 592	58 692	10 981	19 308	3 057	39 384	7 924
December	5 212	983	1 681	362	51 346	9 366	58 239	10 710	19 488	3 029	38 751	7 681
TREND												
2002												
December	5 042	847	1 454	277	44 728	7 475	51 224	8 599	13 965	2 079	37 259	6 521
2003												
January	5 114	866	1 481	286	45 169	7 585	51 764	8 737	14 099	2 105	37 665	6 632
February	5 245	898	1 505	296	45 720	7 731	52 470	8 926	14 253	2 137	38 217	6 789
March	5 384	934	1 527	307	46 370	7 926	53 281	9 167	14 443	2 179	38 838	6 988
April	5 496	968	1 552	319	47 225	8 190	54 273	9 477	14 739	2 248	39 534	7 229
May	5 567	996	1 582	330	48 394	8 540	55 543	9 866	15 208	2 354	40 335	7 512
June	5 608	1 019	1 616	340	49 818	8 952	57 042	10 312	15 871	2 501	41 171	7 811
July	5 621	1 034	1 645	348	51 188	9 340	58 454	10 723	16 676	2 666	41 778	8 057
August	5 609	1 041	1 669	354	52 218	9 628	59 496	11 023	17 515	2 822	41 981	8 201
September	5 577	1 042	1 684	358	52 811	9 792	60 072	11 192	18 289	2 951	41 783	8 241
October	5 525	1 037	1 694	362	53 010	9 850	60 229	11 249	18 926	3 044	41 303	8 205
November	5 461	1 029	1 700	364	52 929	9 834	60 090	11 228	19 425	3 105	40 665	8 122
December	5 390	1 019	1 701	366	52 652	9 761	59 743	11 146	19 763	3 136	39 980	8 009

