

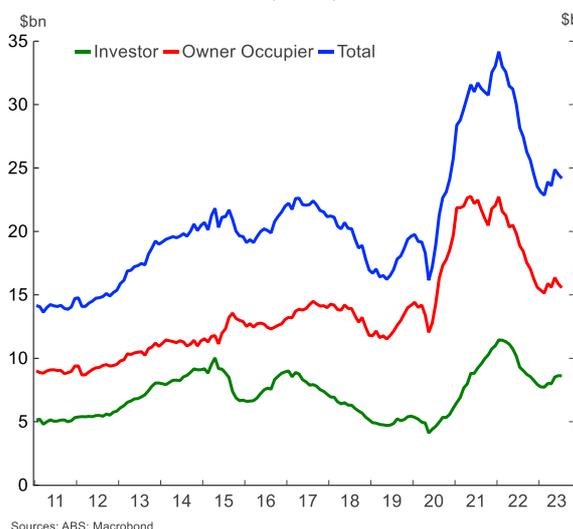
Friday, 1 September 2023

## Housing Finance

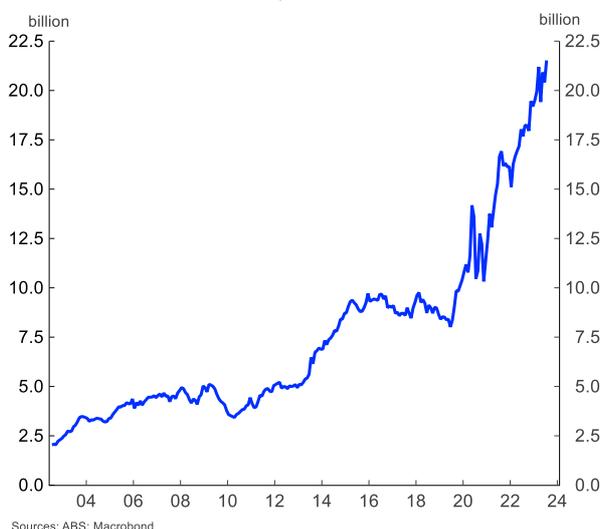
### New Refinancing Record Amid Reignition

- 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 (Excluding Refinancing)</b>	<b>Owner-Occupier</b>		<b>Investor</b>		<b>Total</b>	
	<b>Monthly Chg. %</b>	<b>Annual Chg. %</b>	<b>Monthly Chg. %</b>	<b>Annual Chg. %</b>	<b>Monthly Chg. %</b>	<b>Annual 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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