

## NATIONAL

### NO LAST MINUTE RUSH FOR FIRST HOME GRANTS - SEPTEMBER MORTGAGE FIGURES

8 October 2009

Despite first home buyer grants being reduced at the end of last month, there was no last minute rush by first home buyers to buy property in September according to AFG, Australia's largest mortgage broker. AFG Mortgage Index shows that loans to first home buyers actually fell slightly from 20.9% in August to 20.0% of all new mortgages arranged in September – a figure in line with the previous three month's sales, and well below the peak of 28.1% recorded for first home buyers in March 2009.

Mark Hewitt, General Manager of Sales and Operations says: 'There was a lot of anticipation about a surge of first home buying activity in September – but this never materialised. It suggests that most of the demand had already been pulled forward as a result of speculation prior to the federal budget that the increased grants would not continue.'

AFG Mortgage Index also shows that the average mortgage reached \$360,000 for the first time ever in September. AFG reported the previous record high of \$354,000 as recently as July. The additional rise last month supports the view that both consumer confidence, as well as house prices, are on the rise.

AFG Mortgage Index shows an upturn in investment loans from 27.1% in August to 29.8% in September. Having spent most of the first half of 2009 well below the long term average of around 30%, this latest figure confirms returning confidence among property investors.

Property investment in NSW was head and shoulders above the rest of the country in September, with a massive 33.4% of all new loans arranged for investors. This figure compares with 29.6% for Queensland, 28.0% for WA, 27.9% for Victoria and 26.9% for South Australia.

Figures for each state are available at: [www.afgonline.com.au](http://www.afgonline.com.au) under Corporate - News.

#### ENDS

#### CONTACT DETAILS:

Mark Hewitt, General Manager Sales & Operations  
Australian Finance Group Ltd  
David Michie:  
Mosaic Reputation Management

Tel 9420 7880

Mob 0411 453 404



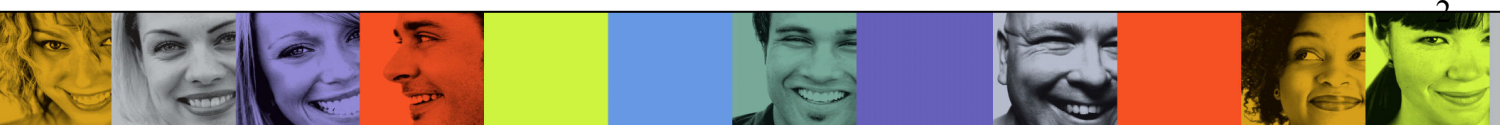
## AFG - First with the Figures

AFG MORTGAGES SOLD  
TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
Aug 08	5,770	\$1,908 m	\$330k	30.05%	13.3%	37.9%
Sep 08	6,231	\$2,102 m	\$337k	31.37%	14.4%	39.1%
Oct 08	7,003	\$2,473 m	\$353k	29.9%	16.4%	40.9%
Nov 08	7,003	\$2,421 m	\$345k	27.6%	22.0%	37.9%
Dec 08	6,304	\$2,220 m	\$352k	28.0%	21.2%	37.2%
Jan 09	5,607	\$1,903 m	\$339k	26.5%	25.8%	34.7%
Feb 09	7,673	\$2,674 m	\$348k	25.4%	26.1%	34.2%
Mar 09	8,988	\$3,153 m	\$350k	24.5%	28.1%	32.6%
Apr 09	8,109	\$2,822 m	\$348k	25.4%	27.7%	30.1%
May 09	7,236	\$2,496 m	\$345k	28.0%	24.8%	33.9%
June 09	7,062	\$2,482 m	\$351k	29.0%	19.5%	35.7%
July 09	7,021	\$2,486 m	\$354k	30.0%	19.2%	34.6%
Aug 09	7,653	\$2,659 m	\$347k	27.1%	20.9%	29.2%
Sep 09	8,078	\$2,909 m	\$360k	29.8%	20.0%	33.5%

AVERAGE MORTGAGE SIZE IN DOLLARS  
TABLE 2: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2008 07	341,883	417,551	310,818	273,698	313,487	372,227	-
2008 08	330,805	367,730	324,762	271,336	302,636	363,039	286,147
2008 09	337,384	400,879	321,878	274,764	298,972	369,002	315,811
2008 10	353,223	418,458	326,192	275,938	328,753	398,105	285,450
2008 11	345,751	381,793	331,241	283,430	316,554	400,680	313,650
2008 12	352,267	391,297	333,838	295,123	325,161	399,241	349,066
2009 01	339,407	398,842	322,887	288,037	293,364	372,320	297,334
2009 02	348,539	391,142	335,992	309,305	308,700	385,463	396,646
2009 03	350,876	395,690	329,326	301,893	317,342	382,913	317,444
2009 04	344,429	377,612	336,166	283,339	304,807	387,187	322,308
2009 05	345,080	390,092	326,322	275,802	314,607	379,398	280,705
2009 06	351,572	397,088	332,916	291,918	321,128	383,470	302,588
2009 07	354,137	407,226	339,840	270,179	321,671	382,225	370,518
2009 08	347,505	397,029	328,050	284,746	321,012	377,170	311,084
2009 09	360,223	419,232	335,063	309,075	325,328	391,058	340,080



