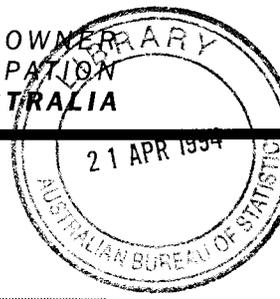


HOUSING FINANCE

FOR OWNER OCCUPATION
AUSTRALIA



EMBARGOED UNTIL 11:30AM THURS 21ST APRIL 1994



FEBRUARY KEY FIGURES

TREND ESTIMATES

	Feb 94	% change Jan 94	% change Feb 93
Number of dwellings financed	50 150	2.4	32.8
Construction of dwelling	9 734	1.7	25.5
Purchase of new dwellings	2 487	4.8	50.4
Purchase of established dwellings	37 929	2.5	33.8

SEASONALLY ADJUSTED

	Feb 94	% change Jan 94	% change Feb 93
Number of dwellings financed	50 553	5.2	35.4
Construction of dwelling	9 487	0.3	23.4
Purchase of new dwellings	2 579	7.8	68.0
Purchase of established dwellings	38 487	6.3	36.9

FEBRUARY KEY POINTS

TREND ESTIMATES

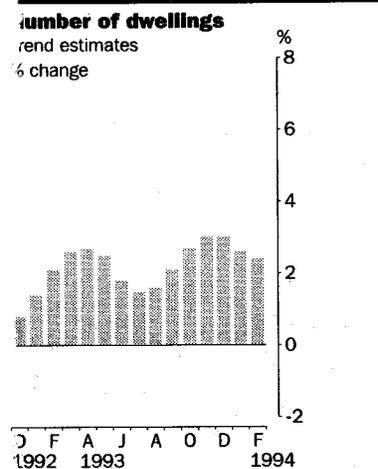
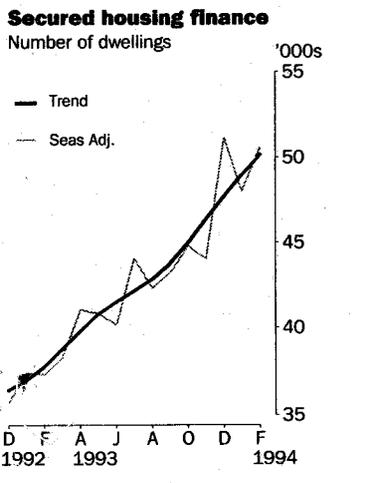
- The trend estimate for the total number of dwelling units financed in February 1994 was up 2.4 per cent on January 1994.
- This compares with the revised monthly trend growth for January 1994 of 2.6 per cent and December 1993 of 3.0 per cent.
- All three categories increased in February 1994 with construction of dwellings up by 1.7 per cent, purchase of newly erected dwellings by 4.8 per cent and purchase of established dwellings by 2.5 per cent.

SEASONALLY ADJUSTED ESTIMATES

- In February 1994 the total number of dwellings financed was up 5.2 per cent on January 1994.
- The value of commitments in February 1994 was up 8.4 per cent on January 1994 and up 40.2 per cent on February 1993.

ORIGINAL ESTIMATES

- There were 49 933 dwelling units financed during February 1994, 29.4 per cent more than in January 1994 and 35.2 per cent more than in February 1993.
- Lending institutions reported that 6 551 (13.1%) of the total number of dwelling units financed in February 1994 were being refinanced.



INQUIRIES

- For further information about these and related statistics, contact Mark Dennis on 06 252 7117, or any ABS Office.

HOUSING FINANCE NOTES

FORTHCOMING ISSUES

ISSUE	RELEASE DATE
March 1994	19 May 1994
April 1994	20 June 1994
May 1994	18 July 1994

CHANGES IN THIS ISSUE

This issue includes revisions to previously published statistics for each month since July 1993 which affects all tables.

A copy of the article 'Impact of Refinancing on Housing Finance Statistics' published in the March 1994 edition of Australian Economic Indicators (Cat No 1350.0) is included in this issue.

SENSITIVITY ANALYSIS

Readers should exercise care when interpreting this month's trend estimates because they will be revised when next month's seasonally adjusted estimates become available. For further information, see Explanatory Notes 12 & 13.

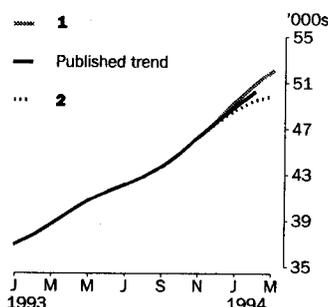
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The March seasonally adjusted estimate of number of dwellings financed is *higher* than the February seasonally adjusted estimate by 5.0%.

2 The March seasonally adjusted estimate of number of dwellings financed is *lower* than the February seasonally adjusted estimate by 5.0%.

The percentage change of 5.0% was chosen because the average absolute percentage change, based on the last 150 observations, has been either positive or negative 5.0%.

NUMBER OF DWELLINGS FINANCED



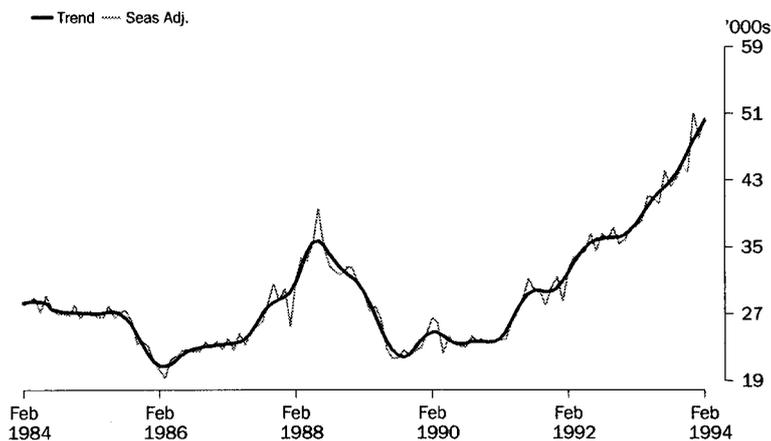
	TREND AS PUB.		WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:			
	estimate	% change	1 rises by 5% on Feb 1993 estimate	% change	2 falls by 5% on Feb 1993 estimate	% change
1993						
September	43 735	2.1	43 681	1.6	43 779	1.7
October	44 936	2.7	44 837	2.6	45 009	2.8
November	46 306	3.0	46 262	3.2	46 347	3.0
December	47 698	3.0	47 811	3.4	47 585	2.7
1994						
January	48 960	2.6	49 378	3.3	48 629	2.2
February	50 150	2.4	50 833	2.9	49 422	1.6
March (new)	—	—	52 011	2.3	49 882	0.9

