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HOUSING FINANCE FOR OWNER OCCUPATION PERMANENT BUILDING SOCIETIES, AUSTRALIA

JULY 1978

INQUIRIES

If you want to know more about these statistics ring Mr Paul Murphy on Canberra 527117 or our State office, or write to Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616
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MAIN FEATURES

- 1. Permanent building societies approved loans totalling \$145.8 million to individuals for the construction and purchase of dwellings in July 1978. This was \$8.5 million up on loans approved in June but \$10.1 million down on the 1977 figure.
- 2. Seasonally adjusted, the corresponding loans approved figure for July 1978 was \$152.0 million, only \$0.5 million above the June total.
- 3. Loans approved for the construction of dwellings in July 1978 totalled \$23.4 million, \$1.7 million up on June and the highest since August 1977.
- 4. Amounts owing by borrowers at the end of July 1978 totalled \$6,146.5 million, a rise of \$72.5 million in the month and \$1,007.3 million in the 12 months since July 1977.
- 5. During July 1978 share capital rose by \$126.3 million to \$5,610.3 million, an increase of \$766.9 million in the 12 months since July 1977.
- 6. Secured and unsecured borrowings of societies totalled \$307.3 million and \$1,635.4 million respectively at the end of July 1978. These figures were down \$6.6 million and up \$27.1 million respectively on June 1978, and up \$105.7 million and \$273.0 million respectively on July 1977.

of dwellings for owner occupation, and details of selected assets and liabilities of these societies.

Scope

2. For the purposes of these statistics a permanent building society is defined as an organisation that -

- (a) is registered under relevant State or Territory legislation,
- (b) has rules or regulations that do not specify that it is to terminate on a specific date or when a specific objective is achieved; and
- (c) operates on a co-operative basis by borrowing predominantly from its members and providing finance to its members principally in the form of housing loans.

This includes building societies that operate solely on *Starr-Bowkett* principles and meet the above definition.

Coverage

- 3. A permanent building society is included in the collection if it satisfies either of the following criteria on an Australia-wide basis -
 - (i) loans approved to members for housing finance for owner occupation during 1976-77 exceeded \$250,000, or
 - (ii) balances outstanding on such loans at 30 June 1977 exceeded \$2 million.

EXPLANATORY NOTES

Introduction

This bulletin presents statistics of secured housing finance provided by permanent building societies to individuals for the construction or purchase

- 4. The table on page 2, which is based on the 1976-77 census of permanent building societies, shows the contribution of permanent building societies meeting these criteria to the industry as a whole.

PERMANENT BUILDING SOCIETIES 1976-77
LEVEL OF COVERAGE PROVIDED BY SIZE CRITERIA

States and Territories	Total loans approved for dwellings during year	Total loans advanced during year	Amounts owing by borrowers at end of year	Paid up share capital at end of year	Other borrowings owing at end of year
PERCENTAGES					
N.S.W.	99.6	99.5	99.2	99.7	90.2
Vic.	98.6	98.6	98.4	98.4	98.7
Qld	99.7	99.7	99.4	99.9	90.8
S.A.	99.6	99.5	99.3	99.5	96.7
W.A.	100.0	100.0	99.9	99.8	99.8
Tas.	100.0	100.0	100.0	100.0	100.0
A.C.T. and N.T.	100.0	100.0	99.3	99.9	97.7
Aust.	99.5	99.4	99.3	99.7	98.2

Definitions and descriptions of data items

5. *Loans approved.* A loan approval is a firm commitment by a society to advance funds. Loans approved for amounts additional to loans previously approved are included, as are loans financed from funds provided under the terms of the Commonwealth and State Housing Agreements and the *States Grants (Housing) Act, 1971*.

6. *Cancellation of loans.* This item refers to the value of loans approved but subsequently cancelled or reduced. Loans approved and cancelled during the same month are recorded as both loan approvals and cancellations for that month. Where a loan is cancelled in part, the number of dwelling units is not recorded in the cancellation category.

