

2 June 2023

## Australian housing finance: more signs of stabilisation? Total value approvals (ex refi): -2.9%<sup>mth</sup>, -25.8%<sup>yr</sup> Likely Easter-related dip amid a broader stabilisation.

- Housing finance approvals posted a surprise 2.9% decline in April, against expectations of a solid 2% rise and following a robust 5.3% gain in March. We strongly suspect the fall is largely due to Easter, which landed in April this year and likely saw more disruptions and delays to approval processing than usual. Certainly the wider theme from the housing market data in recent months has been of a stabilisation in activity at low levels and a firming in prices.
- The detail showed softness was broad-based across borrowers and states.
- The total value of owner occupier loans declined 3.8%<sup>mth</sup>. Within this, construction-related loans were down 6%<sup>mth</sup> and loans for the purchase of existing dwellings down 3.4%. The total value of FHB loans dipped 2.1%<sup>mth</sup>.
- The total value of loans to investors declined 0.9%<sup>mth</sup>.
- In terms of total loan values, most states recorded falls, finance approvals down 5.1%<sup>mth</sup> in NSW, 3.5%<sup>mth</sup> and 1.1%<sup>mth</sup> in Qld, but up slightly in WA (+0.2%<sup>mth</sup>) and SA (+1%<sup>mth</sup>).
- Overall, the update is hard to assess given likely disruptions from the Easter holiday period. At the margin, it's a little more consistent with the view that markets are stabilising rather than lifting but we will clearly need the May update to clarify the situation. For more discussion on housing, see our bulletins released earlier this week on [prices and turnover volumes](#) and [dwelling approvals](#) plus our latest [Housing Pulse](#) report.

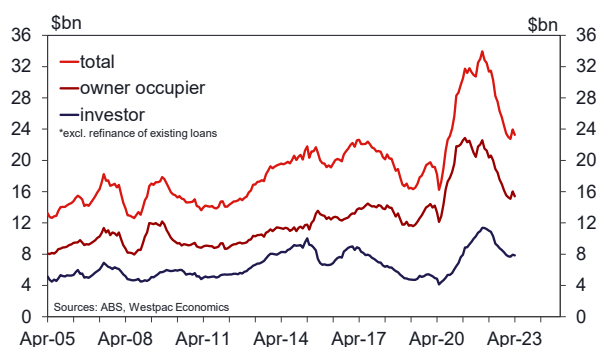
**Matthew Hassan**, Senior Economist

### Housing finance: April 2023

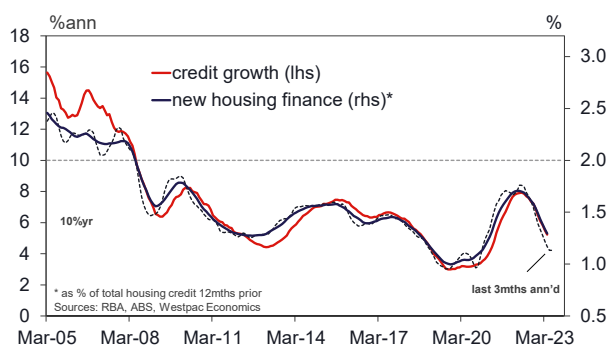
|                                     |                        | %chg mth   |             | % chg yr     |                        |
|-------------------------------------|------------------------|------------|-------------|--------------|------------------------|
|                                     | latest                 | Mar        | Apr         | Mar          | Apr                    |
| Owner-occupiers ('000s)             | 24.8                   | 6.3        | -0.1        | -22.5        | -20.3                  |
| Owner-occupiers (\$bn)              | 15.4                   | 6.3        | -3.8        | -24.6        | -24.3                  |
| Investors (\$bn)                    | 7.9                    | 3.4        | -0.9        | -29.3        | -28.6                  |
| <b>Total housing finance (\$bn)</b> | <b>23.3</b>            | <b>5.3</b> | <b>-2.9</b> | <b>-26.2</b> | <b>-25.8</b>           |
| Refinance (\$bn)                    | 19.3                   | 7.7        | -9.2        | 28.1         | 14.2                   |
| <b>Total incl. refinance (\$bn)</b> | <b>42.6</b>            | <b>6.4</b> | <b>-5.9</b> | <b>-7.8</b>  | <b>-11.8</b>           |
| <b>Other indicators<sup>^</sup></b> | <b>avg<sup>^</sup></b> | <b>Feb</b> | <b>Mar</b>  | <b>Apr</b>   | <b>May<sup>^</sup></b> |
| Auction clearance rate %            | 64.5                   | 61.6       | 63.9        | 67.3         | 79.5                   |