IAN CASTLES
AUSTRALIAN STATISTICIAN

SECURED HOUSING FINANCE: Trend/Seasonally adjusted

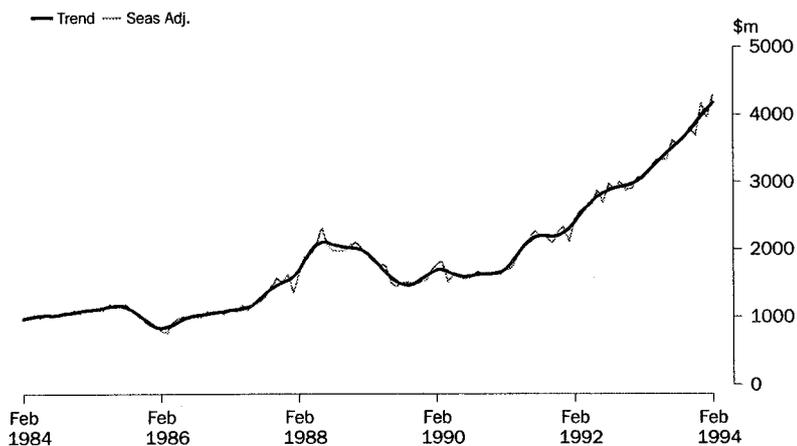
NUMBER OF DWELLINGS FINANCED

The provisional trend estimate for February 1994 for the total number of dwellings financed was 2.4 per cent higher than for January 1994, continuing the upward trend which commenced in November 1991. Seasonally adjusted, the number of dwellings financed in February 1994 increased by 5.2 per cent on January 1994 and was up 35.4 per cent on February 1993.



VALUE OF COMMITMENTS

The provisional trend estimate for February 1994 for the total value of commitments for owner-occupied housing was \$4 162.9 million, up 2.3 per cent on January 1994, continuing the upward trend which commenced in November 1991. Seasonally adjusted, the value of commitments increased by 8.4 per cent in February 1994 and were up 40.2 per cent on February 1993.

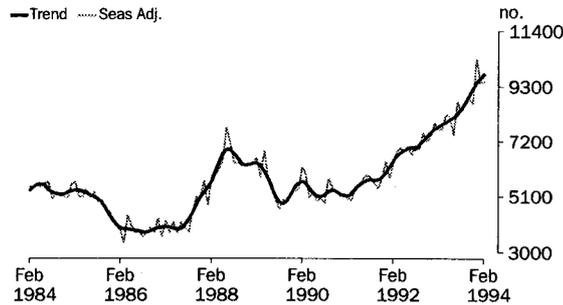


TYPE OF HOUSING: Seasonally adjusted and trend

NUMBER OF DWELLINGS FINANCED

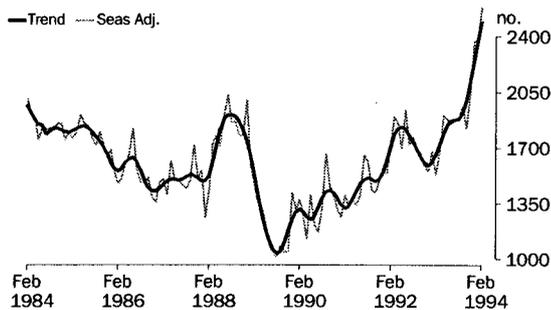
CONSTRUCTION OF DWELLINGS

The trend estimate of the number of dwelling units financed in February 1994 was 9 734, up 1.7 per cent on January 1994, continuing the upward movement which began in September 1992. Seasonally adjusted, finance was committed to individuals for the construction of 9 487 dwelling units, 0.3 per cent more than in January 1994.



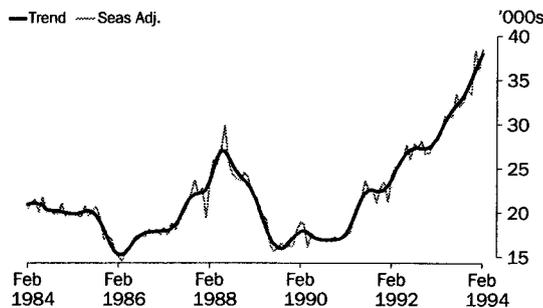
PURCHASE OF NEW DWELLINGS

The trend estimate for commitments for the purchase of newly erected dwellings was 2 487 dwelling units in February 1994, up 4.8 per cent on January 1994. This continues the upward movement which began in January 1993.



PURCHASE OF ESTABLISHED DWELLINGS

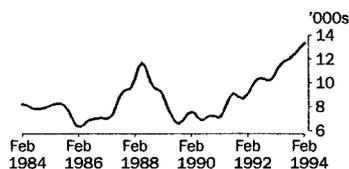
The trend estimate for commitments for the purchase of established dwellings totalled 37 929 dwelling units in February 1994, up 2.5 per cent on January 1994. Seasonally adjusted, finance was committed for the purchase of 38 487 established dwellings, 6.3 per cent more than in January 1994.



STATE TRENDS : Trend series

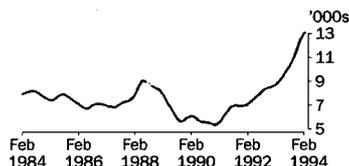
NUMBER OF DWELLINGS FINANCED

NEW SOUTH WALES



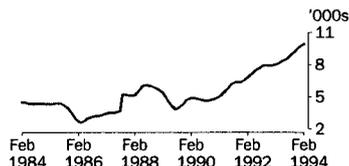
The growth in the trend estimates for New South Wales was steady at 1.6% in February 1994, well below the 2.4% growth in February nationally.

VICTORIA



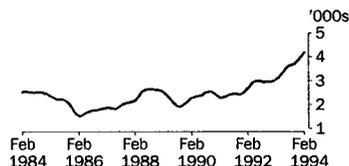
Victorian trend estimates which have shown strong growth of around 4% for the past 3 months, dropped to 3.3% growth in February.

QUEENSLAND



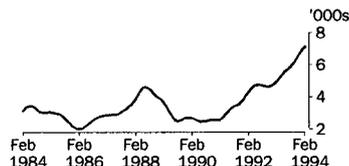
With an increase of only 1.3%, February was the lowest monthly trend increase since June 1993, 1.1 percentage points less than the trend estimate nationally.

SOUTH AUSTRALIA



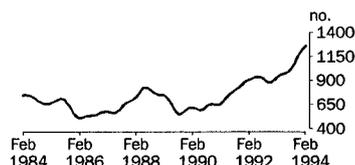
Together with the ACT, South Australia showed the fastest growth of all states, with a trend estimate of 3.4 per cent in February.

WESTERN AUSTRALIA



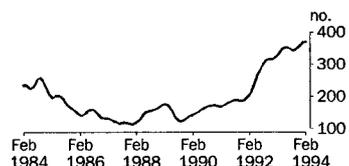
Compared with an average increase in the trend estimate of 3.1% over the past 12 months, the trend estimate remained strong at 2.7%.