7. *Loans advanced.* This item refers to the actual money advanced during a period. Where loans are advanced by instalments, only the actual cash paid out is included. Capitalised mortgage insurance premium payments and other capitalised charges (e.g. legal fees, inspection and valuation fees) are included.

8. *Dwelling.* A dwelling is classified as either a *house* or *other dwelling*.

(a) A *house* is defined as a building which has been designed so that its prime purpose is to be a single self-contained (i.e. includes bathing and cooking facilities) dwelling unit which is completely detached from other buildings, and occupies a separate titled block of land.

(b) An *other dwelling* is defined as a self-contained dwelling unit other than a house as defined in (a) above. Examples of an *other dwelling* are flats, home units, semi-detached cottages, villa units, town houses etc.

9. *Number of dwelling units.* This item refers to the number of houses and other dwellings for which first mortgage loans have been approved. If amounts additional to the original loan are approved to complete the purchase or construction, the number of dwellings involved is not recorded again.

10. *Alterations and additions.* Alterations are changes to existing dwellings without an increase in floor area whereas additions are structural changes to existing dwellings resulting in an increase in floor area. Detached garages are included in these statistics as additions.

11. *Construction of other dwellings.* This category has been included to cover situations where a group of people combine to organise the construction of a block of home units, town houses etc., and it is intended that each person in the group will acquire a title to one of the dwelling units.

12. *Purchase of newly erected dwellings.* This item represents the purchases of dwellings which have been completed or will be completed within a period of twelve months preceding the date of purchase where the purchaser is, or will be, the first occupant.

13. *Purchase of established dwellings.* This item represents the purchases of dwellings which have been completed for a period greater than twelve months preceding the date of purchase or if completed within twelve months the purchaser is not the original occupant.

14. *All other purposes.* This item represents, inter alia, loans to religious and educational bodies for institutional housing; loans for the purchase, construction, etc. of non-residential buildings; loans for the purchase of vacant land; any loans made to businesses (e.g. builders or developers).

15. *Loan payments received.* This item represents all loan payments received during a period including premature discharge payments. It includes interest paid by members but excludes any premium payments for fire or life insurance which were not treated as part of the original loan. The dissection between principal and interest is partly estimated as building societies which do not have these figures available monthly in their accounts provide estimates.

16. *Share capital.*

(a) *Received.* This item represents all money

received as payment for shares and includes interest or dividend credits used by members to acquire further partially or fully paid shares.

(b) *Withdrawn.* This item represents all withdrawals of share capital but excludes accrued interest or dividends paid on withdrawals that at the time of the withdrawals had not been credited to members' share capital accounts.

17. *Unsecured borrowings.*

(a) *Received.* This item includes interest credited to accounts but not withdrawn but excludes accrued interest yet to be credited to accounts.

(b) *Withdrawn.* This item excludes accrued interest paid on withdrawals that at the time of the withdrawals had not been credited to accounts.

18. *Secured borrowings.* This item includes the outstanding balance of loans advanced to building societies under Commonwealth and State Housing Agreements, and in the Australian Capital Territory and the Northern Territory advanced from Australian Government funds. It also includes the outstanding balances of secured loans made to the building societies by banks, life and general insurance offices (including government insurance offices), and other lenders such as superannuation funds, friendly societies and credit unions.

Interpretation and presentation

19. State or Territory details contained in this bulletin relate to the activities of permanent building societies (or branches or agencies of societies) located in that State or Territory. A permanent building society which is located in more than one State or Territory is required to supply separate details in respect of each State or Territory in which it is located so that, as far as possible, details of the lending activities of permanent building societies are shown for the State or Territory in which the funds are actually used. However, the figures do not necessarily indicate that the funds used in a particular State are raised within that State. The extent to which societies (or branches or agencies of societies) in a State or Territory obtain or deposit funds in another State or Territory is not known.

20. Details published in this bulletin for balance items such as loans approved but not advanced at end of month, paid up share capital at end of month, and borrowings owing at end of month may not be derivable from corresponding figures for the previous month because of continual updating of data.

Seasonal adjustment

21. Seasonally adjusted data on housing finance for owner occupation from permanent building societies were first published in the January 1978 issue of this bulletin which contained a back series to October 1975. Details of the methods used in seasonally adjusting these series are given in *Seasonally Adjusted Indicators* (1308.0).