(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)												
2002												
December	-4.7	-5.5	-12.0	-10.1	-3.7	-1.4	-4.1	-2.1	-4.1	-1.3	-4.0	-2.4
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	12.0	14.5	12.0	14.2	14.5	17.0	11.1	13.3
April	-0.8	0.9	-6.9	-3.8	-4.8	-1.9	-4.5	-1.7	-6.0	-5.7	-3.9	-0.4
May	12.6	15.9	16.0	22.3	12.9	13.4	12.9	13.9	12.1	11.9	13.2	14.6
June	-4.8	-3.5	-2.3	-7.1	-3.9	-3.3	-3.9	-3.4	1.3	2.7	-5.9	-5.3
July	17.8	17.8	12.7	16.2	8.8	10.6	9.8	11.5	9.4	12.7	9.9	11.1
August	-13.7	-14.6	-11.2	-11.9	-4.2	-2.2	-5.4	-3.8	-4.7	-3.2	-5.7	-4.1
September	2.4	4.7	4.7	6.9	3.6	4.9	3.5	5.0	8.0	9.8	1.7	3.3
October	3.5	3.0	2.5	0.6	4.5	3.6	4.4	3.4	6.0	3.4	3.7	3.5
November	-13.6	-10.6	-3.9	-1.6	-8.8	-8.6	-9.1	-8.6	-5.2	-8.0	-10.8	-8.8
December	3.5	3.4	0.8	2.3	0.5	-0.4	0.8	—	4.5	3.5	-0.9	-1.3
SEASONALLY ADJUSTED (% CHANGE FROM PREVIOUS MONTH)												
2002												
December	-1.7	-4.3	-6.1	-2.3	2.0	3.3	1.4	2.3	2.2	3.8	1.1	1.8
2003												
January	4.6	7.1	3.2	4.3	0.2	-0.5	0.7	0.4	-1.2	-2.5	1.3	1.3
February	3.8	6.0	3.8	1.4	0.8	2.4	1.1	2.7	1.5	3.0	1.0	2.6
March	2.4	0.8	-0.5	5.6	2.8	2.6	2.6	2.5	5.4	6.3	1.6	1.3
April	3.0	5.9	0.9	2.0	-0.1	3.0	0.2	3.3	-1.1	-0.8	0.7	4.6
May	-1.2	1.6	1.9	6.9	3.3	3.9	2.8	3.7	0.4	1.6	3.7	4.4
June	0.7	2.9	3.1	—	2.7	4.2	2.5	4.0	4.9	6.0	1.6	3.3
July	0.7	0.6	5.0	7.1	1.9	5.1	1.9	4.7	7.5	11.2	-0.2	2.7
August	-0.7	-0.5	-2.1	-4.1	4.2	4.6	3.5	3.8	5.0	5.9	3.0	3.1
September	1.1	4.1	1.1	4.5	4.2	6.3	3.8	6.1	7.5	9.1	2.2	5.0
October	1.2	-1.0	1.8	0.9	-2.1	-3.7	-1.7	-3.3	1.5	-0.4	-3.1	-4.3
November	-5.5	-3.2	-0.1	0.6	-3.9	-3.6	-3.9	-3.4	0.9	-1.0	-6.1	-4.3
December	-3.2	-3.9	-1.4	-1.1	-0.5	-2.4	-0.8	-2.5	0.9	-0.9	-1.6	-3.1
TREND (% CHANGE FROM PREVIOUS MONTH)												
2002												
December	-0.6	0.4	2.5	3.2	0.7	1.1	0.6	1.1	0.8	1.3	0.5	1.1
2003												
January	1.4	2.3	1.9	3.3	1.0	1.5	1.1	1.6	1.0	1.3	1.1	1.7
February	2.6	3.7	1.6	3.6	1.2	1.9	1.4	2.2	1.1	1.5	1.5	2.4
March	2.7	4.0	1.5	3.8	1.4	2.5	1.5	2.7	1.3	2.0	1.6	2.9
April	2.1	3.6	1.6	3.7	1.8	3.3	1.9	3.4	2.1	3.1	1.8	3.5
May	1.3	3.0	1.9	3.5	2.5	4.3	2.3	4.1	3.2	4.7	2.0	3.9
June	0.7	2.3	2.1	3.2	2.9	4.8	2.7	4.5	4.4	6.2	2.1	4.0
July	0.2	1.5	1.8	2.4	2.8	4.3	2.5	4.0	5.1	6.6	1.5	3.1
August	-0.2	0.7	1.5	1.7	2.0	3.1	1.8	2.8	5.0	5.9	0.5	1.8
September	-0.6	—	0.9	1.2	1.1	1.7	1.0	1.5	4.4	4.6	-0.5	0.5
October	-0.9	-0.4	0.6	0.9	0.4	0.6	0.3	0.5	3.5	3.1	-1.1	-0.4
November	-1.2	-0.7	0.4	0.7	-0.2	-0.2	-0.2	-0.2	2.6	2.0	-1.5	-1.0
December	-1.3	-1.0	0.1	0.5	-0.5	-0.7	-0.6	-0.7	1.7	1.0	-1.7	-1.4

— nil or rounded to zero (including null cells)

(b) Includes refinancing.