TASMANIA



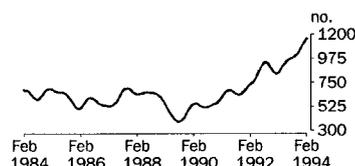
While slightly below the national trend estimate, Tasmania recorded a growth rate of 2.1% in February.

NORTHERN TERRITORY



At just under 0.5% the monthly growth rate in the trend estimate for the Northern Territory was the lowest of all states.

AUSTRALIAN CAPITAL TERRITORY



The 3.4 per cent increase in the trend estimate for February continues the recent strong growth in the Australian Capital Territory.

SECURED HOUSING FINANCE COMMITMENTS¹, By Purpose: All series

Month	Construction of dwellings		Purchase of newly erected dwellings		Purchase of established dwellings ²		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
ORIGINAL								
1992								
December	6 919	491.7	1 484	127.3	26 426	2 227.9	34 829	2 846.8
1993								
January	6 090	422.1	1 305	110.7	22 574	1 859.1	29 969	2 391.8
February	7 461	521.5	1 488	125.2	27 994	2 352.3	36 943	2 999.0
March	9 260	655.8	1 964	165.3	34 512	2 907.6	45 736	3 728.6
April	7 505	537.7	1 665	144.3	28 111	2 374.6	37 281	3 056.6
May	8 430	603.8	1 770	154.2	31 242	2 665.4	41 442	3 423.5
June	8 352	608.8	1 967	175.7	33 616	2 878.4	43 935	3 662.9
July	8 335	613.0	1 903	172.0	31 585	2 676.0	41 823	3 460.9
August	8 703	649.2	2 002	173.7	32 171	2 725.4	42 876	3 548.3
September	9 308	708.3	2 097	185.5	35 169	3 031.4	46 574	3 925.2
October	8 258	610.2	1 881	167.3	31 715	2 755.2	41 854	3 532.7
November	8 888	661.2	2 207	195.6	34 721	2 966.2	45 816	3 822.9
December	9 443	682.2	2 152	199.9	36 894	3 103.5	48 489	3 985.6
1994								
January	7 246	533.3	1 872	161.4	29 469	2 392.6	38 587	3 087.3
February	9 219	707.3	2 499	232.5	38 215	3 259.0	49 933	4 198.8
SEASONALLY ADJUSTED								
1992								
December	7 417	534.7	1 555	130.4	26 825	2 235.7	35 797	2 900.8
1993								
January	7 895	556.4	1 678	142.9	27 815	2 358.9	37 388	3 058.2
February	7 689	534.4	1 535	129.5	28 122	2 391.3	37 346	3 055.1
March	7 654	553.9	1 673	144.0	28 984	2 457.1	38 311	3 155.0
April	8 248	581.6	1 906	161.6	30 888	2 559.5	41 042	3 302.7
May	8 129	588.2	1 886	161.2	30 823	2 583.4	40 838	3 332.7
June	7 479	544.5	1 853	161.8	30 835	2 621.3	40 167	3 327.6
July	8 731	640.2	1 875	175.7	33 456	2 796.7	44 062	3 612.6
August	8 369	629.3	1 887	170.7	32 054	2 752.1	42 310	3 552.2
September	8 600	653.6	1 963	178.3	32 643	2 801.5	43 206	3 633.4
October	8 837	639.7	1 827	158.8	34 110	2 987.9	44 774	3 786.4
November	8 636	630.2	2 039	176.3	33 362	2 873.9	44 037	3 680.5
December	10 366	753.1	2 367	211.4	38 443	3 196.7	51 176	4 161.2
1994								
January	9 454	719.9	2 392	211.0	36 190	3 021.2	48 036	3 952.0
February	9 487	723.5	2 579	239.4	38 487	3 319.5	50 553	4 282.4
TREND ESTIMATES								
1992								
December	7 522	538.7	1 592	133.5	27 365	2 296.8	36 479	2 969.0
1993								
January	7 654	545.3	1 609	135.3	27 731	2 334.4	36 994	3 015.0
February	7 758	550.7	1 654	139.7	28 342	2 388.1	37 754	3 078.5
March	7 848	556.9	1 718	146.1	29 186	2 457.8	38 751	3 160.8
April	7 930	566.0	1 786	153.5	30 078	2 528.5	39 794	3 248.1
May	8 029	579.5	1 841	160.7	30 912	2 597.7	40 782	3 338.0
June	8 118	593.5	1 869	165.6	31 523	2 658.6	41 509	3 417.7
July	8 238	607.7	1 876	168.1	32 026	2 720.1	42 140	3 495.9
August	8 417	622.9	1 882	169.2	32 531	2 781.4	42 830	3 573.4
September	8 648	639.7	1 916	171.5	33 170	2 845.2	43 735	3 656.4
October	8 916	658.7	1 998	177.7	34 022	2 915.2	44 936	3 751.6
November	9 175	678.2	2 114	187.4	35 017	2 990.2	46 306	3 855.7
December	9 399	697.1	2 244	199.4	36 055	3 067.3	47 698	3 963.8
1994								
January	9 574	714.1	2 372	211.8	37 014	3 140.2	48 960	4 066.1
February	9 734	730.0	2 487	223.9	37 929	3 209.0	50 150	4 162.9

¹ Excludes alterations and additions.² Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By Type of Lender: All series

