



## Media Release

### Gen Y racing to beat LVR restrictions

**Auckland, New Zealand, Thursday 12<sup>th</sup> September 2013:** Latest data from New Zealand's leading credit bureau shows house-buyers 28 years old and under are inquiring for mortgages at rates not seen in the last seven years.

Veda's Managing Director John Roberts says this is evidence that first home buyers have been shopping around for mortgages so they can buy before the low-equity home lending restrictions come into force on 1 October.

The data shows Gen Y inquiries for mortgages increased by a massive 51.25 percent in August compared with August 2012.

"We have never seen an increase in applications like this – the data is compelling evidence that first home buyers are trying to buy before the Reserve Bank restrictions effectively limit the number who can buy with a 10 percent deposit or less."

Mr Roberts believes the Reserve Bank's high loan-to-value ratio (LVR) lending will deliver a spike in borrowing and a spike in housing sales.

"With limited supply that means prices for first homes could well increase."

Veda's data also hints at how people may circumvent the LVR restrictions.

Personal loan inquiries increased by a significant 23.58 percent in August compared with August 2012.

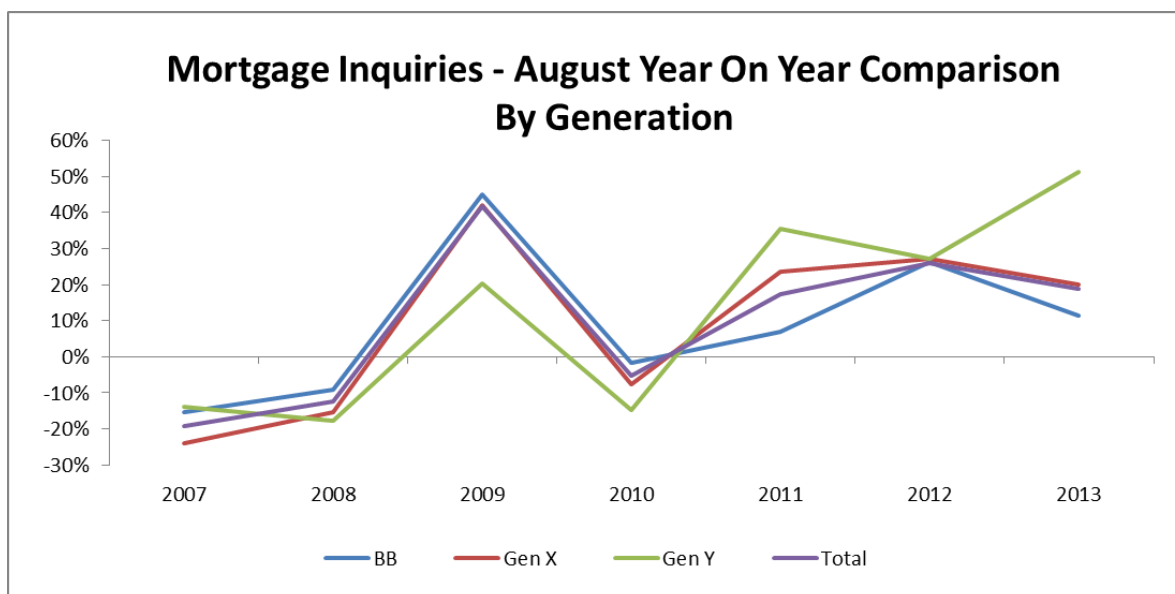
"It is well known that house buyers who don't have a large enough deposit to get a mortgage from a mainstream bank will borrow the deposit from a second tier lender – like a finance company."

"It's early days but indications are the Reserve Bank's high loan-to-value ratios may have limited impact on Auckland's housing bubble."

\*See graph below which depicts 51 percent increase in mortgage inquiries

\*Raw data cannot be released for commercial reasons

\*We are unable to provide regional breakdowns



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**About Veda**

Veda is Asia Pacific’s leading data intelligence and insights company and has been at the forefront of the information services industry for many decades.

Veda is built on the largest, most comprehensive and current data source in Australia and New Zealand. We hold more fit-for-purpose credit data than any other organisation in Australia and New Zealand. With information on over 19.4m credit active people and 4.2m companies and businesses in Australia and New Zealand. The breadth and depth of our data, and the knowledge it delivers help customers take a proactive and informed approach in making decisions.

Veda serves a diverse range of markets including large financial institutions, small to medium sized enterprises, and consumers. We provide services in areas of Consumer Credit Risk, Commercial Credit Risk, Credit Analytics, Data Solutions, Fraud and Electronic Verification, Insurance, Automotive, Customer Location Services and Commercial and Property Solutions.

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