(a) Excludes alterations and additions

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										
2002										
December	37 450	6 653	12 223	1 833	49 673	8 486	1 923	266	7 195	1 140
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	14 288	2 159	55 072	9 459	2 237	321	8 935	1 430
April	38 661	7 181	13 929	2 115	52 590	9 296	2 265	342	8 366	1 342
May	43 845	8 182	15 545	2 410	59 390	10 592	2 391	370	9 483	1 528
June	42 204	7 894	14 851	2 336	57 055	10 229	2 321	351	9 096	1 507
July	46 333	8 723	16 308	2 685	62 641	11 408	2 639	406	9 877	1 758
August	44 245	8 466	15 028	2 506	59 273	10 972	2 353	354	9 304	1 686
September	45 294	8 827	16 062	2 690	61 356	11 517	2 525	396	9 874	1 801
October	47 551	9 126	16 496	2 786	64 047	11 912	2 450	383	9 990	1 866
November	43 062	8 371	15 140	2 521	58 202	10 892	2 244	351	9 124	1 656
December	43 666	8 345	14 991	2 547	58 657	10 892	2 171	327	9 047	1 659
SEASONALLY ADJUSTED										
2002										
December	38 223	6 679	13 218	1 983	51 441	8 662	2 163	299	8 087	1 291
2003										
January	38 589	6 709	13 192	1 986	51 781	8 695	2 198	317	7 955	1 262
February	39 012	6 916	13 361	2 015	52 373	8 931	2 153	312	8 249	1 316
March	40 075	7 073	13 671	2 083	53 746	9 155	2 195	327	8 615	1 365
April	39 541	7 305	14 313	2 151	53 854	9 456	2 221	331	8 576	1 361
May	41 000	7 584	14 374	2 224	55 374	9 809	2 232	336	8 676	1 407
June	42 094	7 912	14 674	2 285	56 768	10 197	2 348	343	8 865	1 470
July	43 055	8 238	14 781	2 438	57 836	10 676	2 387	361	8 900	1 597
August	44 939	8 593	14 945	2 492	59 884	11 085	2 375	359	9 248	1 658
September	45 627	9 058	16 527	2 699	62 154	11 757	2 411	395	9 558	1 714
October	45 617	8 791	15 478	2 579	61 095	11 370	2 349	367	9 448	1 731
November	43 387	8 389	15 305	2 593	58 692	10 981	2 287	352	9 359	1 738
December	42 808	8 056	15 431	2 654	58 239	10 710	2 288	349	9 584	1 778
TREND										
2002										
December	38 202	6 653	13 022	1 946	51 224	8 599	2 118	300	7 934	1 265
2003										
January	38 534	6 756	13 230	1 981	51 764	8 737	2 158	309	8 103	1 284
February	38 972	6 899	13 498	2 027	52 470	8 926	2 186	317	8 275	1 307
March	39 519	7 086	13 762	2 081	53 281	9 167	2 206	324	8 430	1 337
April	40 230	7 328	14 043	2 148	54 273	9 477	2 234	330	8 575	1 379
May	41 178	7 633	14 365	2 232	55 543	9 866	2 277	339	8 728	1 434
June	42 330	7 984	14 712	2 328	57 042	10 312	2 321	349	8 888	1 500
July	43 422	8 301	15 032	2 422	58 454	10 723	2 356	359	9 046	1 570
August	44 212	8 521	15 284	2 503	59 496	11 023	2 371	365	9 195	1 634
September	44 608	8 627	15 464	2 565	60 072	11 192	2 367	367	9 330	1 687
October	44 651	8 637	15 578	2 611	60 229	11 249	2 351	367	9 437	1 729
November	44 458	8 583	15 632	2 644	60 090	11 228	2 332	364	9 518	1 761
December	44 112	8 482	15 631	2 664	59 743	11 146	2 307	360	9 570	1 782