Month	All banks		Permanent building societies		Other lenders		Total	
	Number	\$m	Number	\$m	Number	\$m	Number	\$m
ORIGINAL								
1992								
December	30 505	2 525.1	2 458	196.4	1 866	125.4	34 829	2 846.8
1993								
January	26 370	2 120.8	2 099	170.1	1 500	100.9	29 969	2 391.8
February	32 968	2 695.7	2 554	205.2	1 421	98.1	36 943	2 999.0
March	41 258	3 377.7	2 896	237.0	1 582	114.0	45 736	3 728.6
April	33 395	2 758.6	2 438	191.0	1 448	107.1	37 281	3 056.6
May	37 238	3 097.1	2 863	229.0	1 341	97.4	41 442	3 423.5
June	39 373	3 314.0	3 295	254.8	1 267	94.1	43 935	3 662.9
July	37 360	3 123.6	3 107	243.7	1 356	93.7	41 823	3 460.9
August	38 497	3 216.4	3 116	243.3	1 263	88.6	42 876	3 548.3
September	41 871	3 571.9	3 385	264.8	1 318	88.4	46 574	3 925.2
October	37 313	3 191.0	3 232	254.0	1 309	87.7	41 854	3 532.7
November	40 902	3 450.3	3 491	275.3	1 423	97.3	45 816	3 822.9
December	43 789	3 622.4	3 323	270.0	1 377	93.1	48 489	3 985.6
1994								
January	35 559	2 850.8	1 893	162.0	1 135	74.5	38 587	3 087.3
February	45 754	3 853.6	3 022	260.9	1 157	84.3	49 933	4 198.8
SEASONALLY ADJUSTED								
1992								
December	31 335	2 564.2	2 643	215.8	1 819	120.7	35 797	2 900.8
1993								
January	32 917	2 718.3	2 722	214.1	1 749	125.7	37 388	3 058.2
February	33 356	2 756.6	2 511	195.7	1 479	102.9	37 346	3 055.1
March	34 400	2 855.8	2 431	195.1	1 480	104.1	38 311	3 155.0
April	36 907	2 985.8	2 564	203.0	1 571	113.9	41 042	3 302.7
May	36 649	3 007.7	2 821	226.7	1 368	98.3	40 838	3 332.7
June	35 818	2 995.8	3 099	241.2	1 250	90.6	40 167	3 327.6
July	39 487	3 263.6	3 185	253.7	1 390	95.4	44 062	3 612.6
August	37 947	3 219.8	3 102	243.3	1 261	89.1	42 310	3 552.2
September	38 649	3 286.8	3 296	261.6	1 261	85.0	43 206	3 633.4
October	40 174	3 439.3	3 275	258.8	1 325	88.3	44 774	3 786.4
November	39 538	3 333.6	3 227	258.3	1 272	88.6	44 037	3 680.5
December	46 168	3 770.6	3 692	301.6	1 316	89.0	51 176	4 161.2
1994								
January	44 206	3 652.9	2 498	206.8	1 332	92.3	48 036	3 952.0
February	46 384	3 945.9	2 962	248.1	1 207	88.4	50 553	4 282.4
TREND ESTIMATES								
1992								
December	32 264	2 651.1	2 463	195.9	1 752	122.0	36 479	2 969.0
1993								
January	32 790	2 696.7	2 531	201.3	1 673	116.9	36 994	3 015.0
February	33 602	2 763.2	2 559	203.2	1 593	112.1	37 754	3 078.5
March	34 626	2 846.3	2 608	206.8	1 517	107.7	38 751	3 160.8
April	35 656	2 931.3	2 691	213.2	1 448	103.5	39 794	3 248.1
May	36 580	3 015.7	2 814	222.8	1 389	99.5	40 782	3 338.0
June	37 213	3 088.8	2 953	233.4	1 343	95.5	41 509	3 417.7
July	37 725	3 158.8	3 104	244.9	1 311	92.1	42 140	3 495.9
August	38 311	3 229.4	3 226	254.5	1 293	89.5	42 830	3 573.4
September	39 164	3 308.5	3 283	259.9	1 288	88.0	43 735	3 656.4
October	40 366	3 402.2	3 278	261.3	1 293	88.1	44 936	3 751.6
November	41 781	3 507.2	3 231	260.0	1 295	88.5	46 306	3 855.7
December	43 249	3 618.0	3 158	256.8	1 290	89.0	47 698	3 963.8
1994								
January	44 609	3 724.5	3 069	252.2	1 282	89.4	48 960	4 066.1
February	45 892	3 825.2	2 979	247.6	1 279	90.1	50 150	4 162.9

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By State: All Series

TOTAL NUMBER OF DWELLINGS.....

Month	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
	Number	Number	Number	Number	Number	Number	Number	Number	Number
ORIGINAL									
1992									
December	9 490	8 620	7 673	3 050	4 075	861	309	751	34 829
1993									
January	8 275	6 522	6 780	2 718	3 978	812	252	632	29 969
February	11 260	7 657	8 401	2 803	4 780	832	338	872	36 943
March	14 131	10 097	9 438	3 483	6 020	1 141	408	1 018	45 736
April	10 878	8 422	7 626	3 058	5 015	976	303	1 003	37 281
May	11 880	10 150	8 265	3 328	5 487	1 020	324	988	41 442
June	11 700	10 700	8 903	3 746	6 406	1 031	399	1 050	43 935
July	11 533	10 078	8 424	3 722	5 829	996	294	947	41 823
August	12 287	10 153	8 504	3 646	5 987	1 020	353	926	42 876
September	13 089	11 536	9 553	3 825	6 135	1 068	362	1 006	46 574
October	11 448	10 653	8 532	3 411	5 657	941	347	865	41 854
November	12 772	11 516	9 259	3 609	6 183	1 065	368	1 044	45 816
December	12 990	12 585	9 681	4 089	6 480	1 289	379	996	48 489
1994									
January	9 900	10 005	7 643	3 362	5 608	985	286	798	38 587
February	13 552	11 779	10 560	4 200	7 022	1 176	399	1 245	49 933
SEASONALLY ADJUSTED									
1992									
December	10 081	8 342	7 975	3 057	4 654	904	320	807	35 797
1993									
January	10 884	8 582	7 896	3 161	4 756	945	315	848	37 388
February	10 922	8 444	7 976	2 949	4 797	861	315	850	37 346
March	11 391	9 082	7 781	2 967	5 181	957	342	777	38 311
April	11 710	8 974	8 469	3 238	5 578	1 006	342	979	41 042
May	11 468	9 492	8 667	3 388	5 115	984	346	918	40 838
June	11 401	9 657	8 078	3 443	5 582	940	398	960	40 167
July	12 397	10 135	8 709	3 767	5 938	994	305	1 011	44 062
August	12 167	10 122	8 489	3 664	5 876	1 004	371	948	42 310
September	12 027	10 850	8 994	3 617	6 166	1 081	332	995	43 206
October	12 509	11 115	9 291	3 690	5 853	1 047	329	965	44 774
November	11 567	10 781	8 974	3 505	5 965	1 037	342	1 048	44 037
December	13 937	12 572	10 627	4 099	7 633	1 408	403	1 099	51 176
1994									
January	13 023	13 056	8 966	3 944	6 732	1 166	351	1 091	48 036
February	13 153	13 019	10 030	4 431	7 057	1 219	371	1 211	50 553
TREND ESTIMATES									
1992									
December	10 318	8 532	7 934	2 968	4 692	886	316	848	36 479
1993									
January	10 556	8 589	7 950	2 988	4 792	903	320	832	36 994
February	10 872	8 694	8 008	3 033	4 927	926	327	838	37 754
March	11 213	8 866	8 100	3 115	5 088	946	335	864	38 751
April	11 486	9 103	8 204	3 229	5 271	959	345	899	39 794
May	11 693	9 400	8 327	3 362	5 460	972	351	931	40 782
June	11 814	9 700	8 431	3 484	5 604	979	352	954	41 509
July	11 920	9 981	8 563	3 580	5 724	990	349	969	42 140
August	12 042	10 284	8 732	3 629	5 854	1 012	345	978	42 830
September	12 197	10 652	8 942	3 657	6 023	1 048	344	989	43 735
October	12 394	11 100	9 179	3 705	6 235	1 096	347	1 010	44 936
November	12 613	11 604	9 408	3 791	6 463	1 145	353	1 042	46 306
December	12 843	12 122	9 596	3 910	6 698	1 188	360	1 080	47 698
1994									
January	13 054	12 605	9 742	4 040	6 913	1 224	368	1 118	48 960
February	13 257	13 024	9 866	4 176	7 098	1 250	370	1 156	50 150

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By State: All Series

TOTAL VALUE OF COMMITMENTS.....