22. In carrying out seasonal adjustment account is taken not only of normal seasonal factors but also of "trading-day" effects (arising from the varying numbers of Sundays, Mondays, etc. in the month).

23. Large fluctuations occurring in series as a result of irregular influences, such as interest rate changes, are not removed by seasonal adjustment. Particular care should therefore be taken in interpreting individual month-to-month movements.

Comparability with other statistics on housing finance

24. The statistics on housing finance for owner occupation published in this bulletin are directly comparable with those published in the bulletins *Housing Finance for Owner Occupation - Savings Banks and Trading Banks: Australia* (5608.0) and *Housing Finance for Owner Occupation: Australia* (5609.0).

Revisions

25. This bulletin incorporates revisions made to previous statistics in this series.

Related publications

Users may also wish to refer to the following publications which are available on request:

Permanent Building Societies Assets, Liabilities, Income and Expenditure: Australia (5632.0) (annual)

Financial Corporations Statistics: Australia (5617.0) (monthly)

All publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

Dwgs number of dwelling units
- nil, or less than half the final digit shown
n.a. not available

R. J. CAMERON
Australian Statistician

TABLE 1 - SUMMARY OF LOAN APPROVALS - AUSTRALIA

	LOANS APPROVED TO INDIVIDUALS FOR										
	CONSTRUCTION OF DWELLINGS		PURCHASE OF NEWLY ERECTED DWELLINGS		PURCHASE OF ESTABLISHED DWELLINGS		TOTAL		ALTERATIONS AND ADDITIONS TO DWELLINGS	LOANS APPROVED FOR OTHER PURPOSES	TOTAL
	DWGS	1000	DWGS	1000	DWGS	1000	DWGS	1000	1000	1000	1000
1977											
JUNE	741	19,373	844	22,561	3,950	96,009	5,535	137,943	2,417	5,183	145,543
JULY	792	21,555	972	26,544	4,512	107,733	6,276	155,032	2,411	8,347	166,290
AUGUST	979	27,280	1,125	31,549	4,656	115,042	6,770	173,871	3,602	8,211	185,084
SEPTEMBER	843	23,190	1,014	28,139	4,708	114,760	6,565	166,049	3,621	5,945	175,655
OCTOBER	709	18,449	882	23,999	3,613	90,556	5,204	134,004	2,997	8,338	145,339
NOVEMBER	696	19,043	977	26,259	3,800	98,538	5,473	143,840	2,795	6,031	152,666
DECEMBER	660	17,939	769	21,804	3,427	87,226	4,856	126,969	2,461	4,194	133,624
1978											
JANUARY	664	17,998	685	18,918	3,228	82,454	4,578	119,370	2,466	2,782	124,618
FEBRUARY	648	17,324	787	22,536	3,670	93,788	5,105	133,648	2,632	3,314	139,594
MARCH	647	17,784	730	20,811	3,553	92,377	4,930	131,572	2,527	3,214	137,313
APRIL	694	19,275	716	20,237	3,435	87,585	4,845	126,597	2,258	5,613	134,468
MAY	781	21,285	905	24,634	3,914	111,224	5,600	147,143	2,624	6,078	155,845
JUNE	770	21,717	858	23,517	3,590	92,075	5,218	137,309	2,983	5,973	146,185
JULY	840	23,394	892	24,761	3,772	97,627	5,504	145,782	3,034	6,265	155,181

