



# RESERVE BANK

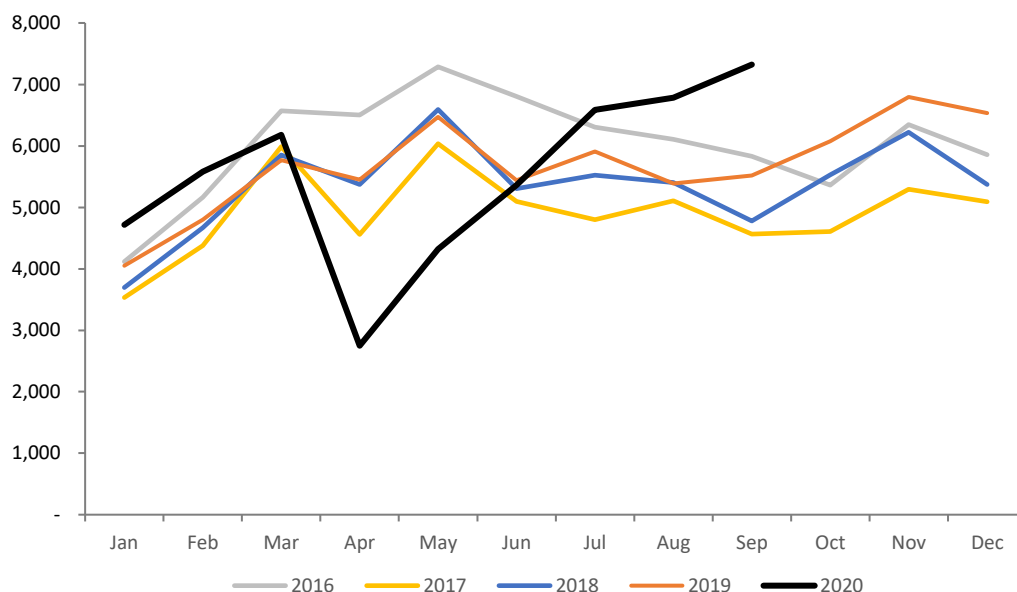
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## Loan to valuation ratio – new commitments summary

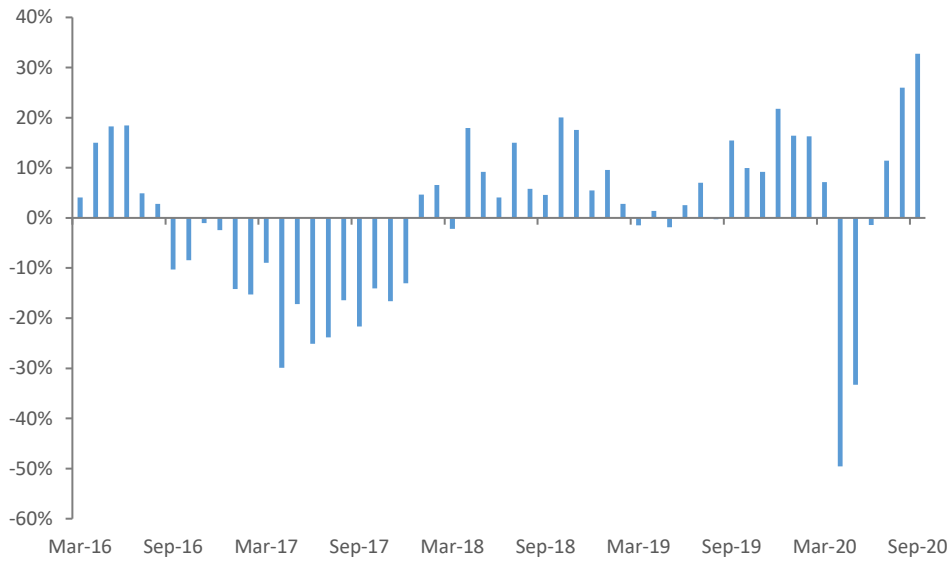
### Key points for September 2020:

- Total monthly new mortgage commitments were \$7.3b in September – the highest month on record since the survey began in 2013. This is an increase of \$0.5b (7.9%) from August 2020 and 32.8% from September 2019.
- New mortgage commitments to first home buyers were \$1.4b in September, up from \$1.3b in August while other owner occupiers increased from \$3.9b in August to \$4.2b in September.
- First home buyers accounted for 19.1% of new mortgage commitments in September, down from 19.8% in August while share of new commitments to investors rose from 21.4% to 22.7%.
- The nationwide year-on-year growth in value of new mortgage commitments to first home buyers was 44.3%, while new commitments to investors was up 54.7%.
- The year-on-year increase of 32.8% in new mortgage commitments was largely driven by regions outside of Auckland. The annual growth rate for new mortgage commitments in ‘non-Auckland’ increased from 27.1% in August to 37.2% in September, while rising from 24.5% to 27.0% in Auckland.
- Monthly new mortgage commitments with high loan-to-valuation ratio<sup>[1]</sup> have increased since the restrictions were removed in May 2020. High LVR new mortgage commitments to investors saw an increase of 24.3% in September, up from 10.3% in August.