Month	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
1992									
December	894.4	709.1	577.8	214.3	302.6	48.3	23.1	77.4	2 846.8
1993									
January	740.3	530.2	512.3	192.6	287.8	45.9	20.0	62.7	2 391.8
February	1 037.2	597.5	655.2	196.4	354.9	48.0	27.1	82.6	2 999.0
March	1 338.6	780.1	734.7	249.1	433.7	63.2	30.9	98.4	3 728.6
April	1 031.8	674.7	586.9	215.5	369.2	52.6	24.9	101.2	3 056.6
May	1 161.2	790.1	644.9	232.9	415.9	56.7	27.1	94.6	3 423.5
June	1 154.3	829.6	713.9	264.0	506.4	57.2	31.0	106.5	3 662.9
July	1 133.1	770.0	673.6	264.0	448.2	57.1	22.2	92.6	3 460.9
August	1 189.2	776.4	676.9	256.5	468.2	58.5	29.1	93.5	3 548.3
September	1 317.5	873.5	781.5	270.0	490.1	61.6	29.0	102.0	3 925.2
October	1 169.7	816.1	685.7	244.6	448.0	56.8	27.4	84.4	3 532.7
November	1 283.0	877.3	723.8	253.3	495.2	61.9	30.3	98.0	3 822.9
December	1 320.7	930.5	735.3	287.4	495.9	77.0	33.5	105.3	3 985.6
1994									
January	964.6	693.7	609.6	227.6	442.1	55.4	22.0	72.4	3 087.3
February	1 367.1	846.8	886.2	302.3	579.0	68.5	33.4	115.4	4 198.8
SEASONALLY ADJUSTED									
1992									
December	929.8	703.7	602.6	213.8	348.0	48.0	24.3	80.5	2 900.8
1993									
January	1 028.0	694.4	605.4	226.7	363.3	51.7	24.4	84.6	3 058.2
February	1 032.5	652.5	610.4	208.4	359.3	49.8	25.3	81.6	3 055.1
March	1 081.0	697.5	607.0	207.9	375.2	52.1	27.5	84.5	3 155.0
April	1 090.9	711.0	661.8	225.9	403.5	54.6	27.5	95.3	3 302.7
May	1 090.5	732.1	661.7	236.2	389.9	55.2	29.4	89.0	3 332.7
June	1 085.3	737.7	647.8	239.7	427.9	51.2	31.3	95.1	3 327.6
July	1 185.9	776.4	694.4	258.6	446.1	59.0	22.5	99.1	3 612.6
August	1 223.5	779.0	678.1	260.7	450.8	60.8	29.5	93.3	3 552.2
September	1 194.5	823.6	726.5	258.3	483.0	62.8	26.9	97.1	3 633.4
October	1 265.6	850.2	751.8	265.0	469.7	63.2	25.9	93.2	3 786.4
November	1 205.1	837.7	713.2	254.9	488.0	60.2	27.9	97.7	3 680.5
December	1 404.2	949.7	810.7	289.9	590.4	80.3	36.1	112.9	4 161.2
1994									
January	1 336.2	907.4	715.8	270.5	562.5	63.5	26.6	99.4	3 952.0
February	1 360.8	927.4	825.7	321.3	587.7	71.2	31.0	113.7	4 282.4
TREND ESTIMATES									
1992									
December	976.4	687.8	609.0	209.1	348.0	48.9	24.2	84.0	2 969.0
1993									
January	995.5	689.6	611.2	211.4	357.1	50.0	25.0	83.1	3 015.0
February	1 022.9	690.8	616.7	214.3	367.0	51.0	26.0	83.9	3 078.5
March	1 054.7	695.6	625.8	219.0	377.9	52.0	27.0	86.4	3 160.8
April	1 082.1	706.4	637.3	225.5	391.2	53.0	27.8	89.6	3 248.1
May	1 108.0	724.1	652.1	233.9	407.1	54.3	28.2	92.4	3 338.0
June	1 131.1	744.9	666.9	242.7	422.1	55.7	28.0	94.0	3 417.7
July	1 156.9	767.3	682.9	250.8	436.9	57.4	27.5	95.0	3 495.9
August	1 187.0	791.4	699.0	256.3	452.7	59.6	27.3	95.5	3 573.4
September	1 219.5	817.7	715.1	259.9	471.2	61.9	27.4	96.3	3 656.4
October	1 252.8	845.6	731.6	264.2	493.4	64.3	28.1	98.1	3 751.6
November	1 284.6	872.6	747.4	270.4	517.6	66.4	29.0	100.5	3 855.7
December	1 315.2	896.9	762.1	278.4	542.3	68.2	29.8	103.4	3 963.8
1994									
January	1 342.3	917.4	775.4	287.3	565.3	69.6	30.5	106.3	4 066.1
February	1 365.2	933.8	788.2	296.3	584.7	70.7	30.6	109.1	4 162.9

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS¹, By Type of Borrower & Loan: Original

TYPE OF BORROWER

Month	FIRST HOME BUYERS.....				OTHER.....			
	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size
		%	\$m	\$'000		%	\$m	\$'000
1992								
December	7 733	22.2	594.7	76.9	27 096	77.8	2 252.1	83.1
1993								
January	6 722	22.4	508.4	75.6	23 247	77.6	1 883.4	81.0
February	8 211	22.2	633.2	77.1	28 732	77.8	2 365.8	82.3
March	10 055	22.0	766.2	76.2	35 681	78.0	2 962.4	83.0
April	7 974	21.4	607.2	76.1	29 307	78.6	2 449.4	83.6
May	8 826	21.3	674.1	76.4	32 616	78.7	2 749.4	84.3
June	9 577	21.8	752.1	78.5	34 358	78.2	2 910.8	84.7
July	9 220	22.0	723.4	78.5	32 603	78.0	2 737.5	84.0
August	9 777	22.8	775.2	79.3	33 099	77.2	2 773.1	83.8
September	10 357	22.2	824.7	79.6	36 217	77.8	3 100.5	85.6
October	9 489	22.7	755.5	79.6	32 365	77.3	2 777.3	85.8
November	10 465	22.8	821.0	78.5	35 351	77.2	3 001.9	84.9
December	11 172	23.0	857.5	76.8	37 317	77.0	3 128.1	83.8
1994								
January	8 795	22.8	670.3	76.2	29 792	77.2	2 417.0	81.1
February	11 264	22.6	902.0	80.1	38 669	77.4	3 296.7	85.3