TABLE 2 - SUMMARY OF MONTHLY OPERATIONS - AUSTRALIA

	1000										
	LOANS ADVANCED DURING MONTH	LOANS APPROVED BUT NOT ADVANCED AT END OF MONTH	LOAN PAYMENTS BY BORROWERS DURING MONTH		AMOUNT OWING BY BORROWERS AT END OF MONTH	SHARE CAPITAL		UNSECURED BORROWINGS		SECURED BORROWINGS	
			PRINCIPAL	TOTAL		PAID UP AT END OF MONTH	CHANGE OVER PREVIOUS MONTH	OWING AT END OF MONTH	CHANGE OVER PREVIOUS MONTH	OWING AT END OF MONTH	CHANGE OVER PREVIOUS MONTH
1977											
JUNE	144,693	310,361	54,664	103,317	5,021,897	4,711,087	+ 60,827	1,309,910	+15,993	224,184	+ 28,292
JULY	145,644	322,717	53,834	102,311	5,139,195	4,843,333	+132,216	1,362,445	+52,535	261,592	- 22,512
AUGUST	162,143	337,413	55,294	106,562	5,246,776	4,928,464	+ 85,131	1,397,377	+34,932	218,437	+ 8,845
SEPTEMBER	166,391	339,363	55,959	107,949	5,357,315	4,971,107	+ 42,643	1,427,482	+30,105	248,057	+ 38,428
OCTOBER	150,385	325,772	51,714	105,755	5,448,700	4,923,787	- 47,320	1,454,328	+26,846	267,510	+ 18,653
NOVEMBER	153,502	315,031	55,655	109,233	5,546,547	5,028,347	+104,560	1,474,146	+19,818	276,939	+ 9,629
DECEMBER	161,737	278,661	68,419	124,380	5,639,154	5,133,048	+104,701	1,520,924	+46,778	248,237	- 28,782
1978											
JANUARY	96,929	300,127	43,880	99,897	5,695,420	5,226,965	+ 95,917	1,593,784	+32,860	247,451	- 786
FEBRUARY	129,957	303,977	49,960	106,084	5,775,486	5,286,513	+ 57,548	1,598,181	+26,397	250,259	+ 2,888
MARCH	134,877	298,386	60,537	115,598	5,845,324	5,282,785	- 3,728	1,566,751	-13,430	272,659	+ 22,680
APRIL	130,490	295,604	56,083	112,253	5,916,720	5,308,896	+ 18,111	1,564,730	- 2,021	270,772	+ 5,913
MAY	153,021	291,205	72,485	120,274	5,997,256	5,409,801	+108,905	1,570,233	+ 5,503	245,995	+ 18,223
JUNE	142,619	288,530	66,934	125,659	6,073,941	5,483,915	+ 74,114	1,608,314	+38,081	313,859	+ 16,664
JULY	138,892	298,528	62,546	122,622	6,146,472	5,618,250	+ 126,335	1,635,430	+ 27,116	307,289	- 6,570

TABLE 3 - LOANS APPROVED TO INDIVIDUALS - STATES
JULY 1978

	CONSTRUCTION OF DWELLINGS		PURCHASE OF NEWLY ERECTED DWELLINGS		PURCHASE OF ESTABLISHED DWELLINGS		TOTAL		ALTERATIONS AND ADDITIONS TO DWELLINGS
	DWGS	\$000	DWGS	\$000	DWGS	\$000	DWGS	\$000	\$000
HOUSES									
N.S.W.	256	7,312	262	6,006	1,179	32,535	1,697	45,853	
VIC.	92	2,678	196	6,345	734	19,923	1,022	28,966	
QLD	143	3,707	139	3,699	525	11,931	807	19,337	
S.A.	20	496	20	484	171	4,578	211	5,558	
W.A.	281	7,853	78	2,318	493	12,761	852	22,934	
TAS.	20	449	5	126	92	1,815	117	2,390	(NA)
A.C.T. AND N.T.	6	474	54	1,722	76	2,136	136	4,332	
TOTAL -									
JULY 1978	818	22,969	754	20,700	3,270	85,681	4,842	129,750	
JUNE 1978	768	21,653	754	20,453	3,135	81,689	4,657	123,745	
MAY 1978	779	21,228	762	20,982	3,337	87,945	4,698	130,155	
OTHER DWELLINGS									
N.S.W.	2	36	69	1,892	362	8,664	433	10,596	
VIC.	-	-	28	953	41	996	69	1,949	
QLD	-	-	11	428	24	738	35	1,166	
S.A.	-	-	6	152	33	604	39	756	
W.A.	20	389	23	594	40	870	83	1,853	
TAS.	-	-	-	-	-	-	-	-	(NA)
A.C.T. AND N.T.	-	-	1	42	2	70	3	112	
TOTAL -									
JULY 1978	22	425	138	4,061	502	11,946	662	16,432	
JUNE 1978	2	54	104	3,084	455	10,436	561	13,564	
MAY 1978	2	57	123	3,652	577	13,279	702	16,988	
TOTAL									
N.S.W.	258	7,348	331	7,898	1,541	41,201	2,130	56,449	1,710
VIC.	92	2,678	224	7,298	775	20,919	1,091	30,895	165
QLD	143	3,707	150	4,127	549	12,669	842	20,503	169
S.A.	20	496	26	636	204	5,182	250	6,314	260
W.A.	301	8,242	101	2,912	513	13,631	935	24,787	450
TAS.	20	449	5	126	92	1,815	117	2,390	166
A.C.T. AND N.T.	6	474	55	1,764	78	2,206	139	4,444	114
TOTAL -									
JULY 1978	840	23,394	892	24,761	3,772	97,627	5,504	145,782	1,034
JUNE 1978	778	21,717	858	23,517	3,590	92,075	5,218	137,709	2,903
MAY 1978	781	21,285	905	24,634	3,914	101,224	5,600	147,143	2,624

