

1 September 2022

## Australian housing finance drops Owner-occ. -7%<sup>mth</sup>, -15.9%<sup>yr</sup>; Investors: -11.2%<sup>mth</sup>, flat%<sup>yr</sup> Total value approvals: -8.5%<sup>mth</sup>, -11.3%<sup>yr</sup> (all ex refi)

- Housing finance approvals fell sharply in July, an 8.5% drop following on from a 4.4% drop in June and bringing the series more into line with the sharp pull back already evident in housing sales and prices.
- The result was weaker than expected, we were looking for a 4% fall, but broadly in line with our view that approvals would reconnect with these other market indicators. The August updates out earlier today show the total value of turnover nationally is now down 24% for the year to date (see [here](#) for more detail on the latest data on prices and sales).
- The housing finance detail showed a broad based decline running slightly faster for investors (-11.2%) and first home buyers (-9.5%) 10.7 than for upgrading owner occupiers (-6.3%).
- Construction-related finance approvals were better supported although some of this likely reflects higher average costs.
- The state breakdown showed broad based falls led bigger declines in WA (-6.3%), Vic (-5.9%) and NSW (-5.3%) with Qld down just 0.9% and SA up 0.5%. The decline in investor loans has been particularly steep in NSW and Qld.

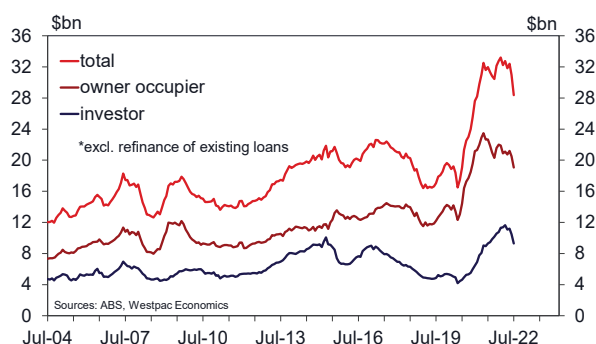
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### Housing finance: July 2022

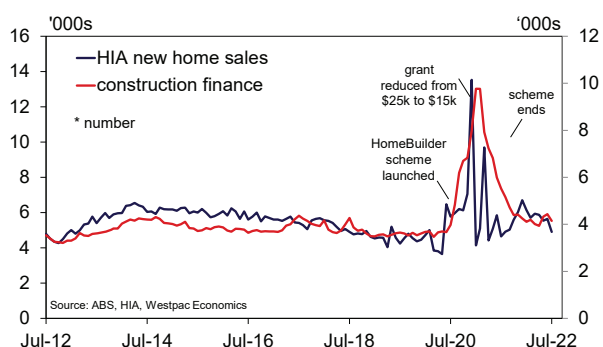
		%chg mth		%chg yr	
	latest	Jun	Jul	Jun	Jul
Owner-occupiers ('000s)	29.4	-2.6	-5.8	-19.2	-21.4
Owner-occupiers (\$bn)	19.1	-3.3	-7.0	-9.6	-15.9
Investors (\$bn)	9.3	-6.3	-11.2	17.3	0.0
<b>Total housing finance (\$bn)</b>	<b>28.4</b>	<b>-4.4</b>	<b>-8.5</b>	<b>-2.0</b>	<b>-11.3</b>
Refinance (\$bn)	17.9	6.2	-1.2	17.8	7.5
<b>Total incl. refinance (\$bn)</b>	<b>46.3</b>	<b>-0.7</b>	<b>-5.8</b>	<b>4.5</b>	<b>-4.8</b>
<b>Other indicators<sup>^</sup></b>	<b>avg<sup>^</sup></b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul<sup>^</sup></b>
Auction clearance rate %	64.6	62.9	60.1	57.7	59.3

\* unless specified, all figures exclude refinance. Where specified, refinance is 'external' only, i.e. with a new lender; ^ seasonally adjusted by Westpac; avg is last 10yrs  
Sources: ABS, CoreLogic, APM, Westpac Economics