TYPE OF LOAN

Month	FIXED RATE.....				OTHER.....			
	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size	Number of dwellings financed	Number as per cent of total	Value of commitments	Average borrowing size
		%	\$m	\$'000		%	\$m	\$'000
1992								
December	4 547	13.1	389.1	85.6	30 282	86.9	2 457.7	81.2
1993								
January	4 832	16.1	414.4	85.8	25 137	83.9	1 977.4	78.7
February	5 567	15.1	501.6	90.1	31 376	84.9	2 497.4	79.6
March	5 594	12.2	509.1	91.0	40 142	87.8	3 219.5	80.2
April	3 894	10.4	359.1	92.2	33 387	89.6	2 697.5	80.8
May	4 787	11.6	461.9	96.5	36 655	88.4	2 961.6	80.8
June	7 308	16.6	721.3	98.7	36 627	83.4	2 941.6	80.3
July	4 708	11.3	459.5	97.6	37 115	88.7	3 001.4	80.9
August	4 508	10.5	421.8	93.6	38 368	89.5	3 126.5	81.5
September	5 915	12.7	524.9	88.7	40 659	87.3	3 400.3	83.6
October	5 196	12.4	485.6	93.5	36 658	87.6	3 047.1	83.1
November	5 593	12.2	537.1	96.0	40 223	87.8	3 285.9	81.7
December	5 920	12.2	551.8	93.2	42 569	87.8	3 433.8	80.7
1994								
January	3 388	8.8	319.0	94.2	35 199	91.2	2 768.2	78.6
February	5 037	10.1	464.0	92.1	44 896	89.9	3 734.7	83.2

¹ Excludes alterations and additions. Includes refinancing.

SECURED HOUSING FINANCE COMMITMENTS, Summary Table: Original

Month	Total new housing commitments ¹ \$m	Refinancing \$m	Alterations and additions \$m	Total \$m	Commitments advanced during month \$m	Cancellations of commitments during month \$m	Commitments not advanced at end of month \$m
1992							
December	2 540.6	306.2	111.2	2 958.0	3 290.2	96.1	5 668.1
1993							
January	2 104.1	287.7	99.9	2 491.7	2 558.1	104.2	5 499.0
February	2 615.8	383.2	129.5	3 128.5	2 637.8	106.3	5 887.8
March	3 208.6	520.0	178.7	3 907.3	3 288.0	129.2	6 376.1
April	2 658.8	397.9	135.2	3 191.8	3 063.2	111.5	6 395.8
May	2 980.4	443.1	166.3	3 589.7	3 358.1	150.7	6 477.2
June	3 124.9	537.9	159.0	3 821.8	3 419.6	137.6	6 745.8
July	2 958.3	502.6	158.8	3 619.7	3 494.9	152.2	6 681.2
August	3 042.7	505.6	175.9	3 724.2	3 382.3	151.1	6 852.0
September	3 360.0	565.2	203.4	4 128.5	3 870.6	163.8	6 963.0
October	3 079.7	453.0	186.7	3 719.5	3 490.0	167.3	7 021.7
November	3 357.9	465.1	224.5	4 047.4	3 613.1	149.7	7 324.4
December	3 503.7	481.9	260.5	4 246.0	4 290.3	270.6	7 017.3
1994							
January	2 722.2	365.1	188.8	3 276.1	3 198.5	148.7	6 936.2
February	3 703.5	495.3	261.1	4 459.9	3 753.8	156.9	7 485.5

¹ Excluding refinancing.

IMPACT OF REFINANCING ON HOUSING FINANCE STATISTICS

INTRODUCTION

This article examines the impact of the growing level of refinancing within the overall context of housing finance statistics. The ABS has been collecting statistics on secured housing finance commitments since 1975. Housing finance statistics have always included refinancing of an existing loan, with a different institution, in new finance commitments for housing finance. At the request of users of the statistics, the ABS began collecting separate information on the level of refinancing in July 1991. Up until that time, refinancing was included with estimates of finance for established dwellings.

This article introduces trend estimates for housing finance commitments excluding refinancing. These estimates have been derived from seasonally adjusted data for refinancing that have been calculated using the assumption that the level of refinancing in the months from January 1990 to July 1991, was the same percentage of total financing (ie 6 per cent) that it was in July 1991. The calculations for months since July 1991 have been based on the actual recorded level of refinancing.

The article therefore provides a guide to the effect of the growth in refinancing on the trend in total financing. It is aimed at meeting the request of users for a measure of the trend in housing finance which is not affected by the growth in refinancing. It can only be regarded as a guide in view of the assumption of a constant level of refinancing prior to July 1991.

ROLE OF HOUSING FINANCE STATISTICS AS AN ECONOMIC INDICATOR

Housing finance statistics are a measure of commitments to purchase or construct dwellings for owner occupancy, and therefore indicate the strength of demand in the domestic housing market. Shifts in the demand for housing have important ramifications for the economic well-being of the domestic economy, and the series is generally recognised as a leading indicator of economic activity in the housing industry, and also for the economy at large. Analysis by the ABS in the development of the composite leading indicator for economic activity has shown that estimates of the value of total housing finance lead turning points in GDP(A) estimates by, on average, three quarters (refer *Australian Economic Indicators*, October 1992 'Leading Indicators of the Australian Business Cycle'). Similar analysis carried out on the number of dwellings financed series indicates the presence of a like cyclical pattern, with the series leading turning points in GDP(A). However the series is more volatile than GDP(A).

DEFINITION OF REFINANCING

Housing finance commitments do not include variations of existing agreements; refinancing of an existing loan by the same institution that made the original loan is not regarded as new finance activity. However, all commitments to finance a change in residence, even if the loan is effected by refinancing an existing loan, are treated as new finance commitments. The reason is that the change of residence by the borrower has a direct impact on the level of housing activity.

Within the framework of the housing finance collection, refinancing is restricted to the financing of an existing loan, by a different institution. This does not represent a lift in the demand for housing, and will have negligible direct impact on the level of overall economic activity.

IMPACT OF REFINANCING *(continued)*

CATEGORIES OF HOUSING FINANCE

Total dwellings financed includes refinancing, and can be split into three categories, namely, finance for the purchase of dwellings under construction, finance for the purchase of newly erected dwellings, and finance for the purchase of established dwellings. The latter is by far the largest of the three, accounting for approximately 90 per cent of total housing finance. Refinancing, by definition, applies only to financing the purchase of established dwellings, leaving the finance for dwellings under construction, and the finance for purchase of newly erected dwellings series unaffected.

THE SIGNIFICANCE OF REFINANCING

The analysis that follows is based on trend estimates of refinancing that have been derived on the basis of the imputation set out in the second paragraph of this article. Graph A illustrates the significant increase in the amount of refinancing undertaken by lending institutions since the collection of data relating to refinancing commenced in July 1991. The trend number of dwellings refinanced in the last two and a half years has risen from under 2,000 in July 1991 to have almost levelled out at about 6,000 per month since May 1993. Graph B shows that since July 1991 the contribution of trend estimates of refinancing to trend estimates of total housing finance commitments has grown from around 6 per cent to peak at almost 15 per cent in early 1993. It was this growth that led to requests for trend estimates of total commitments for housing financing excluding commitments for refinancing.