(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)										
2002										
December	-3.7	-2.0	-5.1	-2.6	-4.1	-2.1	-9.2	-11.5	-6.3	-5.3
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	12.8	14.4	12.0	14.2	5.9	5.8	17.5	18.7
April	-5.2	-1.6	-2.5	-2.1	-4.5	-1.7	1.3	6.5	-6.4	-6.1
May	13.4	13.9	11.6	14.0	12.9	13.9	5.6	8.2	13.4	13.8
June	-3.7	-3.5	-4.5	-3.1	-3.9	-3.4	-2.9	-5.2	-4.1	-1.4
July	9.8	10.5	9.8	14.9	9.8	11.5	13.7	15.7	8.6	16.7
August	-4.5	-2.9	-7.8	-6.7	-5.4	-3.8	-10.8	-12.8	-5.8	-4.1
September	2.4	4.3	6.9	7.3	3.5	5.0	7.3	11.7	6.1	6.8
October	5.0	3.4	2.7	3.6	4.4	3.4	-3.0	-3.2	1.2	3.6
November	-9.4	-8.3	-8.2	-9.5	-9.1	-8.6	-8.4	-8.4	-8.7	-11.2
December	1.4	-0.3	-1.0	1.0	0.8	—	-3.3	-6.8	-0.8	0.1
SEASONALLY ADJUSTED (% change from previous month)										
2002										
December	0.9	1.7	2.8	4.7	1.4	2.3	4.5	3.5	4.2	4.6
2003										
January	1.0	0.4	-0.2	0.2	0.7	0.4	1.6	5.9	-1.6	-2.3
February	1.1	3.1	1.3	1.4	1.1	2.7	-2.0	-1.3	3.7	4.3
March	2.7	2.3	2.3	3.4	2.6	2.5	2.0	4.6	4.4	3.7
April	-1.3	3.3	4.7	3.3	0.2	3.3	1.2	1.2	-0.5	-0.2
May	3.7	3.8	0.4	3.4	2.8	3.7	0.5	1.5	1.2	3.3
June	2.7	4.3	2.1	2.7	2.5	4.0	5.2	2.1	2.2	4.5
July	2.3	4.1	0.7	6.7	1.9	4.7	1.6	5.4	0.4	8.6
August	4.4	4.3	1.1	2.2	3.5	3.8	-0.5	-0.6	3.9	3.8
September	1.5	5.4	10.6	8.3	3.8	6.1	1.5	9.9	3.4	3.4
October	—	-2.9	-6.3	-4.5	-1.7	-3.3	-2.6	-7.1	-1.2	1.0
November	-4.9	-4.6	-1.1	0.6	-3.9	-3.4	-2.7	-3.9	-1.0	0.4
December	-1.3	-4.0	0.8	2.4	-0.8	-2.5	0.1	-0.9	2.4	2.3
TREND (% change from previous month)										
2002										
December	0.4	1.1	1.0	1.2	0.6	1.1	2.6	3.5	1.7	1.2
2003										
January	0.9	1.6	1.6	1.8	1.1	1.6	1.9	3.0	2.1	1.5
February	1.1	2.1	2.0	2.3	1.4	2.2	1.3	2.6	2.1	1.8
March	1.4	2.7	2.0	2.7	1.5	2.7	0.9	2.0	1.9	2.3
April	1.8	3.4	2.0	3.2	1.9	3.4	1.3	2.1	1.7	3.1
May	2.4	4.2	2.3	3.9	2.3	4.1	1.9	2.7	1.8	4.0
June	2.8	4.6	2.4	4.3	2.7	4.5	2.0	3.0	1.8	4.6
July	2.6	4.0	2.2	4.1	2.5	4.0	1.5	2.6	1.8	4.6
August	1.8	2.7	1.7	3.3	1.8	2.8	0.6	1.7	1.6	4.1
September	0.9	1.2	1.2	2.5	1.0	1.5	-0.2	0.7	1.5	3.3
October	0.1	0.1	0.7	1.8	0.3	0.5	-0.6	-0.2	1.2	2.5
November	-0.4	-0.6	0.3	1.3	-0.2	-0.2	-0.8	-0.7	0.9	1.8
December	-0.8	-1.2	—	0.7	-0.6	-0.7	-1.1	-1.1	0.5	1.2

— 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									
2002									
December	15 496	12 052	9 473	4 322	5 934	1 174	364	858	49 673
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	17 501	12 163	11 670	4 814	6 588	1 152	408	776	55 072
April	16 862	11 804	10 596	4 583	6 432	1 074	437	802	52 590
May	19 412	13 105	11 529	5 089	7 631	1 283	478	863	59 390
June	18 135	12 842	11 498	4 975	7 137	1 249	423	796	57 055
July	19 998	13 852	12 994	5 355	7 772	1 366	358	946	62 641
August	19 243	13 234	12 419	4 663	7 234	1 306	358	816	59 273
September	20 015	13 449	12 846	5 014	7 345	1 353	446	888	61 356
October	20 496	14 330	13 276	5 312	7 913	1 409	408	903	64 047
November	18 689	12 696	12 043	5 009	7 353	1 182	434	796	58 202
December	18 443	13 440	11 560	5 203	7 652	1 124	457	778	58 657
SEASONALLY ADJUSTED (b)									
2002									
December	16 490	12 028	10 059	4 209	6 236	1 176	343	879	51 441
2003									
January	16 816	12 218	10 350	4 268	6 232	1 113	305	815	51 781
February	17 013	11 744	10 497	4 416	6 255	1 048	336	880	52 373
March	16 897	12 381	11 001	4 709	6 440	1 115	376	778	53 746
April	17 027	12 301	11 065	4 672	6 741	1 142	417	794	53 854
May	17 566	12 414	10 805	4 787	6 947	1 163	446	825	55 374
June	17 837	12 776	11 692	4 884	7 090	1 282	437	823	56 768
July	18 605	12 849	12 037	4 979	7 259	1 327	360	895	57 836
August	19 138	13 213	12 626	4 965	7 424	1 299	397	851	59 884
September	19 894	13 504	13 021	5 140	7 658	1 419	429	884	62 154
October	19 686	13 277	12 429	5 206	7 608	1 324	431	855	61 095
November	18 990	12 895	12 014	4 973	7 607	1 167	439	783	58 692
December	18 847	12 786	11 800	4 817	7 604	1 101	411	774	58 239
TREND (b)									
2002									
December	16 548	11 930	10 074	4 207	6 162	1 108	306	853	51 224
2003									
January	16 623	11 997	10 303	4 312	6 228	1 106	329	847	51 764
February	16 763	12 089	10 525	4 443	6 342	1 108	357	832	52 470
March	16 958	12 194	10 744	4 574	6 498	1 119	382	819	53 281
April	17 222	12 332	11 002	4 693	6 688	1 148	400	815	54 273
May	17 599	12 523	11 332	4 801	6 897	1 199	411	824	55 543
June	18 092	12 757	11 721	4 899	7 104	1 260	415	841	57 042
July	18 606	12 971	12 083	4 976	7 284	1 307	414	856	58 454
August	19 025	13 111	12 337	5 027	7 420	1 324	413	861	59 496
September	19 281	13 173	12 451	5 052	7 520	1 313	415	853	60 072
October	19 392	13 168	12 437	5 051	7 596	1 281	419	838	60 229
November	19 401	13 118	12 348	5 028	7 648	1 239	424	819	60 090
December	19 338	13 032	12 181	4 992	7 677	1 189	429	800	59 743

