

Friday, 1 September 2023

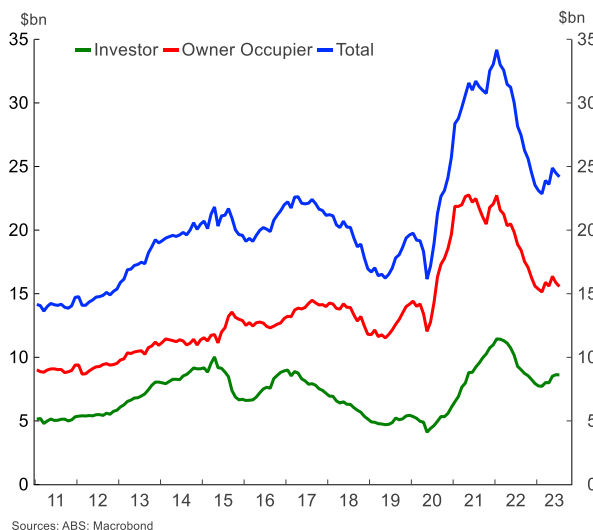


## Housing Finance

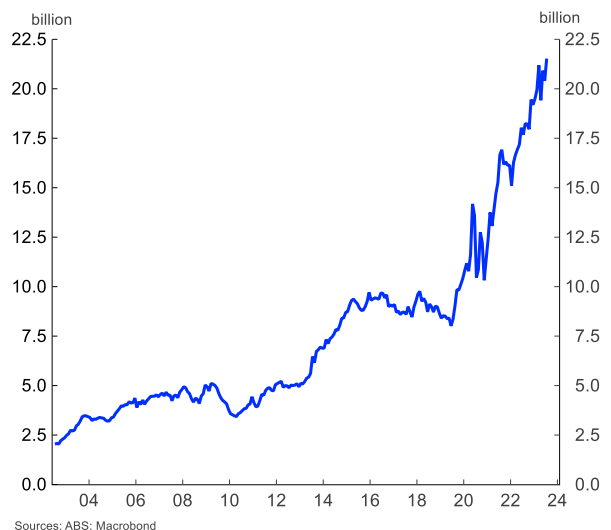
### New Refinancing Record Amid Reignition

- The value of new housing finance, ex refinancing, fell 1.2% in July. This was the second consecutive monthly fall, after a 1.6% slide in June. Despite these falls, activity remains 5.8% above the February low, which coincides with the trough in national dwelling prices.
- Owner-occupier lending fell 1.9%, after June's 3.1% drop. Weakness was evident in lending for construction of new dwellings (-5.7%), amid continued challenges for the industry. Finance for the purchase of new (-1.2%) and established (-0.4%) dwellings also slipped.
- Investor lending recorded a slight (-0.1%) fall, with large deviations across states. Queensland (6.8%) surged in the month, while investor lending in the largest states of NSW (-0.8%) and Victoria (-2.6%) fell. Other states and territories were mixed.
- Households continue to shop around for a better deal. Refinancing activity jumped 5.4% in July, hitting a new record high of over \$21.5 billion. Refinancing activity for owner-occupiers (4.9%) and investors (6.5%) both jumped. The ABS suggests a "portion" of the applications processed in July were lodged before lenders ended attractive cashback offers on 30 June.
- The value of new fixed term personal finance rose 4.7% in July, with lending for travel & holidays increasing 12.3% to be more than 60% higher than a year ago. This suggests households are borrowing to travel rather than solely running down COVID-related savings.
- Despite falling housing finance over recent months, dwelling prices continue to rise. This reflects low supply of total listings. While there may be some volatility ahead, a gradual recovery in supply is likely to be absorbed by demand, supporting housing finance activity.

Value of Housing Finance  
(ex-refi)



Housing Refinancing Activity  
By Value



**By state**

| <b>New Lending By State<br/>(Excluding Refinancing)</b> | <b>Owner-Occupier</b>     |                          | <b>Investor</b>           |                          | <b>Total</b>              |                          |
|---|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
|   | <b>Monthly<br/>Chg. %</b> | <b>Annual<br/>Chg. %</b> | <b>Monthly<br/>Chg. %</b> | <b>Annual<br/>Chg. %</b> | <b>Monthly<br/>Chg. %</b> | <b>Annual<br/>Chg. %</b> |
| New South Wales   | -0.4                      | -15.4                    | -0.8                      | -4.4                     | -0.6                      | -11.3                    |
| Victoria  | -3.7                      | -22.6                    | -2.6                      | -17.0                    | -3.3                      | -20.9                    |
| Queensland  | -3.6                      | -15.5                    | 6.8                       | -2.5                     | 0.1                       | -11.0                    |
| South Australia   | -5.2                      | -20.8                    | -2.6                      | -13.9                    | -4.3                      | -18.6                    |
| Western Australia                                       | -3.9                      | -9.8                     | -1.4                      | 6.8                      | -3.2                      | -5.3                     |
| Tasmania  | -11.2                     | -26.0                    | 2.3                       | -17.0                    | -7.4                      | -23.4                    |
| Australian Capital Territory                            | -0.7                      | -25.3                    | -6.0                      | -16.8                    | -2.6                      | -22.5                    |
| Northern Territory                                      | -20.7                     | -46.9                    | 34.4                      | 28.4                     | -4.7                      | -30.1                    |
| <b>Total</b>  | <b>-1.9</b>               | <b>-17.5</b>             | <b>-0.1</b>               | <b>-7.2</b>              | <b>-1.2</b>               | <b>-14.1</b>             |

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