

NATIONAL

SYDNEY INVESTORS DRIVE 19% MORTGAGE GROWTH: LATEST AFG FIGURES

13 January 2013

The volume of mortgages processed by AFG, Australia's largest mortgage broker, jumped by 18.9% in the second half of 2013. AFG's latest Mortgage Index, published today, shows that the company arranged \$21.7 billion in home loans during the second half of 2013 compared to \$18.3 billion in the first half. The July to December figure is 18.9% higher than for the first half of the year, and 27% higher than for the same period in 2012.

While the overall national picture shows very robust growth, significant differences were revealed between the different states. New South Wales showed the largest increase, with mortgage volumes in the second half of the year powering 33% above first half levels. In Victoria, the increase was 21%, Queensland 13%, Western Australia 8% and South Australia 6%.

Mark Hewitt, General Manager of Sales and Operations says: 'There's no question that New South Wales was Investment Central during the second half of 2013, with a lot of mortgage activity accounted for by Sydney-focused investors, upgraders and people looking to refinance. The dearth of first home buyers in NSW continues to be a long term concern. Even if investment activity levels in Sydney taper during 2014, elsewhere in the country we're seeing solid, sustainable growth, with first home buyers underpinning the long-term health of the markets, especially in SA and WA.'

The AFG Mortgage Index also shows that average Loan to Value Ratios – the value of a loan expressed as a proportion of the value of a property – fell to 67.3% in December, their lowest level since June 2012 (66.9%). This reflects the high proportion of activity by investors, who tend to have greater equity levels than first home buyers. States with stronger levels of first home buyer activity also had higher average LVRs – WA (71.3%) and SA (70.0%).

Full figures for each state are available at: www.afgonline.com.au in the News.

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AFG MORTGAGES SOLD
TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
Oct 12	7,719	\$3,103 m	\$402k	35.8%	15.4%	34.8%
Nov 12	7,831	\$3,094 m	\$395k	33.9%	12.9%	34.9%
Dec 12	5,912	\$2,376 m	\$402k	38.0%	12.5%	36.3%
Jan 13	5,893	\$2,261 m	\$383k	36.0%	13.2%	34.1%
Feb 13	7,480	\$2,956 m	\$395k	34.7%	12.9%	34.4%
Mar 13	7,898	\$3,181 m	\$402k	37.1%	12.9%	35.7%
Apr 13	8,005	\$3,200 m	\$399k	35.9%	12.4%	35.6%
May 13	8,921	\$3,608 m	\$404k	36.5%	13.6%	34.0%
June 13	7,575	\$3,079 m	\$406k	37.9%	12.8%	36.6%
July 13	8,482	\$3,407 m	\$401k	35.9%	11.6%	35.2%
Aug 13	8,767	\$3,613 m	\$412k	38.7%	11.3%	33.5%
Sept 13	8,660	\$3,624 m	\$418k	38.1%	11.3%	31.5%
Oct 13	9,597	\$4,057 m	\$422k	38.4%	11.1%	34.3%
Nov 13	9,162	\$3,994 m	\$436k	39.3%	10.3%	33.9%
Dec 13	7,213	\$3,054 m	\$423k	38.8%	10.2%	35.1%

MAJOR VS NON MAJOR LENDER MARKET SHARE
TABLE 2: BY BUYER TYPE

MONTH	TOTAL MORTGAGES		REFINANCE		FIRST HOME BUYERS		INVESTORS	
	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR	MAJOR	NON-MAJOR
2012 11	78.4%	21.6%	74.0%	26.0%	74.9%	25.1%	80.8%	19.2%
2012 12	77.4%	22.6%	74.0%	26.0%	77.6%	22.4%	80.7%	19.3%
2013 01	76.5%	23.5%	73.6%	26.4%	75.2%	24.8%	80.5%	19.5%
2013 02	78.1%	21.9%	73.7%	26.3%	78.2%	21.8%	80.1%	19.9%
2013 03	79.3%	20.7%	74.2%	25.8%	77.8%	22.2%	80.5%	19.5%
2013 04	78.9%	21.1%	74.7%	25.4%	75.2%	24.8%	80.4%	19.6%
2013 05	77.2%	22.8%	72.9%	27.1%	74.3%	25.7%	79.7%	20.3%
2013 06	75.1%	24.9%	70.4%	29.6%	74.6%	25.4%	77.9%	22.0%
2013 07	73.6%	26.4%	68.2%	31.8%	71.9%	28.1%	75.2%	24.8%
2013 08	74.9%	25.1%	66.8%	33.2%	73.7%	26.3%	77.9%	22.1%
2013 09	73.7%	26.2%	67.1%	32.9%	73.2%	26.8%	76.1%	23.9%
2013 10	74.9%	25.1%	69.6%	30.4%	73.1%	26.9%	76.3%	23.7%
2013 11	72.3%	27.7%	64.4%	35.6%	71.8%	28.2%	74.7%	25.3%
2013 12	73.6%	26.4%	68.3%	31.7%	70.8%	29.2%	75.9%	24.1%