(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)									
2002									
December	-7.0	-1.1	-5.9	-0.3	-3.5	1.8	16.3	-5.6	-4.1
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	11.1	11.6	15.6	17.1	8.4	13.5	22.5	-13.1	12.0
April	-3.7	-3.0	-9.2	-4.8	-2.4	-6.8	7.1	3.4	-4.5
May	15.1	11.0	8.8	11.0	18.6	19.5	9.4	7.6	12.9
June	-6.6	-2.0	-0.3	-2.2	-6.5	-2.7	-11.5	-7.8	-3.9
July	10.3	7.9	13.0	7.6	8.9	9.4	-15.4	18.8	9.8
August	-3.8	-4.5	-4.4	-12.9	-6.9	-4.4	—	-13.7	-5.4
September	4.0	1.6	3.4	7.5	1.5	3.6	24.6	8.8	3.5
October	2.4	6.6	3.3	5.9	7.7	4.1	-8.5	1.7	4.4
November	-8.8	-11.4	-9.3	-5.7	-7.1	-16.1	6.4	-11.8	-9.1
December	-1.3	5.9	-4.0	3.9	4.1	-4.9	5.3	-2.3	0.8
SEASONALLY ADJUSTED (% change from previous month)									
2002									
December	1.5	1.1	2.8	2.2	3.5	5.3	11.2	-0.8	1.4
2003									
January	2.0	1.6	2.9	1.4	-0.1	-5.4	-11.1	-7.3	0.7
February	1.2	-3.9	1.4	3.5	0.4	-5.8	10.2	7.9	1.1
March	-0.7	5.4	4.8	6.6	3.0	6.4	12.0	-11.6	2.6
April	0.8	-0.6	0.6	-0.8	4.7	2.4	10.8	2.1	0.2
May	3.2	0.9	-2.3	2.5	3.1	1.8	7.1	4.0	2.8
June	1.5	2.9	8.2	2.0	2.1	10.3	-2.0	-0.3	2.5
July	4.3	0.6	2.9	2.0	2.4	3.5	-17.8	8.7	1.9
August	2.9	2.8	4.9	-0.3	2.3	-2.1	10.4	-4.9	3.5
September	4.0	2.2	3.1	3.5	3.1	9.2	8.1	3.9	3.8
October	-1.0	-1.7	-4.6	1.3	-0.7	-6.7	0.5	-3.3	-1.7
November	-3.5	-2.9	-3.3	-4.5	—	-11.9	1.8	-8.5	-3.9
December	-0.8	-0.8	-1.8	-3.1	—	-5.6	-6.3	-1.2	-0.8
TREND (% change from previous month)									
2002									
December	-0.2	0.2	2.1	1.2	0.3	0.3	5.2	0.8	0.6
2003									
January	0.4	0.6	2.3	2.5	1.1	-0.2	7.7	-0.8	1.1
February	0.8	0.8	2.2	3.0	1.8	0.1	8.3	-1.7	1.4
March	1.2	0.9	2.1	2.9	2.5	1.0	7.0	-1.5	1.5
April	1.6	1.1	2.4	2.6	2.9	2.6	4.8	-0.5	1.9
May	2.2	1.5	3.0	2.3	3.1	4.4	2.6	1.1	2.3
June	2.8	1.9	3.4	2.0	3.0	5.1	1.1	2.1	2.7
July	2.8	1.7	3.1	1.6	2.5	3.8	-0.2	1.8	2.5
August	2.2	1.1	2.1	1.0	1.9	1.3	-0.4	0.6	1.8
September	1.3	0.5	0.9	0.5	1.3	-0.9	0.5	-0.9	1.0
October	0.6	—	-0.1	—	1.0	-2.4	1.2	-1.8	0.3
November	—	-0.4	-0.7	-0.4	0.7	-3.3	1.1	-2.2	-0.2
December	-0.3	-0.7	-1.4	-0.7	0.4	-4.0	1.1	-2.3	-0.6

