

Sydney and Melbourne drive lower application Loan-to-Valuation Ratios



The national average of application **Loan-to-Valuation Ratios (LVR)** has decreased to **73.4%** in April 2017, from **74.3%** in September 2016

Key drivers contributing to the downward trend

-0.9
basis points

National fall in application LVRs attributed to **strengthening property prices** in Sydney and Melbourne



Since 2012...

Sydney dwelling values have increased by

75%

Melbourne dwelling values have increased by

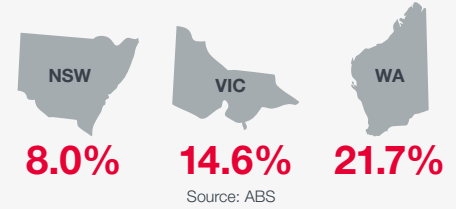
54%

First home buyers



First home buyers often have **smaller deposits** and their **slowdown** of activity in Sydney and Melbourne may be **pushing application LVRs down**

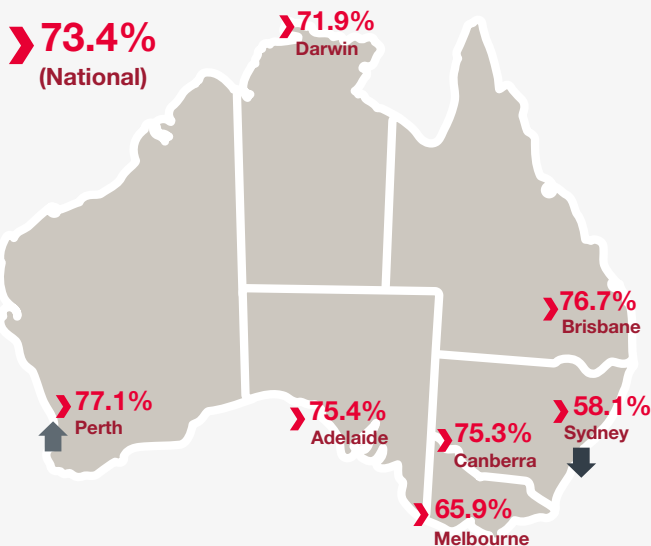
FIRST HOME BUYERS BY STATE:



But... Regional markets are showing substantial levels of variability. Mining and agricultural regions are averaging application LVRs above **80%**

Capital Cities: April 2017

All Capital Cities have application LVRs below **80%**



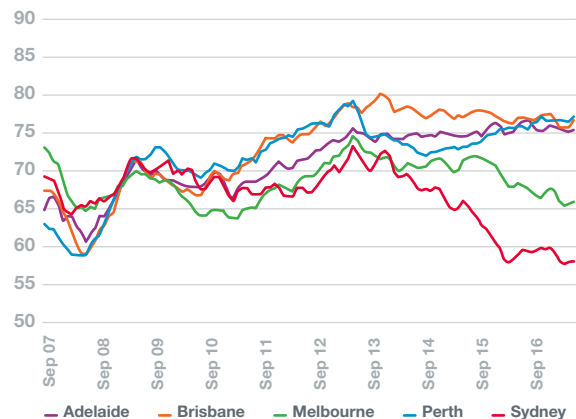
Highest & Lowest Regions

- ↑ Highest: Perth (77.1%)
- ↓ Lowest: Sydney (58.1%)

Application LVR: National



Application LVR: Australian Capitals



The application LVR Index uses median dwelling values data from property data analytics experts, CoreLogic, compared against the median residential loan application data from Equifax, the global information solutions company and the leading provider of credit information and analysis in Australia and New Zealand, as at 30 April.