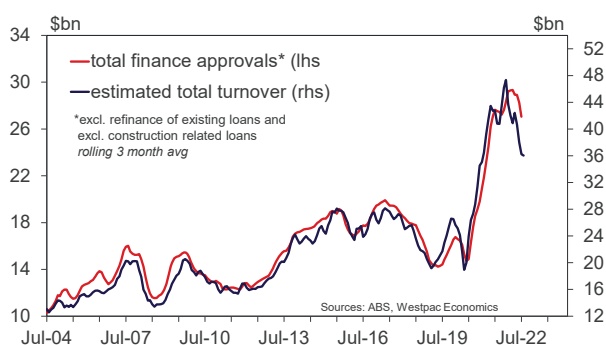
### New finance approvals by segment



### HIA new home sales vs finance approvals

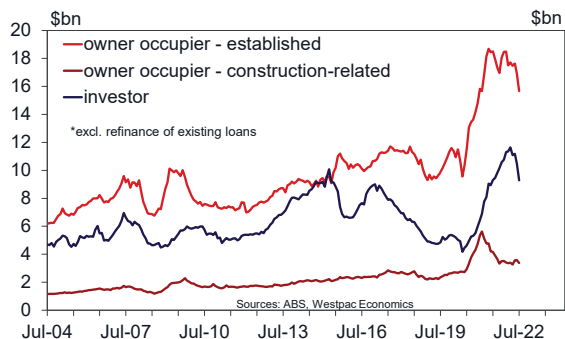


### New finance approvals vs value of sales

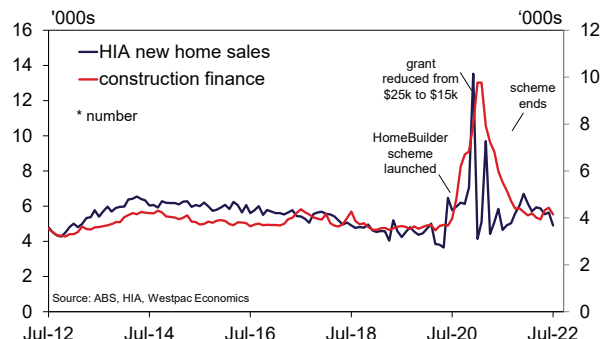


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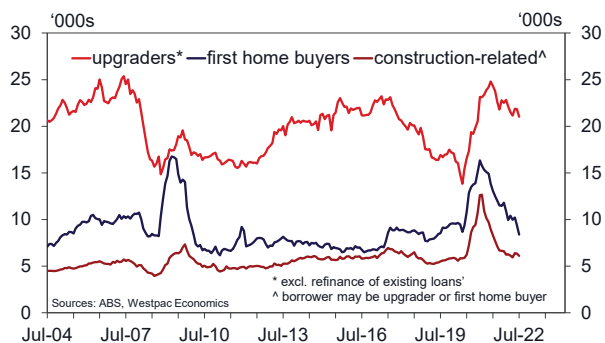
## New finance approvals by detailed segment



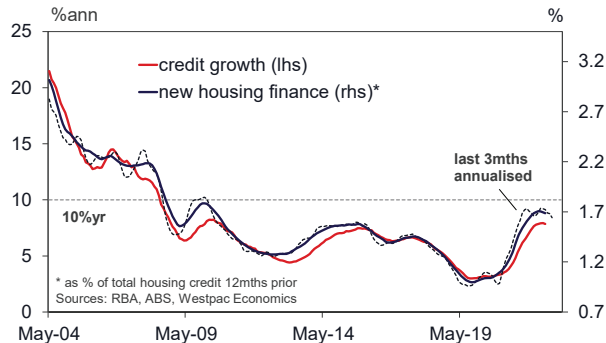
## HIA new home sales vs finance approvals



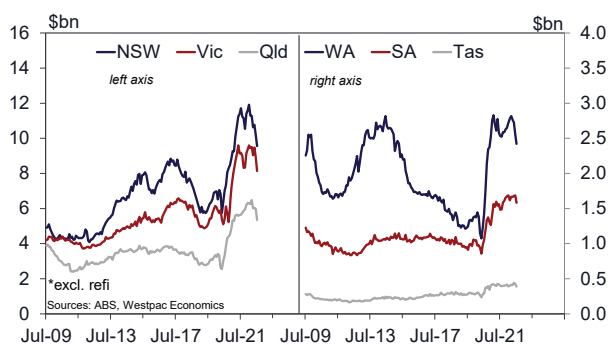
## Owner occupier finance approvals (number)



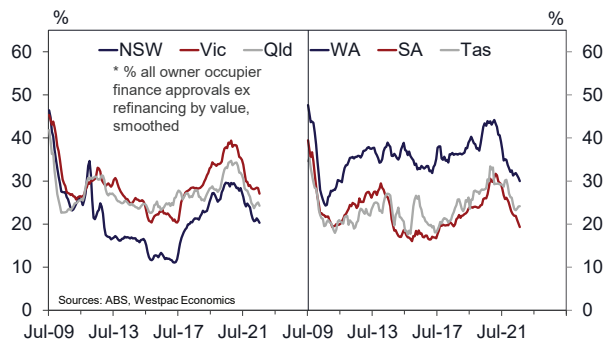
## Housing credit vs new finance approvals



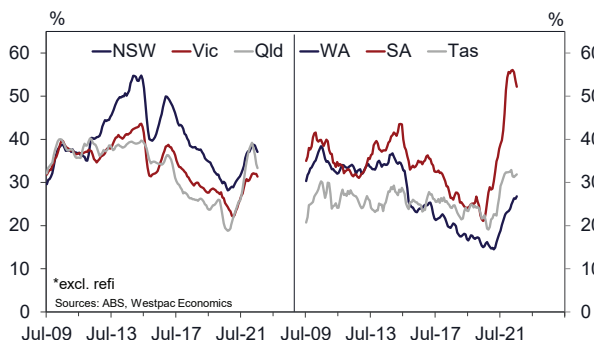
## Housing finance by state: total value



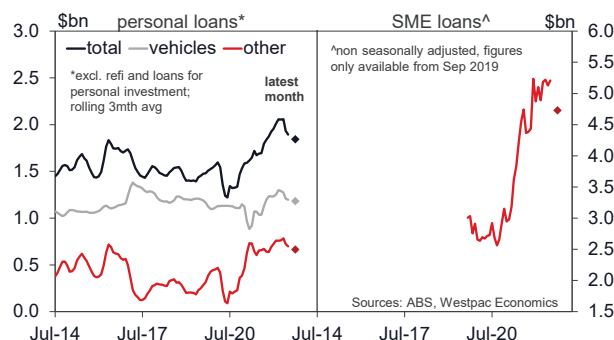
## First home buyers: by state



## Housing finance by state: investor share of loans



## Other lending: personal finance and SME loans



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