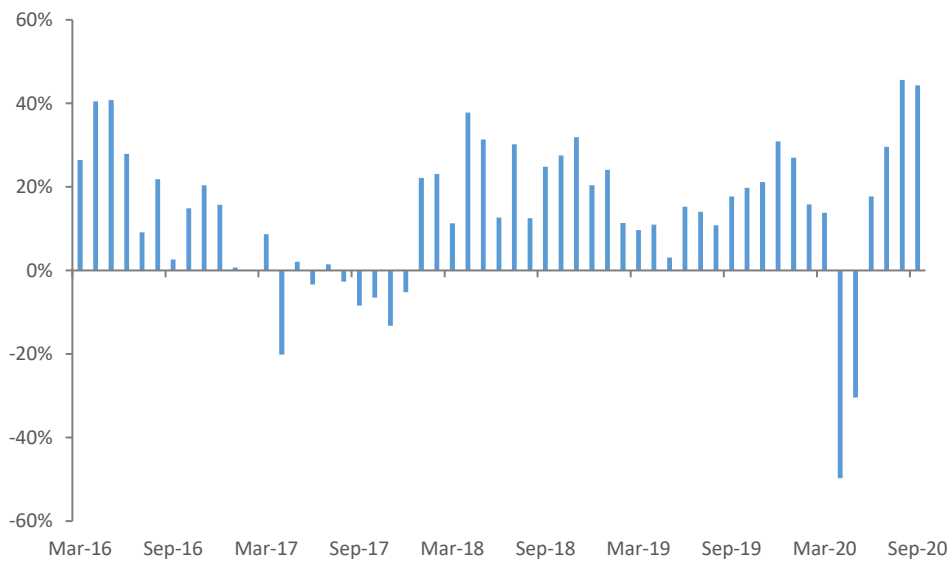
Total monthly value of new commitments (\$m)



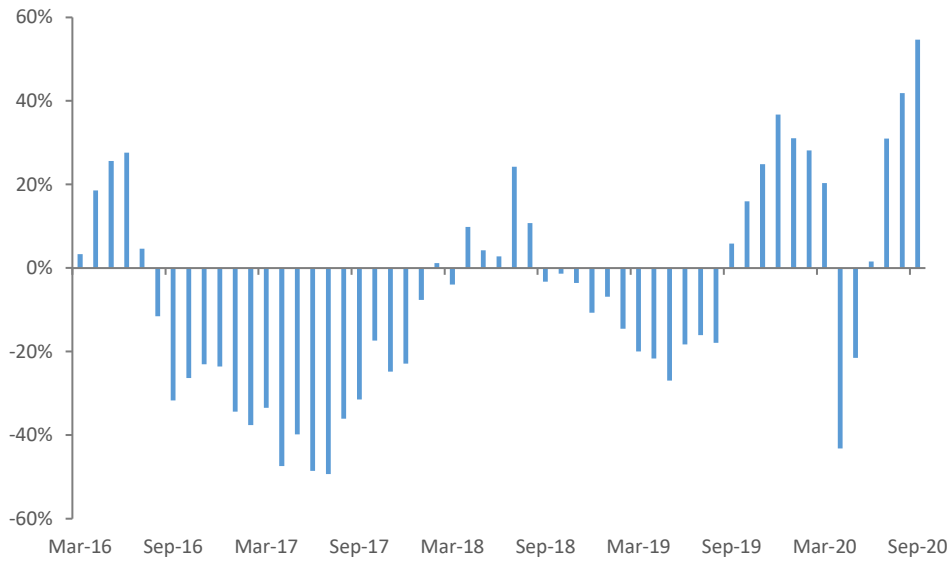
### Annual growth in total new commitments (%)



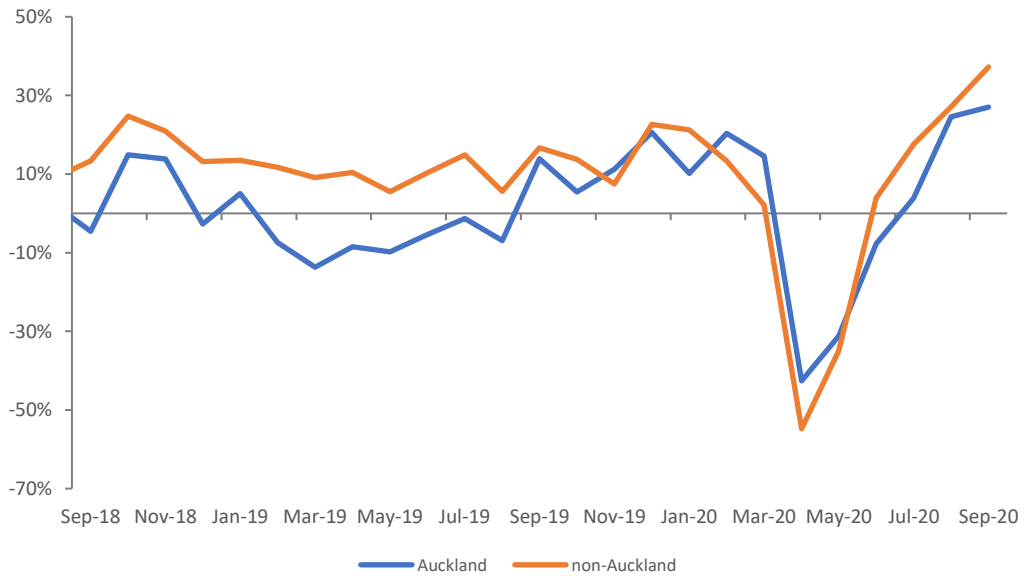
### Annual growth in new commitments to first home buyers (%)



**Annual growth in new commitments to investors (%)**



**Annual growth for new commitments by region (%)**



<sup>1</sup> High LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is above 80%. Low LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is 80% or below.

For investors, high LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is above 70%. Low LVR means monthly value of committed residential mortgage lending, where the loan-to-valuation ratio (LVR) is 70% or below.