

MEDIA RELEASE

Home lending demand down across all regions for Q4 2022:

Credit card appetite continues to increase

Equifax NZ Quarterly Consumer Credit Demand Index: December Quarter 2022

- Overall consumer credit demand reduced by -7.7 % (vs December qtr 2021).
- Mortgage credit demand reduced by -27.4% (vs December qtr 2021).
- Unsecured credit demand (comprising personal loans and credit cards) up +4.2% (vs December qtr 2021)

AUCKLAND, 23rd January 2023: The latest *Quarterly Consumer Credit Demand Index* for the quarter ending December 2022 shows a continuing stable trend in overall consumer enquiry volumes across 2022. However, demand remains below pre and post-pandemic volumes, with a notable dip in home lending appetite for the last quarter of 2022.

Mortgage demand continues to be down on both 2020 and 2021 volumes, with a -27.4% drop in the December quarter year-on-year, representing a continued softening in home lending appetite. Enquiries for unsecured credit are up +4.2% year-on-year for the December quarter as a result of increases in credit card demand.

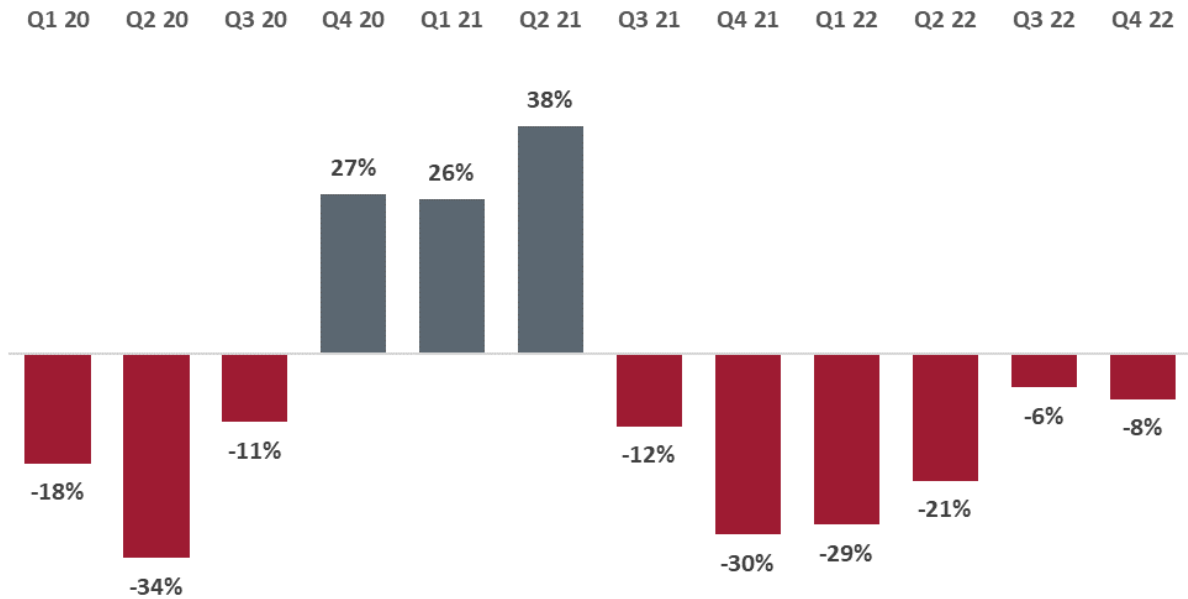
Released today by Equifax New Zealand, the global data, analytics and technology company and leading provider of credit information and analysis, the Credit Demand Index measures applications for retail credit products, including credit cards, personal loans, and home loans.

Mortgage applications, a lead indicator of housing turnover and therefore price movement, fell for the December 2022 quarter by -27.4%, year-on-year. Home buyers continue to remain cautious about taking on new lending with potential further reductions in home valuations, along with future OCR increases, tightened regulation and broader cost of living impacts. The decline in demand was consistent right across New Zealand - in the cities and regional areas, with Auckland's decline being -27.2% and Whanganui having the largest percentage enquiry reduction for this period of -31.2%.

Unsecured credit demand, up +4.2% year-on-year for the December 2022 quarter, was supported by increases in credit card demand (up +25.4%), which is likely influenced by pre-Christmas shopping and holiday season travel. The strongest regions for credit card enquiries (year-on-year) were Auckland (up +34.8%), West Coast (up +33.5%) and Taranaki (up +32.0%), with Gisborne experiencing the only drop of -2.1%.

Personal loan demand (down -10.5%) declined across all regions in the December 2022 quarter. Against the rest of New Zealand, however, Auckland had a much better outcome for the December 2022 quarter with a -1.5% drop in enquiries year-on-year.

CHART: Consumer Credit Demand Index, Year-on-Year Changes (%)



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