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

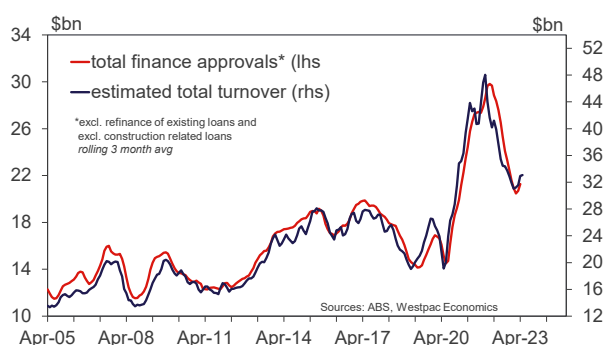
### New finance approvals by segment



### Housing credit vs new finance approvals

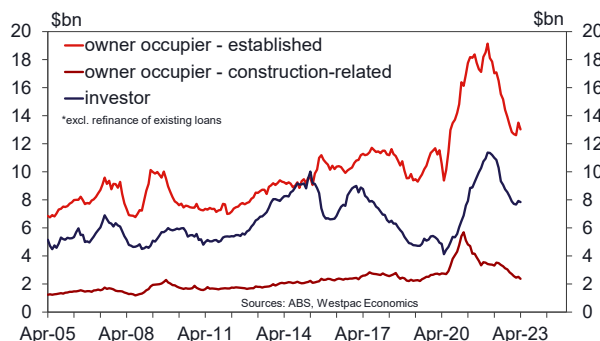


### New finance approvals vs value of sales

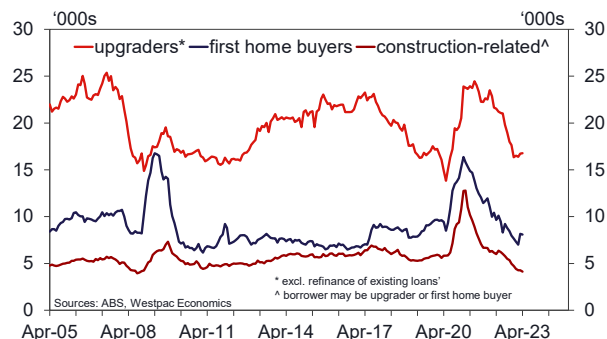


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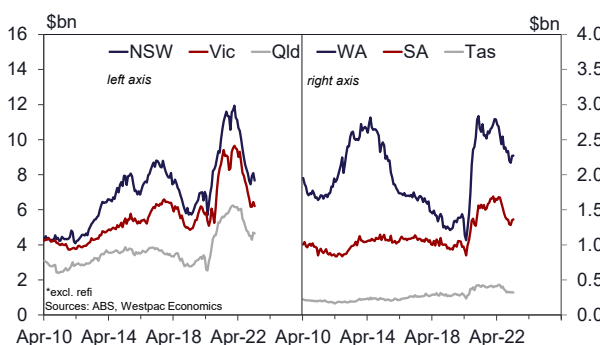
## New finance approvals by detailed segment