IMPACT OF REFINANCING ON THE LEVELS OF HOUSING FINANCE

Refinancing has had an upward effect on the level of housing finance. Graph C compares the trend in total dwelling units financed, including refinancing, with the trend series that excludes refinancing. The growing divergence between the two trend series indicates the growing contribution of refinancing to the upward trend in total housing finance, as total dwelling units financed has grown faster than the series that excludes refinancing. The trend estimate of the total number of dwelling units financed has been at record levels, and increasing, ever since July 1992 when it reached 35,875, passing the earlier peak of 35,706 dwelling units recorded in June 1988. The trend excluding refinancing passed the same record number in July 1993, supporting the view that the present record levels of housing finance are not only due to growth in refinancing.

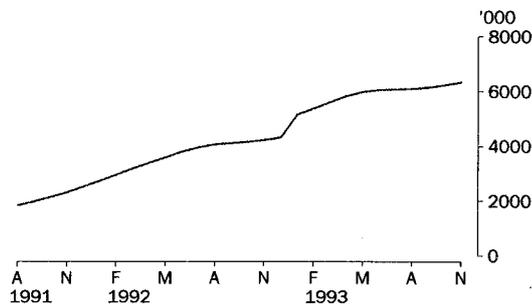
It is evident from Graph C that the shape of the trend excluding refinancing closely follows the shape of the trend in total dwellings financed suggesting that changes in the growth of the two trends are generally of similar timing and magnitude.

However, a close examination of the trend movements in each series shows that the turning points in the trends are sometimes slightly different while the magnitudes of month-on-month percentage movements are nearly always different. Table A details the levels of housing finance for selected statistical series for the period July 1991 to October 1993. The five columns in the table show data on: total number of dwellings financed (column A); number of new financed dwellings (column B); number of dwellings refinanced (column C); month-on-month percentage change in total number of dwellings financed (column D); month-on-month percentage change in new financed dwellings (column E).

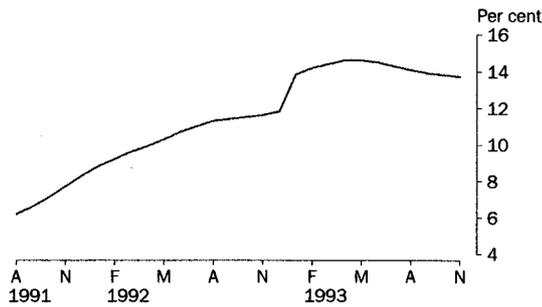
The Table and supporting graph (Graph D) show that growth in housing finance, excluding refinancing, displays some negative growth over the period August 1992 to November 1992. In comparison, the series including refinancing, shows a continuing, albeit relatively small, upward climb over the same period. The series excluding refinancing displays stronger growth from May 1993 to October 1993, reflecting a decline in the growth of refinancing over this period.

IMPACT OF REFINANCING *(continued)*

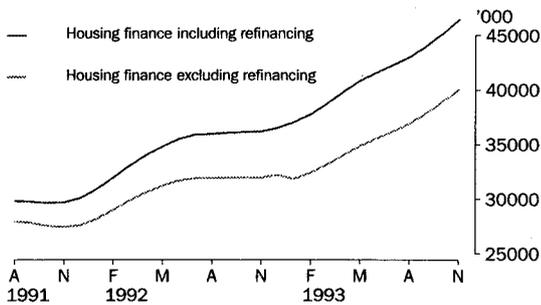
Graph A
REFINANCING: TREND



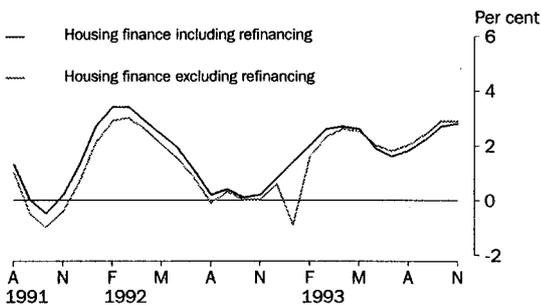
Graph B
RATIO OF NUMBER OF
REFINANCED DWELLINGS
TO TOTAL DWELLINGS



Graph C
HOUSING FINANCE,
INCLUDING & EXCLUDING
REFINANCING: TREND



Graph D
HOUSING FINANCE:
TREND GROWTH



IMPACT OF REFINANCING (continued)

CONTRIBUTION OF REFINANCING TO MONTHLY MOVEMENTS

Table B shows the contribution of refinancing to percentage monthly movements in the number of dwellings subject to housing finance commitments. Column A shows the percentage change in the total number of dwelling units financed, including those refinanced. Column B shows the component of the total movement attributable to new financing and column C shows the component attributable to refinancing. It can be seen that refinancing has contributed up to 1.0 percentage point of the total monthly percentage movement and has sometimes exceeded the contribution of new financing (ie column B). Refinancing has made a positive contribution in most months, including some in which new financing has made a negative contribution. The most recent examples of this were in October and November 1992 when the total number of dwellings financed would have fallen had it not been for refinancing. However, since May 1993, refinancing has made a much more muted contribution to monthly movements – in fact refinancing made no contribution at all in September and October 1993.

Table A: HOUSING FINANCE, Comparisons of trend Growth

	A	B	C	D	E
	Total dwellings financed	Dwellings under new finance ¹	Dwellings refinanced	Month on month change (A)	Month on month change (B)
	Number	Number	Number	%	%
1991					
July	29 408	27 695	1 713	2.9	2.7
August	29 780	27 960	1 821	1.3	1.0
September	29 767	27 815	1 952	-0.1	-0.5
October	29 632	27 526	2 106	-0.5	-1.0
November	29 690	27 397	2 293	0.2	-0.5
December	30 082	27 581	2 502	1.3	0.7
1992					
January	30 886	28 161	2 725	2.7	2.1
February	31 932	28 980	2 952	3.4	2.9
March	33 012	29 845	3 168	3.4	3.0
April	33 985	30 608	3 378	3.0	2.6
May	34 814	31 224	3 590	2.4	2.0
June	35 475	31 687	3 788	1.9	1.5
July	35 875	31 941	3 934	1.1	0.8
August	35 937	31 914	4 022	0.2	-0.1
September	36 075	32 001	4 074	0.4	0.3
October	36 117	31 968	4 149	0.1	-0.1
November	36 191	31 883	4 308	0.2	-0.3
December	36 479	31 919	4 561	0.8	0.1
1993					
January	36 990	32 099	4 891	1.4	0.6
February	37 744	32 495	5 249	2.0	1.2
March	38 741	33 163	5 578	2.6	2.1
April	39 786	33 955	5 830	2.7	2.4
May	40 772	34 797	5 975	2.5	2.5
June	41 646	35 605	6 040	2.1	2.3
July	42 476	36 400	6 076	2.0	2.2
August	43 265	37 169	6 096	1.9	2.1
September	43 992	37 899	6 093	1.7	2.0
October	44 548	38 456	6 092	1.3	1.5

