

Reserve Bank weekly figures show new record highs for amount loaned as mortgages and the size of the mortgages

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A new high water mark was set last week both for the amount advanced in mortgages and for the average size of those mortgages.

The Reserve Bank's **'experimental' housing loan approval series** shows that mortgages totalling \$1.679 billion were approved in the week ended March 4.

That surpasses the previous record of \$1.591 billion set as recently as the week ending December 18, 2015.

However, in the December 18 week there were some 7777 mortgages approved.

In the past week there were just 7096.

This gave an average amount per mortgage of \$236,600, which is an all-time high.

The surging mortgage sizes and overall amount approved comes at a time when the RBNZ has put in place new limits for Auckland investors aimed at taking some of the heat out of the Auckland market.

Recent sales data, **particularly out of Auckland**, have suggested that the market has indeed dipped recently, but it's not yet clear whether this may in part have been due to the market having something of a 'pause' after there was a surge in activity ahead of the November introduction of the new measures.

The RBNZ has indicated it wants to see February and March sales data before starting to reach conclusions on the effectiveness of the new measures.

The fact that mortgage approvals remain so strong will give the RBNZ plenty to think about ahead of its decision tomorrow on interest rates.

The central bank is expected to leave the Official Cash Rate at 2.5%.

However, because of the relative absence of inflationary pressures, the RBNZ is coming under increasing pressure to lower the rates - and it is widely expected to open the door to such reductions in tomorrow's statement.

A big concern for the RBNZ, though, would be what further rate reductions might do in terms of further fuelling the house market.