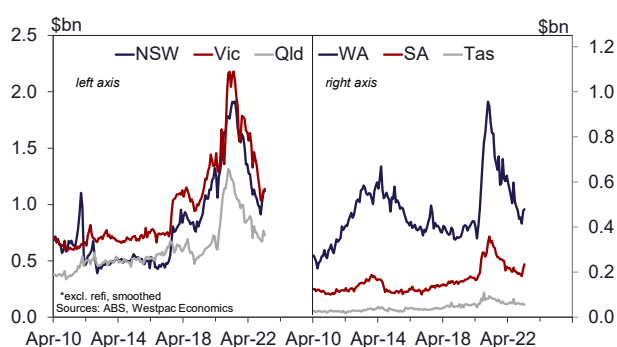
## Owner occupier finance approvals (number)



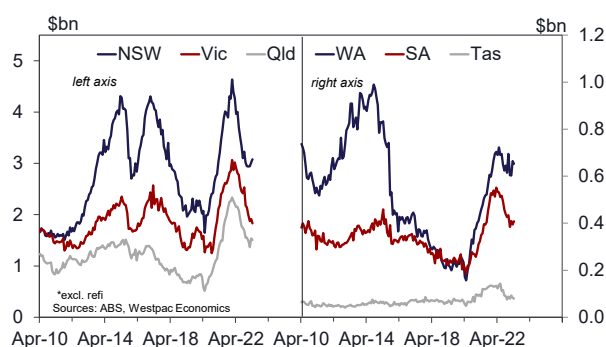
## Housing finance by state: total value



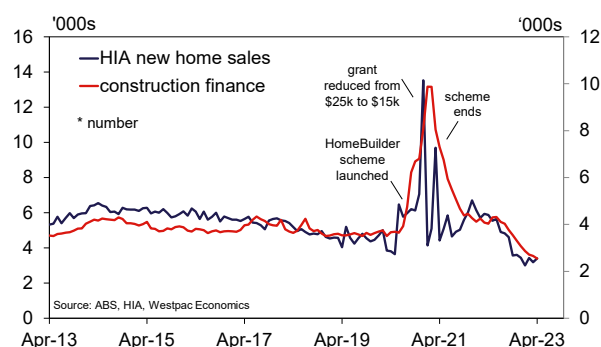
## First home buyers: by state



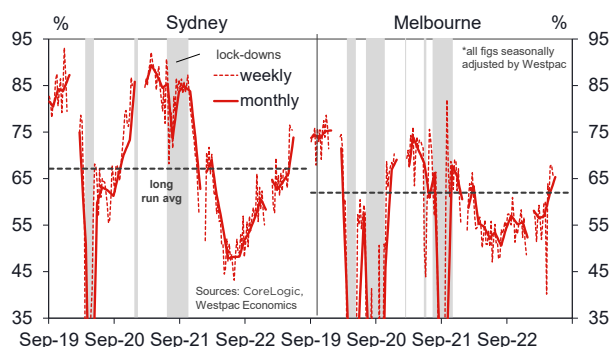
## Housing finance by state: investor



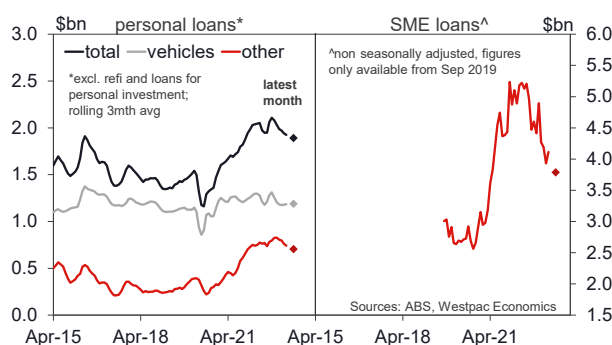
## HIA new home sales vs finance approvals



## Auction clearance rates: withdrawal adjusted



## Other lending: personal finance and SME loans



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