TABLE 4 - SUMMARY OF MONTHLY OPERATIONS - STATES

	CANCELLATIONS DURING MONTH OF LOANS PREVIOUSLY APPROVED											AMOUNT OWING BY BORROWERS AT END OF MONTH	
	LOANS APPROVED FOR OTHER PURPOSES	TO INDIVIDUALS FOR				LOANS ADVANCED DURING MONTH		LOANS APPROVED BUT NOT ADVANCED AT END OF MONTH		LOAN PAYMENTS BY BORROWERS DURING MONTH			
		DWELLINGS	ALTERATIONS AND ADDITIONS	FOR ALL OTHER PURPOSES		FOR DWELLINGS	FOR ALL OTHER PURPOSES	FOR DWELLINGS	FOR ALL OTHER PURPOSES	PRINCIPAL	INTEREST		TOTAL
N.S.W.	1,095	111	2,776	28	90	53,694	1,052	141,563	2,586	26,062	23,333	49,395	2,479,726
VIC.	1,775	35	961	6	13	26,719	1,817	50,971	2,624	10,940	12,133	23,073	1,169,678
QLD	1,306	20	497	3	20	14,075	618	20,021	1,195	9,092	7,803	16,895	796,832
S.A.	239	16	376	39	-	7,162	-	9,765	2,377	2,382	2,650	5,032	280,499
W.A.	1,767	40	1,959	-	7	25,978	1,504	37,762	18,471	11,344	11,464	22,812	1,142,168
TAS.	103	4	49	5	-	2,143	122	3,687	453	1,176	1,119	2,295	118,861
A.C.T. AND N.T.	-	15	361	5	-	3,182	26	7,053	-	1,546	1,574	3,120	159,508
TOTAL -													
JULY 1978	6,285	241	6,079	86	130	132,953	5,139	270,422	27,706	62,546	60,076	122,622	6,146,472
JUNE 1978	5,973	261	6,736	17	308	138,444	4,175	261,840	26,690	86,934	54,725	126,659	6,073,941
MAY 1978	6,078	274	6,759	34	430	147,924	5,097	266,019	25,186	72,485	57,769	130,274	5,997,256