— 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									
2002									
December	3 281	2 094	1 441	539	834	111	49	139	8 486
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	1 902	671	1 116	128	61	166	10 592
June	3 960	2 304	1 929	649	1 043	128	58	160	10 229
July	4 443	2 524	2 226	678	1 160	142	56	178	11 408
August	4 362	2 422	2 128	632	1 077	135	54	160	10 972
September	4 643	2 469	2 253	662	1 099	143	67	182	11 517
October	4 721	2 593	2 306	729	1 163	151	67	184	11 912
November	4 315	2 364	2 102	667	1 090	130	64	159	10 892
December	4 197	2 478	2 037	713	1 108	136	69	154	10 892
SEASONALLY ADJUSTED (b)									
2002									
December	3 424	2 042	1 526	510	874	108	46	144	8 662
2003									
January	3 419	2 059	1 598	520	882	111	40	153	8 695
February	3 478	1 962	1 634	538	905	102	44	163	8 931
March	3 541	2 065	1 723	596	913	110	49	148	9 155
April	3 681	2 160	1 785	599	958	117	50	153	9 456
May	3 810	2 188	1 837	632	1 010	117	56	152	9 809
June	3 904	2 299	1 962	643	1 049	130	59	165	10 197
July	4 180	2 409	2 068	651	1 084	134	57	172	10 676
August	4 328	2 418	2 159	675	1 112	134	61	168	11 085
September	4 678	2 464	2 344	685	1 158	148	63	191	11 757
October	4 507	2 417	2 167	719	1 145	141	68	168	11 370
November	4 349	2 399	2 072	655	1 123	129	67	152	10 981
December	4 257	2 288	2 079	644	1 118	130	65	155	10 710
TREND (b)									
2002									
December	3 387	1 990	1 537	512	867	104	41	149	8 599
2003									
January	3 419	2 008	1 586	529	882	106	43	151	8 737
February	3 477	2 038	1 643	551	902	108	46	153	8 926
March	3 559	2 082	1 707	576	930	111	49	153	9 167
April	3 670	2 143	1 784	601	964	115	51	155	9 477
May	3 820	2 219	1 879	625	1 005	121	54	159	9 866
June	4 003	2 300	1 983	646	1 047	128	57	164	10 312
July	4 183	2 368	2 076	662	1 084	133	59	169	10 723
August	4 324	2 406	2 140	673	1 111	137	62	172	11 023
September	4 412	2 418	2 172	679	1 127	138	64	171	11 192
October	4 453	2 413	2 178	679	1 136	138	65	168	11 249
November	4 459	2 398	2 167	676	1 140	136	67	164	11 228
December	4 439	2 373	2 142	671	1 139	134	67	160	11 146

(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>	<i>Total</i>	<i>Commitments advanced during month</i>	<i>Commitments cancelled during month</i>	<i>Commitments not advanced at end of month(a)</i>
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2002							
December	6 482	2 004	448	8 935	8 479	825	18 628
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	8 100	2 492	485	11 077	9 704	820	19 942
June	7 671	2 559	495	10 724	9 138	859	20 665
July	8 524	2 884	523	11 931	9 957	907	21 441
August	8 179	2 793	581	11 553	9 963	841	22 407
September	8 452	3 065	569	12 086	10 531	1 040	22 930
October	8 744	3 168	620	12 533	10 869	860	23 729
November	7 976	2 915	545	11 436	9 878	917	24 441
December	7 874	3 019	503	11 395	11 042	833	23 919