¹ Excludes dwellings refinanced

Table B: HOUSING FINANCE, Monthly Growth: Trend

	A	B	C
	Total dwellings financed	Dwellings under new finance excluding dwellings refinanced ¹	Dwellings refinanced
	%	% points	% points
1991			
July	2.9	2.6	0.3
August	1.3	0.9	0.4
September	-0.1	-0.5	0.4
October	-0.5	-1.0	0.5
November	0.2	-0.4	0.6
December	1.3	0.6	0.7
1992			
January	2.7	1.9	0.8
February	3.4	2.7	0.7
March	3.4	2.7	0.7
April	3.0	2.3	0.7
May	2.4	1.8	0.6
June	1.9	1.3	0.6
July	1.1	0.7	0.4
August	0.2	-0.1	0.3
September	0.4	0.2	0.2
October	0.1	-0.1	0.2
November	0.2	-0.2	0.4
December	0.8	0.1	0.7
1993			
January	1.4	0.5	0.9
February	2.0	1.0	1.0
March	2.6	1.8	0.8
April	2.7	2.0	0.7
May	2.5	2.1	0.4
June	2.1	2.0	0.1
July	2.0	1.9	0.1
August	1.9	1.8	0.1
September	1.7	1.7	0.0
October	1.3	1.3	0.0

CONCLUSION

The analysis above indicates that refinancing has had a significant impact on the level and monthly movement of the trend in housing finance, though the impact on monthly movements has been far more muted in the most recent periods. The introduction of the trend estimates for refinancing has shown that, although growth in total new finance commitments has been influenced by a significant lift in the demand for refinancing, the evidence of healthy growth in the housing sector is not misleading. However, as occurred in late 1991, growth in the demand for refinancing can disguise a slowdown in the housing sector.

To enable users of housing finance statistics to better assess the monthly movements in the statistical aggregates net of refinancing, the ABS will, in future editions of this publication, include trend estimates for refinancing and total financing excluding refinancing. The trend estimates will complement existing published statistics on refinancing.

The ABS would welcome any comment from users of the statistics in this article and on ways the ABS can assist users to make better use of housing finance statistics.

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.

SCOPE

2 The scope of the survey comprises the following types of lenders:

- Banks
- Permanent building societies
- Credit unions/cooperative credit societies
- Life or general insurance companies
- General government enterprises
- Superannuation funds
- Organisations raising funds through the secondary mortgage market for approved home buyers under State government housing schemes.

In addition the scope includes:

- Other financial corporations registered under the Financial Corporations Act 1974
- Other providers of consumer finance registered with State credit tribunals.

COVERAGE

3 The statistics cover significant lenders only. Significant lenders are the largest lenders to individuals for the construction and purchase of owner-occupied dwellings. They account in aggregate for at least 95% of the Australian total and at least 90% of each State total of finance commitments for housing.

4 While statistics are for calendar months, users should note that, in the case of some larger banks, the data relate to a month ending on the last Wednesday of the month. Likewise, in the case of some other lenders, their accounting periods do not correspond exactly to a calendar month; no adjustments are made to their figures in the original series but the effect of the accounting periods is removed in the seasonally adjusted and trend series.

5 During the calendar year 1992, significant lenders accounted for the following percentages of total housing finance commitments made by all lenders for owner occupation:

- New South Wales, 96.4%
- Victoria, 97.0%
- Queensland, 98.3%
- South Australia, 98.8%
- Western Australia, 98.4%
- Tasmania, 93.1%
- Northern Territory, 96.0%
- Australian Capital Territory, 99.2%
- Australia, 97.3%.

6 All banks and building societies are covered in these statistics. For the 'other lenders' category coverage based on the 1992 calendar year is 71.8 per cent and statistics for this category are understated.

REVISIONS

7 Revisions to previously published statistics are included in the publication as they occur.

COMMITMENTS NOT ADVANCED

8 Commitments not advanced at the end of the period are calculated as follows:

- Balance of unadvanced commitments at the end of the previous period
- + Total new housing commitments (including refinancing)
- + Alterations and additions
-
- = Total commitments
- Cancellations of commitments
- Commitments advanced during the period
-
- = Commitments not advanced at the end of the period

SEASONAL ADJUSTMENT

9 Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences can be more clearly recognised.

10 In the seasonal adjustment of the series, account has been taken of both normal seasonal factors and 'trading day' effects (arising from the varying reporting practices of the lenders). Adjustment has also been made for the influence of Easter which may affect the March and April estimates differently.

11 Seasonal adjustment does not remove from the series the effect of irregular or non-seasonal influences (e.g. a change in interest rates).

TREND ESTIMATES

12 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 months of the respective seasonally adjusted series except the last six months. Trend estimates are created for the last six months by applying surrogates of the Henderson moving average to the seasonally adjusted series. For more information, see *A Guide to Smoothing Time Series—Estimates of Trend* (1316.0) and *Time Series Decomposition—An Overview* (1317.0).

13 While the smoothing technique described in paragraph 12 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.

RELATED PUBLICATIONS

14 Users may also wish to refer to the following statistical products which are available through subscription to a special data service:

- *Personal Finance, Australia*
- *Commercial Finance, Australia*

SYMBOLS AND OTHER USAGES

- n.p. not available for publication
- n.y.a not yet available

GLOSSARY

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- 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 borrowing** Average borrowing is calculated as follows:
$$\frac{\text{Total value of lending commitments per month}}{\text{Total number of dwellings financed per month}}$$

Average borrowing does not necessarily represent the average loan size per dwelling. For instance, average borrowing 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.
- Commitment value** The commitment value for a contract of sale is the dwelling's sale value less any deposit.
- Dwelling** A dwelling is either a house or other dwelling.
- Dwelling construction** Dwelling construction represents commitments made to individuals to finance, by way of progress payments, the construction of owner-occupied dwellings.
- Dwelling units** Dwelling units refers to the number of houses and other dwellings 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 more than twelve months 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.
- House** A house is a single self-contained place of residence detached from other buildings.
- New dwelling** A new dwelling has been or will be completed within twelve months of the lodgement of a loan application, and the borrower will be the first occupant.
- Other dwelling** An other dwelling is a single self-contained place of residence other than a house. Examples of other dwellings are individual flats, home units, town houses, terrace houses, etc.



- 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.

- Self-contained** The dwelling includes bathing and cooking facilities.

- Significant lenders** Significant lenders are those lenders who committed funds of more than \$14 million Australia-wide during the calendar year 1992.

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