TABLE 5 - TRANSACTIONS IN SHARE CAPITAL AND BORROWINGS - STATES

	\$000										
	SHARE CAPITAL			BORROWINGS							
	RECEIVED	WITHDRAWN	PAID UP AT END OF MONTH	UNSECURED				SECURED (OWING AT END OF MONTH)			
				RECEIVED	WITHDRAWN	OWING AT END OF MONTH	GOVERNMENT	BANKS	INSURANCE COMPANIES	ALL OTHER LENDERS	TOTAL
N.S.W.	290,569	230,553	3,089,863	1,435	628	10,074	85	8,959	33,340	7,589	49,973
VIC.	48,046	31,713	369,498	149,933	118,911	1,028,569	-	5,613	8,169	834	14,816
QLD	114,340	95,445	860,595	2,635	3,785	25,810	-	34,171	2,245	1,332	37,138
S.A.	50,030	39,019	336,551	1,064	2,384	8,924	15,625	561	550	100	16,836
W.A.	92,970	83,271	725,950	84,649	50,766	480,738	27,053	11,689	4,792	107,589	151,923
TAS.	14,903	12,575	113,139	7,402	6,968	38,005	-	774	330	-	1,184
A.C.T. AND N.T.	18,974	17,571	114,453	6,215	3,243	43,320	15,485	6,557	1,964	11,713	35,715
TOTAL -											
JULY 1978	629,832	513,147	5,610,250	254,133	216,625	1,635,430	59,040	67,724	51,360	129,157	307,289
JUNE 1978	626,973	554,859	5,463,915	250,063	211,982	1,608,314	61,102	79,407	53,498	119,852	313,859
MAY 1978	643,037	534,132	5,409,401	226,090	226,267	1,570,293	54,706	84,673	51,714	105,902	296,995

TABLE 6 - LOANS APPROVED TO INDIVIDUALS FOR THE CONSTRUCTION OR PURCHASE OF DWELLINGS
ORIGINAL AND SEASONALLY ADJUSTED

	ORIGINAL						SEASONALLY ADJUSTED					
	CONSTRUCTION OF DWELLINGS AND PURCHASE OF NEWLY ERECTED DWELLINGS		PURCHASE OF ESTABLISHED DWELLINGS		TOTAL		CONSTRUCTION OF DWELLINGS AND PURCHASE OF NEWLY ERECTED DWELLINGS (A)		PURCHASE OF ESTABLISHED DWELLINGS		TOTAL	
	DWGS	\$000	DWGS	\$000	DWGS	\$000	DWGS	\$000	DWGS	\$000	DWGS	\$000
1977												
JUNE	1,585	41,934	3,950	96,009	5,535	137,943	1,726	47,359	4,249	104,379	5,975	151,738
JULY	1,764	46,099	4,512	107,733	6,276	155,832	1,715	47,414	4,771	113,985	6,486	161,399
AUGUST	2,104	58,829	4,666	115,042	6,770	173,871	1,741	48,576	4,134	107,491	6,079	156,067
SEPTEMBER	1,857	51,329	4,708	114,760	6,565	166,089	1,644	45,323	4,495	102,040	5,739	147,363
OCTOBER	1,591	43,448	3,613	90,556	5,204	134,004	1,521	41,641	3,539	87,243	5,060	128,884
NOVEMBER	1,673	45,302	3,800	98,538	5,473	143,840	1,470	39,598	3,475	88,940	4,945	128,538
DECEMBER	1,429	39,743	3,427	87,226	4,856	126,969	1,626	44,005	3,875	97,434	5,501	141,439
1978												
JANUARY	1,350	36,916	3,228	82,454	4,578	119,370	1,681	45,054	3,908	98,444	5,589	143,498
FEBRUARY	1,435	39,863	3,670	93,788	5,105	133,648	1,571	43,111	3,669	94,826	5,240	137,937
MARCH	1,377	38,595	3,553	92,377	4,930	131,572	1,274	35,965	3,166	83,656	4,440	119,621
APRIL	1,410	39,512	3,435	87,085	4,845	126,597	1,709	47,929	3,888	97,687	5,597	145,616
MAY	1,686	45,919	3,914	101,224	5,600	147,143	1,580	43,202	3,608	92,591	5,188	135,793
JUNE	1,628	45,234	3,590	92,875	5,218	137,309	1,739	50,046	3,916	101,433	5,655	151,479
JULY	1,732	48,155	3,772	97,627	5,504	145,782	1,724	48,630	3,963	103,359	5,687	151,989

(A) - SEPARATE SEASONALLY ADJUSTED FIGURES FOR CONSTRUCTION OF DWELLINGS AND PURCHASE OF NEWLY ERECTED DWELLINGS ARE NOT AVAILABLE