AVERAGE MORTGAGE SIZE IN DOLLARS
TABLE 3 : STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2012 10	402,120	478,148	347,026	320,793	396,997	412,952	375,339
2012 11	395,149	473,172	348,444	315,773	379,949	403,944	365,993
2012 12	402,060	471,157	340,237	310,840	392,193	431,685	426,906
2013 01	383,810	443,931	342,836	325,629	376,871	394,396	355,608
2013 02	395,270	453,231	356,581	340,407	379,198	409,385	397,702
2013 03	402,848	477,063	349,322	333,937	385,252	414,583	352,875
2013 04	399,830	479,400	341,419	320,214	388,968	406,558	377,217
2013 05	404,452	486,232	348,914	308,103	382,428	420,735	399,894
2013 06	406,573	494,423	344,075	322,774	388,630	408,832	435,456
2013 07	401,749	487,312	341,665	321,050	387,300	397,351	435,998
2013 08	412,125	505,365	352,671	315,098	391,988	410,861	392,414
2013 09	418,550	507,859	357,343	324,148	397,162	421,761	374,346
2013 10	422,758	512,192	355,836	353,916	414,923	410,299	383,306
2013 11	436,002	529,136	360,296	338,946	427,537	436,015	399,299
2013 12	423,510	516,483	358,121	319,007	406,055	437,591	379,182

LOAN VALUE RATIOS (loan stated as % of property value)
TABLE 4: STATE BY STATE

	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2012 11	69.0%	67.5%	68.3%	72.1%	69.8%	71.6%	64.4%
2012 12	68.5%	66.7%	68.1%	66.9%	69.2%	70.8%	69.1%
2013 01	67.9%	64.9%	69.0%	67.3%	70.9%	70.8%	64.2%
2013 02	68.9%	67.3%	68.3%	68.8%	69.8%	71.2%	68.1%
2013 03	68.8%	66.8%	67.8%	68.3%	70.7%	70.0%	69.4%
2013 04	68.6%	67.3%	68.0%	68.9%	72.0%	70.0%	65.6%
2013 05	68.5%	66.5%	69.1%	68.1%	70.1%	70.8%	66.1%
2013 06	68.6%	66.3%	67.2%	69.9%	70.1%	71.4%	66.5%
2013 07	68.4%	66.2%	68.4%	68.9%	71.0%	70.9%	64.8%
2013 08	68.2%	66.6%	70.3%	67.8%	71.0%	71.8%	61.4%
2013 09	68.5%	68.0%	69.0%	68.5%	71.2%	73.8%	60.5%
2013 10	69.1%	66.4%	70.1%	71.1%	70.7%	71.7%	64.6%
2013 11	68.9%	65.5%	69.8%	68.6%	71.0%	70.7%	67.9%
2013 12	67.3%	65.4%	68.7%	70.0%	69.5%	71.3%	59.2%



LOAN TYPE

TABLE 5: ALL AUSTRALIA

MONTH	BASIC	EQUITY	FIXED	INTRO	STANDARD
Nov 12	8.7%	5.7%	21.6%	4.8%	59.2%
Dec 12	9.1%	6.3%	18.7%	2.6%	63.3%
Jan 13	9.0%	5.6%	16.3%	2.9%	66.0%
Feb 13	8.7%	5.2%	24.1%	4.3%	57.6%
Mar 13	6.1%	5.6%	29.6%	5.0%	53.7%
Apr 13	4.9%	6.2%	30.7%	4.9%	53.2%
May 13	5.3%	5.4%	28.5%	5.0%	55.8%
June 13	4.4%	5.8%	27.4%	5.2%	57.2%
July 13	4.5%	5.1%	28.9%	5.8%	55.6%
Aug 13	4.2%	5.6%	26.1%	5.6%	58.5%
Sept 13	3.4%	4.7%	27.3%	6.0%	58.5%
Oct 13	3.8%	4.6%	27.7%	5.3%	58.5%
Nov 13	3.7%	5.1%	27.9%	5.4%	57.8%
Dec 13	3.7%	5.2%	24.9%	6.4%	59.8%

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.

NOTE TO EDITORS

AFG is Australia's largest mortgage broker. 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 \$65 billion.