(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
2002							
December	7 806	15.7	160.4	2 884	5.8	147.0	170.8
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	8 344	15.2	165.8	3 364	6.1	147.7	171.8
April	7 771	14.8	170.6	3 708	7.1	142.5	176.8
May	8 443	14.2	171.0	4 171	7.0	152.8	178.3
June	7 751	13.6	174.8	3 618	6.3	151.5	179.3
July	8 525	13.6	180.2	4 663	7.4	157.7	182.1
August	8 005	13.5	186.7	5 443	9.2	167.2	185.1
September	8 279	13.5	187.0	6 169	10.1	172.6	187.7
October	8 583	13.4	185.4	8 164	12.7	170.4	186.0
November	7 591	13.0	184.7	8 876	15.3	163.6	187.1
December	7 662	13.1	182.3	8 368	14.3	152.4	185.7

(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	1 004	545	16 894	18 443	6 401	12 042
Victoria	1 489	458	11 493	13 440	4 659	8 781
Queensland	1 211	359	9 990	11 560	3 725	7 835
South Australia	422	128	4 653	5 203	1 577	3 626
Western Australia	1 085	152	6 415	7 652	2 347	5 305
Tasmania	125	12	987	1 124	417	707
Northern Territory	35	9	413	457	127	330
Australian Capital Territory	46	37	695	778	202	576
Total	5 417	1 700	51 540	58 657	19 455	39 202

VALUE (\$m)						
New South Wales	238	142	3 817	4 197	1 254	2 943
Victoria	280	102	2 096	2 478	688	1 790
Queensland	225	69	1 743	2 037	544	1 493
South Australia	70	21	622	713	172	541
Western Australia	187	27	894	1 108	273	835
Tasmania	15	1	120	136	38	98
Northern Territory	6	2	61	69	16	53
Australian Capital Territory	11	9	134	154	32	122
Total	1 032	374	9 486	10 892	3 019	7 874

AVERAGE LOAN SIZE (\$'000)						
New South Wales	237.1	261.0	225.9	227.6	195.9	244.4
Victoria	188.2	221.8	182.4	184.4	147.8	203.8
Queensland	185.7	193.1	174.5	176.2	146.2	190.5
South Australia	166.6	164.4	133.6	137.0	109.1	149.2
Western Australia	172.0	178.8	139.4	144.8	116.5	157.3
Tasmania	120.2	121.7	121.1	121.0	92.0	138.1
Northern Territory	177.7	213.4	147.4	151.0	129.3	159.4
Australian Capital Territory	238.1	241.3	192.7	197.7	156.7	212.1
Total	190.6	219.8	184.1	185.7	155.2	200.8

(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.

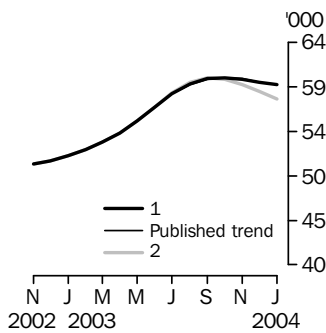
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The January 2004 seasonally adjusted estimate of number of dwellings financed is higher than the December 2003 seasonally adjusted estimate by 4.0%.

2 The January 2004 seasonally adjusted estimate of number of dwellings financed is lower than the December 2003 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



	TREND AS PUBLISHED		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:					
	no.	%	<i>(1) rises by 4% on this month</i>		<i>(2) falls by 4% on this month</i>			
			no.	%	no.	%	no.	%
July 2003	58 454	2.5	58 489	2.5	58 556	2.7		
August 2003	59 496	1.8	59 553	1.8	59 672	1.9		
September 2003	60 072	1.0	60 095	0.9	60 154	0.8		
October 2003	60 229	0.3	60 177	0.1	60 021	-0.2		
November 2003	60 090	-0.2	60 002	-0.3	59 485	-0.9		
December 2003	59 743	-0.6	59 734	-0.4	58 759	-1.2		
January 2004	—	—	59 416	-0.5	57 944	-1.4		

— 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 Securitisors* (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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