**LOAN VALUE RATIOS**  
(Loan stated as % of property value)  
**TABLE 3: STATE BY STATE**

	<b>AUSTRALIA</b>	<b>NSW</b>	<b>QLD</b>	<b>SA</b>	<b>VIC</b>	<b>WA</b>	<b>NT</b>
<b>2008 04</b>	65.5%	72.0%	64.3%	63.6%	71.9%	55.5%	-
<b>2008 05</b>	65.7%	68.5%	64.8%	65.1%	70.9%	59.2%	-
<b>2008 06</b>	64.9%	70.0%	66.5%	64.1%	69.9%	54.1%	-
<b>2008 07</b>	66.4%	69.2%	65.1%	67.5%	69.9%	60.1%	-
<b>2008 08</b>	66.7%	71.5%	64.2%	68.0%	69.3%	60.2%	64.5%
<b>2008 09</b>	65.9%	70.5%	66.4%	63.0%	67.3%	62.1%	67.5%
<b>2008 10</b>	68.7%	71.5%	67.7%	68.7%	71.6%	63.7%	69.7%
<b>2008 11</b>	72.0%	75.4%	71.1%	71.8%	73.8%	67.8%	74.4%
<b>2008 12</b>	70.8%	74.9%	69.8%	68.4%	73.9%	67.1%	67.4%
<b>2009 01</b>	72.5%	75.4%	72.0%	69.9%	74.4%	70.8%	70.2%
<b>2009 02</b>	72.7%	76.6%	72.0%	69.6%	75.0%	70.6%	72.0%
<b>2009 03</b>	73.6%	76.2%	73.5%	72.4%	76.3%	69.8%	69.1%
<b>2009 04</b>	73.7%	75.6%	74.0%	71.8%	76.4%	70.5%	72.0%
<b>2009 05</b>	70.0%	72.0%	69.0%	67.0%	74.6%	67.3%	59.1%
<b>2009 06</b>	66.9%	71.5%	64.8%	63.9%	70.1%	64.2%	62.9%
<b>2009 07</b>	67.0%	71.1%	65.2%	65.1%	71.1%	66.5%	63.3%
<b>2009 08</b>	66.3%	70.7%	65.7%	65.3%	71.7%	66.0%	58.4%
<b>2009 09</b>	67.5%	70.2%	66.3%	66.5%	70.6%	67.1%	64.2%

**LOAN TYPE**  
**TABLE 4: ALL AUSTRALIA**

<b>MONTH</b>	<b>BASIC VARIABLE</b>	<b>EQUITY</b>	<b>FIXED</b>	<b>INTRO</b>	<b>STANDARD VARIABLE</b>
Oct 08	21.2%	14.6%	4.5%	8.1%	51.6%
Nov 08	21.9%	13.1%	3.2%	9.9%	51.8%
Dec 08	17.8%	13.5%	5.7%	12.7%	50.3%
Jan 09	17.1%	11.5%	4.1%	17.3%	50.0%
Feb 09	15.1%	11.8%	2.5%	21.8%	48.8%
Mar 09	15.4%	11.5%	3.7%	20.5%	48.9%
Apr 09	15.4%	9.9%	6.8%	14.4%	53.3%
May 09	16.2%	10.9%	6.5%	15.8%	50.2%
June 09	16.2%	11.7%	8.3%	14.3%	49.5%
July 09	15.0%	12.1%	5.0%	15.7%	52.1%
Aug 09	14.6%	11.9%	5.1%	17.7%	50.6%
Sep 09	13.7%	12.1%	3.2%	19.7%	51.3%

**DEFINITIONS:**

1. **Standard Variable:** includes the full range of features available.
2. **Basic Variable:** without some features, lower fees and rates.
3. **Intro:** also known as 'honeymoon' where the borrower is offered a very cheap initial rate (fixed or variable) before the loan reverts to a Standard Variable.
4. **Fixed:** interest rate is fixed for a nominated period before it reverts to a Standard Variable.
5. **Equity:** also known as 'line of credit' allows the borrower to draw out money up to a specified limit. Generally more expensive than Standard Variable loans.



## LENDER TYPE (SOURCE: ABS) TABLE 5: ALL AUSTRALIA

MONTH	BANK	NON BANK	TOTAL
2 <sup>nd</sup> quarter 2007	79.7%	20.3%	100%
3 <sup>rd</sup> quarter 2007	79.6%	20.4%	100%
4 <sup>th</sup> quarter 2007	85.4%	14.6%	100%
1 <sup>st</sup> quarter 2008	87.5%	12.5%	100%
2 <sup>nd</sup> quarter 2008	84.5%	15.5%	100%
3 <sup>rd</sup> quarter 2008	90.8%	9.2%	100%
4 <sup>th</sup> quarter 2008	91.8%	8.9%	100%
1 <sup>st</sup> quarter 2009	92.5%	7.5%	100%
2 <sup>nd</sup> quarter 2009	89.1%	10.8%	100%

### Note to Editors

AFG is Australia's largest wholesaler of mortgage finance. Established in 1994, the company now provides more than 20% of brokers nationwide with access to Australia's leading lending institutions, and has a mortgage book in excess of \$60 billion.

