

Value of New Loans

The value of new home loans (excluding refinancing) rose for the fourth month in a row in November, with a seasonally adjusted increase of 1.0% (exp. 1.3%)

The gain followed an upwardly revised 7.1% increase in October (originally 5.4%).

Seasonally Adjusted Ex Refinancing, %	MoM	YoY
Owner Occupier	0.5	10.6
Investor	1.9	18.0
Total	1.0	13.1

The November increase was led by a 1.9% rise in the value of new investor loans after a 4.9% increase in October. The smaller increase in owner occupier borrowing followed an 8.2% jump in October.

The recent run of increases in new home loans has pushed annual growth rates into double figures.

Number of New Loans to Owner Occupiers

The number of new home loans to purchase newly built and established homes continued to rise, while construction loans fell for the first time in four months and are near record lows.

The number of first homebuyer loans rose 3.5% in November to be up 20.3% YoY.

Seasonally Adjusted Ex Refinancing, %	MoM	YoY
Construction	-2.2	-19.3
Newly Built	3.2	1.3
Established Dwellings	1.2	11.2

Average Loan Size

The average new loan size to owner occupiers (unadjusted) edged down 0.3% \$608k, down 1.5% compared to the record high of 618k in January 2022. The average loan size fell in New South Wales and Victoria but rose in the other states and territories.

The average loan size was \$497k in Western Australia, the lowest of the mainland states.

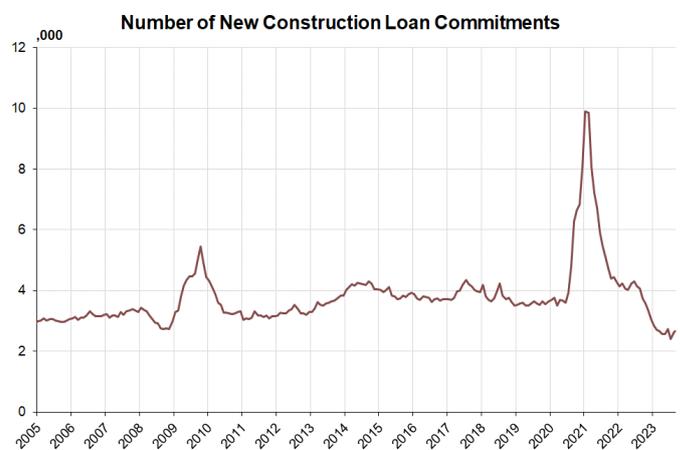
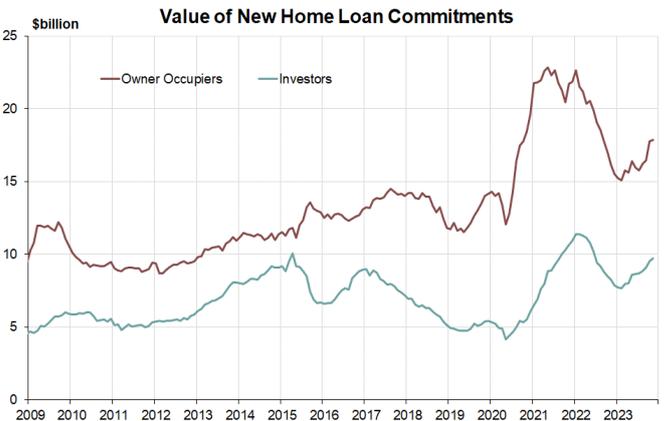
The value of external refinancing rose 0.7% but was down 11.9% from a year ago.

States

The value of new home loans to owner-occupiers rose in South Australia, Queensland and Victoria but fell in Western Australia, New South Wales, and Tasmania.

Annual growth was positive in all states but Tasmania.

Owner Occupiers Value, %	MoM	YoY
Western Australia	-2.9	12.1
New South Wales	-1.1	9.2
Victoria	2.0	8.6
Queensland	3.3	11.6
South Australia	6.9	15.2
Tasmania	-15.2	-11.5



Comment

The value of new home loans continued to rise in November, adding to the big jump we saw in October, to reach the highest level since July 2022. Investor loans have been particularly strong as the tight rental market draws in investors.

The fall in the number of new owner occupier construction loans from already low levels, is a red flag for dwelling approvals going forward however, this was offset to some extent by the number of new construction loans for investors hitting a 17-month high. Although the investor numbers are not seasonally adjusted, they have made up over 40% of total unadjusted construction loans since May. This compares to an average of 23% in the second half of 2019, which is as far back as the series goes.

The drop in average new home loan sizes in New South Wales and Victoria, reflects the slowdown in house price growth in Sydney and Melbourne, while average loan sizes in the other states continued to rise along with healthy increases in house prices.

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